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United States of America PROCEEDINGS AND DEBATES OF THE 104th CONGRESS, FIRST SESSION

SENATE—*Wednesday, September 6, 1995*

(Legislative day of Tuesday, September 5, 1995)

The Senate met at 9:15 a.m., on the expiration of the recess, and was called to order by the President pro tempore [Mr. THURMOND].

PRAYER

The Chaplain, Dr. Lloyd John Ogilvie, offered the following prayer:

Holy God, help us to be present to Your presence in every moment of this day. Fill this Senate Chamber with Your glory and Your grace. May we practice Your presence by opening our minds to think Your thoughts. Make this a day filled with surprises in which You intervene with solutions to our problems, creative compromises that lead to greater unity, and superlative strength that replenishes our human endurance. Fill us with expectancy of what You will do in and through us today.

We claim Isaiah's promise, "You will keep him in perfect peace whose mind is stayed on You."—Isaiah 26:3. Stay our minds on You so we may know Your lasting peace of mind and soul. You know how easily we become distracted. Often hours pass with little thought of You and Your will in our work. In those times, invade our minds, remind us You are in charge and that we are here to serve and please You. Keep our minds riveted on You throughout this day. Give us fresh experiences of Your unqualified love for us personally and Your unlimited wisdom for our deliberation and decisions. In our Lord's name. Amen.

RECOGNITION OF THE MAJORITY LEADER

The PRESIDENT pro tempore. The able majority leader, Senator DOLE, is recognized.

SCHEDULE

Mr. DOLE. Thank you, Mr. President. For the information of all Senators, the Senate will immediately resume consideration of the Defense authorization bill this morning. At 9:30, there will be at least two rollcall votes with the last vote being on passage of the Defense authorization bill. Following that vote, the Senate will resume consideration of welfare reform legislation. Further rollcall votes are therefore possible during the day's session. The first vote will be a 15-minute plus the 5, and then the second vote will be a 10-minute vote.

Let me indicate to many of my colleagues who seem to have an interest in going to Baltimore this evening to witness one of the great, historic moments in baseball with Cal Ripken, Jr., breaking Lou Gehrig's record, we are trying to work out some schedule where we could take up welfare reform and agree to have a vote on the Democratic alternative sometime early tomorrow morning. For those who do not proceed to the ball game, we could stay tonight and debate. We have not reached that agreement yet. We are working on it. I know Senator MIKULSKI and Senator SARBANES have a particular interest. We would like to accommodate our colleagues on both sides of the aisle whenever possible and this may be one of those times that we can work it out.

NATIONAL DEFENSE AUTHORIZATION ACT FOR FISCAL YEAR 1996

The PRESIDING OFFICER (Mr. CAMPBELL). Under the previous order, the Senate will now resume consideration of S. 1026, which the clerk will report.

The assistant legislative clerk read as follows:

A bill (S. 1026) to authorize appropriations for fiscal year 1996 for military activities of the Department of Defense, for military construction, and for defense activities of the Department of Energy, to prescribe personnel strengths for such fiscal year for the Armed Forces, and for other purposes.

The Senate resumed the consideration of the bill.

Pending: Nunn amendment No. 2425, to establish a missile defense policy.

Mr. THURMOND. Mr. President, I believe we will take up some uncontested matters at this time.

Mr. NUNN. Mr. President, I wonder if it would not be appropriate at this time to ask for the yeas and nays on the pending amendment, which is the missile defense amendment sponsored by myself and Senators WARNER, LEVIN, and COHEN.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

Mr. NUNN. Mr. President, I believe that we are now prepared to clear some more amendments. The first amendment is the Warner amendment, as I understand it.

Mr. WARNER. Mr. President, the Senator is correct.

AMENDMENT NO. 2461

(Purpose: To state the sense of the Senate on negotiations between the Secretary of Defense, the Secretary of Energy and the Governor of the State of Idaho regarding the shipment of spent nuclear fuel from naval reactors)

Mr. WARNER. Mr. President, I send an amendment to the desk and ask for its consideration.

The PRESIDING OFFICER. If there is no objection, the pending amendment is set aside, and the clerk will report.

The assistant legislative clerk read as follows:

The Senator from Virginia [Mr. WARNER], for himself, Mr. EXON, Mr. THURMOND, Mr. KEMPTHORNE, Mr. CRAIG, Mr. COHEN, Ms. SNOWE, Mr. SMITH, and Mr. GREGG proposes an amendment numbered 2461.

Mr. WARNER. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 570, between lines 10 and 11, insert the following:

SEC. 3168. SENSE OF SENATE ON NEGOTIATIONS REGARDING SHIPMENTS OF SPENT NUCLEAR FUEL FROM NAVAL REACTORS.

(a) SENSE OF THE SENATE.—It is the sense of the Senate that the Secretary of Defense,

● This "bullet" symbol identifies statements or insertions which are not spoken by a member of the Senate on the floor.

the Secretary of Energy, and the Governor of the State of Idaho should continue good faith negotiations for the purpose of reaching an agreement on the issue of shipments of spent nuclear fuel from naval reactors.

(b) REPORT.—(1) Not later than September 15, 1995, the Secretary of Defense shall submit to the Committee on Armed Services of the Senate and the Committee on National Security of the House of Representatives a written report on the status or outcome of the negotiations urged under subsection (a).

(2) The report shall include the following matters:

(A) If an agreement is reached, the terms of the agreement, including the dates on which shipments of spent nuclear fuel from naval reactors will resume.

(B) If an agreement is not reached—

(i) the Secretary's evaluation of the issues remaining to be resolved before an agreement can be reached;

(ii) the likelihood that an agreement will be reached before October 1, 1995; and

(iii) the steps that must be taken regarding the shipment of spent nuclear fuel from naval reactors to ensure that the Navy can meet the national security requirements of the United States.

Mr. WARNER. Mr. President, this amendment, by myself, is cosponsored by Senators EXON, KEMPTHORNE, THURMOND, CRAIG, COHEN, SNOWE, SMITH, and GREGG. It expresses a sense of the Senate that the Secretary of Defense and the Secretary of Energy and the Governor of Idaho should continue good-faith negotiations to reach an agreement on shipments of nuclear fuel from naval reactors and requires a written report on the status or outcome of the negotiations.

Mr. President, I urge my colleagues to support this amendment to require all parties to continue good-faith negotiations to reach an agreement to permit the resumption of shipments of spent nuclear fuel from naval reactors to the Idaho National Engineering Laboratory. I have joined with several other Senators to reach an agreement which we hope will encourage the parties on both sides who are negotiating this issue to resolve it as soon as possible, because of the serious implications to our national security.

In order to support the national security requirements of the United States, the Navy must be able to refuel and defuel nuclear powered warships. Because of an ongoing dispute between Idaho and the Department of Energy, shipments of spent nuclear fuel to the Idaho National Engineering Laboratory have been halted. This situation has rapidly reached a crisis level and must be resolved expeditiously. My amendment urges all parties to negotiate, in good faith, an agreement that would protect this vital component of our national security. The amendment also retains, if necessary, the option for Congress to take further actions in joint conference if warranted.

Mr. President, this is a very serious matter. Briefly, the background is that the State of Idaho has been receiving shipments for 38 years from the U.S. Navy of its spent fuel.

Without getting into the problem area, there are negotiations ongoing between the Governor of Idaho, such other officials within his administration, the Department of Energy, and the Department of the Navy. But I feel strongly obligated this morning to inform the Senate of the seriousness of these negotiations, and our sincere hope is that the matter may be resolved prior to the conference of the Armed Services Committees of the House and the Senate, because absent a resolution of this dispute between the three parties I just named, I feel it is incumbent upon the Congress of the United States to address the legislative solution.

Why? Because, for example, the preparations for refueling the U.S.S. *Nimitz* are now 3 months delayed and increasing. The Navy has fewer than the needed aircraft carriers today to meet its operational requirements, and I know from some personal experience nothing is more severe to the United States Navy than prolonged deployments of ships beyond their schedules away from home. It impacts most severely on readiness. It impacts also on the family situations of our Naval personnel and the like.

Likewise, the Navy is tying up commissioned ships; that is, ships still in commission, and requiring full manning on these ships since they cannot be defueled. Six ships will be tied up: *Gato*, *Whale*, *Puffer*, *Bergall*, *Flying Fish* at Puget Sound Naval Shipyard, and *Bainbridge* at Norfolk Naval Shipyard.

This also impacts the yard work. The representations from the Navy this morning indicate that up to 2,000 shipyard workers in the States of Washington, New Hampshire, Virginia, and Hawaii are subject to layoffs unless this matter is resolved in the very immediate future.

I thank all my colleagues for their support, especially the Senator from Idaho, Senator KEMPTHORNE, for his diligent efforts in reaching this agreement.

Mr. KEMPTHORNE. Mr. President, I am pleased to join Senator THURMOND, Senator WARNER, Senator CRAIG, and Senator EXON in cosponsoring the pending amendment. The pending language strikes the appropriate balance between the legitimate national security requirements of the Navy and the State of Idaho's sovereign right to protect its interests.

The amendment is a recognition that good-faith negotiations are currently underway and it is my hope that these talks will lead to an agreement that protects the interests of all the parties. I want to offer special praise to Governor Batt for his effort to establish reasonable criteria for an agreement to settle this very important issue.

Mr. President, the people of Idaho have a long, successful relationship with the Navy. The Navy has been a good neighbor in southeastern Idaho for over four decades and I want to see that relationship continue.

At the same time, the House and Senate at last seem to be moving forward with a serious plan to deal with the national problem of disposing of spent nuclear fuel. This is a very positive step for Idaho and the Nation and I want to urge my colleagues to keep working toward this solution.

Mr. THURMOND. Mr. President, I am pleased to add my support to this amendment which requires all parties to negotiate in good faith immediately with officials of the State of Idaho in order to resolve the current dispute which has resulted in halting shipments of spent nuclear fuel from the Navy.

I want to commend Senator WARNER, Senator KEMPTHORNE, and others for their diligent efforts in reaching this agreement. It is critical that the Navy be allowed to resume shipments of spent nuclear fuel immediately in order to enable the Navy to continue to defuel and refuel its ships. I hope that those involved in the negotiations on both sides of the issue will work in a spirit of cooperation which provides for a timely settlement because of the serious national security implications.

I support this amendment, recognizing that it provides for further legislation in joint conference should it be necessary. I am confident, however, that negotiating officials, recognizing the importance of reaching an agreement as soon as possible will resolve this issue in the near future.

Mr. CRAIG. Mr. President, I rise in support and as a sponsor of the amendment. It is absolutely crucial that the situation that has arisen over the fueling and defueling of fuels from the nuclear Navy be resolved.

This amendment, putting this body on record as supporting good faith negotiations between the Secretary of Defense and the Governor of Idaho for the purpose of pursuing an agreement on the issue of naval spent nuclear fuels, is a step in the right direction.

Idaho has always recognized the importance of a strong nuclear Navy defense deterrent. Idaho takes a back seat to no one when it comes to supporting the defense of this Nation.

At the same time, however, Idaho will not become a de facto spent nuclear waste repository. The facilities at the Idaho National Engineering Laboratory were never designed nor intended to be a permanent nuclear waste disposal facility. I will not stand for that to happen and will always fight to assure Idaho does not become a nuclear waste dump for the Navy and the Department of Energy.

This Nation must stand up and commit itself to addressing the final disposal of commercial, military, and DOE nuclear fuels. This amendment will go a long way to assure we reach the goal of a functioning Navy and Idaho does not become a permanent nuclear waste repository.

Mr. NUNN. Mr. President, I support the amendment. I think the Senator from Virginia has outlined it correctly in terms of the urgency of trying to find some solution to this. I commend him for sponsoring this amendment. I agree with him. At some point, we will have to legislate on this subject unless the parties can agree.

Mr. President, I believe we have a pending amendment, which is the Nunn-Warner-Levin-Cohen amendment. I ask unanimous consent that be temporarily laid aside so that we can handle these three or four amendments that have been worked out, at which time the pending amendment would then be the pending action.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. WARNER. Mr. President, I urge adoption of the amendment.

The PRESIDING OFFICER. Is there further debate on the amendment? If not, the question is on agreeing to the amendment of the Senator from Virginia.

The amendment (No. 2461) was agreed to.

Mr. WARNER. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. NUNN. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 2462

Mr. NUNN. Mr. President, on behalf of Senator LEVIN, I offer an amendment which would authorize the Army to use leasing agreements to modernize its commercial utility cargo vehicle fleet. This fleet is past the point of economically useful life and has become a significant training and operational maintenance fund. This program, using commercial practices to require essential commercial services, is in keeping with the spirit of acquisition reform.

I believe the amendment has been cleared on the other side.

Mr. WARNER. Mr. President, the Senator is correct. It has been cleared.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Georgia [Mr. NUNN], for Mr. LEVIN, proposes an amendment numbered 2462.

Mr. NUNN. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

At the appropriate point in the bill, insert the following:

SEC. . ENCOURAGEMENT OF USE OF LEASING AUTHORITY.

(a) IN GENERAL.—(1) Chapter 137 of title 10, United States Code, is amended by inserting after section 2316 the following new section:

"SEC. 2317. EQUIPMENT LEASING.

"The Secretary of Defense is authorized to use leasing in the acquisition of commercial vehicles when such leasing is practicable and efficient."

(2) The table of sections at the beginning of such chapter is amended by adding at the end the following new item:

"2317. Equipment Leasing."

(b) REPORT.—Not later than 90 days after the date of enactment of this Act, the Secretary of Defense shall submit a report to the congressional defense committees setting forth changes in legislation that would be required to facilitate the use of leases by the Department of Defense in the acquisition of equipment.

(c) PILOT PROGRAM.—The Secretary of the Army may conduct a pilot program for leasing of commercial utility cargo vehicles as follows:

(1) Existing commercial utility cargo vehicles may be traded-in for credit against new replacement commercial utility cargo vehicle lease costs;

(2) Quantities of commercial utility cargo vehicles to be traded in and their value to be credited shall be subject to negotiation between the parties;

(3) New commercial utility cargo vehicle lease agreements may be excuted with or without options to purchase at the end of each lease period;

(4) New commercial utility cargo vehicle lease periods may not exceed five years;

(5) Such leasing pilot program shall consist of replacing no more than forty percent of the validated requirement for commercial utility cargo vehicles but may include an option or options for the remaining validated requirement which may be excuted subject to the requirements of subsection (c)(8);

(6) The Army shall enter into such pilot program only if the Secretary:

(A) awards such program in accordance with the provisions of section 2304 of title 10 United States Code.

(B) has notified the congressional defense committees of his plans to execute the pilot program;

(C) has provided a report detailing the expected savings in operating and support costs from retiring older commercial utility cargo vehicles compared to the expected costs of leasing newer commercial utility cargo vehicles; and

(D) has allowed 30 calendar days to elapse after such notification.

(8) One year after the date of execution of an initial leasing contract, the Secretary of the Army shall submit a report setting forth the status of the pilot program. Such report shall be based upon at least six months of operating experience. The Secretary may exercise an option or options for subsequent commercial utility cargo vehicles only after he has allowed 60 calendar days to elapse after submitting this report.

(9) EXPIRATION OF AUTHORITY.—No lease of commercial utility cargo vehicles may be entered into under the pilot program after September 30, 2000.

Mr. LEVIN. Mr. President, last year Congress passed the Federal Acquisition Streamlining Act of 1995, in which we sought to reform Defense acquisition procedures and rely on more commercial products and processes for the Defense Department.

Consistent with Defense acquisition reform, this amendment authorizes the Defense Department to use commercial leasing practices to acquire commercial vehicles for the Army.

This will permit the Army to modernize its fleet of commercial utility cargo vehicles [CUCVs] without any new appropriated funds.

The Army has an old and expensive fleet of about 45,000 CUCV's. They need a fleet of only about 13,000 CUCV's, and can make significant savings on operation and support costs if they use newer vehicles.

The Army is short on funds for modernization of its vehicle programs, and has identified it as a priority area for modernization. This amendment could help the Army modernize its CUCV fleet at no additional cost.

The amendment is also strongly supported by the Army acquisition executive.

Mr. NUNN. Mr. President, I urge adoption of the amendment.

The PRESIDING OFFICER. If there is no further debate on the amendment, the question is on agreeing to the amendment.

The amendment (No. 2462) was agreed to.

Mr. NUNN. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. LEVIN. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 2463

(Purpose: To place a limitation on the use of funds for former Soviet Union threat reduction)

Mr. WARNER. Mr. President, I send to the desk an amendment on behalf of Senator KYL and ask for its consideration.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Virginia [Mr. WARNER], for Mr. KYL, proposes an amendment numbered 2463.

Mr. WARNER. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

At the appropriate place in the bill, insert the following:

SEC. . LIMITATION ON USE OF FUNDS FOR COOPERATIVE THREAT REDUCTION.

(a) LIMITATION.—Of the funds appropriated or otherwise made available for fiscal year 1996 under the heading "FORMER SOVIET UNION THREAT REDUCTION" for dismantlement and destruction of chemical weapons, not more than $52,000,000 may be obligated or expended for that purpose until the President certifies to Congress the following:

(1) That the United States and Russia have completed a joint laboratory study evaluating the proposal of Russia to neutralize its chemical weapons and the United States agrees with the proposal.

(2) That Russia is in the process of preparing, with the assistance of the United States (if necessary), a comprehensive plan to manage the dismantlement and destruction of the Russia chemical weapons stockpile.

(3) That the United States and Russia are committed to resolving outstanding issues under the 1989 Wyoming Memorandum of Understanding and the 1990 Bilateral Destruction Agreement.

(b) DEFINITIONS.—In this section:

(1) The term "1989 Wyoming Memorandum of Understanding" means the Memorandum of Understanding between the Government of the United States of America and the Government of the Union of Soviet Socialist Republics Regarding a Bilateral Verification Experiment and Data Exchange Related to Prohibition on Chemical Weapons, signed at Jackson Hole, Wyoming, on September 23, 1989.

(2) The term "1990 Bilateral Destruction Agreement" means the Agreement between the United States of America and the Union of Soviet Socialist Republics on destruction and non-production of chemical weapons and on measures to facilitate the multilateral convention on banning chemical weapons signed on June 1, 1990.

Mr. KYL. Mr. President, today, I rise to offer an amendment to the Defense authorization bill concerning the Cooperative Threat Reduction Program, commonly known as Nunn-Lugar. The purpose of this amendment is to require both the DOD and the Russians to get serious about chemical weapons destruction activities and to focus their efforts in a productive manner.

Of the $371 million requested for the Cooperative Threat Reduction Program with Russia and other former States of the Soviet Union, $104 million was requested for chemical weapons destruction.

Reducing the chemical weapons stockpiles of both the United States and Russia is an important goal. Chemical weapons and nerve agents are among the cheapest and most effective manner to kill people. The number of chemical-weapons nations has tripled from 8 in 1969 to as many as 26 today. Moreover, the Stockholm International Peace Research Institute has counted 15 separate cases of recent chemical conflict in the Third World.

The problem is that current CTR Program to reduce chemical weapons is ill defined and lacks focus.

The first purpose of my amendment is to withhold $54 million for a chemical weapons destruction facility until the completion of the joint feasibility study. This approach is consistent with the GAO report from June 1995 "Weapons of Mass Destruction, Reducing the Threat From the Former Soviet Union: An Update." In the report, the GAO noted,

> . . . the United States have yet to agree on the applicability of a technology to be used in chemical weapons destruction facility and may not do so until midway through fiscal year 1996. This uncertainty raises questions as to the program's need for the $104 million it is requesting in fiscal year 1996, in part, to begin designing and constructing the facility.

Agreeing on a destruction technology is important because Russia is currently proposing using a "neutralization" technology which would blend the chemical toxin with other chemicals in an attempt to neutralize the toxin. This is an unproven technology and will create two to three times the amount of chemical waste already in the inventory. The United States preferred technology is incineration, although that is not without its problems.

My amendment requires that the United States and Russia complete a joint laboratory study before the United States provides the balance of the $104 million for a controversial, unproven approach.

A second aspect of my amendment is the requirement that Russia agree, with United States assistance, to prepare a comprehensive plan to cope with the Russian chemical weapons destruction program. According to the GAO, the administration originally proposed this approach to the Russians. The current plan is to develop a proposal for each individual which will be involved in chemical weapons destruction—there are seven sites in Russia.

With a declared stockpile of 40,000 metric tonnes, the only way to manage the chemical weapons issue is to view the totality of the problem. The United States cannot be certain whether the proposals deal with the whole problem, unless a comprehensive, detailed plan is prepared. Further, the United States cannot be certain of its total financial obligation without a comprehensive plan.

The third aspect of my amendment is to require the President to certify that the Russians are committed to resolving outstanding issues under the 1989 Wyoming Memorandum of Understanding and the 1990 Bilateral Destruction Agreement.

The Wyoming MOU was intended to build confidence between the United States and Russia in the chemical weapons area and thus facilitate completion of the Convention on the Prohibition of the Development, Production, Stockpiling and Use of Chemical Weapons and on Their Destruction. This would be done by exchanging detailed and complete data about their respective chemical weapons programs and by testing inspection procedures.

Under the MOU, during the first phase, the countries are to exchange general data on their chemical weapons and make reciprocal visit to storage, production, and destruction facilities. In the second phase, the counties are to exchange detailed data on their chemical weapon stocks and verify this information through reciprocal on-site inspections. During this phase, each country is to provide the other with general plans for dismantling chemical weapons production facilities.

The first phase of the Wyoming MOU was completed in early 1991. The second phase of the MOU was delayed because of disputes between the two countries. In a report issued to Congress in January 1995 entitled "U.S. Assistance and Related Programs for the New Independent States of the Former Soviet Union," the administration was more forthcoming. The report says:

> . . . Phase I of the [Wyoming] MOU was completed in February 1991. Documents allowing for the second and final phase of the MOU were agreed upon at the January 1994 Moscow Summit. Russian implementation of Phase II has yielded problematic results. . . . The U.S. believe that several key question and concerns have not yet been resolved in Russia's data declaration. . . . The U.S. continues to have significant concerns about Russia implementation of the Wyoming MOU. . . . Russia still must take concrete steps to fulfill its commitment and resolve existing problems.

Although not yet ratified, the Bilateral Destruction Agreement requires each party to undertake not to produce chemical weapons and to reduce their chemical weapons stockpile to 5,000 agent tonnes. The principle issue holding up completion of the agreement concerns the conversion of former chemical weapons production facilities. Russia missed the December 1992 original target date for starting its destruction program. Currently, it has no comprehensive plan defining when and how the weapons will be destroyed. An unclassified ACDA report on arms control compliances merely notes that "questions remain on certain aspects of the Russian date declaration and inspections."

The Wyoming MOU and the Bilateral Destruct Agreement were intended to support and facilitate the Chemical Weapons Convention which would restrict members from developing, producing, acquiring stockpiling, retaining transferring or using chemical weapons, and require the destruction of those weapons within 15 years.

Although it is in our interest to have Russia agree to a verifiable Chemical Weapons Convention, how can the United States have any confidence in the integrity of the CWC, if Russia has failed to implement these two agreements? For these reasons, Mr. President, it is my intent that the Senate send a signal to Russia and the DOD to get serious about putting this important chemical weapons destruction program in place.

COOPERATIVE THREAT REDUCTION PROGRAM

Mr. THURMOND. Mr. President, I would just like to make some general comments about the Cooperative Threat Reduction Program, otherwise known as Nunn-Lugar.

To date, close to $1.6 billion has been authorized or appropriated for this program. Out of this amount, less than half of the funds have been obligated. Earlier this year, the Department of Defense told the committee that they expected to obligate around $860 million of the previous year's funding by the end of the fiscal year.

The committee has been supportive of this effort to help the Republics of the former Soviet Union dismantle and destroy their chemical and nuclear weapons stockpile. For various reasons, however, the Department has run into problems in managing the program, either through administrative problems on the United States side, or, as a result of not being able to conclude implementing agreements with Russia and the other Republics. I believe the program has been a useful political tool. However, I don't believe that the program has accomplished as much as the Department of Defense would lead one to believe. The Department of Defense says that the large number of reductions in Russia and the Republics are as a result of the assistance received through this program.

Mr. President, that can hardly be the case, when the majority of the funds for this program overall were not obligated until the latter part of 1994. I believe it is accurate to say that this program has been helpful in securing the reductions and return of the strategic nuclear weapons from the three Republics, Ukraine, Belarus, and Kazakhstan. Russia, however, achieved their reductions prior to entry into force of the START Treaty because it was in their economic interest to do so. By implementing the reductions prior to START entering into force, Russia was able to dismantle those items without having to declare them under the treaty and adhere to the dismantlement requirements of the treaty. A number of Members have been concerned with the slow rate of obligation of the Cooperative Threat Reduction Program. For that reason, the committee recommended a reduction from the President's budget request, and also agreed with the recommendation of the Senator from Arizona, to place limitations on the use of the funds, pending a Presidential certification regarding the progress of the chemical weapons dismantlement program.

Last week, the Senate Foreign Relations Subcommittee on Europe conducted two hearings on nuclear terrorism and proliferation. The majority of witnesses recommended that funds for this program, as well as the Department of Energy's companion program be substantially increased.

Mr. President, I believe that recommendation is premature, based on the track record of the Cooperative Threat Reduction Program. The committee will continue to pay close attention to the Department's management and obligation rate of the Cooperative Threat Reduction Program.

Mr. NUNN. Mr. President, this is an amendment that the Senator from Arizona had on the Defense appropriations bill. I believe it has been worked out. I worked with him on it. We modified some of its provisions.

I urge its adoption.

Mr. WARNER. Mr. President, the amendment would limit the use of funds authorized for the Cooperative Threat Reduction Program pending certification of the following: First, the United States and Russia have successfully completed a joint laboratory study evaluating the chemical weapons neutralization process; second, that Russia is in the process of preparing a comprehensive plan to dismantle and destroy its chemical weapons stockpile; and third, that Russia remains committed to resolving the outstanding issues regarding its compliance with the 1989 Wyoming memorandum of understanding and the 1990 bilateral destruction agreement.

This is a very important amendment. We urge its adoption.

Mr. NUNN. Mr. President, I urge adoption of the amendment.

The PRESIDING OFFICER. If there is no further debate on the amendment, the question is on agreeing to the amendment.

The amendment (No. 2463) was agreed to.

Mr. WARNER. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. NUNN. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 2464

(Purpose: To make various technical corrections and other technical amendments to existing provisions of law)

Mr. WARNER. Mr. President, I send an amendment to the desk in behalf of the chairman of the Armed Services Committee, Senator THURMOND, and ask for its consideration.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Virginia [Mr. WARNER], for Mr. THURMOND, for himself and Mr. NUNN, proposes an amendment numbered 2464.

Mr. WARNER. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

(The text of the amendment appears in today's RECORD under Amendments Submitted.)

Mr. WARNER. Mr. President, this amendment, on behalf of the chairman of the Armed Services Committee, makes certain technical amendments to the existing provisions of law. The amendment has been cleared on both sides. I urge its adoption.

Mr. NUNN. Mr. President, I urge the Senate to adopt the amendment.

The PRESIDING OFFICER. Is there further debate on the amendment? If not, the question is on agreeing to the amendment.

So the amendment (No. 2464) was agreed to.

Mr. WARNER. Mr. President, I move to reconsider the vote by which the amendment was agreed to. I move to lay it on the table.

The motion to lay on the table was agreed to.

Mr. SIMON. Mr. President, while I commend the work of the Senators involved in negotiating this compromise amendment on missile defenses, which is certainly an improvement over what is currently in the bill, I cannot support the amendment. By nature, compromises are never perfect, but they usually take the form of something each side can live with. In this case, I do not believe that the language in this amendment is something we can afford to live with.

Despite the changes, this proposal still commits us to the deployment in the near future of expensive and destabilizing missile defense systems. This is not the way we should be going. The time and energy the Senate has put into this issue would be much more wisely spent on ratification of the START II and chemical weapons treaties, which are sitting in the Foreign Relations Committee. The proponents of robust missile defenses argue that the end of the cold war makes obsolete arms control treaties negotiated in that area. I could not disagree more. The way to a more secure United States and a more peaceful world is through building on our arms control treaties, not destroying them.

This amendment, while designed by its authors to be compliant with the ARM Treaty, moves us in the direction of fundamentally altering or even withdrawing from the treaty. The AMB Treaty is a cornerstone of our arms control policies, and I believe we must retain its integrity, especially to ensure Russian ratification and implementation of START II. Putting at risk this ratification makes us less safe, not more.

I am also concerned about the costs of deploying national missile defenses, which has not entered into this debate to the extent it should. By one estimate, it could cost some $100 billion, and the way weapons systems go, like the B-2, it is not hard to imagine the costs soaring higher. Many of the proponents of this star wars-like deployment joined me in supporting the balanced budget amendment, but have not explained how they would reconcile that goal with the huge costs of this program.

I recognize the choices that had to be made on this issue, and Senators NUNN and WARNER got the best deal that they could. But when Senator WARNER says that the amendment sets a clear path to deployment of national missile defenses, I have no choice but to oppose it.

Mr. COCHRAN. Mr. President, I commend my colleagues who were involved in drafting this amendment on missile defense. The hard work that went into the crafting of this compromise is strong evidence of both the importance of the issue and the dedication of the members and staff who spent many days and nights attempting to defense common ground on this critical issue. Their efforts, and the several votes we have already had on the fiscal year 1996 Defense authorization and appropriations bills regarding missile defense will be viewed one day as the turning point in the debate on defending America and American interests against ballistic missile attack.

There are elements of this compromise that I am satisfied with. For example, section 232(9) contains the following language: "Due to limitations in the ABM Treaty which preclude deployment of more than 100 ground-based ABM interceptors at a single site, the United States is currently prohibited from deploying a national missile defense system capable of defending the continental United States, and Hawaii against even the most limited ballistic missile attacks." While some might find virtue in being defenseless against even the most limited of threats—a threat not even contemplated during the negotiations of the ABM Treaty—I do not. This defenselessness can only serve as an invitation to those with interests that are hostile to our own to develop or acquire the capability to put the United States at risk from long-range ballistic missiles. That this amendment recognizes our inability to defend against even a limited threat should be regarded as progress.

The recent revelations about Saddam Hussein's weapons program should teach us that we won't ever know as much about some ballistic missile and weapons of mass destruction programs as we think we do. Combine this with the cavalier export control regimes of other countries currently possessing these weapons and delivery systems, and the oft-stated 110 years until the United States could be threatened by long-range missiles sounds more like wishful thinking than dispassionate analysis.

I have three major concerns with this amendment:

First, unlike the committee-reported bill, the amendment does not require the deployment of a national missile defense system capable of defending all of the United States against even the most limited of threats. This must change. We have been engaged for too long in developing for deployment the necessary systems. Instead of committing to deploy an NMD system against a limited threat, this amendment commits to more procrastination. We've had enough of this, and anything short of a commitment to deploy is unacceptable.

Second, section 238 of the amendment prohibits the use of funds to implement an ABM/TMD demarcation agreement with any of the states of the former Soviet Union which is more restrictive than that specified in section 238(b) without the advice and consent of the Senate or enactment of subsequent legislation. This funding prohibition is fine, as far as it goes; unfortunately, it does not go far enough. The amendment is silent on the possibility that the administration could enact a more restrictive demarcation unilaterally. In essence, the amendment tells the administration that if it wants to have a more restrictive demarcation standard than that spelled out all it has to do is announce the standard unilaterally, without Russian agreement. This amendment would not prohibit the use of funds by the administration if it were simply to take the current Russian proposal on demarcation and adopt it as the unilateral position of the United States. To go one step further, as written this amendment would allow both the United States and Russia to adopt the same Russian proposal unilaterally without triggering the prohibition on the use of funds in section 238(c). If we are not willing to permit, as part of a bilateral or multilateral agreement, a more restrictive demarcation standard than that specified in the amendment, why should we be willing to allow the adoption of a more restrictive standard unilaterally?

Third, prior to deployment of a national missile defense system capable against a limited threat, section 233(3) of the amendment mandates congressional review of, "(A) the affordability and operational effectiveness of such a system; (B) the threat to be countered by such a system; and (C) ABM Treaty considerations with respect to such a system." In addition to the fact that section 233(3) (A) and (B) are unnecessary restatements of a basic purpose of each year's Defense authorization and appropriations bills for all defense programs, the requirement in section 233(3)(C) is completely backward. Instead of requiring review of the effect of defending America on the ABM Treaty, we ought to review the effect of the ABM Treaty on defending America. The defense of our country is more important to me than the defense of a treaty that puts our country at risk.

There are other parts of the amendment in need of improvement, though they are of lesser importance than the problems I've already raised. I'll conclude by making four observations: First, notwithstanding the desire by some to ignore the threat posed to the United States by weapons of mass destruction and their ballistic missile delivery systems, this threat is serious and we cannot continue to procrastinate over employing the means at hand to reduce this threat. Second, a national missile defense against a limited threat would in no way undermine United States-Russian deterrence, and would only enhance deterrence of rogue nations or groups with interests contrary to those of the United States, all of whom are limited by scarcity of funds. We would do well to pay close attention to what Secretary Perry said recently, that, "The bad news is that in this era, deterrence may not provide even the cold comfort it did during the cold war. We may be facing terrorists or rogue regimes with ballistic missiles and nuclear weapons at the same time in the future, and they may not buy into our deterrence theory. Indeed, they may be madder than MAD." Third, however the Russian Duma acts on the START II Treaty, its decision will be based on many factors, only one of which is their perception of United States actions with regard to the ABM Treaty. It is incorrect to suggest that Duma ratification of START II is based solely on our ballistic missile defense legislation, and the Senate cannot allow itself to be held hostage by threats of retaliation by the Duma. Fourth, the missile defense provisions in the underlying bill will not violate the ABM Treaty unless the administration takes no action to modify the treaty. Indeed, Secretary of State Christopher made this point in an August 14, 1995 cable, where in talking points provided for selected U.S. embassies he said, "The provisions as proposed by the Senate Armed Services Committee call for deployment of a national, multiple-site missile defense that, if deployed, without treaty amendment, would violate the ABM Treaty." Secretary Christopher is saying that a multiple-site NMD system could be made ABM Treaty-compliant by simply amending the treaty. The assertions that have been made on this floor and by administration officials that, in and of itself, the underlying bill violates the ABM Treaty, are wrong. If you don't want to take my word for it, ask Secretary Christopher.

I think the amendment weakens the committee-reported Missile Defense Act of 1995, but having said that it is important to get this bill to conference where we will have an opportunity to improve these provisions.

Mr. DOLE. Mr. President, 1 month ago I rose to support the Missile Defense Act of 1995, as the Armed Services Committee reported it. It seemed to me to be just about the right response to the growing threat of weapons of mass destruction and ballistic and cruise missiles. Frankly, I was a bit surprised by the vehemence with which some of my colleagues opposed the bill once it came to the floor.

Many Americans are unaware that right now, America is defenseless against ballistic missiles. If that fact were better known, I think many Americans would be very angry that the Missile Defense Act of 1995 ran into so much opposition from the Clinton administration and some of my colleagues on the other side of the aisle.

But the fact is that our choice—the choice of those who want to protect America from this growing threat—was between this revised amendment or no bill at all. Given the other important aspects of this bill, and given Saddam Hussein's recent revelations, we chose to work things out and to take a step toward defending America—although it is not as big a step as we wanted. Nevertheless this amendment is a step forward and, let us not forget, we will have an opportunity in conference with the House to make modifications.

In any case, there can be no doubt that this bill and this amendment take concrete steps toward establishing effective theater and national missile defenses.

On the essential question of national defense, this amendment establishes as U.S. policy the deployment of a multiple-site national missile is operationally effective against limited, accidental, or unauthorized ballistic missile attacks on the territory of the United States—a defense system that can be augmented over time to provide a layered defense. The Secretary of Defense is instructed to implement this policy by developing a national missile defense system—consisting of ground-based interceptors, fixed ground-based radars, and space-based sensors—capable of being deployed by the end of 2003.

Unlike some of my colleagues who still believe that the cold-war-era ABM Treaty defends America, I believe that nothing short of the development and deployment of an effective national missile defense system will truly protect America against the threats of the 21st century.

The recent revelations by Saddam Hussein—that the Iraqis filled nearly 200 bombs and warheads for ballistic missiles with biological and toxin weapons—should drive this point home.

With respect to the ABM Treaty, this legislation calls for a year of careful consideration on how to proceed with the ABM Treaty in the longer term. During that time the President could and should seek to negotiate with Russia a mutually beneficial agreement that will allow the United States to proceed with multiple-site deployments. Furthermore, this legislation prohibits the use of funds to implement an agreement limiting theater missile defenses—which were never limited by the ABM Treaty—without the advice and consent of the Senate. This was intended to address to the very real concern that the administration has not abandoned the ill-conceived course of negotiating changes to the ABM Treaty that would restrict theater missile defenses despite oft-stated and deep-seated Senate objections.

This legislation also establishes a theater missile defense core program and a cruise missile initiative that focuses our resources on deploying effective systems that are needed right now to defend, American interests around the globe.

Mr. President, this amendment does not achieve all of the objectives I would like to have seen achieved. However, it does take firm, tangible steps toward defending America—most importantly by setting a goal of 2003 to deploy a multiple site, effective defense of the United States of America. On this there cannot be and will not be any compromise. We will have a conference with the House. And if the conference report that is worked out is acceptable and is passed by the Congress, the responsibility will be with the President to sign this bill so that defending America becomes the law of the land.

HANS BETHE WARNED OF THIS

Mr. MOYNIHAN. Mr. President, at a point in our history when we have successfully avoided the Armagedonnic catastrophe of nuclear confrontation and have began the sensible process of limiting nuclear warheads by treaty, the Senate proposes to adopt a bill that could resurrect the nuclear arms race, and, in the process, jeopardize 23 years of arms control treaties. The Armed Services Committee has presented the Senate with a bill that proposes a national ballistic missile defense system. The Congressional Budget Office estimates this is a $48 billion proposition.

Can we in good conscience embark on a project to doubtful feasibility and enormous cost, which only addresses one of many nuclear threats? Potential adversaries will simply channel their resources into producing delivery vehicles that the system could not defend against; submarines, cruise missiles, stealth aircraft, terrorists car bombs.

In 1977, Prof. Hans Bethe of Cornell University, one of the most distinguished figures of sciences in the nuclear age, during a visit to my home in upstate New York, warned me that such a plans would 1 day be presented to the Senate.

On March 23, 1983, with little attention given to the technical details, President Reagan proposed an initiative which became known as the strategic defense initiative [SDI]. We have yet to work out the technical details of a national missile defense system. Yet there are those in this body who appear to be bent on deploying some remnant of the SDI, without regard to the potential threats that exist, or the costs involved.

In testimony to the Foreign Relations Committee in 1992, Dr. Bethe elaborated on his objections to deploying such a system. I ask unanimous consent that an excerpt from the transcript of that hearing be printed in the RECORD.

There being no objection, the excerpt was ordered to be printed in the RECORD, as follows:

HEARING BEFORE THE COMMITTEE ON FOREIGN RELATIONS, FEBRUARY 25, 1992

Senator MOYNIHAN. I recall that 15 years ago, Dr. Bethe, you and Mrs. Bethe very graciously came to lunch, and you tried to warn me against something I never heard of. I really didn't know what you were talking about. It turned out to be Star Wars.

You described, as I recall, having me with a Soviet physicist in a conference in Rome or some such place and you both agreed that there were those people who thought one could have a small nuclear device explode in space and send out a laser beam that would zap something on the other side of the universe. You both agreed that it was crazy but that there were plenty of crazy people in both our countries and they were likely to try it. You were not wrong.

But now we are further down in our notions. Brilliant Pebbles I think is the most recent formulation.

Do you think we should pursue this kind of anti-missile technology at this level? I know that you thought at the grand level it would not prove coherent, and it did not. But might it at a lower level? Did you have any thoughts for us on this?

Dr. BETHE. I have a strong opinion on Star Wars. I thought it was misconceived from the beginning, and by now I think there is no reason at all to pursue it or to pursue any variation of it.

Senator MOYNIHAN. Or to pursue any variation of it.

Dr. BETHE. The Brilliant Pebbles, in contrast to the X-ray laser, are likely to be technically feasible. But I am terribly nervous about having 1,000 such devices cruising about above the atmosphere. One of them might hit an asteroid. They tell me and I think they are right that they have precautions against that. But I believe that the only thing that should be done is research. That should continue. But we should not deploy any of these devices.

Senator MOYNIHAN. Did I hear you correctly when you said that it might hit an asteroid?

Dr. BETHE. Yes.

Senator MOYNIHAN. I thought for a moment you had said "astronaut." But it might be both or either, for that matter, if it comes to it.

May I say to the Chairman and to my colleague, Senator Robb, that in 1977, Hans Bethe on our back porch in upstate New York, said one of these days some crazy scientist is going to come along to you fellows in the Senate and say I have a plan whereby we put these nuclear weapons in place all over the atmosphere and at a certain point we detonate them and they produce a laser and it goes zap. And he said it's coming and when it comes, tell those people they are loony.

Well, it came, just as he predicted. In 1945, he wrote that the Soviets could have the bomb in 5 years; they got it in 4. After our luncheon in 1977 we got Star Wars in 5, I think.

We could have saved ourselves a lot of grief, it seems to me, if we had listened to you in the first place. You know, the people who built these bombs know something about how they work. Dr. Bethe, you've even suggested you could go down into the basement and turn uranium into reactor fuel. It is not that much of a technical feat.

But you would keep the research going on the general principle that you ought to know as much physics as you can but leave it on the ground and not deploy any Brilliant Pebbles or Sullen Sods or whatever.

Dr. BETHE. I think we should not deploy any of this. I think even if they are effective, everybody has agreed that they are no good against a strong enemy like the Soviet Union used to be. I think it would be a mistake to deploy such devices against accidental launch of Third World countries.

Is that the answer you wanted?

Senator MOYNIHAN. Yes. I wanted your view, but that was the question I wanted answered. Yes.

Does Ambassador Nitze have a different view?

Ambassador NITZE. I think the terms involved are very confusing and are not precisely defined. With respect to the interception of shorter-range ballistic missiles, for instance, such as the Patriot missile, which was used during the Gulf War, I think that is an important thing which one should continue to develop.

Dr. BETHE. [Nods affirmatively.]

Senator MOYNIHAN. I think you are getting agreement from your colleague at the table. But those are ground-based or at least based within the atmosphere.

Ambassador NITZE. They are ground based, the Patriot missile. I think most of the devices which might be used against, for instance, shorter-range things, such as SCUDS, would be ground-based. But there are some that are not.

The man who really invented Brilliant Pebbles—I forget his name—now works at Los Alamos and he believes that one ought to go for something which he calls "burros," being the stupidest animal around. Instead of having these bright interceptors, you have ones with low capability but which would be very good against shorter range missiles, which would be in the lower atmosphere. I think he may be right about that.

So if there are ways and means of dealing with the shorter range threats, which the Saddam Husseins or the Iraqis and so forth are capable of, I think we ought to be willing to deploy those in the event the technology works out.

So it's a question of I want to know precisely what it is that we are talking about when we say don't do it or do do it.

Senator MOYNIHAN. Dr. Bethe does not seem to disagree with that.

Dr. BETHE. I agree that it would be good to have an effective means against shorter-range missiles. Brilliant Pebbles is not the right thing, and I believe some knowledgeable people think that we can have such a device. When we see one, I am in favor of it.

Senator MOYNIHAN. Thank you very much.

Mr. MOYNIHAN. Mr. President, George P. Shultz recounts in his biography "Turmoil and Triumph" that SDI was President Reagan's own idea but that the plan was announced after a favorable endorsement from the Joint Chiefs of Staff. Then Secretary of State Shultz reports that when Lawrence Eagleburger informed him that the Joint Chiefs of Staff had told the President that a strategic defense system could be developed, the Secretary responded, "The Chiefs are not equipped to make this kind of proposal. They are not scientists." Of course, when the scientists were consulted, it was concluded it could not be done.

Finally, consideration must be given to the possible response of Russia to our actions. The original bill would have required us to abrogate the ABM Treaty. If we were to break the ABM Treaty unilaterally, it is clear that Russia would respond by rejecting START II. This amendment still proposes that if the Russians do not agree to modify the ABM Treaty to allow us to deploy a national missile defense system that consideration be given to United States withdrawal from the ABM Treaty. Russian nationalists would certainly be pleased if we would do so.

My point is simply that the national missile defense system envisioned in this bill will only be effective against limited ballistic missile attacks. Limited is not defined, but it is unlikely that it might be referring to a capability of defending against 1,400 ballistic missiles launched simultaneously? We can wipe out 1,400 ballistic missiles; not with a ballistic missile defense system, but with a treaty. The START II Treaty. Treaties can go a long way to protecting us against nuclear weapons. If we jeopardize ratification of START II, we risk a lot for this limited ballistic missile defense system.

MISSILE DEFENSE

Mr. INHOFE. Mr. President, during the August recess, I had about seven events each day and never passed up the opportunity to let them know about the most critical threat facing America today—missile attack. I spoke about the fact that the actions we take today will directly affect the kind of defense posture our country has in 5 to 7 years.

The danger we face is real. Yet I was surprised and shocked at the ambivalence and lack of understanding that exists concerning this vital issue. Many people simply do not realize—and are themselves shocked to be told—that our country today has no missile defense system in place capable of protecting American cities from long range missile attacks.

I estimated that perhaps most Oklahomans were not readily aware of some of the basic terms of the debate currently going on in Washington about the important missile defense provisions of the current defense authorization bill.

I would suggest that part of the reason for this has to do with the media, particularly the national media, most of which has either not adequately focused on this issue or has skewed it in such a way as to downgrade its importance. But there are also similar problems with the local media.

For example, in Oklahoma there are two major daily newspapers, the daily Oklahoman and the Tulsa World. Their differences reflect similar disparities in the national media.

The Tulsa World reflects a consistent liberal view of the world, one which favors the expansion of the role of government in almost every area except defense. Their left-leaning editorial view tends to distort the reality of significant issues such as missile defense.

The daily Oklahoman, on the other hand, much more clearly reflects the conservative social and economic values of Oklahomans. It is a larger paper and provides a much more realistic approach to issues such as national defense.

During the past month, each of these papers had major editorials on the threat of missile attack. There is quite a difference in their approach. I think it will be instructive for my colleagues to examine these editorials and ponder how the media is shaping the debate about vital issues facing our country.

I therefore ask unanimous consent that the two editorials I mentioned concerning missile defense—one from the Tulsa World and one from the daily Oklahoman—be printed in the RECORD.

There being no objection, the editorials were ordered to be printed in the RECORD, as follows:

[From the Oklahoman, Aug. 20, 1995]

FOR THE COMMON DEFENSE

The Clinton administration's attachment to a pair of international agreements has the potential to weaken U.S. defenses against a foreign attack.

President Clinton last week announced the United States would cease future nuclear weapons tests in hopes of energizing stalled talks aimed at producing a worldwide test ban.

At the same time, Clinton's threatened veto of the defense authorization bill—because it orders development of a national missile defense system—is behind efforts to water down the missile defense part of the bill.

It's a double-whammy for U.S. national security.

First, although declaring a U.S. nuclear test ban looks great on television and might evoke comparisons with John F. Kennedy (something Clinton wouldn't mind), it's quite a leap of faith minus guarantees the Russians will do likewise.

Also, Pentagon officials are concerned a test ban will make it impossible to guarantee the reliability of America's 7,000 nuclear weapons. Sen. John Warner, R–Va., says doubt about the U.S. arsenal could even invite a nuclear attack.

Alarmingly, it appears Clinton cares more about reviving world test ban talks than he does about protecting the United States.

Concerning national missile defense, the Senate bill mandates a system to protect the country from deliberate or accidental missile attack. But Clinton has threatened a veto, saving it would violate the 1972 Anti-Ballistic Missile Treaty signed with the then-Soviet Union.

Recently four senators proposed an amendment to allow missile defense planning but delaying deployment pending congressional review. It also would permit the president to negotiate changes in the ABM treaty to allow a missile defense.

Sounds pretty good, but some analysts say the amendment, which will be voted on when Congress returns from its August recess, could be a subtle way to kill a missile defense system.

Baker Spring of the conservative Heritage Foundation says the amendment's delaying aspects would allow Clinton, who opposes missile defense, "to strangle programs in the crib." Spring says it seems as if "we're saying the ABM treaty comes first, the defense of the nation comes second."

Finally, Clinton argues two mutually exclusive ideas. First, he says existing nuclear weapons can defend America, making a missile defense unnecessary. Then he says the United States will quit the testing that ensures the reliability of current weapons systems. Huh?

Clinton can't have it both ways. The Senate should insist on moving ahead with a missile defense program.

[From the Tulsa World, Aug. 14, 1995]

PORK, REPUBLICAN STYLE

Right-wing Republicans in Congress are pushing a bill that would force the Pentagon to develop a multi-site national missile defense system by 2003. This is the latest incarnation of the Star Wars program, a science-fiction anti-missile system that blossomed during the Reagan administration.

There are many reasons why this outrageously expensive scheme should be put to sleep once and for all.

First, it would have to work perfectly in order to protect American cities and military bases from nuclear weapons. It would do little good to knock down 19 out of 20 nuclear-tipped missiles aimed at, say, New York. The 20th bomb would do the job. Anyone who works with computers and other electronic equipment knows from personal experience that this goal of perfect performance is impossible.

Even if science could find a perfect way to frustrate a missile weapons system with a 100-percent success rate, the same science could just as easily find the means to frustrate the anti-missile system. So, the next logical step would be an anti-anti-missile system, a weapon to knock out or to disable the anti-missile defense system. It wouldn't have to be disabled completely—just enough to get a few nuclear devices through the "shield."

But there are more urgent reasons why this is a bad idea. It would violate the 1972 anti-ballistic missile treaty with the former Soviet Union. This pointless provocation does not reduce the risk of nuclear war. It increases it.

Finally, it is an insult to the budget-balancing process. It is unbelievable that this wasteful scheme is being advanced at the same time Americans are being asked to accept cuts in such things as education, care for the elderly and medical help for the poor.

John Isaacs, spokesman for an arms control advocacy group, explained part of the problem: "Defending pork is a bipartisan pastime. It is endorsed by both Democrats and Republicans."

Star Wars is the right-wing Republican version of pork.

Mr. INHOFE. Mr. President, some of my colleagues who have been complaining about the liberal eastern media should be aware that there are similar problems and concerns reflected in the local media in the very heartland of America.

As we approach a vote on the missile defense provisions of the defense bill which have been worked out among our colleagues on both sides of the aisle, I want to commend Senators for their good-faith efforts to reach a compromise on this very complex and contentious issue.

I supported the wording of the original bill that came out of the committee as a good start which recognized the threat and put us on the road to providing the real missile defense we need.

While I will vote in favor of the new compromise provisions, I am not pleased with the weakening of language and goals that this compromise represents. I am very hopeful that the language can be significantly strengthened when we get to conference.

We started out saying that we would deploy a national missile defense system. Now we are just going to develop for deployment a national missile defense.

This compromise urges deployment of theater missile defenses to benefit our deployed troops and allies, but only allows a missile defense for the American people to be developed for deployment.

We began by simply calling for highly effective missile defenses; we have now required that they be affordable missile defenses.

No one wants to waste money. But how will affordability be defined? How do we put a price on defending America from missile attacks?

The truth is that the term "affordable" will simply be used as a club by opponents of missile defense for whom the price of security is always too high.

The term "cost effective" will just be used to fight every dollar that we try to spend on missile defense from now on.

Cost effectiveness should not even be an issue—the destruction by one bomb of a single building in Oklahoma City cost $500 million. Imagine how much a limited strike by nuclear weapons will cost.

We claim to recognize that the era of mutual assured destruction is over. But instead of recognizing the reality that the ABM Treaty is a relic of the cold war and mutual assured destruction, this compromise requires negotiations with the Russian Government within the context of the ABM Treaty before we defend the American people from attack.

This is a much smaller step forward than it should have been. We should stop talking about developing options, and begin to deploy a national missile defense system.

The American people must know that the threat we face in the very near future is real and it affects all of us. It would be the height of irresponsibility if we were not prepared to meet this reality.

The challenge before us is to face the facts. Former CIA Director James Woolsey, who served in the Clinton administration and is no partisan advocate, has told us bluntly: Up to 25 nations either have or are developing weapons of mass destruction and the missiles to deliver them.

The CIA currently tells us that North Korea is now working on a long-range missile—the Tapeo Dong II—which may be capable of reaching Alaska and Hawaii within 5 years.

These are serious challenges. It is our duty to face them now and not blind ourselves by rationalizing that we can wait 10 more years or 20 more years. If we do, it may well be too late.

So it is my hope that when the defense bill gets to conference we will be able to strengthen the language so that we make it clear that we are proceeding on a course which will put in place a national missile defense system within 5 to 7 years.

In my mind, this is the least we can do to meet our highest constitutional obligation—the one without which no other obligations have any meaning—to provide for the common defense—the protection of our people, our freedom, and our country.

Mr. KYL. Mr. President, today, the Senate is considering the bipartisan compromise on ballistic missile defenses [BMD]. Although two key amendments by opponents of BMD were voted down by the Senate on August 3 and 4, the bipartisan amendment is necessary in order to advance the Department of Defense authorization bill and to bring it to a conference with the House.

I supported the original version of the bill submitted by the Armed Services Committee. The original version set a proper course for deployment of theater and strategic ballistic missile defenses on a time-line commensurate with the potential threat. Additionally, the original language repudiated the ABM Treaty and its philosophical basis, mutual assured destruction, by declaring that it is the policy of the United States that the two are "not a suitable basis for stability in a multipolar world."

Though I am not at all entirely pleased with the compromise language, the present version does preserve the fundamental principles of the original bill: immediate deployment of theater missile defenses; the possibility of multiple site national missile defense deployments; layered defenses; and review of the ABM Treaty. The new language differs from the original bill in three sections. I hope that these differences, which are as follows, are addressed by the conferees.

First, the compromise calls for the United States to embark on a program to develop for deployment a national missile defense system. This characterizes the research we have undertaken for the last 12 years and changes nothing with respect to our Nation's commitment to deploy defenses. The original bill clearly called for deployment of a national missile defense system and is a more proactive statement of congressional intent to deploy a national missile defense system rather than to conduct research forever.

The threat facing the United States, its allies and troops abroad by the proliferation of ballistic missiles mandates that we move forward toward deploying ballistic missile defenses. In a March 1995 report, "The Weapons Proliferation Threat," the Central Intelligence Agency observed that at least 20 countries—nearly half of them in the

Middle East and Asia—already have or may be developing weapons of mass destruction and ballistic missile delivery systems. Five countries—North Korea, Iran, Iraq, Libya, and Syria—pose the greatest threat because of the aggressive nature of their weapons of mass destruction program. All already have or are developing ballistic missile that could threaten U.S. interests.

Second, in addressing the requirements of a layered defense system, the compromise language merely calls for a systems that can be augmented over time as the threat changes. The original bill required a system that will be augmented over time as the threat changes to provide a layered defense. The key issue here is whether the DOD plans now for a layered defense system, one potentially with space-based assets, or does DOD merely hold out the option for the possibility of evolving to a layered defense?

I believe the commitment for layered defenses is important. Space-based interceptors provide worldwide, instantaneous protection against missiles launched from anywhere in the world, and are both cheaper and more effective than their ground-based counterparts. Missiles launched—either by accident or in anger—against the United States or our allies and friends, could be destroyed in the early stages of their flight, before they release their warheads if, but only if, we have space-based interceptors. This is especially important with multiple warhead missiles or missiles with chemical or biological warheads. With the latter, the early intercept results in more harm to the attacking nation as chemical or biological agents would be dispersed over its territory. Another advantage of space assets is that they are always on station.

Third, both the compromise and the original bill have language concerning the demarcation line between strategic and theater ballistic missile defenses. This section was necessary because the current position of the Clinton administration constrains key theater missile defense systems. The effect of what the Clinton administration proposed was to degrade the only advanced theater systems in research and development in the United States. The bill and compromise both require the administration to submit for approval by the Senate any agreement it reached with the Russians on limiting theater missile defenses. In addition, it prohibits the expenditure of funds for 1 year only to implement any agreement that would limit the capability of our theater missile defense systems. It is my hope that in conference, the restriction will be made permanent.

The compromise version, however, does not make clear that it is the intent of the Senate, that any unilateral limitation by the United States should also be subject to the advice and consent of the Senate. The administration has received five letters from Members of the Senate and has participated in countless meetings over the past 8 months on this subject. That the Senate takes this matter seriously and would not look favorably on attempts to circumvent the clear intent of the Senate, should be abundantly clear.

The United States must proceed immediately with the development and deployment of theater ballistic missile defenses, and, at the earliest practical time, should deploy national missile defenses. During the last 4 weeks, while Congress has been on recess, information has surfaced concerning Iraq's military buildup of weapons of mass destruction. The Washington Post reported that Iraq turned over 147 boxes and two large cargo containers containing information which describes a broader and more advanced effort by the country to produce nuclear arms, germ weapons and ballistic missiles than previously known. Among the new disclosures is an Iraqi admission that it had germ- or toxin-filled shells, aircraft bombs, and ballistic missile warheads ready for possible use during the Persian Gulf war.

Iraq also admitted to having begun a crash program in August 1990—the month it invaded Kuwait—aimed at producing a single nuclear weapon within 1 year. And, finally, the U.N. Special Commission on Iraq plans to investigate Iraq's admission that it was capable of indigenously producing engines for Scud missiles and that it has made more progress in developing a longer range missile than it had previously stated.

The important lesson is that we almost always know less about a country's program to develop weapons of mass destruction that we think we do. We cannot afford to be sanguine about how long it will take one country or another to develop a ballistic missile that can threaten the United States. The evidence suggests that the threat is closer than we think. It is time to seriously address this issue.

In closing, Mr. President, I want to stress that my preference is to stick with the original bill language, and I will work with the conferees to reinstate some of the critical sections of that bill. However, in an effort to advance the DOD bill to conference, I am reluctantly supporting the compromise amendment.

Mr. BIDEN. Mr. President, I rise in support of the Nunn-Warner-Levin-Cohen amendment. I commend my colleagues for their tireless efforts in developing a compromise on this issue which moves us away from some of the most dangerous steps called for in the committee version of the Missile Defense Act of 1995.

I still have serious reservations about the compromise language, particularly the effect it may have on Russian ratification of the START II Treaty. I also question whether the greatest threat of a nuclear detonation in the United States comes from ballistic missiles.

However, given the likelihood that the Defense authorization bill will pass, I will support the amendment before us as a way to remove some of the more egregiously misguided provisions in the current bill language on missile defense.

I would like to discuss briefly some of the areas where I see improvement and to point out candidly those provisions in the amendment which I regard as still being problematic.

The amendment clearly makes significant improvements over the current language. It moves us away from the certainty of deploying a national missile defense system by 2003. It narrows the focus of missile defense efforts from all ballistic missile threats to accidental, unauthorized, or limited missile attacks. It guarantees a decisive role for the Congress before deployment can occur. It removes restrictions on the President's ability to negotiate with Russia an appropriate demarcation standard between strategic and theater ballistic missile defenses. And it includes the requirement that missile defenses be affordable and operationally effective.

These are no small achievements. They represent significant substantive improvements over the current language.

There are still several areas of weakness, however.

As I said earlier, I am particularly concerned about the effect this amendment may have on the START process. While the authors of this amendment have done their best to move us away from a collision course with the ABM Treaty, and many of us believe that they have, that may not be a view shared in Moscow by the Russian Duma.

I am not sure they will understand the fine distinction between "develop for deployment" and "deploy." I am not sure they will understand what we mean when we say that we will proceed in a manner which is consistent with the ABM Treaty, and then say that we are anticipating the need and providing the means to means the treaty. And I think they will be alarmed by references that are made to withdrawing from the treaty.

I am concerned about the consequences if the Russians believe that we are not acting in good faith, but are intent on abrogating the ABM Treaty. As I said on this floor a month ago, the most likely consequence of our breaching the ABM Treaty would be a Russian refusal to ratify START II.

Why? Because the cheapest way to defeat a missile defense system is to overwhelm it. So, if the Russians feel threatened by our development of a national missile defense system, they are likely not only to scratch the START II Treaty, but to begin a strategic buildup. We will counter with our own buildup and efforts to improve missile defenses, and before you know it we will be in a costly arms race, which the ABM Treaty was designed to prevent.

A costly new arms race is not what Americans expected with the end of the cold war. But that is exactly what they will get if we are not careful to avoid damaging the ABM Treaty, which has been the basis for all strategic arms control agreements over the past two decades. I might add that these agreements were made without the United States deploying a strategic missile defense system.

A second fundamental concern I have is whether we are correct to focus our resources on defending against nuclear warheads delivered by ballistic missiles. Even the kind of limited program the authors of this amendment are talking about would cost tens of billions of dollars to eventually deploy.

The threat of ballistic missile attack from rogue states or terrorists groups is at best a questionable one, and is not likely to arise in the next decade, if ever.

The more likely means of delivery of a nuclear explosive device to our shores, as I have said on this floor repeatedly, would be an innocuous ship making a regular port call in the United States. A determined group could assemble a device in the basement of a landmark such as the World Trade Tower with catastrophic results. Terrorist groups or outlaw states would not need a ballistic missile to reach our territory.

And that is where we should be focusing our resources: On tracking these terrorist groups and rogue states and securing the many tons of fissile material now spread throughout the vast territory of Russia.

In conclusion, let me again thank Senators NUNN, LEVIN, COHEN, and WARNER for their efforts on this vital issue. They have greatly improved upon a piece of legislation, which unamended would have seriously threatened our national security.

Unfortunately, despite these improvements, I believe that the potential is still there to undermine the ABM Treaty and our security in the process. However, the choice between the two alternatives—the missile defense language in the bill versus the amendment before us—is really not a choice. I will support the amendment to avoid the more damaging consequences of the current bill language.

Mr. GLENN. Mr. President, the Senate has before it today two legislative proposals that address U.S. policy toward the Anti-Ballistic Missile (ABM) Treaty and missile defense generally. There is language in S. 1026 that would require the United States to deploy a multiple-site national missile defense system, an action that would violate the ABM Treaty. Its alternative, the substitute offered by my colleagues, Messrs. NUNN, LEVIN, WARNER, and COHEN, would only require the United States to "develop" such a defense "for deployment."

Though I am not happy with either proposal, I will vote for the substitute only because it does less damage to the ABM Treaty than its alternative. Nobody should interpret this vote, however, as a ringing endorsement of the policies set forth in the substitute, for reasons which I would like to discuss in some detail in this statement today. In my opinion, neither the original language in S. 1026 on missile defense, which was narrowly approved by a straight party vote in the Armed Services Committee, nor the substitute addresses my deepest concerns about the future of the ABM Treaty.

I recognize the hard work that my colleagues, Messrs. NUNN, LEVIN, WARNER, and COHEN, have devoted to forging a bipartisan consensus on this controversial issue. Yet several provisions remain in both proposals that jeopardize the future of the ABM Treaty and, as a result, the stability of the strategic relationship between the United States and Russia.

Before identifying section by section my specific concerns with these proposals, I would like to address some broader issues.

CONTEXT OF MISSILE DEFENSE ISSUES

For almost a quarter century, the ABM Treaty has helped to preserve the peace by guaranteeing the United States the means of retaliating in the event of a nuclear attack by Russia. By prohibiting Russia from deploying a national multiple-site strategic missile defense system, the treaty works to ensure the reliability of the United States nuclear deterrent; in performing this function, the treaty also saves the taxpayer the burden of supporting a robust national missile defense system.

The majority in the Armed Services Committee knows all about the importance of protecting U.S. deterrence capabilities—during committee deliberations over the stockpile stewardship program, I heard a lot about the specter of "structural nuclear disarmament" and the vital importance of maintaining a vital nuclear second-strike capability.

I therefore cannot explain why there is language in this bill referring to deterrence as a mere relic of the cold war. With thousands of Russian and United States nuclear weapons continuing to threaten each other, there is no law that Congress can pass that would repeal nuclear deterrence—it remains an unpleasant reality, a basic fact of international life. Mutual assured destruction is not so much a policy or a doctrine as a fundamental reality about the current strategic relationship between the United States and Russia.

It is good for our security that the ABM Treaty prohibits Russia from developing or deploying systems to kill United States strategic missiles. Similarly, the lack of a strategic missile defense system in the United States enhances Russia's confidence in its own deterrent. As a result, the treaty has provided a solid foundation upon which the superpowers can reduce their nuclear arsenals without jeopardizing strategic stability. This process is now well underway with the START I and II treaties. It is a process that, at long last, appears to be actually working: the stockpiles are indeed being reduced.

The ABM Treaty, however, is now under assault by critics who believe it is obsolete. They believe that recent technological developments offer the prospect of a safe harbor against theater and limited strategic missile strikes. This is, of course, not the first time that a technological innovation has led to great strategic instability, great expenditures, and great dangers to our national security. This is not the first time that unbounded faith in technological fixes has captured the imagination of defense specialists and editorial writers.

The development of the multiple independently targetable reentry vehicle (MIRV), for example, was once heralded as a giant technological innovation that would bolster U.S. national security. Yet the START II treaty will eliminate all ground-based MIRV's precisely because of the risks they pose to strategic stability. MIRV's were introduced, lest we forget, amid fears that Russia was deploying a missile defense system. The American and Russian experience with MIRV's should remind us all that technology must remain the tool of policy to serve the national interest—it must not drive that policy.

Yet technology is very much what is driving the current debate over the future of the ABM Treaty. The whole debate boils down to a few fairly straightforward questions: One, are the gains to U.S. and international security from developing and deploying a national strategic missile defense system worth the risks? Two, are these gains worth the costs of acquisition, deployment, and maintenance of such a system? Three, will these investments address genuine threats? Four, are there more effective and affordable alternative ways to preserve national and international security than by developing missile defenses? Five, does the legislation before us today enhance or erode the national security? And six, is America in the post-cold war environment really best served by a go-it-alone missile defense strategy, or is our security more dependent upon cooperation with our allies and maintenance of strong military and intelligence capabilities against potential adversaries?

Congress simply has not fully examined the costs we would pay from abandoning the ABM Treaty. When it comes to domestic regulatory decisions, the new congressional majority claims to favor rigorous cost/benefit analysis. Yet its members appear reluctant to apply such analysis to our national defense policy, particularly with respect to existing proposals to hinge America's security on star wars or its many sequels. Unfortunately, even the substitute missile defense amendment brings new risks and costs into the debate on missile defense.

THE FABLE IN THE FIRST-DEGREE AMENDMENT

Let us imagine for a moment that a fictitious new party to the treaty on the nonproliferation of nuclear weapons [NPT], is suddenly swept up in a new wave of collective national paranoia. Rumors of new foreign threats are rampant, though always hard to pin down. Nevertheless, the country decides to embark on a policy to acquire an affordable and operationally effective nuclear weapon to serve as a deterrent against limited, accidental, or unauthorized foreign nuclear attacks. Since the legislators of country x know that the NPT contains a provision that permits withdrawal from the treaty on only 90 days' notice, these members of parliament promptly decide—after very little debate—to enact a new law authorizing the development for deployment of nuclear weapons, so long as this is accomplished within, or consistent with that treaty. The law then goes on to define specific technical characteristics of such weapons that can be developed without breaching the treaty. And the only weapons that are taboo under this new law are those that exceed these standards and that are actually detonated.

On the 91st day of the international outcry over this incredible law, country x unveils a robust nuclear arsenal without ever having breached the treaty, leaving the whole world to ask, what went wrong?

Now forget country x. Let us take some concrete examples. What if the Iranian parliament decides that this approach makes great sense as an approach to NPT implementation? What if the Russian Duma someday decides that this is also the way to go in insert its own most-favorite notions of defense policy into its laws implementing the START II Treaty? What if Syria becomes a party to the Biological Weapons Convention and passes a law permitting the development for deployment of certain specific types of biological weapons for what it asserts are purely defensive purposes? What if Germany decides that its commitments under the Missile Technology Control Regime only extend to missile systems that are actually demonstrated or flight-tested above the standard 500 kg payload/300 km range guidelines? What if each of the 159 countries that have signed the Chemical Weapons Convention decides to enact new laws defining the specific technical characteristics of chemical weapons that are controlled under that treaty? And specifically with respect to the ABM Treaty, if it had been acceptable in the last decade to develop for deployment weapons systems and components that are banned under the ABM Treaty, would Russias notorious Kraysnoyarsk radar station have violated that treaty?

Mr. President, I submit that this is not the way to go about interpreting treaties. This is not the way to stop proliferation. This is not the way to pursue arms control. This is not the way to enhance the national security interests of the United States. And this surely does not serve the interests of international peace and security. Yet this, I regret to say, is the essence of the approaches now before the Senate with respect to the development and deployment of missile defense systems that are not allowed by the ABM Treaty.

Though I disagree with this aspect of both of these approaches, the substitute has the advantage of at least not requiring the immediate deployment of prohibited missile defense systems. It continues to suffer, however, from several important weaknesses. It contains vague and dangerously ambiguous language. For example, the term limited, as used in the term limited, accidental, or unauthorized, is undefined and hence expands significantly the scope of the national missile defense [NMD] scheme. It requires the development, with the express intention of deployment, of an NMD system that is not allowed under article I of the ABM Treaty. It requires the development of TMD systems, such as THAAD and Navy Upper Tier that have capabilities to counter strategic ballistic missiles, a mandate that conflicts directly with article VI of the ABM Treaty. It accepts the committee's one-sided and largely unsubstantiated assertions, or findings, about the grave imminent missile threat facing the United States, while ignoring several ways in which this threat has been attenuated in recent years. It fails to offer a single finding about the positive and constructive ways that the ABM Treaty has served key U.S. security interests. It repeals laws that require U.S. compliance with the ABM Treaty. And it places the U.S. Congress on formal record endorsing a unilateral U.S. definition of an ABM Treaty-permissible missile defense system.

Yet despite all these serious weaknesses, the substitute is still marginally better for arms control and nonproliferation than the missile defense measure contained in S. 1026. In sum, though the substitute has clearly not de-fanged the missile defense proposal found in the bill, it has at least filed down some of its incisors.

FROM FABLE TO NIGHTMARE

I would now like to turn from the fable to the nightmare: namely, the missile defense language in S. 1026. On August 4, 1995, Anthony Lake wrote to the majority leader that "* * * unless the unacceptable missile defense provisions are deleted or revised and other changes are made to the bill bringing it more in line with administration policy, the President's advisors will recommend that he veto the bill."

The letter addressed specific concerns over the ABM Treaty and NMD language. If enacted, the letter stated, these terms—

> . . . would effectively abrogate the ABM Treaty by mandating *development for deployment* by 2003 of a non-compliant, multi-site NMD and unilaterally imposing a solution to the on-going negotiations with Russia on establishing a demarcation under the Treaty between an ABM and a TMD system. The effect of such actions would in all likelihood be to prompt Russia to terminate implementation of the START I Treaty and shelve ratification of START II, thereby leaving thousands of warheads in place that otherwise would be removed from deployment under these two treaties. [Emphasis added.]

This language echoes similar views expressed by Defense Secretary Perry and the Chairman of the Joint Chiefs of Staff, General Shalikashvili. At issue here is not a duel between liberals or conservatives or Democrats and Republicans—at issue is the gain and loss to the national security of the United States from abandoning the ABM Treaty. By my reading, there is no contest.

I do not believe that it in any way serves our national interest to set ourselves on a course to abrogate that treaty. It surely does not serve America's interests to encourage Russia—as this bill inevitably would—to develop its own multiple-site strategic ABM system, an action which would only weaken our own nuclear deterrent. The costs to cash-strapped American taxpayers of repairing that damage could potentially mount into the tens or hundreds of billions of dollars.

I cannot understand how the supporters of the bill's missile defense provisions can simultaneously claim to worry about what they call, "structural nuclear disarmament" while they are also pushing for a course of action—abrogating the ABM Treaty—that would truly undercut the effectiveness of the U.S. nuclear deterrent. It in no way serves our interests to encourage Russia to reconsider its commitments under the START I and START II treaties.

And by derailing the strategic arms control process, the bill's missile defense language also aggravates the global threat of nuclear weapons proliferation. Coming on the heels of the successful permanent extension of the NPT, the bill's language on both missile defense and nuclear testing would weaken, rather than strengthen, the global nuclear regime based on the

NPT, an outcome that would prove catastrophic to our global security interests.

Few people realize that if there is no ABM Treaty, Russia will even be able to export its strategic missile defense capabilities, something that Article IX of the ABM Treaty now expressly prohibits. I doubt many of my colleagues are aware that the ABM Treaty is not just an arms control convention—it is also explicitly a nonproliferation treaty. Article 9 reads as follows:

> To assure the viability and effectiveness of this Treaty, each Party undertakes not to transfer to other States, and not to deploy outside its national territory, ABM systems or their components limited by this Treaty.

Note that this language does not prohibit the United States from assisting its friends and allies to develop and deploy TMD systems. The treaty does, however, prevent both Russia and the United States from sharing strategic missile defense capabilities with other countries. And in the case of Russia, those capabilities include interceptors with nuclear warheads.

It seems appropriate, therefore, that before we set ourselves on a course of abrogating the ABM Treaty, we should carefully examine the full implications for U.S. defense interests around the world of eliminating the only international constraint on the proliferation of these strategic missile defense systems.

How will such proliferation affect the ability of the United States to respond to regional crises that might arise around the world in the years ahead? How will it affect the United States ability to project power? I am not satisfied that anybody has seriously weighed such considerations.

The treaty, furthermore, does not only ban the horizontal or geographic spread of such missile technology. It also helps to constrain both the size and sophistication of the United States and Russian nuclear weapon stockpiles—in short, the ABM Treaty also constrains the vertical proliferation of nuclear weapons. By banning the deployment of national strategic missile defense systems, the treaty works to protect the effectiveness and reliability of the US nuclear arsenal and thereby works to stabilize nuclear deterrence. Abandonment of the treaty will trigger a new offensive nuclear arms race, as leaders both here and in Russia will have to find new ways to defeat these new missile defense systems.

Yet I have seen little indication in the process of reviewing this proposal that anybody here has considered how these particular side effects of the bill's ABM proposals—in particular the proliferation-related aspects of these proposals—would affect the full range of U.S. national security interests around the world.

Even our allies, Britain and France, would be affected—the collapse of the ABM Treaty would mark an end to any hopes of encouraging these countries to engage in deep cuts of their nuclear stockpiles. And I cannot believe for a minute that China would sit by as its neighbors ringed its borders with strategic missile defense capabilities. Among China's many options to respond to such a development would be a dramatic expansion of its offensive nuclear capability. The next crisis, predictably, would be the collapse of the NPT itself as country after country submits its 90-day withdrawal notice—following the course taken by Country X.

SOME SPECIFIC CONCERNS

I would now like to outline my specific concerns with these proposals—concerns which I will address section by section.

Sec. 232 (Findings): Both the bill and the compromise language on missile defense lack any congressional findings acknowledging the positive and constructive ways that the ABM Treaty has advanced America's arms control and nonproliferation interests. In failing to address these benefits of the treaty, and in failing to recognize that in some ways the missile threat to the United States has actually lessened in recent years, the proposed findings seriously mischaracterizes—and in my view overstates—the missile proliferation threat facing the United States.

Few of us here will disagree that the spread of weapons of mass destruction, especially nuclear weapons, jeopardizes our security. Many, however, would disagree that developing systems that would be in violation of the ABM Treaty is the right way to go about addressing that threat, especially when there are so many ways of delivering such weapons other than by missile.

Sec. 233 Policy: With respect to the Policy section, the substitute is ambiguous on the fundamental issue of the U.S. intent with respect to compliance with the its obligations under ABM Treaty. To the limited extent that it addresses this issue, it focuses only on compliance with a particular version of the ABM Treaty, namely, the treaty's obligations as they are unilaterally interpreted in this bill. The language also sets in gear significant initiatives without any prior consensus among the parties to the treaty. The terminology about "multiple-site" deployments will apply to systems that have capabilities against strategic missiles. And given that all missile attacks are limited by the laws of nature, it is by no means clear what these current proposals mean by the term "limited" missile attack.

Indeed, this term "limited, accidental, or unauthorized" combines the features of a wild card and an elastic clause: though precedents have already been set using this undefined term, I would not want Russia to enact legislation unilaterally defining its own interpretation of these terms. Changes such as these to an important international agreement should be made on the basis of mutual understandings between the parties and in accordance with the conventional amendment and ratification process, rather than dictated by statute.

References in these proposals to the right to withdraw from the ABM Treaty are either redundant—since this right is quite explicit in the treaty—or outright extortionary, since they seek to prescribe a specific diplomatic outcome which only negotiations can appropriately accomplish.

The compromise proposal also contains language that questions the continued importance of nuclear deterrence as a basis of U.S. national security, despite considerable evidence that deterrence remains as a foundation of our national security and despite the lack of any viable alternative.

Neither the original bill nor the compromise language addresses the issue of nuclear-armed BMD systems—it would surely seem to me that before we consider taking actions that will lead to multiple violations of the ABM Treaty, we should examine fully some of the consequences of that decision, especially with respect to the proliferation of nuclear weapons. Many people forget that the ABM Treaty also prohibits the global spread of strategic ballistic missile defense systems. Considering that Russia has just such nuclear-capable systems, it hardly seems wise to set ourselves on a course to abandon a treaty that prevents the spread of just such technologies. As part of their efforts to reduce their reliance on nuclear weapons as a basis of their security, both the United States and Russia might well consider pursuing an agreement to outlaw nuclear-armed missile defense systems.

Sec. 234. TMD Architecture: The initial operational capability dates in this section and in section 235 (NMD Architecture) should be consistent with understandings reached between the parties to the ABM Treaty. THAAD and Navy Upper Tier should only be included in the Core Program if the parties to the ABM Treaty agree that such systems and their components are permissible under the treaty; the same should apply to space-based sensors including the Space and Missile Tracking System (SMTS), and to follow-on systems.

Sec. 235. NMD Architecture: As I have already noted, the term "limited"—used both in the bill and the compromise to refer to future missile defense capabilities—is undefined in both proposals. Clearly, this term should not be defined only by one party to the treaty—if this term has a meaning which Russia does not share, it will only open the door to Russia legislating its own definitions of key terms not only in the ABM Treaty but also the START II treaty, the Chemical Weapons Convention, and possibly other important arms control, disarmament, and nonproliferation agreements.

The compromise requires the development for deployment of an NMD system capable of being deployed at multiple sites, a policy that if implemented would violate the current text of the ABM Treaty. Development and deployment of NMD systems are matters that must be arranged pursuant both to negotiations and to existing treaty amendment procedures, including ratification.

Similarly, space-based sensors should be developed only as agreed by the parties. I believe the President should at the very least be required to prepare a formal assessment of the arms control and nonproliferation implications of any systems being developed or deployed for purposes of NMD. References in this section to sea-based and space-based systems and expanded numbers of ground-based interceptors only invite the international community to doubt our willingness to live up to our ABM Treaty obligations not to develop or to deploy such systems.

Sec. 236. Cruise Missile Defense Initiative: Both the compromise and the bill contain language addressing the dangers from the continued global spread of weapons of mass destruction. Yet both also fail to clarify that some of the most likely delivery systems for most weapons of mass destruction do not involve ballistic or cruise missiles. It seems to me that before we launch into framing defense initiatives around specific weapons systems, we should understand better the nature of the specific and anticipated threats they pose relative to other weapons systems.

I can think of at least two other delivery systems that may pose a threat to US defense interests that is equal to or greater than the proliferation threat now posed from ballistic missiles—first, the capabilities of advanced strike aircraft (Pakistans F-16s come to mind here as just one example) to deliver weapons of mass destruction, and second, the threat coming from terrorists using such weapons. Spending tens and hundreds of billions on missile defense will not help us to address either of these clear and present dangers.

Sec. 237. ABM Treaty: References in the compromise proposal to provisions of the treaty relating to the amendment and withdrawal process are unnecessary since such provisions are already law of the land. Including them only signals an intention to implement such rights. Neither proposal acknowledges some of the positive contributions the ABM Treaty has made to the national security of the United States. It should not be for United States alone, nor Russia alone, to define unilaterally key terms of this treaty—the process of interpretation must involve Russia and the normal process of making, ratifying, and amending treaties. Also the comprehensive review called for in the compromise proposal fails to include specifically an assessment of the full implications for U.S. diplomatic and security interests of a collapse of the ABM Treaty.

Sec. 238. Prohibition on Funds: The velocity/range demarcation standard is unilateral—it has not yet been agreed by the parties. The implementation of the demonstrated capabilities standard should also be governed by mutual agreement of the parties. The specific prohibition on funding should only apply to systems that are not in compliance with the ABM Treaty as agreed by the parties. Since section 232 of the National Defense Authorization Act of 1995 remains law of the land, there is no need to repeat it in this bill with respect to the President's treaty-making powers.

Sec. 241. Repeal of Other Laws: The current first-degree amendment follows the existing language in the bill by repealing outright 10 laws pertaining to missile defense. Some of those provisions are obsolete. But other parts of those laws—such as those dealing with the U.S. compliance with the ABM Treaty, the requirement for realistic tests, the importance of financial burden-sharing with our friends, the requirements for consultations with our allies, previous congressional findings about the positive value of the ABM treaty, and requirements for consultations between the parties to the treaty on activities relating to implementation.

CONCLUSION

Thus to vote for the missile defense proposal in the bill amounts to a vote against the ABM Treaty, and a vote against that treaty is to vote for the proliferation not just of defensive missile systems, but for the proliferation of the strategic nuclear missiles that will be necessary to defeat those defenses. In a very real sense, the death of the ABM Treaty could well signal the deaths of both strategic nuclear arms control and nuclear nonproliferation. I cannot support any such proposal.

I therefore urge my colleagues to oppose the committee language on missile defense. Let us by all means get on with the business of reducing external weapons threats to our country's security, a business the ABM Treaty makes legitimate with respect to TMD. But let us not retreat into a technological Fortress America as we would with the missile defense provisions in S. 1026.

Today, we have before us a choice between one missile defense proposal that is a nightmare and another that is a fable. Given additional time, Congress may well have been able to construct a third option, one which built upon and acknowledged the important contributions that the ABM Treaty continues to make to our national security. But the schedule is such that we do not have such time. Accordingly, I will vote for the least bad of the two proposals before us.

Mr. President, I ask unanimous consent to insert into the RECORD at this point an analysis prepared by my staff of the missile defense provisions now before the Senate, and a table comparing key provisions of the ABM Treaty with the proposals found in the substitute amendment.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

ANALYSIS OF 1995 MISSILE DEFENSE PROPOSALS IN THE SENATE (SUBMITTED BY SENATOR JOHN GLENN)

Last July, the Senate Committee on Armed Services (SASC) reported out the FY96 defense bill (S. 1026), which contained several provisions that would, if implemented, place the United States in violation of the ABM Treaty (ABMT). Included were provisions requiring the deployment of a multiple-site national ballistic missile defense system and prescribing a unilateral U.S. definition of the scope of systems subject to the ABMT, thereby circumventing the ABMT formal amendment process.

Following widespread criticism of this proposal, Senators NUNN, LEVIN, COHEN, and WARNER offered in August a bipartisan substitute. Though the substitute does not require immediate deployment of BMD systems in violation of the ABM Treaty, the substitute does not resolve several outstanding questions about America's intentions with respect to its obligations under the ABMT. The table in Annex 1 of this memo illustrates some of the inconsistencies between the substitute and the ABM Treaty.

This memo (1) describes and analyzes the SASC missile defense recommendations, and (2) describes and analyzes the substitute proposal.

1. SASC ACTION

In summary, the bill moves U.S. policy: (a) away from nuclear deterrence (mutual assured destruction); and (b) away from several ABMT prohibitions (including: multiple-site deployments, ABM systems based at sea and in space, giving TMD systems capabilities to intercept strategic missiles, space-based sensors useful against strategic systems, etc.). The bill contains a unilateral U.S. definition of an ABMT-permissible system. The bill also limits the negotiating flexibility of the President and prohibits the President from spending funds to implement more restrictive ABM controls.

The current text of S. 1026 was reported out of Committee on July 12. Subtitle C of Title II (RDT&E) contains 11 sections pertaining to "missile defense." The proposed language covers theater missile defense (TMD) against theater ballistic missiles (TBMs), national missile defense (NMD) against strategic ballistic missiles (SBMs), announces several findings and new national policies covering both systems, alters the U.S. policy toward the ABMT, and repeals 10 other missile defense laws. While not quite abrogating the treaty outright, the SASC language still sets the U.S. on a course out of the ABMT.

Findings and policy

In S.1026, Congress "finds" that: missiles are posing a "significant and growing threat" to the U.S.; the development of TMDs "will deny" U.S. adversaries an option for attacking the U.S. and its allies; the intelligence community sees a growing missile threat; TMDs will "reduce the incentives" for missile proliferation; the ABMT's distinction between strategic and non-strategic missile defense is "outdated"; nuclear deterrence (mutual assured destruction) is "not a suitable basis for stability"; TMD and NMD enhance strategic stability by reducing incentives for first-strikes; export control and arms control regimes are not alternatives to TMD and NMD; and the ABMT prevents the US from establishing a limited missile defense.

In response to such findings, the SASC favors the following U.S. policies: to "deploy as soon as possible" TMDs; "deploy a multiple-site national missile defense system"; "deploy as soon as practical" effective defenses against "advanced cruise missiles"; invest in R&D for follow-on BMD options; employ "streamlined acquisition procedures" to speed BMD deployments; and "seek a cooperative transition" away from the doctrine of mutual assured destruction.

System Architecture

With respect to TMD, the Secretary of Defense (SecDef) shall establish a "top priority core theater missile defense program" consisting of (by year of deployment) PAC–3 (1998), Navy Lower Tier (1999), THAAD (2002), and Navy Upper Tier (2001). These systems are to be interoperable and are to exploit air and space-based sensors and battle management support systems. The Corps SAM and BPI systems will be terminated. The SecDef shall develop a plan for deploying follow-on systems. The SecDef shall submit a report in 60 days specifying a plan to implement these provisions.

With respect to NMD, the SecDef shall develop a NMD system for deployment by 2003 consisting of: ground-based interceptors in such locations and numbers as are necessary to provide a defense of Alaska, Hawaii, and CONUS against "limited ballistic missile attacks; fixed ground-based radars and space-based sensors; and battle management/command, control, and intelligence (BM/C3)." SecDef shall develop an "interim" capability by 1999 as a "hedge against the emergence of near-term ballistic missile threats." SecDef shall use "streamlined acquisition procedures" to expedite NMD deployment, while saving costs. SecDef shall submit a report in 60 days on the implementation of this law and analyzing options to improve the system, including: additional ground-based interceptors or sites; sea-based missile defense systems; and space-based kinetic energy and directed energy systems.

With respect to cruise missiles (CMs), SecDef shall undertake "an initiative" to ensure effective defenses against CMs. He shall submit a plan in 60 days.

The ABM treaty (ABMT)

The bill offers a sense of the Congress that the Senate should undertake a review of the "value and validity" of the ABMT and should consider establishing a "select committee" to review the ABMT and that the President should cease negotiating any understandings on the ABMT until this review is completed. The sense of the Congress also includes a requirement for SecDef to submit a declassified negotiating history of the ABMT. The bill provides a unilateral demarcation line to designate permissible BMD systems: if a system or component has not been "flight tested in an ABM-qualifying flight test" (defined in the bill as a flight test against a missile target that is flying over a range of 3,500 km or at a speed of greater than 5 km/second), it is not covered by the ABMT. The Senate finds, however, that these parameters are "outdated" and hence should be "subject to change" after the Senate review of the ABMT. The bill prohibits the expenditure of funds to implement any lower standard. SecDef is to certify annually that no U.S. BMD system is being constrained more than as provided in this bill.

Budget categories

For budgetary purposes, the bill identifies the following as of the national BMD program: PAC–3, Navy Lower Tier, THAAD, Navy Upper Tier, Other TMD, NMD, and Follow-On and Support technologies.

Repeal of 10 BMD Laws

The SASC bill repeals the following, including several significant provisions:

1. In the MDA91: Congress endorsed U.S. efforts to work with Russia on strengthening nuclear command and control, reduce strategic weapons, and strengthen nonproliferation efforts. Congress also: defined the U.S. BMD system as directed against "limited" ballistic missile threats declared that this system shall be "ABM Treaty-compliant" and limited to "100 ground-based interceptors"; urged the President to pursue "discussions" with the Soviet Union to clarify what is permissible with respect to space-based missile defenses and to permit other changes in the ABMT (including adding sites, using space-based sensors, etc); required the SecDef to include "burden sharing" in a BMD report; clarified that the "limited" BMD defense capability shall only cover threats "below a threshold that would bring into question strategic stability"; and provided $4.1 billion for SDI projects, including $465 million for "space-based interceptors" (including Brilliant Pebbles).

2. In sec. 237 of the NDAA94: the SecDef was prohibited from approving any TMD project unless it passed "two realistic live-fire tests."

3. In sec. 242 of the NDAA94: Congress sought to increase burden-sharing of BMD development costs; the SecDef was to prepare a plan of cooperation with allies (specifically cited were NATO, Japan, Israel, and South Korea) to avoid duplication and reduce costs; the section contains a sense of the Congress that whenever the U.S. deploys a TMD system to defend a country that has not provided financial support for that system, the US should consider "whether it is appropriate to seek reimbursement" to cover some of the cost of that deployment; the section also established a special "Theater Missile Defense Cooperation Account" (subject to audit by GAO) to receive foreign funds to support TMD development.

4. In sec. 222 of the DDAA86: Congress prohibited the deployment of any "strategic defense system" unless the President first certifies that the system is both "survivable" and "cost effective" (i.e., that it "* * * is able to maintain its effectiveness against the offense at less cost than it would take to develop offensive countermeasures and proliferate the ballistic missiles necessary to overcome it").

5. In sec. 225 of the DDAA86: Congress found that the President's Commission on Strategic Forces had declared in its report to the President dated 3/21/84 that "One of the most successful arms control agreements is the Anti-Ballistic Missile Treaty of 1972"; noted that the Secretary of State has stated that "* * * the President has explicitly recognized that any ABM-related deployments * * * would be a matter for consultations and negotiation between the Parties"; and issued a sense of Congress that it "fully supports the declared policy of the President * * * to reverse the erosion of the Anti-Ballistic Missile Treaty of 1972," that Congress's support for SDI "does not express or imply an intention on the part of Congress that the United States should abrogate, violate, or otherwise erode such treaty," that such funding "does not express or imply any determination or commitment on the part of the Congress that the United States develop, test, or deploy ballistic missile strategic defense weaponry that would contravene such treaty," and that funds "should not be used in a manner inconsistent with any of the treaties commonly known as the Limited Test Ban Treaty, the Threshold Test Ban Treaty, the Outer Space Treaty, or the Anti-Ballistic Missile Treaty of 1972."

6. In Sec. 226 of the NDAA88/89: The SecDef was prohibited from deploying "any anti-ballistic missile system unless such deployment is specifically authorized by law after the date of enactment of this Act."

7. In Sec. 8123 of the DDApA89: This was a sense of the Congress on SDI. It said SDI "should be a long-term and robust research program" to provide the U.S. with "expanded options" to respond to a "Soviet breakout" from the ABMT and to respond to other future Soviet arms initiatives; such options "can enhance" U.S. "leverage" in arms reductions negotiations; funding levels "must be established using realistic projections of available resources"; and the "primary emphasis" on SDI should be "to explore promising new technologies, such as directed energy technologies, which might have long-term potential to defend against a responsive Soviet offensive nuclear threat."

8. In Sec. 8133 of the DDApA92: Congress here reached several findings about the implications for our NATO allies of modifying the ABMT, including—that all of our NATO allies "have in the past been supportive of the objects and purposes of the ABM Treaty"; that "changes in the ABMT would have profound political and security implications" for these allies and friends of the U.S.; and that before seeking to negotiate any changes in the treaty, the U.S. should consult with U.S. allies and "seek a consensus on negotiating objectives."

9. In Sec. 234 of the NDAA94: Congress reached several findings, including that: the MDA91 "establishes a goal for the United States to comply with the ABM Treaty"; DoD is "continuing to obligate hundreds of millions of dollars" on development and testing of systems before a determination has been made that such items would be in compliance with the ABMT; and the ABMT "was not intended to" limit systems designed to counter modern TBMs "regardless of the capabilities of such missiles" unless such TBMs "are tested against or have demonstrated capabilities to counter modern strategic ballistic missiles." The SecDef was required to conduct a review of several listed BMD systems to determine if such systems (including Brilliant Eyes) "would be in compliance with the ABM Treaty." The SecDef shall immediately notify Congress if there is any compliance problem in pursuing advanced TMDs and describe the problem. The bill attached funding limitations pending submission of the report.

10. In Sec. 235 of the NDAA95: This section listed 13 program elements for the BMDO, for budgetary purposes.

Analysis of the SASC Language

The SASC language establishes a policy of deploying a multiple-site national ABM system—this cannot be implemented without either amending or abrogating the ABMT. Amending the treaty would permit the Russians to deploy their own multiple-site system, including enhanced BMD features ostensibly intended only for TMD systems but which would have some significant capabilities against strategic ballistic missiles. The measure thus focuses only on what may be potentially gained from expanded BMD efforts, and ignores what may be potentially lost—including the credibility of the U.S. nuclear deterrent, the ABMT itself, the START process, and the NPT, as the strategic arms reduction process comes to a halt amid new missile defense developments.

The committee text also places into law a unilateral U.S. definition of systems that can be developed within the ABMT—under that treaty, such changes are supposed to be arranged by through an amendment process based on mutual agreement of the Parties. A unilateral U.S. definition would serve as a dangerous precedent inspiring Russia to insert its own "most-favorite-notions" of BMD into its own statute books. Moreover, the 5 km-second/3500 km range demarcation line is well above the parameters of most TBM systems today (which fly at about 2 km/sec), yet dangerously close to the slowest SBM systems (which fly at between 6-7 km/sec). Thus the Committee language serves to: blur the distinction between strategic and theater systems; raise the risk of technological surprise and treaty "break out" activities; complicate treaty verification (given the greater growing ambiguity over which systems are strategic and which are theater); and jeopardize the strategic arms reduction process.

The Committee language also repeals several laws that specifically required U.S. adherence to the ABMT and that required burden-sharing in the form of increased financial contributions from our allies for BMD systems.

The premise of all the SASC proposals are the findings that the U.S. is now facing a serious missile threat and that this threat is growing. Both of these premises are open to question.

There are at least six rebuttals to the proposition that the U.S. is now facing a "serious and growing threat" that requires either the amendment or abrogation of the ABMT to counter—

(1) A Growing Threat? In April 1987, President Reagan announced the establishment of the Missile Technology Control Regime to regulate international commerce in goods relating to missiles that are capable of delivering a 500 kg warhead a distance of 300 km. Since that time, Congress has heard Administration spokesmen repeatedly testify about the 15-20 countries that either now have such missiles or are developing them (or may have the capability to develop them). Yet the number of countries alleged to be developing such missiles has remained, to a considerable extent, constant since the MTCR was established.

Arguably, the worst missile threats facing the U.S. are those that involve the delivery of weapons of mass destruction (WMDs, including nuclear, chemical, and biological weapons) against U.S. territory, U.S. forces, or U.S. allies. The most potentially destructive threat comes, and will continue to come for the foreseeable future, from Russia's nuclear-tipped ICBMs—a situation that will likely persist for quite a while. Ironically, nothing would be more effective in encouraging Russia both to halt its nuclear disarmament activities and to expand its missile fleet than if the United States decides to deploy—or even prepare to deploy—a multiple-site national missile defense system in contravention of the ABMT. The ABMT has succeeded in permitting the superpowers to reduce their nuclear arsenals because the treaty gives each country high confidence in the credibility of its nuclear deterrent. Eliminating or watering down that treaty is thus the wrong way to go about alleviating the worst nuclear and missile threats now facing the United States.

The worst missile threat to the U.S. is, in short, the old missile threat, not a new one. The U.S. has a big stake in the success of the START/ABM process: its success will mean that America's worst missile threat will be a declining threat.

Is the global WMD proliferation threat—serious though it is—growing? If not, then the global missile threat may not be as grave as is commonly believed.

Support for international nonproliferation regimes provides one indicator of the WMD proliferation threat. As of August 1995, the NPT has 178 parties; over 159 countries have signed the CWC and 135 countries have ratified the BWC. Though some parties may well be in violation of those treaties, it is difficult to deny that these three treaties enjoy widespread, almost universal international support, and that this support is growing. The rush is on to get rid of chemical and biological weapons, not to acquire them. The stockpiles of the nuclear weapon states are going on a downward, not an upward, trend. If the CTBT is successfully concluded in 1996, there will be no more nuclear explosions anywhere for any purpose. Progress is being made on a cutoff of the production of fissile nuclear material for weapons or outside of safeguards. To point to the illicit weapons activities of a few states is not to suggest the existence of a new international proliferation norm.

Moreover, the interest that Iran, North Korea, India, Pakistan, and Israel have shown in developing long-range missile capabilities needs to be interpreted in light of other international trends. Over the last three decades, the following surface-to-surface missiles have either been cancelled or are going nowhere: South Korea's NHK-1; Taiwan's Chin Feng ("Green Bee"); Argentina's Condor II; Egypt's al-Zafir, al-Kahir, Ar-Ra'id, and Vector; Saudi Arabia's CSS-2; Iraq's Al-Hussein; Iraq's Al-Abbas; Iraq's Badr-2000; Brazil's SS-300; the Israel/Iran "Flower" project; the Libyan Otrag rocket program; all of the United States and ex-Soviet INF missiles; the disarmed and to-be-dismantled ICBM's in Belarus, Kazakhstan, and Ukraine; the South African missile and space launch vehicle program; the China/North Korean DF-61; and several others. It is wrong, therefore, to declare without qualification that the missile threat against the United States is only growing—in some respects it continues to jeopardize U.S. interests, but in other respects the threat is arguably declining.

(2) Clear and Present Dangers. The worst dangers come from the further proliferation and use of WMDs by additional countries or subnational groups. As for systems of delivering such weapons, Congress's preoccupation with missiles—typically ballistic missiles—is baffling. The massive investments called for in the legislation for TMD and NMD will surely not address the worst (albeit unlikely) military threat now posed to the United States involving the delivery of WMD—that is, an all-out Russian strategic nuclear attack on the United States. It will do little to address attacks coming by means of cruise missiles and various remote piloted vehicles. And it will do nothing to prevent or deter a country of subnational group from deploying a weapon of mass destruction in the U.S., against U.S. citizens or troops, or against U.S. allies by means of any of several non-missile delivery systems that would be available for such a mission, at a fraction of the cost.

Among the most attractive delivery systems—in terms of ready availability, cost, reliability, and potential effectiveness—are advanced strike aircraft. These are delivery systems that are not regulated by any treaty or regime. As for national policy, the United States continues to export nuclear-capable strike aircraft or parts for such aircraft without even verification measures or host-country commitments to guarantee non-nuclear uses. Pakistan, for example, a country now under U.S. nuclear sanctions, continues to make commercial U.S. purchases of spare parts for its F-16 nuclear weapon delivery vehicles. France, meanwhile, is seeking buyers for its Mirage 2000 wherever they can be found. The F-16C aircraft has a maximum weapons load of 5,400 kg and a combat radius of 930 km; the Mirage 2000 has a maximum weapons load of 6,300 kg and a combat radius of 700 km. By comparison, the North Korean Nodong—now under development—will have a reported 1000 kg payload and a 1000 km range.

In November 1991, Stanford University's Center for International Security and Arms Control issued a report entitled, "Assessing Ballistic Missile Proliferation and Its Control," authored by a panel of participating experts that included three senior officials now in the Clinton Administration, including the current Secretary of Defense, William Perry. The report found that: "Advanced-strike aircraft are generally as capable as missiles, and in many cases more capable, for delivering ordnance, so it is logical to devote, at minimum, comparable efforts to their control." Yet US efforts, epitomized by the SASC bill and past BMD legislation, continue both to neglect this clear and present threat. These efforts instead focus shortsightedly on (a) the ballistic missile threat, (b) developing technological defenses against such missiles, while (c) neglecting the potentially negative military consequences of developing such defences, and (d) ignoring other means of addressing the missile proliferation threat (i.e., prevention, preemption, and deterrence).

(3) Future Threats. Both the CIA and the DIA directors have recently testified that the U.S. will not face a new missile proliferation threat for at least a decade. As stated earlier, even North Korea's Taepodong will at best be able to reach remote U.S. island territories sometime in the 21st Century, assuming that country remains in existence and its missile development program is successful.

Also, if the ballistic missile threat to Israel, Japan, and South Korea were so immediate and direct, the gravity of this threat is still not reflected in national funds invested by these countries in missile defense ventures. Though these countries have expressed interest in TMD systems, the United States is still paying most of the bills.

Missiles are not the only means by which a country could attack the United States. A variety of aircraft and unmanned aerial vehicles (UAVs) could serve as potential delivery vehicles for WMDs, including nuclear weapons. For example, the Tier 2+ experimental reconnaissance UAV now under development in the United States, was described in the July 10, 1995 issue of Aviation Week as having the following performance characteristics: a 14,000-mile range, a 2,000-pound payload, an ability to stay in flight for more than 42 hours, and a maximum altitude of 65,000 feet. The United States, and U.S. forces abroad, may well be facing a graver threat from such aircraft in the next decade than they will face from ballistic missiles. Smuggled or covertly deployed WMDs also remain a serious threat, as do WMDs deployed by means of land vehicles or a wide variety of ships.

Proponents of the new legislation raise the specter of North Korean missile attacks against the United States. Yet North Korea is still many, many years away from having a missile that could reach the continental United States, or even Alaska or Hawaii—assuming it would want to launch such a missile even if it had such a capability. Nevertheless, the SASC's missile defense proposal would lead the United States out of the ABMT (and thereby scuttle the START process), a multi-billion-dollar proposal intended largely to cope with the Taepodong's hypothetical worst-case capabilities in the 21st Century. An alternative to this approach would be to concentrate more on discouraging North Korea from building such missiles in the first place.

Furthermore, certain trends in advanced conventional weaponry may rival or surpass the threat to U.S. forces in the years ahead that will come from ground-to-ground missiles—especially with respect to increasing accuracy and stealthiness of advanced conventional weapons.

(4) Missiles Have Not Historically Been Decisive. From Hitler's V-2 rocket bombardment of London, through the Iraq/Iran war of the cities, to the recent war in Kuwait, missiles have not proven to be a decisive weapon, either as an offensive weapon or as a weapon of deterrence. Israel's significant technological edge in nuclear and missile technology did not prevent it from being repeatedly attacked by modified Iraqi Scuds; nor did the Patriot antimissile batteries deter Iraq from launching repeated missile strikes on both Israel and Saudi Arabia. It is also not at all clear that the widespread deployment of TMD systems in East Asia, South Asia, and the Middle East would necessarily alleviate the nuclear weapons proliferation threat in those regions—it could even aggravate that threat by stimulating the search for new weapons designs and delivery systems.

(5) BMD Proliferation. The ABMT is not just an arms control treaty. It is also a nonproliferation treaty, in two respects. First, Article IX prohibits Russia and the United States from exporting strategic missile defense systems or components covered by the treaty. If the ABM treaty collapsed, there would be no legal obstacle to Russia exporting highly-capable missile defense technology to hot spots around the globe, such as East Asia, South Asia, and the Middle East. The export of such systems could well foster or aggravate regional WMD and missile races. Some of Russia's BMD interceptors are reportedly nuclear capable. Others have characteristics (range, thrust, navigation systems, materials and coatings) very much like offensive ballistic missiles. The simulated offensive ballistic missile used as a target in testing the Israeli Arrow TMD interceptor, for example, is another Arrow. Second, if horizontal (or geographical) BMD proliferation becomes popular thanks to the collapse of the ABMT, this will also stimulate more vertical proliferation of both existing strategic nuclear weapons and their delivery systems.

(6) Alternatives to Missile Defense. To the extent that the U.S. and its allies face missile proliferation threats, there are more—and more effective—ways to approach this threat than in searching for technological shields. The massive funds that have been spent on missile defense have drained valuable resources away from needed investments in nonproliferation regimes, sanctions, export controls, intelligence collection and sharing, active and preventive diplomacy, conventional war-fighting capability, and other such classic nonproliferation tools. Arguably, the U.S. Marines remain today America's best "ground mobile TMD system," if one factors in cost, effectiveness, and treaty considerations. Given past underinvestment in sharpening the classic tools of nonproliferation, one should not be surprised to see chronic nuclear and missile proliferation threats.

2. THE NUNN/LEVIN/COHEN/WARNER SUBSTITUTE

In summary, while the substitute dulls the teeth of the SASC's missile defense language, it surely does not "defang" that language. The text still sets the U.S. on a course out of the ABMT: it requires the "development for deployment" of a multiple-site missile defense system covering all U.S. territory; it accepts all the SASC findings about the gravity of the missile threat; it questions the value of nuclear deterrence; it establishes a provocative new national policy to "consider . . . the option of withdrawing" from the ABMT if Russia refuses to accept unilateral U.S. proposed treaty amendments; it seeks the accelerated development and "streamlined" acquisition of systems that are not ABMT-compliant; it endorses the "demonstrated capabilities" definition of an ABMT-compliant system; and it endorses a unilateral U.S. definition of the velocity and distance criteria for distinguishing strategic from non-strategic missiles.

The BMD provisions are broken down into the following sections: findings (232); policy (233); TMD architecture (234); NMD architecture (235); cruise missile defense initiative (236); policy toward ABM treaty (237); spending prohibition (238); BMD program elements (239); definition of ABM treaty (240); and repeal of 10 laws (241). A copy of these provisions appeared in the Congressional Record on August 11.

The substitute includes the following notable findings: (a) the existence of a "significant and growing" missile threat to the U.S. (later called an "increasingly serious threat"); (b) TMD can reduce incentives for proliferation; (c) NMD can "strengthen strategic stability and deterrence"; (d) the doctrine of nuclear deterrence ("MAD") is "questionable".

The bill would establish the following national policies to: (a) deploy "as soon as possible" TMDs against TBMs; (b)"develop for deployment" a multiple-site NMD system (and to "consider" withdrawing from the ABM treaty if Russia refuses to agree to necessary treaty amendments); (c) develop BMD "follow-on" options; (d) streamline the BMD acquisition process; and (e) seek a "cooperative transition" away from MAD.

The SecDef is to report to Congress (before submitting the FY 1997 defense budget) on the costs of RDT&E/deployment of each BMD system (both TMD and NMD).

The bill includes Navy Upper Tier system and THAAD within TMD core program—both of which have been criticized as having potential strategic ABM capabilities.

Requires the SecDef to develop a NMD system by 2003 that shall "be capable of being deployed at multiple sites," include space-based sensors, include a limited NMD "hedge" capability by the year 2000 involving "one or more" sites. SecDef shall conduct an analysis of options to improve NMD effectiveness, including sea-based and space-based weapons, and additional ground-based interceptors.

The SecDef shall prepare a plan to upgrade U.S. cruise missile defenses.

The Senate should undertake a review of the "value and validity" of the ABM treaty.

The President cannot implement over the next fiscal year a more restrictive definition of an ABM-permissible system than that established in the bill—the bill establishes a demarcation line at targets traveling at 3,500 km range, 5 km/second velocity, and the ban only covers deployment of systems that are "flight tested" against targets fitting this definition.

The bill repeals 10 TMD/NMD-related laws (following the SASC bill).

Analysis of the substitute proposal

The table in Annex 1 compares this proposal with key provisions of the ABMT. The most troublesome language pertains to the requirement to develop for deployment a multiple-site BMD system along with specific new systems (e.g., space-based and sea-based) that are not now permitted by the ABMT.

There is a real danger that this language will be perceived by the Russian parliament and by Russian military and political leaders as a U.S. intention to abandon the treaty. If this occurs, then the consequences for both arms control and nonproliferation will be grave. We can expect the following:

The Start II treaty will be in jeopardy; Russia may even consider withdrawing from Start I.

The other nuclear weapon states (France, China, and Britain) will be reluctant to join in the process of nuclear arms reductions if Russia and the U.S. are no longer constrained by the ABMT.

Russia's reactions to the U.S. deployment of a national multiple-site missile defense system could well include a reversal or even an expansion of its offensive nuclear arsenal and deployment of its own national multiple-site defense against U.S. missiles—all of which would lead the U.S. to consider following suit.

There is adequate reason to believe that the Russians will indeed interpret the U.S. policy to develop a national multiple-site BMD system for deployment as an intention to violate the ABMT, an action that could jeopardize the Start process. Russian perceptions of the U.S. legislation will have a profound impact upon the future of several strategic arms control initiatives, as indicated in the following statements:

On August 17, Mikhail Demurin, a spokesman for the Russian Foreign Ministry, told a wire service reporter that Russia believes the legislation pending in the U.S. Senate on missile defense would lead to the "actual liquidation" of the ABMT. On August 4, National Security Advisor Anthony Lake wrote to the Senate Majority Leader that the NMD language in S. 1026 "would effectively abrogate the ABM Treaty. . . . The effect of such actions would in all likelihood be to prompt Russia to terminate implementation of the START I Treaty and shelve ratification of START II."

On July 28, Defense Secretary Perry wrote a letter to Sen. Nunn in which he said that the SASC's BMD language would "put us on a pathway to abrogate the ABM Treaty . . . jeopardize Russian implementation of the START I and START II Treaties . . . [and] threaten to undermine fundamental national security interests of the United States." By continuing to call for the development with the intention of deploying a multiple site BMD system, the compromise language keeps the U.S. on the "pathway" to abrogation.

On June 28, the Chairman of the Joint Chiefs of Staff, Gen. Shalikashvili, wrote to Sen. Levin that "Because the Russians have repeatedly linked the ABM Treaty with other arms control issues—particularly ratification of START II now before the Duma—we cannot assume they would deal in isolation with unilateral U.S. legislation detailing technical parameters for ABM Treaty interpretation. While we believe that START II is in both countries' interests regardless of other events, we assume such unilateral US legislation could harm prospects for START II ratification by the Duma and probably impact our broader security relationship with Russia as well."

On June 20, Russian President Yeltsin submits the START II treaty to the Russian Duma with a cover letter stating that "It goes without saying that the Treaty can be fulfilled only providing the United States preserve and strictly fulfill [the] bilateral ABM Treaty of 1972."

On April 27, Russian foreign ministry spokesman Nikita Matkovskiy expressed alarm that the US has started testing anti-missile defense systems that the US unilaterally claims are non-strategic; Matkovskiy stated that "In our opinion the continuation of the policy of accomplished facts instead of an intensive search for a mutually acceptable solution can only complicate matters, if not drive them into a blind alley." (Interfax)

On April 23, Russian arms control expert Anton Surikov stated that US BMD plans "are in fact yet another attempt to push through the back door the old Reagan SDI idea. That's why they pose a considerable threat to strategic stability in the world and provoke China and other 'minor nuclear countries' to sharply build up their nuclear missile forces." (Itar-Tass) On August 4, Surikov specifically claimed that the US Senate's BMD language "prompts our country to refrain from ratifying the START-2 Treaty and reconsider some provisions under the START-1 one." (Itar-Tass)

On March 28, Russian Foreign Minister Kozyrev commented on prospects for Russian ratification of the START-II treaty, noting that "It is also essential that no attempts be made to evade the ABM Treaty, since both treaties are closely connected with each other." (Itar-Tass)

On March 17, columnist Vladimir Belous wrote in Segodnya that "Some [US] senators even demand that the administration stop the ABM negotiations, which can allegedly limit US freedom of action. In fact the intention is to reanimate the Reagan SDI program, although in a more modest form . . . It must be admitted immediately that if the ABM Treaty is effectively undermined, further implementation of the START I Agreement will be in question.

On March 7, Aleksander Piskunov, the vice-chairman of the Duma Committee for National Defense, stated after a meeting with American congressmen that "It is absolutely obvious that the discussion of the possibility of implementing the ABM system will be fraught with serious consequences and will tell negatively on the upcoming ratification of an agreement on the further reduction of strategic offensive weapons." (Itar-Tass)

On February 10, retired Major-General Vladimir Belous, writing at length in Segodnya about ABMT-related developments, concluded that each Party "will give its own interpretation to the parameters for delimitation and will be guided by them, which could lead to the de facto undermining of the treaty as a document of international law. Too much is at stake for there to be haste or inconsistency on this issue. The profound connection between strategic offensive and defensive weapons must be pointed out once more. This signifies at this stage that the ratification of the START-2 treaty by the Russian parliament is possible only when the delimitation of strategic and 'non-strategic' . . . has been achieved and officially affirmed. And in no case before that."

On January 18, Aleksandr Sychev wrote an article in Izvestiya warning that "The White House plan to avail itself of a new ABM defense system gives rise to the suspicion that the United States is trying to bypass the ABM Treaty and attain military-strategic superiority."

On January 16, a senior Russian foreign ministry official criticized a recent test of "a tactical ABM system"; noting that the test occurred "at a time when both countries were holding discussions . . . on distinctions between strategic and tactical ABM systems," the official stated that "Washington's actions worsen the atmosphere at the consultations and may have a negative effect on the entire complex of security negotiations in general." (Interfax)

The danger that Russia will interpret the substitute as an intention to abrogate the ABMT is further aggravated by the repeal in both the Committee's bill and the substitute of provisions of existing law that require the United States to remain in compliance with the ABMT (e.g., repeal of the Missile Defense Act of 1991).

The substitute includes in a Sense of the Senate certain technical parameters to define the types of BMD systems that are permissible under the ABMT: any system that has not been tested against test targets flying at or above 5 km/second or exceeding a 3,500 km range would be permissible. Though the substitute is an improvement over the SASC bill's provision, in that it is non-binding, it nevertheless places the Congress in favor of adopting a BMD testing standard that has not been agreed by the Parties to the ABMT. The substitute also prevents the President from spending any funds in the next fiscal year to implement any more restrictive standard. Moreover, in establishing a US national policy that a BMD system will be controlled only if it is actually flight tested, the substitute departs from the ABMT's prohibition on developing systems that have inherent capabilities to destroy strategic ballistic missiles. The substitute language would, therefore, put Russia on notice that the United States would have no objection if Russia developed and even deployed sophisticated strategic BMD systems as long as the systems are not flight tested against the unilaterally-defined US target criteria. Any subsequent Russian action to exercise these options would serve to weaken the credibility of the US nuclear deterrent.

IMPACT OF THE SUBSTITUTE PROPOSAL ON THE ABM TREATY

[Although the text does not explicitly require the U.S. to abrogate the ABMT, the substitute MDA95 would require the Executive to take steps that would—if implemented without amending the treaty—violate both the letter and the spirit of that treaty. Examples:]

ABM Treaty (ABMT)	Missile Defense Act of 1995 (MDA95)
Preamble: considers that "effective measures to limit anti-ballistic missile systems would be a substantial factor in curbing the race in strategic offensive arms and would lead to a decrease in the risk of outbreak of war involving nuclear weapons"; proceeds from the premise that "the limitation of anti-ballistic missile systems . . . would contribute to the creation of more favorable conditions for further negotiations on limiting strategic arms".	The substitute effectively substitutes "expand" and "expansion" for the ABMT Preambles terms for "limit" and "limitation." Sec. 232 (4) "finds" that the deployment of "effective defenses" against ballistic missiles "of all ranges" can reduce incentives for missile proliferation. Sec. 232 (5) refers to the difference between strategic and non-strategic ballistic missiles as a "Cold War distinction" in need of review. Sec. 232 (7) "finds" that BMD systems "can contribute to the maintenance of stability" as missile proliferation proceeds and as the U.S. and the CIS "significantly reduce the number of strategic forces in their respective inventories." Such findings are inconsistent with the letter and spirit of the preamble of the ABMT. The findings, moreover, are not balanced: they fail to address any of the strategic benefits that the U.S. has gained from the ABMT.
Article I: Bans the following—deployment of ABM systems for a "defense of the territory of its country," the provision of a "base" for such a defense, and deployment to cover an individual region. In short, the ABMT allows limited defenses against strategic missiles, but they cannot be deployed to protect the whole country. The treaty thus permits missile defenses against both strategic and non-strategic missiles, but defenses against the former must be limited to one site (and even then, only certain types and numbers of ground-based interceptors are permissible) and defenses against the latter may not be given capabilities against strategic missiles.	Sec. 233 (2) establishes a policy to "develop for deployment" a "multiple-site national missile defense system" protecting against limited missile attacks "on the territory of the United States." Though this language echoes a similar provision in sec. 231 of the Missile Defense Act of 1991, it omits language in that act requiring U.S. compliance with the ABMT; indeed, the substitute repeals the MDA91 in its entirety. The substitute also opens up a can of worms for treaty verifiers and arms control lawyers. In light of the bill's positive "finding" in sec. 234(4) about a defense against missiles "of all ranges," the language could be read both to authorize a territorial, multi-site defense against "limited" attacks involving strategic missiles—exactly what the treaty prohibits. Note that the text does not define "limited"—and given all missile attacks are in some ways limited, the language invites a treaty interpretation that would ultimately permit a defense against all missile attacks. If implemented without modification of the treaty, this would violate several key provisions of the ABMT, including (but not limited to) the bans on: (1) multiple ABM sites; (2) "development" of space-based and sea-based ABM components; (3) giving non-strategic BMD systems capabilities to counter strategic missiles; (4) developing a "base" for a territorial ABM defense; and (5) developing a missile defense for an individual region. The term "territory of the United States" covers a third of the globe, including: (in the Pacific) the Northern Mariana Islands, American Samoa, Guam, Baker and Howland Islands, Jarvis Island, Johnston Atoll, Kingman Reef, Midway Island, Palmyra, and Wake Island, and (in the Atlantic) the Virgin Islands and Puerto Rico—it is hard to imagine an ABM-compliant system that would be "operationally effective" in defending such an area without violating the ABMT. Even if the scope were limited to Hawaii, Alaska, and the CONUS, this would cover an area of over 3.7 million square miles; the total area would be far greater. It would not be unreasonable to interpret this proposal as a statement of a U.S. intent to break the treaty. Indeed, the dictionary defines the preposition "for" (as used in the phrase "develop for deployment") as meaning: "with the object or purpose of."
Article II: Defines a strategic ABM system as including not just interceptors, launchers, and radars, but also system components which are "undergoing testing," "undergoing . . . conversion," or "under construction."	Sec. 233 establishes a national policy of developing a NMD system that will be "operationally effective" against limited ballistic missile strikes (regardless of their origin or flight characteristics) against "the territory of the United States." Sec. 235 defines the NMD "architecture" and directs the SecDef to "develop" a specific system achieving this goal. This provision is unilateral, given that Russia has not yet agreed to the BMD testing parameters found in the substitute. Sec. 235 (b) requires the SecDef to make use of "upgraded early warning radars" and "space-based sensors" in the NMD plan.
Article III: The ABM system may cover only one deployment area (of fixed dimensions) and consist of no more than 100 ABM interceptor missiles; also radar limitations. [This provision is pursuant to Article I of the ABM Protocol of 1974.]	Sec. 233 (2) establishes a policy to "develop for deployment" a "multiple-site national missile defense system" protecting against limited attacks "on the territory of the United States" (see comments above). Such a deployment would thus violate both Article III of the ABMT and Article I of the ABM Protocol of 1974. Sec. 235 (a) requires the SecDef to "develop" an NMD system (covering CONUS, Alaska, and Hawaii) involving ground-based interceptors "capable of being deployed at multiple sites".

IMPACT OF THE SUBSTITUTE PROPOSAL ON THE ABM TREATY—Continued

[Although the text does not explicitly require the U.S. to abrogate the ABMT, the substitute MDA95 would require the Executive to take steps that would—if implemented without amending the treaty—violate both the letter and the spirit of that treaty. Examples:]

ABM Treaty (ABMT)	Missile Defense Act of 1995 (MDA95)
Article V: Bans development, testing, or deployment of (a) ABM systems or components which are air-based, space-based, or mobile land-based; (b) ABM launchers for launching more than one interceptor at a time from each launcher; (c) rapid reload ABM launchers.	Sec. 235 (a) requires the SecDef to "develop" a NMD system (covering CONUS, Alaska, and Hawaii) involving ground-based interceptors "capable of being deployed at multiple sites". The system is to include "space-based sensors" including the SMTS (formerly Brilliant Eyes) and BM/C3 systems. Sec 235 (b) requires the SecDef, in developing the NMD plan, to "make use of . . . one or more of the sites" that will be used as deployment locations. Same section requires the SecDef to prepare "an analysis of options" for developing NMD system that includes several systems that are not ABMT-compliant, including: "additional" (presumably in addition to the 100 authorized by the ABMT) ground-based interceptors at existing or new sites, sea-based missile systems, space-based kinetic energy interceptors, and space-based directed energy systems. This list amounts to a congressional requirement for the SecDef to evaluate "options" to violate the treaty—an action that could reasonably be interpreted in Moscow as a prelude to treaty abrogation.
Article VI: Bans giving non-strategic defensive missiles, launchers, or radars any capabilities to counter strategic missiles, and not to test such missiles in an ABM mode; bans deployment of future radars for early warning of strategic missiles except at locations along the periphery of its territory and oriented outward.	Sec. 235 (b) requires the SecDef to make use of "upgraded early warning radars" and "space-based sensors" in the NMD plan. The purpose of the NMD system (sec. 235(a)) is to develop an "operationally effective" counter to a "limited, accidental, or unauthorized ballistic missile attack"—yet the only systems permitted under the ABMT that can be "operationally effective" against limited/accidental/unauthorized launches of strategic missiles can only be deployed at one site, cannot be deployed at sea/air/or mobile/or with rapid reloads, etc—none of these restrictions appears in the bill. Also, given that (a) the term "limited" missile attack is not defined, (b) every missile attack is limited in some way, and (c) there cannot be infinite missile attacks—the law effectively constitutes a green light to counter all missile attacks on all U.S. territory—just what the ABMT was created to prohibit. The substitute also distinguishes between a BMD system having an inherent capability against strategic missiles and a BMD system that has been "tested against" such missiles. This language contrasts sharply with the ABMT's ban on giving non-ABM systems capabilities to counter strategic ballistic missiles.
Article IX: Bans transferring ABM systems or their components to other states or deploying them "outside its national territory".	Sec 235(b) requires the SecDef to prepare "an analysis of options" for NMD including sea-based missile systems, space-based kinetic energy interceptors, and space-based directed energy systems—all of these would presumably be "outside the territory" of the United States. Under a unilateral interpretation of its own obligations under the ABMT, Russia could in turn argue that it is permissible for Russia to deploy its own ABM systems around the world to counter "limited, accidental, or unauthorized" U.S. missile attacks. Russia could (if the ABMT is finally abrogated) also export whole strategic NMD systems or critical components to all destinations.
Article XIV: Allows amendments; but agreed amendments shall enter into force with the same procedures governing the entry into force of the treaty.	The amendment process provides no authorization for unilateral national definitions of key terms of the treaty. Moreover, the substitute misleadingly claims (in sec. 237(a)(4)) that all the programs in this bill "can be accomplished through processes specified within, or consistent with, the ABM Treaty, which anticipates the need and provides the means for amendment to the Treaty." By the same reasoning, any non-nuclear-weapon state party to the Nuclear Non-Proliferation Treaty could "accomplish" a robust nuclear weapons arsenal fully "within" the procedures of the NPT, simply by following the 90-day withdrawal procedure. Indeed, either the U.S. or Russia could go ahead and develop and deploy a completely impermeable, national Star Wars system fully "within the ABM Treaty" simply by exercising that treaty's right to withdraw (or by not engaging in flight tests). The proposal thus converts a prohibition into a right or even an obligation.

Mr. HELMS. Mr. President, I support the Nunn amendment identified as "The Missile Defense Act of 1995." Last week there was a curious, trumped up suggestion in a local newspaper that, somewhere along the line, I had mysteriously changed my position regarding the ABM Treaty. I have not, and the reporter who wrote the story knew it. I have always questioned the wisdom of the ABM Treaty, and I still do.

In fact, this past April I wrote to President Clinton stating my belief that the current U.S. position on the ABM Treaty is rooted in cold war mentality. In 1972, Mr. President, neither United States nor Soviet negotiators had any way to envision the security environment of 1995, characterized as it is by the rampant proliferation of ballistic and cruise missile technology.

Even former Secretary of State Kissinger—one of the principal architects of the ABM Treaty—recently told me that he too feels that strategic stability in the post-cold war world has moved beyond the current scope of the ABM Treaty. I use the word "current" because the ABM Treaty itself contains provisions for modification or legal abrogation.

Mr. President, the national security interests of the United States should be our number one priority, and for that reason I have directed the Committee on Foreign Relations, in consultation with the Committee on Armed Services and other appropriate committees, to undertake a comprehensive review of the continuing value of the ABM Treaty for the purpose of providing additional policy guidance during the second session of the 104th Congress.

In this regard, I reiterate my opposition to the creation of yet another special Select Committee replete with bureaucratic trappings, staff, and cost to the American taxpayer for the purpose of reviewing this treaty. We already have standing committees with the responsibility for making these determinations and recommendations, and we are going to do our job.

In conclusion, I support the Nunn amendment for its foresight in developing a missile defense system to protect all Americans. Still, I confess having reservations about the amendment because I am convinced that it may compromise some of the decisive language and vision contained in the original bill.

Mr. President, I reiterate my support for passage of the Defense Authorization Bill of 1995.

Mr. NUNN. Mr. President, I intend to make a statement concluding the final passage of the authorization bill outlining some of the challenges I think we have in conference. I do think there have been a number of improvements made in the bill in the Chamber, most notably the Missile Defense Act, which I anticipate will be approved in a few minutes on a rollcall vote.

There are a number of other challenges we have in conference if this bill is going to become law, and I will speak to that at passage of the authorization bill because I think it is enormously important that we work together in a cooperative way with the administration to make every effort to see that this bill will be one the President will be willing to sign.

There are a number of items that are in the bill now which will not meet that definition according to what I have been reliably informed.

So I will be working with my colleagues to both identify the administration objections and to see if those can be worked on as we go forward.

I also think the committee chairman and all those who worked in good faith in the Chamber have a real stake in trying to make sure we get a bill that can become law this year, and I know we will work together in that regard.

Mr. WARNER. Mr. President, I say to my distinguished colleague, I know there are Senators on this side of the aisle, particularly Senators KYL and SMITH, who likewise feel very strongly about this amendment about to be voted on, so I am sure their voices will be heard as this matter proceeds to resolution in conference.

Mr. NUNN. I say to my friend from Virginia, I was referring both to that matter and to other matters also. My comments were in general because there are a number of areas where the administration and the Secretary of Defense have noted they want to work to see that changes are made. So I was not speaking just on the Missile Defense Act but that was included in my remarks.

Mr. WARNER. Mr. President, I just wanted to make sure I protected the interests of my colleagues who did work on this particular amendment about to be voted on.

Mr. President, parliamentary inquiry. Has the time arrived now for the vote?

AMENDMENT NO. 2425

The PRESIDING OFFICER. Under the previous order, the hour of 9:30 has arrived and the question now is on the Nunn amendment.

Mr. THURMOND. Mr. President, the distinguished Senator from Oklahoma desires about 2 minutes. I suggest he be given 2 minutes.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and the Senator from Oklahoma is recognized.

Mr. INHOFE. I thank the Senator from South Carolina.

During the course of this recess, I averaged about seven events a day throughout the State of Oklahoma, and during that time I did not let an opportunity go by without letting the people of Oklahoma know how serious the threat of missile attack will be to the

United States within just a very few years, probably as early as the year 2000.

I also let them know that we do not have a national missile defense system, and probably the most significant thing we will do is to keep this system going so that when we have a friendlier environment in the White House we can have this system ready to be deployed by the year 2000 or 2001.

We know the threat that exists from North Korea right now. We know the threats that were articulated by Jim Woolsey, the chief security adviser to the President, when he said that we know of between 20 and 25 nations that are working on weapons of mass destruction and the missile means of delivering those weapons.

I know the negotiators worked very hard, and I commend the work product. However, I am a little disappointed it did not come out stronger. I intend to support the missile defense portion of this bill, but I think when we used the words that we want to deploy a national missile defense system and they changed it to "develop for deployment," that is too weak. I think that when we are calling for highly effective missile defenses that we now have changed to "affordable," I suggest to you, Mr. President, there is nothing that is more significant going on right now than preparing for a national missile defense system.

The PRESIDING OFFICER. The Senator's 2 minutes have expired.

The question is on agreeing to the Nunn amendment No. 2425. The yeas and nays have been ordered. The clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. LOTT. I announce that the Senator from Alaska [Mr. MURKOWSKI] is necessarily absent.

Mr. FORD. I announce that the Senator from Hawaii [Mr. AKAKA] is absent because of attending a funeral.

The PRESIDING OFFICER. Are there any other Senators in the Chamber who desire to vote?

The result was announced—yeas 85, nays 13, as follows:

[Rollcall Vote No. 398 Leg.]

YEAS—85

Abraham
Ashcroft
Baucus
Bennett
Biden
Bingaman
Bond
Breaux
Brown
Bryan
Bumpers
Burns
Byrd
Campbell
Chafee
Coats
Cochran
Cohen
Conrad
Coverdell
Craig
D'Amato
Daschle
DeWine
Dodd
Dole
Domenici
Exon
Faircloth
Feinstein
Ford
Frist
Glenn
Gorton
Graham
Gramm
Grams
Grassley
Gregg
Hatch
Hatfield
Heflin
Helms
Hollings
Hutchison
Inhofe
Inouye
Jeffords
Johnston
Kassebaum
Kempthorne
Kennedy
Kerrey
Kerry
Kohl
Kyl
Levin
Lieberman
Lott
Lugar
Mack
McCain
McConnell
Mikulski
Murray
Nickles
Nunn
Packwood
Pressler
Pryor
Reid
Robb
Rockefeller
Roth
Santorum
Sarbanes
Shelby
Simpson
Snowe
Specter
Stevens
Thomas
Thompson
Thurmond
Warner

NAYS—13

Boxer
Bradley
Dorgan
Feingold
Harkin
Lautenberg
Leahy
Moseley-Braun
Moynihan
Pell
Simon
Smith
Wellstone

NOT VOTING—2

Akaka
Murkowski

So the amendment (No. 2425) was agreed to.

Mr. THURMOND. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. NUNN. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. BINGAMAN. Mr. President, I am going to vote against this bill as I did in the Armed Services Committee. We have had a good debate on the Senate floor on the bill and I went into this debate hopeful that we would fix many of the problems I saw in the bill as reported.

We have fixed some of those problems. For example, the Department of Energy provisions have been almost completely rewritten and all the provisions I objected to during committee deliberations have been corrected, with the exception of the hydronuclear testing provision which Senators EXON and HATFIELD sought to eliminate.

Elsewhere, unfortunately, the improvements have been modest. The Missile Defense Act of 1995 has not been changed enough for me to be able to support it. I commend Senator NUNN and Senator LEVIN for their efforts to defuse the worst features of the reported bill's missile defense provisions. I voted for their language as a substitute for the reported bill. But I believe that these provisions will still contribute to the unraveling of critical arms control agreements that would enhance our security far more than accelerating the development and deployment of a limited national missile defense system.

Our current policy on missile defense, the Missile Defense Act of 1991 as amended, makes it a goal of the United States to comply with the ABM Treaty while developing, and maintaining the option to deploy, a limited national missile defense. That is as far as we should go. We simply do not need to be making a several-hundred-million-dollar downpayment this year for a multitens of billion dollar national missile defense system.

The bill has many other provisions which I oppose. Section 1082 prohibits retirement of strategic weapons delivery systems that the nuclear posture review says we don't need. We cannot afford to keep every nuclear weapon delivery system, even those the Pentagon says we don't need, as bargaining chips for future arms control negotiations. We should not be sending the signal that we expect the START II and START I treaties to unravel and therefore intend to maintain the maximum nuclear capability possible within the START counting rules. If we end up with the nuclear posture review force structure, we will be quite adequately defended and will hardly have to sue for surrender if the cold war is revived.

Mr. President, I fundamentally disagree with the need to add $7.1 billion to the President's defense request. The weapons research and production funded with that money are only going to make our out-year defense budget problems worse. The committee has admitted that it has designed a defense bill that will require many billions of dollars in additional defense spending in future years beyond the budget resolution levels. Since I didn't support the first $33 billion added by the budget resolution, I can't support a bill that assumes even more spending in future years. I regret that the Kohl-Grassley effort to enforce budget discipline failed.

I regret that my efforts to cut spending for unneeded antiarmor munitions and for an amphibious assault ship we don't need to buy before 2001, if then, were defeated in votes on the companion Defense appropriations bill. These are the tip of the iceberg of unneeded Member-interest spending in this bill and the companion appropriations bill.

Mr. President, this bill is better than the House bill in most respects. The House bill has terrible provisions on discharging members who are HIV positive and on denying female service members and female dependents of service members the right to get an abortion in overseas military medical facilities with their own money. The House bill funds additional B-2 bombers with their multitens of billions of dollars out-year funding requirement. The House bill has a fundamentally misguided provision that attempts to lock in the Bottom-Up Review force structure of 1.445 million active duty service members in permanent law. The House bill's combination of force structure and weapons systems provisions would require rapid real growth in defense spending in future years, even more rapid than the Senate bill's. This is simply not in the cards.

Mr. President, we go to conference with two bad bills, each deserving a veto in my view. It's possible that we will strip the worst of both bills in conference and end up with a product acceptable to the President. But far more likely is a result that the President would have to veto.

This is the first time in my 13 years in the Senate that I have voted against a Defense authorization bill. I do not do it lightly. I regret that I feel compelled to do this.

I urge my colleagues who believe this bill spends too much money on unneeded and wasteful defense projects or who oppose its cold war revival provisions to join me in voting against this bill.

STRATCOM

Mr. THURMOND. Mr. President, I wish to bring to my colleagues' attention an important initiative by USSTRATCOM to provide the regional CINC's with mission-planning analysis for counterproliferation of weapons of mass destruction. STRATCOM'S mission-planning analysis is of proven value to regional commanders charged with responding to proliferation threats.

In situations that could require putting American forces in harm's way, it is vital that all factors—the risks, benefits, and consequences of contingency plans—are thoroughly understood in advance. Once a crisis breaks out, it is too late to undertake the studies required to assess the potential threats.

STRATCOM's unique planning analysis method gives commanders advance warning of danger by helping to identify and characterize current and emerging proliferation threats in the region. In cases when proliferation activities challenge U.S. interests and military operations, this unmatched mission-planning analysis capability allows defense planners to identify a variety of potential military targets; assess the effectiveness, consequences, and costs of military operations; and develop alternative contingency plans that maximize mission effectiveness, while minimizing the risk, cost, and collateral effects.

Moreover, in the case of countries with embryonic weapons activities, STRATCOM's mission-planning analysis can provide the early and detailed alert that will allow policy makers to fashion effective export controls and other preventative measures to block weapons programs before they become a threat to the United States or other nations.

Mr. MCCAIN. I agree with Chairman THURMOND'S assessment of USSTRATCOM'S mission-planning analysis activities and the importance of this program in supporting the broad spectrum of U.S. nonproliferation and counterproliferation goals. Unfortunately, during our markup of the fiscal year 1996 Defense authorization bill, we were unaware that the program is not adequately funded in the budget request for STRATCOM.

Without funding, analysis that commanders find essential for mission planning will at best be performed on an ad hoc basis or, worse, not at all. This issue is too vital and the risks of proliferation are to great to be ignored by the Senate.

I hope the conferees will see fit to include the required funding for this program.

DISPOSAL OF OBSOLETE AND EXCESS MATERIALS CONTAINED IN THE NATIONAL DEFENSE STOCKPILE

Mr. BAUCUS. I would like to raise an issue with the manager regarding section 3402 of the bill. This section appears on page 587 and is entitled "Disposal of Obsolete and Excess Materials Contained in the National Defense Stockpile." I understand that the purpose of this provision is to eliminate the strategic materials in the national defense stockpile with three exceptions. Is that correct?

Mr. THURMOND. The provision recognizes that the stockpile contains materials which are excess to national security needs. At the direction of Congress, the Department of Defense conducted a thorough analysis of requirements and reported their findings.

Mr. BURNS. And I understand that if the disposal of those materials is authorized by the Congress, the actual sales of the materials would be preceded by a recommendation by the Federal Market Impact Committee regarding the adverse domestic and foreign economic impacts on the private sector as a result of the proposed stockpile sales. Is that correct.

Mr. THURMOND. No disposal from the stockpile may occur until the Market Impact Committee has analyzed the DOD plan for annual disposals. Congress must then concur with the annual materials plan before DOD can dispose of any materials. We maintain very tight control over these disposal and the procedures have worked very well.

Mr. BAUCUS. Our concern is with the proposed sale of palladium and platinum in the stockpile. The national defense stockpile of palladium represents the equivalent of 20 percent of the annual demand for this metal, and the national defense stockpile of platinum represents 5 percent of the national demand. The price of both of these metals is quite volatile. There is already some indication that just the recommendation for sale has had a depressive impact on the market price. Did the committee, when it included palladium and platinum among the materials to be disposed, examine the implications of disposition of palladium and platinum?

Mr. THURMOND. Any disposals of those materials could only occur in small amounts over a very long period of time, according to market and impact conditions. Although no subcommittee hearing was conducted this year to review stockpile operations, we have been working closely with DOD on this matter and the final DOD report has been reviewed.

Mr. BURNS. Historically, the National Defense Stockpile was created to provide a supply of strategic materials not available from domestic production or not available in sufficient quantities from domestic production to meet critical military needs. Since the palladium and platinum that is in the stockpile was acquired, the Stillwater Mine in Montana has begun production and, in fact, is the only mine in the world which is a primary palladium producer, platinum representing a secondary metal from that mine. Virtually all other palladium and platinum comes from South Africa and Russia.

Mr. BAUCUS. The problem from Montana's perspective is that the Stillwater Mine has only recently begun to recover its costs of production as the price of palladium has stabilized at a level sufficient to justify operation of the mine. Because of the improvements in price, Stillwater Mining Co. has announced an intention to double its production of palladium beginning in mid-1997. The doubling of production will increase the number of high-paid underground mining jobs by approximately 400. In Montana, these jobs are extremely important to our economic health.

Mr. BURNS. We are deeply concerned that there not be some activity with respect to the disposition of palladium and platinum in the stockpile which would undermine the basic economics of the Stillwater Mine and its proposed expansion. The question to the manager of the bill is whether the conferees, on behalf of the Senate, will support an amendment from the Montana delegation which will assure that disruption in the price of palladium and platinum not occur.

Mr. THURMOND. I would emphasize that this legislation would not permit DOD to dispose of a single ounce of these materials. Any disposal requires approval by Congress of an annual materials plan and I suggest to my colleagues that the AMP is the mechanism we have established in law to protect domestic industry from disruption. The provision in this bill enables DOD to develop a plan for potential disposals in a manner which will not disrupt the market or disadvantage domestic producers. This procedure has worked very well in the past and any disruption has been minimized.

Mr. BIDEN. Mr. President, I rise in opposition to the National Defense Authorization Act for fiscal year 1996. In the course of debate on this legislation many improvements have been made to what was a dangerous piece of legislation.

To mention two of these positive changes: The provisions on the Energy Department relating to our nuclear weapons activities have been greatly improved and the National Missile Defense Act of 1995 has been significantly altered.

Unfortunately, these changes have not gone far enough to correct what I believe is still a flawed piece of legislation.

I will oppose this legislation primarily for two reasons. First, the Missile Defense Act of 1995, though much improved over the original committee version, risks undermining the START treaties. Second, the bill provides for an increase of $7.1 billion in spending on programs that the Pentagon does want nor need.

At this juncture, I want to make clear that I support a robust national defense. I do not think, though, that spending money on weapons systems that the military itself does not want and pursuing a national missile defense which could lead to a new arms race, as this bill does, is a good way to promote our national security.

Senators NUNN, LEVIN, COHEN, and WARNER worked hard to develop a compromise which altered some of the more egregious provisions of the committee-reported version of the Missile Defense Act of 1995. I commend them for their efforts, and I supported their amendment as a way to improve the original bill language.

The amendment does move us away from the original bill's commitment to deploy a national missile defense system by 2003. Furthermore, the scope of the Strategic Missile Defense Program has been strictly limited to defending against unauthorized, accidental, and limited launches as opposed to a more ambitious defense against all types of ballistic missiles. The Congress is now guaranteed a decisive role in the decision to deploy any missile defenses. Finally, provisions which would have tied the President's hands in negotiating ABM Treaty amendments have been removed.

Despite these significant changes, many problems remain with the Missile Defense Act of 1995. In particular, there is a real threat that the Russian Duma will not understand the legislative finessing we have engaged in to avoid a head-on collision with the ABM Treaty. The distinction between developing for deployment a national missile defense system versus deploying such a system are subtle at best. They may also be concerned about policy statements referring to the possibility of withdrawal from the AMB Treaty should negotiations not succeed.

The danger is that these measures on our part will be viewed as violations of the ABM Treaty by the Russians. If the Russians believe that we are developing an effective national missile defense system in violation of the ABM Treaty, then they are likely to lose confidence in their offensive strategic arsenal, which has been shrinking thanks to arms control agreements like START I.

To overcome that lack of confidence, they will seek to develop the means to counter our missile defense system. The cheapest way to do so is to overwhelm missile defenses. In order to retain the ability to do that they will stop implementing START I and refuse to ratify START II.

The progress in arms control which accompanied the signing of the ABM Treaty over two decades ago will have been thrown by the wayside, and ironically we will have the kind of arms race in the post-cold-war world which we were able to avoid in the heyday of the cold war.

Instead of focusing on a threat from ballistic missiles reaching our shores—a threat which we may never face—we should be concentrating our efforts on those areas where a realistic threat does exist. That threat primarily comes in the form of a rogue state or terrorist group gaining access to widely scattered fissile material in the former Soviet Union, fashioning a crude nuclear explosive device, and smuggling it into the United States by conventional means such as a boat.

Our focus should be on securing the many tons of nuclear material in the former Soviet Union, and on tracking dangerous terrorist groups who may be potential customers for that material, not on defending against the remote possibility of a ballistic missile attack from outlaw states or groups.

The second primary concern I have with this legislation is that it calls for wasteful spending. I want to repeat that I stand for a strong national defense. Unfortunately, the additional $7.1 billion in spending above the administration's request called for in this legislation does nothing to improve our national security.

Not one penny of the increase is going into the operations and maintenance account, also known as the readiness account. The reason for that is that there is not a readiness problem under the Clinton defense budgets as some would like us to believe.

Some of the $7.1 billion increase in spending, such as that for national missile defense, could lead to expenditures of tens of billions of dollars in future years if plans are fully carried out. This is an indirect way of forcing enormous increases in future defense budgets which are not included in current budget plans.

At a time when many valuable programs are being subjected to unprecedented cuts, I find it difficult to support large increases in programs in the Defense bill which were not requested by the military and will do nothing to enhance our national security.

For these reasons, Mr. President, I must oppose the Defense Authorization Act for fiscal year 1996.

Mr. SMITH. Mr. President, I rise in strong support of the fiscal year 1996 Defense authorization bill, as reported by the Armed Services Committee. This is an excellent bill, and I want to specifically commend the distinguished chairman of the committee, Senator THURMOND, for his able leadership and tireless efforts on behalf of the men and women of our Armed Forces. I also want to thank Senator NUNN, the distinguished ranking member, for his hard work and dedication.

Mr. President, when the 104th Congress convened in January, Senator THURMOND initiated a comprehensive review of our national defense requirements in view of the administration's future years defense plan. The review highlighted some serious deficiencies in military readiness, modernization, quality of life, and investment, and served as a basis for establishing a list of top priorities for the Armed Services Committee in this year's defense program. For the benefit of my colleagues, I ask unanimous consent that this list of priorities be inserted in the RECORD.

There being no objection, the list was ordered to be printed in the RECORD, as follows:

ARMED SERVICES COMMITTEE PRIORITIES

Guarantee our national security and the status of the United States as the preeminent military power:

Maintain FY 96 defense budget at FY 95 levels in real terms.

Determine outyear defense budgets based on national security requirements.

Reprioritize the President's budgets to ensure appropriate balance of personnel, near-term readiness and long-term readiness (modernization).

Ensure a high quality and sufficient end-strength of personnel at all grade levels through effective recruiting and retention policies.

Buy the weapons and equipment needed to fight and win decisively with minimal risk to personnel.

Eliminate defense spending that does not contribute directly to the national security of the United States.

Ensure an adequate, safe, and reliable nuclear weapons capability.

Reevaluate peacekeeping roles, policies and operations and their impact on budgets, readiness and national security.

Protect the quality of life of our military personnel and their families.

Provide equitable pay and benefits for military personnel to protect against inflation.

Restore appropriate levels of funding for construction and maintenance of troop billets and family housing.

Revitalize the readiness of our Armed Forces.

Restore near-term readiness by providing adequate funding to: reduce the backlog in maintenance and repair of equipment; provide adequate training; and maintain stocks of supplies, repair parts, fuels, and ammunition.

Ensure U.S. military superiority by funding a more robust, progressive modernization program to provide required capabilities for the future.

Accelerate development and deployment of missile defense systems.

Deploy as soon as possible advanced land and sea based theater missile defenses.

Clarify in law that the Anti-Ballistic Missile Treaty does not apply to modern theater missile defense systems.

Reassess value and validity of the Anti-Ballistic Missile Treaty to the national security of the United States.

Accelerate development, testing and deployment of a national missile defense system highly effective against limited attacks of ballistic missiles.

Mr. SMITH. The bill before us delivers on each of the priorities that were developed by Senator THURMOND and members of the committee. In fact, every element of the list is embodied in direct actions taken by the committee. We made a commitment, and we delivered on that commitment.

The committee bill authorizes approximately $264.7 billion in budget authority for the National Defense Program. Although this represents an increase of $7 billion from the administration's grossly underfunded request, it still falls short of fully meeting our military requirements. The situation in the outyears is considerably worse.

Both the Clinton plan and the recently passed budget resolution fail to fund defense at a level that even keeps pace with inflation. We are on track for a major train wreck between defense requirements and resources. If we are to maintain any semblance of a stable defense program we will need to maintain the spending outlined in this bill, and revisit future years funding levels next year.

Mr. President, there are a number of very important initiatives contained in this bill, which I would like to briefly summarize for my colleagues. The committee bill:

Provides a 2.4-percent pay raise for military members and a 5.2-percent increase in basic allowance for quarters.

Equalizes dates for military and civil service retiree COLA's for 1996 through 1998.

Authorizes $1.3 billion to purchase the LHD–7 amphibious assault ship.

Fully funds the F–22 fighter program.

Initiates a long overdue upgrade of our airborne electronic warfare programs.

Funds critical antisubmarine warfare and countermine programs.

Provides $110 million to purchase the second of three ships under the Marine Corps Maritime Preposition Ship Enhancement Program.

Provides $35 million to begin retrofitting aging Patriot missiles with an advanced seeker to defend against modern cruise missiles.

Includes a provision ensuring free and fair competition between Electric Boat and Newport News for the new attack submarine program.

And perhaps most important, includes the Missile Defense Act of 1995, a historic and long overdue refocusing of our Ballistic Missile Defense Program.

Mr. President, the Missile Defense Act establishes a comprehensive program to counter the threats posed to our Nation by ballistic missiles and cruise missiles. The program has three key elements that I want to bring to the attention of my colleagues.

First and foremost, the legislation accelerates the development and deployment of national missile defenses to protect all Americans against the threat of ballistic missiles. The Clinton administration has effectively killed the National Missile Defense Program, leaving the American people totally vulnerable to ballistic missile attack.

The committee bill rejects the administration's misguided approach, and establishes a specific program and schedule to deploy a multiple site, ground based national missile defense by the year 2003.

Second, the committee bill would codify the demarcation proposal that the Clinton administration offered in Geneva some 18 months ago. It establishes a demonstrated standard for evaluating compliance with the ABM Treaty.

The bill specifies that theater missile defense systems would not be subject to the terms of the ABM Treaty unless they are flight tested against a ballistic missile with a range greater than 3,500 kilometers or a velocity in excess of 5 kilometers per second. This is a reasonable and appropriate standard that was suggested by the administration, and we have included it in this bill.

Third, the committee bill establishes a cruise missile defense initiative to counter the threat posed by existing and emerging air breathing threats. The intelligence community estimates that at least 12 countries have land-attack cruise missiles under development. Although the Defense Department has a variety of programs underway to address these threats, there is poor coordination and synergy among the Department's programs.

The bill would direct the Secretary of Defense to better coordinate the Pentagon's cruise and ballistic missile defense programs, prepare a plan for prompt deployment of these systems, and provide a substantial increase in funding.

In addition, Mr. President, the bill advocates a cooperative transition to a post-cold-war regime that is responsive to the global threat environment. The committee heard testimony from many different witnesses this year urging the United States to move away from the cold war doctrine of mutual assured destruction toward a more flexible deterrent posture that integrates both offensive and defensive weapons.

In particular, Henry Kissinger, who was a key negotiator of the ABM Treaty and a proponent of mutual assured destruction, indicated to the committee that this doctrine has been surpassed by events, and is no longer relevant or constructive in the post-cold-war world. The committee took this testimony very seriously, and has recommended that we work with our Russian counterparts to move cooperatively away from the confrontational policy of mutual assured destruction toward a more multipolar oriented deterrent posture.

The committee bill also recommends the establishment of a select committee to conduct a 1-year review on the continuing value and validity of the ABM Treaty. The select committee would conduct hearings and interviews, review all relevant documents, and carefully consider the full range of policy issues surrounding the treaty.

To support this initiative, the committee bill would require that the ABM Treaty negotiating record be declassified. This action would be consistent with the classification policy that was established by Executive order on April 17 of this year by the Clinton administration.

Mr. President, these initiatives on ballistic missile defense are responsible, measured, and necessary to protect the national security of the United States. The American people overwhelmingly support the deployment of national missile defenses and highly effective theater missile defenses.

Unfortunately, the Senate now appears poised to completely rewrite the Missile Defense Act. Although the Senate has voted twice to preserve key aspects of the legislation, a so-called compromise has been developed which totally changes the focus and content of the bill. As one who has dedicated a great deal of time and effort on this issue, I am deeply disappointed with this sudden change of course. The Armed Services Committee bill was the right answer to a very complex and urgent problem, and I am troubled that for nothing more than convenience sake, it appears this body is prepared to compromise its principles and our Nation's security. This is a terrible mistake, and I will not support it.

The truth is, that contrary to the assertions of our friends who oppose missile defense, nothing in the committee bill, absolutely nothing, would violate the ABM Treaty. It merely begins preparations for the eventual deployment of a system to defend all Americans against the threat of ballistic missiles.

The authors of the treaty expected evolutionary changes and incorporated provisions that would encourage cooperative modifications or, if necessary, withdrawal from the treaty after a 6-month notice. The Armed Services Committee bill does not prejudge the results of negotiations to amend the treaty, nor does it advocate a unilateral withdrawal from the treaty. It merely affirms the moral and constitutional requirement to defend all Americans, and initiates a comprehensive program to counter threats to our security.

Mr. President, that is the fundamental issue at stake here. The American people are totally vulnerable to ballistic missile attack. They have no defenses. And the Clinton administration intends to keep it that way. The question for Senators today is whether you believe that all Americans deserve to be defended, or you support the Clinton policy which says no Americans should be defended. You can't have it both ways.

But, sadly, that is what my colleagues are trying to do with this so-called bipartisan compromise. In an effort to prevent the President from vetoing the defense bill, they have agreed to water down the missile defense provisions, to soften the findings, to hedge on deployment dates, and to completely undermine the principles that were embodied in the committee bill.

Mr. President, I appreciate the efforts of my colleagues to try and find common ground, and to seek compromise in order to build consensus. But national security is not something to be compromised, and I refuse to associate myself with a policy which perpetuates the vulnerability of our citizens. I will oppose the so-called bipartisan compromise on missile defense, and any other amendment which undermines the excellent work of the Armed Services Committee.

I yield the floor.

ACQUISITION AND TECHNOLOGY

Mr. SMITH. Mr. President, as chairman of the Acquisition and Technology Subcommittee, I have been charged with overseeing of the technology base programs in the defense budget request for fiscal year 1996. The technology base budget includes funding for the basic research, exploratory development, and advanced development accounts, the so-called 6.1, 6.2, and 6.3 accounts of the budget.

In addition the subcommittee also has responsibility for the so-called RDT&E infrastructure accounts. These accounts fund the maintenance of laboratories, R&D centers, and test and evaluation facilities. The portion of the accounts allocated to the Acquisition and Technology Subcommittee in fiscal year 1996 budget request amounted to a total of $9.5 billion.

As the incoming subcommittee chairman, I faced a number of challenges. The budget request for fiscal year 1996 was already reduced from the amounts appropriated for these accounts in fiscal year 1995. Unlike other portions of the budget, the technology base programs are spread out among 250 separate program elements complicating a systematic review of the programs. Finally, it was clear that we needed to undertake a thorough review of each of these programs in order to ensure that defense relevance be the most important test for their continued funding. I was determined to understand the details of the programs under my purview.

To aid in its review of these programs, the subcommittee conducted six hearings on program categories as well as on relevant policy areas. We began with an overview hearing on the technology programs in the Subcommittee's jurisdiction on March 14. This hearing yielded important insights into the relationship of the programs under the purview of the Office of the Secretary of Defense and those managed by the services.

Over the past several years, there has been a distinct trend in technology funding shifting from service programs to programs managed by OSD. This trend may have serious consequences if we are robbing Peter to pay Paul and are thereby reducing service influence on the investment of our defense technology dollars.

The importance of technology to the military in the face of the emerging revolution in military affairs was one of the subjects discussed at length during a subcommittee hearing on May 5. At that hearing, Admiral Owens, Vice Chairman of the Joint Chiefs of Staff and Mr. Andrew Marshall of the DOD Office of Net Assessment presented a preliminary sketch of the future battlefield and the key role that technology, especially information technology, will play in bringing victory or defeat.

The hearing underscored the need to maintain sufficient levels of defense technology investment to ensure that we are able to exploit the potential of future battlefield. Technology issues are only one aspect of the revolution in military affairs, and I am hopeful that the full committee will hold at least one hearing over the next year to examine the implication of this revolution for areas like organization and training that extend beyond the scope of any one subcommittee.

The technology reinvestment project has become one of the more controversial programs under the subcommittee's jurisdiction. On May 17, the subcommittee held a hearing to review this program and other so-called dual-use technology programs in the Department of Defense budget request. As a percentage of the budget, these programs have been growing since 1990. The dual-use designation refers to the fact that such programs involve technologies that have application in both the commercial as well as the defense sectors of the economy. Dual-use technologies will be used to an increasing extent in weapon systems as the electronics content of such systems continues to rise.

In the electronics industries, for example, the commercial marketplace, not defense requirements, is driving the pace of technology development. Because the Department of Defense represents a shrinking share of the electronics market, DOD leverage over the market is decreasing.

For that reason, the paradigm for future interaction between the Department of Defense and the electronics industries is a dual-use partnership approach in which both DOD and the industry provide funding for the development of technology. Such partnerships can help to make our acquisition process more efficient as we inject commercial technologies into defense weapons systems.

I want to make clear, however, that there are dangers in placing too much emphasis on this approach. If programs are not managed carefully, we may end up doing dual-use for dual-use sake with only a limited emphasis on military utility. Military utility must be the driving factor, and a time of limited funding, we have to ensure that we are not raiding critical technology base programs under the guise of dual-use development. We also need to ensure that Congress maintains the proper level of visibility and oversight in dual-use programs.

At the May 17 hearing on dual-use programs, we explored these issues in depth with the Under Secretary of Defense for Acquisition and Technology, Paul Kaminski, and representatives of the defense industry and the General Accounting Office. What emerged from the testimony was the potential payoff of some existing dual-use programs, such as those underway in the technology reinvestment project, but also the need for improvements in management and oversight of these programs.

An area that is directly related to our investments in technology is the issue of export control. Unless we have in place an effective process for reviewing licenses for the export of sensitive technologies, especially those that are dual-use in nature, we will end up having to spend scarce R&D dollars to counter technologies that we already have paid to develop. I am particularly concerned about the licensing for export of technologies for satellites and satellite-related services.

On May 31, I chaired a hearing reviewing current export license review procedures and the relationship among the Departments of Defense, State, and Commerce in this process. The hearing uncovered some significant problems of coordination and cooperation among the agencies that have directly undermined our national security. I intend to continue pursuing these issues in further hearings.

Mr. President, the proliferation of weapons of mass destruction is an ever growing threat to our national security. Because of this increased threat, I have made counterproliferation programs and policies a major area of new emphasis for the Subcommittee on Acquisition and Technology. On April 14, the subcommittee held a hearing to review the funding request for fiscal year 1996 for counterproliferation programs. The hearing revealed that additional funding would be necessary to accelerate development and deployment of military counterproliferation technologies. The bill before us addresses many significant deficiencies in our counterproliferation program.

Upon completion of the hearing process in May, I began a comprehensive analysis of the funding requests for the 250 program elements in the Acquisition and Technology Subcommittee. As I announced at the first hearing in March, my litmus test for funding a program was simple: if there is a defense investment, there must be a defense return. We put everything on the table. I carried out this review independent of political bias, and without any prejudice toward systems or technologies.

Because high priority requirements in readiness, modernization, and quality of life were severely underfunded in the President's defense budget request, Chairman THURMOND directed me to reduce accounts under the jurisdiction of the Acquisition and Technology Subcommittee in areas of nondefense initiatives or lower priority activities. I agreed with that direction and accepted the guidance to reduce the programs $330 million below the President's request.

However, in the midst of our review, the subcommittee received requests from Senators for additions to the bill totaling nearly $620 million. As we clearly could not accommodate even a majority of these requests, I attempted to apply the same litmus test to these requests as I applied to the programs in the administration request: direct defense relevance.

In preparing the subcommittee recommendation on the President's request, we endeavored to protect the core, defense relevant technology programs above everything else. We gave programs with defined technology development a higher priority than those that lacked it. The largest source of reductions was the technology reinvestment project, which we cut by $262 million. This funding would all have supported a new competition in fiscal year 1996 for which technology thrust areas have yet to even be defined.

Mr. President, as the committee report on page 111 indicates, despite our continued support of dual-use technology development programs, a new competition for unspecified technologies in 1996 must have a lower priority from a defense standpoint than funding well-defined technology programs in the budget request for the services. We changed the name of the program to the Defense Dual-use Technology Initiative and have also changed the statutory basis for the program to clarify the need for close connection between research and a military mission requirement.

Another source of funding reductions was an undistributed cut of $90 million to the work conducted through the federally funded research and development centers known as FFRDC's. The FFRDC issue has been a controversial one in recent years due to the perception of some that these institutions lack effective management oversight from the Defense Department. While the subcommittee is satisfied with the efforts of the Under Secretary of Defense for Acquisition to review the future role of the FFRDC's, our reduction was made in a manner consistent with overall reductions in R&D, and in anticipation of some redistribution of workload betwen the FFRDC's and the private sector.

Another source of significant reductions was in the accounts supporting the research, development test, and evaluation infrastructure. One of the most disturbing trends in the technology budget is the greater and greater portion of R&D funding that is going, not to programs, but to maintaining facilities and test ranges. The base closure and realignment process has not dealt effectively with the need to consolidate laboratories, research centers and test facilities across the services.

As a result, at a time when the R&D portion of the budget request has declined by over 10 percent from last year, the RDT&E support programs have declined overall less than 4 percent. In recognition of this trend, we reduced the infrastructure programs by $85 million. It is my hope that we can develop an effective process for consolidating facilities so that we can devote a greater share of our scarce resources to programs rather than maintenance. I intend to continue to pursue this issue vigorously next year.

In the midst of these reductions, I am pleased to say that we were able to fund some critical gaps in the budget. We added $36 million to create a counterproliferation support program to accelerate the development and deployment of technologies for military counterproliferation. Our report details the new initiatives in such areas as biological agent detection, cruise missile defense, and proliferation of space technology. We also shifted $24 million into Army technology base accounts to correct some of the most serious shortfalls in the Army's underfunded technology budget.

I want to thank members of the staff for all their work in helping out the members of the Subcommittee on Acquisition and Technology. Monica Chavez, Jon Etherton, Tom Moore, Tom Lankford, and Pamela Farrell provided essential support for our review. On the minority side, Ed McGaffigan, John Douglass, and Andy Effron were extremely cooperative with our staff and members in working through these issues.

I especially want to express my appreciation for the support and counsel I received from the ranking member of the subcommittee, Senator JEFF BINGAMAN. I was privileged to serve as the ranking member under his chairmanship of the subcommittee during the last Congress where Senator BINGAMAN conducted the process with fairness, openness, and always in a spirit of bipartisanship. I know there were recommendations in this bill that trouble the Senator from New Mexico, but he has remained supportive and helpful throughout our process.

In summary, Mr. President, I believe that the acquisition and technology portion of the defense authorization bill maintains a strong technology base program. The core, defense-relevant programs are funded at or above the requested amounts, and the bill lays a solid foundation on which we can build future technology investments for national defense.

I thank the Chair, and I yield the floor.

Mr. GLENN. Mr. President, I voted against final passage of S. 1087, the Department of Defense appropriations bill and S. 1026, the Defense authorization bill. I did not cast these votes lightly. In fact, this is the first time in my Senate career that I have voted against a defense spending measure. I supported the authorization bill in committee in the interest of bringing the bill before the full Senate with the hope that the bill's more problematic provisions could be eliminated by amendment.

A number of factors contributed to my decision to vote against final passage.

I have always supported a strong defense for our Nation. I have supported increases in defense spending beyond what has been requested by Presidents when I believed those programs were the interest of our national security. But, these spending measures add as much as $7 billion in funding for programs that I do not support and do not believe represent a responsible means of spending limited taxpayer funds. I could have supported additional funding for some of these individual programs, but not the total funding package, particularly at a time when we are trying to balance the Federal budget and are considering substantial cuts in domestic funding to accomplish that.

The bulk of the additional funds are spent for procurement programs for which the Pentagon made no request: close to $600 million was added for F/A-18's, $361 million for F-15's, $175 million for F-16's, $1.4 billion for DDG-51, $1.3 billion for LHD-7, and close to $800 million for Guard and Reserve equipment.

In addition, the two bills add $600 million above the President's budget request for ballistic missile defense, $300 million of which is for national missile defense, bringing total funding for ballistic missile defense to $3 billion. This level of funding exceeds our national requirements and undermines our commitment to the ABM Treaty, an agreement critical to our national security needs.

With respect to the Department of Energy's nuclear weapon production complex, several significant improvements were made in the bill since it was reported out of committee. However, the bill still contains over $120 million in unrequested, unneccessary funds for plutonium pit manufacturing and refabrication capability. The bill also includes $50 million for low yield, hydronuclear testing purposes, which I oppose.

At the same time that these two bills add billions for programs the Pentagon claims it does not need, they leave unfunded the estimated $1.2 billion in costs for our current operations in Bosnia and Iraq, funds which the Pentagon undisputedly needs. So, while these bills purport to add funds in the name of long term readiness, they create an immediate threat to our readiness by forcing the Pentagon to siphon off more than a billion dollars in operations and maintenance funding to finance current operations.

In addition to the funding issues, I am very disturbed by the provision in the authorization bill related to the Anti-Ballistic Missile Treaty. I will address my specific concerns in this area in a separate statement.

HUGE PENTAGON SPENDING INCREASES REFLECT DISTORTED PRIORITIES

Mr. WELLSTONE. Mr. President, this week I am voting against both of the major Department of Defense spending bills for next year. I am doing so for a number of reasons, including the fact that these bills provide about $7 billion more in defense spending than the President, the Secretary of Defense, and the Chairman of the Joint Chiefs of Staff have requested for next year. That's right. Congress this year will approve spending for about $7 billion more than the Pentagon has requested, or than they have indicated they will be able to responsibly use, next year.

Coincidentally, perhaps, this is just about the same amount—in Pell grants for students, in Head Start, in substance abuse prevention, in employment and training, in worker protections, and many other key domestic areas—that was recently slashed by the House appropriators for next year.

Since my perspective, these are seriously skewed priorities. And since polls continue to show substantial support for bringing down the post-cold-war defense budget, I do not believe they are the priorities of the vast majority of Americans. Even worse, the two bills increase the President's request for star wars spending by hundreds of millions—in one case, about $770 million—which will spell serious trouble for future arms control negotiations.

Following an unsuccessful bipartisan effort before the recess in which I joined Senator KOHL, GRASSLEY, and others to amend the bill to eliminate the overall increase above the President's request, I tried to split the difference, offering another amendment to reduce the increase by only about 50 percent. It too was defeated, as were all other efforts to modestly scale back overall funding in the bill to more responsible levels.

I also tried, through numerous other amendments offered with my colleagues, to scale back or eliminate spending on a number of unnecessary or obsolete weapons systems. Most of those efforts were unsuccessful. Given tight funding constraints, continued overspending on defense is unwise, it is irresponsible, and it is a policy which does not serve our real national security interests. If we fail to invest in our children in order to bolster post-cold-war defense budgets, because we were too afraid to thoroughly rethink our real national security needs, and retool our defense budget accordingly, we will regret it for at least a generation.

I believe that a time when we are slashing budgets for hundreds of social programs that protect the vulnerable, preserve our lakes and streams, and provide for expanded opportunities for the elderly and the broad middle class, such as student loans, Medicare, and job retraining, it is wrong to increase, substantially, already bloated military spending.

In defense, as elsewhere in the Federal budget, there are responsible ways to eliminate wasteful and unnecessary spending; by cutting obsolete cold war weapons systems, imposing money-saving reforms within the bureaucracy, and streamlining procurement policy to make the system more efficient and more cost effective. I have proposed a number of ways to do this in recent months, including scaling back bloated Pentagon travel budgets, which the General Accounting Office has found could provide substantial savings—hundreds of millions of dollars per year. Over and over, these attempts have either been voted down here on the Senate floor, or the bills to accomplish these ends have been bottled up in committee.

In the end, there is almost no Pentagon streamlining, no elimination of waste, provided for in this bill. Instead, when faced with difficult choices between competing weapons systems, basic housing improvements for our troops, and other readiness requirements, the committee decided simply to buy all of the big weapons systems, ships, and planes that they could, larding the bill with special interest funds for defense contractors in Armed Services or Appropriations Committee Members' home States, often accelerating purchases not scheduled to be made for many years, if at all. In fact, the purchase of many of these extravagantly expensive weapons systems is actively opposed by the Pentagon, because they have identified higher national security priorities for the funding that is available.

I also have serious concerns about the potentially catastrophic arms control consequences of this bill. For example, I voted against even the so-called compromise on the national missile defense or star wars system because I believe that, even though it was better than the original bill, the approach urged by the compromise amendment would seriously undermine the 1972 ABM Treaty, and is likely to jeopardize the nuclear weapons reductions in the START I and II treaties.

While some have argued, I think in good faith, that this compromise meets basic arms control and nonproliferation requirements, I disagree. As a practical matter, there is no question in my mind that enactment of this bill would lead us toward near-term deployment of a national missile defense system. It is the latest version of the earlier star wars system that was roundly rejected by most knowledgeable scientists, and national security experts, as a waste of money and a fraud.

Senator WARNER has been very clear that he believes this compromise will move us along toward rapid deployment of such a system. Since, regrettably, I agree with Senator WARNER that that is so, while I commend Senator LEVIN and others on our side for their efforts to develop the compromise, I could not support the final agreement. I believe that spending scores of billions of additional dollars to deploy an elaborate national missile defense system that's not likely to work effectively, and thus violating the ABM Treaty, to defend against a far-fetched scenario in which a ballistic missile is fired on the United States from a rogue terrorist state, is irresponsible. The more likely means that terrorists might use to deliver such a bomb—in a suitcase placed in some public place, or in a Ryder truck, or in a van parked underneath a building—is a far more serious threat. And that is a threat we can combat for a lot less than $50 to $100 billion.

I also believe that the additional funding provided by the bill for hydronuclear testing in Nevada will likely have a profoundly negative impact on the test ban negotiations now underway in Geneva. The French nuclear test detonated in the South Pacific yesterday underscores the urgency of bringing to a successful close negotiations on a truly comprehensive test ban that is enforceable, and that constrains its signatories from further tests.

There are a host of other serious problems with this bill, Mr. President, some of which we have tried to address during the debate through various amendments. Virtually none of them have been resolved. I believe that this bill in its current form spends vastly more on defense than we can afford, would threaten longstanding arms control agreements and nonproliferation efforts, and would not be in our national security interests. I hope the President will follow through on his threatened vetoes of these bills. I urge my colleagues to vote against these huge and unwarranted increases in defense spending, as I will. I yield the floor.

Mr. DODD. Mr. President, I rise in opposition to final passage of S. 1026, the DOD authorization bill. And as was the case with the 1996 Defense appropriations bill, I do so with a heavy heart.

I would inform my colleagues that today marks the first time in my 15 years of Senate service that I will vote against final passage of a Defense authorization bill. This is a not so much a vote of disagreement, but a vote of conscience.

The 1996 Defense authorization bill contains spending instructions of almost $7 billion above the Pentagon's initial request. Let me clarify that point, neither the President nor the respective service chiefs have asked for these funds. The programs earmarked for these increases were never part of the Pentagon's original budget request. That fact weighs heavily in my decision today.

I think most of my colleagues know that I have consistently supported prudent and necessary spending for our national defense. On more than one occasion in my career, I have listened carefully to the words of various Secretaries of Defense when the Pentagon badly needed support for future weapons programs. And on each of those occasions, I supported those requests without regard for party affiliation or personal politics. I did so because it was in the best interest of our country.

However, this is a very different situation. This Defense authorization bill contains almost $7 billion in additional funding for Defense programs not contained in the original Pentagon request—$7 billion is simply too much to add to a bill while entire agencies are eliminating programs that are crucial to working families across this Nation.

As I stated earlier, Head Start, Goals 2000, and other critical investment programs for our Nation's youth are near extinction, while this bill authorizes increased Defense spending. I cannot rationalize that inequity.

As a member of the Senate Budget Committee, I opposed the increases in the Department of Defense spending allocations. Likewise, on three separate occasions during floor debate, I voted to keep defense spending at the original levels requested by the administration. I did so because it was right, and because to do otherwise would be an endorsement of the cuts in other vital domestic programs.

Let me conclude by saying I respect the members of the committee for their diligent and hard work in bringing this important bill to the floor. But this is an issue of priorities. And I vehemently disagree with those priorities as presented in this bill.

I urge my colleagues to reject this bill.

Mr. NUNN addressed the Chair.

The PRESIDING OFFICER. The Senator from Georgia.

UNANIMOUS-CONSENT AGREEMENT

Mr. NUNN. Mr. President, I ask unanimous consent to modify the previously adopted Nunn amendment No. 2078 by striking out subsection (d) thereof. This has been cleared on both sides.

Mr. THURMOND. Mr. President, we have no objection.

The PRESIDING OFFICER. Without objection, it is so ordered.

Are there further amendments?

Mr. THURMOND. Mr. President, I ask for third reading of the bill.

The PRESIDING OFFICER. If there be no further amendment to be proposed, the question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading and was read the third time.

Mr. THURMOND. Mr. President, I urge passage of the bill and ask for the yeas and nays.

The PRESIDING OFFICER. If the Senator will withhold.

Under the previous order, H.R. 1530 is discharged from the committee, and the clerk will report the bill.

The legislative clerk read as follows:

A bill (H.R. 1530) to authorize appropriations for fiscal year 1996 for military activities of the Department of Defense, to prescribe military personnel strengths for fiscal year 1996, and for other purposes.

The PRESIDING OFFICER. All after the enacting clause of the bill is stricken, and the text of S. 1026 is inserted in lieu thereof, and the House bill is considered read the third time.

The Senator may now request the yeas and nays.

Mr. THURMOND. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on passage of H.R. 1530, as amended.

The clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. LOTT. I announce that the Senator from Alaska [Mr. MURKOWSKI] is necessarily absent.

Mr. FORD. I announce that the Senator from Hawaii [Mr. AKAKA] is absent because of attending a funeral.

The PRESIDING OFFICER. Are there any other Senators in the Chamber desiring to vote?

The result was announced—yeas 64, nays 34, as follows:

[Rollcall Vote No. 399 Leg.]

YEAS—64

Abraham
Ashcroft
Bennett
Bond
Breaux
Brown
Bryan
Burns
Campbell
Chafee
Coats
Cochran
Cohen
Coverdell
Craig
D'Amato
DeWine
Dole
Domenici
Faircloth
Feinstein
Ford
Frist
Gorton
Graham
Gramm
Grams
Grassley
Gregg
Hatch
Heflin
Helms
Hollings
Hutchison
Inhofe
Inouye
Kassebaum
Kempthorne
Kerrey
Kyl
Lieberman
Lott
Lugar
Mack
McConnell
Mikulski
Nickles
Nunn
Packwood
Pressler
Reid
Robb
Roth
Santorum
Shelby
Simpson
Smith
Snowe
Specter
Stevens
Thomas
Thompson
Thurmond
Warner

NAYS—34

Baucus
Biden
Bingaman
Boxer
Bradley
Bumpers
Byrd
Conrad
Daschle
Dodd
Dorgan
Exon
Feingold
Glenn
Harkin
Hatfield
Jeffords
Johnston
Kennedy
Kerry
Kohl
Lautenberg
Leahy
Levin
McCain
Moseley-Braun
Moynihan
Murray
Pell
Pryor
Rockefeller
Sarbanes
Simon
Wellstone

NOT VOTING—2

Akaka
Murkowski

So the bill (H.R. 1530), as amended, was passed, as follows:

H.R. 1530

Resolved, That the bill from the House of Representatives (H.R. 1530) entitled "An Act to authorize appropriations for fiscal year 1996 for military activities of the Department of Defense, for military construction, and for defense activities of the Department of Energy, to prescribe personnel strengths for such fiscal year for the Armed Forces, and for other purposes", do pass with the following amendment:

Strike out all after the enacting clause and insert:

SECTION 1. SHORT TITLE.

This Act may be cited as the "National Defense Authorization Act for Fiscal Year 1996".

SEC. 2. ORGANIZATION OF ACT INTO DIVISIONS; TABLE OF CONTENTS.

(a) DIVISIONS.—This Act is organized into three divisions as follows:

(1) DIVISION A—Department of Defense Authorizations.

(2) DIVISION B—Military Construction Authorizations.

(3) DIVISION C—Department of Energy National Security Authorizations and Other Authorizations.

(4) DIVISION D—Information Technology Management Reform.

(b) TABLE OF CONTENTS.—The table of contents for this Act is as follows:

Sec. 1. Short title.
Sec. 2. Organization of Act into divisions; table of contents.
Sec. 3. Congressional defense committees defined.

DIVISION A—DEPARTMENT OF DEFENSE AUTHORIZATIONS

TITLE I—PROCUREMENT

Subtitle A—Authorization of Appropriations

Sec. 101. Army.
Sec. 102. Navy and Marine Corps.
Sec. 103. Air Force.
Sec. 104. Defense-wide activities.
Sec. 105. Reserve components.
Sec. 106. Defense Inspector General.
Sec. 107. Chemical demilitarization program.
Sec. 108. Defense health program.

Subtitle B—Army Programs

Sec. 111. AH-64D Longbow Apache attack helicopter.
Sec. 112. OH-58D AHIP Scout helicopter.
Sec. 113. Hydra 70 rocket.
Sec. 114. Report on AH-64D engine upgrades.

Subtitle C—Navy Programs

Sec. 121. Seawolf and new attack submarine programs.
Sec. 122. Repeal of prohibition on backfit of Trident submarines.
Sec. 123. Arleigh Burke class destroyer program.
Sec. 124. Split funding for construction of naval vessels.
Sec. 125. Seawolf submarine program.
Sec. 126. Crash attenuating seats acquisition program.

Subtitle D—Other Programs

Sec. 131. Tier II predator unmanned aerial vehicle program.
Sec. 132. Pioneer unmanned aerial vehicle program.
Sec. 133. Joint Primary Aircraft Training System program.

TITLE II—RESEARCH, DEVELOPMENT, TEST, AND EVALUATION

Subtitle A—Authorization of Appropriations

Sec. 201. Authorization of appropriations.
Sec. 202. Amount for basic research and exploratory development.

Subtitle B—Program Requirements, Restrictions, and Limitations

Sec. 211. A/F117X long-range, medium attack aircraft.
Sec. 212. Navy mine countermeasures program.
Sec. 213. Marine Corps shore fire support.
Sec. 214. Space and missile tracking system program.
Sec. 215. Precision guided munitions.
Sec. 216. Defense Nuclear Agency programs.
Sec. 217. Counterproliferation support program.
Sec. 218. Nonlethal weapons program.
Sec. 219. Federally funded research and development centers.
Sec. 220. States eligible for assistance under Defense Experimental Program To Stimulate Competitive Research.
Sec. 221. National defense technology and industrial base, defense reinvestment, and conversion.
Sec. 222. Revisions of Manufacturing Science and Technology Program.
Sec. 223. Preparedness of the Department of Defense to respond to military and civil defense emergencies resulting from a chemical, biological, radiological, or nuclear attack.
Sec. 224. Joint Seismic Program and Global Seismic Network.
Sec. 225. Depressed altitude guided gun round system.
Sec. 226. Army echelon above corps communications.
Sec. 227. Testing of theater missile defense interceptors.

Subtitle C—Missile Defense

Sec. 231. Short title.
Sec. 232. Findings.
Sec. 233. Missile defense policy.
Sec. 234. Theater missile defense architecture.
Sec. 235. National missile defense system architecture.
Sec. 236. Cruise missile defense initiative.
Sec. 237. Policy regarding the ABM Treaty.
Sec. 238. Prohibition on funds to implement an international agreement concerning theater missile defense systems.
Sec. 239. Ballistic Missile Defense program elements.
Sec. 240. ABM Treaty defined.
Sec. 241. Repeal of missile defense provisions.
Sec. 242. Sense of Senate on the Director of Operational Test and Evaluation.
Sec. 243. Ballistic Missile Defense Technology Center.

TITLE III—OPERATION AND MAINTENANCE

Subtitle A—Authorization of Appropriations

Sec. 301. Operation and maintenance funding.
Sec. 302. Working capital funds.
Sec. 303. Armed Forces Retirement Home.
Sec. 304. Transfer from National Defense Stockpile Transaction Fund.
Sec. 305. Increase in funding for the Civil Air Patrol.

Subtitle B—Depot-Level Maintenance and Repair

Sec. 311. Policy regarding performance of depot-level maintenance and repair for the Department of Defense.
Sec. 312. Extension of authority for aviation depots and naval shipyards to engage in defense-related production and services.

Subtitle C—Environmental Provisions

Sec. 321. Revision of requirements for agreements for services under environmental restoration program.
Sec. 322. Discharges from vessels of the Armed Forces.
Sec. 323. Revision of authorities relating to restoration advisory boards.

Subtitle D—Civilian Employees

Sec. 331. Minimum number of military reserve technicians.
Sec. 332. Exemption of Department of Defense from personnel ceilings for civilian personnel.
Sec. 333. Wearing of uniform by National Guard technicians.
Sec. 334. Extension of temporary authority to pay civilian employees with respect to the evacuation from Guantanamo, Cuba.
Sec. 335. Sharing of personnel of Department of Defense domestic dependent schools and Defense Dependents' Education System.
Sec. 336. Revision of authority for appointments of involuntarily separated military reserve technicians.
Sec. 337. Cost of continuing health insurance coverage for employees voluntarily separated from positions to be eliminated in a reduction in force.
Sec. 338. Elimination of 120-day limitation on details of certain employees.
Sec. 339. Repeal of requirement for part-time career opportunity employment reports.
Sec. 340. Authority of civilian employees of Department of Defense to participate voluntarily in reductions in force.
Sec. 341. Authority to pay severance payments in lump sums.
Sec. 342. Holidays for employees whose basic workweek is other than Monday through Friday.
Sec. 343. Coverage of nonappropriated fund employees under authority for flexible and compressed work schedules.

Subtitle E—Defense Financial Management

Sec. 351. Financial management training.
Sec. 352. Limitation on opening of new centers for Defense Finance and Accounting Service.

Subtitle F—Miscellaneous Assistance

Sec. 361. Department of Defense funding for National Guard participation in joint disaster and emergency assistance exercises.
Sec. 362. Office of Civil-Military Programs.
Sec. 363. Revision of authority for Civil-Military Cooperative Action Program.
Sec. 364. Office of Humanitarian and Refugee Affairs.
Sec. 365. Overseas humanitarian, disaster, and civic AID programs.

Subtitle G—Operation of Morale, Welfare, and Recreation Activities

Sec. 371. Disposition of excess morale, welfare, and recreation funds.
Sec. 372. Elimination of certain restrictions on purchases and sales of items by exchange stores and other morale, welfare, and recreation facilities.
Sec. 373. Repeal of requirement to convert ships' stores to nonappropriated fund instrumentalities.

Subtitle H—Other Matters

Sec. 381. National Defense Sealift Fund: availability for the National Defense Reserve Fleet.
Sec. 382. Availability of recovered losses resulting from contractor fraud.
Sec. 383. Permanent authority for use of proceeds from the sale of certain lost, abandoned, or unclaimed property.
Sec. 384. Sale of military clothing and subsistence and other supplies of the Navy and Marine Corps.
Sec. 385. Conversion of Civilian Marksmanship Program to nonappropriated fund instrumentality and activities under program.
Sec. 386. Report on efforts to contract out certain functions of Department of Defense.
Sec. 387. Impact aid.
Sec. 388. Funding for troops to teachers program and troops to cops program.
Sec. 389. Authorizing the amounts requested in the budget for Junior ROTC.
Sec. 390. Report on private performance of certain functions performed by military aircraft.
Sec. 391. Allegany Ballistics Laboratory.
Sec. 392. Encouragement of use of leasing authority.

TITLE IV—MILITARY PERSONNEL AUTHORIZATIONS

Subtitle A—Active Forces

Sec. 401. End strengths for active forces.
Sec. 402. Temporary variation in DOPMA authorized end strength limitations for active duty Air Force and Navy officers in certain grades.
Sec. 403. Certain general and flag officers awaiting retirement not to be counted.

Subtitle B—Reserve Forces

Sec. 411. End strengths for Selected Reserve.
Sec. 412. End strengths for Reserves on active duty in support of the reserves.
Sec. 413. Increase in number of members in certain grades authorized to serve on active duty in support of the reserves.
Sec. 414. Reserves on active duty in support of Cooperative Threat Reduction programs not to be counted.
Sec. 415. Reserves on active duty for military-to-military contacts and comparable activities not to be counted.

Subtitle C—Military Training Student Loads

Sec. 421. Authorization of training student loads.

Subtitle D—Authorization of Appropriations

Sec. 431. Authorization of appropriations for military personnel.

TITLE V—MILITARY PERSONNEL POLICY

Subtitle A—Officer Personnel Policy

Sec. 501. Joint officer management.
Sec. 502. Revision of service obligation for graduates of the service academies.
Sec. 503. Qualifications for appointment as Surgeon General of an armed force.
Sec. 504. Deputy Judge Advocate General of the Air Force.
Sec. 505. Retiring general and flag officers: applicability of uniform criteria and procedures for retiring in highest grade in which served.
Sec. 506. Extension of certain reserve officer management authorities.
Sec. 507. Restrictions on wearing insignia for higher grade before promotion.
Sec. 508. Director of admissions, United States Military Academy: retirement for years of service.

Subtitle B—Matters Relating to Reserve Components

Sec. 511. Mobilization income insurance program for members of Ready Reserve.
Sec. 512. Eligibility of dentists to receive assistance under the financial assistance program for health care professionals in reserve components.
Sec. 513. Leave for members of reserve components performing public safety duty.

Subtitle C—Uniform Code of Military Justice

Sec. 521. References to Uniform Code of Military Justice.
Sec. 522. Definitions.
Sec. 523. Article 32 investigations.
Sec. 524. Refusal to testify before court-martial.
Sec. 525. Commitment of accused to treatment facility by reason of lack of mental capacity or mental responsibility.
Sec. 526. Forfeiture of pay and allowances and reduction in grade.
Sec. 527. Deferment of confinement.
Sec. 528. Submission of matters to the convening authority for consideration.
Sec. 529. Proceedings in revision.
Sec. 530. Appeal by the United States.
Sec. 531. Flight from apprehension.
Sec. 532. Carnal knowledge.
Sec. 533. Time after accession for initial instruction in the Uniform Code of Military Justice.
Sec. 534. Technical amendment.
Sec. 535. Permanent authority concerning temporary vacancies on the Court of Appeals for the Armed Forces.
Sec. 536. Advisory panel on UCMJ jurisdiction over civilians accompanying the Armed Forces in time of armed conflict.

Subtitle D—Decorations and Awards

Sec. 541. Award of Purple Heart to certain former prisoners of war.
Sec. 542. Meritorious and valorous service during Vietnam era: review and awards.
Sec. 543. Military intelligence personnel prevented by secrecy from being considered for decorations and awards.
Sec. 544. Review regarding awards of Distinguished-Service Cross to Asian-Americans and Pacific Islanders for certain World War II service.

Subtitle E—Other Matters

Sec. 551. Determination of whereabouts and status of missing persons.
Sec. 552. Service not creditable for periods of unavailability or incapacity due to misconduct.
Sec. 553. Separation in cases involving extended confinement.
Sec. 554. Duration of field training or practice cruise required under the Senior Reserve Officers' Training Corps program.
Sec. 555. Correction of military records.
Sec. 556. Limitation on reductions in medical personnel.
Sec. 557. Repeal of requirement for athletic director and nonappropriated fund account for the athletics programs at the service academies.
Sec. 558. Prohibition on use of funds for service academy preparatory school test program.
Sec. 559. Centralized judicial review of Department of Defense personnel actions.
Sec. 560. Delay in reorganization of Army ROTC regional headquarters structure.

TITLE VI—COMPENSATION AND OTHER PERSONNEL BENEFITS

Subtitle A—Pay and Allowances

Sec. 601. Military pay raise for fiscal year 1996.
Sec. 602. Election of basic allowance for quarters instead of assignment to inadequate quarters.
Sec. 603. Payment of basic allowance for quarters to members of the uniformed services in pay grade E-6 who are assigned to sea duty.
Sec. 604. Limitation on reduction of variable housing allowance for certain members.
Sec. 605. Clarification of limitation on eligibility for family separation allowance.

Subtitle B—Bonuses and Special and Incentive Pays

Sec. 611. Extension of certain bonuses for reserve forces.
Sec. 612. Extension of certain bonuses and special pay for nurse officer candidates, registered nurses, and nurse anesthetists.
Sec. 613. Extension of authority relating to payment of other bonuses and special pays.
Sec. 614. Hazardous duty incentive pay for warrant officers and enlisted members serving as air weapons controllers.
Sec. 615. Aviation career incentive pay.
Sec. 616. Clarification of authority to provide special pay for nurses.
Sec. 617. Continuous entitlement to career sea pay for crew members of ships designated as tenders.
Sec. 618. Increase in maximum rate of special duty assignment pay for enlisted members serving as recruiters.

Subtitle C—Travel and Transportation Allowances

Sec. 621. Calculation on basis of mileage tables of Secretary of Defense: repeal of requirement.
Sec. 622. Departure allowances.
Sec. 623. Dislocation allowance for moves resulting from a base closure or realignment.
Sec. 624. Transportation of nondependent child from sponsor's station overseas after loss of dependent status while overseas.

Subtitle D—Commissaries and Nonappropriated Fund Instrumentalities

Sec. 631. Use of commissary stores by members of the Ready Reserve.
Sec. 632. Use of commissary stores by retired Reserves under age 60 and their survivors.
Sec. 633. Use of morale, welfare, and recreation facilities by members of reserve components and dependents: clarification of entitlement.

Subtitle E—Other Matters

Sec. 641. Cost-of-living increases for retired pay.
Sec. 642. Eligibility for retired pay for non-regular service denied for members receiving certain sentences in courts-martial.
Sec. 643. Recoupment of administrative expenses in garnishment actions.
Sec. 644. Automatic maximum coverage under Servicemen's Group Life Insurance.
Sec. 645. Termination of Servicemen's Group Life Insurance for members of the Ready Reserve who fail to pay premiums.
Sec. 646. Report on extending to junior noncommissioned officers privileges provided for senior noncommissioned officers.
Sec. 647. Payment to survivors of deceased members of the uniformed services for all leave accrued.
Sec. 648. Annuities for certain military surviving spouses.
Sec. 649. Transitional compensation for dependents of members of the Armed Forces separated for dependent abuse.

TITLE VII—HEALTH CARE

Subtitle A—Health Care Services

Sec. 701. Medical care for surviving dependents of retired Reserves who die before age 60.
Sec. 702. Dental insurance for members of the Selected Reserve.
Sec. 703. Modification of requirements regarding routine physical examinations and immunizations under CHAMPUS.
Sec. 704. Permanent authority to carry out specialized treatment facility program.
Sec. 705. Waiver of medicare part B late enrollment penalty and establishment of special enrollment period for certain military retirees and dependents.

Subtitle B—TRICARE Program

Sec. 711. Definition of TRICARE program and other terms.
Sec. 712. Provision of TRICARE uniform benefits by uniformed services treatment facilities.
Sec. 713. Sense of Senate on access of medicare eligible beneficiaries of CHAMPUS to health care under TRICARE.
Sec. 714. Pilot program of individualized residential mental health services.

Subtitle C—Uniformed Services Treatment Facilities

Sec. 721. Delay of termination of status of certain facilities as uniformed services treatment facilities.
Sec. 722. Applicability of Federal Acquisition Regulation to participation agreements with uniformed services treatment facilities.
Sec. 723. Applicability of CHAMPUS payment rules in certain cases.

Subtitle D—Other Changes to Existing Laws Regarding Health Care Management

Sec. 731. Investment incentive for managed health care in medical treatment facilities.

Sec. 732. Revision and codification of limitations on physician payments under CHAMPUS.
Sec. 733. Personal services contracts for medical treatment facilities of the Coast Guard.
Sec. 734. Disclosure of information in medicare and medicaid coverage data bank to improve collection from responsible parties for health care services furnished under CHAMPUS.

Subtitle E—Other Matters

Sec. 741. TriService nursing research.
Sec. 742. Fisher House trust funds.
Sec. 743. Applicability of limitation on prices of pharmaceuticals procured for Coast Guard.
Sec. 744. Report on effect of closure of Fitzsimons Army Medical Center, Colorado, on provision of care to military personnel and dependents experiencing health difficulties associated with Persian Gulf Syndrome.

TITLE VIII—ACQUISITION POLICY, ACQUISITION MANAGEMENT, AND RELATED MATTERS

Subtitle A—Acquisition Reform

Sec. 801. Waivers from cancellation of funds.
Sec. 802. Procurement notice posting thresholds and subcontracts for ocean transportation services.
Sec. 803. Prompt resolution of audit recommendations.
Sec. 804. Test program for negotiation of comprehensive subcontracting plans.
Sec. 805. Naval salvage facilities.
Sec. 806. Authority to delegate contracting authority.
Sec. 807. Coordination and communication of defense research activities.
Sec. 808. Procurement of items for experimental or test purposes.
Sec. 809. Quality control in procurements of critical aircraft and ship spare parts.
Sec. 810. Use of funds for acquisition of designs, processes, technical data, and computer software.
Sec. 811. Independent cost estimates for major defense acquisition programs.
Sec. 812. Fees for certain testing services.
Sec. 813. Construction, repair, alteration, furnishing, and equipping of naval vessels.
Sec. 814. Civil Reserve Air Fleet.
Sec. 815. Cost and pricing data.
Sec. 816. Procurement notice technical amendments.
Sec. 817. Repeal of duplicative authority for simplified acquisition purchases.
Sec. 818. Micro-purchases without competitive quotations.
Sec. 819. Restriction on reimbursement of costs.

Subtitle B—Other Matters

Sec. 821. Procurement technical assistance programs.
Sec. 822. Treatment of Department of Defense cable television franchise agreements.
Sec. 823. Preservation of ammunition industrial base.

TITLE IX—DEPARTMENT OF DEFENSE ORGANIZATION AND MANAGEMENT

Sec. 901. Redesignation of the position of Assistant to the Secretary of Defense for Atomic Energy.

TITLE X—GENERAL PROVISIONS

Subtitle A—Financial Matters

Sec. 1001. Transfer authority.
Sec. 1002. Disbursing and certifying officials.
Sec. 1003. Defense modernization account.
Sec. 1004. Authorization of prior emergency supplemental appropriations for fiscal year 1995.
Sec. 1005. Limitation on use of authority to pay for emergency and extraordinary expenses.
Sec. 1006. Transfer authority regarding funds available for foreign currency fluctuations.
Sec. 1007. Report on budget submission regarding reserve components.

Subtitle B—Naval Vessels

Sec. 1011. Iowa class battleships.
Sec. 1012. Transfer of naval vessels to certain foreign countries.
Sec. 1013. Naming amphibious ships.

Subtitle C—Counter-Drug Activities

Sec. 1021. Revision and clarification of authority for Federal support of drug interdiction and counter-drug activities of the National Guard.
Sec. 1022. National Drug Intelligence Center.
Sec. 1023. Assistance to Customs Service.

Subtitle D—Department of Defense Education Programs

Sec. 1031. Continuation of the Uniformed Services University of the Health Sciences.
Sec. 1032. Additional graduate schools and programs at the Uniformed Services University of the Health Sciences.
Sec. 1033. Funding for basic adult education programs for military personnel and dependents outside the United States.
Sec. 1034. Scope of education programs of Community College of the Air Force.
Sec. 1035. Date for annual report on Selected Reserve Educational Assistance Program.
Sec. 1036. Establishment of Junior ROTC units in Indian reservation schools.

Subtitle E—Cooperative Threat Reduction With States of the Former Soviet Union

Sec. 1041. Cooperative Threat Reduction programs defined.
Sec. 1042. Funding matters.
Sec. 1043. Limitation relating to offensive biological warfare program of Russia.
Sec. 1044. Limitation on use of funds for cooperative threat reduction.

Subtitle F—Matters Relating to Other Nations

Sec. 1051. Cooperative research and development agreements with NATO organizations.
Sec. 1052. National security implications of United States export control policy.
Sec. 1053. Defense export loan guarantees.
Sec. 1054. Landmine clearing assistance program.
Sec. 1055. Strategic cooperation between the United States and Israel.
Sec. 1056. Support services for the Navy at the Port of Haifa, Israel.
Sec. 1057. Prohibition on assistance to terrorist countries.
Sec. 1058. International military education and training.
Sec. 1059. Repeal of limitation regarding American diplomatic facilities in Germany.
Sec. 1060. Implementation of arms control agreements.
Sec. 1061. Sense of Congress on limiting the placing of United States forces under United Nations command or control.
Sec. 1062. Sense of Senate on protection of United States from ballistic missile attack.
Sec. 1063. Iran and Iraq arms nonproliferation.
Sec. 1064. Reports on arms export control and military assistance.

Subtitle G—Repeal of Certain Reporting Requirements

Sec. 1071. Reports required by title 10, United States Code.
Sec. 1072. Reports required by title 37, United States Code, and related provisions of defense authorization Acts.
Sec. 1073. Reports required by other defense authorization and appropriations Acts.
Sec. 1074. Reports required by other national security laws.
Sec. 1075. Reports required by other provisions of the United States Code.
Sec. 1076. Reports required by other provisions of law.
Sec. 1077. Reports required by Joint Committee on Printing.

Subtitle H—Other Matters

Sec. 1081. Global positioning system.
Sec. 1082. Limitation on retirement or dismantlement of strategic nuclear delivery systems.
Sec. 1083. National Guard civilian youth opportunities pilot program.
Sec. 1084. Report on Department of Defense boards and commissions.
Sec. 1085. Revision of authority for providing Army support for the National Science Center for Communications and Electronics.
Sec. 1086. Authority to suspend or terminate collection actions against deceased members.
Sec. 1087. Damage or loss to personal property due to emergency evacuation or extraordinary circumstances.
Sec. 1088. Check cashing and exchange transactions for dependents of United States Government personnel.
Sec. 1089. Travel of disabled veterans on military aircraft.
Sec. 1090. Transportation of crippled children in Pacific Rim region to Hawaii for medical care.
Sec. 1091. Student information for recruiting purposes.
Sec. 1092. State recognition of military advance medical directives.
Sec. 1093. Report on personnel requirements for control of transfer of certain weapons.
Sec. 1094. Sense of Senate regarding Ethics Committee investigation.
Sec. 1095. Sense of Senate regarding Federal spending.
Sec. 1096. Associate Director of Central Intelligence for Military Support.
Sec. 1097. Review of national policy on protecting the national information infrastructure against strategic attacks.
Sec. 1098. Judicial assistance to the International Tribunal for Yugoslavia and to the International Tribunal for Rwanda.
Sec. 1099. Landmine use moratorium.
Sec. 1099A. Extension of pilot outreach program.
Sec. 1099B. Sense of Senate on Midway Islands.
Sec. 1099C. Study on chemical weapons stockpile.
Sec. 1099D. Designation of National Maritime Center.
Sec. 1099E. Operational Support Airlift Aircraft Fleet.
Sec. 1099F. Sense of the Senate on Chemical Weapons Convention and START II Treaty ratification.

TITLE XI—TECHNICAL AND CLERICAL AMENDMENTS

Sec. 1101. Amendments related to Reserve Officer Personnel Management Act.
Sec. 1102. Amendments related to Federal Acquisition Streamlining Act of 1994.
Sec. 1103. Amendments to reflect name change of Committee on Armed Services of the House of Representatives.
Sec. 1104. Miscellaneous amendments to title 10, United States Code.
Sec. 1105. Miscellaneous amendments to annual defense authorization Acts.
Sec. 1106. Miscellaneous amendments to Federal acquisition laws.
Sec. 1107. Miscellaneous amendments to other laws.
Sec. 1108. Coordination with other amendments.

DIVISION B—MILITARY CONSTRUCTION AUTHORIZATIONS

Sec. 2001. Short title.

TITLE XXI—ARMY

Sec. 2101. Authorized Army construction and land acquisition projects.
Sec. 2102. Family housing.
Sec. 2103. Improvements to military family housing units.
Sec. 2104. Authorization of appropriations, Army.
Sec. 2105. Reduction in amounts authorized to be appropriated for fiscal year 1992 military construction projects.

TITLE XXII—NAVY

Sec. 2201. Authorized Navy construction and land acquisition projects.
Sec. 2202. Family housing.
Sec. 2203. Improvements to military family housing units.
Sec. 2204. Authorization of appropriations, Navy.
Sec. 2205. Revision of fiscal year 1995 authorization of appropriations to clarify availability of funds for Large Anechoic Chamber, Patuxent River Naval Warfare Center, Maryland.
Sec. 2206. Authority to carry out land acquisition project, Norfolk Naval Base, Virginia.
Sec. 2207. Acquisition of land, Henderson Hall, Arlington, Virginia.

TITLE XXIII—AIR FORCE

Sec. 2301. Authorized Air Force construction and land acquisition projects.
Sec. 2302. Family housing.
Sec. 2303. Improvements to military family housing units.
Sec. 2304. Authorization of appropriations, Air Force.
Sec. 2305. Reduction in amounts authorized to be appropriated for fiscal year 1992 military construction projects.

TITLE XXIV—DEFENSE AGENCIES

Sec. 2401. Authorized Defense Agencies construction and land acquisition projects.
Sec. 2402. Military housing private investment.
Sec. 2403. Improvements to military family housing units.
Sec. 2404. Energy conservation projects.
Sec. 2405. Authorization of appropriations, Defense Agencies.
Sec. 2406. Modification of authority to carry out fiscal year 1995 projects.
Sec. 2407. Reduction in amounts authorized to be appropriated for prior year military construction projects.

TITLE XXV—NORTH ATLANTIC TREATY ORGANIZATION INFRASTRUCTURE

Sec. 2501. Authorized NATO construction and land acquisition projects.
Sec. 2502. Authorization of appropriations, NATO.

TITLE XXVI—GUARD AND RESERVE FORCES FACILITIES

Sec. 2601. Authorized Guard and Reserve construction and land acquisition projects.
Sec. 2602. Reduction in amount authorized to be appropriated for fiscal year 1994 Air National Guard projects.

TITLE XXVII—EXPIRATION AND EXTENSION OF AUTHORIZATIONS

Sec. 2701. Expiration of authorizations and amounts required to be specified by law.
Sec. 2702. Extension of authorizations of certain fiscal year 1993 projects.
Sec. 2703. Extension of authorizations of certain fiscal year 1992 projects.
Sec. 2704. Effective date.

TITLE XXVIII—GENERAL PROVISIONS

Subtitle A—Military Construction Program and Military Family Housing Changes

Sec. 2801. Special threshold for unspecified minor construction projects to correct life, health, or safety deficiencies.
Sec. 2802. Clarification of scope of unspecified minor construction authority.
Sec. 2803. Temporary waiver of net floor area limitation for family housing acquired in lieu of construction.
Sec. 2804. Reestablishment of authority to waive net floor area limitation on acquisition by purchase of certain military family housing.
Sec. 2805. Temporary waiver of limitations on space by pay grade for military family housing units.
Sec. 2806. Increase in number of family housing units subject to foreign country maximum lease amount.
Sec. 2807. Expansion of authority for limited partnerships for development of military family housing.
Sec. 2808. Clarification of scope of report requirement on cost increases under contracts for military family housing construction.
Sec. 2809. Authority to convey damaged or deteriorated military family housing.
Sec. 2810. Energy and water conservation savings for the Department of Defense.
Sec. 2811. Alternative authority for construction and improvement of military housing.
Sec. 2812. Permanent authority to enter into leases of land for special operations activities.
Sec. 2813. Authority to use funds for certain educational purposes.

Subtitle B—Defense Base Closure and Realignment

Sec. 2821. In-kind consideration for leases at installations to be closed or realigned.
Sec. 2822. Clarification of authority regarding contracts for community services at installations being closed.
Sec. 2823. Clarification of funding for environmental restoration at installations approved for closure or realignment in 1995.
Sec. 2824. Authority to lease property requiring environmental remediation at installations approved for closure.
Sec. 2825. Final funding for Defense Base Closure and Realignment Commission.
Sec. 2826. Improvment of base closure and realignment process.
Sec. 2827. Exercise of authority delegated by the Administrator of General Services.
Sec. 2828. Lease back of property disposed from installations approved for closure or realignment.
Sec. 2829. Proceeds of leases at installations approved for closure or realignment.
Sec. 2830. Consolidation of disposal of property and facilities at Fort Holabird, Maryland.
Sec. 2830A. Land conveyance, property underlying Cummins Apartment Complex, Fort Holabird, Maryland.
Sec. 2830B. Interim leases of property approved for closure or realignment.
Sec. 2830C. Sense of the Congress regarding Fitzsimons Army Medical Center, Colorado.

Subtitle C—Land Conveyances

Sec. 2831. Land acquisition or exchange, Shaw Air Force Base, South Carolina.
Sec. 2832. Authority for Port Authority of State of Mississippi to use certain Navy property in Gulfport, Mississippi.
Sec. 2833. Conveyance of resource recovery facility, Fort Dix, New Jersey.
Sec. 2834. Conveyance of water and wastewater treatment plants, Fort Gordon, Georgia.
Sec. 2835. Conveyance of water treatment plant, Fort Pickett, Virginia.
Sec. 2836. Conveyance of electric power distribution system, Fort Irwin, California.
Sec. 2837. Land exchange, Fort Lewis, Washington.
Sec. 2838. Land conveyance, Naval Surface Warfare Center, Memphis, Tennessee.
Sec. 2839. Land conveyance, Radar Bomb Scoring Site, Forsyth, Montana.
Sec. 2840. Land conveyance, Radar Bomb Scoring Site, Powell, Wyoming.
Sec. 2841. Report on disposal of property, Fort Ord Military Complex, California.
Sec. 2842. Land conveyance, Navy property, Fort Sheridan, Illinois.
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SEC. 3. CONGRESSIONAL DEFENSE COMMITTEES DEFINED.

For purposes of this Act, the term "congressional defense committees" means—

(1) the Committee on Armed Services and the Committee on Appropriations of the Senate; and

(2) the Committee on National Security and the Committee on Appropriations of the House of Representatives.

DIVISION A—DEPARTMENT OF DEFENSE AUTHORIZATIONS

TITLE I—PROCUREMENT

Subtitle A—Authorization of Appropriations

SEC. 101. ARMY.

Funds are hereby authorized to be appropriated for fiscal year 1996 for procurement for the Army as follows:

(1) For aircraft, $1,396,451,000.

(2) For missiles, $894,430,000.

(3) For weapons and tracked combat vehicles, $1,547,964,000.

(4) For ammunition, $1,120,115,000.

(5) For other procurement, $2,771,101,000.

SEC. 102. NAVY AND MARINE CORPS.

(a) Navy.—Funds are hereby authorized to be appropriated for fiscal year 1996 for procurement for the Navy as follows:

(1) For aircraft, $4,916,588,000.

(2) For weapons, including missiles and torpedoes, $1,771,421,000.

(3) For shipbuilding and conversion, $7,111,935,000.

(4) For other procurement, $2,471,861,000.

(b) Marine Corps.—Funds are hereby authorized to be appropriated for fiscal year 1996 for procurement for the Marine Corps in the amount of $683,416,000.

SEC. 103. AIR FORCE.

Funds are hereby authorized to be appropriated for fiscal year 1996 for procurement for the Air Force as follows:

(1) For aircraft, $6,318,586,000.

(2) For missiles, $3,597,499,000.

(3) For other procurement, $6,546,001,000.

SEC. 104. DEFENSE-WIDE ACTIVITIES.

Funds are hereby authorized to be appropriated for fiscal year 1996 for Defense-wide procurement in the amount of $2,118,324,000.

SEC. 105. RESERVE COMPONENTS.

Funds are hereby authorized to be appropriated for fiscal year 1996 for procurement of aircraft, vehicles, communications equipment, and other equipment for the reserve components of the Armed Forces as follows:

(1) For the Army National Guard, $209,400,000.

(2) For the Air National Guard, $137,000,000.

(3) For the Army Reserve, $62,000,000.

(4) For the Naval Reserve, $74,000,000.

(5) For the Air Force Reserve, $240,000,000.

(6) For the Marine Corps Reserve, $55,000,000.

SEC. 106. DEFENSE INSPECTOR GENERAL.

Funds are hereby authorized to be appropriated for fiscal year 1996 for procurement for the Inspector General of the Department of Defense in the amount of $1,000,000.

SEC. 107. CHEMICAL DEMILITARIZATION PROGRAM.

There is hereby authorized to be appropriated for fiscal year 1996 the amount of $671,698,000 for—

(1) the destruction of lethal chemical weapons and munitions in accordance with section 1412 of the Department of Defense Authorization Act, 1986 (50 U.S.C. 1521); and

(2) the destruction of chemical warfare material of the United States that is not covered by section 1412 of such Act.

SEC. 108. DEFENSE HEALTH PROGRAM.

Funds are hereby authorized to be appropriated for fiscal year 1996 for the Department of Defense for procurement for carrying out health care programs, projects, and activities of the Department of Defense in the total amount of $288,033,000.

Subtitle B—Army Programs

SEC. 111. AH-64D LONGBOW APACHE ATTACK HELICOPTER.

The Secretary of the Army may, in accordance with section 2306b of title 10, United States Code, enter into multiyear procurement contracts for procurement of AH-64D Longbow Apache attack helicopters.

SEC. 112. OH-58D AHIP SCOUT HELICOPTER.

The prohibition in section 133(a)(2) of the National Defense Authorization Act for Fiscal Years 1990 and 1991 (Public Law 101–189; 103 Stat. 1383) does not apply to the obligation of funds in amounts not to exceed $125,000,000 for the procurement of not more than 20 OH-58D AHIP Scout aircraft from funds appropriated for fiscal year 1996 pursuant to section 101.

SEC. 113. HYDRA 70 ROCKET.

(a) Limitation.—Funds appropriated or otherwise made available for the Department of Defense for fiscal year 1996 may not be obligated to procure Hydra 70 rockets until the Secretary of the Army submits to Congress a document that contains the certifications described in subsection (b)(1) together with a discussion of the matter described in subsection (b)(2).

(b) Content of Submission.—(1) A document submitted under subsection (a) satisfies the certification requirements of that subsection if it contains the certifications of the Secretary that—

(A) the specific technical cause of Hydra 70 Rocket failures has been identified;

(B) the technical corrections necessary for eliminating premature detonations of such rockets have been validated;

(C) the total cost of making the necessary corrections on all Hydra 70 rockets that are in the Army inventory or are being procured under any contract in effect on the date of the enactment of this Act does not exceed the amount equal to 15 percent of the nonrecurring costs that would be incurred by the Army for acquisition of improved rockets, including commercially developed nondevelopmental systems, to replace the Hydra 70 rockets; and

(D) a nondevelopmental composite rocket system has been fully reviewed for, or has received operational and platform certifications for, full qualification of an alternative composite rocket motor and propellant.

(2) The document shall also contain a discussion of whether the existence of the system referred to in the certification under paragraph (1)(D) will result in—

(A) early and continued availability of training rockets to meet the requirements of the Army for such rockets; and

(B) the attainment of competition in future procurements of training rockets to meet such requirements.

(c) Waiver Authority.—The Secretary of Defense may waive the requirement in subsection (a) for the Secretary to submit the document described in that subsection before procuring Hydra 70 rockets if the Secretary determines that a delay in procuring the rockets pending compliance with the requirement would result in a significant risk to the national security of the United States. Any such waiver may not take effect until the Secretary submits to Congress a notification of that determination together with the reasons for the determination.

SEC. 114. REPORT ON AH-64D ENGINE UPGRADES.

No later than February 1, 1996, the Secretary of the Army shall submit to Congress a report on plans to procure T700–701C engine upgrade kits for Army AH-64D helicopters. The report shall include—

(1) a plan to provide for the upgrade of all Army AH-64D helicopters with T700–701C engine kits commencing in fiscal year 1996.

(2) detailed timeline and funding requirements for the engine upgrade program described in paragraph (1).

Subtitle C—Navy Programs

SEC. 121. SEAWOLF AND NEW ATTACK SUBMARINE PROGRAMS.

(a) Funding.—(1) Of the amount authorized to be appropriated under section 102(a)(3)—

(A) $1,507,477,000 shall be available for the final Seawolf attack submarine (SSN–23); and

(B) $814,498,000 shall be available for design and advance procurement in fiscal year 1996 for the lead submarine and the second submarine under the New Attack Submarine program, of which—

(i) $10,000,000 shall be available only for participation of Newport News Shipbuilding in the New Attack Submarine design; and

(ii) $100,000,000 shall be available only for advance procurement and design of the second submarine under the New Attack Submarine program.

(2) Of amounts authorized under any provision of law to be appropriated for procurement for the Navy for fiscal year 1997 for shipbuilding and conversion, $802,000,000 shall be available for design and advance procurement in fiscal year 1997 for the lead submarine and the second submarine under the New Attack Submarine program, of which—

(A) $75,000,000 shall be available only for participation by Newport News Shipbuilding in the New Attack Submarine design; and

(B) $427,000,000 shall be available only for advance procurement and design of the second submarine under the New Attack Submarine program.

(3) Of the amount authorized to be appropriated under section 201(2), $455,398,000 shall be available for research, development, test, and evaluation for the New Attack Submarine program.

(b) Competition Required.—Funds referred to in subsection (c) may not be obligated until the Secretary of the Navy certifies in writing to the Committee on Armed Services of the Senate and the Committee on National Security of the House of Representatives that—

(1) the Secretary has restructured the New Attack Submarine program in accordance with this section so as to provide for—

(A) procurement of the lead vessel under the New Attack Submarine program from the Electric Boat Division beginning in fiscal year 1998, if the price offered by Electric Boat Division is determined by the Secretary as being fair and reasonable;

(B) procurement of the second vessel under the New Attack Submarine program from Newport News Shipbuilding beginning in fiscal year 1999, if the price offered by Newport News Shipbuilding is determined by the Secretary as being fair and reasonable; and

(C) procurement of other vessels under the New Attack Submarine program under one or more contracts that are entered into after competition between potential competitors (as defined in subsection (i)) in which the Secretary shall solicit competitive proposals and award the contract or contracts on the basis of price; and

(2) the Secretary has directed, as set forth in detail in such certification, that no action prohibited in subsection (d) will be taken to impair the design, engineering, construction, and maintenance competencies of either Electric Boat Division or Newport News Shipbuilding to construct the New Attack Submarine.

(c) Covered Funds.—The funds referred to in subsection (b) are as follows:

(1) Funds available to the Navy for any fiscal year after fiscal year 1995 for procurement of the final Seawolf attack submarine (SSN–23) pursuant to this Act or any Act enacted after the date of the enactment of this Act.

(2) Funds available to the Navy for any such fiscal year for research, development, test, and evaluation or for procurement (including design and advance procurement) for the New Attack Submarine program pursuant to this Act or any Act enacted after the date of the enactment of this Act.

(d) LIMITATION ON CERTAIN ACTIONS.—In order to ensure that Electric Boat Division and Newport News Shipbuilding retain the technical competencies to construct the New Attack Submarine, the following actions are prohibited:

(1) A termination of or failure to extend, except by reason of a breach of contract by the contractor or an insufficiency of appropriations—

(A) the existing Planning Yard contract for the Trident class submarines; or

(B) the existing Planning Yard contract for the SSN–688 Los Angeles class submarines.

(2) A termination of any existing Lead Design Yard contract for the SSN–21 Seawolf class submarines or for the SSN–688 Los Angeles class submarines, except by reason of a breach of contract by the contractor or an insufficiency of appropriations.

(3) A failure of, or refusal by, the Department of the Navy to permit both Electric Boat Division and Newport News Shipbuilding to have access to sufficient information concerning the design of the New Attack Submarine to ensure that each is capable of constructing the New Attack Submarine.

(e) LIMITATION ON EXPENDITURE OF FUNDS FOR SEAWOLF PROGRAM.—Of the funds referred to in subsection (c)(1)—

(1) not more than $700,000,000 may be expended in fiscal year 1996;

(2) not more than an additional $200,000,000 may be expended in fiscal year 1997;

(3) not more than an additional $200,000,000 may be expended in fiscal year 1998; and

(4) not more than an additional $407,477,000 may be expended in fiscal year 1999.

(f) LIMITATION ON EXPENDITURE OF FUNDS FOR NEW ATTACK SUBMARINE PROGRAM.—Funds referred to in subsection (c)(2) that are available for the lead and second vessels under the New Attack Submarine program may not be expended during fiscal year 1996 for the lead vessel under that program (other than for class design) unless funds are obligated or expended during such fiscal year for a contract in support of procurement of the second vessel under the program.

(g) REPORTS REQUIRED.—Not later than November 1, 1995, and every six months thereafter through November 1, 1998, the Secretary of the Navy shall submit to the Committee on Armed Services of the Senate and the Committee on National Security of the House of Representatives a report setting forth the obligations and expenditures of funds for—

(1) the procurement of the final Seawolf attack submarine (SSN–23); and

(2) research, development, test, and evaluation or for procurement (including design and advance procurement) for the lead and second vessels under the New Attack Submarine program.

(h) REFERENCES TO CONTRACTORS.—For purposes of this section—

(1) the contractor referred to as "Electric Boat Division" is General Dynamics Corporation Electric Boat Division; and

(2) the contractor referred to as "Newport News Shipbuilding" is Newport News Shipbuilding and Drydock Company.

(i) DEFINITIONS.—In this section:

(1) The term "potential competitor" means any source to which the Secretary of the Navy has awarded, within 10 years before the date of the enactment of this Act, a contract or contracts to construct one or more nuclear attack submarines.

(2) The term "New Attack Submarine" means any submarine planned or programmed by the Navy as a class of submarines the lead ship of which is planned by the Navy, as of the date of the enactment of this Act, for procurement in fiscal year 1998.

SEC. 122. REPEAL OF PROHIBITION ON BACKFIT OF TRIDENT SUBMARINES.

Section 124 of the National Defense Authorization Act for Fiscal Year 1995 (Public Law 103–337; 108 Stat. 2683) is repealed.

SEC. 123. ARLEIGH BURKE CLASS DESTROYER PROGRAM.

(a) FIRST INCREMENT FUNDING.—Of the amount authorized to be appropriated under section 102(a)(3), $650,000,000 shall be available in accordance with section 7315 of title 10, United States Code (as added by section 124), as the first increment of funding for two Arleigh Burke class destroyers.

(b) FINAL INCREMENT FUNDING.—It is the sense of Congress that the Secretary of the Navy should plan for and request the final increment of funding for the two destroyers for fiscal year 1997 in accordance with section 7315 of title 10, United States Code (as added by section 124).

SEC. 124. SPLIT FUNDING FOR CONSTRUCTION OF NAVAL VESSELS.

(a) IN GENERAL.—Chapter 633 of title 10, United States Code is amended by adding at the end the following:

"§7315. Planning for funding construction

"(a) PLANNING FOR SPLIT FUNDING.—The Secretary of Defense may provide in the future-years defense program for split funding of construction of new naval vessels satisfying the requirements of subsection (d).

"(b) SPLIT FUNDING REQUESTS.—In the case of construction of a new naval vessel satisfying the requirements of subsection (d), the Secretary of the Navy shall—

"(1) determine the total amount that is necessary for construction of the vessel, including an allowance for future inflation; and

"(2) request funding for construction of the vessel in two substantially equal increments.

"(c) CONTRACT AUTHORIZED UPON FUNDING OF FIRST INCREMENT.—(1) The Secretary of the Navy may enter into a contract for the construction of a new naval vessel upon appropriation of a first increment of funding for construction of the vessel.

"(2) A contract entered into in accordance with paragraph (1) shall include a liquidated damages clause for any termination of the contract for the convenience of the Government that occurs before the remainder of the amount necessary for full funding of the contract is appropriated.

"(d) APPLICABILITY.—This section applies to construction of a naval vessel—

"(1) that is in a class of vessels for which the design is mature and there is sufficient construction experience for the costs of construction to be well understood and predictable; and

"(2) for which—

"(A) provision is made in the future-years defense program; or

"(B) the Chairman of the Joint Chiefs of Staff, in consultation with the Secretary of the Navy, has otherwise determined that there is a valid military requirement.".

(b) CLERICAL AMENDMENT.—The table of sections at the beginning of chapter 633 of such title is amended by adding at the end the following:

"7315. Planning for funding construction.".

SEC. 125. SEAWOLF SUBMARINE PROGRAM.

(a) LIMITATION OF COSTS.—Except as provided in subsection (b), the total amount obligated or expended for procurement of the SSN–21, SSN–22, and SSN–23 Seawolf class submarines may not exceed $7,223,659,000.

(b) AUTOMATIC INCREASE OF LIMITATION AMOUNT.—The amount of the limitation set forth in subsection (a) is increased after fiscal year 1995 by the following amounts:

(1) The amounts of outfitting costs and post-delivery costs incurred for the submarines referred to in such subsection.

(2) The amounts of increases in costs attributable to economic inflation after fiscal year 1995.

(3) The amounts of increases in costs attributable to compliance with changes in Federal, State, or local laws enacted after fiscal year 1995.

SEC. 126. CRASH ATTENUATING SEATS ACQUISITION PROGRAM.

(a) PROGRAM AUTHORIZED.—The Secretary of the Navy may establish a program to procure for, and install in, H–53E military transport helicopters commercially developed, energy absorbing, crash attenuating seats that the Secretary determines are consistent with military specifications for seats for such helicopters.

(b) FUNDING.—To the extent provided in appropriations Acts, of the unobligated balance of amounts appropriated for the Legacy Resource Management Program pursuant to the authorization of appropriations in section 301(5) of the National Defense Authorization Act for Fiscal Year 1995 (Public Law 103–337; 108 Stat. 2706), not more than $10,000,000 shall be available to the Secretary of the Navy, by transfer to the appropriate accounts, for carrying out the program authorized in subsection (a).

Subtitle D—Other Programs

SEC. 131. TIER II PREDATOR UNMANNED AERIAL VEHICLE PROGRAM.

Funds appropriated or otherwise made available for the Department of Defense for fiscal year 1996 for procurement or for research, development, test, and evaluation may not be obligated or expended for the Tier II Predator unmanned aerial vehicle program.

SEC. 132. PIONEER UNMANNED AERIAL VEHICLE PROGRAM.

Not more than ⅙ of the amount appropriated pursuant to this Act for the activities and operations of the Unmanned Aerial Vehicle Joint Program Office (UAV–JPO), and none of the unobligated balances of funds appropriated for fiscal years before fiscal year 1996 for the activities and operations of such office, may be obligated until the Secretary of the Navy certifies to the Committee on Armed Services of the Senate and the Committee on National Security of the House of Representatives that the nine Pioneer Unmanned Aerial Vehicle systems have been equipped with the Common Automatic Landing and Recovery System (CARS).

SEC. 133. JOINT PRIMARY AIRCRAFT TRAINING SYSTEM PROGRAM.

Of the amount authorized to be appropriated under section 103(1), $54,968,000 shall be available for the Joint Primary Aircraft Training System program for procurement of up to eight aircraft.

TITLE II—RESEARCH, DEVELOPMENT, TEST, AND EVALUATION

Subtitle A—Authorization of Appropriations

SEC. 201. AUTHORIZATION OF APPROPRIATIONS.

Funds are hereby authorized to be appropriated for fiscal year 1996 for the use of the Department of Defense for research, development, test, and evaluation as follows:

(1) For the Army, $4,845,097,000.

(2) For the Navy, $8,624,230,000.

(3) For the Air Force, $13,087,389,000.

(4) For Defense-wide activities, $9,533,148,000, of which—

(A) $239,341,000 is authorized for the activities of the Director, Test and Evaluation;

(B) $22,587,000 is authorized for the Director of Operational Test and Evaluation; and

(C) $475,470,000 is authorized for Other Theater Missile Defense, of which up to $25,000,000 may be made available for the operation of the Battlefield Integration Center.

SEC. 202. AMOUNT FOR BASIC RESEARCH AND EXPLORATORY DEVELOPMENT.

(a) FISCAL YEAR 1996.—Of the amounts authorized to be appropriated by section 201,

$4,076,580,000 shall be available for basic research and exploratory development projects.

(b) BASIC RESEARCH AND EXPLORATORY DEVELOPMENT DEFINED.—For purposes of this section, the term "basic research and exploratory development" means work funded in program elements for defense research and development under Department of Defense category 6.1 or 6.2.

Subtitle B—Program Requirements, Restrictions, and Limitations

SEC. 211. A/F117X LONG-RANGE, MEDIUM ATTACK AIRCRAFT.

Of the amount authorized to be appropriated by section 201(2) for the Joint Advanced Strike Technology program—

(1) $25,000,000 shall be available for the conduct, during fiscal year 1996, of a 6-month program definition phase for the A/F117X, an F-117 fighter aircraft modified for use by the Navy as a long-range, medium attack aircraft; and

(2) $150,000,000 shall be available for engineering and manufacturing development of the A/F117X aircraft, except that none of such amount may be obligated until the Secretary of the Navy, after considering the results of the program definition phase, approves proceeding into engineering and manufacturing development of the A/F117X aircraft.

SEC. 212. NAVY MINE COUNTERMEASURES PROGRAM.

Section 216(a) of the National Defense, Authorization Act for Fiscal Years 1992 and 1993 (Public Law 102-190; 105 Stat. 1317) is amended—

(1) by striking out "Director, Defense Research and Engineering" and inserting in lieu thereof "Under Secretary of Defense for Acquisition and Technology"; and

(2) by striking out "fiscal years 1995 through 1999" and inserting in lieu thereof "fiscal years 1997 through 1999".

SEC. 213. MARINE CORPS SHORE FIRE SUPPORT.

Of the amount appropriated pursuant to section 201(2) for the Tomahawk Baseline Improvement Program, not more than 50 percent of that amount may be obligated until the Secretary of the Navy certifies to the Committee on Armed Services of the Senate and the Committee on National Security of the House of Representatives that the Secretary has structured, and planned for full funding of, a program leading to a live-fire test of an Army Extended Range Multiple Launch Rocket from an Army Multiple Launch Rocket Launcher on a Navy ship before October 1, 1997.

SEC. 214. SPACE AND MISSILE TRACKING SYSTEM PROGRAM.

(a) DEVELOPMENT AND DEPLOYMENT PLAN.—The Secretary of the Air Force shall structure the development schedule for the Space and Missile Tracking System so as to achieve a first launch of a user operation evaluation system (UOES) satellite in fiscal year 2001, and to attain initial operational capability (IOC) of a full constellation of user operation evaluation systems and objective system satellites in fiscal year 2003.

(b) MANAGEMENT OVERSIGHT.—In exercising the responsibility for the Space and Missile Tracking System program, the Secretary of the Air Force shall first obtain the concurrence of the Director of the Ballistic Missile Defense Organization before implementing any decision that would have any of the following results regarding the program:

(1) A reduction in funds available for obligation or expenditure for the program for a fiscal year below the amount specifically authorized and appropriated for the program for that fiscal year.

(2) An increase in the total program cost.

(3) A delay in a previously established development or deployment schedule.

(4) A modification in the performance parameters or specifications.

(c) AUTHORIZATION.—Of the amount authorized to be appropriated under section 201(3) for fiscal year 1996, $249,824,000 shall be available for the Space and Missile Tracking System (SMTS) program.

SEC. 215. PRECISION GUIDED MUNITIONS.

(a) ANALYSIS REQUIRED.—The Secretary of Defense shall perform an analysis of the full range of precision guided munitions in production and in research, development, test, and evaluation in order to determine the following:

(1) The numbers and types of precision guided munitions that are needed to provide a complementary capability against each target class.

(2) The feasibility of carrying out joint development and procurement of additional munition types by more than one of the Armed Forces.

(3) The feasibility of integrating a particular precision guided munition on multiple service platforms.

(4) The economy and effectiveness of continuing acquisition of—

(A) interim precision guided munitions; or

(B) precision guided munitions that, as a result of being procured in decreasing numbers to meet decreasing quantity requirements, have increased in cost per unit by more than 50 percent over the cost per unit for such munitions as of December 1, 1991.

(b) REPORT.—(1) Not later than February 1, 1996, the Secretary shall submit to Congress a report on the findings and other results of the analysis.

(2) The report shall include a detailed discussion of the process by which the Department of Defense—

(A) approves the development of new precision guided munitions;

(B) avoids duplication and redundancy in the precision guided munitions programs of the Army, Navy, Air Force, and Marine Corps;

(C) ensures rationality in the relationship between the funding plans for precision guided munitions modernization for fiscal years following fiscal year 1996 and the costs of such modernization for those fiscal years; and

(D) identifies by name and function each person responsible for approving each new precision guided munition for initial low-rate production.

(c) FUNDING LIMITATION.—Funds authorized to be appropriated by this Act may not be expended for research, development, test, and evaluation or procurement of interim precision guided munitions until the Secretary of Defense submits the report under subsection (b).

(d) INTERIM PRECISION GUIDED MUNITION DEFINED.—For purposes of paragraph (1), a precision guided munition is an interim precision guided munition if the munition is being procured in fiscal year 1996, but funding is not proposed for additional procurement of the munition in the fiscal years after fiscal year 1996 in the future years defense program submitted to Congress in 1995 under section 221(a) of title 10, United States Code.

SEC. 216. DEFENSE NUCLEAR AGENCY PROGRAMS.

(a) AGENCY FUNDING.—Of the amounts authorized to be appropriated to the Department of Defense in section 201, $252,900,000 shall be available for the Defense Nuclear Agency.

(b) TUNNEL CHARACTERIZATION AND NEUTRALIZATION PROGRAM.—Of the amount available under subsection (a), $3,000,000 shall be available for a tunnel characterization and neutralization program to be managed by the Defense Nuclear Agency as part of the counterproliferation activities of the Department of Defense.

(c) LONG-TERM RADIATION TOLERANT MICROELECTRONICS PROGRAM.—(1) Of the amount available under subsection (a), $6,000,000 shall be available for the establishment of a long-term radiation tolerant microelectronics program to be managed by the Defense Nuclear Agency for the purposes of—

(A) providing for the development of affordable and effective hardening technologies and for incorporation of such technologies into systems;

(B) sustaining the supporting industrial base; and

(C) ensuring that a use of a nuclear weapon in regional threat scenarios does not interrupt or defeat the continued operability of systems of the Armed Forces exposed to the combined effects of radiation emitted by the weapon.

(2) Not later than 120 days after the date of the enactment of this Act, the Secretary of Defense shall submit to Congress a report on how the long-term radiation tolerant microelectronics program is to be conducted and funded in the fiscal years after fiscal year 1996 that are covered by the future-years defense program submitted to Congress in 1995.

SEC. 217. COUNTERPROLIFERATION SUPPORT PROGRAM.

(a) FUNDING.—Of the funds authorized to be appropriated to the Department of Defense under section 201(4), $144,500,000 shall be available for the Counterproliferation Support Program, of which—

(1) $30,000,000 shall be available for a tactical antisatellite technologies program; and

(2) $6,300,000 shall be available for research and development of technologies for Special Operations Command (SOCOM) counterproliferation activities.

(b) ADDITIONAL AUTHORITY TO TRANSFER AUTHORIZATIONS.—(1) In addition to the transfer authority provided in section 1003, upon determination by the Secretary of Defense that such action is necessary in the national interest, the Secretary may transfer amounts of authorizations made available to the Department of Defense in this division for fiscal year 1996 to counterproliferation programs, projects, and activities identified as areas for progress by the Counterproliferation Program Review Committee established by section 1605 of the National Defense Authorization Act for Fiscal Year 1994 (Public Law 103-160). Amounts of authorizations so transferred shall be merged with and be available for the same purposes as the authorization to which transferred.

(2) The total amount of authorizations that the Secretary may transfer under the authority of this subsection may not exceed $50,000,000.

(3) The authority provided by this subsection to transfer authorizations—

(A) may only be used to provide authority for items that have a higher priority than the items from which authority is transferred; and

(B) may not be used to provide authority for an item that has been denied authorization by Congress.

(4) A transfer made from one account to another under the authority of this subsection shall be deemed to increase the amount authorized for the account to which the amount is transferred by an amount equal to the amount transferred.

(5) The Secretary of Defense shall promptly notify Congress of transfers made under the authority of this subsection.

SEC. 218. NONLETHAL WEAPONS PROGRAM.

(a) ESTABLISHMENT OF PROGRAM OFFICE.—The Secretary of Defense shall establish in the Office of the Under Secretary of Defense for Acquisition and Technology a Program Office for Nonlethal Systems and Technologies to conduct research, development, testing, and evaluation of nonlethal weapons applicable to forces engaged in both traditional and nontraditional military operations.

(b) FUNDING.—Of the amount authorized to be appropriated under section 201(4), $37,200,000 shall be available for the Program Office for Nonlethal Systems and Technologies.

SEC. 219. FEDERALLY FUNDED RESEARCH AND DEVELOPMENT CENTERS.

(a) CENTERS COVERED.—Funds appropriated or otherwise made available for the Department of Defense for fiscal year 1996 pursuant to an authorization of appropriations in section 201 may be obligated to procure work from a federally funded research and development center only in the case of a center named in the report required by subsection (b) and, in the case of such a center, only in an amount not in excess of the amount of the proposed funding level set forth for that center in such report.

(b) REPORT ON ALLOCATIONS FOR CENTERS.—(1) Not later than 30 days after the date of the enactment of this Act, the Secretary of Defense shall submit to the Committee on Armed Services of the Senate and the Committee on National Security of the House of Representatives a report containing—

(A) the name of each federally funded research and development center from which work is proposed to be procured for the Department of Defense for fiscal year 1996; and

(B) for each such center, the proposed funding level and the estimated personnel level for fiscal year 1996.

(2) The total of the proposed funding levels set forth in the report for all federally funded research and development centers may not exceed the amount set forth in subsection (d).

(c) LIMITATION PENDING SUBMISSION OF REPORT.—No funds appropriated or otherwise made available for the Department of Defense for fiscal year 1996 may be obligated to procure work from a federally funded research and development center until the Secretary of Defense submits the report required by subsection (b).

(d) FUNDING.—Of the amounts authorized to be appropriated by section 201, not more than a total of $1,162,650,000 may be obligated to procure services from the federally funded research and development centers named in the report required by subsection (b).

(e) AUTHORITY TO WAIVE FUNDING LIMITATION.—The Secretary of Defense may waive the limitation regarding the maximum funding amount that applies under subsection (a) to a federally funded research and development center. Whenever the Secretary proposes to make such a waiver, the Secretary shall submit to the Committee on Armed Services of the Senate and the Committee on National Security of the House of Representatives notice of the proposed waiver and the reasons for the waiver. The waiver may then be made only after the end of the 60-day period that begins on the date on which the notice is submitted to those committees, unless the Secretary determines that it is essential to the national security that funds be obligated for work at that center in excess of that limitation before the end of such period and notifies the Committee on Armed Services of the Senate and the Committee on National Security of the House of Representatives of that determination and the reasons for the determination.

(f) UNDISTRIBUTED REDUCTION.—The total amount authorized to be appropriated for research, development, test, and evaluation in section 201 is hereby reduced by $90,000,000.

SEC. 220. STATES ELIGIBLE FOR ASSISTANCE UNDER DEFENSE EXPERIMENTAL PROGRAM TO STIMULATE COMPETITIVE RESEARCH.

Subparagraph (A) of section 257(d)(2) of the National Defense Authorization Act for Fiscal Year 1995 (Public Law 103–337; 108 Stat. 2705; 10 U.S.C. 2358 note) is amended to read as follows:

"(A) the amount of all Department of Defense obligations for science and engineering research and development that were in effect with institutions of higher education in the State for the fiscal year preceding the fiscal year for which the designation is effective or for the last fiscal year for which statistics are available is less than the amount determined by multiplying 60 percent times 1/50 of the total amount of all Department of Defense obligations for science and engineering research and development that were in effect with institutions of higher education in the United States for such preceding or last fiscal year, as the case may be (to be determined in consultation with the Secretary of Defense);".

SEC. 221. NATIONAL DEFENSE TECHNOLOGY AND INDUSTRIAL BASE, DEFENSE REINVESTMENT, AND CONVERSION.

(a) REPEAL OF CERTAIN AUTHORITIES AND REQUIREMENTS.—Chapter 148 of title 10, United States Code, is amended—

(1) in section 2491—

(A) by striking out paragraphs (12), (13), (14), and (15); and

(B) by redesignating paragraph (16) as paragraph (12);

(2) in section 2501—

(A) by striking out subsection (b); and

(B) by redesignating subsection (c) as subsection (b); and

(3) by striking out sections 2512, 2513, 2516, 2520, 2523, and 2524.

(b) CRITERIA FOR SELECTION OF DEFENSE ADVANCED MANUFACTURING TECHNOLOGY PARTNERSHIPS.—Subsection (d) of section 2522 of such title is amended to read as follows:

"(d) SELECTION CRITERIA.—The criteria for the selection of proposed partnerships for establishment under this section shall be the criteria specified in section 2511(f) of this title.".

(c) CONFORMING AMENDMENTS.—(1) Section 2516(b) of such title is amended—

(A) by inserting "and" at the end of paragraph (2);

(B) by striking out "; and" at the end of paragraph (3) and inserting in lieu thereof a period; and

(C) by striking out paragraph (4).

(2) Section 2524 of such title is amended—

(A) in subsection (a), by striking out "and the defense reinvestment, diversification, and conversion program objectives set forth in section 2501(b) of this title"; and

(B) in subsection (f), by striking out "and the reinvestment, diversification, and conversion program objectives set forth in section 2501(b) of this title".

(d) CLERICAL AMENDMENTS.—(1) The table of sections at the beginning of subchapter III of chapter 148 of title 10, United States Code, is amended by striking out the items relating to sections 2512, 2513, 2516, and 2520.

(2) The table of sections at the beginning of subchapter IV of such chapter is amended by striking out the items relating to sections 2523 and 2524.

SEC. 222. REVISIONS OF MANUFACTURING SCIENCE AND TECHNOLOGY PROGRAM.

(a) PARTICIPATION OF DOD LABORATORIES IN ESTABLISHMENT OF PROGRAM.—Subsection (a) of section 2525 of title 10, United States Code, is amended by inserting after the first sentence the following: "The Secretary shall use the manufacturing science and technology joint planning process of the directors of the Department of Defense laboratories in establishing the program.".

(b) PARTICIPATION OF EQUIPMENT MANUFACTURERS IN PROJECTS.—Subsection (c) of such section is amended—

(1) by inserting "(1)" after "(c) EXECUTION.—"; and

(2) by adding at the end the following:

"(2) The Secretary shall seek, to the extent practicable, the participation of manufacturers of manufacturing equipment in the projects under the program.".

SEC. 223. PREPAREDNESS OF THE DEPARTMENT OF DEFENSE TO RESPOND TO MILITARY AND CIVIL DEFENSE EMERGENCIES RESULTING FROM A CHEMICAL, BIOLOGICAL, RADIOLOGICAL, OR NUCLEAR ATTACK.

(a) REPORT.—Not later than February 28, 1996, the Secretary of Defense and the Secretary of Energy, in consultation with the Director of the Federal Emergency Management Agency, shall jointly submit to Congress a report on the plans and programs of the Department of Defense to prepare for and respond to military and civil defense emergencies resulting from a chemical, biological, radiological, or nuclear attack on the United States.

(b) CONTENT OF REPORT.—The report shall contain the following:

(1) A discussion of—

(A) the consequences of an attack for which the Department of Defense has a responsibility to provide a primary response; and

(B) the plans and programs for preparing for and providing that response.

(2) A discussion of—

(A) the consequences of an attack for which the Department of Defense has a responsibility to provide a supporting response; and

(B) the plans and programs for preparing for and providing that response.

(3) Any actions and recommended legislation that the Secretary considers necessary for improving the preparedness of the Department of Defense to respond effectively to the consequences of a chemical, biological, radiological, or nuclear attack on the United States.

SEC. 224. JOINT SEISMIC PROGRAM AND GLOBAL SEISMIC NETWORK.

To the extent provided in appropriations Acts, $9,500,000 of the unobligated balance of funds available to the Air Force for research, development, test, and evaluation for fiscal year 1995 shall be available for continuation of the Joint Seismic Program and Global Seismic Network.

SEC. 225. DEPRESSED ALTITUDE GUIDED GUN ROUND SYSTEM.

Of the amount authorized to be appropriated under section 201(1), $5,000,000 is authorized to be appropriated for continued development of the depressed altitude guided gun round system.

SEC. 226. ARMY ECHELON ABOVE CORPS COMMUNICATIONS.

Of the amount authorized to be appropriated under section 201(3), $40,000,000 is hereby transferred to the authorization of appropriations under section 101(5) for procurement of communications equipment for Army echelons above corps.

SEC. 227. TESTING OF THEATER MISSILE DEFENSE INTERCEPTORS.

(a) The Secretary of Defense may not approve a theater missile defense interceptor program proceeding beyond the low-rate initial production acquisition stage until the Secretary certifies to the congressional defense committees that such program has successfully completed initial operational test and evaluation, and is found to be a suitable and effective system.

(b) In order to be certified under subsection (a) as having been successfully completed, the initial operational test and evaluation conducted with respect to an interceptor program must have included flight tests—

(1) that were conducted with multiple interceptors and multiple targets in the presence of realistic countermeasures; and

(2) the results of which demonstrate the achievement by the interceptors of the baseline performance thresholds.

(c) For purposes of this section, the baseline performance thresholds with respect to a program are the weapons systems performance

thresholds specified in the baseline description for the system established (pursuant to section 2435(a)(1) of title 10, United States Code) before the program entered the engineering and manufacturing development stage.

(d) The number of flight tests described in subsection (b) that are required in order to make the certification under subsection (a) shall be a number determined by the Director of Operational Test and Evaluation to be sufficient for the purposes of this section.

(e) The Secretary may augment flight testing to demonstrate weapons system performance goals for purposes of the certification under subsection (a) through the use of modeling and simulation that is validated by ground and flight testing.

(f) The Director of Operational Test and Evaluation and Ballistic Missile Defense Organization shall include in their annual reports to Congress plans to adequately test theater missile defense interceptor programs throughout the acquisition process. As these theater missile defense systems progress through the acquisition process, the Director of Operational Test and Evaluation and Ballistic Missile Defense Organization shall include in their annual reports to Congress an assessment of how these programs satisfy planned test objectives.

Subtitle C—Missile Defense

SEC. 231. SHORT TITLE.

This subtitle may be cited as the "Missile Defense Act of 1995".

SEC. 232. FINDINGS.

Congress makes the following findings:

(1) The threat that is posed to the national security of the United States by the proliferation of ballistic and cruise missiles is significant and growing, both quantitatively and qualitatively.

(2) The deployment of effective Theater Missile Defense systems can deny potential adversaries the option of escalating a conflict by threatening or attacking United States forces, coalition partners of the United States, or allies of the United States with ballistic missiles armed with weapons of mass destruction to offset the operational and technical advantages of the United States and its coalition partners and allies.

(3) The intelligence community of the United States has estimated that (A) the missile proliferation trend is toward longer range and more sophisticated ballistic missiles, (B) North Korea may deploy an intercontinental ballistic missile capable of reaching Alaska or beyond within 5 years, and (C) although a new indigenously developed ballistic missile threat to the continental United States is not forecast within the next 10 years there is a danger that determined countries will acquire intercontinental ballistic missiles in the near future and with little warning by means other than indigenous development.

(4) The deployment by the United States and its allies of effective defenses against ballistic missiles of all ranges, as well as against cruise missiles, can reduce the incentives for countries to acquire such missiles or to augment existing missile capabilities.

(5) The Cold War distinction between strategic ballistic missiles and nonstrategic ballistic missiles and, therefore, the ABM Treaty's distinction between strategic defense and nonstrategic defense, has changed because of technological advancements and should be reviewed.

(6) The concept of mutual assured destruction, which was one of the major philosophical rationales for the ABM Treaty, is now questionable as a basis for stability in a multipolar world in which the United States and the states of the former Soviet Union are seeking to normalize relations and eliminate Cold War attitudes and arrangements.

(7) Theater and national missile defenses can contribute to the maintenance of stability as missile threats proliferate and as the United States and the former Soviet Union significantly reduce the number of strategic nuclear forces in their respective inventories.

(8) Although technology control regimes and other forms of international arms control can contribute to nonproliferation, such measures alone are inadequate for dealing with missile proliferation, and should not be viewed as alternatives to missile defenses and other active and passive defenses.

(9) Due to limitations in the ABM Treaty which preclude deployment of more than 100 ground-based ABM interceptors at a single site, the United States is currently prohibited from deploying a national missile defense system capable of defending the continental United States, Alaska, and Hawaii against even the most limited ballistic missile attacks.

SEC. 233. MISSILE DEFENSE POLICY.

It is the policy of the United States to—

(1) deploy as soon as possible affordable and operationally effective theater missile defenses capable of countering existing and emerging theater ballistic missiles;

(2)(A) develop for deployment a multiple-site national missile defense system that: (i) is affordable and operationally effective against limited, accidental, and unauthorized ballistic missile attacks on the territory of the United States, and (ii) can be augmented over time as the threat changes to provide a layered defense against limited, accidental, or unauthorized ballistic missile threats;

(B) initiate negotiations with the Russian Federation as necessary to provide for the national missile defense systems specified in section 235; and

(C) consider, if those negotiations fail, the option of withdrawing from the ABM Treaty in accordance with the provisions of Article XV of the Treaty, subject to consultations between the President and the Senate;

(3) ensure congressional review, prior to a decision to deploy the system developed for deployment under paragraph (2), of: (A) the affordability and operational effectiveness of such a system; (B) the threat to be countered by such a system; and (C) ABM Treaty considerations with respect to such a system.

(4) improve existing cruise missile defenses and deploy as soon as practical defenses that are affordable and operationally effective against advanced cruise missiles;

(5) pursue a focused research and development program to provide follow-on ballistic missile defense options;

(6) employ streamlined acquisition procedures to lower the cost and accelerate the pace of developing and deploying theater missile defenses, cruise missile defenses, and national missile defenses;

(7) seek a cooperative transition to a regime that does not feature mutual assured destruction and an offense-only form of deterrence as the basis for strategic stability; and

(8) carry out the policies, programs, and requirements of subtitle C of title II of this Act through processes specified within, or consistent with, the ABM Treaty, which anticipates the need and provides the means for amendment to the Treaty.

SEC. 234. THEATER MISSILE DEFENSE ARCHITECTURE.

(a) ESTABLISHMENT OF CORE PROGRAM.—To implement the policy established in section 233, the Secretary of Defense shall establish a top priority core theater missile defense program consisting of the following systems:

(1) The Patriot PAC-3 system, with a first unit equipped (FUE) in fiscal year 1998.

(2) The Navy Lower Tier (Area) system, with a user operational evaluation system (UOES) capability in fiscal year 1997 and an initial operational capability (IOC) in fiscal year 1999.

(3) The Theater High-Altitude Area Defense (THAAD) system, with a user operational evaluation system (UOES) capability in fiscal year 1997 and an initial operational capability (IOC) no later than fiscal year 2002.

(4) The Navy Upper Tier (Theater Wide) system, with a user operational evaluation system (UOES) capability in fiscal year 1999 and an initial operational capability (IOC) in fiscal year 2001.

(b) INTEROPERABILITY AND SUPPORT OF CORE SYSTEMS.—To maximize effectiveness and flexibility, the Secretary of Defense shall ensure that core theater missile defense systems are interoperable and fully capable of exploiting external sensor and battle management support from systems such as the Navy's Cooperative Engagement Capability (CEC), the Army's Battlefield Integration Center (BIC), air and space-based sensors including, in particular, the Space and Missile Tracking System (SMTS).

(c) TERMINATION OF PROGRAMS.—The Secretary of Defense shall terminate the Boost Phase Interceptor (BPI) program.

(d) FOLLOW-ON SYSTEMS.—(1) The Secretary of Defense shall develop an affordable development plan for follow-on theater missile defense systems which leverages existing systems, technologies, and programs, and focuses investments to satisfy military requirements not met by the core program.

(2) Before adding new theater missile defense systems to the core program from among the follow-on activities, the Secretary of Defense shall submit to the congressional defense committees a report describing—

(A) the requirements for the program and the specific threats to be countered;

(B) how the new program will relate to, support, and leverage off existing core programs;

(C) the planned acquisition strategy; and

(D) a preliminary estimate of total program cost and budgetary impact.

(e) REPORT.—(1) Not later than the date on which the President submits the budget for fiscal year 1997 under section 1105 of title 31, United States Code, the Secretary of Defense shall submit to the congressional defense committees a report detailing the Secretary's plans for implementing the guidance specified in this section.

(2) For each deployment date for each system described in subsection (a), the report required by paragraph (1) of this subsection shall include the funding required for research, development, testing, evaluation, and deployment for each fiscal year beginning with fiscal year 1997 through the end of the fiscal year in which deployment is projected under subsection (a).

SEC. 235. NATIONAL MISSILE DEFENSE SYSTEM ARCHITECTURE.

(a) IN GENERAL.—To implement the policy established in section 233, the Secretary of Defense shall develop an affordable and operationally effective national missile defense system to counter a limited, accidental, or unauthorized ballistic missile attack, and which is capable of attaining initial operational capability (IOC) by the end of 2003. Such system shall include the following:

(1) Ground-based interceptors capable of being deployed at multiple sites, the locations and numbers of which are to be determined so as to optimize the defensive coverage of the continental United States, Alaska, and Hawaii against limited, accidental, or unauthorized ballistic missile attacks.

(2) Fixed ground-based radars and space-based sensors, including the Space and Missile Tracking system, the mix, siting and numbers of which are to be determined so as to optimize sensor support and minimize total system cost.

(3) Battle management, command, control, and communications (BM/C3).

(b) INTERIM OPERATIONAL CAPABILITY.—To provide a hedge against the emergence of near-

term ballistic missile threats against the United States and to support the development and deployment of the objective system specified in subsection (a), the Secretary of Defense shall develop an interim national missile defense plan that would give the United States the ability to field a limited operational capability by the end of 1999 if required by the threat. In developing this plan the Secretary shall make use of—

(1) developmental, or user operational evaluation system (UOES) interceptors, radars, and battle management, command, control, and communications (BM/C3), to the extent that such use directly supports, and does not significantly increase the cost of, the objective system specified in subsection (a);

(2) one or more of the sites that will be used as deployment locations for the objective system specified in subsection (a);

(3) upgraded early warning radars; and

(4) space-based sensors.

(c) USE OF STREAMLINED ACQUISITION PROCEDURES.—The Secretary of Defense shall prescribe and use streamlined acquisition procedures to—

(1) reduce the cost and increase the efficiency of developing the national missile defense system specified in subsection (a); and

(2) ensure that any interim national missile defense capabilities developed pursuant to subsection (b) are operationally effective and on a path to fulfill the technical requirements and schedule of the objective system.

(d) ADDITIONAL COST SAVING MEASURES.—In addition to the procedures prescribed pursuant to subsection (c), the Secretary of Defense shall employ cost saving measures that do not decrease the operational effectiveness of the systems specified in subsections (a) and (b), and which do not pose unacceptable technical risk. The cost saving measures should include the following:

(1) The use of existing facilities and infrastructure.

(2) The use, where appropriate, of existing or upgraded systems and technologies, except that Minuteman boosters may not be used as part of a National Missile Defense architecture.

(3) Development of systems and components that do not rely on a large and permanent infrastructure and are easily transported, emplaced, and moved.

(e) REPORT ON PLAN FOR DEPLOYMENT.—Not later than the date on which the President submits the budget for fiscal year 1997 under section 1105 of title 31, United States Code, the Secretary of Defense shall submit to the congressional defense committees a report containing the following matters:

(1) The Secretary's plan for carrying out this section.

(2) For each deployment date in subsections (a) and (b), the report shall include the funding required for research, development, testing, evaluation, and deployment for each fiscal year beginning with fiscal year 1997 through the end of the fiscal year in which deployment is projected under subsection (a) or (b). The report shall also describe the specific threat to be countered and provide the Secretary's assessment as to whether deployment is affordable and operationally effective.

(3) An analysis of options for supplementing or modifying the national missile defense architecture specified in subsection (a) before attaining initial operational capability, or evolving such architecture in a building block manner after attaining initial operational capability, to improve the cost-effectiveness or the operational effectiveness of such system by adding one or a combination of the following:

(A) Additional ground-based interceptors at existing or new sites.

(B) Sea-based missile defense systems.

(C) Space-based kinetic energy interceptors.

(D) Space-based directed energy systems.

SEC. 236. CRUISE MISSILE DEFENSE INITIATIVE.

(a) IN GENERAL.—The Secretary of Defense shall undertake an initiative to coordinate and strengthen the cruise missile defense programs, projects, and activities of the military departments, the Advanced Research Projects Agency and the Ballistic Missile Defense Organization to ensure that the United States develops and deploys affordable and operationally effective defenses against existing and future cruise missile threats.

(b) ACTIONS OF THE SECRETARY OF DEFENSE.—In carrying out subsection (a), the Secretary of Defense shall ensure that—

(1) to the extent practicable, the ballistic missile defense and cruise missile defense efforts of the Department of Defense are coordinated and mutually reinforcing;

(2) existing air defense systems are adequately upgraded to provide an affordable and operationally effective defense against existing and near-term cruise missile threats; and

(3) the Department of Defense undertakes a high priority and well coordinated technology development program to support the future deployment of systems that are affordable and operationally effective against advanced cruise missiles, including cruise missiles with low observable features.

(c) IMPLEMENTATION PLAN.—Not later than the date on which the President submits the budget for fiscal year 1997 under section 1105 of title 31, United States Code, the Secretary of Defense shall submit to the congressional defense committees a detailed plan, in unclassified and classified forms, as necessary, for carrying out this section. The plan shall include an assessment of—

(1) the systems that currently have cruise missile defense capabilities, and existing programs to improve these capabilities;

(2) the technologies that could be deployed in the near- to mid-term to provide significant advances over existing cruise missile defense capabilities, and the investments that would be required to ready the technologies for deployment;

(3) the cost and operational tradeoffs, if any, between upgrading existing air and missile defense systems and accelerating follow-on systems with significantly improved capabilities against advanced cruise missiles; and

(4) the organizational and management changes that would strengthen and further coordinate the cruise missile defense efforts of the Department of Defense, including the disadvantages, if any, of implementing such changes.

SEC. 237. POLICY REGARDING THE ABM TREATY.

(a) Congress makes the following findings:

. (1) Article XIII of the ABM Treaty envisions "possible changes in the strategic situation which have a bearing on the provisions of this treaty".

(2) Articles XIII and XIV of the ABM Treaty establish means for the Parties to amend the Treaty, and the Parties have employed these means to amend the Treaty.

(3) Article XV of the ABM Treaty establishes the means for a party to withdraw from the Treaty, upon 6 months notice, "if it decides that extraordinary events related to the subject matter of this treaty have jeopardized its supreme interests".

(4) The policies, programs, and requirements of subtitle C of title II of this Act can be accomplished through processes specified within, or consistent with, the ABM Treaty, which anticipates the need and provides the means for amendment to the Treaty.

(b) SENSE OF CONGRESS.—In light of the findings and policies provided in this subtitle, it is the sense of Congress that—

(1) Given the fundamental responsibility of the Government of the United States to protect the security of the United States, the increasingly serious threat posed to the United States by the proliferation of weapons of mass destruction and ballistic missile technology, and the effect this threat could have on the options of the United States to act in a time of crisis—

(A) it is in the vital national security interest of the United States to defend itself from the threat of a limited, accidental, or unauthorized ballistic missile attack, whatever its source; and

(B) the deployment of a national missile defense system, in accord with section 233, to protect the territory of the United States against a limited, accidental, or unauthorized missile attack can strengthen strategic stability and deterrence; and

(2)(A) the Senate should undertake a comprehensive review of the continuing value and validity of the ABM Treaty with the intent of providing additional policy guidance on the future of the ABM Treaty during the second session of the One Hundred Fourth Congress; and

(B) upon completion of the review, the Committee on Foreign Relations, in consultation with the Committee on Armed Services and other appropriate committees, should report its findings to the Senate.

SEC. 238. PROHIBITION ON FUNDS TO IMPLEMENT AN INTERNATIONAL AGREEMENT CONCERNING THEATER MISSILE DEFENSE SYSTEMS.

(a) FINDINGS.—Congress makes the following findings:

(1) Section 234 of the National Defense Authorization Act for Fiscal Year 1994 provides that the ABM Treaty does not apply to or limit research, development, testing, or deployment of missile defense systems, system upgrades, or system components that are designed to counter modern theater ballistic missiles, regardless of the capabilities of such missiles, unless those systems, system upgrades, or system components are tested against or have demonstrated capabilities to counter modern strategic ballistic missiles.

(2) Section 232 of the National Defense Authorization Act for Fiscal Year 1995 provides that the United States shall not be bound by any international agreement that would substantially modify the ABM Treaty unless the agreement is entered into pursuant to the treaty making power of the President under the Constitution.

(3) the demarcation standard described in subsection (b)(1) is based upon current technology.

(b) SENSE OF CONGRESS.—It is the sense of Congress that—

(1) unless a missile defense system, system upgrade, or system component, including one that exploits data from space-based or other external sensors, is flight tested against a ballistic missile target that exceeds a range of 3,500 kilometers or a velocity of 5 kilometers per second, such missile defense system, system upgrade, or system component has not been tested in an ABM mode nor deemed to have been given capabilities to counter strategic ballistic missiles, and

(2) any international agreement that would limit the research, development, testing, or deployment of missile defense systems, system upgrades, or system components that are designed to counter modern theater ballistic missiles in a manner that would be more restrictive than the criteria in paragraph (1) should be entered into only pursuant to the treaty making powers of the President under the Constitution.

(c) PROHIBITION ON FUNDING.—Funds appropriated or otherwise made available to the Department of Defense for fiscal year 1996 may not be obligated or expended to implement an agreement with any of the independent states of the former Soviet Union entered into after January 1, 1995 that would establish a demarcation between theater missile defense systems and anti-ballistic missile systems for purposes of the ABM

Treaty or that would restrict the performance, operation, or deployment of United States theater missile defense systems except: (1) to the extent provided in an Act enacted subsequent to this Act; (2) to implement that portion of any such agreement that implements the criteria in subsection (b)(1); or (3) to implement any such agreement that is entered into pursuant to the treaty making power of the President under the Constitution.

SEC. 239. BALLISTIC MISSILE DEFENSE PROGRAM ELEMENTS.

(a) ELEMENTS SPECIFIED.—In the budget justification materials submitted to Congress in support of the Department of Defense budget for any fiscal year after fiscal year 1996 (as submitted in the budget of the President under section 1105(a) of title 31, United States Code), the amount requested for activities of the Ballistic Missile Defense Organization shall be set forth in accordance with the following program elements:

(1) The Patriot system.

(2) The Navy Lower Tier (Area) system.

(3) The Theater High-Altitude Area Defense (THAAD) system.

(4) The Navy Upper Tier (Theater Wide) system.

(5) Other Theater Missile Defense Activities.

(6) National Missile Defense.

(7) Follow-On and Support Technologies.

(b) TREATMENT OF NON-CORE TMD IN OTHER THEATER MISSILE DEFENSE ACTIVITIES ELEMENT.—Funding for theater missile defense programs, projects, and activities, other than core theater missile defense programs, shall be covered in the "Other Theater Missile Defense Activities" program element.

(c) TREATMENT OF CORE THEATER MISSILE DEFENSE PROGRAMS.—Funding for core theater missile defense programs specified in section 234, shall be covered in individual, dedicated program elements and shall be available only for activities covered by those program elements.

(d) BM/C3I PROGRAMS.—Funding for programs, projects, and activities involving battle management, command, control, communications, and intelligence (BM/C3I) shall be covered in the "Other Theater Missile Defense Activities" program element or the "National Missile Defense" program element, as determined on the basis of the primary objectives involved.

(e) MANAGEMENT AND SUPPORT.—Each program element shall include requests for the amounts necessary for the management and support of the programs, projects, and activities contained in that program element.

SEC. 240. ABM TREATY DEFINED.

For purposes of this subtitle, the term "ABM Treaty" means the Treaty Between the United States of America and the Union of Soviet Socialist Republics on the Limitation of Anti-Ballistic Missiles, signed at Moscow on May 26, 1972, and includes the Protocols to that Treaty, signed at Moscow on July 3, 1974.

SEC. 241. REPEAL OF MISSILE DEFENSE PROVISIONS.

The following provisions of law are repealed:

(1) The Missile Defense Act of 1991 (part C of title II of Public Law 102–190; 10 U.S.C. 2431 note).

(2) Section 237 of the National Defense Authorization Act for Fiscal Year 1994 (Public Law 103–160).

(3) Section 242 of the National Defense Authorization Act for Fiscal Year 1994 (Public Law 103–160).

(4) Section 222 of the Department of Defense Authorization Act, 1986 (Public Law 99–145; 99 Stat. 613; 10 U.S.C. 2431 note).

(5) Section 225 of the Department of Defense Authorization Act, 1986 (Public Law 99–145; 99 Stat. 614).

(6) Section 226 of the National Defense Authorization Act for Fiscal Years 1988 and 1989 (Public Law 100–180; 101 Stat. 1057; 10 U.S.C. 2431 note).

(7) Section 8123 of the Department of Defense Appropriations Act, 1989 (Public Law 100–463; 102 Stat. 2270–40).

(8) Section 8133 of the Department of Defense Appropriations Act, 1992 (Public Law 102–172; 105 Stat. 1211).

(9) Section 234 of the National Defense Authorization Act for Fiscal Year 1994 (Public Law 103–160; 107 Stat. 1595; 10 U.S.C. 2431 note).

(10) Section 235 of the National Defense Authorization Act for Fiscal Year 1995 (Public Law 103–337; 108 Stat. 2701; 10 U.S.C. 221 note).

SEC. 242. SENSE OF SENATE ON THE DIRECTOR OF OPERATIONAL TEST AND EVALUATION.

(a) FINDINGS.—The Senate makes the following findings:

(1) The Office of the Director of Operational Test and Evaluation of the Department of Defense was created by Congress to provide an independent validation and verification on the suitability and effectiveness of new weapons, and to ensure that the United States military departments acquire weapons that are proven in an operational environment before they are produced and used in combat.

(2) The office is currently making significant contributions to the process by which the Department of Defense acquires new weapons by providing vital insights on operational weapons tests to be used in this acquisition process.

(3) The office provides vital services to Congress in providing an independent certification on the performance of new weapons that have been operationally tested.

(4) A provision of H.R. 1530, an Act entitled "An Act to authorize appropriations for fiscal year 1996 for military activities of the Department of Defense, for military construction, and for defense activities of the Department of Energy, to prescribe personnel strengths for such fiscal year for the Armed Forces, and for other purposes", agreed to by the House of Representatives on June 15, 1995, contains a provision that could substantially diminish the authority and responsibilities of the office and perhaps cause the elimination of the office and its functions.

(b) SENSE OF THE SENATE.—It is the sense of the Senate that—

(1) the authority and responsibilities of the Office of the Director of Operational Test and Evaluation of the Department of Defense should not be diminished or eliminated; and

(2) the conferees on H.R. 1530, an Act entitled "An Act to authorize appropriations for fiscal year 1996 for military activities of the Department of Defense, for military construction, and for defense activities of the Department of Energy, to prescribe personnel strengths for such fiscal year for the Armed Forces, and for other purposes" should not propose to Congress a conference report on that Act that would either diminish or eliminate the Office of the Director of Operational Test and Evaluation or its functions.

SEC. 243. BALLISTIC MISSILE DEFENSE TECHNOLOGY CENTER.

(a) ESTABLISHMENT.—The Director of the Ballistic Missile Defense Organization shall establish a Ballistic Missile Defense Technology Center within the Space and Strategic Defense Command of the Army.

(b) MISSION.—The missions of the Center are as follows:

(1) To maximize common application of ballistic missile defense component technology programs, target test programs, functional analysis and phenomenology investigations.

(2) To store data from the missile defense technology programs of the Armed Forces using computer facilities of the Missile Defense Data Center.

(c) TECHNOLOGY PROGRAM COORDINATION WITH CENTER.—The Secretary of Defense, acting through the Director of the Ballistic Missile Defense Organization, shall require the head of each element or activity of the Department of Defense beginning a new missile defense program referred to in subsection (b)(1) to first coordinate the program with the Ballistic Missile Defense Technology Center in order to prevent duplication of effort.

TITLE III—OPERATION AND MAINTENANCE

Subtitle A—Authorization of Appropriations

SEC. 301. OPERATION AND MAINTENANCE FUNDING.

Funds are hereby authorized to be appropriated for fiscal year 1996 for the use of the Armed Forces and other activities and agencies of the Department of Defense for expenses, not otherwise provided for, for operation and maintenance, in amounts as follows:

(1) For the Army, $18,073,206,000.

(2) For the Navy, $21,343,960,000.

(3) For the Marine Corps, $2,405,711,000.

(4) For the Air Force, $18,224,893,000.

(5) For Defense-wide activities, $10,021,162,000.

(6) For the Army Reserve, $1,062,591,000.

(7) For the Naval Reserve, $840,842,000.

(8) For the Marine Corps Reserve, $90,283,000.

(9) For the Air Force Reserve, $1,482,947,000.

(10) For the Army National Guard, $2,304,108,000.

(11) For the Air National Guard, $2,734,221,000.

(12) For the Defense Inspector General, $138,226,000.

(13) For the United States Court of Appeals for the Armed Forces, $6,521,000.

(14) For Environmental Restoration, Defense, $1,601,800,000.

(15) For Drug Interdiction and Counter-drug Activities, Defense-wide, $680,432,000.

(16) For Medical Programs, Defense, $9,943,825,000.

(17) For support for the 1996 Summer Olympics, $15,000,000.

(18) For Cooperative Threat Reduction programs, $365,000,000.

(19) For Overseas Humanitarian, Disaster, and Civic Aid programs, $60,000,000.

The amount authorized to be appropriated by section 301(5) is hereby reduced by $40,000,000.

SEC. 302. WORKING CAPITAL FUNDS.

Funds are hereby authorized to be appropriated for fiscal year 1996 for the use of the Armed Forces and other activities and agencies of the Department of Defense for providing capital for working capital and revolving funds in amounts as follows:

(1) For the Defense Business Operations Fund, $878,700,000.

(2) For the National Defense Sealift Fund, $1,084,220,000.

SEC. 303. ARMED FORCES RETIREMENT HOME.

(a) AUTHORIZATION OF APPROPRIATIONS TO TRUST FUND.—There is hereby authorized to be appropriated to the Armed Forces Retirement Home Trust Fund the sum of $45,000,000, to remain available until expended.

(b) AUTHORIZATION OF APPROPRIATIONS FROM TRUST FUND.—There is hereby authorized to be appropriated for fiscal year 1996 from the Armed Forces Retirement Home Trust Fund the sum of $59,120,000 for the operation of the Armed Forces Retirement Home, including the United States Soldiers' and Airmen's Home and the Naval Home.

SEC. 304. TRANSFER FROM NATIONAL DEFENSE STOCKPILE TRANSACTION FUND.

(a) TRANSFER AUTHORITY.—To the extent provided in appropriations Acts, not more than $150,000,000 is authorized to be transferred from the National Defense Stockpile Transaction

Fund to operation and maintenance accounts for fiscal year 1996 in amounts as follows:

(1) For the Army, $50,000,000.

(2) For the Navy, $50,000,000.

(3) For the Air Force, $50,000,000.

(b) TREATMENT OF TRANSFERS.—Amounts transferred under this section—

(1) shall be merged with, and be available for the same purposes and the same period as, the amounts in the accounts to which transferred; and

(2) may not be expended for an item that has been denied authorization of appropriations by Congress.

(c) RELATIONSHIP TO OTHER TRANSFER AUTHORITY.—The transfer authority provided in this section is in addition to the transfer authority provided in section 1001.

SEC. 305. INCREASE IN FUNDING FOR THE CIVIL AIR PATROL.

(a) INCREASE.—(1) The amount of funds authorized to be appropriated by this Act for operation and maintenance of the Air Force for the Civil Air Patrol Corporation is hereby increased by $5,000,000.

(2) The amount authorized to be appropriated for operation and maintenance for the Civil Air Patrol Corporation under paragraph (1) is in addition to any other funds authorized to be appropriated under this Act for that purpose.

(b) OFFSETTING REDUCTION.—The amount authorized to be appropriated under this Act for Air Force support of the Civil Air Patrol is hereby reduced by $2,900,000. The amount of the reduction shall be allocated among funds authorized to be appropriated for Air Force personnel supporting the Civil Air Patrol and for Air Force operation and maintenance support for the Civil Air Patrol.

Subtitle B—Depot-Level Maintenance and Repair

SEC. 311. POLICY REGARDING PERFORMANCE OF DEPOT-LEVEL MAINTENANCE AND REPAIR FOR THE DEPARTMENT OF DEFENSE.

(a) REQUIREMENT FOR POLICY.—Not later than March 31, 1996, the Secretary of Defense shall develop and report to the Committee on Armed Services of the Senate and the Committee on National Security of the House of Representatives a comprehensive policy on the performance of depot-level maintenance and repair for the Department of Defense.

(b) PRIMARY OBJECTIVE OF POLICY.—In developing the policy, it shall be the primary objective of the Secretary to ensure a ready and controlled source of technical competence and repair and maintenance capabilities necessary for national security across a full range of current and projected training and operational requirements, including requirements in peacetime, contingency operations, mobilization, and other emergencies.

(c) CONTENT OF POLICY.—The policy shall—

(1) define, in terms of the requirements of the Department of Defense for performance of maintenance and repair, the purpose for having public depots for performing those functions;

(2) provide for performance of core depot-level maintenance and repair capabilities in facilities owned and operated by the United States;

(3) provide for the core capabilities to include sufficient skilled personnel, equipment, and facilities to achieve the objective set forth in subsection (b);

(4) address environmental liability;

(5) in the case of depot-level maintenance and repair workloads in excess of the workload required to be performed by Department of Defense depots, provide for competition for those workloads between public and private entities when there is sufficient potential for realizing cost savings based on adequate private sector competition and technical capabilities;

(6) provide for selection on the basis of merit whenever the workload of a Department of Defense depot is changed;

(7) provide transition provisions appropriate for persons in the Department of Defense depot-level workforce; and

(8) address issues concerning exchange of technical data between the Federal Government and the private sector, environmental liability, efficient and effective performance of depot functions, and adverse effects of the policy on the Federal Government work force.

(d) CONSIDERATION.—In developing the policy, the Secretary shall take into consideration the capabilities of the public depots and the capabilities of businesses in the private sector to perform the maintenance and repair work required by the Department of Defense.

(e) REPEAL OF 60/40 REQUIREMENT AND REQUIREMENT RELATING TO COMPETITION.—(1) Sections 2466 and 2469 of title 10, United States Code, are repealed.

(2) The table of sections at the beginning of chapter 146 of such title is amended by striking out the items relating to sections 2466 and 2469.

(3) The amendments made by paragraphs (1) and (2) shall take effect on the date (after the date of the enactment of this Act) on which legislation is enacted that contains a provision that specifically states one of the following:

(A) "The policy on the performance of depot-level maintenance and repair for the Department of Defense that was submitted by the Secretary of Defense to the Committee on Armed Services of the Senate and the Committee on National Security of the House of Representatives pursuant to section 311 of the National Defense Authorization Act for Fiscal Year 1996 is approved."; or

(B) "The policy on the performance of depot-level maintenance and repair for the Department of Defense that was submitted by the Secretary of Defense to the Committee on Armed Services of the Senate and the Committee on National Security of the House of Representatives pursuant to section 311 of the National Defense Authorization Act for Fiscal Year 1996 is approved with the following modifications:" (with the modifications being stated in matter appearing after the colon).

(f) REVIEW BY THE GENERAL ACCOUNTING OFFICE.—(1) The Secretary shall make available to the Comptroller General of the United States all information used by the Department in developing the policy under subsections (a) through (d) of this section.

(2) Not later than 45 days after the Secretary submits to Congress the report required by subsection (a), the Comptroller General shall transmit to Congress a report containing a detailed analysis of the Secretary's proposed policy as reported under subsection (a).

SEC. 312. EXTENSION OF AUTHORITY FOR AVIATION DEPOTS AND NAVAL SHIPYARDS TO ENGAGE IN DEFENSE-RELATED PRODUCTION AND SERVICES.

Section 1425(e) of the National Defense Authorization Act for Fiscal Year 1991 (Public Law 101–510; 104 Stat. 1684), as amended by section 370(b) of Public Law 103–160 (107 Stat. 1634) and section 386(b) of Public Law 103–337 (108 Stat. 2742), is further amended by striking out "September 30, 1995" and inserting in lieu thereof "September 30, 1996".

Subtitle C—Environmental Provisions

SEC. 321. REVISION OF REQUIREMENTS FOR AGREEMENTS FOR SERVICES UNDER ENVIRONMENTAL RESTORATION PROGRAM.

(a) REQUIREMENTS.—(1) Section 2701(d) of title 10, United States Code, is amended to read as follows:

"(d) SERVICES OF OTHER AGENCIES.—

"(1) IN GENERAL.—Subject to paragraph (2), the Secretary may enter into agreements on a reimbursable or other basis with any other Federal agency, or with any State or local government agency, to obtain the services of the agency to assist the Secretary in carrying out any of the Secretary's responsibilities under this section. Services which may be obtained under this subsection include the identification, investigation, and cleanup of any off-site contamination resulting from the release of a hazardous substance or waste at a facility under the Secretary's jurisdiction.

"(2) LIMITATION ON REIMBURSABLE AGREEMENTS.—An agreement with an agency under paragraph (1) may provide for reimbursement of the agency only for technical or scientific services obtained from the agency.".

(2)(A) Except as provided in subparagraph (B), the total amount of funds available for reimbursements under agreements entered into under section 2710(d) of title 10, United States Code, as amended by paragraph (1), in fiscal year 1996 may not exceed $5,000,000.

(B) The Secretary of Defense may pay in fiscal year 1996 an amount for reimbursements under agreements referred to in subparagraph (A) in excess of the amount specified in that subparagraph for that fiscal year if—

(i) the Secretary certifies to Congress that the payment of the amount under this subparagraph is essential for the management of the Defense Environmental Restoration Program under chapter 160 of title 10, United States Code; and

(ii) a period of 60 days has expired after the date on which the certification is received by Congress.

(b) REPORT ON SERVICES OBTAINED.—The Secretary of Defense shall include in the report submitted to Congress with respect to fiscal year 1998 under section 2706(a) of title 10, United States Code, information on the services, if any, obtained by the Secretary during fiscal year 1996 pursuant to each agreement on a reimbursable basis entered into with a State or local government agency under section 2701(d) of title 10, United States Code, as amended by subsection (a). The information shall include a description of the services obtained under each agreement and the amount of the reimbursement provided for the services.

SEC. 322. DISCHARGES FROM VESSELS OF THE ARMED FORCES.

(a) PURPOSES.—The purposes of this section are to—

(1) enhance the operational flexibility of vessels of the Armed Forces domestically and internationally;

(2) stimulate the development of innovative vessel pollution control technology; and

(3) advance the development by the United States Navy of environmentally sound ships.

(b) UNIFORM NATIONAL DISCHARGE STANDARDS DEVELOPMENT.—Section 312 of the Federal Water Pollution Control Act (33 U.S.C. 1322) is amended by adding at the end the following:

"(n) UNIFORM NATIONAL DISCHARGE STANDARDS FOR VESSELS OF THE ARMED FORCES.—

"(1) APPLICABILITY.—This subsection shall apply to vessels of the Armed Forces and discharges, other than sewage, incidental to the normal operation of a vessel of the Armed Forces, unless the Secretary of Defense finds that compliance with this subsection would not be in the national security interests of the United States.

"(2) DETERMINATION OF DISCHARGES REQUIRED TO BE CONTROLLED BY MARINE POLLUTION CONTROL DEVICES.—

"(A) IN GENERAL.—The Administrator and the Secretary of Defense, after consultation with the Secretary of the department in which the Coast Guard is operating, the Secretary of Commerce, and interested States, shall jointly determine the discharges incidental to the normal operation of a vessel of the Armed Forces for *which it is reasonable and practicable to require use of a marine pollution control device to mitigate adverse impacts on the marine environment. Notwithstanding subsection (a)(1) of section 553 of title 5, United States Code, the Administrator and the Secretary of Defense shall promulgate the determinations in accordance with the section.*

"(B) CONSIDERATIONS.—In making a determination under subparagraph (A), the Administrator and the Secretary of Defense shall take into consideration—

"(i) the nature of the discharge;

"(ii) the environmental effects of the discharge;

"(iii) the practicability of using the marine pollution control device;

"(iv) the effect that installation or use of the marine pollution control device would have on the operation or operational capability of the vessel;

"(v) applicable United States law;

"(vi) applicable international standards; and

"(vii) the economic costs of the installation and use of the marine pollution control device.

"(3) PERFORMANCE STANDARDS FOR MARINE POLLUTION CONTROL DEVICES.—

"(A) IN GENERAL.—For each discharge for which a marine pollution control device is determined to be required under paragraph (2), the Administrator and the Secretary of Defense, in consultation with the Secretary of the department in which the Coast Guard is operating, the Secretary of State, the Secretary of Commerce, other interested Federal agencies, and interested States, shall jointly promulgate Federal standards of performance for each marine pollution control device required with respect to the discharge. Notwithstanding subsection (a)(1) of section 553 of title 5, United States Code, the Administrator and the Secretary of Defense shall promulgate the standards in accordance with the section.

"(B) CONSIDERATIONS.—In promulgating standards under this paragraph, the Administrator and the Secretary of Defense shall take into consideration the matters set forth in paragraph (2)(B).

"(C) CLASSES, TYPES, AND SIZES OF VESSELS.—The standards promulgated under this paragraph may—

"(i) distinguish among classes, types, and sizes of vessels;

"(ii) distinguish between new and existing vessels; and

"(iii) provide for a waiver of the applicability of the standards as necessary or appropriate to a particular class, type, age, or size of vessel.

"(4) REGULATIONS FOR USE OF MARINE POLLUTION CONTROL DEVICES.—The Secretary of Defense, after consultation with the Administrator and the Secretary of the department in which the Coast Guard is operating, shall promulgate such regulations governing the design, construction, installation, and use of marine pollution control devices on board vessels of the Armed Forces as are necessary to achieve the standards promulgated under paragraph (3).

"(5) DEADLINES; EFFECTIVE DATE.—

"(A) DETERMINATIONS.—The Administrator and the Secretary of Defense shall—

"(i) make the initial determinations under paragraph (2) not later than 2 years after the date of enactment of this subsection; and

"(ii) every 5 years—

"(I) review the determinations; and

"(II) if necessary, revise the determinations based on significant new information.

"(B) STANDARDS.—The Administrator and the Secretary of Defense shall—

"(i) promulgate standards of performance for a marine pollution control device under paragraph (3) not later than 2 years after the date of a determination under paragraph (2) that the marine pollution control device is required; and

"(ii) every 5 years—

"(I) review the standards; and

"(II) if necessary, revise the standards, consistent with paragraph (3)(B) and based on significant new information.

"(C) REGULATIONS.—The Secretary of Defense shall promulgate regulations with respect to a marine pollution control device under paragraph (4) as soon as practicable after the Administrator and the Secretary of Defense promulgate standards with respect to the device under paragraph (3), but not later than 1 year after the Administrator and the Secretary of Defense promulgate the standards. The regulations promulgated by the Secretary of Defense under paragraph (4) shall become effective upon promulgation unless another effective date is specified in the regulations.

"(D) PETITION FOR REVIEW.—The Governor of any State may submit a petition requesting that the Secretary of Defense and the Administrator review a determination under paragraph (2) or a standard under paragraph (3), if there is significant new information, not considered previously, that could reasonably result in a change to the particular determination or standard after consideration of the matters set forth in paragraph (2)(B). The petition shall be accompanied by the scientific and technical information on which the petition is based. The Administrator and the Secretary of Defense shall grant or deny the petition not later than 2 years after the date of receipt of the petition.

"(6) EFFECT ON OTHER LAWS.—

"(A) PROHIBITION ON REGULATION BY STATES OR POLITICAL SUBDIVISIONS OF STATES.—Beginning on the effective date of—

"(i) a determination under paragraph (2) that it is not reasonable and practicable to require use of a marine pollution control device regarding a particular discharge incidental to the normal operation of a vessel of the Armed Forces; or

"(ii) regulations promulgated by the Secretary of Defense under paragraph (4);

except as provided in paragraph (7), neither a State nor a political subdivision of a State may adopt or enforce any statute or regulation of the State or political subdivision with respect to the discharge or the design, construction, installation, or use of any marine pollution control device required to control the discharge.

"(B) FEDERAL LAWS.—This subsection shall not affect the application of section 311 to discharges incidental to the normal operation of a vessel.

"(7) ESTABLISHMENT OF STATE NO-DISCHARGE ZONES.—

"(A) STATE PROHIBITION.—

"(i) IN GENERAL.—After the effective date of—

"(I) a determination under paragraph (2) that it is not reasonable and practicable to require use of a marine pollution control device regarding a particular discharge incidental to the normal operation of a vessel of the Armed Forces; or

"(II) regulations promulgated by the Secretary of Defense under paragraph (4);

if a State determines that the protection and enhancement of the quality of some or all of the waters within the State require greater environmental protection, the State may prohibit 1 or more discharges incidental to the normal operation of a vessel, whether treated or not treated, into the waters. No prohibition shall apply until the Administrator makes the determinations described in subclauses (II) and (III) of subparagraph (B)(i).

"(ii) DOCUMENTATION.—To the extent that a prohibition under this paragraph would apply to vessels of the Armed Forces and not to other types of vessels, the State shall document the technical or environmental basis for the distinction.

"(B) PROHIBITION BY THE ADMINISTRATOR.—

"(i) IN GENERAL.—Upon application of a State, the Administrator shall by regulation prohibit the discharge from a vessel of 1 or more discharges incidental to the normal operation of a vessel, whether treated or not treated, into the waters covered by the application if the Administrator determines that—

"(I) the protection and enhancement of the quality of the specified waters within the State require a prohibition of the discharge into the waters;

"(II) adequate facilities for the safe and sanitary removal of the discharge incidental to the normal operation of a vessel are reasonably available for the waters to which the prohibition would apply; and

"(III) the prohibition will not have the effect of discriminating against a vessel of the Armed Forces by reason of the ownership or operation by the Federal Government, or the military function, of the vessel.

"(ii) APPROVAL OR DISAPPROVAL.—The Administrator shall approve or disapprove an application submitted under clause (i) not later than 90 days after the date on which the application is submitted to the Administrator. Notwithstanding clause (i)(II), the Administrator shall not disapprove an application for the sole reason that there are not adequate facilities to remove any discharge incidental to the normal operation of a vessel from vessels of the Armed Forces.

"(C) APPLICABILITY TO FOREIGN FLAGGED VESSELS.—A prohibition under this paragraph—

"(i) shall not impose any design, construction, manning, or equipment standard on a foreign flagged vessel engaged in innocent passage unless the prohibition implements a generally accepted international rule or standard; and

"(ii) that relates to the prevention, reduction, and control of pollution shall not apply to a foreign flagged vessel engaged in transit passage unless the prohibition implements an applicable international regulation regarding the discharge of oil, oily waste, or any other noxious substance into the waters.

"(8) PROHIBITION RELATING TO VESSELS OF THE ARMED FORCES.—After the effective date of the regulations promulgated by the Secretary of Defense under paragraph (4), it shall be unlawful for any vessel of the Armed Forces subject to the regulations to—

"(A) operate in the navigable waters of the United States or the waters of the contiguous zone, if the vessel is not equipped with any required marine pollution control device meeting standards established under this subsection; or

"(B) discharge overboard any discharge incidental to the normal operation of a vessel in waters with respect to which a prohibition on the discharge has been established under paragraph (7).

"(9) ENFORCEMENT.—This subsection shall be enforceable, as provided in subsections (j) and (k), against any agency of the United States responsible for vessels of the Armed Forces notwithstanding any immunity asserted by the agency.".

(c) CONFORMING AMENDMENTS.—

(1) Definitions.—Section 312(a) of the Federal Water Pollution Control Act (33 U.S.C. 1322(a)) is amended—

(A) in paragraph (8)—

(i) by striking "or"; and

(ii) by inserting "or agency of the United States" after "association,";

(B) in paragraph (11), by striking the period at the end and inserting a semicolon; and

(C) by adding at the end the following:

"(12) 'discharge incidental to the normal operation of a vessel'—

"(A) means a discharge, including—

"(i) graywater, bilge water, cooling water, weather deck runoff, ballast water, oil water separator effluent, and any other pollutant discharge from the operation of a marine propulsion system, shipboard maneuvering system, crew habitability system, or installed major equipment, such as an aircraft carrier elevator or a catapult, or from a protective, preservative, or absorptive application to the hull of the vessel; and

"(ii) a discharge in connection with the testing, maintenance, and repair of a system described in clause (i) whenever the vessel is waterborne; and

"(B) does not include—

"(i) a discharge of rubbish, trash, garbage, or other such material discharged overboard;

"(ii) an air emission resulting from the operation of a vessel propulsion system, motor driven equipment, or incinerator; or

"(iii) a discharge that is not covered by part 122.3 of title 40, Code of Federal Regulations (as in effect on the date of enactment of subsection (n));

"(13) 'marine pollution control device' means any equipment or management practice, for installation or use on board a vessel of the Armed Forces, that is—

"(A) designed to receive, retain, treat, control, or discharge a discharge incidental to the normal operation of a vessel; and

"(B) determined by the Administrator and the Secretary of Defense to be the most effective equipment or management practice to reduce the environmental impacts of the discharge consistent with the considerations set forth in subsection (n)(2)(B); and

"(14) 'vessel of the Armed Forces' means—

"(A) any vessel owned or operated by the Department of Defense, other than a time or voyage chartered vessel; and

"(B) any vessel owned or operated by the Department of Transportation that is designated by the Secretary of the department in which the Coast Guard is operating as a vessel equivalent to a vessel described in subparagraph (A).".

(2) Enforcement.—The first sentence of section 312(j) of the Federal Water Pollution Control Act (33 U.S.C. 1322(j)) is amended—

(A) by striking "of this section or" and inserting a comma; and

(B) by striking "of this section shall" and inserting ", or subsection (n)(8) shall".

(3) Other definitions.—Subparagraph (A) of the second sentence of section 502(6) of the Federal Water Pollution Control Act (33 U.S.C. 1362(6)) is amended by striking "'sewage from vessels'" and inserting "sewage from vessels or a discharge incidental to the normal operation of a vessel of the Armed Forces".

(d) Cooperation in Standards Development.—The Administrator of the Environmental Protection Agency and the Secretary of Defense may, by mutual agreement, with or without reimbursement, provide for the use of information, reports, personnel, or other resources of the Environmental Protection Agency or the Department of Defense to carry out section 312(n) of the Federal Water Pollution Control Act (as added by subsection (b)), including the use of the resources to—

(1) determine—

(A) the nature and environmental effect of discharges incidental to the normal operation of a vessel of the Armed Forces;

(B) the practicability of using marine pollution control devices on vessels of the Armed Forces; and

(C) the effect that installation or use of marine pollution control devices on vessels of the Armed Forces would have on the operation or operational capability of the vessels; and

(2) establish performance standards for marine pollution control devices on vessels of the Armed Forces.

SEC. 323. REVISION OF AUTHORITIES RELATING TO RESTORATION ADVISORY BOARDS.

(a) Regulations.—Paragraph (2) of subsection (d) of section 2705 of title 10, United States Code, is amended to read as follows:

"(2)(A) The Secretary shall prescribe regulations regarding the establishment of restoration advisory boards pursuant to this subsection.

"(B) The regulations shall set forth the following matters:

"(i) The functions of the boards.

"(ii) Funding for the boards.

"(iii) Accountability of the boards for expenditures of funds.

"(iv) The routine administrative expenses that may be paid pursuant to paragraph (3).

"(C) The issuance of regulations under subparagraph (A) shall not be a precondition to the establishment of restoration advisory boards under this subsection.".

(b) Funding for Administrative Expenses.—Paragraph (3) of such subsection is amended to read as follows:

"(3) The Secretary may authorize the commander of an installation to pay routine administrative expenses of a restoration advisory board established for that installation. Such payments shall be made from funds available under subsection (g).".

(c) Technical Assistance.—Such section is further amended by striking out subsection (e) and inserting in lieu thereof the following new subsection (e):

"(e) Technical Assistance.—(1) The Secretary may authorize the commander of an installation, upon the request of the technical review committee or restoration advisory board for the installation, to obtain for the committee or advisory board, as the case may be, from private sector sources technical assistance for interpreting scientific and engineering issues with regard to the nature of environmental hazards at the installation and the restoration activities proposed for or conducted at the installation. The commander of an installation shall use funds made available under subsection (g) for obtaining assistance under this paragraph.

"(2) The commander of an installation may obtain technical assistance under paragraph (1) for a technical review committee or restoration advisory board only if—

"(A) the technical review committee or restoration advisory board demonstrates that the Federal, State, and local agencies responsible for overseeing environmental restoration at the installation, and available Department of Defense personnel, do not have the technical expertise necessary for achieving the objective for which the technical assistance is to be obtained;

"(B) the technical assistance is likely to contribute to the efficiency, effectiveness, or timeliness of environmental restoration activities at the installation; and

"(C) the technical assistance is likely to contribute to community acceptance of environmental restoration activities at the installation.".

(d) Funding.—(1) Such section is further amended by adding at the end the following:

"(g) Funding.—The Secretary shall, to the extent provided in appropriations Acts, make funds available under subsections (d)(3) and (e)(1) using funds in the following accounts:

"(1) In the case of a military installation not approved for closure pursuant to a base closure law, the Defense Environmental Restoration Account established under section 2703(a) of this title.

"(2) In the case of an installation approved for closure pursuant to such a law, the Department of Defense Base Closure Account 1990 established under section 2906(a) of the Defense Base Closure and Realignment Act of 1990 (part A of title XXIX of Public Law 101–510; 10 U.S.C. 2687 note).".

(2)(A) Subject to subparagraph (B), the total amount of funds made available under section 2705(g) of title 10, United States Code, as added by paragraph (1), for fiscal year 1996 may not exceed $4,000,000.

(B) Amounts may not be made available under subsection (g) of such section 2705 after March 1, 1996, unless the Secretary of Defense prescribes the regulations required under subsection (d) of such section, as amended by subsection (a).

(e) Definition.—Such section is further amended by adding at the end the following:

"(h) Definition.—In this section, the term 'base closure law' means the following:

"(1) Title II of the Defense Authorization Amendments and Base Closure and Realignment Act (Public Law 100–526; 10 U.S.C. 2687 note).

"(2) The Defense Base Closure and Realignment Act of 1990 (part A of title XXIX of Public Law 101–510; 10 U.S.C. 2687 note).

"(3) Section 2687 of this title.".

(f) Reports on Activities of Technical Review Committees and Restoration Advisory Boards.—Section 2706(a)(2) of title 10, United States Code, is amended by adding at the end the following:

"(J) A statement of the activities, if any, of the technical review committee or restoration advisory board established for the installation under section 2705 of this title during the preceding fiscal year.".

Subtitle D—Civilian Employees

SEC. 331. MINIMUM NUMBER OF MILITARY RESERVE TECHNICIANS.

For each of fiscal years 1996 and 1997, the minimum number of personnel employed as military reserve technicians (as defined in section 8401(30) of title 5, United States Code) for reserve components as of the last day of such fiscal year shall be as follows:

(1) For the Army National Guard, 25,750.

(2) For the Army Reserve, 7,000.

(3) For the Air National Guard, 23,250.

(4) For the Air Force Reserve, 10,000.

SEC. 332. EXEMPTION OF DEPARTMENT OF DEFENSE FROM PERSONNEL CEILINGS FOR CIVILIAN PERSONNEL.

Section 129 of title 10, United States Code, is amended—

(1) in subsection (a), by striking out "man-year constraint or limitation" and inserting in lieu thereof "constraint or limitation in terms of man years, end strength, full-time equivalent (FTE) employees, or maximum number of employees"; and

(2) in subsection (b)(2), by striking out "any end-strength" and inserting in lieu thereof "any constraint or limitation in terms of man years, end strength, full-time equivalent (FTE) employees, or maximum number of employees".

SEC. 333. WEARING OF UNIFORM BY NATIONAL GUARD TECHNICIANS.

(a) Requirement.—Section 709(b) of title 32, United States Code, is amended to read as follows:

"(b) Except as prescribed by the Secretary concerned, a technician employed under subsection (a) shall, while so employed—

"(1) be a member of the National Guard;

"(2) hold the military grade specified by the Secretary concerned for that position; and

"(3) wear the uniform appropriate for the member's grade and component of the armed forces while performing duties as a technician.".

(b) UNIFORM ALLOWANCES FOR OFFICERS.—Section 417 of title 37, United States Code, is amended by adding at the end the following:

"(d)(1) For purposes of sections 415 and 416 of this title, a period for which an officer of an armed force, while employed as a National Guard technician, is required to wear a uniform under section 709(b) of title 32 shall be treated as a period of active duty (other than for training).

"(2) A uniform allowance may not be paid, and uniforms may not be furnished, to an officer under section 1593 of title 10 or section 5901 of title 5 for a period of employment referred to in paragraph (1) for which an officer is paid a uniform allowance under section 415 or 416 of this title.".

(c) CLOTHING OR ALLOWANCES FOR ENLISTED MEMBERS.—Section 418 of title 37, United States Code, is amended—

(1) by inserting "(a)" before "The President"; and

(2) by adding at the end the following:

"(b) In determining the quantity and kind of clothing or allowances to be furnished pursuant to regulations prescribed under this section to persons employed as National Guard technicians under section 709 of title 32, the President shall take into account the requirement under subsection (b) of such section for such persons to wear a uniform.

"(c) A uniform allowance may not be paid, and uniforms may not be furnished, under section 1593 of title 10 or section 5901 of title 5 to a person referred to in subsection (b) for a period of employment referred to in that subsection for which a uniform allowance is paid under section 415 or 416 of this title.".

SEC. 334. EXTENSION OF TEMPORARY AUTHORITY TO PAY CIVILIAN EMPLOYEES WITH RESPECT TO THE EVACUATION FROM GUANTANAMO, CUBA.

(a) EXTENSION FOR 120 DAYS.—The authority provided in section 103 of Public Law 104–6 (109 Stat.79) shall be effective until the end of January 31, 1996.

(b) MONTHLY REPORT.—On the first day of each month, the Secretary of the Navy shall transmit to the Committee on Armed Services of the Senate and the Committee on National Security of the House of Representatives a report regarding the employees being paid pursuant to section 103 of Public Law 104–6. The report shall include the number of the employees, their positions of employment, the number and location of the employees' dependents, and the actions that the Secretary is taking to eliminate the conditions making the payments necessary.

SEC. 335. SHARING OF PERSONNEL OF DEPARTMENT OF DEFENSE DOMESTIC DEPENDENT SCHOOLS AND DEFENSE DEPENDENTS' EDUCATION SYSTEM.

Section 2164(e) of title 10, United States Code, is amended by adding at the end the following:

"(4)(A) The Secretary may, without regard to the provisions of any law relating to the number, classification, or compensation of employees—

"(i) transfer civilian employees in schools established under this section to schools in the defense dependents' education system in order to provide the services referred to in subparagraph (B) to such system; and

"(ii) transfer employees in such system to such schools in order to provide such services to such schools.

"(B) The services referred to in subparagraph (A) are the following:

"(i) Administrative services.

"(ii) Logistical services.

"(iii) Personnel services.

"(iv) Such other services as the Secretary considers appropriate.

"(C) Transfers under this paragraph shall extend for such periods as the Secretary considers appropriate. The Secretary shall provide appropriate compensation for employees so transferred.

"(D) The Secretary may provide that the transfer of any employee under this paragraph occur without reimbursement of the school or system concerned.

"(E) In this paragraph, the term 'defense dependents' education system' means the program established and operated under section 1402(a) of the Defense Dependents' Education Act of 1978 (20 U.S.C. 921(a)).".

SEC. 336. REVISION OF AUTHORITY FOR APPOINTMENTS OF INVOLUNTARILY SEPARATED MILITARY RESERVE TECHNICIANS.

(a) REVISION OF AUTHORITY.—Section 3329 of title 5, United States Code, as added by section 544 of the National Defense Authorization Act for Fiscal Year 1993 (Public Law 102–484; 106 Stat. 2415), is amended—

(1) in subsection (b), by striking out "be offered" and inserting in lieu thereof "be provided placement consideration in a position described in subsection (c) through a priority placement program of the Department of Defense"; and

(2) by striking out subsection (c) and inserting in lieu thereof the following new subsection (c):

"(c)(1) The position to be offered a former military technician under subsection (b) shall be a position—

"(A) in either the competitive service or the excepted service;

"(B) within the Department of Defense; and

"(C) in which the person is qualified to serve, taking into consideration whether the employee in that position is required to be a member of a reserve component of the armed forces as a condition of employment.

"(2) To the maximum extent practicable, the position shall also be in a pay grade or other pay classification sufficient to ensure that the rate of basic pay of the former military technician, upon appointment to the position, is not less than the rate of basic pay last received by the former military technician for technician service before separation.".

(b) TECHNICAL AND CLERICAL AMENDMENTS.—(1) The section 3329 of title 5, United States Code, that was added by section 4431 of the National Defense Authorization Act for Fiscal Year 1993 (Public Law 102–484; 106 Stat. 2719) is redesignated as section 3330 of such title.

(2) The table of sections at the beginning of chapter 33 of such title is amended by striking out the item relating to section 3329, as added by section 4431(b) of such Act (106 Stat. 2720), and inserting in lieu thereof the following new item:

"3330. Government-wide list of vacant positions.".

SEC. 337. COST OF CONTINUING HEALTH INSURANCE COVERAGE FOR EMPLOYEES VOLUNTARILY SEPARATED FROM POSITIONS TO BE ELIMINATED IN A REDUCTION IN FORCE.

Section 8905a(d)(4) of title 5, United States Code, is amended—

(1) in subparagraph (A)—

(A) by striking out "from a position" and inserting in lieu thereof "or voluntary separation from a surplus position"; and

(B) by striking out "force—" and inserting in lieu thereof "force or a closure or realignment of a military installation pursuant to a base closure law—"; and

(2) by adding at the end the following new subparagraph:

"(C) In this paragraph:

"(i) The term 'surplus position' means a position that, as determined under regulations prescribed by the Secretary of Defense, is identified during planning for a reduction in force as being no longer required and is designated for elimination during the reduction in force.

"(ii) The term 'base closure law' means the following:

"(I) Section 2687 of title 10.

"(II) Title II of the Defense Authorization Amendments and Base Closure and Realignment Act (Public Law 100–526; 10 U.S.C. 2687 note).

"(III) The Defense Base Closure and Realignment Act of 1990 (part A of title XXIX of Public Law 101–510; 10 U.S.C. 2687 note).

"(iii) The term 'military installation'—

"(I) in the case of an installation covered by section 2687 of title 10, has the meaning given such term in subsection (e)(1) of such section;

"(II) in the case of an installation covered by the Act referred to in subclause (II) of clause (ii), has the meaning given such term in section 209(6) of such Act;

"(III) in the case of an installation covered by the Act referred to in subclause (III) of that clause, has the meaning given such term in section 2910(4) of such Act.".

SEC. 338. ELIMINATION OF 120-DAY LIMITATION ON DETAILS OF CERTAIN EMPLOYEES.

Subsection (b) of section 3341 of title 5, United States Code, is amended—

(1) by inserting "(1)" after "(b)"; and

(2) by adding at the end the following:

"(2) Details of employees of the Department of Defense under subsection (a) of this section may be made only by written order of the Secretary of the military department concerned (or by the Secretary of Defense, in the case of an employee of the Department of Defense who is not an employee of a military department) or a designee of the Secretary. Paragraph (1) does not apply to the Department of Defense.".

SEC. 339. REPEAL OF REQUIREMENT FOR PART-TIME CAREER OPPORTUNITY EMPLOYMENT REPORTS.

Section 3407 of title 5, United States Code, is amended by adding at the end the following:

"(c) This section does not apply to the Department of Defense.".

SEC. 340. AUTHORITY OF CIVILIAN EMPLOYEES OF DEPARTMENT OF DEFENSE TO PARTICIPATE VOLUNTARILY IN REDUCTIONS IN FORCE.

Section 3502 of title 5, United States Code, is amended by adding at the end the following:

"(f)(1) The Secretary of Defense or the Secretary of a military department may—

"(A) release in a reduction in force an employee who volunteers for the release even though the employee is not otherwise subject to release in the reduction in force under the criteria applicable under the other provisions of this section; and

"(B) for each employee voluntarily released in the reduction in force under subparagraph (A), retain an employee who would otherwise be released in the reduction in force under such criteria.

"(2) A voluntary release of an employee in a reduction in force pursuant to paragraph (1) shall be treated as an involuntary release in the reduction in force.

"(3) The regulations prescribed under this section shall incorporate the authority provided in this subsection.

"(4) The authority under paragraph (1) may not be exercised after September 30, 1996.".

SEC. 341. AUTHORITY TO PAY SEVERANCE PAYMENTS IN LUMP SUMS.

Section 5595 of title 5, United States Code, is amended by adding at the end the following:

"(i)(1) In the case of an employee of the Department of Defense who is entitled to severance *pay under this section, the Secretary of Defense or the Secretary of the military department concerned may, upon application by the employee, pay the total amount of the severance pay to the employee in one lump sum.*

"(2)(A) If an employee paid severance pay in a lump sum under this subsection is reemployed by the Government of the United States or the government of the District of Columbia at such time that, had the employee been paid severance pay in regular pay periods under subsection (b), the payments of such pay would have been discontinued under subsection (d) upon such reemployment, the employee shall refund to the Department of Defense (for the military department that formerly employed the employee, if applicable) an amount equal to the amount of severance pay to which the employee was entitled under this section that would not have been paid to the employee under subsection (d) by reason of such reemployment.

"(B) The period of service represented by an amount of severance pay refunded by an employee under subparagraph (A) shall be considered service for which severance pay has not been received by the employee under this section.

"(C) Amounts refunded to an agency under this paragraph shall be credited to the appropriation available for the pay of employees of the agency for the fiscal year in which received. Amounts so credited shall be merged with, and shall be available for the same purposes and the same period as, the other funds in that appropriation.

"(3) This subsection applies with respect to severance payable under this section for separations taking effect on or after the date of the enactment of the National Defense Authorization Act for Fiscal Year 1996 and before October 1, 1999.".

SEC. 342. HOLIDAYS FOR EMPLOYEES WHOSE BASIC WORKWEEK IS OTHER THAN MONDAY THROUGH FRIDAY.

Section 6103(b) of title 5, United States Code, is amended—

(1) in paragraph (2), by striking out "Instead" and inserting in lieu thereof "Except as provided in paragraph (3), instead"; and

(2) by adding at the end the following:

"(3)(A) In the case of an employee of a military department or any other employee of the Department of Defense, subject to the discretion of the Secretary concerned, instead of a holiday that occurs on a regular weekly non-workday of an employee whose basic workweek is other than Monday through Friday, the legal holiday for the employee is—

"(i) the workday of the employee immediately before the regular weekly non-workday; or

"(ii) if the holiday occurs on a regular weekly non-workday administratively scheduled for the employee instead of Sunday, the next immediately following workday of the employee.

"(B) For purposes of subparagraph (A), the term 'Secretary concerned' has the meaning given that term in subparagraphs (A), (B), and (C) of section 101(a)(9) of title 10 and includes the Secretary of Defense with respect to an employee of the Department of Defense who is not an employee of a military department.".

SEC. 343. COVERAGE OF NONAPPROPRIATED FUND EMPLOYEES UNDER AUTHORITY FOR FLEXIBLE AND COMPRESSED WORK SCHEDULES.

Paragraph (2) of section 6121 of title 5, United States Code, is amended to read as follows:

"(2) 'employee' has the meaning given the term in subsection (a) of section 2105 of this title, except that such term also includes an employee described in subsection (c) of that section;".

Subtitle E—Defense Financial Management

SEC. 351. FINANCIAL MANAGEMENT TRAINING.

(a) LIMITATION.—Funds authorized by this Act to be appropriated for the Department of Defense may not be obligated for a capital lease for the establishment of a Department of Defense financial management training center before the date that is 90 days after the date on which the Secretary of Defense submits, in accordance with subsection (b), a certification of the need for such a center and a report on financial management training for Department of Defense personnel.

(b) CERTIFICATION AND REPORT.—(1) Before obligating funds for a Department of Defense financial management training center, the Secretary of Defense shall—

(A) certify to the Committee on Armed Services of the Senate and the Committee on National Security of the House of Representatives the need for such a center; and

(B) submit to such committees, with the certification, a report on financial management training for Department of Defense personnel.

(2) Any report under paragraph (1) shall contain the following:

(A) The Secretary's analysis of the requirements for providing financial management training for employees of the Department of Defense.

(B) The alternatives considered by the Secretary for meeting those requirements.

(C) A detailed plan for meeting those requirements.

(D) A financial analysis of the estimated short-term and long-term costs of carrying out the plan.

(E) If, after the analysis referred to in subparagraph (A) and after considering alternatives as described in subparagraph (B), the Secretary determines to meet the requirements through a financial management training center—

(i) the determination of the Secretary regarding the location for the university; and

(ii) a description of the process used by the Secretary for selecting that location.

SEC. 352. LIMITATION ON OPENING OF NEW CENTERS FOR DEFENSE FINANCE AND ACCOUNTING SERVICE.

(a) LIMITATION.—During fiscal year 1996, the Secretary of Defense may not establish any center for the Defense Finance and Accounting Service that is not operating on the date of the enactment of this Act.

(b) EXCEPTION.—If the Secretary submits to Congress not later than March 31, 1996, a report containing a discussion of the need for establishing a new center prohibited by subsection (a), the prohibition in such subsection shall not apply to the center effective 30 days after the date on which Congress receives the report.

(c) REEXAMINATION OF NEED REQUIRED.—Before submitting a report regarding a new center that the Secretary planned before the date of the enactment of this Act to establish on or after that date, the Secretary shall reconsider the need for establishing that center.

Subtitle F—Miscellaneous Assistance

SEC. 361. DEPARTMENT OF DEFENSE FUNDING FOR NATIONAL GUARD PARTICIPATION IN JOINT DISASTER AND EMERGENCY ASSISTANCE EXERCISES.

Section 503(a) of title 32, United States Code, is amended—

(1) by inserting "(1)" after "(a)"; and

(2) by adding at the end the following:

"(2) Paragraph (1) includes authority to provide for participation of the National Guard in conjunction with the Army or the Air Force, or both, in joint exercises for instruction to prepare the National Guard for response to civil emergencies and disasters.".

SEC. 362. OFFICE OF CIVIL-MILITARY PROGRAMS.

None of the funds authorized to be appropriated by this or any other Act may be obligated or expended for the Office of Civil-Military Programs within the Office of the Assistant Secretary of Defense for Reserve Affairs.

SEC. 363. REVISION OF AUTHORITY FOR CIVIL-MILITARY COOPERATIVE ACTION PROGRAM.

(a) RESERVE COMPONENTS TO BE USED FOR COOPERATIVE ACTION.—Section 410 of title 10, United States Code, is amended in the second sentence of subsection (a) by inserting "of the reserve components and of the combat support and combat service support elements of the regular components" after "resources".

(b) PROGRAM OBJECTIVES.—Subsection (b) of such section is amended by striking out paragraphs (1), (2), (3), (4), (5), and (6) and inserting in lieu thereof the following:

"(1) To enhance individual and unit training and morale in the armed forces.

"(2) To encourage cooperation between civilian and military sectors of society.".

(c) REGULATIONS.—Subsection (d) of such section is amended by striking out paragraphs (5) and (6) and inserting in lieu thereof the following:

"(5) Procedures to ensure that Department of Defense resources are not applied exclusively to the program.

"(6) A requirement that a commander of a unit of the armed forces involved in providing assistance certify that the assistance is consistent with the military missions of the unit.".

SEC. 364. OFFICE OF HUMANITARIAN AND REFUGEE AFFAIRS.

None of the funds authorized to be appropriated by this or any other Act may be obligated or expended for the Office of Humanitarian and Refugee Affairs within the Office of the Assistant Secretary of Defense for Special Operations and Low Intensity Conflict.

SEC. 365. OVERSEAS HUMANITARIAN, DISASTER, AND CIVIC AID PROGRAMS.

(a) GAO REPORT.—Not later than December 15, 1995, the Comptroller General of the United States shall provide to the congressional defense committees a report on—

(1) existing funding mechanisms available to cover the costs associated with the Overseas Humanitarian, Disaster, and Civic Assistance activities through funds provided to the Department of State or the Agency for International Development, and

(2) if such mechanisms do not exist, actions necessary to institute such mechanisms, including any changes in existing law or regulations.

Subtitle G—Operation of Morale, Welfare, and Recreation Activities

SEC. 371. DISPOSITION OF EXCESS MORALE, WELFARE, AND RECREATION FUNDS.

Section 2219 of title 10, United States Code, is amended—

(1) in the first sentence, by striking out "a military department" and inserting in lieu thereof "an armed force";

(2) in the second sentence—

(A) by striking out ", department-wide"; and

(B) by striking out "of the military department" and inserting in lieu thereof "for that armed force"; and

(3) by adding at the end the following: "This section does not apply to the Coast Guard.".

SEC. 372. ELIMINATION OF CERTAIN RESTRICTIONS ON PURCHASES AND SALES OF ITEMS BY EXCHANGE STORES AND OTHER MORALE, WELFARE, AND RECREATION FACILITIES.

(a) RESTRICTIONS ELIMINATED.—(1) Subchapter II of chapter 134 of title 10, United States Code, is amended by adding at the end the following new section:

"§2255. Military exchange stores and other morale, welfare, and recreation facilities: sale of items

"(a) AUTHORITY.—The MWR retail facilities may sell items in accordance with regulations prescribed by the Secretary of Defense.

"(b) CERTAIN RESTRICTIONS PROHIBITED.—The regulations may not include any of the following restrictions on the sale of items:

"(1) A restriction on the prices of items offered for sale, including any requirement to establish prices on the basis of a specific relationship between the prices charged for the merchandise and the cost of the merchandise to the MWR retail facilities concerned.

"(2) A restriction on price of purchase of an item.

"(3) A restriction on the categories of items that may be offered for sale.

"(4) A restriction on the size of items that may be offered for sale.

"(5) A restriction on the basis of—

"(A) whether the item was manufactured, produced, or mined in the United States; or

"(B) the extent to which the merchandise contains components or materials manufactured, produced, or mined in the United States.

"(c) MWR Retail Facility Defined.—In this section, the term 'MWR retail facilities' means exchange stores and other revenue generating facilities operated by nonappropriated fund activities of the Department of Defense for the morale, welfare, and recreation of members of the armed forces.".

(2) The table of sections at the beginning of subchapter II of chapter 134 of such title is amended by adding at the end the following:

"2255. Military exchange stores and other morale, welfare, and recreation facilities: sale of items.".

(b) Report.—Not later than June 1, 1996, the Secretary of Defense shall submit to the Committee on Armed Services of the Senate and the Committee on National Security of the House of Representatives a report that identifies each restriction in effect immediately before the date of the enactment of this Act that is terminated or made inapplicable by section 2255 of title 10, United States Code (as added by subsection (a)), to exchange stores and other revenue generating facilities operated by nonappropriated fund activities of the Department of Defense for the morale, welfare, and recreation of members of the Armed Forces.

SEC. 373. REPEAL OF REQUIREMENT TO CONVERT SHIPS' STORES TO NONAPPROPRIATED FUND INSTRUMENTALITIES.

(a) Repeal.—Section 371 of the National Defense Authorization Act for Fiscal Year 1994 (Public Law 103–160; 107 Stat. 1634; 10 U.S.C. 7604 note) is amended by striking out subsections (a), (b), and (d).

(b) Repeal of Related Codified Provisions.—Section 7604 of title 10, United States Code, is amended—

(1) in subsection (a), by striking out "(a) In General.—"; and

(2) by striking out subsections (b) and (c).

Subtitle H—Other Matters

SEC. 381. NATIONAL DEFENSE SEALIFT FUND: AVAILABILITY FOR THE NATIONAL DEFENSE RESERVE FLEET.

Section 2218 of title 10, United States Code is amended—

(1) in subsection (c)(1)—

(A) by striking out "and" at the end of subparagraph (C);

(B) by striking out the period at the end of subparagraph (D) and inserting in lieu thereof "; and"; and

(C) by adding at the end the following:

"(E) expenses of the National Defense Reserve Fleet, as established by section 11 of the Merchant Ship Sales Act of 1946 (50 U.S.C. App. 1744)."; and

(2) in subsection (i), by striking out "Nothing" and inserting in lieu thereof "Except as provided in subsection (c)(1)(E), nothing".

SEC. 382. AVAILABILITY OF RECOVERED LOSSES RESULTING FROM CONTRACTOR FRAUD.

(a) Department of Defense to Receive 3 Percent.—Subchapter I of chapter 134 of title 10, United States Code, is amended by adding at the end the following new section:

"§2250. Recoveries of losses and expenses resulting from contractor fraud

"(a) Retention of Part of Recovery.—(1) Notwithstanding any other provision of law, a portion of the amount recovered by the Government in a fiscal year for losses and expenses incurred by the Department of Defense as a result of contractor fraud at military installations shall be credited to appropriations accounts of the Department of Defense for that fiscal year in accordance with allocations made pursuant to subsection (b).

"(2) The total amount credited to appropriations accounts for a fiscal year pursuant to paragraph (1) shall be the lesser of—

"(A) the amount equal to three percent of the amount referred to in such paragraph that is recovered in that fiscal year; or

"(B) $500,000.

"(b) Allocation of Recovered Funds.—The Secretary of Defense shall allocate amounts recovered in a contractor fraud case through the Secretary of the military department concerned to each installation that incurred a loss or expense as a result of the fraud.

"(c) Use by Military Departments.—The Secretary of a military department receiving an allocation under subsection (b) in a fiscal year with respect to a contractor fraud case—

"(1) shall credit (for use by each installation concerned) the amount equal to the costs incurred by the military department in carrying out or supporting an investigation or litigation of the contractor fraud case to appropriations accounts of the department for such fiscal year that are used for paying the costs of carrying out or supporting investigations or litigation of contractor fraud cases; and

"(2) may credit to any appropriation account of the department for that fiscal year (for use by each installation concerned) the amount, if any, that exceeds the amount credited to appropriations accounts under paragraph (1).

"(d) Recoveries Included.—(1) Subject to paragraph (2)(B), subsection (a) applies to amounts recovered in civil or administrative actions (including settlements) as actual damages, restitution, and investigative costs.

"(2) Subsection (a) does not apply to—

"(A) criminal fines, forfeitures, civil penalties, and damages in excess of actual damages; or

"(B) recoveries of losses or expenses incurred by working-capital funds managed through the Defense Business Operations Fund.".

(b) Clerical Amendment.—The table of sections at the beginning of subchapter I of such chapter is amended by adding at the end the following:

"2248. Recoveries of losses and expenses resulting from contractor fraud.".

SEC. 383. PERMANENT AUTHORITY FOR USE OF PROCEEDS FROM THE SALE OF CERTAIN LOST, ABANDONED, OR UNCLAIMED PROPERTY.

(a) Permanent Authority.—Section 2575 of title 10 is amended—

(1) by striking out subsection (b) and inserting in lieu thereof the following:

"(b)(1) In the case of property found on a military installation, the proceeds from the sale of the property under this section shall be credited to the operation and maintenance account of that installation and used—

"(A) to reimburse the installation for any costs incurred by the installation to collect, transport, store, protect, or sell the property; and

"(B) if all such costs are reimbursed, to support morale, welfare, and recreation activities under the jurisdiction of the armed forces conducted for the comfort, pleasure, contentment, or physical or mental improvement of members of the armed forces at that installation.

"(2) The net proceeds from the sale of other property under this section shall be covered into the Treasury as miscellaneous receipts."; and

(2) by adding at the end the following:

"(d)(1) The owner (or heirs, next of kin, or legal representative of the owner) of personal property the proceeds of which are credited to a military installation under subsection (b)(1) may file a claim with the Secretary of Defense for the amount equal to the proceeds (less costs referred to in subparagraph (A) of such subsection). Amounts to pay the claim shall be drawn from the morale, welfare, and recreation account for the installation that received the proceeds.

"(2) The owner (or heirs, next of kin, or legal representative of the owner) may file a claim with the General Accounting Office for proceeds covered into the Treasury under subsection (b)(2).

"(3) Unless a claim is filed under this subsection within 5 years after the date of the disposal of the property to which the claim relates, the claim may not be considered by a court, the Secretary of Defense (in the case of a claim filed under paragraph (1)), or the General Accounting Office (in the case of a claim filed under paragraph (2)).".

(b) Repeal of Authority for Demonstration Program.—Section 343 of the National Defense Authorization Act for Fiscal Years 1992 and 1993 (Public Law 102–190; 105 Stat. 1343) is repealed.

SEC. 384. SALE OF MILITARY CLOTHING AND SUBSISTENCE AND OTHER SUPPLIES OF THE NAVY AND MARINE CORPS.

(a) In General.—Chapter 651 of title 10, United States Code, is amended by adding at the end the following new section:

"§7606. Subsistence and other supplies: members of armed forces; veterans; executive or military departments and employees; prices

"(a) The Secretary of the Navy shall procure and sell, for cash or credit—

"(1) articles designated by the Secretary to members of the Navy and Marine Corps; and

"(2) items of individual clothing and equipment to members of the Navy and Marine Corps, under such restrictions as the Secretary may prescribe.

An account of sales on credit shall be kept and the amount due reported to the Secretary. Except for articles and items acquired through the use of working capital funds under section 2208 of this title, sales of articles shall be at cost, and sales of individual clothing and equipment shall be at average current prices, including overhead, as determined by the Secretary.

"(b) The Secretary shall sell subsistence supplies to members of other armed forces at the prices at which like property is sold to members of the Navy and Marine Corps.

"(c) The Secretary may sell serviceable supplies, other than subsistence supplies, to members of other armed forces for the buyers' use in the service. The prices at which the supplies are sold shall be the same prices at which like property is sold to members of the Navy and Marine Corps.

"(d) A person who has been discharged honorably or under honorable conditions from the Army, Navy, Air Force or Marine Corps and who is receiving care and medical treatment from the Public Health Service or the Department of Veterans Affairs may buy subsistence supplies and other supplies, except articles of uniform, at the prices at which like property is sold to members of the Navy and Marine Corps.

"(e) Under such conditions as the Secretary may prescribe, exterior articles of uniform may be sold to a person who has been discharged from the Navy or Marine Corps honorably or under honorable conditions, at the prices at which like articles are sold to members of the Navy or Marine Corps. This subsection does not modify sections 772 or 773 of this title.

"(f) Payment for subsistence supplies sold under this section shall be made in cash.

"(g)(1) The Secretary may provide for the procurement and sale of stores designated by the Secretary to such civilian officers and employees of the United States, and such other persons, as the Secretary considers proper—

"(A) at military installations outside the United States; and

"(B) subject to paragraph (2), at military installations inside the United States where the Secretary determines that it is impracticable for those civilian officers, employees, and persons to obtain such stores from commercial enterprises without impairing the efficient operation of military activities.

"(2) Sales to civilian officers and employees inside the United States may be made under paragraph (1) only to those residing within military installations.

"(h) Appropriations for subsistence of the Navy or Marine Corps may be applied to the purchase of subsistence supplies for sale to members of the Navy and Marine Corps on active duty for the use of themselves and their families.".

(b) CLERICAL AMENDMENT.—The table of sections at the beginning of chapter 651 of such title is amended by adding at the end the following:

"7606. Subsistence and other supplies: members of armed forces; veterans; executive or military departments and employees; prices.".

SEC. 385. CONVERSION OF CIVILIAN MARKSMANSHIP PROGRAM TO NONAPPROPRIATED FUND INSTRUMENTALITY AND ACTIVITIES UNDER PROGRAM.

(a) CONVERSION.—Section 4307 of title 10, United States Code, is amended to read as follows:

"§4307. Promotion of rifle practice and firearms safety: administration

"(a) NONAPPROPRIATED FUND INSTRUMENTALITY.—On and after October 1, 1995, the Civilian Marksmanship Program shall be operated as a nonappropriated fund instrumentality of the United States within the Department of Defense for the benefit of members of the armed forces and for the promotion of rifle practice and firearms safety among civilians.

"(b) ADVISORY COMMITTEE.—(1) The Civilian Marksmanship Program shall be under the general supervision of an Advisory Committee for the Promotion of Rifle Practice and Firearms Safety, which shall replace the National Board for the Promotion of Rifle Practice. The Advisory Committee shall be appointed by the Secretary of the Army.

"(2) Members of the Advisory Committee shall serve without compensation, except that members shall be allowed travel expenses, including per diem in lieu of subsistence, at rates authorized for employees of agencies under subchapter I of chapter 57 of title 5, while away from their homes or regular places of business in the performance of Advisory Committee services.

"(c) DIRECTOR.—The Secretary of the Army shall appoint a person to serve as Director of the Civilian Marksmanship Program.

"(d) FUNDING.—(1) The Advisory Committee and the Director may solicit, accept, hold, use, and dispose of, in furtherance of the activities of the Civilian Marksmanship Program, donations of money, property, and services received by gift, devise, bequest, or otherwise. Donations may be accepted notwithstanding any legal restrictions otherwise arising from procurement relationships of the donors with the United States.

"(2) All amounts collected under the Civilian Marksmanship Program, including the proceeds from the sale of arms, ammunition, targets, and other supplies and appliances under section 4308 of this title, shall be credited to the Civilian Marksmanship Program and shall be available to carry out the Civilian Marksmanship Program. Amounts collected by, and available to, the National Board for the Promotion of Rifle Practice before the date of the enactment of this section from sales programs and from fees in connection with competitions sponsored by that Board shall be transferred to the nonappropriated funds account established for the Civilian Marksmanship Program and shall be available to carry out the Civilian Marksmanship Program.

"(3) Funds held on behalf of the Civilian Marksmanship Program shall not be construed to be Government or public funds or appropriated funds and shall not be available to support other nonappropriated fund instrumentalities of the Department of Defense. Expenditures on behalf of the Civilian Marksmanship Program, including compensation and benefits for civilian employees, may not exceed $5,000,000 during any fiscal year. The approval of the Advisory Committee shall be required for any expenditure in excess of $50,000. Notwithstanding any other provision of law, funds held on behalf of the Civilian Marksmanship Program shall remain available until expended.

"(e) INAPPLICABILITY OF ADVISORY COMMITTEE ACT.—The Federal Advisory Committee Act (5 U.S.C. App.) does not apply to the Advisory Committee.

"(f) DEFINITIONS.—In this section and sections 4308 through 4313 of this title:

"(1) The term 'Civilian Marksmanship Program' means the rifle practice and firearms safety program carried out under section 4308 of this title and includes the National Matches and small-arms firing schools referred to in section 4312 of this title.

"(2) The term 'Advisory Committee' means the Advisory Committee for the Promotion of Rifle Practice and Firearms Safety.

"(3) The term 'Director' means the Director of the Civilian Marksmanship Program.".

(b) ACTIVITIES.—Section 4308 of such title is amended to read as follows:

"§4308. Promotion of rifle practice and firearms safety: activities

"(a) INSTRUCTION, SAFETY, AND COMPETITION PROGRAMS.—(1) The Civilian Marksmanship Program shall provide for—

"(A) the operation and maintenance of indoor and outdoor rifle ranges and their accessories and appliances;

"(B) the instruction of citizens of the United States in marksmanship, and the employment of necessary instructors for that purpose;

"(C) the promotion of safe and responsible practice in the use of rifled arms and the maintenance and management of matches or competitions in the use of those arms; and

"(D) the award to competitors of trophies, prizes, badges, and other insignia.

"(2) In carrying out this subsection, the Civilian Marksmanship Program shall give priority to activities that benefit firearms safety training and competition for youth and reach as many youth participants as possible.

"(3) Before a person may participate in any activity sponsored or supported by the Civilian Marksmanship Program under this subsection, the person shall be required to certify that the person has not violated any Federal or State firearms laws.

"(b) SALE AND ISSUANCE OF ARMS AND AMMUNITION.—(1) The Civilian Marksmanship Program may issue, without cost, the arms, ammunition (including caliber .22 and caliber .30 ammunition), targets, and other supplies and appliances necessary for activities conducted under subsection (a). Issuance shall be made only to gun clubs under the direction of the Director of the program that provide training in the use of rifled arms to youth, the Junior Reserve Officers' Training Corps, the Boy Scouts of America, 4-H Clubs, Future Farmers of America, and other youth-oriented organizations for training and competition.

"(2) The Director of the Civilian Marksmanship Program may sell at fair market value caliber .30 rifles and accoutrements, caliber .22 rifles, and air rifles, and ammunition for such rifles, to gun clubs that are under the direction of the Director and provide training in the use of rifled arms. In lieu of sales, the Director may loan such rifles to such gun clubs.

"(3) The Director of the Civilian Marksmanship Program may sell at fair market value small arms, ammunition, targets, and other supplies and appliances necessary for target practice to citizens of the United States over 18 years of age who are members of a gun club under the direction of the Director.

"(4) Before conveying any weapon or ammunition to a person, whether by sale or lease, the Director shall provide for a criminal records check of the person with appropriate Federal and State law enforcement agencies.

"(c) OTHER AUTHORITIES.—The Director shall provide for—

"(1) the procurement of necessary supplies, appliances, trophies, prizes, badges, and other insignia, clerical and other services, and labor to carry out the Civilian Marksmanship Program; and

"(2) the transportation of employees, instructors, and civilians to give or to receive instruction or to assist or engage in practice in the use of rifled arms, and the transportation and subsistence, or an allowance instead of subsistence, of members of teams authorized by the Advisory Committee to participate in matches or competitions in the use of rifled arms.

"(d) FEES.—The Director, in consultation with the Advisory Committee, may impose reasonable fees for persons and gun clubs participating in any program or competition conducted under the Civilian Marksmanship Program for the promotion of rifle practice and firearms safety among civilians.

"(e) RECEIPT OF EXCESS ARMS AND AMMUNITION.—(1) The Secretary of the Army shall reserve for the Civilian Marksmanship Program all remaining M-1 Garand rifles, accoutrements, and ammunition for such rifles, still held by the Army. After the date of the enactment of the National Defense Authorization Act for Fiscal Year 1996, the Secretary of the Army shall cease demilitarization of remaining M-1 Garand rifles in the Army inventory unless such rifles are determined to be irreparable.

"(2) Transfers under this subsection shall be made without cost to the Civilian Marksmanship Program, except for the costs of transportation for the transferred small arms and ammunition.

"(f) PARTICIPATION CONDITIONS.—(1) All participants in the Civilian Marksmanship Program and activities sponsored or supported by the Advisory Committee shall be required, as a condition of participation, to sign affidavits stating that—

"(A) they have never been convicted of a firearms violation under State or Federal law; and

"(B) they are not members of any organization which advocates the violent overthrow of the United States Government.

"(2) Any person found to have violated this subsection shall be ineligible to participate in the Civilian Marksmanship Program and future activities.".

(c) PARTICIPATION OF MEMBERS OF THE ARMED FORCES IN INSTRUCTION AND COMPETITION.—Section 4310 of such title is amended to read as follows:

"§4310. Rifle instruction and competitions: participation of members

"The commander of a major command of the armed forces may pay the personnel costs and

travel and per diem expenses of members of an active or reserve component of the armed forces who participate in a competition sponsored by the Civilian Marksmanship Program or who provide instruction or other services in support of the Civilian Marksmanship Program.".

(d) CONFORMING AMENDMENTS.—(1) Section 4312(a) of such title is amended by striking out "as prescribed by the Secretary of the Army" and inserting in lieu thereof "as part of the Civilian Marksmanship Program".

(2) Section 4313 of such title is amended—

(A) in subsection (a), by striking out "Secretary of the Army" both places it appears and inserting in lieu thereof "Advisory Committee"; and

(B) in subsection (b), by striking out "Appropriated funds available for the Civilian Marksmanship Program (as defined in section 4308(e) of this title) may" and inserting in lieu thereof "Nonappropriated funds available to the Civilian Marksmanship Program shall".

(e) CLERICAL AMENDMENTS.—The table of sections at the beginning of chapter 401 of such title is amended by striking out the items relating to sections 4307, 4308, 4309, and 4310 and inserting in lieu thereof the following new items:

"4307. Promotion of rifle practice and firearms safety: administration.
"4308. Promotion of rifle practice and firearms safety: activities.
"4309. Rifle ranges: availability for use by members and civilians.
"4310. Rifle instruction and competitions: participation of members.".

(f) EFFECTIVE DATE.—The amendments made by this section shall take effect on October 1, 1995.

SEC. 386. REPORT ON EFFORTS TO CONTRACT OUT CERTAIN FUNCTIONS OF DEPARTMENT OF DEFENSE.

Not later than March 1, 1996, the Secretary of Defense shall submit to Congress a report describing the advantages and disadvantages of using contractor personnel, rather than civilian employees of the Department of Defense, to perform functions of the Department that are not essential to the warfighting mission of the Armed Forces. The report shall specify all legislative and regulatory impediments to contracting those functions for private performance.

SEC. 387. IMPACT AID.

(a) SPECIAL RULE FOR 1994 PAYMENTS.—The Secretary of Education shall not consider any payment to a local educational agency by the Department of Defense, that is available to such agency for current expenditures and used for capital expenses, as funds available to such agency for purposes of making a determination for fiscal year 1994 under section 3(d)(2)(B)(i) of the Act of September 30, 1950 (Public Law 874, 81st Congress) (as such Act was in effect on September 30, 1994).

(b) PAYMENTS FOR ELIGIBLE FEDERALLY CONNECTED CHILDREN.—Subsection (f) of section 8003 of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 7703) is amended—

(1) in paragraph (2)—

(A) in the matter preceding clause (i) of subparagraph (A), by striking "only if such agency" and inserting "if such agency is eligible for a supplementary payment in accordance with subparagraph (B) or such agency"; and

(B) by adding at the end the following new subparagraph:

"(C) A local educational agency shall only be eligible to receive additional assistance under this subsection if the Secretary determines that—

"(i) such agency is exercising due diligence in availing itself of State and other financial assistance; and

"(ii) the eligibility of such agency under State law for State aid with respect to the free public education of children described in subsection (a)(1) and the amount of such aid are determined on a basis no less favorable to such agency than the basis used in determining the eligibility of local educational agencies for State aid, and the amount of such aid, with respect to the free public education of other children in the State."; and

(2) in paragraph (3)—

(A) in subparagraph (A)—

(i) in the matter preceding clause (i), by inserting "(other than any amount received under paragraph (2)(B))" after "subsection";

(ii) in subclause (I) of clause (i), by striking "or the average per-pupil expenditure of all the States";

(iii) by amending clause (ii) to read as follows:

"(ii) The Secretary shall next multiply the amount determined under clause (i) by the total number of students in average daily attendance at the schools of the local educational agency."; and

(iv) by amending clause (iii) to read as follows:

"(iii) The Secretary shall next subtract from the amount determined under clause (ii) all funds available to the local educational agency for current expenditures, but shall not so subtract funds provided—

"(I) under this Act; or

"(II) by any department or agency of the Federal Government (other than the Department) that are used for capital expenses."; and

(B) by amending subparagraph (B) to read as follows:

"(B) SPECIAL RULE.—With respect to payments under this subsection for a fiscal year for a local educational agency described in clause (ii) or (iii) of paragraph (2)(A), the maximum amount of payments under this subsection shall be equal to—

"(i) the product of—

"(I) the average per-pupil expenditure in all States multiplied by 0.7, except that such amount may not exceed 125 percent of the average per-pupil expenditure in all local educational agencies in the State; multiplied by

"(II) the number of students described in subparagraph (A) or (B) of subsection (a)(1) for such agency; minus

"(ii) the amount of payments such agency receives under subsections (b) and (d) for such year.".

(c) CURRENT YEAR DATA.—Paragraph (4) of section 8003(f) of such Act (20 U.S.C. 7703(f)) is amended to read as follows:

"(4) CURRENT YEAR DATA.—For purposes of providing assistance under this subsection the Secretary—

"(A) shall use student and revenue data from the fiscal year for which the local educational agency is applying for assistance under this subsection; and

"(B) shall derive the per pupil expenditure amount for such year for the local educational agency's comparable school districts by increasing or decreasing the per pupil expenditure data for the second fiscal year preceding the fiscal year for which the determination is made by the same percentage increase or decrease reflected between the per pupil expenditure data for the fourth fiscal year preceding the fiscal year for which the determination is made and the per pupil expenditure data for such second year.".

SEC. 388. FUNDING FOR TROOPS TO TEACHERS PROGRAM AND TROOPS TO COPS PROGRAM.

(a) FUNDING.—Of the amount authorized to be appropriated under section 431—

(1) $42,000,000 shall be available for the Troops-to-Teachers program; and

(2) $10,000,000 shall be available for the Troops-to-Cops program.

(b) DEFINITION.—In this section:

(1) The term "Troops-to-Cops program" means the program of assistance to separated members and former members of the Armed Forces to obtain employment with law enforcement agencies established, or carried out, under section 1152 of title 10, United States Code.

(2) The term "Troops-to-Teachers program" means the program of assistance to separated members of the Armed Forces to obtain certification and employment as teachers or employment as teachers' aides established under section 1151 of such title.

SEC. 389. AUTHORIZING THE AMOUNTS REQUESTED IN THE BUDGET FOR JUNIOR ROTC.

(a) There is hereby authorized to be appropriated $12,295,000 to fully fund the budget request for the Junior Reserve Officer Training Corps programs of the Army, Navy, Air Force, and Marine Corps. Such amount is in addition to the amount otherwise available for such programs under section 301.

(b) The amount authorized to be appropriated by section 101(4) is hereby reduced by $12,295,000.

SEC. 390. REPORT ON PRIVATE PERFORMANCE OF CERTAIN FUNCTIONS PERFORMED BY MILITARY AIRCRAFT.

(a) REPORT REQUIRED.—Not later than May 1, 1996, the Secretary of Defense shall submit to Congress a report on the feasibility, including the costs and benefits, of using private sources for satisfying, in whole or in part, the requirements of the Department of Defense for VIP transportation by air, airlift for other personnel and for cargo, in-flight refueling of aircraft, and performance of such other military aircraft functions as the Secretary considers appropriate to discuss in the report.

(b) CONTENT OF REPORT.—The report shall include a discussion of the following:

(1) Contracting for the performance of the functions referred to in subsection (a).

(2) Converting to private ownership and operation the Department of Defense VIP air fleets, personnel and cargo aircraft, and in-flight refueling aircraft, and other Department of Defense aircraft.

(3) The wartime requirements for the various VIP and transport fleets.

(4) The assumptions used in the cost-benefit analysis.

(5) The effect on military personnel and facilities of using private sources, as described in paragraphs (1) and (2), for the purposes described in subsection (a).

SEC. 391. ALLEGANY BALLISTICS LABORATORY.

Of the amount authorized to be appropriated under section 301(2), $2,000,000 shall be available for the Allegany Ballistics Laboratory for essential safety functions.

SEC. 392. ENCOURAGEMENT OF USE OF LEASING AUTHORITY.

(a) IN GENERAL.—(1) Chapter 137 of title 10, United States Code, is amended by inserting after section 2316 the following new section:

"§2317. Equipment Leasing

"The Secretary of Defense is authorized to use leasing in the acquisition of commercial vehicles when such leasing is practicable and efficient.".

(2) The table of sections at the beginning of such chapter is amended by adding at the end the following new item:

"2317. Equipment leasing.".

(b) REPORT.—Not later than 90 days after the date of enactment of this Act, the Secretary of Defense shall submit a report to the congressional defense committees setting forth changes in legislation that would be required to facilitate the use of leases by the Department of Defense in the acquisition of equipment.

(c) PILOT PROGRAM.—The Secretary of the Army may conduct a pilot program for leasing of commercial utility cargo vehicles as follows:

(1) Existing commercial utility cargo vehicles may be traded in for credit against new replacement commercial utility cargo vehicle lease costs;

(2) Quantities of commercial utility cargo vehicles to be traded in and their value to be credited shall be subject to negotiation between the parties;

(3) New commercial utility cargo vehicle lease agreements may be executed with or without options to purchase at the end of each lease period;

(4) New commercial utility cargo vehicle lease periods may not exceed five years;

(5) Such leasing pilot program shall consist of replacing no more than forty percent of the validated requirement for commercial utility cargo vehicles , but may include an option or options for the remaining validated requirement which may be executed subject to the requirements of subsection (c)(7);

(6) The Army shall enter into such pilot program only if the Secretary—

(A) awards such program in accordance with the provisions of section 2304 of title 10, United States Code;

(B) has notified the congressional defense committees of his plans to execute the pilot program;

(C) has provided a report detailing the expected savings in operating and support costs from retiring older commercial utility cargo vehicles compared to the expected costs of leasing newer commercial utility cargo vehicles; and

(D) has allowed 30 calendar days to elapse after such notification.

(7) One year after the date of execution of an initial leasing contract, the Secretary of the Army shall submit a report setting forth the status of the pilot program. Such report shall be based upon at least six months of operating experience. The Secretary may exercise an option or options for subsequent commercial utility cargo vehicles only after he has allowed 60 calendar days to elapse after submitting this report.

(8) EXPIRATION OF AUTHORITY.—No lease of commercial utility cargo vehicles may be entered into under the pilot program after September 30, 2000.

TITLE IV—MILITARY PERSONNEL AUTHORIZATIONS

Subtitle A—Active Forces

SEC. 401. END STRENGTHS FOR ACTIVE FORCES.

(a) FISCAL YEAR 1996.—The Armed Forces are authorized strengths for active duty personnel as of September 30, 1996, as follows:

(1) The Army, 495,000, of which not more than 81,300 may be commissioned officers.

(2) The Navy, 428,340, of which not more than 58,870 may be commissioned officers.

(3) The Marine Corps, 174,000, of which not more than 17,978 may be commissioned officers.

(4) The Air Force, 388,200, of which not more than 75,928 may be commissioned officers.

(b) FISCAL YEAR 1997.—The Armed Forces are authorized strengths for active duty personnel as of September 30, 1997, as follows:

(1) The Army, 495,000, of which not more than 80,312 may be commissioned officers.

(2) The Navy, 409,740, of which not more than 56,615 may be commissioned officers.

(3) The Marine Corps, 174,000, of which not more than 17,978 may be commissioned officers.

(4) The Air Force, 385,400, of which not more than 76,494 may be commissioned officers.

SEC. 402. TEMPORARY VARIATION IN DOPMA AUTHORIZED END STRENGTH LIMITATIONS FOR ACTIVE DUTY AIR FORCE AND NAVY OFFICERS IN CERTAIN GRADES.

(a) AIR FORCE OFFICERS.—(1) In the administration of the limitation under section 523(a)(1) of title 10, United States Code, for fiscal years 1996 and 1997, the numbers applicable to officers of the Air Force serving on active duty in the grades of major, lieutenant colonel, and colonel shall be the numbers set forth for that fiscal year in paragraph (2) (rather than the numbers determined in accordance with the table in that section).

(2) The numbers referred to in paragraph (1) are as follows:

Fiscal year:	Number of officers who may be serving on active duty in the grade of:		
	Major	Lieutenant colonel	Colonel
1996	15,566	9,876	3,609
1997	15,645	9,913	3,627

(b) NAVY OFFICERS.—(1) In the administration of the limitation under section 523(a)(2) of title 10, United States Code, for fiscal years 1996 and 1997, the numbers applicable to officers of the Navy serving on active duty in the grades of lieutenant commander, commander, and captain shall be the numbers set forth for that fiscal year in paragraph (2) (rather than the numbers determined in accordance with the table in that section).

(2) The numbers referred to in paragraph (1) are as follows:

Fiscal year:	Number of officers who may be serving on active duty in the grade of:		
	Lieutenant commander	Commander	Captain
1996	11,924	7,390	3,234
1997	11,732	7,297	3,188

SEC. 403. CERTAIN GENERAL AND FLAG OFFICERS AWAITING RETIREMENT NOT TO BE COUNTED.

(a) DISTRIBUTION OF OFFICERS ON ACTIVE DUTY IN GENERAL AND FLAG OFFICER GRADES.—Section 525 of title 10, United States Code, is amended by adding at the end the following:

"(d) An officer continuing to hold the grade of general or admiral under section 601(b)(4) of this title after relief from the position of Chairman of the Joint Chiefs of Staff, Chief of Staff of the Army, Chief of Naval Operations, Chief of Staff of the Air Force, or Commandant of the Marine Corps shall not be counted for purposes of this section.".

(b) NUMBER OF OFFICERS ON ACTIVE DUTY IN GRADE OF GENERAL OR ADMIRAL.—Section 528(b) of title 10, United States Code, is amended—

(1) by inserting "(1)" after "(b)"; and

(2) by adding at the end the following:

"(2) An officer continuing to hold the grade of general or admiral under section 601(b)(4) of this title after relief from the position of Chairman of the Joint Chiefs of Staff, Chief of Staff of the Army, Chief of Naval Operations, Chief of Staff of the Air Force, or Commandant of the Marine Corps shall not be counted for purposes of this section.".

Subtitle B—Reserve Forces

SEC. 411. END STRENGTHS FOR SELECTED RESERVE.

(a) FISCAL YEAR 1996.—The Armed Forces are authorized strengths for Selected Reserve personnel of the reserve components as of September 30, 1996, as follows:

(1) The Army National Guard of the United States, 373,000.

(2) The Army Reserve, 230,000.

(3) The Naval Reserve, 98,894.

(4) The Marine Corps Reserve, 42,274.

(5) The Air National Guard of the United States, 112,707.

(6) The Air Force Reserve, 73,969.

(7) The Coast Guard Reserve, 8,000.

(b) FISCAL YEAR 1997.—The Armed Forces are authorized strengths for Selected Reserve personnel of the reserve components as of September 30, 1997, as follows:

(1) The Army National Guard of the United States, 367,000.

(2) The Army Reserve, 215,000.

(3) The Naval Reserve, 96,694.

(4) The Marine Corps Reserve, 42,682.

(5) The Air National Guard of the United States, 107,151.

(6) The Air Force Reserve, 73,160.

(7) The Coast Guard Reserve, 8,000.

(c) WAIVER AUTHORITY.—The Secretary of Defense may vary the end strength authorized by subsection (a) or subsection (b) by not more than 2 percent.

(d) ADJUSTMENTS.—The end strengths prescribed by subsection (a) or (b) for the Selected Reserve of any reserve component for a fiscal year shall be proportionately reduced by—

(1) the total authorized strength of units organized to serve as units of the Selected Reserve of such component which are on active duty (other than for training) at the end of the fiscal year, and

(2) the total number of individual members not in units organized to serve as units of the Selected Reserve of such component who are on active duty (other than for training or for unsatisfactory participation in training) without their consent at the end of the fiscal year.

Whenever such units or such individual members are released from active duty during any fiscal year, the end strength prescribed for such fiscal year for the Selected Reserve of such reserve component shall be proportionately increased by the total authorized strengths of such units and by the total number of such individual members.

SEC. 412. END STRENGTHS FOR RESERVES ON ACTIVE DUTY IN SUPPORT OF THE RESERVES.

(a) FISCAL YEAR 1996.—Within the end strengths prescribed in section 411(a), the reserve components of the Armed Forces are authorized, as of September 30, 1996, the following number of Reserves to be serving on full-time active duty or, in the case of members of the National Guard, full-time National Guard duty for the purpose of organizing, administering, recruiting, instructing, or training the reserve components:

(1) The Army National Guard of the United States, 23,390.

(2) The Army Reserve, 11,575.

(3) The Naval Reserve, 17,587.

(4) The Marine Corps Reserve, 2,559.

(5) The Air National Guard of the United States, 10,066.

(6) The Air Force Reserve, 628.

(b) FISCAL YEAR 1997.—Within the end strengths prescribed in section 411(b), the reserve components of the Armed Forces are authorized, as of September 30, 1997, the following number of Reserves to be serving on full-time active duty or, in the case of members of the National Guard, full-time National Guard duty for the purpose of organizing, administering, recruiting, instructing, or training the reserve components:

(1) The Army National Guard of the United States, 23,040.

(2) The Army Reserve, 11,550.

(3) The Naval Reserve, 17,171.

(4) The Marine Corps Reserve, 2,976.

(5) The Air National Guard of the United States, 9,824.

(6) The Air Force Reserve, 625.

SEC. 413. INCREASE IN NUMBER OF MEMBERS IN CERTAIN GRADES AUTHORIZED TO SERVE ON ACTIVE DUTY IN SUPPORT OF THE RESERVES.

(a) OFFICERS.—The table at the end of section 12011(a) of title 10, United States Code, is amended to read as follows:

"Grade	Army	Navy	Air Force	Marine Corps
Major or Lieutenant Commander	3,219	1,071	643	140
Lieutenant Colonel or Commander	1,524	520	672	90
Colonel or Navy Captain	412	188	274	30".

(b) SENIOR ENLISTED MEMBERS.—The table at the end of section 12012(a) of such title is amended to read as follows:

"Grade	Army	Navy	Air Force	Marine Corps
E–9	603	202	366	20
E–8	2,585	429	890	94".

SEC. 414. RESERVES ON ACTIVE DUTY IN SUPPORT OF COOPERATIVE THREAT REDUCTION PROGRAMS NOT TO BE COUNTED.

Section 115(d) of title 10, United States Code, is amended by adding at the end the following:

"(8) Members of the Selected Reserve of the Ready Reserve on active duty for more that 180 days to support programs described in section 1203(b) of the Cooperative Threat Reduction Act of 1993 (title XII of Public Law 103–160; 107 Stat. 1778; 22 U.S.C. 5952(b)).".

SEC. 415. RESERVES ON ACTIVE DUTY FOR MILITARY-TO-MILITARY CONTACTS AND COMPARABLE ACTIVITIES NOT TO BE COUNTED.

Section 168 of title 10, United States Code, is amended—

(1) by redesignating subsection (f) as subsection (g); and

(2) by inserting after subsection (e) the following new subsection (f):

"(f) ACTIVE DUTY END STRENGTHS.—(1) A member of a reserve component referred to in paragraph (2) shall not be counted for purposes of the following personnel strength limitations:

"(A) The end strength for active-duty personnel authorized pursuant to section 115(a)(1) of this title for the fiscal year in which the member carries out the activities referred to in paragraph (2).

"(B) The authorized daily average for members in pay grades E–8 and E–9 under section 517 of this title for the calendar year in which the member carries out such activities.

"(C) The authorized strengths for commissioned officers under section 523 of this title for the fiscal year in which the member carries out such activities.

"(2) A member of a reserve component referred to in paragraph (1) is any member on active duty under an order to active duty for 180 days or more who is engaged in activities authorized under this section.".

Subtitle C—Military Training Student Loads

SEC. 421. AUTHORIZATION OF TRAINING STUDENT LOADS.

(a) FISCAL YEAR 1996.—For fiscal year 1996, the Armed Forces are authorized average military training student loads as follows:

(1) The Army, 75,013.

(2) The Navy, 44,238.

(3) The Marine Corps, 26,095.

(4) The Air Force, 33,232.

(b) FISCAL YEAR 1997.—For fiscal year 1997, the Armed Forces are authorized average military training student loads as follows:

(1) The Army, 79,275.

(2) The Navy, 44,121.

(3) The Marine Corps, 27,255.

(4) The Air Force, 35,522.

(c) SCOPE.—The average military training student load authorized for an armed force for a fiscal year under subsection (a) or (b) applies to the active and reserve components of that armed force for that fiscal year.

(d) ADJUSTMENTS.—The average military training student load authorized for a fiscal year in subsection (a) or (b) shall be adjusted consistent with the end strengths authorized for that fiscal year in subtitles A and B. The Secretary of Defense shall prescribe the manner in which such adjustments shall be apportioned.

Subtitle D—Authorization of Appropriations

SEC. 431. AUTHORIZATION OF APPROPRIATIONS FOR MILITARY PERSONNEL.

There is hereby authorized to be appropriated to the Department of Defense for military personnel for fiscal year 1996 a total of $68,896,863,000. The authorization in the preceding sentence supersedes any other authorization of appropriations (definite or indefinite) for such purpose for fiscal year 1996.

TITLE V—MILITARY PERSONNEL POLICY

Subtitle A—Officer Personnel Policy

SEC. 501. JOINT OFFICER MANAGEMENT.

(a) CRITICAL JOINT DUTY ASSIGNMENT POSITIONS.—Section 661(d)(2)(A) of title 10, United States Code, is amended by striking out "1,000" and inserting in lieu thereof "500".

(b) ADDITIONAL QUALIFYING JOINT SERVICE.—Section 664 of such title is amended by adding at the end the following:

"(i) JOINT DUTY CREDIT FOR CERTAIN JOINT TASK FORCE ASSIGNMENTS.—(1) The Secretary of Defense, in consultation with the Chairman of the Joint Chiefs of Staff, may credit an officer with having completed a full tour of duty in a joint duty assignment upon the officer's completion of service described in paragraph (2) or may grant credit for such service for purposes of determining the cumulative service of the officer in joint duty assignments. The credit for such service may be granted without regard to the length of the service (except as provided in regulations pursuant to subparagraphs (A) and (B) of paragraph (4)) and without regard to whether the assignment in which the service was performed is a joint duty assignment as defined in regulations pursuant to section 668 of this title.

"(2) Service performed by an officer in a temporary assignment on a joint task force or a multinational force headquarters staff may be considered for credit under paragraph (1) if—

"(A) the Secretary of Defense determines that the service in that assignment provided significant experience in joint matters;

"(B) any portion of the service in that assignment was performed on or after the date of the enactment of the National Defense Authorization Act for Fiscal Year 1996; and

"(C) the officer is recommended for such credit by the Chief of Staff of the Army (for an officer in the Army), the Chief of Naval Operations (for an officer in the Navy), the Chief of Staff of the Air Force (for an officer in the Air Force), or the Commandant of the Marine Corps (for an officer in the Marine Corps).

"(3) Credit shall be granted under paragraph (1) on a case-by-case basis.

"(4) The Secretary of Defense shall prescribe uniform criteria for determining whether to grant an officer credit under paragraph (1). The criteria shall include the following:

"(A) For an officer to be credited as having completed a full tour of duty in a joint duty assignment, the officer accumulated at least 24 months of service in a temporary assignment referred to in paragraph (2).

"(B) For an officer to be credited with service in a joint duty assignment for purposes of determining cumulative service in joint duty assignments, the officer accumulated at least 30 consecutive days of service or 60 days of total service in a temporary assignment referred to in paragraph (2).

"(C) The service was performed in support of a mission that was directed by the President or was assigned by the President to United States forces in the joint task force or multinational force involved.

"(D) The joint task force or multinational force involved was constituted or designated by the Secretary of Defense, by a commander of a combatant command or of another force, or by a multinational or United Nations command authority.

"(E) The joint task force or multinational force involved conducted military combat or combat-related operations or military operations other than war in a unified action under joint, multinational, or United Nations command and control.

"(5) Officers for whom joint duty credit is granted pursuant to this subsection shall not be taken into account for the purposes of section 661(d)(1) of this title, subsections (a)(3) and (b) of section 662 of this title, section 664(a) of this title, or paragraph (7), (8), (9), (11), or (12) of section 667 of this title.

"(6) In the case of an officer credited with having completed a full tour of duty in a joint duty assignment pursuant to this subsection, the Secretary of Defense may waive the requirement in paragraph (1)(B) of section 661(c) of this title that the tour of duty in a joint duty assignment be performed after the officer completes a program of education referred to in paragraph (1)(A) of that section.".

(c) INFORMATION IN ANNUAL REPORT.—Section 667 of such title is amended—

(1) by redesignating paragraph (18) as paragraph (19); and

(2) by inserting after paragraph (17) the following new paragraph (18):

"(18) The number of officers granted credit for service in joint duty assignments under section 664(i) of this title and—

"(A) of those officers—

"(i) the number of officers credited with having completed a tour of duty in a joint duty assignment; and

"(ii) the number of officers granted credit for purposes of determining cumulative service in joint duty assignments; and

"(B) the identity of each operation for which an officer has been granted credit pursuant to section 664(i) of this title and a brief description of the mission of the operation.".

(d) GENERAL AND FLAG OFFICER EXEMPTION FROM WAIVER LIMITS.—Section 661(c)(3)(D) of such title is amended by inserting ", other than for general or flag officers," in the third sentence after "during any fiscal year".

(e) LENGTH OF SECOND JOINT TOUR.—Section 664 of such title is amended—

(1) in subsection (e)(2), by inserting after subparagraph (B) the following:

"(C) Service described in subsection (f)(6), except that no more than 10 percent of all joint duty assignments shown on the list published pursuant to section 668(b)(2)(A) of this title may be so excluded in any year."; and

(2) in subsection (f)—

(A) by striking out "or" at the end of paragraph (4);

(B) by striking out the period at the end of paragraph (5) and inserting in lieu thereof "; or"; and

(C) by adding at the end the following:

"(6) a second joint duty assignment that is less than the period required under subsection (a), but not less than 2 years, without regard to whether a waiver was granted for such assignment under subsection (b).".

SEC. 502. REVISION OF SERVICE OBLIGATION FOR GRADUATES OF THE SERVICE ACADEMIES.

(a) MILITARY ACADEMY.—Section 4348(a)(2)(B) of such title is amended by striking out "six years" and inserting in lieu thereof "five years".

(b) NAVAL ACADEMY.—Section 6959(a)(2)(B) of such title is amended by striking out "six years" and inserting in lieu thereof "five years".

(c) AIR FORCE ACADEMY.—Section 9348(a)(2)(B) of such title is amended by striking out "six years" and inserting in lieu thereof "five years".

(d) REQUIREMENT FOR REVIEW AND REPORT.—Not later than April 1, 1996, the Secretary of Defense shall—

(1) review the effects that each of various periods of obligated active duty service for graduates of the United States Military Academy, the United States Naval Academy, and the United States Air Force Academy would have on the number and quality of the eligible and qualified applicants seeking appointment to such academies; and

(2) submit to the Committee on Armed Services of the Senate and the Committee on National Security of the House of Representatives a report on the Secretary's findings together with any recommended legislation regarding the minimum periods of obligated active duty service for graduates of the United States Military Academy, the United States Naval Academy, and the United States Air Force Academy.

(e) EFFECTIVE DATE.—(1) The amendments made by this section shall apply to persons who are first admitted to military service academies after December 31, 1991.

(2) Section 511(e) of the National Defense Authorization Act for Fiscal Years 1990 and 1991 (Public Law 101–189; 103 Stat. 1439; 10 U.S.C. 2114 note) is amended—

(A) by striking out "amendments made by this section" and inserting in lieu thereof "amendment made by subsection (a)"; and

(B) by striking out "or one of the service academies".

SEC. 503. QUALIFICATIONS FOR APPOINTMENT AS SURGEON GENERAL OF AN ARMED FORCE.

(a) SURGEON GENERAL OF THE ARMY.—Section 3036 of title 10, United States Code, is amended—

(1) in subsection (b), by inserting after the third sentence the following: "The Surgeon General shall be appointed as prescribed in subsection (f)."; and

(2) by adding at the end the following new subsection (f):

"(f) The President shall appoint the Surgeon General from among commissioned officers in any corps of the Army Medical Department who are educationally and professionally qualified to furnish health care to other persons, including doctors of medicine, dentistry, and osteopathy, nurses, and clinical psychologists.".

(b) SURGEON GENERAL OF THE NAVY.—Section 5137 of title 10, United States Code, is amended—

(1) in the first sentence of subsection (a), by striking out "in the Medical Corps" and inserting in lieu thereof "who are educationally and professionally qualified to furnish health care to other persons, including doctors of medicine, dentistry, and osteopathy, nurses, and clinical psychologists"; and

(2) in subsection (b), by striking out "in the Medical Corps" and inserting in lieu thereof "who is qualified to be the Chief of the Bureau of Medicine and Surgery".

(c) SURGEON GENERAL OF THE AIR FORCE.—The first sentence of section 8036 of title 10, United States Code, is amended by striking out "designated as medical officers under section 8067(a) of this title" and inserting in lieu thereof "educationally and professionally qualified to furnish health care to other persons, including doctors of medicine, dentistry, and osteopathy, nurses, and clinical psychologists".

SEC. 504. DEPUTY JUDGE ADVOCATE GENERAL OF THE AIR FORCE.

(a) TENURE AND GRADE OF DEPUTY JUDGE ADVOCATE GENERAL.—Section 8037(d)(1) of such title is amended—

(1) by striking out "two years" in the second sentence and inserting in lieu thereof "four years", and

(2) by striking out the last sentence and inserting in lieu thereof the following: "An officer appointed as Deputy Judge Advocate General who holds a lower regular grade shall be appointed in the regular grade of major general.".

(b) SAVINGS PROVISION.—The amendments made by this section shall not apply to a person serving pursuant to appointment in the position of Deputy Judge Advocate General of the Air Force while such person is serving the term for which the person was appointed to such position before the date of the enactment of this Act and any extension of such term.

SEC. 505. RETIRING GENERAL AND FLAG OFFICERS: APPLICABILITY OF UNIFORM CRITERIA AND PROCEDURES FOR RETIRING IN HIGHEST GRADE IN WHICH SERVED.

(a) APPLICABILITY OF TIME-IN-GRADE REQUIREMENTS.—Section 1370 of title 10, United States Code, is amended—

(1) in subsection (a)(2)(A), by striking out "and below lieutenant general or vice admiral"; and

(2) in the first sentence of subsection (d)(2)(B), as added by section 1641 of the Reserve Officer Personnel Management Act (title XVI of Public Law 103–337; 108 Stat. 2968), by striking out "and below lieutenant general or vice admiral".

(b) RETIREMENT IN HIGHEST GRADE UPON CERTIFICATION OF SATISFACTORY SERVICE.—Section 1370(c) of title 10, United States Code, is amended—

(1) by striking out "Upon retirement an officer" and inserting in lieu thereof "An officer"; and

(2) by striking out "may, in the discretion" and all that follows and inserting in lieu thereof "may be retired in the higher grade under subsection (a) only after the Secretary of Defense certifies in writing to the President and the Senate that the officer served on active duty satisfactorily in that grade. The 3-year time-in-grade requirement in paragraph (2)(A) of subsection (a) may not be reduced or waived under such subsection in the case of such an officer while the officer is under investigation for alleged misconduct or while disposition of an adverse personnel action is pending against the officer for alleged misconduct.".

(c) CONFORMING AMENDMENTS.—Sections 3962(a), 5034, and 8962(a) of title 10, United States Code, are repealed.

(d) TECHNICAL AND CLERICAL AMENDMENTS.—(1) Sections 3962(b) and 8962(b) of such title are amended by striking out "(b) Upon" and inserting in lieu thereof "Upon".

(2) The table of sections at the beginning of chapter 505 of such title is amended by striking out the item relating to section 5034.

(e) EFFECTIVE DATE FOR AMENDMENTS TO PROVISION TAKING EFFECT IN 1996.—The amendment made by subsection (a)(2) shall take effect on October 1, 1996, immediately after subsection (d) of section 1370 of title 10, United States Code, takes effect under section 1691(b)(1) of the Reserve Officer Personnel Management Act (108 Stat. 3026).

SEC. 506. EXTENSION OF CERTAIN RESERVE OFFICER MANAGEMENT AUTHORITIES.

(a) GRADE DETERMINATION AUTHORITY FOR CERTAIN RESERVE MEDICAL OFFICERS.—Section 3359(b) and 8359(b) of title 10, United States Code, are each amended by striking out "September 30, 1995" and inserting in lieu thereof "September 30, 1996".

(b) PROMOTION AUTHORITY FOR CERTAIN RESERVE OFFICERS SERVING ON ACTIVE DUTY.—Sections 3380(d) and 8380(d) of title 10, United States Code, are each amended by striking out "September 30, 1995" and inserting in lieu thereof "September 30, 1996".

(c) YEARS OF SERVICE FOR MANDATORY TRANSFER TO THE RETIRED RESERVE.—Section 1016(d) of the Department of Defense Authorization Act, 1984 (10 U.S.C. 3360) is amended by striking out "September 30, 1995" and inserting in lieu thereof "September 30, 1996".

SEC. 507. RESTRICTIONS ON WEARING INSIGNIA FOR HIGHER GRADE BEFORE PROMOTION.

(a) ACTIVE-DUTY LIST.—(1) Subchapter II of chapter 36 of title 10, United States Code, is amended by inserting after section 624 the following:

"§624a. Restrictions on frocking

"(a) RESTRICTIONS.—An officer may not be frocked to a grade unless—

"(1) the Senate has confirmed by advice and consent a nomination of the officer for promotion to that grade; and

"(2) the officer is serving in, or has been ordered to, a position for which that grade is authorized.

"(b) BENEFITS NOT TO ACCRUE.—(1) An officer frocked to a grade may not, on the basis of the frocking—

"(A) be paid the rate of pay provided for an officer in that grade having the same number of years of service as the frocked officer; or

"(B) assume any legal authority associated with that grade.

"(2) The period for which an officer is frocked to a grade may not be taken into account for any of the following purposes:

"(A) Seniority in that grade.

"(B) Time of service in that grade.

"(c) NUMBERS OF ACTIVE-DUTY LIST OFFICERS FROCKED TO GRADE O–7.—The number of officers on the active-duty list who are authorized by frocking to wear the insignia for the grade of brigadier general or, in the Navy, rear admiral (lower half) may not exceed 35.

"(d) NUMBERS OF ACTIVE-DUTY LIST OFFICERS FROCKED TO GRADES O–4, O–5, AND O–6.—The number of officers of an armed force on the active-duty list who are authorized by frocking to wear the insignia for a grade to which a limitation on total number applies under section 523(a) of this title for a fiscal year may not exceed one percent of the total number provided for the officers in that grade in that armed force in the administration of the limitation under such section 523(a) for such fiscal year.

"(e) DEFINITION.—In this section, the term 'frock', with respect to an officer, means to authorize the officer to wear the insignia of a higher grade before being promoted to that grade.".

(2) The table of sections at the beginning of subchapter II of chapter 36 of such title is amended by inserting after the item relating to section 624 the following:

"624a. Restrictions on frocking.".

(b) TEMPORARY VARIATION OF LIMITATIONS ON NUMBERS OF FROCKED OFFICERS.—(1) In the administration of section 624a(c) of title 10, United States Code (as added by subsection (a)), for fiscal years 1996 and 1997, the maximum number applicable to officers on the active-duty list who are authorized by frocking to wear the insignia for the grade of brigadier general or, in the Navy, rear admiral (lower half) is as follows:

(A) During fiscal year 1996, 75 officers.

(B) During fiscal year 1997, 55 officers.

(2) In the administration of section 624a(d) of title 10, United States Code (as added by subsection (a)), for fiscal year 1996, the percent limitation applied under that section shall be two percent instead of one percent.

(c) DEFINITION.—In this section, the term "frock", with respect to an officer, means to authorize the officer to wear the insignia of a higher grade before being promoted to that grade.

SEC. 508. DIRECTOR OF ADMISSIONS, UNITED STATES MILITARY ACADEMY: RETIREMENT FOR YEARS OF SERVICE.

(a) AUTHORITY TO DIRECT RETIREMENT.—Section 3920 of title 10, United States Code, is amended to read as follows:

"§3920. More than thirty years: permanent professors and the Director of Admissions of United States Military Academy

"(a) AUTHORITY TO DIRECT RETIREMENT.—The Secretary of the Army may retire any of the personnel of the United States Military Academy described in subsection (b) who has more than 30 years of service as a commissioned officer.

"(b) APPLICABILITY.—The authority under subsection (a) may be exercised in the case of the following personnel:

"(1) A permanent professor.

"(2) The Director of Admissions.".

(b) CLERICAL AMENDMENT.—The item relating to such section in the table of sections at the beginning of chapter 367 of such title is amended to read as follows:

"3920. More than thirty years: permanent professors and the Director of Admissions of United States Military Academy.".

Subtitle B—Matters Relating to Reserve Components

SEC. 511. MOBILIZATION INCOME INSURANCE PROGRAM FOR MEMBERS OF READY RESERVE.

(a) ESTABLISHMENT OF PROGRAM.—(1) Subtitle E of title 10, United States Code, is amended by inserting after chapter 1213 the following new chapter:

"CHAPTER 1214—READY RESERVE INCOME INSURANCE

"Sec.
"12521. Definitions.
"12522. Establishment of insurance program.
"12523. Risk insured.
"12524. Enrollment and election of benefits.
"12525. Benefit amounts.
"12526. Premiums.
"12527. Payment of premiums.
"12528. Department of Defense Ready Reserve Income Insurance Fund.
"12529. Board of Actuaries.
"12530. Payment of benefits.
"12531. Purchase of insurance.
"12532. Termination for nonpayment of premiums; forfeiture.

"§12521. Definitions

"In this chapter:

"(1) The term 'insurance program' means the Department of Defense Ready Reserve Income Insurance Program established under section 12522 of this title.

"(2) The term 'covered service' means active duty performed by a member of a reserve component under an order to active duty for a period of more than 30 days which specifies that the member's service—

"(A) is in support of an operational mission for which members of the reserve components have been ordered to active duty without their consent; or

"(B) is in support of forces activated during a period of war declared by Congress or a period of national emergency declared by the President or Congress.

"(3) The term 'insured member' means a member of the Ready Reserve who is enrolled for coverage under the insurance program in accordance with section 12524 of this title.

"(4) The term 'Secretary' means the Secretary of Defense.

"(5) The term 'Department' means the Department of Defense.

"(6) The term 'Board of Actuaries' means the Department of Defense Education Benefits Board of Actuaries referred to in section 2006(e)(1) of this title.

"(7) The term 'Fund' means the Department of Defense Ready Reserve Income Insurance Fund established by section 12528(a) of this title.

"§12522. Establishment of insurance program

"(a) ESTABLISHMENT.—The Secretary shall establish for members of the Ready Reserve an insurance program to be known as the 'Department of Defense Ready Reserve Income Insurance Program'.

"(b) ADMINISTRATION.—The insurance program shall be administered by the Secretary. The Secretary may prescribe in regulations such rules, procedures, and policies as the Secretary considers necessary or appropriate to carry out the insurance program.

"§12523. Risk insured

"(a) IN GENERAL.—The insurance program shall insure members of the Ready Reserve against the risk of being ordered into covered service.

"(b) ENTITLEMENT TO BENEFITS.—(1) An insured member ordered into covered service shall be entitled to payment of a benefit for each month (and fraction thereof) of covered service that exceeds 30 days of covered service, except that no member may be paid under the insurance program for more than 12 months of covered service served during any period of 18 consecutive months.

"(2) Payment shall be based solely on the insured status of a member and on the period of covered service served by the member. Proof of loss of income or of expenses incurred as a result of covered service may not be required.

"§12524. Enrollment and election of benefits

"(a) ENROLLMENT.—(1) Except as provided in subsection (f), upon first becoming a member of the Ready Reserve, a member shall be automatically enrolled for coverage under the insurance program. An automatic enrollment of a member shall be void if within 30 days after first becoming a member of the Ready Reserve the member declines insurance under the program in accordance with the regulations prescribed by the Secretary.

"(2) Promptly after the insurance program is established, the Secretary shall offer to members of the reserve components who are then members of the Ready Reserve (other than members ineligible under subsection (f)) an opportunity to enroll for coverage under the insurance program. A member who fails to enroll within 30 days after being offered the opportunity shall be considered as having declined to be insured under the program.

"(3) A member of the Ready Reserve ineligible to enroll under subsection (f) shall be afforded an opportunity to enroll upon being released from active duty if the member has not previously had the opportunity to be enrolled under paragraph (1) or (2). A member who fails to enroll within 30 days after being afforded that opportunity shall be considered as having declined to be insured under the program.

"(b) ELECTION OF BENEFIT AMOUNT.—The amount of a member's monthly benefit under an enrollment shall be the basic benefit under subsection (a) of section 12525 of this title unless the member elects a different benefit under subsection (b) of such section within 30 days after first becoming a member of the Ready Reserve or within 30 days after being offered the opportunity to enroll, as the case may be.

"(c) ELECTIONS IRREVOCABLE.—(1) An election to decline insurance pursuant to paragraph (1) or (2) of subsection (a) is irrevocable.

"(2) Subject to subsection (d), the amount of coverage may not be changed after enrollment.

"(d) ELECTION TO TERMINATE.—A member may terminate an enrollment at any time.

"(e) INFORMATION TO BE FURNISHED.—The Secretary shall ensure that members referred to in subsection (a) are given a written explanation of the insurance program and are advised that they have the right to decline to be insured and, if not declined, to elect coverage for a reduced benefit or an enhanced benefit under subsection (b).

"(f) MEMBERS INELIGIBLE TO ENROLL.—Members of the Ready Reserve serving on active duty (or full-time National Guard duty) are not eligible to enroll for coverage under the insurance program. The Secretary may define any additional category of members of the Ready Reserve to be excluded from eligibility to purchase insurance under this chapter.

"§12525. Benefit amounts

"(a) BASIC BENEFIT.—The basic benefit for an insured member under the insurance program is $1,000 per month (as adjusted under subsection (d)).

"(b) REDUCED AND ENHANCED BENEFITS.—Under the regulations prescribed by the Secretary, a person enrolled for coverage under the insurance program may elect—

"(1) a reduced coverage benefit equal to one-half the amount of the basic benefit; or

"(2) an enhanced benefit in the amount of $1,500, $2,000, $2,500, $3,000, $3,500, $4,000, $4,500, or $5,000 per month (as adjusted under subsection (d)).

"(c) AMOUNT FOR PARTIAL MONTH.—The amount of insurance payable to an insured member for any period of covered service that is less than one month shall be determined by multiplying 1/30 of the monthly benefit rate for the member by the number of days of the covered service served by the member during such period.

"(d) ADJUSTMENT OF AMOUNTS.—(1) The Secretary shall determine annually the effect of inflation on benefits and shall adjust the amounts set forth in subsections (a) and (b)(2) to maintain the constant dollar value of the benefit.

"(2) If the amount of a benefit as adjusted under paragraph (1) is not evenly divisible by $10, the amount shall be rounded to the nearest multiple of $5, except that an amount evenly divisible by $5 but not by $10 shall be rounded to the next lower amount that is evenly divisible by $10.

"§12526. Premiums

"(a) ESTABLISHMENT OF RATES.—(1) The Secretary, in consultation with the Board of Actuaries, shall prescribe the premium rates for insurance under the insurance program.

"(2) The Secretary shall prescribe a fixed premium rate for each $1,000 of monthly insurance benefit. The premium amount shall be equal to the share of the cost attributable to insuring the member and shall be the same for all members of the Ready Reserve who are insured under the insurance program for the same benefit amount. The Secretary shall prescribe the rate on the basis of the best available estimate of risk and financial exposure, levels of subscription by members, and other relevant factors.

"(b) LEVEL PREMIUMS.—The premium rate prescribed for the first year of insurance coverage of an insured member shall be continued without change for subsequent years of insurance coverage, except that the Secretary, after consultation with the Board of Actuaries, may adjust the premium rate in order to fund inflation-adjusted benefit increases on an actuarially sound basis.

"§12527. Payment of premiums

"(a) METHODS OF PAYMENT.—(1) The monthly premium for coverage of a member under the insurance program shall be deducted and withheld from the insured member's basic pay for inactive duty training each month.

"(2) An insured member who does not receive pay on a monthly basis shall pay the Secretary directly the premium amount applicable for the level of benefits for which the member is insured.

"(b) ADVANCE PAY FOR PREMIUM.—The Secretary concerned may advance to an insured member the amount equal to the first insurance premium payment due under this chapter. The advance may be paid out of appropriations for military pay. An advance to a member shall be collected from the member either by deducting and withholding the amount from basic pay payable for the member or by collecting it from the member directly. No disbursing or certifying officer shall be responsible for any loss resulting from an advance under this subsection.

"(c) PREMIUMS TO BE DEPOSITED IN FUND.—Premium amounts deducted and withheld from the basic pay of insured members and premium amounts paid directly to the Secretary shall be credited to the Fund.

"§12528. Department of Defense Ready Reserve Income Insurance Fund

"(a) ESTABLISHMENT.—There is established on the books of the Treasury a fund to be known as the 'Department of Defense Ready Reserve Income Insurance Fund', which shall be administered by the Secretary of the Treasury. The Fund shall be used for the accumulation of funds in order to finance the liabilities of the insurance program on an actuarially sound basis.

"(b) ASSETS OF FUND.—There shall be deposited into the Fund the following:

"(1) Premiums paid under section 12527 of this title.

"(2) Any amount appropriated to the Fund.

"(3) Any return on investment of the assets of the Fund.

"(c) AVAILABILITY.—Amounts in the Fund shall be available for paying insurance benefits under the insurance program.

"(d) INVESTMENT OF ASSETS OF FUND.—The Secretary of the Treasury shall invest such portion of the Fund as is not in the judgment of the Secretary of Defense required to meet current liabilities. Such investments shall be in public debt securities with maturities suitable to the needs of the Fund, as determined by the Secretary of Defense, and bearing interest at rates determined by the Secretary of the Treasury, taking into consideration current market yields on outstanding marketable obligations of the United States of comparable maturities. The income on such investments shall be credited to the Fund.

"(e) ANNUAL ACCOUNTING.—At the beginning of each fiscal year, the Secretary, in consultation with the Board of Actuaries and the Secretary of the Treasury, shall determine the following:

"(1) The projected amount of the premiums to be collected, investment earnings to be received, and any transfers or appropriations to be made for the Fund for that fiscal year.

"(2) The amount for that fiscal year of any cumulative unfunded liability (including any negative amount or any gain to the Fund) resulting from payments of benefits.

"(3) The amount for that fiscal year (including any negative amount) of any cumulative actuarial gain or loss to the Fund.

"§12529. Board of Actuaries

"(a) ACTUARIAL RESPONSIBILITY.—The Board of Actuaries shall have the actuarial responsibility for the insurance program.

"(b) VALUATIONS AND PREMIUM RECOMMENDATIONS.—The Board of Actuaries shall carry out periodic actuarial valuations of the benefits under the insurance program and determine a premium rate methodology for the Secretary to use in setting premium rates for the insurance program. The Board shall conduct the first valuation and determine a premium rate methodology not later than six months after the insurance program is established.

"(c) EFFECTS OF CHANGED BENEFITS.—If at the time of any actuarial valuation under subsection (b) there has been a change in benefits under the insurance program that has been made since the last such valuation and such change in benefits increases or decreases the present value of amounts payable from the Fund, the Board of Actuaries shall determine a premium rate methodology, and recommend to the Secretary a premium schedule, for the liquidation of any liability (or actuarial gain to the Fund) resulting from such change and any previous such changes so that the present value of the sum of the scheduled premium payments (or reduction in payments that would otherwise be made) equals the cumulative increase (or decrease) in the present value of such benefits.

"(d) ACTUARIAL GAINS OR LOSSES.—If at the time of any such valuation the Board of Actuaries determines that there has been an actuarial gain or loss to the Fund as a result of changes in actuarial assumptions since the last valuation or as a result of any differences, between actual and expected experience since the last valuation, the Board shall recommend to the Secretary a premium rate schedule for the amortization of the cumulative gain or loss to the Fund resulting from such changes in assumptions and any previous such changes in assumptions or from the differences in actual and expected experience, respectively, through an increase or decrease in the payments that would otherwise be made to the Fund.

"(e) INSUFFICIENT ASSETS.—If at any time liabilities of the Fund exceed assets of the Fund as a result of members of the Ready Reserve being ordered to active duty as described in section 12521(2) of this title, and funds are unavailable to pay benefits completely, the Secretary shall request the President to submit to Congress a request for a special appropriation to cover the unfunded liability. If appropriations are not made to cover an unfunded liability in any fiscal year, the Secretary shall reduce the amount of the benefits paid under the insurance program to a total amount that does not exceed the assets of the Fund expected to accrue by the end of such fiscal year. Benefits that cannot be paid because of such a reduction shall be deferred and may be paid only after and to the extent that additional funds become available.

"(f) DEFINITION OF PRESENT VALUE.—The Board of Actuaries shall define the term 'present value' for purposes of this subsection.

"§12530. Payment of benefits

"(a) COMMENCEMENT OF PAYMENT.—An insured member who serves in excess of 30 days of covered service shall be paid the amount to which such member is entitled on a monthly basis beginning not later than one month after the 30th day of covered service.

"(b) METHOD OF PAYMENT.—The Secretary shall prescribe in the regulations the manner in which payments shall be made to the member or to a person designated in accordance with subsection (c).

"(c) DESIGNATED RECIPIENTS.—(1) A member may designate in writing another person (including a spouse, parent, or other person with an insurable interest, as determined in accordance with the regulations prescribed by the Secretary) to receive payments of insurance benefits under the insurance program.

"(2) A member may direct that payments of insurance benefits for a person designated under paragraph (1) be deposited with a bank or other financial institution to the credit of the designated person.

"(d) RECIPIENTS IN EVENT OF DEATH OF INSURED MEMBER.—Any insurance payable under the insurance program on account of a deceased member's period of covered service shall be paid, upon the establishment of a valid claim, to the beneficiary or beneficiaries which the deceased member designated in writing. If no such designation has been made, the amount shall be payable in accordance with the laws of the State of the member's domicile.

"§12531. Purchase of insurance

"(a) PURCHASE AUTHORIZED.—The Secretary may, instead of or in addition to underwriting the insurance program through the Fund, purchase from one or more insurance companies a policy or policies of group insurance in order to provide the benefits required under this chapter. The Secretary may waive any requirement for full and open competition in order to purchase an insurance policy under this subsection.

"(b) ELIGIBLE INSURERS.—In order to be eligible to sell insurance to the Secretary for purposes of subsection (a), an insurance company shall—

"(1) be licensed to issue insurance in each of the 50 States and in the District of Columbia; and

"(2) as of the most recent December 31 for which information is available to the Secretary, have in effect at least one percent of the total amount of insurance that all such insurance companies have in effect in the United States.

"(c) ADMINISTRATIVE PROVISIONS.—(1) An insurance company that issues a policy for purposes of subsection (a) shall establish an administrative office at a place and under a name designated by the Secretary.

"(2) For the purposes of carrying out this chapter, the Secretary may use the facilities and services of any insurance company issuing any policy for purposes of subsection (a), may designate one such company as the representative of the other companies for such purposes, and may contract to pay a reasonable fee to the designated company for its services.

"(d) REINSURANCE.—The Secretary shall arrange with each insurance company issuing any policy for purposes of subsection (a) to reinsure, under conditions approved by the Secretary, portions of the total amount of the insurance under such policy or policies with such other insurance companies (which meet qualifying criteria prescribed by the Secretary) as may elect to participate in such reinsurance.

"(e) TERMINATION.—The Secretary may at any time terminate any policy purchased under this section.

"§12532. Termination for nonpayment of premiums; forfeiture

"(a) TERMINATION FOR NONPAYMENT.—The coverage of a member under the insurance program shall terminate without prior notice upon a failure of the member to make required monthly payments of premiums for two consecutive months. The Secretary may provide in the regulations for reinstatement of insurance coverage terminated under this subsection.

"(b) FORFEITURE.—Any person convicted of mutiny, treason, spying, or desertion, or who refuses to perform service in the armed forces or refuses to wear the uniform of any of the armed forces shall forfeit all rights to insurance under this chapter.".

(2) The tables of chapters at the beginning of subtitle E, and at the beginning of part II of subtitle E, of title 10, United States Code, are amended by inserting after the item relating to chapter 1213 the following new item:

"1214. Ready Reserve Income Insurance 12521".

(b) EFFECTIVE DATE.—The insurance program provided for in chapter 1214 of title 10, United

States Code, as added by subsection (a), and the requirement for deductions and contributions for that program shall take effect on September 30, 1996, or on any earlier date declared by the Secretary and published in the Federal Register.

SEC. 512. ELIGIBILITY OF DENTISTS TO RECEIVE ASSISTANCE UNDER THE FINANCIAL ASSISTANCE PROGRAM FOR HEALTH CARE PROFESSIONALS IN RESERVE COMPONENTS.

Section 16201(b) of title 10, United States Code, is amended—

(1) by striking out "(b) PHYSICIANS IN CRITICAL SPECIALTIES.—" and inserting in lieu thereof "(b) PHYSICIANS AND DENTISTS IN CRITICAL SPECIALTIES.—";

(2) in paragraph (1)—

(A) by inserting "or dental school" in subparagraph (A) after "medical school";

(B) by inserting "or as a dental officer" in subparagraph (B) after "medical officer"; and

(C) by striking out "physicians in a medical specialty designated" and inserting in lieu thereof "physicians or dentists in a medical specialty or dental specialty, respectively, that is designated"; and

(3) in paragraph (2)(B), by inserting "or dental officer" after "medical officer".

SEC. 513. LEAVE FOR MEMBERS OF RESERVE COMPONENTS PERFORMING PUBLIC SAFETY DUTY.

(a) ELECTION OF LEAVE TO BE CHARGED.—Subsection (b) of section 6323 of title 5, United States Code, is amended by adding at the end the following: "Upon the request of an employee, the period for which an employee is absent to perform service described in paragraph (2) may be charged to the employee's accrued annual leave or to compensatory time available to the employee instead of being charged as leave to which the employee is entitled under this subsection. The period of absence may not be charged to sick leave.".

(b) PAY FOR PERIOD OF ABSENCE.—Section 5519 of such title is amended by striking out "entitled to leave" and inserting in lieu thereof "granted military leave".

Subtitle C—Uniform Code of Military Justice

SEC. 521. REFERENCES TO UNIFORM CODE OF MILITARY JUSTICE.

Except as otherwise expressly provided, whenever in this subtitle an amendment or repeal is expressed in terms of an amendment to, or repeal of, a section or other provision, the reference shall be considered to be made to a section or other provision of chapter 47 of title 10, United States Code (the Uniform Code of Military Justice).

SEC. 522. DEFINITIONS.

Section 801 (article 1) is amended by inserting after paragraph (14) the following new paragraphs:

"(15) The term 'classified information' means any information or material that has been determined by an official of the United States pursuant to law, an Executive order, or regulation to require protection against unauthorized disclosure for reasons of national security, and any restricted data, as defined in section 11(y) of the Atomic Energy Act of 1954 (42 U.S.C. 2014(y)).

"(16) The term 'national security' means the national defense and foreign relations of the United States.".

SEC. 523. ARTICLE 32 INVESTIGATIONS.

Section 832 (article 32) is amended—

(1) by redesignating subsection (d) as subsection (e); and

(2) by inserting after subsection (c) the following new subsection (d):

"(d) If evidence adduced in an investigation under this article indicates that the accused committed an uncharged offense, the investigating officer is authorized to investigate the subject matter of such offense without the accused having first been charged with the offense. If the accused was present at such investigation, was informed of the nature of each uncharged offense investigated, and was afforded the opportunities for representation, cross-examination, and presentation prescribed in subsection (b), no further investigation of such offense or offenses is necessary under this article.".

SEC. 524. REFUSAL TO TESTIFY BEFORE COURT-MARTIAL.

Section 847(b) (article 47(b)) is amended—

(1) by inserting "indictment or" in the first sentence after "shall be tried on"; and

(2) in the second sentence, by striking out "shall be" and all that follows and inserting in lieu thereof "shall be fined or imprisoned, or both, at the court's discretion.".

SEC. 525. COMMITMENT OF ACCUSED TO TREATMENT FACILITY BY REASON OF LACK OF MENTAL CAPACITY OR MENTAL RESPONSIBILITY.

(a) APPLICABLE PROCEDURES.—(1) Chapter 47 is amended by inserting after section 850a (article 50a) the following:

"§850b. Art. 50b. Lack of mental capacity or mental responsibility: commitment of accused for examination and treatment

"(a) PERSONS INCOMPETENT TO STAND TRIAL.—(1) In the case of a person determined under this chapter to be presently suffering from a mental disease or defect rendering the person mentally incompetent to the extent that the person is unable to understand the nature of the proceedings against that person or to conduct or cooperate intelligently in the defense of the case, the general court-martial convening authority for that person shall commit the person to the custody of the Attorney General.

"(2) The Attorney General shall take action in accordance with section 4241(d) of title 18.

"(3) If at the end of the period for hospitalization provided for in section 4241(d) of title 18, it is determined that the committed person's mental condition has not so improved as to permit the trial to proceed, action shall be taken in accordance with section 4246 of such title.

"(4)(A) When the director of a facility in which a person is hospitalized pursuant to paragraph (2) determines that the person has recovered to such an extent that the person is able to understand the nature of the proceedings against the person and to conduct or cooperate intelligently in the defense of the case, the director shall promptly transmit a notification of that determination to the Attorney General and to the general court-martial convening authority for the person. The director shall send a copy of the notification to the person's counsel.

"(B) Upon receipt of a notification, the general court-martial convening authority shall promptly take custody of the person unless the person covered by the notification is no longer subject to this chapter. If the person is no longer subject to this chapter, the Attorney General shall take any action within the authority of the Attorney General that the Attorney General considers appropriate regarding the person.

"(C) The director of the facility may retain custody of the person for not more than 30 days after transmitting the notifications required by subparagraph (A).

"(5) In the application of section 4246 of title 18 to a case under this subsection, references to the court that ordered the commitment of a person, and to the clerk of such court, shall be deemed to refer to the general court-martial convening authority for that person. However, if the person is no longer subject to this chapter at a time relevant to the application of such section to the person, the United States district court for the district where the person is hospitalized or otherwise may be found shall be considered as the court that ordered the commitment of the person.

"(b) PERSONS FOUND NOT GUILTY BY REASON OF LACK OF MENTAL RESPONSIBILITY.—(1) If a person is found by a court-martial not guilty only by reason of lack of mental responsibility, the person shall be committed to a suitable facility until the person is eligible for release in accordance with this section.

"(2) The court-martial shall conduct a hearing on the mental condition in accordance with subsection (c) of section 4243 of title 18. Subsections (b) and (d) of that section shall apply with respect to the hearing.

"(3) A report of the results of the hearing shall be made to the general court-martial convening authority for the person.

"(4) If the court-martial fails to find by the standard specified in subsection (d) of section 4243 of title 18 that the person's release would not create a substantial risk of bodily injury to another person or serious damage of property of another due to a present mental disease or defect—

"(A) the general court-martial convening authority may commit the person to the custody of the Attorney General; and

"(B) the Attorney General shall take action in accordance with subsection (e) of section 4243 of title 18.

"(5) Subsections (f), (g), and (h) of section 4243 of title 18 shall apply in the case of a person hospitalized pursuant to paragraph (4)(B), except that the United States district court for the district where the person is hospitalized shall be considered as the court that ordered the person's commitment.

"(c) GENERAL PROVISIONS.—(1) Except as otherwise provided in this subsection and subsection (d)(1), the provisions of section 4247 of title 18 apply in the administration of this section.

"(2) In the application of section 4247(d) of title 18 to hearings conducted by a court-martial under this section or by (or by order of) a general court-martial convening authority under this section, the reference in that section to section 3006A of such title does not apply.

"(d) APPLICABILITY.—(1) The provisions of chapter 313 of title 18 referred to in this section apply according to the provisions of this section notwithstanding section 4247(j) of title 18.

"(2) If the status of a person as described in section 802 of this title (article 2) terminates while the person is, pursuant to this section, in the custody of the Attorney General, hospitalized, or on conditional release under a prescribed regimen of medical, psychiatric, or psychological care or treatment, the provisions of this section establishing requirements and procedures regarding a person no longer subject to this chapter shall continue to apply to that person notwithstanding the change of status.".

(2) The table of sections at the beginning of subchapter VII of such chapter is amended by inserting after the item relating to section 850a (article 50a) the following:

"850b. 50b. Lack of mental capacity or mental responsibility: commitment of accused for examination and treatment.".

(b) CONFORMING AMENDMENT.—Section 802 of title 10, United States Code (article 2 of the Uniform Code of Military Justice), is amended by adding at the end the following:

"(e) The provisions of this section are subject to section 850b(d)(2) of this title (article 50b(d)(2)).".

(c) EFFECTIVE DATE.—Section 850b of title 10, United States Code (article 50b of the Uniform Code of Military Justice), as added by subsection (a), shall take effect 180 days after the date of the enactment of this Act and shall apply with respect to charges referred to courts-martial on or after that effective date.

SEC. 526. FORFEITURE OF PAY AND ALLOWANCES AND REDUCTION IN GRADE.

(a) EFFECTIVE DATE OF PUNISHMENTS.—Section 857(a) (article 57(a)) is amended to read as follows:

"(a)(1) Any forfeiture of pay, forfeiture of allowances, or reduction in grade included in a sentence of a court-martial takes effect on the earlier of—

"(A) the date that is 14 days after the date on which the sentence is adjudged; or

"(B) the date on which the sentence is approved by the convening authority.

"(2) On application by an accused, the convening authority may defer any forfeiture of pay, forfeiture of allowances, or reduction in grade that would otherwise become effective under paragraph (1)(A) until the date on which the sentence is approved by the convening authority. The deferment may be rescinded at any time by the convening authority.

"(3) A forfeiture of pay or allowances shall be collected from pay accruing on and after the date on which the sentence takes effect under paragraph (1). Periods during which a sentence to forfeiture of pay or forfeiture of allowances is suspended or deferred shall be excluded in computing the duration of the forfeiture.

"(4) In this subsection, the term 'convening authority', with respect to a sentence of a court-martial, means any person authorized to act on the sentence under section 860 of this title (article 60).".

(b) EFFECT OF PUNITIVE SEPARATION OR CONFINEMENT FOR ONE YEAR OR MORE.—(1) Subchapter VIII is amended by inserting after section 858a (article 58a) the following new section (article):

"§858b. Art. 58b. Sentences: forfeiture of pay and allowances

"(a) A sentence adjudged by a court-martial that includes confinement for one year or more, death, dishonorable discharge, bad-conduct discharge, or dismissal shall result in the forfeiture of all pay and allowances due that member during any period of confinement or parole. The forfeiture required by this section shall take effect on the date determined under section 857(a) of this title (article 57(a)) and may be deferred in accordance with that section.

"(b) In a case involving an accused who has dependents, the convening authority or other person acting under section 860 of this title (article 60) may waive any or all of the forfeitures of pay and allowances required by subsection (a) for a period not to exceed six months. Any amount of pay or allowances that, except for a waiver under this subsection, would be forfeited shall be paid, as the convening authority or other person taking action directs, to the dependents of the accused.

"(c) If the sentence of a member who forfeits pay and allowances under subsection (a) is set aside or disapproved or, as finally approved, does not provide for a punishment referred to in subsection (a), the member shall be paid the pay and allowances which the member would have been paid, except for the forfeiture, for the period during which the forfeiture was in effect.".

(2) CLERICAL AMENDMENT.—The table of sections at the beginning of subchapter VIII of such chapter is amended by adding at the end the following new item:

"858b. 58b. Sentences: forfeiture of pay and allowances.".

(c) APPLICABILITY.—The amendments made by this section shall apply to a case in which a sentence is adjudged by a court-martial on or after the first day of the first month that begins at least 30 days after the date of the enactment of this Act.

SEC. 527. DEFERMENT OF CONFINEMENT.

Section 857 (article 57) is amended by striking out subsection (e) and inserting in lieu thereof the following:

"(e)(1) When an accused in the custody of a State or foreign country is returned temporarily to military authorities for trial by court-martial and is later returned to that State or foreign country under the authority of a mutual agreement or treaty, the convening authority of the court-martial may defer the service of the sentence to confinement without the consent of the accused. The deferment shall terminate when the accused is released permanently to military authorities by the State or foreign country having custody of the accused.

"(2) In this subsection, the term 'State' includes the District of Columbia and any commonwealth, territory, or possession of the United States.

"(f) While a review of a case under section 867(a)(2) of this title (article 67(a)(2)) is pending, the Secretary concerned or, when designated by the Secretary, an Under Secretary, an Assistant Secretary, the Judge Advocate General, or a commanding officer may defer further service of a sentence to confinement which has been ordered executed in such case.".

SEC. 528. SUBMISSION OF MATTERS TO THE CONVENING AUTHORITY FOR CONSIDERATION.

Section 860(b)(1) (article 60(b)(1)) is amended by inserting after the first sentence the following: "Any such submission shall be in writing.".

SEC. 529. PROCEEDINGS IN REVISION.

Section 860(e)(2) (article 60(e)(2)) is amended by striking out the first sentence and inserting in lieu thereof the following: "A proceeding in revision may be ordered before authentication of the record of trial in order to correct a clerical mistake in a judgment, order, or other part of the record or any error in the record arising from oversight or omission.".

SEC. 530. APPEAL BY THE UNITED STATES.

Section 862(a)(1) (article 62(a)(1)) is amended to read as follows:

"(a)(1)(A) In a trial by court-martial in which a military judge presides and in which a punitive discharge may be adjudged, the United States may appeal the following:

"(i) An order or ruling of the military judge which terminates the proceedings with respect to a charge or specification.

"(ii) An order or ruling which excludes evidence that is substantial proof of a fact material in the proceeding.

"(iii) An order or ruling which directs the disclosure of classified information.

"(iv) An order or ruling which imposes sanctions for nondisclosure of classified information.

"(v) A refusal of the military judge to issue a protective order sought by the United States to prevent the disclosure of classified information.

"(vi) A refusal by the military judge to enforce an order described in clause (v) that has previously been issued by appropriate authority.

"(B) The United States may not appeal an order or ruling that is or that amounts to, a finding of not guilty with respect to the charge or specification.".

SEC. 531. FLIGHT FROM APPREHENSION.

(a) IN GENERAL.—Section 895 (article 95) is amended to read as follows:

"§895. Art. 95. Resistance, flight, breach of arrest, and escape

"Any person subject to this chapter who—

"(1) resists apprehension;

"(2) flees from apprehension;

"(3) breaks arrest; or

"(4) escapes from custody or confinement;

shall be punished as a court-martial may direct.".

(b) CLERICAL AMENDMENT.—The item relating to section 895 (article 95) in the table of sections at the beginning of subchapter X is amended to read as follows:

"895. Art. 95. Resistance, flight, breach of arrest, and escape.".

SEC. 532. CARNAL KNOWLEDGE.

(a) GENDER NEUTRALITY.—Subsection (b) of section 920 (article 120) is amended to read as follows:

"(b) Any person subject to this chapter who, under circumstances not amounting to rape, commits an act of sexual intercourse with a person—

"(1) who is not that person's spouse; and

"(2) who has not attained the age of sixteen years;

is guilty of carnal knowledge and shall be punished as a court-martial may direct.".

(b) MISTAKE OF FACT.—Such section (article) is further amended by adding at the end the following new subsection:

"(d)(1) In a prosecution under subsection (b), it is an affirmative defense that—

"(A) the person with whom the accused committed the act of sexual intercourse had at the time of the alleged offense attained the age of twelve years; and

"(B) the accused reasonably believed that that person had at the time of the alleged offense attained the age of sixteen years.

"(2) The accused has the burden of proving a defense under paragraph (1) by a preponderance of the evidence.".

SEC. 533. TIME AFTER ACCESSION FOR INITIAL INSTRUCTION IN THE UNIFORM CODE OF MILITARY JUSTICE.

Section 937(a)(1) (article 137(a)(1)) is amended by striking out "within six days" and inserting in lieu thereof "within fourteen days".

SEC. 534. TECHNICAL AMENDMENT.

Section 866(f) (article 66(f)) is amended by striking out "Courts of Military Review" both places it appears and inserting in lieu thereof "Courts of Criminal Appeals".

SEC. 535. PERMANENT AUTHORITY CONCERNING TEMPORARY VACANCIES ON THE COURT OF APPEALS FOR THE ARMED FORCES.

Section 1301 of the National Defense Authorization Act for Fiscal Years 1990 and 1991 (Public Law 101–189; 103 Stat. 1569; 10 U.S.C. 942 note) is amended by striking out subsection (i).

SEC. 536. ADVISORY PANEL ON UCMJ JURISDICTION OVER CIVILIANS ACCOMPANYING THE ARMED FORCES IN TIME OF ARMED CONFLICT.

(a) ESTABLISHMENT.—Not later than December 15, 1996, the Secretary of Defense and the Attorney General shall jointly establish an advisory panel to review and make recommendations on jurisdiction over civilians accompanying the Armed Forces in time of armed conflict.

(b) MEMBERSHIP.—The panel shall be composed of at least 5 individuals, including experts in military law, international law, and federal civilian criminal law. In making appointments to the panel, the Secretary and the Attorney General shall ensure that the members of the panel reflect diverse experiences in the conduct of prosecution and defense functions.

(c) DUTIES.—The panel shall—

(1) review historical experiences and current practices concerning the employment, training, discipline, and functions of civilians accompanying the Armed Forces in the field;

(2) make specific recommendations (in accordance with subsection (d)) concerning—

(A) establishing court-martial jurisdiction over civilians accompanying the Armed Forces in the field during time of armed conflict not involving a war declared by Congress;

(B) revisions to the jurisdiction of the Article III courts over such persons; and

(C) establishment of Article I courts to exercise jurisdiction over such persons; and

(3) make such additional recommendations (in accordance with subsection (d)) as the panel considers appropriate as a result of the review.

(d) REPORT.—(1) Not later than December 15, 1996, the advisory panel shall transmit a report

on the findings and recommendations of the panel to the Secretary of Defense and the Attorney General.

(2) Not later than January 15, 1997, the Secretary of Defense and the Attorney General shall jointly transmit the report of the advisory panel to Congress. The Secretary and the Attorney General may include in the transmittal any joint comments on the report that they consider appropriate, and either such official may include in the transmittal any separate comments on the report that such official considers appropriate.

(e) DEFINITIONS.—In this section:

(1) The term "Article I court" means a court established under Article I of the Constitution.

(2) The term "Article III court" means a court established under Article III of the Constitution.

(f) TERMINATION OF PANEL.—The panel shall terminate 30 days after the date of submission of the report to the Secretary of Defense and the Attorney General under subsection (d).

Subtitle D—Decorations and Awards

SEC. 541. AWARD OF PURPLE HEART TO CERTAIN FORMER PRISONERS OF WAR.

(a) AUTHORITY TO MAKE AWARD.—The President may award the Purple Heart to a person who, while serving in the Armed Forces of the United States before April 25, 1962—

(1) was taken prisoner or held captive—

(A) in an action against an enemy of the United States;

(B) in military operations involving conflict with an opposing foreign force;

(C) during service with friendly forces engaged in an armed conflict against an opposing armed force in which the United States was not a belligerent party;

(D) as the result of an action of any such enemy or opposing armed force; or

(E) as the result of an act of any foreign hostile force; and

(2) was wounded while being taken prisoner or held captive.

(b) STANDARDS.—An award of the Purple Heart may be made under subsection (a) only in accordance with the standards in effect on the date of the enactment of this Act for the award of the Purple Heart to a member of the Armed Forces who, on or after April 25, 1962, has been taken prisoner and held captive under circumstances described in that subsection.

(c) EXCEPTION FOR AIDING THE ENEMY.—An award of a Purple Heart may not be made under this section to any person convicted by a court of competent jurisdiction of rendering assistance to any enemy of the United States.

(d) COVERED WOUNDS.—A wound determined by the Secretary of Veterans Affairs as being a service-connected injury arising from being taken prisoner or held captive under circumstances described in subsection (a) satisfies the condition set forth in paragraph (2) of that subsection.

(e) RELATIONSHIP TO OTHER AUTHORITY TO AWARD THE PURPLE HEART.—The authority under this section is in addition to any other authority of the President to award the Purple Heart.

SEC. 542. MERITORIOUS AND VALOROUS SERVICE DURING VIETNAM ERA: REVIEW AND AWARDS.

(a) FINDINGS.—Congress makes the following findings:

(1) The Ia Drang Valley (Pleiku) campaign, carried out by the Armed Forces of the United States in the Ia Drang Valley of Vietnam from October 23, 1965, to November 26, 1965, is illustrative of the many battles which pitted forces of the United States against North Vietnamese Army regulars and Viet Cong in vicious fighting in which many members of the Armed Forces displayed extraordinary heroism, sacrifice, and bravery which has not yet been officially recognized through award of appropriate decorations.

(2) Accounts of these battles published since the war ended authoritatively document repeated acts of extraordinary heroism, sacrifice, and bravery on the part of many members of the Armed Forces who were engaged in these battles, many of whom have never been officially recognized for those acts.

(3) In some of the battles United States military units suffered substantial losses, in some cases a majority of the strength of the units.

(4) The incidence of heavy casualties throughout the war inhibited the timely collection of comprehensive and detailed information to support recommendations for awards for the acts of heroism, sacrifice, and bravery performed.

(5) Requests to the Secretaries of the military departments for review of award recommendations for those acts have been denied because of restrictions in law and regulations that require timely filing of recommendations and documented justification.

(6) Acts of heroism, sacrifice, and bravery performed in combat by members of the Armed Forces of the United States deserve appropriate and timely recognition by the people of the United States.

(7) It is appropriate to recognize military personnel for acts of extraordinary heroism, sacrifice, or bravery that are belatedly, but properly, documented by persons who witnessed those acts.

(b) WAIVER OF RESTRICTIONS ON AWARDS.—(1) Notwithstanding any other provision of law, the Secretary of Defense or the Secretary of the military department concerned may award or upgrade a decoration to any person for an act, an achievement, or service that the person performed in a campaign while serving on active duty during the Vietnam era.

(2) Paragraph (1) applies to any decoration (including any device in lieu of a decoration) that, during or after the Vietnam era and before the date of the enactment of this Act, was authorized by law or under regulations of the Department of Defense or the military department concerned to be awarded to a person for an act, an achievement, or service performed by that person while serving on active duty.

(c) REVIEW OF AWARD RECOMMENDATIONS.—(1) The Secretary of each military department shall review all recommendations for awards for acts, achievements, or service described in subsection (b)(1) that have been received by the Secretary during the period of the review.

(2) The Secretaries shall begin the review within 30 days after the date of the enactment of this Act and shall complete the review within one year after such date.

(3) The Secretary may use the same process for carrying out the review as the Secretary uses for reviewing other recommendations for awarding decorations to members of the armed force or armed forces under the Secretary's jurisdiction for acts, achievements, or service.

(4)(A) Upon completing the review, the Secretary shall submit a report on the review to the Committee on Armed Services of the Senate and the Committee on National Security of the House of Representatives.

(B) The report shall contain the following information on each recommendation for award reviewed:

(i) A summary of the recommendation.

(ii) The findings resulting from the review.

(iii) The final action taken on the recommendation.

(d) DEFINITIONS.—In this section:

(1) The term "Vietnam era" has the meaning given that term in section 101(29) of title 38, United States Code.

(2) The term "active duty" has the meaning given such term in section 101(d)(1) of title 10, United States Code.

SEC. 543. MILITARY INTELLIGENCE PERSONNEL PREVENTED BY SECRECY FROM BEING CONSIDERED FOR DECORATIONS AND AWARDS.

(a) WAIVER ON RESTRICTIONS OF AWARDS.—(1) Notwithstanding any other provision of law, the President, the Secretary of Defense, or the Secretary of the military department concerned may award a decoration to any person for an act, achievement, or service that the person performed in carrying out military intelligence duties during the period January 1, 1940, through December 31, 1990.

(2) Paragraph (1) applies to any decoration (including any device in lieu of a decoration) that, during or after the period described in paragraph (1) and before the date of the enactment of this Act, was authorized by law or under the regulations of the Department of Defense or the military department concerned to be awarded to a person for an act, achievement, or service performed by that person while serving on active duty.

(b) REVIEW OF AWARD RECOMMENDATIONS.—(1) The Secretary of each military department shall review all recommendations for awards of decorations for acts, achievements, or service described in subsection (a)(1) that have been received by the Secretary during the period of the review.

(2) The Secretary shall begin the review within 30 days after the date of the enactment of this Act and shall complete the review within one year after such date.

(3) The Secretary may use the same process for carrying out the review as the Secretary uses for reviewing other recommendations for awarding decorations to members of the armed force or armed forces under the Secretary's jurisdiction for acts, achievements, or service.

(4) The Secretary may reject a recommendation if the Secretary determines that there is a justifiable basis for concluding that the recommendation is specious.

(5) The Secretary shall take reasonable actions to publicize widely the opportunity to recommend awards of decorations under this section.

(6)(A) Upon completing the review, the Secretary shall submit a report on the review to the Committee on Armed Services of the Senate and the Committee on National Security of the House of Representatives.

(B) The report shall contain the following information on each recommendation for an award reviewed:

(i) A summary of the recommendation.

(ii) The findings resulting from the review.

(iii) The final action taken on the recommendation.

(iv) Administrative or legislative recommendations to improve award procedures with respect to military intelligence personnel.

(c) DEFINITION.—In this section, the term "active duty" has the meaning given such term in section 101(d)(1) of title 10, United States Code.

SEC. 544. REVIEW REGARDING AWARDS OF DISTINGUISHED-SERVICE CROSS TO ASIAN-AMERICANS AND PACIFIC ISLANDERS FOR CERTAIN WORLD WAR II SERVICE.

(a) REVIEW REQUIRED.—The Secretary of the Army shall—

(1) review the records relating to the award of the Distinguished-Service Cross to Asian-Americans and Native American Pacific Islanders for service as members of the Army during World War II in order to determine whether the award should be upgraded to the Medal of Honor; and

(2) submit to the President a recommendation that the President award a Medal of Honor to each such person for whom the Secretary determines an upgrade to be appropriate.

(b) WAIVER OF TIME LIMITATIONS.—The President is authorized to award a Medal of Honor

to any person referred to in subsection (a) in accordance with a recommendation of the Secretary of the Army submitted under that subsection. The following restrictions do not apply in the case of any such person:

(1) Sections 3744 and 8744 of title 10, United States Code.

(2) Any regulation or other administrative restriction on—

(A) the time for awarding a Medal of Honor; or

(B) the awarding of a Medal of Honor for service for which a Distinguished-Service Cross has been awarded.

(c) DEFINITIONS.—In this section:

(1) The term "Native American Pacific Islander" means a Native Hawaiian and any other Native American Pacific Islander within the meaning of the Native American Programs Act of 1974 (42 U.S.C. 2991 et seq.).

(2) The term "World War II" has the meaning given that term in section 101(8) of title 38, United States Code.

Subtitle E—Other Matters

SEC. 551. DETERMINATION OF WHEREABOUTS AND STATUS OF MISSING PERSONS.

(a) PURPOSE.—The purpose of this section is to ensure that any member of the Armed Forces is accounted for by the United States (by the return of such person alive, by the return of the remains of such person, or by the decision that credible evidence exists to support another determination of the status of such person) and, as a general rule, is not declared dead solely because of the passage of time.

(b) IN GENERAL.—(1) Part II of subtitle A of title 10, United States Code, is amended by inserting after chapter 75 the following new chapter:

"CHAPTER 76—MISSING PERSONS

"Sec.
"1501. System for accounting for missing persons.
"1502. Missing persons: initial report.
"1503. Actions of Secretary concerned; initial board inquiry.
"1504. Subsequent board of inquiry.
"1505. Further review.
"1506. Personnel files.
"1507. Recommendation of status of death.
"1508. Return alive of person declared missing or dead.
"1509. Effect on State law.
"1510. Definitions.

"§1501. System for accounting for missing persons

"(a) OFFICE FOR MISSING PERSONNEL.—(1) The Secretary of Defense shall establish within the Office of the Secretary of Defense an office to have responsibility for Department of Defense policy relating to missing persons. Subject to the authority, direction, and control of the Secretary of Defense, the responsibilities of the office shall include—

"(A) policy, control, and oversight within the Department of Defense of the entire process for investigation and recovery related to missing persons; and

"(B) coordination for the Department of Defense with other departments and agencies of the United States on all matters concerning missing persons.

"(2) In carrying out the responsibilities of the office established under this subsection, the head of the office shall coordinate the efforts of that office with those of other departments and agencies and other elements of the Department of Defense for such purposes and shall be responsible for the coordination for such purposes within the Department of Defense among the military departments, the Joint Staff, and the commanders of the combatant commands.

"(3) The office shall establish policies, which shall apply uniformly throughout the Department of Defense, for personnel recovery.

"(4) The office shall establish procedures to be followed by Department of Defense boards of inquiry, and by officials reviewing the reports of such boards, under this chapter.

"(b) SEARCH AND RESCUE.—Notwithstanding subsection (a), responsibility for search and rescue policies within the Department of Defense shall be established by the Assistant Secretary of Defense for Special Operations and Low Intensity Conflict.

"(c) UNIFORM DOD PROCEDURES.—(1) The Secretary of Defense shall prescribe procedures, to apply uniformly throughout the Department of Defense, for—

"(A) the determination of the status of persons described in subsection (e); and

"(B) for the systematic, comprehensive, and timely collection, analysis, review, dissemination, and periodic update of information related to such persons.

"(2) Such procedures may provide for the delegation by the Secretary of Defense of any responsibility of the Secretary under this chapter to the Secretary of a military department.

"(3) Such procedures shall be prescribed in a single directive applicable to all elements of the Department of Defense, other than the elements carrying out activities relating to search and rescue.

"(4) As part of such procedures, the Secretary may provide for the extension, on a case-by-case basis, of any time limit specified in section 1503 or 1504 of this title. Any such extension may not be for a period in excess of the period with respect to which the extension is provided. Subsequent extensions may be provided on the same basis.

"(d) COAST GUARD.—(1) The Secretary of Transportation shall designate an officer of the Department of Transportation to have responsibility within the Department of Transportation for matters relating to missing persons who are Coast Guard personnel.

"(2) The Secretary of Transportation shall prescribe procedures for the determination of the status of persons described in subsection (e) who are personnel of the Coast Guard and for the collection, analysis, review, and update of information on such persons. To the maximum extent practicable, the procedures prescribed under this paragraph shall be similar to the procedures prescribed by the Secretary of Defense under subsection (c).

"(e) COVERED PERSONS.—Section 1502 of this title applies in the case of any member of the armed forces on active duty who becomes involuntarily absent as a result of a hostile action, or under circumstances suggesting that the involuntary absence is a result of a hostile action, and whose status is undetermined or who is unaccounted for.

"(f) PRIMARY NEXT OF KIN.—The individual who is primary next of kin of any person prescribed in subsection (e) may for purposes of this chapter designate another individual to act on behalf of that individual as primary next of kin. The Secretary concerned shall treat an individual so designated as if the individual designated were the primary next of kin for purposes of this chapter. A designation under this subsection may be revoked at any time by the person who made the designation.

"(g) TERMINATION OF APPLICABILITY OF PROCEDURES WHEN MISSING PERSON IS ACCOUNTED FOR.—The provisions of this chapter relating to boards of inquiry and to the actions by the Secretary concerned on the reports of those boards shall cease to apply in the case of a missing person upon the person becoming accounted for or otherwise being determined to be in a status other than missing.

"§1502. Missing persons: initial report

"(a) PRELIMINARY ASSESSMENT AND RECOMMENDATION BY COMMANDER.—After receiving information that the whereabouts or status of a person described in section 1501(e) of this title is uncertain and that the absence of the person may be involuntary, the commander of the unit, facility, or area to or in which the person is assigned shall make a preliminary assessment of the circumstances. If, as a result of that assessment, the commander concludes that the person is missing, the commander shall—

"(1) recommend that the person be placed in a missing status; and

"(2) transmit that recommendation to the Secretary of Defense or the Secretary having jurisdiction over the missing person in accordance with procedures prescribed under section 1501 of this title.

"(b) FORWARDING OF RECORDS.—The commander making the initial assessment shall (in accordance with procedures prescribed under section 1501 of this title) safeguard and forward for official use any information relating to the whereabouts or status of a missing person that result from the preliminary assessment or from actions taken to locate the person.

"§1503. Actions of Secretary concerned; initial board inquiry

"(a) DETERMINATION BY SECRETARY.—(1) Upon receiving a recommendation on the status of a person under section 1502(a)(2) of this title, the Secretary receiving the recommendation shall review the recommendation.

"(2) After reviewing the recommendation on the status of a person, the Secretary shall—

"(A) make a determination whether the person shall be declared missing; or

"(B) if the Secretary determines that a status other than missing may be warranted for the person, appoint a board under this section to carry out an inquiry into the whereabouts or status of the person.

"(b) INQUIRIES INVOLVING MORE THAN ONE MISSING PERSON.—If it appears to the Secretary who appoints a board under this section that the absence or missing status of two or more persons is factually related, the Secretary may appoint a single board under this section to conduct the inquiry into the whereabouts or status of such persons.

"(c) COMPOSITION.—(1) A board appointed under this section to inquire into the whereabouts or status of a person shall consist of at least one military officer who has experience with and understanding of military operations or activities similar to the operation or activity in which the person disappeared.

"(2) An individual may be appointed as a member of a board under this section only if the individual has a security clearance that affords the individual access to all information relating to the whereabouts and status of the missing persons covered by the inquiry.

"(3) The Secretary who appoints a board under this subsection shall, for purposes of providing legal counsel to the board, assign to the board a judge advocate, or appoint to the board an attorney, who has expertise in the law relating to missing persons, the determination of death of such persons, and the rights of family members and dependents of such persons.

"(d) DUTIES OF BOARD.—A board appointed to conduct an inquiry into the whereabouts or status of a missing person under this section shall—

"(1) collect, develop, and investigate all facts and evidence relating to the disappearance, whereabouts, or status of the person;

"(2) collect appropriate documentation of the facts and evidence covered by the investigation;

"(3) analyze the facts and evidence, make findings based on that analysis, and draw conclusions as to the current whereabouts and status of the person; and

"(4) with respect to each person covered by the inquiry, recommend to the Secretary who appointed the board that—

"(A) the person be placed in a missing status; or

"(B) the person be declared to have deserted, to be absent without leave, or to be dead.

"(e) BOARD PROCEEDINGS.—During the proceedings of an inquiry under this section, a board shall—

"(1) collect, record, and safeguard all facts, documents, statements, photographs, tapes, messages, maps, sketches, reports, and other information (whether classified or unclassified) relating to the whereabouts or status of each person covered by the inquiry;

"(2) gather information relating to actions taken to find the person, including any evidence of the whereabouts or status of the person arising from such actions; and

"(3) maintain a record of its proceedings.

"(f) ACCESS TO PROCEEDINGS.—The proceedings of a board during an inquiry under this section shall be closed to the public (including, with respect to the person covered by the inquiry, the primary next of kin, other members of the immediate family, and any other previously designated person of the person).

"(g) RECOMMENDATION ON STATUS OF MISSING PERSONS.—(1) Upon completion of its inquiry, a board appointed under this section shall make a recommendation to the Secretary who appointed the board as to the appropriate determination of the current whereabouts or status of each person whose whereabouts and status were covered by the inquiry.

"(2)(A) A board may not recommend under paragraph (1) that a person be declared dead unless the board determines that the evidence before it established conclusive proof of the death of the person.

"(B) In this paragraph, the term 'conclusive proof of death' means credible evidence establishing that death is the only credible explanation for the absence of the person.

"(h) REPORT.—(1) A board appointed under this section shall submit to the Secretary who appointed the board a report on the inquiry carried out by the board. The report shall include—

"(A) a discussion of the facts and evidence considered by the board in the inquiry;

"(B) the recommendation of the board under subsection (g) with respect to each person covered by the report; and

"(C) disclosure of whether classified documents and information were reviewed by the board or were otherwise used by the board in forming recommendations under subparagraph (B).

"(2) A board shall submit a report under this subsection with respect to the inquiry carried out by the board not later than 30 days after the date of the appointment of the board to carry out the inquiry.

"(3) A report submitted under this subsection with respect to a missing person may not be made public until one year after the date on which the report is submitted, and not without the approval of the primary next of kin of the person.

"(i) DETERMINATION BY SECRETARY.—(1) Not later than 30 days after the receipt of a report from a board under subsection (j), the Secretary receiving the report shall review the report.

"(2) In reviewing a report under paragraph (1) the Secretary shall determine whether or not the report is complete and free of administrative error. If the Secretary determines that the report is incomplete, or that the report is not free of administrative error, the Secretary may return the report to the board for further action on the report by the board.

"(3) Upon a determination by the Secretary that a report reviewed under this subsection is complete and free of administrative error, the Secretary shall make a determination concerning the status of each person covered by the report, including whether the person shall—

"(A) be declared missing;

"(B) be declared to have deserted;

"(C) be declared to be absent without leave; or

"(D) be declared to be dead.

"(j) REPORT TO FAMILY MEMBERS AND OTHER INTERESTED PERSONS.—Not later than 30 days after the date on which the Secretary concerned makes a determination of the status of a person under subsection (a)(2) or (i), the Secretary shall take reasonable actions to—

"(1) provide to the primary next of kin, the other members of the immediate family, and any other previously designated person of the person—

"(A) an unclassified summary of the unit commander's report with respect to the person under section 1502(a) of this title; and

"(B) if a board was appointed to carry out an inquiry into the person under this section, the report of the board (including the names of the members of the board) under subsection (h); and

"(2) inform each individual referred to in paragraph (1) that the United States will conduct a subsequent inquiry into the whereabouts or status of the person on or about one year after the date of the first official notice of the disappearance of the person, unless information becomes available sooner that may result in a change in status of the person.

"(k) TREATMENT OF DETERMINATION.—Any determination of the status of a missing person under subsection (a)(2) or (i) shall be treated as the determination of the status of the person by all departments and agencies of the United States.

"§1504. Subsequent board of inquiry

"(a) ADDITIONAL BOARD.—If information that may result in a change of status of a person covered by a determination under subsection (a)(2) or (i) of section 1503 of this title becomes available within one year after the date of the transmission of a report with respect to the person under section 1502(a)(2) of this title, the Secretary concerned shall appoint a board under this section to conduct an inquiry into the information.

"(b) DATE OF APPOINTMENT.—The Secretary concerned shall appoint a board under this section to conduct an inquiry into the whereabouts and status of a missing person on or about one year after the date of the transmission of a report concerning the person under section 1502(a)(2) of this title.

"(c) COMBINED INQUIRIES.—If it appears to the Secretary concerned that the absence or status of two or more persons is factually related, the Secretary may appoint one board under this section to conduct the inquiry into the whereabouts or status of such persons.

"(d) COMPOSITION.—(1) Subject to paragraphs (2) and (3), a board appointed under this section shall consist of not less than three officers having the grade of major or lieutenant commander or above.

"(2) The Secretary concerned shall designate one member of a board appointed under this section as president of the board. The president of the board shall have a security clearance that affords the president access to all information relating to the whereabouts and status of each person covered by the inquiry.

"(3) One member of each board appointed under this subsection shall be an individual who—

"(A) has a occupational specialty similar to that of one or more of the persons covered by the inquiry; and

"(B) has an understanding of and expertise in the type of official activities that one or more such persons were engaged in at the time such person or persons disappeared.

"(4) The Secretary who appoints a board under this subsection shall, for purposes of providing legal counsel to the board, assign to the board a judge advocate, or appoint to the board an attorney, who has expertise in the law relating to missing persons, the determination of death of such persons, and the rights of family members and dependents of such persons.

"(e) DUTIES OF BOARD.—A board appointed under this section to conduct an inquiry into the whereabouts or status of a person shall—

"(1) review the report with respect to the person transmitted under section 1502(a)(2) of this title, and the report, if any, submitted under subsection (h) of section 1503 of this title by the board appointed to conduct inquiry into the status of the person under such section 1503;

"(2) collect and evaluate any document, fact, or other evidence with respect to the whereabouts or status of the person that has become available since the determination of the status of the person under section 1503 of this title;

"(3) draw conclusions as to the whereabouts or status of the person;

"(4) determine on the basis of the activities under paragraphs (1) and (2) whether the status of the person should be continued or changed; and

"(5) submit to the Secretary concerned a report describing the findings and conclusions of the board, together with a recommendation for a determination by the Secretary concerning the whereabouts or status of the person.

"(f) ATTENDANCE OF FAMILY MEMBERS AND CERTAIN OTHER INTERESTED PERSONS AT PROCEEDINGS.—(1) With respect to any person covered by a inquiry under this section, the primary next of kin, other members of the immediate family, and any other previously designated person of the person may attend the proceedings of the board during the inquiry.

"(2) The Secretary concerned shall take reasonable actions to notify each individual referred to in paragraph (1) of the opportunity to attend the proceedings of a board. Such notice shall be provided not less than 60 days before the first meeting of the board.

"(3) An individual who receives notice under paragraph (2) shall notify the Secretary of the intent, if any, of that individual to attend the proceedings of the board not later than 21 days after the date on which the individual receives the notice.

"(4) Each individual who notifies the Secretary under paragraph (3) of the individual's intent to attend the proceedings of the board—

"(A) in the case of a individual who is the primary next of kin or other member of the immediate family of a missing person whose status is a subject of the inquiry and whose receipt of the pay or allowances (including allotments) of the person could be reduced or terminated as a result of a revision in the status of the person, may attend the proceedings of the board with private counsel;

"(B) shall have access to the personnel file of the missing person, to unclassified reports, if any, of the board appointed under section 1503 of this title to conduct the inquiry into the whereabouts and status of the person, and to any other unclassified information or documents relating to the whereabouts and status of the person;

"(C) shall be afforded the opportunity to present information at the proceedings of the board that such individual considers to be relevant to those proceedings; and

"(D) subject to paragraph (5), shall be given the opportunity to submit in writing an objection to any recommendation of the board under subsection (h) as to the status of the missing person.

"(5)(A) Individuals who wish to file objections under paragraph (4)(D) to any recommendation of the board shall—

"(i) submit a letter of intent to the president of the board not later than 2 days after the date on which the recommendations are made; and "(ii) submit to the president of the board the objections in writing not later than 15 days after the date on which the recommendations are made.

"(B) The president of a board shall include any objections to a recommendation of the board that are submitted to the president of the board under subparagraph (A) in the report of the board containing the recommendation under subsection (h).

"(6) An individual referred to in paragraph (1) who attends the proceedings of a board under this subsection shall not be entitled to reimbursement by the United States for any costs (including travel, lodging, meals, local transportation, legal fees, transcription costs, witness expenses, and other expenses) incurred by that individual in attending such proceedings.

"(g) AVAILABILITY OF INFORMATION TO BOARDS.—(1) In conducting proceedings in an inquiry under this section, a board may secure directly from any department or agency of the United States any information that the board considers necessary in order to conduct the proceedings.

"(2) Upon written request from the president of a board, the head of a department or agency of the United States shall release information covered by the request to the board. In releasing such information, the head of the department or agency shall—

"(A) declassify to an appropriate degree classified information; or

"(B) release the information in a mdnner not requiring the removal of markings indicating the classified nature of the information.

"(3)(A) If a request for information under paragraph (2) covers classified information that cannot be declassified, cannot be removed before release from the information covered by the request, or cannot be summarized in a manner that prevents the release of classified information, the classified information shall be made available only to the president of the board making the request.

"(B) The president of a board shall close to persons who do not have appropriate security clearances the proceeding of the board at which classified information is discussed. Participants at a proceeding of a board at which classified information is discussed shall comply with all applicable laws and regulations relating to the disclosure of classified information. The Secretary concerned shall assist the president of a board in ensuring that classified information is not compromised through board proceedings.

"(h) RECOMMENDATION ON STATUS.—(1) Upon completion of an inquiry under this subsection, a board shall make a recommendation as to the current whereabouts or status of each missing person covered by the inquiry.

"(2) A board may not recommend under paragraph (1) that a person be declared dead unless—

"(A) proof of death is established by the board; or

"(B) in making the recommendation, the board complies with section 1507 of this title.

"(i) REPORT.—A board appointed under this section shall submit to the Secretary concerned a report on the inquiry carried out by the board, together with the evidence considered by the board during the inquiry. The report may include a classified annex.

"(j) ACTIONS BY SECRETARY CONCERNED.—(1) Not later than 30 days after the receipt of a report from a board under subsection (i), the Secretary shall review—

"(A) the report; and

"(B) the objections, if any, to the report submitted to the president of the board under subsection (f)(5).

"(2) In reviewing a report under paragraph (1) (including the objections described in subparagraph (B) of that paragraph), the Secretary concerned shall determine whether or not the report is complete and free of administrative error. If the Secretary determines that the report is incomplete, or that the report is not free of administrative error, the Secretary may return the report to the board for further action on the report by the board.

"(3) Upon a determination by the Secretary that a report reviewed under this subsection is complete and free of administrative error, the Secretary shall make a determination concerning the status of each person covered by the report.

"(k) REPORT TO FAMILY MEMBERS AND OTHER INTERESTED PERSONS.—Not later than 60 days after the date on which the Secretary concerned makes a determination with respect to a missing person under subsection (j), the Secretary shall—

"(1) provide an unclassified summary of the report reviewed by the Secretary in making the determination to the primary next of kin, the other members of the immediate family, and any other previously designated person of the person; and

"(2) in the case of a person who continues to be in a missing status, inform each individual referred to in paragraph (1) that the United States will conduct subsequent inquiries into the whereabouts or status of the person upon obtaining credible information that may result in a change in the status of the person.

"(l) TREATMENT OF DETERMINATION.—Any determination of the status of a missing person under subsection (j) shall supersede the determination of the status of the person under section 1503 of this title and shall be treated as the determination of the status of the person by all departments and agencies of the United States.

"§ 1505. Further review

"(a) SUBSEQUENT REVIEW.—(1) The Secretary concerned shall conduct subsequent inquiries into the whereabouts or status of any person determined by the Secretary under section 1504 of this title to be in a missing status.

"(2) The Secretary concerned shall appoint a board to conduct an inquiry with respect to a person under this subsection upon obtaining credible information that may result in a change of status of the person.

"(b) CONDUCT OF PROCEEDINGS.—The appointment of, and activities before, a board appointed under this section shall be governed by the provisions of section 1504 of this title with respect to a board appointed under that section.

"§ 1506. Personnel files

"(a) INFORMATION IN FILES.—Except as provided in subsections (b), (c), and (d), the Secretary of the department having jurisdiction over a missing person at the time of the person's disappearance shall, to the maximum extent practicable, ensure that the personnel file of the person contains all information in the possession of the United States relating to the disappearance and whereabouts or status of the person.

"(b) CLASSIFIED INFORMATION.—(1) The Secretary concerned may withhold classified information from a personnel file under this section.

"(2) If the Secretary concerned withholds classified information from a personnel file, the Secretary shall ensure that the file contains the following:

"(A) A notice that the withheld information exists.

"(B) A notice of the date of the most recent review of the classification of the withheld information.

"(c) PROTECTION OF PRIVACY.—The Secretary concerned shall maintain personnel files under this section, and shall permit disclosure of or access to such files, in accordance with the provisions of section 552a of title 5 and with other applicable laws and regulations pertaining to the privacy of the persons covered by the files.

"(d) PRIVILEGED INFORMATION.—The Secretary concerned shall withhold reports obtained as privileged information from the personnel files under this section. If the Secretary withholds a report from a personnel file under this subsection, the Secretary shall ensure that the file contains a notice that the withheld information exists.

"(e) WRONGFUL WITHHOLDING.—Except as otherwise provided by law, any person who knowingly and willfully withholds from the personnel file of a missing person any information relating to the disappearance or whereabouts or status of a missing person shall be fined as provided in title 18 or imprisoned not more than one year, or both.

"(f) AVAILABILITY OF INFORMATION.—The Secretary concerned shall, upon request, make available the contents of the personnel file of a missing person to the primary next of kin, the other members of the immediate family, or any other previously designated person of the person.

"§ 1507. Recommendation of status of death

"(a) REQUIREMENTS RELATING TO RECOMMENDATION.—A board appointed under section 1504 or 1505 of this title may not recommend that a person be declared dead unless—

"(1) credible evidence exists to suggest that the person is dead;

"(2) the United States possesses no credible evidence that suggests that the person is alive;

"(3) representatives of the United States have made a complete search of the area where the person was last seen (unless, after making a good faith effort to obtain access to such area, such representatives are not granted such access); and

"(4) representatives of the United States have examined the records of the government or entity having control over the area where the person was last seen (unless, after making a good faith effort to obtain access to such records, such representatives are not granted such access).

"(b) SUBMITTAL OF INFORMATION ON DEATH.—If a board appointed under section 1504 or 1505 of this title makes a recommendation that a missing person be declared dead, the board shall, to the maximum extent practicable, include in the report of the board with respect to the person under such section the following:

"(1) A detailed description of the location where the death occurred.

"(2) A statement of the date on which the death occurred.

"(3) A description of the location of the body, if recovered.

"(4) If the body has been recovered and is not identifiable through visual means, a certification by a practitioner of an appropriate forensic science that the body recovered is that of the missing person.

"§ 1508. Return alive of person declared missing or dead

"(a) PAY AND ALLOWANCES.—Any person (except for a person subsequently determined to have been absent without leave or a deserter) in a missing status or declared dead under the Missing Persons Act of 1942 (56 Stat. 143) or chapter 10 of title 37 or by a board appointed under this chapter who is found alive and returned to the control of the United States shall be paid for the full time of the absence of the person while given that status or declared dead under the law and regulations relating to the pay and allowances of persons returning from a missing status.

"(b) EFFECT ON GRATUITIES PAID AS A RESULT OF STATUS.—Subsection (a) shall not be interpreted to invalidate or otherwise affect the receipt by any person of a death gratuity or other *payment from the United States on behalf of a person referred to in subsection (a) before the date of the enactment of this chapter.*

"§1509. Effect on State law

"Nothing in this chapter shall be construed to invalidate or limit the power of any State court or administrative entity, or the power of any court or administrative entity of any political subdivision thereof, to find or declare a person dead for purposes of such State or political subdivision.

"§1510. Definitions

"In this chapter:

"(1) The term 'missing person' means a member of the armed forces on active duty who is in a missing status.

"(2) The term 'missing status' means the status of a missing person who is determined to be absent in a category of—

"(A) missing;

"(B) missing in action;

"(C) interned in a foreign country;

"(D) captured;

"(E) beleaguered;

"(F) besieged; or

"(G) detained.

"(3) The term 'accounted for', with respect to a person in a missing status, means that—

"(A) the person is returned to United States control alive;

"(B) the remains of the person are identified by competent authority; or

"(C) credible evidence exists to support another determination of the person's status.

"(4) The term 'primary next of kin', in the case of a missing person, means the individual authorized to direct disposition of the remains of the person under section 1482(c) of this title.

"(5) The term 'member of the immediate family', in the case of a missing person, means the following:

"(A) The spouse of the person.

"(B) A natural child, adopted child, step child, or illegitimate child (if acknowledged by the person or parenthood has been established by a court of competent jurisdiction) of the person, except that if such child has not attained the age of 18 years, the term means a surviving parent or legal guardian of such child.

"(C) A biological parent of the person, unless legal custody of the person by the parent has been previously terminated by reason of a court decree or otherwise under law and not restored.

"(D) A brother or sister of the person, if such brother or sister has attained the age of 18 years.

"(E) Any other blood relative or adoptive relative of the person, if such relative was given sole legal custody of the person by a court decree or otherwise under law before the person attained the age of 18 years and such custody was not subsequently terminated before that time.

"(6) The term 'previously designated person', in the case of a missing person, means an individual designated by the person under section 655 of this title for purposes of this chapter.

"(7) The term 'classified information' means any information determined as such under applicable laws and regulations of the United States.

"(8) The term 'State' includes the District of Columbia, the Commonwealth of Puerto Rico, and any territory or possession of the United States.

"(9) The term 'Secretary concerned' includes the Secretary of Transportation with respect to the Coast Guard when it is not operating as a service in the Department of the Navy.

"(10) The term 'armed forces' includes Coast Guard personnel operating in conjunction with, in support of, or under the command of a unified combatant command (as that term is used in section 6 of this title).".

(2) The tables of chapters at the beginning of subtitle A, and at the beginning of part II of subtitle A, of title 10, United States Code, are amended by inserting after the item relating to chapter 75 the following new item:

"76. Missing Persons .... 1501".

(c) CONFORMING AMENDMENTS.—Chapter 10 of title 37, United States Code, is amended as follows:

(1) Section 555 is amended—

(A) in subsection (a), by striking out "when a member" and inserting in lieu thereof "except as provided in subsection (d), when a member"; and

(B) by adding at the end the following new subsection:

"(d) This section does not apply in a case to which section 1502 of title 10 applies.".

(2) Section 552 is amended—

(A) in subsection (a), by striking out "for all purposes," in the second sentence of the matter following paragraph (2) and all that follows through the end of the sentence and inserting in lieu thereof "for all purposes.";

(B) in subsection (b), by inserting "or under chapter 76 of title 10" before the period at the end; and

(C) in subsection (e), by inserting "or under chapter 76 of title 10" after "section 555 of this title" after "section 555 of this title".

(3) Section 553 is amended—

(A) in subsection (f), by striking out "the date the Secretary concerned receives evidence that" and inserting in lieu thereof "the date on which, in a case covered by section 555 of this title, the Secretary concerned receives evidence, or, in a case covered by chapter 76 of title 10, the Secretary concerned determines pursuant to that chapter that"; and

(B) in subsection (g), by inserting "or under chapter 76 of title 10" after section 555 of this title".

(4) Section 556 is amended—

(A) in subsection (a), by inserting after paragraph (7) the following: "Paragraphs (1), (5), (6), and (7) shall only apply with respect to a case to which section 555 of this title applies.";

(B) in subsection (b), by inserting ", in a case to which section 555 of this title applies," after "When the Secretary concerned"; and

(C) In subsection (h)—

(i) in the first sentence, by striking out "status" and inserting in lieu thereof "pay"; and

(ii) in the second sentence, by inserting "in a case to which section 555 of this title applies" after "under this section".

(d) DESIGNATION OF INDIVIDUALS HAVING INTEREST IN STATUS OF SERVICE MEMBERS.—(1) Chapter 37 of title 10, United States Code, is amended by adding at the end the following new section:

"§655. Designation of persons having interest in status of a missing member

"(a) The Secretary concerned shall, upon the enlistment or appointment of a person in the armed forces, require that the person specify in writing the person or persons, if any, other than that person's primary next of kin or immediate family, to whom information on the whereabouts or status of the member shall be provided if such whereabouts or status are investigated under chapter 76 of this title. The Secretary shall periodically, and whenever the member is deployed as part of a contingency operation or in other circumstances specified by the Secretary, require that such designation be reconfirmed, or modified, by the member.

"(b) The Secretary concerned shall, upon the request of a member, permit the member to revise the person or persons specified by the member under subsection (a) at any time. Any such revision shall be in writing.".

(2) The table of sections at the beginning of such chapter is amended by adding at the end the following new item:

"655. Designation of persons having interest in status of a missing member.".

(e) ACCOUNTING FOR CIVILIAN EMPLOYEE AND CONTRACTORS OF THE UNITED STATES.—(1) The Secretary of State shall carry out a comprehensive study of the Missing Persons Act of 1942 (56 Stat. 143), and any other laws and regulations establishing procedures for the accounting for of civilian employees of the United States or contractors of the United States who serve with or accompany the Armed Forces in the field. The purpose of the study is to determine the means, if any, by which such procedures may be improved.

(2) The Secretary of State shall carry out the study required under paragraph (1) in consultation with the Secretary of Defense, the Secretary of Transportation, the Director of Central Intelligence, and the heads of such other departments and agencies of the Federal Government as the President shall designate for that purpose.

(3) In carrying out the study, the Secretary of State shall examine the procedures undertaken when a civilian employee referred to in paragraph (1) becomes involuntarily absent as a result of a hostile action, or under circumstances suggesting that the involuntary absence is a result of a hostile action, and whose status is undetermined or who is unaccounted for, including procedures for—

(A) search and rescue for the employee;

(B) determining the status of the employee;

(C) reviewing and changing the status of the employee;

(D) determining the rights and benefits accorded to the family of the employee; and

(E) maintaining and providing appropriate access to the records of the employee and the investigation into the status of the employee.

(4) Not later than one year after the date of the enactment of this Act, the Secretary of State shall submit to the Committee on Armed Services of the Senate and the Committee on National Security of the House of Representatives a report on the study carried out by the Secretary under this subsection. The report shall include the recommendations, if any, of the Secretary for legislation to improve the procedures covered by the study.

SEC. 552. SERVICE NOT CREDITABLE FOR PERIODS OF UNAVAILABILITY OR INCAPACITY DUE TO MISCONDUCT.

(a) ENLISTED SERVICE CREDIT.—Section 972 of title 10, United States Code, is amended—

(1) by striking out paragraphs (3) and (4) and inserting in lieu thereof the following:

"(3) is confined by military or civilian authorities for more than one day in connection with a trial, whether before, during, or after the trial; or"; and

(2) by redesignating paragraph (5) paragraph (4).

(b) OFFICER SERVICE CREDIT.—Chapter 49 of title 10, United States Code, is amended by inserting after section 972 the following new section:

"§972a. Officers: service not creditable

"(a) IN GENERAL.—Except as provided in subsection (b), an officer of an armed force may not receive credit for service in the armed forces for any purpose for a period for which the officer—

"(1) deserts;

"(2) is absent from the officer's organization, station, or duty for more than one day without proper authority, as determined by competent authority;

"(3) is confined by military or civilian authorities for more than one day in connection with a trial, whether before, during, or after the trial; or

"(4) is unable for more than one day, as determined by competent authority, to perform the officer's duties because of intemperate use of

drugs or alcoholic liquor, or because of disease or injury resulting from the officer's misconduct.

"(b) INAPPLICABILITY TO COMPUTATION OF BASIC PAY.—Subsection (a) does not apply to a determination of the amount of basic pay of the officer under section 205 of title 37.".

(c) ARMY COMPUTATION OF YEARS OF SERVICE.—Section 3926 of title 10, United States Code, is amended by adding at the end the following new subsection:

"(e) A period for which service credit is denied under section 972a(a) of this title may not be counted for purposes of computing years of service under this section.".

(d) NAVY COMPUTATION OF YEARS OF SERVICE.—Chapter 571 of title 10, United States Code, is amended by inserting after section 6327 the following new section:

"§6328. Computation of years of service: service not creditable

"(a) ENLISTED MEMBERS.—Years of service computed under this chapter may not include a period of unavailability or incapacity to perform duties that is required under section 972 of this title to be made up by performance of service for an additional period.

"(b) OFFICERS.—A period for which service credit is denied under section 972a(a) of this title may not be counted for purposes of computing years of service under this chapter.".

(e) AIR FORCE COMPUTATION OF YEARS OF SERVICE.—Section 8926 of title 10, United States Code, is amended by adding at the end the following new subsection:

"(d) A period for which service credit is denied under section 972a(a) of this title may not be counted for purposes of computing years of service under this section.".

(f) CLERICAL AMENDMENTS.—(1) The table of sections at the beginning of chapter 49 of title 10, United States Code, is amended by inserting after the item relating to section 972 the following:

"972a. Officers: service not creditable.".

(2) The table of sections at the beginning of chapter 571 of title 10, United States Code, is amended by inserting after the item relating to section 6327 the following new item:

"6328. Computation of years of service: service not creditable.".

(g) EFFECTIVE DATE AND APPLICABILITY.—The amendments made by this section shall take effect on October 1, 1995, and shall apply to occurrences on or after that date of unavailability or incapacity to perform duties as described in section 972 or 972a of title 10, United States Code, as the case may be.

SEC. 553. SEPARATION IN CASES INVOLVING EXTENDED CONFINEMENT.

(a) SEPARATION.—(1)(A) Chapter 59 of title 10, United States Code, is amended by adding at the end the following:

"§1178. Persons under confinement for one year or more

"Except as otherwise provided in regulations prescribed by the Secretary of Defense, a person sentenced by a court-martial to a period of confinement for one year or more may be separated from the person's armed force at any time after the sentence to confinement has become final under chapter 47 of this title and the person has served in confinement for a period of one year.".

(B) The table of sections at the beginning of chapter 59 of such title is amended by inserting at the end thereof the following new item:

"1178. Persons under confinement for one year or more.".

(2)(A) Chapter 1221 of title 10, United States Code, is amended by adding at the end the following:

"§12687. Persons under confinement for one year or more

"Except as otherwise provided in regulations prescribed by the Secretary of Defense, a Reserve sentenced by a court-martial to a period of confinement for one year or more may be separated from the person's armed force at any time after the sentence to confinement has become final under chapter 47 of this title and the person has served in confinement for a period of one year.".

(B) The table of sections at the beginning of chapter 1221 of such title is amended by inserting at the end thereof the following new item:

"12687. Persons under confinement for one year or more.".

(b) DROP FROM ROLLS.—(1) Section 1161(b) of title 10, United States Code, is amended by striking out "or (2)" and inserting in lieu thereof "(2) who may be separated under section 1178 of this title by reason of a sentence to confinement adjudged by a court-martial, or (3)".

(2) Section 12684 of such title is amended—

(A) by striking out "or" at the end of paragraph (1);

(B) by redesignating paragraph (2) as paragraph (3); and

(C) by inserting after paragraph (1) the following new paragraph (2):

"(2) who may be separated under section 12687 of this title by reason of a sentence to confinement adjudged by a court-martial; or".

SEC. 554. DURATION OF FIELD TRAINING OR PRACTICE CRUISE REQUIRED UNDER THE SENIOR RESERVE OFFICERS' TRAINING CORPS PROGRAM.

Section 2104(b)(6)(A)(ii) of title 10, United States Code, is amended by striking out "not less than six weeks' duration" and inserting in lieu thereof "a duration".

SEC. 555. CORRECTION OF MILITARY RECORDS.

(a) REVIEW OF PROCEDURES.—The Secretary of each military department shall review the system and procedures used by the Secretary in the exercise of authority under section 1552 of title 10, United States Code, in order to identify potential improvements that could be made in the process for correcting military records to ensure fairness, equity, and, consistent with appropriate service to applicants, maximum efficiency.

(b) ISSUES REVIEWED.—In conducting the review, the Secretary shall consider the following issues:

(1) The composition of the board for correction of military records and of the support staff for the board.

(2) Timeliness of final action.

(3) Independence of deliberations by the civilian board for the correction of military records.

(4) The authority of the Secretary to modify the recommendations of the board.

(5) Burden of proof and other evidentiary standards.

(6) Alternative methods for correcting military records.

(c) REPORT.—(1) Not later than April 1, 1996, the Secretary of each military department shall submit a report on the results of the Secretary's review under this section to the Secretary of Defense. The report shall contain the recommendations of the Secretary of the military department for improving the process for correcting military records in order to achieve the objectives referred to in subsection (a).

(2) The Secretary of Defense shall immediately transmit a copy of the report to the Committee on Armed Services of the Senate and the Committee on National Security of the House of Representatives.

SEC. 556. LIMITATION ON REDUCTIONS IN MEDICAL PERSONNEL.

(a) LIMITATION ON REDUCTIONS.—Unless the Secretary of Defense makes the certification described in subsection (b) for a fiscal year, the Secretary may not reduce the number of medical personnel of the Department of Defense—

(1) in fiscal year 1996, to a number that is less than—

(A) 95 percent of the number of such personnel at the end of fiscal year 1994; or

(B) 90 percent of the number of such personnel at the end of fiscal year 1993; and

(2) in any fiscal year beginning after September 30, 1996, to a number that is less than—

(A) 95 percent of the number of such personnel at the end of the immediately preceding fiscal year; or

(B) 90 percent of the number of such personnel at the end of the third fiscal year preceding the fiscal year.

(b) CERTIFICATION.—The Secretary may make a reduction described in subsection (a) if the Secretary certifies to Congress that—

(1) the number of medical personnel of the Department that is being reduced is excess to the current and projected needs of the military departments; and

(2) such reduction will not result in an increase in the cost of health care services provided under the Civilian Health and Medical Program of the Uniformed Services.

(c) REPORT ON PLANNED REDUCTIONS.—Not later than March 1, 1996, the Assistant Secretary of Defense having responsibility for health affairs, in consultation with Surgeon General of the Army, the Surgeon General of the Navy, and the Surgeon General of the Air Force, shall submit to the congressional defense committees a plan for the reduction of the number of medical personnel of the Department of Defense over the 5-year period beginning on October 1, 1996.

(d) REPEAL OF OBSOLETE PROVISIONS OF LAW.—(1) Section 711 of the National Defense Authorization Act for Fiscal Year 1991 (10 U.S.C. 115 note) is repealed.

(2) Section 718 of the National Defense Authorization Act for Fiscal Years 1992 and 1993 (Public Law 102–190; 105 Stat. 1404; 10 U.S.C. 115 note) is amended by striking out subsection (b).

(3) Section 518 of the National Defense Authorization Act for Fiscal Year 1993 (Public Law 102–484; 106 Stat. 2407) is repealed.

(e) DEFINITION.—For purposes of this section, the term "medical personnel" has the meaning given such term in section 115a(g)(2) of title 10, United States Code, except that such term includes civilian personnel of the Department of Defense assigned to military medical facilities.

SEC. 557. REPEAL OF REQUIREMENT FOR ATHLETIC DIRECTOR AND NONAPPROPRIATED FUND ACCOUNT FOR THE ATHLETICS PROGRAMS AT THE SERVICE ACADEMIES.

(a) UNITED STATES MILITARY ACADEMY.—(1) Section 4357 of title 10, United States Code, is repealed.

(2) The table of sections at the beginning of chapter 403 of such title is amended by striking out the item relating to section 4357.

(b) UNITED STATES NAVAL ACADEMY.—Section 556 of the National Defense Authorization Act for Fiscal Year 1995 (Public Law 103–337; 108 Stat. 2774) is amended by striking out subsections (b), (d), and (e).

(c) UNITED STATES AIR FORCE ACADEMY.—(1) Section 9356 of title 10, United States Code, is repealed.

(2) The table of sections at the beginning of chapter 903 of such title is amended by striking out the item relating to section 9356.

SEC. 558. PROHIBITION ON USE OF FUNDS FOR SERVICE ACADEMY PREPARATORY SCHOOL TEST PROGRAM.

Notwithstanding any other provision of law, none of the funds authorized to be appropriated by this Act, or otherwise made available, to the

Department of Defense may be obligated to carry out a test program for determining the cost effectiveness of transferring to the private sector the mission of operating one or more preparatory schools for the United States Military Academy, the United States Naval Academy, and the United States Air Force Academy.

SEC. 559. CENTRALIZED JUDICIAL REVIEW OF DEPARTMENT OF DEFENSE PERSONNEL ACTIONS.

(a) ESTABLISHMENT.—The Secretary of Defense and the Attorney General shall jointly establish an advisory panel on centralized review of Department of Defense administrative personnel actions.

(b) MEMBERSHIP.—(1) The panel shall be composed of five members appointed as follows:

(A) One member appointed by the Chief Justice of the United States.

(B) Three members appointed by the Secretary of Defense.

(C) One member appointed by the Attorney General.

(2) The Secretary of Defense shall designate one of the members appointed under paragraph (1)(B) to serve as chairman of the panel.

(3) All members shall be appointed not later than 30 days after the date of the enactment of this Act.

(4) The panel shall meet at the call of the chairman. The panel shall hold its first meeting not later than 30 days after the date on which all members have been appointed.

(c) DUTIES.—The panel shall review, and provide findings and recommendations in accordance with subsection (d) regarding, the following matters:

(1) Whether the existing practices with regard to judicial review of administrative personnel actions of the Department of Defense are appropriate and adequate.

(2) Whether a centralized judicial review of administrative personnel actions should be established.

(3) Whether the United States Court of Appeals for the Armed Forces should conduct such reviews.

(d) REPORT.—(1) Not later than December 15, 1996, the panel shall submit a report on the findings and recommendations of the panel to the Secretary of Defense and the Attorney General.

(2) Not later than January 1, 1997, the Secretary of Defense and the Attorney General shall jointly transmit the panel's report to Congress. The Secretary and the Attorney General may include in the transmittal any joint comments on the report that they consider appropriate, and either such official may include in the transmittal any separate comments on the report that such official considers appropriate.

(e) TERMINATION OF PANEL.—The panel shall terminate 30 days after the date of submission of the report to the Secretary of Defense and the Attorney General under subsection (d).

SEC. 560. DELAY IN REORGANIZATION OF ARMY ROTC REGIONAL HEADQUARTERS STRUCTURE.

(a) DELAY.—The Secretary of the Army may not take any action to reorganize the regional headquarters and basic camp structure of the Reserve Officers Training Corps program of the Army until six months after the date on which the report required by subsection (d) is submitted.

(b) COST-BENEFIT ANALYSIS.—The Secretary of the Army shall conduct a comparative cost-benefit analysis of various options for the reorganization of the regional headquarters and basic camp structure of the Army ROTC program. As part of such analysis, the Secretary shall measure each reorganization option considered against a common set of criteria.

(c) SELECTION OF REORGANIZATION OPTION FOR IMPLEMENTATION.—Based on the findings resulting from the cost-benefit analysis under subsection (b) and such other factors as the Secretary considers appropriate, the Secretary shall select one reorganization option for implementation. The Secretary may select an option for implementation only if the Secretary finds that the cost-benefit analysis and other factors considered clearly demonstrate that such option, better than any other option considered—

(1) provides the structure to meet projected mission requirements;

(2) achieves the most significant personnel and cost savings;

(3) uses existing basic and advanced camp facilities to the maximum extent possible;

(4) minimizes additional military construction costs; and

(5) makes maximum use of the reserve components to support basic and advanced camp operations, thereby minimizing the effect of those operations on active duty units.

(d) REPORT.—Not later than 60 days after the date of the enactment of this Act, the Secretary of the Army shall submit to the Committee on Armed Services of the Senate and the Committee on National Security of the House of Representatives a report describing the reorganization option selected under subsection (c). The report shall include the results of the cost-benefit analysis under subsection (b) and a detailed rationale for the reorganization option selected.

TITLE VI—COMPENSATION AND OTHER PERSONNEL BENEFITS

Subtitle A—Pay and Allowances

SEC. 601. MILITARY PAY RAISE FOR FISCAL YEAR 1996.

(a) WAIVER OF SECTION 1009 ADJUSTMENT.—Any adjustment required by section 1009 of title 37, United States Code, in elements of compensation of members of the uniformed services to become effective during fiscal year 1996 shall not be made.

(b) INCREASE IN BASIC PAY AND BAS.—Effective on January 1, 1996, the rates of basic pay and basic allowance for subsistence of members of the uniformed services are increased by 2.4 percent.

(c) INCREASE IN BAQ.—Effective on January 1, 1996, the rates of basic allowance for quarters of members of the uniformed services are increased by 5.2 percent.

SEC. 602. ELECTION OF BASIC ALLOWANCE FOR QUARTERS INSTEAD OF ASSIGNMENT TO INADEQUATE QUARTERS.

(a) ELECTION AUTHORIZED.—Section 403(b) of title 37, United States Code, is amended—

(1) by inserting "(1)" after "(b)";

(2) by designating the second sentence as paragraph (2) and, as so designated, by striking out "However, subject" and inserting in lieu thereof "Subject"; and

(3) by adding at the end the following:

"(3) A member without dependents who is in pay grade E-6 and who is assigned to quarters of the United States that do not meet the minimum adequacy standards established by the Department of Defense for members in such pay grade, or to a housing facility under the jurisdiction of a uniformed service that does not meet such standards, may elect not to occupy such quarters or facility and instead to receive the basic allowance for quarters prescribed for his pay grade by this section.".

(b) EFFECTIVE DATE.—The amendments made by this section shall take effect on July 1, 1996.

SEC. 603. PAYMENT OF BASIC ALLOWANCE FOR QUARTERS TO MEMBERS OF THE UNIFORMED SERVICES IN PAY GRADE E-6 WHO ARE ASSIGNED TO SEA DUTY.

(a) PAYMENT AUTHORIZED.—Section 403(c)(2) of title 37, United States Code, is amended—

(1) in the first sentence, by striking out "E-7" and inserting in lieu thereof "E-6"; and

(2) in the second sentence, by striking out "E-6" and inserting in lieu thereof "E-5".

(b) EFFECTIVE DATE.—The amendments made by this section shall take effect on July 1, 1996.

SEC. 604. LIMITATION ON REDUCTION OF VARIABLE HOUSING ALLOWANCE FOR CERTAIN MEMBERS.

(a) LIMITATION ON REDUCTION IN VHA.—Subsection (c)(3) of section 403a of title 37, United States Code, is amended by adding at the end the following new sentence: "However, on and after January 1, 1996, the monthly amount of a variable housing allowance under this section for a member of a uniformed service with respect to an area may not be reduced so long as the member retains uninterrupted eligibility to receive a variable housing allowance within that area and the member's certified housing costs are not reduced, as indicated by certifications provided by the member under subsection (b)(4).".

(b) EFFECT ON TOTAL AMOUNT AVAILABLE FOR VHA.—Subsection (d)(3) of such section is amended by inserting after the first sentence the following new sentence: "In addition, the total amount determined under paragraph (1) shall be adjusted to ensure that sufficient amounts are available to allow payment of any additional amounts of variable housing allowance necessary as a result of the requirements of the second sentence of subsection (c)(3).".

(c) REPORT ON IMPLEMENTATION.—Not later than June 1, 1996, the Secretary of Defense shall submit to Congress a report describing the procedures to be used to implement the amendments made by this section and the costs of such amendments.

SEC. 605. CLARIFICATION OF LIMITATION ON ELIGIBILITY FOR FAMILY SEPARATION ALLOWANCE.

Section 427(b)(4) of title 37, United States Code, is amended by inserting "paragraph (1)(A) of" after "not entitled to an allowance under" in the first sentence.

Subtitle B—Bonuses and Special and Incentive Pays

SEC. 611. EXTENSION OF CERTAIN BONUSES FOR RESERVE FORCES.

(a) SELECTED RESERVE REENLISTMENT BONUS.—Section 308b(f) of title 37, United States Code, is amended by striking out "September 30, 1996" and inserting in lieu thereof "September 30, 1997".

(b) SELECTED RESERVE ENLISTMENT BONUS.—Section 308c(e) of title 37, United States Code, is amended by striking out "September 30, 1996" and inserting in lieu thereof "September 30, 1997".

(c) SELECTED RESERVE AFFILIATION BONUS.—Section 308e(e) of title 37, United States Code, is amended by striking out "September 30, 1996" and inserting in lieu thereof "September 30, 1997".

(d) READY RESERVE ENLISTMENT AND REENLISTMENT BONUS.—Section 308h(g) of title 37, United States Code, is amended by striking out "September 30, 1996" and inserting in lieu thereof "September 30, 1997".

(e) PRIOR SERVICE ENLISTMENT BONUS.—Section 308i(i) of title 37, United States Code, is amended by striking out "September 30, 1996" and inserting in lieu thereof "September 30, 1997".

SEC. 612. EXTENSION OF CERTAIN BONUSES AND SPECIAL PAY FOR NURSE OFFICER CANDIDATES, REGISTERED NURSES, AND NURSE ANESTHETISTS.

(a) NURSE OFFICER CANDIDATE ACCESSION PROGRAM.—Section 2130a(a)(1) of title 10, United States Code, is amended by striking out "September 30, 1996" and inserting in lieu thereof "September 30, 1997".

(b) ACCESSION BONUS FOR REGISTERED NURSES.—Section 302d(a)(1) of title 37, United

States Code, is amended by striking out "September 30, 1996" and inserting in lieu thereof "September 30, 1997".

(c) INCENTIVE SPECIAL PAY FOR NURSE ANESTHETISTS.—Section 302e(a)(1) of title 37, United States Code, is amended by striking out "September 30, 1996" and inserting in lieu thereof "September 30, 1997".

SEC. 613. EXTENSION OF AUTHORITY RELATING TO PAYMENT OF OTHER BONUSES AND SPECIAL PAYS.

(a) AVIATION OFFICER RETENTION BONUS.—Section 301b(a) of title 37, United States Code, is amended by striking out "September 30, 1996," and inserting in lieu thereof "September 30, 1997".

(b) REENLISTMENT BONUS FOR ACTIVE MEMBERS.—Section 308(g) of title 37, United States Code, is amended by striking out "September 30, 1996" and inserting in lieu thereof "September 30, 1997".

(c) ENLISTMENT BONUSES FOR CRITICAL SKILLS.—Sections 308a(c) and 308f(c) of title 37, United States Code, are each amended by striking out "September 30, 1996" and inserting in lieu thereof "September 30, 1997".

(d) SPECIAL PAY FOR ENLISTED MEMBERS OF THE SELECTED RESERVE ASSIGNED TO CERTAIN HIGH PRIORITY UNITS.—Section 308d(c) of title 37, United States Code, is amended by striking out "September 30, 1996" and inserting in lieu thereof "September 30, 1997".

(e) REPAYMENT OF EDUCATION LOANS FOR CERTAIN HEALTH PROFESSIONALS WHO SERVE IN THE SELECTED RESERVE.—Section 16302(d) of title 10, United States Code, is amended by striking out "October 1, 1996" and inserting in lieu thereof "October 1, 1997".

(f) SPECIAL PAY FOR CRITICALLY SHORT WARTIME HEALTH SPECIALISTS IN THE SELECTED RESERVES.—Section 613(d) of the National Defense Authorization Act, Fiscal Year 1989 (37 U.S.C. 302 note) is amended by striking out "September 30, 1996" and inserting in lieu thereof "September 30, 1997".

(g) SPECIAL PAY FOR NUCLEAR QUALIFIED OFFICERS EXTENDING PERIOD OF ACTIVE SERVICE.—Section 312(e) of title 37, United States Code, is amended by striking out "September 30, 1996" and inserting in lieu thereof "September 30, 1997".

(h) NUCLEAR CAREER ACCESSION BONUS.—Section 312b(c) of title 37, United States Code, is amended by striking out "September 30, 1996" and inserting in lieu thereof "September 30, 1997".

(i) NUCLEAR CAREER ANNUAL INCENTIVE BONUS.—Section 312c(d) of title 37, United States Code, is amended by striking out "October 1, 1996" and inserting in lieu thereof "October 1, 1997".

SEC. 614. HAZARDOUS DUTY INCENTIVE PAY FOR WARRANT OFFICERS AND ENLISTED MEMBERS SERVING AS AIR WEAPONS CONTROLLERS.

Section 301 of title 37, United States Code, is amended—

(1) in subsection (a)(11), by striking out "an officer (other than a warrant officer)" and inserting in lieu thereof "a member of a uniformed service"; and

(2) in subsection (c)(2)—

(A) by striking out "an officer" each place it appears and inserting in lieu thereof "a member";

(B) in subparagraph (A), by striking out the table and inserting in lieu thereof the following:

"Pay grade	Years of service as an air weapons controller														
	2 or less	Over 2	Over 3	Over 4	Over 6	Over 8	Over 10	Over 12	Over 14	Over 16	Over 18	Over 20	Over 22	Over 24	Over 25
"O-7 and above	$200	$200	$200	$200	$200	$200	$200	$200	$200	$200	$200	$200	$200	$200	$110
"O-6	225	250	300	325	350	350	350	350	350	350	350	300	250	250	225
"O-5	200	250	300	325	350	350	350	350	350	350	350	300	250	250	225
"O-4	175	225	275	300	350	350	350	350	350	350	350	300	250	250	225
"O-3	125	156	188	206	350	350	350	350	350	350	300	275	250	225	200
"O-2	125	156	188	206	250	300	300	300	300	300	275	245	210	200	180
"O-1	125	156	188	206	250	250	250	250	250	250	245	210	200	180	150
"W-4	200	225	275	300	325	325	325	325	325	325	325	276	250	225	200
"W-3	175	225	275	300	325	325	325	325	325	325	325	325	250	225	200
"W-2	150	200	250	275	325	325	325	325	325	325	325	275	250	225	200
"W-1	100	125	150	175	325	325	325	325	325	325	325	275	250	225	200
"E-9	200	225	250	275	300	300	300	300	300	300	300	275	230	200	200
"E-8	200	225	250	275	300	300	300	300	300	300	300	265	230	200	200
"E-7	175	200	225	250	275	275	275	300	300	300	300	265	230	200	200
"E-6	156	175	200	225	250	250	250	300	300	300	300	265	230	200	200
"E-5	125	156	175	188	200	200	200	250	250	250	250	225	200	175	150
"E-4 and below	125	156	175	188	200	200	200	200	200	200	200	175	150	125	125";

and

(C) in subparagraph (B), by striking out "the officer" each place it appears and inserting in lieu thereof "the member".

SEC. 615. AVIATION CAREER INCENTIVE PAY.

(a) YEARS OF OPERATIONAL FLYING DUTIES REQUIRED.—Paragraph (4) of section 301a(a) of title 37, United States Code, is amended in the first sentence by striking out "9" and inserting in lieu thereof "8".

(b) EXERCISE OF WAIVER AUTHORITY.—Paragraph (5) of such section is amended by inserting after the second sentence the following new sentence: "The Secretary concerned may not delegate the authority in the preceding sentence to permit the payment of incentive pay under this subsection.".

SEC. 616. CLARIFICATION OF AUTHORITY TO PROVIDE SPECIAL PAY FOR NURSES.

Section 302c(d)(1) of title 37, United States Code, is amended—

(1) by striking out "or an officer" and inserting in lieu thereof "an officer"; and

(2) by inserting before the semicolon the following: ", an officer of the Nurse Corps of the Army or Navy, or an officer of the Air Force designated as a nurse".

SEC. 617. CONTINUOUS ENTITLEMENT TO CAREER SEA PAY FOR CREW MEMBERS OF SHIPS DESIGNATED AS TENDERS.

Section 305a(d)(1) of title 37, United States Code, is amended by striking out subparagraph (A) and inserting in lieu thereof the following:

"(A) while permanently or temporarily assigned to a ship, ship-based staff, or ship-based aviation unit and—

"(i) while serving on a ship the primary mission of which is accomplished while under way;

"(ii) while serving as a member of the off-crew of a two-crewed submarine; or

"(iii) while serving as a member of a tender-class ship (with the hull classification of submarine or destroyer); or".

SEC. 618. INCREASE IN MAXIMUM RATE OF SPECIAL DUTY ASSIGNMENT PAY FOR ENLISTED MEMBERS SERVING AS RECRUITERS.

(a) SPECIAL MAXIMUM RATE FOR RECRUITERS.—Section 307(a) of title 37, United States Code, is amended by adding at the end the following new sentence: "In the case of a member who is serving as a military recruiter and is eligible for special duty assignment pay under this subsection by reason of such duty, the Secretary *concerned may increase the monthly rate of special duty assignment pay for the member to not more than $375.".*

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall take effect on January 1, 1996.

Subtitle C—Travel and Transportation Allowances

SEC. 621. CALCULATION ON BASIS OF MILEAGE TABLES OF SECRETARY OF DEFENSE: REPEAL OF REQUIREMENT.

Section 404(d)(1)(A) of title 37, United States Code, is amended by striking out ", based on distances established over the shortest usually traveled route, under mileage tables prepared under the direction of the Secretary of Defense".

SEC. 622. DEPARTURE ALLOWANCES.

(a) ELIGIBILITY WHEN EVACUATION AUTHORIZED BUT NOT ORDERED.—Section 405a(a) of title 37, United States Code, is amended by striking out "ordered" each place it appears and inserting in lieu thereof "authorized or ordered".

(b) EFFECTIVE DATE AND APPLICABILITY.—The amendment made by subsection (a) shall take effect on October 1, 1995, and shall apply to persons authorized or ordered to depart as described in section 405a(a) of title 37, United States Code, on or after such date.

SEC. 623. DISLOCATION ALLOWANCE FOR MOVES RESULTING FROM A BASE CLOSURE OR REALIGNMENT.

Section 407(a) of title 37, United States Code, is amended by—

(1) by striking out "or" at the end of paragraph (3);

(2) by striking out the period at the end of paragraph (4) and inserting in lieu thereof "; or"; and

(3) by adding at the end the following:

"(5) the member is ordered to move in connection with the closure or realignment of a military installation and, as a result, the member's dependents actually move or, in the case of a member without dependents, the member actually moves.".

SEC. 624. TRANSPORTATION OF NONDEPENDENT CHILD FROM SPONSOR'S STATION OVERSEAS AFTER LOSS OF DEPENDENT STATUS WHILE OVERSEAS.

Section 406(h)(1) of title 37, United States Code, is amended by striking out the last sentence and inserting in lieu thereof the following new sentence: "If a member receives for an unmarried child of the member transportation in kind to the member's station outside the United States or in Hawaii or Alaska, reimbursement therefor, or a monetary allowance in place thereof and, while the member is serving at that station, the child ceases to be a dependent of the member by reason of ceasing to satisfy an age requirement in section 401(a)(2) of this title or ceasing to be enrolled in an institution of higher education as described in subparagraph (C) of such section, the child shall be treated as a dependent of the member for purposes of this subsection.".

Subtitle D—Commissaries and Nonappropriated Fund Instrumentalities

SEC. 631. USE OF COMMISSARY STORES BY MEMBERS OF THE READY RESERVE.

(a) PERIOD OF USE.—Section 1063 of title 10, United States Code, is amended—

(1) in subsection (a)(1)—

(A) by inserting "for a period of one year on the same basis as members on active duty" before the period at the end of the first sentence; and

(B) by striking out the second sentence;

(2) by striking out subsection (b); and

(3) by redesignating subsection (c) as subsection (b).

(b) CONFORMING AND CLERICAL AMENDMENTS.—(1) The heading for such section is amended to read as follows:

"§1063. Commissary stores: use by members of the Ready Reserve".

(2) The item relating to such section in the table of sections at the beginning of chapter 54 of title 10, United State Code, is amended to read as follows:

"1063. Commissary stores: use by members of the Ready Reserve.".

SEC. 632. USE OF COMMISSARY STORES BY RETIRED RESERVES UNDER AGE 60 AND THEIR SURVIVORS.

(a) ELIGIBILITY.—Section 1064 of title 10, United States Code, is amended to read as follows:

"§1064. Commissary stores: use by retired Reserves under age 60 and their survivors

"(a) RETIRED RESERVES UNDER AGE 60.—Members of the reserve components under 60 years of age who, but for age, would be eligible for retired pay under chapter 1223 of this title (or under chapter 67 of this title as in effect before December 1, 1994) shall be authorized to use commissary stores of the Department of Defense on the same basis as members and former members of the armed forces who have retired entitled to retired or retainer pay under chapter 367, 571, or 867 of this title.

"(b) SURVIVORS.—If a person authorized to use commissary stores under subsection (a) dies before attaining 60 years of age, the surviving dependents of the deceased person shall be authorized to use commissary stores of the Department of Defense on the same basis as the surviving dependents of persons who die after being retired entitled to retired or retainer pay under chapter 367, 571, or 867 of this title.

"(c) USE SUBJECT TO REGULATIONS.—Use of commissary stores under this section is subject to regulations prescribed by the Secretary of Defense.".

(b) CLERICAL AMENDMENT.—The item relating to such section in the table of sections at the beginning of chapter 54 of title 10, United States Code, is amended to read as follows:

"1064. Commissary stores: use by retired Reserves under age 60 and their survivors.".

SEC. 633. USE OF MORALE, WELFARE, AND RECREATION FACILITIES BY MEMBERS OF RESERVE COMPONENTS AND DEPENDENTS: CLARIFICATION OF ENTITLEMENT.

Section 1065 of title 10, United States Code, is amended to read as follows:

"§1065. Use of certain morale, welfare, and recreation facilities by members of reserve components and dependents

"(a) MEMBERS OF THE SELECTED RESERVE.—Members of the Selected Reserve in good standing (as determined by the Secretary concerned) shall be permitted to use MWR retail facilities on the same basis as members on active duty.

"(b) MEMBERS OF READY RESERVE NOT IN SELECTED RESERVE.—Subject to such regulations as the Secretary of Defense may prescribe, members of the Ready Reserve (other than members of the Selected Reserve) may be permitted to use MWR retail facilities on the same basis as members serving on active duty.

"(c) RETIREES UNDER AGE 60.—Members of the reserve components under 60 years of age who, but for age, would be eligible for retired pay under chapter 1223 of this title (or under chapter 67 of this title as in effect before December 1, 1994) shall be permitted to use MWR retail facilities on the same basis as members and former members of the armed forces who have retired entitled to retired or retainer pay under chapter 367, 571, or 867 of this title.

"(d) DEPENDENTS.—(1) Dependents of members referred to in subsection (a) shall be permitted to use MWR retail facilities on the same basis as dependents of members on active duty.

"(2) Dependents of members referred to in subsection (c) shall be permitted to use MWR retail facilities on the same basis as dependents of members and former members of the armed forces who have retired entitled to retired or retainer pay under chapter 367, 571, or 867 of this title.

"(e) MWR RETAIL FACILITY DEFINED.—In this section, the term 'MWR retail facilities' means exchange stores and other revenue generating facilities operated by nonappropriated fund activities of the Department of Defense for the morale, welfare, and recreation of members of the armed forces.".

Subtitle E—Other Matters

SEC. 641. COST-OF-LIVING INCREASES FOR RETIRED PAY.

(a) MODIFICATION OF DELAYS.—Clause (ii) of section 1401a(b)(2)(B) of title 10, United States Code, is amended—

(1) by striking out "1994, 1995, 1996, or 1997" and inserting in lieu thereof "1994 or 1995"; and

(2) by striking out "September" and inserting in lieu thereof "March".

(b) CONFORMING AMENDMENT.—The captions for such section 1401a(2)(B) and for clause (ii) of such section are amended by striking out "THROUGH 1998" and inserting in lieu thereof "THROUGH 1996".

(c) REPEAL OF SUPERSEDED PROVISION.—Section 8114A of Public Law 103–335 (108 Stat. 2648) is repealed.

SEC. 642. ELIGIBILITY FOR RETIRED PAY FOR NON-REGULAR SERVICE DENIED FOR MEMBERS RECEIVING CERTAIN SENTENCES IN COURTS-MARTIAL.

Section 12731 of title 10, United States Code, is amended—

(1) by redesignating subsections (d), (e), and (f) as subsections (e), (f), and (g), respectively; and

(2) by inserting after subsection (c) the following new subsection:

"(d) A person who is convicted of an offense under the Uniform Code of Military Justice (chapter 47 of this title), and whose executed sentence includes death, a dishonorable discharge, a bad conduct discharge, or (in the case of an officer) a dismissal is not eligible for retired pay under this chapter.".

SEC. 643. RECOUPMENT OF ADMINISTRATIVE EXPENSES IN GARNISHMENT ACTIONS.

(a) IN GENERAL.—Subsection (j) of section 5520a of title 5, United States Code, is amended by striking out paragraph (2) and inserting in lieu thereof the following new paragraph (2):

"(2) Such regulations shall provide that an agency's administrative costs in executing legal process to which the agency is subject under this section shall be deducted from the amount withheld from the pay of the employee concerned pursuant to the legal process.".

(b) INVOLUNTARY ALLOTMENTS OF PAY OF MEMBERS OF THE UNIFORMED SERVICES.—Subsection (k) of such section is amended—

(1) by redesignating paragraph (3) as paragraph (4); and

(2) by inserting after paragraph (2) the following new paragraph (3):

"(3) Regulations under this subsection may also provide that the administrative costs in establishing and maintaining an involuntary allotment be deducted from the amount withheld from the pay of the member of the uniformed services concerned pursuant to such regulations.".

(c) DISPOSITION OF AMOUNTS WITHHELD FOR ADMINISTRATIVE EXPENSES.—Such section is further amended by adding at the end the following:

"(l) The amount of an agency's administrative costs deducted under regulations prescribed pursuant to subsection (j)(2) or (k)(2) shall be credited to the appropriation, fund, or account from which such administrative costs were paid.".

SEC. 644. AUTOMATIC MAXIMUM COVERAGE UNDER SERVICEMEN'S GROUP LIFE INSURANCE.

Section 1967 of title 38, United States Code, is amended—

(1) in subsections (a) and (c), by striking out "$100,000" each place it appears and inserting in lieu thereof in each instance "$200,000";

(2) by striking out subsection (e); and

(3) by redesignating subsection (f) as subsection (e).

SEC. 645. TERMINATION OF SERVICEMEN'S GROUP LIFE INSURANCE FOR MEMBERS OF THE READY RESERVE WHO FAIL TO PAY PREMIUMS.

Section 1968(a)(4) of title 38, United States Code, is amended—

(1) by striking out the period at the end of subparagraph (C) and inserting in lieu thereof a semicolon; and

(2) by adding at the end the following:

"except that, if the member fails to make a direct remittance of a premium for the insurance to the Secretary when required to do so, the insurance shall cease with respect to the member 120 days after the date on which the Secretary transmits a notification of the termination by mail addressed to the member at the member's last known address, unless the Secretary accepts from the member full payment of the premiums in arrears within such 120-day period.".

SEC. 646. REPORT ON EXTENDING TO JUNIOR NONCOMMISSIONED OFFICERS PRIVILEGES PROVIDED FOR SENIOR NONCOMMISSIONED OFFICERS.

(a) Report Required.—Not later than February 1, 1996, the Secretary of Defense shall submit to Congress a report containing the determinations of the Secretary regarding whether, in order to improve the working conditions of noncommissioned officers in pay grades E–5 and E–6, any of the privileges afforded noncommissioned officers in any of the pay grades above E–6 should be extended to noncommissioned officers in pay grades E–5 and E–6.

(b) Specific Recommendation Regarding Election of BAS.—The Secretary shall include in the report a determination on whether noncommissioned officers in pay grades E–5 and E–6 should be afforded the same privilege as noncommissioned officers in pay grades above E–6 to elect to mess separately and receive the basic allowance for subsistence.

(c) Additional Matters.—The report shall also contain a discussion of the following matters:

(1) The potential costs of extending additional privileges to noncommissioned officers in pay grades E–5 and E–6.

(2) The effects on readiness that would result from extending the additional privileges.

(3) The options for extending the privileges on an incremental basis over an extended period.

(d) Recommended Legislation.—The Secretary shall include in the report any recommended legislation that the Secretary considers necessary in order to authorize extension of a privilege as determined appropriate under subsection (a).

SEC. 647. PAYMENT TO SURVIVORS OF DECEASED MEMBERS OF THE UNIFORMED SERVICES FOR ALL LEAVE ACCRUED.

(a) Inapplicability of 60-Day Limitation.—Section 501(d) of title 37, United States Code, is amended—

(1) in paragraph (1), by striking out the third sentence; and

(2) by striking out paragraph (2) and inserting in lieu thereof the following:

"(2) The limitations in the second sentence of subsection (b)(3), subsection (f), and the second sentence of subsection (g) shall not apply with respect to a payment made under this subsection.".

(b) Conforming Amendment.—Section 501(f) of such title is amended by striking out ", (d)," in the first sentence.

SEC. 648. ANNUITIES FOR CERTAIN MILITARY SURVIVING SPOUSES.

(a) Study Required.—(1) The Secretary of Defense shall conduct a study to determine the quantitative results (described in subsection (b)) of enactment and exercise of authority for the Secretary of the military department concerned to pay an annuity to the qualified surviving spouse of each member of the Armed Forces who—

(A) died before March 21, 1974, and was entitled to retired or retainer pay on the date of death; or

(B) was a member of a reserve component of the Armed Forces during the period beginning on September 21, 1972, and ending on October 1, 1978, and at the time of his death would have been entitled to retired pay under chapter 67 of title 10, United States Code (as in effect before December 1, 1994), but for the fact that he was under 60 years of age.

(2) A qualified surviving spouse for purposes of paragraph (1) is a surviving spouse who has not remarried and who is not eligible for an annuity under section 4 of Public Law 92–425 (10 U.S.C. 1448 note).

(b) Required Determinations.—By means of the study required under subsection (a), the Secretary shall determine the following matters:

(1) The number of unremarried surviving spouses of deceased members and deceased former members of the Armed Forces referred to in subparagraph (A) of subsection (a)(1) who would be eligible for an annuity under authority described in such subsection.

(2) The number of unremarried surviving spouses of deceased members and deceased former members of reserve components of the Armed Forces referred to in subparagraph (B) of subsection (a)(1) who would be eligible for an annuity under authority described in such subsection.

(3) The number of persons in each group of unremarried former spouses described in paragraphs (1) and (2) who are receiving a widow's insurance benefit or a widower's insurance benefit under title II of the Social Security Act on the basis of employment of a deceased member or deceased former member referred to in subsection (a)(1).

(c) Report.—(1) Not later than March 1, 1996, the Secretary of Defense shall submit to the Committee on Armed Services of the Senate and the Committee on National Security of the House of Representatives a report on the results of the study.

(2) The Secretary shall include in the report a recommendation on the amount of the annuity that should be authorized to be paid under any authority described in subsection (a)(1) together with a recommendation on whether the annuity should be adjusted annually to offset increases in the cost of living.

SEC. 649. TRANSITIONAL COMPENSATION FOR DEPENDENTS OF MEMBERS OF THE ARMED FORCES SEPARATED FOR DEPENDENT ABUSE.

(a) Clarification of Entitlement.—Section 1059(d) of title 10, United States Code, is amended by striking out "of a separation from active duty as" in the first sentence.

(b) Effective Date for Program Authority.—Section 554(b)(1) of the National Defense Authorization Act for Fiscal Year 1994 (107 Stat. 1666; 10 U.S.C. 1059 note) is amended by striking out "the date of the enactment of this Act—" and inserting in lieu thereof "April 1, 1994—".

TITLE VII—HEALTH CARE

Subtitle A—Health Care Services

SEC. 701. MEDICAL CARE FOR SURVIVING DEPENDENTS OF RETIRED RESERVES WHO DIE BEFORE AGE 60.

Section 1076(b) of title 10, United States Code, is amended—

(1) in clause (2)—

(A) by striking out "death (A) would" and inserting in lieu thereof "death would"; and

(B) by striking out ", and (B) had elected to participate in the Survivor Benefit Plan established under subchapter II of chapter 73 of this title"; and

(2) in the second sentence, by striking out "without regard to subclause (B) of such clause".

SEC. 702. DENTAL INSURANCE FOR MEMBERS OF THE SELECTED RESERVE.

(a) Program Authorization.—(1) Chapter 55 of title 10, United States Code, is amended by inserting after section 1076a the following new section:

"§ 1076b. Selected Reserve dental insurance

"(a) Authority To Establish Plan.—The Secretary of Defense shall establish a dental insurance plan for members of the Selected Reserve of the Ready Reserve. The plan shall provide for voluntary enrollment and for premium sharing between the Department of Defense and the members enrolled in the plan. The plan shall be administered under regulations prescribed by the Secretary of Defense.

"(b) Premium Sharing.—(1) A member enrolling in the dental insurance plan shall pay a share of the premium charged for the insurance coverage. The member's share may not exceed $25 per month.

"(2) The Secretary of Defense may reduce the monthly premium required to be paid by enlisted members under paragraph (1) if the Secretary determines that the reduction is appropriate in order to assist enlisted members to participate in the dental insurance plan.

"(3) A member's share of the premium for coverage by the dental insurance plan shall be deducted and withheld from the basic pay payable to the member for inactive duty training and from the basic pay payable to the member for active duty.

"(4) The Secretary of Defense shall pay the portion of the premium charged for coverage of a member under the dental insurance plan that exceeds the amount paid by the member.

"(c) Benefits Available Under the Plan.—The dental insurance plan shall provide benefits for basic dental care and treatment, including diagnostic services, preventative services, basic restorative services, and emergency oral examinations.

"(d) Termination of Coverage.—The coverage of a member by the dental insurance plan shall terminate on the last day of the month in which the member is discharged, transfers to the Individual Ready Reserve, Standby Reserve, or Retired Reserve, or is ordered to active duty for a period of more than 30 days.".

(2) The table of sections at the beginning of such chapter is amended by inserting after the item relating to section 1076a the following:

"1076b. Selected Reserve dental insurance.".

(b) Authorization of Appropriations.—Of the funds authorized to be appropriated under section 301(16), $9,000,000 shall be available to pay the Department of Defense share of the premium required for members covered by the dental insurance plan established pursuant to section 1076b of title 10, United States Code, as added by subsection (a).

SEC. 703. MODIFICATION OF REQUIREMENTS REGARDING ROUTINE PHYSICAL EXAMINATIONS AND IMMUNIZATIONS UNDER CHAMPUS.

Section 1079(a) of title 10, United States Code, is amended by striking out paragraph (2) and *inserting in lieu thereof the following new paragraph:*

"(2) consistent with such regulations as the Secretary of Defense may prescribe regarding the content of health promotion and disease prevention visits, the schedule of pap smears and mammograms, and the types and schedule of immunizations—

"(A) for dependents under six years of age, both health promotion and disease prevention visits and immunizations may be provided; and

"(B) for dependents six years of age or older, health promotion and disease prevention visits may be provided in connection with immunizations or with diagnostic or preventive pap smears and mammograms;".

SEC. 704. PERMANENT AUTHORITY TO CARRY OUT SPECIALIZED TREATMENT FACILITY PROGRAM.

Section 1105 of title 10, United States Code, is amended by striking out subsection (h).

SEC. 705. WAIVER OF MEDICARE PART B LATE ENROLLMENT PENALTY AND ESTABLISHMENT OF SPECIAL ENROLLMENT PERIOD FOR CERTAIN MILITARY RETIREES AND DEPENDENTS.

Section 1837 of the Social Security Act (42 U.S.C. 1395p) is amended by adding at the end the following new subsection:

"(j)(1) The Secretary shall make special provisions for the enrollment of an individual who is a covered beneficiary under chapter 55 of title 10, United States Code, and who is affected adversely by the closure of a military medical treatment facility of the Department of Defense pursuant to a closure or realignment of a military installation.

"(2) The special enrollment provisions required by paragraph (1) shall be established in regulations issued by the Secretary. The regulations shall—

"(A) identify individuals covered by paragraph (1) in accordance with regulations providing for such identification that are prescribed by the Secretary of Defense;

"(B) provide for a special enrollment period of at least 90 days to be scheduled at some time proximate to the date on which the military medical treatment facility involved is scheduled to be closed; and

"(C) provide that, with respect to individuals who enroll pursuant to paragraph (1), the increase in premiums under section 1839(b) due to late enrollment under this part shall not apply.

"(3) For purposes of this subsection—

"(A) the term 'covered beneficiary' has the meaning given such term in section 1072(5) of title 10, United States Code;

"(B) the term 'military medical treatment facility' means a facility of a uniformed service referred to in section 1074(a) of title 10, United States Code, in which health care is provided; and

"(C) the terms 'military installation' and 'realignment' have the meanings given such terms—

"(i) in section 209 of the Defense Authorization Amendments and Base Closure and Realignment Act (10 U.S.C. 2687 note), in the case of a closure or realignment under title II of such Act;

"(ii) in section 2910 of the Defense Base Closure and Realignment Act of 1990 (title XXIX of Public Law 101–510; 10 U.S.C. 2687 note), in the case of a closure or realignment under such Act; or

"(iii) in subsection (e) of section 2687 of title 10, United States Code, in the case of a closure or realignment under such section.".

Subtitle B—TRICARE Program

SEC. 711. DEFINITION OF TRICARE PROGRAM AND OTHER TERMS.

In this subtitle:

(1) The term "TRICARE program" means the managed health care program that is established by the Secretary of Defense under the authority of chapter 55 of title 10, United States Code, principally section 1097 of such title, and includes the competitive selection of contractors to financially underwrite the delivery of health care services under the Civilian Health and Medical Program of the Uniformed Services.

(2) The term "covered beneficiary" means a beneficiary under chapter 55 of title 10, United States Code, including a beneficiary under section 1074(a) of such title.

(3) The term "Uniformed Services Treatment Facility" means a facility deemed to be a facility of the uniformed services by virtue of section 911(a) of the Military Construction Authorization Act, 1982 (42 U.S.C. 248c(a)).

(4) The term "administering Secretaries" has the meaning given such term in section 1072(3) of title 10, United States Code.

SEC. 712. PROVISION OF TRICARE UNIFORM BENEFITS BY UNIFORMED SERVICES TREATMENT FACILITIES.

(a) REQUIREMENT.—Subject to subsection (b), upon the implementation of the TRICARE program in the catchment area served by a Uniformed Services Treatment Facility, the facility shall provide to the covered beneficiaries enrolled in a health care plan of such facility the same health care benefits (subject to the same conditions and limitations) as are available to covered beneficiaries in that area under the TRICARE program.

(b) EFFECT ON CURRENT ENROLLEES.—(1) A covered beneficiary who has been continuously enrolled on and after October 1, 1995, in a health care plan offered by a Uniformed Services Treatment Facility pursuant to a contract between the Secretary of Defense and the facility may elect to continue to receive health care benefits in accordance with the plan instead of benefits in accordance with subsection (a).

(2) The Uniform Services Treatment Facility concerned shall continue to provide benefits to a covered beneficiary in accordance with an election of benefits by that beneficiary under paragraph (1). The requirement to do so shall terminate on the effective date of any contract between the Secretary of Defense and the facility that—

(A) is entered into on or after the date of the election; and

(B) requires the health care plan offered by the facility for covered beneficiaries to provide health care benefits in accordance with subsection (a).

SEC. 713. SENSE OF SENATE ON ACCESS OF MEDICARE ELIGIBLE BENEFICIARIES OF CHAMPUS TO HEALTH CARE UNDER TRICARE.

It is the sense of the Senate—

(1) that the Secretary of Defense should develop a program to ensure that covered beneficiaries who are eligible for medicare under title XVIII of the Social Security Act (42 U.S.C. 1395 et seq.) and who reside in a region in which the TRICARE program has been implemented have adequate access to health care services after the implementation of the TRICARE program in that region; and

(2) to support strongly, as a means of ensuring such access, the reimbursement of the Department of Defense by the Secretary of Health and Human Services for health care services provided such beneficiaries at the medical treatment facilities of the Department of Defense.

SEC. 714. PILOT PROGRAM OF INDIVIDUALIZED RESIDENTIAL MENTAL HEALTH SERVICES.

(a) PROGRAM REQUIRED.—During fiscal year 1996, the Secretary of Defense, in consultation with the other administering Secretaries, shall carry out a pilot program for providing wraparound services to covered beneficiaries who are children in need of mental health services. The Secretary shall carry out the pilot program in one region in which the TRICARE program has been implemented as of the beginning of such fiscal year.

(b) WRAPAROUND SERVICES DEFINED.—For purposes of this section, wraparound services are individualized mental health services that a provider provides, principally in a residential setting but also with follow-up services, in return for payment on a case rate basis. For payment of the case rate for a patient, the provider incurs the risk that it will be necessary for the provider to provide the patient with additional mental health services intermittently or on a longer term basis after completion of the services provided on a residential basis under a treatment plan.

(c) PILOT PROGRAM AGREEMENT.—Under the pilot program the Secretary of Defense shall enter into an agreement with a provider of mental health services that requires the provider—

(1) to provide wraparound services to covered beneficiaries referred to in subsection (a);

(2) to continue to provide such services to each beneficiary as needed during the period of the agreement even if the patient relocates outside the TRICARE program region involved (but inside the United States) during that period; and

(3) to accept as payment for such services an amount not in excess of the amount of the standard CHAMPUS residential treatment clinic benefit payable with respect to the covered beneficiary concerned (as determined in accordance with section 8.1 of chapter 3 of volume II of the CHAMPUS policy manual).

(d) REPORT.—Not later than March 1, 1997, the Secretary of Defense shall submit to the Committee on Armed Services of the Senate and the Committee on National Security of the House of Representatives a report on the program carried out under this section. The report shall contain—

(1) an assessment of the effectiveness of the program; and

(2) the Secretary's views regarding whether the program should be implemented in all regions where the TRICARE program is carried out.

Subtitle C—Uniformed Services Treatment Facilities

SEC. 721. DELAY OF TERMINATION OF STATUS OF CERTAIN FACILITIES AS UNIFORMED SERVICES TREATMENT FACILITIES.

Section 1252(e) of the Department of Defense Authorization Act, 1984 (42 U.S.C. 248d(e)) is amended by striking out "December 31, 1996" in the first sentence and inserting in lieu thereof "September 30, 1997".

SEC. 722. APPLICABILITY OF FEDERAL ACQUISITION REGULATION TO PARTICIPATION AGREEMENTS WITH UNIFORMED SERVICES TREATMENT FACILITIES.

Section 718(c) of the National Defense Authorization Act for Fiscal Year 1991 (Public Law 101–510; 104 Stat. 1587) is amended—

(1) in the second sentence of paragraph (1), by striking out "A participation agreement" and inserting in lieu thereof "Except as provided in paragraph (4), a participation agreement";

(2) by redesignating paragraph (4) as paragraph (5); and

(3) by inserting after paragraph (3) the following new paragraph:

"(4) APPLICABILITY OF FEDERAL ACQUISITION REGULATION.—On and after the date of enactment of the National Defense Authorization Act for Fiscal Year 1996, the Federal Acquisition Regulation issued pursuant to section 25(c) of the Office of Federal Procurement Policy Act (41 U.S.C. 421(c)) shall apply to any action to modify an existing participation agreement and to any action by the Secretary of Defense and a Uniformed Services Treatment Facility to enter into a new participation agreement.".

SEC. 723. APPLICABILITY OF CHAMPUS PAYMENT RULES IN CERTAIN CASES.

Section 1074 of title 10, United States Code, is amended by adding at the end the following:

"(d)(1) The Secretary of Defense, after consultation with the other administering Secretaries, may by regulation require a private CHAMPUS provider to apply the CHAMPUS payment rules (subject to any modifications considered appropriate by the Secretary) in imposing charges for health care that the provider provides outside the catchment area of a Uniformed Services Treatment Facility to a member of the uniformed services who is enrolled in a health care plan of the Uniformed Services Treatment Facility.

"(2) In this subsection:

"(A) The term 'private CHAMPUS provider' means a private facility or health care provider that is a health care provider under the Civilian Health and Medical Program of the Uniformed Services.

"(B) The term 'CHAMPUS payment rules' means the payment rules referred to in subsection (c).

"(C) The term 'Uniformed Services Treatment Facility' means a facility deemed to be a facility of the uniformed services under section 911(a) of the Military Construction Authorization Act, 1982 (42 U.S.C. 248c(a)).".

Subtitle D—Other Changes to Existing Laws Regarding Health Care Management

SEC. 731. INVESTMENT INCENTIVE FOR MANAGED HEALTH CARE IN MEDICAL TREATMENT FACILITIES.

(a) AVAILABILITY OF 3 PERCENT OF APPROPRIATIONS FOR TWO FISCAL YEARS.—Chapter 55 of title 10, United States Code, is amended by inserting after section 1071 the following new section:

"§1071a. Availability of appropriations

"Of the total amount authorized to be appropriated for a fiscal year for programs and activities carried out under this chapter, the amount equal to three percent of such total amount is authorized to be appropriated to remain available until the end of the following fiscal year.".

(b) CLERICAL AMENDMENT.—The table of sections at the beginning of chapter 55 of title 10, United States Code, is amended by inserting after the item relating to section 1071 the following:

"1071a. Availability of appropriations.".

SEC. 732. REVISION AND CODIFICATION OF LIMITATIONS ON PHYSICIAN PAYMENTS UNDER CHAMPUS.

(a) IN GENERAL.—Section 1079(h) of title 10, United States Code, is amended to read as follows:

"(h)(1) Subject to paragraph (2), payment for a charge for services by an individual health care professional (or other noninstitutional health care provider) for which a claim is submitted under a plan contracted for under subsection (a) shall be limited to the lesser of—

"(A) the amount equivalent to the 80th percentile of billed charges, as determined by the Secretary of Defense in consultation with the other administering Secretaries, for similar services in the same locality during a 12-month base period that the Secretary shall define and may adjust as frequently as the Secretary considers appropriate; or

"(B) the amount payable for charges for such services (or similar services) under title XVIII of the Social Security Act (42 U.S.C. 1395 et seq.) as determined in accordance with the reimbursement rules applicable to payments for medical and other health services under that title.

"(2) The amount to be paid to an individual health care professional (or other noninstitutional health care provider) shall be determined under regulations prescribed by the Secretary of Defense in consultation with the other administering Secretaries. Such regulations—

"(A) may provide for such exceptions from the limitation on payments set forth in paragraph (1) as the Secretary determines necessary to ensure that covered beneficiaries have adequate access to health care services, including payment of amounts greater than the amounts otherwise payable under that paragraph when enrollees in managed care programs obtain covered emergency services from nonparticipating providers; and

"(B) shall establish limitations (similar to those established under title XVIII of the Social Security Act) on beneficiary liability for charges of an individual health care professional (or other noninstitutional health care provider).".

(b) TRANSITION.—In prescribing regulations under paragraph (2) of section 1079(h) of title 10, United States Code, as amended by subsection (a), the Secretary of Defense shall provide—

(1) for a period of transition between the payment methodology in effect under section 1079(h) of such title, as such section was in effect on the day before the date of the enactment of this Act, and the payment methodology under section 1079(h) of such title, as so amended; and

(2) that the amount payable under such section 1079(h), as so amended, for a charge for a service under a claim submitted during the period may not be less than 85 percent of the maximum amount that was payable under such section 1079(h), in effect on the day before the date of the enactment of this Act, for charges for the same service during the 1-year period (or a period of other duration that the Secretary considers appropriate) ending on the day before such date.

SEC. 733. PERSONAL SERVICES CONTRACTS FOR MEDICAL TREATMENT FACILITIES OF THE COAST GUARD.

(a) CONTRACTING AUTHORITY.—Section 1091(a) of title 10, United States Code, is amended—

(1) by inserting after "Secretary of Defense" the following: ", with respect to medical treatment facilities of the Department of Defense, and the Secretary of Transportation, with respect to medical treatment facilities of the Coast Guard when the Coast Guard is not operating as a service in the Navy,"; and

(2) by striking out "medical treatment facilities of the Department of Defense" and inserting in lieu thereof "such facilities".

(b) RATIFICATION OF EXISTING CONTRACTS.—Any exercise of authority under section 1091 of title 10, United States Code, to enter into a personal services contract on behalf of the Coast Guard before the effective date of the amendments made by subsection (a) is hereby ratified.

(c) EFFECTIVE DATE.—The amendments made by subsection (a) shall take effect on the earlier of the date of the enactment of this Act or October 1, 1995.

SEC. 734. DISCLOSURE OF INFORMATION IN MEDICARE AND MEDICAID COVERAGE DATA BANK TO IMPROVE COLLECTION FROM RESPONSIBLE PARTIES FOR HEALTH CARE SERVICES FURNISHED UNDER CHAMPUS.

(a) PURPOSE OF DATA BANK.—Subsection (a) of section 1144 of the Social Security Act (42 U.S.C. 1320b–14) is amended—

(1) by striking out "and" at the end of the paragraph (1);

(2) by striking out the period at the end of paragraph (2) and inserting in lieu thereof ", and"; and

(3) by adding at the end the following:

"(3) assist in the identification of, and collection from, third parties responsible for the reimbursement of the costs incurred by the United States for health care services furnished to individuals who are covered beneficiaries under chapter 55 of title 10, United States Code, upon request by the administering Secretaries.".

(b) AUTHORITY TO DISCLOSE INFORMATION.—Subsection (b)(2) of such section is amended—

(1) by striking out "and" at the end of subparagraph (A);

(2) by striking out the period at the end of subparagraph (B) and inserting in lieu thereof ", and"; and

(3) by adding at the end the following:

"(C) (subject to the restriction in subsection (c)(7) of this section) to disclose any other information in the Data Bank to the administering Secretaries for purposes described in subsection (a)(3) of this section.".

(c) DEFINITION.—Subsection (f) of such section is amended by adding at the end the following:

"(5) ADMINISTERING SECRETARIES.—The term 'administering Secretaries' shall have the meaning given to such term by section 1072(3) of title 10, United States Code.".

Subtitle E—Other Matters

SEC. 741. TRISERVICE NURSING RESEARCH.

(a) PROGRAM AUTHORIZED.—Chapter 104 of title 10, United States Code, is amended by adding at the end the following:

"§2116. Research on the furnishing of care and services by nurses of the armed forces

"(a) PROGRAM AUTHORIZED.—The Board of Regents of the University may establish at the University a program of research on the furnishing of care and services by nurses in the Armed Forces (hereafter in this section referred to as 'military nursing research'). A program carried out under this section shall be known as the 'TriService Nursing Research Program'.

"(b) TRISERVICE RESEARCH GROUP.—(1) The TriService Nursing Research Program shall be administered by a TriService Nursing Research Group composed of Army, Navy, and Air Force nurses who are involved in military nursing research and are designated by the Secretary concerned to serve as members of the group.

"(2) The TriService Nursing Research Group shall—

"(A) develop for the Department of Defense recommended guidelines for requesting, reviewing, and funding proposed military nursing research projects; and

"(B) make available to Army, Navy, and Air Force nurses and Department of Defense officials concerned with military nursing research—

"(i) information about nursing research projects that are being developed or carried out in the Army, Navy, and Air Force; and

"(ii) expertise and information beneficial to the encouragement of meaningful nursing research.

"(c) RESEARCH TOPICS.—For purposes of this section, military nursing research includes research on the following issues:

"(1) Issues regarding how to improve the results of nursing care and services provided in the armed forces in time of peace.

"(2) Issues regarding how to improve the results of nursing care and services provided in the armed forces in time of war.

"(3) Issues regarding how to prevent complications associated with battle injuries.

"(4) Issues regarding how to prevent complications associated with the transporting of patients in the military medical evacuation system.

"(5) Issues regarding how to improve methods of training nursing personnel.

"(6) Clinical nursing issues, including such issues as prevention and treatment of child abuse and spouse abuse.

"(7) Women's health issues.

"(8) Wellness issues.

"(9) Preventive medicine issues.

"(10) Home care management issues.

"(11) Case management issues.".

(b) CLERICAL AMENDMENT.—The table of sections at the beginning of chapter 104 of such

title is amended by adding at the end the following:

"2116. Research on the furnishing of care and services by nurses of the armed forces.".

SEC. 742. FISHER HOUSE TRUST FUNDS.

(a) ESTABLISHMENT.—(1) Chapter 131 of title 10, United States Code, is amended by adding at the end the following:

"§2221. Fisher House trust funds

"(a) ESTABLISHMENT.—The following trust funds are established on the books of the Treasury:

"(1) The Fisher House Trust Fund, Department of the Army.

"(2) The Fisher House Trust Fund, Department of the Air Force.

"(b) INVESTMENT.—Funds in the trust funds may be invested in securities of the United States. Earnings and gains realized from the investment of funds in a trust fund shall be credited to the trust fund.

"(c) USE OF FUNDS.—(1) Amounts in the Fisher House Trust Fund, Department of the Army, that are attributable to earnings or gains realized from investments shall be available for operation and maintenance of Fisher houses that are located in proximity to medical treatment facilities of the Army.

"(2) Amounts in the Fisher House Trust Fund, Department of the Air Force, that are attributable to earnings or gains realized from investments shall be available for operation and maintenance of Fisher houses that are located in proximity to medical treatment facilities of the Air Force.

"(3) The use of funds under this section is subject to the requirements of section 1321(b)(2) of title 31.

"(d) FISHER HOUSES DEFINED.—For purposes of this section, Fisher houses are housing facilities that are located in proximity to medical treatment facilities of the Army or Air Force and are available for residential use on a temporary basis by patients at such facilities, members of the family of such patients, and others providing the equivalent of familial support for such patients.".

(2) The table of sections at the beginning of such chapter is amended by adding at the end the following:

"2221. Fisher House trust funds.".

(b) CORPUS OF TRUST FUNDS.—(1) The Secretary of the Treasury shall—

(A) close the accounts established with the funds that were required by section 8019 of Public Law 102–172 (105 Stat. 1175) and section 9023 of Public Law 102–396 (106 Stat. 1905) to be transferred to an appropriated trust fund; and

(B) transfer the amounts in such accounts to the Fisher House Trust Fund, Department of the Army, established by subsection (a)(1) of section 2221 of title 10, United States Code, as added by subsection (a).

(2) The Secretary of the Air Force shall transfer to the Fisher House Trust Fund, Department of the Air Force, established by subsection (a)(2) of section 2221 of title 10, United States Code (as added by section (a)), all amounts in the accounts for Air Force installations and other facilities that, as of the date of the enactment of this Act, are available for operation and maintenance of Fisher houses (as defined in subsection (c) of such section 2221).

(c) CONFORMING AMENDMENTS.—Section 1321 of title 31, United States Code, is amended—

(1) by adding at the end of subsection (a) the following:

"(92) Fisher House Trust Fund, Department of the Army.

"(93) Fisher House Trust Fund, Department of the Air Force."; and

(2) in subsection (b)—

(A) by inserting "(1)" after "(b)";

(B) in the second sentence, by striking out "Amounts accruing to these funds (except to the trust fund 'Armed Forces Retirement Home Trust Fund')" and inserting in lieu thereof "Except as provided in paragraph (2), amounts accruing to these funds";

(C) by striking out the third sentence; and

(D) by adding at the end the following:

"(2) Expenditures from the following trust funds shall be made only under annual appropriations and only if the appropriations are specifically authorized by law:

"(A) Armed Forces Retirement Home Trust Fund.

"(B) Fisher House Trust Fund, Department of the Army.

"(C) Fisher House Trust Fund, Department of the Air Force.".

(d) REPEAL OF SUPERSEDED PROVISIONS.—The following provisions of law are repealed:

(1) Section 8019 of Public Law 102–172 (105 Stat. 1175).

(2) Section 9023 of Public Law 102–396 (106 Stat. 1905).

(3) Section 8019 of Public Law 103–139 (107 Stat. 1441).

(4) Section 8017 of Public Law 103–335 (108 Stat. 2620; 10 U.S.C. 1074 note).

SEC. 743. APPLICABILITY OF LIMITATION ON PRICES OF PHARMACEUTICALS PROCURED FOR COAST GUARD.

Section 8126(b) of title 38, United States Code, is amended by adding at the end the following:

"(4) The Coast Guard.".

SEC. 744. REPORT ON EFFECT OF CLOSURE OF FITZSIMONS ARMY MEDICAL CENTER, COLORADO, ON PROVISION OF CARE TO MILITARY PERSONNEL AND DEPENDENTS EXPERIENCING HEALTH DIFFICULTIES ASSOCIATED WITH PERSIAN GULF SYNDROME.

Not later than 90 days after the date of the enactment of this Act, the Secretary of Defense shall submit to Congress a report that—

(1) assesses the effects of the closure of Fitzsimons Army Medical Center, Colorado, on the capability of the Department of Defense to provide appropriate and adequate health care to members and former members of the Armed Forces and their dependents who suffer from undiagnosed illnesses (or combination of illnesses) as a result of service in the Armed Forces in the Southwest Asia theater of operations during the Persian Gulf War; and

(2) describes the plans of the Secretary of Defense and the Secretary of the Army to ensure that adequate and appropriate health care is available to such members, former members, and their dependents for such illnesses.

TITLE VIII—ACQUISITION POLICY, ACQUISITION MANAGEMENT, AND RELATED MATTERS

Subtitle A—Acquisition Reform

SEC. 801. WAIVERS FROM CANCELLATION OF FUNDS.

Notwithstanding section 1552(a) of title 31, United States Code, funds appropriated for any fiscal year after fiscal year 1995 that are administratively reserved or committed for satellite on-orbit incentive fees shall remain available for obligation and expenditure until the fee is earned, but only if and to the extent that section 1512 of title 31, United States Code, the Impoundment Control Act (2 U.S.C. 681 et seq.), and other applicable provisions of law are complied with in the reservation and commitment of funds for that purpose

SEC. 802. PROCUREMENT NOTICE POSTING THRESHOLDS AND SUBCONTRACTS FOR OCEAN TRANSPORTATION SERVICES.

(a) PROCUREMENT NOTICE POSTING THRESHOLDS.—Section 18(a)(1)(B) of the Office of Federal Procurement Policy Act (41 U.S.C. 416(a)(1)(B)) is amended—

(1) by striking out "subsection (f)—" and all that follows through the end of the subparagraph and inserting in lieu thereof "subsection (b); and"; and

(2) by inserting after "property or services" the following: for a price expected to exceed $10,000, but not to exceed $25,000,".

(b) SUBCONTRACTS FOR OCEAN TRANSPORTATION SERVICES.—Notwithstanding any other provision of law, neither section 901(b) of the Merchant Marine Act, 1936 (46 U.S.C. 1241(b)) nor section 2631 of title 10, United States Code, shall be included prior to May 1, 1996 on any list promulgated under section 34(b) of the Office of Federal Procurement Policy Act (41 U.S.C. 430(b)).

SEC. 803. PROMPT RESOLUTION OF AUDIT RECOMMENDATIONS.

Section 6009 of the Federal Acquisition Streamlining Act of 1994 (Public Law 103–355; 108 Stat. 3367, October 14, 1994) is amended to read as follows:

"SEC. 6009. PROMPT MANAGEMENT DECISIONS AND IMPLEMENTATION OF AUDIT RECOMMENDATIONS.

"(a) MANAGEMENT DECISIONS.—(1) The head of a Federal agency shall make management decisions on all findings and recommendations set forth in an audit report of the inspector general of the agency within a maximum of six months after the issuance of the report.

"(2) The head of a Federal agency shall make management decisions on all findings and recommendations set forth in an audit report of any auditor from outside the Federal Government within a maximum of six months after the date on which the head of the agency receives the report.

"(b) COMPLETIONS OF ACTIONS.—The head of a Federal agency shall complete final action on each management decision required with regard to a recommendation in an inspector general's report under subsection (a)(1) within 12 months after the date of the inspector general's report. If the head of the agency fails to complete final action with regard to a management decision within the 12-month period, the inspector general concerned shall identify the matter in each of the inspector general's semiannual reports pursuant to section 5(a)(3) of the Inspector General Act of 1978 (5 U.S.C. App.) until final action on the management decision is completed.".

SEC. 804. TEST PROGRAM FOR NEGOTIATION OF COMPREHENSIVE SUBCONTRACTING PLANS.

(a) REVISION OF AUTHORITY.—Subsection (a) of section 834 of National Defense Authorization Act for Fiscal Years 1990 and 1991 (15 U.S.C. 637 note) is amended by striking out paragraph (1) and inserting in lieu thereof the following:

"(1) The Secretary of Defense shall establish a test program under which contracting activities in the military departments and the Defense Agencies are authorized to undertake one or more demonstration projects to determine whether the negotiation and administration of comprehensive subcontracting plans will reduce administrative burdens on contractors while enhancing opportunities provided under Department of Defense contracts for small business concerns and small business concerns owned and controlled by socially and economically disadvantaged individuals. In selecting the contracting activities to undertake demonstration projects, the Secretary shall take such action as is necessary to ensure that a broad range of the supplies and services acquired by the Department of Defense are included in the test program.".

(b) COVERED CONTRACTORS.—Subsection (b) of such section is amended by striking out paragraph (3) and inserting in lieu thereof the following:

"(3) A Department of Defense contractor referred to in paragraph (1) is, with respect to a comprehensive subcontracting plan negotiated in any fiscal year, a business concern that, during the immediately preceding fiscal year, furnished the Department of Defense with supplies or services (including professional services, research and development services, and construction services) pursuant to at least three Department of Defense contracts having an aggregate value of at least $5,000,000.".

(c) TECHNICAL AMENDMENTS.—Such section is amended—

(1) by striking out subsection (g); and

(2) by redesignating subsection (h) as subsection (g).

SEC. 805. NAVAL SALVAGE FACILITIES.

Chapter 637 of title 10, United States Code, is amended to read as follows:

"CHAPTER 637—SALVAGE FACILITIES

"Sec.
"7361. Authority to provide for necessary salvage facilities.
"7362. Acquisition and transfer of vessels and equipment.
"7363. Settlement of claims.
"7364. Disposition of receipts.

"§7361. Authority to provide for necessary salvage facilities

"(a) AUTHORITY.—The Secretary of the Navy may contract or otherwise provide for necessary salvage facilities for public and private vessels.

"(b) COORDINATION WITH SECRETARY OF TRANSPORTATION.—The Secretary shall submit to the Secretary of Transportation for comment each proposed salvage contract that affects the interests of the Department of Transportation.

"(c) LIMITATION.—The Secretary of the Navy may enter into a contract under subsection (a) only if the Secretary determines that available commercial salvage facilities are inadequate to meet the Navy's requirements and provides public notice of the intent to enter into such a contract.

"§7362. Acquisition and transfer of vessels and equipment

"(a) AUTHORITY.—The Secretary of the Navy may acquire or transfer such vessels and equipment for operation by private salvage companies as the Secretary considers necessary.

"(b) AGREEMENT ON USE.—A private recipient of any salvage vessel or gear shall agree in writing that such vessel or gear will be used to support organized offshore salvage facilities for as many years as the Secretary shall consider appropriate.

"§7363. Settlement of claims

"The Secretary of the Navy, or the Secretary's designee, may settle and receive payment for any claim by the United States for salvage services rendered by the Department of the Navy.

"§7364. Disposition of receipts

"Amounts received under this chapter shall be credited to appropriations for maintaining naval salvage facilities. However, any amount received in excess of naval salvage costs incurred by the Navy in that fiscal year shall be deposited into the general fund of the Treasury.".

SEC. 806. AUTHORITY TO DELEGATE CONTRACTING AUTHORITY.

(a) REPEAL OF DUPLICATIVE AUTHORITY AND RESTRICTION.—Section 2356 of title 10, United States Code, is repealed.

(b) CLERICAL AMENDMENT.—The table of sections at the beginning of chapter 139 of title 10, United States Code, is amended by striking out the item relating to section 2356.

SEC. 807. COORDINATION AND COMMUNICATION OF DEFENSE RESEARCH ACTIVITIES.

Section 2364 of title 10, United States Code, is amended—

(1) in subsection (b)(5), by striking out "milestone O, milestone I, and milestone II" and inserting in lieu thereof "acquisition program"; and

(2) in subsection (c), by striking out paragraphs (2), (3), and (4) and inserting in lieu thereof the following:

"(2) The term 'acquisition program decision' has the meaning prescribed by the Secretary of Defense in regulations.".

SEC. 808. PROCUREMENT OF ITEMS FOR EXPERIMENTAL OR TEST PURPOSES.

Section 2373(b) of title 10, United States Code, is amended by inserting "only" after "applies".

SEC. 809. QUALITY CONTROL IN PROCUREMENTS OF CRITICAL AIRCRAFT AND SHIP SPARE PARTS.

(a) REPEAL.—Section 2383 of title 10, United States Code, is repealed.

(b) CLERICAL AMENDMENT.—The table of sections at the beginning of chapter 141 of such title is amended by striking out the item relating to section 2383.

SEC. 810. USE OF FUNDS FOR ACQUISITION OF DESIGNS, PROCESSES, TECHNICAL DATA, AND COMPUTER SOFTWARE.

Section 2386(3) of title 10, United States Code, is amended to read as follows:

"(3) Design and process data, technical data, and computer software.".

SEC. 811. INDEPENDENT COST ESTIMATES FOR MAJOR DEFENSE ACQUISITION PROGRAMS.

Section 2434(b)(1)(A) of title 10, United States Code, is amended to read as follows:

"(A) be prepared—

"(i) by an office or other entity that is not under the supervision, direction, or control of the military department, Defense Agency, or other component of the Department of Defense that is directly responsible for carrying out the development or acquisition of the program; or

"(ii) if the decision authority for the program has been delegated to an official of a military department, Defense Agency, or other component of the Department of Defense, by an office or other entity that is not directly responsible for carrying out the development or acquisition of the program; and".

SEC. 812. FEES FOR CERTAIN TESTING SERVICES.

Section 2539b(c) of title 10, United States Code, is amended by inserting "and indirect" after "recoup the direct".

SEC. 813. CONSTRUCTION, REPAIR, ALTERATION, FURNISHING, AND EQUIPPING OF NAVAL VESSELS.

(a) INAPPLICABILITY OF CERTAIN LAWS.—Chapter 633 of title 10, United States Code, is amended by inserting after section 7297 the following:

"§7299. Contracts: applicability of Walsh-Healey Act

"Each contract for the construction, alteration, furnishing, or equipping of a naval vessel is subject to the Walsh-Healey Act (41 U.S.C. 35 et seq.) unless the President determines that this requirement is not in the interest of national defense.".

(b) CLERICAL AMENDMENT.—The table of sections at the beginning of such chapter is amended by inserting after the item relating to section 7297 the following:

"7299. Contracts: applicability of Walsh-Healey Act.".

SEC. 814. CIVIL RESERVE AIR FLEET.

Section 9512 of title 10, United States Code, is amended by striking out "full Civil Reserve Air Fleet" both places it appears in subsections (b)(2) and (e) and inserting in lieu thereof "Civil Reserve Air Fleet".

SEC. 815. COST AND PRICING DATA.

(a) ARMED SERVICES PROCUREMENTS.—Section 2306a(d)(2)(A)(i) of title 10, United States Code, is amended by striking out "and the procurement is not covered by an exception in subsection (b)," and inserting in lieu thereof "and the offeror or contractor requests to be exempted from the requirement for submission of cost or pricing data pursuant to this subsection,".

(b) CIVILIAN AGENCY PROCUREMENTS.—Section 304A(d)(2)(A)(i) of the Federal Property and Administrative Services Act of 1949 (41 U.S.C. 254b(d)(2)(A)(i)) is amended by striking out "and the procurement is not covered by an exception in subsection (b)," and inserting in lieu thereof "and the offeror or contractor requests to be exempted from the requirement for submission of cost or pricing data pursuant to this subsection,".

SEC. 816. PROCUREMENT NOTICE TECHNICAL AMENDMENTS.

Section 18(c)(1)(E) of the Office of Federal Procurement Policy Act (41 U.S.C. 416(c)(1)(E)) is amended by inserting after "requirements contract" the following: ", a task order contract, or a delivery order contract".

SEC. 817. REPEAL OF DUPLICATIVE AUTHORITY FOR SIMPLIFIED ACQUISITION PURCHASES.

Section 31 of the Office of Federal Procurement Policy Act (41 U.S.C. 427) is amended—

(1) by striking out subsections (a), (b), and (c);

(2) by redesignating subsections (d), (e), and (f) as (a), (b), and (c), respectively;

(3) in subsection (b), as so redesignated, by striking out "provided in the Federal Acquisition Regulation pursuant to this section" each place it appears and inserting in lieu thereof "contained in the Federal Acquisition Regulation"; and

(4) by adding at the end the following:

"(d) PROCEDURES DEFINED.—The simplified acquisition procedures referred to in this section are the simplified acquisition procedures that are provided in the Federal Acquisition Regulation pursuant to section 2304(g) of title 10, United States Code, and section 303(g) of the Federal Property and Administrative Services Act of 1949 (41 U.S.C. 253(g)).".

SEC. 818. MICRO-PURCHASES WITHOUT COMPETITIVE QUOTATIONS.

Section 32(d) of the Office of Federal Procurement Policy Act (41 U.S.C. 428) is amended by striking out "the contracting officer" and inserting in lieu thereof "an employee of an executive agency or a member of the Armed Forces of the United States authorized to do so".

SEC. 819. RESTRICTION ON REIMBURSEMENT OF COSTS.

(a) None of the funds authorized to be appropriated in this Act for fiscal year 1996 may be obligated for payment on new contracts on which allowable costs charged to the Government include payments for individual compensation (including bonuses and other incentives) at a rate in excess of $250,000.

(b) It is the sense of the Senate that the Congress should consider extending the restriction described in section (a) permanently.

Subtitle B—Other Matters

SEC. 821. PROCUREMENT TECHNICAL ASSISTANCE PROGRAMS.

(a) FUNDING.—Of the amount authorized to be appropriated under section 301(5), $12,000,000 shall be available for carrying out the provisions of chapter 142 of title 10, United States Code.

(b) SPECIFIC PROGRAMS.—Of the amounts made available pursuant to subsection (a), $600,000 shall be available for fiscal year 1996 for the purpose of carrying out programs sponsored by eligible entities referred to in subparagraph (D) of section 2411(1) of title 10, United States Code, that provide procurement technical assistance in distressed areas referred to in subparagraph (B) of section 2411(2) of such title. If there is an insufficient number of satisfactory proposals for cooperative agreements in such distressed areas to allow effective use of the funds made available in accordance with this subsection in such areas, the funds shall be allocated among the Defense Contract Administration Services regions in accordance with section 2415 of such title.

SEC. 822. TREATMENT OF DEPARTMENT OF DEFENSE CABLE TELEVISION FRANCHISE AGREEMENTS.

For purposes of part 49 of the Federal Acquisition Regulation, a cable television franchise agreement of the Department of Defense shall be considered a contract for telecommunications services.

SEC. 823. PRESERVATION OF AMMUNITION INDUSTRIAL BASE.

(a) REVIEW OF AMMUNITION PROCUREMENT AND MANAGEMENT PROGRAMS.—(1) Not later than 30 days after the date of the enactment of this Act, the Secretary of Defense shall commence a review of the ammunition procurement and management programs of the Department of Defense, including the planning for, budgeting for, administration, and carrying out of such programs.

(2) The review under paragraph (1) shall include an assessment of the following matters:

(A) The practicability and desirability of using centralized procurement practices to procure all ammunition required by the Armed Forces.

(B) The capability of the ammunition production facilities of the United States to meet the ammunition requirements of the Armed Forces.

(C) The practicability and desirability of privatizing such ammunition production facilities.

(D) The practicability and desirability of using integrated budget planning among the Armed Forces for the procurement of ammunition.

(E) The practicability and desirability of establishing an advocate within the Department of Defense for ammunition industrial base matters who shall be responsible for—

(i) establishing the quantity and price of ammunition procured by the Armed Forces; and

(ii) establishing and implementing policy to ensure the continuing viability of the ammunition industrial base in the United States.

(F) The practicability and desirability of providing information on the ammunition procurement practices of the Armed Forces to Congress through a single source.

(b) REPORT.—Not later than April 1, 1996, the Secretary shall submit to the congressional defense committees a report containing the following:

(1) The results of the review carried out under subsection (a).

(2) A discussion of the methodologies used in carrying out the review.

(3) An assessment of various methods of ensuring the continuing viability of the ammunition industrial base of the United States.

(4) Recommendations of means (including legislation) of implementing such methods in order to ensure such viability.

TITLE IX—DEPARTMENT OF DEFENSE ORGANIZATION AND MANAGEMENT

SEC. 901. REDESIGNATION OF THE POSITION OF ASSISTANT TO THE SECRETARY OF DEFENSE FOR ATOMIC ENERGY.

(a) IN GENERAL.—(1) Section 142 of title 10, United States Code, is amended—

(A) by striking out the section heading and inserting in lieu thereof the following:

"§142. Assistant to the Secretary of Defense for Nuclear and Chemical and Biological Defense Programs";

(B) in subsection (a), by striking out "Assistant to the Secretary of Defense for Atomic Energy" and inserting in lieu thereof "Assistant to the Secretary of Defense for Nuclear and Chemical and Biological Defense Programs"; and

(C) by striking out subsection (b) and inserting in lieu thereof the following:

"(b) The Assistant to the Secretary shall—

"(1) advise the Secretary of Defense on nuclear energy, nuclear weapons, and chemical and biological defense;

"(2) serve as the Staff Director of the Nuclear Weapons Council established by section 179 of this title; and

"(3) perform such additional duties as the Secretary may prescribe.".

(2) The table of sections at the beginning of chapter 4 of such title is amended by striking out the item relating to section 142 and inserting in lieu thereof the following:

"142. Assistant to the Secretary of Defense for Nuclear and Chemical and Biological Defense Programs.".

(b) CONFORMING AMENDMENTS.—(1) Section 179(c)(2) of title 10, United States Code, is amended by striking out "The Assistant to the Secretary of Defense for Atomic Energy" and inserting in lieu thereof "The Assistant to the Secretary of Defense for Nuclear and Chemical and Biological Defense Programs.".

(2) Section 5316 of title 5, United States Code, is amended by striking out "The Assistant to the Secretary of Defense for Atomic Energy, Department of Defense." and inserting in lieu thereof the following:

"Assistant to the Secretary of Defense for Nuclear and Chemical and Biological Defense Programs, Department of Defense.".

TITLE X—GENERAL PROVISIONS

Subtitle A—Financial Matters

SEC. 1001. TRANSFER AUTHORITY.

(a) AUTHORITY TO TRANSFER AUTHORIZATIONS.—(1) Upon determination by the Secretary of Defense that such action is necessary in the national interest, the Secretary may transfer amounts of authorizations made available to the Department of Defense in this division for fiscal year 1996 between any such authorizations for that fiscal year (or any subdivisions thereof). Amounts of authorizations so transferred shall be merged with and be available for the same purposes as the authorization to which transferred.

(2) The total amount of authorizations that the Secretary of Defense may transfer under the authority of this section may not exceed $2,000,000,000.

(b) LIMITATIONS.—The authority provided by this section to transfer authorizations—

(1) may only be used to provide authority for items that have a higher priority than the items from which authority is transferred; and

(2) may not be used to provide authority for an item that has been denied authorization by Congress.

(c) EFFECT ON AUTHORIZATION AMOUNTS.—A transfer made from one account to another under the authority of this section shall be deemed to increase the amount authorized for the account to which the amount is transferred by an amount equal to the amount transferred.

(d) NOTICE TO CONGRESS.—The Secretary shall promptly notify Congress of each transfer made under subsection (a).

SEC. 1002. DISBURSING AND CERTIFYING OFFICIALS.

(a) DISBURSING OFFICIALS.—(1) Section 3321(c) of title 31, United States Code, is amended by striking out paragraph (2) and inserting in lieu thereof the following:

"(2) The Department of Defense.".

(2) Section 2773 of title 10, United States Code, is amended—

(A) in subsection (a)—

(i) by striking out "With the approval of the Secretary of a military department when the Secretary considers it necessary, a disbursing official of the military department" and inserting in lieu thereof "Subject to paragraph (3), a disbursing official of the Department of Defense"; and

(ii) by adding at the end the following new paragraph:

"(3) A disbursing official may make a designation under paragraph (1) only with the approval of the Secretary of Defense or, in the case of a disbursing official of a military department, the Secretary of that military department."; and

(B) in subsection (b)(1), by striking out "any military department" and inserting in lieu thereof "the Department of Defense".

(b) DESIGNATION OF MEMBERS OF THE ARMED FORCES TO HAVE AUTHORITY TO CERTIFY VOUCHERS.—Section 3325(b) of title 31, United States Code, is amended to read as follows:

"(b) In addition to officers and employees referred to in subsection (a)(1)(B) of this section as having authorization to certify vouchers, members of the armed forces under the jurisdiction of the Secretary of Defense may certify vouchers when authorized, in writing, by the Secretary to do so.".

(c) CONFORMING AMENDMENTS.—(1) Section 1012 of title 37, United States Code, is amended by striking out "Secretary concerned" both places it appears and inserting in lieu thereof "Secretary of Defense".

(2) Section 1007(a) of title 37, United States Code, is amended by striking out "Secretary concerned" and inserting in lieu thereof "Secretary of Defense, or upon the denial of relief of an officer pursuant to section 3527 of title 31".

(3)(A) Section 7863 of title 10, United States Code, is amended—

(i) in the first sentence, by striking out "disbursements of public moneys or" and "the money was paid or"; and

(ii) in the second sentence, by striking out "disbursement or".

(B)(i) The heading of such section is amended to read as follows:

"§7863. Disposal of public stores by order of commanding officer".

(ii) The item relating to such section in the table of sections at the beginning of chapter 661 of such title is amended to read as follows:

"7863. Disposal of public stores by order of commanding officer.".

(4) Section 3527(b)(1) of title 31, United States Code, is amended—

(A) by striking out "a disbursing official of the armed forces" and inserting in lieu thereof "an official of the armed forces referred to in subsection (a)";

(B) by striking out "records," and inserting in lieu thereof "records, or a payment described in section 3528(a)(4)(A) of this title,";

(C) by redesignating subparagraphs (A), (B), and (C) as clauses (i), (ii), and (iii), and realigning such clauses four ems from the left margin;

(D) by inserting before clause (i), as redesignated by subparagraph (C), the following:

"(A) in the case of a physical loss or deficiency—";

(E) in clause (iii), as redesignated by subparagraph (C), by striking out the period at the end and inserting in lieu thereof "; or"; and

(F) by adding at the end the following:

"(B) in the case of a payment described in section 3528(a)(4)(A) of this title, the Secretary of Defense or the appropriate Secretary of the military department of the Department of Defense, after taking a diligent collection action, finds that the criteria of section 3528(b)(1) of this title are satisfied.".

SEC. 1003. DEFENSE MODERNIZATION ACCOUNT.

(a) ESTABLISHMENT AND USE.—(1) Chapter 131 of title 10, United States Code, is amended by adding at the end the following:

"§2221. Defense Modernization Account

"(a) ESTABLISHMENT.—There is established in the Treasury a special account to be known as the 'Defense Modernization Account'.

"(b) CREDITS TO ACCOUNT.—(1) Under regulations prescribed by the Secretary of Defense, and upon a determination by the Secretary concerned of the availability and source of excess funds as described in subparagraph (A) or (B), the Secretary may transfer to the Defense Modernization Account during any fiscal year—

"(A) any amount of unexpired funds available to the Secretary for procurements that, as a result of economies, efficiencies, and other savings achieved in the procurements, are excess to the funding requirements of the procurements; and

"(B) any amount of unexpired funds available to the Secretary for support of installations and facilities that, as a result of economies, efficiencies, and other savings, are excess to the funding requirements for support of installations and facilities.

"(2) Funds referred to in paragraph (1) may not be transferred to the Defense Modernization Account by a Secretary concerned if—

"(A) the funds are necessary for programs, projects, and activities that, as determined by the Secretary, have a higher priority than the purposes for which the funds would be available if transferred to that account; or

"(B) the balance of funds in the account, after transfer of funds to the account would exceed $1,000,000,000.

"(3) Amounts credited to the Defense Modernization Account shall remain available for transfer until the end of the third fiscal year that follows the fiscal year in which the amounts are credited to the account.

"(4) The period of availability of funds for expenditure provided for in sections 1551 and 1552 of title 31 shall not be extended by transfer into the Defense Modernization Account.

"(c) ATTRIBUTION OF FUNDS.—The funds transferred to the Defense Modernization Account by a military department, Defense Agency, or other element of the Department of Defense shall be available in accordance with subsections (f) and (g) only for that military department, Defense Agency, or element.

"(d) USE OF FUNDS.—Funds available from the Defense Modernization Account pursuant to subsection (f) or (g) may be used only for the following purposes:

"(1) For increasing, subject to subsection (e), the quantity of items and services procured under a procurement program in order to achieve a more efficient production or delivery rate.

"(2) For research, development, test and evaluation and procurement necessary for modernization of an existing system or of a system being procured under an ongoing procurement program.

"(e) LIMITATIONS.—(1) Funds from the Defense Modernization Account may not be used to increase the quantity of an item or services procured under a particular procurement program to the extent that doing so would—

"(A) result in procurement of a total quantity of items or services in excess of—

"(i) a specific limitation provided in law on the quantity of the items or services that may be procured; or

"(ii) the requirement for the items or services as approved by the Joint Requirements Oversight Council and reported to Congress by the Secretary of Defense; or

"(B) result in an obligation or expenditure of funds in excess of a specific limitation provided in law on the amount that may be obligated or expended, respectively, for the procurement program.

"(2) Funds from the Defense Modernization Account may not be used for a purpose or program for which Congress has not authorized appropriations.

"(3) Funds may not be transferred from the Defense Modernization Account in any year for the purpose of—

"(A) making any expenditure for which there is no corresponding obligation; or

"(B) making any expenditure that would satisfy an unliquidated or unrecorded obligation arising in a prior fiscal year.

"(f) TRANSFER OF FUNDS.—(1) Funds in the Defense Modernization Account may be transferred in any fiscal year to appropriations available for use for purposes set forth in subsection (d).

"(2) Before funds in the Defense Modernization Account are transferred under paragraph (1), the Secretary concerned shall transmit to the congressional defense committees a notification of the amount and purpose of the proposed transfer.

"(3) The total amount of the transfers from the Defense Modernization Account may not exceed $500,000,000 in any fiscal year.

"(g) AVAILABILITY OF FUNDS FOR APPROPRIATION.—Funds in the Defense Modernization Account may be appropriated for purposes set forth in subsection (d) to the extent provided in Acts authorizing appropriations for the Department of the Defense.

"(h) SECRETARY TO ACT THROUGH COMPTROLLER.—In exercising authority under this section, the Secretary of Defense shall act through the Under Secretary of Defense (Comptroller), who shall be authorized to implement this section through the issuance of any necessary regulations, policies, and procedures after consultation with the General Counsel and Inspector General of the Department of Defense.

"(i) QUARTERLY REPORT.—Not later than 15 days after the end of each calendar quarter, the Secretary of Defense shall submit to the appropriate committees of Congress a report setting forth the amount and source of each credit to the Defense Modernization Account during the quarter and the amount and purpose of each transfer from the account during the quarter.

"(j) DEFINITIONS.—In this section:

"(1) The term 'Secretary concerned' includes the Secretary of Defense.

"(2) The term 'unexpired funds' means funds appropriated for a definite period that remain available for obligation.

"(3) The term 'congressional defense committees' means—

"(A) the Committees on Armed Services and Appropriations of the Senate; and

"(B) the Committees on National Security and Appropriations of the House of Representatives.

"(4) The term 'appropriate committees of Congress' means—

"(A) the congressional defense committees;

"(B) the Committee on Governmental Affairs of the Senate; and

"(C) the Committee on Government Reform and Oversight of the House of Representatives.

"(k) INAPPLICABILITY TO COAST GUARD.—This section does not apply to the Coast Guard when it is not operating as a service in the Navy.".

(2) The table of sections at the beginning of chapter 131 of such title is amended by adding at the end the following:

"2221. Defense Modernization Account.".

(b) EFFECTIVE DATE.—Section 2221 of title 10, United States Code (as added by subsection (a)), shall take effect on October 1, 1995, and shall apply only to funds appropriated for fiscal years beginning on or after that date.

(c) EXPIRATION OF AUTHORITY AND ACCOUNT.—(1) The authority under section 2221(b) of title 10, United States Code (as added by subsection (a)), to transfer funds into the Defense Modernization Account shall terminate on October 1, 2003.

(2) Three years after the termination of transfer authority under paragraph (1), the Defense Modernization Account shall be closed and the remaining balance in the account shall be canceled and thereafter shall not be available for any purpose.

(3)(A) The Comptroller General of the United States shall conduct two reviews of the administration of the Defense Modernization Account. In each review, the Comptroller General shall assess the operations and benefits of the account.

(B) Not later than March 1, 2000, the Comptroller General shall—

(i) complete the first review; and

(ii) submit to the appropriate committees of Congress an initial report on the administration and benefits of the Defense Modernization Account.

(C) Not later than March 1, 2003, the Comptroller General shall—

(i) complete the second review; and

(ii) submit to the appropriate committees of Congress a final report on the administration and benefits of the Defense Modernization Account.

(D) Each report shall include any recommended legislation regarding the account that the Comptroller General considers appropriate.

(E) In this paragraph, the term "appropriate committees of Congress" has the meaning given such term in section 2221(j)(4) of title 10, United States Code, as added by subsection (a).

SEC. 1004. AUTHORIZATION OF PRIOR EMERGENCY SUPPLEMENTAL APPROPRIATIONS FOR FISCAL YEAR 1995.

(a) ADJUSTMENT TO PREVIOUS AUTHORIZATIONS.—Amounts authorized to be appropriated to the Department of Defense for fiscal year 1995 in the National Defense Authorization Act for Fiscal Year 1995 (Public Law 103–337) are hereby adjusted, with respect to any such authorized amount, by the amount by which appropriations pursuant to such authorization were increased (by a supplemental appropriation) or decreased (by a rescission), or both, in title I of the Emergency Supplemental Appropriations and Rescissions for the Department of Defense to Preserve and Enhance Military Readiness Act of 1995 (Public Law 104–6).

(b) NEW AUTHORIZATION.—The appropriation provided in section 104 of such Act is hereby authorized.

SEC. 1005. LIMITATION ON USE OF AUTHORITY TO PAY FOR EMERGENCY AND EXTRAORDINARY EXPENSES.

Section 127 of title 10, United States Code, is amended—

(1) by redesignating subsection (c) as subsection (d); and

(2) by inserting after subsection (b) the following new subsection (c):

"(c)(1) Funds may not be obligated or expended in an amount in excess of $500,000 under the authority of subsection (a) or (b) until the Secretary of Defense has notified the Committees on Armed Services and Appropriations of the Senate and the Committees on National Security and Appropriations of the House of Representatives of the intent to obligate or expend the funds, and—

"(A) in the case of an obligation or expenditure in excess of $1,000,000, 15 days have elapsed since the date of the notification; or

"(B) in the case of an obligation or expenditure in excess of $500,000, but not in excess of $1,000,000, 5 days have elapsed since the date of the notification.

"(2) Subparagraph (A) or (B) of paragraph (1) shall not apply to an obligation or expenditure of funds otherwise covered by such subparagraph if the Secretary of Defense determines that the national security objectives of the United States will be compromised by the application

of the subparagraph to the obligation or expenditure. If the Secretary makes a determination with respect to an expenditure under the preceding sentence, the Secretary shall notify the committees referred to in paragraph (1) not later than the later of—

"(A) 30 days after the date of the expenditure; or

"(B) the date on which the activity for which the expenditure is made is completed.

"(3) A notification under this subsection shall include the amount to be obligated or expended, as the case may be, and the purpose of the obligation or expenditure.".

SEC. 1006. TRANSFER AUTHORITY REGARDING FUNDS AVAILABLE FOR FOREIGN CURRENCY FLUCTUATIONS.

(a) TRANSFERS TO MILITARY PERSONNEL ACCOUNTS AUTHORIZED.—Section 2779 of title 10, United States Code, is amended by adding at the end the following:

"(c) TRANSFERS TO MILITARY PERSONNEL ACCOUNTS.—(1) The Secretary of Defense may transfer funds to military personnel appropriations for a fiscal year out of funds available to the Department of Defense for that fiscal year under the appropriation 'Foreign Currency Fluctuations, Defense'.

"(2) This subsection applies with respect to appropriations for fiscal years beginning after September 30, 1995.".

(b) REVISION AND CODIFICATION OF AUTHORITY FOR TRANSFERS TO FOREIGN CURRENCY FLUCTUATIONS ACCOUNT.—Section 2779 of such title, as amended by subsection (a), is further amended by adding at the end the following:

"(d) TRANSFERS TO FOREIGN CURRENCY FLUCTUATIONS ACCOUNT.—(1) The Secretary of Defense may transfer to the appropriation 'Foreign Currency Fluctuations, Defense' unobligated amounts of funds appropriated for operation and maintenance and unobligated amounts of funds appropriated for military personnel.

"(2) Any transfer from an appropriation under paragraph (1) shall be made not later than the end of the second fiscal year following the fiscal year for which the appropriation is provided.

"(3) Any transfer made pursuant to the authority provided in this subsection shall be limited so that the amount in the appropriation 'Foreign Currency Fluctuations, Defense' does not exceed $970,000,000 at the time such transfer is made.

"(4) This subsection applies with respect to appropriations for fiscal years beginning after September 30, 1995.".

(c) CONDITIONS OF AVAILABILITY FOR TRANSFERRED FUNDS.—Section 2779 of such title, as amended by subsection (b), is further amended by adding at the end the following:

"(e) CONDITIONS OF AVAILABILITY FOR TRANSFERRED FUNDS.—Amounts transferred under subsection (c) or (d) shall be merged with and be available for the same purposes and for the same period as the appropriations to which transferred.".

(d) CONFORMING AND TECHNICAL AMENDMENTS.—(1) Section 767A of Public Law 96–527 (94 Stat. 3093) is repealed.

(2) Section 791 of the Department of Defense Appropriation Act, 1983 (enacted in section 101(c) of Public Law 97–377; 96 Stat. 1865) is repealed.

(3) Section 2779 of title 10, United States Code, is amended—

(A) in subsection (a), by striking out "(a)(1)" and inserting in lieu thereof "(a) TRANSFERS BACK TO FOREIGN CURRENCY FLUCTUATIONS APPROPRIATION.—(1) "; and

(B) in subsection (b), by striking out "(b)(1)" and inserting in lieu thereof "(b) FUNDING FOR LOSSES IN MILITARY CONSTRUCTION AND FAMILY HOUSING.—(1)".

SEC. 1007. REPORT ON BUDGET SUBMISSION REGARDING RESERVE COMPONENTS.

(a) SPECIAL REPORT.—The Secretary of Defense shall submit to the congressional defense committees, at the same time that the President submits the budget for fiscal year 1997 under section 1105(a) of title 31, United States Code, a special report on funding for the reserve components of the Armed Forces.

(b) CONTENT.—The report shall contain the following:

(1) The actions taken by the Department of Defense to enhance the Army National Guard, the Air National Guard, and each of the other reserve components.

(2) A separate listing, with respect to the Army National Guard, the Air National Guard, and each of the other reserve components, of each of the following:

(A) The specific amount requested for each major weapon system.

(B) The specific amount requested for each item of equipment.

(C) The specific amount requested for each military construction project, together with the location of each such project.

(3) If the total amount reported in accordance with paragraph (2) is less than $1,080,000,000, an additional separate listing described in paragraph (2) in a total amount equal to $1,080,000,000.

Subtitle B—Naval Vessels

SEC. 1011. IOWA CLASS BATTLESHIPS.

(a) RETURN TO NAVAL VESSEL REGISTER.—The Secretary of the Navy shall list on the Naval Vessel Register, and maintain on such register, at least two of the Iowa class battleships that were stricken from the register in February 1995.

(b) SELECTION OF SHIPS.—The Secretary shall select for listing on the register under subsection (a) the Iowa class battleships that are in the best material condition. In determining which battleships are in the best material condition, the Secretary shall take into consideration the findings of the Board of Inspection and Survey of the Navy, the extent to which each battleship has been modernized during the last period of active service of the battleship, and the military utility of each battleship after the modernization.

(c) SUPPORT.—The Secretary shall retain the existing logistical support necessary for support of at least two operational Iowa class battleships in active service, including technical manuals, repair and replacement parts, and ordnance.

(d) REPLACEMENT CAPABILITY.—The requirements of this section shall cease to be effective 60 days after the Secretary certifies in writing to the Committee on Armed Services of the Senate and the Committee on National Security of the House of Representatives that the Navy has within the fleet an operational surface fire support capability that equals or exceeds the fire support capability that the Iowa class battleships listed on the Naval Vessel Register pursuant to subsection (a) would, if in active service, be able to provide for Marine Corps amphibious assaults and operations ashore.

SEC. 1012. TRANSFER OF NAVAL VESSELS TO CERTAIN FOREIGN COUNTRIES.

(a) AUTHORITY.—The Secretary of the Navy is authorized to transfer—

(1) to the Government of Bahrain the Oliver Hazard Perry class guided missile frigate Jack Williams (FFG 24);

(2) to the Government of Egypt the Oliver Hazard Perry class frigates Duncan (FFG 10) and Copeland (FFG 25);

(3) to the Government of Oman the Oliver Hazard Perry class guided missile frigate Mahlon S. Tisdale (FFG 27);

(4) to the Government of Turkey the Oliver Hazard Perry class frigates Clifton Sprague (FFG 16), Antrim (FFG 20), and Flatley (FFG 21); and

(5) to the Government of the United Arab Emirates the Oliver Hazard Perry class guided missile frigate Gallery (FFG 26).

(b) FORMS OF TRANSFER.—(1) A transfer under paragraph (1), (2), (3), or (4) of subsection (a) shall be on a grant basis under section 516 of the Foreign Assistance Act of 1961 (22 U.S.C. 2321j).

(2) A transfer under paragraph (5) of subsection (a) shall be on a lease basis under section 61 of the Arms Export Control Act (22 U.S.C. 2796).

(c) COSTS OF TRANSFERS.—Any expense incurred by the United States in connection with a transfer authorized by subsection (a) shall be charged to the recipient.

(d) EXPIRATION OF AUTHORITY.—The authority to transfer a vessel under subsection (a) shall expire at the end of the 2-year period beginning on the date of the enactment of this Act, except that a lease entered into during that period under subsection (b)(2) may be renewed.

SEC. 1013. NAMING AMPHIBIOUS SHIPS.

(a) FINDINGS.—The Senate finds that:

(1) This year is the fiftieth anniversary of the battle of Iwo Jima, one of the great victories in all of the Marine Corps' illustrious history.

(2) The Navy has recently retired the ship that honored that battle, the U.S.S. IWO JIMA (LPH–2), the first ship in a class of amphibious assault ships.

(3) This Act authorizes the LHD–7, the final ship of the Wasp class of amphibious assault ships that will replace the Iwo Jima class of ships.

(4) The Navy is planning to start building a new class of amphibious transport docks, now called the LPD–17 class. This Act also authorizes funds that will lead to procurement of these vessels.

(5) There has been some confusion in the rationale behind naming new naval vessels with traditional naming conventions frequently violated.

(6) Although there have been good and sufficient reasons to depart from naming conventions in the past, the rationale for such departures has not always been clear.

(b) SENSE OF THE SENATE.—In light of these findings, expressed in subsection (a), it is the sense of the Senate that the Secretary of the Navy should:

(1) Name the LHD–7 the U.S.S. IWO JIMA.

(2) Name the LPD–17 and all future ships of the LPD–17 class after famous Marine Corps battles or famous Marine Corps heroes.

Subtitle C—Counter-Drug Activities

SEC. 1021. REVISION AND CLARIFICATION OF AUTHORITY FOR FEDERAL SUPPORT OF DRUG INTERDICTION AND COUNTER-DRUG ACTIVITIES OF THE NATIONAL GUARD.

(a) FUNDING ASSISTANCE.—Subsection (a) of section 112 of title 32, United States Code, is amended—

(1) by striking out "submits a plan to the Secretary under subsection (b)" in the matter above paragraph (1) and inserting in lieu thereof "submits to the Secretary a State drug interdiction and counter-drug activities plan satisfying the requirements of subsection (c)";

(2) by redesignating paragraph (2) as paragraph (3); and

(3) by striking out paragraph (1) and inserting in lieu thereof the following:

"(1) the pay, allowances, clothing, subsistence, gratuities, travel, and related expenses, as authorized by State law, of personnel of the National Guard of that State used, while not in Federal service, for the purpose of drug interdiction and counter-drug activities;

"(2) the operation and maintenance of the equipment and facilities of the National Guard

of that State used for the purpose of drug interdiction and counter-drug activities; and".

(b) Use of Personnel Performing Full-Time National Guard Duty.—Section 112 of such title is amended—

(1) by striking out subsection (e);

(2) by redesignating subsections (b), (c), (d), and (f) as subsections (c), (d), (f), and (g), respectively; and

(3) by inserting after subsection (a) the following new subsection (b):

"(b) Use of Personnel Performing Full Time National Guard Duty.—(1) Subject to subsection (e), personnel of the National Guard of a State may be ordered to perform full-time National Guard duty under section 502(f) of this title for the purpose of carrying out drug interdiction and counter-drug activities.

"(2) Under regulations prescribed by the Secretary of Defense, the Governor of a State may, in accordance with the State drug interdiction and counter-drug activities plan referred to in subsection (c), request that personnel of the National Guard of the State be ordered to perform full-time National Guard duty under section 502(f) of this title for the purpose of carrying out drug interdiction and counter-drug activities.".

(c) State Plan.—Subsection (c) of such section, as redesignated by subsection (b)(2), is amended—

(1) in the matter above paragraph (1), by striking out "A plan" and inserting in lieu thereof "A State drug interdiction and counter-drug activities plan";

(2) by striking out "and" at the end of paragraph (2); and

(3) in paragraph (3)—

(A) by striking out "annual training" and inserting in lieu thereof "training";

(B) by striking out the period at the end and inserting in lieu thereof a semicolon; and

(C) by adding at the end the following:

"(4) include a certification by the Attorney General of the State (or, in the case of a State with no position of Attorney General, a civilian official of the State equivalent to a State attorney general) that the use of the National Guard of the State for the activities proposed under the plan is authorized by, and is consistent with, State law; and

"(5) certify that the Governor of the State or a civilian law enforcement official of the State designated by the Governor has determined that any activities included in the plan that are carried out in conjunction with Federal law enforcement agencies serve a State law enforcement purpose.".

(d) Examination of State Plan.—Subsection (d) of such section, as redesignated by subsection (b)(2), is amended—

(1) in paragraph (1)—

(A) by inserting after "Before funds are provided to the Governor of a State under this section" the following: "and before members of the National Guard of that State are ordered to full-time National Guard duty as authorized in subsection (b)(1)"; and

(B) by striking out "subsection (b)" and inserting in lieu thereof "subsection (c)"; and

(2) in paragraph (3)—

(A) by striking out "subsection (b)" in subparagraph (A) and inserting in lieu thereof "subsection (c)"; and

(B) by striking out subparagraph (B) and inserting in lieu thereof the following:

"(B) pursuant to the plan submitted for a previous fiscal year, funds were provided to the State in accordance with subsection (a) or personnel of the National Guard of the State were ordered to perform full-time National Guard duty in accordance with subsection (b).".

(e) End Strength Limitation.—Such section is amended by inserting after subsection (d), as redesignated by subsection (b)(2), the following new subsection (e):

"(e) End Strength Limitation.—(1) Except as provided in paragraph (2), at the end of a fiscal year there may not be more than 4000 members of the National Guard—

"(A) on full-time National Guard duty under section 502(f) of this title to perform drug interdiction or counter-drug activities pursuant to an order to duty for a period of more than 180 days; or

"(B) on duty under State authority to perform drug interdiction or counter-drug activities pursuant to an order to duty for a period of more than 180 days with State pay and allowances being reimbursed with funds provided under subsection (a)(1).

"(2) The Secretary of Defense may increase the end strength authorized under paragraph (1) by not more than 20 percent for any fiscal year if the Secretary determines that such an increase is necessary in the national security interests of the United States.".

(f) Definitions.—Subsection (g) of such section, as redesignated by subsection (b)(2), is amended by striking out paragraph (1) and inserting in lieu thereof the following:

"(1) The term 'drug interdiction and counter-drug activities', with respect to the National Guard of a State, means the use of National Guard personnel in drug interdiction and counter-drug law enforcement activities authorized by the law of the State and requested by the Governor of the State.".

SEC. 1022. NATIONAL DRUG INTELLIGENCE CENTER.

(a) Limitation on Use of Funds.—Except as provided in subsection (b), funds appropriated or otherwise made available for the Department of Defense pursuant to this or any other Act may not be obligated or expended for the National Drug Intelligence Center, Johnstown, Pennsylvania.

(b) Exception.—If the Attorney General operates the National Drug Intelligence Center using funds available for the Department of Justice, the Secretary of Defense may continue to provide Department of Defense intelligence personnel to support intelligence activities at the Center. The number of such personnel providing support to the Center after the date of the enactment of this Act may not exceed the number of the Department of Defense intelligence personnel who are supporting intelligence activities at the Center on the day before such date.

SEC. 1023. ASSISTANCE TO CUSTOMS SERVICE.

(a) Nonintrusive Inspection Systems.—The Secretary of Defense shall, using funds available pursuant to subsection (b), either—

(1) procure nonintrusive inspection systems and transfer the systems to the United States Customs Service; or

(2) transfer the funds to the Secretary of the Treasury for use to procure nonintrusive inspection systems for the United States Customs Service.

(b) Funding.—Of the amounts authorized to be appropriated under section 301(15), $25,000,000 shall be available for carrying out subsection (a).

Subtitle D—Department of Defense Education Programs

SEC. 1031. CONTINUATION OF THE UNIFORMED SERVICES UNIVERSITY OF THE HEALTH SCIENCES.

(a) Policy.—Congress reaffirms—

(1) the prohibition set forth in subsection (a) of section 922 of the National Defense Authorization Act for Fiscal Year 1995 (Public Law 103–337; 108 Stat. 2829; 10 U.S.C. 2112 note) regarding closure of the Uniformed Services University of the Health Sciences; and

(2) the expression of the sense of Congress set forth in subsection (b) of such section regarding the budgetary commitment to continuation of the university.

(b) Personnel Strength.—During the 5-year period beginning on October 1, 1995, the personnel staffing levels for the Uniformed Services University of the Health Services may not be reduced below the personnel staffing levels for the university as of October 1, 1993.

SEC. 1032. ADDITIONAL GRADUATE SCHOOLS AND PROGRAMS AT THE UNIFORMED SERVICES UNIVERSITY OF THE HEALTH SCIENCES.

Section 2113 of title 10, United States Code, is amended by striking out subsection (h) and inserting in lieu thereof the following:

"(h) The Board may establish the following educational programs:

"(1) Postdoctoral, postgraduate, and technological institutes.

"(2) A graduate school of nursing.

"(3) Other schools or programs that the Board determines necessary in order to operate the University in a cost-effective manner.".

SEC. 1033. FUNDING FOR BASIC ADULT EDUCATION PROGRAMS FOR MILITARY PERSONNEL AND DEPENDENTS OUTSIDE THE UNITED STATES.

Of the amounts authorized to be appropriated pursuant to section 301, $600,000 shall be available to carry out adult education programs, consistent with the Adult Education Act (20 U.S.C. 1201 et seq.), for—

(1) members of the Armed Forces who are serving in locations that are outside the United States and not described in subsection (b) of such section 313; and

(2) the dependents of such members.

SEC. 1034. SCOPE OF EDUCATION PROGRAMS OF COMMUNITY COLLEGE OF THE AIR FORCE.

Section 9315(a)(1) of title 10, United States Code, is amended by striking out "for enlisted members of the armed forces" and inserting in lieu thereof "for enlisted members of the Air Force".

SEC. 1035. DATE FOR ANNUAL REPORT ON SELECTED RESERVE EDUCATIONAL ASSISTANCE PROGRAM.

Section 16137 of title 10, United States Code, is amended by striking out "December 15 of each year" and inserting in lieu thereof "March 1 of each year".

SEC. 1036. ESTABLISHMENT OF JUNIOR R.O.T.C. UNITS IN INDIAN RESERVATION SCHOOLS.

It is the sense of Congress that the Secretary of Defense should ensure that secondary educational institutions on Indian reservations are afforded a full opportunity along with other secondary educational institutions to be selected as locations for establishment of new Junior Reserve Officers' Training Corps units.

Subtitle E—Cooperative Threat Reduction With States of the Former Soviet Union

SEC. 1041. COOPERATIVE THREAT REDUCTION PROGRAMS DEFINED.

For purposes of this subtitle, Cooperative Threat Reduction programs are the programs described in section 1203(b) of the Cooperative Threat Reduction Act of 1993 (title XII of Public Law 103–160; 107 Stat. 1778; 22 U.S.C. 5952(b)).

SEC. 1042. FUNDING MATTERS.

(a) Limitation.—Funds authorized to be appropriated under section 301(18) may not be obligated for any program established primarily to assist nuclear weapons scientists in States of the former Soviet Union until 30 days after the date on which the Secretary of Defense certifies in writing to Congress that the funds to be obligated will not be used to contribute to the modernization of the strategic nuclear forces of such States or for research, development, or production of weapons of mass destruction.

(b) REIMBURSEMENT OF PAY ACCOUNTS.—Funds authorized to be appropriated under section 301(18) may be transferred to military personnel accounts for reimbursement of those accounts for the pay and allowances paid to reserve component personnel for service while engaged in any activity under a Cooperative Threat Reduction program.

SEC. 1043. LIMITATION RELATING TO OFFENSIVE BIOLOGICAL WARFARE PROGRAM OF RUSSIA.

(a) FINDINGS.—Congress makes the following findings:

(1) Even though the President of Russia and other senior leaders of the Russian government have committed Russia to comply with the Biological Weapons Convention, a June 1995 United States Government report asserts that official United States concern remains about the Russian biological warfare program.

(2) In reviewing the President's budget request for fiscal year 1996 for Cooperative Threat Reduction, and consistent with the finding in section 1207(a)(5) of the National Defense Authorization Act for Fiscal Year 1995 (Public Law 103–337; 108 Stat. 2884), the Senate has taken into consideration the questions and concerns about Russia's biological warfare program and Russia's compliance with the obligations under the Biological Weapons Convention.

(b) LIMITATION ON USE OF FUNDS FOR COOPERATIVE THREAT REDUCTION.—Of the amount available under section 301(18) for Cooperative Threat Reduction programs, $50,000,000 shall be reserved and not obligated until the President certifies to Congress that Russia is in compliance with the obligations under the Biological Weapons Convention.

SEC. 1044. LIMITATION ON USE OF FUNDS FOR COOPERATIVE THREAT REDUCTION.

(a) LIMITATION.—Of the funds appropriated or otherwise made available for fiscal year 1996 under the heading "FORMER SOVIET UNION THREAT REDUCTION" for dismantlement and destruction of chemical weapons, not more than $52,000,000 may be obligated or expended for that purpose until the President certifies to Congress the following:

(1) That the United States and Russia have completed a joint laboratory study evaluating the proposal of Russia to neutralize its chemical weapons and the United States agrees with the proposal.

(2) That Russia is in the process of preparing, with the assistance of the United States (if necessary), a comprehensive plan to manage the dismantlement and destruction of the Russia chemical weapons stockpile.

(3) That the United States and Russia are committed to resolving outstanding issues under the 1989 Wyoming Memorandum of Understanding and the 1990 Bilateral Destruction Agreement.

(b) DEFINITIONS.—In this section:

(1) The term "1989 Wyoming Memorandum of Understanding" means the Memorandum of Understanding between the Government of the United States of America and the Government of the Union of Soviet Socialist Republics Regarding a Bilateral Verification Experiment and Data Exchange Related to Prohibition on Chemical Weapons, signed at Jackson Hole, Wyoming, on September 23, 1989.

(2) The term "1990 Bilateral Destruction Agreement" means the Agreement between the United States of America and the Union of Soviet Socialist Republics on destruction and nonproduction of chemical weapons and on measures to facilitate the multilateral convention on banning chemical weapons signed on June 1, 1990.

Subtitle F—Matters Relating to Other Nations

SEC. 1051. COOPERATIVE RESEARCH AND DEVELOPMENT AGREEMENTS WITH NATO ORGANIZATIONS.

Section 2350b(e) of title 10, United States Code, is amended—

(1) in paragraph (1), by inserting "or a NATO organization" after "a participant (other than the United States)"; and

(2) in paragraph (2), by inserting "or a NATO organization" after "a cooperative project".

SEC. 1052. NATIONAL SECURITY IMPLICATIONS OF UNITED STATES EXPORT CONTROL POLICY.

(a) FINDINGS.—Congress makes the following findings:

(1) Export controls remain an important element of the national security policy of the United States.

(2) It is in the national interest that United States export control policy prevent the transfer, to potential adversaries or combatants of the United States, of technology that threatens the national security or defense of the United States.

(3) It is in the national interest that the United States monitor aggressively the export of technology in order to prevent its diversion to potential adversaries or combatants of the United States.

(4) The Department of Defense relies increasingly on commercial and dual-use technologies, products, and processes to support United States military capabilities and economic strength.

(5) The Department of Defense evaluates license applications for the export of commodities whose export is controlled for national security reasons if such commodities are exported to certain countries, but the Department does not evaluate license applications for the export of such commodities if such commodities are exported to other countries.

(b) SENSE OF CONGRESS.—It is the sense of Congress that—

(1) the maintenance of the military advantage of the United States depends on effective export controls on dual-use items and technologies that are critical to the military capabilities of the Armed Forces;

(2) the Government should identify the dual-use items and technologies that are critical to the military capabilities of the Armed Forces, including the military use made of such items and technologies, and should reevaluate the export control policy of the United States in light of such identification; and

(3) the Government should utilize unilateral export controls on dual-use items and technologies that are critical to the military capabilities of the Armed Forces (regardless of the availability of such items or technologies overseas) with respect to the countries that—

(A) pose a threat to the national security interests of the United States; and

(B) are not members in good standing of bilateral or multilateral agreements to which the United States is a party on the use of such items and technologies.

(c) REPORT REQUIRED.—(1) Not later than December 1, 1995, the Secretary of Defense shall submit to the Committees on Armed Services and on Foreign Relations of the Senate and the Committees on National Security and on International Relations of the House of Representatives a report on the effect of the export control policy of the United States on the national security interests of the United States.

(2) The report shall include the following:

(A) A list setting forth each country determined to be a rogue nation or potential adversary or combatant of the United States.

(B) For each country so listed, a list of—

(i) the categories of items that should be prohibited for export to the country;

(ii) the categories of items that should be exported to the country only under an individual license with conditions; and

(iii) the categories of items that may be exported to the country under a general distribution license.

(C) For each category of items listed under clauses (ii) and (iii) of subparagraph (B)—

(i) a statement whether export controls on the category of items are to be imposed under a multilateral international agreement or a unilateral decision of the United States; and

(ii) a justification for the decision not to prohibit the export of the items to the country.

(D) A description of United States policy on sharing satellite imagery that has military significance and a discussion of the criteria for determining the imagery that has that significance.

(E) A description of the relationship between United States policy on the export of space launch vehicle technology and the Missile Technology Control Regime.

(F) An assessment of United States efforts to support the inclusion of additional countries in the Missile Technology Control Regime.

(G) An assessment of the on-going efforts made by potential participant countries in the Missile Technology Control Regime to meet the guidelines established by the Missile Technology Control Regime.

(H) A brief discussion of the history of the space launch vehicle programs of other countries, including a discussion of the military origins and purposes of such programs and the current level of military involvement in such programs.

(3) The Secretary shall submit the report in unclassified form but may include a classified annex.

(4) In this subsection, the term "Missile Technology Control Regime" means the policy statement between the United States, the United Kingdom, the Federal Republic of Germany, France, Italy, Canada, and Japan, announced on April 16, 1987, to restrict sensitive missile-relevant transfers based on the Missile Technology Control Regime Annex, and any amendments thereto.

(d) DEPARTMENT OF DEFENSE REVIEW OF EXPORT LICENSES FOR CERTAIN BIOLOGICAL PATHOGENS.—(1) Notwithstanding any other provision of law, the Secretary of Defense shall, in consultation with appropriate elements of the intelligence community, review each application that is submitted to the Secretary of Commerce for an individual validated license for the export of a class 2, class 3, or class 4 biological pathogen to a country known or suspected to have an offensive biological weapons program. The purpose of the review is to determine if the export of the pathogen pursuant to the license would be contrary to the national security interests of the United States.

(2) The Secretary of Defense, in consultation with the Secretary of State and the intelligence community, shall periodically inform the Secretary of Commerce as to the countries known or suspected to have an offensive biological weapons program.

(3) In order to facilitate the review of an application for an export license by appropriate elements of the intelligence committee under paragraph (1), the Secretary of Defense shall submit a copy of the application to such appropriate elements.

(4) The Secretary of Defense shall carry out the review of an application under this subsection not later than 30 days after the date on which the Secretary of Commerce forwards a copy of the application to the Secretary of Defense for review.

(5) Upon completion of the review of an application for an export license under this

subsection, the Secretary of Defense shall notify the Secretary of Commerce if the export of a biological pathogen pursuant to the license would be contrary to the national security interests of the United States.

(6) Notwithstanding any other provision of law, upon receipt of a notification with respect to an application for an export license under paragraph (5), the Secretary of Commerce shall deny the application.

(7) In this subsection:

(A) The term "class 2, class 3, or class 4 biological pathogen" means any biological pathogen characterized as a class 2, class 3, or class 4 biological pathogen by the Centers for Disease Control.

(B) The term "intelligence community" has the meaning given such term in section 3(4) of the National Security Act of 1947 (50 U.S.C. 401a(4).

SEC. 1053. DEFENSE EXPORT LOAN GUARANTEES.

(a) ESTABLISHMENT OF PROGRAM.—(1) Chapter 148 of title 10, United States Code, is amended by adding at the end the following new subchapter:

"SUBCHAPTER VI—DEFENSE EXPORT LOAN GUARANTEES

"Sec.

"2540. Establishment of loan guarantee program.

"2540a. Transferability.

"2540b. Limitations.

"2540c. Fees charged and collected.

"2540d. Definitions.

"§2540. Establishment of loan guarantee program

"(a) ESTABLISHMENT.—In order to meet the national security objectives in section 2501(a) of this title, the Secretary of Defense shall establish a program under which the Secretary may issue guarantees assuring a lender against losses of principal or interest, or both principal and interest, arising out of the financing of the sale or long-term lease of defense articles, defense services, or design and construction services to a country referred to in subsection (b).

"(b) COVERED COUNTRIES.—The authority under subsection (a) applies with respect to the following countries:

"(1) A member nation of the North Atlantic Treaty Organization (NATO).

"(2) A country designated as of March 31, 1995, as a major non-NATO ally pursuant to section 2350a(i)(3) of this title.

"(3) A country in Central Europe that, as determined by the Secretary of State—

"(A) has changed its form of national government from a nondemocratic form of government to a democratic form of government since October 1, 1989; or

"(B) is in the processing of changing its form of national government from a nondemocratic form of government to a democratic form of government.

"(4) A noncommunist country that was a member nation of the Asia Pacific Economic Cooperation (APEC) as of October 31, 1993.

"(c) AUTHORITY SUBJECT TO PROVISIONS OF APPROPRIATIONS.—The Secretary may guarantee a loan under this subchapter only as provided in appropriations Acts.

"§2540a. Transferability

"A guarantee issued under this subchapter shall be fully and freely transferable.

"§2540b. Limitations

"(a) TERMS AND CONDITIONS OF LOAN GUARANTEES.—In issuing a guarantee under this subchapter for a medium-term or long-term loan, the Secretary may not offer terms and conditions more beneficial than those that would be provided to the recipient by the Export-Import Bank of the United States under similar circumstances in conjunction with the provision of guarantees for nondefense articles and services.

"(b) LOSSES ARISING FROM FRAUD OR MISREPRESENTATION.—No payment may be made under a guarantee issued under this subchapter for a loss arising out of fraud or misrepresentation for which the party seeking payment is responsible.

"(c) NO RIGHT OF ACCELERATION.—The Secretary of Defense may not accelerate any guaranteed loan or increment, and may not pay any amount, in respect of a guarantee issued under this subchapter, other than in accordance with the original payment terms of the loan.

"§2540c. Fees charged and collected

"(a) IN GENERAL.—The Secretary of Defense shall charge a fee (known as 'exposure fee') for each guarantee issued under this subchapter.

"(b) AMOUNT.—To the extent that the cost of the loan guarantees under this subchapter is not otherwise provided for in appropriations Acts, the fee imposed under this section with respect to a loan guarantee shall be fixed in an amount determined by the Secretary to be sufficient to meet potential liabilities of the United States under the loan guarantee.

"(c) PAYMENT TERMS.—The fee for each guarantee shall become due as the guarantee is issued. In the case of a guarantee for a loan which is disbursed incrementally, and for which the guarantee is correspondingly issued incrementally as portions of the loan are disbursed, the fee shall be paid incrementally in proportion to the amount of the guarantee that is issued.

"§2540d. Definitions

"In this subchapter:

"(1) The terms 'defense article', 'defense services', and 'design and construction services' have the meanings given those terms in section 47 of the Arms Export Control Act (22 U.S.C. 2794).

"(2) The term 'cost', with respect to a loan guarantee, has the meaning given that term in section 502 of the Congressional Budget and Impoundment Control Act of 1974 (2 U.S.C. 661a).".

(2) The table of subchapters at the beginning of such chapter is amended by adding at the end the following new item:

"VI. Defense Export Loan Guarantees .. 2540".

(b) REPORT.—(1) Not later than two years after the date of the enactment of this Act, the President shall submit to Congress a report on the loan guarantee program established pursuant to section 2540 of title 10, United States Code, as added by subsection (a).

(2) The report shall include—

(A) an analysis of the costs and benefits of the loan guarantee program; and

(B) any recommendations for modification of the program that the President considers appropriate, including—

(i) any recommended addition to the list of countries for which a guarantee may be issued under the program; and

(ii) any proposed legislation necessary to authorize a recommended modification.

SEC. 1054. LANDMINE CLEARING ASSISTANCE PROGRAM.

(a) REVISION OF AUTHORITY.—Section 1413 of the National Defense Authorization Act for Fiscal Year 1995 (Public Law 103–337; 108 Stat. 2913; 10 U.S.C. 401 note) is amended by adding at the end the following:

"(f) SPECIAL REQUIREMENTS FOR FISCAL YEAR 1996.—Funds available for fiscal year 1996 for the program under subsection (a) may not be obligated for involvement of members of the Armed Forces in an activity under the program until the date that is 30 days after the date on which the Secretary of Defense certifies to Congress, in writing, that the involvement of such personnel in the activity satisfies military training requirements for such personnel.

"(g) TERMINATION OF AUTHORITY.—The Secretary of Defense may not provide assistance under subsection (a) after September 30, 1996.".

(b) REVISION OF DEFINITION OF LANDMINE.—Section 1423(d)(3) of the National Defense Authorization Act for Fiscal Year 1994 (Public Law 103–160; 107 Stat. 1831) is amended by striking out "by remote control or".

(c) FISCAL YEAR 1996 FUNDING.—Of the amount authorized to be appropriated by section 301 for Overseas Humanitarian, Disaster, and Civic Aid (OHDACA) programs of the Department of Defense, not more than $20,000,000 shall be available for the program of assistance under section 1413 of the National Defense Authorization Act for Fiscal Year 1995 (Public Law 103–337; 108 Stat. 2913; 10 U.S.C. 401 note).

SEC. 1055. STRATEGIC COOPERATION BETWEEN THE UNITED STATES AND ISRAEL.

(a) FINDINGS.—Congress makes the following findings:

(1) The President and Congress have repeatedly declared the long-standing United States commitment to maintaining the qualitative superiority of the Israel Defense Forces over any combination of potential adversaries.

(2) Congress continues to recognize the many benefits to the United States from its strategic relationship with Israel, including that of enhanced regional stability and technical cooperation.

(3) Despite the historic peace effort in which Israel and its neighbors are engaged, Israel continues to face severe potential threats to its national security that are compounded by terrorism and by the proliferation of weapons of mass destruction and ballistic missiles.

(4) Congress supports enhanced United States cooperation with Israel in all fields and, especially, in finding new ways to deter or counter mutual threats.

(b) SENSE OF CONGRESS.—It is the sense of Congress that—

(1) the President should ensure that any conventional defense system or technology offered by the United States for sale to any member nation of the North Atlantic Treaty Organization (NATO) or to any major non-NATO ally is concurrently made available for purchase by Israel unless the President determines that it would not be in the national security interests of the United States to do so; and

(2) the President should make available to Israel, within existing technology transfer laws, regulations, and policies, advanced United States technology necessary for achieving continued progress in cooperative United States-Israel research and development of theater missile defenses.

SEC. 1056. SUPPORT SERVICES FOR THE NAVY AT THE PORT OF HAIFA, ISRAEL.

It is the sense of Congress that the Secretary of the Navy should promptly undertake such actions as are necessary—

(1) to improve the services available to the Navy at the Port of Haifa, Israel; and

(2) to ensure that the continuing increase in commercial activities at the Port of Haifa does not adversely affect the availability to the Navy of the services required by the Navy at the port.

SEC. 1057. PROHIBITION ON ASSISTANCE TO TERRORIST COUNTRIES.

(a) PROHIBITION.—Subchapter I of chapter 134 of title 10, United States Code, is amended by adding at the end the following:

"§2249a. Prohibition on assistance to terrorist countries

"(a) PROHIBITION.—Funds available to the Department of Defense may not be obligated or expended to provide financial assistance to—

"(1) any country with respect to which the Secretary of State has made a determination

under section 6(j)(1)(A) of the Export Administration Act of 1979 (50 App. 2405(j));

"(2) any country identified in the latest report submitted to Congress under section 140 of the Foreign Relations Authorization Act, Fiscal Years 1988 and 1989 (22 U.S.C. 2656f), as providing significant support for international terrorism; or

"(3) any other country that, as determined by the President—

"(A) grants sanctuary from prosecution to any individual or group that has committed an act of international terrorism; or

"(B) otherwise supports international terrorism.

"(b) WAIVER.—(1) The President may waive the application of subsection (a) to a country if the President determines that it is in the national security interests of the United States to do so or that the waiver should be granted for humanitarian reasons.

"(2) The President shall—

"(A) notify the Committees on Armed Services and Foreign Relations of the Senate and the Committees on National Security and on International Relations of the House of Representatives at least 15 days before the waiver takes effect; and

"(B) publish a notice of the waiver in the Federal Register.

"(c) DEFINITION.—In this section, the term 'international terrorism' has the meaning given that term in section 140(d) of the Foreign Relations Authorization Act, Fiscal Years 1988 and 1989 (22 U.S.C. 2656f(d)).".

(b) CLERICAL AMENDMENT.—The table of sections at the beginning of subchapter I of such chapter is amended by adding at the end the following:

"2249a. Prohibition on assistance to terrorist countries.".

SEC. 1058. INTERNATIONAL MILITARY EDUCATION AND TRAINING.

(a) SENSE OF CONGRESS.—It is the sense of Congress that—

(1) it is in the national security interest of the United States to promote military professionalism (including an understanding of and respect for the proper role of the military in a civilian-led democratic society), the effective management of defense resources, the recognition of internationally recognized human rights, and an effective military justice system within the armed forces of allies of the United States and of countries friendly to the United States;

(2) it is in the national security interest of the United States to foster rapport, understanding, and cooperation between the Armed Forces of the United States and the armed forces of allies of the United States and of countries friendly to the United States;

(3) the international military education and training program is a low-cost method of promoting military professionalism within the armed forces of allies of the United States and of countries friendly to the United States and fostering better relations between the Armed Forces of the United States and those armed forces;

(4) the dissolution of the Soviet Union and the Warsaw Pact alliance and the spread of democracy in the Western Hemisphere have created an opportunity to promote the military professionalism of the armed forces of the affected nations;

(5) funding for the international military education and training program of the United States has decreased dramatically in recent years;

(6) the decrease in funding for the international military education and training program has resulted in a major decrease in the participation of personnel from Asia, Latin America, and Africa in the program;

(7) the Chairman of the Joint Chiefs of Staff and the commanders in chief of the regional combatant commands have consistently testified before congressional committees that the international military education and training program fosters cooperation with and improves military management, civilian control over the military forces, and respect for human rights within foreign military forces; and

(8) the delegation by the President to the Secretary of Defense of authority to perform functions relating to the international military education and training program is appropriate and should be continued.

(b) ACTIVITIES AUTHORIZED.—(1) Part I of subtitle A of title 10, United States Code, is amended by adding at the end the following:

"CHAPTER 23—CONTACTS UNDER PROGRAMS IN SUPPORT OF FOREIGN MILITARY FORCES

"Sec.

"461. Military-to-military contacts and comparable activities.

"462. International military education and training.

"§462. International military education and training

"(a) PROGRAM AUTHORITY.—Subject to the provisions of chapter 5 of part II of the Foreign Assistance Act of 1961 (22 U.S.C. 2347 et seq.), the Secretary of Defense, upon the recommendation of a commander of a combatant command, or, with respect to a geographic area or areas not within the area of responsibility of a commander of a combatant command, upon the recommendation of the Chairman of the Joint Chiefs of Staff, may pay a portion of the costs of providing international military education and training to military personnel of foreign countries and to civilian personnel of foreign countries who perform national defense functions.

"(b) RELATIONSHIP TO OTHER FUNDING.—Any amount provided pursuant to subsection (a) shall be in addition to amounts otherwise available for international military education and training for that fiscal year.".

(2) Section 168 oj title 10, United States Code, is redesignated as section 461, is transferred to chapter 23 (as added by paragraph (1)), and is inserted after the table of sections at the beginning of such chapter.

(3)(A) The tables of chapters at the beginning of subtitle A of such title and the beginning of part I of such subtitle are amended by inserting after the item relating to chapter 22 the following:

"23. Contacts Under Programs in Support of Foreign Military Forces ...... 461".

(B) The table of sections at the beginning of chapter 6 of title 10, United States Code, is amended by striking out the item relating to section 168.

(c) FISCAL YEAR 1996 FUNDING.—Of the amount authorized to be appropriated under section 301(5), $20,000,000 shall be available to the Secretary of Defense for the purposes of carrying out activities under section 462 of title 10, United States Code, as added by subsection (b).

(d) RELATIONSHIP TO AUTHORITY OF SECRETARY OF STATE.—Nothing in this section or section 462 of title 10, United States Code (as added by subsection (b)(1)), shall impair the authority or ability of the Secretary of State to coordinate policy regarding international military education and training programs.

SEC. 1059. REPEAL OF LIMITATION REGARDING AMERICAN DIPLOMATIC FACILITIES IN GERMANY.

Section 1432 of the National Defense Authorization Act for Fiscal Year 1994 (Public Law 103–160; 107 Stat. 1833) is repealed.

SEC. 1060. IMPLEMENTATION OF ARMS CONTROL AGREEMENTS.

(a) FUNDING.—Of the amounts authorized to be appropriated under sections 102, 103, 104, 201, and 301, $228,900,000 shall be available for implementing arms control agreements to which the United States is a party.

(b) LIMITATION.—(1) Except as provided in paragraph (2), none of the funds authorized to be appropriated under subsection (a) for the costs of implementing an arms control agreement may be used to reimburse expenses incurred by any other party to the agreement for which, without regard to any executive agreement or any policy not part of an arms control agreement—

(A) the other party is responsible under the terms of the arms control agreement; and

(B) the United States has no responsibility under the agreement.

(2) The limitation in paragraph (1) does not apply to a use of funds to fulfill a policy of the United States to reimburse expenses incurred by another party to an arms control agreement if—

(A) the policy does not modify any obligation imposed by the arms control agreement;

(B) the President—

(i) issued or approved the policy before the date of the enactment of this Act; or

(ii) has entered into an agreement on the policy with the government of another country or has approved an agreement on the policy entered into by an official of the United States and the government of another country; and

(C) the President has notified the congressional defense committees, the Committee on Foreign Relations of the Senate, and the Committee on International Relations of the House of Representatives of the policy or the policy agreement (as the case may be), in writing, at least 30 days before the date on which the President issued or approved the policy or has entered into or approved the policy agreement.

(c) DEFINITIONS.—In this section:

(1) The term "arms control agreement" means an arms control treaty or other form of international arms control agreement.

(2) The term "executive agreement" is an international agreement entered into by the President that is not authorized by statute or approved by the Senate under Article II, section 2, clause 2 of the Constitution.

SEC. 1061. SENSE OF CONGRESS ON LIMITING THE PLACING OF UNITED STATES FORCES UNDER UNITED NATIONS COMMAND OR CONTROL.

(a) FINDINGS.—Congress finds that—

(1) the President has made United Nations peace operations a major component of the foreign and security policies of the United States;

(2) the President has committed United States military personnel under United Nations operational control to missions in Haiti, Croatia, and Macedonia that could endanger those personnel;

(3) the President has committed the United States to deploy as many as 25,000 military personnel to Bosnia-Herzegovina as peacekeepers under United Nations command and control in the event that the parties to that conflict reach a peace agreement;

(4) although the President has insisted that he will retain command of United States forces at all times, in the past this has meant administrative control of United States forces only, while operational control has been ceded to United Nations commanders, some of whom were foreign nationals;

(5) the experience of United States forces participating in combined United States-United Nations operations in Somalia, and in combined United Nations-NATO operations in the former Yugoslavia, demonstrate that prerequisites for effective military operations such as unity of command and clarity of mission have not been

met by United Nations command and control arrangements; and

(6) despite the many deficiencies in the conduct of United Nations peace operations, there may be occasions when it is in the national security interests of the United States to participate in such operations.

(b) POLICY.—It is the sense of Congress that—

(1) the President should consult closely with Congress regarding any United Nations peace operation that could involve United States combat forces, and that such consultations should continue throughout the duration of such activities;

(2) the President should consult with Congress prior to a vote within the United Nations Security Council on any resolution which would authorize, extend, or revise the mandates for such activities;

(3) in view of the complexity of United Nations peace operations and the difficulty of achieving unity of command and expeditious decisionmaking, the United States should participate in such operations only when it is clearly in the national security interest to do so;

(4) United States combat forces should be under the operational control of qualified commanders and should have clear and effective command and control arrangements and rules of engagement (which do not restrict their self-defense in any way) and clear and unambiguous mission statements; and

(5) none of the Armed Forces of the United States should be under the operational control of foreign nationals in United Nations peace enforcement operations except in the most extraordinary circumstances.

(c) DEFINITIONS.—For purposes of this section—

(1) the term "United Nations peace enforcement operations" means any international peace enforcement or similar activity that is authorized by the United Nations Security Council under chapter VII of the Charter of the United Nations; and

(2) the term "United Nations peace operations" means any international peacekeeping, peacemaking, peace enforcement, or similar activity that is authorized by the United Nations Security Council under chapter VI or VII of the Charter of the United Nations.

SEC. 1062. SENSE OF SENATE ON PROTECTION OF UNITED STATES FROM BALLISTIC MISSILE ATTACK.

(a) FINDINGS.—The Senate makes the following findings:

(1) The proliferation of weapons of mass destruction and ballistic missiles presents a threat to the entire World.

(2) This threat was recognized by Secretary of Defense William J. Perry in February 1995 in the Annual Report to the President and the Congress which states that "[b]eyond the five declared nuclear weapons states, at least 20 other nations have acquired or are attempting to acquire weapons of mass destruction—nuclear, biological, or chemical weapons—and the means to deliver them. In fact, in most areas where United States forces could potentially be engaged on a large scale, many of the most likely adversaries already possess chemical and biological weapons. Moreover, some of these same states appear determined to acquire nuclear weapons.".

(3) At a summit in Moscow in May 1995, President Clinton and President Yeltsin commented on this threat in a Joint Statement which recognizes " . . . the threat posed by worldwide proliferation of missiles and missile technology and the necessity of counteracting this threat . . . ".

(4) At least 25 countries may be developing weapons of mass destruction and the delivery systems for such weapons.

(5) At least 24 countries have chemical weapons programs in various stages of research and development.

(6) Approximately 10 countries are believed to have biological weapons programs in various stages of development.

(7) At least 10 countries are reportedly interested in the development of nuclear weapons.

(8) Several countries recognize that weapons of mass destruction and missiles increase their ability to deter, coerce, or otherwise threaten the United States. Saddam Hussein recognized this when he stated, on May 8, 1990, that "[o]ur missiles cannot reach Washington. If they could reach Washington, we would strike it if the need arose.".

(9) International regimes like the Non-Proliferation Treaty, the Biological Weapons Convention, and the Missile Technology Control Regime, while effective, cannot by themselves halt the spread of weapons and technology. On January 10, 1995, Director of Central Intelligence, James Woolsey, said with regard to Russia that " . . . we are particularly concerned with the safety of nuclear, chemical, and biological materials as well as highly enriched uranium or plutonium, although I want to stress that this is a global problem. For example, highly enriched uranium was recently stolen from South Africa, and last month Czech authorities recovered three kilograms of 87.8 percent-enriched HEU in the Czech Republic—the largest seizure of near-weapons grade material to date outside the Former Soviet Union.".

(10) The possession of weapons of mass destruction and missiles by developing countries threatens our friends, allies, and forces abroad and will ultimately threaten the United States directly. On August 11, 1994, Deputy Secretary of Defense John Deutch said that "[i]f the North Koreans field the Taepo Dong 2 missile, Guam, Alaska, and parts of Hawaii would potentially be at risk.".

(11) The end of the Cold War has changed the strategic environment facing and between the United States and Russia. That the Clinton Administration believes the environment to have changed was made clear by Secretary of Defense William J. Perry on September 20, 1994, when he stated that "[w]e now have the opportunity to create a new relationship, based not on MAD, not on Mutual Assured Destruction, but rather on another acronym, MAS, or Mutual Assured Safety.".

(12) The United States and Russia have the opportunity to create a relationship based on trust rather than fear.

(b) SENSE OF SENATE.—It is the sense of the Senate that all Americans should be protected from accidental, intentional, or limited ballistic missile attack. It is the further sense of the Senate that front-line troops of the United States Armed Forces should be protected from missile attacks.

(c) FUNDING FOR CORPS SAM AND BOOST-PHASE INTERCEPTOR PROGRAMS.—

(1) Notwithstanding any other provision in this Act, of the funds authorized to be appropriated by section 201(4), $35,000,000 shall be available for the Corps SAM/MEADS program.

(2) With a portion of the funds authorized in paragraph (1) for the Corps SAM/MEADS program, the Secretary of Defense shall conduct a study to determine whether a Theater Missile Defense system derived from Patriot technologies could fulfill the Corps SAM/MEADS requirements at a lower estimated life-cycle cost than is estimated for the cost of the United States portion of the Corps SAM/MEADS program.

(3) The Secretary shall provide a report on the study required under paragraph (2) to the congressional defense committees not later than March 1, 1996.

(4) Of the funds authorized to be appropriated by section 201(4), not more than $3,403,413,000 shall be available for missile defense programs within the Ballistic Missile Defense Organization.

(d) OBLIGATION OF FUNDS.—Of the amounts referred to in section (c)(1), $10,000,000 may not be obligated until the report referred to in subsection (c)(2) is submitted to the congressional defense committees.

SEC. 1063. IRAN AND IRAQ ARMS NONPROLIFERATION.

(a) SANCTIONS AGAINST TRANSFERS OF PERSONS.—Section 1604(a) of the Iran-Iraq Arms Non-Proliferation Act of 1992 (title XVI of Public Law 102–484; 50 U.S.C. 1701 note) is amended by inserting "to acquire chemical, biological, or nuclear weapons or" before "to acquire".

(b) SANCTIONS AGAINST TRANSFERS OF FOREIGN COUNTRIES.—Section 1605(a) of such Act is amended by inserting "to acquire chemical, biological, or nuclear weapons or" before "to acquire".

(c) CLARIFICATION OF UNITED STATES ASSISTANCE.—Subparagraph (A) of section 1608(7) of such Act is amended to read as follows:

"(A) any assistance under the Foreign Assistance Act of 1961 (22 U.S.C. 2151 et seq.), other than urgent humanitarian assistance or medicine;".

SEC. 1064. REPORTS ON ARMS EXPORT CONTROL AND MILITARY ASSISTANCE.

(a) REPORTS BY SECRETARY OF STATE.—Not later than 180 days after the date of the enactment of this Act and every year thereafter until 1998, the Secretary of State shall submit to Congress a report setting forth—

(1) an organizational plan to include those firms on the Department of State licensing watch-lists that—

(A) engage in the exportation of potentially sensitive or dual-use technologies; and

(B) have been identified or tracked by similar systems maintained by the Department of Defense, Department of Commerce, or the United States Customs Service; and

(2) further measures to be taken to strengthen United States export-control mechanisms.

(b) REPORTS BY INSPECTOR GENERAL.—(1) Not later than 180 days after the date of the enactment of this Act and 1 year thereafter, the Inspector General of the Department of State and the Foreign Service shall submit to Congress a report on the evaluation by the Inspector General of the effectiveness of the watch-list screening process at the Department of State during the preceding year. The report shall be submitted in both a classified and unclassified version.

(2) Each report under paragraph (1) shall—

(A) set forth the number of licenses granted to parties on the watch-list;

(B) set forth the number of end-use checks performed by the Department;

(C) assess the screening process used by the Department in granting a license when an applicant is on a watch-list; and

(D) assess the extent to which the watch-list contains all relevant information and parties required by statute or regulation.

(c) ANNUAL MILITARY ASSISTANCE REPORT.—The Foreign Assistance Act of 1961 (22 U.S.C. 2151 et seq.) is amended by inserting after section 654 the following new section:

"SEC. 655 ANNUAL MILITARY ASSISTANCE REPORT.

"(a) IN GENERAL.—Not later than February 1 of 1996 and 1997, the President shall transmit to Congress an annual report for the fiscal year ending the previous September 30, showing the aggregate dollar value and quantity of defense articles (including excess defense articles) and defense services, and of military education and training, furnished by the United States to each foreign country and international organization,

by category, specifying whether they were furnished by grant under chapter 2 or chapter 5 of part II of this Act or by sale under chapter 2 of the Arms Control Export Control Act or authorized by commercial sale license under section 38 of that Act.

"(b) ADDITIONAL CONTENTS OF REPORTS.—Each report shall also include the total amount of military items of non-United States manufacture being imported into the United States. The report should contain the country of origin, the type of item being imported, and the total amount of items.".

Subtitle G—Repeal of Certain Reporting Requirements

SEC. 1071. REPORTS REQUIRED BY TITLE 10, UNITED STATES CODE.

(a) ANNUAL REPORT ON RELOCATION ASSISTANCE PROGRAMS.—Section 1056 of title 10, United States Code, is amended—

(1) by striking out subsection (f); and

(2) by redesignating subsection (g) as subsection (f).

(b) NOTICE OF SALARY INCREASES FOR FOREIGN NATIONAL EMPLOYEES.—Section 1584 of such title is amended—

(1) by striking out subsection (b); and

(2) in subsection (a), by striking out "(a) WAIVER OF EMPLOYMENT RESTRICTIONS FOR CERTAIN PERSONNEL.—".

(c) NOTICE OF INVOLUNTARY REDUCTIONS OF CIVILIAN POSITIONS.—Section 1597 of such title is amended by striking out subsection (e).

(d) NOTIFICATION OF REQUIREMENT FOR AWARD OF CONTRACTS TO COMPLY WITH COOPERATIVE AGREEMENTS.—Section 2350b(d) of such title is amended—

(1) by striking out paragraph (1);

(2) by redesignating paragraphs (2) and (3) as paragraphs (1) and (2), respectively; and

(3) in paragraph (1), as so redesignated, by striking out "shall also notify" and inserting in lieu thereof "shall notify".

(e) NOTICE REGARDING CONTRACTS PERFORMED FOR PERIODS EXCEEDING 10 YEARS.—(1) Section 2352 of such title is repealed.

(2) The table of sections at the beginning of chapter 139 of such title is amended by striking out the item relating to section 2352.

(f) ANNUAL REPORT ON BIOLOGICAL DEFENSE RESEARCH PROGRAM.—(1) Section 2370 of such title is repealed.

(2) The table of sections at the beginning of chapter 139 of such title is amended by striking out the item relating to section 2370.

(g) ANNUAL REPORT ON MILITARY BASE REUSE STUDIES AND PLANNING ASSISTANCE.—Section 2391 of such title is amended—

(1) by striking out subsection (c); and

(2) by redesignating subsections (d) and (e) as subsections (c) and (d), respectively.

(h) COMPILATION OF REPORTS FILED BY EMPLOYEES OR FORMER EMPLOYEES OF DEFENSE CONTRACTORS.—Section 2397 of such title is amended—

(1) by striking out subsection (e); and

(2) by redesignating subsection (f) as subsection (e).

(i) REPORT ON LOW-RATE PRODUCTION UNDER NAVAL VESSEL AND MILITARY SATELLITE PROGRAMS.—Section 2400(c) of such title is amended—

(1) by striking out paragraph (2); and

(2) in paragraph (1)—

(A) by striking out "(1)"; and

(B) by redesignating clauses (A) and (B) as clauses (1) and (2), respectively.

(j) REPORT ON WAIVERS OF PROHIBITION ON EMPLOYMENT OF FELONS.—Section 2408(a)(3) of such title is amended by striking out the second sentence.

(k) REPORT ON DETERMINATION NOT TO DEBAR FOR FRAUDULENT USE OF LABELS.—Section 2410f(a) of such title is amended by striking out the second sentence.

(l) ANNUAL REPORT ON WAIVERS OF PROHIBITION RELATING TO SECONDARY ARAB BOYCOTT.—Section 2410i(c) of such title is amended by striking out the second sentence.

(m) REPORT ON ADJUSTMENT OF AMOUNTS DEFINING MAJOR DEFENSE ACQUISITION PROGRAMS.—Section 2430(b) of such title is amended by striking out the second sentence.

(n) BUDGET DOCUMENTS ON WEAPONS DEVELOPMENT AND PROCUREMENT SCHEDULES.—(1) Section 2431 of such title is repealed.

(2) The table of sections at the beginning of chapter 144 of such title is amended by striking out the item relating to section 2431.

(o) NOTICE OF WAIVER OF LIMITATION ON PERFORMANCE OF DEPOT-LEVEL MAINTENANCE.—Section 2466(c) of such title is amended by striking out "and notifies Congress regarding the reasons for the waiver".

(p) ANNUAL REPORT ON INFORMATION ON FOREIGN-CONTROLLED CONTRACTORS.—Section 2537 of such title is amended—

(1) by striking out subsection (b); and

(2) by redesignating subsection (c) as subsection (b).

(q) ANNUAL REPORT ON REAL PROPERTY TRANSACTIONS.—Section 2662 of such title is amended—

(1) by striking out subsection (b); and

(2) by redesignating subsections (c), (d), (e), and (f) as subsections (b), (c), (d), and (e), respectively.

(r) NOTIFICATIONS AND REPORTS ON ARCHITECTURAL AND ENGINEERING SERVICES AND CONSTRUCTION DESIGN.—Section 2807 of such title is amended—

(1) by striking out subsections (b) and (c); and

(2) by redesignating subsection (d) as subsection (c).

(s) REPORT ON CONSTRUCTION PROJECTS FOR ENVIRONMENTAL RESPONSE ACTIONS.—Section 2810 of such title is amended—

(1) in subsection (a), by striking out "Subject to subsection (b), the Secretary" and inserting in lieu thereof "The Secretary";

(2) by striking out subsection (b); and

(3) by redesignating subsection (c) as subsection (b).

(t) NOTICE OF MILITARY CONSTRUCTION CONTRACTS ON GUAM.—Section 2864(b) of such title is amended by striking out "after the 21-day period" and all that follows through the period at the end and inserting in lieu thereof a period.

(u) ANNUAL REPORT ON ENERGY SAVINGS AT MILITARY INSTALLATIONS.—Section 2865 of such title is amended by striking out subsection (f).

SEC. 1072. REPORTS REQUIRED BY TITLE 37, UNITED STATES CODE, AND RELATED PROVISIONS OF DEFENSE AUTHORIZATION ACTS.

(a) ANNUAL REPORT ON TRAVEL AND TRANSPORTATION ALLOWANCES FOR DEPENDENTS.—Section 406 of title 37, United States Code, is amended by striking out subsection (i).

(b) REPORT ON ANNUAL REVIEW OF PAY AND ALLOWANCES.—Section 1008(a) of such title is amended by striking out the second sentence.

(c) REPORT ON QUADRENNIAL REVIEW OF ADJUSTMENTS IN COMPENSATION.—Section 1009(f) of such title is amended by striking out "of this title," and all that follows through the period at the end and inserting in lieu thereof "of this title.".

(d) PUBLIC LAW 101–189 REQUIREMENT FOR REPORT REGARDING SPECIAL PAY FOR ARMY, NAVY, AND AIR FORCE PSYCHOLOGISTS.—Section 704 of the National Defense Authorization Act for Fiscal Years 1990 and 1991 (Public Law 101–189; 103 Stat. 1471; 37 U.S.C. 302c note) is amended by striking out subsection (d).

(e) PUBLIC LAW 101–510 REQUIREMENT FOR REPORT REGARDING SPECIAL PAY FOR NURSE ANESTHETISTS.—Section 614 of the National Defense Authorization Act for Fiscal Year 1991 (Public Law 101–510; 104 Stat. 1577; 37 U.S.C. 302e note) is amended by striking out subsection (c).

SEC. 1073. REPORTS REQUIRED BY OTHER DEFENSE AUTHORIZATION AND APPROPRIATIONS ACTS.

(a) PUBLIC LAW 98–94 REQUIREMENT FOR ANNUAL REPORT ON CHAMPUS AND USTF MEDICAL CARE.—Section 1252 of the Department of Defense Authorization Act, 1984 (Public Law 98–94; 42 U.S.C. 248d) is amended by striking out subsection (d).

(b) PUBLIC LAW 99–661 REQUIREMENT FOR REPORT ON FUNDING FOR NICARAGUAN DEMOCRATIC RESISTANCE.—Section 1351 of the National Defense Authorization Act for Fiscal Year 1987 (Public Law 99–661; 100 Stat. 3995; 10 U.S.C. 114 note) is amended—

(1) by striking out subsection (b); and

(2) in subsection (a), by striking out "(a) LIMITATION.—".

(c) PUBLIC LAW 100–180 REQUIREMENT FOR SELECTED ACQUISITION REPORTS FOR ATB, ACM, AND ATA PROGRAMS.—Section 127 of the National Defense Authorization Act for Fiscal Years 1988 and 1989 (10 U.S.C. 2432 note) is repealed.

(d) PUBLIC LAW 101–189 REQUIREMENT FOR NOTIFICATION OF CLOSURE OF MILITARY CHILD DEVELOPMENT CENTERS.—Section 1505(f) of the National Defense Authorization Act for Fiscal Years 1990 and 1991 (Public Law 101–189; 103 Stat. 1594; 10 U.S.C. 113 note) is amended by striking out paragraph (3).

(e) PUBLIC LAW 101–510 REQUIREMENT FOR ANNUAL REPORT ON OVERSEAS MILITARY FACILITY INVESTMENT RECOVERY ACCOUNT.—Section 2921 of the Military Construction Authorization Act for Fiscal Year 1991 (division B of Public Law 101–510; 10 U.S.C. 2687 note) is amended—

(1) by striking out subsection (f); and

(2) by redesignating subsections (g) and (h) as subsections (f) and (g), respectively.

(f) PUBLIC LAW 102–190 REQUIREMENT FOR SCIENCE, MATHEMATICS, AND ENGINEERING EDUCATION MASTER PLAN.—Section 829 of the National Defense Authorization Act for Fiscal Years 1992 and 1993 (Public Law 102–190; 105 Stat. 1444; 10 U.S.C. 2192 note) is repealed.

(g) PUBLIC LAW 102–484 REQUIREMENT FOR REPORT RELATING TO USE OF CLASS I OZONE-DEPLETING SUBSTANCES IN MILITARY PROCUREMENTS.—Section 326(a) of the National Defense Authorization Act for Fiscal Year 1993 (Public Law 102–484; 106 Stat. 2368; 10 U.S.C. 301 note) is amended by striking out paragraphs (4) and (5).

(h) PUBLIC LAW 103–139 REQUIREMENT FOR REPORT REGARDING HEATING FACILITY MODERNIZATION AT KAISERSLAUTERN.—Section 8008 of the Department of Defense Appropriations Act, 1994 (Public Law 103–139; 107 Stat. 1438), is amended by inserting "but without regard to the notification requirement in subsection (b)(2) of such section," after "section 2690 of title 10, United States Code,".

SEC. 1074. REPORTS REQUIRED BY OTHER NATIONAL SECURITY LAWS.

(a) ARMS EXPORT CONTROL ACT REQUIREMENT FOR QUARTERLY REPORT ON PRICE AND AVAILABILITY ESTIMATES.—Section 28 of the Arms Export Control Act (22 U.S.C. 2768) is repealed.

(b) NATIONAL SECURITY AGENCY ACT OF 1959 REQUIREMENT FOR ANNUAL REPORT ON NSA EXECUTIVE PERSONNEL.—Section 12(a) of the National Security Agency Act of 1959 (50 U.S.C. 402 note) is amended by striking out paragraph (5).

(c) PUBLIC LAW 85–804 REQUIREMENT FOR REPORT ON OMISSION OF CONTRACT CLAUSE UNDER SPECIAL NATIONAL DEFENSE CONTRACTING AUTHORITY.—Section 3(b) of the Act of August 28, 1958 (50 U.S.C. 1433(b)), is amended by striking out the matter following paragraph (2).

SEC. 1075. REPORTS REQUIRED BY OTHER PROVISIONS OF THE UNITED STATES CODE.

Section 1352(f) of title 31, United States Code, is amended—

(1) by inserting "(1)" after "(f)";

(2) by striking out the second sentence; and

(3) by adding at the end the following:

"(2) Subsections (a)(6) and (d) do not apply to the Department of Defense.".

SEC. 1076. REPORTS REQUIRED BY OTHER PROVISIONS OF LAW.

(a) PANAMA CANAL ACT OF 1979 REQUIREMENT FOR ANNUAL REPORT REGARDING UNITED STATES TREATY RIGHTS AND OBLIGATIONS.—Section 3301 of the Panama Canal Act of 1979 (22 U.S.C. 3871) is repealed.

(b) PUBLIC LAW 91–611 REQUIREMENT FOR ANNUAL REPORT ON WATER RESOURCES PROJECT AGREEMENTS.—Section 221 of the Flood Control Act of 1970 (42 U.S.C. 1962d–5b) is amended—

(1) by striking out subsection (e); and

(2) by redesignating subsection (f) as subsection (e).

(c) PUBLIC LAW 94–587 REQUIREMENT FOR ANNUAL REPORT ON CONSTRUCTION OF TENNESSEE-TOMBIGBEE WATERWAY.—Section 185 of the Water Resources Development Act of 1976 (Public Law 94–587; 33 U.S.C. 544c) is amended by striking out the second sentence.

(d) PUBLIC LAW 100–333 REQUIREMENT FOR ANNUAL REPORT ON MONITORING OF NAVY HOME PORT WATERS.—Section 7 of the Organotin Antifouling Paint Control Act of 1988 (Public Law 100–333; 33 U.S.C. 2406) is amended—

(1) by striking out subsection (d); and

(2) by redesignating subsections (e) and (f) as subsections (d) and (e), respectively.

SEC. 1077. REPORTS REQUIRED BY JOINT COMMITTEE ON PRINTING.

Requirements for submission of the following reports imposed in the exercise of authority under section 103 of title 44, United States Code, do not apply to the Department of Defense:

(1) A notice of intent to apply new printing processes.

(2) A report on equipment acquisition or transfer.

(3) A printing plant report.

(4) A report on stored equipment.

(5) A report on jobs which exceed Joint Committee on Printing duplicating limitations.

(6) A notice of intent to contract for printing services.

(7) Research and development plans.

(8) A report on commercial printing.

(9) A report on collator acquisition.

(10) An annual plant inventory.

(11) An annual map or chart plant report.

(12) A report on activation or moving a printing plant.

(13) An equipment installation notice.

(14) A report on excess equipment.

Subtitle H—Other Matters

SEC. 1081. GLOBAL POSITIONING SYSTEM.

The Secretary of Defense shall turn off the selective availability feature of the global positioning system by May 1, 1996, unless the Secretary submits to the Committee on Armed Services of the Senate and the Committee on National Security of the House of Representatives a plan that—

(1) provides for development and acquisition of—

(A) effective capabilities to deny hostile military forces the ability to use the global positioning system without hindering the ability of United States military forces and civil users to exploit the system; and

(B) global positioning system receivers and other techniques for weapons and weapon systems that provide substantially improved resistance to jamming and other forms of electronic interference or disruption; and

(2) includes a specific date by which the Secretary of Defense intends to complete the acquisition of the capabilities described in paragraph (1).

SEC. 1082. LIMITATION ON RETIREMENT OR DISMANTLEMENT OF STRATEGIC NUCLEAR DELIVERY SYSTEMS.

(a) SENSE OF CONGRESS.—It is the sense of Congress that, unless and until the START II Treaty enters into force, the Secretary of Defense should not take any action to retire or dismantle, or to prepare to retire or dismantle, any of the following strategic nuclear delivery systems:

(1) B-52H bomber aircraft.

(2) Trident ballistic missile submarines.

(3) Minuteman III intercontinental ballistic missiles.

(4) Peacekeeper intercontinental ballistic missiles.

(b) LIMITATION ON USE OF FUNDS.—Funds available to the Department of Defense may not be obligated or expended during fiscal year 1996 for retiring or dismantling, or for preparing to retire or dismantle, any of the strategic nuclear delivery systems specified in subsection (a).

SEC. 1083. NATIONAL GUARD CIVILIAN YOUTH OPPORTUNITIES PILOT PROGRAM.

Section 1091(a) of the National Defense Authorization Act for Fiscal Year 1993 (Public Law 102–484; 32 U.S.C. 501 note) is amended by striking out "through 1995" and inserting in lieu thereof "through 1997".

SEC. 1084. REPORT ON DEPARTMENT OF DEFENSE BOARDS AND COMMISSIONS.

(a) REPORT ON BOARDS AND COMMISSIONS RECEIVING DEPARTMENT SUPPORT.—Not later than April 1, 1996, the Secretary of Defense shall submit to the Committee on Armed Services of the Senate and the Committee on National Security of the House of Representatives a report containing the following:

(1) A list of the boards and commissions described in subsection (b) that received support (including funds, equipment, materiel, or other assets, or personnel) from the Department of Defense in last full fiscal year preceding the date of the report.

(2) A list of the boards and commissions referred to in paragraph (1) that are determined by the Secretary to merit continued support from the Department.

(3) A description, for each board and commission listed under paragraph (2), of—

(A) the purpose of the board or commission;

(B) the nature and cost of the support provided by the Department to the board or commission in the last full fiscal year preceding the date of the report;

(C) the nature and duration of the support that the Secretary proposes to provide to the board or commission;

(D) the anticipated cost to the Department of providing such support; and

(E) a justification of the determination that the board or commission merits the support of the Department.

(4) A list of the boards and commissions referred to in paragraph (1) that are determined by the Secretary not to merit continued support from the Department.

(5) A description, for each board and commission listed under paragraph (4), of—

(A) the purpose of the board or commission;

(B) the nature and cost of the support provided by the Department to the board or commission in the last full fiscal year preceding the date of the report; and

(C) a justification of the determination that the board or commission does not merit the support of the Department.

(b) COVERED BOARDS.—Subsection (a)(1) applies to the boards and commissions, including boards and commissions authorized by law, operating within or for the Department of Defense that—

(1) provide only policy-making assistance or advisory services for the Department; or

(2) carry out activities that are not routine activities, on-going activities, or activities necessary to the routine, on-going operations of the Department.

SEC. 1085. REVISION OF AUTHORITY FOR PROVIDING ARMY SUPPORT FOR THE NATIONAL SCIENCE CENTER FOR COMMUNICATIONS AND ELECTRONICS.

(a) PURPOSE.—Subsection (b)(2) of section 1459 of the Department of Defense Authorization Act, 1986 (Public Law 99–145; 99 Stat. 763) is amended by striking out "to make available" and all that follows and inserting in lieu thereof "to provide for the management, operation, and maintenance of those areas in the national science center that are designated for use by the Army and to provide incidental support for the operation of general use areas of the center.".

(b) AUTHORITY FOR SUPPORT.—Subsection (c) of such section is amended to read a follows:

"(c) NATIONAL SCIENCE CENTER.—(1) The Secretary may manage, operate, and maintain facilities at the center under terms and conditions prescribed by the Secretary for the purpose of conducting educational outreach programs in accordance with chapter 111 of title 10, United States Code.

"(2) The Foundation, or NSC Discovery Center, Incorporated, shall submit to the Secretary for review and approval all matters pertaining to the acquisition, design, renovation, equipping, and furnishing of the center, including all plans, specifications, contracts, sites, and materials for the center.".

(c) AUTHORITY FOR ACCEPTANCE OF GIFTS AND FUNDRAISING.—Subsection (d) of such section is amended to read as follows:

"(d) GIFTS AND FUNDRAISING.—(1) Subject to paragraph (3), the Secretary may accept a conditional donation of money or property that is made for the benefit of, or in connection with, the center.

"(2) Notwithstanding any other provision of law, the Secretary may endorse, promote, and assist the efforts of the Foundation and NSC Discovery Center, Incorporated, to obtain—

"(A) funds for the management, operation, and maintenance of the center; and

"(B) donations of exhibits, equipment, and other property for use in the center.

"(3) The Secretary may not accept a donation under this subsection that is made subject to—

"(A) any condition that is inconsistent with an applicable law or regulation; or

"(B) except to the extent provided in appropriations Acts, any condition that would necessitate an expenditure of appropriated funds.

"(4) The Secretary shall prescribe in regulations the criteria to be used in determining whether to accept a donation. The Secretary shall include criteria to ensure that acceptance of a donation does not establish an unfavorable appearance regarding the fairness and objectivity with which the Secretary or any other officer or employee of the Department of Defense performs official responsibilities and does not compromise or appear to compromise the integrity of a Government program or any official involved in that program.".

(d) AUTHORIZED USES.—Such section is amended—

(1) by striking out subsection (f);

(2) by redesignating subsection (g) as subsection (f); and

(3) in subsection (f), as redesignated by paragraph (2), by inserting "areas designated for Army use in" after "The Secretary may make".

(e) ALTERNATIVE OF ADDITIONAL DEVELOPMENT AND MANAGEMENT.—Such section, as amended by subsection (d), is further amended by adding at the end the following:

"(g) ALTERNATIVE OR ADDITIONAL DEVELOPMENT AND MANAGEMENT OF THE CENTER.—(1) The Secretary may enter into an agreement with

NSC Discovery Center, Incorporated, a nonprofit corporation of the State of Georgia, to develop, manage, and maintain a national science center under this section. In entering into an agreement with NSC Discovery Center, Incorporated, the Secretary may agree to any term or condition to which the Secretary is authorized under this section to agree for purposes of entering into an agreement with the Foundation.

"(2) The Secretary may exercise the authority under paragraph (1) in addition to, or instead of, exercising the authority provided under this section to enter into an agreement with the Foundation.".

SEC. 1086. AUTHORITY TO SUSPEND OR TERMINATE COLLECTION ACTIONS AGAINST DECEASED MEMBERS.

Section 3711 of title 31, United States Code, is amended by adding at the end the following:

"(g)(1) The Secretary of Defense may suspend or terminate an action by the Department of Defense under this section to collect a claim against the estate of a person who died while serving on active duty as a member of the armed forces if the Secretary determines that, under the circumstances applicable with respect to the deceased person, it is appropriate to do so.

"(2) For purposes of this subsection, the terms 'armed forces' and 'active duty' have the meanings given such terms in section 101 of title 10.".

SEC. 1087. DAMAGE OR LOSS TO PERSONAL PROPERTY DUE TO EMERGENCY EVACUATION OR EXTRAORDINARY CIRCUMSTANCES.

(a) SETTLEMENT OF CLAIMS OF PERSONNEL.—Section 3721(b)(1) of title 31, United States Code, is amended by inserting after the first sentence the following: "If, however, the claim arose from an emergency evacuation or from extraordinary circumstances, the amount settled and paid under the authority of the preceding sentence may exceed $40,000, but may not exceed $100,000.".

(b) RETROACTIVE EFFECTIVE DATE.—The amendment made by subsection (a) shall take effect as of June 1, 1991, and shall apply with respect to claims arising on or after that date.

SEC. 1088. CHECK CASHING AND EXCHANGE TRANSACTIONS FOR DEPENDENTS OF UNITED STATES GOVERNMENT PERSONNEL.

(a) AUTHORITY TO CARRY OUT TRANSACTIONS.—Subsection (b) of section 3342 of title 31, United States Code, is amended—

(1) by redesignating paragraphs (3), (4), and (5) as paragraphs (4), (5), and (6), respectively; and

(2) by inserting after paragraph (2) the following new paragraph:

"(3) a dependent of personnel of the Government, but only—

"(A) at a United States installation at which adequate banking facilities are not available; and

"(B) in the case of negotiation of negotiable instruments, if the dependent's sponsor authorizes, in writing, the presentation of negotiable instruments to the disbursing official for negotiation.".

(b) PAY OFFSET.—Subsection (c) of such section is amended—

(1) by redesignating paragraph (3) as paragraph (4); and

(2) by inserting after paragraph (2) the following new paragraph (3):

"(3) The amount of any deficiency resulting from cashing a check for a dependent under subsection (b)(3), including any charges assessed against the disbursing official by a financial institution for insufficient funds to pay the check, may be offset from the pay of the dependent's sponsor.".

(c) DEFINITIONS.—Such section is further amended by adding at the end the following:

"(e) The Secretary of Defense shall define in regulations the terms 'dependent' and 'sponsor' for the purposes of this section. In the regulations, the term 'dependent', with respect to a member of a uniformed service, shall have the meaning given that term in section 401 of title 37.".

SEC. 1089. TRAVEL OF DISABLED VETERANS ON MILITARY AIRCRAFT.

(a) LIMITED ENTITLEMENT.—Chapter 157 of title 10, United States Code, is amended by inserting after section 2641 the following new section:

"§2641a. Travel of disabled veterans on military aircraft

"(a) LIMITED ENTITLEMENT.—A veteran entitled under laws administered by the Secretary of Veterans Affairs to receive compensation for a service-connected disability rated as total by the Secretary is entitled, in the same manner and to the same extent as retired members of the armed forces, to transportation (on a space-available basis) on unscheduled military flights within the continental United States and on scheduled overseas flights operated by the Military Airlift Command.

"(b) DEFINITIONS.—In this section, the terms 'veteran', 'compensation', and 'service-connected' have the meanings given such terms in section 101 of title 38.".

(b) CLERICAL AMENDMENT.—The table of sections, at the beginning of such chapter, is amended by inserting after the item relating to section 2641 the following new item:

"2641a. Travel of disabled veterans on military aircraft.".

SEC. 1090. TRANSPORTATION OF CRIPPLED CHILDREN IN PACIFIC RIM REGION TO HAWAII FOR MEDICAL CARE.

(a) TRANSPORTATION AUTHORIZED.—Chapter 157 of title 10, United States Code, is amended by adding at the end the following new section:

"§2643. Transportation of crippled children in Pacific Rim region to Hawaii for medical care

"(a) TRANSPORTATION AUTHORIZED.—Subject to subsection (c), the Secretary of Defense may provide persons eligible under subsection (b) with round trip transportation in an aircraft of the Department of Defense, on a space-available basis, between an airport in the Pacific Rim region and the State of Hawaii. No charge may be imposed for transportation provided under this section.

"(b) PERSONS COVERED.—Persons eligible to be provided transportation under this section are as follows:

"(1) A child under 18 years of age who (A) resides in the Pacific Rim region, (B) is a crippled child in need of specialized medical care for the child's condition as a crippled child, which may include any associated or related condition, (C) upon arrival in Hawaii, is to be admitted to receive such medical care, at no cost to the patient, at a medical facility in Honolulu, Hawaii, that specializes in providing such medical care, and (D) is unable to afford the costs of transportation to Hawaii.

"(2) One adult attendant accompanying a child transported under this section.

"(c) CONDITIONS.—The Secretary may provide transportation under subsection (a) only if the Secretary determines that—

"(1) it is not inconsistent with the foreign policy of the United States to do so;

"(2) the transportation is for humanitarian purposes;

"(3) the health of the child to be transported is sufficient for the child to endure safely the stress of travel for the necessary distance in the Department of Defense aircraft involved;

"(4) all authorizations, permits, and other documents necessary for admission of the child at the medical treatment facility referred to in subsection (b)(1)(C) are in order;

"(5) all necessary passports and visas necessary for departure from the residences of the persons to be transported and from the airport of departure, for entry into the United States, for reentry into the country of departure, and for return to the persons' residences are in proper order; and

"(6) arrangements have been made to ensure that—

"(A) the persons to be transported will board the aircraft on the schedule established by the Secretary; and

"(B) the persons—

"(i) will be met and escorted to the medical treatment facility by appropriate personnel of the facility upon the arrival of the aircraft in Hawaii; and

"(ii) will be returned to the airport in Hawaii for transportation (on the schedule established by the Secretary) back to the country of departure.".

(b) CLERICAL AMENDMENT.—The table of sections at the beginning of such chapter is amended by adding at the end the following new item:

"2643. Transportation of crippled children in Pacific Rim region to Hawaii for medical care.".

SEC. 1091. STUDENT INFORMATION FOR RECRUITING PURPOSES.

(a) SENSE OF SENATE.—It is the sense of the Senate that—

(1) educational institutions, including secondary schools, should not have a policy of denying, or otherwise effectively preventing, the Secretary of Defense from obtaining for military recruiting purposes—

(A) entry to any campus or access to students on any campus equal to that of other employers; or

(B) access to directory information pertaining to students (other than in a case in which an objection has been raised as described in paragraph (2));

(2) an educational institution that releases directory information should—

(A) give public notice of the categories of such information to be released; and

(B) allow a reasonable period after such notice has been given for a student or (in the case of an individual younger than 18 years of age) a parent to inform the institution that any or all of such information should not be released without obtaining prior consent from the student or the parent, as the case may be; and

(3) the Secretary of Defense should prescribe regulations that contain procedures for determining if and when an educational institution has denied or prevented access to students or information as described in paragraph (1).

(b) DEFINITIONS.—In this section:

(1) The term "directory information" means, with respect to a student, the student's name, address, telephone listing, date and place of birth, level of education, degrees received, and (if available) the most recent previous educational program enrolled in by the student.

(2) The term "student" means an individual enrolled in any program of education who is 17 years of age or older.

SEC. 1092. STATE RECOGNITION OF MILITARY ADVANCE MEDICAL DIRECTIVES.

(a) IN GENERAL.—(1) Chapter 53 of title 10, United States Code, is amended by inserting after section 1044b the following new section:

"§1044c. Advance medical directives of armed forces personnel and dependents: requirement for recognition by States

"(a) INSTRUMENTS TO BE GIVEN LEGAL EFFECT WITHOUT REGARD TO STATE LAW.—An advance medical directive executed by a person eligible for legal assistance—

"(1) is exempt from any requirement of form, substance, formality, or recording that is provided for advance medical directives under the laws of a State; and

"(2) shall be given the same legal effect as an advance medical directive prepared and executed in accordance with the laws of the State concerned.

"(b) ADVANCE MEDICAL DIRECTIVES COVERED.—For purposes of this section, an advance medical directive is any written declaration that—

"(1) sets forth directions regarding the provision, withdrawal, or withholding of life-prolonging procedures, including hydration and sustenance, for the declarant whenever the declarant has a terminal physical condition or is in a persistent vegetative state; or

"(2) authorizes another person to make health care decisions for the declarant, under circumstances stated in the declaration, whenever the declarant is incapable of making informed health care decisions.

"(c) STATEMENT TO BE INCLUDED.—(1) Under regulations prescribed by the Secretary concerned, each advance medical directive prepared by an attorney authorized to provide legal assistance shall contain a statement that sets forth the provisions of subsection (a).

"(2) Paragraph (1) shall not be construed to make inapplicable the provisions of subsection (a) to an advance medical directive that does not include a statement described in that paragraph.

"(d) STATES NOT RECOGNIZING ADVANCE MEDICAL DIRECTIVES.—Subsection (a) does not make an advance medical directive enforceable in a State that does not otherwise recognize and enforce advance medical directives under the laws of the State.

"(e) DEFINITIONS.—In this section:

"(1) The term 'State' includes the District of Columbia, the Commonwealth of Puerto Rico, and a possession of the United States.

"(2) The term 'person eligible for legal assistance' means a person who is eligible for legal assistance under section 1044 of this title.

"(3) The term 'legal assistance' means legal services authorized under section 1044 of this title.".

(2) The table of sections at the beginning of such chapter is amended by inserting after the item relating to section 1044b the following:

"1044c. Advance medical directives of armed forces personnel and dependents: requirement for recognition by States.".

(b) EFFECTIVE DATE.—Section 1044c of title 10, United States Code, shall take effect on the date of the enactment of this Act and shall apply to advance medical directives referred to in such section that are executed before, on, or after that date.

SEC. 1093. REPORT ON PERSONNEL REQUIREMENTS FOR CONTROL OF TRANSFER OF CERTAIN WEAPONS.

Not later than 30 days after the date of the enactment of this Act, the Secretary of Defense and the Secretary of Energy shall submit to the committees of Congress referred to in subsection (c) of section 1154 of the National Defense Authorization Act for Fiscal Year 1994 (Public Law 103–160; 107 Stat. 1761) the report required under subsection (a) of that section. The Secretary of Defense and the Secretary of Energy shall include with the report an explanation of the failure of such Secretaries to submit the report in accordance with such subsection (a) and with all other previous requirements for the submittal of the report.

SEC. 1094. SENSE OF SENATE REGARDING ETHICS COMMITTEE INVESTIGATION.

(a) The Senate finds that—

(1) the Senate Select Committee on Ethics has a thirty-one year tradition of handling investigations of official misconduct in a bipartisan, fair and professional manner;

(2) the Ethics Committee, to ensure fairness to all parties in any investigation, must conduct its responsibilities strictly according to established procedure and free from outside interference;

(3) the rights of all parties to bring an ethics complaint against a member, officer, or employee of the Senate are protected by the official rules and precedents of the Senate and the Ethics Committee;

(4) any Senator responding to a complaint before the Ethics Committee deserves a fair and non-partisan hearing according to the rules of the Ethics Committee;

(5) the rights of all parties in an investigation—both the individuals who bring a complaint or testify against a Senator, and any Senator charged with an ethics violation—can only be protected by strict adherence to the established rules and procedures of the ethics process;

(6) the integrity of the Senate and the integrity of the Ethics Committee rest on the continued adherence to precedents and rules, derived from the Constitution; and,

(7) the Senate as a whole has never intervened in any ongoing Senate Ethics Committee investigation, and has considered matters before that Committee only after the Committee has submitted a report and recommendations to the Senate;

(b) Therefore, it is the Sense of the Senate that the Select committee on Ethics should not, in the case of Senator Robert Packwood of Oregon, deviate from its customary and standard procedure, and should, prior to the Senate's final resolution of the case, follow whatever procedures it deems necessary and appropriate to provide a full and complete public record of the relevant evidence in this case.

SEC. 1095. SENSE OF SENATE REGARDING FEDERAL SPENDING.

It is the sense of the Senate that in pursuit of a balanced Federal budget, Congress should exercise fiscal restraint, particularly in authorizing spending not requested by the Executive Branch and in proposing new programs.

SEC. 1096. ASSOCIATE DIRECTOR OF CENTRAL INTELLIGENCE FOR MILITARY SUPPORT.

Section 102 of the National Security Act of 1947 (50 U.S.C. 403) is amended by adding at the end the following:

"(e) In the event that neither the Director nor Deputy Director of Central Intelligence is a commissioned officer of the Armed Forces, a commissioned officer of the Armed Forces appointed to the position of Associate Director of Central Intelligence for Military Support, while serving in such position, shall not be counted against the numbers and percentages of commissioned officers of the rank and grade of such officer authorized for the armed force of which such officer is a member.".

SEC. 1097. REVIEW OF NATIONAL POLICY ON PROTECTING THE NATIONAL INFORMATION INFRASTRUCTURE AGAINST STRATEGIC ATTACKS.

Not later than 120 days after the date of the enactment of this Act, the President shall submit to Congress a report setting forth the following:

(1) The national policy and architecture governing the plans for establishing procedures, capabilities, systems, and processes necessary to perform indications, warning, and assessment functions regarding strategic attacks by foreign nations, groups, or individuals, or any other entity against the national information infrastructure.

(2) The future of the National Communications System (NCS), which has performed the central role in ensuring national security and emergency preparedness communications for essential United States Government and private sector users, including, specifically, a discussion of—

(A) whether there is a Federal interest in expanding or modernizing the National Communications System in light of the changing strategic national security environment and the revolution in information technologies; and

(B) the best use of the National Communications System and the assets and experience it represents as an integral part of a larger national strategy to protect the United States against a strategic attack on the national information infrastructure.

SEC. 1098. JUDICIAL ASSISTANCE TO THE INTERNATIONAL TRIBUNAL FOR YUGOSLAVIA AND TO THE INTERNATIONAL TRIBUNAL FOR RWANDA.

(a) SURRENDER OF PERSONS.—

(1) APPLICATION OF UNITED STATES EXTRADITION LAWS.—Except as provided in paragraphs (2) and (3), the provisions of chapter 209 of title 18, United States Code, relating to the extradition of persons to a foreign country pursuant to a treaty or convention for extradition between the United States and a foreign government, shall apply in the same manner and extent to the surrender of persons, including United States citizens, to—

(A) the International Tribunal for Yugoslavia, pursuant to the Agreement Between the United States and the International Tribunal for Yugoslavia; and

(B) the International Tribunal for Rwanda, pursuant to the Agreement Between the United States and the International Tribunal for Rwanda.

(2) EVIDENCE ON HEARINGS.—For purposes of applying section 3190 of title 18, United States Code, in accordance with paragraph (1), the certification referred to in the section may be made by the principal diplomatic or consular officer of the United States resident in such foreign countries where the International Tribunal for Yugoslavia or the International Tribunal for Rwanda may be permanently or temporarily situated.

(3) PAYMENT OF FEES AND COSTS.—(A) The provisions of the Agreement Between the United States and the International Tribunal for Yugoslavia and of the Agreement Between the United States and the International Tribunal for Rwanda shall apply in lieu of the provisions of section 3195 of title 18, United States Code, with respect to the payment of expenses arising from the surrender by the United States of a person to the International Tribunal for Yugoslavia or the International Tribunal for Rwanda, respectively, or from any proceedings in the United States relating to such surrender.

(B) The authority of subparagraph (A) may be exercised only to the extent and in the amounts provided in advance in appropriations Acts.

(4) NONAPPLICABILITY OF THE FEDERAL RULES.—The Federal Rules of Evidence and the Federal Rules of Criminal Procedure do not apply to proceedings for the surrender of persons to the International Tribunal for Yugoslavia or the International Tribunal for Rwanda.

(b) ASSISTANCE TO FOREIGN AND INTERNATIONAL TRIBUNALS AND TO LITIGANTS BEFORE SUCH TRIBUNALS.—Section 1782(a) of title 28, United States Code, is amended by inserting in the first sentence after "foreign or international tribunal" the following: ", including criminal investigations conducted prior to formal accusation".

(c) DEFINITIONS.—As used in this section:

(1) INTERNATIONAL TRIBUNAL FOR YUGOSLAVIA.—The term "International Tribunal for Yugoslavia" means the International Tribunal for the Prosecution of Persons Responsible for Serious Violations of International Humanitarian Law in the Territory of the Former Yugoslavia, as established by United Nations Security Council Resolution 827 of May 25, 1993.

(2) INTERNATIONAL TRIBUNAL FOR RWANDA.—The term "International Tribunal for Rwanda" means the International Tribunal for the Prosecution of Persons Responsible for Genocide and

Other Serious Violations of International Humanitarian Law Committed in the Territory of Rwanda and Rwandan Citizens Responsible for Genocide and Other Such Violations Committed in the Territory of Neighboring States, as established by United Nations Security Council Resolution 955 of November 8, 1994.

(3) AGREEMENT BETWEEN THE UNITED STATES AND THE INTERNATIONAL TRIBUNAL FOR YUGOSLAVIA.—The term "Agreement Between the United States and the International Tribunal for Yugoslavia" means the Agreement on Surrender of Persons Between the Government of the United States and the International Tribunal for the Prosecution of Persons Responsible for Serious Violations of International Law in the Territory of the Former Yugoslavia, signed at The Hague, October 5, 1994.

(4) AGREEMENT BETWEEN THE UNITED STATES AND THE INTERNATIONAL TRIBUNAL FOR RWANDA.—The term "Agreement between the United States and the International Tribunal for Rwanda" means the Agreement on Surrender of Persons Between the Government of the United States and the International Tribunal for the Prosecution of Persons Responsible for Genocide and Other Serious Violations of International Humanitarian Law Committed in the Territory of Rwanda and Rwandan Citizens Responsible for Genocide and Other Such Violations Committed in the Territory of Neighboring States, signed at The Hague, January 24, 1995.

SEC. 1099. LANDMINE USE MORATORIUM.

(a) FINDINGS.—The Congress makes the following findings:

(1) On September 26, 1994, the President declared that it is a goal of the United States to eventually eliminate antipersonnel landmines.

(2) On December 15, 1994, the United Nations General Assembly adopted a resolution sponsored by the United States which called for international efforts to eliminate antipersonnel landmines.

(3) According to the Department of State, there are an estimated 80,000,000 to 110,000,000 unexploded landmines in 62 countries.

(4) Antipersonnel landmines are routinely used against civilian populations and kill and maim an estimated 70 people each day, or 26,000 people each year.

(5) The Secretary of State has noted that landmines are "slow-motion weapons of mass destruction".

(6) There are hundreds of varieties of antipersonnel landmines, from a simple type available at a cost of only two dollars to the more complex self-destructing type, and all landmines of whatever variety kill and maim civilians, as well as combatants, indiscriminately.

(b) CONVENTIONAL WEAPONS CONVENTION REVIEW.—It is the sense of Congress that, at the United Nations conference to review the 1980 Conventional Weapons Convention, including Protocol II on landmines, that is to be held from September 25 to October 13, 1995, the President should actively support proposals to modify Protocol II that would implement as rapidly as possible the United States goal of eventually eliminating antipersonnel landmines.

(c) MORATORIUM ON USE OF ANTIPERSONNEL LANDMINES.—

(1) UNITED STATES MORATORIUM.—(A) For a period of one year beginning three years after the date of the enactment of this Act, the United States shall not use antipersonnel landmines except along internationally recognized national borders or in demilitarized zones within a perimeter marked area that is monitored by military personnel and protected by adequate means to ensure the exclusion of civilians.

(B) If the President determines, before the end of the period of the United States moratorium under subparagraph (A), that the governments of other nations are implementing moratoria on use of antipersonnel landmines similar to the United States moratorium, the President may extend the period of the United States moratorium for such additional period as the President considers appropriate.

(2) OTHER NATIONS.—It is the sense of Congress that the President should actively encourage the governments of other nations to join the United States in solving the global landmine crisis by implementing moratoria on use of antipersonnel landmines similar to the United States moratorium as a step toward the elimination of antipersonnel landmines.

(d) ANTIPERSONNEL LANDMINE EXPORTS.—It is the sense of Congress that, consistent with the United States moratorium on exports of antipersonnel landmines and in order to further discourage the global proliferation of antipersonnel landmines, the United States Government should not sell, license for export, or otherwise transfer defense articles and services to any foreign government which, as determined by the President, sells, exports, or otherwise transfers antipersonnel landmines.

(e) DEFINITIONS.—

For purposes of this Act:

(1) ANTIPERSONNEL LANDMINE.—The term "antipersonnel landmine" means any munition placed under, on, or near the ground or other surface area, delivered by artillery, rocket, mortar, or similar means, or dropped from an aircraft and which is designed, constructed, or adapted to be detonated or exploded by the presence, proximity, or contact of a person.

(2) 1980 CONVENTIONAL WEAPONS CONVENTION.—The term "1980 Conventional Weapons Convention" means the Convention on Prohibitions or Restrictions on the Use of Certain Conventional Weapons Which May Be Deemed To Be Excessively Injurious or To Have Indiscriminate Effects, together with the protocols relating thereto, done at Geneva on October 10, 1980.

SEC. 1099A. EXTENSION OF PILOT OUTREACH PROGRAM.

Section 1045(d) of the National Defense Authorization Act for Fiscal Year 1993 is amended by striking out "three" and inserting "five" in lieu thereof.

SEC. 1099B. SENSE OF SENATE ON MIDWAY ISLANDS.

(a) FINDINGS.—The Senate makes the following findings:

(1) September 2, 1995, marks the 50th anniversary of the United States victory over Japan in World War II.

(2) The Battle of Midway proved to be the turning point in the war in the Pacific, as United States Navy forces inflicted such severe losses on the Imperial Japanese Navy during the battle that the Imperial Japanese Navy never again took the offensive against United States or allied forces.

(3) During the Battle of Midway, an outnumbered force of the United States Navy, consisting of 29 ships and other units of the Armed Forces under the command of Admiral Nimitz and Admiral Spruance, out-maneuvered and out-fought 350 ships of the Imperial Japanese Navy.

(4) It is in the public interest to erect a memorial to the Battle of Midway that is suitable to express the enduring gratitude of the American people for victory in the battle and to inspire future generations of Americans with the heroism and sacrifice of the members of the Armed Forces who achieved that victory.

(b) SENSE OF SENATE.—It is the sense of the Senate that—

(1) the Midway Islands and the surrounding seas deserve to be memorialized;

(2) the historic structures related to the Battle of Midway should be maintained, in accordance with the National Historic Preservation Act, and subject to the availability of appropriations for that purpose.

(3) appropriate access to the Midway Islands by survivors of the Battle of Midway, their families, and other visitors should be provided in a manner that ensures the public health and safety on the Midway Islands and the conservation and natural resources of those islands in accordance with existing Federal law.

SEC. 1099C. STUDY ON CHEMICAL WEAPONS STOCKPILE.

(a) STUDY.—(1) The Secretary of Defense shall conduct a study to assess the risk associated with the transportation of the unitary stockpile, any portion of the stockpile to include drained agents from munitions and munitions, from one location to another within the continental United States. Also, the Secretary shall include a study of the assistance available to communities in the vicinity if the Department of Defense facilities co-located with continuing chemical stockpile and chemical demilitarization operations which facilities are subject to closure, realignment, or reutilization.

(2) The review shall include an analysis of—

(A) the results of the physical and chemical integrity report conducted by the Army on existing stockpile;

(B) a determination of the viability of transportation of any portion of the stockpile, to include drained agent from munitions and the munitions;

(C) the safety, cost-effectiveness, and public acceptability of transporting the stockpile, in its current configuration, or in alternative configurations;

(D) the economic effects of closure, realignment, or reutilization of the facilities referred to in paragraph (1) on the communities referred to in that paragraph; and

(E) the unique problems that such communities face with respect to the reuse of such facilities as a result of the operations referred to in paragraph (1).

(b) REPORT.—Not later than 90 days after the date of the enactment of this Act, the Secretary shall submit to Congress a report on the study carried out under subsection (a). The report shall include recommendations of the Secretary on methods for ensuring the expeditious and cost-effective transfer or lease of facilities referred to in paragraph (1) of subsection (a) to communities referred to in paragraph (1) for reuse by such communities.

SEC. 1099D. DESIGNATION OF NATIONAL MARITIME CENTER.

(a) DESIGNATION OF NATIONAL MARITIME CENTER.—The NAUTICUS building, located at one Waterside Drive, Norfolk, Virginia, shall be known and designated as the "National Maritime Center".

(b) REFERENCE TO NATIONAL MARITIME CENTER.—Any reference in a law, map, regulation, document, paper, or other record of the United States to the building referred to in subsection (a) shall be deemed to be a reference to the "National Maritime Center".

SEC. 1099E. OPERATIONAL SUPPORT AIRLIFT AIRCRAFT FLEET.

(a) SUBMITTAL OF JCS REPORT ON AIRCRAFT.—Not later than February 1, 1996, the Secretary of Defense shall submit to Congress the report on aircraft designated as Operational Support Airlift Aircraft that is currently in preparation by the Joint Chiefs of Staff.

(b) CONTENT OF REPORT.—(1) The report shall contain findings and recommendations regarding the following:

(A) Modernization and safety requirements for the Operational Support Airlift Aircraft fleet.

(B) Standardization plans and requirements of that fleet.

(C) The disposition of aircraft considered excess to that fleet in light of the requirements set forth under subparagraph (A).

(D) The need for helicopter support in the National Capital Region.

(E) The acceptable uses of helicopter support in the National Capital Region.

(2) In preparing the report, the Joint Chiefs of Staff shall take into account the recommendation of the Commission on Roles and Missions of the Armed Forces to reduce the size of the Operational Support Airlift Aircraft fleet.

(c) REGULATIONS.—(1) Upon completion of the report referred to in subsection (a), the Secretary shall prescribe regulations, consistent with the findings and recommendations set forth in the report, for the operation, maintenance, disposition, and use of aircraft designated as Operational Support Airlift Aircraft.

(2) The regulations shall, to the maximum extent practicable, provide for, and encourage the use of, commercial airlines in lieu of the use of aircraft designated as Operational Support Airlift Aircraft.

(3) The regulations shall apply uniformly throughout the Department of Defense.

(4) The regulations should not require exclusive use of the aircraft designated as Operational Support Airlift Aircraft for any particular class of government personnel.

(d) REDUCTIONS IN FLYING HOURS.—(1) The Secretary shall ensure that the number of hours flown in fiscal year 1996 by aircraft designated as Operational Support Airlift Aircraft does not exceed the number equal to 85 percent of the number of hours flown in fiscal year 1995 by such aircraft.

(2) The Secretary should ensure that the number of hours flown in fiscal year 1996 for helicopter support in the National Capital Region does not exceed the number equal to 85 percent of the number of hours flown in fiscal year 1995 for such helicopter support.

(e) RESTRICTION ON AVAILABILITY OF FUNDS.—Of the funds authorized to be appropriated under title III for the operation and use of aircraft designated as Operational Support Airlift Aircraft, not more than 50 percent of such funds shall be available for that purpose until the submittal of the report referred to in subsection (a).

SEC. 1099F. SENSE OF THE SENATE ON CHEMICAL WEAPONS CONVENTION AND START II TREATY RATIFICATION.

(a) FINDINGS.—The Senate makes the following findings:

(1) Proliferation of chemical or nuclear weapons materials poses a danger to United States national security, and the threat or use of such materials by terrorists would directly threaten United States citizens at home and abroad.

(2) The Chemical Weapons Convention negotiated and signed by President Bush would make it more difficult for would-be proliferators, including terrorists, to acquire or use chemical weapons, if ratified and fully implemented as signed, by all signatories.

(3) The START II Treaty negotiated and signed by President Bush would help reduce the danger of potential proliferators, including terrorists, acquiring nuclear warheads and materials, and would contribute to United States-Russian bilateral efforts to secure and dismantle nuclear warheads, if ratified and fully implemented as signed by both parties.

(4) It is in the national security interest of the United States to take effective steps to make it harder for proliferators or would-be terrorists to obtain chemical or nuclear materials for use in weapons.

(5) The President has urged prompt Senate action on, and advice and consent to ratification of, the START II Treaty and the Chemical Weapons Convention.

(6) The Chairman of the Joint Chiefs of Staff has testified to Congress that ratification and full implementation of both treaties by all parties is in the United States national interest, and has strongly urged prompt Senate advice and consent to their ratification.

(b) SENSE OF THE SENATE.—It is the sense of the Senate that the United States and all other parties to the START II and Chemical Weapons Convention should promptly ratify and fully implement, as negotiated, both treaties.

TITLE XI—TECHNICAL AND CLERICAL AMENDMENTS

SEC. 1101. AMENDMENTS RELATED TO RESERVE OFFICER PERSONNEL MANAGEMENT ACT.

(a) PUBLIC LAW 103–337.—The Reserve Officer Personnel Management Act (title XVI of the National Defense Authorization Act for Fiscal Year 1995 (Public Law 103–337)) is amended as follows:

(1) Section 1624 (108 Stat. 2961) is amended—

(A) by striking out "641" and all that follows through "(2)" and inserting in lieu thereof "620 is amended"; and

(B) by redesignating as subsection (d) the subsection added by the amendment made by that section.

(2) Section 1625 (108 Stat. 2962) is amended by striking out "Section 689" and inserting in lieu thereof "Section 12320".

(3) Section 1626(1) (108 Stat. 2962) is amended by striking out "(W–5)" in the second quoted matter therein and inserting in lieu thereof ", W–5,".

(4) Section 1627 (108 Stat. 2962) is amended by striking out "Section 1005(b)" and inserting in lieu thereof "Section 12645(b)".

(5) Section 1631 (108 Stat. 2964) is amended—

(A) in subsection (a), by striking out "Section 510" and inserting in lieu thereof "Section 12102"; and

(B) in subsection (b), by striking out "Section 591" and inserting in lieu thereof "Section 12201".

(6) Section 1632 (108 Stat. 2965) is amended by striking out "Section 593(a)" and inserting in lieu thereof "Section 12203(a)".

(7) Section 1635(a) (108 Stat. 2968) is amended by striking out "section 1291" and inserting in lieu thereof "section 1691(b)".

(8) Section 1671 (108 Stat. 3013) is amended—

(A) in subsection (b)(3), by striking out "512, and 517" and inserting in lieu thereof "and 512"; and

(B) in subsection (c)(2), by striking out the comma after "861" in the first quoted matter therein.

(9) Section 1684(b) (108 Stat. 3024) is amended by striking out "section 14110(d)" and inserting in lieu thereof "section 14111(c)".

(b) SUBTITLE E OF TITLE 10.—Subtitle E of title 10, United States Code, is amended as follows:

(1) The tables of chapters preceding part I and at the beginning of part IV are amended by striking out "Repayments" in the item relating to chapter 1609 and inserting in lieu thereof "Repayment Programs".

(2)(A) The heading for section 10103 is amended to read as follows:

"§10103. Basic policy for order into Federal service".

(B) The item relating to section 10103 in the table of sections at the beginning of chapter 1003 is amended to read as follows:

"10103. Basic policy for order into Federal service.".

(3) The table of sections at the beginning of chapter 1005 is amended by striking out the third word in the item relating to section 10142.

(4) The table of sections at the beginning of chapter 1007 is amended—

(A) by striking out the third word in the item relating to section 10205; and

(B) by capitalizing the initial letter of the sixth word in the item relating to section 10211.

(5) The table of sections at the beginning of chapter 1011 is amended by inserting "Sec." at the top of the column of section numbers.

(6) Section 10507 is amended—

(A) by striking out "section 124402(b)" and inserting in lieu thereof "section 12402(b)"; and

(B) by striking out "Air Forces" and inserting in lieu thereof "Air Force".

(7)(A) Section 10508 is repealed.

(B) The table of sections at the beginning of chapter 1011 is amended by striking out the item relating to section 10508.

(8) Section 10542 is amended by striking out subsection (d).

(9) Section 12004(a) is amended by striking out "active-status" and inserting in lieu thereof "active status".

*(10) Section 12012 is amended by inserting "**the**" in the section heading before the penultimate word.*

(11)(A) The heading for section 12201 is amended to read as follows:

"§12201. Reserve officers: qualifications for appointment".

(B) The item relating to section 12201 in the table of sections at the beginning of chapter 1205 is amended to read as follows:

"12201. Reserve officers: qualifications for appointment.".

(12) The heading for section 12209 is amended to read as follows:

"§12209. Officer candidates: enlisted Reserves".

(13) The heading for section 12210 is amended to read as follows:

"§12210. Attending Physician to the Congress: reserve grade while so serving".

(14) Section 12213(a) is amended by striking out "section 593" and inserting in lieu thereof "section 12203".

(15) The table of sections at the beginning of chapter 1207 is amended by striking out "promotions" in the item relating to section 12243 and inserting in lieu thereof "promotion".

(16) The table of sections at the beginning of chapter 1209 is amended—

(A) in the item relating to section 12304, by striking out the colon and inserting in lieu thereof a semicolon; and

(B) in the item relating to section 12308, by striking out the second, third, and fourth words.

(17) Section 12307 is amended by striking out "Ready Reserve" in the second sentence and inserting in lieu thereof "Retired Reserve".

(18) The heading of section 12401 is amended by striking out the seventh word.

(19) Section 12407(b) is amended—

(A) by striking out "of those jurisdictions" and inserting in lieu thereof "State"; and

(B) by striking out "jurisdictions" and inserting in lieu thereof "States"

(20) Section 12731(f) is amended by striking out "the date of the enactment of this subsection" and inserting in lieu thereof "October 5, 1994,".

(21) Section 12731a(c)(3) is amended by inserting a comma after "Defense Conversion".

*(22) Section 14003 is amended by inserting "**lists**" in the section heading immediately before the colon.*

(23) The table of sections at the beginning of chapter 1403 is amended by striking out "selection board" in the item relating to section 14105 and inserting in lieu thereof "promotion board".

(24) The table of sections at the beginning of chapter 1405 is amended—

(A) in the item relating to section 14307, by striking out "Numbers" and inserting in lieu thereof "Number";

(B) in the item relating to section 14309, by striking out the colon and inserting in lieu thereof a semicolon; and

(C) in the item relating to section 14314, by capitalizing the initial letter of the antepenultimate word.

(25) Section 14315(a) is amended by striking out "a Reserve officer" and inserting in lieu thereof "a reserve officer".

(26) 14317(e) is amended—

(A) by inserting "OFFICERS ORDERED TO ACTIVE DUTY IN TIME OF WAR OR NATIONAL EMERGENCY.—" after "(e)"; and

(B) by striking out "section 10213 or 644" and inserting in lieu thereof "section 123 or 10213".

(27) The table of sections at the beginning of chapter 1407 is amended—

(A) in the item relating to section 14506, by inserting "reserve" after "Marine Corps and"; and

(B) in the item relating to section 14507, by inserting "reserve" after "Removal from the"; and

(C) in the item relating to section 14509, by inserting "in grades" after "reserve officers".

(28) Section 14501(a) is amended by inserting "OFFICERS BELOW THE GRADE OF COLONEL OR NAVY CAPTAIN.—" after "(a)".

*(29) The heading for section 14506 is amended by inserting a comma after "**Air Force**".*

(30) Section 14508 is amended by striking out "this" after "from an active status under" in subsections (c) and (d).

(31) Section 14515 is amended by striking out "inactive status" and inserting in lieu thereof "inactive-status".

(32) Section 14903(b) is amended by striking out "chapter" and inserting in lieu thereof "title".

(33) The table of sections at the beginning of chapter 1606 is amended in the item relating to section 16133 by striking out "limitations" and inserting in lieu thereof "limitation".

(34) Section 16132(c) is amended by striking out "section" and inserting in lieu thereof "sections".

(35) Section 16135(b)(1)(A) is amended by striking out "section 2131(a)" and inserting in lieu thereof "sections 16131(a)".

(36) Section 18236(b)(1) is amended by striking out "section 2233(e)" and inserting in lieu thereof "section 18233(e)".

(37) Section 18237 is amended—

(A) in subsection (a), by striking out "section 2233(a)(1)" and inserting in lieu thereof "section 18233(a)(1)"; and

(B) in subsection (b), by striking out "section 2233(a)" and inserting in lieu thereof "section 18233(a)".

(c) OTHER PROVISIONS OF TITLE 10.—Effective as of December 1, 1994 (except as otherwise expressly provided), and as if included as amendments made by the Reserve Officer Personnel Management Act (title XVI of Public Law 103–360) as originally enacted, title 10, United States Code, is amended as follows:

(1) Section 101(d)(6)(B)(i) is amended by striking out "section 175" and inserting in lieu thereof "section 10301".

(2) Section 114(b) is amended by striking out "chapter 133" and inserting in lieu thereof "chapter 1803".

(3) Section 115(d) is amended—

(A) in paragraph (1), by striking out "section 673" and inserting in lieu thereof "section 12302";

(B) in paragraph (2), by striking out "section 673b" and inserting in lieu thereof "section 12304"; and

(C) in paragraph (3), by striking out "section 3500 or 8500" and inserting in lieu thereof "section 12406".

(4) Section 123(a) is amended—

(A) by striking out "281, 592, 1002, 1005, 1006, 1007, 1374, 3217, 3218, 3219, 3220,", "5414, 5457, 5458,", and "8217, 8218, 8219,"; and

(B) by striking out "and 8855" and inserting in lieu thereof "8855, 10214, 12003, 12004, 12005, 12007, 12202, 12213, 12642, 12645, 12646, 12647, 12771, 12772, and 12773".

(5) Section 582(1) is amended by striking out "section 672(d)" in subparagraph (B) and "section 673b" in subparagraph (D) and inserting in lieu thereof "section 12301(d)" and "section 12304", respectively.

(6) Section 641(1)(B) is amended by striking out "10501" and inserting in lieu thereof "10502, 10505, 10506(a), 10506(b), 10507".

(7) The table of sections at the beginning of chapter 39 is amended by striking out the items relating to sections 687 and 690.

(8) Sections 1053(a)(1), 1064, and 1065(a) are amended by striking out "chapter 67" and inserting in lieu thereof "chapter 1223".

(9) Section 1063(a)(1) is amended by striking out "section 1332(a)(2)" and inserting in lieu thereof "section 12732(a)(2)".

(10) Section 1074b(b)(2) is amended by striking out "section 673c" and inserting in lieu thereof "section 12305".

(11) Section 1076(b)(2)(A) is amended by striking out "before the effective date of the Reserve Officer Personnel Management Act" and inserting in lieu thereof "before December 1, 1994".

(12) Section 1176(b) is amended by striking out "section 1332" in the matter preceding paragraph (1) and in paragraph (2) and inserting in lieu thereof "section 12732".

(13) Section 1208(b) is amended by striking out "section 1333" and inserting in lieu thereof "section 12733".

(14) Section 1209 is amended by striking out "section 1332", "section 1335", and "chapter 71" and inserting in lieu thereof "section 12732", "section 12735", and "section 12739", respectively.

(15) Section 1407 is amended—

(A) in subsection (c)(1) and (d)(1), by striking out "section 1331" and inserting in lieu thereof "section 12731"; and

(B) in the heading for paragraph (1) of subsection (d), by striking out "CHAPTER 67" and inserting in lieu thereof "CHAPTER 1223".

(16) Section 1408(a)(5) is amended by striking out "section 1331" and inserting in lieu thereof "section 12731"

(17) Section 1431(a)(1) is amended by striking out "section 1376(a)" and inserting in lieu thereof "section 12774(a)".

(18) Section 1463(a)(2) is amended by striking out "chapter 67" and inserting in lieu thereof "chapter 1223".

(19) Section 1482(f)(2) is amended by inserting "section" before "12731 of this title".

(20) The table of sections at the beginning of chapter 533 is amended by striking out the item relating to section 5454.

(21) Section 2006(b)(1) is amended by striking out "chapter 106 of this title" and inserting in lieu thereof "chapter 1606 of this title".

(22) Section 2121(c) is amended by striking out "section 3353, 5600, or 8353" and inserting in lieu thereof "section 12207", effective on the effective date specified in section 1691(b)(1) of Public Law 103–337.

(23) Section 2130a(b)(3) is amended by striking out "section 591" and inserting in lieu thereof "section 12201".

(24) The table of sections at the beginning of chapter 337 is amended by striking out the items relating to section 3351 and 3352.

(25) Sections 3850, 6389(c), 6391(c), and 8850 are amended by striking out "section 1332" and inserting in lieu thereof "section 12732".

(26) Section 5600 is repealed, effective on the effective date specified in section 1691(b)(1) of Public Law 103–337.

(27) Section 5892 is amended by striking out "section 5457 or section 5458" and inserting in lieu thereof "section 12004 or section 12005".

(28) Section 6410(a) is amended by striking out "section 1005" and inserting in lieu thereof "section 12645".

(29) The table of sections at the beginning of chapter 837 is amended by striking out the items relating to section 8351 and 8352.

(30) Section 8360(b) is amended by striking out "section 1002" and inserting in lieu thereof "section 12642".

(31) Section 8380 is amended by striking out "section 524" in subsections (a) and (b) and inserting in lieu thereof "section 12011".

(32) Sections 8819(a), 8846(a), and 8846(b) are amended by striking out "section 1005 and 1006" and inserting in lieu thereof "sections 12645 and 12646".

(33) Section 8819 is amended by striking out "section 1005" and "section 1006" and inserting in lieu thereof "section 12645" and "section 12646", respectively.

(d) CROSS REFERENCES IN OTHER DEFENSE LAWS.—

(1) Section 337(b) of the National Defense Authorization Act for Fiscal Year 1995 (Public Law 103–337; 108 Stat. 2717) is amended by inserting before the period at the end the following: "or who after November 30, 1994, transferred to the Retired Reserve under section 10154(2) of title 10, United States Code, without having completed the years of service required under section 12731(a)(2) of such title for eligibility for retired pay under chapter 1223 of such title".

(2) Section 525 of the National Defense Authorization Act for Fiscal Years 1992 and 1993 (P.L. 102–190, 105 Stat. 1363) is amended by striking out "section 690" and inserting in lieu thereof "section 12321".

(3) Subtitle B of title XLIV of the National Defense Authorization Act for Fiscal Year 1993 (P.L. 102–484; 10 U.S.C. 12681 note) is amended—

(A) in section 4415, by striking out "section 1331a" and inserting in lieu thereof "section 12731a";

(B) in subsection 4416—

(i) in subsection (a), by striking out "section 1331" and inserting in lieu thereof "section 12731";

(ii) in subsection (b)—

(I) by inserting "or section 12732" in paragraph (1) after "under that section"; and

(II) by inserting "or 12731(a)" in paragraph (2) after "section 1331(a)";

(iii) in subsection (e)(2), by striking out "section 1332" and inserting in lieu thereof "section 12732"; and

(iv) in subsection (g), by striking out "section 1331a" and inserting in lieu thereof "section 12731a"; and

(C) in section 4418—

(i) in subsection (a), by striking out "section 1332" and inserting in lieu thereof "section 12732"; and

(ii) in subsection (b)(1)(A), by striking out "section 1333" and inserting in lieu thereof "section 12733".

(4) Title 37, United States Code, is amended—

(A) in section 302f(b), by striking out "section 673c of title 10" in paragraphs (2) and (3)(A) and inserting in lieu thereof "section 12305 of title 10"; and

(B) in section 433(a), by striking out "section 687 of title 10" and inserting in lieu thereof "section 12319 of title 10".

(e) CROSS REFERENCES IN OTHER LAWS.—

(1) Title 14, United States Code, is amended—

(A) in section 705(f), by striking out "600 of title 10" and inserting in lieu thereof "12209 of title 10"; and

(B) in section 741(c), by striking out "section 1006 of title 10" and inserting in lieu thereof "section 12646 of title 10".

(2) Title 38, United States Code, is amended—

(A) in section 3011(d)(3), by striking out "section 672, 673, 673b, 674, or 675 of title 10" and inserting in lieu thereof "section 12301, 12302, 12304, 12306, or 12307 of title 10";

(B) in sections 3012(b)(1)(B)(iii) and 3701(b)(5)(B), by striking out "section 268(b) of title 10" and inserting in lieu thereof "section 10143(a) of title 10";

(C) in section 3501(a)(3)(C), by striking out "section 511(d) of title 10" and inserting in lieu thereof "section 12103(d) of title 10"; and

(D) in section 4211(4)(C), by striking out "section 672 (a), (d), or (g), 673, or 673b of title 10" and inserting in lieu thereof "section 12301 (a), (d), or (g), 12302, or 12304 of title 10".

(3) Section 702(a)(1) of the Soldiers' and Sailors' Civil Relief Act of 1940 (50 U.S.C. App. 592(a)(1)) is amended—

(A) by striking out "section 672 (a) or (g), 673, 673b, 674, 675, or 688 of title 10" and inserting in lieu thereof "section 688, 12301(a), 12301(g), 12302, 12304, 12306, or 12307 of title 10"; and

(B) by striking out "section 672(d) of such title" and inserting in lieu thereof "section 12301(d) of such title".

(4) Section 463A of the Higher Education Act of 1965 (20 U.S.C. 1087cc–1) is amended in subsection (a)(10) by striking out "(10 U.S.C. 2172)" and inserting in lieu thereof "(10 U.S.C. 16302)".

(5) Section 179 of the National and Community Service Act of 1990 (42 U.S.C. 12639) is amended in subsection (a)(2)(C) by striking out "section 216(a) of title 5" and inserting in lieu thereof "section 10101 of title 10".

(f) Effective Dates.—

(1) Section 1636 of the Reserve Officer Personnel Management Act shall take effect on the date of the enactment of this Act.

(2) The amendments made by sections 1672(a), 1673(a) (with respect to chapters 541 and 549), 1673(b)(2), 1673(b)(4), 1674(a), and 1674(b)(7) shall take effect on the effective date specified in section 1691(b)(1) of the Reserve Officer Personnel Management Act (notwithstanding section 1691(a) of such Act).

(3) The amendments made by this section shall take effect as if included in the Reserve Officer Personnel Management Act as enacted on October 5, 1994.

SEC. 1102. AMENDMENTS RELATED TO FEDERAL ACQUISITION STREAMLINING ACT OF 1994.

(a) Public Law 103–355.—Effective as of October 13, 1994, and as if included therein as enacted, the Federal Acquisition Streamlining Act of 1994 (Public Law 103–355; 108 Stat. 3243 et seq.) is amended as follows:

(1) Section 1202(a) (108 Stat. 3274) is amended by striking out the closing quotation marks and second period at the end of paragraph (2)(B) of the subsection inserted by the amendment made by that section.

(2) Section 1251(b) (108 Stat. 3284) is amended by striking out "Office of Federal Procurement Policy Act" and inserting in lieu thereof "Federal Property and Administrative Services Act of 1949".

(3) Section 2051(e) (108 Stat. 3304) is amended by striking out the closing quotation marks and second period at the end of subsection (f)(3) in the matter inserted by the amendment made by that section.

(4) Section 2101(a)(6)(B)(ii) (108 Stat. 3308) is amended by replacing "regulation" with "regulations" in the first quoted matter.

(5) The heading of section 2352(b) (108 Stat. 3322) is amended by striking out "Procedures to Small Business Government Contractors.—" and inserting in lieu thereof "Procedures.—".

(6) Section 3022 (108 Stat. 3333) is amended by striking out "each place" and all that follows through the end of the section and inserting in lieu thereof "in paragraph (1) and ", rent," after "sell" in paragraph (2).".

(7) Section 5092(b) (108 Stat. 3362) is amended by inserting "of paragraph (2)" after "second sentence".

(8) Section 6005(a) (108 Stat. 3364) is amended by striking out the closing quotation marks and second period at the end of subsection (e)(2) of the matter inserted by the amendment made by that section.

(9) Section 10005(f)(4) (108 Stat. 3409) is amended in the second matter in quotation marks by striking out "'Sec. 5. This Act" and inserting in lieu thereof "'Sec. 7. This title".

(b) Title 10, United States Code.—Title 10, United States Code, is amended as follows:

(1) Section 2220(b) is amended by striking out "the date of the enactment of the Federal Acquisition Streamlining Act of 1994" and inserting in lieu thereof "October 13, 1994".

(2)(A) The section 2247 added by section 7202(a)(1) of Public Law 103–355 (108 Stat. 3379) is redesignated as section 2249.

(B) The item relating to that section in the table of sections at the beginning of subchapter I of chapter 134 is revised to conform to the redesignation made by subparagraph (A).

(3) Section 2302(3)(K) is amended by adding a period at the end.

(4) Section 2304(h) is amended by striking out paragraph (1) and inserting in lieu thereof the following:

"(1) The Walsh-Healey Act (41 U.S.C. 35 et seq.).".

(5)(A) The section 2304a added by section 848(a)(1) of Public Law 103–160 (107 Stat. 1724) is redesignated as section 2304e.

(B) The item relating to that section in the table of sections at the beginning of chapter 137 is revised to conform to the redesignation made by subparagraph (A).

(6) Section 2306a is amended—

(A) in subsection (d)(2)(A)(ii), by inserting "to" after "The information referred";

(B) in subsection (e)(4)(B)(ii), by striking out the second comma after "parties"; and

(C) in subsection (i)(3), by inserting "(41 U.S.C. 403(12))" before the period at the end.

(7) Section 2323 is amended—

(A) in subsection (a)(1)(C), by inserting a closing parenthesis after "1135d–5(3))" and after "1059c(b)(1))";

(B) in subsection (a)(3), by inserting a closing parenthesis after "421(c))";

(C) in subsection (b), by inserting "(1)" after "Amount.—"; and

(D) in subsection (i)(3), by adding at the end a subparagraph (D) identical to the subparagraph (D) set forth in the amendment made by section 811(e) of Public Law 103–160 (107 Stat. 1702).

(8) Section 2324 is amended—

(A) in subsection (e)(2)(C)—

(i) by striking out "awarding the contract" at the end of the first sentence; and

(ii) by striking out "title III" and all that follows through "Act)" and inserting in lieu thereof "the Buy American Act (41 U.S.C. 10b–1)"; and

(B) in subsection (h)(2), by inserting "the head of the agency or" after "in the case of any contract if".

(9) Section 2350b is amended—

(A) in subsection (c)(1)—

(i) by striking out "specifically—" and inserting in lieu thereof "specifically prescribes—"; and

(ii) by striking out "prescribe" in each of subparagraphs (A), (B), (C), and (D); and

(B) in subsection (d)(1), by striking out "subcontract to be" and inserting in lieu thereof "subcontract be".

(10) Section 2356(a) is amended by striking out "2354, or 2355" and inserting "or 2354".

(11) Section 2372(i)(1) is amended by striking out "section 2324(m)" and inserting in lieu thereof "section 2324(l)".

(12) Section 2384(b) is amended—

(A) in paragraph (2)—

(i) by striking "items, as" and inserting in lieu thereof "items (as"; and

(ii) by inserting a closing parenthesis after "403(12))"; and

(B) in paragraph (3), by inserting a closing parenthesis after "403(11))".

(13) Section 2397(a)(1) is amended—

(A) by inserting "as defined in section 4(11) of the Office of Federal Procurement Policy Act (41 U.S.C. 403(11))" after "threshold"; and

(B) by striking out "section 4(12) of the Office of Federal Procurement Policy Act" and inserting in lieu thereof "section 4(12) of such Act".

(14) Section 2397b(f) is amended by inserting a period at the end of paragraph (2)(B)(iii).

(15) Section 2400(a)(5) is amended by striking out "the preceding sentence" and inserting in lieu thereof "this paragraph".

(16) Section 2405 is amended—

(A) in paragraphs (1) and (2) of subsection (a), by striking out "the date of the enactment of the Federal Acquisition Streamlining Act of 1994" and inserting in lieu thereof "October 13, 1994"; and

(B) in subsection (c)(3)—

(i) by striking out "the later of—" and all that follows through "(B)"; and

(ii) by redesignating clauses (i), (ii), and (iii) as subparagraphs (A), (B), and (C), respectively, and realigning those subparagraphs accordingly.

(17) Section 2410d(b) is amended by striking out paragraph (3).

(18) Section 2424(c) is amended—

(A) by inserting "Exception for Soft Drinks.—" after "(c)"; and

(B) by striking out "drink" the first and third places it appears in the second sentence and inserting in lieu thereof "beverage".

(19) Section 2431 is amended—

(A) in subsection (b)—

(i) by striking out "Any report" in the first sentence and inserting in lieu thereof "Any documents"; and

(ii) by striking out "the report" in paragraph (3) and inserting in lieu thereof "the documents"; and

(B) in subsection (c), by striking "reporting" and inserting in lieu thereof "documentation".

(20) Section 2533(a) is amended by striking out "title III of the Act" and all that follows through "such Act" and inserting in lieu thereof "the Buy American Act (41 U.S.C. 10a)) whether application of such Act".

(21) Section 2662(b) is amended by striking out "small purchase threshold" and inserting in lieu thereof "simplified acquisition threshold".

(22) Section 2701(i)(1) is amended—

(A) by striking out "Act of August 24, 1935 (40 U.S.C. 270a–270d), commonly referred to as the 'Miller Act'," and inserting in lieu thereof "Miller Act (40 U.S.C. 270a et seq.)"; and

(B) by striking out "such Act of August 24, 1935" and inserting in lieu thereof "the Miller Act".

(c) Small Business Act.—The Small Business Act (15 U.S.C. 632 et seq.) is amended as follows:

(1) Section 8(d) (15 U.S.C. 637(d)) is amended—

(A) in paragraph (1), by striking out the second comma after "small business concerns" the first place it appears; and

(B) in paragraph (6)(C), by striking out "and small business concerns owned and controlled by the socially and economically disadvantaged individuals" and inserting in lieu thereof ", small business concerns owned and controlled by socially and economically disadvantaged individuals, and small business concerns owned and controlled by women".

(2) Section 8(f) (15 U.S.C. 637(f)) is amended by inserting "and" after the semicolon at the end of paragraph (5).

(3) Section 15(g)(2) (15 U.S.C. 644(g)(2)) is amended by striking out the second comma after the first appearance of "small business concerns".

(d) Title 31, United States Code.—Section 3551 of title 31, United States Code, is amended—

(1) by striking out "subchapter—" and inserting in lieu thereof "subchapter:"; and

(2) in paragraph (2), by striking out "or proposed contract" and inserting in lieu thereof "or a solicitation or other request for offers".

(e) FEDERAL PROPERTY AND ADMINISTRATIVE SERVICES ACT OF 1949.—The Federal Property and Administrative Services Act of 1949 is amended as follows:

(1) The table of contents in section 1 (40 U.S.C. 471 prec.) is amended—

(A) by striking out the item relating to section 104;

(B) by striking out the item relating to section 201 and inserting in lieu thereof the following:

"Sec. 201. Procurements, warehousing, and related activities.";

(C) by inserting after the item relating to section 315 the following new item:

"Sec. 316. Merit-based award of grants for research and development.";

(D) by striking out the item relating to section 603 and inserting in lieu thereof the following:

"Sec. 603. Authorizations for appropriations and transfer authority."; and

(E) by inserting after the item relating to section 605 the following new item:

"Sec. 606. Sex discrimination.".

(2) Section 111(b)(3) (40 U.S.C. 759(b)(3)) is amended by striking out the second period at the end of the third sentence.

(3) Section 111(f)(9) (40 U.S.C. 759(f)(9)) is amended in subparagraph (B) by striking out "or proposed contract" and inserting in lieu thereof "or a solicitation or other request for offers".

(4) The heading for paragraph (1) of section 304A(c) is amended by changing each letter that is capitalized (other than the first letter of the first word) to lower case.

(5) The heading for section 314A (41 U.S.C. 41 U.S.C. 264a) is amended to read as follows:

"SEC. 314A. DEFINITIONS RELATING TO PROCUREMENT OF COMMERCIAL ITEMS.".

(6) The heading for section 316 (41 U.S.C. 266) is amended by inserting at the end a period.

(f) WALSH-HEALEY ACT.—

(1) The Walsh-Healey Act (41 U.S.C. 35 et seq.) is amended—

(A) by transferring the second section 11 (as added by section 7201(4) of Public Law 103–355) so as to appear after section 10; and

(B) by redesignating the three sections following such section 11 (as so transferred) as sections 12, 13, and 14.

(2) Such Act is further amended in section 10(c) by striking out the comma after "'locality'".

(g) ANTI-KICKBACK ACT OF 1986.—Section 7 of the Anti-Kickback Act of 1986 (41 U.S.C. 57) is amended by striking out the second period at the end of subsection (d).

(h) OFFICE OF FEDERAL PROCUREMENT POLICY ACT.—The Office of Federal Procurement Policy Act (41 U.S.C. 401 et seq.) is amended as follows:

(1) Section 6 (41 U.S.C. 405) is amended by transferring paragraph (12) of subsection (d) (as such paragraph was redesignated by section 5091(2) of the Federal Acquisition Streamlining Act of 1994 (P.L. 103–355; 108 Stat. 3361) to the end of that subsection.

(2) Section 18(b) (41 U.S.C. 416(b)) is amended by inserting "and" after the semicolon at the end of paragraph (5).

(3) Section 26(f)(3) (41 U.S.C. 422(f)(3)) is amended in the first sentence by striking out "Not later than 180 days after the date of enactment of this section, the Administrator" and inserting in lieu thereof "The Administrator".

(i) OTHER LAWS.—

(1) The National Defense Authorization Act for Fiscal Year 1994 (Public Law 103–160) is amended as follows:

(A) Section 126(c) (107 Stat. 1567) is amended by striking out "section 2401 of title 10, United States Code, or section 9081 of the Department of Defense Appropriations Act, 1990 (10 U.S.C. 2401 note)." and inserting in lieu thereof "section 2401 or 2401a of title 10, United States Code.".

(B) Section 127 (107 Stat. 1568) is amended—

(i) in subsection (a), by striking out "section 2401 of title 10, United States Code, or section 9081 of the Department of Defense Appropriations Act, 1990 (10 U.S.C. 2401 note)." and inserting in lieu thereof "section 2401 or 2401a of title 10, United States Code."; and

(ii) in subsection (e), by striking out "section 9081 of the Department of Defense Appropriations Act, 1990 (10 U.S.C. 2401 note)." and inserting in lieu thereof "section 2401a of title 10, United States Code.".

(2) The National Defense Authorization Act for Fiscal Years 1990 and 1991 (Public Law 101–189) is amended by striking out section 824.

(3) The National Defense Authorization Act for Fiscal Years 1988 and 1989 (Public Law 100–180) is amended by striking out section 825 (10 U.S.C. 2432 note).

(4) Section 3737(g) of the Revised Statutes (41 U.S.C. 15(g)) is amended by striking out "rights of obligations" and inserting in lieu thereof "rights or obligations".

(5) The section of the Revised Statutes (41 U.S.C. 22) amended by section 6004 of Public Law 103–355 (108 Stat. 3364) is amended by striking out "No member" and inserting in lieu thereof "SEC. 3741. No Member".

(6) Section 5152(a)(1) of the Drug-Free Workplace Act of 1988 (41 U.S.C. 701(a)(1)) is amended by striking out "as defined in section 4 of the Office of Federal Procurement Policy Act (41 U.S.C. 403)" and inserting in lieu thereof "(as defined in section 4(12) of such Act (41 U.S.C. 403(12)))".

SEC. 1103. AMENDMENTS TO REFLECT NAME CHANGE OF COMMITTEE ON ARMED SERVICES OF THE HOUSE OF REPRESENTATIVES.

(a) TITLE 10, UNITED STATES CODE.—Title 10, United States Code, is amended as follows:

(1) Sections 503(b)(5), 520a(d), 526(d)(1), 619a(h)(2), 806a(b), 838(b)(7), 946(c)(1)(A), 1098(b)(2), 2313(b)(4), 2361(c)(1), 2371(h), 2391(c), 2430(b), 2432(b)(3)(B), 2432(c)(2), 2432(h)(1), 2667(d)(3), 2672a(b), 2687(b)(1), 2891(a), 4342(g), 7307(b)(1)(A), and 9342(g) are amended by striking out "Committees on Armed Services of the Senate and House of Representatives" and inserting in lieu thereof "Committee on Armed Services of the Senate and the Committee on National Security of the House of Representatives".

(2) Sections 178(c)(1)(A), 942(e)(5), 2350f(c), 2864(b), 7426(e), 7431(a), 7431(b)(1), 7431(c), 7438(b), 12302(b), 18235(a), and 18236(a) are amended by striking out "Committees on Armed Services of the Senate and the House of Representatives" and inserting in lieu thereof "Committee on Armed Services of the Senate and the Committee on National Security of the House of Representatives".

(3) Section 113(j)(1) is amended by striking out "Committees on Armed Services and Committees on Appropriations of the Senate and" and inserting in lieu thereof "Committee on Armed Services and the Committee on Appropriations of the Senate and the Committee on National Security and the Committee on Appropriations of the".

(4) Section 119(g) is amended by striking out paragraphs (1) and (2) and inserting in lieu thereof the following:

"(1) the Committee on Armed Services and the Committee on Appropriations, and the Defense Subcommittee of the Committee on Appropriations, of the Senate; and

"(2) the Committee on National Security and the Committee on Appropriations, and the National Security Subcommittee of the Committee on Appropriations, of the House of Representatives.".

(5) Section 127(c) is amended by striking out "Committees on Armed Services and Appropriations of the Senate and" and inserting in lieu thereof "Committee on Armed Services and the Committee on Appropriations of the Senate and the Committee on National Security and the Committee on Appropriations of".

(6) Section 135(e) is amended—

(A) by inserting "(1)" after "(e)";

(B) by striking out "the Committees on Armed Services and the Committees on Appropriations of the Senate and House of Representatives are each" and inserting in lieu thereof "each congressional committee specified in paragraph (2) is"; and

(C) by adding at the end the following:

"(2) The committees referred to in paragraph (1) are—

"(A) the Committee on Armed Services and the Committee on Appropriations of the Senate; and

"(B) the Committee on National Security and the Committee on Appropriations of the House of Representatives.".

(7) Section 179(e) is amended by striking out "to the Committees on Armed Services and Appropriations of the Senate and" and inserting in lieu thereof "to the Committee on Armed Services and the Committee on Appropriations of the Senate and the Committee on National Security and the Committee on Appropriations of the".

(8) Sections 401(d) and 402(d) are amended by striking out "submit to the" and all that follows through "Foreign Affairs" and inserting in lieu thereof "submit to the Committee on Armed Services and the Committee on Foreign Relations of the Senate and the Committee on National Security and the Committee on International Relations".

(9) Sections 1584(b), 2367(d)(2), and 2464(b)(3)(A) are amended by striking out "the Committees on Armed Services and the Committees on Appropriations of the Senate and" and inserting in lieu thereof "the Committee on Armed Services and the Committee on Appropriations of the Senate and the Committee on National Security and the Committee on Appropriations of the".

(10) Sections 2306b(g), 2801(c)(4), and 18233a(a)(1) are amended by striking out "the Committees on Armed Services and on Appropriations of the Senate and" and inserting in lieu thereof "the Committee on Armed Services and the Committee on Appropriations of the Senate and the Committee on National Security and the Committee on Appropriations of the".

(11) Section 1599(e)(2) is amended—

(A) in subparagraph (A), by striking out "The Committees on Armed Services and Appropriations" and inserting in lieu thereof "The Committee on National Security, the Committee on Appropriations,"; and

(B) in subparagraph (B), by striking out "The Committees on Armed Services and Appropriations" and inserting in lieu thereof "The Committee on Armed Services, the Committee on Appropriations,".

(12) Sections 1605(c), 4355(a)(3), 6968(a)(3), and 9355(a)(3) are amended by striking out "Armed Services" and inserting in lieu thereof "National Security".

(13) Section 1060(d) is amended by striking out "Committee on Armed Services and the Committee on Foreign Affairs" and inserting in lieu thereof "Committee on National Security and the Committee on International Relations".

(14) Section 2215 is amended—

(A) by inserting "(a) CERTIFICATION REQUIRED.—" at the beginning of the text of the section;

(B) by striking out "to the Committees" and all that follows through "House of Representatives" and inserting in lieu thereof "to the congressional committees specified in subsection (b)"; and

(C) by adding at the end the following:

"(b) CONGRESSIONAL COMMITTEES.—The committees referred to in subsection (a) are—

"(1) the Committee on Armed Services and the Committee on Appropriations of the Senate; and

"(2) the Committee on National Security and the Committee on Appropriations of the House of Representatives.".

(15) Section 2218 is amended—

(A) in subsection (j), by striking out "the Committees on Armed Services and on Appropriations of the Senate and the House of Representatives" and inserting in lieu thereof "the congressional defense committees"; and

(B) by adding at the end of subsection (k) the following new paragraph:

"(4) The term 'congressional defense committees' means—

"(A) the Committee on Armed Services and the Committee on Appropriations of the Senate; and

"(B) the Committee on National Security and the Committee on Appropriations of the House of Representatives.".

(16) Section 2342(b) is amended—

(A) in the matter preceding paragraph (1), by striking out "section—" and inserting in lieu thereof "section unless—";

(B) in paragraph (1), by striking out "unless"; and

(C) in paragraph (2), by striking out "notifies the" and all that follows through "House of Representatives" and inserting in lieu thereof "the Secretary submits to the Committee on Armed Services and the Committee on Foreign Relations of the Senate and the Committee on National Security and the Committee on International Relations of the House of Representatives notice of the intended designation".

(17) Section 2350a(f)(2) is amended by striking out "submit to the Committees" and all that follows through "House of Representatives" and inserting in lieu thereof "submit to the Committee on Armed Services and the Committee on Foreign Relations of the Senate and the Committee on National Security and the Committee on International Relations of the House of Representatives".

(18) Section 2366 is amended—

(A) in subsection (d), by striking out "the Committees on Armed Services and on Appropriations of the Senate and House of Representatives" and inserting in lieu thereof "the congressional defense committees"; and

(B) by adding at the end of subsection (e) the following new paragraph:

"(7) The term 'congressional defense committees' means—

"(A) the Committee on Armed Services and the Committee on Appropriations of the Senate; and

"(B) the Committee on National Security and the Committee on Appropriations of the House of Representatives.".

(19) Section 2399(h)(2) is amended by striking out "means" and all the follows and inserting in lieu thereof the following: "means—

"(A) the Committee on Armed Services and the Committee on Appropriations of the Senate; and

"(B) the Committee on National Security and the Committee on Appropriations of the House of Representatives.".

(20) Section 2401(b)(1) is amended—

(A) in subparagraph (B), by striking out "the Committees on Armed Services and on Appropriations of the Senate and" and inserting in lieu thereof "the Committee on Armed Services and the Committee on Appropriations of the Senate and the Committee on National Security and the Committees on Appropriations of the"; and

(B) in subparagraph (C), by striking out "the Committees on Armed Services and on Appropriations of the Senate and House of Representatives" and inserting in lieu thereof "those committees".

(21) Section 2403(e) is amended—

(A) by inserting "(1)" before "Before making";

(B) by striking out "shall notify the Committees on Armed Services and on Appropriations of the Senate and House of Representatives" and inserting in lieu thereof "shall submit to the congressional committees specified in paragraph (2) notice"; and

(C) by adding at the end the following new paragraph:

"(2) The committees referred to in paragraph (1) are—

"(A) the Committee on Armed Services and the Committee on Appropriations of the Senate; and

"(B) the Committee on National Security and the Committee on Appropriations of the House of Representatives.".

(22) Section 2515(d) is amended—

(A) by striking out "REPORTING" and all that follows through "same time" and inserting in lieu thereof "ANNUAL REPORT.—(1) The Secretary of Defense shall submit to the congressional committees specified in paragraph (2) an annual report on the activities of the Office. The report shall be submitted each year at the same time"; and

(B) by adding at the end the following new paragraph:

"(2) The committees referred to in paragraph (1) are—

"(A) the Committee on Armed Services and the Committee on Appropriations of the Senate; and

"(B) the Committee on National Security and the Committee on Appropriations of the House of Representatives.".

(23) Section 2551 is amended—

(A) in subsection (e)(1), by striking out "the Committees on Armed Services" and all that follows through "House of Representatives" and inserting in lieu thereof "the Committee on Armed Services and the Committee on Foreign Relations of the Senate and the Committee on National Security and the Committee on International Relations of the House of Representatives"; and

(B) in subsection (f)—

(i) by inserting "(1)" before "In any case";

(ii) by striking out "Committees on Appropriations" and all that follows through "House of Representatives" the second place it appears and inserting in lieu thereof "congressional committees specified in paragraph (2)"; and

(iii) by adding at the end the following:

"(2) The committees referred to in paragraph (1) are—

"(A) the Committee on Armed Services, the Committee on Foreign Relations, and the Committee on Appropriations of the Senate; and

"(B) the Committee on National Security, the Committee on International Relations, and the Committee on Appropriations of the House of Representatives.".

(24) Section 2662 is amended—

(A) in subsection (a)—

(i) in the matter preceding paragraph (1), by striking out "the Committees on Armed Services of the Senate and House of Representatives" and inserting in lieu thereof "the Committee on Armed Services of the Senate and the Committee on National Security of the House of Representatives"; and

(ii) in the matter following paragraph (6), by striking out "to be submitted to the Committees on Armed Services of the Senate and House of Representatives";

(B) in subsection (b), by striking out "shall report annually to the Committees on Armed Services of the Senate and the House of Representatives" and inserting in lieu thereof "shall submit annually to the congressional committees named in subsection (a) a report";

(C) in subsection (e), by striking out "the Committees on Armed Services of the Senate and the House of Representatives" and inserting in lieu thereof "the congressional committees named in subsection (a)"; and

(D) in subsection (f), by striking out "the Committees on Armed Services of the Senate and the House of Representatives shall" and inserting in lieu thereof "the congressional committees named in subsection (a) shall".

(25) Section 2674(a) is amended—

(A) in paragraph (2), by striking out "Committees on Armed Services of the Senate and the House of Representatives, the Committee on Environment and Public Works of the Senate, and the Committee on Public Works and Transportation of the House of Representatives" and inserting in lieu thereof "congressional committees specified in paragraph (3)"; and

(B) by adding at the end the following new paragraph:

"(3) The committees referred to in paragraph (1) are—

"(A) the Committee on Armed Services and the Committee on Environment and Public Works of the Senate; and

"(B) the Committee on National Security and the Committee on Transportation and Infrastructure of the House of Representatives.".

(26) Section 2813(c) is amended by striking out "Committees on Armed Services and the Committees on Appropriations of the Senate and House of Representatives" and inserting in lieu thereof "appropriate committees of Congress".

(27) Sections 2825(b)(1) and 2832(b)(2) are amended by striking out "Committees on Armed Services and the Committees on Appropriations of the Senate and of the House of Representatives" and inserting in lieu thereof "appropriate committees of Congress".

(28) Section 2865(e)(2) and 2866(c)(2) are amended by striking out "Committees on Armed Services and Appropriations of the Senate and House of Representatives" and inserting in lieu thereof "appropriate committees of Congress".

(29)(A) Section 7434 of such title is amended to read as follows:

"§7434. Annual report to congressional committees

"Not later than October 31 of each year, the Secretary shall submit to the Committee on Armed Services of the Senate and the Committee on National Security of the House of Representatives a report on the production from the naval petroleum reserves during the preceding calendar year.".

(B) The item relating to such section in the table of contents at the beginning of chapter 641 is amended to read as follows:

"7434. Annual report to congressional committees.".

(b) TITLE 37, UNITED STATES CODE.—Title 37, United States Code, is amended—

(1) in sections 301b(i)(2) and 406(i), by striking out "Committees on Armed Services of the Senate and House of Representatives" and inserting in lieu thereof "Committee on Armed Services of the Senate and the Committee on National Security of the House of Representatives"; and

(2) in section 431(d), by striking out "Armed Services" the first place it appears and inserting in lieu thereof "National Security".

(c) ANNUAL DEFENSE AUTHORIZATION ACTS.—

(1) The National Defense Authorization Act for Fiscal Year 1994 (Public Law 103–160) is amended in sections 2922(b) and 2925(b) (10 U.S.C. 2687 note) by striking out "Committees on Armed Services of the Senate and House of Representatives" and inserting in lieu thereof "Committee on Armed Services of the Senate

and the Committee on National Security of the House of Representatives".

(2) The National Defense Authorization Act for Fiscal Year 1993 (Public Law 102–484) is amended—

(A) in section 326(a)(5) (10 U.S.C. 2301 note) and section 1304(a) (10 U.S.C. 113 note), by striking out "Committees on Armed Services of the Senate and House of Representatives" and inserting in lieu thereof "Committee on Armed Services of the Senate and the Committee on National Security of the House of Representatives"; and

(B) in section 1505(e)(2)(B) (22 U.S.C. 5859a), by striking out "the Committee on Armed Services, the Committee on Appropriations, the Committee on Foreign Affairs, and the Committee on Energy and Commerce" and inserting in lieu thereof "the Committee on National Security, the Committee on Appropriations, the Committee on International Relations, and the Committee on Commerce".

(3) Section 1097(a)(1) of the National Defense Authorization Act for Fiscal Years 1992 and 1993 (Public Law 102–190; 22 U.S.C. 2751 note) is amended by striking out "the Committees on Armed Services and Foreign Affairs" and inserting in lieu thereof "the Committee on National Security and the Committee on International Relations".

(4) The National Defense Authorization Act for Fiscal Year 1991 (P.L. 101–510) is amended as follows:

(A) Section 402(a) and section 1208(b)(3) (10 U.S.C. 1701 note) are amended by striking out "Committees on Armed Services of the Senate and the House of Representatives" and inserting in lieu thereof "Committee on Armed Services of the Senate and the Committee on National Security of the House of Representatives".

(B) Section 1403(a) (50 U.S.C. 404b(a)) is amended—

(i) by striking out "the Committees on" and all that follows through "each year" and inserting in lieu thereof "the Committee on Armed Services, the Committee on Appropriations, and the Select Committee on Intelligence of the Senate and the Committee on National Security, the Committee on Appropriations, and the Permanent Select Committee on Intelligence of the House of Representatives each year".

(C) Section 1457(a) (50 U.S.C. 404c(a)) is amended by striking out "the Committees on Armed Services and on Foreign Affairs of the House of Representatives and the Committees on Armed Services and" and inserting in lieu thereof "the Committee on National Security and the Committee on International Relations of the House of Representatives and the Committee on Armed Services and the Committee on".

(D) Section 2921 (10 U.S.C. 2687 note) is amended—

(i) in subsection (e)(3)(A), by striking out "the Committee on Armed Services, the Committee on Appropriations, and the Defense Subcommittees" and inserting in lieu thereof "the Committee on National Security, the Committee on Appropriations, and the National Security Subcommittee"; and

(ii) in subsection (g)(2), by striking out "the Committees on Armed Services of the Senate and House of Representatives" and inserting in lieu thereof "the Committee on Armed Services of the Senate and the Committee on National Security of the House of Representatives".

(5) Section 613(h)(1) of the National Defense Authorization Act, Fiscal Year 1989 (Public Law 100–456; 37 U.S.C. 302 note), is amended by striking out "the Committees on Armed Services of the Senate and the House of Representatives" and inserting in lieu thereof "the Committee on Armed Services of the Senate and the Committee on National Security of the House of Representatives".

(6) Section 1412 of the Department of Defense Authorization Act, 1986 (Public Law 99–145; 50 U.S.C. 1521), is amended in subsections (b)(4) and (k)(2), by striking out "Committees on Armed Services of the Senate and House of Representatives" and inserting in lieu thereof "Committee on Armed Services of the Senate and the Committee on National Security of the House of Representatives".

(7) Section 1002(d) of the Department of Defense Authorization Act, 1985 (Public Law 98–525; 22 U.S.C. 1928 note), is amended by striking out "the Committees on Armed Services of the Senate and the House of Representatives" and inserting in lieu thereof "the Committee on Armed Services of the Senate, the Committee on National Security of the House of Representatives".

(8) Section 1252 of the Department of Defense Authorization Act, 1984 (42 U.S.C. 248d), is amended—

(A) in subsection (d), by striking out "Committees on Appropriations and on Armed Services of the Senate and the House of Representatives" and inserting in lieu thereof "Committee on Appropriations and the Committee on Armed Services of the Senate and the Committee on Appropriations and the Committee on National Security of the House of Representatives"; and

(B) in subsection (e), by striking out "Committees on Appropriations and on Armed Services of the Senate and the House of Representatives" and inserting in lieu thereof "congressional committees specified in subsection (d)".

(d) BASE CLOSURE LAW.—The Defense Base Closure and Realignment Act of 1990 (part A of title XXIX of Public Law 101–510; 10 U.S.C. 2687 note) is amended as follows:

(1) Sections 2902(e)(2)(B)(ii) and 2908(b) are amended by striking out "Armed Services" the first place it appears and inserting in lieu thereof "National Security".

(2) Section 2910(2) is amended by striking out "the Committees on Armed Services and the Committees on Appropriations of the Senate and of the House of Representatives" and inserting in lieu thereof "the Committee on Armed Services and the Committee on Appropriations of the Senate and the Committee on National Security and the Committee on Appropriations of the House of Representatives".

(e) NATIONAL DEFENSE STOCKPILE.—The Strategic and Critical Materials Stock Piling Act is amended—

(1) in section 6(d) (50 U.S.C. 98e(d))—

(A) in paragraph (1), by striking out "Committees on Armed Services of the Senate and House of Representatives" and inserting in lieu thereof "Committee on Armed Services of the Senate and the Committee on National Security of the House of Representatives"; and

(B) in paragraph (2), by striking out "the Committees on Armed Services of the Senate and House of Representatives" and inserting in lieu thereof "such congressional committees"; and

(2) in section 7(b) (50 U.S.C. 98f(b)), by striking out "Committees on Armed Services of the Senate and House of Representatives" and inserting in lieu thereof "Committee on Armed Services of the Senate and the Committee on National Security of the House of Representatives".

(f) OTHER DEFENSE-RELATED PROVISIONS.—

(1) Section 8125(g)(2) of the Department of Defense Appropriations Act, 1989 (Public Law 100–463; 10 U.S.C. 113 note), is amended by striking out "Committees on Appropriations and Armed Services of the Senate and House of Representatives" and inserting in lieu thereof "Committee on Appropriations and the Committees on Armed Services of the Senate and the Committee on Appropriations and the Committees on National Security of the House of Representatives".

(2) Section 1505(f)(3) of the Military Child Care Act of 1989 (title XV of Public Law 101–189; 10 U.S.C. 113 note) is amended by striking out "Committees on Armed Services of the Senate and House of Representatives" and inserting in lieu thereof "Committee on Armed Services of the Senate and the Committee on National Security of the House of Representatives".

(3) Section 9047A of the Department of Defense Appropriations Act, 1993 (Public Law 102–396; 10 U.S.C. 2687 note), is amended by striking out "the Committees on Appropriations and Armed Services of the House of Representatives and the Senate" and inserting in lieu thereof "the Committee on Appropriations and the Committee on Armed Services of the Senate and the Committee on Appropriations and the Committee on National Security of the House of Representatives".

(4) Section 3059(c)(1) of the Defense Drug Interdiction Assistance Act (subtitle A of title III of Public Law 99–570; 10 U.S.C. 9441 note) is amended by striking out "Committees on Appropriations and on Armed Services of the Senate and the House of Representatives" and inserting in lieu thereof "Committee on Armed Services and the Committee on Appropriations of the Senate and the Committee on National Security and the Committee on Appropriations of the House of Representatives".

(5) Section 7606(b) of the Anti-Drug Abuse Act of 1988 (Public Law 100–690; 10 U.S.C. 9441 note) is amended by striking out "Committees on Appropriations and the Committee on Armed Services of the Senate and the House of Representatives" and inserting in lieu thereof "Committee on Armed Services and the Committee on Appropriations of the Senate and the Committee on National Security and the Committee on Appropriations of the House of Representatives".

(6) Section 104(d)(5) of the National Security Act of 1947 (50 U.S.C. 403–4(d)(5)) is amended by striking out "Committees on Armed Services of the Senate and House of Representatives" and inserting in lieu thereof "Committee on Armed Services of the Senate and the Committee on National Security of the House of Representatives".

(7) Section 8 of the Inspector General Act of 1978 (5 U.S.C. App.) is amended—

(A) in subsection (b)(3), by striking out "Committees on Armed Services and Government Operations" and inserting in lieu thereof "Committee on National Security and the Committee on Government Reform and Oversight";

(B) in subsection (b)(4), by striking out "Committees on Armed Services and Governmental Affairs of the Senate and the Committees on Armed Services and Government Operations of the House of Representatives" and inserting in lieu thereof "congressional committees specified in paragraph (3)";

(C) in subsection (f)(1), by striking out "Committees on Armed Services and Government Operations" and inserting in lieu thereof "Committee on National Security and the Committee on Government Reform and Oversight"; and

(D) in subsection (f)(2), by striking out "Committees on Armed Services and Governmental Affairs of the Senate and the Committees on Armed Services and Government Operations of the House of Representatives" and inserting in lieu thereof "congressional committees specified in paragraph (1)".

(8) Section 204(h)(3) of the Federal Property and Administrative Services Act of 1949 (40 U.S.C. 485(h)(3)) is amended by striking out "Committees on Armed Services of the Senate and of the House of Representatives"

and inserting in lieu thereof "Committee on Armed Services of the Senate and the Committee on National Security of the House of Representatives".

SEC. 1104. MISCELLANEOUS AMENDMENTS TO TITLE 10, UNITED STATES CODE.

(a) SUBTITLE A.—Subtitle A of title 10, United States Code, is amended as follows:

(1) Section 113(i)(2)(B) is amended by striking out "the five years covered" and all that follows through "section 114(g)" and inserting in lieu thereof "the period covered by the future-years defense program submitted to Congress during that year pursuant to section 221".

(2) Section 136(c) is amended by striking out "Comptroller" and inserting in lieu thereof "Under Secretary of Defense (Comptroller)".

(3) Section 227(3)(D) is amended by striking out "for".

(4) Effective October 1, 1995, section 526 is amended—

(A) in subsection (a), by striking out paragraphs (1), (2), and (3) and inserting in lieu thereof the following:

"(1) For the Army, 302.

"(2) For the Navy, 216.

"(3) For the Air Force, 279.";

(B) by striking out subsection (b);

(C) by redesignating subsections (c), (d), and (e) as subsections (b), (c), and (d);

(D) in subsection (b), as so redesignated, by striking out "that are applicable on and after October 1, 1995"; and

(E) in paragraph (2)(B) of subsection (c), as redesignated by subparagraph (C), is amended—

(i) by striking out "the" after "in the";

(ii) by inserting "to" after "reserve component, or"; and

(iii) by inserting "than" after "in a grade other".

(5) Effective October 1, 1995, section 528(a) is amended by striking out "after September 30, 1995,"

(6) Section 573(a)(2) is amended by striking out "active duty list" and inserting in lieu thereof "active-duty list".

(7) Section 661(d)(2) is amended—

(A) in subparagraph (B), by striking out "Until January 1, 1994" and all that follows through "each position so designated" and inserting in lieu thereof "Each position designated by the Secretary under subparagraph (A)";

(B) in subparagraph (C), by striking out "the second sentence of"; and

(C) by striking out subparagraph (D).

(8) Section 706(c)(1) is amended by striking out "section 4301 of title 38" and inserting in lieu thereof "chapter 43 of title 38".

(9) Section 1059 is amended by striking out "subsection (j)" in subsections (c)(2) and (g)(3) and inserting in lieu thereof "subsection (k)".

(10) Section 1060a(f)(2)(B) is amended by striking out "(as defined in section 101(a)(22) of the Immigration and Nationality Act (8 U.S.C. 1101(a)(22)))" and inserting in lieu thereof ", as determined in accordance with the Immigration and Nationality Act (8 U.S.C. 1101 et seq.)".

(11) Section 1151 is amended—

(A) in subsection (b), by striking out "(20 U.S.C. 2701 et seq.)" in paragraphs (2)(A) and (3)(A) and inserting in lieu thereof "(20 U.S.C. 6301 et seq.)"; and

(B) in subsection (e)(1)(B), by striking out "not later than one year after the date of the enactment of the National Defense Authorization Act for Fiscal Year 1995" and inserting in lieu thereof "not later than October 5, 1995".

(12) Section 1152(g)(2) is amended by striking out "not later than 180 days after the date of the enactment of the National Defense Authorization Act for Fiscal Year 1995" and inserting in lieu thereof "not later than April 3, 1994,".

(13) Section 1177(b)(2) is amended by striking out "provison of law" and inserting in lieu thereof "provision of law".

(14) The heading for chapter 67 is amended by striking out "**NONREGULAR**" and inserting in lieu thereof "**NON-REGULAR**".

(15) Section 1598(a)(2)(A) is amended by striking out "2701" and inserting in lieu thereof "6301".

(16) Section 1745(a) is amended by striking out "section 4107(d)" both places it appears and inserting in lieu thereof "section 4107(b)".

(17) Section 1746(a) is amended—

(A) by striking out "(1)" before "The Secretary of Defense"; and

(B) by redesignating subparagraphs (A) and (B) as paragraphs (1) and (2), respectively.

(18) Section 2006(b)(2)(B)(ii) is amended by striking out "section 1412 of such title" and inserting in lieu thereof "section 3012 of such title".

(19) Section 2011(a) is amended by striking out "TO" and inserting in lieu thereof "To".

(20) Section 2194(e) is amended by striking out "(20 U.S.C. 2891(12))" and inserting in lieu thereof "(20 U.S.C. 8801)".

(21) Sections 2217(b) and 2220(a)(2) are amended by striking out "Comptroller of the Department of Defense" and inserting in lieu thereof "Under Secretary of Defense (Comptroller)".

(22) Section 2401(c)(2) is amended by striking out "pursuant to" and all that follows through "September 24, 1983,".

(23) Section 2410f(b) is amended by striking out "For purposes of" and inserting in lieu thereof "In".

(24) Section 2410j(a)(2)(A) is amended by striking out "2701" and inserting in lieu thereof "6301".

(25) Section 2457(e) is amended by striking out "title III of the Act of March 3, 1933 (41 U.S.C. 10a)," and inserting in lieu thereof "the Buy American Act (41 U.S.C. 10a)".

(26) Section 2465(b)(3) is amended by striking out "under contract" and all that follows through the period and inserting in lieu thereof "under contract on September 24, 1983.".

(27) Section 2471(b) is amended—

(A) in paragraph (2), by inserting "by" after "as determined"; and

(B) in paragraph (3), by inserting "of" after "arising out".

(28) Section 2524(e)(4)(B) is amended by inserting a comma before "with respect to".

(29) The heading of section 2525 is amended by capitalizing the initial letter of the second, fourth, and fifth words.

(30) Chapter 152 is amended by striking out the table of subchapters at the beginning and the headings for subchapters I and II.

(31) Section 2534(c) is amended by capitalizing the initial letter of the third and fourth words of the subsection heading.

(32) Section 2705(d)(2) is amended by striking out "the date of the enactment of this section" and inserting in lieu thereof "October 5, 1994".

(33) The table of sections at the beginning of subchapter I of chapter 169 is amended by adding a period at the end of the item relating to section 2811.

(b) OTHER SUBTITLES.—Subtitles B, C, and D of title 10, United States Code, are amended as follows:

(1) Sections 3022(a)(1), 5025(a)(1), and 8022(a)(1) are amended by striking out "Comptroller of the Department of Defense" and inserting in lieu thereof "Under Secretary of Defense (Comptroller)".

(2) Section 6241 is amended by inserting "or" at the end of paragraph (2).

(3) Section 6333(a) is amended by striking out the first period after "section 1405" in formula C in the table under the column designated "Column 2".

(4) The item relating to section 7428 in the table of sections at the beginning of chapter 641 is amended by striking out "Agreement" and inserting in lieu thereof "Agreements".

(5) The item relating to section 7577 in the table of sections at the beginning of chapter 649 is amended by striking out "Officers" and inserting in lieu thereof "officers".

(6) The center heading for part IV in the table of chapters at the beginning of subtitle D is amended by inserting a comma after "SUPPLY".

SEC. 1105. MISCELLANEOUS AMENDMENTS TO ANNUAL DEFENSE AUTHORIZATION ACTS.

(a) PUBLIC LAW 103–337.—Effective as of October 5, 1994, and as if included therein as enacted, the National Defense Authorization Act for Fiscal Year 1995 (Public Law 103–337) is amended as follows:

(1) Section 322(1) (108 Stat. 2711) is amended by striking out "SERVICE" in both sets of quoted matter and inserting in lieu thereof "SERVICES".

(2) Section 531(g)(2) (108 Stat. 2758) is amended by inserting "item relating to section 1034 in the" after "The".

(3) Section 541(c)(1) is amended—

(A) in subparagraph (B), by inserting a comma after "chief warrant officer"; and

(B) in the matter after subparagraph (C), by striking out "this".

(4) Section 721(f)(2) (108 Stat. 2806) is amended by striking out "revaluated" and inserting in lieu thereof "reevaluated".

(5) Section 722(d)(2) (108 Stat. 2808) is amended by striking out "National Academy of Science" and inserting in lieu thereof "National Academy of Sciences".

(6) Section 904(d) (108 Stat. 2827) is amended by striking out "subsection (c)" the first place it appears and inserting in lieu thereof "subsection (b)".

(7) Section 1202 (108 Stat. 2882) is amended—

(A) by striking out "(title XII of Public Law 103–60" and inserting in lieu thereof "(title XII of Public Law 103–160"; and

(B) in paragraph (2), by inserting "in the first sentence" before "and inserting in lieu thereof".

(8) Section 1312(a)(2) (108 Stat. 2894) is amended by striking out "adding at the end" and inserting in lieu thereof "inserting after the item relating to section 123a".

(9) Section 2813(c) (108 Stat. 3055) is amended by striking out "above paragraph (1)" both places it appears and inserting in lieu thereof "preceding subparagraph (A)".

(b) PUBLIC LAW 103–160.—The National Defense Authorization Act for Fiscal Year 1994 (Public Law 103–160) is amended in section 1603(d) (22 U.S.C. 2751 note)—

(1) in the matter preceding paragraph (1), by striking out the second comma after "Not later than April 30 of each year";

(2) in paragraph (4), by striking out "contributes" and inserting in lieu thereof "contribute"; and

(3) in paragraph (5), by striking out "is" and inserting in lieu thereof "are".

(c) PUBLIC LAW 102–484.—The National Defense Authorization Act for Fiscal Year 1993 (Public Law 102–484) is amended as follows:

(1) Section 326(a)(5) (106 Stat. 2370; 10 U.S.C. 2301 note) is amended by inserting "report" after "each".

(2) Section 4403(a) (10 U.S.C. 1293 note) is amended by striking out "through 1995" and inserting in lieu thereof "through fiscal year 1999".

(d) PUBLIC LAW 102–190.—Section 1097(d) of the National Defense Authorization Act for Fiscal Years 1992 and 1993 (Public Law 102–190; 105 Stat. 1490) is amended by striking out "the Federal Republic of Germany, France" and inserting in lieu thereof "France, Germany".

SEC. 1106. MISCELLANEOUS AMENDMENTS TO FEDERAL ACQUISITION LAWS.

(a) OFFICE OF FEDERAL PROCUREMENT POLICY ACT.—The Office of Federal Procurement Policy Act (41 U.S.C. 401 et seq.) is amended as follows:

(1) Section 6(b) (41 U.S.C. 405(b)) is amended by striking out the second comma after "under subsection (a)" in the first sentence.

(2) Section 18(a) (41 U.S.C. 416(a)) is amended in paragraph (1)(B) by striking out "described in subsection (f)" and inserting in lieu thereof "described in subsection (b)".

(3) Section 25(b)(2) (41 U.S.C. 421(b)(2)) is amended by striking out "Under Secretary of Defense for Acquisition" and inserting in lieu thereof "Under Secretary of Defense for Acquisition and Technology".

(b) OTHER LAWS.—

(1) Section 11(2) of the Inspector General Act of 1978 (5 U.S.C. App.) is amended by striking out the second comma after "Community Service".

(2) Section 908(e) of the Defense Acquisition Improvement Act of 1986 (10 U.S.C. 2326 note) is amended by striking out "section 2325(g)" and inserting in lieu thereof "section 2326(g)".

(3) Effective as of August 9, 1989, and as if included therein as enacted, Public Law 101–73 is amended in section 501(b)(1)(A) (103 Stat. 393) by striking out "be," and inserting in lieu thereof "be;" in the second quoted matter therein.

(4) Section 3732(a) of the Revised Statutes (41 U.S.C. 11(a)) is amended by striking out the second comma after "quarters".

(5) Section 2 of the Contract Disputes Act of 1978 (41 U.S.C. 601) is amended in paragraphs (3), (5), (6), and (7), by striking out "The" and inserting in lieu thereof "the".

(6) Section 13 of the Contract Disputes Act of 1978 (41 U.S.C. 612) is amended—

(A) in subsection (a), by striking out "section 1302 of the Act of July 27, 1956, (70 Stat. 694, as amended; 31 U.S.C. 724a)" and inserting in lieu thereof "section 1304 of title 31, United States Code"; and

(B) in subsection (c), by striking out "section 1302 of the Act of July 27, 1956, (70 Stat. 694, as amended; 31 U.S.C. 724a)" and inserting in lieu thereof "section 1304 of title 31, United States Code,".

SEC. 1107. MISCELLANEOUS AMENDMENTS TO OTHER LAWS.

(a) OFFICER PERSONNEL ACT OF 1947.—Section 437 of the Officer Personnel Act of 1947 is repealed.

(b) TITLE 5, UNITED STATES CODE.—Title 5, United States Code, is amended—

(1) in section 8171—

(A) in subsection (a), by striking out "903(3)" and inserting in lieu thereof "903(a)";

(B) in subsection (c)(1), by inserting "section" before "39(b)"; and

(C) in subsection (d), by striking out "(33 U.S.C. 18 and 21, respectively)" and inserting in lieu thereof "(33 U.S.C. 918 and 921)";

(2) in sections 8172 and 8173, by striking out "(33 U.S.C. 2(2))" and inserting in lieu thereof "(33 U.S.C. 902(2))"; and

(3) in section 8339(d)(7), by striking out "Court of Military Appeals" and inserting in lieu thereof "Court of Appeals for the Armed Forces".

(c) PUBLIC LAW 90–485.—Effective as of August 13, 1968, and as if included therein as originally enacted, section 1(6) of Public Law 90–485 (82 Stat. 753) is amended—

(1) by striking out the close quotation marks after the end of clause (4) of the matter inserted by the amendment made by that section; and

(2) by adding close quotation marks at the end.

(d) TITLE 37, UNITED STATES CODE.—Section 406(b)(1)(E) of title 37, United States Code, is amended by striking out "of this paragraph".

(e) BASE CLOSURE ACT.—Section 2910 of the Defense Base Closure and Realignment Act of 1990 (part A of title XXIX of Public Law 101–510; 10 U.S.C. 2687 note) is amended—

(1) by redesignating the second paragraph (10), as added by section 2(b) of the Base Closure Community Redevelopment and Homeless Assistance Act of 1994 (Public Law 103–421; 108 Stat. 4352), as paragraph (11); and

(2) in paragraph (11), as so redesignated, by striking out "section 501(h)(4)" and "11411(h)(4)" and inserting in lieu thereof "501(i)(4)" and "11411(i)(4)", respectively.

(f) PUBLIC LAW 103–421.—Section 2(e)(5) of Public Law 103–421 (108 Stat. 4354) is amended—

(1) by striking out "(A)" after "(5)"; and

(2) by striking out "clause" in subparagraph (B)(iv) and inserting in lieu thereof "clauses".

SEC. 1108. COORDINATION WITH OTHER AMENDMENTS.

For purposes of applying amendments made by provisions of this Act other than provisions of this title, this title shall be treated as having been enacted immediately before the other provisions of this Act.

DIVISION B—MILITARY CONSTRUCTION AUTHORIZATIONS

SEC. 2001. SHORT TITLE.

This division may be cited as the "Military Construction Authorization Act for Fiscal Year 1996".

TITLE XXI—ARMY

SEC. 2101. AUTHORIZED ARMY CONSTRUCTION AND LAND ACQUISITION PROJECTS.

(a) INSIDE THE UNITED STATES.—Using amounts appropriated pursuant to the authorization of appropriations in section 2104(a)(1), the Secretary of the Army may acquire real property and carry out military construction projects for the installations and locations inside the United States, and in the amounts, set forth in the following table:

Army: Inside the United States

State	Installation or Location	Amount
Arizona	Fort Huachuca	$16,000,000
California	Fort Irwin	$15,500,000
	Presidio of San Francisco	$3,000,000
Colorado	Fort Carson	$10,850,000
District of Columbia	Fort McNair	$13,500,000
	Walter Reed Army Medical Center	$4,300,000
Georgia	Fort Benning	$37,900,000
	Fort Gordon	$5,750,000
	Fort Stewart	$8,400,000
Hawaii	Schofield Barracks	$35,000,000
Kansas	Fort Riley	$15,300,000
Kentucky	Fort Campbell	$10,000,000
	Fort Knox	$5,600,000
New York	Watervliet Arsenal	$680,000
North Carolina	Fort Bragg	$29,700,000
Oklahoma	Fort Sill	$6,300,000
South Carolina	Naval Weapons Station, Charleston	$25,700,000
	Fort Jackson	$32,000,000
Texas	Fort Hood	$32,500,000
	Fort Bliss	$48,000,000
Virginia	Fort Eustis	$16,400,000
Washington	Fort Lewis	$32,100,000
CONUS Classified	Classified Location	$1,900,000

(b) OUTSIDE THE UNITED STATES.—Using amount appropriated pursuant to the authorization of appropriations in section 2104(a)(2), the Secretary of the Army may acquire real property and carry out military construction projects for the installations and locations outside of the United States, and in the amounts, set forth in the following table:

Army: Outside the United States

Country	Installation or Location	Amount
Korea	Camp Casey	$4,150,000
	Camp Hovey	$13,500,000
	Camp Pelham	$5,600,000
	Camp Stanley	$6,800,000
	Yongsan	$4,500,000
Overseas Classified	Classified Location	$48,000,000

Army: Outside the United States—Continued

Country	Installation or Location	Amount
Worldwide	Host Nation Support	$20,000,000

SEC. 2102. FAMILY HOUSING.

(a) CONSTRUCTION AND ACQUISITION.—Using amounts appropriated pursuant to the authorization of appropriations in section 2104(a)(5)(A), the Secretary of the Army may construct or acquire family housing units (including land acquisition) at the installations, for the purposes, and in the amounts set forth in the following table:

Army: Family Housing

State	Installations	Purpose	Amount
Alaska	Fort Wainwright	Whole neighborhood revitalization.	$7,300,000
New Mexico	White Sands Missile Range	Whole neighborhood revitalization.	$3,400,000
New York	United States Military Academy, West Point	119 Units	$16,500,000
Washington	Fort Lewis	84 Units	$10,800,000

(b) PLANNING AND DESIGN.—Using amounts appropriated pursuant to the authorization of appropriations in section 2104(a)(5)(A), the Secretary of the Army may carry out architectural and engineering services and construction design activities with respect to the construction or improvement of family housing units in an amount not to exceed $2,340,000.

SEC. 2103. IMPROVEMENTS TO MILITARY FAMILY HOUSING UNITS.

Subject to section 2825 of title 10, United States Code, and using amounts appropriated pursuant to the authorization of appropriations in sections 2104(a)(5)(A), the Secretary of the Army may improve existing military family housing units in an amount not to exceed $26,212,000.

SEC. 2104. AUTHORIZATION OF APPROPRIATIONS, ARMY.

(a) IN GENERAL.—Funds are hereby authorized to be appropriated for fiscal years beginning after September 30, 1995, for military construction, land acquisition, and military family housing functions of the Department of the Army in the total amount of $2,033,858,000 as follows:

(1) For military construction projects inside the United States authorized by section 2101(a), $406,380,000.

(2) For military construction projects outside the United States authorized by section 2101(b), $102,550,000.

(3) For unspecified minor construction projects authorized by section 2805 of title 10, United States Code, $9,000,000.

(4) For architectural and engineering service and construction design under section 2807 of title 10, United States Code, $36,194,000.

(5) For military family housing functions:

(A) For construction and acquisition, planning and design, and improvement of military family housing and facilities, $66,552,000.

(B) For support of military family housing (including the functions described in section 2833 of title 10, United States Code), $1,337,596,000.

(6) For the Homeowners Assistance Program as authorized by section 2832 of title 10, United States Code, $75,586,000, to remain available until expended.

(b) LIMITATION ON TOTAL COST OF CONSTRUCTION PROJECTS.—Notwithstanding the cost variations authorized by section 2853 of title 10, United States Code, and any other cost variation authorized by law, the total cost of all projects carried out under section 2101 of this Act may not exceed the total amount authorized to be appropriated under paragraphs (1) and (2) of subsection (a).

SEC. 2105. REDUCTION IN AMOUNTS AUTHORIZED TO BE APPROPRIATED FOR FISCAL YEAR 1992 MILITARY CONSTRUCTION PROJECTS.

Section 2105(a) of the Military Construction Authorization Act for Fiscal Year 1992 (division B of Public Law 102–190; 105 Stat. 1511), as amended by section 2105(b)(2)(A) of the Military Construction Authorization Act for Fiscal Year 1994 (division B of Public Law 103–160; 107 Stat. 1859), is further amended in the matter preceding paragraph (1) by striking out "$2,571,974,000" and insert in lieu thereof "$2,565,729,000".

TITLE XXII—NAVY

SEC. 2201. AUTHORIZED NAVY CONSTRUCTION AND LAND ACQUISITION PROJECTS

(a) INSIDE THE UNITED STATES.—Using amounts appropriated pursuant to the authorization of appropriations in section 2204(a)(1), the Secretary of the Navy may acquire real property and carry out military construction projects for the installations and locations inside the United States, and in the amounts, set forth in the following table:

Navy: Inside the United States

State	Installation or Location	Amount
California	Camp Pendleton Marine Corps Base	$27,584,000
	China Lake Naval Air Warfare Center Weapons Division	$3,700,000
	Lemoore Naval Air Station	$7,600,000
	North Island Naval Air Station	$99,150,000
	Point Mugu Naval Air Warfare Center Weapons Division	$1,300,000
	San Diego Naval Command, Control, and Ocean Surveillance Center	$3,170,000
	San Diego Naval Station	$19,960,000
	Twentynine Palms Marine Corps Air-Ground Combat Center	$2,490,000
Florida	Eglin Air Force Base, Naval School Explosive Ordnance Disposal	$16,150,000
	Pensacola Naval Technical Training Center, Corry Station	$2,565,000
Georgia	Kings Bay Strategic Weapons Facility, Atlantic	$2,450,000
Hawaii	Honolulu Naval Computer and Telecommunications Area, Master Station Eastern Pacific.	$1,980,000
	Pearl Harbor Intelligence Center Pacific	$2,200,000
	Pearl Harbor Naval Submarine Base	$22,500,000
Illinois	Great Lakes Naval Training Center	$12,440,000
Maryland	United States Naval Academy	$3,600,000
New Jersey	Lakehurst Naval Air Warfare Center Aircraft Division	$1,700,000
North Carolina	Camp LeJeune Marine Corps Base	$59,300,000
	Cherry Point Marine Corps Air Station	$11,430,000
	New River Marine Corps Air Station	$14,650,000
South Carolina	Beaufort Marine Corps Air Station	$15,000,000
Virginia	Henderson Hall, Arlington	$1,900,000
	Norfolk Naval Station	$10,580,000
	Portsmouth Naval Hospital	$9,500,000
	Quantico Marine Corps Combat Development Command	$3,500,000
	Williamsburg Fleet and Industrial Supply Center	$8,390,000
	Yorktown Naval Weapons Station	$1,300,000
Washington	Bremerton Puget Sound Naval Shipyard	$19,870,000
	Keyport Naval Undersea Warfare Center Division	$5,300,000
West Virginia	Naval Security Group Detachment, Sugar Grove	$7,200,000
CONUS Classified	Classified location	$1,200,000

(b) OUTSIDE THE UNITED STATES.—Using amounts appropriated pursuant to the authorization of appropriations in section 2204(a)(2), the Secretary of the Navy may acquire real property and carry out military construction projects for the installations and locations outside the United States, and in the amounts, set forth in the following table:

Navy: Outside the United States

Country	Installation or Location	Amount
Guam	Guam Navy Public Works Center	$16,180,000
	Naval Computer and Telecommunications Area, Master Station Western Pacific	$2,250,000
Italy	Naples Naval Support Activity	$24,950,000
	Sigonella Naval Air Station	$12,170,000
Puerto Rico	Roosevelt Roads Naval Station	$11,500,000
	Sabana Seca Naval Security Group Activity	$2,200,000

SEC. 2202. FAMILY HOUSING.

(a) CONSTRUCTION AND ACQUISITION.—Using amounts appropriated pursuant to the authorization of appropriations in section 2204(a)(6)(A), the Secretary of the Navy may construct or acquire family housing units (including land acquisition) at the installations, for the purposes, and in the amounts set forth in the following table:

Navy: Family Housing

State/Country	Installation	Purpose	Amount
California	Camp Pendleton Marine Corps Base	69 units	$10,000,000
	Camp Pendleton Marine Corps Base	Community Center	$1,438,000
	Camp Pendleton Marine Corps Base	Housing Office	$707,000
	Lemoore Naval Air Station	240 units	$34,900,000
	Point Mugu Pacific Missile Test Center	Housing Office	$1,020,000
	San Diego Public Works Center	346 units	$49,310,000
Hawaii	Oahu Naval Complex	252 units	$48,400,000
Maryland	Patuxent River Naval Air Test Center	Warehouse	$890,000
	United States Naval Academy	Housing Office	$800,000
North Carolina	Cherry Point Marine Corps Air Station	Community Center	$1,003,000
Pennsylvania	Mechanicsburg Navy Ships Parts Control Center	Housing Office	$300,000
Puerto Rico	Roosevelt Roads Naval Station	Housing Office	$710,000
Virginia	Dahlgren Naval Surface Warfare Center	Housing Office	$520,000
	Norfolk Public Works Center	320 units	$42,500,000
	Norfolk Public Works Center	Housing Office	$1,390,000
Washington	Bangor Naval Submarine Base	141 units	$4,890,000
West Virginia	Naval Security Group Detachment, Sugar Grove	23 units	$3,590,000

(b) PLANNING AND DESIGN.—Using amounts appropriated pursuant to the authorization of appropriation in section 2204(a)(6)(A), the Secretary of the Navy may carry out architectural and engineering services and construction design activities with respect to the construction or improvement of military family housing units in an amount not to exceed $24,390,000.

SEC. 2203. IMPROVEMENTS TO MILITARY FAMILY HOUSING UNITS.

Subject to section 2825 of title 10, United States Code, and using amounts appropriated pursuant to the authorization of appropriations in section 2204(a)(6)(A), the Secretary of the Navy may improve existing military family housing units in an amount not to exceed $259,489,000.

SEC. 2204. AUTHORIZATION OF APPROPRIATIONS, NAVY.

(A) IN GENERAL.—Funds are hereby authorized to be appropriated for fiscal years beginning after September 30, 1995, for military construction, land acquisition, and military family housing functions of the Department of the Navy in the total amount of $2,077,459,000 as follows:

(1) For military construction projects inside the United States authorized by section 2201(a), $399,659,000.

(2) For military construction projects outside the United States authorized by section 2201(b), $69,250,000.

(3) For the military construction project at Newport Naval War College, Rhode Island, authorized by section 2201(a) of the Military Construction Authorization Act for Fiscal Year 1995 (division B of Public Law 103–337; 108 Stat. 3031), $18,000,000.

(4) For unspecified minor construction projects authorized by section 2805 of title 10, United States Code, $7,200,000.

(5) For architectural and engineering services and construction design under section 2807 of title 10, United States Code, $48,774,000.

(6) For military family housing functions:

(A) For construction and acquisition, planning and design, and improvement of military family housing and facilities, $486,247,000.

(B) For support of military housing (including functions described in section 2833 of title 10, United States Code), $1,048,329,000.

(b) LIMITATION ON TOTAL COST OF CONSTRUCTION PROJECTS.—Notwithstanding the cost variations authorized by section 2853 of title 10, United States Code, and any other cost variation authorized by law, the total cost of all projects carried out under section 2201 of this Act may not exceed the total amount authorized to be appropriated under paragraphs (1) and (2) of subsection (a).

SEC. 2205. REVISION OF FISCAL YEAR 1995 AUTHORIZATION OF APPROPRIATIONS TO CLARIFY AVAILABILITY OF FUNDS FOR LARGE ANECHOIC CHAMBER, PATUXENT RIVER NAVAL WARFARE CENTER, MARYLAND.

Section 2204(a) of the Military Construction Authorization Act for Fiscal Year 1995 (division B of Public Law 103–337; 108 Stat. 3033) is amended—

(1) in the matter preceding paragraph (1), by striking out "$1,591,824,000" and inserting in lieu thereof "$1,601,824,000" and

(2) in paragraph (1), by striking out "$309,070,000" and inserting in lieu thereof "$319,070,000".

SEC. 2206. AUTHORITY TO CARRY OUT LAND ACQUISITION PROJECT, NORFOLK NAVAL BASE, VIRGINIA.

(a) AUTHORIZATION.—The table in section 2201(a) of the Military Construction Authorization Act for Fiscal Year 1993 (division B of Public Law 102–484; 106 Stat. 2589) is amended—

(1) in the item relating to Damneck, Fleet Combat Training Center, Virginia, by striking out "$19,427,000" in the amount column and inserting in lieu thereof "$14,927,000"; and

(2) by inserting after the item relating to Norfolk, Naval Air Station, Virginia, the following new item:

	Norfolk, Naval Base	$4,500,000

(b) EXTENSION OF PROJECT AUTHORIZATION.—Notwithstanding section 2701(a) of the Military Construction Authorization Act for Fiscal Year 1993 (106 Stat. 2602), the authorization for the project for Norfolk Naval Base, Virginia, as provided in section 2201(a) of that Act, as amended by subsection (a), shall remain in effect until October 1, 1996, or the date of the enactment of an Act authorizing funds for military construction for fiscal year 1997, whichever is later.

SEC. 2207. ACQUISITION OF LAND, HENDERSON HALL, ARLINGTON, VIRGINIA.

(a) AUTHORITY TO ACQUIRE.—Using funds available under section 2201(a), the Secretary of the Navy may acquire all right, title, and interest of any party in and to a parcel of real property, including an abandoned mausoleum, consisting of approximately 0.75 acres and located in Arlington, Virginia, the site of Henderson Hall.

(b) DEMOLITION OF MAUSOLEUM.—Using funds available under section 2201(a), the Secretary may—

(1) demolish the mausoleum located on the parcel acquired under subsection (a); and

(2) provide for the removal and disposition in an appropriate manner of the remains contained in the mausoleum.

(c) AUTHORITY TO DESIGN PUBLIC WORKS FACILITY.—Using funds available under section 2201(a), the Secretary may obtain architectural and engineering services and construction design for a warehouse and office facility for the Marine Corps to be constructed on the property acquired under subsection (a).

(d) DESCRIPTION OF PROPERTY.—The exact acreage and legal description of the real property authorized to be acquired under subsection (a) shall be determined by a survey that is satisfactory to the Secretary. The cost of the survey shall be borne by the Secretary.

(e) ADDITIONAL TERMS AND CONDITIONS.—The Secretary may require such additional terms and conditions in connection with the acquisition under subsection (a) as the Secretary considers appropriate to protect the interests of the United States.

TITLE XXIII—AIR FORCE

SEC. 2301. AUTHORIZED AIR FORCE CONSTRUCTION AND LAND ACQUISITION PROJECTS.

(a) INSIDE THE UNITED STATES.—Using amounts appropriated pursuant to the authorization of appropriations in section 2304(a)(1), the Secretary of the Air Force may acquire real property and carry out military construction projects for the installations and locations inside the United States, and in the amounts, set forth in the following table:

Air Force: Inside the United States

State	Installation or Location	Amount
Alabama	Maxwell Air Force Base	$5,200,000
Alaska	Eielson Air Force Base	$7,850,000
	Elmendorf Air Force Base	$9,100,000
	Tin City Long Range Radar Site	$2,500,000
Arizona	Davis Monthan Air Force Base	$4,800,000
	Luke Air Force Base	$5,200,000
Arkansas	Little Rock Air Force Base	$2,500,000
California	Beale Air Force Base	$7,500,000
	Edwards Air Force Base	$33,800,000
	Travis Air Force Base	$26,700,000
	Vandenberg Air Force Base	$6,000,000
Colorado	Buckley Air National Guard Base	$5,500,000
	Peterson Air Force Base	$4,390,000
	United States Air Force Academy	$9,150,000
Delaware	Dover Air Force Base	$5,500,000
District of Columbia	Bolling Air Force Base	$12,100,000
Florida	Cape Canaveral Air Force Station	$1,600,000
	Eglin Air Force Base	$14,500,000
	Tyndall Air Force Base	$1,200,000
Georgia	Moody Air Force Base	$25,190,000
	Robins Air Force Base	$17,900,000
Hawaii	Hickam Air Force Base	$10,700,000
Idaho	Mountain Home Air Force Base	$25,350,000
Illinois	Scott Air Force Base	$12,700,000
Kansas	McConnell Air Force Base	$9,450,000
Louisiana	Barksdale Air Force Base	$2,500,000
Maryland	Andrews Air Force Base	$12,886,000
Mississippi	Columbus Air Force Base	$1,150,000
	Keesler Air Force Base	$6,500,000
Missouri	Whiteman Air Force Base	$24,600,000
Nevada	Nellis Air Force Base	$20,050,000
New Jersey	McGuire Air Force Base	$16,500,000
New Mexico	Cannon Air Force Base	$10,420,000
	Holloman Air Force Base	$6,000,000
	Kirtland Air Force Base	$9,156,000
North Carolina	Pope Air Force Base	$8,250,000
	Seymour Johnson Air Force Base	$830,000
North Dakota	Grand Forks Air Force Base	$14,800,000
	Minot Air Force Base	$1,550,000
Ohio	Wright-Patterson Air Force Base	$4,100,000
Oklahoma	Altus Air Force Base	$4,800,000
	Tinker Air Force Base	$16,500,000
South Carolina	Charleston Air Force Base	$12,500,000
	Shaw Air Force Base	$1,300,000
South Dakota	Ellsworth Air Force Base	$7,800,000
Tennessee	Arnold Air Force Base	$5,000,000
Texas	Dyess Air Force Base	$5,400,000
	Kelly Air Force Base	$3,244,000
	Laughlin Air Force Base	$1,400,000
	Randolph Air Force Base	$3,100,000
	Reese Air Force Base	$1,200,000
	Sheppard Air Force Base	$1,500,000
Utah	Hill Air Force Base	$12,600,000
Virginia	Langley Air Force Base	$1,000,000
Washington	Fairchild Air Force Base	$7,500,000
	McChord Air Force Base	$9,900,000
Wyoming	F.E. Warren Air Force Base	$9,000,000
CONUS Classified	Classified Location	$700,000

(b) OUTSIDE THE UNITED STATES.—Using amounts appropriated pursuant to the authorization of appropriations in section 2304(a)(2), the Secretary of the Air Force may acquire real property and carry out military construction projects for the installations and locations outside the United States, and in the amounts, set forth in the following table:

Air Force: Outside the United States

Country	Installation or Location	Amount
Germany	Spangdahlem Air Base	$8,380,000
	Vogelweh Annex	$2,600,000
Greece	Araxos Radio Relay Site	$1,950,000
Italy	Aviano Air Base	$2,350,000
	Ghedi Radio Relay Site	$1,450,000
Turkey	Ankara Air Station	$7,000,000
	Incirlik Air Base	$4,500,000
United Kingdom	Royal Air Force Lakenheath	$1,820,000
	Royal Air Force Mildenhall	$2,250,000
Outside the United States	Classified Location—Outside the United States	$17,100,000

SEC. 2302. FAMILY HOUSING.

(a) Construction and Acquisition.—Using amounts appropriated pursuant to the authorization of appropriations in section 2304(a)(5)(A), the Secretary of the Air Force may construct or acquire family housing units (including land acquisition) at the installations, for the purposes, and in the amounts set forth in the following table:

Air Force: Family Housing

State/Country	Installation	Purpose	Amount
Alaska	Elmendorf Air Force Base	Housing Office/ Maintenance Facility.	$3,000,000
Arizona	Davis Monthan Air Force Base	80 units	$9,498,000
Arkansas	Little Rock Air Force Base	Replace 1 General Officer Quarters.	$210,000
California	Beale Air Force Base	Family Housing Office.	$842,000
	Edwards Air Force Base	67 units	$11,350,000
	Vandenberg Air Force Base	Family Housing Office.	$900,000
	Vandenberg Air Force Base	143 units	$20,200,000
Colorado	Peterson Air Force Base	Family Housing Office.	$570,000
District of Columbia	Bolling Air Force Base	32 units	$4,100,000
Florida	Eglin Air Force Base	Family Housing Office.	$500,000
	Eglin Auxiliary Field 9	Family Housing Office/Maintenance Facility.	$880,000
	MacDill Air Force Base	Family Housing Office.	$646,000
	Patrick Air Force Base	70 units	$7,947,000
	Tyndall Air Force Base	52 units	$5,500,000
Georgia	Moody Air Force Base	2 Officer and 1 General Officer Quarters.	$513,000
	Robins Air Force Base	83 units	$9,800,000
Idaho	Mountain Home Air Force Base	Housing Management Facility.	$844,000
Kansas	McConnell Air Force Base	39 units	$5,193,000
Louisiana	Barksdale Air Force Base	62 units	$10,299,000
Massachusetts	Hanscom Air Force Base	32 units	$5,200,000
Mississippi	Keesler Air Force Base	98 units	$9,300,000
Missouri	Whiteman Air Force Base	72 units	$9,948,000
Nevada	Nellis Air Force Base	6 units	$1,357,000
	Nellis Air Force Base	57 units	$6,000,000
New Mexico	Holloman Air Force Base	1 General Officer Quarters.	$225,000
	Kirtland Air Force Base	105 units	$11,000,000
North Carolina	Pope Air Force Base	104 units	$9,984,000
	Seymour Johnson Air Force Base	1 General Officer Quarters.	$204,000
Ohio	Wright-Patterson Air Force Base	66 units	$5,900,000
South Carolina	Shaw Air Force Base	Housing Maintenance Facility.	$715,000
Texas	Dyess Air Force Base	Housing Maintenance Facility.	$580,000
	Lackland Air Force Base	67 units	$6,200,000
	Sheppard Air Force Base	Family Housing Office.	$500,000
	Sheppard Air Force Base	Housing Maintenance Facility.	$600,000
Washington	McChord Air Force Base	50 units	$9,504,000
Guam	Andersen Air Force Base	Family Housing Office.	$1,700,000
Turkey	Incirlik Air Base	150 units	$10,146,000

(b) Planning and Design.—Using amounts appropriated pursuant to the authorization of appropriations in section 2304(a)(5)(A), the Secretary of the Air Force may carry out architectural and engineering services and construction design activities with respect to the construction or improvement of military family housing units in an amount not to exceed $9,039,000.

SEC. 2303. IMPROVEMENTS TO MILITARY FAMILY HOUSING UNITS.

Subject to section 2825 of title 10, United States Code, and using amounts appropriated pursuant to the authorization of appropriations in section 2304(a)(5)(A), the Secretary of the Air Force may improve existing military family housing units in an amount not to exceed $97,071,000.

SEC. 2304. AUTHORIZATION OF APPROPRIATIONS, AIR FORCE.

(a) In General.—Funds are hereby authorized to be appropriated for fiscal years beginning after September 30, 1995, for military construction, land acquisition, and military family housing functions of the Department of the Air Force in the total amount of $1,740,704,000 as follows:

(1) For military construction projects inside the United States authorized by section 2301(a), $510,116,000.

(2) For military construction projects outside the United States authorized by section 2301(b), $49,400,000.

(3) For unspecified minor construction projects authorized by section 2805 of title 10, United States Code, $9,030,000.

(4) For architectural and engineering services and construction design under section 2807 of title 10, United States Code, $34,980,000.

(5) For military housing functions:

(A) For construction and acquisition, planning and design, and improvement of military family housing and facilities, $287,965,000.

(B) For support of military family housing (including the functions described in section 2833 of title 10, United States Code), $849,213,000.

(b) Limitation on Total Cost of Construction Projects.—Notwithstanding the cost variations authorized by section 2853 of title 10, United States Code, and any other cost variation authorized by law, the total cost of all projects carried out under section 2301 of this Act may not exceed the total amount authorized to be appropriated under paragraphs (1) and (2) of subsection (a).

SEC. 2305. REDUCTION IN AMOUNTS AUTHORIZED TO BE APPROPRIATED FOR FISCAL YEAR 1992 MILITARY CONSTRUCTION PROJECTS.

Section 2305(a) of the Military Construction Authorization Act for Fiscal Year 1992 (division B of Public Law 102–190; 105 Stat. 1525), as amended by section 2308(a)(2)(A) of the Military Construction Authorization Act for Fiscal Year 1993 (division B of Public Law 102–484; 106 Stat. 2598) and by section 2305(a)(3)(A) of the Military Construction Authorization Act for Fiscal Year 1994 (division B of Public Law 103–160; 107 Stat. 1871), is further amended in the matter preceding paragraph (1) by striking out "$2,033,833,000" and inserting in lieu thereof "$2,017,828,000".

TITLE XXIV—DEFENSE AGENCIES

SEC. 2401. AUTHORIZED DEFENSE AGENCIES CONSTRUCTION AND LAND ACQUISITION PROJECTS.

(a) INSIDE THE UNITED STATES.—Using amounts appropriated pursuant to section 2405(a)(1), the Secretary of Defense may acquire real property and carry out military construction projects for the installations and locations inside the United States, and in the amounts, set forth in the following table:

Defense Agencies: Inside the United States

Agency	*Installation Or Location*	*Amount*
Ballistic Missile Defense Organization:		
	Fort Bliss, Texas	*$13,600,000*
Defense Finance & Accounting Service:		
	Columbus Center, Ohio	*$72,403,000*
Defense Intelligence Agency:		
	Bolling Air Force Base, District of Columbia	*$1,743,000*
Defense Logistics Agency:		
	Defense Distribution Anniston, Alabama	*$3,550,000*
	Defense Distribution Stockton, California	*$15,000,000*
	Defense Fuel Supply Center, Point Mugu, California	*$750,000*
	Defense Fuel Supply Center, Dover Air Force Base, Delaware	*$15,554,000*
	Defense Fuel Supply Center, Eglin Air Force Base, Florida	*$2,400,000*
	Defense Fuel Supply Center, Barksdale Air Force Base, Louisiana	*$13,100,000*
	Defense Fuel Supply Center, McGuire Air Force Base, New Jersey	*$12,000,000*
	Defense Distribution Depot, New Cumberland, Pennsylvania	*$4,600,000*
	Defense Distribution Depot, Norfolk, Virginia	*$10,400,000*
Defense Mapping Agency:		
	Defense Mapping Agency Aerospace Center, Missouri	*$40,300,000*
Defense Medical Facility Office:		
	Maxwell Air Force Base, Alabama	*$10,000,000*
	Luke Air Force Base, Arizona	*$8,100,000*
	Fort Irwin, California	*$6,900,000*
	Marine Corps Base, Camp Pendleton, California	*$1,700,000*
	Vandenberg Air Force Base, California	*$5,700,000*
	Dover Air Force Base, Delaware	*$4,400,000*
	Fort Benning, Georgia	*$5,600,000*
	Barksdale Air Force Base, Louisiana	*$4,100,000*
	Bethesda Naval Hospital, Maryland	*$1,300,000*
	Walter Reed Army Institute of Research, Maryland	*$1,550,000*
	Fort Hood, Texas	*$5,500,000*
	Lackland Air Force Base, Texas	*$6,100,000*
	Reese Air Force Base, Texas	*$1,000,000*
	Northwest Naval Security Group Activity, Virginia	*$4,300,000*
National Security Agency:		
	Fort Meade, Maryland	*$18,733,000*
Office of the Secretary of Defense:		
	Classified Location Inside the United States	*$11,500,000*
Department of Defense Dependents Schools:		
	Maxwell Air Force Base, Alabama	*$5,479,000*
	Fort Benning, Georgia	*$1,116,000*
	Fort Jackson, South Carolina	*$576,000*
Special Operations Command:		
	Marine Corps Air Station, Camp Pendleton, California	*$5,200,000*
	Eglin Air Force Base, Florida	*$2,400,000*
	Eglin Auxiliary Field 9, Florida	*$14,150,000*
	Fort Bragg, North Carolina	*$9,400,000*
	Olmstead Field, Harrisburg International Airport, Pennsylvania	*$1,643,000*
	Damneck, Virginia	*$4,500,000*
	Naval Amphibious Base, Little Creek, Virginia	*$6,100,000*

(b) OUTSIDE THE UNITED STATES.—Using amounts appropriated pursuant to section 2405(a)(2), the Secretary of Defense may acquire real property and carry out military construction projects for the installations and locations outside the United States, and in the amounts, set forth in the following table:

Defense Agencies: Outside the United States

Agency	*Installation or Location*	*Amount*
Defense Logistics Agency:		
	Defense Fuel Support Point, Roosevelt Roads, Puerto Rico	*$6,200,000*
	Defense Fuel Supply Center, Rota, Spain	*$7,400,000*
Defense Medical Facility Office:		
	Naval Support Activity, Naples, Italy	*$5,000,000*
Department of Defense Dependents Schools:		
	Ramstein Air Force Base, Germany	*$19,205,000*
	Naval Air Station, Sigonella, Italy	*$7,595,000*
National Security Agency:		
	Menwith Hill Station, United Kingdom	*$677,000*
Special Operations Command:		
	Naval Station, Guam	*$8,800,000*

SEC. 2402. MILITARY HOUSING PRIVATE INVESTMENT.

(a) AVAILABILITY OF FUNDS FOR INVESTMENT.—Of the amount authorized to be appropriated pursuant to section 2405(a)(11)(A) of this Act, $22,000,000 shall be available for crediting to the Department of Defense Housing Improvement Fund established by section 2883 of title 10, United States Code (as added by section 2811 of this Act).

(b) USE OF FUNDS.—Notwithstanding section 2883(c)(2) of title 10, United States Code (as so added), the Secretary of Defense may use funds credited to the Department of Defense Housing Improvement Fund under subsection (a) to carry out any activities authorized by subchapter IV of chapter 169 of such title (as so added).

SEC. 2403. IMPROVEMENTS TO MILITARY FAMILY HOUSING UNITS.

Subject to section 2825 of title 10, United States Code, and using amounts appropriated pursuant to the authorization of appropriation in section 2405(a)(11)(A), the Secretary of Defense may improve existing military family housing units in an amount not to exceed $3,772,000.

SEC. 2404. ENERGY CONSERVATION PROJECTS.

Using amounts appropriated pursuant to the authorization of appropriations in section 2405(a)(9), the Secretary of Defense may carry out energy conservation projects under section 2865 of title 10, United States Code.

SEC. 2405. AUTHORIZATION OF APPROPRIATIONS, DEFENSE AGENCIES.

(a) IN GENERAL.—Funds are hereby authorized to be appropriated for fiscal years beginning after September 30, 1995, for military construction, land acquisition, and military family housing functions of the Department of Defense (other than the military departments), in the total amount of $4,493,583,000 as follows:

(1) For military construction projects inside the United States authorized by section 2401(a), $317,444,000.

(2) For military construction projects outside the United States authorized by section 2401(b), $54,877,000.

(3) For military construction projects at Portsmouth Naval Hospital, Virginia, authorized by section 2401(a) of the Military Construction Authorization Act for Fiscal Years 1990 and 1991 (division B of Public Law 101–189; 103 Stat. 1640), $47,900,000.

(4) For military construction projects at Elmendorf Air Force Base, Alaska, hospital replacement, authorized by section 2401(a) of the Military Construction Authorization Act for Fiscal Year 1993 (division B of Public Law 102–484; 106 Stat. 2599), $28,100,000.

(5) For military construction projects at Walter Reed Army Institute of Research, Maryland, authorized by section 2401(a) of the Military Construction Authorization Act for Fiscal Year 1993 (division B of Public Law 102–484; 106 Stat. 2599), $27,000,000.

(6) For unspecified minor construction projects under section 2805 of title 10, United States Code, $23,007,000.

(7) For contingency construction projects of the Secretary of Defense under section 2804 of title 10, United States Code, $11,037,000.

(8) For architectural and engineering services and construction design under section 2807 of title 10, United States Code, $68,837,000.

(9) For energy conservation projects authorized by section 2404, $50,000,000.

(10) For base closure and realignment activities as authorized by the Defense Base Closure and Realignment Act of 1990 (part A of title XXIX of Public Law 101–510; 10 U.S.C. 2687 note), $3,799,192,000.

(11) For military family housing functions:

(A) For construction and acquisition and improvement of military family housing and facilities, $25,772,000.

(B) For support of military housing (including functions described in section 2833 of title 10, United States Code), $30,467,000, of which not more than $24,874,000 may be obligated or expended for the leasing of military family housing units worldwide.

(b) LIMITATION OF TOTAL COST OF CONSTRUCTION PROJECTS.—Notwithstanding the cost variation authorized by section 2853 of title 10, United States Code, and any other cost variations authorized by law, the total cost of all projects carried out under section 2401 of this Act may not exceed—

(1) the total amount authorized to be appropriated under paragraphs (1) and (2) of subsection (a); and

(2) $35,003,000 (the balance of the amount authorized under section 2401(a) for the construction of the Defense Finance and Accounting Service, Columbus Center, Ohio).

SEC. 2406. MODIFICATION OF AUTHORITY TO CARRY OUT FISCAL YEAR 1995 PROJECTS.

The table in section 2401 of the Military Construction Authorization Act for Fiscal Year 1995 (division B of the Public Law 103–337; 108 Stat. 3040) is amended—

(1) in the item relating to Pine Bluff Arsenal, Arkansas, by striking out "$3,000,000" in the amount column and inserting in lieu thereof "$97,000,000"; and

(2) in the item relating to Umatilla Army Depot, Oregon, by striking out "$12,000,000" in the amount column and inserting in lieu thereof "$179,000,000".

SEC. 2407. REDUCTION IN AMOUNTS AUTHORIZED TO BE APPROPRIATED FOR PRIOR YEAR MILITARY CONSTRUCTION PROJECTS.

(a) FISCAL YEAR 1991 AUTHORIZATIONS.—Section 2405(a) of the Military Construction Authorization Act for Fiscal Year 1991 (division B of Public Law 101–510; 104 Stat. 1779), as amended by section 2409(b)(1) of the Military Construction Authorization Act for Fiscal Year 1992 (division B of Public Law 102–190; 105 Stat. 1991), is further amended in the matter preceding paragraph (1) by striking out "$1,644,478,000" and inserting in lieu thereof "$1,641,244,000".

(b) FISCAL YEAR 1992 AUTHORIZATIONS.—Section 2404(a) of the Military Construction Authorization Act for Fiscal Year 1992 (105 Stat. 1531), as amended by section 2404(b)(1)(A) of the Military Construction Authorization Act for Fiscal Year 1994 (division B of Public Law 103–160; 107 Stat. 1877), is further amended in the matter preceding paragraph (1) by striking out "$1,665,440,000" and inserting in lieu thereof "$1,658,640,000".

(c) FISCAL YEAR 1993 AUTHORIZATIONS.—Section 2403(a) of the Military Construction Authorization Act for Fiscal Year 1993 (division B of Public Law 102–484; 106 Stat. 2600) is amended in the matter preceding paragraph (1) by striking out "$2,567,146,000" and inserting in lieu thereof "$2,558,556,000".

TITLE XXV—NORTH ATLANTIC TREATY ORGANIZATION INFRASTRUCTURE

SEC. 2501. AUTHORIZED NATO CONSTRUCTION AND LAND ACQUISITION PROJECTS.

The Secretary of Defense may make contributions for the North Atlantic Treaty Organization Infrastructure Program as provided in section 2806 of title 10, United States Code, in an amount not to exceed the sum of the amount authorized to be appropriated for this purpose in section 2502 and the amount collected from the North Atlantic Treaty Organization as a result of construction previously financed by the United States.

SEC. 2502. AUTHORIZATION OF APPROPRIATIONS, NATO.

Funds are hereby authorized to be appropriated for fiscal years beginning after September 30, 1995, for contributions by the Secretary of Defense under section 2806 of title 10, United States Code, for the share of the United States of the cost of projects for the North Atlantic Treaty Organization Infrastructure Program, as authorized by section 2501, in the amount of $179,000,000.

TITLE XXVI—GUARD AND RESERVE FORCES FACILITIES

SEC. 2601. AUTHORIZED GUARD AND RESERVE CONSTRUCTION AND LAND ACQUISITION PROJECTS.

There are authorized to be appropriated for fiscal years beginning after September 30, 1995, for the costs of acquisition, architectural and engineering services, and construction of facilities for the Guard and Reserve Forces, and for contributions therefore, under chapter 133 of title 10, United State Code (including the cost of acquisition of land for those facilities), the following amounts:

(1) For the Department of the Army—

(A) for the Army National Guard of the United States, $148,589,000; and

(B) for the Army Reserve, $79,895,000.

(2) For the Department of the Navy, for the Naval and Marine Corps Reserve, $7,920,000.

(3) For the Department of the Air Force—

(A) for the Air National Guard of the United States, $167,503,000; and

(B) for the Air Force Reserve, $35,132,000.

SEC. 2602. REDUCTION IN AMOUNT AUTHORIZED TO BE APPROPRIATED FOR FISCAL YEAR 1994 AIR NATIONAL GUARD PROJECTS.

Section 2601(3)(A) of the Military Construction Authorization Act for Fiscal Year 1994 (division B of Public Law 103–160; 107 Stat. 1878) is amended by striking out "$236,341,000" and inserting in lieu thereof "$229,641,000".

TITLE XXVII—EXPIRATION AND EXTENSION OF AUTHORIZATIONS

SEC. 2701. EXPIRATION OF AUTHORIZATIONS AND AMOUNTS REQUIRED TO BE SPECIFIED BY LAW.

(a) EXPIRATION OF AUTHORIZATIONS AFTER THREE YEARS.—Except as provided in subsection (b), all authorizations contained in titles XXI through XXVI for military construction projects, land acquisition, family housing projects and facilities, and contributions to the North Atlantic Treaty Organization Infrastructure program (and authorizations of appropriations therefore) shall expire on the later of—

(1) October 1, 1998; or

(2) the date of the enactment of an Act authorizing funds for military construction for fiscal year 1999.

(b) EXCEPTION.—Subsection (a) shall not apply to authorizations for military construction projects, land acquisition, family housing projects and facilities, and contributions to the North Atlantic Treaty Organization Infrastructure program (and authorizations of appropriations therefor), for which appropriated funds have been obligated before the later of—

(1) October 1, 1998; or

(2) the date of the enactment of an Act authorizing funds for fiscal year 1999 for military construction projects, land acquisition, family housing projects and facilities, or contributions to the North Atlantic Treaty Organization Infrastructure program.

SEC. 2702. EXTENSION OF AUTHORIZATIONS OF CERTAIN FISCAL YEAR 1993 PROJECTS.

(a) EXTENSIONS.—Notwithstanding section 2701 of the Military Construction Authorization Act for Fiscal Year 1993 (division B of Public Law 102–484; 106 Stat. 2602), authorizations for the projects set forth in the tables in subsection (b), as provided in section 2101, 2102, 2103, or 2106 of that Act, shall remain in effect until October 1, 1996, or the date of the enactment of an Act authorizing funds for military construction for fiscal year 1997, whichever is later.

(b) TABLES.—The tables referred to in subsection (a) are as follows:

Army: Extension of 1993 Project Authorizations

State	Installation or Location	Project	Amount
Arkansas	Pine Bluff Arsenal	Ammunition Demilitarization Support Facility.	$15,000,000
Hawaii	Schofield Barracks	Add/Alter Sewage Treatment Plant.	$17,500,000

Army: Extension of 1993 Project Authorizations—Continued

State	Installation or Location	Project	Amount
Virginia	*Fort Picket*	*Family Housing (26 units).*	*$2,300,000*

Navy: Extension of 1993 Project Authorizations

State	Installation or Location	Project	Amount
California	*Camp Pendleton Marine Corps Base*	*Sewage Treatment Plant Modifications.*	*$19,740,000*
Maryland	*Patuxent River Naval Warfare Center*	*Large Anechoic Chamber, Phase I.*	*$60,990,000*
Mississippi	*Meridian Naval Air Station*	*Child Development Center.*	*$1,100,000*

Air Force: Extension of 1993 Project Authorizations

State	Installation or Location	Project	Amount
Arkansas	*Little Rock Air Force Base*	*Fire Training Facility.*	*$710,000*
District of Columbia	*Bolling Air Force Base*	*Civil Engineer Complex.*	*$9,400,000*
Mississippi	*Keesler Air Force Base*	*Alter Student Dormitory.*	*$3,100,000*
Nebraska	*Offut Air Force Base*	*Fire Training Facility.*	*$840,000*
North Carolina	*Pope Air Force Base*	*Construct Bridge Road and Utilities.*	*$4,000,000*
	Pope Air Force Base	*Munitions Storage Complex.*	*$4,300,000*
South Carolina	*Shaw Air Force Base*	*Fire Training Facility.*	*$680,000*
Virginia	*Langley Air Force Base*	*Base Engineer Complex.*	*$5,300,000*
Guam	*Andersen Air Base*	*Landfill*	*$10,000,000*
Portugal	*Lajes Field*	*Water Wells*	*$865,000*
	Lajes Field	*Fire Training Facility.*	*$950,000*

Army Reserve: Extension of 1993 Project Authorizations

State	Installation or Location	Project	Amount
West Virginia	*Bluefield*	*United States Army Reserve Center.*	*$1,921,000*
	Clarksburg	*United States Army Reserve Center.*	*$5,358,000*
	Grantville	*United States Army Reserve Center.*	*$2,785,000*
	Jane Lew	*United States Army Reserve Center.*	*$1,566,000*
	Lewisburg	*United States Army Reserve Center.*	*$1,631,000*
	Weirton	*United States Army Reserve Center.*	*$3,481,000*

Army National Guard: Extension of 1993 Project Authorizations

State	Installation or Location	Project	Amount
Alabama	*Tuscaloosa*	*Armory*	*$2,273,000*
	Union Springs	*Armory*	*$813,000*
California	*Los Alamitos Armed Forces Reserve Center*	*Fuel Facility*	*$1,553,000*
New Jersey	*Fort Dix*	*State Headquarters*	*$4,750,000*
Oregon	*La Grande*	*Organizational Maintenance Shop.*	*$1,220,000*
	La Grande	*Armory Addition*	*$3,049,000*
Rhode Island	*North Kingston*	*Add/Alter Armory*	*$3,330,000*

SEC. 2703. EXTENSION OF AUTHORIZATIONS OF CERTAIN FISCAL YEAR 1992 PROJECTS.

(a) EXTENSIONS.—Notwithstanding section 2701 of the Military Construction Authorization Act for Fiscal Year 1992 (division B of Public Law 102–190; 105 Stat. 1535), authorizations for the projects set forth in the tables in subsection (b), as provided in section 2101 or 2601 of that Act, and extended by section 2702 of the Military Construction Authorization Act for Fiscal Year 1995 (division B of Public Law 103–337; 108 Stat. 3047), shall remain in effect until October 1, 1996, or the date of the enactment of an Act authorizing funds for military construction for fiscal year 1997, whichever is later.

(b) TABLES.—The tables referred to in subsection (a) are as follows:

Army: Extension of 1992 Project Authorizations

State	Installation or Location	Project	Amount
Oregon	*Umatilla Army Depot*	*Ammunition Demilitarization Support Facility.*	*$3,600,000*

Army: Extension of 1992 Project Authorizations—Continued

State	Installation or Location	Project	Amount
	Umatilla Army Depot	Ammunition Demilitarization Utilities.	$7,500,000

Army National Guard: Extension of 1992 Project Authorization

State	Installation or Location	Project	Amount
Ohio	Toledo	Armory	$3,183,000

Army Reserve: Extension of 1992 Project Authorization

State	Installation or Location	Project	Amount
Tennessee	Jackson	Joint Training Facility.	$1,537,000

SEC. 2704. EFFECTIVE DATE.

Titles XXI, XXII, XXIII, XXIV, XXV, and XXVI shall take effect on the later of—

(1) October 1, 1995; or

(2) the date of the enactment of this Act.

TITLE XXVIII—GENERAL PROVISIONS

Subtitle A—Military Construction Program and Military Family Housing Changes

SEC. 2801. SPECIAL THRESHOLD FOR UNSPECIFIED MINOR CONSTRUCTION PROJECTS TO CORRECT LIFE, HEALTH, OR SAFETY DEFICIENCIES.

(a) SPECIAL THRESHOLD.—Section 2805 of title 10, United States Code, is amended—

(1) in subsection (a)(1), by adding at the end the following new sentence: "However, if the military construction project is intended solely to correct a life-, health-, or safety-threatening deficiency, a minor military construction project may have an approved cost equal to or less than $3,000,000."; and

(2) in subsection (c)(1), by striking out "not more than $300,000." and inserting in lieu thereof "not more than—

"(A) $1,000,000, in the case of an unspecified military construction project intended solely to correct a life-, health-, or safety-threatening deficiency; or

"(B) $300,000, in the case of other unspecified military construction projects.".

(b) TECHNICAL AMENDMENT.—Section 2861(b)(6) of such title is amended by striking out "section 2805(a)(2)" and inserting in lieu thereof "section 2805(a)(1)".

SEC. 2802. CLARIFICATION OF SCOPE OF UNSPECIFIED MINOR CONSTRUCTION AUTHORITY.

Section 2805(a)(1) of title 10, United States Code, as amended by section 2801 of this Act, is further amended by striking out "(1) that is for a single undertaking at a military installation, and (2)" in the second sentence.

SEC. 2803. TEMPORARY WAIVER OF NET FLOOR AREA LIMITATION FOR FAMILY HOUSING ACQUIRED IN LIEU OF CONSTRUCTION.

Section 2824(c) of title 10, United States Code, is amended by adding at the end the following sentence: "The limitation set forth in the preceding sentence does not apply to family housing units acquired under this section during the 5-year period beginning on the date of the enactment of the National Defense Authorization Act for Fiscal Year 1996.".

SEC. 2804. REESTABLISHMENT OF AUTHORITY TO WAIVE NET FLOOR AREA LIMITATION ON ACQUISITION BY PURCHASE OF CERTAIN MILITARY FAMILY HOUSING.

(a) REESTABLISHMENT.—Section 2826(e) of title 10, United States Code, is amended by striking out the second sentence.

(b) APPLICABILITY.—The Secretary concerned may exercise the authority provided in section 2826(e) of title 10, United States Code, as amended by subsection (a), on or after the date of the enactment of this Act.

(c) DEFINITION.—In this section, the term "Secretary concerned" has the meaning given such term in section 101(a)(9) of title 10, United States Code, and includes the meaning given such term in section 2801(b)(3) of such title.

SEC. 2805. TEMPORARY WAIVER OF LIMITATIONS ON SPACE BY PAY GRADE FOR MILITARY FAMILY HOUSING UNITS.

Section 2826 of title 10, United States Code, as amended by section 2804 of this Act, is further amended by adding at the end the following:

"(i)(1) This section does not apply to the construction, acquisition, or improvement of military family housing units during the 5-year period beginning on October 1, 1995.

"(2) The total number of military family housing units constructed, acquired, or improved during any fiscal year in the period referred to in paragraph (1) shall be the total number of such units authorized by law for that fiscal year.".

SEC. 2806. INCREASE IN NUMBER OF FAMILY HOUSING UNITS SUBJECT TO FOREIGN COUNTRY MAXIMUM LEASE AMOUNT.

(a) INCREASE IN NUMBER.—(1) Paragraph (1) of section 2828(e) of title 10, United States Code, is amended by striking out "300 units" in the first sentence and inserting in lieu thereof "450 units".

(2) Paragraph (2) of such section is amended by striking out "300 units" and inserting in lieu thereof "450 units".

(b) WAIVER FOR UNITS FOR INCUMBENTS OF SPECIAL POSITIONS AND OTHER PERSONNEL.—Paragraph (1) of such section is further amended by striking out "220 such units" in the second sentence and inserting in lieu thereof "350 such units".

SEC. 2807. EXPANSION OF AUTHORITY FOR LIMITED PARTNERSHIPS FOR DEVELOPMENT OF MILITARY FAMILY HOUSING.

(a) PARTICIPATION OF OTHER MILITARY DEPARTMENTS.—(1) Subsection (a)(1) of section 2837 of title 10, United States Code, is amended by striking out "of the naval service" and inserting in lieu thereof "of the Army, Navy, Air Force, and Marine Corps".

(2) Subsection (b)(1) of such section is amended by striking out "of the naval service" and inserting in lieu thereof "of the military department under the jurisdiction of such Secretary".

(b) ADMINISTRATION.—(1) Such subsection (a)(1) is further amended by striking out "the Secretary of the Navy" in the first sentence and inserting in lieu thereof "the Secretary of a military department".

(2) Subsection (c)(2) of such section is amended by striking out "the Secretary shall" in the first sentence and inserting in lieu thereof "the Secretary of the military department concerned shall".

(3) Subsection (f) of such section is amended by striking out "the Secretary carries out" and inserting in lieu thereof "the Secretary of a military department carries out".

(4) Subsection (g) of such section is amended by striking out "Secretary," and inserting in lieu thereof "Secretary of a military department,".

(c) ACCOUNT.—Subsection (d) of such section is amended to read as follows:

"(d) ACCOUNT.—(1) There is hereby established on the books of the Treasury an account to be known as the 'Defense Housing Investment Account'.

"(2) There shall be deposited into the account—

"(A) such funds as may be authorized for and appropriated to the account;

"(B) any proceeds received by the Secretary of a military department from the repayment of investments or profits on investments of the Secretary under subsection (a); and

"(C) any unobligated balances which remain in the Navy Housing Investment Account as of the date of the enactment of the National Defense Authorization Act for Fiscal Year 1996.

"(3) From such amounts as is provided in advance in appropriation Acts, funds in the account shall be available to the Secretaries of the military departments in amounts determined by the Secretary of Defense for contracts, investments, and expenses necessary for the implementation of this section.

"(4) The Secretary of a military department may not enter into a contract in connection with a limited partnership under subsection (a) or a collateral incentive agreement under subsection (b) unless a sufficient amount of the unobligated balance of the funds in the account is available to the Secretary, as of the time the contract is entered into, to satisfy the total obligations to be incurred by the United States under the contract.".

(d) TERMINATION OF NAVY HOUSING INVESTMENT BOARD.—Such section is further amended—

(1) by striking out subsection (e); and

(2) in subsection (h)—

(A) by striking out "(1)"; and

(B) by striking out paragraph (2).

(e) EXTENSION OF AUTHORITY.—Subsection (h) of such section, as amended by subsection (d) of this section, is further amended by striking out "September 30, 1999" and inserting in lieu thereof "September 30, 2000".

(f) CONFORMING AMENDMENT.—Subsection (g) of such section is further amended by striking out "NAVY" in the subsection caption.

SEC. 2808. CLARIFICATION OF SCOPE OF REPORT REQUIREMENT ON COST INCREASES UNDER CONTRACTS FOR MILITARY FAMILY HOUSING CONSTRUCTION.

Subsection (d) of section 2853 of title 10, United States Code, is amended to read as follows:

"(d) The limitation on cost increases in subsection (a) does not apply to—

"(1) the settlement of a contractor claim under a contract; or

"(2) a within-scope modification to a contract, but only if—

"(A) the increase in cost is approved by the Secretary concerned; and

"(B) the Secretary concerned promptly submits written notification of the facts relating to the proposed increase in cost to the appropriate committees of Congress.".

SEC. 2809. AUTHORITY TO CONVEY DAMAGED OR DETERIORATED MILITARY FAMILY HOUSING.

(a) AUTHORITY.—(1) Subchapter III of chapter 169 of title 10, United States Code, is amended by inserting after section 2854 the following new section:

"§2854a. Conveyance of damaged or deteriorated military family housing; use of proceeds

"(a) AUTHORITY TO CONVEY.—(1) Subject to paragraph (3), the Secretary concerned may convey any family housing facility, including family housing facilities located in the United States and family housing facilities located outside the United States, that, due to damage or deterioration, is in a condition that is uneconomical to repair. Any conveyance of a family housing facility under this section may include a conveyance of the real property associated with the facility conveyed.

"(2) The authority of this section does not apply to family housing facilities located at military installations approved for closure under a base closure law or family housing facilities located at installation outside the United States at which the Secretary of Defense terminates operations.

"(3) The aggregate total value of the family housing facilities conveyed by the Department of Defense under the authority in this subsection in any fiscal year may not exceed $5,000,000.

"(4) For purposes of this subsection, a family housing facility is in a condition that is uneconomical to repair if the cost of the necessary repairs for the facility would exceed the amount equal to 70 percent of the cost of constructing a family housing facility to replace such facility.

"(b) CONSIDERATION.—(1) As consideration for the conveyance of a family housing facility under subsection (a), the person to whom the facility is conveyed shall pay the United States an amount equal to the fair market value of the facility conveyed, including any real property conveyed along with the facility.

"(2) The Secretary concerned shall determine the fair market value of any family housing facility and associated real property that is conveyed under subsection (a). Such determinations shall be final.

"(c) NOTICE AND WAIT REQUIREMENTS.—The Secretary concerned may not enter into an agreement to convey a family housing facility under this section until—

"(1) the Secretary submits to the appropriate committees of Congress, in writing, a justification for the conveyance under the agreement, including—

"(A) an estimate of the consideration to be provided the United States under the agreement;

"(B) an estimate of the cost of repairing the family housing facility to be conveyed; and

"(C) an estimate of the cost of replacing the family housing facility to be conveyed; and

"(2) a period of 21 calendar days has elapsed after the date on which the justification is received by the committees.

"(d) INAPPLICABILITY OF CERTAIN PROPERTY DISPOSAL LAWS.—The following provisions of law do not apply to the conveyance of a family housing facility under this section:

"(1) The provisions of the Federal Property and Administrative Services Act of 1949 (40 U.S.C. 471 et seq.).

"(2) The provisions of the Stewart B. McKinney Homeless Assistance Act (42 U.S.C. 11301 et seq.).

"(e) USE OF PROCEEDS.—(1) The proceeds of any conveyance of a family housing facility under this section shall be credited to the Department of Defense Military Housing Improvement Fund established under section 2883 of this title and available for the purposes described in paragraph (2).

"(2) The proceeds of a conveyance of a family housing facility under this section may be used for the following purposes:

"(A) To construct family housing units to replace the family housing facility conveyed under this section, but only to the extent that the number of units constructed with such proceeds does not exceed the number of units of military family housing of the facility conveyed.

"(B) To repair or restore existing military family housing.

"(C) To reimburse the Secretary concerned for the costs incurred by the Secretary in conveying the family housing facility.

"(3) Notwithstanding section 2883(c) of this title, proceeds in the account under this subsection shall be available under paragraph (1) for purposes described in paragraph (2) without any further appropriation.

"(f) DESCRIPTION OF PROPERTY.—The exact acreage and legal description of any family housing facility conveyed under this section, including any real property associated with such facility, shall be determined by such means as the Secretary concerned considers satisfactory, including by survey in the case of real property.

"(g) ADDITIONAL TERMS AND CONDITIONS.—The Secretary concerned may require such additional terms and conditions in connection with the conveyance of family housing facilities under this section as the Secretary considers appropriate to protect the interests of the United States.".

(2) The table of sections at the beginning of such subchapter is amended by inserting after the item relating to section 2854 the following new item:

"Sec. 2854a. Conveyance of damaged or deteriorated military family housing; use of proceeds.".

(b) CONFORMING AMENDMENT.—Section 204(h) of the Federal Property and Administrative Services Act 1949 (40 U.S.C. 485(h)) is amended—

(1) by redesignating paragraph (4) as paragraph (5); and

(2) by inserting after paragraph (3) the following new paragraph (4):

"(4) This subsection does not apply to family housing facilities covered by section 2854a of title 10, United States Code.".

SEC. 2810. ENERGY AND WATER CONSERVATION SAVINGS FOR THE DEPARTMENT OF DEFENSE.

(a) INCLUSION OF WATER EFFICIENT MAINTENANCE IN ENERGY PERFORMANCE PLAN.—Paragraph (3) of section 2865(a) of title 10, United States Code, is amended by striking out "energy efficient maintenance" and inserting in lieu thereof "energy efficient maintenance or water efficient maintenance".

(b) SCOPE OF TERM.—Paragraph (4) of such section is amended—

(1) in the matter preceding subparagraph (A), by striking out "'energy efficient maintenance'" and inserting in lieu thereof "'energy efficient maintenance or water efficient maintenance'";

(2) in subparagraph (A), by striking out "systems or industrial processes," in the matter preceding clause (i) and inserting in lieu thereof "systems, industrial processes, or water efficiency applications,"; and

(3) in subparagraph (B), by inserting "or water cost savings" before the period at the end.

SEC. 2811. ALTERNATIVE AUTHORITY FOR CONSTRUCTION AND IMPROVEMENT OF MILITARY HOUSING.

(a) ALTERNATIVE AUTHORITY TO CONSTRUCT AND IMPROVE MILITARY HOUSING.—(1) Chapter 169 of title 10, United States Code, is amended by adding at the end the following:

"SUBCHAPTER IV—ALTERNATIVE AUTHORITY FOR ACQUISITION AND IMPROVEMENT OF MILITARY HOUSING

"Sec.

"2871. Definitions.
"2872. General authority.
"2873. Direct loans and loan guarantees.
"2874. Leasing of housing to be constructed.
"2875. Investments in nongovernmental entities.
"2876. Rental guarantees.
"2877. Differential lease payments.
"2878. Conveyance or lease of existing property and facilities.
"2879. Interim leases.
"2880. Unit size and type.
"2881. Support facilities.
"2882. Assignment of members of the armed forces to housing units.
"2883. Department of Defense Housing Improvement Fund.
"2884. Reports.
"2885. Expiration of authority.

"§2871. Definitions

"In this subchapter:

"(1) The term 'base closure law' means the following:

"(A) Section 2687 of this title.

"(B) Title II of the Defense Authorization Amendments and Base Closure and Realignment Act (Public Law 100–526; 10 U.S.C. 2687 note).

"(C) The Defense Base Closure and Realignment Act of 1990 (part A of title XXIX of Public Law 101–510; 10 U.S.C. 2687 note).

"(2) The term 'Secretary concerned' includes the Secretary of Defense.

"(3) The term 'support facilities' means facilities relating to military housing units, including child care centers, day care centers, community centers, housing offices, maintenance complexes, dining facilities, unit offices, fitness centers, parks, and other similar facilities for the support of military housing.

"§2872. General authority

"In addition to any other authority provided under this chapter for the acquisition, construction, or improvement of military family housing or military unaccompanied housing, the Secretary concerned may exercise any authority or any combination of authorities provided under this subchapter in order to provide for the acquisition, construction, improvement, or rehabilitation by private persons of the following:

"(1) Family housing units on or near military installations within the United States and its territories and possessions.

"(2) Unaccompanied housing units on or near such military installations.

"§2873. Direct loans and loan guarantees

"(a) DIRECT LOANS.—(1) Subject to subsection (c), the Secretary concerned may make direct loans to persons in the private sector in order to provide funds to such persons for the acquisition, construction, improvement, or rehabilitation of housing units that the Secretary determines are suitable for use as military family housing or as military unaccompanied housing.

"(2) The Secretary concerned shall establish such terms and conditions with respect to loans made under this subsection as the Secretary considers appropriate to protect the interests of the United States, including the period and frequency for repayment of such loans and the obligations of the obligors on such loans upon default.

"(b) LOAN GUARANTEES.—(1) Subject to subsection (c), the Secretary concerned may guarantee a loan made to any person in the private sector if the proceeds of the loan are to be used by the person to acquire, construct, improve, or rehabilitate housing units that the Secretary determines are suitable for use as military family housing or as military unaccompanied housing.

"(2) The amount of a guarantee on a loan that may be provided under paragraph (1) may not exceed the amount equal to the lesser of—

"(A) the amount equal to 80 percent of the value of the project; or

"(B) the amount of the outstanding principal of the loan.

"(3) The Secretary concerned shall establish such terms and conditions with respect to guarantees of loans under this subsection as the Secretary considers appropriate to protect the interests of the United States, including the rights and obligations of obligors of such loans and the rights and obligations of the United States with respect to such guarantees.

"(c) Limitation on Direct Loan and Guarantee Authority.—Direct loans and loan guarantees may be made under this section only to the extent that appropriations of budget authority to cover their cost (as defined in section 502(5) of the Federal Credit Reform Act of 1990 (2 U.S.C. 661a(5)) are made in advance, or authority is otherwise provided in appropriations Acts. If such appropriation or other authority is provided, there may be established a financing account (as defined in section 502(7) of such Act (2 U.S.C. 661a(7)) which shall be available for the disbursement of direct loans or payment of claims for payment on loan guarantees under this section and for all other cash flows to and from the Government as a result of direct loans and guarantees made under this section.

"§2874. Leasing of housing to be constructed

"(a) Build and Lease Authorized.—The Secretary concerned may enter into contracts for the lease of family housing units or unaccompanied housing units to be constructed, improved, or rehabilitated under this subchapter.

"(b) Lease Terms.—A contract under this section may be for any period that the Secretary concerned determines appropriate.

"§2875. Investments in nongovernmental entities

"(a) Investments Authorized.—The Secretary concerned may make investments in nongovernmental entities carrying out projects for the acquisition, construction, improvement, or rehabilitation of housing units suitable for use as military family housing or as military unaccompanied housing.

"(b) Forms of Investment.—An investment under this section may take the form of a direct investment by the United States, an acquisition of a limited partnership interest by the United States, a purchase of stock or other equity instruments by the United States, a purchase of bonds or other debt instruments by the United States, or any combination of such forms of investment.

"(c) Limitation on Value of Investment.—(1) The cash amount of an investment under this section in a nongovernmental entity may not exceed an amount equal to 35 percent of the capital cost (as determined by the Secretary concerned) of the project or projects that the entity proposes to carry out under this section with the investment.

"(2) If the Secretary concerned conveys land or facilities to a nongovernmental entity as all or part of an investment in the entity under this section, the total value of the investment by the Secretary under this section may not exceed an amount equal to 45 percent of the capital cost (as determined by the Secretary) of the project or projects that the entity proposes to carry out under this section with the investment.

"(3) In this subsection, the term 'capital cost', with respect to a project for the acquisition, construction, improvement, or rehabilitation of housing, means the total amount of the costs included in the basis of the housing for Federal income tax purposes.

"(d) Collateral Incentive Agreements.—The Secretary concerned may enter into collateral incentive agreements with nongovernmental entities in which the Secretary makes an investment under this section to ensure that a suitable preference will be afforded members of the armed forces in the lease or purchase, as the case may be, of a reasonable number of the housing units covered by the investment.

"§2876. Rental guarantees

"The Secretary concerned may enter into agreements with private persons that acquire, construct, improve, or rehabilitate family housing units or unaccompanied housing units under this subchapter in order to assure—

"(1) the occupancy of such units at levels specified in the agreements; or

"(2) rental income derived from rental of such units at levels specified in the agreements.

"§2877. Differential lease payments

"The Secretary concerned, pursuant to an agreement entered into by the Secretary and a private lessor of family housing or unaccompanied housing to members of the armed forces, may pay the lessor an amount in addition to the rental payments for the housing made by the members as the Secretary determines appropriate to encourage the lessor to make the housing available to members of the armed forces as family housing or as unaccompanied housing.

"§2878. Conveyance or lease of existing property and facilities

"(a) Conveyance or Lease Authorized.—The Secretary concerned may convey or lease property or facilities (including support facilities) to private persons for purposes of using the proceeds of such conveyance or lease to carry out activities under this subchapter.

"(b) Inapplicability to Property at Installation Approved for Closure.—The authority of this section does not apply to property or facilities located on or near a military installation approved for closure under a base closure law.

"(c) Terms and Conditions.—(1) The conveyance or lease of property or facilities under this section shall be for such consideration and upon such terms and conditions as the Secretary concerned considers appropriate for the purposes of this subchapter and to protect the interests of the United States.

"(2) As part or all of the consideration for a conveyance or lease under this section, the purchaser or lessor (as the case may be) may enter into an agreement with the Secretary to ensure that a suitable preference will be afforded members of the armed forces in the lease or sublease of a reasonable number of the housing units covered by the conveyance or lease, as the case may be, or in the lease of other suitable housing units made available by the purchaser or lessee.

"(d) Inapplicability of Certain Property Management Laws.—The conveyance or lease of property or facilities under this section shall not be subject to the following provisions of law:

"(1) Section 2667 of this title.

"(2) The Federal Property and Administrative Services Act of 1949 (40 U.S.C. 471 et seq.).

"(3) Section 321 of the Act of June 30, 1932 (commonly known as the Economy Act) (47 Stat. 412, chapter 314; 40 U.S.C. 303b).

"(4) The Stewart B. McKinney Homeless Assistance Act (42 U.S.C. 11301 et seq.).

"§2879. Interim leases

"Pending completion of a project to acquire, construct, improve, or rehabilitate family housing units or unaccompanied housing units under this subchapter, the Secretary concerned may provide for the interim lease of such units of the project as are complete. The term of a lease under this section may not extend beyond the date of the completion of the project concerned.

"§2880. Unit size and type

"(a) Conformity with Similar Housing Units in Locale.—The Secretary concerned shall ensure that the room patterns and floor areas of family housing units and unaccompanied housing units acquired, constructed, improved, or rehabilitated under this subchapter are generally comparable to the room patterns and floor areas of similar housing units in the locality concerned.

"(b) Inapplicability of Limitations on Space by Pay Grade.—(1) Section 2826 of this title does not apply to family housing units acquired, constructed, improved, or rehabilitated under this subchapter.

"(2) The regulations prescribed under section 2856 of this title do not apply to unaccompanied housing units acquired, constructed, improved, or rehabilitated under this subchapter.

"§2881. Support facilities

"Any project for the acquisition, construction, improvement, or rehabilitation of family housing units or unaccompanied housing units under this subchapter may include the acquisition, construction, or improvement of support facilities for the housing units concerned.

"§2882. Assignment of members of the armed forces to housing units

"(a) In General.—The Secretary concerned may assign members of the armed forces to housing units acquired, constructed, improved, or rehabilitated under this subchapter.

"(b) Effect of Certain Assignments on Entitlement to Housing Allowances.—(1) Except as provided in paragraph (2), housing referred to in subsection (a) shall be considered as quarters of the United States or a housing facility under the jurisdiction of a uniformed service for purposes of section 403(b) of title 37.

"(2) A member of the armed forces who is assigned in accordance with subsection (a) to a housing unit not owned or leased by the United States shall be entitled to a basic allowance for quarters under section 403 of title 37 and, if in a high housing cost area, a variable housing allowance under section 403a of that title.

"(c) LEASE PAYMENTS THROUGH PAY ALLOTMENTS.—The Secretary concerned may require members of the armed forces who lease housing in housing units acquired, constructed, improved, or rehabilitated under this subchapter to make lease payments for such housing pursuant to allotments of the pay of such members under section 701 of title 37.

"§2883. Department of Defense Housing Improvement Fund

"(a) ESTABLISHMENT.—There is hereby established on the books of the Treasury an account to be known as the Department of Defense Housing Improvement Fund (in this section referred to as the 'Fund'). The Secretary of Defense shall administer the Fund as a single account.

"(b) CREDITS TO FUND.—There shall be credited to the Fund the following:

"(1) Funds appropriated to the Fund.

"(2) Any funds that the Secretary of Defense may, to the extent provided in appropriations Acts, transfer to the Fund from funds appropriated to the Department of Defense for family housing, except that such funds may be transferred only after the Secretary of Defense transmits written notice of, and justification for, such transfer to the appropriate committees of Congress.

"(3) Any funds that the Secretary of Defense may, to the extent provided in appropriations Acts, transfer to the Fund from funds appropriated to the Department of Defense for military unaccompanied housing or for the operation and maintenance of military unaccompanied housing, except that such funds may be transferred only after the Secretary of Defense transmits written notice of, and justification for, such transfer to the appropriate committees of Congress.

"(4) Proceeds from the conveyance or lease of property or facilities under section 2878 of this title.

"(5) Income from any activities under this subchapter, including interest on loans made under section 2873 of this title, income and gains realized from investments under section 2875 of this title, and any return of capital invested as part of such investments.

"(c) USE OF FUNDS.—(1) To the extent provided in appropriations Acts and except as provided in paragraphs (2) and (3), the Secretary of Defense may use amounts in the Fund to carry out activities under this subchapter (including activities required in connection with the planning, execution, and administration of contracts or agreements entered into under the authority of this subchapter) and may transfer funds to the Secretaries of the military departments to permit such Secretaries to carry out such activities.

"(2)(A) Funds in the fund that are derived from appropriations or transfers of funds for military family housing, or from income from activities under this subchapter with respect to such housing, may be used in accordance with paragraph (1) only to carry out activities under this subchapter with respect to military family housing.

"(B) Funds in the fund that are derived from appropriations or transfers of funds for military unaccompanied housing, or from income from activities under this subchapter with respect to such housing, may be used in accordance with paragraph (1) only to carry out activities under this subchapter with respect to military unaccompanied housing.

"(3) The Secretary may not enter into a contract or agreement to carry out activities under this subchapter unless the Fund contains sufficient amounts, as of the time the contract or agreement is entered into, to satisfy the total obligations to be incurred by the United States under the contract or agreement.

"(d) LIMITATION ON AMOUNT OF BUDGET AUTHORITY.—The total value in budget authority of all contracts, agreements, and investments undertaken using the authorities provided in this subchapter shall not exceed $1,000,000,000.

"§ 2884. Reports

"(a) PROJECT REPORTS.—The Secretary of Defense shall transmit to the appropriate committees of Congress a report on each contract or agreement for a project for the acquisition, construction, improvement, or rehabilitation of family housing units or unaccompanied housing units that the Secretary proposes to solicit under this subchapter. The report shall describe the project and the intended method of participation of the United States in the project and provide a justification of such method of participation.

"(b) ANNUAL REPORTS.—The Secretary of Defense shall include each year in the materials that the Secretary submits to Congress in support of the budget submitted by the President pursuant to section 1105 of title 31 the following:

"(1) A report on the expenditures and receipts during the preceding fiscal year from the Department of Defense Housing Improvement Fund established under section 2883 of this title.

"(2) A methodology for evaluating the extent and effectiveness of the use of the authorities under this subchapter during such preceding fiscal year.

"(3) A description of the objectives of the Department of Defense for providing military family housing and military unaccompanied housing for members of the armed forces.

"§ 2885. Expiration of authority

"The authority to enter into a transaction under this subchapter shall expire 5 years after the date of the enactment of the National Defense Authorization Act for Fiscal Year 1996.".

(2) The table of subchapters at the beginning of such chapter is amended by inserting after the item relating to subchapter III the following new item:

"IV. Alternative Authority for Acquisition and Improvement of Military Housing .... 2870".

(b) FINAL REPORT.—Not later than March 1, 2000, the Secretary of Defense shall submit to the congressional defense committees a report on the use by the Secretary of Defense and the Secretaries of the military departments of the authorities provided by subchapter IV of chapter 169 of title 10, United States Code, as added by subsection (a). The report shall assess the effectiveness of such authority in providing for the construction and improvement of military family housing and military unaccompanied housing.

(c) CROSS REFERENCE AMENDMENT.—(1) Chapter 169 of title 10, United States Code, is further amended by inserting after section 2822 the following new section:

"§2822a. Additional authority relating to military housing

"For additional authority regarding the acquisition, construction, or improvement of military family housing and military unaccompanied housing, see subchapter IV of this chapter.".

(2) The table of sections at the beginning of subchapter II of such chapter is amended by inserting after the item relating to section 2822 the following new item:

"2822a. Additional authority relating to military housing.".

SEC. 2812. PERMANENT AUTHORITY TO ENTER INTO LEASES OF LAND FOR SPECIAL OPERATIONS ACTIVITIES.

(a) PERMANENT AUTHORITY.—Section 2680 of title 10, United States Code, is amended by striking out subsection (d).

(b) REPORTING REQUIREMENT.—Such section is further amended by adding at the end the following new subsection (d):

"(d) REPORTS.—Not later than March 1 of each year, the Secretary of Defense shall submit to the Committee on the Armed Services of the Senate and the Committee on National Security of the House of Representatives a report that—

"(1) identifies each leasehold interest acquired during the previous fiscal year under subsection (a); and

"(2) contains a discussion of each project for the construction or modification of facilities carried out pursuant to subsection (c) during such fiscal year.".

SEC. 2813. AUTHORITY TO USE FUNDS FOR CERTAIN EDUCATIONAL PURPOSES.

Section 2008 of title 10, United States Code, is amended by striking out "section 10" and all that follows through the period at the end and inserting in lieu thereof "construction, as defined in section 8013(3) of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 7713(3)), or to carry out section 8008 of such Act (20 U.S.C. 7708), relating to impact aid.".

Subtitle B—Defense Base Closure and Realignment

SEC. 2821. IN-KIND CONSIDERATION FOR LEASES AT INSTALLATIONS TO BE CLOSED OR REALIGNED.

Section 2667(f) of title 10, United States Code, is amended by adding at the end the following:

"(4) The Secretary concerned may accept under subsection (b)(5) services of a lessee for an entire installation to be closed or realigned under a base closure law, or for any part of such installation, without regard to the requirement in subsection (b)(5) that a substantial part of the installation be leased.".

SEC. 2822. CLARIFICATION OF AUTHORITY REGARDING CONTRACTS FOR COMMUNITY SERVICES AT INSTALLATIONS BEING CLOSED.

(a) 1988 LAW.—Section 204(b)(8)(A) of the Defense Authorization Amendments and Base Closure and Realignment Act (Public Law 100–526; 10 U.S.C. 2687 note) is amended—

(1) by striking out "may contract" and inserting in lieu thereof "may enter into agreements (including contracts, cooperative agreements, or other arrangements)"; and

(2) by adding at the end the following new sentence: "An agreement under the authority in the preceding sentence may provide for the reimbursement of the local government concerned by the Secretary for the cost of any services provided under the agreement by that government.".

(b) 1990 LAW.—Section 2905(b)(8)(A) of the Defense Base Closure and Realignment Act of 1990 (part A of title XXIX of Public Law 101–510; 10 U.S.C. 2687 note) is amended—

(1) by striking out "may contract" and inserting in lieu thereof "may enter into agreements (including contracts, cooperative agreements, or other arrangements)"; and

(2) by adding at the end the following new sentence: "An agreement under the authority in the preceding sentence may provide for the reimbursement of the local government concerned by the Secretary for the cost of any services provided under the agreement by that government.".

SEC. 2823. CLARIFICATION OF FUNDING FOR ENVIRONMENTAL RESTORATION AT INSTALLATIONS APPROVED FOR CLOSURE OR REALIGNMENT IN 1995.

Subsection (e) of section 2906 of the Defense Base Closure and Realignment Act of 1990 (part A of title XXIX of Public Law 101–510; 10 U.S.C. 2687 note) is amended to read as follows:

"(e) ACCOUNT EXCLUSIVE SOURCE OF FUNDS FOR ENVIRONMENTAL RESTORATION PROJECTS.—(1) Except for funds deposited into the Account under subsection (a), and except as provided in paragraph (2), funds appropriated to the Department of Defense may not be used for purposes described in section 2905(a)(1)(C). The prohibition in this subsection shall expire upon the termination of the Secretary's authority to carry out a closure or realignment under this part.

"(2) Funds in the Defense Environmental Restoration Account established under section 2703(a) of title 10, United States Code, may be used in fiscal year 1996 for environmental restoration at installations approved for closure or realignment under this part in 1995.".

SEC. 2824. AUTHORITY TO LEASE PROPERTY REQUIRING ENVIRONMENTAL REMEDIATION AT INSTALLATIONS APPROVED FOR CLOSURE.

Section 120(h)(3) of the Comprehensive Environmental Response Compensation and Liability Act of 1980 (42 U.S.C. 9620(h)(3)) is amended in the matter following subparagraph (C)—

(1) by striking out the first sentence; and

(2) by adding at the end, flush to the paragraph margin, the following:

"The requirements of subparagraph (B) shall not apply in any case in which the person or entity to whom the real property is transferred is a potentially responsible party with respect to such property.

"The requirements of subparagraph (B) shall not apply in any case in which the transfer of the property occurs or has occurred by means of a lease, without regard to whether the lessee has agreed to purchase the property or whether the duration of the lease is longer than 55 years. In

the case of a lease entered into after September 30, 1995, with respect to real property located at an installation approved for closure or realignment under a base closure law, the agency leasing the property, in consultation with the Administrator, shall determine before leasing the property that the property is suitable for lease, that the uses contemplated for the lease are consistent with protection of human health and the environment, and that there are adequate assurances that the United States will take all remedial action referred to in subparagraph (B) that has not been taken on the date of the lease.".

SEC. 2825. FINAL FUNDING FOR DEFENSE BASE CLOSURE AND REALIGNMENT COMMISSION.

Section 2902(k) of the Defense Base Closure and Realignment Act of 1990 (part A of title XXIX of Public Law 101–510; 10 U.S.C. 2687 note) is amended by adding at the end the following:

"(3)(A) The Secretary may transfer from the account referred to in subparagraph (B) such unobligated funds in that account as may be necessary for the Commission to carry out its duties under this part during October, November, and December 1995. Funds transferred under the preceding sentence shall remain available until December 31, 1995.

"(B) The account referred to in subparagraph (A) is the Department of Defense Base Closure Account established under section 207(a) of the Defense Authorization Amendments and Base Closure and Realignment Act (Public Law 100–526; 10 U.S.C. 2687 note).".

SEC. 2826. IMPROVEMENT OF BASE CLOSURE AND REALIGNMENT PROCESS.

(a) APPLICABILITY.—Subparagraph (A) of section 2905(b)(7) of the Defense Base Closure and Realignment Act of 1990 (part A of title XXIX of Public Law 101–510; 10 U.S.C. 2687 note) is amended by striking out "Determinations of the use to assist the homeless of buildings and property located at installations approved for closure under this part" and inserting in lieu thereof "Procedures for the disposal of buildings and property located at installations approved for closure or realignment under this part".

(b) REDEVELOPMENT AUTHORITIES.—Subparagraph (B) of such section is amended by adding at the end the following:

"(iii) The chief executive officer of the State in which an installation covered by this paragraph is located may assist in resolving any disputes among citizens or groups of citizens as to the individuals and groups constituting the redevelopment authority for the installation.".

(c) AGREEMENTS UNDER REDEVELOPMENT PLANS.—Subparagraph (F)(ii)(I) of such section is amended in the second sentence by striking out "the approval of the redevelopment plan by the Secretary of Housing and Urban Development under subparagraph (H) or (J)" and inserting in lieu thereof "the decision regarding the disposal of the buildings and property covered by the agreements by the Secretary of Defense under subparagraph (K) or (L)".

(d) REVISION OF REDEVELOPMENT PLANS.—Subparagraph (I) of such section is amended by inserting "the Secretary of Defense and" before "the Secretary of Housing and Urban Development" each place it appears.

(e) DISPOSAL OF BUILDINGS AND PROPERTY.—(1) Subparagraph (K) of such section is amended to read as follows:

"(K)(i) Upon receipt of a notice under subparagraph (H)(iv) or (J)(ii) of the determination of the Secretary of Housing and Urban Development that a redevelopment plan for an installation meets the requirements set forth in subparagraph (H)(i), the Secretary of Defense shall dispose of the buildings and property at the installation.

"(ii) For purposes of carrying out an environmental assessment of the closure or realignment of an installation, the Secretary shall treat the redevelopment plan for the installation (including the aspects of the plan providing for disposal to State or local governments, representatives of the homeless, and other interested parties) as part of the proposed Federal action for the installation.

"(iii) The Secretary shall dispose of buildings and property under clause (i) in accordance with the record of decision or other decision document prepared by the Secretary in accordance with the National Environmental Policy Act of 1969 (42 U.S.C. 4331 et seq.) In preparing the record of decision or other decision document, the Secretary shall give substantial deference to the redevelopment plan concerned.

"(iv) The disposal under clause (i) of buildings and property to assist the homeless shall be without consideration.

"(v) In the case of a request for a conveyance under clause (i) of buildings and property for public benefit under section 203(k) of the Federal Property and Administrative Services Act of 1949 (40 U.S.C. 484(k)) and subchapter II of chapter 471 of title 49, United States Code, the applicant and use proposed in the request shall be determined to be eligible for the public benefit conveyance under the eligibility criteria set forth in such section or such subchapter. The determination of such eligibility should be made before the redevelopment plan concerned under subparagraph (G) ".

(2) Subparagraph (L) of such section is amended by striking out clauses (iii) and (iv) and inserting in lieu thereof the following new clauses (iii) and (iv):

"(iii) Not later than 90 days after the date of the receipt of a revised plan for an installation under subparagraph (J), the Secretary of Housing and Urban Development shall—

"(I) notify the Secretary of Defense and the redevelopment authority concerned of the buildings and property at an installation under clause (i)(IV) that the Secretary of Housing and Urban Development determines are suitable for use to assist the homeless; and

"(II) notify the Secretary of Defense of the extent to which the revised plan meets the criteria set forth in subparagraph (H)(i).

"(iv)(I) Upon notice from the Secretary of Housing and Urban Development with respect to an installation under clause (iii), the Secretary of Defense shall, after consultation with the Secretary of Housing and Urban Development and redevelopment authority concerned, dispose of buildings and property at the installation.

"(II) For purposes of carrying out an environmental assessment of the closure or realignment of an installation, the Secretary shall treat the redevelopment plan for the installation (including the aspects of the plan providing for disposal to State or local governments, representatives of the homeless, and other interested parties) as part of the proposed Federal action for the installation.

"(III) The Secretary shall dispose of buildings and property under subclause (I) in accordance with the record of decision or other decision document prepared by the Secretary in accordance with the National Environmental Policy Act of 1969 (42 U.S.C. 4331 et seq.) In preparing the record of decision or other decision document, the Secretary shall give deference to the redevelopment plan concerned.

"(IV) The disposal under subclause (I) of buildings and property to assist the homeless shall be without consideration.

"(V) In the case of a request for a conveyance under clause (i) of buildings and property for public benefit under section 203(k) of the Federal Property and Administrative Services Act of 1949 (40 U.S.C. 484(k)) and subchapter II of chapter 471 of title 49, United States Code, the applicant and use proposed in the request shall be determined to be eligible for the public benefit conveyance under the eligibility criteria set forth in such section or such subchapter. The determination of such eligibility should be made before the redevelopment plan concerned under subparagraph (G) ".

(f) CONFORMING AMENDMENT.—Subparagraph (M)(i) of such section is amended by inserting "or (L)" after "subparagraph (K)".

(g) CLARIFICATION OF PARTICIPANTS IN PROCESS.—Such section is further amended by adding at the end the following:

"(P) For purposes of this paragraph, the term 'other interested parties', in the case of an installation, includes any parties eligible for the conveyance of property of the installation under section 203(k) of the Federal Property and Administrative Services Act of 1949 (40 U.S.C. 484(k)) or subchapter II of chapter 471 of title 49, United States Code, whether or not the parties assist the homeless.".

(h) TECHNICAL AMENDMENTS.—Section 2910 of such Act is amended—

(1) by designating the paragraph (10) added by section 2(b) of the Base Closure Community Redevelopment and Homeless Assistance Act of 1994 (Public Law 103–421; 108 Stat. 4352) as paragraph (11); and

(2) in such paragraph, as so designated, by striking out "section 501(h)(4) of the Stewart B. McKinney Homeless Assistance Act (42 U.S.C. 11411(h)(4))" and inserting in lieu thereof "section 501(i)(4) of the Stewart B. McKinney Homeless Assistance Act (42 U.S.C. 11411(i)(4))".

SEC. 2827. EXERCISE OF AUTHORITY DELEGATED BY THE ADMINISTRATOR OF GENERAL SERVICES.

Section 2905(b)(2) of the Defense Base Closure and Realignment Act of 1990 (part A of title XXIX of Public Law 101–510; 10 U.S.C. 2687 note) is amended—

(1) in subparagraph (A)—

(A) by striking out "Subject to subparagraph (C)" in the matter preceding clause (i) and inserting in lieu thereof "Subject to subparagraph (B)"; and

(B) by striking out "in effect on the date of the enactment of this Act" each place it appears in clauses (i) and (ii);

(2) by striking out subparagraphs (B) and (C) and inserting in lieu thereof the following new subparagraph (B):

"(B) The Secretary may, with the concurrence of the Administrator of General Services—

"(i) prescribe general policies and methods for utilizing excess property and disposing of surplus property pursuant to the authority delegated under paragraph (1); and

"(ii) issue regulations relating to such policies and methods which regulations supersede the regulations referred to in subparagraph (A) with respect to that authority."; and

(3) by redesignating subparagraphs (D) and (E) as subparagraphs (C) and (D), respectively.

SEC. 2828. LEASE BACK OF PROPERTY DISPOSED FROM INSTALLATIONS APPROVED FOR CLOSURE OR REALIGNMENT.

(a) AUTHORITY.—Section 2905(b)(4) of the Defense Base Closure and Realignment Act of 1990 (part A of title XXIX of Public Law 101–510; 10 U.S.C. 2687 note) is amended—

(1) by redesignating subparagraphs (C), (D), and (E) as subparagraphs (D), (E), and (F), respectively; and

(2) by inserting after subparagraph (B) the following new subparagraph (C):

"(C)(i) The Secretary may transfer real property at an installation approved for closure or realignment under this part (including property at an installation approved for realignment which property will be retained by the Department of Defense or another Federal agency after realignment) to the redevelopment authority for the installation if the redevelopment authority

agrees to lease, directly upon transfer, all or a significant portion of the property transferred under this subparagraph to the Secretary or to the head of another department or agency of the Federal Government. Subparagraph (B) shall apply to a transfer under this subparagraph.

"(ii) A lease under clause (i) shall be for a term of not to exceed 50 years, but may provide for options for renewal or extension of the term by the department or agency concerned.

"(iii) A lease under clause (i) may not require rental payments by the United States.

"(iv) A lease under clause (i) shall include a provision specifying that if the department or agency concerned ceases requiring the use of the leased property before the expiration of the term of the lease, the remainder of the lease term may, upon approval by the redevelopment authority concerned, be satisfied by the same or another department or agency of the Federal Government using the property for a use similar to the use under the lease.".

(b) USE OF FUNDS TO IMPROVE LEASED PROPERTY.—Notwithstanding any other provision of law, a department or agency of the Federal Government that enters into a lease of property under section 2905(b)(4)(C) of the such Act, as amended by subsection (a), may use funds appropriated or otherwise available to the department or agency for such purpose to improve the leased property.

SEC. 2829. PROCEEDS OF LEASES AT INSTALLATIONS APPROVED FOR CLOSURE OR REALIGNMENT.

(a) INTERIM LEASES.—Section 2667(d) of title 10, United States Code, is amended—

(1) in paragraph (1)(A)—

(A) by striking out "and" at the end of clause (i);

(B) by striking out the period at the end of clause (ii) and inserting in lieu thereof "; and"; and

(C) by adding at the end the following:

"(iii) money rentals referred to in paragraph (5)."; and

(2) by adding at the end the following:

"(5) Money rentals received by the United States under subsection (f) shall be deposited in the Department of Defense Base Closure Account 1990 established under section 2906(a) of the Defense Base Closure and Realignment Act of 1990 (part A of title XXIX of Public Law 101–510; 10 U.S.C. 2687 note).".

(b) DEPOSIT IN 1990 ACCOUNT.—Section 2906(a)(2) of the Defense Base Closure and Realignment Act of 1990 (part A of title XXIX of Public Law 101–510; 10 U.S.C. 2687 note) is amended—

(1) in subparagraph (C)—

(A) by striking out "transfer or disposal" and inserting in lieu thereof "transfer, lease, or other disposal"; and

(B) by striking out "and" at the end;

(2) in subparagraph (D)—

(A) by striking out "transfer or disposal" and inserting in lieu thereof "transfer, lease, or other disposal"; and

(B) by striking out the period at the end and inserting in lieu thereof "; and"; and

(3) by adding at the end the following:

"(E) money rentals received by the United States under section 2667(f) of title 10, United States Code.".

SEC. 2830. CONSOLIDATION OF DISPOSAL OF PROPERTY AND FACILITIES AT FORT HOLABIRD, MARYLAND.

(a) CONSOLIDATION.—Notwithstanding any other provision of law, the Secretary of Defense shall dispose of the property and facilities at Fort Holabird, Maryland, described in subsection (b) in accordance with subparagraph (2)(e) of the Base Closure Community Redevelopment and Homeless Assistance Act of 1994 (P.L. 103–421), treating the property described in subsection (b) as if the CEO of the State had submitted a timely request to the Secretary of Defense under subparagraph (2)(e)(1)(B)(ii) of the Base Closure Community Redevelopment and Homeless Assistance Act of 1994 (P.L. 103–421).

(b) COVERED PROPERTY AND FACILITIES.—Subsection (a) applies to the following property and facilities at Fort Holabird, Maryland:

(1) Property and facilities that were approved for closure or realignment under the 1988 base closure law that are not disposed of as of the date of the enactment of this Act, including buildings 305 and 306 and the parking lots and other property associated with such buildings.

(2) Property and facilities that are approved for closure or realignment under the 1990 base closure law in 1995.

(c) USE OF SURVEYS AND OTHER EVALUATIONS OF PROPERTY.—In carrying out the disposal of the property and facilities referred to in subsection (b)(1), the Secretary shall utilize any surveys and other evaluations of such property and facilities that are prepared by the Corps of Engineers before the date of the enactment of this Act as part of the process for the disposal of such property and facilities under the 1988 base closure law.

(d) DEFINITIONS.—In this section:

(1) The term "1988 base closure law" means title II of the Defense Authorization Amendments and Base Closure and Realignment Act (Public Law 100–526; 10 U.S.C. 2687 note).

(2) The term "1990 base closure law" means the Defense Base Closure and Realignment Act of 1990 (part A of title XXIX of Public Law 101–510; 10 U.S.C. 2687 note).

SEC. 2830A. LAND CONVEYANCE, PROPERTY UNDERLYING CUMMINS APARTMENT COMPLEX, FORT HOLABIRD, MARYLAND.

(a) CONVEYANCE AUTHORIZED.—Notwithstanding any other provision of law, the Secretary of the Army may convey to the existing owner of the improvements thereon all right, title, and interest of the United States in and to a parcel of real property underlying the Cummins Apartment Complex at Fort Holabird, Maryland, consisting of approximately 6 acres and any interest the United States may have in the improvements thereon.

(b) CONSIDERATION.—As consideration for the conveyance under subsection (a), the owner of the improvements referred to in that subsection shall provide compensation to the United States in an amount equal to the fair market value (as determined by the Secretary) of the property interest to be conveyed.

(c) DESCRIPTION OF PROPERTY.—The exact acreage and legal description of the real property to be conveyed under subsection (a) shall be determined by a survey that is satisfactory to the Secretary.

(d) ADDITIONAL TERMS AND CONDITIONS.—The Secretary may require such additional terms and conditions in connection with the conveyance under subsection (a) as the Secretary considers appropriate to protect the interests of the United States.

SEC. 2830B. INTERIM LEASES OF PROPERTY APPROVED FOR CLOSURE OR REALIGNMENT.

Section 2667(f) of title 10, United States Code, is amended by adding at the end the following:

"(4)(A) Notwithstanding the National Environmental Policy Act of 1969 (42 U.S.C. 4321 et seq.), the scope of any environmental impact analysis necessary to support an interim lease of property under this subsection shall be limited to the environmental consequences of activities authorized under the proposed lease and the cumulative impacts of other past, present, and reasonably foreseeable future actions during the period of the proposed lease.

"(B) Interim leases entered into under this subsection shall be deemed not to prejudice the final property disposal decision, even if final property disposal may be delayed until completion of the interim lease term. An interim lease under this subsection shall not be entered into without prior consultation with the redevelopment authority concerned.

"(C) The provisions of subparagraphs (A) and (B) shall not apply to an interim lease under this subsection if authorized activities under the lease would—

"(i) significantly effect the quality of the human environment; or

"(ii) irreversibly alter the environment in a way that would preclude any reasonable disposal alternative of the property concerned.".

SEC. 2830C. SENSE OF THE CONGRESS REGARDING FITZSIMONS ARMY MEDICAL CENTER, COLORADO.

(a) FINDINGS.—The Congress finds that—

(1) Fitzsimons Army Medical Center in Aurora, Colorado has been recommended for closure in 1995 under the Defense Base Closure and Realignment Act of 1990;

(2) The University of Colorado Health Sciences Center and the University of Colorado Hospital Authority are in urgent need of space to maintain their ability to deliver health care to meet the growing demand for their services;

(3) Reuse of the Fitzsimons facility at the earliest opportunity would provide significant benefit to the cities of Aurora and Denver; and

(4) Reuse of the Fitzsimons facility by the local community ensures that the property is fully utilized by providing a benefit to the community.

(b) SENSE OF CONGRESS.—Therefore, it is the sense of Congress that upon acceptance of the Base Closure list:

(1) The Federal screening process for all military installations, including Fitzsimons Army Medical Center should be accomplished at the earliest opportunity;

(2) To the extent possible, the Secretary of the military departments should consider on an expedited basis transferring appropriate facilities to Local Redevelopment Authorities while still operational to ensure continuity of use to all parties concerned, in particular, the Secretary of the Army should consider an expedited transfer of Fitzsimons Army Medical Center because of significant preparations underway by the Local Redevelopment Authority;

(3) The Secretaries should not enter into leases with Local Redevelopment Authorities until the Secretary concerned has established that the lease falls within the categorical exclusions established by the Military Departments pursuant to the National Environmental Policy Act (42 U.S.C. 4321 et seq.);

(4) This section is in no way intended to circumvent the decisions of the 1995 BRAC or other applicable laws.

(c) REPORT.—180 days after the enactment of this Act the Secretary of the Army shall provide a report to the appropriate committees of the Congress on the Fitzsimons Army Medical Center that covers:

(1) The results of the Federal screening process for Fitzsimons and any actions that have been taken to expedite the review;

(2) Any impediments raised during the Federal screening process to the transfer or lease of Fitzsimons Army Medical Center;

(3) Any actions taken by the Secretary of the Army to lease the Fitzsimons Army Medical Center to the local redevelopment authority;

(4) The results of any environmental reviews under the National Environmental Policy Act in which such a lease would fall into the categorical exclusions established by the Secretary of the Army; and

(5) The results of the environmental baseline survey and a finding of suitability or nonsuitability.

Subtitle C—Land Conveyances

SEC. 2831. LAND ACQUISITION OR EXCHANGE, SHAW AIR FORCE BASE, SOUTH CAROLINA.

(a) LAND ACQUISITION.—The Secretary of the Air Force may, by means of an exchange of property, acceptance as a gift, or other means that does not require the use of appropriated funds, acquire all right, title, and interest in and to a parcel of real property (together with any improvements thereon) consisting of approximately 1,100 acres that is located adjacent to the eastern end of Shaw Air Force Base, South Carolina, and extends to Stamey Livestock Road in Sumter County, South Carolina.

(b) ACQUISITION THROUGH EXCHANGE OF LANDS.—For purposes of acquiring the real property described in subsection (a) by means of an exchange of lands, the Secretary may convey all right, title, and interest of the United States in and to a parcel of real property in the possession of the Air Force if—

(1) the Secretary determines that the land exchange is in the best interests of the Air Force; and

(2) the fair market value of the Air Force parcel to be conveyed does not exceed the fair market value of the parcel to be acquired.

(c) REVERSION OF GIFT CONVEYANCE.—If the Secretary acquires the real property described in subsection (a) by way of gift, the Secretary may accept in the deed of conveyance terms or conditions requiring that the land be reconveyed to the donor, or the donor's heirs, if Shaw Air Force Base ceases operations and is closed.

(d) DETERMINATIONS OF FAIR MARKET VALUE.—The Secretary shall determine the fair market value of the parcels of real property to be acquired pursuant to subsection (a) or acquired and conveyed pursuant to subsection (b). Such determinations shall be final.

(e) DESCRIPTIONS OF PROPERTY.—The exact acreage and legal descriptions of the parcels of real property to be acquired pursuant to subsection (a) or acquired and conveyed pursuant to subsection (b) shall be determined by surveys that are satisfactory to the Secretary.

(f) ADDITIONAL TERMS AND CONDITIONS.—The Secretary may require such additional terms and conditions in connection with the acquisition under subsection (a) or the acquisition and conveyance under subsection (b) as the Secretary considers appropriate to protect the interests of the United States.

SEC. 2832. AUTHORITY FOR PORT AUTHORITY OF STATE OF MISSISSIPPI TO USE CERTAIN NAVY PROPERTY IN GULFPORT, MISSISSIPPI.

(a) JOINT USE AGREEMENT AUTHORIZED.—The Secretary of the Navy may enter into an agreement with the Port Authority of the State of Mississippi (in this section referred to as the "Port Authority"), under which the Port Authority may use up to 50 acres of real property and associated facilities located at the Naval Construction Battalion Center, Gulfport, Mississippi (in this section referred to as the "Center").

(b) TERM OF AGREEMENT.—The agreement authorized under subsection (a) may be for an initial period of not more than 15 years. Under the agreement, the Secretary shall provide the Port Authority with an option to extend the agreement for 3 additional periods of 5 years each and for such additional periods as the Secretary and the Port Authority mutually agree.

(c) RESTRICTIONS ON USE.—The agreement authorized under subsection (a) shall require the Port Authority—

(1) to suspend operations at the Center in the event that Navy contingency operations are conducted at the Center; and

(2) to use the property covered by the agreement in a manner consistent with the Navy operations at the Center.

(d) CONSIDERATION.—(1) As consideration for the use of the property covered by the agreement under subsection (a), the Port Authority shall pay to the Navy an amount equal to the fair market rental value of the property, as determined by the Secretary taking into consideration the nature and extent of the Port Authority's use of the property.

(2) The Secretary may include a provision in the agreement requiring the Port Authority—

(A) to pay the Navy an amount (as determined by the Secretary) to cover the costs of replacing at the Center any facilities vacated by the Navy on account of the agreement or to construct suitable replacement facilities for the Navy; and

(B) to pay the Navy an amount (as determined by the Secretary) for the costs of relocating Navy operations from the vacated facilities to the replacement facilities.

(e) CONGRESSIONAL NOTIFICATION.—The Secretary may not enter into the agreement authorized by subsection (a) until the end of the 21-day period beginning on the date on which the Secretary submits to Congress a report containing an explanation of the terms of the proposed agreement and a description of the consideration that the Secretary expects to receive under the agreement.

(f) USE OF PAYMENT.—(1) The Secretary may use amounts received under subsection (d)(1) to pay for general supervision, administration, and overhead expenses and for improvement, maintenance, repair, construction, or restoration of facilities at the Center or of the roads and railways serving the Center.

(2) The Secretary may use amounts received under subsection (d)(2) to pay for constructing new facilities, or making modifications to existing facilities, that are necessary to replace facilities vacated by the Navy on account of the agreement under subsection (a) and for relocating operations of the Navy from the vacated facilities to replacement facilities.

(g) CONSTRUCTION BY PORT AUTHORITY.—The Secretary may authorize the Port Authority to demolish existing facilities located on the property covered by the agreement under subsection (a) and, consistent with the restriction provided under subsection (c)(2), construct new facilities on the property for the joint use of the Port Authority and the Navy.

(h) ADDITIONAL TERMS AND CONDITIONS.—The Secretary may require such additional terms and conditions in connection with the agreement authorized under subsection (a) as the Secretary considers appropriate to protect the interests of the United States.

SEC. 2833. CONVEYANCE OF RESOURCE RECOVERY FACILITY, FORT DIX, NEW JERSEY.

(a) AUTHORITY TO CONVEY.—The Secretary of the Army may convey to Burlington County, New Jersey (in this section referred to as the "County"), without consideration, all right, title, and interest of the United States in and to a parcel of real property at Fort Dix, New Jersey, consisting of approximately two acres and containing a resource recovery facility known as the Fort Dix resource recovery facility.

(b) RELATED EASEMENTS.—The Secretary may grant to the County any easement that is necessary for access to and operation of the resource recovery facility conveyed under subsection (a).

(c) REQUIREMENT RELATING TO CONVEYANCE.—The Secretary may not carry out the conveyance of the resource recovery facility authorized in subsection (a) unless the County agrees to accept the facility in its existing condition at the time of conveyance.

(d) CONDITIONS ON CONVEYANCE.—The conveyance of the resource recovery facility authorized by subsection (a) is subject to the following conditions:

(1) That the County provide refuse service and steam service to Fort Dix, New Jersey, at the rate mutually agreed upon by the Secretary and the County and approved by the appropriate Federal or State regulatory authority.

(2) That the County comply with all applicable environmental laws and regulations (including any permit or license requirements) relating to the resource recovery facility.

(3) That, consistent with its ownership of the resource recovery facility conveyed, the County assume full responsibility for operation, maintenance, and repair of the facility and for compliance of the facility with all applicable regulatory requirements.

(4) That the County not commence any expansion of the resource recovery facility without approval of such expansion by the Secretary.

(e) DESCRIPTION OF THE PROPERTY.—The exact legal description of the real property to be conveyed under subsection (a), including the resource recovery facility conveyed therewith, and any easements granted under subsection (b), shall be determined by a survey and by other means satisfactory to the Secretary. The cost of any survey or other services performed at the direction of the Secretary under the authority in the preceding sentence shall be borne by the County.

(f) ADDITIONAL TERMS AND CONDITIONS.—The Secretary may require such additional terms and conditions in connection with the conveyance under subsection (a) and the grant of any easement under subsection (b) as the Secretary considers appropriate to protect the interests of the United States.

SEC. 2834. CONVEYANCE OF WATER AND WASTEWATER TREATMENT PLANTS, FORT GORDON, GEORGIA.

(a) AUTHORITY TO CONVEY.—The Secretary of the Army may convey to the City of Augusta, Georgia (in this section referred to as the "City"), without consideration, all right, title, and interest of the United States in and to two parcels of real property located at Fort Gordon, Georgia, consisting of approximately seven acres each. The parcels are improved with a water filtration plant, a water distribution system with storage tanks, a sewage treatment plant, and a sewage collection system.

(b) RELATED EASEMENTS.—The Secretary may grant to the City any easement that is necessary for access to the real property conveyed under subsection (a) and operation of the conveyed facilities.

(c) REQUIREMENT RELATING TO CONVEYANCE.—The Secretary may not carry out the conveyance of the water and wastewater treatment plants and water and wastewater distribution and collection systems authorized in subsection (a) unless the City agrees to accept the plants and systems in their existing condition at the time of conveyance.

(d) CONDITIONS ON CONVEYANCE.—The conveyance authorized by subsection (a) is subject to the following conditions:

(1) That the City provide water and sewer service to Fort Gordon, Georgia, at a rate mutually agreed upon by the Secretary and the City and approved by the appropriate Federal or State regulatory authority.

(2) That the City comply with all applicable environmental laws and regulations (including any permit or license requirements) relating to the water and wastewater treatment plants and water and wastewater distribution and collection systems conveyed under that subsection.

(3) That, consistent with its ownership of the water and wastewater treatment plants and water and wastewater distribution and collection systems conveyed, the City assume full responsibility for operation, maintenance, and repair of the plants and water and systems conveyed under that subsection and for compliance

of the plants and systems with all applicable regulatory requirements.

(4) That the City not commence any expansion of the water or wastewater treatment plant or water or wastewater distribution or collection system conveyed under that subsection without approval of such expansion by the Secretary.

(e) DESCRIPTION OF PROPERTY.—The exact legal description of the real property to be conveyed under subsection (a), including the water and wastewater treatment plants and water and wastewater distribution and collection systems conveyed therewith, and of any easements granted under subsection (b), shall be determined by a survey and by other means satisfactory to the Secretary. The cost of any survey or other services performed at the direction of the Secretary under the authority in the preceding sentence shall be borne by the City.

(f) ADDITIONAL TERMS AND CONDITIONS.—The Secretary may require such additional terms and conditions in connection with the conveyance under subsection (a) and the grant of any easement under subsection (b) as the Secretary considers appropriate to protect the interests of the United States.

SEC. 2835. CONVEYANCE OF WATER TREATMENT PLANT, FORT PICKETT, VIRGINIA.

(a) AUTHORITY TO CONVEY.—(1) The Secretary of the Army may convey to the Town of Blackstone, Virginia (in this section referred to as the "Town"), without consideration, all right, title, and interest of the United States in and to the property described in paragraph (2).

(2) The property referred to in paragraph (1) is the following property located at Fort Pickett, Virginia:

(A) A parcel of real property consisting of approximately 10 acres, including a reservoir and improvements thereon, the site of the Fort Pickett water treatment plant.

(B) Any equipment, fixtures, structures, or other improvements (including any water transmission lines, water distribution and service lines, fire hydrants, water pumping stations, and other improvements) not located on the parcel described in subparagraph (A) that are jointly identified by the Secretary and the Town as owned and utilized by the Federal Government in order to provide water to and distribute water at Fort Pickett.

(b) RELATED EASEMENTS.—The Secretary may grant to the Town the following easements relating to the conveyance of the property authorized by subsection (a):

(1) Such easements, if any, as the Secretary and the Town jointly determine are necessary in order to provide access to the water distribution system referred to in paragraph (2) of such subsection for maintenance, safety, and other purposes.

(2) Such easements, if any, as the Secretary and the Town jointly determine are necessary in order to provide access to the finished water lines from the system to the Town.

(3) Such rights of way appurtenant, if any, as the Secretary and the Town jointly determine are necessary in order to satisfy requirements imposed by any Federal, State, or municipal agency relating to the maintenance of a buffer zone around the water distribution system.

(c) WATER RIGHTS.—The Secretary shall grant to the Town as part of the conveyance under subsection (a) all right, title, and interest of the United States in and to any water of the Nottoway River, Virginia, that is connected with the reservoir referred to in paragraph (2)(A) of such subsection.

(d) REQUIREMENTS RELATING TO CONVEYANCE.—(1) The Secretary may not carry out the conveyance of the water distribution system authorized under subsection (a) unless the Town agrees to accept the system in its existing condition at the time of the conveyance.

(2) The Secretary shall complete any environmental removal or remediation required under the Comprehensive Environmental Response, Compensation, and Liability Act of 1980 (42 U.S.C. 9601 et seq.) with respect to the system to be conveyed under this section before carrying out the conveyance.

(e) CONDITIONS.—The conveyance authorized in subsection (a) shall be subject to the following conditions:

(1) That the Town reserve for provision to Fort Pickett, and provide to Fort Pickett on demand, not less than 1,500,000 million gallons per day of treated water from the water distribution system.

(2) That the Town provide water to and distribute water at Fort Pickett at a rate that is no less favorable than the rate that the Town would charge a public or private entity similar to Fort Pickett for the provision and distribution of water.

(3) That the Town maintain and operate the water distribution system in compliance with all applicable Federal and State environmental laws and regulations (including any permit and license requirements).

(f) DESCRIPTION OF PROPERTY.—The exact legal description of the property to be conveyed under subsection (a), of any easements granted under subsection (b), and of any water rights granted under subsection (c) shall be determined by a survey and other means satisfactory to the Secretary. The cost of any survey or other services performed at the direction of the Secretary under the authority in the preceding sentence shall be borne by the Town.

(g) ADDITIONAL TERMS AND CONDITIONS.—The Secretary may require such additional terms and conditions in connection with the conveyance authorized under subsection (a), the easements granted under subsection (b), and the water rights granted under subsection (c) that the Secretary considers appropriate to protect the interests of the United States.

SEC. 2836. CONVEYANCE OF ELECTRIC POWER DISTRIBUTION SYSTEM, FORT IRWIN, CALIFORNIA.

(a) AUTHORITY TO CONVEY.—(1) The Secretary of the Army may convey to the Southern California Edison Company, California (in this section referred to as the "Company"), without consideration, all right, title, and interest of the United States in and to the electric power distribution system described in subsection (b).

(2) The Secretary may not convey any real property under the authority in paragraph (1).

(b) COVERED SYSTEM.—The electric power distribution system referred to in subsection (a) is the electric power distribution system located at Fort Irwin, California, and includes the equipment, fixtures, structures, and other improvements (including approximately 115 miles of electrical distribution lines, poles, switches, reclosers, transformers, regulators, switchgears, and service lines) that the Federal Government utilizes to provide electric power at Fort Irwin.

(c) RELATED EASEMENTS.—The Secretary may grant to the Company any easement that is necessary for access to and operation of the electric power distribution system conveyed under subsection (a).

(d) REQUIREMENT RELATING TO CONVEYANCE.—The Secretary may not carry out the conveyance of the electric power distribution system authorized in subsection (a) unless the Company agrees to accept that system in its existing condition at the time of the conveyance.

(e) CONDITIONS ON CONVEYANCE.—The conveyance authorized by subsection (a) is subject to the following conditions:

(1) That the Company provide electric power to Fort Irwin, California, at a rate mutually agreed upon by the Secretary and the Company and approved by the appropriate Federal or State regulatory authority.

(2) That the Company comply with all applicable environmental laws and regulations (including any permit or license requirements) relating to the electric power distribution system.

(3) That, consistent with its ownership of the electric power distribution system conveyed, the Company assume full responsibility for operation, maintenance, and repair of the system and for compliance of the system with all applicable regulatory requirements.

(4) That the Company not commence any expansion of the electric power distribution system without approval of such expansion by the Secretary.

(f) DESCRIPTION OF PROPERTY.—The exact legal description of the electric power distribution system to be conveyed pursuant to subsection (a), including any easement granted under subsection (b), shall be determined by a survey and by other means satisfactory to the Secretary. The cost of any survey or other services performed at the direction of the Secretary pursuant to the authority in the preceding sentence shall be borne by the Company.

(g) ADDITIONAL TERMS AND CONDITIONS.—The Secretary may require such additional terms and conditions in connection with the conveyance under subsection (a) and the grant of any easement under subsection (b) as the Secretary considers appropriate to protect the interests of the United States.

SEC. 2837. LAND EXCHANGE, FORT LEWIS, WASHINGTON.

(a) IN GENERAL.—(1) The Secretary of the Army may convey to the Weyerhaeuser Real Estate Company, Washington (in this section referred to as the "Company"), all right, title, and interest of the United States in and to the parcels of real property described in paragraph (2).

(2) The authority in paragraph (1) applies to the following parcels of real property located on the Fort Lewis Military Reservation, Washington:

(A) An unimproved portion of Tract 1000 (formerly being in the DuPont-Steilacoom Road), consisting of approximately 1.23 acres.

(B) Tract 26E, consisting of approximately 0.03 acres.

(b) CONSIDERATION.—As consideration for the conveyance authorized by subsection (a), the Company shall—

(1) convey (or acquire and then convey) to the United States all right, title, and interest in and to a parcel of real property consisting of approximately 0.39 acres, together with improvements thereon, located within the boundaries of Fort Lewis Military Reservation;

(2) construct an access road from Pendleton Street to the DuPont Recreation Area and a walkway path through DuPont Recreation Area;

(3) construct as improvements to the recreation area a parking lot, storm drains, perimeter fencing, restroom facilities, and initial grading of the DuPont baseball fields; and

(4) provide such other consideration as may be necessary (as determined by the Secretary) to ensure that the fair market value of the consideration provided by the Company under this subsection is not less than the fair market value of the parcels of real property conveyed under subsection (a).

(c) DETERMINATIONS OF FAIR MARKET VALUE.—The determinations of the Secretary regarding the fair market value of the real property to be conveyed pursuant to subsections (a) and (b), and of any other consideration provided by the Company under subsection (b), shall be final.

(d) TREATMENT OF OTHER INTERESTS IN PARCELS TO BE CONVEYED.—The Secretary may enter into an agreement with the appropriate officials of Pierce County, Washington, which provides for—

(1) Pierce County to release the existing reversionary interest of Pierce County in the parcels of real property to be conveyed by the United States under subsection (a); and

(2) the United States, in exchange for the release, to convey or grant to Pierce County an interest in the parcel of real property conveyed to the United States under subsection (b)(1) that is similar in effect (as to that parcel) to the reversionary interest released by Pierce County under paragraph (1).

(e) DESCRIPTION OF PROPERTY.—The exact acreages and legal descriptions of the parcels of real property to be conveyed under subsections (a) and (b) shall be determined by surveys satisfactory to the Secretary. The cost of such surveys shall be borne by the Company.

(f) ADDITIONAL TERMS AND CONDITIONS.—The Secretary may require any additional terms and conditions in connection with the conveyances under this section that the Secretary considers appropriate to protect the interest of the United States.

SEC. 2838. LAND CONVEYANCE, NAVAL SURFACE WARFARE CENTER, MEMPHIS, TENNESSEE.

(a) AUTHORITY TO CONVEY.—The Secretary of the Navy may convey to the Memphis and Shelby County Port Commission, Memphis, Tennessee (in this section referred to as the "Port"), all right, title, and interest of the United States in and to a parcel of real property (including any improvements thereon) consisting of approximately 26 acres that is located at the Carderock Division, Naval Surface Warfare Center, Memphis Detachment, Presidents Island, Memphis, Tennessee.

(b) CONSIDERATION.—As consideration for the conveyance of real property under subsection (a), the Port shall—

(1) grant to the United States a restrictive easement in and to a parcel of real property consisting of approximately 100 acres that is adjacent to the Memphis Detachment, Presidents Island, Memphis, Tennessee; and

(2) if the fair market value of the easement granted under paragraph (1) exceeds the fair market value of the real property conveyed under subsection (a), provide the United States such additional consideration as the Secretary and the Port jointly determine appropriate so that the value of the consideration received by the United States under this subsection is equal to or greater than the fair market value of the real property conveyed under subsection (a).

(c) CONDITION OF CONVEYANCE.—The conveyance authorized by subsection (a) shall be carried out in accordance with the provisions of the Land Exchange Agreement between the United States of America and the Memphis and Shelby County Port Commission, Memphis, Tennessee.

(d) DETERMINATION OF FAIR MARKET VALUE.—The Secretary shall determine the fair market value of the real property to be conveyed under subsection (a) and of the easement to be granted under subsection (b)(1). Such determinations shall be final.

(e) USE OF PROCEEDS.—The Secretary shall deposit any proceeds received under subsection (b)(2) as consideration for the conveyance of real property authorized under subsection (a) in the special account established pursuant to section 204(h) of the Federal Property and Administrative Services Act of 1949 (40 U.S.C. 485(h)).

(f) DESCRIPTION OF PROPERTY.—The exact acreage and legal description of the real property to be conveyed under subsection (a) and the easement to be granted under subsection (b)(1) shall be determined by surveys satisfactory to the Secretary. The cost of the surveys shall be borne by the Port.

(g) ADDITIONAL TERMS AND CONDITIONS.—The Secretary may require such additional terms and conditions in connection with the conveyance authorized by subsection (a) and the easement granted under subsection (b)(1) as the Secretary considers appropriate to protect the interests of the United States.

SEC. 2839. LAND CONVEYANCE, RADAR BOMB SCORING SITE, FORSYTH, MONTANA.

(a) AUTHORITY TO CONVEY.—The Secretary of the Air Force may convey, without consideration, to the City of Forsyth, Montana (in this section referred to as the "City"), all right, title, and interest of the United States in and to the parcel of property (including any improvements thereon) consisting of approximately 58 acres located in Forsyth, Montana, which has served as a support complex and recreational facilities for the Radar Bomb Scoring Site, Forsyth, Montana.

(b) CONDITION OF CONVEYANCE.—The conveyance under subsection (a) shall be subject to the condition that the City—

(1) utilize the property and recreational facilities conveyed under that subsection for housing and recreation purposes; or

(2) enter into an agreement with an appropriate public or private entity to lease such property and facilities to that entity for such purposes.

(c) REVERSION.—If the Secretary determines at any time that the property conveyed under subsection (a) is not being utilized in accordance with paragraph (1) or paragraph (2) of subsection (b), all right, title, and interest in and to the conveyed property, including any improvements thereon, shall revert to the United States and the United States shall have the right of immediate entry onto the property.

(d) DESCRIPTION OF PROPERTY.—The exact acreage and legal description of the property conveyed under this section shall be determined by a survey satisfactory to the Secretary. The cost of such survey shall be borne by the City.

(e) ADDITIONAL TERMS AND CONDITIONS.—The Secretary may require such additional terms and conditions in connection with the conveyance under this section as the Secretary determines appropriate to protect the interests of the United States.

SEC. 2840. LAND CONVEYANCE, RADAR BOMB SCORING SITE, POWELL, WYOMING.

(a) AUTHORITY TO CONVEY.—The Secretary of the Air Force may convey, without consideration, to the Northwest College Board of Trustees (in this section referred to as the "Board"), all right, title, and interest of the United States in and to a parcel of real property (including any improvements thereon) consisting of approximately 24 acres located in Powell, Wyoming, which has served as the location of a support complex, recreational facilities, and housing facilities for the Radar Bomb Scoring Site, Powell, Wyoming.

(b) CONDITION OF CONVEYANCE.—The conveyance authorized under subsection (a) shall be subject to the condition that the Board use the property conveyed under that subsection for housing and recreation purposes and for such other purposes as the Secretary and the Board jointly determine appropriate.

(c) REVERSIONARY INTEREST.—During the 5-year period beginning on the date that the Secretary makes the conveyance authorized under subsection (a), if the Secretary determines that the conveyed property is not being used in accordance with subsection (b), all right, title, and interest in and to the conveyed property, including any improvements thereon, shall revert to the United States and the United States shall have the right of immediate entry onto the property.

(d) DESCRIPTION OF PROPERTY.—The exact acreage and legal description of the property conveyed under this section shall be determined by a survey satisfactory to the Secretary. The cost of the survey shall be borne by the Board.

(e) ADDITIONAL TERMS AND CONDITIONS.—The Secretary may require such additional terms and conditions in connection with the conveyance under this section as the Secretary considers appropriate to protect the interests of the United States.

SEC. 2841. REPORT ON DISPOSAL OF PROPERTY, FORT ORD MILITARY COMPLEX, CALIFORNIA.

Not later than 60 days after the date of the enactment of this Act, the Secretary of Defense shall submit to Congress a report describing the plans of the Secretary for the disposal of a parcel of real property consisting of approximately 477 acres at the former Fort Ord Military Complex, California, including the Black Horse Golf Course, the Bayonet Golf Course, and a portion of the Hayes Housing Facility.

SEC. 2842. LAND CONVEYANCE, NAVY PROPERTY, FORT SHERIDAN, ILLINOIS.

(a) AUTHORITY TO CONVEY.—Subject to subsections (b) and (l), the Secretary of the Navy may convey to any transferee selected under subsection (i) all right, title, and interest of the United States in and to a parcel of real property (including any improvements thereon) at Fort Sheridan, Illinois, consisting of approximately 182 acres and comprising the Navy housing areas at Fort Sheridan.

(b) REQUIREMENT FOR FEDERAL SCREENING OF PROPERTY.—The Secretary may not carry out the conveyance of property authorized by subsection (a) unless the Secretary determines that no department or agency of the Federal Government will accept the transfer of the property.

(c) CONSIDERATION.—(1) As consideration for the conveyance under subsection (a), the transferee selected under subsection (i) shall—

(A) convey to the United States a parcel of real property that meets the requirements of subsection (d);

(B) design for and construct on the property conveyed under subparagraph (A) such housing facilities (including support facilities and infrastructure) to replace the housing facilities conveyed pursuant to the authority in subsection (a) as the Secretary considers appropriate;

(C) pay the cost of relocating Navy personnel residing in the housing facilities located on the real property conveyed pursuant to the authority in subsection (a) to the housing facilities constructed under subparagraph (B);

(D) provide for the education of dependents of such personnel under subsection (e); and

(E) carry out such activities for the maintenance and improvement of the facilities constructed under subparagraph (B) as the Secretary and the transferee jointly determine appropriate.

(2) The Secretary shall ensure that the fair market value of the consideration provided by the transferee under paragraph (1) is not less than the fair market value of the property interest conveyed by the Secretary under subsection (a).

(d) REQUIREMENTS RELATING TO PROPERTY TO BE CONVEYED TO UNITED STATES.—The property interest conveyed to the United States under subsection (c)(1)(A) by the transferee selected under subsection (i) shall—

(1) be located not more than 25 miles from the Great Lakes Naval Training Center, Illinois;

(2) be located in a neighborhood or area having social and economic conditions similar to the social and economic conditions of the area in which Fort Sheridan is located; and

(3) be acceptable to the Secretary.

(e) EDUCATION OF DEPENDENTS OF NAVY PERSONNEL.—In providing for the education of dependents of Navy personnel under subsection (c)(1)(D), the transferee selected under subsection (i) shall ensure that such dependents may enroll at the schools of one or more school districts in the vicinity of the real property conveyed to the United States under subsection (c)(1)(A) which schools and districts—

(1) meet such standards for schools and schools districts as the Secretary shall establish; and

(2) will continue to meet such standards after the enrollment of such dependents regardless of the receipt by such school districts of Federal impact aid.

(f) INTERIM RELOCATION OF NAVY PERSONNEL.—Pending completion of the construction of all the housing facilities proposed to be constructed under subsection (c)(1)(B) by the transferee selected under subsection (i), the Secretary may relocate Navy personnel residing in housing facilities located on the property to be conveyed pursuant to the authority in subsection (a) to the housing facilities that have been constructed by the transferee under such subsection (c)(1)(B).

(g) APPLICABILITY OF CERTAIN AGREEMENTS.—The property conveyed by the Secretary pursuant to the authority in subsection (a) shall be subject to the Memorandum of Understanding concerning the Transfer of Certain Properties at Fort Sheridan, Illinois, dated August 8, 1991, between the Department of the Army and the Department of the Navy.

(h) DETERMINATION OF FAIR MARKET VALUE.—The Secretary shall determine the fair market value of the real property interest to be conveyed under subsection (a) and of the consideration to be provided under subsection (c)(1). Such determination shall be final.

(i) SELECTION OF TRANSFEREE.—(1) The Secretary shall use competitive procedures for the selection of a transferee under subsection (a).

(2) In evaluating the offers of prospective transferees, the Secretary shall—

(A) consider the technical sufficiency of the offers and the adequacy of the offers in meeting the requirements for consideration set forth in subsection (c)(1); and

(B) consult with the communities and jurisdictions in the vicinity of Fort Sheridan (including the City of Lake Forest, the City of Highwood, and the City of Highland Park and the County of Lake) in order to determine the most appropriate use of the property to be conveyed.

(j) DESCRIPTIONS OF PROPERTY.—The exact acreage and legal descriptions of the real property to be conveyed by the Secretary under subsection (a) and the real property to be conveyed under subsection (c)(1)(A) shall be determined by surveys satisfactory to the Secretary. The cost of such surveys shall be borne by the transferee selected under subsection (i).

(k) ADDITIONAL TERMS AND CONDITIONS.—The Secretary may require such additional terms and conditions in connection with the conveyances under this section as the Secretary considers appropriate to protect the interests of the United States.

SEC. 2843. LAND CONVEYANCE, ARMY RESERVE PROPERTY, FORT SHERIDAN, ILLINOIS.

(a) AUTHORITY TO CONVEY.—Subject to subsection (b), the Secretary of the Army may convey to any transferee selected under subsection (g) all right, title, and interest of the United States in and to a parcel of real property (including improvements thereon) at Fort Sheridan, Illinois, consisting of approximately 114 acres and comprising an Army Reserve area.

(b) REQUIREMENT FOR FEDERAL SCREENING OF PROPERTY.—The Secretary may not carry out the conveyance of property authorized by subsection (a) unless the Secretary determines that no department or agency of the Federal Government will accept the transfer of the property.

(c) CONSIDERATION.—(1) As consideration for the conveyance under subsection (a), the transferee selected under subsection (g) shall—

(A) convey to the United States a parcel of real property that meets the requirements of subsection (d);

(B) design for and construct on the property conveyed under subparagraph (A) such facilities (including support facilities and infrastructure) to replace the facilities conveyed pursuant to the authority in subsection (a) as the Secretary considers appropriate; and

(C) pay the cost of relocating Army personnel in the facilities located on the real property conveyed pursuant to the authority in subsection (a) to the facilities constructed under subparagraph (B).

(2) The Secretary shall ensure that the fair market value of the consideration provided by the transferee under paragraph (1) is not less than the fair market value of the real property conveyed by the Secretary under subsection (a).

(d) REQUIREMENTS RELATING TO PROPERTY TO BE CONVEYED TO UNITED STATES.—The real property conveyed to the United States under subsection (c)(1)(A) by the transferee selected under subsection (g) shall—

(1) be located not more than 25 miles from Fort Sheridan;

(2) be located in a neighborhood or area having social and economic conditions similar to the social and economic conditions of the area in which Fort Sheridan is located; and

(3) be acceptable to the Secretary.

(e) INTERIM RELOCATION OF ARMY PERSONNEL.—Pending completion of the construction of all the facilities proposed to be constructed under subsection (c)(1)(B) by the transferee selected under subsection (g), the Secretary may relocate Army personnel in the facilities located on the property to be conveyed pursuant to the authority in subsection (a) to the facilities that have been constructed by the transferee under such subsection (c)(1)(B).

(f) DETERMINATION OF FAIR MARKET VALUE.—The Secretary shall determine the fair market value of the real property to be conveyed under subsection (a) and of the consideration to be provided under subsection (c)(1). Such determination shall be final.

(g) SELECTION OF TRANSFEREE.—(1) The Secretary shall use competitive procedures for the selection of a transferee under subsection (a).

(2) In evaluating the offers of prospective transferees, the Secretary shall—

(A) consider the technical sufficiency of the offers and the adequacy of the offers in meeting the requirements for consideration set forth in subsection (c)(1); and

(B) consult with the communities and jurisdictions in the vicinity of Fort Sheridan (including the City of Lake Forest, the City of Highwood, and the City of Highland Park and the County of Lake) in order to determine the most appropriate use of the property to be conveyed.

(h) DESCRIPTIONS OF PROPERTY.—The exact acreage and legal descriptions of the real property to be conveyed by the Secretary under subsection (a) and the real property to be conveyed under subsection (c)(1)(A) shall be determined by surveys satisfactory to the Secretary. The cost of such surveys shall be borne by the transferee selected under subsection (g).

(i) ADDITIONAL TERMS AND CONDITIONS.—The Secretary may require such additional terms and conditions in connection with the conveyances under this section as the Secretary considers appropriate to protect the interests of the United States.

SEC. 2844. LAND CONVEYANCE, NAVAL COMMUNICATIONS STATION, STOCKTON, CALIFORNIA.

(a) AUTHORITY TO CONVEY.—The Secretrary of the Navy may, upon the concurrence of the Administrator of General Services and the Secretary of Housing and Urban Development, convey to the Port of Stockton (in this section referred to as the "Port"), all right, title, and interest of the United States in and to a parcel of real property, including any improvements thereon, consisting of approximately 1,450 acres at the Naval Communication Station, Stockton, California.

(b) INTERIM LEASE.—Until such time as the real property described in subsection (a) is conveyed by deed, the Secretary may lease the property, along with improvements thereon, to the Port under terms and conditions satisfactory to the Secretary.

(c) CONSIDERATION.—The conveyance may be as a public benefit conveyance for port development as defined in section 203 of the Federal Property and Administrative Services Act of 1949 (40 U.S.C. 484), as amended, provided the Port satisfies the criteria in section 203 and such regulations as the Administrator of General Services may prescribe to implement that section. Should the Port fail to qualify for a public benefit conveyance and still desire to acquire the property, then the Port shall, as consideration for the conveyance, pay to the United States an amount equal to the fair market value of the property to be conveyed, as determined by the Secretary.

(d) FEDERAL LEASE OF CONVEYED PROPERTY.—Notwithstanding any other provision of law, as a condition for transfer of this property under subparagraph (a), the Secretary may require that the Port agree to lease all or a part of the property currently under Federal use at the time of conveyance to the United States for use by the Department of Defense or any other Federal agency under the same terms and conditions now presently in force. Such terms and conditions will continue to include payment (to the Port) for maintenance of facilities leased to the Federal Government. Such maintenance of the Federal premises shall be to the reasonable satisfaction of the United States, or as required by all applicable Federal, State and local laws and ordinances.

(e) DESCRIPTION OF PROPERTY.—The exact acreage and legal description of the property to be conveyed under subsection (a) shall be determined by a survey satisfactory to the Secretary. The cost of such survey shall be borne by Port

(f) ADDITIONAL TERMS.—The Secretary may require such additional terms and conditions in connection with the conveyance under subsection (a) or the lease under subsection (b) as the Secretary considers appropriate to protect the interests of the United States.

(g) ENVIRONMENTAL QUALITY OF PROPERTY.—Any contract for sale, deed, or other transfer of real property under this section shall be carried out in compliance with section 120(h) of the CERCLA (42 U.S.C. 9620(h)) and other environmental laws.

SEC. 2845. LAND CONVEYANCE, WILLIAM LANGER JEWEL BEARING PLANT, ROLLA, NORTH DAKOTA.

(a) AUTHORITY TO CONVEY.—The Administrator of General Services may convey, without consideration, to the Job Development Authority of the City of Rolla, North Dakota (in this section referred to as the "Authority"), all right, title, and interest of the United States in and to a parcel of real property, with improvements thereon and all associated personal property, consisting of approximately 9.77 acres and comprising the William Langer Jewel Bearing Plant in Rolla, North Dakota.

(b) CONDITION OF CONVEYANCE.—The conveyance authorized under subsection (a) shall be subject to the condition that the Authority—

(1) use the real and personal property and improvements conveyed under that subsection for economic development relating to the jewel bearing plant;

(2) enter into an agreement with an appropriate public or private entity or person to lease such property and improvements to that entity or person for such economic development; or

(3) enter into an agreement with an appropriate public or private entity or person to sell

such property and improvements to that entity or person for such economic development.

(c) PREFERENCE FOR DOMESTIC DISPOSAL OF JEWEL BEARINGS.—(1) In offering to enter into agreements pursuant to any provision of law for the disposal of jewel bearings from the National Defense Stockpile, the President shall give a right of first refusal on all such offers to the Authority or to the appropriate public or private entity or person with which the Authority enters into an agreement under subsection (b).

(2) For the purposes of this section, the term "National Defense Stockpile" means the stockpile provided for in section 4 of the Strategic and Critical Materials Stock Piling Act (50 U.S.C. 98(c)).

(d) AVAILABILITY OF FUNDS FOR MAINTENANCE AND CONVEYANCE OF PLANT.—Notwithstanding any other provision of law, funds available in fiscal year 1995 for the maintenance of the William Langer Jewel Bearing Plant in Public Law 103–335 shall be available for the maintenance of that plant in fiscal year 1996, pending conveyance, and for the conveyance of that plant under this section.

(e) DESCRIPTION OF PROPERTY.—The exact acreage and legal description of the property conveyed under this section shall be determined by a survey satisfactory to the Administrator. The cost of such survey shall be borne by the Administrator.

(f) ADDITIONAL TERMS AND CONDITIONS.—The Administrator may require such additional terms and conditions in connection with the conveyance under this section as the Administrator determines appropriate to protect the interests of the United States.

SEC. 2846. LAND EXCHANGE, UNITED STATES ARMY RESERVE CENTER, GAINESVILLE, GEORGIA.

(a) IN GENERAL.—The Secretary of the Army may convey to the City of Gainesville, Georgia (in this section referred to as the "City"), all right, title, and interest of the United States in and to a parcel of real property (together with any improvements thereon) consisting of approximately 4.2 acres located on Shallowford Road, in the City of Gainesville, Georgia.

(b) CONSIDERATION.—As consideration for the conveyance authorized by subsection (a), the city shall—

(1) convey to the United States all right, title, and interest in and to a parcel of real property consisting of approximately 8 acres of land, acceptable to the Secretary, in the Atlas Industrial Park, Gainesville, Georgia;

(2) design and construct on such real property suitable replacement facilities in accordance with the requirements of the Secretary, for the training activities of the United States Army Reserve;

(3) fund and perform any environmental and cultural resource studies, analysis, documentation that may be required in connection with the land exchange and construction considered by this section;

(4) reimburse the Secretary for the costs of relocating the United States Army Reserve units from the real property to be conveyed under subsection (a) to the replacement facilities to be constructed by the City under subsection (b)(2). The Secretary shall deposit such funds in the same account used to pay for the relocation;

(5) pay to the United States an amount as may be necessary to ensure that the fair market value of the consideration provided by the City under this subsection is not less than fair market value of the parcel of real property conveyed under subsection (a); and

(6) assume all environmental liability under the Comprehensive Environmental Response, Compensation, and Liability Act (42 U.S.C. 9620(h)) for the real property to be conveyed under subsection (b)(1).

(c) DETERMINATION OF FAIR MARKET VALUE.—The determination of the Secretary regarding the fair market value of the real property to be conveyed pursuant to subsection (a), and of any other consideration provided by the City under subsection (b), shall be final.

(d) DESCRIPTION OF PROPERTY.—The exact acreage and legal description of the parcels of real property to be conveyed under subsections (a) and (b) shall be determined by surveys satisfactory to the Secretary. The cost of such surveys shall be borne by the City.

(e) ADDITIONAL TERMS AND CONDITIONS.—The Secretary may require any additional terms and conditions in connection with the conveyances under this section that the Secretary considers appropriate to protect the interest of the United States.

Subtitle D—Transfer of Jurisdiction and Establishment of Midewin National Tallgrass Prairie

SEC. 2851. SHORT TITLE.

This subtitle may be cited as the "Illinois Land Conservation Act of 1995".

SEC. 2852. DEFINITIONS.

As used in this subtitle:

(1) The term "Administrator" means the Administrator of the Environmental Protection Agency.

(2) The term "agricultural purposes" means, with respect to land, the use of land for row crops, pasture, hay, or grazing.

(3) The term "Arsenal" means the Joliet Army Ammunition Plant located in the State of Illinois.

(4) The term "Arsenal Land Use Concept" refers to the proposals that were developed and unanimously approved on April 8, 1994, by the Joliet Arsenal Citizen Planning Commission.

(5) The term "CERCLA" means the Comprehensive Environmental Response, Compensation, and Liability Act of 1980 (42 U.S.C. 9601 et seq.).

(6) The term "Defense Environmental Restoration Program" means the Defense Environmental Restoration Program established under section 2701 of title 10, United States Code.

(7) The term "environmental law" means all applicable Federal, State, and local laws, regulations, and requirements related to the protection of human health, natural and cultural resources, or the environment, including—

(A) CERCLA;

(B) the Solid Waste Disposal Act (42 U.S.C. 6901 et seq.);

(C) the Federal Water Pollution Control Act (commonly known as the "Clean Water Act"; 33 U.S.C. 1251 et seq.);

(D) the Clean Air Act (42 U.S.C. 7401 et seq.);

(E) the Federal Insecticide, Fungicide, and Rodenticide Act (7 U.S.C. 136 et seq.);

(F) the Toxic Substances Control Act (15 U.S.C. 2601 et seq.); and

(G) title XIV of the Public Health Service Act (commonly known as the "Safe Drinking Water Act") (42 U.S.C. 300f et seq.).

(8) The term "hazardous substance" has the meaning given the term in section 101(14) of CERCLA (42 U.S.C. 9601(14)).

(9) The term "MNP" means the Midewin National Tallgrass Prairie established under section 2853 and managed as part of the National Forest System.

(10) The term "national cemetery" means a cemetery that is part of the National Cemetery System under chapter 24 of title 38, United States Code.

(11) The term "person" has the meaning given the term in section 101(21) of CERCLA (42 U.S.C. 9601(21)).

(12) The term "pollutant or contaminant" has the meaning given the term in section 101(33) of CERCLA (42 U.S.C. 9601(33)).

(13) The term "release" has the meaning given the term in section 101(22) of CERCLA (42 U.S.C. 9601(22)).

(14) The term "response" has the meaning given the term in section 101(25) of CERCLA (42 U.S.C. 9601(25)).

(15) The term "Secretary" means the Secretary of Agriculture.

SEC. 2853. ESTABLISHMENT OF MIDEWIN NATIONAL TALLGRASS PRAIRIE.

(a) ESTABLISHMENT.—On the date of the initial transfer of jurisdiction of portions of the Arsenal to the Secretary under section 2854(a)(1), the Secretary shall establish the MNP described in subsection (b).

(b) DESCRIPTION.—The MNP shall consist of all portions of the Arsenal transferred to the Secretary under this subtitle.

(c) ADMINISTRATION.—The Secretary shall manage the MNP as a part of the National Forest System in accordance with this subtitle and the laws, rules, and regulations pertaining to the National Forests, except that the Bankhead-Jones Farm Tenant Act (7 U.S.C. 1000 et seq.) shall not apply to the MNP.

(d) LAND ACQUISITION FUNDS.—Notwithstanding section 7 of the Land and Water Conservation Fund Act of 1965 (16 U.S.C. 460l–9), money appropriated from the land and water conservation fund established under section 2 of that Act (16 U.S.C. 460l–5) may be used for acquisition of lands and interests in land for inclusion in the MNP.

(e) LAND AND RESOURCE MANAGEMENT PLAN.—The Secretary shall develop a land and resource management plan for the MNP, after consulting with the Illinois Department of Conservation and local governments adjacent to the MNP and providing an opportunity for public comment.

(f) PRE-PLAN MANAGEMENT.—In order to expedite the administration and public use of the MNP, the Secretary may, prior to the development of a land and resource management plan for the MNP under subsection (e), manage the MNP for the purposes described in subsection (g).

(g) PURPOSES OF MNP.—In establishing the MNP, the Secretary shall—

(1) conserve and enhance populations and habitats of fish, wildlife, and plants, including populations of grassland birds, raptors, passerines, and marsh and water birds;

(2) restore and enhance, where practicable, habitats for species listed as threatened or endangered, or proposed to be listed, under section 4 of the Endangered Species Act of 1973 (16 U.S.C. 1533);

(3) provide fish- and wildlife-oriented public uses at levels compatible with the conservation, enhancement, and restoration of native wildlife and plants and the habitats of native wildlife and plants;

(4) provide opportunities for scientific research;

(5) provide opportunities for environmental and land use education;

(6) manage the land and water resources of the MNP in a manner that will conserve and enhance the natural diversity of native fish, wildlife, and plants;

(7) conserve and enhance the quality of aquatic habitat; and

(8) provide for public recreation insofar as the recreation is compatible with paragraphs (1) through (7).

(h) PROHIBITION AGAINST THE CONSTRUCTION OF NEW THROUGH ROADS.—(1) Subject to paragraph (2), no new construction of a highway, public road, or part of the interstate system, whether Federal, State, or local, shall be permitted through or across any portion of the MNP.

(2) This subsection does not preclude—

(A) construction and maintenance of roads for use within the MNP;

(B) the granting of authorizations for utility rights-of-way under applicable Federal, State, or local law;

(C) necessary access by the Secretary of the Army for purposes of restoration and cleanup as provided in this subtitle;

(D) such other access as is necessary.

(i) AGRICULTURAL LEASES AND SPECIAL USE AUTHORIZATIONS.—(1) If, at the time of transfer of jurisdiction under section 2854(a), there exists a lease issued by the Secretary of the Army, Secretary of Defense, or an employee of the Secretary of the Army or the Secretary of Defense, for agricultural purposes on the land transferred, the Secretary, on the transfer of jurisdiction, shall issue a special use authorization. Subject to paragraph (3), the terms of the special use authorization shall be identical in substance to the lease, including terms prescribing the expiration date and any payments owed to the United States. On issuance of the special use authorization, the lease shall become void.

(2) The Secretary may issue a special use authorization to a person for use of the MNP for agricultural purposes. The special use authorization shall require payment of a rental fee, in advance, that is based on the fair market value of the use allowed. Fair market value shall be determined by appraisal or a competitive bidding process. Subject to paragraph (3), the special use authorization shall include such terms and conditions as the Secretary considers appropriate.

(3) No special use authorization shall be issued under this subsection that has a term extending beyond the date that is 20 years after the date of enactment of this Act, unless the special use authorization is issued primarily for purposes related to—

(A) erosion control;

(B) provision for food and habitat for fish and wildlife; or

(C) resource management activities consistent with the purposes of the MNP.

(j) TREATMENT OF RENTAL FEES.—Funds received under a special use authorization issued under subsection (i) shall be subject to distribution to the State of Illinois and affected counties in accordance with the Act of May 23, 1908 (35 Stat. 260, chapter 192; 16 U.S.C. 500) and section 13 of the Act of March 1, 1911 (36 Stat. 963, chapter 186; 16 U.S.C. 500). All funds not distributed under such Acts shall be credited to an MNP Rental Fee Account, to be maintained by the Secretary of the Treasury. Amounts in the Account shall remain available until expended, without fiscal year limitation. The Secretary may use funds in the Account to carry out prairie-improvement work. Any funds in the account that the Secretary determines to be in excess of the cost of doing prairie-improvement work shall be transferred, on the determination, to miscellaneous receipts, Forest Service Fund, as a National Forest receipt for the fiscal year in which the transfer is made.

(k) USER FEES.—The Secretary may charge reasonable fees for the admission, occupancy, and use of the MNP and may prescribe a fee schedule providing for a reduction or a waiver of fees for a person engaged in an activity authorized by the Secretary, including volunteer services, research, or education. The Secretary shall permit admission, occupancy, and use of the MNP at no charge for a person possessing a valid Golden Eagle Passport or Golden Age Passport.

(l) SALVAGE OF IMPROVEMENTS.—The Secretary may sell for salvage value any facility or improvement that is transferred to the Secretary under this subtitle.

(m) TREATMENT OF USER FEES AND SALVAGE RECEIPTS.—Funds collected under subsections (k) and (l) shall be credited to a Midewin National Tallgrass Prairie Restoration Fund, to be maintained by the Secretary of the Treasury. Amounts in the Fund shall remain available, subject to appropriation, without fiscal year limitation. The Secretary may use amounts in the Fund for restoration and administration of the MNP, including construction of a visitor and education center, restoration of ecosystems, construction of recreational facilities (such as trails), construction of administrative offices, and operation and maintenance of the MNP.

(n) COOPERATION WITH STATES, LOCAL GOVERNMENTS, AND OTHER ENTITIES.—In the management of the MNP, the Secretary shall, to the extent practicable, cooperate with affected appropriate Federal, State, and local governmental agencies, private organizations, and corporations. The cooperation may include entering a cooperative agreement or exercising authority under the Cooperative Forestry Assistance Act of 1978 (16 U.S.C. 2101 et seq.) or the Forest and Rangeland Renewable Resources Research Act of 1978 (16 U.S.C. 1641 et seq.). The purpose of the cooperation may include public education, land and resource protection, or cooperative management among government, corporate, and private landowners in a manner that is consistent with this subtitle.

SEC. 2854. TRANSFER OF MANAGEMENT RESPONSIBILITIES AND JURISDICTION OVER ARSENAL.

(a) PHASED TRANSFER OF JURISDICTION.—(1) Not later than 180 days after the date of the enactment of this Act, the Secretary of the Army may transfer to the Secretary of Agriculture those portions of the Arsenal property identified for transfer to the Secretary of Agriculture under subsection (c), and may transfer to the Secretary of Veterans Affairs those portions identified for transfer to the Secretary of Veterans Affairs under section 2855(a). In the case of the Arsenal property to be transferred to the Secretary of Agriculture, the Secretary of the Army shall transfer to the Secretary of Agriculture only those portions for which the Secretary of the Army and the Administrator concur in finding that no further action is required under any environmental law and that have been eliminated from the areas to be further studied pursuant to the Defense Environmental Restoration Program for the Arsenal. Not later than 120 days after the date of the enactment of this Act, the Secretary of the Army and the Administrator shall provide to the Secretary—

(A) all documentation that exists on the date the documentation is provided that supports the finding; and

(B) all information that exists on the date the information is provided that relates to the environmental conditions of the portions of the Arsenal to be transferred to the Secretary under this paragraph.

(2)(A) The Secretary of the Army may transfer to the Secretary of Agriculture any portion of the property generally identified in subsection (c) and not transferred pursuant to paragraph (1) when the Secretary of the Army and the Administrator concur in finding that no further action is required at that portion of property under any environmental law and that the portion has been eliminated from the areas to be further studied pursuant to the Defense Environmental Restoration Program for the Arsenal.

(B) Not later than 60 days before a transfer under this paragraph, the Secretary of the Army and the Administrator shall provide to the Secretary—

(i) all documentation that exists on the date the documentation is provided that supports the finding; and

(ii) all information that exists on the date the information is provided that relates to the environmental conditions of the portions of the Arsenal to be transferred to the Secretary under this paragraph.

(C) Transfer of jurisdiction under this paragraph may be accomplished on a parcel-by-parcel basis.

(b) TRANSFER WITHOUT REIMBURSEMENT.—The Secretary of the Army may transfer the area constituting the MNP to the Secretary without reimbursement.

(c) IDENTIFICATION OF PORTIONS FOR TRANSFER FOR MNP.—The lands to be transferred to the Secretary under subsection (a) shall be identified in an agreement between the Secretary of the Army and the Secretary. All the real property and improvements comprising the Arsenal, except for lands and facilities described in subsection (g) or designated for transfer or disposal to parties other than the Secretary under section 2855, shall be transferred to the Secretary.

(d) SECURITY MEASURES.—The Secretary, the Secretary of the Army, and the Secretary of Veterans Affairs, shall each provide and maintain physical and other security measures on such portion of the Arsenal as is under the administrative jurisdiction of the respective Secretary. The security measures (which may include fences and natural barriers) shall include measures to prevent members of the public from gaining unauthorized access to such portions of the Arsenal as are under the administrative jurisdiction of each respective Secretary and that may endanger health or safety.

(e) COOPERATIVE AGREEMENTS.—The Secretary, the Secretary of the Army, and the Administrator individually and collectively may enter into a cooperative agreement or a memoranda of understanding among each other, with another affected Federal agency, State or local government, private organization, or corporation to carry out the purposes described in section 2853(g).

(f) INTERIM ACTIVITIES OF THE SECRETARY.—Prior to transfer and subject to such reasonable terms and conditions as the Secretary of the Army may prescribe, the Secretary may enter on the Arsenal property for purposes related to planning, resource inventory, fish and wildlife habitat manipulation (which may include prescribed burning), and other such activities consistent with the purposes for which the MNP is established.

(g) PROPERTY USED FOR ENVIRONMENTAL CLEANUP.—(1) The Secretary of the Army shall retain jurisdiction, authority, and control over real property at the Arsenal that is used for—

(A) water treatment;

(B) the treatment, storage, or disposal of a hazardous substance, pollutant or contaminant, hazardous material, or petroleum product or a derivative of the product;

(C) purposes related to a response at the Arsenal; and

(D) actions required at the Arsenal under an environmental law to remediate contamination or conditions of noncompliance with an environmental law.

(2) In the case of a conflict between management of the property by the Secretary and a response or other action required under an environmental law, or necessary to remediate a petroleum product or a derivative of the product, the response or other action shall take priority.

(3)(A) All costs of necessary surveys for the transfer of jurisdiction of a property to a Federal agency under this subtitle shall be borne by the agency to which the property is transferred.

(B) The Secretary of the Army shall bear the costs of any surveys necessary for the transfer of land to a non-Federal agency under section 2855.

SEC. 2855. DISPOSAL FOR INDUSTRIAL PARKS, A COUNTY LANDFILL, AND A NATIONAL VETERANS CEMETERY AND TO THE ADMINISTRATOR OF GENERAL SERVICES.

(a) NATIONAL VETERANS CEMETERY.—The Secretary of the Army may convey to the Department of Veterans Affairs, without compensation, an area of real property to be used for a national cemetery, as authorized under section

2337 of the Military Construction Authorization Act, 1988 and 1989 (division B of Public Law 100–180; 101 Stat. 1225), consisting of approximately 910 acres, the approximate legal description of which includes part of sections 30 and 31 Jackson Township, T. 34 N. R. 10 E., and including part of sections 25 and 36 Channahon Township, T. 34 N. R. 9 E., Will County, Illinois, as depicted on the Arsenal Land Use Concept.

(b) COUNTY OF WILL LANDFILL.—(1) Subject to paragraphs (2) through (6), the Secretary of the Army may convey an area of real property to Will County, Illinois, without compensation, to be used for a landfill by the County, consisting of approximately 425 acres of the Arsenal, the approximate legal description of which includes part of sections 8 and 17, Florence Township, T. 33 N. R. 10 E., Will County, Illinois, as depicted in the Arsenal Land Use Concept.

(2) Additional acreage shall be added to the landfill described in paragraph (1) as is necessary to reasonably accommodate needs for the disposal of refuse and other materials from the restoration and cleanup of the Arsenal property.

(3) Use of the landfill described in paragraph (1) or additional acreage under paragraph (2) by any agency of the Federal Government shall be at no cost to the Federal Government.

(4) The Secretary of the Army may require such additional terms and conditions in connection with a conveyance under this subsection as the Secretary of the Army considers appropriate to protect the interests of the United States.

(5) Any conveyance of real property under this subsection shall contain a reversionary interest that provides that the property shall revert to the Secretary of Agriculture for inclusion in the MNP if the property is not operated as a landfill.

(6) Liability for environmental conditions at or related to the landfill described in paragraph (1) resulting from activities occurring at the landfill after the date of enactment of this Act and before a revision under paragraph (5) shall be borne by Will County.

(c) VILLAGE OF ELWOOD INDUSTRIAL PARK.—The Secretary of the Army may convey an area of real property to the Village of Elwood, Illinois, to be used for an industrial park, consisting of approximately 1,900 acres of the Arsenal, the approximate legal description of which includes part of section 30, Jackson Township, T. 34 N. R. 10 E., and sections or part of sections 24, 25, 26, 35, and 36 Channahon Township, T. 34 N. R. 9 E., Will County, Illinois, as depicted on the Arsenal Land Use Concept. The conveyance shall be at fair market value, as determined in accordance with Federal appraisal standards and procedures. Any funds received by the Village of Elwood from the sale or other transfer of the property, or portions of the property, less any costs expended for improvements on the property, shall be remitted to the Secretary of the Army.

(d) CITY OF WILMINGTON INDUSTRIAL PARK.—The Secretary of the Army may convey an area of real property to the City of Wilmington, Illinois, to be used for an industrial park, consisting of approximately 1,100 acres of the Arsenal, the approximate legal description of which includes part of sections 16, 17, and 18 Florence Township, T. 33 N. R. 10 E., Will County, Illinois, as depicted on the Arsenal Land Use Concept. The conveyance shall be at fair market value, as determined in accordance with Federal appraisal standards and procedures. Any funds received by the City of Wilmington from the sale or other transfer of the property, or portions of the property, less any costs expended for improvements on the property, shall be remitted to the Secretary of the Army.

(e) OPTIONAL ADDITIONAL AREAS.—(1) Not later than 180 days after the construction and installation of any remedial design approved by the Administrator and required for any lands described in paragraph (2), the Administrator shall provide to the Secretary all information existing on the date the information is provided regarding the implementation of the remedy, including information regarding the effectiveness of the remedy. Not later than 180 days after the Administrator provides the information to the Secretary, the Secretary of the Army shall offer the Secretary the option of accepting a conveyance of the areas described in paragraph (2), without reimbursement, to be added to the MNP subject to the terms and conditions, including the limitations on liability, contained in this subtitle. If the Secretary declines the offer, the property may be disposed of as the Secretary of the Army would ordinarily dispose of the property under applicable provisions of law. The conveyance of property under this paragraph may be accomplished on a parcel-by-parcel basis.

(2)(A) The areas on the Arsenal Land Use Concept that may be conveyed under paragraph (1) are—

(i) manufacturing area, study area 1, southern ash pile;
(ii) study area 2, explosive burning ground;
(iii) study area 3, flashing-grounds;
(iv) study area 4, lead azide area;
(v) study area 10, toluene tank farms;
(vi) study area 11, landfill;
(vii) study area 12, sellite manufacturing area;
(viii) study area 14, former pond area;
(ix) study area 15, sewage treatment plant;
(x) study area L1, load assemble packing area, group 61;
(xi) study area L2, explosive burning ground;
(xii) study area L3, demolition area;
(xiii) study area L4, landfill area;
(xiv) study area L5, salvage yard;
(xv) study area L7, group 1;
(xvi) study area L8, group 2;
(xvii) study area L9, group 3;
(xviii) study area L10, group 3A;
(xix) study area L12, Doyle Lake;
(xx) study area L14, group 4;
(xxi) study area L15, group 5;
(xxii) study area L18, group 8;
(xxiii) study area L19, group 9;
(xxiv) study area L20, group 20;
(xxv) study area L22, group 25;
(xxvi) study area L23, group 27;
(xxvii) study area L25, group 62;
(xxviii) study area L31, extraction pits;
(xxix) study area L33, PVC area;
(xxx) study area L34, former burning area; and
(xxxi) study area L35, fill area.

(B) The areas referred to in subparagraph (A) shall include all associated inventoried buildings and structures as identified in the Joliet Army Ammunition Plant Plantwide Building and Structures Report and the contaminate study sites for both the manufacturing and load assembly and packing sides of the Joliet Arsenal as shown in the Dames and Moore Final Report, Phase 2 Remedial Investigation Manufacturing (MFG) Area Joliet Army Ammunition Plant Joliet, Illinois (May 30, 1993. Contract No. DAAA15-90-D-0015 task order No. 6 prepared for: United States Army Environmental Center).

(C) Notwithstanding subparagraphs (A) and (B), the landfill and national cemetery described in paragraphs (3) and (4) shall not be subject to paragraph (1).

SEC. 2856. CONTINUATION OF RESPONSIBILITY AND LIABILITY OF THE SECRETARY OF THE ARMY FOR ENVIRONMENTAL CLEANUP.

(a) RESPONSIBILITY.—The Secretary of the Army shall retain the responsibility to complete any remedial, response, or other restoration actions required under any environmental law in order to carry out a transfer of property under section 2854 before carrying out the transfer of the property under that section.

(b) LIABILITY FOR ARSENAL.—(1) The Secretary of the Army shall retain any obligation or other liability at the Arsenal that the Secretary had under CERCLA and other environmental laws. Following transfer of a portion of the Arsenal under this subtitle, the Secretary of the Army shall be accorded any easement or access to the property that may be reasonably required to carry out the obligation or satisfy the liability.

(2) The Secretary of Agriculture shall not be responsible for the cost of any remedial, response, or other restoration action required under any environmental law for a matter that is related directly or indirectly to an activity of the Secretary of the Army, or a party acting under the authority of the Secretary of the Army, in connection with the Defense Environmental Restoration Program, at or related to the Arsenal, including—

(A) the costs or performance of responses required under CERCLA;

(B) the costs, penalties, or fines related to noncompliance with an environmental law at or related to the Arsenal or related to the presence, release, or threat of release of a, hazardous substance, pollutant or contaminant, hazardous waste, or hazardous material of any kind at or related to the Arsenal, including contamination resulting from migration of a hazardous substance, pollutant or contaminant, a hazardous material, or a petroleum product or a derivative of the product disposed during an activity of the Secretary of the Army; and

(C) the costs of an action necessary to remedy noncompliance or another problem specified in subparagraph (B).

(c) PAYMENT OF RESPONSE COSTS.—A Federal agency that had or has operations at the Arsenal resulting in the release or threatened release of a hazardous substance or pollutant or contaminant shall pay the cost of a related response and shall pay the costs of a related action to remediate petroleum products or the derivatives of the products, including motor oil and aviation fuel.

(d) CONSULTATION.—The Secretary shall consult with the Secretary of the Army with respect to the management by the Secretary of real property included in the MNP subject to a response or other action at the Arsenal being carried out by or under the authority of the Secretary of the Army under any environmental law. The Secretary shall consult with the Secretary of the Army prior to undertaking an activity on the MNP that may disturb the property to ensure that the activity shall not exacerbate contamination problems or interfere with performance by the Secretary of the Army of a response at the property.

SEC. 2857. DEGREE OF ENVIRONMENTAL CLEANUP.

(a) IN GENERAL.—Nothing in this subtitle shall restrict or lessen the degree of cleanup at the Arsenal required to be carried out under any environmental law.

(b) RESPONSE.—The establishment of the MNP shall not restrict or lessen in any way a response or degree of cleanup required under CERCLA or other environmental law, or a response required under any environmental law to remediate petroleum products or the derivatives of the products, including motor oil and aviation fuel, required to be carried out by the Secretary of the Army at the Arsenal or surrounding areas.

(c) ENVIRONMENTAL QUALITY OF PROPERTY.—Any contract for sale, deed, or other transfer of real property under section 2855 shall be carried out in compliance with section 120(h) of the CERCLA (42 U.S.C. 9620(h)) and other environmental laws.

Subtitle E—Other Matters

SEC. 2861. DEPARTMENT OF DEFENSE LABORATORY REVITALIZATION DEMONSTRATION PROGRAM.

(a) PROGRAM REQUIRED.—The Secretary of Defense shall carry out a program for the revitalization of Department of Defense laboratories to be known as the "Department of Defense Laboratory Revitalization Demonstration Program". Under the program the Secretary may carry out minor military construction projects in accordance with subsection (b) and other applicable law to improve Department of Defense laboratories covered by the program.

(b) INCREASED MAXIMUM AMOUNTS APPLICABLE TO MINOR CONSTRUCTION PROJECTS.—For purpose of any military construction project carried out under the program—

(1) the amount provided in the second sentence of subsection (a)(1) of section 2805 of title 10, United States Code (as amended by section 2801 of this Act), shall be deemed to be $3,000,000;

(2) the amount provided in subsection (b)(1) of such section shall be deemed to be $1,500,000; and

(3) the amount provided in subsection (c)(1)(B) of such section, as so amended, shall be deemed to be $1,000,000.

(c) PROGRAM REQUIREMENTS.—(1) Not later than 30 days before commencing the program, the Secretary shall—

(A) designate the Department of Defense laboratories at which construction may be carried out under the program; and

(B) establish procedures for the review and approval of requests from such laboratories to carry out such construction.

(2) The laboratories designated under paragraph (1)(A) may not include Department of Defense laboratories that are contractor owned.

(3) The Secretary shall notify Congress of the laboratories designated under paragraph (1)(A).

(d) REPORT.—Not later than September 30, 1998, the Secretary shall submit to Congress a report on the program. The report shall include the Secretary's conclusions and recommendations regarding the desirability of extending the authority set forth in subsection (b) to cover all Department of Defense laboratories.

(e) EXCLUSIVITY OF PROGRAM.—Nothing in this section may be construed to limit any other authority provided by law for any military construction project at a Department of Defense laboratory covered by the program.

(f) DEFINITIONS.—In this section:

(1) The term "laboratory" includes—

(A) a research, engineering, and development center;

(B) a test and evaluation activity owned, funded, and operated by the Federal Government through the Department of Defense; and

(C) a supporting facility of a laboratory.

(2) The term "supporting facility", with respect to a laboratory, means any building or structure that is used in support of research, development, test, and evaluation at the laboratory.

(g) EXPIRATION OF AUTHORITY.—The Secretary may not commence a construction project under the program after September 30, 1999.

SEC. 2862. PROHIBITION ON JOINT CIVIL AVIATION USE OF MIRAMAR NAVAL AIR STATION, CALIFORNIA.

The Secretary of the Navy may not enter into any agreement that provides for or permits civil aircraft to use regularly Miramar Naval Air Station, California.

SEC. 2863. REPORT ON AGREEMENT RELATING TO CONVEYANCE OF LAND, FORT BELVOIR, VIRGINIA.

Not later than 60 days after the date of the enactment of this Act, the Secretary of the Army shall submit to the Committee on Armed Services of the Senate and the Committee on National Security of the House of Representatives a report on the status of negotiations for the agreement required under subsection (b) of section 2821 of the Military Construction Authorization Act for Fiscal Years 1990 and 1991 (division B of Public Law 101–189; 103 Stat. 1658) in connection with the land conveyance authorized under subsection (a) of that section. The report shall assess the likelihood that the negotiations will lead to an agreement and describe the alternative uses, if any, for the land referred to in such subsection (a) that have been identified by the Secretary.

SEC. 2864. RESIDUAL VALUE REPORT.

(a) The Secretary of Defense, in coordination with the Director of the Office of Management and Budget (OMB), shall submit to the congressional defense committees status reports on the results of residual value negotiations between the United States and Germany, within 30 days of the receipt of such reports to the OMB.

(b) The reports shall include the following information:

(1) The estimated residual value of United States capital value and improvements to facilities in Germany that the United States has turned over to Germany.

(2) The actual value obtained by the United States for each facility or installation turned over to the Government of Germany.

(3) The reason(s) for any difference between the estimated and actual value obtained.

SEC. 2865. RENOVATION OF THE PENTAGON RESERVATION.

The Secretary of Defense shall take such action as is necessary to reduce the total cost of the renovation of the Pentagon Reservation to not more than $1,118,000,000.

DIVISION C—DEPARTMENT OF ENERGY NATIONAL SECURITY AUTHORIZATIONS AND OTHER AUTHORIZATIONS

TITLE XXXI—DEPARTMENT OF ENERGY NATIONAL SECURITY PROGRAMS

Subtitle A—National Security Programs Authorizations

SEC. 3101. WEAPONS ACTIVITIES.

(a) STOCKPILE STEWARDSHIP.—Subject to subsection (d), funds are hereby authorized to be appropriated to the Department of Energy for fiscal year 1996 for stockpile stewardship in carrying out weapons activities necessary for national security programs in the amount of $1,624,080,000, to be allocated as follows:

(1) For core stockpile stewardship, $1,386,613,000, to be allocated as follows:

(A) For operation and maintenance, $1,305,308,000.

(B) For plant projects (including maintenance, restoration, planning, construction, acquisition, modification of facilities, and the continuation of projects authorized in prior years, and land acquisition related thereto), $81,305,000, to be allocated as follows: Project 96–D–102, stockpile stewardship facilities revitalization, Phase VI, various locations, $2,520,000.

Project 96–D–103, Atlas, Los Alamos National Laboratory, Los Alamos, New Mexico, $8,400,000.

Project 96–D–104, processing and environmental technology laboratory (PETL), Sandia National Laboratories, Albuquerque, New Mexico, $1,800,000.

Project 96–D–105, contained firing facility addition, Lawrence Livermore National Laboratory, Livermore, California, $6,600,000.

Project 95–D–102, Chemical and Metallurgy Research Building upgrades, Los Alamos National Laboratory, New Mexico, $9,940,000.

Project 94–D–102, nuclear weapons research, development, and testing facilities revitalization, Phase V, various locations, $12,200,000.

Project 93–D–102, Nevada support facility, North Las Vegas, Nevada, $15,650,000.

Project 90–D–102, nuclear weapons research, development, and testing facilities revitalization, Phase III, various locations, $6,200,000.

Project 88–D–106, nuclear weapons research, development, and testing facilities revitalization, Phase II, various locations, $17,995,000.

(2) For inertial fusion, $230,667,000, to be allocated as follows:

(A) For operation and maintenance, $193,267,000.

(B) For the following plant project (including maintenance, restoration, planning, construction, acquisition, modification of facilities, and land acquisition related thereto), $37,400,000:

Project 96–D–111, national ignition facility, location to be determined.

(3) For Marshall Islands activities and Nevada Test Site dose reconstruction, $6,800,000.

(b) STOCKPILE MANAGEMENT.—Subject to subsection (d), funds are hereby authorized to be appropriated to the Department of Energy for fiscal year 1996 for stockpile management in carrying out weapons activities necessary for national security programs in the amount of $2,035,483,000, to be allocated as follows:

(1) For operation and maintenance, $1,911,858,000.

(2) For plant projects (including maintenance, restoration, planning, construction, acquisition, modification of facilities, and the continuation of projects authorized in prior years, and land acquisition related thereto), $123,625,000, to be allocated as follows:

Project GPD–121, general plant projects, various locations, $10,000,000.

Project 96–D–122, sewage treatment quality upgrade (STQU), Pantex Plant, Amarillo, Texas, $600,000.

Project 96–D–123, retrofit heating, ventilation, and air conditioning and chillers for ozone protection, Y–12 Plant, Oak Ridge, Tennessee, $3,100,000.

Project 96–D–125, Washington measurements operations facility, Andrews Air Force Base, Camp Springs, Maryland, $900,000.

Project 96–D–126, tritium loading line modifications, Savannah River Site, South Carolina, $12,200,000.

Project 95–D–122, sanitary sewer upgrade, Y–12 Plant, Oak Ridge, Tennessee, $6,300,000.

Project 94–D–124, hydrogen fluoride supply system, Y–12 Plant, Oak Ridge, Tennessee, $8,700,000.

Project 94–D–125, upgrade life safety, Kansas City Plant, Kansas City, Missouri, $5,500,000.

Project 94–D–127, emergency notification system, Pantex Plant, Amarillo, Texas, $2,000,000.

Project 94–D–128, environmental safety and health analytical laboratory, Pantex Plant, Amarillo, Texas, $4,000,000.

Project 93–D–122, life safety upgrades, Y–12 Plant, Oak Ridge, Tennessee, $7,200,000.

Project 93–D–123, complex-21, various locations, $41,065,000.

Project 88–D–122, facilities capability assurance program, various locations, $8,660,000.

Project 88–D–123, security enhancements, Pantex Plant, Amarillo, Texas, $13,400,000.

(c) PROGRAM DIRECTION.—Subject to subsection (d), funds are hereby authorized to be appropriated to the Department of Energy for fiscal year 1996 for program direction in carrying out weapons activities necessary for national security programs in the amount of $118,000,000.

(d) ADJUSTMENTS.—The total amount authorized to be appropriated pursuant to this section is the sum of the amounts authorized to be appropriated in subsections (a) through (c) reduced by the sum of—

(1) $25,000,000, for savings resulting from procurement reform; and

(2) $86,344,000, for use of prior year balances.

SEC. 3102. ENVIRONMENTAL RESTORATION AND WASTE MANAGEMENT.

(a) CORRECTIVE ACTIVITIES.—Subject to subsection (i), funds are hereby authorized to be

appropriated to the Department of Energy for fiscal year 1996 for corrective activities in carrying out environmental restoration and waste management activities necessary for national security programs in the amount of $3,406,000, all of which shall be available for the following plant project (including maintenance, restoration, planning, construction, acquisition, modification of facilities, and land acquisition related thereto):

Project 90–D–103, environment, safety and health improvements, weapons research and development complex, Los Alamos National Laboratory, Los Alamos, New Mexico.

(b) ENVIRONMENTAL RESTORATION.—Subject to subsection (i), funds are hereby authorized to be appropriated to the Department of Energy for fiscal year 1996 for environmental restoration for operating expenses in carrying out environmental restoration and waste management activities necessary for national security programs in the amount of $1,550,926,000.

(c) WASTE MANAGEMENT.—Subject to subsection (i), funds are hereby authorized to be appropriated to the Department of Energy for fiscal year 1996 for waste management in carrying out environmental restoration and waste management activities necessary for national security programs in the amount of $2,386,596,000, to be allocated as follows:

(1) For operation and maintenance, $2,151,266,000.

(2) For plant projects (including maintenance, restoration, planning, construction, acquisition, modification of facilities, and the continuation of projects authorized in prior years, and land acquisition related thereto), $235,330,000, to be allocated as follows:

Project GPD–171, general plant projects, various locations, $15,728,000.

Project 96–D–400, replace industrial waste piping, Kansas City Plant, Kansas City, Missouri, $200,000.

Project 96–D–401, comprehensive treatment and management plan immobilization of miscellaneous wastes, Rocky Flats Environmental Technology Site, Golden, Colorado, $1,400,000.

Project 96–D–402, comprehensive treatment and management plan building 374/774 sludge immobilization, Rocky Flats Environmental Technology Site, Golden, Colorado, $1,500,000.

Project 96–D–403, tank farm service upgrades, Savannah River, South Carolina, $3,315,000.

Project 96–D–405, T-plant secondary containment and leak detection upgrades, Richland, Washington, $2,100,000.

Project 96–D–406, K-Basin operations program, Richland, Washington, $41,000,000.

Project 96–D–409, advanced mixed waste treatment facility, Idaho National Engineering Laboratory, Idaho, $5,000,000.

Project 96–D–410, specific manufacturing characterization facility assessment and upgrade, Idaho National Engineering Laboratory, Idaho, $2,000,000.

Project 95–D–402, install permanent electrical service, Waste Isolation Pilot Plant, New Mexico, $4,314,000.

Project 95–D–405, industrial landfill V and construction/demolition landfill VII, Y–12 Plant, Oak Ridge, Tennessee, $4,600,000.

Project 95–D–406, road 5–01 reconstruction, area 5, Nevada Test Site, Nevada, $1,023,000.

Project 94–D–400, high explosive wastewater treatment system, Los Alamos National Laboratory, Los Alamos, New Mexico, $4,445,000.

Project 94–D–402, liquid waste treatment system, Nevada Test Site, Nevada, $282,000.

Project 94–D–404, Melton Valley storage tanks capacity increase, Oak Ridge National Laboratory, Oak Ridge, Tennessee, $11,000,000.

Project 94–D–407, initial tank retrieval systems, Richland, Washington, $9,400,000.

Project 94–D–411, solid waste operations complex project, Richland, Washington, $5,500,000.

Project 94–D–417, intermediate-level and low-activity waste vaults, Savannah River, South Carolina, $2,704,000.

Project 93–D–178, building 374 liquid waste treatment facility, Rocky Flats Plant, Golden, Colorado, $3,900,000.

Project 93–D–182, replacement of cross-site transfer system, Richland, Washington, $19,795,000.

Project 93–D–183, multi-tank waste storage facility, Richland, Washington, $31,000,000.

Project 93–D–187, high-level waste removal from filled waste tanks, Savannah River, South Carolina, $34,700,000.

Project 92–D–171, mixed waste receiving and storage facility, Los Alamos National Laboratory, Los Alamos, New Mexico, $1,105,000.

Project 92–D–188, waste management environmental, safety and health (ES&H) and compliance activities, various locations, $1,100,000.

Project 90–D–172, aging waste transfer lines, Richland, Washington, $2,000,000.

Project 90–D–177, RWMC transuranic (TRU) waste characterization and storage facility, Idaho National Engineering Laboratory, Idaho, $1,428,000.

Project 90–D–178, TSA retrieval containment building, Idaho National Engineering Laboratory, Idaho, $2,606,000.

Project 89–D–173, tank farm ventilation upgrade, Richland, Washington, $800,000.

Project 89–D–174, replacement high-level waste evaporator, Savannah River, South Carolina, $11,500,000.

Project 86–D–103, decontamination and waste treatment facility, Lawrence Livermore National Laboratory, California, $8,885,000.

Project 83–D–148, nonradioactive hazardous waste management, Savannah River, South Carolina, $1,000,000.

(d) TECHNOLOGY DEVELOPMENT.—Subject to subsection (i), funds are hereby authorized to be appropriated to the Department of Energy for fiscal year 1996 for technology development in carrying out environmental restoration and waste management activities necessary for national security programs in the amount of $505,510,000.

(e) TRANSPORTATION MANAGEMENT.—Subject to subsection (i), funds are hereby authorized to be appropriated to the Department of Energy for fiscal year 1996 for transportation management in carrying out environmental restoration and waste management activities necessary for national security programs in the amount of $16,158,000.

(f) NUCLEAR MATERIALS AND FACILITIES STABILIZATION.—Subject to subsection (i), funds are hereby authorized to be appropriated to the Department of Energy for fiscal year 1996 for nuclear materials and facilities stabilization in carrying out environmental restoration and waste management activities necessary for national security programs in the amount of $1,596,028,000, to be allocated as follows:

(1) For operation and maintenance, $1,463,384,000.

(2) For plant projects (including maintenance, restoration, planning, construction, acquisition, modification of facilities, and the continuation of projects authorized in prior years, and land acquisition related thereto), $132,644,000, to be allocated as follows:

Project GPD–171, general plant projects, various locations, $14,724,000.

Project 96–D–458, site drainage control, Mound Plant, Miamisburg, Ohio, $885,000.

Project 96–D–461, electrical distribution upgrade, Idaho National Engineering Laboratory, Idaho, $1,539,000.

Project 96–D–462, health physics instrument laboratory, Idaho National Engineering Laboratory, Idaho, $1,126,000.

Project 96–D–463, central facilities craft shop, Idaho National Engineering Laboratory, Idaho, $724,000.

Project 96–D–464, electrical and utility systems upgrade, Idaho Chemical Processing Plant, Idaho National Engineering Laboratory, Idaho, $4,952,000.

Project 96–D–465, 200 area sanitary sewer system, Richland, Washington, $1,800,000.

Project 96–D–470, environmental monitoring laboratory, Savannah River Site, Aiken, South Carolina, $3,500,000.

Project 96–D–471, chlorofluorocarbon heating, ventilation, and air conditioning and chiller retrofit, Savannah River Site, Aiken, South Carolina, $1,500,000.

Project 96–D–472, plant engineering and design, Savannah River Site, Aiken, South Carolina, $4,000,000.

Project 96–D–473, health physics site support facility, Savannah River Site, Aiken, South Carolina, $2,000,000.

Project 96–D–474, dry fuel storage facility, Idaho National Engineering Laboratory, Idaho, $15,000,000.

Project 96–D–475, high level waste volume reduction demonstration (pentaborane), Idaho National Engineering Laboratory, Idaho, $5,000,000.

Project 95–D–155, upgrade site road infrastructure, Savannah River, South Carolina, $2,900,000.

Project 95–D–156, radio trunking system, Savannah River, South Carolina, $10,000,000.

Project 95–D–454, 324 facility compliance/renovation, Richland, Washington, $3,500,000.

Project 95–D–456, security facilities upgrade, Idaho Chemical Processing Plant, Idaho National Engineering Laboratory, Idaho, $8,382,000.

Project 94–D–122, underground storage tanks, Rocky Flats, Golden, Colorado, $5,000,000.

Project 94–D–401, emergency response facility, Idaho National Engineering Laboratory, Idaho, $5,074,000.

Project 94–D–412, 300 area process sewer piping system upgrade, Richland, Washington, $1,000,000.

Project 94–D–415, medical facilities, Idaho National Engineering Laboratory, Idaho, $3,601,000.

Project 94–D–451, infrastructure replacement, Rocky Flats Plant, Golden, Colorado, $2,940,000.

Project 93–D–147, domestic water system upgrade, Phase I and II, Savannah River, South Carolina, $7,130,000.

Project 93–D–172, electrical upgrade, Idaho National Engineering Laboratory, Idaho, $124,000.

Project 92–D–123, plant fire/security alarms system replacement, Rocky Flats Plant, Golden, Colorado, $9,560,000.

Project 92–D–125. master safeguards and security agreement/materials surveillance task force security upgrades, Rocky Flats Plant, Golden, Colorado, $7,000,000.

Project 92–D–181, fire and life safety improvements, Idaho National Engineering Laboratory, Idaho, $6,883,000.

Project 91–D–127, criticality alarm and production annunciation utility replacement, Rocky Flats Plant, Golden, Colorado, $2,800,000.

(g) COMPLIANCE AND PROGRAM COORDINATION.—Subject to subsection (i), funds are hereby authorized to be appropriated to the Department of Energy for fiscal year 1996 for compliance and program coordination in carrying out environmental restoration and waste management activities necessary for national security programs in the amount of $81,251,000, to be allocated as follows:

(1) For operation and maintenance, $66,251,000.

(2) For the following plant project (including maintenance, restoration, planning, construction, acquisition, modification of facilities, and land acquisition related thereto), $15,000,000:

Project 95–E–600, hazardous materials training center, Richland, Washington.

(h) ANALYSIS, EDUCATION, AND RISK MANAGEMENT.—Subject to subsection (i), funds are hereby authorized to be appropriated to the Department of Energy for fiscal year 1996 for analysis, education, and risk management in carrying out environmental restoration and waste management activities necessary for national security programs in the amount of $80,022,000.

(i) ADJUSTMENTS.—The total amount authorized to be appropriated pursuant to this section is the sum of the amounts specified in subsections (a) through (h) reduced by the sum of—

(1) $276,942,000, for use of prior year balances; and

(2) $37,000,000 for recovery of overpayment to the Savannah River Pension Fund.

SEC. 3103. OTHER DEFENSE ACTIVITIES.

(a) OTHER DEFENSE ACTIVITIES.—Subject to subsection (b), funds are hereby authorized to be appropriated to the Department of Energy for fiscal year 1996 for other defense activities in carrying out programs necessary for national security in the amount of $1,408,162,000, to be allocated as follows:

(1) For verification and control technology, $430,842,000, to be allocated as follows:

(A) For nonproliferation and verification research and development, $226,142,000.

(B) For arms control, $162,364,000.

(C) For intelligence, $42,336,000.

(2) For nuclear safeguards and security, $83,395,000.

(3) For security investigations, $25,000,000.

(4) For security evaluations, $14,707,000.

(5) For the Office of Nuclear Safety, $15,050,000.

(6) For worker and community transition, $100,000,000.

(7) For fissile materials disposition, $70,000,000.

(8) For naval reactors development, $682,168,000, to be allocated as follows:

(A) For operation and infrastructure, $659,168,000.

(B) For plant projects (including maintenance, restoration, planning, construction, acquisition, modification of facilities, and the continuation of projects authorized in prior years, and land acquisition related thereto), $23,000,000, to be allocated as follows:

Project 95–D–200, laboratory systems and hot cell upgrades, various locations, $11,300,000.

Project 95–D–201, advanced test reactor radioactive waste system upgrades, Idaho National Engineering Laboratory, Idaho, $4,800,000.

Project 93–D–200, engineering services facilities, Knolls Atomic Power Laboratory, Niskayuna, New York, $3,900,000.

Project 90–N–102, expended core facility dry cell project, Naval Reactors Facility, Idaho, $3,000,000.

(b) ADJUSTMENT.—The total amount that may be appropriated pursuant to this section is the total amount authorized to be appropriated in subsection (a) reduced by $13,000,000, for use of prior year balances.

SEC. 3104. DEFENSE NUCLEAR WASTE DISPOSAL.

Funds are hereby authorized to be appropriated to the Department of Energy for fiscal year 1996 for payment to the Nuclear Waste Fund established in section 302(c) of the Nuclear Waste Policy Act of 1982 (42 U.S.C. 10222(c)) in the amount of $198,400,000.

SEC. 3105. PAYMENT OF PENALTIES ASSESSED AGAINST ROCKY FLATS SITE.

The Secretary of Energy may pay to the Hazardous Substance Superfund established under section 9507 of the Internal Revenue Code of 1986 (26 U.S.C. 9507), from funds appropriated to the Department of Energy for environmental restoration and waste management activities pursuant to section 3102, stipulated civil penalties in the amount of $350,000 assessed under the Comprehensive Environmental Response, Compensation, and Liability Act of 1980 (42 U.S.C. 9601 et seq.) against the Rocky Flats Site, Golden, Colorado.

SEC. 3106. STANDARDIZATION OF ETHICS AND REPORTING REQUIREMENTS AFFECTING THE DEPARTMENT OF ENERGY WITH GOVERNMENT-WIDE STANDARDS.

(a) REPEALS.—(1) Part A of title VI of the Department of Energy Organization Act and its catchline (42 U.S.C. 7211, 7212, and 7218) are repealed.

(2) Section 308 of the Energy Research and Development Administration Appropriation Authorization Act for Fiscal Year 1977 (42 U.S.C. 5816a) is repealed.

(3) Section 522 of the Energy Policy and Conservation Act (42 U.S.C. 6392) is repealed.

(b) CONFORMING AMENDMENTS.—(1) The table of contents for the Department of Energy Organization Act is amended by striking out the items relating to part A of title VI including sections 601 through 603.

(2) The table of contents for the Energy Policy and Conservation Act is amended by striking out the matter relating to section 522.

SEC. 3107. CERTAIN ENVIRONMENTAL RESTORATION REQUIREMENTS.

It is the sense of Congress that:

(1) No individual acting within the scope of that individual's employment with a Federal agency or department shall be personally subject to civil or criminal sanctions, for any failure to comply with an environmental cleanup requirement under the Solid Waste Disposal Act or the Comprehensive Environmental Response, Compensation, and Liability Act or an analogous requirement under comparable Federal, State, or local laws, whether the failure to comply is due to lack of funds requested or appropriated to carry out such requirement. Federal and State enforcement authorities shall refrain from enforcement action in such circumstances.

(2) If appropriations by the Congress for fiscal year 1996 or any subsequent fiscal year are insufficient to fund any such environmental cleanup requirements, the committees of Congress with jurisdiction shall examine the issue, elicit the views of Federal agencies, affected States, and the public, and consider appropriate statutory amendments to address personal criminal liability, and any related issues pertaining to potential liability of any Federal agency or department or its contractors.

SEC. 3108. AMENDING THE HYDRONUCLEAR PROVISIONS OF THIS ACT.

Notwithstanding any other provision of this Act, the provision dealing with hydronuclear experiments is qualified in the following respect:

"(c) LIMITATIONS.—Nothing in this Act shall be construed as an authorization to conduct hydronuclear tests. Furthermore, nothing in this Act shall be construed as amending or repealing the requirements of section 507 of Public Law 102–377.".

Subtitle B—Recurring General Provisions

SEC. 3121. REPROGRAMMING.

(a) IN GENERAL.—Until the Secretary of Energy submits to the congressional defense committees the report referred to in subsection (b) and a period of 30 days has elapsed after the date on which such committees receive the report, the Secretary may not use amounts appropriated pursuant to this title for any program—

(1) in amounts that exceed, in a fiscal year—

(A) 110 percent of the amount authorized for that program by this title; or

(B) $1,000,000 more than the amount authorized for that program by this title; or

(2) which has not been presented to, or requested of, Congress.

(b) REPORT.—(1) The report referred to in subsection (a) is a report containing a full and complete statement of the action proposed to be taken and the facts and circumstances relied upon in support of such proposed action.

(2) In the computation of the 30-day period under subsection (a), there shall be excluded any day on which either House of Congress is not in session because of an adjournment of more than 3 days to a day certain.

(c) LIMITATIONS.—(1) In no event may the total amount of funds obligated pursuant to this title exceed the total amount authorized to be appropriated by this title.

(2) Funds appropriated pursuant to this title may not be used for an item for which Congress has specifically denied funds.

SEC. 3122. LIMITS ON GENERAL PLANT PROJECTS.

(a) IN GENERAL.—The Secretary of Energy may carry out any construction project under the general plant projects authorized by this title if the total estimated cost of the construction project does not exceed $2,000,000.

(b) REPORT TO CONGRESS.—If, at any time during the construction of any general plant project authorized by this title, the estimated cost of the project is revised because of unforeseen cost variations and the revised cost of the project exceeds $2,000,000, the Secretary shall immediately furnish a complete report to the congressional defense committees explaining the reasons for the cost variation.

SEC. 3123. LIMITS ON CONSTRUCTION PROJECTS.

(a) IN GENERAL.—(1) Except as provided in paragraph (2), construction on a construction project may not be started or additional obligations incurred in connection with the project above the total estimated cost, whenever the current estimated cost of the construction project, which is authorized by sections 3101, 3102, and 3103, or which is in support of national security programs of the Department of Energy and was authorized by any previous Act, exceeds by more than 25 percent the higher of—

(A) the amount authorized for the project; or

(B) the amount of the total estimated cost for the project as shown in the most recent budget justification data submitted to Congress.

(2) An action described in paragraph (1) may be taken if—

(A) the Secretary of Energy has submitted to the congressional defense committees a report on the actions and the circumstances making such action necessary; and

(B) a period of 30 days has elapsed after the date on which the report is received by the committees.

(3) In the computation of the 30-day period under paragraph (2), there shall be excluded any day on which either House of Congress is not in session because of an adjournment of more than 3 days to a day certain.

(b) EXCEPTION.—Subsection (a) shall not apply to any construction project which has a current estimated cost of less than $5,000,000.

SEC. 3124. FUND TRANSFER AUTHORITY.

(a) TRANSFER TO OTHER FEDERAL AGENCIES.—The Secretary of Energy may transfer funds authorized to be appropriated to the Department of Energy pursuant to this title to other Federal agencies for the performance of work for which the funds were authorized. Funds so transferred may be merged with and be available for the same purposes and for the same period as the authorizations of the Federal agency to which the amounts are transferred.

(b) TRANSFER WITHIN DEPARTMENT OF ENERGY; LIMITATIONS.—(1) Subject to paragraph (2), the Secretary of Energy may transfer funds authorized to be appropriated to the Department of Energy pursuant to this title between any such authorizations. Amounts of authorizations so transferred may be merged with and be available for the same purposes and for the same period as the authorization to which the amounts are transferred.

(2) Not more than 5 percent of any such authorization may be transferred between authorizations under paragraph (1). No such authorization may be increased or decreased by more than 5 percent by a transfer under such paragraph.

(3) The authority provided by this section to transfer authorizations—

(A) may only be used to provide funds for items relating to weapons activities necessary for national security programs that have a higher priority than the items from which the funds are transferred; and

(B) may not be used to provide authority for an item that has been denied funds by Congress.

(c) Notice to Congress.—The Secretary of Energy shall promptly notify the Committee on Armed Services of the Senate and the Committee on National Security of the House of Representatives of any transfer of funds to or from authorizations under this title.

SEC. 3125. AUTHORITY FOR CONCEPTUAL AND CONSTRUCTION DESIGN.

(a) Requirement for Conceptual Design.—(1) Subject to paragraph (2) and except as provided in paragraph (3), before submitting to Congress a request for funds for a construction project that is in support of a national security program of the Department of Energy, the Secretary of Energy shall complete a conceptual design for that project.

(2) If the estimated cost of completing a conceptual design for a construction project exceeds $3,000,000, the Secretary shall submit to Congress a request for funds for the conceptual design before submitting a request for funds for the construction project.

(3) The requirement in paragraph (1) does not apply to a request for funds—

(A) for a construction project the total estimated cost of which is less than $2,000,000; or

(B) for emergency planning, design, and construction activities under section 3126.

(b) Authority for Construction Design.—(1) Within the amounts authorized by this title, the Secretary of Energy may carry out construction design (including architectural and engineering services) in connection with any proposed construction project if the total estimated cost for such design does not exceed $600,000.

(2) If the total estimated cost for construction design in connection with any construction project exceeds $600,000, funds for such design must be specifically authorized by law.

SEC. 3126. AUTHORITY FOR EMERGENCY PLANNING, DESIGN, AND CONSTRUCTION ACTIVITIES.

(a) Authority.—The Secretary of Energy may use any funds available to the Department of Energy pursuant to an authorization in this title, including funds authorized to be appropriated under sections 3101, 3102, and 3103 for advance planning and construction design, to perform planning, design, and construction activities for any Department of Energy national security program construction project that, as determined by the Secretary, must proceed expeditiously in order to protect public health and safety, meet the needs of national defense, or to protect property.

(b) Limitation.—The Secretary may not exercise the authority under subsection (a) in the case of any construction project until the Secretary has submitted to the congressional defense committees a report on the activities that the Secretary intends to carry out under this section and the circumstances making such activities necessary.

(c) Specific Authority.—The requirement of section 3125(b)(2) does not apply to emergency planning, design, and construction activities conducted under this section.

(d) Report.—The Secretary of Energy shall report to the congressional defense committees any exercise of authority under this section.

SEC. 3127. FUNDS AVAILABLE FOR ALL NATIONAL SECURITY PROGRAMS OF THE DEPARTMENT OF ENERGY.

Subject to the provisions of appropriations Acts and section 3121 of this title, amounts appropriated pursuant to this title for management and support activities and for general plant projects are available for use, when necessary, in connection with all national security programs of the Department of Energy.

SEC. 3128. AVAILABILITY OF FUNDS.

When so specified in an appropriation Act, amounts appropriated for operating expenses, plant projects, and capital equipment may remain available until expended.

Subtitle C—Program Authorizations, Restrictions, and Limitations

SEC. 3131. TRITIUM PRODUCTION.

(a) Tritium Production.—Of the funds authorized to be appropriated to the Department of Energy under section 3101, not more than $50,000,000 shall be available to conduct an assessment of alternative means of ensuring that the tritium production of the Department of Energy is adequate to meet the tritium requirements of the Department of Defense. The assessment shall include an assessment of various types of reactors and an accelerator.

(b) Location of New Tritium Production Facility.—The Secretary of Energy shall locate the new tritium production facility of the Department of Energy at the Savannah River Site, South Carolina.

(c) Tritium Targets.—Of the funds authorized to be appropriated to the Department of Energy under section 3101, not more than $5,000,000 shall be available for the Idaho National Engineering Laboratory for the test and development of nuclear reactor tritium targets for the various types of reactors to be assessed by the Department under subsection (a).

SEC. 3132. FISSILE MATERIALS DISPOSITION.

Of the funds authorized to be appropriated to the Department of Energy for fiscal year 1996 under section 3103(a)(7), $70,000,000 shall be available only for purposes of completing the evaluation of, and commencing implementation of, the interim- and long-term storage and disposition of fissile materials (including plutonium, highly enriched uranium, and other fissile materials) that are excess to the national security needs of the United States, of which $10,000,000 shall be available for plutonium resource assessment on a competitive basis by an appropriate university consortium.

SEC. 3133. TRITIUM RECYCLING.

(a) In General.—Except as provided in subsection (b), the following activities shall be carried out at the Savannah River Site, South Carolina:

(1) All tritium recycling for weapons, including tritium refitting.

(2) All activities regarding tritium formerly carried out at the Mound Plant, Ohio.

(b) Exception.—The following activities may be carried out at the Los Alamos National Laboratory, New Mexico:

(1) Research on tritium.

(2) Work on tritium in support of the defense inertial confinement fusion program.

(3) Provision of technical assistance to the Savannah River Site regarding the weapons surveillance program.

SEC. 3134. MANUFACTURING INFRASTRUCTURE FOR REFABRICATION AND CERTIFICATION OF ENDURING NUCLEAR WEAPONS STOCKPILE.

(a) Manufacturing Program.—The Secretary of Energy shall carry out a program for purposes of establishing within the Government a manufacturing infrastructure that has the following capabilities as specified in the Nuclear Posture Review:

(1) To develop a stockpile surveillance engineering base.

(2) To refabricate and certify weapon components and types in the enduring nuclear weapons stockpile, as necessary.

(3) To design, fabricate, and certify new nuclear warheads, as necessary.

(4) To support nuclear weapons.

(5) To supply sufficient tritium in support of nuclear weapons to ensure an upload hedge in the event circumstances require.

(b) Required Capabilities.—The manufacturing infrastructure established under the program under subsection (a) shall include the following capabilities (modernized to attain the objectives referred to in that subsection):

(1) The weapons assembly capabilities of the Pantex Plant.

(2) The weapon secondary fabrication capabilities of the Y–12 Plant, Oak Ridge, Tennessee.

(3) The tritium production and recycling capabilities of the Savannah River Site.

(4) A weapon primary pit refabrication/manufacturing and reuse facility capability at Savannah River Site (if required for national security purposes).

(5) The non-nuclear component capabilities of the Kansas City Plant.

(c) Nuclear Posture Review.—For purposes of subsection (a), the term "Nuclear Posture Review" means the Department of Defense Nuclear Posture Review as contained in the Report of the Secretary of Defense to the President and the Congress dated February 19, 1995, or subsequent such reports.

(d) Funding.—Of the funds authorized to be appropriated under section 3101(b), $143,000,000 shall be available for carrying out the program required under this section, of which—

(1) $35,000,000 shall be available for activities at the Pantex Plant;

(2) $30,000,000 shall be available for activities at the Y–12 Plant, Oak Ridge, Tennessee;

(3) $35,000,000 shall be available for activities at the Savannah River Site; and

(4) $43,000,000 shall be available for activities at the Kansas City Plant.

SEC. 3135. HYDRONUCLEAR EXPERIMENTS.

Of the funds authorized to be appropriated to the Department of Energy under section 3101, $50,000,000 shall be available for preparation for the commencement of a program of hydronuclear experiments at the nuclear weapons design laboratories at the Nevada Test Site which program shall be for the purpose of maintaining confidence in the reliability and safety of the enduring nuclear weapons stockpile.

SEC. 3136. FELLOWSHIP PROGRAM FOR DEVELOPMENT OF SKILLS CRITICAL TO THE DEPARTMENT OF ENERGY NUCLEAR WEAPONS COMPLEX.

(a) In General.—The Secretary of Energy shall conduct a fellowship program for the development of skills critical to the ongoing mission of the Department of Energy nuclear weapons complex. Under the fellowship program, the Secretary shall—

(1) provide educational assistance and research assistance to eligible individuals to facilitate the development by such individuals of skills critical to maintaining the ongoing mission of the Department of Energy nuclear weapons complex;

(2) employ eligible individuals at the facilities described in subsection (c) in order to facilitate the development of such skills by these individuals; or

(3) provide eligible individuals with the assistance and the employment.

(b) Eligible Individuals.—Individuals eligible for participation in the fellowship program are the following:

(1) Students pursuing graduate degrees in fields of science or engineering that are related to nuclear weapons engineering or to

the science and technology base of the Department of Energy.

(2) Individuals engaged in postdoctoral studies in such fields.

(c) COVERED FACILITIES.—The Secretary shall carry out the fellowship program at or in connection with the following facilities:

(1) The Kansas City Plant, Kansas City, Missouri.

(2) The Pantex Plant, Amarillo, Texas.

(3) The Y–12 Plant, Oak Ridge, Tennessee.

(4) The Savannah River Site, Aiken, South Carolina.

(d) ADMINISTRATION.—The Secretary shall carry out the fellowship program at a facility referred to in subsection (c) through the stockpile manager of the facility.

(e) ALLOCATION OF FUNDS.—The Secretary shall, in consultation with the Assistant Secretary of Energy for Defense Programs, allocate funds available for the fellowship program under subsection (f) among the facilities referred to in subsection (c). The Secretary shall make the allocation after evaluating an assessment by the weapons program director of each such facility of the personnel and critical skills necessary at the facility for carrying out the ongoing mission of the facility.

(f) FUNDING.—Of the funds authorized to be appropriated to the Department of Energy for fiscal year 1996 under section 3101(b), $10,000,000 may be used for the purpose of carrying out the fellowship program under this section.

SEC. 3137. EDUCATION PROGRAM FOR DEVELOPMENT OF PERSONNEL CRITICAL TO THE DEPARTMENT OF ENERGY NUCLEAR WEAPONS COMPLEX.

(a) IN GENERAL.—The Secretary of Energy shall conduct an education program to ensure the long-term supply of personnel having skills critical to the ongoing mission of the Department of Energy nuclear weapons complex. Under the program, the Secretary shall provide—

(1) education programs designed to encourage and assist students in study in the fields of math, science, and engineering that are critical to maintaining the nuclear weapons complex;

(2) programs that enhance the teaching skills of teachers who teach students in such fields; and

(3) education programs that increase the scientific understanding of the general public in areas of importance to the nuclear weapons complex and to the Department of Energy national laboratories.

(b) FUNDING.—Of the funds authorized to be appropriated to the Department of Energy for fiscal year 1996 under section 3101(a), $10,000,000 may be used for the purpose of carrying out the education program under this section.

SEC. 3138. LIMITATION ON USE OF FUNDS FOR CERTAIN RESEARCH AND DEVELOPMENT PURPOSES.

Funds appropriated or otherwise made available to the Department of Energy for fiscal year 1996 under section 3101 may be obligated and expended for activities under the Department of Energy Laboratory Directed Research and Development Program or under Department of Energy technology transfer programs only if such activities support the national security mission of the Department.

SEC. 3139. PROCESSING OF HIGH LEVEL NUCLEAR WASTE AND SPENT NUCLEAR FUEL RODS.

(a) ELECTROMETALLURGICAL PROCESSING ACTIVITIES.—Of the amount authorized to be appropriated to the Department of Energy under section 3102, not more than $2,500,000 shall be available for electrometallurgical processing activities at the Idaho National Engineering Laboratory.

(b) PROCESSING OF SPENT NUCLEAR FUEL RODS AT SAVANNAH RIVER SITE.—Of the amount authorized to be appropriated to the Department of Energy under section 3102, $30,000,000 shall be available for operating and maintenance activities at the Savannah River Site, which amount shall be available for the development at the canyon facilities at the site of technological methods (including plutonium processing and reprocessing) of separating, reducing, isolating, and storing the spent nuclear fuel rods that are sent to the site from other Department of Energy facilities and from foreign facilities.

(c) PROCESSING OF SPENT NUCLEAR FUEL RODS AT IDAHO NATIONAL ENGINEERING LABORATORY.—Of the amount authorized to be appropriated to the Department of Energy under section 3102, $15,000,000 shall be available for operating and maintenance activities at the Idaho National Engineering Laboratory, which amount shall be available for the development of technological methods of processing the spent nuclear fuel rods that will be sent to the laboratory from other Department of Energy facilities.

(d) SPENT NUCLEAR FUEL DEFINED.—In this section, the term "spent nuclear fuel" has the meaning given such term in section 2(23) of the Nuclear Waste Policy Act of 1982 (42 U.S.C. 10101(23)).

SEC. 3140. DEPARTMENT OF ENERGY DECLASSIFICATION PRODUCTIVITY INITIATIVE.

Of the funds authorized to be appropriated to the Department of Energy under section 3103, $3,000,000 shall be available for the Declassification Productivity Initiative of the Department of Energy.

SEC. 3141. AUTHORITY TO REPROGRAM FUNDS FOR DISPOSITION OF CERTAIN SPENT NUCLEAR FUEL.

(a) AUTHORITY TO REPROGRAM.—Notwithstanding any other provision of law and subject to subsection (b), the Secretary of Energy may reprogram funds available to the Department of Energy for fiscal year 1996 under section 3101(b) or 3102(b) to make such funds available for use for storage pool treatment and stabilization or for canning and storage in connection with the disposition of spent nuclear fuel in the Democratic People's Republic of Korea, which treatment and stabilization or canning and storage is—

(1) necessary in order to meet International Atomic Energy Agency safeguard standards with respect to the disposition of spent nuclear fuel; and

(2) conducted in fulfillment of the Nuclear Framework Agreement between the United States and the Democratic People's Republic of Korea dated October 21, 1994.

(b) LIMITATION.—The total amount that the Secretary may reprogram under the authority in subsection (a) may not exceed $5,000,000.

(c) DEFINITION.—In this section, the term "spent nuclear fuel" has the meaning given such term in section 2(23) of the Nuclear Waste Policy Act of 1982 (42 U.S.C. 10101(23)).

SEC. 3142. PROTECTION OF WORKERS AT NUCLEAR WEAPONS FACILITIES.

Of the funds authorized to be appropriated to the Department of Energy under section 3102, $10,000,000 shall be available to carry out activities authorized under section 3131 of the National Defense Authorization Act for Fiscal Years 1992 and 1993 (Public Law 102–190; 105 Stat. 1571; 42 U.S.C. 7274d), relating to worker protection at nuclear weapons facilities.

Subtitle D—Review of Department of Energy National Security Programs

SEC. 3151. REVIEW OF DEPARTMENT OF ENERGY NATIONAL SECURITY PROGRAMS.

(a) REPORT.—Not later than March 15, 1996, the Secretary of Defense shall, in consultation with the Secretary of Energy, submit to the congressional defense committees a report on the national security programs of the Department of Energy.

(b) CONTENTS OF REPORT.—The report shall include an assessment of the following:

(1) The effectiveness of the Department of Energy in maintaining the safety and reliability of the enduring nuclear weapons stockpile.

(2) The management by the Department of the nuclear weapons complex, including—

(A) a comparison of the Department of Energy's implementation of applicable environmental, health, and safety requirements with the implementation of similar requirements by the Department of Defense; and

(B) a comparison of the costs and benefits of the national security research and development programs of the Department of Energy with the costs and benefits of similar programs sponsored by the Department of Defense.

(3) The fulfillment of the requirements established for the Department of Energy in the Nuclear Posture Review.

(c) DEFINITION.—In this section, the term "Nuclear Posture Review" means the Department of Defense Nuclear Posture Review as contained in the Report of the Secretary of Defense to the President and the Congress dated February 19, 1995, or in subsequent such reports.

Subtitle E—Other Matters

SEC. 3161. RESPONSIBILITY FOR DEFENSE PROGRAMS EMERGENCY RESPONSE PROGRAM.

The Office of Military Applications under the Assistant Secretary of Energy for Defense Programs shall retain responsibility for the Defense Programs Emergency Response Program within the Department of Energy.

SEC. 3162. REQUIREMENTS FOR DEPARTMENT OF ENERGY WEAPONS ACTIVITIES BUDGETS FOR FISCAL YEARS AFTER FISCAL YEAR 1996.

(a) IN GENERAL.—The weapons activities budget of the Department of Energy shall be developed in accordance with the Nuclear Posture Review, the Post Nuclear Posture Review Stockpile Memorandum currently under development, and the programmatic and technical requirements associated with the review and memorandum.

(b) REQUIRED DETAIL.—The Secretary of Energy shall include in the materials that the Secretary submits to Congress in support of the budget for a fiscal year submitted by the President pursuant to section 1105 of title 31, United States Code, a long-term program plan, and a near-term program plan, for the certification and stewardship of the enduring nuclear weapons stockpile.

(c) DEFINITION.—In this section, the term "Nuclear Posture Review" means the Department of Defense Nuclear Posture Review as contained in the Report of the Secretary of Defense to the President and the Congress dated February 19, 1995, or in subsequent such reports.

SEC. 3163. REPORT ON PROPOSED PURCHASES OF TRITIUM FROM FOREIGN SUPPLIERS.

(a) REQUIREMENT.—Not later than May 30, 1997, the President shall submit to the congressional defense committees a report on any plans of the President to purchase from foreign suppliers tritium to be used for purposes of the nuclear weapons stockpile of the United States.

(b) FORM OF REPORT.—The report shall be submitted in unclassified form, but may contain a classified annex.

SEC. 3164. REPORT ON HYDRONUCLEAR TESTING.

(a) REPORT.—The Secretary of Energy shall direct the joint preparation by the Lawrence Livermore National Laboratory and the Los Alamos National Laboratory of a report on the advantages and disadvantages for the safety and reliability of the enduring nuclear weapons stockpile of permitting alternative limits to the current limits on the explosive yield of hydronuclear tests. The report shall address the following explosive yield limits:

(1) 4 pounds (TNT equivalent).

(2) 400 pounds (TNT equivalent).

(3) 4,000 pounds (TNT equivalent).

(4) 40,000 pounds (TNT equivalent).

(b) FUNDING.—The Secretary shall make available funds authorized to be appropriated to the Department of Energy under section 3101 for preparation of the report required under subsection (a).

SEC. 3165. PLAN FOR THE CERTIFICATION AND STEWARDSHIP OF THE ENDURING NUCLEAR WEAPONS STOCKPILE.

(a) REQUIREMENT.—Not later than March 15, 1996, and every March 15 thereafter, the Secretary of Energy shall submit to the Secretary of Defense a plan for maintaining the enduring nuclear weapons stockpile.

(b) PLAN ELEMENTS.—Each plan under subsection (a) shall set forth the following:

(1) The numbers of weapons (including active weapons and inactive weapons) for each type of weapon in the enduring nuclear weapons stockpile.

(2) The expected design lifetime of each weapon system type, the current age of each weapon system type, and any plans (including the analytical basis for such plans) for lifetime extensions of a weapon system type.

(3) An estimate of the lifetime of the nuclear and non-nuclear components of the weapons (including active weapons and inactive weapons) in the enduring nuclear weapons stockpile, and any plans (including the analytical basis for such plans) for lifetime extensions of such components.

(4) A schedule of the modifications, if any, required for each weapon type (including active weapons and inactive weapons) in the enduring nuclear weapons stockpile, and the cost of such modifications.

(5) The process to be used in recertifying the safety, reliability, and performance of each weapon type (including active weapons and inactive weapons) in the enduring nuclear weapons stockpile.

(6) The manufacturing infrastructure required to maintain the nuclear weapons stockpile stewardship management program.

SEC. 3166. APPLICABILITY OF ATOMIC ENERGY COMMUNITY ACT OF 1955 TO LOS ALAMOS, NEW MEXICO.

(a) DATE OF TRANSFER OF UTILITIES.—Section 72 of the Atomic Energy Community Act of 1955 (42 U.S.C. 2372) is amended by striking out "not later than five years after the date it is included within this Act" and inserting in lieu thereof "not later than June 30, 1998".

(b) DATE OF TRANSFER OF MUNICIPAL INSTALLATIONS.—Section 83 of such Act (42 U.S.C. 2383) is amended by striking out "not later than five years after the date it is included within this Act" and inserting in lieu thereof "not later than June 30, 1998".

(c) RECOMMENDATION FOR FURTHER ASSISTANCE PAYMENTS.—Section 91 of such Act (42 U.S.C. 2391) is amended—

(1) by striking out ", and the Los Alamos School Board;" and all that follows through "county of Los Alamos, New Mexico" and inserting in lieu thereof "; or not later than June 30, 1996, in the case of the Los Alamos School Board and the county of Los Alamos, New Mexico"; and

(2) by adding at the end the following new sentence: "If the recommendation under the preceding sentence regarding the Los Alamos School Board or the county of Los Alamos, New Mexico, indicates a need for further assistance for the school board or the county, as the case may be, after June 30, 1997, the recommendation shall include a report and plan describing the actions required to eliminate the need for further assistance for the school board or the county, including a proposal for legislative action to carry out the plan.".

(d) CONTRACT TO MAKE PAYMENTS.—Section 94 of such Act (42 U.S.C. 2394) is amended—

(1) by striking out "June 30, 1996" each place it appears in the proviso in the first sentence and inserting in lieu thereof "June 30, 1997"; and

(2) by striking out "July 1, 1996" in the second sentence and inserting in lieu thereof "July 1, 1997".

SEC. 3167. SENSE OF SENATE ON NEGOTIATIONS REGARDING SHIPMENTS OF SPENT NUCLEAR FUEL FROM NAVAL REACTORS.

(a) SENSE OF THE SENATE.—It is the sense of the Senate that the Secretary of Defense, the Secretary of Energy, and the Governor of the State of Idaho should continue good faith negotiations for the purpose of reaching an agreement on the issue of shipments of spent nuclear fuel from naval reactors.

(b) REPORT.—(1) Not later than September 15, 1995, the Secretary of Defense shall submit to the Committee on Armed Services of the Senate and the Committee on National Security of the House of Representatives a written report on the status or outcome of the negotiations urged under subsection (a).

(2) The report shall include the following matters:

(A) If an agreement is reached, the terms of the agreement, including the dates on which shipments of spent nuclear fuel from naval reactors will resume.

(B) If an agreement is not reached—

(i) the Secretary's evaluation of the issues remaining to be resolved before an agreement can be reached;

(ii) the likelihood that an agreement will be reached before October 1, 1995; and

(iii) the steps that must be taken regarding the shipment of spent nuclear fuel from naval reactors to ensure that the Navy can meet the national security requirements of the United States.

TITLE XXXII—DEFENSE NUCLEAR FACILITIES SAFETY BOARD

SEC. 3201. AUTHORIZATION.

There are authorized to be appropriated for fiscal year 1996, $17,000,000 for the operation of the Defense Nuclear Facilities Safety Board under chapter 21 of the Atomic Energy Act of 1954 (42 U.S.C. 2286 et seq.).

TITLE XXXIII—NAVAL PETROLEUM RESERVES

SEC. 3301. SALE OF NAVAL PETROLEUM RESERVE NUMBERED 1 (ELK HILLS).

(a) SALE OF ELK HILLS UNIT REQUIRED.—(1) Chapter 641 of title 10, United States Code, is amended by inserting after section 7421 the following new section:

"§7421a. Sale of Naval Petroleum Reserve Numbered 1 (Elk Hills)

"(a) SALE REQUIRED.—(1) Notwithstanding any other provision of this chapter other than section 7431(a)(2) of this title, the Secretary shall sell all right, title, and interest of the United States in and to lands owned or controlled by the United States inside Naval Petroleum Reserve Numbered 1, commonly referred to as the Elk Hills Unit, located in Kern County, California, and established by Executive order of the President, dated September 2, 1912. Subject to subsection (j), within one year after the effective date, the Secretary shall enter into one or more contracts for the sale of all of the interest of the United States in the reserve.

"(2) In this section:

"(A) The term 'reserve' means Naval Petroleum Reserve Numbered 1.

"(B) The term 'unit plan contract' means the unit plan contract between equity owners of the lands within the boundaries of Naval Petroleum Reserve Numbered 1 entered into on June 19, 1944.

"(C) The term 'effective date' means the date of the enactment of the National Defense Authorization Act for Fiscal Year 1996.

"(b) EQUITY FINALIZATION.—(1) Not later than three months after the effective date, the Secretary shall finalize equity interests of the known oil and gas zones in Naval Petroleum Reserve Numbered 1 in the manner provided by this subsection.

"(2) The Secretary shall retain the services of an independent petroleum engineer, mutually acceptable to the equity owners, who shall prepare a recommendation on final equity figures. The Secretary may accept the recommendation of the independent petroleum engineer for final equity in each known oil and gas zone and establish final equity interest in the Naval Petroleum Reserve Numbered 1 in accordance with such recommendation, or the Secretary may use such other method to establish final equity interest in the reserve as the Secretary considers appropriate.

"(3) If, on the effective date, there is an ongoing equity redetermination dispute between the equity owners under section 9(b) of the unit plan contract, such dispute shall be resolved in the manner provided in the unit plan contract within five months after the effective date. Such resolution shall be considered final for all purposes under this section.

"(c) TIMING AND ADMINISTRATION OF SALE.—(1) Not later than two months after the effective date, the Secretary shall publish a notice of intent to sell the Naval Petroleum Reserve Numbered 1. The Secretary shall make all technical, geological, and financial information relevant to the sale of the reserve available to all interested and qualified buyers upon request. The Secretary, in consultation with the Administrator of General Services, shall ensure that the sale process is fair and open to all interested and qualified parties.

"(2)(A) Not later than two months after the effective date, the Secretary shall retain the services of five independent experts in the valuation of oil and gas fields to conduct separate assessments, in a manner consistent with commercial practices, of the value of the interest of the United States in Naval Petroleum Reserve Numbered 1. In making their assessments, the independent experts shall consider (among other factors) all equipment and facilities to be included in the sale, the estimated quantity of petroleum and natural gas in the reserve, and the net present value of the anticipated revenue stream that the Secretary and the Director of the Office of Management and Budget jointly determine the Treasury would receive from the reserve if the reserve were not sold, adjusted for any anticipated increases in tax revenues that would result if the reserve were sold. The independent experts shall complete their assessments within six months after the effective date.

"(B) The independent experts shall also determine and submit to the Secretary the estimated total amount of the cost of any environmental restoration and remediation necessary at the reserve. The Secretary shall report the estimate to

the Director of the Office of Management and Budget, the Secretary of the Treasury, and Congress.

"(C) The Secretary, in consultation with the Director of the Office of Management and Budget, shall set the minimum acceptable price for the reserve. The Secretary may not set the minimum acceptable price below the average of three of the assessments (after excluding the high and low assessments) made under subparagraph (A).

"(3) Not later than two months after the effective date, the Secretary shall retain the services of an investment banker to independently administer, in a manner consistent with commercial practices and in a manner that maximizes sale proceeds to the Government, the sale of Naval Petroleum Reserve Numbered 1 under this section. Notwithstanding section 7433(b) of this title, costs and fees of retaining the investment banker shall be paid out of the proceeds of the sale of the reserve.

"(4)(A) Not later than six months after the effective date, the investment banker serving as the sales administrator under paragraph (3) shall complete a draft contract or contracts for the sale of Naval Petroleum Reserve Numbered 1, which shall accompany the invitation for bids and describe the terms and provisions of the sale of the interest of the United States in the reserve.

"(B) The draft contract or contracts shall identify—

"(i) all equipment and facilities to be included in the sale; and

"(ii) any potential claim or liability (including liability for environmental restoration and remediation), and the extent of any such claim or liability, for which the United States is responsible under subsection (d).

"(C) The draft contract or contracts, including the terms and provisions of the sale of the interest of the United States in the reserve, shall be subject to review and approval by the Secretary, the Secretary of the Treasury, and the Director of the Office of Management and Budget. Each of those officials shall complete the review of, and approve or disapprove, the draft contract or contracts not later than seven months after the effective date.

"(5) Not later than seven months after the effective date, the Secretary shall publish an invitation for bids for the purchase of the reserve.

"(6) Not later than 10 months after the effective date, the Secretary shall identify the highest responsible offer or offers for purchase of the interest of the United States in Naval Petroleum Reserve Numbered 1 that, in total, meet or exceed the minimum acceptable price determined under paragraph (2).

"(7) The Secretary shall take such action immediately after the effective date as is necessary to obtain from an independent petroleum engineer within six months after that date a certification regarding the quantity of the content of the reserve. The Secretary shall use the certification in support of the preparation of the invitation for bids.

"(d) FUTURE LIABILITIES.—The United States shall hold harmless and fully indemnify the purchaser or purchasers (as the case may be) of the interest of the United States in Naval Petroleum Reserve Numbered 1 from and against any claim or liability as a result of ownership in the reserve by the United States, including any claim referred to in subsection (e).

"(e) TREATMENT OF STATE OF CALIFORNIA CLAIM.—After the costs incurred in the conduct of the sale of Naval Petroleum Reserve Numbered 1 under this section are deducted, seven percent of the remaining proceeds from the sale of the reserve shall be reserved in a contingent fund in the Treasury (for a period not to exceed 10 years after the effective date) for payment to the State of California in the event that, and to the extent that, the claims of the State against the United States regarding production and proceeds of sale from Naval Petroleum Reserve Numbered 1 are resolved in favor of the State by a court of competent jurisdiction. Funds in the contingent fund shall be available for paying any such claim to the extent provided in appropriation Acts. After final disposition of the claims, any unobligated balance in the contingent fund shall be credited to the general fund of the Treasury.

"(f) MAINTAINING ELK HILLS UNIT PRODUCTION.—Until the sale of Naval Petroleum Reserve Numbered 1 is completed under this section, the Secretary shall continue to produce the reserve at the maximum daily oil or gas rate from a reservoir, which will permit maximum economic development of the reservoir consistent with sound oil field engineering practices in accordance with section 3 of the unit plan contract. The definition of maximum efficient rate in section 7420(6) of this title shall not apply to the reserve.

"(g) EFFECT ON EXISTING CONTRACTS.—(1) In the case of any contract, in effect on the effective date, for the purchase of production from any part of the United States' share of Naval Petroleum Reserve Numbered 1, the sale of the interest of the United States in the reserve shall be subject to the contract for a period of three months after the closing date of the sale or until termination of the contract, whichever occurs first. The term of any contract entered into after the effective date for the purchase of such production shall not exceed the anticipated closing date for the sale of the reserve.

"(2) The Secretary shall exercise the termination procedures provided in the contract between the United States and Bechtel Petroleum Operation, Inc., Contract Number DE–ACO1–85FE60520 so that the contract terminates not later than the date of closing of the sale of Naval Petroleum Reserve Numbered 1 under subsection (c).

"(3) The Secretary shall exercise the termination procedures provided in the unit plan contract so that the unit plan contract terminates not later than the date of closing of the sale of reserve.

"(h) EFFECT ON ANTITRUST LAWS.—Nothing in this section shall be construed to alter the application of the antitrust laws of the United States to the purchaser or purchasers (as the case may be) of Naval Petroleum Reserve Numbered 1 or to the lands in the reserve subject to sale under this section upon the completion of the sale.

"(i) PRESERVATION OF PRIVATE RIGHT, TITLE, AND INTEREST.—Nothing in this section shall be construed to adversely affect the ownership interest of any other entity having any right, title, and interest in and to lands within the boundaries of Naval Petroleum Reserve Numbered 1 and which are subject to the unit plan contract.

"(j) NOTICE TO CONGRESS.—(1) Subject to paragraph (2), the Secretary may not enter into any contract for the sale of the reserve until the end of the 31-day period beginning on the date on which the Secretary notifies the Committee on Armed Services of the Senate and the Committee on National Security and the Committee on Commerce of the House of Representatives of the conditions of the proposed sale.

"(2) If the Secretary receives only one offer for purchase of the reserve or any subcomponent thereof, the Secretary may not enter into a contract for the sale of the reserve unless—

"(A) the Secretary submits to Congress a notification of the receipt of only one offer together with the conditions of the proposed sale of the reserve or parcel to the offeror; and

"(B) a joint resolution of approval described in subsection (k) is enacted within 45 days after the date of the notification.

"(k) JOINT RESOLUTION OF APPROVAL.—(1) For the purpose of paragraph (2)(B) of subsection (j), 'joint resolution of approval' means only a joint resolution that is introduced after the date on which the notification referred to in that paragraph is received by Congress, and—

"(A) that does not have a preamble;

"(B) the matter after the resolving clause of which reads only as follows: 'That Congress approves the proposed sale of Naval Petroleum Reserve Numbered 1 reported in the notification submitted to Congress by the Secretary of Energy on ___________.' (the blank space being filled in with the appropriate date); and

"(C) the title of which is as follows: 'Joint resolution approving the sale of Naval Petroleum Reserve Numbered 1'.

"(2) A resolution described in paragraph (1) introduced in the House of Representatives shall be referred to the Committee on National Security of the House of Representatives. A resolution described in paragraph (1) introduced in the Senate shall be referred to the Committee on Armed Services of the Senate. Such a resolution may not be reported before the 8th day after its introduction.

"(3) If the committee to which is referred a resolution described in paragraph (1) has not reported such resolution (or an identical resolution) at the end of 15 calendar days after its introduction, such committee shall be deemed to be discharged from further consideration of such resolution and such resolution shall be placed on the appropriate calendar of the House involved.

"(4)(A) When the committee to which a resolution is referred has reported, or has been deemed to be discharged (under paragraph (3)) from further consideration of, a resolution described in paragraph (1), it is at any time thereafter in order (even though a previous motion to the same effect has been disagreed to) for any Member of the respective House to move to proceed to the consideration of the resolution, and all points of order against the resolution (and against consideration of the resolution) are waived. The motion is highly privileged in the House of Representatives and is privileged in the Senate and is not debatable. The motion is not subject to amendment, or to a motion to postpone, or to a motion to proceed to the consideration of other business. A motion to reconsider the vote by which the motion is agreed to or disagreed to shall not be in order. If a motion to proceed to the consideration of the resolution is agreed to, the resolution shall remain the unfinished business of the respective House until disposed of.

"(B) Debate on the resolution, and on all debatable motions and appeals in connection therewith, shall be limited to not more than 10 hours, which shall be divided equally between those favoring and those opposing the resolution. A motion further to limit debate is in order and not debatable. An amendment to, or a motion to postpone, or a motion to proceed to the consideration of other business, or a motion to recommit the resolution is not in order. A motion to reconsider the vote by which the resolution is agreed to or disagreed to is not in order.

"(C) Immediately following the conclusion of the debate on a resolution described in paragraph (2), and a single quorum call at the conclusion of the debate if requested in accordance with the rules of the appropriate House, the vote on final passage of the resolution shall occur.

"(D) Appeals from the decisions of the Chair relating to the application of the rules of the Senate or the House of Representatives, as the case may be, to the procedure relating to a resolution described in paragraph (1) shall be decided without debate.

"(5) If, before the passage by one House of a resolution of that House described in paragraph

(1), that House receives from the other House a resolution described in paragraph (1), then the following procedures shall apply:

"(A) The resolution of the other House shall not be referred to a committee.

"(B) With respect to a resolution described in paragraph (2) of the House receiving the resolution—

"(i) the procedure in that House shall be the same as if no resolution had been received from the other House; but

"(ii) the vote on final passage shall be on the resolution of the other House.

"(6) This subsection is enacted by Congress—

"(A) as an exercise of the rulemaking power of the Senate and House of Representatives, respectively, and as such it is deemed a part of the rules of each House, respectively, but applicable only with respect to the procedure to be followed in that House in the case of a resolution described in paragraph (1), and it supersedes other rules only to the extent that it is inconsistent with such rules; and

"(B) with full recognition of the constitutional right of either House to change the rules (so far as relating to the procedure of that House) at any time, in the same manner, and to the same extent as in the case of any other rule of that House.

"(l) NONCOMPLIANCE WITH DEADLINES.—If, at any time during the one-year period beginning on the effective date, the Secretary determines that the actions necessary to complete the sale of the reserve within that period are not being taken or timely completed, the Secretary shall transmit to the Committee on Armed Services of the Senate and the Committees on National Security and on Commerce of the House of Representatives a notification of that determination together with a plan setting forth the actions that will be taken to ensure that the sale of the reserve will be completed within that period. The Secretary shall consult with the Director of the Office of Management and Budget in preparing the plan for submission to the committees.

"(m) OVERSIGHT.—The Comptroller General shall monitor the actions of the Secretary relating to the sale of the reserve and report to the Committee on Armed Services of the Senate and the Committee on National security of the House of Representatives any findings on such actions that the Comptroller General considers appropriate to report to such committees.

"(n) ACQUISITION OF SERVICES.—The Secretary may enter into contracts for the acquisition of services required under this section under the authority of paragraph (7) of section 303(c) of the Federal Property and Administrative Services Act of 1949 (41 U.S.C. 253(c)), except that the notification required under subparagraph (B) of such paragraph for each contract shall be submitted to Congress not less than 7 days before the award of the contract.

"(o) RECONSIDERATION OF PROCESS OF SALE.—(1) If during the course of the sale of the reserve the Secretary of Energy and the Director of the Office of Management and Budget jointly determine that—

"(A) the sale is proceeding in a manner inconsistent with achievement of a sale price that reflects the full value of the reserve, or

"(B) a course of action other than the immediate sale of the reserve is in the best interests of the United States,

the Secretary shall submit a notification of the determination to the Committee on Armed Services of the Senate and the Committees on National Security and on Commerce of the House of Representatives.

"(2) After the Secretary submits a notification under paragraph (1), the Secretary may not complete the sale the reserve under this section unless there is enacted a joint resolution—

"(A) that is introduced after the date on which the notification is received by the committees referred to in such paragraph;

"(B) that does not have a preamble;

"(C) the matter after the resolving clause of which reads only as follows: 'That the Secretary of Energy shall proceed with activities to sell Naval Petroleum Reserve Numbered 1 in accordance with section 7421a of title 10, United States Code, notwithstanding the determination set forth in the notification submitted to Congress by the Secretary of Energy on __________.' (the blank space being filled in with the appropriate date); and

"(D) the title of which is as follows: 'Joint resolution approving continuation of actions to sell Naval Petroleum Reserve Numbered 1'.

"(3) Subsection (k), except for paragraph (1) of such subsection, shall apply to the joint resolution described in paragraph (2).".

(2) The table of sections at the beginning of such chapter is amended by inserting after the item relating to section 7421 the following new item:

"7421a. Sale of Naval Petroleum Reserve Numbered 1 (Elk Hills).".

(b) AUTHORIZATION OF APPROPRIATIONS.—Funds are authorized to be appropriated for fiscal year 1996 for carrying out section 7421a of title 10, United States Code (as added by subsection (a)), in the total amount of $7,000,000.

SEC. 3302. FUTURE OF NAVAL PETROLEUM RESERVES (OTHER THAN NAVAL PETROLEUM RESERVE NUMBERED 1).

(a) STUDY OF FUTURE OF PETROLEUM RESERVES.—(1) The Secretary of Energy shall conduct a study to determine which of the following options, or combination of options, would maximize the value of the naval petroleum reserves to or for the United States:

(A) Transfer of all or a part of the naval petroleum reserves to the jurisdiction of the Department of the Interior for leasing in accordance with the Mineral Leasing Act (30 U.S.C. 181 et seq.) and surface management in accordance with the Federal Land Policy and Management Act (43 U.S.C. 1701 et seq.).

(B) Lease of the naval petroleum reserves consistent with the provisions of such Acts.

(C) Sale of the interest of the United States in the naval petroleum reserves.

(2) The Secretary shall retain such independent consultants as the Secretary considers appropriate to conduct the study.

(3) An examination of the value to be derived by the United States from the transfer, lease, or sale of the naval petroleum reserves under paragraph (1) shall include an assessment and estimate, in a manner consistent with customary property valuation practices in the oil industry, of the fair market value of the interest of the United States in the naval petroleum reserves.

(4) Not later than December 31, 1995, the Secretary shall submit to Congress and make available to the public a report describing the results of the study and containing such recommendations as the Secretary considers appropriate to implement the option, or combination of options, identified in the study that would maximize the value of the naval petroleum reserves to or for the United States.

(b) IMPLEMENTATION OF RECOMMENDATIONS.—Not earlier than 31 days after submitting to Congress the report required under subsection (a)(4), and not later than December 31, 1996, the Secretary shall carry out the recommendations contained in the report.

(c) NAVAL PETROLEUM RESERVES DEFINED.—For purposes of this section, the term "naval petroleum reserves" has the meaning given that term in section 7420(2) of title 10, United States Code, except that such term does not include Naval Petroleum Reserve Numbered 1.

TITLE XXXIV—NATIONAL DEFENSE STOCKPILE

SEC. 3401. AUTHORIZED USES OF STOCKPILE FUNDS.

(a) OBLIGATIONS AUTHORIZED.—During fiscal year 1996, the National Defense Stockpile Manager may obligate up to $77,100,000 of the funds in the National Defense Stockpile Transaction Fund established under subsection (a) of section 9 of the Strategic and Critical Materials Stock Piling Act (50 U.S.C. 98h) for the authorized uses of such funds under subsection (b)(2) of such section.

(b) ADDITIONAL OBLIGATIONS.—The National Defense Stockpile Manager may obligate amounts in excess of the amount specified in subsection (a) if the National Defense Stockpile Manager notifies Congress that extraordinary or emergency conditions necessitate the additional obligations. The National Defense Stockpile Manager may make the additional obligations described in the notification after the end of the 45-day period beginning on the date Congress receives the notification.

(c) LIMITATIONS.—The authorities provided by this section shall be subject to such limitations as may be provided in appropriations Acts.

SEC. 3402. DISPOSAL OF OBSOLETE AND EXCESS MATERIALS CONTAINED IN THE NATIONAL DEFENSE STOCKPILE.

(a) DISPOSAL AUTHORIZED.—Subject to the conditions specified in subsection (b), the President may dispose of obsolete and excess materials currently contained in the National Defense Stockpile in order to modernize the stockpile. The materials subject to disposal under this subsection and the quantity of each material authorized to be disposed of by the President are set forth in the following table:

Authorized Stockpile Disposals

Material for disposal	***Quantity***
Aluminum	*62,881 short tons*
Aluminum Oxide, Abrasive Grade	*2,456 short tons*
Antimony	*34 short tons*
Bauxite, Metallurgical Grade, Jamaican	*321,083 long dry tons*
Bauxite, Refractory	*53,788 long dry tons*
Beryllium, Copper Master Alloy	*7,387 short tons*
Beryllium, Metal	*300 short tons*
Chromite, Chemical Grade Ore	*34,709 short dry tons*
Chromite, Metallurgical Grade Ore	*580,700 short dry tons*
Chromite, Refractory Grade Ore	*159,282, short dry tons*
Chromium, Ferro Group	*712,362 short tons*
Chromium Metal	*2,971 short tons*

Authorized Stockpile Disposals—Continued

Material for disposal	*Quantity*
Cobalt	*27,868,181 pounds of contained cobalt*
Columbium Group	*2,871,194 pounds of contained columbium*
Diamond, Bort	*61,542 carats*
Diamond Stones	*3,030,087 carats*
Fluorspar, Acid Grade	*28,047 short dry tons*
Germanium Metal	*53,200 kilograms*
Graphite, Natural, Ceylon Lump	*5,492 short tons*
Iodine	*871 pounds*
Indium	*50,205 troy ounces*
Jewel bearings	*30,237,764 pieces*
Manganese, Ferro, High Carbon	*230,481 short tons*
Manganese, Ferro, Medium Carbon	*19,752 short tons*
Manganese, Ferro, Silicon	*202 short tons*
Mica, Muscovite Block, Stained and Better	*325,896 pounds*
Mica, Phlogopite Block	*130,745 pounds*
Morphine, Sulfate & Analgesic, Refined	*5,679 pounds of anhydrous morphine alkaloid*
Nickel	*887 short tons*
Platinum	*252,641 troy ounces*
Palladium	*1,064,601 troy ounces*
Rubber, Natural	*25,138 long tons*
Rutile	*257 short dry tons*
Talc, Block & Lump	*2 short tons*
Tantalum, Carbide Powder	*28,688 pounds of contained tantalum*
Tantalum, Minerals	*2,575,234 pounds of contained tantalum*
Tantalum, Oxide	*163,691 pounds of contained tantalum*
Thorium Nitrate	*551,687 pounds*
Tin	*1,077 metric tons*
Titanium Sponge	*24,830 short tons*
Tungsten Group	*82,312,516 pounds of contained tungsten*
Vegetable Tannin, Chestnut	*15 long tons*
Zirconium	*15,991 short dry tons*

(b) CONDITIONS ON DISPOSAL.—The authority of the President under subsection (a) to dispose of materials stored in the stockpile may not be used unless and until the Secretary of Defense certifies to Congress that the disposal of such materials will not adversely affect the capability of the National Defense Stockpile to supply the strategic and critical materials necessary to meet the needs of the United States during a period of national emergency that requires a significant level of mobilization of the economy of the United States, including any reconstitution of the military and industrial capabilities necessary to meet the planning assumptions used by the Secretary of Defense under section 14(b) of the Strategic and Critical Materials Stock Piling Act (50 U.S.C. 98h–5(b)).

(c) RELATIONSHIP TO OTHER DISPOSAL AUTHORITY.—The disposal authority provided in subsection (a) is in addition to any other disposal authority provided by law.

SEC. 3403. DISPOSAL OF CHROMITE AND MANGANESE ORES AND CHROMIUM FERRO AND MANGANESE METAL ELECTROLYTIC.

(a) DOMESTIC UPGRADING.—In offering to enter into agreements pursuant to any provision of law for the disposal from the National Defense Stockpile of chromite and manganese ores of metallurgical grade or chromium ferro and manganese metal electrolytic, the President shall give a right of first refusal on all such offers to domestic ferroalloy upgraders.

(b) DOMESTIC FERROALLOY UPGRADER DEFINED.—For purposes of this section, the term "domestic ferroalloy upgrader" means a company or other business entity that, as determined by the President—

(1) is engaged in operations to upgrade chromite or manganese ores of metallurgical grade or chromium ferro and manganese metal electrolytic; and

(2) conducts a significant level of its research, development, engineering, and upgrading operations in the United States.

SEC. 3404. RESTRICTIONS ON DISPOSAL OF MANGANESE FERRO.

(a) DISPOSAL OF LOWER GRADE MATERIAL FIRST.—The President may not dispose of high carbon manganese ferro in the National Defense Stockpile that meets the National Defense Stockpile classification of Grade One, Specification 30(a), as revised on May 22, 1992, until completing the disposal of all manganese ferro in the National Defense Stockpile that does not meet such classification. The President may not reclassify manganese ferro in the National Defense Stockpile after the date of the enactment of this Act.

(b) REQUIREMENT FOR REMELTING BY DOMESTIC FERROALLOY PRODUCERS.—Manganese ferro in the National Defense Stockpile that does not meet the classification specified in subsection (a) may be sold only for remelting by a domestic ferroalloy producer.

(c) DOMESTIC FERROALLOY PRODUCER DEFINED.—For purposes of this section, the term "domestic ferroalloy producer" means a company or other business entity that, as determined by the President—

(1) is engaged in operations to upgrade manganese ores of metallurgical grade or manganese ferro; and

(2) conducts a significant level of its research, development, engineering, and upgrading operations in the United States.

SEC. 3405. EXCESS DEFENSE-RELATED MATERIALS: TRANSFER TO STOCKPILE AND DISPOSAL.

(a) TRANSFER AND DISPOSAL.—The Strategic and Critical Materials Stock Piling Act (50 U.S.C. 98 et seq.) is amended by adding at the end the following:

"EXCESS DEFENSE-RELATED MATERIALS: TRANSFER TO STOCKPILE AND DISPOSAL

"SEC. 17. (a) The Secretary of Energy, in consultation with the Secretary of Defense, shall transfer to the stockpile for disposal in accordance with this Act uncontaminated materials that are in the inventory of Department of Energy materials for production of defense-related items, are excess to the requirements of the department for that purpose, and are suitable for transfer to the stockpile and disposal through the stockpile.

"(b) The Secretary of Defense shall determine whether materials are suitable for transfer to the stockpile under this section, are suitable for disposal through the stockpile, and are uncontaminated.".

(b) CONFORMING AMENDMENT.—Section 4(a) of such Act (50 U.S.C. 98c(a)) is amended by adding at the end the following:

"(10) Materials transferred to the stockpile under section 17.".

TITLE XXXV—PANAMA CANAL COMMISSION

SEC. 3501. SHORT TITLE.

This title may be cited as the "Panama Canal Commission Authorization Act for Fiscal Year 1996".

SEC. 3502. AUTHORIZATION OF EXPENDITURES.

(a) IN GENERAL.—Subject to subsection (b), the Panama Canal Commission is authorized to make such expenditures within the limits of funds and borrowing authority available to it in accordance with law, and to make such contracts and commitments without regard to fiscal year limitations, as may be necessary under the Panama Canal Act of 1979 (22 U.S.C. 3601 et seq.) for the operation, maintenance, and improvement of the Panama Canal for fiscal year 1996.

(b) LIMITATIONS.—For fiscal year 1996, the Panama Canal Commission may expend from funds in the Panama Canal Revolving Fund not more than $50,741,000 for administrative expenses, of which not more than—

(1) $15,000 may be used for official reception and representation expenses of the Supervisory Board of the Commission;

(2) $10,000 may be used for official reception and representation expenses of the Secretary of the Commission; and

(3) $45,000 may be used for official reception and representation expenses of the Administrator of the Commission.

(c) REPLACEMENT VEHICLES.—Funds available to the Panama Canal Commission shall be available for the purchase of not to exceed 38 passenger motor vehicles (including large heavy-duty vehicles to be used to transport Commission personnel across the isthmus of Panama) at a cost per vehicle of not more than $19,500. A vehicle may be purchased with such funds only as necessary to replace another passenger motor vehicle of the Commission.

DIVISION D—INFORMATION TECHNOLOGY MANAGEMENT REFORM

SEC. 4001. SHORT TITLE.

This division may be cited as the "Information Technology Management Reform Act of 1995".

SEC. 4002. FINDINGS.

Congress makes the following findings:

(1) Federal information systems are critical to the lives of every American.

(2) The efficiency and effectiveness of the Federal Government is dependent upon the effective use of information.

(3) The Federal Government annually spends billions of dollars operating obsolete information systems.

(4) The use of obsolete information systems severely limits the quality of the services that the Federal Government provides, the efficiency of Federal Government operations, and the capabilities of the Federal Government to account for how taxpayer dollars are spent.

(5) The failure to modernize Federal Government information systems and the operations they support, despite efforts to do so, has resulted in the waste of billions of dollars that cannot be recovered.

(6) Despite improvements achieved through implementation of the Chief Financial Officers Act of 1990, most Federal agencies cannot track the expenditures of Federal dollars and, thus, expose the taxpayers to billions of dollars in waste, fraud, abuse, and mismanagement.

(7) Poor planning and program management and an overburdened acquisition process have resulted in the American taxpayers not getting their money's worth from the expenditure of $200,000,000,000 on information systems during the decade preceding the enactment of this Act.

(8) The Federal Government's investment control processes focus too late in the system lifecycle, lack sound capital planning, and pay inadequate attention to business process improvement, performance measurement, project milestones, or benchmarks against comparable organizations.

(9) Many Federal agencies lack adequate personnel with the basic skills necessary to effectively and efficiently use information technology and other information resources in support of agency programs and missions.

(10) Federal regulations governing information technology acquisitions are outdated, focus on paperwork and process rather than results, and prevent the Federal Government from taking timely advantage of the rapid advances taking place in the competitive and fast changing global information technology industry.

(11) Buying, leasing, or developing information systems should be a top priority for Federal agency management because the high potential for the systems to substantially improve Federal Government operations, including the delivery of services to the public.

(12) Structural changes in the Federal Government, including elimination of the Brooks Act (section 111 of the Federal Property and Administrative Services Act of 1949), are necessary in order to improve Federal information management and to facilitate Federal Government acquisition of the state-of-the-art information technology that is critical for improving the efficiency and effectiveness of Federal Government operations.

SEC. 4003. PURPOSES.

The purposes of this division are as follows:

(1) To create incentives for the Federal Government to strategically use information technology in order to achieve efficient and effective operations of the Federal Government, and to provide cost effective and efficient delivery of Federal Government services to the taxpayers.

(2) To provide for the cost effective and timely acquisition, management, and use of effective information technology solutions.

(3) To transform the process-oriented procurement system of the Federal Government, as it relates to the acquisition of information technology, into a results-oriented procurement system.

(4) To increase the responsibility and authority of officials of the Office of Management and Budget and other Federal Government agencies, and the accountability of such officials to Congress and the public, in the use of information technology and other information resources in support of agency missions.

(5) To ensure that Federal Government agencies are responsible and accountable for achieving service delivery levels and project management performance comparable to the best in the private sector.

(6) To promote the development and operation of multiple-agency and Governmentwide, interoperable, shared information resources to support the performance of Federal Government missions.

(7) To reduce fraud, waste, abuse, and errors resulting from a lack of, or poor implementation of, Federal Government information systems.

(8) To increase the capability of the Federal Government to restructure and improve processes before applying information technology.

(9) To increase the emphasis placed by Federal agency managers on completing effective capital planning and process improvement before applying information technology to the execution of plans and the performance of agency missions.

(10) To coordinate, integrate, and, to the extent practicable, establish uniform Federal information resources management policies and practices in order to improve the productivity, efficiency, and effectiveness of Federal Government programs and the delivery of services to the public.

(11) To strengthen the partnership between the Federal Government and State, local, and tribal governments for achieving Federal Government missions, goals, and objectives.

(12) To provide for the development of a well-trained core of professional Federal Government information resources managers.

(13) To improve the ability of agencies to share expertise and best practices and coordinate the development of common application systems and infrastructure.

SEC. 4004. DEFINITIONS.

In this division:

(1) INFORMATION RESOURCES.—The term "information resources" means information and related resources such as personnel, equipment, funds, and information technology, but does not include information resources which support national security systems.

(2) INFORMATION RESOURCES MANAGEMENT.—The term "information resources management" means the process of managing information resources to accomplish agency missions and to improve agency performance, including through the reduction of information collection burdens on the public.

(3) INFORMATION SYSTEM.—The term "information system" means a discrete set of information resources organized for the collection, processing, maintenance, use, sharing, dissemination, or disposition of information.

(4) INFORMATION TECHNOLOGY.—The term "information technology", with respect to an executive agency—

(A) means any equipment or interconnected system or subsystem of equipment, that is used in the automatic acquisition, storage, manipulation, management, movement, control, display, switching, interchange, transmission, or reception of data or information by the executive agency or under a contract with the executive agency which (i) requires the use of such system or subsystem of equipment, or (ii) requires the use, to a significant extent, of such system or subsystem of equipment in the performance of a service or the furnishing of a product; and includes computers; ancillary equipment; software, firmware and similar procedures; services, including support services; and related resources;

(B) does not include any such equipment that is acquired by a Federal contractor incidental to a Federal contract; and

(C) does not include information technology contained in national security systems.

(5) EXECUTIVE DEPARTMENT.—The term "executive department" means an executive department specified in section 101 of title 5, United States Code.

(6) EXECUTIVE AGENCY.—The term "executive agency" has the meaning given the term in section 4(1) of the Office of Federal Procurement Policy Act (41 U.S.C. 403(1)).

(7) COMMERCIAL ITEM.—The term "commercial item" has the meaning given that term in section 4(12) of the Office of Federal Procurement Policy Act (41 U.S.C. 403(12)).

(8) NONDEVELOPMENTAL ITEM.—The term "nondevelopmental item" has the meaning given that term in section 4(13) of the Office of Federal Procurement Policy Act (41 U.S.C. 403(13)).

(9) INFORMATION ARCHITECTURE.—The term "information architecture", with respect to an executive agency, means a framework or plan for evolving or maintaining existing information technology, acquiring new information technology, and integrating the agency's information technology to achieve the agency's strategic goals and information resources management goals.

(10) NATIONAL SECURITY SYSTEMS.—The term "national security systems" are those telecommunications and information systems operated by the United States Government, the function, operation, or use of which: (A) involve intelligence activities; (B) involve cryptologic activities related to national security; (C) involves the command and control of military forces; (D) involves equipment that is an integral part of a weapon or weapons system; or (E) is critical to the direct fulfillment of military or intelligence missions, but does not include systems to be used for routine administrative and business applications (including payroll, finance, logistics, and personnel management applications).

(11) DIRECTOR.—The term "Director" means the Director of the Office of Management and Budget.

SEC. 4005. APPLICATIONS OF EXCLUSIONS.

IN GENERAL.—The exclusions for national security systems provided in section 4004 of the division apply only in title XLI of this division unless otherwise provided in that title.

TITLE XLI—RESPONSIBILITY FOR ACQUISITIONS OF INFORMATION TECHNOLOGY

Subtitle A—General Authority

SEC. 4101. AUTHORITY OF HEADS OF EXECUTIVE AGENCIES.

The heads of the executive agencies may conduct acquisitions of information technology pursuant to their respective authorities.

SEC. 4102. REPEAL OF CENTRAL AUTHORITY OF THE ADMINISTRATOR OF GENERAL SERVICES.

Section 111 of the Federal Property and Administrative Services Act of 1949 (40 U.S.C. 759) is repealed.

Subtitle B—Director of the Office of Management and Budget

SEC. 4121. RESPONSIBILITY OF DIRECTOR.

(a) In fulfilling the responsibility to administer the functions assigned under chapter 35 of title 44, United States Code, the Director shall comply with this subtitle with respect to the specific matters covered by this subtitle.

(b) This subtitle shall sunset on September 30, 2001, after which the Director may continue to comply with this subtitle.

SEC. 4122. CAPITAL PLANNING AND INVESTMENT CONTROL.

(a) With respect to the responsibilities under section 3504(h) of title 44, United States Code, the Director shall—

(1) promote and be responsible for improving the acquisition, use and disposal of information technology by the Federal Government to improve the productivity, efficiency, and effectiveness of Federal programs, including through dissemination of public information and the reduction of information collection burdens on the public;

(2) develop, as part of the budget process, a process for analyzing, tracking and evaluating the risk and results of all major agency capital investments or information systems over the life of the system:

(A) The process should identify opportunities for interagency cooperation, ensure the success of high risk and high return investments, but not duplicate or supplant existing agency investment development and control processes.

(B) The process should include development of explicit criteria for analyzing the projected and actual cost, benefit and risk of information systems investments. As part of the process three categories of information systems investments should be identified:

(i) HIGH RISK.—Those projects that, by virtue of their size, complexity, use of innovative technology or other factors have an especially high risk of failure.

(ii) HIGH RETURN.—Those projects that, by virtue of their total potential benefits in proportion to their costs, have particularly unique value to the public.

(iii) CROSSCUTTING.—Those projects of individual agencies with shared benefit to or impact on other Federal agencies and State or local governments that require enforcement of operational standards or elimination of redundancies.

(C) Each annual budget submission shall include a report to Congress on the net program performance benefits achieved by major information systems investments and how these benefits support the accomplishment of agency goals.

(D) This process shall be performed with the assistance of and advice from the Chief Information Officers Council and appropriate interagency functional groups.

(E) The process shall ensure that agency information resources management plans are integrated into agency's program plans and budgets for acquisition and use of information technology to improve agency performance and the accomplishment of agency missions.

(3) in consultation with the Director of the National Institute of Standards and Technology, oversee the development and implementation of information technology standards by the Secretary of Commerce under section 4 of Public Law 100-235;

(4) designate (as the Director considers appropriate) one or more heads of executive agencies as an executive agent to contract for Governmentwide acquisition of information technology;

(5) encourage the executive agencies to develop and use the best practices in the acquisition of information technology by—

(A) identifying and collecting information regarding the best practices, including information on the development and implementation of the best practices by the executive agencies; and

(B) providing the executive agencies with information on the best practices and with advice and assistance regarding use of the best practices.

(6) assess, on a continuing basis, the experiences of executive agencies, State and local governments, international organizations, and the private sector in managing information technology;

(7) compare the performances of the executive agencies in using information technology and disseminate the comparisons to the executive agencies;

(8) monitor the development and implementation of training in the management of information technology for executive agency management personnel and staff;

(9) keep Congress fully informed on the extent to which the executive agencies are improving program performance and the accomplishment of agency missions through the use of the best practices in information technology;

(10) coordinate the development and review by the Office of Information and Regulatory Affairs of policy associated with Federal procurement and acquisition of information technology with the Office of Federal Procurement Policy; and

(11) seek and give due weight to the advice given by the Chief Information Officers Council or interagency functional groups regarding the performance of any responsibility of the Director under this subsection.

(b) The heads of executive agencies shall apply the Office of Management and Budget's guidelines promulgated pursuant to this section to national security systems only to the maximum extent practicable.

SEC. 4123. PERFORMANCE-BASED AND RESULTS-BASED MANAGEMENT.

(a) The Director shall encourage performance and results based management in fulfilling the responsibilities assigned under section 3504(h), of title 44, United States Code.

(1) EVALUATION OF AGENCY PROGRAMS AND INVESTMENTS.—

(A) REQUIREMENT.—The Director of the Office of Management and Budget shall evaluate the information resources management practices of the executive agencies with respect to the performance and results of the information technology investments of executive agencies.

(B) CONSIDERATION OF ADVICE AND RECOMMENDATIONS.—In performing the evaluation, the Director shall consider any advice and recommendations provided by the Chief Information Officers Council or any interagency functional group.

(2) GUIDANCE.—The Director shall issue clear and concise guidance to ensure that—

(A) an agency and its major subcomponents institutes effective and efficient capital planning processes to select, control and evaluate the results of all its major information systems investments;

(B) an agency determines, prior to making investments in new information systems—

(i) whether the function to be supported should be performed in the private sector rather than by an agency of the Federal Government and, if so, whether the component of the agency performing that function should be converted from a governmental organization to a private sector organization; or

(ii) whether the function should be performed by the executive agency and, if so, whether the function should be performed by private sector source under a contract entered into by head of the executive agency or executive agency personnel;

(C) the agency analyzes its missions and, based on the analysis, revises its mission-related processes and administrative processes, as appropriate, before making significant investments in information technology to be used in support of agency missions;

(D) the agency's information resources management plan is current and adequate and, to the maximum extent practicable, specifically identifies how information technology to be acquired is expected to improve agency operations and otherwise benefit the agency;

(E) agency information security is adequate;

(F) the agency—

(i) provides adequately for the integration of the agency's information resources management plans, strategic plans prepared pursuant to section 306 of title 5, United States code, and performance plans prepared pursuant to section 1115 of title 31, United States Code; and

(ii) budgets for the acquisition and use of information technology; and

(G) efficient and effective interagency and Governmentwide information technology investments are undertaken to improve the accomplishment of common agency missions.

(3) PERIODIC REVIEWS.—The Director shall ensure that selected information resources management activities of the executive agencies are periodically reviewed in order to ascertain the efficiency and effectiveness of information technology in improving agency performance and the accomplishment of agency missions.

(4) ENFORCEMENT OF ACCOUNTABILITY.—

(A) IN GENERAL.—The Director may take any authorized action that the Director considers appropriate, including an action involving the budgetary process or appropriations management process, to enforce accountability under this title in an executive agency.

(B) SPECIFIC ACTIONS.—Actions taken by the Director in the case of an executive agency may include—

(i) recommending a reduction or an increase in the amount proposed by the head of the executive agency to be included for information resources in the budget submitted to Congress under section 1105(a) of title 31, United States Code;

(ii) reducing or otherwise adjusting apportionments and reapportionments of appropriations for information resources;

(iii) using other authorized administrative controls over appropriations to restrict the availability of funds for information resources; and

(iv) designating for the executive agency an executive agent to contract with private sector sources for the performance of information resources management or the acquisition of information technology.

(b) The heads of executive agencies shall apply the Office of Management and Budget guidelines promulgated pursuant to this section to national security systems only to the maximum extent practicable. This subsection does not apply to subparagraphs (4)(A) or (4)(B) (i), (ii), or (iii).

SEC. 4124. INTEGRATION WITH INFORMATION RESOURCE MANAGEMENT RESPONSIBILITIES.

In undertaking activities and issuing guidance in accordance with this subtitle, the Director shall promote the integration of information technology management with the broader information resource management processes in the agencies.

Subtitle C—Executive Agencies

SEC. 4131. RESPONSIBILITIES.

(a) In fulfilling the responsibilities assigned under chapter 35 of title 44, United States Code, the head of each executive agency shall comply with this subtitle with respect to the specific matters covered by this subtitle.

(b) This subtitle shall sunset on September 30, 2001, after which the head of each executive agency may continue to comply with this subtitle.

(c) Guidance issued by the Director in accordance with subtitle B of this title shall sunset on September 30, 2001, unless the Director determines it should continue in effect pursuant to section 4121(b) of this division, and notifies the Congress and the agencies of that intent by March 31, 2001.

SEC. 4132. CAPITAL PLANNING AND INVESTMENT CONTROL.

(a) In fulfilling the responsibilities assigned under section 3506(h) of title 44, United States Code, the head of each executive agency shall design and apply in the executive agency a process for maximizing the value and assessing and managing the risks of the information technology acquisitions of the agency.

(b) The process shall—

(1) provide for the selection, control, and evaluation of the results of information technology investments of the agency;

(2) be integrated with budget, financial, and program management decisions of the agency;

(3) include minimum criteria for considering an information systems investment—to include a quantitative assessment of projected net, risk-adjusted return on investment—as well as explicit criteria, both quantitative and qualitative, for comparing and prioritizing alternative information systems investment projects;

(4) identify information systems investments with share benefit to or impact on other Federal agencies and State or local governments that require enforcement of operational standards or elimination of redundancies;

(5) provide for clearly identifying in advance of the proposed investment of quantifiable measurements for determining the net benefits and risks; and

(6) provide senior management with timely information regarding the progress of information systems initiatives against measurable, independently-verifiable milestones, including cost, ability to meet specified requirements, timeliness, and quality.

(c) This section applies to national security systems except for subsection (b).

SEC. 4133. PERFORMANCE AND RESULTS-BASED MANAGEMENT.

(a) IN GENERAL.—In fulfilling the responsibilities under section 3506(h) of title 44, United States Code, the head of an executive agency shall—

(1) establish goals for improving the efficiency and effectiveness of agency operations and, as appropriate, the delivery of services to the public through the effective use of information technology;

(2) prepare an annual report, to be included in the budget submission for the executive agency, on the progress in achieving the goals;

(3) ensure that—

(A) the agency determines—

(i) whether the function should be performed in the private sector rather than by an agency of the Federal Government and, if so, whether the component of the agency performing that function should be converted from a governmental organization to a private sector organization; or

(ii) whether the function should be performed by the executive agency and, if so, whether the function should be performed by a private sector source under a contract entered into by head of the executive agency or executive agency personnel;

(B) the agency—

(i) provides adequately for the integration of the agency's information resources management plans, strategic plans prepared pursuant to section 306 of title 5, United States Code, and performance plans prepared pursuant to section 1115 of title 31, United States Code; and

(ii) budgets for the acquisition and use of information technology;

(4) ensure that performance measurements are prescribed for information technology used by or to be acquired for the executive agency and that the performance measurements measure how well the information technology supports agency programs;

(5) where comparable processes and organizations in the public or private sectors exist, quantitatively benchmark agency process performance against such processes in terms of cost, speed, productivity, and quality of outputs and outcomes;

(6) analyze its missions and, based on the analysis, revises its mission-related processes and administrative processes as appropriate before making significant investments in information technology to be used in support of agency missions;

(7) ensure that the agency's information resources management plan is current and adequate and, to the maximum extent practicable, specifically identifies how information technology to be acquired is expected to improve agency operations and otherwise expected to benefit the agency;

(8) ensure that efficient and effective interagency and Governmentwide information technology investments are undertaken to improve the accomplishment of common agency missions; and

(9) ensure that an agency's information security is adequate.

(b) APPLICATION.—This section applies to national security systems except for subparagraph (3)(A).

SEC. 4134. SPECIFIC AUTHORITY.

(a) IN GENERAL.—The authority of the head of an executive agency under section 4101 and the authorities referred to in such section includes but is not limited to the following authorities:

(1) To acquire information technology as authorized by law.

(2) To enter into a contract that provides for multi-agency acquisitions of information technology subject to the approval and guidance of the Director.

(3) If the Director, based on advice from the Chief Information Officers Council or interagency functional groups, finds that it would be advantageous for the Federal Government to do so, to enter into a multi-agency contract for procurement of commercial items that requires each agency covered by the contract, when procuring such items, either to procure the items under that contract or to justify an alternative procurement of the items.

(4) To establish and support one or more independent technical review committees, composed of diverse agency personnel (including users) and outside experts selected by the head of the executive agency, to advise the head of the executive agency about information systems programs.

(b) FTS 2000 PROGRAM.—Notwithstanding any other provision of this or any other law, the General Services Administration shall continue to manage the FTS 2000 program, and to coordinate the follow-on to that program, on behalf and with the advice of the Federal agencies.

SEC. 4135. AGENCY CHIEF INFORMATION OFFICER.

(a) DESIGNATION OF CHIEF INFORMATION OFFICERS.—Section 3506(a) of title 44, United States Code, is amended by striking out "senior official" wherever it appears and inserting in lieu thereof "Chief Information Officer"; and by striking out "official" wherever it appears and inserting in lieu thereof "Officer".

(b) IN GENERAL.—The chief information officer of an executive agency shall be responsible for—

(1) providing advice and other assistance to the head of the executive agency and other senior management personnel of the executive agency to ensure that information technology is acquired and information resources are managed for the agency in a manner that implements the policies and procedures of this division and the priorities established by the agency head;

(2) developing, maintaining and facilitating the implementation of a sound and integrated information architecture for an agency; and

(3) promoting the effective and efficient design and operation of all major information resources management processes including work process improvements for an agency.

(c) DUTIES AND QUALIFICATIONS.—Duties and qualifications of chief information officers in agencies listed in section 901(b)(1) of title 31, United States Code:

(1) Information resources management duties shall be a primary duty of the chief information officer.

(2) The chief information officer shall monitor the performance of information technology programs of the executive agency, evaluate the performance on the basis of the applicable performance measurements, and advise the head of the executive agency regarding whether to continue or terminate programs and/or projects.

(3) The chief information officer shall, as part of the strategic planning process required under Government Performance and Results Act, annually—

(A) perform an assessment of the agency's knowledge and skill requirements in information resources management for achieving performance goals;

(B) an analysis of the degree to which existing positions and personnel, both at the executive and management levels, meet those requirements;

(C) develop strategies and specific plans for hiring, training and professional development to narrow the gap between needed and existing capability; and

(D) report to the agency head on the progress made in improving information management capability.

(4) Agencies may establish Chief Information Officers for major subcomponents or bureaus.

(5) Agency chief information officers shall possess demonstrated ability in general management of, and knowledge of and extensive practical experience in, information and information technology management practices of business or government entities.

(6) For each chief information officer, a deputy chief information officer shall be appointed by the agency head reporting directly to the respective agency or component chief information officer. Deputy chief information officers shall have demonstrated ability and experience in general management, business process analysis, software and information systems development, design and management of information technology architectures, data and telecommunications management at government or business entities.

(d) EXECUTIVE LEVEL IV.—Section 5315 of title 5, United States Code, is amended by adding at the end the following: "Agency chief information officers designated under section 4135(c) of the Information Technology Management Reform Act of 1995.".

(e) APPLICATION.—This section applies to national security systems.

SEC. 4136. ACCOUNTABILITY.

(a) SYSTEM OF CONTROLS.—The head of each executive agency, in consultation with the chief information officer and the chief financial officer of that agency (or, in the case of an agency without a chief financial officer, any comparable official), shall establish policies and procedures that—

(1) ensure that the accounting, financial, and asset management systems and other information systems of the agency are designed, developed, maintained, and used effectively to provide financial or program performance data for financial statements of the agency;

(2) ensure that financial and related program performance data are provided on a reliable, consistent, and timely basis to agency financial management systems; and

(3) ensure that financial statements support—

(A) assessment and revision of mission-related processes and administrative processes of the agency; and

(B) performance measurement in the case of information system investments made by the agency.

(b) Information Resources Management Plan.—The information resources management plan required under section 3506(b)(2) of title 44, United States Code shall—

(1) be consistent with the strategic plan prepared by the head of the agency pursuant to section 306 of title 5, United States Code, where applicable, and the agency head's mission analysis, and ensure that the agency information systems conform to those plans. The plan shall provide for applying information technology and other information resources in support of the performance of the missions of the agency and shall include the following:

(A) A statement of goals for improving the contribution of information resources to program productivity, efficiency, and effectiveness.

(B) Methods for measuring progress toward achieving the goals.

(C) Assignment of clear roles, responsibilities, and accountability for achieving the goals.

(D) A description of—

(i) the major existing and planned information technology components (such as information systems and telecommunication networks) of the agency and the relationship among the information technology components; and

(ii) the information architecture for the agency.

(E) A summary, for each ongoing or completed major information systems investment from the previous year, of the project's status and any changes in name, direction or scope, quantifiable results achieved and current maintenance expenditures.

(c) Agency Information.—The head of an executive agency shall periodically evaluate and, as necessary, improve the accuracy, security, completeness, and reliability of information maintained by or for the agency.

(d) Application.—This section applies to national security systems except for subsection (b).

SEC. 4137. SIGNIFICANT FAILURES.

The agency shall include in the plan required under section 3506(b)(2) of title 44, United States Code, a justification for the continuation of any major information technology acquisition program, or phase or increment of such program, that has significantly deviated from the established cost, performance, or schedule baseline.

SEC. 4138. INTERAGENCY SUPPORT.

The heads of multiple executive agencies are authorized to utilize funds appropriated for use in oversight, acquisition and procurement of information technology to support the activities of the Chief Information Officers Council established pursuant to section 4141 and to such independent review committees and interagency groups established pursuant to section 4151 in such manner and amounts as prescribed by the Director.

Subtitle D—Chief Information Officers Council

SEC. 4141. ESTABLISHMENT OF CHIEF INFORMATION OFFICERS COUNCIL.

(a) Establishment.—There is established a Chief Information Officers Council, consisting of—

(1) the Deputy Director for Management of the Office of Management and Budget, who shall act as chairperson of the council;

(2) the Administrator of the Office of Information and Regulatory Affairs of the Office of Management and Budget;

(3) the Administrator of General Services;

(4) the Administrator of the Office of Federal Procurement Policy of the Office of Management and Budget;

(5) the Controller of the Office of Federal Financial Management of the Office of Management and Budget; and

(6) each of the Chief Information Officers from those agencies listed in section 901(b)(1) of title 31, United States Code, along with a Chief Information Officer representing other Executive agencies.

(b) Functions.—The Chief Information Officers Council shall meet periodically to advise and coordinate the activities of the agencies of its members by—

(1) obtaining advice on information resources, information resources management, including the reduction of information collection burdens on the public, and information technology from State, local, and tribal governments and from the private sector;

(2) making recommendations to the Director of the Office of Management and Budget regarding Federal policies and practices on information resources management, including the reduction of information collection burdens on the public, to increase the efficiency and effectiveness of Federal programs;

(3) providing for the Director of the Office of Management and Budget to establish temporary special advisory groups to the Chief Information Officers Council, composed of senior officials from industry, academia and the Federal Government, to review Governmentwide information technology programs, information technology acquisitions, and issues of information technology policy; and

(4) reviewing agency programs and processes, to identify opportunities for consolidation of activities or cooperation.

(c) Consideration.—The Chief Information Officers Council shall consider national security systems for advice or coordination only with the consent of the affected agency.

(d) Consultation.—The Chief Information Officers Council shall consult with the Public Printer appointed under section 301 of title 44, United States Code, regarding implementation of section 4819 of this division.

Subtitle E—Interagency Functional Groups

SEC. 4151. ESTABLISHMENT.

(a) In General.—The President may direct the establishment of one or more interagency groups to advise the Director and the agencies, known as "functional groups"—

(1) to examine areas including telecommunications, software engineering, common administrative and programmatic applications, computer security, and information policy, that would benefit from a Governmentwide or multiagency perspective;

(2) to submit to the Chief Information Officers Council proposed solutions for problems in specific common operational areas;

(3) to promote cooperation among agencies on information technology matters;

(4) to review and make recommendations to the Director and the agencies concerned regarding major or high risk information technology acquisitions; and

(5) to otherwise improve the efficiency of information technology to support agency missions.

(b) Temporary Special Advisory Groups.—The Director of the Office of Management and Budget is authorized to establish temporary special advisory groups to the functional groups, composed of experts from industry, academia and the Federal Government, to review Governmentwide information technology programs, major or high-risk information technology acquisitions, and issues of information technology policy.

SEC. 4152. SPECIFIC FUNCTIONS.

(a) The functions of an interagency functional group are as follows:

(1) To identify common goals and requirements for common agency programs.

(2) To develop a coordinated approach to meeting agency requirements, including coordinated budget estimates and procurement programs.

(3) To identify opportunities to share information for improving the quality of the performance of agency functions, for reducing the cost of agency programs, and for reducing burdens of agency activities on the public.

(4) To coordinate activities and the sharing of information with other functional groups.

(5) To make recommendations to the heads of executive agencies and to the Director of the Office of Management and Budget regarding the selection of protocols and other standards for information technology, including security standards.

(6) To support interoperability among information systems.

(7) To perform other functions, related to the purposes set forth in section 4151(a), that are assigned by the Chief Information Officers Council.

(b) Interagency functional groups may perform these functions with respect to national security systems only with the consent of the affected agency.

Subtitle F—Other Responsibilities

SEC. 4161. RESPONSIBILITIES UNDER THE COMPUTER SECURITY ACT OF 1987.

(a) In General.—(1) The Secretary of Commerce shall, on the basis of standards and guidelines developed by the National Institute of Standards and Technology pursuant to section 20(a) (2) and (3) of the National Bureau of Standards Act, promulgate standards and guidelines pertaining to Federal computer systems, making such standards compulsory and binding to the extent to which the Secretary determines necessary to improve the efficiency of operation or security and privacy of Federal computer systems. The President may disapprove or modify such standards and guidelines if he determines such action to be in the public interest. The President's authority to disapprove or modify such standards and guidelines may not be delegated. Notice of such disapproval or modification shall be submitted promptly to the Committee on Government Reform and Oversight of the House of Representatives and the Committee on Governmental Affairs of the Senate and shall be published promptly in the Federal Register. Upon receiving notice of such disapproval or modification, the Secretary of Commerce shall immediately rescind or modify such standards or guidelines as directed by the President.

(2) The head of a Federal agency may employ standards for the cost effective security and privacy of sensitive information in a Federal computer system within or under the supervision of that agency that are more stringent than the standards promulgated by the Secretary of Commerce, if such standards contain, at a minimum, the provisions of those applicable standards made compulsory and binding by the Secretary of Commerce.

(3) The standards determined to be compulsory and binding may be waived by the Secretary of Commerce in writing upon a determination that compliance would adversely affect the accomplishment of the mission of an operator of a Federal computer system, or cause a major adverse financial impact on the operator which is not offset by Governmentwide savings. The Secretary may delegate to the head of one or more Federal agencies authority to waive such standards to the extent to which the Secretary determines such action to be necessary and desirable to allow for timely and effective implementation of Federal computer system standards. The head of such agency may redelegate such authority only to a Chief Information Officer designated pursuant to section 3506 of

title 44, United States Code. Notice of each such waiver and delegation shall be transmitted promptly to the Committee on Government Reform and Oversight of the House of Representatives and the Committee on Governmental Affairs of the Senate and shall be published promptly in the Federal Register.

(4) As used in this section, the terms "Federal computer system" and "operator of a Federal computer system" have the meanings given in section 20(d) of the National Bureau of Standards Act.

(b) EXERCISE OF AUTHORITY.—The authority conferred upon the Secretary by this section shall be exercised subject to direction by the President and in coordination with the Director of the Office of Management and Budget to ensure fiscal and policy consistency.

(c) TECHNICAL AND CONFORMING AMENDMENT.—Subsections 3504(g) (2) and (3), and 3506(g) (2) and (3) to title 44, United States Code, are each amended by inserting the phrase "and section 161 of the Information Technology Reform Act of 1995" after the phrase "the Computer Security Act of 1987 (P.L. 100–235).

Subtitle G—Sense of Congress

SEC. 4171. SENSE OF CONGRESS.

It is the sense of Congress over the next five years that executive agencies should achieve at least a real 5 percent per year decrease in the cost incurred by the agency for operating and maintaining information technology, and a real 5 percent per year increase in the efficiency of the agency operations, by reason of improvements in information resources management by the agency.

TITLE XLII—PROCESS FOR ACQUISITIONS OF INFORMATION TECHNOLOGY

Subtitle A—Procedures

SEC. 4201. PROCUREMENT PROCEDURES.

(a) RESPONSIBILITY.—The Director of the Office of Management and Budget of the United States shall issue guidance to be used in conducting information technology acquisitions.

(b) STANDARDS FOR PROCEDURES.—The Director shall ensure that the process for acquisition of information technology is, in general, a simplified, clear, and understandable process that specifically addresses the management of risk.

(c) PERFORMANCE MEASUREMENTS.—The guidance shall include performance measurements and other performance requirements that the Director determines appropriate.

(d) USE OF COMMERCIAL ITEMS.—The guidance shall mandate the use, to the maximum extent practicable, of commercial items to meet the information technology requirements of the executive agency.

(e) DIFFERENTIATED PROCEDURES.—Subject to subsection (b), the Director shall consider whether and, to the extent appropriate, how to differentiate in the treatment and conduct of acquisitions of information technology on any of the following bases:

(1) The dollar value of the acquisition.

(2) The information technology to be acquired, including such consideration's as whether the item is a commercial item or an item being developed or modified uniquely for use by one or more executive agencies.

(3) The complexity of the information technology acquisition, including such considerations as size and scope.

(4) The level of risk, including technical and schedule risks.

(5) The level of experience or expertise of the critical personnel in the program office, mission unit, or office of the chief information officer of the executive agency concerned.

(6) the extent to which the information technology may be used Governmentwide or by several agencies.

SEC. 4202. INCREMENTAL ACQUISITION OF INFORMATION TECHNOLOGY.

(a) CIVILIAN AGENCIES.—

(1) PROCEDURES AUTHORIZED.—Title III of the Federal Property and Administrative Services Act of 1949 (41 U.S.C. 251 et seq.) is amended by inserting after section 303H the following new section:

"MODULAR CONTRACTING

"SEC. 303I. (a) IN GENERAL.—An executive agency's need for a major system of information technology should, to the maximum extent practicable, be satisfied in successive acquisitions of interoperable increments pursuant to subsections (b) and (c). Such increments shall comply with readily available standards such that they can be connected to other increments that comply with such standards.

"(b) DIVISION OF ACQUISITIONS INTO INCREMENTS.—Under the successive, incremental acquisition process, a major system of information technology may be divided into several smaller acquisition increments that—

"(1) are easier to manage individually than would be one extensive acquisition;

"(2) address complex information technology problems incrementally in order to enhance the likelihood of achieving workable solutions for those problems;

"(3) provide for delivery, implementation, and testing of workable systems or solutions in discrete increments each of which comprises a system or solution that is not dependent on any subsequent increment in order to perform its principal functions; and

"(4) provide an opportunity for subsequent increments of the acquisition to take advantage of any evolution in technology or needs that occur during conduct of the earlier increments.

"(c) TIMELY ACQUISITIONS.—(1) A contract for an increment of an information technology acquisition should, to the maximum extent practicable, be awarded within 180 days after the date on which the solicitation is issued, or that increment of the acquisition should be considered for cancellation.

"(2) The information technology provided for in a contract for acquisition of information technology should be delivered within 18 months after the date on which the solicitation resulting in award of the contract was issued.".

(2) CLERICAL AMENDMENT.—The table of contents in the first section of such Act is amended by inserting after the item relating to section 303H the following new item:

"Sec. 303I Modular contracting.".

(b) DEPARTMENT OF DEFENSE.—

(1) PROCEDURES AUTHORIZED.—Chapter 137 of title 10, United States Code, is amended by inserting after section 2305 the following new section:

"§2305a. Modular Contracting

"(a) IN GENERAL.—An executive agency's need for a major system of information technology should, to the maximum extent practicable, be satisfied in successive acquisitions of interoperable increments pursuant to subsections (b) and (c). Such increments shall comply with readily available standards such that they can be connected to other increments that comply with such standards.

"(b) DIVISION OF ACQUISITIONS INTO INCREMENTS.—Under the successive incremental acquisition process, a major system of information technology may be divided into several smaller acquisition increments that—

"(1) are easier to manage individually than would be one extensive acquisition;

"(2) address complex information technology problems incrementally in order to enhance the likelihood of achieving workable solutions for those problems;

"(3) provide for delivery, implementation, and testing of workable systems or solutions in discrete increments each of which comprises a system or solution that is not dependent on any subsequent increment in order to perform its principal functions; and

"(4) provide an opportunity for subsequent increments of the acquisition to take advantage of any evolution in technology or needs that occur during conduct of the earlier increments.

"(c) TIMELY ACQUISITIONS.—(1) A contract for an increment of an information technology acquisition should, to the maximum extent practicable, be awarded within 180 days after the date on which the solicitation is issued, or that increment of the acquisition should be considered for cancellation.

"(2) The information technology provided for in a contract for acquisition of information technology should be delivered within 18 months after the date on which the solicitation resulting in award of the contract was issued.".

(2) CLERICAL AMENDMENT.—The table of sections at the beginning of such chapter is amended by inserting after the item relating to section 2305 the following:

"2305a. Modular contracting.".

SEC. 4203. TASK AND DELIVERY ORDER CONTRACTS.

(a) CIVILIAN AGENCY ACQUISITIONS.—

(1) REQUIREMENT FOR MULTIPLE AWARDS.—Section 303H(d) of the Federal Property and Administrative Services Act of 1949 (41 U.S.C. 253H(d)) is amended by adding at the end the following new paragraph:

"(4) In exercising the authority under this section for procurement of information technology, the head of an executive agency shall award at least two task or delivery order contracts for the same or similar information technology services or property unless the agency determines that it is not in the best interests of the United States to award two or more such contracts.".

(2) DEFINITION.—Section 303K of such Act (41 U.S.C. 253K) is amended by adding at the end the following new paragraph:

"(3) The term 'information technology' has the meaning given that term in section 4 of the Information Technology Management Reform Act of 1995.".

(b) ARMED SERVICES ACQUISITIONS.—

(1) REQUIREMENT FOR MULTIPLE AWARDS.—Section 2304a(d) of title 10, United States Code, is amended by adding at the end the following new paragraph:

"(4) In exercising the authority under this section for procurement of information technology, the head of an executive agency shall award at least two task or delivery order contracts for the same or similar information technology services or property unless the agency determines that it is not in the best interests of the United States to award two or more such contracts.".

(2) DEFINITION.—Section 2304d of title 10, United States Code, is amended by adding at the end the following new paragraph:

"(3) The term 'information technology' has the meaning given that term in section 4 of the Information Technology Management Reform Act of 1995.".

Subtitle B—Acquisition Management

SEC. 4221. ACQUISITION MANAGEMENT TEAM.

(a) CAPABILITIES OF AGENCY PERSONNEL.—The head of each executive agency shall ensure that the agency personnel involved in an acquisition of information technology have the experience, and have demonstrated the skills and knowledge, necessary to carry out the acquisition competently.

(b) USE OF OUTSIDE ACQUISITION TEAM.—If the head of the executive agency determines that such personnel are not available for carrying out the acquisition, the head of that agency should consider designating a capable executive agent to carry out the acquisition.

SEC. 4222. OVERSIGHT OF ACQUISITIONS.

It is the sense of Congress that the director of the Office of Management and Budget, the heads of executive agencies, and the inspectors general of executive agencies, in performing responsibilities for oversight of information technology acquisitions, should emphasize reviews of the operational justifications for the acquisitions, the results of the acquisition programs, and the performance measurements established for the information technology rather than reviews of the acquisition process.

TITLE XLIII—INFORMATION TECHNOLOGY ACQUISITION PILOT PROGRAMS

Subtitle A—Conduct of Pilot Programs

SEC. 4301. AUTHORIZATION TO CONDUCT PILOT PROGRAMS.

(a) IN GENERAL.—

(1) PURPOSE.—The Administrator for Federal Procurement Policy (hereinafter referred to as the "Administrator"), in consultation with the Administrator for the Office of Information and Regulatory Affairs shall be authorized to conduct pilot programs in order to test alternative approaches for acquisition of information technology and other information resources by executive agencies.

(2) MULTI-AGENCY, MULTI-ACTIVITY CONDUCT OF EACH PROGRAM.—Except as otherwise provided in this title, each pilot program conducted under this title shall be carried out in not more than two procuring activities in each of two executive agencies designated by the Administrator. The head of each designated executive agency shall, with the approval of the Administrator, select the procuring activities of the agency to participate in the test and shall designate a procurement testing official who shall be responsible for the conduct and evaluation of the pilot program within the agency.

(b) LIMITATIONS.—

(1) NUMBER.—Not more than two pilot programs shall be conducted under the authority of this title, including one pilot program each pursuant to the requirements of sections 4321 and 4322.

(2) AMOUNT.—The total amount obligated for contracts entered into under the pilot programs conducted under the authority of this title may not exceed $750,000,000. The Administrator shall monitor such contracts and ensure that contracts are not entered into in violation of the limitation in the preceding sentence.

(c) INVOLVEMENT OF CHIEF INFORMATION OFFICERS COUNCIL.—The Administrator may—

(1) conduct pilot programs recommended by the Chief Information Officers Council; and

(2) consult with the Chief Information Officers Council regarding development of pilot programs to be conducted under this section.

(d) PERIOD OF PROGRAMS.—

(1) IN GENERAL.—Subject to paragraph (2), the Administrator shall conduct a pilot program for the period, not in excess of five years, that is determined by the Administrator to be sufficient to establish reliable results.

(2) CONTINUING VALIDITY OF CONTRACTS.—A contract entered into under the pilot program before the expiration of that program shall remain in effect according to the terms of the contract after the expiration of the program.

SEC. 4302. EVALUATION CRITERIA AND PLANS.

(a) MEASURABLE TEST CRITERIA.—The head of each executive agency conducting a pilot program under section 4301 shall establish, to the maximum extent practicable, measurable criteria for evaluating the effects of the procedures or techniques to be tested under the program.

(b) TEST PLAN.—Before a pilot program may be conducted under section 4301 the Administrator shall submit to the Committee on Governmental Affairs and the Committee on Small Business of the Senate and the Committee on Government Reform and Oversight and the Committee on Small Business of the House of Representative a detailed test plan for the program, including a detailed description of the procedures to be used and a list of any regulations that are to be waived.

SEC. 4303. REPORT.

(a) REQUIREMENT.—Not later than 180 days after the completion of a pilot program conducted under this title the Administrator shall—

(1) submit to the Director of the Office of Management and Budget a report on the results and findings under the program; and

(2) provide a copy of the report to the Committee on Governmental Affairs and the Committee on Small Business of the Senate, and the Committee on Government Reform and Oversight and the Committee on Small Business of the House of Representatives.

(b) CONTENT.—The report shall include the following:

(1) A detailed description of the results of the program, as measured by the criteria established for the program.

(2) A discussion of any legislation that the Administrator recommends, or changes in regulations that the Administrator considers necessary, in order to improve overall information resources management within the Federal Government.

SEC. 4304. RECOMMENDED LEGISLATION.

If the Director of the Office of Management and Budget determines that the results and findings under a pilot program under this title indicate that legislation is necessary or desirable in order to improve the process for acquisition of information technology, the Director shall transmit the Director's recommendations for such legislation to the Committee on Governmental Affairs and the Committee on Small Business of the Senate and the Committee on Government Reform and Oversight and the Committee on Small Business of the House of Representatives.

SEC. 4305. RULE OF CONSTRUCTION.

Nothing in this title shall be construed as authorizing the appropriation or obligation of funds for the pilot programs conducted pursuant to this title.

Subtitle B—Specific Pilot Programs

SEC. 4321. SHARE-IN-SAVINGS PILOT PROGRAM.

(a) REQUIREMENT.—The Administrator may authorize agencies to carry out a pilot program to test the feasibility of—

(1) contracting on a competitive basis with a private sector source to provide the Federal Government with an information technology solution for improving mission-related or administrative processes of the Federal Government; and

(2) paying the private sector source an amount equal to a portion of the savings derived by the Federal Government from any improvements in mission-related processes and administrative processes that result from implementation of the solution.

(b) PROGRAM CONTRACTS.—Up to five contracts for one project each may be entered into under the pilot program.

(c) SELECTION OF PROJECTS.—The projects shall be selected by the Administrator, in consultation with the Administrator for the Office of Information and Regulatory Affairs, from among projects recommended by the Chief Information Officers Council.

SEC. 4322. SOLUTIONS-BASED CONTRACTING PILOT PROGRAM.

(a) IN GENERAL.—The Administrator may authorize agencies to carry out a pilot program to test the feasibility of the use of solutions-based contracting for acquisition of information technology.

(b) SOLUTIONS-BASED CONTRACTING DEFINED.—For purposes of this section, solutions-based contracting is an acquisition method under which the Federal Government user of the technology to be acquired defines the acquisition objectives, uses a streamlined contractor selection process, and allows industry sources to provide solutions that attain the objectives effectively. The emphasis of the method is on obtaining from industry an optimal solution.

(c) PROCESS.—The Administrator shall require use of the following process for acquisitions under the pilot program:

(1) ACQUISITION PLAN EMPHASIZING DESIRED RESULT.—Preparation of an acquisition plan that defines the functional requirements of the intended users of the information technology to be acquired, identifies the operational improvement results to be achieved, and defines the performance measurements to be applied in determining whether the information technology acquired satisfies the defined requirements and attains the identified results.

(2) RESULTS-ORIENTED STATEMENT OF WORK.—Use of a statement of work that is limited to an expression of the end results or performance capabilities desired under the acquisition plan.

(3) SMALL ACQUISITION ORGANIZATION.—Assembly of small acquisition organization consisting of the following:

(A) An acquisition management team, the members of which are to be evaluated and rewarded under the pilot program for contributions toward attainment of the desired results identified in the acquisition plan.

(B) A small source selection team composed of representatives in the specific mission or administrative area to be supported by the information technology to be acquired, a contracting officer, and persons with relevant expertise.

(4) USE OF SOURCE SELECTION FACTORS EMPHASIZING SOURCE QUALIFICATIONS.—Use of source selection factors that are limited to determining the qualifications of the offeror, including such factors as personnel skills, previous experience in providing other private or public sector organizations with solutions for attaining objectives similar to the objectives to be attained in the acquisition, past contract performance, qualifications of the proposed program manager, and the proposed management plan.

(5) OPEN COMMUNICATIONS WITH CONTRACTOR COMMUNITY.—Open availability of the following information to potential offerors:

(A) The agency mission to be served by the acquisition.

(B) The functional process to be performed by use of information technology.

(C) The process improvements to be attained.

(6) SIMPLE SOLICITATION.—Use of a simple solicitation that sets forth only the functional work description, source selection factors, the required terms and conditions, instructions regarding submission of offers, and the estimate of the Federal Government's budget for the desired work.

(7) SIMPLE PROPOSALS.—Submission of oral proposals and acceptance of written supplemental submissions that are limited in size and scope and contain information on the offeror's qualifications to perform the desired work together with information of past contract performance.

(8) SIMPLE EVALUATION.—Use of a simple evaluation process, to be completed within 45 days after receipt of proposals, which consists of the following:

(A) Identification of the offerors that are within the competitive range of most of the qualified offerors.

(B) Issuance of invitations for at least three and not more than five of the identified offerors to make oral presentations to, and engage in discussions with, the evaluating personnel regarding the qualifications of the offerors, including how the qualifications of each offeror *relate to the approaches proposed to be taken by the offeror in the acquisition.*

(C) Evaluation of the qualifications of the identified offerors on the basis of submissions required under the process and any oral presentations made by, and any discussions with, the offerors.

(9) SELECTION OF MOST QUALIFIED OFFEROR.—A selection process consisting of the following:

(A) Identification of the most qualified source, and ranking of alternative sources, primarily on the basis of the oral proposals, presentations, and discussions, but taking into consideration supplemental written submissions.

(B) Conduct for 30 to 60 days of a program definition phase, funded by the Federal Government—

(i) during which the selected source, in consultation with one or more intended users, develops a conceptual system design and technical approach, defines logical phases for the project, and estimates the total cost and the cost for each phase; and

(ii) after which a contract for performance of the work may be awarded to that source on the basis of cost, the responsiveness, reasonableness, and quality of the proposed performance, and a sharing of risk and benefits between the source and the Government.

(C) Conduct of as many successive program definition phases with the alternative sources (in the order ranked) as is necessary in order to award a contract in accordance with subparagraph (B).

(10) SYSTEM IMPLEMENTATION PHASING.—System implementation to be executed in phases that are tailored to the solution, with various contract arrangements being used, as appropriate, for various phases and activities.

(11) MUTUAL AUTHORITY TO TERMINATE.—Authority for the Federal Government or the contractor to terminate the contract without penalty at the end of any phase defined for the project.

(12) TIME MANAGEMENT DISCIPLINE.—Application of a standard for awarding a contract within 60 to 90 days after issuance of the solicitation.

(d) PILOT PROGRAM DESIGN.—

(1) JOINT PUBLIC-PRIVATE WORKING GROUP.—The Administrator, in consultation with the Administrator for the Office of Information and Regulatory Affairs shall establish a joint working group of Federal Government personnel and representatives of the information technology industry to design a plan for conduct of the pilot program. The establishment and operation of this working group shall not be subject to the requirements of the Federal Advisory Committee Act, Public Law 92-463, as amended (5 U.S.C. App.).

(2) CONTENT OF PLAN.—The plan shall provide for use of solutions-based contracting in the Department of Defense and not more than two other executive agencies for a total of—

(A) not more than 10 projects, each of which has an estimated cost of between $25,000,000 and $100,000,000; and

(B) not more than 10 projects, each of which has an estimated cost of between $1,000,000 and $5,000,000, to be set aside for small business concerns.

(3) COMPLEXITY OF PROJECTS.—(A) Subject to subparagraph (C), each acquisition project under the pilot program shall be sufficiently complex to provide for meaningful evaluation of the use of solutions-based contracting for acquisition of information technology for executive agencies.

(B) In order for an acquisition project to satisfy the requirement in subparagraph (A)—

(i) the solution for attainment of the executive agency's objectives under the project should not be obvious, but rather shall involve a need for some innovative development; and

(ii) the project shall incorporate all elements of system integration.

(C) An acquisition project should not be so extensive or lengthy as to result in undue delay in the evaluation of the use of solutions-based contracting.

(e) USE OF EXPERIENCED FEDERAL PERSONNEL.—Only Federal Government personnel who are experienced, and have demonstrated success, in managing or otherwise performing significant functions in complex acquisitions shall be used for evaluating offers, selecting sources, and carrying out the performance phases in an acquisition under the pilot program.

(f) MONITORING BY GAO.—

(1) REQUIREMENT.—The Comptroller General of the United States shall—

(A) monitor the conduct, and review the results, of acquisitions under the pilot program; and

(B) submit to Congress periodic reports containing the views of the Comptroller General on the activities, results, and findings under the pilot program.

(2) EXPIRATION OF REQUIREMENT.—The requirement under paragraph (1)(B) shall terminate after submission of the report that contains the final views of the Comptroller General on the last of the acquisition projects completed under the pilot program.

TITLE XLIV—OTHER INFORMATION RESOURCES MANAGEMENT REFORM

SEC. 4401. ON-LINE MULTIPLE AWARD SCHEDULE CONTRACTING.

(a) AUTOMATION OF MULTIPLE AWARD SCHEDULE CONTRACTING.—(1) In order to provide for the economic and efficient procurement of information technology, the Administrator of General Services shall establish a program for the development and implementation of a system to provide Governmentwide, on-line computer access to information on information technology products and services that are available for ordering through multiple award schedules.

(2) The system required by paragraph (1) shall, at a minimum—

(A) provide basic information on prices, features, and performance of all products and services available for ordering through the multiple award schedules;

(B) provide for updating that information to reflect changes in prices, features, and performance as soon as information on the changes becomes available;

(C) enables users to make on-line computer comparisons of the prices, features, and performance of similar products and services offered by various vendors;

(D) enable users to place, and vendors to receive, on-line computer orders for products and services available for ordering through the multiple award schedules (up to the maximum order limitation of the applicable schedule contract);

(E) enable ordering agencies to make payments to contractors by bank card, electronic funds transfer, or other automated methods in cases in which it is practicable and in the interest of the Federal Government to do so; and

(F) archive data relating to each order placed against multiple award schedule contracts using such system, including, at a minimum, data on—

(i) the agency or office placing the order;

(ii) the vendor receiving the order;

(iii) the products or services ordered; and

(iv) the total price of the order.

(3)(A) The system required by paragraph (1) shall be implemented not later than January 1, 1998.

(B) The Administrator shall certify to Congress that the system required by paragraph (1) has been implemented at such time as a system meeting the requirements of paragraph (2) is in place and accessible by at least 90 percent of the potential users in the departments and agencies of the Federal Government.

(4) Orders placed against multiple award schedule contracts through the system required by paragraph (1) may be considered for purposes of the determinations regarding implementation of the capability described under subsection (b) of section 30A of the Office of Federal Procurement Policy Act (41 U.S.C. 426a) and implementation of such capability under subsection (d) of such section.

(b) STREAMLINED PROCEDURES; PILOT PROGRAM.—(1)(A) In order to provide for compliance with provisions of law requiring the use of competitive procedures in Federal Government procurement, the procedures established by the Administrator of General Services for the program referred to in subsection (a) shall include requirements for—

(i) participation in multiple award schedule contracts to be open to all responsible and responsive sources; and

(ii) orders to be placed using a process which results in the lowest overall cost alternative to meet the needs of the Government, except in a case in which a written determination is made (in accordance with such procedures) that a different alternative would provide a substantially better overall value to the Government.

(B) The Administrator may require offerors to agree to accept orders electronically through the electronic exchange of procurement information in order to be eligible for award of a multiple award schedule contract.

(C) Regulations on the acquisition of commercial items issued pursuant to section 8002 of the Federal Acquisition Streamlining Act of 1994 (Public Law 103–355; 108 Stat. 3386; 41 U.S.C. 264 note) shall apply to multiple award schedule contracts.

(2) Within 90 days after the Administrator makes the certification referred to in subsection (a)(3)(B), the Administrator shall establish a pilot program to test streamlined procedures for the procurement of information technology products and services available for ordering through the multiple award schedules. The Administrator shall provide for the pilot program to be applicable to all multiple award schedule contracts for the purchase of information technology and to test the following procedures:

(A) A procedure under which negotiation of the terms and conditions for a covered multiple award schedule contract is limited to terms and conditions other than price.

(B) A procedure under which the vendor establishes the prices under a covered multiple award schedule contract and may adjust those prices at any time in the discretion of the vendor.

(C) A procedure under which a covered multiple award schedule contract is awarded to any responsible and responsive offeror that—

(i) has a suitable record of past performance on Federal Government contracts, including multiple award schedule contracts;

(ii) agrees to terms and conditions that the Administrator determines as being required by law or as being appropriate for the purchase of commercial items; and

(iii) agrees to establish and update prices and to accept orders electronically through the automated system established pursuant to subsection (a).

(3)(A) Not later than three years after the date on which the pilot program is established, the Comptroller General of the United States shall review the pilot program and report to the Committee on Governmental Affairs and the Committee on Small Business of the Senate and the Committee on Government Reform and Oversight and the Committee on Small Business of the House of Representatives on the results of the pilot program.

(B) The report shall include the following:

(i) An evaluation of the extent of the competition for the orders placed under the pilot program.

(ii) The effect of the pilot program on prices charged under multiple award schedule contracts.

(iii) The effect of the pilot program on paperwork requirements for multiple award schedule contracts and orders.

(iv) The impact of the pilot program on small businesses and socially and economically disadvantaged small businesses.

(4) Unless reauthorized by Congress, the authority of the Administrator to award contracts under the pilot program shall expire four years after the date on which the pilot program is established. Contracts entered into before the authority expires shall remain in effect in accordance with their terms notwithstanding the expiration of the authority to enter new contracts under the pilot program.

(c) DEFINITIONS.—In this section:

(1) The term "information technology" has the meaning given that term in section 4 of this Act.

(2) The term "commercial item" has the meaning given the term in section 4(12) of the Office of Federal Procurement Policy Act (41 U.S.C. 403(12)).

(3) The term "competitive procedures" has the meaning given the term in section 309(b) of the Federal Property and Administrative Services Act of 1949 (41 U.S.C. 259(b)).

SEC. 4402. DISPOSAL OF EXCESS COMPUTER EQUIPMENT.

(a) AUTHORITY TO DONATE.—The head of an executive agency may, without regard to the procedures otherwise applicable under title II of the Federal Property and Administrative Services Act of 1949 (40 U.S.C. 481 et seq.), convey without consideration all right, title, and interest of the United States in any computer equipment under the control of such official that is determined under title II of such Act as being excess property to a recipient in the following order of priority:

(1) Elementary and secondary schools under the jurisdiction of a local educational agency and schools funded by the Bureau of Indian Affairs.

(2) Public libraries.

(3) Public colleges and universities.

(b) INVENTORY REQUIRED.—Upon the enactment of this Act, the head of an executive agency shall inventory all computer equipment under the control of that official and identify in accordance with title II of the Federal Property and Administrative Services Act of 1949 (40 U.S.C. 481 et seq.) the equipment, if any, that is excess property.

(c) DEFINITIONS.—In this section:

(1) The term "excess property" has the meaning given such term in section 3 of the Federal Property and Administrative Services Act of 1949 (40 U.S.C. 472).

(2) The terms "local educational agency", "elementary school", and "secondary school" have the meanings given such terms in section 14101 of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 8801).

SEC. 4403. LEASING INFORMATION TECHNOLOGY.

(a) ANALYSIS BY GAO.—The Comptroller General of the United States shall perform a comparative analysis of alternative means of financing the acquisition of information technology. The analysis should—

(1) investigate the full range of alternative financing mechanisms, to include leasing, purchasing and rentals of new and used equipment; and

(2) assess the relative costs, benefits and risks of alternative financing options for the Federal Government.

(b) LEASING GUIDELINES.—Based on the analysis, the Comptroller General shall develop recommended guidelines for financing information technology for executive agencies.

TITLE XLV—PROCUREMENT PROTEST AUTHORITY OF THE COMPTROLLER GENERAL

SEC. 4501. PERIOD FOR PROCESSING PROTESTS.

Section 3554(a) of title 31, United States Code, is amended—

(1) in paragraph (1), by striking out "paragraph (2)" in the second sentence and inserting in lieu thereof "paragraphs (2) and (5)"; and

(2) by adding at the end the following:

"(5)(A) The requirements and restrictions set forth in this paragraph apply in the case of a protest in a procurement of information technology.

"(B) The Comptroller General shall issue a final decision concerning a protest referred to in subparagraph (A) within 45 days after the date of the protest is submitted to the Comptroller General.

"(C) The disposition under this subchapter of a protest in a procurement referred to in subparagraph (A) bars any further protest under this subchapter by the same interested party on the same procurement.".

SEC. 4502. DEFINITION.

Section 3551 of title 31, United States Code, is amended by adding at the end the following:

"(4) The term 'information technology' has the meaning given that term in section 4 of the Information Technology Management Reform Act of 1995.".

SEC. 4503. EXCLUSIVITY OF ADMINISTRATIVE REMEDIES.

Section 3556 of title 31, United States Code, is amended by striking out the first sentence and inserting in lieu thereof the following:

"Notwithstanding any other provision of law, the Comptroller General shall have the exclusive administrative authority to resolve a protest involving the solicitation, a proposal for award, or an award of a contract for information technology, to the exclusion of the boards of contract appeals or any other entity. Nothing contained in the subchapter shall affect the right of any interested party to file a protest with the contracting agency or to file an action in a district court of the United States of the United States Court of Federal Claims.".

TITLE XLVI—RELATED TERMINATIONS, CONFORMING AMENDMENTS, AND CLERICAL AMENDMENTS

Subtitle A—Conforming Amendments

SEC. 4601. AMENDMENTS TO TITLE 10, UNITED STATES CODE.

For the Department of Defense section 2315 of such title is amended by striking out from the words "Section 111" through the words "use of equipment or services if," and substituting therein the following:

"For the purposes of the Information Technology Management Reform Act of 1995, the term 'national security systems' means those telecommunications and information systems operated by the Department of Defense, the functions, operation or use of which".

SEC. 4602. AMENDMENTS TO TITLE 28, UNITED STATES CODE.

Section 612 of title 28, United States Code, is amended—

(1) in subsection (f), by striking out "section 111 of the Federal Property and Administrative Services Act of 1949 (40 U.S.C. 759)" and inserting in lieu thereof "the provisions of law, policies, and regulations applicable to executive agencies under the Information Technology Management Reform Act of 1995";

(2) in subsection (g), by striking out "sections 111 and 201 of the Federal Property and Administrative Services Act of 1949 (40 U.S.C. 481 and 759)" and inserting in lieu thereof "section 201 of the Federal Property and Administrative Services Act of 1949 (40 U.S.C. 481)";

(3) by striking out subsection (l); and

(4) by redesignating subsection (m) as subsection (l).

SEC. 4603. AMENDMENTS TO TITLE 31, UNITED STATES CODE.

(a) AVAILABILITY OF FUNDS FOLLOWING RESOLUTION OF A PROTEST.—Section 1558(b) of title 31, United States Code, is amended by striking out "or under section 111(f) of the Federal Property and Administrative Services Act of 1949 (40 U.S.C. 759(f))".

(b) GAO PROCUREMENT PROTEST SYSTEM.—Section 3552 of such title is amended by striking out the second sentence.

SEC. 4604. AMENDMENTS TO TITLE 38, UNITED STATES CODE.

Section 310 of title 38, United States Code, is amended to read as follows:

"SEC. 310. CHIEF INFORMATION OFFICER.

"(a) The Secretary shall designate a chief information officer for the Department in accordance with section 4135(a) of the Information Technology Management Reform Act of 1995.

"(b) The chief information officer shall perform the duties provided for chief information officers of executive agencies under the Information Technology Management Reform Act of 1995.".

SEC. 4605. PROVISIONS OF TITLE 44, UNITED STATES CODE, RELATING TO PAPERWORK REDUCTION.

(a) DEFINITION.—Section 3502 of title 44, United States Code, is amended by striking out paragraph (9) and inserting in lieu thereof the following:

"(9) the term 'information technology' has the meaning given that term in section 4004 of the Information Technology Management Reform Act of 1995;".

(b) DEVELOPMENT OF STANDARDS AND GUIDELINES BY NATIONAL INSTITUTE OF STANDARDS AND TECHNOLOGY.—Section 3504(h)(1)(B) of such title is amended by striking out "section 111(d) of the Federal Property and Administrative Services Act of 1949 (40 U.S.C. 759(d))" and inserting in lieu thereof "paragraphs (2) and (3) of section 20(a) of the National Institute of Standards and Technology Act (15 U.S.C. 278g–3(a))".

(c) COMPLIANCE WITH DIRECTIVES.—Section 3504(h)(2) of such title is amended by striking out "sections 110 and 111 of the Federal Property and Administrative Services Act of 1949 (40 U.S.C. 757 and 759)" and inserting in lieu thereof "the Information Technology Management Reform Act of 1995 and directives issued under section 110 of the Federal Property and Administrative Services Act of 1949 (40 U.S.C. 757)".

SEC. 4606. AMENDMENT TO TITLE 49, UNITED STATES CODE.

Section 40112(a) of title 49, United States Code, is amended by striking out "or a contract to purchase property to which section 111 of the Federal Property and Administrative Services Act of 1949 (40 U.S.C. 759) applies".

SEC. 4607. OTHER LAWS.

(a) COMPUTER SECURITY ACT OF 1987.—(1) Section 2(b)(2) of the Computer Security Act of 1987 (Public Law 100–235; 101 Stat. 1724) is amended by striking out "by amending section 111(d) of the Federal Property and Administrative Services Act of 1949 (40 U.S.C. 759(d))"; and (2) Nothing in the Information Technology Management Reform Act shall affect the limitations on the authorities set forth in Public Law 100–235.

(b) NATIONAL ENERGY CONSERVATION POLICY ACT.—Section 801(b)(3) of the National Energy Conservation Policy Act (42 U.S.C. 8287(b)(3)) is amended by striking out the second sentence.

(c) NATIONAL SECURITY ACT OF 1947.—Section 3 of the National Security Act of 1947 (50 U.S.C. 403c) is amended by striking out subsection (e).

SEC. 4608. ACCESS OF CERTAIN INFORMATION IN INFORMATION SYSTEMS TO THE DIRECTORY AND SYSTEM OF ACCESS ESTABLISHED UNDER SECTION 4101 OF TITLE 44, UNITED STATES CODE.

Notwithstanding any other provision of this division, if in designing an information technology system pursuant to this division, the agency determines that a purpose of the system is to disseminate information to the public, then the head of such agency shall ensure that information so disseminated is included in the directory created pursuant to section 4101 of title 44, United States Code. Nothing in this section shall authorize the dissemination of information to the public unless otherwise authorized.

SEC. 4609. RULE OF CONSTRUCTION RELATING TO THE PROVISIONS OF TITLE 44, UNITED STATES CODE.

Nothing in this division shall be construed to amend, modify or supercede any provision of title 44, United States Code, other than chapter 35 of title 44, United States Code.

Subtitle B—Clerical Amendment

SEC. 4621. AMENDMENT TO TITLE 38, UNITED STATES CODE.

The table of sections at the beginning of chapter 3 of title 38, United States Code, is amended by striking out the item relating to section 310 and inserting in lieu thereof the following:

"310. Chief information officer.".

TITLE XLVII—SAVINGS PROVISIONS

SEC. 4701. SAVINGS PROVISIONS.

(a) REGULATIONS, INSTRUMENTS, RIGHTS, AND PRIVILEGES.—All rules, regulations, contracts, orders, determinations, permits, certificates, licenses, grants, and privileges—

(1) which have been issued, made, granted, or allowed to become effective by the Administrator of General Services or the General Services Administration Board of Contract Appeals, or by a court of competent jurisdiction, in connection with an acquisition activity carried out under the section 111 of the Federal Property and Administrative Services Act of 1949 (40 U.S.C. 759), and

(2) which are in effect on the effective date of this title, shall continue in effect according to their terms until modified, terminated, superseded, set aside, or revoked in accordance with law by the Director of the Office of Management and Budget, any other authorized official, by a court of competent jurisdiction, or by operation of law.

(b) PROCEEDINGS AND APPLICATIONS.—

(1) TRANSFERS OF FUNCTIONS NOT TO AFFECT PROCEEDINGS.—This Act and the amendments made by this Act shall not affect any proceeding, including any proceeding involving a claim or application, in connection with an acquisition activity carried out under section 111 of the Federal Property and Administrative Services Act of 1949 (40 U.S.C. 759) that is pending before the Administrator of General Services or the General Services Administration Board of Contract Appeals on the effective date of this Act.

(2) ORDERS IN PROCEEDINGS.—Orders may be issued in any such proceeding, appeals may be taken therefrom, and payments may be made pursuant to such orders, as if this Act had not been enacted. An order issued in any such proceeding shall continue in effect until modified, terminated, superseded, or revoked by the Director of the Office of Management and Budget, or any other authorized official, by a court of competent jurisdiction, or by operation of law.

(3) DISCONTINUANCE OR MODIFICATION OF PROCEEDINGS NOT PROHIBITED.—Nothing in this subsection prohibits the discontinuance or modification of any such proceeding under the same terms and conditions and to the same extent that such proceeding could have been discontinued or modified if this Act had not been enacted.

(4) REGULATIONS FOR TRANSFER OF PROCEEDINGS.—The Director of the Office of Management and Budget may prescribe regulations providing for the orderly transfer of proceedings continued under paragraph (1).

TITLE XLVIII—EFFECTIVE DATES

SEC. 4801. EFFECTIVE DATES.

This Act and the amendments made by this Act shall take effect 180 days after the date of the enactment of this Act.

Mr. THURMOND. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. NUNN. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. THURMOND. Mr. President, I ask unanimous consent that H.R. 1530, as amended, be printed as passed.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. THURMOND. Mr. President, I ask unanimous consent that the Senate proceed immediately to the consideration en bloc of the following bills:

S. 1124 through S. 1126, Calendar Order Nos. 167, 168, 169; that all after the enacting clause of those bills be stricken and that the appropriate portion of H.R. 1530, as amended, be inserted in lieu thereof, according to the schedule as follows, which I have sent to the desk; that these bills be advanced to third reading and passed; that the motion to reconsider en bloc be laid upon the table; and that the above actions occur without intervening action or debate.

The PRESIDING OFFICER. Without objection, it is so ordered.

So the bill (S. 1124) was deemed read the third time and passed.

(The text of S. 1124 will appear in a future edition of the RECORD.)

So, the bill (S. 1125) was deemed read the third time and passed.

(The text of S. 1125 will appear in a future edition of the RECORD.)

So, the bill (S. 1126) was deemed read the third time and passed.

(The text of S. 1126 will appear in a future edition of the RECORD.)

Mr. THURMOND. Mr. President, with respect to H.R. 1530, previously passed by the Senate, I ask unanimous consent that the Senate insist on its amendment to the bill and request a conference with the House on the disagreeing votes of the two Houses and the Chair be authorized to appoint conferees; that the motion to reconsider the above-mentioned votes be laid upon the table; and that the foregoing occur without intervening action or debate.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. THURMOND. Mr. President, I ask unanimous consent with respect to S. 1124 through S. 1126, as just passed by the Senate, that if the Senate receives a message with regard to any one of these bills from the House of Representatives, that the Senate disagree with the House on its amendment or amendments to the Senate-passed bill and agree to a conference with the House on the disagreeing votes of the two Houses and the Chair be authorized to appoint conferees and the foregoing occur without any intervening action or debate.

The PRESIDING OFFICER. Without objection, it is so ordered. Under the previous order, S. 1026 is indefinitely postponed.

Mr. THURMOND. Mr. President, we have completed many long hours of debate on S. 1062, the National Defense Authorization Act for fiscal year 1996.

I would like to thank the distinguished ranking member of the committee, Senator NUNN, for his insight, wisdom, and devotion to our Nation. He and I have always worked to achieve the same objective of providing our Armed Forces with the direction and resources necessary to carry out their difficult responsibilities.

Mr. President, I want to extend my deep appreciation to the distinguished majority leader, Senator DOLE, who has been most helpful in every way in bringing this bill to passage. He is a great leader of whom the Senate can be proud.

I would also like to thank all the Senators from both sides of the committee and the entire committee staff, and I commend them for their dedication and support. In particular, I would like to thank personally my staff director, Gen. Dick Reynard, for his fine work, and Gen. Arnold Punaro, the staff director for the minority. I ask unanimous consent that a list of the committee staff be printed in the RECORD following my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit No. 1.)

Mr. THURMOND. We have achieved a number of important successes in this bill, and I commend my colleagues for their good judgment. Among these are:

Adding $7 billion to the administration's budget request to revitalize the procurement, and research and development accounts which are the core of future readiness;

Passing the Missile Defense Act which initiates a policy to deploy a national missile defense system, and prohibits inaccurate interpretation of the ABM Treaty which would serve to limit theater missile defense systems;

Correcting the erosion in nuclear weapons capabilities by reasserting that the primary responsibility of the Department of Energy is to strengthen the strategic stockpile;

Directing improvements and modifications in nuclear weapons production facilities and supporting important initiatives at the nuclear weapons laboratories;

Adequately funding current readiness while reducing funding for nondefense programs;

Significantly improving quality of life programs for our troops and their families, including funds for housing, facilities, and real property maintenance;

Approving a 2.4-percent pay raise for military members and a 5.2-percent increase in basic allowance for quarters, and achieving COLA equity for retirees;

Providing funding for DOD and DOE environmental programs;

Establishing a dental insurance program for the selected reserves and an income protection insurance program for self-employed reservists who are mobilized;

Providing funding for essential equipment for the Active, Guard, and Reserve components.

Once again I thank Senator NUNN, Senator DOLE, the members of the committee, and the staff. I thank the Chair, and yield the floor.

EXHIBIT 1

MINORITY

Dick Combs, Chris Cowart, Rick DeBobes, John Douglass, Andy Effron, Jan Gordon, Creighton Greene, P.T. Henry, Bill Hoehn, Jennifer Lambert, Mike McCord, Frank Norton, Arnold Punaro, Julie Rief

MAJORITY

Charlie Abell, Alec Bierbauer, Les Brownlee, Dick Caswell, Monica Chavez, Chris Cimko, Greg D'Alessio, Don Deline, Marie Dickinson, Jon Etherton, Pamela Farrell, Melinda Koutsoumpas, Larry Lanzillotta, George Lauffer, Shelley Lauffer, Steve Madey, John Miller, Ann Mittermeyer, Joe Pallone, Cindy Pearson, Connie Rader, Sharen Reaves, Dick Reynard, Jason Rossbach, Steve Saulnier, Cord Sterling, David Stone, Eric Thoemmes, Roslyne Turner, Deasy Wagner, Jennifer Wallace

Mr. NUNN addressed the Chair.

The PRESIDING OFFICER. The Senator from Georgia.

Mr. NUNN. Mr. President, I thank the Senator from South Carolina for his summation of this bill. As he said, there are many important features in this bill. I supported the bill in the final form that it passed. I think there have been dramatic improvements made on the floor.

The Corps SAM Program has been restored, which is an important part of our overall theater missile defense capability. The national missile defense language has been, I think, made much more acceptable and compatible with America's security interests. That has been done on an amendment we passed this morning. An important program on the junior ROTC that had been cut has now been restored. The civil-military language has been modified and, in my opinion, strengthened, and some of the problems there have been corrected. The humanitarian and disaster assistance, which had been cut, has been partially restored, which is important. And there have been very significant changes made on the floor in the Department of Energy section.

We need to ensure that the conference maintains the Senate approach in these areas. We also have other challenges in the conference. I think too much has been cut out of defense research, even in our bill. The TRP Program has been cut in ways that I think need to be reexamined in conference, in close consultation with Secretary of Defense Perry, who probably knows more about this program than any person in America and has spent an enormous amount of his Secretary of Defense time and energy in making sure that this program is successfully implemented.

Also, I think there is too much micromanagement of the ballistic missile defense accounts in our bill and in the House bill, and that needs to be addressed in conference.

We have some serious challenges on the House bill that are going to be difficult to work out when we get to conference, including language on abortion, including language on HIV, including command and control of U.S. forces participating in multilateral organizations, including peacekeeping and contingency operations, as well as some of their language—and perhaps, from their point of view, some of our language—on missile defense and other programs.

My final assessment is that we have a bill here that has been improved on the floor, that we have an opportunity to work on and make further improvements on in conference, working in good faith with the House. We have a lot of high hurdles to clear if we are going to have this bill become law this year, based not on what I have been told formally but on what I have heard informally from the White House and from the Department of Defense. But I have seen a lot of high hurdles in the past and I have seen those high hurdles overcome by people working in good faith for the national security interests of our country. So it is my hope that, with a cooperative spirit and a constructive approach, we will be able to work with our House conferees and with the administration to see that the Defense authorization bill becomes law this year. That remains a serious challenge, but I think it is one that we must all strive to meet.

I thank the Senator from South Carolina and all of his staff and all of the staff on the Democratic side and all the members of the committee for a very, I think, commendable effort. I thank the Chair.

The PRESIDING OFFICER. The distinguished majority leader.

Mr. DOLE. Mr. President, let me first of all congratulate the managers. This is a major piece of legislation that is always very difficult to bring to a conclusion. But it has been done because of the leadership of the distinguished Senator from South Carolina, Senator THURMOND, and the cooperation of the distinguished Senator from Georgia, Senator NUNN. They have worked together to bring it together, as have other Senators, particularly Senators WARNER and COHEN on this side, who have just resolved a very important issue by a vote of 85 to 13. In my view, that compromise should have been passed by that lopsided margin. There is still a conference. They can still make other changes.

But I congratulate all the members of the committee and members of their staffs for what I think is an excellent bill. We just heard the Senator from Georgia address some of the concerns that were resolved. The Senator from South Carolina addressed some of the concerns earlier. Now it goes to conference. I think, again, it indicates we are making progress in the Senate. Plus the appropriations bill will be ready for passage as soon as the House acts on it. So as far as the defense area is concerned, I think we are in good shape on the Senate side.

UNANIMOUS-CONSENT AGREEMENT

Mr. DOLE. Mr. President, I have been discussing, through staff, with the Democratic leader, and I now ask unanimous consent that, after all the discussions on the DOD bill, there be a period for morning business not to extend beyond the hour of, I think we will make it 11 o'clock, now, with Senators permitted to speak for up to 10 minutes each.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DOLE. I further ask unanimous consent the Senate stand in recess between the hours of 1 p.m. and 2 p.m. today in order for the Democratic Members to conduct their weekly caucus luncheon.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DOLE. Mr. President, I also ask unanimous consent the Senate resume the welfare bill following the morning business period just provided for.

The PRESIDING OFFICER. Without objection, it is so ordered.

PROGRAM

Mr. DOLE. Again, let me indicate to my colleagues, we are trying to accommodate many who wish to go to the baseball game tonight, a very important baseball game in Baltimore. If we can work out some agreement where we can have a vote fairly early tomorrow morning on the Democratic welfare proposal—because it is my hope to complete action on the welfare bill by next Tuesday, and I think we are making progress on our side and I hope it is going to be a bipartisan effort before it is over. I hope we will have Democratic support. But we would like to move forward and dispose of the Democratic proposal—by "dispose," I mean either adopt it or not adopt it, that would be disposition; hopefully not adopt it—and then to move on to amendments, if necessary, and I assume some will be necessary, and then complete action by next Tuesday.

I think we have now completed action on seven appropriations bills. There are no other appropriations bills now ready for consideration. We may try a two-track system—I will discuss that with the Democratic leader—so we can keep abreast of the House on appropriations bills and have all appropriations bills in the President's hands by October 1.

So it may mean some late, late, late evenings. But we will try to accommodate major concerns that many Senators have from time to time.

The PRESIDING OFFICER. The Senator from Virginia.

CONGRATULATING THE LEADERSHIP

Mr. WARNER. Mr. President, I wonder if we could all join in thanking the distinguished majority leader for his assistance on getting this very important bill through. There were times just before the recess when the list of amendments was as long as your arm. Together with our distinguished chairman and the ranking member, and, indeed, the Democratic leader, we were able to condense an almost impossible list of amendments and proceed to this bill and set a time certain for a vote. I think there is a great value in the Senate when we can establish a time when Senators can expect to have a vote on a major piece of legislation like this.

I congratulate the distinguished chairman, Chairman THURMOND, of South Carolina. I think the people of his State can take great pride.

This is your first bill—although having served on the committee these many, many years—this is the first bill on which your name is on it as chairman of the committee. It was your leadership that enabled this bill to be passed right on time. That leadership started in the very early days of the hearings—first at the subcommittee level, then at the full committee, through markup, with the able assistance of the distinguished ranking member, Mr. NUNN of Georgia.

So, I congratulate our leadership. We are fortunate, and I think I may say to both, that they carried it on in the finest traditions established many years ago by your predecessors, both as chairman and ranking member, in a bipartisan way.

I yield the floor.

Mrs. HUTCHISON. Mr. President, I would like to add my congratulations to the committee chairman and the ranking member of our committee for the superb job they did in this authorization bill. Many people came together to make this bill happen. I think the chairman provided leadership. He stood for a strong national defense. It was a bipartisan effort on behalf of the full committee to try to make sure that when our young men and women sign up to protect our freedom, they will have the training and the backing of our country to do the job. That is what the chairman decided we were going to do. There was not a week that went by that the chairman did not talk to his fellow members and colleagues about the importance of keeping our strong national defense.

So I want to commend him for the great job that he did. I am proud to be a member of the Armed Services Committee. I also want to commend the leadership of Senator WARNER, the No. 2 person on the committee, who was deputized by the chairman to meet with people on the very important issue of theater missile defense, because this is an important long-term issue for our country. Senator WARNER led the effort, along with Senator COHEN, Senator NUNN, and Senator LEVIN, to make sure that we did have a strong commitment to our own defenses so that no matter what might happen in the field of technology in the next 10 years, we are going to protect our country and our shores.

So I commend Senator THURMOND, Senator NUNN, Senator WARNER, and all of those who made this very important bill happen, and I will look forward to working with them in the conference committee to maintain the freedom and the protection and security of our country in the fine tradition that we have had.

Mr. THURMOND. Mr. President, I wish to thank the able Senator from Texas for her kind remarks. She is a very prominent and able member of the Senate Armed Services Committee and does a great job. We appreciate all that she has done in connection with this particular bill.

Again, I wish to thank Senator WARNER for the fine job he has done, and Senator NUNN for his fine cooperation and assistance.

Mr. President, I yield the floor.

Mr. WARNER. Mr. President, I wish to associate myself with the remarks of the chairman with respect to our distinguished colleague, the Senator from Texas. I am privileged to have her as a member of my subcommittee. She certainly looks out for the interests of not only the United States, but certainly the people of Texas.

I wish to recognize the occupant of the chair, the Presiding Officer, who was very helpful throughout this piece of legislation, although not a member of our committee, primarily because the senior Senator is a member and, therefore, he cannot be. But we look forward to working with him in the course of the conference on a number of issues, primarily the issue of missile defense on which he is an acknowledged expert.

I yield the floor.

The PRESIDING OFFICER. Senator PRYOR is recognized.

Mr. PRYOR. Mr. President, I thank the Chair for recognizing me.

TESTING OF THEATER MISSILE DEFENSE INTERCEPTORS

Mr. PRYOR. Mr. President, I rise to briefly discuss a small, and virtually unnoticed amendment to the DOD authorization bill that just passed the U.S. Senate. It was an amendment offered by Senator NUNN, Senator BINGAMAN, and myself to restore some common sense to the Missile Defense Act of 1995.

As my colleagues know, the Missile Defense Act of 1995 contains, among other things, an aggressive program to develop and deploy theater missile defenses in the form of sophisticated missile interceptors.

Our amendment to the DOD bill will help ensure that these interceptors are tested properly so we know how the taxpayers' money is being spent on these programs.

If we want to protect ourselves from the threat of missile attacks, we should make sure these interceptor programs are capable of destroying incoming missiles.

I was disappointed that this bill originally deleted a provision passed by Congress 2 years ago that would help us monitor these programs through a series of live-fire tests.

I believe it would be dangerous for the Senate to show a lack of interest in monitoring the progress of our theater missile defense interceptors. Our primary concern should be in making sure they are maturing properly.

Mr. President, I am pleased that the Director of the Ballistic Missile Defense Organization [BMDO] and the Pentagon's Director of Operational Testing agreed to work together in an effort to help us properly emphasize the importance of testing our TMD interceptor programs.

I applaud the Director of the BMDO, Gen. Malcolm O'Neill, and the Director of Operational Testing, Phil Coyle, for working cooperatively in this effort.

Mr. President, this is a responsible amendment that asks the Pentagon to periodically assess the maturity of each interceptor program, and to advise the Congress on the progress we're making. It also asks the Secretary of Defense to certify to Congress that these programs work properly before they enter into full-rate production. Finally, this amendment will help prevent the wasteful practice of building weapon systems that do not work as expected.

This concept, Mr. President, is commonly referred to as "Fly Before You Buy." Fly Before You Buy means that new weapons must demonstrate their progress and maturity in operational testing so that we do not waste money buying systems that do not work, that give us a false sense of security.

I am proud to say, Mr. President, that with this amendment, the weapon developers in the BMDO office and the Pentagon's testers have worked together to reach an agreement on the proposed language.

This is indeed a remarkable accomplishment that the entire U.S. Senate and the Congress should applaud.

This is exactly the type of productive cooperation that Senator GRASSLEY, Senator ROTH, and I envisioned when we wrote the legislation creating the independent testing office back in 1983: Developers and testers working together for a common goal. Unfortunately, for many years, the developers have refused to allow operational testers to monitor their progress. Too often in the Pentagon, the word "test" is considered a four-letter word.

This is exactly the scenario we should avoid with our interceptor programs.

We have already spent well over $5 billion on theater missile defense interceptors. In this bill, an additional $2 billion is authorized for these programs. And the total costs are projected to exceed $22 billion.

As we continue spending more and more on ballistic missile defenses, let us not forget the most basic and most important element of these programs—making sure they work.

I wish to once again thank Gen. Malcolm O'Neill for his cooperation on this amendment. Also, special thanks to Mr. Phil Coyle, the President's testing czar, for his outstanding leadership, and for his help in seeing that the Pentagon practices Fly Before You Buy by testing new weapons before they are produced.

Mr. President, I thank the managers of this bill for accepting this amendment.

I yield the floor.

Mr. COATS addressed the Chair.

The PRESIDING OFFICER. The Senator from Indiana.

Mr. COATS. May I inquire if we are now prepared for morning business?

MORNING BUSINESS

The PRESIDING OFFICER. We are in morning business.

Mr. COATS. I thank the Chair.

(The remarks of Mr. COATS and Mr. PACKWOOD pertaining to the introduction of S. 1201 through S. 1218 are located in today's RECORD under "Statements on Introduced Bills and Joint Resolutions.")

Mr. PACKWOOD. I suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. KEMPTHORNE). The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. PACKWOOD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

JAWSAT

Mr. HATCH. Mr. President, I want to bring special attention to a cooperative satellite development program between the U.S. Air Force Academy and Weber State University located in Ogden, UT. Both institutions, I hasten to emphasize, Mr. President, specialize in undergraduate teaching and undergraduate research.

The Joint Air Force Academy-Weber State Program is known as "JAWSAT." The Air Force Academy satellite will be built by Weber State, which is the first undergraduate institution in the world to design, build, and launch satellites. Weber State began building satellites in 1990, and has launched them in low-earth orbits. The WEBERSAT is the product of the Weber State University Center for aerospace technology. The satellite continues to orbit Earth, providing invaluable learning experiences for the student managers at Weber State. Currently, WEBERSAT provides the students at the campus command center with such benefits as color photographs of the Earth, data acquired by a high spectrometer on the satellite, and information on micrometeor impacts that is derived from sensor equipment also aboard WEBERSAT.

It was a natural choice for the Air Force Academy to tap into Weber State's expertise for building and deploying a satellite to train our future Air Force leaders in satellite use and management. We, in this body, in the midst of a debate on Defense authorizations and appropriations, recognize the critical importance of satellite technology in defense systems employment. I especially commend both Houses of Congress for supporting JAWSATS.

Mr. President, this program is an example of the new directions that our universities are taking in bringing undergraduate training, education, and research to the highest possible levels of achievement. I thank my colleagues for their support of JAWSAT.

SMALL BUSINESS AND SUPERFUND REFORM

Mr. PRESSLER. Mr. President, I wanted to bring to my colleagues' attention the concerns of several prominent South Dakotans regarding the Superfund Program.

Like many of my colleagues, during the August recess, I spend considerable time back in South Dakota talking to my constituents. While in South Dakota, one issue came up on a number of occasions: Superfund reform. This issue is important to small business men and women throughout South Dakota. In fact, several South Dakota small business leaders just launched a new coalition, South Dakotans for Superfund reform. Recently, the coalition leadership's comments on Superfund, and an op-ed from Rob Wheeler of Lemmon, SD, were published in local newspapers in the State. I ask that these articles be printed in the RECORD at the conclusion of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. PRESSLER. We all agree that the current Superfund Program does not work. It is one of the most expensive environmental programs on the books. Despite the vast amounts of taxpayer dollars that are poured into the Superfund, the program has a very low success rate. One of the prime causes of this low success rate is a confusing and costly liability system. This system is unfair to small businesses and encourages excessive and costly litigation.

I am encouraged by the draft proposal drawn up by my esteemed colleague from New Hampshire, Senator SMITH. As chairman of the Superfund, Waste Control, and Risk Management Subcommittee, he has assumed the daunting task of rewriting the existing Superfund law. I look forward to working with him to create a new Superfund law based on fairness and common sense. We should not insist on a system that calls on small businesses that complied with past laws and regulations to shoulder the burden of cleaning up our hazardous waste sites.

I believe these newspaper articles represent not only the concerns of South Dakota small business leaders, but of all small business men and women across the country. They are the innovators who collectively make our economic engine run. For that reason, we must take these concerns to heart as we reexamine the Superfund Program.

EXHIBIT 1

[From the Argus Leader (Sioux Falls, SD), Sept. 5, 1995]

MESSAGE TO CLINTON CLEAR—REFORM SUPERFUND PROGRAM

(By Rob L. Wheeler)

I attended the White House Conference on Small Business in June—one of about 2,000 entrepreneurs and business owners from across the country invited to Washington by the Clinton administration.

At the end of the four-day event, the White House asked us to put together a list of the most important steps the federal government could take to really help small businesses. One of the top recommendations may come as a surprise: overhauling the Superfund program.

Superfund was created by Congress in 1980 to clean up the nation's worst hazardous waste dumps. Fifteen years have passed since then and more than 1,300 Superfund sites have been identified by the Environmental Protection Agency. Over $20 billion in government and private sector funds has been spent. But only 6 percent of those sites have been cleaned up completely.

With a record of failure like that, it's no mystery why the Superfund is nearly universally regarded—by environmentalists and business owners alike—as the single most ineffective piece of environmental legislation in history.

Why is the Superfund such a hazard for small businesses?

It starts with the Superfund's liability scheme called "strict, retroactive, joint and several liability." Retroactive liability means a small business owner can be held responsible for action that took place before the law has passed. Even if you didn't act negligently, even if you followed every law and regulation completely—you're still on the hook. Joint and several liability means the company can be forced to pay 100 percent of the cost of cleaning up a Superfund site even though it was only responsible for a small fraction of the pollution.

With marching orders like that, you can guess the EPA's standard operating procedure: Find any organizations even remotely connected with a Superfund site; then drag them into court to make them pay the cleanup bill. So far, over 20,000 small businesses, hospitals, towns, and community groups—even a Girl Scout troop—have been stamped as "polluters" by the EPA and face potentially crippling legal liability.

All that litigation costs money—a lot of money. More than 20 percent of all Superfund dollars get spent in the courtroom, not to clean up the environment. That translates into an incredible $6.7 million in lawyers' fees and court costs per Superfund site. No wonder the EPA keeps about 500 lawyers on staff just to work on Superfund liability issues.

So our first recommendation for Superfund reform is repealing retroactive liability for waste disposal prior to 1987, when small businesses were first required to keep detailed disposal records. The conference also recommended changing "joint and several liability" to proportional liability, so those liable would only pay to clean up what they're responsible for.

Another recommendation was that Congress should require the EPA to use "sound science and realistic risk assessments" in identifying toxic sites and establishing cleanup standards. That just sounds like common sense; you'd thing that danger to health and safety would be the only criteria for selecting Superfund sites. But you'd be wrong. Today's EPA standards are so seriously flawed that according to a recent federal government study, more than half of the so-called hazardous sites on the EPA's National Priorities List don't even pose a threat to human health.

There are several other reforms on our list, but they all share a common goal: creating a new Superfund that focuses on cleaning up the environment, not harassing innocent businesses. These reforms have a good chance of passing Congress, but the Clinton administration—which asked for our recommendations to begin with—is now resisting.

Recently, a group of business and civic leaders from across the state got together to form South Dakotans for Superfund Reform—a grass-roots coalition dedicated to the type of Superfund reform we proposed to the White House. Our goal is to work with South Dakota's elected representatives in Washington to fix Superfund this year.

There are currently four Superfund sites in South Dakota, including one that has been on the EPA's list for more than 10 years. And 15 small businesses and other organizations in South Dakota have been targeted by the EPA. Unless Clinton and Congress fix Superfund, those busineses—and the jobs they provide to South Dakotans—will remain in jeopardy.

The Clinton White House should be on notice. If it's serious about helping small business, it needs to stop blocking Superfund reform. Washington conferences on small business are fine. But real action speaks a lot louder.

[From the Rapid City Journal, Aug. 24, 1995]

S.D. GROUP CRITICIZES LIABILITY RULES

(By Dan Daly)

The 1980 Superfund law was a good idea gone awry, according to a group of business people who launched a political coalition called South Dakotans for Superfund Reform.

The environmental cleanup program has become expensive, ineffective and unfair, coalition members said Wednesday.

Just 15 percent of the nation's 1,355 sites on the Superfund priority list have been cleaned up, according to the group's literature, and half of Superfund dollars go to lawyers and regulators.

But the group's main complaint was about the retroactive liability rules that place blame for pollution—and the job of paying for cleanup—on companies and landowners "remotely associated with a hazardous waste site," according to the group.

"The reality is that this . . . involves innocent landowners, innocent new businesses that come onto a site unknowing about these things," said Carol Rae, state chairman of the coalition's steering committee. "What we want to do is establish reasonable rules and limits on natural resources damages.

"It's not that any of us here are out to say that we do not want environmental protection or to be responsible corporate or private citizens," said Rae, vice president of external affairs for Chiron Corp., parent company of Magnum Diamond Corp. in Rapid City.

None of the business people at Wednesday's news conference are themselves liable for Superfund cleanup projects. In fact, only a handful of South Dakota sites have been on the Superfund list.

Their interest, said Rae, is as taxpayers and regulated businesses.

Rae, Kroetch and Rob Wheeler of Wheeler Manufacturing in Lemmon, who was also at Wednesday's news conference, served together as delegates to the recent White House Conference on Small Business.

Rae said the conference delegates identified some 2,000 issues important to small business. Changes in Superfund laws, she said, ranked fifth on the list.

She and seven of the group's steering committee members held a news conference in Rapid City Wednesday to outline their position. Members ranged from Richard Krull, manager of the Merillat Industries particle board plant in Rapid City, to Art Kroetch, president of Scotchman Industries in Philip.

The group itself was organized by Steve Knuth of Sioux Falls, who is working for the National Coalition for Superfund Reform. Knuth formed a similar group earlier this year to push for changes in product liability laws.

[From the Argus Leader (Sioux Falls, SD), Aug. 25, 1995]

SUPERFUND REFORMERS START GROUP IN S.D.

South Dakotans who want Congress to change the nation's hazardous waste cleanup program, called Superfund, have organized to promote reform.

South Dakotans for Superfund Reform represents people of various business and community backgrounds with "the desire to see an end to Superfund's unfair and punitive liability system," said committee chair Carol Rae of Rapid City.

The group announced its plans Thursday at a Sioux Falls news conference.

Congress enacted the Superfund law in 1980. Since then, the Environmental Protection Agency has placed more than 1,300 sites on its National Priorities List, but has cleaned fewer than 15 percent of them. More than $25 billion in public and private money has been spent on the program—nearly half mainly on lawyers and bureaucracy, Rae said.

A TRIBUTE TO CAL RIPKEN, JR.

Mr. PRESSLER. Mr. President, I join with all Americans to applaud the tremendous achievement of Baltimore Orioles shortstop, Cal Ripken, Jr. Tonight, Cal will play in his 2,131st consecutive major league baseball game, eclipsing the previous record set by the immortal Yankee great, Lou Gehrig, in 1939.

I commend Cal not just for the singular distinction of being baseball's all-time iron man, but the way he achieved it: with class and with dignity. His approach to baseball is the approach hard-working Americans take to their professions—each and every day he goes out and tries to do his best not just for himself but for his coworkers, his team. He doesn't try to be flashy or flamboyant. He quietly and consistently goes out and gets the job done. And for nearly 13 seasons without missing a game, he has done just that—he got the job done.

Cal also recognizes that being a baseball player also means being a role model to millions of youngsters. Cal plays his life off the field the same way he plays on the field—with tireless energy and quiet excellence. He devotes time to numerous charities in his community. He spends countless hours signing autographs and working with young people on how to be both good ballplayers and good citizens. Most important, Cal Ripken is a husband and father of two children. When asked about how important this day is to him, Cal was said to have replied that it was indeed a big day because he was driving his daughter, Rachel, to her first day at school.

I commend Cal Ripken, Jr., and wish him well. Tonight, he will make history as baseball's most consistent, hardworking ballplayer. For myself and on behalf of all South Dakotans, I applaud him for that. I also applaud him for demonstrating that same consistency, that same hardworking spirit off the field as well.

THE BAD DEBT BOXSCORE

Mr. HELMS. Mr. President, the skyrocketing Federal debt, now soaring toward $5 trillion, has been fueled for a generation now by bureaucratic hot air—and it's sort of like the weather, everybody talks about it but almost nobody did much about it until immediately after the elections in November 1994.

But when the new 104th Congress convened this past January, the U.S. House of Representatives quickly approved a balanced budget amendment to the U.S. Constitution. On the Senate side, all but one of the 54 Republicans supported the balanced budget amendment—that was the good news.

The bad news was that only 13 Democrats supported it and that killed it for the time being. Since a two-thirds vote—67 Senators, if all Senators are present—is necessary to approve a constitutional amendment, the proposed Senate amendment failed by one vote. There will be another vote either this year or in 1996.

Here is today's bad debt boxscore:

As of the close of business Tuesday, September 5, the Federal debt—down to the penny—stood at exactly $4,968,612,934,278.22 or $18,860.94 for every man, woman, and child on a per capita basis.

CONCLUSION OF MORNING BUSINESS

The PRESIDING OFFICER. Morning business is closed.

FAMILY SELF-SUFFICIENCY ACT

The PRESIDING OFFICER. The clerk will report the pending business.

The bill clerk read as follows:

A bill (H.R. 4) to restore the American family, reduce illegitimacy, control welfare spending, and reduce welfare dependence.

The Senate resumed consideration of the bill.

Pending:

(1) Dole further modified amendment No. 2280, of a perfecting nature.

(2) Daschle amendment No. 2282 (to amendment No. 2280), in the nature of a substitute.

Mr. MOYNIHAN addressed the Chair.

The PRESIDING OFFICER. The Senator from New York is recognized.

Mr. MOYNIHAN. Mr. President, I rise to correct a statement which I made on the floor in the course of our previous 2 days of debate, the beginning of debate, on this legislation. I rise to not only correct my statement but to offer an apology to the Senate if I have misled anyone, which I certainly did not intend, nor did anyone.

On that occasion, I offered a chart, as you see here, indicating the proportion of children who received aid to families with dependent children in 1992.

This data was prepared for us at the Department of Health and Human Services, Mr. Wendell Primus is responsible there, and mistakes were made. He found those mistakes and called them to our attention.

In the meantime, the Washington Times had written a very fine editorial pointing to this data, saying, "My God, if there is ever evidence this system is failing, it will be found in these tables." These bar charts are easily translated into tables. Then we had to inform the Washington Times that the numbers were scrambled. At one point, it was no more than a simple typing error in a computer printout.

But we now have the correct numbers, and I would like to introduce them to the Senate at this time, as against the data I presented on August 8. The new figures are the corrected numbers for 1993.

The data are the estimated proportion of children receiving AFDC, that is aid to families with dependent children, title IV of the Social Security Act, in 1993, which is our last count. As you can see, Mr. President, if you were to recall the numbers originally, the city of Los Angeles was recorded as having almost two-thirds of its children on welfare at one point or over the course of a year. That involved a mistake between the city and the county, not something I am sure happens frequently. Los Angeles drops to a point where I can almost say, Mr. President, that in 1993 only 38 percent of the children in Los Angeles were on AFDC at some point or other in the year.

Think what it means to say "only" 38 percent, which is to say quite literally, by Federal regulation—and my friend, the distinguished chairman, will be talking about some of those regulations. I see he has some stacked on his desk. I am reminded, those are historic desks. If they were to collapse under the load of Federal regulation, the historical society would have something to say about that.

But the idea under AFDC regulations, there are not too many requirements of the AFDC Program. One is a limit on assets, and the limit on assets is $1,000; $1,000 for households, which is to say these are households that are paupers and have to stay paupers as a condition of staying alive. If you said only 38 percent of the children in our city were paupers during the course of the year, 20 years ago the public would say, "What?"

In Detroit, it is 67 percent. Those figures were adjusted. We found that Los Angeles went down. New York went up; 39 percent of all children at one point of the year. New York is our largest city with about 7.5 million persons. We have at any given time rather more than a million persons on welfare, which is AFDC plus home relief, numbers not known in the depths of the Great Depression. During the Great Depression, in 1937, when you probably had about as much as 30 percent unemployment, there were half a million persons receiving home relief in New York City. Today, in the aftermath of 50 years of economic growth, we look up and there are more than a million. And 39 percent of our children are on AFDC at one point or another in the course of the year.

In Philadelphia, it is 57 percent. In San Diego, it is 30 percent. The San Diego figures and the Los Angeles figures are close in that range. Texas has, generally speaking, a low rate—San Antonio, 20 percent, and Houston, 22 percent. There is a certain uniformity there. The city of Phoenix, AZ, has as prosperous an appearance as any city on Earth. It grows, I have been told, by a square mile a day. The southern Arizona project brings in water. Barry Goldwater provides a welcome and people cannot wait to move out there. There are green lawns where I think there should not be green lawns. That is desert. But that is another matter. In Phoenix, 18 percent of the children are paupers at one point during the year.

These numbers can be elaborated. To what exact purpose, I would be hesitant to say. But we do know that Senator DASCHLE's legislation, as well as Senator DOLE's and Senator PACKWOOD's, does address this question of putting children on supplemental security income as a mode of welfare benefits.

If you combine AFDC with SSI in 1993, you get yet higher rates. You get 67 percent for Detroit. You see that it goes from 54 percent AFDC when you add SSI. It is a large number. I think it is the case that the number of children receiving SSI has grown by about 400 percent in the last decade. This is not because there are 400 percent more children disabled. We have had administrative interpretations of statutes which increase the number of children in this category. Philadelphia gets 59 percent; San Diego, 30 percent; Los Angeles, 38 percent; Baltimore, 56 percent; New York, 40 percent. And so it goes.

These are horrendous numbers, and they ask for—they demand—some level of interpretation. The Washington Times, in a perfectly fair-minded editorial—to my mind, a fair-minded editorial—had commented on these numbers that are overstated in the case of Los Angeles and understated in the case of New York. It had this in its editorial, "Welfare Shock."

I ask unanimous consent, Mr. President, that this be printed in the RECORD at this point, without the table.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Washington Times, Sept. 1, 1995]

WELFARE SHOCK

Having spent the better part of the past four decades analyzing the statistical fallout of the welfare and illegitimacy crises enveloping our great cities, Sen. Daniel Patrick Moynihan never has needed hyperbole to describe the dreadful consequences of failed social policies. Perhaps that is because the New York Democrat possesses the uncanny ability to develop or cite pithy statistics that shock even the most jaded welfare analyst, case-worker, senatorial colleague or reporter.

Several weeks ago, Sen. Moynihan, appearing on one of the ubiquitous Sunday morning interview shows, shocked his questioners (and, undoubtedly, his television audience) by revealing that nearly two-thirds of the children residing in Los Angeles, the nation's second largest city, lived in families relying on the basic welfare program, Aid to Families with Dependent Children (AFDC). To illustrate that Los Angeles was not unique, he observed that nearly four of every five (!) Detroit children received AFDC benefits.

The accompanying chart details the extent to which residents in the 10 largest U.S. cities have become dependent on AFDC—and the government. After about three decades of fighting the War on Poverty, during which time more than $5.4 trillion (in constant 1993 dollars) has been expended, perhaps no single statistic offers more proof of the war's unmitigated failure than the fact that federal and state governments provide the financial support of 38 percent of all children living in the country's 10 largest cities.

How does one begin to address such a horrendous problem? For all the talk among Democrats, particularly President Clinton, about the need for increased spending for education to help underwrite welfare reform, it's worth recalling that real (inflation-adjusted) spending for elementary and secondary education has dramatically escalated since the federal government declared war on poverty. Indeed, some of the highest per pupil expenditures occur in the largest cities. Unfortunately, as spending increased, test scores plummeted.

In a more serious tone, Mr. Moynihan approvingly cited the 1966 report on the Equality of Educational Opportunity (the Coleman Report), which "determined that after a point there is precious little association between school resources and school achievement. The resources that matter are those the student brings to the school, including community traditions that value education. Or don't."

Sen. Moynihan has offered his own welfare-reform plan, which, unlike any Republican plan in the House and Senate, would retain AFDC's entitlement status without placing any time restrictions on recipients. Despite the underwhelming success of federal job-training and job-placement programs, his plan places great emphasis on more of the same. Attacking the Republicans' proposals to cancel welfare's entitlement status and enforce time restrictions, Sen. Moynihan frets that "we don't know enough" to design programs that attempt to influence the behavior of poor people.

Take another look at the figures in the chart provided by the senator. They represent a small fraction of the statistical indictment against the failed welfare policies of the liberal welfare state. Tinkering around the edges of such failure without seeking to change the behavior that three decades of the War on Poverty have produced, will surely not solve any of the many social problems that accompany dependency on the scale depicted in the chart. That much we do know.

Mr. MOYNIHAN. Mr. President, the point of the editorial is, good God, what happened to our children? Can the present system be as bad as the data depict? If so, let us be rid of that system directly. I wrote to them informing them that we had new data, and it was not significantly different. Well, in the case of Los Angeles, it was; that should be made clear. Otherwise, it was in this range. I wrote a letter in which I simply made the point that—well, first of all, I submitted the correct new data, which took a slightly different view from the editorial. It was a very different view from the editorial in the Washington Times.

I ask unanimous consent that my letter and the subsequent editorial with the corrected data be printed in the RECORD at this point.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

[From the Washington Times, Sept. 5, 1995]

THE AFDC NUMBERS: BAD ENOUGH, BUT NOT THAT BAD

Regarding the Sept. 1 editorial "Welfare shock," The Washington Times is entirely correct in stating that the information on AFDC caseloads I presented in the August welfare debate in the Senate was mistaken. We received the data from the Department of Health and Human Services on Aug. 4. I found the numbers hard to believe—that bad?—and called the deputy assistant secretary responsible to ask if he would check. He did and called back to confirm.

On Aug. 23, however, with the Senate in recess, Mr. Wendell E. Primus, the deputy assistant secretary who provided the data, wrote to say that there had indeed been a miscalculation. It was a perfectly honest mistake, honorably acknowledged and corrected. I will place his letter in the Congressional Record today.

The new numbers are sufficiently horrendous. The proportion of the child population on AFDC or Supplemental Security income in the course of a year in Los Angeles is 38 percent. In New York, 40 percent. In Chicago, 49 percent. In Philadelphia, 59 percent. In Detroit, 67 percent. My contention is that things have gotten so out of hand that cities and states cannot possibly handle the problem on their own. Thirty years ago, certainly. No longer. Mr. Hugh Price of the National Urban League suggests that we will see a reenactment of deinstitutionalization of the mental patients which led so directly to the problem of the homeless. I was in the Oval Office on Oct. 23, 1963 when President Kennedy signed that bill, his last public bill signing ceremony. He gave me the pen. I have had it framed and keep it on my wall. Premium non nocere.

DANIEL PATRICK MOYNIHAN,
U.S. Senator,
Washington.

[From the Washington Times, Sept. 5, 1995]

CHARTING THE STATE OF WELFARE

Even by the appalling standards and results of U.S. welfare policy, the chart that appeared in this space last Friday exaggerated the depths of the situation that prevails in some of this nation's largest cities.

Last month Sen. Daniel Patrick Moynihan, New York Democrat, appeared on the floor of the Senate citing statistics showing that nearly two out of three children in Los Angeles and nearly four out of five children in Detroit lived in households receiving the government's basic welfare grant, Aid to Families with Dependent Children (AFDC). At the request of The Washington Times' editorial page, Sen. Moynihan's office faxed a copy of a chart listing the 10 largest U.S. cities and the percentage of each city's children relying on AFDC, which was developed by the U.S. Department of Health and Human Services (HHS). Regrettably, the information was incorrect.

Nearby is a chart with updated, expanded, and presumably correct, information that HHS subsequently sent to Sen. Moynihan's office, which then forwarded it to the editorial page. The revised chart offers both a snapshot of welfare dependency of children in our largest cities (at a "point in time") and a more expansive statistic incorporating all children whose families relied on AFDC during any portion of an entire year. Clearly, neither classification places Los Angeles or Detroit in nearly as dreadful a position as conveyed by HHS's initial, incorrect tallies. It should also be noted, however, that the earlier chart understated the problem of pervasive welfare dependency in other cities: New York and Philadelphia, for example. The revised chart offers no solace to anybody intersted in the future of our great cities and the children who live in them.

ESTIMATED RATES OF AFDC CASELOADS

[In major cities (Feb. 1993)]

State	Percentage of children on AFDC at a point in time	Percentage of children on AFDC within a year
New York	30	39
Los Angeles	29	38
Chicago	36	46
Detroit	50	67
Philadelphia	44	57
San Diego	23	30
Houston	18	22
Phoenix	15	18
San Antonio	14	21
Dallas	16	20

Source: Department of Health and Human Services.

It's been 30 years since the federal government initiated its so-called War on Poverty. During that time more than $5 trillion was expended fighting it. What has been accomplished? As the Senate reconsiders the various welfare-reform proposals during the next few weeks, let us keep in mind that anything less than revolutionary in scope is likely to have little long-term impact on these depressing statistics and the numerous pathologies and deviancies that derive from them.

Mr. MOYNIHAN. Mr. President, here is the point I made, and some will not agree—probably most will not agree. Yet, I have been at this long enough to recognize this. The Times takes the view that any system which has produced this result is so bad it must be profoundly changed, dismantled, and done away with. Indeed, the legislation before us on this side of the aisle—the majority leader's legislation—would in fact put an end to this system. It abolishes title 4(a) of the Social Security Act of 1935. It makes a block grant which is sent down to the States, based on their present Federal benefit, and leaves it that the States are free to do what they will. I will not get into it at this moment.

But the States are not free to do what they will, anyway. No State has to have a welfare program. No, you do not have to have a welfare program. You do not have to provide more than—you can provide $1 a month per child or $1,000 a month per child. The idea that there are big Federal regulations is mistaken. It is not that the Federal Government has not sought to do a lot of regulating, but the statutes are relatively spare. With a waiver, you can do virtually anything you want. And to say it is your job, now that this system has failed, to take it over, what that does is disengage the Federal Government.

No child is entitled to welfare benefits. The State can provide that a child receives benefits, or it can do otherwise. But under the Social Security Act, if a State provides welfare benefits, the Federal Government provides a matching grant. It will match 50 percent, up to about 79 percent, at this point. It used to be as high as 82 percent in the Southern States.

My point is that 30 years ago, when we first picked up the onset of this extraordinary demographic social change, you could have made the case: Let the States do it; let the cities do it. You could have made that case. You cannot make it today, in my view. This is too much. This is beyond the capacity of State governments and city governments. They will be overwhelmed, and soon we will be wondering, what did we do?

Mr. Hugh Price, the relatively new, recently appointed, director of the National Urban League, made an important comment on the "Charlie Rose Show"—not a pronouncement, just a comment. He said if we do what is proposed and put time limits—the President, at Georgetown University in 1991, when he began his Presidential campaign, put out a 2-year time limit—he said that we will have an effect similar to the deinstitutionalization of our mental institutions that began in the 1950's and culminated in Federal legislation in 1963.

I am going to take a moment, if I can, just to talk about that, because I think Mr. Price hit upon a brilliant analogy—the appearance on our streets of homeless persons sleeping in doorways, sleeping in bus stations. You do not have to do more than walk down Constitution Avenue from the Capitol, not four blocks from here, and you will find, in the dead of winter, people sleeping on grates. It has happened everywhere. It has happened, I dare to say, in Portland, OR. I say to my friend, the chairman of our committee, that Portland, OR, will not appear on this list. It is a very interesting story, and it is a very powerful cautionary tale.

I was present at the creation, 1955, in the spring, in the State capitol in Albany, N.Y. Averell Harriman was being introduced to the person who was to be nominated as the commissioner of mental hygiene, a wonderful doctor named Paul Hoch. He had been head of the New York Psychiatric Institute, a great research analyst. He had been chosen by the late Jonathan Bingham, then secretary to the Governor, later Member of the House of Representatives.

As has happened before in history, the Governor was playing a role in a little drama that had been preconceived. Present also was the director of the budget, Paul H. Appleby, the eminent public servant of the New Deal era, deputy director of the budget under President Truman. Also present, notetaker, if you will, was the Senator from New York. I was an assistant to Mr. Bingham.

The Governor greeted Dr. Hoch and said how pleased he was to learn that he was willing to come and do this job, and Jonathan Bingham has recommended him most particularly, as indeed Jack Bingham had done.

The Governor asked how were things going in that field. Doctor Hoch said, well, down at Rockland State Hospital, which is in Rockland County in the lower Hudson Valley, Dr. Nathan Kline had been working with a chemical substance that had been derived from the root rauwolfia serpentina, used in medicine for 5 millennium. It calmed people down in the Hindus Valley. German organic chemists had succeeded in reproducing it, and it was used on patients in Rockland State, and it had real effects. It was our first tranquilizer. It would come to be known as reserpine. The doctor said he thought it should be used systemwide.

At that time in the 1950's, mental health was one of our most visible public issues. Every State legislature proposed every year, appropriated another bond issue to build another hospital. We projected the time when half the population of New York State would be in a mental institution and the other half would be working in a mental institution—97,000 persons.

Today, Mr. President, there are about 6,000. We wanted them out, but we did not care for them after they left.

I came to Washington in 1961 in the administration of President Kennedy, who was much interested in this subject. A report of a joint commission established by the Congress was waiting for us. In effect, it said, go with medication and deinstitutionalization.

The last public bill signing ceremony that John F. Kennedy conducted was on October 23, 1963. He signed the Community Mental Health Center Construction Act of 1963. He gave me a pen. I was present. I had worked on the legislation, having had something in the background from Albany. We were going to build 2,000 community mental health centers by the year 1980, and one per 100,000 population, as the population grew.

We wanted our mental institutions, but we did not build the community centers. We built about 400, the program got folded into another program, shifted around, and pretty soon people were thinking about something else and it quite disappeared from our minds.

Then the problem of homelessness appeared. With the unfailing capacity for getting things wrong in my city of New York, an advocacy group grew up saying we have a problem here of a lack of affordable housing. That is not what it was at all.

Schizophrenia—we knew in the 1960's there would be a constant incidence of that particular disorder in large populations. We did not have quite the genetic information we have now. I do not speak beyond my knowledge, but the statistical data was sufficient to say this is something that happens in Patagonia, it happens in Alaska, it happens in Bucharest, it happens in Los Angeles, all at about the same rate. There it is. A puzzle, a great public failure.

My friend from Oregon will remember that during the brief interlude in which I was chairman of the Committee on Finance, the last New Yorker was in 1849, and it may be another century and a half until the next New Yorker was, but there were 2 years, not necessarily a shining moment, but there it was. We were dealing with health care matters, as the chairman will not soon forget. I had two things on our wall. One was a small portrait of Alexander Hamilton, the first Secretary of the Treasury, that great New Yorker. The other was the pen certificate which had the pen that President Kennedy gave me on that day in October 1963, when we signed the Communities Mental Health Center Construction Act of 1963.

As I just said, "Be very careful what you do." To cite Hippocrates, primum non nocere. It is my contention, Mr. President, it would be my argument, I cannot demonstrate, I can simply make the case with numbers this large, proportions this large, we dare not disconnect the Federal Government from this problem of our children.

The connection we made in 1935 when our resources were vastly fewer than they are today, they will be overwhelmed. In a very little while as the time limits comes into effect, I estimate a 5-year time might put half a million children on the streets of New York City in 10 years' time, and we will wonder where they came from. We will say, "Why are these children sleeping on grates? Why are they being picked up in the morning frozen? Why are they scrambling? Why are they horrible to each other, a menace to all, most importantly to themselves?"

Well, this is what will have happened, in my view. I can say that 30 years and more of association with this subject makes me feel it would happen.

Mr. President, once again, with apologies to the Senate for having provided somewhat misleading data on August 8, without intention, it was received from the Department of Health and Human Services without any purpose to mislead, and was corrected by the Department. Having placed the incorrect data in the RECORD, I ask that the correct table be printed in the RECORD at this point.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

PROPORTION OF CHILDREN RECEIVING AFDC (1993)

City	Percent at point in time	Percent within a year
Chicago	36	46
Dallas	16	20
Detroit	50	67
Houston	18	22
Los Angeles	29	38
New York	30	39
Philadelphia	44	57
Phoenix	15	18
San Antonio	14	21
San Diego	23	30

Source: Department of Health and Human Services, August 23, 1995.

Mr. MOYNIHAN. With great thanks for the courtesy and attention of the Chair, I yield the floor. I see my distinguished friend has risen, and I am happy to turn to him.

The PRESIDING OFFICER. The Senator from Oregon is recognized.

Mr. PACKWOOD. Mr. President, I never cease to learn from my good friend from New York. In the quarter of a century I have been in this Senate, there have been a number of memorable Senators, none that I have learned more from than PAT MOYNIHAN. I count him as a friend, a teacher, a mentor.

It is interesting how we sometimes take the same facts, however, and reach different conclusions. I went to law school at New York University in the center of Manhattan in the mid-1950's. And much as I love New York and Manhattan and find it an exciting borough, when I finished law school I had no desire to stay there. I went back to Oregon and started to practice law and kept my home and roots there ever since.

But I remember public housing in the mid-1950's in New York. The Federal Government dictated what public housing would be, and we knew best. Our philosophy was that, if people had a decent roof over their heads, all else would flow and follow. Education would follow, crime would disappear; so long as you had a decent shower and a bed. So we built, not 5- and 10-story public housing projects, 20- and 25-story public housing projects. And we clustered them together; not one building, but three or four, with concrete parks, barely any grass for the kids to play, and thousands and thousands of roughly similarly economically situated poor people clustered together.

What we ended up with were 20- and 25-story slums, crime-ridden, drug-infested slums. It did not work. I do not mean this as critical of the thinkers of the mid-1950's. That was the best thought in the fifties.

Now the Federal Government thinks the best thought is what we call scatter buildings. We are not going to put up 25-story buildings; we are going to put 60 units in Queens and 30 units in Westchester County and some more in Staten Island. We are going to scatter them about. It may be a better decision. It may not be. I am not sure. Yet it is another example of where the Federal Government now says the philosophy of 40 years ago was wrong and this philosophy is right.

I offer this only to say there is no guarantee that any public policy you adopt will work out exactly as you hope it will work out. It does not mean that you are malevolent in your thoughts or deliberately ordaining that it would not work out. It is just things you thought would happen do not. How often I heard my friend from New York talk about the law of unintended consequences.

So, with that background, I want to go back into the history of welfare in the United States, starting in 1935; what we hoped would happen, what has happened. I think we can say this. If our hope of welfare was to get people off of welfare, if welfare was to be a trampoline so that you could spring back useful to society, it has not worked. It has become not a trampoline, but a hammock. And that I think we can say with assuredness.

I am not sure we had any witness that appeared before the Finance Committee as we were having hearings on welfare reform that defended the present system as working. Some wanted to simply jettison the entire thing. Some wanted to tinker with it but keep it a Federal system. Others wanted to devolve more power and authority to the States. But nobody defended it as it was. So how did we get to where we are?

Go back to 1935. My good friend from New York talked about the 1935 Social Security Act. It was passed in 1935. And Social Security, the act, had two parts to it. One was the pension that we are well familiar with. The other was a welfare component for widows and orphans. How often has the Senator from New York referred to it colloquially, but correctly, as a pension for the miner's young widow and the miner's young child.

Both provisions, in essence, covered the same people but for different purposes. In the mid-1930's if you are the breadwinner—it is basically men that are working—if you lived to 65, you took care of your wife, and probably by that time your minor children had grown up. If you died at age 45 however, and you were the breadwinner, there was no survivors' benefits in the original Social Security Act. Suddenly the widow and the child are thrown out onto the street. So the welfare provision of the 1935 Act was designed to take care of the widow and the orphan child. And it was presumed, I think, that if the widow got married again, she would no longer need any public support, and if she did not get married, she at least got this income while the child was a minor and she was a widow. And almost all welfare at this time—1935 onward for a fair number of years—was for widows and orphans.

Then in 1939, we amended the Social Security Act to include survivors. The breadwinner dies at 45. It was still usually a man in those days. He has a 40-year-old widow and three children, ages 16, 12, and 9. There were survivors' benefits under Social Security. If you were a widow with children, you got 75 percent of what the person who died would have gotten had that person reached Social Security age, and you got 75 percent for each child, though it was capped. You did not get 75 percent for every child if you had 15 children.

After World War II, we rather rapidly expanded the coverage of Social Security. My hunch is the biggest single group may have come in in 1953 or 1954 under President Eisenhower, when we brought in an immense number of people: Agriculture——

Mr. MOYNIHAN. Self employed.

Mr. PACKWOOD. Self employed. We brought in an awful lot of people.

Mr. MOYNIHAN. State and local.

Mr. PACKWOOD. State and local. We brought them in and, by 1960, most people were covered by Social Security and that included survivors. So if the breadwinner died, the widow and the orphan were taken care of. Therefore, welfare—I am not talking about Social Security survivors insurance, I am talking about welfare as we knew it in the 1930's; when the breadwinner dies there is no Social Security survivors' benefits—welfare as we knew it began to disappear because Social Security benefits, survivors' benefits, were usually more generous than welfare would be, and survivors' benefits supplanted what welfare had initially been for widows and orphans.

From about 1950 onward, maybe a little earlier again—the Senator from New York would know more specifically than I would—aid to dependent children, as we now call it aid to families with dependent children, AFDC, started tilting toward support for unwed mothers and children who had never had a breadwinner in the house. It was no longer the concept of the widow and the orphan. There never was a breadwinner. And, instead of emergency financial support for a widow who was suddenly deprived of her breadwinner, AFDC, aid to families with dependent children, gradually and then overwhelmingly became a lifetime support system for many people. And in many cases it became a generation after generation support system.

Today, only 1 to 2 percent of welfare is because of the death of a breadwinner. That is how much it has changed from what it was originally intended.

Now, from 1935 onward, but especially from 1960 onward, as we have seen this movement toward welfare being for unwed mothers, people who never had breadwinners, the Federal Government has tinkered and tried and toyed to make this system work. If the woman dropped out of high school in the middle of her junior year and had a baby and did not go back, to try to educate her, to try to help her get a job—and we have attached more baubles and geegaws to the Federal welfare system in efforts to make it work than the mind can comprehend.

But it has not worked. If it was meant to stem the rise of illegitimacy, it has not worked. If it was meant to get people back to work, it has not worked. If it was meant to somehow break the generational cycles, it has not worked.

Has it failed because we did not spend enough money? Let us go back and take a look over the years of what we have spent. I am going to use the year 1947 as a base for this reason. What we spent in the 1930's was minuscule. During World War II, we did not spend anything for all practical purposes. But during the war, from 1944 to 1945, believe it or not—we talk about the defense budget now—the defense budget was 40 percent of our gross domestic product and 90 percent of our total budget. We did not do anything else. We were a war machine. We were borrowing to do it. And we were willing to spend that much on defense because we thought it was necessary for the preservation of Western civilization. I am inclined to think that was a correct decision.

So when I hear people say we cannot afford to spend for our defense, just as an aside, a great nation can afford to spend. We are now spending 4 or 5 percent over gross national product on defense. We can argue, can we afford 4 or 5 percent? Yes, we can. But it did mean in those years we were not spending money for anything else of any consequence except on the war. And the first real budget year, fiscal year, after the war was 1947; 1946 was midway through when the war was still going on.

I am going to use the term "constant dollars" rather than "current dollars" because current dollars can be illusory. I will define the difference.

A current dollar is $1 today. I spend $100 on a Federal program. Let us say you have 100 percent inflation. Next year we spend $200 on the Federal program. You have not spent any more money. You have 100 percent inflation. The person that gets it has not gotten anything more to spend. That is why we have COLA's on Social Security. That is called current dollars.

To put it in comparison, in current 1947 dollars we spent $2 billion on what the Social Security Administration basically called welfare. This is 10 or 12 programs. In 1947 we were spending $2 billion. In 1991 we were spending $180 billion. Even if you put it in terms of constant dollars—because current dollars does not take into account inflation—the figures are still dramatic. If you assume that the value of the dollar today was the same as the value in 1947, and there has been no inflation in that period of roughly 45 years, then in 1947, in today's dollars, we were spending $10 billion on all of these programs. Today, we spend $180 billion. On AFDC alone, in 1947 we were spending in constant dollars $697 million, today we are spending $18 billion, about a 2500-percent increase.

You want to take a last figure. These programs in the Social Security Administration count as programs for the poor. In 1947, they were 0.7 of 1 percent of our gross domestic product. Today, they are slightly in excess of 3 percent. So they have grown dramatically.

Welfare has not failed because we did not spend money. We have spent more money by any measure.

Has it failed because of inadequate regulations? The 1935 bill when it passed was 2½ pages long. This is the section relating to welfare, 2½ pages.

There were no regulations initially. The bill really had six requirements of the States as follows:

First, the program had to be in effect in all political subdivisions throughout the State. That is an easy enough requirement.

Second, there had to be some financial participation by the State. That is easy enough to figure.

Third, it had to be administered by a single State agency. That is easy enough to figure.

Fourth, there had to be an opportunity for a fair hearing for somebody if they had been denied benefits. That is not too difficult to figure.

Fifth, although this one becomes a little more ephemeral, the State had to provide such methods of administration as would be necessary for an efficient operation of the plan.

As I say, I am not quite sure what that means exactly, but I will show you what it means in just a moment.

Then lastly, the State had to file reports that would assure the correctness and verification of basically what they were intending. That was relatively simple.

From that has grown what we have in welfare today.

The Senator from New York referred to this stack on this desk which I shall attempt to lift. These, Mr. President, are the regulations that an Oregon caseworker must be familiar with in order to determine just two things: No. 1, the eligibility of a recipient for welfare; No. 2, how much shall that recipient get. That is what you have to go through in order to determine just whether you are eligible. How much do you get?

Follow me to this chart back here. Here is the eligibility process.

You come into the welfare office. "Hi, I am Johnny Jones. I would like to apply for welfare." Initial application. All right.

The caseworker says, "Give me your proof of identity, age, citizenship. I want your driver's license, Social Security card for each person, birth certificate for each person, alien registration, or arrival and departure record, or any other identification from any other agencies or organizations."

This assumes a person coming in for welfare actually has these things or knows how to put their hands on it. Assuming you have proved your identity, we now go to proof of relationship and child in the home. Signed and dated statement from friend or relative naming each child and residence, birth certificate or other documents stating parent's name.

Assume you have that. Then we go over to proof of residence and shelter costs.

"Give us your electric bill, paid or unpaid; give us your gas or fuel bills, paid or unpaid; rental or lease agreement; rent receipt; landlord statement; landlord deed to property; proof of housing subsidies."

No wonder this stack is getting thicker and thicker as you go through giving us all of this information. Now we come down to proof of family after you have gone through all of this.

Death certificate for deceased parent; divorce papers or separation papers showing date, if separated; a statement from a friend, neighbor, or relative proving marriage certificates; if in prison, date of imprisonment, length of service; if pregnant, a medical statement with expected delivery date; if disabled, name of doctor, name of hospital, and a doctor's statement.

This is just starting to prove eligibility.

Does anyone here have any income? No. You have no income.

I want you to think about proving a negative.

"No, I do not have any income."

"Let me see your bank account and savings account."

"I do not have a bank or savings book. I do not have any bank account."

Well, you have to prove you do not have a bank account. Current checking account statements and real estate documents.

I want you to picture Johnny Jones coming in asking for welfare.

"Where are your real estate statements?"

"I don't have any."

"What do you mean, you do not have any? Can you prove it?"

"No. I don't have any."

"Prove you don't have any."

"I do not have any."

Payment books or receipts for all mortgages and land sales.

Do you know how much land Johnny sells? He is not really involved in big time in real estate sales.

List of all stocks and bonds and current market value; title of all motor vehicles and bill of sale; bank payments or agreement; documents showing life insurance and estate or trust funds.

Name me welfare recipients who have trust funds. If they have trust funds, they are not welfare recipients and they will not be in this office at the first stage.

Insurance policies? They might have insurance policies.

Now, if you have done all that, you make an eligibility decision. However, this is if you have no income. But if you have income, now we come down here.

Proof of income.

Uncashed worker's compensation or other benefit check; latest Social Security or VA benefit award letter; court order stating amount of support or alimony; notice of unemployment benefits, record of payments received, or uncashed check; records of income from self-employment, farm income or business income, tax records, profit and loss statements, or income producing contracts; wage stubs or employer's statement of gross wages for the last 30 days.

You have to prove all that. But interestingly, what counts as income and what does not count as income?

Count adoption assistance if not for special needs. That counts as income.

Do not count as income adoption assistance for a child's special needs.

Now, you are poor Johnny Jones getting these questions, trying to figure it out. You count as income payments under the Agent Orange Act of 1991. You do not count as income benefits from the Agent Orange Settlement Fund if it is given by Aetna Life. I do not know why it is limited to Aetna Life.

Well, Mr. President, I am not going to go on with the rest of this. This is what welfare has become. It is no wonder that caseworkers are frustrated beyond belief. The caseworkers I have met are perfectly decent people who would like to help the poor.

Now I will give you a quote from the former executive director of the Oregon Progress Board.

"Almost all of the Oregon Option undertakings"—Oregon Options is the welfare plan that we have gotten authorization to try—"require the use of federal funds and, in many cases, the waiver of federal rules and restrictions on how the money is used." As Wyse said,

> We need the federal government as a partner. But federal programs that provide money tend to be severely prescriptive and riddled with red tape that stifles innovation. In the biggest area of federal aid—welfare—at least 20 percent [20 percent] of our administrative time and money costs have been spent on federal paperwork.

My classic example, however, does not deal with welfare per se. It is Harley, Harley, the Vietnamese potbellied, drug-sniffing pig. This pig can smell drugs like dogs do, so the Portland police bureau applied to the DEA, the Drug Enforcement Administration, for Federal funds that they allocate for drug-sniffing dogs. The DEA, Drug Enforcement Administration, said no, it only applies to dogs. It does not apply to pigs. To which the Portland police bureau said: "This pig can smell better than a dog, and it is cheaper than a dog."

Now, I have to give Vice President GORE credit. He worked this out by declaring Harley an honorary dog. That solved our problem. There is Harley, the honorary dog, right there. That is the frustration of dealing with the Federal Government. Did the DEA mean to be obtuse and mean? Of course not. Of course not. It is just that big things of necessity have to be pigeonholed. It is not true just of Government. It is true of big institutions. It becomes more and more difficult, the bigger you get, to deal with individuality. You have to fit the pigeonhole whether you are a university with 25,000 students or General Motors. It is one of the reasons why small and often family-held companies are able to do much better and compete against giants that are 100 times their size but immobile.

About 20 years ago, maybe 25 years ago now, there was a story in one of the nationwide business publications on who sets the price of plywood in the United States. Weyerhaeuser is a big producer. Georgia Pacific is a big producer. But the article concluded that it was set by Ken Ford of what was then called the Roseburg Lumber Co. That is now Roseburg Forest Products. It was a family-owned company and still privately held, as I recall. They have about 3,000 employees in an area of about 15,000 to 20,000. It is the dominant employer.

The article said as Mr. Ford's plywood is moving across the country on the railcars, he can call Chicago and say, "Cut it 50 cents a board foot," and it is cut. And Weyerhaeuser and Georgia Pacific immediately follow suit. But they cannot take the lead because it is a corporate board decision of some kind. They do not have anybody in the organization that can say to cut it 50 cents a foot.

So Mr. Ford sets the prices for plywood. He is still alive and the company is still going. And he is still a dominant force in his business.

You see it in the electronics business today. How many companies are there? Have you ever seen that wonderful list of companies? There are over 20,000 or 25,000 companies that did not exist in 1968, either just did not exist or were just getting founded in the 1960's, electronics or otherwise.

You look at just one facet of communications, personal communications, the little hand-held phones you use. In 1982, when AT&T and the Federal Government agreed to a consent decree breaking up AT&T and creating what we now call the regional Bells—seven—it was a very inclusive agreement. The Justice Department and AT&T tried to think of everything they could to include. Do you know the one thing they left out? Personal portable telephones. There was no future in that. There were 18,000 in the country. There are 25 million now. By the end of the century—there might be 125 million in 10 years. We will have as many of those as we have telephones.

It is not AT&T, MCI, and Sprint that are dominating that business. Those are long-distance carriers. But the companies that have moved into this business were small, sharp, quick companies that can compete with Bell Atlantic, compete with AT&T. And they move rapidly. They find a niche. They are good at it. They are small.

So when we get to this bill, it is an interesting difference in philosophy, on average—I am generalizing here—on average, between Republicans and Democrats to this extent. On average, Democrats in the provision of social services have a mistrust of it being done by private enterprise, whether that be a profitmaking private enterprise or not. I want to emphasize, I am generalizing. They have less mistrust if it is done by Catholic Charities or Goodwill, but they feel more comfortable if the Government is doing it. Republicans are a little more inclined to say let us let the private sector do it or let us give some grants or help with the private sector, but let them take the lead.

The second difference is that if it must be done by Government, there is still a general feeling among most Democrats that it should be done or at least directed by the Federal Government. Republicans feel pretty much the converse, that it should be done and directed by State or local government.

I am delighted we are debating this bill outside of what we call reconciliation. Reconciliation is going to be this big-budget bill that will come to us in 2 months—6 weeks, I would say. It is going to have everything in it—Medicare, Medicaid, earned-income tax credit, and tax cuts—and it is limited under our rules to 20 hours of debate, 10 hours on a side. Welfare, if put in that bill, would get half an hour's debate. Medicare, I will bet, gets 8 hours of 10 in the debate, and this subject deserves more debate than that because it is an honest difference of opinion. I emphasize "honest difference of opinion."

The Republicans want to do what we call break the Federal entitlement. We are saying we will give to the States as much money as they are getting now—but not as much as they would otherwise get if we did not change the law. And in exchange, we will say to the States, we are going to remove most of the strings that have been hampering you for the past if not 50 years, certainly 30 years. We are going to give you certain outlines and guidelines, and you cannot use this money for airport tarmacs. You have to use it for the poor. But you decide, New York, whether your problems are different than South Dakota's. You decide, Oregon, whether your problems are different from Ohio's and attempt to shape your welfare program with the limited amount of money we give you to what you think your needs are.

Mr. President, they are different. If you are Florida or Texas or New Mexico or Arizona and have an immense immigrant population and, in any case, a Hispanic-speaking population—New York has it—virtually you have a problem just of language for many young people. That same problem, but to a much lesser degree, exists in Oregon. My guess would be, I do not know, that it exists not at all in South Dakota. I am taking a guess there is not an immense Hispanic-speaking immigrant population in South Dakota.

So right away, the problems are different.

(Mr. ASHCROFT assumed the chair.)

Mr. MOYNIHAN. Will my friend yield for a question?

Mr. PACKWOOD. I will.

Mr. MOYNIHAN. Because he is making an important point. Does he recall the occasion on which the Committee on Finance—of course he recalls—held a retreat in Maryland, and the Senator from North Dakota learned about the proposal to deny welfare benefits to mothers of children who themselves were under 18. He returned to his State and checked that out to see just how much of a problem it was in North Dakota. Mr. President, you would be interested to know that there are four such families, two of whom had just arrived from West Virginia.

Mr. PACKWOOD. There is a slight difference in the problems. When the Dole bill passes, and I hope it will—I think the amendment of the Democratic majority leader will fail—I hope we go forward with this not in a spirit of, "Well, the Republicans have won" and cheer.

I want to close with what I said at the start. There is no guarantee that if we pass this bill, as the Republicans are talking about, there is no guarantee we will solve the problem. There is a guarantee that if we continue as we have been going, we will not solve the problem. We have not solved the problem and there is no hope we will solve the problem continuing on the line of Federal regulation and control as we have gone.

My guess is that many States will experiment with this and will find their experiments fail. Many others will experiment with it in a different fashion and find they succeed. And then some of the successes will be taken to other States and found it does not work in that State yet does work in other States. The States are going to become labs over the next 5 years and, by and large, most of them are going to hit upon what will work in their State with the limited amount of money that we give them, and they will be much quicker to jettison programs that do not work than we are.

The last thing we have put in this bill—and I see the Senator from Missouri is in the chair and it was his suggestion—we have put in this bill, to the extent that it is constitutional, that it is permissible for this money to be given to religious organizations to carry out social welfare purposes.

There is nothing wrong with that. Just because Catholic Charities is Catholic should not mean that it is incapable of administering to the poor. Just because the Salvation Army may have a cross on the wall does not mean that it cannot run a good sheltered workshop. It will run a better sheltered workshop than anything the Government might run.

As I say, we cannot by law make something constitutional that is unconstitutional. I know the fear and the argument: Not only are they going to minister to the needs of the poor, they are going to try to proselytize them, make them Catholics or make them whatever.

Mr. President, I think that risk is worth it. I think the risk is worth it. If a person goes to a Salvation Army sheltered workshop or a meals program run by a charity that happens to have a menorah in the hallway, I am not sure that is going to be so offensive to what we are trying to achieve that it should be prohibited. I will leave it to the courts—and there will be suits—to decide whether or not it is constitutional.

I will say this to my good friend from New York, he and I now almost 20 years ago, not quite, introduced bills to allow tuition tax credits. In the interim, Wisconsin has tried it and now I see the courts have declared it partially unconstitutional. But it is working. These inner-city kids are getting a good education. We simply wanted to say to the parents—by and large, it liberates the poor. It does not liberate the rich. They are going to private schools anyway and they are going to parochial schools. It was a modest credit.

We say a parent can put their child in a religious school and they can deduct part of their cost off of their income tax. For 18 years he and I have tried to get that. We have been unsuccessful so far.

Every now and then, he will send me a clipping when another inner-city Catholic school has closed or perhaps the whole diocese has closed, I do not know, and say, "They didn't listen to us, they didn't listen to us."

It was touching when we had hearings on this to have some of the poorest women come and testify. These were single mothers working for the Federal Government, often in relatively modest positions, making in those days, the late seventies, $15,000, $16,000 a year, putting their children in private school, paying for it themselves, religious schools, not even of their religion because they wanted an alternative to public school.

This bill is going to try to permit all of that, not because we want to intrude religion on people, but because we do not want to preclude religion having the opportunity to serve people.

Mr. President, over the next 4 or 5 days, we will debate the philosophy of this bill. I suppose we will debate lots of itsy-bitsy details. But the philosophy is infinitely more important than itsy-bitsy details.

This bill, if adopted, is a watershed, is a turning point from the concept that the Federal Government is be all and know all. I hope we are daring enough to take the step. I do not promise it will work, but I do promise that with what we are trying now, we will continue to fail.

I thank the Chair and suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. DOLE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DOLE. Since there are no other Senators seeking recognition on welfare reform, was leader's time reserved?

The PRESIDING OFFICER. Yes, it was.

SALUTE TO SENATOR PELL

Mr. DOLE. Mr. President, nearly 35 years ago, the voters of Rhode Island decided to send CLAIBORNE PELL to the U.S. Senate. And in the years that followed, they have made the same decision in five separate elections.

Yesterday, Senator PELL announced that this term will be his final one in the Senate.

While there are still 16 months left in Senator PELL's term, I did want to take a minute to pay tribute to this dedicated public servant.

As all of my colleagues know, Senator PELL has devoted his years in the Senate to many issues of great importance: To foreign relations, where he has served as chairman and ranking member of the Senate Foreign Relations Committee; to bettering the environment; and, of course, to education, where Pell grants to college students have become a household word. I listened to the Senator from New York comment on that yesterday.

Mr. President, the State motto of Rhode Island is just one word—the word "Hope."

And from serving in the Coast Guard during World War II, to representing our country in the Foreign Service for 7 years, to serving here in the Senate for three and a half decades, CLAIBORNE PELL has never given up hope on America.

I join with all Senators in wishing Senator PELL all the best as he writes the final chapters in a very distinguished Senate career.

TRIBUTE TO CAL RIPKEN

Mr. DOLE. Mr. President, my mother had a phrase she used to repeat. "Can't never could do anything," she told us. I have tried to live by those words throughout my life, and I want to pay tribute today to someone else who doesn't know how to say "can't."

For over half a century, baseball experts have said that one record that could never be broken was the great Lou Gehrig's record of playing in 2,130 consecutive games.

As all baseball fans know, that record was tied last night, and will be broken tonight by Baltimore Orioles shortstop Cal Ripken, Jr.

In every game played by the Orioles since May 30, 1982, Cal Ripken has taken the field and done his job with dedication and with excellence.

No doubt about it, as a baseball player, Cal Ripken is a superstar. But more importantly, he is also a superstar as a human being, a husband, a father, and a role model.

Make no mistake about it, like most professional athletes, Cal Ripken is very well paid. But you cannot watch him play without thinking that he would still be out there, trying as hard as he can, if he was not paid at all.

And Cal's commitment to baseball does not end on the field. As a goodwill ambassador for a game that desperately needs one, he freely gives his time to countless charities, and throughout this season, Cal has stayed in the stadium for hours after games, signing autographs for every fan who wanted one.

I know that all Members of the Senate join with me in tipping our hats to Cal. May he have as many years on the field as our "iron man," Senator STROM THURMOND, has had in the Senate. He could run that record way up there.

ORDER OF PROCEDURE

Mr. DOLE. Mr. President, I mention as an aside and not part of the statement that my colleague from Maryland, Senator MIKULSKI, is calling me every 5 minutes, 10 minutes. We are going to try to arrange so that the people who want to be at that game can catch the 5:30 train.

There are Members of the Senate and others who want to attend that game, so we are trying to work out some agreement for the Democratic leader where either we could have debate on welfare reform for those who would be watching it on television, or maybe take up a nomination that has been pending for some time and some of my colleagues on the other side would like to take up. I thank the managers.

I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

Mr. DOLE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

RECESS

Mr. DOLE. Under a previous order, we had agreed to stand in recess between the hours of 1 o'clock and 2 o'clock so that my colleagues on the other side of the aisle might have an opportunity to discuss welfare reform. I am advised there are no speakers and no speakers asking for recognition between now and 1 o'clock. Rather than sit in a quorum call, I suggest we now recess until 2 p.m.

The PRESIDING OFFICER. Under the previous order, the Senate will now stand in recess until the hour of 2:00 p.m.

Thereupon, the Senate, at 12:27 p.m., recessed until 2 p.m.; whereupon, the Senate reassembled when called to order by the Presiding Officer (Mr. GRAMS).

FAMILY SELF-SUFFICIENCY ACT

The Senate continued with the consideration of the bill.

The PRESIDING OFFICER. The Senator from Maryland.

Ms. MIKULSKI. Mr. President, it is with enthusiasm I rise to support the Democratic alternative on welfare reform. I support it with enthusiasm because it is firm on work, provides a safety net for children, brings men back into the picture in terms of child support and child rearing, and at the same time provides State flexibility and administrative simplification.

Mr. President, I am the Senate's only professionally trained social worker. Before elected to public office, my life's work was moving people from welfare to work, one step at a time, each step leading to the next step, practicing the principles of tough love.

This is the eighth version of welfare reform that I have been through as a foster care worker, as a child abuse and neglect worker, a city councilwoman, Congresswoman, and now U.S. Senator. Each of those previous efforts in times have failed both under Democratic Presidents and under Republican Presidents. It failed for two reasons. One, each reform effort was based on old economic realities, and, second, reform did not provide tools for the people to move from welfare to work, to help them get off welfare and stay off welfare.

I believe that welfare should be not a way of life but a way to a better life. Everyone agrees that today's welfare system is a mess. The people who are on welfare say it is a mess. The people who pay for welfare say it is a mess. It is time we fix the system.

Middle-class Americans want the poor to work as hard at getting off welfare as they themselves do at staying middle class. The American people want real reform that promotes work, two-parent families, and personal responsibility.

That is what the Democratic alternative is all about. We give help to those who practice self-help. Democrats have been the party of sweat equity and have a real plan for work. Republicans have a plan that only talks about work and can not really achieve it.

Democrats have produced a welfare plan that is about real work, and we call it Work First because it does put work first. But it does not make children second class. Under our plan, from the day someone comes into a welfare office, they must focus on getting a job and keeping a job and being able to raise their family.

How do we do this? Well, first, we abolish AFDC. We create a temporary employment assistance program. We change the culture of welfare offices from eligibility workers to being empowerment workers. Instead of only fussbudgeting over eligibility rules, social workers now become empowerment workers to sit down with welfare applicants to do a job readiness assessment on what it takes to move them to a job, stay on a job, and ensure that their children's education and health needs are being met.

Everyone must sign a parent empowerment contract within 2 weeks of entering the welfare system. It is an individualized plan to get a job. The failure of individuals to sign that contract means they cannot get benefits. Everyone must undertake an immediate and intensive job search once they have signed that contract. We believe the best job training is on the job. Your first job leads you to the next job. Each time you climb a little bit further out of poverty and at the same time we reward that effort.

Yes, this is a tough plan with tough requirements. It expects responsibility from welfare recipients. Everyone must do something for benefits. If you do not sign the contract, you lose the benefits. If you refuse to accept a job that is offered, you lose the benefits. If, after 2 years of assistance, you do not have a job in the private sector, then one must be provided for you in the public sector.

No adult can get benefits for more than 5 years in their adult lifetime, but if you are a minor, you are able to stay in school and receive benefits.

So, yes, we Democrats are very tough on work. Everyone must work. Assistance is time limited and everyone must do something for benefits. If you do not abide by the contract, then you lose your benefits.

What else do we do? We provide a safety net for children. We not only want you to be job ready and work force ready, we want you to be a responsible parent. We want you to be able to ensure that as part of getting your benefits, your children are in school and that they are receiving health care.

Once you do go to work, we will not abandon you. We want to make sure that a dollar's worth of work is worth a dollar's worth of welfare, and while you are working at a minimum wage, trying to better yourself, we will provide a safety net for child care for your children, nutritional benefits will continue, and so will health care. We want to be sure that while you are trying to help yourself, we are helping your children grow into responsible adults.

I do not mind telling people that they must work because I do not mind telling them that they will not only have the tools to go to work, but that there will be a safety net for children.

This is what the Republican bill does not do. It does not look at the day-to-day lives of real people and ask what is needed to get that person into a job.

People we are telling to go to work are not going to be in high-paid, high-technology jobs. We know that that mother who wants to sign a contract that requires her to work will be on the edge when it comes to paying the bills.

She does not have a mother or an aunt or a next door neighbor to watch her kids. She needs help with child care to move into the work force.

The Republican bill does not provide enough money to pay for real child care. Suppose that mother lives in suburban Maryland or Baltimore city or the rural parts of my State? She does the right thing; she gets about an entry-level, minimum-wage job.

She is going to make about $9,000 a year, but will have no benefits. She might take home, after Social Security taxes, $175 a week. But if her child care costs her $125 a week, that leaves her $50 a week for rent, food, and clothing.

So that means, under the Republican welfare bill, it is like jumping off of a cliff into the abyss of further and further poverty. Our bill wants to help people move to a better life. The Republican bill will push them into poverty through its harsh, punitive approach.

How do we expect this woman to support a family on $50 a week? There would be no incentive to do that. Welfare reform is about ending the cycle of poverty and the culture of poverty. Ending the cycle of poverty is an economic challenge. It means helping create jobs in this country and then making sure that our country is work force ready and that welfare recipients are job ready.

But it also must end the culture of poverty, and that is about personal responsibility, that is about bringing men back into the picture, that is about tough child support, saying that if you have a child, you should support that child and rear that child.

We believe that the way families will move out of poverty is the way families move to the middle class, by bringing men back into the picture, having two-parent households, by ensuring that there are no penalties to marriage, to families, or to going to work.

So, Mr. President, that is what the Democratic alternative is. That is why I support it with the enthusiasm that I do.

The PRESIDING OFFICER. The Senator from Iowa.

Mr. HARKIN. Mr. President, I am very concerned about the direction in which the welfare debate is now headed. I come to the floor at this point in time, not to discuss any specific aspect of welfare reform or my views on it. I come, not to cast aspersions on the Republican approach nor to praise the Democratic approach. But I wanted to express my concern that the welfare debate is headed in absolutely the wrong direction, the direction of partisan bickering.

As far as I know, there has been no real effort by the other side, or by this side, to try to work out a compromise solution. We have had our task force. The Democrats have been talking about their approach. I understand the Republicans have had their groups talking about their approach. We now have a bill on the floor. We have a Democratic substitute. Then there is the Republican proposal.

I must tell you, I think this is absolutely the wrong way to go. I think welfare reform is much too important to the American people and to the taxpayers to be caught up in some kind of partisan warfare.

> We are tougher than you.
> No, we are tougher than you.
> We care about kids more than you.
> No, we care about kids more than you.
> We are going to give the States more flexibility.
> No, we are going to give the States more flexibility.

It pains me to see this happen because I believe there is enough similarity between the Republican bill and the Democratic bill to work out a compromise, but not if it is done in the heat of partisan bickering, which I believe is starting to take place right now on the welfare bill.

Several years ago my State of Iowa decided to do something about the welfare problem in our State. We set up task forces, set up pilot projects around the State to try to find out what would work and what would not work. This went on for several years. As a result of these experiments, the State legislature in Iowa a few years ago pulled together a welfare reform bill and passed it through the Iowa legislature.

That bill was passed with the support of conservative Republicans and liberal Democrats. As I have often said, it was supported by Pat Robertson conservative Republicans and Jesse Jackson liberal Democrats. Only one person voted against it, because it was put together in a bipartisan fashion. Folks from both sides of the aisle worked together to fashion a legitimate welfare reform bill.

It passed and was signed into law by Governor Branstad. We have now had about 2 years of experience with it and it is working. We now have the distinction in Iowa that we have a higher percentage of people on welfare who work than any State in the Nation—Iowa. We doubled the number of people on welfare who work. Doubled—went up by almost 100 percent. Our caseload is down. And the expenditures per case are also down by about 10 percent.

So the number of people on welfare is down. The cost per case is down. The number of people working is up.

Last of all, of the States that have gone out and tried to do welfare reform, Iowa, according to a New York Times article that I read, Iowa is the only State that has actually cut people off of welfare. It is the only State that said, "Here is a contract. We signed the contract. If you, welfare recipient, do not live up to your part of the contract, it ends." Iowa has done that.

I do not believe Wisconsin or any other State has been touted as having done such a thing. So it is working in Iowa.

I say that because it was not done in a partisan fashion. It was done in a bipartisan fashion. I believe for welfare reform to work nationally, it must also be done in a bipartisan fashion. That is why it pains me to see what is happening on the floor of the Senate today.

I was looking in the Congress Daily of Wednesday, August 9. It quoted the majority leader, Senator DOLE. It said that Senator DOLE said that President Clinton and he were talking privately a couple of weeks ago about working out a bipartisan solution on welfare reform. DOLE said, "He pulled me aside and asked me if there was a chance and acknowledged that there are some similarities between the Democratic and GOP bills."

I took that at face value. So on that same day, August 9, I wrote a letter to the majority leader and to the minority leader, Senator DASCHLE. I am going to read for the RECORD what I said in that letter.

I said:

DEAR MR. MAJORITY LEADER: I am writing you regarding our extremely important efforts to reform the welfare system. We clearly have agreement that the current welfare system is failing those on it and taxpayers who have to support it and it needs fundamental reform. You have put forward a comprehensive reform plan, the Democratic leader has done the same, Senator Bond and I have introduced a plan as has Senator Gramm and other of our colleagues. And while there are significant differences between our plans, I feel strongly that there is enough common ground that there is no good reason why we can't fashion a bipartisan approach that would garner overwhelming support in the Senate and among the American people.

In Iowa, we did just that. Democrats and Republicans worked together, ironed out their differences and came up with a bipartisan plan. It passed with just one dissenting vote in the legislature and was signed into law by Governor Branstad. And it is working. The number of welfare recipients working and on their way off welfare is up 93 percent. And welfare awards and total payments are down.

I feel strongly that we should not let welfare reform fall victim to politics. As I'm sure you agree, the American people don't care what political party reforms welfare; they just want it done. They want to be assured that their tax dollars are being spent responsibly. I'm concerned that if we don't begin now working together to iron out our differences that when we come back in September we may be no closer to agreement than we are now and the chance for bipartisan agreement lost. Therefore, I ask that before we leave for recess you and the Democratic Leader appoint a bipartisan task force to begin work on forging a welfare reform bill that has strong support across party lines. I believe this would be constructive and could well lead to a package of tough, effective reforms emphasizing work of which we can all be proud.

Thank you for your attention to my request. I look forward to your reply. I am sending a similar letter to the Democratic Leader.

Mr. HARKIN. Mr. President, I did not hear back from either the majority leader or minority leader. I do not say that in any way derogatorily. I know we have been gone. People have been busy. That is not my point. My point is that I still urge the majority leader and the minority leader to step back just one step. I request that the majority leader appoint six people and that the minority leader appoint six people and that they take the remainder of this week and this weekend to see if we can work out a bipartisan approach, to see if they can agree on something and bring it back to us the first of next week.

I believe this would be the best approach to take. I think we could step back from this partisan bickering that we are going to encounter here in the next few days. It is going to come. I think we already hear the opening strains of it—this bill is better than yours, this and that. The American people are sick and tired of that kind of partisan bickering, especially when it concerns welfare. I believe there are enough similarities that we can work out a bipartisan agreement. It will not be all of what we want. It will not be all of what you want. But I believe it can garner enough support to be a truly bipartisan effort.

On August 7, I read again for the RECORD, Senator BREAUX from Louisiana had the following statement. He said:

I think we ought to work together.

So we have a decision to make as to whether we are going to cooperate and work on this together—

Meaning welfare reform.

or make political points and get nothing done. That is an option. But if that option is exercised, I suggest the real losers are the American people and the American taxpayer. We will make short-term political points for short-term political gain. But in the long run, the real losers will be the taxpayers and those who are on welfare who will not have had an opportunity to have a program passed in a bipartisan fashion.

Mr. President, as I said, the State of Iowa, of which I am proud to represent, did it in a bipartisan fashion. It showed that it could be done and showed that it can work.

Why is it that we cannot do it here? Why can't the majority leader and the minority leader appoint five or six people each? We have business on our calendar that we can spend the rest of the week on. We have appropriations bills and other things that we can consider in the meantime.

I repeat: There has been no serious effort in the Senate to reach some kind of bipartisan cooperation on welfare reform. I am not blaming that side. I am not blaming our side. I am just saying that it is a fact. Neither side has tried to reach across the aisle to form a bipartisan consensus. But I think that is what we ought to do.

I suppose maybe it is too late now. I do not know. All I can say is, I take this time to express my concern about the direction this debate is headed.

I wish an amendment were possible or something. I guess the tree is full. No amendments are possible. I wish there was some way we could express ourselves with a Sense-of-the-Senate resolution to get a bipartisan group together to work on this.

I think it is too bad. I think the losers are going to be the American taxpayers and the losers are going to be people on welfare because it is going to be caught up in partisan bickering. Partisan shots being taken here on something I consider to be equally as important as the health care debate or anything else we debated around here.

I guess maybe I would not feel so strongly about it had I not seen what had been done in the State of Iowa 3 years ago when both sides reached across the aisle and worked out a bipartisan welfare reform program. And the fruits have shown that it is working.

I do not think any welfare reform bill can work unless it has that same kind of bipartisan support. So again I call upon the majority leader and I call upon the minority leader to step back one step, appoint six people from each side, and let us take the rest of the week to see whether or not we can reach some kind of bipartisan agreement and bring it back on the floor next week. If we could do that, we would save ourselves a lot of time and we would save a lot of partisan bickering, and I think the American people could at last be justly proud of something that the Senate is going to do this year.

Mr. President, I want to take some time here for a second, because I want to demonstrate what happened in the State of Iowa with welfare reform. As soon as I get my easel set up here, I want to show it for the record here. I apologize to the President for taking the time, but I want to show graphically basically what had been done in the State of Iowa here.

First of all, in the State of Iowa, these lines show what has basically happened with our cash welfare grants. The yellow line is 1994; the green line is 1993; the blue line is 1992. We can see that the cash welfare grants have basically stayed about stable over these years.

Look at what is happening now under the new programs since Iowa passed this. It is going down, constantly going down. The total expenditures have gone down considerably since we passed our welfare reform bill. This is one measure of how it is succeeding.

Now, again, I mentioned we now have the distinction in Iowa of having a higher percentage of people on welfare who work than any State in the Nation. Prior to the welfare reform bill passing, we had about 18 percent of the people on welfare working. We now have about 35 percent. I mentioned it is about a 100 percent improvement on that, people on welfare working. They get the jobs skills they need to get off welfare. So in terms of workfare, it is working. Here is the caseload.

I think this chart is interesting, Mr. President, because it shows what everyone in Iowa understood. Both Republicans and Democrats, conservatives and liberals, understood that in changing the system, there was going to be an increase in the caseload immediately. Everyone knew that, and they accepted that. Because, for example, prior to this point in time, if you had an automobile worth more than $1,500, you were not eligible for welfare. We took a lesson from the State of Utah. Utah had gotten a waiver to allow persons to have a car valued to $8,000 and still be on welfare. We raised ours to $3,000. So there are a lot of people that maybe had a car worth $2,000 or $2,500 or $3,000 before that were not eligible. Now they are eligible.

So this is why this caseload went up. We knew that was going to happen in the beginning. But we were confident enough in our bipartisan approach that we knew once that happened initially, it would come down drastically. And that is exactly what has happened. Our total caseload over the last 2 years has gone from around 36,000 down to around 34,000. So the number of people, the total number of people on welfare has dropped after that first initial increase.

I mentioned the average grants were down. The average grant per family has gone now from $373 down to $336. That is over a 10-percent decrease, I guess, in the average grant per recipient.

So the caseloads have gone down, and the average per family has gone down, and the number of people on welfare has declined. I think this is really the most important one of all: The number of people on welfare who are working has almost doubled.

So, again, that is what happened in Iowa. But I think it only happened because people on both sides of the aisle got together and did it in a bipartisan fashion. And that is what I hope we will do here. I do not think it is too much to ask that—today is what, Wednesday—Thursday, Friday, over the weekend, next Monday, a bipartisan group from both sides of the aisle get together, appointed by the respective leaders, and report back a bipartisan approach to this.

If not, then I am afraid the remainder of this week and probably the first of next week, we are going to be involved in some very serious partisan bickering—who is going to be toughest, who is going to be the best for kids, and who is going to be the most lenient on States, on giving States flexibility. There will be a lot of hot rhetoric and a lot of partisanship. And in the end, the American taxpayers and the people on welfare are going to lose.

So I just make one final plea to the majority leader and to the minority leader to appoint six people each, work it out in a bipartisan fashion, and report it next week. And let us take it off the partisan table.

I yield the floor.

Mr. GRAMM addressed the Chair.

The PRESIDING OFFICER. The Senator from Texas.

Mr. GRAMM. Mr. President, I think we all would like to have a bipartisan approach to welfare reform. I, for one, am a little discouraged.

I remember the President's rhetoric in the campaign when he talked about changing welfare as we know it. For 2½ years, as my colleagues will remember, we waited to see the President's welfare reform bill, to see how he was going to change welfare as we know it. And when we finally, after 2½ years of prodding, got to see the bill, it had three characteristics that came as a shock to most people.

First, it spent more money; second, it provided more benefits to more welfare recipients; and, third, it hired more Government bureaucrats. I do not believe that is what America has in mind when America is talking about reforming welfare.

Now, in my mind, there are really two issues in welfare reform. One issue, and the most important issue, had to do with the people who are involved. I want to change the system because never in history have we taken so much money from people that are pulling the wagon and given so much to people riding in the wagon, and made both groups worse off simultaneously.

Since 1965, we have spent $5.4 billion on our current welfare system, and since nobody knows what a trillion dollars is, let me try to convert it into English. If you took all the buildings, all the plants, all the equipment, and all the tools of all the workers in America, they would be worth slightly less than what we have spent on all means-tested welfare programs since 1965.

What has been the result of this massive expenditure of money? Well, the result has been that we have made mothers more dependent, we have driven fathers out of the household, and we have denied people access to the American dream. If we love these people, if we want them to be our equals, not just in theory but in fact, it seems to me that we have to reform the welfare system. And I am hopeful in the end we will have bipartisan votes in making that happen.

Here are the reforms that I think we need. I think we need a mandatory work requirement. I think able-bodied men and women on welfare ought to get out of the wagon and help the rest of us pull. If the best job somebody can get in the private sector pays $4 an hour—there is dignity in working at $4 an hour—we can supplement their income, but they will be contributing toward their own independence, toward their own well-being.

If somebody cannot get a job in the private sector, then they can pick up trash along our streets, they can help clean up our parks, they can wash windows on our public buildings. But, again, they will be participating in the communities they live in. They will be part of building a better country. And I believe that they will be richer, freer, and happier for it. I think able-bodied men and women ought to have to work the number of hours that their welfare check will bring at the minimum wage.

When we started this debate, which has largely been a debate among Republicans, unfortunately, we did not have a binding mandatory work requirement in the bill, we did not have a pay-for-performance provision in the bill. So from the point of view of the Federal Government and a mandatory work policy, we had a peculiar situation where we asked people to work; but if they did not work, we did not have a mechanism that took away their check.

I am proud to say that has been changed. We now have a very strong work requirement. I am very proud of that. I am very supportive of it.

The second thing we need to do is to stop inviting people to come to America to go on welfare. People ought to come to America with their sleeves rolled up ready to go to work, not with their hand held out ready to go on welfare.

The original bill that came out of the Finance Committee continued to invite people to come to America to go on welfare and literally would have allowed someone to come to America today as a legal immigrant and go on welfare tomorrow.

I am proud to say that after a tremendous amount of work, that that is something that we have changed. Our bill now has people come to America to work, not to go on welfare, and I think it is a dramatic step forward.

We do have a dispute about how large the scope ought to be of block granting. Should we just give AFDC back to the States and a few training programs, which is what the current bill does, or should we give food stamps, housing subsidies, all training programs back to the States and let the States run them? That is something we are going to have to settle on the floor of the Senate. I think the more leeway we give to the States, the more flexibility we give to the States, the better we are going to do.

The remaining issue that prevents us from having a consensus among Republicans in the Senate—which is an indispensable ingredient, in my opinion, to building a bipartisan consensus and passing this—bill, is, what do we do about illegitimacy? I believe this is the biggest problem in the bill.

One-third of all the babies born in America last year were born out of wedlock. Under the current trend, illegitimacy could be the norm and not the exception in America by the turn of the century. I think anybody who is not frightened by this prospect fails to understand that no great civilization has ever risen in history that was not built on strong families. No civilization has ever survived the destruction of its families, and I do not believe America is going to be the first.

We have a system today that subsidizes illegitimacy. If someone is on welfare and they take a job, they lose their welfare. If they marry someone who has a job, they lose their welfare. But if they have another baby, they get more cash payments.

I am totally committed to the principle that we have to break the back of illegitimacy in America. We have to give people incentives under the welfare system to be more responsible. We have to stop giving people more and more money to have more and more children on welfare. I think this is an indispensable ingredient.

No one is saying that when children are here and they are needy that we are not going to help them. No one is saying we are not going to provide children with services and with goods. But what we are saying is, it is suicidal to go on giving larger and larger cash payments to people who simply have more children on welfare in return for more and more cash money. That is a system that has to be changed.

We also have to do something about the perverse incentives that exist today where a 16-year-old can escape her mother, can get almost $14,000 in pretax equivalent worth of income simply by having a baby. By having a baby, they can qualify for AFDC, food stamps, housing subsidies, gain independence of their mother and then gain additional cash payment by having more and more children.

This is a system that has to be changed, and, again, the objective is to change behavior. When babies are born, we want to help them. We want to give them services, we want to give them goods, but we are not going to continue to pay people cash money in return for having more and more children on welfare.

This is an area where there is a deep division in our party. I believe there is room for consensus. I am willing to work with other Republicans and with Democrats to find that consensus. But we are not going to end welfare dependency in America unless we want to deal with illegitimacy. This illegitimacy problem creates a permanent demand for welfare, and if we are going to deal with the problem, if we are going to end welfare dependency in America, we are going to have to do it by addressing illegitimacy. You cannot reform welfare, you cannot, in the President's words, "end welfare as we know it" unless you are going to deal with illegitimacy.

I am committed to the principle that we have to end welfare as we know it. I share the President's commitment. His program does not fulfill his commitment, something not unusual in Washington, DC, but I believe illegitimacy has to be addressed. A welfare bill that does not address illegitimacy is not worthy of its name.

I yield the floor.

Mr. ROCKEFELLER addressed the Chair.

The PRESIDING OFFICER. The Senator from West Virginia.

Mr. ROCKEFELLER. I thank the Presiding Officer.

Mr. President, I urge the Senate to improve the welfare reform bill before us by voting for this very important amendment known as "Work First."

Before the August recess, it was a relief that the majority leader agreed to wait until September for us to debate welfare reform so we have some time. This is not a subject where we should pretend that legislating is like ordering fast-food. Welfare reform is about very serious issues—the budgets for the States we represent and how many billions of dollars will be spent or cut from those budgets; the rules qualifying families for assistance or denying them assistance; the safety net for children, and whether it will survive; and other difficult questions about taxpayers' dollars, people's lives, and yes, values. The Senate should take the time to produce legislation that justifies the word "reform" next to the word "welfare."

I hope that the recess provided time for each Senator to reflect on these major questions that we have to answer when we act on welfare reform. I hope we will do that with our heads and our hearts. I hope we will think about the stakes involved in welfare reform, for the people we represent, for our States, and for children.

For a long time, I assumed welfare reform would be one of history's endeavors that both Democrats and Republicans in the Senate would produce together. After all, we presumably want changes in the welfare system to take root and bring about real, long-lasting results that most Americans expect from all of us.

And let me be clear, the Congress and President should deliver on welfare reform. It has been 7 years since we enacted any kind of significant change to the welfare system. We know it is time to attack the problems with welfare again, with much more emphasis on personal responsibility and on work. This is our chance, but with an obligation to deal with realities.

When I think of what West Virginians expect from welfare reform, the answers are in this amendment, the Work First plan. It does something Democrats sometimes have a hard time doing. We want to bury the past. Out with the confusing name for welfare assistance, AFDC. Out with welfare's invitation to some people to live on the dole forever, while their fellow citizens struggle to make ends meet by working and scrimping. Out with the excuses for not working when you can work.

Simply put, Work First ends welfare as we know it, and creates a new but temporary assistance program for parents with children. A fundamental change will be made from the first day: Work First requires parents to sign a tough contract—a Parental Empowerment Contract—in order to get benefits. This way, every parent will know from the beginning that the rules and expectations are completely different. Work First will require work from every able-bodied parent, but also offer job placement, training when necessary, and child care so that the work requirement can be met in the real world.

Work First is tough, but fair. We expect parents to work, but we also expect America to still be a place that protects its children—the majority of our population that gets help through welfare spending, and who are getting forgotten and ignored in the political halls and talk shows where welfare is debated. As any parent knows, children need decent shelter, clothing and food, and Work First includes the mechanism—through vouchers—to care for some of these needs. We should not be punishing innocent children because of their parent's irresponsibility or bad luck.

Work First also retains the partnership between the Federal Government and States. The country as a whole has a stake in the future of each and every child regardless of where a poor child is born—in the hollows of West Virginia or the neighborhoods of Houston, Chicago, or Kansas City.

Also, simply converting welfare spending into 50 or more block grants for the States is not exactly real reform. I can completely understand why some Governors in office for the next few years are eager for the money. I was a Governor for 8 years, but I also remember what happened in my State when the block grants created by Congress in the early 1980's stopped keeping up with need, by design. That is when Governors have to find other programs to cut or raise local taxes or just watch people and small children show up on the grates.

Having been a Governor, I want to see a welfare reform bill pass that gives States a lot of flexibility. But I also think some basic principles should hold in every State. The entire country should take on the same challenge to promote work, responsibility, and protect children.

This alternative before the Senate, Work First, is tough where Americans say they want welfare to be tough. Actually, back in 1982, when I was Governor, I struck a tough, but fair deal with many of the adults getting welfare in West Virginia. With our high unemployment then, I said if you cannot get a paying job but still need a welfare check, fine, work for that check. The term is "workfare." West Virginia's experience is also a reminder that we do not have to demonize everyone on welfare. Many of the West Virginians in my State's workfare program said they liked the approach. They hated having to resort to welfare, and with something productive to do—from cleaning streets to jobs in government offices—they felt better about themselves. Again, let us be sure we remember that a lot of people are on welfare out of desperation. If they can get the basics—certain skills, some information, some child care—they are going to work.

I know it is tempting to just pretend that everything will get better if we just send a check, with no-strings attached, to Governors. It would be nice to pretend that Governors will just take care of it. It is not that easy.

I do not think we should talk down to Americans about what it takes to get real results from welfare reform. Poor mothers and fathers need child care just as much as the middle class. Think about it—we put parents in jail for leaving their children alone at home.

Some poor Americans simply have to get more education and job skills, too, so they qualify for jobs that earn a decent living for the rest of their lives. And when it is time to cut off the parents, it is not right to pretend children do not exist.

There are differences between the majority leader's bill before the Senate and this Work First amendment. Differences with real, human consequences. Differences in how honest we are willing to be about what it will take to deliver on the promises and the political rhetoric of welfare reform.

Americans are not exactly crusading for block grants as the prescription for welfare. They are expecting more than just a different place to send the money. We are here to think about the kind of country we can be and should be. We are here to be honest about what it will take to move millions of poor Americans from welfare to independence. And I think we are here to regard every child in this country as important as the next one, no matter what State he or she happens to grow up in.

The Democratic plan, Work First, has some essential elements, including honesty about what it takes to achieve real change in the welfare system and how to keep children from being the ones punished. I hope it will get a serious look from everyone in this body over the next days or however long it takes us to finish this legislative debate on welfare. If there is a middleground, let us find it and work out our differences. And I urge every Governor to take a close look at these issues again—and think about the next 10 to 20 years in our States, not just the next couple of years. If welfare reform turns out to be Congress' slick, painless way to slash the Federal budget and leave States holding the bag, we are leaving some painful work for our successors and for the people in our States.

We still have a chance to pass a bill to be proud of and one that is honest about welfare, poverty, parental responsibility and other values, what it takes to work, and the children, who are two out of three people on welfare. That is what should determine our votes and action before reporting to Americans that we have passed a bill that actually reforms welfare.

The PRESIDING OFFICER. Who yields time?

Mr. CHAFEE. Mr. President, I suggest the absence of a quorum.

Mr. BREAUX. Will the Senator withhold?

Mr. CHAFEE. I will be glad to.

Mr. BREAUX. I ask the Presiding Officer, what is the order of the day at this point?

The PRESIDING OFFICER. There are no restrictions on debate.

Mr. BREAUX. No one is in charge of time?

The PRESIDING OFFICER. There is no control of time.

The Senator from Louisiana is recognized.

Mr. BREAUX. Mr. President, I will take this time in order to make some comments about where we are and what I hope the ultimate result will be.

I want to start off by saying there is no disagreement that the welfare situation in this country is a mess. There is no argument from any Democrat that I know who would stand up on the floor of the Senate and say welfare programs are just fine and we should not do anything to change any of them.

I think most Americans, whether they be independents, Democrats or Republicans, would agree with the statement that welfare does not work very well for those who are on it, nor does it work very well for those who are paying for it. It is a program that really cries out for major reform. I think that is what this body is charged with doing, coming up with a reform package that we can send to this President that he will sign, so when this Congress draws to a closure, we can say one thing that we did that will benefit future generations and the very stability of this country is that this Congress, when we had a chance, was able to come together in a bipartisan fashion to reform the current welfare system, which we all agree does not work.

It does not work, as I said, for the people who are on it nor for the people who are paying for it. Therefore, there is no disagreement on the fact that we have a major problem facing us and that we should do something about it.

Then, of course, the question that divides us is how do we go about reforming the system? Some have said we in Washington, working with the States in the past, have not solved the problem so we are going to give it all to the States. We are just going to walk away from the problem. Let us think of a phrase we are going to call it. How about block grants? That sounds pretty good. People like that term. Let us say welfare reform is going to be a block grant. I think most Americans would say, "What do you mean?" They will say, "The Federal Government has not solved the problems, so we are going to let the States do it." I guess most people would say that makes sense. The Federal Government has not solved it so let the States do it.

Let me talk for a moment about that. This is a problem that cannot be solved by the Federal Government here in Washington by ourselves, nor can it be solved by the State governments, nor the county governments nor the city governments, nor in my State of Louisiana by the parish governments by themselves. This is a problem that cries out for all branches of government, Federal, State and local, working together, to come up with a real solution.

Block grants are like taking all the problems that we have with the welfare program and putting them in a box, then wrapping it all up, tying a bow around it, and then mailing that box of problems to the States, saying: Here, it is yours. It is a block grant.

It is a block grant of problems with less money to help solve those problems. That, I think, is not a solution. It is an additional problem. The real solution is to say that each State, of course, is different. I have heard my Republican colleagues say that. I totally agree with that. States should have the authority to be innovative. What works in my State of Louisiana may not work well in the State of California. What works well in New York may not work well in Florida or Louisiana or any other State. So, clearly, each State has an absolute right and a need to be able to be inventive and to be able to come up with solutions to the problems that are unique and will work in that State that may not work in some other State.

But that does not mean the Federal Government walks away from any responsibility to participate in solving the problem. What some would suggest is that a block grant means we in Washington are going to have to raise the money and pass the taxes and then ship the money to the States and say, "Do what you want with it, it is a block grant; no restrictions, almost no guidelines, and spend it as you want." That is an abdication of our responsibility as legislators who are looking after the interests of the American taxpayer.

I admit we in Washington have certainly not solved the problem by ourselves very well. I admit the States have not solved the problem by themselves. Therefore, I would argue that any solution has to be a joint venture, if you will, a partnership, if you will, between the States coming up with their best ideas about what fits and the Federal Government coming up with our ideas and the financial help in order to solve those problems. It has to be a partnership. It cannot be a walking away and shipping the problem to the States. That is the first point I want to make.

The second point is that the States have to participate. We use this phrase, "State maintenance of effort." There are some, particularly my Republican colleagues, who advocate we are going to let the States pretty well do what they want with this block grant but then we are not going to require them to put up any money.

States have always, in the true partnership, had to participate in solving the problem. That means raising local money through their tax system, putting up a portion of the money going into the welfare program so it can be used to help solve the problem, matching it with Federal funds. The Republican proposal, as I understand it, says no, we are not going to do that. The State does not have to put up anything if they do not want to. They can just walk away from the problem financially and say, "We are going to take all the money from the Federal Government. We are going to do what we want with it. And, by the way, the money we used to spend on welfare, maybe we will pave the roads this year, or maybe we will give all the State employees a raise this year. Maybe we will build some bridges this year. But we are not going to use it for the people who are in poverty in our own State."

That is not a partnership. That is an abdication of the responsibility that I think that we have, as Federal legislators and State legislators, to work together to solve the problem.

There should be a clear maintenance of effort by the States. We in Washington cannot say you have no obligation to do anything. That is a defect that I think is very clear in their proposal which needs to be worked on. We will offer amendments to say the States have to be able to participate in helping us solve the problem. We cannot be responsible for raising all the money and the States have no requirement to do so and expect that to solve the welfare problem in this case.

In addition, one of the other concerns I have is that the legislation the Republicans are proposing takes middle-income job training programs and makes them into welfare programs. Why, I ask, is it appropriate for programs that work to help dislocated workers, to help in vocational-technical training schools that train people, students in this country, programs that are used for dislocated workers who everyday are finding their job is taken away from them through downsizing, and we have programs to help retrain and relocate those people—why are we taking those type of programs, which are basically programs that have done a wonderful job to help middle-income families in this country, and make them into welfare programs? I think that is a serious, serious mistake.

Do we need to reform those programs? Do we need to consolidate them? Absolutely. But we do not need to turn job training programs into welfare programs. It does not fit. It cannot be forced to fit. You cannot put a round peg in a square hole no matter how hard you push, without doing grave damage to the block that you are trying to push it into. And the same thing, I think, happens here.

Their proposal tells middle-income families that have had to get retraining because of dislocation and being laid off that all of a sudden those programs that were meant for you are going to be used by welfare recipients and you are going to be left out. What about the middle-income families that those programs were designed for when they find out these programs all of a sudden are going to be turned into welfare programs? I think it is bad policy. It needs to be corrected. It is not a solution to the problem. In fact, it aggravates the problem, and it needs to be addressed.

Child care is another concern I have that I think we have to address very seriously. How do you tell a teenage mother with two children, we are going to make you go to work but, by the way, there is no money for child care? There is not a Governor that we have talked to, Republican, Democrat, independent, or maybe not certain what they are, that has not said that this is a very serious problem. It is a serious defect in the Republican proposal, to require the States to put three times more people to work but to give them less financial assistance in order to make it happen, to give them less money or in fact no additional money whatsoever to pay for child care.

What is going to happen to the children? Who is going to take care of a 2-year-old or a 1-year-old if we put the mother into a job, which I think is absolutely essential? The best social program we can pass is a good job. But with that requirement that someone goes to work, there is going to be an obligation somewhere that somebody does something with the children. Are they going to be left home alone, unsupervised, getting into trouble, or causing more problems from the standpoint of health than they were before?

So they have a very serious defect in the sense that the child care provisions are very deficient. It is one thing to say we are going to put three times more people to work. But you cannot do that unless you address what is going to happen to the child care provisions. That needs to be addressed. It needs to be worked on. It cannot in fact be a real reform bill unless child care is addressed.

Another issue is the so-called family cap. I have heard some Members give speeches that it is time for people who have been riding in the wagon to get out of the wagon and start helping pull the wagon. That is a nice little phrase, and it sounds pretty good. But when you are talking about throwing babies and children out of the wagon into the street, that is not what America is all about. That is not what this country stands for. Sure, make the people who can afford to pull the wagon, who are strong enough to pull the wagon, go to work. There is no problem with that. But do not throw babies and children out of the wagon into the street and say that is welfare reform. That is not.

Children and babies do not ask to be born. They did not ask to come into this world. There is a parent somewhere—in fact, two—that had something to do with bringing that child into this world. Punish them. Require them to go to work. Require them to take training. Require them to be responsible. Force them to live in adult supervision. Force them to live with their parent or parents if there are some. But do not penalize the innocent child who did not ask to be born. What kind of a country are we that we are going to say if you are a teenage mother and you have another child, you are not going to get any help for the child? Why penalize the child? That is creating more problems, not solving any problem.

So I suggest that this is a major defect with the Republican proposal that has to be addressed. I cannot imagine any Member of this institution saying they are going to reform welfare by telling a newborn baby that it is not going to get any help because its mother made a mistake and it has been born into this world, and they cannot afford to take care of it. So it is out of luck. Go into an orphanage, or be put up for adoption. I think we have to be wiser than that in seeking solutions to what welfare reform ultimately has to be all about.

So that does not solve the problem. That is a defect in their proposal to say that we are going to solve the illegitimacy problem in this country by terminating any assistance to people with babies who are born into this world. That does not stop illegitimacy. That does not help solve the problem. It creates more problems, not less. It absolutely has to be addressed.

While I said what I think is wrong with the pending Republican proposal, I do think that there is a recognition in a bipartisan fashion that we have to do something. Our plan is called Work First. It abolishes AFDC. It starts off by saying there is no more AFDC. Every time a person comes into a welfare office, they have to sign an employment contract in order to receive any benefits. That contract is going to require them to do certain things. It is going to start moving them into the work force.

We put time limits on how long someone can be on welfare assistance in this country, but we protect the child. We protect the children. We protect the babies who are born into this world. Require the mother to live at home, or require the mother to live in an adult-supervised home if there are no parents. Require them to move into the work force. Put on time limits. Yes; do all of those things. But, yes; also provide child care as we require people to move into the workplace, as we do that.

So it is one thing to sound tough and to talk tough. But as we all know, talk is cheap. It does not solve the problem. This problem is not going to be solved on the cheap. It is going to be solved only with thoughtful ideas and tax dollars being spent more wisely than we have spent them in the past in a recognition that we do need to make some dramatic changes.

I want to say something else, too. I will conclude with this: As I said in the beginning, this is a problem that the Federal Government cannot solve by itself and the States cannot solve by themselves. This is a problem that Democrats cannot solve by ourselves and Republicans cannot solve by themselves because we do not have enough votes, quite frankly, to pass our bill without some help from the other side. On the other hand, I suggest that the Republican Party does not have enough votes to pass this bill that will be signed into law without our participation.

So we are sort of joined together because we have to be. We have a choice here. We can start talking to each other. We can start cooperating on some of these key issues that I mentioned. We can see where we can come together and devise a proposal that makes sense that can be adopted. It may not be everything that I want or the distinguished senior Senator from New York, Senator MOYNIHAN, the manager of the bill, wants; or it may not be everything that the Republican leader or Senator CHAFEE, who is on the floor, wants. But I think there is enough common ground here to help address these differences in a way that we get a compromise that works. By the way, compromise is not a dirty word. It is a coming together of different opinions in order to accomplish something that makes sense.

Therefore, when we talk about fair compromises in the interest of solving the ultimate problem, that is what this body is supposed to do. Very few times in this world in anything do we get our way all the way all the time. And this legislation, welfare reform, which is so important, is an area that cries out for some bipartisan cooperation, working out our differences, because I am afraid that if we do not do that, we will do nothing. If we are not willing to meet somewhere in the middle on these difficult problems, we will have accomplished absolutely nothing.

Some will say, "But we have a good issue for the next election." I suggest that the best issue for all of us is passing a real welfare reform bill that gets the job done.

I think all of our colleagues on this side are ready, are willing, and I think we are able to sit down in the sense of compromise and come up with a proposal that in fact gets the job done.

With that, at this time, Mr. President, I yield the floor.

Mr. MOYNIHAN. Mr. President, may I just express the appreciation of all Members on this side, and I think on both sides, for the thoughtful comments of the Senator from Louisiana. He has worked so very hard on the bill now before us as a second-degree amendment that Senator DASCHLE and he and Senator MIKULSKI have put together. It is an effort to meet concerns that are shared on both sides of the aisle. He is right. We have succeeded in moving this subject forward when we have been together.

The Family Support Act passed out of this Chamber 97 votes to 1. We had a clear consensus, a clear set of agreements. And we have been hearing repeatedly on the floor of programs that State governments have put in place which seem to be taking hold.

The Senator from Iowa was speaking just a few minutes ago about the proposal of Iowa, which passed, as he said, 98 to 2 in their legislature. That is the program under that Family Support Act with bipartisan support that came from this Chamber out to the States. We have something to show. It would seem such a loss to give all of that up at this point.

I thank the Senator. I yield the floor.

Mr. CHAFEE addressed the Chair.

The PRESIDING OFFICER. The Senator from Rhode Island.

Mr. CHAFEE. I want to join with the Senator from New York. Those were very thoughtful remarks by the Senator from Louisiana. I hope we can get a bill out of this Senate that will really make some real progress in welfare reform. So I think the Senator from Louisiana has made a constructive contribution. I express my appreciation to him.

Mr. SANTORUM. Mr. President, I want to add my kudos to the Senator from Louisiana for his comments. I share his sentiment that welfare reform needs to be bipartisan in nature. And we have had discussions off the floor that both sides have moved from the initial introductions of legislation, even here in the Senate, and have moved more together.

I think the Dole bill, as introduced, comes more toward a common ground. And I hope—in fact, I am optimistic—that with some refinements, we can get bipartisan support for the Dole package. I admit that the Democratic leader's package has moved significantly from past welfare reform efforts that we have seen here on the Senate floor from the other side of the aisle. That is a constructive move in the direction of real reform.

I have a few questions, if the Senator from Louisiana will just take a few questions, about the bill that is on the floor. I know he was very involved in drafting it.

I guess it is more of a concern that I have where I sort of see that the bill falls a little short, and where we might be able to move again in a more constructive way forward.

Let me start out with three basic areas. One is the exemptions to the new Temporary Employment Assistance Program. The Temporary Employment Assistance Program is a new program replacing the old AFDC program, which is the Aid to Families with Dependent Children Program, which generally is conceived as welfare, the cash grant to a mother, in most cases, single moms with children. That program is eliminated under the Democratic leader's bill and replaced with what is called the Temporary Employment Assistance Program. But in the bill, there is provided a whole laundry list of exemptions to the time limit on that program.

I guess I have a problem that the exemptions are so broad that it looks, to me, that there are very few people who would actually be limited in time, under this program, to the 5 years. And let me just read through some of the major exemptions.

No. 1 is an exemption for high unemployed areas. High unemployed areas in the bill is defined as an area that has an unemployment rate of 7.5 percent or higher. I believe just about——

Mr. BREAUX. Will the Senator yield? It is 8 percent.

Mr. SANTORUM. OK.

Mr. BREAUX. We changed the date.

Mr. SANTORUM. That is under the revised legislation. I know even at 8 percent, because I have seen figures, most major communities, at least in 1994, would not have met that criteria, and would have been over the 8 percent. So no recipient in that city, for the period of 1994, anyway—and my staff is now looking to see how far back that goes—no person who lived in the city of New York, for example, would have had any of that time they spent on welfare count toward that 5-year limit.

I know there are many cities that have had unemployment rates of over 8 percent far back for many years, and none of the people would be considered as time limited.

Many of them would——

Mr. BREAUX. Will the Senator yield?

Mr. SANTORUM. I see that as a problem.

Mr. BREAUX. I think the discussion is good. What our Work First bill says is we require people to go to work. We know that if you live in a high unemployment area—we pick 8 percent because that is the same number that applies in the food stamp program. That is why we adjusted it to 8 percent. But we do not think it makes any sense to push a young mother out into the street if there are no jobs available in that area. These people, however, would operate under the same rules as everybody else. They are expected to engage in job search. And if, after 2 years, even in this high unemployment area, they are not working, they are then expected to perform workfare, community service in return for their welfare benefits.

So when we are saying there are some areas where there are not any jobs available, these people still have to engage in job search. And then, after 2 years, if they are unable to find a job, they have to perform community service or engage in workfare in their local community. They still have to do something, in other words, to get the benefits.

Mr. SANTORUM. Would that be part of what we would consider your—I guess it is called the Work First employment block grant? Would that be under the Work First employment block grant, after the 2-year transition in that program?

I am just trying to understand.

Mr. BREAUX. It is a legitimate question.

The short answer is yes, it is a requirement that after the 2 years, they have to engage in community service, workfare programs, located in that community.

In other words, what we are saying is there is no free lunch. They are not going to be able to continue receiving benefits for not working if they are capable of working.

Mr. SANTORUM. Even if they are in a high unemployment area—I am going through the other exceptions here—even if their children are living with other than a parent; even if you have a child who is ill or incapacitated, irrespective of all of these exemptions, after 2 years, you have to go into some sort of community work program?

Mr. BREAUX. I would say this is one of the areas that perhaps we agree on, State flexibility, because the State would have the flexibility to make that determination on what best fits the people in their State, would have the flexibility to determine the conditions and the time restraints that would be effective in their particular States. Some States may be different than others.

Mr. SANTORUM. Does that apply just to those exemptions or the high unemployment exemption also, so if the State of New York, for example, did not want the people to go to work in New York City? Or is that an automatic? Is there no State flexibility there?

Mr. BREAUX. The point I make in response is that in the high unemployment areas, the 8 percent or above, they have to go to work. I mean, that is a requirement. They would have to engage in workfare or community service or whatever.

Mr. SANTORUM. Now, my understanding is also that one of the limitations on this workfare program is that after 2 years, you then go into the Work First employment block grant program, which requires you to perform—is it 20 hours, is that correct, 20 hours of some sort of work?

Mr. BREAUX. Twenty hours. It actually goes into effect not after 2 years; it goes into effect after 6 months. So that is a requirement that starts from the very beginning of the program after 6 months, not after 2 years. The community service, the 20 hours of community work or workfare in their local community, is something that is kicked in very early in the program, not after 2 years, but after 6 months.

Mr. SANTORUM. I guess then my question is, let us say you have someone who is a single mom with a couple of children, and she is on the program for 2 years and has been in job search and doing things that are required under the temporary employment assistance part. She hits her 2-year limit and then is required, to continue on with those benefits, to work.

Now, my understanding from the participation requirements is that 30 percent of your caseload would be in that situation, is that correct, in the year 1996? So you are talking about 30 percent would be in this transition program, temporary program, and then would eventually get into the block granted work program? Is that your understanding?

Mr. BREAUX. I am not sure I understand the direction the question is leading to in the sense that——

Mr. SANTORUM. My understanding is you have participation rates. We have participation rates in our bill and you have participation rates in your bill.

Mr. BREAUX. If I can respond to the Senator, I think the Senator may be misreading the amendment that is pending with regard to participation.

Mr. SANTORUM. Now I ask maybe a broader question.

How many people who go into the welfare program have to participate in this new program as designed by the leader's amendment? What is the participation—I know what it is in our bill. We eventually get up to 50 percent, but we do not have exemptions.

Mr. BREAUX. I think the Senator will find what we are trying to do in both our bill and his is similar in that regard. We are talking about participation rates. We are talking about really work rates, not participating in a program.

We feel we have enough programs out there. We are not judging the success of our bill on people participating in programs, but on participation in actual work. We go from 20 percent up to 50 percent in actual work, in jobs, in earning their benefits that they are receiving—not participation in the sense of participating in a job training program, but actually require working; they move from 20 percent up to 50 percent in a work program, actually working.

Mr. SANTORUM. So, again—and my analysis here may be a little dated because I know you have revised your bill and I may not have the current analysis. That is why I am trying to understand.

So those who are required to work, in 1996, at least according to our 30 percent of the State caseload, would have to be working in 1996?

(Mr. THOMAS assumed the chair.)

Mr. BREAUX. That is correct. That is working; not in a program, actually working.

Mr. SANTORUM. That goes up to 50 percent by the year 2000.

Mr. BREAUX. That is correct.

Mr. SANTORUM. And it is up to the State to determine who those people are that should be working or should not, which 50 percent. It is a State flexibility issue?

Mr. BREAUX. Very similar to the Republican proposal.

Mr. SANTORUM. That is the point I was trying to make. On this issue, it seems like there is some agreement that 50 percent is a fair figure and allows for some State flexibility in considering the fact that roughly a third of the parents who are on the current AFDC caseload are disabled in one way or another. They have a disability or their children are disabled or there is some problem where they would not be a good candidate for work and, therefore, would not be required under the bill to have a work requirement. We allow the States the flexibility to determine that.

Mr. BREAUX. Will the Senator yield at that point?

Mr. SANTORUM. Yes.

Mr. BREAUX. We allow the States flexibility because we believe, again, in maximum flexibility, but we have exemptions that are exemptions with which I think most people would agree. You are talking about people who are ill, incapacitated, someone with a child under 12 months old. There are certain exemptions we feel should be there and spell those out, but we still have the work requirements from 30 to 50 percent. That is locked in with some exemptions.

Mr. SANTORUM. Let me understand this. Maybe we are a little more different than I thought we were. What you are saying is you take the entire caseload of people that are on welfare, and you say a certain number of them are ineligible because of an incapacity. I think that is the term the current welfare law uses, "incapacitation." We figure that that number is roughly a third. So you take them out of the mix before you apply the 50 percent standard?

Mr. BREAUX. Well, it is 20 percent. That is correct. It would start from 20 percent up to 50 percent.

Mr. SANTORUM. Thirty. I think it is 30 in 1996, up to 50 percent in the year 2000, just according to the numbers I have here.

Mr. BREAUX. On the work rates; the Senator is correct on the work rates.

Mr. SANTORUM. Right. So what you basically take is, let us say, 65 percent of the people who come into the program, and then by the year 2000, half of the 65 percent must be in some sort of work program.

On the Republican side, we do not make that initial separation. What we say is that 50 percent of the entire caseload, and it would be up to the States' discretion, and I am sure they, in all likelihood, because of the expense of someone who has an incapacity of some sort, would not require them to work.

Mr. BREAUX. Will the Senator yield on that point?

Mr. SANTORUM. I yield.

Mr. BREAUX. Does not the Republican bill have an exemption for moms with children under 1 year old?

Mr. SANTORUM. That would be the one exemption, but there is no exemption for someone who has a disability or something like that.

Mr. BREAUX. Will you disagree with that being a viable exemption?

Mr. SANTORUM. My feeling is we should allow the States complete flexibility to deal with this issue instead of the overall goal of what percentage of the entire caseload should be in work. I think 50 percent is fair of the entire caseload, given the fact that we know a substantial number cannot work. It is usually around a third. That is what we found. We are even giving more of a fudge factor of another 15 percent or more of people who can work, but we are not going to require them to work or the State required to put them to work.

Mr. BREAUX. Will the Senator yield? Apparently you made some decisions that exemptions from the national level are acceptable.

Mr. SANTORUM. I said that would not be my preference. My preference would be to have no exemptions at the Federal level. We allow the States the ultimate flexibility to determine who is going to work and who is not, given the standard of half, which is a fairly generous standard where usually only around a third has a disability problem that would make them ineligible for work.

We do allow, I think, a fair amount of flexibility. I just want to understand the difference, and the difference is that you would require half of two-thirds to work. We would require half of the entire caseload.

Mr. BREAUX. I respond to the Senator by saying under our bill, we are even tougher on those who are capable of working, because we are requiring by the year 2000, 50 percent are required to work. That is 50 percent of those eligible.

The Senator from Pennsylvania is saying his 50 percent is looking at the whole broad range, a larger group saying 50 percent of them. We are saying that when you find the people who are able to work, let us make sure you get them to work. I think we are even tighter than you are on that particular point.

Mr. SANTORUM. I do not know how you can be tighter if you have a million people—let us assume we have a million people in the welfare system in Pennsylvania, which is high, but let us say we have a million people, and we say 50 percent of those people have to go to work. That is 500,000 people.

Under your standard, we say 667,000 are technically under your new program because the other 333,000 are ineligible right from the start, and if you take half of 667,000, you are now down to 333,000, not 500,000. So we are going to have, in the case of a million, we are going to have 120,000-some more people working, required to work than under your bill.

Mr. BREAUX. Will the Senator yield?

Mr. SANTORUM. I will be happy to.

Mr. BREAUX. I think what we are establishing by our conversation, and I think it is helpful in understanding the two approaches, is that we both have requirements of people who are now on welfare to go into the work force. Even the percentages, I think, are ultimately the same: 50 percent by a date certain.

We both have exemptions as to who should not be forced to work. Ours are more broad. We have people who are incapacitated, mothers with children under 1 year old. You have fewer exemptions.

I think the key point that needs to be made here is that we require these people to be put to work, and we are going to help the States fund the programs that put them to work. The concern that I and other Democrats have about the Republican proposal is that it is an unfunded mandate in the sense you are telling the States they have to meet these goals, but not providing them any financial assistance in order to meet it. That is a bigger question, and I think is a legitimate question for discussion: How are the States going to meet these goals with less help than they are getting now?

Mr. SANTORUM. I will be happy to answer that question. I would really defer to the Governors of the States that have come to us and have been very strongly in support of what we have been putting forward. How they are going to do it is, we are going to release them from all the Federal strings attached to the current program.

What Governors will tell you is they can run a much more efficient program than we can out of Washington through the States. I happen to believe—I had a conversation just this past week with my Governor from Pennsylvania, Tom Ridge, a former Member of the House, who feels very strongly if given the opportunity to design their own program, given the existing amount of AFDC dollars coming through, existing amount of what was the Jobs Program coming through, which is what is in the Republican bill, they cannot only design a better program, put more people to work, get more people off the rolls, get people back into productive work in Pennsylvania at less money, that without the hoops they have to jump through here at the Federal level—I know the Senator from Oregon put up a chart earlier today about all the things you have to do to process someone through the system—we now provide that flexibility for them to be able to design their own system, which we hope and I believe will be a lot more efficient.

It is a good question. It is one I think most Governors would say they would like the responsibility, the opportunity to design a program based on. I know the Senator from Iowa was up here just within the last couple of hours talking about what they have done in Iowa and the fact they have cut caseload, they have cut the amount of money in the program. Why? Because they got a waiver to allow them to run their own program. So we have seen, even with the limited waivers that have been allowed already, programs that have spent less money, that have put more people to work and have been better for the taxpayers and people in the system. I think we have seen a history that we can do this if the States are given the opportunity to design a program.

Mr. BREAUX. If the Senator will yield on that point, Governor Thompson, who I think has done a good job of trying to reform welfare in Wisconsin, when he testified before the Finance Committee, made the point very clearly that some States are able to do some of these things because they have the financial wherewithal to do it. But there are an awful lot of States, when they face a 50-percent requirement of putting people to work with less money coming from the Federal Government, they are simply not going to be able to do it.

That is why the concept of a partnership, where the Federal Government puts up a certain amount and the States put up a certain amount, a requirement that the States participate financially, is so important.

I think the discussion is good. I think there are some areas for us to meet in the middle. When I talk about a compromise, I am talking about not just agreeing with the Dole bill. A compromise is your side moving a little over to the middle of this aisle and our side moving toward the middle on some of these things—we have some common goals and we are close, I think—in order to reach an agreement that the President can sign and that will ultimately be reform. I hope to continue to work with the Senator from Pennsylvania to reach that goal.

Mr. MOYNIHAN. Does the Senator from Pennsylvania yield the floor?

Mr. SANTORUM. I yield the floor.

Mr. MOYNIHAN. While the Senator from Louisiana is here, I want to say I very much appreciated this exchange. It made me feel like we are back in 1988.

There are two things to say. One is that there is a participation requirement in existing law of 20 percent. It was put in the law in 1988—to be phased in to 20 percent—with the clear expectation that as the program took hold, the jobs program, it would move forward. In a bill before the Finance Committee—which the administration has abandoned, and I grant that—we moved that rate from 20 percent, as anticipated, on schedule just about, to 35 percent in 1998, to 40 percent in 1999, to 45 and then 50 percent in the year 2001.

What we lose in so much of what is on the floor right now is the specific Federal funding to do this. Governors and mayors will look up in despair in 5 years.

I say to my friend from Pennsylvania, there will be on the desk very shortly now the estimates for the proportion of children on AFDC, welfare, in 1993. These are estimated, but they are fairly accurate. In Philadelphia, at any point in time, 44 percent of the children are on AFDC. In the course of a year, 57 percent are.

Now, those numbers overwhelm the system. Thirty years ago, when it would have been 10 percent at one time and 13 over a time, you could say, all right, Philadelphia, PA, you take care of this problem. I have watched it come that these numbers overwhelm the city. These problems are so much deeper.

On last Saturday in Baltimore—the Senator from Connecticut will be interested in this—there was a kind of public celebration as they blew up the Lafayette Public Housing Complex in downtown Baltimore. It happened in Newark a year ago. It first appeared in St. Louis, where the Pruitt-Igoe Houses were blown up in 1972. In the city of Baltimore, it was announced, and the mayor had the plunger, and they had T-shirts, and they made the most of it. They described the housing as "warehousing the poor." When it was built, it was a model complex. It got awards everywhere. What a nice way to live, right downtown, and I think they could see the harbor. They are going to replace them now with townhouses. Eighty-five percent of the persons in the townhouses will be on AFDC. Each will have a case manager from the Johns Hopkins School of Social Work. They will be very carefully attended to and all these things. There will be townhouse case managers. How many townhouses? There will be 317.

Those are the realities. How many hundreds of thousands of children in Baltimore will be eligible? I plead to a Senate that does not hear me on this. These numbers of people receiving welfare benefits are beyond the capacity of the States and local government. Cutting off the Federal commitment that we have had for 60 years is an action bordering on mindlessness. And I make the case with no very great expectation of persuading anyone.

Thank you, Mr. President. I thank my friend from Pennsylvania. This morning, the Senator from Oregon and I were going over these numbers. If Philadelphia is 57, Detroit is 67. New York, which is larger, is 39.

Mr. SANTORUM. If the Senator will yield——

Mr. MOYNIHAN. I yield the floor.

Mr. SANTORUM. Mr. President, I say to the Senator from New York that I think he makes a strong point that work programs are expensive to administer. They are very expensive to administer.

I chaired the Republican task force last year in the House as a member of the Ways and Means Committee that drafted a bill that was different from the bill that passed the House, but it provided a substantial amount more money for work programs. In fact, I think over the 5-year period in the bill that I, in a sense, authored, we spent $12 billion more, understanding the expense of doing so. So I have some sympathy with what the Senator is saying as to the problems States are going to confront.

I am telling you, from the perspective of governors who I have talked to, they feel comfortable that if we removed all of the restrictions, which in a sense in the Republican bill we do—there are some, but very minimal—if we remove the restrictions in place, they believe they can get sufficient savings to be able to run a work program in addition to the current AFDC program. I am hopeful that they can. I have my own skepticism. I hope they can. Given the budgetary realities, I think that is going to be something we are going to challenge the Governors to do.

If we did nothing with the AFDC program—that program is not doubling every couple of years or so. This is not a program projected to dramatically increase, and it is not that we are not keeping up with the skyrocketing costs. I do not have the numbers in front of me—and correct me if you have them—but my understanding is that I think, in the next 7 years, AFDC was to go from $16 billion to maybe $18 billion, something like that—maybe $19 billion. It is an increase, but it is not like the numbers on AFDC are growing like we have seen on SSI and some other programs. In fact, we are seeing a lot of people on AFDC moving over to the SSI.

Mr. MOYNIHAN. Which is 100 percent Federal money.

Mr. SANTORUM. And more, because the benefits are more generous. I suspect we will see more people moving from the AFDC rolls, in an attempt to claim some sort of disability to get into the SSI.

I suggest that given the fact that this program is not rapidly increasing in many States—maybe New York and Pennsylvania being two of them—we will see a leveling off and maybe even a decline where we have in those States an opportunity to get work into these programs and get significant cost savings. And we have provided in this bill a growth factor of $1.5 billion, I think, over the next 7 years for the higher growth States to tap into more money to be able to deal with the increases in AFDC population. So we have not completely turned our backs to the possibility of growth.

We hope that with the combination of the Governors being able to redesign programs with some limited additional assistance from the Federal Government, we can handle those States that are having growth problems in AFDC.

Mr. BREAUX. Will the Senator yield for a question?

Mr. SANTORUM. Yes.

Mr. BREAUX. Here is my problem with the Republican proposal. We both have the requirement that States put 50 percent of the welfare recipients into work by the year 2000. We are the same on that essential provision. But the difference is that your proposal does not provide the States with the funding to do that.

Here is my concern. It is that if they do not have the funding to do that, they are not going to be able to meet that target. Your response to that, as I understand it, is that we are going to eliminate the redtape we now have imposed upon the States.

Now, my question is, what type of redtape are we going to be eliminating that would give the States the extra funding that they need in order to put 50 percent of the recipients to work?

What type of redtape elimination is going to add up to those type of dollars in order to meet the 50 percent requirement that we both agree is an appropriate target?

Mr. SANTORUM. Obviously, they can redesign the entire program. They can redesign eligibility criteria. They can do a whole host of things that put requirements in that we do not have now.

For example, you mentioned the work requirement. Several States have put in an immediate work requirement. I think it is Wisconsin that did, and we saw the number of people on welfare drop, by some enormous number like 20 or 30 percent, like that because people did not want to sign up and work.

I think we will see, and I think Governors believe if you make welfare into a system that is a dynamic system where people are going to have their lives changed, turned around, back out, it is sort of—I think of the Wizard of Oz. When Dorothy got to the Wizard of Oz, before they saw the wizard, they went in and the scarecrow got stuffed full of hay and the tin man got all shined up.

If you see this as this program where you come in and try to change peoples lives as a dynamic process, in a shorter scope as opposed to one that is more of a long-term maintenance kind of system, you will see people opting out in some cases, so we have lower caseloads.

We have seen that happen in States that put those kind of requirements in place, and we will see people on for less periods of time, because if the system works well—I remember debating this in the House—if the system works well, people will not end up in the welfare system, because if it works well, we will get them ready for jobs and get them back into job placements.

That, to me, is what we have to sort of change—the entire psychology of what is going on here. I think what we have done is give States the flexibility to do that in a way that we have seen in other experiments works very, very effectively.

Mr. BREAUX. If the Senator will yield for a comment, I appreciate the Wizard of Oz analysis. I am afraid it is more like an Alice in Wonderland approach.

Mr. SANTORUM. I have small children.

Mr. BREAUX. Hopefully, we will see the merits of each other's approach before the day is over and reach an accommodation that does get the job done.

Mr. SANTORUM. I will be happy to yield the floor.

Mr. LIEBERMAN. Mr. President, I thank my friend and colleague from Pennsylvania.

I was enjoying and benefiting from the thoughtful colloquy between the Senator from Pennsylvania and the Senator from Louisiana, and, of course, as always, benefiting from the thoughtful comments of the Senator from New York.

I will say two things about what I just heard. One is that it is from this kind of thoughtful colloquy that, hopefully, a bill will emerge that has a strong bipartisan base of support. We will see whether that happens.

Second, I say to my friend from New York who raised the question a moment ago of whether anybody is listening, I am listening. I have always found the Senator from New York to be right on target on these matters. Sometimes the role of the prophet is not to have the masses behind him, but if you speak the truth, ultimately they will come to you. I think that is where we are today.

Mr. President, I rise to support the substitute that is now pending offered by Senator DASCHLE, Senator BREAUX, Senator MIKULSKI and many others. I am privileged to be a cosponsor of the so-called Work First plan, which really represents a genuine attempt at welfare reform.

Mr. President, before I speak about this pending substitute, I do want to say a few words about the colloquy that we have just heard and the comments of the Senator from New York.

This is a real test for this Chamber, for the body politic, as to whether we can do what is right and what is reasonable on the question of welfare. I have yet to find, and I will be glad to present an award to, anybody who can present to me an elected official who will support the status quo regarding welfare in America today. No one does. Everyone is for reform of one kind or another. The question is what kind will it be.

Do we have the capacity to break out of the business of competing images, even our own perspectives—sometimes accurate, sometimes skewed—on what is causing this dreadful problem not just of poverty but of the underlying problem of babies being born in increasing numbers to mothers who are not married, and who do not have fathers?

That is the main way people get on welfare, because it is aid for dependent children. One of the most frequent ways that one qualifies for welfare, is when one is born in a situation where one's parents cannot support them. Over and over again in the millions—not the thousands, but the millions—there are children being born to parents unmarried and therefore needing welfare.

These are central challenges, not just to our capacity to be reasonable and to break through the competing images and politics and to do something thoughtful, to prove that Congress can legislate, break through the politics, shake up the system, make it work, make it reflect the values of the American people as the American people are so convinced it does not now—that is, the welfare system does not now reflect their best values.

Mr. President, this is a welfare program that started with such good intentions in the 1930's and now is disparaged by those who benefit from it and by those who pay for it. It is a program that has grown very, very large—billions and billions of dollars every year.

Part of what is at work here is our ability to prove as elected representatives of the people of this country that we are capable of changing the status quo if they are not happy with it. A problem that took 60 years to get into will not be solved in 6 days or maybe not even in 6 years. The effort did begin with the Family Support Act, which I consider to be an act of genuine welfare reform. I believe that the Daschle substitute which is before the Senate continues that work.

To me, with the prevailing mood in this country of questioning the credibility, the legitimacy, the effectiveness of Government to step out and deal with real problems, part of the test that we are facing in this welfare reform debate is a more general one, which is, are we capable of truly dealing with this program that has gone off the course, bringing it back to be cost effective, to be helpful to people who are beneficiaries of the program, and to better reflect our values?

Let me deal with that second point. Part of the great public anger about welfare is the perception, too often accurate, that it does not reflect the best of American values. When programs of our Government, particularly ones as central and large as this one, do not reflect the values of the American people, we lose their support. It is as simple as that.

What is a great basic American value? We speak about it so much it loses its meaning. It is work. It is work in the broader sense, in the sense that this is an impulse that drove so many of our parents and grandparents and great grandparents before them to come to this country. Not just, of course, the dream of political freedom which impelled millions of Americans—millions—to emigrate to America, but the dream of economic opportunity, the understanding of people who came from feudal, oligarchic, unfair economic systems where they had no opportunity that America was the country where, if you worked hard, there was nothing you could not achieve. The welfare system seems to have turned this on its head, motivated by good intentions, charitable intentions at the outset, and created a system that does not encourage work, that seems at times to reward the opposite, and that offends the great majority of people who are out there, working hard, who, too often in the last decade or two, do not see their standard of living going up but do see themselves paying large tax bills and believe in their minds, understandably, that a lot of that money they worked hard for goes to people who are not working as hard, not reflecting the values of work in this country.

Family, in this society and other societies, the core unit, the basic, primal sense of responsibility, the kind of natural division of familial labor between man and woman, mother and father, is destroyed in our society in numbers, as the Senator from New York has pointed out, that we do not find—I have heard him say this—in other societies. Increasing numbers, more than a third of the babies, as I said before, are born in this country every year with no family, a mother living alone without a father, a desperate situation causing all sorts of problems for our society including contributing greatly to the problem of crime and violent crime.

But the point I make here, as I speak about values, is that of the basic value of parents caring for their children. Let me focus on the fathers, whose absence is the cause of so many millions of mothers having to go on welfare, fathers not accepting and carrying out what we would think would be the most fundamental, uncomplicated, natural sense of obligation: to take care of their children.

So, this program, as it exists, offends some basic American values. It challenges us to bring the program into line with those values, to gather more support, to open the way for the American people to return to their basic nature, which is to be charitable, which is naturally to want to help people who cannot help themselves. But the majority of American people, I am afraid, feel that welfare, as it exists now, takes advantage of their good natures. I think part of the challenge that we have is to break through and reform this program, genuinely reform it so it reflects the values held by most Americans and once again liberates their better natures to care for those who cannot care for themselves.

I will make one final point in this opening, general part of my statement, Mr. President, which is this. The Senator from New York touched on this as he talked about the extraordinary percentages of children in various of our cities who are at one time or another on welfare, AFDC: 47 percent, 67 percent. These are astounding numbers, but they bring me to make this point.

I want to urge my colleagues here to go forward with a certain sense of humility and caution, understanding that as we reform welfare we are not dealing here with widgets. We are not dealing here with constructs of wood and metal and paper. We are dealing here with people, and particularly with millions of children—if I may say so, millions of God's children—whose fate it was, through no act of their own, to be born poor, to be born, in the majority of cases, with only one parent accepting any responsibility for them.

So, as we go forward, understandably in the direction of reform, I hope we will remember that it is these children who are going to be affected and that they are innocents. Let us innovate, let us demand, let us come down hard on those whose misbehavior is the cause of this system that in so many ways has failed. But let us not punish the children. And let us not leave the streets of our cities and towns full of children for whom no one will take responsibility. We do not want a country like that.

Mr. MOYNIHAN. Will the Senator yield for just a question?

Mr. LIEBERMAN. Certainly I will.

Mr. MOYNIHAN. I know he would be aware, he is speaking so well, so feelingly and wisely, that in 1992 the number of children born to unmarried women was 1,224,876 souls, one and a quarter million children in 1 year.

Mr. LIEBERMAN. I say to the Senator, the numbers are overpowering. Of course, remember, as we think of the accumulated welfare rolls, we are talking about those children, in a sense, times 18—it comes out to a little bit less—but until they reach the age of majority. That tells us two things. One is the extraordinary number of children involved here. And second, the extraordinary cost of the program. I saw a number about a year or two ago that said in any given year we spent $34 billion on children born out of wedlock. That is an amazing number, $34 billion. That is the accumulation of funding to support children from birth to 18.

So this program needs reform, but let us do it with a sense of humility and understanding about the human impact of what is happening here.

Mr. President, let me come now to the so-called Work First plan, introduced by Senator DASCHLE and many others of us. I think this is real reform that would improve the lives of welfare beneficiaries, break the cycle of dependency, better serve the taxpayers of this country, and better reflect the values of the American people. The primary welfare program in this country, AFDC, is failing in what ought to be its most important task—moving welfare beneficiaries into the work force. We have seen some improvement as a result of the jobs program coming off of the Family Support Act. This Work First plan continues that improvement by changing the strategy and devoting the resources for moving real people into real jobs.

This proposal would also give welfare beneficiaries some genuine incentives to break the cycle of poverty, give them the same incentives that we have associated with characteristic American values instead of trapping them, enslaving them in dependency by discontinuing current programs that reward single parents who do not work, do not marry, and have children out of wedlock.

These are steps that many of us on this side are united in taking because the existing system really does contradict our most cherished values and contributes to society's most serious problems. The Work First plan actually replaces the AFDC program, so welfare as we have known it will not exist if the Daschle substitute is adopted. It replaces AFDC with a Temporary Employment Assistance Program that is focused on putting people to work. It gives States the flexibility and the incentives they need to successfully move people into the private sector for jobs.

It also addresses two of the key causes of welfare dependency that I have spoken about. Through child support enforcement it finally forces deadbeat dads to assume at least their financial responsibility, and it starts a major national campaign to reduce out-of-wedlock births, particularly to teenagers.

Mr. President, others have said it but I will say it again, and it is very important to say. While preserving the kind of guarantee that those who are genuinely poor and unable to work will receive some benefits, the minimum assistance consistent with what I have described as America's best charitable nature, the Work First substitute ends unconditional welfare benefits. Each person receiving assistance will have to sign an individualized personal empowerment contract. This is something new that has come up from the States.

As the Senator from Iowa indicated earlier, if the recipients do not comply with the contract—in other words, you do not just get the benefit but you have to promise in a signed contract to do some things in return, including, of course, looking for work from day one on welfare—then the beneficiaries will lose some, and ultimately could lose all of their benefits if they do not comply with their end of the bargain—mutual responsibility.

While the contract may include some training for education, the emphasis is going to be on work experience. All recipients will be required to search for a job from day one. Eligibility for benefits is going to be limited to 5 years, although children whose parents reach this time limit will still be eligible for vouchers to enable them to receive basic sustenance. This I think reflects the principle, the value, that I described earlier, which is that these are kids. These are innocent kids. Let us not punish them more than they deserve while we are trying to solve this problem, and unintentionally create a greater problem for our society.

States under this Daschle substitute must focus this program directly on placing people in private sector jobs. As has been discussed in a colloquy between the Senators from Louisiana and Pennsylvania, the bill requires States to have at least 50 percent of their caseload working by the year 2001. It moves away from telling States how to succeed and instead rewards results. States that have high private sector job placement rates will receive a financial bonus.

Mr. President, the work requirements in this bill are tough, and just as important, they are funded. We understand that child care assistance is the critical link between welfare and work. Unlike the alternative proposal, this substitute gives States the child care funding they need to put people in jobs and move them off welfare.

Mr. President, I noted a discussion among my colleagues a short time ago about the importance of trying to achieve a bipartisan result. I could not agree more. I recall the Senator from New York indicated the overwhelming bipartisan support for the Family Support Act of 1988.

As you look at these bills, as I have, there is a lot that holds them together. There is a lot in common. I hope we can build on that common base in the next week as we move toward passing legislation. In some ways, it has actually been quite gratifying to watch the bills change, and in this sense, watch Senator DOLE's bill as it has evolved. The first major change, as I see it, was related to the so-called participation requirements in the original version of Senator DOLE's bill. These requirements for the States did not require the States to move beneficiaries into jobs, as I read the original proposal. That has now changed. And work standards very much like those included in the Daschle substitute are now included in the Dole bill. And there, I hope, is one common basis from which we can build.

Mr. President, the Daschle substitute also tackles the critical problem of teen pregnancy. Unmarried teen parents are particularly likely to fall into long-term welfare dependency. More than one-half of welfare spending goes to women who first gave birth as teens.

This legislation, among other things, requires teen mothers to live at home and helps communities establish supervised group homes for single teen mothers; that is, second-chance homes.

Mr. President, within the last couple of years, I have been so perplexed by this problem of babies being born to unmarried mothers. I have spent some time visiting programs in Connecticut, visiting with teens, trying to understand how this has happened, how these numbers have skyrocketed as they have. I do not have any conclusive answer. But one thing I found in some of my conversations with young women who have had babies while they were teenagers is when you ask them, "Why? Why did you do it," it is very interesting. Almost every time I have had this conversation, the mothers will say, "I love my baby, but I wish I had waited." Of course, in that, they are acknowledging that it is not only the child born to the unwed mother in poverty that suffers. It is the mother, whose dreams are severely restricted as a result of suddenly having a child to care for.

But once you get beyond that, and they say they wish they had waited, and you ask why this happened, some just give the obvious answer. "I did not use birth control." I found others saying that they did it intentionally. They had the child because they wanted to get out of their homes. They wanted to be independent. And they knew that if they had a baby, they could receive welfare payments and that would be the basis for establishing their independent residency. Obviously, that is a sad and sorry commentary—I shall leave it at that—as a motivation for bringing a child into the world.

But this Daschle substitute gets to that problem by removing that motivation, by requiring teenaged mothers to live at home or live in the supervised group homes, if their home is not a suitable environment, and by requiring teenaged mothers to remain in school or in a training program, all as a condition of receiving welfare benefits. No longer will there be a blank check regardless of the behavior of the recipient. Instead, we will demand mutual responsibility. Society will try to take care of your child. We will try to help you out of dependency, but only if you make the effort yourself.

Finally, Mr. President, this Daschle substitute incorporates very strong child support enforcement legislation which Senator BRADLEY and others introduced earlier this year. I was privileged to be a cosponsor of it. I was attorney general of the State of Connecticut, before I was honored to be elected by the people of my State to serve in this body. One of my responsibilities was enforcing child support orders. I was startled, as I went through the files—thousands of them—to see the degree to which men who had fathered children refused to accept fiscal responsibility, financial responsibility for those children, and found 100 different ways to try to avoid or make excuses for not doing so.

The legislation that is part of the Daschle substitute will make it easier for States to locate absent noncustodial parents; that is, parents not having custody of the children, almost always the fathers. It will also make it easier for States to establish paternity. Science has been a great help here in facilitating the establishment of paternity through blood tests, and also establishing a court order and enforcement of court orders. The tough child support enforcement system will help keep millions of children out of poverty and off welfare. It is a simple statement. It is as simple as the fact that when babies are born to unwed mothers, they are much more likely to end up on welfare. But the fact is that if fathers took care of the children, society would not have to do so and the welfare rolls would go down.

Of course, these tough child support enforcement laws will send a message of responsibility to would-be deadbeat parents, deadbeat dads. In an era of skyrocketing out-of-wedlock births and rising teen pregnancy rates, child support payments must become a clearly understood, highly visible, and unavoidable fact of life for absent parents. In other words, these absent parents must live in fear of their local prosecuting attorney or attorneys general coming after them to make sure that any money they earn will go in a substantial degree to supporting the children they have fathered.

Mr. President, I will have an amendment that I will introduce later in the proceedings that expands the effort to deal with teen pregnancy, building on some work done by Kathleen Sylvester of the Progressive Policy Institute establishing a highly visible national campaign to cut the rate of teenage births, setting goals for States, giving them some money to innovate with programs to cut the rate of teen pregnancies, and rewarding them as we do with regard to placement of people in private-sector jobs when they achieve a reduction in teen pregnancies.

One of the dreadful facts that comes out as we go over this problem of teen pregnancies is that a remarkable percentage of the babies born to teenage mothers have been fathered by men who are considerably older. So the vision that we may have of two reckless teenagers casually creating a baby is not the norm. As I understand it; it is men who are typically older than these teenaged girls who, in a setting that is often abusive, exploitive, or overpowering, are fathering these children in acts that from a legal point of view are pure and simple statutory rape.

And there is not much we can do from Washington to deal with that except to—and my amendment will have some element to it that will—try to encourage the States, the local prosecuting attorneys, the district attorneys to be very aggressive in working with the welfare authorities to once again take statutory rape as a serious crime and to prosecute it, understanding that this is done to deter adult men from committing a sexual act that will result in a child born to poverty, who to a devastating degree is likely to end up a part of the criminal problem in society.

So I hope we can begin to take from these statistics of the ages of the men who are fathering too many of the children born to teenaged mothers, some attempt to build a genuine national effort among prosecuting attorneys to look at the seriousness of a crime that in an age of permissiveness has been winked at, which is statutory rape.

In conclusion, Mr. President, I think this Daschle substitute, the Work First plan, is true welfare reform. It does demand responsibility from parents while providing continued protection for children, and it does address the two key causes of welfare dependency—teen pregnancy and unpaid child support. It does reflect the values of the American people. And it does take on the welfare status quo, building on the work of the Family Support Act, and really does amount to genuine welfare reform. I understand that over the next week we will hear conflicting views on this subject. But I can only echo the sentiments expressed earlier in this Chamber, let us cut through the politics, let us get to the heart of the problem. And let us see if we can, as happened in 1988, resoundingly adopt a true welfare reform proposal. I thank the Chair and I yield the floor.

Mr. MOYNIHAN addressed the Chair.

The PRESIDING OFFICER (Mr. THOMPSON). The Senator from New York.

Mr. MOYNIHAN. I thank the Senator from Connecticut for his extraordinary, moving, judicious, serious comments. I know his capacity for sometimes biblical patience, and I also know his capacity for indignation when things have gone on for too long. We have been too long on the subject.

In 1971, a Republican President, President Nixon, had proposed a guaranteed income as a substitute for this subject. It was H.R. 1 in the House of Representatives. And it happened that on February 8, 1971, all three of the then major news magazines—and still those—had the subject of welfare on their covers. Newsweek on its cover had welfare. "WELFARE: There Must Be a Better Way," it said of the President's program, "It will constitute a humanitarian achievement unrivaled since the New Deal." It was not humanitarian enough for Democrats; too humanitarian for some Republicans.

The cover story of Time was devoted to "The Welfare Maze." It began: "The U.S. welfare system is a living nightmare that has reached the point of the involuntary scream and chill awakening." That is how Time began its issue.

The cover story of US News & World Report: "Welfare Out of Control—Story of Financial Crisis Cities Face."

Now, in that year, sir, the illegitimacy ratio for the nation was 11.2 percent. It is now three times that, the number of children born in that circumstance. Where we have 1,225,000 today, in 1971 it was 400,000. It is three times, almost, that ratio. The ratio has increased by a factor of three, the number of children by a factor of three. That is the central phenomenon.

I think the Progressive Policy Institute has been very helpful in this regard. There is this phenomenon of statutory rape. As deviancy gets redefined, we do not think much of that anymore. But it is still law.

Mr. LIEBERMAN. That is right.

Mr. MOYNIHAN. What would the Senator hypothesize? Would the Senator hypothesize that the households in which the children grow up no longer have anyone who will defend them? "You can't come in here. And you will please go out there and close the door behind you."

Lee Rainwater, a whole generation ago studying the public housing in Pruitt-Igoe in St. Louis, wrote an essay on the feeling within a household, "Can you say no to someone who wants to come in?" A thought that perhaps would not occur to many persons here. Close your door at night, and that is it. Close yours, and I close mine.

The French sociologist, Henri Bergson spoke at the turn of the century of society becoming a dust of individuals—no ties. I think this new data on ages of the fathers suggests that. I think you are absolutely right; if anybody could mobilize the attorneys general, the Senator from Connecticut could. I will certainly support that amendment. I look forward to it. And I thank you for your comments. I know the Senator from Pennsylvania would agree we are trying to reach some understandings here. We have understandings. And where we have different assessments, well, that is why we have the Senate.

Mr. President, I yield the floor.

Mr. LIEBERMAN addressed the Chair.

The PRESIDING OFFICER. The Senator from Connecticut.

Mr. LIEBERMAN. I very briefly want to thank the Senator from New York for his kind words. He has made here what is to me a very important point, a very stunning point, and I just want to repeat it if I may, which is that there is a way in which the collapse of the family opens the door, in the metaphor that the Senator has used, to the further collapse of the family. And we are, of course, generalizing here. There are many circumstances where this does not take place. But if you have a situation where babies are born to unmarried women and there is no father in the house, then as the baby, if it is a girl, grows up, will the mother be able to alone protect the child from a man who may be a predator? And I understand it is much more complicated in many cases than that.

But there is a way in which nature has created this unit, and we all have our roles to play in it. The single, poor mother may be ill-equipped to alone defend her child, against a man whose intentions are not good. The Senator is right, we do not enforce these statutory rape laws anymore, but they are statutory. These acts are illegal, and they are illegal for a good reason. The consequences are disastrous, and I think if we can put some fear out there by more vigorously enforcing these laws, we not only will be doing what is right, but we may actually have an effect on the rate of out-of-wedlock births.

I thank the Senator from New York. I personally thank the Senator from Pennsylvania, not only for the thoughtfulness of his earlier comments, but for the kindness of yielding the floor to me. I went on a bit longer than I expected to, but I appreciate very much his kindness to me.

Mr. SANTORUM addressed the Chair.

The PRESIDING OFFICER. The Senator from Pennsylvania.

Mr. SANTORUM. Thank you, Mr. President. I thank my friend, the Senator from Connecticut, for his thoughtful comments and for his kind remarks about me. I look forward to working with him and others in, again, trying to craft what I believe will be a bipartisan solution to this problem. We may not get the resounding vote that we got in 1988 in this Senate on this measure, but I think the measure that passes in the Senate this year will be quite significantly more dramatic than what we did in 1988. When you stretch the envelope, you leave more people behind. There is, in a sense, less consensus.

I think it would be easy to craft something that is watered down that could get everybody's vote here, but I do not think we would accomplish what we set out to accomplish, which is truly reforming the welfare system.

I am hopeful we can stretch the envelope, be bipartisan and really help millions of Americans get out of poverty.

I rise to just finish up on some of the comments and discussion I was having with the Senator from Louisiana. He asked, really, the question that is asked probably most about the Republican proposal, which is how are States going to be able to put people to work and run these work programs and, at the same time, do that, which is very expensive, with a flat amount of funding, given that some States are going to see increases in poverty population? I mentioned the fact those States that do experience increases, we do have a pot of money there that would help them.

What about just dealing with the increased cost of providing for a work program? I cite an example of Riverside, CA. The Senator from New York, on many occasions, has cited Riverside, CA, as an example of an existing program that seems to be having some good results in a work-related program, the GAIN program, and other Members on the floor have done the same thing.

I just state for the RECORD that in Riverside, and I will add Grand Rapids and Atlanta, those three programs combined, which have gone into a program that is a work program that requires a substantial investment of time and energy on the part of the welfare recipient, is this dynamic program that I believe the States would go to under the Republican proposal.

In those areas, what we have seen is a dramatic cost savings. So, assuming that this could be replicated on a State level, we are seeing flat funding, yes, but in these three communities that put this program in place, this work requirement and other kinds of dynamic turnover off the welfare roles back into productive society, there was a 22 percent reduction in AFDC—22 percent reduction in AFDC. Not flat, not an increase. They saved 22 percent in costs. Their caseload went down 16 percent overall. Food stamps went down 14 percent.

So to suggest that we have to pump in more dollars to accomplish this purpose of putting people to work I do not think meets with the numbers. And, by the way, Riverside, CA, had a 9 percent unemployment rate at the time. So we have the exemption for anything over 8 percent that you do not have to go to work, you do not have to go to work in the temporary assistance program. You can do it.

I can tell you, I come from southwestern Pennsylvania. We have had some very tough economic times and continue to have them. I can tell you there are lots of people who say, "Look, there are jobs out there, you just have to go out and find them and be willing to work and go do it. It proves the case that, No. 1, there are jobs out there and you can save money in the process and run a better program that is being lauded by both sides of the aisle.

So the numbers of what we have seen of what has been successful in this country prove that you can run a program with less money, get people off welfare into work even in high unemployment areas. I think what we have seen is you have these programs that really do focus on the individual, and they provide what the individual needs. That is not a check the first of the month and, "Thank you, ma'am," and out the door, but it is care and concern and cooperation and an intensive desire by the people in the system to see that person who walks through that door who has had a tough run of luck in a problem situation get that kind of assistance they need to turn themselves around.

I have another comment I want to make about the discussion I had with the Senator from Louisiana.

Mr. KERREY. Mr. President, will the Senator yield just to make a unanimous consent request for staff on the floor?

Mr. SANTORUM. I yield the floor.

PRIVILEGE OF THE FLOOR

Mr. KERREY. Mr. President, I ask unanimous consent that Debra Wirth, a fellow in my office, be granted the privilege of the floor for the duration of the welfare debate.

The PRESIDING OFFICER. Without objection, it is so ordered.

The Senator from Pennsylvania.

Mr. SANTORUM. Mr. President, what we talked about was the 8 percent figure as any area of what I thought was a Bureau of Labor Statistics area, which is a geographical area defined by the Bureau of Labor Statistics as an area they will then determine the number of people, the percentage of people in that area that are unemployed.

If those areas are above 8 percent, in the Democratic leader's bill, those people who reside in those areas that have an unemployment rate of over 8 percent, that time in which they live in those areas of high unemployment does not count toward their 5-year limit. In fact, it can be indefinite.

What I found out was that, yes, it was 7.5, they raised it to 8, but they eliminated the requirement that they had to be a defined Bureau of Labor Statistics area, that the State could now define what the area would be. It could be an entire State. It could be a portion of the Bureau of Labor Statistics area. It could be a neighborhood.

What it does is it makes this determination completely arbitrary on the part of the State, potentially even indecipherable, because you could have literally neighborhoods picked out or communities picked out.

I think it is poor policy, but I think it creates a huge loophole in this whole area of exemptions from the time limit on welfare, not a step in the right direction. They gave with one hand and took away with the other. They gave by increasing the unemployment rate from 7.5 to 8 percent, and then they said we will define where the area is, we will not use the current Bureau of Labor Statistics area, we will let the States determine what they mean. That really does take away any real change in that policy.

Mr. WELLSTONE. Will the Senator yield for a moment?

Mr. SANTORUM. I will be happy to.

Mr. WELLSTONE. Does not the Bureau of Labor Statistics—who does the survey right now on unemployment, officially?

Mr. SANTORUM. Bureau of Labor Statistics.

Mr. WELLSTONE. And the Senator is concerned they continue to do the surveys? I do not quite understand the Senator's position.

Mr. SANTORUM. No, no. In the Democratic leader's bill, what they have done with their most recent modification is eliminate the boundaries for determining who would be eligible for the exemption from the 5-year limitation. And so——

Mr. MOYNIHAN. Mr. President, I ask unanimous consent that I may be allowed to address the Senator from Pennsylvania directly.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MOYNIHAN. I will check this out and have an answer for you directly, but I believe the actual surveys of household unemployment are done by the Bureau of the Census and the data is analyzed by the Bureau of Labor Statistics. And I think you are on to a point which should be resolved. I will do my best to do so. I thank the Chair.

Mr. SANTORUM. I thank the Senator from New York. There are two additional points I wanted to make. No. 1, I stated before there would be many cities that, for potentially the foreseeable future, unfortunately, people in those cities would not be subject to the time limit under the Democratic leader's bill. I point to the cities of New York, which has an 8.7 percent unemployment rate; Los Angeles, which has a 10.6 percent unemployment rate; there is an 8.2 percent unemployment rate in Washington, DC; Detroit has a 10.8 percent rate. Those are a few cities where the unemployment rate exceeds 8 percent. As a result, under the bill put forward by Senator DASCHLE, none of the people living in those cities would have any of their time limit being worked off during those periods of high unemployment.

So you could have, potentially, in a city like Detroit, which has historically had very high unemployment rates, no time limit for people who live in those cities. You are not talking about small or insignificant welfare populations. You are talking about New York, Los Angeles, Detroit, Washington, Miami, and many others. You are talking about a very large percentage of the caseload that will never, potentially, be time limited or will be time limited to 10 or more years. That is a big loophole in this bill, let us make no mistake about it. I believe that needs to be addressed.

Mr. WELLSTONE. Will the Senator yield?

Mr. SANTORUM. I yield to the Senator from Minnesota.

Mr. WELLSTONE. What the exception is saying—I agree that in the big cities you have an unemployment rate at 8 percent and many higher. That does not tell us anything about self-employment, part-time workers, discouraged workers, which is much higher. Why is the Senator so troubled by this when it could be a mother with small children who could be penalized if they live in a community with high levels of unemployment—unofficially defined unemployment? You keep calling that a loophole? Why does he see it that way?

Mr. SANTORUM. What I think is important in this whole debate is an understanding that the work requirement provision in the bill is not a penalty, it is an opportunity. It is an opportunity for people who have not had the chance to go out to find work, in many cases to be placed in a work program so they can go out and be productive and learn skills and, in many cases, because you have people who have never had jobs before, they can learn what it is to get up in the morning and get their children ready for day care, or for someone else to come into the house, and get yourself to a work site, work an 8-hour day, and get home and again provide for their children. That is an experience that, unfortunately, many people in our society have not experienced. That is a very valuable one. I add that it is something many people in our society have never seen a parent do. They have no idea what it means to grow up in a house where they never saw that happen.

So it is important that we provide to everyone the opportunity to work and that we require it, in a sense, and that we say that this is a temporary program; this is not a program that is going to go on and on. Welfare is not a maintenance system where we provide for people in poverty for indefinite periods of time, but it is a dynamic transitional program that prepares people to get from a position where they cannot work, or they are not prepared to work, to a position where they will and do work. That is lost if you provide what I call "impoverishment zones," not "empowerment zones," where you basically tell a group of people that because you are in a big city that has high unemployment, we have no expectation that you will ever be able to find work, and therefore you can stay on welfare. But the rest, everybody else, we will change the system for you. But you in Detroit and you in the City of New York, you cannot make it, and we do not believe you can, so we are going to sort of write you off.

I do not want to write anybody off. I think everybody should have the same level of expectations. As I cited before the Senator from Minnesota came to the floor, the Riverside, CA, example, where during the period of time of the GAIN program they experienced a 14 percent drop in food stamps, a 16 percent drop in caseload, and a 20 percent drop in AFDC, and they had in excess of 9 percent unemployment. People were getting off the rolls, getting to work, doing the things that many on both sides of the aisle said is a successful program.

So I believe it must happen. I think to write off particular areas of the country because of difficulties in unemployment is an unwise move.

Mr. MOYNIHAN. Will the Senator yield for a question?

Mr. SANTORUM. Yes.

Mr. MOYNIHAN. In making a thoughtful point and comment, he would be aware that the GAIN program in Riverside, CA, is a program developed under the Family Support Act?

Mr. SANTORUM. There have been many experiments done under waivers under the Family Support Act.

Mr. MOYNIHAN. If I may put it in question form. He might know that in the summer of 1992, President Bush visited Riverside and was making a point that it seemed to be working and is catching on. I rushed to the floor with a photograph of President Reagan signing the Family Support Act and shaking hands with then-Governor Clinton, who was head of the Governors Association at that time. He and the Governor of Delaware, now our colleague in the House, worked together on a bipartisan basis. I just wish that we would be conscious of this. I do not ask the Senator to agree. But I am saying we have something working, and we may miss it.

Mr. SANTORUM. If I can, I say to the distinguished Senator from New York that there are isolated instances where the current law is working and, I think, from social science evaluations, modestly working. We have come in welfare to expect that modest improvement is as good as we will ever get. Maybe that is the case. I am not satisfied with that as a benchmark for the ceiling. I think what we need to do is, as I said, to stretch the envelope.

While the Family Support Act of 1988 did create a window of opportunity for certain areas to get waivers and to try new things and to engage in work and other kinds of things, which we believe on this side and I know many on the other side believe is the way to go, we believe it needs to be more dramatic, that we need to do more and try new things. That is what this Dole-Packwood bill does, I think, and does it in a very dramatic way.

The final point I want to make is on the cost side. I know the Senator from Minnesota is here. I say to my colleagues on the Republican side, it is getting rather lonely over here. There are plenty of opportunities to speak on this issue. I hope that those who have comments will come to the floor and make their comments and debate this very important issue. There are no speakers on this side at this point. I say to those listening, if you have statements you would like to make, this is a good time to come down and make those.

I say, with respect to the cost estimates on this program, what we see is really a cost-neutral program on the part of the Democratic leader's bill when it comes to welfare spending. The bill saves, over 7 years, roughly $20 billion. But $19 billion of the $20 billion in savings is in food stamps. So what we see is what most on that side would consider welfare and SSI and AFDC and child care. A lot of those—in fact, most of those go up in spending. What we see is most of the savings really being gathered out of the Food Stamp Program. I say those, over a 7-year period, are rather modest compared to what the Republicans suggest. I think we had about 50 percent more in savings under the Food Stamp Program.

So it does not meet with what I think most would see as what is necessary to get Government spending under control.

I say that even under the Republican bill, spending goes up dramatically in virtually all these programs. I know the block granted AFDC Program does not go up and the child care program does not. But the rest of the programs—the SSI, Food Stamp Program, everything else—goes up at very dramatic rates. In fact, we are talking about a very minimal reduction in the spending on welfare in this country. If this was being judged solely based on how much money we are saving on welfare, I think both proposals in the eyes of the American public would be considered a failure. This is not a big cut in welfare spending. We are just barely curving the rate of increase in welfare.

I think given the dramatic nature of these proposals, that may be the best we should do. As I had the discussion with the Senator from New York, transitioning people, making the program a dynamic system is expensive. We are turning a system where you basically have someone behind a computer cranking out checks to people who come and show up and verify certain things, and they get a check or stamp and leave. That is not a lot of time consumed by that person, not a lot of effort involved.

When you are taking that system from a maintenance processing system and turning it into a system where you actually sit across the table from someone and try to figure out what their problems are and how you can help them and what we need to do to change their lives, that takes energy, it takes time, it takes resources.

To suggest that we can change welfare at the time that we can slash it or cut it dramatically, I think would be unwise. We have not done that on this side. In fact, I have not heard a lot of comments on the other side about how we are slashing welfare. The reason is because we are not. Welfare is going to grow fairly dramatically over the next 7 years.

It will be different. It will be different than anything we have ever seen. I think it is worth a try. We may come to the point in time where we look at what has happened with this bill, if it is successful, and I believe it will be, and all the attempts will be made and all the different projects will be tried by the different States, you might find out we get modest gains at best, or we get no gains.

We may have to step back and say, is it worth it? You have some writers in this town who are suggesting that we should just give up. That it is not worth trying any more. It is not worth spending the money. We may be there.

I think it is worth a try of a different way, and what we have suggested here in this bill is a dramatically different way of dealing with this problem. It is truly ending welfare as we know it. Welfare will no longer be the image of someone showing up and receiving a check, but almost go back to the image of the Depression when we had the WPA—can the Senator help me?

Mr. MOYNIHAN. The WPA and PWA.

Mr. SANTORUM. And programs where you saw it more as a dynamic program where people were there to do things, to make a positive contribution to their community.

I am hopeful that is what will result in this. I am very optimistic that we can find, I think, very solid support from the Republican side and a significant number of Democrats to pass this Dole bill or something very similar to it and do it while being very kind, I think compassionate, in the truest sense of the word, compassionate with the people who find themselves involved in this system, and at the same time respectful of the people who work hard and pay taxes to fund the system. I yield the floor.

PRIVILEGE OF THE FLOOR

Mr. WELLSTONE. Mr. President, I ask unanimous consent that Carolyn

Clark, who is a fellow, be admitted for the duration of the debate on welfare reform.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. WELLSTONE. Mr. President, I say to my colleague from Nevada, I will be relatively brief. I wanted to analyze the Daschle bill and I wanted to talk about why I think the differences between the Daschle bill and the Dole bill make a difference. I also wanted to talk about some of the weaknesses in the minority leader's bill, or at least raise some questions.

Again, I think there is hardly any comparison when I look at the two. I think—and it is hard when you ask a Senator to yield, and the Senator from Pennsylvania certainly did that—it is difficult to really get into the debate, so let me try and first try and respond to some of what was said.

When I hear Senators come to the floor and talk about how optimistic they are and how they think this will be such a huge change, I sort of think to myself that part of the problem is they are not really passing legislation that is going to affect them or their children.

I think part of the problem, and I will try and stay away from the harshness, I think the point can be made we would do better if we had less hate and more debate. I do not come here to the floor with malice.

But, it does seem to me, Mr. President, that some of my colleagues just want to ignore some unpleasant facts, some unpleasant realities.

My colleague from Pennsylvania talked about opportunities. Well, we will take the minority leader's bill. If there is an 8 percent officially defined unemployment, there are many more people who are working part-time who are not counted. There are many people who are discouraged workers who have dropped out. If you have that high of an unemployment rate—by the way, in some of our cities it is higher than that, than there is not really an opportunity for a single parent, usually a mother, to find a job, but she gets cut off welfare anyway, regardless of the employment conditions in the community.

How can that be called an opportunity? That is not an opportunity. Of course, part of what is bogus about this reform effort is that if you look at the job opportunity structure and you look at some of the communities where we have large numbers of welfare mothers, the unemployment level is so high, the under-employed level is so high, that, as a matter of fact, there is no evidence whatever that the jobs are going to be there that these women can support their families on.

So in the absence of that evidence, with those kind of high rates, it is hardly unreasonable to say if you cannot obtain the opportunities, the employment opportunities, because they are not there, then we are certainly not going to cut you off of assistance for yourself and your children. That is what this is about. That is really what this is about.

Mr. President, as I look at the Daschle bill on the floor, I do think there are some very significant and positive features about this piece of legislation. I think the main feature, Mr. President, that I want to zero in on has to do with maintaining the commitment to children to make sure that there will be benefits for some of the most vulnerable citizens in this country.

Today at caucus, and my colleague from New York, Senator MOYNIHAN, is free if I say this and as he listens it seems that it was too personal and he did not mean for this to be public, I want him to cut me off. He said something that has stayed with me most of this afternoon. Senator MOYNIHAN said the last piece of legislation that President Kennedy signed publicly, was a piece of legislation we all had high hopes for: This was deinstitutionalization.

It made sense as a philosophy. We would take people in the mental hospitals and we would basically move them out and then there would be community-based care. But we never did that. What we wound up with in all too many communities in this country was an ever larger population of homeless people. We see that all over the country.

Then the analysis was there that it was a lack of affordable housing. What Senator MOYNIHAN said today during the caucus meeting was really the answer to the question: We did it. We passed that legislation. But, we did not follow through on the commitment, and that is what happened.

He then went on to say, and this is exactly how I feel about this debate, that we should not pass a piece of legislation that ends the basic commitment that there will be support there for families, for single parents and children. The support has got to be there, it will not just be block granted to States who can pretty much do what they want to do.

It does not matter whether there is a recession or not or what kind of resources are invested, if we end that kind of commitment, that is a commitment we made as a nation, then I will tell you exactly what is going to happen. It is easy for Senators to tell us this is an experiment. "Gee, we think this is going to do a lot better." It is not them. It is not their families. I will tell you what is going to happen. I will predict it. We will have many more children among the ranks of the homeless. And then we are going to ask ourselves the question: How did that happen?

We did it. That is exactly what the Dole bill does. I do not think it is the intention of the Senators, but that is exactly, that is precisely what the effect of this are going to be.

To the credit of the minority leader, that commitment is maintained in his bill, at least for 5 years. And it is important.

There is a second issue which is, I think, maybe one of the most important features of the Daschle bill, the Work First bill. The Daschle bill provides childcare. That is, if you are going to say to a single parent—almost always a woman; quite often men who should be there with support are not there—you work, and she has small children, what about the children? Where is the commitment of resources to child care? Actually, what we are doing here in the Congress, for those citizens who are watching this debate, is we are cutting investment in child care.

So, we are saying to parents: You go to work. You have small children. That is it. And we do not provide any support for child care. By definition, please remember, in spite of all of the scapegoating and all of the stereotypes, there is not a welfare benefit in this country that is even up to the official definition of poverty, and now we are saying to single parents, almost always a woman: You go to work and we do not invest any resources in child care. The Daschle bill does make that investment.

You cannot have welfare reform—all you have out here right now, at least with the Dole bill, is reverse reform. You are saying to a parent: You go to work. It does not matter if you have small children. We know you are poor. You work, and there are no resources for child care so you can afford decent child care for your children.

That is antifamily. That is antifamily. I challenge any Senator in here, how would you like it if you were the single parent of low income, told you had to work—and you wanted to work. There is more dignity in work. And you hoped it would be a decent job. There is nothing you would like to do more, but there was no way—let us not kid ourselves. In a lot of these communities where we have large populations of welfare mothers, there are not an abundance of jobs that pay anything near what Senators make, or even middle-income salaries. So we are not going to be talking about, by and large, high-wage jobs. You are told, "You take the job. It does not matter."

And you say, "OK, I want to work in that job, and it is $6.50 an hour and I will do it and I want to." And then you are told, "By the way, but when it comes to your two children who are under 3, there are no resources for child care. You figure out what to do." And you cannot afford it. That is why many mothers get off welfare and then go right back on.

The minority leader's bill makes a commitment to child care. I do not know how my colleagues on the other side, in all due respect, can deal with that contradiction.

The third feature I think is important is that, in the minority leader's bill, there is the transition so people are not immediately cut off Medicaid. I do not remember the precise provision of the majority leader's bill. I ask the Senator from New York, is there a transition period of time for Medicaid in the Dole bill?

Mr. MOYNIHAN. I would say I do not know. There is, of course, a 1-year transition in the current law of the Family Support Act. We will find that out.

Mr. WELLSTONE. Because my understanding is the Daschle bill allows for the currently provided year of transitional Medicaid, plus an extra year of transitional care on a sliding scale basis to ease the transition.

I do not think that in the Packwood-Dole bill, there is such an allowance for that second year of transition.

It seems to me, now we have a situation where we are saying it does not matter what the unemployment level is in your community and, in addition, it does not matter from State to State, what States decide to do. It does not matter whether there is a recession. It does not matter how many children are born into poverty. It does not matter what the population growth is going to be. It does not matter whether or not there is going to be a commitment of resources to child care. By and large, we are ending our commitment to low-income children. And in addition, you have 6 months, that is it, that is the only guarantee you have of being able to keep your Medicaid.

This is called reform? These women and their children are in a worse position than when they all started. The Daschle bill is a significant improvement over that.

I say to my colleagues, we should not be so reckless with the lives of children. That is what I do not understand. I have colleagues, on both sides of the aisle, who are friends. I understand the political climate in the country. I understand some of the scapegoating. But I cannot understand how men and women of such good will can be so reckless with the lives of children.

The minority, the Daschle bill, as I understand it, does not block grant food stamps. There is a reason for that. The Senator from New York knows this history well. What happened—and it was President Nixon, as I remember, who really took the final initiative in making sure there was a national standard. Although the Federal Government was going to pay that bill, States got to decide what would be the level of benefits and many States had the level of benefits pegged at an extremely low level. Much to the shame of the United States of America, we saw it on television with documentaries about Hunger USA. We saw children with distended bellies, and we learned about scurvy and rickets and malnutrition and hunger among children in America.

Therefore, President Nixon led the way and we set national standards and we had a national food stamp program. We are a national community. We made a national commitment to children. Now we are going to back away from that? The minority leader's bill does not back away from that commitment, nor should it, Mr. President.

Questions to raise. Maybe my colleague from New York, or colleague from Tennessee, can help me out on this. Again, I raise these questions more in a constructive way. This is just out of intellectual integrity that I want to raise these questions about the minority leader's bill. I cannot cheerlead on everything.

There still is this feature in this legislation that, as I understand it—we can get technical—it is in the Dole bill, it is in the Daschle bill, that now counts LIHEAP benefits as income, low-income energy assistance. So what happens is, for the purpose of calculating food stamp benefits, LIHEAP benefits, low-income energy assistance, gets counted as income and this becomes this classic choice of eat or heat. I do not know why we are doing that. That is the question I raise.

The second question somebody has to ask on the floor of the Senate, I talked about earlier the importance of making sure we do not back away. It is my understanding—and I quote from an Urban Institute study—of all families that have become dependent on welfare systems, about 43 percent receive benefits for less than 24 months. But at any point in time there are many more long-term recipients, for example, more than 75 percent of families on welfare, at any point in time, are on for more than 60 months.

So if it is an aggregate 5-year period, I have some very serious concerns about what we are doing because I think quite often the pattern is that a mother—by the way, mothers do not need Senators to tell them that they ought to work. Most are—75 percent within 2 years—are off welfare and are working.

Now, the problem is that all too often what happens is, think about this: You go to work, and you try to work out a child care arrangement. But you cannot afford it. Then you go back to welfare. By the way, for the low-income people, the monthly expenses of child care is not like 7 percent. It is 35 percent, or 40 percent of income. Or you go to work again.

When Sheila and I were younger, we did not have much money at all. We had this experience. You find out. It is the most horrifying thing in the world when you leave your child, whom you dearly love, with a child care center and the conditions are awful.

By the way, according to the national reports on the state of child care, we are not investing resources in child care—not just for low income, but for middle income. You get paid more money to work the zoos than you do to take care of children in the United States of America.

Mr. President, so what happens? You are supposed to be there at 5 to pick up your child. You show up at 4, and you find the conditions are awful. So it did not work. Now you are back to welfare. Or, Mr. President, remember, you are a single parent. You get sick or your child gets sick, and your child is sick more than a week. You get laid off work. This happens all the time.

So I will raise three questions and then get a response. I am really very worried about this 5-year period because it seems to me that if, in fact, the Urban Institute is right and more than 75 percent of families on welfare at any point in time will receive welfare for more than 60 months, we are cutting a lot of people off, who are mainly children, Aid to Families With Dependent Children, the children who do not give the big campaign contributions, the children who are not the big players, the children who are not the heavy hitters, the children who do not get on television with their ads. They are the ones that some of these proposals treat so harshly, though I must say again I believe that the minority leader's bill, thank God, is at least a significant improvement over Packwood-Dole.

Mr. MOYNIHAN. Mr. President, does the Senator wish to have these data at this point?

Mr. WELLSTONE. I would be. I will yield for that.

Mr. MOYNIHAN. I am happy to.

Mr. President, I ask unanimous consent that I may address the Senator directly.

The PRESIDING OFFICER (Mr. FRIST). Without objection, it is so ordered.

Mr. MOYNIHAN. It happens that we presented this data in the debate that was a truncated debate in August. The Senator is exactly right in what he has said. But there is more to say. This was the work of Donna Pavetti at the Urban Institute—the Urban Institute was established under the auspices of President Johnson in the 1960's—of "distribution of total time on welfare."

The Senator is absolutely right. About 27 percent of welfare recipients are on for less than 1 year. About 40 percent are on for less than 2 years.

We do not know as much as we should. We have been very poor about gathering data. We, in the last Congress, enacted a Welfare Indicators Act, which I spent 14 years trying to get passed, that will start giving us an annual report on the subject.

So this is data from the Urban Institute. A number of people who go on

AFDC are two groups. There is this group that is on for 2 years or less, 40 percent, 41 percent. We know who they are. They are married women whose marriages breakup. They need some time to get their affairs together. And they do. A very refreshing counsel of the Manpower Demonstration Research Corp., when we were drafting the Family Support Act, was to say, do not bother with these good people. The Senator is absolutely correct—at any given time 76 percent, three-quarters, of the persons on welfare have been there more than 5 years.

The Urban Institute also went on to estimate the number of families affected by a 60-month time limit, a 5-year time limit. Between the year 2001 and the year 2005—2001 you can reach out and touch that—1.4 million families will have exceeded the 5 years. By 2005, 10 years from now, 2 million families will have exceeded the 5 years. This assumes the caseload does not grow. That is half the caseload.

You were kind enough to mention what I had said in our caucus today. I said it earlier on the floor. In 10 years time we will wonder where these ragged children came from. Why are they sleeping on grates? Why are they making life miserable for themselves and others? What happened? We will have a city swarming with pauper children, penniless and without residence. You said it could not happen. It happened to the mentally ill. And half the families in 10 years will have been dropped by a 5-year time limit.

Mr. President, I thank the Senator so hugely. And this is the point.

Mr. President, I would ask these tables be printed in the RECORD.

There being no objection, the tables were ordered to be printed in the RECORD, as follows:

DISTRIBUTION OF TOTAL TIME ON WELFARE

Time on welfare (in months)	New entrants (percent)	All current recipients at a point in time (percent)
1–12	27.4	4.5
13–24	14.8	4.8
25–36	10.0	4.9
37–48	7.7	5.0
49–60	5.5	4.5
Over 60	34.6	76.3
Mean Duration (in years)	6.10	12.98

Source: Urban Institute, 1995.

NUMBER OF FAMILIES AFFECTED BY A 60-MONTH TIME LIMIT, FY 2001–FY 2005

[in millions]

Fiscal year	Families currently receiving benefits	New entrants	Total families
2001	1.34	.08	1.42
2002	1.41	.24	1.65
2003	1.37	.43	1.80
2004	1.29	.61	1.90
2005	1.19	.77	1.96

Note: This table assumes that the caseload remains at its current level of 4.35 million families headed by an adult over the next 10 years.

Source: Urban Institute, 1995.

Mr. MOYNIHAN. I thank the President for allowing me to ask the Senator to yield.

Mr. WELLSTONE. Mr. President, I have more to say, more of a critique. But I think that what the Senator from New York just said was very powerful. I cannot add to that at this time.

I would yield the floor to the Senator from Rhode Island. I ask the Senator from Nevada, will the Senator from Rhode Island then speak?

Mr. MOYNIHAN. I believe the Senator from Rhode Island was told he would be in sequence after Senator WELLSTONE, and that our good friend from Nevada knows that. We look forward to our most distinguished, revered colleague.

Mr. PELL. I thank my colleagues and my friends, one and the same.

I am very glad that the Senate has resumed debating the matter of welfare reform. And I am encouraged that the first few days of this debate—both before the August recess and again today—have been composed largely of thoughtful concerns and constructive suggestions about what can be done to make the current system work better and cost less.

In reviewing the legislation before us, however, we must each decide for ourselves what it is we believe about the current welfare system and how it can best move people from dependency to self-sufficiency, and from poverty to a living wage.

I continue to believe that our welfare system should provide temporary—I emphasize the word temporary—financial assistance to those in need. There are millions of people who fall on hard times; losing a job, getting divorced, or becoming widowed should not be a ticket to poverty. Welfare is there largely to help women and children get back on their feet—and to protect them from hunger, homelessness, and desperation in the interim. In this respect, welfare is a compassionate and needed social program and I support its continued existence.

But there is also no question that the system has, at times, been abused, and that it has been viewed by some welfare recipients as a free ride with no concomitant responsibility. These individuals, whom I believe to be a minority of welfare recipients, have nevertheless prompted understandable wrath in many other Americans who work hard, play by the rules, and do not receive any Government assistance. I understand their anger at what they perceive as a Government handout, and I think there is considerable merit to their claim that this abuse must stop.

In fact, many of us who believe that welfare has a role to play in helping people get a hand up also believe that certain responsibilities go along with Government help. I strongly believe that those welfare recipients who are able to work should work, and that every American should understand that our Nation's welfare system provides a safety net, and not a way of life.

But with that said, the question arises "how do we get people to work?" Do you simply impose a requirement that they must work to receive benefits or they will no longer receive them? And what do we do if they try to find a job but can't due to high unemployment, a lack of skills or education, or an inability to find anyone to care for their infant child? Do we simply say that if they do not work they will receive no benefits?

To me, Mr. President, that approach is too harsh and far too unlikely to produce the results we seek. What we want to do, what we need to do, is create a system that moves people off of welfare—for good. A system that gives them the tools they need to find a job, get employed, and stay employed at a living wage. Only then—and perhaps it will take some additional investment by both the Federal Government and the States—can we end the cycle of dependency and poverty that keeps generation after generation on welfare and discouraged from seeking to work.

The Democratic alternative—the Work First bill—addresses many of these issues in a thoughtful and comprehensive way. It fosters the transition from welfare to work by providing health care, and, when needed, access to affordable child care services. And it provides a reasonable period of time for people to move into the workforce.

In fact, the Democratic alternative involves welfare recipients in a full-scale, full-time search for real employment; a job they can be proud to have. Its Work First Employment Block Grant makes one and only one demand on States: an increasing number of their welfare recipients must find a job and keep the job. How the State does that is up to the individual State.

Mr. President, on another matter, I am distressed to see that the Dole bill lumps vocational and adult education with welfare reform. Simply put, education is not welfare. Vocational and education programs are not, and should not be considered welfare. And while I certainly endorse enthusiastically the idea of a welfare recipient undertaking education as a means of obtaining a good job to move off of welfare, I do not think that this welfare legislation should tinker with existing education or vocational education programs, and shall oppose their inclusion in this legislation. In fact, we have already reported a comprehensive education and training bill from the Labor and Human Resources Committee, which I supported. It is a very important bill, and ought to be considered independently and in its own right.

Mr. President, there are a number of other parts of the Democratic bill that

I think are crucial to our effort to reform the welfare system. I strongly believe in ensuring the ability of all who financially qualify to receive welfare, and thus do not support the concept of a limited block grant. Such an approach, adopted by the Dole bill, would leave millions of women and their dependent children with no financial assistance at all. And further, it would prevent them from participating in the new system we hope to create—which will give them the tools to get off of welfare once and for all.

Mr. President, as we undertake the very difficult task of reforming our Nation's welfare system, we may be tempted to seek simple answers to complex questions or be moved by rhetoric rather than fact. In my view, two basic principles should guide us in these discussions: fairness to taxpayers and compassion to those in need. I hope that my colleagues will share this view and spend the time and care necessary to make the right changes, not simply any changes.

I yield the floor.

Mr. MOYNIHAN addressed the Chair.

The PRESIDING OFFICER. The Senator from New York.

Mr. MOYNIHAN. May I just once again say it is a great pleasure to have the opportunity twice in one week to express my great appreciation to the Senator from Rhode Island, who has very cogent remarks on education and carries weight in this Chamber. None has done so much as he in a generation of legislating. He is revered, respected. I hope and trust he will be listened to.

Thank you, Mr. President.

Mr. PELL. I thank my colleague.

Mr. REID addressed the Chair.

The PRESIDING OFFICER. The Senator from Nevada.

Mr. REID. I see the majority leader on the floor.

Before the Senator from Rhode Island leaves, may I say a few words in his direction?

Mr. DOLE. I just want to get a unanimous-consent request.

Go ahead.

Mr. REID. Mr. Leader, I will just ask him to stay.

If the Senator from Rhode Island would stay at his desk for a couple minutes.

Mr. DOLE addressed the Chair.

The PRESIDING OFFICER. The majority leader.

Mr. DOLE. I say this has been cleared by the Democratic leader.

I ask unanimous consent that the vote occur on the Daschle amendment numbered 2282 at 4 p.m. Thursday.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DOLE. That will be tomorrow.

For the information of all Senators, there will be no further votes today. However, Members who wish to debate the Daschle amendment are urged to do so this evening.

Also, Members should be aware, prior to the close of business Thursday, the two leaders will ask consent to limit the remaining amendments in order to finish the welfare reform bill by Tuesday or Wednesday of next week.

And there will also be after the vote, depending on the vote on the Daschle amendment, additional votes and debate tomorrow evening.

But we are trying to accommodate a number of our friends who want to attend the very historic baseball game tonight in Baltimore to see Cal Ripken, Jr., break the record of Lou Gehrig. So we hope that all those who are able to go will be very cooperative the rest of the week.

I thank the Senator from Nevada.

TRIBUTE TO CLAIBORNE PELL

Mr. REID. Mr. President, I wanted to take this opportunity, as unprepared as I am, to say a few words about the senior Senator from Rhode Island.

I had been planning the last couple of days to prepare a statement and come to the floor and give a speech that reflected my feelings about the Senator from Rhode Island. But, coincidentally, we are on the floor at the same time, and I want this time to be used while the Senator is on the floor and direct these remarks to him personally.

I cannot recite a great deal about the Senator from Rhode Island. I know the Senator from Rhode Island graduated from Princeton University, one of the premier schools of this country, cum laude. He also attended Columbia University. It is my understanding he has about 50 honorary degrees that have been awarded to him over the years. He served in the U.S. Coast Guard. He is an author.

I often, after having come from the House to the Senate, tried to determine how this Senator from Rhode Island had the ability to communicate in the way he does, in such a gentlemanly way but yet with so much authority and wisdom. Probably the basis for that, more than any other thing, is his service as a member of the U.S. Foreign Service.

In my time in Washington, being a Member of the House and the Senate, if there is a group of people that I think represent this country better than any other group, it is those people who are in the Foreign Service. Wherever I go, whether it is here in Washington meeting with them, or around the world, I find a group of people who are tremendously underpaid and highly educated and overworked and do a better job than anyone else representing our country as Foreign Service officers. Senator PELL served for 7 years in the U.S. Foreign Service.

I think that is the foundation, the background that has allowed him to do the many things he has done in the way he has done them.

It has been said many times on this floor that it is an honor to be able to serve with a man of CLAIBORNE PELL's ability, and certainly that is true.

Mr. President, it is also true that it is not only an honor to serve with him, but to be associated with him. I was in the Senate dining room with some constituents and, of course, people walk in who are known all over America. But the person sitting with me asked me if they could meet Senator PELL. Why? Because he felt his ability to go to college was made possible as a result of his having obtained a number of Pell grants. I took him over. The only Senator he wanted to meet was CLAIBORNE PELL of Rhode Island, because it was his feeling that he is responsible for his having been able to get a college education.

That is the way, Mr. President, that not only thousands but millions of young Americans would feel if they would direct their attention to Washington; that is, their ability to be educated as a result of the foresight of Senator PELL setting up Pell grants, allowing young people who ordinarily would not have the ability to go to college to be educated.

I, 6 years ago, on more than one occasion, went to Senator PELL and said: "I think that your service is needed here in Washington and we need you very badly."

I am one of many, many people that went to Senator PELL and told him that. I was right; we did need his service for another 6 years, and his service has certainly been as dedicated these past 6 years as it was the prior 24 years.

I appreciate the Senator waiting on the floor to allow me to impart my admiration and respect and love. There is no one in the Senate that deserves more attention and credit than the senior Senator from Rhode Island. As I go through life, there will be no one who has given me more pleasure serving with in any capacity of Government than the Senator from Rhode Island. So on behalf of the Senate and the people of America, I extend my appreciation to you.

Mr. PELL. I thank my colleague and friend for his kind words and appreciate them more than I can say.

FAMILY SELF-SUFFICIENCY ACT

The Senate continued with the consideration of the bill.

Mr. REID. Mr. President, I do not have the experience of the Democratic manager of this bill, the senior Senator from New York. On this occasion, and others, I heard him talking with President Nixon and President Kennedy on matters of importance dealing with measures that are now before this body. He has written numerous articles. He has written books dealing with welfare, so I cannot match that.

But as I told the Senator from New York, I have done something he has not done, and that is, I have spent a night in a homeless shelter in Las Vegas. Truly one of the remarkable experiences of my life—I do not know if "remarkable" is the right word—but interesting and educational experiences of my life.

And I just want to confirm what the Senator from New York has said on a number of occasions—that the homeless problem did not come about accidentally.

The homeless problem came about as a result of the Federal Government, in effect, emptying what we used to refer to as the "insane asylums," mental institutions, as we now refer to them. We, in effect, emptied them. There were prescriptive drugs, and the Presiding Officer, who is a medical doctor, knows more about the different compounds that were developed to allow us to get people out of these institutions. But as part of the program, after having gotten them out of the institutions, we were to provide community health centers where these people would have the opportunity to come back and get new medicine and be evaluated and, in effect, not make them homeless people wandering the streets, as we see so often now.

Mr. President, one of the things we have to be aware of as we begin welfare reform, which we all acknowledge is needed, is that we do not create more problems, like the problems created when we decided to empty the mental institutions. The Senator from New York is concerned that 10 years from now, we are going to have a half a million children on the streets competing with the adult homeless. I hope he is wrong.

I think that almost every Member of this body agrees welfare reform is needed. The question is, How should we reform welfare? We all acknowledge that we must do something to change the present system. The current system, in many respects, is out of control. In fact, today, Mr. President, the name "welfare" itself invokes certain perceptions of which we are all aware. Presently, it is assumed that people on welfare are lazy, that they do not want to work and are simply looking for a handout. Our current system tends to foster these perceptions, however invalid they may be. I think what we need to do is to go back to the original intent of the welfare system.

We have had welfare systems in this country that are legendary in their success: the WPA, Works Progress Administration. When I do town hall meetings in Nevada, many times I take pictures of what the WPA did around Nevada: built schools, built roads, planted trees, built bridges, helped with grasshopper infestations. And I, with these pictures, tell my constituents that here is a Government program that was a success and, yes, a Government welfare program that was a success.

I was born and raised in Searchlight, NV, a small mining town when I was growing up there of a couple hundred people. Not much in the way of mines but it was a mining town. At that time, the gold was about gone.

But all around the area of Searchlight we had evidence, when I was growing up, and it is still there, of the welfare recipients having been to Nevada. They did not know they were welfare recipients, but they were. They were part of the Civilian Conservation Corps. They came to the deserts of southern Nevada. They came to all over Nevada, but the deserts of southern Nevada I am familiar with. They came to all over southern Nevada.

What did they do? They built corrals, watering holes, fences. They built trails. There is still evidence of these welfare recipients' work in Nevada. This was a welfare program that was successful. So because we have a welfare program, it should not mean that it is demeaning, that it is bad, that it is negative. There are reasons we have welfare programs.

This great society of ours must help those people who need help. We know that welfare covers the infirm, the blind, the handicapped. Who would say we do not need welfare programs to help people who, for whatever reason, find themselves in that condition or position? There are also people who are able-bodied that, for reasons, need help. And that is what this welfare reform is all about—to do something about people who are down on their luck and need help.

There is no reason that welfare should foster a perception of people being lazy and worthless. We need to go back to the original intent of the welfare system. Welfare was initially developed as a temporary assistance, not a way of life. I believe that we all agree on this. Reform of the current welfare system should be as bipartisan as we can make it. Both sides of the aisle, I hope, have the same goal: to make welfare temporary and to move people currently on welfare into jobs.

The bill that the Democrats have sponsored, the Democratic alternative, of which I am a cosponsor, recognizes this intent. It clearly recognizes this intent and has a prepared plan, tightly tailored, to not only succeed in moving people off of welfare and into jobs but to keep them in those jobs. The Democratic substitute streamlines the current system and addresses the problems people now face. It addresses the major barriers to getting a job, keeping a job, and getting off welfare. In contrast, while the Dole bill has the same objectives, it falls short in its plan on how to achieve these goals.

I must say, Mr. President, that the Dole bill is a moving target. It has changed many, many times. I am doing my best to understand the Dole bill and to give it as fair an interpretation as I can.

I have a number of problems with the Dole bill. I am going to focus today on block grants. As U.S. Senators, we deal with Federal dollars. That is the way it should be. We cannot simply hand the States a fixed amount of cash with no direction or requirements. I think this would be irresponsible. Welfare is a national concern. That is why we are here today debating reform of the system. It is important that the Federal Government have some control over the funds it disburses.

Mr. President, under the majority's legislation, there is going to be a race to the least. Who can get to give the least the quickest? Who can provide the least amount of benefits? Because who does that is going to win the battle because they are going to have no money to do anything else with.

A favorite criticism of the Democratic Party by some is that we throw money at projects. That is exactly what the Republican block grant does in this legislation. It throws money at the problem. It throws moneys to the States and tells them to deal with the problems without giving them sufficient money. That is, the irresponsibility is compounded by the fact that the money States are going to get in the block grants is significantly insufficient. Many of the Senators on the other side of the aisle who have spoken on behalf of the Dole plan have emphasized that block grants allow the States to decide how and where to spend the money it is given, the logic being that the State knows best where they must focus the money. I do not disagree with the basis of that argument. Individual States should know where their weaknesses lie and what their States need. However, those speaking on behalf of the underlying bill have failed to emphasize that there are Federal requirements States must meet in order for the States to receive these block grant moneys. They are not automatic. States, for example, would be required to double their participation rates. Yet, they will not be given the necessary resources to carry out this work.

The Republican block grant plan is not truly a block grant plan, but an unfunded mandate to the States. One of the first bills we worked on in this Congress, and one of the first we passed—and there was agreement with the Contract With America—is that we should not have unfunded mandates. We agreed with that. Here is an unfunded mandate. In fact, the head of the U.S. Conference of Mayors, which is bipartisan, called the Republican plan "the mother of all unfunded mandates." This is not something I dreamed up or the Democratic Policy Committee came up with in some cute little phrase. This comes from the U.S. Conference of Mayors, which is a bipartisan group. He called the plan "the mother of all unfunded mandates."

For example, in order for States to meet the new work requirements prescribed in the Republican bill, by the year 2000—fiscal year 2000—the Congressional Budget Office analysis estimates that the States would have to find up to $4.3 billion extra—more than the current State and Federal expenditures—to meet the new child care costs alone. Overall, the unfunded work requirements would result in $35 billion in additional cost to the States over the next 7 years; $35 billion. Everybody within the sound of my voice should understand that this is a lot of money that is going to be picked up by State and local governments. For the State of Nevada, the unfunded mandate will result in costs upwards of $110 million, as we now see it, at least.

Finally, the Congressional Budget Office estimates that a majority of the States will not be able to meet the work requirements included in the bill. In fact, CBO assumes that given the cost and administrative complexities, States would choose to accept a penalty of up to 5 percent of the grant rather than implement the requirements.

My primary concern with the underlying bill and the block grant plan in it is its unfairness and insufficiency. The plan simply shifts the problems of the current welfare program to the States, with limited Federal funding. This plan is inadequate for high-growth States like Nevada. In fact, Nevada may be the best example of how unfair a block grant frozen at fiscal year 1994 will be—frozen for 5 years. Nevada is the fastest-growing State in the country, with the fastest-growing city in the country, Las Vegas. It will not take long for high-growth States like Nevada to run out of money. And then they will be forced, under the terms of this bill, to borrow money from a so-called "emergency loan fund" which this plan provides. The loan is limited to 10 percent of the State's grant, and the State is required to repay the loan, with interest, within 3 years.

Of course, if the State does not have the money to repay the loan, what happens? We know what happens. The costs will be shifted to the State's residents in the form of increased taxes. There is no other alternative. This plan has a very real potential of forcing States into playing a catch-up game that they will never win. This is not my definition or, I think, anyone's definition of State flexibility. It is the definition of State destruction.

To add to this disturbing scenario is the fact that the underlying bill cuts back on welfare funding in order to give $270 billion of tax cuts. The block grant method proposed is particularly harsh on a State like Nevada. Nevada, I repeat, is rapidly growing. From 1993 to 1994, Clark County, NV, which is Las Vegas, grew by 8.2 percent. That is tremendous in 1 year.

This equates to about 75,000 new people coming to Las Vegas in 1 year. Our growth rate is on the rise and shows no sign of slowing. The growth rate in Clark County is expected to increase 23 percent over the next 5 years. We are going to have moneys frozen at the 1994 level for 5 years?

Meanwhile, this block grant under this underlying bill would freeze funding, as I said, at the 1994 fiscal level. As Nevada's population soars, the funding for welfare will remain fixed with no consideration of changing it under conditions of population growth or even inflation. This rationale simply does not make sense and is not fair.

I have been listening to my colleagues on the other side of the aisle speak about giving the States flexibility and that one size does not fit all. Well, I agree. States should have flexibility, but the plan that is now being debated here, that is, the underlying Republican plan, does not allow this flexibility. They provide an insufficient amount of money to the States expecting to fill the requirements tied to that money. This is not flexibility. This is an unfunded mandate. I agree that one size does not fit all. We do not live in a static society. Each State is changing rapidly.

The City of Las Vegas grows 75,000 a year. Why does this Republican plan keep the funding level at the 1994 level for 5 years? Block grants are not fair and they do not make sense.

Some would have us believe that this block grant program is some new idea. We are going to do the right thing, and we have come up with the great idea of block grant. I do not know when block grants first started, but in the Nixon years they had block grants. We tried them in a number of different areas. Most of them we got rid of, for reasons just like I talked about, because block grants are an easy way to do things.

It is like we talked about balancing the budget. It is easy to balance a budget if you use welfare, Social Security moneys, and do not make some of the hard choices we have been forced to make this year with the balanced budget resolutions that now have passed. Those are tough decisions.

Block grants are an easy way, a buck passer for the Federal Government. Bundle up all the problems in a nice little bundle and ship them to the States. That is what we are doing with welfare.

Another primary concern of mine is the so-called child exclusion provisions. Under the majority's plan, States would have the option to deny assistance to unmarried minor parents and their children. States would also be given the option to deny additional assistance to families who give birth to a child while on assistance or who have received assistance any time during a 10-month period.

These provisions directly punish and hurt children for merely being born, over which they of course have no control. The concept behind these provisions seems to be that if women know they will not receive money for additional children, they will not get pregnant.

This simply is not the case. To quote the Senator from New York, Senator MOYNIHAN, "Anyone who thinks that cutting benefits can affect sexual behavior does not know human nature."

The family cap provisions were enacted in New Jersey, I think in about 1992. After a study of mothers who are penalized if they had more children while on welfare, a Rutgers University study recently found there is no reduction of birthrate of welfare mothers attributable to the family cap. Further, last month New Jersey officials announced that the abortion rate among poor women has increased since the passage of their policy.

I do not know the precise cause of this increase, but I think common sense dictates that it could be a result of the message which is sent to poor women under these provisions which is, "Do not get pregnant. But if you do, you better do something about it because you will not get any money to feed that child."

Obviously, many young people will turn to abortion rather than having a child that they will not be able to feed and clothe. Withholding welfare benefits to prevent pregnancy is not the answer to illegitimacy problems.

The Democratic proposal does deal with teenage pregnancy—and we will talk about that a little later—in a firm, concise, and compassionate way.

Furthermore, the family cap provisions are focused on the actions of women. What about the father of these illegitimate children? Should we talk about them at all? Should they be part of this major legislation reform? Of course they should be.

National Public Radio this morning had on its program Prof. Richard Moran of Mount Holyoke College. Now, I ask my learned friend from the State of New York, is this a New York institution, Mount Holyoke?

Mr. MOYNIHAN. Massachusetts.

Mr. REID. Thank you. Professor Moran stated what most believe is simply common sense. He said if we can change the behavior of adult men who father illegitimate children, we could make a substantial dent in the rate of teenage illegitimacy. Instead of trying to limit teen pregnancy by reducing welfare benefits for the girls, public policy, according to Moran, should focus on holding adult males financially responsible for their children.

I think that is pretty sound reasoning. It is common sense and our bill does that.

Professor Moran went on to explain that 25 years ago, two-thirds of expectant teenage mothers married. Today, less than a third marry. Of course, no one is saying that early marriage is a solution to out-of-wedlock births.

A new national study indicates fully one-half of the fathers of the babies born to mothers are adults. This is not a situation of teenagers having sex. The facts are that these young girls are being impregnated by adult males, and they should be held responsible for their actions. They should pay.

These statistics show that the problem of illegitimacy is not going to be solved in an easy fashion. We must focus on the family and do it in a way that is intelligent.

The Democratic Work First program is called Work First—that is the amendment pending before the body at this time—because that is what it is about. The Democratic Work First welfare plan will change the current welfare system dramatically by replacing the current system with a conditional entitlement program of limited duration requiring all able-bodied recipients to work, guaranteeing child care assistance, and requiring both parents to contribute to the support of their children.

The Work First plan is a plan where assistance is continual. Assistance is time limited. I think it is important that after 2 months we recognize clients who have signed the contract, the Parent Empowerment Contract, are working toward objectives and can continue to receive assistance.

After 2 years, if the individual is not working, States will be required to offer workfare or community service. Again, tough sanctions arise to those who refuse to participate in this welfare program.

The Democratic plan requires work and establishes the Work First employment grants if States focus on work, providing the means and the tools needed to get welfare recipients into jobs and to keep them in the work force. All able-bodied recipients must work.

There are successful programs now. We do not know how successful; they have not been in existence long enough. We have a great program in Riverside, CA. They have sorted clients into two streams. Most programs put everybody in the same stream. What they have done is they sort clients into two streams: one, those that need educational assistance; and those that are job ready.

It is a program we can look to see if it will have long-term benefits. We have a program in Iowa that has received some rave reviews. It is a family investment type program designated to move families off welfare into self-sufficient employment. The State of Oregon has a program. There are a lot of programs that States, if they have resources, which will be given in this bill that we have submitted in the form of an amendment, States can do some type of innovative programs.

Our program does not say, States, you must do it this way. But we are saying people must work and that we are going to give you some financial assistance so that you can accomplish some of these things.

I repeat, States are provided resources for the work requirement. Under our plan, States are given the resources so welfare recipients not only get a job but remain in the work force. See, getting a job is not the key to everything because you have to keep them in the job. States have the flexibility that I have outlined before.

One of the key facets of the Democratic proposal that is not in the Republican proposal is child care. That is, to help recipients keep a job, child care assistance will be made available to all those required to work or prepare for work. There are three current child care programs. They would be consolidated into one program. We have had good work by Senator DODD and Senator HATCH on this in years gone by. I conducted hearings in the State of Nevada on child care and how important it was. I learned firsthand, in hearings I held in Reno and Las Vegas, how critical it is, if we are going to have a successful welfare program, to have some child care components.

We also have to encourage clients to stay in jobs by making employment more attractive than welfare. We have talked about the importance of child care. We also have to talk about the importance of health care. Under our program, an amendment we will vote on tomorrow afternoon at 4 o'clock, Medicaid coverage will be extended by an additional 12 months beyond the current 1-year transition period. It is needed. If you are going to give people incentives to keep working and save the Federal Government money, then they must have the ability to have child care and health care.

Also, we have to make sure the statistics are not phony. Our program counts actual work. As I have indicated earlier, the underlying bill is kind of a moving target because it keeps changing for reasons we have all read about in the newspapers. But we must have a work performance rate that is a real work performance rate.

I have talked about fathers, how they also must be part of the program if we are going to do something about absent parents. The burden has been on women. We have to divert the attention to make it a responsibility of parents, and parents includes the man. That is usually the one who avoids responsibility. Absent parents who are delinquent on child support payments, under our legislation, must choose to enter into a repayment plan with the State, community service, or try jail. That is in our legislation, and I think that it is fair.

Under our legislation, we are going to try to keep families together. Unlike the current system under which women and children receive more assistance if parents are separated or divorced, the Work First plan encourages families to stay together to work their way off welfare. Our plan eliminates the man-in-the-house rule, which prohibits women from receiving benefits if they have a spouse living in the same house who is working full or part time. Let us have this a family friendly welfare package.

We have talked about teen parents. Under our plan the message to teen parents is clear: Stay at home and stay in school. Stay at home and stay in school. No longer will a teenage parent be able to drop out of school and establish a separate household, creating the cycle of dependency that is difficult to break. Custodial parents under the age of 18 would be required to live at home or, if there is some reason because of an abusive situation or whatever other reason that is meritorious that they should not live at home, then there would be an adult-supervised group home where parenting skills would be taught, where there would be employment opportunities available.

I say to my friends, a program like this is not impossible. A few months ago I went to Fallon, NV. Fallon, NV, is about 60 miles from Reno. It used to be an agricultural community and it still is. The largest naval training facility for airplanes in the world is there, Fallon Naval Air Training Center. It is a great facility.

I had been asked to visit a Lutheran Church in Fallon, because it was part of the AmeriCorps project. I went there and met with the priest who had moved to Fallon several years before. He was contacted first by the school across the street from his church, saying we have all these teenage pregnancies, could you help us? He did not know how to help. He said, "I cannot. I do not know what to do." Then he was contacted by the State Welfare Department. Finally, somebody said, "We have this AmeriCorps project. Why do we not make a grant and see if we can get a program to help teenage pregnant girls." They made an application. There is an AmeriCorps project there.

It brings tears to your eyes to go there. Mr. President, there is not a single person now on welfare who has been through this program. It is right across the street from the high school. The pastor, who came there to care for his flock, has now become devoted. His whole church is involved in taking care of these teenage girls who become pregnant. They are being educated. They are getting their high school diplomas. There are people who are working in the program, earning money so they can use the money to go to college. It is a wonderful program.

There are programs we can come up with to help teenage pregnant girls. But these programs require funding.

So I ask everyone to take a close look at our bill. It is a good bill. If this amendment is defeated tomorrow afternoon at 4 o'clock, I hope we will have an opportunity to vote on an amendment dealing with child care and the many other problems involved in welfare reform, which are not properly addressed by the Dole bill.

The Democratic plan addresses the problem of teenage pregnancy by including grants to States for design and implementation of teen pregnancy prevention programs. I will not go into more detail right now, but it is extremely important.

Paternity establishment is in our bill. We cannot let these men escape their responsibility, as they very often do. Child support enforcement is in our legislation.

Also, I want to talk a little bit about the provision in our legislation dealing with food assistance reform—food stamps—major provisions. We have one strengthening compliance, reducing fraud and abuse. It is an effort to clamp down on the egregious abuses of the program. The Work First Program provides the following:

The Secretary of Agriculture may establish specific authorization periods so that stores have to reapply to continue to accept food stamp coupons and may establish time periods during which stores have their authorization revoked or, having had their application for authorization denied, will be ineligible. Stores may be required to provide written verification of eligibility. The Secretary shall be required to issue regulations allowing the suspension of a store from participation in the program after the store is initially found to have committed violations.

Now they commit violations and, in effect, thumb their noses at the authorities because nobody can stop them from taking food stamps. Our bill changes this.

Stores that are disqualified from the WIC Program shall be disqualified from participation in the Food-Stamp program for the same period of time. Retail stores are disqualified permanently from the Food-Stamp Program for submitting false applications. There are other things that are important to strengthen this provision: enhancing electronic benefit transfer, strengthening requirements, and penalties. There are a number of things that really make this legislation more important.

I want to close by talking about a couple of things, in effect, to set the record straight. People who oppose this amendment charge that the Work First plan is weak on work. This claim comes from the same people who only a short time ago approved and reported a plan out of committee with no participation requirements.

So I say in response to that charge that their plan was not even about workers; it was about shoveling people from one program to another with no emphasis on work, with no emphasis, no work requirement at all, and now they have dropped their participation requirements and instead have adopted our work standards, the standards in this amendment pending before this body. So try to explain to me how the Democrat plan is weak on work when the underlying Dole amendment picks up our plan.

There is also a charge that the Democratic substitute is weak on State innovation. The Democrat Work First plan provides States unprecedented flexibility. The States set benefit levels. States set allowable asset limits. States set income. Disregard policies. States design their own work programs. In fact, there is a lot of similarity here between the Democratic and Republican plans. So why do they charge Work First as being weak on State innovation? It simply is not true.

Another charge: The Democrat plan is weak on savings.

Mr. President, the Democratic Work First plan saves over $20 billion. It is not weak on savings. The Breaux-Mikulski plan saves as much as the Republican plan, or as close. But it also does not include a $23 billion unfunded mandate to the States; that the States are going to rue the day that this underlying legislation passes. They will rue the day. As the Conference of Mayors said, this will be the "mother of all unfunded mandates." The Democratic plan will result in deficit reduction without unfunded mandates to the States.

Let me close by saying, yes, we should change the present way welfare is handled. But we should not throw the baby out with the bathwater. We have to do a better job of being compassionate but also have a bit of wisdom in what we are doing with so-called welfare reform.

Mr. MOYNIHAN addressed the Chair.

The PRESIDING OFFICER (Mr. DEWINE). The Senator from New York.

Mr. MOYNIHAN. Mr. President, may I first thank the Senator from Nevada for a careful and a thoughtful and, to this Senator, a wholly persuasive argument.

VISIT TO THE SENATE BY SENATOR EDUARDO MATARAZZO SUPLICY OF BRAZIL

Mr. MOYNIHAN. Mr. President, by a happy circumstance, we have a visitor on the floor today, Senator Eduardo Suplicy of the Brazilian Senate, who is the author of legislation in that Senate which will establish a guaranteed national income in Brazil and is now in debate in that assembly. It is a matter that has been discussed on this floor today. So it is very serendipitous indeed.

RECESS

Mr. MOYNIHAN. Mr. President, I ask unanimous consent that the Senate might stand in recess for 1 minute in order to welcome our colleague from Brazil, Senator Eduardo Suplicy.

[Applause]

There being no objection, the Senate, at 6:12 p.m., recessed until 6:15 p.m.; whereupon, the Senate reassembled when called to order by the Presiding Officer [Mr. DEWINE].

RECESS

Mr. MOYNIHAN. Mr. President, I ask unanimous consent that the Senate stand in recess for a period of 20 minutes.

There being no objection, the Senate, at 6:15 p.m., recessed until 6:33 p.m.; whereupon, the Senate reassembled when called to order by the Presiding Officer [Mr. DEWINE].

Mr. SANTORUM addressed the Chair.

The PRESIDING OFFICER. The Senator from Pennsylvania.

Mr. SANTORUM. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

FAMILY SELF-SUFFICIENCY ACT

The Senate continued with the consideration of the bill.

Mr. GRASSLEY. I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. GRASSLEY. Mr. President, a recent paper by the Progressive Policy Institute leveled three criticisms at the Republican welfare reform plan. It is to generate short-term budget savings, the first charge leveled; to satisfy GOP Governors' demands for flexibility; and, lastly, to avoid making tough decisions.

Now, obviously, that last statement is most ludicrous that the Progressive Policy Institute leveled against us because we have seen the Federal Government fail on welfare reform. You know, there was a massive effort made in 1988 at the Federal level to move people from welfare to work, to save the taxpayers money. We have seen 3.1 million more people on welfare now than before we passed our so-called welfare reform plan in 1988.

In the meantime, we have seen States like Missouri, my State of Iowa, the States of Wisconsin, Michigan, Massachusetts, New Jersey—and I suppose there are a lot of others that ought to be named—reform welfare in a very ambitious way and in an ambitious way that we have not had the guts or the will to do here in Washington, DC, at the congressional level. And we have seen through State action people move from welfare to work and saving the taxpayers money. In my own State of Iowa we have 2,000 less people on welfare than 3 years ago when we passed the welfare reform plan. We have seen our monthly checks go from an average of $360 down to $340. And we have seen the highest percentage of any State in the Nation of people who are on welfare moving to work, at 35 percent.

So can you believe it, Mr. President, that the Progressive Policy Institute would level a charge that we are trying to avoid making tough decisions when we have failed at tough decisions or we have not made the tough decisions that should have been made and we have seen States make those tough decisions and be very successful in the process?

Also, that second criticism that is leveled, to satisfy the GOP Governors' demands for flexibility, well, the history of welfare reform proves that when we have given States waivers so that they can do certain welfare reform things that we could not do here, we have seen that flexibility move people from welfare to work and to save the taxpayers money.

So, obviously, it is ludicrous that we would have these sorts of charges leveled against us. But those three criticisms do reveal very key differences between Republican plans for welfare reform and Democratic plans for welfare reform.

One of the things that sets the Republican effort apart from the Democrats is our unwillingness to apologize for our desire to balance the budget by the year 2002. We want to balance the budget because it is the right thing to do. By not having a balanced budget, we are living our lives at the expense of our children and grandchildren. Every child born today already owes $18,000 to the Federal Government, and will pay 80 percent of his or her lifetime income in taxes if we do not balance the budget and do it as soon as we said we were going to do it as well.

Of course, not balancing the budget and passing on the costs to our children and grandchildren—and if one of those were born this very minute, and there are some at this very minute being born, they have $18,000 a year debt before they ever get out of the hospital.

It is immoral, it is irresponsible, and it cannot continue. Republicans acknowledge that and we were elected to do something about it, and so part of the process of balancing the budget is to make sure that there are no sacred cows, to make sure that every program in the budget, every geographical section of the country contributes toward balancing that budget.

So one of those programs that must be affected is the welfare program of the Federal Government, a program that we thought we reformed in 1988, a program that has produced 3.1 million more people on welfare, and that is after increases in welfare had leveled off dramatically during the 1980's.

Some people in this body would say that we have had the dramatic increase in welfare numbers, the 3.1 million I referred to, because we had a recession in 1991 and 1992. But not so, because if you go back to the recessions of 1975 and 1976, which were much deeper than the recession of 1991 and 1992, you will not find dramatic increases in welfare. In fact, you will find a decline in the number of people going on welfare.

But if you study very deeply the reason why we have 3.1 million more people on welfare than we did when we passed the 1988 Welfare Reform Act, it is directly attributable to some of the changes that were made there.

Welfare must be affected then. Welfare reform must come as part of an effort to balance the budget, even though welfare reform is a worthy goal in and of itself, even if we were not trying to balance the budget.

Why is it worthy in and of itself? Because we have had 40 or 50 years of Federal AFDC programs that have encouraged dependency, discouraged independence, ruined the family, besides costing the taxpayers a lot of dollars.

Are we saying that people who have problems that need help to get over a hump in their lives should be disregarded by Government? Not whatsoever. But we are saying that the program of helping people over a bump or a hump in their life, a period where maybe they were destitute and needed some short-term help, we are saying that should not become a way of life, and a program that provides that short-term help should not lead to greater Government dependency and lack of personal responsibility.

So, in the effort to balance the budget, as we acknowledge that, we do not see reducing the budget as the reason for welfare reform, but we see that as a result. If we change welfare from a trap to a trampoline, we will spend less on the program in the long run. If it is a system that springs people to independence and removes generational effects of the current program, it will cost less. That is a result, that is not a reason for welfare reform.

Another difference, after saying that a major difference between the Republican plan and the Democratic plan is that we believe in balancing the budget, but that is a result, that is not a reason for welfare reform, then another difference between our plan and that of our opposition is that we Republicans believe State leaders are more than capable of making good decisions on how to help the needy. We believe that Governors and State legislators and other State leaders, people closer to the grassroots, can create more innovative systems that actually work better to meet the needs of those who need some short-term help over a hump, over a bump in their life. We do not believe that States should have to come, hat in hand on bended knee, to some Federal bureaucrat for permission to try some new idea. That is a very key difference between Republicans and Democrats.

Thank God there have been some waivers given, and maybe that is one good aspect of the 1988 legislation, it did give States some leeway. But can you believe it? My State of Iowa adopted a program, and it was 8 months before the Federal bureaucrats got done playing around with it so we got the approval to move ahead with a program that has 2,000 less people on welfare, reduced the monthly checks from $360 to $340 and has raised from 18 percent to 35 percent the percentage of people on welfare moving to jobs.

Republicans think that States should have the flexibility to create systems that work for each State's population. We do not believe, as Republicans, that you can pour one mold in Washington, DC and out of that mold have a program that attempts with success and with good use of the taxpayers' dollars to handle the welfare problems of New York City the same way that we would in Waterloo, IA or, in the case of the Presiding Officer, Cleveland, OH.

We think that leaders at the local and State level are going to get us more for our taxpayers' dollars, spend less of those dollars and probably move more people to work and have less dependency than what we will if we try to solve this with one uniform program that treats the welfare problems in New York City exactly the same way they are treated in Waterloo, IA.

We Republicans acknowledge that the old one-size-fits-all approach of Washington, DC has been a disaster. It has not worked. It will not work, and Republicans are simply living with reality to want to change it, change it based upon the successes of States who have had more guts to experiment, to try dynamic new approaches to moving people from welfare to work than what we were willing to do at the Federal level.

There is one more thing that I want to point out of this particular criticism, Mr. President. I believe Democrats are failing to realize that the American people have elected 30 Republican Governors. They, obviously, are saying that the Democrats have had their chance at working out these problems and nothing happened. Now Republicans are being given the opportunity, and we are taking it and we are making the most of it.

The President ran on a platform promising to end welfare as we know it. Well, he failed. With a Democratic President in 1993, 1994, with a Democratic President for the first time in 12 years, a President who, in his opening speech to the Congress, reiterated what he said in the 1992 election, that we are going to end welfare as we know it, we never had a proposal. So that administration has failed. That Congress has failed. The people chose the Republicans for a new Congress, and so we are giving the people what we said we would in the last election and what they said they wanted.

Finally, Republicans are making tough decisions. We are admitting that we at the Federal level do not have a lock on ingenuity, or a lock on wisdom, and obviously we do not have a lock on compassion. We are acknowledging that there is creativity, that there is wisdom, and there is concern at the State level. We are humbly accepting that maybe we at the Federal level do not have all of the answers. There is an old saying, Mr. President, which is that insanity is doing the same old things and expecting different results.

Well, that is what the Democrats are doing, I believe, with their welfare reform program. Republicans recognize that by giving up some of our power to the States and the people, we will have better results both in terms of meeting the needs of low-income families and in terms of our efforts in balancing the budget. The criticisms of the Progressive Policy Institute are, of course, out there in the public with the intention of shaping us into changing our perspective. On the contrary, I think they simply let us know, as the majority party in this new Congress, that we are headed in the right direction by getting the Federal Government basically out of the welfare business, turning it over to the States, for the track record of the States in recent years has been a tremendous success compared to the failure of the last reform out of this Congress which, instead of producing savings, is costing much more. Instead of moving people from welfare to work, we have 3.1 million more people on welfare, a greater dependency on the Government, less personal responsibility, and obviously a great cost to the taxpayers.

That is why I hope this body will ratify the work of the Finance Committee on the welfare reform proposal that came out of that committee. It came out of the committee with some bipartisan support—all of the Republicans and a few of the Democrats—because I think that there is going to be a bipartisan effort on final passage, if we can get there. I believe, quite frankly, that whatever passes this body is going to be signed by the President. I do not think, even if he does not get the welfare reform that he wants—with the public cry for welfare reform and for moving people from welfare to work and saving the taxpayers dollars, and an understanding of that at the grassroots—that this President would dare veto anything that we send.

I yield the floor, and I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. DASCHLE. Madam President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Ms. SNOWE). Without objection, it is so ordered.

Mr. DASCHLE. Madam President, I know that the day has almost ended. Prior to the time that it does, I want to have just a few minutes to address one more time the Work First legislation, the pending piece of legislation, and my reasons for believing it ought to be adopted by our colleagues tomorrow.

Before I describe again those reasons and our goals in drafting the legislation, let me reiterate my gratitude to the many Senators who have had much to do with the tremendous effort put forth by our caucus in proposing this legislation. Thirty Members of the Senate have cosponsored this bill, and that, in large measure, is due to the leadership of Senator MIKULSKI, Senator BREAUX, and the remarkable efforts of a number of our colleagues who have had special interests in various pieces of the bill, and were instrumental in bringing us to the point of introducing the bill prior to the August recess.

Let me also express my gratitude to the ranking member of the Finance Committee, Senator MOYNIHAN, for his unparalleled leadership in this area, for all of the work he has done on this issue, for the many years he has provided us guidance, and for the terrific legislative accomplishments we have been addressing as we have debated this bill.

The Family Support Act is really the foundation of our welfare reform system. And, as many have indicated throughout the day, were it not for that, we would not have made the progress that has already been well documented already in this debate.

Madam President, there are four fundamental goals, as I see it, as we look to what we hope to achieve by the enactment of this legislation.

First, we want real welfare reform. Second, we want to recognize that providing people with skills, providing people with new opportunities, and providing people with the wherewithal to get off welfare is really the primary objective of what we are doing. Work is a goal that I hope would unite all Senators, Republican and Democrat, as we attempt to accomplish our goals in this area.

Third, and perhaps equally as important in many respects, we want to protect children. Of the 14 million AFDC recipients in the 5 million families who receive assistance through AFDC, 9 million are young children dependent upon the services and the resources that we provide through the infrastructure that exists today. Protecting children, ensuring that they have the opportunities to become productive adults, and ensuring that they can acquire the skills necessary to break the cycle of dependency if their parents cannot—protecting children ought to be a goal for everybody here, and certainly that is the goal of the Work First plan.

Finally, we recognize that you simply cannot have meaningful welfare reform if you do not provide the funding. It is one thing to set goals. It is one thing to lay out a new infrastructure. It is one thing to assert objectives and to expect the States in some way to respond to all of those objectives and requirements within any new piece of legislation; but if they are not funded properly, we cannot expect any of those goals to be realized. Regardless of how elaborate and how pleased we may be with whatever infrastructure we create, we cannot expect those goals to be meaningfully realized without adequate funding.

We want to ensure that, whatever it is we do, we understand up front how we are going to pay for it. Those are the goals.

We want real reform. We want to emphasize work. We want to protect children. We want to ensure that, as we do those three things, we provide the necessary resources to do so.

Madam President, I want to talk briefly tonight about each of those four goals and what it is we believe is so important and essential as we consider the strategies to achieve those goals. There are four specific strategies we have laid out in the Work First plan that we hope will convince any skeptic we are serious in our strong desire to build upon the things that have worked well, and to replace those things that have not worked as well as we would have hoped.

Part of this effort involves changing the culture of welfare. We need to have people in those welfare offices who are there to provide more than just financial resources, who can be there to provide the kind of opportunities that people want as they walk into a welfare office—people with an expectation that they want more than just money, with an expectation that they want to acquire skills, with an expectation that they want to break the cycle of dependency, with an expectation that they truly can change their lives.

To do that we have to make welfare offices employment offices, recognizing that it is through employment and through opportunities to use acquired skills that people can acquire a dignity and a confidence about their lives that they do not have today. If we are going to do that, indeed, we have to retrain staff and refocus the whole concept of what the welfare office is about. We need to refocus this concept on work, on providing the training and opportunities necessary to make these services meaningful for the people who walk through those doors.

We want to encourage States to consolidate and streamline the welfare infrastructure to ensure that, through a one-stop mechanism, we can do all that is possible with a visit to that particular office so that we do not require people to go from one office to the next to the next to the next in search of help.

We also need to restore some common sense to this process. Common sense would say that yes, a father ought to be part of this process. Yes, we want to welcome the man back into the family. Yes, we recognize that two parents are better than one. Yes, we recognize the current system, in some respects, is penalizing families for staying together. We want to restore common sense to the system.

We want to do all of this, not by boxing up the current system and shipping it to the States, not by simply saying to the States, "You do it with fewer resources, with less real ability for Federal-State partnership. You do it." That is not the solution. That simply is shifting the problem to somebody else.

We really hope we can avoid doing that with whatever course we choose to take during this debate. However we finally achieve our goal of changing the welfare culture, it is certainly our hope that we simply do not expect the States to do it by themselves.

To accomplish real reform, we have to start by changing the culture of welfare. We also want to redefine it—not just change the culture, we want to redefine it. We want to give it a new meaning, a new understanding, a new definition from that which has existed in the past.

That is why we eliminate the program commonly referred to as AFDC. We replace it with what we call temporary employment assistance. That is more than just a name change. Temporary employment assistance is a conditional entitlement. It says to welfare recipients that there is no more unconditional assistance. We will provide assistance subject to your willingness to take responsibility. If you are willing to take responsibility, we are willing to provide you with the tools to enable you to achieve change in your life, to achieve new opportunities for yourself and for your family.

All recipients would be required to sign a parent empowerment contract, which puts into writing this reciprocity in a way that everyone understands, so there is no misinterpretation. It is in black and white. "Yes, I will go find work. Yes, I will acquire the skills. Yes, you will help me do so. You will provide me with opportunities that I do not have today." It is all going to be written out so there is no misunderstanding.

We require all able-bodied recipients to do as much as possible to achieve their goals in work. Even those who are not able-bodied would be required to take some responsibilities, even if they are not working. But there would be an appreciation of the need to take responsibility.

So we do redefine the system. We try to break it out from past practice and clearly define what it is we are trying to do.

Part of what we are trying to do is limit the length of assistance. We say that 5 years ought to be enough. Five years is applicable in just about all cases, but there are some very clear cases where that is inappropriate or not prudent.

Certainly, children who live with someone other than their parent ought to be exempt. Certainly, those who are disabled, or caring for the disabled, need to be exempt. We both agree that mothers with children under the age of 1 ought to be exempt. Women in the third trimester of pregnancy, I believe of all people, ought to be exempt. Those living in high unemployment areas, that is above 8 percent—and there was a good colloquy this afternoon about what that means—should not be thrown into the street. You cannot expect someone to go out there and find a job when there are simply no jobs available.

So we base all of those exemptions, Madam President, on set criteria, and that really is a fundamental difference between our bill and the bill introduced by our Republican colleagues. What the Republicans do is simply exempt a flat 15 percent. It does not matter if any of these categories would take the population in any given area beyond 15 percent. If you are a woman in the third trimester of pregnancy and we have hit the 15 percent threshold, you are out of luck. If you are a child living with someone other than your parent and you need help and you are in an area where 15 percent has already been realized, you are out of luck. I really do not believe my colleagues on the other side want to do that, but that is what the bill says.

So, Madam President, we understand the need to set a lifetime limit in most cases. But we also recognize the necessity of addressing the real needs and concerns and problems of individuals, the practical problems associated with real lives of people who do not fit any neat little box, any neat little description.

We also recognize that you cannot dictate all this from Washington. It does not work. And, as we have seen already with the Family Support Act, providing opportunities for States to become workshops, become prototypes, become environments within which new ideas can be explored, can be very valuable.

Giving States flexibility is absolutely essential, so we allow States to set benefit levels and eligibility and asset rules and income-disregard policies. We recognize we are not going to require a one size fits all, that South Dakota is different from New York and Maine. So we want, as much as possible, to give States latitude, to give States flexibility, to give States the opportunity to experiment. And the Work First plan ensures that States are given that flexibility.

So, Madam President, that is our first goal, to engineer real reform by creating a new infrastructure that allows us to provide assistance in a way that we have not done before. So we began with that.

Then, as I said, our second goal is to give as many people as possible the opportunity to work. We prescribe five strategies to do that by attempting, in part, to reflect the values that many of us had the good fortune to learn early on. We call it Work First because that is really what we want to do. That is what we were all, hopefully, brought up to think—that in order to live our lives fully as American citizens, in order to achieve all that we want to do, we have to take responsibility, and part of taking responsibility means acquiring skills to work in whatever endeavor we may choose. That is part of what it is to become a productive citizen in this country. Whatever luxuries we may enjoy, whatever opportunities we may have, whatever benefits we hope to acquire, in part is dependent upon our ability and our desire to work. Those are not just South Dakota values, as ingrained as they are in most people in my State, but they are values that we find in every State of this country.

So we require recipients to work. The goal is not simply to create jobs that do not exist today. What we want, as much as we can achieve it, is to ensure that we create those opportunities in nonsubsidized, private sector employment. We want people to be employed for the right reasons—not simply to occupy their day, not simply to pay off a Government debt, but truly to become involved in an activity, in a job function for which there is a reward other than the money they receive. So finding private sector employment is our first objective.

So we require an intensive job search for the first 2 months. If no job has been achieved at the end of 6 months, we go to the second option: we require community service. We work with them to develop the kind of job skills and the discipline through community service that may ultimately give them the chance to apply those skills in private sector opportunities later on.

There is a difference, as others have alluded to today, between our bill and the Republican bill in that regard. Our bill requires that this effort take place in 6 months. The Republican plan has no work requirement for 24 months.

But again, Madam President, as I said just a moment ago with regard to our goal of real reform, when it comes to work we also recognize the need to give States flexibility—the flexibility of putting people to work through placement services or vouchers, by creating micro-enterprise or self-employment concepts, by using work supplementation, by implementing a program like the GAIN program in Riverside, CA, the JOBS-Plus Program in Oregon, the Family Investment Program which has worked so well in Iowa—all of those options and many more would be available to any State that would so choose. We do not want to limit them. In fact, we want to expand the short list that I have already provided, giving States the flexibility to put people to work in whatever way they find to be the most appropriate.

I could imagine in South Dakota there would be a lot of rural-related work, a lot of agriculture-related work, perhaps in some cases work having to do with forestry or tourism. But clearly every State would have definitions, different expectations, and certainly different strategies.

We give States bonuses for putting people to work, bonuses for exceeding the work threshold, and bonuses based on job retention, not just placement. It is not enough just to acquire a job. We want to ensure that those people have the opportunity to stay in that job, to go beyond just the first month or 2 months or 3 months. We want to give people careers—not just jobs—careers that give them satisfaction and reward beyond just a check.

Finally, and perhaps this is the most important—certainly our caucus feels that it is the most important—if we are going to create incentives for work, we have to abolish the disincentives that exist today. And there are two profound disincentives. The one that troubles me the most is to tell a young woman, we want you to work, but you have to leave your children somewhere to do so. We are not going to help you pay for it. We are not going to really make much of an effort to help you find adequate child care. We want you to work, and you have to take care of your children regardless of cost. We do not care if you only net $1 an hour. We want you to work. We cannot accept that.

If we want real reform, then we owe it to those families to do our level best to help them find a way to take care of their children. I do not want to see 10 million children on the streets 10 years from now and everybody asking the question, as the distinguished ranking member said so eloquently in our caucus, "How did it happen?" I do not want to see more broken homes. I do not think any one of us ought to ask the question, How is it so many people today do not have the appropriate upbringing, and we are filling our prisons with people who do not know better, when there is no one at home to teach them right from wrong?

It is no mystery to me why crime is going up, when two people in the same household have to work night and day to make ends meet, and oftentimes, because they cannot afford child care, rationalize that maybe it is OK to leave their children at home unattended day after day, night after night. That is unacceptable.

Today 60 percent of AFDC families are mothers with children under six—over half. And we are going to ask them to go out and get a job and somehow miraculously have an angel appear somewhere to take care of their kids while they do so. We cannot do that.

Child care is critical. It enables people to work. It is an investment in our kids. But the Republican plan has no money for children. There is none in there right now. So I do not know how they expect to cope with that problem, if, indeed, they want to solve the work problem.

As I said, it is great to lay out all these goals, and it is great to set up a new infrastructure that looks wonderful on a chart. But how great is it when you get down to the real issue, when you are going to tell someone they better find a job in a 6-month period of time, but there is no money for your children.

Health and Human Services said that we need an additional $10.7 billion to do it right over a 7-year period of time—$10.7 billion if we are going to do it.

The second issue is health care. I do not blame anybody for not taking a job at a minimum wage in a McDonald's restaurant if all they get is $4.35 an hour and lose the health care their children have access to through Medicaid today. I do not blame them for doing that. I must tell you that if I were in that situation, I would do exactly the same thing. How can we say, "We do not care if your kids get sick; you go out and flip hamburgers, and somehow your kid will get well without health insurance."

Madam President, we are better than that. Those kids deserve better than that. And providing them with transitional Medicaid coverage is just common sense.

So that is how we handle work. Five strategies, five very specific ideas on how we get people out the door, confident that their children are cared for, confident that they have some real opportunities to change their lives.

The third goal is protecting children, and so much of work and protecting children is interrelated. But ensuring that child care and health care and maintaining the safety net we have created for children is essential. If you are going to protect children, child care is a higher goal than simply the money we save, as important as that is, and I do not want to minimize it.

Health and Human Services estimates the Republican plan has a shortfall of over $16 billion in protecting children, $10 billion in child care costs alone. That is the shortfall.

Now, maybe somebody someday can give us a projection on what that savings will ultimately generate in additional costs. How much more will we pay later on for what we have saved today?

Madam President, we have to protect children, so we put an exemption to the time limit for children in our plan. There ought not be any time limit for children. We want to give them all the time they need to grow into productive citizens. We want to provide them with every opportunity for rent, for clothing, for whatever other needs they have because it is not their fault they are in the position of needing assistance. It is not their fault that their parents do not have a job. It is not their fault that they were born into families that may or may not have any real chance of success. But I can tell you this: If we do not care for them, their chance of success is gone.

We recognize as well that teenage pregnancy is something we have to address, so we ask that teen mothers be required to live at home or in some supervised group home. We require that teen parents stay in school so they have the skills they need to succeed in life.

I have had the opportunity on occasion to talk to teen mothers who had no home and who were out there all by themselves, despondent, desperate, rejected. The chance for them is even less than all those who may have had some other opportunity.

This is one area in which there ought not be a lot of State flexibility, in my opinion. I think it is critical that we address the teenage pregnancy problem, given our limited understanding of what is occurring there. No one has all the answers. But we recognize that we have to provide a safety net to the extent that it can be provided. We also recognize that we have a right to expect some responsibility. And it is that balance between a safety net and responsibility that always, in my view, has to be considered as we make our decisions with regard to policy options.

We also have tough child support enforcement provisions. We base our provisions on those proposed by the distinguished Senator from Maine, the Presiding Officer, to improve interstate and intrastate collection.

We require that noncustodian parents take responsibility, pay up, enter into a repayment plan or choose between community service and jail. I am told that the default rate on used cars is 3 percent. The default rate on child support is 50 percent in this country.

We can do better than that, Madam President. And it is going to take tougher enforcement requirements, a realization that we can do a lot more than we have done so far in bringing people to the responsibility that it is going to take to make families families again, to give children the chance to be protected. That ought not just be a Federal or State responsibility; it must be a family and a parental responsibility. And the provisions of the Work First Act allow that to occur.

Finally, as I said, Madam President, our fourth goal is to ensure that we do not have the unfunded mandates, that we all lament here from time to time. And I am deeply concerned—of all the concerns I have, other than child care and the protection for children in the Republican bill, the greatest second concern most of us have with the bill as it is now written is this requirement for States to do so many new things, but the absolute absence of resources to do so.

We are not going to address the root causes of our problems if we simply rhetorically address them in new legislation without providing the resources. And there has to be an understanding of partnership. The Federal Government and the States can work together, local governments can work with the Federal Government, but there has to be a sharing of resources and an acquisition of resources in the first place to make it happen.

The Republican bill increases requirements on the States dramatically, all kinds of new requirements that the States are going to be expected to do—a huge unfunded mandate. As I said, Health and Human Services says over the next 7 years that unfunded mandates will exceed $16 billion. So States are going to be left with one of two options: ignore them or cut benefits and increase taxes to pay for them.

The costs are being shifted to the States and ultimately they will be shifted to localities and to the taxpayers, and in a mishmash of ways to acquire the resources that I think would be very unfortunate. We need to provide a guaranteed funding stream to make this happen correctly. We do not want the Federal Government to be the biggest deadbeat dad of all. We do not want this bill to be the mother of all unfunded mandates. And yet I fear, Madam President, that is exactly what we are going to do unless we address the concerns that many of us have raised in this debate already. So that is really what we accomplish with this bill: No. 1, real reform; No. 2, an emphasis on work; No. 3, a desire and a mechanism to ensure that we protect children; and No. 4, the assurance that we are not going to create something that nobody wants, a huge new unfunded mandate.

Madam President, I sincerely hope that tomorrow when the vote is taken, this can be a bipartisan vote, that a number of Republicans who care as deeply as any of us do about all that we have addressed tonight will join with us in passing a bill we believe can accomplish all that we want in changing welfare reform and changing the culture of welfare, in creating jobs, in protecting children. We can do that. We can do it tomorrow afternoon. We can do it by voting for the Work First bill.

I yield the floor.

Mr. MOYNIHAN. Bravo.

Mr. GRASSLEY addressed the Chair.

The PRESIDING OFFICER. The Senator from Iowa.

MORNING BUSINESS

Mr. GRASSLEY. I ask unanimous consent that there now be a period for the transaction of morning business with Senators permitted to speak up to 5 minutes each.

The PRESIDING OFFICER. Without objection, it is so ordered.

REPORT OF THE ACTIVITIES OF THE U.S. GOVERNMENT IN THE UNITED NATIONS DURING CALENDAR YEAR 1994—MESSAGE FROM THE PRESIDENT—PM 77

The PRESIDING OFFICER laid before the Senate the following message from the President of the United States, together with an accompanying report; which was referred to the Committee on Foreign Relations.

To the Congress of the United States:

I am pleased to transmit herewith a report of the activities of the United States Government in the United Nations and its affiliated agencies during the calendar year 1994. The report is required by the United Nations Participation Act (Public Law 264, 79th Congress; 22 U.S.C. 287b).

WILLIAM J. CLINTON.

THE WHITE HOUSE, *September 6, 1995.*

REPORT ON FEDERAL ADVISORY COMMITTEES FOR FISCAL YEAR 1994—MESSAGE FROM THE PRESIDENT—PM 78

The PRESIDING OFFICER laid before the Senate the following message from the President of the United States, together with an accompanying report; which was referred to the Committee on Governmental Affairs.

To the Congress of the United States:

As provided by the Federal Advisory Committee Act, as amended (Public Law 92–463; 5 U.S.C. App. 2, 6(c)), I am submitting my second Annual Report on Federal Advisory Committees covering fiscal year 1994.

This report highlights continuing efforts by my Administration to reduce and manage Federal advisory committees. Since the issuance of Executive Order No. 12838, as one of my first acts as President, we have reduced the overall number of discretionary advisory committees by 335 to achieve a net total of 466 chartered groups by the end of fiscal year 1994. This reflects a net reduction of 42 percent over the 801 discretionary committees in existence at the beginning of my Administration—substantially exceeding the one-third target required by the Executive order.

In addition, agencies have taken steps to enhance their management and oversight of advisory committees to ensure these committees get down to the public's business, complete it, and then go out of business. I am also pleased to report that the total aggregate cost of supporting advisory committees, including the 429 specifically mandated by the Congress, has been reduced by $10.5 million or by over 7 percent.

On October 5, 1994, my Administration instituted a permanent process for conducting an annual comprehensive review of all advisory committees through Office of Management and Budget (OMB) Circular A–135, "Management of Federal Advisory Committees." Under this planning process, agencies are required to review all advisory committees, terminate those no longer necessary, and plan for any future committee needs.

On July 21, 1994, my Administration forwarded for your consideration a proposal to eliminate 31 statutory advisory committees that were no longer necessary. The proposal, introduced by then Chairman Glenn of the Senate Committee on Governmental Affairs as S. 2463, outlined an additional $2.4 million in annual savings possible through the termination of these statutory committees. I urge the Congress to pursue this legislation—adding to it if possible—and to also follow our example by instituting a review process for statutory advisory committees to ensure they are performing a necessary mission and have not outlived their usefulness.

My Administration also supports changes to the Federal Advisory Committee Act to facilitate communications between Federal, State, local, and tribal governments. These changes are needed to support this Administration's efforts to expand the role of these stakeholders in governmental policy deliberations. We believe these actions will help promote better communications and consensus building in a less adversarial environment.

I am also directing the Administrator of General Services to undertake a review of possible actions to more thoroughly involve the Nation's citizens in the development of Federal decisions affecting their lives. This review should focus on the value of citizen involvement as an essential element of our efforts to reinvent Government, as a strategic resource that must be maximized, and as an integral part of our democratic heritage. This effort may result in a legislative proposal to promote citizen participation at all levels of government consistent with the great challenges confronting us.

We continue to stand ready to work with the Congress to assure the appropriate use of advisory committees and to achieve the purposes for which this law was enacted.

WILLIAM J. CLINTON.

THE WHITE HOUSE, *September 6, 1995.*

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first and second time by unanimous consent, and referred as indicated:

By Mr. COATS:

S. 1201. To provide for the awarding of grants for demonstration projects for kinship care programs, and for other purposes; to the Committee on Labor and Human Resources.

S. 1202. A bill to provide for a role models academy demonstration program; to the Committee on Labor and Human Resources.

S. 1203. A bill to provide for character development; to the Committee on Labor and Human Resources.

S. 1204. A bill to amend the United States Housing Act of 1937 to increase public housing opportunities for intact families; to the Committee on Banking, Housing, and Urban Affairs.

S. 1205. A bill to provide for the establishment of a mentor school program, and for other purposes; to the Committee on Labor and Human Resources.

S. 1206. A bill to amend the Internal Revenue Code of 1986 to allow a refundable tax credit for adoption expenses and to exclude from gross income employee and military adoption assistance benefits and withdrawals from IRAs for certain adoption expenses, and to amend title 5, United States Code, to exclude from gross income employee and military adoption assistance benefits and withdrawals for IRAs for certain adoption expenses, and for other purposes; to the Committee on Finance.

S. 1207. A bill to amend part B of title IV of the Social Security Act to provide for a set-aside of funds for States that have enacted certain divorce laws, to amend the Legal Services Corporation Act to prohibit the use of funds made available under the Act to provide legal assistance in certain proceedings relating to divorces and legal separations, and for other purposes; to the Committee on Finance.

S. 1208. A bill to amend the Internal Revenue Code of 1986 to allow an additional earned income tax credit for married individuals and to prevent fraud and abuse involving the earned income tax credit, and for other purposes; to the Committee on Finance.

S. 1209. A bill to amend title V of the Social Security Act to promote responsible parenthood and integrated delivery of family planning services by increasing funding for and block granting the family planning program and the adolescent family life program; to the Committee on Finance.

S. 1210. A bill to provide for educational choice and equity; to the Committee on Labor and Human Resources.

S. 1211. A bill to provide incentive grants to States to improve methods of ordering, collecting, and enforcing restitution to victims of crime, and for other purposes; to the Committee on the Judiciary.

By Mr. COATS (for himself and Ms. MOSELEY-BRAUN):

S. 1212. A bill to provide for the establishment of demonstration projects designed to determine the social, civic, psychological, and economic effects of providing to individuals and families with limited means an opportunity to accumulate assets, and to determine the extent to which an asset-based welfare policy may be used to enable individuals and families with low income to achieve economic self-sufficiency; to the Committee on Finance.

By Mr. COATS:

S. 1213. A bill to provide for the disposition of unoccupied and substandard multifamily housing projects owned by the Secretary of Housing and Urban Development; to the Committee on Banking, Housing, and Urban Affairs.

S. 1214. A bill to direct the Secretary of Health and Human Services to establish a program to provide pregnant women with certificates to cover expenses incurred in receiving services at maternity homes and to establish a demonstration program to provide maternity care services to certain unwed, pregnant teenagers, and for other purposes; to the Committee on Labor and Human Resources.

S. 1215. A bill to evaluate the effectiveness of certain community efforts in coordination with local police departments in preventing and removing violent crime and drug trafficking from the community, in increasing economic development in the community, and in preventing or ending retaliation by perpetrators of crime against community residents, and for other purposes; to the Committee on the Judiciary.

S. 1216. A bill to amend the Internal Revenue Code of 1986 to provide a tax credit for individuals who provide care in their home for certain individuals in need, and for other purposes; to the Committee on Finance.

S. 1217. A bill to encourage the provision of medical services in medically underserved communities by extending Federal liability coverage to medical volunteers, and for other purposes; to the Committee on Labor and Human Resources.

S. 1218. A bill to provide seed money to States and communities to match, on a volunteer basis, nonviolent criminal offenders and welfare families with churches that volunteer to offer assistance, and for other purposes; to the Committee on Labor and Human Resources.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. COATS:

S. 1201. A bill to provide for the awarding of grants for demonstration projects for kinship care programs, and for other purposes; to the Committee on Labor and Human Resources.

S. 1202. A bill to provide for a role model academy demonstration program; to the Committee on Labor and Human Resources.

S. 1203. A bill to provide for character development; to the Committee on Labor and Human Resources.

S. 1204. A bill to amend the United States Housing Act of 1937 to increase public housing opportunities for intact families; to the Committee on Banking, Housing, and Urban Affairs.

S. 1205. A bill to provide for the establishment of a mentor school program, and for other purposes; to the Committee on Labor and Human Resources.

S. 1206. A bill to amend the Internal Revenue Code of 1986 to allow a refundable tax credit for adoption expenses and to exclude from gross income employee and military adoption assistance benefits and withdrawals from IRA's for certain adoption expenses, and to amend title 5, United States Code, to exclude from gross income employee and military adoption assistance benefits and withdrawals from IRAs for certain adoption expenses, and for other purposes; to the Committee on Finance.

S. 1207. A bill to amend part B of title IV of the Social Security Act to provide for a set-aside of funds for States that have enacted certain divorce laws, to amend the Legal Services Corporation Act to prohibit the use of funds made available under the Act to provide legal assistance in certain proceedings relating to divorces and legal separations, and for other purposes; to the Committee on Finance.

S. 1208. A bill to amend the Internal Revenue Code of 1986 to allow an additional earned income tax credit for married individuals and to prevent fraud and abuse involving the earned income tax credit, and for other purposes; to the Committee on Finance.

S. 1209. A bill to amend title V of the Social Security Act to promote responsible parenthood and integrated delivery of family planning services by increasing funding for and block granting the family planning program and the adolescent family life program; to the Committee on Finance.

S. 1210. A bill to provide for educational choice and equity; to the Committee on Labor and Human Resources.

S. 1211. A bill to provide incentive grants to States to improve methods of ordering, collecting, and enforcing restitution to victims of crime, and for other purposes; to the Committee on the Judiciary.

By Mr. COATS (for himself and Ms. MOSELEY-BRAUN):

S. 1212. A bill to provide for the establishment of demonstration projects designed to determine the social, civic, psychological, and economic effects of providing to individuals and families with limited means an opportunity to accumulate assets, and to determine the extent to which an asset-based welfare policy may be used to enable individuals and families with low income to achieve economic self-sufficiency; to the Committee on Finance.

By Mr. COATS:

S. 1213. A bill to provide for the disposition of unoccupied and substandard multifamily housing projects owned by the Secretary of Housing and Urban Development; to the Committee on Banking, Housing, and Urban Affairs.

S. 1214. A bill to direct the Secretary of Health and Human Services to establish a program to provide pregnant women with certificates to cover expenses incurred in receiving services at maternity homes and to establish a demonstration program to provide maternity care services to certain unwed, pregnant teenagers, and for other purposes; to the Committee on Labor and Human Resources.

S. 1215. A bill to evaluate the effectiveness of certain community efforts in coordination with local police departments in preventing and removing violent crime and drug trafficking from the community, in increasing economic development in the community, and in preventing or ending retaliation by perpetrators of crime against community residents, and for other purposes; to the Committee on the Judiciary.

S. 1216. A bill to amend the Internal Revenue Code of 1986 to provide a tax credit for individuals who provide care in their home for certain individuals in need, and for other purposes; to the Committee on Finance.

S. 1217. A bill to encourage the provision of medical services in medically underserved communities by extending Federal liability coverage to medical volunteers, and for other purposes; to the Committee on Labor and Human Resources.

S. 1218. A bill to provide seed money to States and communities to match, on a volunteer basis, nonviolent criminal offenders and welfare families with churches that volunteer to offer assistance, and for other purposes; to the Committee on Labor and Human Resources.

CIVIL SOCIETY LEGISLATION

Mr. COATS. Mr. President, I come to the Senate floor today to introduce a broad package of legislation motivated by a single conviction. That conviction is that we will never have a strong society if our civil society is weak. The order of our streets, the character of our children, and the renewal of our cities all depend directly on the health of families and neighborhoods, on the strength of grassroots community organizations, and on the vitality of private and religious institutions that care for those in need because it is these institutions that transmit values between generations, that encourage cooperation between citizens, and make our communities seem smaller, more friendly, and more manageable.

In nearly every community, rich and poor, they once created an atmosphere in which most problems—from a teenage girl in trouble to the rowdy neighborhood kids—could be confronted before their repetition threatened the very existence of the community itself. It is an increasingly clear fact of social science, and I think something evident to all of us in teaching of common sense, that when this network of civil society is strong, there is hope, hope in communities, hope in families, hope in America. And when it is weak, we find a destructive form of despair that pervades our land.

This fact is a challenge to the left which tends to concentrate on individuals and their rights, not communities and their standards. But it is also a challenge to the right which seems to overconcentrate on simply transferring funds from one bureaucracy to another and changing the incentives of the current welfare system.

Make no mistake. I support the goal of limiting government and of transferring resources and authority to levels of government closer to the people. But our deepest social problems, especially illegitimacy and violence, are not rooted in economic incentives or the level of government where spending takes place. I suggest they are rooted in the breakdown of value-shaping institutions. Government has always depended on these institutions. It does not create them. There is no legislative package that I or anyone could offer that would rebuild them. And there is no legislative package that could ever be written to replace them, although we have had an experiment here for the last 30 years or so with failed bureaucratic government approaches to these problems.

There is, however, I would suggest, an urgent need for Government to respect, recognize and, wherever possible, encourage this network of institutions that creates community. This, I am convinced, is the next challenge for this Congress and the next stage of the Republican revolution.

After the reach of government is limited, as it must be, the question is how do we nurture the caring safety net of civil society? How do we depend on it rather than undermine it or attempt to replace it? This concern should reorient our thinking and our efforts. Our central goal should be to respect and reinvigorate those traditional structures—families, schools, neighborhoods, voluntary associations—that provide training in citizenship and pass morality from generation to generation.

I hope this is a specific debate—that is what I want—not a general discussion. So I have made and will offer this morning a series of specific proposals. They are not, and I do not pretend them to be, a total solution to the problems that we face in society. But it is on these issues that I believe a constructive argument can begin.

I have 18 specific pieces of legislation. People can take these 18 bills as a blueprint or as a target. But my goal is to start a debate on items that I believe matter. I will not take the time this morning to describe each of these proposals, but in the next few days every Member of the Senate and the House will receive material summarizing them. However, I do want to take a few moments to describe the theory behind these proposals. Each one is designed to encourage in the margin where it is possible three levels of society.

First, eight of the bills are directed at strengthening the role of families and specifically fathers and, in their absence, providing mentoring programs. This is the most basic level of civil society and, I would suggest, the most vulnerable level of civil society today.

Second, six of the bills I am introducing are aimed at encouraging private, local, grassroots organizations that are renewing their own communities: community development corporations, neighborhood watches, maternity group homes, small businesses.

And, finally, four of the bills are designed to encourage private and faith-based charities in individual acts of compassion. They have an effectiveness denied to government because they have the resources of love and spiritual renewal that no government can or even should provide.

This legislative package is part of a larger report and larger effort, which I have titled the "Project for American Renewal."

I have undertaken this project with Dr. William Bennett. I intend to call a series of hearings on these themes. We intend together to speak out on the goals, the theory behind the goals, and the specific elements of the proposal.

We attempt to highlight the extraordinary success of some of these private and faith-based charities and the corresponding failure of Government bureaucracies to address some of our most fundamental, underlying social problems. Two hearings are already scheduled for the end of September.

We also intend to raise this debate with Presidential candidates and in the Republican platform. It is my conviction that the Republican revolution will fail unless we have a message of hope that our worst social problems are not permanent features of American life, that these challenges are and can be confronted not by failed Government efforts but by private community faith-based institutions that nurture lives and bring renewed hope.

I want to assure my Republican colleagues I believe in devolution, limiting government, giving authority and resources to State governments, but there is a bolder form of devolution that I think should take place beyond government. We should not only transfer resources and authority to States but beyond government entirely to those private institutions that humanize our lives and reclaim our communities.

This I believe is the next step for Republicans. It is also a theme that I think will challenge the creativity of both parties and may likely cross party lines. We should adopt this approach because the alternative, centralized bureaucratic control, has failed. But I think there is another reason we should adopt this approach. We should adopt it because it is profoundly hopeful. These institutions do not just feed the body but they touch the soul. They have the power to transform individuals and renew our society. There is simply no alternative that holds such promise.

Mr. President, I send to the desk the text of these 18 bills and ask that they be printed in the RECORD, and I hope that my colleagues will look at them carefully.

Mr. President, I yield the floor.

Mr. PACKWOOD addressed the Chair.

The PRESIDING OFFICER. The Senator from Oregon.

Mr. PACKWOOD. I congratulate the Senator from Indiana. He and I are on exactly the same wavelength on this. When we were debating the welfare bill initially a few weeks ago before the recess, I cited from a little pamphlet entitled "To Empower People—The Role of Mediating Structures in Public Policy." It is 20 years old and it is by Peter Berger and Richard John Neuhaus, two quasi-philosophers. One has some background in religion. I will quote just the first page:

> Two seemingly contradictory tendencies are evident in current thinking about public policy in America.

Bear in mind, this is 20 years ago.

> First, there is a continuing desire for services provided by the modern welfare state. . . . The seccnd tendency is one of strong animus against Government bureaucracy and bigness as such.

And then here I might even disagree with this sentence.

> We suggest that the modern welfare state is here to stay, indeed that it ought to expand the benefits it provides—but that alternative mechanisms are possible to provide welfare state services.

And then they just leapfrog even State and local governments and they identify for us neighborhood, family, church, and voluntary associations. And that is why we have put in our bill to the extent we can make it constitutional that there is no prohibition about giving money to the Goodwill or Catholic Charities or a Jewish home for the aged if they are administering social services that we deem relevant.

And just because there happens to be a menorah in the hallway or a cross on the wall should not make them ineligible to deliver the kinds of services that they deliver better than any government we have ever seen. I am sure the Senator, as I have, has been to shelter workshops and has seen the Salvation Army or Goodwill and what they do with a minuscule amount of money and lots of volunteers and community spirit that cannot be bought. If you try to buy it, you lose the spirit. And so I am delighted with what the Senator had to say today. And we are on exactly the same wavelength. I hope we are successful.

Mr. COATS. I thank the Senator from Oregon for his remarks, and I look forward to the analysis of the legislative items I put forward. Again, I want to say there is no legislation that necessarily can adequately address this underlying problem, but there are certainly things that I think we can do to encourage and to nurture, to provide respect and, hopefully, some measure of support to these institutions which, as the Senator from Oregon has said, just do remarkable jobs because they go beyond providing mere material needs and meeting those needs, which is important, but they also can transform lives.

It is something that government cannot do to the extent that we can constitutionally. And we had the same concerns as we drafted this legislation. Can we constitutionally encourage these mediating institutions? I think our society will find that source of hope that so often is absent from our discussions.

I thank the Senator from Oregon.

Mr. PACKWOOD. It is interesting. Maybe the only constant in history is change. In the early common law, 13th, 14th, 15th century, juries were picked on the basis that they knew the defendant, not that they did not know the defendant or did not know the facts. These were neighborhood institutions. And who better to judge somebody than a group that knew somebody.

We moved totally away from that. Now we sequester the Simpson jury for months and months and months so they do not know anybody, hopefully. But that was an attempt by the law 500 years ago to say, "We think neighbors are better judges of people than anybody else." We moved away from it, maybe wisely, maybe not. But the concept is not new that neighborhood knows better than anybody else.

Mr. President, I ask unanimous consent that the text of the bills be printed in the RECORD.

There being no objection, the bills were ordered to be printed in the RECORD, as follows:

S. 1201

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Kinship Care Act of 1995".

SEC. 2. KINSHIP CARE DEMONSTRATION.

(a) GRANTS.—The Secretary of Health and Human Services (hereafter referred to in this Act as the "Secretary") shall award grants to States for demonstration projects to assist such States in developing or implementing procedures to use adult relatives as the preferred placement for children removed from their parents, so long as—

(1) such relatives are determined to be capable of providing a safe, nurturing environment for the child; or

(2) such relatives comply with all relevant Federal and State child protection standards.

(b) REQUIREMENTS.—To be eligible to receive a grant under subsection (a), a State shall—

(1) agree to, at a minimum, provide a needs-based payment and supportive services, as appropriate, with respect to children in a kinship care arrangement;

(2) agree to give preference to adult relatives who meet applicable adoption standards in making adoption placements;

(3) establish such procedures as may be necessary to ensure the safety of children who are placed with adult relatives; and

(4) establish such procedures as may be necessary to ensure that reasonable efforts will be made prior to the placement of a child in foster care to give notice to an adult relative (including a maternal or paternal grandparent, sibling, aunt, or uncle who might be available to care for the child).

(c) EVALUATION.—The Secretary shall, directly or through contracts with public or private entities, provide for the conduct of evaluations of demonstration projects carried out under subsection (a) and for the dissemination of information developed as a result of such projects.

SEC. 3. PROCEDURES TO PLACE CHILDREN WITH RELATIVES.

A State that receives a grant under this Act shall develop procedures to ensure that reasonable efforts will be made prior to the placement of a child in foster care, to provide notice to a relative (including a maternal or fraternal grandparent, adult sibling, aunt, or uncle) who might be available to care for the child.

SEC. 4. AUTHORIZATION OF APPROPRIATIONS.

There are authorized to be appropriated to carry out this Act $30,000,000 for each of the fiscal years 1996, 1997, and 1998.

S. 1202

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE; PURPOSE; DEFINITIONS.

(a) SHORT TITLE.—This Act may be cited as the "Role Models Academy Demonstration Act".

(b) PURPOSE.—The purpose of this Act is to establish a Role Models Academy that—

(1) serves as a model, residential, military style magnet school for at-risk youth from around the Nation who cease to attend secondary school before graduation from secondary school; and

(2) will foster a student's growth and development by providing a residential, controlled environment conducive for developing leadership skills, self-discipline, citizenship, and academic and vocational excellence in a structured living and learning environment.

(c) DEFINITIONS.—For the purpose of this Act—

(1) the term "Academy" means the academy established under section 3;

(2) the term "former member of the Armed Forces" means any individual who was discharged or released from service in the Armed Forces under honorable conditions;

(3) the term "local educational agency" has the meaning given that term in section 14101 of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 8801);

(4) the term "secondary school" has the meaning given that term in section 14101 of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 8801); and

(5) the term "Secretary" means the Secretary of Education.

SEC. 2. OBJECTIVES.

The objectives of this Act are as follows:

(1) To provide a comprehensive, coherent, integrated, high quality, cost-effective, residential, education and vocational training

academy for the Nation's at-risk youth, designed to meet the entrance demands of colleges and universities and the needs of employers.

(2) To establish a comprehensive, national partnership investment model among the Federal Government, States, corporate America, and colleges and universities.

(3) To provide for community partnerships among local community leaders, businesses, and churches to provide mentoring to Academy students.

(4) To provide for a community partnership between the Academy and the local school system under which model Academy students will serve as mentors to at-risk youth who are attending school to provide such in-school at-risk youth with valuable instruction and insights regarding—

(A) the prevention of drug use and crime;

(B) self-restraint; and

(C) conflict resolution skills.

(5) To provide Academy students with—

(A) the tools to become productive citizens;

(B) learning skills;

(C) traditional, moral, ethical, and family values;

(D) work ethics;

(E) motivation;

(F) self-confidence; and

(G) pride.

(6) To provide employment opportunities at the Academy for former members of the Armed Forces and participants in the program assisted under section 1151 of title 10, United States Code (Troops to Teachers Program).

(7) To make the Academy available, upon demonstration of success, for expansion or duplication throughout every State, through block grant funding or other means.

SEC. 3. ACADEMY ESTABLISHED.

The Secretary shall carry out a demonstration program under which the Secretary establishes a four-year, residential, military style academy—

(1) that shall offer at-risk youth secondary school coursework and vocational training, and that may offer precollegiate coursework;

(2) that focuses on the education and vocational training of youth at risk of delinquency or dropping out of secondary school;

(3) whose teachers are primarily composed of former members of the Armed Forces or participants in the program assisted under section 1151 of title 10, United States Code (Troops to Teachers Program), if such former members or participants are qualified and trained to teach at the Academy;

(4) that operates a mentoring program that—

(A) utilizes mentors from all sectors of society to serve as role models for Academy students;

(B) provides, to the greatest extent possible, one-to-one mentoring relationships between mentors and Academy students; and

(C) involves mentors providing academic tutoring, advice, career counseling, and role models;

(5) that may contain a Junior Reserve Officers' Training Corps unit established in accordance with section 2031 of title 10, United States Code;

(6) that is housed on the site of any military installation closed pursuant to a base closure law; and

(7) if the Secretary determines that the Academy is effective, that serves as a model for similar military style academies throughout the United States.

SEC. 4. AUTHORIZATION.

There are authorized to be appropriated $30,000,000 for fiscal year 1996 and such sums as may be necessary for each of the fiscal years 1997, 1998, 1999, and 2000 to carry out this Act.

S. 1203

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE AND PURPOSES.

(a) SHORT TITLE.—This Act may be cited as the "Character Development Act".

(b) PURPOSES.—The purposes of this Act are—

(1) to reduce the school dropout rate for at-risk youth;

(2) to improve the academic performance of at-risk youth; and

(3) to reduce juvenile delinquency and gang participation.

SEC. 2. DEFINITIONS.

For the purposes of this Act—

(1) the term "at-risk youth" means a youth at risk of—

(A) educational failure;

(B) dropping out of school; or

(C) involvement in delinquent activities;

(2) the term "eligible local educational agency" means a local educational agency that has entered into a partnership, with a community-based organization that provides one-to-one mentoring services, to carry out the authorized activities described in section 5 in accordance with this Act;

(3) the terms "elementary school", "local educational agency", and "secondary school", have the meanings given such terms in section 14101 of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 8801);

(4) the term "mentor" means a person who works with an at-risk youth on a one-to-one basis, to establish a supportive relationship with the youth and to provide the youth with academic assistance and exposure to new experiences that enhance the youth's ability to become a better student and a responsible citizen; and

(5) the term "Secretary" means the Secretary of Education.

SEC. 3. MENTORING PROGRAMS.

(a) GRANT AUTHORITY.—The Secretary is authorized to award grants to eligible local educational agencies to enable such agencies to establish mentoring programs that—

(1) are designed to link—

(A) individual at-risk youth; with

(B) responsible, individual adults who serve as mentors; and

(2) are intended to—

(A) increase at-risk youth participation in, and enhance the ability of such youth to benefit from, elementary and secondary education;

(B) discourage at-risk youth from—

(i) using illegal drugs;

(ii) violence;

(iii) using dangerous weapons;

(iv) criminal activity not described in clauses (i), (ii), and (iii); and

(v) involvement in gangs;

(C) promote personal and social responsibility among at-risk youth;

(D) encourage at-risk youth participation in community service and community activities; or

(E) provide general guidance to at-risk youth.

(b) AMOUNT AND DURATION.—Each grant under this section shall be awarded in an amount not to exceed a total of $200,000 over a period of not more than three years.

(c) PRIORITY.—The Secretary shall give priority to awarding a grant under this section to an application submitted under section 7 that—

(1) describes a mentoring program in which 60 percent or more of the at-risk youth to be served are eligible for assistance under part A of title I of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 6311 et seq.);

(2) describes a mentoring program that serves at-risk youth who are—

(A) at risk of dropping out of school; or

(B) involved in delinquent activities; and

(3) demonstrates the ability of the eligible local educational agency to continue the mentoring program after the termination of the Federal funds provided under this section.

(d) OTHER CONSIDERATIONS.—In awarding grants under this section, the Secretary shall give consideration to—

(1) providing an equitable geographic distribution of such grants, including awarding such grants for mentoring programs in both rural and urban areas;

(2) the quality of the mentoring program described in the application submitted under section 7, including—

(A) the resources, if any, that will be dedicated to providing participating at-risk youth with opportunities for job training or postsecondary education; and

(B) the degree to which parents, teachers, community-based organizations, and the local community participate in the design and implementation of the mentoring program; and

(3) the capability of the eligible local educational agency to effectively implement the mentoring program.

SEC. 4. IMPLEMENTATION AND EVALUATION GRANTS.

The Secretary is authorized to award grants to national organizations or agencies serving youth to enable such organizations or agencies—

(1) to conduct a multisite demonstration project, involving 5 to 10 project sites, that—

(A) provides an opportunity to compare various one-to-one mentoring models for the purpose of evaluating the effectiveness and efficiency of such models;

(B) allows for innovative programs designed under the oversight of a national organization or agency serving youth, which programs may include—

(i) technical assistance;

(ii) training; and

(iii) research and evaluation; and

(C) disseminates the results of such demonstration project to allow for the determination of the best practices for various mentoring programs;

(2) to develop and evaluate screening standards for school-linked mentoring programs; and

(3) to develop and evaluate volunteer recruitment activities for school-linked mentoring programs.

SEC. 5. AUTHORIZED ACTIVITIES.

(a) PERMITTED USES.—Grant funds awarded under this Act (other than grant funds awarded under section 4) shall be used for—

(1) hiring of mentoring coordinators and support staff;

(2) recruitment, screening and training of adult mentors;

(3) reimbursement of mentors for reasonable incidental expenditures, such as transportation, that are directly associated with mentoring, except that such expenditures shall not exceed $500 per mentor per calendar year; or

(4) such other purposes as the Secretary determines may be reasonable.

(b) PROHIBITED USES.—Grant funds awarded under this Act shall not be used—

(1) to directly compensate a mentor, except as provided under subsection (a)(3);

(2) to obtain educational or other materials or equipment that would otherwise be used in the ordinary course of the grant recipient's operations;

(3) to support litigation; or

(4) for any other purposes that the Secretary determines are prohibited.

SEC. 6. REGULATIONS AND GUIDELINES.

(a) REGULATIONS.—The Secretary, after consultation with the Secretary of Health and Human Services, the Attorney General, and the Secretary of Labor, shall provide for the promulgation of regulations to implement this Act.

(b) GUIDELINES.—The Secretary shall develop and distribute to eligible local educational agencies receiving a grant under section 3 specific model guidelines for the screening of mentors.

SEC. 7. APPLICATIONS.

(a) IN GENERAL.—Each entity desiring a grant under this Act shall submit an application to the Secretary at such time, in such manner, and accompanied by such information as the Secretary may reasonably require.

(b) MENTORING PROGRAMS.—Each application submitted under subsection (a) for a grant under section 3 shall contain—

(1) information on the at-risk youth expected to be served;

(2) a provision describing the mechanism for matching at-risk youth with mentors based on the needs of the at-risk youth;

(3) an assurance that no mentor will be assigned to more than one at-risk youth, so as to ensure a one-to-one mentoring relationship;

(4) an assurance that a mentoring program operated in a secondary school will provide at-risk youth with a variety of experiences and support, including—

(A) an opportunity to spend time in a work environment and, when possible, participate in the work environment;

(B) an opportunity to witness the job skills that will be required for the at-risk youth to obtain employment upon graduation;

(C) assistance with homework assignments; and

(D) exposure to experiences that the at-risk youth might not otherwise encounter;

(5) an assurance that the mentoring program operated in elementary schools will provide at-risk youth with—

(A) academic assistance;

(B) exposure to new experiences and activities that at-risk youth might not encounter on their own; and

(C) emotional support;

(6) an assurance that the mentoring program will be monitored to ensure that each at-risk youth participating in the mentoring program benefits from a mentor relationship, including providing a new mentor assignment if the original mentoring relationship is not beneficial to the at-risk youth;

(7) the methods by which mentors and at-risk youth will be recruited to the mentoring program;

(8) the method by which prospective mentors will be screened; and

(9) the training that will be provided to mentors.

SEC. 8. EVALUATION.

(a) EVALUATION.—The Comptroller General of the United States shall enter into a contract, with an evaluating organization that has demonstrated experience in conducting evaluations, for the conduct of an ongoing rigorous evaluation of the programs and activities assisted under this Act.

(b) EVALUATION CRITERIA.—The Comptroller General of the United States, in consultation with the Secretary, shall establish minimum criteria for evaluating the programs and activities assisted under this Act. Such criteria shall provide for a description of the implementation of each program or activity assisted under this Act and such program or activity's effect on all participants, schools, communities, and youth served by such program or activity.

SEC. 9. REPORTS.

(a) REPORT BY GRANT RECIPIENTS.—Each entity receiving a grant under this Act shall submit to the evaluating organization entering into the contract under section 8(a)(1) an annual report regarding any program or activity assisted under this Act. Each such report shall be submitted at such a time, in such a manner, and accompanied by such information, as such evaluating organization may require.

(b) REPORTS BY COMPTROLLER GENERAL.—The Comptroller General shall submit to Congress not later than September 30, 1999, a report regarding the success and effectiveness of grants awarded under this Act in reducing the school dropout rate, improving academic performance of at-risk youth, and reducing juvenile delinquency and gang participation.

SEC. 10. AUTHORIZATION OF APPROPRIATIONS.

(a) MENTORING PROGRAMS.—There is authorized to be appropriated $35,000,000 for each of the fiscal years 1996, 1997, 1998, 1999, and 2000 to carry out section 3.

(b) IMPLEMENTATION AND EVALUATION GRANTS.—There is authorized to be appropriated $5,000,000 for each of the fiscal years 1996, 1997, 1998, 1999, and 2000 to carry out section 4.

S. 1204

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Family Housing Act of 1995".

SEC. 2. PUBLIC HOUSING FOR INTACT FAMILIES.

Section 6(c)(4)(A) of the United States Housing Act of 1937 (42 U.S.C. 1437d(c)(4)(A)) is amended—

(1) in clause (iii), by striking "and" at the end;

(2) in clause (iv), by striking the period at the end and inserting "; and"; and

(3) by adding at the end the following new clause:

"(v) for not less than 15 percent of the units that are made available for occupancy in a given fiscal year, give preference to any family that includes 2 individuals who are legally married to each other;".

S. 1205

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE; FINDINGS; AND PURPOSES.

(a) SHORT TITLE.—This Act may be cited as the "Mentor Schools Act".

(b) FINDINGS.—The Congress finds that—

(1) while low-income students have made significant gains with respect to educational achievement and attainment, considerable gaps still persist for these students in comparison to those from more affluent socioeconomic backgrounds;

(2) our Nation has a compelling interest in assuring that all children receive a high quality education;

(3) new methods and experiments to revitalize the educational achievement of, and opportunities for, low-income individuals must be a part of any comprehensive solution to the problems in our Nation's educational system;

(4) successful educational alternatives should be widely implemented to better the education of low-income individuals;

(5) preliminary research shows that same gender schools produce promising academic and behavioral improvements in both sexes for low-income, educationally disadvantaged students;

(6) extensive data on same gender schools are needed to determine whether same gender schools are closely tailored to achieving the compelling government interest in assuring that all children are educated to the best of their ability;

(7) in recent years efforts to experiment with same gender schools have been inhibited by lawsuits and threats of lawsuits by private groups as well as governmental entities; and

(8) same gender schools are a legal educational alternative to coeducational schools and are not prohibited under the regulations under title IX of the Education Amendments of 1972 (20 U.S.C. 1681 et seq.), as such regulations were in effect on the day preceding the date of enactment of this Act, so long as—

(A) comparable courses, services and facilities are available to students of each sex; and

(B) the same policies and criteria for admission to such schools are used for both sexes.

(c) PURPOSES.—It is the purpose of this Act—

(1) to award grants to local educational agencies for the establishment of same gender schools for low-income students;

(2) to determine whether same gender schools make a difference in the educational achievement and opportunities of low-income, educationally disadvantaged individuals;

(3) to improve academic achievement and persistence in school; and

(4) to involve parents in the educational options and choices of their children.

SEC. 2. DEFINITIONS.

As used in this Act—

(1) the term "evaluating agency" means any academic institution, consortium of professionals, or private or nonprofit organization, with demonstrated experience in conducting evaluations, that is not an agency or instrumentality of the Federal Government;

(2) the term "mentor school" means a public elementary school or secondary school, or consortium of such schools, that—

(A)(i) in the case of a public elementary school or secondary school, receives funds under this Act; or

(ii) in the case of a consortium of such schools, all of which receive funds under this Act;

(B) develops a plan for, and provides access to—

(i) a school for boys;

(ii) a school for girls; and

(iii) a coeducational school;

(C) gives parents the option of choosing to send their child to each school described in subparagraph (B);

(D) admits students on the basis of a lottery, if more students apply for admission to a school described in clause (i) or (ii) of subparagraph (B) that can be accommodated;

(E) operates, as part of the educational program of a school described in clause (i) or (ii) of subparagraph (B), a one-to-one mentoring program that—

(i) involves members from the community served by such school as volunteer mentors;

(ii) pairs an adult member of such community with a student of the same gender as such member; and

(iii) involves the collaboration of one or more community groups with experience in mentoring or other relationship development activities; and

(F) operates in pursuit of improving achievement among all children based on a specific set of educational objectives determined by the local educational agency applying for a grant under this part, in conjunction with the mentor school advisory board established under section 3(d), and agreed to by the Secretary;

(3) the term "mentor school advisory board" means an advisory board established in accordance with section 3(d); and

(4) the term "Secretary" means the Secretary of Education.

SEC. 3. PROGRAM AUTHORIZED.

(a) AUTHORITY.—

(1) IN GENERAL.—From amounts made available under section 7, the Secretary is authorized to award grants to not more than 100 local educational agencies for the planning and operation of one or more mentor schools.

(2) ELIGIBLE LOCAL EDUCATIONAL AGENCIES.—The Secretary shall only award a grant under paragraph (1) to a local educational agency that—

(A) receives funds under section 1124A of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 6334); and

(B) is among the 20 percent of local educational agencies receiving funds under section 1124A (20 U.S.C. 6334) of such Act in the State that have the highest number of children described in section 1124(c) (20 U.S.C. 6333(c)) of such Act.

(b) GRANT PERIODS.—Each grant under subsection (a) may be awarded for a period of not more than 5 years, of which a local educational agency may use not more than 1 year for planning and program development for a mentor school.

(c) LIMITATION.—The Secretary shall not award more than 1 grant under this Act to support a particular mentor school.

(d) MENTOR SCHOOL ADVISORY BOARD.—Each local educational agency receiving a grant under this Act shall establish a mentor school advisory board. Such advisory board shall be composed of school administrators, parents, teachers, local government officials and volunteers involved with a mentor school. Such advisory board shall assist the local educational agency in developing the application for assistance under section 4 and serve as an advisory board in the functioning of the mentor school.

(e) ALTERNATIVE TEACHING CERTIFICATES.—Each local educational agency operating a mentor school under this Act is encouraged to employ teachers with alternative teaching certificates, including participants in the program assisted under section 1151 of title 10, United States Code (Troops to Teachers Program).

SEC. 4. APPLICATIONS.

(a) APPLICATIONS REQUIRED.—Each local educational agency desiring a grant under this Act shall submit an application to the Secretary at such time, in such manner and accompanied by such information as the Secretary may reasonably require.

(b) APPLICATION CONTENTS.—Each application described in subsection (a) shall include—

(1) a description of the educational program to be implemented by the proposed mentor school, including—

(A) the grade levels or ages of children to be served; and

(B) the curriculum and instructional practices to be used;

(2) a description of the objectives of the local educational agency for the mentor school and a description of how such agency intends to monitor and study the progress of children participating in the mentor school;

(3) a description of how the local educational agency intends to include in the mentor school administrators, teaching personnel, and role models from the private sector;

(4) a description of how school administrators, parents, teachers, local government and volunteers will be involved in the design and implementation of the mentor school;

(5) a description of the one-to-one mentoring program required by section 2(2)(E);

(6) a description of how the local educational agency or the State, as appropriate, will provide for continued operation of the mentor school once the Federal grant has expired, if such agency determines that such school is successful;

(7) a description of how the grant funds will be used;

(8) a description of how students in attendance at the mentor school, or in the community served by such school, will be—

(A) informed about such school; and

(B) informed about the fact that admission to a school described in section 2(2)(B) is completely voluntary;

(9) a description of how grant funds provided under this Act will be used in conjunction with funds provided to the local educational agency under any other program administered by the Secretary;

(10) an assurance that the local educational agency will annually provide the Secretary such information as the Secretary may require to determine if the mentor school is making satisfactory progress toward achieving the objectives described in paragraph (2);

(11) an assurance that the local educational agency will cooperate with the Secretary in evaluating the program authorized by this Act;

(12) an assurance that resources provided under this Act shall be used equally for schools for boys and for schools for girls;

(13) an assurance that the activities assisted under this Act will not have an adverse affect, on either sex, that is caused by—

(A) the quality of facilities for boys and for girls;

(B) the nature of the curriculum for boys and for girls;

(C) program activities for boys and for girls; and

(D) instruction for boys and for girls; and

(14) such other information and assurances as the Secretary may require.

SEC. 5. SELECTION OF GRANTEES.

The Secretary shall award grants under this Act on the basis of the quality of the applications submitted under section 4, taking into consideration such factors as—

(1) the quality of the proposed curriculum and instructional practices for the mentor school;

(2) the organizational structure and management of the mentor school;

(3) the quality of the plan for assessing the progress made by students served by a mentor school over the period of the grant;

(4) the extent of community support for the application;

(5) the likelihood that the mentor school will meet the objectives of such school and improve educational results for students; and

(6) the assurances submitted pursuant to section 4(b)(13).

SEC. 6. EVALUATION.

(a) IN GENERAL.—From the amount appropriated under section 7 for each fiscal year, the Secretary shall make available to the Comptroller General 1 percent of such amount to enable the Comptroller General to enter into a contract with an evaluating agency for the evaluation of the mentor schools program under this Act. Such evaluation shall measure the academic competence and social development of students attending mentor schools, including school attendance levels, student achievement levels, drop out rates, college admissions, incidences of teenage pregnancy, and incidences of incarceration.

(b) REPORT.—The evaluating agency entering into the contract described in subsection (a) shall submit a report to the Congress not later than September 30, 2002, regarding the results of the evaluation conducted in accordance with such subsection.

SEC. 7. AUTHORIZATION OF APPROPRIATIONS.

(a) IN GENERAL.—There is authorized to be appropriated $300,000,000 for fiscal year 1996 and such sums as may be necessary for each of the fiscal years 1997, 1998, 1999, and 2000 to carry out this Act.

(b) AVAILABILITY.—Funds appropriated under subsection (a) shall remain available until expended.

S. 1206

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Adoption Assistance Act".

TITLE I—GENERAL ADOPTION ASSISTANCE

SEC. 101. REFUNDABLE CREDIT FOR ADOPTION EXPENSES.

(a) IN GENERAL.—Subpart C of part IV of subchapter A of chapter 1 of the Internal Revenue Code of 1986 (relating to refundable credits) is amended by redesignating section 35 as section 36 and by inserting after section 34 the following new section:

"SEC. 35. ADOPTION EXPENSES.

"(a) ALLOWANCE OF CREDIT.—In the case of an individual, there shall be allowed as a credit against the tax imposed by this subtitle for the taxable year the amount of the qualified adoption expenses paid or incurred by the taxpayer during such taxable year.

"(b) LIMITATIONS.—

"(1) DOLLAR LIMITATION.—The aggregate amount of qualified adoption expenses which may be taken into account under subsection (a) with respect to the adoption of a child shall not exceed $5,000.

"(2) INCOME LIMITATION.—The amount allowable as a credit under subsection (a) for any taxable year shall be reduced (but not below zero) by an amount which bears the same ratio to the amount so allowable (determined without regard to this paragraph but with regard to paragraph (1)) as—

"(A) the amount (if any) by which the taxpayer's adjusted gross income (determined without regard to sections 911, 931, and 933) exceeds $60,000, bears to

"(B) $40,000.

"(3) DENIAL OF DOUBLE BENEFIT.—

"(A) IN GENERAL.—No credit shall be allowed under subsection (a) for any expense for which a deduction or credit is allowable under any other provision of this chapter.

"(B) GRANTS.—No credit shall be allowed under subsection (a) for any expense to the extent that funds for such expense are received under any Federal, State, or local program.

"(c) QUALIFIED ADOPTION EXPENSES.—

"(1) IN GENERAL.—For purposes of this section, the term 'qualified adoption expenses' means reasonable and necessary adoption fees, court costs, attorney fees, and other expenses—

"(A) which are directly related to, and the principal purpose of which is for, the legal and final adoption of a child by the taxpayer, and

"(B) which are not incurred in violation of State or Federal law or in carrying out any surrogate parenting arrangement.

"(2) EXPENSES FOR ADOPTION OF SPOUSE'S CHILD NOT ELIGIBLE.—The term 'qualified adoption expenses' shall not include any expenses in connection with the adoption by an individual of a child who is the child of such individual's spouse.

"(d) MARRIED COUPLES MUST FILE JOINT RETURNS, ETC.—Rules similar to the rules of paragraphs (2), (3), and (4) of section 21(e) shall apply for purposes of this section."

(b) CONFORMING AMENDMENTS.—

(1) Paragraph (2) of section 1324(b) of title 31, United States Code, is amended by inserting before the period ", or from section 35 of such Code".

(2) The table of sections for subpart C of part IV of subchapter A of chapter 1 of the Internal Revenue Code of 1986 is amended by striking the last item and inserting the following:

"Sec. 35. Adoption expenses.

"Sec. 36. Overpayments of tax."

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 1995.

TITLE II—ADOPTION ASSISTANCE FOR FEDERAL EMPLOYEES

SEC. 201. REIMBURSEMENT FOR ADOPTION EXPENSES.

(a) IN GENERAL.—Subpart G of part III of title 5, United States Code, is amended by adding at the end the following:

"CHAPTER 90—MISCELLANEOUS EMPLOYEE BENEFITS

"9001. Adoption benefits.

"§ 9001. Adoption benefits

"(a) For the purpose of this section—

"(1) the term 'agency' means—

"(A) an Executive agency;

"(B) an agency in the judicial branch; and

"(C) an agency in the legislative branch (other than any included under subparagraph (A));

"(2) the term 'employee' does not include any individual who, pursuant to the exercise of any authority under section 8913(b), is excluded from participating in the health insurance program under chapter 89; and

"(3) the term 'adoption expenses', as used with respect to a child, means any reasonable and necessary expenses directly relating to the adoption of such child, including—

"(A) fees charged by an adoption agency;

"(B) placement fees;

"(C) legal fees;

"(D) counseling fees;

"(E) medical expenses, including those relating to obstetrical care for the biological mother, medical care for the child, and physical examinations for the adopting parent or parents;

"(F) foster-care charges; and

"(G) transportation expenses.

"(b) The head of each agency shall by regulation establish a program under which any employee of such agency who adopts a child shall be reimbursed for any adoption expenses incurred by such employee in the adoption of such child.

"(c) Under the regulations, reimbursement may be provided only—

"(1) after the adoption becomes final, as determined under the laws of the jurisdiction governing the adoption;

"(2) if, at the time the adoption becomes final, the child is under 18 years of age and unmarried; and

"(3) if appropriate written application is filed within such time, complete with such information, and otherwise in accordance with such procedures as may be required.

"(d)(1) Reimbursement for an employee under this section with respect to any particular child—

"(A) shall be payable only if, or to the extent that, similar benefits paid (or payable) under one or more programs established under State law or another Federal statute have not met (or would not meet) the full amount of the adoption expenses incurred; and

"(B) may not exceed $2,000.

"(2)(A) In any case in which both adopting parents are employees eligible for reimbursement under this section, each parent shall be eligible for an amount determined in accordance with paragraph (1), except as provided in subparagraph (B).

"(B) No amount shall be payable under this section if, or to the extent that, payment of such amount would cause the sum of the total amount payable to the adoptive parents under this section, and the total amount paid (or payable) to them under any program or programs referred to in paragraph (1)(A), to exceed the lesser of—

"(i) the total adoption expenses incurred; or

"(ii) $4,000.

"(3) The guidelines issued under subsection (g) shall include provisions relating to interagency cooperation and other appropriate measures to carry out this subsection.

"(e) Any amount payable under this section shall be paid from the appropriation or fund used to pay the employee involved.

"(f) An application for reimbursement under this section may not be denied based on the marital status of the individual applying.

"(g)(1) The Office of Personnel Management may issue any general guidelines which the Office considers necessary to promote the uniform administration of this section.

"(2) The regulations prescribed by the head of each Executive agency under this section shall be consistent with any guidelines issued under paragraph (1).

"(3) Upon the request of any agency, the Office may provide consulting, technical, and any other similar assistance necessary to carry out this section.".

(b) CONFORMING AMENDMENTS.—(1) The heading of subpart G of part III of title 5, United States Code, is amended to read as follows:

"SUBPART G—ANNUITIES, INSURANCE, AND MISCELLANEOUS BENEFITS".

(2) The analysis for part III of title 5, United States Code, is amended—

(A) by striking the item relating to subpart G and inserting in lieu thereof the following:

"SUBPART G—ANNUITIES, INSURANCE, AND MISCELLANEOUS BENEFITS"; and

(B) by adding after the item relating to chapter 89 the following:

"90. Miscellaneous Employee Benefits 9001".

SEC. 202. APPLICABILITY TO POSTAL EMPLOYEES.

Section 1005 of title 39, United States Code, is amended by adding at the end the following:

"(g) Section 9001 of title 5 shall apply to the Postal Service. Regulations prescribed by the Postal Service to carry out this subsection shall be consistent with any guidelines issued under subsection (g)(1) of such section.".

SEC. 203. EFFECTIVE DATE.

This title shall take effect on October 1, 1995, and shall apply with respect to any adoption which becomes final (determined in the manner described in section 9001(c)(1) of title 5, United States Code, as added by this title) on or after that date.

TITLE III—EXCLUSION OF ADOPTION ASSISTANCE

SEC. 301. EXCLUSION OF ADOPTION ASSISTANCE.

(a) IN GENERAL.—Part III of subchapter B of chapter 1 of the Internal Revenue Code of 1986 is amended by redesignating section 137 as section 138 and by inserting after section 136 the following new section:

"SEC. 137. ADOPTION ASSISTANCE.

"(a) IN GENERAL.—Gross income of an employee does not include employee adoption assistance benefits, or military adoption assistance benefits, received by the employee with respect to the employee's adoption of a child.

"(b) DEFINITIONS.—For purposes of this section—

"(1) EMPLOYEE ADOPTION ASSISTANCE BENEFITS.—The term 'employee adoption assistance benefits' means payment by an employer of qualified adoption expenses with respect to an employee's adoption of a child, or reimbursement by the employer of such qualified adoption expenses paid or incurred by the employee in the taxable year.

"(2) EMPLOYER AND EMPLOYEE.—The terms 'employer' and 'employee' have the respective meanings given such terms by section 127(c).

"(3) MILITARY ADOPTION ASSISTANCE BENEFITS.—The term 'military adoption assistance benefits' means benefits provided under section 1052 of title 10, United States Code, or section 514 of title 14, United States Code.

"(4) QUALIFIED ADOPTION EXPENSES.—

"(A) IN GENERAL.—The term 'qualified adoption expenses' means reasonable and necessary adoption fees, court costs, attorney fees, and other expenses—

"(i) which are directly related to, and the principal purpose of which is for, the legal adoption of an eligible child by the taxpayer, and

"(ii) which are not incurred in violation of State or Federal law or in carrying out any surrogate parenting arrangement.

"(B) ELIGIBLE CHILD.—The term 'eligible child' means any individual—

"(i) who has not attained age 18 as of the time of the adoption, or

"(ii) who is physically or mentally incapable of caring for himself.

"(c) COORDINATION WITH OTHER PROVISIONS.—The Secretary shall issue regulations to coordinate the application of this section with the application of any other provision of this title which allows a credit or deduction with respect to qualified adoption expenses."

(b) CLERICAL AMENDMENT.—The table of sections for part III of subchapter B of chapter 1 of such Code is amended by striking the item relating to section 137 and inserting the following new items:

"Sec. 137. Adoption assistance.

"Sec. 138. Cross references to other Acts."

(c) EFFECTIVE DATE.—The amendments made this section shall apply to taxable years beginning after December 31, 1995.

S. 1207

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Family Reconciliation Act".

SEC. 2. SET-ASIDE FOR STATES WITH APPROVED FAMILY RECONCILIATION PLANS.

(a) IN GENERAL.—

(1) SET-ASIDE.—Section 430(d) of the Social Security Act (42 U.S.C. 629(d)) is amended by adding at the end the following new paragraph:

"(4) FAMILY RECONCILIATION.—The Secretary shall reserve 10 percent of the amounts described in subsection (b) for each fiscal year, for allotment to States with family reconciliation plans approved under section 432(c)(3) to develop and conduct counseling programs described in section 432(c)(2)(B).".

(2) ASSISTANCE IN DEVELOPING FAMILY RECONCILIATION COUNSELING PROGRAMS.—Section 430(d)(1) of such Act (42 U.S.C. 629(d)(1)) is amended—

(A) in subparagraph (A), by striking "and" at the end;

(B) in subparagraph (B), by striking the period at the end and inserting "; and"; and

(C) by adding at the end the following new subparagraph:

"(C) in assisting States in developing and operating counseling programs described in section 432(c)(2)(B).".

(3) FAMILY RECONCILIATION PLANS.—Section 432 of such Act (42 U.S.C. 629(b)) is amended by adding at the end the following new subsection:

"(c) FAMILY RECONCILIATION PLANS.—

"(1) PLAN REQUIREMENTS.—A State family reconciliation plan meets the requirements of this paragraph if the plan demonstrates that the State has in effect the laws referred to in paragraph (2).

"(2) SATISFACTION OF PLAN REQUIREMENTS.—In order to satisfy paragraph (1), a State must have in effect laws requiring that, prior to a final dissolution of marriage of a couple who have one or more children under 12 years of age, the couple shall be required to—

"(A) undergo a minimum 60-day waiting period beginning on the date dissolution documents are filed; and

"(B) participate in counseling programs offered by a public or private counseling service that includes discussion of the psychological and economic impact of the divorce on the couple, the children of the couple, and society.".

"(3) APPROVAL OF PLANS.—The Secretary shall approve a plan that meets the requirements of paragraph (1).".

(4) ALLOTMENT.—Section 433 of such Act (42 U.S.C. 633) is amended by adding at the end the following new subsection:

"(d) ALLOTMENTS TO STATES WITH APPROVED FAMILY RECONCILIATION PLANS.—

"(1) IN GENERAL.—From the amount reserved pursuant to section 430(d)(4) for any fiscal year, the Secretary shall allot to each State (other than an Indian tribe) with a family reconciliation plan approved under section 432(c)(3), an amount that bears the same ratio to the amount reserved under such section as the average annual number of final dissolutions of marriage described in paragraph (2) in the State for the 3 fiscal years referred to in subsection (c)(2)(B) bears to the average annual number of such final dissolutions of marriage in such 3-year period in all States with family reconciliation plans approved under section 432(c)(3).

"(2) FINAL DISSOLUTIONS OF MARRIAGE DESCRIBED.—For purposes of paragraph (1), a final dissolution of marriage described in this paragraph is a final dissolution of marriage of a couple who have one or more children under 12 years of age.".

(5) ENTITLEMENT.—

(A) IN GENERAL.—Section 434(a) of such Act (42 U.S.C. 629d(a)) is amended by adding at the end the following new paragraph:

"(3) FAMILY RECONCILIATION AMOUNT.—Each State with a family reconciliation plan approved under section 432(c)(3) shall be entitled to an amount equal to the allotment of the State under section 433(d) for the fiscal year.

(B) CONFORMING AMENDMENT.—Section 434(a) of such Act (42 U.S.C. 629d(a)) is amended by striking "paragraph (2)" and inserting "paragraphs (2) and (3)".

(b) EFFECTIVE DATE.—The amendments made by subsection (a) shall take effect on October 1, 1995.

SEC. 3. USE OF FUNDS UNDER LEGAL SERVICES CORPORATION ACT.

Section 1007(b) of the Legal Services Corporation Act (42 U.S.C. 2996f(b)) is amended—

(1) in paragraph (9), by striking "; or" and inserting a semicolon;

(2) in paragraph (10), by striking the period and inserting "; or"; and

(3) by adding at the end the following:

"(11) to provide legal assistance to an eligible client with respect to a proceeding or litigation in which the client seeks to obtain a dissolution of a marriage or a legal separation from a spouse, except that nothing in this paragraph shall prohibit a recipient from providing legal assistance to the client with respect to the proceeding or litigation if a court of appropriate jurisdiction has determined that the spouse has physically or mentally abused the client.".

S. 1208

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE; AMENDMENT OF 1986.

(a) SHORT TITLE.—This Act may be cited as the "Family Fairness Act".

(b) AMENDMENT OF 1986 CODE.—Except as otherwise expressly provided, whenever in this Act an amendment or repeal is expressed in terms of an amendment to, or repeal of, a section or other provision, the reference shall be considered to be made to a section or other provision of the Internal Revenue Code of 1986.

SEC. 2. ADDITIONAL EARNED INCOME CREDIT FOR MARRIED INDIVIDUALS.

(a) IN GENERAL.—Paragraph (1) of section 32(a) (relating to earned income credit) is amended to read as follows:

"(1) IN GENERAL.—There shall be allowed as a credit against the tax imposed by this subtitle for the taxable year an amount equal to the sum of—

"(A) in the case of an eligible individual, an amount equal to the credit percentage of so much of the taxpayer's earned income for the taxable year as does not exceed the earned income amount, and

"(B) in the case of an eligible married individual, the applicable percentage of $1,000.".

(b) APPLICABLE PERCENTAGE.—Section 32(b) (relating to percentages and amounts) is amended by adding at the end the following new paragraph:

"(3) APPLICABLE PERCENTAGE.—The applicable percentage for any taxable year is equal to 100 percent reduced (but not below 0 percent) by 10 percentage points for each $1,000 (or fraction thereof) by which the taxpayer's earned income for such taxable year exceeds $16,000.".

(c) ELIGIBLE MARRIED INDIVIDUALS.—Section 32(c) (relating to definitions and special rules) is amended by adding at the end the following new paragraph:

"(4) ELIGIBLE MARRIED INDIVIDUALS.—The term 'eligible married individual' means an eligible individual—

"(A) who is married (as defined in section 7703) and who has lived together with the individual's spouse at all times during such marriage during the taxable year, and

"(B) has earned income for the taxable year of at least $8,500.".

(d) CONFORMING AMENDMENTS.—

(1) Section 32(a)(2) is amended by striking "paragraph (1)" and inserting "paragraph (1)(A)".

(2) Section 32(j) is amended to read as follows:

"(j) INFLATION ADJUSTMENTS.—

"(1) IN GENERAL.—In the case of any taxable year beginning after the applicable calendar year, each dollar amount referred to in paragraph (2)(B) shall be increased by an amount equal to—

"(A) such dollar amount, multiplied by

"(B) the cost-of-living adjustment determined under section 1(f)(3), for the calendar year in which the taxable year begins, by substituting for 'calendar year 1992' in subparagraph (B) thereof—

"(i) 'calendar year 1993' in the case of the dollar amounts referred to in paragraph (2)(B)(i), and

"(ii) 'calendar year 1995' in the case of the dollar amounts referred to in paragraph (2)(B)(ii).

"(2) DEFINITIONS, ETC.—For purposes of paragraph (1)—

"(A) APPLICABLE CALENDAR YEAR.—The term 'applicable calendar year' means—

"(i) 1994 in the case of the dollar amounts referred to in paragraph (2)(B)(i), and

"(ii) 1996 in the case of the dollar amounts referred to in paragraph (2)(B)(ii).

"(B) DOLLAR AMOUNTS.—The dollar amounts referred to in this subparagraph are—

"(i) each dollar amount contained in subsection (b)(2)(A), and

"(ii) the $16,000 amount contained in subsection (b)(3) and the dollar amount contained in subsection (c)(4)(B).

"(3) ROUNDING.—If any dollar amount after being increased under paragraph (1) is not a multiple of $10, such dollar amount shall be rounded to the nearest multiple of $10 (or, if such dollar amount is a multiple of $5, such dollar amount shall be increased to the next higher multiple of $10).".

(e) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 1995.

SEC. 3. EARNED INCOME CREDIT DENIED TO INDIVIDUALS NOT AUTHORIZED TO BE EMPLOYED IN THE UNITED STATES.

(a) IN GENERAL.—Section 32(c)(1) (relating to individuals eligible to claim the earned income tax credit) is amended by adding at the end the following new subparagraph:

"(F) IDENTIFICATION NUMBER REQUIREMENT.—The term 'eligible individual' does not include any individual who does not include on the return of tax for the taxable year—

"(i) such individual's taxpayer identification number, and

"(ii) if the individual is married (within the meaning of section 7703), the taxpayer identification number of such individual's spouse.''.

(b) Special Identification Number.—Section 32 is amended by adding at the end the following new subsection:

''(l) Identification Numbers.—Solely for purposes of paragraphs (1)(F) and (3)(D) of subsection (c), a taxpayer identification number means a social security number issued to an individual by the Social Security Administration (other than a social security number issued pursuant to clause (II) (or that portion of clause (III) that relates to clause (II)) of section 205(c)(2)(B)(i) of the Social Security Act).''.

(c) Extension of Procedures Applicable to Mathematical or Clerical Errors.—Section 6213(g)(2) (relating to the definition of mathematical or clerical errors) is amended by striking ''and' at the end of subparagraph (D), by striking the period at the end of subparagraph (E) and inserting '', and'', and by inserting after subparagraph (E) the following new subparagraph:

''(F) an omission of a correct taxpayer identification number required under section 23 (relating to credit for families with younger children) or section 32 (relating to the earned income tax credit) to be included on a return.''.

(d) Effective Date.—The amendments made by this section shall apply to taxable years beginning after December 31, 1995.

SEC. 4. REPEAL OF EARNED INCOME CREDIT FOR INDIVIDUALS WITHOUT CHILDREN.

(a) In General.—Subparagraph (A) of section 32(c)(1) (defining eligible individual) is amended to read as follows:

''(A) In general.—The term 'eligible individual' means any individual who has a qualifying child for the taxable year.''.

(b) Conforming Amendments.—Each of the tables contained in paragraphs (1) and (2) of section 32(b) are amended by striking the items relating to no qualifying children.

(c) Effective Date.—The amendments made by this section shall apply to taxable years beginning after December 31, 1995.

SEC. 6. RULES RELATING TO DENIAL OF EARNED INCOME CREDIT ON BASIS OF DISQUALIFIED INCOME.

(a) Definition of Disqualified Income.—Paragraph (2) of section 32(i) (defining disqualified income) is amended by striking ''and'' at the end of subparagraph (B), by striking the period at the end of subparagraph (C) and inserting '', and'' and by adding at the end the following new subparagraphs:

''(D) capital gain net income,

''(E) the excess (if any) of—

''(i) the aggregate income from all passive activities for the taxable year (determined without regard to any amount described in a preceding subparagraph), over

''(ii) the aggregate losses from all passive activities for the taxable year (as so determined), and

''(F) amounts includible in gross income under section 652 or 662 for the taxable year to the extent not taken into account under any preceding subparagraph.

For purposes of subparagraph (E), the term 'passive activity' has the meaning given such term by section 469.''.

(b) Decrease in Amount of Disqualified Income Allowed.—Paragraph (1) of section 32(i) (relating to denial of credit) is amended by striking ''$2,350'' and inserting ''$1,000''.

(c) Effective Date.—The amendments made by this section shall apply to taxable years beginning after December 31, 1995.

SEC. 7. MODIFICATION OF ADJUSTED GROSS INCOME DEFINITION FOR EARNED INCOME CREDIT.

(a) In General.—Subparagraph (B) of section 32(a)(2) (relating to limitation) is amended by striking ''adjusted gross income'' and inserting ''modified adjusted gross income''.

(b) Modified Adjusted Gross Income Defined.—Section 32(c) (relating to definitions and special rules) is amended by adding at the end the following new paragraph:

''(5) Modified adjusted gross income.—The term 'modified adjusted gross income' means adjusted gross income, increased by the sum of—

''(A) social security benefits (as defined in section 86(d)) received to the extent not includible in gross income,

''(B) amounts received by (or on behalf of) a spouse pursuant to a divorce or separation instrument (as defined in section 71(b)(2)) which, under the terms of the instrument, are fixed as payable for the support of the children of the payor spouse (as determined under section 71(c)),

''(C) interest received or accrued during the taxable year which is exempt from tax imposed by this chapter, and

''(D) any amount received by a participant or beneficiary under a qualified retirement plan (as defined in section 4974(c)) to the extent not includible in gross income.

Subparagraph (D) shall not apply to any amount received if the recipient transfers such amount in a rollover contribution described in section 402(c), 403(a)(4), 403(b)(8), or 408(d)(3).''

(c) Study.—The Secretary of the Treasury shall conduct a study of the Federal tax treatment of child support payments to determine whether or not changes in such treatment are necessary. The Secretary shall report to the Committee on Finance of the Senate and the Committee on Ways and Means of the House of Representatives the results of the study, including recommendations (if any) which the Secretary determines appropriate to encourage payment of child support liabilities by parents and to make both parents more responsible for a child's economic well-being.

(d) Effective Date.—The amendments made by this section shall apply to taxable years beginning after December 31, 1995.

SEC. 8. EARNED INCOME CREDIT NOT ALLOWED UNTIL RECEIPT OF EMPLOYER'S WITHHOLDING STATEMENT.

(a) In General.—Section 6401(b) (relating to excessive credits treated as overpayments) is amended by adding at the end the following new paragraph:

''(3) Special rule for earned income credit.—For purposes of paragraph (1), the earned income credit allowed under section 32 shall not be treated as a credit allowable under subpart C of part IV of subchapter A of chapter 1 unless the Secretary is able to verify the amount of such credit by comparing it with—

''(A) information returns filed with the Secretary under section 6051(d) by employees of the individual claiming the credit,

''(B) self-employment tax returns filed with the Secretary under section 6017, or

''(C) both.

The preceding sentence shall apply to any advanced payment of the earned income credit under section 3507.''

(b) Effective Date; Study.—

(1) In general.—The amendment made by this section shall apply to taxable years beginning after December 31, 1996.

(2) Study.—The Secretary of the Treasury shall conduct a study to determine the delays (if any) which would result in the processing of Federal income tax returns by reason of the amendment made by this section. Not later than 1 year after the date of the enactment of this Act, the Secretary shall report the results of the study to the Committee on Finance of the Senate and the Committee on Ways and Means of the House of Representatives, including recommendations (if any) on ways to shorten any delay.

SEC. 9. PREVENTION OF FRAUD IN ELECTRONIC RETURNS.

(a) In General.—The Secretary of the Treasury shall provide that any person applying to be an electronic return originator on or after the date of the enactment of this Act shall not be approved unless the applicant provides fingerprints and credit information to the satisfaction of the Secretary.

(b) Past Applicants.—The Secretary of the Treasury shall apply the requirements described in subsection (a) to electronic return originators whose applications were approved before the date of the enactment of this Act without fingerprints and credit check information being provided.

S. 1209

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE; AMENDMENTS TO SOCIAL SECURITY ACT.

(a) Short Title.—This Act may be cited as the ''Responsible Parenthood Act of 1995''.

(b) Amendments to the Social Security Act.—Except as otherwise specifically provided, whenever in this Act an amendment is expressed in terms of an amendment to or repeal of a section or other provision, the reference shall be considered to be made to that section or other provision of the Social Security Act.

SEC. 2. INTEGRATION OF FAMILY PLANNING AND MATERNAL AND CHILD HEALTH SERVICES.

(a) Increase in Funding.—Section 501(a) (42 U.S.C. 701(a)) is amended in the matter preceding paragraph (1) by striking ''$686,000,000'' and inserting ''$886,000,000''.

(b) Reservation of Certain Amounts.—Section 502 (42 U.S.C. 702) is amended by striking ''$600,000,000'' each place it appears and inserting ''$800,000,000''.

SEC. 3. ABSTINENCE SERVICES.

(a) Provision and Promotion of Abstinence Services.—Section 501(a)(1) (42 U.S.C. 701(a)(1)) is amended—

(1) in subparagraph (C), by striking ''and'' at the end;

(2) in subparagraph (D), by inserting ''and'' at the end; and

(3) by adding the following new subparagraph:

''(E) to provide and to promote family-centered, community-based services and information regarding the delay or discontinuation of premarital sexual activity, particularly among adolescents, and to provide adoption-related services and promote adoption as an acceptable alternative for pregnant unmarried individuals.''.

(b) Minimum Amount for Abstinence Services.—Section 504 (42 U.S.C. 704) is amended by adding the following new subsection:

''(e) Of the amounts paid to a State under section 503 from an allotment for a fiscal year under section 502(c), not less than 100 percent of such amounts (including the fair market value of any supplies or equipment) as were used under this title in the preceding fiscal year to provide family planning services shall be used to provide services described in section 501(a)(1)(E).''.

(c) Needs Assessment for Abstinence Services.—Section 505(a)(1) (42 U.S.C. 705(a)(1)) is amended—

(1) in subparagraph (B), by striking "and" at the end;

(2) in subparagraph (C), by adding "and" at the end; and

(3) by adding at the end the following new subparagraph:

"(D) services and information regarding the delay or discontinuation of premarital sexual activity, particularly among adolescents, and regarding adoption.".

SEC. 4. USE OF FUNDS.

(a) Prohibition of Use for Family Planning Services in Schools.—Section 504(b) (42 U.S.C. 704(b)) is amended—

(1) in paragraph (5), by striking "or" at the end;

(2) in paragraph (6)(B), by striking the period at the end and inserting "; or"; and

(3) by adding at the end the following new paragraphs:

"(7) to provide or promote family planning services in any elementary or secondary educational institution; or

"(8) to provide or promote any drug or device except for a use that has been approved by the Food and Drug Administration.".

(b) No Funding of Programs or Projects That Provide Abortion Services.—Section 504 (42 U.S.C. 704), as amended by section 3(b), is amended by adding at the end the following new subsections:

"(f)(1) Payments under this title may be made only to programs or projects that—

"(A) do not provide abortions or abortion counseling or referral;

"(B) do not subcontract with or make any payment to any person who provides abortions or abortion counseling or referral (except that any such program or project may provide referral for abortion counseling to a pregnant adolescent if such adolescent and the parents or guardians of such adolescent request such referral); or

"(C) do not advocate, promote, or encourage abortion.

"(2) The Secretary shall ascertain whether programs or projects comply with paragraph (1) and take appropriate action if programs or projects do not comply with such paragraph, including withholding of funds.

"(g) A State shall ensure, to the maximum extent possible, family participation in the receipt of services provided under section 501(a)(1) and shall ensure that an entity that receives funds under this title shall comply with any State law that requires—

"(1) involvement of a family member prior to the provision of services related to family planning or abortion; and

"(2) reporting of civil or criminal offenses involving child abuse or statutory rape.

"(h) The acceptance by any individual of family planning services or family planning or population growth information (including educational materials) provided through financial assistance under this title shall be voluntary and shall not be a prerequisite to eligibility for or receipt of any other service or assistance from, or to participation in, any other program of the entity or individual that provided such service or information.".

SEC. 5. APPLICATION FOR BLOCK GRANT FUNDS.

Section 505(a)(5) (42 U.S.C. 705(a)(5)) is amended—

(1) by redesignating subparagraph (F) as subparagraph (I); and

(2) by inserting after subparagraph (F) the following subparagraphs:

"(G) the State will provide a description of how the applicant will, as appropriate to the provision of family planning services or services provided under section 501(e)(1)(A)—

"(i) involve families of adolescents in a manner that will maximize the role of the family in the solution of problems relating to the parenthood or pregnancy of the adolescent; and

"(ii) involve religious and charitable organizations, voluntary associations, and other groups in the private sector as well as services provided by publicly sponsored initiatives;

"(H)(i) the State will provide assurances that—

"(I) except as provided in clause (ii), and subject to subclause (II), the applicant will notify the parents or guardians of any unemancipated minor requesting services from the applicant and will obtain the permission of such parents or guardians with respect to the provision of such services; and

"(II) in the case of a pregnant unemancipated minor requesting services from a recipient of funds under this title, the recipient will notify the parents or guardians of such minor under subclause (I) within a reasonable period of time; and

"(ii) the State will provide assurances that the applicant will not notify or request the permission of the parent or guardian of any unemancipated minor without the consent of the minor—

"(I) who solely is requesting from the applicant pregnancy testing or testing or treatment for venereal disease;

"(II) who is the victim of incest involving a parent; or

"(III) if an adult sibling of the minor or an adult aunt, uncle, or grandparent who is related to the minor by blood certifies to the recipient that notification of the parent or guardian of such minor would result in physical injury to such minor.".

SEC. 6. REPORTS AND AUDITS.

(a) Report by State.—Section 506(a)(2) (42 U.S.C. 706(a)(2)) is amended by adding after subparagraph (E) the following new subparagraph:

"(F) Information (as prescribed by the Secretary) on the State's activities in connection with the services described in section 501(a)(1)(E).".

(b) Report by Secretary.—Section 506(a)(3) (42 U.S.C. 706(a)(3)) is amended—

(1) in subparagraph (D), by striking "and" at the end;

(2) in subparagraph (E), by striking the period at the end and inserting "; and"; and

(3) by adding at the end the following new subparagraph:

"(F) information on the State's activities in connection with the services described in section 501(a)(1)(E).".

SEC. 7. EVALUATION.

Title V (42 U.S.C. 701 et seq.) is amended by adding at the end the following new section:

"EVALUATION

"Sec. 510. (a) Of amounts allotted to a State under section 502(c) in a fiscal year that the State estimates will be expended on family planning services and the services described in section 501(a)(1)(E) for such year the State shall reserve—

"(1) not less than 2 percent and not more than 4 percent of such amounts for an annual evaluation of activities carried out under this title and the effectiveness of such activities in reducing sexual activity, pregnancies, and births among unmarried individuals, particularly adolescents; and

"(2) not less than 2 percent and not more than 4 percent of such amounts for an annual longitudinal study by an independent research organization of the activities carried out under this title and the effectiveness of such activities in reducing sexual activity, pregnancies, and births among unmarried individuals, particularly adolescents.

"(b)(1) Each State shall submit the evaluations and studies conducted under this section to the Secretary.

"(2) The Secretary shall submit a summary of each evaluation and study submitted under paragraph (1) to the appropriate committees of the Congress.".

SEC. 8. DEFINITION OF FAMILY.

Section 501(b) (42 U.S.C. 701(b)) is amended by adding at the end the following new paragraph:

"(5) The term 'family' means a child under the age of 19, the biological or adoptive parents of the child, the legal guardian of the child, or a responsible relative or caretaker with whom the child regularly resides, the siblings of the child, and other individuals living in the child's home.".

SEC. 9. REPEAL OF CERTAIN PROGRAMS.

(a) Repeal of Population Research and Voluntary Family Planning Programs.—Title X of the Public Health Service Act (42 U.S.C. 300 et seq.) is repealed.

(b) Repeal of Adolescent Family Life Demonstration Projects.—Title XX of the Public Health Service Act (42 U.S.C. 300z et seq.) is repealed.

SEC. 10. EFFECTIVE DATE.

This Act and the amendments made by this Act shall take effect on October 1, 1995.

S. 1210

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Educational Choice and Equity Act of 1995".

SEC. 2. PURPOSE.

The purpose of this Act is to determine the effects on students and schools of providing financial assistance to low-income parents to enable such parents to select the public or private schools their children will attend.

SEC. 3. DEFINITIONS.

As used in this Act—

(1) the term "choice school" means any public or private school, including a private sectarian school or a public charter school, that is involved in a demonstration project assisted under this Act;

(2) the term "eligible child" means a child in grades 1 through 12 who is eligible for free or reduced price lunches under the National School Lunch Act (42 U.S.C. 1751 et seq.);

(3) the term "eligible entity" means a public agency, institution, or organization, such as a State, a State or local educational agency, a consortium of public agencies, or a consortium of public and private nonprofit organizations, that can demonstrate, to the satisfaction of the Secretary, its ability to—

(A) receive, disburse, and account for Federal funds; and

(B) carry out the activities described in its application under this Act;

(4) the term "evaluating agency" means any academic institution, consortium of professionals, or private or nonprofit organization, with demonstrated experience in conducting evaluations, that is not an agency or instrumentality of the Federal Government;

(5) the term "local educational agency" has the meaning given that term in section 14101 of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 8801);

(6) the term "parent" includes a legal guardian or other individual acting in loco parentis;

(7) the term "school" means a school that provides elementary education or secondary education (through grade 12), as determined under State law; and

(8) the term "Secretary" means the Secretary of Education.

SEC. 4. AUTHORIZATION OF APPROPRIATIONS.

There are authorized to be appropriated $600,000,000 for fiscal year 1996 and such sums as may be necessary for each of the fiscal years 1997, 1998, 1999, and 2000 to carry out this Act.

SEC. 5. PROGRAM AUTHORIZED.

(a) Reservation.—From the amount appropriated pursuant to the authority of section 4 in any fiscal year, the Secretary shall reserve and make available to the Comptroller General of the United States 2 percent for evaluation of the demonstration projects assisted under this Act in accordance with section 11.

(b) Grants.—

(1) In general.—From the amount appropriated pursuant to the authority of section 4 and not reserved under subsection (a) for any fiscal year, the Secretary shall award grants to eligible entities to enable such entities to carry out at least 100 demonstration projects under which low-income parents receive education certificates for the costs of enrolling their eligible children in a choice school.

(2) Amount.—The Secretary shall award grants under paragraph (1) for fiscal year 1996 in amounts of $5,000,000 or less.

(3) Continuing eligibility.—The Secretary shall continue a demonstration project under this Act by awarding a grant under paragraph (1) to an eligible entity that received such a grant for a fiscal year preceding the fiscal year for which the determination is made, if the Secretary determines that such eligible entity was in compliance with this Act for such preceding fiscal year.

(c) Use of Grants.—Grants awarded under subsection (b) shall be used to pay the costs of—

(1) providing education certificates to low-income parents to enable such parents to pay the tuition, the fees, the allowable costs of transportation, if any, and the costs of complying with section 9(a)(1), if any, for their eligible children to attend a choice school; and

(2) administration of the demonstration project, which shall not exceed 15 percent of the amount received under the grant for the first fiscal year for which the eligible entity provides education certificates under this Act or 10 percent of such amount for any subsequent year, including—

(A) seeking the involvement of choice schools in the demonstration project;

(B) providing information about the demonstration project, and the schools involved in the demonstration project, to parents of eligible children;

(C) making determinations of eligibility for participation in the demonstration project for eligible children;

(D) selecting students to participate in the demonstration project;

(E) determining the amount of, and issuing, education certificates;

(F) compiling and maintaining such financial and programmatic records as the Secretary may prescribe; and

(G) collecting such information about the effects of the demonstration project as the evaluating agency may need to conduct the evaluation described in section 11.

(d) Special Rule.—Each school participating in a demonstration project under this Act shall comply with title VI of the Civil Rights Act of 1964 (42 U.S.C. 2000d et seq.) which prohibits discrimination on the basis of race, color, or national origin.

SEC. 6. AUTHORIZED PROJECTS; PRIORITY.

(a) Authorized Projects.—The Secretary may award a grant under this Act only for a demonstration project that—

(1) involves at least one local educational agency that—

(A) receives funds under section 1124A of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 6334); and

(B) is among the 20 percent of local educational agencies receiving funds under section 1124A of such Act (20 U.S.C. 6334) in the State that have the highest number of children described in section 1124(c) of such Act (20 U.S.C. 6333(c)); and

(2) includes the involvement of a sufficient number of public and private choice schools, in the judgment of the Secretary, to allow for a valid demonstration project.

(b) Priority.—In awarding grants under this Act, the Secretary shall give priority to demonstration projects—

(1) in which choice schools offer an enrollment opportunity to the broadest range of eligible children;

(2) that involve diverse types of choice schools; and

(3) that will contribute to the geographic diversity of demonstration projects assisted under this Act, including awarding grants for demonstration projects in States that are primarily rural and awarding grants for demonstration projects in States that are primarily urban.

SEC. 7. APPLICATIONS.

(a) In General.—Any eligible entity that wishes to receive a grant under this Act shall submit an application to the Secretary at such time and in such manner as the Secretary may prescribe.

(b) Contents.—Each application described in subsection (a) shall contain—

(1) information demonstrating the eligibility of the eligible entity for participation in the demonstration project;

(2) with respect to choice schools—

(A) a description of the standards used by the eligible entity to determine which public and private schools are within a reasonable commuting distance of eligible children and present a reasonable commuting cost for such eligible children;

(B) a description of the types of potential choice schools that will be involved in the demonstration project;

(C)(i) a description of the procedures used to encourage public and private schools to be involved in the demonstration project; and

(ii) a description of how the eligible entity will annually determine the number of spaces available for eligible children in each choice school;

(D) an assurance that each choice school will not impose higher standards for admission or participation in its programs and activities for eligible children provided education certificates under this Act than the choice school does for other children;

(E) an assurance that each choice school operated, for at least 1 year prior to accepting education certificates under this Act, an educational program similar to the educational program for which such choice school will accept such education certificates;

(F) an assurance that the eligible entity will terminate the involvement of any choice school that fails to comply with the conditions of its involvement in the demonstration project; and

(G) a description of the extent to which choice schools will accept education certificates under this Act as full or partial payment for tuition and fees;

(3) with respect to the participation in the demonstration project of eligible children—

(A) a description of the procedures to be used to make a determination of the eligibility of an eligible child for participation in the demonstration project, which shall include—

(i) the procedures used to determine eligibility for free or reduced price lunches under the National School Lunch Act (42 U.S.C. 1751 et seq.); or

(ii) any other procedure, subject to the Secretary's approval, that accurately establishes the eligibility of an eligible child for such participation;

(B) a description of the procedures to be used to ensure that, in selecting eligible children to participate in the demonstration project, the eligible entity will—

(i) apply the same criteria to both public and private school eligible children; and

(ii) give priority to eligible children from the lowest income families;

(C) a description of the procedures to be used to ensure maximum choice of schools for participating eligible children, including procedures to be used when—

(i) the number of parents provided education certificates under this Act who desire to enroll their eligible children in a particular choice school exceeds the number of eligible children that the choice school will accept; and

(ii) grant funds and funds from local sources are insufficient to support the total cost of choices made by parents with education certificates under this Act; and

(D) a description of the procedures to be used to ensure compliance with section 9(a)(1), which may include—

(i) the direct provision of services by a local educational agency; and

(ii) arrangements made by a local educational agency with other service providers;

(4) with respect to the operation of the demonstration project—

(A) a description of the geographic area to be served;

(B) a timetable for carrying out the demonstration project;

(C) a description of the procedures to be used for the issuance and redemption of education certificates under this Act;

(D) a description of the procedures by which a choice school will make a pro rata refund of the education certificate under this Act for any participating eligible child who withdraws from the school for any reason, before completing 75 percent of the school attendance period for which the education certificate was issued;

(E) a description of the procedures to be used to provide the parental notification described in section 10;

(F) an assurance that the eligible entity will place all funds received under this Act into a separate account, and that no other funds will be placed in such account;

(G) an assurance that the eligible entity will provide the Secretary periodic reports on the status of such funds;

(H) an assurance that the eligible entity will cooperate with the Comptroller General of the United States and the evaluating agency in carrying out the evaluations described in section 11; and

(I) an assurance that the eligible entity will—

(i) maintain such records as the Secretary may require; and

(ii) comply with reasonable requests from the Secretary for information; and

(5) such other assurances and information as the Secretary may require.

SEC. 8. EDUCATION CERTIFICATES.

(a) EDUCATION CERTIFICATES.—

(1) AMOUNT.—The amount of an eligible child's education certificate under this Act shall be determined by the eligible entity, but shall be an amount that provides to the recipient of the education certificate the maximum degree of choice in selecting the choice school the eligible child will attend.

(2) CONSIDERATIONS.—

(A) IN GENERAL.—Subject to such regulations as the Secretary shall prescribe, in determining the amount of an education certificate under this Act an eligible entity shall consider—

(i) the additional reasonable costs of transportation directly attributable to the eligible child's participation in the demonstration project; and

(ii) the cost of complying with section 9(a)(1).

(B) SCHOOLS CHARGING TUITION.—If an eligible child participating in a demonstration project under this Act was attending a public or private school that charged tuition for the year preceding the first year of such participation, then in determining the amount of an education certificate for such eligible child under this Act the eligible entity shall consider—

(i) the tuition charged by such school for such eligible child in such preceding year; and

(ii) the amount of the education certificates under this Act that are provided to other eligible children.

(3) SPECIAL RULE.—An eligible entity may provide an education certificate under this Act to the parent of an eligible child who chooses to attend a school that does not charge tuition or fees, to pay the additional reasonable costs of transportation directly attributable to the eligible child's participation in the demonstration project or the cost of complying with section 9(a)(1).

(b) ADJUSTMENT.—The amount of the education certificate for a fiscal year may be adjusted in the second and third years of an eligible child's participation in a demonstration project under this Act to reflect any increase or decrease in the tuition, fees, or transportation costs directly attributable to that eligible child's continued attendance at a choice school, but shall not be increased for this purpose by more than 10 percent of the amount of the education certificate for the fiscal year preceding the fiscal year for which the determination is made. The amount of the education certificate may also be adjusted in any fiscal year to comply with section 9(a)(1).

(c) MAXIMUM AMOUNT.—Notwithstanding any other provision of this section, the amount of an eligible child's education certificate shall not exceed the per pupil expenditure for elementary or secondary education, as appropriate, by the local educational agency in which the public school to which the eligible child would normally be assigned is located for the fiscal year preceding the fiscal year for which the determination is made.

(d) INCOME.—An education certificate under this Act, and funds provided under the education certificate, shall not be treated as income of the parents for purposes of Federal tax laws or for determining eligibility for any other Federal program.

SEC. 9. EFFECT ON OTHER PROGRAMS; USE OF SCHOOL LUNCH DATA; CONSTRUCTION PROVISIONS.

(a) EFFECT ON OTHER PROGRAMS.—

(1) IN GENERAL.—An eligible child participating in a demonstration project under this Act, who, in the absence of such a demonstration project, would have received services under part A of title I of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 6311 et seq.) shall be provided such services.

(2) PART B OF THE INDIVIDUALS WITH DISABILITIES EDUCATION ACT.—Nothing in this Act shall be construed to affect the requirements of part B of the Individuals with Disabilities Education Act (20 U.S.C. 1411 et seq.).

(3) COUNTING OF ELIGIBLE CHILDREN.—Notwithstanding any other provision of law, any local educational agency participating in a demonstration project under this Act may count eligible children who, in the absence of such a demonstration project, would attend the schools of such agency, for purposes of receiving funds under any program administered by the Secretary.

(b) USE OF SCHOOL LUNCH DATA.—Notwithstanding section 9 of the National School Lunch Act (42 U.S.C. 1751 et seq.), an eligible entity receiving a grant under this Act may use information collected for the purpose of determining eligibility for free or reduced price lunches to determine an eligible child's eligibility to participate in a demonstration project under this Act and, if needed, to rank families by income, in accordance with section 7(b)(3)(B)(ii). All such information shall otherwise remain confidential, and information pertaining to income may be disclosed only to persons who need that information for the purposes of a demonstration project under this Act.

(c) CONSTRUCTION PROVISIONS.—

(1) OTHER INSTITUTIONS.—Nothing in this Act shall be construed to supersede or modify any provision of a State constitution or State law that prohibits the expenditure of public funds in or by religious or other private institutions, except that no provision of a State constitution or State law shall be construed or applied to prohibit—

(A) any eligible entity receiving funds under this Act from using such funds to pay the administrative costs of a demonstration project under this Act; or

(B) the expenditure in or by religious or other private institutions of any Federal funds provided under this Act.

(2) DESEGREGATION PLANS.—Nothing in this Act shall be construed to interfere with any desegregation plans that involve school attendance areas affected by this Act.

(3) PROHIBITION OF FEDERAL DIRECTOR, SUPERVISION OR CONTROL.—Nothing in this Act shall be construed to authorize the Secretary or any employee, officer, or agency of the Department of Education to exercise any direction, supervision, or control over the curriculum, program of instruction, or personnel decisions of any educational institution or school participating in a demonstration project assisted under this Act.

SEC. 10. PARENTAL NOTIFICATION.

Each eligible entity receiving a grant under this Act shall provide timely notice of the demonstration project to parents of eligible children residing in the area to be served by the demonstration project. At a minimum, such notice shall—

(1) describe the demonstration project;

(2) describe the eligibility requirements for participation in the demonstration project;

(3) describe the information needed to make a determination of eligibility for participation in the demonstration project for an eligible child;

(4) describe the selection procedures to be used if the number of eligible children seeking to participate in the demonstration project exceeds the number that can be accommodated in the demonstration project;

(5) provide information about each choice school participating in the demonstration project, including information about any admission requirements or criteria for each choice school participating in the demonstration project; and

(6) include the schedule for parents to apply for their eligible children to participate in the demonstration project.

SEC. 11. EVALUATION.

(a) ANNUAL EVALUATION.—

(1) CONTRACT.—The Comptroller General of the United States shall enter into a contract, with an evaluating agency that has demonstrated experience in conducting evaluations, for the conduct of an ongoing rigorous evaluation of the demonstration projects under this Act.

(2) ANNUAL EVALUATION REQUIREMENT.—The contract described in paragraph (1) shall require the evaluating agency entering into such contract to annually evaluate each demonstration project under this Act in accordance with the evaluation criteria described in subsection (b).

(3) TRANSMISSION.—The contract described in paragraph (1) shall require the evaluating agency entering into such contract to transmit to the Comptroller General of the United States—

(A) the findings of each annual evaluation under paragraph (1); and

(B) a copy of each report received pursuant to section 12(a) for the applicable year.

(b) EVALUATION CRITERIA.—The Comptroller General of the United States, in consultation with the Secretary, shall establish minimum criteria for evaluating the demonstration projects under this Act. Such criteria shall provide for—

(1) a description of the implementation of each demonstration project under this Act and the demonstration project's effects on all participants, schools, and communities in the demonstration project area, with particular attention given to the effect of parent participation in the life of the school and the level of parental satisfaction with the demonstration project; and

(2) a comparison of the educational achievement of all students in the demonstration project area, including a comparison of—

(A) students receiving education certificates under this Act; and

(B) students not receiving education certificates under this Act.

SEC. 12. REPORTS.

(a) REPORT BY GRANT RECIPIENT.—Each eligible entity receiving a grant under this Act shall submit to the evaluating agency entering into the contract under section 11(a)(1) an annual report regarding the demonstration project under this Act. Each such report shall be submitted at such time, in such manner, and accompanied by such information, as such evaluating agency may require.

(b) REPORTS BY COMPTROLLER GENERAL.—

(1) ANNUAL REPORTS.—The Comptroller General of the United States shall report annually to the Congress on the findings of the annual evaluation under section 11(a)(2) of each demonstration project under this Act. Each such report shall contain a copy of—

(A) the annual evaluation under section 11(a)(2) of each demonstration project under this Act; and

(B) each report received under subsection (a) for the applicable year.

(2) FINAL REPORT.—The Comptroller General shall submit a final report to the Congress within 9 months after the conclusion of

the demonstration projects under this Act that summarizes the findings of the annual evaluations conducted pursuant to section 11(a)(2).

S. 1211

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Restitution Responsibility Act".

SEC. 2. GRANT PROGRAM.

(a) IN GENERAL.—The Attorney General is authorized to provide grants to States to enable the States to—

(1) collect data on victim restitution over a specified period of time as determined by the Attorney General;

(2) create or expand automated data systems to track restitution payments;

(3) make improvements in the manner in which restitution is ordered and collected; and

(4) enhance and expand methods of enforcement of restitution orders.

(b) ELIGIBILITY.—To be eligible to receive a grant under this Act, a State shall—

(1) submit an application to the Attorney General, in such form as the Attorney General shall require, that meets the requirements of subsection (c); and

(2) certify that the State has a victim advocacy program that—

(A) provides assistance to victims of crime throughout the judicial process; and

(B) provides courts with a victim impact statement prior to sentencing.

(c) APPLICATION.—An application meets the requirements of this subsection if it includes—

(1) a description of the State's victim advocacy program;

(2) a description of the method by which the State compiles or will compile data on restitution, including information on—

(A) restitution amounts ordered and collected;

(B) collection rates for incarcerated offenders and offenders who are on probation;

(C) collection rates for offenders committing felonies and for those committing misdemeanors; and

(D) rates of partial and full payment rates of collection;

(3) documentation of a State's current problems in ordering, collecting, and enforcing restitution;

(4) a description of State laws and practices related to restitution;

(5) a description of administrative and legislative options to improve ordering, collecting, and enforcing restitution;

(6) a description of the State's proposal to create or expand an automated data processing system to track restitution payments;

(7) a description of the State's plan to improve the ordering of restitution, including—

(A) provisions to ensure that courts order restitution whenever a victim suffers economic loss as a result of unlawful conduct by a defendant;

(B) provisions to ensure that restitution is ordered in the full amount of the victim's loss, as determined by the court;

(C) the prioritization of restitution in the ordering and disbursing of fees; and

(D) such other provisions consistent with the purposes of this Act;

(8) a description of how the State will improve collection of restitution payments, including—

(A) the establishment of a central accounting, billing, and collection system that tracks the offender's obligations and status in meeting those obligations;

(B) a process by which information about an offender's restitution payments is made available to probation officials;

(C) adopting methods to ensure payments such as automatic docketing, billing, wage withholding, privatization of collection, withholding State grant privileges, or seizure of state income tax refunds; and

(D) other provisions consistent with the purposes of this Act;

(9) a description of how the State will enforce restitution payments, including—

(A) assigning an agency responsible for the enforcement of a restitution order;

(B) adopting policies to increase the intensity of sanctions if an offender defaults on payments, including—

(i) revoking a term of probation or parole;

(ii) modifying the terms or conditions of probation or parole;

(iii) holding a defendant in contempt of court;

(iv) entering a restraining order or injunction; or

(v) ordering the sale of property of the defendant;

(C) adopting procedures to ensure restitution orders are entered as civil judgments upon entry to allow a victim to execute judgment if restitution payments are delinquent;

(D) such other provisions consistent with the purposes of this Act; and

(10) the establishment of a community restitution fund administered by a State agency into which restitution payments are made by an offender (in addition to victim restitution payments) and can be used to pay indigent offenders for performing public service work.

(d) WAIVER.—The Attorney General may waive the requirements under subsection (c) for a State that demonstrates sufficient cause for lack of compliance.

(e) GRANT PERIOD.—A grant under this Act shall be awarded for a period of not more than 5 years.

SEC. 3. REPORT.

Each State receiving a grant under this Act shall submit an annual report to the Attorney General that includes an evaluation of the progress of the projects funded through the grant, an accounting of expenditures, and such other provisions as may be required by the Attorney General. The Attorney General shall issue an annual report to Congress that includes the information submitted by States under this section.

SEC. 4. EVALUATION.

(a) FINAL EVALUATION.—Within a month after the award of the first grant made under this Act, the Attorney General shall contract with an independent organization to do a final evaluation of the projects funded by this Act at the end of 5 years.

(b) INTERIM EVALUATION.—The Attorney General shall conduct an interim evaluation of the projects funded by this Act 3 years after the first grant made under this Act.

(c) CONTENT OF REPORTS.—The reports required by subsections (a) and (b) shall include the following information:

(1) An evaluation of data collection efforts.

(2) An assessment of whether ordering of restitution increased and whether prioritizing restitution in fees collected improved restitution payments.

(3) An analysis of whether the project was successful in improving significantly restitution collection rates.

(4) An evaluation of most effective methods in improving restitution collection and in enforcing restitution payments.

(5) An analysis of how effective automated data systems were in increasing restitution collection.

(6) An analysis of States' use of the community restitution fund and its effectiveness in ensuring indigent offenders pay restitution.

SEC. 5. AUTHORIZATION OF APPROPRIATIONS.

There are authorized to be appropriated $10,000,000 in each of fiscal years 1997, 1998, 1999, 2000, and 2001 to carry out this Act.

S. 1212

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION. 1. SHORT TITLE.

This Act may be cited as the "Assets for Independence Act".

SEC. 2. FINDINGS.

The Congress finds that—

(1) traditional welfare programs in the United States have provided millions of low-income persons with critically needed food, health, and cash benefits, and such programs should be improved and continued;

(2) while such programs have sustained millions of low-income persons, too rarely have such programs been successful in promoting and supporting the transition to economic self-sufficiency;

(3) millions of Americans continue to live in poverty and continue to receive public assistance;

(4) in addition to the social costs of poverty, the economic costs to the Federal Government to provide basic necessities to the poor exceeds $120,000,000,000 each year;

(5) poverty is a loss of human resources and an assault on human dignity;

(6) poverty rates remain high and welfare dependency continues, in part, because welfare theory has taken for granted that a certain level of income or consumption is necessary for one's economic well-being when, in fact, very few people manage to spend or consume their way out of poverty;

(7) economic well-being does not come solely from income, spending, and consumption, but also requires savings, investment, and accumulation of assets, since assets can improve economic stability, connect people with a viable and hopeful future, stimulate development of human and other capital, enable people to focus and specialize, yield personal, social, and political dividends, and enhance the welfare of offspring;

(8) income-based welfare policy should be complemented with asset-based welfare policy, because while income-based policies ensure that present consumption needs (including food, child care, rent, clothing, and health care) are met, asset-based policies provide the means to achieve economic self-sufficiency and, accordingly, to leave public assistance;

(9) there is reason to believe that the financial returns, including increased income, tax revenue, and decreased welfare cash assistance, of individual development accounts will far exceed the cost of the investment;

(10) the Federal Government spends more than $160,000,000,000 each year to provide middle- and upper-income persons with incentives to accumulate savings and assets (including tax subsidies for home equity accumulation and retirement pension accounts), but such benefits are beyond the reach of most low-income persons;

(11) under current welfare policies, poor families must deplete most of their assets before qualifying for public assistance;

(12) the Federal Government should develop policies that promote higher rates of

personal savings and net private domestic investment, both of which fall behind the levels attained in other highly developed industrial nations; and

(13) the Federal Government should undertake an asset-based welfare policy demonstration project to determine the social, civic, psychological, and economic effects of asset accumulation opportunities for low-income persons, families, and communities, and to determine if such a policy could provide a new foundation for antipoverty policies and programs in the United States.

SEC. 3. INDIVIDUAL DEVELOPMENT ACCOUNT DEMONSTRATION PROJECTS.

(a) PURPOSE.—The purpose of this section is to provide for the establishment of demonstration projects designed to determine—

(1) the social, civic, psychological, and economic effects of providing to individuals and families with limited means an incentive to accumulate assets;

(2) the extent to which an asset-based welfare policy that promotes saving for education, homeownership, and microenterprise may be used to enable individuals and families with low income to achieve economic self-sufficiency; and

(3) the extent to which an asset-based welfare policy improves the community in which participating individuals and families live.

(b) APPLICATIONS.—

(1) SUBMISSION.—

(A) IN GENERAL.—Not later than 12 months after the date of the enactment of this Act, a qualified entity may submit to the Secretary an application to conduct a demonstration project under this section.

(B) QUALIFIED ENTITY.—For purposes of this Act, the term "qualified entity" means either—

(i) a not-for-profit organization described in section 501(c)(3) of the Internal Revenue Code of 1986 and exempt from taxation under section 501(a) of such Code; or

(ii) a State or local government agency submitting an application under such subparagraph jointly with an organization described in clause (i).

(2) CRITERIA.—In considering whether to approve any application to conduct a demonstration project under this section, the Secretary shall assess the following:

(A) SUFFICIENCY OF PROJECT.—The degree to which the project described in the application appears likely to aid project participants in achieving economic self-sufficiency through activities requiring qualified expenses (as defined in section 529(c)(1) of the Internal Revenue Code of 1986, as added by section 4 of this Act). In making such assessment, the Secretary shall consider the overall quality of project activities in making any particular kind or combination of qualified expenses (as so defined) to be an essential feature of any project.

(B) ADMINISTRATIVE ABILITY.—The ability of the applicant to responsibly administer the project.

(C) ABILITY TO ASSIST PARTICIPANTS.—The ability of the applicant to assist project participants to achieve economic self-sufficiency through the development of assets.

(D) COMMITMENT OF NON-FEDERAL FUNDS.—The aggregate amount of direct funds from non-Federal public sector and private sources that are formally committed to the project.

(E) ADEQUACY OF PLAN FOR PROVIDING INFORMATION FOR EVALUATION.—The adequacy of the plan for providing information relevant to an evaluation of the project.

(F) OTHER FACTORS.—Such other factors as the Secretary may specify.

(3) PREFERENCES.—In considering an application to conduct a demonstration project under this section, the Secretary shall give preference to any application that—

(A) demonstrates the willingness and ability to select individuals described in subsection (e) who are predominantly from households in which a child (or children) is living with the child's biological or adoptive mother or father, legal guardian, or a responsible adult relative with whom the child regularly resides;

(B) provides a commitment of non-Federal funds with a proportionately greater amount of funds committed by private sector sources; and

(C) targets such individuals residing within 1 or more relatively well-defined communities or neighborhoods that experience low rates of income or employment.

(4) APPROVAL.—Not later than 15 months after the date of the enactment of this Act, the Secretary shall, on a competitive basis, approve such applications to conduct demonstration projects under this section as the Secretary deems appropriate, taking into account the assessments required by paragraphs (2) and (3). The Secretary is encouraged to ensure that the applications that are approved involve a wide range of communities (both rural and urban) and diverse populations.

(c) DEMONSTRATION AUTHORITY; ANNUAL GRANTS.—

(1) DEMONSTRATION AUTHORITY.—If the Secretary approves an application to conduct a demonstration project under this section, the Secretary shall, not later than 16 months after the date of the enactment of this Act, authorize the applicant to conduct the project for 4 project years in accordance with the approved application and this section.

(2) GRANT AUTHORITY.—For each project year of a demonstration project conducted under this section, the Secretary shall make a grant to the qualified entity authorized to conduct the project on the first day of the project year in an amount not to exceed the greater of—

(A) the aggregate amount of funds committed by non-Federal sources; or

(B) $1,000,000.

(3) LIMITATION ON GRANT AMOUNTS PER PROJECT.—The amount of each grant for a project approved under this section shall not exceed $10,000,000.

(d) RESERVE FUND.—

(1) ESTABLISHMENT.—Each qualified entity grantee under this section shall establish a Reserve Fund which shall be maintained in accordance with this subsection.

(2) AMOUNTS IN RESERVE FUND.—

(A) IN GENERAL.—As soon after receipt as is practicable, a qualified entity grantee shall deposit in the Reserve Fund established under paragraph (1)—

(i) all funds provided to the qualified entity grantee by any public or private source in connection with the demonstration project; and

(ii) the proceeds from any investment made under paragraph (3)(B).

(B) INDIVIDUAL DEVELOPMENT ACCOUNT PENALTIES.—

(i) PENALTY AMOUNTS AUTHORIZED TO BE APPROPRIATED FOR PAYMENT TO THE RESERVE FUND.—With respect to the Reserve Fund established by a qualified entity grantee that provides financial assistance under subsection (g) to any individual who pays, or from whose individual development account is paid, a penalty amount, there is hereby appropriated to the Reserve Fund, without fiscal year limitation, an amount equal to such penalty amount.

(ii) PAYMENT TO RESERVE FUND OF PENALTY AMOUNTS APPROPRIATED THEREFORE.—The Secretary shall make quarterly estimated payments to the Reserve Fund of any penalty amount appropriated pursuant to clause (i).

(C) UNIFORM ACCOUNTING REGULATIONS.—The Secretary shall prescribe regulations with respect to accounting for amounts in Reserve Funds.

(3) USE OF RESERVE FUND.—

(A) IN GENERAL.—A qualified entity grantee shall use the amounts in the Reserve Fund established under paragraph (1) to—

(i) assist participants in the demonstration project in obtaining the skills and information necessary to achieve economic self-sufficiency through activities requiring qualified expenses (as so defined);

(ii) provide financial assistance in accordance with subsection (g) to individuals selected by the qualified entity grantee to participate in the project;

(iii) administer the project; and

(iv) provide the research organization evaluating the project under subsection (k) with such information with respect to the project as may be required for the evaluation.

(B) AUTHORITY TO INVEST FUNDS.—

(i) GUIDELINES.—The Secretary shall establish guidelines for investing amounts in Reserve Funds in a manner that provides high liquidity and low risk.

(ii) INVESTMENT.—A qualified entity grantee shall invest the amounts in its Reserve Fund that are not immediately needed to carry out the provisions of subparagraph (A), in accordance with guidelines established under clause (i).

(C) LIMITATION ON USES.—Not more than 7.5 percent of the amounts provided to a qualified entity grantee under subsection (c)(2) shall be used by the qualified entity grantee for the purposes described in clauses (i), (iii), and (iv) of paragraph (3)(A), except that if 2 or more qualified entities are jointly administering a project, no qualified entity grantee shall use more than its proportional share for such purposes.

(4) UNUSED FEDERAL GRANT FUNDS TRANSFERRED TO THE SECRETARY WHEN PROJECT TERMINATES.—Notwithstanding paragraph (3), upon the termination of any demonstration project authorized under this section, the qualified entity grantee conducting the project shall transfer to the Secretary an amount equal to—

(A) the amounts in its Reserve Fund at time of the termination; multiplied by

(B) a percentage equal to—

(i) the aggregate amount of grants made to the qualified entity grantee under subsection (c)(2); divided by

(ii) the aggregate amount of all moneys provided to the qualified entity grantee by all sources to conduct the project.

(e) ELIGIBILITY FOR ASSISTANCE.—

(1) IN GENERAL.—Any individual who is a member of a household that meets the following requirements shall be eligible for assistance under a demonstration project conducted under this section:

(A) INCOME TEST.—The adjusted gross income of the household did not exceed the income limits established under section 32(b)(2) of the Internal Revenue Code of 1986.

(B) NET WORTH TEST.—

(i) IN GENERAL.—The net worth of the household, as of the close of the calendar year preceding the determination of eligibility, does not exceed $20,000.

(ii) DETERMINATION OF NET WORTH.—For purposes of clause (i), the net worth of a household is the amount equal to—

(I) the aggregate market value of all assets that are owned in whole or in part by any member of the household, minus

(II) the obligations or debts of any member of the household.

(2) INDIVIDUALS UNABLE TO COMPLETE THE PROJECT.—The Secretary shall establish such regulations as are necessary, including prohibiting eligibility for further assistance under a demonstration project conducted under this section, to ensure compliance with this section if an individual participating in the demonstration project moves from the community in which the project is conducted or is otherwise unable to continue participating in the project.

(f) SELECTION OF INDIVIDUALS TO RECEIVE ASSISTANCE.—From among the individuals eligible for assistance under a demonstration project conducted under this section, each qualified entity grantee shall select the individuals—

(1) whom the qualified entity grantee deems to be best suited to receive such assistance; and

(2) to whom the qualified entity grantee will provide financial assistance in accordance with subsection (g).

(g) PROVISION OF FINANCIAL ASSISTANCE.—

(1) IN GENERAL.—Not less than once a month during each project year, each qualified entity grantee under this section shall deposit in the individual development account of each individual participating in the project an amount—

(A) from the grant made under subsection (c)(2), equal to the amount of earned income (as defined in section 911(d)(2) of the Internal Revenue Code of 1986) deposited during the month by the individual in the individual's development account, and

(B) from the non-Federal funds described in subsection (b)(2)(D), equal to the amount described in subparagraph (A).

(2) LIMITATION ON FINANCIAL ASSISTANCE TO INDIVIDUAL.—Not more than $2,000 from a grant made under subsection (c)(2) shall be provided to any 1 individual.

(3) LIMITATION ON FINANCIAL ASSISTANCE TO HOUSEHOLD.—Not more than $4,000 from a grant made under subsection (c)(2) shall be provided to any 1 household.

(4) WITHDRAWAL OF FUNDS.—The Secretary shall establish such regulations as may be necessary to ensure that funds held in an individual development account are not withdrawn except for 1 or more of the qualified expenses specified in section 529(c)(1) of the Internal Revenue Code of 1986 (as added by section 4 of this Act). Such regulations shall include a requirement that a responsible official of the qualified entity grantee conducting a project approve such withdrawal in writing.

(h) LOCAL CONTROL OVER DEMONSTRATION PROJECTS.—Each qualified entity grantee under this section shall, subject to the provisions of subsection (j), have sole authority over the administration of the project. The Secretary may prescribe only such regulations with respect to demonstration projects under this section as are necessary to ensure compliance with the approved applications and this section.

(i) SEMIANNUAL PROGRESS REPORTS.—

(1) IN GENERAL.—Each qualified entity grantee under this section shall prepare semiannual reports on the progress of the project. Each report shall specify for the semiannual period covered by the report the following information:

(A) The number of individuals making a deposit into an individual development account.

(B) Information on the amounts in the Reserve Fund established with respect to the project.

(C) The amounts deposited in the individual development accounts.

(D) The amounts withdrawn from the individual development accounts and the purposes for which such amounts were withdrawn.

(E) The balances remaining in the individual development accounts.

(F) Such other information as the Secretary may require to evaluate the project.

(2) SUBMISSION OF REPORTS.—The qualified entity grantee shall submit each report required to be prepared under paragraph (1) to—

(A) the Secretary; and

(B) the Treasurer (or equivalent official) of the State in which the project is conducted, if the State or local government committed funds to the demonstration project.

(3) TIMING.—The first report required by paragraph (1) shall be submitted at the end of the 7-month period beginning on the date the Secretary authorized the qualified entity grantee to conduct the demonstration project, and subsequent reports shall be submitted every 6 months thereafter, until the conclusion of the project.

(j) SANCTIONS.—

(1) AUTHORITY TO TERMINATE DEMONSTRATION PROJECT.—If the Secretary determines that a qualified entity grantee under this section is not operating the project in accordance with the grantee's application or this section (and has not implemented any corrective recommendations directed by the Secretary), the Secretary shall terminate such grantee's authority to conduct the project.

(2) ACTIONS REQUIRED UPON TERMINATION.—If the Secretary terminates the authority to conduct a demonstration project, the Secretary—

(A) shall suspend the project;

(B) shall take control of the Reserve Fund established pursuant to subsection (d);

(C) shall make every effort to identify another qualified entity willing and able to conduct the project in accordance with the approved application (or, as modified, if necessary to incorporate the recommendations) and this section;

(D) shall, if the Secretary identifies such an entity—

(i) authorize the entity to conduct the project in accordance with the approved application (or, as modified, if necessary, to incorporate the recommendations) and this section;

(ii) transfer to the entity control over the Reserve Fund established pursuant to subsection (d); and

(iii) consider, for purposes of this section—

(I) such other entity to be the qualified entity originally authorized to conduct the project; and

(II) the date of such authorization to be the date of the original authorization; and

(E) if, by the end of the 1-year period beginning on the date of the termination, the Secretary has not found such a qualified entity, shall—

(i) terminate the project; and

(ii) from the amount remaining in the Reserve Fund established as part of the project, remit to each source that provided funds under subsection (b)(2)(D) to the entity originally authorized to conduct the project, an amount that bears the same ratio to the amount so remaining as the amount provided by the source under subsection (b)(2)(D) bears to the amount provided by all such sources under subsection (b)(2)(D).

(k) EVALUATIONS.—

(1) IN GENERAL.—Not later than 16 months after the date of the enactment of this Act, the Secretary shall enter into a contract with an independent research organization to evaluate, individually and as a group, all qualified entities and sources participating in the demonstration projects conducted under this section.

(2) FACTORS TO EVALUATE.—In evaluating any demonstration project conducted under this section, the research organization shall address the following factors:

(A) The savings account characteristics (such as threshold amounts and match rates) required to stimulate participation in the demonstration project, and how such characteristics vary among different populations or communities.

(B) What service configurations of the qualified entity grantee (such as peer support, structured planning exercises, mentoring, and case management) increase the rate and consistency of participation in the demonstration project and how such configurations vary among different populations or communities.

(C) The economic, civic, psychological, and social effects of asset accumulation, and how such effects vary among different populations or communities.

(D) The effects of individual development accounts on savings rates, homeownership, level of education attained, and self-employment, and how such effects vary among different populations or communities.

(E) The potential financial returns to the Federal Government and to other public sector and private sector investors in individual development accounts over a 5-year and 10-year period of time.

(F) The lessons to be learned from the demonstration projects conducted under this section and if a permanent program of individual development accounts should be established.

(G) Such other factors as may be prescribed by the Secretary.

(3) METHODOLOGICAL REQUIREMENTS.—In evaluating any demonstration project conducted under this section, the research organization shall—

(A) to the extent possible, use control groups to compare participants with nonparticipants;

(B) before, during, and after the project, obtain such quantitative data as are necessary to evaluate the project thoroughly; and

(C) develop a qualitative assessment, derived from sources such as in-depth interviews, of how asset accumulation affects individuals and families.

(4) REPORTS BY THE SECRETARY.—

(A) INTERIM REPORTS.—Not less than once during the 12-month period beginning on the date of the enactment of this Act, and during each 12-month period thereafter until all demonstration projects conducted under this section are completed, the Secretary shall submit to the Congress an interim report setting forth the results of the evaluations conducted pursuant to this subsection.

(B) FINAL REPORTS.—Not later than 12 months after the conclusion of all demonstration projects conducted under this section, the Secretary shall submit to the Congress a final report setting forth the results and findings of evaluations conducted pursuant to this subsection.

(5) EVALUATION EXPENSES.—The Secretary shall expend such sums as may be necessary to carry out the purposes of this subsection.

(l) DEFINITIONS.—As used in this section:

(1) APPLICABLE PERIOD.—The term "applicable period" means, with respect to amounts to be paid from a grant made for a project year, the calendar year immediately preceding the calendar year in which the grant is made.

(2) HOUSEHOLD.—The term "household" means all individuals who share use of a dwelling unit as primary quarters for living and eating separate from other individuals.

(3) INDIVIDUAL DEVELOPMENT ACCOUNT.—The term "individual development account" has the same meaning given such term in section 529 of the Internal Revenue Code of 1986, as added by section 4 of this Act.

(4) PENALTY AMOUNT.—The term "penalty amount" means any of the following:

(A) FINANCIAL ASSISTANCE FORFEITED.—Any amount paid into the general fund of the Treasury of the United States under section 529(e) of the Internal Revenue Code of 1986 (as so added).

(B) 10 PERCENT ADDITION TO TAX.—Any additional tax imposed by section 529(f) of the Internal Revenue Code of 1986 (as so added).

(C) OTHER EXCISE OR PENALTY TAXES.—Any tax imposed with respect to an individual development account by section 4973, 4975, or 6693 of the Internal Revenue Code of 1986.

(5) PROJECT YEAR.—The term "project year" means, with respect to a demonstration project, any of the 4 consecutive 12-month periods beginning on the date the project is originally authorized to be conducted.

(6) QUALIFIED SAVINGS OF THE INDIVIDUAL FOR THE PERIOD.—The term "qualified savings of the individual for the period" means the aggregate of the amounts contributed by the individual to the individual development account of the individual during the period.

(7) SECRETARY.—The term "Secretary" means the Secretary of Health and Human Services.

(m) AUTHORIZATION OF APPROPRIATIONS.—To carry out this section, the following amounts are authorized to be appropriated:

(1) $20,000,000 for fiscal year 1996.

(2) $30,000,000 for fiscal year 1997.

(3) $30,000,000 for fiscal year 1998.

(4) $20,000,000 for fiscal year 1999.

SEC. 4. INDIVIDUAL DEVELOPMENT ACCOUNTS.

(a) IN GENERAL.—Subchapter F of chapter 1 of the Internal Revenue Code of 1986 (relating to exempt organizations) is amended by adding at the end the following new part:

"PART VIII—INDIVIDUAL DEVELOPMENT ACCOUNTS

"Sec. 529. Individual development accounts.

"SEC. 529. INDIVIDUAL DEVELOPMENT ACCOUNTS.

"(a) ESTABLISHMENT OF ACCOUNTS.—

"(1) IN GENERAL.—An individual development account may be established by or on behalf of an eligible individual for the purpose of accumulating funds to pay the qualified expenses of such individual.

"(2) ELIGIBLE INDIVIDUAL.—

"(A) IN GENERAL.—The term 'eligible individual' means an individual for whom assistance is (or at any prior time was) provided by a qualified entity grantee under section 3(g) of the Assets for Independence Act.

"(B) QUALIFIED ENTITY.—The term 'qualified entity' has the meaning given such term by section 3(b)(1)(B) of such Act.

"(b) LIMITATIONS.—

"(1) ACCOUNT TO BENEFIT 1 INDIVIDUAL.—An individual development account may not be established for the benefit of more than 1 individual.

"(2) MULTIPLE ACCOUNTS.—If, at any time during a calendar year, 2 or more individual development accounts are maintained for the benefit of an eligible individual, such individual shall be treated as an eligible individual for the calendar year only with respect to the 1st of such accounts.

"(3) ANNUAL LIMIT.—Contributions to an individual development account for any taxable year shall not exceed $2,000. No contribution to the account under section 3(g) of the Assets for Independence Act shall be taken into account for purposes of this paragraph.

"(4) CONTRIBUTIONS TO BE FROM EARNED INCOME.—An eligible individual may only contribute to an account such amounts as are derived from earned income, as defined in section 911(d)(2).

"(c) DEFINITIONS AND SPECIAL RULES.—For purposes of this section—

"(1) QUALIFIED EXPENSES.—The term 'qualified expenses' means 1 or more of the following, as provided by the qualified entity providing assistance to the individual under section 3(g) of the Assets for Independence Act:

"(A) POSTSECONDARY EDUCATIONAL EXPENSES.—Postsecondary educational expenses paid from an individual development account directly to an eligible educational institution. For purposes of this subparagraph—

"(i) IN GENERAL.—The term 'post-secondary educational expenses' means—

"(I) tuition and fees required for the enrollment or attendance of a student at an eligible educational institution, and

"(II) fees, books, supplies, and equipment required for courses of instruction at an eligible educational institution.

"(ii) ELIGIBLE EDUCATIONAL INSTITUTION.—The term 'eligible educational institution' means the following:

"(I) INSTITUTION OF HIGHER EDUCATION.—An institution described in section 481(a)(1) or 1201(a) of the Higher Education Act of 1965 (20 U.S.C. 1088(a)(1) or 1141(a)), as such sections are in effect on the date of the enactment of this section.

"(II) POSTSECONDARY VOCATIONAL EDUCATION SCHOOL.—An area vocational education school (as defined in subparagraph (C) or (D) of section 521(4) of the Carl D. Perkins Vocational and Applied Technology Education Act (20 U.S.C. 2471(4))) which is in any State (as defined in section 521(33) of such Act), as such sections are in effect on the date of the enactment of this section.

"(B) FIRST-HOME PURCHASE.—Qualified acquisition costs with respect to a qualified principal residence for a qualified first-time homebuyer, if paid from an individual development account directly to the persons to whom the amounts are due. For purposes of this subparagraph—

"(i) QUALIFIED ACQUISITION COSTS.—The term 'qualified acquisition costs' means the costs of acquiring, constructing, or reconstructing a residence. The term includes any usual or reasonable settlement, financing, or other closing costs.

"(ii) QUALIFIED PRINCIPAL RESIDENCE.—The term 'qualified principal residence' means a principal residence (within the meaning of section 1034), the qualified acquisition costs of which do not exceed 100 percent of the average area purchase price applicable to such residence (determined in accordance with paragraphs (2) and (3) of section 143(e)).

"(iii) QUALIFIED FIRST-TIME HOMEBUYER.—

"(I) IN GENERAL.—The term 'qualified first-time homebuyer' means a taxpayer (and, if married, the taxpayer's spouse) who has no present ownership interest in a principal residence during the 3-year period ending on the date of acquisition of the principal residence to which this subparagraph applies.

"(II) DATE OF ACQUISITION.—The term 'date of acquisition' means the date on which a binding contract to acquire, construct, or reconstruct the principal residence to which this subparagraph applies is entered into.

"(C) BUSINESS CAPITALIZATION.—Amounts paid from an individual development account directly to a business capitalization account which is established in a federally insured financial institution and is restricted to use solely for qualified business capitalization expenses. For purposes of this subparagraph—

"(i) QUALIFIED BUSINESS CAPITALIZATION EXPENSES.—The term 'qualified business capitalization expenses' means qualified expenditures for the capitalization of a qualified business pursuant to a qualified plan.

"(ii) QUALIFIED EXPENDITURES.—The term 'qualified expenditures' means expenditures included in a qualified plan, including capital, plant, equipment, working capital, and inventory expenses.

"(iii) QUALIFIED BUSINESS.—The term 'qualified business' means any business that does not contravene any law or public policy (as determined by the Secretary).

"(iv) QUALIFIED PLAN.—The term 'qualified plan' means a business plan which—

"(I) is approved by a financial institution, or by a nonprofit loan fund having demonstrated fiduciary integrity,

"(II) includes a description of services or goods to be sold, a marketing plan, and projected financial statements, and

"(III) may require the eligible individual to obtain the assistance of an experienced entrepreneurial advisor.

"(D) TRANSFERS TO IDAS OF FAMILY MEMBERS.—Amounts paid from an individual development account directly into another such account established for the benefit of an eligible individual who is—

"(i) the taxpayer's spouse, or

"(ii) any dependent of the taxpayer with respect to whom the taxpayer is allowed a deduction under section 151.

"(2) INDIVIDUAL DEVELOPMENT ACCOUNT.—The term 'individual development account' means a trust created or organized in the United States exclusively for the purpose of paying the qualified expenses of an eligible individual, but only if the written governing instrument creating the trust meets the following requirements:

"(A) No contribution will be accepted unless it is in cash or by check.

"(B) The trustee is a federally insured financial institution.

"(C) The assets of the account will be invested in accordance with the direction of the eligible individual after consultation with the qualified entity providing assistance to the individual under section 3(g) of the Assets for Independence Act.

"(D) The assets of the trust will not be commingled with other property except in a common trust fund or common investment fund.

"(E) Except as provided in subparagraph (F), any amount in the account which is attributable to assistance provided under section 3(g) of the Assets for Independence Act may be paid or distributed out of the account only for the purpose of paying the qualified expenses of the eligible individual.

"(F) Any balance in the account on the day after the date on which the individual for whose benefit the trust is established dies shall be distributed within 30 days of such date as directed by such individual to another individual development account established for the benefit of an eligible individual.

"(3) TIME WHEN CONTRIBUTIONS DEEMED MADE.—A taxpayer shall be deemed to have made a contribution on the last day of the preceding taxable year if the contribution is made on account of such taxable year and is made not later than the time prescribed by law for filing the return for such taxable year (including extensions thereof).

"(d) TAX TREATMENT OF DISTRIBUTIONS.—

"(1) IN GENERAL.—Except as otherwise provided in this subsection, any amount paid or distributed out of an individual development account attributable to assistance provided under section 3(g) of the Assets for Independence Act (including earnings attributable to such assistance) shall be included in gross income of the payee or distributee for the taxable year in the manner provided in section 72.

"(2) DISTRIBUTION USED TO PAY QUALIFIED EXPENSES.—A payment or distribution out of an individual development account attributable to assistance provided under section 3(g) of the Assets for Independence Act shall not be included in gross income to the extent such payment or distribution is used exclusively to pay the qualified expenses incurred by the eligible individual for whose benefit the account is established.

"(3) ORDERING RULES.—Any distribution from an individual development account shall not be treated as made from the accumulated contributions made to the account by the eligible individual (including earnings attributable to such contributions) until all other amounts to the credit of the eligible individual have been distributed.

"(e) TAX TREATMENT OF ACCOUNTS.—

"(1) EXEMPTION FROM TAX.—

"(A) IN GENERAL.—Except as provided in subparagraph (B), an individual development account is exempt from taxation under this title unless such account has ceased to be an individual development account by reason of paragraph (2). Notwithstanding the preceding sentence, any such account is subject to the taxes imposed by section 511 (relating to imposition of tax on unrelated business income of charitable, etc. organizations).

"(B) CERTAIN EARNINGS TAXED AS GRANTOR TRUST.—An eligible individual shall be treated for purposes of this title as the owner of the individual development account established by or on behalf of such individual and shall be subject to tax thereon with respect to the earnings attributable to contributions made to the account by the eligible individual in accordance with subpart E of part I of subchapter J of this chapter (relating to grantors and others treated as substantial owners).

"(2) LOSS OF EXEMPTION OF ACCOUNT WHERE INDIVIDUAL ENGAGES IN PROHIBITED TRANSACTION.—

"(A) IN GENERAL.—If an eligible individual or qualified entity engages in any transaction prohibited by section 4975 with respect to such individual's account, the account shall cease to be an individual development account as of the 1st day of the taxable year of such individual during which such transaction occurs.

"(B) ACCOUNT TREATED AS DISTRIBUTING ALL ITS ASSETS.—In any case in which any account ceases to be an individual development account by reason of subparagraph (A) as of the 1st day of any taxable year—

"(i) all assets in the account on such 1st day which are attributable to assistance provided under section 3(g) of the Assets for Independence Act shall be paid into the general fund of the Treasury of the United States, and

"(ii) the remaining assets shall be treated as distributed on such 1st day.

"(3) EFFECT OF PLEDGING ACCOUNT AS SECURITY.—If, during any taxable year, an eligible individual or qualified entity uses such individual's account or any portion thereof as security for a loan—

"(A) an amount equal to the part of the portion so used which is attributable to assistance provided under section 3(g) of the Assets for Independence Act shall be paid into the general fund of the Treasury of the United States, and

"(B) the remaining part of the portion so used shall be treated as distributed to the eligible individual.

"(4) EFFECT OF LIEN OR OTHER SEIZURE OF ACCOUNT.—If, during any taxable year, a lien is placed on an individual development account, or the account is otherwise seized pursuant to legal or administrative process—

"(A) an amount equal to the part of the portion so seized which is attributable to assistance provided under section 3(g) of the Assets for Independence Act shall be paid into the general fund of the Treasury of the United States, and

"(B) the remaining part of the portion so seized shall be treated as distributed to the eligible individual.

"(f) ADDITIONAL TAX ON CERTAIN AMOUNTS INCLUDED IN GROSS INCOME.—

"(1) DISTRIBUTION NOT USED FOR QUALIFIED EXPENSES.—In the case of any payment or distribution not used exclusively to pay qualified expenses incurred by the eligible individual for whose benefit the individual development account is established, the tax liability of each payee or distributee under this chapter for the taxable year in which the payment or distribution is received shall be increased by an amount equal to 10 percent of the amount of the payment or distribution.

"(2) DISABILITY OR DEATH CASES.—Paragraph (1) shall not apply if the payment or distribution is made after the individual for whose benefit the individual development account becomes disabled within the meaning of section 72(m)(7) or dies.

"(g) COMMUNITY PROPERTY LAWS.—This section shall be applied without regard to any community property laws.

"(h) CUSTODIAL ACCOUNTS.—For purposes of this section, a custodial account shall be treated as a trust if the assets of such account are held by a bank (as defined in section 408(n)) or another person who demonstrates, to the satisfaction of the Secretary, that the manner in which such person will administer the account will be consistent with the requirements of this section, and if the custodial account would, except for the fact that it is not a trust, constitute an individual development account described in subsection (c)(2). For purposes of this title, in the case of a custodial account treated as a trust by reason of the preceding sentence, the custodian of such account shall be treated as the trustee thereof.

"(i) REPORTS.—The trustee of an individual development account shall—

"(1) prepare reports regarding the account with respect to contributions, distributions, and any other matter required by the Secretary under regulations, and

"(2) submit such reports, at the time and in the manner prescribed by the Secretary in regulations, to—

"(A) the eligible individual for whose benefit the account is maintained,

"(B) the qualified entity providing assistance to the individual under section 3(g) of the Assets for Independence Act, and

"(C) the Secretary."

(b) DEDUCTION ALLOWED AGAINST GROSS INCOME.—Subsection (a) of section 62 (defining adjusted gross income) is amended by inserting after paragraph (15) the following new paragraph:

"(16) INDIVIDUAL DEVELOPMENT ACCOUNTS.—Except as provided in section 529, contributions to an individual development account established to provide assistance to the taxpayer under section 3(g) of the Assets for Independence Act."

(c) CONTRIBUTION NOT SUBJECT TO GIFT TAX.—Section 2503 of such Code (relating to taxable gifts) is amended by adding at the end the following new subsection:

"(h) INDIVIDUAL DEVELOPMENT ACCOUNTS.—Any contribution made by an individual or qualified entity to an individual development account described in section 529(c)(2) shall not be treated as a transfer of property by gift for purposes of this chapter."

(d) TAX ON PROHIBITED TRANSACTIONS.—Section 4975 of such Code (relating to prohibited transactions) is amended—

(1) by adding at the end of subsection (c) the following new paragraph:

"(4) SPECIAL RULE FOR INDIVIDUAL DEVELOPMENT ACCOUNTS.—An eligible individual for whose benefit an individual development account is established and any contributor to such account shall be exempt from the tax imposed by this section with respect to any transaction concerning such account (which would otherwise be taxable under this section) if, with respect to such transaction, the account ceases to be an individual development account by reason of the application of section 529(e)(2)(A) to such account.", and

(2) by inserting ", an individual development account described in section 529(c)(2)," in subsection (e)(1) after "described in section 408(a)".

(e) FAILURE TO PROVIDE REPORTS ON INDIVIDUAL DEVELOPMENT ACCOUNTS.—Section 6693 of such Code (relating to failure to provide reports on individual retirement accounts or annuities) is amended—

(1) by inserting "or on individual development accounts" after "annuities" in the heading of such section, and

(2) by adding at the end of subsection (a) the following new sentence: "The person required by section 529(i) to file a report regarding an individual development account at the time and in the manner required by such section shall pay a penalty of $50 for each failure, unless it is shown that such failure is due to reasonable cause."

(f) SPECIAL RULE FOR DETERMINING AMOUNTS OF SUPPORT FOR DEPENDENT.—Subsection (b) of section 152 of such Code (relating to definition of dependent) is amended by adding at the end the following new paragraph:

"(6) A distribution from an individual development account described in section 529(c)(2) to the eligible individual for whose benefit such account has been established shall not be taken into account in determining support for purposes of this section to the extent such distribution is excluded from gross income of such individual under section 529(d)(2)."

(g) CLERICAL AMENDMENTS.—

(1) The table of parts for subchapter F of chapter 1 of such Code is amended by inserting at the end the following new item:

"Part VIII. Individual development accounts."

(2) The table of sections for subchapter B of chapter 68 of such Code is amended by striking the item relating to section 6693 and inserting the following new item:

"Sec. 6693. Failure to provide reports on individual retirement accounts or annuities or on individual development accounts."

(h) EFFECTIVE DATE.—The amendments made by this section shall apply to contributions made after the date of the enactment of this Act.

SEC. 5. FUNDS IN INDIVIDUAL DEVELOPMENT ACCOUNTS OF DEMONSTRATION PROJECT PARTICIPANTS DISREGARDED FOR PURPOSES OF ALL MEANS-TESTED FEDERAL PROGRAMS.

Notwithstanding any Federal law (other than the Internal Revenue Code of 1986) that requires consideration of 1 or more financial circumstances of an individual, for the purpose of determining eligibility to receive, or the amount of, any assistance or benefit authorized by such law to be provided to or for the benefit of such individual, funds (including interest accruing) in an individual development account (as defined in section 529 of the Internal Revenue Code of 1986, as added by section 4 of this Act) shall be disregarded for such purpose with respect to any period during which such individual participates in a demonstration project conducted under section 3 of this Act (or would be participating in such a project but for the suspension of the project).

S. 1213

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Urban Homestead Act of 1995".

SEC. 2. DEFINITIONS.

For purposes of this Act, the following definitions shall apply:

(1) COMMUNITY DEVELOPMENT CORPORATION.—The term "community development corporation" means a nonprofit organization whose primary purpose is to promote community development by providing housing opportunities to low-income families.

(2) COST RECOVERY BASIS.—The term "cost recovery basis" means, with respect to any sale of a project or residence by a unit of general local government to a community development corporation under section 3(c)(2), that the purchase price paid by the community development corporation is less than or equal to the costs incurred by the unit of general local government in connection with such project or residence during the period beginning on the date on which the unit of general local government acquires title to the multifamily housing project or residential property under subsection (a) and ending on the date on which the sale is consummated.

(3) LOW-INCOME FAMILIES.—The term "low-income families" has the same meaning as in section 3(b) of the United States Housing Act of 1937.

(4) MULTIFAMILY HOUSING PROJECT.—The term "multifamily housing project" has the same meaning as in section 203 of the Housing and Community Development Amendments of 1978.

(5) SECRETARY.—The term "Secretary" means the Secretary of Housing and Urban Development.

(6) SEVERE PHYSICAL PROBLEMS.—A dwelling unit shall be considered to have "severe physical problems" if such unit—

(A) lacks hot or cold piped water, a flush toilet, or both a bathtub and a shower in the unit, for the exclusive use of that unit;

(B) on not less than 3 separate occasions, during the preceding winter months was uncomfortably cold for a period of more than 6 consecutive hours due to a malfunction of the heating system for the unit;

(C) has no functioning electrical service, exposed wiring, any room in which there is not a functioning electrical outlet, or has experienced not less than 3 blown fuses or tripped circuit breakers during the preceding 90-day period;

(D) is accessible through a public hallway in which there are no working light fixtures, loose or missing steps or railings, and no elevator; or

(E) has severe maintenance problems, including water leaks involving the roof, windows, doors, basement, or pipes or plumbing fixtures, holes or open cracks in walls or ceilings, severe paint peeling or broken plaster, and signs of rodent infestation.

(7) SINGLE FAMILY RESIDENCE.—The term "single family residence" means a 1- to 4-family dwelling that is held by the Secretary.

(8) SUBSTANDARD MULTIFAMILY HOUSING PROJECT.—A multifamily housing project is "substandard" if not less than 25 percent of the dwelling units of the project have severe physical problems.

(9) UNIT OF GENERAL LOCAL GOVERNMENT.—The term "unit of general local government" has the same meaning as in section 102(a) of the Housing and Community Development Act of 1974.

(10) UNOCCUPIED MULTIFAMILY HOUSING PROJECT.—The term "unoccupied multifamily housing project" means a multifamily housing project that the unit of general local government certifies in writing is not inhabited.

SEC. 3. DISPOSITION OF UNOCCUPIED AND SUBSTANDARD PUBLIC HOUSING.

(a) TRANSFER OF OWNERSHIP TO UNITS OF GENERAL LOCAL GOVERNMENT.—Notwithstanding section 203 of the Housing and Community Development Amendments of 1978 or any other provision of Federal law pertaining to the disposition of property, the Secretary shall transfer ownership of any unoccupied multifamily housing project, substandard multifamily housing project, or other residential property that is owned by the Secretary to the appropriate unit of general local government for the area in which the project or residence is located in accordance with subsection (b), if the unit of general local government enters into an agreement with the Secretary described in subsection (c).

(b) TIMING.—

(1) IN GENERAL.—Any transfer of ownership under subsection (a) shall be completed—

(A) with respect to any multifamily housing project owned by the Secretary that is determined to be unoccupied or substandard before the date of enactment of this Act, not later than 1 year after that date of enactment; and

(B) with respect to any multifamily housing project or other residential property acquired by the Secretary on or after the date of enactment of this Act, not later than 1 year after the date on which the project is determined to be unoccupied or substandard or the residence is acquired, as appropriate.

(2) SATISFACTION OF INDEBTEDNESS.—Prior to any transfer of ownership under paragraph (1), the Secretary shall satisfy any indebtedness incurred in connection with the project or residence at issue, either by—

(A) cancellation of the indebtedness; or

(B) reimbursing the unit of general local government to which the project or residence is transferred for the amount of the indebtedness.

(c) SALE TO COMMUNITY DEVELOPMENT CORPORATIONS.—An agreement is described in this subsection if it is an agreement that requires a unit of general local government to dispose of the multifamily housing project or other residential property in accordance with the following requirements:

(1) NOTIFICATION TO COMMUNITY DEVELOPMENT CORPORATIONS.—Not later than 30 days after the date on which the unit of general local government acquires title to the multifamily housing project or other residential property under subsection (a), the unit of general local government shall notify community development corporations located in the State in which the project or residence is located—

(A) of such acquisition of title; and

(B) that, during the 6-month period beginning on the date on which such notification is made, such community development corporations shall have the exclusive right under this subsection to make bona fide offers to purchase the project or residence on a cost recovery basis.

(2) RIGHT OF FIRST REFUSAL.—During the 6-month period described in paragraph (1)(B)—

(A) the unit of general local government may not sell or offer to sell the multifamily housing project or other residential property other than to a party notified under paragraph (1), unless each community development corporation notifies the unit of general local government that the corporation will not make an offer to purchase the project or residence; and

(B) the unit of general local government shall accept a bona fide offer to purchase the project or residence made during such period if the offer is acceptable to the unit of general local government, except that a unit of general local government may not sell a project or residence to a community development corporation during that 6-month period other than on a cost recovery basis.

(3) OTHER DISPOSITION.—During the 6-month period beginning on the expiration of the 6-month period described in paragraph (1)(B), the unit of general local government shall dispose of the multifamily housing project or other residential property on a negotiated, competitive bid, or other basis, on such terms as the unit of general local government deems appropriate.

SEC. 4. EXEMPTION FROM PROPERTY DISPOSITION REQUIREMENTS.

No provision of the Multifamily Housing Property Disposition Reform Act of 1994, or any amendment made by that Act, shall apply to the disposition of property in accordance with this Act.

SEC. 5. TENANT LEASES.

This Act shall not affect the terms or the enforceability of any contract or lease entered into before the date of enactment of this Act.

SEC. 6. PROCEDURES.

Not later than 6 months after the date of enactment of this Act, the Secretary shall establish, by rule, regulation, or order, such procedures as may be necessary to carry out this Act.

S. 1214

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Maternity Shelter Act of 1995".

SEC. 2. FINDINGS.

Congress finds that—

(1) pregnancy among unmarried teenagers is one of the most difficult and far-reaching social problems faced by the United States;

(2) in 1988, the most recent year for which statistics are available, 816,000 unmarried teenagers became pregnant, and of such pregnancies, 44 percent ended in abortion, 12 percent in miscarriage or still birth, and 44 percent in birth;

(3) less than 10 percent of unwed teenage mothers place their children for adoption;

(4) only half as many unmarried teenagers begin prenatal care in the first trimester of pregnancy as do teenagers who become pregnant after marriage, with the result that unmarried teenagers are twice as likely to give birth to low-birth-weight babies than their married teenage counterparts and the rate of infant mortality is twice as high as mothers giving birth in their twenties; and

(5) Federal policy should assist and encourage States to provide pre- and postnatal maternity care services to pregnant teenagers in order to protect the future health and well-being of their newborn children.

TITLE I—MATERNAL HEALTH CERTIFICATES PROGRAM

SEC. 101. MATERNAL HEALTH CERTIFICATES FOR ELIGIBLE PREGNANT WOMEN.

(a) Establishment of Maternal Health Certificates for Eligible Pregnant Women.—Not later than 180 days after the date of the enactment of this Act, the Secretary shall establish a program to provide maternal health certificates for eligible pregnant women to use to cover expenses incurred in receiving services at a maternity home.

(b) Eligibility of Individuals.—

(1) In general.—A pregnant woman is eligible to receive a maternal health certificate under the program established under subsection (a) if the woman—

(A) has an annual individual income (determined without taking into account the income of any parent or guardian of the individual) not greater than 175 percent of the income official poverty line (as defined by the Office of Management and Budget, and revised annually in accordance with section 673(2) of the Omnibus Budget Reconciliation Act of 1981) applicable to such individual; and

(B) provides the Secretary with such other information and assurances as the Secretary may require.

(2) Income of estranged spouse not included.—In determining the income of an individual for purposes of paragraph (1)(A), there shall not be included the income of a spouse if the spouse has been living apart from the woman for not less than 6 months, or if the spouse is incarcerated.

(3) Participation in AFDC program not required.—An individual otherwise eligible to receive a maternal health certificate under the program established under subsection (a) shall not be found ineligible to receive such a certificate solely on the grounds that the individual does not receive or is not eligible to receive aid under the State plan for aid to families with dependent children under part A of title IV of the Social Security Act.

(c) Limitations on Amount of Expenses Incurred.—A certificate received under the program established under subsection (a) may be used to cover an amount of expenses incurred by an individual at a maternity home that does not exceed an amount equal to—

(1) $100; multiplied by

(2) the number of days during which such services are provided to the individual at such facility.

(d) Definitions.—For purposes of this section:

(1) Maternity home.—The term "maternity home" means a nonprofit facility licensed or otherwise approved by the State (including accreditation or other peer review systems that may be recognized by the State) in which the facility is located to serve as a residence for not fewer than 4 pregnant women during pregnancy and for a limited period after the date on which the child carried during the pregnancy is born, as the Secretary may determine, that provides such pregnant women with appropriate supportive services, which—

(A) shall include the following services—

(i) instruction and counseling regarding future health care for the woman and her child;

(ii) nutrition counseling;

(iii) counseling and education concerning all aspects of prenatal care, childbirth, and motherhood;

(iv) general family counseling, including child and family development counseling;

(v) adoption counseling;

(vi) employability training, job assistance, and counseling; and

(vii) medical care or referral for medical care for the woman and her child, including—

(I) prenatal, delivery, and post-delivery care;

(II) screening or referral for screening for illegal drug use and treatment; and

(III) screening or referral for screening and treatment of sexually transmitted diseases; and

(B) may include the following services—

(i) housing;

(ii) board and nutrition services;

(iii) basic transportation services to enable the woman to obtain services from the facility;

(iv) incidental dental care;

(v) referral for job training; and

(vi) such other services as are consistent with the purposes of this section.

(2) Pregnant woman.—The term "pregnant woman" means a woman determined to have one or more fetuses in utero.

(e) Authorization of Appropriations.—There are authorized to be appropriated for maternal health certificates under this section—

(1) $50,000,000 for fiscal year 1996;

(2) $75,000,000 for fiscal year 1997; and

(3) $100,000,000 for fiscal year 1998.

TITLE II—MATERNITY HOME DEMONSTRATIONS

SEC. 201. PURPOSES.

It is the purpose of this title to support demonstrations—

(1) to improve and expand the availability of, and access to, needed comprehensive maternity care services that enable pregnant adolescents to obtain proper care and to assist pregnant adolescents and adolescent parents to become productive independent contributors to family and community life; and

(2) to promote innovative, comprehensive, and integrated approaches to the delivery of such services.

SEC. 202. ESTABLISHMENT OF DEMONSTRATION PROGRAM.

(a) Grants.—

(1) In general.—The Secretary of Health and Human Services (hereinafter referred to in this Act as the "Secretary") may make demonstration grants to any State that submits an application under this section (in such form and containing such information as the Secretary may require) to reimburse the State for amounts expended under an eligible grant program for maternity care services furnished to eligible beneficiaries.

(2) Limitations.—No grant made under paragraph (1)—

(A) shall exceed an amount equal to 50 percent of the total amount expended by the State under the demonstration program for maternity care services furnished to eligible beneficiaries; or

(B) shall be used for the performance, counseling, or referral for abortion.

(3) Definitions.—As used in this subsection:

(A) Demonstration program.—The term "demonstration program" means any program conducted by a nonprofit private organization or agency that (as determined by the Secretary) is capable of furnishing in a single setting maternity care services which—

(i) shall include the following services—

(I) instruction and counseling regarding future health care for the woman and her child;

(II) nutrition counseling;

(III) counseling and education concerning all aspects of prenatal care, childbirth, and motherhood;

(IV) general family counseling, including child and family development counseling;

(V) adoption counseling;

(VI) employability training, job assistance, and counseling; and

(VII) medical care or referral for medical care for the woman and her child, including—

(aa) prenatal, delivery, and post-delivery care;

(bb) screening or referral for screening for illegal drug use and treatment; and

(cc) screening or referral for screening and treatment of sexually transmitted diseases; and

(ii) may include the following services—

(I) housing;

(II) board and nutrition services;

(III) basic transportation services to enable the woman to obtain services from the facility;

(IV) incidental dental care;

(V) referral for job training; and

(VI) such other services as are consistent with the purposes of this section.

(B) Eligible beneficiary.—The term "eligible beneficiary" means any individual who—

(i) is under the age of 19;

(ii) has not completed high school; and

(iii)(I) is pregnant; or

(II) has given birth in the preceding 90 days.

(b) Administration.—The officer or employee of the Department of Health and Human Services designated by the Secretary to administer the grant program under this section shall report directly to the Assistant Secretary for Health with respect to the activities of such officer or employee in administering such program.

(c) Authorization of Appropriations; Amounts for Administration and Evaluation.—

(1) Authorization of appropriations.—There are authorized to be appropriated $50,000,000 for each of the fiscal years 1996, 1997, and 1998 for the purpose of carrying out the grant program under this section.

(2) Administration and start up.—Not more than 25 percent of the amounts appropriated pursuant to paragraph (1) may be used for the purpose of administering or starting up the grant program under this section.

(d) Regulations.—The Secretary shall adopt such regulations as are necessary to carry out this section.

TITLE III—REHABILITATION GRANTS FOR MATERNITY HOUSING AND SERVICES FACILITIES

SEC. 301. ESTABLISHMENT OF GRANT PROGRAM.

The Secretary of Housing and Urban Development shall carry out a program to provide assistance under this title to eligible nonprofit entities for rehabilitation of existing structures for use as facilities to provide housing and services to pregnant women.

SEC. 302. AUTHORITY AND APPLICATIONS.

(a) AUTHORITY.—The Secretary may make grants under the program under this title to eligible nonprofit entities to rehabilitate existing structures for use as maternity housing and services facilities.

(b) APPLICATIONS.—The Secretary may make grants only to nonprofit entities that submit applications for grants under this title in the form and manner that the Secretary shall prescribe, which shall include assurances that grant amounts will be used to provide a maternity housing and services facility.

SEC. 303. GRANT LIMITATIONS.

(a) MAXIMUM GRANT AMOUNT.—A grant under this title may not be in an amount greater than $1,000,000. An eligible nonprofit entity may not receive more than 1 grant under this title in any fiscal year.

(b) MAXIMUM NUMBER OF GRANTS.—The Secretary may not make grants under this title to more than 100 eligible nonprofit entities in any fiscal year.

(c) USE OF GRANTS FOR REHABILITATION ACTIVITIES.—Any eligible nonprofit entity that receives a grant under this title shall use the grant amounts for the acquisition or rehabilitation (or both) of existing structures for use as a maternity housing and services facility, which may include planning and development costs, professional fees, and administrative costs related to such acquisition or rehabilitation.

(d) TIME LIMITATION.—Rehabilitation projects that receive assistance under this title shall be operated for not less than 10 years for the purposes described in this title.

(e) REPAYMENT.—

(1) REQUIREMENT.—The Secretary shall require a recipient of a grant under this title to repay 100 percent of the amount of such grant if the Secretary determines that the recipient has failed to use such grant to operate maternity housing during the 1-year period beginning on the date such housing is placed in service. If the Secretary determines that such recipient is operating maternity housing under such grant for periods in excess of such 1-year period, the Secretary shall reduce the percentage of the amount required to be repaid by 10 percentage points for each year such maternity housing is in operation in excess of such 1-year period.

(2) EXCEPTION.—A recipient of a grant under this title shall not be required to comply with the terms and conditions prescribed under this subsection if the recipient elects to sell or dispose of the property involved and such sale or disposition results in the use of the project for the direct benefit of very low income individuals or if all of the proceeds generated from such sale or disposition are used to provide maternity housing that meets the requirements of this title.

SEC. 304. REPORTS.

The Secretary shall require each eligible nonprofit entity that receives a grant under this title to submit to the Secretary a report, at such times and including such information as the Secretary shall determine, describing the activities carried out by the eligible nonprofit entity with the grant amounts.

SEC. 305. DEFINITIONS.

For purposes of this title:

(1) ELIGIBLE NONPROFIT ENTITIES.—The term "eligible nonprofit entity" means any organization that—

(A) is described in section 501(c)(3) of the Internal Revenue Code of 1986 that is exempt from taxation under subtitle A of such Code; and

(B) has submitted an application under section 702(b) for a grant under this title.

(2) MATERNITY HOUSING AND SERVICES FACILITY.—The term "maternity housing and services facility" means a facility licensed or otherwise approved by the State in which the facility is located to serve as a residence for not fewer than 4 pregnant women during pregnancy and for a limited period after the date on which the child carried during the pregnancy is born, as the Secretary may determine, that provides such pregnant women with appropriate supportive services, which

(A) shall include the following services—

(i) instruction and counseling regarding future health care for the woman and her child;

(ii) nutrition counseling;

(iii) counseling and education concerning all aspects of prenatal care, childbirth, and motherhood;

(iv) general family counseling, including child and family development counseling;

(v) adoption counseling;

(vi) employability training, job assistance, and counseling; and

(vii) medical care or referral for medical care for the woman and her child, including—

(I) prenatal, delivery, and post-delivery care;

(II) screening or referral for screening for illegal drug use and treatment; and

(III) screening or referral for screening and treatment of sexually transmitted diseases; and

(B) may include the following services—

(i) housing;

(ii) board and nutrition services;

(iii) basic transportation services to enable the woman to obtain services from the facility;

(iv) incidental dental care;

(v) referral for job training; and

(vi) such other services as are consistent with the purposes of this section.

(3) PREGNANT WOMAN.—The term "pregnant woman" means a woman determined to have one or more fetuses in utero.

(4) SECRETARY.—The term "Secretary" means the Secretary of Housing and Urban Development.

SEC. 306. AUTHORIZATION OF APPROPRIATIONS.

There are authorized to be appropriated to carry out this title $25,000,000 for fiscal year 1996, $40,000,000 for fiscal year 1997, and $60,000,000 for fiscal year 1998.

TITLE IV—MISCELLANEOUS PROVISIONS

SEC. 401. EVALUATIONS AND REPORTS.

(a) EVALUATION.—The Secretary of Health and Human Services (with respect to titles I and II) and the Secretary of Housing and Urban Development (with respect to title III) shall conduct an evaluation of each program receiving a grant under this Act and may require each recipient of a grant under this Act to submit such information to the appropriate Secretary as such Secretary determines is necessary to conduct such evaluation.

(b) REPORT.—Each Secretary referred to in subsection (a) shall for each year of the grant program under this Act submit to the Congress a summary of each evaluation conducted under subsection (a) and of the information submitted to each such Secretary by recipients of grants under this Act.

(c) FUNDING.—Of the amounts appropriated pursuant to this Act—

(1) the Secretary of Health and Human Services shall reserve not less than 3 percent nor more than 10 percent of the amount appropriated under titles I and II; and

(2) the Secretary of Housing and Urban Development shall reserve not less than 3 percent nor more than 10 percent of the amount appropriated under title III;

for the purpose of carrying out the activities under subsections (a) and (b).

SEC. 402. PROHIBITION ON ABORTION.

Amounts may be made available under this Act only to programs or projects that—

(1) do not provide for the performance of abortions or provide abortion counseling or referral;

(2) do not subcontract with or make any payments to any person who provides for the performance of abortions or provides abortion counseling or referral; and

(3) do not advocate, promote, or encourage abortion;

except where the life of the mother would be endangered of the fetus were carried to term.

S. 1215

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Neighborhood Security Act".

SEC. 2. PURPOSES.

It is the purpose of this Act to provide for the establishment of demonstration projects designed to determine the effectiveness of—

(1) certain activities by community residents in coordination with the local police department in preventing and removing violent crime and drug trafficking from the community;

(2) such activities in increasing economic development in the community; and

(3) such activities in preventing or ending retaliation by perpetrators of crime against community residents engaged in these activities.

SEC. 3. DEMONSTRATION GRANT AUTHORITY.

(a) DEMONSTRATION AUTHORITY.—Not later than 16 months after the date of enactment of this Act, the Secretary shall award grants under this Act. Grants shall be awarded annually under this section and shall be for a period of 4 years.

(b) LIMITATION ON GRANT AMOUNTS.—The amount of each grant awarded under this Act shall not be less than $25,000 nor more than $100,000.

(c) REDUCTION IN AMOUNT.—Amounts provided under a grant awarded under this Act for a fiscal year shall be reduced in proportion to any reduction in the amounts appropriated under this Act for such fiscal year as compared to the amounts appropriated for the prior fiscal year.

(d) UNUSED PORTION OF GRANT FUNDS.—Any unused portion of a grant awarded under this section shall, upon the termination of such grant, be transferred to the Secretary for redistribution in the subsequent fiscal year or for repayment to the Department of the Treasury.

SEC. 4. APPLICATION.

(a) SUBMISSION.—To be eligible to receive a grant under section 3, a qualified entity shall, not later than 12 months after the date of enactment of this Act, submit to the Secretary an application to conduct a demonstration project under this Act.

(b) CONTENT.—An application submitted under subsection (a) shall be in such form and contain such information as the Secretary shall require, including—

(1) an agreement with the local police department to coordinate and assist in the prevention and removal of violent crime and drug trafficking from the target community;

(2) a plan detailing the nature and extent of coordination and assistance to be provided by the local police department, project participants, and the applicant; and

(3) a description of the strategy of the community for the physical and economic development of the community.

(c) CRITERIA.—In considering whether to approve an application submitted under this section, the Secretary shall consider—

(1) the degree to which the project described in the application will support existing community economic development activities by preventing and removing violent crime and drug trafficking from the community;

(2) the demonstrated record of project participants with respect to economic and community development activities;

(3) the ability of the applicant to responsibly administer the project;

(4) the ability of the applicant to assist and coordinate with project participants to achieve economic development and prevent and remove violent crime and drug trafficking in the community;

(5) the adequacy of the plan to assist and coordinate with the local police department in preventing and removing violent crime and drug trafficking in the community;

(6) the consistency of the application with the eligible activities and the uses for the grant under this Act;

(7) the aggregate amount of funds from non-Federal (public and private sector) sources that are formally committed to the project;

(8) the adequacy of the plan for providing information relevant to an evaluation of the project to the independent research organization; and

(9) such other factors as may be determined appropriate by the Secretary.

(d) PREFERENCES.—In considering an application submitted under this section, the Secretary shall give preference to an applicant that demonstrates a commitment to work with project participants and a local police department in a community with—

(1) an enterprise zone or enterprise community designation or an area established pursuant to any consolidated planning process for use of Federal housing and community development funds;

(2) significant rates of violent crime and drug trafficking, as determined by the Secretary; and

(3) at least one non-profit community development corporation or similar organization that is willing to and capable of increasing economic development.

(e) APPROVAL.—Not later than 15 months after the date of enactment of this Act, the Secretary shall, on competitive basis, approve or disapprove of the applications submitted under this section.

SEC. 5. ELIGIBLE ACTIVITIES.

(a) ACTIVITIES.—Amounts provided under a grant awarded under this Act shall be used for the following activities:

(1) Citizen patrols by car or by foot intended to prevent violent crime and eradicate open market or street sales of controlled substances.

(2) Block watch activities, including identification of property for purposes of retrieving stolen goods, camera surveillance to identify drug traffickers and their customers, protection of evidence to ensure evidence is not lost or destroyed prior to police arrival, and computer linkages among organizations and the police to identify hot spots and speed the dissemination of information.

(3) Property modification programs, including securing buildings and residences to prevent burglary, and structural changes, such as the construction of fences, to parks or buildings to prevent drug sales or other criminal activity in those areas.

(4) Squatter eviction programs aimed at notifying public authorities of trespassers in abandoned buildings used as crack houses or heroin shooting galleries and increasing efforts to remove such squatters.

(5) Expansion of community liaisons with the police, including expanding the community's role in community policing activities.

(6) Developing and expanding programs to prevent or end retaliation by perpetrators of crime against project participants.

(7) Other activities consistent with the purposes of this Act.

(b) ADDITIONAL ACTIVITIES.—Amounts provided under a grant awarded under this Act may be used for additional activities in support of the activities described in subsection (a), including—

(1) the purchase of equipment or supplies, including cameras, video cameras, walkie-talkies, and computers;

(2) the training of project participants; and

(3) the hiring of staff for grantees or project participant organizations to assist in coordinating activities among project participants and with the local police department.

SEC. 6. LOCAL CONTROL OVER PROJECTS.

Except as provided in regulations promulgated under the succeeding sentence, each organization authorized to conduct a demonstration project under this Act shall have exclusive authority over the administration of the project. The Secretary may prescribe such regulations with respect to such demonstration projects as are expressly authorized or as are necessary to ensure compliance with approved applications and this Act.

SEC. 7. MONITORING OF GRANTEES.

(a) IN GENERAL.—The Secretary shall monitor grantees to ensure that the projects conducted under the grants are being carried out in accordance with this Act. Each grantee, and each entity which has received funds from a grant made under this Act, shall make appropriate books, documents, papers, and records available to the Secretary for examination, copying, or mechanical reproduction on or off the premises of the entity upon a reasonable request therefore.

(b) WITHHOLDING, TERMINATION OR RECAPTURE.—The Secretary shall, after adequate notice and an opportunity for a hearing, withhold, terminate, or recapture any funds due, or provided to and unused by, an entity under a grant awarded under this Act if the Secretary determines that such entity has not used any such amounts in accordance with the requirements of this Act. The Secretary shall withhold, terminate, or recapture such funds until the Secretary determines that the reason for the withholding, termination, or recapture has been removed and there is reasonable assurance that it will not recur.

(c) COMPLAINTS.—The Secretary shall respond in an expeditious manner to complaints of a substantial or serious nature that an entity has failed to use funds provided under this Act in accordance with the requirements of this Act.

SEC. 8. REPORTS AND AUDITS.

(a) REPORTS.—Not later than 3 months after the termination of a grant under this Act, the grantee shall prepare and submit to the Secretary a report containing such information as may be required by the Secretary.

(b) AUDITS.—The Secretary shall annually audit the expenditures of each grantee under this Act from payments received under grants awarded under this Act. Such audits shall be conducted by an entity independent of any agency administering a program funded under this Act and, in so far as practical, in accordance with the Comptroller General's standards for auditing governmental organizations, programs, activities, and functions.

SEC. 9. EVALUATIONS.

(a) IN GENERAL.—Not later than 16 months after the date of enactment of this Act, the Secretary shall enter into a contract with an independent research organization under which such organization, in accordance with this section, conducts an evaluation of the demonstration projects, individually and as a group, conducted under this Act.

(b) RESEARCH QUESTIONS.—In evaluating a demonstration project conducted under this Act, the organization described in subsection (a) shall address the following:

(1) What activities and uses most effectively involve project participants in the activities and uses under this Act (with effectiveness measured, for example, by duration of participation, frequency of participation, and intensity of participation).

(2) What activities and uses are most effective in preventing or removing violent crime and drug trafficking from a target community.

(3) What activities and uses are most effective in supporting or promoting economic development in a target community.

(4) What activities and uses are most effective in increasing coordination and assistance between project participants and with the local police department.

(5) What activities and uses are most effective in preventing or ending retaliation by perpetrators of crime against project participants.

(c) FUNDING.—Of the funds appropriated under this Act, the Secretary shall set aside not less than 1 percent and not more than 3 percent for the evaluations required under this section.

(d) REPORT TO CONGRESS.—Not later than 6 months after the date on which the last grant under this Act terminates, the Secretary shall prepare and submit to the appropriate committees of the Congress a summary of each evaluation conducted under this section.

SEC. 10. AUTHORIZATION OF APPROPRIATIONS.

There are authorized to be appropriated to carry out this Act, $10,000,000 for each of the fiscal years 1997, 1998, 1999, and 2000.

SEC. 11. DEFINITIONS.

As used in this Act:

(1) COMMUNITY.—The term "community" means a contiguous geographic area within a large urban district or encompassing a small urban or other nonurban area.

(2) DRUG TRAFFICKING.—The term "drug trafficking" means any offense that could be prosecuted under the Controlled Substances Act (21 U.S.C. 801, et seq.).

(3) ECONOMIC DEVELOPMENT.—The term "economic development" means revitalization and development activities, including business, commercial, housing, and employment activities, that benefit a community and its residents.

(4) GRANTEE.—The term "grantee" means a qualified entity that receives a grant under this Act.

(5) PROJECT PARTICIPANT.—The term "project participant" means any individual or private-sector group in a community participating in any of the activities established under a demonstration grant under this Act.

(6) QUALIFIED ENTITY.—The term "qualified entity" means a non-profit organization described in section 501(c)(3) of the Internal Revenue Code of 1986 and exempt from taxation under the Internal Revenue Code of 1986.

(7) SECRETARY.—The term "Secretary" means the Secretary of Health and Human Services.

(8) VIOLENT CRIME.—The term "violent crime" has the same meaning as the term "crime of violence" in title 18 of the United States Code.

S. 1216

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Compassion Credit Act".

SEC. 2. CREDIT FOR CHARITABLE CONTRIBUTIONS TO INDIVIDUALS PROVIDING HOME CARE TO CERTAIN INDIVIDUALS IN NEED.

(a) IN GENERAL.—Subpart A of part IV of subchapter A of chapter 1 of the Internal Revenue Code of 1986 (relating to nonrefundable personal credits) is amended by inserting after section 22 the following new section:

"SEC. 23. CREDIT FOR HOME CARE FOR NEEDY INDIVIDUALS.

"(a) IN GENERAL.—In the case of an individual, there shall be allowed as a credit against the tax imposed by this chapter for a taxable year an amount equal to $500 for each eligible individual.

"(b) ELIGIBLE INDIVIDUAL.—For purposes of this section—

"(1) IN GENERAL.—The term 'eligible individual' means an individual—

"(A) who is a member of a class of individuals described in paragraph (2), and

"(B) to whom the taxpayer provides qualified home care services which are required by the individual by reason of being a member of such a class.

"(2) NEEDY INDIVIDUALS.—The classes of individuals described in this paragraph are as follows:

"(A) Unmarried pregnant women.

"(B) Hospice care patients, including AIDS patients and cancer patients.

"(C) Homeless individuals.

"(D) Battered women and battered women with children.

"(3) QUALIFIED HOME CARE SERVICES.—The term 'qualified home care services' means those services which the taxpayer is certified as being qualified to provide to an eligible individual by an organization—

"(A) which is described in section 501(c)(3) and exempt from tax under section 501(a), and

"(B) the predominant activity of which is providing care to one or more classes of eligible individuals."

(b) CLERICAL AMENDMENT.—The table of sections for subpart A of part IV of subchapter A of chapter 1 of the Internal Revenue Code of 1986 is amended by inserting after the item relating to section 22 the following new item:

"Sec. 23. Credit for home care for needy individuals."

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 1995.

S. 1217

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Medical Volunteer Act".

SEC. 2. TORT CLAIM IMMUNITY.

(a) GENERAL RULE.—A health care professional who provides a health care service to a medically underserved person without receiving compensation for such health care service, shall be regarded, for purposes of any medical malpractice claim that may arise in connection with the provision of such service, as an employee of the Federal Government for purposes of the Federal tort claims provisions in title 28, United States Code.

(b) COMPENSATION.—For purposes of subsection (a), a health care professional shall be deemed to have provided a health care service without compensation only if, prior to furnishing a health care service, the health care professional—

(1) agrees to furnish the health care service without charge to any person, including any health insurance plan or program under which the recipient is covered; and

(2) provides the recipient of the health care service with adequate notice (as determined by the Secretary) of the limited liability of the health care professional with respect to the service.

SEC. 3. PREEMPTION.

The provisions of this Act shall preempt any State law to the extent that such law is inconsistent with such provisions. The provisions of this Act shall not preempt any State law that provides greater incentives or protections to a health care professional rendering a health care service.

SEC. 4. DEFINITIONS.

For purposes of this Act:

(1) HEALTH CARE PROFESSIONAL.—The term "health care professional" means a person who, at the time the person provides a health care service, is licensed or certified by the appropriate authorities for practice in a State to furnish health care services.

(2) HEALTH CARE SERVICE.—The term "health care service" means any medical assistance to the extent it is included in the plan submitted under title XIX of the Social Security Act for the State in which the service was provided.

(3) MEDICALLY UNDERSERVED PERSON.—The term "medically underserved person" means a person who resides in—

(A) a medically underserved area as defined for purposes of determining a medically underserved population under section 330 of the Public Health Service Act (42 U.S.C. 254c); or

(B) a health professional shortage area as defined in section 332 of such Act (42 U.S.C. 254e);

and who receives care in a health care facility substantially comparable to any of those designated in the Federally Supported Health Centers Assistance Act (42 U.S.C. 233 et seq.), as shall be determined in regulations promulgated by the Secretary.

(4) SECRETARY.—The term "Secretary" means the Secretary of the Department of Health and Human Services.

S. 1218

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Community Partnership Act".

SEC. 2. GRANT PROGRAM.

(a) IN GENERAL.—The Attorney General and the Secretary of Health and Human Services shall jointly establish and carry out a competitive grant program to provide funding to States and communities to—

(1) establish an information network to enhance coordination of matches between—

(A) churches, synagogues and other communities of faith, and other community groups; and

(B)(i) families receiving aid to families with dependent children under part A of title IV of the Social Security Act (42 U.S.C. 601 et seq.) who voluntarily elect to participate; or

(ii) nonviolent criminal offenders who elect to participate, and are directed to such a program through the judicial system;

(2) hire staff to coordinate matches, recruit churches, enhance coordination between the public welfare system, judicial system, churches, synagogues and other communities of faith, and other community groups; and

(3) disseminate information, including training, to Government agencies and interested community groups about programs receiving funding under this Act.

(b) FUNDING.—

(1) IN GENERAL.—A grant under this section shall not exceed $1,000,000 in any fiscal year.

(2) SOURCES.—There are authorized to be appropriated not more than $50,000,000, of which—

(A) not more than $25,000,000 shall be available from the Violent Crime Reduction Trust Fund; and

(B) not more than $25,000,000 shall be available from funds appropriated to the Secretary of Health and Human Services for administrative expenses.

SEC. 3. INFORMATION CLEARINGHOUSES.

Of the amount made available under section 2(b), not more than a total of $1,000,000 shall be available to the Attorney General and Secretary of Health and Human Services for each to establish a national information clearinghouse at the Department of Justice and the Department of Health and Human Services, respectively, to provide information and networking to assist States in establishing and carrying out programs under section 2.

ADDITIONAL COSPONSORS

S. 391

At the request of Mr. CRAIG, the name of the Senator from Wyoming [Mr. THOMAS] was added as a cosponsor of S. 391, a bill to authorize and direct the Secretaries of the Interior and Agriculture to undertake activities to halt and reverse the decline in forest health on Federal lands, and for other purposes.

S. 771

At the request of Mr. PRYOR, the name of the Senator from Vermont [Mr. LEAHY] was added as a cosponsor of S. 771, a bill to provide that certain Federal property shall be made available to States for State use before being made available to other entities, and for other purposes.

S. 856

At the request of Mr. JEFFORDS, the name of the Senator from Illinois [Ms. MOSELEY-BRAUN] was added as a cosponsor of S. 856, a bill to amend the National Foundation on the Arts and the Humanities Act of 1965, the Museum Services Act, and the Arts and Artifacts Indemnity Act to improve and extend the Acts, and for other purposes.

S. 963

At the request of Mr. BAUCUS, the name of Senator from New Mexico [Mr. BINGAMAN] was added as a cosponsor of S. 963, a bill to amend the medicare program under title XVIII of the Social Security Act to improve rural services, and for other purposes.

S. 984

At the request of Mr. GRASSLEY, the name of the Senator from Oklahoma [Mr. INHOFE] was added as a cosponsor of S. 984, a bill to protect the fundamental right of a parent to direct the upbringing of a child, and for other purposes.

S. 1030

At the request of Mr. REID, the name of the Senator from Illinois [Mr. SIMON] was added as a cosponsor of S. 1030, a bill entitled the "Federal Prohibition of Female Genital Mutilation Act of 1995.

S. 1083

At the request of Mr. THOMAS, the name of the Senator from Colorado [Mr. BROWN] was added as a cosponsor of S. 1083, a bill to direct the President to withhold extension of the WTO Agreement to any country that is not complying with its obligations under the New York Convention, and for other purposes.

S. 1117

At the request of Mr. DASCHLE, the name of the Senator from California [Mrs. BOXER] was added as a cosponsor of S. 1117, a bill to repeal AFDC and establish the Work First Plan, and for other purposes.

S. 1159

At the request of Mr. INOUYE, the names of the Senator from North Dakota [Mr. DORGAN] and the Senator from Kansas [Mrs. KASSEBAUM] were added as cosponsors of S. 1159, a bill to establish an American Indian Policy Information Center, and for other purposes.

At the request of Mr. INOUYE, the name of the Senator from North Dakota [Mr. CONRAD] was withdrawn as a cosponsor of S. 1159, supra.

AMENDMENT NO. 2452

At the request of Mr. PRYOR the names of the Senator from Georgia [Mr. NUNN] and the Senator from New Mexico [Mr. BINGAMAN] were added as cosponsors of amendment No. 2452 proposed to S. 1026, an original bill to authorize appropriations for fiscal year 1996 for military activities of the Department of Defense, for military construction, and for defense activities of the Department of Energy, to prescribe personnel strengths for such fiscal year for the Armed Forces, and for other purposes.

AMENDMENTS SUBMITTED

THE NATIONAL DEFENSE AUTHORIZATION ACT FOR FISCAL YEAR 1996

WARNER (AND OTHERS) AMENDMENT NO. 2461

Mr. WARNER (for himself, Mr. EXON, Mr. THURMOND, Mr. KEMPTHORNE, Mr. CRAIG, Mr. COHEN, Ms. SNOWE, Mr. SMITH, Mr. GREGG, and Mr. ROBB) proposed an amendment to the bill (S. 1026) to authorize appropriations for fiscal year 1996 for military activities of the Department of Defense, for military construction, and for defense activities of the Department of Energy, to prescribe personnel strengths for such fiscal year for the Armed Forces, and for other purposes; and follows:

On page 570, between lines 10 and 11, insert the following:

SEC. 3168. SENSE OF SENATE ON NEGOTIATIONS REGARDING SHIPMENTS OF SPENT NUCLEAR FUEL FROM NAVAL REACTORS.

(a) SENSE OF THE SENATE.—It is the sense of the Senate that the Secretary of Defense, the Secretary of Energy, and the Governor of the State of Idaho should continue good faith negotiations for the purpose of reaching an agreement on the issue of shipments of spent nuclear fuel from naval reactors.

(b) REPORT.—(1) Not later than September 15, 1995, the Secretary of Defense shall submit to the Committee on Armed Services of the Senate and the Committee on National Security of the House of Representatives a written report on the status or outcome of the negotiations urged under subsection (a).

(2) The report shall include the following matters:

(A) If an agreement is reached, the terms of the agreement, including the dates on which shipments of spent nuclear fuel from naval reactors will resume.

(B) If an agreement is not reached—

(i) the Secretary's evaluation of the issues remaining to be resolved before an agreement can be reached;

(ii) the likelihood that an agreement will be reached before October 1, 1995; and

(iii) the steps that must be taken regarding the shipment of spent nuclear fuel from naval reactors to ensure that the Navy can meet the national security requirements of the United States.

LEVIN AMENDMENT NO. 2462

Mr. NUNN (for Mr. LEVIN) proposed an amendment to the bill S. 1026, supra; as follows:

At the appropriate point in the bill, insert the following:

SEC. . ENCOURAGEMENT OF USE OF LEASING AUTHORITY.

(a) IN GENERAL.—(1) Chapter 137 of title 10, United States Code, is amended by inserting after section 2316 the following new section:

"SEC. 2317. EQUIPMENT LEASING.

"The Secretary of Defense is authorized to use leasing in the acquisition of commercial vehicles when such leasing is practicable and efficient."

(2) The table of sections at the beginning of such chapter is amended by adding at the end the following new item:

"2317. Equipment Leasing."

(b) REPORT.—Not later than 90 days after the date of enactment of this Act, the Secretary of Defense shall submit a report to the congressional defense committees setting forth changes in legislation that would be required to facilitate the use of leases by the Department of Defense in the acquisition of equipment.

(c) PILOT PROGRAM.—The Secretary of the Army may conduct a pilot program for leasing of commercial utility cargo vehicles as follows:

(1) Existing commercial utility cargo vehicles may be traded-in for credit against new replacement commercial utility cargo vehicle least costs;

(2) Quantities of commercial utility cargo vehicles to be traded in and their value to be credited shall be subject to negotiation between the parties;

(3) New commercial utility cargo vehicle lease agreements may be executed with or without options to purchase at the end of each lease period;

(4) New commercial utility cargo vehicle lease periods may not exceed five years;

(5) Such leasing pilot program shall consist of replacing no more than forty percent of the validated requirement for commercial utility cargo vehicles, but may include an option or options for the remaining validated requirement which may be executed subject to the requirements of subsection (c)(8);

(6) The Army shall enter into such pilot program only if the Secretary:

(A) awards such program in accordance with the provisions of section 2304 of title 10, United States Code.

(B) has notified the congressional defense committees of his plans to execute the pilot program;

(C) has provided a report detailing the expected savings in operating and support costs from retiring older commercial utility cargo vehicles compared to the expected costs of leasing newer commercial utility cargo vehicles; and

(D) has allowed 30 calendar days to elapse after such notification.

(8) One year after the date of execution of an initial leasing contract, the Secretary of the Army shall submit a report setting forth the status of the pilot program. Such report shall be based upon at least six months of operating experience. The Secretary may exercise an option or options for subsequent commercial utility cargo vehicles only after he has allowed 60 calendar days to elapse after submitting this report.

(9) EXPIRATION OF AUTHORITY.—No lease of commercial utility cargo vehicles may be entered into under the pilot program after September 30, 2000.

KYL AMENDMENT NO. 2463

Mr. WARNER (for Mr. KYL) proposed an amendment to the bill S. 1026, supra; as follows:

At the appropriate place in the bill, insert the following:

SEC. . LIMITATION ON USE OF FUNDS FOR COOPERATIVE THREAT REDUCTION.

(a) LIMITATION.—Of the funds appropriated or otherwise made available for fiscal year

1996 under the heading "FORMER SOVIET UNION THREAT REDUCTION" for dismantlement and destruction of chemical weapons, not more than $52,000,000 may be obligated or expended for that purpose until the President certifies to Congress the following:

(1) That the United States and Russia have completed a joint laboratory study evaluating the proposal of Russia to neutralize its chemical weapons and the United States agrees with the proposal.

(2) That Russia is in the process of preparing, with the assistance of the United States (if necessary), a comprehensive plan to manage the dismantlement and destruction of the Russia chemical weapons stockpile.

(3) That the United States and Russia are committed to resolving outstanding issues under the 1989 Wyoming Memorandum of Understanding and the 1990 Bilateral Destruction Agreement.

(b) DEFINITIONS.—In this section:

(1) The term "1989 Wyoming Memorandum of Understanding" means the Memorandum of Understanding between the Government of the United States of America and the Government of the Union of Soviet Socialist Republics Regarding a Bilateral Verification Experiment and Data Exchange Related to Prohibition on Chemical Weapons, signed at Jackson Hole, Wyoming, on September 23, 1989.

(2) The term "1990 Bilateral Destruction Agreement" means the Agreement between the United States of America and the Union of Soviet Socialist Republics on destruction and non-production of chemical weapons and on measures to facilitate the multilateral convention on banning chemical weapons signed on June 1, 1990.

THURMOND (AND NUNN) AMENDMENT NO. 2464

Mr. WARNER (for Mr. THURMOND, for himself and Mr. NUNN) proposed an amendment to the bill S. 1026, supra; as follows:

On page 403, between lines 16 and 17, insert the following:

TITLE XI—TECHNICAL AND CLERICAL AMENDMENTS

SEC. 1101. AMENDMENTS RELATED TO RESERVE OFFICER PERSONNEL MANAGEMENT ACT.

(a) PUBLIC LAW 103–337.—The Reserve Officer Personnel Management Act (title XVI of the National Defense Authorization Act for Fiscal Year 1995 (Public Law 103–337)) is amended as follows:

(1) Section 1624 (108 Stat. 2961) is amended—

(A) by striking out "641" and all that follows through "(2)" and inserting in lieu thereof "620 is amended"; and

(B) by redesignating as subsection (d) the subsection added by the amendment made by that section.

(2) Section 1625 (108 Stat. 2962) is amended by striking out "Section 689" and inserting in lieu thereof "Section 12320".

(3) Section 1626(1) (108 Stat. 2962) is amended by striking out "(W–5)" in the second quoted matter therein and inserting in lieu thereof ", W–5,".

(4) Section 1627 (108 Stat. 2962) is amended by striking out "Section 1005(b)" and inserting in lieu thereof "Section 12645(b)".

(5) Section 1631 (108 Stat. 2964) is amended—

(A) in subsection (a), by striking out "Section 510" and inserting in lieu thereof "Section 12102"; and

(B) in subsection (b), by striking out "Section 591" and inserting in lieu thereof "Section 12201".

(6) Section 1632 (108 Stat. 2965) is amended by striking out "Section 593(a)" and inserting in lieu thereof "Section 12203(a)".

(7) Section 1635(a) (108 Stat. 2968) is amended by striking out "section 1291" and inserting in lieu thereof "section 1691(b)".

(8) Section 1671 (108 Stat. 3013) is amended—

(A) in subsection (b)(3), by striking out "512, and 517" and inserting in lieu thereof "and 512"; and

(B) in subsection (c)(2), by striking out the comma after "861" in the first quoted matter therein.

(9) Section 1684(b) (108 Stat. 3024) is amended by striking out "section 14110(d)" and inserting in lieu thereof "section 14111(c)".

(b) SUBTITLE E OF TITLE 10.—Subtitle E of title 10, United States Code, is amended as follows:

(1) The tables of chapters preceding part I and at the beginning of part IV are amended by striking out "Repayments" in the item relating to chapter 1609 and inserting in lieu thereof "Repayment Programs".

(2)(A) The heading for section 10103 is amended to read as follows:

"§ 10103. Basic policy for order into Federal service".

(B) The item relating to section 10103 in the table of sections at the beginning of chapter 1003 is amended to read as follows:

"10103. Basic policy for order into Federal service.".

(3) The table of sections at the beginning of chapter 1005 is amended by striking out the third word in the item relating to section 10142.

(4) The table of sections at the beginning of chapter 1007 is amended—

(A) by striking out the third word in the item relating to section 10205; and

(B) by capitalizing the initial letter of the sixth word in the item relating to section 10211.

(5) The table of sections at the beginning of chapter 1011 is amended by inserting "Sec." at the top of the column of section numbers.

(6) Section 10507 is amended—

(A) by striking out "section 124402(b)" and inserting in lieu thereof "section 12402(b)"; and

(B) by striking out "Air Forces" and inserting in lieu thereof "Air Force".

(7)(A) Section 10508 is repealed.

(B) The table of sections at the beginning of chapter 1011 is amended by striking out the item relating to section 10508.

(8) Section 10542 is amended by striking out subsection (d).

(9) Section 12004(a) is amended by striking out "active-status" and inserting in lieu thereof "active status".

(10) Section 12012 is amended by inserting "**the**" in the section heading before the penultimate word.

(11)(A) The heading for section 12201 is amended to read as follows:

"§ 12201. Reserve officers: qualifications for appointment".

(B) The item relating to section 12201 in the table of sections at the beginning of chapter 1205 is amended to read as follows:

"12201. Reserve officers: qualifications for appointment.".

(12) The heading for section 12209 is amended to read as follows:

"§ 12209. Officer candidates: enlisted Reserves".

(13) The heading for section 12210 is amended to read as follows:

"§ 12210. Attending Physician to the Congress: reserve grade while so serving".

(14) Section 12213(a) is amended by striking out "section 593" and inserting in lieu thereof "section 12203".

(15) The table of sections at the beginning of chapter 1207 is amended by striking out "promotions" in the item relating to section 12243 and inserting in lieu thereof "promotion".

(16) The table of sections at the beginning of chapter 1209 is amended—

(A) in the item relating to section 12304, by striking out the colon and inserting in lieu thereof a semicolon; and

(B) in the item relating to section 12308, by striking out the second, third, and fourth words.

(17) Section 12307 is amended by striking out "Ready Reserve" in the second sentence and inserting in lieu thereof "Retired Reserve".

(18) The heading of section 12401 is amended by striking out the seventh word.

(19) Section 12407(b) is amended—

(A) by striking out "of those jurisdictions" and inserting in lieu thereof "State"; and

(B) by striking out "jurisdictions" and inserting in lieu thereof "States"

(20) Section 12731(f) is amended by striking out "the date of the enactment of this subsection" and inserting in lieu thereof "October 5, 1994,".

(21) Section 12731a(c)(3) is amended by inserting a comma after "Defense Conversion".

(22) Section 14003 is amended by inserting "**lists**" in the section heading immediately before the colon.

(23) The table of sections at the beginning of chapter 1403 is amended by striking out "selection board" in the item relating to section 14105 and inserting in lieu thereof "promotion board".

(24) The table of sections at the beginning of chapter 1405 is amended—

(A) in the item relating to section 14307, by striking out "Numbers" and inserting in lieu thereof "Number";

(B) in the item relating to section 14309, by striking out the colon and inserting in lieu thereof a semicolon; and

(C) in the item relating to section 14314, by capitalizing the initial letter of the antepenultimate word.

(25) Section 14315(a) is amended by striking out "a Reserve officer" and inserting in lieu thereof "a reserve officer".

(26) 14317(e) is amended—

(A) by inserting "OFFICERS ORDERED TO ACTIVE DUTY IN TIME OF WAR OR NATIONAL EMERGENCY.—" after "(e)"; and

(B) by striking out "section 10213 or 644" and inserting in lieu thereof "section 123 or 10213".

(27) The table of sections at the beginning of chapter 1407 is amended—

(A) in the item relating to section 14506, by inserting "reserve" after "Marine Corps and"; and

(B) in the item relating to section 14507, by inserting "reserve" after "Removal from the"; and

(C) in the item relating to section 14509, by inserting "in grades" after "reserve officers".

(28) Section 14501(a) is amended by inserting "OFFICERS BELOW THE GRADE OF COLONEL OR NAVY CAPTAIN.—" after "(a)".

(29) The heading for section 14506 is amended by inserting a comma after "**Air Force**".

(30) Section 14508 is amended by striking out "this" after "from an active status under" in subsections (c) and (d).

(31) Section 14515 is amended by striking out "inactive status" and inserting in lieu thereof "inactive-status".

(32) Section 14903(b) is amended by striking out "chapter" and inserting in lieu thereof "title".

(33) The table of sections at the beginning of chapter 1606 is amended in the item relating to section 16133 by striking out "limitations" and inserting in lieu thereof "limitation".

(34) Section 16132(c) is amended by striking out "section" and inserting in lieu thereof "sections".

(35) Section 16135(b)(1)(A) is amended by striking out "section 2131(a)" and inserting in lieu thereof "sections 16131(a)".

(36) Section 18236(b)(1) is amended by striking out "section 2233(e)" and inserting in lieu thereof "section 18233(e)".

(37) Section 18237 is amended—

(A) in subsection (a), by striking out "section 2233(a)(1)" and inserting in lieu thereof "section 18233(a)(1)"; and

(B) in subsection (b), by striking out "section 2233(a)" and inserting in lieu thereof "section 18233(a)".

(c) OTHER PROVISIONS OF TITLE 10.—Effective as of December 1, 1994 (except as otherwise expressly provided), and as if included as amendments made by the Reserve Officer Personnel Management Act (title XVI of Public Law 103–360) as originally enacted, title 10, United States Code, is amended as follows:

(1) Section 101(d)(6)(B)(i) is amended by striking out "section 175" and inserting in lieu thereof "section 10301".

(2) Section 114(b) is amended by striking out "chapter 133" and inserting in lieu thereof "chapter 1803".

(3) Section 115(d) is amended—

(A) in paragraph (1), by striking out "section 673" and inserting in lieu thereof "section 12302";

(B) in paragraph (2), by striking out "section 673b" and inserting in lieu thereof "section 12304"; and

(C) in paragraph (3), by striking out "section 3500 or 8500" and inserting in lieu thereof "section 12406".

(4) Section 123(a) is amended—

(A) by striking out "281, 592, 1002, 1005, 1006, 1007, 1374, 3217, 3218, 3219, 3220,", "5414, 5457, 5458,", and "8217, 8218, 8219,"; and

(B) by striking out "and 8855" and inserting in lieu thereof "8855, 10214, 12003, 12004, 12005, 12007, 12202, 12213, 12642, 12645, 12646, 12647, 12771, 12772, and 12773".

(5) Section 582(1) is amended by striking out "section 672(d)" in subparagraph (B) and "section 673b" in subparagraph (D) and inserting in lieu thereof "section 12301(d)" and "section 12304", respectively.

(6) Section 641(1)(B) is amended by striking out "10501" and inserting in lieu thereof "10502, 10505, 10506(a), 10506(b), 10507".

(7) The table of sections at the beginning of chapter 39 is amended by striking out the items relating to sections 687 and 690.

(8) Sections 1053(a)(1), 1064, and 1065(a) are amended by striking out "chapter 67" and inserting in lieu thereof "chapter 1223".

(9) Section 1063(a)(1) is amended by striking out "section 1332(a)(2)" and inserting in lieu thereof "section 12732(a)(2)".

(10) Section 1074b(b)(2) is amended by striking out "section 673c" and inserting in lieu thereof "section 12305".

(11) Section 1076(b)(2)(A) is amended by striking out "before the effective date of the Reserve Officer Personnel Management Act" and inserting in lieu thereof "before December 1, 1994".

(12) Section 1176(b) is amended by striking out "section 1332" in the matter preceding paragraph (1) and in paragraph (2) and inserting in lieu thereof "section 12732".

(13) Section 1208(b) is amended by striking out "section 1333" and inserting in lieu thereof "section 12733".

(14) Section 1209 is amended by striking out "section 1332", "section 1335", and "chapter 71" and inserting in lieu thereof "section 12732", "section 12735", and "section 12739", respectively.

(15) Section 1407 is amended—

(A) in subsection (c)(1) and (d)(1), by striking out "section 1331" and inserting in lieu thereof "section 12731"; and

(B) in the heading for paragraph (1) of subsection (d), by striking out "CHAPTER 67" and inserting in lieu thereof "CHAPTER 1223".

(16) Section 1408(a)(5) is amended by striking out "section 1331" and inserting in lieu thereof "section 12731"

(17) Section 1431(a)(1) is amended by striking out "section 1376(a)" and inserting in lieu thereof "section 12774(a)".

(18) Section 1463(a)(2) is amended by striking out "chapter 67" and inserting in lieu thereof "chapter 1223".

(19) Section 1482(f)(2) is amended by inserting "section" before "12731 of this title".

(20) The table of sections at the beginning of chapter 533 is amended by striking out the item relating to section 5454.

(21) Section 2006(b)(1) is amended by striking out "chapter 106 of this title" and inserting in lieu thereof "chapter 1606 of this title".

(22) Section 2121(c) is amended by striking out "section 3353, 5600, or 8353" and inserting in lieu thereof "section 12207", effective on the effective date specified in section 1691(b)(1) of Public Law 103–337.

(23) Section 2130a(b)(3) is amended by striking out "section 591" and inserting in lieu thereof "section 12201".

(24) The table of sections at the beginning of chapter 337 is amended by striking out the items relating to section 3351 and 3352.

(25) Sections 3850, 6389(c), 6391(c), and 8850 are amended by striking out "section 1332" and inserting in lieu thereof "section 12732".

(26) Section 5600 is repealed, effective on the effective date specified in section 1691(b)(1) of Public Law 103–337.

(27) Section 5892 is amended by striking out "section 5457 or section 5458" and inserting in lieu thereof "section 12004 or section 12005".

(28) Section 6410(a) is amended by striking out "section 1005" and inserting in lieu thereof "section 12645".

(29) The table of sections at the beginning of chapter 837 is amended by striking out the items relating to section 8351 and 8352.

(30) Section 8360(b) is amended by striking out "section 1002" and inserting in lieu thereof "section 12642".

(31) Section 8380 is amended by striking out "section 524" in subsections (a) and (b) and inserting in lieu thereof "section 12011".

(32) Sections 8819(a), 8846(a), and 8846(b) are amended by striking out "section 1005 and 1006" and inserting in lieu thereof "sections 12645 and 12646".

(33) Section 8819 is amended by striking out "section 1005" and "section 1006" and inserting in lieu thereof "section 12645" and "section 12646", respectively.

(d) CROSS REFERENCES IN OTHER DEFENSE LAWS.—

(1) Section 337(b) of the National Defense Authorization Act for Fiscal Year 1995 (Public Law 103–337; 108 Stat. 2717) is amended by inserting before the period at the end the following: "or who after November 30, 1994, transferred to the Retired Reserve under section 10154(2) of title 10, United States Code, without having completed the years of service required under section 12731(a)(2) of such title for eligibility for retired pay under chapter 1223 of such title".

(2) Section 525 of the National Defense Authorization Act for Fiscal Years 1992 and 1993 (P.L. 102–190, 105 Stat. 1363) is amended by striking out "section 690" and inserting in lieu thereof "section 12321".

(3) Subtitle B of title XLIV of the National Defense Authorization Act for Fiscal Year 1993 (P.L. 102–484; 10 U.S.C. 12681 note) is amended—

(A) in section 4415, by striking out "section 1331a" and inserting in lieu thereof "section 12731a";

(B) in subsection 4416—

(i) in subsection (a), by striking out "section 1331" and inserting in lieu thereof "section 12731";

(ii) in subsection (b)—

(I) by inserting "or section 12732" in paragraph (1) after "under that section"; and

(II) by inserting "or 12731(a)" in paragraph (2) after "section 1331(a)";

(iii) in subsection (e)(2), by striking out "section 1332" and inserting in lieu thereof "section 12732"; and

(iv) in subsection (g), by striking out "section 1331a" and inserting in lieu thereof "section 12731a"; and

(C) in section 4418—

(i) in subsection (a), by striking out "section 1332" and inserting in lieu thereof "section 12732"; and

(ii) in subsection (b)(1)(A), by striking out "section 1333" and inserting in lieu thereof "section 12733".

(4) Title 37, United States Code, is amended—

(A) in section 302f(b), by striking out "section 673c of title 10" in paragraphs (2) and (3)(A) and inserting in lieu thereof "section 12305 of title 10"; and

(B) in section 433(a), by striking out "section 687 of title 10" and inserting in lieu thereof "section 12319 of title 10".

(e) CROSS REFERENCES IN OTHER LAWS.—

(1) Title 14, United States Code, is amended—

(A) in section 705(f), by striking out "600 of title 10" and inserting in lieu thereof "12209 of title 10"; and

(B) in section 741(c), by striking out "section 1006 of title 10" and inserting in lieu thereof "section 12646 of title 10".

(2) Title 38, United States Code, is amended—

(A) in section 3011(d)(3), by striking out "section 672, 673, 673b, 674, or 675 of title 10" and inserting in lieu thereof "section 12301, 12302, 12304, 12306, or 12307 of title 10";

(B) in sections 3012(b)(1)(B)(iii) and 3701(b)(5)(B), by striking out "section 268(b) of title 10" and inserting in lieu thereof "section 10143(a) of title 10";

(C) in section 3501(a)(3)(C), by striking out "section 511(d) of title 10" and inserting in lieu thereof "section 12103(d) of title 10"; and

(D) in section 4211(4)(C), by striking out "section 672(a), (d), or (g), 673, or 673b of title 10" and inserting in lieu thereof "section 12301(a), (d), or (g), 12302, or 12304 of title 10".

(3) Section 702(a)(1) of the Soldiers' and Sailors' Civil Relief Act of 1940 (50 U.S.C. App. 592(a)(1)) is amended—

(A) by striking out "section 672 (a) or (g), 673, 673b, 674, 675, or 688 of title 10" and inserting in lieu thereof "section 688, 12301(a), 12301(g), 12302, 12304, 12306, or 12307 of title 10"; and

(B) by striking out "section 672(d) of such title" and inserting in lieu thereof "section 12301(d) of such title".

(4) Section 463A of the Higher Education Act of 1965 (20 U.S.C. 1087cc–1) is amended in subsection (a)(10) by striking out "(10 U.S.C. 2172)" and inserting in lieu thereof "(10 U.S.C. 16302)".

(5) Section 179 of the National and Community Service Act of 1990 (42 U.S.C. 12639) is amended in subsection (a)(2)(C) by striking out "section 216(a) of title 5" and inserting in lieu thereof "section 10101 of title 10".

(f) EFFECTIVE DATES.—

(1) Section 1636 of the Reserve Officer Personnel Management Act shall take effect on the date of the enactment of this Act.

(2) The amendments made by sections 1672(a), 1673(a) (with respect to chapters 541 and 549), 1673(b)(2), 1673(b)(4), 1674(a), and 1674(b)(7) shall take effect on the effective date specified in section 1691(b)(1) of the Reserve Officer Personnel Management Act (notwithstanding section 1691(a) of such Act).

(3) The amendments made by this section shall take effect as if included in the Reserve Officer Personnel Management Act as enacted on October 5, 1994.

SEC. 1102. AMENDMENTS RELATED TO FEDERAL ACQUISITION STREAMLINING ACT OF 1994.

(a) PUBLIC LAW 103–355.—Effective as of October 13, 1994, and as if included therein as enacted, the Federal Acquisition Streamlining Act of 1994 (Public Law 103–355; 108 Stat. 3243 et seq.) is amended as follows:

(1) Section 1202(a) (108 Stat. 3274) is amended by striking out the closing quotation marks and second period at the end of paragraph (2)(B) of the subsection inserted by the amendment made by that section.

(2) Section 1251(b) (108 Stat. 3284) is amended by striking out "Office of Federal Procurement Policy Act" and inserting in lieu thereof "Federal Property and Administrative Services Act of 1949".

(3) Section 2051(e) (108 Stat. 3304) is amended by striking out the closing quotation marks and second period at the end of subsection (f)(3) in the matter inserted by the amendment made by that section.

(4) Section 2101(a)(6)(B)(ii) (108 Stat. 3308) is amended by replacing "regulation" with "regulations" in the first quoted matter.

(5) The heading of section 2352(b) (108 Stat. 3322) is amended by striking out "PROCEDURES TO SMALL BUSINESS GOVERNMENT CONTRACTORS.—" and inserting in lieu thereof "PROCEDURES.—".

(6) Section 3022 (108 Stat. 3333) is amended by striking out "each place" and all that follows through the end of the section and inserting in lieu thereof "in paragraph (1) and ", rent," after "sell" in paragraph (2).".

(7) Section 5092(b) (108 Stat. 3362) is amended by inserting "of paragraph (2)" after "second sentence".

(8) Section 6005(a) (108 Stat. 3364) is amended by striking out the closing quotation marks and second period at the end of subsection (e)(2) of the matter inserted by the amendment made by that section.

(9) Section 10005(f)(4) (108 Stat. 3409) is amended in the second matter in quotation marks by striking out "'SEC. 5. This Act" and inserting in lieu thereof "'SEC. 7. This title".

(b) TITLE 10, UNITED STATES CODE.—Title 10, United States Code, is amended as follows:

(1) Section 2220(b) is amended by striking out "the date of the enactment of the Federal Acquisition Streamlining Act of 1994" and inserting in lieu thereof "October 13, 1994".

(2)(A) The section 2247 added by section 7202(a)(1) of Public Law 103–355 (108 Stat. 3379) is redesignated as section 2249.

(B) The item relating to that section in the table of sections at the beginning of subchapter I of chapter 134 is revised to conform to the redesignation made by subparagraph (A).

(3) Section 2302(3)(K) is amended by adding a period at the end.

(4) Section 2304(h) is amended by striking out paragraph (1) and inserting in lieu thereof the following:

"(1) The Walsh-Healey Act (41 U.S.C. 35 et seq.).".

(5)(A) The section 2304a added by section 848(a)(1) of Public Law 103–160 (107 Stat. 1724) is redesignated as section 2304e.

(B) The item relating to that section in the table of sections at the beginning of chapter 137 is revised to conform to the redesignation made by subparagraph (A).

(6) Section 2306a is amended—

(A) in subsection (d)(2)(A)(ii), by inserting "to" after "The information referred";

(B) in subsection (e)(4)(B)(ii), by striking out the second comma after "parties"; and

(C) in subsection (i)(3), by inserting "(41 U.S.C. 403(12))" before the period at the end.

(7) Section 2323 is amended—

(A) in subsection (a)(1)(C), by inserting a closing parenthesis after "1135d–5(3))" and after "1059c(b)(1))";

(B) in subsection (a)(3), by inserting a closing parenthesis after "421(c))";

(C) in subsection (b), by inserting "(1)" after "AMOUNT.—"; and

(D) in subsection (i)(3), by adding at the end a subparagraph (D) identical to the subparagraph (D) set forth in the amendment made by section 811(e) of Public Law 103–160 (107 Stat. 1702).

(8) Section 2324 is amended—

(A) in subsection (e)(2)(C)—

(i) by striking out "awarding the contract" at the end of the first sentence; and

(ii) by striking out "title III" and all that follows through "Act)" and inserting in lieu thereof "the Buy American Act (41 U.S.C. 10b–1)"; and

(B) in subsection (h)(2), by inserting "the head of the agency or" after "in the case of any contract if".

(9) Section 2350b is amended—

(A) in subsection (c)(1)—

(i) by striking out "specifically—" and inserting in lieu thereof "specifically prescribes—"; and

(ii) by striking out "prescribe" in each of subparagraphs (A), (B), (C), and (D); and

(B) in subsection (d)(1), by striking out "subcontract to be" and inserting in lieu thereof "subcontract be".

(10) Section 2356(a) is amended by striking out "2354, or 2355" and inserting "or 2354".

(11) Section 2372(i)(1) is amended by striking out "section 2324(m)" and inserting in lieu thereof "section 2324(l)".

(12) Section 2384(b) is amended—

(A) in paragraph (2)—

(i) by striking "items, as" and inserting in lieu thereof "items (as"; and

(ii) by inserting a closing parenthesis after "403(12))"; and

(B) in paragraph (3), by inserting a closing parenthesis after "403(11))".

(13) Section 2397(a)(1) is amended—

(A) by inserting "as defined in section 4(11) of the Office of Federal Procurement Policy Act (41 U.S.C. 403(11))" after "threshold"; and

(B) by striking out "section 4(12) of the Office of Federal Procurement Policy Act" and inserting in lieu thereof "section 4(12) of such Act".

(14) Section 2397b(f) is amended by inserting a period at the end of paragraph (2)(B)(iii).

(15) Section 2400(a)(5) is amended by striking out "the preceding sentence" and inserting in lieu thereof "this paragraph".

(16) Section 2405 is amended—

(A) in paragraphs (1) and (2) of subsection (a), by striking out "the date of the enactment of the Federal Acquisition Streamlining Act of 1994" and inserting in lieu thereof "October 13, 1994"; and

(B) in subsection (c)(3)—

(i) by striking out "the later of—" and all that follows through "(B)"; and

(ii) by redesignating clauses (i), (ii), and (iii) as subparagraphs (A), (B), and (C), respectively, and realigning those subparagraphs accordingly.

(17) Section 2410d(b) is amended by striking out paragraph (3).

(18) Section 2424(c) is amended—

(A) by inserting "EXCEPTION FOR SOFT DRINKS.—" after "(c)"; and

(B) by striking out "drink" the first and third places it appears in the second sentence and inserting in lieu thereof "beverage".

(19) Section 2431 is amended—

(A) in subsection (b)—

(i) by striking out "Any report" in the first sentence and inserting in lieu thereof "Any documents"; and

(ii) by striking out "the report" in paragraph (3) and inserting in lieu thereof "the documents"; and

(B) in subsection (c), by striking "reporting" and inserting in lieu thereof "documentation".

(20) Section 2533(a) is amended by striking out "title III of the Act" and all that follows through "such Act" and inserting in lieu thereof "the Buy American Act (41 U.S.C. 10a)) whether application of such Act".

(21) Section 2662(b) is amended by striking out "small purchase threshold" and inserting in lieu thereof "simplified acquisition threshold".

(22) Section 2701(i)(1) is amended—

(A) by striking out "Act of August 24, 1935 (40 U.S.C. 270a–270d), commonly referred to as the 'Miller Act'," and inserting in lieu thereof "Miller Act (40 U.S.C. 270a et seq.)"; and

(B) by striking out "such Act of August 24, 1935" and inserting in lieu thereof "the Miller Act".

(c) SMALL BUSINESS ACT.—The Small Business Act (15 U.S.C. 632 et seq.) is amended as follows:

(1) Section 8(d) (15 U.S.C. 637(d)) is amended—

(A) in paragraph (1), by striking out the second comma after "small business concerns" the first place it appears; and

(B) in paragraph (6)(C), by striking out "and small business concerns owned and controlled by the socially and economically disadvantaged individuals" and inserting in lieu thereof ", small business concerns owned and controlled by socially and economically disadvantaged individuals, and small business concerns owned and controlled by women".

(2) Section 8(f) (15 U.S.C. 637(f)) is amended by inserting "and" after the semicolon at the end of paragraph (5).

(3) Section 15(g)(2) (15 U.S.C. 644(g)(2)) is amended by striking out the second comma after the first appearance of "small business concerns".

(d) Title 31, United States Code.—Section 3551 of title 31, United States Code, is amended—

(1) by striking out "subchapter—" and inserting in lieu thereof "subchapter:"; and

(2) in paragraph (2), by striking out "or proposed contract" and inserting in lieu thereof "or a solicitation or other request for offers".

(e) Federal Property and Administrative Services Act of 1949.—The Federal Property and Administrative Services Act of 1949 is amended as follows:

(1) The table of contents in section 1 (40 U.S.C. 471 prec.) is amended—

(A) by striking out the item relating to section 104;

(B) by striking out the item relating to section 201 and inserting in lieu thereof the following:

"Sec. 201. Procurements, warehousing, and related activities.";

(C) by inserting after the item relating to section 315 the following new item:

"Sec. 316. Merit-based award of grants for research and development.";

(D) by striking out the item relating to section 603 and inserting in lieu thereof the following:

"Sec. 603. Authorizations for appropriations and transfer authority."; and

(E) by inserting after the item relating to section 605 the following new item:

"Sec. 606. Sex discrimination.".

(2) Section 111(b)(3) (40 U.S.C. 759(b)(3)) is amended by striking out the second period at the end of the third sentence.

(3) Section 111(f)(9) (40 U.S.C. 759(f)(9)) is amended in subparagraph (B) by striking out "or proposed contract" and inserting in lieu thereof "or a solicitation or other request for offers".

(4) The heading for paragraph (1) of section 304A(c) is amended by changing each letter that is capitalized (other than the first letter of the first word) to lower case.

(5) The heading for section 314A (41 U.S.C. 41 U.S.C. 264a) is amended to read as follows:

"SEC. 314A. DEFINITIONS RELATING TO PROCUREMENT OF COMMERCIAL ITEMS.".

(6) The heading for section 316 (41 U.S.C. 266) is amended by inserting at the end a period.

(f) Walsh-Healey Act.—

(1) The Walsh-Healey Act (41 U.S.C. 35 et seq.) is amended—

(A) by transferring the second section 11 (as added by section 7201(4) of Public Law 103–355) so as to appear after section 10; and

(B) by redesignating the three sections following such section 11 (as so transferred) as sections 12, 13, and 14.

(2) Such Act is further amended in section 10(c) by striking out the comma after "'locality'".

(g) Anti-Kickback Act of 1986.—Section 7 of the Anti-Kickback Act of 1986 (41 U.S.C. 57) is amended by striking out the second period at the end of subsection (d).

(h) Office of Federal Procurement Policy Act.—The Office of Federal Procurement Policy Act (41 U.S.C. 401 et seq.) is amended as follows:

(1) Section 6 (41 U.S.C. 405) is amended by transferring paragraph (12) of subsection (d) (as such paragraph was redesignated by section 5091(2) of the Federal Acquisition Streamlining Act of 1994 (Public Law 103–355; 108 Stat. 3361) to the end of that subsection.

(2) Section 18(b) (41 U.S.C. 416(b)) is amended by inserting "and" after the semicolon at the end of paragraph (5).

(3) Section 26(f)(3) (41 U.S.C. 422(f)(3) is amended in the first sentence by striking out "Not later than 180 days after the date of enactment of this section, the Administrator" and inserting in lieu thereof "The Administrator".

(i) Other Laws.—

(1) The National Defense Authorization Act for Fiscal Year 1994 (Public Law 103–160) is amended as follows:

(A) Section 126(c) (107 Stat. 1567) is amended by striking out "section 2401 of title 10, United States Code, or section 9081 of the Department of Defense Appropriations Act, 1990 (10 U.S.C. 2401 note)." and inserting in lieu thereof "section 2401 or 2401a of title 10, United States Code.".

(B) Section 127 (107 Stat. 1568) is amended—

(i) in subsection (a), by striking out "section 2401 of title 10, United States Code, or section 9081 of the Department of Defense Appropriations Act, 1990 (10 U.S.C. 2401 note)." and inserting in lieu thereof "section 2401 or 2401a of title 10, United States Code."; and

(ii) in subsection (e), by striking out "section 9081 of the Department of Defense Appropriations Act, 1990 (10 U.S.C. 2401 note)." and inserting in lieu thereof "section 2401a of title 10, United States Code.".

(2) The National Defense Authorization Act for Fiscal Years 1990 and 1991 (Public Law 101–189) is amended by striking out section 824.

(3) The National Defense Authorization Act for Fiscal Years 1988 and 1989 (Public Law 100–180) is amended by striking out section 825 (10 U.S.C. 2432 note).

(4) Section 3737(g) of the Revised Statutes (41 U.S.C. 15(g)) is amended by striking out "rights of obligations" and inserting in lieu thereof "rights or obligations".

(5) The section of the Revised Statutes (41 U.S.C. 22) amended by section 6004 of Public Law 103–355 (108 Stat. 3364) is amended by striking out "No member" and inserting in lieu thereof "Sec. 3741. No Member".

(6) Section 5152(a)(1) of the Drug-Free Workplace Act of 1988 (41 U.S.C. 701(a)(1)) is amended by striking out "as defined in section 4 of the Office of Federal Procurement Policy Act (41 U.S.C. 403)" and inserting in lieu thereof "(as defined in section 4(12) of such Act (41 U.S.C. 403(12)))".

SEC. 1103. AMENDMENTS TO REFLECT NAME CHANGE OF COMMITTEE ON ARMED SERVICES OF THE HOUSE OF REPRESENTATIVES.

(a) Title 10, United States Code.—Title 10, United States Code, is amended as follows:

(1) Sections 503(b)(5), 520a(d), 526(d)(1), 619a(h)(2), 806a(b), 838(b)(7), 946(c)(1)(A), 1098(b)(2), 2313(b)(4), 2361(c)(1), 2371(h), 2391(c), 2430(b), 2432(b)(3)(B), 2432(c)(2), 2432(h)(1), 2667(d)(3), 2672a(b), 2687(b)(1), 2891(a), 4342(g), 7307(b)(1)(A), and 9342(g) are amended by striking out "Committees on Armed Services of the Senate and House of Representatives" and inserting in lieu thereof "Committee on Armed Services of the Senate and the Committee on National Security of the House of Representatives".

(2) Sections 178(c)(1)(A), 942(e)(5), 2350f(c), 2864(b), 7426(e), 7431(a), 7431(b)(1), 7431(c), 7438(b), 12302(b), 18235(a), and 18236(a) are amended by striking out "Committees on Armed Services of the Senate and the House of Representatives" and inserting in lieu thereof "Committee on Armed Services of the Senate and the Committee on National Security of the House of Representatives".

(3) Section 113(j)(1) is amended by striking out "Committees on Armed Services and Committees on Appropriations of the Senate and" and inserting in lieu thereof "Committee on Armed Services and the Committee on Appropriations of the Senate and the Committee on National Security and the Committee on Appropriations of the".

(4) Section 119(g) is amended by striking out paragraphs (1) and (2) and inserting in lieu thereof the following:

"(1) the Committee on Armed Services and the Committee on Appropriations, and the Defense Subcommittee of the Committee on Appropriations, of the Senate; and

"(2) the Committee on National Security and the Committee on Appropriations, and the National Security Subcommittee of the Committee on Appropriations, of the House of Representatives.".

(5) Section 127(c) is amended by striking out "Committees on Armed Services and Appropriations of the Senate and" and inserting in lieu thereof "Committee on Armed Services and the Committee on Appropriations of the Senate and the Committee on National Security and the Committee on Appropriations of".

(6) Section 135(e) is amended—

(A) by inserting "(1)" after "(e)";

(B) by striking out "the Committees on Armed Services and the Committees on Appropriations of the Senate and House of Representatives are each" and inserting in lieu thereof "each congressional committee specified in paragraph (2) is"; and

(C) by adding at the end the following:

"(2) The committees referred to in paragraph (1) are—

"(A) the Committee on Armed Services and the Committee on Appropriations of the Senate; and

"(B) the Committee on National Security and the Committee on Appropriations of the House of Representatives.".

(7) Section 179(e) is amended by striking out "to the Committees on Armed Services and Appropriations of the Senate and" and inserting in lieu thereof "to the Committee on Armed Services and the Committee on Appropriations of the Senate and the Committee on National Security and the Committee on Appropriations of the".

(8) Sections 401(d) and 402(d) are amended by striking out "submit to the" and all that follows through "Foreign Affairs" and inserting in lieu thereof "submit to the Committee on Armed Services and the Committee on Foreign Relations of the Senate and the Committee on National Security and the Committee on International Relations".

(9) Sections 1584(b), 2367(d)(2), and 2464(b)(3)(A) are amended by striking out "the Committees on Armed Services and the Committees on Appropriations of the Senate and" and inserting in lieu thereof "the Committee on Armed Services and the Committee on Appropriations of the Senate and the Committee on National Security and the Committee on Appropriations of the".

(10) Sections 2306b(g), 2801(c)(4), and 18233a(a)(1) are amended by striking out "the Committees on Armed Services and on Appropriations of the Senate and" and inserting in lieu thereof "the Committee on Armed Services and the Committee on Appropriations of the Senate and the Committee on National Security and the Committee on Appropriations of the".

(11) Section 1599(e)(2) is amended—

(A) in subparagraph (A), by striking out "The Committees on Armed Services and Appropriations" and inserting in lieu thereof "The Committee on National Security, the Committee on Appropriations,"; and

(B) in subparagraph (B), by striking out "The Committees on Armed Services and Appropriations" and inserting in lieu thereof

“The Committee on Armed Services, the Committee on Appropriations,”.

(12) Sections 1605(c), 4355(a)(3), 6968(a)(3), and 9355(a)(3) are amended by striking out “Armed Services” and inserting in lieu thereof “National Security”.

(13) Section 1060(d) is amended by striking out “Committee on Armed Services and the Committee on Foreign Affairs” and inserting in lieu thereof “Committee on National Security and the Committee on International Relations”.

(14) Section 2215 is amended—

(A) by inserting “(a) CERTIFICATION REQUIRED.—” at the beginning of the text of the section;

(B) by striking out “to the Committees” and all that follows through “House of Representatives” and inserting in lieu thereof “to the congressional committees specified in subsection (b)”; and

(C) by adding at the end the following:

“(b) CONGRESSIONAL COMMITTEES.—The committees referred to in subsection (a) are—

“(1) the Committee on Armed Services and the Committee on Appropriations of the Senate; and

“(2) the Committee on National Security and the Committee on Appropriations of the House of Representatives.”.

(15) Section 2218 is amended—

(A) in subsection (j), by striking out “the Committees on Armed Services and on Appropriations of the Senate and the House of Representatives” and inserting in lieu thereof “the congressional defense committees”; and

(B) by adding at the end of subsection (k) the following new paragraph:

“(4) The term ‘congressional defense committees’ means—

“(A) the Committee on Armed Services and the Committee on Appropriations of the Senate; and

“(B) the Committee on National Security and the Committee on Appropriations of the House of Representatives.”.

(16) Section 2342(b) is amended—

(A) in the matter preceding paragraph (1), by striking out “section—” and inserting in lieu thereof “section unless—”;

(B) in paragraph (1), by striking out “unless”; and

(C) in paragraph (2), by striking out “notifies the” and all that follows through “House of Representatives” and inserting in lieu thereof “the Secretary submits to the Committee on Armed Services and the Committee on Foreign Relations of the Senate and the Committee on National Security and the Committee on International Relations of the House of Representatives notice of the intended designation”.

(17) Section 2350a(f)(2) is amended by striking out “submit to the Committees” and all that follows through “House of Representatives” and inserting in lieu thereof “submit to the Committee on Armed Services and the Committee on Foreign Relations of the Senate and the Committee on National Security and the Committee on International Relations of the House of Representatives”.

(18) Section 2366 is amended—

(A) in subsection (d), by striking out “the Committees on Armed Services and on Appropriations of the Senate and House of Representatives” and inserting in lieu thereof “the congressional defense committees”; and

(B) by adding at the end of subsection (e) the following new paragraph:

“(7) The term ‘congressional defense committees’ means—

“(A) the Committee on Armed Services and the Committee on Appropriations of the Senate; and

“(B) the Committee on National Security and the Committee on Appropriations of the House of Representatives.”.

(19) Section 2399(h)(2) is amended by striking out “means” and all the follows and inserting in lieu thereof the following: “means—

“(A) the Committee on Armed Services and the Committee on Appropriations of the Senate; and

“(B) the Committee on National Security and the Committee on Appropriations of the House of Representatives.”.

(20) Section 2401(b)(1) is amended—

(A) in subparagraph (B), by striking out “the Committees on Armed Services and on Appropriations of the Senate and” and inserting in lieu thereof “the Committee on Armed Services and the Committee on Appropriations of the Senate and the Committee on National Security and the Committees on Appropriations of the”; and

(B) in subparagraph (C), by striking out “the Committees on Armed Services and on Appropriations of the Senate and House of Representatives” and inserting in lieu thereof “those committees”.

(21) Section 2403(e) is amended—

(A) by inserting “(1)” before “Before making”;

(B) by striking out “shall notify the Committees on Armed Services and on Appropriations of the Senate and House of Representatives” and inserting in lieu thereof “shall submit to the congressional committees specified in paragraph (2) notice”; and

(C) by adding at the end the following new paragraph:

“(2) The committees referred to in paragraph (1) are—

“(A) the Committee on Armed Services and the Committee on Appropriations of the Senate; and

“(B) the Committee on National Security and the Committee on Appropriations of the House of Representatives.”.

(22) Section 2515(d) is amended—

(A) by striking out “REPORTING” and all that follows through “same time” and inserting in lieu thereof “ANNUAL REPORT.—(1) The Secretary of Defense shall submit to the congressional committees specified in paragraph (2) an annual report on the activities of the Office. The report shall be submitted each year at the same time”; and

(B) by adding at the end the following new paragraph:

“(2) The committees referred to in paragraph (1) are—

“(A) the Committee on Armed Services and the Committee on Appropriations of the Senate; and

“(B) the Committee on National Security and the Committee on Appropriations of the House of Representatives.”.

(23) Section 2551 is amended—

(A) in subsection (e)(1), by striking out “the Committees on Armed Services” and all that follows through “House of Representatives” and inserting in lieu thereof “the Committee on Armed Services and the Committee on Foreign Relations of the Senate and the Committee on National Security and the Committee on International Relations of the House of Representatives”; and

(B) in subsection (f)—

(i) by inserting “(1)” before “In any case”;

(ii) by striking out “Committees on Appropriations” and all that follows through “House of Representatives” the second place it appears and inserting in lieu thereof “congressional committees specified in paragraph (2)”; and

(iii) by adding at the end the following:

“(2) The committees referred to in paragraph (1) are—

“(A) the Committee on Armed Services, the Committee on Foreign Relations, and the Committee on Appropriations of the Senate; and

“(B) the Committee on National Security, the Committee on International Relations, and the Committee on Appropriations of the House of Representatives.”.

(24) Section 2662 is amended—

(A) in subsection (a)—

(i) in the matter preceding paragraph (1), by striking out “the Committees on Armed Services of the Senate and House of Representatives” and inserting in lieu thereof “the Committee on Armed Services of the Senate and the Committee on National Security of the House of Representatives”; and

(ii) in the matter following paragraph (6), by striking out “to be submitted to the Committees on Armed Services of the Senate and House of Representatives”;

(B) in subsection (b), by striking out “shall report annually to the Committees on Armed Services of the Senate and the House of Representatives” and inserting in lieu thereof “shall submit annually to the congressional committees named in subsection (a) a report”;

(C) in subsection (e), by striking out “the Committees on Armed Services of the Senate and the House of Representatives” and inserting in lieu thereof “the congressional committees named in subsection (a)”; and

(D) in subsection (f), by striking out “the Committees on Armed Services of the Senate and the House of Representatives shall” and inserting in lieu thereof “the congressional committees named in subsection (a) shall”.

(25) Section 2674(a) is amended—

(A) in paragraph (2), by striking out “Committees on Armed Services of the Senate and the House of Representatives, the Committee on Environment and Public Works of the Senate, and the Committee on Public Works and Transportation of the House of Representatives” and inserting in lieu thereof “congressional committees specified in paragraph (3)”; and

(B) by adding at the end the following new paragraph:

“(3) The committees referred to in paragraph (1) are—

“(A) the Committee on Armed Services and the Committee on Environment and Public Works of the Senate; and

“(B) the Committee on National Security and the Committee on Transportation and Infrastructure of the House of Representatives.”.

(26) Section 2813(c) is amended by striking out “Committees on Armed Services and the Committees on Appropriations of the Senate and House of Representatives” and inserting in lieu thereof “appropriate committees of Congress”.

(27) Sections 2825(b)(1) and 2832(b)(2) are amended by striking out “Committees on Armed Services and the Committees on Appropriations of the Senate and of the House of Representatives” and inserting in lieu thereof “appropriate committees of Congress”.

(28) Section 2865(e)(2) and 2866(c)(2) are amended by striking out “Committees on Armed Services and Appropriations of the Senate and House of Representatives” and inserting in lieu thereof “appropriate committees of Congress”.

(29)(A) Section 7434 of such title is amended to read as follows:

"§ 7434. Annual report to congressional committees

"Not later than October 31 of each year, the Secretary shall submit to the Committee on Armed Services of the Senate and the Committee on National Security of the House of Representatives a report on the production from the naval petroleum reserves during the preceding calendar year.".

(B) The item relating to such section in the table of contents at the beginning of chapter 641 is amended to read as follows:

"7434. Annual report to congressional committees.".

(b) TITLE 37, UNITED STATES CODE.—Title 37, United States Code, is amended—

(1) in sections 301b(i)(2) and 406(i), by striking out "Committees on Armed Services of the Senate and House of Representatives" and inserting in lieu thereof "Committee on Armed Services of the Senate and the Committee on National Security of the House of Representatives"; and

(2) in section 431(d), by striking out "Armed Services" the first place it appears and inserting in lieu thereof "National Security".

(c) ANNUAL DEFENSE AUTHORIZATION ACTS.—

(1) The National Defense Authorization Act for Fiscal Year 1994 (Public Law 103–160) is amended in sections 2922(b) and 2925(b) (10 U.S.C. 2687 note) by striking out "Committees on Armed Services of the Senate and House of Representatives" and inserting in lieu thereof "Committee on Armed Services of the Senate and the Committee on National Security of the House of Representatives".

(2) The National Defense Authorization Act for Fiscal Year 1993 (Public Law 102–484) is amended—

(A) in section 326(a)(5) (10 U.S.C. 2301 note) and section 1304(a) (10 U.S.C. 113 note), by striking out "Committees on Armed Services of the Senate and House of Representatives" and inserting in lieu thereof "Committee on Armed Services of the Senate and the Committee on National Security of the House of Representatives"; and

(B) in section 1505(e)(2)(B) (22 U.S.C. 5859a), by striking out "the Committee on Armed Services, the Committee on Appropriations, the Committee on Foreign Affairs, and the Committee on Energy and Commerce" and inserting in lieu thereof "the Committee on National Security, the Committee on Appropriations, the Committee on International Relations, and the Committee on Commerce".

(3) Section 1097(a)(1) of the National Defense Authorization Act for Fiscal Years 1992 and 1993 (Public Law 102–190; 22 U.S.C. 2751 note) is amended by striking out "the Committees on Armed Services and Foreign Affairs" and inserting in lieu thereof "the Committee on National Security and the Committee on International Relations".

(4) The National Defense Authorization Act for Fiscal Year 1991 (P.L. 101–510) is amended as follows:

(A) Section 402(a) and section 1208(b)(3) (10 U.S.C. 1701 note) are amended by striking out "Committees on Armed Services of the Senate and the House of Representatives" and inserting in lieu thereof "Committee on Armed Services of the Senate and the Committee on National Security of the House of Representatives".

(B) Section 1403(a) (50 U.S.C. 404b(a)) is amended—

(i) by striking out "the Committees on" and all that follows through "each year" and inserting in lieu thereof "the Committee on Armed Services, the Committee on Appropriations, and the Select Committee on Intelligence of the Senate and the Committee on National Security, the Committee on Appropriations, and the Permanent Select Committee on Intelligence of the House of Representatives each year".

(C) Section 1457(a) (50 U.S.C. 404c(a)) is amended by striking out "the Committees on Armed Services and on Foreign Affairs of the House of Representatives and the Committees on Armed Services and" and inserting in lieu thereof "the Committee on National Security and the Committee on International Relations of the House of Representatives and the Committee on Armed Services and the Committee on".

(D) Section 2921 (10 U.S.C. 2687 note) is amended—

(i) in subsection (e)(3)(A), by striking out "the Committee on Armed Services, the Committee on Appropriations, and the Defense Subcommittees" and inserting in lieu thereof "the Committee on National Security, the Committee on Appropriations, and the National Security Subcommittee"; and

(ii) in subsection (g)(2), by striking out "the Committees on Armed Services of the Senate and House of Representatives" and inserting in lieu thereof "the Committee on Armed Services of the Senate and the Committee on National Security of the House of Representatives".

(5) Section 613(h)(1) of the National Defense Authorization Act, Fiscal Year 1989 (Public Law 100–456; 37 U.S.C. 302 note), is amended by striking out "the Committees on Armed Services of the Senate and the House of Representatives" and inserting in lieu thereof "the Committee on Armed Services of the Senate and the Committee on National Security of the House of Representatives".

(6) Section 1412 of the Department of Defense Authorization Act, 1986 (Public Law 99–145; 50 U.S.C. 1521), is amended in subsections (b)(4) and (k)(2), by striking out "Committees on Armed Services of the Senate and House of Representatives" and inserting in lieu thereof "Committee on Armed Services of the Senate and the Committee on National Security of the House of Representatives".

(7) Section 1002(d) of the Department of Defense Authorization Act, 1985 (Public Law 98–525; 22 U.S.C. 1928 note), is amended by striking out "the Committees on Armed Services of the Senate and the House of Representatives" and inserting in lieu thereof "the Committee on Armed Services of the Senate, the Committee on National Security of the House of Representatives".

(8) Section 1252 of the Department of Defense Authorization Act, 1984 (42 U.S.C. 248d), is amended—

(A) in subsection (d), by striking out "Committees on Appropriations and on Armed Services of the Senate and the House of Representatives" and inserting in lieu thereof "Committee on Appropriations and the Committee on Armed Services of the Senate and the Committee on Appropriations and the Committee on National Security of the House of Representatives"; and

(B) in subsection (e), by striking out "Committees on Appropriations and on Armed Services of the Senate and the House of Representatives" and inserting in lieu thereof "congressional committees specified in subsection (d)".

(d) BASE CLOSURE LAW.—The Defense Base Closure and Realignment Act of 1990 (part A of title XXIX of Public Law 101–510; 10 U.S.C. 2687 note) is amended as follows:

(1) Sections 2902(e)(2)(B)(ii) and 2908(b) are amended by striking out "Armed Services" the first place it appears and inserting in lieu thereof "National Security".

(2) Section 2910(2) is amended by striking out "the Committees on Armed Services and the Committees on Appropriations of the Senate and of the House of Representatives" and inserting in lieu thereof "the Committee on Armed Services and the Committee on Appropriations of the Senate and the Committee on National Security and the Committee on Appropriations of the House of Representatives".

(e) NATIONAL DEFENSE STOCKPILE.—The Strategic and Critical Materials Stock Piling Act is amended—

(1) in section 6(d) (50 U.S.C. 98e(d))—

(A) in paragraph (1), by striking out "Committees on Armed Services of the Senate and House of Representatives" and inserting in lieu thereof "Committee on Armed Services of the Senate and the Committee on National Security of the House of Representatives"; and

(B) in paragraph (2), by striking out "the Committees on Armed Services of the Senate and House of Representatives" and inserting in lieu thereof "such congressional committees"; and

(2) in section 7(b) (50 U.S.C. 98f(b)), by striking out "Committees on Armed Services of the Senate and House of Representatives" and inserting in lieu thereof "Committee on Armed Services of the Senate and the Committee on National Security of the House of Representatives".

(f) OTHER DEFENSE-RELATED PROVISIONS.—

(1) Section 8125(g)(2) of the Department of Defense Appropriations Act, 1989 (Public Law 100–463; 10 U.S.C. 113 note), is amended by striking out "Committees on Appropriations and Armed Services of the Senate and House of Representatives" and inserting in lieu thereof "Committee on Appropriations and the Committees on Armed Services of the Senate and the Committee on Appropriations and the Committees on National Security of the House of Representatives".

(2) Section 1505(f)(3) of the Military Child Care Act of 1989 (title XV of Public Law 101–189; 10 U.S.C. 113 note) is amended by striking out "Committees on Armed Services of the Senate and House of Representatives" and inserting in lieu thereof "Committee on Armed Services of the Senate and the Committee on National Security of the House of Representatives".

(3) Section 9047A of the Department of Defense Appropriations Act, 1993 (Public Law 102–396; 10 U.S.C. 2687 note), is amended by striking out "the Committees on Appropriations and Armed Services of the House of Representatives and the Senate" and inserting in lieu thereof "the Committee on Appropriations and the Committee on Armed Services of the Senate and the Committee on Appropriations and the Committee on National Security of the House of Representatives".

(4) Section 3059(c)(1) of the Defense Drug Interdiction Assistance Act (subtitle A of title III of Public Law 99–570; 10 U.S.C. 9441 note) is amended by striking out "Committees on Appropriations and on Armed Services of the Senate and the House of Representatives" and inserting in lieu thereof "Committee on Armed Services and the Committee on Appropriations of the Senate and the Committee on National Security and the Committee on Appropriations of the House of Representatives".

(5) Section 7606(b) of the Anti-Drug Abuse Act of 1988 (Public Law 100–690; 10 U.S.C. 9441 note) is amended by striking out "Committees on Appropriations and the Committee on Armed Services of the Senate and the

House of Representatives'' and inserting in lieu thereof ''Committee on Armed Services and the Committee on Appropriations of the Senate and the Committee on National Security and the Committee on Appropriations of the House of Representatives''.

(6) Section 104(d)(5) of the National Security Act of 1947 (50 U.S.C. 403–4(d)(5)) is amended by striking out ''Committees on Armed Services of the Senate and House of Representatives'' and inserting in lieu thereof ''Committee on Armed Services of the Senate and the Committee on National Security of the House of Representatives''.

(7) Section 8 of the Inspector General Act of 1978 (5 U.S.C. App.) is amended—

(A) in subsection (b)(3), by striking out ''Committees on Armed Services and Government Operations'' and inserting in lieu thereof ''Committee on National Security and the Committee on Government Reform and Oversight'';

(B) in subsection (b)(4), by striking out ''Committees on Armed Services and Governmental Affairs of the Senate and the Committees on Armed Services and Government Operations of the House of Representatives'' and inserting in lieu thereof ''congressional committees specified in paragraph (3)'';

(C) in subsection (f)(1), by striking out ''Committees on Armed Services and Government Operations'' and inserting in lieu thereof ''Committee on National Security and the Committee on Government Reform and Oversight''; and

(D) in subsection (f)(2), by striking out ''Committees on Armed Services and Governmental Affairs of the Senate and the Committees on Armed Services and Government Operations of the House of Representatives'' and inserting in lieu thereof ''congressional committees specified in paragraph (1)''.

(8) Section 204(h)(3) of the Federal Property and Administrative Services Act of 1949 (40 U.S.C. 485(h)(3)) is amended by striking out ''Committees on Armed Services of the Senate and of the House of Representatives'' and inserting in lieu thereof ''Committee on Armed Services of the Senate and the Committee on National Security of the House of Representatives''.

SEC. 1104. MISCELLANEOUS AMENDMENTS TO TITLE 10, UNITED STATES CODE.

(a) SUBTITLE A.—Subtitle A of title 10, United States Code, is amended as follows:

(1) Section 113(i)(2)(B) is amended by striking out ''the five years covered'' and all that follows through ''section 114(g)'' and inserting in lieu thereof ''the period covered by the future-years defense program submitted to Congress during that year pursuant to section 221''.

(2) Section 136(c) is amended by striking out ''Comptroller'' and inserting in lieu thereof ''Under Secretary of Defense (Comptroller)''.

(3) Section 227(3)(D) is amended by striking out ''for''.

(4) Effective October 1, 1995, section 526 is amended—

(A) in subsection (a), by striking out paragraphs (1), (2), and (3) and inserting in lieu thereof the following:

''(1) For the Army, 302.

''(2) For the Navy, 216.

''(3) For the Air Force, 279.'';

(B) by striking out subsection (b);

(C) by redesignating subsections (c), (d), and (e) as subsections (b), (c), and (d);

(D) in subsection (b), as so redesignated, by striking out ''that are applicable on and after October 1, 1995''; and

(E) in paragraph (2)(B) of subsection (c), as redesignated by subparagraph (C), is amended—

(i) by striking out ''the'' after ''in the'';

(ii) by inserting ''to'' after ''reserve component, or''; and

(iii) by inserting ''than'' after ''in a grade other''.

(5) Effective October 1, 1995, section 528(a) is amended by striking out ''after September 30, 1995,''

(6) Section 573(a)(2) is amended by striking out ''active duty list'' and inserting in lieu thereof ''active-duty list''.

(7) Section 661(d)(2) is amended—

(A) in subparagraph (B), by striking out ''Until January 1, 1994'' and all that follows through ''each position so designated'' and inserting in lieu thereof ''Each position designated by the Secretary under subparagraph (A)'';

(B) in subparagraph (C), by striking out ''the second sentence of''; and

(C) by striking out subparagraph (D).

(8) Section 706(c)(1) is amended by striking out ''section 4301 of title 38'' and inserting in lieu thereof ''chapter 43 of title 38''.

(9) Section 1059 is amended by striking out ''subsection (j)'' in subsections (c)(2) and (g)(3) and inserting in lieu thereof ''subsection (k)''.

(10) Section 1060a(f)(2)(B) is amended by striking out ''(as defined in section 101(a)(22) of the Immigration and Nationality Act (8 U.S.C. 1101(a)(22)))'' and inserting in lieu thereof '', as determined in accordance with the Immigration and Nationality Act (8 U.S.C. 1101 et seq.)''.

(11) Section 1151 is amended—

(A) in subsection (b), by striking out ''(20 U.S.C. 2701 et seq.)'' in paragraphs (2)(A) and (3)(A) and inserting in lieu thereof ''(20 U.S.C. 6301 et seq.)''; and

(B) in subsection (e)(1)(B), by striking out ''not later than one year after the date of the enactment of the National Defense Authorization Act for Fiscal Year 1995'' and inserting in lieu thereof ''not later than October 5, 1995''.

(12) Section 1152(g)(2) is amended by striking out ''not later than 180 days after the date of the enactment of the National Defense Authorization Act for Fiscal Year 1995'' and inserting in lieu thereof ''not later than April 3, 1994,''.

(13) Section 1177(b)(2) is amended by striking out ''provison of law'' and inserting in lieu thereof ''provision of law''.

(14) The heading for chapter 67 is amended by striking out ''**NONREGULAR**'' and inserting in lieu thereof ''**NON-REGULAR**''.

(15) Section 1598(a)(2)(A) is amended by striking out ''2701'' and inserting in lieu thereof ''6301''.

(16) Section 1745(a) is amended by striking out ''section 4107(d)'' both places it appears and inserting in lieu thereof ''section 4107(b)''.

(17) Section 1746(a) is amended—

(A) by striking out ''(1)'' before ''The Secretary of Defense''; and

(B) by redesignating subparagraphs (A) and (B) as paragraphs (1) and (2), respectively.

(18) Section 2006(b)(2)(B)(ii) is amended by striking out ''section 1412 of such title'' and inserting in lieu thereof ''section 3012 of such title''.

(19) Section 2011(a) is amended by striking out ''TO'' and inserting in lieu thereof ''To''.

(20) Section 2194(e) is amended by striking out ''(20 U.S.C. 2891(12))'' and inserting in lieu thereof ''(20 U.S.C. 8801)''.

(21) Sections 2217(b) and 2220(a)(2) are amended by striking out ''Comptroller of the Department of Defense'' and inserting in lieu thereof ''Under Secretary of Defense (Comptroller)''.

(22) Section 2401(c)(2) is amended by striking out ''pursuant to'' and all that follows through ''September 24, 1983,''.

(23) Section 2410f(b) is amended by striking out ''For purposes of'' and inserting in lieu thereof ''In''.

(24) Section 2410j(a)(2)(A) is amended by striking out ''2701'' and inserting in lieu thereof ''6301''.

(25) Section 2457(e) is amended by striking out ''title III of the Act of March 3, 1933 (41 U.S.C. 10a),'' and inserting in lieu thereof ''the Buy American Act (41 U.S.C. 10a)''.

(26) Section 2465(b)(3) is amended by striking out ''under contract'' and all that follows through the period and inserting in lieu thereof ''under contract on September 24, 1983.''.

(27) Section 2471(b) is amended—

(A) in paragraph (2), by inserting ''by'' after ''as determined''; and

(B) in paragraph (3), by inserting ''of'' after ''arising out''.

(28) Section 2524(e)(4)(B) is amended by inserting a comma before ''with respect to''.

(29) The heading of section 2525 is amended by capitalizing the initial letter of the second, fourth, and fifth words.

(30) Chapter 152 is amended by striking out the table of subchapters at the beginning and the headings for subchapters I and II.

(31) Section 2534(c) is amended by capitalizing the initial letter of the third and fourth words of the subsection heading.

(32) Section 2705(d)(2) is amended by striking out ''the date of the enactment of this section'' and inserting in lieu thereof ''October 5, 1994''.

(33) The table of sections at the beginning of subchapter I of chapter 169 is amended by adding a period at the end of the item relating to section 2811.

(b) OTHER SUBTITLES.—Subtitles B, C, and D of title 10, United States Code, are amended as follows:

(1) Sections 3022(a)(1), 5025(a)(1), and 8022(a)(1) are amended by striking out ''Comptroller of the Department of Defense'' and inserting in lieu thereof ''Under Secretary of Defense (Comptroller)''.

(2) Section 6241 is amended by inserting ''or'' at the end of paragraph (2).

(3) Section 6333(a) is amended by striking out the first period after ''section 1405'' in formula C in the table under the column designated ''Column 2''.

(4) The item relating to section 7428 in the table of sections at the beginning of chapter 641 is amended by striking out ''Agreement'' and inserting in lieu thereof ''Agreements''.

(5) The item relating to section 7577 in the table of sections at the beginning of chapter 649 is amended by striking out ''Officers'' and inserting in lieu thereof ''officers''.

(6) The center heading for part IV in the table of chapters at the beginning of subtitle D is amended by inserting a comma after ''SUPPLY''.

SEC. 1105. MISCELLANEOUS AMENDMENTS TO ANNUAL DEFENSE AUTHORIZATION ACTS.

(a) PUBLIC LAW 103–337.—Effective as of October 5, 1994, and as if included therein as enacted, the National Defense Authorization Act for Fiscal Year 1995 (Public Law 103–337) is amended as follows:

(1) Section 322(1) (108 Stat. 2711) is amended by striking out ''SERVICE'' in both sets of quoted matter and inserting in lieu thereof ''SERVICES''.

(2) Section 531(g)(2) (108 Stat. 2758) is amended by inserting "item relating to section 1034 in the" after "The".

(3) Section 541(c)(1) is amended—

(A) in subparagraph (B), by inserting a comma after "chief warrant officer"; and

(B) in the matter after subparagraph (C), by striking out "this".

(4) Section 721(f)(2) (108 Stat. 2806) is amended by striking out "revaluated" and inserting in lieu thereof "reevaluated".

(5) Section 722(d)(2) (108 Stat. 2808) is amended by striking out "National Academy of Science" and inserting in lieu thereof "National Academy of Sciences".

(6) Section 904(d) (108 Stat. 2827) is amended by striking out "subsection (c)" the first place it appears and inserting in lieu thereof "subsection (b)".

(7) Section 1202 (108 Stat. 2882) is amended—

(A) by striking out "(title XII of Public Law 103–60" and inserting in lieu thereof "(title XII of Public Law 103–160"; and

(B) in paragraph (2), by inserting "in the first sentence" before "and inserting in lieu thereof".

(8) Section 1312(a)(2) (108 Stat. 2894) is amended by striking out "adding at the end" and inserting in lieu thereof "inserting after the item relating to section 123a".

(9) Section 2813(c) (108 Stat. 3055) is amended by striking out "above paragraph (1)" both places it appears and inserting in lieu thereof "preceding subparagraph (A)".

(b) Public Law 103–160.—The National Defense Authorization Act for Fiscal Year 1994 (Public Law 103–160) is amended in section 1603(d) (22 U.S.C. 2751 note)—

(1) in the matter preceding paragraph (1), by striking out the second comma after "Not later than April 30 of each year";

(2) in paragraph (4), by striking out "contributes" and inserting in lieu thereof "contribute"; and

(3) in paragraph (5), by striking out "is" and inserting in lieu thereof "are".

(c) Public Law 102–484.—The National Defense Authorization Act for Fiscal Year 1993 (Public Law 102–484) is amended as follows:

(1) Section 326(a)(5) (106 Stat. 2370; 10 U.S.C. 2301 note) is amended by inserting "report" after "each".

(2) Section 4403(a) (10 U.S.C. 1293 note) is amended by striking out "through 1995" and inserting in lieu thereof "through fiscal year 1999".

(d) Public Law 102–190.—Section 1097(d) of the National Defense Authorization Act for Fiscal Years 1992 and 1993 (Public Law 102–190; 105 Stat. 1490) is amended by striking out "the Federal Republic of Germany, France" and inserting in lieu thereof "France, Germany".

SEC. 1106. MISCELLANEOUS AMENDMENTS TO FEDERAL ACQUISITION LAWS.

(a) Office of Federal Procurement Policy Act.—The Office of Federal Procurement Policy Act (41 U.S.C. 401 et seq.) is amended as follows:

(1) Section 6(b) (41 U.S.C. 405(b)) is amended by striking out the second comma after "under subsection (a)" in the first sentence.

(2) Section 18(a) (41 U.S.C. 416(a)) is amended in paragraph (1)(B) by striking out "described in subsection (f)" and inserting in lieu thereof "described in subsection (b)".

(3) Section 25(b)(2) (41 U.S.C. 421(b)(2)) is amended by striking out "Under Secretary of Defense for Acquisition" and inserting in lieu thereof "Under Secretary of Defense for Acquisition and Technology".

(b) Other Laws.—

(1) Section 11(2) of the Inspector General Act of 1978 (5 U.S.C. App.) is amended by striking out the second comma after "Community Service".

(2) Section 908(e) of the Defense Acquisition Improvement Act of 1986 (10 U.S.C. 2326 note) is amended by striking out "section 2325(g)" and inserting in lieu thereof "section 2326(g)".

(3) Effective as of August 9, 1989, and as if included therein as enacted, Public Law 101–73 is amended in section 501(b)(1)(A) (103 Stat. 393) by striking out "be," and inserting in lieu thereof "be;" in the second quoted matter therein.

(4) Section 3732(a) of the Revised Statutes (41 U.S.C. 11(a)) is amended by striking out the second comma after "quarters".

(5) Section 2 of the Contract Disputes Act of 1978 (41 U.S.C. 601) is amended in paragraphs (3), (5), (6), and (7), by striking out "The" and inserting in lieu thereof "the".

(6) Section 13 of the Contract Disputes Act of 1978 (41 U.S.C. 612) is amended—

(A) in subsection (a), by striking out "section 1302 of the Act of July 27, 1956, (70 Stat. 694, as amended; 31 U.S.C. 724a)" and inserting in lieu thereof "section 1304 of title 31, United States Code"; and

(B) in subsection (c), by striking out "section 1302 of the Act of July 27, 1956, (70 Stat. 694, as amended; 31 U.S.C. 724a)" and inserting in lieu thereof "section 1304 of title 31, United States Code,".

SEC. 1107. MISCELLANEOUS AMENDMENTS TO OTHER LAWS.

(a) Officer Personnel Act of 1947.—Section 437 of the Officer Personnel Act of 1947 is repealed.

(b) Title 5, United States Code.—Title 5, United States Code, is amended—

(1) in section 8171—

(A) in subsection (a), by striking out "903(3)" and inserting in lieu thereof "903(a)";

(B) in subsection (c)(1), by inserting "section" before "39(b)"; and

(C) in subsection (d), by striking out "(33 U.S.C. 18 and 21, respectively)" and inserting in lieu thereof "(33 U.S.C. 918 and 921)";

(2) in sections 8172 and 8173, by striking out "(33 U.S.C. 2(2))" and inserting in lieu thereof "(33 U.S.C. 902(2))"; and

(3) in section 8339(d)(7), by striking out "Court of Military Appeals" and inserting in lieu thereof "Court of Appeals for the Armed Forces".

(c) Public Law 90–485.—Effective as of August 13, 1968, and as if included therein as originally enacted, section 1(6) of Public Law 90–485 (82 Stat. 753) is amended—

(1) by striking out the close quotation marks after the end of clause (4) of the matter inserted by the amendment made by that section; and

(2) by adding close quotation marks at the end.

(d) Title 37, United States Code.—Section 406(b)(1)(E) of title 37, United States Code, is amended by striking out "of this paragraph".

(e) Base Closure Act.—Section 2910 of the Defense Base Closure and Realignment Act of 1990 (part A of title XXIX of Public Law 101–510; 10 U.S.C. 2687 note) is amended—

(1) by redesignating the second paragraph (10), as added by section 2(b) of the Base Closure Community Redevelopment and Homeless Assistance Act of 1994 (Public Law 103–421; 108 Stat. 4352), as paragraph (11); and

(2) in paragraph (11), as so redesignated, by striking out "section 501(h)(4)" and "11411(h)(4)" and inserting in lieu thereof "501(i)(4)" and "11411(i)(4)", respectively.

(f) Public Law 103–421.—Section 2(e)(5) of Public Law 103–421 (108 Stat. 4354) is amended—

(1) by striking out "(A)" after "(5)"; and

(2) by striking out "clause" in subparagraph (B)(iv) and inserting in lieu thereof "clauses".

SEC. 1108. COORDINATION WITH OTHER AMENDMENTS.

For purposes of applying amendments made by provisions of this Act other than provisions of this title, this title shall be treated as having been enacted immediately before the other provisions of this Act.

AUTHORITY FOR COMMITTEES TO MEET

SUBCOMMITTEE ON TERRORISM, TECHNOLOGY, AND GOVERNMENT INFORMATION

Mr. PACKWOOD. Mr. President, I ask unanimous consent that the Subcommittee on Terrorism, Technology, and Government Information for the Committee on the Judiciary be authorized to meet during the session of the Senate on Wednesday, September 6, 1995, at 10 a.m. in SH216 to hold a hearing on the Ruby Ridge incident.

The PRESIDING OFFICER. Without objection, it is so ordered.

ADDITIONAL STATEMENTS

THE 8(a) PROGRAM

• Mr. BOND. Mr. President, earlier this summer the Clinton administration released its report on affirmation action. The President's report devotes considerable attention to the Small Business Administration's 8(a) Minority Contracting Program. The report details the 8(a) program's failings and abuses, but in the end the President concludes that the program should be saved in the name of affirmative action.

As the chairman of the Committee on Small Business, I have first hand familiarity with the 8(a) program. It is a program that gives a very valuable government contracting preference to members of certain minority groups without requiring proof of specific discrimination or social disadvantage.

The 8(a) statute requires proof of economic disadvantage. But in practice, even those who have accumulated substantial wealth are still welcomed into this program. An applicant to the 8(a) program is deemed economically disadvantaged if the applicant has a net worth less than $250,000, excluding the value of his or her home and the value of the small business owned by the applicant.

Let's focus for just a minute on what this economic disadvantage test really means. According to data provided to me by the Administrator of the Small Business Administration, 81.6 percent of all small businesses owners in the United States have a net worth under $250,000.

But the 8(a) limit for economic disadvantage doesn't stop at $250,000. Once you are in the program, net worth can grow to $750,000 without jeopardizing participation in the 8(a) program. The SBA Administrator has informed me that 91.6 percent of all small business owners have a net worth below this level. And President Clinton's affirmative action report correctly notes that business owners with excessive wealth even above these levels have managed to avoid detection and wrongfully remain in the 8(a) program.

So let's review where we are on the 8(a) program. We have a program supposedly for small business owners who are socially and economically disadvantaged. But an applicant is eligible for the 8(a) program without an individual showing of specific discrimination. Then, under the economic disadvantage test, over 80 percent of all small business owners in the United States would be small enough to be eligible. And on top of that, an 8(a) participant's wealth can triple in size once in the program and still remain eligible for special government contract preferences.

It doesn't surprise me that participants in the 8(a) program are fighting to save it. It is a good deal for anyone who can get in.

In April 1995, I chaired a hearing before the Committee on Small Business, and we heard a great deal of passionate testimony about the 8(a) program—both in favor of and opposed to the program. One of the witnesses was Josh Smith, founder of Maxima Corp., one of the best known companies to have participated in the 8(a) program. Mr. Smith discussed how the 8(a) program fails to benefit low-income communities and low-income minorities.

Mr. Smith testified that 8(a) companies were not locating in and hiring people from needy neighborhoods and distressed inner cities with large numbers of unemployed members of minority groups. To the contrary, too often 8(a) firms can be found in northern Virginia or suburban Maryland. I think its wrong that the important objective of this program—bringing economic opportunity and jobs to historically disadvantaged areas and small businesses—has been lost.

Today, the 8(a) program builds wealth among a small group of individuals who own small businesses and who gain acceptance into the program. The program makes no effort to encourage hiring of minorities or residents of distressed areas, nor is there any requirement that the 8(a) company assist community redevelopment effort by locating in or performing work in distressed areas. The social disadvantage requirement of the 8(a) program is satisfied merely if the owner, who controls 51 percent of the company, is a member of a prescribed racial or ethnic group.

I believe the 8(a) program as we know it today should be replaced with a race neutral program specifically designed to use Federal contracting expenditures to help attract small businesses and employment to distressed areas with low income and high unemployment. Such areas might be located in the inner city, on an Indian reservation, or in Appalachia.

I suggest we call these areas historically underutilized business zones or HUBZones. My proposal will allow any small business located in a HUBZone and employing people in the HUBZone to obtain a reasonable and meaningful preference in competing for Federal Government contracts against other businesses not located in a HUBZone.

My proposal begins to return the idea behind the 8(a) program to its roots, when it was targeted to inner city areas after the riots following the assassination of Martin Luther King. In this case, government contract set-asides were used to bring in new businesses to areas trying to recover from the dramatic damage and tension that accompanies a riot, such as those that occurred in 1968.

The HUBZone replacement for today's 8(a) program should not be limited, however, to inner cities. My program creates hope and opportunity for all cities, rural areas, and Native American communities that have not prospered while other more affluent areas of our country have flourished.

For too long, we have overlooked programs to bring jobs and wealth to economically distressed areas of our Nation. We now have an opportunity to take a positive step to provide long overdue help where help is needed in our country. The HUBZone proposal will create a powerful private-public partnership to give opportunity to small businesses who locate in economically distressed areas and to give hope to people who have not had much chance until now to pull themselves up the economic ladder.•

THE NATIONAL SECURITY EDUCATION PROGRAM

• Mr. SIMON. Mr. President, this Defense appropriations bill includes $7.5 million for the National Security Education Program. I want to congratulate my colleagues on the Appropriations Committee for ensuring funding for this important program.

The National Security Education Program has enjoyed bipartisan support. President Bush signed the National Security Education Act, which established the National Security Education Program, in December 1991. The chief Senate sponsor of the bill was Senator David Boren, who is now president of the University of Oklahoma. Senators NUNN and WARNER were cosponsors.

The National Security Education Program was designed to support study abroad by U.S. students. The program emphasizes the study of foreign languages and preparation for possible careers in national security. Funds go to U.S. institutions, undergraduate scholarships, and graduate fellowships.

The program guarantees a return on the Federal investment by requiring that recipients of fellowships and scholarships be obligated to serve in a Federal Government agency or an educational institution in the area of study for which the scholarship or fellowship was awarded.

According to CRS, this is the only major Federal program that supports study abroad by U.S. citizen undergraduate students.

The program operates from interest on a trust fund, based on a one-time 1992 appropriation of $150 million. In fiscal year 1995, the trust fund yielded $15 million.

Pressured to find savings in these tight budget times, the Appropriations Committee voted to cut funding for the program and eliminate the trust fund in the Defense supplemental bill we considered earlier this year. I offered an amendment on the Senate floor that restored funding for the program. The amendment was accepted on a voice vote.

A compromise was reached in conference whereby all 1995 funding was saved but the trust fund was reduced from $150 million to $75 million. This was a fair compromise given that the House also had originally voted to eliminate the program.

I am pleased that for fiscal year 1996, the Appropriations Committee decided to continue funding for the program, even though it is necessarily based on a smaller trust fund which yields less interest than it had previously. This is an effective program that addresses a serious national interest and I commend the committee for its wise action.

Foreign language proficiency is crucial to our national defense and security but there is much that needs to be done. Of the 500,000 American troops the United States sent to the Persian Gulf, only five could translate Iraqi intelligence documents. The United States has the only foreign service in the world you can get into without the knowledge of a foreign language.

Foreign language proficiency and knowledge of other cultures is also important for our economic competitiveness. There is a simple rule of business: "You can buy in any language, but if you want to sell you have to speak the language of your customer." The fact is that four out of five new jobs in the United States are created through foreign trade.

An article that appeared on the front page of the business section of the Sunday Los Angeles Times on August 28, 1994 noted that: "In a global economy, study and business experience abroad are critical. Yet Americans stay home while 400,000 foreign students come here to learn."

Last year, the National Security Education Program supported 317 students from 150 U.S. institutions who studied in 48 countries with 34 different languages. The average award was $8,000 per student. Cutting the program would yield very small savings. But the dividends from such programs are very real.

I hope the Senate can maintain support for this program when the bill moves to conference.

I thank my colleagues.●

COMMEMORATION OF THE 50TH ANNIVERSARY OF THE FORMAL SURRENDER OF THE EMPIRE OF JAPAN

Mr. KYL. Mr. President, I rise to offer my thoughts on the occasion of the 50th anniversary of the formal surrender of the Empire of Japan and the end of World War II.

Mr. President, September 2, 1995, marked the day, 50 years ago, that the Empire of Japan signed documents of surrender aboard the U.S.S. *Missouri* in Tokyo Bay, formally ending World War II. It is fitting that America commemorated the anniversary of this most pivotal event in human history—the victory of the free world over three irredeemable regimes in which human evil was institutionalized and directed toward world conquest: Germany's naziism, Italy's fascism, and Japan's militaristic imperialism.

In the 2,194 days of World War II, more than 50 million human beings lost their lives. This horrific total includes nearly 300,000 Americans killed in combat, six million Jews murdered in Europe, and one million Chinese slain in the Japanese rape of Nanking.

Fifty years ago, a vicious war had finally ended, but ancient cities lay in ruins. Mighty armies had been vanquished. Proud cultures had been decimated. But today, one overriding truth has gradually become clear: Though much was lost, far more has since been gained.

In the European theater, World War II saw the indescribable bravery of American teenagers at Normandy and Pointe du Hoc, and the unfathomable butchery of the Third Reich. In the Pacific, the hallowed places of valor, suffering, and self-sacrifice continue to echo down the halls of American history: Bataan, Corregidor, Midway, Iwo Jima, Okinawa.

The vast scope of World War II encompassed the final cavalry charge and the first wartime use of the atomic bomb. It is fitting and proper that, 50 years after the end of this conflict, all Americans quietly reflect upon the meaning of the war, and, in particular, upon the awesome destructive power unleashed by these bombs dropped on Hiroshima and Nagasaki from a U.S. Air Force B–29, killing 200,000. This act of American servicemen, done in our name, does not make them—or us—warmongers. On the contrary, the soldier, sailor, and aviator above all yearn for peace—even while obeying all moral and reasonable orders of civilian leaders—because he or she endures the greatest fear and anguish from war.

Mr. President, our ongoing national debate over the propriety of America's use of these weapons reflects an active national moral conscience. It is an indication that Americans continue to care about what was done by their Government in their name. It signals our appreciation that national choices have moral consequences for which all Americans are responsible. In the case of Hiroshima and Nagasaki, these consequences continue to reverberate through American and world history.

Fifty years after the fact, it is difficult to recapture the national mood and historical context of August 1945. The temptation of latter-day historians is to narrowly focus on only these two events—as destructive and horrible as Hiroshima and Nagasaki were—apart from the historical context in which they occurred. This is sometimes done with the intent to advance a particular agenda or political point of view. This tendency, known as historical revisionism, was recently seen in the controversy over the *Enola Gay* exhibit at the Smithsonian, and in the debate over changing "V-J Day" to "Victory in the War of the Pacific," to avoid offending Japanese sensitivities.

Hiroshima and Nagasaki cannot be accurately assessed in the abstract. These events are directly linked to Okinawa, Iwo Jima, Bataan, and, of course, Pearl Harbor, where the U.S.S. *Arizona* Memorial bears silent witness to the memory of 1,177 American sailors who died on the morning of December 7, 1941. The average age of the 1,102 who, to this day, remain entombed in the Arizona's watery grave, is 18. These teenaged sailors were heroes before they were men.

Some armchair historians, safely ensconced in ivory towers, issue moral condemnations of the very acts of war that saved American lives and, in large measure, preserved their freedom to issue those condemnations. They enjoy the benefits of freedom—particularly, the freedom to dissent—with little appreciation of its costs. They don't adequately appreciate that freedom is not free, but has been purchased with the blood of young Americans whose names they will never know. In re-writing the events that preserved their freedom, and the freedom of much of the world, they engage in more than dubious scholarship; they dishonor the memory of those of whom General MacArthur said, "they fought and died * * * and left the air singed with their honor."

A credible historian must endeavor to learn the lessons of history. To learn these lessons, he or she must know the facts on which the lessons are based.

Mr. President, to fairly evaluate Hiroshima and Nagasaki, the historian must strive to see the world as Truman saw it, and to fully embrace the objective facts that he confronted. In this evaluation, all are entitled to their own opinions; none are entitled to their own facts. And facts can be stubborn things. What were the facts on which Truman based his fateful decision to use the atomic bomb?

Truman, as Commander in Chief, was responsible, not only for determining and prosecuting military strategy, but also for the lives of his troops. As a World War I combat veteran, he knew well the brutality of war, and regarded his duty to minimize American casualties to be a sacred moral obligation. One can only imagine the firestorm of criticism if, in 1947, it was revealed that America had a weapon—no matter how destructive or horrible—that just might have saved American lives had it been used. George Elsey, a young naval intelligence officer in constant contact with Truman prior to and at the time the decision was made, believes that "the answer is impeachment."

Truman knew well the high cost already paid in taking back the Pacific islands: Guadalcanal, Tarawa, Saipan, Midway. At Iwo Jima—where, in the immortal words of Adm. Chester Nimitz, "uncommon valor was a common virtue"—more marines were killed than in the entire Korean war.

And then, there was Okinawa, the bloodiest battle of the Pacific War and the last great engagement of World War II. Okinawa demonstrated with brutal clarity how viciously the Japanese would fight to defend their home islands. Nearly 190,000 Army and Marine combat troops and an armada of 1,200 ships—second in size only to the Normandy invasion—began the assault. In less than three months of battle, 12,000 Americans were killed, a total representing nearly 25 percent of all the American deaths from 9 years of war in Vietnam. A 19-year-old soldier wrote of the butchery of Okinawa in his last letter home 2 days before he was killed: "the fear is not so much of death itself * * * [as it is] the terror and anguish and utter horror in the final moments that precede death in this battle."

The losses suffered by American ships and sailors at Okinawa remain the greatest in world naval history: 30 ships sunk, 368 damaged, and more than 5,000 sailors killed by kamikaze attacks during a battle fought after it was clear to the world that Japan had lost the war.

Mr. President, using Iwo Jima and Okinawa as a measure, according to a Pentagon briefing received by Truman, a minimum of 250,000 and as many as 600,000 American lives would be lost in an invasion of the home islands, predicted to be fought out for over a year, island by island, beach by beach, cave to cave, and, in the end, hand to hand. Douglas MacArthur and Winston Churchill both estimated that one million allied soldiers would be killed in an invasion of Honshu, Hokkaido, Shikoku, and Kyushu, the Japanese home islands.

The Pentagon predicted 20,000 Americans would die in the first month alone. For Truman, this potential human cost was intolerable. If there was a way—any way—to avoid such bloodshed, it seemed worth taking. Historian David McCollough said the explanation for why Truman used the bomb was one word: "Okinawa. He wanted to stop the killing."

I believe this one fact, standing alone, fully justified Truman's decision to use the atom bomb on Japan: Not one American life was lost in an invasion of the heavily fortified home islands of the Empire of Japan.

Additional facts also support Truman's decision. Some revisionists argue that the bomb was unnecessary because Japan was planning to surrender. This is plainly refuted by the facts. Three days after the *Enola Gay* dropped the bomb on Hiroshima, killing 70,000 people and virtually destroying the city, the Chief of Staff of the Japanese Army, Gen. Yoshijiro Umezu, assured the Supreme War Council meeting in Tokyo that his troops could "turn back the invading American force and get better terms than the unconditional surrender" demanded by the Allies. On August 9, in a meeting in his bomb shelter, Umezu was interrupted by an officer who announced that a second nuclear weapon had been dropped on Nagasaki. The General's response: "I can say with confidence that we will be able to destroy the major part of an invading force."

The Japanese leadership was caught between a realization of the inevitability of defeat and their cultural tradition in which suicide was honorable, and surrender was sacrilege. They did not want a negotiated peace. They chose, instead, to commit national suicide. As the Japanese War Minister, General Anami, said, "would it not be wondrous for this whole nation to be destroyed like a beautiful flower?"

Emperor Hirohito's war-ending statement confirmed the role the atomic bombs played in ending the war. Hirohito cited the atomic bomb, which Japan was then hurriedly developing, in his taped broadcast to the nation announcing Japan's surrender on August 15, 1945. "The enemy has begun to employ a most cruel bomb, the power of which to do damage is indeed incalculable. To continue would result in the collapse and obliteration of the Japanese nation."

So, in assessing whether the atomic bomb was needed to shorten the war and to save the lives of American and Allied soldiers, let us not forget: The surrender of Japan did not occur until 5 days after the second atomic bomb was dropped.

Americans must not glorify in what was done at Hiroshima and Nagasaki, but neither should we apologize for it. It is indeed a paradox of the 20th century that the weapons of war are, at times, necessary to end war, to prevent war, and to advance the cause of peace. But, in view of the war's end and the 50 year peace that has ensued, Pacific war veterans can take pride in just that.

In August 1995, Japan is endowed with political stability and is a thriving nation of human freedom and enterprise. The rubble of war has, phoenix-like, arisen from the ashes as an international center of democracy, culture, and learning. It is a historical aberration that the vanquished of August 1945 arguably benefited more than the victors. World War II freed the Japanese and German people from evil, destructive regimes and re-directed their national potential in ways that have brought their people, and the world, unquantifiable economic, political, and cultural benefits. Japan, with few natural resources, now produces over 10 percent of the world's goods and services, and has become our friend and ally, our partner in peace and economic enterprise, a source of stability in the bustling Pacific rim, and a major engine of international commerce.

So, as we commemorate the 50 years of peace and stability that began at the end of World War II, let us not forget the ultimate sacrifice made by 300,000 young American soldiers, sailors, and aviators who accomplished the redemption of the Earth.

Surely, these young men and women from Arizona, Iowa, Louisiana, Missouri, and every other State of the Union, realized the risks they ran and the ultimate price that they might pay. But they also knew that, while the price of freedom is high, the price of oppression is far higher. With the courage of this conviction, they willingly offered their lives to defend transcendent principle and to preserve the promise of freedom for fellow human beings born and yet unborn. They fought for neither power nor treasure, and the only foreign land they now revere lies beneath countless crosses and Stars of David where their fallen comrades rest.

America's World War II veterans embody all that is strong, noble and true about this Nation. They and their departed friends—and all others who have protected the United States in peacetime and in war—served as good soldiers and good citizens. Their high standard of allegiance has enriched our national consciousness and has cultivated and sustained a sense of purpose and patriotism in Americans across this great land. In selflessly laying their lives on the line, they helped ensure that, throughout the world, the strong are just, the weak secure, and the peace preserved for generations to come.

Mr. President, in this year of commemoration, I know I share the sentiments of all Americans in saying to World War II veterans and their families: I salute you. Your country thanks you. God bless each of you.•

CENTENARIAN THOMAS STAVALONE

• Mr. D'AMATO. Mr. President, I rise today in honor of a great American, Thomas Stavalone. On September 14 of this year, Thomas Stavalone of Saratoga Ave., Rochester, NY, will be celebrating an event few others have been privileged to achieve; he will be 100 years old.

Born in a suburb of Naples, Italy, in the village of Peturo in 1895, Tom emigrated to America in 1904 at the tender age of 9. Together with his family, he originally settled in the Scio Street area, later relocating to the old 9th Ward section of Rochester, which he still calls home. He attended No. 5 School, where he met the girl he would eventually marry.

On June 30, 1917, Tom married his sweetheart, Immaculate LaMarca. She lived to the age of 90, passing away in 1987, after they had celebrated their 70th wedding anniversary. They had four children, Lawrence, Amelia, Margie and Thomas, Jr., who died in infancy.

As a sports enthusiast during his youth, he preferred to be an active participant rather than an observer. Tom is also an avid outdoorsman, enjoying both hunting and fishing. He would always share his bountiful catch with neighbors and friends.

Tom worked in several Rochester shoe factories over the years, but when he retired in 1962 it was from a position with the Rochester Transit Authority.

Tom's chief activity today is gardening, but he also enjoys playing bocce and watching Yankee games. No matter what the weather, he walks daily to the Stardust Room at Edgerton Park to share in their senior citizen lunches. There he also enjoys the camaraderie of both neighbors and friends.

Tom has witnessed 17 men rise to become the President of our country extending from Teddy Roosevelt to Bill Clinton. During his 100 years, Tom has seen the progress in transportation go from the horse and buggy age to man landing on the Moon; mass communication has evolved from just the printed word to radio, and even computers; entertainment has extended from vaudeville to video. Times have certainly changed and Tom Stavalone has been there to witness these many changes.

His family and friends will honor him with a gala celebration on September 17, 1995, at the Mapledale Party House in Rochester, NY. I want to thank Tom for his many contributions to the betterment of our world and with him a very happy 100th birthday.•

RICHARD TISSIERE

• Mr. BRADLEY. Mr. President, on Friday, September 8, following closely on the heels of our national celebration of the American worker, a prominent labor leader in my State will be honored for his many achievements on behalf of all New Jerseyans and my State's labor movement. Richard Tissiere, the business manager and president of the Laborers' Union Local 472, AFL–CIO, has devoted a lifetime of energy, enthusiasm, and hard work to both the local 472, his community and our country.

Richie Tissiere's commitment to his union, exemplified by his perfect attendance record at union meetings for the entire 43 years of his membership, has contributed to the hard-won achievements of the American work force. Today's American worker enjoys a living wage, company paid health benefits, safe working conditions and a 5-day workweek as a direct result of the fruits of the labor of America's unions. This uniquely American compact between labor and management has rightly been the envy of the world. As the role of unions in today's work force undergoes growing pains, we must remember that we all—rich and poor, management and worker—are in this together. For most of our history as an industrialized nation we have understood this fact. We understood that workers were not interchangeable parts but partners in a quest for productivity and partners in a community. Richie Tissiere understands this compact and has devoted himself to ensuring that America's unique partnership between worker and employer remains a vibrant part of our society.

Richie Tissiere's contributions to New Jersey have been many and they have been varied. I have had the pleasure of working with Richie when he served on my Labor Advisory Board in the State which is only one of the ways that Richie has touched so many of his fellow New Jerseyans. Generations of young soccer players have Richie and area labor unions to thank for supporting their leagues, boys and girls in Newark can tip their hats to Richie for his support of their youth clubs, and thousands of construction, highway, and mass transit workers appreciate the role Richie has played in the booming construction industry in the State.

It is indeed fitting that the Essex-West Hudson Labor Council, AFL–CIO will pay tribute to Richie Tissiere, a fine New Jerseyan and a dedicated union supporter at their annual Labor Day Parade.•

THE VISIT OF COMTE RENE DE CHAMBRUN TO THE LIBRARY OF CONGRESS CELEBRATING MICROFILMING OF LAFAYETTE PAPERS

• Mr. HATFIELD. Mr. President, as Chairman of the Joint Committee on the Library of Congress, I want to bring to the attention of this body an agreement between the Library of Congress and the Comte Rene de Chambrun of France to microfilm the Lafayette papers. In June, the Librarian of Congress, Dr. James Billington, agreed to begin microfilming the collection and make it available to scholars from all over the world by 1996. Rene de Chambrun, the great-great grandson of the Marquis de Lafayette, will be honored this evening, Lafayette's birthday, at a dinner sponsored by Congress and the Library.

Many will remember Rene de Chambrun who, like his ancestor Lafayette, was held in high esteem by his American counterparts during World War II. Through a web of connections in the United States, Chambrun was able to convince President Roosevelt and others to send much needed military equipment to Britain in mid 1940. The assistance, instigated by Chambrun, was no small factor in the Battle of Britain—the first battle fought for control of the air and a battle which Hitler eventually retreated from.

In 1956, the Count de Chambrun, exploring La Grange, the 15th century chateau he had recently acquired near Paris, discovered a large collection of personal papers of Lafayette. Since its discovery, this collection, which has been carefully preserved and organized, has remained virtually inaccessible to historians and archivists and today remains one of the great scholarly mysteries of the 20th century.

LaFayette played a central role in both the American Revolution and the French Revolution. Agreeing to serve without pay in the American army, Lafayette was present at Valley Forge in the harsh winter of 1777–1778. In France, he worked to make his country a constitutional monarchy and held in his heart a strong desire that France would one day become a pure republic. Throughout his life he championed, sometimes at great personal cost, the ideas of liberty, equality, human rights and national self-determination that today are still cause for inspiration.

Approximately one-quarter of the 18,000 items in the Lafayette collection contain information about the American Revolution and the establishment of the new national government. The collection contains extensive correspondence with leading American political and military leaders. The "hero to two worlds," as Lafayette was called, knew many of America's Founding Fathers well, particularly Presidents Washington, Adams, Jefferson, and Monroe. A preliminary examination of the papers indicates that some of this correspondence may be the only existing records of lost original letters. There is substantial documentation on the American Revolution, including a secret code used by Lafayette and Washington and Lafayette's handwritten accounts of his 1781 campaign in Virginia and of the siege of Yorktown. There are important documents concerning the participation of the French Navy in the war. Also of interest are notes from visits to Monticello after the war where Lafayette and Jefferson discussed the subject of slavery.

In addition, the collection contains original material regarding Lafayette's role in the French Revolution and his imprisonment and exile from 1792–1799. It records his interactions with every major French leader from Louis XVI to Napoleon and his activities during the Napoleonic and post-Napoleonic period. It also contains significant correspondence with leaders of national liberation movements in Poland and South America, including Simon Bolivar. Furthermore, the Lafayette papers reveal his private life—the father, husband and farmer.

Through the process of microfilming, important pieces of the Library's collection are protected from extensive and damaging handling. Microfilmed presidential papers are used quite often—I have found occasion to explore the papers of President Herbert Hoover several times myself. I commend the Library of Congress for its diligent efforts to see that the Lafayette papers are made available to the public where they will join the papers of other prominent founding fathers such as George Washington, Thomas Jefferson, Benjamin Franklin, and James Madison.

As a body, the voluminous Lafayette papers promise to shed new light on American history and our view of Lafayette—one of those rare figures who decisively influenced the affairs of two great nations, the United States and France. It is appropriate that we honor Count de Chambrun today, and through him the Marquis de Lafayette.•

JOURNAL OF THE AMERICAN MEDICAL ASSOCIATION'S ISSUE ON VIOLENCE IN AMERICA

• Mr. SIMON. Mr. President, today, I would like to call my colleagues' attention to an important issue of the Journal of the American Medical Association, which examines violence as a public health issue.

As too many Americans know, violence has become an epidemic in our country. Despite some admirable efforts, the problem has unfortunately not been successfully addressed by congressional action. Given the scope of the problem, it is important for all Americans to focus on this issue and contribute to the solution. I would like to take this opportunity to commend the American Medical Association for taking a leadership role in drawing public attention to this issue.

The June issue of the Journal of the American Medical Association (JAMA) is a prime example of the AMA's commitment. This issue focuses on the recent emphasis in the medical community on addressing violence as a public health issue. Putting violence in this context raises the profile of the issue and, I believe, greatly contributes to creating better solutions.

For example, an editorial entitled "The Unrelenting Epidemic of Violence in America" lists grim statistics about the prevalence of violence in our society, and estimates the tremendous social and medical costs to society caused by this violence. The editorial then calls upon physicians to take an active role in working to reduce the magnitude of this problem, and offers advice on ways to proceed:

> Patient centered interventions may include education that emphasizes primary prevention, such as discussing the hazards of firearms and encouraging safe firearm storage practices, appropriately screening for child abuse, domestic violence, and elder abuse, and identifying and initiating proper counseling for harbingers of violence such as alcohol and other substance abuse, behavioral problems, emotional disorders, and inadequate social support.

JAMA also encourages physicians to become antiviolence advocates by participating in community, State, or national public health policy debates on violence, influencing public attitudes in favor of violence prevention initiatives, and supporting legislative and regulatory measures intended to reduce violence, such as those that limit the availability of handguns.

Because the causes of violence are so complex, we sometimes feel overwhelmed before we even begin the work to find solutions. To encourage its members, JAMA relates the story:

> . . . of a stranger walking along a beach at noon on a brilliant sunny day. As the tide has receded, a large number of starfish have been stranded on the hot sands, baked by the noonday sun. They surely will not survive until the next tide returns. An older woman skitters about the beach, gently picking up the starfish and tossing them back into the ocean. As the stranger approaches and notices the tens of thousands of starfish on the miles of sandy beach, he stops to ask the woman, "How can you possibly make a difference, with the vast number of starfish that are stranded?" The woman replies, gently picking up a starfish next to her and showing it to the stranger, "For this starfish, it makes all the difference in the world."

To further encourage its readers, JAMA then relates the work of John May, a physician with Cermak Health Services in Chicago, who is making an important difference in his community. According to JAMA, Dr. May has received local and national attention for his work to develop patient screening and counseling techniques, study risk factors associated with firearm violence, and promote violence prevention awareness. May has developed a simple mnemonic device involving the word "guns" to assess whether someone is at risk for a firearm injury: Is there a gun in your home? Are you around users of alcohol or other drugs? Do you feel a need to protect yourself? Do any of these situations apply to you: Seen or been involved in acts of violence? Sadness? School-aged children at home? Furthermore, May believes that physicians must work to deglamorize the gun, as they have done with cigarettes: Unfortunately, guns and violence are promoted as powerful, sexy, and effective. It's no wonder that young people are drawn to them and, tragically, killed by them.

The June issue of JAMA is not, however, the first example of the AMA's commitment to exploring the issue of violence. In 1994, the AMA joined with the American Bar Association and nearly 100 other groups in presenting the National Conference on Family Violence: Health and Justice. This important conference focused on the disturbingly widespread problem of family violence, and made specific recommendations, such as primary prevention through education, early intervention in at-risk families, and the development of community-coordinated efforts to address this problem.

My colleagues, the Nation's physicians, and all Americans, can learn from the articles in the June issue of JAMA. But more importantly, we can all learn from the AMA's example of civic responsibility. I applaud their efforts and encourage my colleagues to review the June issue and share it with medical professionals in their communities.●

REMOVAL OF INJUNCTION OF SECRECY—TREATY DOCUMENT NO. 104–19, TREATY DOCUMENT NO. 104–20, AND TREATY DOCUMENT NO. 104–21

Mr. GRASSLEY. Madam President, as in executive session, I ask unanimous consent that the injunction of secrecy be removed from the following three treaties transmitted to the Senate on September 6, 1995, by the President of the United States: The Investment Treaty with Albania, treaty document No. 104–19; the Treaty with Hungary on Legal Assistance in Criminal Matters, treaty document No. 104–20; and the Treaty with Austria on Legal Assistance in Criminal Matters, document No. 104–21.

I further ask unanimous consent that the treaties be considered as having been read the first time; that they be referred, with accompanying papers, to the Committee on Foreign Relations and ordered to be printed; and that the President's messages be printed in the RECORD.

The PRESIDING OFFICER. Without objection, it is so ordered.

The messages of the President are as follows:

To the Senate of the United States:

With a view to receiving the advice and consent of the Senate to ratification, I transmit herewith the Treaty Between the Government of the United States of America and the Government of the Republic of Albania Concerning the Encouragement and Reciprocal Protection of Investment, with Annex and Protocol, signed at Washington on January 11, 1995. I transmit also, for the information of the Senate, the report of the Department of State with respect to this Treaty.

The bilateral investment Treaty (BIT) with Albania will protect U.S. investment and assist the Republic of Albania in its efforts to develop its economy by creating conditions more favorable for U.S. private investment and thus strengthen the development of its private sector. The Treaty is fully consistent with U.S. policy toward international and domestic investment. A specific tenet of U.S. policy, reflected in this Treaty, is that U.S. investment abroad and foreign investment in the United States should receive national treatment. Under this Treaty, the Parties also agree to international law standards for expropriation and compensation for expropriation; free transfer of funds related to investments; freedom of investments from performance requirements; fair, equitable, and most-favored-nation treatment; and the investor's or investment's freedom to choose to resolve disputes with the host government through international arbitration.

I recommend that the Senate consider this Treaty as soon as possible, and give its advice and consent to ratification of the Treaty, with Annex and Protocol, at an early date.

WILLIAM J. CLINTON.

THE WHITE HOUSE, *September 6, 1995.*

To the Senate of the United States:

With a view to receiving the advice and consent of the Senate to ratification, I transmit herewith the Treaty Between the Government of the United States of America and the Government of the Republic of Hungary on Mutual Legal Assistance in Criminal Matters, signed at Budapest on December 1, 1994. I transmit also, for the information of the Senate, the report of the Department of State with respect to the Treaty.

The Treaty is one of a series of modern mutual legal assistance treaties that the United States is negotiating in order to counter criminal activities more effectively. The Treaty should be an effective tool to assist in the prosecution of a wide variety of modern criminals, including members of drug cartels, "white-collar" criminals, and terrorists. The Treaty is self-executing.

The Treaty provides for a broad range of cooperation in criminal matters. Mutual assistance available under the Treaty includes: (1) taking testimony or statements of persons; (2) providing documents, records, and articles of evidence; (3) serving documents; (4) locating or identifying persons or items; (5) transferring persons in custody for testimony or other purposes; (6) executing requests for searches and seizures; (7) assisting in forfeiture proceedings; and (8) rendering any other form of assistance not prohibited by the laws of the Requested State.

I recommend that the Senate give early and favorable consideration to the Treaty and give its advice and consent to ratification.

WILLIAM J. CLINTON.

THE WHITE HOUSE, *September 6, 1995.*

To the Senate of the United States:

With a view to receiving the advice and consent of the Senate to ratification, I transmit herewith the Treaty Between the Government of the United States of America and the Government of the Republic of Austria on Mutual Legal Assistance in Criminal Matters, signed at Vienna on February 23, 1995. I transmit also, for the information of the Senate, the report of the Department of State with respect to the Treaty.

The Treaty is one of a series of modern mutual legal assistance treaties being negotiated by the United States in order to counter criminal activity more effectively. The Treaty will enhance our ability to investigate and prosecute a wide variety of offenses, including drug trafficking, violent crimes, and "white-collar" crimes. The Treaty is self-executing.

The Treaty provides for a broad range of cooperation in criminal matters. Mutual assistance available under the Treaty includes: (1) taking the testimony or statements of persons; (2) providing documents, records, and articles of evidence; (3) serving documents; (4) locating or identifying persons or items; (5) transferring persons in custody for testimony or other purposes; (6) executing requests for searches and seizures; (7) assisting in forfeiture proceedings; and (8) rendering any other form of assistance not prohibited by the laws of the Requested State.

I recommend that the Senate give early and favorable consideration to the Treaty and give its advice and consent to ratification.

WILLIAM J. CLINTON.

THE WHITE HOUSE, *September 6, 1995.*

ORDERS FOR TOMORROW

Mr. GRASSLEY. Madam President, I ask unanimous consent that when the Senate completes its business today, it stand in recess until the hour of 9:30 a.m. on Thursday, September 7, 1995; that following the prayer, the Journal of proceedings be deemed approved to date, the time for the two leaders be reserved for their use later in the day; that there then be a period for the transaction of morning business, not to extend beyond the hour of 10:30 a.m., with Senators permitted to speak for up to 5 minutes each, with the following exception: Senator McCain, 30 minutes; further, that at the hour of 10:30, the Senate immediately resume consideration of H.R. 4, the welfare reform bill, with the time between 10:30 a.m. and 3:30 p.m. equally divided between the two managers; further, at 3:30 p.m., Senator Daschle be recognized for up to 15 minutes, to be followed by Senator Dole for up to 15 minutes of debate.

The PRESIDING OFFICER. Without objection, it is so ordered.

PROGRAM

Mr. GRASSLEY. Madam President, for the information of all Senators, the Senate will resume consideration of the welfare reform bill at 10:30 a.m. tomorrow. Under a previous order, there will be a rollcall vote on the Daschle amendment No. 2282, as modified, at 4 p.m. tomorrow. The vote on the Daschle amendment will be the first vote of Thursday's session. However, rollcall votes are expected thereafter on other amendments on the welfare reform bill, and a late night session is expected in order to make substantial progress on that bill.

ORDER FOR RECESS

Mr. GRASSLEY. Madam President, I ask unanimous consent that following a statement by the Democratic leader, that the Senate recess as previously ordered.

The PRESIDING OFFICER. Without objection, it is so ordered.

The Senate minority leader.

SENATOR BILL BRADLEY

Mr. DASCHLE. Mr. President, our friend and colleague Bill Bradley has said that he has always preferred moving to standing still. When the 104th Congress adjourns around a year from now, the senior Senator from New Jersey will move on to new challenges in his life and career, and we will feel the loss of one of the most principled and thoughtful Members of this body. While Senator Bradley has expressed a deep sense of disappointment in the country's current political climate, I know that he will be able to look back on his career in the Senate with a lasting sense of pride in his accomplishments on behalf of the people of New Jersey, and of the Nation.

Bill Bradley's work in the Senate has been remarkable for the breadth of its legislative range, and for the depth of its intellectual foundation. Whether addressing the intricacies of tax policy or the broad impact of international trade proposals, his grasp of the subject matter before him is unrivaled. Ask any Senator who has stumbled unprepared into a debate with him. Bill Bradley has been a legislative force to be reckoned with, as he will continue to be until his last vote is cast in this Chamber.

Senator Bradley is often recognized for his mastery of technically intimidating issues. But I will always remember him more for the passion he can bring to a debate than for his oft-cited professorial prowess. In the last decade, some of the most socially important and emotionally powerful statements on the subject of racial strife in America have been delivered from the heart and soul of Senator Bradley.

When Senator Bradley takes the floor to speak, or offers a legislative solution to a national problem, he comes armed with formidable arguments and effective insights. When Bill Bradley takes up an issue or takes on a cause, he will likely succeed in what he's set out to achieve. This is the result of a rare combination of the competitiveness with which he was clearly born, and the credibility he has earned through a life in public service.

If you are a working-class American, then Bill Bradley has served you well. If you are poor or disadvantaged, Bill Bradley has made your concerns his cause. Through the din of violence and divisiveness in our society, Bill Bradley has been a voice of healing. In the face of monied special interests, Bill Bradley has been a fighter for fairness and economic justice. Bill Bradley has been a credit to the Senate, to the Nation, and to public service. He has been a powerful advocate for the values that so many of us share, and I look forward to working with him on the vital matters we will face together in the months remaining in his term.

CLAIBORNE PELL: A TRUE PUBLIC SERVANT

Mr. DASCHLE. Madam President, in his commencement address at Syracuse University in 1957, Senator John F. Kennedy called American politics one of this country's "most neglected, most abused, and most ignored professions."

"As one who is familiar with the political world," Senator Kennedy told the graduates: "We stand in serious need of the fruits of your education. Bear in mind, as you leave this university and consider the road ahead, not the sneers of the cynics or the fears of the purists." Instead, he urged us to bear in mind that politics has been a home as well as a noble career to America's best and brightest.

In the early days of our Republic, there were George Washington, Thomas Jefferson, James Madison, John Adams, John Quincy Adams, and George Mason, to name but a few.

John Kennedy had a way of making you feel good about yourself as well as your country, and he inspired many of us to look for ways to serve our country to preserve its strengths and address its weaknesses. This is one of the reasons so many of us look back on the Kennedy administration with fondness and respect, and with a knowledge that we, as individuals, and we, as a country, are forever indebted to President Kennedy for nurturing that spirit.

We are also indebted to another man who has dedicated his life to that spirit: Senator CLAIBORNE PELL.

Through the years it has been my privilege to work with the senior Senator from Rhode Island, I have only known him to stress the positive, never the negative. He has always looked for the best in us, instead of dwelling upon our faults. Never once have I heard him berate an opponent, or disparage this institution.

He has sought to bring us together instead of divide us. To make the system work better, instead of despairing it.

To Senator PELL, as it was with President KENNEDY, politics is an honorable profession, an enriching experience and meaningful service. The political arena is where ordinary people can accomplish great things. Claiborne PELL understood that.

In announcing his intention to leave the Senate, this gentle and good man remarked:

> I continue to believe that government, and the Federal Government in particular, can and should make a positive impact on the lives of most Americans.

Through his efforts, the Federal Government has made a positive impact.

In his 34 years in the Senate, Senator PELL used the system, with all of its faults and limitations, to make our country a better place to live, a better place to work, and a better place to raise a family. He has taken a leading role in passage of much of the landmark education legislation of the past three decades, including reducing financial barriers to higher education, with the educational grants that bear his name. He has taken a leading role in the creation of the Nation's most important educational and cultural institutions, including the National Endowment for the Arts and the National Endowment for the Humanities.

He has also sought to make not only the country, but also the world, a better place in which to live and work. As a U.S. Senator and chairman of the Senate Foreign Relations Committee, he has worked tirelessly to promote international cooperation through his work on behalf of arms control agreements and international environmental treaties. As Senator MOYNIHAN pointed out yesterday, Senator PELL has "brought to the Senate floor two of the most important treaties for the control of nuclear weapons in our Nation's history."

Just this year, he proudly represented the Senate at the 50th anniversary of the United Nations. This was fitting, as Senator PELL was at the United Nation's opening ceremonies 50 years ago, and he has been instrumental in the effort to further the noble goals that inspired the United Nation's creation in the first place.

Mr. President, this is statesmanship at its finest. It is the quest of peace—for international cooperation for the benefit of the United States and the benefit of humankind.

Although Claiborne PELL is leaving the Senate, he has pledged to continue "to fight for the values and programs" that he considers vital.

How pleased I was to hear that promise. We will continue to need his spirit, his energy, and his dedication to making the good fight. Therefore, instead of saying goodbye, I will simply thank him for the years he gave to the people of Rhode Island and to the people of this great country.

I urge all of my colleagues in the Senate and in the House, and those in other great political arenas, to be a bit more like Senator PELL, to look for the high roads, not the lowest ones. We should summon America's best to step up onto the political stage, not scare them away from it. That is something Claiborne PELL has done remarkably well for 34 years.

I yield the floor.

RECESS UNTIL 9:30 A.M. TOMORROW

The PRESIDING OFFICER. Under the previous order, the Senate stands in recess until 9:30 a.m.

Thereupon, the Senate, at 7:43 p.m., recessed until Thursday, September 7, 1995, at 9:30 a.m.

HOUSE OF REPRESENTATIVES—*Wednesday, September 6, 1995*

The House met at 12 noon and was called to order by the Speaker pro tempore [Mr. EVERETT].

DESIGNATION OF SPEAKER PRO TEMPORE

The SPEAKER pro tempore laid before the House the following communication from the Speaker:

WASHINGTON, DC,
September 6, 1995.

I hereby designate the Honorable TERRY EVERETT to act as Speaker pro tempore on this day.

NEWT GINGRICH,
Speaker of the House of Representatives.

PRAYER

The Chaplain, Rev. James David Ford, D.D., offered the following prayer:

With gratitude for the traditions we share, in appreciation for the values we hold dear, and with acknowledgment of the contributions of those who have gone before, we begin this day with all the opportunities and responsibilities before us. O gracious God, creator of life and author of every good gift, we ask Your blessing upon each of us asking that You would give us the grace to be the people You would have us be and do those good things that honor You and serve people whatever their need. May Your good spirit, O God, that is with us in all the moments of life, be with us and every person, now and evermore. Amen.

THE JOURNAL

The SPEAKER pro tempore. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Pursuant to clause 1, rule I, the Journal stands approved.

PLEDGE OF ALLEGIANCE

The SPEAKER pro tempore. The gentleman from North Carolina [Mr. BALLENGER] will lead the membership in the Pledge of Allegiance.

Mr. BALLENGER led the Pledge of Allegiance, as follows:

I pledge allegiance to the Flag of the United States of America, and to the Republic for which it stands, one nation under God, indivisible, with liberty and justice for all.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Lundregan, one of its clerks, announced that the Senate had passed with amendments in which the concurrence of the House is requested, bills of the House of the following titles:

H.R. 1977. An act making appropriations for the Department of the Interior and related agencies for the fiscal year ending September 30, 1996, and for other purposes;

H.R. 2002. An act making appropriations for the Department of Transportation and related agencies for the fiscal year ending September 30, 1996, and for other purposes; and

H.R. 2020. An act making appropriations for the Treasury Department, the United States Postal Service, the Executive Office of the President, and certain Independent Agencies, for the fiscal year ending September 30, 1996, and for other purposes.

The message also announced that the Senate insists upon its amendments to the bill (H.R. 2020) "An Act making appropriations for the Treasury Department, the United States Postal Service, the Executive Office of the President, and certain Independent Agencies, for the fiscal year ending September 30, 1996, and for other purposes", requests a conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. SHELBY, Mr. JEFFORDS, Mr. GREGG, Mr. HATFIELD, Mr. KERREY, Ms. MIKULSKI, and Mr. BYRD, to be the conferees on the part of the Senate.

The message also announced that the Senate insists upon its amendments to the bill (H.R. 1977) "An Act making appropriations for the Department of the Interior and related agencies for the fiscal year ending September 30, 1996, and for other purposes", requests a conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. GORTON, Mr. STEVENS, Mr. COCHRAN, Mr. DOMENICI, Mr. HATFIELD, Mr. BURNS, Mr. BENNETT, Mr. MACK, Mr. BYRD, Mr. JOHNSTON, Mr. LEAHY, Mr. BUMPERS, Mr. HOLLINGS, Mr. REID, and Mrs. MURRAY, to be the conferees on the part of the Senate.

The message also announced that the Senate insists upon its amendments to the bill (H.R. 2002) "An Act making appropriations for the Department of Transportation and related agencies for the fiscal year ending September 30, 1996, and for other purposes", requests a conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. HATFIELD, Mr. DOMENICI, Mr. SPECTER, Mr. GRAMM, Mr. BOND, Mr. GORTON, Mr. LAUTENBERG, Mr. BYRD, Mr. HARKIN, Ms. MIKULSKI, and Mr. REID, to be the conferees on the part of the Senate.

The message also announced that the Senate had passed bills and a concurrent resolution of the following titles, in which the concurrence of the House is requested:

S. 227. An act to amend title 17, United States Code, to provide an exclusive right to perform sound recordings publicly by means of digital transmissions, and for other purposes;

S. 369. An act to designate the Federal courthouse in Decatur, Alabama, as the "Seybourn H. Lynne Federal Courthouse", and for other purposes;

S. 734. An act to designate the United States courthouse and Federal building to be constructed at the southeastern corner of Liberty and South Virginia Streets in Reno, Nevada, as the "Bruce R. Thompson United States Courthouse and Federal Building", and for other purposes;

S. 895. An act to amend the Small Business Act to reduce the level of participation by the Small Business Administration in certain loans guaranteed by the Administration, and for other purposes;

S. 965. An act to designate the United States Courthouse for the Eastern District of Virginia in Alexandria, Virginia, as the Albert V. Bryan United States Courthouse;

S. 1076. An act to designate the Western Program Service Center of the Social Security Administration located at 1221 Nevin Avenue, Richmond, California, as the "Francis J. Hagel Building", and for other purposes; and

S. Con. Res. 22. Concurrent resolution expressing the sense of the Congress that the United States should participate in Expo '98 in Lisbon, Portugal.

The message also announced that the Senate disagrees to the amendments of the House to the bill (S. 395) "An Act to authorize and direct the Secretary of Energy to sell the Alaska Power Administration, and to authorize the export of Alaska North Slope crude oil, and for other purposes," agrees to a conference asked by the House on the disagreeing votes of the two Houses thereon, and appoints Mr. MURKOWSKI, Mr. HATFIELD, Mr. DOMENICI, Mr. JOHNSTON, and Mr. FORD, to be the conferees on the part of the Senate.

The message also announced that pursuant to Public Law 93–415, as amended by Public Law 102–586, the Chair, on behalf of the majority leader, after consultation with the Democratic leader, announces the appointment of James L. Burgess of Kansas to the Coordinating Council on Juvenile Justice and Delinquency Prevention, effective July 5, 1995.

The message also announced that pursuant to Public Law 102–246, the Chair, on behalf of the majority leader, in consultation with the Democratic leader, appoints Adele C. Hall of Kansas to a 5-year term to the Library of Congress Trust Fund Board.

The message also announced that pursuant to Public Law 83–420, as

□ This symbol represents the time of day during the House proceedings, e.g., □ 1407 is 2:07 p.m.

Matter set in this typeface **indicates words inserted or appended, rather than spoken, by a Member of the House on the floor.**

amended by Public Law 99-371 the Chair, on behalf of the Vice President, appoints Mr. MCCAIN to the Board of Trustees of Gallaudet University.

The message also announced that pursuant to Public Law 93-642, the Chair, on behalf of the Vice President, appoints Mr. BOND and Mr. BAUCUS to be members of the Harry S. Truman Scholarship Foundation Board of Trustees.

The message also announced that pursuant to section 194(a) of title 14, United States Code, as amended by Public Law 101-595, the Chair, on behalf of the Vice President, appoints Mr. PRESSLER, ex officio, as chairman of the Committee on Commerce, Science, and Transportation, Mr. ASHCROFT, from the Committee on Commerce, Science, and Transportation, Mr. HOLLINGS, from the Committee on Commerce, Science, and Transportation, and Mrs. MURRAY, at large, to the Board of Visitors of the U.S. Coast Guard Academy.

The message also announced that pursuant to section 1295(b) of title 46, United States Code, as amended by Public Law 101-595, the Chair, on behalf of the Vice President, appoints Mr. PRESSLER, ex officio, as chairman of the Committee on Commerce, Science, and Transportation, and Mr. LOTT, from the Committee on Commerce, Science, and Transportation, to the Board of Visitors of the U.S. Merchant Marine Academy.

COMMUNICATION FROM THE CLERK OF THE HOUSE

The SPEAKER pro tempore laid before the House the following communication from the Clerk of the House of Representatives:

OFFICE OF THE CLERK,
HOUSE OF REPRESENTATIVES,
Washington, DC, September 5, 1995.

Hon. NEWT GINGRICH,
The Speaker, U.S. House of Representatives, Washington, DC.

DEAR MR. SPEAKER: Pursuant to the permission granted in Clause 5 of Rule III of the Rules of the U.S. House of Representatives, the Clerk received the following messages from the Secretary of the Senate:

1. Received on Monday, August 7, 1995 at 2:00 p.m.: that the Senate passed without amendment H.R. 1225.

2. Received on Thursday, August 10, 1995 at 1:25 p.m.: that the Senate passed without amendment H.R. 535, H.R. 584, H.R. 614, and H.R. 2077.

3. Received on Friday, August 11, 1995 at 5:05 p.m.: that the Senate passed without amendment H.R. 2108 and H.R. 2161.

Sincerely yours,
ROBIN H. CARLE,
Clerk.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore. The Chair desires to announce that pursuant to clause IV of rule I, the Speaker pro tempore signed the following enrolled bill on Friday, August 11, 1995:

H.R. 2161, to extend authorities under the Middle East Peace Facilitation Act of 1994 until October 1, 1995, and for other purposes;

And the Speaker pro tempore signed the following enrolled bills on Thursday, August 17, 1995:

H.R. 535, to direct the Secretary of the Interior to convey the Corning National Fish Hatchery to the State of Arkansas;

H.R. 584, to direct the Secretary of the Interior to convey a fish hatchery to the State of Iowa;

H.R. 614, to direct the Secretary of the Interior to convey to the State of Minnesota the New London National Fish Hatchery production facility;

H.R. 1225, to amend the Fair Labor Standards Act of 1938 to exempt employees who perform certain court reporting duties from compensatory time requirements applicable to certain public agencies, and for other purposes;

H.R. 2077, to designate the U.S. post office building located at 33 College Avenue in Waterville, ME, as the "George J. Mitchell Post Office Building"; and

H.R. 2108, to permit the Washington Convention Center authority to expend revenues for the operation and maintenance of the existing Washington Convention Center and for preconstruction activities relating to a new convention center in the District of Columbia, to permit a designated authority of the District of Columbia to borrow funds for the preconstruction activities relating to a sports arena in the District of Columbia and to permit certain revenue to be pledged as security for the borrowing of such funds, and for other purposes.

COMMUNICATION FROM THE CHIEF ADMINISTRATIVE OFFICER OF THE HOUSE

The SPEAKER pro tempore laid before the House the following communication from the Chief Administrative Officer of the House of Representatives:

OFFICE OF THE CHIEF ADMINISTRATIVE OFFICER, HOUSE OF REPRESENTATIVES,
Washington, DC, August 29, 1995.

Re Wright v. Wright.

Hon. NEWT GINGRICH,
Speaker, U.S. House of Representatives, Washington, DC.

DEAR MR. SPEAKER: This is to formally notify you pursuant to Rule L (50) of the Rules of the House that my Office has been served with a subpoena issued by the Superior Court of the District of Columbia.

After consultation with the General Counsel, I have determined that compliance with the subpoena is consistent with the privileges and precedents of the House.

Sincerely,
SCOT M. FAULKNER,
Chief Administrative Officer.

COMMUNICATION FROM THE CHIEF ADMINISTRATIVE OFFICER OF THE HOUSE

The SPEAKER pro tempore laid before the House the following communication from the Chief Administrative Officer of the House of Representatives:

OFFICE OF THE CHIEF ADMINISTRATIVE OFFICER, HOUSE OF REPRESENTATIVES,
Washington, DC, August 30, 1995.

Re Cheryl Oliver and Everett Oliver v. Dr. Coolidge Abel-Bey, Dr. Geddis Abel-Bey, Booth Memorial Medical Center and Dr. Gary Markoff.

Hon. NEWT GINGRICH,
Speaker, U.S. House of Representatives, Washington, DC.

DEAR MR. SPEAKER: This is to formally notify you pursuant to Rule L (50) of the Rules of the House that my Office has been served with a subpoena issued by the Supreme Court, County of Bronx, State of New York.

After consultation with the General Counsel, I have determined that compliance with the subpoena is consistent with the privileges and precedents of the House.

Sincerely,
SCOT M. FAULKNER,
Chief Administrative Officer.

COMMUNICATION FROM THE HONORABLE ROBERT S. WALKER, MEMBER OF CONGRESS

The SPEAKER pro tempore laid before the House the following communication from the Honorable ROBERT S. WALKER, Member of Congress:

HOUSE OF REPRESENTATIVES,
Washington, DC, August 11, 1995.

Hon. NEWT GINGRICH,
U.S. House of Representatives, Washington, DC.

DEAR MR. SPEAKER: This is to notify you formally, pursuant to Rule L (50) of the Rules of the House that my office has been served with a subpoena for the production of documents by the Supreme Court of the Commonwealth of Pennsylvania for Lancaster County in connection with a civil case.

After consultation with the office of the General Counsel, I will determine whether compliance with the subpoena is consistent with the privileges and precedents of the House.

Cordially,
ROBERT S. WALKER.

CAL RIPKEN AS ROLE MODEL FOR CONGRESS

(Mr. HEFLEY asked and was given permission to address the House for 1 minute.)

Mr. HEFLEY. Mr. Speaker, tonight, in one of the greatest moments in baseball history, Cal Ripken of the Baltimore Orioles will break Lou Gehrig's record for playing in the most consecutive games.

I applaud his discipline, his dedication, his desire, and perhaps most importantly, his service as an outstanding role model for the youth of America.

But, Mr. Speaker, I believe that Cal Ripken serves as a role model not only for millions of kids across the United States but also for the Members of this Congress.

We too are on the verge of accomplishing great things. In the coming weeks we will have the opportunity to pass a budget that will finally begin to put America's fiscal house in order.

I urge my colleagues to have the discipline, have the dedication, have the desire. Be a leader in this country. Pass a balanced budget.

A DAY FOR THE HISTORY BOOKS

(Mr. HOYER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. HOYER. Mr. Speaker, this is a day for the history books. Sometimes history sneaks up on us. Sometimes we have 2,130 baseball games to watch as a preface to history.

We in Maryland, of course, are incredibly proud, but that pride is shared with all Americans and, indeed, all peoples of the world who love responsibility, who love and admire courage, who love and admire people who have their priorities correct.

This morning, on this day of history, Cal Ripken, Jr., took the hand of his little girl, Rachel, and took her to school. Today, a day of history, we honor two of the greatest Americans who have ever graced this Nation, Lou Gehrig and Cal Ripken, Jr.; two individuals, as the previous speaker indicated, who personify what we believe is good in people, not boastful, not self-interested, but dedicated to the values that all of us hold dear.

Mr. Speaker, I do not know what the House will be doing at 5:30 or 6:30 or 7:30 or 8:30 tonight, but I would hope that every American not privileged as I will be to be at Camden Yards, will be watching their televisions, listening to their radios as we celebrate one of the great accomplishments in sport, the 2,131st consecutive game to be played by Cal Ripken, Jr.

I know there will be tears in my eyes as I exult with all America on this historic accomplishment by a good and decent fellow citizen.

OUR PROMISE AND OUR CHOICE

(Mr. BALLENGER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. BALLENGER. Mr. Speaker, this fall is about a promise and a choice. The promise is to balance the budget. The choice is whether or not we keep our word.

How many Members of this body, from both sides of the aisle, campaigned on a promise of fighting for a balanced budget? How many have stated, "Of course, I'm for the concept of a balanced budget."

On January 26th of this year, for the first time ever, this House passed a balanced budget amendment. Three hundred members voted for it. Of the 132 who voted against it, virtually all expressed their strong support for the idea of a balanced budget.

Well, in the coming weeks, push will come to shove. Members of this House will have a real choice. Will you keep your word? When given the opportunity, will you vote to balance the budget? I know I will.

LOBBY REFORM AND GIFT BAN

(Mr. DOGGETT asked and was given permission to address the House for 1 minute.)

Mr. DOGGETT. Mr. Speaker, with the House resuming its work today, the time is now for action on lobby and gift reform.

There are Members, both Democrat and Republican, who are eager to obtain immediate reform on this subject. But unfortunately, we have been stymied by an indifferent and intransigent House Republican leadership.

It took a bipartisan effort in the Senate, both Republicans and Democrats working together, to approve real gift and lobby reform. Yet the only response to that action from the gentleman from Texas [Mr. ARMEY] and the gentleman from Georgia [Mr. GINGRICH] has been, "Well, maybe next year."

Let us act now to plug the loopholes in the 50-year-old lobby registration law and do something about those who come to this House bearing gifts or perhaps merely bearing golf junkets for the Members to obtain influence. Before we act on all of the other business, let us have an up-and-down vote on loby reform and gift ban.

FISCAL DISCIPLINE AND RESPONSIBILITY

(Mr. GOSS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. GOSS. Mr. Speaker, I rise today to report back to my colleagues some refreshing news. Even while areas of my district remain under water due to excess flooding, the enthusiasm for the momentum for change in Washington has not subsided in Florida.

Americans in my district are taking it upon themselves to get through these rough times they are having with Mother Nature. They expect no less from us here who deal with meeting the many challenges with good governance in Washington. The constituents I spoke with over the recess remain committed to the message they sent last November: Fiscal responsibility, fiscal discipline.

They realize there are going to be tough choices in the coming months. Yes, there does exist a certain level of concern on some issues. However, they are asking, demanding that we make those tough choices inherent in saving and strengthening Medicare, reforming welfare, balancing the budget, ensuring a successful future for our kids and grandkids.

My constituents know those floodwaters are going to go down. They also know this Congress is committed to stopping the flood of red tape and overspending we have experienced in this Nation in the past years.

THE RANDY WEAVER CASE

(Mr. TRAFICANT asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. TRAFICANT. Mr. Speaker, the Federal Bureau of Investigation says their hands are clean in the Randy Weaver case. The FBI said they never gave a shoot-to-kill order. The FBI said they never shred documents. The FBI said they did not mean to shoot Mrs. Weaver right between the eyes.

Mr. Speaker, I disagree. I say the FBI is lying. In fact, if the FBI is not lying, why did the FBI agree to give $3.5 million to Randy Weaver to get this thing to go away?

Folks, the truth of the matter is in America the people are supposed to govern, and the sad fact is, ladies and gentlemen, the government is beginning to govern and Congress has little, if any, control over the FBI, the ATF, and IRS.

Shame Congress. Clean hands? My assets.

WHAT I LEARNED ON SUMMER VACATION

(Mr. HAYWORTH asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. HAYWORTH. Mr. Speaker, we might entitle this, "What I Learned on Summer Vacation." The fact is, going back home, we reorient ourselves to the great and good common sense of the American people.

Did I hear uniformity among the constituents of the Sixth District of Arizona? Of course not. Good people can disagree, but overwhelmingly the people of the Sixth District of Arizona told me, "Stay the course, stick to your principles, work hard to reform this government."

Indeed, we have heard today already broad bipartisan consensus, and so in that spirit of bipartisanship, I extend my hand to my friends on this side of the aisle, saying the problems we confront are too great for politics as usual.

Let us get about the business of governing America.

FIRST LADY DESERVES OUR PRAISE

(Mr. RICHARDSON asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. RICHARDSON. Mr. Speaker, the First Lady deserves credit, first for going to China, and second for speaking out so forcefully for human rights and women's rights.

The First Lady spoke out eloquently against forced abortions and forced sterilizations and other women's rights abuses common in other countries, such as rape, mutilation, and domestic violence. She also stressed the importance of women to families and the need for setting new standards for women's health, economic welfare, family planning, and the status of women in general.

Mr. Speaker, the First Lady showed guts and commitment in China, and she deserves our praise.

Mr. Speaker, the First Lady has worked continuously on issues related to women, children, and families for the past 25 years. This week she has combined her skills and experiences with the role of diplomat.

Amidst tenuous United States-Chinese relations, the First Lady has walked a fine line in Beijing—balancing the urgent need for women's rights and the administration's policy of constructive engagement with China.

Mrs. Clinton has successfully pointed out the need for a forum of openness of free speech in Beijing. Her remarks underscore the magnitude of the U.N. Women's Conference and the need for responsible behavior by every member of the international community to confront the oppression that afflicts millions of women.

With the assistance of the U.S. Ambassador to the United Nations, Madeleine Albright, Mrs. Clinton has laid the important groundwork for continued dialog between Secretary of State Christopher and the Chinese Foreign Minister in their upcoming meeting.

Hillary Clinton deserves our gratitude for her efforts which engage China while steadfastly advocating the need for advances in human rights which are necessary for China's genuine integration in the international arena.

OUR COMMITMENT TO GET THE JOB DONE

(Mr. BASS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. BASS. Mr. Speaker, I am proud to say that today the House Republicans are ready to finish the job we started 8 months ago. We are ready to balance the budget for the first time in a generation, to help save this country for our children and our grandchildren, and we are ready to pass a plan that will protect, preserve, and strengthen Medicare for our senior citizens.

We are willing to take the heat on this controversial issue to save a broken system that three, I repeat, three of President Clinton's own Cabinet secretaries say needs to be dealt with immediately. We are ready to pass a plan that will help end our country's welfare system that creates poverty, dependency, destitution, breaks up families, and discourages people from working.

We are committed to ending a system that has created debt and has rewarded inefficiency.

We are not afraid to take on the special interests and the status quo here in Washington. In fact, the only ones interested in preserving the old ways are the defenders of the old order who live and breathe inside Route 495 in Washington, DC, and if we learned anything during this August recess, it is that the American people want us to stay the course and continue with this revolution in 1995.

PROTECTING HUMAN RIGHTS OF ALL PEOPLE

(Mr. FRANK of Massachusetts asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous material.)

Mr. FRANK of Massachusetts. Mr. Speaker, sadly, just before we left for recess, the President of Zimbabwe, Robert Mugabe, engaged in an unjustified wholly prejudicial attack on gay men and lesbian citizens of his country.

The attack was in sharp contrast to the leadership of, for instance, Nelson Mandela, who has included in the Constitution of South Africa, with the support of that country, protections against discrimination.

I am very pleased to say that at the request of myself and the gentlewoman from California [Ms. WATERS] about 70 Members of this House have joined in sending a letter to Mr. Mugabe objecting strenuously to his bigoted attack on people who simply have a different sexual orientation, noting that this kind of denunciation of people who are decent citizens is contrary to the respect for human rights that we had hoped Mr. Mugabe would show.

I am including at this point in the RECORD the letter and the list of signatures, as follows:

His Excellency ROBERT MUGABE,
President, Harare, Zimbabwe.

DEAR MR. PRESIDENT: We were distressed to read your attack on people who are gay and lesbian.

As Members of Congress dedicated to protecting the human rights of all people, we believe that you are gravely mistaken in your denunciation of people based on their sexual orientation and your assertion that they should be excluded from the protection of their "individual freedom and human rights."

When individuals are mistreated by government because of some basic characteristic of their nature, human rights are violated. Attacking decent individuals who are fully respectful of the rights of others, who are productive and responsible citizens, but who happen to be gay or lesbian is wrong. As strong supporters of the struggle of the people of South Africa against the oppressive, dehumanizing apartheid system, we welcomed the inclusion in the Constitution of South Africa of recognition that discrimination based on an individual's sexual orientation is wrong. We strongly urge you to re-examine this issue and to follow the example of the new government of South Africa in respecting the human rights of all people.

BARNEY FRANK,
Member of Congress,
MAXINE WATERS,
Member of Congress.

COSIGNERS OF THE LETTER TO PRESIDENT ROBERT MUGABE OF ZIMBABWE

Neil Abercrombie, MC; Xavier Becerra, MC; George Brown, MC; Ronald Dellums, MC; Lloyd Doggett, MC; Anna Eshoo, MC; Elizabeth Furse, MC; Steven Gunderson, MC; Alcee Hastings, MC; Steny Hoyer, MC; Patrick Kennedy, MC; Zoe Lofgren, MC; Edward Markey, MC; Marty Meehan, MC; George Miller, MC; Joseph Moakley, MC; Eleanor Holmes Norton, MC; Frank Pallone, MC; Jack Reed, MC; Martin Sabo, MC; Charles Schumer, MC; Gerry Studds, MC; Melvin Watt, MC; Sidney Yates, MC; Gary Ackerman, MC; Howard Berman, MC; William Clay, MC; Norman Dicks, MC; Richard Durbin, MC; Sam Farr, MC; Sam Gejdenson, MC; Luis Gutierrez, MC.

Sheila Jackson-Lee, MC; Tom Lantos, MC; Nita Lowey, MC; Jim McDermott, MC; Carrie Meek, MC; Norman Mineta, MC; James Moran, MC; John Olver, MC; Nancy Pelosi, MC; Lucille Roybal-Allard, MC; Bernard Sanders, MC; David Skaggs, MC; Edolphus Towns, MC; Henry Waxman, MC; Thomas Barrett, MC; Sherwood Boehlert, MC; Peter DeFazio, MC; Julian Dixon, MC; Eliot Engel, MC; Thomas Foglietta, MC; Henry Gonzalez, MC; Jane Harman, MC; Maurice Hinchey, MC; Eddie Bernice Johnson, MC; John Lewis, MC; Carolyn Maloney, MC; Cynthia McKinney, MC; Kweisi Mfume, MC; Patsy Mink, MC; Jerrold Nadler, MC; Major Owens, MC; Charles Rangel, MC; Bobby Rush, MC; Patricia Schroeder, MC; Louise Slaughter, MC; Nydia Valázquez, MC; Lynn Woolsey, MC.

INTRODUCTION OF THE MOTOR SPORTS PROTECTION ACT

(Mr. FUNDERBURK asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. FUNDERBURK. Mr. Speaker, as you know, North Carolina is the home of professional auto racing and it is on behalf of thousands of North Carolinians and millions of NASCAR, NHRA, and INDY racing fans across America that I introduce the Motor Sports Protection Act today.

Mr. Speaker, Bill Clinton is waging war on the tobacco family. He has threatened the livelihood of thousands of tobacco farmers across the South and he is now on the verge of destroying professional automobile racing as we know it.

The Funderburk bill, which Richard Petty says all race fans can rally around, will stop Bill Clinton before he crosses the finish line. It prevents Big Brother agents from slapping advertising restrictions on the tobacco sponsors of pro racing. Mr. Speaker, each NASCAR alone pumps over $2 billion into the southern economy. Racing fans are hard-working, law-abiding Americans. They deserve better than to be used as pawns in Bill Clinton's shell-game. Lets send him a message right now: Bill Clinton keep your hands off racing.

Support the Funderburk Motor Sports Protection Act

WOMEN STILL TREATED AS SECOND-CLASS CITIZENS

(Mrs. SCHROEDER asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Mrs. SCHROEDER. Mr. Speaker, the United Nations owes the women of the globe a great apology.

Every 10 years there is an international U.N. Women's meeting, and the United Nations could have cared less about what the host did to make this meeting as inconvenient and as awful as possible. In fact, the Secretary General of the United Nations could not even bother to come. He predicted he was going to have a fever all 12 days that this meeting was going to be going on.

Now, the message that sends to all countries is that the United Nations is putting this on only because it is politically correct, but they do not really care, and the Secretary General cannot really bother to come.

I find that tragic, and I am very grateful the First Lady went and tried to put together anything that we could, because these issues are very, very critical.

There will not be another international meeting for 10 years, and to have allowed China to play with it this way is outrageous.

I think the House leadership owes American women also an apology, because the delegation sent from this body to the women's meeting could not have a woman chair. A woman could only be a cochair. They had to send a male along, too, and one who does not have a good record on women's issues.

I find that very troubling, and the message from all of this is, "Women, our time still has not come yet." When will be treated as first-class rather than the second-class citizens the United Nations relegated us to as we see this meeting in Bejing proceed?

□ 1220

CAL RIPKEN, JR.'S MANY ACHIEVEMENTS

(Mr. EHRLICH asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. EHRLICH. Mr. Speaker, today I rise in tribute to a constituent whose achievement is the talk of the Nation.

Tonight Cal Ripken, Jr., a native of Aberdeen, MD, will play his 2,131st consecutive game with the Baltimore Orioles, breaking a longstanding record held by the legendary Lou Gehrig. It is fitting that Cal is the only player ever to accomplish this feat, because he uniquely represents the qualities for which Lou Gehrig will always be remembered—sportsmanship, fair play, and sheer love of the game.

Fans across the Nation have started calling Cal the Iron Man. But endurance is only one aspect of his success. He was Rookie of the Year in 1982; MVP in 1983 and 1991; and played in 13 consecutive All-Star games. He has hit more home runs than any shortstop in major league history.

Despite his fame, Cal Ripken takes precious time before and after every game to sign autographs, pose for pictures, or simply to chat with his fans—the way Babe Ruth, Lou Gehrig, and Jackie Robinson once did. At a time when many fans are disillusioned by the big-business approach to baseball, Cal's sincere passion for the sport reminds us of a time when baseball was what it was always meant to be—a game.

I urge all my colleagues to join with me and the citizens of Maryland as we salute Cal Ripken, Jr. His accomplishment is a timely illustration of what is best about our national pastime.

NOW 71 PERCENT OF AMERICANS DO NOT TRUST REPUBLICANS TO HANDLE MEDICARE

(Ms. DELAURO asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Ms. DELAURO. Mr. Speaker, over the August break, I had a chance to meet with my constituents to discuss the Republican plan to cut Medicare in order to finance a tax cut for the wealthy. The people I represent want me to bring a message back to the Republican leadership: Medicare is a trust fund, not a slush fund.

Now, I know that my Republican colleagues were also back home trying to sell themselves as the true protectors of Medicare. But, the American public isn't buying this GOP makeover. The public is skeptical about the sketchy GOP plan that claims private insurance companies will offer seniors more for less. With such fantastic claims, it's no wonder that a recent poll found 71 percent of Americans have little trust in the House Republicans to handle Medicare.

For 30 years Republicans have wanted to privatize Medicare. In fact, the current majority leader has said that he would have no part of Medicare in a free world. Does that sound like a party that wants to protect Medicare?

THERE IS MORE TO DO

(Mr. RADANOVICH asked and was given permission to address the House for 1 minute.)

Mr. RADANOVICH. Mr. Speaker, this 104th Congress now moves forward from the Contract With America. And, "move" must be the operative word.

The lesson learned in our August recess is that the public wants action not words. Everywhere I went, men and women said, "Congressman, we'd sooner have you moving ahead * * * even if the path is rough and you stumble occasionally * * * don't let Congress just stand there."

America bought in to our program. They approve our commitment to a balanced budget. They like cutting back the bureaucracy. They commend term limits.

Most of this we delivered in this House. Yet, there is more to do here on the Hill, and I urge the Senate to heed the call.

Let us get down to business, but let us make sure it is dealing with unfinished business, not business as usual.

REPUBLICANS TAKING THE CARE OUT OF MEDICARE

(Mr. ENGEL asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. ENGEL. Mr. Speaker, I rise today on behalf of my mother, Seroy Engel, and the millions of mothers, fathers, sisters, and brothers throughout our Nation whose lives depend on Medicare. In the next few weeks this legislative body is going to have to make some tough decisions. The question will be will we let the Republicans take the care out of Medicare. I say, "No."

In 1965, Medicare was established to demonstrate that this Nation cares about its senior citizens, that it cares whether or not they receive medical treatment, and, ultimately, that it cares whether they live or die. In 1965, only 46 percent of America's senior citizens had health coverage. Today, 99 percent of American seniors are covered for medical expenses.

Today we are at a crossroads. We must decide if we will break our sacred oath to millions of Medicare recipients by forcing them to pay more for less care, wait longer for personal care, and have less control over who provides that care.

There is a fundamental question that we must ask ourselves when the Republican leadership asks you to cut $270 billion from Medicare to pay for a tax break for the wealthy: Will we vote to take the CARE out of Medicare? Will we vote to take the care out of Medicare?

That, Mr. Speaker, is the question we must all ask ourselves.

This Congressman says "No."

MAJORITY OF AMERICANS SAY REPUBLICAN MAJORITY IN CONGRESS IS GOOD FOR AMERICA

(Mr. SCARBOROUGH asked and was given permission to address the House for 1 minute.)

Mr. SCARBOROUGH. Mr. Speaker, during the August recess I heard the same message over and over again, and that is we need to move forward, we need to be bold, we need to dare to make differences that the Democrats have refused to make for the past 40 years. I bought a book, "A Tribute to Robert Kennedy," and I read one of the most moving speeches, his 1966 speech in Johannesburg. Bobby Kennedy said:

> The future does not belong to those who are content with today, apathetic toward common problems and their fellow man alike, timid and fearful in the face of new ideas and bold projects. Rather it will belong to those who can blend vision, reason and courage in a personal commitment to the ideals and great enterprises of American Society.

Mr. Speaker, we cannot be content with a status quo. We have got to save Medicare, we have got to balance the budget, and we have got to reform welfare. That is what the Republican Party has talked about doing for the past 8 months. The American people in every poll that is cited agree with us. We have to move forward. Fifty-three percent of Americans believe that the Republican majority in Congress is good for America. Only 33 percent oppose. Sixty-five percent believe that we need to reform Medicare in a very important manner. Mr. Speaker, that is what we are here to do.

I ask the Democrats in this body to heed the words of Bobby Kennedy, to dare to make a difference, dare to reform this Government, and dare to push America into the 21st century stronger than what it was when it left the 20th century.

WE CANNOT LET THE SENIORS OF THIS COUNTRY DOWN

(Mr. WARD asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. WARD. Mr. Speaker, I accept that challenge that we have just heard from the other side of the aisle, but I will tell my colleagues what I have run into in my series of meetings in my district in Louisville, KY, over the last 2 weeks.

Mr. Speaker, in 10 separate meetings from one part of the community to the other I heard the same thing. What I heard was a reflection of fear, a reflection of the concern on the part of the seniors who, yes, say we do need to make some small changes to keep our system afloat. "But what changes are being proposed," I have been asked. "What changes will we see from Speaker GINGRICH and the Republican plan?"

Mr. Speaker, we do not know yet. That is the disappointment of this August break. We need to make sure we preserve the benefits, as they are expected by the seniors of this country, and not let them down when it comes to their health care.

HOLD THE LINE ON FEDERAL SPENDING BEFORE IT GOES THROUGH THE CEILING

(Mr. SMITH of Michigan asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. SMITH of Michigan. Mr. Speaker, according to the Department of Treasury, the new debt ceiling that Congress approved in 1993 will be reached sometime in October. The debt ceiling was $4.9 trillion. We are currently borrowing, and we are currently borrowing $4.6 trillion. So, we are going to reach that debt limit. This means that the Government's ability to borrow additional money will be exhausted by November, and the House and Senate will be asked to increase the debt ceiling for the 78th time since 1940.

Since I and other fiscal conservatives of both parties firmly believe that we should put our fiscal house in order by making sure we are irrevocably committed to balancing the budget before increasing the debt ceiling, we are facing a potential cash-flow problem. That is because in next year's budget we are calling for a borrowing of about 10 percent, and revenues coming into the Federal Government only account for about 90 percent of that required spending. So that is going to mean a cash-flow program, it is going to mean prioritizing spending.

As an enthusiastic supporter of the effort to use the debt ceiling to achieve a balanced budget, I have joined with 160 members of the Debt-Limit Coalition to pass legislation that will eliminate the deficit within 7 years.

Later this month, Congress will present the President with a historic package of spending and tax cuts that will achieve that goal. If he vetoes this bill and does not present a credible alternative, we will be compelled to use the pending debt-ceiling vote to force the issue of the Federal Government's out-of-control spending.

Mr. Speaker, I insert for the RECORD the next 3½ paragraphs, and I conclude by saying now is the time to hold the line on Federal spending before it goes through the ceiling.

Some critics of the Republican budget-cutters, many of whom are those who helped get us into the Federal debt morass, say that cutting spending on social programs is mean-spirited and cruel, and that this is only designed to put pressure on the President and force him to take the blame for shutting down the Government.

But there is ample precedent for Congress using the debt limit as leverage to resolve budget battles, including 1985 during the debate of the Gramm-Rudman balanced budget act and in 1990, when the Democratic Congress used the looming debt ceiling to force President Bush to raise taxes.

So this isn't a partisan issue. It's an American issue. As a dairy farmer and former Michigan legislator, I have persistently advocated tax cuts and spending restraint. Now is not the time to back off. Now is the time to hold the line on Federal spending, before it goes through the ceiling. Thank you very much.

REMINDING OUR YOUNG GENERATION THAT FREEDOM DOES NOT COME EASY

(Mr. MONTGOMERY asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. MONTGOMERY. Mr. Speaker, 14 Members of the House of Representatives went to Pearl Harbor this last week to celebrate the 50th anniversary of the V–J victory. We were led by the gentleman from Arizona [Mr. STUMP], chairman of the House Committee on Veterans' Affairs.

As my colleagues know, it is good that we have these celebrations to remind our young generation that really freedom does not come easy at all. Many Americans sacrificed their lives for this country, and, Mr. Speaker, over 50 percent of the Americans living today and most of the people in this Chamber today were born after World War II. So we have to let them know of the problems we had back 50 years ago. Over 400,000 young Americans, 18 and 19 years old, did not come home. We cannot forget them.

LET US DO WHAT WE ARE PAID TO DO

(Mr. DURBIN asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. DURBIN. Mr. Speaker, I spent the August recess crisscrossing the State of Illinois from Chicago to Carbondale meeting with a variety of different people, asking them what was on their mind and what they were concerned about. The one thing that came through loud and clear at every meeting with every group was the fact that they are beginning to feel that working families in this country, the middle class of America, the backbone of this country, are falling behind. Husbands and wives are both working hard, playing by the rules, beating their heads against the wall, pushing their credit cards to the limit, worrying about paying for the kids' education, worrying about their own health care, worrying about whether that pension is going to be around.

Mr. Speaker, I thought to myself as I worked across the State that, when I come back to Washington, each day as we sit up here and debate the important issues I am going to try to hold those issues against that basic concern that I heard across Illinois. What is it we are doing on this floor of the House of Representatives that will respond to that?

Frankly, I do not think cutting Medicare benefits responds to those concerns, putting an additional burden on senior citizens and their families. I do not think the idea of tax breaks for people making over $150,000 a year makes any sense at all with our budget deficit, and that does not help the working families. Cutting back on education? Heck, most of those families are praying that their kids will qualify for a Federal college student loan. It is their only ticket to get that higher education and have an opportunity, and yet on this floor we are talking about cutting those opportunities.

So I hope in the weeks ahead we really can address this in a bipartisan fashion. I hope we can all be sensitive to the concerns of what has really been the strength of America now for 50 years, the strongest, most vibrant and growing middle class in the world. I hope we all are not taking pride in the politics of Washington. I hear people almost boasting about a train wreck that may occur. "We may close down Government," they are saying with some level of pride. We should not be proud of that fact. Democrats and Republicans ought to sit down together and work out the problems. That is what we were sent here to do, and that is what we are paid to do.

SPECIAL ORDERS

The SPEAKER pro tempore (Mr. EVERETT). Under the Speaker's announced policy of May 12, 1995, and under a previous order of the House, the following Members will be recognized for 5 minutes each.

RESTORING PUBLIC TRUST THROUGH LOBBY REFORM

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Texas [Mr. BRYANT] is recognized for 5 minutes.

Mr. BRYANT of Texas. Mr. Speaker, today the House will be given the opportunity to move forward on the most dramatic reform of this institution in the way it does business that will be considered this year. Unfortunately it has not been allowed to be considered prior to now in a serious way, and by that I am talking about an effort to reform the rules under which this House operates with regard to lobbying and lobbyists. Today on the legislative appropriations bill conference report that comes back a motion will be made to not approve; that is, to vote against the previous question. We hope that that motion to oppose the previous question will be successful; that is, that it will be defeated, the previous question will be defeated, and, as a result, we will then bring up a rule which will allow consideration of a proposal to prohibit the receipt of gifts by Members of the House of Representatives from lobbyists and also a provision to regulate the way in which lobbyists go about their business in this institution.

About 5 weeks ago the United States Senate took up this matter and passed it. It did so with dispatch, and now in the United States Senate it is against the law for a Member of the Senate to accept a gift in excess of $50 or a gift in excess of $100 from any individual source in any one year. It is a proposal that does not go as far as many of us hoped, but it goes a long way. It is a dramatic change and takes us in the direction of many of the State legislatures who have already grappled with this matter and already imposed rigorous requirements on their own members, leaving now the House of Representatives of the United States as the only remaining bastion of freebies for its Members from the lobby.

My view is that the vast majority, the vast preponderence of the Members of this institution, do not accept and are not affected by this kind of activity in any respect whatsoever. But it is incumbent upon us to instill in the public a strong sense of confidence in this institution, and the reports over the last few years have Members flying across the country, and taking free golf vacations, free ski trips, free junkets of various types from groups that are interested in lobbying this House to enact legislation in their favor are disturbing to the public, and rightfully so.

Today, if the previous question on the rule is defeated, we will take up the House Concurrent Resolution 99 as an amendment to the legislative appropriations bill, which would, as the Senate did, say that no Member of the House will be able to accept a gift with a value of greater than $50 in terms of meals and entertainment or any type of gratuity and no more than $100 annually, $100 annually from any single source. Gifts of less than $10 will not count toward that $100 limit, but anything over $10 will count toward that.

The effect of that will be to put an end to the grossest abuse of, in my view, the public trust and put an end of the activities which have gone on here for 200 years, and gradually, and I think to this date, to some extent fatally injured the public's view of this institution. There are many exceptions to this. It is written in a way as to be reasonable so that Members of Congress can go about the representational activities as normal human beings. They will be able, of course, to take a meal at a public gathering, to take a meal when they are making a speech to a group and so forth, and minor acceptance of small things that are really part of a social gathering will not be affected in any way whatsoever.

□ 1240

It will state that these abuses of the public trust, these abuses of this institution's prerogatives, have gone on in a much heralded fashion, particularly in these new magazine shows on television which will no longer be permitted.

Well, as I said, this is not all that we had sought. You know, this House passed legislation much stronger than this in the last Congress, twice. First the bill passed, and then the conference report passed. Unfortunately, it was filibustered to death in the Senate at the very last minute and killed before it could take action.

Today we are on the verge of making history again, and there really can be no objection to what we are trying to do. All we are trying to say is the kind of activity that the public disagrees with, and rightfully so, is not going to be allowed anymore of this institution.

Mr. Speaker, in the 1-minute speeches here today we heard a lot of talk about what Members found when they went home. I guarantee you the one thing that would have been unanimous in every town meeting in the country is that Members of the House of Representatives should be allowed to take free meals, free tickets, free trips, free vacation, and free golf from the very people that are hired to come here and influence the outcome of legislation in this place.

Today we have an opportunity to do the public's will. We have an opportunity to vote against the previous question on the rule and the conference report on the legislation appropriations bill to allow a rule to come up that allows us to take this matter up. It is simple. Protestations that we have heard in the past from some leaders in this institution that somehow or another we do not have time to deal with this matter; to the contrary, we have plenty of time to deal with the matter. We do not even need to take a lot of time. Vote no to the previous question today. Let this come up. Cast a vote for the American people and for the integrity of this institution.

PRIORITIZING APPROPRIATION MEASURES

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from Colorado [Mrs. SCHROEDER] is recognized for 5 minutes.

Mrs. SCHROEDER. Mr. Speaker, I take this time to really question what we are doing today by bringing up legislative appropriations.

Mr. Speaker, when I was home this weekend, people were going crazy saying, what do you mean there is going to be a train wreck? There is going to be a huge train wreck and all sorts of people who are Federal employees may be asked to be furloughed forever, who knows for how long; to go without pay, and benefits could be cut off. We are going to look so silly, because never has Congress, in the entire history I remember, been so late in dealing with the 13 funding bills that are absolutely essential. Here we are, it is September, the money runs out September 30, and not one bill has been passed.

Mr. Speaker, the shocker is, guess who is not going to be hurt by this train wreck? Us. This is the imperial Congress in spades, and this is wrong. Because the only bill of those 13 bills ready for action today and ready to move to the President's desk is the legislative appropriations.

Think how that looks to the American people, that while we could not get around to doing the other 12 bills, and while we are later doing these bills than any other Congress in history, and that this country may look very, very silly as we go through all of these throes of shutting down Government and all of the costly additions that we know that costs. I had the Government Accounting Office do a study on how much that cost the last time we did it, and we did it just for a few days. Well, it ended up costing almost a half a billion dollars. For a country with the kind of debt we have, that is a stupid way to spend money.

So here we are, Mr. Speaker, a Congress who has not gotten its work done on time, who has not done any of the 13 bills, but today, we are going to take up our pay, our staff's pay, and the pay of the other body, because heaven forbid, we would not want to be hurt by this train wreck that is coming. This is the way we untie ourselves from the rail.

Now, the prior gentleman gave a very good speech down in the well talking about the gift ban. That is another reason that I think that we are taking this up with such haste today, because we do not want to deal with the issues around the gift ban. We have dealt with them before, we know what they are, this House has passed them before. But if we can hurry this thing through as the very first thing that is done in this body, just as people are getting off planes and coming back, they will not realize that they have just exempted themselves from the act that is going to fall on folks, and that we do not have to deal with the ugly issues because people are not informed and will not know to vote no on the previous question and so forth.

Mr. Speaker, the people in my district came to the rally yesterday because I introduced a bill saying, I want to change the rules of the House so that we never pass the funding for the House and the Senate until we have passed the funding for every other branch of Government. This running up and saying, exempt us, keep us out of the way, is wrong, and we ought to change that rule.

Now, I know that putting this resolution in today is not going to work, because you already have it on the schedule and here it is, boom, boom, gone, over. But we really have to say that in an era where the people were promised reform, this was going to be a different Congress and so forth, we look like the most imperial of the imperial Congresses.

In my district there are many, many people who work for the Federal Government, and I think after the Oklahoma bombing, many Americans realize, these people look just like their neighbors. We should stop calling them bureaucrats and curl our lip as we do it. These are families that live in our communities that are trying to make ends meet. As I introduced this at a rally, they all said yes. They could not believe that we would have the audacity to take ourselves out of this train wreck and to do it as the first order of business when we came back.

They also went on to ask all sorts of questions which I could not answer, were they going to be impacted, what about their children in school, what about their mortgage payment, how long were they going to be furloughed, would they get back pay? And to all of those questions I had to say, "You know, I do not know, because Congress has not finished its work on any of the 13 bills. But the good news is, today we will have finished work on our pay."

That did not go over well. They like my new rule. I cannot get it passed at this late date. I just cannot believe the brazenness of our doing this first, taking care of ourselves first. I hope every Member of this body thinks about how this is going to look, if we rush in here after the break, and the first thing we make sure of is that we take care of ourselves, and then we go on to let everybody else dangle out there in all of this anxiety of which agencies will be chopped, which ones will not, who will be on furlough, when will people be called back.

Think of what we would say if another country's parliament did this. Think of what we would say if we watched France or Germany shut down because they could not act. Well, that is what they are going to say about us.

I certainly hope we do not do this today. I urge Members to get on the resolution. But, better yet, vote "no" today, and let us get on with dealing with the rest of the business before we put ourselves first. That is not reform, that is the same old business, only even worse. I have never seen that happen before.

Mr. Speaker, today I am introducing a resolution that requires Congress to consider and pass all other appropriations before voting on the legislative branch appropriations.

This year Congress has not finished any of the 13 appropriations bills. Never has Congress been this derelict. My bill is needed to force Congress to act responsibly rather than playing politics by threatening to shut down the Government. It will prevent what has been called the train wreck.

If Congress isn't tied to the tracks, then they are much freer to play fast and loose with everyone else's lives.

It is outrageous that the first appropriations bill to pass is funding for Congress. The message this sends to every household in America is that we will take care of ourselves but everyone else is nonessential.

The imperial Congress is alive and well. If you thought the Republicans were reformers, you're wrong. This shouldn't surprise most Americans. It is always the little guy who gets the raw end of the deal when Congress plays politics.

Shutting down the Federal Government wastes money. In 1991 the General Accounting Office estimated that as much as $607.3 million was wasted during the 3-day 1990 Columbus Day shutdown. In my district a shutdown will cost $10 to $15 million a day.

The rest of the world will laugh. Imagine what Americans would say if another country shut down their government because their parliament failed to pass funding bills.

Oklahoma City showed us our neighbors are Federal workers trying to do the best job possible. Playing politics with their lives while exempting Congress and their staff from any pain is the most demoralizing act imaginable.

Stop the book tours and get to work on the huge backlog of appropriations bills. And don't pay yourselves until you do. That's what my bill proposes. Please back it.

A MESSAGE FROM CONSTITUENTS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Florida [Mr. SCARBOROUGH] is recognized for 5 minutes.

Mr. SCARBOROUGH. Mr. Speaker, I also was home this weekend and also for the entire month of August, and being home for the entire month of August, it really hit me about what is wrong with Washington, DC. There is such a disconnect between the inside-the-beltway-mentality and out-side-the-beltway-mentality that I found it absolutely staggering.

No sooner had I left Washington, DC, and touched down in my district than I started hearing day in and day out that people in my district and, in fact, my friends and colleagues from across America, continue to report that Americans want us to move and act on the mandate that was handed to us on November 8, 1994, and that mandate is to balance the budget, to cut taxes, to cut spending, to cut regulations, to cut out bureaucracies, and make sweeping changes that will reform the welfare state and change the welfare state, where we stop encouraging reckless behavior and we start encouraging productivity and hard work.

I held 30 townhall meetings and had over 100 other meetings and countless TV and radio talk shows. Again, the clear message, the resounding message that I heard time and time again, was make something happen in Washington.

Mr. Speaker, up here when you are in Washington, if you talk about just cutting the increase of spending on a Federal program, they call you a radical. They say that it is going to have a devastating impact; that you are out of touch with America.

Let me tell you something: You ain't out of touch with America when you talk about radically downsizing the Federal Government. You are out of touch with lobbyists, you are out of touch with special interest groups, you are out of touch with bureaucrats, and you are out of touch with a national press corps that still does not get it, that still believes that the unprecedented congressional landslide on November 8, 1994, was a fluke, and somehow it is just going to go away.

Let me tell you something: It ain't going away. It is here to stay. Americans do not trust the Federal Government to micromanage every single part of their lives.

One year ago President Clinton sent Congress home, and when they came back, they brought in the message, "Your health care reform bill is dead on arrival. Americans do not want socialized medicine."

Well, let me tell you something: We came home to our districts this time, and the American people came to us, and they are not saying that you are moving too fast; they are saying that you are not moving fast enough. They say make something happen.

Now, we have made quite a bit of progress. The Wall Street Journal and congressional historians say that this Congress has done more in 8 months than any other Congress since Reconstruction, since the 1870's, in over a century. We are not the imperial Congress that we were a year ago when the Democrats ruled this House, when Tom Foley was Speaker of the House. This Congress passed the Shays Act, so now Congress has to abide by the same laws as the rest of the country has to abide by. This Congress cut committee staff by one-third. This Congress passed term limits on committee chairmen so we do not have little empires inside of this Congress. This Congress passed term limits on the Speaker of the House. This Congress passed a ban on proxy voting. And this Congress, I am sure, will have no problem with also passing a ban on lobbyist gifts, if it comes up at the appropriate time and place.

We have a challenge before us. I really think you would be hard-pressed to find a time in recent American history where this Congress was going to deal with as many important issues as we will be dealing with in the next 1 or 2 months.

We have an opportunity to do something this Congress has not done in 40 years: balance the budget. We have an opportunity to save Medicare. The trustees say it is going bankrupt. Almost half of the Congress is sticking their head in the sand and saying "Let's just hope it goes away," and the other half is daring to make a difference. Let us dare to make a difference on Medicare and save senior citizens from the pain that they will experience if we do nothing.

Let us pass tough welfare reform. Forget what the lobbyists and special interests say. Americans want tough welfare reform. We cannot be cowards; we have to be bold. We have to step forward and make a difference with the mandate that was given to us.

I will once again quote Bobby Kennedy, who in 1966 in Johannesburg, South Africa, said, "The future does not belong to those who are content with today, apathetic toward common problems and their fellow man alike, timid and fearful in the face of new ideas and bold projects. Rather it will belong to those who can blend vision, reason and courage in a personal commitment to the ideals and great enterprises in American society."

Today I make that commitment to make a difference, to make something happen, and boldly move into the 21st century with the values that created this country and Republic over 200 years ago.

THE GIFT BAN AND LOBBYING REFORM PROVISIONS

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from Connecticut [Ms. DELAURO] is recognized for 5 minutes.

Ms. DELAURO. Mr. Speaker, the House of Representatives is a House that is in need of repair. After decades of withstanding the heavy reins of special interests, lobbyists and gifts, our House has truly suffered. Our structure is not sound, and this once great institution is in danger of collapse. Today in fact, and my colleague who spoke a minute ago, I would say to him that today, we have an opportunity in this House. We have a historic opportunity to begin to rebuild this institution by passing gift and lobbying reform.

I think if there is anything that the American people want to see is that the Congress of the United States begins to live their lives the way working middle-class families in this country have got to live their lives. The American public strongly favors banning gifts from lobbyists to Members of Congress, and so do I. Perks and privileges demean this institution and every single person who serves here. That is not why we were elected to these offices. We are here to do the people's work, and we are well compensated for that. We do not need free vacations, free frequent flyer miles, free gifts, or free meals to sweeten the deal. Those working middle-class families that I talked about a moment ago, they are not getting anything free. They are paying and paying and paying. They are not able to keep their heads above water, and they are frightened to death of what is going to happen to themselves and to their families. For the first time in this country, that American dream is no longer there. Families are concerned that their kids are not going to get the same benefits and the same advantages that they have had.

We do need to enforce disclosure by lobbyists. The American people have the right to know what legislation these groups are attempting to influence and how much money they are spending on those efforts. I remind my colleagues that it has been the House that has traditionally led lobbying and gift reform efforts in the Congress. It is high time that we tackle these issues and join our colleagues in the other body in implementing serious gift and lobby reform. Some of us have already instituted a no-gift policy in our offices, because we feel so strongly about this. I can speak from experience; it is not that difficult to just say no to lobbyists.

Because the Republican leadership has repeatedly told us that the schedule for this season is full, this vote today will probably be our last chance to pass lobby and gift reform this year. Let us seize the opportunity to limit the influence of special interests on Congress once and for all. Let us take a definitive step to really reforming this institution.

So I urge my colleagues today to join me and others who are speaking here this morning to join us in this effort to defeat the previous question on the rule in order that the American people know once and for all that we are serious about repairing this House of Representatives. It is time to shore up these walls, to rebuild this institution. Let it be reflective of the people's interests, and not reflective of the special interests.

SUPPORT LOBBY REFORM

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Kentucky [Mr. WARD] is recognized for 5 minutes.

Mr. WARD. Mr. Speaker, I rise today to join my colleagues in strong support of lobby reform measures which have already been adopted by the other body. I want to thank the gentleman from Texas [Mr. DOGGETT] for calling this special order to address this very serious matter which should be a legislative priority in this House, because as you have just heard from the gentlewoman from Connecticut, it strikes at the very heart of what reform is supposed to be all about.

One of the first statements I made on this House floor last January was a support of House Resolution 40, which seeks to ban gifts to Members and staff from lobbyists and lobbying firms. This legislation would ban all meals, entertainment, travel, legal defense fund contributions and other gifts. It would get at the question of these weekend junkets to so-called charity tournaments.

I have personally pledged to follow the provisions of this gift ban whether or not it passes, and I have been doing so. The gift ban that 47 other Members and I have signed is far more stringent than the other body's proposal, and I still hope that other Members of this body will follow our lead by signing the gift ban. However, adopting the other body's proposal would be a strong first step, and it would tell the American people that we are serious about reforming the way the Congress operates, and that we are serious about restoring accountability to this House.

□ 1300

Our counterparts in the other body have taken appropriate action and have passed the much needed gift ban and lobbying reform measures which ban gifts to Members and staff. However, as of today, the House has not voted to limit the value of gifts that a Member or staff can receive to $100 a year. This House voted not to limit individual gifts, including meals, to $50. This House has voted not to prohibit Members from accepting free travel to charity events such as golf and ski trips.

This House has not voted to narrowly define exactly what constitutes a lobbyist and require lobbyists to receive at least $5,000 from any one client to register with the Clerk of the House and the Secretary of the Senate. These are things that this House has not done but needs to do.

In his State of the Union Message, President Clinton stated that what we do not need is a law for everything, and I agree with that, but, Mr. Speaker, today we have been given clear and convincing evidence that not all Members will take these actions voluntarily. I think, therefore, that we must enact proper legislation for those who are unwilling to do it on their own.

The time is long overdue for the House to pass real lobbying reform and gift ban measures and restore the people's trust in this body. The legislation passed in the other body is a strong first step and we should follow that example. I hope that this afternoon, when the amendment is offered, it will be ruled in order. I hope that with the rule not including the opportunity to offer this amendment, that the rule will be defeated. Now is the time for meaningful lobbying reform and gift ban, and I hope that we can take this time to do it.

INFLUENCE OF LOBBYISTS

The SPEAKER pro tempore (Mr. EVERETT). Under a previous order of the House, the gentleman from California [Mr. BILBRAY] is recognized for 5 minutes.

Mr. BILBRAY. Mr. Speaker, it is quite invigorating to see Members of Congress coming back from time in their districts. It is as if they have gotten a breath of fresh air of reality every once in a while. And I guess that is the best thing about Members of Congress going back to their districts. They leave the stifling air of Washington, where people start believing their own lies, and they go and really touch base with the real people who make this country operate, not those of us that stay within the beltway.

I have to say, though, it is sort of interesting to see how fired up Members are at this time and then watch how it tapers off. I was quite interested in the gentlewoman from Colorado stating that somehow this Congress is not moving its budget agenda along quick enough, and that how previous Congresses had done it so much more quickly. Well, Mr. Speaker, I just wish to point out that the fact is, yes, previous Congresses have moved along the budget, but when you move garbage fast, it is still garbage. An unbalanced budget is an unbalanced budget.

We may be taking a little more time because we are doing something that has not been done in too long a period, and that is we are going to have a balanced budget design for the next 7 years.

Now, Mr. Speaker, there is a lot of talk about influence of lobbyists here in Congress. But I was here a year ago, and now I am here as a Member of Congress, and there is a big difference, and I want the members of the public to understand. You watch what is said and talked about here on the floor, but it is what happens off this floor that you really have to be aware of.

Those of you that are in the gallery, if you come down on this floor now you do not see the floor lined with lobbyists, you do not see Members of Congress having to run a gauntlet of influence peddlers trying to get to a Congress Member before they vote because the new majority, the new Republican majority has done what the Democratic majority refused to do for 40 years: Tell the lobbyists to get off this floor and leave it for legislation.

So all this talk about reducing the influence of lobbyists I think sounds great on the floor, but actions speak louder than words. And for those who want to come to Washington to see the difference, as a citizen I was shocked at how many lobbyists were on this floor a year ago. And as a legislator I am proud of what NEWT GINGRICH and the leadership with Mr. ARMEY has done to make sure we straighten this out.

Mr. Speaker, I have here an edition of Surfer Magazine that was given to me by a surfer, $35. It was a gift because they wanted me to read the environmental issues that surfers are concerned about. At the same time, a political action committee can donate almost $10,000 to me politically every cycle. For the minority, the Democratic Party, to sit and say they want to limit the influence of lobbyists and special interests by talking about what kind of gifts we can take, when they are actively protecting the right of special interest groups to load money up into political action committees and drop thousands of dollars on us that an individual could not do, I think is really cynical.

I will leave this challenge to the new minority: That if you really wanted to limit the influence of special interest groups, let us support the Wamp Congress Act, ZACH WAMP's proposal, which means a political action committee can only give as much as an individual can give.

Let us empower individuals to influence Congress as much as we empower the political action committees and the special interest groups. Let us have the guts to really talk about it. You talk about the donation to this Member, but the fact is that $10,000 around being pumped into a Member has a hell of a lot more influence than what anything we are talking about. I do not play golf, so I am not worried about this issue, but I do worry about the influence of political action committees.

I call on you to join with Members on both sides of the aisle in limiting the level of contributions that political action committee can make, and make it equal to what an individual citizen of the United States can make to a Member of Congress. Let us raise the individual contribution to $2,000 for an individual and let us lower the political action committee's contribution to $2,000, and then we can talk about what kind of influence the political action committees and the lobbyists have on this Congress.

We have cleared this floor of the lobbyists, let us clear the air. Let us not be self-righteous at this time and talk about a contribution from a surfing magazine. Let us talk about the thousands of dollars that political action committees pump into our campaigns, and let us all work together to limit that and encourage individual contributions, individual influence, not lobbyists' influence, not PAC influence.

LOBBY REFORM AND A GIFT BAN

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Texas [Mr. DOGGETT] is recognized for 5 minutes.

Mr. DOGGETT. Mr. Speaker, I am pleased to accept the challenge of the last speaker, the gentleman from California. If he does not see enough lobbyists on the floor of this Congress or at the edges of this Congress, it is because in too many cases this new Republican Congress, instead of moving along fast enough, has moved along too slowly and has actually turned over the operation of some of the key parts of this Congress to the lobbyists.

In one case, in which I personally observed, the staff attorney for our committee was unable to respond to questions from members of the committee without turning over his shoulder and getting the answers from the lobbyists for the bill that was under consideration.

In one committee, the new Republican majority staff actually turned over computers, paid for with public expense, to the lobbyists who were writing the legislation. In another committee, a Republican lobbyist actually took the dais along with the Members of Congress that were considering the measure.

In fact, it has gotten so bad, a recent column in the Wall Street Journal was entitled "Special Interest or Feasting at the Congressional Trough." It is because we have not made enough progress in controlling lobby domination of this Congress and continued to not have sufficient change in this Congress that it is important today that opportunity has actually knocked a second time.

Mr. Speaker, thanks to the leadership, to the continued leadership of my colleague and friend, the gentleman from Texas [Mr. BRYANT], who spoke a few minutes earlier, we will have an opportunity today to consider again lobby reform and a gift ban. The first time that opportunity knocked at this Congress was that old Congress last year, and the Congress responded at that time in a bipartisan response, almost a three to one vote, in favor of a gift ban backed by Congressman BRYANT.

Today we will have an opportunity to consider a similar measure as opportunity knocks a second time. It is time that this Congress accepted that opportunity; and, indeed, Members on both sides of the aisle have said they want a gift ban. In October 1994, last year, on "Meet the Press." then-Congressman NEWT GINGRICH said, I quote, "I am prepared to pass a bill that bans lobbyists from dealing with Members of Congress in terms of gifts."

Unfortunately, Mr. GINGRICH did not say when he was prepared to pass that bill, but the when should be now. It should be today.

Since 1994, the Senate has, this summer, approved the very type of gift ban measure that it killed last year. It has approved a measure to plug the loopholes in an almost 50-year-old lobby registration act, and it has approved a gift ban that is quite similar to that that Congressman BRYANT offered last year. It is long past time, in view of that Senate action, for this House to act and send a message to those who come bearing gifts and bearing golf junkets, that things have really, in fact, changed in this Congress.

It is time to let the people back home, whom we represent, know that our standard of integrity is high and that we are committed to seriously and diligently working to support the public interest, not just the interest with the person who has got the largest charge limit on their gold card.

Yes, Congressman GINGRICH said he was prepared to pass a gift ban, but where is Speaker GINGRICH on this issue? Well, we need look no further than the words again on "Meet the Press" in July, just after the Senate passed the measure this summer of the Republican majority leader DICK ARMEY, and he said, and I quote:

> I intend to get a gift ban as soon as we can, but we are going to attend to the Nation's business first. When we have an opportunity, when there is room on the schedule, I want that up, but I am not sure I will find time this year.

I would submit that the gentleman has got the priorities all backward. How is it that we are ever going to get to a fair consideration of the Nation's business unless we have reformed our lobby and gift provisions to assure that the Nation's business is really the business of the people of this country rather than the special interests who have enjoyed too much power here in the Nation's Capital.

Yes, these Republican leaders talk and talk of gift ban and lobby reform, but it seems that all we hear is the whistle of some day. Some day over the rainbow they will get around to really taking action and doing something about meaningful gift ban and lobby reform. I believe that we do not need to go down the yellow brick road with them. What we need to do is to act today, and we will have an opportunity this evening, a second opportunity to do something about the gift ban.

As a new Member of this House, I am committed to constructive change, and my main complaint about the Republican majority, when it comes to the way this House operates, is not that they have changed too much the operation of the House, but they have changed too little. They have never really gotten to grips with the matter of campaign finance reform, lobby reform, or gift ban reform. They are setting the agenda. There is no reason that those items could not have been considered. Indeed, some of us sought to have them considered on the very first day of this Congress.

The time for action is now on meaningful gift ban and lobby reform. Let us get about the public's business.

CONGRESSIONAL REFORM

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from West Virginia [Mr. WISE] is recognized for 5 minutes.

Mr. WISE. Welcome back, Mr. Speaker. First day of Congress everybody is back. Kind of like the first day of school, bringing your book bag, your pencils, your agenda, our schedule for the upcoming semester, but there is one problem. You look at the schedule and the schedule does not reflect what you may have heard in the district about what people think ought to be done.

You know, while I was home and participating in town meetings, and particularly a lot of talk shows, there are two questions that came up a lot. Why is there going to be a train wreck, and when the train wreck comes on October 1, because the Federal budget has not been approved and the 137 appropriation bills have not been approved, what is going to happen? That is No. 1. And No. 2 is, when is there going to be some real congressional reform?

Two questions: Why is there going to be a train wreck and when is there going to be true congressional reform?

What is going to be the first bill that this House takes up today to deal with that? It does not deal with the train wreck and it does not deal with congressional reform. The one bill that is going to pass and get sent to the President is a bill that keeps Congress operating. To heck with the rest of the Federal Government, to heck with law enforcement, to heck with the veterans, to heck with sending out the Social Security checks, the heck with health care, the heck with all of that. Keep Congress operating. Keep the Congress budget intact. That is the bill that is being brought to the floor today by the Republican representative illusionary leadership.

Mr. Speaker, I think that people think that Congress ought to stand in line with everybody else, and then if there is going to be a shutdown in Government, Congress ought to be affected in the same way that everybody else is, not putting itself ahead. However, that is bad enough, but if we could make it better, at least attach lobby reform.

I have been interested to hear some of the new Members from the other side of the aisle come down and talk about how they felt lobby reform was important or was not important. They failed to point out that last year lobby reform passed on this House and, as I recall, twice in a bipartisan majority, and sent over to the Senate where it was filibustered by Republican Members.

Let us give the Senate credit this time. They passed lobby reform about a month ago, 98 to zip. That is right, 98 to zero: lobby reform, banning gifts from lobbyists, reining in and stopping the free trips, the junkets and those types of things. They passed it.

What about this House of Representatives? They will not let it be on this bill. If we are going to vote, to put Congress first and make sure Congress does not have to shut down and take the same lumps that the rest of the Federal Government and the rest of the public does, at least give the public lobby reform. Let us vote on lobby reform today. It is very easy and it is very, very simple. Ban the trips, ban the gifts, ban the free meals.

Mr. Speaker, I have taken the lobby reform pledge. I have voluntarily taken on and agreed to abide by the provisions of the lobby reform package, even though it is not the law. This House can do the same thing today. Therefore, I would just call upon the Republican leadership and the Speaker, first of all, to schedule something else. Get some other bills moving that mean something to the public besides Congress' appropriation.

The second thing: If we are going to bring Congress' appropriation to the floor today, please put lobby reform on it. End the free trips, end the junkets, end the meals, end the guests, end the bad perception. Bring some reform to this Congress.

Finally, third, if I could just get time for one more, Mr. Speaker, could we do campaign finance reform? We have heard a lot of talk about it. There was a great handshake out there in New Hampshire 8 to 10 months ago; but how about real campaign finance reform to make it easier for challengers? I voluntarily agreed to limit the campaign spending that I do. I voluntarily take the voluntary campaign pledge that our Secretary of State in West Virginia issues every election season. Congress, though, ought to be willing to pass this for the entire country, and so make it easier for challengers, make it easier for the public, and make sure that the money chase ends.

Finally, Mr. Speaker, let me just urge the Members today, do not make the first thing Congress does when it comes back into session to pass its own bill for its own appropriation to feather its own nest. If we are going to do that, Mr. Speaker, I would urge, please let us have lobby reform: End the trips, end the junkets, end the free meals, and finally begin to restore some faith in this congressional system, and particularly, in this House of Representatives.

COMMENDING HILLARY CLINTON AND MADELEINE ALBRIGHT FOR STRONG STATEMENTS ON HUMAN RIGHTS DURING THE U.N. FOURTH WORLD CONFERENCE ON WOMEN

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from California [Ms. PELOSI] is recognized for 5 minutes.

Ms. PELOSI. Mr. Speaker, I appreciate the opportunity to address the House on this very important day. I rise to commend First Lady Hillary Clinton and our Ambassador to the United Nations, Ambassador Madeleine Albright, for the strong statements that they made at the U.N. Fourth World Conference on Women. Mr. Speaker, I rise as one who opposed Beijing as the venue for this important conference. I still think it was a most unfortunate choice.

I rise as one who does not think that the United Nations has been strong enough in enforcing its own rules in terms of open participation for women in the conference. The United Nations did not do enough, whether we are talking about the accreditation of women from Taiwan and Tibet, or women who are concerned about women's and human rights in those countries. The United Nations did not do enough in regard to people that the Chinese just did not want into that conference because their countries recognize Taiwan; for example, the representatives from Niger.

However, Mr. Speaker, what I really want to call to the attention of our colleagues are the strong statements made by the two leaders of our delegation. I strongly supported a high-powered delegation to the Beijing conference. I strenuously opposed the attendance by First Lady Hillary Rodham Clinton. I did so because I thought it was not possible for her to attend the conference and make the strong statement that she made.

Indeed, Hillary Rodham Clinton's statements, are the strongest statements made on human rights in China, in Asia, and in the world by this administration to date. I am very, very proud that the women of the Clinton administration are taking such a strong stand on this very important issue.

The First Lady, in Beijing, very courageously stood up and broke the silence on sterilization and forced abortions in a country where that is the policy. Therefore, I say in the spirit of commendation to the First Lady and to Ambassador Albright that when they said they would not mince words when they went to China, that they would make the statements that would be necessary, they, indeed, did. I commend them for that.

It is shameful, I think, that such an important conference on the rights of women and the economic future of women and families was held in a country with such an appalling human rights record. The strong statements of these members of the U.S. delegation made it clear that our Nation must not waiver from its commitment to personal and political freedom to equal rights and equal opportunity.

The First Lady, in her remarks, was eloquent in her defense of the principles of women's rights and human rights, and she spent a great deal of her time talking about how advancing women's rights would strengthen families throughout the world. She emphasized how that strengthening families, building families, was what was important in strengthening societies throughout the world.

The First Lady reaffirmed and supported the conference's main themes of economic and educational opportunity, health care, and protecting women against violence. Again, the First Lady and the Ambassador did not mince words of protest over repression, ignorance, abuse, and torture while the Chinese Government looked on. We have been told that the Chinese Government has not reported on the First Lady's speech, but we do know that the word will get out.

As one who has opposed the First Lady's attendance, I want to commend her for her outstanding courage for breaking the silence on human rights in China, for breaking the silence on sterilization and forced abortion in China. There are many in this body who opposed the conference itself. I do not include myself among them, because I believe that the conference is a very important one. I think that some of those who opposed the conference and opposed the First Lady's attendance did so because of China's forced abortion policy.

I look forward to working with those colleagues, as some of us have been working together in the Subcommittee on Foreign Relations of the Committee on Appropriations and in other committees of this House, to improve the lot of the women in the world by improving their health. The First Lady talked about women's health, she talked about violence against women, she talked about child survival, she talked about the spread of AIDS and how rapidly it is spreading among women in the developing countries.

I look forward to continuing my work with our colleagues on this subject, and certainly working with the Clinton administration on those areas where more common ground has now been laid by the First Lady, and where more opportunity has been presented by this very important conference which called attention to these issues.

With that, Mr. Speaker, I am very proud to place into the RECORD the two statements, by First Lady Hillary Rodham Clinton to the United Nations Fourth World Conference on Women, and the remarks before the World Health Organization, as well as the statement of our Ambassador to the United Nations, Ambassador Madeleine Albright. She was a great participant in the conference, she represented our country very excellently, as she always does. I am very pleased to put Ambassador Albright's very strong statement on human rights, indeed, basic freedoms for all people, men and women, in the RECORD of this Congress.

The material referred to follows:

AMBASSADOR MADELEINE K. ALBRIGHT, U.S. PERMANENT REPRESENTATIVE TO THE UNITED NATIONS—REMARKS TO THE FOURTH WORLD CONFERENCE ON WOMEN

BEIJING INTERNATIONAL CONVENTION CENTER,
BEIJING, CHINA, SEPTEMBER 6, 1995

Honored guests, fellow delegates and observers, I am pleased and proud to address this historic conference on behalf of the United States of America.

My government congratulates the thousands who have helped to organize the conference, to draft the Platform for Action, to inform the world about the subjects under discussion here and to encourage wide participation both by governments and NGO's.

We have come here from all over the world to carry forward an age-old struggle: the pursuit of economic and social progress for all people, based on respect for the dignity and value of each.

We are here to promote and protect human rights and to stress that women's rights are neither separable nor different from those of men.

We are here to stop sexual crimes and other violence against women; to protect refugees, so many of whom are women; and to end the despicable notion—in this era of conflicts—that rape is just another tactic of war.

We are here to empower women by enlarging their role in making economic and political decisions, an idea some find radical, but which my government believes is essential to economic and social progress around the world; because no country can develop if half its human resources are de-valued or repressed.

We are here because we want to strengthen families, the heart and soul of any society. We believe that girls must be valued to the same degree as boys. We believe, with Pope John Paul II, in the "equality of spouses with respect to family rights". We think women and men should be able to make informed judgments as they plan their families. And we want to see forces that weaken families—including pronography, domestic violence and the sexual exploitation of children—condemned and curtailed.

Finally, we have come to this conference to assure for women equal access to education and health care, to help women protect against infection by HIV, to recognize the special needs and strengths of women with disabilities, and to attack the root causes of poverty, in which so many women, children and men are entrapped.

We have come to Beijing to make further progress towards each of these goals. But real progress depends not on what we say here, but on what we do after we leave her. The Fourth World Conference for Women is not about conversations; it is about commitments.

For decades, my nation has led efforts to promote equal rights for women. Women in their varied roles—as mothers, farm laborers, factory workers, organizers and community leaders helped build America. My government is based on principles that recognize the right of every person to equal rights and equal opportunity. Our laws forbid discrimination on the basis of sex and we work hard to enforce those laws. A rich network of nongovernmental organizations has blossomed within our borders, reaching out to women and girls from all segments of society, educating, counseling and advocating change.

The United States is a leader, but leaders cannot stand still. Barriers to the equal participation of women persist in my country. The Clinton Administration is determined to bring those barriers down.

Today, in the spirit of this conference, and in the knowledge that concrete steps to advance the status of women are required in every nation, I am pleased to announce the new commitments my government will undertake:

First, President Clinton will establish a White House Council on Women to plan for the effective implementation within the United States of the Platform for Action. That Council will build on the commitments made today and will work every day with the nongovernmental community.

Second, in accordance with recently-approved law, the Department of Justice will launch a six-year, $1.6 billion initiative to fight domestic violence and other crimes against women. Funds will be used for specialized police and prosecution units and to train police, prosecutors and judicial personnel.

Third, our Department of Health and Human Services will lead a comprehensive assault on threats to the health and security of women—promoting healthy behavior, increasing awareness about AIDS, discouraging the use of cigarettes, and striving to win the battle against breast cancer.

And, as Mrs. Clinton made clear yesterday, the United States remains firmly committed to the reproductive health rights gains made in Cairo.

Fourth, our Department of Labor will conduct a grassroots campaign to improve conditions for women in the workplace. The campaign will work with employers to develop more equitable pay and promotion policies and to help employees balance the twin responsibilities of family and work.

Fifth, our Department of the Treasury will take new steps to promote access to financial credit for women. Outstanding U.S. microenterprise lending organizations will be honored through special Presidential awards and we will improve coordination of federal efforts to encourage growth in this field of central importance to the economic empowerment of women.

Sixth, the Agency for International Development will continue to lead in promoting and recognizing the vital role of women in development. Today, we announce important initiatives to increase women's participation in political processes and to promote the enforcement of women's legal rights.

There is a seventh and final commitment my country is making today. We, the people and government of the United States of America, will continue to speak out openly and without hesitation on behalf of the human rights of all people.

My country is proud that, nearly a half century ago, Eleanor Roosevelt, a former First Lady of the United States, helped draft the Universal Declaration of Human Rights. We are proud that, yesterday afternoon, in this very hall, our current First Lady—Hillary Rodham Clinton—re-stated with memorable eloquence our national commitment to that Declaration.

The Universal Declaration reflects spiritual and moral tenets which are central to all cultures, encompassing both the wondrous diversity that defines us and the common humanity that binds us. It obliges each government to strive in law and practice to protest the rights of those under its jurisdiction. Whether a government fulfills that obligation is a matter not simply of domestic, but of universal, concern. For it is a founding principle of the United Nations that no government can hide its human rights record from the world.

At the heart of the Universal Declaration is a fundamental distinction between coercion and choice.

No woman—whether in Birmingham, Bombay, Beirut or Beijing—should be forcibly sterilized or forced to have an abortion.

No mother should feel compelled to abandon her daughter because of a societal preference for males.

No woman should be forced to undergo genital mutilation, or to become a prostitute, or to enter into marriage or to have sex.

No one should be forced to remain silent for fear of religious or political persecution, arrest, abuse or torture.

All of us should be able to exercise control over the course of our own lives and be able to help shape the destiny of our communities and countries.

Let us be clear. Freedom to participate in the political process of our countries is the inalienable right of every woman and man. Deny that right, and you deny everything.

It is unconscionable, therefore, that the right to free expression has been called into question right here, at a conference conducted under the auspices of the UN and whose very purpose is the free and open discussion of women's rights.

And it is a challenge to us all that so many countries in so many parts of the world—north, south, west and east—fall far short of the noble objectives outlined in the Platform for Action.

Every nation, including my own, must do better and do more—to make equal rights a fundamental principle of law; to enforce those rights and to remove barriers to the exercise of those rights.

That is why President Clinton has made favorable action on the Convention to Eliminate Discrimination Against Women a top priority. The United States should be a party to that Convention.

And it is why we will continue to seek a dialogue with governments—here and elsewhere—that deny to their citizens the rights enumerated in the Universal Declaration.

In preparing for this conference, I came across an old Chinese poem that is worth recalling, especially today, as we observe the Day of the Girl-Child. In the poem, a father says to his daughter:

We keep a dog to watch the house,
  A pig is useful, too,
We keep a cat to catch a mouse,
  But what can we do with a girl like you?

Fellow delegates, let us make sure that question never needs to be asked again—in China or anywhere else around the world.

Let us strive for the day when every young girl, in every village and metropolis, can look ahead with confidence that their lives will be valued, their individually recognized, their rights protected and their futures determined by their own abilities and character.

Let us reject outright the forces of repression and ignorance that have held us back; and act with the strength and optimism unity can provide.

Let us honor the legacy of the heroines, famous and unknown who struggled in years past to build the platform upon which we now stand.

And let us heed the instruction of our own lives. Look around this hall, and you will see women who have reached positions of honor and authority. Go to Huairou, and you will see an explosion of energy and intelligence devoted to every phase of struggle. Enter any community in any country, and you will find women insisting—often at great risk—on their right to an equal voice and equal access to the levers of power.

This past week, on video at the NGO Forum, Aung San Suu Kyl, said that "it is time to apply in the arena of the world the wisdom and experience" women have gained.

Let us all agree; it is time. It is time to turn bold talk into concrete action.

It is time to unleash the full capacity for production, accomplishment and the enrichment of life that is inherent to us—the women of the world.

Thank you very much.

FIRST LADY HILLARY RODHAM CLINTON—REMARKS FOR THE WORLD HEALTH ORGANIZATION FORUM ON WOMEN AND HEALTH SECURITY

BEIJING, CHINA, SEPTEMBER 5, 1995

Thank you, Dr. Nakajima.

Dr. Nakajima, Dr. Sadik, Gertrude Mongella, delegates to the Fourth U.N. Conference on Women, and guests from all corners of the world, I am honored to be here this morning among women and men who are committed to improving the health of women and girls everywhere.

I commend the World Health Organization for making women's health a top priority and for establishing the Global Commission on Women's Health.

I am proud that in the preparatory meeting for this Fourth World Conference on Women, the United States took the lead in highlighting the importance of a comprehensive approach to women's health. That approach builds on actions taken at previous women's conferences and the recent conferences at Cairo and Copenhagen, whose goals to promote the health and well-being of all people were endorsed by 180 nations.

Cairo was particularly significant as governmental and non-governmental participants worked together to craft a Program for Action which, among other things, calls for universal access to good quality reproductive health care services, including safe, effective, voluntary family planning; greater access to education and health care; more responsibility on the part of men in sexual and reproductive health and childbearing; and reduction of wasteful resource consumption.

Here at this conference, improving girls and women's health is a priority of the draft Platform for Action. It includes such goals as: Access to universal primary health care for all people—a goal not yet achieved in many countries, including my own. The promotion of breast feeding. The provision of safe drinking water and sanitation. Research in and attention to women's health issues, including: environmental hazards, prevention of HIV/AIDS and other sexually transmitted diseases, encouragement for adolescents to postpone sexual activity and childbearing, and discouragement of cultural traditions and customs that deny food and health care to girls and women.

Goals such as these illustrate a new commitment to the well-being of girls and women and a belief in their rights to live up to their own God-given potentials.

At long last, people and their governments everywhere are beginning to understand that investing in the health of women and girls is as important to the prosperity of nations as investing in the development of open markets and trade. The health of women and girls cannot be divorced from progress on other economic and social issues.

Scientists, doctors, nurses, community leaders and women themselves are working to improve and safeguard the health of women and families all over the world. If we join together as a global community, we can lift up the health and dignity of all women and their families in the remaining years of the 20th century and on into the next millennium.

Yet, for all the promise the future holds, we also know that many barriers lie in our way. For too long, women have been denied access to health care, education, economic opportunities, legal protection and human rights—all of which are used as building blocks for a healthy and productive life.

In too many places today, the health of women and families is compromised by inadequate, inaccessible and unaffordable medical care, lack of sanitation, unsafe drinking water, poor nutrition, insufficient research and education about women's health issues, and coercive and abusive sexual practices.

In too many places, the status of woman's health is a picture of human suffering and pain. The faces in that picture are of girls and women who, but for the grace of God or the accident of birth, could be us or one of our sisters, mothers or daughters.

Today, at least fifteen percent of pregnant woman suffer life threatening complications and more than one-half million women around the world die in childbirth. Most of those deaths could be prevented with basic primary, reproductive and emergency obstetric health care. In some places, there are 175,000 motherless children for every one million families. Many of those children don't survive. And of those who do, many are recruited into a life of exploitation on the streets of our world's cities, subjected daily to abuse, indignity, disease, and the specter of early death.

There must be a renewed commitment to improving maternal health. The WHO launched in 1987 a Safe Motherhood Initiative to halve maternal mortality by the year 2000. To reach that goal, more attention must be paid to emergency medical care as well as primary prenatal care. Providing emergency obstetric care is a relatively cheap way of saving lives—and along with family planning services is among the most cost effective interventions in even the poorest of countries.

The commitment of the WHO and its Global Commission on Women's Health to make childbearing and childbirth a safe and healthy period of every woman's life deserves action on the part of every nation represented here.

One hundred million women cannot obtain or are not using family planning services because they are poor, uneducated or lack access to care. Twenty million of these women will seek unsafe abortions—some will die, some will be disabled for life. A growing number of unwanted pregnancies are occurring among young women, barely beyond childhood themselves. As we know, when children have children, the chances of schooling, jobs, and good health is reduced for both parent and child. And our progress as a human family takes another step back.

The Cairo document recognizes "the basic right of all couples and individuals to decide freely and responsibly the number, spacing and timing of their children and to have the information and means to do so." Women should have the right to health care that will enable them to go safely through pregnancy and childbirth and provide them with the best chance of having a healthy infant.

Women and men must also have the right to make those most intimate of all decisions free of discrimination, coercion and violence, particularly any coercive practices that force women into abortions or sterilizations.

On these issues, the US supports the provisions in the Beijing Platform for Action that reaffirm consensus language that was agreed to at the Cairo Conference about a year ago. It declared that "in no case should abortion be promoted as a method of family planning." The Platform asks governments "to strengthen their commitment to women's health, to deal with the health impact of unsafe abortion as a major public health concern and to reduce the recourse to abortion through expanded and improved family planning services."

Violence against women remains a leading cause of death among girls and women between the ages of 14 and 44—violence from ethnic and religious conflicts, crime in the streets and brutality in the home. For women who survive the violence, what often awaits them is a life of unrelenting physical and emotional pain that destroys their capacity for mothering, homemaking or working and can lead to substance abuse, and even suicide.

Violence against girls and women goes beyond the beatings, rape, killings and forced prostitution that arise from poverty, wars and domestic conflicts. Every day, more than 5,000 young girls are forced to endure the brutal practice of genital mutilation. The procedure is painful and life-threatening. It is degrading. And it is a violation of the physical integrity of a woman's body, leaving a lifetime of physical and emotional scars.

HIV, AIDS, and sexually transmitted diseases threaten more and more women—and experts predict that by the end of this decade more than half of the people in the world with HIV will be women. AIDS, which threatens whole families and regions, demands the strongest possible response. Governments and the international community must address head-on the growing number of women who are being infected.

More than 700,000 women worldwide face breast cancer each year—and over 300,000 die of it. It's the leading cause of death for women in their prime in the developed world. In the time I speak to you today, 25 women around the world will die of breast cancer. In my own country, it is hard to find a family, an office, or a neighborhood that has not been touched by this disease. My mother-in-law struggled against breast cancer for four years before losing her battle.

Tobacco use is the number one preventable cause of death. Ninety percent of women who smoke began to smoke as adolescents—leading to high rates of heart disease, cancer, and chronic lung disease later in life.

As the WHO points out, we also need to recognize and effectively address the fact that women are far more likely to be exposed to work-related and environmental health hazards. Policies to alleviate and eliminate such health hazards associated with work in the home and in the workplace demand action.

Research also indicates that certain communicable diseases affect women in greater numbers. Tuberculosis, for example, is responsible for the deaths of one million women each year and those in their early and reproductive years are most vulnerable.

When health care systems around the world don't work for women: when our mothers, daughters, sisters, friends and coworkers are denied access to quality care because they are poor, do not have health insurance, or simply because they are women, it is not just their health that is put at risk. It is the health of their families and communities as well.

Like many nations, the United States brings to this conference a serious commitment to improving women's health. We bring with us a series of initiatives which represent the first steps to carrying out this Conference's Platform for Action.

We are continuing to work for health care reform to ensure that every citizen has access to affordable, quality care.

We are proposing a comprehensive and coordinated plan to reduce smoking by children and adolescents by 50 percent.

We are working to address the many factors that contribute to teenage pregnancy, our most serious social problems, by encouraging abstinence and personal responsibility on the part of young men and women; improving access to health care and family planning services; and supporting health education in our schools.

We are pursuing a public policy agenda on HIV/AIDS that is specific to women, adolescents, and children.

We are continuing to fund and conduct contraceptive research and development.

We are addressing the health needs of women through initiatives such as:

The National Action Plan on Breast Cancer—a public, private partnership working with all agencies of government, the media, scientific organizations, advocacy groups and industry to advance breast health and eradicate breast cancer as a threat to the lives of American women.

An Expansion of the National Breast and Cervical Cancer Early Detection Program—which will ensure that women who need regular screening and detection services have access to them, and that those services meet quality standards.

The inclusion of women in clinical trials for research and testing of drugs or other interventions that probe specific differences between men and women in patterns of disease and reactions to therapy.

The special health needs of older women will be addressed through educational campaigns about osteoporosis, cancer and other diseases.

And the US is conducting the largest clinical research study ever undertaken to examine the major causes of death, disability and frailty in post-menopausal women.

Women's health security must be a priority of all people and governments working together. Without good health, a woman's God-given potential can never be realized. And without healthy women, the world's potential can never be realized.

So let us join together to ensure that every little boy and girl that comes into our world is healthy and wanted, that every young woman has the education and economic opportunity to live a healthy life; and that every woman has access to the health care she needs throughout her life to fulfill her potential in her family, her work, and her community.

If we care about the futures of our daughters, our sons, and the generations that will follow them, we can do nothing less.

Thank you for the work you do every day to bring better health to the women, children, and families of this world. Thank you for helping governments and citizens around the world understand that we cannot talk about equality and social development without also talking about health care.

Most of all, thank you for being part of this historic and vital discussion, which holds so much promise for our future.

FIRST LADY HILLARY RODHAM CLINTON—REMARKS FOR THE UNITED NATIONS FOURTH WORLD CONFERENCE ON WOMEN

BEIJING, CHINA, SEPTEMBER 5, 1995

Mrs. Mongella, distinguished delegates and guests:

I would like to thank the Secretary General of the United Nations for inviting me to be part of the United Nations Fourth World Conference on Women. This is truly a celebration—a celebration of the contributions women make in every aspect of life; in the home, on the job, in their communities, as mothers, wives, sisters, daughters, learners, workers, citizens and leaders.

It is also a coming together, much the way women come together every day in every country.

We come together in fields and in factories. In village markets and supermarkets. In living rooms and board rooms.

Whether it is while playing with our children in the park, or washing clothes in a river, or taking a break at the office water cooler, we come together and talk about our aspirations and concerns. And time and again, our talk turns to our children and our families.

However different we may be, there is far more that unites us than divides us. We share a common future. And we are here to find common ground so that we may help bring new dignity and respect to women and girls all over the world—and in so doing, bring new strength and stability to families as well.

By gathering in Beijing, we are focusing world attention on issues that matter most in the lives of women and their families: access to education, health care, jobs, and credit, the chance to enjoy basic legal and human rights and participate fully in the political life of their countries.

There are some who question the reason for this conference. Let them listen to the voices of women in their homes, neighborhoods, and workplaces.

There are some who wonder whether the lives of women and girls matter to economic and political progress around the globe . . . Let them look at the women gathered here and at Heirou . . . the homemakers, nurses, teachers, lawyers, policymakers, and women who run their own businesses.

It is conferences like this that compel governments and peoples everywhere to listen, look and face the world's most pressing problems.

Wasn't it after the women's conference in Nairobi ten years ago that the world focused for the first time on the crisis of domestic violence?

Earlier today, I participated in a World Health Organization forum, where government officials, NGOs, and individual citizens are working on ways to address the health problems of women and girls.

Tomorrow, I will attend a gathering of the United Nations Development Fund for Women. There, the discussion will focus on local—and highly successful—programs that give hard-working women access to credit so they can improve their own lives and the lives of their families.

What we are learning around the world is that, if women are healthy and educated, their families will flourish. If women are free from violence, their families will flourish. If women have a chance to work and earn as full and equal partners in society, their families will flourish.

And when families flourish, communities and nations will flourish.

That is why every woman, every man, every child, every family, and every nation on our planet has a stake in the discussion that takes place here.

Over the past 25 years, I have worked persistently on issues relating to women, children and families. Over the past two-and-a-half years, I have had the opportunity to learn more about the challenges facing women in my own country and around the world.

I have met new mothers in Jakarta, Indonesia, who come together regularly in their village to discuss nutrition, family planning, and baby care.

I have met working parents in Denmark who talk about the comfort they feel in knowing that their children can be cared for in creative, safe, and nurturing after-school centers.

I have met women in South Africa who helped lead the struggle to end apartheid and are now helping build a new democracy.

I have met with the leading women of the Western Hemisphere who are working every day to promote literacy and better health care for the children of their countries.

I have met women in India and Bangladesh who are taking out small loans to buy milk cows, rickshaws, thread and other materials to create a livelihood for themselves and their families.

I have met doctors and nurses in Belarus and Ukraine who are trying to keep children alive in the aftermath of Chernobyl.

The great challenge of this conference is to give voice to women everywhere whose experiences go unnoticed, whose words go unheard.

Women comprise more than half the world's population. Women are 70 percent of the world's poor, and two-thirds of those who are not taught to read and write.

Women are the primary caretakers for most of the world's children and elderly. Yet much of the work we do is not valued—not by economists, not by historians, not by popular culture, not by government leaders.

At this very moment, as we sit here, women around the world are giving birth, raising children, cooking meals, washing clothes, cleaning houses, planting crops, working on assembly lines, running companies, and running countries.

Women also are dying from diseases that should have been prevented or treated; they are watching their children succumb to malnutrition caused by poverty and economic deprivation; they are being denied the right to go to school by their own fathers and brothers; they are being forced into prostitution, and they are being barred from the ballot box and the bank lending office.

Those of us who have the opportunity to be here have the responsibility to speak for those who could not.

As an American, I want to speak up for women in my own country—women who are raising children on the minimum wage, women who can't afford health care or child care, women whose lives are threatened by violence, including violence in their own homes.

I want to speak up for mothers who are fighting for good schools, safe neighborhoods, clean air and clean airwaves . . . for older women, some of them widows, who have raised their families and now find that their skills and life experiences are not valued in the workplace . . . for women who are working all night as nurses, hotel clerks, and fast food chefs so that they can be at home during the day with their kids . . . and for women everywhere who simply don't have time to do everything they are called upon to do each day.

Speaking to you today, I speak for them, just as each of us speaks for women around the world who are denied the chance to go to school, or see a doctor, or own property, or have a say about the direction of their lives, simply because they are women.

The truth is that most women around the world work both inside and outside the home, usually by necessity.

We need to understand that there is no formula for how women should lead their lives. That is why we must respect the choices that each woman makes for herself and her family. Every woman deserves the chance to realize her God-given potential.

We also must recognize that women will never gain full dignity until their human rights are respected and protected.

Our goals for this conference, to strengthen families and societies by empowering women to take greater control over their own destinies, cannot be fully achieved unless all governments—here and around the world—accept their responsibility to protect and promote internationally recognized human rights.

The international community has long acknowledged—and recently affirmed at Vienna—that both women and men are entitled to a range of protections and personal freedoms, from the right of personal security to the right to determine freely the number and spacing of the children they bear.

No one should be forced to remain silent for fear of religious or political persecution, arrest, abuse or torture.

Tragically, women are most often the ones whose human rights are violated. Even in the late 20th century, the rape of women continues to be used as an instrument of armed conflict. Women and children make up a large majority of the world's refugees. And when women are excluded from the political process, they become even more vulnerable to abuse.

I believe that, on the eve of a new millennium, it is time to break our silence. It is time for us to say here in Beijing, and the world to hear, that it is no longer acceptable to discuss women's rights as separate from human rights.

These abuses have continued because, for too long, the history of women has been a history of silence. Even today, there are those who are trying to silence our words.

The voices of this conference and of the women at Hairou must be heard loud and clear:

It is a violation of human rights when babies are denied food, or drowned, or suffocated, or their spines broken, simply because they are born girls.

It is a violation of human rights when women and girls are sold into the slavery of prostitution.

It is a violation of human rights when women are doused with gasoline, set on fire and burned to death because their marriage dowries are deemed too small.

It is a violation of human rights when individual women are raped in their own communities and when thousands of women are subjected to rape as a tactic or prize of war.

It is a violation of human rights when a leading cause of death worldwide among women ages 14 to 44 is the violence they are subjected to in their own homes.

It is a violation of human rights when young girls are brutalized by the painful and degrading practice of genital mutilation.

It is a violation of human rights when women are denied the right to plan their own families, and that includes being forced to have abortions or being sterilized against their will.

If there is one message that echoes forth from this conference, it is that human rights are women's rights. . . . And women's rights are human rights.

Let us not forget that among those rights are the right to speak freely. And the right to be heard.

Women must enjoy the right to participate fully in the social and political lives of their countries if we want freedom and democracy to thrive and endure.

It is indefensible that many women in nongovernmental organizations who wished to participate in this conference have not been able to attend—or have been prohibited from fully taking part.

Let me be clear. Freedom means the right of people to assemble, organize, and debate openly. It means respecting the views of those who may disagree with the views of their governments. It means not taking citizens away from their loved ones and jailing them, mistreating them, or denying them their freedom or dignity because of the peaceful expression of their ideas and opinions.

In my country, we recently celebrated the 75th anniversary of women's suffrage. It took 150 years after the signing of our Declaration of Independence for women to win the right to vote. It took 72 years of organized struggle on the part of many courageous women and men.

It was one of America's most divisive philosophical wars. But it was also a bloodless war. Suffrage was achieved without a shot fired.

We have also been reminded, in V–J Day observances last weekend, of the good that comes when men and women join together to combat the forces of tyranny and build a better world.

We have seen peace prevail in most places for a half century. We have avoided another world war.

But we have not solved older, deeply-rooted problems that continue to diminish the potential of half the world's population.

Now it is time to act on behalf of women everywhere.

If we take bold steps to better the lives of women we will be taking bold steps to better the lives of children and families too. Families rely on mothers and wives for emotional support and care; families rely on women for labor in the home; and increasingly, families rely on women for income needed to raise healthy children and care for other relatives.

As long as discrimination and inequities remain so commonplace around the world—as long as girls and women are valued less, fed less, fed last, overworked, underpaid, not schooled and subjected to violence in and out of their homes—the potential of the human family to create a peaceful, prosperous world will not be realized.

Let this conference be our—and the world's—call to action.

And let us heed the call so that we can create a world in which every woman is treated with respect and dignity, every boy and girl is loved and cared for equally, and every family has the hope of a strong and stable future.

Thank you very much.

God's blessing on you, your work and all who will benefit from it.

THE B–2 BOMBER AND AMERICA'S READINESS

The SPEAKER pro tempore (Mr. EVERETT). Under a previous order of the House, the gentleman from Washington [Mr. DICKS] is recognized for 5 minutes.

Mr. DICKS. Mr. Speaker, today I want to address the House of Representatives in this special order on a very important issue that will come before the House tomorrow morning, tomorrow afternoon, when we consider the defense appropriations bill. Since 1980, I have been a strong supporter of the policy of former President Carter and Secretary of Defense Harold Brown in initiating the stealth bomber, the B–2 program.

In the gulf war, we saw with vivid evidence the effectiveness of stealth technology when it was decided to use the F–117's against the most heavily defended targets inside Saddam Hussein's Iraq. The F–117's, without the requirement for jammers and other support aircraft, were able to go in and attack the most heavily defended targets, using 2,000 pound precision-guided munitions. They were able to knock out those radars and surface to air missiles almost instantly, and come back without our pilots being shot down.

I believe that the B–2 bomber is just a bigger and better version of the F–117. It allows us to go five times as far and carry eight times as much as conventional munitions and submunitions. With those same 2,000 pounds, it could carry 16, each of which would be independently targetable.

I think the most revolutionary thing about stealth technology is its capability against mobile targets. In a B–2 study that was done by Rand back in 1991, a simulation was used of Saddam Hussein's division, moving from Saudi Arabia into Kuwait. The B–2 was loaded up with sensor-fused weapons. Each B–2 could carry about 1,400 of these submunitions that looks like a puck with a parachute on top when dispensed. With Saddam's division coming into Kuwait, three B–2's interdicted it, dropped the sensor-fused weapons, and were able to knock out 46 percent of the mechanized vehicles including tanks in that division. That, Mr. Speaker, is a revolutionary conventional capability.

The problem is that every study that has been done on the B–2 indicates that having only 16 of them is simply not enough. The Rand study and the study that was done by Gen. Jasper Welch stated that somewhere between 40 and 60 are needed. I in fact asked General Powell what he recommended to Dick Cheney, and he said, "I recommended 50."

In my judgment, this is the most important defense decision we will be making in this decade. Seven former Secretaries of Defense wrote President Clinton urging him to procure additional B–2's. We have spent $44.4 billion to develop the technology for the B–2 bomber. We are now able to get an additional 20 B–2's for about $15.3 billion. In my mind, that is affordable. If we shut down the line, and if we come back to it in 5 or 10 years and say, "My gosh, we do not have the bombers we need for the future," it will cost $10 billion just to open the line and we get nothing.

My judgment is that there is another important issue that has been missed by the press. That is the cost of the munitions on these planes. If we have standoff weapons, which the administration supports, on the B-52's and the B-1-B's, first of all, they have no utility against mobile targets. No. 2 is that they cost $1.2 million per missile, because you have to have long-range missiles. They also cost about $15 to $20 billion for a load of them.

The cost of the weapons in the B-2 J-DAMS weapon is $320,000 for 16 of them, and in my judgment, that is a major difference, one-fourth the cost of one cruise missile and a fraction of the cost of a load of missiles. In a few days of a major conflict, you could pay for the B-2 simply by having these less expensive weapons, either the sensor-fused weapon or the J-DAMS. I think that is a major difference. I also believe, if we had enough B-2's, the potential is there someday for a conventional deterrent.

What if we had been able to show Saddam that we had this capability and we could have avoided the gulf war? It cost us $10 billion to move all our forces out to the gulf. Then it cost $60 billion to prosecute the war; $70 billion was expended.

□ 1330

The cold war is over, yet we still have threats out there. People say there are no threats. Saddam still exists. We have problems with Iran, we have problems with North Korea. And in each of those scenarios, there could be military divisions coming across the borders into a neighboring country.

In my judgment, having this long-range stealth bomber capability that can go in without any other support aircraft with it, being able to attack mobile targets and also go after Scud launchers, that is a new capability that only the B-2 would have. To me this kind of revolutionary conventional capability is exactly what the country needs.

So I hope my colleagues tomorrow will defeat the amendment offered by the gentleman from Ohio [Mr. KASICH] to take out the money for the B-2. I believe that this Stealth bomber is exactly what we need for the future, and I urge my colleagues to continue to support this important weapons system as we did on the defense authorization bill.

RECESS

The SPEAKER pro tempore. Pursuant to clause 12 of rule I, the Chair declares the House in recess until 4 p.m.

Accordingly (at 1 o'clock and 31 minutes p.m.), the House stood in recess until 4 p.m.

□ 1600

AFTER RECESS

The recess having expired, the House was called to order by the Speaker pro tempore (Mr. HASTINGS of Washington) at 4 p.m.

ANNOUNCEMENT OF THE AMENDMENT PROCESS FOR THE INTELLIGENCE AUTHORIZATION ACT FOR FISCAL YEAR 1996

(Mr. SOLOMON asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. SOLOMON. Mr. Speaker, I rise for the purposes of making an announcement.

The Rules Committee is planning to meet tomorrow, September 7, to report a rule for the consideration of H.R. 1655, the Intelligence Authorization Act for fiscal year 1996.

The chairman of the Intelligence Committee has requested a rule which would require that amendments be preprinted in the CONGRESSIONAL RECORD. If this request is granted, and I believe it will be, amendments to be preprinted would need to be signed by the Member and submitted at the Speaker's table.

The amendments would still need to be consistent with House rules and would be given no special protection by being printed.

Members should use the Office of Legislative Counsel to ensure that their amendments are properly drafted and should check with the Office of the Parliamentarian to be certain their amendments comply with the rules of the House.

It is not necessary to submit amendments to the Rules Committee or to testify as long as the amendments comply with the House rules.

SUNDRY MESSAGES FROM THE PRESIDENT

Sundry messages in writing from the President of the United States were communicated to the House by Mr. Edwin Thomas, one of his secretaries.

WAIVING POINTS OF ORDER AGAINST CONFERENCE REPORT ON H.R. 1854, LEGISLATIVE BRANCH APPROPRIATIONS ACT, 1996

Mr. DIAZ-BALART. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 206 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 206

Resolved, That upon adoption of this resolution it shall be in order to consider the conference report to accompany the bill (H.R. 1854) making appropriations for the Legislative Branch for the fiscal year ending September 30, 1996, and for other purposes. All points of order against the conference report and against its consideration are waived.

The SPEAKER pro tempore. The gentleman from Florida [Mr. DIAZ-BALART] is recognized for 1 hour.

Mr. DIAZ-BALART. Mr. Speaker, for the purposes of debate only, I yield the customary 30 minutes to the gentleman from Texas [Mr. FROST], pending which I yield myself such time as I may consume. During consideration of this resolution, all time yielded as for the purpose of debate only.

Mr. Speaker, I am pleased to bring forth the first of the 13 appropriations bills that has made it through the conference process. This rule is very simple—it merely waives points of order against the consideration of the conference report. Specifically, the rule contains waivers for three items that go beyond the scope of the conference, thereby waiving clause 3 of rule XXVIII. There are also a few legislative items which necessitate a waiver of clause 2 of rule XX.

There was very little discussion at the hearing to grant the rule and I do not believe there should be much controversy surrounding it.

Before the district work period, I read press accounts that the President may be considering a veto of this conference report, not because he disagrees with any of its substance, but rather because it is the first of the necessary 13 spending measures to reach his desk, and he may, apparently, wish to protest against some other bills that he does not have substantive objections to.

I think that action by the President would be very unfortunate—but we need to proceed with the responsibilities that we have, like passing the appropriations bills. And with this bill we are setting the example of moving toward a balanced budget by reducing our own budget first. As a Member of Congress who serves on both of the Speaker-appointed committees, and in my role on the Committee on House Oversight, I am very proud of the reforms achieved in H.R. 1854 and retained in this conference report, based on the recommendations by House Oversight. We had some tough choices to make, but getting our own House in order and cutting our own budget was a necessary and important first step in the long and difficult road toward achieving a balanced Federal budget.

Mr. Speaker, as you will recall from the House's consideration of this bill in June, H.R. 1854 incorporates House Oversight plans to greatly reform the internal workings of the House of Representatives, and over the next few months alone, save the taxpayers $7 million by streamlining operations. This bill is below the subcommittee's 602(B) allocation and is over 8 percent below last year's spending level. Additionally, H.R. 1854 eliminates, consolidates and reduces, and paves the way for the privatization of some functions that may be less costly when performed by the private sector.

I would like to commend Chairman THOMAS, Chairman PACKARD, Ranking Member FAZIO and of course Chairman LIVINGSTON, for their excellent work in bringing this conference report forward.

Mr. Speaker, House Resolution 206 is necessary to preserve the agreements reached in conference on legislative branch appropriations I urge adoption of both the rule and the conference report.

Rule for Legislative Branch Appropriation Conference Report Specific Waivers Included in the General Waiver

ITEMS BEYOND THE SCOPE OF CONFERENCE (CLAUSE 3, RULE XXVIII)

Amendment #10 adds new features to the Senate proposal for 60 days of severance pay for employees of the Office of Technology Assessment (OTA), such as entitlement to health benefits. The House had no comparable provision.

Amendment #34 includes a provision directing the Public Printer to propose a means to create cost incentives for publishing agencies, including Congress, to migrate from print-on paper products to electronic format. This is a different approach from that recommended by the House. There was no Senate provision on this subject.

Amendment #55 drops a Senate provision regarding reductions in facility energy costs. There was no comparable House provision. Then three new provisions were inserted as follows: (1) to specify the law enforcement authority of the House Sergeant at Arms, (2) to clarify existing authority of the Committee on House Oversight to consolidate representational allowances of House Members, and (3) to establish an account to pay settlements under the Congressional Accountability Act and to require that specified Congressional agencies submit proposals to reduce facility energy costs.

LEGISLATIVE ITEMS ON AN APPROPRIATION CONFERENCE REPORT (CLAUSE 2, RULE XX)—EXAMPLE

Amendment #10 establishes a new procedure for the phase out of OTA employees.

Mr. Speaker, I reserve the balance of my time.

Mr. FROST. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, while I may not agree with the priorities established in the conference report to accompany the fiscal year 1996 legislative branch appropriation, I support this rule. I will, however, oppose the previous question.

As we have in years past, the Committee on Rules has recommended a rule which waives all points of order against the consideration of the conference report. The Democratic members of the Rules Committee concur that these waivers should be granted.

Mr. Speaker, I am concerned that the conference report is penny wise and pound foolish with regard to the continued existence of the Office of Technology Assessment. We all agree that every part of the Government needs to be carefully examined and subjected to cuts, it does not make a great deal of sense to me to abolish a congressional support agency which has provided us with invaluable information about science and technology. The work of the OTA has been supported on a bipartisan basis, and in fact, in July, the House voted 228 to 201 to continue the functions of this agency. Yet, the conference agreement contains a provision which terminates OTA. It is my view the abolition of such an information source is really counterproductive and the loss of this office will be one we in the Congress will live to regret.

Mr. Speaker, while I support this rule, I will support the proposition of the gentleman from Texas [Mr. BRYANT] to defeat the previous question in order to allow the House to consider lobby reform and a gift ban. As we all know, the Senate has now adopted such a ban and it is high time that the House be afforded an opportunity to vote on this good government issue. This proposition is identical to the Senate passed lobby reform and gift ban adapted to apply to House rules. The Bryant proposal is not anything new and different, it is merely an opportunity to do for the House what the Senate has already wisely and prudently imposed upon themselves. For that reason, I will support Mr. BRYANT and his proposed amendment to this rule.

I would ask that the amendment to the rule be printed in the RECORD at this point. The amendment would adopt the text of a concurrent resolution providing lobby and gift reform, and I would ask that the text of House Concurrent Resolution 99 also be printed in the RECORD at this point.

The material referred to is as follows:

Amendment to Rule on H.R. 1854

Legislative Branch Conference Report

"Section 2. Upon the adoption of this resolution, the House shall be considered to have adopted a concurrent resolution (H. Con. Res. 99) directing the Clerk of the House to correct the enrollment of H.R. 1854.

"Section 3. The Clerk of the House of Representatives shall not send to the Senate a message informing the Senate of the adoption by the House of the conference report on H.R. 1854 until the House receives a message from the Senate informing the House of the adoption of a concurrent resolution (H. Con. Res. 99) directing the Clerk of the House to correct the enrollment of H.R. 1854."

H. Con. Res. 99

Resolved by the House of Representatives (the Senate concurring), That in the enrollment of the bill (H.R. 1854) entitled, "An Act making appropriations for the Legislative Branch for the fiscal year ending September 30, 1996, and for other purposes", the Clerk of the House shall make the following correction:

At the end of title III add the following:

TITLE IV—LOBBYING DISCLOSURE

SEC. 401. SHORT TITLE.

This title may be cited as the "Lobbying Disclosure Act of 1995".

SEC. 402. FINDINGS.

The Congress finds that—

(1) responsible representative Government requires public awareness of the efforts of paid lobbyists to influence the public decisionmaking process in both the legislative and executive branches of the Federal Government;

(2) existing lobbying disclosure statutes have been ineffective because of unclear statutory language, weak administrative and enforcement provisions, and an absence of clear guidance as to who is required to register and what they are required to disclose; and

(3) the effective public disclosure of the identity and extent of the efforts of paid lobbyists to influence Federal officials in the conduct of Government actions will increase public confidence in the integrity of Government.

SEC. 403. DEFINITIONS.

As used in this title:

(1) AGENCY.—The term "agency" has the meaning given that term in section 551(1) of title 5, United States Code.

(2) CLIENT.—The term "client" means any person or entity that employs or retains another person for financial or other compensation to conduct lobbying activities on behalf of that person or entity. A person or entity whose employees act as lobbyists on its own behalf is both a client and an employer of such employees. In the case of a coalition or association that employs or retains other persons to conduct lobbying activities, the client is the coalition or association and not its individual members.

(3) COVERED EXECUTIVE BRANCH OFFICIAL.—The term "covered executive branch official" means—

(A) the President;

(B) the Vice President;

(C) any officer or employee, or any other individual functioning in the capacity of such an officer or employee, in the Executive Office of the President;

(D) any officer or employee serving in a position in level I, II, III, IV, or V of the Executive Schedule, as designated by statute or Executive order;

(E) any member of the uniformed services whose pay grade is at or above O–7 under section 201 of title 37, United States Code; and

(F) any officer or employee serving in a position of a confidential, policy-determining, policy-making, or policy-advocating character described in section 7511(b)(2) of title 5, United States Code.

(4) COVERED LEGISLATIVE BRANCH OFFICIAL.—The term "covered legislative branch official" means—

(A) a Member of Congress;

(B) an elected officer of either House of Congress;

(C) any employee of, or any other individual functioning in the capacity of an employee of—

(i) a Member of Congress;

(ii) a committee of either House of Congress;

(iii) the leadership staff of the House of Representatives or the leadership staff of the Senate;

(iv) a joint committee of Congress; and

(v) a working group or caucus organized to provide legislative services or other assistance to Members of Congress; and

(D) any other legislative branch employee serving in a position described under section 109(13) of the Ethics in Government Act of 1978 (5 U.S.C. App.).

(5) EMPLOYEE.—The term "employee" means any individual who is an officer, employee, partner, director, or proprietor of a person or entity, but does not include—

(A) independent contractors; or

(B) volunteers who receive no financial or other compensation from the person or entity for their services.

(6) FOREIGN ENTITY.—The term "foreign entity" means a foreign principal (as defined in section 1(b) of the Foreign Agents Registration Act of 1938 (22 U.S.C. 611(b)).

(7) LOBBYING ACTIVITIES.—The term "lobbying activities" means lobbying contacts and efforts in support of such contacts, including preparation and planning activities, research and other background work that is intended, at the time it is performed, for use in contacts, and coordination with the lobbying activities of others.

(8) LOBBYING CONTACT.—

(A) DEFINITION.—The term "lobbying contact" means any oral or written communication (including an electronic communication) to a covered executive branch official or a covered legislative branch official that is made on behalf of a client with regard to—

(i) the formulation, modification, or adoption of Federal legislation (including legislative proposals);

(ii) the formulation, modification, or adoption of a Federal rule, regulation, Executive order, or any other program, policy, or position of the United States Government;

(iii) the administration or execution of a Federal program or policy (including the negotiation, award, or administration of a Federal contract, grant, loan, permit, or license); or

(iv) the nomination or confirmation of a person for a position subject to confirmation by the Senate.

(B) EXCEPTIONS.—The term "lobbying contact" does not include a communication that is—

(i) made by a public official acting in the public official's official capacity;

(ii) made by a representative of a media organization if the purpose of the communication is gathering and disseminating news and information to the public;

(iii) made in a speech, article, publication or other material that is distributed and made available to the public, or through radio, television, cable television, or other medium of mass communication;

(iv) made on behalf of a government of a foreign country or a foreign political party and disclosed under the Foreign Agents Registration Act of 1938 (22 U.S.C. 611 et seq.);

(v) a request for a meeting, a request for the status of an action, or any other similar administrative request, if the request does not include an attempt to influence a covered executive branch official or a covered legislative branch official;

(vi) made in the course of participation in an advisory committee subject to the Federal Advisory Committee Act;

(vii) testimony given before a committee, subcommittee, or task force of the Congress, or submitted for inclusion in the public record of a hearing conducted by such committee, subcommittee, or task force;

(viii) information provided in writing in response to an oral or written request by a covered executive branch official or a covered legislative branch official for specific information;

(ix) required by subpoena, civil investigative demand, or otherwise compelled by statute, regulation, or other action of the Congress or an agency;

(x) made in response to a notice in the Federal Register, Commerce Business Daily, or other similar publication soliciting communications from the public and directed to the agency official specifically designated in the notice to receive such communications;

(xi) not possible to report without disclosing information, the unauthorized disclosure of which is prohibited by law;

(xii) made to an official in an agency with regard to—

(I) a judicial proceeding or a criminal or civil law enforcement inquiry, investigation, or proceeding; or

(II) a filing or proceeding that the Government is specifically required by statute or regulation to maintain or conduct on a confidential basis,

if that agency is charged with responsibility for such proceeding, inquiry, investigation, or filing;

(xiii) made in compliance with written agency procedures regarding an adjudication conducted by the agency under section 554 of title 5, United States Code, or substantially similar provisions;

(xiv) a written comment filed in the course of a public proceeding or any other communication that is made on the record in a public proceeding;

(xv) a petition for agency action made in writing and required to be a matter of public record pursuant to established agency procedures;

(xvi) made on behalf of an individual with regard to that individual's benefits, employment, or other personal matters involving only that individual, except that this clause does not apply to any communication with—

(I) a covered executive branch official, or

(II) a covered legislative branch official (other than the individual's elected Members of Congress or employees who work under such Members' direct supervision),

with respect to the formulation, modification, or adoption of private legislation for the relief of that individual;

(xvii) a disclosure by an individual that is protected under the amendments made by the Whistleblower Protection Act of 1989, under the Inspector General Act of 1978, or under another provision of law;

(xviii) made by—

(I) a church, its integrated auxiliary, or a convention or association of churches that is exempt from filing a Federal income tax return under paragraph 2(A)(i) of section 6033(a) of the Internal Revenue Code of 1986, or

(II) a religious order that is exempt from filing a Federal income tax return under paragraph (2)(A)(iii) of such section 6033(a); and

(xix) between—

(I) officials of a self-regulatory organization (as defined in section 3(a)(26) of the Securities Exchange Act) that is registered with or established by the Securities and Exchange Commission as required by that Act or a similar organization that is designated by or registered with the Commodities Future Trading Commission as provided under the Commodity Exchange Act; and

(II) the Securities and Exchange Commission or the Commodities Future Trading Commission, respectively;

relating to the regulatory responsibilities of such organization under that Act.

(9) LOBBYING FIRM.—The term "lobbying firm" means a person or entity that has 1 or more employees who are lobbyists on behalf of a client other than that person or entity. The term also includes a self-employed individual who is a lobbyist.

(10) LOBBYIST.—The term "lobbyist" means any individual who is employed or retained by a client for financial or other compensation for services that include more than one lobbying contact, other than an individual whose lobbying activities constitute less than 20 percent of the time engaged in the services provided by such individual to that client over a six month period.

(11) MEDIA ORGANIZATION.—The term "media organization" means a person or entity engaged in disseminating information to the general public through a newspaper, magazine, other publication, radio, television, cable television, or other medium of mass communication.

(12) MEMBER OF CONGRESS.—The term "Member of Congress" means a Senator or a Representative in, or Delegate or Resident Commissioner to, the Congress.

(13) ORGANIZATION.—The term "organization" means a person or entity other than an individual.

(14) PERSON OR ENTITY.—The term "person or entity" means any individual, corporation, company, foundation, association, labor organization, firm, partnership, society, joint stock company, group of organizations, or State or local government.

(15) PUBLIC OFFICIAL.—The term "public official" means any elected official, appointed official, or employee of—

(A) a Federal, State, or local unit of government in the United States other than—

(i) a college or university;

(ii) a government-sponsored enterprise (as defined in section 3(8) of the Congressional Budget and Impoundment Control Act of 1974);

(iii) a public utility that provides gas, electricity, water, or communications;

(iv) a guaranty agency (as defined in section 435(j) of the Higher Education Act of 1965 (20 U.S.C. 1085(j))), including any affiliate of such an agency; or

(v) an agency of any State functioning as a student loan secondary market pursuant to section 435(d)(1)(F) of the Higher Education Act of 1965 (20 U.S.C. 1085(d)(1)(F));

(B) a Government corporation (as defined in section 9101 of title 31, United States Code);

(C) an organization of State or local elected or appointed officials other than officials of an entity described in clause (i), (ii), (iii), (iv), or (v) of subparagraph (A);

(D) an Indian tribe (as defined in section 4(e) of the Indian Self-Determination and Education Assistance Act (25 U.S.C. 450b(e));

(E) a national or State political party or any organizational unit thereof; or

(F) a national, regional, or local unit of any foreign government.

(16) STATE.—The term "State" means each of the several States, the District of Columbia, and any commonwealth, territory, or possession of the United States.

SEC. 404. REGISTRATION OF LOBBYISTS.

(a) REGISTRATION.—

(1) GENERAL RULE.—No later than 45 days after a lobbyist first makes a lobbying contact or is employed or retained to make a lobbying contact, whichever is earlier, such lobbyist (or, as provided under paragraph (2), the organization employing such lobbyist), shall register with the Secretary of the Senate and the Clerk of the House of Representatives.

(2) EMPLOYER FILING.—Any organization that has 1 or more employees who are lobbyists shall file a single registration under this section on behalf of such employees for each client on whose behalf the employees act as lobbyists.

(3) EXEMPTION.—

(A) GENERAL RULE.—Notwithstanding paragraphs (1) and (2), a person or entity whose—

(i) total income for matters related to lobbying activities on behalf of a particular client (in the case of a lobbying firm) does not exceed and is not expected to exceed $5,000; or

(ii) total expenses in connection with lobbying activities (in the case of an organization whose employees engage in lobbying activities on its own behalf) do not exceed or are not expected to exceed $20,000,

(as estimated under section 405) in the semiannual period described in section 405(a) during which the registration would be made is not required to register under subsection (a) with respect to such client.

(B) ADJUSTMENT.—The dollar amounts in subparagraph (A) shall be adjusted—

(i) on January 1, 1997, to reflect changes in the Consumer Price Index (as determined by the Secretary of Labor) since the date of enactment of this Act; and

(ii) on January 1 of each fourth year occurring after January 1, 1997, to reflect changes in the Consumer Price Index (as determined by the Secretary of Labor) during the preceding 4-year period,

rounded to the nearest $500.

(b) CONTENTS OF REGISTRATION.—Each registration under this section shall contain—

(1) the name, address, business telephone number, and principal place of business of the registrant, and a general description of its business or activities;

(2) the name, address, and principal place of business of the registrant's client, and a general description of its business or activities (if different from paragraph (1));

(3) the name, address, and principal place of business of any organization, other than the client, that—

(A) contributes more than $10,000 toward the lobbying activities of the registrant in a semiannual period described in section 405(a); and

(B) in whole or in major part plans, supervises, or controls such lobbying activities.

(4) the name, address, principal place of business, amount of any contribution of more than $10,000 to the lobbying activities of the registrant, and approximate percentage of equitable ownership in the client (if any) of any foreign entity that—

(A) holds at least 20 percent equitable ownership in the client or any organization identified under paragraph (3);

(B) directly or indirectly, in whole or in major part, plans, supervises, controls, directs, finances, or subsidizes the activities of the client or any organization identified under paragraph (3); or

(C) is an affiliate of the client or any organization identified under paragraph (3) and has a direct interest in the outcome of the lobbying activity;

(5) a statement of—

(A) the general issue areas in which the registrant expects to engage in lobbying activities on behalf of the client; and

(B) to the extent practicable, specific issues that have (as of the date of the registration) already been addressed or are likely to be addressed in lobbying activities; and

(6) the name of each employee of the registrant who has acted or whom the registrant expects to act as a lobbyist on behalf of the client and, if any such employee has served as a covered executive branch official or a covered legislative branch official in the 2 years before the date on which such employee first acted (after the date of enactment of this Act) as a lobbyist on behalf of the client, the position in which such employee served.

(c) GUIDELINES FOR REGISTRATION.—

(1) MULTIPLE CLIENTS.—In the case of a registrant making lobbying contacts on behalf of more than 1 client, a separate registration under this section shall be filed for each such client.

(2) MULTIPLE CONTACTS.—A registrant who makes more than 1 lobbying contact for the same client shall file a single registration covering all such lobbying contacts.

(d) TERMINATION OF REGISTRATION.—A registrant who after registration—

(1) is no longer employed or retained by a client to conduct lobbying activities, and

(2) does not anticipate any additional lobbying activities for such client,

may so notify the Secretary of the Senate and the Clerk of the House of Representatives and terminate its registration.

SEC. 405. REPORTS BY REGISTERED LOBBYISTS.

(a) SEMIANNUAL REPORT.—No later than 45 days after the end of the semiannual period beginning on the first day of each January and the first day of July of each year in which a registrant is registered under section 404, each registrant shall file a report with the Secretary of the Senate and the Clerk of the House of Representatives on its lobbying activities during such semiannual period. A separate report shall be filed for each client of the registrant.

(b) CONTENTS OF REPORT.—Each semiannual report filed under subsection (a) shall contain—

(1) the name of the registrant, the name of the client, and any changes or updates to the information provided in the initial registration;

(2) for each general issue area in which the registrant engaged in lobbying activities on behalf of the client during the semiannual filing period—

(A) a list of the specific issues upon which a lobbyist employed by the registrant engaged in lobbying activities, including, to the maximum extent practicable, a list of bill numbers and references to specific executive branch actions;

(B) a statement of the Houses of Congress and the Federal agencies contacted by lobbyists employed by the registrant on behalf of the client;

(C) a list of the employees of the registrant who acted as lobbyists on behalf of the client; and

(D) a description of the interest, if any, of any foreign entity identified under section 404(b)(4) in the specific issues listed under subparagraph (A).

(3) in the case of a lobbying firm, a good faith estimate of the total amount of all income from the client (including any payments to the registrant by any other person for lobbying activities on behalf of the client) during the semiannual period, other than income for matters that are unrelated to lobbying activities; and

(4) in the case of a registrant engaged in lobbying activities on its own behalf, a good faith estimate of the total expenses that the registrant and its employees incurred in connection with lobbying activities during the semiannual filing period.

(c) ESTIMATES OF INCOME OR EXPENSES.—For purposes of this section, estimates of income or expenses shall be made as follows:

(1) Estimates of amounts in excess of $10,000 shall be rounded to the nearest $20,000.

(2) In the event income or expenses do not exceed $10,000, the registrant shall include a statement that income or expenses totaled less than $10,000 for the reporting period.

(3) A registrant that reports lobbying expenditures pursuant to section 6033(b)(8) of the Internal Revenue Code of 1986 may satisfy the requirement to report income or expenses by filing with the Secretary of the Senate and the Clerk of the House of Representatives a copy of the form filed in accordance with section 6033(b)(8).

SEC. 406. DISCLOSURE AND ENFORCEMENT.

The Secretary of the Senate and the Clerk of the House of Representatives shall—

(1) provide guidance and assistance on the registration and reporting requirements of this title and develop common standards, rules, and procedures for compliance with this title;

(2) review, and, where necessary, verify and inquire to ensure the accuracy, completeness, and timeliness of registration and reports;

(3) develop filing, coding, and cross-indexing systems to carry out the purpose of this title, including—

(A) a publicly available list of all registered lobbyists, lobbying firms, and their clients; and

(B) computerized systems designed to minimize the burden of filing and maximize public access to materials filed under this title;

(4) make available for public inspection and copying at reasonable times the registrations and reports filed under this title;

(5) retain registrations for a period of at least 6 years after they are terminated and reports for a period of at least 6 years after they are filed;

(6) compile and summarize, with respect to each semiannual period, the information contained in registrations and reports filed with respect to such period in a clear and complete manner;

(7) notify any lobbyist or lobbying firm in writing that may be in noncompliance with this title; and

(8) notify the United States Attorney for the District of Columbia that a lobbyist or lobbying firm may be in noncompliance with this title, if the registrant has been notified in writing and has failed to provide an appropriate response within 60 days after notice was given under paragraph (6).

SEC. 407. PENALTIES.

Whoever knowingly fails to—

(1) remedy a defective filing within 60 days after notice of such a defect by the Secretary of the Senate or the Clerk of the House of Representatives; or

(2) comply with any other provision of this title;

shall, upon proof of such knowing violation by a preponderance of the evidence, be subject to a civil fine of not more than $50,000, depending on the extent and gravity of the violation.

SEC. 408. RULES OF CONSTRUCTION.

(a) CONSTITUTIONAL RIGHTS.—Nothing in this title shall be construed to prohibit or interfere with—

(1) the right to petition the government for the redress of grievances;

(2) the right to express a personal opinion; or

(3) the right of association,

protected by the first amendment to the Constitution.

(b) PROHIBITION OF ACTIVITIES.—Nothing in this title shall be construed to prohibit, or to authorize any court to prohibit, lobbying activities or lobbying contacts by any person or entity, regardless of whether such person or entity is in compliance with the requirements of this title.

(c) AUDIT AND INVESTIGATIONS.—Nothing in this title shall be construed to grant general audit or investigative authority to the Secretary of the Senate or the Clerk of the House of Representatives.

SEC. 409. AMENDMENTS TO THE FOREIGN AGENTS REGISTRATION ACT.

The Foreign Agents Registration Act of 1938 (22 U.S.C. 611 et seq.) is amended—

(1) in section 1—

(A) by striking subsection (j);

(B) in subsection (o) by striking "the dissemination of political propaganda and any other activity which the person engaging therein believes will, or which he intends to, prevail upon, indoctrinate, convert, induce, persuade, or in any other way influence" and inserting "any activity that the person engaging in believes will, or that the person intends to, in any way influence";

(C) in subsection (p) by striking the semicolon and inserting a period; and

(D) by striking subsection (q);

(2) in section 3(g) (22 U.S.C. 613(g)), by striking "established agency proceedings, whether formal or informal." and inserting "judicial proceedings, criminal or civil law enforcement inquiries, investigations, or proceedings, or agency proceedings required by statute or regulation to be conducted on the record.";

(3) in section 3 (22 U.S.C. 613) by adding at the end the following:

"(h) Any agent of a person described in section 1(b)(2) or an entity described in section 1(b)(3) if the agent is required to register and does register under the Lobbying Disclosure Act of 1995 in connection with the agent's representation of such person or entity.";

(4) in section 4(a) (22 U.S.C. 614(a))—

(A) by striking "political propaganda" and inserting "informational materials"; and

(B) by striking "and a statement, duly signed by or on behalf of such an agent, setting forth full information as to the places, times, and extent of such transmittal";

(5) in section 4(b) (22 U.S.C. 614(b))—

(A) in the matter preceding clause (i), by striking "political propaganda" and inserting "informational materials"; and

(B) by striking "(i) in the form of prints, or" and all that follows through the end of the subsection and inserting "without placing in such informational materials a conspicuous statement that the materials are distributed by the agent on behalf of the foreign principal, and that additional information is on file with the Department of Justice, Washington, District of Columbia. The Attorney General may by rule define what constitutes a conspicuous statement for the purposes of this subsection.";

(6) in section 4(c) (22 U.S.C. 614(c)), by striking "political propaganda" and inserting "informational materials";

(7) in section 6 (22 U.S.C. 616)—

(A) in subsection (a) by striking "and all statements concerning the distribution of political propaganda";

(B) in subsection (b) by striking ", and one copy of every item of political propaganda"; and

(C) in subsection (c) by striking "copies of political propaganda,";

(8) in section 8 (22 U.S.C. 618)—

(A) in subsection (a)(2) by striking "or in any statement under section 4(a) hereof concerning the distribution of political propaganda"; and

(B) by striking subsection (d); and

(9) in section 11 (22 U.S.C. 621) by striking ", including the nature, sources, and content of political propaganda disseminated or distributed".

SEC. 410. AMENDMENTS TO THE BYRD AMENDMENT.

(a) REVISED CERTIFICATION REQUIREMENTS.—Section 1352(b) of title 31, United States Code, is amended—

(1) in paragraph (2) by striking subparagraphs (A), (B), and (C) and inserting the following:

"(A) the name of any registrant under the Lobbying Disclosure Act of 1995 who has made lobbying contacts on behalf of the person with respect to that Federal contract, grant, loan, or cooperative agreement; and

"(B) a certification that the person making the declaration has not made, and will not make, any payment prohibited by subsection (a).";

(2) in paragraph (3) by striking all that follows "loan shall contain" and inserting "the name of any registrant under the Lobbying Disclosure Act of 1995 who has made lobbying contacts on behalf of the person in connection with that loan insurance or guarantee."; and

(3) by striking paragraph (6) and redesignating paragraph (7) as paragraph (6).

(b) REMOVAL OF OBSOLETE REPORTING REQUIREMENT.—Section 1352 of title 31, United States Code, is further amended—

(1) by striking subsection (d); and

(2) by redesignating subsections (e), (f), (g), and (h) as subsections (d), (e), (f), and (g), respectively.

SEC. 411. REPEAL OF CERTAIN LOBBYING PROVISIONS.

(a) REPEAL OF THE FEDERAL REGULATION OF LOBBYING ACT.—The Federal Regulation of Lobbying Act (2 U.S.C. 261 et seq.) is repealed.

(b) REPEAL OF PROVISIONS RELATING TO HOUSING LOBBYIST ACTIVITIES.—

(1) Section 13 of the Department of Housing and Urban Development Act (42 U.S.C. 3537b) is repealed.

(2) Section 536(d) of the Housing Act of 1949 (42 U.S.C. 1490p(d)) is repealed.

SEC. 412. CONFORMING AMENDMENTS TO OTHER STATUTES.

(a) AMENDMENT TO COMPETITIVENESS POLICY COUNCIL ACT.—Section 5206(e) of the Competitiveness Policy Council Act (15 U.S.C. 4804(e)) is amended by inserting "or a lobbyist for a foreign entity (as the terms 'lobbyist' and 'foreign entity' are defined under section 3 of the Lobbying Disclosure Act of 1995)" after "an agent for a foreign principal".

(b) AMENDMENTS TO TITLE 18, UNITED STATES CODE.—Section 219(a) of title 18, United States Code, is amended—

(1) by inserting "or a lobbyist required to register under the Lobbying Disclosure Act of 1995 in connection with the representation of a foreign entity, as defined in section 3(7) of that Act" after "an agent of a foreign principal required to register under the Foreign Agents Registration Act of 1938"; and

(2) by striking out ", as amended,".

(c) AMENDMENT TO FOREIGN SERVICE ACT OF 1980.—Section 602(c) of the Foreign Service Act of 1980 (22 U.S.C. 4002(c)) is amended by inserting "or a lobbyist for a foreign entity (as defined in section 3(7) of the Lobbying Disclosure Act of 1995)" after "an agent of a foreign principal (as defined by section 1(b) of the Foreign Agents Registration Act of 1938)".

SEC. 413. IDENTIFICATION OF CLIENTS AND COVERED OFFICIALS.

(a) ORAL LOBBYING CONTACTS.—Any person or entity that makes an oral lobbying contact with a covered legislative branch official or a covered executive branch official shall, on the request of the official at the time of the lobbying contact—

(1) state whether the person or entity is registered under this Act and identify the client on whose behalf the lobbying contact is made; and

(2) state whether such client is a foreign entity and identify any foreign entity required to be disclosed under section 404(b)(4) that has a direct interest in the outcome of the lobbying activity.

(b) WRITTEN LOBBYING CONTACTS.—Any person or entity registered under this Act that makes a written lobbying contact (including an electronic communication) with a covered legislative branch official or a covered executive branch official shall—

(1) if the client on whose behalf the lobbying contact was made is a foreign entity, identify such client, state that the client is considered a foreign entity under this Act, and state whether the person making the lobbying contact is registered on behalf of that client under section 4; and

(2) identify any other foreign entity identified pursuant to section 404(b)(4) that has a direct interest in the outcome of the lobbying activity.

(c) IDENTIFICATION AS COVERED OFFICIAL.—Upon request by a person or entity making a lobbying contact, the individual who is contacted or the office employing that individual shall indicate whether or not the individual is a covered legislative branch official or a covered executive branch official.

SEC. 414. ESTIMATES BASED ON TAX REPORTING SYSTEM.

(a) ENTITIES COVERED BY SECTION 6033(b) OF THE INTERNAL REVENUE CODE OF 1986.—A registrant that is required to report and does report lobbying expenditures pursuant to section 6033(b)(8) of the Internal Revenue Code of 1986 may—

(1) make a good faith estimate (by category of dollar value) of applicable amounts that would be required to be disclosed under such section for the appropriate semiannual period to meet the requirements of sections 404(a)(3), 405(a)(2), and 405(b)(4); and

(2) in lieu of using the definition of "lobbying activities" in section 3(8) of this Act, consider as lobbying activities only those activities that are influencing legislation as defined in section 4911(d) of the Internal Revenue Code of 1986.

(b) ENTITIES COVERED BY SECTION 162(e) OF THE INTERNAL REVENUE CODE OF 1986.—A registrant that is subject to section 162(e) of the Internal Revenue Code of 1986 may—

(1) make a good faith estimate (by category of dollar value) of applicable amounts that would not be deductible pursuant to such section for the appropriate semiannual period to meet the requirements of sections 404(a)(3), 405(a)(2), and 405(b)(4); and

(2) in lieu of using the definition of "lobbying activities" in section 403(7) of this Act, consider as lobbying activities only those activities, the costs of which are not deductible pursuant to section 162(e) of the Internal Revenue Code of 1986.

(c) DISCLOSURE OF ESTIMATE.—Any registrant that elects to make estimates required by this Act under the procedures authorized by subsection (a) or (b) for reporting or threshold purposes shall—

(1) inform the Secretary of the Senate and the Clerk of the House of Representatives that the registrant has elected to make its estimates under such procedures; and

(2) make all such estimates, in a given calendar year, under such procedures.

(d) STUDY.—Not later than March 31, 1997, the Comptroller General of the United States shall review reporting by registrants under subsections (a) and (b) and report to the Congress—

(1) the differences between the definition of "lobbying activities" in section 403(7) and the definitions of "lobbying expenditures",

"influencing legislation", and related terms in sections 162(e) and 4911 of the Internal Revenue Code of 1986, as each are implemented by regulations;

(2) the impact that any such differences may have on filing and reporting under this Act pursuant to this subsection; and

(3) any changes to this Act or to the appropriate sections of the Internal Revenue Code of 1986 that the Comptroller General may recommend to harmonize the definitions.

SEC. 415. SEVERABILITY.

If any provision of this title, or the application thereof, is held invalid, the validity of the remainder of this title and the application of such provision to other persons and circumstances shall not be affected thereby.

SEC. 416. EFFECTIVE DATES.

(a) Except as otherwise provided in this section, this title and the amendments made by this title shall take effect, and shall be effective with respect to calendar years beginning on, January 1, 1996.

(b) The repeals and amendments made under sections 409, 410, and 411 shall take effect as provided under subsection (a), except that such repeals and amendments—

(1) shall not affect any proceeding or suit commenced before the effective date under subsection (a), and in all such proceedings or suits, proceedings shall be had, appeals taken, and judgments rendered in the same manner and with the same effect as if this Act had not been enacted; and

(2) shall not affect the requirements of Federal agencies to compile, publish, and retain information filed or received before the effective date of such repeals and amendments.

TITLE V—CONGRESSIONAL GIFT RULES

SEC. 501. AMENDMENT TO HOUSE RULES.

Clause 4 of rule XLIII of the Rules of the House of Representatives is amended to read as follows:

"4. (a)(1) No Member, officer, or employee of the House of Representatives shall knowingly accept a gift except as provided in this rule.

"(2) A Member, officer, or employee may accept a gift (other than cash or cash equivalent) which the Member, officer, or employee reasonably and in good faith believes to have a value of less than $50, and a cumulative value from one source during a calendar year of less than $100. No gift with a value below $10 shall count toward the $100 annual limit. No formal recordkeeping is required by this paragraph, but a Member, officer, or employee shall make a good faith effort to comply with this paragraph.

"(b)(1) For the purpose of this rule, the term 'gift' means any gratuity, favor, discount, entertainment, hospitality, loan, forbearance, or other item having monetary value. The term includes gifts of services, training, transportation, lodging, and meals, whether provided in kind, by purchase of a ticket, payment in advance, or reimbursement after the expense has been incurred.

"(2)(A) A gift to a family member of a Member, officer, or employee, or a gift to any other individual based on that individual's relationship with the Member, officer, or employee, shall be considered a gift to the Member, officer, or employee if it is given with the knowledge and acquiescence of the Member, officer, or employee and the Member, officer, or employee has reason to believe the gift was given because of the official position of the Member, officer, or employee.

"(B) If food or refreshment is provided at the same time and place to both a Member, officer, or employee and the spouse or dependent thereof, only the food or refreshment provided to the Member, officer, or employee shall be treated as a gift for purposes of this rule.

"(c) The restrictions in subparagraph (a) shall not apply to the following:

"(1) Anything for which the Member, officer, or employee pays the market value, or does not use and promptly returns to the donor.

"(2) A contribution, as defined in the Federal Election Campaign Act of 1971 (2 U.S.C. 431 et seq.) that is lawfully made under that Act, or attendance at a fundraising event sponsored by a political organization described in section 527(e) of the Internal Revenue Code of 1986.

"(3) A gift from a relative as described in section 107(2) of title I of the Ethics in Government Act of 1978 (Public Law 95-521).

"(4)(A) Anything provided by an individual on the basis of a personal friendship unless the Member, officer, or employee has reason to believe that, under the circumstances, the gift was provided because of the official position of the Member, officer, or employee and not because of the personal friendship.

"(B) In determining whether a gift is provided on the basis of personal friendship, the Member, officer, or employee shall consider the circumstances under which the gift was offered, such as:

"(i) The history of the relationship between the individual giving the gift and the recipient of the gift, including any previous exchange of gifts between such individuals.

"(ii) Whether to the actual knowledge of the Member, officer, or employee the individual who gave the gift personally paid for the gift or sought a tax deduction or business reimbursement for the gift.

"(iii) Whether to the actual knowledge of the Member, officer, or employee the individual who gave the gift also at the same time gave the same or similar gifts to other Members, officers, or employees.

"(5) Except as provided in paragraph 3(c), a contribution or other payment to a legal expense fund established for the benefit of a Member, officer, or employee, that is otherwise lawfully made, if the person making the contribution or payment is identified for the Committee of Standards of Official Conduct and complies with other disclosure requirements established by such Committee.

"(6) Any gift from another Member, officer, or employee of the Senate or the House of Representatives.

"(7) Food, refreshments, lodging, and other benefits—

"(A) resulting from the outside business or employment activities (or other outside activities that are not connected to the duties of the Member, officer, or employee as an officeholder) of the Member, officer, or employee, or the spouse of the Member, officer, or employee, if such benefits have not been offered or enhanced because of the official position of the Member, officer, or employee and are customarily provided to others in similar circumstances;

"(B) customarily provided by a prospective employer in connection with bona fide employment discussions; or

"(C) provided by a political organization described in section 527(e) of the Internal Revenue Code of 1986 in connection with a fundraising or campaign event sponsored by such an organization.

"(8) Pension and other benefits resulting from continued participation in an employee welfare and benefits plan maintained by a former employer.

"(9) Informational materials that are sent to the office of the Member, officer, or employee in the form of books, articles, periodicals, other written materials, audiotapes, videotapes, or other forms of communication.

"(10) Awards or prizes which are given to competitors in contests or events open to the public, including random drawings.

"(11) Honorary degrees (and associated travel, food, refreshments, and entertainment) and other bona fide, nonmonetary awards presented in recognition of public service (and associated food, refreshments, and entertainment provided in the presentation of such degrees and awards).

"(12) Donations of products from the State that the Member represents that are intended primarily for promotional purposes, such as display or free distribution, and are of minimal value to any individual recipient.

"(13) Training (including food and refreshments furnished to all attendees as an integral part of the training) provided to a Member, officer, or employee, if such training is in the interest of the House of Representatives.

"(14) Bequests, inheritances, and other transfers at death.

"(15) Any item, the receipt of which is authorized by the Foreign Gifts and Decorations Act, the Mutual Educational and Cultural Exchange Act, or any other statute.

"(16) Anything which is paid for by the Federal Government, by a State or local government, or secured by the Government under a Government contract.

"(17) A gift of personal hospitality (as defined in section 109(14) of the Ethics in Government Act) of an individual other than a registered lobbyist or agent of a foreign principal.

"(18) Free attendance at a widely attended event permitted pursuant to subparagraph (d).

"(19) Opportunities and benefits which are—

"(A) available to the public or to a class consisting of all Federal employees, whether or not restricted on the basis of geographic consideration;

"(B) offered to members of a group or class in which membership is unrelated to congressional employment;

"(C) offered to members of an organization, such as an employees' association or congressional credit union, in which membership is related to congressional employment and similar opportunities are available to large segments of the public through organizations of similar size;

"(D) offered to any group or class that is not defined in a manner that specifically discriminates among Government employees on the basis of branch of Government or type of responsibility, or on a basis that favors those of higher rank or rate of pay;

"(E) in the form of loans from banks and other financial institutions on terms generally available to the public; or

"(F) in the form of reduced membership or other fees for participation in organization activities offered to all Government employees by professional organizations if the only restrictions on membership relate to professional qualifications.

"(20) A plaque, trophy, or other item that is substantially commemorative in nature and which is intended solely for presentation.

"(21) Anything for which, in an unusual case, a waiver is granted by the Committee on Standards of Official Conduct.

"(22) Food or refreshments of a nominal value offered other than as a part of a meal.

"(23) An item of little intrinsic value such as a greeting card, baseball cap, or a T-shirt.

"(d)(1) A Member, officer, or employee may accept an offer of free attendance at a widely attended convention, conference, symposium, forum, panel discussion, dinner, viewing, reception, or similar event, provided by the sponsor of the event, if—

"(A) the Member, officer, or employee participates in the event as a speaker or a panel participant, by presenting information related to Congress or matters before Congress, or by performing a ceremonial function appropriate to the Member's, officer's, or employee's official position; or

"(B) attendance at the event is appropriate to the performance of the official duties or representative function of the Member, officer, or employee.

"(2) A Member, officer, or employee who attends an event described in clause (1) may accept a sponsor's unsolicited offer of free attendance at the event for an accompanying individual if others in attendance will generally be similarly accompanied or if such attendance is appropriate to assist in the representation of the House of Representatives.

"(3) A Member, officer, or employee, or the spouse or dependent thereof, may accept a sponsor's unsolicited offer of free attendance at a charity event, except that reimbursement for transportation and lodging may not be accepted in connection with an event that does not meet the standards provided in paragraph 2.

"(4) For purposes of this paragraph, the term 'free attendance' may include waiver of all or part of a conference or other fee, the provision of local transportation, or the provision of food, refreshments, entertainment, and instructional materials furnished to all attendees as an integral part of the event. The term does not include entertainment collateral to the event, nor does it include food or refreshments taken other than in a group setting with all or substantially all other attendees.

"(e) No Member, officer, or employee may accept a gift the value of which exceeds $250 on the basis of the personal friendship exception in subparagraph (c)(4) unless the Committee on Standards of Official Conduct issues a written determination that such exception applies. No determination under this subparagraph is required for gifts given on the basis of the family relationship exception.

"(f) When it is not practicable to return a tangible item because it is perishable, the item may, at the discretion of the recipient, be given to an appropriate charity or destroyed.

"2. (a)(1) A reimbursement (including payment in kind) to a Member, officer, or employee from an individual other than a registered lobbyist or agent of a foreign principal for necessary transportation, lodging and related expenses for travel to a meeting, speaking engagement, factfinding trip or similar event in connection with the duties of the Member, officer, or employee as an officeholder shall be deemed to be a reimbursement to the House of Representatives and not a gift prohibited by this rule, if the Member, officer, or employee—

"(A) in the case of an employee, receives advance authorization, from the Member or officer under whose direct supervision the employee works, to accept reimbursement, and

"(B) discloses the expenses reimbursed or to be reimbursed and the authorization to the Clerk of the House of Representatives within 30 days after the travel is completed.

"(2) For purposes of clause (1), events, the activities of which are substantially recreational in nature, shall not be considered to be in connection with the duties of a Member, officer, or employee as an officeholder.

"(b) Each advance authorization to accept reimbursement shall be signed by the Member or officer under whose direct supervision the employee works and shall include—

"(1) the name of the employee;

"(2) the name of the person who will make the reimbursement;

"(3) the time, place, and purpose of the travel; and

"(4) a determination that the travel is in connection with the duties of the employee as an officeholder and would not create the appearance that the employee is using public office for private gain.

"(c) Each disclosure made under subparagraph (a)(1) of expenses reimbursed or to be reimbursed shall be signed by the Member or officer (in the case of travel by that Member or officer) or by the Member or officer under whose direct supervision the employee works (in the case of travel by an employee) and shall include—

"(1) a good faith estimate of total transportation expenses reimbursed or to be reimbursed;

"(2) a good faith estimate of total lodging expenses reimbursed or to be reimbursed;

"(3) a good faith estimate of total meal expenses reimbursed or to be reimbursed;

"(4) a good faith estimate of the total of other expenses reimbursed or to be reimbursed;

"(5) a determination that all such expenses are necessary transportation, lodging, and related expenses as defined in this paragraph; and

"(6) in the case of a reimbursement to a Member or officer, a determination that the travel was in connection with the duties of the Member or officer as an officeholder and would not create the appearance that the Member or officer is using public office for private gain.

"(d) For the purposes of this paragraph, the term 'necessary transportation, lodging, and related expenses'—

"(1) includes reasonable expenses that are necessary for travel for a period not exceeding 3 days exclusive of travel time within the United States or 7 days exclusive of travel time outside of the United States unless approved in advance by the Committee on Standards of Official Conduct;

"(2) is limited to reasonable expenditures for transportation, lodging, conference fees and materials, and food and refreshments, including reimbursement for necessary transportation, whether or not such transportation occurs within the periods described in clause (1);

"(3) does not include expenditures for recreational activities, not roes it include entertainment other than that provided to all attendees as an integral part of the event, except for activities or entertainment otherwise permissible under this rule; and

"(4) may include travel expenses incurred on behalf of either the spouse or a child of the Member, officer, or employee, subject to a determination signed by the Member or officer (or in the case of an employee, the Member or officer under whose direct supervision the employee works) that the attendance of the spouse or child is appropriate to assist in the representation of the House of Representatives.

"(e) The Clerk of the House of Representatives shall make available to the public all advance authorizations and disclosures of reimbursement filed pursuant to subparagraph (a) as soon as possible after they are received.

"3. A gift prohibited by paragraph 1(a) includes the following:

"(a) Anything provided by a registered lobbyist or an agent of a foreign principal to an entity that is maintained or controlled by a Member, officer, or employee.

"(b) A charitable contribution (as defined in section 170(c) of the Internal Revenue Code of 1986) made by a registered lobbyist or an agent of a foreign principal on the basis of a designation, recommendation, or other specification of a Member, officer, or employee (not including a mass mailing or other solicitation directed to a broad category of persons or entities), other than a charitable contribution permitted by paragraph 4.

"(c) A contribution or other payment by a registered lobbyist or an agent of a foreign principal to a legal expense fund established for the benefit of a Member, officer, or employee.

"(d) A financial contribution or expenditure made by a registered lobbyist or an agent of a foreign principal relating to a conference, retreat, or similar event, sponsored by or affiliated with an official congressional organization, for or on behalf of Members, officers, or employees.

"4. (a) A charitable contribution (as defined in section 170(c) of the Internal Revenue Code of 1986) made by a registered lobbyist or an agent of a foreign principal in lieu of an honorarium to a Member, officer, or employee shall not be considered a gift under this rule if it is reported as provided in subparagraph (b).

"(b) A Member, officer, or employee who designates or recommends a contribution to a charitable organization in lieu of honoraria described in subparagraph (a) shall report within 30 days after such designation or recommendation to the Clerk of the House of Representatives—

"(1) the name and address of the registered lobbyist who is making the contribution in lieu of honoraria;

"(2) the date and amount of the contribution; and

"(3) the name and address of the charitable organization designated or recommended by the Member.

The Clerk of the House of Representatives shall make public information received pursuant to this subparagraph as soon as possible after it is received.

"5. For purposes of this rule—

"(a) the term 'registered lobbyist' means a lobbyist registered under the Federal Regulation of Lobbying Act or any successor statute; and

"(b) the term 'agent of a foreign principal' means an agent of a foreign principal registered under the Foreign Agents Registration Act.

"6. All the provisions of this rule shall be interpreted and enforced solely by the Committee on Standards of Official Conduct. The Committee on Standards of Official Conduct is authorized to issue guidance on any matter contained in this rule.".

SEC. 502. EFFECTIVE DATE.

The amendments made by this title shall take effect, and shall be effective with respect to calendar years beginning on, January 1, 1996.

Mr. Speaker, I want to thank both the chairman and ranking member of the Legislative Branch Subcommittee for their very hard work on this bill. I know their task has been very difficult; I only hope that the cuts made to the operations of the Congress will not, in the long-run, inhibit our ability to do the people's business.

I include the following additional material for the RECORD.

FLOOR PROCEDURE IN THE 104TH CONGRESS; COMPILED BY THE RULES COMMITTEE DEMOCRATS

Bill No.	Title	Resolution No.	Process used for floor consideration	Amendments in order
H.R. 1*	Compliance	H. Res. 6	Closed	None.
H. Res. 6	Opening Day Rules Package	H. Res. 5	Closed; contained a closed rule on H.R. 1 within the closed rule	None.
H.R. 5*	Unfunded Mandates	H. Res. 38	Restrictive; Motion adopted over Democratic objection in the Committee of the Whole to limit debate on section 4; Pre-printing gets preference.	N/A.
H.J. Res. 2*	Balanced Budget	H. Res. 44	Restrictive; only certain substitutes	2R; 4D.
H. Res. 43	Committee Hearings Scheduling	H. Res. 43 (OJ)	Restrictive; considered in House no amendments	N/A.
H.R. 2*	Line Item Veto	H. Res. 55	Open; Pre-printing gets preference	N/A.
H.R. 665*	Victim Restitution Act of 1995	H. Res. 61	Open; Pre-printing gets preference	N/A.
H.R. 666*	Exclusionary Rule Reform Act of 1995	H. Res. 60	Open; Pre-printing gets preference	N/A.
H.R. 667*	Violent Criminal Incarceration Act of 1995	H. Res. 63	Restrictive; 10 hr. Time Cap on amendments	N/A.
H.R. 668*	The Criminal Alien Deportation Improvement Act	H. Res. 69	Open; Pre-printing gets preference; Contains self-executing provision	N/A.
H.R. 728*	Local Government Law Enforcement Block Grants	H. Res. 79	Restrictive; 10 hr. Time Cap on amendments; Pre-printing gets preference	N/A.
H.R. 7*	National Security Revitalization Act	H. Res. 83	Restrictive; 10 hr. Time Cap on amendments; Pre-printing gets preference	N/A.
H.R. 729*	Death Penalty/Habeas	N/A	Restrictive; brought up under UC with a 6 hr. time cap on amendments	N/A.
S. 2	Senate Compliance	N/A	Closed; Put on Suspension Calendar over Democratic objection	None.
H.R. 831	To Permanently Extend the Health Insurance Deduction for the Self-Employed.	H. Res. 88	Restrictive; makes in order only the Gibbons amendment; Waives all points of order; Contains self-executing provision.	1D.
H.R. 830*	The Paperwork Reduction Act	H. Res. 91	Open	N/A.
H.R. 889	Emergency Supplemental/Rescinding Certain Budget Authority	H. Res. 92	Restrictive; makes in order only the Obey substitute	1D.
H.R. 450*	Regulatory Moratorium	H. Res. 93	Restrictive; 10 hr. Time Cap on amendments; Pre-printing gets preference	N/A.
H.R. 1022*	Risk Assessment	H. Res. 96	Restrictive; 10 hr. Time Cap on amendments	N/A.
H.R. 926*	Regulatory Flexibility	H. Res. 100	Open	N/A.
H.R. 925*	Private Property Protection Act	H. Res. 101	Restrictive; 12 hr. time cap on amendments; Requires Members to pre-print their amendments in the Record prior to the bill's consideration for amendment, waives germaneness and budget act points of order as well as points of order concerning appropriating on a legislative bill against the committee substitute used as base text.	1D.
H.R. 1058*	Securities Litigation Reform Act	H. Res. 105	Restrictive; 8 hr. time cap on amendments; Pre-printing gets preference; Makes in order the Wyden amendment and waives germaneness against it.	1D.
H.R. 988*	The Attorney Accountability Act of 1995	H. Res. 104	Restrictive; 7 hr. time cap on amendments; Pre-printing gets preference	N/A.
H.R. 956*	Product Liability and Legal Reform Act	H. Res. 109	Restrictive; makes in order only 15 germane amendments and denies 64 germane amendments from being considered.	8D; 7R.
H.R. 1158	Making Emergency Supplemental Appropriations and Rescissions	H. Res. 115	Restrictive; Combines emergency H.R. 1158 & nonemergency 1159 and strikes the abortion provision; makes in order only pre-printed amendments that include offsets within the same chapter (deeper cuts in programs already cut); waives points of order against three amendments; waives cl 2 of rule XXI against the bill, cl 2, XXI and cl 7 of rule XVI against the substitute; waives cl 2(e) od rule XXI against the amendments in the Record; 10 hr time cap on amendments. 30 minutes debate on each amendment.	N/A.
H.J. Res. 73*	Term Limits	H. Res. 116	Restrictive; Makes in order only 4 amendments considered under a "Queen of the Hill" procedure and denies 21 germane amendments from being considered.	1D; 3R
H.R. 4*	Welfare Reform	H. Res. 119	Restrictive; Makes in order only 31 perfecting amendments and two substitutes; Denies 130 germane amendments from being considered; The substitutes are to be considered under a "Queen of the Hill" procedure; All points of order are waived against the amendments.	5D; 26R.
H.R. 1271*	Family Privacy Act	H. Res. 125	Open	N/A.
H.R. 660*	Housing for Older Persons Act	H. Res. 126	Open	N/A.
H.R. 1215*	The Contract With America Tax Relief Act of 1995	H. Res. 129	Restrictive; Self Executes language that makes tax cuts contingent on the adoption of a balanced budget plan and strikes section 3006. Makes in order only one substitute. Waives all points of order against the bill, substitute made in order as original text and Gephardt substitute.	1D.
H.R. 483	Medicare Select Extension	H. Res. 130	Restrictive; waives cl 2(1)(6) of rule XI against the bill; makes H.R. 1391 in order as original text; makes in order only the Dingell substitute; allows Commerce Committee to file a report on the bill at any time.	1D.
H.R. 655	Hydrogen Future Act	H. Res. 136	Open	N/A.
H.R. 1361	Coast Guard Authorization	H. Res. 139	Open; waives sections 302(f) and 308(a) of the Congressional Budget Act against the bill's consideration and the committee substitute; waives cl 5(a) of rule XXI against the committee substitute.	N/A.
H.R. 961	Clean Water Act	H. Res. 140	Open; pre-printing gets preference; waives sections 302(f) and 602(b) of the Budget Act against the bill's consideration; waives cl 7 of rule XVI, cl 5(a) of rule XXI and section 302(f) of the Budget Act against the committee substitute. Makes in order Shuster substitute as first order of business.	N/A.
H.R. 535	Corning National Fish Hatchery Conveyance Act	H. Res. 144	Open	N/A.
H.R. 584	Conveyance of the Fairport National Fish Hatchery to the State of Iowa.	H. Res. 145	Open	N/A.
H.R. 614	Conveyance of the New London National Fish Hatchery Production Facility.	H. Res. 146	Open	N/A.
H. Con. Res. 67	Budget Resolution	H. Res. 149	Restrictive; Makes in order 4 substitutes under regular order; Gephardt, Neumann/Solomon, Payne/Owens, President's Budget if printed in Record on 5/17/95; waives all points of order against substitutes and concurrent resolution; suspends application of Rule XLIX with respect to the resolution; self-executes Agriculture language.	3D; 1R.
H.R. 1561	American Overseas Interests Act of 1995	H. Res. 155	Restrictive; Requires amendments to be printed in the Record prior to their consideration; 10 hr. time cap; waives cl 2(1)(6) of rule XI against the bill's consideration; Also waives sections 302(f), 303(a), 308(a) and 402(a) against the bill's consideration and the committee amendment in order as original text; waives cl 5(a) of rule XXI against the amendment; amendment consideration is closed at 2:30 p.m. on May 25, 1995. Self-executes provision which removes section 2210 from the bill. This was done at the request of the Budget Committee.	N/A.
H.R. 1530	National Defense Authorization Act FY 1996	H. Res. 164	Restrictive; Makes in order only the amendments printed in the report; waives all points of order against the bill, substitute and amendments printed in the report. Gives the Chairman en bloc authority. Self-executes a provision which strikes section 807 of the bill; provides for an additional 30 min. of debate on Nunn-Lugar section; Allows Mr. Clinger to offer a modification of his amendment with the concurrence of Ms. Collins.	36R; 18D; 2 Bipartisan.
H.R. 1817	Military Construction Appropriations; FY 1996	H. Res. 167	Open; waives cl. 2 and cl. 6 of rule XXI against the bill; 1 hr. general debate; Uses House passed budget numbers as threshold for spending amounts pending passage of Budget.	N/A.
H.R. 1854	Legislative Branch Appropriations	H. Res. 169	Restrictive; Makes in order only 11 amendments; waives sections 302(f) and 308(a) of the Budget Act against the bill and cl. 2 and cl. 6 of rule XXI against the bill. All points of order are waived against the amendments.	5R; 4D; 2 Bipartisan.
H.R. 1868	Foreign Operations Appropriations	H. Res. 170	Open; waives cl. 2, cl. 5(b), and cl. 6 of rule XXI against the bill; makes in order the Gilman amendments as first order of business; waives all points of order against the amendments; if adopted they will be considered as original text; waives cl. 2 of rule XXI against the amendments printed in the report. Pre-printing gets priority (Hall) (Menendez) (Goss) (Smith, NJ).	N/A.
H.R. 1905	Energy & Water Appropriations	H. Res. 171	Open; waives cl. 2 and cl. 6 of rule XXI against the bill; makes in order the Shuster amendment as the first order of business; waives all points of order against the amendment; if adopted it will be considered as original text. Pre-printing gets priority.	N/A.
H.J. Res. 79	Constitutional Amendment to Permit Congress and States to Prohibit the Physical Desecration of the American Flag.	H. Res. 173	Closed; provides one hour of general debate and one motion to recommit with or without instructions; if there are instructions, the MO is debatable for 1 hr.	N/A.
H.R. 1944	Recissions Bill	H. Res. 175	Restrictive; Provides for consideration of the bill in the House; Permits the Chairman of the Appropriations Committee to offer one amendment which is unamendable; waives all points of order against the amendment.	N/A.
H.R. 1868 (2nd rule)	Foreign Operations Appropriations	H. Res. 177	Restrictive; Provides for further consideration of the bill; makes in order only the four amendments printed in the rules report (20 min each). Waives all points of order against the amendments; Prohibits intervening motions in the Committee of the Whole; Provides for an automatic rise and report following the disposition of the amendments.	N/A.

FLOOR PROCEDURE IN THE 104TH CONGRESS; COMPILED BY THE RULES COMMITTEE DEMOCRATS—Continued

Bill No.	Title	Resolution No.	Process used for floor consideration	Amendments in order
H.R. 70	Exports of Alaskan North Slope Oil	H. Res. 197	Open; Makes in order the Resources Committee amendment in the nature of a substitute as original text; Pre-printing gets priority; Provides a Senate hook-up with S. 395.	N/A.
H.R. 2076	Commerce, Justice Appropriations	H. Res. 198	Open; waives cl. 2 and cl. 6 of rule XXI against provisions in the bill; Pre-printing gets priority; provides the bill be read by title..	N/A.
H.R. 2099	VA/HUD Appropriations	H. Res. 201	Open; waives cl. 2 and cl. 6 of rule XXI against provisions in the bill; Provides that the amendment in part 1 of the report is the first business, if adopted it will be considered as base text (30 min); waives all points of order against the Klug and Davis amendments; Pre-printing gets priority; Provides that the bill be read by title.	N/A.
S. 21	Termination of U.S. Arms Embargo on Bosnia	H. Res. 204	Restrictive; 3 hours of general debate; Makes in order an amendment to be offered by the Minority Leader or a designee (1 hr); If motion to recommit has instructions it can only be offered by the Minority Leader or a designee.	1D.
H.R. 2126	Defense Appropriations	H. Res. 205	Open; waives cl. 2(l)(6) of rule XI and section 306 of the Congressional Budget Act against consideration of the bill; waives cl. 2 and cl. 6 of rule XXI against provisions in the bill; self-executes a strike of sections 8021 and 8024 of the bill as requested by the Budget Committee; Pre-printing gets priority; Provides the bill be read by title.	N/A.
H.R. 1555	Communications Act of 1995	H. Res. 207	Restrictive; waives sec. 302(f) of the Budget Act against consideration of the bill; Makes in order the Commerce Committee amendment as original text and waives sec. 302(f) of the Budget Act and cl. 5(a) of rule XXI against the amendment; Makes in order the Bliely amendment (30 min) as the first order of business, if adopted it will be original text; makes in order only the amendments printed in the report and waives all points of order against the amendments; provides a Senate hook-up with S. 652.	2R/3D/3 Bipartisan.
H.R. 1977 *Rule Defeated*	Interior Appropriations	H. Res. 185	Open; waives sections 302(f) and 308(a) of the Budget Act and cl 2 and cl 6 of rule XXI; provides that the bill be read by title; waives all points of order against the Tauzin amendment; self-executes Budget Committee amendment; waives cl 2(e) of rule XXI against amendments to the bill; Pre-printing gets priority.	N/A.
H.R. 1977	Interior Appropriations	H.Res. 187	Open; waives sections 302(f), 306 and 308(a) of the Budget Act; waives clauses 2 and 6 of rule XXI against provisions in the bill; waives all points of order against the Tauzin amendment; provides that the bill be read by title; self-executes Budget Committee amendment and makes NEA funding subject to House passed authorization; waives cl 2(e) of rule XXI against the amendments to the bill; Pre-printing gets priority.	N/A.
H.R. 1976	Agriculture Appropriations	H. Res. 188	Open; waives clauses 2 and 6 of rule XXI against provisions in the bill; provides that the bill be read by title; Makes Skeen amendment first order of business, if adopted the amendment will be considered as base text (10 min.); Pre-printing gets priority.	N/A.
H.R. 1977 (3rd rule)	Interior Appropriations	H. Res. 189	Restrictive; provides for the further consideration of the bill; allows only amendments pre-printed before July 14th to be considered; limits motions to rise.	N/A.
H.R. 2020	Treasury Postal Appropriations	H. Res. 190	Open; waives cl. 2 and cl. 6 of rule XXI against provisions in the bill; provides the bill be read by title; Pre-printing gets priority.	N/A.
H.J. Res. 96	Disapproving MFN for China	H. Res. 193	Restrictive; provides for consideration in the House of H.R. 2058 (90 min.) And H.J. Res. 96 (1 hr). Waives certain provisions of the Trade Act.	N/A.
H.R. 2002	Transportation Appropriations	H. Res. 194	Open; waives cl. 3 of rule XIII and section 401 (a) of the CBA against consideration of the bill; waives cl. 6 and cl. 2 of rule XXI against provisions in the bill; Makes in order the Clinger/Solomon amendment waives all points of order against the amendment (Line Item Veto); provides the bill be read by title; Pre-printing gets priority. *RULE AMENDED*	N/A.
H.R. 2127	Labor/HHS Appropriations Act	H. Res. 208	Open; Provides that the first order of business will be the managers amendments (10 min), if adopted they will be considered as base text; waives cl. 2 and cl. 6 of rule XXI against provisions in the bill; waives all points of order against certain amendments printed in the report; Pre-printing gets priority; Provides the bill be read by title.	

*Contract Bills, 67% restrictive; 33% open. **All legislation, 58% restrictive; 42% open. ***Restrictive rules are those which limit the number of amendments which can be offered, and include so called modified open and modified closed rules as well as completely closed rules and rules providing for consideration in the House as opposed to the Committee of the Whole. This definition of restrictive rule is taken from the Republican chart of resolutions reported from the Rules Committee in the 103rd Congress. ****Not included in this chart are three bills which should have been placed on the Suspension Calendar. H.R. 101, H.R. 400, H.R. 440.

Mr. Speaker, I reserve the balance of my time.

Mr. DIAZ-BALART. Mr. Speaker, I yield such time as he may consume to the distinguished gentleman from New York [Mr. SOLOMON], chairman of the Committee on Rules.

Mr. SOLOMON. Mr. Speaker, I thank the gentleman from Miami, FL for yielding me this time. Ordinarily I would not take the time of this House to speak on a rather routine rule that simply allows us to consider a conference report.

However, I feel compelled to do so because the minority is trying to convert this rule debate into something that it is not, should not be, and cannot be under the rules of this House.

What the minority is proposing is that we defeat the previous question so that we can consider a nongermane substitute rule.

It is just that simple, it is just that ridiculous, it is just that outrageous, and it is just that futile.

The rule before us simply waives points of order against the conference report on the legislative branch appropriations bill.

The rule the minority Democrats would like to offer if they defeat the previous question would do much more than that. It would deem the conference report to be rejected and would then make it in order to take the House-passed bill from the Speaker's table with Senate amendments thereto, and substitute the conference language with further amendments—one of which is completely nongermane to that conference language.

But even if the additional language were germane to the conference report, the substitute rule itself is nongermane to the reported rule because it goes beyond waiving points of order on the conference report—it attempts to provide for the consideration of another matter by another procedure.

In other words, even if the minority were to succeed in defeating the previous question, their substitute rule would be ruled out of order on a germaneness point or order.

It is not germane to a rule waiving points of order to provide for the consideration of another matter using another procedure.

And here I cite Cannon's Precedents, volume 8, section 2956; Hinds' Precedents, volume 5, sections 5834–36; and Deschler-Brown's Precedents, volume 10, chapter 28, section 17.3, 17.4, and 17.5.

The precedents are clear on this. The minority knows this is the case. They tried this same ploy back on March 30th of this year on H.R. 831, the bill providing a health insurance tax deduction for the self-employed.

We got an advisory reading from the Parliamentarians at that time, just as we have on this occasion. That reading is that this is a nongermane substitute rule—plain and simple.

And yet the minority Democrats still insist on going through these meaningless procedural hoops that will get them absolutely nowhere. This is not just an exercise in futility. It is a political sham, a partisan charade, and a hollow gesture—all signifying nothing.

Moreover, by pursuing a procedural strategy that is clearly in violation of House rules and therefore cannot succeed under any circumstances, the minority Democrats are engaging in a cynical ploy by pretending to do something they know they cannot do.

Mr. Speaker, it is high time that we blew that whistle on such tactics as knowingly and willfully attempting to mislead the American people.

In conclusion, Mr. Speaker, the proposed substitute rule the minority would like to offer is nongermane on two counts. First, it attempts to make in order a nongermane procedure; and second, it attempts to make in order a nongermane amendment under that nongermane procedure.

Being knowingly guilty on one count is shameful; being knowingly guilty on two counts is downright shameful and deserves to be punished by the overwhelming adoption of the previous question on this rule.

I just want to commend the chairman and the subcommittee chairman of the Committee on Appropriations for bringing this bill to the floor because it does set the example for this Congress with all the other agencies, bureaus, departments of the Federal Government that are going to have to tighten their belt. We are doing it. With our help we expect the rest of the agencies to live up to the same thing so we can deal with the most important problem facing this Nation, and that is the terrible deficit that is literally turning this Nation into a bankrupt debtor nation.

Mr. Speaker, I urge passage of the previous question and the rule.

□ 1615

Mr. FROST. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, some people viewing this proceeding, Members listening in the Chamber, certainly are aware that the United We Stand organization had a meeting during the break in my hometown of Dallas, TX. I went to that meeting and I had to regretfully tell the members of that organization that the majority leadership in the House of Representatives was stonewalling on the lobby reform issue, would not let us bring it up for a vote. I regretted that I had to communicate that to them.

We tried to offer this on the first day of the session, and we were prevented from offering this in January. I tried to offer this in the Committee on Rules, waiving points of order, so that it clearly would have been in order, and I was voted down on a strict partisan vote in the Committee on Rules.

Mr. Speaker, my only point is that the majority leadership in the House does not want this issue to come up, will not permit the lobbying gift ban to come up, and it is very unfortunate and I regretted that I had to inform the United We Stand organization of that.

Mr. Speaker, I reserve the balance of my time.

Mr. DIAZ-BALART. Mr. Speaker, I yield 2 minutes to the gentleman from California [Mr. PACKARD], the distinguished subcommittee chairman.

Mr. PACKARD. Mr. Speaker, I want to thank the gentleman from Florida for yielding time to me.

Mr. Speaker, I will take time during the debate on the conference report itself to explain the bill, so I do not intend to do that at this time. I simply want to respond to the effort that is being made to put the gift ban issue onto this conference report.

Mr. Speaker, the gift ban issue is a very serious issue. It certainly demands and deserves a great deal of debate. To put anything of this consequence, which consists of 51 pages of legislation into the confines of a very limited debate during this conference report would be an absolute mistake. It ought to stand on its own; it ought to be debated on its own. It certainly should not be put on as a rider to a conference report that has 1 hour of debate on the rule and 1 hour of debate on the report itself. It is an issue of such great consequence that it ought to have much more than that. So I would strongly urge the Members to not vote to allow this to go onto this conference report without the opportunity to have extensive debate and extensive review.

Mr. FROST. Mr. Speaker, for purposes of debate only, I yield 3 minutes to the gentleman from California [Mr. FAZIO], the ranking member of this subcommittee.

Mr. FAZIO of California. Mr. Speaker, I want to thank my friend from Texas for yielding me this time and indicate my congratulations to the gentleman from California [Mr. PACKARD], who brings this conference report to the floor, for the fine job that he has done in general during his first year as chairman of this subcommittee. But I regret that I have to stand in opposition to the previous question, in hopes that this body will take the opportunity when it deals with the budget of the legislative branch to deal with something that we have far too long neglected, certainly in this Congress, and frankly, in prior Congresses, to deal with, and that is the need to adopt strong lobby reform and gift ban legislation.

The House twice approved strong lobby reform and gift reform in the 103d Congress by 3-to-1 bipartisan majorities. The Republicans sadly filibustered it in the Senate at the end of the last session of Congress in order to deprive the President and the Democratic majority of having a political victory on something that had been worked out in great detail.

Regrettably, as the gentleman from Texas [Mr. FROST] has already indicated, despite the effort to speak to the Perot movement in this country, the gentleman from Texas [Mr. ARMEY] and the Speaker have stonewalled lobbying and gift reform for the 7 months we have been here. There was no willingness to deal with it during the reforms that were engaged in, far less significant reforms, on the first day of this session. And now, despite our efforts to speak to this group of people in our society, we continue to avoid dealing with the responsibility of having to reform the way we go about dealing with lobbyists, the way we go about dealing in our interrelationships with those who would lobby us or give us gifts.

Mr. Speaker, the Senate has passed lobby reform and a gift ban unanimously, something I never thought could possibly occur. The House should now join the executive branch and the Senate and do the same.

Mr. Speaker, the issues are well known. This conference report provides an excellent opportunity to deal legislatively with both of these issues in an expeditious fashion.

Lobby provisions that are included in this motion are identical to what the Senate has done, and that is appropriate. We need a commonly understood statute that would affect the enormous loopholes that have existed in the 1946 Lobbying Act that have permitted a situation in which fewer than 4,000 of the estimated 13,500 known Washington lobbyists are registered with this Congress. We need to close that loophole. We need to make sure, on the other hand, that the unpaid grassroots activities are completely exempt from this new requirement, and so those who opposed this bill last year because of opposition from the so-called Christian coalition should be comfortable to understand that advocacy by churches and religious groups are exempted in this bill that the Senate has adopted.

The gift restrictions are identical to the Senate-passed provisions and mirror restrictions that now apply to Members of the executive branch. Any gift over $10 counts toward a $100 annual limit per Member, or per staff, per lobbyists. We ought to have the same provisions apply to us that now apply to the Senate. It is appropriate we deal with it now so it can be effective in the next year.

Mr. Speaker, I appreciate the kind words that the chairman of the Legislative Appropriations Subcommittee, RON PACKARD, spoke at Rules Committee—that the reductions in this conference report build on the progress started under my chairmanship.

The conference report improves the House bill in several ways.

But the thoughtful treatment of many issues in this conference report, and the successful defense of the House position at conference on several important items, unfortunately emphasizes the two major issues where the conference has fallen far short:

General Accounting Office—the conference chose the lower Senate number, $374 million, nearly $20 million less than the House—more than a 15-percent cut below last year.

Office of Technology Assessment—despite two strong votes in the House and a near-majority in the Senate, the conference gave in to the Senate in mandating a close-down of OTA.

Accordingly, I reluctantly oppose the conference report.

The shut-down of OTA is particularly thoughtless. Restoring OTA did not need to come at the expense of GAO or the Library of Congress, who are struggling with flat budgets or budget cuts.

There are different ways to accomplish it:

An across-the-board cut—the Congressional Budget Office says less than a .03 percent—three one-hundredths of a percent—would be required to provide another $6.5 million for OTA.

Use existing budget authority. The bill is $114 million below the House 602b allocation and $20 million below in outlays—there is plenty of room to provide these funds.

In fact, there was plenty of room to provide funds and stay close to the $200 million in cuts that seem to be the goal of the Republicans.

But it is clear that the Republican fight to close OTA has been a symbolic fight.

It is clear this has nothing to do with budget cuts. The public is unlikely to be more impressed that we cut $205 million instead of $200 million.

At conference, Chairman PACKARD and Chairman LIVINGSTON opposed $6.5 million to keep OTA alive—yet pleaded vigorously for $7 million to renovate the Botanic Garden.

So this is a symbolic victory for the Republicans—but it is a victory that will be very expensive in the long run.

Policy issues across the spectrum are increasingly complex and technical.

OTA helps us sort out the facts from the fiction.

The need won't go away in the future—but we will be ill-equipped to deal with it.

The issues in the last few days before we adjourned for the August recess—environmental risk assessment and telecommunications—are just two examples of complicated policy issues that confront Congress each year.

I have examples of OTA reports issued in just the past few days:

Information Security and Privacy in Network Environments—this was produced as a followon report for the Senate Committee on Governmental Affairs on the heels of a 1994 report, and it was used to prepare for hearings and legislation in this Congress.

This report points out the necessity of a standing agency. Some opponents have said we can contract for such reports, but where do we get the followup assistance if we paid a private contractor to do the first report?

Electronic Surveillance in a Digital Age—this is a background paper requested by our colleague, MIKE OXLEY, last September when he was still a member of the minority.

But the Technology Board thought Mr. OXLEY had a great idea—to consider the technical aspects of implementing the Communications Assistance for Law Enforcement Act—so the background paper was authorized.

This report is perhaps the best indicator of the bipartisan nature of OTA and the fair-handed manner that the Technology Board operates.

International Partnerships in Large Science Projects—the budget implications of international collaboration in research and science projects are huge.

When does international collaboration make sense? When is it not in our national interest?

Research into such sweeping questions is what OTA does best—neither CRS or GAO is prepared to pick up analyses of such scope.

In short, I find it particularly ironic that the Speaker has termed this the cyber-Congress—yet has instructed his whips to destroy OTA.

AMO HOUGHTON has made a convincing case. He speaks with the best outside-the-beltway experience of any Member.

The House agreed with AMO, and spoke strongly in two votes, but the conferees did not insist on House position.

There were 46 votes in the Senate to sustain OTA including eight Republicans.

We believe there were other OTA supporters who were concerned about offsets from Library and GAO.

Since this ill-considered action by the conference, the outpouring of editorial comment has been astounding:

The Washington Post—"Congress should think this one over again. Thrift in Government operations holds a high priority in today's politics. But the information and insights provided by OTA's studies are important ingredients of wise legislating, and worth far more than the few millions needed to keep OTA alive."

The Economist—"What do you do with an institution that offers you impartial technical advice? If you are America's Congress, you close it down."

The Christian Science Monitor—"It would be a costly mistake."

The Pittsburgh Post-Gazette—"Through a comedy of errors, oversight and political machismo, Congress has chosen ignorance, and ended the 23-year history of its best and smallest agency."

The Minneapolis Star-Tribune—"The majority acts as though it wants to be a 20th century Know Nothing Party."

The International Association for Technology Assessment and Forecasting Institutions—"It would be a serious loss to the world community if OTA should be terminated. We see OTA as a flagship for all countries interested in adapting wisely to the ever increasing rate of technological change."

To summarize: OTA is a bipartisan organization—overseen by bipartisan House-Senate Technology Board.

OTA goes outside-the-beltway—5000 specialists from business, industry, and academia have contributed to its reports and policy recommendations.

OTA is a lean organization—since 1993, OTA voluntarily has reduced its middle and senior management by almost 40-percent. The funds we are seeking would represent a 40 percent cut below last year.

But the bottom line—OTA saves taxpayer dollars.

In looking at the Defense appropriations bill we'll take up soon, I'm struck by what CURT WELDON and JOHN SPRATT said in a "Dear Colleague" about OTA—"The type of work they perform is just not available from other congressional agencies."

It is imperative that Congress retain an independent analytical function, but that function is missing from this conference report.

Mr. DIAZ-BALART. Mr. Speaker, I yield 4 minutes to the gentleman from Florida [Mr. GOSS], my distinguished colleague on the Committee on Rules.

Mr. GOSS. Mr. Speaker, I thank my good friend from Florida for yielding time to me.

Mr. Speaker, this is the first of the appropriations bills to make it through the conference process, and I wish to commend the bill's managers, the gentleman from California [Mr. PACKARD], as well as the gentleman from Louisiana [Mr. LIVINGSTON], the chairman of the full committee who is here, for making sure that the legislative branch leads the way in the belt tightening that we know is going to be done.

This conference report, which obviously funds the conference, comes in at $200 million below the actual amount spent for the current fiscal year. That is a real cut. That is real savings and one we can all be proud of, I think, in these tight budgetary times.

Mr. Speaker, the issue has been raised today that somehow the conferees of this spending bill failed because they did not include provisions reforming the gift rule for Members of this House. Well, the first point here is that reform of the gift rule, although it is a matter of great importance and very significant interest to many people, is not within the scope of the legislative branch funding bill. It is an apples and oranges problem. No matter how big an apple gift reform is, it just cannot become an orange because somebody wants to declare it so. It would be a little bit like Cal Ripken showing up at Fenway Park tonight. Wrong place. So from a procedural point of view, raising this issue as part of today's debate I think is way off the mark.

Mr. Speaker, after the substance of reforming the gift rules, I do share the interests of many of our colleagues on both sides of the aisle of reviewing our gift rules and for the action recently taken in the other body reforming our House rules. I would point out I believe tomorrow there are going to be hearings in the Committee on the Judiciary; our colleague, the gentleman from Florida, CHARLES CANADY, I believe is chairing a subcommittee hearing on the bill of the gentleman from Connecticut, Mr. SHAYS, which actually was the forerunner of all of these, which is what got it started, and I believe that we are proceeding apace. I understand the Speaker has made a public statement today committing that we will take this up in due course. In my office we have a strict policy.

Mr. FAZIO of California. Mr. Speaker, if the gentleman will yield, in due course?

Mr. GOSS. I think due course is coming a lot sooner than you think.

Mr. FAZIO of California. Something like deliberate speed?

Mr. GOSS. Deliberate speed means different things, of course, on different sides of the aisle, but I think at this point we have a promise to go by early next year on this, and we are going to start the hearings tomorrow.

Mr. FAZIO of California. Would this be effective in the next calendar year?

Mr. GOSS. I do not know what the effective date is. I think it remains to be seen, but I think it is very clear that we can start the hearings tomorrow.

Along those lines, I have to point out that others have offered all kinds of bills. I have a lobbyist-paid travel bill that is in. It has a handful of Members' bipartisan support. Unfortunately, some of the colleagues I hear discussing this issue today are not on that bill. I hope they will take a good long look at it. I think efforts are underway to tighten the disclosure requirements to bring sunshine and accountability into our process.

Certainly, as Members know, these principles sound easy, but they are not as easy when you start applying them, because you have to define what a gift is. If somebody gives you a memento, it is hard to make that distinction occasionally. I think most Members agree that we have to be wise and judicious in what we do, and I think it is very clear that both the Committee on Standards of Official Conduct and the Committee on Rules, both of which I am on, are interested in this along with the Committee on the Judiciary.

It has a terrific amount of interest, it is underway, it is going forward. To somehow say that we are off on the wrong track here because the appropriations process, which we all know is on a very tight timetable which needs to go forward, to suddenly now throw a monkey wrench on that process because it does not have what is clearly a nongermane, inappropriate, out of scope issue in it, does not do us a service here at all. We need to get on with this rule, we need to get on with the conference, let things happen, and we need to take up the gift reform and the lobby reform and campaign reform as we have promised we would do in the right season when their time comes, and that season apparently starts tomorrow.

Mr. FROST. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, last night in Fort Worth, TX, the local United We Stand organization had another meeting, and once again I informed them that I was going to attempt to bring this up today and once again the Republican leadership would steamroll this issue and not permit it to be brought up.

Mr. Speaker, I yield 5 minutes to the gentleman from Texas [Mr. BRYANT].

Mr. BRYANT of Texas. Mr. Speaker, nothing could be simpler in the legislative business of this House than what we are doing today. It is a simple question for Members. Do you think that we should be able to continue to play golf for free, play tennis for free, go skiing for free, fly around the country on these recreational outings that are thinly disguised vacations, or do you think we ought to impose the same limits on this House that the U.S. Senate imposed on itself 4 weeks ago?

It is that simple. We ask you to vote against the previous question so that the amended rule of the gentleman from Texas [Mr. FROST] may come forward so that we can simply offer the same provisions which the Senate has applied to itself as applicable to the House. That is all there is to it. All of this gobbledegook about procedures and all the tough talk about Deschler's Rules and so forth, all of it is meaningless. It is a very simple question.

There are those who believe Members of the House of Representatives ought to be able to play golf for free, who do not want to pay for their own golf or their own ski trips or their own tennis. They think the lobbyists ought to pay for it, and there are those who think it ought not to be allowed, that it ought to stop, that it is an embarrassment to the institution. There are those of us who have worked for 2½ years to pass legislation to stop this outrage, and there are those who spent 2½ years trying to prevent that legislation from passing. We have heard from some of those this afternoon just a few moments ago. They jump up and holler regular order. They are ready to fight for their right to have free golf and free tennis.

Mr. Speaker, I would just say that I wish we could get the same interest for some other issues as we seem to get for protecting free golf for Members of the House of Representatives. All of this would have the same rules that the Senate passed which, by the way, are quite moderate; they do not go as far as I would like to go. We want those rules applied to the House of Representatives. We do not have to wait for January, or more hearings; we can do it in the next 1½ hours. That is all we are asking for. We ask you to vote down the previous question so that we can offer this amendment to the legislative appropriation bill.

What are we doing? We are simply saying that there is a limit of $50 on all gifts, meals and entertainment to Members of the House of Representatives. Fifty bucks is probably too much. I do not think most folks watching this debate think we even ought to get 50 bucks. But that limit is on there, and for those Members who want to keep on accepting it, they can keep on accepting it. But for goodness sakes, the same rules ought to apply to the House of Representatives.

We are saying that there is a $100 limit from a single source. Pay for your own meals and golf and ski trips, but let the rest of us impose this rule upon the House so that we can regain the confidence of the American people and this institution.

I would point out to you that the bitterest attacks on this institution have come from some of the same people who stand up here every time we have this debate and defend the status quo. And where does the status quo get us? It just gets us greater and greater in debt to the American people with regard to credibility.

Why do we not go ahead and do this? Two-and-a-half years ago we embarked on an effort to do it. This House passed it two times by overwhelming margins. It would be law today except for a filibuster in the Senate that killed it. Why not get it done right now, impose reasonable restraints on the behavior of Members of the House with regard to gifts from lobbyists and be done with it. Why not?

Nobody wants to rise and answer that question. The defense over here today will be all over the board. Now we hear there are going to be more hearings. We had hearings on this 3 months ago. We were told there would be a markup in due course, very soon, do not worry about it. Here we are, September, 3 months before the end of the year, no markup. All we have had is an announcement that as a result of what we are trying to do here today, my goodness, there will be another hearing tomorrow.

☐ 1630

Well, let us stop beating around the bush and putting the American people off and stop playing games. Lobbyists should not be able to buy meals and so forth for Members of the House of Representatives. It is as simple as that. There is not a single person in this House who has served here or who has served in State and local government who has not behaved in the same fashion we are trying to prohibit today.

Mr. Speaker, I do not hold myself out as a paragon of virtue either, but it is clear some years ago it was necessary to make this change. We began trying to make the change, and I would encourage the Members of the House to vote down the previous question and given us an opportunity to amend this law to pass the same rules to apply to the House as apply to the Senate and be done with this issue once and for all, and say if you are going to play golf, gentlemen, pay for it yourself. If you are going to go on a ski trip, pay for it yourself. If you are going to go out and have a big fancy meal, pay for it yourself. That is all we are saying today. Vote down the question.

Mr. DIAZ-BALART. Mr. Speaker, as a Member of Congress who has never played golf nor has any intention to, I yield 2 minutes to the gentleman from Indiana [Mr. BURTON].

Mr. BURTON of Indiana. Mr. Speaker, I find it interesting that my colleagues appear to be so sanctimonious and self-righteous about somebody going out and having a hamburger or dinner with somebody saying that is buying influence when the same Members that are making these statements and trying to make the American people feel like we are doing something wrong by playing golf with somebody or tennis with somebody or having dinner with somebody are accepting thousands of dollars in campaign contributions.

The gentleman from Texas [Mr. BRYANT], according to the information on his FEC report, got 52, count them, 52 $5,000 contributions from PAC's. I would not accuse him of wrongdoing, but if there is any influence peddling, if the appearance of influence peddling is something we are talking about, I would think 52 $5,000 contributions would have more of an impact on the gentleman from Texas, [Mr. BRYANT], than somebody buying me a sandwich, or somebody playing tennis with someone, or someone playing golf with someone; 52 $5,000 contributions.

In 1994, the gentleman from Texas [Mr. BRYANT] got $273,689.51, and over half of those were from special interest PAC's, but he does not want to talk about that.

The gentleman from California [Mr. FAZIO] got $196,400, and 69 percent, over two-thirds, came from PAC's. He got contributions from the American Federation of State, county, and municipal people. He got the cable industry, human rights campaign, Democrat, Republican, Independent Voters Educational Political Action Fund, and a lot of labor unions. But those do not have influence, folks, those $5,000 contributions to him do not have any influence. I believe that. But if I have a hamburger with somebody I am breaking the law? That is buying influence? I think my colleagues have their priorities kind of skewed.

Mr. Speaker, the fact of the matter is that many of these functions that we are talking about raises money for charitable contributions, like leukemia research and cancer research. I say to my colleagues, I think that is very important. I would rather have these private individuals do this and private groups do this than the taxpayers.

Mr. FROST. Mr. Speaker, I yield 2 minutes to the gentleman from Texas [Mr. BRYANT] if he would like to respond to the gentleman who just spoke.

Mr. BRYANT of Texas. Mr. Speaker, I thank the gentleman for the time. I would like to ask the gentleman from Indiana if he would engage in a colloquy with me.

Mr. BURTON of Indiana. Mr. Speaker, will the gentleman yield?

Mr. BRYANT of Texas. I yield to the gentleman from Indiana.

Mr. BURTON of Indiana. Mr. Speaker, I would be happy to.

Mr. BRYANT of Texas. Mr. Speaker, since we are talking about political action committee contributions, did the gentleman vote for the campaign finance bill that passed the House last year?

Mr. BURTON of Indiana. Mr. Speaker, I do not know which the gentleman is talking about. We had several.

Mr. BRYANT of Texas. Did the gentleman vote for any of them?

Mr. BURTON of Indiana. I would have to check.

Mr. BRYANT of Texas. I do not have to check.

Mr. BURTON of Indiana. Mr. Speaker, may I ask the gentleman a question? I will limit the campaign contributions to $1,000. Will he vote for that?

Mr. BRYANT of Texas. Regular order, Mr. Speaker. I have the time.

Mr. BURTON of Indiana. Mr. Speaker, then let me respond.

Mr. BRYANT of Texas. The gentleman had political action committee contributions when most of us voted to limit those and the gentleman did not.

Let me ask a second question. Has the gentleman played golf at any time in the last year at the expense of a lobbyist?

Mr. BURTON of Indiana. I have played golf at the expense of people raising money for leukemia research and for cancer research so the taxpayers do not have to.

Mr. BRYANT of Texas. Did those people happen to be lobbyists?

Mr. BURTON of Indiana. No.

Mr. BRYANT of Texas. Is the gentleman going to tell Members of the House that you have not played golf this year at the expense of a lobbyist?

Mr. BURTON of Indiana. No.

Mr. BRYANT of Texas. How about last year?

Mr. BURTON of Indiana. No. The people who put on fundraisers for cancer research are organizations, not lobbyists.

Mr. BRYANT of Texas. Mr. Speaker, reclaiming my time, I am not even talking about these sham vacations that come in the guise of——

Mr. BURTON of Indiana. Mr. Speaker, if the gentleman will continue to yield, will you let me answer? Do not ask me a question if——

Mr. BRYANT of Texas. The gentleman's answer was no, I think. And what I am saying is, I am not even talking about these sham vacations that come in the guise of some fundraising scheme for some charity. I am talking about just taking you out on the golf course and letting you play golf for free? The gentleman is going to say you have not done that?

Mr. BURTON of Indiana. No. I said no. Did the gentleman hear me?

Mr. BRYANT of Texas. Very well. I am just so surprised, Mr. BURTON.

Mr. BURTON of Indiana. Will the gentleman vote for an amendment to your bill to limit campaign contributions from PACs to $1,000? Because I am going to introduce it, and I want to see if the gentleman will vote for it because you are getting all these $5,000 contributions.

Mr. BRYANT of Texas. I would ask the gentleman if he will vote for a bill that says Members do not get to play golf for free and they have to pay for their own green fees? That is what we have before the House today.

Mr. BURTON of Indiana. Of course.

Mr. BRYANT of Texas. The gentleman will vote for a bill that says a lobbyist cannot pay for a Member's golf green fees?

Mr. BURTON of Indiana. Of course.

Mr. BRYANT of Texas. It is before us. Vote with us.

Mr. BURTON of Indiana. The fact of the matter is, will the gentleman vote to limit your campaign contributions to $1,000?

Mr. BRYANT of Texas. I have already voted for political action committee reform.

Mr. BURTON of Indiana. The gentleman is going to get that chance, because we are going to propose that amendment to your bill.

Mr. BRYANT of Texas. Mr. Speaker, reclaiming my time. I will say one more time. Mr. BURTON protests against circumstances against which he had a chance to change and he refused to vote to change it.

Mr. BURTON of Indiana. Did you get 52 $5,000 contributions?

Mr. DIAZ-BALART. Mr. Speaker, I yield 3 minutes to the distinguished gentleman from Texas [Mr. DELAY], the majority whip.

Mr. DELAY. Mr. Speaker, I rise today to urge my colleagues to support this rule. This is a fair rule which provides for the consideration of the legislative branch appropriations bill. This appropriations bill is the first shot across the bow for those last defenders of the status quo. It cuts spending first, it cuts spending fast, and it cuts spending fairly.

In fact, this bill spends $205 million less than we spent last year on the legislative branch. These are real cuts, not the mythical decreases in the rate of spending made popular by the former majority.

Mr. Speaker, we have kept our promises with this legislation and we will continue to keep these promises all during the fall. Let us not be confused by the rhetoric from the other side of the aisle. They keep trying to confuse the issue. The issue here is spending. They do not have a plan to cut spending so they go into gift bans and all this other stuff.

A vote to defeat the previous question will kill this conference report. It will not reform campaign finance, it will not reform our lobby laws. Any claims to the contrary are simply not accurate. The minority seeks to defeat the previous question so they can stop this first spending reduction bill in its tracks. That is not why the American people sent us here. They sent us here to change the way the government operates.

I want to commend the gentleman from California, RON PACKARD, my good friend, for his excellent work on this conference report. It is truly the first step to a balanced budget. So I urge my colleagues to think before you vote to vote for real reform and to vote to cut spending first by voting for the previous question for the rule and for this conference report.

Mr. FAZIO of California. Mr. Speaker, will the gentleman yield?

Mr. DELAY. I yield to the gentleman from California.

Mr. FAZIO of California. Mr. Speaker, I asked earlier of the gentleman from Florida [Mr. GOSS] if he could indicate when we would deal with gift reform and lobby reform if it were not possible to do it on this bill at this time, which, by the way, does nothing to disturb any of the other work that Mr. PACKARD and his committee have done, as I have indicated. But when will that be brought to the floor if we do not bring it up tonight and try to resolve it before we go to Baltimore?

Mr. DELAY. Mr. Speaker, the best I can tell the gentleman is before we adjourn sine die.

Mr. FAZIO of California. Mr. Speaker, if the gentleman will continue to yield, does that mean it will be effective in the next Congress?

Mr. FROST. Mr. Speaker, I yield 4 minutes to the gentlewoman from Colorado [Mrs. SCHROEDER].

Mrs. SCHROEDER. Mr. Speaker, I thank the gentleman from Texas for yielding time to me.

This is an incredible debate to have on our first day back. It is absolutely no wonder the American people are very tired of listening to the wrangling in this body. It is like we have not been away.

Now, let me talk about some of the things that I think do not pass the straight-face test. Yes, this is the first of the 13 bills we have to pass to keep the Government going before September 30. September 30 has been the deadline forever and ever. It is not a secret date. We know it. And we have never been so late in getting these bills done. So there is a possibility that many people are going to be furloughed, all sorts of awful things are going to happen, the Government may close down, or whatever, but we are going to step up to the plate today, if this passes, and we are going to pass ours first. That means if we get to the 30th and you have not passed the others, we will not be hurt.

It is interesting because we are putting it in the name of "we are belt tightening," which is true, we are belt tightening, so we are setting an example and we just hope that we will be able to get the other people's bills through. If they are not, they will be furloughed, have a nice day, or their programs will be cut or whatever, but we will not be hurt. We will not be tied to the track as this train wreck is coming. That is No. 1.

Listen to this and say wait a minute. Wait a minute. This bill ought to be last, not first. If the Congress has not gotten its business done, they certainly should not make sure that they are held harmless by the fact they have not done their business. That is what the President is talking about when he says he will not sign this. I salute him. He is right.

Now, No. 2, we have been trying to get a gift bill cleaned up since President Truman was here. President Truman was the first President to come down and say that there were lobbying loopholes, and we have worked away at trying to tinker and figure it out. Last year this body passed it, the other body filibustered it. This year the other body passed it and we are trying to say let us put exactly the same thing on and be done with it.

Mr. Speaker, I love the golf conversation. Now, the way I understand these things, and maybe the gentleman from Texas can explain it to me, people come to play golf to raise money for these wonderful causes, and they are wonderful causes, but they come because they think they are going to get to play with a Congressman and they may have some words with them as they ride around in the cart.

Now, first of all, if we cared so much about the cause, I would think we would be willing to donate our time, would we not, and pay for our own green fees and have a little more money for whatever we are doing? And, second, to pretend like these are just citizens who walked in and were willing to donate so some Congressman could play free, that does not make sense. We know what this is all about and it is not passing the straight-face test.

We should pass this gift ban. It would make people feel much better about what is going on here. We also should not be rushing out here to pass our bill first so ourselves and our staff and the Senate, boy, no matter how bad we mess up, we will not be hurt. We will get our paycheck through all of this and we just hope some of those GS–7's or some people relying on Government checks or whatever, that they do not get hurt too bad, and we hope we get their bills through before the 30th or whatever.

Now, that just looks like the same old same old. In fact, worse than that, because I think that the people on this side of the aisle, who have been on the appropriations and in a leadership position can tell you we had these bills in this body passed every single time in July, at the latest. Never have we come back and had more than one or two bills hanging out there with some kind of disagreement. But now to have all 13, and run forth and say we will take care of ourselves first, as this great example that we belt tightened, yeah, we belt tightened, and we should have, but we are not hurt, and we are not going to do the gift bill because we are hiding behind the legalism of nonegermane, baloney. People are tired of it. Vote it down.

Mr. DIAZ-BALART. Mr. Speaker, I yield 3 minutes to the gentleman from Louisiana [Mr. LIVINGSTON], the distinguished chairman of the Committee on Appropriations.

Mr. LIVINGSTON. Mr. Speaker, I want to commend the Committee on Rules for recommending a good rule. This is an excellent conference agreement, and I urge the adoption of this conference agreement and the ordering as well of the previous question.

Frankly, I am astounded at hearing all of this revisionist history, about how in 40 years of Democratic control of the House of Representatives you could not pass a gift ban bill, so now all of a sudden it is imperative we defeat the previous question on a rule so we can add a gift ban bill to a conference report that has nothing whatsoever to do with a gift ban bill.

Now, you had 40 years to do it and yet you want to do it today? How about next year? That is when we are going to take it up. The Speaker has indicated we are going to take it up next year. Let us take it up then.

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This is a good conference agreement. The gentlewoman says, "We are helping ourselves first." First of all, this conference agreement cuts $206 million below 1995, when the Democrats were in control of the House. It cuts $114.7 million below the budget authority allocation for this bill. It cuts $20.4 million below the outlay allocation, and it cuts, this is what they do not like to hear, 2,614 full-time Federal employees, a 9.5 percent reduction. They do not like to hear that, so they want to tack on all this extraneous stuff to overlook the fact that we are actually accomplishing a great deal.

The gentlewoman says, "We have never approached this bill first." Let me suggest to the gentlewoman she is entirely wrong. In fact, for fiscal year 1995, in which the Democrats were the majority party, this was the first bill to be signed by the President of the United States on July 22, 1994. For fiscal 1994 it was the first bill to be signed on August 11, 1993. For fiscal 1992 it was the first bill to be signed, on August 14, 1991, and for the point that the gentlewoman made about it never being so late, never been passed late, this bill was signed with all 13 bills on November 5, 1990. It was signed with all 13 bills on December 22, 1987, and it was signed with all 13 bills in an omnibus C.R. on October 18, 1986.

The point is that these arguments are fallacious. They are red herrings. They are trying to get around the fact that this is a good conference agreement. We cut our budget, we bring it to the President and say, "It cuts money out of the legislative budget, the budget that governs the conduct of this House and the other body." It is a decent conference report, and it is foolish, foolish to say, after they could not pass a gift ban in 40 years, therefore we ought to disrupt this good bill and pass a gift ban with it today. I say to the Members, reject what they are trying to do, order the previous question, pass the rule, pass the bill, and let us get on with the business, because we are running out of time.

Mr. FROST. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, my friend, the gentleman from Louisiana [Mr. LIVINGSTON], who is a very fine Member, before he leaves the Chamber I am afraid had a little case of selective amnesia a moment ago. He said that we had never passed this. I know he did not intend that. We did pass this bill last year. It was passed when the Democrats controlled the Congress last year, it passed the House of Representatives, went over to the Senate, was filibustered by Republicans in the Senate.

Mr. Speaker, I yield 3 minutes to the gentleman from Wisconsin [Mr. OBEY].

Mr. OBEY. Mr. Speaker, I take the time to simply inform Members what I plan to do on the motion to recommit, and also to urge opposition to the previous question on the rule. As the gentlewoman from Colorado has indicated, I think it is extremely unseemly, when it appears that we are headed into a train wreck with the Government shutting down because of the nonpassage of various appropriations bills, I think it is unseemly that the one bill which would be released from the track so it will not participate in that train wreck is the bill that funds the legislative branch of Government. I do not think the public will understand that, I do not think we would want to have to go home and explain that.

If other groups in this society are going to be held hostage, so should we. That is why I will offer a motion to recommit, which would require that the bill be recommitted to the committee on conference with instructions that the conferees not meet until they are subsequently instructed to do so by the House, so we can in fact pass our other business before we take care of our own.

Second, with respect to the previous question, I simply want to say that I find it amazing that the majority party cannot object at all when 17 separate legislative riders were attached to the EPA appropriation bill, virtually all of which were special interest deals. Yet, they somehow are morally offended when we try to attach an amendment to the legislative appropriations bill which cleans up the relationship between Members of Congress and lobbyists.

I, for one, am tired of seeing network news programs run stories about Members of Congress schmoozing with lobbyists on beaches or on golf courses. We all understand the special advantage that gives them. We think it is a special advantage that ought to be taken away. That is why the Bryant amendment ought to pass.

With respect to the equation of PAC contributions, let me simply say this. I myself make no apologies whatsoever for any PAC contributions I have ever received. They are fully aboveboard, they are reported, and I have no objection to having a bunch of workers in the back of the shop being able to unite to contribute collectively as much as four chief executives in the front office can contribute to the other side in any corporation.

I would also say that I frankly find it a joke to have Members of the majority party concerned about a $5,000 PAC contribution and the damage that may do to the legislative process, but they have no objection whatsoever to one family in Wisconsin contributing $1 million to the empire of the gentleman from Georgia [Mr. GINGRICH], GOPAC, and the other pieces. If we want to get worried about buying special privileges, I would say that is what we ought to start looking at.

Mr. DIAZ-BALART. Mr. Speaker, I yield 2 minutes to the gentlewoman from Washington [Mrs. SMITH], a distinguished and effective freshman Member of this Congress.

Mrs. SMITH of Washington. Mr. Speaker, I just returned from a conference in Dallas that I heard referred to earlier. It was United We Stand America. I have spoken in 2 weeks to over 20,000 people at conventions. There is now a national group called the Clean Congress Foundation that is now bigger than all of the individual groups.

I will tell the Members, America is disgusted as much by the partisan bickering, posturing, with no intent to go anywhere, as they are with anything. Dallas was about a lot of people tired of partisan politics, disgusted by people that have held power for 42 years that could have cleaned up the system, who are now standing pure as the driven snow, disgusted; disgusted by the Republicans that used to do the same thing, all of us, them and us, on both sides of the aisle.

I want to tell the Members that what is most disturbing today to Middle America is what they are seeing on the floor today. I checked out to see if this amendment could actually do anything. No. Members know it cannot do anything. The Parliamentarian stands and says it is not germane. It is not even debatable. They knew when they took up this time on the floor that there was not a chance of a cold day in hell of getting it through, and they were playing with the American people again, and they are mad. They are mad.

I tell the Members today, we have a bill, the Clean Congress Act, 2072, and it stops playing around like this bill that still allows trips, trips that fly you all over the world as gifts, still allows things that people do not want. They do not want a $50 gift, they do not want a $100 gift, they do not want any gift. They want no money flowing here in Washington, DC. 2072 is the bill that we want to pass, and we ask Members to stop quibbling and support it. Please approve the previous question.

Mr. FROST. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I would like to point out to the gentlewoman, who is a new Member, that I offered a motion in the Committee on Rules to waive germaneness so this could be brought up on the floor today, and that motion was voted down on a straight party line vote. The Republican members of the Committee on Rules refused to waive germaneness in the Committee on Rules so we could address this issue today. The Democratic members asked that it be waived in the Committee on Rules.

If the Republican Members had been willing to do that in the Committee on Rules, there would be no argument on the floor today about whether it is germane or not germane. This is all a game. This is all a sham on the other side of the aisle. This could be brought up. This could have been on the floor today if the Republican Members of the Committee on Rules would have permitted it to be on the floor today.

It is 9 months now. We passed this last year. I want to make that point again, because the gentlewoman made the same point that the gentleman from Louisiana made: Why did the Democrats not pass this? The Democratically controlled House of Representatives did pass this last year, and it was blocked by the Republican Members of the U.S. Senate in a filibuster.

Mr. Speaker, I yield 2 minutes to the gentlewoman from Connecticut [Ms. DELAURO].

Ms. DELAURO. Mr. Speaker, I rise today in strong opposition to the previous question, and I urge my colleague to vote against the previous question so that the gift and lobbying reform language can be added to this legislation. My colleagues on the other side of the aisle are very fond these days of talking about how responsive they are to the American public. I will tell the Members, go to any town hall, go to any group of Americans these days, working middle-class families. The American public strongly favors banning gifts from lobbyists to Members of Congress, and they are right, because it is the perks and the privileges that demean this institution, and every single person who serves here.

That is not what we were elected to do, or why we were elected to this body. We are here to do the people's business, and we are well compensated for that. We do not need free vacations, free frequent flier miles, free gifts, or free meals to sweeten the deal.

Let me say that working middle-class families are getting nothing for free. They are paying every single day for everything, and they are working darned hard for it. Let us understand what their lives are about. They are getting a glimpse of what some Members of this body's lives are about in accepting free gifts from lobbyists and their influence every single day.

We do need to enforce disclosure by the lobbyists. The American people have a right to know how much these groups are spending in order to influence legislation in this body. It is high time that we tackled these issues and join our colleagues in the other body in implementing serious gift and lobby reform.

The Republican leadership has repeatedly told us that the schedule for this session is full, so that the vote today, Mr. Speaker, is probably our last chance to pass lobby and gift reform this year. Let us seize the opportunity to limit the influence of special interests. Let us defeat the previous question. Let us once and for all tell the American people that we are serious about reform. Let this body reflect the interests of the people and not the special interests.

Mr. DIAZ-BALART. Mr. Speaker, I yield 2 minutes to the distinguished gentleman from Connecticut [Mr. SHAYS].

Mr. SHAYS. Mr. Speaker, I thank the gentleman for yielding time to me.

Mr. Speaker, these are the kinds of debates where you wonder whether you should weigh in, because a lot of people are angry and there is a lot of partisan debate. Then you say, "Is this something you want to be a part of, this debate?" I do not know if I want to be a part of this debate, but I do want to say that I believe with all my heart and soul that I have waited 40 years for the opportunity to have a leading role as a majority Member. I have only been in office 8 months in the majority. I would like to give my Republicans an opportunity to do in 2 years this issue, which my colleagues on that side had an opportunity to do for 40 years.

When I listen to the gentlewoman from Colorado, PAT SCHROEDER, saying that "I am voting for the legislative appropriation because I want to increase or make sure that I am paid," in this code, by statute, Members of Congress and the President of the United States are under permanent appropriation. The Democrats voted in 1980, and Republicans as well, to make sure that we were paid under permanent appropriation, so I just do not think it carries any weight to say a Member of Congress wants to vote for the legislative appropriation to be paid. We are, for whatever reason, in this book, permanent.

In terms of the issue of gift ban or lobby disclosure, I will say something I would never say if I did not mean it. I would not run again if gift ban and lobby disclosure are not passed. I would say to my colleagues, this issue is going to be taken up by Republicans. If it is not taken up, I will not run again. That is how strongly I believe in my leadership and in my fellow Republicans taking up gift ban and lobby disclosure.

I happen to agree with what the Senate has done. I do not think it is monumental, but I think it gets us a long way. I do not criticize that side for bringing this issue up. If it puts it on the antenna of some of our leadership, then so be it. However, there are very important Members of this Congress who have gotten elected on this issue.

Mr. FROST. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I regret that I have to say this. I think there are some Members on the other side who feel if they repeat something often enough that is not true, people will believe it, so I feel an obligation to repeat what is true. The previous speaker just said the Democrats did not pass this legislation. We passed this legislation last year. The gift ban was passed by the Democratically controlled House of Representatives. It is not true to say that the Democratic Party would not and could not pass this piece of legislation.

□ 1700

Mr. Speaker, I yield 2 minutes to my distinguished colleague, the gentleman from Texas [Mr. DOGGETT].

Mr. DOGGETT. Mr. Speaker, I thank the gentleman for yielding me the time.

Mr. Speaker, the Senate of the United States has acted on this issue and they achieved a good result because they had some bipartisan support. It is unfortunate today that there appears to be no bipartisanship on this question of how we can cut the ties that have bound legislators and lobbyists, because it definitely needs to be attended to.

I think that all that this will accomplish is to take an imperfect compromise from the Senate and put it in place here in the House. If anyone needs a reason as to why this ought to occur, let me reflect on my own experience in this regard, because when this measure was up before, I spoke on it here on the floor of the House. I addressed the issue on the floor of the House in the motion to recommit, and I did so without making any reference to either Democrats or Republicans, but suggested there was a need to end these freebies.

What I got from that in response was a member of the Republican Committee on Appropriations, one of the great cardinals who is here on the floor today, to tell me that he had told his staff to go out and look for a project to cut in my district. They found one to the tune of $90 million, a project in my district to whittle out because I had the audacity as a new Member to stand up and say we need to do something about a gift ban.

Well, I am here today to say I am not going to be intimidated on that issue because I think it goes to the core of what this Congress is about and the demand of people to see this place cleaned up. My objection to the Republicans is not that they have done too much to change the way this Congress operates, but they have done too little, and they know it.

In Texas when you shake hands on something like Speaker GINGRICH did up in New Hampshire, it means something. It is an agreement. You lend your word. But all we got was a promise and a lot of talk and whistling in the background. Someday over the rainbow we will get around to dealing with this.

Mr. DREIER. Mr. Speaker, will the gentleman yield?

Mr. DOGGETT. I will yield on your time as long as you want to talk about this act of intimidation right here on the floor of the Congress.

Mr. DIAZ-BALART. Mr. Speaker, I yield 1 minute to the gentleman from California [Mr. PACKARD].

Mr. PACKARD. Mr. Speaker, I simply want to take time to clarify two issues that have been mentioned several times.

Last year we did pass a gift ban bill. It was not this gift ban that is being proposed. Totally different. This one is 51 pages long. I have not read a single page of that 51 pages. I do not think any Member of Congress except those that have proposed it have read the 51 pages. This is not the time to pass a 51-page amendment to this conference report. That is the point I wanted to make.

The second point: We have worked very carefully for several years and certainly this year to make this a bipartisan bill. I want to commend the gentleman from California [Mr. FAZIO] who is the ranking member of the subcommittee. We have worked in a bipartisan way.

Unfortunately, this is turning into a very partisan vote on the rule. Frankly, that is probably the way it is going to go, along a straight partisan vote. That is unfortunate when we have worked together on a nonpartisan bill that has done a lot of good work for restructuring Congress.

Mr. FROST. Mr. Speaker, I yield myself such time as I may consume. Then I will be yielding to the gentleman from Texas [Mr. BRYANT].

Mr. Speaker, last night at the United We Stand meeting in Fort Worth, I informed the United We Stand members that the Republicans would unanimously vote against the gift ban today. That appears to be the case, based on what I have just heard. I think that is unfortunate. We have a chance to lay this issue to rest once and for all, but the Republicans will not permit us to bring it up.

Mr. Speaker, I yield the balance of my time to the gentleman from Texas [Mr. BRYANT], the author of the gift ban.

The SPEAKER pro tempore (Mr. HASTINGS of Washington). The gentleman from Texas is recognized for 2 minutes.

Mr. BRYANT of Texas. Mr. Speaker, I really appreciate my colleague the gentleman from Texas [Mr. FROST] yielding me the time.

Let me simply say that we have heard a number of statements on the floor today that once again, as the gentleman from Texas [Mr. FROST] said, need to be corrected very clearly. First, the repeated refrain from the gentleman from Louisiana [Mr. LIVINGSTON] and a few others, why did the Democrats not pass this legislation in the past when they had control of the House?

The answer, of course, is we did pass it. We did not just pass it once, we passed it twice. It was filibustered to death by the then Republican minority in the Senate.

Second, we heard the gentlewoman from Washington [Mrs. SMITH] say a moment ago that somehow or another what we are trying to do will have no effect, it cannot happen, it is against the rules.

The fact of the matter is that notwithstanding what the gentlewoman from Washington [Mrs. SMITH] was told, I am sure by some Members on her side, we can pass this gift ban in the next hour and a half simply by voting down the previous question. That is all we are asking that this House do.

This is about the third time we have asked that this be done this year. We did it last year. We are simply asking that we go ahead and make the same rules that apply to the Senate as of 5 weeks ago also apply to the House. It is not complicated. It is a simple question of whether or not you want to do it. It is just that simple.

Does it make sense, particularly in light of all of the legislatures around the country who have already applied these kind of rules or more strict rules to themselves, does it make any sense that the House of Representatives would be the last bastion of free golf and free tennis and free ski trips for legislators? I think it does not make any sense. We have moved into a new era. Nobody is perfect.

We began this process, by the way, in a very bipartisan fashion 2½ years ago. We actually got it out of the subcommittee which I was the chairman of at the time with a unanimous vote of both parties. But at some point along the way, one side of the House decided it was not in their interest to see it passed and it was filibustered to death in the Senate.

Look, let us just take it up and pass it today and not hear of it any more. If you want to go further than the Senate has gone, and I would sure like to because I do not think they went far enough, but if you want to go further than the Senate has gone, you can do so. This does not raise any obstacles to that. Certainly you can do so. But today let us pass the Senate rule that says Members of the Senate cannot get free gifts from lobbyists, and make it apply to the House of Representatives, and be done with this issue and do the American people a favor.

Mr. DIAZ-BALART. Mr. Speaker, I yield the remainder of my time to that distinguished member of the Committee on Rules, the gentleman from California [Mr. DREIER].

The SPEAKER pro tempore. The gentleman from California is recognized for 3 minutes.

Mr. DREIER. Mr. Speaker, I thank my very good friend from Miami, the vice chairman of the Subcommittee on Rules and Organization of the House, for yielding me this time.

I would like to bring us back to the issue that we are debating here. It happens to be the legislative branch appropriations bill.

If we are going to simply comply with the standing rules of the House which is what we try desperately to do on a regular basis, we will not waive germaneness. With the exception of the conference report itself, there are not waivers on this bill, and so it seems to me that the responsible thing for us to do is to recognize that a measure which is going to cut $205 million, a real cut of $205 million, should have the chance to be voted on here on the House floor.

We have been debating during this legislative branch appropriations debate the issue of lobbying reform. The fact of the matter is that is going to come up. As my friend, the gentleman from Connecticut, has pointed out, an opportunity has existed for four long, uninterrupted decades on the other side of the aisle to deal with this issue. The 104th Congress has met for 8 months. We have had 8 months to deal with a wide range of things.

I would hasten to say to my friends from Texas, Mr. DOGGETT especially whom I asked to yield earlier, when he said that we have not brought about reforms, I have to take that as a personal insult, because on January 4, we passed the largest, most sweeping reforms that the U.S. Congress has seen in over half a century. Not since the 1946 Legislative Reorganization Act have we done very important things that gained bipartisan support, like eliminating proxy voting; dramatically reducing the number of committees and subcommittees, by 25 percent; reducing by a third committee staff; and something that my friend from Connecticut also worked long and hard on, having Congress comply with the laws imposed on other Americans.

The fact of the matter is we brought about major sweeping reforms and it has not come to an end. But this bill is not where we should be debating this. We are simply trying to cut the level of appropriations for this institution, and I hope very much that we will be able to pass the previous question, and pass this rule.

Ms. PELOSI. Mr. Speaker, I rise today to urge my colleagues to defeat the previous question in order to add the gift and lobbying reform provisions passed by the other body to the conference report now before the House. Unless we act now, the House will have no opportunity this year to vote on lobbying and gift reform.

Throughout the 104th Congress, the House Republican leadership has refused to schedule consideration of lobbying and gift reform legislation. In fact, they have made it clear that such measures will not be considered by the House this year. From the first day of the 104th Congress, the Republican leadership has allowed corporate lobbyists unprecedented access to the legislative drafting process. This access has resulted in weakened environmental and health protections, crippled worker safety standards, and special tax benefits for the wealthiest Americans. Nowhere in the much-heralded Contract With America did the Republican leadership address gift and lobbying reform. Nowhere in the Rules of the House reform package did these provisions appear. My colleagues, the silence of the House Republican leadership on this issue has been deafening.

Mr. Speaker, twice during the 103d Congress, the House approved similar lobbying reform and gift legislation by solid bipartisan majorities only to see these measures stalled by filibusters in the other body. Now that they have finally passed these reforms, we in the House must also act.

The lobbying reform provisions would correct the enormous loopholes in current law that allow more than 70 percent of Washington's lobbyists to lobby congressional offices without registering. Under these provisions, unpaid grass-roots lobbying activities would be completely exempt from the new requirements, as would advocacy by churches and religious groups.

My colleagues, the issue of lobbying and gift reform has been thoroughly debated by Congress. The time to act is now. I urge defeat of the previous question so that we may add these important provisions to H.R. 1854, the conference report on legislative branch appropriations for fiscal year 1996.

Mrs. MALONEY. Mr. Speaker, I rise in opposition to the previous question on the rule for the legislative branch appropriations conference report.

First, let me commend my colleagues, VIC FAZIO, MARTY MEEHAN, and JOHN BRYANT for bringing this important issue to the floor.

My friends, let's not pass the bill which funds our daily business until we reform the political business-as-usual in this city.

It has been 87 days since our Speaker shoot hands with the President in New Hampshire, pledging to act on campaign finance and political reform.

I praised the Speaker for that handshake.

In fact, I asked the Speaker to consider a bill I introduced with MARTY MEEHAN, TIM JOHNSON and others that would establish the kind of independent commission that the Speaker shook hands on.

But since then, the Speaker argued against a rush to judgment.

Eighty-seven days later, it's safe to say the Republican leadership of the House is in no rush to clean up our political system.

And that's a shame.

We're the only House in this city that is dragging its feet on reform.

At the White House, the President has twice laid out his detailed plan to the Speaker. He's even named possible commissioners.

The other body—not known for its zest for reform—held 2 days of debate and passed solid lobbying and gift ban reform bills.

During the first 100 days of this Congress, we passed numerous items of the Contract With America which will do great harm to our cities, our families, and our environment.

During the second 100 days, we passed appropriations bills that slash so many of the programs which benefit ordinary Americans, while at the same time leaving policies that help rich and powerful corporations untouched.

So before another 100 days go by since the historic handshake in New Hampshire, let's at least take one small step to try to convince the American people that this institutions is not for sale to the highest bidder.

Defeat the previous question. Adopt these critical gift and lobbying reforms.

Don't wait another day.

Pass reform now.

Mr. DIAZ-BALART. Mr. Speaker, I yield back the balance of my time, and I move the previous question on the resolution.

The SPEAKER pro tempore. The question is on ordering the previous question.

The question was taken; and the Speaker pro tempore announced that the noes appeared to have it.

Mr. SOLOMON. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Evidently a quorum is not present.

Pursuant to the provisions of clause 5 of rule XV, the Chair announces that he will reduce to a minimum of 5 minutes the period of time within which a vote by electronic device, if ordered, will be taken on the question of agreeing to the resolution.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 228, nays 179, not voting 27, as follows:

[Roll No. 636]

YEAS—228

Allard
Archer
Armey
Bachus
Baker (CA)
Baker (LA)
Ballenger
Barr
Barrett (NE)
Bartlett
Barton
Bass
Bateman
Bereuter
Bilbray
Bilirakis
Bliley
Blute
Boehlert
Boehner
Bonilla
Bono
Brewster
Brownback
Bryant (TN)
Bunn
Bunning
Burr
Burton
Buyer
Callahan
Calvert
Camp
Canady
Castle
Chambliss
Chenoweth
Christensen
Chrysler
Clinger
Coble
Coburn
Collins (GA)
Combest
Cooley
Cox
Crane
Crapo
Cremeans
Cubin
Cunningham
Davis
DeLay
Diaz-Balart
Dickey
Doolittle
Dornan
Dreier
Duncan
Dunn
Ehlers
Ehrlich
Emerson
English
Ensign
Everett
Ewing
Fawell
Fields (TX)
Flanagan
Forbes
Fowler
Fox
Franks (CT)
Franks (NJ)
Frelinghuysen
Frisa
Funderburk
Gallegly
Ganske
Gekas
Gilchrest
Gillmor
Gilman
Goodlatte
Goodling
Goss
Graham
Greenwood
Gunderson
Gutknecht
Hancock
Hansen
Hastert
Hastings (WA)
Hayes
Hayworth
Hefley
Heineman
Herger
Hilleary
Hobson
Hoekstra
Hoke
Horn
Hostettler
Houghton
Hunter
Hutchinson
Hyde
Inglis
Istook
Johnson (CT)
Johnson, Sam
Jones
Kasich
Kelly
Kim
King
Kingston
Klink
Klug
Knollenberg
Kolbe
LaHood
Largent
Latham
LaTourette
Laughlin
Lazio
Leach
Lewis (CA)
Lewis (KY)
Lightfoot
Linder
Livingston
Longley
Lucas
Manzullo
Martini
McCollum
McCrery
McHugh
McInnis
McIntosh
McKeon
Metcalf
Meyers
Mica
Miller (FL)
Molinari
Moorhead
Murtha
Myers
Myrick
Nethercutt
Neumann
Ney
Norwood
Nussle
Oxley
Packard
Parker
Paxon
Petri
Pombo
Porter
Portman
Pryce
Quillen
Quinn
Radanovich
Ramstad
Regula
Roberts
Rogers
Rohrabacher
Ros-Lehtinen
Roth
Roukema
Royce
Salmon
Saxton
Scarborough
Schaefer
Schiff
Seastrand
Sensenbrenner
Shadegg
Shaw
Shays
Shuster
Skeen
Smith (MI)
Smith (TX)
Smith (WA)
Solomon
Souder
Spence
Stearns
Stockman
Stump
Talent
Tate
Tauzin
Taylor (NC)
Thomas
Thornberry
Tiahrt
Torkildsen
Traficant
Upton
Vucanovich
Walker
Walsh
Wamp
Watts (OK)
Weldon (FL)
Weldon (PA)
Weller
White
Whitfield
Wicker
Wolf
Young (AK)
Young (FL)
Zeliff
Zimmer

NAYS—179

Abercrombie
Ackerman
Andrews
Baesler
Baldacci
Barcia
Barrett (WI)
Becerra
Beilenson
Bentsen
Berman
Bevill
Bonior
Borski
Boucher
Browder
Brown (CA)
Brown (OH)
Bryant (TX)
Cardin
Chabot
Chapman
Clay
Clayton
Clement
Clyburn
Coleman
Collins (IL)
Collins (MI)
Condit
Conyers
Costello
Coyne
Cramer
Danner
de la Garza
DeFazio
DeLauro
Dellums
Deutsch
Dicks
Dingell
Dixon
Doggett
Dooley
Doyle
Durbin
Edwards
Engel
Eshoo
Evans
Farr
Fazio
Fields (LA)
Filner
Flake
Foglietta
Ford
Frank (MA)
Frost
Furse
Gejdenson
Gephardt
Gibbons
Gonzalez
Gordon
Gutierrez
Hall (OH)
Hall (TX)
Hamilton
Hastings (FL)
Hefner
Hilliard
Hinchey
Holden
Hoyer
Jackson-Lee
Jacobs
Jefferson
Johnson (SD)
Johnson, E.B.
Johnston
Kanjorski
Kaptur
Kennedy (MA)
Kennedy (RI)
Kennelly
Kildee
Kleczka
LaFalce
Lantos
Levin
Lewis (GA)
Lipinski
LoBiondo
Lofgren
Lowey
Luther
Manton
Markey
Martinez
Mascara
Matsui
McCarthy
McDermott
McHale
McNulty
Meehan
Meek
Menendez
Miller (CA)
Mineta
Minge
Mink
Montgomery
Moran
Nadler
Neal
Obey
Olver
Orton
Owens
Pallone
Pastor
Payne (NJ)
Payne (VA)
Pelosi
Peterson (FL)
Peterson (MN)
Pickett
Pomeroy
Poshard
Rahall
Rangel
Reed
Richardson
Rivers
Roemer
Rose
Roybal-Allard
Rush
Sabo
Sanders
Sawyer
Schroeder
Schumer
Scott
Skaggs
Skelton
Slaughter
Spratt
Stark
Stenholm
Stokes
Studds
Stupak
Tanner
Taylor (MS)
Tejeda
Thompson
Thornton
Thurman
Torres
Torricelli
Towns
Velázquez
Vento
Visclosky
Volkmer
Ward
Waters
Watt (NC)
Waxman
Williams
Wise
Woolsey
Wyden
Wynn
Yates

NOT VOTING—27

Bishop
Brown (FL)
Deal
Fattah
Foley
Geren
Green
Harman
Lincoln
Maloney
McDade
McKinney
Mfume
Moakley
Mollohan
Morella
Oberstar
Ortiz
Reynolds
Riggs
Sanford
Serrano
Sisisky
Smith (NJ)
Tucker
Waldholtz
Wilson

□ 1731

Ms. SLAUGHTER and Mr. MANTON changed their vote from "yea" to "nay."

So the previous question was ordered.

The result of the vote was announced as above recorded.

Mr. SOUDER. Mr. Speaker, I, reluctantly voted for the previous question in spite of my desire to support the Senate gift ban. I personally have implemented the Senate gift ban in my office. While the golf and tennis trips worth thousands of dollars to Members usually benefit charity as well as the Members, there is no question in my mind that these primarily recreational trips should be eliminated as a Member's perk. The American people are demanding that we reform this system of expensive dinners, gifts, and trips. The question is not whether or not people believe the other party. They don't trust them either. Citizens are fed up with both parties because they believe we work too closely with those who give us financial benefits—personal and political. Our large freshman Republican class was elected largely on Government reform. We are not likely to remain if we don't progress on real reform—of Congress itself, or PACS, of gifts, of term limits. I will continue to sponsor legislation on these issues, as well as voluntarily implement them in my office. While ultimately this is a question of integrity and character, I sincerely hope that our leadership will begin voting on these issues soon because previous Congresses have spent the public's full measure of trust.

The SPEAKER pro tempore. (Mr. HASTINGS of Washington). The question is on the resolution.

The resolution was agreed to.

Mrs. LINCOLN. Mr. Speaker, due to family emergency, I was unavoidably detained and unfortunately was not present for rollcall vote 636, a vote on the previous question for the fiscal year 1996 Legislative Branch Appropriations conference report.

Had I been present, I would have voted "nay."

LIMITING DEBATE ON CONFERENCE REPORT ON H.R. 1854, LEGISLATIVE BRANCH APPROPRIATIONS ACT, 1996

A motion to reconsider was laid on the table.

Mr. PACKARD. Mr. Speaker, I ask unanimous consent that debate on the conference report to accompany H.R. 1854 be limited to 10 minutes each, equally divided between myself and the gentleman from California [Mr. FAZIO].

The SPEAKER pro tempore. (Mr. LINDER). Is there objection to the request of the gentleman from California?

There was no objection.

GENERAL LEAVE

Mr. PACKARD. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks on the consideration of the conference report to H.R. 1854, making appropriations for the legislative branch for the fiscal year ending September 30, 1996, and for other purposes, and that I may include extraneous and tabular material.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

CONFERENCE REPORT ON H.R. 1854, LEGISLATIVE BRANCH APPROPRIATIONS ACT, 1996

Mr. PACKARD. Mr. Speaker, pursuant to House Resolution 206, I call up the conference report on the bill (H.R. 1854) making appropriations for the legislative branch for the fiscal year ending September 30, 1996, and for other purposes.

The Clerk read the title of the bill.

The SPEAKER pro tempore. Pursuant to the rule, the conference report is considered as having been read.

(For conference report and statement, see proceedings of the House of July 28, 1995, at page H7964.)

The SPEAKER pro tempore. Under the order of the House, the gentleman from California [Mr. PACKARD] and the gentleman from California [Mr. FAZIO] each will be recognized for 10 minutes.

The Chair recognizes the gentleman from California [Mr. PACKARD].

Mr. PACKARD. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, it is pleasure to present the conference report on the 1996 legislative branch appropriations bill. This is the first 1996 appropriations bill to come out of conference, but there are a number close behind us.

The conference report presents a bill that will greatly reduce the size of our own branch of Government.

To summarize, the conference agreement provides budget authority of $2.18 billion. This is $433 million below the President's budget request, a 16.5 percent reduction. It is $205.7 million below fiscal year 1995; that's an 8.6 percent reduction in funding below the current year. This agreement reduces legislative branch jobs [FTE's] by 2,614 under fiscal year 1995, Senate staffing excluded; that's a 9.5 percent reduction in jobs. Finally, the conference agreement is $114.7 million below our 602(b) budget resolution target.

The House and Senate concluded a successful conference.

There were 55 amendments to the House bill, all were resolved by the conferees.

I will include a table showing details and a list of the highlights of the conference agreement.

We have compared the conference agreement to the House bill.

The bill we sent to the Senate did not have funds for Senate operations.

Excluding the Senate items, the conference agreement is $9,518,000 below the House-passed bill. The reductions to the House bill consist of: $18,458,000 further reduction to GAO; $4,511,000 further reduction in congressional printing; $903,000 reduced from the Joint Committee on Taxation; $1,060,000 further reduction in the power plant; $14,999,000 reduced from Congressional Research Service in order to restore Library of Congress funding; $7,000,000 from the Botanic Garden Conservatory renovation which eliminates the funds to begin that project.

There were several additions to the House bill, including: $2,500,000 for a joint Office of Compliance; $3,615,000 for an orderly shutdown of the Office of Technology Assessment; $50,000 for Capitol buildings maintenance; $17,753,000 was restored to the funding of the Library of Congress; and $13,995,000 was added back for the depository library program under the Superintendent of Documents.

There were several provisions included, primarily to facilitate the operations of the House and Senate. The conference report (House Report 104–212) has been available for several weeks and explains these provisions.

One of these provisions is contained in amendment No. 10 which provides $6,115,000 for the orderly shutdown of the Office of Technology Assessment and includes provisions for severance pay and disposal of property.

Amendment No. 55 includes some House housekeeping provisions added by the managers and a provision that establishes an awards and settlement fund required by the Congressional Accountability Act of 1995.

In addition to the overall reductions I have already enumerated, a few of the highlights include:

House of Representatives—has been cut $57.2 million—$57,174,000—below 1995. Included in this reduction, committee staff have been cut 33 percent; committee budgets have been reduced by $39.8 million—$39,762,000—House administrative offices have been cut by $11.9 million below 1995—$11,934,000—and administrative staff have been reduced by 313 FTE's.

Senate—has been cut $33.7 million in 1995.

Joint items—Joint committees—printing, economic, taxation—have been cut by 22.8 percent overall.

Office of Technology Assessment—has been eliminated, a $22 million savings.

Congressional Budget Office—has been given $1.1 million and 13 more FTE's to perform unfunded mandates workload.

Architect of the Capitol—has been cut $16.8 million below 1995. The conference agreement ends the subsidy to the Flag Office. Flag prices will be raised to reimburse the cost of the flag raising operation. Requests for proposal will be issued to privatize custodial and maintenance work, and a panel of outside experts will propose how the powerplant can be privatized.

Government Printing Office—has been cut $7.9 million below 1995. Congressional printing has been cut by $5.6 million, including no more constituent copies of the CONGRESSIONAL RECORD. The number of daily records printed will be reduced from 17,791 to 11,370, and we have eliminated free copies of documents to judges, to former Members, to press and other media, and to executive agencies.

Library of Congress—funding increased $1.5 million—only increase in bill. The national digital library program of the Library is funded at $3 million, the amount requested.

General Accounting Office—cut $75 million below 1995. The report indicates our intent to reduce GAO by 25 percent over a two-year period.

SUMMARY

In summary, the bill is $205.7 million below fiscal year 1995. It effects a 2,614 reduction in full-time-equivalent jobs; that's a 9.5 percent cut, not including Senate jobs. In total, it is a $432.8 million reduction below the requests included in the President's budget, a 16.5 percent reduction. Finally, it is $114.7 million below our 602(b) target allocation.

Every Member can justify an "aye" vote on passage.

FY 1996 LEGISLATIVE BRANCH APPROPRIATIONS BILL (H.R. 1854)

	FY 1995 Enacted	FY 1996 Estimate	House	Senate	Conference	Conference compared with enacted
TITLE I - CONGRESSIONAL OPERATIONS						
SENATE						
Mileage and Expense Allowances						
Mileage of the Vice President and Senators	60,000	60,000				-60,000
Expense allowances:						
Vice President	10,000	10,000		10,000	10,000	
President Pro Tempore of the Senate	10,000	10,000		10,000	10,000	
Majority Leader of the Senate	10,000	10,000		10,000	10,000	
Minority Leader of the Senate	10,000	10,000		10,000	10,000	
Majority Whip of the Senate	5,000	5,000		5,000	5,000	
Minority Whip of the Senate	5,000	5,000		5,000	5,000	
Chairman of the Majority Conference Committee	3,000	3,000		3,000	3,000	
Chairman of the Minority Conference Committee	3,000	3,000		3,000	3,000	
Subtotal, expense allowances	56,000	56,000		56,000	56,000	
Representation allowances for the Majority and Minority Leaders	30,000	30,000		30,000	30,000	
Total, Mileage and expenses allowances	146,000	146,000		86,000	86,000	-60,000
Salaries, Officers and Employees						
Office of the Vice President	1,513,000	1,549,000		1,513,000	1,513,000	
Office of the President Pro Tempore	457,000	469,000		325,000	325,000	-132,000
Offices of the Majority and Minority Leaders	2,195,000	2,248,000		2,195,000	2,195,000	
Offices of the Majority and Minority Whips	656,000	672,000		656,000	656,000	
Conference committees	1,992,000	2,040,000		1,992,000	1,992,000	
Offices of the Secretaries of the Conference of the Majority and the Conference of the Minority	384,000	394,000		360,000	360,000	-24,000
Policy Committees				1,930,000	1,930,000	+1,930,000
Office of the Chaplain	192,000	201,000		192,000	192,000	
Office of the Secretary	12,961,000	13,260,000		12,128,000	12,128,000	-833,000
Office of the Sergeant at Arms and Doorkeeper	32,739,000	36,399,000		31,879,000	31,889,000	-850,000
Offices of the Secretaries for the Majority and Minority	1,197,000	1,225,000		1,047,000	1,047,000	-150,000
Agency contributions and related expenses	17,052,000	18,386,000		15,500,000	15,500,000	-1,552,000
Total, salaries, officers and employees	71,338,000	75,841,000		69,717,000	69,727,000	-1,611,000
Office of the Legislative Counsel of the Senate						
Salaries and expenses	3,381,000	3,543,500		3,381,000	3,381,000	
Office of Senate Legal Counsel						
Salaries and expenses	936,000	965,000		936,000	936,000	
Expense Allowances of the Secretary of the Senate, Sergeant at Arms and Doorkeeper of the Senate, and Secretaries for the Majority and Minority of the Senate: Expenses allowances	12,000	12,000		12,000	12,000	
Contingent Expenses of the Senate						
Senate policy committees	2,574,000	2,672,000				-2,574,000
Inquiries and investigations	78,112,000	78,863,000		66,395,000	66,395,000	-11,717,000
Expenses of United States Senate Caucus on International Narcotics Control	348,000	379,000		305,000	305,000	-43,000
Secretary of the Senate	1,966,500	1,966,500		1,266,000	1,266,000	-700,500
(By transfer)	(7,000,000)					(-7,000,000)
Sergeant at Arms and Doorkeeper of the Senate	74,894,000	72,234,000		61,347,000	61,347,000	-13,547,000
Miscellaneous items	7,429,000	7,429,000		6,644,000	6,644,000	-785,000
Senators' Official Personnel and Office Expense Account	206,542,000	222,883,000		204,029,000	204,029,000	-2,513,000
Office of Senate Fair Employment Practices	889,000	890,000		778,000	778,000	-111,000
Settlements and Awards Reserve	1,000,000	1,000,000		1,000,000	1,000,000	
Stationery (revolving fund)	13,000	13,000		13,000	13,000	
Official Mail Costs						
Expenses	11,000,000	36,300,000		11,000,000	11,000,000	
Total, contingent expenses of the Senate	384,767,500	424,409,500		352,777,000	352,777,000	-31,990,500
Total, Senate	460,580,500	504,937,000		426,909,000	426,919,000	-33,661,500
HOUSE OF REPRESENTATIVES 1/						
Payments to Widows and Heirs of Deceased Members of Congress						
Gratuities, deceased Members	267,200					-267,200
Salaries and Expenses						
House Leadership Offices						
Office of the Speaker	1,444,000	1,600,000	1,478,000	1,478,000	1,478,000	+34,000
Office of the Majority Floor Leader	1,220,764	1,114,000	1,470,000	1,470,000	1,470,000	+249,236
Office of the Minority Floor Leader	1,445,413	1,525,000	1,480,000	1,480,000	1,480,000	+34,587

1/ Enacted and request reflect current organization of House funding.

Mr. Speaker, I reserve the balance of my time.

Mr. FAZIO of California. Mr. Speaker, I yield 1½ minutes to the gentleman from Virginia [Mr. MORAN].

Mr. MORAN. Mr. Speaker, I want to see Cal Ripkin break that record as much as anybody, but, you know, there are other people's lives at stake here in this bill.

I rise in opposition to the bill. One reason is it eliminates the Office of Technology Assessment. I think it is important that the Members understand fully what this bill does. For one, it eliminates the Office of Technology Assessment, the studies they do, technical studies, studies that give us information we could not get otherwise. They are overseen by a bipartisan board.

It is going to make us much more reliant upon the high-priced lobbyists that represent the billion-dollar telecommunications industry or whatever others may have a vested interest.

It eliminates 25 percent of the General Accounting Office. Think of the millions of dollars that have been saved every year by GAO. Yet we are going to tell them that a quarter of GAO is expendable. I think that is penny wise and pound foolish.

But most importantly, my friends in this Chamber, we need to know what this does to the lives of those people that have devoted their lives to serving this institution.

I would like you to focus for a moment on someone like Nancy Glorius. She started working for this institution when she was 15 years old. She has worked for the House of Representatives for 34 years, helping the House buy anything from paper clips to computer networks, has always done a good job. You know what, she just received a form letter, pink slip, without so much as her name on it, after spending 34 years of her life serving this institution; people like Charles Hoag, who worked here 24 years and was let go just months before his retirement and replaced with higher paid employees. This is not right.

This institution will not serve us, more importantly the American people, if this is the way we conduct ourselves.

Mr. PACKARD. Mr. Speaker, I yield 1 minute to the gentleman from California [Mr. THOMAS], chairman of the Committee on House Oversight.

Mr. THOMAS. Mr. Speaker, I want to thank the chairman of the Committee on Appropriations, the gentleman from Louisiana [Mr. LIVINGSTON], and the ranking member, the gentleman from Wisconsin [Mr. OBEY], the chairman of the Subcommittee on Legislative Appropriations, the gentleman from California [Mr. PACKARD], and the ranking member, the gentleman from California [Mr. FAZIO], because the gentleman from California [Mr. FAZIO] also serves as the ranking member on House oversight.

I think the gentleman from California [Mr. PACKARD] made the point this is an absolute reduction. It is a cut. This is a change from previous Congresses.

□ 1745

Notwithstanding the desire not to make reductions or cuts, I still want to compliment everyone involved because I think it was done in the fairest manner and in the most efficient way possible. We took the major cuts ourselves. We eliminated three committees. Fully 30 percent of the money, $29 million, came out of the committees.

So, I think by example we have indicated where we want to go. The 25-percent General Accounting Office cut was recommended by the General Accounting Office. All we did was accept it. We have more changes coming. Look at the new handbook which my colleagues have received. This is just the beginning.

Mr. FAZIO of California. Mr. Speaker, I yield 1 minute to the gentleman from Indiana [Mr. ROEMER].

Mr. ROEMER. Mr. Speaker, I have never voted for a legislative appropriations bill in the 4 years that I have been in Congress. But for the first time, in a bipartisan way, in order to balance the budget, in order to work together across aisles, and I hope this is a vanguard in the next few weeks and months, I will vote for this bill. It makes tough choices toward balancing the budget. It cuts 33 percent out of our mail accounts. It cuts money from the clerk hire. It cuts money from the General Accounting Office and the Office of Technology Assessment.

Yes, my colleagues, if we are going to move toward balancing the budget, which I fully endorse, Congress has to take the first step and share in the sacrifice.

Finally, Mr. Speaker, we were successful in working with the gentleman from New Jersey and getting a Roemer-Zimmer amendment attached. If my colleagues save money in their office account, that money will go for the U.S. deficit.

Mr. PACKARD. Mr. Speaker, I yield 1 minute to the gentleman from Iowa [Mr. NUSSLE].

Mr. NUSSLE. Mr. Speaker, I would like to engage with the gentleman from California [Mr. Packard] in a colloquy.

Mr. Packard, in reviewing the conference report language, it appears that the intent of the subcommittee is to prohibit all moves by Members of their offices. As my colleague knows, as part of the transition we are attempting to consolidate Member offices, consolidate split suites where there are two rooms and one room that is located elsewhere. We want to make sure that the bipartisan Building Commission, as part of the transition, still has the ability to consolidate suites, and I want to make sure that even though there is a prohibition, that that prohibition is more if a Member's term is limited for one reason or another by death or resignation and not for the incidental consolidation Members' suites.

Mr. PACKARD. Mr. Speaker, will the gentleman yield?

Mr. NUSSLE. I yield to the gentleman from California.

Mr. PACKARD. The subcommittee recognizes that the bipartisan Building Commission may need some flexibility in fulfilling its goal of consolidating office space, including eliminating split suites. It is not the intent of the subcommittee to prohibit such moves authorized by the bipartisan Building Commission.

Mr. FAZIO of California. Mr. Speaker, I yield such time as he may consume to the gentleman from Wisconsin [Mr. OBEY], the ranking member of the Committee on Appropriations.

Mr. OBEY. Mr. Speaker, I do support the cuts in this bill, but I do not believe that Congress ought to be exempted from the negotiating squeeze if, in fact, the entire national budget is headed for a train wreck. The President has indicated that, if we send this bill to him before other issues are resolved, he will veto it. That is not going to be in anybody's interest, so it seems to me what we ought to do is to delay the sending of this bill to the President.

That is why the motion to recommit, which I will offer in just a moment, will do just that. It will simply recommit the conference report to the committee with instructions that the conference not meet until subsequently instructed to do so by the House pursuant to clause 1(c) of rule XXVIII. That would simply facilitate the delaying of this bill until other budget issues are worked out in other appropriation bills so that we are not in the unseemly position of appearing to be trying to speed passage through of the bill that funds our agencies while other agencies are going to get caught in the squeeze.

Mr. PACKARD. Mr. Speaker, I yield myself such time as I may consume in response to the motion to recommit.

Let us look at the motion to recommit. It delays. If my colleagues want gridlock, if my colleagues want a so-called train wreck, then vote for this motion to recommit. The best way to avoid a train wreck is to do what we are supposed to do, and that is pass appropriations bills.

What is wrong with the conference report the way it is? I do not think there is anything wrong with it. It cuts below last year's bill. Could it be that those who want to hold this bill are opposed to deficit reduction? We are supposed to be bringing about deficit reduction. That's what this conference report does. It also makes significant reforms in the legislative branch.

Vote against delay. Vote against the motion to recommit.

Since the first of the year Republicans have set an aggressive legislative agenda. Now we are bringing the fruits of our labors to our colleagues. Let us move forward. Vote for deficit reduction, vote against delay, vote against the motion to recommit.

This motion to recommit the bill to conference is an unprecedented action since I have been here. It is designed to remove control of the legislative agenda from the majority. It is designed to delay the appropriations process. It is designed to give the President control over the legislative branch of Government. I would ask the Members to oppose the motion to recommit.

Mr. Speaker, if the gentleman from California [Mr. FAZIO] is through, I will yield back the balance of my time.

Mr. FAZIO of California. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, is the gentleman from California going to have a colloquy with the gentleman from Indiana [Mr. BUYER]?

Mr. PACKARD. Mr. Speaker, will the gentleman yield?

Mr. FAZIO of California. I yield to the gentleman from California.

Mr. PACKARD. Mr. Speaker, I do not see that on the table right now.

Mr. FAZIO of California. Mr. Speaker, I think it might be important simply to reference the concern the gentleman had, however.

Mr. PACKARD. There has been some concern, particularly by the Secretary of Veterans Affairs, that our bill would change the reduction in force of GAO as it affects, as it might affect, veterans preference. We have discussed this with Mr. BUYER, chairman of the Committee on Veterans' Affairs subcommittee. I have a letter from the GAO, and I would submit it for the RECORD. It is to Mr. Detweiler, the National Commander of the American Legion, who has posed the problem in a letter of August 22, 1995. The Comptroller General's, Mr. Charles Bowsher letter assures the veterans that there is no intention of undermining veterans' preference, and certainly I think this issue is cleared up as far as my understanding of the bill is concerned. There apparently has been a misunderstanding of section 212 of the conference report. Mr. Bowsher's letter clears that up. And both Mr. BUYER and I wanted to make sure this is clarified.

The letters referred to are as follows:

COMPTROLLER GENERAL
OF THE UNITED STATES,
Washington, DC, September 1, 1995.

Mr. WILLIAM DETWEILER,
National Commander, The American Legion, Washington, DC.

DEAR MR. DETWEILER: I am very troubled by the August 22 letter, which you sent to members of Congress. Your assertion that section 211 of H.R. 1854 (the legislative branch appropriations bill) would result in an erosion of veterans' preference is erroneous.

Section 211 provides no exemption from the statutory requirement for veterans' preference in a reduction-in-force. On the contrary, section 211 specifically requires that GAO recognize veterans' preference in developing its reduction-in-force rules. GAO will do so.

Beyond this bill, GAO's enabling legislation requires that the agency accord employees the same preferences, including veterans' preference, that are provided to employees in the executive branch.

I assure you that we have no intention of undermining veterans' preference. Indeed, GAO is committed to preserving veterans' preference and will accord veterans the same rights as they would receive during reductions-in-force in executive branch agencies.

I would be happy to meet with you to discuss this matter further. I hope you will join us in correcting any misunderstanding your letter has created about the effect of section 211 on veterans' preference.

Sincerely yours,
CHARLES A. BOWSHER,
Comptroller General of the United States.

THE AMERICAN LEGION,
Washington, DC, August 22, 1995.

DEAR REPRESENTATIVE: The American Legion is requesting that you oppose the conference report on H.R. 1854, the FY 1996 appropriations bill for the Legislative Branch.

The American Legion is strongly opposed to section 211 of H.R. 1854, a provision that will allow the General Accounting Office to place less emphasis on veterans' preference in reduction-in-force situations. The American Legion believes this is a major step in the erosion of veterans' preference for employment purposes.

"The Veterans' Preference Act of 1944" was enacted by Congress to assist veterans seeking employment because their military service prevented them from earning promotions and benefits in the civilian work force like their civilian counterparts. Unlike affirmative action programs, veterans' preference requires that veterans must be fully qualified and competitive for the preference to apply. The law simply provides preference to a veteran in obtaining and retaining federal employment provided the candidates or employees have equal qualifications.

The American Legion requests that you preserve America's contract with veterans and oppose the conference report for H.R. 1854. Thank you for the continued leadership on important veterans issues.

Sincerely,
WILLIAM M. DETWEILER,
National Commander.

Mr. FAZIO of California. Mr. Speaker, first of all I do want to reference the last point made by my friend from California. I have been on the phone with the Assistant Secretary of Veterans Affairs, Ed Scott. It is the administration's position that unless the language is changed, the Comptroller General would retain the authority to pay less attention to veterans' preference. I appreciate the concern that I know the gentleman from Indiana [Mr. BUYER] had, and I know that the gentleman from California [Mr. PACKARD] has just indicated he shares, but I do think it is important that we point out for the record that this concern remains extant in the executive branch, and I also want to join with the gentleman from California [Mr. PACKARD] in saying it is not the intent of either the majority or the minority to have that effect, but I would, for further clarification, include the letter from Jesse Brown, the Secretary of Veterans Affairs, in the RECORD at this time:

THE SECRETARY OF
VETERANS AFFAIRS,
Washington, DC, September 6, 1995.

Hon. VIC FAZIO,
Ranking Minority Member, Subcommittee on Legislative, Committee on Appropriations, House of Representatives, Washington, DC.

DEAR CONGRESSMAN FAZIO: I am deeply concerned about a provision in the conference report on H.R. 1854, the proposed Legislative Appropriations Act for FY 1996, that could erode veterans' preference under a downsizing of the General Accounting Office.

Section 212 of the conference report, which originated in the Senate, would authorize the Comptroller General to give less weight to veterans' preference in any reduction-in-force that GAO carries out under this legislation.

This provision overlooks the vitally important role of veterans' preference in America's sacred contract with her defenders. The week after we commemorated our great victory in World War II and a month after the dedication of the Korean War Memorial is no time for the Congress to permit any dilution of our obligations to our warriors. The suggestion that something less than strict adherence to veterans' preference would be acceptable is a slap in the face to all those who have served and sacrificed in defense of freedom and democracy.

I hope you agree with me that legislation, such as H.R. 1854, allowing the weakening of veterans preference must not be enacted.

Sincerely,
JESSE BROWN.

Mr. Speaker, as it relates to the motion offered by the gentleman from Wisconsin [Mr. OBEY] to recommit, I want to say very clearly that I would never advocate a veto of this bill by any President of either party. I have never in the time I have managed this bill as chairman of this subcommittee seen that likelihood carried out by President Reagan or President Bush. But I think we all understand that none of us want to be treated differently in this branch of Government than anyone else in Government.

We want to make that clear to all the people who are observing our proceedings. If we are going to be asking loyal and hard-working Federal employees to take furloughs and to have their lives disrupted, certainly the American public would think it important that we share in that same struggle, that same burden. It would only be fitting that we, therefore, indicate our interests in being treated alike.

So, Mr. Speaker, I believe the motion to recommit would instruct the conferees to wait until further progress has been made on the other appropriations bills, would not tempt the White House to issue a veto, and is a middle ground that perhaps some of us would seek short of having a confrontation on an issue that ought to be treated with comity by both the executive and legislative branch.

Mr. Speaker, just in completing my remarks, I want to pay tribute once again to the gentleman from California [Mr. PACKARD] who has done an outstanding job in his first voyage as chairman of this subcommittee under very difficult circumstances. I voted for this bill when it passed the House, and, as a courtesy to him, I signed the conference report. The conference does make some significant improvements. It provides additional funds to CBO to handle the needs of unfunded mandate analysis, which we recently gave them. It restores additional FTE's to the Government Printing Office, it restores funds for our depository libraries around the country, it reestablishes the Joint Committee on Printing, it restores the Folk Life Center at the Library, and restores funding to the Library of Congress. For many Members an important provision: It keeps the Flag Office alive, although the cost of flags will rise to cover the full cost of the dissemination.

But sadly it goes too deep in its cuts in the GAO, more than a 15-percent cut below last year, and most regrettably, and I share this with the gentleman from New York [Mr. HOUGHTON], our colleague who chairs the board that guides the Office of Technology Assessment, rather than support the House position that kept OTA alive under the Library of Congress, it actually does away with the entity. So for those two reasons, Mr. Speaker, regrettably I must oppose this conference report.

Mr. Speaker, my most popular remark of the evening: I yield back the balance of my time.

Mr. PACKARD. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, if Congress sent as the first appropriations bill the Labor-HHS or some other appropriations bill with an 8- or 9-percent cut to the President, do my colleagues know what we would hear from the President? Why do you not cut yourselves first before cutting these other agencies?

We are cutting ourselves first. We think that is appropriate. This is a model for the rest of the appropriations bills. We are proud to send it to the President first, but we think it will be accompanied by several other bills. I urge the Members to vote for it and to vote against the motion to recommit.

Mr. Speaker, I yield back the balance of my time.

Mr. Speaker, today, we in Congress, under the leadership of the Republican majority, have the opportunity to end business as usual in Government. We have the opportunity to prove to the American people that the change they voted for last November has not fallen on deaf ears.

Through the hard work and diligence of both the House and the Senate, we have crafted a legislative branch appropriations bill that cuts spending and returns sanity to congressional expenditure. This bill indicates just how serious we are about reshaping Government. By cutting our own budget, we have set the standard for every other Federal agency and taken the first crucial step toward a brighter, more prosperous future for our children.

I would encourage all of my colleagues to support H.R. 1854.

The SPEAKER pro tempore. Without objection, the previous question is ordered.

There was no objection.

MOTION TO RECOMMIT OFFERED BY MR. OBEY

Mr. OBEY. Mr. Speaker, I offer a motion to recommit.

The SPEAKER pro tempore (Mr. LINDER). Is the gentleman opposed to the conference report?

Mr. OBEY. At the present time, Mr. Speaker, yes.

The SPEAKER pro tempore. The clerk will report the motion to recommit.

The Clerk read as follows:

> Mr. OBEY moves to recommit the conference report on H.R. 1854 (H. Rept. 104–212) to the Committee on Conference with instruction that the conferees not meet until subsequently instructed to do so by the House pursuant to clause 1(C) of rule XXVIII.

The SPEAKER pro tempore. Without objection, the previous question is ordered on the motion to recommit.

There was no objection.

The SPEAKER pro tempore. The question is on the motion to recommit.

The question was taken; and the Speaker pro tempore announced that the noes appeared to have it.

RECORDED VOTE

Mr. OBEY. Mr. Speaker, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 164, noes 243, not voting 27, as follows:

[Roll No. 637]

AYES—164

Abercrombie
Ackerman
Baesler
Baldacci
Barcia
Barrett (WI)
Becerra
Beilenson
Bentsen
Berman
Bevill
Bonior
Borski
Browder
Brown (CA)
Brown (OH)
Bryant (TX)
Clay
Clayton
Clement
Clyburn
Coleman
Collins (IL)
Collins (MI)
Condit
Conyers
Costello
Coyne
Cramer
Danner
DeFazio
DeLauro
Dellums
Deutsch
Dicks
Dingell
Dixon
Doggett
Dooley
Doyle
Durbin
Edwards
Engel
Eshoo
Evans
Farr
Fazio
Fields (LA)
Filner
Flake
Foglietta
Ford
Frank (MA)
Frost
Gejdenson
Gephardt
Gibbons
Gonzalez
Gordon
Green
Gutierrez
Hall (OH)
Hamilton
Harman
Hastings (FL)
Hefner
Hilliard
Hinchey
Holden
Jackson-Lee
Jacobs
Jefferson
Johnson, E.B.
Johnson (SD)
Johnston
Kanjorski
Kaptur
Kennedy (MA)
Kennedy (RI)
Kennelly
Kildee
Kleczka
Klink
LaFalce
Lantos
Levin
Lewis (GA)
Lipinski
Lofgren
Lowey
Luther
Manton
Markey
Martinez
Mascara
Matsui
McCarthy
McDermott
McHale
McNulty
Meehan
Meek
Menendez
Miller (CA)
Mineta
Minge
Mink
Moran
Nadler
Neal
Obey
Olver
Orton
Owens
Pallone
Pastor
Payne (NJ)
Payne (VA)
Pelosi
Peterson (FL)
Peterson (MN)
Pickett
Pomeroy
Poshard
Rangel
Reed
Richardson
Rivers
Rose
Roybal-Allard
Rush
Sanders
Sawyer
Schroeder
Schumer
Scott
Skaggs
Slaughter
Spratt
Stark
Stockman
Stokes
Studds
Stupak
Tanner
Thompson
Thornton
Thurman
Torres
Torricelli
Towns
Velázquez
Vento
Visclosky
Volkmer
Ward
Waters
Watt (NC)
Williams
Wise
Woolsey
Wyden
Wynn
Yates

NOES—243

Allard
Andrews
Archer
Armey
Bachus
Baker (CA)
Baker (LA)
Ballenger
Barr
Barrett (NE)
Bartlett
Barton
Bass
Bateman
Bereuter
Bilbray
Bilirakis
Bliley
Blute
Boehlert
Boehner
Bonilla
Bono
Boucher
Brewster
Brownback
Bryant (TN)
Bunn
Bunning
Burr
Burton
Buyer
Callahan
Calvert
Camp
Canady
Castle
Chabot
Chambliss
Chapman
Chenoweth
Christensen
Chrysler
Clinger
Coble
Coburn
Collins (GA)
Combest
Cooley
Cox
Crane
Crapo
Cremeans
Cubin
Cunningham
Davis
Deal
de la Garza
DeLay
Diaz-Balart
Dickey
Doolittle
Dornan
Dreier
Duncan
Dunn
Ehlers
Ehrlich
Emerson
English
Ensign
Everett
Ewing
Fawell
Fields (TX)
Flanagan
Forbes
Fowler
Fox
Franks (CT)
Franks (NJ)
Frelinghuysen
Frisa
Funderburk
Furse
Gallegly
Ganske
Gekas
Gilchrest
Gillmor
Gilman
Goodlatte
Goodling
Goss
Graham
Greenwood
Gunderson
Gutknecht
Hall (TX)
Hancock
Hansen
Hastert
Hastings (WA)
Hayes
Hayworth
Hefley
Heineman
Herger
Hilleary
Hobson
Hoekstra
Hoke
Horn
Hostettler
Houghton
Hunter
Hutchinson
Hyde
Inglis
Istook
Johnson (CT)
Johnson, Sam
Jones
Kasich
Kelly
Kim
King
Kingston
Klug
Knollenberg
Kolbe
LaHood
Largent
Latham
LaTourette
Laughlin
Lazio
Leach
Lewis (CA)
Lewis (KY)
Lightfoot
Linder
Livingston
LoBiondo
Longley
Lucas
Manzullo
Martini
McCollum
McCrery
McHugh
McInnis
McIntosh
McKeon
Metcalf
Meyers
Mica
Miller (FL)
Molinari
Montgomery
Moorhead
Murtha
Myers
Myrick
Nethercutt
Neumann
Ney
Norwood
Nussle
Ortiz
Oxley
Packard
Parker
Paxon
Petri
Pombo
Porter
Portman
Pryce
Quillen
Quinn
Radanovich
Rahall
Ramstad
Regula
Roberts
Roemer
Rogers
Rohrabacher
Ros-Lehtinen
Roth
Roukema
Royce
Salmon
Sanford
Saxton
Scarborough
Schaefer
Schiff
Seastrand
Sensenbrenner
Shadegg
Shaw
Shays

Shuster
Skeen
Skelton
Smith (MI)
Smith (TX)
Smith (WA)
Solomon
Souder
Spence
Stearns
Stenholm
Stump
Talent
Tate
Tauzin
Taylor (MS)
Taylor (NC)
Tejeda
Thomas
Thornberry
Tiahrt
Torkildsen
Traficant
Upton
Vucanovich
Walker
Walsh
Wamp
Watts (OK)
Weldon (FL)
Weldon (PA)
Weller
White
Whitfield
Wicker
Wolf
Young (AK)
Zeliff
Zimmer

NOT VOTING—27

Bishop
Brown (FL)
Cardin
Fattah
Foley
Geren
Hoyer
Lincoln
Maloney
McDade
McKinney
Mfume
Moakley
Mollohan
Morella
Oberstar
Reynolds
Riggs
Sabo
Serrano
Sisisky
Smith (NJ)
Tucker
Waldholtz
Waxman
Wilson
Young (FL)

□ 1816

The Clerk announced the following pair:

On this vote:

Mrs. Maloney for, with Mr. Foley against.

Mr. TEJEDA changed his vote from "aye" to "no."

Mr. FLAKE changed his vote from "no" to "aye."

So the motion to recommit was rejected.

The result of the vote was announced as above recorded.

The SPEAKER pro tempore (Mr. LINDER). The question is on the conference report.

Pursuant to clause 7 of rule XV, the yeas and nays are ordered.

The vote was taken by electronic device, and there were—yeas 305, nays 101, not voting 28, as follows:

[Roll No. 638]

YEAS—305

Ackerman
Allard
Andrews
Archer
Armey
Bachus
Baesler
Baker (CA)
Baker (LA)
Baldacci
Ballenger
Barcia
Barr
Barrett (NE)
Barrett (WI)
Bartlett
Barton
Bass
Bateman
Bentsen
Bereuter
Bevill
Bilbray
Bilirakis
Bliley
Blute
Boehlert
Boehner
Bonilla
Bono
Borski
Boucher
Brewster
Brown (OH)
Brownback
Bryant (TN)
Bunn
Bunning
Burr
Burton
Buyer
Callahan
Calvert
Camp
Canady
Castle
Chabot
Chambliss
Chapman
Chenoweth
Christensen
Chrysler
Clayton
Clement
Clinger
Coble
Coburn
Collins (GA)
Combest
Cooley
Costello
Cox
Crane
Crapo
Cremeans
Cubin
Cunningham
Danner
Davis
de la Garza
Deal
DeFazio
DeLay
Deutsch
Diaz-Balart
Dickey
Dixon
Dooley
Doolittle
Dornan
Doyle
Dreier
Duncan
Dunn
Edwards
Ehlers
Ehrlich
Emerson
English
Ensign
Eshoo
Everett
Ewing
Farr
Fawell
Fields (TX)
Flake
Flanagan
Forbes
Ford (TN)
Fowler
Fox
Frank (MA)
Franks (CT)
Franks (NJ)
Frelinghuysen
Frisa
Funderburk
Furse
Gallegly
Ganske
Gekas
Gilchrest
Gillmor
Gilman
Goodlatte
Goodling
Goss
Graham
Greenwood
Gunderson
Gutknecht
Hall (OH)
Hamilton
Hancock
Hansen
Hastert
Hastings (WA)
Hayes
Hayworth
Hefley
Heineman
Herger
Hilleary
Hobson
Hoekstra
Hoke
Holden
Horn
Hostettler
Houghton
Hunter
Hutchinson
Hyde
Inglis
Istook
Jackson-Lee
Johnson (CT)
Johnson, E.B.
Johnson, Sam
Johnson (SD)
Jones
Kaptur
Kasich
Kelly
Kennedy (RI)
Kim
King
Kingston
Kleczka
Klug
Knollenberg
Kolbe
LaHood
Largent
Latham
LaTourette
Laughlin
Lazio
Leach
Lewis (CA)
Lewis (KY)
Lightfoot
Linder
Lipinski
Livingston
LoBiondo
Lofgren
Longley
Lucas
Luther
Manton
Manzullo
Martini
Mascara
McCarthy
McCollum
McCrery
McHale
McHugh
McInnis
McIntosh
McKeon
McNulty
Meehan
Menendez
Metcalf
Meyers
Mica
Miller (FL)
Mineta
Minge
Mink
Molinari
Montgomery
Moorhead
Murtha
Myers
Myrick
Neal
Nethercutt
Neumann
Ney
Norwood
Nussle
Ortiz
Orton
Oxley
Packard
Pallone
Parker
Paxon
Payne (VA)
Peterson (MN)
Petri
Pombo
Porter
Portman
Poshard
Pryce
Quillen
Quinn
Radanovich
Ramstad
Rangel
Reed
Regula
Rivers
Roberts
Roemer
Rogers
Rohrabacher
Ros-Lehtinen
Roth
Roukema
Royce
Salmon
Saxton
Scarborough
Schaefer
Schiff
Schumer
Seastrand
Sensenbrenner
Shadegg
Shaw
Shays
Shuster
Skeen
Skelton
Smith (MI)
Smith (TX)
Smith (WA)
Solomon
Souder
Spence
Spratt
Stearns
Stockman
Stump
Stupak
Talent
Tate
Tauzin
Taylor (MS)
Taylor (NC)
Tejeda
Thomas
Thornberry
Tiahrt
Torkildsen
Torricelli
Towns
Traficant
Upton
Visclosky
Vucanovich
Walker
Walsh
Wamp
Waters
Watts (OK)
Weldon (FL)
Weldon (PA)
Weller
White
Whitfield
Wicker
Wise
Wolf
Woolsey
Wyden
Young (AK)
Zeliff
Zimmer

NAYS—101

Abercrombie
Becerra
Beilenson
Berman
Bonior
Browder
Brown (CA)
Bryant (TX)
Clay
Clyburn
Coleman
Collins (IL)
Collins (MI)
Condit
Conyers
Coyne
Cramer
DeLauro
Dellums
Dingell
Doggett
Durbin
Engel
Evans
Fazio
Fields (LA)
Filner
Foglietta
Frost
Gejdenson
Gephardt
Gibbons
Gonzalez
Gordon
Green
Gutierrez
Hall (TX)
Harman
Hastings (FL)
Hefner
Hilliard
Hinchey
Jacobs
Jefferson
Johnston
Kanjorski
Kennedy (MA)
Kennelly
Kildee
Klink
LaFalce
Lantos
Levin
Lewis (GA)
Lowey
Markey
Martinez
Matsui
McDermott
Meek
Miller (CA)
Moran
Nadler
Obey
Olver
Owens
Pastor
Payne (NJ)
Pelosi
Peterson (FL)
Pickett
Pomeroy
Rahall
Richardson
Rose
Roybal-Allard
Rush
Sanders
Sanford
Sawyer
Schroeder
Scott
Skaggs
Slaughter
Stark
Stenholm
Stokes
Studds
Tanner
Thompson
Thornton
Thurman
Torres
Velázquez
Vento
Volkmer
Ward
Watt (NC)
Williams
Wynn
Yates

NOT VOTING—28

Bishop
Brown (FL)
Cardin
Dicks
Fattah
Foley
Geren
Hoyer
Lincoln
Maloney
McDade
McKinney
Mfume
Moakley
Mollohan
Morella
Oberstar
Reynolds
Riggs
Sabo
Serrano
Sisisky
Smith (NJ)
Tucker
Waldholtz
Waxman
Wilson
Young (FL)

□ 1825

The Clerk announced the following pair:

On this vote:

Mrs. Waldholtz for, with Ms. McKinney against.

Mr. PALLONE changed his vote from "nay" to "yea."

So the conference report was agreed to.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

PERSONAL EXPLANATION

Mr. MFUME. Mr. Speaker, I was detained in my congressional district in Baltimore today and thus forced to miss three record votes. Specifically, I was not present to record my vote on rollcall vote No. 636, on ordering the previous question; rollcall vote No. 637, the motion to recommit the conference report to H.R. 1854; and rollcall vote No. 638, on agreeing to the conference report to H.R. 1854.

Had I been here I would have voted nay on rollcall vote No. 636, ordering the previous question; yea on rollcall vote No. 637, the motion to recommit the conference report; and nay on rollcall vote No. 638, on agreeing to the conference report.

PERSONAL EXPLANATION

Mr. RIGGS. Mr. Speaker, because I was unavoidably delayed in my return to Washington from California on Wednesday, September 6, 1995, I sought and was granted a leave of absence. During my absence, I missed three votes.

Had I been present, I would have voted "aye" on rollcall No. 636, ordering the previous question on House Resolution 206;

I would have voted "no" on rollcall No. 637, motion to recommit the legislative branch appropriations conference report; and

I would have voted "aye" on rollcall No. 638, approval of the legislative branch appropriations conference report.

ANNUAL REPORT ON FEDERAL ADVISORY COMMITTEES 1994—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES

The SPEAKER pro tempore (Mr. CHAMBLISS) laid before the House the following message from the President of the United States; which was read and, together with the accompanying papers, without objection, referred to the Committee on Government Reform and Oversight:

To the Congress of the United States:

As provided by the Federal Advisory Committee Act, as amended (Public Law 92-463; 5 U.S.C. App. 2, 6(c)), I am submitting my second Annual Report on Federal Advisory Committees covering fiscal year 1994.

This report highlights continuing efforts by my Administration to reduce and manage Federal advisory committees. Since the issuance of Executive Order No. 12838, as one of my first acts as President, we have reduced the overall number of discretionary advisory committees by 335 to achieve a net total of 466 chartered groups by the end of fiscal year 1994. This reflects a net reduction of 42 percent over the 801 discretionary committees in existence at the beginning of my Administration—substantially exceeding the one-third target required by the Executive order.

In addition, agencies have taken steps to enhance their management and oversight of advisory committees to ensure these committees get down to the public's business, complete it, and then go out of business. I am also pleased to report that the total aggregate cost of supporting advisory committees, including the 429 specifically mandated by the Congress, has been reduced by $10.5 million or by over 7 percent.

On October 5, 1994, my Administration instituted a permanent process for conducting an annual comprehensive review of all advisory committees through Office of Management and Budget (OMB) Circular A-135, "Management of Federal Advisory Committees." Under this planning process, agencies are required to review all advisory committees, terminate those no longer necessary, and plan for any future committee needs.

On July 21, 1994, my Administration forwarded for your consideration a proposal to eliminate 31 statutory advisory committees that were no longer necessary. The proposal, introduced by then Chairman GLENN of the Senate Committee on Governmental Affairs as S. 2463, outlined an additional $2.4 million in annual savings possible through the termination of these statutory committees. I urge the Congress to pursue this legislation—adding to it if possible—and to also follow our example by instituting a review process for statutory advisory committees to ensure they are performing a necessary mission and have not outlived their usefulness.

My Administration also supports changes to the Federal Advisory Committee Act to facilitate communications between Federal, State, local, and tribal governments. These changes are needed to support this Administration's efforts to expand the role of these stakeholders in governmental policy deliberations. We believe these actions will help promote better communications and consensus building in a less adversarial environment.

I am also directing the Administrator of General Services to undertake a review of possible actions to more thoroughly involve the Nation's citizens in the development of Federal decisions affecting their lives. This review should focus on the value of citizen involvement as an essential element of our efforts to reinvent Government, as a strategic resource that must be maximized, and as an integral part of our democratic heritage. This effort may result in a legislative proposal to promote citizen participation at all levels of government consistent with the great challenges confronting us.

We continue to stand ready to work with the Congress to assure the appropriate use of advisory committees and to achieve the purposes for which this law was enacted.

WILLIAM J. CLINTON.
THE WHITE HOUSE, *September 6, 1995.*

REPORT ON ACTIVITIES OF THE U.S. GOVERNMENT IN UNITED NATIONS, 1994—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES

The SPEAKER pro tempore laid before the House the following message from the President of the United States; which was read and, together with the accompanying papers, without objection, referred to the Committee on International Relations:

To the Congress of the United States:

I am pleased to transmit herewith a report of the activities of the United States Government in the United Nations and its affiliated agencies during the calendar year 1994. The report is required by the United Nations Participation Act (Public Law 264, 79th Congress; 22 U.S.C. 278b).

WILLIAM J. CLINTON.
THE WHITE HOUSE, *September 6, 1995.*

☐ 1830

SPECIAL ORDERS

The SPEAKER pro tempore (Mr. CHAMBLISS). Under the Speaker's announced policy of May 12, 1995, and under a previous order of the House, the following Members will be recognized for 5 minutes each.

JUDGE HENRY WOODS AND THE WHITEWATER CASE

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Indiana [Mr. BURTON] is recognized for 5 minutes.

Mr. BURTON of Indiana. Mr. Speaker, about 4 or 5 weeks ago I took a special order talking about a judge in Arkansas, in Little Rock, a Federal judge who has close political ties to the current Governor, Jim Guy Tucker, and President Clinton, and particularly the First Lady, Hillary Rodham Clinton. Judge Henry Woods has been a longtime political adviser to the President and to Mrs. Clinton. He has appointed her to a number of boards. He recently was given a case involving the current Governor, Jim Guy Tucker, which was brought to his attention and put before his court by Mr. Starr, who is investigating the Whitewater matter and other related matters.

At that time, when I had my special order. I suggested that in order to eliminate any appearance of impropriety, Judge Henry Woods should recuse himself and not be the judge to hear this case, because no matter what he did, if he rendered a decision in favor of Mr. Tucker, Governor Tucker, it would have the appearance of impropriety.

One of the other judges down there in a related case dealing with Webb Hubbell, who was indicated and convicted, you remember Webb Hubbell, he was the Assistant Attorney General appointed by President Clinton, did recuse himself. He did it because he felt like the appearance of impropriety was something that should not even be considered by a Federal judge.

I urged during my special order that Judge Henry Woods recuse himself, as the other Federal judge did in a related case, but Judge Henry Woods did not do that. This week it was announced that he dismissed one of the indictable offenses against Governor Jim Guy Tucker, and it certainly does give the appearance of impropriety because of this connection with Jim Guy Tucker and the people who are currently residing in the White House, as well as other Democrat leaders throughout Arkansas.

Tonight I would like to submit for the RECORD, Mr. Speaker, all of the information I have regarding Judge Henry Woods, my previous special order, an article that was written by a person from Little Rock who served in the Arkansas State Senate with Judge Henry Woods when he was in the Senate, and I would like for all of these articles to be included in the CONGRESSIONAL RECORD so at some future date, if Judge Henry Woods renders decisions that are of concern to Members of the House, there will be a record in the CONGRESSIONAL RECORD.

Mr. Speaker, I would also like to say to all who are on the Committee on Government Reform and Oversight that we ought to have a complete and thorough hearing on the Whitewater case and all the related cases, including the one currently pending before the courts involving Jim Guy Tucker, the Governor of Arkansas, I think there is so much that appears to be collusion down there that it boggles the mind. For Judge Henry Woods to participate and render the decision he did last week regarding Jim Guy Tucker is just beyond comprehension.

As a matter of fact, I would like to just read one thing that was said in the newspaper article which I think was put in the paper today. "It's typical hometown anger at the Feds coming in," says James Madison University political science professor Robert Roberts. "But if it hadn't been for Federal prosecutors, the level of scandal at the local and State level would be 10 times greater than it is today," Roberts predicted. This is the part I want to put in the CONGRESSIONAL RECORD. In particular, "Roberts predicted Starr would win on appeal," that is the decision by Judge Henry Woods he is going to appeal, that "Roberts predicted Starr would win on appeal because of the long tradition of granting independent counsels widespread discretion. This is nothing for President Clinton to cheer about," says Roberts. "He is best served by letting the investigation run its course quickly, and this just delays things."

I submit to my colleagues here in the House that the reason for this delay is because of the close personal relationship Judge Henry Woods has with First Lady Hillary Rodham Clinton and other people in the Jim Guy Tucker administration. It is unfortunate this happened. It should not have happened. He should have recused himself.

The material referred to follows:

[From the USA TODAY]

INDEPENDENT COUNSEL CHALLENGED

(By Tony Mauro)

A Little Rock federal judge's decision Tuesday to dismiss fraud indictment against Arkansas Gov. Jim Guy Tucker marks the first time the broad powers of an independent counsel have been trimmed.

U.S. District Judge Henry Woods said Whitewater independent counsel Kenneth Starr overstepped his authority in June by indicting Tucker of fraud charges related to a federal loan to finance a cable TV venture.

Starr contends the judge has no authority to rule on the scope of the investigation, which was launched to look into irregularities relating to the Whitewater real estate venture in which President Clinton and Hillary Rodham Clinton were partners.

"I cannot accept the proposition that . . . no court has the power to determine where there is jurisdiction to proceed in the matter," wrote Woods, a 1979 Carter appointee.

Starr promptly announced he would seek an expedited review by a federal appeals court in St. Louis.

Tucker still faces an 11-count indictment stemming from dealings with Madison Guaranty Savings & Loan, which was owned by the Clintons' Whitewater partners, James and Susan McDougal. They also have been indicted.

The ruling comes amid debate over the power of independent counsels, a hybrid breed of prosecutors created by a post-Watergate federal law in 1978.

Independent counsels are appointed by a three-judge panel at the request of the attorney general when a high-level official is suspected of violating federal law.

Originally viewed as properly insulated from political influence, critics now say independent counsels are too insulated—politically unaccountable and prone to lengthy fishing expeditions that go far beyond the original allegations.

"The logic of the law is to sweep in more and more potential cases, things the Justice Department would not have punished," says former Justice Department official Terry Eastland, who wrote a book on independent counsels. "It becomes a very messy business and it's bad for the system."

Starr, a former Republican administration official, came under attack in Arkansas and in the White House for straying beyond Whitewater and reviewing every political transaction in recent Arkansas political history.

"It's typical hometown anger at the feds coming in," says James Madison University political science professor Robert Roberts. "But if it hadn't been for federal prosecutors, the level of scandal at the local and state level would be 10 times greater than it is today."

Roberts predicted Starr would win on appeal because of the long tradition of granting independent counsels wide discretion.

"This is nothing for President Clinton to cheer about," says Roberts. "He is best-served by letting the investigation run its course quickly, and this just delays things."

[From the Washington Post, Sept. 6, 1995]

ONE WHITEWATER INDICTMENT OF TUCKER DISMISSED

FEDERAL JUDGE RULES INDEPENDENT COUNSEL STARR EXCEEDED HIS AUTHORITY IN TAX CASE

(By Susan Schmidt)

A federal judge yesterday dismissed one of two indictments against Arkansas Gov. Jim Guy Tucker on grounds that the prosecutor, Whitewater independent counsel Kenneth W. Starr, exceeded his authority in bringing the case.

U.S. District Judge Henry Woods threw out a June tax fraud and conspiracy indictment of Tucker and two other men involved with him in a cable television venture, saying the case "bears no relation whatsoever" to the questions Starr was charged with investigating. A second bank fraud indictment of Tucker, handed up last month, still stands.

Tucker has not sought dismissal of that indictment, which relates more directly to the Whitewater investigation. That case is being handled by a different judge.

The 21-page ruling, issued after 1½ hours of oral arguments, touches on the controversial question of how broad a special prosecutor's authority should be in pursuing evidence not directly connected to the central theme of an investigation.

Objections to broad inquires have been raised in other independent counsel investigations, including the probe of former agriculture secretary Mike Espy.

Woods agreed with Tucker's lawyers that the allegations had nothing to do with the independent counsel's mandate to investigate the interrelationships between two defunct Arkansas lending institutions and the two couples who owned the Whitewater Development Corp.—Bill and Hillary Rodham Clinton and James B. and Susan McDougal.

It was not enough, the judge said, that Starr "fortuitously stumbled across the defendants' alleged violation of law." The authority to bring charges against Tucker rested with the Justice Department, he said.

The issues raised in the tax fraud indictment "were not related in any way to the investigation of Whitewater," said Tucker's lawyer, William H. Sutton. "We felt the independent counsel legislation was very special, applicable to a defined set of people, primarily high officials in the federal government."

Starr said his office will seek an expedited appeal of Woods's ruling before the 8th U.S. Circuit Court of Appeals and then the Supreme Court, if necessary.

Appearing before Woods in Little Rock yesterday morning, Starr argued that his evidence against Tucker was sufficiently related to the main areas of his investigation to justify his bringing an indictment.

Even if Woods did not agree, Starr said, the judge did not have the authority to limit the powers of an independent counsel's activity.

The scope of such a probe has never been successfully challenged "since Watergate, since the scandals that gave rise to the Ethics in Government Act" under which he was appointed, he said. Attorney General Janet Reno filed a court brief in support of Starr's position.

But Woods disagreed. "I cannot accept the proposition that a citizen can be put on trial in my court for a loss of his liberty, and that no court has the power to determine whether there is jurisdiction to proceed in the matter," he wrote. "Surely the independent counsel and attorney general do not suggest that there can be no judicial review of prosecutorial jurisdiction of an independent counsel. . . . Such a precedent would be both novel and dangerous."

Starr had argued that one of the elements of the June indictment stemmed from a business deal between Tucker and David Hale, owner of Capital Management Services, which Starr is investigating along with McDougal's savings and loan association, Madison Guaranty.

Starr said the second Tucker indictment shows that the crimes alleged in the June indictment were directly tied to Capital Management and to Madison.

Tucker was accused in the dismissed indictment of falsifying a loan application to Capital Management, a company funded by the federal Small Business Administration to make loans to disadvantaged businesses.

He allegedly used the money he borrowed from Capital Management to help purchase a cable television company, then sold the company and allegedly conspired to avoid paying several million dollars in federal taxes.

Tucker has not sought a dismissal of the second 21-count indictment, in which James and Susan McDougal are also named as defendants. The three are accused of engineering financing for millions of dollars in allegedly phony real estate transactions through Madison and Capital Management.

Tucker, a Democrat, has complained that he is being made a scapegoat in a politically motivated investigation, and he has made much of Starr's Republican background.

Even if Woods's ruling is overturned, it will delay by many months Tucker's trial on the first set of charges, pushing it well into next year. If Tucker prevails on appeal, Starr would turn the case over to the attorney general for prosecution.

Woods, appointed to the federal bench by President Jimmy Carter, has had a longstanding professional relationship with Hillary Clinton who practiced law in Arkansas until her husband was elected president.

Woods wrote to late deputy White House counsel Vincent W. Foster Jr. in June 1993 to ask whether he should grant an interview to a reporter from Mother Jones magazine who was preparing an article on Hillary Clinton.

In a written inquiry to Woods, the reporter said she wanted to interview him because he had appointed Hillary Clinton to a trial advocacy panel early in her career and later to the committee on the Little Rock school desegregation case.

"Would you take this up with Hillary or her press secretary and give me instructions as to whether this interview should be granted?" Woods asked Foster.

Woods's letter to Foster was turned over to congressional investigators by the White House.

WHO IS HENRY WOODS?

Last year, the President was reminiscing with Connie Bruck of The New Yorker about his 1990 gubernatorial race. At one point, he said, he was undecided about running and an influential Arkansan came up with a substitute: Hillary Clinton. The powerful member of the Arkansas political family "desperately wanted her to run for governor," the President told Ms. Bruck, "and it got out and around the state."

That gentleman was Judge Henry Woods of the U.S. District Court for the Eastern District of Arkansas. "Henry," a friend of the judge told Ms. Bruck, "just hangs the moon on Hillary." Judge Woods has contributed 15 years of distinguished service to the judiciary, particularly in the long-running Little Rock school desegregation cases. At a critical point in 1987, Judge Woods named Mrs. Clinton counsel to a citizens' committee working for racial balance in the schools. "I called on Hillary a lot," he told Ms. Bruck. "She was not just functioning as advisor to the committee."

* * * * *

Gov. Tucker has angrily declared his innocence and says he may challenge Independent Counsel Kenneth Starr's jurisdiction. "None of the allegations," Gov. Tucker said, "involve President Clinton, Mrs. Clinton or any other person in the executive branch that the regular U.S. Attorneys would have had a conflict in prosecuting." As we have noted in regard to the Clintons, this is correct in a narrow sense; but it is also true that the indictments and guilty pleas so far obtained by Mr. Starr paint a disturbing picture of the political and business landscape from which the President and First Lady emerged.

Understandably, for example, Gov. Tucker would have preferred that "the regular U.S. Attorney" handle his case. That would be Paula Casey, the long-time Friend of Bill who first received criminal referrals from the Resolution Trust Corp. allegedly naming the Clintons and Mr. Tucker. After making some crucial decisions, Ms. Casey belatedly recused herself from the Madison Guaranty case, in November 1993, in the midst of a six-week period which saw Treasury contacts with the White House, Bruce Lindsey informing the President about the referrals, two Clinton Tucker meetings, and Associate Attorney General Webster Hubbell's own recusal from Whitewater matters.

The problem, of course, is that everyone from the Arkansas political culture comes from the Arkansas political culture. When it come time for Mr. Hubbell to plead guilty to a scheme to defraud the government and his former partners at the Rose Law Firm, he stood before U.S. District Court Judge William Wilson in Little Rock. Two days after the plea, Judge Wilson stepped down from the case, saying his contacts with the Clintons over the years might be misconstrued. "Not only must you do justice," Judge Wilson said, "you must have an appearance of doing justice."

Naturally Judge Woods has the same sort of associations. Now 77, he was for some 40 years a close associate of Arkansas financier and legislator Will Stephens—head of the Stephens Inc. investment giant until his death in 1991. * * * Mr. Woods later fought segregationist Gov. Orval Faubus and was a supporter of current Sen. Dale Bumpers and Rep. Ray Thornton, among others. Messrs. Clinton, Tucker, Hale, and James McDougal of Madison Guaranty fame all got their early political education from one of the towering figures in Arkansas politics, former Sen. William Fulbright. It's a tight, if sometimes feuding, family.

Mr. Woods actively supported Mr. Bumpers' 1970 gubernatorial run. In 1974, Gov. Bumpers knocked Sen. Fulbright out of the Democratic primary and went on to the Senate; Mr. Fulbright went to work for the Saudis and Stephens Inc. In 1978, Mr. Woods supported Mr. Stephens' nephew. Mr. Thornton, in a three way primary race against then U.S. Rep. Tucker and David Pryor for the Democratic nomination to the Senate President Carter nominated Mr. Woods to the federal bench in 1979; when he was sworn in, Gov. Clinton saluted him, saying he was a man who would "feel the pain" of the people.

The defendant to the contrary, the Tucker case is not just another case, but one pregnant with implications for the President, the First Lady and the whole circle of the judge's friends and associates. Judge Woods can best honor his distinguished record on the bench by following Judge Wilson's example and stepping aside.

WEBSTER HUBBELL AND GOV. JIM GUY TUCKER

Mr. Speaker, I would like to talk today about the conviction of Webster Hubbell, the indictment of Gov. Jim Guy Tucker—both close friends of President Clinton—and the two Arkansas judges overseeing these cases.

The judge in Webster Hubbell's case stepped aside because of his close ties to all of Arkansas' top Democrat politicians. The judge in Governor Tucker's case has made no move to recuse himself, even though many observers believe he has even more conflicts of interest.

Mr. Speaker, about a month ago former Associate Attorney General Webster Hubbell was sentenced to 21 months in prison. On December 6, 1994, Mr. Hubbell pled guilty to one count of mail fraud and one count of tax evasion to the independent counsel investigating Whitewater, Kenneth Starr. Last week, Mr. Hubbell, who a little more than a year ago was the Nation's third highest ranking law officer, testified before the Senate about the death of Vincent Foster and the obstructions of the investigation at the White House.

I would like to talk for a moment about Webster Hubbell. He is often characterized in the media as the President's frequent golfing partner. But he is much more than that.

Mr. Hubbell was a partner along with Hillary Clinton, William Kennedy III, and the late Vincent Foster at Little Rock's powerful Rose law firm. In fact, Mr. Hubbell served as the firm's managing partner. He also served as mayor of Little Rock, and was appointed by then-Governor Bill Clinton as interim chief justice of the Arkansas State Supreme Court.

He came to Washington with the Clintons after the 1992 election and, in the opinion of many Washington insiders, ran the Justice Department until Janet Reno was confirmed by the Senate. Mr. Hubbell resigned as Associate Attorney General in March 1994, after his former partners at the Rose law firm began to investigate him for overbilling some of his clients, including the Federal Government for work done in a case against the auditors of Madison Guaranty Savings and Loan. Now, like many of the President's friends from Arkansas, Mr. Hubbell has left the Government in disgrace and legal trouble.

On June 23, 1995, Mr. Hubbell asked the judge presiding over his case for leniency, stating that he had made proper restitution to his former firm. Under the sentencing guidelines, Mr. Hubbell was required to serve a mandatory minimum sentence unless the independent counsel asked the presiding judge for leniency. Mr. Starr replied to Mr. Hubbell's request by stating that he had no intention to ask for leniency.

The fact that Mr. Starr had no intention of asking for the court to be lenient with Mr. Hubbell leads us to believe that Hubbell did little to help Starr's investigation.

After he left the Justice Department, Hubbell landed a new job at G. William Miller and Co., the law firm of Michael Cardozo. Cardozo is the former Clinton Justice Department official who handles the Clintons' legal defense fund. He became notable in the summer of 1993 because he spent the entire weekend with Vincent Foster 3 days before Foster's death. Webster Hubbell and Michael Cardozo spent the weekend at the Eastern Shore secluded with Mr. Foster and his wife. Both have claimed that Foster did not seem unusually depressed, even though investigators have cited Foster's depression as the reason for his suicide 3 days later.

And somehow, Mr. Hubbell's wife was offered a job at the Interior Department after Mr. Hubbell entered his plea. We now know that Mrs. Hubbell's hiring was orchestrated by talks between the White House and the Interior Department. Since Mr. Hubbell and his wife were both being employed by their friends, many people wonder whether he cooperated with the Starr probe as much as he might have.

The judge originally assigned to preside over the Hubbell case was one William Wilson in Little Rock. However, as is so often the case among the political and social elite of Arkansas, Judge Wilson had close associations with Bill and Hillary Clinton, and before becoming a judge was very active in the Arkansas Democrat Party. Judge Wilson realized the possible conflict of interest, and 2 days after Mr. Hubbell's guilty plea he recused himself from the case. In doing so, Judge Wilson stated, "Not only must you do justice, you must have an appearance of doing justice." I take that quote from an editorial in the June 21, 1995 edition of the Wall Street Journal and ask that this editorial be entered into the RECORD.

This editorial raises an interesting question, because we are awaiting the trial of Bill Clinton's successor as Governor of Arkansas, Jim Guy Tucker. On June 7, 1995, Governor Tucker and two associates were indicted by a Federal grand jury in Little Rock. Governor Tucker was indicted for fraudulently obtaining a federally-backed small business loan and evading taxes and is facing up to 12 years in prison if convicted.

On October 6, 1993, Jim Guy Tucker and President Bill Clinton met privately at the White House. About a week before this meeting, White House counsel, Bernard Nussbaum, and White House advisor, Bruce Lindsey, and other top administration officials were informed of the fact that the Resolution Trust Corporation had forwarded criminal referrals regarding Madison Guaranty Savings and Loan to the Justice Department. These criminal referrals named not only Bill and Hillary Clinton but also Jim Guy Tucker.

The White House has stated that President Clinton and Governor Tucker never discussed these criminal referrals, neither at the White House meeting nor at a later meeting in Seattle. But we have no way of knowing. That is why so many people are so concerned about the many improper contacts between the White House staff and the Treasury Department.

The judge assigned to preside over the Tucker case is Judge Henry Woods. For some background on Woods I refer my colleagues to the Wall Street Journal editorial I quoted earlier, as well as a column by former elected Arkansas Supreme Court Justice Jim Johnson that ran in the June 23, 1995, edition of the Washington Times. I ask that these articles be entered into the RECORD.

Judge Woods is a longtime member of the Arkansas political elite. He is a major power broker in the Arkansas Democrat Party. He served as chief assistant to Democratic Governor Sid McMath. He freely admits that he is good friends with Bill and Hillary Clinton. Judge Woods named Mrs. Clinton to a State panel to work toward racial balance in schools. Woods and McMath later went on to form a law partnership, McMath, Leatherman and Woods. McMath's son, Sandy McMath, a member of the law firm, was an instrumental leader in the early political campaigns of Jim Guy Tucker. So even if Judge Woods and Governor Tucker are not the best of friends, they are undoubtedly members of the same tightly knit network from which Bill Clinton emerged.

In the Webster Hubbell case, Judge Wilson realized immediately that he had no business trying the case. Even if he could have been completely objective, many people would still question what they saw as the appearance of a conflict. In the Jim Guy Tucker case, Judge Woods has given us no indication that he intends to recuse himself, despite his multiple potential conflicts of interest. With Judge Woods, the conflict of interest is more than just an appearance. it is a very serious matter.

QUESTIONS

If Jim Guy Tuckers's attorneys move to throw out the indictments claiming that Kenneth Starr has exceeded his jurisdiction, would Judge Woods' many ties to the State Democrat Party color his decision?

What other connections exist between Judge Woods and Governor Tucker that we do not know about?

With Judge Wilson's recusal due to possible conflicts of interest in the Hubbell case, is it not in Judge Woods' best interest, after a long and illustrious career, to follow his example and recuse himself?

What did Jim Guy Tucker and Bill Clinton talk about at their meeting at the White House in 1993? How can we ever know for sure whether or not they shared confidential information about the RTC criminal referrals that had been revealed to the White House?

What did Jim Guy Tucker and Bill Clinton talk about in their meeting in Seattle?

David Hale.—When Jim Guy was indicted, the media were quick to proclaim that the indictment was not connected in any way to Bill and Hillary Clinton. But this is not the case. The charges brought by the independent counsel against Governor Tucker are the direct result of testimony and documentary evidence provided by Judge David Hale.

Judge Hale is the same man who has accused the President of pressuring him to approve an illegal loan in 1986 to obtain funds to help the failing Madison Guaranty Savings and Loan.

Judge Hale pled guilty to defrauding the Small Business Administration. He has testified to a Federal grand jury that he was pressured by Gov. Bill Clinton and his Whitewater partner, James McDougal, and by Jim Guy Tucker, to provide an illegal $300,000 loan to McDougal's wife, Susan McDougal. This loan was never repaid, and more than $100,000 of the loan reportedly ended up in Whitewater Development Company's account.

The day after the Tucker indictment, Mr. Starr secured a guilty plea from Stephen A. Smith, who was one of Bill Clinton's top aides during his first term as Arkansas Governor. Smith pleaded guilty to defrauding the Small Business Administration, lying to obtain $65,000 from David Hale's lending agency, Capital-Management Services.

The indictment of Jim Guy Tucker and the guilty plea of Stephen Smith show us that the grand jury—made up, incidentally, of normal citizens of Arkansas, not a bunch of right-wing Clinton critics is looking closely at the documents and listening very carefully to the testimony offered by David Hale. The actions taken by Mr. Starr tell us that both the independent counsel's office and the grand jury consider David Hale a credible witness.

ACCOMPLISHMENTS OF THE REPUBLICAN MAJORITY REGARDING APPROPRIATIONS MEASURES

The SPEAKER pro tempore. Under a previous order of the House the gentleman from Pennsylvania [Mr. FOX] is recognized for 5 minutes.

Mr. FOX of Pennsylvania. Mr. Speaker, as we move forward to the fiscal 1996 legislative branch legislation dealing with the budget, I think it is important to note, Mr. Speaker, that the conference report to the legislative branch appropriations bill, H.R. 1854, ends 40 years of bloated congressional bureaucracy. The bill shows that House Republicans are keeping their word to make Congress less costly and more accountable to the American people. We are doing that by cutting our own spending first before cutting any other Federal programs, with the principle in mind, of course, Mr. Speaker, to make sure that vital services are retained, but where there is duplication and waste, that is removed.

By way of recapitulation, Mr. Speaker, let us look to see what has been accomplished. First we have put our own House in order by reducing congressional funding of $207 million below the fiscal year 1995 levels, which was a 9-percent cut. We also eliminated duplicative bureaucracies. The bill eliminates the Office of Technology Assessment, whose functions have already been duplicated by CRS, Congressional Research Service, and GAO, and the National Academy of Sciences. This saves at least $18 million.

We downsized bloated bureaucracies. The bill cuts, again, the duplicative Government Accounting Office funding by 17 percent, which will save $75 million. It cuts the number of congressional staff. Some $57 million was cut from House operations, Mr. Speaker, including committee staff, Members' allowances, and the House support offices. It cuts by one-third the House franking privileges for the congressional mail. It further eliminates three committees and 25 subcommittees.

While this is a good start, and there have been millions of dollars saved here in the House, and we know it will also happen in the Senate, we know as we move forward to look to each of the Federal agencies that are in existence we will downsize, privatize, consolidate, and make sure that we are giving for the American taxpayers real services for the tax dollars and eliminating waste, just as we have seen in local businesses all across the country. Where people at their own homes are trying to save money, we can do no less for the American taxpayer here in Congress.

Mr. KINGSTON. Mr. Speaker, will the gentleman yield?

Mr. FOX of Pennsylvania. I yield to the gentleman from Georgia.

Mr. KINGSTON. Mr. Speaker, I appreciate what the gentleman is saying. Having just returned from a series of meetings, what people have said is they are interested in consolidating, eliminating, reducing programs, but at the same time they want to make sure that Congress has stepped forward.

If I heard the gentleman correctly, the bottom line of the congressional cuts, about $67 million—is that the number the gentleman mentioned? I was off the floor and I was not sure. I think that is about the figure we are talking about.

Mr. FOX of Pennsylvania. That is about the figure.

Mr. KINGSTON. We have 163 different Federal job training programs. We have 240 different miscellaneous education programs that the Federal Government funds, 30 different nutrition programs. There is clearly room to consolidate. Yet, if you picked up the headlines and heard that FOX or KINGSTON moved to cut 25 different job training programs, people back home would think you have gone berserk, but yet you still have some 135 other job training programs left.

I think what Congress is doing is trying to set an example that, in eliminating 25 committees, we are taking this real serious. I was a member of two of the committees that were eliminated. Last year I served on the Committee on Merchant Marine and Fisheries. In the coastal area of the district I represent we have a lot of marine issues, shipping issues, dredge issues, Corps of Engineers, and so forth. However, that committee has been eliminated, those functions rolled into other committees that were duplicating what the Committee on Merchant Marine and Fisheries were doing.

Mr. FOX of Pennsylvania. Frankly, the gentleman from Georgia has led the way here in Congress, I would say. What we are trying to do is take a page out of the American industries' book. If you are running a corporation, you want to make sure the bottom line is that, "We are doing our services and we are not wasting, because if we are wasting, then we are not delivering for the taxpayer," or in the case of business, a customer, what is a fair return on their investment.

We want to make sure we are doing exactly what the American public wants, I think whether it is the downsizing of the Federal bureaucracy and agencies duplicating each other's work or whether it is the line item veto, which the House has now passed. We are waiting for the conference committee from the Senate's passage of a slightly different bill, and eventually the President's signature, that line item veto will cut out the wasteful pork barrel which every taxpayer in every jurisdiction knows has caused a great deal of harm, along with unfunded mandates, which we passed.

Mr. KINGSTON. The other thing I think is important to emphasize is that we are not sitting around waiting on the line item veto to be responsible, nor are we set back by the fact that the other body did not pass the balanced budget amendment.

It is clear that the American people want the budget balanced, so every one of our 13 appropriation bills moves us in the direction of balancing the budget by the year 2002.

Mr. FOX of Pennsylvania. This is the first year since 1969 that we have actually had a balanced budget here in Congress, and we did it without having, as you say, even though we passed the balanced budget amendment and it has not been passed in the Senate, we did not wait for that to happen, we made sure we moved along. I thank the gentleman from Georgia [Mr. KINGSTON] for his leadership in allowing us to move along in this dialog in the progress of reducing the cost of the Federal Government.

AVOIDING THE TRAIN WRECK OF A GOVERNMENT SHUTDOWN

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Pennsylvania [Mr. GEKAS] is recognized for 5 minutes.

Mr. GEKAS. Mr. Speaker, the train wreck about which everyone is speaking these days is to occur if the Congress fails to pass the 13 appropriations bills, or having passed them, if the President of the United States vetoes them. Then we will have reached the point where, with no budget, the Government shuts down. This is an absolute crime against the people of the United States to allow its Government to shut down.

What can we do about it? The train wreck requires two trains. All we have to do is stop, look, and listen, and take steps to avert the train wreck. We have those in place, if only we would utilize them. What are they, Mr. Speaker? No. 1, for almost every term since I have been here this same train wreck has loomed in the vision and the future of each Congress since 1980, I believe. What happens? When September 30 comes and no budget has been enacted, then the Congress engages in all kinds of legalistic and legislative contortions to keep the Government going until the next impasse should occur, with still a deadline that has not produced a budget.

If the President of the United States should veto the appropriation bills that the House passes, he will be saying in no uncertain terms: "I want these bills to be revisited, and I want more money spent in them," because the budget appropriation bills that the House Republicans have fashioned to present to the President call for lower spending, so the President, I suppose, in sending them back and vetoing them, says "I want more spending."

Should we allow him to veto those bills with no plan for then enacting a full budget to his liking? That is why the train wreck may occur. What I have proposed in term after term since I have been here is the following: Instant replay. If the Congress and the President have failed to enact the budget by September 30 of any given year, then, according to my legislation, the next day, October 1, beginning the new fiscal year, automatically will go into place by way of instant replay the budget of last year.

What does that do? That frees the spending at the levels of the previous year. What else does it do? It prevents for all time, forever, the possibility of and the reality of shutting down the Government. Was it not awful to have in 1990 the spectacle of our youngsters, all of them, gathered in Desert Shield in Saudi Arabia waiting for Desert Storm to occur, and while they are waiting there, preparing for battle, the U.S. Government, their country's Government, shuts down? That actually happened.

If for no other reason than to have that never happen again, we should enact my instant replay legislation, not to mention the thousands of Federal workers who have to meet budgetary outlays, pay bills, feed their families, and do the necessary things to keep house and home and family together. Why should they be used as pawns in an unnecessary game being played by the White House and the Congress? I ask for support for my legislation.

□ 1845

FOUR SIGNIFICANT CHANGES IN MEDICINE

The SPEAKER pro tempore (Mr. CHAMBLISS). Under a previous order of the House, the gentleman from Georgia [Mr. KINGSTON] is recognized for 5 minutes.

Mr. KINGSTON. Mr. Speaker, there are four significant changes that are happening in our society that have to do with the field of medicine and the reason that medicine right now is going to be a hotly debated subject in the coming months, in the coming years, in our society.

I would say that those changes are philosophical changes, No. 1, in Washington, which I hate to use it but will, is a new paradigm, a new way of looking at things; No. 2, technological changes; No. 3, the possible bankruptcy of Medicare; No. 4, changes in the Medicaid delivery system.

Let me start with No. 1, though, philosophical changes in Washington. We have some 80 new freshmen this year, all of whom I would describe as very regular folks who want to cut the budget and go home. They are not trying to be the next President. They are not trying to run for other offices. They just want to do the right thing. They are very attuned to the problems of middle-class America and businesses and employers, and they are just not as political as I would say classes have been in the past.

I would say also that the reforms, the changes, are not attributable to the Republican Party alone. President Clinton, his election in 1992 did a lot to trigger the moves of reform and the debate for change in health care.

A couple of things that we have seen as evidence of a new philosophy in this House, tangible evidence, the tort reform bill that we for many years debated that never got out of committee, it actually passed the House this year; OSHA reforms, where we are trying to get OSHA to be more technological and employer-friendly and more concentrated on safety rather than concentrating strictly on fines. We are trying to get the FDA to put more money and manpower in faster approval of pills, of medical devices, rather than also being punitive and restrictive in their ways of doing business.

Then of course the biggest thing is, we are taking a serious stab at budget reduction. Interest is the third largest expenditure on our national budget right now. In 2 years it is projected to exceed the defense budget, so we have got to do things about it.

I would say, No. 1, that philosophical changes, we are looking at doing things differently; No. 2, technological changes. We passed this huge telecommunications bill recently. In that will be new avenues for such things as telemedicine. There is going to be the Internet. I believe the Internet will make medicine a lot more consumer-friendly, because a person back home right now does not know how much a broken arm or broken leg is going to cost.

On an Internet system, they can figure it out, figure out what orthopedists are charging, which ones are the best at this, which hospitals will get them in and out the fastest, and so forth. That would be the case with every operation. You could go in there, plug in whatever your ailment is, and see how much it costs for certain treatments, and so forth, and see who is best at it. I think that is going to make medicine a lot more competitive.

Those are some of the technological things, but I would say that the Federal Government's way of looking at medicine is with a slide rule, but we are in the world of pocket calculators now and we have to move. We have to make that change.

Then, No. 3, Medicare. The April trustees' report said clearly that Medicare will go bankrupt in 6 years if we do not do anything about it. We have to fix it. We have to do it in a nonpartisan way. We need to simplify it, to protect and preserve it. We need to slow down the rate of growth.

There are all kinds of options out there that people are looking at and this Congress is going to be addressing, things that will make Medicare more consumer-friendly and again, above all, simplify and protect it.

Then, finally, changes in the Medicaid system, most significantly, welfare reform and block granting this authority back to States so that States have the flexibility. For example, I represent Georgia. Our Medicaid problems, our welfare delivery problems may be different than those in New York City or San Francisco, downtown Cincinnati, and we are going to make those changes but it is going to give the States the flexibility that they need.

Mr. Speaker, this is a lengthy subject. I look forward to the months of debate ahead, but I would say that the four significant changes again in medicine are philosophical changes, new ways of looking at things; changes in Medicare; changes in Medicaid; and, above all, the new technologies.

I thank the Speaker for this time. I will not say it is good to be back completely, but I notice that I am back and it is good to be here and see you, Mr. Speaker.

TRIBUTE TO THE HONORABLE CARLOS J. MOORHEAD

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California [Mr. DREIER] is recognized for 5 minutes.

Mr. DREIER. Mr. Speaker, there are many very pressing and important issues which we have been discussing. The previous speakers have been talking about some very pressing budget matters. But I have taken this time out this evening to talk about a personal item and that is the fact that just last week one of our colleagues, Congressman MOOREHEAD, announced his retirement, and I wanted to take a moment. Usually people wait until the very end of the session to talk about Members who have chosen to retire, but I wanted to take just a moment to talk about a person who I believe is a stellar citizen legislator and one who will be sorely missed when he, after 12 terms of service here in the House of Representatives, will retire.

CARLOS MOORHEAD is a citizen legislator. He had a small law practice in his hometown of Glendale, CA where he had grown up. He went to Hoover High School and was one who regularly participated in many civic items, and he is one who chose public service. Now, we know that in this day and age public service itself is much maligned. We regularly see people who have chosen to spend some years of their life in public service criticized. But the fact of the matter is CARLOS MOORHEAD is a very unusual person. We all know from serving here in the House that he is not a show horse. He in fact is a workhorse.

He is the chairman of the Intellectual Property Subcommittee, not one of the most exciting issues discussed here on the House floor, but I am one who believes that it is very important. It is very important, as we look at international trade agreements and other items, that we maintain the intellectual property rights which are so key to the very unique talents which citizens of the United States of America have.

CARLOS served 6 years as a member of the California State Legislature before choosing to run for Congress in 1972. He served on that Judiciary Committee that held the impeachment hearings in the early 1970's, and his loyalty was very great. It has been written up in the media over the past week or so that he stood strongly behind Richard Nixon, and his quote in the papers consisted of the following: He believed it very important to maintain the Presidency at that time.

He also has been heavily involved in the issue of telecommunications, having served as ranking minority member when we were in the minority here on the Subcommittee on Telecommunications, and it was a great achievement to see the legislation which passed this House just before the August recess come about, and Mr. MOORHEAD had spent a long period of time working on that legislation.

I would simply like to say that it is going to be a great personal loss for me when, as he regularly reminds me, in a year and a half he chooses to retire. He will still be serving here for the next 17 some odd months and we know we are going to be spending a great deal of time here, but when he does choose to retire at the end of next year, it will be a personal loss.

I have had the privilege of trying to represent the district which joins his in Los Angeles County, and we all know that he has been a great friend, a very hard worker, and I happen to believe one of the most underestimated Members of this institution. When he does retire, he will be sorely missed by many of us.

BALANCING THE FEDERAL BUDGET

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Michigan [Mr. SMITH] is recognized for 5 minutes.

Mr. SMITH of Michigan. Mr. Speaker, I rise to address the House regarding the budget, the debt ceiling that we are now approaching, and why that is important to the American people in an expanded economy for the United States and an expanded job market.

First let us look at the overspending of the Federal Government. Back in 1947 the Federal budget represented 12 percent of this country's gross domestic product. Today it represents almost 22 percent of the gross domestic product. The Federal Government is expanding at an alarming rate.

The Government has not relied on the political negatives of increasing taxes to afford this increased spending, but rather has decided that it is more politically wise to continue borrowing. Our Federal debt today is $4.8 trillion. Our Federal debt after two world wars was only $340 billion. We are increasing spending at an alarming rate and you know most people in America say we do not care how Government keeps its books; what we want is better jobs and a better economy.

Here is why it is important. Here is why how we keep our books affects those jobs and affects the economy of this country. Government this year is borrowing 42 percent of all of the money lent out in the United States.

Think what that extra demand does for the pressure to increase interest rates.

Alan Greenspan, the Chairman of the Federal Reserve, suggests that if we are able to balance our budget, we will see interest rates drop between 1½ and 2 percentage points. He says if that happens, the stimulation to the economy and the jobs in this country will be greater than we have ever seen before in our history. He says the flip side is that if we do not do it, we will give our children a lower standard of living and less expectations to have a good life than we have had. That will be the first time in history.

How do we achieve a balanced budget with a group of politicians that sit in this Chamber and the one on the other side of the Capitol that are used to expanding programs, that are used to going back home with pork barrel projects, cutting the ribbons and getting their pictures in the paper and being on television, bringing more good programs to the people back home, and they have discovered that it enhances their chances of being reelected. The challenge is great today for these Representatives to say if we want a good future for our kids and not leave the kids the mortgage of our overindulgence and overspending, we are going to have to cut back on some of those programs.

Mr. Speaker, I ask everybody in the United States to look at this predicament, to encourage their Members in Congress that it is important that we all tighten our belts. A group of us, 156 of us, have signed a letter to the President saying that we are not going to vote to increase the debt ceiling unless we are on an absolute glide path to a balanced budget. Now, that means passing legislation that limits spending, that changes some of the entitlement programs, that has appropriation bills that get us on that glide path to a balanced budget. It is important.

We met with Secretary Rubin. We have now introduced legislation to give the President authority and flexibility to prioritize in the event that debt ceiling is reached. It is important, Mr. Speaker. I hope we are able to stick together to hang tough, to do what is good for America, to disregard the pollsters, to disregard the special interest lobbyists that are pushing for more and more spending, and do what is necessary to give this country and our children and our grandchildren a good future.

EASTERN LONG ISLAND FIRE UNDER CONTROL

The SPEAKER pro tempore. Under the Speaker's announced policy of May 12, 1995, the gentleman from New York [Mr. FORBES] is recognized for 20 minutes as the designee of the majority leader.

Mr. Speaker, it has been said that the strongest and finest steel is forged from the hottest fire. So too, the wonderful people of Eastern Long Island emerge stronger and more resilient from the worst brush fire in modern memory, bolstered by the bravery of its volunteer firefighters, police, and other emergency personnel and by the tens of thousands of acts of kindness displayed throughout this nationally declared disaster that was televised around the world.

It is with deep sense of relief and gratitude that I report to you today that all is now quiet on Eastern Long Island. The raging fire is no more; thanks to the determination and hard work of 3,000 firefighters—volunteer firefighters, I might add—who came from all over Nassau and Suffolk counties, New York and even Connecticut; along with county, State and Federal fire experts; various military units, State, county, town, and village police officers and other emergency personnel, and the wonderful Red Cross all make possible a satisfying end to what otherwise could have been a most unfortunate disaster. Starting on Monday, August 21, 1995, in the Rocky Point area, then on Thursday erupting in Eastport-Westhampton, for over 13 days our raging brush fires devastated more than 7,000 acres of the precious Pine Barrens. It earned the distinction of becoming the largest brush fire in New York State since the Adirondack fire of 1908 and unquestionably the biggest fire this century in Suffolk County. We are forever indebted to the thousands of volunteers who risked their lives battling the blazes, as well as our neighbors from across Long Island who cared for the weary firefighters, running food out to them, providing them with clothing to replace their own which became soot encrusted and water soaked; and to those who offered reassurance and comfort to hundreds of people, many senior citizens, who were forced to leave their homes because of the fire. Additionally, let us salute the dozens of people who cared for family pets and those animals relocated from shelters adjacent to the disaster.

Fueled by whipping winds and dry brush, more than 1,800 acres in Rocky Point were the first to explode into flames. Firefighters from Rocky Point, Middle Island, and Ridge stood shoulder to shoulder along Whiskey Road and stopped the flames from engulfing local neighborhoods, including Leisure Village, Coventry Manor, and the Ridge Rest Home. Employing the assistance of 900 volunteers from 90 volunteer fire departments from across Long Island the Rocky Point blaze was brought under control with minimum property damage, no serious personal injury and thankfully, no loss of life.

Before the embers from Rocky Point even cooled, our firefighters were called to respond to a second brushfire, made even more threatening by a ferocious, twisting wind, headed right for Eastport, Speonk, Westhampton, and Westhampton Beach. Moving at over 600 feet per hour, our volunteers beat back a wall of fire that at its worst leaped some 100 feet into the sky with a trail of billowing smoke seen for 250 miles out to sea. Tired and exhausted, our volunteer firefighters dug deep within their own being to find the strength to carry on the face of such overwhelming odds. They put the health and welfare of an entire Eastern Long Island community ahead of their own safety to stop the raging inferno. The perseverance, determination, bravery, and courage of some 5,000 firefighters, police, emergency medical and other personnel can be summed up simply with the words of Bruce Stark, a 24-year-old firefighter from East Islip: "Civilians are depending on us, and if we bail out they have no hope."

As we held our breaths and said our prayers, it was this world class, greatest bunch of firefighters ever, that put us at ease and made possible an end to the disaster with a minimum of injuries and no loss of life.

Our heartfelt thanks go out to each and every firefighter, police officer, and rescue worker who selflessly worked for days to extinguish the mammoth fire. Our emergency medical services, like everyone else, performed above and beyond the call of duty, and I would particularly like to thank everyone at Central Suffolk Hospital, Southampton Hospital and University Medical Center at Stony Brook for their onsite care, which undoubtedly helped to minimize the extent of injuries.

Thanks are due to those who gave of their time, money, and talents to help neighbors, friends, and mostly, strangers in a time of need. To cite just a few examples: Robert and Marylou Gottschalk of Wading River, took it upon themselves to make and distribute 260 sandwiches during the Rocky Point fire. Pete Pisello, owner of Rainbow Realty, organized a group of businesses in Mastic to supply food and drink to the firefighters. Some 50 volunteers at Mattituck High School, including large numbers of children, made sandwiches and bagged melons, apples, and pretzels—as did local delis—for the firefighers. Dozens of other community members coordinated food donations at area businesses like 7-11 and Aid Auto Stores, or simply dropped off cases of soda or a clean tee shirt. The individuals and donations are without number, but none is forgotten.

It is impossible to try and adequately recognize all of the people and organizations who offered support but you know who you are. I thank, as well, the hundreds of businesses both large and small who, gave their employees paid leave to help with the fire efforts, or donated supplies to the hardworking and tireless firefighters including: K-

Mart, Caldor, McDonald's, King Cullen Supermarkets, A&P Supermarkets, Waldbaums, AT&T, the Cutchogue Village market, the Handy Pantry, Ammirati's Cupboard, the Long Island Culinary Institute, South Shore Beverage. Good Humor and Mr. Softee Ice Cream, whose ice cream trucks not only helped to keep our firefighters cool but helped to boost morale on the front lines. North Fork Bank and Suffolk County National Bank made cash donations to the fire companies to offset the costs of fighting the fire. Cablevision of Long Island not only established the "Long Island Volunteer Firefighters' Fund" for the education and training of volunteer firefighters, but matched every contribution dollar for dollar. And Suffolk County Community College has created the "Sunrise Scholarship," a financial aid fund for the children of those who helped fight the fire. The list is endless, and all deserve our thanks and admiration for their compassion, charity, and willingness to lend a helping hand.

Nothing exemplifies the American spirit more than the kind of selfless volunteerism exhibited during these trying times. Unselfishly treating one's neighbors like family, coming to their aid in times of danger, and putting community interest above self interest, it's this kind of action that more truly embodies all that is good about our Nation. The thousands upon thousands of hours volunteer firefighters devote to training and learning the latest techniques are demonstrated in their quick responses to calls and their expertise in putting out fires. After recent events, for so many of us who call Eastern Long Island home, we shall honor those who were called upon to save our community from the ravages of the worst fire in Long Island history. In those few days we witnessed first hand the acts of Long Island's solid-gold, true blue American heroes and on behalf of all of us in the community, I express my utmost gratitude to all who worked so successfully to save our homes, our businesses, our schools, and our churches and synagogues.

Mr. Speaker, I respectfully ask the indulgence of the House and join me in a salute to Chief Richard Gianmugnai of Ridge, Chief Jeffrey Noss of Middle Island, Chief John Buckner of Rocky Point, Chief Dean Culver of Westhampton, Chief Richard Schermeyer of Quogue, Chief James Baker of Eastport, Chief Allan Geyer of Hampton Bays, all the chiefs and every member of the 176 fire companies and the 49 men and women injured during the disaster who everyday risk their lives for their neighbors. May God bless each and everyone of them and their families for a job well done. Thank you.

Attached is a list of injured fire fighters who risked their lives in the Rocky Point and Westhampton Beach fires. These people give their time and effort to volunteer for the fire department. I applaud them in their dedication to protecting the residents and the local communities from dangerous fires such as the recent ones that occurred on Eastern Long Island.

This is a list of injured fire fighters available as of September 6, 1995:

C. Bianco/Bethpage;
C. Manzellan/Flanders;
E. Johnston/Shirley;
R. Carey/Bayport;
F. Maute/Shirley;
T. Lynn/Manorville;
R. Carmagnola/Bellmore;
R. Pierson/Southampton;
B. Fleischman/Riverhead;
P. Thomason/Center Moriches;
A. Kyroski/East Quogue;
P. Damato/Nesconset;
C. McKenneth/Quogue;
J. Feinberg/Bayport;
K. McAteer/Central Islip;
F. Lutz/East Quogue;
H. Adler/Middle Island;
J. Washbaugh/Southampton;
P. Berun/Deer Park;
G. Reeder/Dix Hills;
R. Mina/North Babylon;
D. Ryan;
J. Kenneth;
D. Durinick;
A. McEntee;
M. Benefante;
W. Pyse;
P. Hicks;
P. McCormick;
J. Fortner;
J. Cole;
J. O'Shea/Eastport;

William Erario, North Babylon; Gregory Brown/East Hampton Village F.D.; and Lynn Halsey/Gabreski airport employee.

Selden Fire Department injuries: Rachel Rodgers; Christopher Bedus; George Bopp; Wayne Preston; James Pitterese.

Flanders Fire Department: Charlie Manzella; Frank Belson; and Robert A. Train.

Westhampton Beach Fire Department: Paul Hoyle.

Mastic Beach Fire Department: Gary Fuzie; David Bilodeau; William Biondi; Glen Olsen; Christopher Nunemaker; Ed Maute; and Edward Johnston.

□ 1900

THE COMING TRAIN WRECK

The SPEAKER pro tempore (Mr. CHAMBLISS). Under the Speaker's announced policy of May 12, 1995, the gentleman from New York [Mr. OWENS] is recognized for 60 minutes as the designee of the minority leader.

Mr. OWENS. Mr. Speaker, I will use no more than half of the 60 minutes allotted.

I realize that we are in a transition period and moving from a district work period to a capital work period is a bit of a strain, and we want to take it slow. So I will not go on at great length today.

But I do think we should note the fact that serious business lies ahead of us. There has been a great deal of talk about a train wreck coming where the mean and extreme balanced budget philosophy of the Republican majority will clash with the more moderate reform approach of the President, and we are going to have some very difficult days.

I think it is quite clear that appropriations bills of the kind that we passed before we left here cannot be left standing. We cannot have a $9 billion cut in education, job training, and social services. We cannot have tremendous cuts in housing. There are a number of things that just cannot be left standing. We cannot tolerate more than $280 billion in cuts over the next 7 years to Medicare. We cannot tolerate more than $180 billion in cuts for Medicaid.

There has to be a train wreck.

Unfortunately, in the Congress, in the Senate and the House, the Republican majority has the votes, and they have passed this mean and extreme program. All we have left is a Democratic President who says that he will veto these programs, and then we have a situation where the Government may be brought to a halt if the appropriations bills are not signed and the Republican majority of the Congress is not willing to pass a continuing resolution to keep the Government going.

It is going to be exciting times. But we should all realize that the basic direction for the Nation is being shaped not only in the next few months but it is already in the process; the direction that this Nation will take is already being shaped faster than we think, and what happens this year we will have to live with, this year and next year, for a long time to come.

It is very important that everybody understands that radical changes are underway. They are being proposed, ever more mean and radical changes. But radical changes are underway right now.

The great majority of Americans feel that something is very different, that there is something happening. The great majority feels some aspect of this change. But they do not understand it.

So the majority of the people are angry, and they do not know why they are angry. I am here to tell you, you have good reason to be angry. The problem in America is that we have to learn who to be angry with and how to focus our anger. Where is the problem?

I hope that everyone will take time to read an article that appeared in the New York Times on last Sunday, September 3. It is an article that appeared on the op ed page. It was entitled "Companies Merge, Families Break Up." "Companies Merge, Families Break Up."

The article is by Lester Thurow. Lester Thurow is an outstanding economist, recognized all over the world. He is a professor of economics at the Massachusetts Institute of Technology. On the Hill here in this Capital we have seen and heard Lester Thurow many times over the last two decades.

□ 1930

It is our business to rein in the resources of the country, wherever they may appear, and apply them to the problems that we face.

To get back to Mr. Thurow:

> American companies are moving production overseas, using technology to replace workers, engaging in mega mergers, such as this week's Chase-Chemical deal, and otherwise downsizing. Each year more than half a million good jobs are eliminated by the Nation's most prestigious companies. More new jobs are being generated in the service sector, but they come with lower wages and fewer fringe benefits.

With the death of communism and later market socialism and economic alternatives, capitalists have been able to employ more ruthless approaches to getting more for less, to getting maximum profits but with less effort. They do not have to worry about political pressure. Survival of the fittest capitalism is on the march.

What other kind of capitalism can we have except survival of the fittest capitalism. And that is appropriate for capitalism to be a survival of the fittest operation. It is up to government to deal with what the implications of that is.

> Falling real wages have put the traditional American family into play. As the one-earner middle class family becomes extinct, with children needing ever more costly educations for ever longer periods of time, the cost of supporting a family is rising sharply just as earnings plunge.
>
> Children exist, but no one takes care of them. Parents are spending 40 percent less time with their children than they did 30 years ago. More than 2 million children under the age of 13 have no adult supervision either before or after school. Paying for day care would use up all or most of a mother's wages.

The traditional family is being destroyed. This is an economist named Lester Thurow, who has written 10 or 20 books, professor of economics at the Massachusetts Institute of Technology. He is talking about the economy and the impact of the economy on the family. We hear a lot of talk about family but we do not acknowledge the fact that the economy and what happens in the economy, what happens with wages, what happens with jobs has a very serious impact, the most serious impact on families. In fact, Mr. Thurow is about to say that.

Returning to the article:

> The traditional family is being destroyed not by misguided social welfare programs coming from Washington, although there are some government initiatives that have undermined family structure, but by a modern economic system that is not congruent with family values.

The traditional family is being destroyed not by misguided social welfare programs coming from Washington, but by a modern economic system that is not congruent with family values. When we look at falling wages as a factor:

> Beside falling wages, America's other economic problems pale into insignificance. The remedies lie in major public and private investments, in research and development, and in creating skilled workers to ensure that tomorrow's high-wage brainpower industries generate much of their employment in the United States. Yet if one looks at the weak policy proposals of both Democrats and Republicans, it is a tale told by an idiot, full of sound and fury, signifying nothing.

That is in quotes. As we all know, it is from Shakespeare that Mr. Thurow is quoting. It is that the Democratic and Republican policies at this present point, which focus on this problem, that constitute a tale told by an idiot, full of sound and fury, signifying nothing.

We just passed legislation which refused to continue the Office of Technology Assessment. The Office of Technology Assessment is a basic tool very much needed by the Members of Congress, Members of the House and Members of the Senate. We just threw it out. The one thing that was most significant got axed. We will be passing an appropriations bill for defense in the next few days and we are going to have a B-2 bomber vote again. If past history is any guide, we know that the B-2 bomber, which the Pentagon does not want and the President does not want and the Air Force does not want, it will probably pass again. The most unneeded piece of technology around will pass with votes from the House.

That is the kind of thing we are in. When they say what we do and what we say is a tale told by idiots, full of sound and fury, signifying nothing, that is what they mean.

The American people should be angry about all this. Revenue policies are needed to deal with the present problem. We need taxing policies to take the resources from where they are, the revenues in Wall Street, the revenues that are in the high prices of corporations, we need to take some of those revenues and put them into research and development and into training workers.

Mr. Speaker, we have a transition period here, a period which will go on for some time still to come where these great downsizings will make more people unemployed. Something needs to be done during this transitional period. Nobody knows where capitalism will go. It is not planned. No one wants to stop progress, but you need to take some steps to deal with it, and one of the steps that should be taken is to balance the tax burden by taking more revenue from corporations.

Corporations now pay only 11 percent of the total tax burden. Individuals are paying 44 percent. That is ridiculous. We need to bring down taxes for individuals and raise taxes on corporations to get enough revenue to sustain the programs that need to be sustained for education and for job training.

Mr. Speaker, I am rushing, because I do not want to take too much time today. We will expand on this in the future. We need a creative revenue commission, a commission similar to the base closings commission, which will look at the revenue situation, look at the fact that over the years corporations have gone down from paying almost 40 percent of the tax burden to paying now only 11 percent of the tax burden. At one point, under Ronald Reagan, it went down to 8 percent of the total tax burden.

The Committee on Ways and Means has swindled the country. The Committee on Ways and Means, part of this body, and other taxing authorities, have allowed a situation to be created where the burden is very lopsided. One of the things that a tax commission could do is find ways to raise the taxes on corporations, pull out more revenue from corporations while you are lowering families and individuals, and use the money that you get to pour it into education, research and development, and job training.

I am going to end at this point, Mr. Speaker. There are a lot of proposals on the board: Flat tax proposals, consumption tax proposals, various proposals that are on the drawing board for such a commission to examine. I would want to add to that an anti-monopoly tax, where any industry which gets more than 25 percent of the market would have to pay a surcharge because it has an advantage that does not need as great an expenditure.

I would also add that something should be done about the banking and financial industry, to recapture the almost $300 billion that the American taxpayers have put out through the Federal deposit insurance to bail out the savings and loan associations. All of the industries in the banking field and related financial institutions ought to have a surcharge put on them to collect back some of that money. There are a number of creative propositions by which we could get more revenue instead of focusing only on cuts.

Yes, we should downsize government; yes, there is waste, but there is a great problem. We need to balance the tax burden at the same time that we are trying to balance the budget. In doing that, we will produce a situation where the workers of America, the children of America, the families of America would have more to look forward to in terms of facing these tremendous radical changes that are presently taking place in our economy and our society.

The material previously referred to is as follows:

[From the New York Times, Sept. 3, 1995]

COMPANIES MERGE, FAMILIES BREAK UP

(By Lester C. Thurow)

No country without a revolution or a military defeat and subsequent occupation has ever experienced such a sharp shift in the distribution of earnings as America has in the last generation. At no other time have median wages of American men fallen for more than two decades. Never before have a majority of American workers suffered real wage reductions while the per capita domestic product was advancing.

So on Labor Day this year, as with a lot of Labor Days, most laborers don't have a lot to celebrate. The median real wage for full-time male workers has fallen from $34,048 in 1973 to $30,407 in 1993.

Wages of white men are falling slightly faster than those of black men, and the young have been clobbered; wages are down 25 percent for men 25 to 34 years of age. Median wages for women didn't start to fall until 1989, but are now falling for every group except college-educated women. The pace of decline seems to have doubled in 1994 and early 1995.

The tide rose (the real per capita gross domestic product went up 29 percent between 1973 and 1993), but 80 percent of the boats sank. Among men, the top 20 percent of the labor force has been winning all of the country's wage increases for more than two decades.

Adding to the frustrations, the old remedy for lower wages—more education—no longer works. True, wages of males with only a high school education are falling faster than the pay of those with college degrees. But investing in a college education doesn't get one off the down escalator and onto an up escalator—it merely slows one's descent.

No one knows exactly how much of the decline can be traced to any particular cause, but we do know the set of causes that has been responsible

New production and distribution technologies require a much better educated work force. If decisions are to be pushed down the corporate hierarchy, those at lower levels have to have skills and competency beyond what was required in the past.

With our global economy, where anything can be made anywhere and sold everywhere, the supply of cheap, often well-educated labor in the third world is having a big effect on first-world wages. One month's wages for a Seattle software engineer get the same company an equally good engineer in Banagalor, India, for a year. Ten million immigrants entered the United States during the last decade, competing for jobs and lowering wages.

American companies are moving production overseas, using new technology to replace workers, engaging in mega-mergers such as this week's Chase-Chemical deal, and otherwise downsizing. Each year more than a half-million good jobs are eliminated by the nation's most prestigious companies. More new jobs are being generated in the service sector, but they come with lower wages and fewer fringe benefits.

With the death of Communism and, later, market socialism as economic alternatives, capitalists have been able to employ more ruthless approaches to getting maximum profits without worrying about political pressure. "Survival of the fittest" capitalism is on the march.

What economists call "efficiency wages" (a company paying higher salaries than the minimum it needs to pay, so that it gets a skilled, cooperative, loyal work force) are disappearing to be replaced by a different form of motivation—the fear of losing one's job.

Falling real wages have put the traditional American family into play, as the one-earner middle-class family becomes extinct. With children needing ever-more-costly educations for ever-longer periods of time, the cost of supporting a family is rising sharply just as earnings plunge.

Thirty-two percent of all men between 25 and 34 years of age earn less than the amount necessary to keep a family of four above the poverty line. Mothers have to work longer hours if the family is to have its old standard of living.

Children exist but no one takes care of them. Parents are spending 40 percent less time with their children than they did 30 years ago. More than two million children under the age of 13 have no adult supervision either before or after school. Paying for day care would use up all or most of a mother's wages.

In the agricultural era, children had real economic value at a very early age. Students who use college loans owe their parents less. Living thousands of miles apart, families lose track of one another. The family is no longer the social welfare system when one is disabled, old or sick, and it will not resume these duties even if the state were to withdraw.

The traditional family is being destroyed not by misguided social welfare programs coming from Washington (although there are some Government initiatives that have undermined family structure) but by a modern economic system that is not congruent with "family values."

Beside falling real wages, America's other economic problems pale into insignificance. The remedies lie in major public and private investments in research and development and in creating skilled workers to insure that tomorrow's high-wage, brain-power industries generate much of their employment in the United States.

Yet if one looks at the weak policy proposals of both Democrats and Republicans, "it is a tale, told by an idiot, full of sound and fury, signifying nothing."

CUTS IN MEDICARE

The SPEAKER pro tempore. Under the Speaker's announced policy of May 12, 1995, the gentleman from New Jersey [Mr. PALLONE] is recognized for 60 minutes as the minority leader's designee.

Mr. PALLONE. Mr. Speaker, again, I would emphasize that I do not intend to use the majority of that time, but I would like to take the time that I plan to use to talk about medicare and what reaction I received during the last 4 weeks when we were having our August district work period.

I found through visiting my constituents and having forums and trying to address them, in particular on the medicare issue, that many of them were not aware of the challenges that face medicare when we come back in September at this time. But when they were told about the level of cuts, the $270 billion in cuts that have been proposed by the Republican leadership, and are included in the Republican budget that was adopted last spring, they were very concerned about the impact that that record level of cuts in the medicare program would have.

Mr. Speaker, I think they have every reason to be concerned because I feel very strongly that that level of cuts, the $270 billion that has been proposed, cannot be implemented without major changes, negative changes, in the medicare program, and probably also without significant out-of-pocket, additional out-of-pocket expenses for senior citizens and those who take advantage of the medicare program.

I wanted to make a few points about these drastic cuts in medicare, if I could, tonight. The first point I would like to make is that the Republican sponsored medicare reductions really should come as no surprise, because 30 years ago, when medicare was first adopted, there was tremendous opposition to the medicare program by the majority of the Republicans in Congress, both in the Senate and the House of Representatives. In fact, the leading Republican presidential candidate now, Senator BOB DOLE, voted against the creation of the medicare program 30 years ago when he was a Member of this body, the House of Representatives.

If you look back at the record of key votes in the history of medicare, going back to 1960, when it was first being proposed, 97 percent of the Republicans in the Senate voted against the creation of the medicare program; and then, 2 years later, on July 17, 1962, 86 percent of the Republicans in the Senate voted against the creation of medicare. Later that year, on September 2, 1962, 85 percent of the Republicans in the Senate voted against the creation of medicare.

The same was essentially true in the House of Representatives, in this body. In 1965, when some of the key votes took place on April 8 of 1965, 93 percent of the Republicans in the House of Representatives voted for a Republican substitute which would have replaced the medicare program with a voluntary health insurance program for the elderly with no guaranteed financing and no guaranteed benefits. Then, on July 27, 1965, 49 percent of the Republicans in the House voted against the creation of medicare on the vote on the adoption of the conference report on the medicare bill.

Thus, many House Republicans who had voted for the Republican voluntary plan I mentioned before, turned around and also voted for the final Democrat sponsored medicare bill, perhaps out of fear of the wrath of their constituents once the medicare program finally got started. Now that the Republicans are in power here again in both the House and the Senate, and we are talking 30 years later, they want to finance their tax cuts for those better off with Medicare cuts.

If you look at this budget that I talked about before, the one that was adopted back in April by the Republican majority here in the House and in the Senate, $270 billion in Medicare cuts roughly translate into a tax cut to the tune of $245 billion. So if you took a chart and you looked at the level of the Medicare cuts, it is pretty much the same as the level of the tax cuts that have been proposed.

I would maintain that although Medicare may need some minor reform, it is not as disaster prone as the Republicans are trying to portray it, and that, in effect, what they are doing with these Medicare reductions is basically budget driven and is not any effort to reform the Medicare Program.

Mr. Speaker, I have heard some of my colleagues in the House mention that the trustees' report on Medicare, that comes out every year, this year indicated that Medicare would be insolvent within 7 years. I would point out, however, that that is one of the longest periods of times projected for money to be available for the Medicare Program. If you look back at some of the trustee reports in prior years, they were for 2 years or 3 years before the program became insolvent.

The bottom line is that, historically, in Congress, we have tried to keep a short rein on the amount of money that is available in the future for Medicare so that it is not raided, so that the hospitals and other health care providers do not say, well, gee, there is this huge pot of money out there that will last us a long time, so why do we not raise our rates and why do we not, in effect, take some of that money to pay us as providers because of the need that we have.

So we cannot here in the House of Representatives or in Congress in general say that Medicare should have a huge pot of money that is available for the next 10 or 20 years, because the end result of that is that that money would probably be raided. We must keep it on a short rein.

□ 1915

Lester Thurow is not an isolationist. He believes in free markets, he believes in the global economy. Lester Thurow cannot be easily pinpointed or pigeonholed as a conservative or a liberal. What we do know is that he is an outstanding thinker, an outstanding economist. I think that some of the things that Lester Thurow had to say in this article last Sunday are absolute must reading for every American. Every adult American should begin to try to understand what is happening to them, what is the matter with our economy, what is affecting our culture, what is destroying our families. Here is an economist who started out from the point of view of an economist and makes a very strong statement about American families.

Let me just share with you some of the paragraphs and some portions of Lester Thurow's article. Mr. Speaker, I ask unanimous consent that the entire article by Lester Thurow which appeared in the Sunday, September 3d New York Times be entered into the RECORD.

The first paragraph is the most shocking statement. The first paragraph should be emblazoned on the walls of this hall to remind all of us as to where we are right now. Mr. Thurow opens with this statement. Listen carefully: "No country without a revolution or a military defeat and subsequent occupation has ever experienced such a sharp shift in the distribution of earnings as America has in the last generation. At no other time have median wages of American men fallen for more than two decades. Never before have a majority of American workers suffered real wage reductions while the per capita domestic product was advancing." Mr. Speaker, that is the end of first paragraph of Mr. Thurow's article.

Mr. Speaker, it is so outstanding, and it does such a great job of summing up exactly where we are in this ongoing, radical change. It is under way already; it has been under way for two decades now, Mr. Thurow says. Let me just repeat: "No country, without a revolution or a military defeat and subsequent occupation, has ever experienced such sharp shift in the distribution of earnings as America has in the last generation. At no other time have median wages of American men fallen for more than two decades. Never before have a majority of American workers suffered real wage reductions while the per capita domestic product was advancing." Mr. Speaker, that is the end of the quote from Mr. Thurow's first paragraph.

Mr. Speaker, I suppose it is very significant that Mr. Thurow's article appears on Sunday, September 3, the day before Labor Day where we do pay some homage to the working people of America. On Labor Day we stop and consider the plight of the workers or the conditions of workers, and it is quite appropriate that this article should appear on that day.

Mr. Speaker, I serve on the Committee on Economic and Educational Opportunities that used to be called the Education and Labor Committee. There was a time when the official Government of America paid more recognition and homage to organized labor. Just a year ago we had a committee with labor in the name of it.

But now the Education and Labor Committee is no more, it is called the Committee on Economic and Education Opportunities, and none of the subcommittees have the name labor in them. The change in name is reflective of the change in attitude, because a massive war has been declared on organized labor and on workers in America. Let me just get that straight. Because workers in America all need a wage increase. A raise in the minimum wage is not just for people who are unionized, a raise in the minimum wage benefits all workers, and most of the workers who are working at minimum wage now and who would benefit from an increase in the minimum wage are not unionized. Most unionized workers are making more than the minimum wage.

It has been proposed by President Clinton and by Democrats in Congress that we raise the minimum wage two steps, a mere 90 cents, and that has meant all-out war. The leadership of the majority Republicans have declared, never. Never will we permit minimum wages to move forward at all. So minimum wages benefit all workers. There is no consideration in the program of the majority for relieving workers of the wages that have led to the condition that Mr. Thurow is describing here in the first paragraph.

Mr. Speaker, in addition to not tolerating any discussion of forward movement on minimum wage, the majority Republicans here have declared war on workers on a massive basis. Speaker GINGRICH uses the phrase that politics is war without blood. Well, they have declared war on workers and war on organized labor.

We have a whole series of bills that have been introduced which seek to undercut the gains of the last 50 years for working Americans. We have bills that have been introduced which will radically change OSHA. OSHA is the safety agency, the Agency which is responsible for workplace safety. We have a bill which is designed to curb the activities of the National Labor Relations Board. We have a bill which is designed to cut the budget drastically and curb the activities of MSHA, the mine safety agency. We have a bill which is designed to undercut the organization of workers called the Team Act, which is allowing employers to select the people who are going to be the collective bargaining agents.

We have a number of bills of that kind which are stymied in the sense that they have to move through a two-stage process. They have to go through the House where there are definitely enough votes. The Republican majority has enough votes to make certain that they pass. They also have to go through the Senate. That is a slow process.

So what has the Republican majority of the House decided to do? They have taken the appropriations bills and they have used the appropriations bills to legislate these changes. They do not have authorizing legislation to deal with the gutting of OSHA and the destruction of safety measures for American workers, so they have cut OSHA by more than 30 percent, about 33 percent in the appropriations process.

In the appropriations process they have put in language which says, no funds may be used for certain activities. They cannot even study ergonomics. Ergonomics, which is a serious problem where workers who are involved in repetitive motion have well-identified ailments and problems and we cannot even study that anymore. So there is an onslaught on working people and an onslaught on organized labor which is very significant in light of the fact that Mr. Thurow says, these people that you are waging war against have already suffered greatly in the last two decades.

Mr. Speaker, let me just continue reading from Mr. Thurow's article. Another paragraph reads as follows: "The tide rose, the real per capita gross domestic product went up 29 percent between 1973 and 1993, but 80 percent of the boats sank. Among men, the top 20 percent of the labor force has been winning all of the country's wage increases for more than two decades."

Twenty years. For more than 20 years, the men at the very top already are the only ones who have been winning the wage increases. Listen closely again. "The tide rose, but 80 percent of the boats sank." Remember Ronald Reagan invented the slogan, all tides will rise if you cut taxes and you take care of corporations and you deal with providing maximum benefits for the rich, they will invest and all tides will rise, everybody will benefit.

Well, here is an economist who says that, it worked in terms of the tide rising from 1973 to 1993, a 20-year period. But 80 percent of the boats sank; 80 percent of the American population does not benefit from this great prosperity that we have experienced in the last 20 years and are still experiencing.

Mr. Speaker, let me just pause for a moment, because I think it is very important that we consider that Mr. Thurow later on offers no solutions, but consider the fact that for a small percentage, for 20 percent, we have great prosperity. Wall Street is booming, profits are higher than ever before. These are the benefits of technology, computerization, automation, all kinds of various technological changes, most of which are the result of Government research, most of which are driven by the fact that in our defense race, in our military arms race with the Soviet Union we did tremendous amounts of research.

Since World War II tremendous amounts of research have laid the basis for much of the booming economy that we have today. One of the biggest beneficiaries has been the telecommunications industry. Telecommunications benefits all the way from computerization and miniaturization of parts which were perfected first in Government research trying to get things together for our missiles and our space program, all the way to satellites that are up there in the atmosphere now, satellites that were perfected and developed by the Government.

The biggest industry in terms of the hardest industry in terms of dollars, in terms of transaction is the communications industry, telecommunications and media. All of those have benefited. They have benefited from the public expenditure, the public participation. But now, only 5 percent of the population benefits from the profits. Part of the solution to the long-term problem lies in the recognition of the fact that there should be some sharing of those benefits, that the small percentage of Americans are reaping as a result of the effort made by the larger mass of society. Sharing that is part of where the answer to the problem lies.

Mr. Speaker, let me just continue to read from Mr. Thurow again:

> New production and distribution technologies require a much better educated force, a much better educated force. If decisions are to be pushed down the corporate hierarchy, those at lower levels have to have skills and competency beyond what was required in the past. With our global economy where anything can be made anywhere and sold everywhere, the supply of cheap, often well-educated labor in the third world is having a big effect on first world wages. One month's wages for a Seattle software engineer gets the same company an equally good engineer in Bangalor, India for a whole year. One month's wages for an engineer, a software engineer gets the same company an equally good engineer in Bangalor, India for a whole year.

Consider the implications of that. You have heard a lot about unskilled jobs and manufacturing jobs leaving the country. Well, here are jobs for which a college degree is required. Here are jobs which require extensive training and experience, and you can go overseas and get the same quality of workers for one-twelfth the cost of the worker. I think engineers probably do not like to be called workers. They are professionals. That is a great myth in this country.

Professionals think they are different, they are safe. Large numbers of people who did not join unions are now talking about forming associations, in order to deal with a situation where the country is being hijacked. The multinational corporations are ignoring the plight of the workers.

Corporations are not in business to take care of workers. Corporations are not in business to make America great. Corporations are not in business to promote national security. There are a lot of things we have been led to believe, but which are just ridiculous. Corporations are in the business to make money and that is what they are supposed to do. Nobody should worry about that. They are there for profit and that is their business. All power to corporations to make profits.

Government and the people who run the Government, Congressmen, Members of the House of Representatives and Members of the Senate, the President, Government has the responsibility of taking care of the country, of seeing that our society is not destroyed, of seeing that families are not destroyed. Whatever is necessary to be done now is up to us, not to corporations. Let them go. They will do whatever they can to increase their profits. That is their business.

□ 1945

The Republican plan to reduce Medicare funding by this $270 billion I believe is going to force seniors to pay out of their pocket as much as $1,000 per year over the next few years. The biggest problem, though, is that right now we really do not know what the Republican leadership is going to suggest as a means of implementing this major reduction in Medicare. If we look at some of the proposals that are out there, we can see that they are devastating, but so far, there is not a specific proposal that we can examine in detail.

I am concerned that what we are going to see is that sometime toward the end of this month, in September, we are going to see a plan put forward at the last minute, without an opportunity for a great deal of debate, and it is going to be brought to the House floor in some manner through a procedural vote so that there are only a few hours or a few days or perhaps a little longer than that for this great national debate on how to change the Medicare Program.

I would say that that is essentially a stealth plan; to bring this up at the last minute, bring it up when there is not a lot of time for the public to review it, and then pass it. I think we have to guard against this stealth attack, and hopefully, certainly myself and others will bring it to the attention of the American public when this finally comes out, that there has not been enough time, and there should be enough time to review it in detail.

Mr. Speaker, this past month, in August, when we did have our district work period for about 4 weeks, I had the opportunity in my home State of New Jersey to join with the other Democratic Congressmen from my State to essentially try to put forward to the public through various means our concern about these Medicare reductions. We had a very successful bus trip around the State which started at the State House in Trenton and traveled from Trenton to Edison, in my district, and then to Elizabeth, and finally to North Bergen in Hudson County.

We expressed the concern, both myself, Mr. TORRICELLI, Mr. ANDREWS, Mr. MENENDEZ, and Mr. PAYNE, that the Republican plans of gutting Medicare would essentially end the Federal Government's 3-decade-old commitment to provide health coverage for older Americans.

We gave four top reasons, pursuant to our bus trip, we called it the Medicare Express, why the public should oppose the Republican Medicare cuts. I would like to highlight those four reasons now, if I could. One I already sort of hinted at, and that is that we are going to see dramatically increased health costs for seniors. We have to understand that this $270 billion in cuts outlined in the Republican budget resolution is the largest cut in the history of Medicare. No matter how we figure it out, it is going to result in major out-of-pocket expenditures to our senior citizens, and increased costs essentially.

Second to that and just as important when we were out on the road and talking to seniors was the concern that we found on the part of senior citizens in New Jersey, and I am sure it is shared with the rest of the country, that the Republican plan will restrict choice and also reduce the quality of care; because essentially what I think we are going to see, and we have already heard some talk about that, is that on the House side, the Republicans have put forward this idea of a voucher plan, that somehow they will give senior citizens a check or a voucher, as it is called, and that the seniors then take that voucher or check to go out and buy their own health insurance in the private market.

I think a lot of people do not realize that Medicare now is a government-run program. If we simply give people a voucher and make them go out and buy their own health insurance, a lot of them are not going to be able to afford the existing what we call fee-for-service system, which allows them to choose their own doctor or their own hospital and then have the Government reimburse the doctor or the hospital for the care.

What will happen, I believe, is that if we do a voucher system, which again is budget-driven or cost-driven, a lot of seniors will find that they cannot buy a fee-for-service system that allows them to choose their own doctor or their own hospital with the amount of money they get in the voucher. Therefore, they will be forced into what we call HMO's or managed care systems, which basically prevent or limit seniors' choices with regard to doctors and with regard to hospitals.

That is why we, as Democrats, have been very suspicious of the Medicare cuts, not only because of the increased health costs for seniors, but also because if we move to a voucher system, where somehow we force senior citizens into a HMO, we are restricting their choice of hospitals and we are restricting their choice of physicians. In many cases many of the seniors have used the particular hospital or physician for 30, 40 years, and all of a sudden they will find they do not have a choice anymore.

However, the Medicare cuts not only harm seniors, they also harm all Americans, because if we look at what has happened in the past and what existed before the Medicare system was established 30 years ago, young families were often faced with the prospect of caring for a seriously ill elderly relative, and faced bankruptcy in order to care for that relative. Medicare has basically made it possible for young families to spend their hard-earned resources on other things, other than seniors or their parents or grandparents' health care; for example, for their children's education. If we go back to a system where seniors do not have quality care or do not have sufficient care, then a lot of those costs are going to be borne by younger people and make it more difficult for them to do other things; for example, care for their children or their children's education.

Again, Mr. Speaker, I would stress that it really is not fair, because 30 years ago this Congress made a compact or a contract, if you will, with senior citizens that said that they would be provided with health care when they reached the age of 65. That contract is essentially broken if Medicare is gutted or if seniors do not have access to the doctors or hospital of their choice, or have quality care.

The Republicans on the Committee on the Budget have put forward a number of suggestions for implementing this $270 billion cut in the Medicare program. They put together what they call a budget task force that came up with about over 30 recommendations about how to implement these cuts. I just wanted to highlight a few of them. I mentioned the voucher plan, which I think is the worst of all. However, some of the other ideas that were mentioned were increased premiums for new beneficiaries who use Medicare fee-for-service. In other words, if instead of going to a voucher system, you say to seniors,

> Look, if you want to stay in a fee-for-service system where you choose your own doctor, as opposed to an HMO, we will simply make you pay more for that, for that type of a system, the one you have now.

The other option, of course, is to just increase deductibles or to increase copayments. Many seniors, most seniors know now, that there are deductibles and there are copayments for various services, so you could simply increase those and there would be more out-of-pocket expenditures.

However, the one thing that has not been highlighted very much, and I wanted to spend just a little bit of time on it today, because when I was back in my district in New Jersey and I went around, a lot of the people who showed up at either the forums or who called me were from hospitals who were concerned about the quality of care, and what it would mean to the hospitals if this program of Medicare cuts were to take place.

I was amazed when I got information from the State Hospital Association and from some of the hospitals in my 6th Congressional District about how these cuts, what these cuts would mean in terms of dollars, because so many of the hospitals in my part of the country, and I am sure in others, are so dependent upon Medicare, as well as Medicaid funding. Medicaid is the program, the health care program, for poor people. Medicare is, of course, the health care program for senior citizens.

If I could take as an example Monmouth Medical Center, which is in my hometown of Long Branch, which we did visit, and where I talked with the president of the hospital and some of the hospital executives about the problems that they would face with these levels of Medicare cuts, they estimated that at Monmouth Medical Center, which is the largest area hospital in my district, that the Monmouth Medical Center would lose an estimated $77 million in Medicare payments over the next 7 years under this Republican proposal.

Interestingly enough, Monmouth Medical Center receives 55.17 percent, or a majority of its revenues, from Medicare and Medicaid. That figure is pretty much repeated for a lot of the other hospitals in my district. Jersey Shore Medical Center, which some people know recently had to lay off a lot of personnel, 56.29 percent of its revenues are from those two programs; Riverview in Red Bank, 51 percent; John F. Kennedy Medical Center in Edison, 59 percent; South Amboy Medical Center, also in my district, 57 percent.

Although the Republican congressional leadership has been vague about the specifics of their Medical proposal, it is inevitable that reductions in hospital spending will have to be a big part of this Medicare reduction package. The effects of these cuts will be felt throughout the community and force many hospitals to make some really tough choices. I think that we are going to see increasingly hospitals laying off staff, that is already happening to a lot of them, and many of the community benefits that hospitals now offer, such as multiple health screening centers, transportation services, and some of the clinics that are so important to a lot of people in my district and around the country would probably end up closing.

The reductions in Medicare spending that are being proposed by the Republican majority did not cover the additional costs of program enrollment growth plus inflation, so in other words, what we are doing here is we are not anticipating that a lot more seniors will be entering into the Medicare program and taking advantage of it when we estimate what these costs are going to mean.

I have a lot of other information, and I do not want to repeat it all. The bottom line is that increased Medicare admissions are a substantial part of the revenue that a lot of New Jersey hospitals receive, and we estimate through the hospital association, again, the New Jersey Hospital Association, that there are about 76 hospitals that would be on the critical list, in other words, either face closures or face significant downsizing if this Republican Medicare reduction takes effect.

Mr. Speaker, I would like to just mention a couple more things in a larger sense before I conclude today. Then I am going to yield some time to my friend, the gentleman from American Samoa [Mr. FALEOMAVAEGA] who I think would like to use some of the time that I have remaining.

I cannot help, in discussing Medicare and the proposals that the Republican majority have put forward, not only with Medicare but also with Medicaid, the health care program for the poor, but think about what the situation was like in this House a year ago when the President had put forward a proposal for universal health coverage, and whether or not we liked President Clinton's proposals, and I frankly did, but whether or not you did or you did not, the focus of the debate in this House was on universal coverage, or at least trying to achieve an increase in the number of Americans that were covered by health insurance, rather than a reduction.

We talked then, a year ago, about the fact that there were something like 30 million to 40 million Americans that had no health insurance coverage. The bottom line is if we look at the statistics, that figure has only gotten worse since that time a year ago. A year ago we had fewer people that were uninsured, and we had the hope that we were going to try through some mechanism to cover if not all of them, then a significant portion of them.

Now one year later we face a situation where significantly more Americans, we estimate something like 43 to 44 million Americans, have no health insurance, yet, the focus in this House is on cutting back on the Medicare program for the elderly and the Medicaid program for the poor, which I would suggest ultimately is going to result in even more people entering the rolls of the uninsured.

Mr. Speaker, I would like to, if I could, just quote some excerpts from a recent editorial that was in the Star Ledger on September 3, which is the major, the largest daily circulation newspaper in the State of New Jersey. It says: "Last year at this time it was not just the major policy issue," talking about health care reform under discussion, "but almost the only one. This year, for all practical purposes, it", the health care reform agenda:

> Does not exist. Despite the intensity of today's political debate, it plays no part in the dialogue.
>
> One would think the problem of bringing health care coverage to the uninsured had disappeared, or miraculously been solved, except it has not. Things are worse. Last summer when President Clinton unsuccessfully pressed Congress to enact a system to provide universal health care coverage, estimates of the number of people without insurance ranged from 37 million to 39 million. This summer, with the fight for health care reform only a memory, the number of uninsured has increased. Estimates now range as high as 43.4 million. This means that one of six Americans is without coverage, and that does not take into account those who are underinsured and those who are paying scandalously high individual rates for their insurance. The number of uninsured will continue to grow rapidly.
>
> The Clinton administration claims that Republican plans to cut projected spending on Medicaid, the Federal-state program of health insurance for the poor, over 7 years could deprive nine million more people of coverage. The big mistake that both parties are making now is to ignore the larger need for a universal health care plan. The debate may have gone away but the problem is as acute as ever. Polls still show universal coverage to be a concept that has wide support.

I think it is very sad that we are going to spend the next month here talking about how to cut back on the Medicare and the Medicaid program at a time when the number of uninsured continues to grow. What I hoped, and I hope that some day we will see it, is that the debate on Medicare reform would focus on what we could do to expand Medicare in a way that made the quality of health care better, and emphasized preventative care, and also saved money.

Those of us who have been concerned about Medicare for a number of years in this House, many of us on both sides of the aisles have talked about, in the past have talked about expanding Medicare to include prevention measures such as prescription drugs or home health care. We know and studies have shown if you emphasize those prevention measures and you include prescription drugs or home health care and long-term care in the Medicare program, that prevents senior citizens from having to go to a hospital, being institutionalized in a nursing home, or whatever, and ultimately saves the Federal Government billions of dollars in costs for that institutionalized care.

But instead of moving in that direction, looking for a Medicare reform proposal that would actually expand Medicare, emphasize prevention, and ultimately save money without negatively impacting seniors' health care, we are just talking about this budget-driven proposal by the Republican leadership that would slash Medicare by $270 billion and I believe ultimately gut the Medicare program and significantly decrease the quality of health care for America's seniors.

Mr. Speaker, at this time, I would like to yield the balance of my time to the gentleman from American Samoa.

PROTESTING FRENCH NUCLEAR TESTING IN THE PACIFIC

The SPEAKER pro tempore. Under the Speaker's announced policy of May 12, 1995, the gentleman from American Samoa [Mr. FALEOMAVAEGA] is recognized for 30 minutes.

Mr. FALEOMAVAEGA. Mr. Speaker, I want to thank my colleague from New Jersey for yielding me this time and I really appreciate his consideration for allowing me to share with my colleagues and the American people what is happening in French Polynesia, the eve of the French nuclear testing catastrophe that I feel that what is happening now.

Mr. Speaker, yesterday France detonated a nuclear bomb in French Polynesia, defying worldwide opinion which has uniformly condemned their resumption of nuclear testing. Mr. Speaker, about 2 hours ago, I personally received word from Tahiti's most prominent leader against nuclear testing, the mayor of the village of Take Ah Ah, Mr. Temaru.

My colleagues, as I speak, Tahiti is burning right now. Tahiti is at a standstill. The only airport in Tahiti is burning. As a result of France's explosion of the nuclear bomb in Mururoa Atoll right now, Tahitians attempted to hold a peaceful demonstration and occupy the only airport on the island. As a result, a French military hurled grenades and started shooting at these unarmed Tahitians.

Mr. Speaker, what arrogance. Several Tahitians are wounded and Mr. Temaru is making an appeal to the world community of what is happening because the French Government right now is making every attempt to suppress what is happening right now on this island in French Polynesia.

Mr. Speaker, there are several good reasons why France should not, does not need to explode eight more nuclear bombs under the atoll, Mururoa Atoll. First, France has already exploded 163 nuclear bombs in the atmosphere on and under the Mururoa Atoll. The nuclear contamination under this atoll is equivalent to several times the contamination of the city of Chernobyl in Russia. And let me share with my colleagues and the American people what the atoll looks like, Mr. Speaker, if I can get a focus on this. And this is what the atoll looks like. This is a French document showing the areas of the atoll that is contaminated. And despite all this publicity that some of the people have seen, the President of French Polynesia swimming on the beach, it is a total misinformation given to the world community, and the fact is this atoll is contaminated, Mr. Speaker. And it could be 10 years from now, 50 years from now, if this atoll starts leaking nuclear contamination, the people of the Pacific are going to be the victims while Mr. Chirac continues to drink his wine in Paris.

Mr. Speaker, France currently has the third largest supply of nuclear bombs in the world. Nuclear bombs are weapons of genocide, Mr. Speaker. Nuclear bombs destroy everything and anything on sight, including human beings. Mr. Speaker, who are the French going to explode these bombs against?

The fact that Europe is united, we have a NATO organization. And the fact that Chirac says that this is in the national interest of France's nuclear deterrent force system, what about our friends in Germany? Should they then also be concerned that this is the kind of thing that France is opening up a complete can of worms. What is there for us then to tell Iran, Iraq, and Pakistan, that they have no right to conduct nuclear testing for their national interest? What hypocrisy, Mr. Speaker, what hypocrisy.

Mr. Speaker, after exploding over 1,000 nuclear bombs, the United States, who happens to be an ally of France, has already offered the technology for which France seeks to achieve by exploding 8 more nuclear bombs. Each nuclear bomb with a force of up to 10 times, 10 times more powerful than the nuclear bomb that we dropped on Hiroshima 50 years ago. And that bomb, Mr. Speaker, incidentally, killed 120,000 men, women, and children in that city with an additional 80,000 people who died as a result of radioactive contamination and illnesses.

Mr. Speaker, three major newspapers and several others in the United States, the New York Times, the Washington Post, and the Los Angeles Times, all called for President Chirac to stop the nuclear tests in the South Pacific. The U.S. Senate has also passed a resolution under the leadership of U.S Senator DANIEL AKAKA of Hawaii that calls upon the Government of France not to conduct these tests. In the House of Representatives, the Committee on International Relations unanimously adopted a resolution again calling upon the Government of France not to conduct these nuclear testings. Mr. Speaker, President Clinton has also issued a strong statement last month to call upon all nations, especially France and China, for a complete ban on termination or termination of nuclear bomb testings.

Mr. Speaker, the United States alone has enough nuclear bombs to blow this whole planet 10 times over. The notion that the nation with more nuclear bombs will win the next nuclear war is sheer nonsense and total madness of what this world is doing now. Mr. Speaker, if France does not set a good example by canceling nuclear bomb tests, what is there to stop countries like Iran and Iraq and Pakistan and India to also conduct nuclear bomb tests and also either purchase or develop their own nuclear arsenals? What madness, Mr. Speaker. When is this madness going to end?

I, personally, visited Muruoa Atoll 3 years ago, Mr. Speaker, and I must say in all candor, the military officials of France personally told me that that atoll is contaminated. The atoll is contaminated. Mr. Speaker, in appealing to the people of French Polynesia and to the leaders of French Polynesia, who are in constant contact with Mr. Chirac, one day the children of the Pacific and their children's children are either going to live as a free people or as victims of nuclear contamination from the Pacific Ocean which has served our Polynesian people for centuries as a highway system and also the source of all forms of life where man, the animals, and plants have coexisted.

Mr. Speaker, this is truly a sad commentary to make in a democratic country like France to totally disregard the sincere concerns of some 27 million men, women, and children who live in the Pacific who have no hatred or animosity toward the people of France. The people of the Pacific only want to live without fear of nuclear contamination in their vast ocean of the marine environment. Is this asking too much of President Chirac who, maybe 10 or 50 years from now, when we are going to be all gone but our children's children will then ask how can the Government of France allow such nuclear contamination to happen?

Mr. Speaker, I am reminded of what a great western leader once said. He may have even been a French philosopher, for all I know. But he said the only real reason why evil continues to exist in this world is because good men do nothing. And I call upon President Clinton and the State Department, this is the French Government that decided years ago, this is the very government that decided years ago to withdraw its membership from NATO. This is the same French Government that demanded that all United States forces leave France within 60 days. And as I recall history, Mr. Speaker, our President, through Secretary of State Dean Rusk, personally hand-carried a letter and to let President De Gaulle know in verbatim that also included the 10,000 bodies of Americans who are buried in France who were there to fight, to liberate France from Nazi Germany.

Mr. Speaker, this is the same French Government which 50 years ago by forced deportation of 75,000 French citizens to Nazi concentration camps and as a result only 1,000 of those French citizens survived. What a shame, Mr. Speaker, what a shame. And this is the same French Government who looks upon the 200,000 people who live in French Polynesia and say yes, they are expendable. They are expendable because Paris is 15,000 miles away. The people of France have no concern whatsoever about the leakages of the nuclear contamination. The 200,000 men, women, and children who live in French Polynesia, Mr. Speaker, are deemed expendable by the Chirac government's policy to continue these nuclear bomb explosions, which is madness.

Mr. Speaker, President Chirac drinks his wine. The island of Tahiti is burning right now, at this moment. The total, the whole island is at a standstill. There are blockades now taken at the airport. The airport is burning. As I said, Mr. Speaker, it is just a beginning.

What arrogance, Mr. Speaker. What arrogance on the part of a democratic country like France. It is the best form of true colonialism in its worst example, and I cannot believe that here a democracy of the world is setting the worst example to the rest of the world. When we talk about human rights, when we talk about liberty, when we talk about freedom and these people are suffering and are victims because of this stupid and asinine policy of the French Government to explode nuclear bombs in the Pacific. And the leaders of the world, the community, the world said if it is so safe, Mr. Chirac, why do you not explode it in France?

We do not need this madness. We do not need this nightmare. I might also, Mr. Speaker, there are only 1.2 million American citizens living in the State of Hawaii. On the State of Hawaii, these are American citizens, Mr. Speaker, and I appeal again to the President, to the State Department, let us not be submissive. Let us not be passive to allow President Chirac to make these kinds of decisions that bring tension, that bring trouble and complete disregard for the concerns and the lives and the health and the welfare of the people who live in the Pacific.

Mr. Speaker, I was in Tahiti just 2 days ago. Never have I witnessed what colonialism really means in the eve of the 21st century. Tahitian people are the least educated. I learned that only a handful, this is after 150 years of French colonialism, I was told by the Tahitians there are less than 10 Tahitians that were ever educated in the field of law. What a shame. What a shame, Mr. Speaker.

I was joined by the Minister of Finance. The Minister of Finance, Mr. Takemura of Japan, quotes that France is losing respect from nations all over the world because of this stupid policy of exploding nuclear bombs in the Pacific. I might also note, Mr. Speaker, that there were parliamentarians from about 20 countries all over the world who were there to lend their support in strong opposition to this stupid policy that President Chirac has established to continue these stupid nuclear tests that we do not need in this world. And why are we reinventing the wheel? We have the technology. We offered it to President Chirac. But he does not want to accept it. What foolishness. And if it is so much to say that President Chirac can get away with this, then, Mr. Speaker, there is no justification for the United States and for France to tell India, to tell Pakistan, to tell Iraq, to tell Iran, you cannot experiment with nuclear bombs. That is nonsense and I urge my colleagues, I urge the American people to help, to help the 200,000 Polynesian Tahitians who are the victims.

I might also add, Mr. Speaker, the media has done a disservice to this whole issue of nuclear bomb testings seeking only the opinions of people living in Europe, seeking only the opinions of policymakers but never looking at the situation of the victims, the people, the indigenous people who live in these islands, never, never regarding their concerns and their needs to live. And that is all they want, Mr. Speaker.

They just want to simply live as a people whose lives depend on the ocean, whose lives depend on these atolls and these islands, and I just cannot believe this, Mr. Speaker. I cannot believe this is at the eve of the 21st century we have a country like France, supposedly a democracy, practicing the worst evils of colonialism against these 200,000 people that live there and all they want in life is just to live in peace. Is that asking too much of President Chirac? Oh, no. President Chirac wants to so that he is a big man now.

□ 2015

He is macho; he is De Gaulle the second. He wants to show that he has got muscle there.

I hope Chancellor Kohl will take notice of this fact. If I were a German citizen, I would be a little concerned about President Chirac's ability to press that nuclear button.

Why should Germany also not have nuclear deterrent force? I say, in every justification, Germany should have that same, but this is a farce that is going on as far as nuclear testing is concerned.

Why should France be the only one? And other democratic countries in Europe, they should also have the same technology. This is what France has done.

Chirac is the leading proponent of nuclear proliferation. What France has done yesterday, it has opened up the nuclear arms tests again, and I call upon President Clinton and Secretary Christopher, let us not be passive about this. This thing concerns the lives and the welfare of the American people just as much as the poor victims who are caught between this whole episode on how one man, not the goodness of the French people, one man and the terrible policy that his government has established since he has been in office for the first 100 days. I cannot believe this, Mr. Speaker; the worst example of colonialism on the eve of the 21st century that we find a democratic country like France totally disregarding world opinion, totally disregarding the wishes of the local people who are going to be most impacted. Yet this man still went ahead and exploded that nuclear bomb yesterday. I cannot believe this, Mr. Speaker.

I ask the American people, you know, there is one thing I have learned about American tradition. Mr. Speaker, they always like to support the underdog because we were the underdogs when we were colonies and happened to be going against the greatest power, that happened to be the British empire. Who would dare challenge the British empire for its form of colonialism? This exactly is the situation facing the Polynesians, 200,000 people who do not have guns, grenades. They are still paddling canoes to make a living, enjoying what nature has given them, enjoying what God has given them.

Is it asking so much that these people want to live as any others, Mr. Speaker? Mr. Speaker, what nonsense, what madness that the President of France has the gall, the mitigated gall, to press that nuclear button yesterday.

If the Tahitians get killed and wounded, if that place is burning, I say this should be on the head of President Chirac, that he should be taking full responsibility for this.

I call upon my colleagues and the goodness of the American people, do not buy French products, do not buy French perfume, do not by French wines. Send a strong message to President Chirac that the world community and the American people support the victims of this whole thing, and this is the only way that that man is going to listen to the wishes of the world community.

Mr. Speaker, 63 percent of the people of France do not support nuclear testing. The vast majority of the Tahitian Polynesians, 200,000 men, women, and children who live in this area of the world, do not support nuclear testing.

Yet because of the strong military lobby, the corporate lobby in France that probably supported President Chirac during his campaign, is getting a payoff. That is what this is about. The corporate lobby in France is getting a payoff because of its support of President Chirac in his election campaign this year. What a shame, Mr. Speaker. What a shame this is the kind of policy the President of France adheres to despite the wishes not only of the people, the victims who live in these islands; they are getting nothing but the worst example of colonialism in the middle of the 20th century.

Again, Mr. Speaker, I appeal to my colleagues and the American people, do not buy French foods, do not buy French products. This is the only way that President Chirac is going to listen to common sense, listen and be a little more sensitive to the wishes of the people who live there.

Mr. Speaker, again I thank my friend, the gentleman from New Jersey.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to:

Mr. RIGGS (at the request of Mr. ARMEY), for today, on account of personal reasons.

Mr. SISISKY (at the request of Mr. GEPHARDT), for today, and the balance of the week, on account of medical reasons.

Mr. TUCKER (at the request of Mr. GEPHARDT), for today, and the balance of the week, on account of official business.

Mr. MFUME (at the request of Mr. GEPHARDT), for today, on account of district business.

Mr. PETE GEREN of Texas (at the request of Mr. GEPHARDT), for today, on account of family medical emergency.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mr. BRYANT of Texas) to revise and extend their remarks and include extraneous material:)

Mr. BRYANT of Texas, for 5 minutes, today.

Mrs. SCHROEDER, for 5 minutes, today.

Ms. DELAURO, for 5 minutes, today.

Mr. WARD, for 5 minutes, today.

Mr. DOGGETT, for 5 minutes, today.

Mr. DURBIN, for 5 minutes, today.

Mr. WISE, for 5 minutes, today.

Mrs. THURMAN, for 5 minutes, today.

Mr. LOFGREN, for 5 minutes, today.

Mr. LEWIS of Georgia, for 5 minutes, today.

(The following Members (at the request of Mr. SCARBOROUGH) to revise and extend their remarks and include extraneous material:)

Mr. FORBES, for 5 minutes, today.

Mr. SCARBOROUGH, for 5 minutes, today.

Mr. GOSS, for 5 minutes, today.

(The following Member (at his own request) to revise and extend his remarks and include extraneous material:)

Mr. BILBRAY, for 5 minutes, today.

(The following Member (at her own request) to revise and extend her remarks and include extraneous material:)

Mr. PELOSI, for 5 minutes, today.

(The following Member (at his own request) to revise and extend his remarks and include extraneous material:)

Mr. DICKS, for 5 minutes, today.

(The following Members (at the request of Mr. BURTON of Indiana) to revise and extend their remarks and include extraneous material:)

Mr. BURTON of Indiana, for 5 minutes, today and on September 7.

Mr. GEKAS, for 5 minutes, today.

Mr. DREIER, for 5 minutes, today.

Mr. MCINTOSH, for 5 minutes, on September 7.

Mrs. SMITH of Washington, for 5 minutes, today.

Mr. FOX of Pennsylvania, for 5 minutes, today.

Mr. KINGSTON, for 5 minutes, today.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

(The following Member (at the request of Mr. SCARBOROUGH) and to include extraneous matter:)

Mr. KING.

(The following Members (at the request of Mr. WISE) and to include extraneous matter:)

Mr. WAXMAN.

Mr. LEVIN.

Mr. HAMILTON in five instances.

Mr. LANTOS.

Mrs. MEEK of Florida.

Mr. CARDIN.

Mr. STARK.

Mr. POMEROY.

Mr. MARTINEZ in three instances.

Mrs. SCHROEDER.

Mr. FOGLIETTA in three instances.

Mr. UNDERWOOD.

Mr. TORRES in two instances.

Mrs. LINCOLN in two instances.

Mr. VISCLOSKY in two instances.

Mrs. MALONEY.

Mr. MINETA.

Mr. HASTINGS of Florida.

(The following Members (at the request of Mr. BURTON of Indiana) and to include extraneous matter:)

Mr. HUNTER.

Mr. OXLEY.

Mr. RADANOVICH.

Mr. GILMAN.

Mr. SPENCE.

Mr. QUILLEN.

Mr. QUINN.

Mr. EMERSON in two instances.

Mr. EHRLICH.

(The following Members (at the request of Mr. PALLONE) and to include extraneous matter:)

Mr. COSTELLO.

Mr. OWENS.

Mr. VENTO.

Mr. MFUME.

Mr. REED.

Mr. RICHARDSON.

Mr. BEREUTER.

Mr. PARKER.

Mr. SAXTON.

Mr. MENENDEZ.

SENATE BILLS AND CONCURRENT RESOLUTION REFERRED

Bills and a concurrent resolution of the Senate of the following titles were taken from the Speaker's table and, under the rule, referred as follows:

S. 369. An act to designate the Federal Courthouse in Decatur, Alabama, as the "Seybourn H. Lynne Federal Courthouse", and for other purposes; to the Committee on Transportation and Infrastructure.

S. 965. An act to designate the United States Courthouse for the Eastern District of Virginia in Alexandria, Virginia, as the Albert V. Bryan United States Courthouse; to the Committee on Transportation and Infrastructure.

S. Con. Res. 22. Concurrent resolution expressing the sense of the Congress that the United States should participate in Expo '98 in Lisbon, Portugal; to the Committee on International Relations.

ENROLLED BILLS SIGNED

Mr. THOMAS, from the Committee on House Oversight, reported that that committee had examined and found truly enrolled bills of the House of the following titles, which were thereupon signed by the Speaker:

H.R. 1225. An act to amend the Fair Labor Standards Act of 1938 to exempt employees who perform certain court reporting duties from compensatory time requirements applicable to certain public agencies, and for other purposes;

H.R. 2161. An act to extend authorities under the Middle East Peace Facilitation Act of 1994 until October 1, 1995, and for other purposes;

H.R. 535. An act to direct the Secretary of the Interior to convey the Corning National Fish Hatchery to the State of Arkansas;

H.R. 584. An act to direct the Secretary of the Interior to convey a fish hatchery to the State of Iowa;

H.R. 614. An act to direct the Secretary of the Interior to convey to the State of Minnesota the New London National Fish Hatchery production facility;

H.R. 2077. An act to designate the United States Post Office building located at 33 College Avenue in Waterville, Maine, as the "George J. Mitchell Post Office Building"; and

H.R. 2108. An act to permit the Washington Convention Center Authority to expend revenues for the operation and maintenance of the existing Washington Convention Center and for preconstruction activities relating to a new convention center in the District of Columbia, to permit a designated authority of the District of Columbia to borrow funds for the preconstruction activities relating to a sports arena in the District of Columbia and to permit certain revenues to be pledged as security for the borrowing of such funds, and for other purposes.

BILLS PRESENTED TO THE PRESIDENT

Mr. THOMAS, from the Committee on House Oversight, reported that that committee did on the following days present to the President, for his approval, bills of the House of the following titles:

On August 11, 1995:

H.R. 2161. An act to extend authorities under the Middle East Peace Facilitation Act of 1994 until October 1, 1995, and for other purposes.

On August 28, 1995:

H.R. 2108. An act to permit the Washington Convention Center Authority to expend revenues for the operation and maintenance of the existing Washington Convention Center and for preconstruction activities relating to a new convention center in the District of Columbia, to permit a designated authority of the District of Columbia to borrow funds for the preconstruction activities relating to a sports arena in the District of Columbia and to permit certain revenues to be pledged as security for the borrowing of such funds, and for other purposes;

H.R. 584. An act to direct the Secretary of the Interior to convey a fish hatchery to the State of Iowa;

H.R. 2077. An act to designate the United States Post Office building located at 33 College Avenue in Waterville, Maine, as the "George J. Mitchell Post Office Building";

H.R. 614. An act to direct the Secretary of the Interior to convey to the State of Minnesota the New London National Fish Hatchery production facility;

H.R. 535. An act to direct the Secretary of the Interior to convey the Corning National Fish Hatchery to the State of Arkansas; and

H.R. 1225. An act to amend the Fair Labor Standards Act of 1938 to exempt employees who perform certain court reporting duties from the compensatory time requirements applicable to certain public agencies, and for other purposes.

ADJOURNMENT

Mr. PALLONE. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 8 o'clock and 20 minutes p.m.), the House adjourned until tomorrow, Thursday, September 7, 1995, at 10 a.m.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1310. A letter from the Secretary of Agriculture, transmitting a draft of proposed legislation entitled the "Packers and Stockyards Licensing Fee Act of 1995"; to the Committee on Agriculture.

1311. A letter from the Secretary of Agriculture, transmitting a draft of proposed legislation entitled "The Animal and Plant Health Inspection Service Omnibus User Fee Act of 1995"; to the Committee on Agriculture.

1312. A communication from the President of the United States, transmitting amendments to the fiscal year 1996 appropriations requests for the Department of Energy, pursuant to 31 U.S.C. 1106(b) (H. Doc. No. 104–110); to the Committee on Appropriations and ordered to be printed.

1313. A letter from the Director, the Office of Management and Budget, transmitting the cumulative report on rescissions and deferrals of budget authority as of August 1, 1995, pursuant to 2 U.S.C. 685(e) (H. Doc. No. 104–112); to the Committee on Appropriations and ordered to be printed.

1314. A letter from the Under Secretary of Defense, transmitting a report of a violation of the Anti-Deficiency Act which occurred in the 185th Fighter Group in the Iowa Air National Guard [ANG], pursuant to 31 U.S.C. 1517(b); to the Committee on Appropriations.

1315. A letter from the Under Secretary of Defense, transmitting a report of a violation of the Anti-Deficiency Act which occurred in the Foreign Military Sales [FMS] Trust Fund, pursuant to 31 U.S.C. 1517(b); to the Committee on Appropriations.

1316. A letter from the Under Secretary of Defense, transmitting selected acquisition reports [SAR's] for the quarter ending June

30, 1995, pursuant to 10 U.S.C. 2432; to the Committee on National Security.

1317. A letter from the Principal Deputy General Counsel, Department of Defense, transmitting a draft of proposed legislation to amend title 10, United States Code, to consolidate provisions of law regarding international defense acquisition into a new defense trade and cooperation chapter, and for other purposes; to the Committee on National Security.

1318. A letter from the Vice-Chairman and Chief Operating Officer, Export-Import Bank of the United States; transmitting a report involving United States exports to the Phillipines, pursuant to 12 U.S.C. 635(b)(3)(i); to the Committee on Banking and Financial Services.

1319. A letter from the President and Chairman, Export-Import Bank of the United States, transmitting a report involving United States exports to Mexico, pursuant to 12 U.S.C. 635(b)(3)(i); to the Committee on Banking and Financial Services.

1320. A letter from the Administrator, Energy Information Administration, transmitting the Energy Information Administration's annual energy review 1994, pursuant to 15 U.S.C. 790f(a)(2); to the Committee on Commerce.

1321. A letter from the Acting Director, Defense Security Assistance Agency, transmitting the price and availability report for the quarter ending June 30, 1995, pursuant to 22 U.S.C. 2768; to the Committee on International Relations.

1322. A letter from the Director, Defense Security Assistance Agency, transmitting notification that the Department of Defense has completed delivery of defense articles, services, and training on the attached list to Bangladesh, pursuant to 22 U.S.C. 2318(b)(2); to the Committee on International Relations.

1323. A letter from the Acting Director, Defense Security Assistance Agency, transmitting the Department of the Army's proposed lease of defense articles to Saudi Arabia (Transmittal No. 35-95), pursuant to 22 U.S.C. 2796a(a); to the Committee on International Relations.

1324. A letter from the Acting Director, Defense Security Assistance Agency, transmitting notification concerning the Department of the Army's proposed Letter(s) of Offer and Acceptance [LOA] to Kuwait for defense articles and services (Transmittal No. 95-33), pursuant to 22 U.S.C. 276(b); to the Committee on International Relations.

1325. A letter from the Acting Director, Defense Security Assistance Agency, transmitting the Department of the Army's proposed lease of defense articles to Oman (Transmittal No. 26-95), pursuant to 22 U.S.C. 2796a(a); to the Committee on International Relations.

1326. A letter from the Director, Defense Security Assistance Agency, transmitting the Department of the Air Force's proposed lease of defense articles to France (Transmittal No. 34-95), pursuant to 22 U.S.C. 2796a(a); to the Committee on International Relations.

1327. A letter from the Director, Defense Security Assistance Agency, transmitting notification concerning a cooperative project with the Netherlands (Transmittal No. 10-95), pursuant to 22 U.S.C. 2767(f); to the Committee on International Relations.

1328. A letter from the Assistant Secretary for Legislative Affairs, Department of State, transmitting the Secretary's determination that the Government of the Russian Federation has, on or after October 24, 1992, knowingly transferred to another country missile technology inconsistent with the guidelines and parameters of the Missile Technology Control Regime, also the Secretary's determination that it is important to the national interest of the United States to furnish assistance that would otherwise be prohibited, pursuant to 22 U.S.C. 2295a(b)(3) and 22 U.S.C. 2295a(c)(1); to the Committee on International Relations.

1329. A letter from the Assistant Secretary for Legislative Affairs, Department of State, transmitting a copy of Presidential Determination No. 95-34: Determination to Authorize the Furnishing of Emergency Military Assistance to the United Nations for Purposes of Supporting the Rapid Reaction Force in Bosnia Under Section 506(a)(1) of the Foreign Assistance Act, pursuant to 22 U.S.C. 2348a; to the Committee on International Relations.

1330. A letter from the Assistant Secretary for Legislative Affairs, Department of State, transmitting a report pursuant to section 3 of the AECA concerning the unauthorized transfer of U.S.-origin defense articles, pursuant to 22 U.S.C. 2314(d); to the Committee on International Relations.

1331. A letter from the Assistant Secretary for Legislative Affairs, Department of State, transmitting a report pursuant to section 3 of the AECA concerning the unauthorized transfer of U.S.-origin defense articles, pursuant to 22 U.S.C. 2314(d); to the Committee on International Relations.

1332. A letter from the Assistant Secretary for Legislative Affairs, Department of State, transmitting a report pursuant to section 3 of the AECA concerning the unauthorized transfer of U.S.-origin defense articles, pursuant to 22 U.S.C. 2314(d); to the Committee on International Relations.

1333. A letter from the Assistant Secretary for Legislative Affairs, Department of State, transmitting a copy of Presidential Determination No. 95-36: Suspending Restrictions on U.S. Relations with the Palestine Liberation Organization, pursuant to Public Law 103-236, section 583(b)(2) (108 Stat. 489); to the Committee on International Relations.

1334. A communication from the President of the United States, transmitting the bimonthly report on progress toward a negotiated settlement of the Cyprus question, including any relevant reports from the Secretary General of the United Nations, pursuant to 22 U.S.C. 2373(c); to the Committee on International Relations.

1335. A communication from the President of the United States, transmitting notification that the emergency regarding export control regulations is to continue in effect beyond August 19, 1995, pursuant to 50 U.S.C. 1622(d) (H. Doc. No. 104-109); to the Committee on International Relations and ordered to be printed.

1336. A letter from the Assistant Legal Adviser for Treaty Affairs, Department of State, transmitting copies of international agreements, other than treaties, entered into by the United States, pursuant to 1 U.S.C. 112b(a); to the Committee on International Relations.

1337. A letter from the Assistant Legal Adviser for Treaty Affairs, Department of State, transmitting copies of international agreements, other than treaties, entered into by the United States, pursuant to 1 U.S.C. 112b(a); to the Committee on International Relations.

1338. A letter from the Assistant Secretary for Legislative Affairs, Department of State, transmitting notification that a reward has been paid pursuant to 22 U.S.C. 2708(h), pursuant to 22 U.S.C. 2708(h); to the Committee on International Relations.

1339. A communication from the President of the United States, transmitting a report on the cumulative incremental cost of all United States activities in Haiti subsequent to September 30, 1993, pursuant to Public Law 104-6, section 107(a) (109 Stat. 80); to the Committee on International Relations.

1340. A communication from the President of the United States transmitting an alternative plan for a Federal employees' pay adjustment to become effective on the first day of the first applicable pay period on or after January 1, 1996, pursuant to 5 U.S.C. 5305(c)(1) (H. Doc. No. 104-111); to the Committee on Government Reform and Oversight and ordered to be printed.

1341. A letter from the Chairman, Council of the District of Columbia, transmitting a copy of D.C. Act 11-128, "Closing of a Public Alley in Square 4337 S.O. 94-163, Act of 1995," pursuant to D.C. Code, section 1-233(c)(1); to the Committee on Government Reform and Oversight.

1342. A letter from the Chairman, Council of the District of Columbia, transmitting a copy of D.C. Act 11-129, "Advisory Neighborhood Commission Vacancy Amendment Act of 1995," pursuant to D.C. Code, section 1-233(c)(1); to the Committee on Government Reform and Oversight.

1343. A letter from the Chairman, Council of the District of Columbia, transmitting a copy of D.C. Act 11-130, "Omnibus Sports Consolidation Act of 1994 Temporary Amendment Act of 1995," pursuant to D.C. Code, section 1-233(c)(1); to the Committee on Government Reform and Oversight.

1344. A letter from the Chairman, Council of the District of Columbia, transmitting a copy of D.C. Act 11-131, "Extension of the Moratorium on Retail Service Station Conversions Temporary Amendment Act of 1995," pursuant to D.C. Code, section 1-233(c)(1); to the Committee on Government Reform and Oversight.

1345. A letter from the Chairman, Council of the District of Columbia, transmitting a copy of D.C. Act 11-132, "Reorganization Plan No. 1 of 1995 for the Department of Human Services and Department of Corrections Temporary Act of 1995," pursuant to D.C. Code, section 1-233(c)(1); to the Committee on Government Reform and Oversight.

1346. A letter from the Auditor, District of Columbia, transmitting a copy of a report entitled "Review of the Water and Sewer Utility Administration's Participation in the District's Cash Management Pool," pursuant to D.C. Code, section 47-117(d); to the Committee on Government Reform and Oversight.

1347. A letter from the Comptroller General, General Accounting Office, transmitting the list of all reports issued or released in July 1995, pursuant to 31 U.S.C. 719(h); to the Committee on Government Reform and Oversight.

1348. A letter from the Administrator, Panama Canal Commission, transmitting a report of activities under the Freedom of Information Act for calendar year 1994, pursuant to 5 U.S.C. 552(d); to the Committee on Government Reform and Oversight.

1349. A letter from the Clerk, U.S. House of Representatives, transmitting the quarterly report of receipts and expenditures of appropriations and other funds for the period April 1, 1995 through June 30, 1995, pursuant to 2 U.S.C. 104a (H. Doc. No. 104-113); to the Committee on House Oversight and ordered to be printed.

1350. A letter from the Deputy Associate Director for Compliance, Department of the

Interior, transmitting notification of proposed refunds of excess royalty payments in OCS areas, pursuant to 43 U.S.C. 1339(b); to the Committee on Resources.

1351. A letter from the Deputy Associate Director for Compliance, Department of the Interior, transmitting notification of proposed refunds of excess royalty payments in OCS areas, pursuant to 43 U.S.C. 1339(b); to the Committee on Resources.

1352. A letter from the Assistant Secretary for Land and Minerals Management, Department of the Interior, transmitting notice on leasing systems for the western Gulf of Mexico, Sale 155, scheduled to be held in September 1995, pursuant to 43 U.S.C. 1337(a)(8); to the Committee on Resources.

1353. A letter from the Secretary of Health and Human Services, transmitting the 28th in a series of reports on refugee resettlement in the United States covering the period October 1, 1993 through September 30, 1994, pursuant to 8 U.S.C. 1523(a); to the Committee on the Judiciary.

1354. A letter from the Secretary-Treasurer, Congressional Medal of Honor Society of the United States of America, transmitting the annual financial report of the Society for calendar year 1994, pursuant to 36 U.S.C. 1101(19) and 1103; to the Committee on the Judiciary.

1355. A letter from the Administrator, General Services Administration, transmitting a draft of proposed legislation entitled "the Emergency Leasing Act of 1995"; to the Committee on Transportation and Infrastructure.

1356. A letter from the Deputy Under Secretary (Environmental Security), Department of Defense, transmitting a report on the Defense Environmental Restoration program for fiscal year 1994, pursuant to 10 U.S.C. 2706(a)(1); jointly, to the Committees on National Security and Commerce.

1357. A letter from the Secretaries of Agriculture and Transportation, transmitting a copy of a study on aviation inspections, pursuant to section 306 of the Federal Crop Insurance Reform and Department of Agriculture Reorganization Act of 1994; jointly, to the Committees on Transportation and Infrastructure and Agriculture.

1358. A letter from the Administrator, National Aeronautics and Space Administration, transmitting a draft of proposed legislation to authorize appropriations to the National Aeronautics and Space Administration for human space flight, science, aeronautics, and technology, mission support, and inspector general, and for other purposes, pursuant to 31 U.S.C. 1110; jointly, to the Committees on Science and Government Reform and Oversight.

1359. A letter from the Comptroller General, General Accounting Office, transmitting a report entitled "Financial Audit: Examination of IRS' Fiscal Year 1994 Financial Statements" (GAO/AIMD-95-141), pursuant to Public Law 101-576, section 305 (104 Stat. 2853); jointly, to the Committees on Ways and Means and Government Reform and Oversight.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

[Omitted from the Record of August 4, 1995]

Mr. WALKER: Committee on Science. H.R. 1815. A bill to authorize appropriations for the National Oceanic and Atmospheric Administration for fiscal year 1996, and for other purposes; with an amendment (Rept. 104-237 Pt. 1). Ordered to be printed.

[Submitted September 1, 1995]

Mr. GOODLING: Committee on Economic and Educational Opportunities. H.R. 1594. A bill to place restrictions on the promotion by the Department of Labor and other Federal agencies and instrumentalities of economically targeted investments in connection with employee benefit plans; with an amendment (Rept. 104-238). Referred to the Committee of the Whole House on the State of the Union.

[Submitted September 6, 1995]

Mrs. MEYERS: Committee on Small Business. H.R. 2150. A bill to amend the Small Business Investment Act of 1958 to reduce the cost to the Federal Government of guaranteeing certain loans and debentures, and for other purposes; with an amendment (Rept. 104-239). Referred to the Committee of the Whole House on the State of the Union.

TIME LIMITATION OF REFERRED BILL

Pursuant to clause 5 of rule X the following action was taken by the Speaker:

[Omitted from the Record of August 4, 1995]

H.R. 1815. Referral to the Committee on Resources extended for a period ending not later than September 22, 1995.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. McCOLLUM:

H.R. 2259. A bill to disapprove certain sentencing guideline amendments; to the Committee on the Judiciary.

By Mr. NUSSLE:

H.R. 2260. A bill to establish America's Agricultural Heritage Partnership in Iowa, and for other purposes; to the Committee on Agriculture, and in addition to the Committee on Resources, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

By Mr. BRYANT of Texas (for himself, and Mr. OBEY):

H.R. 2261. A bill to provide for the regulation of lobbyists and gift reform; to the Committee on the Judiciary, and in addition to the Committee on Standards of Official Conduct, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

By Mr. CALLAHAN (for himself, Mr. BEVILL, Mr. BROWDER, Mr. EVERETT, Mr. BACHUS, Mr. CRAMER, and Mr. HILLIARD):

H.R. 2262. A bill to designate the U.S. post office building located at 218 North Alston Street in Foley, AL, as the "Holk Post Office Building"; to the Committee on Government Reform and Oversight.

By Mrs. CHENOWETH:

H.R. 2263. A bill to compensate agricultural producers in the United States for damages incurred as a result of trade embargoes that include agricultural commodities and products produced in the United States among the prohibited trade items; to the Committee on Agriculture.

By Mr. EVANS (for himself, Mr. GENE GREEN of Texas, Mr. WILLIAMS, and Mrs. SCHROEDER):

H.R. 2264. A bill to amend title 5, United States Code, to provide that civilian employees of the National Guard may not be required to wear military uniforms while performing civilian service; to the Committee on Government Reform and Oversight, and in addition to the Committee on National Security, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

By Mr. FUNDERBURK (for himself, Mr. HILLEARY, Mr. DELAY, Mr. BOEHNER, Mr. BROWDER, Mr. BAESLER, Mr. JONES, Mr. TAYLOR of North Carolina, Mr. BALLENGER, Mr. COBLE, Mr. SCOTT, Mr. BURTON of Indiana, Mr. QUILLEN, Mr. LEWIS of Kentucky, Mr. GRAHAM, Mr. MICA, Mr. GORDON, Mr. ROGERS, Mr. BURR, Mr. HEINEMAN, Mr. SOUDER, Mr. HOSTETTLER, Mr. MCINTOSH, Mr. CHAMBLISS, Mr. BARR, Mr. KINGSTON, Mr. COLLINS of Georgia, and Mr. BRYANT of Tennessee):

H.R. 2265. A bill to prohibit the regulation of any tobacco products, or tobacco sponsored advertising, used or purchased by the National Association of Stock Car Automobile Racing, its agents or affiliates, or any other professional motor sports association by the Secretary of Health and Human Services or any other instrumentality of the Federal Government; to the Committee on Commerce.

By Mr. HINCHEY (for himself, Mr. GILMAN, and Mrs. LOWEY):

H.R. 2266. A bill to establish the Hudson River Valley American Heritage Area; to the Committee on Resources.

By Mr. MARTINEZ:

H.R. 2267. A bill to amend the Comprehensive Environmental Response, Compensation, and Liability Act of 1980 to prevent the construction of a gas recovery treatment facility at the OII site east of downtown Los Angeles; to the Committee on Commerce.

By Mr. MCHALE (for himself, Mr. SHAYS, Mr. DEAL of Georgia, Mr. DICKEY, Mr. BARRETT of Wisconsin, Mr. MINGE, Mr. KLUG, Mrs. WALDHOLTZ, Mr. CASTLE, Mr. ZIMMER, Mr. MEEHAN, and Mr. LUTHER):

H.R. 2268. A bill to provide for the disclosure of lobbying activities to influence the Federal Government, and for other purposes; to the Committee on the Judiciary.

By Mr. NADLER:

H.R. 2269. A bill to guarantee the provision of minimum child support benefits and to reform the child support enforcement system; to the Committee on Ways and Means, and in addition to the Committees on Commerce, Banking and Financial Services, Agriculture, and Economic and Educational Opportunities, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

By Mr. SHADEGG:

H.R. 2270. A bill to require Congress to specify the source of authority under the U.S. Constitution for the enactment of laws, and for other purposes; to the Committee on the Judiciary.

By Ms. SLAUGHTER:

H.R. 2271. A bill to amend the Communications Act of 1934 to require radio and television broadcasters to provide free broadcasting time for political advertising; to the Committee on Commerce.

By Mr. VENTO:

H.R. 2272. A bill to amend the Internal Revenue Code of 1986 to provide an exclusion from gross income for that portion of a governmental pension received by an individual which does not exceed the maximum benefits payable under title II of the Social Security Act which could have been excluded from income for the taxable year; to the Committee on Ways and Means.

By Mr. WYNN (for himself and Mr. Mfume):

H.R. 2273. A bill to ensure that Federal employees will be paid for any period during which they are furloughed as a result of any lapse in appropriations for fiscal year 1996; to the Committee on Government Reform and Oversight.

By Mr. BRYANT of Texas (for himself and Mr. Obey):

H. Con. Res. 99. Concurrent resolution providing for corrections in the enrollment of the bill (H.R. 1854) making appropriations for the legislative branch for the fiscal year ending September 30, 1996, and for other purposes; to the Committee on the Judiciary, and in addition to the Committees on House Oversight, and Standards of Official Conduct, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

By Mr. HUNTER (for himself, Mr. Browder, Mr. Cunningham, Mr. Edwards, Mr. Gilman, Ms. Harman, Mr. Hyde, Mr. Laughlin, Mr. Montgomery, Mr. Murtha, Mr. Spence, and Mr. Wilson):

H. Con. Res. 100. Concurrent resolution expressing the sense of Congress that the national security policy of the United States should be based upon a national strategy for peace through strength; to the Committee on International Relations.

By Mrs. SCHROEDER:

H. Res. 213. Resolution amending the Rules of the House of Representatives to prohibit consideration of a conference report on any legislative branch appropriation bill until all other regular appropriation bills for that fiscal year are enacted into law; to the Committee on Rules.

By Mrs. WALDHOLTZ (for herself, Mr. Barrett of Wisconsin, Mr. Shays, Mr. Minge, Mr. Deal of Georgia, Mr. Klug, Mr. Meehan, Mr. Castle, Mr. Luther, Mr. Dickey, Mr. Zimmer, Mr. McHale, Mr. Ramstad, and Ms. Dunn of Washington):

H. Res. 214. Resolution to amend the Rules of the House of Representatives to provide for gift reform; to the Committee on Standards of Official Conduct.

MEMORIALS

Under clause 4 of rule XXII, memorials were presented and referred as follows:

155. By the SPEAKER: Memorial of the House of Representatives of the State of Alabama, relative to expressing opposition to Congress of pending bills to reduce benefits for coal miners; to the Committee on Economic and Educational Opportunities.

156. Also, memorial of the House of Representatives of the Commonwealth of the Mariana Islands, relative to expressing the support of the Commonwealth of the Northern Mariana Islands for the Republic of China to regain admission to the United Nations General Assembly; to the Committee on International Relations.

157. Also, memorial of the House of Representatives of the State of Maine, relative to memorializing the Congress of the United States to recognize U.S. Merchant Marine veterans of World War II with full veteran status; to the Committee on Veterans' Affairs.

ADDITIONAL SPONSORS

Under clause 4 of rule XXII, sponsors were added to public billa and resolutions as follows:

H.R. 42: Mr. Mineta, Mr. Moran, Mr. Sanders, Ms. Slaughter, Ms. Lofgren, and Mr. Foglietta.

H.R. 44: Mr. Livingston, Mr. Brewster, Mr. Christensen, Mr. Engel, Mr. Flake, Mr. Parker, Mr. Taylor of Mississippi, and Mr. Hoekstra.

H.R. 65: Mr. Largent, Mr. Frazer, and Mr. Torkildsen.

H.R. 92: Mr. Porter.

H.R. 103: Mr. Whitfield, Mr. King, and Ms. Rivers.

H.R. 109: Mr. Serrano.

H.R. 118: Mrs. Waldholtz.

H.R. 123: Mr. Barton of Texas, Mr. Davis, Mr. Shadegg, Mr. Hyde, Mr. Wicker, Mr. Coburn, Mr. Wolf, and Mr. Young of Alaska.

H.R. 218: Mr. Gilchrest.

H.R. 303: Mr. Bishop.

H.R. 390: Mr. Hastert and Mr. Hastings of Washington.

H.R. 393: Mr. Longley.

H.R. 407: Mr. Gordon.

H.R. 468: Mr. Hinchey.

H.R. 475: Mr. Burton of Indiana.

H.R. 497: Mr. Hilleary and Mr. Moran.

H.R. 528: Mr. Coble, Mr. Mascara, and Mr. Luther.

H.R. 549: Mr. Greenwood.

H.R. 580: Mr. Chrsyler, Mr. Durbin, Mr. Ewing, Mr. Talent, Mr. Pallone, Mr. Salmon, Mr. Kennedy of Rhode Island, Mr. Frazer, and Mr. Norwood.

H.R. 739: Mr. Istook, Mr. Kasich, and Mr. Pombo.

H.R. 743: Mr. Smith of Texas, Mr. Inglis of South Carolina, Mr. Bunning of Kentucky, Mr. Wolf, Mr. McInnis, and Mr. Wicker.

H.R. 752: Mr. Dixon, Mr. Minge, Mr. Yates, Mr. Conyers, Mr. Gejdenson, Ms. Pelosi, Mr. Smith of Michigan, Mr. Richardson, Mr. Tiahrt, Mr. Ney, Mr. Tucker, Mr. Bryant of Tennessee, Mr. Dellums, Mr. Filner, Mr. Franks of Connecticut, Mr. Shays, and Mrs. Clayton.

H.R. 788: Mr. Inglis of South Carolina.

H.R. 789: Mr. Lewis of Kentucky, Mr. Stupak, Mr. Latham, Mr. Visclosky, Mr. Crapo, and Mr. Mascara.

H.R. 861: Mr. Montgomery.

H.R. 863: Mr. Watt of North Carolina.

H.R. 896: Mr. Lantos.

H.R. 899: Mr. Yates.

H.R. 958: Mr. LaTourette.

H.R. 989: Mr. Forbes and Mr. Markey.

H.R. 1005: Mr. Roth and Mr. Shays.

H.R. 1007: Mr. Emerson, Mr. Herger, Mr. Smith of Texas, Mr. Frazer, and Mr. Minge.

H.R. 1021: Ms. Lofgren and Mr. Filner.

H.R. 1023: Ms. Lofgren.

H.R. 1061: Mr. Longley.

H.R. 1078: Mr. Taylor of North Carolina, Mr. Fox, and Mr. Traficant.

H.R. 1143: Ms. Slaughter.

H.R. 1144: Ms. Slaughter.

H.R. 1145: Ms. Slaughter.

H.R. 1226: Mr. Zeliff, Mr. Ehlers, and Mr. Hoke.

H.R. 1297: Mr. Andrews.

H.R. 1446: Mr. Doolittle.

H.R. 1462: Mr. Lewis of Georgia, Mr. Sabo, Mr. Dellums, Mr. Forbes, Mr. Sanders, Mr. Wynn, Mr. Clement, and Mr. Stark.

H.R. 1482: Mrs. Thurman.

H.R. 1483: Mrs. Thurman.

H.R. 1527: Mr. Nethercutt.

H.R. 1593: Mr. Frost.

H.R. 1595: Mr. Lantos, Mr. Canady, Mrs. Meek of Florida, Mr. Shaw, Mr. Rangel, Mr. Riggs, Mr. Stockman, Mr. Doyle, Mrs. Seastrand, Mr. Shadegg, Mrs. Kelly, Mr. Tanner, Mr. Schumer, Mr. Stupak, Mr. Salmon, Mr. McHale, and Mr. Allard.

H.R. 1619: Mr. Yates, Mr. Martinez, Mrs. Mink of Hawaii, Mr. Sanders, and Mrs. Meek of Florida.

H.R. 1627: Mr. Roth, Mr. Lightfoot, Mr. Callahan, Mr. Lipinski, Mr. DeLay, Mr. Shuster, Mr. Goss, Mr. Royce, Mr. Bevill, and Mr. Deal of Georgia.

H.R. 1636: Mr. English of Pennsylvania, Mr. Chapman, Mr. Taylor of North Carolina, Mr. Talent, Mr. Upton, Mr. Pete Geren of Texas, Mr. Goodlatte, Mr. Smith of Texas, Mr. Canady, Mr. Moorhead, Mr. Hastert, and Ms. Dunn of Washington.

H.R. 1733: Mr. Canady and Mr. Moran.

H.R. 1744: Mr. Durbin, Ms. Molinari, Mr. Mascara, Mr. Serrano, Mr. Crane, Mr. Fox, Mr. Peterson of Minnesota, and Mr. Manton.

H.R. 1745: Mr. Blute, Mr. McDade, Mr. McKeon, Mr. Livingston, and Mrs. Vucanovich.

H.R. 1747: Mr. Tauzin, Mrs. Collins of Illinois, Mr. Waxman, Mr. Serrano, Mr. Engel, Mr. Wicker, and Mr. Moorhead.

H.R. 1757: Mr. Frost, Mr. Frank of Massachusetts, Mr. Johnston of Florida, and Mr. Serrano.

H.R. 1758: Ms. Pelosi.

H.R. 1776: Mrs. Schroeder and Mr. Spence.

H.R. 1778: Mr. Heineman.

H.R. 1810: Mrs. Waldholtz.

H.R. 1834: Mr. Baker of California, Mr. Bliley, Mr. Istook, Mr. LaHood, and Mrs. Vucanovich.

H.R. 1846: Mr. Fattah, Mr. Miller of California, and Ms. Rivers.

H.R. 1853: Mr. Nethercutt.

H.R. 1872: Mr. Hinchey, Mr. Ackerman, Mr. Matsui, Mr. Abercrombie, Mr. Serrano, and Mr. Yates.

H.R. 1876: Mr. Meehan, Mr. Mfume, Mr. Borski, and Mr. Filner.

H.R. 1885: Mr. McIntosh.

H.R. 1897: Mr. Filner.

H.R. 1947: Mr. Zimmer.

H.R. 1950: Mr. Yates and Mr. Olver.

H.R. 1951: Mr. Manton and Mr. Stump.

H.R. 1972: Mr. Crapo, Mr. Boehner, Mr. Bilbray, Mr. Goss, Mr. Funderburk, Mr. Weller, Mr. Paxon, and Mr. Pickett.

H.R. 1974: Mr. Zeliff.

H.R. 1994: Mr. Allard.

H.R. 2010: Mr. Martini.

H.R. 2013: Mr. Gene Green of Texas and Mr. Hutchinson.

H.R. 2019: Mr. Jacobs.

H.R. 2032: Mrs. Chenoweth and Mr. Hayworth.

H.R. 2072: Mr. Franks of New Jersey.

H.R. 2081: Mr. Cooley and Mr. Hayworth.

H.R. 2137: Mr. Ney, Mr. Stockman, and Ms. Molinari.

H.R. 2143: Mr. Reed, Mr. Traficant, Mr. Franks of New Jersey, and Mr. Andrews.

H.R. 2144: Mr. Montgomery, Mr. Luther, Mr. Minge, Mr. Buyer, Mr. Upton, Mr.

Myers of Indiana, Mr. Pomeroy, Mrs. Meyers of Kansas, and Mr. Hostettler.

H.R. 2146: Mr. Andrews.

H.R. 2147: Mr. Bunning of Kentucky, Mr. Rogers, Mr. Portman, Mr. Bryant of Tennessee, and Mr. Whitfield.

H.R. 2190: Mr. Baker of California, Mr. Bryant of Tennessee, Mr. Bunn of Oregon, Mr. Frost, Mr. Matsui, Mr. Gallegly, Mr. Bartlett of Maryland, Mr. Burr, and Mr. Filner.

H.R. 2195: Mr. Gunderson, Mr. Allard, Mr. Lewis of Kentucky, Mr. Latham, and Mr. Brownback.

H.R. 2219: Mr. Clement.

H.R. 2224: Mr. Davis, Mr. Deutsch, and Mr. Fox.

H.R. 2237: Mr. Sabo, Mr. Kennedy of Massachusetts, Mr. Olver, Mr. Pomeroy, Mr. Dellums, Mr. Evans, and Mr. Hyde.

H.R. 2252: Mr. Fattah.

H.J. Res. 70: Mr. Torricelli.

H. Con. Res. 10: Mr. Burton of Indiana, Mr. Thornton, Mr. Tucker, and Mrs. Cubin.

H. Con. Res. 26: Ms. Furse, Mr. LaTourette, and Mr. Olver.

H. Con. Res. 50: Mr. Shays, Mr. Kennedy of Rhode Island, and Mr. Reed.

H. Con. Res. 78: Mr. Chapman and Mr. Coleman.

H. Res. 36: Mr. Stark and Mr. McDermott.

DELETIONS OF SPONSORS FROM PUBLIC BILLS AND RESOLUTIONS

Under clause 4 of rule XXII, sponsors were deleted from public bills and resolutions as follows:

[Omitted from the Record of July 28, 1995]

H.R. 1289: Mrs. Schroeder.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

35. By the SPEAKER: Petition of the Avoyelles Parish Police Jury, Marksville, LA, relative to Federal support programs for sugar; to the Committee on Agriculture.

36. Also, petition of the Christian Life Commission of the Southern Baptist Convention, relative to religious liberty and world evangelization; to the Committee on the Judiciary.

37. Also, petition of the Legislature of Rockland County, NY, relative to memorializing the U.S. Senate to defeat revisions to the Clean Water Act; to the Committee on Transportation and Infrastructure.

AMENDMENTS

Under clause 6 of rule XXIII, proposed amendments were submitted as follows:

H.R. 2126

Offered By: Mr. Burton of Indiana

Amendment No. 80. Page 94, after line 3, insert the following new section:

Sec. 8107. None of the funds made available in this Act under the heading "Procurement of Ammunition, Army" may be obligated or expended for the procurement of munitions unless such acquisition fully complies with the Competition in Contracting Act.

H.R. 2126

Offered By: Mr. Markey

Amendment No. 81. On page 28, line 24 strike "$9,029,666,000" and insert "$8,579,666,000.

H.R. 2126

Offered By: Mr. Sanders

Amendment No. 82. Page 94, after line 3, add the following new section:

Sec. 8107. None of the funds available to the Department of Defense under this Act shall be obligated or expended to pay a contractor under a contract with the Department of Defense for costs of any amount paid by the contractor to an employee when it is made known to the Federal official having authority to obligate or expend such funds that—

(1) such costs are for a bonus or otherwise in excess of the normal salary paid by the contractor to the employee; and

(2) such bonus is part of restructuring costs associated with a business combination.

H.R. 2126

Offered By: Mrs. Schroeder

Amendment No. 83. Page 8, line 1, strike "$18,999,825,000" and insert "$18,994,225,000".

Page 8, line 13, strike "$20,846,710,000" and insert "$20,840,710,000".

Page 8, line 19, strike "$2,508,822,000" and insert "$2,506,622,000".

Page 9, line 4, strike "$18,894,397,000" and insert "$18,888,197,000".

Page 9, line 11, strike "$9,958,810,000" and insert "9,978,810,000".

H.R. 2126

Offered By: Mrs. Schroeder

Amendment No. 84: Page 94, after line 3, insert before the short title the following:

Sec. 8107. The amounts otherwise made available by this Act are revised by increasing the aggregate amount made available in title II for "Operation and Maintenance, Defense-Wide" by, and reducing the amounts made available in title II for the following accounts and activities by the sum of, $20,000,000, the reductions to be allocated as follows:

(1) "Operation and Maintenance, Army", decrease of $5,600,000.

(2) "Operation and Maintenance, Navy", decrease of $6,000,000.

(3) "Operation and Maintenance, Air Force", decrease of $6,200,000.

(4) "Operation and Maintenance, Marine Corps", decrease of $2,200,000.

H.R. 2126

Offered By: Mrs. Schroeder

Amendment No. 85: Page 94, after line 3, insert the following:

Sec. 8107. (a) Limitation on the Use of Federal Funds by Contractors for Political Advocacy.—None of the funds made available by this Act may be used by any Federal contractor for an activity when it is made known to the Federal official having authority to obligate or expend such funds that the activity is any of the following:

(1) Carrying on propaganda, or otherwise attempting to influence Federal, State, or local legislation or agency action, including any of the following:

(A) Monetary or in-kind contributions, endorsements, publicity, or similar activity.

(B) Any attempt to influence any legislation or agency action through an attempt to affect the opinions of the general public or any segment thereof, including any communication between the contractor and an employee of the contractor to directly encourage such employee to urge persons other than employees to engage in such an attempt.

(C) Any attempt to influence any legislation or agency action through communication with any member or employee of a legislative body or agency, or with any government official or employee who may participate in the formulation of the legislation or agency action, including any communication between the contractor and an employee of the contractor to directly encourage such employee to engage in such an attempt or to urge persons other than employees to engage in such an attempt.

(2) Participating or intervening in (including the publishing or distributing of statements) any political campaign on behalf of (or in opposition to) any candidate for public office, including monetary or in-kind contributions, endorsements, publicity, or similar activity.

(3) Participating in any judicial litigation or agency proceeding (including as an amicus curiae) in which agents or instrumentalities of Federal, State, or local governments are parties, other than litigation in which the contractor or potential contractor is a defendant appearing in its own behalf; is defending its tax-exempt status; or is challenging a government decision or action directed specifically at the powers, rights, or duties of that contractor or potential contractor.

(4) Allocating, disbursing, or contributing any funds or in-kind support to any individual, entity, or organization whose expenditures for political advocacy for the previous Federal fiscal year exceeded 15 percent of its total expenditures for that Federal fiscal year.

(b) Limitation on Use of Federal Funds To Award Contracts.—None of the funds made available by this Act may be used to award a contract when it is made known to the Federal official having authority to obligate or expend such funds that—

(1) the expenditures of the potential contractor (other than an individual person) for activities described in subsection (a) for any one of the previous five Federal fiscal years (excluding any fiscal year before 1996) exceeded the sum of—

(A) the first $20,000,000 of the difference between the potential contractor's total expenditures made in the fiscal year and the total amount of Federal contracts and grants it was awarded in that fiscal year, multiplied by .05; and

(B) the remainder of the difference calculated in subparagraph (A), multiplied, by .01;

(2) the potential contractor has used funds from any Federal contract to purchase or secure any goods or services (including dues and membership fees) from any other individual, entity, or organization whose expenditures for activities described in subsection (a) for fiscal year 1995 exceeded 15 percent of its total expenditures for that Federal fiscal year; or

(3) the potential contractor has used funds from any Federal contract for a purpose (other than to purchase or secure goods or services) that was not specifically permitted by Congress in the law authorizing the contract.

(c) Exceptions.—The activities described in subsection (a) do not include an activity when it is made known to the Federal official having authority to obligate or expend such funds that the activity is any of the following:

(1) Making available the results of nonpartisan analysis, study, research, or debate.

(2) Providing technical advice or assistance (where such advice would otherwise constitute the influencing of legislation or agency action) to a government body or to a committee or other subdivision thereof in response to a written request by such body or subdivision, as the case may be.

(3) Communications between a contractor and its employees with respect to legislation, proposed legislation, agency action, or proposed agency action of direct interest to

the contractor and such employees, other than communications described in subparagraph (C).

(4) Any communication with a governmental official or employee, other than—

(A) a communication with a member or employee of a legislative body or agency (where such communication would otherwise constitute the influencing of legislation or agency action); or

(B) a communication the principal purpose of which is to influence legislation or agency action.

(5) Official communication by employees of State or local governments, or by organizations whose membership consists exclusively of State or local governments.

REGULATION OF LOBBYING ACT

In compliance with Public Law 601, 79th Congress, title III, Regulation of Lobbying Act, section 308(b), which provides as follows:

(b) All information required to be filed under the provisions of this section with the Clerk of the House of Representatives and the Secretary of the Senate shall be compiled by said Clerk and Secretary, acting jointly, as soon as practicable after the close of the calendar quarter with respect to which such information is filed and shall be printed in the CONGRESSIONAL RECORD.

The Clerk of the House of Representatives and the Secretary of the Senate jointly submit their report of the compilation required by said law and have included all registrations and quarterly reports received.

REGISTRATIONS

The following registrations were submitted for the second calendar quarter 1995:

(NOTE.—The form used for reporting is reproduced below. In the interest of economy in the RECORD, questions are not repeated, only the essential answers are printed, and are indicated by their respective headings. This page (Page 1) is designed to supply identifying data.)

PLEASE RETURN 1 ORIGINAL TO: THE CLERK OF THE HOUSE OF REPRESENTATIVES, OFFICE OF RECORDS AND REGISTRATION, 1036 LONGWORTH HOUSE OFFICE BUILDING, WASHINGTON, D.C. 20515

PLEASE RETURN 1 ORIGINAL TO: THE SECRETARY OF THE SENATE, OFFICE OF PUBLIC RECORDS, 232 HART SENATE OFFICE BUILDING, WASHINGTON, D.C. 20510

PLACE AN "X" BELOW THE APPROPRIATE LETTER OR FIGURE IN THE BOX AT THE RIGHT OF THE "REPORT" HEADING BELOW:

"PRELIMINARY" REPORT ("Registration"): To "register," place an "X" below the letter "P" and fill out page 1 only.

"QUARTERLY" REPORT: To indicate which one of the four calendar quarters is covered by this Report, place an "X" below the appropriate figure. Fill out both page 1 and page 2 and as many additional pages as may be required. The first additional page should be numbered as page "3," and the rest of such pages should be "4," "5," "6," etc. Preparation and filing in accordance with instructions will accomplish compliance with all quarterly reporting requirements of the Act.

Year: 19 . . . . . ◆

REPORT

PURSUANT TO FEDERAL REGULATION OF LOBBYING ACT

P	QUARTER			
	1st	2d	3d	4th
(Mark one square only)				

IDENTIFICATION NUMBER ______________

Is this an Amendment?
☐ YES ☐ NO

NOTE on ITEM "A".—(a) IN GENERAL. This "Report" form may be used by either an organization or an individual, as follows:

(i) "*Employee*".—To file as an "employee", state (in Item "B") the name, address, and nature of business of the "employer". (If the "employee" is a firm [such as a law firm or public relations firm], partners and salaried staff members of such firm may join in filing a Report as an "employee".)

(ii) "*Employer*".—To file as an "employer", write "None" in answer to Item "B".

(*b*) SEPARATE REPORTS. An agent or employee should not attempt to combine his Report with the employer's Report:

(i) Employers subject to the Act must file separate Reports and are not relieved of this requirement merely because Reports are filed by their agents or employees.

(ii) Employees subject to the Act must file separate Reports and are not relieved of this requirement merely because Reports are filed by their employers.

A. ORGANIZATION OR INDIVIDUAL FILING:

1. State name, address, and nature of business.

☐ CHECK IF ADDRESS IS DIFFERENT THAN PREVIOUSLY REPORTED

2. If this Report is for an Employer, list names of agents or employees who will file Reports for this Quarter.

NOTE on ITEM "B".—*Reports by Agents or Employees.* An employee is to file, each quarter, as many Reports as he has employers, except that: (*a*) If a particular undertaking is jointly financed by a group of employers, the group is to be considered as one employer, but all members of the group are to be named, and the contribution of each member is to be specified; (*b*) if the work is done in the interest of one person but payment therefor is made by another, a single Report—naming both persons as "employers"—is to be filed each quarter.

B. EMPLOYER

—State name, address, and nature of business. If there is no employer, write "None."

NOTE on ITEM "C".—(*a*) The expression "in connection with legislative interests," as used in this Report, means "in connection with attempting, directly or indirectly, to influence the passage or defeat of legislation." "The term 'legislation' means bills, resolutions, amendments, nominations, and other matters pending or proposed in either House of Congress, and includes any other matter which may be the subject of action by either House"—§ 302(e).

(*b*) Before undertaking any activities in connection with legislative interests, organizations and individuals subject to the Lobbying Act are required to file a "Preliminary" Report (Registration).

(*c*) After beginning such activities, they must file a "Quarterly" Report at the end of each calendar quarter in which they have either received or expended anything of value in connection with legislative interests.

C. LEGISLATIVE INTERESTS, AND PUBLICATIONS in connection therewith:

1. State approximately how long legislative interests are to continue. If receipts and expenditures in connection with legislative interests have terminated, ☐ place an "X" in the box at the left, so that this Office will no longer expect to receive Reports.

2. State the general legislative interests of the person filing and set forth the specific legislative interests by reciting: (*a*) Short titles of statutes and bills; (*b*) House and Senate numbers of bills, where known; (*c*) citations of statutes, where known; (*d*) whether for or against such statutes and bills.

3. In the case of those publications which the person filing has caused to be issued or distributed in connection with legislative interests, set forth: (*a*) description, (*b*) quantity distributed, (*c*) date of distribution, (*d*) name of printer or publisher (if publications were paid for by person filing) or name of donor (if publications were received as a gift).

(Answer items 1, 2, and 3 in the space below. Attach additional pages if more space is needed.)

4. If this is a "Preliminary" Report (Registration) rather than a "Quarterly" Report, state below what the nature and amount of anticipated expenses will be; and, if for an agent or employee, state also what the daily, monthly, or annual rate of compensation is to be. *If this is a "Quarterly" Report, disregard this item "C4" and fill out items "D" and "E" on the back of this page.* Do not attempt to combine a "Preliminary" Report (Registration) with a "Quarterly Report."◆

STATEMENT OF VERIFICATION

[Omitted in printing]

PAGE 1 ◆

Organization or Individual Filing	Employer/Client
Jeffrey S. Abboud, 1600 Wilson Boulevard, #1008 Arlington, VA 22209	Gas Turbine Assn
Steve Abrams, 440 First Street, NW, #600 Washington, DC 20001	American Israel Public Affairs Comm
Gabriel Adler, 1722 Eye Street, NW Washington, DC 20006	Sidley & Austin (For:Borden, Inc)
Advocacy Group, 1350 I Street, NW, #680 Washington, DC 20005	Florida State University
Agriculture Ocean Transportation Coalition, 1201 Pennsylvania Ave., NW, #821 Washington, DC 20004	
Akin Gump Strauss Hauer & Feld, L.L.P., 1333 New Hampshire Ave., NW, #400 Washington, DC 20036	Belridge Water Storage District
Do	Cincinnati Companies
Do	Dover Corporation
Do	General Instrument Corp
Do	Hampstead Group
Do	Home Office Assn of America
Do	Hooters, Inc, et al.
Do	Municipal Financial Consultants, Inc
Do	Uranium Producers of America
Do	Westfield Companies
James J. Albertine, 1156 15th Street, NW, #505 Washington, DC 20005	Albertine Enterprises, Inc (For:Coalition for Protection of Competition in Inform Services)
Do	Albertine Enterprises, Inc (For:Sunbeam-Oster Co, Inc)
John M. Albertine, 1156 15th Street, NW, #505 Washington, DC 20005	Albertine Enterprises, Inc (For:Coalition for Protection of Competition in Inform Services)
Do	Albertine Enterprises, Inc (For:Sunbeam-Oster Co, Inc)
Albertine Enterprises, Inc, 1156 15th Street, NW, #505 Washington, DC 20005	Coalition for Protection of Competition in Inform Services
Do	Sunbeam-Oster Co, Inc
Alcalde & Fay, 2111 Wilson Blvd., #850 Arlington, VA 22201	Carnival Corp
Do	City of Las Vegas/Clark County
Do	Golden Gate Bridge, Highwau & Transportation District
Do	Paxson Communications Corp
Do	Silver King Communications
Do	Stevens Institute of Technology
Alliance for Competitive Transportation, 1201 Pennsylvania Ave., NW, #821 Washington, DC 20004	
Alliance for Reasonable Regulation, 1331 Pennsylvania Ave., NW Suite 1500-North Tower Washington, DC 20004-1790	
Alston & Bird, 700 13th Street, NW, #350 Washington, DC 20005-3960	GTE Personal Communications Services
Do	Municipal Electric Authority of Georgia
Do	Municipal Gas Authority of Georgia
Thomas H. Altmeyer, 1130 17th St., NW Washington, DC 20036	National Mining Assn
Alvarado & Gerken, 1301 Connecticut Avenue, NW, #700 Washington, DC 20036	Diagnostic Retrieval Systems, Inc
American Continental Group, Inc, 601 Pennsylvania Avenue, NW Suite 900 Washington, DC 20004	Federalist Fund
Do	FloSun Corp
Do	GrainPro, Inc
Do	Maristique Papers, Inc
Do	Mayer Brown & Platt
Do	National Alliance of Credit Unions
Do	Repeal PUHCA Now Coalition
American Defense International, Inc, 1019 19th Street, NW, #350 Washington, DC 20036	CASA Aircraft USA, Inc
Do	Munitions Industrial Base Task Force
American Gaming Assn, 555 13th Street, NW, #430 West Washington, DC 20004	
American Nurses' Assn, 600 Maryland Avenue, SW, #100 West Washington, DC 20024-2571	American College of Nurse Practitioners
Do	Association of Operating Room Nurses
American TelNet, Inc, 21000 N.E. 28th Avenue, #202 Miami, FL 33180	
Daniel W. Anderson, 1635 Prince Street Alexandria, VA 22314	National Air Access Council
Sam Anderson, 133 S. Van Gordon, #300 Lakewood, CO 80228	National Ski Areas Assn
Arent Fox Kintner Plotkin & Kahn, 1050 Connecticut Ave., NW Washington, DC 20036-5339	American TelNet, Inc
Do	Coalition for Fair Worker Classification
Do	Columbia University
Do	Forschner Group, Inc
Do	Prime Time 24
Thomas K. Arnold, 6043 Shaffer Drive Alexandria, VA 22310	DeAngelus Schaffer...(for Comm of Amer Business for Equal.)
Arnold & Porter, 555 Twelfth Street, NW Washington, DC 20004-1202	Bessemer Group, Inc
Do	Glaxo Wellcome, Inc
Do	Greenwich Capital Markets, Inc
Arter & Hadden, 1801 K Street, NW, #400K Washington, DC 20006	Hong Kong Economic & Trade Office
Do	Information Technology Industry Council
Do	Whirlpool Corp
Elise Atkins, 1700 Pennsylvania Ave., NW, #950 Washington, DC 20006	Valis Associates
Deborah Marie Atwood, 122 C Street, NW, #875 Washington, DC 20001	National Pork Producers Council
Les AuCoin, Bogle & Gates 1299 Pennsylvania Ave., NW, #875 East Washington, DC 20004	Forest Lieu Selection Comm
Do	Tillamook Creamery Assn
Richard E. Ayres, 555 13th Street, NW, #500 West Washington, DC 20004	CIGNA Corp
APCO Associates, Inc, 1615 L St., NW Washington, DC 20036	American Assn of Nurse Anesthetists
Do	Beneficial Corp
Do	Can Manufacturers Institute, Inc
Do	City of Duluth
Do	Connecticut Municipal Electric Energy Cooperative
Do	Electronic Filing Coalition
Do	LIN Television Corp
Bailey & Robinson, 1201 Connecticut Avenue, NW, #300 Washington, DC 20036	Bayer Corporation
Sheila Bair, 1800 K Street, NW, #1100 Washington, DC 20006	New York Stock Exchange
Baker & Botts, L.L.P., The Warner 1229 Pennsylvania Ave., NW Washington, DC 20004-2400	Northern California District Export Council
Baker & Hostetler, 1050 Connecticut Ave., NW, #1100 Washington, DC 20036	Auto Alliance International
Do	Emmis Broadcasting Corp
Do	GTE Corp
Do	Healthcare Underwriters Mutual Insurance Co
Do	Jordache Enterprises, Inc
Do	Motion Picture Assn of America, Inc
Baker Donelson Bearman & Caldwell, 801 Pennsylvania Ave., NW, #800 Washington, DC 20004	Alcalde & Fay
Do	Fruit of the Loom
Do	Motorola General Systems Sector
Do	OMI Corporation
Baker Healthcare Consulting, Inc, Suite 2000, Box 82058 One American Square Indianapolis, IN 46282	Colquitt Regional Medical Center
Donald Baldwin, 888 16th Street, NW, #600 Washington, DC 20006	Citizens for Law & Order
M. Graeme Bannerman, 888 16th St., NW Washington, DC 20006	Bannerman & Associates, Inc (For:Elf Atochem, N.A., Inc)
Michael F. Barrett Jr., 1275 Pennsylvania Ave., NW, #1100 Washington, DC 20004-2404	ALZA Corporation
Beaugarde Booker & Associates, Inc, 619 South Adams Street Arlington, VA 22204	
Bechtel & Cole, Chartered, 1901 L Street, Nw, Suite 250 Washington, DC 20036	Press Broadcasting Co, Inc
Joseph Belluck, 215 Pennsylvania Ave., SE Washington, DC 20003	Public Citizen
David J. Bennett, 1800 M Street, NW, #325 South Washington, DC 20036	Dow Corning Corp
Bergner Bockorny Clough & Brain, 1101 16th Street, NW, #500 Washington, DC 20036	United Bus Owners of America
Do	Wine & Spirits Wholesalers of America
Berman Enterprises, 1800 K Street, NW, #629 Washington, DC 20006	VIACOM International
Joan Kovalic Bernard, 701 Pennsylvania Avenue, NW, #610 Washington, DC 20004	Albright & Wilson Americas
Max Berry Law Office, 3213 O Street, NW Washington, DC 20007	International Dairy Foods Assn
Ed Bethune, 1001 N. Randolph, Suite 413 Arlington, VA 22101	Alltel Corp
Birch Horton Bittner and Cherot, 1155 Connecticut Ave., NW, #1200 Washington, DC 20036	FMC Corporation
Do	Maranatha Broadcasting Co, Inc
Do	North Star Borough
Do	Nuclear Energy Institute
Do	Prince William Sound Science Center
Do	Ringling Brothers and Barnum & Baily Circus
McNair Bishop, 1764 Old Meadow Lane, #350 McLean, VA 22102	American Frozen Food Institute
Kathleen Quint Black, 1200 18th Street, NW Washington, DC 20036-2506	McDermott Will & Emery (For:Comprehensive Health Service)
Black Manafort Stone & Kelly, Inc, 211 North Union Street, #300 Alexandria, VA 22314	AT&T
Do	City of Norfolk
Do	First Alert
Do	Heublein Corp

Organization or Individual Filing	Employer/Client
Do	ICF Kaiser Engineers, Inc
Do	Maui Pinapple Co
Do	NBC Corporation
Do	Occidental International COrp
Do	Ticketmaster
Do	Tiger Management
Richard W. Bliss, 1079 Papermill Court, NW Washington, DC 20007	ALZA Corporation
Blumenfeld & Cohen, 1615 M Street, NW, #700 Washington, DC 20036	Echelon Corporation
Bogle and Gates, 1299 Pennsylvania Avenue, NW, #875 East Washington, DC 20004	Forest Lieu Selection Comm
Do	Tillamook Creamery Assn
Boland & Madigan, Inc, 700 13th Street, NW, #400 Washington, DC 20005	Vencor, Inc
Edward M. Bolen, 1400 K Street, NW, #801 Washington, DC 20005	General Aviation Manufacturers Assn
Bond & Co, Inc, 655 South Washington Street Alexandria, VA 22314	Reinsurance Assn of America
John E. Bonitt, 555 12th Street, NW, #650 Washington, DC 20004	Eli Lilly & Co
David Boyle, 230 Park Ave., 34th Floor New York, NY 10169	Professional Group
Bracy Williams & Company, 601 13th Street, NW, #510 South Washington, DC 20005	American Ship Management, Inc
John J. Brady Jr., 1615 L Street, NW, #1150 Washington, DC 20036	Capitoline/MS&L (For:Psychemedics Corp)
Do	Capitoline/MS&L (For:Sprint)
Brand Lowell & Ryan, 923 15th Street, NW, Fifth Fl. Washington, DC 20005	PRC Environmental Management, Inc
Brickfield Burchette & Ritts, P.C., 1025 Thomas Jefferson Street, NW 8th Floor, West Tower Washington, DC 20007	Arvin-Edison Water Storage District
William V. Brierre Jr., 1803 Nicholson Lane Alexandria, VA 22302	Miraid, et al.
Alexandra Brkic, 1735 New York Avenue, NW Washington, DC 20006	American Institute of Architects
William E. Brock III, 1155 Connecticut Ave., NW, 10th Floor Washington, DC 20036	Sinclair Broadcasting Group
Steve Brooks, 430 First Street, SE Washington, DC 20003	American Trucking Assns, Inc
James P. Brown, 232 N. Kingshighway, #202 St. Louis, MO 63108	Brown & Associates (For:Metropolitan St. Louis Sewer District)
Michael Brown, 1700 N. Moore Street, #1600 Arlington, VA 22209	American Meat Institute
Brownstein Hyatt Farber & Strickland, P.C., 410 17th Street, 22nd Floor Denver, CO 80202	United Airlines
Matthew J. Budzik, 1 Wycomb Place Coram, NY 11727	George J. Hochbrueckner & Associates, Imc (For:Advanced Acoustic Concepts, Inc)
Do	George J. Hochbrueckner & Associates, Inc (For:EDO Corporation)
Do	George J. Hochbrueckner & Associates, Inc (For:Frisby Technologies)
Edward M. Bullard, 1725 Jefferson Davis Highway, #501 Arlington, VA 22202	Chrysler Technologies Airborne Systems, Inc
Laird Burnett, 1129 20th Street, NW, #600 Washington, DC 20036	Group Health Assn of America, Inc
William W. Burrington, 8619 Westwood Center Dr. Vienna, VA 22182-2285	America Online, Inc
Michael Calabrese, 215 Pennsylania Avenue, SE Washington, DC 20003	Public Citizen
Julie Cantor-Weinberg, 1331 Pennsylvania Ave., NW, #1500N Washington, DC 20004-1790	National Assn of Manufacturers
Capital Partnerships (VA), Inc, 11350 Random Hils Road, #8000 Fairfax, VA 22030	City of Denver
Capitol Associates, Inc, 426 C Street, NE Washington, DC 20002	John Whitehead/Whitehead Partners
Do	Neurofibromatosis
Do	George A. Tomasso Construction Corp
Carlsmith Ball Wichman Murray Case & Ichiki, 700 14th Street, NW, 9th Floor Washington, DC 20005	Guam Bankers Assn
Gerald P. Carmen, 1730 Pennsylvania Ave., NW Washington, DC 20006	Carmen & Muss (For:Newark Center Building Co)
Carmen & Muss, 1730 Pennsylvania Avenue, NW, #1050 Washington, DC 20006	Newark Center Building Co
Kenneth A. Carpi, Carpi & Clay Government Relations 427 C Street, #306 San Diego, CA 92101	California Children's Hospital Assn
Cassidy and Associates, Inc, 700 13th St., NW, #400 Washington, DC 20005	Brother International Corp
Do	Elderhostel, Inc
Do	Geriatric & Medical Companies, Inc
Do	Inner City, Inc
Do	Law Firm of Darrell Keith, P.C.
Lawrence J. Cavaiola, 1725 Jefferson Davis Highway, #900 Arlington, VA 22202	Loral Corporation
Gordon Cavanaugh, 601 Pennsylvania Ave., NW, #800 Washington, DC 20004	Reno & Cavanaugh (For:Housing Authority of the City of Houston)
Do	Reno & Cavanaugh (For:Housing Authority of the City of Louisville)
Chambers Associates, Inc, 805 15th Street, NW, #500 Washington, DC 20005	Alarm Industry Communications Committee
Do	Committee for Employment Opportunities
Do	Environmental Technology Council
Do	Greater New York Hospital Assn
Do	Management Insights
Do	National Council of Chain Restaurants
Do	New York Hospital
Do	PepsiCo, Inc
Do	Targeted Management Consultants
Nancy Chapman, 1723 U Street, NW Washington, DC 20009	N. Chapman & Associates, Inc (For:Mycogen Corporation)
William Chasey Organization, P.O. Box 9268 Rancho Santa Fe, CA 92067	Coalition for FDA Reform (CFDAR)
Alisa Lieberman Chestler, 1200 19th Street, NW, #200 Washington, DC 20036-2437	American Managed Care & Review Assn
Chlopak Leonard Schecter & Associates, Inc, 1400 L Street, NW, Suite 600 Washington, DC 20005	Audiovisuales, Ministry of Communications
Do	National Audubon Society
Courtney Choi, 1015 15th Street, NW, #802 Washington, DC 20005	American Consulting Engineers Council
C. L. Christian III, P.O. Box 638 Lynchburg, VA 24505-0638	Imperial Colliery Co, et al.
Rodney D. Clark, 1201 New York Ave., NW, #300 Washington, DC 20005	Building Owners & Managers Assn Int'l
Vernon A. Clark, P.O. Box 59347 Potomac, MD 20859-9347	Morven Partners, L.P.
Vern Clark & Associates, P.O. Box 59347 Potomac, MD 20859-9347	Morven Partners, L.P.
Patrick J. Cleary, 1155 Connecticut Ave., NW, 10th Floor Washington, DC 20036	Brock Group, Ltd (For:Sinclair Broadcasting Group)
William M. Cloherty, 3211 Tennyson Street, NW Washington, DC 20015-2429	Center for International Trade, et al.
Cohen & Woods International, Inc, 1555 Wilson Blvd., #300 Arlington, VA 22209	Republic of Togo
Cynthia A. Colenda, 1211 Connecticut Ave., NW, #800 Washington, DC 20036	International Council of Cruise Lines
Collier Shannon Rill & Scott, 3050 K Street, NW, #400 Washington, DC 20007	Limousine Industry Manufacturers Organization
Do	National Limousine Assn
Do	NonProfits' Insurance Alliance of California
Do	Vermont Yankee Nuclear Power Corp
Do	Williams Companies
Richard L. Collins, Collins & Company 1555 Wilson Blvd., #300 Arlington, VA 22209	International Fund for Agricultural Development
Do	Loral Corporation
Do	Northrop Grumman Corp
Do	Oceanic Institute of Hawaii
Do	Textron Defense Systems
Committee for the First Female President, c/o Dr. Michael Augustus Lee Matthew 161 Randolph Place, NW, #2C Washington, DC 20001	
Stephen L. Cooney, 701 Pennsylvania Ave., NW, #720 Washington, DC 20004	Siemens Corp
Julie J. Coons, 900 19th Street, NW, #750 Washington, DC 20006	Fuji Bank, Ltd
Darrell Coover, 10 Masters Court Potomac, MD 20854	Niagara Mohawk Power Corp
Copeland Lowery & Jacquez, 601 13th Street, NW, #710 North Washington, DC 20005	AT&T
Do	Interstate Natural Gas Assn of America
Christine Corcoran, 1700 N. Moore St., #1600 Arlington, VA 22209	American Meat Institute
Covington & Burling, P.O. Box 7566 1201 Pennsylvania Avenue, NW Washington, DC 20044	American Bankers Assn
Do	National Capital Newspaper Distributors Assn
Do	Unocal Corporation
Do	US West, Inc
Thomas E. Cox, 1155 Connecticut Ave., NW, 10th Floor Washington, DC 20036	U.S.-Cuba Business Council
Christine G. Crafton, 1133 21st Street, NW, #405 Washington, DC 20036	General Instrument Corp
Magan A. Crane, 1750 K Street, NW, #460 Washington, DC 20006	Industrial Truck Assn
Crowell & Moring, 1001 Pennsylvania Ave., NW Washington, DC 20004-2595	Reckitt & Colman
Kawika M. Daguio, 1120 Connecticut Ave., NW Washington, DC 20036	American Bankers Assn
Donald W. Dalrymple, 1201 Connecticut Ave., NW, #550 Washington, DC 20036	Bailey & Robinson (For:Bayer Corporation)
Marty Dannenfelsner, 700 13th Street, NW, #500 Washington, DC 20005	Family Research Council
Nancy Davenport-Ennis, 303 Butler Farm Road, Suite 104 Hampton, VA 23666	Response Technologies, Inc
Davidson Colling Group, 1101 Pennsylvania Avenue, NW, #810 Washington, DC 20004	Abbey Health Care Group, Inc
Do	American Homepatient
Do	Caire, Inc
Do	Devilbiss Health Care
Do	Healthdyne Technologies
Do	HIDA
Do	Invacare Corporation
Do	NAMES
Do	Pediatric Services of America
Do	Puritan - Bennett Corporation
Do	Red Line Healthcare

Organization or Individual Filing	Employer/Client
Do	Republic Paperboard Co
Do	Rotech Medical Corp
Randall P. K. Davis, 1448 Duke Street Alexandria, VA 22314	International Assn of Amusement Parks & Attractions
Davis Polk & Wardwell, 1300 Eye St., NW Washington, DC 20005	Bank Brussels Lambert
Do	Firstar Corporation
Dean Blakey & Moskowitz, 1101 Vermont Ave., NW, #400 Washington, DC 20005	California State Polytechnic University
Do	FRAC
Do	PBS
Kyra L. Detmer, 1600 M Street, NW, 5th Floor Washington, DC 20036	Hartford Fire Insurance Co
Dewey Ballantine, 1775 Pennsylvania Ave., NW, #500 Washington, DC 20006	Eastman Kodak Co
Do	U S West
Randolph L. DeLay, 801 Pennsylvania Ave., NW, 5th Floor Washington, DC 20004	I-69 Mid-Continent Coalition
Vincent DeMarco, 1225 Eye Street, NW, #1100 Washington, DC 20005	Handgun Control, Inc
Carl S. DeMatteo, 600 Maryland Ave., SW Washington, DC 20024	American Farm Bureau Federation
Geert M. DeProst, 2100 M Street, NW, #200 Washington, DC 20036	Stewart & Stewart (For:Floral Trade Council)
Dickstein Shapiro & Morin, LLP, 2101 L St., NW Washington, DC 20037	Harbour Group Industries, Inc
Gerard D. DiMarco, Harris Beach & Wilcox 130 East Main Street Rochester, NY 14604	Reilly Mortgage Group, INc
Richard S. DiSalvo, 801 Pennsylvania Ave., NW, #650 Washington, DC 20004	American Express Co
Christopher J. Doherty, Fox Bennett & Turner 750 17th Street, NW, #1100 Washington, DC 20006	Society of Academic Emergency Medicine
Mary Adele Donnelly, 1725 DeSales Street, NW, #500 Washington, DC 20036	Center for Marine Conservation
Thomas R. Donnelly, 1211 Connecticut Ave., NW, #812 Washington, DC 20036	Nichols Dezenhall Communications Management Group
Lisa Donner, ACORN 739 8th Street, SE Washington, DC 20003	Citizens Consulting, Inc
Tim Driscoll, 815 15th Street, NW Washington, DC 20005	International Union of Bricklayers & Allied Craftsmen
F. Ford Drummond, 1101 Vermont Avenue, NW Washington, DC 20005	American Medical Assn
George P. Dunlop, 2816 S. Joyce Street Arlington, VA 22202	Citizens Network for Foreign Affairs
Mark Dunn, P.O. Box 27 Boise, ID 83707	J. R. Simplot Co
David Dyer, 6700 Pine Creek Court McLean, VA 22101	National Milk Producers Federation
Dyer Ellis Joseph & Mills, P.C., 600 New Hampshire Ave., NW, #1000 Washington, DC 20037	American Coke & Coal Chemicals Institute
Do	International Marine Carriers, Inc
Do	Trump Organization
Dykema Gossett, 1300 I Street, NW, #300W Washington, DC 20005	American Automobile Centennial Commission
Do	Selfridge ANG Base Community Council
Do	Wellness Plan
Paula P. Easley, 2134 Crataegus Ave., #400 Anchorage, AK 99508	
James E. Eason, 8611 Leeper Circle Anchorage, AK 99504	State of Alaska, Office of the Governor
Eaton Peabody Bradford & Veague, P.A., P.O. Box 1210 Bangor, ME 04402-1210	Central Maine Power Co
Echelon Corporation, 4015 Miranda Avenue Palo Alto, CA 94304	
Donald G. Eirich, 1700 K Street, NW, #504 Washington, DC 20006	Bulova Technologies
Stanley J. Emerling, 2713 Berryland Drive Oakton, VA 22124-1404	National Assn of Meat Purveyors
Charles M. English Jr., 1401 H Street, NW, #500 Washington, DC 20005	Ober Kaler Grimes & Shriver, P.C.
Ann Eppard Associates, Ltd, 30 Wolfe Street Alexandria, VA 22314	OMI Corp
Ernst & Young, 1225 Connecticut Ave, #500 Washington, DC 20036	Bank of America
Do	Intel Corporation
Do	Rouse Company
James L. Ervin, 410 First Street, SE, #300 Washington, DC 20003	Hazarous Waste Action Coalition
Do	Hughes Aircraft Co
Billy Lee Evans, 407 1st STreet, SE Washington, DC 20003	Royal Norwegian Government
Michael Lee Evans, 1401 White Avenue Femont, OH 43420	
Kellye A. Eversole, 4434 Indigo Lane Harwood, MD 20776	National Corn Growers Assn
F/P Research Associates, 1700 K St., NW, #1000 Washington, DC 20006	Hewlett-Packard Co
Melanie Fairchild, 1133 Connecticut Ave., NW, #310 Washington, DC 20036	Nestle USA, Inc
Gerald W. Fauth III, 208 N. Washington Street Alexandria, VA 22314	Edison Electric Institute
Jonathan Feldman, 105 East 22nd Street, 3rd Floor New York, NY 10010-5413	Community Service Society
Katherine T. Ferency, 117 Water St., Plt. 6 Allegan, MI 49010	Perrigo Co
William Ferguson Jr., 1130 Connecticut Avenue, NW, #300 Washington, DC 20036	The Ferguson Company (For:City of Fairfield)
Do	The Ferguson Company (For:Forest City Enterprises)
Jack Ferguson Associates, Inc, 203 Maryland Ave., NE Washington, DC 20002	Nuclear Energy Institute
Do	Southeast Alaska Land Acquistion Corp, Inc
Do	U.S. Ecology, Inc
Brad G. Figel, 507 Second Street, NE Washington, DC 20002	NIKE, Inc
Mark Finkelstein, 67-37 Juno Street Forest Hills, NY 11375	Ganun International Holdings, Ltd
Fish & Richardson, P.C., 601 13th Street, NW Suite 500 North Washington, DC 20005	Directors Guild of America
Gregory M. Fisher, 1201 Connecticut Ave., NW, #300 Washington, DC 20036	Bailey & Robinson (For:Bayer Corporation)
Scott Fisher, 701 W. 15th Street Austin, TX 78701	Texas Oil Marketers Assn
Fleishman-Hillard, Inc, 1301 Connecticut Ave., NW, 7th Floor Washington, DC 20036	Raytheon Company
Do	Turkish Embassy
Bartlett S. Fleming, 655 15th Street, NW, #300 Washington, DC 20005	LabOne
Florida Business Associates, 1620 L Street, NW, #875 Washington, DC 20036	Florida Power & Light
Laura C. Fogt, P.O. Box 1417-D49 Alexandria, VA 22313-1417	National Assn of Chain Drug Stores
Donald D. Foreman, 200 E. Randolph Dr. Chicago, IL 60601	R.J. Reynolds Tobacco Co
Foreman & Heidepriem, 1100 New York Ave., NW Suite 1030 Washington, DC 20005	Judge David J. Bazelon Center For Mental Health Law
Nancy E. Foster, 1156 15th Street, NW, #400 Washington, DC 20005	American Crop Protection Assn
Fraser Trebilcock Davis & Foster, P.C., 1000 Michigan National Tower Lansing, MI 48933	Michigan Cable Television
Fried Frank Harris Shriver & Jacobson, 1001 Pennsylvania Ave., NW, #800 Washington, DC 20004-2505	Ohio Edison Co
Susan L. Fry, 1401 New York Ave., NW, #400 Washington, DC 20005	National Food Processing Assn
Fuji Bank, Ltd, c/o Washington DC Representative Office 900 19th Street, NW, #750 Washington, DC 20006	
Carolyn Fuller, 1420 New York Avenue, NW, #1050 Washington, DC 20005	Van Scoyoc Associates, Inc (For:North Dakota State University)
Do	Van Scoyoc Associates, Inc (For:University of New Orleans)
Do	Van Scoyoc Associates, Inc (For:WINSM Consortium)
Norma Garcia, 1535 Mission Street San Francisco, CA 94103	Consumers Union
Garvey Schubert & Barer, 1000 Potomac Street, NW Washington, DC 20007	American International Freight Assn
Do	Port of Grays Harbor, Washington
Jerdy Gary, 701 W. 15th Street Austin, TX 78701	Texas Oil Marketers Assn
Jerry H. Gass, P.O. Box 26234 Richmond, VA 23260-6234	Southern States Cooperative
Alvin J. Geske, 2100 Pennsylvania Avenue, NW, #400 Washington, DC 20037	Fleishman Hillard, Inc
William C. Gibb, 1054 31st Street, NW, #120 Washington, DC 20007	GE Railcar Services Corp
Gail Giblin, 820 First Street, NE, #900 Washington, DC 20002	Turner Broadcasting System, Inc
Gibson Dunn & Crutcher, 1050 Connecticut Ave., NW, #900 Washington, DC 20036	Fair Labor Standards Act Coalition
Do	Northrop Grumman Corp
Edward J. Gill Jr., 2100 Pennsylvania Ave., NW, #600 Washington, DC 20037	Eckert Seamans Cherin & Mellott (For:Redevelopment Authority of Luzerne County)
Jana L. Gill, 1575 Eye Street, NW, Suite 370 Washington, DC 20005-1175	Eugene Water & Electric Board
Mary Ann Gilleece, 1747 Pennsylvania Ave., NW, #800 Washington, DC 20006	Gadsby & Hannah (For:Miami Valley Economic Coalition)
Do	Gadsby & Hannah (For:Svendrup Corporation)
T. Scott Gilligan, 525 Vine Street, #2200 Cincinnati, OH 45202	Kepley MacConnell & Eyrich (For:National Funeral Directors Assn)
Brad Gilman, 2300 Clarendon Blvd., #1010 Arlington, VA 22201	Robertson Monagle & Eastaugh (For:Trinity Marine Group)
Global USA, Inc, 2121 K St., NW, #650 Washington, DC 20037	K-Mortgage Corp
Gold & Liebengood, Inc, 1455 Pennsylvania Ave., NW, #950 Washington, DC 20004	Body Guard
Do	Durham Transportation
Do	International Assn of Fire Fighters
Goldberg Kohn Bell Black Rosenbloom & Moritz, Ltd, 55 East Monroe St., #3700 Chicago, IL 60603	Fender Musical Instruments Corp
Jack Goodman, 1771 N Street, NW Washington, DC 20036	National Assn of Broadcasters
Gerald W. Grandey, 2121 11th Street West Saskatoon Saskatchewan Canada S7M U3	Cameco Corporation
Stanley J. Grant, 81 Country Village Manhasset Hills, NY 11030	Pharmaceutical Research & Manufacturers of America
Edwin C. Graves, 1615 L Street, NW, Suite 1150 Washington, DC 20036	Capitoline/MS&L (For:Sprint)
Rodney M. Green, P.O. Box 1475 Nashville, TN 37202	United Paperworkers International Union
Greenlee Associates, 19 1/2 N. Fourth St. Harrisburg, PA 17101	
Mark D. Gregory, 1776 K Street, Nw, #800 Washington, DC 20006	Seaboard Corp
Terry M. Griffin, 253 Foster Knoll Drive Joppa, MD 21085	
Griffith & Rogers, P.O. Box 960 Yazoo City, MS 39194-0960	Gulf Coast Research Laboratory, Univ of Southern Mississippi
Do	National Air Traffic Controllers Assn
Do	Southern Company Services, Inc
Daniel LaRue Gross, 1735 New York Avenue, NW Washington, DC 20006	American Institute of Architects
Jerene B. Guidry, 50 F Street, NW, Suite 1050 Washington, DC 20001	IMC Global, Inc
Judy R. Guse-Noritake, 605 Prince Street Alexandria, VA 22314	Pacific Rivers Council

Organization or Individual Filing	Employer/Client
W. Roger Gwinn, 1130 Connecticut Ave., NW, Suite 300 Washington, DC 20036	Ferguson Company (For:Colusa Basin Drainage District)
Do	Ferguson Company (For:Koll Company)
Do	Ferguson Company (For:Tulelake Irrigation District)
GRQ, Inc, 5454 Wisconsin Ave., NW, #1340 Chevy Chase, MD 20815	Spectra Laboratories, Inc
Jon Haber, 1400 L Street, NW, #600 Washington, DC 20005	Chlopak Leonard Schechter & Assoc
Kristina Hagg, 2021 North Key Blvd., #621 Arlington, VA 22201	Harris Corporation
Haglund & Kirtley, 1015 W. Main , #1800 Portland, OR 97202-4	Columbia Gorge, the Fair Deal Committee
Jacqueline Halbig, 700 13th Street, NW, #500 Washington, DC 20005	Family Research Council
Hale and Dorr, 1455 Pennsylvania Ave., NW, #1000 Washington, DC 20004	Nyacol Products, Inc
Do	Panda Project, Inc
Shirley Hales, 1001 N. 19th Street, #800 Arlington, VA 22209	TRW, Inc
Halprin Temple & Goodman, 1100 New York Avenue, NW, #650 East Washington, DC 20005	Bellcore
John J. Hambel, 1922 F Street, NW Washington, DC 20006-4387	National Assn of Life Underwriters
Palmer C. Hamilton, Miller Hamilton Snider & Odom P.O. Box 46 Mobile, AL 36601	Colonial BancGroup, Inc
Hance Scarborough Woodward & Weisbart, 111 Congress, Suite 800 Austin, TX 78701	Valhi, Inc
Dolly A. Hanrahan, 1300 I Street, NW, #520 West Washington, DC 20005-3314	Hoffmann-La Roche
Dewitt Talmage Hardin III, 600 Pennsylvania Ave., NW, #900 Washington, DC 20004	Chwat & Company, Inc (For:National Licensed Beverage Assn)
William D. Harris & Associates, 1156 15th Street, NW, #550 Washington, DC 20005	Government Development Bank for Puerto Rico
Christina M. Hauptli, 1200 17th St.,NW Washington, DC 20036	National Restaurant Assn
Hawthorn Group, LC, 1300 North 17th Street, Suite 1330 Arlington, VA 22209	Alabama Power Co
Martin Hayden, 1531 P Street, NW, #200 Washington, DC 20005	Sierra Club Legal Defense Fund
Heidi Wagner Hayduk, 1500 K Street, NW, #360 Washington, DC 20005	Healthcare Leadership Council
Mark L. Hayes, 1300 I Street, NW, #520 West Washington, DC 20005-3314	Hoffmann-La Roche
Mark F. Haynes, 800 Connecticut Avenue, NW, Suite 600 Washington, DC 20006	General Atomics
Timothy P. Hecht, 499 South Capitol Street, SW, #507 Washington, DC 20003	Hecht Spencer & Associates (For:TECO Energy, Inc)
William H. Hecht, 499 S. Capitol Street, SW, #507 Washington, DC 20003	Hecht Spencer & Associates (For:TECO Energy, Inc)
Hecht Spencer & Associates, Inc, 499 South Capitol Street, SW, #507 Washington, DC 20003	TECO Energy, Inc
Nikki Heidepriem, 1100 New York Avenue, NW, #1030 Washington, DC 20036	Foreman & Heidepriem, Inc (For:Judge David J. Bazelon Center For Mental Health Law)
Do	Foreman & Heidepriem, Inc (For:Monsanto Co)
Carol J. Hendrick, 11121 W. Oklahoma Avenue Milwaukee, WI 53227	National Funeral Directors Assn
Herbolsheimer Lannon Henson Duncan & Reagan, PC, 733 15th Street, NW, Suite 1120 Washington, DC 20005	American Environmental Sciences & Technologies, Inc
Hill and Knowlton, Inc, 901 31st Street, NW Washington, DC 20007	America West
Do	Coalition for Broadcast Diversity
Do	Magnetek
Do	Southern Electric Institute
Cynthia Hilton, 430 First Street, SE Washington, DC 20003	American Trucking Assns, Inc
Marc Himmelstein, 2600 Virginia Avenue, NW, #600 Washington, DC 20037	Air Implementation Reform Coalition
Anne Hingeley, 888 16th Street, NW Washington, DC 20006	Bannerman & Associates, Inc (For:Elf Atochem, N.A., Inc)
George J. Hochbrueckner & Associates, Inc, 1 Wycomb Place Coram, NY 11727	Advanced Acoustic Concepts, Inc
Do	EDO Corporation
Do	Frisby Technologies
Fredrick Hodges, 500 E Street, SW, #920 Washington, DC 20024	AOPA Legislative Action
Hogan & Hartson, 555 13th St., NW Washington, DC 20004-1109	American Blood Resources Assn
Do	Amway Corporation
Holland & Hart, 1001 Pennsylvania Ave., NW, #310 Washington, DC 20004	Altamont Gas Transmission Co
Do	Battle Mountain Gold Co
Do	U.S. Borax
Holland & Knight, 2100 Pennsylvania Avenue, NW, #400 Washington, DC 20037	American Pyrotechnics Assn
Do	City of Miami
Do	Consortium Plant Biotech Research
Do	Greater Tampa Chamber of Commerce
Do	Lockheed Advanced Development Co
Aubrey Holmes, 316 Pennsylvania Ave., SE Washington, DC 20003	United Parcel Service
Hooper Hooper Owen & Gould, 801 Pennsylvania Ave., NW, #730 Washington, DC 20004	Land Trust Alliance
Do	Section 29 Coalition
Mern Horan, 1424 16th Street, NW, #604 Washington, DC 20036	Consumer Federation of America
Wesley B. Huisinga, 115 3rd Street, SE, #1200 Cedar Rapids, IA 52401	Simmons Perrine Albright & Ellwood, P.L.C. (For:Association of Bankruptcy Professionals, Inc)
Human Capital Resources, Inc, c/o Mottola Cherny & Associates, Inc 575 Madison Ave. New York, NY 10022-2511	
Steven E. Humerickhouse, 3454 Vincent Avenue North Minneapolis, MN 55412	Adoption Coalition
Hunton & Williams, 2000 Pennsylvania Ave., NW, #9000 Washington, DC 20006	Allegheny Power Service Corp
Do	American Electric Power Service Corp
Do	Amoco Corp
Do	Consolidated Natural Gas Co
Do	Envirotest Systems, Inc
Do	Hoechst Celanese Corp
Do	Southern Company Services, Inc
Do	Western Fuels Assn
John A. Hutten, 750 17th Street, NW, 4th Floor Washington, DC 20006	Envron Corporation
Dawn Igler, P.O. Box 16614 Arlington, VA 22215	National Steel & Shipbuilding Co
Shirley Igo, 713 El Paso Street Plainview, TX 79072-6207	National PTA
International Assn of Amusement Parks & Attractions, 1448 Duke Street Alexandria, VA 22314	
International Business-Government Counsellors, Inc, 818 Connecticut Ave., NW, #1200 Washington, DC 20006	ANSAC
Do	CIBA-GEIGY Corp
Do	Natural Feathers & Textiles, Inc
Do	3M
Ivins Phillips & Barker, Chtd, 1700 Pennsylvania Ave., NW, #600 Washington, DC 20006	Digital Equipment Corp
Do	Teledyne, Inc
J&B Management Co, One Executive Drive Fort Lee, NJ 07024	
Ronald G. Jackson Sr., 750 First Street, NE, #700 Washington, DC 20002-4241	National Assn of Social Workers
Henry Jacobs, P.O. Box 70 Ashland, MS 38603	Trinity Research Center
Delos Cy Jamison, Jamison & Sullivan, Inc 1212 New York Ave., NW, #1200 Washington, DC 20005	D.R. Johnson Lumber
Do	Native Operating Co
Do	Umatilla Water Users
Jefferson Group, 1341 G Street, NW, Suite 1100 Washington, DC 20005	Florida Memorial College
Do	Grocery Manufacturers of America
Do	Lukas McGowan Nace & Guitierrez
Do	National Quality Health Council
Do	Nursing Management Services
Jefferson-Waterman International, 1341 G Street, NW, #1100 Washington, DC 20005	Government of Romania Ministry of Foreign Affairs
Jenner & Block, 601 13th Street, NW, 12th Floor Washington, DC 20005	General Dynamics
W. Kirk Johnson, 245 North Waco P.O. Box 2940 Wichita, KS 67201-2940	Wichita District Farm Credit Council
Johnson Smith Dover Kitzmiller & Stewart, Inc, 1300 Connecticut Ave., NW, #600 Washington, DC 20036	Caremark, Inc
Do	Competitive Power Council
Do	Discovery 2000
Do	Health Insurance Assn of America
Do	Hoffmann-La Roche
Do	Joint Commission on Accreditation of Health Care...
Do	Maritrans GP, Inc
Christopher Blake Johnstone, 1000 Connecticut Ave., NW Washington, DC 20036	Japan Economic Institute of America
Russell C. Jones, 1420 King Street Alexandria, VA 22314-2794	National Society of Professional Engineers
Martin B. Kanner, 1575 Eye Street, NW, Suite 370 Washington, DC 20005-1175	Eugene Water & Electric Board
Marilyn J. Keefe, 122 C Street, NW, #380 Washington, DC 20001-2109	National Family Planning & Reproductive Health Assn, Inc
Melvin Keener, 1133 Connecticut NW, #1023 Washington, DC 20036	Coalition for Responsible Waste Incineration
Keller & Heckman, 1001 G Street, NW, #500 West Washington, DC 20001	Society of the Plastics Industry, Inc
David Kemps, 1615 H Street, NW Washington, DC 20062	U.S. Chamber of Commerce
Jerry W. Kennedy, 313 South Carolina Ave., SE Washington, DC 20003-4213	Calaveras Public Power Agency
Do	Kennedy Government Relations (For:General Atomics)
Do	Tuolumne Public Power Agency
Kerrigan & Associates, Inc, 803 Prince Street Alexandria, VA 22314	Echelon Corporation
Karen Keys-Gamarra, P.O. Box 455 Oakton, VA 22124	Citizens for Reliable & Safe Highways
Kilpatrick & Cody, 700 13th Street, NW, #800 Washington, DC 20005-3960	DeChiaro Properties
King & Spalding, 1730 Pennsylvania Ave., NW, #1200 Washington, DC 20006	Sofamor Danek Group, Inc

Organization or Individual Filing	Employer/Client
Kinghorn & Associates, 900 2nd Street, NE, #109 Washington, DC 20002	American Iron & Steel Institute
Do	Blue Cross Blue Shield of South Carolina
Do	Dow Corning Corp
Do	Technology Village Partnership
Kipness & Associates, 4337 Marina City Drive, #43 Marina del Rey, CA 90292	Northrop Grumman Corp
Mark Konrad, P.O. Box 19367 Washington, DC 20036	Tax Payer Asset Project
John J. Kropp, 1900 Fifth Third Center 511 Walnut Street Cincinnati, OH 45202	Graydon Head & Ritchey (For:River Downs Investment Co)
Ann Langley & Associates, Inc, 444 North Capitol Street, NW, #837 Washington, DC 20001	National Perinatal Assn
Marc Laplante, 1525 Wilson Blvd. Arlington, VA 22209	McDermott, Inc
Latham & Watkins, 1001 Pennsylvania Ave., NW, #1300 S Washington, DC 20004-2505	AES Corporation
Do	Coalition for Broadcast Diversity
Beth Lavach, 1747 Pennsylvania Ave., NW, Suite 800 Washington, DC 20006	Gadsby & Hannah (For:DYNCORP)
Do	Gadsby & Hannah (For:Energy Research Corp)
Do	Gadsby & Hannah (For:Miami Valley Economic Coalition)
Paul Laxalt Group, 801 Pennsylvania Ave, NW, #750 Washington, DC 20004	Edison Electric Institute
William N. LaForge, McGuiness & Williams 1015 15th Street, NW, #1200 Washington, DC 20005	Bridgestone-Firestone
Ladonna Y. Lee, 900 Second St., NE, #200 Washington, DC 20002	Eddie Mahe Company
L. Poe Leggette, 2401 Pennsylvania Ave., NW, #400 Washington, DC 20037	Jackson & Kelly
Burleigh C. W. Leonard, 1919 South Eads Street, #103 Arlington, VA 22202-3028	Nabisco, Inc
Lesher & Russell, Inc, 1919 S. Eads Street, #103 Arlington, VA 22202-3028	Federal Agriculture Mortgage Corp
Do	Kraft Foods, Inc
Do	National Soft Drink Assn
Lindsay Hart Neil & Weigler, 1201 Pennsylvania Ave., NW, #821 Washington, DC 20004	Agriculture Ocean Transportation Coalition
Do	Alliance for Competitive Transportation (ACT)
Do	Indiana Port Commission
Do	Maritime Fire & Safety Assn
Do	Oregon Economic Development Department
Do	Pacific Coast Council
Do	Port of Portland
Do	Port of Redwood City
Do	Reebok International, Ltd
Linton Mields Reisler & Cottone, 1225 Eye Street, NW, #300 Washington, DC 20005	Air Transport Assn of America
Do	DC 2000, Inc
Do	Madison County Transit District
Do	Napa County Flood Control District
Do	University of Oregon
W. Timothy Locke, 499 S. Capitol Street, SW, #507 Washington, DC 20003	Hecht Spencer & Associates (For:TECO Energy, Inc)
Linda A. Long, 1156 15th Street, NW, #550 Washington, DC 20005	Blank Rome Comisky & McCauley (For:Valley Forge Flag Co, Inc)
Long Law Firm, 8550 United Plaza Blvd., #800 Baton Rouge, LA 70809	Bristol-Myers Squibb Co
Kenneth M. Ludden, 888 16th Street, NW Washington, DC 20006	Bannerman & Associates, Inc (For:Elf Atochem, N.A., Inc)
Manuel Lujan Jr., 1209 California, NE Albuquerque, NM 87110	Commonwealth of the Northern Mariana Islands
Ingrida Lusis, 2301 M Street, NW Washington, DC 20037	American Public Power Assn
LPI Consulting, Inc, 3000 K Street, NW, #300 Washington, DC 20007	Albright & Wilson Americas
Do	Swidler & Berlin, Chtd (for General Electric Co)
Do	Tenneco
Paul Magliocchetti Associates, Inc, 1755 Jefferson Davis Highway, #1107 Crystal Square 5 Arlington, VA 22202	AT&T
Do	Bird-Johnson Co
Do	Computing Devices International
Do	First Hospital Corp
Anthony S. Makris, 116 Waterford Place Alexandria, VA 22314	Quik Pawn Shop
Mary Jo Malone, 1101 Vermont Ave., NW Washington, DC 20005	American Medical Assn
Manatt Phelps & Phillips, 1501 M Street, NW, Suite 700 Washington, DC 20005	Alameda Corridor Transportation Authority
Do	Alamo Rent A Car, Inc
Do	ASOCOFLORES
Do	Bay Area Rapid Transit District
Do	College Construction Loan Insurance Assn
Do	E-Z-EM, Inc
Do	Evans Company
Do	General Atomics
Do	Hawthorn Group
Do	Missouri Enterprise Business Assistance Center
Do	National Assisted Housing Management Assn
Do	Navajo Nation
Marc Associates, Inc, 1101 17th Street, NW, #803 Washington, DC 20036-4704	American Assn of Dental Schools
Do	American Coll of Nuclear Physicians/Soc of Nuclear Medicine
Do	American Sleep Disorders Assn
T. Eston Marchant, 5046 Courtney Rd. Columbia, SC 29206	
Lawrence D. Markley, Rt. 1, Box 130-A Mt. Solon, VA 22843	Cape Fox Corp
Ronald J. Marlowe, Cohen Berke Bernstein Brodie Kondell... 2601 S. Bayshore Drive, 19th Floor Miami, FL 33133	American TelNet, Inc
Marlowe & Company, 1667 K Street, NW, #480 Washington, DC 20006	Broward County, Florida
John D. Marple, 2001 L Street, NW, #400 Washington, DC 20036	Business Software Alliance
Donald E. Marsan, 1200 19th Street, NW, #200 Washington, DC 20036-2437	American Managed Care & Review Assn
William R. Martin, 1725 Jefferson Davis Highway, #901 Arlington, VA 22202	Alliant Techsystems, Inc
Amy Mathews-Amos, 1531 P Street, NW, #200 Washington, DC 20005	Sierra Club Legal Defense Fund
Michael P. Matlack, 104 North Carolina Ave., SE Washington, DC 20003	Pearson & Pipkin, Inc (For:National Motorists Assn)
Do	Pearson & Pipkin, Inc (For:Physicians Who Care)
H. Wesley McAden, 1155 15th St., NW, #504 Washington, DC 20005	California & Hawaiian Sugar Co
Do	Marko Zaninovich, Inc
Kelley J. McCarthy, 888 16th Street, NW Washington, DC 20006	Bannerman & Associates, Inc (For:Elf Atochem, N.A., Inc)
McClure Gerard & Neuenschwander, Inc, 801 Pennsylvania Ave., NW, #820 Washington, DC 20004-2604	GE Capital Commercial Real Estate Financing & Servicing
James F. McConnell Jr., 1130 Connecticut Avenue, NW, #300 Washington, DC 20036	Uniformed Services Treatment Facilities
McDermott Will & Emery, 1850 K Street, NW, #450 Washington, DC 20006	American Home Products Corp
Do	Inland Pacific Energy Corp
Do	North West Water Process, Inc
Do	PHP Healthcare Corp
Do	Sun Distributors LP
Do	Tahlequah Public Works Auth
Patricia McDonald, c/o ARC 1331 Pennsylvania Ave., NW, #706 Washington, DC 20004	National Ski Areas Assn
Elissa M. McGovern, 1400 Eye Street, NW, Suite 1200 Washington, DC 20005	American Immigration Lawyers Assn
McMillan Group, 11 Canal Center Plaza, #302 Alexandria, VA 22314	Charlotte-Mecklenburg Hospital Authority
Do	North Carolina Electronics & Information Technologies Assn
Do	Ogden Projects
Do	Rogers & Wells (for BRACCO)
Do	Rogers & Wells (for SEMA)
Do	VEDCO Energy
Mike McNally, 1150 17th Street, NW, #701 Washington, DC 20036	National Air Traffic Controllers Assn
James P. McVaney, 800 Connecticut Ave., NW Washington, DC 20006-2701	Food Marketing Institute
H. Patterson Megargee, 12103 Courtney Court Herndon, VA 22070	Horizon Mental Health Management
Joe Mentor Jr., 2600 Two Union Square 601 Union Street Seattle, WA 98101-4000	Lasher Holzapfel Sperry & Ebberson (For:Haglund & Kirtley)
Segundo A. Mercado-Llorens, 1100 New York Ave., NW, #1030 Washington, DC 20005	Foreman & Heidepriem, Inc (For:Beef Products, Inc)
Carol Messer, 1020 19th Street, NW, #600 Washington, DC 20036	Financial Services Council
Meyers & Associates, 412 First St., SE, #100 Washington, DC 20003	Irrigation Projects Reauthorization Council
Geralyn Mied, 1001 Pennsylvania Ave., NW, #725S Washington, DC 20004	American Soc of Clinical Pathologists
Harris N. Miller, 1616 N. Ft. Myer Dr., #1300 Arlington, VA 22209-3106	Information Technology Assn of America, Inc
James C. Miller, 415 2nd Street, NE, #300 Washington, DC 20002	National Assn of Wheat Growers
R. Scott Miller, 801 Pennsylvania Ave., NW, #720 Washington, DC 20004	Procter & Gamble Co
Miller & Chevalier, Chtd, 655 15th St., NW, #900 Washington, DC 20005-5701	Davidson Colling Group
Do	Reilly Mortgage Group
Denny Miller Associates, Inc, 400 North Capitol Street, NW, #363 Washington, DC 20001	Port Blakely Tree Farms
Miller Canfield Paddock & Stone, 1225 19th Street, NW, #400 Washington, DC 20036	City of Los Angeles, CA
Do	Maryland Assn of Counties
William Miner, 888 16th Street, NW Washington, DC 20006	Bannerman & Associates, Inc (For:Elf Atochem, N.A., Inc)
Cleta Mitchell, 5500 Pollard Rd. Bethesda, MD 20816	Major League Baseball Players Assn
H. Maurice Mitchell, 320 West Capitol Ave., #1000 Little Rock, AR 72201	Entergy Corp

Organization or Individual Filing	Employer/Client
John V. Moller, 1707 L Street, NW, #725 Washington, DC 20036	Sharretts Paley Carter & Blauvelt, P.C.
Seth Mones, 700 13th Street, NW, #950 Washington, DC 20054	Philips Electronics North America Corp
Kenneth L. Money, 1225 I Street, NW, #500 Washington, DC 20005	Inco United States, Inc
Charles F. Monk Jr., P.O. Box 6287 Washington, DC 20015-6287	BellSouth
Karl R. Moor, 1101 Connecticut Avenue, NW, #800 Washington, DC 20036	South Carolina Gas & Electric
Jonathan Moore, 1735 New York Avenue, NW Washington, DC 20006	American Institute of Architects
Lawrence Moore III, 750 First Street, NE, #700 Washington, DC 20002-4241	National Assn of Social Workers
Powell A. Moore, 1615 L Street, NW, Suite 1150 Washington, DC 20036	Capitoline/MS&L (For:Psychemedics Corp)
Do	Capitoline/MS&L (For:Sprint)
Thomas Morgan, 700 11th Street, NW Washington, DC 20001-4507	National Assn of Realtors
Morgan Lewis & Bockius, 1800 M St., NW, #800 Washington, DC 20036	Hazardous Waste Cleanup Project
Ralph L. Moss, 1776 K Street, NW, #800 Washington, DC 20006	Seaboard Corporation
L. A. Motley and Company, 1800 K Street, NW, #1000 Washington, DC 20006	Alliance for Competitive Communications
Muldoon Murphy & Faucette, 5101 Wisconsin Ave., NW, #508 Washington, DC 20016	Astoria Federal Savings & Loan Assn
Janet G. Mullins, 1350 I Street, NW, #1000 Washington, DC 20005	Ford Motor Co
Murray Scheer & Montgomery, 2715 M Street, NW, #300 Washington, DC 20007	Piedmont Environmental Council
Robert L. Muse, Mansfield & Muse 2100 M Street, NW, #600 Washington, DC 20037	Amstar Corporation
Christopher J. Mustain, 801 Pennsylvania Ave., NW, #950 Washington, DC 20004-2604	European-American Chamber of Commerce in Washington, DC, Inc
Gerald F. Nalepa, 1627 I Street, NW, #1200 Washington, DC 20006	Air Liquide America Corp
National Funeral Directors Assn, 11121 W. Oklahoma Avenue Milwaukee, WI 53227	
National Quality Health Council, c/o PRS 757 Brooksedge Plaza Dr. P.O. Box 6174 Westerville, OH 43081-6174	
Bruce C. Navarro, 1201 Connecticut Ave., NW, #550 Washington, DC 20036	
Michael A. Nelson, 201 North Washington Street Alexandria, VA 22314	Retired Officers Assn
Michael A. Nemeroff, 1722 Eye Street, NW 7th Floor Washington, DC 20006	Sidley & Austin (For:Forensic Technology, Inc)
New York State Assn of Renewal & Housing Officials, 48 Howard St. Albany, NY 12207	Capitol Hill Management Services
Daniel A. Nichols, One Giralda Farms Madison, NJ 07940-1000	Schering-Plough Corp
David A. Norcross, 1156 15th Street, NW, #550 Washington, DC 20005	Blank Rome Comisky & McCauley (For:American Insurance Assn)
Do	Blank Rome Comisky & McCauley (For:Hill International, Inc)
Do	Blank Rome Comisky & McCauley (For:Valley Forge Flag Co, Inc)
Nurnberger & Associates, 1275 K Street, NW, Suite 1100 Washington, DC 20005	ADS Ventures (for Gensym Corporation)
Do	ADS Ventures (for MBRI)
Do	ADS Ventures (for Ztek Corporation)
Do	Tektronix, Inc
Lisa Nuttall, 750 First St., NE, Room 1050 Washington, DC 20002-4242	Federation of Behavioral Psychological & Cognitive Sciences
Terry L. Nyhous, 410 First Street, SE Washington, DC 20003	Friends of Fort Rucker, Inc
Do	Hazardous Waste Action Coalition
Do	Hughes Aircraft Co
Do	Ingalls Shipbuilding
Do	Kaman Diversified Technologies, Inc
Do	Lister Bolt & Chain, Ltd
Do	Lockheed Martin Corp
Do	Teledyne Industries, Inc
O'Brien Calio, 1350 Eye Street, NW, Suite 690 Washington, DC 20005	American Automotive Leasing Assn
Do	American Insurance Assn
Do	AT&T
Do	Blue Cross Blue Shield Assn
Do	Intermedia Partners
Do	Product Liability Coordinating Committee
Do	Securities Industry Assn
O'Connor & Hannan, 1919 Pennsylvania Ave., NW, #800 Washington, DC 20006	Aluminum Co of America
Do	American Automobile Manufacturers Assn
Do	American Forest & Paper Assn
Do	American Petroleum Institute
Do	ARCO
Do	ASARCO, Inc
Do	Elf Atochem North America, Inc
Do	Ft. Howard Corp
Do	General Electric Co
Do	Hercules, Inc
Do	Kennecott
Do	Mobil
Do	PROEXPORT
Do	Reynolds Metals Co
Do	USX Corporation
Do	Zeneca, Inc
O'Keefe Ashenden Lyons & Ward, 30 North La Salle, #4100 Chicago, IL 60602	WorldCom, Inc
Daniel J. O'Neal III, 600 Maryland Ave., SW, #100 West Washington, DC 20024-2571	American Nurses Assn (For:Association of Operating Room Nurses)
Oldaker Ryan & Leonard, 818 Connecticut Avenue, NW, #1100 Washington, DC 20006	Browning-Ferris Industries
Do	Business Roundtable
Do	Grassland Water District
Do	Harsch Investment Co
Do	Lowe's Companies, Inc
Do	Texas Industries
Do	Ziff Investors Partnership
Nina Oligino, 1331 Pennsylvania Ave., NW, #512 Washington, DC 20004	Pennsylvania Power & Light Co
Olsson Frank & Weeda, 1400 16th Street, NW, #400 Washington, DC 20036-2220	Chocolate Manufacturers Assn/Nat'l Confectioners Assn
Oppenheimer Wolff & Donnelly, 1020 19th Street, #400 Washington, DC 20036	American College of Chest Physicians
Do	George Washington University
Do	Jersey Shore Medical Center Foundation
Do	Medical College of Ohio
Do	Medical College of Virginia
Do	Monmouth University
Do	Morehouse School of Medicine
Do	National Disease Research Interchange
Marty Orwig, P.O. Box 1799 Sun Valley, ID 83353	Quincy Group
Benjamin L. Palumbo, 1000 Connecticut Avenue, NW, #706 Washington, DC 20036	Palumbo & Cerrell, Inc (For:Pennsylvania Institute of Technology)
Palumbo & Cerrell, Inc, 1000 Connecticut Ave. NW, #706 Washington, DC 20036	Pennsylvania Institute of Technology
Parry and Romani Associates, Inc, 233 Constitution Avenue, NE Washington, DC 20002	American Medical Assn
Do	American Tort Reform Assn
Do	Intellectual Property Owners
Do	Newspaper Assn of America
Do	Research & Development Laboratories, Inc
Do	Taxpayers Against Fraud
Do	U S West
Donald W. Parsons, 1700 K Street, NW, #603 Washington, DC 20006	Permanente Medical Group
Patton Boggs, L.L.P., 2550 M Street, NW Washington, DC 20037	Government of Pakistan
Do	Great American Lines, Inc
Do	Nashua Corporation
Paul Weiss Rifkind Wharton & Garrison, 1615 L Street, NW, #1300 Washington, DC 20036	Bouchard Transportation Co, Inc
Gwen Gampel Paulson, 206 G Street, NE Washington, DC 20002	International Subacute Healthcare Assn
Marc A. Pearl, 1616 N. Ft. Myer Dr., #1300 Arlington, VA 22209-3106	Information Technology Assn of America, Inc
Ronald Pearson, 104 North Carolina, SE Washington, DC 20003	Pearson & Pipkin, Inc (For:Christian Action Network)
Pearson and Pipkin, Inc, 104 North Carolina, SE Washington, DC 20003	Christian Action Network
Lee Peckarsky, 11408 Stonewood Lane Rockville, MD 20853	Church Alliance
George D. Pence, 9100 Mill Creek Landing Great Falls, VA 22066	WESPAC Constructers, Inc
Timothy A. Penno, 11121 W. Oklahoma Avenue Milwaukee, WI 53227	National Funeral Directors Assn
John Perrine, 1101 14th Street, NW, #1400 Washington, DC 20005	Defenders of Wildlife
Michael Petralia, 555 West 57th Street New York, NY 10019	Greater New York Hospital Assn
C. L. Pettit, 1005 E Street, SE Washington, DC 20003	National Agricultural Aviation Assn
Peyser Associates, Inc, 1001 G Street, NW, Suite 400 East Washington, DC 20001	King County
Do	Philadelphia Airport, Dept of Commerce
Edward J. Philbin, 1 Massachusetts Avenue, NW Washington, DC 20001	National Guard Assn of the U.S.
Jeffrey R. Pike, 1300 Connecticut Ave., NW, #600 Washington, DC 20036	Massachusetts Water Resources Authority
Do	Oceantrawl, Inc

Organization or Individual Filing	Employer/Client
Do	Patton Boggs, L.L.P.
Do	United Catcher Boats
Pillsbury Madison & Sutro, 1667 K St., NW, #1100 Washington, DC 20006	Securities Litigation Reform Coalition
Pope Group, 5011 Wyandot Court Bethesda, MD 20816	Unisys Corp
Potomac Research Group, 1747 Pennsylvania Ave., NW, Suite 1000 Washington, DC 20006	National Venture Capital Assn
Powell Goldstein Frazer & Murphy, 1001 Pennsylvania Ave., NW, 6th Floor Washington, DC 20004	U.S. Assn of Importers of Textiles & Apparel
Charles H. Powers, Porter/Navelli 1120 Connecticut Ave., NW Washington, DC 20036	MasterCard International
Linda F. Powers, 750 17th Street, NW, 4th Floor Washington, DC 20006	Enron Corporation
Jill Poznick, 2000 K Street, NW, #800 Washington, DC 20006	National Comm to Preserve Social Security & Medicare
Preston Gates Ellis Rouvelas & Meeds, 1735 New York Avenue, NW, #500 Washington, DC 20006	Domino Sugar Corp
Do	Natural Disaster Coalition
Do	Western Sugar Co, Inc
Price Waterhouse, 1801 K St., NW, #700 Washington, DC 20006	Federated Investors
Do	Frank Russell Co
Do	PW 10-50 Working Group
Do	Reeves Bros
Do	Tax Treaties Coalition
Private Practice Section, Amer Physical Therapy Assn, 1101 17th Street, NW, #1000 Washington, DC 20036	
Public Peace Prayer, c/o Dr. Michael Augustus Lee Matthew 161 Randolph Place, NW, #2C Washington, DC 20001	
Public Strategies Washington, Inc, 1455 Pennsylvania Ave., NW, #1100 Washington, DC 20004	Varity Corporation
Harold P. Quinn Jr., 1130 17th St., NW Washington, DC 20036	National Mining Assn
Joe Raeder, 1130 Connecticut Avenue, NW, #300 Washington, DC 20036	The Ferguson Company (For:Central Valley Project Authority)
Do	The Ferguson Company (For:Central Valley Project Water Assn)
Do	The Ferguson Company (For:City of Folsom)
Do	The Ferguson Company (For:Colusa Basin Drainage District)
Do	The Ferguson Company (For:Family Farm Alliance)
Do	The Ferguson Company (For:Fresno Irrigation District)
Do	The Ferguson Company (For:Glenn-Colusa Irrigation District)
Do	The Ferguson Company (For:Gridley)
Do	The Ferguson Company (For:Imperial Irrigation Distrct)
Do	The Ferguson Company (For:Kaweah Delta Water Conservation District)
Do	The Ferguson Company (For:Kings River Water Assn)
Do	The Ferguson Company (For:LACDA Alliance)
Do	The Ferguson Company (For:Modesto Irrigation District)
Do	The Ferguson Company (For:National Realty Committee)
Do	The Ferguson Company (For:San Joaquin County Flood Control & Water Conservation Dist)
Do	The Ferguson Company (For:Turlock Irrigation District)
Raffaelli Spees Springer & Smith, 1341 G Street, NW, #200 Washington, DC 20005	American Radio Operators
Do	Bristol-Myers Squibb Co
Do	Taylor Lohmeyer Corrigan, P.C.
Edward M. Ranier, 800 One Center Plaza 120 West Fayette St. Baltimore, MD 21201-3700	Lord & Whip (For:National Funeral Directors Assn)
Stephanie Reed, 600 Maryland Ave., SW, #100 West Washington, DC 20024-2571	American Nurses Assn
Reid & Priest, 701 Pennsylvania Avenue, NW Washington, DC 20004	Alliance for Power Privatization
Do	Duke Power Co
Do	Pacific Gas & Electric Co
Rebecca Relic, 1601 Duke Street Alexandria, VA 22314	Society of American Florists
Carey J. Riley, 1745 Jefferson Davis Highway, #1000 Arlington, VA 22202	General Dynamics
Irene Ringwood, Bogle & Gates 1299 Pennsylvania Avenue, NW, #875 East Washington, DC 20004	Natural Resources United
Ritts Wise & Rogers, 1500 Wilson Bvld., #320 Arlington, VA 22209	Flagstar Corp
Arch W. Roberts Jr., 1615 L Street, NW, Suite 1150 Washington, DC 20036	Capitoline/MS&L (For:Psychemedics Corp)
Do	Capitoline/MS&L (For:Sprint)
Richard L. Robinson, 1900 Fifth Third Center 511 Walnut Street Cincinnati, OH 45202	Graydon Head & Ritchey (For:River Downs Investment Co)
Robison International, Inc, 1 Massachusetts Ave., NW, #880 Washington, DC 20001	Optical Imaging Systems, Inc
Susan L. Rogers, 1615 M Street, NW, #200 Washington, DC 20036	Amoco Corporation
Mikel M. Rollyson, Davis Polk & Wardwell 450 Lexington Ave. New York, NY 10017	Fort Howard Corp
Christopher J. Ronay, 1120 19th Street, NW, #310 Washington, DC 20036	Institute of Makers of Explosives
Rooney Group International, Inc, 2000 North 14th Street, #250 Arlington, VA 22201	Bofors AB
Do	Bofors Carl Gustaf
Do	Celsius Tech Electronics
Do	Chemring, Ltd
Do	Intermarine, USA
Do	Kollmorgen Corporation
Do	Olin Ordnance
Do	Raufoss A/S
Do	Recon/Optical, Inc
Do	Tracor, International
Do	Wayne Arny & Associates, Inc
Marilyn Rosenthal, 1707 L Street, NW, #300 Washington, DC 20036	United Air Lines, Inc
F. Scott Rotruck, Rt. 5, Box 155 Keyser, WV 26726	Anker Group, Inc
Helen Sanders, 1700 Pennsylvania Ave., NW, #950 Washington, DC 20006	Valis Associates
Eric Sapirstein, 1130 Connecticut Avenue, NW, #300 Washington, DC 20036	Alameda County Water District
Schagrin Associates, 1140 - 19th Street, NW, Suite 600 Washington, DC 20036	Armco, Inc
Marc J. Scheineson, 1201 Connecticut Avenue, NW, #300 Washington, DC 20036	Bailey & Robinson (For:Bayer Corporation)
Adam P. Schmidt, 888 16th Street, NW Washington, DC 20006	Bannerman & Associates, Inc (For:Elf Atochem, N.A., Inc)
Schmidt Schroyer Colwill & Moreno, P.C., Suite 201 Pierre Professional Plaza 124 South Euclid P.O. Box 1174 Pierre, SD 57501-1174	Home Box Office
Leonard Schneidman, Foley Hoag & Eliot One Post Office Square Boston, MA 02109	Millicom, Inc
Kimberly Schuld, 11166 Main Street, Suite 302 Fairfax, VA 22030	Seniors Coalition, Inc
William C. Schultz, 7975 North Hayden St. Scottsdale, AZ 85258	Fender Musical Instruments Corp
Schwabe Williamson & Wyatt, 1299 Pennsylvania Ave., NW, #985 Washington, DC 20004	Grand Rapids Area Transit Authority
Eric J. Schwartz, 1233 20th Street, NW, #800 Washington, DC 20036	Proskauer Rose Goetz & Mendelsohn (For:Association of American Publishers)
Do	Proskauer Rose Goetz & Mendelsohn (For:Bell Atlantic Network Services Co)
Do	Proskauer Rose Goetz & Mendelsohn (For:National Film Preservation Board)
Scribner Hall & Thompson, 1850 K Street, NW, #1100 Washington, DC 20006	Estate of Helen W. Halbach
Seaboard Corporation, 9000 W. 67th Street P.O. Box 2972 Shawnee Mission, KS 66201	
Elizabeth T. Seifert, 1101 Vermont Avenue, NW Washington, DC 20005	American Medical Assn
Seward & Kissel, 1200 G Street, NW, #350 Washington, DC 20005	Baltic Company, et al.
Angela L. Sharpe, 1522 K Street, NW, #836 Washington, DC 20005	Consortium of Social Science Assns
Shaw Bransford & O'Rourke, 815 Connecticut Avenue, NW, #800 Washington, DC 20006	ICA, et al.
Shaw Pittman Potts & Trowbridge, 2300 N Street, NW, #5121 Washington, DC 20037	Associated Industries of Florida
Sher & Blackwell, 2000 L Street, NW, #612 Washington, DC 20036	Central Analysis Bureau, Inc
Do	Lykes Bros Steamship Co, Inc
Marilyn G. Showalter, 2601 S. Capitol Way Olympia, WA 98501	Frank Russell Co
Hilary Sills, 1615 L Street, NW, Suite 1150 Washington, DC 20036	Capitoline/MS&L (For:Psychemedics Corp)
Do	Capitoline/MS&L (For:Sprint)
Emery Simon, 2001 L Street, NW, #400 Washington, DC 20036	Alliance to Promote Software Innovation
Skadden Arps Slate Meagher & Flom, 1440 New York Avenue, NW Washington, DC 20005	BET Holdings, Inc
Do	Consolidated Freightways, Inc
Do	CINergy Corp
Do	Entergy Corporation
Do	Export Source Coalition
Do	Pharmaceutical Research & Manufacturers of America
Do	Sequent Computer Systems, Inc
Do	
Do	Wing Group
Paul A. Skrabut Jr., 1000 Connecticut Avenue, NW, #706 Washington, DC 20036	Palumbo & Cerrell, Inc (For:Pennsylvania Institute of Technology)
Sara Hope Smith, 1850 M Street, NW, #1100 Washington, DC 20036	Spring Corporation
Smith-Free Group, 1500 K Street, NW, #325 Washington, DC 20005	Koch Industries, Inc
Gary L. Sojka, 8304 Harland Drive Springfield, VA 22152	Mason & Hangaer-Silas Mason Co, Inc
Do	Pacific Sierra Research Corp
Alan P. Solow, 5507 S. Kimbark Chicago, IL 60637	Goldberg Kohn Bell...(for Fender Musical Instruments Corp)
Solutions Group, Inc, 10335 Democracy Lane Fairfax, VA 22030	
Sonosky Chambers Sachse & Endreson, 1250 Eye Street, NW #1000 Washington, DC 20005	Fond du Lac Bank of Chippewa Indians
Do	St. Croix Chippewa Indians of Wisconsin

Organization or Individual Filing	Employer/Client
Spencer Fane Britt & Browne, 1133 Connecticut Avenue, NW, Suite 1000 Washington DC 20036	United Recycling Industries, Inc
Lisa M. Sprague, 601 13th Street, NW, #370 South Washington, DC 20005	American Assn of Preferred Provider Organizations
Charles A. St. Charles, 2100 M Street, NW, #200 Washington, DC 20036	Sewart & Stewart (For:PPG Industries, Inc)
Jane Sutter Starke, 2100 Pennsylvania Ave., NW, #600 Washington, DC 20037	Eckert Seamans Cherin & Mellott (For:Redevelopment Authority of Luzerne County)
Hannah P. Stebbins, 160 North Ave. W. M.issoula, MT 59801	Alliance for the Wild Rockies
Steptoe & Johnson, 1330 Connecticut Ave., NW Washington, DC 20036	Federal Home Loan Bank of San Francisco
Terence P. Stewart, 2100 M Street, NW, #200 Washington, DC 20036	Florida Sugar Marketing & Terminal Assn, Inc
William F. Stiers, 11250 Waples Mill Road, #350 Fairfax, VA 22030	Quick Pawn Shop
Bonny S. Stilwell, 3803 Densmore Ct. Alexandria, VA 22309	Alliance for American Innovation
Caroline Stinebower, 453 New Jersey Ave., SE Washington, DC 20003	Beneficial Management Corp
Thomas M. Stohler, 1957 E Street, NW Washington, DC 20006	Associated General Contractors of America
J. Robin Stone, 1700 N. Moore Street, 20th Floor Rosslyn, VA 22209	Boeing Company
John C. Stone, 1420 New York Avenue, NW, #1050 Washington, DC 20005	Van Scoyoc Associates, Inc (For:American Gas Assn)
Do	Van Scoyoc Associates, Inc (For:Natural Gas Vehicle Coalition)
Do	Van Scoyoc Associates, Inc (For:Parsons Engineering Services, Inc)
Do	Van Scoyoc Associates, Inc (For:Raytheon Services)
Do	Van Scoyoc Associates, Inc (For:University of New Orleans)
Mark R. Stover, 1525 Wilson Blvd., #550 Arlington, VA 22209	National Newspaper Assn
Julie M. Strandlie, 908 King Street, #300 Alexandria, VA 22314	Taylor Thiemann & Aitken, L.C. (For:University of Florida Foundation, Inc)
Strategic Policy, Inc, 1615 L Street, NW, Suite 650 Washington, DC 20036	Interstate Natural Gas Assn of America
Do	Kimberly-Clark
Stuntz & Davis, P.C., 1201 Pennsylvania Ave., NW, #819 Washington, DC 20004	Columbia Gas Systems Service Corp
Do	Culp Guterson & Grader
Do	Ethyl Corp
Scott B. Styles, 805 15th Street, NW, #410 Washington, DC 20005	Air Products & Chemicals, Inc
Sullivan & Cromwell, 1701 Pennsylvania Ave., NW, #800 Washington, DC 20006	City of West Palm Beach
Do	Town of Palm Beach
Swidler & Berlin, Chtd, 3000 K Street, NW, #300 Washington, DC 20007	Artichoke Enterprises, Inc
Symms Lehn & Associates, Inc, 210 Cameron Street Alexandria, VA 22314	API, Amalgamated Publishers, Inc
Do	CIBA-GEIGY Corporation
Do	FMC
Do	O'Connor & Hannan
Do	US Smelting & Refining Co
Taggart & Associates, Inc, 1156 15th Street, NW, #415 Washington, DC 20005	CGI Systems, Inc
Mariko Takayasu, 1535 Mission Street San Francisco, CA 94103	Consumers Union
William Tammelleo, 555 New Jersey Ave., NW Washington, DC 20001	American Fed of Teachers
Texas Oil Marketers Assn, 701 W. 15th Street Austin, TX 78701	
The Water Company, c/o Dr. Michael Augustus Lee Matthew 161 Randolph Place, NW, #2C Washington, DC 20001	
Gregory A. Thies, 1100 New York Avenue, NW, #340 West Washington, DC 20005	BASF Corporation
Kenneth W. Thompson, 1156 15th Street, NW, #505 Washington, DC 20005	Sunbeam-Oster Company, Inc
R. Thompson & Company, One Massachusetts Ave., NW, Suite 330 Washington, DC 20001	Government of Guatemala
Timmons & Co, Inc, 1850 K St., NW, #850 Washington, DC 20006	American Medical Assn
D'Anna Stanfield Tindal, 2346 Greenwich St. Falls Church, VA 22046	Recon/Optical, Inc
Merry M. Tobin, 600 Maryland Avenue, SW Washington, DC 20024	American Farm Bureau Federation
E. Neil Trautwein, 1615 H Street, NW Washington, DC 20062	U.S. Chamber of Commerce
Jeffery S. Trinca, 1420 New York Ave., NW, #1050 Washington, DC 20005	Van Scoyoc Associates, Inc (For:California Water Service Co)
John F. Troy, 555 13th Street, NW East Tower Suite 600 Washington, DC 20004	Health Insurance Assn of America
U.S. Physical Fitness Department, 161 Randolph Place, NW, Apt. 2C Washington, DC 20001	U.S. Treasury - Nations Capitol
U.S. Strategies Corp, 1055 N. Fairfax Street, #201 Alexandria, VA 22314	American Biodyne/Medco Behavioral Care Corp
Do	City of Duluth
Do	Davstar Industries, Ltd
Stephen J. Ubl, 1055 N. Fairfax Street, #201 Alexandria, VA 22314	U.S. Strategies
Denice L. Upton, P.O. Box 1009 Hopewell, VA 23860	Stone Container Corp
Thomas L. C. Vail Jr., 28 Lyndhurst Ct. Sterling, VA 20165	
Wayne Valis, 1700 Pennsylvania Ave., NW, #950 Washington, DC 20006	Valis Associates
Van Ness Feldman, P.C., 1050 Thomas Jefferson St., NW, #700 Washington, DC 20007	Section 382 Coalition
H. Stewart Van Scoyoc, 1420 New York Ave., NW, #1050 Washington, DC 20005	Van Scoyoc Associates, Inc (For:American Gas Assn)
Do	Van Scoyoc Associates, Inc (For:California Water Service Co)
Do	Van Scoyoc Associates, Inc (For:Natural Gas Vehicle Coalition)
Do	Van Scoyoc Associates, Inc (For:North Dakota State University)
Do	Van Scoyoc Associates, Inc (For:Parsons Engineers Services, Inc)
Do	Van Scoyoc Associates, Inc (For:Raytheon Services)
Do	Van Scoyoc Associates, Inc (For:University of New Orleans)
Marjorie Vanderbilt, 600 Maryland Ave., SW, #100 West Washington, DC 20024-2571	American Nurses Assn (For:American College of Nurse Practitioners)
Vectre Corporation, 411 East Franklin Street, #602 Richmond, VA 23219	Virginia Power
Do	Wheat First Butcher Singer, Inc
Paul Vercher, P.O. Box 244014 Montgomery, AL 36117	Alabama Rural Electric Assn of Cooperatives
Joseph B. Verna, 1725 Jefferson Davis Highway, #901 Arlington, VA 22202	Alliant Techsystems, Inc
Verner Liipfert Bernhard McPherson & Hand, Chtd, 901 15th Street, NW, #700 Washington, DC 20005-2301	Centro Industrial de Laboratorios Farmaceuticos Argentinos
Do	Lower Colorado River Authority
Do	Port of Portland
Do	StarSight Telecast, Inc
Vinson & Elkins, 1455 Pennsylvania Ave., NW, #700 Washington, DC 20004-1008	Grand Parkway Association
Do	Methodist Hospital System
Do	National Hospitality Tax Committee
Vorys Sater Seymour & Pease, 1828 L Street, NW, #1111 Washington, DC 20036	Ocean Common Carrier Coalition
John S. Wagster, 1455 Pennsylvania Ave., NW, #230 Washington, DC 20004	Corrections Corp of America
Clinton W. Walker, 1101 Pennsylvania Ave., NW, #1000 Washington, DC 20004	Citicorp
Todd A. Walker, 1825 I Street, NW, #400 Washington, DC 20006	UST Public Affairs, Inc
Walker/Potter Associates, Inc, 1730 Pennsylvania Ave., NW Washington, DC 20006	Oil Chemical & Atomic Workers Int'l Union, AFL-CIO, et al.
Do	PURPA Reform Group
R. Duffy Wall & Associates, Inc, 601 13th Street, NW, #410 South Washington, DC 20005	Alliance for Power Privitization
Do	Betty Ford Center
Do	Centerior Energy
Rob Wallace, 1299 Pennsylvania Ave., NW, #1100 West Washington, DC 20004-2407	General Electric Co
James Waltman, 900 17th Street, NW Washington, DC 20006	Wilderness Society
Warner & Hultin, 655 15th Street, NW 300 Metropolitan Square Washington, DC 20005	National Quality Health Council
Washington & Christian, 805 15th Street, NW, #1000 Washington, DC 20005	Government of Guinea
Do	Government of Togo
Washington Public Affairs Group, 5910 Woodacres Drive Bethesda, MD 20816	Federal Republic of Nigeria
Washington Strategies, L.L.C., 142 N. Abingdon Street Arlington, VA 22203	Florida Sugar Cane League
Robert A. Waspe, Law Offices of Robert A. Waspe 601 Pennsylvania Ave., NW, #900 Washington, DC 20004-2601	
Leslie Waters, 1130 Connecticut Ave., NW, #300 Washington, DC 20036	Ferguson Company (For:Forest City Enterprises)
Melyssa L. Watson, 122 C Street, NW, #380 Washington, DC 20001-2109	National Family Planning & Reproductive Health Assn, Inc
Wear & Associates, 888 16th Street, NW, Suite 300 Washington, DC 20006	Dal-Tile Corp
Do	Idaho Communications, L.P.
John Weber, c/o Hill & Knowlton 901 31st Street, NW Washington, DC 20007	American Peanut Coalition
Vin Weber, Clark & Weinstock, Inc 888 16th Street, NW Washington, DC 20006	American Insurance Assn
Do	AT&T
Do	Bristol-Myers Squibb Co
Do	Browning-Ferris Industries
Do	United Waste Systems, Inc
Do	USA Waste, Inc
Do	West Publishing Co
Robert K. Weidner, 2300 M Street, NW, #900 Washington, DC 20037	Tooele Redevelopment Agency
Weil Gotshal & Manges, 1615 L Street, NW, #700 Washington, DC 20036	General Reinsurance Corp
Do	Pinnacle West Capital Corp
Todd M. Weiss, Kessler & Associates 510 11th Street, SE Washington, DC 20003	Child Care Food Program Sponsors Program
Do	National Comm to Preserve Social Security
Do	PHARMA
Do	Sandoz Corp
Do	Joseph E. Seagram & Sons, Inc
Do	Upjohn
Gerard A. Wendelken, 28 Clarissa Drive Syosset, NY 11791	Human Capital Resources, Inc

Organization or Individual Filing	Employer/Client
Ward H. White, 1133 21st Street, NW, #900 Washington, DC 20036	BellSouth Corp
White & Case, 1100 Connecticut Avenue, NW, #600 Washington, DC 20036	Aubrey Greene
Do	Laura Greene
Do	Teresa Greene
Dennis E. Whitefield, 1155 Connecticut Ave., NW, 10th Floor Washington, DC 20036	Brock Group, Ltd (For:Sinclair Broadcasting Group)
Richard C. Whitner, 1800 N. Kent Street, #1104 Arlington, VA 22209	Northrop Grumman Corp
William F. Whitsitt, 1440 New York Avenue, NW Washington, DC 20005	Skadden Arps Slate Meagher & Flom
Whitten & Diamond, 1725 DeSales St., NW, #800 Washington, DC 20036	Philadelphia International Airport
Thomas E. Wilder Jr., 1706 Barrington Circle Marietta, GA 30062	
Wiley Rein & Fielding, 1776 K Street, NW, 12th Floor Washington, DC 20006	Interactive Service Assn
Do	SRA Technologies, Inc
Wilkinson Barker Knauer & Quinn, 1735 New York Ave., NW Washington, DC 20006	Allegheny Valley North Council of Governments
Do	Independence County, Arkansas & City of Batesville
Do	Noah Corporation
Do	Summit Energy Storage, Inc
Do	Yakima-Tieton Irrigation District
Williams & Jensen, P.C., 1155 21st Street, NW, #300 Washington, DC 20036	American Physical Therapy Assn, Pediatrics Section
Do	BP Chemicals
Do	First Union Corp
Do	Responsible Agricultural Programs, Inc
Williams Mullen Christian & Dobbins, 1021 East Cary Street, 16th Floor Richmond, VA 23219	Bish Enterprises, et al.
Wilmer Cutler & Pickering, 2445 M Street, NW Washington, DC 20037-1420	American Alliance for Rights & Responsibilities
Do	American Iron & Steel Institute
Do	ARCO Chemical
Christine M. Windle, 1735 New York Avenue, NW Washington, DC 20006	American Institute of Architects
Chriss Winston, The Tierney Group 900 Second Street, NE Washington, DC 20002	Federal Home Loan Bank of Pittsburgh
Winston & Strawn, 1400 L Street, NW Washington, DC 20005-3502	BP America, Inc
Do	City of Jackson, Mississippi
Do	FMC Corporation
Do	General Mills
Do	Joseph E. Seagram & Sons, Inc
Do	Spokane Regional Solid Waste System
Do	Town of Babylon
David A. Withrow, 225 Reinekers Lane, #600 Alexandria, VA 22314	Satellite Broadcasters & Communications Assn
S.R. Wojdak and Associates, Inc, The Bellevue - Suite 850 200 S. Broad Street Philadelphia, PA 19102	Allegheny Health Education & Research Foundation
Do	American Counseling Assn
Do	High Medicaid Hospitals Group
Robert M. Wood, 325 7th Street, NW Washington, DC 20004	National Retail Federation
G. Kent Woodman, 2100 Pennsylvania Ave., NW Suite 600 Washington, DC 20037	Eckert Seamans Cherin & Mellott (For:Los Angeles County Metropolitan Transportation Authority)
Do	Eckert Seamans Cherin & Mellott (For:Utah Transit Authority)
Cynthia Woodside, 701 N. Fairfax Street Alexandria, VA 22314-2045	National Assn of Social Workers
James M. Wootton, 919 18th St., NW, #800 Washington, DC 20006	Safe Streets Coalition
Leo Wright Associates, Inc, 815 Connecticut Avenue, NW, #1200 Washington, DC 20006	Dynamet, Inc
Wunder Diefenderfer Cannon & Thelen, 1615 L St., NW, #650 Washington, DC 20036	Betac Corporation
Do	Fund America Ventures Corp
Do	International Anti-Counterfeiting Coaltion
Do	Pacific Seafood Processors Assn
Do	Sony Electronics, Inc
Do	TU Service
Dennis R. Yocom, P.O. Box 590 Tallahassee, FL 32302	Florida Electric Cooperatives Assn, Inc
Thane Young, 1130 Connecticut Avenue, NW, #300 Washington, DC 20036	The Ferguson Company (For:San Joaquin County Flood Control & Water Conservation Dist)
Zapruder & Odell, 601 13th Street, NW, #8005 Washington, DC 20005-3808	Thommessen Krefting Greve Lund AS
Rita Zeidner, 1225 I Street, NW, #500 Washington, DC 20005	American Payroll Assn
3Com Corporation, 5400 Bayfront Plaza Santa Clara, CA 95052	

QUARTERLY REPORTS*

*All alphanumeric characters and monetary amounts refer to receipts and expenditures on page 2, paragraphs D and E of the Quarterly Report Form.

The following quarterly reports were submitted for the second calendar quarter 1995:

(NOTE.—The form used for reporting is reproduced below. In the interest of economy in the RECORD, questions are not repeated, only the essential answers are printed, and are indicated by their respective headings. This page (Page 1) is designed to supply identifying data, and Page 2 deals with financial data.)

PLEASE RETURN 1 ORIGINAL TO: THE CLERK OF THE HOUSE OF REPRESENTATIVES, OFFICE OF RECORDS AND REGISTRATION, 1036 LONGWORTH HOUSE OFFICE BUILDING, WASHINGTON, D.C. 20515

PLEASE RETURN 1 ORIGINAL TO: THE SECRETARY OF THE SENATE, OFFICE OF PUBLIC RECORDS, 232 HART SENATE OFFICE BUILDING, WASHINGTON, D.C. 20510

PLACE AN "X" BELOW THE APPROPRIATE LETTER OR FIGURE IN THE BOX AT THE RIGHT OF THE "REPORT" HEADING BELOW:

"PRELIMINARY" REPORT ("Registration"): To "register," place an "X" below the letter "P" and fill out page 1 only.

"QUARTERLY" REPORT: To indicate which one of the four calendar quarters is covered by this Report, place an "X" below the appropriate figure. Fill out both page 1 and page 2 and as many additional pages as may be required. The first additional page should be numbered as page "3," and the rest of such pages should be "4," "5," "6," etc. Preparation and filing in accordance with instructions will accomplish compliance with all quarterly reporting requirements of the Act.

Year: 19 . . . . . ◆

REPORT

PURSUANT TO FEDERAL REGULATION OF LOBBYING ACT

P	QUARTER			
	1st	2d	3d	4th
(Mark one square only)				

Is this an Amendment?
☐ YES ☐ NO

IDENTIFICATION NUMBER ______

NOTE on ITEM "A".—(a) IN GENERAL. This "Report" form may be used by either an organization or an individual, as follows:

(i) *"Employee"*.—To file as an "employee", state (in Item "B") the name, address, and nature of business of the "employer". (If the "employee" is a firm [such as a law firm or public relations firm], partners and salaried staff members of such firm may join in filing a Report as an "employee".)

(ii) *"Employer"*.—To file as an "employer", write "None" in answer to Item "B".

(*b*) SEPARATE REPORTS. An agent or employee should not attempt to combine his Report with the employer's Report:

(i) Employers subject to the Act must file separate Reports and are not relieved of this requirement merely because Reports are filed by their agents or employees.

(ii) Employees subject to the Act must file separate Reports and are not relieved of this requirement merely because Reports are filed by their employers.

A. ORGANIZATION OR INDIVIDUAL FILING:

1. State name, address, and nature of business.

☐ CHECK IF ADDRESS IS DIFFERENT THAN PREVIOUSLY REPORTED

2. If this Report is for an Employer, list names of agents or employees who will file Reports for this Quarter.

NOTE on ITEM "B".—*Reports by Agents or Employees.* An employee is to file, each quarter, as many Reports as he has employers, except that: (*a*) If a particular undertaking is jointly financed by a group of employers, the group is to be considered as one employer, but all members of the group are to be named, and the contribution of each member is to be specified; (*b*) if the work is done in the interest of one person but payment therefor is made by another, a single Report—naming both persons as "employers"—is to be filed each quarter.

B. EMPLOYER —State name, address, and nature of business. If there is no employer, write "None."

NOTE on ITEM "C".—(*a*) The expression "in connection with legislative interests," as used in this Report, means "in connection with attempting, directly or indirectly, to influence the passage or defeat of legislation." "The term 'legislation' means bills, resolutions, amendments, nominations, and other matters pending or proposed in either House of Congress, and includes any other matter which may be the subject of action by either House"—§ 302(e).

(*b*) Before undertaking any activities in connection with legislative interests, organizations and individuals subject to the Lobbying Act are required to file a "Preliminary" Report (Registration).

(*c*) After beginning such activities, they must file a "Quarterly" Report at the end of each calendar quarter in which they have either received or expended anything of value in connection with legislative interests.

C. LEGISLATIVE INTERESTS, AND PUBLICATIONS in connection therewith:

1. State approximately how long legislative interests are to continue. If receipts and expenditures in connection with legislative interests have terminated, ☐ place an "X" in the box at the left, so that this Office will no longer expect to receive Reports.

2. State the general legislative interests of the person filing and set forth the specific legislative interests by reciting: (*a*) Short titles of statutes and bills; (*b*) House and Senate numbers of bills, where known; (*c*) citations of statutes, where known; (*d*) whether for or against such statutes and bills.

3. In the case of those publications which the person filing has caused to be issued or distributed in connection with legislative interests, set forth: (*a*) description, (*b*) quantity distributed, (*c*) date of distribution, (*d*) name of printer or publisher (if publications were paid for by person filing) or name of donor (if publications were received as a gift).

(Answer items 1, 2, and 3 in the space below. Attach additional pages if more space is needed.)

4. If this is a "Preliminary" Report (Registration) rather than a "Quarterly" Report, state below what the nature and amount of anticipated expenses will be; and, if for an agent or employee, state also what the daily, monthly, or annual rate of compensation is to be. *If this is a "Quarterly" Report, disregard this item "C4" and fill out items "D" and "E" on the back of this page.* Do not attempt to combine a "Preliminary" Report (Registration) with a "Quarterly Report."◆

STATEMENT OF VERIFICATION

[Omitted in printing]

PAGE 1◆

NOTE on ITEM "D."—*(a)* IN GENERAL. The term "contribution" includes *anything of value.* When an organization or individual uses printed or duplicated matter in a campaign attempting to influence legislation, money received by such organization or individual—for such printed or duplicated matter—is a "contribution." "The term 'contribution' includes a gift, subscription, loan, advance, or deposit of money, or anything of value, and includes a contract, promise, or agreement, whether or not legally enforceable, to make a contribution"—§ 302(a) of the Lobbying Act.

(b) IF THIS REPORT IS FOR AN EMPLOYER.—(i) *In general.* Item "D" is designed for the reporting of all receipts from which expenditures are made, or will be made, in connection with legislative interests.

(ii) *Receipts of Business Firms and Individuals.*—A business firm (or individual) which is subject to the Lobbying Act by reason of expenditures which it makes in attempting to influence legislation—but which has no funds to expend except those which are available in the ordinary course of operating a business not connected in any way with the influencing of legislation—will have no receipts to report, even though it does have expenditures to report.

(iii) *Receipts of Multi-purpose Organizations.*—Some organizations do not receive any funds which are to be expended solely for the purpose of attempting to influence legislation. Such organizations make such expenditures out of a general fund raised by dues, assessments, or other contributions. The percentage of the general fund which is used for such expenditures indicates the percentage of dues, assessments, or other contributions which may be considered to have been paid for that purpose. Therefore, in reporting receipts, such organizations may specify what that percentage is, and report their dues, assessments, and other contributions on that basis. However, each contributor of $500 or more is to be listed, regardless of whether the contribution was made solely for legislative purposes.

(c) IF THIS REPORT IS FOR AN AGENT OR EMPLOYEE.—(i) *In general.* In the case of many employees, all receipts will come under Items "D 5" (received for services) and "D 12" (expense money and reimbursements). In the absence of a clear statement to the contrary, it will be presumed that your employer is to reimburse you for all expenditures which you make in connection with legislative interests.

(ii) *Employer as Contributor of $500 or More.*—When your contribution from your employer (in the form of salary, fee, etc.) amounts to $500 or more, it is not necessary to report such contribution under "D 13" and "D 14," since the amount has already been reported under "D 5," and the name of the "employer" has been given under Item "B" on page 1 of this report.

D. RECEIPTS (INCLUDING CONTRIBUTIONS AND LOANS):

Fill in every blank. If the answer to any numbered item is "None," write "NONE" in the space following the number.

Receipts (other than loans)

1. $..............Dues and assessments
2. $..............Gifts of money or anything of value
3. $..............Printed or duplicated matter received as a gift
4. $..............Receipts from sale of printed or duplicated matter
5. $..............Received for services (e.g., salary, fee, etc.)
6. $..............TOTAL for this Quarter (Add "1" through "5")
7. $..............Received during previous Quarters of calendar year
8. $..............TOTAL from Jan. 1 through this Quarter (Add "6" and "7")

Loans Received—"The term 'contribution' includes a . . . *loan* . . ."—§ 302(a).

9. $..............TOTAL now owed to others on account of loans
10. $..............Borrowed from others during this Quarter
11. $..............Repaid to others during this Quarter

12. $..............''Expense Money'' and Reimbursements received this Quarter.

Contributors of $500 or More (from Jan. 1 through this Quarter)

13. Have there been such contributors?
Please answer "yes" or "no": ....

14. In the case of each contributor whose contributions (including loans) during the "period" from January 1 through the last day of this Quarter, total $500 or more:

Attach hereto plain sheets of paper, approximately the size of this page, tabulate data under the headings "Amount" and "Name and Address of Contributor"; and indicate whether the last day of the period is March 31, June 30, September 30, or December 31. Prepare such tabulation in accordance with the following example:

Amount	*Name and Address of Contributor* *("Period"* from Jan. 1 through........................, 19......)
$1,500.00	John Doe, 1621 Blank Bldg., New York, N.Y.
$1,785.00	The Roe Corporation, 2511 Doe Bldg., Chicago, Ill.
$3,285.00	TOTAL

NOTE on ITEM "E".—*(a)* IN GENERAL. "The term 'expenditure' includes a payment, distribution, loan, advance, deposit, or gift of money or anything of value, and includes a contract, promise, or agreement, whether or not legally enforceable, to make an expenditure"—§ 302 (b) of the Lobbying Act.

(b) IF THIS REPORT IS FOR AN AGENT OR EMPLOYEE. In the case of many employees, all expenditures will come under telephone and telegraph (Item "E 6") and travel, food, lodging, and entertainment (Item "E 7").

E. EXPENDITURES (INCLUDING LOANS) IN CONNECTION WITH LEGISLATIVE INTERESTS:

Fill in every blank. If the answer to any numbered item is "None," write "NONE" in the spaces following the number.

Expenditures (other than loans)

1. $..............Public relations and advertising services
2. $..............Wages, salaries, fees, commissions (other than Item "1")
3. $..............Gifts or contributions made during Quarter
4. $..............Printed or duplicated matter, including distribution cost
5. $..............Office overhead (rent, supplies, utilities, etc.)
6. $..............Telephone and telegraph
7. $..............Travel, food, lodging, and entertainment
8. $..............All other expenditures
9. $..............TOTAL for this Quarter (Add "1" through "8")
10. $..............Expended during previous Quarters of calendar year
11. $..............TOTAL from Jan. 1 through this Quarter (Add "9" and "10")

Loans Made to Others—"The term 'expenditure' includes a . . . *loan* . . ."—§ 302 (b).

12. $..............TOTAL now owed to person filing
13. $..............Lent to others during this Quarter
14. $..............Repayments received during this Quarter

15. *Recipients of Expenditures of $10 or More*________________

If there were no single expenditures of $10 or more, please so indicate by using the word "NONE".

In the case of expenditures made during this Quarter by, or on behalf of, the person filing: Attach plain sheets of paper approximately the size of this page and tabulate data as to expenditures under the following heading: "Amount," "Date or Dates," "Name and Address of Recipient," "Purpose." Prepare such tabulation in accordance with the following example:

Amount	*Date or Dates—Name and Address of Recipient—Purpose*
$1,750.00	7-11: Roe Printing Co., 3214 Blank Ave., St. Louis, Mo.—Printing and mailing circulars on the "Marshbanks Bill."
$2,400.00	7-15, 8-15, 9-15: Britten & Blaten, 3127 Gremlin Bldg., Washington, D.C.—Public relations service at $800.00 per month.
$4,150.00	TOTAL

Organization or Individual Filing	Employer/Client	Receipts	Expenditures
Ann Hadley vom Eigen, 1828 L Street, NW, #705 Washington, DC 20036	American Land Title Assn	6,300.00	
A-K Associates, Inc, 1024 10th Street, #300 Sacramento, CA 95814	DDP*Delta	41,925.00	43,996.62
Do	San Joaquin County		1,222.46
Robert J. Aagre, 1835 12th Street, NW Washington, DC 20009-4421			
Ande M. Abbott, 2722 Merrilee Drive, #360 Fairfax, VA 22031	International Brotherhood of Boilermakers...	421.00	
Jeffrey S. Abboud, 1600 Wilson Boulevard, #1008 Arlington, VA 22209	Gas Turbine Assn		263.63
Do	Suppliers of Advanced Composite Materials Assn		
Do	U.S. Advanced Ceramics Assn	250.00	692.23
Paul C. Abenante, 1350 I Street, NW, #1290 Washington, DC 20005	American Bakers Assn		
George Abney, 1785 Massachusetts Ave., NW Washington, DC 20036	National Trust for Historic Preservation	2,572.05	
Pamela Abney, 1101 Vermont Ave., NW, #710 Washington, DC 20005	American Veterinary Medical Assn	90.00	
Adele L. Abrams, 1415 Elliot Place, NW Washington, DC 20007	National Stone Assn	4,000.00	500.00
Matthew J. Abrams, 1220 19th Street, NW, #400 Washington, DC 20036	CANAMCO (For:Aerospace Industries Assn of Canada)		
Steve Abrams, 440 First Street, NW, #600 Washington, DC 20001	American Israel Public Affairs Comm	13,333.32	
Adrian Acevedo, P.O. Box 2880 Dallas, TX 75221-2880	Oryx Energy Company		
Elaine Acevedo, 666 Pennsylvania Ave., SE, #403 Washington, DC 20003	Florist's Transworld Delivery Assn	6,000.00	
Rodney J. Ackerman, 1450 Poydras Street New Orleans, LA 70112-6000	CNG Producing Company	3,000.00	1,014.55
Charles A. Acquard, 2301 M Street, NW Washington, DC 20037	American Public Power Assn	1,000.00	
Cecelia A. Adams, 1901 Pennsylvania Avenue, NW, 10th Floor Washington, DC 20006	International Mass Retail Association	3,000.00	
Jane M. Adams, 818 Connecticut Avenue, NW, #303 Washington, DC 20006	National Assn for Biomedical Research	1,300.00	
John M. Adams, 909 N. Washington Street, #301 Alexandria, VA 22314	Retired Enlisted Assn	2,748.00	
David S. Addington, 801 Pennsylvania Ave., NW Washington, DC 20004	Baker Donelson Bearman & Caldwell (For:Competitive Long Distance Coalition, Inc).	39,230.76	
Arthur Adelberg, 83 Edison Drive Augusta, ME 04336	Central Maine Power Co	1,763.76	1,170.36
Allan Robert Adler, 1333 New Hampshire Ave., NW, #600 Washington, DC 20036	Cohn & Marks (For:Association of American Publishers)	500.00	
Do	Cohn and Marks (For:Direct Marketing Assn)		
Gabriel Adler, 1722 Eye Street, NW Washington, DC 20006	Sidley & Austin (For:Borden, Inc)		
Michael B. Adlin, 1801 K Street, NW, Suite 400K Washington, DC 20006	Arter & Hadden (For:Nintendo of America)		
Advanced Display Manufacturers of America, 3050 K Street, NW, #400 Washington, DC 20007			
Advanced Strategies, One International Place 45th Floor Boston, MA 02110	Investment Company Institute	15,000.00	35.00
Advertising Mail Marketing Assn, 1333 F Street, NW, #710 Washington, DC 20004-1108		1,061.00	1,061.00
Advocacy Group, 1350 I Street, NW, #680 Washington, DC 20005	American Chiropractic Assn		
Do	American Institute for Foreign Study		
Do	Amorphus Technologies International		
Do	Arizona State University		
Do	Border Trade Alliance		
Do	Brown & Root, Inc		
Do	City of Tempe		
Do	Dowling College		
Do	Florida Board of Regents Foundation, Inc		
Do	Intel Supercomputing Division		
Do	Livingston Health Care Services		
Do	National Assn of Small Business Investment Cos		
Do	National Fuel & Energy, Inc		
Do	Palmer Chiropractic University		
Do	Port of Brownsville, Texas		
Do	Sam Houston State University		
Do	Silicon Graphics, Inc		
Do	U.S. Surgical Corp		
Do	University of Utah		
Do	University of Virginia/Continuing Education		
Advocates for Highway & Auto Safety, 750 First, NE Suite 901 Washington, DC 20002			11,757.44
Aerospace Industries Assn of America, Inc, 1250 Eye Street, NW, #1100 Washington, DC 20005		6,301.33	6,301.33
Affordable Housing Tax Credit Coalition, 1255 23rd Street, NW, #800 Washington, DC 20037		2,000.00	2,000.00
Kathryn M. Agate, 2500 Wilson Blvd. Arlington, VA 22201-3834	Electronic Industries Assn	500.00	
David J. Aho, 1667 K Street, NW, #710 Washington, DC 20006	Baxter	4,000.00	560.00
Patricia W. Aho, 45 Memorial Circle Augusta, ME 04330-6400	American Petroleum Institute	832.15	
Robert S. Aiken, 800 Connecticut Avenue, NW, #610 Washington, DC 20006	Pinnacle West Capital Corp	24,000.00	4,389.23
Herbert Allen Ailsworth, 1615 L Street, NW, #420 Washington, DC 20036	Sandoz Corp		325.00
Air Conditioning & Refrigeration Institute, 4301 N. Fairfax Dr., #425 Arlington, VA 22203			
Air Products & Chemicals, Inc, 805 15th Street, NW, #330 Washington, DC 20005		16,000.00	16,000.00
Air Taser, Inc, 7307 East Evans Road Scottsdale, AZ 85260			
Aircraft Owners & Pilots Assn, 421 Aviation Way Frederick, MD 21701		7,000.00	16,699.84
Airports Council International - North America, 1775 K Street, NW, #500 Washington, DC 20066			31,893.57
Akin Gump Strauss Hauer & Feld, L.L.P., 1333 New Hampshire Ave., NW, #400 Washington, DC 20036	A.E. Staley Manufacturing	100.00	
Do	Air Transport Assn of America		
Do	Amerada Hess Corp		
Do	American Airlines, Inc	15,420.00	285.00
Do	American Financial Corp	100.50	16.00
Do	American Share Insurance Corporation	220.00	
Do	American Telephone & Telegraph Co	37,480.00	700.00
Do	Arthur T. Walker	160.00	
Do	ASSE International Student Exchange Program		
Do	Baxter International, Inc	225.00	
Do	Bechtel Group, Inc		
Do	Belridge Water Storage District		
Do	Beneficial Management Corp of America		
Do	Bolt Beranek & Newman, Inc		
Do	Cincinnati Companies	134.00	16.00
Do	City of Houston	475.00	
Do	Collagen Corporation	4,200.00	76.00
Do	Dow Jones & Co		
Do	Envirotest Systems Corp	25,025.00	475.00
Do	Fremont Group, Inc		
Do	General Instrument Corp	400.00	
Do	Government of Norway		
Do	Granite Broadcasting Co		
Do	Hampstead Group	550.00	
Do	Hoechst Celanese Corp		
Do	Home Office Assn of America	480.00	
Do	Hooters, Inc, et al.	1,905.00	19.00
Do	Joint Corporate Comm on Cuban Claims	2,120.00	38.00
Do	Liberty Mutual Insurance Co	9,255.00	171.00
Do	MacAndrews & Forbes Holdings, Inc		
Do	Manufactured Housing Institute	4,945.00	
Do	Mazda (North America), Inc		
Do	Medical Protective Company		
Do	Mellon Bank Corp		
Do	Memorial Sloan-Kettering Cancer Center	100.00	
Do	Metropolitan Transit Authority of Harris County	2,432.00	38.00
Do	Miller Brewing Company	200.00	
Do	Robert Mondavi Winery	715.00	
Do	Morgan Stanley & Co, Inc		
Do	Mortgage Guaranty Insurance Corp		
Do	Mortgage Insurance Cos of America	5,890.00	
Do	Motion Picture Assn of America, Inc	4,770.00	76.00
Do	Municipal Financial Consultants, Inc		
Do	MCA, Inc	2,515.00	38.00
Do	National Football League		
Do	Nationwide Mutual Insurance Company	720.25	16.00
Do	New York Public Library		
Do	Oranka, Inc		
Do	Riggs National Corp	1,300.00	19.00
Do	Ryder System, Inc	13,250.00	250.00

Organization or Individual Filing	Employer/Client	Receipts	Expenditures
Do	Southern California Edison Co		
Do	Tenet Healthcare Corporation	830.00	
Do	Time-Warner		
Do	Transamerica Financial Services	8,430.00	152.00
Do	Uranium Producers of America	3,110.00	57.00
Do	USA Group, Inc	6,030.00	114.00
Do	Warner-Lambert Co	5,755.00	95.00
Do	Westfield Companies	83.75	16.00
Do	Westinghouse Electric Corp	3,680.00	57.00
Albanian American Civic League, P. O. Box 97 Rye, NY 10580		7,560.00	2,349.92
James J. Albertine, 1156 15th Street, NW, #505 Washington, DC 20005	Albertine Enterprises, Inc (For:Association of School Business Officials International).	500.00	60.00
Do	Albertine Enterprises, Inc (For:Coalition for Customer Choice in Electricity)	250.00	50.00
Do	Albertine Enterprises, Inc (For:Coalition for Protection of Competition in Inform Services).	50.00	10.00
Do	Albertine Enterprises, Inc (For:Exide Electronics)	500.00	30.00
Do	Albertine Enterprises (For:Fruit of the Loom, Inc)	1,600.00	75.00
Do	Albertine Enterprises, Inc (For:Greater Washington Society of Assn Executives)	100.00	15.00
Do	Albertine Enterprises, Inc (For:International Assn of Convention & Visitor Bureaus).	250.00	35.00
Do	Albertine Enterprises, Inc (For:Itron and Amrplus Partners)	40.00	35.00
Do	Albertine Enterprises, Inc (For:Potomac Capital Investment Corp)	200.00	60.00
Do	Albertine Enterprises, Inc (For:Stairway Manufacturers Assn, Inc)	250.00	60.00
Do	Albertine Enterprises, Inc (For:Sunbeam-Oster Co, Inc)	400.00	60.00
Do	Albertine Enterprises, Inc (For:SMS Corp)	1,500.00	250.00
John M. Albertine, 1156 15th Street, NW, #505 Washington, DC 20005	Albertine Enterprises, Inc (For:Association of School Business Offcials International).	900.00	96.00
Do	Albertine Enterprises, Inc (For:Coalition for Customer Choice in Electricity)	300.00	65.00
Do	Albertine Enterprises, Inc (For:Coalition for Protection of Competition in Inform Services).	5.00	6.00
Do	Albertine Enterprises, Inc (For:Exide Electronics, Inc)	900.00	40.00
Do	Albertine Enterprises, Inc (For:Fruit of the Loom, Inc)	6,000.00	90.00
Do	Greater Washington Society of Assn Executives	60.00	15.00
Do	Albertine Enterprises (For:International Assn of Conventions & Visitor Bureaus)	300.00	50.00
Do	Albertine Enterprises, Inc (For:Itron and Amrplus Partners)	60.00	35.00
Do	Albertine Enterprises, Inc (For:Potomac Capital Investment Corp)	300.00	40.00
Do	Albertine Enterprises, Inc (For:Stairway Manufacturers Assn, Inc)	60.00	15.00
Do	Albertine Enterprises, Inc (For:Sunbeam-Oster Co, Inc)	500.00	150.00
Do	Albertine Enterprises, Inc (For:SMS Corp)	1,500.00	150.00
Albertine Enterprises, Inc, 1156 15th Street, NW, #505 Washington, DC 20005	Association of School Business Officials International	1,500.00	270.00
Do	Coalition for Customer Choice in Electricity	500.00	250.00
Do	Coalition for Protection of Competition in Inform Services	200.00	15.00
Do	Exide Electronics, Inc	1,500.00	120.00
Do	Fruit of the Loom, Inc	3,000.00	400.00
Do	Greater Washington Society of Assn Executives	100.00	30.00
Do	International Assn of Conventions & Visitor Bureaus	500.00	120.00
Do	ITRON and AMRplus Partners, Inc	100.00	55.00
Do	Potomac Capital Investment Corp	500.00	60.00
Do	Stairway Manufacturers Assn, Inc	500.00	250.00
Do	Sunbeam-Oster Co, Inc	1,000.00	250.00
Do	SMS Corp	2,500.00	250.00
Dale L. Alberts, 6305 Waterford Blvd., Suite 325 Oklahoma City, OK 73118	Rio Algom Mining Corp	11,813.00	13,724.00
Margaret Alessi, 1310 G Street, NW, 12th Floor Washington, DC 20005	Blue Cross & Blue Shield Assn	2,250.00	842.40
Arthur J. Alexander, 1000 Connecticut Ave., NW Washington, DC 20036	Japan Economic Institute of America	500.00	
William Alexander, 1425 Ironwood Drive McLean, VA 22101	Azerbaijan Study Foundation	9,000.00	
William V. Alexander, 1425 Ironwood Drive McLean, VA 22101	American Citizens Abroad		
Do	Federal Express		
Pamela J. Allen, 3601 Vincennes Road P.O. Box 68700 Indianapolis, IN 46268	National Assn of Mutual Insurance Companies	185.50	
Virgil Allen, 1300 I St., NW, #470E Washington, DC 20005	Project Acta, Inc	100.00	
Alliance for Competitive Communications, 1133 21st Street, NW, #700 Washington, DC 20036			
Alliance for Competitive Transportation, 1201 Pennsylvania Ave., NW, #821 Washington, DC 20004		12,448.00	1,491.76
Alliance for Reasonable Regulation, 1331 Pennsylvania Ave., NW Suite 1500-North Tower Washington, DC 20004-1790		384,885.00	384,885.00
Alliance of American Insurers, 1211 Connecticut Avenue, NW, #400 Washington, DC 20036			72,350.21
Alliance of Nonprofit Mailers, 2001 S Street, NW, #301 Washington, DC 20009		3,670.12	6,071.54
Ed Allison, Inc, 145 Brinkley Avenue, Suite B Reno, NV 89509	National Medical Care	13,000.00	
Alpha Group: Designs for Education, 1319 F Street, NW, Suite 900 Washington, DC 20004	First Church of Christ, Scientist	195.00	
Alston & Bird, 700 13th Street, NW, #350 Washington, DC 20005-3960	GTE Personal Communications Services		
Law Offices of Robert Altman, 901 15th Street, NW, #400 Washington, DC 20005	Golden Rule Insurance Co	1,800.00	676.50
Thomas H. Altmeyer, 1130 17th St., NW Washington, DC 20036	National Mining Assn	15,000.00	198.00
Amalgamated Transit Union, AFL-CIO, 5025 Wisconsin Avenue, NW Washington, DC 20016			5,000.00
America's Community Bankers, 900 19th Street, NW Washington, DC 20006		2,472,822.50	141,962.26
American Academy of Family Physicians, 8880 Ward Parkway Kansas City, MO 64114		50,819.37	50,819.37
American Academy of Ophthalmology, 1101 Vermont Ave., NW, #300 Washington, DC 20005			55,464.50
American Amusement Machine Assn, 450 East Higgins Road Elk Grove Village, IL 60007-1417		59,500.00	27,633.47
American Assn for Respiratory Care, 11030 Ables Lane Dallas, TX 75229		56,684.73	56,684.73
American Assn of Airport Executives, 4212 King Street Alexandria, VA 22302			44,732.89
American Assn of Legal Publishers, 282 N. Washington Street Falls Church, VA 22046		3,077.00	795.00
American Assn of Meat Processors, P.O. Box 269 Elizabethtown, PA 17022		185.72	50.00
American Assn of Retired Persons, 601 E Street, NW Washington, DC 20049			935,688.32
American Assn of University Women, 1111 16th Street, NW Washington, DC 20036			625.29
American Automobile Manufacturers Assn, 1401 H Street, NW, suite 900 washington, DC 20005			110,564.04
American Bankers Assn, 1120 Connecticut Avenue, NW Washington, DC 20036		427,477.24	427,477.24
American Cemetery Assn, 1895 Preston White Drive, Suite 220 Reston, VA 22091-5434			
American Consulting Engineers Council, 1015 15th Street, NW, #802 Washington, DC 20005		70,202.50	53,239.18
American Continental Group, Inc, 601 Pennsylvania Avenue, NW Suite 900 Washington, DC 20004	AKT Development Corporation		
Do	Bayless Boland Madigan & Barrett, Inc		
Do	Compex Corporation		
Do	CSR America, Inc		
Do	Envirotest Systems		
Do	Fisher Imaging		
Do	Flowind Corporation		
Do	FloSun Corp		
Do	GEC-Marconi Systems		
Do	Hill International, Inc		
Do	I-Stat Corporation		
Do	Litton - Applied Technology		
Do	Mikros Systems Corp		
Do	National Alliance of Credit Unions		
Do	National Assn of Retail Collection Attorneys		
Do	Ncube		
Do	Omni-Tech Medical Inc		
Do	Plasma-Therm		
Do	Repeal PUHCA Now Coalition		
Do	SeaBeam		
Do	Syracuse University		
Do	Vanguard		
American Council for Capital Formation, 1750 K Street, NW, #400 Washington, DC 20006		27,235.00	26,133.00
American Dance Therapy Assn, 2000 Century Plaza, #108 Columbia, MD 21044		1,338.00	
American Defense International, Inc, 1019 19th Street, NW, #350 Washington, DC 20036	CASA Aircraft USA, Inc	8,000.00	66.00
Do	Marine Energy Systems	10,000.00	
Do	Munitions Industrial Base Task Force	12,000.00	
American Egyptian Chamber of Commerce, 815 Connecticut Ave., NW, #900 Washington, DC 20006		2,500.00	
American Farm Bureau Federation, 225 Touhy Avenue Park Ridge, IL 60068		235,838.00	235,838.00
American Fed of Labor & Congress of Industrial Organizations, 815 16th St., NW Washington, DC 20006			202,795.65

Organization or Individual Filing	Employer/Client	Receipts	Expenditures
American Financial Services Assn, 919 18th Street, NW Washington, DC 20006			1,000.00
American Foreign Service Assn, 2101 E Street, NW Washington, DC 20037		4,572.00	34,370.00
American Forest & Paper Assn, 1111 19th Street, NW Washington, DC 20036			19,550.00
American Frozen Food Institute, 1764 Old Meadow Rd., #350 Mclean, VA 22102		12,000.00	12,000.00
American Gaming Assn, 555 13th Street, NW, #430 West Washington, DC 20004		125,000.00	
American Health Care Assn, 1201 L Street, NW Washington, DC 20005		364,400.00	135,872.05
American Health Information Management Assn, 919 North Michigan Avenue, Suite 1400 Chicago, IL 60611-1683			8,906.28
American Hotel & Motel Assn, 1201 New York Ave., NW Washington, DC 20005		74,573.96	58,695.73
American Institute of Merchant Shipping, 1000 16th Street, NW, #511 Washington, DC 20036			12,972.19
American Insurance Assn, 1130 Connecticut Avenue, NW, #I000 Washington, DC 20036		6,173.00	6,173.00
American International Group, Inc, 70 Pine Street New York, NY 10270			96,638.45
American Israel Public Affairs Comm, 440 First Street, NW, #600 Washington, DC 20001		170,628.00	227,757.91
American Land Title Assn, 1828 L St., NW, #705 Washington, DC 20036			6,690.00
American League for Exports & Security Assistance, Inc, 122 C St., NW, #740 Washington, DC 20001		60,000.00	17,904.33
American Library Assn, 50 E. Huron Street Chicago, IL 60611		1,279.00	11,922.00
American Life League, Inc, Box 1350 Stafford, VA 22555		25,000.00	11,209.66
American Malting Barley Assn, Inc, 735 North Water Street, #908 Milwaukee, WI 53202		20,062.05	4,608.13
American Medical Assn, 515 North State Street Chicago, IL 60610			769,644.52
American Medical Security, 3100 AMS Boulevard P.O. Box 19032 Green Bay, WI 54307-9032			25,835.37
American Motorcyclist Assn, P.O. Box 6114 Westerville, OH 43081		22,540.11	22,540.11
American Movers Conference, 1611 Duke Street Alexandria, VA 22314			20,427.00
American Nurses' Assn, 600 Maryland Avenue, SW, #100 West Washington, DC 20024-2571	American College of Nurse Practitioners	2,025.00	75.95
Do		29,441.00	50,384.73
Do	Association of Operating Room Nurses	1,532.00	
American Occupational Therapy Assn, Inc, 4720 Montgomery Lane P.O. Box 31220 Bethesda, MD 20824-1220		22,586.05	22,586.05
American Optometric Assn, 1505 Prince Street, #300 Alexandria, VA 22314			
American Petroleum Institute, 1220 L St., NW Washington, DC 20005		348,613.86	378,910.19
American Physical Therapy Assn, 1111 N. Fairfax Street Alexandria, VA 22314		13,251.54	13,251.54
American Podiatric Medical Assn, 9312 Old Georgetown Road Bethesda, MD 20814-1621			1,425.52
American Portland Cement Alliance, 1212 New York Avenue, NW, #500 Washington, DC 20005			119,073.67
American Public Transit Assn, 1201 New York Avenue, NW Washington, DC 20005		131,104.00	131,104.00
American Pulpwood Assn, 600 East Jefferson Street, Suite 350 Rockville, MD 20852			
American Retreaders' Assn, P.O. Box 37203 Louisville, KY 40233		250.00	250.00
American Shooting Sports Council, 10 Perimeter Way, Suite B-250 Atlanta, GA 30339		46,834.08	46,931.52
American Short Line Railroad Assn, 1120 G Street NW, #520 Washington, DC 20005			2,480.00
American Soc of Anesthesiologists, 1101 Vermont Ave, NW, #606 Washington, DC 20005			59,052.06
American Soc of Cataract & Refractive Surgery, 4000 Legato Road, Suite 850 Fairfax, VA 22033-4003			110,818.16
American Soc of Hospital Pharmacists, 7272 Wisconsin Avenue Bethesda, MD 20814			29,804.00
American TelNet, Inc, 21000 N.E. 28th Avenue, #202 Miami, FL 33180			26,814.66
American Textile Manufacturers Institute, Inc, 1801 K Street, NW, #900 Washington, DC 20006		62,807.00	79,666.00
American Trucking Assns, Inc, 430 First Street, SE Washington, DC 20003		13,000.00	85,520.00
American Veterans of World War II, Korea & Vietnam (AMVETS), 4647 Forbes Boulevard Lanham, MD 20706			27,200.00
American Wind Energy Assn, 122 C Street NW 4th Floor Washington, DC 20001		60,500.00	58,805.03
Americans for Immigration Control, Inc, 725 2nd Street, NE Washington, DC 20002		13,888.67	13,888.67
Americans for Nonsmokers' Rights, 2530 San Pablo Ave., #J Berkeley, CA 94702		3,775.00	3,775.00
AmeriChoice Health Services, Inc, 8045 Leesburg Pike, Suite 650 Vienna, VA 22182			1,020.00
Amie Amiot, 10801 Rockville Pike Rockville, MD 20815	American Speech-Language-Hearing Assn		
Morris J. Amitay, P.C., 444 N. Capitol Street, NW, #712 Washington, DC 20001	American Assn of Pharmaceutical Distributors	12,500.00	
Do	Northrop Grumman Corporation	8,000.00	
Do	Thermedics Detection, Inc	7,500.00	295.34
Do	TRW Spce & Electronics Group	10,000.00	
Daniel G. Amstutz, 1300 L Street, NW, #900 Washington, DC 20005	North American Export Grain Assn, Inc		43.25
Anadarko Petroleum Corp, 17001 Northchase Drive Houston, TX 77251-1330			
Bryan D. Anderson, 800 Connecticut Ave., NW, Suite 711 Washington, DC 20006	Coca-Cola Co	99.00	74.52
Byron Anderson, 1001 Pennsylvania Ave, NW, #460(N) Washington, DC 20004-2505	New York Life Insurance Company	475.00	
Carl A. Anderson, 1275 Pennsylvania Ave., NW, #202 Washington, DC 20004-2404	Knights of Columbus	400.00	
Caroline Anderson, 600 Maryland Ave., SW Washington, DC 20202-4	American Farm Bureau Federation	5,250.00	1,134.07
Cynthia C. Anderson, 750 17th Street, NW 4th Floor Washington, DC 20006-4607	Enron Corp	3,000.00	
David J. Anderson, 66 S. Pearl Street Albany, NY 12207	KeyCorp/Key Bank of New York	830.77	84.38
Frederick M. Anderson, Box 3000 - Bldg. 5803 ECIFi, Dix J Fort Dix, NJ 08640-3000			
James A. Anderson Jr., 1725 K Street, NW, #710 Washington, DC 20006	National Assn of Wholesaler-Distributors		
Mahlon G. Anderson, 12600 Fair Lakes Circle Fairfax, VA 22033-4904	AAA Potomac	100.00	
Margo L. Anderson, 1725 Jefferson Davis Highway, Suite 901 Arlington, VA 22202	Alliant Techsystems, Inc	9,487.50	
Philmore B. Anderson, 412 1st Street, SE, Suite 300 Washington, DC 20003	Independent Insurance Agents of America	8,405.00	
Steven Anderson, 1764 Old Meadow Rd, #350 McLean, VA 22102	American Frozen Food Institute	6,600.00	
Tobyn J. Anderson, 601 Thirteenth Street, NW, #320 South Washington, DC 20005	National Independent Energy Producers	5,000.00	
Elaine Andrews, 1001 Pennsylvania Ave., NW Washington, DC 20004-2599	American Council of Life Insurance, Inc	300.00	
Andrews' Associates, Inc, 2550 M St., NW, #375 Washington, DC 20037	American Soc of Assn Executives		
Do	Blue Cross and Blue Shield of ND	20,000.00	
Do	Mars, Inc		
Do	National Trailer Dealers Assn		
Do	Safeguard America's Family Enterprises		
Animal Health Institute, 501 Wythe Street P.O. Box 1417-D50 Alexandria, VA 22313-1480			26,097.35
Decker Anstrom, 1724 Massachusetts Ave., NW Washington, DC 20036	National Cable Television Assn, Inc	16,875.00	
Ernest Antczak, 27777 Inkster Road Farmington Hills, MI 48334	Michigan National Corp		
Thomas D. Anthony, 2500 PNC Center Cincinnati, OH 45202	Frost & Jacobs (For:Comprehensive Medical, Inc)		
Do	Frost & Jacobs (For:Western Hills Imaging Center, Inc)		
Apartment & Office Building Assn of Metropolitan Washington, 1050 17th Street, NW, #300 Washington, DC 20036			
Judith C. Appelbaum, 1616 P Street, NW, #100 Washington, DC 20036	National Women's Law Center		53.50
James N. Arbury, 1850 M Street, NW, Suite 540 Washington, DC 20036	National Multi Housing Council	2,700.00	
Paul W. Arcari, 201 N. Washington Street Alexandria, VA 22314	Retired Officers Assn	10,425.00	
R. M. Julie Archuleta, 1747 Pennsylvania Avenue, NW, 3rd Fl. Washington, DC 20006	Occidental Chemical Corp		
Arent Fox Kintner Plotkin & Kahn, 1050 Connecticut Ave., NW Washington, DC 20036-5339	American Amusement Machine Assn	9,340.44	2,814.16
Do	American Assn of Bioanalysts	37,883.44	7,935.46
Do	American Assn of Occupational Health Nurses	10,374.24	779.16
Do	American Board of Examiners in Clinical Social Work	57.30	58.77
Do	American TelNet, Inc	4,615.50	168.60
Do	Association of Professional Flight Attendants		3.00
Do	Children With Attention Deficit Disorder (CHADD)		
Do	Children's Health Fund		
Do	Coalition for Fair Worker Classification		1,271.22
Do	Columbia University	5,030.00	1,056.91
Do	Health Commons Institute	1,379.35	25.27
Do	Independent Federation of Flight Attendants	1,714.59	43.75
Do	International Society for Clinical Laboratory Technology	3,000.00	
Do	Marion Merrell Dow, Inc	26,578.38	987.12
Do	Mercy Hospital of Des Moines, Iowa	4,603.00	750.76
Do	National Assn of Recording Merchandisers	2,539.73	270.01
Do	National Parking Association		
Do	Navajo Nation	27,648.29	1,283.41
Do	North American Training Services, Inc		
Do	Prime Time 24		429.55
Do	Raytheon Company	45,529.81	1,052.47
Do	Video Software Dealers Assn		14.75
Do	Worksite Health Promotion Alliance	4,184.45	170.61
Arizona Students' Assn, 511 West University Drive Suite 4 Tempe, AZ 85281-5585			
Thipphavone Phabmixay Ark, 1535 Mission Street San Francisco, CA 94103	Consumers Union of U.S., Inc		
John G. Arlington, 1130 Connecticut Ave., NW, #1000 Washington, DC 20036	American Insurance Assn	425.00	
David C. Armijo, 401 Coors Boulevard, NW Albuquerque, NM 87121	Westland Development Co, Inc	1,000.00	1,548.92
Angela J. Arnett, 1001 Pennsylvania Avenue, NW Washington, DC 20004	American Council of Life Insurance, Inc	1,000.00	
Luther Glenn Arnette, 1101 Mercantile Lane, Suite 100 Landover, MD 20785	American Military Society (AMS)		
Thomas K. Arnold, 6043 Shaffer Drive Alexandria, VA 22310	DeAngelus Schaffer...(for Comm of Amer Business for Equal..)	1,466.25	24.39
Arnold & Porter, 555 Twelfth Street, NW Washington, DC 20004-1202	American Red Cross		
Do	Atlantic Richfield Co	2,047.95	28.11

Organization or Individual Filing	Employer/Client	Receipts	Expenditures
Do	Bessemer Group, Inc		
Do	Building and Construction Trade Department, AFL-CIO		
Do	City of Reading		
Do	Commissioner, Dept of Telecommunications City of New York		
Do	Computer Sciences Corp		
Do	Continental Corporation		
Do	General Cable Corp		
Do	Glaxo, Inc		
Do	Greenwich Capital Markets, Inc	3,672.48	27.02
Do	Hoffmann-La Roche, Inc		
Do	Hopi Indian Tribe		
Do	Michigan National Corp (for: Beverly Hills Fed Savings Bank)		
Do	Montefiore Medical Center		
Do	Motorola, Inc	12,496.02	70.75
Do	National Assn of Telecommunications Officers & Advisors		
Do	Paine Webber Group, Inc		
Do	Philip Morris, Inc	296.40	
Do	Recording Industry Assn of America, Inc	3,775.29	28.26
Do	Republic of Venezuela		
Do	Sacramento Municipal Utility District		
Do	Scripps Research Institute		
Do	Stanford University	204.60	
Do	State Farm Mutual Automobile Insurance Co	24,362.00	2.10
Do	Tambrands, Inc		
Do	Unilever United States, Inc		
Wayne Arny & Associates, Inc, 2600 Virginia Avenue, NW, #600 Washington, DC 20037	Guam Port Authority		
Thomas M. Arrasmith, 1301 K Street, NW, #1200 Washington, DC 20006	IBM Corp	5,688.50	465.38
Deborah McNeal Arrindell, 600 Maryland Ave., SW, #100 West Washington, DC 20024-2571	Home Care Aide Assn of America/National Assn for Home Care	350.00	
Arter & Hadden, 1801 K Street, NW, #400K Washington, DC 20006	American Insurance Assn		
Do	American Koyo Corp	2,110.00	551.00
Do	Association for Responsible Thermal Treatment		
Do	Bristol Myers Squibb Co	2,320.00	688.00
Do	BKK Corporation	3,870.00	1,233.00
Do	Cellular Telecommunications Industry Assn	9,595.00	2,616.00
Do	Centerior Energy Corp		
Do	Central & South West Corp	4,875.00	2,638.00
Do	Circus Circus Enterprises, Inc	3,990.00	198.00
Do	Citicorp	6,335.00	2,477.00
Do	Corning, Inc	8,840.00	3,756.00
Do	CAI Wireless	675.00	383.00
Do	Electronic Data Systems Corp		
Do	Fairchild Aircraft, Inc	5,330.00	2,173.00
Do	Federated Investors	500.00	350.00
Do	Financial Guaranty Insurance Corp		
Do	Great Lakes Museum of Science Environment & Technology	3,325.00	1,258.00
Do	Hearst Corp	1,100.00	650.00
Do	Hicks Muse Tate & Furst		
Do	Hunt Valve Co, Inc	250.00	150.00
Do	Information Technology Industry Council	3,685.00	1,042.00
Do	Investment Company Institute	1,515.00	539.00
Do	Jeffries & Co, Inc		
Do	LTV Corp		
Do	Malrite Communications		
Do	Monsanto		
Do	Motorola	5,155.00	1,885.00
Do	Mt Carmel Health	250.00	150.00
Do	National Assn of Broadcasters	700.00	230.00
Do	Nintendo of America		
Do	Pinpoint Communications		
Do	Sammons Enterprises, Inc	2,350.00	1,165.00
Do	Tesoro Petroleum		
Do	TCI/Liberty	840.00	366.00
Do	U.S. Long Distance Corp	2,750.00	856.00
Do	United Services Automobile Assn		
Do	Westinghouse Electric Corp	1,070.00	503.00
Do	Whirlpool Corp	2,885.00	872.00
Do	Working Group on R&D	4,170.00	1,603.00
Do	WorldCom, Inc	500.00	350.00
Anne Asher, 1130 Connecticut Ave., NW, Suite 830 Washington, DC 20036	Southern Company Services, Inc		4,238.28
Asian Pacific Economic Educational Cultural Organization, P.O. Box 891 Manila, Philippines			
Donald D. Asmonga, 1919 Pennsylvania Ave., NW, Suie 300 Washignton, DC 20006	American Health Information Management Assn	4,426.33	44.65
Associated Credit Bureaus, Inc, 1090 Vermont Avenue, NW, #200 Washington, DC 20005		1,500.00	
Associated General Contractors of America, 1957 E St., NW Washington, DC 20006			16,500.00
Association of American Publishers, 1718 Connecticut Avenue, NW Washington, DC 20009-1148		20,266.00	20,266.00
Association of American Railroads, American Railroads Building 50 F Street, NW Washington, DC 20001		199,531.85	199,531.85
Association of American Veterinary Medical Colleges, 1101 Vermont Avenue, NW, #710 Washington, DC 20005			
Association of Bankruptcy Professionals, Inc, P.O. Box 1394 Lynchburg, VA 24505			1,405.35
Association of Maximum Service Television, Inc, 1776 Massachusetts Avenue, NW, #310 Washington, DC 20036			
Association of State & Territorial Health Officials, 415 Second Street, NE, Suite 200 Washington, DC 20002			6,203.50
Bob Asztalos, 1201 L Street, NW Washington, DC 20005	American Health Care Assn	14,000.00	286.95
Atlantic Richfield Co, 515 South Flower Street Los Angeles, CA 90071			2,158.00
Fritz E. Attaway, 1600 Eye St., NW Washington, DC 20006	Motion Picture Assn of America, Inc	1,680.00	182.52
Jonathan P. Atwood, 100 West Putnam Avenue Greenwich, CT 06830	UST Public Affairs, Inc		
Kenneth E. Auer, 50 F Street, NW, #900 Washington, DC 20001	Farm Credit Council	140.00	640.00
Linda M. Auglis, 1100 South Washington Street Alexandria, VA 22314-4494	National Beer Wholesalers Assn	1,874.60	21.45
Frank W. Ault, 2009 N. 14th Street, #300 Arlington, VA 22201	American Retirees Assn	6,150.00	
Anna Aurilio, 218 D Street, SE Washington, DC 20003	U.S. Public Interest Research Group	8,218.41	
John S. Autry, 1133 Connecticut Avenue, NW, #1010 Washington, DC 20036	JSA-1, Inc	10,000.00	1,449.10
Les AuCoin, Bogle & Gates 1299 Pennsylvania Ave., NW, #875 East Washington, DC 20004	American Forest & Paper Assn		
Do	First Technology Federal Credit Union		
Do	Global Forestry Management Group		
Do	Harsch Investment Co		
Do	International Paper	1,818.00	
Do	Northwest Forest Resource Council	404.00	
Avon Products, Inc, 9 West 57th Street New York, NY 10019			
Michael G. Ayre, P.O. Box 130 Levis P.Q. Canada G6V 6N7	Mil Davie, Inc		
Merribel Symington Ayres, 601 13th Street, NW, #320 South Washington, DC 20005	National Independent Energy Producers	7,678.13	
AIDS Action Council, Inc, 1875 Connecticut Avenue, NW, #700 Washington, DC 20009			4,540.05
AOPA Legislative Action, 500 E Street, SW, #920 Washington, DC 20024		320,298.00	171,609.00
ARCO Chemical Co, 3801 West Chester Pike Newtown Square, PA 19073			36.00
Edward J. Babbitt, 400 Broadway Cincinnati, OH 45202	Western & Southern Life Insurance Co	125.00	252.40
Gregory R. Babyak, 1747 Pennsylvania Ave., NW, #900 Washington, DC 20006	Contact Lens Institute		
Do	Genentech		
Do	MacAndrews & Forbes Holding, Inc		
Michael G. Bader, P.O. Box 8731 Missoula, MT 59807	Alliance for the Wild Rockies, Inc		
Wendy Baer, 4214 King Steet, West Alexandria, VA 22302	IHPA - The International Wood Products Assn	199.90	164.32
Charlotte M. Bahin, 900 19th Street, NW, Suite#400 Washington, DC 20006	America's Community Bankers		
George F. Bailey Jr., 400 South Union Street, #495 Montgomery, AL 36104	CSX Transportation		
Bailey & Robinson, 1201 Connecticut Avenue, NW, #300 Washington, DC 20036	Bayer Corporation	25,000.00	
Do	Natural Disaster Coalition	11,000.00	
Do	Bailey & Robinson (For:Nonprescription Drug Manufacturers Assn)	19,986.00	
Do	North American Vaccine, Inc	60,000.00	
Do	Ormet	30,000.00	
Do	Utilities Telecommunication Council		

Organization or Individual Filing	Employer/Client	Receipts	Expenditures
Deborah Baker, 2900 Chamblee Tucker Rd., Bldg. 5 Atlanta, GA 30341	American Forest & Paper Assn, Inc		
Gerald E. Baker, 1625 Massachusetts Avenue, NW Washington, DC 20036	Air Line Pilots Assn	18,750.00	1,023.85
James Jay Baker, 1742 N Street, NW Washington, DC 20036	National Rifle Assn of America	3,257.00	
Do	Sporting Arms & Ammunition Manufacturers Institute	4,950.00	970.00
John D. Baker, 815 Sixteenth Street, NW Washington, DC 20006	International Longshoremen's Assn, AFL-CIO	8,490.99	
R. Garrity Baker, 2501 M Street, NW Washington, DC 20037	Chemical Manufacturers Assn, Inc		
Baker & Botts, L.L.P., The Warner 1229 Pennsylvania Ave., NW Washington, DC 20004-2400	Association for Manufacturing Technologies	23,834.98	115.00
Do	Computer & Business Equipment Manufacturers Assn	4,000.00	47.00
Do	Mickey Leland National Urban Air Toxics Research Center	1,695.90	1,656.00
Do	Ministry of Foreign Affairs of the Republic of Yemen		
Do	Rhone-Poulenc, Inc		427.00
Do	Sanifill, Inc		
Do	Westinghouse Electric Corp	1,118.78	1.00
Baker Donelson Bearman & Caldwell, 801 Pennsylvania Ave., NW, #800 Washington, DC 20004	Alcalde & Fay		
Baker Healthcare Consulting, Inc, Suite 2000, Box 82058 One American Square Indianapolis, IN 46282	Colquitt Regional Medical Center	7,500.00	
Do	Good Samaritan Hospital & Health Care Center	4,000.00	
Do	Marion General Hospital	2,000.00	
Do	St. Anthony Hospital & Health Care Center	4,000.00	
Do	Titus County Memorial Hospital	6,500.00	
Do	United Hospital	6,500.00	
Do	Winter Haven Hospital	10,000.00	
Diane L. Baldwin, 200 South Sixth Street Minneapolis, MN 55402	Grand Metropolitan, Inc	200.00	1,041.00
Elizabeth Baldwin, 750 First Street, NE Washington, DC 20002-4242	American Psychological Assn	1,524.54	54.25
Paul W. Baldwin, 500 Arcola Road Collegeville, PA 19426	Rhone-Poulenc Rorer Pharmaceuticals, Inc	1,500.00	
Stanley W. Balis, 1140 19th Street, NW, #700 Washington, DC 20036	Miller Balis & O'Neil, P.C. (For:American Public Gas Assn)		
William L. Ball III, 1101 16th Street, NW Washington, DC 20036	National Soft Drink Assn	616.03	
William Lewis Ball, 1660 L Street, NW, #401 Washington, DC 20036	General Motors Corp	3,000.00	4,680.67
Debra T. Ballen, 1130 Connecticut Avenue, NW, #1000 Washington, DC 20036	American Insurance Assn		
Thomas M. Balmer, 1250 H Street, NW, Suite 900 Washington, DC 20005	International Dairy Foods Association		
Michael Baly III, 1515 Wilson Blvd Arlington, VA 22209	American Gas Assn	4,000.00	
Balzano Associates, 1730 North Lynn Street Arlington, VA 22209	Northrop Grumman Corporation		
James T. Banks, 1155 Connecticut Avenue, NW, #800 Washington, DC 20036	WMX Technologies, Inc	5,000.00	
Kip B. Banks, 1201 New York Avenue, NW Washington, DC 20005	American Public Transit Assn	7,725.00	172.00
M. Graeme Bannerman, 888 16th St., NW Washington, DC 20006	Bannerman & Associates, Inc (For:Arab Republic of Egypt)	3,000.00	213.54
Do	Bannerman & Associates, Inc (For:Embassy of El Salvador)	500.00	
Do	Bannerman & Associates, Inc (For:Government of the United Arab Emirates)	1,500.00	
Do	Bannerman & Associates (For:L.A. Motley & Co (for: Government of the Philippines)).	2,000.00	121.94
Do	Bannerman & Associates, Inc (For:Lebanese American University)	1,000.00	
Robert D. Bannister, 15th & M Streets, NW Washington, DC 20005	National Assn of Home Builders of the U.S.	33,780.99	
James W. Bapple III, 5535 Hampstead Way Springfield, VA 22151	National Assn for Uniformed Services	1,102.50	
Samuel J. Baptista, 1776 Eye Street, NW, #735 Washington, DC 20006	Financial Services Council	5,513.00	
Emory W. Baragar, 1700 N. Moore St., #2120 Rosslyn, VA 22209	Boeing Company	7,045.44	519.77
Dana Barbieri, 600 Maryland Ave., SW, Sutie 700 Washington, DC 20024	National Fed of Independent Business	3,401.00	200.00
Betsy F. Barclay, 1445 New York Avenue, NW, 8th Floor Washington, DC 20005	Public Securities Assn	12,500.00	423.84
Donald P. Barger, 74 Dairypond Road Norris, TN 37828	National Parks & Conservation Assn	583.20	52.36
Russell E. Barker, 9005 Congressional Court Potomac, MD 20854	Peanut and Tree Nut Processors Assn	4,200.00	2,526.69
G. Denise Barksdale, 1667 K Street, NW, #1270 Washington, DC 20006	Warner-Lambert Company		
Jared A. Barlage, 122 C Street, NW, 4th Floor Washington, DC 20001	American Wind Energy Assn	6,956.22	
William J. Barloon, 1850 M Street, NW, #1110 Washington, DC 20036	Sprint Corporation	7,000.00	1,394.78
Thomas W. Barlow, P.O. Box 14000 Juno Beach, FL 33408	Florida Power & Light Co		
Ben F. Barnes, 98 San Jacinto Boulevard, #200 Austin, TX 78701		500.00	851.00
Iraline G. Barnes, 1900 Pennsylvania Ave, NW Washington, DC 20068	Potomac Electric Power Company		
Joseph L. Barnes, 125 N. West Street Alexandria, VA 22314-2754	Fleet Reserve Assn		
Mark Barnes, 1200 G Street, NW, Suite 800 Washington, DC 20005	FireArm Importers Fair Trade Group (FAIR)	1,623.00	403.10
Do	National Rifle Assn	18,229.78	3,283.96
Larry P. Barnett, 8752 Center Road Springfield, VA 22152	Aviation Management Associates (For:Wilcox Electric, Inc)		
Sarah Barnett, 1101 15th Street, NW, #600 Washington, DC 20005	Sugar Assn, Inc	356.00	10.00
Barnett & Sivon, PC, 2000 M Street, NW, Suite 740 Washington, DC 20036	Citibank, NA	3,442.00	80.00
Michael E. Baroody, 1331 Pennsylvania Avenue, NW, #1500-N Washington, DC 20004-1703	National Assn of Manufacturers	990.00	
Eugene M. Barr, Associated Petroleum Industries of PA P.O. Box 925 Harrisburg, PA 17108	American Petroleum Institute		
James C. Barr, 1840 Wilson Blvd., #400 Arlington, VA 22201	National Milk Producers Federation	3,150.00	
Terry N. Barr, 50 F Street, NW, #900 Washington, DC 20001	National Council of Farmer Cooperatives		
David C. Barrett Jr., 1201 New York Ave., NW, #830 Washington, DC 20005	National Grain & Feed Assn	7,500.00	
David J. Barrett, 801 Pennsylvania Ave., NW, Suite 955 Washington, DC 20004	Morgan Stanley & Co, Inc	4,000.00	
Michael F. Barrett Jr., 1275 Pennsylvania Ave., NW, #1100 Washington, DC 20004-2404	ALZA Corporation		
Robert E. Barrow, 1616 H Street, NW Washington, DC 20006	National Grange	5,000.00	
Colleen L. Barry, 1828 L Street, NW, Suite 1010 Washington, DC 20036	Rosapepe & Spanos, Inc (For:H & R Block)	1,236.92	
Thomas M. Barry, 1401 I Street, nw, Suite 1100 Washington, DC 20005	SBC Communications, Inc	15,000.00	
Linda Curry Bartholomew, 2 North 9th Street Allentown, PA 18101	Pennsylvania Power & Light Co	550.00	
Robert G. Bartlett, 1415 Elliot Place, NW Washington, DC 20007	National Stone Assn	4,000.00	500.00
Virginia Bartlett, One Sony Drive Park Ridge, NJ 07656	Sony Electronics, Inc	4,000.00	
William N. Bartolone, 1331 Pennsylvania Ave., NW, #1331N Washington, DC 20004	Cray Research, Inc	10,000.00	35,050.00
Jo-Anne R. Basile, 1250 Connecticut Ave., NW, 2nd Floor Washington, DC 20036	Cellular Telecommunications Industry Assn		
J. Mel Bass, 1401 H Street, NW Washington, DC 20005	American Automobile Manufacturers Assn	2,000.00	97.16
Robert W. Batchelder, 1201 New York Ave., NW Washington, DC 20005	American Public Transit Assn	1,500.00	
Dick Batchelor Management Group, Inc, 201 South Orange Ave., Suite 1017 Orlando, FL 32801	Orlando-Orange County Expressway Authority	20,000.00	1,096.97
Diane Bateman, 501 2nd Street, NE Washington, DC 20002	Fertilizer Institute	9,000.00	670.64
Douglas P. Bates, 1001 Pennsylvania Ave., NW Washington, DC 20004-2599	American Council of Life Insurance, Inc	3,000.00	
Lana R. Batts, 2200 Mill Road Alexandria, VA 22314	Interstate Truckload Carriers Conference	700.00	350.00
Gary Lee Bauer, 700 13th Street, NW, #500 Washington, DC 20005	Family Research Council	538.00	
John L. Bauer Jr., 1667 K St., NW, #430 Washington, DC 20006	Armco, Inc		
Laura M. Baughman, 325 7th Street, NW, #1110 Washington, DC 20004	Trade Partnership (For:Coalition for GSP)	4,850.00	1,165.75
Barbara Bauman, 1301 Pennsylvania Ave., NW, Suite 1030 Washington, DC 20004	Kansas City Power & Light Company, et al.	19,517.00	10,350.80
Charles E. Baxter, P.O. Box 1682 Austin, TX 78767	Blue Cross & Blue Shield of Texas, Inc	7,500.00	
Tammy L. Baxter, 1155 15th Street, NW, Suite 600 Washington, DC 20005	Pennzoil Company	350.00	
Carl T. Bayer, 2111 Wilson Boulevard, Suite 1100 Arlington, VA 22201	Teledyne Industries, Inc	4,800.00	
Judith Bayer, 1401 Eye Street, NW, Suite 600 Washington, DC 20005	United Technologies Corp	32,400.00	993.08
Bayh Connaughton Fensterheim & Malone, PC, 1350 Eye Street, NW, #200 Washington, DC 20005	Associated Group	10,427.32	450.00
Do	Citicorp		
Do	Cook Group	17,216.82	450.00
Do	Crown Butte Mines, Inc		
Do	Illinois Tool Works, Inc		
Do	National Basketball Assn		
Do	National Soft Drink Assn	4,303.38	250.00
Do	Real Estate Capital Recovery Assn		
Do	TENNECO	31,211.58	450.00
Kim Koontz Bayliss, One Massachusetts Ave., NW, Third Floor Washington, DC 20001	United Video, Inc	17,010.00	8,884.99
Joanne Elden Beale, 4455 Woodson Road St. Louis, MO 63134	Catholic Health Assn of the United States		
Bruce A. Beam, 801 Pennsylvania Ave, #214 Washington, DC 20004	American Electric Power Service Corp	399.00	648.52
Robert L. Beauregard, 1150 Connecticut Ave., NW, Suite 717 Washington, DC 20036	Southern California Gas Co		
Charles D. Becher, 1350 Eye Street, NW, Suite 1000 Washington, DC 20005	Ford Motor Company	1,500.00	786.80
Bechtel & Cole, Chartered, 1901 L Street, Nw, Suite 250 Washington, DC 20036	Advanced Cordless Technologies, Inc		35.00
Edward A. Beck III, 1615 L Street, NW, #1205 Washington, DC 20036	Smith Helms Mulliss & Moore	3,810.36	438.54
Brenda Larsen Becker, 1310 G Street, NW, l2th Floor Washington, DC 20005	Blue Cross & Blue Shield Assn	1,857.00	1,456.84
Steven M. Beckman, 1757 N Street, NW Washington, DC 20036	Int'l Union, United Auto Aerospace & Agric Implement Workers	9,805.69	25.00
Elizabeth W. Beckwith, 300 5th Street, NE Washington, DC 20002	American Osteopathic Assn	10,000.00	
Howard Bedlin, 601 E Street, NW Washington, DC 20049	American Assn of Retired Persons	12,364.97	581.50
Mary Elizabeth Beetham, 1101 14th St., NW, #1400 Washington, DC 20005	Defenders of Wildlife	1,584.14	21.20
William A. Behan, 1700 N. Moore St., #1801 Arlington, VA 22209	Magnavox Electronic Systems Corp	4,000.00	1,766.49
Edwin L. Behrens, Market Square 801 Pennsylvania Ave., NW, #720 Washington, DC 20004-2604	Procter & Gamble Co	79.33	
Joe Belew, 1000 Wilson Boulevard, 30th floor Arlington, VA 22209-3908	Consumer Bankers Assn		59.23
Aleesa Bell, 1101 Pennsylvania Ave., NW, #200 Washington, DC 20004	International Paper	3,440.00	221.00
Judith Bell, 1535 Mission Street San Francisco, CA 94103	Consumers Union		

Organization or Individual Filing	Employer/Client	Receipts	Expenditures
Stephan D. Bell, 600 Maryland Ave., SW, #202W Washington, DC 20024	Farmers' Educational & Co-Operative Union of America	5,265.50	299.10
Winston Everett Bell, P.O. Box 26543 Las Vegas, NV 89126			
Trina Bellak-Bronfman, 9120 Friars Rd. Bethesda, MD 20817	Humane Society of the U.S.	8,812.50	
T. A. Bellissimo, 1000 Connecticut Ave., NW, Suite 507 Washington, DC 20036	Household Financial Group, Ltd	2,150.00	
Lisa Bellucci, 15th & M Streets, NW Washington, DC 20005	National Assn of Home Builders of the U.S.	8,030.78	
Terre Belt, 1015 Fifteenth Street, NW, #802 Washington, DC 20005	American Consulting Engineers Council	1,875.00	
Catherine A. Belter, 8616 Etta Drive Springfield, VA 22152	National PTA		205.27
Keith B. Belton, 2501 M Street, NW Washington, DC 20037	Chemical Manufacturers Assn	5,000.00	582.00
Jennifer L. Bendall, 1020 19th Street, NW, #200 Washington, DC 20036	Recording Industry Assn of America, Inc	12,000.00	
Beverly Ann Benedict, 2414 16th Street Anacortes, WA 98221	Gertrude J. Dombrowski Research Organization		25.66
Mark Benedict, 900 2nd STreet, NE, Suite 306 Washington, DC 20002	Ferroalloy Assn	2,500.00	
Maynard Benjamin, 1600 Duke Street, #440 Alexandria, VA 22314-2700	Envelope Manufacturers Assn of America		4,040.40
Mike Benner, 1300 L St., NW Washington, DC 20005	American Postal Workers Union, AFL-CIO	3,488.62	
Barbara Anne Bennison, 1155 15th Street, NW, #801 Washington, DC 20005	Education Finance Council	687.50	
John C. Bennison, 1101 King Street Alexandria, VA 22314	American Soc of Travel Agents	8,500.00	
Frederick S. Benson III, 2001 L Street, NW, #304 Washington, DC 20036	Weyerhaeuser Company		512.51
James E. Benton, New Jersey Petroleum Council 150 W. State Street Trenton, NJ 08608	American Petroleum Institute	85.00	
Charles D. Beretz, 1101 14th Street, NW, #1400 Washington, DC 20005	Defenders of Wildlife	13.00	12.00
Diane Soucy Bergan, 1707 L Street, NW, #300 Washington, DC 20036	United Airlines, Inc		
Douglas L. Berger, 1333 F Street, NW, #710 Washington, DC 20004-1108	Advertising Mail Marketing Assn		
Bergner Bockorny Clough & Brain, 1101 16th Street, NW, #500 Washington, DC 20036	American Bankers Assn	16,563.25	1,655.00
Do	American Medical Security	5,225.00	595.00
Do	Biotechnology Industry Organization	6,775.00	837.00
Do	Business Roundtable	6,775.00	1,175.00
Do	Edison Electric Institute	1,425.00	370.00
Do	Elanco Animal Health	2,650.00	390.00
Do	Electronic Industries Assn	3,600.00	495.00
Do	Fox Broadcasting Company	8,875.00	1,399.55
Do	Friendship in Freedom	500.00	135.00
Do	Georgetown University Medical Center	3,375.00	515.00
Do	Glaxo, Inc	8,125.00	962.47
Do	HealthCare COMPARE Corp	5,425.00	990.00
Do	Mallinckrodt Specialty Chemical Co, Inc	2,375.00	455.00
Do	McDonnell Douglas Corp	920.00	317.46
Do	Metpath/Corning Life Sciences	4,150.00	820.00
Do	Ministry of Int'l Affairs of the Gov't of Quebec	500.00	105.00
Do	Murry's, Inc	1,200.00	525.00
Do	National Soft Drink Assn	4,900.00	595.00
Do	Newscorp, USA	570.00	115.00
Do	Northwest Airlines	3,715.00	632.00
Do	Ogden Martin Systems, Inc	3,915.00	725.00
Do	Personal Communications Industry Associationo, Inc	4,115.00	710.00
Do	Petroleum Marketers Assn of America	4,725.00	1,100.00
Do	Philip Morris Co, Inc	5,825.00	895.00
Do	Taipei Economic & Cultural Representative Office	675.00	113.00
Do	Ticketmaster	1,475.00	746.00
Do	United Bus Owners of America	525.00	70.00
Do	Wine & Spirits Wholesalers of America	5,275.00	440.00
Gene S. Bergoffen, 1320 Braddock Place, #720 Alexandria, VA 22314	National Private Truck Council		
Paul C. Bergson, 1319 F Street, NW, #301 Washington, DC 20004	Methyl Bromide Working Group	2,000.00	
Do	Point of Purchase Advertising Institute	5,000.00	
Do	Smokeless Tobacco Council	1,000.00	
Dayle Berke, 519 C Street, NE Washington, DC 20002	National Assn for Home Care	328.67	
Ann Richardson Berkey, One Post Street, Suite 3275 San Francisco, CA 94104	McKesson Corp	229.22	
Peter A. A. Berle, 700 Broadway New York, NY 10003	National Audubon Society	1,000.00	
Debra Berlyn, 1133 15th Street, NW, #575 Washington, DC 20005	National Assn of State Utility Consumer Advocates	1,750.00	206.00
Ellen Berman, 2000 L St., NW, #802 Washington, DC 20036	Consumer Energy Council of America		
Berman Enterprises, 1800 K Street, NW, #629 Washington, DC 20006	Flo-Sun Corp	1,200.00	
Mary E. Bernhard, 1615 H St., NW Washington, DC 20062	U.S. Chamber of Commerce	2,500.00	
Delanne Bernier, 1023 15th Street, NW, #400 Washington, DC 20005	Wine & Spirits Wholesalers of America, Inc		148.17
Jules Bernstein, 1920 L Street, NW, #602 Washington, DC 20036	Federal Law Enforcement Officers Assn	5,166.00	746.76
Norman W. Bernstein, 2000 M Street, NW, #745 Washington, DC 20036	N. W. Bernstien & Associates		4,322.43
Susan Bernstein, 1331 Pennsylvania Ave., NW, #1500-N Washington, DC 20004-1790	National Assn of Manufacturers	1,000.00	
Bernstein & Lipsett, 1920 L Street, NW, #602 Washington, DC 20036	National Assn of Police Organizations	3,000.00	156.68
Craig A. Berrington, 1130 Connecticut Ave., NW, #1000 Washington, DC 20036	American Insurance Assn		
Max N. Berry, 3213 O St., NW Washington, DC 20007	American Importers & Exporters Meat Products Group		
Do	Centre National Interprofessional de L'Economic Laitiere		
Do	Florida Department of Citrus		2,525.70
Robert E. Berry, 1515 Wilson Boulevard Arlington, VA 22209	American Gas Assn	1,950.00	281.13
Willard M. Berry, 801 Pennsylvania Ave., NW, Suite 950 Washington, DC 20004	European-American Chamber of Commerce in Wash, DC, Inc		
Max Berry Law Office, 3213 O Street, NW Washington, DC 20007	International Dairy Foods Assn		
Maria L. Berthoud, 412 First Street, SE, #300 Washington, DC 20003	Independent Insurance Agents of America, Inc	7,339.00	
Ed Bethune, 1001 N. Randolph, Suite 413 Arlington, VA 22101	Alltel Corp		488.22
Do	FBI Agents Assn	15,000.00	785.48
Robert Betz, 1350 New York Avenue, NW, Suite 200 Washington, DC 20005	Robert Betz Associates, Inc (For:Alabama Hospital Association)	3,100.00	537.35
Do	American Assn of Eye & Ear Hospitals	2,250.00	371.42
Do	AmeriNet	500.00	
Do	Health Industry Group Purchasing Assn	3,500.00	64.34
Janice Bezanson, 601 Westlake Drive Austin, TX 78746	Texas Committee on Natural Resources	250.97	224.10
Bible Hoy Trachok Wadhams & Zive, 232 Court Street Reno, NV 89501	First American Title Co of Nevada	6,585.35	
Bickerstaff Heath & Smiley, L.L.P., 98 San Jacinto Blvd., #1800 Austin, TX 78701-4039	Systems Control, Inc	6,357.00	
Nathan A. Bicks, 130 North Court Memphis, TN 38103	Belz Investco L.P.	1,530.00	
Everett E. Bierman, 1801 K Street, NW, Suite 400K Washington, DC 20006-1301	Arter & Hadden (For:Motorola)		
Heidi Biggs, 1100 Connecticut Avenue, NW, #530 Washington, DC 20036	Weyerhaeuser Company		548.90
James L. Bikoff, 1801 K Street, NW, Suite 400K Washington, DC 20006	Arter & Hadden (For:Nintendo of America, Inc)		
Moe Biller, 1300 L Streeet, NW Washington, DC 20005	American Postal Workers Union, AFL-CIO	14,347.65	
Kevin W. Billings, 1801 K Street, NW, Suite 800 Washington, DC 20006	Westinghouse Electric Corp	1,200.00	
Leon G. Billings, Inc, 1625 K St., NW, #790 Washington, DC 20006	Main San Gabriel Basin Water Quality Authority	16,150.00	
Do	Manville Corp	28,375.00	
Do	Metropolitan Insurance Companies	5,718.75	
Do	South Coast Air Quality Management District	15,000.00	
Do	Sterling Forest Corporation	11,662.50	
Do	Waste Management, Inc	37,500.00	
Ray B. Billups Jr., 1130 Connecticut Ave., NW, #830 Washington, DC 20036	Southern Company Services, Inc	16,810.96	8,391.25
David Billy, 1750 New York Ave., NW Washington, DC 20006	International Assn of Fire Fighters	11,243.00	
Stuart Binstock, 1735 New York Ave., NW Washington, DC 20006	American Institute of Architects	5,500.00	
William P. Binzel, 1401 Eye Street, NW Washington, DC 20005	MasterCard International, Inc	2,375.85	66.00
Cheryl Birdsall, 555 New Jersey Ave., NW Washington, DC 20001	American Fed of Teachers, AFL-CIO	14,689.26	40.00
John H. Birdsall III, Schelford Farm Route 16, Box 25 Charlottesville, VA 22901	NICOR, Inc		
Cherae Bishop, 1331 Pennsylvania Ave., NW, #1500-N Washington, DC 20004-1790	National Assn of Manufacturers		
McNair Bishop, 1764 Old Meadow Lane, #350 McLean, VA 22102	American Frozen Food Institute	500.00	
William G. Bishop III, 249 Maitland Avenue Altamonte Springs, FL 32701-4201	Institute of Internal Auditors		
Bituminous Coal Operators' Assn, 918 16th Street, NW, Suite 303 Washington, DC 20006-2971		34,681.00	34,681.00
Gerrie Bjornson, 1825 Eye Street, NW, #400 Washington, DC 20006	B.F. Goodrich Co	100.00	
Judy Black, 1450 G St., NW, Suite 485 Washington, DC 20005	Ticketmaster	650.00	
Kathleen Quint Black, 1200 18th Street, NW Washington, DC 20036-2506	McDermott Will & Emery (For:Comprehensive Health Service)	1,145.00	54.50
Sam Black, 4330 Leland Street Chevy Chase, MD 20815	Jeld-Wen Company		
Wayne V. Black, 1001 G Street, NW, #500 West Washington, DC 20001	Keller and Heckman (For:INDA, Assn of the Nonwoven Fabrics Industry)		
Do	Keller and Heckman (For:Tea Assn of the USA, Inc)		
Black & Decker Corp, c/o Samuel A. Bleicher Miles & Stockbridge 1450 G Street, NW, #445 Washington, DC 20005			87,287.11
Black Crotty Sims Hubka Burnett Bartlett & Samuels, 501 North Grandview Avenue P.O. Box 5488 Daytona Beach, FL 32018.	Aetna Life & Casualty	1,500.00	251.40
Do	Embry-Riddle Aeronautical University		
Black Manafort Stone & Kelly, Inc, 211 North Union Street, #300 Alexandria, VA 22314	Allied-Signal Corp	22,500.00	58.32

Organization or Individual Filing	Employer/Client	Receipts	Expenditures
Do	American Airlines, Inc	15,000.00	
Do	Bethlehem Steel Corp	22,500.00	
Do	Casino Association of New Jersey	7,500.00	
Do	Chrysler Corp	15,000.00	109.31
Do	Clark Construction Group	9,000.00	
Do	Johnson & Johnson, Inc	30,000.00	55.63
Do	Kashmiri American Foundation	35,000.00	83.95
Do	MacAndrews & Forbes Holdings, Inc	45,000.00	
Do	Morton International	35,000.00	124.31
Do	MGM Grand, Inc	5,000.00	
Do	NEC USA, Inc	37,500.00	
Do	Philip Morris	6,000.00	
Do	Roger Williams University	3,500.00	
Do	Trump Organization	18,000.00	
Do	Union Pacific Corp	15,000.00	
Do	United Parcel Service	5,625.00	
Do	UNITA	3,750.00	
Robert J. Blackwell Jr., 816 Connecticut Avenue, NW, #900 Washington, DC 20006	OHM Corp	6,000.00	2,466.57
Julia M. Blankenship, 1301 Pennsylvania Ave., NW, #1030 Washington, DC 20004	CINergy Corp	1,233.95	7,739.67
Samuel A. Bleicher, 1450 G Street, NW, #445 Washington, DC 20005	Miles & Stockbridge (For:Black & Decker Corp)	87,287.11	1,617.07
Michael E. Bleier, One Mellon Bank Center, #1915 Pittsburgh, PA 15258-0001	Mellon Bank N.A.	2,500.00	
Richard W. Bliss, 1079 Papermill Court, NW Washington, DC 20007	ALZA Corporation	1,700.00	46.18
Do	Consumers Paint Factory, Inc	75.00	
Do	Hunter Industrial Facilities, Inc		
Do	National Paint & Coatings Assn, Inc	1,000.00	115.04
Do	National Spa & Pool Institute	900.00	76.77
John R. Block, 201 Park Washington Court Falls Church, VA 22046	National-American Wholesale Grocers' Assn	3,000.00	
L. Thomas Block, 270 Park Avenue New York, NY 10017	Chemical Bank	10,000.00	3,800.00
Peter L. Blocklin, 1120 Connecticut Ave., NW Washington, DC 20036	American Bankers Assn	18,600.00	3,505.02
Rebecca K. Blood, 2301 M Street, NW Washington, DC 20037	American Public Power Assn	1,000.00	
John L. Bloom, 1029 N. Stuart St., #517 Arlington, VA 22201	American Cancer Society	3,100.00	875.00
Mark Bloomfield, 1750 K St., NW, #400 Washington, DC 20006	American Council for Capital Formation	15,156.00	
Shirley A. Bloomfield, 2626 Pennsylvania Ave., NW Washington, DC 20037	National Telephone Cooperative Assn	12,000.00	1,265.91
Robert S. Bludworth, 1100 South Washington Street, 1st floor Alexandria, VA 22314-4494	National Beer Wholesaler's Assn	7,575.36	
Blue Cross & Blue Shield of Florida, P.O. Box 1798 Jacksonville, FL 32231			2,673.77
Jared O. Blum, 3306 Shirley Lane Chevy Chase, MD 20815	Polyisocyanurate Insulation Manufacturers Assn	1,000.00	
Jennifer L. Blum, 1801 K Street, NW, #401K Washington, DC 20006-1301	Arter & Hadden (For:Centerior Energy Corp)		
Do	Arter & Hadden (For:CAI Wireless)		
Do	Arter & Hadden (For:Federated Investors)		
Blumenfeld & Cohen, 1615 M Street, NW, #700 Washington, DC 20036	Echelon Corporation	11,724.96	538.24
Patti Blumer, 1350 I Street, NW, #1030 Washington, DC 20005-3305	Principal Financial Group	205.20	
Boat Owners Assn of the U.S., 880 S. Pickett St. Alexandria, VA 22304		77,500.00	77,500.00
Jeffrey Bobeck, 1401 H Street, NW, #900 Washington, DC 20005	American Automobile Manufacturers Assn	4,862.50	435.95
Judith Ann Boddie, 701 Pennsylvania Ave., NW, 4th Floor Washington, DC 20004	Edison Electric Institute	12,708.79	414.29
Denise A. Bode, 1101 Sixteenth Street, NW Washington, DC 20036	Independent Petroleum Assn of America		25.00
Larry A. Boggs, 1299 Pennsylvania Ave., NW Washington, DC 20004-2407	General Electric Co	1,500.00	
Bogle and Gates, 1299 Pennsylvania Avenue, NW, #875 East Washington, DC 20004	American Dehydrated Onion & Garlic Assn	1,318.00	1,318.00
Do	American Forest & Paper Assn		
Do	American Sportfishing Assn	675.00	675.00
Do	Basic American, Inc	402.00	402.00
Do	City of Gresham	126.00	126.00
Do	Coastal Conservation Assn	1,350.00	1,350.00
Do	Confederated Tribes of the Grand Ronde	189.00	189.00
Do	Direct Service Industries, Inc	9,033.00	9,033.00
Do	Domestic Petroleum Council	998.00	998.00
Do	First Technology Federal Credit Union		
Do	Global Forestry Management Group		
Do	Hager Hinge Company	160.00	160.00
Do	Harsch Investment Co		
Do	International Paper	2,538.00	2,538.00
Do	Natural Resources United	1,077.00	1,077.00
Do	Northwest Forest Resource Council	1,410.00	1,410.00
Do	Pacific Northwest Utility Conference Committee	1,350.00	1,350.00
Do	Santa Fe Energy Resources, Inc		
Do	Santa Fe Pacific Gold Corp		
Do	Viceroy Gold Corp	225.00	225.00
Do	Washington Wheat Commission	402.00	402.00
Stacy A. Bohlen, 300 5th Street, NE Washington, DC 20002	American Osteopathic Assn	11,000.00	
S. Alexander Bohler, 8001 Braddock Road Springfield, VA 22160	National Right to Work Committee	3,125.00	173.98
John K. Boidock, 1455 Pennsylvania Ave., NW, #375 Washington, DC 20004	Texas Instruments, Inc	4,500.00	
James B. Boillot, 1005 E Street, SE Washington, DC 20003	National Agricultural Aviation Assn		
Patricia Boinski, 601 Pennsylvania Ave., NW North Building, 4th Floor Washington, DC 20004	Atlantic Richfield Co	240.00	
Stephen A. Bokat, 1615 H Street, NW Washington, DC 20062-2000	Chamber of Commerce of the U.S.		
John W. Boling Jr., 1111 19th Street, NW, #1100 Washington, DC 20036	Direct Marketing Assn	1,000.00	300.00
Eugene R. Bolo, 1233 Main St., #4000 Wheeling, WV 26003	Ormet Corp		
Benjamin C. Bolusky, 1250 Eye Street, NW, #500 Washington, DC 20005	American Assn of Nurserymen		
Manuel E. Bonilla, 1101 Vermont Ave., NW, #700 Washington, DC 20005	American Academy of Ophthalmology		4,052.83
John E. Bonitt, 555 12th Street, NW, #650 Washington, DC 20004	Eli Lilly & Co	1,500.00	92.43
Janee L. Bonner, 1101 Vermont Avenue, NW, Suite 606 Washington, DC 20005	American Soc of Anesthesiologists	949.20	
C. William Booher Jr., Booher & Associates 1333 New Hampshire Ave., NW, #600 Washington, DC 20036	National Wireless Resellers Assn	4,218.75	242.51
Gaylon B. Booker, P.O. Box 12285 Memphis, TN 38182	National Cotton Council of America	1,215.00	17.57
John K. Booth, 1001 Pennsylvania Ave., NW Washington, DC 20006	American Council of Life Insurance, Inc		
Lydia A. Borland, 2300 M Street, NW, #600 Washington, DC 20037	Capitoline/MS&L (For:Republic of Turkey)	10,000.00	
Richard H. Bornemann, 12 Fourth Street, SE Washington, DC 20003	Kansas City Southern Industries, Inc	2,000.00	
William J. Bosies Jr., 485 Lexington Avenue New York, NY 10017	New York State Bankers Assn	780.00	561.00
Carroll Bostic, 1776 I St., NW, Suite 1050 Washington, DC 20006	Eastman Kodak Company	4,700.00	733.00
Stephen Bosworth, 1295 State Street Springfield, MA 01111-0001	Massachusetts Mutual Life Insurance Company		
Francis D. Bouchard, 1301 Pennsylvania Ave., NW #900 Washington, DC 20004	Reinsurance Assn of America		
Deborah L. Boudreau, 1120 G Street, NW, Suite 900 Washington, DC 20005	National Ocean Industries Assn	3,712.00	
Claude P. Boudrias, 2501 M Street, NW Washington, DC 20037	Chemical Manufacturers Assn, Inc	400.00	369.00
Monte F. Bourjaily III, 218 South Fairfax Street Alexandria, VA 22314	Management Vision Partners, Inc	550.00	150.00
Do	Ritter & Bourjaily, Inc	1,000.00	275.00
Albert D. Bourland, 1350 I Street, NW, #800 Washington, DC 20005	Daimler-Benz Washington, Inc	7,500.00	984.53
Laura L. Bourne, 800 Connecticut Avenue, NW Washington, DC 20006	Food Marketing Institute	100.00	
Wayne A. Boutwell, 50 F Street, NW, #900 Washington, DC 20001	National Council of Farmer Cooperatives	3,000.00	
Joseph Bow, 1901 N. Moore Street Arlington, VA 22209	Foodservice & Packaging Institute		
Melissa L. Bowen, 1090 Vermont Ave., NW, #800 Washington, DC 20005	Equifax, Inc	11,500.00	
Donna Bower, 800 Connecticut Ave., NW, Suite 1100 Washington, DC 20006	Baxter, Gov't Affairs Div	100.00	70.00
Joanne Borghesi Bowers, 500 E Street, SW, #920 Washington, DC 20024	AOPA Legislative Action	7,500.00	46.78
John Bowers Jr., 815 16th Street, NW Washington, DC 20006	International Longshoremen's Assn, AFL-CIO	21,613.50	
M. Kenneth Bowler, 1455 Pennsylvania Ave., NW Washington, DC 20004	Pfizer, Inc	5,000.00	1,133.95
Christopher Bowlin, 1331 Pennsylvania Avenue, NW, #1500 N Washington, DC 20004-1703	National Assn of Manufacturers	175.00	
Richard P. Bowling, 1020 Princess Street Alexandria, VA 22314	Truck Trailer Manufacturers Assn	1,000.00	
John G. Boyd, 1301 K St., NW, #1200 Washington, DC 20005	International Business Machines Corp	5,960.00	173.75
Sandra J. Boyd, McGuiness & Williams 1015 15th Street, NW, #1200 Washington, DC 20005	Labor Policy Assn	4,468.00	
Do	National Assn of State Personnel Executives	3,495.00	57.00
Do	State of Washington	1,918.00	
Thomas M. Boyd, 600 Pennsylvania Ave., SE, Suite 206 Washington, DC 20003	Federal Kemper Life Assurance Co	1,020.50	525.29
Do	Kemper Corp		
Do	Kemper Financial Services, Inc	716.00	47.77
Do	Kemper Corporation (For:Kemper Investors Life Insurance Company)	1,020.50	525.30
Do	Kemper Corporation (For:Kemper Securities Group, Inc)	116.00	36.77
Philip B. Boyer, 421 Aviation Way Frederick, MD 21701	Aircraft Owners & Pilots Assn	803.84	
Do	AOPA Legislative Action	1,213.00	

Organization or Individual Filing	Employer/Client	Receipts	Expenditures
Violet A. Boyer, 1025 Connecticut Ave, NW, #700 Washington, DC 20036	National Assn of Independent Colleges and Universities	7,125.00	
Van R. Boyette, 555 13th Street, NW, #305E Washington, DC 20004	Flo Sun, Inc	15,000.00	425.00
Cynthia R. Boynton, 1000 Connecticut Ave., NW, #1106 Washington, DC 20036	Gordley Associates (For:U.S. Canola Assn)		
Bracewell & Patterson, 2000 K Street, NW, #500 Washington, DC 20006	Birdsall, Inc		
Do	Browning-Ferris Industries, Inc		
Do	Centex Corp		
Do	Chemical Manufacturers Assn, Inc	2,400.00	144.00
Do	Council of Industrial Boiler Owners		
Do	COMDISCO, Inc		
Do	Edison Electric Institute	250.00	15.00
Do	Empress Cruise Lines		
Do	Enron Corp		
Do	J.D. Firth Associates	1,500.00	90.00
Do	Higman Barge Lines, Inc		
Do	Independent Refiners Coaliton		
Do	Louisiana Land & Exploration Co		
Do	Lyondell Petrochemical Co		
Do	MEPC American Properties		
Do	National Cable Television Assn, Inc	1,800.00	108.00
Do	Oxygenated Fuels Assn		
Do	Pennsylvania Natural Gas Assn		
Do	Physicians Insurers Assn of America	2,500.00	153.00
Do	Rohm & Hass Co		
Do	Joseph E. Seagram & Sons, Inc		
Do	Securities Industry Association		
Do	Southdown, Inc		
Do	Sterling Chemicals, Inc		
Do	Torch Energy Advisors, Inc		
Do	Union Texas Petroleum Energy Corp		
Do	Valero Energy Corporation		
Bracy Williams & Company, 601 13th Street, NW, #510 South Washington, DC 20005	Allied Pilots Association	10,000.00	160.00
Do	American Institute for Foreign Studies	5,000.00	130.00
Do	American Ship Management, Inc	5,000.00	70.00
Do	City of Ft. Worth	7,000.00	130.00
Do	City of Klamath Falls	6,000.00	80.00
Do	City of Tucson	7,000.00	130.00
Do	Coin Coalition	15,000.00	220.00
Do	County of Winnebago	200.00	60.00
Do	Daishowa America Company, Ltd	15,000.00	130.00
Do	Energy Absorption Systems, Inc	8,000.00	70.00
Do	Fort Worth Transportation Authority	5,000.00	160.00
Do	Greater Rockford Airport Authority	5,000.00	100.00
Do	Michigan Consolidated Gas Co	15,000.00	160.00
Do	St. Louis Airport Authority	4,000.00	120.00
Do	Transportation Communications International Union	6,000.00	100.00
Sandra D. Braden, 911 Main Street, #3000 Kansas City, MO 64105	UtiliCorp United		
Lynne E. Bradley, 110 Maryland Ave., NE, Suite 101 Washington, DC 20002-5675	American Library Assn	1,248.00	
George M. Brady III, 1301 Pennsylvania Ave., NW, Suite 900 Washington, DC 20004	Reinsurance Assn of America		
John J. Brady Jr., 1615 L Street, NW, #1150 Washington, DC 20036	Capitoline International Group, Inc (For:Allied-Signal Corp)		
Do	Capitoline/MS&L (For:Psychemedics Corp)	135.00	
Do	Capitoline/MS&L (For:Republic of Turkey)	4,050.00	
Do	Capitoline/MS&L (For:Sprint)	2,025.00	
Do	Capitoline/MS&L (For:UNISYS Corp)	405.00	
Stuart J. Brahs, 1350 I Street, NW, #1030 Washington, DC 20005	Principal Financial Group	1,014.72	
Barbara Bramble, 1400 16th Street, NW Washington, DC 20036-0001	National Wildlife Federation	719.49	
Matt Branam, 316 Pennsylvania Ave., SE Washington, DC 20003	United Parcel Service	400.00	296.73
Brand Lowell & Ryan, 923 15th Street, NW, Fifth Fl. Washington, DC 20005	Hewlett-Packard Co	258.50	
Do	National Assn for Home Care	105.00	
Do	National Assn of Professional Baseball Leagues, Inc	280.00	
Do	Oracle Corp	400.00	55.08
Do	PRC Environmental Management, Inc		
Do	Seafarers International Union		
Do	Unisys	1,292.50	8.00
Do	West Publishing Co	175.00	62.09
Chris Julian Brantley, 1828 L Street, NW, #1202 Washington, DC 20036	Institute of Electrical & Electronics Engineers	750.00	750.00
Fiona Branton, 1250 Eye St., NW, #200 Washington, DC 20005	Information Technology Industry Council	3,000.00	135.26
Christian N. Braunlich, 1331 Pennsylvania Avenue, NW, #1500N Washington, DC 20004-1703	National Assn of Manufacturers	125.00	
Noel Brazil, 1505 Prince Street, #300 Alexandria, VA 22314	American Optometric Assn		
George W. Breece, P.O. Box 2801 Fayetteville, NC 28302	Natl Assoc for the Advancement of Orthodics & Prosthetics	9,000.00	1,519.45
Carolyn J. Breedlove, 1201 16th Street, NW Washington, DC 20036	National Education Assn	4,217.25	76.00
Michael J. Brennan, 1750 New York Ave., NW Washington, DC 20006	International Assn of Bridge Struct & Ornamental Iron Wkrs	10,800.00	489.00
Jack E. Bresch, 4455 Woodson Road St. Louis, MO 63134	Catholic Health Assn of the United States	2,065.13	
Thomas M. Bresnahan III, 1401 I Street, NW, #1200 Washington, DC 20005	Chevron Companies	7,500.00	150.00
Pamela A. Brewster, 1250 Connecticut Ave., NW, 2nd Floor Washington, DC 20036	Cellular Telecommunications Industry Assn		125.78
Sandra L. Brickel, 750 First Street, NE Washington, DC 20002-4242	American Psychological Assn	34.04	4.00
Brickfield Burchette & Ritts, P.C., 1025 Thomas Jefferson Street, NW 8th Floor, West Tower Washington, DC 20007	American Medical Technologists	3,000.00	750.00
Do	Arvin-Edison Water Storage District	500.00	125.00
Do	East Texas Electric Cooperative		
Do	Northeast Texas Electric Cooperative	349.80	17.49
Do	Sam Rayburn G&T Electric Cooperative, Inc	95.40	4.77
Do	Tex-LA Electric Cooperative of Texas, Inc	84.80	4.24
Do	4-County Electric Power Assn	494.50	24.73
William V. Brierre Jr., 1803 Nicholson Lane Alexandria, VA 22302	Miraid, et al.	10,000.00	778.00
Sue M. Briggum, 1155 Connecticut Ave., NW Washington, DC 20036	WMX Technologies, Inc	4,800.00	
Craig S. Brightup, 206 E Street, NE Washington, DC 20002	National Roofing Contractors Assn	5,854.00	1,026.60
Kitty Brims, 1331 Pennsylvania Ave., NW, Suite 1500-N Washington, DC 20004-1703	National Assn of Manufacturers		
William R. Brittingham, 1275 Pennsylvania Ave., NW, #400 Washington, DC 20004	Pacific Telesis Group	13,625.00	
Alexandra Brkic, 1735 New York Avenue, NW Washington, DC 20006	American Institute of Architects	7,400.00	
William E. Brock III, 1155 Connecticut Ave., NW, 10th Floor Washington, DC 20036	Sinclair Broadcasting Group	1,312.50	
William M. Brodhead, 243 West Congress, #800 Detroit, MI 48226-3260	Plunkett & Cooney (for Michigan Consolidated Gas Co)	15,000.00	3,698.78
Michael D. Bromberg, Law Offices of Deborah Steelman 555 13th Street, MW. #122- East Washington, DC 20004-1109	Federation of American Health Systems	4,500.00	
Douglas A. Brook, 1133 Connecticut Avenue, NW, #620 Washington, DC 20036	LTV Corporation	8,750.00	150.00
Robert F. Brothers, 1250 H Street, NW, #800 Washington, DC 20005	Eastman Kodak Company	100.00	75.00
J. Robert Brouse, 1150 Connecticut Ave., NW Washington, DC 20036	Nonprescription Drug Manufacturers Assn (NDMA)	3,057.00	164.00
Joseph Browder, 418 10th St., SE Washington, DC 20003	Dunlap & Browder, Inc		
Cheryl A. Brown, 1655 North Fort Myer Drive #700 Arlingtonn, VA 22209	American Assn for Respiratory Care	22,874.22	177.36
Cynthia A. Brown, 1640 Wisconsin Ave., NW, First Floor Washington, DC 20007	American College of Surgeons		
Dale E. Brown, 1801 Pennsylvania Ave., NW Washington, DC 20006	MCI Communications Corp	1,000.00	
David S. J. Brown, 700 14th Street, NW Washington, DC 20005	Monsanto Co	700.00	47.26
Dianne C. Brown, 750 First St., NE Washington, DC 20002-4242	American Psychological Assn		
Doreen L. Brown, 2000 L Street, NW, #200 Washington, DC 20036	Consumers for World Trade		
Felicien J. Brown, 601 E Street, NW Washington, DC 20049	American Assn of Retired Persons	12,259.74	362.37
Ken Brown, 1350 New York Ave., NW Washington, DC 20005	Spiegel & McDiarmid (For:American Comm for Cleanup Equity)		
Do	Spiegel & McDiarmid (For:City of Piqua, Ohio)		
Michael J. Brown, 18 East Custis Avenue Alexandria, VA 22301	Barrick Goldstrike Mines, Ltd		
Ralph Brown, Suite 107 701 S. 22nd Street Omaha, NB 68102	M.O.A.A.I.O.A. & Subs, Inc		
Regina A. Brown, 1033 N. Fairfax Street, Suite 404 Alexandria, VA 22314	International Council of Shopping Centers	700.00	
Robert Craig Brown, P.O. Box 12285 Memphis, TN 38182	National Cotton Council of America	4,275.00	154.37
Steven J. Brown, 421 Aviation Way Frederick, MD 21701	Aircraft Owners & Pilots Assn	1,745.08	
Do	AOPA Legislative Action	8,373.00	
Valerie L. Brown, New Jersey Law Center 1 Constitution Square New Brunswick, NJ 08901-1500	New Jersey State Bar Assn		
Vincent D. Brown, Nebraska Petroleum Council P.O. Box 95063 Lincoln, NB 68509	American Petroleum Institute	3,000.00	2,081.98
William C. Brown, Two Ruan Center, Suite 1100 601 Locust Des Moines, IA 50309	Brown Winick Graves Baskerville & Schoenebaum (For:Lisle Corp)		
Brown Winick Graves Baskerville & Schoenebaum, Two Ruan Center, Suite 1100 601 Locust Des Moines, IA 50309			

Organization or Individual Filing	Employer/Client	Receipts	Expenditures
Arthur W. Brownell, 1101 Pennsylvania Avenue, NW, #200 Washington, DC 20004	International Paper Co		
Thomas H. Brownell, 6801 Rockledge Drive Bethesda, MD 20817	Lockheed Martin Corp	3,080.00	
R. Stephen Browning, P.O. Box 1697 Helena, MT 59624	Burlington Northern Railroad		
Do	Columbia Falls Aluminum Co		
Do	Cyprus AMAX	2,100.00	
Do	Pegasus Gold Corp		
Broydrick Broydrick & Dacey, 600 East Mason Street, #400 Milwaukee, WI 53202	Aurora Health Care, Inc	13,613.75	1,634.61
Do	Blood Center of Southeastern Wisconsin	353.75	7.25
Do	Children's Hospital of Wisconsin	7,435.25	285.24
Do	Electronic Data Systems Corp	5,350.00	96.40
Do	Lac Vieux Desert Bank of Lake Superior Chippewa Indians	706.25	
Do	Loyola University of Chicago	12,366.25	624.21
Do	Managed Health Services, Inc	108.75	6.50
Do	Marquette University	7,661.25	1,332.29
Do	Milwaukee Metropolitan Sewerage District	1,992.50	33.07
Do	National Assn of Children's Hospitals & Related Institutions	23,681.25	1,770.54
Do	Oneida Nations	69,142.50	4,976.73
Do	PrimeCare Health Plan	152.00	
Do	Rust International		
Do	Superconductivity, Inc	593.75	
Do	TV Network Bingo	5,762.50	141.61
Thomas P. Bruderle, 7272 Wisconsin Ave. Bethesda, MD 20814	American Soc of Hospital Pharmacists	14,475.00	
David J. Brugger, 1350 Connecticut Ave., NW, #200 Washington, DC 20036	Association of America's Public Television Stations	72.12	1.00
William K. Brunette, 601 E Street, NW Washington, DC 20049	American Assn of Retired Persons	12,159.81	142.67
J. M. Brunkenhoefer, 400 North Capitol Street, NW. #856 Washington, DC 20001	United Transportation Union	6,250.00	384.47
J. Charles Bruse, 888 16th Street, NW, #500 Washington, DC 20006	Allstate Insurance Cos	2,520.00	1,023.76
Robert Buckler, 225 East 6th Street, Suite #230 St. Paul, MN 55101	American Professional Pet Distributors, Inc	4,500.00	
Do	National Board of Fur Farm Organizations	9,000.00	1,297.00
Do	Pheasants Forever	5,500.00	5,822.00
Michael Buckley, 1522 K Street, NW, #836 Washington, DC 20005	Consortium of Social Science Assn		30.20
Roy C. Buckner, 1101 Pennsylvania Avenue, NW, #400 Washington, DC 20004	Textron, Inc	600.00	150.00
Matthew J. Budzik, 1 Wycomb Place Coram, NY 11727	George J. Hochbrueckner & Associates, Imc (For:Advanced Acoustic Concepts, Inc).	4,000.00	
Do	George J. Hochbrueckner & Associates, Inc (For:EDO Corporation)	3,000.00	
Do	George J. Hochbrueckner & Associates, Inc (For:Frisby Technologies)	3,000.00	
Richard W. Buek, 1001 Pennsylvania Ave., NW, #700 Washington, DC 20004	AlliedSignal, Inc		
J. Bruce Bugg Jr., 100 W. Houston Street, #1660 San Antonio, TX 78205	American College of Mohs Micrographic Surgery & Cutaneous...		
Douglas W. Bulcao, 1801 K Street, NW, #900 Washington, DC 20006	American Textile Manufacturers Institute, Inc	13,700.00	59.00
Edward M. Bullard, 1725 Jefferson Davis Highway, #501 Arlington, VA 22202	Chrysler Technologies Airborne Systems, Inc		3,095.00
Darrel D. Bunge, Minnesota Petroleum Council 8 Pine Tree Drive, #260 St. Paul, MN 55112	American Petroleum Institute	2,400.00	150.00
Glenn Burg, 11240 Waples Hill Road, #100 Fairfax, VA 22030	Rust Environment & Infrastructure, Inc	937.50	
James D. Burge, 1350 I Street, NW, #400 Washington, DC 20005	Motorola, Inc	7,000.00	
Barbara Burgess, 801 Pennsylvania Ave., NW, Suite 730 Washington, DC 20004	John Hancock Mutual Life Insurance Co	1,000.00	
April L. Burke, 1776 Massachusetts Avenue, NW, #410 Washington, DC 20036-1904	Lewis-Burke Associates (For:Association of Independent Research Institutes (AIRI)).	600.00	
Do	Lewis-Burke Associates (For:California Institute of Technology)	1,000.00	
Do	Lewis-Burke Associates (For:National History Museum of LA County, et al.)	300.00	
Do	Lewis-Burke Associates (For:University of Cincinnati)	300.00	
Kevin M. Burke, 201 Park Washington Court Falls Church, VA 22046	National-American Wholesale Grocers' Assn	3,000.00	
Moira Burke, 1250 H Street, NW, Suite 900 Washington, DC 20005	International Dairy Foods Assn		
Burley & Dark Leaf Tobacco Export Assn, 1100 17th St., NW, #505 Washington, DC 20036		53,390.00	1,875.00
Phillip C. Burnett, P.O. Box 12285 Memphis, TN 38182	National Cotton Council of America	4,370.00	8.00
David G. Burney, 1101 17th St. N.W., #609 Washington, DC 20036	U.S. Tuna Foundation	12,000.00	3,000.00
Adrienne M. Burns, 801 Pennsylvania Ave., NW, #230 Washington, DC 20004	Sonat, Inc		2,538.63
Timothy F. Burns, 2501 M St., NW Washington, DC 20037	Chemical Manufacturers Assn, Inc	6,000.00	212.50
William W. Burrington, 8619 Westwood Center Dr. Vienna, VA 22182-2285	America Online, Inc	23,750.00	38.51
Mark R. Burtchi, 1776 I Stret, NW, Suite 400 Washington, DC 20006	American Nuclear Energy Council	2,906.00	662.00
Barbara L. Bush, 1220 L St., NW Washington, DC 20005	American Petroleum Institute	200.00	
Mary Bushman, 2505 S. Finley Road Lombard, IL 60148	AFSA Data Corp		
Michael R. Bushman, 321 North Clark Street Chicago, IL 60610	Quaker Oats Company	756.00	769.68
Butera & Andrews, 1301 Pennsylvania Ave., NW Washington, DC 20004	Federation for American Immigration Reform	5,000.00	
Jim Butler, 201 S. Main Street, #1800 P.O. Box 45898 Salt Lake City, UT 84145-0898	Parsons Behle & Latimer (For:Barrick Goldstrike Mines, Inc)	1,500.00	245.00
Jeanne A. Butterfield, 1400 Eye Street, NW, Suite 1200 Washington, DC 20005	American Immigration Lawyers Assn	1,995.00	
R. Ian Butterfield, 1801 K Street, NW, #800 Washington, DC 20006	Westinghouse Electric Corp	1,200.00	
David S. Byer, 1730 M Street, NW, Suite 700 Washington, DC 20036	Software Publishers Assn	1,650.00	55.00
William Byler Associates, Inc, 6000 34th Place, NW Washington, DC 20015-1607	Ak-Chin Indian Community Council		
Do	San Carlos Apache Tribe		
John J. Byrne, 1120 Connecticut Ave., NW Washington, DC 20036	American Bankers Assn	5,591.00	85.13
Robert D. Byrne Jr., 1250 H Street, NW, Suite 900 Washington, DC 20005	International Dairy Foods Assn		
C & C Consulting Group, Inc, 1156 15th Street, NW, Suite 415 Washington, DC 20005	MacAndrews & Forbes Holdings, Inc		
Do	Western Resources		
Cable Telecommunications Assn (CATA), P.O. Box 1005 Fairfax, VA 22030-1005		173,797.00	25,484.00
Edward S. Cabot, 2030 M Street, NW Washington, DC 20036	Common Cause	6,555.54	
John R. Cady, 1401 New York Avenue, NW, #400 Washington, DC 20005	National Food Processors Assn		
John D. Cahill, McDermott/O'Neill & Associates One Beacon Street, #1600 Boston, MA 02108	RJA Group, Inc		
Kevin F. Cahill, 17300 Redhill Avenue, Suite 100 Irvine, CA 92714	Kinder & Associates		
Michele L. Cahn, 1401 H Street, Nw, #200 Washington, DC 20005	Xerox Corporation	1,200.00	
Morrison G. Cain, 1901 Pennsylvania Ave., NW, 10th Floor Washington, DC 20006	International Mass Retail Assn	6,250.00	
Alan Caldwell, 9114 Streamview Lane Vienna, VA 22182	Alliance for Fire & Emergency Management	3,125.00	36.25
Bonnie Caldwell, 1445 New York Ave., NW Washington, DC 20005	Public Securities Assn	12,500.00	480.27
Amy E. Callahan, 1150 Connecticut Ave., NW, Suite 507 Washington, DC 20036	Wallace & Edwards		
Era Eugene Callahan, 1050 Connecticut Ave., NW, Suite 1250 Washington, DC 20036	Major League Baseball	481.20	226.84
Kateri A. Callahan, 701 Pennsylvania Avenue, N.W. Washington, DC 20004	Electric Transportation Coalition	348.00	75.00
Calorie Control Council, 5775 Peachtree-Dunwoody Rd., #500-G Atlanta, GA 30342			270.00
Cambridge International, Inc, 2120 Washington Blvd., Suite 350 Arlington, VA 22204	Allied Signal Aerospace		
Do	Allison Engine Company	5,400.00	
Do	Allison Transmission	8,202.00	
Do	General Dynamics Land Systems	12,500.00	
Do	McDonnell Douglas Helicopter Company	11,475.00	
Do	Stewart & Stevenson Services, Inc	10,000.00	
Arthur E. Cameron, 225 C Street NE, #A Washington, DC 20002	FLEX-O-LITE, INC.	1,440.00	
Do	Potters Industries, Inc	720.00	
Do	Safetran Systems Corporation	7,250.00	
Do	Stimsonite Corporation	960.00	
Do	3M Company	19,088.00	
Bruce P. Cameron, 1725 17th Street, NW, #109 Washington, DC 20006	Embassy of Mozambique	67,500.00	2,006.16
Do	National Council of Maubere Resistance		2,006.16
Cameron & Hornbostel, 818 Connecticut Ave., NW, Suite 700 Washington, DC 20006	Government of Barbardos	161.25	9,015.69
Do	Polygon Co, Ltd	16,225.64	20,294.16
Nancy Camm, 1000 Wilson Boulevard, #3012 Arlington, VA 22209-3908	Consumers Bankers Assn		767.00
Paul A. Cammer, 2000 L Street, NW, #730 Washington, DC 20036	Cammer & Associates (For:Business Council on Indoor Air)		
Campaign for U.N. Reform-Political Education Committee, 713 D Street, SE Washington, DC 20003		7,410.95	10,158.72
C. R. Campbell Jr., 1850 M St., NW, #1200 Washington, DC 20036	GTE Corporation	5,000.00	
C. Thomas Campbell, 1776 Eye Street, NW, #575 Washington, DC 20006	DowElanco		6,467.00
Candace Campbell, 459 Walker Road Great Falls, VA 22066	American Preventive Medical Assn	1,000.00	1,000.00
Charles O. Campbell, 1420 King Street Alexandria, VA 22314-2715	National Society of Professional Engineers	2,000.00	
Jeanne Campbell, Campbell-Raupe, Inc 1010 Pennsylvania Avenue, SE Washington, DC 20003	Algonquin Gas Transmission Co		
Do	American Assn of Advertising Agencies		
Do	Association for Manufacturing Technology		
Do	Chubb Corp		
Do	Citicorp/Citibank		
Do	Invest to Compete Alliance		
Do	Merck & Co		
Do	National Electrical Manufacturers Assn		

Organization or Individual Filing	Employer/Client	Receipts	Expenditures
Do	Nuclear Energy Institute		
Do	Olsten Kimberly Quality Care		
Do	Securities Industry Assn		
Do	Shriners Hospital for Crippled Children		
Do	Stone & Webster Engineering Corp		
Do	Textron Corp		
Do	University of Massachusetts		
Do	USX Corp		
Jerry L. Campbell, 1201 Chestnut St. Chattanooga, TN 37402	Tennessee Valley Public Power Assn		
John G. Campbell, 9300-D Old Keene Mill Road Burke, VA 22015	John G. Campbell, Inc (For:Advanced Power Technologies, Inc)		
Do	John G. Campbell, Inc (For:BDM International, Inc)	1,000.00	1,000.00
Do	John G. Campbell, Inc (For:General Electric Co)		
Do	John G. Campbell, Inc (For:GEO-Centers, Inc)		
Do	John G. Campbell, Inc (For:Hughes Aircraft Company)		
Do	ManTech International Corp		
Do	John G. Campbell, Inc (For:OHM Remediation Services Corp)		
Do	John G. Campbell, Inc (For:Power Spectra, Inc)	2,000.00	2,000.00
Do	John G. Campbell, Inc (For:Sierra Nevada Corp)		
Do	John G. Campbell, Inc (For:Sippican, Inc)	1,500.00	1,500.00
Do	John G. Campbell, Inc (For:Teledyne Ryan Aeronautical)	1,500.00	1,500.00
Do	John G. Campbell, Inc (For:TASC)		
Do	John G. Campbell, Inc (For:3M Company)		
Margaret A. Campbell, 1129 20th Street, Nw, #305 Washington, DC 20036	National Assn of Real Estate Investment Trusts		
Marilyn E. Campbell, 517 2nd Street, NE Washington, DC 20002	David Turch & Associates	2,400.00	
Thomas D. Campbell & Associates, Inc, 113 South Alfred Street Alexandria, VA 22314	Cyprus Amax Minerals Co	5,000.00	1,100.00
Michelle U. Campos, 2025 Pennsylvania Ave., NW, #1114 Washington, DC 20006	Americans for Peace Now	6,999.99	
John D. Canatsey, 1735 Jefferson Davis Hwy., #1001 Arlington, VA 22202	Thiokol Corp	7,355.00	24,368.00
Sharon M. Canavan, 1125 15th St., NW Washington, DC 20005	Mortgage Bankers Assn of America	21,577.50	639.28
Sharon F. Canner, 1331 Pennsylvania Ave., NW, #1500 N. Washington, DC 20004-1703	National Assn of Manufacturers	195.00	
Michael F. Canning, 12 Francis Street Annapolis, MD 21401	Manis Canning & Associates (For:National Troopers Coalition)	8,500.00	
James R. Cannon Jr., 808 17th Street, NW, #300 Washington, DC 20006-3910	Stewart & Stewart (For:Floral Trade Council)	398.23	
Do	Stewart & Stewart (For:Professional Plant Growers Assn)		
Do	Stewart and Stewart (For:Smith Corona Corp)		
Do	Stewart & Stewart (For:Timken Co)		
Do	Stewart & Stewart (For:Torrington Company)		
Mark R. Cannon, One West Fourth Street, #200 Cincinnati, OH 45202	Student Loan Funding Corp	2,472.20	105.80
Francis J. Cantrel Jr., 1801 Pennsylvania, Ave., NW Washington, DC 20006	MCI Communications Corp	1,000.00	100.00
H. Hollister Cantus, 9300 Lee Highway Fairfax, VA 22031	ICF Kaiser International, Inc	2,765.00	140.00
Gary Capistrant, 1055 North Fairfax Street, #201 Alexandria, VA 22314	U.S. Strategies Corp		
Capital Concepts, 1225 I Street, NW, #500 Washington, DC 20005	Lockheed Aeronautical Systems Co	12,000.00	
Do	Savings Coalition of America	12,000.00	952.15
Capital Consultants, 1122 Colorado, #307 Austin, TX 78701	LDDS		
Capitol Associates, Inc, 426 C Street, NE Washington, DC 20002	Academic Health Center Coalition	1,000.00	
Do	Alliance for Eye & Vision Research	700.00	
Do	American Academy of Physician Assistants	600.00	
Do	American Assn of Cancer Research	400.00	
Do	American Assn of Critical-Care Nurses	1,200.00	
Do	American Soc of Nephrology	500.00	
Do	American Soc of Tropical Medicine and Hygiene	500.00	
Do	Arthritis Foundation	750.00	
Do	Association for Practitioners in Infectious Control	750.00	
Do	Association of Surgical Technologists	250.00	
Do	Autism Society of America	600.00	
Do	Columbia University	1,000.00	
Do	Cooper Hospital	200.00	
Do	Credential Information & Verification Services, Inc	300.00	
Do	Cystic Fibrosis Foundation	1,000.00	
Do	CPDD - Colelge on Problems of Drug Dependence	300.00	
Do	Fred Hutchinson Cancer Research Center	700.00	
Do	FDA Council	9,000.00	
Do	Illinois Collaboration on Youth	200.00	
Do	John Whitehead/Whitehead Partners	1,000.00	
Do	Johns Hopkins University	1,200.00	
Do	Joint Council of Allergy & Immunology	1,000.00	
Do	Massachusetts General Hospital	200.00	
Do	National Assn of Pediatric Nurse Associates & Practitioners	1,000.00	
Do	National Assn of Rural Health Clinics	800.00	
Do	National Coalition for Cancer Research	800.00	
Do	Neurofibromatosis	2,000.00	
Do	New York University Medical Center	1,500.00	
Do	Northwestern Memorial Hospital	1,000.00	
Do	Rotary International	1,000.00	
Do	George A. Tomasso Construction Corp	2,000.00	
Do	U.S. Healthcare, Inc	1,200.00	
Capitol Link, P.O. Box 9183 Arlington, VA 22219	City of Mobile		
Do	Federal States of Micronesia	17,500.00	
Do	Madison County Commission		
Do	Southern Research Institute		
Caplin & Drysdale, Chtd, One Thomas Circle, NW, #1100 Washington, DC 20005	American Methanol Institute		191.02
Do	Council on Foundations, Inc	1,849.50	150.32
Do	National Rural Electric Cooperative Assn		
Mark A. Carano, 800 Connecticut Avenue, NW Washington, DC 20006-2701	Food Marketing Institute	100.00	
Robert P. Carbonneau, 4647 Forbes Blvd. Lanham, MD 20706	AMVETS	6,800.00	
Andrew H. Card Jr., 1401 H Street, NW, Suite 900 Washington, DC 20005	American Automobile Manufacturers Assn	29,150.00	64.60
Denise A. Cardman, 1800 M St., NW Washington, DC 20036	American Bar Assn	400.00	50.00
Caremark International, Inc, 2215 Sanders Road, Suite 400 Northbrook, IL 60062			29,455.78
Hugh L. Carey, 919 18th Street, NW, Suite 400 Washington, DC 20006	WR Grace & Co		
Kate Carey, 1620 L Street, NW, #800 Washington, DC 20036	Metropolitan Life Insurance Cos	250.00	
Kevin F. Carey, 801 Pennsylvania Ave., NW, Suite 650 Washington, DC 20004	American Express Company	3,169.00	237.55
Maurice E. Carino Jr., 1667 K St. N.W., #600 Washington, DC 20006	Bethleham Steel Corp	110.00	
Linda E. Carlisle, 1100 Connecticut Avenue, NW, #600 Washington, DC 20036	McClure Trotter & Mentz (For:Methanex, Inc)		
Anne E. Carlson, 750 17th Street, NW, Suite 901 Washington, DC 20006	Nissan North America, Inc	7,600.00	
Catherine A. Carlson, 1400 16th Street, NW Washington, DC 20036	National Wildlife Federation	1,611.15	
David S. Carlson, 122 C Street, NW, #310 Washington, DC 20001	American League for Exports & Security Assistance	3,281.00	
Paul D. Carlson, 1201 New York Ave., NW Washington, DC 20005	American Public Transit Assn	4,440.00	
Nancy Carlton, 601 Pennsylvania Avenue, NW, #1200 Washington, DC 20004	Merck & Co, Inc	1,000.00	400.00
Gerald P. Carmen, 1730 Pennsylvania Ave., NW Washington, DC 20006	Carmen & Muss (For:Newark Center Building Co)	400.00	32.50
Carmen & Muss, 1730 Pennsylvania Avenue, NW, #1050 Washington, DC 20006	Richard Cohen		
Do	Newark Center Building Co	910.00	415.00
Carmen Group, Inc, 1225 I St., NW, #300 Washington, DC 20005	ADVO, Inc		
Do	Hyundai Precision & Ind Co, Ltd		
Do	Kennametal, Inc		
Do	Thicksten Grim & Burgum		
Bertram W. Carp, 820 First Street, NE, #620 Washington, DC 20002	Turner Broadcasting System, Inc	10,000.00	
Kenneth A. Carpi, Carpi & Clay Government Relations 427 C Street, #306 San Diego, CA 92101	Children's Hospital & Health Center	9,000.00	
Do	San Diego County Water Authority	9,000.00	4,199.98
Do	Water Replenishment District of Southern California	7,500.00	
Terry M. Carr, 1350 I St., NW, Suite 590 Washington, DC 20005	College of American Pathologists	5,790.00	
Margie Carriger, 415 2nd St., NE, #300 Washington, DC 20002	National Assn of Wheat Growers	3,000.00	
Bruce Carroll, 200 Great Valley Parkway Malvern, PA 19355	Centocor	4,600.00	4,556.55
John R. Carson, 9312 Old Georgetown Rd. Bethesda, MD 20814-1621	American Podiatric Medical Assn	18,000.00	
R. D. Carson Jr., P.O. Box 2021 40 Franklin Rd., SW Roanoke, VA 24022	Appalachian Power Company		
John R. Carter, 1001 19th Street, North, #800 Arlington, VA 22209	TRW, Inc	301.50	
Melanie Carter-Maguire, 801 Pennsylvania Ave., NW, #700 Washington, DC 20004	Northern Telecom, Inc	1,250.00	

Organization or Individual Filing	Employer/Client	Receipts	Expenditures
James P. Carty, 1331 Pennsylvania Ave., NW, #1500 N. Washington, DC 20004-1703	National Assn of Manufacturers	500.00	
Winthrop Cashdollar, 1201 L Street, NW Washington, DC 20005	American Health Care Assn	12,000.00	411.12
Cashdollar-Jones & Company, 1000 16th Street, NW, #702 Washington, DC 20036	American Bankers Assn	6,000.00	
Do	Bio Gro Systems, Inc		
Do	Council on Education Development and Research	300.00	
Allen R. Caskie, 1001 Pennsylvania Ave, NW Washington, DC 20004	American Council of Life Insurance, Inc	1,562.50	
Sean M. Cassidy, 1130 Connecticut Ave., NW, #1000 Washington, DC 20036	American Insurance Assn	336.00	
Cassidy and Associates, Inc, 700 13th St., NW, #400 Washington, DC 20005	American Digital Imaging, Inc.		
Do	American Science and Engineering, Inc	7,003.50	176.60
Do	American Superconductor Corp	4,802.40	65.95
Do	ARCO Chemical Americas Co		
Do	AT&T	1,110.50	
Do	Biomedical Waste Systems, Inc	6,603.30	40.70
Do	Bishop Museum	500.25	
Do	Boston College	2,201.10	166.90
Do	Boston University	1,800.90	8.50
Do	Brazil US Business Council		
Do	Brother International Corp	800.40	
Do	Bryant College	1,600.80	6.50
Do	Buena Vista College	2,101.05	7.50
Do	California Community Colleges	1,505.75	101.45
Do	California Institute of the Arts	5,602.80	40.70
Do	California Pacific Medical Center	800.40	17.60
Do	Charlotte-Mecklenberg Hospital Authority Foundation	1,800.90	
Do	Chicago Board of Trade	800.40	
Do	Chicago Mercantile Exchange	800.40	
Do	Children's Hospital and Health Center of San Diego	5,002.50	43.90
Do	Children's Hospital of Pittsburgh	7,403.70	60.60
Do	Children's National Medical Center	4,002.00	63.55
Do	City of Fairfield, CA	5,502.75	30.45
Do	City of Memphis	3,001.50	19.70
Do	Clark Atlanta University	1,000.10	
Do	Connecticut Health System, Inc	2,401.20	49.10
Do	Coriell Institute for Medical Research	5,135.90	62.70
Do	Crane Company	6,503.25	24.20
Do	Cray Research, Inc	100.05	
Do	CH2M Hill Companies, Ltd	900.45	900.45
Do	Delta Airlines	4,002.00	6.60
Do	Discovery Network		
Do	Dredging Contractors of America	15,507.75	302.80
Do	Duluth Clinic	6,903.45	42.80
Do	Elderhostel, Inc	2,001.00	
Do	Englewood Hospital & Medical Center	13,006.50	124.50
Do	Fairleigh Dickinson University	400.20	
Do	Federal Express	400.20	6.60
Do	Geisinger Foundation	7,203.60	198.65
Do	General Dynamics Corp	7,603.80	19.70
Do	Geriatric & Medical Companies, Inc	1,600.80	21.45
Do	Graduate Health Systems		
Do	Hahnemann University Hospital		
Do	Henry Ford Health System	7,503.75	279.50
Do	Illinois Institute of Technology	4,902.45	94.80
Do	In Home Health, Inc.		
Do	Inner City, Inc	200.10	
Do	Intercontinental Energy Group	4,202.10	75.10
Do	Kids Peace, Inc	6,303.15	42.20
Do	Kuakini Hospital		
Do	Lahey Clinic	2,101.05	118.60
Do	Law Firm of Darrell Keith, P.C.	9,204.60	243.65
Do	Kenneth Leventhal & Co		
Do	Limited		
Do	Lucas Industries, Inc.		
Do	Mac Andrews and Forbes	400.20	
Do	Maersk, Inc		
Do	Major League Baseball	800.40	
Do	Manpower International		
Do	Mary Hitchcock Memorial Hospital/Hitchcock Clinic	11,805.90	173.35
Do	McDonnell Douglas Corp	400.20	
Do	Medical Center of Central Massachusetts	3,134.90	126.15
Do	Medical College of Pennsylvania	900.45	24.20
Do	Mercy Hospital & Medical Center		
Do	Miami-Dade Community College	1,000.50	
Do	Monterey Institute of International Studies		
Do	Morehouse School of Medicine	4,002.01	
Do	Motion Picture Assn of America	800.40	
Do	MCSI Technologies	200.10	
Do	MOOG, Inc		
Do	National Indian Lottery, et al.	2,200.95	51.15
Do	National Jewish Center for Immunology & Respiratory Medicine	400.20	28.70
Do	Nature Conservancy		
Do	New Jersey Instutute of Technology	3,034.85	14.10
Do	Northwestern University	1,600.80	89.50
Do	Ocean Spray Cranberries, Inc	8,304.65	192.60
Do	Partnership for Responsible Risk-Sharing	4,302.15	
Do	Pennsylvania Educational Telecommunications Exchange Network	3,768.55	32.25
Do	Polaroid Corp	5,102.55	85.25
Do	Polytechnic University	800.40	13.20
Do	Providence & Worcester Railroad Company	6,403.20	
Do	PGA Tour	1,500.75	8.80
Do	Queen's Health System	400.20	19.80
Do	Rochester Institute of Technology	1,100.55	
Do	Rush-Presbyterian St. Luke's Medical Center	1,200.60	17.25
Do	Sacred Heart Hospital	7,770.55	56.60
Do	Saint John's Hospital & Health Center	2,001.00	9.75
Do	Saint Joseph's University	600.30	44.00
Do	Savings Bank and Life Insurance Company of MA	3,335.00	10.00
Do	Scott County Highway Department	400.20	
Do	South Dade Land Corp		
Do	Southeastern PA Consortium for Info. Tech. & Training	3,001.15	81.00
Do	St. Francis Healthcare Foundation of Hawaii		
Do	St. Norberts College	2,101.05	
Do	Taiwan Research Institute	24,412.20	111.15
Do	Teaching Hospitals of America		
Do	Tufts University	5,473.30	164.75
Do	Union Memorial Hospital	4,802.40	33.00
Do	Unisys	900.45	38.00
Do	University of Dayton	2,267.80	18.60
Do	University of Hawaii-University of Hawaii Found.	300.15	
Do	University of San Francisco	1,200.60	9.75
Do	University of Southern Mississippi	800.40	21.50
Do	University of St. Thomas		
Do	Waimana Enterprises		
Mark A. Casso, 1015 15th Street, NW, #802 Washington, DC 20005	American Consulting Engineers Counsel	1,250.00	6.00
Beth Cataldo, 424 West End Ave., #12D New York, NY 10024	HTC-HANYC, Inc Legal Fund	42,384.00	5,207.34

Organization or Individual Filing	Employer/Client	Receipts	Expenditures
Penelope C. Cate, 321 North Clark Street Chicago, IL 60610	Quaker Oats Company	352.92	375.15
Catholic Health Assn of the United States, 4455 Woodson Road St. Louis, MO 63134		18,872.27	5,070.92
C. Dawn Causey, 900 19th Street, NW, #400 Washington, DC 20006	America's Community Bankers	7,800.00	42.00
Gordon Cavanaugh, 601 Pennsylvania Ave., NW, #800 Washington, DC 20004	Reno & Cavanaugh (For:Cooperative Housing Foundation)		
Do	Reno & Cavanaugh (For:Housing Assistance Council)	536.50	
Do	Reno & Cavanaugh (For:Housing Authority of the City of Houston)		
Do	Reno & Cavanaugh (For:Housing Authority of the City of Louisville)	337.50	
Do	Reno & Cavanaugh (For:National American Indian Housing Council)	2,078.50	116.50
Do	Reno & Cavanaugh (For:National Assn of Service & Conservation Corps)		
Philip T. Cavanaugh, 1401 Eye Street, NW, #1200 Washington, DC 20005	Chevron Companies	8,000.00	652.42
Red Cavaney, 1275 K Street, NW Washington, DC 20005	American Plastics Council	13,500.00	660.00
Carol Cayo, 2008 Dayton Street Silver Spring, MD 20902	Information Technology Assn of America	6,000.00	
Cement Kiln Recycling Coalition, 1212 New York Ave. NW Suite 500 Washington, DC 20005			
Cendrowski, Selecky & Reinhart, 2050 N. Woodward, #310 Bloomfield Hills, MI 48013	Taubman Company, Inc	22,427.50	
Center for Reproductive Law & Policy, 120 Wall Street, 18th Floor New York, NY 10005			7,417.24
Gerald E. Cerasale, 1101 17th Street, NW, #705 Washington, DC 20036	Direct Marketing Assn, Inc	1,200.00	10.00
David Certner, 601 E Street, NW Washington, DC 20049	American Assn of Retired Persons	14,079.93	300.50
Jae-Yoon Cha, 1800 K Street, NW, #700 Washington, DC 20006	Korea Foreign Trade Assn	715.00	884.00
Warner Chabot, 1725 DeSales Street, NW, #500 Washington, DC 20036	Center for Marine Conservation		
Chadbourne & Parke, 1101 Vermont Ave., NW, #900 Washington, DC 20005	Air Products & Chemicals Inc		
Do	AES Corporation		
Do	Landfill Gas Group	3,724.00	66.00
Do	Purdue Frederick Company		
Do	Ruan Transportation Management Systems		
Chambers Associates, Inc, 805 15th Street, NW, #500 Washington, DC 20005	Edison Electric Institute		
Do	Pre-Medicine Health Security Coalition		
Do	U S West, Inc		
Chambers Development Co, Inc, 10700 Frankstown Road Pittsburgh, PA 15235		49,330.00	49,330.00
Maxine Champion, 1133 Connecticut Avenue, NW, #310 Washington, DC 20036	Nestle USA, Inc	1,500.00	250.00
Ed Chandler, 7901 Westpark Drive McLean, VA 22102	AMT - The Assn for Manufacturing Technology	17,062.00	500.00
John Chandler Associates, Inc, 9816 Hillridge Drive Kensington, MD 20895	York International	500.00	60.90
Arthur A. Chapa, 5210 East Williams Circle, Suite 500 Tucson, AZ 85711	Pima County Board of Supervisors	20,065.00	5,505.62
Kelly G. Chapman, 2000 Pennsylvania Ave., NW, 9th Floor Washington, DC 20006	Virginia Power/North Carolina Power	1,328.00	1,417.09
Michael D. Chapman, 1101 Vermont Avenue, NW Washington, DC 20005	American Medical Assn	3,750.00	
Thomas B. Chapman, 500 E Street, SW, #920 Washington, DC 20024	AOPA Legislative Action	18,053.23	2,199.58
Byron Charlton, 815 16th Street, NW Washington, DC 20006	American Fed of Labor & Congress of Industrial Organizations	19,745.70	175.45
Charter Medical Corp, 577 Mulberry Street Macon, GA 31298			
Chemical Manufacturers Assn, Inc, 2501 M Street, NW Washington, DC 20037			251,778.00
Chemical Specialties Manufacturers Assn, Inc, 1913 Eye Street, NW Washington, DC 20006			4,748.66
Chernikoff & Company, 1320 18th Street, NW, #100 Washington, DC 20036	American Architectural Foundation	1,896.00	1,257.75
Do	American Museum of Natural History		1,100.00
Do	Arena Stage	2,098.00	1,398.75
Do	Bishop Museum		600.00
Do	Capital Childrens Museum	1,907.00	1,257.75
Do	Corcoran Gallery of Art	2,098.00	1,351.75
Do	Directors Guild of America	20,037.00	461.60
Do	Folger Shakespeare Library	1,997.00	1,304.75
Do	Ford's Theater	1,896.00	1,257.75
Do	Henry Ford Museum & Greenfield Village		600.00
Do	Meridian House International	1,896.00	1,257.75
Do	Metropolitan Museum of Art		1,100.00
Do	National Building Museum	1,896.00	1,257.75
Do	National Council for the Traditional Arts	5,000.00	
Do	National Museum of Women in the Arts	1,997.00	1,304.75
Do	National Symphony		
Do	Natural History Museum of Los Angeles County		
Do	Peabody Museum of Salem		600.00
Do	Phillips Collection	1,997.00	1,257.75
Do	Rochester Museum & Science Center		600.00
Do	Science Museum of Minnesota		600.00
Do	Shakespeare Theater	1,997.00	1,257.75
Do	The Colonial Williamsburg Foundation		600.00
Do	Washington Ballet	1,896.00	1,257.75
Do	Washington Opera	2,098.00	1,398.75
Do	Washington Performing Arts Society	1,997.00	1,304.75
Sidonie Chiapetta, 1400 16th Street, NW Washington, DC 20036-0001	National Wildlife Federatoin	599.23	
Samuel D. Chilcote Jr., 1875 Eye Street, NW, #800 Washington, DC 20006	Tobacco Institute, Inc	1,525.00	
S. David Childers, 2999 N. 44th. Street Suite 250 Phoenix, AZ 85018	Low & Childers, P.C.		
James M. Childress, Koleda Childress & Co, Inc 1110 N. Glebe Rd., #610 Arlington, VA 22201	BASF Corp	2,082.50	
Do	Dow Chemical Co	2,082.50	
Do	Eastman Chemical Co	2,082.50	
Do	GE Plastics	2,082.50	
Do	Hoechst Celanese Chemical Group	2,082.50	
Do	Union Carbide Corp	2,082.50	
Blair G. Childs, 1275 Pennsylvania Ave., NW, #1100 Washington, DC 20004	Specialized Assn Services		750.00
Sandra L. Chiu, 1707 L Street, NW, Suite 300 Washington, DC 20036	United Airlines, Inc	400.00	
Joseph L. Choquette III, Vermont Petroleum Assn P.O. Box 566 Montpelier, VT 05601-0566	American Petroleum Institute	1,789.30	1,036.00
Edward C. Chow, 1401 Eye Street, NW, #1200 Washington, DC 20005	Chevron Companies		
James T. Christy, 1001 19th Street, NW, North, #800 Arlington, VA 22209	TRW, Inc	40,000.00	1,245.32
Chubb Corporation, 15 Mountain View Road Warren, NJ 07061			81,714.42
James R. Churchill, 6301 Stevenson Avenue, #715 Alexandria, VA 22304			
Alan L. Chvotkin, 14829 Dufief Drive Gaithersburg, MD 20878	Sundstrand Corporation	2,975.00	1,355.41
John Chwat, 601 Pennsylvania Avenue, NW, Suite 900 Washington, DC 20005	Chwat and Co, Inc (For:American Radio Relay League, Inc)	3,000.00	
Do	Chwat and Co, Inc (For:Associated Locksmiths of America)	1,400.00	
Do	Chwat & Co, Inc (For:Fresh Start Home, Inc)	1,500.00	
Do	Chwat and Co, Inc (For:National Licensed Beverage Assn)	4,500.00	
Do	Chwat and Co, Inc (For:National Weather Service Employees Organzation)	800.00	
Circuit City Stores, Inc, 1850 K Street, NW, #500 Washington, DC 20006			
Citizen Action Fund, 1730 Rhode Island Avenue, #403 Washington, DC 20036		16,188.00	16,188.00
Citizens for Reliable and Safe Highways (CRASH), 116 New Montgomery Street, #900 San Francisco, CA 94105		17,200.86	1,984.00
Abe Citron, 110 East 59th Street, Suite 3202 New York, NY 10022	Azerbaijan Study Foundation		
Terri G. Claffey, 1801 Pennsylvnaia Ave., NW Washington, DC 20006	MCI Communications Corp	1,000.00	
Donald A. Clarey, 112 South West Street Alexandria, VA 22314	Strategic Management Associates, Inc (For:Greater New York Hospital Assn)	30,000.00	
Do	Strategic Management Associates, Inc (For:Mobile X-Ray Providers of America)	10,000.00	
Do	Strategic Management Associates (For:Montefiore Medical Center)	24,000.00	
Do	Strategic Management Associates (For:New York Hospital)	18,000.00	
Carla E. Clark, 1331 Pennsylvania Ave., NW, #1500-N Washington, DC 20004-1790	National Assn of Manufacturers	1,500.00	
Dan Clark, 1228 Euclid Avenue, Suite 900 Cleveland, OH 44115-1891	Climaco Climaco Seminatore Lefkowitz & Garofoli Co (For:Blue Cross & Blue Shield of Ohio).	7,200.00	3,125.00
James F. Clark, P.O. Box 2l2ll Juneau, AK 99802-1211	Alaska Forest Assn		
Julie Clark, 1625 K St., NW, #800 Washington, DC 20006	National Legal Aid & Defenders Assn	16,926.00	608.86
Marshall C. Clark, 7332 SW 21st Street P.O. Box 4267 Topeka, KS 66604	Kansas Electric Cooperatives, Inc (KEC)	3,246.00	78.07
Thomas R. Clark, 919 18th Street, NW, #200 Washington, DC 20006	Federal Agricultural Mortgage Corp	7,250.00	343.34
Vernon A. Clark, P.O. Box 59347 Potomac, MD 20859-9347	Vern Clark & Associates (For:Coalition for Property Rights)	69,000.00	
Do	Vern Clark & Associates (For:Fox Television Stations, Inc)	22,500.00	802.81
Do	LDDS Metromedia Communications, Inc	30,000.00	2,381.78
Do	Massachusetts Bay Transportation Authority	24,998.00	
Do	Vern Clark & Associates (For:Metromedia Communications)		
Do	Vern Clark & Associates (For:Metromedia Company)	30,000.00	
Do	Morven Partners, L.P.	10,000.00	
Do	Vern Clark & Associates (For:R.J. Reynolds Tobacco Co)	52,500.00	1,364.10
Vern Clark & Associates, P.O. Box 59347 Potomac, MD 20859-9347	Coalition for Property Rights	69,000.00	
Do	Fox Television Stations, Inc	22,500.00	802.81
Do	LDDS Metromedia Communications, Inc	30,000.00	2,381.78

Organization or Individual Filing	Employer/Client	Receipts	Expenditures
Do	Massachusetts Bay Transportation Authority	24,998.00	
Do	Metromedia Communications		
Do	Metromedia Company	30,000.00	
Do	Morven Partners, L.P.	10,000.00	
Do	R.J. Reynolds Tobacco Co	52,500.00	1,364.10
Elizabeth T. Clarke, 1420 King Street Alexandria, VA 22314-2792	National Soc of Professional Engineers	1,250.00	
Richard Clarke, 1050 17th Street, NW, #700 Washington, DC 20036	Healthcare Financial Management Assn		475.10
Stephen B. Clarkson, 4101 Washington Ave., Dept 016 Newport News, VA 23607	Newport News Shipbuilding & Dry Dock Co	1,000.00	700.00
Kenneth J. Clayton, 1120 Connecticut Ave, NW Washington, DC 20036	American Bankers Assn	18,057.00	
Patrick J. Cleary, 1155 Connecticut Ave., NW, 10th Floor Washington, DC 20036	Brock Group, Ltd (For:Sinclair Broadcasting Group)	1,181.28	30.00
Cleary Gottlieb Steen & Hamilton, One Liberty Plaza New York, NY 10006	Government Representatives Cmte Securities Industry Assn		
Do	Institute of International Bankers	1,250.00	4.00
Do	Ministry of Finance & Public Credit of the United Mexican St		
Do	Salomon Brothers, Inc		
Ronald D. Clements, 701 Pennsylvania Avenue, NW Washington, DC 20004	Edison Electric Institute	5,090.66	1,033.06
Kimberly M. Clennan, 14157 Rahill Court Woodbridge, VA 22193			
Cleveland-Cliffs, Inc, 1100 Superior Avenue Cleveland, OH 44114-2589			896.00
Climaco Climaco Seminatore Lefkowitz & Garofoli Co, 1228 Euclid Ave., #900 Cleveland, OH 44115	Blue Cross & Blue Shield of Ohio		472.50
Michael P. Cline, 1219 Prince Street Alexandria, VA 22314-2916	Enlisted Assn National Guard	5,343.00	
Clinton Advocates for Change, 16 Lancaster Drive Suffern, NY 10901		5.00	174.00
Stephen J. Cloud, 1220 L St., NW Washington, DC 20005	American Petroleum Institute	1,000.00	
W. Dewey Clower, 1199 North Fairfax, #801 Alexandria, VA 22314	National Assn of Truck Stop Operators, Inc		
Anthony T. Cluff, 805 15th Street, NW, #600 Washington, DC 20005	Bankers Roundtable	3,125.00	
Coal Industry Health Protection Coalition, 918 16th Street, NW, Suite 303 Washington, DC 20006		9,968.88	9,968.88
Coalition for Vehicle Choice, 1100 New York Ave., NW, Suite 810 West Tower Washington, DC 20005		458,966.15	6,535.60
Coalition of Americans to Protect Sports (CAPS), 200 Castlewood Drive North Palm Beach, FL 33408			
Coalition of Disk Exporters ('CODE'), 915 15th Street, NW, Suite 900 Washington, DC 20005			
Coalition of Supporters of the Shipping Act, c/o Morgan Lewis & Bockius 1800 M Street, NW Washington, DC 20036			57.00
Sarah D. Coates, 800 Connecticut Avenue, NW, #1100 Washington, DC 20006	Baxter	20.00	
Richard B. Cobb, Georgia Petroleum Council 50 Hurt Plz., SE, #720 Atlanta, GA 30303-2923	American Petroleum Institute		150.00
Drew Patrick Cobbs, 60 West Street, #403 Annapolis, MD 21401	American Petroleum Institute	2,050.00	
Cochran & Lotkin, 201 Massachusetts Avenue, NE, Suite C-1 Washington, DC 20002	City of South Pasadena Redevelopment Agency	2,000.00	
Do	Montgomery Watson	1,000.00	
Anna V. Cochrane, 1747 Pennsylvania Ave., NW, #300 Washington, DC 20006	MidCon Corp	149.00	37.15
PerryAnne Coffey, 3800 N. Fairfax Drive, Suite 4 Arlington, VA 22203	National Water Resources	12,000.00	
William F. Coffield, 1785 Massachusetts Ave., NW, 4th Floor Washington, DC 20036	BS&B Safety Sytems, Inc	6,509.57	6,509.57
Do	Sharp & Lankford (For:Transactive Corp)	29,758.91	23,217.16
Coffield Ungaretti & Harris, 3500 Three Firest National Plaza Chicago, IL 60602	FMC Defense Systems		
Amy A. Coggin, 1201 New York Ave., NW, #400 Washington, DC 20005	American Public Transit Assn	3,550.00	
Arnold D. Cohen, 900 19th Street, NW, Suite 400 Washington, DC 20006	America's Community Bankers	10,000.00	735.42
Catherine Grealy Cohen, 1250 H Street, NW, #800 Washington, DC 20005	Eastman Kodak Company	2,500.00	215.00
Daniel Cohen, 1801 K Street, NW, #400K Washington, DC 20006-1301	Arter & Hadden (For:American Koyo Corp)		
Do	Arter & Hadden (For:Association for Responsible Thermal Treatment)		
Do	Arter & Hadden (For:BKK Corporation)		
Do	Arter & Hadden (For:Cellular Telecommunications Industry Assn)		
Do	Arter & Hadden (For:Central & South West)		
Do	Arter & Hadden (For:Circus Circus)		
Do	Arter & Hadden (For:Citicorp)		
Do	Arter & Hadden (For:Corning, Inc)		
Do	Arter & Hadden (For:CAI Wireless)		
Do	Federated Investors		
Do	Arter & Hadden (For:Hicks Muse Tate & Furst)		
Do	Arter & Hadden (For:Information Technology Industry Council)		
Do	Arter & Hadden (For:Investment Company Institute)		
Do	Arter & Hadden (For:Motorola)		
Do	Arter & Hadden (For:National Assn of Broadcasters)		
Do	Arter & Hadden (For:Sammons Enterprises, Inc)		
Do	Arter & Hadden (For:Tele-Communications, Inc)		
Do	Arter & Hadden (For:U.S. Long Distance)		
Do	Arter & Hadden (For:Westinghouse Electric Corp)		
Do	Working Group on R&D		
John Cohen, 1331 Penn Ave., NW, #1500-North Washington, DC 20004-1703	National Assn of Manufacturers	625.00	
Kenneth S. Cohen, 1295 State Street Springfield, MA 01111-0001	Massachusetts Mutual Life Insurance Company	1,260.00	1,188.67
Linda H. Cohen, 1250 H Street, NW, #500 Washington, DC 20005	Mobil Corp	500.00	78.00
Philip Q. Cohen, 255 East Kellogg Blvd. St. Paul, MN 55101	Goff/Wilkie & Associates (For:North Metro TH 610/10 Crosstown Council)		
Cohn and Marks, 1333 New Hampshire Ave., NW Washington, DC 20036	Direct Marketing Assn	12,825.00	971.46
Eleanor Cole, 1331 Pennsylvania Ave., NW, #1500-N Washington, DC 20004-1703	UBA, Inc	1,500.00	
Jean L. Cole, 2001 Pennsylvania Ave. NW, Suite 300 Washington, DC 20006	Exxon Corp		
Robert E. Cole, 900 17th St., NW Washington, DC 20006	Kaiser Aluminum & Chemical Corp, et al.	800.00	
E. Thomas Coleman, 1100 New York Ave., NW, #340-West Washington, DC 20005	BASF Corporation	1,260.00	116.00
Richard Coleman, 529 14th Street, NW, Suite 1055 Washington, DC 20045	Space Express Corp		
Walter S. Coleman, 1200 19th Street, NW, #300 Washington, DC 20036-2401	Regional Airline Association	1,000.00	
Colex & Associates, 1106 North Taylor Street Arlington, VA 22201	American Stamps, Inc		
Do	Contessa Cruise Lines		
Do	Diagnostek, Inc		
Do	Orleans Levee District	5,000.00	
Do	RGDC, Inc	2,000.00	
Do	St. Bernard Port, Harbor & Terminal District	4,000.00	
Jessie M. Colgate, 1001 Pennsylvania Ave., NW, #460(N) Washington, DC 20004-2505	New York Life Insurance Company	315.00	
Emilio G. Collado III, Collado Associates 1405 Montague Drive Vienna, VA 22180	American Watch Assn		
Collier Shannon Rill & Scott, 3050 K Street, NW, #400 Washington, DC 20007	Allied Corp, Verson Div		
Do	American Car Rental Assn	8,800.00	8,800.00
Do	American International Group, Inc		
Do	American Textile Machinery Assn		
Do	Association of Certified Trucking Schools		
Do	Australian Dairy Industry	1,925.00	1,925.00
Do	Australian Wheat Board	2,160.00	2,160.00
Do	Bicycle Manufacturers Assn of America		
Do	Carfax		
Do	Cast Iron Soil Pipe Institute		
Do	Coalition for Improved Environmental Audits		
Do	Coalition for Safe Ceramicware		
Do	COMPACT		
Do	CSR Limited - Sugar Division		
Do	Food Marketing Institute		
Do	Footwear Industries of America	1,565.00	1,565.00
Do	Golden Gate Petroleum International, Ltd		
Do	GTE Corporation	2,150.00	2,150.00
Do	In Re Color Picture Tubes		
Do	Independent Lubricant Manufacturers Assn	2,170.00	2,170.00
Do	Inland Steel Corp	2,400.00	2,400.00
Do	International Crystal Federation		
Do	J&B Management Co	7,900.00	7,900.00
Do	Leather Industries of America		
Do	Limousine Industry Manufacturers Organization		
Do	Lykes Brothers, Inc		
Do	Municipal Castings Fair Trade Council		
Do	National Assn of Convenience Stores	12,448.00	12,448.00
Do	National Cosmetology Assn, Inc		
Do	National Juice Products Assn		
Do	National Limousine Assn	2,150.00	2,150.00
Do	National Pasta Assn	274.50	274.50
Do	National Pork Producers Council	206.25	206.25
Do	NonProfits' Insurance Alliance of California	2,200.00	2,200.00

Organization or Individual Filing	Employer/Client	Receipts	Expenditures
Do	NACCO Materials Handling Group, Inc		
Do	Oneida, Ltd		
Do	Outdoor Power Equipment Institute		
Do	Owner-Operator Independent Drivers Assn	900.00	900.00
Do	Petrojam, Ltd		
Do	Petroleos de Venezuela, S.A.	11,110.00	11,110.00
Do	Pittsburgh Corning Corporation		
Do	Planar System, Inc	2,187.00	2,187.00
Do	PC Strand Producer Coalition		
Do	Scotsman Industries, Inc		
Do	Shipbuilders Council of America	1,155.00	1,155.00
Do	Society of Independent Gasoline Marketers of America	9,519.00	9,519.00
Do	Specialty Steel Industry of the U.S.	137.50	137.50
Do	Specialty Tubing Group		
Do	Steel Manufacturers Assn		
Do	Tanners Countervailing Duty Coalition		
Do	Total Petroleum	8,880.00	8,880.00
Do	TUServices	8,600.00	8,600.00
Do	United Parcel Service	1,200.00	1,200.00
Do	Vermont Yankee Nuclear Power Corp	4,945.00	4,945.00
Do	Wickland Oil Co		
Do	Williams Companies	700.00	700.00
John Collins, 430 First Street, SE Washington, DC 20003	American Trucking Assns, Inc	11,000.00	
Meg Collins, 701 Pennsylvania Ave., NW, Suite 710 Washington, DC 20004	Tenneco	397.88	60.00
Michael A. Collins, 19300 Bakers Run Court Brookville, MD 20833	United Assn of Jnymen & Appren of Plmbg & Pipeftg Industry	6,000.00	
Richard L. Collins, Collins & Company 1555 Wilson Blvd., #300 Arlington, VA 22209	International Fund for Agricultural Development		
Do	Loral Corporation		
Do	Northrop Grumman Corp		
Do	Oceanic Institute of Hawaii		
Stephen J. Collins, 1401 H Street, NW, #900 Washington, DC 20005	American Automobile Manufacturers Assn	2,500.00	1,251.00
Camilla L. Collova, P.O. Box 3001 Lancaster, PA 17604	Armstrong World Industries, Inc		
Jeffrey Colman, 440 First Street, NW, #600 Washington, DC 20001	American Israel Public Affairs Comm	18,750.00	441.52
Mary Colville, 1155 15th St., NW Washington, DC 20005	National Broiler Council	2,500.00	
Jeffrey W. Combos, c/o Tennessee Petroleum Council 315 Deaderick Street, #1430 Nashville, TN 37238-1430	American Petroleum Institute		
Lori A. Comeau, 1401 Eye Street, NW, #340 Washington, DC 20005	CF Industries, Inc	500.00	
Commercial Finance Association, 225 W. 34th St. New York, NY 10122			10,891.00
Committee for Humane Legislation, Inc, 2000 P Steet, NW, #415 Washington, DC 20026		95.00	4,819.70
Common Cause, 2030 M St., NW Washington, DC 20036		2,526,449.00	442,251.20
Commonwealth Group, Ltd, One Massachusetts Avenue, Suite 850 Washington, DC 20001	Bechtel Parsons Brinckerhoff	11,250.00	
Do	EG&G, Inc		
Community Nutrition Institute, 2001 S St., NW, #530 Washington, DC 20009			7,044.91
Competitive Enterprise Institute, 1001 Connecticut Avenue, NW, #1250 Washington, DC 20036		439,769.00	636.09
Competitive Long Distance Coalition, 1875 I Street, NW Washington, DC 20006		3,401.03	3,401.03
Compressed Gas Assn/Helium Advisory Council, 1725 Jefferson Davis Hwy, #1004 Arlington, VA 22202-4102		24,000.00	22,306.00
John B. Conaway, 5126 Woodmire Lane Alexandria, VA 22311	Conaway Group	15,000.00	
Bert M. Concklin, 8607 Westwood Center Drive, Suite 204 Vienna, VA 22182	Professional Services Council	3,000.00	
William J. Condon Jr., 813 Ridge Lake Blvd Memphis, TN 38120	Conwood Company, LP	12.86	28.57
Thomas L. Conlan, One West Fourth Street, Suite 200 Cincinnati, OH 45202	Student Loan Funding Corp	2,387.47	38.99
John L. Conley, 2200 Mill Road Alexandria, VA 22314	National Tank Truck Carriers, Inc		100.00
Peter J. Connell, 1501 M Street, NW, Suite 400 Washington, DC 20005	Aetna Life & Casualty	3,000.00	89.00
Jeanne K. Connelly, 1875 Eye St., NW, #540 Washington, DC 20006	Champion International Corp	1,788.00	274.23
Ralph T. Conner, 1250 Eye Street, NW Washington, DC 20005	National Tire Dealers & Retreaders Assn	594.52	36.30
Francis J. Conners, 100 Indiana Avenue, NW Washington, DC 20001	National Assn of Letter Carriers	6,384.18	
Connerton Ray & Simon, 1920 L Street, NW, 4th Floor Washington, DC 20036-5004	International Brotherhood of Teamsters	15,000.00	4,750.00
Do	Laborers National Health & Safety Fund	15,000.00	4,750.00
Do	Laborers-Employers Cooperative & Education Trust	15,000.00	4,750.00
Do	Laborers/AGC Education & Training Fund	15,000.00	4,750.00
Do	Transportation Institute	15,000.00	4,750.00
Catherine Connor, 700 11th Street, NW, #710 Washington, DC 20001	Parsons Brinckerhoff Quade & Douglas, Inc	455.00	
Jerry C. Connors, 1745 Jefferson Davis Highway, #511 Arlington, VA 22202	Manufactured Housing Institute	8,500.00	
David Conover, 1250 H Street, NW, #575 Washington, DC 20005	CH2M Hill	1,825.98	
David R. Conrad, 1400 16th Street, NW Washington, DC 20036-0001	National Wildlife Federation	2,216.59	
Conservative Action Lobby, P.O. Box 931602 Los Angeles, CA 90093			
Consortium for Int'l Earth Science Information Network, 2250 Pierce Road University Center, MI 48710		4,350.00	18,263.90
Consortium of Social Science Assns, 1522 K Street, NW, #836 Washington, DC 20005		84,150.00	3,410.91
Consumer Bankers Assn, 1000 Wilson Blvd., #3012 Arlington, VA 22209			892.87
Consumer Energy Council of America Research Foundation, 2000 L St., NW, #802 Washington, DC 20036			
Consumers for World Trade, 2000 L Street, NW, #200 Washington, DC 20036		28,570.00	31,169.86
John J. Contney, 1130 East Hallandale Beach Blvd. Suite B Hallandale, FL 33009	Textile Rental Services Assn of America		
Convergence Services, Inc, 1800 Diagonal Road, Suite 600 Alexandria, VA 22314	Greater Washington Educational Telecommunications Assn		
Do	Public Broadcasting Service	2,100.00	
Do	Twin Cities Public Television		
Daniel J. Conway, One Massachusetts Ave., NW, #350 Washington, DC 20001	Chubb Corporation	10,000.00	1,047.70
Harry N. Cook, 1130 17th St., NW Washington, DC 20036	National Waterways Conference, Inc		
Judith W. Cook, 1776 Eye Street, NW, Suite 575 Washington, DC 20006	Marion Merrell Dow, Inc		6,602.00
Thomas M. Cook, 1301 Pennsylvania Ave., NW, #300 Washington, DC 20004	National Cattlemen's Assn	1,000.00	
Cook Group, Inc, 300 Fountain Square P.O. Box 1608 Bloomington, IN 47402-1608			48,173.63
Charles E. Cooke, 1001 Pennsylvania Avenue, NW, #450-N Washington, DC 20004	Southern California Edison Co	7,950.00	5,650.00
Benjamin Y. Cooper Jr., 100 Daingerfield Road Alexandria, VA 22314	Printing Industries of America, Inc	12,500.00	
Edward R. Cooper, 15th & M Streets, NW Washington, DC 20005	National Assn of Home Builders of the U.S.	7,545.05	
Lisa Cooper, 1101 Vermont Ave., NW, #710 Washington, DC 20005	American Veterinary Medical Assn		
Mitchell J. Cooper, 1001 Connecticut Ave., NW Washington, DC 20036	Rubber & Plastic Footwear Manufacturers Assn	39,000.00	4.00
Coordinadora de Organizaciones Empresariales de Comercio Ext, 1025 Thomas Jefferson Street, NW Washington, DC 20007.		85,051.72	4,365.71
Darrell Coover, 10 Masters Court Potomac, MD 20854	National Assn of Independent Insurers	1,500.00	
Do	Niagara Mohawk Power Corp	2,000.00	
Greg Copeland, 1776 Eye Street, NW, Suite 275 Washington, DC 20006	Entergy Services, Inc	3,668.31	439.13
Copeland Lowery & Jacquez, 601 13th Street, NW, #710 North Washington, DC 20005	Bay Area Rapid Transit District	21,311.60	
Do	Biomagnetic Technologies		
Do	BRAC '95 Task Force	9,055.00	
Do	Consolidated - Geare	1,755.00	
Do	County of Alameda	19,200.00	
Do	CALSTART	31,428.87	
Do	International Bottled Water Assn	11,410.26	
Do	Interstate Natural Gas Assn of America	12,750.00	
Do	ICF International	9,205.08	
Do	Santa Barbara Metropolitan Transit District	6,190.65	
Do	SAIC, Inc		
Do	Western League of Savings Institutions	15,157.20	
Do	Westlands Water District	12,105.41	
Heidi S. Coppola, 425 Park Avenue New York, NY 10043	Citibank N.A.	3,164.00	
George F. Cormeny Jr., 25 South Charles Street/Banc 121 - 013 Baltimore, MD 21203	First Maryland Bancorp		
Do	First National Bank of Maryland	3,900.00	352.00
Corn Refiners Assn, Inc, 1701 Pennsylvania Ave., NW Washington, DC 20036			
Ernest J. Corrado, 1000 16th St., NW, #511 Washington, DC 20036	American Institute of Merchant Shipping	2,726.00	77.00
Richard L. Corrigan, 1250 H Street, NW Washington, DC 20005	CH2M Hill	4,687.57	
Marty Corry, 601 E Street, NW Washington, DC 20049	American Assn of Retired Persons	10,883.25	255.00
Allan D. Cors, 1455 Pennsylvania Avenue, NW, #500 Washington, DC 20004	Corning, Inc	1,200.00	
Anthony R. Corso, 3225 Gallows Road Fairfax, VA 22037	Mobil Corp	2,500.00	
Philip S. Corwin, 1120 Connecticut Ave., NW Washington, DC 20036	American Bankers Assn	22,452.00	484.61
Barbara J. W. Cosgriff, 1001 Pennsylvania Ave., NW Washington, DC 20004	American Council of Life Insurance, Inc		
Paul S. Cosgrove, 121 SW Salmon Suite #1400 Portland, OR 97204	Gardner Cosgrove & Gardner (For:Anadarko Petroleum Corp)	1,200.00	5.21
Cosmetic Toiletry & Fragrance Assn, Inc, 1101 17th Street, NW, #300 Washington, DC 20036		4,395.00	4,395.00
Louis A. Costantino Jr., 1401 I Street, NW, #1000 Washington, DC 20005	Securities Industries Assn	498.00	

Organization or Individual Filing	Employer/Client	Receipts	Expenditures
J. Daniel Costello, 12321 La Plata Street Silver Spring, MD 20904	National Trust for Historic Preservation	1,365.00	825.00
Michael E. Costello, 1620 L Street, NW, #1200 Washington, DC 20036	Panhandle Eastern Corp		
John M. Coster, P.O. Box 1417-D49 Alexandria, VA 22313-1480	National Assn of Chain Drug Stores	2,000.00	
R. Lawrence Coughlin, 2100 Pennsylvania Ave., NW, Suite 600 Washington, DC 20037	Eckert Seamans Cherin & Mellott (For:Centocor, Inc)		
Do	Eckert Seamans Cherin & Mellott (For:Central Arkansas Transit Authority)	1,275.00	
Do	Eckert Seamans Cherin & Mellott (For:Foothill Transit Zone)	1,275.00	
Do	Eckert Seamans Cherin & Mellottt (For:Los Angeles County Metropolitan Transportation Authority).	1,275.00	
Do	Eckert Seamans Cherin & Mellott (For:Regional Transportation Commission)	1,275.00	
Do	Eckert Seamans Cherin & Mellott (For:Southeastern Pennsylvania Transportation Authority).	1,275.00	
Do	Eckert Seamans Chein & Mellott (For:Utah Transit Authority)	1,275.00	
Council for a Livable World, 110 Maryland Avenue, NE Washington, DC 20002			47,962.57
Council for the National Interest, 1511 K Street, NW, Suie 1043 Washington, DC 20005			3,051.36
Council for Affordable & Rural Housing, 1300 19th Street, NW, #410 Washington, DC 20036		2,000.00	2,000.00
Council for Educational Development & Research, 2000 L Street, NW, #601 Washington, DC 20036		6,866.60	1,128.90
Council for Responsible Nutrition, 1300 19th Street, NW #310 Washington, DC 20036-1609		35,657.00	35,657.00
Council of Industrial Boiler Owners, 6035 Burke Centre Parkway, #360 Burke, VA 22015			
Council of Institutional Investors, 1616 P Street NW, #350 Washington, DC 20036			
Council of State Chambers of Commerce, 122 C St., NW, #330 Washington, DC 20001		2,700.00	
Countrywide Funding Corp, 1450 G Street, NW, #445 Washington, DC 20005		11,250.00	16,550.00
Christopher D. Coursen, 1133 Connecticut Ave., NW, #900 Washington, DC 20036	Adelphia Communications Corp		
Do	Allnet Communications Services, Inc		
Do	Booth American Company		
Do	Boston Ventures Management, Inc		
Do	Bresnan Communications Co		
Do	Coursen Group (For:Cable Telecommunications Assn)		
Do	Cablevision Industries		
Do	Cablevision Systems Corp		
Do	Columbia International, Inc		
Do	Continental Cablevision, Inc		
Do	Falcon Cable TV		
Do	Insight Communications		
Do	InterMedia Partners		
Do	Lenfest Group		
Do	Marcus Communications		
Do	Medium-Sized Cable Operators Group		
Do	Post-Newsweek Cable		
Do	Scala, Inc		
Do	Triax Communications Corp		
Do	U.S. Cable Corp		
Mark J. Covall, 1319 F Street, NW, #1000 Washington, DC 20004	National Assn of Psychiatric Health Systems	500.00	
Brian Cove, 955 L'Enfant Plaza, SW, #5300 Washington, DC 20024	Honda North America	100.00	28.04
Covington & Burling, P.O. Box 7566 1201 Pennsylvania Avenue, NW Washington, DC 20044	J.S. Alberici Construction Co, Inc	1,517.50	
Do	American Assn of Oral & Maxillofacial Surgeons		20.00
Do	American Bankers Assn	1,430.00	32.00
Do	American Watch Assn		
Do	Anchorage Telephone Utility		
Do	Association of America's Public Television Stations	893.25	
Do	Association of American Medical Colleges	19,012.50	32.00
Do	Association of Maximum Service Television, Inc		
Do	Attorneys' Liability Assurance Society, Inc		21.00
Do	Bankers Trust Co	3,250.00	47.00
Do	BankAmerica Corp		
Do	Brown Brothers Harriman & Co		
Do	Coalition to Preserve the Integrity of American Trademarks		
Do	Consolidated Natural Gas Company		
Do	Council for Marketing & Opinion Research		
Do	Erisa Industry Committee	525.00	12.50
Do	Federal Home Loan Mortgage Corp	1,750.00	
Do	LeRoy E. Hoffberger		91.50
Do	International Business Machines Corp	3,093.75	
Do	Investment Company Institute		3.75
Do	John E. Simon Trust	12,143.75	195.37
Do	John Hancock Mutual Life Insurance Co	962.50	
Do	National Capital Newspaper Distributors Assn	787.50	23.00
Do	National Football League		
Do	National Foreign Trade Council, Inc	3,551.06	
Do	NationsBank Corp	11,305.00	64.00
Do	Private Benefits Alliance	178.00	
Do	Public Broadcasting Service		
Do	Tobacco Institute, Inc, et al.	17,715.00	
Do	Unocal Corporation	262.50	
Sharon Cowan, 1828 L Street, NW, #906 Washington, DC 20006	American Soc of Mechanical Engineers		
Andrew J. Cowin, 1200 G Street, NW, #800 Washington, DC 20005	National Rifle Assn	3,750.00	
Archibald Cox, 2030 M St., NW Washington, DC 20036	Common Cause		
Cary L. Cox, 301 Pennsylvania Ave., NW North Building, #540 Washington, DC 20004	Ashland Oil, Inc	2,000.00	
Chris Cox, 410 First Street, SE, 2nd Floor Washington, DC 20003	National Rifle Assn of America	1,250.00	401.84
Eric Cox, 713 D Street, SE Washington, DC 20003	Campaign for U.N. Reform-Political Education Committee	6,510.40	89.05
Rebecca G. Cox, 1300 Eye Street, NW, #950 East Washington, DC 20005	Continental Airlines, Inc		
William J. Cox, 1776 K St., Washington, DC 20006	Catholic Health Association of the United States		
John C. Cozad, 2600 Grand Avenue Kansas City, MO 64108	Morrison & Hecker		
Christine G. Crafton, 1133 21st Street, NW, #405 Washington, DC 20036	General Instrument Corp		
Bruce Craig, P.O. Box 640 Charles Town, WV 25414	Conference of National Park Cooperating Associations		
Daniel Craig, 1724 Massachusetts Avenue, NW Washington, DC 20036	National Cable Television Assn, Inc	4,176.00	282.45
Bill Crandell, 7104 14th Avenue Tacoma Park, MD 20912	Vietnam Veterans of America		
Dale A. Crane, 618 South 223rd Street Des Moines, WA 98198	National Parks & Conservation Association	190.00	91.00
Daniel M. Crane, 1010 Pennsylvania Avenue, SE Washington, DC 20003	Algonquin Gas Transmission Co		
Do	American Assn of Advertising Agencies		
Do	Association for Manufacturing Technology		
Do	Chubb Corporation		
Do	Citicorp/Citibank		
Do	Invest to Compete Alliance		
Do	Merck & Co		
Do	National Electrical Manufacturers Assn		
Do	Nuclear Energy Institute (NEI)		
Do	Olsten Kimberly QualityCare		
Do	Securities Industry Association		
Do	Shriners Hospitals for Crippled Children		
Do	Campbell-Raupe (For:Stone and Webster Engineering Corporation)		
Do	Textron Corp		
Do	University of Massachusetts		
Do	USX Corp		
Donald A. Crane, 919 18th Street, NW, #400 Washington, DC 20006	W. R. Grace & Co /World Headquarters	7,186.00	
Milly S. Crawford, 1445 New York Ave., NW, 8th Floor Washington, DC 20005	Public Securities Assn	6,000.00	960.62
Richard C. Crawford, 601 Pennsylvania Ave. NW Suite 500 North Building Washington, DC 20004	Coors Brewing Co	16,500.00	1,583.87
Roger A. Crawford, 800 Connecticut Avenue, NW Washington, DC 20006-2701	Food Marketing Institute	100.00	
Creative Coalition, 1100 Avenue of the Americas, 15th Floor New York, NY 10036			2,645.00
Richard C. Creighton, 1212 New York Avenue, NW, #500 Washington, DC 20005	American Portland Cement Alliance	17,761.98	236.92
Douglas P. Crew, 818 Connecticut Avenue, NW, #600 Washington, DC 20006	Caterpillar, Inc	3,000.00	325.50
Raffaella S. Cristanetti, 1401 Eye Street, NW, Suite 1200 Washington, DC 20005	Chevron Companies		
Richard E. Cristol, 1101 15th St., NW, #202 Washington, DC 20005	Robert H. Kellen Co (For:Calorie Control Council)	180.00	
Robert W. Cromartie, 1800 Massachusetts Ave., NW Washington, DC 20036	National Rural Electric Cooperative Assn		
Jennifer B. Cromwell, 3601 Vincennes Road P.O. Box 68700 Indianapolis, IN 46268	National Assn of Mutual Insurance Companies	114.00	

Organization or Individual Filing	Employer/Client	Receipts	Expenditures
Charles H. Cromwell, Inc, 6709 Georgia Street Chevy Chase, MD 20815	MTS Systems Corp		
Crop Insurance Research Bureau, 9200 Indian Creek Parkway, Suite 220 Overland Park, KS 66210-2008		710.50	786.81
John H. Crosby IV, 950 North Glebe Road, Suite 160 Arlington, VA 22203	American Boiler Manufacturers Assn, Inc	400.00	175.00
James W. Cross, 125 N. West Street Alexandria, VA 22314-2754	Fleet Reserve Assn		
Mary M. Cross, 555 New Jersey Ave., NW Washington, DC 20001	American Fed of Teachers	19,301.96	40.00
Deborah T. Crouse, 1725 DeSales Street, NW, Suite 500 Washington, DC 20036	Center for Marine Conservation	217.03	
Crowell & Moring, 1001 Pennsylvania Ave., NW Washington, DC 20004-2595	Associated Gas Distributors		
Do	Avon Products, Inc		
Do	Brooklyn Union Gas Co		
Do	COMSAT Corp		
Do	Helicopter Assn International		
Do	ICF Kaiser International, Inc & Subsidiaries		
Do	L&F Products Group		
Do	Polyisocyanurate Insulation Mfrs Assn		
Do	RTK Corporation	222.50	25.55
Do	United Cities Gas Co		
Do	Wyatt Company		
James P. Crumley Jr., 1100 Wilson Blvd. Arlington, VA 22209	Hughes Aircraft Company	120.00	
Culley-Foster & Co, P.O. Box 17370 Washington, DC 20041			
William E. Cumberland, 1125 15th St., NW Washington, DC 20005	Mortgage Bankers Assn of America		
Philip Cummings, 1101 Pennsylvania Avenue, NW Washington, DC 20004	McCutchen Doyle Brown & Enersen (For:American Iron & Steel Institute)		
Do	McCutchen Doyle Brown & Enersen (For:Browning-Ferris Industries, Inc)	17,463.50	
Do	McCutchen Doyle Brown & Enersen (For:Clean Water Act Reauthorization Coalition).	50,111.50	
Do	McCutchen Doyle Brown & Enersen (For:Eastman Kodak Company)	5,671.00	
Do	McCutchen Doyle Brown & Enersen (For:Freeport-McMoRan, Inc)		
Do	McCutchen Doyle Brown & Enersen (For:General Electric Co)	16,191.50	
Do	McCutchen Doyle Brown & Enersen (For:Massachusetts Water Resources Authority).	5,671.00	
Do	McCuthchen Doyle Brown & Enersen (For:Rohr Industries, Inc)		
Do	McCutchen Doyle Brown & Enersen (For:Southern California Assn of Governments).	609.50	
Cuneo Law Group, 317 Massachusetts Ave., NE, Suite 300 Washington, DC 20002	Committee to Support the Antitrust Laws	500.00	
Do	National Assn of Securities & Commercial Law Attorneys	124,770.00	1,819.21
Do	Service Station Dealers of America		
Do	Songwriters Guild of America	5,250.00	6.00
Do	West Publishing Co	8,000.00	533.00
Charles V. Cunningham, 1155 15th Street, NW, Suite 504 Washington, DC 20005	American Textile Manufacturers Institute, Inc	1,500.00	
Do	Dunavant Enterprises, Inc	3,000.00	
Do	Hohenberg Bros. Company	1,500.00	
Stacey C. Cunningham, 750 First Street, NE Washington, DC 20002-4242	American Psychological Assn	395.70	
William J. Cunningham, 815 16th Street, NW Washington, DC 20006	American Fed of Labor & Congress of Industrial Organizations	20,075.90	804.00
John T. Curran, 905 16th St., NW Washington, DC 20006	Laborers' Intl Union of North America, AFL-CIO	24,999.99	580.80
Do	National Coordinating Comm for Multiemployer Plans		
Anne M. Curry, 800 Connecticut Avenue, NW Washington, DC 20006	Food Marketing Institute	500.00	
Wayne T. Curtin, P.O. Box 1808 Washington, DC 20013-1808	Motorcycle Riders Foundation, Inc	8,854.66	
James R. Curtiss, 1400 L Street, NW Washington, DC 20005	Washington Public Power Supply System		
Herschel Cutler, 1325 G Street, NW, Suite 1000 Washington, DC 20005	Institute of Scrap Recycling Industries, Inc	1,244.00	253.64
Cutler & Stanfield, 700 14th Street, NW, 10th floor Washington, DC 20005	Association of Bankruptcy Professionals	16,580.00	277.35
Do	City of Tempe		
Do	General Atomics		
Do	Kaiser Resources, Inc		
Do	Mine Reclamation Corp		
Do	University of Colorado	3,315.00	
Ralf W.K. Czepluch, 1130 Connecticut Ave., NW, #830 Washington, DC 20036	Gulf Power Company	5,044.00	10,363.16
CF Industries, Inc, Salem Lake Dr. Long Grove, IL 60047			1,000.00
CR Associates, 317 Massachusetts Ave., NE, #100 Washington, DC 20002	Academy of Radiology Research	1,200.00	
Do	Alzheimer's Assn	1,835.25	
Do	American Assn for Dental Research	958.50	
Do	Association of University Programs in Health Administration	489.00	
Do	Delta Dental Plans Assn	1,200.00	
Do	Hercules Aerospace Co		
Do	Hercules, Inc		
Do	Software Productivity Consortium	172.69	
D.C. Legislative & Regulatory Services, 1155 21st Street, NW, #310 Washington, DC 20036	Andersons Management Corp	9,000.00	2,580.77
Do	Biotechnology Industry Organization	3,000.00	610.66
Do	British Petroleum, America	9,000.00	825.64
Do	Lebanon Chemical Corp and Lebanon Turf	3,000.00	616.86
Do	National Bark & Soil Producers Assn	3,750.00	445.40
Do	Responsible Industry for a Sound Environment	9,000.00	1,514.13
Do	Scotts Companies & Subsidiaries	10,500.00	897.42
Do	ZENECA Ag Products	12,000.00	2,011.84
Lynne R. Daghlian, 1015 15th Street, NW, #700 Washington, DC 20005	Bechtel Group, Inc		55.12
Kawika M. Daguio, 1120 Connecticut Ave., NW Washington, DC 20036	American Bankers Assn	1,852.00	
Susan Dahlquist, 2000 K St., NW, 8th Foor Washington, DC 20006	National Comm to Preserve Social Security	16,741.00	625.86
Frank J. Daily, 411 East Wisconsin Ave. Milwaukee, WI 53202	Quarles & Brady (For:General Motors Corp)		
Dairy Farmers for Responsible Dairy Policy, 1919 South Eads St., #103 Arlington, VA 22201-3028			
Donald W. Dalrymple, 1201 Connecticut Ave., NW, #550 Washington, DC 20036	Bailey & Robinson (For:Bayer Corporation)		
Do	Bailey & Robinson (For:Nonprescription Drug Manufacturers Assn)		
Do	Bailey & Robinson (For:North American Vaccine, Inc)		
Robert P. Daly II, 1000 Wilson Blvd, #2800 Arlington, VA 22209	Northrop Grumman Corp	1,400.00	
John M. Damgard, 2001 Pennsylvania Ave., NW, #600 Washington, DC 20006-1807	Futures Industry Assn, Inc	6,000.00	25.00
Stephanie C. Dance, 1725 K Street, NW, #1404 Washington, DC 20006	American Cotton Shippers Assn	10,000.00	
David S. Danielson, 1505 Prince Street, #300 Alexandria, VA 22314	American Optometric Assn		
Nancy Danielson, 600 Maryland Ave., SW, #202W Washington, DC 20024	Farmers Educational and Co-Operative Union of America	6,731.28	
Marty Dannenfelsner, 700 13th Street, NW, #500 Washington, DC 20005	Family Research Council	826.00	
Donald Danner, 600 Maryland Avenue, NW, #700 Washington, DC 20024	National Fed of Independent Business	9,570.00	300.00
Elwyn L. Darden, 1331 Pennsylvania Ave., NW, #1500 North Washington, DC 20004-1790	National Assn of Manufacturers	125.00	
Theodore S. J. Davi, 23 Holland Road Pittsburgh, PA 15235			
Bruce A. Davidson, P.O. Box 1798 Jacksonville, FL 32231	Blue Cross & Blue Shield of Florida, Inc		
Linda L. Davidson, 1776 Eye Street, NW, Suite 700 Washington, DC 20006	Phillips Petroleum Co	2,000.00	332.51
Davidson Colling Group, 1101 Pennsylvania Avenue, NW, #810 Washington, DC 20004	Abbey Health Care Group, Inc	346.50	79.39
Do	American Advertising Federation	41.25	16.32
Do	American Assn of Advertising Agencies	41.25	16.32
Do	American Homepatient	346.50	79.39
Do	Association of National Advertisers, Inc	41.25	16.32
Do	Caire, Inc	346.50	79.39
Do	Caraustar Industries	151.88	10.12
Do	Devilbiss Health Care	346.50	79.39
Do	Direct Marketing Assn	41.25	16.32
Do	Dun & Bradstreet Corporation		
Do	Field Container Corp	30.34	2.02
Do	Garden State Paper Company	60.75	4.04
Do	Grocery Manufacturers of America, Inc	41.25	16.32
Do	Halltown Paperboard Co	10.13	0.67
Do	Healthdyne Technologies	346.50	79.39
Do	Homedco	346.50	79.39
Do	HIDA	346.50	79.39
Do	Invacare Corporation	346.50	79.39
Do	Lincare	346.50	79.39
Do	Magazine Publishers of America	41.25	16.32
Do	Media General, Inc	300.00	
Do	Miller & Chevalier, Chtd		
Do	National Assn of Broadcasters	41.25	16.32

Organization or Individual Filing	Employer/Client	Receipts	Expenditures
Do	Newark Group	192.34	12.81
Do	Newman & Company, Inc	10.13	0.67
Do	Newspaper Assn of America	41.25	16.32
Do	NAMES	346.50	79.39
Do	Packaging Corp of American	40.50	2.70
Do	Pediatric Services of America	346.50	79.39
Do	Point of Purchase Advertising Institute	41.25	16.32
Do	Puritan - Bennett Corporation	346.50	79.39
Do	Red Line Healthcare	346.50	79.39
Do	Republic Paperboard Co	20.25	1.34
Do	Rock-Tenn Company	151.88	10.12
Do	Rotech Medical Corp	346.50	79.39
Do	Sonoco Products Co	162.00	10.80
Do	Southeast Paper Manufacturing Co	121.50	8.10
Do	Waldorf Corp	50.63	3.37
Do	White Pigeon Paper Company	10.13	0.67
Do	Yellow Pages Publishers Assn	41.25	16.32
Dionne M. Davies, 1120 Connecticut Ave., NW, #727 Washington, DC 20036	American Bankers Assn	11,900.00	1,236.26
D. Drew Davis, 3M Center St. Paul, MN 55144-1000	Minnesota Mining and Manufacturing Company (3M)	3,500.00	
Drew M. Davis, 1101 16th St., NW Washington, DC 20036	National Soft Drink Assn	212.73	40.00
Edwin H. Davis, 2030 M St., NW Washington, DC 20036	Common Cause	12,734.40	38.80
Frederick G. Davis, 701 Pennsylvania Ave., NW 4th Floor Washington, DC 20004	Edison Electric Institute	3,679.12	1,377.79
Michael Davis, 735 North Water St., #908 Milwaukee, WI 53202-4105	American Malting Barley Assn, Inc	1,947.75	
Michael R. Davis, 4455 Woodson Road St. Louis, MO 63134	Catholic Health Assn of the United States		
Randall P. K. Davis, 1448 Duke Street Alexandria, VA 22314	International Assn of Amusement Parks & Attractions	75.00	
Timothy S. Davis, 801 Pennsylvania Ave., NW, Suite 650 Washington, DC 20004	American Express Co	15,000.00	
William M. Davis, 1615 M Street, NW, #200 Washington, DC 20036	Amoco Corporation		
Davis & Harman, 1455 Pennsylvania Avenue, NW, #1200 Washington, DC 20004	Ad Hoc Comm of Life Insurance Companies	873.00	79.26
Do	Committee of Annuity Insurers	1,270.00	36.70
Do	Employers Health Insurance Co	8,400.00	123.75
Do	First Penn-Pacific Life Insurance Co		
Do	Hughes & Luce	1,281.00	118.16
Do	Lincoln National Life Insurance Co	1,106.00	46.00
Do	Retired Lives Reserve Group	285.00	106.59
Do	Stock Information Group		
Davis Polk & Wardwell, 1300 Eye St., NW Washington, DC 20005	Bank Brussels Lambert	3,850.00	56.00
Do	Brown Brothers Harriman & Co		
Do	Firstar Corporation	700.00	8.00
Do	Kohlberg Kravis Roberts & Co		
Do	Morgan Guaranty Trust Co	1,650.00	24.00
Do	Morgan Stanley & Co, Inc		
Do	Norwest Corporation	1,625.00	10.00
Donald S. Dawson, 1133 Connecticut Ave., NW, #1000 Washington, DC 20036	Leo A. Daly Company		
Do	Michael Gaughan		
Do	Opticians Assn of America		
Do	St. Thomas-St. John Chamber of Commerce, Inc		
Brenda T. Day, 1401 H Street, NW, #700 Washington, DC 20005	Chrysler Corporation	6,249.00	545.33
Barbara Daye, 655 Fifteenth Street, NW 300 Metropolitan Square Washington, DC 20005	Blue Cross of California	13,125.00	625.79
Gaston De Bearn, 1300 Eye Street, NW, #520-W Washington, DC 20005-3314	Hoffmann-La Roche, Inc	6,500.00	79.24
Donald K. Dean, 1725 Jefferson Davis Highway, Suite 900 Arlington, VA 22202	Loral Federal Systems Group	3,500.00	
Dean Blakey & Moskowitz, 1101 Vermont Ave., NW, #400 Washington, DC 20005	Coalition of Higher Education Assistance Organizations	1,100.00	
Do	Consumer Bankers Assn	6,570.00	
Do	Diversified Collection Services, Inc	11,941.44	
Do	Economics Americas	550.00	
Do	Student Loan Funding Corp of Ohio	9,300.00	
Do	University of Vermont	225.00	
Do	Very Special Arts	750.00	
John Russell Deane III, 1317 F Street NW #550 Washington, DC 20004	Trainum Snowdon & Deane (For:Auto International Assn)	84.00	42.63
Do	Trainum, Snowdon & Deane (For:Coalition of Automotive Assns)	226.00	99.52
Do	Trainum Snowdon & Deane (For:Specialty Equipment Market Assn)	906.00	471.08
Mark O. Decker, 1129 20th Street, NW, #705 Washington, DC 20036	National Assn of Real Estate Investment Trusts, Inc		
Tom K. Decker, Box 3529 Portland, OR 97208	Port of Portland	16,189.00	4,955.00
Cathy Deeds, 700 13th Street, NW, #500 Washington, DC 20005	Family Research Council	9,351.00	
Richard A. Deem, 1101 Vermont Avenue, NW Washington, DC 20005	American Medical Assn	25.00	
Tom Dehner, 2030 M Street, NW Washington, DC 20036	Common Cause	7,564.06	685.55
William T. Deitz, 1000 Connecticut Avenue, NW, #706 Washington, DC 20036	Palumbo & Cerrell, Inc (For:American Soc of Composers Authors & Publishers)		
Do	Palumbo & Cerrell, Inc (For:Atlantic Richfield Co)	1,560.00	36.60
Do	Palumbo & Cerrell, Inc (For:Los Angeles County Metropolitan Transportation Authority).	5,475.00	245.68
Do	Trustee Coalition for Traveling Public		
Gene A. Del Polito, 1333 F Street, NW, #710 Washington, DC 20004-1108	Advertising Mail Marketing Assn	936.00	
Mitchell Delk, 1101 Pennsylvania Avenue, NW, #950 Washington, DC 20077-7347	Federal Home Loan Mortgage Corp		
George H. Denison, 5910 Woodacres Drive Bethesda, MD 20816	Edison Electric Institute		
Do	Federation of Electric Power Companies of Japan	2,600.00	
Do	General Atomics	3,000.00	
Denison Scott Associates, 5910 Woodacres Drive Bethesda, MD 20816	Bristol-Myers Squibb Co		
Thomas J. Dennis Sr., 1001 Pennsylvania Ave, NW, #450-N Washington, DC 20004	Southern California Edison Co	10,500.00	5,650.00
Robert Neal Denton, 1211 Connecticut Avenue, NW, #620 Washington, DC 20036-2701	Alliance of Nonprofit Mailers	2,252.70	
John M. Derrick Jr., 1900 Pennsylvania AVe., NW Washington, DC 20068	Potomac Electric Power Co	103.68	
Edward M. Desmond, 1401 I Street, NW, #210 Washington, DC 20005	FHP International Corp	3,562.50	153.79
M. Beth Dessen, 222 N. 17th Street Philadelphia, PA 19103-1299	Archidocese of Philadelphia		
Kyra L. Detmer, 1600 M Street, NW, 5th Floor Washington, DC 20036	Hartford Fire Insurance Co	13,500.00	1,040.00
Jo Ellen Deutsch, 1625 Massachusetts Avenue, NW Washington, DC 20036	Association of Flight Attendants, AFL-CIO	5,000.00	
Paul Devlin, 815 16th Street, NW, Suite 308 Washington, DC 20006	Public Employee Department, AFL-CIO	2,883.23	5.00
R. Daniel Devlin, 808 17th Street, NW, #520 Washington, DC 20006	Trans World Airlines, Inc	600.00	
Robert L. Dewey, 1101 14th Street, NW #1400 Washington, DC 20005	Defenders of Wildlife	1,050.70	114.00
Dewey Ballantine, 1775 Pennsylvania Ave., NW, #500 Washington, DC 20006	Bethlehem Steel, et al.	2,227.50	24.00
Do	Catholic Health Assn of the U.S.		
Do	Federal National Mortgage Assn		
Do	Federation of American Health Systems		
Do	General Electric Co		
Do	General Electric Pension Trust		
Do	PacifiCorp Financial Services		
Do	Semiconductor Industry Association		
Do	SEMATECH		
Do	Teachers Insurance & Annuity Assn of America		
Do	Thompson Publishing Group		
Do	Travelers, Inc		
Do	Union Pacific Corp	15,000.00	
Do	West Indies Rum & Spirits Producers Assn		
Do	Xerox Corp		
Elaine K. Dezenski, 701 Pennsylvania Ave., NW, Suite 720 Washington, DC 20004	Siemens Transportation Systems		
H. Edward DeBee III, 6520 North Western, Suite 201 Oklahoma City, OK 73116	DeBee & Associates	28,818.35	3,416.05
Katherine B. DeCoster, 666 Pennsylvania Avenue, SE, #401 Washington, DC 20003	Trust for Public Land	3,672.00	17.00
Michael DeEmilio, 400 North Capitol Street, NW, #852 Washington, DC 20001	Brotherhood of Maintenance of Way Employes	12,500.00	
DeKieffer Dibble & Horgan, 915 15th Street, NW, Suite 900 Washington, DC 20005	Coalition of Disk Exporters ('CODE')		
Carl S. DeMatteo, 600 Maryland Ave., SW Washington, DC 20024	American Farm Bureau Federation	5,125.00	
Sandra Yartin DePoy, 1125 15th Street, NW Washington, DC 20005	Mortgage Bankers Assn of America	10,661,025.00	
William R. DeReuter, 3000 K Street, NW, #620 Washington, DC 20007	Merrill Lynch & Co, Inc	2,400.00	
David DeSantis, 1301 Pennsylvania Ave., NW, Suite 305 Washington, DC 20004	Natural Disaster Coalition	15,000.00	3,738.93
Mark DeSantis, 1455 Pennsylvania Ave., NW, Suite 230 Washington, DC 20004	Texas Instruments, Inc	5,000.00	
Christine DeVries, 600 Maryland Ave., SW, #100 West Washington, DC 20024-2571	American Nurses' Assn	1,753.00	287.09
Thomas R. DeYulia, 1776 I Street, NW, #770 Washington, DC 20006	CNA Insurance Co		
Chester T. Dickerson Jr., 700 14th Street, NW, #1100 Washington, DC 20005	Monsanto Co	3,500.00	1,447.06

Organization or Individual Filing	Employer/Client	Receipts	Expenditures
Elizabeth Dickerson, 1801 Pennsylvania Ave., NW Washington, DC 20006	MCI Communications Corp	1,000.00	626.10
Ann Sanders Dickey, 2605 Nonconnah Memphis, TN 38132	Federal Express Corp	6,000.00	
J. Hugh Dickey, 1401 Eye Street, NW, Suite 1200 Washington, DC 20005	Chevron Companies	2,400.00	
Kathryn M. Dickey, 555 12th Street, NW, #650 Washington, DC 20004	Eli Lilly & Co	1,000.00	26.00
Elaine Dickinson, 880 S. Pickett Street Alexandria, VA 22304	Boat Owners Assn of the U.S.	7,000.00	
David Dickson, 1725 Desales Street, NW, #500 Washington, DC 20036	Center for Marine Conservation	1,353.52	
Dickstein Shapiro & Morin, LLP, 2101 L St., NW Washington, DC 20037	Accountants Coalition		
Do	American Greyhound Track Operators Assn	6,580.00	
Do	Apple Computer Corp		
Do	Bear Stearns & Co		
Do	Cigar Assn of America, Inc	150.00	
Do	Cordova District Fishermen United, Inc		
Do	CoreSource		
Do	Electric Generation Assn	900.00	
Do	Federal National Mortgage Assn	5,812.51	
Do	Federated Cash Management Systems		
Do	Harbour Group Industries, Inc		
Do	Home Box Office, Inc	2,500.00	
Do	Joslyn Corporation	107.50	
Do	Malaysian Palm Oil Promotion Council		
Do	National Assn of Chain Drug Stores		
Do	National Fed of Societies for Clinical Social Work		
Do	Newport Group		
Do	North Carolina Dept of Natural Resources & Community Develop		
Do	Ocean State Power		
Do	Paulucci Enterprises		
Do	Pipe Tobacco Council, Inc	150.00	
Do	Smokeless Tobacco Council	900.00	
Do	State of Arkansas (DOE), et al.		
Do	State of Connecticut		
Do	U.S. Generating Company	300.00	
Rick Diegel, 1125 15th Street, NW Washington, DC 20005	International Brotherhood of Electrical Workers, AFL-CIO-CLC	2,281.25	150.00
Dierman Wortley & Zola, Inc, 1350 Eye Street, Nw, #820 Washington, DC 20005	Carmen Group, Inc (for: ADVO, Inc)	3,650.00	
Robbi Rice Dietrich, P.O. Box 660634 Dallas, TX 75266-0634	Frito-Lay, Inc	6,850.00	5,020.00
John Dill, 325 7th Street, NW, #100 Washington, DC 20004	National Retail Federation	11,500.00	169.96
Robert E. Dillon, Sony Drive, Mail Drop #3F8 Park Ridge, NJ 07656	Sony Electronics, Inc	6,000.00	1,800.00
Michael F. Dineen, 600 Pennsylvania Ave., SE, #206 Washington, DC 20003	Lumbermens Mutual Casualty Co (For:Kemper Investors Life Insurance Co)		
Do	Lumbermens Mutual Casualty Company (For:Kemper Reinsurance Company)	41.82	42.61
Do	Lumbermens Mutual Casualty Company	2,100.00	295.25
Richard Jon Dines, 1401 New York Avenue, NW, Suite 1100 Washington, DC 20005	National Cooperative Business Assn	5,304.00	
Robert M. Dingman, 1225 Eye St., NW, #500 Washington, DC 20005	American Motorcyclist Assn	14,000.00	462.77
Joseph J. DioGuardi, 9 Larissa Lane Thornwood, NY 10594	Albanian American Civic League		1,139.93
Dale P. Dirks, 711 Second Street, NE, #200 Washington, DC 20002	Health & Medicine Counsel of Washington		
Mary Ann Dirzis, 9 West 57th Street New York, NY 10019	Avon Products, Inc		
Disabled American Veterans, 3725 Alexandria Pike Cold Spring, KY 41076		143,483.47	143,483.47
Patsy B. Dix, 1130 Conn. Ave., NW Suite 1000 Washington, DC 20036	American Insurance Assn		
Dix & Eaton, Inc, 1301 East 9th Street, #1300 Cleveland, OH 44114	Ohio Legal Assistance Foundation	15,000.00	
Barbara A. Dixon, 1600 Eye Street, NW Washington, DC 20006	Motion Picture Assn of America, Inc	1,290.00	450.52
Charles J. DiBona, 1220 L St., NW Washington, DC 20005	American Petroleum Institute	5,000.00	
Ann M. DiDonato, 6200 Oak Tree Blvd. Independence, OH 44131	Centerior Energy Corp	1,090.69	871.71
Gerard D. DiMarco, Harris Beach & Wilcox 130 East Main Street Rochester, NY 14604	Reilly Mortgage Group, INc	9,085.00	6,110.15
Nicholas J. DiMichael, 1100 New York Ave, #750 Washington, DC 20005-4006	National Industrial Transportation League	400.00	10.00
Lucia DiVenere, 519 C Street, NE Washington, DC 20002	National Assn for Home Care	784.00	
E. David Doane, 1401 I Street, NW, #300 Washington, DC 20005	Koch Industries, Inc	4,000.00	100.00
Thomas B. Dobbins, 1015 Fifteenth Street, NW, #802 Washington, DC 20005	American Consulting Engineers Council	7,000.00	
Patrick L. Dober, 1850 M Street, NW, #540 Washington, DC 20036	National Multi Housing Council, Inc	2,125.00	
Julie Domenick Doerr, 1401 H Street, NW Washington, DC 20005	Investment Company Institute	686.81	68.50
H. A. Doersam, 1000 Connecticut Ave., NW, Suite 507 Washington, DC 20036	Household Financial Group, Ltd	10,506.00	
J. Jon Doggett, 600 Maryland Avenue, SW Washington, DC 20024	American Farm Bureau Federation	8,954.00	268.78
Brian M. Dolan, 1 Metro-Tech Center Brooklyn, NY 11201	Brooklyn Union Gas Co	150.00	15.00
Stephan G. Dollinger, 1220 L Street, NW Washington, DC 20005	American Petroleum Institute	200.00	
Marla M. Donahue, 1901 North Moore Street Arlington, VA 22209	Foodservice & Packaging Institute, Inc		
Andrew J. Donelson, 1101 15th Street, NW Washington, DC 20005	Minnesota Mining & Manufacturing Co	3,500.00	
Kevin J. Donnellan, 601 E Street, NW Washington, DC 20049	American Assn of Retired Persons	1,084.05	
Mary Elizabeth Donnelly, 1233 20th St., NW, #200 Washington, DC 20036	Newmont Mining Corp		
Thomas F. Donnelly, 3800 N. Fairfax Drive, Suite 4 Arlington, VA 22203	National Water Resources Assn	11,000.00	
Nancy J. Donohoe, 1828 L Street, NW, #1010 Washington, DC 20365	Rosapepe and Spanos, Inc (For:H&R Block, Inc)	1,455.20	39.00
Ridgely Thorp Donohue, 60 Wall Street New York, NY 10260	J.P. Morgan & Co, Inc		
Thomas J. Donohue, 430 First Street, SE Washington, DC 20003	American Trucking Assns, Inc	11,000.00	
William Donovan, 3138 N. 10th Street Arlington, VA 22201	National Assn of Federal Credit Unions	2,500.00	63.15
James R. Dorcy, 1666 Connecticut Avenue, NW, Suite 400 Washington, DC 20009	Federation for American Immigration Reform	203.00	25.00
Michael C. Dorf, 130 East Randolph Street, #3800 Chicago, IL 60601	Schuyler Roche & Zwirner (For:Gabriella Rosenbaum Trust)	19,580.00	3,043.57
Dorfman & O'Neal, Inc, 1331 Pennsylvania Ave., NW, Suite 730N Washington, DC 20004	General Pneumatics Corp		556.10
Do	Hercules Engine Co		1,029.55
Do	Oshkosh Truck Corp, Chassis Div		
Kimberly Olson Dorgan, 1702 Esquire Lane McLean, VA 22101	Children's Television Workshop	150.00	
Do	National Captioning Institute	150.00	
Keith G. Dorman, 625 Liberty Ave., 7th Pittsburgh, PA 15222	Peoples Natural Gas Company	5,000.00	55.91
Dorsey & Whitney, 1330 Connecticut Ave., NW, #200 Washington, DC 20036	Allina	2,781.00	36.00
Do	Association of International Automobile Manufacturers, Inc	7,020.00	12.00
Do	Geneva Steel	5,697.50	
Do	Promus Companies, Inc	540.00	
Do	Shakopee Sioux Community Council	600.00	9.50
Do	Southern Company	27,030.00	86.76
Do	St. Jude Medical, Inc	5,899.50	12.00
Dean R. Dort II, 1667 K Street, NW, #1230 Washington, DC 20006	Deere & Company	1,326.00	
Terrie M. Dort, 1200 19th Street, NW, Suite 300 Washington, DC 20036-2401	National Council of Chain Restaurants	325.00	
W. Carter Doswell, 1101 Pennsylvania Avenue, NW, #900 Washington, DC 20004	Goldman Sachs & Co	2,500.00	
Robert J. Dotchin, 1350 Eye Street, NW, #680 Washington, DC 20005	UST Public Affairs, Inc		
Richard J. Doubrava, 1010 Delta Blvd. Atlanta, GA 30320	Delta Air Lines, Inc	170.00	35.40
Madonna Cynthia Douglass, 1120 19th Street, NW, Suite 310 Washington, DC 20036-3605	Institute of Makers of Explosives	10,955.00	250.00
Dow Lohnes & Albertson, 1255 23rd St., NW, Suite 500 Washington, DC 20037	Wheelabrator Clean Water Systems, Inc	3,622.50	
Jane Lind Downey, 1611 Duke Street Alexandria, VA 22314	American Movers Conference		
Downey Chandler, Inc, 1401 I Street, NW, #1210 Washington, DC 20005	American International Group	7,500.00	7,500.00
Do	American Personal Communications	4,500.00	4,500.00
Do	AIDS Resource Center of Wisconsin	15,000.00	15,000.00
Do	E.I. DuPont de Nemours & Co	3,750.00	3,750.00
Do	Ericsson Corporation	4,500.00	4,500.00
Do	Evergreen Community Development Assn	15,000.00	15,000.00
Do	Fuel Cells for Transportation	1,500.00	1,500.00
Do	Healthcare Assn of New York State	7,500.00	7,500.00
Do	Independent Forest Products Assn	7,500.00	7,500.00
Do	Institute for Community Development		
Do	Kalkines Arky Zall & Bernstein	2,000.00	2,000.00
Do	Limited, Inc	3,000.00	3,000.00
Do	Merck & Company		
Do	Metra Health	1,500.00	1,500.00
Do	Metropolitan Life & Affiliated Companies	6,000.00	6,000.00
Do	National Assn of Health Underwriters	1,500.00	1,500.00
Do	Philipp Brothers Chemicals, Inc	2,400.00	2,400.00
Do	Joseph E. Seagram & Sons, Inc	4,500.00	4,500.00
Do	Teledelsic Corporation	4,500.00	4,500.00
Do	Time Warner, Inc	4,800.00	4,800.00
Mary Theresa Doyle, 801 Pennsylvania Avenue, NW, Suite 250 Washington, DC 20004	Massachusetts Mutual Life Insurance Co		

Organization or Individual Filing	Employer/Client	Receipts	Expenditures
Michael R. Doyle, c/o New York State Petroleum Council 150 State Street Albany, NY 12207-1675	American Petroleum Institute	175.00	
Ronald W. Drach, 807 Maine Avenue, SW Washington, DC 20024	Disabled American Veterans	20,193.06	136.91
David P. Drake, 1747 Pennsylvania Ave., NW, #700 Washington, DC 20006	Ciba-Geigy Corp	8,000.00	
James E. Drake, 1101 Vermont Ave., NW Washington, DC 20005	American Medical Assn	3,750.00	
Andrea N. Dravo, 1155 21st Street, NW, #202 Washington, DC 20036	International Nuclear Non-Proliferation Alliance	2,250.00	2,876.96
John E. Drawz, 1100 International Centre 900 Second Ave., South Minneapolis, MN 55402-3397	Fredrikson & Byron (For:City of New Brighton)		
Dressendorfer-Laird, Inc, 1730 Rhode Island Avenue, NW, #210 Washington, DC 20036	College Football Assn	250.00	
Do	General Dynamics Corp	250.00	
Do	National Assn of Professional Employer Organizations	250.00	
Do	QualMed, Inc	250.00	
Do	Science Applications Int'l Corp	250.00	
Kevin J. Driscoll, 740 15th Street, NW Washington, DC 20005	American Bar Assn	400.00	50.00
Duberstein Group, Inc, 2100 Pennsylvania Ave., NW, #500 Washington, DC 20037	Aetna Life & Casualty	13,600.00	
Do	American Council of Life Insurance	6,400.00	
Do	Civil Justice Reform Group	6,400.00	
Do	Communications Satellite Corp	800.00	
Do	Consolidated Rail Corporation	1,600.00	
Do	Dow Corning Corporation	4,000.00	
Do	Federal National Mortgage Assn	4,000.00	
Do	General Motors Corp	11,200.00	
Do	Goldman Sachs & Co		
Do	Group Health Assn of American	11,200.00	
Do	Healthcare Leadership Council	5,600.00	
Do	Juvenile Diabetes Foundation International	2,500.00	
Do	Monsanto Company	1,600.00	
Do	National Cable Television Assn, Inc	8,000.00	
Do	Shell Oil Company	3,200.00	
Do	Transportation Institute	10,400.00	
Do	United Air Lines, Inc	4,000.00	
Do	Warner Communications, Inc	10,000.00	
Marcel Dubois, 430 1st Street, SE Washington, DC 20003	American Trucking Assn, Inc	9,000.00	
G. Stephen Duca, 1350 I Street, NW, Suite 300 Washington, DC 20005	Marine Spill Response Corporation		
Ducheneaux Taylor & Associates, 303 Massachusetts Ave., NW Washington, DC 20002	Chippewa-Ottawa Treaty Fishery Management Authority	375.00	
Do	Commissioned Officers Assn of the U.S.P.H.S., Inc	300.00	
Do	Delaware Tribe of Indians	150.00	
Do	Gila River Farms	450.00	
Do	Grand Portage Reservation Tribal Council	450.00	
Do	Grand Traverse Bank of Chippewa and Ottawa Indians	450.00	
Do	Intertribal Agricultural Council	300.00	
Do	Leech Lake Tribal Council	562.50	
Do	Miami Tribe of Oklahoma	560.00	
Do	Minnesota Indian Gaming Assocation	907.00	
Do	Modoc Tribe of Oklahoma		
Do	MNE-SOSE International Water Rights Coalition	300.00	
Do	Native American Rights Fund		
Do	Siletz Tribal Council	450.00	
Do	Tohono O'Odham Nation	562.50	
Do	Tulalip Tribes	600.00	
Do	White Earth Tribal Council	562.50	
Tim Dudgeon, 1250 Eye Street, NW, #900 Washington, DC 20005	Distilled Spirits Council of the U.S., Inc	2,000.00	
Jane McPike Dudley, 888 17th Street, NW, #400 Washington, DC 20006	Whiteford Taylor & Preston (For:National Constructors Assn)	4,000.00	173.63
Diane C. Duff, 1129 20th Street, NW, 2nd Floor Washington, DC 20036	Greater Washington Board of Trade	2,600.00	460.43
Andrew Dugan, 2001 S Street, NW, Suite 350 Washington, DC 20009	Community Nutrition Institute	6,576.90	468.01
Juanita D. Duggan, 1401 New York Ave., NW, #400 Washington, DC 20005	National Food Processors Assn	28,614.24	100.00
Garth F. Dull, 5990 Richmond Highway, #506 Alexandria, VA 22303	Nevada Resort Assn		
Amy K. Dunbar, P.O. Box 19230 Washington, DC 20036	National Assn of Bond Lawyers		
Don R. Duncan, 1776 Eye Street, NW, #700 Washington, DC 20006	Phillips Petroleum Co	6,000.00	292.42
Duane Duncan, 3900 Wisconsin Ave., NW Washington, DC 20016	Fannie Mae	2,500.00	
Mallory B. Duncan, 325 7th Street, NW, #1000 Washington, DC 20004	National Retail Federation	2,000.00	50.00
Stephen M. Duncan, 110 South Union Street Alexandria, VA 22314	Mays & Valentine (For:General Atomics, et al.)		
William C. Duncan, 1050 17th Street, NW, #410 Washington, DC 20036	Japan Automobile Manufacturers Assn		829.32
Duncan Weinberg Miller & Pembroke, P.C., 1615 M Street, NW, #800 Washington, DC 20036	Mid-West Electric Consumers Assn, Inc		
Do	National Assn of Energy Service Companies		
Do	National Assn of State Energy Officials		
Do	State of Hawaii, Dept of Business & Economic Development		
Bernadette M. Dunham, 1101 Vermont Ave., NW, #710 Washington, DC 20005	American Veterinary Medical Assn		
Louise C. Dunlap, 418 10th Street, SE Washington, DC 20003	Dunlap & Browder, Inc (For:Acurex Environmental/CA Energy Commission)		
Dunlap & Browder, Inc, 418 Tenth Street, SE Washington, DC 20003	Acurex Environmental/CA Energy Commission		
Do			
Mari Lee Dunn, 1750 K St., NW, #400 Washington, DC 20006-2305	American Council for Capital Formation	2,638.00	
Mark Dunn, P.O. Box 27 Boise, ID 83707	J. R. Simplot Co	10,999.50	6,219.26
Judy C. Durand, 1156 15th Street, NW, #1015 Washington, DC 20005	JC Penney Co, Inc		264.00
Margaret A. Durbin, 1001 Pennsylvania Ave., NW Washington, DC 20004	American Council of Life Insurance, Inc	2,000.00	
Martin J. Durbin, 1275 K Street, NW, #400 Washington, DC 20005	American Plastics Council	1,237.50	237.93
Daniel T. Durham, 601 E Street, NW Washington, DC 20049	American Assn of Retired Persons	13,670.73	399.00
Katherine M. Dutilh, 1100 Connecticut Ave., NW, #1300 Washington, DC 20036-4101	Milliken & Company	5,000.00	600.00
Lloyd L. Duxbury, 2000 K Street, NW, #800 Washington, DC 20006	National Comm to Preserve Social Security & Medicare	21,194.00	125.40
Marcia L. DuMond, 200 East Berry Street Fort Wayne, IN 46802	Lincoln National Corp	900.00	862.00
Robert F. DuPree Jr., 1801 K Street, NW, #900 Washington, DC 20006	American Textile Manufacturers Institute, Inc	135.00	9.00
Amy S. Dwyer, 808 17th Street, NW, Suite 300 Washington, DC 20006-3910	Stewart & Stewart (For:Floral Trade Council)	1,326.80	
Stuart S. Dye, 2000 M Street, NW Washington, DC 20036	Graham & James (For:American Hawaii Cruises)	687.50	
Do	Graham & James (For:National Assn of Dredging Contractors)		
Dyer Ellis Joseph & Mills, P.C., 600 New Hampshire Ave., NW, #1000 Washington, DC 20037	Affiliated Health Services		
Do	American Coke & Coal Chemicals Institute		
Do	American Healthcorp, Inc	1,538.71	362.41
Do	American Lithotripsy Society	4,606.77	283.13
Do	Atlantic Richfield Co	63,425.77	2,512.86
Do	ARCO Transportation Company	9,961.30	2,851.27
Do	Bender Shipbuilding & Repair Co, Inc		
Do	FastShip Atlantic, Inc	11,089.77	51.15
Do	Fruit Shippers Ltd (Bahamas)	3,917.30	12.57
Do	Greek Shipping Cooperation Committee		47.65
Do	International Marine Carriers, Inc		72.40
Do	JM Family Enterprises, Inc	16.25	
Do	Kirby Corp/Dixie Carriers	15,482.03	413.08
Do	Liberty Maritime Corporation	117,362.35	5,421.60
Do	Magnavox Electronic Systems Co		
Do	MedCath, Inc		
Do	MH Systems, Inc		
Do	National Maritime Alliance, Inc		11.20
Do	National Oilseed Processors Assn	24,694.27	383.02
Do	National Steel & Shipbuilding Co		
Do	Pacific Fruit, Inc	5,979.09	428.96
Do	Panhandle Eastern Corp		
Do	Rural Hospital Coalition	8,908.29	
Do	Schnitzer Group	3,094.55	12.32
Do	Sperry Marine, Inc	4,355.00	76.05
Do	Trump Organization		
Do	Van Ommeren Shipping (USA), Inc	5,875.41	19.85
Dykema Gossett, 1300 I Street, NW, #300W Washington, DC 20005	American Automobile Centennial Commission	960.00	
Do	American Osteopathic Association		
Do	Citizen's Committee to Save the Federal Center	510.00	
Do	City of Detroit	1,020.00	
Do	Comerica	990.00	

Organization or Individual Filing	Employer/Client	Receipts	Expenditures
Do	Committee on U.S. Business Canadian Life & Health Ins. Assn	960.00	1,000.00
Do	Detroit Medical Center	2,944.00	
Do	Ferris State University		
Do	Industrial Technology Institute	837.50	
Do	Magic Line, Inc		
Do	Michigan Biotechnology Institute (MBI)	3,405.00	
Do	Military Boot Manufacturers Assn		
Do	Oakwood Health Services	2,001.00	
Do	Selfridge ANG Base Community Council	1,485.00	
Do	Systems Control, Inc		
Do	Total Petroleum, Inc		
Do	University of Michigan Medical Center	1,312.50	
Do	Wayne State University		
Do	William Davidson Institute		
Peter J. Earle, 607 14th Street, NW Washington, DC 20005	Dofasco, Inc		
Kerry P. Early, 1120 Connecticut Avenue, NW Washington, DC 20036	American Bankers Assn	6,960.00	662.79
Paula P. Easley, 2134 Crataegus Ave., #400 Anchorage, AK 99508		7,500.00	1,006.00
C. Renee Eastman, 555 13th Street, NW, #1010 East Washington, DC 20004-1109	Sun Company, Inc	1,333.34	866.43
Penny L. Eastman, 901 N. Washington Street, #204 Alexandria, VA 22314	Shipbuilders Council of America		2,800.00
Jim Easton, 2003 Bluff Oak St. Apopka, FL 32712	Bristol Group, Inc	15,000.00	30.41
Mark Eaton, 1100 17th Street, NW, Suite 505 Washington, DC 20036	Burley & Dark Leaf Tobacco Assn	1,875.00	
Eaton Peabody Bradford & Veague, P.A., P.O. Box 1210 Bangor, ME 04402-1210	Central Maine Power Co	3,420.00	4,072.52
Brenda L. Eberly, 50 F Street, NW, #1050 Washington, DC 20001	Freeport-McMoRan, Inc	1,834.00	70.00
Do	IMC Global, Inc	917.00	35.00
Echelon Corporation, 4015 Miranda Avenue Palo Alto, CA 94304			25,488.00
Gordon Alexander Echols, 1325 G Street, NW, Suite 1000 Washington, DC 20005	Institute of Scrap Recycling Industries		
Bradley Eckart, 600 Maryland Avenue, SW Washington, DC 20024	American Farm Bureau Federation	9,442.00	
Dennis E. Eckart, 1801 K Street, NW Washington, DC 20006-1301	Arter & Hadden (For:American Insurance Assn)		
Do	Association for Responsible Thermal Treatment		
Do	Arter & Hadden (For:Cellular Telecommunications Industry Assn)		
Do	Arter & Hadden (For:Centerior Energy Corp)		
Do	Arter & Hadden (For:Circus Circus Enterprises, Inc)		
Do	Arter & Hadden (For:Citicorp)		
Do	Arter & Hadden (For:Corning, Inc)		
Do	Arter & Hadden (For:CAI Wireless)		
Do	Arter & Hadden (For:Financial Guaranty Insurance Corp)		
Do	Arter & Hadden (For:Great Lakes Museum of Science Environment & Technology).		
Do	Arter & Hadden (For:Hearst Corp)		
Do	Arter & Hadden (For:Jeffries & Co, Inc)		
Do	Arter & Hadden (For:LDDS Metromedia)		
Do	Arter & Hadden (For:LTV Corp)		
Do	Arter & Hadden (For:Malrite Communications)		
Do	Arter & Hadden (For:Monsanto)		
Do	Motorola		
Do	Arter & Hadden (For:National Assn of Broadcasters)		
Do	Arter & Hadden (For:Pinpoint Communications)		
Do	Arter & Hadden (For:Tele-Communications, Inc)		
Do	Arter & Hadden (For:U.S. Long Distance Corp)		
Do	Arter & Hadden (For:Westinghouse Electric Corp)		
Timothy J. Eckels, 4455 Woodson Road St. Louis, MO 63134	Catholic Health Assn of the U.S.		
Eckert Seamans Cherin & Mellott, 2100 Pennsylvania Ave., NW, #600 Washington, DC 20037	American Assn of Motor Vehicle Administrators		
Do	American Fuel Cell & Coated Fabrics Co		
Do	ADT Automotive, Inc		
Do	National Independent Automobile Dealers Assn		
Tammy Eddy, 15th & M Streets, NW Washington, DC 20005	National Assn of Home Builders of the U.S.	2,060.77	
Edington Wade & Associates, Inc, 803 Prince Street Alexandria, VA 22314	Atlanta Comm for the Olympic Games	10,000.00	220.01
Do	Firearms Training Systems, Inc		
Do	Lockheed Corporation	11,000.00	242.02
Do	Maxus Energy Corp	2,000.00	44.00
Do	National Assn of Commissioned Officers	1,000.00	22.00
Do	Turner Broadcasting System, Inc	4,000.00	88.01
Do	U.S. Cane Sugar Refiners' Assn		
Do	Watkins Associated Industries, Inc		
Edison Electric Institute, 701 Pennsylvania Avenue, NW Washington, DC 20004		114,276.00	101,875.75
Education Legislative Services, Inc, 5855 Stadium Street San Diego, CA 92122	Central California Legislative Consortium	3,750.00	3,103.43
Do	Oakland Unified School District	10,000.00	8,274.79
Do	Sacramento City Unified School District	7,500.00	6,206.87
Do	San Diego Unified School District	8,332.00	6,894.07
Do	San Francisco Unified School District	4,999.98	4,135.81
Christine A. Edwards, 633 Pennsylvania Ave., NW, #600 Washington, DC 20004	Dean Witter, Discover & Co.	1,154.00	
Martin E. Edwards III, 555 13th Street, NW, #300 West Washington, DC 20004	Interstate Natural Gas Assn of America	8,000.00	
Michael D. Edwards, 1201 16th Street, NW Washington, DC 20036	National Education Assn	5,009.35	144.00
Sherry L. Edwards, 1100 New York Avenue, NW, #1090 Washington, DC 20005	Synthetic Organic Chemical Manufacturing Assn	500.00	8.00
Tony M. Edwards, 1129 20th Street, NW, Suite 305 Washington, DC 20036	National Assn of Real Estate Investment Trusts, Inc		191.67
Stephen R. Effros, P.O. Box 1005 Fairfax, VA 22030-1005	Cable Telecommunications Assn (CATA)	21,368.00	
William J. Ehrig, 700 Anderson Hill Road Purchase, NY 10577	PepsiCo, Inc	752.50	840.21
Tim Eichenberg, 1725 DeSales Street, NW, Suite 500 Washington, DC 20036	Center for Marine Conservation	602.49	
Jill A. Eicher, 1655 North Fort Myer Drive, Suite 700 Arlington, VA 22209	American Assn for Respiratory Care	17,002.26	58.92
Peter J. Eide, 1615 H Street, NW Washington, DC 20062	U.S. Chamber of Commerce	2,500.00	274.00
Donald G. Eirich, 1700 K Street, NW, #504 Washington, DC 20006	Bulova Technologies		5.35
Jonathan B. Eisen, 201 Park Washington Court Falls Church, VA 22046	National-American Wholesale Grocers' Assn	3,000.00	
Phyllis Eisen, 1331 Pennsylvania Ave., #1500-N Washington, DC 20004-1703	National Assn of Manufacturers	400.00	
Albert C. Eisenberg, 1735 New York Avenue, NW Washington, DC 20006	American Institute of Architects	20,461.00	
Robert Eisenbud, 1155 Connecticut Ave., NW Washington, DC 20036	WMX Technologies, Inc	16,750.00	21.77
Earl B. Eisenhart, 66 Canal Center Place, #600 Alexandria, VA 22314	National Private Truck Council		
Linda S. Eisnaugle, 225 W. 34th Street New York, NY 10122	Commercial Finance Assn	9,000.00	1,891.00
Mark R. Elam, 1001 Pennsylvania Ave., NW Washington, DC 20004	American Council of Life Insurance		
Dina E. Elani, 901 E Street, NW, Suite 500 Washington, DC 20004-2037	American Assn of Homes & Services for the Aging		
Stephen A. Elbert, 1615 M St., NW, #200 Washington, DC 20036	Amoco Corporation		
Albert L. Elder III, 900 19th Street, NW, #400 Washington, DC 20006	America's Community Bankers	20,000.00	230.00
Electric Generation Assn, 2101 L Street, NW, #405 Washington, DC 20037		2,729.43	797.41
Elf Atochem North America, Inc, 2000 Market Street Philadelphia, PA 19103			9,061.79
George K. Eliades, 1199 North Fairfax Street, #801 Alexandria, VA 22314	NATSO, Inc		
Jim Elkin, 1615 L Street, NW, Suite 1320 Washington, DC 20036	Sandoz Pharmaceuticals Corp		435.00
J. Burton Eller Jr., 1301 Pennsylvania Ave., NW, #300 Washington, DC 20004	National Cattlemen's Assn	1,000.00	
Charles W. Elliott, Wisconsin Petroleum Council 25 W. Main St., #703 Madison, WI 53703	American Petroleum Institute	30.00	
Charles Ellstein, 6215 West St. Joseph Highway Lansing, MI 48917	Michigan Health & Hospital Assn		
Gary Elmestad & Associates, P.O. Box 3153 St. Peters, MO 63376	City of St. Peters	8,307.25	21.91
Do	St. Charles County	16,250.01	94.75
Emergency Committee for American Trade, 1211 Connecticut Ave., NW, #801 Washington, DC 20036		91,165.80	110,819.36
Stanley J. Emerling, 2713 Berryland Drive Oakton, VA 22124-1404	National Assn of Meat Purveyors	320.00	
Emerson Electric Co, 8000 W. Florissant St. Louis, MO 63136			5,043.23
John M. Emery, 1101 Vermont Ave., NW Washington, DC 20005	American Medical Assn	25.00	
Michael J. Emig, 1125 15th St., NW Washington, DC 20005	International Bro of Electrical Workers, AFL-CIO-CLC	21,249.75	656.50
Christina Emmons, 1450 G Street, NW, #445 Washington, DC 20005	Countrywide Funding Corporation		3,600.00
Employee Relocation Council, 1720 N St., NW Washington, DC 20036			
Irene R. Emsellem, 1800 M Street, NW Washington, DC 20036	American Bar Assn	400.00	50.00
Arthur P. Endres Jr., 801 Pennsylvania Ave., NW, #220 Washington, DC 20004	Burlington Northern Railroad Co	5,000.00	477.94
Energy Consumers & Producers Assn, P.O. Box 1288 Muskogee, OK 74402-1288		3,050.00	
Gary D. Engebretson, 1200 G Street, NW, #750 Washington, DC 20005	Contract Services Assn		287.03
Ralph Engel, 1913 Eye Street, NW, Washington, DC 20006	Chemical Specialties Manufacturers Assn, Inc	2,468.08	57.50
Glenn English, 1800 Massachusetts Ave., NW Washington, DC 20036	National Rural Electric Cooperative Assn	150.00	
Mary Pepper English, 1133 21st Street, NW, #900 Washington, DC 20036	BellSouth Corp	3,200.00	

Organization or Individual Filing	Employer/Client	Receipts	Expenditures
English First, 8001 Forbes Place, #102 Springfield, VA 22151		247,202.12	330,931.83
Lewis A. Engman, 1163 Daleview Drive McLean, VA 22101	Generic Pharmaceutical Industry Assn	562.50	
Loretta E. Enloe, 8 Oak Hill Drive Edwardsville, IL 62025	Federation of American Consumers & Travelers (FACT)	2,500.00	
Robert F. Ensslin Jr., 1 Massachusetts Avenue, NW Washington, DC 20001	National Guard Assn of the US	3,366.25	266.28
Matthew E. Eppler, 750 17th Street, NW, #900 Washington, DC 20006	Nissan North America, Inc		
Paul A. Equale, 412 First Street, SE, #300 Washington, DC 20003	Independent Insurance Agents of America, Inc	23,117.00	918.21
Equipment Leasing Assn of America, 1300 North 17th St., #1010 Arlington, VA 22209		1,500.00	
Randall Harvey Erben, 807 Brazos Street, Suite 402 Austin, TX 78701	Panhandle 2000	30,000.00	2,242.00
Jack Ericksen, 1501 M Street, NW, Suite 400 Washington, DC 20005	Aetna Life & Casualty	387.00	
Markham C. Erickson, 400 North Capitol Street, NW, #585 Washington, DC 20001	McGuiness & Holch (For:Major League Baseball Players Assn)		
Thomas J. Erickson, 1300 L Street, NW, #925 Washington, DC 20005	National Grain Trade Council		
Harvey F. Ernest Jr., 1001 15th Street, NW, #100 Washington, DC 20005	Minnesota Mining & Manufacturing (3M)	1,000.00	
Pamela K. Ernest, 1100 Connecticut Ave., NW, #710 Washington, DC 20036	Honeywell, Inc	1,500.00	2,268.62
Dennis L. Erpelding, 555 12th St. NW, #650 Washington, DC 20004	Eli Lilly & Company	3,000.00	1,147.80
James L. Ervin, 410 First Street, SE, #300 Washington, DC 20003	Friends of Fort Rucker, Inc	3,000.00	
Do	Hazarous Waste Action Coalition	1,312.50	
Do	Hughes Aircraft Co	4,500.00	
Do	Ingalls Shipbuilding	5,250.00	
Do	Kaman Diversified Technologies, Inc	2,625.00	
Do	Lister Bolt & Chain, Ltd	2,250.00	
Do	Martin Marietta Corp	6,250.00	
Do	Northrop Corp	6,136.11	
Do	Teledyne Industries, Inc	11,250.00	
Nitza Escalera, 105 East 22nd Street New York, NY 10010	Community Service Society		
Ingolf G. Esders, 815 16th Street, NW Washington, DC 20006	International Longshoremen's Assn, AFL-CIO	18,331.77	
Mark Esherick, 1801 Pennsylvania Avenue, NW Washington, DC 20006	MCI Communications Corp	1,000.00	
Sandra Bromberg Eskin, 5609 Jordan Road Bethesda, MD 20816	Center for Science in the Public Interest		
Anita R. Estell, 1420 New York Avenue, NW, #1050 Washington, DC 20005	Van Scoyoc Associates, Inc (For:Lincoln University)	500.00	
Do	Van Scoyoc Hospital, Inc (For:McLean Hospital)	937.50	
Do	Van Scoyoc Associates, Inc (For:MetaNetworks)	300.00	
Do	Van Scoyoc Associates, Inc (For:National Commission on Correctional Health Care).	200.00	
Do	Van Scoyoc Associates, Inc (For:Spelman College)	1,200.00	
Do	Van Scoyoc Associates, Inc (For:University of Puerto Rico)	1,050.00	
Deborah M. Estes, 1515 Wilson Boulevard Arlington, VA 22209	American Gas Assn	5,000.00	294.52
Nancy U. Etkin, 1515 Wilson Blvd., Suite 1030 Arlington, VA 22209	Natural Gas Vehicle Coalition	5,614.00	50.00
Stephen E. Eure, 1840 Wilson Boulevard Arlington, VA 22201	National Milk Producers Federation	11,250.00	
Mary Jo Eustice, 412 First Street, SE Washington, DC 20003	National Automobile Dealers Assn	6,000.00	
Catherine Evans, 430 First Street, SE Washington, DC 20003	American Trucking Assns, Inc	9,000.00	
Cleve Evans, P.O. Box 841 Abilene, TX 79604	West Texas Utilities Company		
Donald C. Evans Jr., 655 15th St., NW, #310 Washington, DC 20005	AFLAC, Inc		
Eddie D. Evans, 1776 Eye Street, NW, Suite 575 Washington, DC 20006	Marion Merrell Dow, Inc		6,567.00
Lynwood J. Evans, 1020 19th Street, NW, #700 Washington, DC 20036	U S West, Inc	1,832.00	
Michael Lee Evans, 1401 White Avenue Femont, OH 43420			45.00
Rae Evans & Associates, Inc, 1615 L Street, NW, #1220 Washington, DC 20036	American Personal Communications	9,375.00	23.00
Do	Hallmark Cards, Inc	9,375.00	392.00
Do	National Capital Newspaper Distributors Assn	9,375.00	87.00
Fawn K. Evenson, 1420 K Street NW, #600 Washington, DC 20005	Footwear Industries of America	4,000.00	516.28
Kellye A. Eversole, 4434 Indigo Lane Harwood, MD 20776	American Cyanamid Co	2,062.50	
Do	Edison Electric Institute	15,000.00	652.05
Do	National Corn Growers Assn	2,500.00	
Wayne S. Ewing, Associated Petroleum Industries of PA P.O. Box 925 Harrisburg, PA 17108	American Petroleum Institute		
F/P Research Associates, 1700 K St., NW, #1000 Washington, DC 20006	American Bus Assn		
Do	Hewlett-Packard Co		
Do	National Cable Television Assn, Inc	2,000.00	
Do	National Restaurant assn		
Do	Sturm, Ruger & Co		
Dan L. Fager, 1401 Eye Street, NW, #1200 Washington, DC 20005	Chevron Companies	3,500.00	
Robert J. Falb, 1821 Michael Faraday Drive Suite 400 Reston, VA 22090	National Wholesale Druggists' Assn		
Dale W. Fallat, P.O. Box 119 Maumee, OH 43537	Andersons		
Family Research Council, 700 13th Street, NW, Suite 500 Washington, DC 20005		53,322.00	25,038.24
Frank J. Farfone, 1776 Eye Street, NW, Suite 575 Washington, DC 20006	Dow Chemical USA		6,592.00
S. Jackson Faris, 600 Maryland Avenue, SE, #700 Washington, DC 20024	National Fed of Independent Business	1,150.00	200.00
Farm Credit Council, 50 F Street, NW, #900 Washington, DC 20001			13,340.00
Farm Health Care Coalition, 1735 I Street, NW, #704 Washington, DC 20006			
David M. Farmer, 1211 Connecticut Avenue, NW, Suite 400 Washington, DC 20036	Alliance of American Insurers	20,000.00	
Martin T. Farmer, P.O. Box 40789 Jacksonville, FL 32203-0789	Barnett Banks, Inc	26,125.00	5,870.49
Farmers' Educational & Co-Operative Union of America, 600 Maryland Ave., SW, #202w Washington, DC 20024		206,346.50	104,516.36
Dagmar T. Farr, 800 Connecticut Avenue, NW Washington, DC 20006-2701	Food Marketing Institute	300.00	
Meg Farrage, 1901 Pennsylvania Ave., NW, 10th Floor Washington, DC 20006	International Mass Retail Assn	100.00	
J. Michael Farren, 1401 H Street, NW, #200 Washington, DC 20005-2110	Xerox Corp	3,000.00	
Nina Fascione, 1101 14th Street, NW, #1400 Washington, DC 20005	Defenders of Wildlife	121.15	27.12
Marcus G. Faust, 332 Constitution Ave., NE Washington, DC 20002	Capitol Consulting & Management, Inc		
Do	Central Utah Water Conservancy District	30,536.25	95.38
Do	Clark County Nevada-McCarran International Airport	17,700.00	27.37
Do	Clark County Nevada, Office of the County Manager	17,597.50	
Do	Kirton McConkie & Poelman		
Do	Las Vegas Valley Water District	31,968.75	24.50
Do	Public Service Co of New Mexico	22,901.25	
Do	Sierra Pacific Power Co	37,987.50	
Do	State of Montana Dept of Natural Resources & Conservation	4,500.00	
Jane Fawcett-Hoover, 801 Pennsylvania Ave., NW, #720 Washington, DC 20004-2604	Procter & Gamble	572.75	
Robert C. Fay, 450 E. Higgins Road, #201-E Elk Grove Vilage, IL 60007-1417	American Amusement Machine Assn		
Judy Kern Fazio, 1801 K Street, NW, #400K Washington, DC 20006-1301	Arter & Hadden (For:Association for Responsible Thermal Treatment)		
Do	Arter & Hadden (For:BKK Corporation)		
Do	Arter & Hadden (For:Circus Circus Enterprises)		
Do	Arter & Hadden (For:Corning, Inc)		
Do	Arter & Hadden (For:Hearst Corporation)		
Do	Arter & Hadden (For:Motorola)		
Nessa E. Feddis, 1120 Connecticut Ave., NW Washington, DC 20036	American Bankers Assn	3,891.05	
Federal Affairs Office, 3050 Chain Bridge Rd., #103 Fairfax, VA 22030	Computer Learning Center	6,000.00	5,722.68
Federal Judges Association, 111 West Washington Street, #1100 Chicago, IL 60602-2768		14,209.08	56,844.77
Federation for American Immigration Reform, 1666 Connecticut Avenue, NW, #400 Washington, DC 20009			12,274.00
Federation of American Controlled Shipping, 50 Broadway New York, NY 10004		4,989.88	4,989.88
Federation of American Health Systems, 1111 19th St., NW, #402 Washington, DC 20036		15,000.00	15,000.00
Federation of American Scientists, 307 Massachusetts Ave., NE Washington, DC 20002		13,500.00	6,365.00
John D. Fedor, 1725 Jefferson Davis Highway, #901 Arlington, VA 22202	Alliant Techsystems, Inc	2,835.00	377.71
Robert Feenstra, 13545 Euclid Avenue Ontario, CA 91761	Milk Producers Council (For:Dairy Farmers for Responsible Dairy Policy)		
Martha A. Feichter, 1001 Pennsylvania Ave., NW, Suite 725 Washington, DC 20004	American Society of Clinical Pathologists		
Edward F. Feighan, 1228 Euclid Avenue, Suite 900 Cleveland, OH 44115-1891	Climaco Climaco Seminatore Lefkowitz & Garofoli Co (For:Blue Cross & Blue Shield of Ohio).	7,200.00	3,125.00
Geoffrey A. Feiss, 1401 H Street, NW, #600 Washington, DC 20005	U.S. Telephone Assn		10,200.00
Laura Feldman, 2000 K Street, NW, #800 Washington, DC 20006	National Comm to Preserve Social Security & Medicare	3,452.00	
Mimi A. Feller, 1100 Wilson Blvd Arlington, VA 22209	Gannett Co, Inc	11,000.00	25,430.00
Kenneth E. Feltman, 927 15th St., NW, #1000 Washington, DC 20005	Employers Council on Flexible Compensation	200.00	
Denise G. Ferguson, 1020 19th St., NW, #600 Washington, DC 20036	American Express Co	17,238.00	411.50
Maureen H. Ferguson, Indiana Petroleum Council 143 W. Market Street, #714 Indianapolis, IN 46204	American Petroleum Institute		
DeDe Ferrell, 1771 N Street, NW Washington, DC 20036	National Assn of Broadcasters	9,000.00	551.38
Michael J. Ferrell, 1125 15th Street, NW Washington, DC 20005	Mortgage Bankers Assn of America	35,700.00	524.72
Edward Ferrigno, 1401 Eye Street, NW, Suite 600 Washington, DC 20005	United Technologies Corp	3,000.00	
Robert M. Ferris, 1101 14th Street, NW, Suite 1400 Washington, DC 20005	Defenders of Wildlife		1,326.67
Ferroalloys Association, 900 2nd Street, NE, Suite 306 Washington, DC 20002		9,922.57	
Lizabeth Heydt Ferry, 4636 Somerton Road Trevose, PA 19053	Betz Laboratories		
Marvin C. Feuer, 440 First Street, NW, #600 Washington, DC 20001	American Israel Public Affairs Comm	15,000.00	267.26

Organization or Individual Filing	Employer/Client	Receipts	Expenditures
Brad G. Figel, 507 Second Street, NE Washington, DC 20002	NIKE, Inc		
Fighting Apartheid Confrontation Transformation Systems, 209 Underwood St., NW Washington, DC 20012			
Amy Finan De Leon, 818 Connecticut Ave., NW, #303 Washington, DC 20006	National Assn for Biomedical Research	1,360.00	
Financial Executives Institute, 10 Madison Avenue P.O. Box 1938 Morristown, NJ 07962-1938		78,500.00	78,500.00
Financial Services Council, 1776 Eye Street, NW, #735 Washington, DC 20006		14,000.00	1,514.00
Jeanne Finberg, 1525 Mission Street San Francisco, CA 94103	Consumers Union	149.12	2,500.00
Joseph T. Findaro Jr., 1350 Eye Street, NW, 2nd Floor Washington, DC 20005	Bayh Connaughton Fensterheim & Malone (For:Alliance for Radon Reduction)	6,400.00	450.00
Do	Eckert Seamans Cherin & Mellott (For:Coachella Valley Water District)	2,900.00	90.00
Do	Denver Water Board	5,000.00	25.00
Do	Bayh Connaughton Fensterheim & Malone (For:Hutchinson Kansas - Local Gov't Superfund Reform).	2,500.00	150.00
Do	Bayh Connaughton Fensterheim & Malone (For:San Luis & Delta Mendota Water Users Assn).	600.00	130.00
Sharon R. Fine, 1776 K Street, NW Washington, DC 20006	Washington Citizens for World Trade	3,125.00	
Lawrence A. Fineran, 1331 Pennsylvania Ave., NW, #1500 N Washington, DC 20004	National Assn of Manufacturers	500.00	
Matthew P. Fink, 1401 H Street, NW Washington, DC 20005	Investment Company Institute	689.01	
Mark Finkelstein, 67-37 Juno Street Forest Hills, NY 11375	Ganun International Holdings, Ltd		8,500.00
Stephen Finley, 12606 SE 30th, #3 Bellvue, WA 98005			
Thomas D. Finnigan, 801 Pennsylvania Avenue, NW, #230 Washington, DC 20004	Praxair, Inc		
James J. Finnucan, 2 Hodio Drive Ansonia, CT 06401	Northeast Utilities Service Co	3,866.77	2,673.59
Maria Fiordellisi, 815 16th Street, NW Washington, DC 20006	American Federation of Labor & Congress of Industrial Orgs	18,031.39	513.19
First National Bank of Boston, 100 Federal St. Boston, MA 02110			13,541.92
Charles H. Fischer, 1101 14th Street, NW, #1400 Washington, DC 20005	Defenders of Wildlife	218.07	
H. David Fish, 5855 Stadium Street San Diego, CA 92122	Education Legislative Services, Inc (For:Central California Legislative Consortium).	495.55	4.90
Do	Education Legislative Services, Inc (For:Oakland Unified School District)	1,321.31	13.07
Do	Education Legislative Services, Inc (For:Sacramento City Unified School District)	991.11	9.80
Do	Education Legislative Services, Inc (For:San Diego Unified School District)	1,100.84	10.88
Do	Education Legislative Services, Inc (For:San Francisco Unified School District)	660.40	6.53
Fish & Richardson, P.C., 601 13th Street, NW Suite 500 North Washington, DC 20005	Directors Guild of America	4,000.00	3,195.61
Donald W. Fisher, 3814 Ivanhoe Lane Alexandria, VA 22310	American Group Practice Assn	2,123.13	
Donna J. Fisher, 1120 Connecticut Ave., NW Washington, DC 20036	American Bankers Assn	3,760.00	113.00
Gary K. Fisher, 1401 Eye St., NW, #1200 Washington, DC 20005	Chevron Companies	4,000.00	1,175.92
Gregory M. Fisher, 1201 Connecticut Ave., NW, #300 Washington, DC 20036	Bailey & Robinson (For:Bayer Corporation)		
Do	Bailey & Robinson (For:Nonprescription Drug Manufacturers Assn)		
J. Paris Fisher, 1801 K St., NW, #800 Washington, DC 20006	Westinghouse Electric Corp	1,200.00	
Clyde Fitzgerald, 815 Sixteenth Street Washington, DC 20006	International Longshoremen's Assn, AFL-CIO		
Thomas H. Fitzpatrick, Connecticut Petroleum Council 55 Farmington Avenue, #704 Hartford, CT 06105	American Petroleum Institute	600.00	50.00
Hilliard J. Fjord, 6725 Wooster Pike Cincinnati, OH 45227	Ohio River Co	3,000.00	686.61
N. David Flagg, P.O. Box 100303 Gainesville, FL 32610-0303	Shands Teaching Hospital & Clinics, Inc	1,759.00	3,990.00
Robert B. Flagg, 9622 Maury Road Fairfax, VA 22032	Chemical Manufacturers Assn, Inc	750.00	497.30
Meghan R. Flaherty, 700 13th Street, NW, Suite 500 Washington, DC 20500	Family Research Council	691.00	
Steven H. Flajser, 1725 Jefferson Davis Highway, #900 Arlington, VA 22202	Space Systems/Loral	4,500.00	
Sarah A. Flanagan, 1025 Connecticut Ave., NW, #700 Washington, DC 20036	National Assn of Independent Colleges & Universities	17,968.68	36.03
John Flatley, 1250 Eye Street, NW, Suite 900 Washington, DC 20005	Distilled Spirits Council of the U.S.	2,000.00	
Fleishman-Hillard, Inc, 1301 Connecticut Ave., NW, 7th Floor Washington, DC 20036	American Ambulance Assn	3,000.00	
Do	American Optometric Assn	3,000.00	
Do	Association of American Railroads	9,999.00	
Do	Baxter Healthcare Corp		
Do	Children's Hospital Medical Center of Northern California	12,000.00	98.58
Do	City of Escondido, California	1,500.00	
Do	Coalition of Childrens Hospitals	15,000.00	
Do	CW Agencies, Inc		
Do	Institute of Scrap Recycling Industries	6,000.00	
Do	ILVA SA Ceramica		
Do	Litton Computer Services	18,000.00	369.79
Do	Minot Area Development Corp		
Do	National Natural Resources Coalition	8,000.00	
Do	National Spiritual Assembly of the Baha'is of the U.S.	24,000.00	680.00
Do	Nintendo of America, Inc		
Do	Raytheon Company	47,000.00	105.74
Do	Sandoz	2,000.00	
Do	Sony Corp of America		
Do	Sverdrup Corp	1,500.00	
Do	Syva Company	2,000.00	
Do	Turkish Embassy	27,000.00	37.29
Do	Unisys Corporation	31,500.00	43.90
Do	University of New Haven	1,500.00	
Bartlett S. Fleming, 655 15th Street, NW, #300 Washington, DC 20005	LabOne		654.58
Terry P. Fleming, Ohio Petroleum Council 88 E. Broad St., #1960 Columbus, OH 43215	American Petroleum Institute		
Nancy J. Fletcher, 1850 M Street, NW, Suite 1040 Washington, DC 20036	Outdoor Advertising Assn of America, Inc	20,000.00	583.52
Ronnie G. Flippo, 701 Pennsylvania Ave., NW, #800 Washington, DC 20004	R.G. Flippo & Associates, Inc (For:Alabama Power Co)	3,000.00	
Do	R.G. Flippo & Associates, Inc (For:Huntsville-Madison County Airport Authority)	1,950.00	
Do	R.G. Flippo & Associates, Inc (For:Massachusetts Mutual Insurance Co)	3,000.00	
Do	R.G. Flippo & Associates, Inc (For:South Central Bell)	1,800.00	
Do	R.G. Flippo & Associates, Inc (For:State of Alabama, Dept of Economic & Community Affairs).	2,000.00	
Do	R.G. Flippo & Associates, Inc (For:Troy State Universtity)	2,850.00	
Do	R.G. Flippo & Associates, Inc (For:University of Alabama in Huntsville)	2,850.00	
Florida Business Associates, 1620 L Street, NW, #875 Washington, DC 20036	Alabama Supercomputing Authority		
Do	California Polytechnic University, Pomona	10,500.00	
Do	City of Jacksonville, Mayor's Commission on Base Realignment		
Do	Constellation Technology Corp.	3,000.00	
Do	Cray Research, Inc	36,499.21	
Do	A. Duda & Sons	8,000.00	
Do	Federal Information Exchange	12,513.00	
Do	Florida Community College at Jacksonville	9,000.00	
Do	Florida Power & Light		
Do	Hampton University	4,000.00	
Do	Illinois Community College Board	25,000.00	
Do	MEDCO Containment	4,000.00	
Do	National Technological University	3,000.00	
Do	Nichols Research, Inc	12,000.00	
Do	Sanders	60.90	
Do	University of Alaska	15,000.00	
Do	University of Vermont	13,156.00	
Do	Virginia Commonwealth University	10,666.68	
Do	Westinghouse Electric Corp	9,332.35	
Florida Wetlandsbank, 1800 N. Douglas Road, Suite 203 Pembroke Pines, FL 33024			
James F. Flug, 1401 16th Street, NW Washington, DC 20036	Generic Pharmaceutical Industry Assn	18,398.00	126.70
John J. Flynn, 1125 17th Street, NW Washington, DC 20036	International Union of Operating Engineers	7,500.00	503.84
Laura C. Fogt, P.O. Box 1417-D49 Alexandria, VA 22313-1417	National Assn of Chain Drug Stores	1,000.00	
Foley & Lardner, 3000 K Street, NW, #500 Washington, DC 20007-5109	Aurora Health Care, Inc, et al.		
Do	Council of Community Blood Centers		
Do	Real Estate Services Providers Council		
Brian Folkerts, 1401 New York Ave., NW, Suite 400 Washington, DC 20005	National Food Processors Assn	9,940.32	100.00
R. D. Folsom, 601 13th St., Suite 410 South Washington, DC 20005	R. Duffy Wall & Associates	1,250.00	
Richard T. Foltin, 1156 15th Street, NW, Suite 1201 Washington, DC 20005	American Jewish Committee	11,850.00	860.00
Brian F. Fontes, 1250 Connecticut Ave, NW, 2nd Floor Washington, DC 20036	Cellular TElecommunications Industry Assn		
Food & Allied Service Trades Dept, AFL-CIO, 815 16th Street, NW, #408 Washington, DC 20006		14,806.00	14,806.00
Food Marketing Institute, 800 Connecticut Avenue, NW, Washington, DC 20006			4,150.00
Foodservice & Packaging Institute, Inc, 1901 North Moore Street Arlington, VA 22209			
James E. Ford, 601 Pennsylvania Ave., NW North Building, 4th Floor Washington, DC 20004	Atlantic Richfield Co	1,178.00	
Sonja Fordham, 1725 DeSales Street, NW, Suite 500 Washington, DC 20036	Center for Marine Conservation		

Organization or Individual Filing	Employer/Client	Receipts	Expenditures
Donald D. Foreman, 200 E. Randolph Dr. Chicago, IL 60601	R.J. Reynolds Tobacco Co	2,400.00	
Forest Farmers Assn, P.O. Box 95385 Atlanta, GA 30347		8,409.96	9,011.78
Paul Forlenza, 1301 K Street, NW Washington, DC 20005	IBM	2,645.00	300.00
Frank J. Formica, 1735 K Street, NW Washington, DC 20006	National Assn of Securities Dealers	350.00	10.00
Fort and Schlefer, 3000 K Street, NW, #300 Washington, DC 20007-5116	Bremer Vulkan Verbund AG		
Richard D. Fortin, 1275 K Street, NW, #850 Washington, DC 20005-4006	National Industrial Transportation League	1,280.00	10.00
Tracy Fortson, 818 Connecticut Ave., NW, #303 Washington, DC 20006	National Assn for Biomedical Research	1,142.00	
David V. Foster, 1020 19th St., NW, #550 Washington, DC 20036	Genzyme Corp	937.50	
Nancy E. Foster, 1156 15th Street, NW, #400 Washington, DC 20005	American Dietetic Assn	1,000.00	
Foundation for Environmental & Economic Progress, 1001 Pennsylvania Ave., NW #310 Washington, DC 20004		35,000.00	63,320.41
Barbara Fox, 1101 Pennsylvania Avenue, NW, #950 Washington, DC 20004	Federal Home Loan Mortgage Corp	3,000.00	200.00
Stephen R. Francisco, 815 16th Street, NW, Suite 706 Washington, DC 20006	United Steelworkers of America	13,967.70	
Peter M. Frank, 1667 K St., NW, #250 Washington, DC 20006	Kerr-McGee Corp	2,500.00	
Robert Frankel, 55 Farmington Avenue, #403 Hartford, CT 06105	Trading Cove Associates		
Faye B. Frankfort, 9312 Old Georgetown Road Bethesda, MD 20814-1621	American Podiatric Medical Assn	4,000.00	
David C. Frankil, 1875 Eye Street, NW, Suite 540 Washington, DC 20006	Champion International Corp	1,440.00	347.37
Jordan Frankl, 440 First Street, NW, #600 Washington, DC 20001	American Israel Public Affairs Committee	8,881.23	563.58
Walter L. Frankland Jr., 1730 M Street, NW, #304 Washington, DC 20006-3868	Silver Users Assn, Inc	1,080.00	95.00
C. Anson Franklin, 1101 Connecticut Ave., NW, #1200 Washington, DC 20036	Illinois Power	3,150.00	69.77
Marian C. Franz, 2121 Decatur Place, NW Washington, DC 20008	National Campaign for a Peace Tax Fund	2,662.60	1,469.82
Fraser Trebilcock Davis & Foster, P.C., 1000 Michigan National Tower Lansing, MI 48933	Michigan Cable Television		454.78
Kathleen A. Frawley, 1919 Pennsylvania Ave., NW, Suite 300 Washington, DC 20006	American Health Information Management Assn	2,106.30	21.05
David Frazier, 1015 15th Street, NW, Suite 802 Washington, DC 20005	American Consulting Engineers Council	1,900.00	86.78
Douglas Freberg II, 1515 Wilson Blvd. Arlington, VA 22209	American Gas Assn	2,000.00	730.74
Robert M. Frederick, 1616 H St., NW Washington, DC 20006	National Grange	6,000.00	
Freeborn & Peters, 311 South Wacker Drive, Suite 3000 Chicago, IL 60606	Boots Pharmaceutical, Inc		
James T. Freeman, 1125 15th Street, NW Washington, DC 20005	Mortgage Bankers Assn of America	6,690.00	276.81
Lewis R. Freeman Jr., 1275 K Street, NW, #400 Washington, DC 20005	Society of the Plastics Industry, Inc		
David W. Freer, 1001 G Street, NW 6th Floor East Washington, DC 20001	Southern California Gas Co	5,000.00	
Paula D. Freer, 1101 Pennsylvania Avenue, NW, #510 Washington, DC 20004	USX Corporation		40.24
Verrick O. French, 1455 Pennsylvania Avenue, NW, #1260 Washington, DC 20004	French & Company (For:International Electronics Mfgrs & Consumers of America, Inc).	1,100.00	
Do	French & Company (For:Montgomery Ward & Co, Inc)	175.00	
French & Company, 1455 Pennsylvania Ave., NW, #1260 Washington, DC 20004	International Electronics Mfgrs & Consumers of America, Inc	1,850.00	
Do	Montgomery Ward & Co, Inc	175.00	
Robert H. Frenzel, 316 Pennsylvania Ave., SE, #304 Washington, DC 20003	United Parcel Service		226.22
Fresh Produce Assn of the Americas, P.O. Box 848 Nogales, AZ 85621			
John Freshman Associates, Inc, 1722 I Street, NW, #500 Washington, DC 20006	Anheuser-Busch Companies, Inc	18,000.00	
Do	Los Angeles County Sanitation District	11,307.00	387.76
Do	Upjohn Co	24,357.00	2,246.62
Bruce M. Fried, 1401 I Street, NW, #210 Washington, DC 20005	FHP International Corp	5,625.00	77.00
Stacey Fried, 1301 K Street, NW East Tower 715 Washington, DC 20005	Eastman Chemical Co	500.00	37.00
Fried Frank Harris Shriver & Jacobson, 1001 Pennsylvania Ave., NW, #800 Washington, DC 20004-2505	General Electric Co		
Do	Lonza, Inc		51.59
Philip P. Friedlander Jr., 1250 Eye Street, NW, #400 Washington, DC 20005	National Tire Dealers & Retreaders Assn		
Gay Friedmann, 555 13th Street, NW, #300W Washington, DC 20004	Interstate Natural Gas Assn of America	15,000.00	47.00
Owen V. Frisby, 4 Old Stage Court Rockville, MD 20852	GHL, Inc	6,000.00	
Do	National Mining Association	9,000.00	9.00
Maureen S. Frisch, 1201 Third Avenue, Suite 4900 Seattle, WA 98101-3045	Simpson Investment Company	2,400.00	3,268.00
Charles H. Fritts, 1515 Wilson Blvd Arlington, VA 22209	American Gas Assn	3,950.00	100.80
Edward O. Fritts, 1771 N Street Washington, DC 20036	National Assn of Broadcasters	2,500.00	
Charles H. Fritzel, 444 North Capitol St. NW, #801 Washington, DC 20001	National Assn of Independent Insurers	600.00	300.00
Sara L. Froelich, 1500 K Street, NW, #650 Washington, DC 20005	Glaxo, Inc	2,500.00	
Alan Front, 666 Pennsylvania Ave., SE, #401 Washington, DC 20003	Trust for Public Land	8,435.70	17,463.96
Gordon H. Fry, 900 19th St., NW Washington, DC 20006	Aluminum Assn, Inc	25.00	
Susan L. Fry, 1401 New York Ave., NW, #400 Washington, DC 20005	National Food Processing Assn	2,351.45	100.00
Fulbright & Jaworski, 801 Pennsylvania Avenue, NW Washington, DC 20004	Barrett Resources Corp	1,600.00	6.90
Do	Ernst & Young		
Do	Federal Home Loan Bank Board of Dallas	12,000.00	51.00
Do	Generic Pharmaceutical Industry Assn		
Do	Siemens Transportation Systems, Inc	4,000.00	42.66
Carolyn Fuller, 1420 New York Avenue, NW, #1050 Washington, DC 20005	Van Scoyoc Associates, Inc (For:Montana State University)		
Do	Van Scoyoc Associates, Inc (For:North Dakota State University)	1,166.00	
Do	Van Scoyoc Associates, Inc (For:University of New Orleans)	1,000.00	
Do	Van Scoyoc Associates, Inc (For:WINSM Consortium)	900.00	
Jon Fuller, 1025 Connecticut Ave., NW, #700 Washington, DC 20036	National Assn of Independent Colleges & Universities	1,875.00	
Kay Fulwider, 600 Maryland Ave., SW, #100 West Washington, DC 20024-2571	American Nurses Assn	4,253.00	5.50
Daniel J. Funsch, P.O. Box 7613 Missoula, MT 59807	Alliance for the Wild Rockies, Inc	500.00	50.00
Don Fuqua, 1250 Eye Street, NW Washington, DC 20005	Aerospace Industries Assn of America, Inc	4,375.00	216.33
Furman Group, 1299 Pennsylvania Avenue, NW Suite 995 Washington, DC 20004	Central Basin Municipal Water District		
Do	Central Utah Water Conservancy District		
Do	Southern California Water Co	15,000.00	
Do	Upper San Gabriel Municipal Water District	15,000.00	
Do	West Basin Municipal Water District		
Kurt A. Furst, 700 14th Street, NW, #1100 Washington, DC 20005	G.D. Searle & Co		525.00
Jane Futch, 600 Maryland Ave., SW Washington, DC 20024	American Farm Bureau Federation	5,250.00	64.60
Futures Industry Assn, Inc, 2001 Pennsylvania Ave., NW Washington, DC 20006-1807		7,500.00	25.00
FHP International Corp, 1401 I Street, NW, #210 Washington, DC 20005			2,929.00
Wayne Gable, 1401 I Street, NW, #300 Washington, DC 20005	Koch Industries, Inc		
James E. Gaffigan, 1201 New York Ave., NW Washington, DC 20005-3931	American Hotel & Motel Assn	9,905.48	
Gage & Tucker, 1200 G Street, NW, #800 Washington, DC 20005	Anchor Glass Container Corp		
Do	Pizza Hut, Inc		
Do	Wendy's International, Inc		
John G. Gaine, 1150 Connecticut Avenue, NW, #700 Washington, DC 20036	Managed Futures Assn	3,000.00	590.00
Gary P. Galanis, 1100 South Washington Streeet, 1st Floor Alexandri, VA 22134-4494	National Beer Wholesalers Assn	737.36	
Michael R. Gale, 2500 Wilson Blvd. Arlington, VA 22201	American Apparel Manufacturers Assn	2,600.00	75.00
Angelina Galiteva, 701 Pennsylvania Ave., NW Washington, DC 20004	Electric Transportation Coalition	100.00	50.00
Christopher Gallagher, 1640 Wisconsin Avenue, NW, 1st Floor Washington, DC 20007	American College of Surgeons		1,254.47
Leslie Lawing Gallagher, 1801 K Street, NW, Suite 900 Washington, DC 20006	American Textile Manufacturers Institute, Inc		
Mark Gallant, 2501 M Street, NW Washington, DC 20037	Chemical Manufacturers Assn	2,600.00	592.95
Juan Gallardo, 1025 Thomas Jefferson Street, NW Washington, DC 20007	Coordinadora de Organizaciones Empresariales de Comercio Ext		
Jon T. Gallinger, 10 Lafayette Square Buffalo, NY 14203	National Fuel Gas Distribution Corp, et al.	1,393.57	4,057.75
Joan Galvin, 8607 Westwood Center Drive Vienna, VA 22182	Ringling Bros & Barnum & Bailey		
Thomas Gann, 1300 I Street, NW, #40 East Washington, DC 20005-3306	Sun Microsystems, Inc		3,245.00
Cheryl Gannon, 2000 K Street, NW #800 Washington, DC 20006	National Comm to Preserve Social Security & Meuicare	17,323.00	44.00
Brian D. Garber, 1301 Pennsylvania Ave., NW, #300 Washington, DC 20004	Public Lands Council	1,000.00	
Isabelle Garcia, 1201 16th St., NW, #624 Washington, DC 20036	National Education Assn	3,978.55	72.00
Raymond Garcia, 1745 Jefferson Davis Highway, #1200 Arlington, VA 22202	Rockwell International Corp	3,000.00	
Reginald R. Garcia, Melendi Gibbons & Garcia, P.A. 216 South Monroe St., #300 Tallahassee, FL 32301	Taylor Brion Buker & Greene (for PRIDE of Florida)	285.00	
Robert Garcia, 301 SE Harbor Point Drive Stuart, FL 34996	Puerto Rico Federal Affairs	3,500.00	
Margaret Garikes, 1101 Vermont Avenue, NW Washington, DC 20005	American Medical Assn	25.00	
Nancy Garland, 1505 Prince Street, #300 Alexandria, VA 22314	American Optometric Assn		
Tonia Ann Garrett, 400 N. Capitol St., NW, #357 South Washington, DC 20001	Association of California Water Agencies	2,000.00	
Lee D. Garrigan, 1015 15th Street, NW, #802 Washington, DC 20005	American Consulting Engineers Council	1,250.00	
Theodore J. Garrish, 1776 I Street, NW, #400 Washington, DC 20006	Nuclear Energy Council	15,050.00	414.00
Janet M. Garry, P.O. Box 749 Rockville, MD 20848-0749	National Council Social Security Management Assns, Inc	14,760.00	1,598.62
Garvey Schubert & Barer, 1000 Potomac Street, NW Washington, DC 20007	American International Freight Assn	13,250.00	
Do	Canadian Embassy	968.33	
Do	Interocean Management Company		
Do	J & B Management Company	30,400.34	
Do	Port of Grays Harbor, Washington	20,681.63	
Do	Totem Ocean Trailer Express, Inc	82,971.00	
Do	USX	7,563.39	
Jerry H. Gass, P.O. Box 26234 Richmond, VA 23260-6234	Southern States Cooperative	432.40	

Organization or Individual Filing	Employer/Client	Receipts	Expenditures
David Gasson, 1310 G Street, NW, 12th Floor Washington, DC 20005	Blue Cross & Blue Shield Assn	1,697.00	257.40
Philip Gasteyer, 900 19th Street, NW, #400 Washington, DC 20006	America's Community Bankers		
Monique S. Gaw, 3138 North 10th Street, Suite 300 Arlington, VA 22201	National Assn of Federal Credit Unions	1,250.00	
A. Fred Gebler, 1331 Pennsylvania Ave., NW, #1300N Washington, DC 20004	Electronic Data Systems Corp	168.00	
Ruthann Geib, 1156 15th Street, NW, #1101 Washington, DC 20005	American Sugarbeet Growers Assn		500.00
Ethel Z. Geisinger, 113 King Street Armonk, NY 10504-1610	MBIA, Inc	500.00	600.00
Deanna Gelak, 606 North Washington Street Alexandria, VA 22314	Society for Human Resource Management	2,331.00	42.00
Robert C. Gelardi, 5775 Peachtree-Dunwoody Rd., #500-G Atlanta, GA 30342	Robert H. Kellen Co (For:Calorie Control Council)	90.00	
Do	Kellen Company (For:Infant Formula Council)		
Morton A. Geller, Corporate Tax Department 100 Federal Street Boston, MA 02110	First National Bank of Boston		
General Aviation Manufacturers Association, 1400 K Street, NW, #801 Washington, DC 20005			80.00
General Instrument Corporation, 181 West Madison Street, Suite 4900 Chicago, IL 60602		15,848.75	488.80
Genzyme Corporation, 1020 19th Street, NW, Suite 550 Washington, DC 20036			13,128.53
Nancy Whorton George, 601 13th Street, NW, #850 S Washington, DC 20005	El Paso Natural Gas Company	1,000.00	
Warren S. George, 5025 Wisconsin Avenue, NW Washington, DC 20016	Amalgamated Transit Union, AFL-CIO		
Louis Gerber, 501 Third Street, NW Washington, DC 20001	Communications Workers of America	7,857.00	129.74
Scott A. Gerke, 955 L'Enfant Plaza, SW #5300 Washington, DC 20024	Honda North America, Inc	500.00	
Katherine Doddridge Gerlach, 15th & M Streets, NW Washington, DC 20005	National Assn of Home Builders of the U.S.	8,331.26	
Matthew Gerson, 1600 Eye Street, NW Washington, DC 20006	Motion Picture Assn of America, Inc	6,757.50	702.68
Danny Ghorbani, 8014 Falstaff Road McLean, VA 22102	Association for Regulatory Reform	1,000.00	80.00
Christopher J. Giaimo, 201 North Washington Street Alexandria, VA 22314	Retired Officers Assn	4,135.00	
Wayne Gibbens, 801 Pennsylvania Ave., NW, #840 Washington, DC 20004-2604	Mid-Continent Oil & Gas Assn	17,000.00	420.00
Gibbons & Company, 1455 Pennsylvania Ave., NW, Suite 1180 Washington, DC 20004	Florida Citrus Mutual		
Do	Kellogg Co		
Do	Mutual Life Insurance Co of New York	16,200.00	
Do	Underwriters at Lloyd's of London		
Gail Giblin, 820 First Street, NE, #900 Washington, DC 20002	Turner Broadcasting System, Inc	2,500.00	
Gibson Dunn & Crutcher, 1050 Connecticut Ave., NW, #900 Washington, DC 20036	Civil Justice Reform Group	222,240.57	469.85
Do	Coors Brewing Co.	1,907.50	
Anne Giesecke, 1350 I Street, NW, Suite 1290 Washington, DC 20005	American Bakers Assn	3,780.00	30.00
Judith Gifford, 1840 Wilson Blvd., 4th Floor Arlington, VA 22201	National Milk Producers Federation	718.10	
Lucie Kriste Gikovich, 1275 Pennsylvania Ave., NW, #400 Washington, DC 20004	Pacific Telesis Group	18,000.00	
Gary G. Gilbert, 900 19th Street, NW, #400 Washington, DC 20006	America's Community Bankers		
Jacqueline Gillan, 777 North Capitol Street, NE, #410 Washington, DC 20002	Advocates for Highway & Auto Safety	9,281.25	
Joseph A. Gillan, 2001 Pennsylvania Avenue, NW, #300 Washington, DC 20006	Exxon Corporation	600.00	76.83
Mary Ann Gilleece, 1747 Pennsylvania Ave., NW, #800 Washington, DC 20006	Gadsby & Hannah (For:Dyncorp)	663.76	
Do	Gadsby & Hannah (For:Miami Valley Economic Coalition)	506.25	
Do	Gadsby & Hannah (For:NMP Corp)	900.00	
Do	Gadsby & Hannah (For:Sabreliner Corp)	5,240.37	
Do	Gadsby & Hannah (For:Westinghouse & Cutler/Hammer Products)		
Neal P. Gillen, 1725 K Street, NW, #810 Washington, DC 20006	American Cotton Shippers Assn	50,000.00	580.40
Edward A. Gillespie, 1301 K Street, NW, #1100 Washington, DC 20005	IBM Corp	276.41	145.45
Daniel F. Gilligan, 1745 Jefferson Davis Hwy, #511 Arlington, VA 22202	Manufactured Housing Institute	1,438.00	
William A. Gillon, P.O. Box 12285 Memphis, TN 38182	National Cotton Council of America	2,375.00	14.47
Brad Gilman, 2300 Clarendon Blvd., #1010 Arlington, VA 22201	Robertson Monagle & Eastaugh (For:Alaska Groundfish Data Bank)	4,935.00	
Do	Robertson Monagle & Eastaugh (For:Aleutians East Borough)	5,715.00	
Do	Robertson Monagle & Eastaugh (For:All Alaska Seafood)	2,910.00	
Do	Robertson Monagle & Eastaugh (For:City of Kodiak)	2,580.00	
Do	Robertson Monagle & Eastaugh (For:Crowley Maritime Corp)		
Do	Robertson Monagle & Eastaugh (For:Kodiak Island Borough)	420.00	
Do	Robertson Monagle & Eastaugh (For:Lunds Fisheries, Inc)		
Do	Robertson Monagle & Eastaugh (For:Marco)		
Do	Robertson Monagle & Eastaugh (For:Pacific States Marine Fisheries Cons)	7,815.00	
Do	Robertson Monagle & Eastaugh (For:Sea-Land Services, Inc)		
Do	Robertson Monagle & Easthaugh (For:Seafreeze)	2,920.50	
Do	Robertson Monagle & Eastaugh (For:Trinity Marine Group)		
Jim Gilmore, 4039 21st Avenue, #400 Seattle, WA 98199	American Factory Trawler Assn	22,500.00	1,596.00
Caesar A. Giolito, Capital-International Communications P.O. Box 5793 Carefree, AZ 85377	American Assn of Pastoral Counselors	1,000.00	
Carolyn H. Giolito, P.O. Box 5793 Carefree, AZ 85377	American Assn of Pastoral Counselors	1,000.00	
Gerard Giovaniello, 777 14th St., NW Washington, DC 20005	National Assn of Realtors	2,500.00	646.69
Girl Scouts of the USA, 420 Fifth Avenue New York, NY 10018-2702			6,514.18
Lawrence L. Gladchun, 27777 Inkster Road Farmington Hills, MI 48334	Michigan National Corp		
Mary A. Gladkowski, 10024 Skokie Blvd., #300 Skokie, IL 60077	Albert G. Rubin & Associates, Ltd	15,000.00	
Nicholas J. Glakas, 1600 M Street, NW Washington, DC 20036	ITT Corporation	850.00	32.00
David L. Glass, 485 Lexington Avenue New York, NY 10017	New York State Bankers Assn		
Glass Packaging Institute, 1627 K Street, NW, #800 Washington, DC 20006			2,453.35
Mark L. Glassman, 1055 North Fairfax Street, Suite 201 Alexandria, VA 22314	U.S. Strategies Corp		
Marci Glazer, 1725 DeSales Street, NW, #500 Washington, DC 20036	Center for Marine Conservation		
Robert E. Gleason, 17 Battery Place New York, NY 10004	International Longshoremen's Assn, AFL-CIO		
Teresa A. Gleason, 815 Connecticut Ave., NW Washington, DC 20006	Baker & McKenzie		491.59
Law Offices of Gleason & Mathews, 26 Broadway, 17th Floor New York, NY 10004	International Longshoremen's Assn, AFL-CIO		
Sara B. Glenn, 1250 H Street, NW, #500 Washington, DC 20005	Mobil Corp	2,000.00	2,105.37
Andrew M. Glick, 1201 Connecticut Ave., NW, Suite 300 Washington, DC 20036	Bailey & Robinson (For:Ormet)		
Do	Bailey & Robinson (For:Utilities Telecommunication Council)		
Global USA, Inc, 2121 K St., NW, #650 Washington, DC 20037	All Nippon Airways Co, Ltd		
Do	City of Little Rock, Arkansas		
Do	Hitachi, Ltd		
Do	Hyundai Motor America	72.16	
Do	Japan Fed of Construction Contractors, Inc		
Do	Komatsu Ltd		
Do	Kyocera Corporation		
Do	Mazak Corporation		
Do	Metro-Dade Country		
Do	Southwestern Bell Corp	346.15	
Do	Westinghouse Electric Corp	75.00	
Joseph Gloyd, 1101 Vermont Avenue, #300 Washington, DC 20005	American Veterinary Medical Assn		
Kathryn M. Goatley, 1021 S. Hanover Street Baltimore, MD 21230	Maryland Food Committee		175.00
James W. Godlove, 1776 Eye Street, NW, #700 Washington, DC 20006	Phillips Petroleum Co	1,600.00	48.52
Lee R. Godown, 1111 19th Street, NW, #650 Washington, DC 20036	American College of Emergency Physicians	25.00	767.64
Kevin C. Goebel, 2530 San Pablo Avenue, #J Berkeley, CA 94702	Americans for Nonsmokers' Rights	558.00	
Donald G. Goff, 8003 Rivermont Court Springfield, VA 22153	McDonnell Douglas Corp		
Harvey S. Gold, 8100 Oak Street Dunn Loring, VA 22027	National Pest Control Assn		
Gold & Liebengood, Inc, 1455 Pennsylvania Ave., NW, #950 Washington, DC 20004	Alaska Legislative Council	28,125.00	2,561.00
Do	Amercan College of Cardiology	3,000.00	2,561.00
Do	American Academy of Dermatology	8,000.00	2,273.00
Do	American Academy of Ophthalmology	7,000.00	2,417.00
Do	American Hospital Assn	6,000.00	2,472.00
Do	Association of American Medical Colleges	16,000.00	2,561.00
Do	Beretta U.S.A. Corp	11,840.00	2,488.00
Do	Camara Nacional de la Industria Pesquera	76,351.00	2,561.00
Do	Camara Nacional de las Industrias Azucarera y Alcoholera		2,261.00
Do	Cementos Mexicanos (CEMEX)	72,000.00	2,561.00
Do	Citizens Flag Alliance	16,500.00	2,561.00
Do	City of North Miami Beach		2,360.00
Do	City of Sunnyvale	24,000.00	2,561.00
Do	Coca Cola Company	9,600.00	2,561.00
Do	Federated Investors, Inc	619.00	2,261.00
Do	Fiat, U.S.A., Inc	220.00	2,261.00
Do	Genentech, Inc	28,800.00	2,561.00
Do	Health Industry Manufacturers Assn	4,000.00	2,561.00
Do	International Council of Shopping Centers	20,000.00	2,561.00
Do	Investment Company Institute		2,428.00
Do	James Capel & Co		2,339.00
Do	Joint Commission on the Accreditation of Health Care Orgs		2,261.00

Organization or Individual Filing	Employer/Client	Receipts	Expenditures
Do	Mountain-Park Master Conservancy District		2,261.00
Do	MAPCO, Inc	3,750.00	2,561.00
Do	MCI Communications Corp	16,000.00	2,561.00
Do	National Restaurant Assn	21,000.00	2,561.00
Do	National School Transportation Assn	9,000.00	2,561.00
Do	Pennzoil Co		2,263.00
Do	Pirelli Armstrong Tire Corp	11,975.00	2,277.00
Do	Regional Transportation District	13,200.00	2,561.00
Do	Salomon Brothers, Inc	5,040.00	2,510.00
Do	Sweetener Users Assn	5,000.00	2,561.00
Do	Thomson-CSF, Inc	2,123.00	2,261.00
Do	Times Mirror Co	3,960.00	2,298.00
Do	Washington Metropolitan Area Transit Authority	9,075.00	2,561.00
Goldberg Godles Wiener & Wright, 1229 19th St., NW Washington, DC 20036	PanAmSat, L.P.	4,810.00	
Howard Goldblatt, 1511 K Street, NW, Suite 622 Washington, DC 20005	Coalition Against Insurance Fraud	3,250.00	92.42
Mark J. Golden, 1019 19th Street, NW, Suite 1100 Washington, DC 20036	Personal Communications Industry Assn	2,031.25	
Max Goldman, 1050 17th Street, NW, #500 Washington, DC 20036	Texaco Group, Inc		
Goldman Sachs & Co, 1101 Pennsylvania Avenue, NW, #900 Washington, DC 20004			9,700.00
Robert H. Goldsborough, 5508 Lombardy Place Baltimore, MD 21210	Americans for Immigration Control, Inc	11,550.00	
Neil Goldschmidt, Inc, 222 SW Columbia, #1850 Portland, OR 97201	Nike, Inc		
Do	Seneca Sawmill Company		
Andrew P. Goldstein, 1750 Pennsylvania Ave., NW, #1105 Washington, DC 20006	McCarthy Sweeney & Harkaway, PC (For:National Grain & Feed Assn)	5,850.00	63.00
Ellen L. Goldstein, 1299 Pennsylvania Ave., NW Washington, DC 20004	General Electric Co	525.00	99.75
Rose Gonzalez, 600 Maryland Ave., SW, #100 West Washington, DC 20024-2571	American Nurses Assn	4,263.00	108.69
Thomas E. Goode, 1140 Connecticut Avenue, NW Suite 1140 Washington, DC 20036	UTC Telecommunications Assn		
Laurie Diann Goodman, 3355 Ten Sleep Dr., #5 Jackson, WY 83001		3,000.00	335.71
Marian S. Goodman, 1401 I Street, NW, #210 Washington, DC 20005	FHP International Corp	1,400.00	176.00
Richard A. Goodman, 4925 Manor Lane Ellicott City, MD 21042			
Melvin G. Goodweather, 1401 Eye Street, NW, Suite 600 Washington, DC 20005	United Technologies Corp	1,227.50	28,301.88
Linda Goold, 777 14th Street, NW Washington, DC 20005	National Assn of Realtors	1,750.00	
John Gordley, 1000 Connecticut Avenue, NW, #1106 Washington, DC 20036	American Soybean Assn	11,000.00	11,260.83
Do	Iowa Pork Producers Assn	2,500.00	1,784.18
Do	National Sunflower Assn	3,000.00	3,721.88
Do	U.S. Canola Association	9,000.00	2,530.71
Bradley Gordon, 440 First Street, NW, #600 Washington, DC 20001	American Israel Public Affairs Committee	31,500.00	13.00
Mary S. Gordon, 801 Pennsylvania Ave., NW, #700 Washington, DC 20004	Northern Telecom, Inc	1,250.00	
Randall C. Gordon, 1201 New York Ave., NW #830 Washington, DC 20005	National Grain & Feed Assn	400.00	
David W. Gorman, 807 Maine Avenue, SW Washington, DC 20024	Disabled American Veterans	18,307.20	59.78
Mark S. Gorman, Gorman Consulting 309 Prince Street Alexandria, VA 22314	General Mills, Inc	3,300.00	1,798.32
Do	National Council of Chain Restaurants	18,000.00	789.57
Do	National Religious Broadcasters	1,500.00	396.08
Do	National Religious Broadcasters Music License Committee	7,500.00	608.05
Regina M. Gorman, 1850 M Street, NW, Suite 540 Washington, DC 20036	National Multi Housing Council	1,650.00	
George B. Gould III, 100 Indiana Ave., NW Washington, DC 20001	National Assn of Letter Carriers	13,627.25	1,037.15
Rebecca M.J. Gould, 2001 L Street, NW, Suite 400 Washington, DC 20036	Business Software Alliance	11,000.00	
Gover Stetson & Williams, 2501 Rio Grande Blvd., NW Albuquerque, NM 87104-3223	Campo Band of Mission Indians	4,382.00	
Do	Colorado River Indian Housing Authority		
Do	Crow Tribal Housing Authority		
Do	First Mesa Consolidated Villages		
Do	Lummi Nation		
Do	Mescalero Apache Housing Authority		
Do	Minnesota Chippewa Tribe		
Do	Navajo Nation		
Do	Pueblo of Laguna Housing Authority		
Do	Pueblo of Pojoaque		
Do	Pueblo of Tesuque		
Do	Pueblo of Zuni		
Do	Santa Clara Indian Pueblo		
Do	Shoshone Tribe	1,092.00	
Do	Tonono O'dham Nation		
Do	Wind River Tax Commission		
Do	Yavapai-Apache Indian Community		
Do	Zuni Housing Authority		
James E. Graf II, 601 Pennsylvania Avenue, NW North Building, Suite 725 Washington, DC 20004	British Telecommunications, plc	5,000.00	
Ronald P. Graf, 1401 Eye Street, NW, #710 Washington, DC 20005	Hershey Foods Corp		
John R. Graff, 1448 Duke Street Alexandria, VA 22314	International Assn of Amusement Parks & Attractions		
Dennis A. Graham, 180 South Clinton Avenue Rochester, NY 14646-0700	Frontier Corporation	1,550.00	
Graham & James, 2000 M Street, NW, #700 Washington, DC 20036	Contact Lens Manufacturers Assn		
Do	Dental Implant Manufacturers Assn	1,300.00	
Frances Turk Granahan, 1620 L Street, NW, #1200 Washington, DC 20036	Panhandle Eastern Corp		
Gerald W. Grandey, 2121 11th Street West Saskatoon Saskatchewan Canada S7M IJ3	Cameco Corporation		2,120.00
Grange Mutual Casualty Co, 650 South Front Street Columbus, OH 43206			
Rhonda K. Grant, 5901 Executive Drive Lansing, MI 48911	Jackson National Life Insurance Co	2,500.00	4,015.28
Suzanne Granville, 100 Indiana Ave., NW Washington, DC 20001	National Assn of Letter Carriers	12,285.00	
Andrew N. Grass Jr., One World Trade Center, #4511 New York, NY 10048	Security Traders Assn, Inc	1,488.00	
Edwin C. Graves, 1615 L Street, NW, Suite 1150 Washington, DC 20036	Capitoline/MS&L (For:Berwind Natural Resources Corp)	600.00	
Do	Edwin C. Graves & Associates (For:Brickfield Burchette & Ritts)	400.00	
Do	Edwin C. Graves and Associates (For:CBI Sugar Group)	4,800.00	
Do	Ed Graves & Associates (For:McGuiness & Williams)		
Do	Ed Graves & Asociates (For:OPEDA)		
Do	Edwin C. Graves & Associates (For:Republic of Azerbaijan)	1,400.00	
Do	Capitoline/MS&L (For:Republic of Turkey)	2,000.00	
Do	Edwin C. Graves & Associates (For:South Dade Land Corp)		
Do	Capitoline/MS&L (For:Sprint)	400.00	
Do	Edwin C. Graves and Associates (For:U.S. Corrections Corp)	800.00	
Pamela L. Graves, 700 14th Street, NW, #1100 Washington, DC 20005	G.D. Searle & Co		260.00
W. Lawrence Graves, 1525 Wilson Blvd., #550 Arlington, VA 22209-2411	National Newspaper Assn		
Adrienne A. Gray, 1301 K Street, NW, #1200 Washington, DC 20005	IBM Corporation	3,561.92	494.91
Barbara Gray, P.O. Box 3958 Missoula, MT 59806	Metropolitan Analysis & Retrieval Systems, Inc (Mars, Inc)	7,500.00	
Neil A. Gray, 2120 L Street, NW, #305 Washington, DC 20037	International Bridge Tunnel & Turnpike Assn	2,820.00	205.98
Peter Gray, 1101 Pennsylvania Ave., NW, #1000 Washington, DC 20004	Citicorp/Citibank	5,808.00	
Scott D. Grayson, 1828 L Street, NW, #1202 Washington, DC 20036	Institute of Electrical & Electronics Engineers (IEEE)	900.00	
Mary R. Grealy, 1111 19th Street, NW, #402 Washington, DC 20036	Federation of American Health Systems	1,500.00	
Greater Cincinnati Television Educational Foundation, 1223 Central Parkway Cincinnati, OH 45214		3,431.96	3,431.96
Greater Ecosystem Alliance, P.O. Box 2813 Bellingham, WA 98227			
Greater Washington Educational Telecommunications Assn, P.O. Box 2626 Washington, DC 20013			26.93
Donald R. Greeley, 919 18th St., NW, #700 Washington, DC 20006	Hoechst Celanese Corp	5,000.00	290.33
George R. Green, 800 Connecticut Avenue, NW Washington, DC 20006-2701	Food Marketing Institute	450.00	
Kaylene H. Green, Paul Magliocchetti Associates, Inc 1755 Jefferson Davis Highway, #1107 Arlington, VA 22202	Diagnostic Retrieval Systems, Inc		
Micah S. Green, 1445 New York Ave., 8th Floor Washington, DC 20005	Public Securities Assn	12,500.00	
Oliver W. Green, 5025 Wisconsin Ave, NW Washington, DC 20016	Amalgamated Transit Union, AFL-CIO		
Peggy M. Green, 2220 Valcourt Drive Plano, TX 75023	Housing Roundtable		850.00
Rodney M. Green, P.O. Box 1475 Nashville, TN 37202	United Paperworkers International Union		
Scott H. Green, 8150 Leesburg Pike, #900 Vienna, VA 22182	Boys & Girls Clubs of America	5,000.00	670.00
Do	DARE AMERICA	5,000.00	670.00
Do	National Center for Missing & Exploited Children	10,000.00	1,343.00
William Green, 1455 Pennsylvania Ave, #575 Washington, DC 20004	MacAndrews & Forbes Holdings, Inc		
Fred Greene, 316 Teal Crescent Virginia Beach, VA 23456	Denny Miller Associates	2,500.00	
H. Thomas Greene, 412 1st St., SE Washington, DC 20003	National Automobile Dealers Assn	15,000.00	
Laurence T. Greene, 100 North Diamond-Star Parkway Normal, IL 61761	Diamond-Star Motors Corp		850.00
Lori Valencia Greene, 1120 Connecticut Ave., NW, Suite 461 Washington, DC 20036	Planned Parenthood Federation of America	822.28	208.00
Suzanne Greenfield, 2030 M Street, NW Washington, DC 20036	Common Cause	9,224.28	159.50
Greenlee Associates, 19 1/2 N. Fourth St. Harrisburg, PA 17101		29,831.55	29,978.18
Lynn Greenwalt, 1400 16th St., NW Washington, DC 20036-0001	National Wildlife Federation	60.71	

Organization or Individual Filing	Employer/Client	Receipts	Expenditures
John P. Gregg, 1140 - 19th Street, NW, Suite 700 Washington, DC 20036	Miller Balis & O'Neil, P.C. (For:American Public Gas Assn)		
Sarah M. Gregg, 800 Connecticut Ave., NW, #1100 Washington, DC 20006	Baxter	1,000.00	2,577.02
Mark D. Gregory, 1776 K Street, Nw, #800 Washington, DC 20006	Seaboard Corp	2,000.00	5,687.50
Linda W. Greiner, 1317 F Street, NW, Suite 510 Washington, DC 20004	White Consolidated Industries		
Mary Griffin, 1666 Connecticut Avenue, NW, #310 Washington, DC 20009	Consumers Union	1,000.00	
Terry M. Griffin, 253 Foster Knoll Drive Joppa, MD 21085			199.26
W. M. Griffin, 601 Pennsylvania Avenue, NW, #200 Washington, DC 20004	Texas Utilities Services, Inc	5,400.00	57.56
Edward D. Griffith, 3801 West Chester Pike Newtown Square, PA 19073	ARCO Chemical Co	36.00	
Gary W. Griffith, 2501 M Street, NW Washington, DC 20037	Chemical Manufacturers Assn, Inc	1,000.00	165.00
Griffith & Rogers, P.O. Box 960 Yazoo City, MS 39194-0960	American Maritime Congress	15,000.00	165.29
Do	American Rice, Inc	10,000.00	
Do	CBS, Inc	22,500.00	35.70
Do	Gulf Coast Research Laboratory, Univ of Southern Mississippi	5,000.00	
Do	National Air Traffic Controllers Assn	6,000.00	
Do	Promus Companies		
Do	Southern Company Services, Inc	36,000.00	8,471.92
Do	Textron	30,000.00	1,758.24
Norman E. Grimm Jr., 12600 Fair Lakes Circle Fairfax, VA 22033-4904	AAA Potomac		
Cynthia P. Grisso, 1101 Sixteenth Street, NW Washington, DC 20036	Independent Petroleum Assn of America		30.00
Olga Grkavac, 1616 North Fort Myer Drive, #1300 Arlington, VA 22209	Information Technology Assn of America, Inc	6,500.00	
Grocery Manufacturers of America, Inc, 1010 Wisconsin Ave., NW, #900 Washington, DC 20007			16,742.97
James N. Groninger, 1050 17th Street, NW, #500 Washington, DC 20036	Texaco Group, Inc	181.73	
Groom & Nordberg, Chtd, 1701 Pennsylvania Avenue, NW, #1200 Washington, DC 20006	Ad Hoc MGA Group		
Do	Ad Hoc PFIC Group		
Do	American Petroleum Institute		
Do	Amoco Corporation		
Do	Bankers Life & Casualty Co		
Do	Business Roundtable	450.00	40.00
Do	Cargill, Inc		
Do	Chevron Corp	150.00	25.00
Do	Eli Lilly & Company	100.00	15.00
Do	Maxus Energy Corp	275.00	15.00
Do	Murphy Oil USA, Inc		
Do	Nebraska Public Power District		
Do	New York City Teachers Retirement System		
Do	Phillips Petroleum Co		
Do	Physicians Mutual Insurance Co		
Do	Principal Financial Group		
Do	Prudential Insurance Co of America	575.00	60.00
Do	Prudential Securities		
Do	Puerto Rico, USA Foundation		
Do	Retired Lives Reserve Group		
Do	Southern California Edison Co		
Do	Sunflower Electric Power Corp		
Do	Union Texas Petroleum Corp		
Do	Westinghouse Electric Corp		
Daniel LaRue Gross, 1735 New York Avenue, NW Washington, DC 20006	American Institute of Architects	800.00	
Jessica A. Gross, 1101 17th Street, NW, Suite 105 Washington, DC 20036	Direct Marketing Assn, Inc		
Drew Gruenburg, 1601 Duke Street Alexandria, VA 22314	Society of American Florists	1,000.00	
John A. Gruver, 2649 Turf Valley Road Ellicott City, MD 21042	Westinghouse Electric Corp	500.00	75.00
Gerald M. Guarilia, 70 North Main Street Wilkes-Barre, PA 18711	Blue Cross of Northeastern Pennsylvania		
Derek Guest, 1250 H Street, NW, Suite 800 Washington, DC 20005	Eastman Kodak Co	10,800.00	210.00
Ana Maria Guevara, 316 Pennsylvania Ave., SE, #304 Washington, DC 20003	United Parcel Service	2,500.00	
Pamela D. Guffain, 501 Second Street, NE Washington, DC 20002	Fertilizer Institute	3,000.00	
Jerene B. Guidry, 50 F Street, NW, Suite 1050 Washington, DC 20001	Freeport-McMoRan, Inc	2,090.00	32.00
Jay F. Guin, P.O. Box 032206 Tuscaloosa, AL 35403	Tanner & Guin (For:Morrow Realty Co, Inc)		
James E. Guirard Jr., 1730 Rhode Island Avenue, NW, #419 Washington, DC 20036	BASF Corp	500.00	45.00
Do	Marine Shale Processors, Inc		
Do	McDermott, Inc	1,000.00	50.00
Do	Walk Haydel & Associates, Inc	1,000.00	50.00
Gun Owners of America, Inc, 8001 Forbes Place Springfield, VA 22151		432,570.76	547,128.96
Peggy A. Gunn, 601 Second Avenue South MPFP 1704 Minneapolis, MN 55402	First Bank System, Inc	16,275.00	
Robert Gunther, 2815 Northwind Rd. Baltimore, MD 21234	Cable Television Assn of MD DE & DC	12,500.00	
Judy R. Guse-Noritake, 605 Prince Street Alexandria, VA 22314	Pacific Rivers Council	625.00	675.12
Phyllis A. Guss, 1200 K Street NW Washington, DC 20005	Lockheed Information Management Services Company, Inc		
Ned H. Guthrie, 209 Hayes Avenue Charleston, WV 25314	American Fed of Musicians	9,633.25	2,574.43
Robert L. Guyer, 13714 NW 21 Lane Gainesville, FL 32606	Energizer Power Systems Division of Eveready Battery Co		
Karen Lehman Haas, 9705 G Covered Wagon Drive Laurel, MD 20723	Capital Cities/ABC, Inc	250.00	
Rosemary T. Haas, 1710 Rhode Island AVe., NW, #300 Washington, DC 20036	Abbott Laboratories	1,000.00	
Sherry J. Haber, 1821 Michael Faraday Dr., #400 Reston, VA 22090	National Wholesale Druggists' Assn		
William G. Haddeland, 601 Pennsylvania Ave., NW North Building, Suite 540 Washington, DC 20004	Ashland Oil, Inc	2,000.00	
Anthony L. Hadley, 1745 Jefferson Davis Highway, #511 Arlington, VA 22202	Manufactured Housing Institute	9,000.00	557.92
Lonnie E. Haefner, 10 Finlay Road Kirkwood, MO 63122	L.E. Haefner Enterprises, Inc (For:Missouri Botanical Garden)	675.00	6.47
Do	L.E. Haefner Enterprises, Inc (For:Surface Systems, Inc)	1,500.00	14.38
Thomas M. Hagan, P.O. Box 660164 Dallas, TX 75266-0164	Central & South West Corp		
Kristina Hagg, 2021 North Key Blvd., #621 Arlington, VA 22201	Harris Corporation	2,000.00	210.13
Katherine L. Hagmeier, 1101 15th Street, NW Washington, DC 20005	Minnesota Mining & Manufacturing Co	1,000.00	
Robert W. Haines, 1250 H Street, NW, #500 Washington, DC 20005	Mobile Corp	2,500.00	245.11
Jay D. Hair, 1400 16th Street, NW Washington, DC 20036-0001	National Wildlife Federation	668.61	
Thomas F. Hairston, 1050 Connecticut Ave., NW, #760 Washington, DC 20036	Union Oil Co of California		614.18
Jacqueline Halbig, 700 13th Street, NW, #500 Washington, DC 20005	Family Research Council	346.00	
Hale and Dorr, 1455 Pennsylvania Ave., NW, #1000 Washington, DC 20004	ACX Technologies, Inc		
Do	Center for Technology Commercialization, Inc		
Do	Genetics Institute		
Do	Harcourt Brace & Co	120.00	
Do	Hybridon, Inc	900.00	55.24
Do	Medallion Oil Company		
Do	Micron Technology, Inc	5,271.00	162.36
Do	Northeastern University	2,100.00	48.84
Do	Nyacol Products, Inc	630.00	14.89
Do	Panda Project, Inc	693.50	
Do	Psychological Corp	822.50	21.85
Shirley Hales, 1001 N. 19th Street, #800 Arlington, VA 22209	TRW, Inc		
Debra J. Hall, 1301 Pennsylvania Ave., NW, #900 Washington, DC 20004	Reinsurance Assn of America		
Elliott S. Hall, 1350 I Street, NW, #1000 Washington, DC 20005	Ford Motor Co	7,500.00	1,573.60
John P. Hall Jr., 1350 Eye Street, NW, #810 Washington, DC 20005	Johnson & Johnson		
Joseph M. Hall, 2930 S. Buchanan Street, #A1 Arlington, VA 22230	Harris Corporation	1,475.00	1,558.17
Lawrie Platt Hall, 14901 South Orange Blossom Trail P.O. 2353 Orlando, FL 32801	Dart Industries, Inc, Tupperware U.S., Inc		98.00
Mark A. Hall, 1001 North 19th Street, #800 Arlington, VA 22209	TRW, Inc	655.00	
Robert P. Hall, 325 7th Street, NW< #1000 Washington, DC 20004	National Retail Federation	5,000.00	298.77
Sarah E. Haller, 1615 L Street, NW, #320 Washington, DC 20036	Sandoz Corp		175.00
Paul Hallisay, 1625 Massachusetts Avenue, NW Washington, DC 20036	Air Line Pilots Assn	12,500.00	682.57
James Patrick Halloran, 1615 H Street, NW Washington, DC 20062	U.S. Chamber of Commerce	12,500.00	
Jim Halpert, 2000 M Street, NW, #400 Washington, DC 20036	People for the American Way Action Fund	7,300.01	
Halprin Temple & Goodman, 1100 New York Avenue, NW, #650 East Washington, DC 20005	Bell Atlantic	6,637.50	
Do	Bellcore	1,732.50	
Do	NYNEX	8,260.00	
Do	Yellow Pages Publishers Assn	592.50	
Paul T. Haluza, 1325 Pennsylvania Ave., NW, #600 Washington, DC 20004	Motor and Equipment Manufacturers Association	1,000.00	
John J. Hambel, 1922 F Street, NW Washington, DC 20006-4387	National Assn of Life Underwriters	4,166.00	127.50
Martha R. Hamby, 1212 New York Ave., NW, #500 Washington, DC 20005	American Portland Cement Alliance	10,312.50	816.36
Michael F. Hamerlik, 4510 13th Avenue, SW Fargo, ND 58121-0001	Blue Cross Blue Shield of North Dakota	496.80	1,086.55
Matthew W. Hamill, 1025 Connecticut Avenue, NW, #700 Washington, DC 20036	National Assn of Independent Colleges & Universities	6,308.58	
Palmer C. Hamilton, Miller Hamilton Snider & Odom P.O. Box 46 Mobile, AL 36601	Chase Manhattan Bank	31,250.01	2,369.17

Organization or Individual Filing	Employer/Client	Receipts	Expenditures
Do	Colonial BancGroup, Inc	8,514.00	3,091.88
Philip W. Hamilton, 1828 L St., NW, #906 Washington, DC 20036	American Soc of Mechanical Engineers		
Amy R. Hammer, 2001 Pennsylvania Ave., NW #300 Washington, DC 20006	Exxon Corporation	3,500.00	115.86
Thomas A. Hammer, 2100 Pennsylvania Ave, NW, #695 Washington, DC 20037	Sweetener Users Assn	12,165.00	17,493.00
Timothy M. Hammonds, 800 Connecticut Ave., NW Washington, DC 20006-2701	Food Marketing Institute	200.00	
Hammons Vaught & Conner, 50 Penn Place, Suite 1300 Oklahoma City, OK 73118	Express Services, et al.	24,697.50	1,734.74
Mary Moore Hamrick, 1001 Pennsylvania Avenue, NW, #460(N) Washington, DC 20004-2505	New York Life Insurance Co	1,511.25	506.76
Hance Scarborough Woodward & Weisbart, 111 Congress, Suite 800 Austin, TX 78701	Kinetic Concepts, Inc	4,000.00	241.03
Do	Valhi, Inc	5,000.00	1,205.51
Hand Arendall Bedsole Greaves & Johnston, P.O. Box 123 Moblie, AL 36601	General Electric Co	965.82	
Cynthia Haney, 1101 Vermont Ave., NW Washington, DC 20005	American Medical Assn	25.00	
Rita H. Hankins, 1300 I Street, NW, Suite 400 Washington, DC 20005	NYNEX Government Affairs	9,100.00	596.94
P. S. Hannas, 919 18th Street, NW, #400 Washington, DC 20006	W. R. Grace & Co /World Headquarters	600.00	
Richard L. Hanneman, 700 North Fairfax Street, #600 Alexandria, VA 22314-2040	Salt Institute		
Dolly A. Hanrahan, 1300 I Street, NW, #520 West Washington, DC 20005-3314	Abbott Laboratories		
William D. Hansen, 1155 15th Street, NW Washington, DC 20005	Education Finance Council	3,765.00	
Heidi Hanson, 1055 North Fairfax Street, Suite 201 Alexandria, VA 22314	U.S. Strategies Corp		
Julie E. Harbin, 1100 Wilson Blvd. Arlington, VA 22209	Hughes Aircraft Company	115.00	
Krysta Harden, 1000 Connecticut Ave., NW, Suite 1106 Washington, DC 20036	American Soybean Assn		
Do	National Sunflower Assn		
Do	U.S. Canola Assn		
Dewitt Talmage Hardin III, 600 Pennsylvania Ave., NW, #900 Washington, DC 20004	Chwat & Company, Inc (For:National Licensed Beverage Assn)	500.00	
Sandra K. Harding, 750 First Street, NE, #700 Washington, DC 20002-4241	National Assn of Social Workers	13,053.00	
John C. Hare, 701 Pennsylvania Avenue Washington, DC 20004	Siemens Transportation Systems, Inc		
Donna Akers Harman, 1875 Eye Street, NW, #540 Washington, DC 20006	Champion International Corp	2,238.00	1,931.28
Diane Harper, 1000 Wilson Blvd. Arlington, VA 22209	Northrop Grumman Corp	1,400.00	88.66
Edwin L. Harper, 50 F Street, NW Washington, DC 20001	Association of American Railroads	8,125.00	59.70
Wiley C. Harrell Jr., 1776 Eye Street, NW, #200 Washington, DC 20006	Wiley C. Harrell, Jr.		
Eugene Harrington, 8100 Oak Street Lorton, VA 22027	National Pest Control Association		
Kathleen M. Harrington, 1501 M Street, NW, Suite 400 Washington, DC 20005	Aetna Life & Casualty	3,000.00	
Toni Harrington, 955 L'Enfant Plaza North, SW, #5300 Washington, DC 20024	Honda North America, Inc	1,650.00	
A. J. Harris II, 1825 Eye Street, NW, #350 Washington, DC 20006	CIGNA Corp	7,000.00	643.75
James W. Harris, 900 19th Street, NW, #400 Washington, DC 20006	America's Community Bankers	2,000.00	150.00
Leslie Harris, 2000 M Street, NW, #400 Washington, DC 20036	People for the American Way Action Fund	13,124.99	
Robert E. Harris, 1745 Jefferson Davis Hwy, Suite 1200 Arlington, VA 22202	Rockwell International Corp	1,500.00	
Harris & Ellsworth, 2600 Virginia Avenue, NW, #1113 The Watergate Washington, DC 20037	American Railway Car Institute		
Do	Association of Food Industries, Inc		
Do	Cheese Importers Assn of America, Inc		
Do	Coalition of Food Importers Assn		
Do	Committee of Domestic Steel Wire Rope & Specialty Cable Mfrs		
Jack E. Harrison, West Virginia Petroleum Council 1250 One Valley Square Charleston, WV 25301	American Petroleum Institute		
Joseph M. Harrison, 1611 Duke Street Alexandria, VA 22314	American Movers Conference	10,000.00	
Laurie C. Harrison, 1801 K Street, NW, #800 Washington, DC 20006	Westinghouse Electric Corp	1,200.00	
L. Ray Harry, 1130 Connecticut Ave., NW, #830 Washington, DC 20036	Southern Company Services, Inc	780.00	4,904.53
Fruzsina M. Harsanyi, 1401 H Street, NW, #1060 Washington, DC 20005	Asea Brown Boveri, Inc	3,500.00	
Elizabeth Kirby Hart, 3050 K Street, NW, #330 Washington, DC 20007	National Club Assn	360.00	
Jayne A. Hart, 1350 Eye Street, NW, #590 Washington, DC 20005	College of American Pathologists	4,830.00	
Lynn S. Hart, 1111 19th St., NW, #402 Washington, DC 20036	Federation of American Health Systems	3,000.00	
Martha A. Hart, 700 North Fairfax Street Alexandria, VA 22314	Railway Progress Institute	2,807.25	
William J. Harte Ltd, 111 West Washington Street, Suite 1000 Chicago, IL 60602	AMGEN, Inc	13,812.50	329.00
Hartford Fire Insurance Co, Hartford Plaza Hartford, CT 06115			89,540.00
Carolyn Hartmann, 218 D Street, SE Washington, DC 20003	U.S. Public Interest Research Group	9,454.10	
Robert Hartwell, 1201 L Street, NW Washington, DC 20005	American Health Care Assn	15,000.00	2,000.73
Clifford J. Harvison, 2200 Mill Rd. Alexandria, VA 22314	National Tank Truck Carriers, Inc		150.00
Holly Hassett, 1401 Eye Street, NW, #710 Washington, DC 20005	Hershey Foods Corp		
James C. Hassett, 1747 Pennsylvania Ave., NW, Suite 300 Washington, DC 20006	Occidental Chemical Corp	616.00	168.00
Lee B. Hathaway, 1156 15th Street, NW, Suite 1103 Washington, DC 20005	Hawaiian Sugar Planters' Assn	300.00	55.00
Martin Hatlie, 1101 Vermont Ave., NW Washington, DC 20005	American Medical Assn	25.00	
James N. Haug, 55 E. Erie Street Chicago, IL 60611	American College of Surgeons		
Todd J. Hauptli, 4212 King Street Alexandria, VA 22302	American Assn of Airport Executives	4,700.00	
Jennifer Hawk, 1722 Eye Street, NW, 4th Floor Washington, DC 20006	Barclays Bank, PLC	9,400.00	153.15
Sidney G. Hawkes, 1667 K St., NW, #420 Washington, DC 20006	Mead Corporation	925.00	
Daniel R. Hawkins Jr., 1330 New Hampshire Avenue, NW, #122 Washington, DC 20036	National Assn of Community Health Centers	46.31	16.00
F. William Hawley, 1101 Pennsylvania Ave., NW, #1000 Washington, DC 20004	Citicorp/Citibank	410.67	
John F. Hay, 1801 K Street, NW, #800 Washington, DC 20006	Westinghouse Electric Corp	1,200.00	
John Michael Hayden, 1033 North Fairfax St., #200 Alexandria, VA 22314	American Sportfishing Assn	1,840.90	25.28
Ludwick Hayden Jr., 1401 I Street, NW, Suite 1200 Washington, DC 20005	Chevron Companies	500.00	
David J. Hayes, 1001 Pennsylvania Ave., NW Washington, DC 20004	Latham & Watkins (For:American Automobile Manufacturers Assn)	2,418.75	32.92
Do	Latham & Watkins (For:Semiconductor Industry Assocation)	5,031.88	10.99
Robert G. Hayes, Bogle and Gates 1299 Pennsylvania Ave., NW, #875 East Washington, DC 20004	American Dehydrated Onion & Garlic Assn	475.00	
Do	American Sportfishing Assn	475.00	
Do	Basic American, Inc		
Do	Coastal Conservation Assn	950.00	
Do	Direct Service Industries, Inc	5,225.00	
Do	Hager Hinge Company		
Do	McPhillips Manufacturing Co		
Do	Natural Resources United	475.00	
Do	Pacific Northwest Utility Conference Committee	950.00	
Do	Washington Wheat Commission		
Sherry D. Hayes, 227 Massachusetts Ave., NE, Suite 310 A Washington, DC 20002	InterHealth-Protestant Health Alliance	220.00	
Mark F. Haynes, 800 Connecticut Avenue, NW, Suite 600 Washington, DC 20006	Fluor Corporation	5,000.00	25.00
Robert A. Haynos, 4711 Hunt Circle Harrisburg, PA 17112	Harsco Corporation	51,922.00	1,494.43
Hazel & Thomas, P.C., 3100 Fairview Park Drive, Suite 1400 Falls Church, VA 22042	W.R. Grace & Co		
Healthcare Financial Management Assn, 1050 17th Street, NW, #700 Washington, DC 20036			1,631.79
Healthcare Leadership Council, 1500 K Street, NW, Suite 360 Washington, DC 20005		2,700.00	90.00
HealthPlus, Inc, 7601 Ora Glen Drive, Suite 200 Greenbelt, MD 20770		2,500.00	
Robert Healy Jr., 1201 New York Ave., NW Washington, DC 20005	American Public Transit Assn	10,730.00	113.00
Robert L. Healy, 601 Pennsylvania Ave., NW North Building, 4th Floor Washington, DC 20004	Atlantic Richfield Co	240.00	
Anne A. Heanue, 110 Maryland Avenue, NW, #101 Washington, DC 20002	American Library Assn	1,086.00	
Brian Keith Heard, 201 Massachusetts Ave., NE, #C-4 Washington, DC 20002	National Corn Growers Assn	6,000.00	
David E. Hebert, 777 N. Capitol St., NE, #803 Washington, DC 20002	American Assn of Nurse Anesthetists	5,000.00	273.15
James R. Hecht, 180 Admiral Cochrane Dr., #305 Annapolis, MD 21401	Wheelabrator Clean Water Systems, Inc		88.00
Timothy P. Hecht, 499 South Capitol Street, SW, #507 Washington, DC 20003	Boy Scouts of America		
Do	Hecht Spencer & Associates (For:Brown & Williamson Tobacco Corp)		
Do	Hecht Spencer & Associates (For:Kamehameha Schools Bishop Estate)		
Do	Hecht Spencer & Associates (For:Mid-American Waste Systems, Inc)		
Do	Hecht Spencer & Associates (For:MCI Telecommunications)		
Do	Hecht Spencer & Associates (For:National Automatic Merchandising Assn)		
Do	Hecht Spencer & Associates (For:North Village Corp)		
William H. Hecht, 499 S. Capitol Street, SW, #507 Washington, DC 20003	Hecht Spencer & Associates, Inc (For:Boy Scouts of America)		
Do	Hecht Spencer & Associates, Inc (For:Brown & Williamson Tobacco Corp)		
Do	Hecht Spencer & Associates (For:Kamehameha Schools Bishop Estate)		
Do	Hecht Spencer & Associates, Inc (For:Los Angeles Raiders)		
Do	Hecht Spencer & Associates (For:Mars, Inc)		
Do	Hecht Spencer & Associates (For:Mid-American Waste Systems, Inc)		
Do	Hecht Spencer & Associates (For:MCI Telecommunications)		
Do	Hecht Spencer & Associates (For:National Automatic Merchandising Assn)		
Do	Hecht Spencer & Associates (For:North Village Corp)		
Do	Hecht Spencer & Associates (For:Pacific Lumber Co)		
Do	Hecht Spencer & Associates (For:Charles E. Smith Management, Inc)		
Do	Hecht Spencer & Associates (For:Taiwanese Reichsbanknote Creditors Association (TRC)).		
Hecht Spencer & Associates, Inc, 499 South Capitol Street, SW, #507 Washington, DC 20003	Boy Scouts of America	1,000.00	
Do	Brown & Williamson Tobacco Corp	1,000.00	

Organization or Individual Filing	Employer/Client	Receipts	Expenditures
Do	Kamehameha Schools Bishop Estate	1,000.00	
Do	Los Angeles Raiders		
Do	Mid-America Waste Systems, Inc	1,000.00	
Do	MCI Telecommmunications	1,000.00	
Do	National Automatic Merchandising Assn	1,000.00	
Do	North Village Corp	1,000.00	
Do	Pacific Lumber Co	1,000.00	
Do	Taiwanese Reichsbanknote Creditors Assn		
Megan Hedden, 2000 K St., NW, #800 Washington, DC 20006	National Comm to Preserve Social Security & Medicare	11,538.00	1,039.52
Jay Hedlund, 2030 M St., NW Washington, DC 20036	Common Cause	16,467.00	
Barbara D. Heffernan, 1776 I Street, NW, #200 Washington, DC 20006	Anheuser-Busch Companies, Inc		
Claire Heffernan, 1401 H Street, NW, #900 Washington, DC 20005	American Automobile Manufacturers Assn	8,948.71	554.69
Edward D. Heffernan, One Massachusetts Avenue, NW, #840 Washington, DC 20001	American Cast Iron Pipe Company	1,000.00	
Do	CSX Corporation	2,500.00	
Do	DePaul University	3,000.00	
Do	Regional Transportation Authority	4,000.00	
Do	Renewable Fuel Assn	1,500.00	
Robert M. Heine, 1701 Pennsylvania Ave., NW, #900 Washington, DC 20006	E. I. du Pont de Nemours & Co	120.35	
Scott E. Heisel, 735 N. Water Street, #908 Milwaukee, WI 53202-4105	American Malting Barley Assn, Inc	1,042.00	
Heller Ehrman White & McAuliffe, 701 Fifth Avenue, #6100 Seattle, WA 98104	Chugach Electric Assn, Inc	67.50	
Do	Direct Service Industries	587.50	
Robert W. Helm, 1000 Wilson Boulevard, #2300 Arlington, VA 22209	Northrop Grumman Corporation	3,000.00	55.96
Carol C. Henderson, 110 Maryland Ave., NE, #101 Washington, DC 20002	American Library Assn	2,328.00	
Rebecca Poe Henderson, P.O. Box 2450 Clarksburg, WV 26302-2450	CNG Transmission Corp	3,150.00	600.15
Gail L. Hendrickson, 701 Pennsylvania Ave., NW, Washington, DC 20004	Electric Transportation Coalition	147.00	50.00
Jane E. Henriques, 1801 K Street, NW, #900 Washington, DC 20006	American Textile Manufacturers Institute, Inc	3,381.80	18.00
George H. Henry, 1130 Connecticut Ave., NW, #1000 Washington, DC 20036	American Insurance Assn	507.00	
John Hugh Henry, 1525 Wilson Blvd., #100 Arlington, VA 22209	McDermott, Inc	15,000.00	1,024.39
Herbolsheimer Lannon Henson Duncan & Reagan, PC, 733 15th Street, NW, Suite 1120 Washington, DC 20005	American Environmental Sciences & Technologies, Inc		
Do	Bowling Proprietors' Assn of America		
Do	Village of Orland Park, Illinois		400.00
Angela D. Herman, 1130 Connecticut Ave., NW, Suite 1000 Washington, DC 20036	American Insurance Assn		
William Hermelin, 2215 Constitution Ave, NW Washington, DC 20037	American Pharmaceutical Assn	1,000.00	
Wendy Herr, 1050 17th Street, NW, #700 Washington, DC 20036	Healthcare Financial Management Assn		1,022.20
Kathryn E. Herring, 1100 South Washington St. Alexandria, VA 22314-4494	National Beer Wholesalers Assn	9,623.25	1,320.21
David S. Hess, 3900 University Boulevard South Jacksonville, FL 32216	Citizens and Business for D'Oench Duhme Reform		1,804.32
Clare Hessler, 1325 G Street, NW, Suite 1000 Washington, DC 20005	Institute of Scrap Recycling Industries, Inc	3,330.00	1,525.50
Heublein, Inc, 16 Munson Road Farmington, CT 06034-0388		17,250.00	5,507.02
Ted Allen Heydinger, 1250 Eye StreetNW #200 Washington, DC 20005	Computer & Business Equipment Manufacturers Assn	1,153.00	137.25
Sydney T. Hickey, 6401 Phillip Court Springfield, VA 22152	National Military Family Assn, Inc	1,800.00	
Paul T. Hicks, Rhode Island Petroleum Assn 365 Smith Street, #2 Providence, RI 02908	American Petroleum Institute	580.00	
Barbara L. Hiden, 1101 16th Street, NW Washington, DC 20036	National Soft Drink Assn	92.54	52.74
Hans G. Hiemstra, 1101 17th Street, NW, #300 Washington, DC 20036	Cosmetic Toiletry & Fragrance Assn	1,500.00	75.00
John S. Hightower, 5700 Florida Blvd., #310 Baton Rouge, LA 70806	Louisiana-Pacific Corp	7,125.00	2,230.00
Michael R. Hightower, P.O. Box 1798 Jacksonville, FL 32231	Blue Cross & Blue Shield of Florida, Inc		
Lucy A. Higley, 180 South Clinton Avenue Rochester, NY 14646-0700	Frontier Corporation	5,355.00	3,413.47
Sarah M. Hildebrand, 1111 19th Street, NW Washington, DC 20036	American Forest & Paper Assn	2,400.00	
Clifton T. Hilderley Jr., 601 Pennsylvania Ave., NW North Building, Suite 540 Washington, DC 20004	Ashland Oil, Inc	2,000.00	
John Hildreth, 1300 Guadalupe, #100 Austin, TX 78701	Consumers Union of U.S., Inc		
Catherine J. Hill, 1640 Wisconsin Ave., NW, First Floor Washington, DC 20007	American College of Surgeons		132.05
Margaret A. Hill, Winston & Strawn 1400 L Street, NW Washington, DC 20005	Sonoco Products Co	4,906.25	323.83
Robert B. Hill, 2501 M Street, NW Washington, DC 20037	Chemical Manufacturers Assn, Inc	750.00	224.50
Thomas M. Hill, 1726 M Street, NW, #1100 Washington, DC 20036-4502	Pacific Gas & Electric Co	2,419.50	
Willard I. Hill Jr., 1501 M Street, NW, Suite 400 Washington, DC 20005	Aetna Life & Casualty	1,000.00	
Hill and Knowlton, Inc, 901 31st Street, NW Washington, DC 20007	America West	3,465.00	
Do	Association of International Automoblie Manufacturers		
Do	Bell Atlantic Mobile	4,950.00	
Do	Blue Cross Blue Shield of Florida		
Do	Boeing Company		
Do	Broward County	750.00	
Do	Coalition for Broadcast Diversity	500.00	
Do	COBE Laboratories, Inc		
Do	Fujisawa/Lyphomed		
Do	Great Lakes Museum of Science Environment and Technology	2,000.00	
Do	Louisiana Pacific		
Do	Magnetek	7,250.00	
Do	McAndrews & Forbes Holding, Inc		
Do	Motorola, Inc	22,005.00	
Do	N-Viro International Corp		
Do	Oralcle Corp	1,505.00	
Do	Port of Cleveland	1,500.00	
Do	Port Everglades		
Do	Southern Electric Institute	475.00	
Do	Synergics, Inc		
Do	Tera Computer Company		
Do	Union Pacific		
Gail Hillebrand, 1535 Mission Street San Francisco, CA 94103	Consumers Union	268.42	
Edward Joseph Hillings, 750 17th Street, NW, 4th Fl Washington, DC 20006	Enron Corp	7,500.00	
John L. Hills, Rt. 1, Box 645 Purcellville, VA 22132	Greater Rockford Airport Authority	2,799.00	298.00
Cynthia Hilton, 430 First Street, SE Washington, DC 20003	American Trucking Assns, Inc	600.00	
John M. Himmelberg, 2100 Pennsylvania Ave., NW, #400 Washington, DC 20037	Florida Fruit & Vegetable Assn	1,200.00	
Do	Holland & Knight (For:Florida Tomato Exchange)	1,500.00	
Do	J.R. Brooks & Son, Inc	500.00	
Marc Himmelstein, 2600 Virginia Avenue, NW, #600 Washington, DC 20037	Air Implementation Reform Coalition	18,750.00	
Do	Container Corp of Carolina	25,000.00	
Richard T. Hines Consulting, Inc, 733 15th Street, NW, #700 Washington, DC 20005	Health Policy & Strategy (for Washington National)	7,500.00	3,750.00
Do	Health Policy & Strategy (for Wausau Insurance Co)	2,500.00	1,250.00
Do	Health Policy & Strategy (Northwestern National Life)	5,000.00	2,500.00
Anne Hingeley, 888 16th Street, NW Washington, DC 20006	Bannerman & Associates, Inc (For:Embassy of El Salvador)	100.00	
Do	Bannerman & Associates, Inc (For:Government of the United Arab Emirates)	100.00	
Do	Bannerman & Associates, Inc (For:Government of Egypt)	1,000.00	
Do	Bannerman & Associates (For:L.A. Motley & Co (for: Government of the Philippines)).	150.00	
Do	Bannerman & Associates, Inc (For:Lebanese American University)	100.00	
Hinman Straub Pigors & Manning, P.C., 50 E Street, SE Washington, DC 20003	New York State Conference of Blue Cross & Blue Shield Plans	2,012.50	3,445.28
Do	Small Business Service Bureau, Inc		
Mike Hirshfield, 1725 DeSales Street, NW, #500 Washington, DC 20036	Center for Marine Conservation	901.68	
Sheila E. Hixson, 4301 Connecticut Avenue, NW, #300 Washington, DC 20008	National Solid Wastes Management Assn (NSWMA)	500.00	
Patricia Hlavinka, 1050 17th Street, NW, #700 Washington, DC 20036	Healthcare Financial Management Assn		9.00
Lawrence S. Hobart, 2301 M St., NW, #300 Washington, DC 20037	American Public Power Assn	1,000.00	
Julius W. Hobson Jr., 1101 Vermont Ave., NW Washington, DC 20005	American Medical Assn	3,750.00	235.81
George J. Hochbrueckner & Associates, Inc, 1 Wycomb Place Coram, NY 11727	Advanced Acoustic Concepts, Inc	4,000.00	4,000.00
Do	EDO Corporation	3,000.00	3,000.00
Do	Frisby Technologies	3,000.00	3,000.00
Scott Hodes, 150 North Michigan Avenue, #2500 Chicago, IL 60601	Investment Company Institute	6,000.00	
Fredrick Hodges, 500 E Street, SW, #920 Washington, DC 20024	AOPA Legislative Action	10,000.00	86.55
Jeanne E. Hoenicke, 1001 Pennsylvania Ave., NW Washington, DC 20004	American Council of Life Insurance, Inc		
Elise Hoerath, 1400 16th Street, NW Washington, DC 20036	National Wildlife Federation	4,058.79	
John W. Hoey, 4301 Connecticut Ave., NW, #300 Washington, DC 20008	Environmental Industry Assns (For:National Solid Wastes Management Assn)	500.00	
Kristin Hofeditz, 1401 I Street, NW, Suite 1000 Washington, DC 20005	Securities Industry Assn	1,615.00	
Glen D. Hofer & Associates, 1000 16th Street, NW, #702 Washington, DC 20036	Froedtert Malt Corp	3,000.00	1,553.67
Do	National Barley Growers Assn	15,000.00	6,214.69
Ann F. Hoffman, 815 16th Street, NW, Suite 103 Washington, DC 20006	International Ladies' Garment Workers' Union	13,325.00	765.75
William L. Hoffman, 516 First Street, SE Washington, DC 20003	American University of Beirut	15,000.00	5,960.98

Organization or Individual Filing	Employer/Client	Receipts	Expenditures
John B. Hofmann, 1311 I Street, Suite 100 Sacramento, CA 95814	California Forestry Assn	15,000.00	7,812.86
Judith L. Hofmann, 919 18th Street, NW, #400 Washington, DC 20006	W. R. Grace & Co		294.00
Elizabeth Hogan, 1801 Pennsylvania Ave., NW Washington, DC 20006	MCI Communications Corp	1,000.00	24.00
Gerald Hogan, 655 15th Street, NW, #220 Washington, DC 20005	ALLTEL Corporation		5,000.00
J. Michael Hogan, 1201 L Street, NW Washington, DC 20005	American Health Care Assn	12,500.00	200.72
Hogan & Hartson, 555 13th St., NW Washington, DC 20004-1109	Advanced Government Strategies, L.L.C.		237.00
Do	American Blood Resources Assn		248.25
Do	American Frozen Food Institute		
Do	American Lawyer Media		
Do	American Registry of Pathology	6,777.50	215.04
Do	American Society for Bone & Mineral Research	6,249.13	462.37
Do	Amgen, Inc	8,482.50	42.15
Do	Auburn University	7,500.00	2,010.45
Do	Avions de Transport Regional, Groupement d'Interet Economiqu	36,704.71	2.23
Do	Berg Steel Pipe Corp	3,400.00	28.85
Do	Blue Cross & Blue Shield Assn	5,879.27	
Do	Bristol-Myers Squibb Company		
Do	Brother International Corp	6,719.99	897.35
Do	Burger King Corp	18,756.32	4,644.77
Do	BE&K Construction	296.50	35.51
Do	C C Distributors, Inc, et al.		
Do	California State Teachers' Retirement System	11,045.00	
Do	Chickasaw Nation	3,260.00	
Do	Direct Selling Association	275.00	
Do	Drummond Company, Inc	14,758.12	909.95
Do	DryCleaners Environmental Legislative Fund		5,103.78
Do	Freightliner Corp		
Do	Genentech, Inc	327.50	
Do	Glaxo, Inc	232.50	6.50
Do	Government of Haiti	100,000.00	14,505.23
Do	Government of Ontario, Ministry of Economic Develop & Trade		
Do	Grand Metropolitan	12,373.72	742.96
Do	Grocery Manufacturers of America, Inc	10,162.50	55.65
Do	Group Hospitalization and Medical Services, Inc	13,122.55	416.12
Do	Harbert Corp		
Do	Hardie-Tynes Mfg Company	4,141.50	260.29
Do	Humane Society of the U.S.	198.00	26.30
Do	International Assn of Amusement Parks & Attractions		51.13
Do	International Hydrolyzed Protein Council	26,293.75	515.64
Do	May Department Stores Co	4,785.00	145.63
Do	Medtronic, Inc	3,960.00	
Do	Mercedes-Benz of North America, Inc		
Do	Michelin Tire Company	8,762.63	420.20
Do	Michigan Consolidated Gas Co	17,000.00	435.94
Do	Molloy College	195.75	
Do	Monsanto Co		
Do	Mortgage Insurance Companies of America	15,945.89	394.73
Do	National Apparel	1,827.50	27.78
Do	National Broiler Council		
Do	National Child Care Assn	6,000.00	1,123.47
Do	National Consumer Bankruptcy Coalition		
Do	National Hospice Organization		
Do	National Osteoporosis Foundation	12,497.99	577.97
Do	National Structured Settlements Trade Assn	5,237.50	
Do	National Wireless Resellers Assn	7,512.24	4,018.02
Do	Ostegenesis Imperfecta Foundation	1,248.01	57.78
Do	Paget Foundation	820.94	57.80
Do	Polyisocyanierate Insulation Manufacturers Assn (PIMA)	4,702.87	136.62
Do	Private Child Care Providers	11,018.57	1,219.14
Do	Product Liability Coordination Committee	36,000.00	3,120.95
Do	Rust Engineering	11,250.05	800.65
Do	G.D. Searle Co	285.00	22.23
Do	Simrad, Inc	9,896.25	135.03
Do	Southern Company Services	16,678.12	1,191.77
Do	Storage Technology Corp		
Do	Texas Heart Institute	3,202.73	
Do	Timex Corporation		
Do	Toyota Motor Sales, USA, Inc	325.00	200.00
Do	University of Pittsburgh Medical Center		
Do	Virginia Ready-Mixed Concrete Assn		
Do	Visiting Nurse Service of New York		
Do	Vulcan Materials Company	45,015.00	2,219.60
Do	Jim Walter Corp	7,047.50	1,373.73
Do	Williams Telecommunications		
Bruce E. Holbein, 111 Powdermill Rd. (b79) Maynard, MA 01754	Digital Equipment Corp	28,000.00	
Niels C. Holch, 400 North Capitol Street, NW, #585 Washington, DC 20001	McGuiness & Holch (For:Arch Mineral Corporation)		
Do	McGuiness & Holch (For:AT&T)	750.00	
Do	McGuiness & Holch (For:National Assn of Dental Plans)		
Do	McGuiness & Holch (For:National Assn of Health Underwriters)		
Do	McGuiness & Holch (For:National Horse Show Commission)	1,750.00	
Do	McGuiness & Holch (For:Oneida Indian Nation)		
Do	McGuiness & Holch (For:RJR Nabisco)		
Gerard L. Holder, 901 E Street, NW, #500 Washington, DC 20004-2837	American Assn of Homes & Services for the Aging		
George R. Holland, # 6 Cape Cod Little Rock, AR 72212	Southwestern Bell Telephone Co	15,000.00	2,735.00
Robert A. Holland, 1020 19th Street, NW, #420 Washington, DC 20036	SmithKline Beecham Corp (Beecham, Inc)	400.00	600.00
Holland & Hart, 1001 Pennsylvania Ave., NW, #310 Washington, DC 20004	Altamont Gas Transmission Co	400.00	
Do	American Plastics Council	500.00	
Do	Association of Oil Pipe Lines		
Do	Battle Mountain Gold Co	500.00	
Do	Citgo Petroleum Corp	2,500.00	
Do	Conservation Fund	500.00	
Do	FMC Corp		
Do	Precious Metals Producers Group	1,500.00	
Do	U.S. Borax	800.00	
Holland & Knight, 2100 Pennsylvania Avenue, NW, #400 Washington, DC 20037	American Pyrotechnics Assn		
Do	City of Miami		
Do	Community Service Society of New York		
Do	Detroit Water & Sewerage Dept, Contracs & Grants Div		
Do	Greater Tampa Chamber of Commerce		
Do	Manatee County Public Works Department		
Do	National Peach Council	300.00	
Do	National Railroad Passenger Corp (Amtrak)	1,560.00	
Do	Pan American Satellite Corp	1,040.00	
Do	Peace River/Manasota Regional Water Supply Authority		
Do	South Tahoe Public Utility District	2,400.00	
Do	Southwest Florida Water Management District		
Do	Spaceport Florida Authority	220.50	
Do	Viatical Assn of America	2,244.00	
Do	VITAS HealthCare Corp of Florida		
Do	West Coast Regional Water Supply Authority		
Robert W. Holleyman II, 2001 L Street, NW, #400 Washington, DC 20036	Business Software Alliance	9,062.50	
Jessica J. Holliday, 805 15th Street, NW, #330 Washington, DC 20005	Air Products & Chemicals, Inc	12,500.00	
Kimo S. Hollingsworth, 1608 K Street, NW Washington, DC 20005	American Legion	9,609.00	110.24
Patricia L. Hollis, 1225 Eye Street, NW, #1250 Washington, DC 20005	American Dietetic Assn	2,100.00	3,471.51

Organization or Individual Filing	Employer/Client	Receipts	Expenditures
Holly Corporation, 100 Crescent Court, #1600 Dallas, TX 75201			
Holly Farms Corporation, 1755D Lynnfield Road, #149 Memphis, TN 38119	Holly Farms Corp		
Aubrey Holmes, 316 Pennsylvania Ave., SE Washington, DC 20003	United Parcel Service		
Moses D. Holmes Jr., 1201 16th St., NW Washington, DC 20036	National Education Assn	4,217.25	56.00
John W. Holt, 1001 Pennsylvania Ave., NW Washington, DC 20004	American Council of Life Insurance, Inc		
Thaddeus Holt, P.O. Box 440 Point Clear, AL 36564	American Deposit Corp	5,000.00	17.21
John F. Holtz, NJ Petroleum Council 150 West State Street Trenton, NJ 08608	American Petroleum Institute		
Home Recording Rights Coalition, P.O. Box 33576 1145 19th Street, NW Washington, DC 20033		18,000.00	18,083.05
Rebecca Honeycutt, 1250 Eye Street, NW, Suite 900 Washington, DC 20005	Distilled Spirits Council of the U.S.	2,000.00	
Theresa D. Hooper, 1101 15th Street, NW Washington, DC 20005	Minnesota Mining & Manufacturing Co	1,000.00	
Hooper Hooper Owen & Gould, 801 Pennsylvania Ave., NW, #730 Washington, DC 20004	Ad Hoc Bankruptcy Coalition	750.00	
Do	Affordable Housing Preservation Tax Policy Group	2,250.00	
Do	Borden Chemicals & Plastics, Inc	6,000.00	
Do	Bramalea Limited		
Do	City of San Francisco (Water & Power Div)	12,000.00	
Do	Colonial Penn Life	900.00	
Do	Combustion Engineering, Inc	1,750.00	
Do	CSX/Yukon Pacific Corp	1,800.00	
Do	Destec Energy, Inc		
Do	Entergy Corp	18,000.00	
Do	ENSERCH Corp	450.00	
Do	EXOR America	750.00	
Do	Fluor Corp	3,750.00	
Do	Goldstrike Mine		
Do	Hallmark Cards	750.00	
Do	Hillman Company	3,750.00	
Do	Horsham Corporation	2,250.00	
Do	Hubbell, Inc	4,200.00	
Do	International Paper Co		
Do	John Hancock Mutual Life Ins Co	7,500.00	
Do	Kansas City Southern Industries	6,000.00	
Do	Land Trust Alliance	937.50	
Do	A.T. Massey Coal Co	10,000.00	
Do	Mobil Corp	6,000.00	
Do	National Rural Letter Carriers' Assn		
Do	NorAm Energy Corp.	3,750.00	
Do	Panhandle Eastern Corp	7,400.00	
Do	Pennsylvania Engineering Co	6,800.00	
Do	Phillip Morris Management Corp	4,500.00	
Do	Phlcorp	3,000.00	
Do	Science Applications Intern Corp	3,000.00	
Do	Section 29 Coalition	4,500.00	
Do	Shell Oil CO	7,500.00	
Do	Systems Control	6,000.00	
Do	Trammell Crow Co		
Do	TECO Energy, Inc	10,000.00	
Do	Ultramar, Inc	600.00	
Do	Utilicorp United, Inc	6,000.00	
Do	WMX Technology & Services	1,800.00	
Edward Hopkins, 1730 Rhode Island Avenue, NW, Suite 403 Washington, DC 20036	Citizen Action Fund	3,000.00	87.00
Mark D. Hopkins, 1401 Eye Street, NW, Suite 1200 Washington, DC 20005	Chevron Companies	750.00	50.00
Stephen A. Hopkins, 1101 Pennsylvania Ave., NW, #1000 Washington, DC 20004	Citicorp Washington, Inc	3,500.00	
Hopkins & Sutter (Washington), 888 16th Street, NW Washington, DC 20006	Grand Trunk Corp	635.94	7.00
Do	Puerto Rico Savings Bank Assn		
Jeffrey S. Hops, 666 11th Street, NW, #806 Washington, DC 20001	Alliance for Community Media	9,500.00	
Paul Horel, 9200 Indian Creek Parkway, #220 Overland Park, KS 66210-2008	Crop Insurance Research Bureau	198.00	
Darnell K. Horio, 801 Pennsylvania Ave., NW, #310 Washington, DC 20004	GPU Service Corporation	12,305.00	207.08
John R. Horner, 8524 Bradford Rd. Silver Spring, MD 20901	Campbell-Crane & Assn (for: NMTBA Assn for Mfgr Technology)		
William K. Hoskins, 9300 Ward Parkway Kansas City, MO 64114	Marion Merrell Dow, Inc		154.00
Charles H. Hossack, 50 South First Avenue Coatesville, PA 19320	Lukens, Inc	1,288.00	1,288.63
Household Financial Group, Ltd, 1000 Connecticut Ave., NW, Suite 507 Washington, DC 20036	Household International, Inc		
M'liss Solove Houston, MSH Consulting 5507 Ferndale Street Springfield, VA 22151	Armour Pharmaceutical Co	26,050.00	12,090.66
Do	OSHA Reform Project 1995	30,000.00	5,052.03
John H. F. Hoving, 1762 Church Street, NW Washington, DC 20036	Society of American Value Engineers		
Hoving Group, 1762 Church Street, NW Washington, DC 20036	American Film Marketing Assn	750.00	
Do	Eagle-Picher Industries, Inc	18,950.00	
Do	Western-Southern Life Insurance Co	750.00	
Gerald M. Howard, 15th & M Street, NW Washington, DC 20005	National Assn of Home Builders of the U.S.	17,538.00	
Howe Anderson & Steyer, 1747 Pennsylvania Ave., NW, #1050 Washington, DC 20006	Association of Bituminous Contractors		
Do	Industrial Diamond Assn		
Do	National Assn of Bankruptcy Trustees	6,000.00	6,000.00
Earnest E. Howell, 4647 Forbes Blvd Lanham, MD 20706	AMVETS	6,800.00	
Jackie G. Howell, 2030 M Street, NW Washington, DC 20036	Common Cause	5,328.51	68.00
James P. Howell, 50 F Street, NW, #900 Washington, DC 20001	National Council of Farmer Cooperatives	2,050.00	
Mary Lynch Howell, 1101 Pennsylvania Avenue, NW, #400 Washington, DC 20004	Textron, Inc	1,500.00	280.00
Ronnie Allen Howell, 1620 Eye Street, NW, #700 Washington, DC 20006	International Paper	2,500.00	600.00
Jacqueline Howells, 332 Constitution Ave., NE Washington, DC 20002	Marcus G. Faust, PC (For:Capitol Consulting & Management, Inc)		
Do	Marcus G. Faust, P.C. (For:Central Utah Water Conservancy District)	1,785.71	
Do	Marcus G. Faust, PC (For:Clark County Nevada)	1,785.71	
Do	Marcus G. Faust, PC (For:Clark County-McCarran International Airport)	1,785.71	
Do	Marcus G. Faust, PC (For:Las Vegas Valley Water District)	1,785.71	
Do	Marcus G. Faust, PC (For:Public Service Co of New Mexico)	1,785.71	
Do	Marcus G. Faust, PC (For:Sierra Pacific Power Co)	1,785.71	
Do	Marcus G. Faust, PC (For:State of Montana, Dept of Natural Resources & Conservation).	1,785.71	
Howrey & Simon, 1299 Pennsylvania Avenue, NW, Washington, DC 20004	CitiCorp Services, Inc, et al.	397.50	
Do	Litton Industries, Inc		
Do	Rockwell International Corp		
Paul R. Huard, 1331 Pennsylvania Avenue, NW, #1500N Washington, DC 20004-1703	National Assn of Manufacturers	30,000.00	
David S. Hubbard, 1212 New York Avenue, NW, #520 Washington, DC 20005	American Portland Cement Alliance	8,000.00	213.92
M. Ward Hubbell, 1101 Pennsylvania Ave., NW, #200 Washington, DC 20004	International Paper	2,900.00	1,380.57
Henry A. Hubschman, 1 Neumann Way, Mail Drop J104 Cincinnati, OH 45215	General Electric Co	500.00	
Walter D. Huddleston, P.O. Box 456 Elizabethtown, KY 42702	Brown & Williamson Tobacco Co	36,000.00	
Do	MCI Telecommunications		
J. Michael Hudson, 112 S. West Street Alexandria, VA 22314	Strategic Management Systems, Inc (For:Blood Systems, Inc)	20,000.00	
Do	Strategic Management Associates, Inc (For:Greater New York Hospital Assn)	30,000.00	
Margaret Renken Hudson, 1212 New York Avenue, NW, Suite 500 Washington, DC 20005	American Portland Cement Alliance	13,750.00	691.84
Stewart Hudson, 1400 16th Street, NW Washington, DC 20036-0001	National Wildlife Federation	408.62	
Thomas H. Hudson, One America Place, 9th Floor Baton Rouge, LA 70825	Coastal Corporation		
Do	Louisiana State University		
Do	Molten Metal Technology, Inc		
Do	Philip Morris, USA		
Do	United Gas Pipe Line Co		
Gary E. Hughes, 1001 Pennsylvania Ave., NW Washington, DC 20004	American Council of Life Insurance, Inc	750.00	
Gerald F. Hughes, 1600 Wilson Blvd, Suite 807 Arlington, VA 22209	Roadway Services, Inc	100.00	250.00
Kevin M. Hughes, 200 Second Avenue North Seattle, WA 98109	Pacific Science Center	1,890.00	1,135.79
Patrick J. Hughes, 555 College Road Princeton, NJ 08543	American Re-Insurance Co		
Sharon M. Hughes, 1735 I St., NW, Suite 704 Washington, DC 20006	National Council of Agricultural Employers	1,000.00	450.00
Vester T. Hughes Jr., 1717 Main Street, Suite 2800 Dallas, TX 75201	Holly Corp		
William Hughes, 27357 Avonbourne Lane Easton, MD 21601-7655	National Assn of Federal Veterinarians	27.75	
Hughes & Luce, L.L.P., 1717 Main Street, #2800 Dallas, TX 75201	Sammons Enterprises, Inc	23,370.00	2,718.44
B. Jeanine Hull, 12500 Fair Lakes Circle, Suite 350 Fairfax, VA 22033-3804	LG&E Power, Inc	10,000.00	46.70
Brenda J. Hull, 1001 - 19th Street, North, Suite 800 Arlington, VA 22209	TRW, Inc	795.00	501.88
Human Capital Resources, Inc, c/o Mottola Cherny & Associates, Inc 575 Madison Ave. New York, NY 10022-2511			14,469.22

Organization or Individual Filing	Employer/Client	Receipts	Expenditures
Cliff Humphrey, 1800 Massachusetts Ave., NW Washington, DC 20036	National Rural Electric Cooperative Assn	912.66	
Gregory A. Humphrey, 555 New Jersey Ave., NW Washington, DC 20001	American Fed of Teachers	27,486.36	32.00
Margot Smiley Humphrey, 1150 Connecticut Avenue, NW, 10th Floor Washington, DC 20036	Koteen & Naftalin (For:Alascom, Inc)		
Do	Koteen & Naftalin (For:Telephone & Data Systems, Inc, et al.)	16,980.00	101.35
John M. Humphries, 1401 Eye Street, NW, Suite 600 Washington, DC 20005	United Technologies Corp	2,250.00	2,223.07
Francis M. Hunt, 3804 Inverness Drive Chevy Chase, MD 20815-6724	Hunt Consulting, Inc	1,000.00	1,400.00
Harriet Hunt-Burgess, 456 Montgomery Street #1800 San Francisco, CA 94104	American Land Conservancy	383.10	700.35
Hunton & Williams, 2000 Pennsylvania Ave., NW, #9000 Washington, DC 20006	Ad Hoc Regulatory Reform Group	17,103.75	312.87
Do	Amoco Corp	1,533.75	307.95
Do	Consolidated Natural Gas Co		17.00
Do	Edison Electric Institute	5,400.00	708.65
Do	Envirotest Systems, Inc	7,740.00	902.52
Do	Hoechst Celanese Corp	13,500.00	2,538.51
Do	Long Island Lighting Co	1,000.00	
Robert Hurley, 601 13th Street, NW, #610 South Washington, DC 20005	Wall & Associates, R. Duffy	1,250.00	
Cathy Hurwit, 1730 Rhode Island Avenue, NW, Suite 403 Washington, DC 20036	Citizen Action Fund	5,500.00	148.00
Geoffrey B. Hurwitz, 1667 K St., NW, #210 Washington, DC 20006	Rohm & Haas Co	2,300.00	224.36
Brian Huse, P.O. Box 1289 Oakland, CA 94604-1289	National Parks & Conservation Assn	644.00	27.00
Michael Hussey, 777 14th Street, NW Washington, DC 20005	National Assn of Realtors	2,500.00	2,512.95
Philip A. Hutchinson, 1001 N. 19th Street, #1200 Arlington, VA 22209	Association of International Automobile Manufacturers, Inc		
Randy Huwa, 2030 M St., NW Washington, DC 20036	Common Cause	13,221.95	
Edward Huylebroeck Jr., 125 N. West Street Alexandria, VA 22314-2754	Fleet Reserve Assn		
Edward A. Hynes, 268 Crum Elbow Rd. Hyde Park, NY 12538	Morality In Media, Inc	19.23	
Angelo Iasiello, 1015 15th Street, NW, Suite 802 Washington, DC 20005	American Consulting Engineers Council	500.00	46.00
J. William Ichord, 1050 Connecticut Ave., NW, #760 Washington, DC 20036	Union Oil Company of California		344.21
Torbjorn Ihre, 1634 I Street, NW Suite 600 Washington, DC 20006-4083	Ericsson Corporation	2,000.00	500.00
Illinois Committee to Save Legal Services, 221 North LaSalle St., #863 Chicago, IL 60601		1,580.00	3,585.50
Scot E. Imus, 1199 North Fairfax Street, #801 Alexandria, VA 22314	National Assn of Truck Stop Operators		
Jon J. Indall, P.O. Box 669 Santa Fe, NM 87504-0669	Uranium Producers of America		
Independent Data Communications Manufacturers Assn, c/o Squire Sanders & Dempsey 1201 Pennsylvania Ave., NW Washington, DC 20044.		2,024.00	2,024.00
Independent Insurance Agents of America, Inc, 127 S. Peyton Street Alexandria, VA 22314		67,589.00	67,589.00
Independent Lubricant Manufacturers Assn, 651 South Washington Street Alexandria, VA 22314		2,170.00	2,170.00
Industry Union Glass Container Promotion Program, 1627 K Street, NW, #800 Washington, DC 20006			12,075.00
Infant Formula Council, 5775 Peachtree-Dunwoody Rd., #500-D Atlanta, GA 30342			
Information Technology Assn of America, Inc, 1616 North Ft. Myer Dr., #1300 Arlington, VA 22209		16,500.00	
Charles E. Ing, 1850 M Street, NW, #600 Washington, DC 20036	Toyota Motor Sales, USA, Inc	18,000.00	
Edwin T. C. Ing, 1800 K Street NW, #720 Washington, DC 20006	Hawaiian Electric Industries, Inc		
Do	Kamehameha Schools/Estate of Bernice P. Bishop		
Do	Kenetech Corporation		
Charles W. Ingram, 1615 H Street NW Washington, DC 20062	U.S. Chamber of Commerce	2,500.00	
Doug Inkley, 1400 16th St., NW Washington, DC 20036-0001	National Wildlife Federation	3,090.17	
Richard Innes, 1350 Connecticut Ave., NW, Suite 1101 Washington, DC 20036	Browning-Ferris Industries	1,400.00	5,021.07
Institute for Responsible Housing Preservation, 1255 23rd St., NW, #800 Washington, DC 20037		2,000.00	2,000.00
Institute of Clean Air Companies, Inc, 1707 L St., NW Washington, DC 20036			
Institute of International Bankers, 299 Park Avenue New York, NY 10171			37,014.79
International Assn of Amusement Parks & Attractions, 1448 Duke Street Alexandria, VA 22314		75.00	75.00
International Assn of Bridge Struct & Ornamental Iron Wkrs, 1750 New York Ave., NW Washington, DC 20006		24,722.74	38,101.91
International Council of Shopping Centers, 665 Fifth Ave. New York, NY 10022		39,579.88	39,579.88
International Fabricare Institute, 12251 Tech Road Silver Spring, MD 20904		16,193.00	6,983.75
International Longshoremen's Assn, AFL-CIO, 17 Battery Place, #1500 New York, NY 10004			71,661.22
International Public Strategies, Inc, 1030 15th St., NW, #408 Washington, DC 20005	Government of Aruba	22,500.00	217.49
Do	Government of Pakistan	90,000.00	2,660.11
Do	Republic of the Maldives	25,000.00	78.66
International Speedway Corp, 1801 West International Speedway Blvd. Daytona Beach, FL 32114			9,000.00
International Taxicab and Livery Assn, 3849 Farragut Avenue Kensington, MD 20895			
International Union of Bricklayers & Allied Craftsmen, 815 15th St., NW Washington, DC 20005			6,113.00
International Union of Operating Engineers, 1125 17th St., NW Washington, DC 20036		10,500.00	603.84
InterHealth--Protestant Health Alliance, Suite 233N, Court International 2550 University Avenue West St. Paul, MN 55114-1052.			220.00
Investment Company Institute, 1401 H Street, NW Washington, DC 20005			21,432.96
Peter A. Iovino, 1350 I Street, NW, #1000 Washington, DC 20005	Ford Motor Co	2,900.00	1,709.33
Andy Ireland, 8607 Westwood Center Drive Vienna, VA 22182	Ringling Bros & Barnum & Bailey		
Kathleen Ireland, 1724 Massachusetts Ave., NW Washington, DC 20036	National Cable Television Assn, Inc	2,902.00	242.58
Thomas L. Irmen, P.O. Box 119 Maumee, OH 43537	Andersons		
Iron Ore Lessors Assn, Inc, W-1290 First National Bank Bldg. St. Paul, MN 55101-1361		3,632.15	10,472.56
W. Robert Irvin, 1725 DeSales Street, NW, #500 Washington, DC 20036	Center for Marine Conservation	1,703.68	
John Isaacs, 110 Maryland Ave., NE Washington, DC 20002	Council for a Livable World	7,500.00	
Rebecca Isaacs, 2000 M Street, NW, #400 Washington, DC 20036	People for the American Way Action Fund	7,599.98	
Mark Isakowitz, 600 Maryland Avenue, SW, #700 Washington, DC 20024	National Fed of Independent Business	4,875.00	400.00
Sally D. Iskenderian, 1455 Pennsylvania Ave., NW, #1260 Washington, DC 20004	French & Company (For:International Electronics Mfgrs & Consumers of America, Inc).	250.00	
Russel Iuculano, 1620 L Street, #800 Washington, DC 20036	Metropolitan Life Insurance Co	2,000.00	
Suzanne Iudicello, 1725 DeSales Street, NW, Suite 500 Washington, DC 20036	Center for Marine Conservation	288.75	
Kenneth M. Iwashita, 29400 Lakeland Boulevard Wickliffe, OH 44092	Lubrizol Corp		
J/T Group, 2555 M Street, NW, #327 Washington, DC 20037	Coal Industry Health Protection Coalition	9,000.00	
Do	Smithlkine Beecham	1,500.00	
Do	Stanton and Associates	10,000.00	
Robert A. Jablon, 1350 New York Ave., NW, #1100 Washington, DC 20005-4798	Spiegel & McDiarmid (For:Michigan Municipal/Cooperative Group)		
Alice M. Jackson, 1330 New Hampshire Ave., NW, #122 Washington, DC 20036	National Assn of Community Health Centers	14.43	20.00
Alvin B. Jackson Jr., 1400 K Street, NW, #801 Washington, DC 20005	American Tort Reform Assn		37,876.89
Charles R. Jackson, 225 North Washington Street Alexandria, VA 22314	Non Commissioned Officers Assn of the USA	9,800.00	294.00
Joseph C. Jackson, 1600 Wilson Boulevard, #1008 Arlington, VA 22209	Suppliers of Advanced Composite Materials Assn		
Michael G. Jackson, 1001 19th Street North, #800 Arlington, VA 22209	TRW, Inc	1,848.00	
Robert L. Jackson, 1100 Wilson Boulevard Arlington, VA 22209	Hughes Aircraft Co	310.00	
Stephen Jacobs, 1771 N Street, NW Washington, DC 20036	National Assn of Broadcasters	9,000.00	300.13
Jaffe Raitt Heuer & Weiss, P.C., One Woodward Avenue, #2400 Detroit, MI 48226			
Edward L. Jaffee, 655 - 15th Street, NW, Suite 300 Washington, DC 20005	ISP Management Company, Inc		
Do	Primary Glass Manufacturers Council		
Khalil E. Jahshan, 1212 New York Avenue, NW, #300 Washington, DC 20005	National Assn of Arab Americans	12,000.00	
Daniel M. James, P.O. Box 61473 Vancouver, WA 98666-1473	Pacific Northwest Waterways Assn	761.25	15.00
Harriet James, 600 Maryland Ave., SW, #700 Washington, DC 20024	National Fed of Independent Business		
Jerry James, 8303 Mopac Expressway, #146-C Austin, TX 78759	LDDSMetromedia		
Philip J. James, 8200 Greensboro Drive, #302 McLean, VA 22102	National Glass Assn (NGA)		
Thomas M. James, 1299 Pennsylvania avenue, NW Suite 995 Washington, DC 20004	Furman Group	5,000.00	300.00
Timothy P. James, 1125 17th Street, NW Washington, DC 20036	International Union of Operating Engineers	2,500.00	
Jamin Ebell Bolger & Gentry, 323 Carolyn Street Kodiak, AK 99615	Old Harbor Native Corp	32,060.60	18,550.88
Delos Cy Jamison, Jamison & Sullivan, Inc 1212 New York Ave., NW, #1200 Washington, DC 20005	Association of O&C Counties	6,000.00	
Do	Douglas County	3,000.00	
Do	D.R. Johnson Lumber	2,000.00	
Do	Malheur Timber Operators	7,500.00	7,500.00
Do	Native Operating Co		
Do	Umatilla Water Users		
Japan Economic Institute of America, 1000 Connecticut Ave., NW Washington, DC 20036		1,435.00	1,435.00
Richard B. Jarman, 1250 H Street, NW, #800 Washington, DC 20005	Eastman Kodak Co	800.00	10.00
James R. Jarrad, 1120 Connecticut Ave., NW Washington, DC 20036	American Bankers Assn	7,012.50	736.25
Marc R. Jartman, 175 Admiral Cochrane Drive Annapolis, MD 21401	UNC, Inc		
Charles W. Jarvis, 11240 Waples Mill Rd., #101 Fairfax, VA 22030	Rust International, Inc		
John T. Jarvis, McGlotten & Jarvis 1901 L Street, NW, #300 Washington, DC 20036	American Insurance Assn	2,700.00	
Do	BC&T	4,500.00	
Do	Communications Workers of America Printing Publishing,..	3,750.00	
Do	Computer Sciences Corp	2,250.00	
Do	Labor-Management Comm for the Timber Industry	20,250.00	
Do	Tobacco Industry Labor Management Comm	33,750.00	

Organization or Individual Filing	Employer/Client	Receipts	Expenditures
Steve Jarvis, 1025 Vermont Avenue, NW Washington, DC 20005	American Pulpwood Assn		
Jerry J. Jasinowski, 1331 Pennsylvania Ave., NW, #1500 N. Washington, DC 20004-1703	National Assn of Manufacturers	2,000.00	
Judy Jaussi, 205 C Street, SE Washington, DC 20003-1910	NovaCare, Inc	500.00	174.23
Jefferson Group, 1341 G Street, NW, Suite 1100 Washington, DC 20005	AdminaStar		
Do	AEG Hi Speed Rail		
Do	AEG Westinghouse Transportation Systems, Inc		
Do	Barona Casino		
Do	Bethune-Cookman College		
Do	Bionetics		
Do	BOC Gases		
Do	Cabazon Bank of Mission Indians		
Do	Carrington Laburatories, Inc		
Do	Children's Health System		
Do	City of Aurora		
Do	City of Dekalb		
Do	City of Orlando		
Do	City of Tampa		
Do	Coalition to Limit Increases in Postal Rates		
Do	College of Medical Technologists		
Do	Colorado Springs Chamber of Commerce		
Do	Dallas Area Rapid Transit		
Do	DePuy, Inc		
Do	Doe Run Company		
Do	Dow Chemical Company		
Do	Dunn-Edwards		
Do	Dyncorp		
Do	Embry-Riddle Aeronautical University		
Do	Ergodyne		
Do	Eye Bank Assn of America		
Do	Geon Company		
Do	Greater Orlando Aviation Authority		
Do	Group Health Cooperative of Puget Sound		
Do	Hampton University		
Do	Health Insurance Plan of Greater New York		
Do	HolidayInn Worldwide		
Do	WN Hunter & Associates		
Do	Illinois Community College Board		
Do	Informix Software, Inc		
Do	Inter-American University of Puerto Rico		
Do	ILZRO/Battery		
Do	ISEA		
Do	Lab One		
Do	Large States Quality Coalition		
Do	Marshall Fund		
Do	Mission Energy Company		
Do	Molloy College		
Do	Municipality of Cabo Rojo		
Do	Municipality of Carolina		
Do	National Assn of Community Health Centers		
Do	National Assn of Development Cos		
Do	Nichols Dezenhall		
Do	NAVAPD		
Do	Rowland Company		
Do	Seminole Tribe of Florida		
Do	Sentara Health System		
Do	Thunder Child Treatment Center		
Do	University of Miami		
Do	Viejas Tribe		
Do	Village of Palatine		
Do	Village of Schaumberg		
Do	Virginia Commonwealth University		
Do	Voice of the Retarded		
Do	Zinc Corporation of America		
Jefferson-Waterman International, 1341 G Street, NW, #1100 Washington, DC 20005	China External Trade Dev Council		
Do	CAE-Link		
Do	Embassy of the Republic of Korea		
Do	Government of Jamaica		
Do	Government of Nicaragua		
Do	Government of Quebec		
Do	Government of State of Bahrain Embassy		
Do	Lockheed Fort Worth Company		
Do	Mantech Quality Services, Inc		
Do	Republic of Croatia		
Do	TCOM, Lp		
Ed Jenkins, 50 E Street, SE Washington, DC 20003	Winburn & Jenkins (For:American Forest & Paper Assn)	2,250.00	
Do	Winburn & Jenkins (For:BR Services)	750.00	
Do	Winburn & Jenkins (For:Chicago Northwestern Railroad)	750.00	
Do	Winburn & Jenkins (For:Connecticut Mutual Life Insurance Co)		
Do	Winburn & Jenkins (For:Equipment Leasing Assn)	1,125.00	
Do	Winburn & Jenkins (For:Fieldale Farms Corp)	500.00	
Do	Winburn & Jenkins (For:Hartford Insurance Co)	2,250.00	
Do	Winburn & Jenkins (For:Leggett & Platt)	1,050.00	
Do	Winburn & Jenkins (For:Lockheed Aeronautical Systems Co)	1,000.00	
Do	Winburn & Jenkins (For:Michigan Hospital Assn)	100.00	
Do	Winburn & Jenkins (For:Norfolk Southern Railroad)	1,500.00	
Do	Winburn & Jenkins (For:Pfizer, Inc)	2,250.00	
Do	Winburn & Jenkins (For:Philip Morris)	3,300.00	
Do	Winburn & Jenkins (For:Transitional Hospitals Corp)	1,875.00	
Do	Winburn & Jenkins (For:United Airlines)		
Do	Winburn & Jenkins (For:Viacom)	3,000.00	
Jensen Baird Gardner & Henry, Ten Free Street P.O. Box 4510 Portland, ME 04112	Mid-Maine Waste Action Corp	1,161.00	
Do	Regional Waste Systems, Inc	864.00	
Hugh Jewett, 3025 South Parker Road Aurora, CO 80014	TeleCheck Services, Inc		
Darrel Cox Jodrey, 1350 Eye St., NW, #810 Washington, DC 20005	Johnson & Johnson	301.00	
Calvin P. Johnson, 815 16th Street, NW Washington, DC 20006	American Fed of Labor & Congress of Industrial Organizations	20,075.90	906.94
Carl T. Johnson, 1725 Jefferson Davis Hwy, #1004 Arlington, VA 22202-4102	Compressed Gas Assn/Helium Advisory Council	24,000.00	22,306.00
James W. Johnson Jr., 1156 15th Street, NW, #1019 Washington, DC 20005	U.S. Beet Sugar Assn		
Katie Johnson, 2000 K Street, NW, Suite 800 Washington, DC 20006	National Committee to Preserve Social Security & Medicare	3,186.00	
Mark R. Johnson, 1667 K Street, NW, #350 Washington, DC 20006	Maersk, Inc	2,500.00	
Quincy R. Johnson III, 949 Clint Moore Road Boca Raton, FL 33487	Quincy Johnson Associates, Inc		
Rady A. Johnson, 1615 M Street, NW, Suite 200 Washington, DC 20038	Amoco Corporation		
Richard W. Johnson Jr., 225 N. Washington Street Alexandria, VA 22314	Non Commissioned Officers Assn of the USA	9,200.00	307.65
Thomas L. Johnson, P.O.Box 2185 Austin, TX 78768	Associated General Contractors of Texas		
W. Kirk Johnson, 245 North Waco P.O. Box 2940 Wichita, KS 67201-2940	Wichita District Farm Credit Council		
William J. Johnson, 750 First St., NE, #1020 Washington, DC 20002-4241	National Assn of Police Organizations	4,212.00	935.00
Robert Winthrop Johnson II, Law Offices, 1050 Potomac Street, NW Washington, DC 20007	American Nonwoven Corporation		
Johnson Smith Dover Kitzmiller & Stewart, Inc, 1300 Connecticut Ave., NW, #600 Washington, DC 20036	Air Transport Assn of America	6,000.00	192.00
Do	Akers Laboratories	750.00	24.00
Do	American Academy of Dermatology		
Do	American College of Cardiology		
Do	American Hospital Assn		
Do	American Petroleum Institute		
Do	American Psychological Assn	4,250.00	136.00
Do	American Transit Services Council	6,000.00	192.00

Organization or Individual Filing	Employer/Client	Receipts	Expenditures
Do	Apollo Travel Services		
Do	Appalachian Coalbed Methane Assn	7,625.00	244.00
Do	Arthur Andersen & Co	1,500.00	48.00
Do	Caremark, Inc	25,000.00	800.00
Do	Center for Marine Conservation	1,250.00	40.00
Do	Central and South West Services, Inc	11,250.00	360.00
Do	Coalition of Boston Teaching Hospitals		
Do	College of American Pathologists		
Do	Competitive Power Council	8,500.00	272.00
Do	Coopers & Lybrand, et al.	22,125.00	708.00
Do	Council of Smaller Enterprises (COSE)	3,250.00	104.00
Do	CBS, Inc	17,750.00	568.00
Do	Discovery 2000		
Do	Eli Lilly & Co	7,000.00	224.00
Do	Fluor Corp	12,500.00	400.00
Do	Galileo International	500.00	16.00
Do	General Atomics	1,250.00	40.00
Do	General Electric		
Do	Halliburton NUS Environmental Corporation		
Do	Health Insurance Assn of America		
Do	Heartland Health Systems		
Do	Hong Kong Trade Development Council	3,250.00	104.00
Do	Human Rights Campaign Fund	500.00	16.00
Do	Independent Telephone & Telecommunications Alliance	21,250.00	680.00
Do	Joint Commission on Accreditation of Health Care...	4,000.00	160.00
Do	Lockheed/Martin Corp	7,000.00	224.00
Do	Maritrans GP, Inc	750.00	24.00
Do	McCaw Cellular Communications, Inc		
Do	Medela, Inc		
Do	Motorcycle Industry Council, Inc	4,500.00	144.00
Do	Mutual of Omaha	250.00	8.00
Do	National Assn of Broadcasters	10,000.00	320.00
Do	National Assn of Urban Critical Access Hospitals	6,625.00	212.00
Do	National Coalition of Burn Center Hospitals		
Do	National Football League		
Do	National Independent Energy Producers	21,500.00	688.00
Do	National Music Publishers Assn, Inc	12,875.00	412.00
Do	Nuclear Energy Institute	9,250.00	296.00
Do	Pennzoil Company		
Do	Philip Morris, Inc	1,000.00	32.00
Do	Software Productivity Consortium	3,750.00	120.00
Do	Ticketmaster	500.00	16.00
Do	Times Mirror Co		
Do	Travelers		
Do	Uniform & Textile Service Assn	3,250.00	104.00
Barbara W. Johnston, 1225 I Street, NW, Suite 200 Washington, DC 20005	BHP Minerals		
Mary M. Johnston, 500 E Street, SW, #920 Washington, DC 20024	AOPA Legislative Action	10,500.00	100.24
Mary K. Jolly, 410 First Street, SE, 2nd Floor Washington, DC 20003	National Rifle Assn of America	1,652.63	300.00
Herbert A. Jolovitz, 7531 Sebago Road Bethesda, MD 20817	Owens-Corning Fiberglas Corporation	1,500.00	
Barbara J. Jones, 1100 Connecticut Ave., NW, #310 Washington, DC 20036	Dresser Industries, Inc		
E. Whitney Jones, 625 Slaters Lane, Suite 200 Alexandria, VA 22314	National Assn for Medical Equipment Services	6,500.00	49.60
Keith Jones, 901 Maple Street North Little Rock, AR 72114	Central Arkansas Transit Authority		8,724.12
Murray W. Jones, 1455 Pennsylvania Ave., NW, #525 Washington, DC 20004	R.J. Reynolds Tobacco Co	2,125.00	
Neal T. 'Buddy' Jones, 100 Congress Avenue, #1111 Austin, TX 78701	CLD Coalition, Inc	15,000.00	2,123.44
Randall T. Jones, 50 F Street, NW, #900 Washington, DC 20001	National Council of Farmer Cooperatives	3,500.00	
Suzanne Jones, 1400 16th Street, NW Washington, DC 20036	National Wildlife Federation	1,161.59	
Jones Day Reavis & Pogue, 1450 G Street, NW, #700 Washington, DC 20005-2088	County of Los Angeles	61,233.00	2,123.50
Do	League of California Cities	6,883.00	124.00
Jones Waldo Holbrook & McDonough, 2300 M Street, NW, #900 Washington, DC 20037	American Stores Co		
Do	Space Dynamics Laboratory		
Do	Utah State University		
Jones Walker Waechter Poitevent Carrere & Denegre, 1776 Eye Street, NW, #245 Washington, DC 20006	Canal Barge Company, Inc		
Do	International Shipholding Corp	350.00	
Do	Jefferson Parish Council	262.50	
Do	Port of New Orleans		
Do	Sewerage & Water Board of New Orleans	262.50	
Do	Turner Broadcasting System, Inc	175.00	
James Jordan Associates, Inc, 1747 Pennsylvania Avenue, NW, #807 Washington, DC 20006	Consortium for International Earth Science Info. Network	18,000.00	18,263.90
Robert R. Jorgensen, 1101 Vermont Avenue, NW, #710 Washington, DC 20005	American Veterinary Medical Assn		
David C. Jory, 1101 Pennsylvania Avenue, NW, #1000 Washington, DC 20004	Citicorp	5,000.00	
Robert G. Josephs, 1125 15th Street, NW Washington, DC 20005	Mortgage Bankers Assn of America	16,218.75	377.16
R. Bruce Josten, 1615 H Street, NW Washington, DC 20062-2000	U.S. Chamber of Commerce		
Sherman Joyce, 1212 New York Ave., NW Washington, DC 20005	Ameican Tort Reform Assn		18,077.01
Ardon B. Judd Jr., 1100 Connecticut Ave., NW, #310 Washington, DC 20036	Dresser Industries, Inc		
John Steven Judge, 1401 I Street, NW, Suite 1000 Washington, DC 20005	Securities Industry Assn	3,069.00	
Robert E. Juliano Associates, 2555 M Street, NW, #303 Washington, DC 20037	American Express Co	15,000.00	
Do	Hotel Employees & Restaurant Employees Int'l Union	59,100.00	3,609.39
Do	International Speedway Corp	9,000.00	
Melissa J. Kahn, 1001 Pennsylvania Ave., NW Washington, DC 20004	American Council of Life Insurance, Inc		
Jim Kaitz, 1100 17th Street, NW, #1203 Washington, DC 20036	Financial Executives Institute	16,813.00	
Jack Kalavritinos, 1015 15th Street, NW, Suite 802 Washington, DC 20005	American Consulting Engineers Council	1,687.50	33.64
Kalkines Arky Zall & Bernstein, 1675 Broadway, #2700 New York, NY 10019	Coalition of Financially Distressed Hospitals		
Do	Essential Community Hospital Coalition		
Do	St. Luke's-Roosevelt Hospital Center		
Walter Kallaur, 801 Pennsylvania Ave., NW, #700 Washington, DC 20004	Northern Telecom, Inc	1,250.00	
Edward D. Kalman, Behar & Kalman 6 Beacon Street Boston, MA 02108	National Assn of Long Term Hospitals	6,133.00	
Laurel B. Kamen, 801 Pennsylvania Ave., NW, Suite 650 Washington, DC 20004	American Express Co	3,293.00	52.50
John F. Kamp, 1899 L Street, NW Washington, DC 20036	American Assn of Advertising Agencies	1,250.00	
Susan Kamp, 1730 M Street, NW, Suite 700 Washington, DC 20036	Software Publishers Assn	1,600.00	
Edward J. Kane, 2 Gannett Drive South Portland, ME 04106	Associated Hospital Service of Maine		
John E. Kane, 1001 Pennsylvania Ave., NW Washington, DC 20004	American Council of Life Insurance, Inc	2,000.00	
Lesley Kane, 666 Pennsylvania Ave., SE, Suite 401 Washington, DC 20003	Trust for Public Land	3,807.00	388.83
Dennis R. Kanin, Foley Hoag & Eliot One Post Office Square Boston, MA 02109	Prime Time 24		
Martin B. Kanner, 1575 Eye Street, NW, Suite 370 Washington, DC 20005-1175	Coalition for PUHCA		
Do	Missouri Basin Municipal Power Agency	4,800.00	
Do	Northern California Power Agency	4,500.00	
Do	OPCO Wholesale Customer Group	8,500.00	
Do	Public Power Council	3,500.00	
Karen Kapen, 1125 15th Street, NW Washington, DC 20005	Mortgage Bankers Assn of America	7,410.00	143.27
David A. Karcher, 4000 Legato Rd., #850 Fairfax, VA 22033-4003	American Soc of Cataract & Refractive Surgery	528.64	367.26
Lisa R. Kardell, 1155 Connecticut Ave., NW, #800 Washington, DC 20036	WMX Technologies, Inc	2,175.00	59.51
Gene Karpinski, 218 D Street, SE Washington, DC 20003	U.S. Public Interest Research Group	13,097.97	
Barry Kasinitz, 1750 New York Avenue, NW Washington, DC 20006	International Assn of Fire Fighters	11,243.00	
Michael E. Kastner, 1350 New York Ave., NW, #800 Washington, DC 20005-4797	National Truck Equipment Assn	4,650.00	99.00
Stuart J. Kaswell, 1401 Eye Street, NW, Suite 1000 Washington, DC 20005	Securities Industry Assn	2,215.00	
Alyce Katayama, 1455 Pennsylvania Ave., NW Suite 230 Washington, DC 20004	Texas Instruments	3,500.00	173.00
Patricia L. Katson, P.O. Box 6802 Falls Church, VA 22003	Liberty Lobby, Inc		
Paul C. Katz, 900 19th Street, NW, #400 Washington, DC 20006	America's Community Bankers		
Kaulius & Associates, 1501 Orchard Ave., Suite 100 Boulder, CO 80304	Colorado State University	3,750.00	
Anthony P. Kavanagh, 801 Pennsylvania Avenue, NW, #214 Washington, DC 20004	American Electric Power Service Corp	477.90	3,831.36
Everett E. Kavanaugh, 1101 17th Street, NW, #300 Washington, DC 20036	Cosmetic Toiletry & Fragrance Assn, Inc	250.00	
Kathleen Kavanaugh, 1850 M Street, NW, 11th Floor Washington, DC 20036	Sprint		
Edward M. Kavjian, 1660 L Street, NW Washington, DC 20036	General Motors Corp	3,000.00	389.81
David Keaney, 655 15th Street, NW, Suite 410 Washington, DC 20005	Bristol-Myers Squibb Co	1,000.00	

Organization or Individual Filing	Employer/Client	Receipts	Expenditures
Kearney & Gleason, One State Street - 8th Floor Boston, MA 02109	New England Telephone Co	5,625.00	1,072.94
Do	NYNEX Government Affairs	5,625.00	
Judith A. Kearse, 1350 I Street, NW, Suite 300 Washington, DC 20005	Marine Spill Response Corp		
Richard F. Keating, 1776 I Street, NW, #200 Washington, DC 20006	Anheuser-Busch Companies, Inc		
Keck Mahin & Cate, 1201 New York Avenue, NW, Penthouse Washington, DC 20005	AFLAC, Inc	4,769.00	
Do	Borden, Inc		
Do	Connie Lee Insurance Co	1,510.00	
Do	CNA Insurance Co	6,726.00	
Do	Distilled Spirits Council of the US, Inc	1,000.00	
Do	Eastern Michigan University	390.00	
Do	Kellogg Company	500.00	
Do	Viaticus, Inc	11,431.00	
Do	Water Systems Council	500.00	
Michael G. Keegan, 2715 M Street, NW, Suite 300 Washington, DC 20007	National Rural Water Assn	70.00	
Jennifer L. Keehan, 1901 Pennsylvania Ave, NW 10th Floor Washington, DC 20006	International Mass Retail Assn	100.00	
J. Michael Keeling, 1726 M Street, NW, #501 Washington, DC 20036	ESOP Association		
John R. Keeling, 600 Maryland Ave., SW Washington, DC 20024	American Farm Bureau Federation	9,456.00	498.69
Lana Keelty, 1800 Massachusetts Ave., NW Washington, DC 20036	National Rural Electric Cooperative Assn	20.00	
Melvin Keener, 1133 Connecticut NW, #1023 Washington, DC 20036	Coalition for Responsible Waste Incineration	3,000.00	
Joan F. Keiser, 1800 Massachusetts Avenue, NW Washington, DC 20036	National Rural Electric Cooperative Assn	35.00	
Kendell W. Keith, 1201 New York Avenue, NW, #830 Washington, DC 20005	National Grain & Feed Assn	1,000.00	
Susan Keith, 201 Massachusetts Ave., NE, #C-4 Washington, DC 20002	National Corn Growers Assn	4,281.75	
William D. Kelleher, 1415 Elliot Place, NW Washington, DC 20007	National Stone Assn	4,000.00	500.00
Robert H. Kellen, 5775 Peachtree-Dunwoody Rd., Suite 500-G Atlanta, GA 30342	Robert H. Kellen Co (For:Calorie Control Council)		
Katherine M. Kellenberg, 1330 New Hampshire Ave., NW, #122 Washington, DC 20036	National Assn of Community Health Centers, Inc	6.25	6.00
August Keller, Signature Place II 14785 Preston Road, Suite 1100 Dallas, TX 75240	North American Coal Corporation	12,750.00	8,781.00
Keller & Heckman, 1001 G Street, NW, #500 West Washington, DC 20001	Canadian Sugar Institute	24,838.66	36,731.47
Do	Cominco, Ltd		
Do	Leprino Foods		
Do	Society of the Plastics Industry, Inc	54,366.00	3,277.00
Carolyn M. Kelley, 1225 I Street, NW, #500 Washington, DC 20005	American Payroll Assn	21.93	20.00
John T. Kelley, 800 Connecticut Avenue, NW Washington, DC 20006	Food Marketing Institute	500.00	
W. Curtis Kelley, 1150 17th Street, NW, #600 Washington, DC 20036	Health Insurance Plan of Greater New York		
Joseph T. Kelliher, One Massachusetts Ave., NW, #710 Washington, DC 20001	Public Service Electric and Gas Company	68.00	
Stephen S. Kellner, 1913 Eye Street, NW Washington, DC 20006	Chemical Specialties Manufacturers Assn, Inc	169.99	13.50
Carol A. Kelly, 1620 L Street, NW, #800 Washington, DC 20036	MetraHealth	460.00	
John A. Kelly, Kelly & Associtеs, Inc 1025 Thomas Jefferson St., NW, #105 Washington, DC 20007	BMW of North America, Inc	12,000.00	
Do	Overlook Hospital	15,000.00	
Do	Perdue Farms, Inc	15,000.00	
John F. Kelly, 3000 K Street, NW, #620 Washington, DC 20007	Merrill Lynch & Co, Inc	2,400.00	
Todd E. Kemp, 1201 New York Avenue, NW Washington, DC 20005	National Grain & Feed Assn	2,650.00	
Jackson Kemper Jr., 1215 Jefferson Davis Hwy., #1004 Arlington, VA 22202	Diagnostic/Retrieval Systems, Inc	10,000.00	
Kemper Corporation, 1 Kemper Drive Long Grove, IL 60049			
Kemper Financial Services, Inc, 120 South Lasalle Street Chicago, IL 60603			763.77
Kemper Reinsurance Company, One Kemper Drive Building 3, R-5 Long Grove, IL 60049-0015			84.43
Kemper Securities, Inc, 333 W. Wacker Dr. Chicago, IL 60601			152.77
Jackson Kemper, III, 1215 Jefferson Davis Highway, #1004 Arlington, VA 22202	Diagnostic/Retrieval Systems, Inc		
Jonathan Kempner, 1850 M Street, NW, Suite 540 Washington, DC 20036-5803	National Multi Housing Council	7,725.00	
David Kemps, 1615 H Street, NW Washington, DC 20062	U.S. Chamber of Commerce	2,500.00	54.00
Kendall & Associates, Inc, 50 E Street, SE Washington, DC 20003	Manville Corporation	1,000.00	
Do	Toyota Motor Sales, USA, Inc	5,000.00	
Andrew T. Kendzie, 1301 K Street, NW, #1200 Washington, DC 20005-3307	IBM Corporation	2,741.25	388.71
Joseph W. Kennebeck, 955 L'Enfant Plaza, SW, #4000 Washington, DC 20024	Volkswagen of America, Inc	650.00	50.00
Daniel E. Kennedy Jr., 1015 15th Street, NW, #700 Washington, DC 20005-2605	Bechtel National, Inc		27.80
Jerry W. Kennedy, 313 South Carolina Ave., SE Washington, DC 20003-4213	Calaveras Public Power Agency	1,250.00	
Do	Kennedy Government Relations (For:General Atomics)	3,079.25	139.73
Do	Kennedy Government Relations (For:Pemco Aeroplex)	1,000.00	42.52
Do	Kennedy Government Relations (For:Stockton Easat Water District)	12,000.00	3,598.59
Do	Tuolumne Public Power Agency	1,250.00	
Nancy Mohr Kennedy, 701 North Fairfax Street Alexandria, VA 22314	United Way of America	25,250.00	100.00
Patricia Cregan Kennedy, 205 N. Liberty Street Arlington, VA 22203	Chrysler Corporation	15,000.00	257.00
James J. Kenney, 4647 Forbes Blvd Lanham, MD 20706	AMVETS	6,800.00	
Brendan Kenny, 1625 Massachusetts Avenue, NW Washington, DC 20036	Air Line Pilots Assn	18,750.00	1,023.85
Cathy Ann Kenny, c/o NYS Petroleum Council 39 Broadway, #2705 New York, NY 10006	American Petroleum Institute	85.72	
John V. Kenny, 1055 N. Fairfax Street, #201 Alexandria, VA 22314	U.S. Strategies Corp		
J. H. Kent, 1990 M Street, NW, #340 Washington, DC 20036	Kent & O'Connor, Inc (For:American Soc of Plastic & Reconstructive Surgeons)	2,763.51	1,697.56
Do	Kent & O'Connor, Inc (For:American Supply Association)	1,887.55	1,212.53
Do	Kent & O'Connor, Inc (For:Carter Footwear, Inc)	1,588.89	970.05
Do	Kent & O'Connor, Inc (For:International Assn of Airport Duty Free Stores)	786.00	485.02
Do	Kent & O'Connor, Inc (For:Liz Claiborne, Inc)	5,845.94	3,637.62
Do	Kent & O'Connor, Inc (For:MBI, Inc)		
Do	Kent & O'Connor, Inc (For:National Customs Brokers & Forwarders Assn of America).	4,395.00	2,667.59
Do	Kent & O'Connor, Inc (For:Professional Compounding Centers of America)	9,911.47	6,062.72
Do	Kent & O'Connor, Inc (For:Vista Chemical Company)		
William Kenworthy, 1776 I Strret NW #400 Washington, DC 20006	American Nuclear Energy Council	4,335.00	521.00
Mary Kathleen Kenyon, 2124 Netahoa Court Falls Church, VA 22043	American Group Practice Assn	1,460.27	
Vytautas Kerbelis, P.O. Box 336 Seal Harbor, ME 04675	ARAS		
John P. Kerekes, P.O. Box 10070 Lansing, MI 48901	American Petroleum Institute	434.20	
Eleanor W. Kerr, 1020 19th Street, NW, #420 Washington, DC 20036	SmithKline Beecham Corp	300.00	500.00
Kerrigan & Associates, Inc, 803 Prince Street Alexandria, VA 22314	TicketMaster		
Christopher J. Kersting, 1317 F Street, NW, #550 Washington, DC 20004	Trainum Snowdon & Deane (For:Auto International Assn)	84.00	42.63
Do	Trainum, Snowdon & Deane (For:Coalition of Automotive Associations)	226.00	99.52
Do	Trainum Snowdon & Deane (For:Specialty Equipment Market Assn)	906.00	471.08
G. Chandler Keys III, 1301 Pennsylvania Avenue, NW, #300 Washington, DC 20004	National Cattlemen's Assn	1,000.00	
Jonathan Keyserling, 1818 N Street, NW Washington, DC 20036	AirTouch Communications	6,581.25	
Mary Turner Khim, 1850 M Street, NW, Suite 600 Washington, DC 20036	Toyota Motor Sales, USA		
Carolyn Kiely, 1015 Fifteenth Street, NW, #802 Washington, DC 20005	American Consulting Engineers Council	1,875.00	163.50
Ingolf N. Kiland Jr., 1660 L Street, NW, #401 Washington, DC 20036	General Motors Corp	3,000.00	4,353.10
Thomas J. Kilcline, 201 North Washington Street Alexandria, VA 22314	Retired Officers Assn		
Joanna Kille, 1010 Wisconsin Ave., NW, Suite 900 Washington, DC 20007	Grocery Manufacturers of America, Inc	2,374.79	
William P. Killmer, 1201 - 15th Street, NW Washington, DC 20005	National Assn of Home Builders of the U.S.	10,527.28	
Jeffrey J. Kimbell, 1575 Eye Street, NW, #500 Washington, DC 20005	McKenna & Cuneo (For:Quest Medical, Inc (for Medical Device Manfacturers Assn)).	1,000.00	1,953.05
James L. Kimble, 1130 Connecticut Avenue, NW, #1000 Washington, DC 20036	American Insurance Assn		
Gene Kimmelman, 1666 Connecticut Ave., NW, #310 Washington, DC 20009	Consumers Union	1,000.00	
Kimmitt Coates & McCarthy, Inc, 1730 M Street, NW, #911 Washington, DC 20036	Alliant Techsystems, Inc	1,700.00	
Do	Mansfield Center	1,050.00	
Do	Montana Technologies Co, Inc	1,100.00	
Do	Royal Teton Ranch		
Do	Textron Defense Systems	4,000.00	
Mike Kinard, P.O. Box 727 Magnolia, AR 71753	Kinard Crane & Butler, P.A. (For:Family of Wallace B. Sawyer, Jr.)		
James Jeffrey Kincheloe, 519 C Street, NE Washington, DC 20002	National Assn for Home Care	98.52	
James A. Kinder, 10892 Pembroke Drive Santa Ana, CA 92705			
Aubrey C. King, 1100 New York Avenue, NW, #450 Washington, DC 20005	Travel & Tourism Gov't Affairs Council	2,310.00	
Lewis O. King, 8407 Greenflint Lane Austin, TX 78759	National Guard Assn of Texas	2,800.00	100.00
W. Russell King, 50 F St., NW, #1050 Washington, DC 20001	Freeport McMoran, Inc	16,800.00	130.00
Do	IMC Global, Inc	8,200.00	65.00
King & Spalding, 1730 Pennsylvania Ave., NW, #1200 Washington, DC 20006	Alamo Cement Co		
Do	American Veterinary Medical Assn		
Do	Ash Grove Cement Co, Inc		
Do	Banca Nazionale del Lavoro		
Do	Blue Circle America, Inc		
Do	Charter Medical Corp	227.50	

Organization or Individual Filing	Employer/Client	Receipts	Expenditures
Do	Dragon Products Co		
Do	Electromagnetic Sciences Inc (EMS)		
Do	Florida Crushed Stone Co		
Do	Generic Pharmaceutical Industry Assn		
Do	Geowaste, Inc		
Do	Glens Falls Cement Co, inc		
Do	Greater New York Hospital Assn		
Do	ITT Defense & Electronics		
Do	LaFarge Corp		
Do	Lehigh Portland Cement Co		
Do	Lone Star Industries, Inc		
Do	Medusa Corp		
Do	National Cement Company of California		
Do	North Texas Cement Co		
Do	Owens-Illinois	5,250.00	776.00
Do	Phoenix Cement Company		
Do	Riverside Cement Co		
Do	Sofamor Danek Group, Inc	2,600.50	72.00
Do	Southdown, Inc		
Do	Tarmac America, Inc		
Do	Texas Industires, Inc		
Do	Texas-Lehigh Cement Co		
Kinghorn & Associates, 900 2nd Street, NE, #109 Washington, DC 20002	American Iron & Steel Institute	3,500.00	
Do	American Metalcasting Consortium (AMC)		
Do	Aultman Hospital		
Do	Blue Cross Blue Shield of South Carolina	2,750.00	
Do	Dow Corning Corp	750.00	
Do	Elkem Metals		700.00
Do	Empire Wholesale Lumber Distributors	250.00	
Do	Macalloy Corporation	1,500.00	
Do	Non-Ferrous Founders' Society	5,155.11	
Do	Nuclear Metals, Inc		
Do	Ohio Academy of Nursing Homes		
Do	South Carolina Research Authority	1,050.00	
Do	Timken Company	2,362.50	
Roger P. Kingsley, 10801 Rockville Pike Rockville, MD 20852	American Speech-Language-Hearing Assn		
Steven Kingsley, 845 Ninovan Road, SE Vienna, VA 22180	Citizens Scholarship Foundation of America	2,000.00	
Do	National Computer System		
Kevin J. Kinnaw, 1850 M Street, NW, Suite 600 Washington, DC 20036	Toyota Motor Sales USA, Inc		
Jan Kinney, 1250 Eye Street, NW, #900 Washington, DC 20005	Distilled Spirits Council of the U.S.	2,000.00	
Richard J. Kinney, 1850 K Street, NW, #1195 Washington, DC 20006	Schering-Plough Corp	9,000.00	266.00
Peter Kinzler, 7310 Stafford Road Alexandria, VA 22307	American Council of Life Insurance	4,400.00	61.75
Kevin Kirchner, 1531 P Street, NW, #200 Washington, DC 20005	Sierra Club Legal Defense Fund	4,056.48	901.15
John R. Kirk, Bingham, Dana & Gould 150 Federal Street Boston, MA 02110	First National Bank of Boston		
Sharon Kirk, 1899 L Street, NW, Suite 1000 Washington, DC 20036	National Petroleum Refiners Assn	2,000.00	
Kirkpatrick & Lockhart, 1800 M Street, NW, South Lobby, #900 Washington, DC 20036	Eaton Vance Corp		
Do	Investment Company Institute		
Walter B. Kirkwood, 111 Monument Circle Indianapolis, IN 46277	Banc One Corporation	13,000.00	4,439.42
Kirlin Campbell & Keating, One Farragut Square South, Second Floor Washington, DC 20006	American Bureau of Shipping	3,950.00	26.70
Marie Kissel, 1401 H Street, NW, Suite 900 Washington, DC 20005	American Automobile Manufacturers Assn	150.00	
Peter C. Kissel, 1225 Eye Street, NW, Suite 1225 Washington, DC 20005	Grammer Kissel Robbins & Shancke (For:Kootenai Electric Cooperative, Inc)		
Do	Grammer Kissel Robbins & Skancke (For:Tuolumne Utilities District)	1,282.50	12.05
Sam Kito Jr., P.O. Box 1350 Sultan, WA 98294	Kito, Inc (For:Alaska Visitors Assn)		
Do	Kito, Inc (For:Galena School District)	12,000.00	
Do	Kito, Inc (For:North Slope Borough)	7,500.00	3,968.19
Do	Kito, Inc (For:Sealaska Corporation)	37,700.00	14,235.60
Do	Kito, Inc (For:Southeast Alaska Landless Native Coalition)	22,500.00	5,948.01
Sandra D. Kjellberg, 1775 K Street, NW, #200 Washington, DC 20006	Maritime Institute for Research & Industrial Development	2,739.33	
Dean Kleckner, 225 Touhy Avenue Park Ridge, IL 60068	American Farm Bureau Federation	4,700.00	
Phil Klein, 1913 Eye Street, NW Washington, DC 20006	Chemical Specialties Manufacturers Assn	1,660.09	379.50
Mark Kleinman, Box 5473 Washington, DC 20016-5473	In God We Trust		
Michael R. Klipper, 1718 Connecticut Avenue, NW, #700 Washington, DC 20009	Association of American Publishers	3,000.00	163.00
William C. Klostermeyer, 1130 Connecticut Avenue, NW, #350 Washington, DC 20036	Bookman-Edmonston Engineering, Inc		
David M. Klucsik, 1415 Wyckoff Road Wall, NJ 07719	New Jersey Natural Gas Co		
Glenn Knapp, 773 Dartmouth Ave. San Carlos, CA 94070			
Bruce Knight, 201 Massachusetts Avenue, NE, Suite C-4 Washington, DC 20002	National Corn Growers Assn		
Judith E. Knight, 1120 Connecticut Ave., NW Washington, DC 20036	American Bankers Assn	1,143.00	
Knights of Columbus, 1250 Pennsylvania Ave., NW, #202 Washington, DC 20004-2404			400.00
Barbara Knisely, 1616 H Street, NW Washington, DC 20006	National Grange	3,500.00	
Albert B. Knoll, 555 13th Street, NW, #1010 East Washington, DC 20004-1109	Sun Co, Inc	2,000.00	1,860.10
Kent Knutson, 600 Maryland AVe., SW, Suite 700 Washington, DC 20024	National Fed of Independent Business	3,401.00	200.00
Marcia L. Knutson, 549 4th Street, SE Washington, DC 20003	Association of America's Public Television Stations	1,312.50	65.00
Patricia C. Kobor, 750 First St., NE Washington, DC 20002-4242	American Psychological Assn	1,487.18	261.30
Robert P. Koch, 601 13th Street, NW, #580 South Washington, DC 20005	Wine Institute	7,356.00	243.00
Koch Industries, Inc, P.O. Box 2256 Wichita, KS 67201			
Karil L. Kochenderfer, 1801 K Street, NW, #900K Washington, DC 20036	American Textile Manufacturers Institute, Inc	3,145.00	150.00
Florian Kogelnik, 1015 15th Street, NW, #802 Washington, DC 20005	American Consulting Engineers Council	500.00	25.00
Howard Kohr, 440 First Street, NW, #600 Washington, DC 20001	American Israel Public Affairs Comm	23,124.99	
Stanley E. Kolbe Jr., 305 4th Street, NE Washington, DC 20002	Sheet Metal & Air Conditioning Contractors National Assn		1,706.40
Ann Kolker, 1616 P Street, NW, #100 Washington, DC 20036	National Women's Law Center		118.00
John H. Komoroske, 1735 K Street, NW Washington, DC 20004	National Assn of Securities Dealers	250.00	170.23
Dennis R. Koons, 611 Woodward Avenue Detroit, MI 48226	NBD Bank, NA	4,500.00	4,325.00
George S. Kopp, 2121 K Street, NW, #650 Washington, DC 20037	Global USA, Inc (For:Earth Observation Satellite Co)		
Ronald W. Kosh, 12600 Fair Lakes Circle Fairfax, VA 22033-4900	AAA Potomac		75.00
Susan M. Koski-Grafer, 10 Madison Avenue P.O. Box 1938 Morristown, NJ 07962-1938	Financial Executives Institute	1,150.00	
Michael V. Kostiw, 1050 17th Street, NW, #500 Washington, DC 20036	Texaco Inc		
John F. Kostyack, 1400 16th Street, NW Washington, DC 20036-0001	National Wildlife Federation	731.58	
Gerald J. Kovach, 1801 Pennsylvania Avenue, NW Washington, DC 20006	MCI Communications Corp	1,100.00	35.00
Jerome J. Kozak, 1250 H Street, NW, Suite 900 Washington, DC 20005	International Dairy Foods Assn		
Edward B. Krachmer, 1250 Connecticut Ave., NW, 2nd Floor Washington, DC 20036	Cellular Telecommunications Industry Assn		100.00
Alan M. Kranowitz, 1725 K Street, NW, #300 Washington, DC 20006	National Assn of Wholesaler-Distributors		
Stephen W. Kraus, 1001 Pennsylvania Ave., NW Washington, DC 20004	American Council of Life Insurance, Inc		
Robert S. Krebs, 1129 20th Street, NW, #200 Washington, DC 20036	Greater Washington Board of Trade	8,500.00	20.00
Earl R. Kreher, 1401 H Street, NW, #900 Washington, DC 20005	American Automobile Manufacturers Assn	1,289.00	505.02
Cecile B. Kremer, Plumbing Manufacturers Institute 1655 N. Ft. Myer Dr., #700 Arlington, VA 22209	C.M. Services	500.00	
Mary Jo Kripowicz, 1016 16th Street, NW, 5th Floor Washington, DC 20036	Consumers Power Co	3,448.00	6,998.00
David B. Krone, 1320 19th Street, NW, Suite 201 Washington, DC 20036	Tele-Communications, Inc	3,750.00	
Theodore G. Kronmiller, 961 Leigh Mill Road Great Falls, VA 22066		24,000.00	783.46
John J. Kropp, 1900 Fifth Third Center 511 Walnut Street Cincinnati, OH 45202	Graydon Head & Ritchey (For:River Downs Investment Co)		592.00
Keith R. Krueger, 1555 Connecticut Avenue, NW, #200 Washington, DC 20036	U S West Communications		69.21
James S. Krzyminski, 50 F Street, NW, #900 Washington, DC 20001	National Council of Farmer Cooperatives		
Pamela Kurland, 1667 K Street, NW, #1270 Washington, DC 20006	Warner-Lambert Co	3,000.00	
Ruth M. Kurtz, 5517 Chevy Chase Pkwy., NW Washington, DC 20015	Coordinadora de Organizaciones Empresariales de Comercio Ext	2,000.00	284.02
Ester Kurz, 440 First Street, NW, 6th Floor Washington, DC 20001	American Israel Public Affairs Comm	27,499.98	
Peter Dev Kurze, 1843 Mintwood Place, NW, #110 Washington, DC 20009	Daimler-Benz Washington, Inc		284.76
Peter Kyros, 2445 M Street, NW, #260 Washington, DC 20037	Board of Veterans Appeals Professional Assn		
John R. Kyte, 1331 Pennsylvania Avenue, NW Suite 1500, North Lobby Washington, DC 20004-1790	National Assn of Manufacturers	1,500.00	
KCM International, Inc, 1730 M Street, NW, #911 Washington, DC 20036	P.T. Teknojasa Sapta Utama	115,000.00	85,903.00
James La Sala, 5025 Wisconsin Avenue, NW Washington, DC 20016	Amalgamated Transit Union, AFL-CIO		
Labor Bureau, Inc, 1101 15th Street, NW, #1010 Washington, DC 20005			
Labor Policy Assn, Inc, 1015 15th St., NW, #1200 Washington, DC 20005		12,405.00	9,530.00
Labor-Management Maritime Committee, Inc, 1150 17th Street, NW, Suite 700 Washington, DC 20036		2,443.00	6,037.00
Marc E. Lackritz, 1401 I Street, NW, Suite 1000 Washington, DC 20005	Public Securities Assn	8,077.00	
John D. Lacopo, 1331 Pennsylvania Ave., NW, #1300 North Washington, DC 20004	Electronic Data Systems Corp		

Organization or Individual Filing	Employer/Client	Receipts	Expenditures
Shannon Lahey, 2701 32nd Street, NW Washington, DC 20008	California Correctional Peace Officers Assn	12,000.00	86.00
Myron F. Laible, 1850 M Street, NW, Suite 1040 Washington, DC 20036	Outdoor Advertising Assn of America, Inc		
David N. Lakin, 1350 I Street, NW, Suite 300 Washington, DC 20005	Marine Spill Response Corporation	1,918.12	
Gerard F. Lamb, 2341 Jefferson Davis Hwy, #1100 Arlington, VA 22202	Bath Iron Works Corp	5,000.00	
David F. Lambert III, P.O. Box 1417-D49 Alexandria, VA 22313	National Assn of Chain Drug Stores	2,000.00	
Thomas G. Lambrix, 1730 Rhode Island Avenue, NW, #206 Washington, DC 20036	Union Camp Corp	220.00	171.00
Martha D. Lamkin, 11100 USA Parkway Fishers, IN 46038	USA Group, Inc	453.75	7.54
Robert Joseph Lamoureux, 1735 Jefferson Davis Highway, #1200 Arlington, VA 22202	McDonnell Douglas Corp	1,000.00	
Jennifer Lamson, 2030 M Street, NW Washington, DC 20036	Common Cause	9,910.26	
Susan Lamson, 11250 Waples Mill Road Fairfax, VA 22030	National Rifle Assn of America	3,000.00	65.07
Dina Moses Land, 1764 Old Meadow Lane, #350 McLean, VA 22102	American Frozen Food Institute	500.00	
Land Trust Alliance, 1319 F Street, NW, #501 Washington, DC 20004-1106			5,984.00
David W. Landsidle, 1710 Rhode Island Avenue, NW, #300 Washington, DC 20036	Abbott Laboratories	10,000.00	
Maury Lane, 1801 K Street, NW, Suite 800 Washington, DC 20006	Westinghouse Electric Corp	1,200.00	
William C. Lane, 818 Connecticut Avenue, NW, #600 Washington, DC 20006	Caterpillar, Inc	3,000.00	195.87
Robert K. Lange, 1901 N. Moore St., #609 Arlington, VA 22209	E-Systems, Inc	10,260.00	1,913.77
Ann Langley & Associates, Inc, 444 North Capitol Street, NW, #837 Washington, DC 20001	Children's Hospital, Boston	2,400.00	
Do	La Rabida Children's Hospital Research Center		
Do	National Assn of Children's Hospitals & Related Institutions	25,000.00	188.69
Do	National League for Nursing	2,625.00	
Do	National Perinatal Assn	225.00	
Do	Tennessee Primary Care Network	300.00	
Robin W. Lanier, 1901 Pennsylvania Ave., NW, 10th Floor Washington, DC 20006	International Mass Retail Assn	9,000.00	
Fern M. Lapidus, 6736 Hillandale Road Chevy Chase, MD 20815	Association of Proprietary Colleges	7,500.00	2,153.99
Do	California Impace Aid Assn	7,560.00	341.07
Do	New York City Partnership, Inc	6,999.90	185.31
Do	School of Visual Arts	9,000.00	178.61
Peter J. Larkin, 800 Connecticut Avenue, NW Washington, DC 20006	Food Marketing Institute	200.00	
Richard Eugene Larochelle, 1800 Massachusetts Ave., NW Washington, DC 20036	National Rural Electric Cooperative Assn	170.00	
Reed E. Larson, 8001 Braddock Road, #600 Springfield, VA 22160	National Right to Work Committee		
Theresa Knieriemen Larson, 1331 Pennsylvania Avenue, NW, Suite 1500 Washington, DC 20004-1703	National Assn of Manufacturers	1,500.00	
Warren Lasko, 1125 15th Street, NW Washington, DC 20005	Mortgage Bankers Assn of America		
Robert L. Laszewski, 1225 Connecticut Ave., NW, 7th Floor Washington, DC 20036	Health Policy & Strategy Associates, Inc (For:Alliance of American Insurers)		
Do	Health Policy & Strategy Associates, Inc (For:Guardian Life Insurance Company)		
Do	Health Policy & Strategy Associates, Inc (For:Liberty Mutual Insurance Group)		
Do	Health Policy & Strategy Associates, Inc (For:Northwestern National Life Insurance Co).	7,500.00	5,104.92
Do	Health Policy & Strategy Associates, Inc (For:Pan American Life Insurance Co)		
Do	Health Policy & Strategy Associates, Inc (For:Washington National Life Insurance Co).	9,375.00	7,658.60
Do	Health Policy & Strategy Associates, Inc (For:Wausau Insurance Companies)	3,750.00	2,553.67
Riaz K. Latifullah, 3415 Fessenden St., NW Washington, DC 20008	Project Acta, Inc	100.00	
Delbert L. Latta, 516 Hillcrest Dr. Bowling Green, OH 43402	Calderon Clean Coal Technology, Inc		250.95
Do	Stir-Melter, Inc	6,000.00	526.77
Karl F. Lauenstein, 1745 Jefferson Davis Highway, #1000 Arlington, VA 22202	General Dynamics Corp	1,000.00	244.80
Beth Lavach, 1747 Pennsylvania Ave., NW, Suite 800 Washington, DC 20006	Gadsby & Hannah (For:Colt Manufacturing Co, Inc)	5,462.24	
Do	Gadsby & Hannah (For:Consolidated Defense Corp)	357.00	
Do	Gadsby & Hannah (For:Dayton Area Chamber of Commerce)		
Do	Gadsby & Hannah (For:DYNCORP)		
Do	Gadsby & Hannah (For:Energy Research Corp)	1,244.61	
Do	Gadsby & Hannah (For:Miami Valley Economic Coalition)	152.50	
Do	Gadsby & Hannah (For:NMP Corp)	573.75	
Do	Gadsby & Hannah (For:Sabreliner Corp)	871.25	
Do	Gadsby & Hannah (For:Westinghouse & Cutler/Hammer Products)	101.50	
Kathryn M. Lavriha, P.O. Box 1417-D49 Alexandria, VA 22313-1417	National Assn of Chain Drug Stores, Inc		
M. S. Lawrence, 40 Franklin Rd, SW P.O. Box 2021 Roanoke, VA 24022	Appalachian Power Company	98.54	11.18
Patricia Laws, 1747 Pennsylvania Ave., NW, #300 Washington, DC 20006	MidCon Corp	342.39	837.81
Richard C. Lawson, 1130 Connecticut Ave., NW Washington, DC 20036	American Insurance Assn	292.00	134.46
Laxalt Corporation, 801 Pennsylvania Ave., NW, #747 Washington, DC 20004	Academy of Rail Labor Attorneys	5,120.00	
Do	Mesa, Inc	2,000.00	
Do	Milliken & Company	2,560.00	
Do	Motion Picture Assn of America, Inc	2,350.00	
Do	Nevada Resort Assn		
Do	Sears Roebuck & Co	3,000.00	
Do	Viacom, Inc	4,700.00	
Paul Laxalt Group, 801 Pennsylvania Ave, NW, #750 Washington, DC 20004	Competitive Long Distance Coalition	36,000.00	
Do	Generic Pharmaceutical Industry Assn, et al.	6,000.00	
Do	Martin Marietta Corp	6,250.00	
Do	Milliken & Company	15,000.00	
Do	MGM Grand, Inc	5,000.00	
Do	Nevada Resort Assn		
Do	Nevada Test Site Contractors Assn	18,500.00	
Do	Sears Roebuck & Co	2,750.00	
Do	Sierra Pacific Resources	15,000.00	
Sandra L. LaFevre, 1301 Pennsylvania Ave., NW #900 Washington, DC 20004	Nationwide Insurance Co		
Do	Reinsurance Assn of America		
William N. LaForge, McGuiness & Williams 1015 15th Street, NW, #1200 Washington, DC 20005	Bridgestone-Firestone	12,710.00	246.15
Do	Hoechst Celanese Corp	19,312.50	153.48
Do	Hoechst Roussel Agri-Vet	29,187.50	823.64
Do	Hoechst-Roussel Pharmaceuticals, Inc	13,562.50	97.23
Louis A. LaMarca, 1667 K Street, NW, Suite 1270 Washington, DC 2006	Warner-Lambert Co	3,000.00	
Clifford C. LaPlante, 1299 Pennsylvania Avenue, NW, #1100 Washington, DC 20004	General Electric Co	1,850.00	
Jeffrey A. Lear, 1010 N. Fairfax Street Alexandria, VA 22314	National Society of Public Accountants	2,400.00	
Thomas B. Leary, Hogan & Hartson 555 13th St., NW Washington, DC 20004-1109	Business Roundtable		
Marvin Leath, One Massachusetts Ave, NW, #330 Washington, DC 20001-1431	Fabrique Nationale Nouvelle Herstal, S.A.	3,000.00	
Do	Martin Marietta Corp	3,000.00	
Do	National Guard Assn	2,000.00	
Do	National Soft Drink Assn	3,000.00	
Do	Textron, Inc	3,000.00	
Do	Thiokol Corp	3,000.00	
Do	United Defense, L.P.	6,000.00	
Barbara E. Leatherwood, 1250 H Street, NW, #500 Washington, DC 20005	Mobil Corp	500.00	84.17
Wendy Lechner, 600 Maryland Ave., SW, #700 Washington, DC 20024	National Fed of Independent Business	3,401.00	200.00
Marque I. Ledoux, 300 Maryland Avenue, NE Washington, DC 20002	Federal Express Corp	6,000.00	
Cara Lee, 9 Vassar Street Poughkeepsie, NY 12601	Scenic Hudson, Inc		615.21
Eileen C. Lee, 1850 M Street, NW, #540 Washington, DC 20036	National Multi Housing Council, Inc	1,550.00	
Peter A. Lefkin, 1101 Connecticut Ave., NW, #950 Washington, DC 20036	Fireman's Fund Insurance Cos	4,500.00	1,301.00
Mary James Legatski, 1100 New York Ave., NW, #1090 Washington, DC 20005	Synthetic Organic Chemical Manufacturers Assn, Inc	500.00	5.00
J. Mark Leggett, 100 North Tryon Street (NC1-007-11-05) Charlotte, NC 28255	NationsBank Corporation	1,560.00	1,367.12
Legislative Management Services, 136 Calmont Drive Pittsburgh, PA 15235	Ben Franklin Technology Center of Western PA	6,000.00	194.89
Do	Erie Forge & Steel, Inc		
Do	University of Pittsburgh	30,000.00	3,431.92
Jack Legler, 4301 Connecticut Avenue NW. #300 Washington, DC 20008	National Solid Wastes Management Assn	500.00	
Dexter W. Lehtinen, 7700 N. Kendell Dr., #303 Miami, FL 33156	Lehtinen O'Donnell Malman Cortinas Vargas & Reiner, P.A. (For:Miccosukee Tribe of Indians of Florida).	7,000.11	14,907.60
Warren R. Leiden, 1400 Eye Street, NW, #1200 Washington, DC 20005	American Immigration Lawyers Assn	5,253.00	
Lent & Scrivner, 555 13th Street, NW, #305E Washington, DC 20004	Alliance for Competitive Communications-Regional Bell...	9,000.00	3,821.00
Do	Bernard L. Madoff Investment Securities	900.00	1,296.00
Do	Flo-Sun Sugar	4,500.00	2,946.10
Do	Iroquois Gas Transmission Systems	1,200.00	2,041.52
Do	J. Makowski Co	1,200.00	1,650.76
Do	Mobil Corp	2,500.00	2,252.75
Do	Pfizer, Inc	2,400.00	2,557.95
Do	Transaero, Inc		

Organization or Individual Filing	Employer/Client	Receipts	Expenditures
Burleigh C. W. Leonard, 1919 South Eads Street, #103 Arlington, VA 22202-3028	Nabisco, Inc	15,835.00	105.70
Earl T. Leonard Jr., P.O. Drawer 1734 Atlanta, GA 30301	Coca-Cola Company	1,506.00	2,329.16
Charles Leppert Jr., 801 Pennsylvania Avenue, NW, #720 Washington, DC 20004-2360	Procter & Gamble Co	4.89	
Richard L. Lesher, 1615 H St., NW Washington, DC 20062	U.S. Chamber of Commerce		
William Gene Lesher, 1919 South Eads Street, Suite 103 Arlington, VA 22202-3028	Lesher & Russell, Inc	4,500.00	
Lesher & Russell, Inc, 1919 S. Eads Street, #103 Arlington, VA 22202-3028	California Avocado Commission	2,000.00	
Do	Kraft Foods, Inc	3,000.00	
Do	Monsanto Co		
Do	PepsiCo, Inc	4,000.00	
Do	RJR Nabisco		
William J. Lessard Jr., 2000 K Street, NW, #800 Washington, DC 20006	National Comm to Preserve Social Security & Medicare	4,457.00	
Keith Lessner, 1211 Connecticut Ave., NW, Suite 400 Washington, DC 20036	Alliance of American Insurers		
Melissa Ann Lester, 1718 Connecticut Ave., NW, #700 Washington, DC 20009	Association of American Publishers	1,500.00	82.44
Dale Lestina, 1201 16th St., NW Washington, DC 20036	National Education Assn	4,217.25	620.25
Raymond D. Lett, 201 James Thurber Court Falls Church, VA 22046	Marxman & Associates, Inc		
Robert John Levering, 1101 17th St., NW, #705 Washington, DC 20036	Direct Marketing Assn	1,000.00	1,000.00
Robert B. Levethal, 1050 17th Street, NW, #350 Washington, DC 20036	AFL-CIO Maritime Committee		
Robert Levi, 100 Indiana Ave., NW Washington, DC 20001	National Assn of Letter Carriers	12,285.00	215.38
Nina Gail Levitt, 750 First Street, NE Washington, DC 20002-4242	American Psychological Assn	716.54	260.00
Roger N. Levy, 901 15th Street, NW, #520 Washington, DC 20005-2301	Travelers Insurance Co	4,000.00	
Allison B. Lewis, 412 First Street, SE Washington, DC 20003	National Automobile Dealers Assn	3,500.00	
Deborah J. Lewis, 122 Maryland Ave., NE Washington, DC 20002	Alliance for Justice	5,712.00	84.00
Eleanor J. Lewis, 6830 N. Fairfax Dr. Arlington, VA 22213	Tax Analysts (For:American Assn of Legal Publishers)	1,200.00	130.00
Mary Melinda Lewis, 1050 Connecticut Ave., NW, #1250 Washington, DC 20036-5304	Major League Baseball		
Nicholas A. Lewis, 15th & M Streets., NW Washington, DC 20005	National Assn of Home Builders of the U.S.	4,836.15	
Richard Lewis, 1025 Vermont Ave., NW Washington, DC 20005	American Pulpwood Assn		
Stuart A. Lewis, 1919 Pennsylvania Ave., NW, #850 Washington, DC 20006	First Interstate Bancorp		
Howard Lewis III, 1331 Pennsylvania Ave., NW, #1500-N Washington, DC 20004-1703	National Assn of Manufacturers	2,500.00	100.00
Lewis Rice & Fingersh, 500 N.Broadway St. Louis, MO 63102	John E. Simon Trust		
John F. Leyden, 815 16th Street, NW, #308 Washington, DC 20006	Public Employee Department, AFL-CIO	3,789.71	
LeBoeuf Lamb Leiby & MacRae, 1875 Connecticut Avenue, NW, Suite 1200 Washington, DC 20009	Farmers Insurance Group of Companies		
Do	London Insurance & Reinsurance Market Assn	74.37	
Do	Underwriters at Lloyd's London	421.47	
Harris W. LeFew, 300 Pratt Street Luke, MD 21540-1099	Westvaco Corporation		
Lynn H. LeMaster, 701 Pennsylvania Ave., NW 4th Floor Washington, DC 20004	Edison Electric Institute	975.40	267.68
William J. Lhota, One Riverside Plaza Columbus, OH 43215	American Electric Power Service Corp		
Jack W. Liddle, 1735 Jefferson Davis Highway, #1200 Arlington, VA 22202	McDonnell Douglas Corp	80.00	
Robert Y. Lider, 1101 Pennsylvania Ave., NW, #1000 Washington, DC 20004	Citicorp		
Richard A. Lidinsky Jr., 700 13th Street, NW, #220 Washington, DC 20005	Sea Containers America, Inc		
Brett E. Lief, 1025 Connecticut Ave, NW, #700 Washington, DC 20036	National Assn of Independent Colleges & Universities	14,374.92	
Louis 'Whit' Light, 400 W. Capitol, #1700 Little Rock, AR 72201	Steven E. Cauley	540.00	10.35
Karen L. Lightfoot, 777 N. Capitol Street, NE, #705 Washington, DC 20002	Center on Budget & Policy Priorities	240.89	
Diane Palmer Lilly, 1200 Peavey Building Minneapolis, MN 55479	Norwest Corporation		
Lincoln National Corp, 200 East Berry Street Fort Wayne, IN 46802			3,186.85
Karl W. Lindberg, 2322 Easter Lane New Orleans, LA 70114	Southern Forest Products Assn		
Lindsay Hart Neil & Weigler, 1201 Pennsylvania Ave., NW, #821 Washington, DC 20004	Alliance for Competitive Transportation (ACT)	12,448.00	1,491.76
Do	Maritime Fire & Safety Assn	2,487.00	183.94
Do	Pacific Coast Council	600.00	52.85
Do	Port of Redwood City	2,460.00	89.80
Linton Mields Reisler & Cottone, 1225 Eye Street, NW, #300 Washington, DC 20005	Air Transport Assn of America	350.00	46.00
Do	Carmen Group, Inc (for ADVO, Inc)		
Do	Charles County Community College	150.00	48.00
Do	DC 2000, Inc	437.50	115.00
Do	General Contractors Assn of New York, Inc		
Do	Greater Rockford Airport Authority		
Do	Illinois Div of Water Resources		
Do	Louisville Downtown Development Corp		
Do	Maryland Department of Transportation	750.00	240.00
Do	Michigan Dept of Transportation	600.00	192.32
Do	Missouri Highway & Transportation Department		
Do	Montgomery County		
Do	METRA	62.50	23.00
Do	Napa County Flood Control District		
Do	National Assn of Flood & Stormwater Management Agencies		
Do	National-Louis University		
Do	Riverside County Flood Control & Water Conservation District	163.00	84.00
Do	Santa Clara Valley Water District	700.00	209.15
Do	State of Colorado, Dept of Highways	390.00	85.00
Do	State of IL, Dept of Transportation	375.00	85.00
Do	State of Nevada		
Do	University of Oregon		
Do	Water Reclamation District of Greater Chicago	360.00	84.00
Lisle Corporation, 807 E. Main Clarinda, IA 51632			
Steven S. List, 130 East Randolph Drive, 23rd Floor Chicago, IL 60601	Peoples Gas Light & Coke Co	2,335.72	737.00
Nelson Litterst, 600 Maryland Ave., SW, Suite 700 Washington, DC 20024	National Fed Independent Business	3,401.00	200.00
Melvin J. Littig, 1801 K Street, NW, Suite 800 Washington, DC 20006	Westinghouse Electric Corp	1,200.00	
Bryan Little, 600 Maryland Ave., SW, #800 Washington, DC 20024	American Farm Bureau Federation	7,625.00	214.00
Charles B. Little, 1331 Pennsylvania Ave., NW #1500 North Tower Washington, DC 20004-1703	UBA, Inc	2,000.00	
William F. Little, 1350 I Street, NW, #1000 Washington, DC 20007	Ford Motor Co	520.00	786.80
Roy E. Littlefield III, 1707 Pepper Tree Court Bowie, MD 20716	American Retreaders' Assn	250.00	
Do	WMDP Service Station & Automotive Repair Assn	500.00	
Orville J. Litzsinger, 5824 Wessex Lane Alexandria, VA 22310	Alliance for American Innovation, Inc	4,050.00	103.00
H. R. Lively Jr., 919 18th Street, NW Washington, DC 20006	American Financial Services Assn	250.00	
Robert W. Lively, 1850 K Street, NW, #1195 Washington, DC 20006	Schering-Plough	7,260.00	2,358.59
Fernando Lloveras-San Miguel, P.O. Box 5623 San Juan, PR 00902-5623		18,000.00	14,550.00
Wingate Lloyd, 1600 M Street, NW Washington, DC 20036	ITT Corp	550.00	88.00
John C. Lobert, 444 North Capitol St., NW, Suite 801 Washington, DC 20001	National Assn of Independent Insurers	1,500.00	
Michael A. Lobue, 601 Pennsylvania Ave., NW North Building, 4th Floor Washington, DC 20004	Atlantic Richfield Co		
W. Timothy Locke, 499 S. Capitol Street, SW, #507 Washington, DC 20003	Hecht Spencer & Associates (For:Boy Scouts of America)		
Do	Hecht Spencer & Associates (For:Brown & Williamson Tobacco Corp)		
Do	Hecht Spencer & Associates (For:Mid-America Waste Systems, Inc)		
Do	Hecht Spencer & Associates (For:MCI Telecommunications)		
Do	Hecht Spencer & Associates (For:National Automatic Merchandising Assn)		
Do	Hecht Spencer & Associates (For:North Village Corp)		
Debbie E. Locker, P.O. Box 4227 Tampa, FL 33677-4227	St. Joseph's Hospital	8,674.96	
Robert F. Lockhart Jr., 1155 15th Street, NW, #600 Washington, DC 20005	Pennzoil Company	1,300.00	
Lockheed Information Management Services Company, Inc, 1200 K Street, NW Washington, DC 20005		2,000.00	
Thomas G. Loeffler, 1801 K St., NW, Suite 400K Washington, DC 20006-1301	Arter & Hadden (For:Bristol Myers Squibb)		
Do	Arter & Hadden (For:BKK Corporation)		
Do	Arter & Hadden (For:Cellular Telecommunications Industry Assn)		
Do	Arter & Hadden (For:Centerior Energy Corp)		
Do	McCamish Martin Brown & Loeffler (For:Central & South West Corp)		
Do	Arter & Hadden (For:Circus Circus Enterprises, Inc)		
Do	Arter & Hadden (For:Citicorp)		
Do	Arter & Hadden (For:Corning, Inc)		
Do	Arter & Hadden (For:Electronic Data Systems Corp)		
Do	Arter & Hauden (For:Fairchild Aircraft, Inc)		
Do	Arter & Hadden (For:Hicks Muse Tate & Furst)		
Do	Arter & Hadden (For:Information Technology Industry Council)		
Do	Arter & Hadden (For:Investment Company Institute)		
Do	Arter & Hadden (For:LDDS Metromedia)		
Do	Arter & Hadden (For:Motorola)		
Do	McCamish Martin Brown & Loeffler (For:National Assn of Broadcasters)		
Do	Arter & Hadden (For:Pinpoint Communications)		

Organization or Individual Filing	Employer/Client	Receipts	Expenditures
Do	Arter & Hadden (For:Sammons Enterprises, Inc)		
Do	Arter & Hadden (For:Southwest Florida Enterprises)		
Do	Arter & Hadden (For:Tele-Communications, Inc)		
Do	Arter & Hadden (For:Tesoro Energy)		
Do	Arter & Hadden (For:U.S. Long Distance Corp)		
Do	Arter & Hadden (For:United Services Automobile Assn)		
Do	Arter & Hadden (For:Westinghouse Electric Corp)		
Do	Working Group on R&D		
William E. Loftus, 1120 G Street NW, #520 Washington, DC 20005	American Short Line Railroad Assn	950.00	
Frank P. Lombardo II, 1776 EYE Street, NW, #275 Washington, DC 20006	Entergy Services, Inc	4,710.40	108.60
London & Satagaj, 1156 15th Street, NW, #510 Washington, DC 20005	National Home Furnishings Assn	6,000.00	
Do	Promotional Products Assn International	6,000.00	
Do	Small Business Legislative Council	6,000.00	
Christopher M. Long, 1957 E Street, NW Washington, DC 20006	Associated General Contractors of America	3,000.00	500.00
Patricia Davitt Long, 1331 Pennsylvania Ave., NW, 1500 North Washington, DC 20004-1703	National Assn of Manufacturers	290.00	
Robert Michael Long, The Littlefield Building 106 East 6th St., Suite 400 Austin, TX 78701	American Telephone & Telegraph Co, et al.	23,729.50	6,423.22
Long Law Firm, 8550 United Plaza Blvd., #800 Baton Rouge, LA 70809	AT&T		
Do	Bristol-Myers Squibb Co		
Do	General Health, Inc		
Do	J & B Management Company	4,050.00	170.00
Do	Metropolitan Life Insurance Co		
Do	United Companies Financial Corp	875.00	785.00
Shelley A. Longmuir, 1707 L Street, NW, Suite 300 Washington, DC 20036	United Airlines, Inc	800.00	
Dennis Longoria, Central Power & Light Co P.O. Box 3400 Laredo, TX 78044	Central Power & Light Co		
Katherine Loos, 2030 M Street, NW Washington, DC 20036	Common Cause	4,875.00	39.50
Alan G. Lopatin, 4958 Butterworth Place, NW Washington, DC 20016	Ledge Counsel, Inc (For:National Assn of Retired Federal Employees)	12,000.00	80.80
Ramon B. Lopez, P.O. Box 1200 Columbus, GA 31902-1200	Columbus Chamber of Commerce		
Philip J. Loree, 50 Broadway New York, NY 10004	Federation of American Controlled Shipping	3,000.00	600.00
Ola Lorentzon, Box 7007, S-103 86 Stockholm, SWEDEN	ICB Shipping AB		
Brien Lorenze, 1015 15th Street, NW, Suite 802 Washington, DC 20005	American Consulting Engineers Council	3,312.50	103.26
Franklin W. Losey, 4301 North Fairfax Drive, #330 Arlington, VA 22203	Shipbuilders Council of America		1,150.00
Bill Loughrey, One Technology Parkway South Atlanta, GA 30092	Scientific-Atlanta	400.00	
Timothy Lovain, 3719 Gunston Road Alexandria, VA 22302	Denny Miller Associates	5,000.00	
James P. Love, P.O. Box 19367 Washington, DC 20036	Taxpayer Assets Project	1,000.00	100.00
Monica M. Lovell, 1331 Pennsylvania Ave., NW, #1500N Washington, DC 20004	National Assn of Manufacturers	500.00	
Steve Lovett, 1111 19th Street, NW Washington, DC 20036	American Forest & Paper Assn	2,000.00	
Aaron M. Lowe, 4600 East-West Highway, #300 Bethesda, MD 20814	Automotive Parts & Accessories Assn	8,250.00	20.00
Amy Loy, 1250 H Street, NW, #900 Washington, DC 20005	Food Marketing Institute		
Do	International Dairy Foods Assn		
P. Vincent LoVoi, 1667 K Street, NW, #1270 Washington, DC 20006	Warner-Lambert Company	5,000.00	
Arthur M. Luby, 1300 L Street, NW, #200 Washington, DC 20005-4178	O'Donnell Schwartz & Anderson (For:Transport Workers Union of America, AFL-CIO).	12,000.00	550.00
Joe O. Luby Jr., 225 East John Carpenter Freeway Room 1202 Irving, TX 75062-2298	Exxon Corp		
Paula D. Lucak, 815 16th Street, NW, #308 Washington, DC 20006	Public Employee Department, AFL-CIO	7,800.00	76.00
Amy J. Lucas, 15th & M Street, NW Washington, DC 20005	National Assn of Home Builders of the U.S.	6,059.20	
Mrs. Freddie H. Lucas, 1660 L St., NW, Suite 400 Washington, DC 20036	General Motors Corp	3,000.00	3,068.32
Kenneth M. Ludden, 888 16th Street, NW Washington, DC 20006	Bannerman & Associates, Inc (For:Embassy of El Salvador)		
Do	Bannerman & Associates, Inc (For:Government of the United Arab Emirates)		
Do	Bannerman & Associates, Inc (For:Government of Egypt)	3,000.00	
Do	Bannerman & Associates, Inc (For:L.A. Motley & Co (for: Government of the Philippines)).		
Do	Bannerman & Associates, Inc (For:Lebanese American University)		
Manuel Lujan Jr., 1209 California, NE Albuquerque, NM 87110	National Indian Business Assn		
Anne Forristall Luke, 1201 Connecticut Ave., NW, #550 Washington, DC 20036	Bailey & Robinson (For:ORMET Corporation)		
J.C. Luman & Associates, 1030 15th Street, NW, #410 Washington, DC 20005	National Assn of Personnel Services		
Lumbermens Mutual Casualty Company, Long Grove, IL 60049			3,488.35
Catherine Lumsden, 5535 Hempstead Way Springfield, VA 22151	National Assn for Uniformed Services	1,050.00	
Francis M. Lunnie Jr., 1331 Pennsylvania Ave., NW, #1500 N. Washington, DC 20004	National Assn of Manufacturers	1,500.00	
Michelle Gibson Lusk, 1212 New York Ave. NW Suite 500 Washington, DC 20005	Cement Kiln Recycling Coalition		
Barbara Lyman, 10801 Rockville Pike Rockville, MD 20852	American Speech-Language-Hearing Assn		
Kevin A. Lynch, 1299 Pennsylvania Ave., NW , #875 East Washington, DC 20004	PacifiCorp Electric Operations	8,190.00	1,266.45
Timothy P. Lynch, 430 First Street SE Washington, DC 20003	American Trucking Assns, Inc	15,000.00	
James S. Lyon, 410 North Lincoln Street Arlington, VA 22201	Mineral Policy Center		56.00
David C. Lyons, 1350 I Street, NW, #1260 Washington, DC 20005-3305	Louis Dreyfus Corp	29,000.00	
John F. Lyons, 1350 I Street, NW, Suite 400 Washington, DC 20005	Motorola	1,500.00	
LDDS Communications, Inc, 1120 Connecticut Avenue, NW, #400 Washington, DC 20036			120,330.16
LPI Consulting, Inc, 3000 K Street, NW, #300 Washington, DC 20007	Albright & Wilson Americas	1,400.00	43.00
Do	Swidler & Berlin, Chtd (for General Electric Co)	743.75	29.00
M.O.A.A.I.O.A. & Subs, Inc, 701 S. 22nd, #107 Omaha, NE 68102			
Marcia S. Mabee, 11490 Commerce Park Drive Reston, VA 22091	Coalition for American Trauma Care (CATC)		
James E. Mack, 9005 Congressional Court Potomac, MD 20854	Peanut Butter & Nut Processors Assn		2,675.10
James H. Mack, 7901 Westpark Dr. Mclean, VA 22102	AMT - The Assn for Manufacturing Technology	23,441.00	500.00
Timothy MacCarthy, 750 17th Street, NW, #901 Washington, DC 20006	Nissan North America, Inc	20,000.00	
Gordon D. MacKay, Riva Place South #304 1011 Arlington Blvd. Arlington, VA 22209	Massachusetts Software Council	1,500.00	297.36
Do	New England Mutual Life Insurance Co, ('The New England')	17,500.00	2,073.64
Duncan R. MacKenzie, c/o NYS Petroleum Council 150 State Street Albany, NY 12207-1675	American Petroleum Institute		
Robb S. MacKie II, 1350 I Street, NW, #1290 Washington, DC 20005-3305	American Bakers Assn	1,750.00	700.00
Paul MacMurdy, 816 Connecticut Ave., NW, #900 Washington, DC 20006	OHM Corporation		
James MacPherson, 725 15th Street, NW, Suite 700 Washington, DC 20005	Council of Community Blood Centers	400.00	
Larry D. Madison, 1101 Mercantile Lane, #100 Landover, MD 20785	Association Growth Enterprises, Inc		
James N. Magill, 200 Maryland Avenue, NE Washington, DC 20002	Veterans of Foreign Wars of the U.S.	4,500.00	852.00
Robert Maginnis, 700 13th St., NW, #500 Washington, DC 20005	Family Research Council	826.00	
Paul J. Magliocchetti, 1755 Jefferson Davis Hwy., Suite 1107 Arlington, VA 22202	Diagnostic Retrieval Systems, Inc		
Paul Magliocchetti Associates, Inc, 1755 Jefferson Davis Highway, #1107 Crystal Square 5 Arlington, VA 22202	Bath Iron Works Corp		
Do	BF Goodrich		
Do	Chamberlain Manufacturing Corp		
Do	Diagonstic Retrieval Systems, Inc		
Do	Dynamics Research Corp		
Do	DDP Delta		
Do	Electronic Warfare Associates, Inc		
Do	Era Aviation Services		
Do	Fontana Bleu, S.p.A.		
Do	Foundation Health Corp		
Do	FLIR Systems, Inc		
Do	Hughes Aircraft Company		
Do	LifeCell Corp		
Do	Medco Containment Services, Inc		
Do	Menninger Clinic		
Do	Mountain Top Technologies, Inc		
Do	MIC Industries, Inc		
Do	Orange Shipbuilding Co, Inc		
Do	Pacific Consolidated Industries		
Do	Sabreliner Corporation		
Do	Schat-Watercraft		
Do	Schweizer Aircraft Corp		
Do	Short Brothers (USA), Inc		
Do	Sperry Marine, Inc		
Do	Sunquest Information Systems, Inc		
Do	Textron, Inc		
Do	Trinity Marine Group		
Do	TI Group, Inc		
Do	Vision Service Plan		
A. John Maguire, 1521 New Hampshire Avenue, NW Washington, DC 20036-1205	National Cotton Council of America	4,175.00	141.52
Alisa Learner Maher, 1401 H Street, NW, #700 Washington, DC 20005	Chrysler Corporation	4,725.00	446.00

Organization or Individual Filing	Employer/Client	Receipts	Expenditures
Kevin L. Maher, 1201 New York Ave., NW Washington, DC 20005-3931	American Hotel & Motel Assn	3,135.00	
Linda F. Maher, 9000 Montgomery Ave Chevy Chase, MD 20815	Turner Broadcasting System, Inc	550.00	
Terence P. Mahony, 1299 Pennsylvania Ave., NW 11th Floor East Washington, DC 20004	National Broadcasting Co, Inc	3,250.00	
Christopher J. Mailander, 1201 Connecticut Ave., NW, Suite 300 Washington, DC 20036	Bailey & Robinson (For:Ormet)		
Anthony S. Makris, 116 Waterford Place Alexandria, VA 22314	National Rifle Assn of America		
Do	Quik Pawn Shop	500.00	
K. Wayne Malbon, 1250 I Street, NW, #400 Washington, DC 20005	National Tire Dealers & Retreaders Assn	1,085.00	14.00
Andrew T. Malleck, 400 North Capitol St., NW, #852 Washington, DC 20001	Brotherhood of Maintenance of Way Employees	14,922.46	
Claudia Malloy, 2030 M Street, NW Washington, DC 20036	Common Cause	6,523.50	514.00
Robert H. Maloney, 3900 Wisconsin Ave., NW Washington, DC 20016	Fannie Mae	2,500.00	
Manatt Phelps & Phillips, 1501 M Street, NW, Suite 700 Washington, DC 20005	Alameda Corridor Transportation Authority	11,485.00	229.25
Do	Appraisal Institute	150.00	
Do	Atlantic Richfield Co		
Do	ARCO	805.00	8.00
Do	ARCO Chemical	3,156.25	125.00
Do	Bank Private Equity Coalition	1,350.00	41.00
Do	Bay Area Rapid Transit District	690.00	
Do	California Chiropractic Assn		
Do	California League of Savings Institutions		
Do	Chemical Bank		
Do	City of Hope		
Do	ConCorde Career Colleges, Inc		
Do	Dole Food Co, Inc		
Do	Evans Company		
Do	General Atomics	975.00	
Do	Hawthorn Group	5,037.50	225.00
Do	Lackawanna Leather Co	19,808.00	192.05
Do	Missouri Enterprise Business Assistance Center	300.00	
Do	Money Store	11,101.25	107.00
Do	National Assisted Housing Management Assn	3,575.00	325.00
Do	NEC USA, Inc		
Do	Royal Wine Corp	172.50	
Do	UPF		
Do	Western Dental Services, Inc	4,378.75	237.38
Diane S. Mand, 1100 Connecticut Ave., NW, #310 Washington, DC 20036	Dresser Industries, Inc		
Susan Rachel Weiss Manes, 2030 M Street, NW Washington, DC 20036	Common Cause	9,106.60	20.50
Christopher Manion, 6332 N. 22nd Street Arlington, VA 22205	American Council for Health Care Reform	2,548.00	
Tammy L. Mann, 750 First Street, NE Washington, DC 20002-4242	American Psychological Assn	110.76	
Mary Jo Manning, 901 31st Street, NW Washington, DC 20007	Hill & Knowlton, Inc (For:Television Operators Caucus)		
Cynthia Mansfield, 801 Pennsylvania Ave., NW, Suite 310 Washington, DC 20004	GPU Service Corporation	26,654.00	388.45
S.W. Manteria, 233 Broadway New York, NY 10279	Woolworth Corp	1,170.00	271.50
Manufactured Housing Institute, 1745 Jefferson Davis Highway, #511 Arlington, VA 22202			25,890.92
Anthony Manzanares Jr., 1001 Pennsylvania Ave., NW Washington, DC 20004	American Council of Life Insurance, Inc		
Robert Y. Maples, 1627 K Street, NW, #700 Washington, DC 20006	Smokeless Tobacco Council, Inc	2,287.50	337.12
T. Eston Marchant, 5046 Courtney Rd. Columbia, SC 29206			
Marine Preservation Association, 8777 North Gainey Drive, Suite 165 Scottsdale, AZ 85258			
Marine Spill Response Corporation, 1350 I Street, NW, Suite 300 Washington, DC 20005			1,918.12
Maritime Institute for Research & Industrial Development, 1775 K Street, NW, #200 Washington, DC 20006			16,754.66
Lawrence D. Markley, Rt. 1, Box 130-A Mt. Solon, VA 22843	Alaska Electric Light & Power Co		
Do	Alaska Village Electric Cooperative	12,500.00	715.96
Do	Anchorage Municipal Light & Power	10,560.00	
Do	City of Kake		
Do	Cordova Electric Cooperative	12,500.00	571.23
Do	Goldbelt, Inc	18,750.00	
Do	INN Electric Cooperative	10,000.00	
Do	Kotzebue Electric Association	5,600.00	976.94
Do	Metlakatla Indian Community		315.48
Do	OSEI Power Corp	10,000.00	117.50
Morry B. Markowitz, 1001 19th Street North, #1200 Arlington, VA 22209	Association of International Automobile Manufacturers, Inc		18,000.00
Luther A. Markwart, 1156 15th St., NW, #1101 Washington, DC 20005	American Sugarbeet Growers Assn	2,500.00	250.00
Ron Marlenee, 9008 Linda Maria Court Fairfax, VA 22031	Flathead Joint Board of Control	3,150.00	
Do	Safari Club International	6,000.00	
Ronald J. Marlowe, Cohen Berke Bernstein Brodie Kondell... 2601 S. Bayshore Drive, 19th Floor Miami, FL 33133	American TelNet, Inc	13,126.50	187.69
Marlowe & Company, 1667 K Street, NW, #480 Washington, DC 20006	City of Sarasota	1,118.75	84.00
Do	City of Venice, Florida	1,525.00	89.00
Do	Coalition to Keep Alaska Oil	12,468.75	164.80
Do	Florida Shore & Beach Preservation Assn	887.50	59.00
Do	Independent Pilots Assn	4,137.50	122.50
Do	National Society of Fundraising Executives	2,275.00	53.00
Do	Ocean Village Property	2,343.75	51.00
John D. Marple, 2001 L Street, NW, #400 Washington, DC 20036	Business Software Alliance	4,500.00	
Mary E. Marra, 1400 16th Street, NW Washington, DC 20036-0001	National Wildlife Federation	2,150.62	
James T. Marrinan, 1301 K Street, NW, Suite 1100-East Tower Washington, DC 20005-3317	Community Psychiatric Centers	25,329.20	6,663.50
Beverly K. Marshall, 1001 Pennsylvania Ave., NW, #450-N Washington, DC 20004	Southern California Edison Co	6,945.00	5,650.00
Ellen M. Marshall, 1033 North Fairfax Street, Suite 404 Alexandria, VA 22314	International Council of Shopping Centers	1,200.00	
Gwen Marshall, 243 Parkway #3 Cincinnati, OH 45216		284.53	393.96
Cynthia L. Martin, 1215 Jefferson Davis Hwy., #1004 Arlington, VA 22202	Diagnostic Retrieval Systems, Inc	12,000.00	
David F. Martin, Plumbing Manufacturers Institute 1655 N. Ft. Myer Drive, #700 Arlington, VA 22209	CM Services, Inc (for Plumbing Manufacturers Institute)	500.00	
David L. Martin, P.O. Box 427 Jackson, MS 39205-0427	Comprehensive Health Insurance Risk Pool Assn	85.00	44.20
James L. Martin, 1526 N. Johnson Street Arlington, VA 22209	60/Plus Assn, Inc	9,384.00	
Kelly Leonard Martin, 725 15th Street, NW, Suite 700 Washington, DC 20005	Council of Community Blood Centers	1,093.75	
Larry K. Martin, 2500 Wilson Blvd. #301 Arlington, VA 22201	American Apparel Manufacturers Assn, Inc		
Lora Lee Martin, Carriage House University of California Santa Cruz, CA 95064	University of California	97.10	61.34
Teresa Martin, 150 South 600 E., #5C Salt Lake City, UT 84102	National Parks & Conservation Assn	338.00	6.00
William R. Martin, 1725 Jefferson Davis Highway, #901 Arlington, VA 22202	Hercules, Inc		
Antonio C. Martinez II, 11128 Church Street Fairfax, VA 22030-4901	Nutritional Health Alliance	15,300.00	305.00
Vicki L. Martyak, 1500 K Street, NW, Suite 625 Washington, DC 20005	Burroughs Wellcome Co		
Michael Marvin, 122 C Street, NW, 4th Floor Washington, DC 20001	American Wind Energy Assn	28,074.98	58.50
Maryland People's Counsel, 6 St. Paul St., Suite 2102 Fl. Baltimore, MD 21202			
Robert A. Marzocchi, P.O. Box 1615 15 Mountain Veiw Road Warren, NJ 07061-1615	Chubb & Son, Inc	5,000.00	
Sam Maselli, 2626 Pennsylvania Avenue, NW Washington, DC 20037	National Telephone Cooperative Assn	5,000.00	694.24
Mark A. Maslyn, 600 Maryland Avenue, SW Washington, DC 20024	American Farm Bureau Federation	10,137.00	503.37
Glen David Mason, 1350 I Street, NW, #590 Washington, DC 20005	College of American Pathologists	7,960.00	
Michael J. Mason, 1220 L St., NW Washington, DC 20005	American Petroleum Institute	8,000.00	99.20
Nancy Mason, 1020 19th Street, NW, Suite 700 Washington, DC 20036	US WEST, Inc	824.40	
Camille Bares Massic, 1401 I Street, NW, Suite 1100 Washington, DC 20005	SBC Communications Inc	15,000.00	280.75
James D. Massie, 601 13th St., NW, Suite 410 South Washington, DC 20005	R. Duffy Wall & Associates	1,250.00	
Sandra Masur, 1250 H Street, NW, #800 Washington, DC 20005	Eastman Kodak Company	2,800.00	
Mary Cheryl Matheis, 601 E Street, NW Washington, DC 20049	American Assn of Retired Persons	13,215.07	33.00
Sandra Windsor Mathiesen, 6103 Bayliss Knoll Court Alexandria, VA 22310	Denny Miller Associates, Inc	1,150.00	
Dawson Mathis, 410 First Street, SE, #300 Washington, DC 20003	Civil Justice Reform Group	7,500.00	
Do	Dawson Mathis & Associates (For:Massachusetts Mutual Life Insurance Co)	11,025.20	
Do	United Parcel Service	3,000.00	
Dawson Mathis & Associates, 410 First Street, NW, #300 Washington, DC 20003	Massachusetts Mutual Life Insurance Co	11,025.20	
Kim M. Matthews, 1020 19th Street, NW, #700 Washington, DC 20036	U S West, Inc	1,832.00	
Robert A. Matthews, 700 North Fairfax St. Alexandria, VA 22314	Railway Progress Institute	1,253.64	
Michael N. Matton, 1735 Jefferson Davis Hwy., Suite 1200 Arlington, VA 22202	McDonnell Douglas Corp	930.00	
Daniel J. Mattoon, 1133 21st St., NW, #900 Washington, DC 20036	BellSouth Corp	3,325.00	948.76
William C. Mattox, 1700 Pennsylvania Avenue, NW Washington, DC 20006	Mutual of Omaha Cos	1,750.00	
Marshall L. Matz, 1400 16th Street, NW, #400 Washington, DC 20036	Olsson Frank & Weeda (For:American Commodity Distribution Program)	1,500.00	
Do	Olsson Frank & Weeda (For:American School Food Service Assn)	9,000.00	
Do	Olsson Frank & Weeda (For:United Fresh Fruit & Vegetable Assn)	3,000.00	
Robert V. Maudlin, 1511 K Street, NW Washington, DC 20005	C.V. & R.V Maudlin (For:Southern Company Services, Inc)	2,750.00	560.00
Maupin Taylor Ellis & Adams, P. O. Drawer 27619 Raleigh, NC 27619	Robert E. Rader Jr.		

Organization or Individual Filing	Employer/Client	Receipts	Expenditures
John A. Maxwell, New Jersey Petroleum Council 150 West State Street Trenton, NJ 08608	American Petroleum Institute		
Gerald M. May, 1608 K Street, NW Washington, DC 20006	American Legion	6,470.00	24.00
James C. May, 1771 N Street, NW Washington, DC 20036	National Assn of Broadcasters	30,000.00	32.00
John Paul May, 1101 Mercantile Lane, #101 Landover, MD 20785	Association Growth Enterprises, Inc		
Stephen L. May, May & Company 201 King St., #3A Alexandria, VA 22314	AlliedSignal, Inc	39,000.00	
Peter G. Mayberry, 1001 G Street, NW, #500 West Washington, DC 20001	Keller and Heckman (For:INDA (Association of the Nonwoven Fabrics Industry))		
Marion R. Mayer, 601 E Street, NW Washington, DC 20049	American Assn of Retired Persons	13,524.79	275.56
Mayer Brown & Platt, 2000 Pennsylvania Avenue, NW, #6500 Washington, DC 20006	Accountants' Liability Assurance Co, Ltd		
Do	American Automobile Manufacturers Assn		
Do	American Farm Bureau Federation		
Do	Arthur Andersen & Co, et al.	768.75	
Do	Bazelon Center for Mental Health Law		
Do	Brunswick Corp		
Do	Chicago Stock Exchange, Inc		
Do	Comdisco, Inc	243.75	
Do	Continental Bank, N.A.		
Do	Deutsche Lufthansa A.G.		
Do	Enron Development Corp	81.25	
Do	Equitable Real Estate Investment Management, Inc		
Do	First Chicago Corp		
Do	FMC Corporation		
Do	General Electric Aircraft Engines		
Do	General Electric Industrial & Power Systems		
Do	GATX Corporation	243.75	
Do	John Buck Co		
Do	Joseph E. Seagram & Sons Inc		
Do	JMB Realty Corp		
Do	Merrill Lynch Capital Markets		
Do	NICOR, Inc		
Do	Quaker Oats Company		
Do	Santa Fe Pacific Corp	56.25	
Do	Sara Lee Corporation		
Do	Sears Roebuck & Co		
Do	SmithKline Beecham		
Do	Solid Waste Agency of Northern Cook County		
Do	St. Paul Companies		
Do	Tele-Communications, Inc		
Do	Vulcan Materials Company, Midwest Division		
Do	Women's Legal Defense Fund		
S. Hubert Mayes Jr., 320 West Capitol Avenue, Suite 1000 Little Rock, AR 72201-3525	Alliance of American Insurers		
Jeffrey G. Mays, 1505 Prince Street, Suite 300 Alexandria, VA 22314	American Optometric Assn		
H. Wesley McAden, 1155 15th St., NW, #504 Washington, DC 20005	J. G. Boswell Co	3,000.00	
Do	New York Cotton Exchange	2,000.00	
Marcia McAllister, 1270 West Northwest Highway Palatine, IL 60067	American Salvage Pool Assn		
Gary W. McBee, 1133 21st Street, NW, #700 Washington, DC 20036-3349	Alliance for Competitive Communications	11,250.00	73.00
Ann McBride, 2030 M St., NW Washington, DC 20036	Common Cause	21,249.96	1,072.10
Susan P. McCaffrey, 3901 N. Meridian Street P.O. Box 88409 Indianapolis, IN 46208-0409	Community Service Council of Central IN, Inc		
Grady McCallie, 1400 16th Street, NW Washington, DC 20036-0001	National Wildlife Federation	817.85	
John D. McCallum, 1900 Pennsylvania Ave., NW Washington, DC 20068	Potomac Electric Power Co		
Nancey K. McCann, 4000 Legato Road, Suite 850 Fairfax, VA 22033-4005	American Soc of Cataract & Refractive Surgery	992.70	654.37
Carolyn Kim McCarthy, 1455 Pennsylvania Ave., NW, #500 Washington, DC 20004	Corning Life Sciences, Inc	30,000.00	1,000.00
James A. McCarthy, 1711 King Street, Suite One Alexandria, VA 22314	Snack Food Assn		100.00
Kelley J. McCarthy, 888 16th Street, NW Washington, DC 20006	Bannerman & Associates, Inc (For:Embassy of El Salvador)	100.00	
Do	Bannerman & Associates, Inc (For:Government of the United Arab Emirates)		
Do	Bannerman & Associates, Inc (For:Government of Egypt)	100.00	
Do	L.A. Motley & Co (for Governmetn of the Philippines)	100.00	
Do	Bannerman & Associates, Inc (For:Lebanese American University)		
Brian McClay, c/o Rogers & Wells 607 14th Street, NW Washington, DC 20005	Canadian Pulp and Paper Association		
Luckie L. McClintock, 901 Massachusetts Ave., NW Washington, DC 20001	United Assn of Journeymen & Apprentices of the P.& P.F.I.	6,000.00	1,485.00
Donald N. McClure Jr., 20 Erford Road #115 Lemoyne, PA 17043	Pennsylvania Assn of Home Health Agencies	10,640.46	2,557.66
Karen L. McClure, 1201 New York Avenue, NW Washington, DC 20005	American Public Transit Assn		
McClure Gerard & Neuenschwander, Inc, 801 Pennsylvania Ave., NW, #820 Washington, DC 20004-2604	American Mining Congress	71.00	
Do	Asarco, Inc	71.00	
Do	Barrick Resources (USA, Inc)	71.00	
Do	Battle Mountain Gold Co	71.00	
Do	Brush Wellman, Inc	71.00	
Do	BHP Minerals International, Inc	71.00	
Do	Coeur d'Alene Mines Corp	71.00	
Do	Crown Butte Mines, Inc	71.00	
Do	Cyprus Amax Minerals Company	71.00	
Do	Echo Bay Mines	71.00	
Do	Euro-Nevada Mining Corp, Inc	71.00	
Do	Financial Guaranty Insurance Corp	1,875.00	
Do	Franco-Nevada Mining Corp, Inc	71.00	
Do	FMC Gold	71.00	
Do	GE Capital Commercial Real Estate Financing & Servicing		
Do	GE Capital Mortgage Corp	625.00	
Do	Hecla Mining Co	71.00	
Do	Homestake Mining	71.00	
Do	Idaho Power Company		
Do	Kennecott Corp	71.00	
Do	Magma Copper Company	71.00	
Do	Minorco, USA	71.00	
Do	National Endagered Species Act Reform Coalition	625.00	
Do	National Rifle Assn		
Do	Newmont Mining Corp	71.00	
Do	Pacific Gas Transmission Company		
Do	Pegasus Gold Corp	71.00	
Do	Phelps Dodge Corp	71.00	
Do	Placer Dome US, Inc	71.00	
Do	Royal Gold, Inc	71.00	
Do	Santa Fe Pacific Gold Corp	71.00	
Do	Stillwater Mining Company	71.00	
Do	Western States Minerals Corp		
Robert S. McConnaughey, 1001 Pennsylvania Ave., NW Washington, DC 20004	American Council of Life Insurance, Inc		
Judith A. McCormick, 1120 Connecticut Ave., NW Washington, DC 20036	American Bankers Assn	3,500.00	
Maryanne McCormick, 1455 Pennsylvania Avenue, NW Washington, DC 20004-1007	Corning, Inc	5,000.00	350.00
Joseph P. McCraren, P.O. Box 219 Bakerton, WV 25410	National Aquaculture Assn	1,750.50	
Carol A. McDaid, 601 13th Street, NW, #410 South Washington, DC 20005	R. Duffy Wall & Associates, Inc	1,250.00	
John McDavitt, 2000 K St., NW, 8th Floor Washington, DC 20006	National Comm to Preserve Social Security & Medicare	4,003.00	
Charles J. McDermott, 1155 Connecticut Ave., NW Washington, DC 20036	WMX Technology (Rust)	5,000.00	166.24
McDermott Will & Emery, 1850 K Street, NW, #450 Washington, DC 20006	Airlease, Ltd		
Do	Alaska Seafood Marketing Institute	6,500.00	
Do	Allergan, Inc	200.00	
Do	Alliance Capital Management, LP		
Do	American College of Radiation Oncology	4,875.00	
Do	American Dental Hygienists Assn	1,500.00	
Do	American Imaging Assn		
Do	American Restaurant Partners	856.70	
Do	American Soc of Outpatient Surgeons		
Do	Associated Financial Corp	4,127.55	
Do	Association for the Preservation of Civil War Sites		
Do	Association of Freestanding Radiation Oncology Centers	100.00	
Do	ARA Services, Inc		

Organization or Individual Filing	Employer/Client	Receipts	Expenditures
Do	Borden Chemical & Plastics LP	3,426.80	
Do	California Avocado Commission	8,450.00	
Do	California Canning Peach Assn	8,450.00	
Do	California Children's Hospital Assn		
Do	California Kiwifruit Commission	15,775.00	
Do	Campbell Soup Company	415.68	
Do	Cedar Fair LP		
Do	Chiquita Brands, Inc		
Do	Co-Bank - National Bank for Cooperatives		
Do	Coalition for Employment Opportunities	787.59	
Do	Council of Women's & Infant's Specialty Hospitals	6,000.00	
Do	Crop Protection Coalition	9,850.00	
Do	Fargo Clinic/Medicare	2,500.00	
Do	Fashion Accessories Shippers Association		
Do	Good Sam Club		
Do	GAF Corp	1,823.13	
Do	Health Insurance Provider Coalition	1,040.00	
Do	Intermountain Health Care, Inc		
Do	International Hearing Society	5,300.00	
Do	H. F. Johnson	4,316.00	
Do	Johnson & Johnson		
Do	Juvenile Diabetes Foundation	6,000.00	
Do	Kmart Corporation		
Do	LAACO, Ltd		
Do	Milbank Tweed Hadley & McCloy	2,138.75	
Do	Minor Crop Farmer Alliance	25,225.00	
Do	MMW/Strategic Communications		
Do	National Potato Council	5,995.00	
Do	North American Assn of State & Provincial Lotteries		
Do	Oppenheimer Capital LP	1,755.00	
Do	Public Employees Retirement Assn of Colorado		
Do	PGA Tour, Inc	2,000.00	
Do	PHP Healthcare Corp	991.78	
Do	Red Lion Hotels		
Do	Reynolds Metals		
Do	Rotary International		
Do	Rural Health Network Coalition	2,000.00	
Do	Rural Referral Centers Coalition	2,000.00	
Do	Russ Berrie & Company		
Do	RJR Nabisco Corp		
Do	S.C. Johnson & Son	2,860.00	
Do	Section 2039(e) Group	2,970.00	
Do	Solo Cup Co		
Do	Southland Corporation	1,691.86	
Do	Terra		
Do	U.S. Mink Export Development Council	5,875.00	
Do	Wear Guard Corp		
Do	Welch Foods, Inc		
Do	Wells Manufacturing Co		
Do	World Airways		
Jack McDonald, 901 15th Street, NW, #700 Washington, DC 20005-2301	Outboard Marine Corp	7,500.00	25.00
Robert McDonald, 700 13th Street, NW, #700 Washington, DC 20005	Emerson Electric Co	1,562.50	2,444.36
Tom McDonald, 1801 K Street, NW, #400K Washington, DC 20006-1301	Arter & Hadden (For:American Koyo Corp)		
Do	Arter & Hadden (For:Federated Investors)		
Do	Arter & Hadden (For:Hunt Valve Co, Inc)		
Do	Mt Carmel Health		
John P. McDonough, 11785 Beltsville Drive, 10th Floor Calverton, MD 20705	O'Malley Miles Nylen & Gilmore (For:National Hockey League)	127.50	
Marian E. McDowell, 1275 Pennsylvania Ave., NW, 4th Floor Washington, DC 20004	Pacific Telesis Group	11,500.00	
Deborah C. McElroy, 1200 19th Street, NW, #300 Washington, DC 20036-2401	Regional Airline Assn	1,000.00	
Roland McElroy, 1111 19th Street, NW, Washington, DC 20036	American Forest & Paper Assn	9,500.00	
Robert H. McFadden, 1401 H Street, NW, #900 Washington, DC 20005	American Automobile Manufacturers Assn	4,940.00	
S. Jefferson McFarland III, 750 First St., NE Washington, DC 20002-4242	American Psychological Assn		
Randall H. McFarlane, 900 19th Street, NW, Suite 400 Washington, DC 20006	America's Community Bankers	20,000.00	1,820.00
Michael Sean McGavick, 1130 Connecticut Ave., NW, Suite 1000 Washington, DC 20036	American Insurance Assn		
Paul J. McGeady, 27 Hampton Place Nutley, NJ 07110	Morality in Media, Inc	3,706.00	
Becky McGee, P.O. Box 2880 Dallas, TX 75221-2880	Oryx Energy Company		
Donna Lee McGee, 1001 Connecticut Ave., #701 Washington, DC 20036	Burlington Industries, Inc	8,000.00	3,250.00
Meredith McGehee, 2030 M St., NW Washington, DC 20036	Common Cause	13,907.76	40.00
Patricia McGill, 1700 K Street, NW, Suite 906 Washington, DC 20006	National Council of Community Hospitals		
Robert M. McGlotten, McGlotten & Jarvis 1901 L Street, NW, #300 Washington, DC 20036	AFL-CIO Housing Investment Trust	10,100.00	
Do	Communications Workers of America Printing Publishing...	3,375.00	
Do	Office & Professional Employees Int'l Union	3,000.00	
Do	Seafarers Int'l Union of North America	16,500.00	
Do	Tobacco Industry Labor Management Comm	24,300.00	
Elissa M. McGovern, 1400 Eye Street, NW, Suite 1200 Washington, DC 20005	American Immigration Lawyers Assn	1,980.00	
Joseph M. McGrail, 52 Washington Ave. Williamstown, NJ 08094	Aircraft Owners & Pilots Assn		46.10
Do	AT&T Global Information Solutions		57.40
Do	NYMA, Inc		
Do	System Resources Corp		
C. Dean McGrath Jr., 1401 H Street, NW, #900 Washington, DC 20005	American Automobile Manufacturers Asn	140.00	2.00
Kevin S. McGuiness, 400 North Capitol Street, NW, #585 Washington, DC 20001	McGuiness & Holch (For:American Assembly of Collegiate Schools of Business)		
Do	McGuiness & Holch (For:Arch Mineral Corporation)	3,675.00	
Do	McGuiness & Holch (For:Barr Laboratories, Inc)	112.50	
Do	McGuiness & Holch (For:Consolidated Rail Corp)	625.00	
Do	McGuiness & Holch (For:International Anticounterfeiting Coalition, Inc)	1,620.00	
Do	McGuiness & Holch (For:Major League Baseball Players Assn)	4,320.00	
Do	McGuiness & Holch (For:National Assn of Chain Drug Stores)		
Do	McGuiness & Holch (For:National Nutritional Foods Assn)	1,147.50	
Do	McGuiness & Holch (For:PepsiCo, Inc)	1,867.50	
Do	McGuiness & Holch (For:RJR Nabisco)	3,150.00	
Joseph M. McGuire, 1001 Pennsylvania Ave. NW, #700 Washington, D. C.	Allied-Signal, Inc		
Mary Lee McGuire, 2300 Clarendon Blvd., #I0I0 Arlington, VA 22201-3367	Cook Inlet Region, Inc	12,000.00	
Do	Metropolitan Water District of Southern California	6,500.00	
Dennis J. McIntosh, 1225 New York Ave., NW, #200 Washington, DC 20005	Herman Miller, Inc	2,300.00	1,000.00
McIntyre Kahn & Kruse Co., L.P.A., The Galleria & Towers At Erieview 1301 East Ninth Street, #1200 Cleveland, OH 44114			
Darina McKelvie, 1101 Pennsylvania Avenue, NW, #1000 Washington, DC 20004	Citicorp Washington, Inc	2,250.00	
McKenna & Cuneo, 1575 Eye Street, NW Washington, DC 20005	California Dental Association		
Do	Cigar Assn of America, Inc		
Do	DSE Industry Coalition		
Do	Fertilizer Institute		
Do	Medical Device Manufacturers Assn		
Do	Pharmaceutical Research & Manufacturers of America		
Jan E. McKenzie, 701 Pennsylvania Avenue, NW Washington, DC 20004	Edison Electric Institute	3,119.51	609.15
Frank J. McKeown, 1000 Wilson Boulevard, #2300 Arlington, VA 22209	Northrop Grumman Corporation	1,400.00	300.96
McKevitt Group, 1101 16th Street, NW, #333 Washington, DC 20036	Kelly Services, Inc	8,062.50	1,033.60
Robert E. McKew, 919 18th Street, NW Washington, DC 20006	American Financial Services Assn	250.00	
Timothy P. McKone, 1404 I Street, NW, #1100 Washington, DC 20005	SBC Communications, Inc	15,000.00	10,592.88
Patrick M. McLain, 1000 Vermont Avenue, NW, #1000 Washington, DC 20005	Rowan & Blewitt, Inc (For:IVAX Corp)	1,750.00	
Do	Rowan & Blewitt Inc (For:Medtronic, Inc)	3,312.50	
Do	Rowan & Blewitt, Inc (For:National Alliance for Infusion Therapy)	875.00	
Do	Rowan & Blewitt, Inc (For:North American Vaccine, Inc)		
Do	Rowan & Blewitt, Inc (For:Par Pharmaceutical, Inc)	4,000.00	
Do	Rowan & Blewitt, Inc (For:Upjohn Company)	3,687.50	
James D. McLaughlin, 1120 Connecticut Ave., NW Washington, DC 20036	American Bankers Assn	6,100.00	

Organization or Individual Filing	Employer/Client	Receipts	Expenditures
Lindsay McLaughlin, 1775 K Street NW, #200 Washington, DC 20006	ILWU	13,000.00	6,039.66
John R. McLaurin, 1133 15th Street, NW, #640 Washington, DC 20005	American Logistics Assn		
Bob McLean, 1727 King Street, #400 Alexandria, VA 22314-2753	National Assn of Postal Supervisors	14,434.00	
Thomas J. McLeod, 610 Opperman Drive P.O. Box 64526 St Paul, MN 55164-0526	West Publishing Company		
Kevin Patrick McMahon, 1001 19th St. N., #800 Arlington, VA 22209	TRW, Inc	13,350.00	454.26
Brian McManus, 7440 Woodland Drive Indianapolis, IN 46278	Golden Rule Insurance Company		4,325.60
Roger E. McManus, 1725 DeSales Street, NW, #500 Washington, DC 20036	Center for Marine Conservation		
William A. McManus, 1101 16th Street, NW Washington, DC 20036-4877	National Soft Drink Assn	126.23	161.00
P. E. McManus Associates, 1101 30th Street, NW, #200 Washington, DC 20007	AAI Corporation	50.00	
Do	Hydroacoustics, Inc	100.00	
Do	Litton Data Systems	50.00	
James D. McMillan, 2001 Pennsylvania Ave., NW, #300 Washington, DC 20006	Exxon Corporation	900.00	121.75
Stephen D. McMillan, 501 Wythe Street P.O. Box 1417-D50 Alexandria, VA 22313-1480	Animal Health Institute	23,167.75	
McMillan Group, 11 Canal Center Plaza, #302 Alexandria, VA 22314	Charlotte-Mecklenburg Hospital Authority	30,000.00	15.40
Do	National Assn of Small Business Investment Companies	30,000.00	262.50
Do	North Carolina Electronics & Information Technologies Assn	20,000.00	34.00
Do	Ogden Projects	15,000.00	112.00
Do	Rogers & Wells (for BRACCO)	20,000.00	159.40
Do	Rogers & Wells (for SEMA)	30,000.00	92.99
Do	VEDCO Energy	15,000.00	176.30
Gerald R. McMurray, 3900 Wisconsin Avenue, NW Washington, DC 20016	Fannie Mae	2,500.00	
Vanda B. McMurtry, 151 Farmington Avenue,RC6A Hartford, CT 06156	Aetna Life & Casualty		
McNair Law Firm, P.A., 1155 15th Street, NW, #400 Washington, DC 20005	Association of Banks in Insurance (ABI)	4,830.00	66.50
Do	Corning, Inc, et al.		
Do	Food Lion, Inc		
Do	Fuji Photo Film, Inc		
Do	Georgia-Pacific Corp	200.00	
Do	International Assn for Financial Planning		
Do	New York State Bankers Assn		
Do	Norfolk Southern Corp		
Do	Risk & Insurance Management Society, Inc	70.50	
Do	Viacom, Inc	11,552.50	4,507.75
Do	Westinghouse Electric Corp		
Susan McNally, 1330 New Hampshire Ave., NW, #122 Washington, DC 20036	National Assn of Community Health Centers	216.38	81.00
Kathryn M. McNamara, 1300 I Street NW 12th Floor West Washington, DC 20005	Dean Witter Discover & Co	800.00	433.56
Nikki D. McNamee, 1001 Pennsylvania Ave., NW Washington, DC 20004	American Council of Life Insurance		
Laura E. McNeill, 1025 Connecticut Ave., NW, Suite 1014 Washington, DC 20036	ENSERCH Corp	800.00	1,587.41
Peter F. McNeish, 1199 N. Fairfax Street, #200 Alexandria, VA 22314	National Assn of Small Business Investment Cos	3,000.00	
John P. McNicholas, 8008 Westpark Drive McLean, VA 22102	Unisys Corp	2,500.00	514.76
Larry McNickle, 901 E Street, NW, #500 Washington, DC 20004-2873	American Assn of Homes & Services for the Aging		
James F. McNulty Jr., Post Office Box 2265 Tucson, AZ 85702	Don Bennett Moon	2,640.00	1,540.00
Gerald T. McPhee, 1747 Pennsylvania Ave., NW, Suite 300 Washington, DC 20006	Occidental International Corp	10,200.00	538.50
Laura J. McPherson, 1745 Jefferson Davis Highway, #511 Arlington, VA 22202	Manufactured Housing Institute	5,000.00	
Michael J. McShane, 1001 19th Street North, #800 Arlington, VA 22209	TRW, Inc	18,330.00	247.00
Martha McSteen, 2000 K Street, NW, 8th Floor Washington, DC 20006	National Comm to Preserve Social Security & Medicare	15,628.00	
James P. McVaney, 800 Connecticut Ave., NW Washington, DC 20006-2701	Food Marketing Institute	100.00	
George G. Mead, 1908 Ednor Road Silver Spring, MD 20905	American Movers Conference, Inc	500.00	
Do	Norfolk Southern Corp	500.00	
Leslie S. Mead, 50 F Street, NW, #900 Washington, DC 20001	National Council of Farmer Cooperatives	250.00	
James Gregory Means, 601 13th Street, NW, #410 South Washington, DC 20005	R. Duffy Wall & Associates, Inc	1,250.00	
William A. Meaux, 1600 M Street, NW, #702 Washington, DC 20036	ICI Americas, Inc	18,000.00	
Myron Meche, 325 7th Street, NW, #1000 Washington, DC 20004	National Retail Federation	2,000.00	
Thomas J. Medaglia III, 1615 M Street, NW, Suite 200 Washington, DC 20036-3260	Amoco Corp	1,150.00	713.75
A. Aaron Medlock, 50 Revere Street, #2 Boston, MA 02114	Humane Society of the U.S.	2,711.99	224.82
Charles M. Meehan, 1140 Connecticut Avenue, NW Suite 1140 Washington, DC 20036	Utilities Telecommunications Council		
Fred C. Meendsen, CPC International, Inc Englewood Cliffs, NJ 07632	CPC International, Inc		6,874.00
Wayne Edward Mehl, 2725 Carter Farm Court Alexandria, VA 22306	Nevada Resort Assn	24,999.99	837.34
Mehl & Associates, Inc, 1400 L Street, NW, #625 Washington, DC 20005	Bogan Aerotech, Inc		
Do	Cessna Aircraft Company	600.00	
Do	Chandler Evans	500.00	
Do	D3 International	3,000.00	
Do	General Atomics	600.00	
Do	Hughes Aircraft Co	1,000.00	
Do	Schweizer Aircraft Corp	600.00	
Do	University of South Carolina	800.00	
Michelle Meier, 1666 Connecticut Avenue, NW, #310 Washington, DC 20009	Consumers Union of U.S., Inc	1,000.00	
Marilyn F. Meigs, 1776 Eye Street, NW, #750 Washington, DC 20006-3700	BNFL, Inc	1,590.00	225.00
Susan R. Meisinger, 606 North Washington Street Alexandria, VA 22314	Society for Human Resource Management	4,005.00	
John Melcher, 230-B Maryland Avenue, N.E. Washington, DC 20002	Chicago Mercantile Exchange	11,250.00	5,210.00
Kenneth F. Melley, 1201 16th Street, NW Washington, DC 20036	National Education Assn	8,972.50	
David Melville, 610 Marshall Street, Suite 800 Shreveport, LA 71101-5332	Change Assistance Programs	1,372.75	757.60
David Mengebier, 1016 16th St., NW, 5th Floor Washington, DC 20036	Consumers Power Company	6,000.00	6,998.00
Edward L. Menning, 1101 Vermont Avenue, NW, #710 Washington, DC 20005	National Assn of Federal Veterinarians	46.76	
J. Roger Mentz, 1100 Connecticut Ave., NW, #600 Washington, DC 20036	Amway Corporation	375.00	
Do	McClure Trotter & Mentz (For:Methanex, Inc)	337.50	
Jane Mentzinger, 2030 M Street, NW Washington, DC 20036	Common Cause	7,161.15	80.00
Cynthia E. Merifield, 1101 Vermont Ave, NW Washington, DC 20005	American Medical Assn	3,750.00	
Merrill Lynch & Co, Inc, 3000 K Street, NW, #620 Washington, DC 20007			35,393.25
Gordon Merritt, 1100 Wilson Blvd., #2000 Arlington, VA 22209	Hughes Aircraft Company	90.00	
Richard P. Merski, 1455 Pennsylvania Avenue, NW, #900 Washington, DC 20004	American International Group, Inc	6,800.00	85.00
Carol Messer, 1020 19th Street, NW, #600 Washington, DC 20036	Financial Services Council	1,875.00	
Neil T. Messick, 1299 Pennsylvania Ave., NW Washington, DC 20004	General Electric Co	1,800.00	803.56
Raymond A. Messina, 633 Pennsylvania Avenue, NW Washington, DC 20004	Dean Witter Discover & Co	300.00	153.00
Howard M. Messner, 1015 15th St., NW, #802 Washington, DC 20005	American Consulting Engineers Council	1,000.00	
Tanya K. Metaksa, 11250 Waples Mill Road Fairfax, VA 22030	National Rifle Assn of America	4,000.00	
Matthew S. Metcalfe, P.O. Box 6422 Mobile, AL 36660	American Family Corp		
Metropolitan Chicago Healthcare Council, 222 S. Riverside Plaza Chicago, IL 60606			
David P. Metzger, 1225 New York Ave., NW, #1200 Washington, DC 20005-3919	Davis Graham & Stubbs		
Metzger Hollis Gordon & Mortimer, 1275 K Street, NW Washington, DC 20005	Major League Baseball		
Do	National Assn of Securities & Commercial Law Attorneys		
Christina A. Metzler, 1383 Piccard Drive P.O. Box 1725 Rockville, MD 20849-1725	American Occupational Therapy Assn, Inc	5,000.00	118.75
Brian M. Meyer, 7272 Wisconsin Avenue Bethesda, MD 20814	American Soc of Hospital Pharmacists	3,456.00	
M. Barry Meyer, 900 19th Street, NW Washington, DC 20006	Aluminum Assn, Inc	200.00	
Thomas J. Meyer, 5901 Executive Drive Lansing, MI 48911	Jackson National Life Insurance Company	1,500.00	200.00
Larry D. Meyers, 412 First Street, SE, #100 Washington, DC 20003	American Beekeeping Federation		153.33
Do	National Peanut Growers	16,320.00	1,506.21
Do	Ricebelt Warehouse, Inc		
Meyers & Associates, 412 First St., SE, #100 Washington, DC 20003	AgrEvo USA Company		
Do	American Sheep Industry Assn	19,299.00	3,052.93
Do	Browsville Economic Development Council	15,000.00	782.35
Do	Corpus Christi Bay Area Economic Development Corp	18,000.00	466.59
Do	Irrigation Projects Reauthorization Council	18,000.00	451.40
Do	ISK Biosciences		
Do	New Mexico State University, College of Agriculture	10,500.00	970.98
Do	New Mexico State University, College of Engineering	10,500.00	714.10
Do	Tenth District Farm Credit Bank	16,950.00	1,049.59
Do	Texas A&M Research Foundation	22,920.00	1,675.42
Do	Texas Tech Foundation Texas Tech University		
Do	Wellman, Inc	9,000.00	387.14
Daniel Mica, 1001 Pennsylvania Ave., NW Washington, DC 20004	American Council of Life Insurance, Inc	5,000.00	
David R. Mica, Florida Petroleum Institute 215 South Monroe Street, #800 Tallahassee, FL 32301	American Petroleum Institute	1,023.75	1,172.70
Mark A. Micali, 1111 19th Street, NW, #1100 Washington, DC 20036	Direct Marketing Association, Inc	4,000.00	200.00
Stephen W. Michael, 818 Connecticut Ave., NW, #325 Washington, DC 20006	Policy Directions, Inc	2,250.00	
Van R. Michael, P.O. Box 356 Sweetwater, TN 37874	National Christmas Tree Assn	950.00	

Organization or Individual Filing	Employer/Client	Receipts	Expenditures
Michael Best & Friedrich, 135 South LaSalle Street, #1610 Chicago, IL 60603	DePaul University		
Laurie L. Michel, 601 Pennsylvania Ave., NW Suite 1200 North Building Washington, DC 20004-2613	Merck & Co, Inc	1,000.00	400.00
Michigan Hospital Assn, 6215 West St. Joseph Highway Lansing, MI 48917			
Mid-Continent Oil & Gas Assn, 801 Pennsylvania Ave., NW, #840 Washington, DC 20004-2604		50,921.00	50,852.31
Geralyn Mied, 1001 Pennsylvania Ave., NW, #725S Washington, DC 20004	American Soc of Clinical Pathologists		
Edmund Mierzwinski, 218 D Street, SE Washington, DC 20003	U.S. Public Interest Research Group	9,731.83	
Edmund Joseph Mihalski, 1101 Pennsylvania Avenue, NW, Suite 540 Washington, DC 20004	Eli Lilly and Co	3,000.00	166.71
Nelson L. Milder, 1828 L Street, NW, #906 Washington, DC 20036	American Soc of Mechanical Engineers		
B. Parker Miller III, 1801 K Street,NW, Suite 800 Washington, DC 20006	Westinghouse Electric Corp	1,200.00	
Bradley P. Miller, 2061 Cherry Run Court, NW Grand Rapids, MI 49504	Business & Institutional Furniture Manufacturer's Assn	1,379.00	116.15
Brent V. B. Miller, 4207 South 7th Road Arlington, VA 22204	American Group Practice Assn	9,475.47	
Chaz Miller, 1730 Rhode Island Ave., NW, #1000 Washington, DC 20036	National Solid Wastes Management Assn	500.00	
Clinton R. Miller, P.O. Box 528 Gainesville, VA 22065-0528	National Council for Improved Health, et al.	5,000.00	2,201.00
Craig Miller, 1101 14th Street, NW, #1400 Washington, DC 20005	Defenders of Wildlife	134.62	2.47
Deborah E. Miller, 919 18th Street, NW Washington, DC 20006	American Financial Services Assn	250.00	
Deborah Imle Miller, 15th & M Streets, NW Washington, DC 20005	National Assn of Home Builders of the U.S.	7,017.31	
Dennis W. Miller, P.O. Box 427 Jackson, MS 39205-0427	Comprehensive Health Insurance Risk Pool Assn	2,266.00	2,322.70
Denny Miller, 2311 South Queen Street Arlington, VA 22202	Denny Miller Associates	7,500.00	
Douglas Miller, 1730 M Street, NW, Suite 700 Washington, DC 20036	Software Publishers Assn	1,450.00	
Edward C. Miller, 1001 Pennsylvania Ave., NW Washington, DC 20004-2599	American Council of Life Insurance, Inc	500.00	
H. George Miller, 10615 Huntees Chase Lane Damascus, MD 20872	Shippers for Competitive Ocean Transportation (SCOT)		
Harris N. Miller, 1616 N. Ft. Myer Dr., #1300 Arlington, VA 22209-3106	Information Technology Assn of America, Inc	2,000.00	
Michael D. Miller, 1455 Pennsylvania Ave., NW, Suite 925 Washington, DC 20004	Pfizer, Inc	1,500.00	496.00
Paul M. Miller, 500 Arcola Road Collegeville, PA 19426	Rhone-Poulenc Rorer Pharmaceuticals, Inc	2,218.00	
R. Scott Miller, 801 Pennsylvania Ave., NW, #720 Washington, DC 20004	Procter & Gamble Co	104.02	
Richard G. Miller, 1201 L Street, NW Washington, DC 20005	American Health Care Assn	16,000.00	1,352.45
Sandra Burgess Miller, 2311 South Queen Street Arlington, VA 22202	Denny Miller Associates	1,250.00	
Sarah Miller, 1120 Connecticut Ave., NW Washington, DC 20036	American Bankers Assn	14,282.95	
Steven T. Miller, 1101 Vermont Ave., NW, #700 Washington, DC 20005	American Academy of Ophthalmology		4,381.00
W. Kirk Miller, 1300 L Street, NW, #900 Washington, DC 20005	North American Export Grain Assn, Inc		8.00
William T. Miller, 1101 14th Street, NW, #1400 Washington, DC 20005	Miller Balis & O'Neil, P.C. (For:American Public Gas Assn)		
Denny Miller Associates, Inc, 400 North Capitol Street, NW, #363 Washington, DC 20001	Alaska Air Group, Inc	1,500.00	1,230.00
Do	Boeing Company	3,000.00	2,460.00
Do	Cell Therapeutics, Inc	1,062.00	862.00
Do	Central Puget Sound Regional Transit Authority	1,500.00	1,235.00
Do	First Church of Christ, Scientist	300.00	245.00
Do	Makah Indian Council	300.00	245.00
Do	Momentum 94	1,875.00	1,530.00
Do	Montana Technology Center	300.00	245.00
Do	Muckleshoot Indian Tribe		
Do	Olin Corporation	3,000.00	2,460.00
Do	Port of Tacoma	1,125.00	928.00
Do	State of Washington, Dept of Transportation	1,500.00	1,235.00
Do	Toy Manufacturers of America	1,500.00	1,230.00
Do	VECTRA	1,062.00	862.00
John K. Mills, 1150 17th Street, NW, #600 Washington, DC 20036	Health Insurance Plan of Greater New York	4,062.50	
Elliot Mincberg, 2000 M Street, NW, Suite 400 Washington, DC 20036	People for the American Way Action Fund	4,437.50	
Richard V. Minck, 1001 Pennsylvania Ave., N.W. Washington, DC 20004	American Council of Life Insurance, Inc		
William Miner, 888 16th Street, NW Washington, DC 20006	Bannerman & Associates, Inc (For:Embassy of El Salvador)		
Do	Bannerman & Associates, Inc (For:Government of the U.A.E.)	1,500.00	
Do	Bannerman & Associates, Inc (For:Government of Egypt)	2,000.00	
Do	Banneraman & Associates (For:L.A. Motley & Co (for: Government of the Philippines)).		
Do	Bannerman & Associates, Inc (For:Lebanese American University)		
Brian C. Mitchell, 18715 Martins Landing Germantown, MD 20874	Clark Atlanta University	21,205.99	
Do	Worldspace, Inc		
Cleta Mitchell, 5500 Pollard Rd. Bethesda, MD 20816	Major League Baseball Players Assn	37,774.00	572.81
Edward F. Mitchell, 1900 Pennsylvania Avenue, NW Washington, DC 20068	Potomac Electric Power Co	165.96	
Gina Shea Mitchell, 1150 Connecticut Avenue, NW, #1125 Washington, DC 20036	Financial Executives Institute	12,600.00	
H. Maurice Mitchell, 320 West Capitol Ave., #1000 Little Rock, AR 72201	Entergy Corp	149.00	
Lawrence W. Mitchell, 600 Maryland Ave., NE, #202 W Washington, DC 20024	Farmers' Education al & Co-Operative Union of America	12,942.34	755.36
Mitchell McNutt Threadgill Smith & Sams, 215 15th Street, North P.O. Box 1366 Columbus, MS 39703	4-County Electric Power Assn	218.75	10.94
Mitchell Williams Selig Gates & Woodyard, 1420 New York Ave., NW, #750 Washington, DC 20005	Acxiom Corp		
Do	Alliance of American Insurers		
Do	Entergy		149.00
Do	Institute of Scrap Recycling Industries, Inc		
Do	National Assn of Professional Employer Organizations	100.00	115.00
Mark A. Mix, 8001 Braddock Road Springfield, VA 22160	National Right to Work Committee	5,200.00	177.90
Robert R. Mix, 225 North Washington Street Alexandria, VA 22314	Non Commissioned Officer Assn	2,200.00	
David T. Modi, 1875 Eye Street, NW, #775 Washington, DC 20006	Georgia-Pacific Corp	1,275.00	
Albert L. Modiano, 801 Pennsylvania Ave., NW, Suite 840 Washington, DC 20004-2604	Mid-Continent Oil & Gas Assn	8,300.00	950.00
Martha Mohler, 2000 K Street, NW, 8th Floor Washington, DC 20006	National Comm to Preserve Social Security & Medicare	2,355.00	
Brian R. Moir, 2000 L Street, NW, #512 Washington, DC 20036-4907	American Petroleum Institute		
Do	International Communications Assn	1,000.00	
Do	National Assn of Broadcasters		
John V. Moller, 1707 L Street, NW, #725 Washington, DC 20036	Policy Consulting Services, Inc (For:Nissan Motor Company, Ltd)		
Do	Policy Consulting Services, Inc (For:Nissan Motor Manufacturing, U.S.A.)		
Do	Policy Consulting Services, Inc (For:Nissan North America, Inc)		
Do	Sharretts Paley Carter & Blauvelt, P.C.	2,275.00	
Donna R. Mollis, 555 New Jersey Ave., NW Washington, DC 20001	American Federation of Teachers, AFL-CIO	9,855.58	40.00
Robert A. Molofsky, 5025 Wisconsin Avenue, NW Washington, DC 20016	Amalgamated Transit Union, AFL-CIO	5,000.00	24.00
John M. Moloney, 1629 K Street, NW, #501 Washington, DC 20006	Delta Airlines, Inc	200.00	63.44
C. Manly Molpus, 1010 Wisconsin Avenue, #900 Washington, DC 20007	Grocery Manufacturers of America, Inc	11,457.72	
Eric Mondres, 900 19th Street, NW, Suite 400 Washington, DC 20006	America's Community Bankers	20,150.00	721.45
Seth Mones, 700 13th Street, NW, #950 Washington, DC 20054	Electronic Industries Assn	6,000.00	448.53
Charles F. Monk Jr., P.O. Box 6287 Washington, DC 20015-6287	BellSouth	14,500.00	91.62
Ark Monroe III, 1420 New York Ave, NW, Suite 750 Washington, DC 20005	Axciom Corp		
Do	Institute of Scrap Recycling Industries, Inc		
Do	National Assn of Professional Employer Organizations		
Louis Mark Monroe, 1750 New York Avenue Washington, DC 20006	International Brotherhood of Painters & Allied Trades		
Kevin P. Montgomery, 1215 17th Street, NW, 3rd Floor Washington, DC 20036	Polar Air Cargo, Inc		625.29
Lisa C. Moody, 1101 16th Street, NW Washington, DC 20036	Independent Petroleum Assn of America		30.00
Joan Mooney, 1101 Vermont Ave., NW, #700 Washington, DC 20005	American Academy of Ophthalmology		12,771.86
Alan J. Moore, 2000 Pennsylvania Avenue, NW, #6500 Washington, DC 20006	Atchison Topeka & Santa Fe Railway Co	1,000.00	
Albert W. Moore, 7901 Westpark Drive McLean, VA 22102	AMT - The Assn for the Manufacturing Technology	1,575.00	25.00
Carlos Moore, 1801 K Street, NW, #900 Washington, DC 20006	American Textile Manufacturers Institute, Inc	900.00	15.00
Frank B. Moore, 1155 Connecticut Ave. NW, #800 Washington, D.C.	WMX Technologies, Inc	6,125.00	240.59
Jonathan Moore, 1735 New York Avenue, NW Washington, DC 20006	American Institute of Architects	7,000.00	
Powell A. Moore, 1615 L Street, NW, Suite 1150 Washington, DC 20036	Capitoline/MS&L (For:Agusta Group)		
Do	Capitoline/MS&L (For:Allied-Signal Corp)		
Do	Capitoline/MS&L (For:Berwind Natural Resources Corp)		
Do	Capitoline/MS&L (For:E.H. Industries, Inc)		
Do	Capitoline/MS&L (For:Equifax Corp)		
Do	Capitoline/MS&L (For:Lockheed Corporation)	3,000.00	
Do	Capitoline/MS&L (For:Loral Corp)	1,500.00	
Do	Capitoline/MS&L (For:National Assn of Broadcasters)	12,000.00	
Do	Capitoline/MS&L (For:Psychemedics Corp)	6,000.00	
Do	Capitoline/MS&L (For:Republic of Turkey)	30,000.00	
Do	Capitoline/MS&L (For:Sprint)	3,000.00	
Do	Capitoline/MS&L (For:U.S. Cane Sugar Refiners Assn)		
W. Henson Moore, 1111 19th St., NW Washington, DC 20036	American Forest & Paper Assn	2,000.00	
Morality in Media, Inc, 475 Riverside Dr., #239 New York, NY 10115		6,252.61	6,252.61
Peter J. Moran, 1601 Duke Street Alexandria, VA 22314	Society of American Florists	1,000.00	
Robert J. Moran, 1120 G Street, NW, #900 Washington, DC 20005	National Ocean Industries Assn	5,733.00	

Organization or Individual Filing	Employer/Client	Receipts	Expenditures
Alan Morgan, 1001 Pennsylvania Ave., NW, Suite 725 Washington, DC 20004	American Society of Clinical Pathologists		
Dudley Digges Morgan III, 4900 Baronne Street New Orleans, LA 70115	Southern Forest Products Assn	3,543.12	
E.M. Chip Morgan, P.O. Box 257 Stoneville, MS 38776	Delta Council		
Stephen L. Morgan, 1895 Preston White SDrive, Suite 220 Reston, VA 22091-5434	American Cemetery Assn		
Suzanne Morgan, 1401 I Street, NW, #1000 Washington, DC 20005	Securities Industry Assn	909.00	
Thomas Morgan, 700 11th Street, NW Washington, DC 20001-4507	National Assn of Realtors	1,250.00	1,093.16
Morgan Lewis & Bockius, 1800 M St., NW, #800 Washington, DC 20036	Chemical Manufacturers Assn		
Do	City of San Antonio	3,420.00	21.00
Do	Coalition of Supporters of the Shipping Act	57.00	
Do	Columbia Presbyterian Medical Center		
Do	Cornell University		
Do	Financial Institutions Insurance Assn	4,275.00	50.00
Do	Hazardous Waste Cleanup Project		
Do	Johns Hopkins Health System Corp		
Do	Johns Hopkins University		
Do	New York Hospital		
Do	Strong Memorial Hospital		
Do	UGI Utilities, Inc	5,415.00	42.91
Do	Yale New Haven Hospital		
Do	Yale School of Medicine		
William G. Morin, 1331 Pennsylvania Avenue, NW, #1500-N Washington, DC 20004-1703	National Assn of Manufacturers	21.43	
Mary Morningstar, 21 Chandler Street Somerville, MA 02144	Lockheed Corp	23,750.00	9,865.63
Sara E. Morningstar, 8714 Ridge Road Bethesda, MD 20817	Montgomery County (Maryland) Government	6,600.00	
James A. Morrill, 1455 Pennsylvania Ave., NW, #1260 Washington, DC 20004	Lincoln National Corp	900.00	47.00
Gerald D. Morris, 555 New Jersey Ave., NW Washington, DC 20001	American Fed of Teachers	23,968.68	80.00
John V. Morris, 8425 Woodfield Crossing Blvd., #401 Indianapolis, IN 46240	Education Financial Services of Indiana, Inc	8,337.00	3,556.00
Robert Kellogg Morris, 1331 Pennsylvania Ave., NW, Suite 1500 Washington, DC 20004-1703	National Assn of Manufacturers		
Morriset Schlosser Ayer & Jozwiak, 1815 H Street, NW, #750 Washington, DC 20006-3604	Central Council of Tlingit & Haida Tribes of Alaska	406.05	
Do	Mille Lacs Band of Chippewa Indians	981.47	
Do	Organized Village of Kake	751.28	
Do	Red Lake Band of Chippewa Indians	430.25	
Do	Saginaw Chippewa Tribe	251.07	
Do	Wampanoag Tribe of Gay Head	2,063.94	
Christopher G. Morrison, 3138 North 10th Street, #300 Arlington, VA 22201	National Assn of Federal Credit Unions	1,250.00	
D. Gail Morrison, 323 - 2nd Street, SE, #L1 Washington, DC 20003	National Motorists Assn	4,500.00	
Gary L. Morrison, 10 Lafayette Square Buffalo, NY 14203	National Fuel Gas Company, et al.	467.87	635.85
John W. Morrison, 5535 Hempstead Way Springfield, VA 22151	National Assn for Uniformed Services	1,026.67	
Lynn Morrison, 311 Massachusetts Avenue, NE Washington, DC 20002	Washington Health Advocates	26,340.50	
Donald J. Morrissey, 1401 H Street, NW Washington, DC 20005	Investment Company Institute	1,692.31	978.25
Morrow Realty Co, Inc, P.O. Box 020887 Tuscaloosa, AL 35402-0887			
Valerie T. Morse, 453 New Jersey Avenue, SE Washington, DC 20003	Beneficial Management Corp	20,700.00	
Mortgage Bankers Assn of America, 1125 15th St., NW Washington, DC 20005		470,935.35	169,157.16
Cheryl O. Morton, 1100 New York Avenue, NW, #1090 Washington, DC 20005	Synthetic Organic Chemical Manufacturers Assn	500.00	
Evelyn M. Morton, 601 E Street, NW Washington, DC 20049	American Assn of Retired Persons	14,123.09	45.50
Gloria Moser, 1101 Vermont Ave., NW, #700 Washington, DC 20005	American Academy of Ophthalmology		2,875.00
Russell N. Mosher, 950 N. Glebe Rd., #160 Arlington, VA 22203	American Boiler Manufacturers Assn, Inc		
Richard Moskowitz, 4301 Connecticut Ave., NW, Suite 300 Washington, DC 20008	National Solid Wastes Management Assn (NSWMA)	500.00	
Ralph L. Moss, 1776 K Street, NW, #800 Washington, DC 20006	Seaboard Corporation	2,000.00	5,687.50
Robert E. Moss, 1401 H St., NW, #900 Washington, DC 20005	American Automobile Manufacturers Assn	3,696.00	1,770.18
Motion Picture Assn of America, Inc, 1600 Eye Street, NW Washington, DC 20006		25,974.85	25,974.85
John J. Motley III, 600 Maryland Ave., SW, #700 Washington, DC 20024	National Fed of Independent Business	9,570.00	300.00
Motor and Equipment Manufacturers Association, 1325 Pennsylvania Ave., NW, #600 Washington, DC 20004			1,000.00
Motorcycle Riders Foundation, Inc, P.O. Box 1808 Washington, DC 20013-1808		40,560.62	40,653.39
Susan Connolly Moya, 1401 H Street, NW, #1060 Washington, DC 20005	Asea Brown Boveri, Inc	7,500.00	126.70
Robert J. Mrazek, 301 Constitution Ave., NE Washington, DC 20002	Douglas Elliman Co	5,000.00	
Mudge Rose Guthrie Alexander & Ferdon, 1200 19th Street, Nw, #400 Washington, DC 20036	American Home Products Corp	275.00	90.00
Do	Bristol-Myers Squibb Co	275.00	90.00
Do	Footwear Distributors & Retailers of America		
Do	Hong Kong Trade Development Council		
Do	Johnson & Johnson	275.00	90.00
Do	Major League Baseball		
Do	Onondaga County Resource Recovery Agency	550.00	180.00
Do	Pfizer, Inc	275.00	90.00
Do	Safe Transit & Rail Transportation	3,975.00	1,325.00
Do	Upjohn Co	275.00	90.00
Muldoon Murphy & Faucette, 5101 Wisconsin Ave., NW, #508 Washington, DC 20016	Collective Federal Savings Banks	700.00	194.00
Do	GP Financial Corp	1,400.00	271.00
Do	Manufacturers Life Insurance Co	5,205.00	605.00
Do	Northeast Savings, F.A.		
Do	Talman Home Federal Savings and Loan Assn		109.00
Heather M. Mullen, 1455 Pennsylvania Ave., NW, #925 Washington, DC 20004	Pfizer, Inc	1,200.00	150.00
Mullenholz Brimsek & Belair, 1150 Connecticut Ave., NW, #700 Washington, DC 20036	City of Fergus Falls, MN	190.00	
Do	Delaware & Hudson Railroad		
Do	Florida East Coast Railway Co		
Do	North American Equipment Dealers Assn	1,052.25	
Do	Soo Line Corporation	4,453.75	
Do	Trade Assn Healthcare Coalition	646.10	
Do	TACA International Airlines		
John A. Mullett, 1627 K St., NW, #500 Washington, DC 20006	FMC Corporation	2,400.00	58.00
William J. Mulligan, 1401 Eye Street, NW, Suite 1200 Washington, DC 20005	Chevron Companies	450.00	
Thomas S. Mullikin, 1315 Monument Square P.O. Box 745 Camden, SC 29020	Laidlaw Environmental Services	9,000.00	3,160.92
Tracy Mullin, 325 7th STreet, NW, #1000 Washington, DC 20004	National Retail Federation	2,500.00	35.00
Lisa J. Mullings, 1199 North Fairfax St., #801 Alexandria, VA 22314	NATSO, Inc		
Edgar J. Mullins, 1401 Eye Street, NW, Suite 600 Washington, DC 20005	United Technologies Corp	5,000.00	2,893.38
Kevin C.W. Mulvey, 1455 Pennsylvania Ave., NW, Suite 900 Washington, DC 20004	American International Group, Inc	3,000.00	50.00
Cyril D. Murphy, 1707 L Street, NW, Suite 300 Washington, DC 20036	United Airlines, Inc	100.00	
Edward L. Murphy, 2501 M Street, NW Washington, DC 20037	Chemical Manufacturers Assn	3,000.00	
James P. Murphy, 56 East 42nd Street, #346 New York, NY 10017	Fleet Financial Group, Inc	15,000.00	
John M. Murphy, 110 East 59th Street, Suite 3202 New York, NY 10022	Azerbaijan Study Foundation		
Michael M. Murphy, 1101 17th St., NW, #400 Washington, DC 20036	American President Companies, Ltd, et al.	20,000.00	
Patrick M. Murphy, 1055 North Fairfax Street, Suite 201 Alexandria, VA 22314	U.S. Strategies Corp		
Hyde H. Murray, 600 Maryland Avenue, SW Washington, DC 20024	American Farm Bureau Federation	9,500.00	
Richard D. Murray, 1133 15th Street, NW, #640 Washington, DC 20005	American Logistics Assn		
Rosemary Griffin Murray, Crystal Park Four, 2345 Crystal Drive Arlington, VA 22227	USAir, Inc		
Murray Scheer & Montgomery, 2715 M Street, NW, #300 Washington, DC 20007	Cleveland Cliffs Iron Co	800.00	15.00
Do	Dynatech Corporation		
Do	Independent Laboratory Consortium		
Do	Industry Council for Tangible Assets	150.00	10.00
Do	Iron Ore Assn	1,000.00	20.00
Do	LTV Corporation		
Do	Mine Safety Appliances	900.00	25.00
Do	Mutual of New York	800.00	25.00
Do	National Council of Coal Lessors	500.00	15.00
Do	New England Life Insurance Co	800.00	25.00
Do	Pacific Mutual Life Insurance Co	800.00	20.00
Do	Penn Mutual Life Insurance Co	800.00	15.00
Do	PepsiCo	700.00	25.00
Do	Piedmont Environmental Council	6,450.00	25.00
Do	Porsche Cars North America, Inc	1,000.00	25.00
Do	Qualimetrics, Inc	500.00	20.00
Do	Shubert Organization, Inc	1,000.00	15.00
Do	State Mutual Insurance Co	800.00	15.00
Do	Sweetener Users Assn		
Do	Wisconsin Central Transportation Corporation		

Organization or Individual Filing	Employer/Client	Receipts	Expenditures
Richard Murrell, Maritime Building, 3rd Floor 4 East Port Road Riviera Beach, FL 33404	NICOR, Inc		
R.C. Murtha, 614 N. 3rd Street Harrisburg, PA 15230	Westinghouse Electric Corp		30.00
Susan T. Muskett, 227 Massachusetts Ave., NE, #101 Washington, DC 20002	Christian Coalition	9,082.84	
William D. Mutch, 2500 Wilson Boulevard, Suite 301 Arlington, VA 22201	American Apparel Manufacturers Assn	1,000.00	50.00
Mutual Life Insurance Co Tax Committee, One Madison Ave. New York, NY 10010-3690			
Gary D. Myers, 501 2nd Street, NE Washington, DC 20002	Fertilizer Institute	4,500.00	297.99
Karen Magee Myers, 1331 Pennsylvania Ave., NW, #1300-N Washington, DC 20004	Electronic Data Systems Corp	128.00	
Roland H. Myers III, 3138 North 10th St., #300 Arlington, VA 22201	National Assn of Federal Credit Unions	1,250.00	
William G. Myers III, 1301 Pennsylvania Avenue, NW, #300 Washington, DC 20004	National Cattlemen's Assn	1,000.00	
Steven T. Nadherny, 2101 L Street, NW, Suite 405 Washington, DC 20037	Electric Generation Assn	227.83	
Alan Y. Naftalin, 1150 Connecticut Avenue, NW Washington, DC 20036	Koteen & Naftalin (For:Alascom, Inc)		
Do	Koteen & Naftalin (For:Telephone & Data Systems, Inc)		
Richard R. Nageotte, 385 Garrisonville Rd., #201 Stafford, VA 22554			9,000.00
Laurie Naismith, 1150 17th Street, NW, Suite 307 Washington, DC 20036	Chambers Development Co, Inc	21,000.00	274.01
Martha Naismith, 1350 Eye Street, NW, Suite 810 Washington, DC 20005	Johnson & Johnson HMI	444.00	
Kennon H. Nakamura, 2101 E Street, NW Washington, DC 20037	American Foreign Service Assn	14,748.00	123.40
John Francis Nash Jr., 910 16th Street, NW, #402 Washington, DC 20006	Milliken & Company	5,000.00	800.00
Rochelle Nason, 989 Tahoe Keys Blvd, Suite 6 South Lake Tahoe, CA 96150	League to Save Lake Tahoe	1,200.16	329.55
National Aquaculture Assn, P.O. Drawer 1569 Shepherdstown, WV 25443		1,345.75	6,722.90
National Assn for Biomedical Research, 818 Connecticut Ave., NW, #303 Washington, DC 20006		193,357.94	10,315.97
National Assn for Uniformed Services, 5535 Hempstead Way Springfield, VA 22151		1,849.91	14,533.07
National Assn of Air Traffic Specialists, 11303 Amherst Avenue, Suite 4 Wheaton, MD 20902			4,500.00
National Assn of Broadcasters, 1771 N Street, NW Washington, DC 20036		241,703.79	241,703.79
National Assn of Chain Drug Stores, Inc, P.O. Box 1417-D49 Alexandria, VA 22313			17,927.33
National Assn of Federal Veterinarians, 1101 Vermont Avenue, NW, #710 Washington, DC 20005			74.45
National Assn of Independent Colleges & Universities, 1025 Connecticut Ave, NW, #700 Washington, DC 20036			78,674.22
National Assn of Letter Carriers, 100 Indiana Ave., NW Washington, DC 20001		7,790,944.96	171,136.44
National Assn of Manufacturers, 1331 Penn Ave., NW 15th Floor, N. Lobby Washington, DC 20004-1703		2,234,709.78	2,234,709.78
National Assn of Mutual Insurance Cos, 3601 Vincennes Road P.O. Box 68700 Indianapolis, IN 46268		487.00	487.00
National Assn of Police Organizations, Inc, 750 First Street, NE, Suite 935 Washington, DC 20002-4241		20,500.00	20,493.00
National Assn of Real Estate Investment Trusts, Inc, 1129 20th St., NW, #705 Washington, DC 20036			193.67
National Assn of Realtors, 430 North Michigan Avenue Chicago, IL 60611-4087			47,622.12
National Assn of Truck Stop Operators, Inc, 1199 N. Fairfax Street, #801 Alexandria, VA 22314			
National Assn of Wheat Growers, 415 2nd St., NE, #300 Washington, DC 20002		18,000.00	14,800.00
National Beer Wholesalers Assn, 1100 South Washington Street Alexandria, VA 22314-4494		59,374.99	83,622.80
National Broiler Council, 1155 15th St., NW Washington, DC 20005		4,500.00	4,500.00
National Club Association, Washington Harbour 3050 K Street, NW, #330 Washington, DC 20007			1,487.00
National Comm of Cities & States for Air Service, P.O. Box 507 Williston, ND 58802-0507		5,693.44	10,042.94
National Comm on Pay Equity, 1126 16th St., NW, #411 Washington, DC 20036		39,016.35	408.99
National Comm to Preserve Social Security & Medicare, 2000 K Street, NW, #800 Washington, DC 20006		2,370,555.00	2,370,555.00
National Community Action Foundation, Inc, 2100 M Street, NW, #604A Washington, DC 20037		119,289.95	51,000.00
National Cooperative Business Assn, 1401 New York Ave., NW, #1100 Washington, DC 20005		28,125.00	13,084.00
National Corn Growers Assn, 201 Massachusetts Ave., NE Suite C-4 Washington, DC 20002		15,281.75	27,692.06
National Cotton Council of America, P.O. Box 12285 Memphis, TN 38182		31,006.79	31,006.79
National Council of Agricultural Employers, 1735 I Street, NW, #704 Washington, DC 20006		18,000.00	3,673.00
National Council of Farmer Cooperatives, 50 F Street, NW, #900 Washington, DC 20001		16,338.92	10,803.42
National Council on Alcoholism & Drug Dependence, Inc, 1511 K Street, NW, #443 Washington, DC 20005			5,656.00
National Court Reporters Assn, 8224 Old Courthouse Road Vienna, VA 22182-3808			
National Education Assn, 1201 16th St., NW Washington, DC 20036		40,231.17	40,231.17
National Electrical Manufacturers Assn, 2101 L Street, NW, #300 Washington, DC 20037		14,293.03	14,293.03
National Employee Benefits Institute, 601 Pennsylvania Ave., NW, #750 North Washington, DC 20004			
National Employment Lawyers Assn, 600 Harrison Street, Suite 535 San Francisco, CA 94107-1370			2,759.19
National Fed of Independent Business, 53 Century Blvd., #300 Nashville, TN 37214		50,446.00	50,446.00
National Food Processors Assn, 1401 New York Avenue, NW, #400 Washington, DC 20005		1,250.00	41,206.01
National Glass Assn, 8200 Greensboro Drive, #302 McLean, VA 22102		3,500.00	7,000.00
National Grain Trade Council, 1300 L Street, #925 Washington, DC 20005			30.50
National Grange, 1616 H St., NW Washington, DC 20006		17,875.00	17,875.00
National Grocers Assn, 1825 Samuel Morse Drive Reston, VA 22090		3,000.00	2,235.74
National Guard Assn of the U.S., One Massachusetts Ave., NW Washington, DC 20001		15,408.15	41,093.22
National Independent Energy Producers, 601 13th Street, NW, #320 South Washington, DC 20005		84,900.00	12,786.49
National Milk Producers Federation, 1840 Wilson Blvd. Arlington, VA 22201		15,118.10	15,118.10
National Motorsports Council of ACCUS-FIA, 1500 Skokie Boulevard, Suite 101 Northbrook, IL 60602		67,500.00	
National Multi Housing Council, 1850 M Street, NW, Suite 540 Washington, DC 20036		26,794.97	26,794.97
National Newspaper Assn, 1525 Wilson Blvd., #550 Arlington, VA 22209		6,300.00	6,300.00
National Pest Control Assn, 8100 Oak St. Dunn Loring, VA 22027			
National Retail Federation, 325 7th Street, NW #1000 Washington, DC 20004			37,234.23
National Right to Work Committee, 8001 Braddock Rd., #600 Springfield, VA 22160		11,664.03	11,664.03
National Rural Electric Cooperative Assn, 1800 Massachusetts Ave., NW Washington, DC 20036			3,090.17
National Society of Professional Engineers, 1420 King Street Alexandria, VA 22314		8,600.00	8,600.00
National Soft Drink Assn, 1101 16th St., NW Washington, DC 20036			1,576.06
National Stone Assn, 1415 Elliot Place, NW Washington, DC 20007			
National Strategies, Inc, 888 17th Street, NW, 12th Floor Washington, DC 20006	Cellular Telecommunications Industry Assn	34,376.56	379.84
Do	CIGNA Corporation	11,376.25	798.67
Do	Edison Electric Institute	1,200.00	181.09
Do	General Reinsurance Co	20,966.50	434.96
Do	Instinet	311.66	8.32
Do	Reuters North America, Inc	5,625.00	1,122.18
Do	Superfund 1995 Reform Coalition	8,750.00	1,998.54
Do	Triarc Companies, Inc.		
National Telephone Cooperative Assn, 2626 Pennsylvania Ave., NW Washington, DC 20037		27,000.00	3,019.68
National Tire Dealers & Retreaders Assn, 1250 Eye Street, NW, #400 Washington, DC 20005		7,710.82	7,710.82
National Truck Equipment Assn, 37400 Hills Tech Drive Farmington Hills, MI 48331-3414			7,004.50
National Wildlife Federation, 1400 16th Street, NW Washington, DC 20036-0001			32,784.57
National-American Wholesale Grocers' Assn, 201 Park Washington Court Falls Church, VA 22046		9,000.00	9,000.00
Bruce C. Navarro, 1201 Connecticut Ave., NW, #550 Washington, DC 20036			
Michael W. Naylor, 1001 Pennsylvania Ave, NW, #700 Washington, DC 20004-2502	Allied-Signal, Inc		
Rick J. Neal, 1800 South Baltimore Avenue Tulsa, OK 74119	Mapco, Inc	5,250.00	
Mark Nebergall, 1730 M Street, NW, Suite 700 Washington, DC 20036	Software Publishers Assn	2,450.00	100.00
Thayne T. Needles, 1129 20th Street, NW, Suite 305 Washington, DC 20037	National Assn of Real Estate Investment Trusts, Inc		
Roy M. Neel, 1401 H Street, NW, #600 Washington, DC 20005	U.S. Telephone Assn	8,250.00	
Janet E. Neigh, 519 C Street, NE Washington, DC 20002	Hospice Assn of America	81.00	
Frederick W. Neill, 600 5th Street Aurora, IL 60505			
Lori M. Nelson, P.O. Box 25354 Woodbury, MN 55125-0354	National Parks & Conservation Assn		
Mark D. Nelson, 1701 Pennsylvania Ave., NW, #900 Washington, DC 20036	E. I. du Pont de Nemours & Co		
Mark E. Nelson, 1341 G Street, NW, #620 Washington, DC 20005	GTT Communications, Inc	3,000.00	1,500.00
Paul Nelson, 1747 Pennsylvania Ave., NW, Suite 900 Washington, DC 20006	Federal National Mortgage Assn		475.00
Do	Institute of International Bankers	6,000.00	2,950.00
Do	Investment Company Institute	1,500.00	650.00
Michael A. Nemeroff, 1722 Eye Street, NW 7th Floor Washington, DC 20006	Sidley & Austin (For:Borden, Inc)		
Do	Sidley & Austin (For:Forensic Technology, Inc)		
Frederick H. Nesbitt, 1750 New York Avenue, NW Washington, DC 20006	International Assn of Fire Fighters	19,911.00	
Network, 801 Pennsylvania Avenue, SE Suite 460 Washington, DC 20003-2167		68,132.09	58,488.37
E. John Neumann, 1130 Connecticut Avenue, NW, #830 Washington, DC 20036	Southern Company Services, Inc	1,950.55	5,053.09
Louis H. Nevins, 1960 E. Grand Avenue, #1000 El Segundo, CA 90245	Western League of Savings Institutions	6,457.00	
New York State Bankers Assn, 485 Lexington Avenue New York, NY 10017		5,000.00	5,388.70
Newberry Hargrove & Rambicure, 1211 Connecticut Ave., NW, Suite 300 Washington, DC 20036	MESA, In	3,075.00	283.84
Peter E. Newbould, 750 First Street, NE Washington, DC 20240-4242	American Psychological Assn	985.00	85.00
F. Ron Newbury, 1801 K Street, NW, Suite 400K Washington, DC 20006-1301	Arter & Hadden (For:Corning, Inc)		
Do	Arter & Hadden (For:CAI Wireless)		
Do	Arter & Hadden (For:Hunt Valve Co, Inc)		
Do	Arer & Hadden (For:Mt Camel Health)		
William B. Newman Jr., P.O. Box 23451 Washington, DC 20024	Consolidated Rail Corporation	5,000.00	741.56
Newman & Holtzinger, P.C., 1615 L St., NW, #1000 Washington, DC 20036	UWASTE		
Richard W. Newpher, 600 Maryland Avenue, SW Washington, DC 20024	American Farm Bureau Federation	14,375.00	28.00

Organization or Individual Filing	Employer/Client	Receipts	Expenditures
Stephen M. Newton, Box 95385 Atlanta, GA 30347-0385	Forest Farmers Assn		
Daniel A. Nichols, One Giralda Farms Madison, NJ 07940-1000	Schering-Plough Corp	2,500.00	
Frederic A. Nichols, 1331 Pennsylvania Ae., NW, #1500-N Washington, DC 20004-1790	National Assn of Manufacturers	8,125.00	
Marlene Nicholson, 1722 Eye St., NW, Fifth Floor Washington, DC 20006	Barclays Bank, PLC	17,000.00	168.94
Ronald G. Nickson, 1850 M Street, NW, #540 Washington, DC 20036	National Multi Housing Council	2,250.00	
Scott H. Nishioki, 1275 Pennsylvania Ave., NW, #400 Washington, DC 20004	Pacific Telesis Group	12,186.00	
Alan Nissalke, 1133 15th Street, NW, #640 Washington, DC 20005	American Logistics Assn		
Ellen Nissenbaum, 777 North Capitol Street, NE, #705 Washington, DC 20002-4239	Center on Budget & Policy Priorities	773.08	27.00
Noah's Ark Crisis Center, Inc, P.O. Box 29192 Baltimore, MD 21213			
Barbara D. Nocera, 955 L'Enfant Plaza, SW, #5300 Washington, DC 20024	Honda North America, Inc	504.00	
Walker F. Nolan, 701 Pennsylvania Ave., NW 4th Floor Washington, DC 20004	Edison Electric Institute		
Non Commissioned Officers Assn, P.O. Box 33610 San Antonio, TX 78265			59,436.05
Nonprescription Drug Manufacturers Assn, 1150 Connecticut Ave., NW, #1200 Washington, DC 20036			3,596.00
David A. Norcross, 1156 15th Street, NW, #550 Washington, DC 20005	Blank Rome Comisky & McCauley (For:American Insurance Assn)	250.00	
Do	Blank Rome Comisky & McCauley (For:CIGNA Corporation)	950.00	
Do	Blank Rome Comisky & McCauley (For:D.C. Wiring, Inc)	375.00	
Do	Blank Rome Comisky & McCauley (For:Hill International, Inc)	2,300.00	
Do	Blank Rome Comisky & McCauley (For:New York State HMO Conference & Council).	500.00	
Julia J. Norrell, 1155 Connecticut Ave., NW, #400 Washington, DC 20036	Chubb Corp	250.00	
Do	Employers Health Insurance Co	300.00	
Do	Health Insurance Association of America	450.00	
Do	Lincoln National Corp	450.00	
Do	National Assn of Insurance Brokers	300.00	
Do	Provident Life & Accident Insurance Co		
Do	UNUM Life Insurance Co	450.00	
Do	Washington National Insurance Corp	300.00	
North American Export Grain Assn, Inc, 1300 L Street NW, #900 Washington, DC 20005-4113			51.25
North Shore Consultants, Inc, 4278 Wooster Road Fairview Park, OH 44126	LTV Steel Co	15,000.00	
Patrice North-Rudin, 1100 New York Ave., NW, Suite 450 Washington, DC 20005-3934	Travel & Tourism Gov't Affairs Council	2,723.00	
Northeast Utilities Service Co, 107 Selden Street Berlin, CT 06037			6,540.36
Northwest Strategies, 111 Queen Anne Avenue North, #500 Seattle, WA 98109	Kaiser Engineers Hanford	1,777.08	
Do	Westinghouse Hanford Co	2,700.00	2,080.49
Rita Ersfeld Norton, 1300 Eye Street, NW, Suite 520 West Washington, DC 20005	Hoffmann-La Roche, Inc	4,000.00	289.02
Ellis T. Nottingham Jr., 7900 Westpark Drive, Suite A530 McLean, VA 22102	Honeywell, Inc	6,000.00	976.22
Julie Noufer, 8607 Westwood Center Drive, #204 Vienna, VA 22182	Professional Services Council	2,500.00	126.54
Mary Ann Novak, 700 11th Street, NW, #710 Washington, DC 20001	Parsons Brinkerhoff Quade & Douglas, Inc	100.00	
Nuclear Energy Institute, 1776 I Street, NW, #400 Washington, DC 20006		943,494.00	165,737.00
Patrick J. Nugent, 1133 19th Street, NW Washington, DC 20036	MCI Communications Corp	5,000.00	
Silas O. Nunn, 901 N. Washington Street Suite 204 Alexandria, VA 22314	Shipbuilders Council of America		1,150.00
Nussbaum & Wald, One Thomas Circle, NW #200 Washington, DC 20005	American Soc of Composers Authors & Publishers		
Do	National Football League Players Assn	6,000.00	
J. Michael Nussman, 1033 N. Fairfax Street Suite 200 Alexandria, VA 22314	American Sportfishing Assn	3,829.24	446.59
Franklin W. Nutter, 1301 Pennsylvania Ave., NW, #900 Washington, DC 20004	Reinsurance Assn of America		
Terry L. Nyhous, 410 First Street, SE Washington, DC 20003	Friends of Fort Rucker, Inc		
Do	Hazardous Waste Action Coalition		
Do	Hughes Aircraft Co		
Do	Ingalls Shipbuilding		
Do	Kaman Diversified Technologies, Inc		
Do	Lister Bolt & Chain, Ltd		
Do	Lockheed Martin Corp		
Do	Teledyne Industries, Inc		
Hubert K. O'Bannon, 50 F Street, NW Washington, DC 20001	Association of American Railroads	4,514.82	
Coley C. O'Brien, 400 N. Capitol Street, NW, #353 Washington, DC 20001	Transportation Intermediaries Assn		
Kevin M. O'Brien, 815 Connecticut Ave., NW Washington, DC 20006	Baker & McKenzie		
Lynne Fletcher O'Brien, 1447 Colleen Lane McLean, VA 22101	DuPont Merck Pharmaceutical Company	5,000.00	
Rosemary L. O'Brien, 1401 Eye Street, NW, #340 Washington, DC 20005	CF Industries, Inc	500.00	
Urban F. O'Brien III, 2000 Post Oak Boulevard Houston, TX 77056-4400	Apache Corporation	842.16	1,929.96
Coley O'Brien & Associates, 400 N. Capitol Street, NW, Suite 353 Washington, DC 20001	American International Automobile Dealers Assn		
Terrence M. O'Connell II, 444 N. Capitol Street, NW, #711 Washington, DC 20001	Keefe Co (For:Sanders Associates, Inc)	29,700.00	
James E. O'Connor, 900 19th Street, NW Washington, DC 20006	America's Community Bankers		
Kelley E. O'Connor, 666 Pennsylvania Avenue, SE, #403 Washington, DC 20003	Florists' Transworld Delivery Assn	6,000.00	
Patrick C. O'Connor, 1990 M Street, NW, #340 Washington, DC 20036	Kent & O'Connor, Inc (For:American College of Occupational & Environmental Medicine).	1,040.00	560.73
Do	Kent & O'Connor, Inc (For:American Supply Association)	1,887.55	1,121.46
Do	Kent & O'Connor (For:American Warehousemen's Association)	3,287.00	1,906.48
Do	Kent & O'Connor, Inc (For:National Assn of Fleet Administrators)	2,462.00	1,457.91
O'Connor & Hannan, 1919 Pennsylvania Ave., NW, #800 Washington, DC 20006	Alliance of Marine Parks and Aquariums		
Do	American Clinical Laboratory Assn		
Do	Bobby Berosini, Ltd		
Do	Camara Nacional de la Industria Pesquera	1,044.13	
Do	China External Trade Development Council		
Do	Coalition for Tax Equity	12,000.00	75.00
Do	Fishing Vessel Owners' Assn		
Do	Health Images, Inc		
Do	Martin Marietta Corp		
Do	Mirage		
Do	National Assn of Portable X-Ray Providers	1,400.00	
Do	National Automated Clearing House Assn		
Do	Ontario Flue-Cured Tobacco Growers Marketing Board		
Do	Pacific Seafood Processors Assn		
Do	Joseph E. Seagram & Sons, Inc		
Do	Solid Waste Agency of Northern Cook County	10,285.56	
Do	Southeast Alaska Seiners Assn	4,325.72	
Do	State of Alaska		
Do	Wards Cove Packing Company		
Grady O'Cummings III, 198 MacDougal St. Brooklyn, NY 11233	New York Committee to Pass Jesse Gray Housing Bill		
Thomas A. O'Day, 1211 Connecticut Avenue, NW, #400 Washington, DC 20036	Alliance of American Insurers	15,000.00	
Wayne O'Dell, 6004 Wilmington Dr. Burke, VA 22015	Cable Television Assn of MD, DE & DC	26,250.00	100.00
Denise M. O'Donnell, 1875 Eye Street, NW, #775 Washington, DC 20006	Georgia-Pacific Corp		
John A. O'Donnell, 1776 I Street, NW, #400 Washington, DC 20006	Nuclear Energy Institute	5,250.00	1,729.00
Gerald P. O'Driscoll, 1101 Pennsylvania Ave., NW, #1000 Washington, DC 20004	Citicorp/Citibank	250.00	
Jane O'Grady, 815 16th St., NW Washington, DC 20006	American Fed of Labor & Congress of Industrial Organizations	20,393.23	307.60
Terri O'Grady-Smith, 11250 Waples Mill Road Fairfax, VA 22030	National Rifle Assn of America	1,489.48	660.00
Barbara E. O'Hara, 1101 King Street Alexandria, VA 22314	American Soc of Travel Agents	75.00	
Dean O'Hare, 15 Mountain View Road Warren, NJ 07061	Chubb Corporation		
O'Keefe Ashenden Lyons & Ward, 30 North La Salle, #4100 Chicago, IL 60602	Mutual of America	1,725.00	
Janet O'Keeffe, 750 First Street, NE Washington, DC 20002-4242	American Psychological Assn	150.87	
Kathleen O'Leary, 700 13th Street, NW, #900 Washington, DC 20005	Columbia Gas Transmission Corp	5,000.00	
O'Melveny & Myers, 555 13th St., NW Washington, DC 20004	CIGNA Corp	7,774.50	18.63
Daniel J. O'Neal III, 600 Maryland Ave., SW, #100 West Washington, DC 20024-2571	American Nurses' Assn	3,065.00	9.55
Do	American Nurses Assn (For:Association of Operating Room Nurses)	1,532.00	
Jim O'Neal, 4404 Fairfax Hill Plano, TX 75024	People for America		3,841.12
Law Offices of John O'Neal, P.C., 1455 Pennsylvania Ave., NW, #1200 Washington, DC 20004	National Rural Telecom Assn	1,812.50	
John Vincent O'Neill, 13411 Running Pump Ct. Herndon, VA 22071	Institute of Electrical & Electronics Engineers	2,944.00	
William S. O'Neill, 500 E Street, SW, Suite 920 Washington, DC 20024	AOPA Legislative Action	12,125.00	2,376.63
O'Neill and Athy, P.C., 1310 19th Street, NW Washington, DC 20036	American Hospital Assn		
Do	American Telephone & Telegraph Co	14,472.00	
Do	Beth Israel Hospital		
Do	Boston University Medical Center Hospital		
Do	Brigham and Women's Hospital, Inc		
Do	Coalition of Boston Teaching Hospitals		
Do	Competitive Long Distance Coalition		
Do	General Mills, Inc	377.00	

Organization or Individual Filing	Employer/Client	Receipts	Expenditures
Do	Glass Packaging Institute/Industry Union Glass Cont Program		
Do	Government of Mexico		
Do	JM Family Enterprises, Inc	11,040.00	
Do	Massachusetts General Hospital		
Do	National Football League		
Do	New England Deaconess Hospital		
Do	New England Medical Center		
Do	Northeastern University		
Do	Northwestern Memorial Hospital		
Do	Pyrotechnic Signal Manufacturers Assn		
Do	Texas Utilities Co		
Do	USX Corporation	3,794.00	
Do	Viacom International, Inc	4,944.00	
Paul O'Palka Jr., Fifth Avenue Place, Suite 1924 Pittsburgh, PA 15222	Blue Cross of Western Pennsylvania	15,475.00	4,289.74
Charles Robert O'Regan, Palumbo & Cerrell, Inc 1000 Connecticut Avenue, NW Washington, DC 20036	American Society of Composers, Authors & Publishers	6,480.00	327.25
Do	Atlantic Richfield Co		
Do	Trustee Coalition for Traveling Public		
John T. O'Rourke, 801 Pennsylvania Avenue, N.W., 5th Floor Washington, DC 20004	Coaxial Communications	1,000.00	32.31
Do	J. Epstein & Co, Inc		
Do	Pacific Telesis	2,000.00	16.10
Do	PNC Mortgage Corp of America	750.00	12.26
Do	Securities Industry Assn	2,375.00	
Do	The Limited, Inc	755.00	20.98
John J. O'Shaughnessy, 112 S. West Street Alexandria, VA 22314	Strategic Management Associates, Inc (For:Greater New York Hospital Assn)	30,000.00	
Do	Strategic Management Associates, Inc (For:Mobile X-Ray Providers of America)	10,000.00	
Do	Strategic Management Associates, Inc (For:Montefiore Medical Center)	24,000.00	
Do	Strategic Management Associates, Inc (For:National Medical Enterprises, Inc)		
Do	Strategic Management Associates (For:New York Hospital)	18,000.00	
J. Denis O'Toole, 1000 Connecticut Ave., NW, Suite 507 Washington, DC 20036	Household Financial Group, Ltd	15,500.00	
M. Diane O'Toole, 1000 Wilson Blvd., #2300 Arlington, VA 22209	Northrop Grumman Corporation	1,400.00	1,643.92
Stephen E. O'Toole, 1660 L St., NW Washington, DC 20036	General Motors Corp	3,000.00	5,944.00
Mary Rose Oakar & Asssociates, Inc, 2621 Lorain Avenue Cleveland, OH 44113	National Assn of Geriatric Education Centers	3,000.00	
Paul C. Oakley, 50 F Street, NW Washington, DC 20001	Association of American Railroads	2,944.83	
Harry R. Obley, One Mellon Bank Center, #1905 Pittsburgh, PA 15258-0001	Mellon Bank N.A., et al.	2,000.00	1,770.26
James C. Odom Jr., 701 Pennsylvania Ave., NW Washington, DC 20004-2696	Edison Electric Institute	2,167.86	203.36
Joanne Ogaitis, 777 North Capitol Street, NE, #803 Washington, DC 20002	American Assn of Nurse Anesthetists	5,000.00	
Donald G. Ogilvie, 1120 Connecticut Ave., NW Washington, DC 20036	American Bankers Assn	2,425.00	
Marion Browne Oglesby Jr., 1455 Pennsylvania Ave., NW, #525 Washington, DC 20004	RJR Nabisco, Inc	5,000.00	
B. Robert Okun, 1299 Pennsylvania Ave., NW 11th Floor East Washington, DC 20004	National Broadcasting Co	3,250.00	901.98
Philip M. Ola, 1033 North Fairfax Street, #404 Alexandria, VA 22313	International Council of Shopping Centers	750.00	
Oldaker Ryan & Leonard, 818 Connecticut Avenue, NW, #1100 Washington, DC 20006	Aetna Life & Casualty	24,125.00	548.90
Do	American Assn of Retired Persons	818.18	8.54
Do	American Insurance Association	1,500.00	47.26
Do	American International Group, Inc		
Do	Anheuser-Busch Companies, Inc	2,002.50	28.88
Do	Association of American Railroads	5,916.60	
Do	Avis, Inc	4,500.00	124.09
Do	Browning-Ferris Industries	500.00	25.31
Do	Business Roundtable	2,000.00	66.93
Do	BOC Gases-U.S.	27,000.00	
Do	California Waterfowl Assn	879.00	32.44
Do	Carbonic Industries Corp	3,999.99	97.69
Do	Carbonic Reserves	3,999.99	97.69
Do	Central & South West	14,906.25	830.75
Do	Champion International Corp		26.71
Do	Citibank		26.71
Do	Commonwealth Edison	1,875.00	
Do	CIGNA Corp	1,500.00	113.75
Do	Federal Express	4,500.00	331.29
Do	Fidelity Investments		
Do	Ford Motor Co	1,500.00	74.78
Do	General Electric Co	3,000.00	13.36
Do	Grassland Water District	849.37	25.96
Do	Harsch Investment Co	649.80	12.38
Do	Hewlett-Packard Co	10,000.00	659.35
Do	Investment Company Institute	5,568.75	306.01
Do	Liquid Carbonic Industrial Gases	9,000.00	377.10
Do	Lowe's Companies, Inc	2,250.00	38.15
Do	MetraHealth	4,500.00	395.79
Do	MCI Communications Corp	750.00	18.50
Do	National Cable Television Assn	8,750.00	555.39
Do	National Foreign Trade Council	3,119.49	161.50
Do	National-American Wholesale Grocers' Assn...	15,000.00	965.49
Do	Nuclear Energy Institute	1,825.00	193.05
Do	Pain Enterprises, Inc	3,999.99	97.69
Do	Pfizer, Inc	7,500.00	355.77
Do	Phillip Morris, Inc	2,500.00	113.62
Do	Piedmont Environmental Council	750.00	27.34
Do	Proctor & Gamble Co		26.71
Do	Prudential Insurance	3,000.00	102.50
Do	RCS Pacific, L.P.		
Do	RJR Nabisco, Inc	2,700.00	27.53
Do	Texas Industries	6,750.00	544.83
Do	Williams Companies, Inc	2,250.00	48.48
Do	Working Group on R & D	2,250.00	188.58
Do	Ziff Investors Partnership		
Mike Oliva, 1301 K Street, NW, Suite 1200 Washington, DC 20005	IBM Corp	1,113.48	1,715.56
Heidi Belz Oliver, 2501 M Street, NW Washington, DC 20037	Chemical Manufacturers Assn	1,000.00	
R. Teel Oliver, 601 Pennsylvania Avenue, NW North Building, Suite 1200 Washington, DC 20004-2601	Merck & Co, Inc	3,000.00	500.00
Van R. Olsen, 1156 15th St., NW, #1019 Washington, DC 20006	U.S. Beet Sugar Assn		
Laura L. Olson, 1200 19th Street, #300 Washington, DC 20036	Smith Buklin & Assocs (for Amusement & Music Operators Assn)		
Sydney Olson, 10801 Rockville Pike Rockville, MD 20852	American Speech-Language-Hearing Assn		
Olsson Frank & Weeda, 1400 16th Street, NW, #400 Washington, DC 20036-2220	American Academy of Audiology	10,500.00	
Do	Beef Products, Inc	70.00	
Do	ConAgra, Inc	6,000.00	
Do	Council for Responsible Nutrition	3,750.00	
Do	Duramed Pharmaceuticals, Inc		
Do	General Mills	13,650.00	
Do	McDonald's Corporation	1,200.00	
Do	National American Wholesale Grocers Assn	7,875.00	
Do	National Assn of Margarine Manufacturers	1,000.00	
Do	National Assn of Pharmaceutical Manufacturers	8,000.00	
Do	National Food Processors Assn	3,500.00	
Do	National Frozen Pizza Instutute		
Do	PennField Oil Co	13,472.00	
Do	Pillsbury Company		
Do	Ross Laboratories	2,000.00	
Do	San Tomo Group	35.00	
Do	Schwan's Sales Enterprises, Inc	1,500.00	
Do	Southeastern Poultry & Egg Assn		
Do	Western States Meat Assn	4,500.00	
Philip C. Onstad, 333 Plainfield Road Edison, NJ 08820	International Communications Assn		
Franz M. Oppenheimer, 3000 K Street, NW, #300 Washington, DC 20007-5116	Bremer Vulkan Verbund AG		
Do	Commerzbank Aktiengesellschaft		

Organization or Individual Filing	Employer/Client	Receipts	Expenditures
Stuart I. Oran, P.O. Box 66100 Chicago, IL 60666	United Airlines, Inc	100.00	
Edward O.C. Ord, 650 California Street, #1200 San Francisco, CA 94108-8	Ord & Norman		
Organization of Professional Employees of USDA, Rm. SM-3-S U.S. Dept of Agriculture Washington, DC 20250		2,268.73	884.58
Jason Osborne, 1015 15th Street, NW, #802 Washington, DC 20005	American Consulting Engineers Council	3,750.00	222.50
Tamar L. Osterman, 1785 Massachusetts Ave., NW Washington, DC 20036	National Trust for Historic Preservation	5,473.02	
Robert V. Oswald, 801 Pennsylvania Ave., NW, Suite 650 Washington, DC 20004	American Express Co	10,037.00	592.00
Richard D. Otis, 1275 K Street, NW, #400 Washington, DC 20005	American Plastics Council	10,078.00	415.70
Kathleen Galiher Ott, 1001 19th Street North #800 Arlington, VA 22209	TRW, Inc	6,413.00	2,622.40
Karl Ottosen, 208 G Street, NE Washington, DC 20002	NL Industries/Baroid Corp	12,000.00	
Do	U.S. Federation of Small Businesses, Inc	1,500.00	
Michael F. Ouellette, 225 N. Washington Street Alexandria, VA 22314	Non Commissioned Officers Assn	6,700.00	270.00
Arthur R. Ouslander, P.O. Box 23451 Washington, DC 20026	Consolidated Rail Corporation	2,667.00	818.60
Sally LaHue Owen, 900 19th Street, NW, #400 Washington, DC 20006	America's Community Bankers	18,000.00	235.03
Stephen F. Owen Jr., 107 Park Washington Court Falls Church, VA 22046	Classroom Publishers Assn		
Thomas E. Owens, 815 16th Street, NW, #309 Washington, DC 20006	American Fed of Labor & Congress of Industrial Organizations	19,190.60	657.65
Thomas J. Owens, P.O. Box 12266 Seattle, WA 98102	Dollar Savings Bank, et al.	39,700.00	12,385.80
William J. Owens, 1745 Jefferson Davis Highway, #511 Arlington, VA 22202	Manufactured Housing Institute	625.00	120.00
OSHA Reform Project 1995, c/o John Bolt P.O. Box 877 Eastland, TX 76448		33,950.00	30,998.73
Wayne P. Pacelle, 9806 Cahart Place Silver Spring, MD 20903	Humane Society of the U.S.	805.00	49.60
Pacific Northwest Waterways Assn, P.O. Box 61473 Vancouver, WA 98666-1473		58,853.00	20,278.75
Thomas L. Pacino, 1101 Mercantile Lane, #100 Landover, MD 20785	Association of Growth Enterprises, Inc		
Joel Packer, 1201 16th Street, NW Washington, DC 20036	National Education Assn	4,217.25	79.85
Lee W. Paden, P.O. Box 201 Tulsa, OK 74102	Public Service Co of Oklahoma		
Anthony Padilla, 815 16th Street, NW, #511 Washington, DC 20006	Transportation Communications Union	3,000.00	88.75
Barbara Page, 401 Coors Boulevard, NW Albuquerque, NM 87121	Westland Development Co., Inc	2,444.45	7,319.22
John Palafoutas, 1901 Pennsylvania Ave., NW, #210 Washington, DC 20006	AMP, Inc	2,000.00	
Fredrick D. Palenske, 1133 Topeka Boulevard Topeka, KS 66629	Blue Cross & Blue Shield of Kansas		
Michael C. Palmer, 1350 I St., NW, Suite 590 Washington, DC 20005	College of American Pathologists	2,540.00	
Benjamin L. Palumbo, 1000 Connecticut Avenue, NW, #706 Washington, DC 20036	Palumbo & Cerrell, Inc (For:American Soc of Composers Authors & Publishers)	21,387.50	638.17
Do	Palumbo & Cerrell, Inc (For:Atlantic Richfield Co)	750.00	17.00
Do	Palumbo & Cerrell, Inc (For:Los Angeles County Metropolitan Transit Authority)	412.50	
Do	Palumbo & Cerrell, Inc (For:Pennsylvania Institute of Technology)	625.00	27.00
Do	Trustee Coalition for Traveling Public		
Palumbo & Cerrell, Inc, 1000 Connecticut Ave. NW, #706 Washington, DC 20036	American Soc of Composers Authors & Publishers	105,000.00	60,822.91
Do	Atlantic Richfield Co	27,000.00	5,578.52
Do	Los Angeles County Metropolitan Transportation Authority	19,089.00	8,519.02
Do	Pennsylvania Institute of Technology		2,620.66
Do	Trustee Coalition for Traveling Public	5,500.00	63.28
Vincent A. Panvini, 1750 New York Ave., NW Washington, DC 20006	Sheet Metal Workers' Internatinional Assn	19,731.00	
PanAmSat, LP, One Pickwick Plaza Greenwich, CT 06830			5,866.00
Jonathan R. Paret, 1401 I Street, NW, #1000 Washington, DC 20005	Securities Industry Assn	3,815.00	
Akhandal Parija, 1615 H Street, NW Washington, DC 20062	U.S. Chamber of Commerce	2,100.00	250.00
Nancy L. Parke, 5410 Grosvenor Lane, #100 Bethesda, MD 20814-2122	American Congress on Surveying & Mapping	2,692.65	
Bruce J. Parker, 1730 Rhode Island Ave., NW, #1000 Washington, DC 20036	National Solid Wastes Management Assn	500.00	
Tom V. Parker, Arkansas Petroleum Council One Riverfront Place, #460 North Little Rock, AR 72114	American Petroleum Institute		
Leslie Parks, 1776 I Street NW, #400 Washington, DC 20006	Nuclear Energy Institute	1,760.00	1,551.00
Ann M. Parman, 1745 Jefferson Davis Hwy, #511 Arlington, VA 22202	Manufactured Housing Institute	650.00	
Ronald L. Parrish, 1800 One Tandy Center Fort Worth, TX 75102	Tandy Corporation	12,269.24	
Parry and Romani Associates, Inc, 233 Constitution Avenue, NE Washington, DC 20002	American Assn of Pharmaceutical Distributors	1,400.00	
Do	American Chiropractic Assn	1,400.00	
Do	American Medical Assn	3,000.00	
Do	American Tort Reform Assn	3,000.00	
Do	Fox Bennett & Turner	3,000.00	
Do	Genentech, Inc	1,400.00	
Do	Glaxo, Inc	3,000.00	
Do	Herbalife International of America, Inc	1,400.00	
Do	Intellectual Property Owners	4,000.00	
Do	International Assn of Broadcast Monitors	400.00	
Do	International Dairy Foods Assn	1,500.00	
Do	Motion Picture Assn of America, Inc	3,200.00	
Do	Pfizer, Inc	1,600.00	
Do	Pharmaceutical Manufacturers Assn	2,100.00	
Do	Recording Industry Assn of America	2,600.00	
Do	Research & Development Laboratories, Inc	500.00	
Do	Research Corp Technology, Inc	3,600.00	
Do	Taxpayers Against Fraud	2,100.00	
Do	U S West	5,000.00	
Do	Unilever U.S., Inc	1,000.00	
Do	Upjohn Company	2,100.00	
Charles C. Partridge, 5535 Hempstead Way Springfield, VA 22151	National Assn for Uniformed Services	5,760.17	
Caren Pasquale, 3000 K Street, NW, Suite 620 Washington, DC 20007	Merrill Lynch & Co	1,200.00	
Andrea B. Passarelli, 3025 South Parker Road, #1100 Aurora, CO 80014	TeleCheck Services, Inc		
Enzo Pastore, 2000 K Street, NW, Suite 800 Washington, DC 20006	National Committee to Preserve Social Security & Medicare	3,186.00	
Richard A. Pate, 1130 Connecticut Ave., NW, SUite 830 Washington, DC 20036	Southern Company Services, Inc	8,779.24	11,070.32
Pathfinder Group, L.L.C., 3406 Noble Avenue Richmond, VA 23222		10,400.00	9,700.00
Gary B. Patterson, Delaware Petroleum Council P.O. Box 1429 Dover, DE 19903-1429	American Petroleum Institute		
Jerry M. Patterson, Burke Williams & Sorenson 3200 Park Center Drive, #750 Costa Mesa, CA 92626	Burke Williams & Sorensen (For:City of Santa Clarita)		
Laird D. Patterson, 1667 K Street, NW, Suite 600 Washington, DC 20006	Bethlehem Steel Corp	120.00	
Patterson Belknap Webb & Tyler, 1133 Avenue of the Americas New York, NY 10036	Ministers & Missionaries Board of American Baptist Churches		
C. James Patti, 1775 K Street, NW, #200 Washington, DC 20006	Maritime Institute for Research & Industrial Development	8,553.38	
Charles R. Patton, 1050 17th Street, NW, Suite 1250 Washington, DC 20036	Houston Industries, Inc	1,500.00	
Patton Boggs, L.L.P., 2550 M Street, NW Washington, DC 20037	Ad Hoc Coalition for Intermarket Coordination		
Do	American Bankers Assn		
Do	American College of Gastroenterologists	1,257.50	
Do	American Institute of Merchant Shipping		
Do	American Medical Security		
Do	American Soc of Assn Executives	3,531.25	120.00
Do	Armco, Inc		
Do	Association of Trial Lawyers of America	11,554.50	305.00
Do	Bio Compression Systems, Inc	291.25	12.00
Do	Blair Corporation	4,000.00	
Do	Blue Cross of California	385.00	
Do	Blue Cross of Western Pennsylvania	1,157.50	27.50
Do	Bright Beginnings Inc.		
Do	Bristol Myers/Squibb Corp		
Do	Brown & Williamson Tobacco Corp		
Do	BIC Corporation		
Do	Center for Molecular Medicine & Immunology		
Do	Chamber of Commerce Health Care Coalition		
Do	Charlotte North Carolina Federal Liaison Task Force		
Do	Cherokee Nation of Oklahoma	5,660.00	202.00
Do	Cherokee Nation Industries, Inc		
Do	Chicago Board Options Exchange	656.25	40.00
Do	Christopher Columbus Center Development, Inc		
Do	Chrysler Corporation		
Do	City of Baltimore		
Do	City of Cincinnati	1,126.25	
Do	Climate Council		
Do	Clorox Company	4,827.50	35.00
Do	Coalition for Local Government Choice on Flow Control	6,031.25	20.00
Do	Coalition on Indian Housing Reform	750.00	70.00
Do	Coalition on State Use Taxes	2,000.00	
Do	College Savings Bank		
Do	Council on Community Blood Centers		

Organization or Individual Filing	Employer/Client	Receipts	Expenditures
Do	CH2M HIll Companies, Ltd		
Do	Denver Colorado Planning Department		
Do	Direct Marketing Assn, Inc		
Do	Dole Food Co	798.75	52.00
Do	Drycleaner Environmental Legislative Fund		
Do	Duty Free Shoppers Group, Ltd		
Do	DuPont-Merck		
Do	Fastship Atlantic, Inc	131.25	20.00
Do	Federation of American Health	1,347.50	17.00
Do	Flexi-Van Leasing, Inc		
Do	Forethought Group/Forethought Life Insurance Co		
Do	Freedom to Advertise Coalition	3,036.50	75.00
Do	FAG Kugelfischer Georg Schager KGaA	245.00	
Do	George Mason University Foundation, Inc	140.00	20.00
Do	Government of Pakistan	3,500.00	130.00
Do	Great American Lines, Inc	85.00	
Do	Great Lakes Dredge & Dock	140.00	20.00
Do	Greater Baltimore Committee Foundation		
Do	GE Capitol Services		
Do	Halogenated Solvents Industry Alliance		
Do	Homesteaders Life Co		
Do	I-69 Mid-Continent Highway Coalition	2,650.00	26.00
Do	Infinity Broadcasting Corp	8,410.00	30.00
Do	International Fabricare Institute		
Do	International Swaps Dealers Assn, Inc	2,375.00	
Do	International Union of Police Assns		
Do	J.P. Morgan & Co, Inc		
Do	Johnson Controls		
Do	Kaiser Aluminum & Chemical Corp		
Do	Laquidara & Edwards (for Jacksonville Transporation Auth)	567.50	35.00
Do	Liberty Corp		
Do	Loop, Inc		
Do	Loyola University		
Do	Major League Baseball Players Assn	1,122.50	235.00
Do	Manhole Adjusting, Inc		
Do	Manor Care	97.50	
Do	Marathon Oil Co		
Do	Mars, Inc	8,916.25	110.00
Do	Maryland Hospital Assn		
Do	Mashantucket Peqush Tribe		
Do	Matson Navigation Co		
Do	MovieFone, Inc		
Do	Mutual Legislative Committee	1,540.00	16.00
Do	MCI Telecommunications, Inc	2,505.00	90.00
Do	Nashua Corporation	2,105.00	25.00
Do	National Assn of Health Underwriters		
Do	National Assn of Life Underwriters	1,540.00	
Do	National Assn of Theatre Owners		
Do	National Automatic Merchandising Assn	2,340.00	60.00
Do	National Cable Television Assn, Inc		
Do	National Propane Gas Assn	2,100.00	100.00
Do	National Retail Federation (RITAC)		
Do	National Soft Drink Assn	720.00	20.00
Do	New England Student Loan Marketing Corp	10,425.00	210.00
Do	New York Life Insurance Company	2,695.00	50.00
Do	Newspaper Assn of America	1,432.50	1,195.00
Do	Northern California Power Agency	3,080.00	18.00
Do	Northwestern Mutual Life Insurance Co		
Do	OSG Bulk Ships, Inc	1,066.25	49.00
Do	Pacific Lumber Co	5,143.75	60.00
Do	Preneed Insurers Gov't Programs Coalition		
Do	Project ACTA, Inc		
Do	PNC Financial Corp		
Do	Reader's Digest Assn, Inc	2,000.00	
Do	Reinsurance Assn of America	770.00	
Do	Republic National Bank of New York		
Do	Raymond F. Schoenke Jr.	1,925.00	28.00
Do	Sedgwick James, Inc		
Do	Shell Oil Co		
Do	Sheriff Harry Lee		
Do	Charles E. Smith Companies		
Do	Smokeless Tobacco Council, Inc	9,450.00	250.00
Do	Sprat Bay Corp		
Do	Steel Service Center Institute		
Do	Sultantate of Oman	290.00	
Do	Susan G. Komen Foundation		
Do	Thomson US, Inc		
Do	Travelers		
Do	TANO Marine Systems		
Do	U.S. Tobacco Company		
Do	United Family Life		
Do	University of Arizona Foundation	1,485.00	50.00
Do	USAir, Inc		
Do	USX Corporation		
Do	Viatical Assn of America	3,400.00	100.00
Do	Villa Julie College		
Do	Vulcan Materials Co		
Do	Wayne County Michigan	1,190.00	
Do	Westinghouse Electric Corp		
Do	Woodlands Corp		
Andrew R. Paul, 225 Reinekers Lane, #600 Alexandria, VA 22314	Satellite Broadcasting & Communications Assn	2,500.00	35.50
Paul Hastings Janofsky & Walker, 1299 Pennsylvania Ave., NW, 10th Floor Washington, DC 20004	Allegheny Power System Inc, et al.	3,825.00	
Do	Alliance for Competitive Communications	25,425.00	
Do	Amdahl Corp		
Do	American Institute of Merchant Shipping	5,025.00	
Do	American President Companies	2,100.00	
Do	American Trucking Assns, Inc	750.00	
Do	Business Council on Indoor Air		
Do	Grocery Manufacturers of America, Inc		
Do	Kawasaki Motors Corp, USA		
Do	Morehouse College		
Do	Norfolk Southern Corp	1,350.00	
Do	Novo-Nordisk Pharmaceuticals, Inc		
Do	Tyson Foods, Inc	2,400.00	
Do	Union Pacific Corp		
Gwen Gampel Paulson, 206 G Street, NE Washington, DC 20002	Kinetic Concepts, Inc	2,000.00	
Do	Congressional Consultants (For National Renal Administrators Assn)	3,000.00	150.00
Kristin E. Paulson, 1401 Eye Street, NW, Suite 600 Washington, DC 20005	United Technologies Corp	639.00	3,423.24
Tommy J. Payne, 1455 Pennsylvania Ave., NW, #525 Washington, DC 20004	R.J. Reynolds Tobacco Co	3,925.00	136.84
Peabody & Brown, 1255 23rd Street, NW, #800 Washington, DC 20037	Affordable Housing Tax Credit Coalition	2,000.00	
Do	Council for Rural Housing & Development	2,000.00	
Do	Great Western Financial Corp	2,548.00	139.91
Do	Institute for Responsible Housing Preservation	2,000.00	
J. Leon Peace Jr., 15th & M Streets, NW Washington, DC 20005	National Assn of Home Builders of the U.S.	8,381.20	

Organization or Individual Filing	Employer/Client	Receipts	Expenditures
Peace Political Action Committee, 110 Maryland Avenue, NE, #409 Washington, DC 20002		3,966.64	
George A Peapples, 1660 L Street, NW, #401 Washington, DC 20036	General Motors Corporation	3,600.00	6,879.22
Marc A. Pearl, 1616 N. Ft. Myer Dr., #1300 Arlington, VA 22209-3106	Information Technology Assn of America, Inc	2,000.00	
Norman E. Pearson, 125 N. West Street Alexandria, VA 22314-2754	Fleet Reserve Assn		
Ronald Pearson, 104 North Carolina, SE Washington, DC 20003	Pearson & Pipkin, Inc (For:National Motorists Assn)		
Do	Pearson & Pipkin (For:Physicians Who Care)		
Russell H. Pearson, 1156 15th Street, NW, #1015 Washington, DC 20005	J. C. Penney Co, Inc		203.29
Pearson and Pipkin, Inc, 104 North Carolina, SE Washington, DC 20003	National Motorists Assn	1,700.00	
Do	Physicians Who Care	1,500.00	
Lawrence Peduzzi, 1755 Jefferson Davis Highway, Suite 1107 Arlington, VA 22202	Diagnostic Retrieval Systems, Inc		
Dean R. Peeler, P.O. Box 4220 Montgomery, AL 36103-4220	American Petroleum Institute	1,112.50	
Elin Peltz, 1156 15th Street, NW, #400 Washington, DC 20005	American Crop Protection Association		
Mary Dwyer Pembroke, 1101 Pennsylvania Ave., NW, Suite 950 Washington, DC 20004	Federal Home Loan Mortgage Corp	3,000.00	406.22
George D. Pence, 9100 Mill Creek Landing Great Falls, VA 22066	WESPAC Constructers, Inc	2,500.00	165.50
Brenda K. Pennington, 1250 Connecticut Ave., NW, Sutie 200 Washington, DC 20036	Cellular TElecommunications Industry Assn		
James C. Pennington, 5535 Hempstead Way Springfield, VA 22151	National Assn for Uniformed Services	3,755.41	
Pennsylvania Power & Light Co, 2 North 9th Street Allentown, PA 18101			2,150.90
Charles D. Penry, 1800 Massachusetts Ave., NW Washington, DC 20036	National Rural Electric Cooperative Assn	350.00	
Gregory M. Pensabene, 1299 Pennsylvania Avenue, NW, #875 East Washington, DC 20004	Domestic Petroleum Council	12.00	
Do	Santa Fe Energy Resources, Inc		
Do	Santa Fe Pacific Gold Corp		
Do	Viceroy Gold Corp	3.00	
Judith K. Pensabene, 1301 Pennsylvania Ave., NW, #1050 Washington, DC 20004	Baltimore Gas & Electric Co		
Eugene K. Pentimonti, 1101 17th Street, NW, #400 Washington, DC 20036	American President Companies, Ltd	15,000.00	
People for America, Inc, 4404 Fairfax Hill Plano, TX 75024			5,028.07
Pamela Slane Pepe, 950 N. Washington Street Alexandria, VA 22314	American Academy of Physician Assistants	15,500.00	
Pepsico, Inc, 700 Anderson Hill Rd. Purchase, NY 10577			2,222.79
Laura T. Peralta, 1667 K Street, NW, #1270 Washington, DC 20006	Warner-Lambert Company	3,000.00	
Perkins Coie, 607 14th Street, NW #800 Washington, DC 20005-2011	Boeing Company		
Do	Cook Inlet Region, Inc		
Do	James River II, Inc		2,062.50
Gary J. Perkinson, 453 New Jersey Ave., SE Washington, DC 20003	Beneficial Management Corp	13,000.00	
Karla Perri, 1111 19th Street, NW Washington, DC 20036	American Forest & Paper Assn		
Cidette S. Perrin, 1319 F Street, NW, Suite 1000 Washington, DC 20004	National Assn of Private Psychiatric Health Systems	500.00	
John Perrine, 1101 14th Street, NW, #1400 Washington, DC 20005	Defenders of Wildlife	127.87	
Beverly Perry, 1900 Pennsylvania Ave, NW Washington, DC 20068	Potomac Electric Power Company	84.48	
Edmund F. Perry, 1301 K Street, NW, Suite 1100 Washington, DC 20005	IBM Corp	1,753.00	68.00
Schley Louie Perry III, 1521 New Hampshire Avenue N.W. Washington, DC 20036	National Cotton Council of America	1,475.00	33.70
Susan Perry, 1100 New York Avenue, NW, #1050 Washington, DC 20005-3934	American Bus Assn	2,687.50	75.00
John C. Perryman, 333 Piedmont Avenue, 23rd Floor Atlanta, GA 30308	Georgia Power Co	18,028.79	4,222.30
Susan Persons, 1522 K Street, NW, Suite 836 Washington, DC 20005	Consortium of Social Science Assn		
Mark Pertschuk, 2530 San Pablo Ave, #J Berkeley, CA 94702	Americans for Nonsmokers' Rights		
Phillips S. Peter, 1200 18th Street, NW Washington, DC 20036	Reed Smith Shaw & McClay	500.00	
Robert Peters, 35 West 11th Street, #1R New York, NY 10011-3515	Morality in Media, Inc	2,084.00	
Robert L. Peters, 1101 14th Street, NW, #1400 Washington, DC 20005	Defenders of Wildlife		
Robert R. Petersen, 1300 L Street, #925 Washington, DC 20005	National Grain Trade Council		30.50
Alan Peterson, 1505 Prince Street, #300 Alexandria, VA 22314	American Optometric Assn		
Cheryl A. Peterson, 600 Maryland Ave., SE, Suite 100 West Washington, DC 20024-2571	American Nurses' Assn	4,107.00	25.50
Helena Hutton Peterson, 1101 15th Street, NW Washington, DC 20005	Minnesota Mining & Manufacturing Co	2,500.00	
Kenneth W. Peterson, Kansas Petroleum Council 1005 Merchants Tower Topeka, KS 66612	American Petroleum Institute		
Lars E. Peterson, 800 Connecticut Avenue, NW Washington, DC 20006	Food Marketing Institute	500.00	
Susan F. Petniunas, 1625 K Street, NW, #750 Washington, DC 20006	Manville Corporation	500.00	
Michael J. Petrina Jr., 1101 17th Street, NW, #300 Washington, DC 20036	Cosmetic Toiletry & Fragrance Assn, Inc	2,500.00	70.00
Thomas J. Petrizzo, 325 7th St., NW. #1000 Washington, DC 20004	National Retail Federation		
Stephan Petry, 1800 Massachusetts Avenue, NW Washington, DC 20036	National Rural Electric Cooperative Assn	218.00	
Laura M. Pettey, 1776 Eye Street, NW, #575 Washington, DC 20006	Dow Chemical Co		6,467.00
Susan M. Pettey, 901 E Street, NW, #500 Washington, DC 20004-2837	American Assn of Homes & Services for the Aging		
C. L. Pettit, 1005 E Street, SE Washington, DC 20003	National Agricultural Aviation Assn		
Mitchell S. Pettit, 1133 Connecticut Ave., NW, #1000 Washington, DC 20036	Alliance for Competitive Communications	45,000.00	
Do	American Bankers Assn	33,000.00	
Do	SBC Communications, Inc	60,000.00	2,088.07
Brian T. Petty, 1901 L St., NW, #702 Washington, DC 20036	International Assn of Drilling Contractors		
Peyser Associates, Inc, 1001 G Street, NW, Suite 400 East Washington, DC 20001	City of Philadelphia	22,500.00	
Do	City of Seattle		
Do	Metro	12,000.00	
Do	Mothers Against Drunk Driving (MADD)	18,000.00	
Do	National Assn for Sport & Physical Education	4,000.00	
Do	New York State Thruway Authority	12,000.00	
Do	Southeastern Pennsylvania Transit Authority	22,500.00	
Do	Toledo-Lucas Port Authority		
Steven J. Pfister, 325 7th Street, NW #1000 Washington, DC 20004	National Retail Federation	5,000.00	180.50
Kurt Pfotenhauer, 316 Pennsylvania Avenue, SE, #304 Washington, DC 20003	United Parcel Service	7,500.00	311.45
James R. Phalen, 1776 EYE Street, NW, #400 Washington, DC 20006	Nuclear Energy Institute	8,000.00	261.00
Marshall A. Pharr, 6103 Adirondack Amarillo, TX 79106	Southwestern Public Service Co	4,686.91	10.00
Dennis J. Phelan, 1101 17th St., N.W., #609 Washington, DC 20036	Pacific Seafood Processors Assn	25,000.00	871.00
William C. Phelps, 2929 Allen Parkway Houston, TX 77019	American General Corporation	3,520.00	4,477.87
William W. Phelps, P.O. Box 2159 Dallas, TX 75221	FINA, Inc	6,380.04	6,652.01
James R. Phifer, 1700 N. Moore St., #1801 Arlington, VA 22209	Magnavox Electronic Systems Co	8,795.18	1,084.55
Michael D. Philips, 1616 P St., NW Washington, DC 20036	Union of Concerned Scientists	3,000.00	156.68
Barbara Phillips, 1818 N Street, NW Washington, DC 20036	AirTouch Communications	8,612.50	
Deirdre B. Phillips, 100 Federal Street Boston, MA 02110	First National Bank of Boston	7,150.00	6,391.92
Joseph M. Phillips, 1600 Rhode Island Ave., NW Washington, DC 20036	National Rifle Assn of America	2,750.00	128.20
Karen B. Phillips, 50 F Street, NW Washington, DC 20001	Association of American Railroads	3,047.91	118.60
William H. Phillips, 1120 Connecticut Ave., NW Washington, DC 20036	American Bankers Assn	3,410.71	
Kristine Phillips-Geddings, 2000 K Street, NW, #800 Washington, DC 20006	National Committee to Preserve Social Security & Medicare	1,523.00	
Mary Elizabeth Piccione, 1629 K Street, NW, #501 Washington, DC 20006	Delta Air Lines, Inc	4,500.00	1,220.29
Lori J. Pickford, 2301 M Street, NW Washington, DC 20037	American Public Power Assn	1,000.00	
Paulette C. Pidcock, 1299 Pennsylvania Ave., NW, #1125 Washington, DC 20004-2402	Pacific Gas & Electric Co	6,540.00	
Janice Pieper, 1101 Vermont Ave., NW Washington, DC 20005	American Medical Assn	3,750.00	
Jim Pierce, 1420 King Street Alexandria, VA 22314-2794	National Society of Professional Engineers	1,000.00	
Jeremy Edes Pierotti, 1401 New York Avenue, NW, #1100 Washington, DC 20005	National Cooperative Business Assn		
Pierson Semmes & Bemis, 1054 31st Street, NW Washington, DC 20007	Mauritius Sugar Syndicate	10,030.00	110.44
Donna M. Pignatelli, 1001 Pennsylvania Ave., NW Washington, DC 20004	American Council of Life Insurance, Inc	2,500.00	
Steven J. Piguet, 1025 Connecticut Ave., NW, #1007 Washington, DC 20036	Armstrong World Industries, Inc		
Jeffrey R. Pike, 1300 Connecticut Ave., NW, #600 Washington, DC 20036	Massachusetts Water Resources Authority	2,000.00	47.00
Do	National Wireless Resellers Assn	3,400.00	60.00
Do	Oceantrawl, Inc	4,000.00	81.00
Do	Patton Boggs, L.L.P.	12,000.00	73.00
Do	United Catcher Boats	6,000.00	120.00
Pillsbury Madison & Sutro, 1667 K St., NW, #1100 Washington, DC 20006	Securities Litigation Reform Coalition	2,337.50	
Valerie F. Pinson, 1724 Massachusetts Avenue, NW Washington, DC 20036	National Cable Television Assn, Inc	2,604.00	
Piper & Marbury, 1200 19th Street, NW, #700 Washington, DC 20036	Edison Electric Institute		
Do	Rabanco Companies		
Peter A. Piscitelli, Wilson Elser Moskowitz Edelman & Dicker One Steuben Place Albany, NY 12207	Healthcare Asn of New York State	4,165.00	267.02
William R. Pitts Jr., 4767 North 24th Road Arlington, VA 22207	Capital Cities/ABC, Inc	5,648.93	
Frank M. Pizzoli, 1335 North Front Street Harrisburg, PA 17102	Pennsylvania Chiropractic Society		
Plains Cotton Growers, Inc, 4510 Englewood Lubbock, TX 79414			
Planned Parenthood Fed of America, Inc, 1120 Connecticut Ave., NW, #461 Washington, DC 20036		12,577.82	12,577.82
Michael L. Platner, 1220 L Street, NW, Suite 900 Washington, DC 20005	American Petroleum Institute	10,210.00	229.05
Jon Plebani, 1801 K Street, NW, Suite 400K Washington, DC 20006	Arter & Hadden (For:Association for Responsible Thermal Treatment)		
Do	Arter & Hadden (For:Bristol Myers Squibb)		
Do	Arter & Hadden (For:Central South West Corp)		
Do	Arter & Hadden (For:Circus Circus Enterprises, Inc)		
Do	Arter & Hadden (For:Citicorp)		

Organization or Individual Filing	Employer/Client	Receipts	Expenditures
Do	Arter & Hadden (For:Corning, Inc)		
Do	Arter & Hadden (For:Electronic Data Systems Corp)		
Do	Arter & Hadden (For:Fairchild Aircraft, Inc)		
Do	Arter & Hadden (For:Financial Guaranty Insurance Corp)		
Do	Arter & Hadden (For:Great Lakes Museum of Science Environment & Technology).		
Do	Arter & Hadden (For:Hearst Corp)		
Do	Arter & Hadden (For:Investment Company Institute)		
Do	Arter & Hadden (For:National Assn of Broadcasters)		
Do	Arter & Hadden (For:Tele-Communications, Inc)		
Do	Arter & Hadden (For:U.S. Long Distance Corp)		
Do	Arter & Hadden (For:United Services Automobile Assn)		
Do	Arter & Hadden (For:Working Group on R&D)		
Wyll W. Pleger, 1150 18th Street, NW, #200 Washington, DC 20036	Brown & Root, Inc		
E. R. Plourd, 400 N. Capitol Street, NW, #856 Washington, DC 20001	United Transportation Union	2,500.00	
Policy Consulting Services, Inc, 1707 L Street, NW, #725 Washington, DC 20036	Nissan Motor Company, Ltd		
Do	Nissan Motor Manufacturing Corp, U.S.A.		
Do	Nissan North America, Inc		
Policy Directions, Inc, 818 Connecticut Ave., NW, Third Floor Washington, DC 20006	Bausch & Lomb	4,130.00	
Do	Carnation Nutritional Products	4,875.00	
Do	Nestle Food Co	1,875.00	
Do	Stericycle	600.00	
Diane Pollack, 1120 Connecticut Ave., NW, Sutie 461 Washington, DC 20036	Planned Parenthood Federation of America	794.57	257.50
Michele Pollak, 601 E Street, NW Washington, DC 20049	American Assn of Retired Persons		
Alfred M. Pollard, 900 19th Street, NW, Suite 400 Washington, DC 20006	Bankers Roundtable	16,153.85	
Kris D. Polly, 3800 North Fairfax Drive, Suite 4 Arlington, VA 22203	National Water Resources Assn	3,125.00	
Kathryn Pontzer, 1383 Piccard Drive P.O. Box 1725 Rockville, MD 20849-1725	American Occupational Therapy Assn, Inc	5,000.00	174.85
Pope Group, 5011 Wyandot Court Bethesda, MD 20816	Unisys Corp	800.00	24.00
Pope McGlamry Kilpatrick & Morrison, 318 11th St., 2nd Floor Columbus, GA 31902	INSLAW, Inc		
Joseph V. Popolo Jr., 1600 Wilson Boulevard, #807 Arlington, VA 22209	Roadway Services, Inc		
John D. Porter, 1150 Connecticut Ave., NW, Suite 1125 Washington, DC 20036	Financial Executives Institute	10,640.00	
Potomac Research Group, 1747 Pennsylvania Ave., NW, Suite 1000 Washington, DC 20006	J. Epstein & Co, Inc		
Potomac Strategies & Analysis, Inc, P.O. Box 132 Clifton, VA 22024-0132	3M Company		415.00
Jack R. Pounds, Betz Laboratories Inc 4636 Somerton Road Trevose, PA 19053	Betz Laboratories Inc		
Wayne A. Powell, 1101 Vermont Ave., NW, #700 Washington, DC 20005	American Academy of Ophthalmology		3,163.00
Jan Geiselman Power, 816 Connecticut Ave., NW, Suite 900 Washington, DC 20006	OHM Corp		
John J. Power, 815 16th St., NW Washington, DC 20006	American Fed of Labor & Congress of Industrial Organizations	20,393.23	139.25
Libby L. Powers, 201 Massachusetts Ave., NE, #C-4 Washington, DC 20002	National Corn Growers Assn	2,500.00	
Linda F. Powers, 750 17th Street, NW, 4th Floor Washington, DC 20006	Enron Corporation	3,000.00	
David J. Pratt, 1130 Connecticut Ave., NW, #1000 Washington, DC 20036	American Insurance Assn	850.00	
Russell R. Pratt, 1033 N. Fairfax St., #404 Alexandria, VA 22314	International Council of Shopping Centers	1,550.00	
Premark International, Inc, 1717 Deerfield Road Deerfield, IL 60015		4,000.00	4,000.00
William B. Prendergast, 4301 North Fairfax Drive, #425 Arlington, VA 22203	Air Conditioning & Refrigeration Institute		
Preston Gates Ellis Rouvelas & Meeds, 1735 New York Avenue, NW, #500 Washington, DC 20006	Akitsu Shipping Co, Ltd		
Do	American Classic Voyages Company	1,620.00	
Do	American Forest & Paper Assn		
Do	American President Lines	272.00	
Do	ASARCO, Inc		
Do	Brown Forman Corp	4,049.00	
Do	Burlington Northern Railroad Co	866.50	
Do	Business Software Alliance	1,994.50	
Do	Calista Corp		
Do	Chambers Development Co, Inc		
Do	Coalition for Stability in Marine Financing		
Do	Dynasty Cruise Line, Inc		
Do	Hazardous Waste Action Coalition	828.00	
Do	Hewlett-Packard Co		
Do	Intelsat		
Do	Intermodal Association of North America	312.00	
Do	Maruha Corporation		
Do	Massachusetts Port Authority	496.00	
Do	Microsoft Corp	23,473.50	
Do	Mining Law Coalition		
Do	Mormac Marine Group, Inc/Mormac Marine Transport, Inc		
Do	National Council on Compensation Insurance		
Do	Nichiro Corp		
Do	Nissui Shipping Corp		
Do	Ocean Common Carrier Coalition	27,630.00	
Do	OMI Corp	9,840.00	
Do	Port of Seattle	632.50	
Do	Rokuchuo Marine Corp		
Do	Royal Seafoods, Inc		
Do	Seattle Housing Authority	1,482.00	
Do	Sunmar Shipping, Inc		
Do	Transportation Institute		
Do	Tri-City Industrial Development Council	544.00	
Do	University of Washington		
Do	USTF Conference Group		
Do	Washington State Hospital Assn		
Ann L. Pride, 1776 I Street, NW, #275 Washington, DC 20006	Entergy Services, Inc	4,455.78	606.54
Sheila M. Prindiville, 4301 Connecticut Ave., NW #300 Washington, DC 20008	National Solid Waste Management Assn	500.00	
Curtis A. Prins, 4708 Briar Patch Ct. Fairfax, VA 22032	Acclerated Payment Systems	9,000.00	
Do	American Collectors Assn	15,833.32	
Do	Credit Union National Assn	6,249.99	
Do	National Auctioneers Assn	15,000.00	
Do	U-Haul International	15,000.00	
Procompetitive Rail Steering Committee, c/o Vuono, Lavelle & Gray 2310 Grant Building Pittsburgh, PA 15219			
Project Acta, Inc, 1 Steppingstone Lane Kings Point, NY 11024			
Project Cure, Inc, 5910 N. Central Expressway, #760 Dallas, TX 75206			
Peter D. Prowitt, 1299 Pennsylvania Ave., NW, #1100 Washington, DC 20004-2407	General Electric Co	2,000.00	345.00
James C. Pruitt, 1050 17th St., NW, #500 Washington, DC 20036	Texaco Group, Inc		
Jerry Z. Pruzan, 601 Pennsylvania Ave., NW North Building, 4th Floor Washington, DC 20004	Atlantic Richfield Co	500.00	
Public Employee Department, AFL-CIO, 815 16th St., NW Washington, DC 20006		52,902.39	20,449.79
Public Service Electric and Gas Company, 80 Park Plaza, T4A Newark, NJ 07101			68.00
Public Strategies, 98 San Jacinto, Suite 900 Austin, TX 78701	Hillwood Development Corp	2,400.00	55.03
Do	Southwest Airlines Co	3,000.00	12.19
Public Strategies Washington, Inc, 1455 Pennsylvania Ave., NW, #1100 Washington, DC 20004	Advanced Micro Devices	7,500.00	
Do	American Methanol Institute	40,000.00	
Do	American Trucking Assns, Inc	18,000.00	
Do	Anheuser-Busch Companies, Inc	20,000.00	
Do	Beneficial Management Corp	20,000.00	
Do	Blue Cross Blue Shield Assn	36,000.00	
Do	Boston Capital Partners, Inc	1,000.00	
Do	Chiquita Brands International	50,000.00	
Do	G-Tech Corporation	15,000.00	
Do	Mexican Department of Commerce & Finance		
Do	Nafta-El Paso Business Development Council	20,000.00	
Do	National Assn of Chain Drug Stores	10,667.33	
Do	Varity Corporation	12,000.00	
David E. Pullen, 1625 K Street, NW, #750 Washington, DC 20006	Manville Corporation	500.00	
Brenda Pulley, 607 14th Street, NW, #800 Washington, DC 20005	Safety-Kleen Corp	5,000.00	
Thomas W. Purcell, 100 Daingerfield Road Alexandria, VA 22314	Printing Industries of America, Inc	2,500.00	
Sue P. Purvis, P.O. Box 14042 St. Petersburg, FL 33733	Florida Power Corp	12,000.00	2,701.00
Do	Florida Progress Corp	3,000.00	676.00

Organization or Individual Filing	Employer/Client	Receipts	Expenditures
Earle W. Putnam, 5025 Wisconsin Avenue, NW Washington, DC 20016	Amalgamated Transit Union, AFL-CIO		
Howard Pyle III, 1050 17th Street, NW, #1250 Washington, DC 20036	Houston Industries, Inc	8,000.00	
Robert N. Pyle & Associates, P.O. Box 3731 Washington, DC 20007	Elkem Metals Company	750.00	
Do	Independent Bakers Assn	1,200.00	
Do	Stratcor	3,000.00	
Do	Welch Foods, Inc	1,000.00	
Quaker Oats Company, 321 North Clark Street Chicago, IL 60610		2,715.25	2,715.25
Charles N. Quigley, 5146 Douglas Fir Road Calabasas, CA 91302	Center for Civic Education	6,325.00	1,204.00
Harold P. Quinn Jr., 1130 17th St., NW Washington, DC 20036	National Mining Assn	10,850.00	
John E. Quinn, Massachusetts Petroleum Council 11 Beacon Street Boston, MA 02108	American Petroleum Institute	2,500.00	
Patrick H. Quinn, 601 13th Street, NW, #410 Washington, DC 20005	R. Duffy Wall & Associates, Inc	1,250.00	
Earl C. Quist, 1850 M Street, NW, #600 Washington, DC 20036	Toyota Motor Sales, USA, Inc		
Mark J. Raabe, 601 Pennsylvania Ave., NW North Building, Suite 1200 Washington, DC 20004	Merck & Co, Inc	1,500.00	500.00
Robert E. Rader Jr., 2777 Stemmons Freeway, #1233 Dallas, TX 75207	Rader Campbell Fisher & Pyke, P.C.		226.46
Alex Radin, 1615 L St. NW, #900 Washington, DC 20036	Radin & Associates, Inc (For:Tennessee Valley Public Power Assn)	1,218.75	
Do	Radin & Associates, Inc (For:Washington Public Utility Districts Assn)	2,375.00	
Raffaelli Spees Springer & Smith, 1341 G Street, NW, #200 Washington, DC 20005	American Chiropractic Assn	3,000.00	
Do	American Psychological Assn	1,000.00	
Do	Association of Progressive Rental Organizations	9,000.00	
Do	BP America	1,500.00	
Do	Chabot Observatory & Science Center	1,200.00	25.84
Do	Competitive Long Distance Coalition	1,000.00	
Do	Consortium for Regional Climate Centers	3,750.00	28.59
Do	Council of American Overseas Research Centers		
Do	Crystal Holdings Corp	2,000.00	367.50
Do	Dean Witter Realty, Inc	3,000.00	
Do	Everglades Trust	10,000.00	
Do	Golden Hill Paugussett Tribe		
Do	Johnson Controls, Inc	2,000.00	
Do	McDonnell Douglas Corp	4,500.00	
Do	National Medical Care		
Do	Orlando-Orange County Expressway Authority	2,500.00	304.12
Do	Seafarers International Union	1,000.00	
Do	Taylor Lohmeyer Corrigan, P.C.	3,000.00	
Do	Tudor Investment Corp	1,000.00	
Do	University of Nevada, Reno	8,000.00	107.93
Do	Wiley, Rein & Fielding	1,000.00	
Zvi Rafiah, Asia House 4 Weizman Street Tel Aviv, 64239 Israel	Rabintex Industries, Ltd		
Do	Rafael Armament Development Authority	18,611.00	4,127.00
Do	TAAS, Israeli Industries LTD (IMI)	13,628.00	1,450.00
Do	Urdan Industries LTD		
Robert H. Ragan, 1015 15th Street, NW, Suite 700 Washington, DC 20005-2605	Bechtel Group, Inc		
Thomas F. Railsback, 2000 M Street, NW Washington, DC 20036	Alliance for Competitive Communications	2,640.00	
Do	Federal Judges Assn		
Do	Federal Magistrate Judges' Assn	300.00	
Do	RR Donnelley & Sons Co	300.00	
Railway Progress Institute, 700 North Fairfax St. Alexandria, VA 22314			
Barbara Raimondo, 128 North Abingdon St. Arlington, VA 22203	Consumer Action Network	550.00	32.00
Lisa J. Raines, 1020 19th Street, NW Washington, DC 20036	Genzyme Corp	1,825.00	
Meghan B. Rainey, 1250 Eye Street, NW, #200 Washington, DC 20005	Information Technology Industry Council	3,000.00	59.00
Jack M. Rains, 9 Greenway Plaza, #1717 Houston, TX 77046	Southwestern Bell Corp	3,500.00	
John C. Ramig, 1300 S.W. Fifth Ave., #3400 Portland, OR 97201	Lindsay Hart Neil & Weigler (For:MOEX Corp)	3,178.98	3,993.80
Jack Ramirez, 2600 River Road Des Plaines, IL 60018	National Assn of Independent Insurers	3,000.00	365.41
M. Kristen Rand, 2000 P Street, NW, #200 Washington, DC 20036	Violence Policy Center	1,000.00	170.00
Howard W. Randolph Jr. 815 16th St., NW Washington, DC 20006	Transportation-Communications Union	1,000.00	
Edward M. Ranier, 800 One Center Plaza 120 West Fayette St. Baltimore, MD 21201-3700	Lord & Whip (For:National Funeral Directors Assn)	3,227.00	3,337.29
Renee Rappaport, 15th & M Streets, NW Washington, DC 20005	Natinoal Assn of Home Builders of the U.S.	2,884.62	
Magda A. Ratajski, Three Commercial Place Norfolk, VA 23510-2191	Norfolk Southern Corp		
John W. Rauber Jr., 1730 Rhode Island Ave., NW, #206 Washington, DC 20036	Union Camp Corp	738.37	189.00
G. David Ravencraft, 601 Pennsylvania Ave., NW, North Building, Suite 540 Washington, DC 20004	Ashland Oil, Inc	2,000.00	
William Randall Rawson, 950 N. Glebe Road, #160 Arlington, VA 22203-1824	American Boiler Manufacturers Assn, Inc		
Bruce A. Ray, Bruce Ray & Company 636 A Street, NE Washington, DC 20002	Bayley Seton Hospital	21,245.34	
Do	Cumberland Packing Company	10,677.89	
Do	Lutheran Medical Center	10,641.23	
Do	Simply Lite Foods Corp	6,323.98	
Rhonda J. Ray, 3201 Mayfair Road Baltimore, MD 21207	Maryland Food Committee		
John K. Rayburn, 1801 K Street, NW Washington, DC 20006	Westinghouse Electric Corp	1,000.00	45.00
Helene Rayder, 1020 19th Street, NW, #600 Washington, DC 20036	Mutual of Omaha Companies	450.00	
Joanna E. Reagan, 815 15th Street, NW Washington, DC 20005	International Union of Bricklayers & Allied Craftsmen	3,000.00	113.00
John M. Rector, 205 Daingerfield Rd. Alexandria, VA 22314	National Assn of Retail Druggists	700.00	150.00
Donald L. Redfoot, 601 E Street, NW Washington, DC 20049	American Assn of Retired Persons	12,085.08	
Jill C. Redmond, 606 N. Washington Street Alexandria, VA 22314	Society for Human Resource Management	2,643.00	23.00
Laura Redoutey, 6215 West St. Joseph Way Lansing, MI 48917	Michigan Health & Hospital Assn		
Jo Reed, 601 E Street, NW Washington, DC 20049	American Assn of Retired Persons	11,963.63	187.50
Mary Reed, 600 Maryland Ave., Sw, #700 Washington, DC 20024	National Fed of Independent Business	3,401.00	200.00
Stephanie Reed, 600 Maryland Ave., SW, #100 West Washington, DC 20024-2571	American Nurses Assn	3,900.00	15.06
Reed Smith Shaw & McClay, 1301 K Street, NW East Tower Washington, DC 20005	Association of Financial Guarantee Insurors	1,500.00	
Robert K. Reeg, 1420 King Street Alexandria, VA 22314-2715	National Society of Professional Engineers	1,250.00	
J. Ronald Reeves, 2345 Crystal Drive Arlington, VA 22227	U.S. Air, Inc	2,000.00	150.00
R. Brent Regan, 1401 I Street, NW, #1100 Washington, DC 20005	SBC Communications, Inc	15,000.00	
Timothy J. Regan, 1455 Pennsylvania Ave., NW, #500 Washington, DC 20004	Corning, Inc	35,000.00	829.00
Regional Airline Association, 1200 19th Street, NW., #300 Washington, DC 20036-2401		4,924.00	2,150.00
David K. Rehr, 1100 South Washington Street, Ist Floor Alexandria, VA 22314-4494	National Beer Wholesalers Assn	32,999.20	1,138.53
Reichler Milton & Medel, 1747 Pennsylvania Ave., NW, #1200 Washington, DC 20006	Republic of Guyana		843.54
Do	Republic of Nicaragua		1,084.92
Do	Republic of Uganda		277.29
Do	Saharawi Arab Democratic Republic		
Do	United Republic of Tanzania		
Reid & Priest, 701 Pennsylvania Avenue, NW Washington, DC 20004	Alliance for Power Privatization	5,230.00	1,057.00
Do	ABB C-E Nuclear Fuel		
Do	City of Cleveland, Department of Port Control		
Do	City of Philadelphia	4,294.00	217.96
Do	Edison Electric Institute		
Do	Henschel, Inc		
Do	Kabi Pharmacia, Inc	3,415.00	96.18
Do	Minnesota Power		
Do	MDU Resources Group, Inc	1,000.00	
Do	Nishika Corp		
Do	Pride Refining, Inc		
Do	Tucson Electric & Power Co	2,500.00	
Do	United Illuminating Company		
Do	Utility Decommissioning Tax Group		
Do	Western Energy, Inc	16,971.25	469.65
Ronald T. Reiling, 111 Powdermill Road Maynard, MA 01754	Digital Equiptment Corp	25,000.00	
Burke G. Reilly, 1350 I Street, NW Washington, DC 20005	Ford Motor Co	2,250.00	786.80
Reinhart Boerner Van Deuren Norris & Rieselbach, 601 Pennsylvania Ave., NW North Bldg., Suite 750 Washington, DC 20004-2612.	National Employee Benefits Institute		
Reinsurance Assn of America, 1301 Pennsylvania Avenue, N.W., #900 Washington, DC 20004			
Christine W. Reiter, 1100 New York Avenue, Suite 1090 Washington, DC 20005	Synthetic Organic Chemical Manufacturers Assn	500.00	42.00
Mark Reiter, 1325 G Street, NW, #1000 Washington, DC 20005	Institute of Scrap Recycling Industries, Inc	11,000.00	933.33
Rebecca Relic, 1601 Duke Street Alexandria, VA 22314	Society of American Florists	1,000.00	
Jack Rendler, 116 New Montgomery St., #900 San Francisco, CA 94105	Citizens for Reliable & Safe Highways	1,260.00	
Renewable Fuels Assn, One Massachusettes Ave, NW, #820 Washington, DC 20002			70,361.31
Jim Renner, 222 NW Davis St., #309 Portland, OR 97209	Oregon Trail Coordinating Council	582.19	

Organization or Individual Filing	Employer/Client	Receipts	Expenditures
Diane Rennert, 1718 Connecticut Avenue, NW, #700 Washington, DC 20009	Association of American Publishers	6,500.00	812.28
Lee P. Reno, 122 C Street, NW, #875 Washington, DC 20001	Reno Cavanaugh & Hornig (For:Housing Authority Insurance, Inc)	725.00	
Edward Repa, 4301 Connecticut Ave., NW #300 Washington, DC 20008	National Solid Wastes Management Assn	500.00	
Galen J. Reser, 700 Anderson Hill Road Purchase, NY 10577	PepsiCo, Inc	192.50	437.58
John M. Reskovac, 601 13th Street, NW, #410 South Washington, DC 20005	R. Duffy Wall & Associates, Inc	1,250.00	
Barclay T. Resler, 800 Connecticut Ave., NW, Suite 711 Washington, DC 20006	Coca-Cola Company	125.00	103.20
Resource Management Consultants, Inc, 205 S. Whiting Street, #308 Alexandria, VA 22304		28,401.00	754.88
Retired Officers Assn, 201 N. Washington St. Alexandria, VA 22314		152,825.39	114,924.12
Vincent P. Reusing, 1620 L Street, NW, #800 Washington, DC 20036	Metropolitan Life Insurance Co	500.00	
Alan V. Reuther, 1757 N Street, NW Washington, DC 20036	Int'l Union, United Auto Aerospace & Agric Implement Workers	26,627.58	280.00
Allan R. Rexinger, 717 A Street, SE Washington, DC 20003	Nonprescription Drug Manufacturers Assn	375.00	
Jimmie V. Reyna, 808 17th Street, NW, Suite 300 Washington, DC 20006-3910	Stewart & Stewart (For:Radiation Systems, Inc)		
Do	Stewart & Stewart		
David Lyon Reynolds, 444 North Capitol Street, NW Washington, DC 20001	Association of California Water Agencies	2,000.00	
Gregg M. Reynolds, 4305-68th Ave. NE Olympia, WA 98516	Real Estate National Network		
Nicholas S. Reynolds, 1400 L Street, NW Washington, DC 20005	Washington Public Power Supply System		
Larry D. Rhea, 225 N. Washington Street Alexandria, VA 22314	Non Commissioned Officers Assn	4,300.00	
Frederick W. Rhodes, 1725 Jefferson Davis Highway, #900 Arlington, VA 22202	K & F Industries		
Do	Loral Corporation	4,250.00	
John J. Rhodes III, 2000 Pennsylvania Ave., NW, #900 Washington, DC 20036	California State University at Monterey Bay	12,499.98	124.33
Do	Central Arizona Water Conservation District	24,000.00	2,987.00
James E. Rich Jr., 1401 Eye Street, NW, #1030 Washington, DC 20005	Shell Oil Co	500.00	
Patricia M. Richards, 1101 Pennsylvania Ave., NW, #510 Washington, DC 20004	USX Corporation		
Richard Richards, Law Office of Richard Richards 1025 Thomas Jefferson Street, NW, #105 Washington, DC 20007	Pratt & Whitney		
Do	Sunrider International		
Alan H. Richardson, 2301 M St., NW Washington, DC 20037	American Public Power Assn	4,000.00	
Bonnie Richardson, 1600 Eye Street, NW Washington, DC 20006	Motion Picture Assn of America, Inc		
John G. Richardson, 1130 Connecticut Ave, NW, #830 Washington, DC 20036	Southern Company Services, Inc	1,125.00	4,453.67
Timothy L. Richardson, 4104 Denfeld Avenue Kensington, MD 20895	Akhiok-Kaguyak, Inc	6,000.00	
Do	Direct Dimension, Inc	3,332.00	
Do	Old Harbor Native Corp	6,000.00	
Lois Richerson, 1724 Massachusetts Avenue, NW Washington, DC 20036	National Cable Television Assn, Inc	3,635.00	63.00
Marilyn Richmond, 750 First Street, NE Washington, DC 20002-4242	American Psychological Assn	1,500.00	90.00
Max Richtman, 2000 K Street, NW, #800 Washington, DC 20006	National Comm to Preserve Social Security & Medicare	31,416.00	1,171.57
Al Rickard, 2000 L Street, NW, #702 Washington, DC 20036	International Assn of Convention & Visitor Bureaus	579.50	420.00
Clarine Nardi Riddle, 1850 M Street, NW, #540 Washington, DC 20036	National Multi Housing Council, Inc	3,500.00	
Lowell J. Ridgeway, North Dakota Petroleum Council P.O. Box 1395 Bismarck, ND 58502	American Petroleum Institute	2,000.00	1,316.60
Quentin Riegel, 1331 Pennsylvania Ave., NW, Suite 1500 North Tower Washington, DC 20004-1790	National Assn of Manufacturers		
Brian Riendeau, 1441 Gardiner Lane Louisville, KY 40213	KFC USA, Inc		6,140.03
Michael R. Riksen, 2706 Davis Ave. Alexandria, VA 22302	Harris Corporation	2,025.00	258.96
A. E. Riley, 430 First Street, SE Washington, DC 20003	American Trucking Assns, Inc	4,000.00	
Matthew J. Rinaldo, 700 New Hampshire Ave., NW Washington, DC 20037	International CellularVision Assn	600.00	139.35
Karen Rindge, 1120 Connecticut Ave., NW, #461 Washington, DC 20036	Planned Parenthood Federation of America	4,588.49	147.00
Russell C. Ring, 1700 Pensylvania Ave., NW, #500 Washington, DC 20006	Mutual of Omaha Insurance Co	825.00	
Joan D. Ringel, 511 16th Street, Suite 210 Denver, CO 80202-4227			
Durwood W. Ringo, 1299 Pennsylvania Ave., NW, Suite 1100 Washington, DC 20004	GE Company	1,375.00	
Irene Ringwood, Bogle & Gates 1299 Pennsylvania Avenue, NW, #875 East Washington, DC 20004	American Dehydrated Onion & Garlic Assn	323.00	
Do	Basic America, Inc	202.00	
Do	Direct Service Industries, Inc	808.00	
Do	Hager Hinge Company	80.00	
Do	McPhillips Manufacturing Co		
Do	Natural Resources United	202.00	
Do	Pacific Northwest Utility Conference Committee		
Do	Washington Wheat Commission	202.00	
Rini & Coran, 1350 Connecticut Ave., NW, Suite 900 Washington, DC 20036			
Mary Jane Rintelman, 3100 AMS Boulevard P.O. Box 19032 Green Bay, WI 54313	American Medical Security	268.38	376.24
Kevin J. Riordan, 1299 Pennsylvania Ave., NW 11th Floor West Washington, DC 20004-2407	General Electric Co	479.50	
John S. Rippey, 805 15th Street, NW, #600 Washington, DC 20005	Bankers Roundtable	6,024.15	
Carol A. Risher, 1718 Connecticut Ave., NW, #700 Washington, DC 20009-1148	Association of American Publishers	2,000.00	
Edward W. Rissing, 701 Pennsylvania Ave, NW Washington, DC 20004	Edison Electric Institute		
Tom Ritter, 33045 Hamilton Boulevard Farmington Hills, MI 48018	Household Financial Group, Ltd		
William R. Ritz, 2000 K Street, NW, #800 Washington, DC 20006	National Comm to Preserve Social Security & Medicare	4,133.00	
Ivette E. Rivera, 412 First Street, SE Washington, DC 20003	National Automobile Dealers Assn	5,000.00	
Peter R. Rivera Jr., 1444 Rhode Island Ave., NW, #518 Washington, DC 20005	We Care Corp	250.00	7,712.00
Robert Roach, 1350 New York Avenue, NW Washington, DC 20005	Spiegel & McDiarmid (For:American Comm for Cleanup Equity)	2,512.50	22.55
Do	Spiegel & McDiarmid (For:Oil Chemical & Atomic Workers Int'l Union, AFL-CIO)	993.75	51.36
Andrew W. Robart, 701 Pennsylvania Avenue, NW Washington, DC 20004	Edison Electric Institute	543.96	405.61
Liz Robbins Associates, 522 8th St., SE Washington, DC 20003	Association of Financial Guaranty Insurors		
Do	Authors Guild		
Do	Bradford Exchange		
Do	City of Fort Collins	10,295.00	1,800.00
Do	City of Greeley	4,412.00	1,050.00
Do	Coach Foundation		
Do	Forest City Ratner		
Do	Goldman Sachs & Co		
Do	H.J. Heinz Company	3,749.85	271.00
Do	Human Genome Sciences, Inc		
Do	Illinois Hospital Assn		
Do	Lasker Foundation		
Do	Leukemia Society of America		
Do	Magma Copper Co	9,000.00	300.73
Do	Municipal Bond Investors Assurance Corp		
Do	National Theatre of the Deaf		
Do	New York State Housing Finance Agency		
Do	New York State Medical Care Facilities Finance Agency	562.50	439.73
Do	Office of the Los Angeles District Attorney		
Do	Omnipoint Corp	1,381.25	132.82
Do	Poets & Writers	20,250.00	9,513.73
Do	Puerto Rico Federal Affairs Administration		
Do	Recording Industry Assn of America	6,000.00	2,613.73
Do	Rennaisance Communications Corp	1,270.00	412.59
Do	Scholastic, Inc		
Do	Town of Vail (Colorado)		
Do	Warburg Pincus Capital Corp	43,944.00	15,918.73
Do	Weight Watchers		
Do	Writers Guild of America, West, Inc		
Wade H. Robert, 1401 Eye Street, NW, Suite 600 Washington, DC 20005	United Technologies Corp	5,001.00	1,220.38
Carole T. Roberts, 901 15th Street, NW, #520 Washington, DC 20005	Travelers Companies	2,750.00	
David Gwyn Roberts, 411 Fayetteville Street Mall Raleigh, NC 27601	Carolina Power & Light Company	1,534.00	8,857.00
Glenn Roberts, 1620 I Street, NW, #925 Washington, DC 20006	American Spice Trade Association	150.00	
Do	Flavor and Extract Manufacturers Assn		
Do	Fragrance Materials Assn		
Do	International Assn of Color Manufacturers		
Michael A. Roberts, 1101 Vermont Avenue, NW, #300 Washington, DC 20005	American Academy of Ophthalmology		12,663.78
Perry A. Roberts, 8000 W. Florissant St. Louis, MO 63136	Emerson Electric Co		1,036.37
Roselee N. Roberts, 1735 Jefferson Davis Highway, #1200 Arlington, VA 22202	McDonnell Douglas Corp		
William J. Roberts, 1875 Connecticut Ave, NW, #1016 Washington, DC 20009	Environmental Defense Fund	15,750.00	300.00
Rebecca Roberts-Malamis, 1 Massachusetts Ave., NW, #350 Washington, DC 20001	Chubb Corporation	5,000.00	44.46
Dennis Robertson, 8000 Scott Hamilton Drive Little Rock, AR 72209	Arkansas Electric Cooperatives, Inc	25,380.00	270.00
Steve A. Robertson, 1608 K Street, NW Washington, DC 20006	American Legion	14,403.00	748.02
Robins Kaplan Miller & Ciresi, 1801 K Street, NW, #1200 Washington, DC 20006	Crystal Cruises, Inc	1,160.00	119.40
Do	Factory Mutual Engineering		
Do	International Group of P&I Clubs	1,392.00	79.00
Do	Pacific Maritime Assn	1,189.00	

Organization or Individual Filing	Employer/Client	Receipts	Expenditures
Do	Star Shipping A/S		
Cas M. Robinson, 1776 Eye Street, NW, #400 Washington, DC 20006	Nuclear Energy Institute		188.00
Kenneth L. Robinson, 3138 North l0th Street, Suite 300 Arlington, VA 22201	National Assn of Federal Credit Unions		
Peter D. Robinson, 1201 Connecticut Ave., NW, Suite 550 Washington, DC 20036	Bailey & Robinson (For:Natural Disaster Coalition)		
Do	Bailey & Robinson (For:Ormet)		
Do	Bailey & Robinson (For:Utilities Telecommunication Council)		
Richard H. Robinson, 4301 Connecticut Ave., NW, #300 Washington, DC 20008	National Solid Wastes Management Assn	500.00	
Richard L. Robinson, 1900 Fifth Third Center 511 Walnut Street Cincinnati, OH 45202	Graydon Head & Ritchey (For:River Downs Investment Co)		1,039.78
Robinson Lake Lerer & Montgomery/Sawyer Miller Group, 1501 M St., NW, #600 Washington, DC 20005	Commission on Self-Determination		
Do	CALCOT, Ltd	1,500.00	
Do	Ingersoll-Rand	3,000.00	
Do	Mesa, Inc		
Do	National Venture Capital Association		
Do	Sun Diamond Growers		
Robison International, Inc, 1 Massachusetts Ave., NW, #880 Washington, DC 20001	Alliant TechSystems	2,400.00	735.31
Do	Allied-Signal Aerospace Co	12,384.50	7,784.65
Do	Armtec Defense Products	3,150.00	751.45
Do	British Aerospace, Inc (Government Programs Office)	10,353.00	5,194.71
Do	Composting Council	3,000.00	480.31
Do	Mas-Hamilton Group		
Do	McDonnell Douglas Corp	6,850.00	3,892.22
Do	Munitions Industrial Base Task Force	4,200.00	895.61
Do	Optical Imaging Systems, Inc	1,362.94	510.31
Do	Oshkosh Truck Corp	6,416.00	3,029.83
Do	Prudential Insurance Co	2,800.00	480.31
Do	United Defense, LP	9,651.14	5,059.76
Peggy Rochette, 1825 Samuel Morse Drive Reston, VA 22090	National Grocers Assn	300.00	
Julie Rochman, 1211 Connecticut Avenue, NW, #400 Washington, DC 20036	Alliance of American Insurers	5,000.00	
James A. Rock, 1101 Pennsylvania Avenue, NW, #530 Washington, DC 20004-2514	Montana Power Co, et al.	2,500.00	159.21
Rock & Associates, 818 Connecticut Ave., NW, Suite 1100 Washington, DC 20006	National Assn of Industrial & Office Parks	3,000.00	
Do	Valhi, Inc	3,000.00	
Rocking K Development, 2200 East River Road, #115 Tuscon, AZ 85718			
Daniel Rode, 1050 17th Street, NW, #700 Washington, DC 20036	Healthcare Financial Management Assn		54.98
Michael F. Rodgers, 901 E Street, NW, #500 Washington, DC 20004-2837	American Assn of Homes & Services for the Aging		
Quincy Rodgers, 1899 L Street, Suite 500 Washington, DC 20036	General Instrument Corporation	9,100.00	488.80
Richard F. Rodgers, 300 Maryland Avenue, NE Washington, DC 20002	Federal Express Corp	6,000.00	
Raymund Rodriguez, P.O. Box 982 El Paso, TX 79960	El Paso Electric Co		
Robert A. Roe Associates, Inc, 1680 Route 23 Wayne, NJ 07470	City of Newark		
Do	County of Bergen		
Do	New Jersey Sports & Exposition Authority		
James A. Rogers, 316 Pennsylvania Ave., SE, #304 Washington, DC 20003	United Parcel Service	2,000.00	1,425.22
Margaret Rogers, 1776 Eye Street, NW, #575 Washington, DC 20006	Dow Chemical Co		6,467.00
Susan L. Rogers, 1615 M Street, NW, #200 Washington, DC 20036	R. Duffy Wall & Associates, Inc	1,250.00	
Rogers & Wells, 607 14th Street, NW Washington, DC 20005	American Express Co		
Do	Canadian Pulp & Paper Assn		
Do	Dofasco, Inc		
Do	Dreyfus Corporation	2,500.00	44.98
Do	Investment Program Assn		
Do	Kamehameha Schools/Bishop Estate		
Do	Lehman Brothers, Inc		
Do	Liga Agricola Industrial de la Cana de Azucar		
Do	Major League Baseball Players Assn		
Do	Merrill Lynch & Co, Inc		
Do	National Assn of Beverage Importers		
Do	National Automobile Dealers Assn		
Do	Oxnard Refinery		
Do	R.L. Polk & Company		
Do	Republic National Bank		
Do	RPM Securities, Inc		
Do	The Specialist Association		
Do	Wine & Spirits Wholesalers of America, Inc		
Richard A. Rohrbach, 1615 M Street, NW, #570 Washington, DC 20036	Boise Cascade Corp	11,400.00	
Frank G. Rohrbough, 201 North Washington Street Alexandria, VA 22314	Retired Officers Assn	4,072.00	
Ian M. Rolland, 200 East Berry Street Fort Wayne, IN 46802	Lincoln National Corp		
Mikel M. Rollyson, Davis Polk & Wardwell 450 Lexington Ave. New York, NY 10017	Fort Howard Corp	3,000.00	150.00
Emil A. Romagnoli, 1600 M Street, NW, #700 Washington, DC 20036	Asarco, Inc	10,000.00	45.22
Lewis Rome, One State Street, 13th Floor Hartford, CT 06103	Trading Cove Associates		
Christopher J. Ronay, 1120 19th Street, NW, #310 Washington, DC 20036	Institute of Makers of Explosives	60,000.00	50,700.00
John C. Roney, 1156 15th Street, NW, 1103 Washington, DC 20005	Hawaiian Sugar Planters' Assn	1,500.00	731.00
Curtis D. Rooney, 1101 Vermont Avenue, NW Washington, DC 20005	American Medical Assn	25.00	
Fred B. Rooney, 700 13th Street, N.W., #400 Washington, DC 20005	American Iron & Steel Institute	200.00	
Do	Association of American Railroads	200.00	
Do	AT&T	200.00	
J. Patrick Rooney, 7440 Woodland Drive Indianapolis, IN 46278	Golden Rule Insurance Company		365.70
Ropes & Gray, 1001 Pennsylvania Ave., NW, #1200 Washington, DC 20004	Business Roundtable		1,644.06
Do	Cabot Corp		
Do	Eastern Enterprises	3,218.77	1,354.14
Do	Industrial Development Authority of Ireland		
James C. Rosapepe, 1828 L Street, NW, #1010 Washington, DC 20036	Rosapepe & Spanos, Inc (For:H&R Block, Inc)	1,746.24	579.02
Rosapepe & Spanos, Inc, 1828 L Street, NW, #1010 Washington, DC 20036	H&R Block, Inc	12,250.00	3,218.20
Clifton Peter Rose, 1101 Pennsylvania Ave., NW, #900 Washington, DC 20004	Goldman Sachs & Co	3,500.00	
Rose Communications, Inc, 1625 K Street, NW, Suite 790 Washington, DC 20006	Fuel Cells for Transportation		
Do	Johnson Matthey, Inc		
Burt E. Rosen, 1020 19th Street, NW, #420 Washington, DC 20036	SmithKline Beecham Corp	2,500.00	500.00
Hilary Rosen, 1020 19th St., NW, #200 Washington, DC 20036	Recording Industry Assn of America	11,000.00	
Albert B. Rosenbaum III, 499 South Capitol Street, SW, #520 Washington, DC 20003	Allwaste, Inc	2,000.00	
Daniel Rosenberg, 218 D St., SE Washington, DC 20003	U.S. Public Interest Research Group	6,436.78	
Ernie Rosenberg, 3211 North Kenmore St. Arlington, VA 22207	Occidental Petroleum Corp		127.48
Robert M. Rosenberg, 8100 Oak Street Dunn Loring, VA 22027	National Pest Control Assn		
Herb Rosenbleeth, 1811 R Street, NW Washington, DC 20009	Jewish War Veterans of the USA	17,380.99	20.00
Marilyn Rosenthal, 1707 L Street, NW, #300 Washington, DC 20036	United Air Lines, Inc	1,200.00	
Richard D. Ross, 1301 Pennsylvania Ave., NW, #305 Washington, DC 20004	Natural Disaster Coalition	9,000.00	420.04
Stephen R. Ross, 888 16th Street, NW Washington, DC 20006	Ross & Hardies (For:InterMedia Partners)	5,311.50	
William F. Ross, South Carolina Petroleum Council 1220 L Street, NW Washington, DC 20005-8	American Petroleum Institute	438.00	1,244.98
Toby Roth Jr., 122 C Street, NW, #310 Washington, DC 20001	American League for Exports & Security Assistance	2,625.00	98.22
John C. Rother, 601 E Street, NW Washington, DC 20049	American Assn of Retired Persons	10,433.10	122.00
Lauren J. Rothfarb, 1126 16th St., NW Washington, DC 20036	International Union of Electronic Electrical Salaried...	12,007.98	91.00
Linda Rothleder, 315 Bonifant Road Silver Spring, MD 20904	Marconi Electronics, Inc, et al.	3,000.00	1,005.89
Do	Ralvin Pacific Properties, Inc, et al.	2,700.00	
Edwin Rothschild, 1730 Rhode Island Avenue, NW, #403 Washington, DC 20036	Citizen Action Fund	200.00	10.00
Jeffrey S. Rothstein, 2722 Merrilee Drive, #360 Fairfax, VA 22031	International Brotherhood of Boilermakers...	250.00	
Robert G. Rothstein, 2200 Mill Road Alexandria, VA 22314	Interstate Truckload Carriers Conference	700.00	350.00
F. Scott Rotruck, Rt. 5, Box 155 Keyser, WV 26726	Anker Group, Inc		
Michael O. Roush, 600 Maryland Avenue, SW, #700 Washington, DC 20024	National Fed of Independent Business	4,875.00	400.00
Lori Groves Rowley, 1025 Connecticut Ave, NW, #1014 Washington, DC 20036	Enserch Corp	3,396.00	3,015.77
P. Norman Roy, P.O. Box 1938 (10 Madison Ave) Morristown, NJ 07962-1938	Financial Executives Institute	1,325.00	
Robert S. Royer, 1747 Pennsylvania Ave., NW, #900 Washington, DC 20006	Conference of State Bank Supervisors		
Do	Eaton Vance Corp		
Do	Federal Home Loan Bank of New York		
Do	Long Island Savings Bank		
Do	MacAndrews & Forbes Holdings, Inc		
Do	McClure Gerard & Neuenschwander, Inc		
Do	Michigan Trade Exchange		
Do	Republic Boston Capital Corp		

Organization or Individual Filing	Employer/Client	Receipts	Expenditures
Do	Thorn Americas		
Eldon Rudd, 6909 Main Street Scottsdale, AZ 85251	Central Arizona Project Assn		
Robert E. Ruddy, 1500 K Street, NW, #325 Washington, DC 20005	Mortgage Insurance Companies of America	4,500.00	1,062.25
Lois J. Rude, 700 13th Street, NW, #525 Washington, DC 20005	Meridian Oil Inc.	500.00	
Paul M. Ruden, 1101 King Street Alexandria, VA 22314	American Soc of Travel Agents		
Deborah K. Rudolph, 1828 L Street, NW, #1202 Washington, DC 20036	Institute of Electrical & Electronics Engineers	3,000.00	1,100.00
Gregory Ruehle, 1301 Pennsylvania Avenue, NW, #300 Washington, DC 20004	National Cattlemen's Assn	1,000.00	
Sheryl M. Ruffing, 1400 K Street, NW, #801 Washington, DC 20005	General Aviation Manufacturers Assn	5,539.00	
Nicholas L. Ruggieri, 3 Bethesda Metro Ctr., #700 Bethesda, MD 20814	Serono Laboratories	1,000.00	225.00
John Runyan, 100 Daingerfield Rd. Alexandria, VA 22314	Printing Industries of America, Inc	10,000.00	
Carey D. Ruppert, 701 Pennsylvania Ave., NW, #710 Washington, DC 20004	Tenneco, Inc	4,500.00	308.77
Robert A. Rusbuldt, 412 First Street, SE, #300 Washington, DC 20003	Independent Insurance Agents of America, Inc	25,385.00	
Charlotte Rush, 1401 Eye Street, NW Washington, DC 20005	Mastercard International, Inc		
Tonda F. Rush, 1525 Wilson Blvd., #550 Arlington, VA 22209	National Newspaper Association		
Robert Rusis, 15 Mountain View Road Warren, NJ 07061	Chubb Corporation		
Glenn S. Ruskin, 1747 Pennsylvania Avenue, NW, #700 Washington, DC 20006	CIBA-GEIGY Corp	4,375.00	
Barry Russell, 1101 16th St., NW Washington, DC 20036	Independent Petroleum Assn of America		70.00
Matthew Russell, 300 5th Street, NE Washington, DC 20002	American Osteopathic Assn	12,115.39	
Randall M. Russell, 1919 S. Eads Street #103 Arlington, VA 22202-3028	Lesher & Russell, Inc	4,500.00	
Shannon M. Russell, 601 Pennsylvania Ave., NW Washington, DC 20004	Ashland Oil, Inc	2,000.00	
Lynn B. Russo, 2001 Pennsylvania Ave., NW, #300 Washington, DC 20006	Exxon Corp		
Wally Rustad, 1800 Massachusetts Ave., NW Washington, DC 20036	National Rural Electric Cooperative Assn	125.00	
Wayne A. Rustin, 1156 15th Street, NW, #1015 Washington, DC 20005	J.C. Penney Co, Inc		
James M. Ruvolo, 405 Madison, l2th Floor Toledo, OH 43604	Owens-Illinois, Inc		3,638.00
John G. Ryan, 655 15th Street, NW, #410 Washington, DC 20005	Bristol-Myers Squibb Co	1,000.00	
Paul D. Ryan, 750 17th Street, NW, #900 Washington, DC 20006	Nissan North America, Inc	10,500.00	
RASP, INC, P.O. Box 3674 Arlington, VA 22203-0674	Boeing Information Services		
Do	Diagnostic/Retrieval Systems, Inc		
RJR Nabisco, Inc, 1301 Avenue of the Americas New York, NY 10019			13,825.54
G. J. Thomas Sadler Jr., 1155 Connecticut Ave., NW Suite 800 Washington, DC 20036	WMX Technology & Services, Inc	18,281.25	
Safe Streets Alliance, 1146 19th Street, NW, Suite 700 Washington, DC 20036			
Marc Safman, 6812 8th Street, NW, Apt. B Washington, DC 20012	Council for the National Interest		
Kenneth J. Salaets, 1250 Eye Street, NW, #200 Washington, DC 20005	Information Technology Industry Council	3,000.00	205.36
Stephen Sale, 910 16th Street, NW Washington, DC 20006	Sale Quinn Deese & Weiss (For:CSC Credit Services, Inc)		
Frank Max Salinger, 650 Naamans Road Claymont, DE 19703	ADVANTA Corp	3,000.00	2,500.00
Scott R. Salmon, 1101 Pennsylvania Ave., NW, #510 Washington, DC 20004	USX Corp		
Shannon Salmon, 1350 Eye Street, NW, #810 Washington, DC 20005	Johnson & Johnson	657.00	26.00
Robert S. Salomon III, DFC Group, Inc 7201 Wisconsin Ave. Bethesda, MD 20814	DFC, Group, Inc		
Do	Related Companies, Inc		
David M. Saltz, 815 16th Street, NW Washington, DC 20006	AFL-CIO	16,138.98	639.76
Joel Saltzman, 1220 L Street, NW Washington, DC 20005	American Petroleum Institute	1,000.00	192.33
Sammons Enterprises, Inc, 300 Crescent Court Dallas, TX 75201		23,370.00	2,712.44
Joseph E. Samora Jr., 1901 Pennsylvania Ave., NW 10th Floor Washington, DC 20006	International Mass Retail Assn	6,250.00	
Wendy B. Samuel, 3900 Wisconsin Avenue, NW Washington, DC 20016	Fannie Mae		
William Samuel, 900 15th Street, NW Washington, DC 20005	United Mine Workers of America	16,470.00	340.80
Jeffrey M. Samuels, 1100 New York Avenue, NW Suite 300 East Washington, DC 20005-3955	International Trademark Assn	21,500.00	1,816.88
Lee Sanders, 1350 I Street, NW, Suite 1290 Washington, DC 20005	American Bakers Assn	2,220.00	112.00
Rose Marie Sanders, 2501 M Street, NW Washington, DC 20037	Chemical Manufacturers Assn, Inc	900.00	828.61
Julie Sanderson-Austin, 4240 Brittany Court Woodbridge, VA 22192	American Group Practice Assn		
Stephen E. Sandherr, 1957 E Street, NW Washington, DC 20006	Associated General Contractors of America	4,000.00	500.00
Mike Sandifer, 2419 Chain Bridge Road, NW Washington, DC 20016	American Telemarketing Assn	1,950.00	669.73
Charles E. Sandler, 1220 L Street, NW Washington, DC 20005	American Petroleum Institute	6,000.00	
Peter G. Sandlund, 1730 M Street, NW, Suite 602 Washington, DC 20036	Council of European & Japanese National Shipowners' Assn		
Patricia Kopf Sanner, 1825 I Street, NW, #400 Washington, DC 20006	Humana, Inc	4,200.00	1,163.58
James D. Santini, 1101 King Street, #350 Alexandria, VA 22314	National Air Access Council	10,500.00	1,003.41
Do	National Parks Hospitality Association	7,500.00	265.96
Do	National Tour Assn, Inc	29,337.00	10,605.30
Leslie Sarasin, 1764 Old Meadow Lane, #350 McLean, VA 22102	American Frozen Food Institute	4,400.00	
Ronald A. Sarasin, 1100 South Washington Street Alexandria, VA 22314-4494	National Beer Wholesalers Assn, Inc	6,874.40	414.30
Susan Sarason, 1515 Wilson Boulevard Arlington, VA 22209	American Gas Assn	6,300.00	188.84
Satellite Broadcasting & Communications Assn, 225 Reinekers Lane, #600 Alexandria, VA 22314		11,342.47	11,342.47
Klara B. Sauer, 9 Vassar Street Poughkeepsie, NY 12601	Scenic Hudson, Inc		
Mary Jane Saunders, 1801 K Street, NW, #400K Washington, DC 20006	Arter & Hadden (For:Nintendo of America, Inc)		
Saunders Consulting, 4806 Bentonbrook Dr. Fairfax, VA 22030	Pharmaceutical Research & Manufacturers of America	6,249.99	499.01
Paul R. Savary, 1199 North Fairfax Street, Suite 801 Alexandria, VA 22314	National Assn of Truck Stop Operators		
Savings Coalition of America, 1225 EYE Street, NW, Suite 500 Washington, DC 20005		21,000.00	12,952.05
Richard N. Sawaya, 601 Pennsylvania Ave., NW North Building, 4th Floor Washington, DC 20004	Atlantic Richfield Co		
Paulasue Sawyers, 1275 Pennsylvania Ave., NW, #1100 Washington, DC 20004	Specialized Assn Services		
Alice C. Saylor, 1120 G Street, NW, #520 Washington, DC 20005	American Short Line Railroad Assn	420.00	10.00
Elizabeth K. Scanlon, 1111 19th Street, NW, #1100 Washington, DC 20036	Direct Marketing Assn, Inc	462.00	
Jeanne Schaaf, North Building, Suite 725 601 Pennsylvania Ave., NW Washington, DC 20004	British Telecommunications, plc	2,500.00	
Mark S. Schacht, 631 Howard Street, 3rd Floor Suite 300 San Francisco, CA 94105-3907	California Rural Legal Assistance, Inc	1,061.00	738.18
Victoria V. Schaff, Missouri Electric Utitlies 1800 K Street, NW, #1018 Washington, DC 20006	Kansas City Power & Light Company, et al.	6,500.00	9,150.30
Patricia A. Schaub, 1299 Pennsylvania Avenue, NW, #1125 Washington, DC 20004-2402	Pacific Gas & Electric Company	1,061.90	
Richard A. Schechter, 1825 I Street, NW, #400 Washington, DC 20006-0006	Bogoljub Karic	20,000.00	26,209.88
Marc J. Scheineson, 1201 Connecticut Avenue, NW, #300 Washington, DC 20036	Bailey & Robinson (For:Bayer Corporation)		
Do	Bailey & Robinson (For:Nonprescription Drug Manufacturers Assn)		
David E. Scherb, 54 Farview Farm Road Redding, CT 06896	PepsiCo, Inc		
Daniel B. Scherder, 122 C Street, NW, Suite 240 Washington, DC 20001-2109	Peabody Holding Company, Inc		
Gerold L. Schiebler, P.O. Box 100014 Gainesville, FL 32610-0014	University of Florida		4,845.98
Michael T. Schilling, 1001 19th Street North, #800 Arlington, VA 22209	TRW, Inc	6,545.00	664.06
Jeffrey L. Schlagenhauf, 1627 K Street, NW, #700 Washington, DC 20006	Smokeless Tobacco Council, Inc		
Paul Schlegel, 1100 Connecticut Ave., NW, #530 Washington, DC 20036	Weyerhaeuser Company		342.33
David S. Schless, 1850 M Street, NW, Suite 540 Washington, DC 20036	National Multi Housing Council	2,250.00	
Terry Schley, 1400 16th Street, NW Washington, DC 20036-0001	National Wildlife Federation		
James P. Schlicht, 1350 Eye Street, NW, #810 Washington, DC 20005-3305	Johnson & Johnson	1,227.00	259.22
Rodger Schlickeisen, 1101 14th Street, NW #1400 Washington, DC 20005	Defenders of Wildlife	10.00	
Lynn L. Schloesser, 1301 K Street, NW East Tower, Suite 715 Washington, DC 20005	Eastman Chemical Co	2,000.00	80.00
Lin Schmale, 1601 Duke Street Alexandria, VA 22314	Society of American Florists	1,000.00	
Adam P. Schmidt, 888 16th Street, NW Washington, DC 20006	Bannerman & Associates, Inc (For:Embassy of El Salvador)	100.00	
Do	Bannerman & Associates, Inc (For:Government of the United Arab Emirates)	500.00	
Do	Bannerman & Associates, Inc (For:Government of Egypt)	500.00	
Do	Bannerman & Associates, Inc (For:L.A. Motley & Co (for Government of the Philippines)).	500.00	30.75
Do	Bannerman & Associates, Inc (For:Lebanese American University)		
Richard M. Schmidt Jr., 1333 New Hampshire Ave., NW, #600 Washington, DC 20036	Association of American Publishers	500.00	
Schmidt Schroyer Colwill & Moreno, P.C., Suite 201 Pierre Professional Plaza 124 South Euclid P.O. Box 1174 Pierre, SD 57501-1174.	Home Box Office	6,000.00	2,636.00
Robert Richard Schmitt, 234821 3500 North Elm Street Jackson, MI 49201-8877			
Schnader Harrison Segal & Lewis, 330 Madison Ave., l4th Floor New York, NY 10017-5092	Gulfcoast Transit Co	37,207.00	2,942.90
Do	Lafarge Corp	19,549.50	1,787.60
Anna-Maria Stephens Schneider, 1111 19th Street, NW, #600 Washington, DC 20036	Mitsubishi Motors America, Inc	279.00	
Phillip L. Schneider, P.O. Box 1417-D49 Alexandria, VA 22313-1417	National Assn of Chain Drug Stores		
Richard C. Schneider, 225 N. Washington Street Alexandria, VA 22314	Non Commissioned Officers Assn	4,100.00	
Abraham Schneier, McKevitt Group 1101 16th St. NW, #333 Washington, DC 20036	Kelly Services, Inc	8,062.50	190.10
Do	PepsiCo, Inc	9,828.00	792.69
Schnitzer Steel Industries, Inc, 3200 N.W. Yeon Avenue Portland, OR 97210			548.01
Cindy Z. Schonhaut, 3000 K Street, NW, Suite 300 Washington, DC 20007	Metropolitan Fiber Systems Communications Co, Inc	3,000.00	
Jan Schoonmaker, 1420 New York Ave., NW, #1050 Washington, DC 20005	Van Scoyoc Associates, Inc (For:Alton Ochsner Medical Foundation)	1,125.00	
Do	Van Scoyoc Associates, Inc (For:Coalition of EPSCoR States)		
Do	Van Scoyoc Associates, Inc (For:National Assn of Water Companies)	750.00	
Do	Van Scoyoc Associates, Inc (For:National Institute for Water Resources)	1,125.00	
Do	Van Scoyoc Associates, Inc (For:Tulane University)	4,050.00	
Do	Van Scoyoc Associates, Inc (For:University of Alabama System)	1,350.00	

Organization or Individual Filing	Employer/Client	Receipts	Expenditures
Do	Van Scoyoc Associates, Inc (For:WINSM Consortium)	900.00	
Paul A. Schosberg, 900 19th Street NW, #400 Washington, DC 20006	America's Community Bankers		
Charles G. Schreiber, 1 Massachusetts Ave., NW Washington, DC 20001	National Guard Assn of the U.S.	9,492.50	1,510.85
H. B. W. Schroeder, 1016 16th Street, NW, 5th Floor Washington, DC 20036	Consumers Power Co	8,000.00	6,998.00
N. Donald Schroeder, Maryland Petroleum Council 60 West St., #403 Annapolis, MD 21401	American Petroleum Institute		
Elizabeth Schueler, Willard Office Building 1455 Pennsylvania Ave., NW, #350 Washington, DC 20004	Idaho Conservation League		
Richard F. Schultz, 807 Maine Avenue, SW Washington, DC 20024	Disabled American Veterans	18,099.43	458.77
Mary A. Schulz, 9200 Indian Creek Parkway, #220 Overland Park, KS 66210-2008	Crop Insurance Research Bureau	512.50	76.81
Do	National Assn of Mutual Insurance Cos	187.50	
Richard T. Schulze, 1700 Pennsylvania Ave., NW, Suite 950 Washington, DC 20006	Valis Associates	62,833.33	642.62
Richard T. Schulze Jr., 1820 Creek Crossing Road Vienna, VA 22182	OSHA Reform Project, 1995	2,803.10	
Neil D. Schuster, 2120 L Street, NW, #305 Washington, DC 20037	International Bridge Tunnel & Turnpike Assn	1,000.00	
William J. Schuyler, 1500 K Street, NW, Suite 650 Washington, DC 20005	Glaxo, Inc	2,500.00	
James C. Schwaninger, 1156 15th Street, NW, Suite 1015 Washington, DC 20005	J.C. Penney Co, Inc		
A.R. Schwartz, Box 3398 Galveston, TX 77552	Mitchell Energy & Development Co		
Do	Vulcan Materials		
Adam D. Schwartz, 1800 Massachusetts Avenue, NW Washington, DC 20036	National Rural Electric Cooperative Association	40.00	
Arthur E. Schwartz, 1420 King St. Alexandria, VA 22314-2715	National Society of Professional Engineers	1,000.00	
Michael Schwartz, 1101 Pennsylvania Ave. NW, #950 Washington, DC 20077	Federal Home Loan Mortgage Corp	3,000.00	200.00
Phillip L. Schwartz, 1130 Connecticut Ave., NW, #1000 Washington, DC 20036	American Insurance Assn		
Richard Schwartz, 880 S. Pickett St. Alexandria, VA 22304	Boat Owners Assn of the U.S.	3,000.00	
Carl F. Schwensen, 415 2nd St., NE, #300 Washington, DC 20002	National Assn of Wheat Growers	7,050.00	
Eric M. Schwing, Illinois Department of Nuclear Safety 1035 Outer Park Drive Springfield, IL 62704	Central Midwest Interstate Low-Level Radioactive Waste Comm	1,962.50	9.07
Yael Schy, 10801 Rockville Pike Rockville, MD 20852	American Speech-Language-Hearing Assn		
Scientific-Atlanta, One Technology Parkway Box 105600 Norcross, GA 30092			400.00
Michael Sciulla, 880 S. Pickett St. Alexandria, VA 22304	Boat Owners Assn of the U.S.	20,000.00	
William L. Scogland, One IBM Plaza Chicago, IL 60611	Jenner & Block (For:Heatherton Staff Leasing, Ltd)		
David A. Scott, 3225 Galloes Road Fairfax, VA 22037	Mobil Corporation	2,000.00	
James L. Scott, 400 N. Capitol Street, NW, #590 Washington, DC 20001	AmHS Institute	1,050.00	313.35
John H. Scott, 1111 19th Street, NW, #650 Washington, DC 20036	American College of Emergency Physicians	25.00	
Steven R. Scott, 14950 Heathrow Forest Parkway Suite 200 Houston, TX 77032-3842	Professional Services Group, Inc		
Scribner Hall & Thompson, 1850 K Street, NW, #1100 Washington, DC 20006	California Department of Insurance		
Do	CNA Financial Corp		
Do	Provident Life & Accident Insurance Co		
Do	Security Life of Denver Insurance Co		
Do	Transamerica Corporation		
Kerrill K. Scrivner, 1025 Connecticut Ave., NW, #1014 Washington, DC 20036	Enserch Corporation	6,375.00	5,190.66
Robert T. Scully, 750 First Street, NE, Suite 935 Washington, DC 20002-4241	National Assn of Police Organizations, Inc	10,494.00	1,723.00
Thomas Andrew Scully, 1111 19th Street, NW, #402 Washington, DC 20036	Federation of American Health Systems	6,000.00	
Walter J. Sczudlo, 1401 Eye Street, NW, Suite 1030 Washington, DC 20005	Shell Oil Co	500.00	
Securities Industry Assn, 1401 I Street, NW, Suite 1000 Washington, DC 20005			306,004.00
Security Traders Assn, Inc, One World Trade Center, #4511 New York, NY 10048			5,556.00
Christopher C. Seeger, 655 15th Street, NW, #400 Washington, DC 20005	USAA	6,728.00	4,745.00
James Sefcik, 1055 N. Fairfax STreet, Suite 201 Alexandria, VA 22314	U.S. Strategies Corp		
Julie A. Segal, 1816 Jefferson Place, NW Washington, DC 20036	Americans United for Separation of Church & State	10,250.00	776.44
Ruth L. Segal, 1850 M Street, NW, #1040 Washington, DC 20006	Outdoor Advertising Assn of America	33,750.00	
John F. Seher, 1825 I Street, NW, #400 Washington, DC 20006	UST Public Affairs, Inc		
George H. Seidel Jr., Associated Petroleum Industries of PA P.O. Box 925 Harrisburg, PA 17108	American Petroleum Institute		
Elliott M. Seiden, 901 15th Street, NW, #310 Washington, DC 20005	Northwest Airlines, Inc	10,000.00	100.00
Elizabeth Seiler, 1010 Wisconsin Avenue, NW, Suite 900 Washington, DC 20007	Grocery Manufacturers of America, Inc	76.94	
Dennis G. Seipp, 1801 K Street, NW, #800 Washington, DC 20006	Westinghouse Electric Corp	1,200.00	
George M. Seitts, 23733 N. Scottsdale Road Scottsdale, AZ 85255	Giant Industries, Inc		
Beverly M. Selby, 301 G Street, SW, #713 Washington, DC 20024	Alliance for American Innovation	11,900.00	
Gary B. Sellers, 1800 M Street, NW Washington, DC 20036	American Bar Assn	400.00	50.00
William H. Sells III, 1212 Potomac Street, NW Washington, DC 20007	Computer Leasing and Remarketing Assn (CDLA)	500.00	
Peter Semler, Box 723 Easthampton, NY 11937	Azerbaijan Study Foundation	12,000.00	
W. Edward Senn, 1300 I Street, NW, #400 West Washington, DC 20005	NYNEX	8,987.00	235.19
David Senter, 1901 L Street, NW, #300 Washington, DC 20036	David Senter & Associates, Inc		
David Senter & Associates, Inc, 1901 L Street, NW, Suite 300 Washington, DC 20036			
Robert A. Seraphin, 1725 Jefferson Davis Highway, #901 Arlington, VA 22202	Alliant Techsystems, Inc	2,835.00	496.86
Peter M. Seremet, 16 Munson Road Farmington, CT 06034-0338	Heublein, Inc	17,250.00	5,507.02
Seward & Kissel, 1200 G Street, NW, #350 Washington, DC 20005	Ship Finance Assn, Inc		
Eva Seydel, 1401 I Street, NW, Suite 600 Washington, DC 20005	United Technologies Corp	951.00	301.07
Seyfarth Shaw Fairweather & Geraldson, 815 Connecticut Ave., NW, #500 Washington, DC 20006	Agricultural Producers	16,648.75	576.40
Erin E. Shaffer, 1101 Pennsylvania Ave., NW, #200 Washington, DC 20004	International Paper		
Sally Shake, 7648 Ivanhoe Avenue, East La Jolla, CA 92037	Education Legislative Services, Inc	12,000.00	50.00
William H. Shaker, 5155 N. 37th Street Arlington, VA 22207			
Susan L. Shallcross, 11 Dupont Circle, NW, #300 Washington, DC 20036	Albers & Company (For:May Department Stores Co)		
Thomas A. Shallow, 1220 L Street, NW Washington, DC 20005	American Petroleum Institute	200.00	
James M. Shamberger, 1301 Pennsylvania Ave., NW #900 Washington, DC 20004	Reinsurance Assn of America		
Nancy J. Shancke, 1225 Eye Street, NW, #1225 Washington, DC 20005	Grammer Kissel Robbins & Shancke (For:Kootenai Electric Cooperative, Inc)		
Deborah L. Shannon, 1120 Connecticut Ave., NW Washington, DC 20036	American Bankers Assn	14,967.00	512.28
Kenneth L. Shapiro, Wilson Elser Moskowitz Edelman & Dicker One Steuben Place Albany, NY 12207	Healthcare Assn of New York State	4,165.00	345.65
Norman F. Sharp, 1100 17th Street, NW, #504 Washington, DC 20036	Cigar Assn of America, Inc	1,426.56	846.66
Do	Pipe Tobacco Council	479.68	162.50
Angela L. Sharpe, 1522 K Street, NW, #836 Washington, DC 20005	Consortium of Social Science Assns		2.00
Sharretts Paley Carter & Blauvelt, P.C., 1707 L Street, NW, #725 Washington, DC 20036	Toy Manufacturers of America	4,550.00	2,275.00
Charles N. Shaw, 1250 H Street, NW, #900 Washington, DC 20005	International Dairy Foods Assn		
Victoria E. Shaw, 1200 19th Street, NW, Suite 300 Washington, DC 20036	Smith Bucklin & Associates, Inc (For:National Assn of Metal Finishers)	1,337.50	
Shaw Bransford & O'Rourke, 815 Connecticut Avenue, NW, #800 Washington, DC 20006	ICA, et al.	10,000.00	923.00
Do	PHH Group	3,000.00	646.00
Do	Senior Executives Assn	10,000.00	1,436.00
Shaw Pittman Potts & Trowbridge, 2300 N Street, NW, #5121 Washington, DC 20037	Airship International, Ltd		
Do	Associated Industries of Florida		
Do	Austrian Airline	3,087.90	205.77
Do	Aviall, Inc	5,045.70	28.18
Do	Bechtel Aviation Services		
Do	Chromalloy Gas & Turbine	203.90	2.43
Do	City of Kansas City - Aviation Department		
Do	Dallas/Fort Worth International Airport	28,463.54	3,536.46
Do	Embraer Aircraft Corporation	2,605.97	20.20
Do	Emerson Electric Co		
Do	Federation of Japanese Bankers Assns		
Do	Greenville-Spartanburg Airport District	17,773.10	1,824.50
Do	Institute of International Bankers		
Do	International Small Satellite Organization		
Do	Kiwi International Air Lines, Inc	3,826.82	316.02
Do	National Assn of State Aviation Officials		
Do	National Business Aircraft Assn		
Do	National Ccalition for Minority Business		
Do	Nordam, Inc	10.40	0.44
Do	North Carolina Air Cargo Airport Authority	13,963.20	1,757.84
Do	Pratt & Whitney	254.50	95.32
Do	RJ Reynolds Tobacco		
Do	Schnell-Bruter-Kernkraftwerksgesellschaft MbH		
Do	Summit '93 Health Coalition		
Do	Workplace Health and Safety Council		
Shea & Gardner, 1800 Massachusetts Avenue, NW Washington, DC 20036	Societe Generale de Surveillance, S.A.	880.00	
James V. Sheahan, 3333 State Bridge Rd. Alpharetta, GA 30202	Siemens Corporation		
Gail E. Shearer, 1666 Connecticut Avenue, NE, #310 Washington, DC 20009	Consumers Union	4,000.00	
John J. Sheehan, 815 16th St., NW, #706 Washington, DC 20006	United Steelworkers of America	17,357.64	
Mark Sheehan, 1525 Wilson Blvd., Suite 550 Arlington, VA 22209-2411	National Newspaper Association		
Jana O. Sheffer, 1776 I Street, NW, #275 Washington, DC 20006	Entergy Services, Inc	4,699.15	
C. Douglas Shelby, Florida Petroleum Council 215 South Monroe Street, #800 Tallahassee, FL 32301	American Petroleum Institute	818.34	1,114.35

Organization or Individual Filing	Employer/Client	Receipts	Expenditures
Jeffrey L. Sheldon, 1140 Connecticut Avenue, NW Suite 1140 Washington, DC 20036	UTC Telecommunication Assn	80.52	
John E. Shelk, 1600 M Street, NW, 5th Floor Washington, DC 20036	Hartford Fire Insurance	30,000.00	1,040.00
Cynthia D. Shenker, Wilson Elser Moskowitz Edelman & Dicker One Steuben Place Albany, NY 12207	Healthcare Assn of New York State	4,165.00	19.14
Harriet Shepard, 305 West 44th Street New York, NY 10035	New York Hotel & Motel Trades Council, et al.	42,384.00	6,314.34
Neal Sher, 440 First Street, NW, #600 Washington, DC 20001	American Israel Public AFfairs Committee	24,375.00	1,717.06
Sheridan Group, 1775 T Street, NW Washington, DC 20009	Cities Advocating Emergency Aids Relief (CAEAR)	91,363.65	26,097.82
Do	CFIDS Assn of America	24,000.00	5,451.57
Do	III(b) Coalition	21,249.99	6,053.45
Dawn M. Shiley, 1100 New York Avenue, NW, #1090 Washington, DC 20005	Synthetic Organic Chemical Manufacturing Assn	500.00	
Cathleen Shine, 767 Fifth Avenue New York, NY 10153-0183	Sanford C. Bernstein & Co, Inc (For:Zalman C. Bernstein)		
William Jeffry Shipp, 50 F St., NW, #900 Washington, DC 20001	Farm Credit Council	200.00	1,280.00
Jeffrey D. Shoaf, 1957 E Street, NW Washington, DC 20006	Associated General Contractors of America	2,000.00	500.00
Kathy L. Shobert, 901 15th Street, NW, #900 Washington, DC 20005	General Communication, Inc	1,658.00	
Bard D. Shollenberger, 1200 K Street, NW Washington, DC 20005	Lockheed Information Management Services Co, Inc	2,000.00	
Shook Hardy & Bacon, One Kansas City Place 1200 Main Street Kansas City, MO 64105	Ewing Marion Kauffman Foundation		
Harold A. Shoup, 1899 L Street, NW Washington, DC 20036	American Assn of Advertising Agencies	2,500.00	
Marilyn G. Showalter, 2601 S. Capitol Way Olympia, WA 98501	Frank Russell Co	22,350.00	
Jill Showell, 1101 Pennsylvania Ave., NW, #950 Washington, DC 20004	Federal Home Loan Mortgage Corp	3,000.00	750.68
A. Z. Shows, 1801 Columbia Rd., NW, #203 Washington, DC 20009			
Diane M. Shust, 1201 16th Street, NW Washington, DC 20036	National Education Assn	3,978.55	131.00
William H. Shute, 1401 I Street, NW, #1100 Washington, DC 20005	Southwestern Bell Corp	15,000.00	7,710.39
Zelda Shute, 816 Connecticut Ave., NW, Suite 900 Washington, DC 20006	OHM Corp	1,500.00	509.12
Barbara Shycoff, 801 Pennsylvania Ave., NW, #650 Washington, DC 20004	American Express Co	9,375.00	112.00
Linda S. Sickels, 806 Canal Street Irving, TX 75063	Trinity Industries, Inc	900.00	2,421.60
Sidley & Austin, 1722 Eye Street, NW Washington, DC 20006	Newell Company		
Do	Pharmaceutical Manufacturers Assn		
Do	Tribune Broadcasting Co	87.50	
David Todd Sidor, One Constitution Square New Brunswick, NJ 08901-1500	New Jersey State Bar Assn		
Mark A. Siegel & Associates, 1030 15th Street, NW, #408 Washington, DC 20005	Stevens Institute of Technology	12,000.00	
Kristin Siemann, 1725 DeSales Street, NW, #500 Washington, DC 20036	Center for Marine Conservation	115.29	
Susan Siemietkowski, 201 Park Washington Court Falls Church, VA 22046	National-American Wholesale Grocers' Assn	3,000.00	
Jill Sigal, 601 Pennsylvania Avenue, NW, #900 South Washington, DC 20004	ASARCO, Inc	20,000.00	2,342.40
William A. Signer, 805 15th Street,NW, #500 Washington, DC 20005-2207	Chambers Associates, Inc (For:Alarm Industry Communications Committee)		
Do	Chambers Associates, Inc (For:Committee for Employment Opportunities)		
Do	Chambers Associates, Inc (For:Greater New York Hospital Assn)		
Do	Chambers Associates, Inc (For:Management Insights)		
Do	Chambers Associates, Inc (For:National Council of Chain Restaurants (NCCR))		
Do	Chambers Associates, Inc (For:New York Hospital)		
Do	Chambers Associates, Inc (For:PepsiCo, Inc)		
Do	Chambers Associates, Inc (For:Targeted Management Consultants)		
Allan Silber, 365 Main Street Nashua, NH 03060	Recyclers of Copper Alloy Products	10,500.00	5,133.76
Mark Silbergeld, 1666 Connecticut Avenue, NW, #310 Washington, DC 20009	Consumers Union of U.S., Inc	4,000.00	20.00
Pam Silberstein, 1101 14th Street, NW, Suite 1400 Washington, DC 20005	Miller Balis & O'Neil (For:American Public Gas Assn)		
Hilary Sills, 1615 L Street, NW, Suite 1150 Washington, DC 20036	Capitoline/MS&L (For:Berwind Natural Resources Corp)		
Do	Capitoline/MS&L (For:Psychemedics Corp)	2,925.00	
Do	Capitoline/MS&L (For:Sprint)	2,925.00	
Howard J. Silver, 1522 K Street, NW, #836 Washington, DC 20005	Consortium of Social Science Assns		84.50
Steve Silver, 2300 Clarendon Blvd, #1010 Arlington, VA 22201	Robertson Monagle & Eastaugh (For:Alaska Loggers Assn)		
Do	Robertson Monagle & Eastaugh (For:BP America, Inc)	10,000.00	
Do	Robertson Monagle & Eastaugh (For:City of Craig, AK)	6,000.00	
Do	Robertson Monagle & Eastaugh (For:City of Kotzebue)	6,000.00	
Do	Robertson Monagle & Eastaugh (For:City of Silverton)		
Do	Robertson Monagle & Eastaugh (For:Echo Bay Mining Company)		
Do	Robertson Monagle & Eastaugh (For:Georgia Pacific)	12,236.00	
Do	Robertson Monagle & Eastaugh (For:Goldbelt)		
Do	Intermountain Forest Industry Assn	15,000.00	
Do	Robertson Monagle & Eastaugh (For:Kennecott Corp)	30,084.00	
Do	Ketchikan Pulp Co	18,352.00	
Silver Users Assn, Inc, 1730 M St., NW, #911 Washington, DC 20036		800.00	2,423.00
Edward Silverman, 1150 17th Street, NW, Suite 400 Washington, DC 20036	Greenwich Asset Management, Inc	3,750.00	285.00
Reuben Silvers, 2030 M Street, NW Washington, DC 20036	Common Cause	7,230.54	
Silverstein & Mullens, 1776 K Street, NW, #800 Washington, DC 20006	Association for Advanced Life Underwriting	5,000.00	
Do	Bristol-Myers Co		
Do	C & M Services, Inc		
Do	Cushman & Wakefield		
Do	International Chiropractors Assn	5,000.00	
Do	Life College	5,000.00	
Do	Monrovia Nursery Company	5,000.00	
Do	MCA, Inc	10,000.00	
Do	National Assn of Home Builders Trade Assn		
Do	National Structured Settlements Trade Assn	12,000.00	
Do	5600, Inc	300.00	
Don Simon, 3rd Floor 2030 M Street, NW Washington, DC 20036	Common Cause	13,333.32	20.25
Simon & Company, Inc, 1001 Connecticut Ave., NW, #435 Washington, DC 20036	American Water Works Assn	11,100.00	1,279.27
Talmage E. Simpkins, 1150 17th Street, N.W., #700 Washington, DC 20036	Labor-Management Maritime Committee, Inc	2,875.00	275.00
Carol A. Simpson, P.O. Box 1808 Washington, DC 20013	Motorcycle Riders Foundation	5,591.08	
Thomas D. Simpson, 700 N. Fairfax Street, #601 Alexandria, VA 22314	Railway Progress Institute	3,951.01	
William G. Simpson, 1155 15th St., NW, #504 Washington, DC 20005	Entergy Services, Inc (Mississippi Power & Light Co)	2,000.00	
Do	Federal Express	3,000.00	
Do	First Mississippi Corp	1,500.00	
Do	Mississippi Chemical Corp	2,000.00	
Jennifer Singleton, 1666 Connecticut Ave., NW, Suite 400 Washington, DC 20009	Federation for American Immigration Reform	150.00	25.00
Stephen G. Sinkez, 1111 19th Street, NW, #408 Washington, DC 20036	Mitsubishi Motors America, Inc		
Skadden Arps Slate Meagher & Flom, 1440 New York Avenue, NW Washington, DC 20005	Akzo America, Inc		
Do	Allied-Signal, Inc		
Do	American International Group, Inc	3,000.00	20.00
Do	Anheuser-Busch Companies, Inc	2,000.00	20.00
Do	AK Steel	3,000.00	36.00
Do	Bell Atlantic	5,075.00	200.00
Do	Bethlehem Steel Corp	5,000.00	30.00
Do	Cellular Corp of Puerto Rico		
Do	Consolidated Freightways, Inc	125.00	
Do	CINergy Corp	525.00	10.00
Do	COMSAT Corp	2,000.00	13.00
Do	Dun & Bradstreet		
Do	Geotek Communication, Inc		
Do	Inland Steel Industries, Inc	3,000.00	32.00
Do	LTV Steel Company, Inc	5,000.00	28.00
Do	Mitgo Corp		
Do	MCI Communications Corp	21,000.00	104.00
Do	National Assn of Energy Service Companies	23,738.00	80.00
Do	National Steel Corp	3,000.00	34.00
Do	New World Communications Group, Inc	2,450.00	61.00
Do	Public Broadcasting Service		
Do	Sara Lee Corporation	1,000.00	
Do	State Universities Retirement System of Illinois Pension..		
Do	USX Corp	5,000.00	40.00
Kerry A. Walsh Skelly, 850 Dixie Highway Louisville, KY 40210	Brown-Forman Corp	2,385.00	
Edmund J. Skernolis, 1155 Connecticut Ave., NW Suite 800 Washington, DC 20036	WMW Technologies, Inc	2,125.00	
William J. Skinner, 751 Rockville Pike, # 27B Rockville, MD 20852	U.S. Pharmacopeial Convention, Inc.	166.75	29.47
Linda Arey Skladany, 1001 Pennsylvania Ave. NW Washington, DC 20004	Foundation for Environmental & Economic Progress	21,600.00	
Do	Styrene Industry	27,500.00	
Mitchell C. Sklar, 3717 Columbia Pike, Suite 300 Arlington, VA 22204	National Assn of Alcoholism & Drug Abuse Counselors		25,967.86
Paul A. Skrabut Jr., 1000 Connecticut Avenue, NW, #706 Washington, DC 20036	Palumbo & Cerrell, Inc (For:American Soc of Composers Authors & Publishers)	12,457.50	444.39

Organization or Individual Filing	Employer/Client	Receipts	Expenditures
Do	Palumbo & Cerrell, Inc (For:Atlantic Richfield Co)	547.50	
Do	Palumbo & Cerrell, Inc (For:Pennsylvania Institute of Technology)	1,335.00	
Michael P. Skredynski, 1130 Cedarwood Drive Moraga, CA 94556	U.S. Strategies Corp		
Dale D. Skupa, 3601 Vincennes Road P.O. Box 68700 Indianapolis, IN 46268	National Assn of Mutual Insurance Cos		
Robert G. Slaughter, 1615 M St., NW, #200 Washington, DC 20036	Amoco Corporation	1,500.00	362.40
Albert J. Slechter, 1100 Connecticut Ave., NW, #900 Washington, DC 20036	Chrysler Corporation	4,998.00	646.33
William T. Slider, 15th & M Streets, NW Washington, DC 20005	National Assn of Home Builders of the U.S.	10,927.46	
Catherine Reiss Sloan, 1825 I Street, NW, #400 Washington, DC 20006	LDDS Communications, Inc		
David Sloan, Corporate Strategies International, Inc 1331 Pennsylvania Avenue, NW Suite 905 North Washington, DC 20004.	Oriental Rug Importers, Inc		
Do	Pande Cameron & Co of New York		
Kirsten A. Sloan, 601 E Street, NW Washington, DC 20049	American Assn of Retired Persons	11,613.81	300.39
Kelly Campbell Slone, 800 Connecticut Ave., NW, #1100 Washington, DC 20006	Baxter	1,000.00	3,835.56
Slover & Loftus, 1224 17th St., NW Washington, DC 20036	Western Coal Traffic League	25,000.00	
Small Business Council of America, Inc, P.O. Box 4299 Columbus, GA 31904		28,061.25	40,050.56
Douglas T. Smalls, 316 Pennsylvania Ave., SE, #304 Washington, DC 20003	United Parcel Service	2,900.00	60.78
Brian D. Smedley, 750 First Street, NE Washington, DC 20002-4242	American Psychological Assn	577.07	97.50
Donald E. Smiley, 2001 Pennsylvania Ave., NW, #300 Washington, DC 20006	Exxon Corporation		
James Smiley, 1020 19th Street, NW, Suite 700 Washington, DC 20036	US West, Inc	549.60	
C. Douglas Smith, 1850 M St., NW, #600 Washington, DC 20036	Toyota Motor Sales, USA, Inc		
Daniel Smith, P.O. Box 1058 Montpelier, VT 05601	Northeast Interstate Dairy Compact Committee	10,000.00	5,773.46
Diane Smith, 655 15th Street, NW, #220 Washington, DC 20005	ALLTEL Corporation		2,500.00
F. Scott Smith, 1130 Connecticut Avenue, NW, #830 Washington, DC 20036	Southern Company Services, Inc	108.00	4,396.09
James E. Smith, One State Street Boston, MA 02109	Century Council		
Jennifer L. Smith, 1000 Connecticut Avenue, NW, #304 Washington, DC 20036	Fresh Produce Assn of the Americas	300.00	
Keith H. Smith, 1455 Pennsylvania Ave, NW, #1260 Washington, DC 20004	French & Company (For:International Electronics Mfgrs & Consumers of America, Inc).	500.00	
M. Elizabeth Smith, 1718 22nd Street, NW Washington, DC 20008	Housing Development Corp of South Africa		58.00
Michael P. Smith, 485 Lexington Ave. New York, NY 10017	New York State Bankers Assn	2,480.00	912.00
Patricia Smith, 601 E Street, NW Washington, DC 20049	American Assn of Retired Persons	12,125.23	237.00
Patrick Smith, 1101 Vermont Avenue, NW Washington, DC 20005	American Medical Assn	3,750.00	
Richard D. Smith, 15 Mountain View Road Warren, NJ 07061-1615	Chubb Corporation	5,000.00	
Richard F. Smith, 1101 Pennsylvania Avenue, NW, #400 Washington, DC 20004	Textron, Inc	600.00	150.00
Robert E. Smith, 1730 K St., NW, #1300 Washington, DC 20006	Olin Corporation	12,500.00	7,500.00
Susan Snyder Smith, 7900 Westpark Drive, #A320 Mclean, VA 22102	Chocolate Manufacturers Assn of the USA	200.00	213.50
Tim Smith, 1776 EYE Street, NW, #400 Washington, DC 20006	Nuclear Energy Institute	9,835.00	1,983.00
W. Glenn Smith, 101 West Washington Street Indianapolis, IN 46255	National City Bank, Indiana		
Smith & Sowalsky, One State Street, Suite 950 Boston, MA 02109	NYNEX Government Affairs	4,200.00	2,671.50
Smith Heenan & Althen, 1110 Vermont Avenue, NW, Suite 400 Washington, DC 20005	Private Benefits Alliance		
Smith-Free Group, 1500 K Street, NW, #325 Washington, DC 20005	American Institute of Architects	4,500.00	
Do	American Petroleum Institute	2,500.00	
Do	American Telephone & Telegraph	15,625.00	
Do	Association of Trial Lawyers of America		
Do	AFFYMETRIX	16,363.00	
Do	Broadcast Music Industries	15,000.00	
Do	Coalition on Superfund	2,812.50	
Do	CSX Corporation	3,750.00	
Do	Federal Home Loan Mortgage Corp	7,500.00	
Do	Kennecott Corp	1,875.00	
Do	Koch Industries, Inc	6,000.00	
Do	MBNA America Bank NA	6,000.00	
Do	National Assn of Protection & Advocacy Systems	900.00	
Do	Northville Industries Corp	5,000.00	
Do	Northwestern Mutual Life Insurance Co	15,000.00	
Do	Nuclear Energy Institute		
Do	NEDA/RCRA Project	750.00	
Do	Sony Music Entertainment, Inc	12,500.00	
Do	Sony Pictures Entertainment, Inc	12,500.00	
Do	Southern Company Services, Inc	5,625.00	
Do	USA Group, Inc	1,500.00	
Do	Wheelabrator Environmental Systems, Inc	1,250.00	
David A. Smitherman, Iowa Petroleum Council 218 6th Avenue, #1012 Des Moines, IA 50309-4006	American Petroleum Institute		
Smokeless Tobacco Council, Inc, 1627 K Street, NW, #700 Washington, DC 20006		14,224.62	14,224.62
William Snape, 1101 14th Street, NW #1400 Washington, DC 20005	Defenders of Wildlife	232.52	56.00
Gerard C. Snow, 5201 Auth Way Camp Springs, MD 20746	Transportation Institute	4,000.00	
Larry S. Snowhite, 1025 Connecticut Avenue, NW, #900 Washington, DC 20036	Semmes Bowen & Semmes (For:Houghton Mifflin Co)	1,500.00	
David F. Snyder, 1130 Connecticut Avenue, NW, #1000 Washington, DC 20036	American Insurance Assn		22.80
Harry Snyder, 1535 Mission Street San Francisco, CA 94103	Consumers Union		
John M. Snyder, 2301 South Jefferson Davis Highway, #925 Arlington, VA 22202	Abraham Lincoln Foundation for Public Policy Research	450.00	
Do	Citizens Comm for the Right to Keep & Bear Arms	14,000.00	
Alan C. Sobba, 1301 Pennsylvania Ave., NW, #300 Washington, DC 20004	National Cattlemen's Assn	1,000.00	
Jack Sobel, 1725 DeSales Street, NW, Suite 500 Washington, DC 20036	Center for Marine Conservation	243.22	
Society for Animal Protective Legislation, P.O. Box 3719 Georgetown Station Washington, DC 20007		12,898.16	18,112.44
Society for Human Resource Management, 606 North Washington Street Alexandria, VA 22314			19,421.10
Society for Nutrition Education, 2001 Killebrew Drive, #340 Minneapolis, MN 55425-1882		135.00	5,704.42
Software Publishers Assn, 1730 M Street, NW, Suite 700 Washington, DC 20036		73,693.00	24,908.21
Gary L. Sojka, 8304 Harland Drive Springfield, VA 22152	APTI, E-Systems	500.00	127.23
Do	Electronetics Corp		597.14
Do	Litton Inter Optical Systems	13,250.00	772.05
Do	Mason & Hangaer-Silas Mason Co, Inc	5,000.00	338.67
Eric W. Sokol, 519 C Street, NE Washington, DC 20002	National Assn for Home Care	474.60	
Andrea L. Solarz, 750 First St., NE Washington, DC 20002-4242	American Psychological Assn	519.38	
Patricia F. Soltys, 1250 H Street, NW, Suite 800 Washington, DC 20005	Eastman Kodak Co	100.00	12.00
Vincent R. Sombrotto, 100 Indiana Ave., NW Washington, DC 20001	National Assn of Letter Carriers	7,230.68	
Frederick P. Somers, 4720 Montgomery Laen P.O. Box 31220 Bethesda, MD 20824-1220	American Occupational Therapy Assn, Inc	5,000.00	11.25
Judah C. Sommer, 1101 Pennsylvania Ave., NW, #900 Washington, DC 20004	Goldman Sachs & Co	3,500.00	
Sonnenberg Anderson & Rodriguez, 200 South Wacker Dr. 33rd Floor Chicago, IL 60606	American Yazaki Corp	189.50	1.89
Do	Trek Bicycle Corp		
Mary Sophos, 1010 Wisconsin Avenue, NW, #900 Washington, DC 20007	Grocery Manufacturers of America, Inc	1,077.00	
Michele A. Sorenson, 1735 Jefferson Davis Hwy., Suite 1200 Arlington, VA 22202	McDonnell Douglas Corp		
Mendi A. Sossamon, 1801 K Street, NW Washington, DC 20006-1301	Arter & Hadden (For:Association for Responsible Thermal Treatment)		
Do	Arter & Hadden (For:Corning, Inc)		
Do	Arter & Hadden (For:Investment Company Institute)		
Do	Arter & Hadden (For:Motorola)		
Southern Forest Products Assn, P.O. Box 641700 Kenner, LA 70064-1700		4,346.20	4,346.20
Southwest Airlines Co, P.O. Box 36611 Dallas, TX 75235-1611			20,558.50
Barbara R. Spangler, 600 Maryland Avenue, SW Washington, DC 20024	American Farm Bureau Federation	7,731.00	99.14
Sparber and Associates, Inc, 1319 F St., NW #301 Washington, DC 20004	Association of Fire Districts of the State of New York	1,500.00	
Do	New York State Fire Chiefs Assn	1,500.00	
Do	RJR Nabisco	27,000.00	
John S. Sparkman, 2 North 9th Street Allentown, PA 18101	Pennsylvania Power & Light Co	1,248.27	352.63
Ian D. Spatz, 601 Pennsylvania Avenue, NW, #1200 Washington, DC 20004-2613	Merck & Co, Inc	1,000.00	400.00
Richard L. Spees, 1341 G Street, NW, #200 Washington, DC 20005	McAuliffe Kelly & Raffaelli (For:Desert Research Institute)	2,100.00	54.59
Barney H. Speight, 200 SW Market, Suite 1200 Portland, OR 97201	Blue Cross & Blue Shield of Oregon	775.00	116.55
Collins Robert Spencer III, 410 First St., SE, 2nd Floor Washington, DC 20003	National Rifle Assn of America	1,387.50	733.34
Brian D. Spickard, 333 Piedmont Ave., 23rd Floor Atlanta, GA 30308	Georgia Power Co	21,211.89	15,454.09
Spiegel & McDiarmid, 1350 New York Ave., NW Washington, DC 20005-4798	City of St. Louis Airport Authority		
Do	Des Moines Community School District		
Do	Former Residents of Centralia, Pennsylvania		
Do	Minneapolis/St. Paul Metropolitan Airports Commission		
Do	Northern California Power Agency		
Do	Orange County		
Do	Transmission Access Policy Study Group		
William M. Spodak, 1801 K St., NW Washington, DC 20006	Westinghouse Electric Corp	7,500.00	175.00

Organization or Individual Filing	Employer/Client	Receipts	Expenditures
Joel B. Spoonheim, 110 Maryland Avenue, NE, Suite 409 Washington, DC 20002	Council for a Livable World	1,968.78	
Lisa M. Sprague, 601 13th Street, NW, #370 South Washington, DC 20005	American Assn of Preferred Provider Organizations	2,000.00	23.05
Patricia Spurlock, 1771 N Street, NW Washington, DC 20036	National Assn of Broadcasters	6,000.00	147.00
Mark G. Spurrier, 700 E. Joppa Road Towson, MD 21286	Baltimore County Police Department, et al.		
Philip Squair, 4301 N. Fairfax Dr., Suite 425 Arlington, VA 22203	Air Conditioning & Refrigeration Institute		
Squire Sanders & Dempsey, 1201 Pennsylvania Ave., NW P.O. Box 407 Washington, DC 20044	American Soc of Anesthesiologists		
Do	Independent Data Communications Manufacturers Assn	6,000.00	48.00
Do	Information Technology Association of America		
Do	National Collegiate Athletic Assn		
Janet G. St. Amand, 1000 Connecticut Ave., NW, #507 Washington, DC 20036	Household Financial Group, Ltd	11,250.00	
Charles A. St. Charles, 2100 M Street, NW, #200 Washington, DC 20036	Stewart & Stewart (For:Libbey Glass)		
Do	Stewart & Stewart (For:Novus International, Inc)		
Do	Stewart & Stewart (For:SCM Chemicals)		
Diane D. Staab, 1101 Pennsylvania Ave., NW, #200 Washington, DC 20004	International Paper	12,000.00	734.00
June Stadheim, 1331 Pennsylvania Ave., NW, #1500 N. Washington, DC 20004-1790	National Asn of Manufacturers		
Connell Stafford, P.O. Drawer 1734 Atlanta, GA 30301	Coca-Cola Company	150.00	665.50
Roger Staiger Jr., 1667 K Street, NW, #450 Washington, DC 20006	Alyeska Pipeline Service Co	3,000.00	1,200.00
Michael J. Stanton, 1401 H Street, NW, #900 Washington, DC 20005	American Automobile Manufacturers Assn	7,812.50	783.40
Stanton & Associates, 1310 19th Street, NW Washington, DC 20036	Gateway Economic Development Corp of Greater Cleveland		
Do	National Assn of Bankruptcy Trustees		
Do	Philip Morris		
Do	University Hospitals of Cleveland		
Mary Murray Staples, P.O. Box 660634 Dallas, TX 75266-0634	Frito-Lay, Inc	3,000.00	7,390.00
Julie A. Stauss, 1225 Eye Street, NW, Suite 1250 Washington, DC 20005	American Dietetic Assn	1,000.00	
Rozann M. Stayden, 740 15th Street, NW Washington, DC 20005	American Bar Assn	400.00	50.00
Barbara E. Steakley, 1155 15th Street, NW, #600 Washington, DC 20005	Pennzoil Company	900.00	
Hannah P. Stebbins, 160 North Ave. W. M:issoula, MT 59801	Alliance for the Wild Rockies	300.00	40.00
Kathryn A. Steckelberg, 701 Pennsylvania Ave, NW Washington, DC 20004-2696	Edison Electric Institute	3,738.46	1,266.72
Steele Silcox & Browning, P.C., 1150 Connecticut Avenue, NW, 9th Floor Washington, DC 20036	Kmart Corp		
Henry J. Steenstra Jr., 1001 - 19th Street North, Suite 800 Arlington, VA 22201-1722	TRW, Inc	2,104.00	324.00
Allan Stein, 1130 Connecticut Ave., NW, #1000 Washington, DC 20036	American Insurance Assn		
Dan Stein, 1666 Connecticut Ave., NW, #400 Washington, DC 20009	Federation for American Immigration Reform		
Gary C. Stein, 7272 Wisconsin Avenue Bethesda, MD 20814	American Soc of Health-System Pharmacists	3,125.00	
Alan C. Steinbeck, 1325 Pennsylvania Avenue, NW, 7th Floor Washington, DC 20004	Kennecott Corp	450.00	556.00
Stephen R. Effros, P.C., P.O. Box 1005 Fairfax, VA 22030-1005		21,368.00	21,368.00
Steptoe & Johnson, 1330 Connecticut Ave., NW Washington, DC 20036	American Restaurant China Council		
Do	Bear Stearns & Co, Inc		
Do	Canyon Forest Village Corp		
Do	Citizens Savings & Financial Corp		
Do	Co-Operative Central Bank		
Do	CSO Company		
Do	Del Webb Corp		
Do	Federal Home Loan Bank of San Francisco		
Do	Mutual Life Insurance Company Tax Committee		
Do	New York Life Insurance Co	525.00	1.01
Do	Western Financial	7,184.14	
Do	Yavapai-Prescott Indian Tribe		
Michael Stern, 1401 H Street, NW Washington, DC 20005	Investment Company Institute	3,437.37	955.45
Urvan R. Sternfels, 1899 L Street, NW, Suite 1000 Washington, DC 20036	National Petroleum Refiners		
Heidi Sternheim, 2000 K Street, NW, Suite 800 Washington, DC 20006	National Comm to Preserve Social Security & Medicare	2,659.00	
Michael E. Steward, 1101 Pennsylvania Ave., NW, #530 Washington,, DC 20004-2514	Puget Sound Power & Light Co	2,398.00	185.12
Robert B. Stewart, 1120 G Street, NW, #900 Washington, DC 20005	National Ocean Industries Assn	7,403.00	
Terence P. Stewart, 2100 M Street, NW, #200 Washington, DC 20036	Floral Trade Council	7,018.40	3,932.74
Do	Stewart & Stewart (For:Hudson Industries Corp)		
Do	Stewart & Stewart (For:Libbey, Inc)		
Do	Monsanto Co		
Do	Novus International, Inc		
Do	Professional Plant Growers Assn		
Do	PPG Industries, Inc	17,526.17	4,440.20
Do	Radiation Systems, Inc		
Do	Smith Corona Corp		
Do	Stewart and Stewart		
Do	SCM Chemicals		
Do	Timken Co		
Do	Torrington Company		
Wyatt Stewart & Associates, Inc, 1825 I Street, NW, #400 Washington, DC 20006-0006	Bogoljub Karic	10,000.00	500.00
William F. Stiers, 11250 Waples Mill Road, #350 Fairfax, VA 22030	Quick Pawn Shop	500.00	9.00
Stephen W. Still, 2001 Third Avenue, South Birmingham, AL 35233	Torchmark Corp/Liberty Nat'l Life Insurance Co		
Don Stillman, 1757 N Street, NW Washington, DC 20036	Int'l Union, United Auto Aerospace & Agric Implement Workers	2,462.09	10.00
Lee J. Stillwell, 1101 Vermont Ave., NW Washington, DC 20005	American Medical Assn	750.00	
Bonny S. Stilwell, 3803 Densmore Ct. Alexandria, VA 22309	National Vietnam Veterans Coalition	5,900.00	1,634.49
Edward W. Stimpson, 1400 K Street, NW, #801 Washington, DC 20005	General Aviation Manufacturers Association	2,423.00	
Caroline Stinebower, 453 New Jersey Ave., SE Washington, DC 20003	Beneficial Management Corp	5,953.00	
Kenneth F. Stinger, 430 First Street, SE Washington, DC 20003	American Trucking Assns, Inc	9,000.00	
Kaye L Stinson, 1567 EYE Street, NW, #200 Washington, DC 20005	Mead Corporation		
John J. Stirk, 1725 Jefferson Davis Hwy, #601 Arlington, VA 22202-3585	Litton Industries	2,000.00	1,399.53
Heidi A. Stirrup, 1957 E Street, NW Washington, DC 20006	Associated General Contractors of America	2,000.00	
Carlton A. Stockton, 1801 Pennsylvania Ave., NW Washington, DC 20006	MCI Communications Corp	1,000.00	
Alex Stoddard, 1111 19th Street, NW, Suite 800 Washington, DC 20036	American Forest & Paper Assn	1,200.00	
Thomas M. Stohler, 1957 E Street, NW Washington, DC 20006	Associated General Contractors of America	3,000.00	500.00
Sean A. Stokes, 1140 Connecticut Ave., NW, Suite 1140 Washington, DC 20036	UTC Telecommunications Assn	141.35	
Elizabeth A. Stolpe, 1401 Eye Street, NW, Suite 300 Washington, DC 20005	Koch Industries, Inc	4,500.00	577.22
Dennis C. Stolte, 600 Maryland Avenue, SW Washington, DC 20024	American Farm Bureau Federation	8,979.00	391.75
Robin E. Stombler, 1001 Pennsylvania Avenue, NW, #725 Washington, DC 20007	American Society of Clinical Pathologists		64.72
John C. Stone, 1420 New York Avenue, NW, #1050 Washington, DC 20005	Van Scoyoc Associates, Inc (For:American Gas Assn)	750.00	
Do	Van Scoyoc Associates, Inc (For:Natural Gas Vehicle Coalition)		
Do	Van Scoyoc Associates, Inc (For:Raytheon Services)	1,000.00	
Do	Van Scoyoc Associates, Inc (For:University of New Orleans)	1,000.00	
Do	Van Scoyoc Associates, Inc (For:WINSM Consortium)		
Judith Lee Stone, 750 First Street, NE, Suite 901 Washington, DC 20002	Advocates for Highway & Auto Safety	1,562.20	
Dena G. Stoner, 2000 L Street, NW #601 Washington, DC 20036	Council for Educational Development & Research	678.78	73.00
Floyd E. Stoner, 1120 Connecticut Avenue, NW Washington, DC 20036	American Bankers Assn	41,000.00	111.71
Stephen E. Storch, 2101 L Street, NW, #401 Washington, DC 20037-1526	American Stock Exchange		
Stormwater Reform Coalition, 3050 K Street, NW, #400 Washington, DC 20007		3,125.00	3,125.00
Carol Gray Storrs, 1401 I Street, NW, #1000 Washington, DC 20005	Securities Industry Assn	2,024.00	
Todd A. Stottlemyer, 1501 BDM Way McLean, VA 22102	BDM International, Inc	60.10	19.00
Anna Stout, 122 C Street, NW, #740 Washington, DC 20001	American League for Exports & Security Assistance, Inc	10,500.00	178.11
Susan M. Stout, 1010 Wisconsin Avenue, NW, #900 Washington, DC 20007	Grocery Manufacturers of America, Inc	380.23	
Mark R. Stover, 1525 Wilson Blvd., #550 Arlington, VA 22209	National Newspaper Assn		
Julie M. Strandlie, 908 King Street, #300 Alexandria, VA 22314	Taylor Thiemann & Aitken, L.C. (For:University of Florida Foundation, Inc)	175.00	
Luther J. Strange III, 2101 Highland Avenue, #250 Birmingham, AL 35205	Sonat, Inc	5,000.00	
Do	Vulcan Materials Co	5,000.00	
Raymond L. Strassburger, 801 Pennsylvania Ave., NW, #700 Washington, DC 20004	Northern Telecom, Inc	1,250.00	
Strategic Management Associates, Inc, 112 S. West Street Alexandria, VA 22314	Greater New York Hospital Assn	30,000.00	
Do	Mobile X-Ray Providers of America	10,000.00	
Do	Montefiore Medical Center	24,000.00	
Do	National Medical Enterprises, Inc		
Do	New York Hospital	18,000.00	
Strategic Management Systems, Inc, 112 South West Street Alexandria, VA 22314	Blood Systems, Inc	20,000.00	
Strategic Policy, Inc, 1615 L Street, NW, Suite 650 Washington, DC 20036	American Plastics Council		
Do	American Trucking Assn, Inc	6,301.26	42.26
Do	Arthur Andersen & Co	3,000.00	65.04
Do	Coopers & Lybrand	3,000.00	65.04
Do	Deloitte & Touche	3,000.00	65.04

Organization or Individual Filing	Employer/Client	Receipts	Expenditures
Do	Ernst & Young	3,000.00	65.04
Do	KPMG Peat Marwick	3,000.00	65.04
Do	Lockheed IMS	3,750.00	89.48
Do	Los Angeles Convention & Visitors Bureau		
Do	Price Waterhouse	3,000.00	65.04
Terrence D. Straub, 1101 Pennsylvania Avenue, NW Washington, DC 20004	USX Corporation	250.00	12.00
W. Martin Strauss, 700 14th Street, NW, Suite 1100 Washington, DC 20005	Monsanto Co		
Stephen P. Strickland, 1835 K Street, NW, #610 Washington, DC 20006	National Peace Foundation	35.71	
Steven P. Strobridge, 201 N. Washington Street Alexandria, VA 22314	Retired Officers Assn	4,125.00	
Jack B. Strong, 400 West 15th Street, Suite 804 Austin, TX 78701	LDDSMetromedia, Inc	2,250.00	685.75
David G. Strongin, 1401 I Street, NW, #1000 Washington, DC 20005	Securities Industry Assn	750.00	
Stroock & Stroock & Lavan, 1150 17th St., NW Washington, DC 20036	J. Aron & Co, Inc		
Do	Dreyfus Corporation		
Do	EF Au Pair		
Do	Jones Act Reform Coalition	1,390.00	6.00
Do	Rongelap Community	7,080.00	56.00
Heather P. Stroup, 750 First Street, NE Washington, DC 20002-4242	American Psychological Assn	558.00	100.00
George Strumpf, 1150 17th St., NW, #600 Washington, DC 20036	Health Insurance Plan of Greater New York	12,000.00	6,500.00
Dorothy Strunk, 12612 Tartan Lane Ft. Washington, MD 20744	United Parcel Service (UPS)	7,500.00	84.00
Cory N. Strupp, Legal Dept., 38th Floor 60 Wall Street New York, NY 10260	J.P. Morgan & Co, Inc	5,194.29	2,432.08
Michael M. Stump, 14950 Heathrow Forest Parkway Suite 200 Houston, TX 77032-3842	Professional Services Group, Inc		
Stuntz & Davis, P.C., 1201 Pennsylvania Ave., NW, #819 Washington, DC 20004	Amoco Corporation	260.00	
Do	ARCO	728.00	8.00
Do	Bridgestone/Firestone, Inc	2,405.00	30.00
Do	Columbia Gas Systems Service Corp		
Do	Culp Guterson & Grader	130.00	5.00
Do	Ethyl Corp		
Do	General Electric Appliances	520.00	31.59
Do	General Electric Industrial & Power Systems	1,306.00	31.59
Do	General Electric Power Delivery		
Do	Marathon Oil Co	1,530.00	4.00
Do	Newport News Shipbuilding	754.00	
Do	Nextel Communications, Inc	8,513.75	90.00
Do	Northern States Power Co	670.00	7.00
Do	Pharmaceutical Research & Manufacturers of America	2,580.00	24.00
Do	PURPA Reform Coalition	18,735.00	95.00
Do	R.J. Reynolds Tobacco Co	5,340.00	35.00
Do	Southern California Edison Co		
Scott B. Styles, 805 15th Street, NW, #410 Washington, DC 20005	Air Products & Chemicals, Inc	3,500.00	
Glenn Sugameli, 1400 16th Street, NW Washington, DC 20036-0001	National Wildlife Federation		
Austin P. Sullivan Jr., P.O. Box 1113 Minneapolis, MN 55440	General Mills, Inc		
Charles S. Sullivan, P.O. Box 2310 Washington, DC 20013	Citizens United for Rehabilitation of Errants	3,700.00	800.00
Dianne Sullivan, 601 13th Street, NW, #410 South Washington, DC 20004	R. Duffy Wall & Associates, Inc	1,250.00	
Gael M. Sullivan, 1133 Connecticut Avenue, NW, #620 Washington, DC 20036	LTV Corporation	2,344.00	572.50
Harold R. Sullivan, 800 Connecticut Avenue, NW Washington, DC 20006-2701	Food Marketing Institute	600.00	
John J. Sullivan, 8900 Keystone Crossing Indianapolis, IN 46240	Miller Muller Mendelson & Kennedy (For:Golden Rule Insurance)	22,071.00	8,773.62
Marcia Z. Sullivan, 1000 Wilson Boulevard, Suite 3012 Arlington, VA 22209	Consumer Bankers Assn		66.64
Maureen A. Sullivan, 901 E Street, NW, Suite 500 Washington, DC 20004-2037	American Assn of Homes & Services for the Aging		
Rebecca M. Sullivan, 1033 N. Fairfax Street, Suite 404 Alexandria, VA 22314	International Council of Shopping Centers	800.00	
Superfund Reform '95, 1155 21st Street, NW, #300 Washington, DC 20036		24,000.00	6,959.30
Rick Surratt, 807 Maine Avenue, SW Washington, DC 20024	Disabled American Veterans	12,715.26	
Donald B. Susswein, 1500 K Street, NW, #200 Washington, DC 20005	Thacher Proffitt & Wood (For:Citicorp Washington)	47,642.31	
Gavin J. Sutcliffe, 1201 New York Ave., NW Washington, DC 20005-3931	American Hotel & Motel Assn	2,351.26	
Francis A. Sutherland Jr., 100 N. Greene St. Greensboro, NC 27401	Jefferson-Pilot Life Insurance Co	2,000.00	
Bob Sutton, c/o South Dakota Petroleum Council 222 E. Capitol, #16 Pierre, SD 57501	American Petroleum Institute	700.00	1,705.92
Stephen Sutton, 1000 Wilson Blvd., #2300 Arlington, VA 22209	Northrop Grumman Corporation	1,400.00	
Deborah Swartz, 1225 19th Street, NW, #210 Washington, DC 20036	Luggage & Leather Goods Manufacturers of America, Inc		
Do	Neckwear Assn of America, Inc		
Thomas L. Swartz, 89 East Avenue Rochester, NY 14649-0001	Rochester Gas & Electric Corp	1,985.00	
Elizabeth J. Swasey, 11250 Waples Mill Road Fairfax, VA 22030	NRA Crimestrike		
William R. Sweeney Jr., 1331 Pennsylvania Ave., NW, #1300-N Washington, DC 20004	Electronic Data Systems Corp	120.00	490.51
David A. Sweeney & Associates, 5209 Wyecliffe Ct. Rockville, MD 20853	John Brown & Associates, Inc	3,500.00	
Do	United Parcel Service	3,500.00	
David M. Sweet, 1101 16th Street, NW Washington, DC 20036	Independent Petroleum Assn of America		
Frederic H. Sweet, 720 East Wisconsin Avenue Milwaukee, WI 53202	Northwestern Mutual Life Insurance Co	1,000.00	
Dinane K. Swenson, 1212 New York Ave., NW Washington, DC 20005	American Tort Reform Assn		13,050.00
Leland H. Swenson, 10065 East Harvard Avenue Denver, CO 80251	Farmers' Educational & Co-Operative Union of America	12,564.25	241.31
Swidler & Berlin, Chtd, 3000 K Street, NW, #300 Washington, DC 20007	National Council of Community Hospitals	435.00	
Chris Ray Swonger, 1825 I Street, NW, #400 Washington, DC 20006	UST Public Affairs, Inc	4,500.00	750.00
John F. Swope, P.O. Box 515 Concord, NH 03302	Chubb LifeAmerica		
Virginia M. Swope, 901 15th Street, NW, #320 Washington, DC 20005	Travelers, Inc	1,500.00	
Ronald G. Sykes, 1660 L Street, NW, #400 Washington, DC 20036	General Motors Corp	3,000.00	15,656.45
David A. Sykuta, Illinois Petroleum Council P.O. Box 12047 Springfield, IL 62791	American Petroleum Institute		
Symms Lehn & Associates, Inc, 210 Cameron Street Alexandria, VA 22314	API, Amalgamated Publishers, Inc	9,000.00	2,677.50
Do	ARTBA, Alliance for Truth in Transportation Budgeting	15,000.00	4,819.50
Do	China External Trade Develpment Council, CETRA	35,000.00	8,032.50
Do	Coeur D'Alene Mines	12,000.00	3,748.50
Do	CIBA-GEIGY Corporation	6,000.00	2,677.50
Do	CNI, Community Nutrition Institute	6,000.00	2,677.50
Do	Forschler & Associates	6,000.00	2,677.50
Do	FMC	30,000.00	5,355.00
Do	Marcos D. Katz		
Do	Marks & Murase	19,000.00	5,355.00
Do	O'Connor & Hannan	6,000.00	3,748.50
Do	PAR Pharmaceutical	30,000.00	8,032.50
Do	Rabbi Milton Balkany		
Do	US Smelting & Refining Co	10,000.00	3,748.50
Ronald P. Szabat, 1101 Vermont Ave., NW Washington, DC 20005	American Medical Assn	25.00	
Z. Michael Szaz, 7200 Commerce Street, Suite 101 Springfield, VA 22150	Transylvanian World Federation	300.00	
SJA International, Inc, 1001 Connecticut Ave., NW, Suite 401 Washington, DC 20036	Zenith Data Systems	4,700.00	1,684.80
Janis Tabor, 1828 L Street, NW, #906 Washington, DC 20036	American Soc of Mechanical Engineers		
George C. Tagg, 300 Maryland Ave., NE Washington, DC 20002	Federal Express Corp	6,000.00	
Taggart & Associates, Inc, 1156 15th Street, NW, #415 Washington, DC 20005	American Crop Protection Association		
Do	Association of American Railroads		
Do	M&M/Mars, Inc		
Do	Marion Merrell Dow, Inc		
Do	TDS Telecom		
Bruce B. Talley, 1401 H Street, NW, #1060 Washington, DC 20005	Asea Brown Boveri, Inc	8,500.00	64.49
Robin M. Tallon, 1875 Eye Street, NW, Suite 800 Washington, DC 20006	Tobacco Institute	1,000.00	94.59
Jill L. Tanis, 800 Connecticut Ave., NW Washington, DC 20006-2701	Food Marketing Institute	100.00	
Susan Tannenbaum, 2030 M St., NW Washington, DC 20036	Common Cause	8,004.54	101.25
Tanner & Guin, P.C., P.O. Box 032206 Tuscaloosa, AL 35403	Morrow Realty Co, Inc		
Augustine D. Tantillo, 900 2nd Street, Suite 306 Washington, DC 20002	SRG & Associates	25,000.00	3,000.00
Tapestry Consultants, Inc, 138 Fort Evans Road, NE Leesburg, VA 22075			
Gary W. Tappana, 1776 I STreet, NW, Suite 200 Washington, DC 20006	Anheuser-Busch Companies		
Anna Tarka, 2232 40th Place, NW, #4 Washington, DC 20007	Bruce P. Cameron (for Embassy of Mozambique)	1,532.90	
Do	Bruce P. Cameron (for Nat'l Council for Maubene Resistance)	1,532.90	
Joseph Tasker Jr., 1300 Eye Street, NW, #490East Washington, DC 20005	Compaq Computer Corp	6,250.00	30.00
Jeffrey A. Tassey, 919 18th Street, NW Washington, DC 20006	American Financial Services Assn	250.00	
Thomas N. Tate, 1250 Eye Street, NW Washington, DC 20005	Aerospace Industries Assn of America, Inc	1,710.00	
Victor Tawil, 1776 Massachusetts Avenue, NW, Suite 310 Washington, DC 20036	Association for Maximum Service Television, Inc		
Taxpayers Against Fraud, Inc, 1250 Connecticut Ave., NW, Suite 401 Washington, DC 20036			21,464.20
Charles A. Taylor III, 499 South Capitol St., SW, #401 Washington, DC 20003	National Assn of Independent Insurers	1,500.00	
Gary J. Taylor, 444 North Capitol Street, NW, #534 Washington, DC 20001	International Assn of Fish & Wildlife Agencies	16,495.00	

Organization or Individual Filing	Employer/Client	Receipts	Expenditures
Jefferson D. Taylor, 655 15th Street, NW, #1200 Washington, DC 20005	Safe Buildings Alliance		
Lonnie P. Taylor, 1615 H Street, NW Washington, DC 20062	U.S. Chamber of Commerce	15,450.00	13.30
Margaret J. Taylor, 700 13th Street, NW, #525 Washington, DC 20005	Meridian Oil, Inc	1,750.00	29.39
Marie Taylor, 1825 Eye Street, NW, #400 Washington, DC 20006	BF Goodrich Co	100.00	
Mary Beth Savary Taylor, 1101 Vermont Ave., NW Washington, DC 20005	American Medical Assn	25.00	
Patricia Taylor, 7121 Sycamore Ave. Takoma Park, MD 20912	Seedco	1,250.00	250.00
Peggy Taylor, 815 16th St., NW Washington, DC 20006	American Fed of Labor & Congress of Industrial Organizations	23,452.13	1,191.40
Taylor Thiemann & Aitken, 908 King Street, #300 Alexandria, VA 22314	Association of Test Publishers		
Do	CTB MacMillan/McGraw-Hill	175.00	
Do	National Assn of Convenience Stores		
Peter B. Teeley, 502 Summers Court Alexandria, VA 22301	AMGEN, Inc		29,838.52
Richard Telthorst, Missouri Oil Council 428 East Capitol, Suite 203 Jefferson City, MO 65101	American Petroleum Institute		
Joshua P. Tenuta, 1120 Connecticut Ave., NW Washington, DC 20036	American Bankers Assn	3,102.00	
John H. Terry, 25 Erregger Terrace Syracuse, NY 13221-2151	Hiscock & Barclay (For:Niagara Mohawk Power Corp)	3,610.00	2,068.62
Richard Paul Teske, 1500 K Street, NW, #625 Washington, DC 20005	Burroughs Wellcome Co	35,000.00	
Richard Tessier, 1133 15th Street, NW, #640 Washington, DC 20005	American Logistics Assn		
Texas Committee on Natural Resources, 5952 Royal Lane, #168 Dallas, TX 75230		654.37	654.37
Textron, Inc, 40 Westminster St. Providence, RI 02903		3,300.00	730.00
Thacher Proffitt & Wood, 1500 K Street, NW, #200 Washington, DC 20005	Citicorp Washington	47,642.31	936.62
Mary Kay Thatcher, 600 Maryland Avenue, SW Washington, DC 20024	American Farm Bureau Federation	7,813.00	520.60
Richard R. Thaxton, 5112 Althea Drive Annandale, VA 22003	National Assn of State Auditors Comptrollers & Treasurers	15,000.00	327.98
Daniel O. Theno, 1919 S. Broadway P.O. Box 19130 Green Bay, WI 54304-1919	Fort Howard Corp	3,689.57	4,376.37
Theradynamics Corp, P.O. Box 229 28 Linden Street Geneva, NY 14456			
Janelle C.M. Thibau, 3000 K Street, NW, #620 Washington, DC 20007	Merrill Lynch & Co, Inc	1,800.00	
Philip E. Thoden, 1199 North Fairfax Street, Suite 801 Alexandria, VA 22314	NATSO, Inc		
Edlu J. Thom, 601 Pennsylvania Avenue, NW, #400 Washington, DC 20004	Arco Chemical Company		
Robert G. Thoma, 1100 New York Avenue, NW, #340-West Washington, DC 20005	BASF Corp	1,260.00	39.00
Amber Thomas, 7901 Westpark Drive McLean, VA 22102	AMT - The Assn for Manufacturing Technology	2,057.00	500.00
Cindy Thomas, 1990 M Street, NW, #340 Washington, DC 20036	Kent & O'Connor, Inc (For:Carter Footwear, Inc)	1,588.89	605.09
Gordon M. Thomas, 1101 Pennsylvania Avenue, NW, #400 Washington, DC 20004	Textron, Inc	600.00	150.00
Jennifer L. Thomas, 1001 Pennsylvania Ave., NW, Suite 725 Washington, DC 20004	American Soceity of Clinical Pathologists		20.00
John L. Thomas, P.O. Box 796322 Dallas, TX 75379-6322	Liberty Media Corp		
Do	Visual Information Technologies, Inc		
R. Lindsay Thomas, 250 Williams Street Atlanta, GA 30301-1996	Atlanta Committee for the Olympic Games		
Rich Thomas, 2030 M Street, NW Washington, DC 20036	Common Cause	5,816.52	
W. Dennis Thomas, 1620 Eye St., NW, #700 Washington, DC 20006	International Paper Co	2,400.00	196.83
Bruce E. Thompson Jr., 3000 K Street, NW, #620 Washington, DC 20007	Merrill Lynch & Co, Inc	9,000.00	
C. Nicholas Thompson, 1420 New York Ave., NW, Suite 750 Washington, DC 20005	Acxiom Corp		
Dana S. Thompson, 305 4th Street, NE, Washington, DC 20002	Sheet Metal & Air Conditioning Contractors National Assn		
Kenneth W. Thompson, 1156 15th Street, NW, #505 Washington, DC 20005	Association of School Business Officials International	1,500.00	10.00
Do	BellSouth Corp	6,000.00	10.00
Do	Coalition for Customer Choice in Electricity	15,000.00	10.00
Do	International Assn of Convention & Visitor Bureaus	500.00	10.00
Do	Itron and AMRplus Partners	15,000.00	10.00
Do	Potomac Capital Investment Corp	15,000.00	10.00
Do	Sunbeam-Oster Company, Inc		
Otis N. Thompson, U.S. Department of Agriculture (OPEDA) Room SM - 3 - South Ag. Bldg. Washington, DC 20250	Organization of Professional Employees of USDA	681.34	
Richard L. Thompson, 655 15th Street, NW, #410 Washington, DC 20005	Bristol-Myers Squibb Co	1,500.00	
Robert L. Thompson Jr., P.O. Box 70 Fort Mill, SC 29715	Springs Industries, Inc		
Timothy C. Thompson, 2200 First Interstate Plaza P.O. Box 1157 Tacoma, WA 98401-1157	Bechtel Hanford, Inc	15,000.00	2,405.09
R. Thompson & Company, One Massachusetts Ave., NW, Suite 330 Washington, DC 20001	Golden Rule Insurance Co	27,000.00	2,208.61
Do	Government of Guatemala	105,000.00	76,939.74
Do	Mitsubishi Electronics America, Inc	4,050.00	234.93
Thompson & Mitchell, 700 14th Street, NW, #900 Washington, DC 20005	Cold Finished Steel Bar Institute		
Lynn Harding Thomson, 1299 Pennsylvania Ave., NW Washington, DC 20004	General Electric Co	1,500.00	993.79
Robert B. Thomson III, 453 New Jersey Avenue Washington, DC 20003	Beneficial Management Corp	3,278.85	
Jill Thorne, 1500 SW 5th, #2301 Portland, OR 97201	Round-Up City Development Corp, et al.	6,453.00	565.00
John H. Thorne, 1156 15th Street, NW, Suite 400 Washington, DC 20005		10,000.00	2,346.35
Margo Thorning, 1750 K St., NW, #400 Washington, DC 20006	American Council for Capital Formation	5,748.00	
Kathryne M. Thorpe, 1299 Pennsylvania Ave., NW, #1175 Washington, DC 20004	General Atomics	1,568.00	181.61
Walter L. Threadgill, 1001 Connecticut Avenue, NW, #622 Washington, DC 20036	Millicom, Inc		
Gil Thurm, 1331 Pennsylvania Ave., NW, #1500N Washington, DC 20004-1790	National Assn of Manufacturers	5,000.00	
Maria Tilves-Aguilera, 801 Pennsylvania Ave., NW, #700 Washington, DC 20004	Northern Telecom, Inc	1,250.00	
Barbara Timmer, 1600 M Street, NW Washington, DC 20036	ITT Corp	4,290.00	950.74
Timmons & Co, Inc, 1850 K St., NW, #850 Washington, DC 20006	American Medical Assn	1,811.25	
Do	American Petroleum Institute	1,338.75	
Do	Ameritech	8,960.00	
Do	Anheuser-Busch Companies, Inc	1,725.00	
Do	Black Entertainment Television	2,126.25	
Do	Capital Cities/ABC, Inc	6,688.00	
Do	Chrysler Corporation	2,175.00	
Do	Cox Enterprises	393.75	
Do	General American Life Insurance Co	1,377.50	
Do	General Instrument Corp	5,748.75	
Do	H.J. Heinz Co	1,317.50	
Do	Major League Baseball	1,875.00	
Do	Metricom, Inc	1,811.25	
Do	National Rifle Assn	930.00	
Do	Natural Disaster Coalition	2,121.47	
Do	Northrop Grumman Corporation	8,400.00	
Do	Omnipoint Corp	393.75	
Do	G. D. Searle & Co	3,622.50	
Do	SCEcorp and Subsidiaries	1,653.75	
Do	Union Pacific Corp	1,425.00	
Alan R. Timothy, 601 Pennsylvania Ave., NW, #500 Washington, DC 20004	Coors Brewing Co	12,109.50	
William N. Tindall, 1321 Duke Street, Suite 305 Alexandria, VA 22314	Academy of Managed Care Pharmacy		
G. Wayne Tingle, 1725 Jefferson Davis Highway, #900 Arlington, VA 22202	Loral Aeronutronic	800.00	30.00
Do	Loral Vought Systems Corp	1,700.00	95.00
Constance E. Tipton, 1250 H St., NW, Suite 900 Washington, DC 20005	International Dairy Foods Association		215.50
E. Linwood Tipton, 888 16th St., NW Washington, DC 20006	International Dairy Foods Assn		
Eben S. Tisdale, 900 17th Street, NW, #1100 Washington, DC 20006	Hewlett-Packard Co	3,000.00	1,423.61
Francis M. Tivnan, Massachusetts Petroleum Council 11 Beacon Street Boston, MA 02108	American Petroleum Institute	3,000.00	
Merry M. Tobin, 600 Maryland Avenue, SW Washington, DC 20024	American Farm Bureau Federation	5,625.00	56.19
Erin Todd, 2626 Pennsylvania Avenue. NW Washington, DC 20037	National Telephone Cooperative Assn	5,000.00	511.74
Greta Todd, 777 North Capitol Street, #803 Washington, DC 20002	American Assn of Nurse Anesthetists	5,000.00	111.08
James S. Todd, 515 North State Street Chicago, IL 60610	American Medical Assn		
Lisa Tofil, 240 East Ontario, #400 Chicago, IL 60611	Northwestern Memorial Hospital	1,500.00	1,225.00
Michael A. Tongour, 1500 K Street, Suite 325 Washington, DC 20005	American Institute of Architects	4,500.00	
Do	Koch Industries, Inc	6,000.00	
Do	National Assn of Protection & Advocacy Systems	900.00	
Neil Tonnesen, 5 Wildwood Gardens Port Washington NY11050			965.00
Frank Toohey, 1401 Eye Street, NW, #1000 Washington, DC 20005-2225	Securities Industry Assn	3,642.00	
Jean R. Toohey, 1401 Eye Street, NW, #200 Washington, DC 20005	Rhone-Poulenc, Inc		
Michael J. Toohey, 601 Pennsylvania Ave., NW North Building, Suite 540 Washington, DC 20004	Ashland Oil, Inc	2,000.00	
Greg R. Toomey, 430 First Street, SE Washington, DC 20003	Blue Cross and Blue Shield Assn	9,000.00	
Jonathan M. Topodas, 151 Farmington Avenue Hartford, CT 06156	Aetna Life & Casualty Co	600.00	
William T. Torgerson, 1900 Pennsylvania Ave., NW Washington, DC 20068	Potomac Electric Power Co		
Virginia Torsch, 201 North Washington Street Alexandria, VA 22314	Retired Officers Assn	2,951.00	
Leslie Touma, 21557 Telegraph Road Southfield, MI 48034	Lear Seating Corp		
Bronwyn B. Towle, 499 South Capitol Street, SW #507 Washington, DC 20003	Hecht Spencer & Associates (For:Brown & Williamson Tobacco Corp)		
Do	Hecht Spencer & Associates (For:Kamehameha Schools Bishop Estate)		
Do	Hecht Spencer & Associates (For:National Automatic Merchandising Assn)		
Christopher Townsend, 17901 Von Karman Irvine, CA 92714	Taco Bell Corp	2,653.84	5,034.14
Wanda Townsend, 1724 Massachusetts Ave., NW Washington, DC 20036	National Cable Television Assn, Inc	3,563.00	

Organization or Individual Filing	Employer/Client	Receipts	Expenditures
Toy Manufacturers of America, Inc, 200 Fifth Ave., #740 New York, NY 10010			6,050.00
Robert L. Trachtenberg, 1319 F Street, NW, #1000 Washington, DC 20004	National Assn of Psychiatric Health Systems	500.00	
Transportation - Communications International Union, 815 16th St., NW, #511 Washington, DC 20006		4,000.00	5,088.75
Mark Traphagen, 1730 M Street, NW, Suite 700 Washington, DC 20036	Software Publishers Assn	2,630.00	125.00
Thomas C. Trauger, 1350 New York Avenue, NW Washington, DC 20005	Spiegel & McDiarmid (For:Michigan Municipal/Cooperative Group)		
E. Neil Trautwein, 1615 H Street, NW Washington, DC 20062	U.S. Chamber of Commerce	2,500.00	48.00
Travel & Tourism Government Affairs Council, 1100 New York Ave., NW, #450 Washington, DC 20005-3934		5,063.00	5,063.00
Travel Industry Assn of America, 1100 New York Avenue, NW, #450 Washington, DC 20005-3934			5,063.00
S. Bradley Traverse, 1667 K Street, NW, #1230 Washington, DC 20006	Deere & Company		
Jeffery S. Trinca, 1420 New York Ave., NW, #1050 Washington, DC 20005	Van Scoyoc Associates, Inc (For:American Forest & Paper Assn)		
Do	Van Scoyoc Associates, Inc (For:Anheuser-Busch Companies)	2,500.00	
Do	Van Scoyoc Associates, Inc (For:California Water Service Co)		
Do	Van Scoyoc Associates, Inc (For:Kellogg Company)	180.00	
Do	Van Scoyoc Associates, Inc (For:National Assn of Water Companies)	750.00	
Do	Van Scoyoc Associates, Inc (For:Schering-Plough Corp)	750.00	
Do	Van Scoyoc Associates, Inc (For:USF&G Insurance)		
Do	Van Scoyoc Associates, Inc (For:VIACOM International, Inc)	2,250.00	
Tripp Scott Conklin & Smith, 110 Tower, 28th Floor 110 Southeast 6th Street Fort Lauderdale, FL 33301	Alamo Rent-A-Car, Inc		421.00
Julie Trocchio, 4455 Woodson Road St. Louis, MO 63134	Catholic Health Assn of the United States	942.00	
Michael G. Troop, 9072 East Friess Dr. Scottsdale, AZ 85260	America's Community Bankers	8,400.00	
Thomas L. Trueblood, 455 North Cityfront Plaza Drive Chicago, IL 60611	Navistar International Transportation Corp	1,000.00	393.25
Francine L. Trull, 818 Connecticut Ave., NW, Suite 303 Washington, DC 20006	National Assn for Biomedical Research	2,715.00	
Do	Policy Directions, Inc	2,700.00	
Patrick A. Tucker, 701 Pennsylvania Ave., NW, Suite 710 Washington, DC 20004	Tenneco, Inc	5,564.00	649.35
Tucker Flyer & Lewis, P.C., 1615 L Street, NW, #400 Washington, DC 20036-5601	National Realty Committee	1,067.50	
Chris Tuffli, Bogle & Gates 1299 Pennsylvania Avenue, NW, #875 East Washington, DC 20004	City of Gresham	46.00	
Do	Confederated Tribes of the Grade Ronde	69.00	
Do	Domestic Petroleum Council	713.00	
Michael R. Tuosto, One Massachusetts Avenue, NW, Suite 710 Washington, DC 20001	Pubic Service Electric and Gas Company		
David Turch & Associates, 517 2nd Street, NE Washington, DC 20002	City of Rialto	4,800.00	1,275.00
Do	Inland Valley Development Agency	3,800.00	1,275.00
Do	Recovery Engineering	6,600.00	875.00
Do	San Bernardino Associated Governments	3,600.00	1,275.00
Do	San Bernardino International Airport Authority	1,600.00	1,275.00
Do	Southern California Regional Rail Authority	3,600.00	1,675.00
Jane L. Turner, 1111 19th Street, NW, Suite 800 Washington, DC 20036	American Forest & Paper Assn	1,200.00	
John M. Turner, 1875 Eye St., NW, #775 Washington, DC 20006	Georgia-Pacific Corp	2,600.00	
Pamela J. Turner, 1724 Massachusetts Ave., NW Washington, DC 20036	National Cable Television Assn, Inc	8,859.00	180.13
Turner Broadcasting System, Inc, 820 First Street, NE Washington, DC 20002		23,025.00	23,025.00
James S. Turpin, 3444 S. Wakefield St. Arlington, VA 22206	Horsehead Resource Development		
M. Ann Tutwiler, 1722 Eye Street, NW, 4th Floor Washington, DC 20006	Central Soya Co, Inc		173.00
John R. Tydings, 1129 20th Street, NW Washington, DC 20036	Greater Washington Board of Trade	9,500.00	
Nathan M. Tyler, 1627 K Street, NW, #800 Washington, DC 20006	Glass Packaging Institute	1,293.35	100.00
George Randall Tyree, 1800 Massachusetts Ave., NW Washington, DC 20036	National Rural Electric Cooperative Assn	39.51	
Robert E. Tyson Jr., 1515 Wilson Boulevard Arlington, VA 22209	American Gas Assn	3,750.00	327.05
G. John Tysse, 1015 15th Street, NW, #1200 Washington, DC 20005	McGuiness & Williams (For:Labor Policy Assn)	9,899.00	
U.S. Border Control, 8180 Greensboro Dr., #1070 McLean, VA 22102		117,945.74	68,928.87
U.S. Strategies Corp, 1055 N. Fairfax Street, #201 Alexandria, VA 22314	American Biodyne/Medco Behavioral Care Corp		
Do	CareTenders Healthcorp		
Do	Cities in Schools		
Do	City of Duluth		
Do	City of Las Vegas		
Do	Continental Medical Systems		
Do	Davstar Industries, Ltd		
Do	Healthsouth Rehabilitation Corp		
Do	Integrated Health Services, Inc		
Do	Promus Companies, Inc		
Do	USA Healthnet, Inc		
U.S.-China Business Council, 1818 N Street, NW Washington, DC 20036		10,995.77	10,995.77
Stewart L. Udall, 1244 Camino Cruz Blanca Santa Fe, NM 87501	Claimants Under the Radiation Exposure Compensation Act	45,000.00	
Philip J. Ufholz, 1111 19th Street, NW Washington, DC 20036	American Forest & Paper Assn	600.00	
Daniel Ulmer, 2000 Schafer Street P.O. Box 2657 Bismarck, ND 58502	Blue Cross Blue Shield of North Dakota	400.00	1,168.09
John R. Ulrich, 1776 Eye Street, NW, #575 Washington, DC 20006	Dow Chemical Company		6,467.00
John R. Undeland, 12600 Fair Lakes Circle Fairfax, VA 22033-4904	AAA Potomac	100.00	
Stephanie Teresa Underwood, 1801 K Street, NW, #900 Washington, DC 20006	American Textile Manufacturers Institute	55.56	
United Way/Community Service Council of Central IN, Inc, 3901 North Meridian Street P.O. Box 88409 Indianapolis, IN 46208-0409.			
Chase Untermeyer, Box 692000-110703 Houston, TX 77269-2000	Compaq Computer Corp	37,500.00	327.00
Richard P. Urian, 1850 K Street NW, #1190 Washington, DC 20006	EG&G, Inc		
Jane Usdan, 555 New Jersey Ave, NW Washington, DC 20001	American Fed of Teachers	17,527.74	40.00
UTC Telecommunications Assn, 1140 Connecticut Avenue, NW Suite 1140 Washington, DC 20036			929.44
Robert E. Vagley, 1130 Connecticut Avenue, NW, #1000 Washington, DC 20036	American Insurance Assn		
Anthony Valanzano, 1825 I Street, NW, #400 Washington, DC 20006	American Council of Life Insurance, Inc	8,000.00	120.00
Do	American Insurance Assn		
Do	Valanzano & Associates (For:American International Group, Inc)	1,500.00	12.00
Do	American Land Title Assn	6,000.00	166.15
Do	Association for Regulatory Reform	3,000.00	84.70
Do	Chubb Corporation	15,000.00	1,834.17
Do	Colonial Life & Accident Insurance Co	15,000.00	1,222.57
Do	Michigan Consolidated Gas Co	15,000.00	320.62
Do	Valanzano & Assocs. (For:Natural Disaster Coalition National Comm. on Property Insur.).	250.00	4.00
Mark Valente III, 7055 Leestone Street Springfield, VA 22151	Kelly Anderson & Associates (For:America's Health Plan)	12,156.25	459.90
Do	Armour Pharmaceutical Co	11,900.00	338.83
Do	Kelly Anderson Pethic & Associates, Inc (For:GBQC Architects)	5,843.75	254.01
Do	Kelly Anderson & Associates (For:James River Corp)		
Do	Kelly Anderson & Associates (for U.S. Banknote Corp)	1,781.25	91.71
Do	Kelly Anderson Pethick & Associates (For:Portals Limited)	4,969.75	103.01
Paula R. Valente, 2211 Congress Street Portland, ME 04122-0545	UNUM LIfe Insurance Co of America		
Jack J. Valenti, 1600 Eye St., NW Washington, DC 20006	Motion Picture Assn of America, Inc	1,617.00	
Ellen Valentino-Benitez, Manis Canning & Associates 12 Francis Street Annapolis, MD 21404	National Troopers Coalition (NTC)	500.00	
Read Carson Van de Water, 901 15th Street, NW, #310 Washington, DC 20005	Northwest Airlines, Inc	8,765.00	175.00
Van der Voort Associates, Ltd, 1134 Westmoreland Road Alexandria, VA 22308	SPACEHAB	500.00	
R. Thomas Van Arsdall, 50 F Street, NW, #900 Washington, DC 20001	National Council of Farmer Cooperatives		
Nancy Van Duyne, 1300 Eye Street, NW, #950E Washington, DC 20005	Continental Airlines, Inc	8,500.00	5,725.00
Laura Van Etten, 3900 Wisconsin Ave., NW Washington, DC 20016	Fannie Mae	2,500.00	
Van Fleet Associates, Inc, 499 South Capitol St., SW, #520 Washington, DC 20003	Cadillac Gage Textron	6,000.00	184.17
Do	United Defense Limited Partnership	36,252.00	548.12
Van Fleet-Meredith Group, 499 S. Capitol Street, SW, #520 Washington, DC 20003	American Gas Assn	32,812.50	1,210.90
Do	American Gas Cooling Center	15,000.00	
Do	ADI Technologies, Inc	9,000.00	41.37
Do	AT&T		
Do	Electrospace Corporation	10,500.00	48.35
Do	Engelhard/ICC	7,500.00	98.93
Do	HARSCO Corp	6,000.00	137.43
Do	Litton Applied Technologies	14,250.00	748.74
Do	Lockheed-Martin	19,999.98	507.46
Do	Magnavox Government & Industrial Relations Co	22,350.00	
Do	Miltope Corp	10,500.00	79.97
Do	Southern California Gas Co	48,999.98	1,760.34
Do	Southern Maryland Naval Alliance	10,500.00	128.52
Do	SNECMA	98,880.00	2,823.23
Do	Thermo Trex	7,500.00	6.65
Do	Thiokol Corp	9,000.00	91.59

Organization or Individual Filing	Employer/Client	Receipts	Expenditures
Van Ness Feldman, P.C., 1050 Thomas Jefferson St., NW, #700 Washington, DC 20007	Arctic Slope Regional Corp	7,400.00	357.00
Do	Barron Collier Co		
Do	City of Tacoma, WA, Dept of Public Utilities	225.00	
Do	City Public Service of San Antonio		
Do	Clean Coal Technology Coalition		
Do	Cogen Technologies, Inc	475.00	
Do	Consumers United for Rail Equity (C.U.R.E.)	1,440.00	149.00
Do	Doyon, Ltd		
Do	Electric Transportation Coalition	799.00	22.00
Do	Foothills Pipe Lines, Ltd		
Do	Geothermal Resources Assn	102.00	
Do	GE Industrial & Power Systems		
Do	International Energy Development Council		
Do	Intertribal Agricultural Council		
Do	Kenai Natives Assn		
Do	Koncor Forest Products Company		
Do	Large Public Power Council (LPPC)	1,131.00	5.00
Do	Los Angeles Department of Water & Power		
Do	Mack Trucks, Inc	1,687.50	
Do	McKesson Corp	1,310.00	31.00
Do	National Endangered Species Act Reform Coalition	4,762.00	200.00
Do	National Wetlands Coalition	945.00	75.00
Do	North Slope Borough		
Do	Petro Star, Inc		
Do	Piquniq Management Corp		
Do	Public Generating Pool	2,244.00	25.00
Do	Risk Policy Council	6,859.50	81.00
Do	Royal Thai Government, Ministry of Commerce		
Do	Sealaska Corp	305.50	35.00
Do	Section 382 Coalition		
Do	Simpson Paper Co		
Do	Toyota Motor Corporate Services of North America, Inc		
Do	United Alaska Fuels Corporated		
Do	Washington County Commission	110.00	
H. Stewart Van Scoyoc, 1420 New York Ave., NW, #1050 Washington, DC 20005	Van Scoyoc Associates, Inc (For:Alton Ochsner Medical Foundation)	1,125.00	
Do	Van Scoyoc Associates, Inc (For:American Forest & Paper Assn)		
Do	Van Scoyoc Associates, Inc (For:American Gas Assn)	750.00	
Do	Van Scoyoc Associates, Inc (For:Anheuser-Busch Companies, Inc)	2,500.00	
Do	Van Scoyoc Associates, Inc (For:California Water Service Co)		
Do	Van Scoyoc Associates (For:Champion International Corp)		
Do	Van Scoyoc Associates (For:Coalition of EPSCoR States)	2,500.00	
Do	Van Scoyoc Associates, Inc (For:Kellogg Company)	180.00	
Do	Van Scoyoc Associates, Inc (For:Lincoln University)	500.00	
Do	Van Scoyoc Associates, Inc (For:McLean Hospital)	937.50	
Do	Van Scoyoc Associates, Inc (For:MetaNetworks)	300.00	
Do	Van Scoyoc Associates, Inc (For:Montana State University)		
Do	Van Scoyoc Associates, Inc (For:National Assn of Water Companies)	750.00	
Do	Van Scoyoc Associates, Inc (For:National Commission on Correctional Health Care).	200.00	
Do	Van Scoyoc Associates, Inc (For:National Institute for Water Resources)	1,125.00	
Do	Van Scoyoc Associates, Inc (For:Natural Gas Vehicle Coalition)		
Do	Van Scoyoc Associates, Inc (For:North Dakota State University)	1,166.00	
Do	Van Scoyoc Associates (For:Quanex)	837.50	
Do	Van Scoyoc Associates, Inc (For:Raytheon Services)	1,000.00	
Do	Van Scoyoc Associates, Inc (For:Schering-Plough Corp)	750.00	
Do	Van Scoyoc Associates, Inc (For:Spelman College)	1,200.00	
Do	Van Scoyoc Associates, Inc (For:Tulane University)	4,050.00	
Do	Van Scoyoc Associates (For:University of Alabama System)	1,350.00	
Do	Van Scoyoc Associates, Inc (For:University of New Orleans)	1,000.00	
Do	Van Scoyoc Associates, Inc (For:University of Puerto Rico)	1,050.00	
Do	Van Scoyoc Associates (For:USF&G Insurance)		
Do	VIACOM International, Inc	2,250.00	
Do	Van Scoyoc Associates (For:Weyerhaeuser)		
Do	Van Scoyoc Associates, Inc (For:WINSM Consortium)	900.00	
Marjorie Vanderbilt, 600 Maryland Ave., SW, #100 West Washington, DC 20024-2571	American Nurses Assn (For:American College of Nurse Practitioners)	2,025.00	75.95
Do	American Nurses' Assn	8,100.00	312.94
Norman C. VanderNoot, New Hampshire Petroleum Council 11 Depot Street Concord, NH 03301	American Petroleum Institute		
Charlene Vanlier, 6203 A Waterway Drive Falls Church, VA 22044	Capital Cities/ABC, Inc	3,125.00	
Glenn Vanselow, P.O. Box 61473 Vancouver, WA 98666-1473	Pacific Northwest Waterways Assn	1,015.00	
Norman W. VanCor, 111 Tallwood Drive Southington, CT 06489	Yankee Gas Services Company	767.66	1,427.96
L. Todd VanHoose, 50 F Street, NW, #900 Washington, DC 20001	Farm Credit Council	140.00	1,280.00
Barbara J. Varca, 13210 Mountain Ash Court Woodbridge, VA 22192	Syntex (U.S.A.), Inc		
Ross P. Vartian, 122 C Street, NW #350 Washington, DC 20001	Armenian Assembly of America		
John Vaughan, 6603 Jerry Place McLean, VA 22101	Daimler-Benz Washington, Inc		72.00
Lisa F. Vaughn, 422 South Church Street, PB05D Charlotte, NC 28242-0001	Duke Power Co	1,943.76	4,508.85
Paul S. Vayer, 50 Hillcrest Avenue New Britain, CT 06053			
Joseph J. Vecchio, 1299 Pennsyvlania Ave., NW Washington, DC 20004	General Electric Co	50.00	10.00
Vectre Corporation, 411 East Franklin Street, #602 Richmond, VA 23219	Browning Ferris Industris	8,829.00	385.24
Do	Electronic Data Systems Corp	1,680.10	61.48
Do	Hughes Communications, Inc	65.00	
Do	Tarmac America, Inc	452.60	
Vedder Price Kaufman Kammhoz & Day, 2121 K Street, NW, 7th Floor Washington, DC 20037	Bankers' Assn for Foreign Trade (BAFT)	4,949.00	16.27
Do	Coalition to Preserve Self-Insurance		9,967.80
Do	Government of Rheinland-Pfalz		
Jay Velasquez, 1101 Vermont Avenue, NW Washington, DC 20005	American Medical Assn	3,750.00	
Nicholas A. Veliotes, 1718 Connecticut Avenue, NW Washington, DC 20009	Association of American Publishers	4,000.00	
Carol Verby, 1776 I Street, NW, #770 Washington, DC 20006	CNA Insurance Co		
Stephen J. Verdier, 900 19th Street, NW, #400 Washington, DC 20005-5802	America's Community Bankers	29,325.00	2,353.36
Robert J. Verdisco, 1901 Pennsylvania Avenue, NW, 10th Fl. Washington, DC 20006	International Mass Retail Assn	10,000.00	200.00
Joseph B. Verna, 1725 Jefferson Davis Highway, #901 Arlington, VA 22202	Hercules, Inc		
Frank Verrastro, 1155 15th Street, NW, #600 Washington, DC 20005	Pennzoil Co	1,500.00	
Sara Vickerman, 1101 14th Street, NW #1400 Washington, DC 20005	Defenders of Wildlife	634.60	815.09
Linda Vickers, 1706 23rd St., South Arlington, VA 22202	Rural Community Insurance Services	36,000.00	3,592.59
David Vienna & Associates, 401 Wythe Street, #2-A Alexandria, VA 22314	American Assn of Classified School Employees	4,200.00	
Do	California Franchise Tax Board	11,297.50	
Do	California Public Employees' Retirement System	1,237.50	
Do	California State Senate	212.50	
Do	Pacific Stock Exchange, Inc	1,850.00	
Do	Regional Stock Exchanges Coalition		
Do	Sacramento Metropolitan Water Authority	2,200.00	
Do	State Board of Equalization (Calif)	9,970.00	
Robert J. Vilhauer, 1700 N. Moore Street, #2120 Arlington, VA 22209	Boeing Company	7,267.00	1,312.38
Ralph Vinovich, 1875 Eye Street, NW, #800 Washington, DC 20006	Tobacco Institute	1,000.00	50.20
Vinson & Elkins, 1455 Pennsylvania Ave., NW, #700 Washington, DC 20004-1008	Alliance for Business Investment	150,000.00	
Do	Attorneys' Liability Assurance Society, Inc		
Do	Bank Tax Group		
Do	Cheyne Walk Trust	52,921.25	
Do	Cook Inlet Region, Inc		
Do	Federal Express Corp		
Do	Goldman Sachs & Co	1,650.00	
Do	Grand Parkway Association		
Do	Large Public Power Council		
Do	Merrill Lynch & Co, Inc		
Do	Methodist Hospital System	3,225.00	

Organization or Individual Filing	Employer/Client	Receipts	Expenditures
Do	National Hospitality Tax Committee	9,960.00	
Do	Panhandle Eastern Corp		
Do	Scott & White Clinic		
Do	Texas Veterans Land Board	3,768.75	
Do	X L Insurance Company		
Walter D. Vinyard Jr., Vinyard and Associates 555 13th St., NW, #800 East Washington, DC 20004	Lutheran Brotherhood	15,000.00	
Do	Mennonite Mutual Aid Assn	2,000.00	
Joseph A. Violante, 807 Maine Avenue, SW Washington, DC 20024	Disabled American Veterans	12,838.80	
Virginia Association of Railway Patrons, P.O. Box 867 Richmond, VA 23207		962.00	193.12
Dina Vizzaccaro, 1401 H Street, NW, #900 Washington, DC 20005	American Automobile Manufacturers Assn	11,088.00	550.56
John R. Vogt, 1445 New York Avenue, NW, 8th Floor Washington, DC 20005	Public Securities Assn	10,000.00	885.31
David K. Voight, 1615 H Street, NW Washington, DC 20062	U.S. Chamber of Commerce	2,500.00	
Nick J. Volcheff, 7325 Del Norte Drive Scottsdale, AZ 85258	AT&T		
Douglas K. Vollmer, 801 18th St., NW Washington, DC 20006	Paralyzed Veterans of America	20,824.02	
Volpe Boskey & Lyons, 918 16th Street, NW, #602 Washington, DC 20006	Equipment Leasing Assn of America		
Ingrid A. Voorhees, 1801 K Street, NW, Suite 400K Washington, DC 20006	Arter & Hadden (For:Nintendo of America)		
Kurt Vorndran, 1126 16th Street, NW Washington, DC 20036	International Union of Electrical Workers	13,000.00	
Vorys Sater Seymour & Pease, 1828 L Street, NW, #1111 Washington, DC 20036	Clinton Gas Systems, Inc		
Do	Committee of Publicly Owned Companies	1,308.40	52.68
Do	Community Mutual Insurance Company	3,182.20	225.25
Do	Fraternal Order of Police - National Headquarters	61.29	201.31
Do	Fraternal Order of Police - Postal Police	439.00	12.30
Do	Grocery Manufacturers of America, Inc		
Do	Honda North America, Inc	3,015.35	534.80
Do	Ohio Advanced Technology Center, Inc	157.94	31.58
Do	Ohio Assn of Broadcasters	89.44	7.25
Do	Ohio Cable Television Assn	103.69	55.50
Do	Ohio Corporation for Health Information	285.00	
Do	Ohio Forestry Assn		
Do	Ohio Soft Drink Assn		
Do	Ohio Supercomputer Center	888.00	12.38
Do	Recyclers of Copper Alloy Products	10,043.15	370.42
Frank J. Voyack, 1750 New York Ave., NW Washington, DC 20006	International Assn of Bridge Struct & Ornamental Iron Wkrs	24,722.74	2,090.17
Richard E. Vuernick, 1730 Rhode Island Ave., NW, #403 Washington, DC 20036	Citizen Action Fund	3,200.00	113.00
John A. Vuono, Vuono Lavelle & Gray 2310 Grant Building Pittsburgh, PA 15219	Procompetitive Rail Steering Committee		
Thomas D. Wacker, 2626 Pennsylvania Avenue, NW Washington, DC 20037	National Telephone Cooperative Assn	5,000.00	547.79
Rex B. Wackerle, 1101 17th Street, NW, #1002 Washington, DC 20036	Bank of America		18,541.55
Harrison Morton Wadsworth, 1155 15th Street, NW, #801 Washington, DC 20005	Education Finance Council	900.00	
Robert Waffle, 4214 King Street, West Alexandria, VA 22302	International Hardwood Products Assn (IHPA)	325.62	492.96
Joan Wages, 913 East Taylor Run Parkway Alexandria, VA 22302	Cash Smith & Wages (For:Association of Professional Flight Attendants)	6,000.00	785.00
Do	Cash Smith & Wages (For:Independent Federation of Flight Attendants)	3,000.00	835.00
Jennifer C. Wagner, 1150 Connecticut Ave., NW, Suite 1125 Washington, DC 20036	Financial Executives Institute	2,325.00	
Pamela Hyde Wagner, 4301 North Fairfax Srive, #360 Arlington, VA 22203-1608	National Utility Contractors Assn	2,866.76	47.65
Susan Stephenson Walden, 1350 Eye Street, NW, #810 Washington, DC 20005	Johnson & Johnson	362.50	
Clinton W. Walker, 1101 Pennsylvania Ave., NW, #1000 Washington, DC 20004	Citicorp	884.00	
George O. Walker IV, 11250 Waples Mill Road Fairfax, VA 22030	National Rifle Assn of America		
Gerald M. Walker, 1401 Eye Street, NW, Suite 1200 Washington, DC 20005	Chevron Companies	300.00	
Kelley Walker, 3050 K Street, NW, Suite 330 Washington, DC 20007	National Club Assn	250.00	
Walker/Potter Associates, Inc, 1730 Pennsylvania Ave., NW Washington, DC 20006	Mexican Department of Commerce & Industrial Development		
Do	Oil Chemical & Atomic Workers Int'l Union, AFL-CIO, et al.		
Do	PURPA Reform Group	8,750.00	
R. Duffy Wall & Associates, Inc, 601 13th Street, NW, #410 South Washington, DC 20005	Ad Hoc Comm on Coal Taxation	1,000.00	
Do	Alliance for Power Privitization	1,000.00	
Do	American Crop Protection Assn	1,000.00	
Do	American Forest & Paper Assn	1,000.00	
Do	Bell Atlantic Corp	1,500.00	
Do	Betty Ford Center		
Do	BHP Holdings (USA), Inc	1,000.00	
Do	BP America	1,000.00	
Do	Centerior Energy	1,000.00	
Do	Committee on Radioisotopes & Radionucleide Industries II	500.00	
Do	Committee on Radioisotopes and Radiopharmaceuticals I	1,000.00	
Do	CIBA-GEIGY Corp	500.00	
Do	Environmental Transportation Assn, et al.	1,000.00	
Do	Ernst & Young	3,000.00	
Do	ENERCO & Affiliates	1,000.00	
Do	Footwear Distributors and Retailers of America	1,500.00	
Do	Hazelden Foundation	1,000.00	
Do	Hong Kong Trade Development Council	2,500.00	
Do	Horsham Corp	200.00	
Do	Jackson National Life Insurance Co	1,000.00	
Do	NovaCare, Inc	1,000.00	
Do	Peabody Holding Co, Inc	500.00	
Do	Pharmaceutical Research and Manufacturers of America	1,000.00	
Do	Pittston Group	1,000.00	
Do	Procter & Gamble Co	1,000.00	
Do	Sandoz Agro, Inc	1,000.00	
Do	Seattle Disposal/RABANCO	1,000.00	
Do	State of California	500.00	
Do	Torchmark Corporation	1,000.00	
Do	Water Quality Assn	250.00	
Do	Ziegler Coal Holding Co	1,000.00	
Mary L. Wallace, 7272 Wisconsin Avenue Bethesda, MD 20814	American Soc of Hospital Pharmacists	8,748.00	
Wallace & Edwards, 1150 Connecticut Ave., NW, #507 Washington, DC 20036	Alabama Farmers Federation	1,400.00	
Do	Alabama Power Co	6,000.00	
Do	American Soc of Farm Managers & Rural Appraisers	3,150.00	
Do	American Sugar Cane League	37,500.00	
Do	Calgene, Inc		
Do	Cash America International		
Do	Cotton Warehouse Assn of America		
Do	Delta & Pine Land Co of Miss		
Do	Domino Sugar Corp		
Do	Flue-Cured Tobacco Cooperative Stabilization Corp	3,000.00	
Do	Service Corporation International		
Charles S. Walsh, Fleischmen & Walsh 1400 16th Street, NW Washington, DC 20036	National Cable Television Assn, Inc	2,500.00	
Michael D. Walsh, P.O. Box 591 Parishville, NY 13672			
Richard J. Walsh, 6770 Lake Ellenor Drive Orlando, FL 32809-3330	Darden Restaurants, Inc	1,687.50	113.33
Doug Walter, 750 First Street, SE Washington, DC 20002-4242	American Psychological Assn	510.00	100.00
Susan M. Walter, 1299 Pennsylvania Ave., NW, Suite 1100 Washington, DC 20004	General Electric Co	5,000.00	200.00
Johnnie M. Walters, PO Box 87 Greenville, SC 29602	Leatherwood Walker Todd & Mann, PC		
H. Steven Walton, 2777 Allen Parkway, #700 Houston, TX 77019	Sanifill, Inc	1,750.00	5,866.16
John C. Walton, 1401 North Oak Street, #302 Arlington, VA 22209	John E. Chance & Associates, Inc	6,000.00	
Do	General Dynamics Corp	15,000.00	
Do	Grumman Corporation	21,241.99	321.04
Do	National Assn of Dredging Contractors	15,000.00	
Do	Textron, Inc	15,000.00	276.65
Do	Thiokol Corp	15,000.00	587.71
Do	TRW, Inc	15,000.00	
Bonnie B. Wan, 700 11th Street, NW, Suite 660 Washington, DC 20001	Kimberly-Clark Corp		
Thomas E. Wanley, 1019 19th Street, NW, Suite 1100 Washington, DC 20036	Personal Communications Industry Assn	2,850.00	90.54
Craig A. Ward, 1101 16th Street, NW Washington, DC 20036	Independent Petroleum Assn of America		30.00
Gregg Ward, 1001 G Street, NW, 6th Floor East Washington, DC 20001-4545	Southern California Gas Co		
Michael D. Ward, c/o Virginia Petroleum Council, 701 E. Franklin Street, #105 Richmond, VA 23219	American Petroleum Institute	100.00	107.00
Stephen E. Ward, 1401 Eye Street, NW, Suite 1030 Washington, DC 20005	Shell Oil Company	4,000.00	

Organization or Individual Filing	Employer/Client	Receipts	Expenditures
Michael A. Waring, 1771 N Street, NW Washington, DC 20036	National Assn of Broadcasters	1,500.00	1,099.12
Ann D. Warner, 1775 K Street, NW, #500 Washington, DC 20006	Airports Council International - North America	9,000.00	
James H. Warner, 11250 Waples Mill Road Fairfax, VA 22030	National Rifle Assn of America		
David E. Warr, 655 15th Street, NW, #410 Washington, DC 20005	Bristol-Myers Squibb Company	1,000.00	
David L. Warren, 1025 Connecticut Ave., NW, #700 Washington, DC 20036	National Assn of Independent Colleges & Universities	3,741.00	
Ms. Tristan Carter Warren, 1771 N Street, NW Washington, DC 20036	National Assn of Broadcasters	8,000.00	339.99
Kenneth Wasch, 1730 M Street, NW, Suite 700 Washington, DC 20036	Software Publishers Assn	6,112.00	
Michael D. Wascom, 412 First Street, SE Washington, DC 20003	National Automobile Dealers Assn	3,500.00	
Barbara J. Washburn, 1660 L Street, NW, #400 Washington, DC 20036	General Motors Corp	3,000.00	5,495.45
Sheryl Washington, 316 Pennsylvania Avenue, SE Washington, DC 20003	United Parcel Service	3,000.00	82.67
Washington & Christian, 805 15th Street, NW, #1000 Washington, DC 20005	City of Cleveland		831.47
Do	City of Miami	3,750.00	387.79
Do	City of Oakland		16,767.15
Do	Coca-Cola Company	3,831.70	241.28
Do	Government of Antigua and Barbuda	100,000.00	591.92
Do	Government of Guinea	60,000.00	1,310.00
Do	Government of Sao Tome e Principe		180.96
Do	Greater Cleveland Regional Transit Authority		
Do	Pascaline Mferri Bongo	75,000.00	112.78
Do	Reid & Priest (for City of Denver)		
Do	San Francisco Public Utilities Commission	10,833.32	
Do	Wooden Publishing House	4,635.00	2,616.05
Washington Public Affairs Group, 5910 Woodacres Drive Bethesda, MD 20816	Federal Republic of Nigeria	3,000.00	
Washington Strategic Consulting Group, Inc, 805 15th Street, NW, Suite 1000 Washington, DC 20005	Government of the Federal Republic of Nigeria	13,000.00	10,079.14
Do	Republic of Cameroon		923.00
Robert A. Waspe, Law Offices of Robert A. Waspe 601 Pennsylvania Ave., NW, #900 Washington, DC 20004-2601		1,160.00	29.00
Mary Kirtley Waters, 888 17th Street, NW, #300 Washington, DC 20006	ConAgra, Inc	15,000.00	596.90
Matthew J. Waters, 12333 Strong Street Fairfax, VA 22033	60/Plus Assn, Inc	5,679.00	
Rosemarie Watkins, 600 Maryland Ave., SW, #800 Washington, DC 20024	American Farm Bureau Federation	7,875.00	133.04
Robbi-Lynn Watnik, 1050 17th Street, NW, Suite 700 Washington, DC 20036	Healthcare Financial Management Assn		70.71
John L. Watson III, One World Trade Center, #4511 New York, NY 10048	Security Traders Assn, Inc	4,068.00	
George B. Watts, 1155 15th St., NW, #614 Washington, DC 20005	National Broiler Council	2,000.00	
Bruce H. Watzman, 1130 17th Street, NW Washington, DC 20036	National Coal Assn	6,250.00	367.91
Wear & Associates, 888 16th Street, NW, Suite 300 Washington, DC 20006	Chemical Speciality Manufacturers Assn	12,000.00	
Do	Idaho Communications, L.P.		
Do	Intermedia Partners	5,000.00	
Do	International Dairy Foods Assn	3,000.00	
William H. Weatherspoon, North Carolina Petroleum Council 150 Fayetteville St. Mall Raleigh, NC 27601-2919	American Petroleum Institute	250.00	
Barbara G. Webb, 600 Maryland Avenue, SW, Suite 202W Washington, DC 20024	Farmers Educational and Co-Operative Union of America		
Sandra M. Webb, 1150 18th Street, NW, #200 Washington, DC 20036	Halliburton Co		
Margaret L. Webber, 1101 Vermont Avenue, NW Washington, DC 20005	American Medical Assn	3,750.00	547.44
Jack Weber, 1301 Pennsylvania Ave., N.W. #900 Washington, DC 20004	Natural Disaster Coalition	63,000.00	1,100.00
Vin Weber, Clark & Weinstock, Inc 888 16th Street, NW Washington, DC 20006	American Insurance Assn	630.00	
Do	AT&T	690.00	
Do	Bristol-Myers Squibb Co		
Do	Browning-Ferris Industries	750.00	
Do	United Waste Systems, Inc	750.00	
Do	USA Waste, Inc	750.00	
Do	West Publishing Co		
William R. Weber, 50 F Street, NW, Suite 900 Washington, DC 20001	Farm Credit Council	2,940.00	6,720.00
Webster Chamberlain & Bean, 1747 Pennsylvania Ave., NW, #1000 Washington, DC 20006	International Taxicab and Livery Assn	1,000.00	
Robert K. Weidner, 2300 M Street, NW, #900 Washington, DC 20037	Andalex Resources, Inc	4,000.00	
Do	BP Alaska		
Do	Envirocare of Utah		
Do	James W. Bunger & Associates		
Do	Rural Utah Public Lands Council	500.00	300.00
Do	Tooele Redevelopment Agency	500.00	
Weil Gotshal & Manges, 1615 L Street, NW, #700 Washington, DC 20036	International Planned Music Assn		
Weinberg Bergeson & Neuman, 1300 Eye Street, NW, #1000 West Washington, DC 20005	Battery Council International		
Do	National Assn for Plastic Container Recovery (NAPCOR)		
Do	Portable Rechargeable Battery Association		
Heather Weiner, 1101 14th Street, NW, #1400 Washington, DC 20005	Defenders of Wildlife	683.17	68.95
Stanley P. Weiner, One Kansas City Place 1200 Main Street, #3000 Kansas City, MO 64105	Shook Hardy & Bacon, P.C.		
Donald G. Weinert, 1420 King St. Alexandria, VA 22314-2715	National Society of Professional Engineers	1,500.00	
Kurt Weinrich, 301 East Clark Avenue, Suite 300 Las Vegas, NV 89101	Regional Transportation Commission	1,444.00	1,320.83
Arthur A. Weiss, One Woodward Avenue, Suite 2400 Detroit, MI 48226	Jaffe Raitt Heuer & Weiss, P.C.		
Suzanne Weiss, 901 E Street, NW, #500 Washington, DC 20004-2037	American Assn of Homes & Services for the Aging		
Walter F. Weiss, 1762 Church Street, NW Washington, DC 20036	American Foreign Service Assn	5,400.00	
William J. Welch, 701 Pennsylvania Ave., NW, Suite 710 Washington, DC 20004	Tenneco, Inc	5,000.00	2,840.00
Brad G. Welling, 1455 Pennsylvania Ave., NW, Suite 900 Washington, DC 20004	American International Group, Inc	3,000.00	50.00
Arnold Wellman, 316 Pennsylvania Ave., SE, #304 Washington, DC 20003	United Parcel Service	3,000.00	
Kent M. Wells, 1401 I Street, NW, Suite 1100 Washington, DC 20005	Southwestern Bell Corp	15,000.00	2,428.27
Robert C. Wells, 1101 Pennsylvania Ave., NW, #1000 Washington, DC 20004	Citicorp Washington, Inc	4,500.00	
Stuart P. Wells, 15th & M Streets, NW Washington, DC 20005	National Assn of Home Builders of the U.S.	7,490.16	
Margaret A. Welsh, 2101 L Street, NW, #405 Washington, DC 20037-1526	Electric Generation Assn	408.68	
Gerard A. Wendelken, 28 Clarissa Drive Syosset, NY 11791	Human Capital Resources, Inc		11,665.10
Thomas F. Wenning, 1825 Samuel Morse Dr. Reston, VA 22090	National Grocers Assn	500.00	
David Wentworth, 1001 Pennsylvania Ave., NW Washington, DC 20004-2599	American Council of Life Insurance		
Fred Wertheimer, 2030 M St., NW Washington, DC 20036	Common Cause	15,222.92	
Carla L. West, 1521 New Hampshire Ave., NW Washington, DC 20036	National Cotton Council of America	1,375.00	
Charles M. West, 205 Daingerfield Road Alexandria, VA 22314	National Assn of Retail Druggists	1,500.00	300.00
Ford B. West, 501 Second Street, NE Washington, DC 20002	Fertilizer Institute	25,000.00	
G. Franklin West, 1530 North Key Blvd., #122 Arlington, VA 22209	Church Alliance	21,000.00	
Do	Oklahoma Natural Gas	15,000.00	
Western Coal Traffic League, 1224 17th St., NW Washington, DC 20036		25,000.00	25,000.00
Westland Development Co, Inc, 401 Coors Boulevard, NW Albuquerque, NM 87121		3,444.45	10,868.14
Timothy M. Westmoreland, 1364 G Street, SE Washington, DC 20003	Pediatric AIDS Foundation	1,550.00	
John F. Wetzel Jr., 50 F St., NW Washington, DC 20001	Association of American Railroads	2,894.05	146.70
Brian B. Whalen Jr., 455 North Cityfront Plaza Drive Chicago, IL 60611	Navistar International Transportation Corp	10,000.00	1,216.00
Ellan Wharton, 1701 Pennsylvania Avenue, NW, #900 Washington, DC 20006	E. I. du Pont de Nemours & Co		
Larry Wheeler, 1100 Wilson Blvd. Arlington, VA 22209	Hughes Aircraft Company		
Sandra Wheeler, 2000 K Street, NW, #800 Washington, DC 20006	National Comm to Preserve Social Security & Medicare	5,288.00	
Thomas E. Wheeler, 1250 Connecticut Ave., NW, 2nd Floor Washington, DC 20036	Cellular Telecommunications Industry Association		
June M. Whelan, 1899 L Street, NW, Suite 1000 Washington, DC 20036	National Petroleum Refiners Assn	4,000.00	
Michael G. Whitaker Sr., P.O. Box 66100 Chicago, IL 60666	United Air Lines, Inc		
Bernard H. White, The White Group 333 Clay Avenue, #710 Houston, TX 77002-4086	Zapata Protein, Inc	16,589.00	1,599.00
Jerrildine Reed White, 1667 K Street, NW, #210 Washington, DC 20006	Rohm & Haas Company		
Joyce White, 222 NW Davis, #309 Portland, OR 97209	Oregon Trail Coordinating Council	517.50	
Larry White, 601 E Street, NW Washington, DC 20049	American Assn of Retired Persons	12,633.33	
Margita E. White, 1776 Massachusetts Avenue, NW, Suite 310 Washington, DC 20036	Association for Maximum Service Television, Inc		
Raymon M. White Jr., 5501 Seminary Road, Apt. 2211-South Falls Church, VA 22041	Harris Corporation	6,000.00	1,655.61
Richard H. White, 1875 I Street, NW, #800 Washington, DC 20006	Tobacco Institute	1,000.00	76.64
Ward H. White, 1133 21st Street, NW, #900 Washington, DC 20036	BellSouth Corp	5,225.00	4,076.16
White & Case, 1100 Connecticut Avenue, NW, #600 Washington, DC 20036	Coca-Cola Co		
Do	Dart Container Corp		
Do	Aubrey Greene		
Do	Laura Greene		
Do	Teresa Greene		
Do	Motion Picture Assn of America, Inc		
Do	Perpetual Corp		
Do	Rank Video Services America	13,701.25	185.50
Dennis E. Whitefield, 1155 Connecticut Ave., NW, 10th Floor Washington, DC 20036	Brock Group, Ltd (For:Sinclair Broadcasting Group)	721.89	10.00
Whiteford Taylor & Preston, 888 17th St., NW, #400 Washington, DC 20006	National Constructors Association	9,999.99	4,492.69
David W. Whitehead, 6200 Oak Tree Boulevard Independence, OH 44131	Centerior Energy Corp	568.75	267.02

Organization or Individual Filing	Employer/Client	Receipts	Expenditures
K. Elizabeth Whitehead, 1420 New York Avenue, NW, #750 Washington, DC 20005-2122	Acxiom Corp		
Do	Institute of Scrap Recycling Industries, Inc		
Do	National Assn of Professional Employer Organizations	115.00	
Richard M. Whiting, 805 15th Street, NW——#600 Washington, DC 20005	Bankers Roundtable	3,620.50	
Martin Whitmer, 905 16th Street, NW Washington, DC 20006	Laborers' Int'l Union of N.A., AFL-CIO	8,000.01	808.00
Richard C. Whitner, 1800 N. Kent Street, #1104 Arlington, VA 22209	Northrop Grumman Corp	6,000.00	
William F. Whitsitt, 1440 New York Avenue, NW Washington, DC 20005	Skadden Arps Slate Meagher & Flom		
Larry H. Whitt, 9111 E. Douglas Wichita, KS 67207	Pizza Hut, Inc	360.00	3,011.54
Pamela J. Whitted, 1225 Eye Street, NW, #500 Washington, DC 20005	BHP Petroleum Americas	500.00	
Whitworth & Associates, 801 Pennsylvania Ave., NW, #747 Washington, DC 20004	Mesa, Inc	6,000.00	
Do	Natural Gas Vehicle Coalition	6,000.00	
William E. Wickert Jr., 1667 K Street, NW, #600 Washington, DC 20006	Bethlehem Steel Corp	125.00	
James Wickett, 600 Maryland Avenue, SW, Suite 700 Washingtun, DC 20024	National Fed of Independent Business	3,401.00	200.00
Barbara Wierzynski, 2001 Pennsylvania Ave., NW, #600 Washington, DC 20006-1807	Futures Industry Assn, Inc	1,500.00	
Wiggin & Dana, One Century Tower P. O. Box 1832 New Haven, CT 06508-1832	Villa Banfi, U.S.A.	60.00	
Robert Wigington, 1775 K Street, NW, #500 Washington, DC 20006	Airports Council International - North America	19,125.00	
W. Stephen Wilborn, 305 Ann Street, #403 Frankfort, KY 40601	American Petroleum Institute	1,687.50	573.16
Robert H. Wilbur, 1200 19th Street, NW, #300 Washington, DC 20036-2401	Smith Bucklin & Associates, Inc (For:Society of Thoracic Surgeons)	1,000.00	
Harry G. Wiles II, 1023 15th St., NW, # 400 Washington, DC 20005	Wine & Spirits Wholesalers of America, Inc		1,157.14
Wiley Rein & Fielding, 1776 K Street, NW, 12th Floor Washington, DC 20006	Aeronautical Radio, Inc		
Do	Association of Telemessaging Services, International	6,700.00	11.00
Do	Blade Communications, Inc		
Do	CBS, Inc		
Do	COMSAT Corp		
Do	Discovery Communications, Inc	3,851.00	145.06
Do	Electronic Messaging Assn	3,342.00	22.00
Do	Gannett Company, Inc	1,808.38	146.31
Do	David S. Hess	1,275.00	
Do	Interactive Service Assn		
Do	League of American Theatres & Producers		
Do	Marine Mammal Coalition		
Do	MassMutual Life Insurance Co	2,406.25	174.50
Do	McGaw, Inc		
Do	Metropolitan Life Insurance Co	1,037.50	198.25
Do	National City Bank		
Do	National Religious Broadcasaters, Music License Comm	2,242.00	
Do	Newspaper Assn of America (NAA)	8,021.50	57.31
Do	Olan Mills, Inc		
Do	Owens-Corning, Inc	2,099.00	108.00
Do	Prodigy Services Company	14,235.25	82.25
Do	Professional Photographers of America	325.00	
Do	U.S. Banknote Corp		
Do	U.S. Sprint Communications Co	485.00	
Do	United Parcel Service	24,045.00	367.88
Do	VIACOM, International	1,232.00	
Do	Washington Citizens for World Trade	13,373.00	1,205.51
Do	W.F. Young, Inc		
Guenther O. Wilhelm, 2001 Pennsylvania Ave., NW, #300 Washington, DC 20006-1813	Exxon Corporation		
Carl B. Wilkerson, 1001 Pennsylvania Ave., NW Washington, DC 20004	American Council of Life Insurance, Inc		
Laurie L. Wilkerson, 1801 K Street, NW, Suite 400K Washington, DC 20006-1301	Arter & Hadden (For:American Insurance Assn)		
Do	Arter & Hadden (For:Central South West Corp)		
Do	Arter & Hadden (For:Hearst Corp)		
Do	Arter & Hadden (For:Tesoro Petroleum)		
Do	Arter & Hadden (For:U.S. Long Distance Corp)		
Julia Bullard Wilkie, 206 E Street, NE Washington, DC 20002	National Roofing Contractors Assn	2,660.00	1,046.00
Charles S. Wilkins, 1225 Eye Street, NW, Suite 601 Washington, DC 20005	National Corp for Housing Partnerships	17,750.00	223.00
Timothy C. Wilkins, 2501 M Street, NW Washington, DC 20037	Chemical Manufacturers Assn	2,000.00	
Wilkinson Barker Knauer & Quinn, 1735 New York Ave., NW Washington, DC 20006	Aetna Life Insurance		
Do	Allegheny Valley North Council of Governments	3,671.00	65.23
Do	Bank of America		
Do	Bank of Boston		
Do	Barnett Banks, Inc		
Do	First Interstate Bank		
Do	Fleet Financial Group, Inc	33,750.00	4,172.00
Do	Northwest Hydroelectric Assn	5,250.00	968.34
Do	RECOLL Management Corp		
Do	RMJ Options Trading Corp		
Do	Solano Water Authority		
Do	Summit Energy Storage, Inc	5,643.00	402.50
Do	Suntrust Banks, Inc		
Do	Turlock Irrigation District	1,700.00	289.00
Do	Wachovia Bank and Trust		
Do	Wells Fargo & Company		
Do	Yakima-Tieton Irrigation District	723.50	65.00
Will Cofer Associates, Inc, 4001 Pine Brook Road Alexandria, VA 22310			
Caroleen Williams, P.O. Box 85608 San Diego, CA 92186	General Atomics	640.00	
Jack L. Williams, 451 New Jersey Avenue, SE Washington, DC 20003	Ark-Best Co	2,450.00	875.00
Do	Arkansas Louisiana Gas Co (ARKLA)	2,075.00	850.00
Do	Cooper Communities, Inc	2,375.00	600.00
Do	Electro Com Automation, Inc	2,475.00	650.00
Do	Mid-American Dairymen, Inc	1,200.00	600.00
Do	National Marine Manufacturers Assn	1,950.00	1,050.00
Do	Pacific Telesis Group	2,450.00	525.00
Do	Riceland Foods, Inc	2,400.00	400.00
Do	Tyson Foods, Inc	1,875.00	450.00
Joel C. Williams Jr., P.O. Box 339 Savannah, GA 31402-0339	Savannah Foods & Industries, Inc	300.00	543.50
Lawrence Williams, 1150 Connecticut Avenue, NW, #200 Washington, DC 20036	Teledesic Corporation	218.00	
Leonard B. Williams, 1615 M Street, NW, #200 Washington, DC 20036	Amoco Corporation	50.00	65.45
Marshall Williams, Box 1000, Building A3 Leavenworth, KS 66048	Lobby Quorum International		
Michael E. Williams, 11250 Waples Mill Road Fairfax, VA 22030	National Rifle Assn of America	1,500.00	586.07
Patricia Williams, 1400 16th Street, NW Washington, DC 20036-2266	National Wildlife Federation	6,111.59	
Percy V. Williams II, 606 North Washington Street Alexandria, VA 22314	Society for Human Resource Management	6,273.00	36.00
Richard T. Williams, 2501 M Street, NW Washington, DC 20037	Chemical Manufacturers Assn	2,000.00	
Robin L. Williams, 1667 K St., NW, #210 Washington, DC 20006	Rohm & Haas Co	500.00	
W. Jackson Williams, 111 Center Street, 22nd Floor Little Rock, AR 72201	Williams & Anderson (For:Education Finance Council)		
Fred H. Williamson, 1250 H Street, NW, Suite 800 Washington, DC 20005	Eastman Kodak Company	600.00	31.00
Gene R. Willis, 5535 Hempstead Way Springfield, VA 22151	National Assn for Uniformed Services	950.91	
Roy W. Willis, 1101 16th Street, NW Washington, DC 20036	Independent Petroleum Assn of America		
Wayne D. Willis, 1100 17th Street, NW, #1200 Washington, DC 20036	General Atomics	1,077.15	432.25
Willkie Farr & Gallagher, 1155 21st Street, NW, #600 Washington, DC 20036	American Institute of Certified Public Accountants	2,145.00	
Do	Association of Directory Publishers	1,780.00	36.90
Do	Browning-Ferris Industries, Inc	150.00	
Do	Chemical Leaman Corp	325.00	
Do	Comcast Corporation		
Do	Council of Appraisal & Property Professional Societies		
Do	El Alcalde de la Ciudad Capital	5,833.00	44.59
Do	Hispanic Information & Telecommunications Network	728.00	
Do	Katama Yachts, Inc	50.00	
Do	Morgan Guaranty Trust Co	8,423.00	50.55
Do	National Assn of Independent Fee Appraisers	1,080.00	
Do	Sony Electronics, Inc	150.00	
Do	Standard Commercial Tobacco Co, Ltd		
Do	Tele-Communications, Inc	44,255.00	
Do	Telecommunications Industry Assn		

Organization or Individual Filing	Employer/Client	Receipts	Expenditures
Do	Time Warner	36,507.50	
Do	Westinghouse Electric Corp	13,168.00	153.94
Do	Yamaha Motor Co, Ltd, et al.		
Do	Yamaha Motor Manufacturing Corp of America		
Wilmer Cutler & Pickering, 2445 M Street, NW Washington, DC 20037-1420	Alliance for Reasonable Regulation		
Do	American Alliance for Rights & Responsibilities		9.00
Do	American Iron & Steel Institute	4,702.00	
Do	Atlantic Gulf Communities	14,657.00	
Do	AMGEN, Inc		
Do	ARCO Chemical		
Do	Capital Cities/ABC, Inc		
Do	Chemical Manufacturers Assn, Inc		
Do	Clean Air Action Corp		
Do	Council for Responsible Nutrition		
Do	Fitch Investors Service, Inc	11,719.50	
Do	Health Industry Manufacturers Assn	1,913.00	10.75
Do	International Metals Reclamation Company, Inc		
Do	Pepsico, Inc		
Do	Tiger Management Corp	6,142.50	
Do	ValueVision International, Inc		
Do	E.M. Warburg Pincus & Co, Inc	2,566.00	
Ann Wilson, 1611 Duke Street Alexandria, VA 22314	American Movers Conference	10,000.00	
Charles D. Wilson, P.O. Box 19130 1919 South Broadway Green Bay, WI 54307-9130	Fort Howard Corp	575.02	432.00
David I. Wilson, 1801 K Street, NW, Suite 400K Washington, DC 20006	Arter & Hadden (For:Nintendo of America, Inc)		
Don T. Wilson, 1250 I Street, NW, #400 Washington, DC 20005	National Tire Dealers & Retreaders Assn	966.00	15.00
Hilary Wilson, 1401 H Street, NW, Suite 1060 Washington, DC 20005	ABB, Inc	5,900.00	18.00
Robert Dale Wilson, 1133 15th Street, NW, #1200 Washington, DC 20005-2710	Wilson & Wilson (For:Cadmium Council)		
Do	Wilson & Wilson (For:Hecla Mining Company)		
Scott A. Wilson, 888 16th Street, NW Washington, DC 20006	American Airlines, Inc		
Do	AT&T	4,837.50	89.00
Do	Brown & Williamson Tobacco Corp		
Do	Lifschultz Fast Freight, Inc		
Do	Monk-Austin, Inc	1,181.25	28.20
Do	MCNC		
Do	Standard Commercial Tobacco Corp	1,181.25	28.20
John P. Winburn, 50 E Street, SE Washington, DC 20003	Winburn & Jenkins (For:American Forest & Paper Assn)	2,250.00	
Do	Winburn & Jenkins (For:BR Services)	750.00	
Do	Winburn & Jenkins (For:Chicago Northwestern Railroad)	750.00	
Do	Winburn & Jenkins (For:Connecticut Mutual Life Insurance Co)		
Do	Winburn & Jenkins (For:Equipment Leasing Assn)	1,125.00	
Do	Winburn & Jenkins (For:Fieldale Farms Corp)	500.00	
Do	Winburn & Jenkins (For:Hartford Insurance Group)	2,250.00	
Do	Winburn & Jenkins (For:Leggett & Platt)	1,050.00	
Do	Winburn & Jenkins (For:Lockheed Aeronautical Systems Co)	1,000.00	
Do	Winburn & Jenkins (For:Michigan Hospital Assn)	100.00	
Do	Winburn & Jenkins (For:Norfolk Southern Railroad)	1,500.00	
Do	Winburn & Jenkins (For:Pfizer, Inc)	2,250.00	
Do	Winburn & Jenkins (For:Philip Morris)	3,300.00	
Do	Winburn & Jenkins (For:Transitional Hospitals Corp)	1,875.00	
Do	United Airlines, Inc		
Do	Winburn & Jenkins (For:Viacom)	3,000.00	
Judith A. Winchester, 800 Connecticut Ave., NW, #1200 Washington, DC 20006	Lehman Brothers, Inc	3,875.00	40.00
Christine M. Windle, 1735 New York Avenue, NW Washington, DC 20006	American Institute of Architects	4,000.00	
Stephen H. Wines, 1775 K Street, NW, #200 Washington, DC 20006	Maritime Institute for Research & Industrial Development	5,161.23	
Heather Wingate, 410 First Street, SE, 2nd Floor Washington, DC 20003	National Rifle Assn of America	1,375.00	168.32
Eileen M. Winkelman, 2501 M St., NW Washington, DC 20037	Chemical Manufacturers Assn, Inc	600.00	531.56
David A. Winston, 1922 F Street, NW Washington, DC 20006	National Assn of Life Underwriters	1,235.18	90.00
Winston & Strawn, 1400 L Street, NW Washington, DC 20005-3502	American Airlines, Inc	29,471.25	213.00
Do	American Trucking Assn		
Do	James R. Elliott		
Do	FMC Corporation	10,977.50	95.09
Do	Geomex Minerals, Inc		200.06
Do	Gross Pointes-Harper Woods Study Comm for Detroit City Airpt		
Do	International Tax Free Co	180.00	
Do	Lockheed Air Terminal, Inc	9,211.25	223.69
Do	Lockheed Corp		
Do	Martin Marietta Corp		
Do	National Marine Manufacturers Assn		
Do	Northern Telecom	9,984.00	
Do	Nuclear Energy Institute		46.22
Do	Robinson Terminal	1,003.75	15.33
Do	Stellar One Corp	3,440.00	82.25
Do	Yellow Corp	39,050.00	363.54
Linda A. Winter, 1101 14th Street, NW, #1400 Washington, DC 20005	Defenders of Wildlife		
Linda M. Winters, 412 First Street, SE Washington, DC 20003	National Automobile Dealers Assn	1,000.00	
Winthrop Stimson Futnam & Roberts, 1133 Connecticut Ave., NW, 1200 Washington, DC 20036	America West Airlines, Inc		
Do	Organization for International Investment (OFII)	887.50	
Marcia A. Wiss, 1215 17th Street, NW Washington, DC 20036	Canned & Cooked Meat Importers' Assn		
Lyn M. Withey, 1101 Pennsylvania Avenue, #200 Washington, DC 20004	International Paper Co	1,524.60	639.26
David A. Withrow, 225 Reinekers Lane, #600 Alexandria, VA 22314	Satellite Broadcasters & Communications Assn	8,500.00	306.97
Cynthia D. Witkin, 1212 New York Avenue, NW, Suite 500 Washington, DC 20005	American Portland Cement Alliance	10,312.50	649.48
S.R. Wojdak and Associates, Inc, The Bellevue - Suite 850 200 S. Broad Street Philadelphia, PA 19102	Albert Einstein Medical Center	22,500.00	2,503.02
Do	Allegheny Health Education & Research Foundation		113.78
Do	American Counseling Assn	7,500.00	550.70
Do	AGE Westinghouse Transportation Systems, Inc	496.88	81.36
Do	Belmont Ctr for Comprehensive Treatment		113.78
Do	Braddock Medical Center		113.78
Do	Children's Hospital of Philadelphia		113.78
Do	Children's Hospital of Pittsburgh		113.78
Do	Children's National Medical Center	5,000.00	3,863.54
Do	Episcopal Hospital		113.78
Do	Healtheast	15,000.00	1,893.40
Do	High Medicaid Hospitals Group	75,937.50	4,497.02
Do	Hospital of University of Pennsylvania Medical Center		113.78
Do	Magee-Womens Hospital	19,500.00	275.87
Do	Magnet School Coalition, Inc	7,500.00	2,955.68
Do	Mayer Brown & Platt-	5,000.00	910.24
Do	Mercy Health Corporation	15,000.00	2,358.47
Do	National Assn of Urban Critical Access Hospital	45,000.00	12,125.09
Do	National Education Assn	7,500.00	823.63
Do	North Philadelphia Health System		113.78
Do	Northeasatern Hospital of Philadelphia		113.78
Do	Riverside County	12,000.00	2,090.64
Do	Society for Nutrition Education		15.14
Do	Temple University Hospital		113.78
Do	Thomas Jefferson University Hospital		113.78
J. Thomas Wolfe, 1325 G Street, NW, #1000 Washington, DC 20005	Institute of Scrap Recycling Industries	5,750.00	629.03
Marla R. Wolfe, 1801 K Street, NW, #800 Washington, DC 20006	Westinghouse Electric Corp		
Patricia A. Wolff, 600 Maryland Avenue, SW Washington, DC 20024	American Farm Bureau Federation	7,750.00	266.23
Melissa A. Wolford, 1130 Connecticut Ave., NW, #1000 Washington, DC 20036	(For:American Insurance Assn)	412.23	36.00
Charles V. Wollerton, 1001 Pennsylvania Ave., NW Washington, DC 20004	American Council of Life Insurance, Inc	500.00	120.00
Jeffry R. Wollitz, P.O. Box 1798 Jacksonville, FL 32231	Blue Cross & Blue Shield of Florida, Inc	2,298.77	34.80
Mei Lin Wong, 800 Connecticut Avenue, NW, #1100 Washington, DC 20006	Baxter	20.00	
Burton C. Wood, 1125 15th St., NW Washington, DC 20005	Mortgage Bankers Assn of America	15,750.00	

Organization or Individual Filing	Employer/Client	Receipts	Expenditures
Joel Wood, 316 Pennsylvania Avenue, S.E. #400 Washington, DC 20003	Council of Insurance Agents & Brokers	1,500.00	853.13
Jonathan B. Wood, 1275 Pennsylvania Ave., NW, #400 Washington, DC 20004	Pacific Telesis Group	14,360.00	
S. Roy Woodall Jr., 1001 Pennsylvania Ave., NW, Washington, DC 20004-2599	American Council of Life Insurance, Inc		
Eileen Woodford, P.O. Box 382372 Cambridge, MA 02238-2372	National Parks & Conservation Assn	260.00	12.10
James H.B. Woodroffe III, P.O. Box 111 Tampa, FL 33601	Teco Energy, Inc	21,000.00	15,904.35
Kimberley A. Woodruff, 1155 Connecticut Ave., NW Washington, DC 20036	WMX Technologies, Inc	643.75	
Andrew L. Woods, 625 Indiana Avenue, NW Suite 500 Washington, DC 20004-2901	Taft Stettinius & Hollister (For:Special Committee for Health Care Reforms)		
Jerry D. Woods, 1000 Wilson Boulevard Arlington, VA 22209	Northrop Grumman	1,400.00	990.18
Cynthia Woodside, 701 N. Fairfax Street Alexandria, VA 22314-2045	National Assn of Social Workers		
William H.L. Woodyard III, 1420 New York Avenue, NW, Suite 750 Washington, DC 20005	National Assn of Professional Employer Organizations		
Woolworth Corp, 233 Broadway New York, NY 10279			3,162.75
Noel C. Woosley, 4647 Forbes Boulevard Lanham, MD 20706	AMVETS	6,800.00	
Calvin Lynn Wooten, 724 Oneida Street, NW Washington, DC 20007			
James M. Wootton, 919 18th St., NW, #800 Washington, DC 20006	Safe Streets Coalition		
Willard A. Workman, 1615 H Street, NW Washington, DC 20062	U.S. Chamber of Commerce	370.00	
Workplace Health & Safety Council, 2300 N Street, NW Washington, DC 20037		3,313.50	567.50
Worthington Associates, 2132 Southbay Lane Reston, VA 22091	HRM		
David L. Wright, Anderson Hill Rd. Purchase, NY 10577	Pepsico, Inc		
Elizabeth L. Wright, 1455 Pennsylvania Ave., NW, #375 Washington, DC 20004	Texas Instruments	1,600.00	60.00
Julie Beth Wright, 1801 North Moore Street Arlington, VA 22209	American Assn of School Administrators	4,000.00	24.00
Walter G. Wright Jr., 1420 New York Avenue, NW, Suite 750 Washington, DC 20005-2122	Institute of Scrap Recycling Industries, Inc		
Wunder Diefenderfer Cannon & Thelen, 1615 L St., NW, #650 Washington, DC 20036	Air Transport Assn of America	8,400.00	132.35
Do	Alliance for Competitive Communications	64,597.73	2,187.08
Do	Alliance of American Insurers		
Do	American Assn of Orthodontists	7,000.00	280.42
Do	American Bus Assn	5,625.00	125.29
Do	American Forest & Paper Assn	7,425.46	65.40
Do	American Orthotic & Prosthetic Assn	7,812.50	209.90
Do	American Soc of Assn Executives	1,375.00	53.46
Do	American Soc of Consultant Pharmacists	2,000.00	60.61
Do	AmeriCable		
Do	Ares-Serono, Inc		
Do	BellSouth Corp	9,600.00	52.48
Do	Bituminous Coal Operators Assn	24,000.00	490.80
Do	Browning-Ferris Industries	4,833.00	113.62
Do	Circuit City Stores, Inc		
Do	Committee Against Revising Staggers		
Do	Computing Technology Industry Assn		
Do	Connaught Laboratories, Inc	4,000.00	144.51
Do	Construction Industry Air Quality Coalition	2,000.00	23.54
Do	Crescent Cities Jaycees Foundation, Inc		
Do	CSX Corporation	2,000.00	
Do	Fund America Ventures Corp		
Do	Grand Metropolitan/Pillsbury	3,750.00	250.88
Do	Guam Tax Code Commission		
Do	Herbalife International of America, Inc	21,408.65	878.05
Do	HDTV 1125/60 Group	1,500.00	
Do	Island Development Corp		
Do	Jewelers of America, Inc	520.83	25.37
Do	Karsten Manufacturing Co		
Do	Keen Realty Consultants, Inc		
Do	Local Initiatives Support Corp	4,500.00	27.58
Do	Lonesome Dove Petroleum Company		
Do	Manville Corporation	1,611.00	
Do	Martin Marietta	3,750.00	5.90
Do	McDonnell Douglas	1,931.31	55.05
Do	MetraHealth	60,000.00	177.13
Do	Metropolitan Life Insurance Co	6,030.00	114.77
Do	Molten Metal Technology	3,150.00	368.33
Do	Montana Department of Transportation		
Do	National Assn of Beverage Retailers	2,500.00	129.51
Do	Neurology Center		
Do	Northwestern Mutual Life Insurance Co	8,333.00	138.44
Do	NBC		28.83
Do	NYNEX Corp		
Do	Prince of Fundy Cruises, Ltd	1,050.00	8.00
Do	PMA Group		
Do	Rural States Federal Transportation Policy Development Grp	1,050.00	
Do	SmithKline Beecham	4,500.00	277.41
Do	Sony Corp of America		
Do	South Dakota Dept of Transportation	560.00	
Do	St. Gobain	4,500.00	256.76
Do	Stifel Nicolaus & Co, Inc		
Do	Tobacco Industry Labor Management Committee	19,200.00	332.54
Do	U.S. Telephone Assn	12,500.00	103.05
Do	Union Pacific	15,000.00	163.39
Do	Viacom International	3,000.32	22.00
Do	Waste Conversion Systems, Inc		
Do	Westinghouse Airship Industries	10,000.00	497.75
James Wyerman, 1101 14th Street, NW #1400 Washington, DC 20005	Defenders of Wildlife		8.00
Thomas L. Wylie, 555 13th St., NW, #1010 East Washington, DC 20004-1109	Sun Co, Inc	1,519.00	403.53
H. Montee Wynn, 1400 16th Street, NW Washington, DC 20036-0001	National Wildlife Federation	2,455.47	
WMDP Service Station & Automotive Repair Assn, 9420 Annapolis Rd., #307 Lanham, MD 20706		500.00	500.00
Marc D. Yacker, 1111 19th Street, NW, Suite 800 Washington, DC 20036	American Forest & Paper Association	650.00	
Jill Yacone, 1401 Eye Street, NW, Suite 600 Washington, DC 20005	United Technologies	1,800.00	3,394.16
Daniel V. Yager, 1015 15th Street, NW, #1200 Washington, DC 20005	Labor Policy Assn	12,566.00	
Do	National Court Reporters	2,307.00	
Nick Yaksich, 5100 Forbes Blvd. NAPA Building Lanham, MD 20706	National Asphalt Pavement Assn		635.00
Deborah K. Yamada, 1020 19th Street, NW, #600 Washington, DC 20036	American Express Co		
T. Albert Yamada, 1000 Connecticut Avenue, NW, Suite 304 Washington, DC 20036	Fresh Produce Assn of the Americas	500.00	
Do	Toyota Motor Sales, USA, Inc	500.00	
Nancy Foster Yanish, 800 Connectitut Avenue, NW Washington, DC 20006	Food Marketing Institute	400.00	
Yankee Gas Services Company, Attn: Mr. Steve Piascik 599 Research Parkway P.O. Box 1030 Meriden, CT 06450-1030			2,195.62
Mary J. Yarrington, 2000 K St., NW, 8th Foor Washington, DC 20006	National Comm to Preserve Social Security	3,883.00	
Bruce Yarwood, 1201 L Street, NW Washington, DC 20005	American Health Care Assn	25,000.00	1,053.50
Edward R. Yawn, 701 Pennsylvania Avenue, NW Washington, DC 20004-5475	Edison Electric Institute	1,742.64	210.61
Jack Yelverton, 15 Falcon Court Stafford, VA 22554-5316	United Armed Forces Assn		
Edward L. Yingling, 1120 Connecticut Ave., NW Washington, DC 20036	American Bankers Assn	22,000.00	42.70
D. Scott Yohe, 1629 K St., NW, #501 Washington, DC 20006	Delta Air Lines, Inc	450.00	225.00
Stephen A. Yokich, 1757 N Street, NW Washington, DC 20036	Int'l Union, United Auto Aerospace & Agric Implement Workers	7,266.68	110.00
Andrew Yood, 1220 L Street, NW Washington, DC 20005	American Petroleum Institute	200.00	
Nina M. Young, 1725 DeSales Street, NW, Suite 500 Washington, DC 20036	Center for Marine Conservation	76.73	
Stephen G. Young, 1800 Washington Road Pittsburgh, PA 15241	CONSOL, Inc		
Thomas F. Youngblood, 1201 New York Avenue, NW Washington, DC 20005-3931	American Hotel & Motel Assn	7,644.83	
Betsy Younkins, 1220 L Street, NW, #1200 Washington, DC 20005	American Petroleum Institute	8,000.00	180.15
Michael J. Zabko, 909 N. Washington St., #301 Alexandria, VA 22314	Retired Enlisted Assn	2,865.00	
Esmat A. Zaklama, 2734 Kennedy Boulevard Jersey City, NJ 07306	Coptic Foundation		
Paul J. Zanowski, 15th & M Streets, NW Washington, DC 20005	National Assn of Home Builders of the U.S.	7,864.61	
Janice Zarro, 1726 M Street, NW, Suite 701 Washington, DC 20036	Mallinckrodt Medical, Inc		
Thomas K. Zaucha, 1825 Samuel Morse Drive Reston, VA 22090	National Grocers Assn	500.00	
Richard A. Zavadowski, 1725 DeSales Street, NW, Suite 902 Washington, DC 20036	Nuclear Fuel Services, Inc	4,775.00	31.00
Shirley Zebroski, 1660 L Street, NW, #401 Washington, DC 20036	General Motors Corp	3,000.00	6,936.60
Leo C. Zeferetti, 49 Graham Place Breezy Point, NY 11697	Building & Construction Trades Dept, AFL-CIO		
Do	Cumberland Packing		

Organization or Individual Filing	Employer/Client	Receipts	Expenditures
Philip F. Zeidman, 1401 New York Ave., NW, #900 Washington, DC 20005	American Business Conference, Inc		
Rita Zeidner, 1225 I Street, NW, #500 Washington, DC 20005	American Payroll Assn	45.70	27.00
Steven Zeisel, 1000 Wilson Boulevard, Suite 3012 Arlington, VA 22209	Consumers Bankers Assn		
Eugene J. Zeiszler, 7901 Westpark Drive McLean, VA 22102	AMT - The Assn for Manufacturing Technology	3,580.00	250.00
Alan P. Zepp, 1401 New York Avenue, NW, Suite 1100 Washington, DC 20005	National Cooperative Business Assn	7,280.00	356.86
Ronald L. Ziegler, P.O. Box 1417-D49 Alexandria, VA 22313	National Assn of Chain Drug Stores, Inc	1,000.00	
Stephen A. Ziller Jr., 1010 Wisconsin Ave., NW, Suite 900 Washington, DC 20007	Grocery Manufacturers of America, Inc	1,176.29	
Fred Everett Zillinger II, 501 Second Street, NE Washington, DC 20002	Fertilizer Insititue	9,000.00	936.97
Ziontz Chestnut Varnell Berley & Slonim, 2101 Fourth Avenue, #1230 Seattle, WA 98121	Fallon Paiute-Shoshone Tribes		
Do	Makah Indian Tribe		
Do	Mille Lacs Band of Chippewa Indians		
Do	Northern Arapaho Indian Tribe		
Do	Northern Cheyenne Tribe		
Nancy Zirkin, 1111 16th Street, NW Washington, DC 20036	American Assn of University Women	5,000.00	
Amy G. Zirkle, 801 Pennsylvania Avenue, NW, #650 Washington, DC 20004	American Express Co	3,967.00	158.25
Gary M. Zizka, 1100 South Washington Street, Ist floor Alexandria, VA 22314-4494	National Beer Wholesalers Assn	16,339.05	463.73
Robert R. Zoglman, 1801 K Street, NW, Suite 800 Washington, DC 20006	Westinghouse Electric Corp	1,200.00	
60/Plus Assn, Inc, 1616 N. Ft. Myer Drive, #1010 Arlington, VA 22209		332,134.00	514,825.00

QUARTERLY REPORTS*

*All alphanumeric characters and monetary amounts refer to receipts and expenditures on page 2, paragraphs D and E of the Quarterly Report Form.

The following reports for the fourth calendar quarter of 1993 were received too late to be included in the published reports for that quarter:

(NOTE.—The form used for report is reproduced below. In the interest of economy in the RECORD, questions are not repeated, only the essential answers are printed, and are indicated by their respective headings. This page (Page 1) is designed to supply identifying data, and Page 2 deals with financial data.)

PLEASE RETURN 1 ORIGINAL TO: THE CLERK OF THE HOUSE OF REPRESENTATIVES, OFFICE OF RECORDS AND REGISTRATION, 1036 LONGWORTH HOUSE OFFICE BUILDING, WASHINGTON, D.C. 20515

PLEASE RETURN 1 ORIGINAL TO: THE SECRETARY OF THE SENATE, OFFICE OF PUBLIC RECORDS, 232 HART SENATE OFFICE BUILDING, WASHINGTON, D.C. 20510

PLACE AN "X" BELOW THE APPROPRIATE LETTER OR FIGURE IN THE BOX AT THE RIGHT OF THE "REPORT" HEADING BELOW:

"PRELIMINARY" REPORT ("Registration"): To "register," place an "X" below the letter "P" and fill out page 1 only.

"QUARTERLY" REPORT: To indicate which one of the four calendar quarters is covered by this Report, place an "X" below the appropriate figure. Fill out both page 1 and page 2 and as many additional pages as may be required. The first additional page should be numbered as page "3," and the rest of such pages should be "4," "5," "6," etc. Preparation and filing in accordance with instructions will accomplish compliance with all quarterly reporting requirements of the Act.

Year: 19 . . . . . ◆

REPORT

PURSUANT TO FEDERAL REGULATION OF LOBBYING ACT

P	QUARTER			
	1st	2d	3d	4th
(Mark one square only)				

IDENTIFICATION NUMBER

Is this an Amendment?
☐ YES ☐ NO

NOTE on ITEM "A".—(a) IN GENERAL. This "Report" form may be used by either an organization or an individual, as follows:

(i) *"Employee".*—To file as an "employee", state (in Item "B") the name, address, and nature of business of the "employer". (If the "employee" is a firm [such as a law firm or public relations firm], partners and salaried staff members of such firm may join in filing a Report as an "employee".)

(ii) *"Employer".*—To file as an "employer", write "None" in answer to Item "B".

(*b*) SEPARATE REPORTS. An agent or employee should not attempt to combine his Report with the employer's Report:

(i) Employers subject to the Act must file separate Reports and are not relieved of this requirement merely because Reports are filed by their agents or employees.

(ii) Employees subject to the Act must file separate Reports and are not relieved of this requirement merely because Reports are filed by their employers.

A. ORGANIZATION OR INDIVIDUAL FILING:

1. State name, address, and nature of business.

☐ CHECK IF ADDRESS IS DIFFERENT THAN PREVIOUSLY REPORTED

2. If this Report is for an Employer, list names of agents or employees who will file Reports for this Quarter.

NOTE on ITEM "B".—*Reports by Agents or Employees.* An employee is to file, each quarter, as many Reports as he has employers, except that: (*a*) If a particular undertaking is jointly financed by a group of employers, the group is to be considered as one employer, but all members of the group are to be named, and the contribution of each member is to be specified; (*b*) if the work is done in the interest of one person but payment therefor is made by another, a single Report—naming both persons as "employers"—is to be filed each quarter.

B. EMPLOYER —State name, address, and nature of business. If there is no employer, write "None."

NOTE on ITEM "C".—(*a*) The expression "in connection with legislative interests," as used in this Report, means "in connection with attempting, directly or indirectly, to influence the passage or defeat of legislation." "The term 'legislation' means bills, resolutions, amendments, nominations, and other matters pending or proposed in either House of Congress, and includes any other matter which may be the subject of action by either House"—§ 302(e).

(*b*) Before undertaking any activities in connection with legislative interests, organizations and individuals subject to the Lobbying Act are required to file a "Preliminary" Report (Registration).

(*c*) After beginning such activities, they must file a "Quarterly" Report at the end of each calendar quarter in which they have either received or expended anything of value in connection with legislative interests.

C. LEGISLATIVE INTERESTS, AND PUBLICATIONS in connection therewith:

1. State approximately how long legislative interests are to continue. If receipts and expenditures in connection with legislative interests have ☐ terminated, place an "X" in the box at the left, so that this Office will no longer expect to receive Reports.

2. State the general legislative interests of the person filing and set forth the specific legislative interests by reciting: (*a*) Short titles of statutes and bills; (*b*) House and Senate numbers of bills, where known; (*c*) citations of statutes, where known; (*d*) whether for or against such statutes and bills.

3. In the case of those publications which the person filing has caused to be issued or distributed in connection with legislative interests, set forth: (*a*) description, (*b*) quantity distributed, (*c*) date of distribution, (*d*) name of printer or publisher (if publications were paid for by person filing) or name of donor (if publications were received as a gift).

(Answer items 1, 2, and 3 in the space below. Attach additional pages if more space is needed.)

4. If this is a "Preliminary" Report (Registration) rather than a "Quarterly" Report, state below what the nature and amount of anticipated expenses will be; and, if for an agent or employee, state also what the daily, monthly, or annual rate of compensation is to be. *If this is a "Quarterly" Report, disregard this item "C4" and fill out items "D" and "E" on the back of this page.* Do not attempt to combine a "Preliminary" Report (Registration) with a "Quarterly Report."◆

STATEMENT OF VERIFICATION

[Omitted in printing]

PAGE 1 ◆

NOTE on ITEM "D."—*(a)* IN GENERAL. The term "contribution" includes *anything of value.* When an organization or individual uses printed or duplicated matter in a campaign attempting to influence legislation, money received by such organization or individual—for such printed or duplicated matter—is a "contribution." "The term 'contribution' includes a gift, subscription, loan, advance, or deposit of money, or anything of value, and includes a contract, promise, or agreement, whether or not legally enforceable, to make a contribution"—§ 302(a) of the Lobbying Act.

(b) IF THIS REPORT IS FOR AN EMPLOYER.—(i) *In general.* Item "D" is designed for the reporting of all receipts from which expenditures are made, or will be made, in connection with legislative interests.

(ii) *Receipts of Business Firms and Individuals.*—A business firm (or individual) which is subject to the Lobbying Act by reason of expenditures which it makes in attempting to influence legislation—but which has no funds to expend except those which are available in the ordinary course of operating a business not connected in any way with the influencing of legislation—will have no receipts to report, even though it does have expenditures to report.

(iii) *Receipts of Multi-purpose Organizations.*—Some organizations do not receive any funds which are to be expended solely for the purpose of attempting to influence legislation. Such organizations make such expenditures out of a general fund raised by dues, assessments, or other contributions. The percentage of the general fund which is used for such expenditures indicates the percentage of dues, assessments, or other contributions which may be considered to have been paid for that purpose. Therefore, in reporting receipts, such organizations may specify what that percentage is, and report their dues, assessments, and other contributions on that basis. However, each contributor of $500 or more is to be listed, regardless of whether the contribution was made solely for legislative purposes.

(c) IF THIS REPORT IS FOR AN AGENT OR EMPLOYEE.—(i) *In general.* In the case of many employees, all receipts will come under Items "D 5" (received for services) and "D 12" (expense money and reimbursements). In the absence of a clear statement to the contrary, it will be presumed that your employer is to reimburse you for all expenditures which you make in connection with legislative interests.

(ii) *Employer as Contributor of $500 or More.*—When your contribution from your employer (in the form of salary, fee, etc.) amounts to $500 or more, it is not necessary to report such contribution under "D 13" and "D 14," since the amount has already been reported under "D 5," and the name of the "employer" has been given under Item "B" on page 1 of this report.

D. RECEIPTS (INCLUDING CONTRIBUTIONS AND LOANS):

Fill in every blank. If the answer to any numbered item is "None," write "NONE" in the space following the number.

Receipts (other than loans)

1. $..............Dues and assessments
2. $..............Gifts of money or anything of value
3. $..............Printed or duplicated matter received as a gift
4. $..............Receipts from sale of printed or duplicated matter
5. $..............Received for services (e.g., salary, fee, etc.)
6. $..............TOTAL for this Quarter (Add "1" through "5")
7. $..............Received during previous Quarters of calendar year
8. $..............TOTAL from Jan. 1 through this Quarter (Add "6" and "7")

Loans Received—"The term 'contribution' includes a . . . *loan* . . ."—§ 302(a).

9. $..............TOTAL now owed to others on account of loans
10. $..............Borrowed from others during this Quarter
11. $..............Repaid to others during this Quarter

12. $..............''Expense Money'' and Reimbursements received this Quarter.

Contributors of $500 or More (from Jan. 1 through this Quarter)

13. Have there been such contributors?
Please answer "yes" or "no": ....◆

14. In the case of each contributor whose contributions (including loans) during the "period" from January 1 through the last day of this Quarter, total $500 or more:

Attach hereto plain sheets of paper, approximately the size of this page, tabulate data under the headings "Amount" and "Name and Address of Contributor"; and indicate whether the last day of the period is March 31, June 30, September 30, or December 31. Prepare such tabulation in accordance with the following example:

Amount	*Name and Address of Contributor* (*"Period"* from Jan. 1 through............................, 19.......)
$1,500.00	John Doe, 1621 Blank Bldg., New York, N.Y.
$1,785.00	The Roe Corporation, 2511 Doe Bldg., Chicago, Ill.
$3,285.00	TOTAL

NOTE on ITEM "E".—*(a)* IN GENERAL. "The term 'expenditure' includes a payment, distribution, loan, advance, deposit, or gift of money or anything of value, and includes a contract, promise, or agreement, whether or not legally enforceable, to make an expenditure"—§ 302 (b) of the Lobbying Act.

(b) IF THIS REPORT IS FOR AN AGENT OR EMPLOYEE. In the case of many employees, all expenditures will come under telephone and telegraph (Item "E 6") and travel, food, lodging, and entertainment (Item "E 7").

E. EXPENDITURES (INCLUDING LOANS) IN CONNECTION WITH LEGISLATIVE INTERESTS:

Fill in every blank. If the answer to any numbered item is "None," write "NONE" in the spaces following the number.

Expenditures (other than loans)

1. $..............Public relations and advertising services
2. $..............Wages, salaries, fees, commissions (other than Item "1")
3. $..............Gifts or contributions made during Quarter
4. $..............Printed or duplicated matter, including distribution cost
5. $..............Office overhead (rent, supplies, utilities, etc.)
6. $..............Telephone and telegraph
7. $..............Travel, food, lodging, and entertainment
8. $..............All other expenditures
9. $..............TOTAL for this Quarter (Add "1" through "8")
10. $..............Expended during previous Quarters of calendar year
11. $..............TOTAL from Jan. 1 through this Quarter (Add "9" and "10")

Loans Made to Others—"The term 'expenditure' includes a . . . *loan* . . ."—§ 302 (b).

12. $..............TOTAL now owed to person filing
13. $..............Lent to others during this Quarter
14. $..............Repayments received during this Quarter

15. *Recipients of Expenditures of $10 or More*______________

If there were no single expenditures of $10 or more, please so indicate by using the word "NONE".

In the case of expenditures made during this Quarter by, or on behalf of, the person filing: Attach plain sheets of paper approximately the size of this page and tabulate data as to expenditures under the following heading: "Amount," "Date or Dates," "Name and Address of Recipient," "Purpose." Prepare such tabulation in accordance with the following example:

Amount	*Date or Dates—Name and Address of Recipient—Purpose*
$1,750.00	7–11: Roe Printing Co., 3214 Blank Ave., St. Louis, Mo.—Printing and mailing circulars on the "Marshbanks Bill."
$2,400.00	7–15, 8–15, 9–15: Britten & Blaten, 3127 Gremlin Bldg., Washington, D.C.—Public relations service at $800.00 per month.
$4,150.00	TOTAL

Organization or Individual Filing	Employer/Client	Receipts	Expenditures
A-K Associates, Inc, 1024 10th Street, #300 Sacramento, CA 95814	City of South Lake Tahoe		
Do	Golden Gate Bridge Highway Transportation District	6,300.00	6,134.70
Do	Tahoe Basin Assn of Governments		
Access Technology Assn, 3612 Bent Branch Court Falls Church, VA 22041			
Jane M. Adams, 818 Connecticut Avenue, NW, #303 Washington, DC 20006	National Assn for Biomedical Research		
Thomas L. Adams, 1776 Massachusetts Avenue, NW Washington, DC 20036	National Parks & Conservation Assn	1,366.15	132.30
Arthur Adelberg, 83 Edison Drive Augusta, ME 04336	Central Maine Power Co	2,057.72	109.92
Advocates for Highway & Auto Safety, 750 First, NE Suite 901 Washington, DC 20002			12,060.73
David A. Affeldt, 10404 Joiners Lane Potomac, MD 20854	Association for Gerontology in Higher Education	750.00	
Agenda Communications, 203 N. LaSalle, Suite 1630 Chicago, IL 60601	Unitrin, Inc		
John Aguirre, 727 North Washington Street Alexandria, VA 22314	United Fresh Fruit & Vegetable Assn	4,500.00	
Air Taser, Inc, 7307 East Evans Road Scottsdale, AZ 85260			
Alabama Council for Rural Housing & Development, P.O. Box 020269 Tuscaloosa, AL 35402			
Tracy Alaimo, 2000 M Street, NW, #550 Washington, DC 20036	North American Telecommunucations Assn		
Virginia S. Albrecht, 1350 I Street, NW, #700 Washington, DC 20005	Beveridge & Diamond, P.C. (For:Foundation for Economic & Environmental Progress).	1,500.00	
Alcalde & Fay, 2111 Wilson Blvd., #850 Arlington, VA 22201	Alliance for Clean Coal	5,437.50	
Do	Alliance for Responsible Atmospheric Policy	18,000.00	2,943.00
Do	Associated Industries of Florida Property & Casualty Trust	15,000.00	23.00
Do	Carnival Corp	12,000.00	
Do	Center for Applied Engineering	2,875.00	63.00
Do	City of Jacksonville	22,425.00	224.00
Do	City of Las Vegas/Clark County	6,000.00	
Do	City of North Las Vegas	18,000.00	1,080.00
Do	City of Virginia Beach	3,750.00	241.00
Do	Computer Sciences Corp	3,150.00	151.00
Do	Consolidated Freightways	13,800.00	660.00
Do	Dade County Aviation Department	11,250.00	
Do	Jack Eckerd Corp	3,000.00	1,165.00
Do	Golden Gate Bridge, Highwau & Transportation District	13,125.00	
Do	Hillsborough County	18,000.00	
Do	Home Shopping Network	27,000.00	1,456.00
Do	International Climate Change Partnership	4,500.00	344.00
Do	International Council of Cruise Lines	36,000.00	3,781.00
Do	Jacksonville Chamber of Commerce	6,000.00	95.00
Do	Jim Walter Corp	3,750.00	241.00
Do	K & K Merchandising Group	16,800.00	97.00
Do	Keep America Moving	20,000.00	1,345.00
Do	Marin County	15,000.00	515.00
Do	Metropolitan Dade County-Seaport Department	15,000.00	
Do	Montgomery Watson Americas, Inc	8,250.00	
Do	National Refrigerants, Inc	7,500.00	
Do	Palm Beach County	19,500.00	
Do	Paxson Communications Corp	8,000.00	276.00
Do	Port of Jacksonville	13,950.00	42.00
Do	Port of Palm Beach	18,000.00	234.00
Do	Precision Systems, Inc	1,000.00	548.00
Do	Regular Common Carrier Conference	7,500.00	1,036.00
Do	Silver King Communications	14,400.00	215.00
Do	Sonoma County	12,000.00	57.00
Do	State Road 7 Association, Inc		
Do	Summa Corp	21,000.00	3,838.00
Do	Tampa Electric Co	15,000.00	530.00
Do	Tampa Port Authority	12,000.00	
Do	U.S. Alcohol Testing Co of America, Inc	18,000.00	422.00
Do	Walter Industries	30,818.43	228.00
Do	Washington Workshops	12,000.00	
Gary Aldridge, P.O. Box 3087 Shepherdstown, WV 25443	In Defense of Animals	5,040.00	1,155.00
Claude D. Alexander, 1350 I Street, NW, #840 Washington, DC 20005	Ralston Purina Company	11,000.00	777.13
Mary K. Alexander, 1620 L Street, NW, #1150 Washington, DC 20036	Matsushita Electric Corp of America	100.00	78.31
Anne B. Allen, 655 Third Avenue New York, NY 10017	Risk & Insurance Management Society, Inc		
Marjorie D. Allen, 1625 L Street, NW Washington, DC 20036	American Fed of State County & Municipal Employees	13,239.23	580.25
Laura L. Allendorf, 2011 Pennsylvania Ave., NW, #800 Washington, DC 20006	American Soc of Internal Medicine	2,500.00	
American Assn for Marriage & Family Therapy, 1100 17th Street, NW, 10th Fl Washington, DC 20036			
American Assn of Bank Directors, 1225 19th Street, NW, #710 Washington, DC 20036			
American Assn of Blood Banks, 8101 Glenbrook Road Bethesda, MD 20814-2749		2,500.00	2,500.00
American Consulting Engineers Council, 1015 15th Street, NW, #802 Washington, DC 20005		70,202.50	53,310.68
American Crop Protection Association, 1156 15th St., NW Washington, DC 20005		100.00	191.00
American Fed of State County & Municipal Employees, 1625 L St., NW Washington, DC 20036			149,429.32
American Federation of Home Health Agencies, 1320 Fenwick Lane, Suite 100 Silver Spring, MD 20910		137,385.73	5,712.11
American Forest & Paper Assn, 1111 19th Street, NW Washington, DC 20036			18,550.00
American Gas Assn, 1515 Wilson Boulevard Arlington, VA 22209		50,566.00	50,566.00
American Grain Inspection Institute, 1629 K Street, NW, #1100 Washington, DC 20006		0.87	50.00
American Health Information Management Assn, 919 North Michigan Avenue, Suite 1400 Chicago, IL 60611-1683			8,460.65
American Home Products Corp, 1726 M Street, NW, #1001 Washington, DC 20036			11,421.00
American International Automobile Dealers Assn, 99 Canal Center Plaza, #500 Alexandria, VA 22314		527,786.00	140,456.00
American Library Assn, 50 E. Huron Street Chicago, IL 60611		5,366.00	12,855.00
American Managed Care & Review Assn, 1200 19th St., NW, #200 Washington, DC 20037		36,913.00	35,226.00
American Meat Institute, 1700 N. Moore Street Arlington, VA 22209		107,872.00	60,382.00
American Postal Workers Union, AFL-CIO, 1300 L Street, NW Washington, DC 20005		76,175.02	61,071.91
American Shooting Sports Council, 10 Perimeter Way, Suite B-250 Atlanta, GA 30339		23,812.19	23,826.25
American Soc for Clinical Laboratory Science, 7910 Woodmont Avenue, #1301 Bethesda, MD 20814			10,676.60
American Soc of Cataract & Refractive Surgery, 4000 Legato Road, Suite 850 Fairfax, VA 22033-4003			26,025.00
American Trucking Assns, Inc, 430 First Street, SE Washington, DC 20003		13,000.00	90,725.00
American Vintners Assn, 1301 Pennsylvania Ave., NW, #500 Washington, DC 20004			100.00
Bryan D. Anderson, 800 Connecticut Ave., NW, Suite 711 Washington, DC 20006	Coca-Cola Co	66.00	51.04
Frederick M. Anderson, Box 3000 - Bldg. 5803 ECIFi, Dix J Fort Dix, NJ 08640-3000			
James A. Anderson Jr., 1725 K Street, NW, #710 Washington, DC 20006	National Assn of Wholesaler-Distributors		
John A. Anderson, 1333 H St., NW, The West Tower, 8th Flr Washington, DC 20005	Electricity Consumers Resource Council (ELCON)	1,875.00	
Michael Andrews, 1455 Pennsylvania Ave., NW, #350 Washington, DC 20004	Salomon Brothers, Inc	4,000.00	
Thomas D. Anthony, 2500 PNC Center Cincinnati, OH 45202	Frost & Jacobs (For:Comprehensive Medical, Inc)		
Do	Frost & Jacobs (For:Western Hills Imaging Center, Inc)		
James F. Anton, 1828 L Street, NW, #1202 Washington, DC 20036	Institute of Electrical & Electronic Engineers, Inc		
James J. Apperson, P.O. Box 52075 Phuenix, AZ 85072	Southwest Gas Corporation		
Apple Processors Assn, 1629 K Street, NW, #1100 Washington, DC 20006		7,552.82	31,291.91
Arent Fox Kintner Plotkin & Kahn, 1050 Connecticut Ave., NW Washington, DC 20036-5339	Jean-Bertrand Aristide	5,000.00	7,047.86
Do	Association of Professional Flight Attendants	101.97	11.97
Do	Guardian Life Insurance Co of America	31,759.30	165.62
Do	Motor and Equipment Manufacturers Association		
Armenian Assembly of America, 122 C Street, NW #350 Washington, DC 20001		22,016.33	22,016.33
Nan Aron, 1601 Connecticut Avenue, NW, #601 Washington, DC 20009	Alliance for Justice	32.10	
Karen McGill Arrington, 1629 K Street, NW, #1010 Washington, DC 20006	Leadership Conference on Civil Rights	3,368.10	41.00
Asbill Junkin Myers & Buffone, 1615 New Hampshire Ave., NW Washington, DC 20009	Coalition on Smoking or Health	4,250.00	4,705.55
James N. Ashmore, 1700 N. Moore Street, 20th Floor Arlington, VA 22209	Boeing Co	1,870.21	158.23
Association of Home Appliance Manufacturers, 701 Pennsylvania Avenue, NW, #900 Washington, DC 20004			2,762.40
Association of Private Pension & Welfare Plans, Inc, 1212 New York Avenue, NW, #1250 Washington, DC 20005		3,211.25	1,114.95
Anna Aurilio, 218 D Street, SE Washington, DC 20003	U.S. Public Interest Research Group	6,206.88	
Theodore Austell III, 701 Pennsylvania Avenue, NW, Suite 610 Washington, DC 20004	Tenneco, Inc	862.50	295.00
Automotive Engine Rebuilders Assn, 330 Lexington Drive Buffalo Grove, IL 60089-6998			
Les AuCoin, Bogle & Gates 1299 Pennsylvania Ave., NW, #875 East Washington, DC 20004	City of Gresham		
AFL-CIO Maritime Committee, 1150 17th Street, NW, #700 Washington, DC 20036		10,755.00	389.86
APCO Associates, Inc, 1615 L St., NW Washington, DC 20036	AEC Forest Products	280.00	
Do	City Utilities of Springfield	8,341.25	548.74
Do	Colorado River Energy Distributors	7,172.50	994.43

Organization or Individual Filing	Employer/Client	Receipts	Expenditures
Do	Gerber Products Company	430.00	271.59
Do	Government of Romania	720.00	23.93
Do	Heart of America Northwest		
Do	Hoffmann-La Roche, Inc		
Do	Missouri Joint Municipal Electric Utility Commission	10,345.00	
Do	Northeast Public Power Assn	30.00	507.70
Do	Pennsylvania Power & Light		
Do	Phoenix Home Life Insurance, Inc		328.46
Do	Principal Financial Group		158.55
Do	Queens Borough Public Library	4,870.25	13.00
Do	Sacramento Municipal Utility District		
Do	Source Northwest, Inc		
Do	Southern California Public Power Authority		6.00
Do	State Farm Mutual Automobile Insurance Co		
Do	Tennessee Valley Public Power Assn	1,880.00	34.08
ARCO Chemical Co, 3801 West Chester Pike Newtown Square, PA 19073			275.00
Gregory R. Babyak, 1747 Pennsylvania Ave., NW, #900 Washington, DC 20006	Contact Lens Institute		
Do	Genentech		
Do	MacAndrews & Forbes Holding, Inc		
Victor Bach, 105 East 22nd Street New York, NY 10010	Community Service Society	968.45	638.45
Richard Anthony Baenen, 1735 New York Avenue, NW, #600 Washington, DC 20006	NANA Regional Corp, Inc		
Do	Shee Atika, Inc		
Charles A. Baker III, 1001 G Street, NW, #900 East Washington, DC 20001	Dewey Square Group (For:Economic Development Corp (for City of Kansas City))		
Baker & Hostetler, 1050 Connecticut Ave., NW, #1100 Washington, DC 20036	Alexander & Alexander Services, Inc		
Do	American Football Coaches Assn	6,271.41	6,271.54
Do	American Resort Development Assn	1,861.41	1,861.41
Do	D.H. Blair Investment Banking Corp	7,551.25	7,551.25
Do	Capitol American Financial Corporation		
Do	Coalition of Independent Casualty Companies of America		
Do	Corroon & Black Corp		
Do	Council of Insurance Agents & Brokers		
Do	Financial Holding Corp		
Do	Fireman's Fund Insurance Co		
Do	Flexi-Van Leasing/Pacific Holding Company		
Do	Hospital Insurance Forum	13,394.42	13,394.42
Do	Independent Insurance Agents of America, Inc		
Do	Invacare Corporation	6,492.63	6,492.63
Do	IM&I, Inc		
Do	Johnson & Higgins		
Do	Life Gift Organ Donor Center	421.36	421.36
Do	Marsh & McLennan Companies		
Do	Methodist Hospital of Indiana		
Do	National Assn of Insurance Brokers, Inc		
Do	National Assn of Professional Insurance Agents		
Do	Paradigm Health Corp		
Do	Renal Physicians of Texas	2,593.16	2,593.16
Do	Rollins Hudig Hall		
Do	Schering Berlin, Inc	4,492.80	4,492.80
Do	Sedgwick James, Inc		
Do	Society of Cardiovascular & Interventional Radiology	2,168.00	2,168.00
Do	St. Joseph Hospital & Health Center		
Do	Travelers, Inc		
Do	United Fidelity Life Insurance		
Do	Washington Regional Transplant Consortium		
Do	Wireless Communication Council		
Baker Donelson Bearman & Caldwell, 801 Pennsylvania Ave., NW, #800 Washington, DC 20004	Allied-Signal, Inc		
Do	American Trucking Assn	11,472.50	106.00
Do	AFG Industries, Inc		
Do	AT&T		
Do	Bridgestone/Firestone, Inc		
Do	Burlington Northern Railroad Co	3,127.00	
Do	Competitive Long Distance Coalition, Inc	82,031.25	
Do	CTI PET Systems, Inc	12,073.50	240.98
Do	Day & Zimmerman, Inc	3,035.00	72.50
Do	Eisenhower Exchange Fellowships, Inc	4,125.00	
Do	Federal Express Corp		
Do	Federal Judges Assn	1,505.00	
Do	Foothill Transit	18,437.50	943.47
Do	Los Angeles County Transportation Commission	19,155.00	
Do	Martin Marietta Corp		
Do	Metropolitan Washington Airports Authority	27,245.00	
Do	National Soft Drink Assn		
Do	North Carolina Air Cargo Airport Authority	3,462.50	
Do	Occidental Petroleum Corp		
Do	Ocean Common Carrier Coalition	2,419.00	
Do	Pennsylvania Turnpike Commission	14,160.00	104.50
Do	Pennzoil Co		
Do	Pillsbury Company	590.00	
Do	PPG Industries, Inc	1,897.50	
Do	Salomon Brothers, Inc	1,032.50	37.79
Do	Schering-Plough Corp	14,013.50	
Do	Southern Star Shipping Co		
Do	U.S. Tobacco, Inc		
Do	United Technologies Corp	1,593.00	
Do	Ventura Port District	2,610.00	
Do	WMX Technologies, Inc	8,062.00	
Diane L. Baldwin, 200 South Sixth Street Minneapolis, MN 55402	Grand Metropolitan, Inc		
Donald Baldwin, 888 16th Street, NW, #600 Washington, DC 20006	Diagnostic/Retrieval Systems, Inc		
Do	National Law Enforcement Council		
Do	Security on Campus, Inc		
Gary Baldwin, P.O. Box 1210 Huntington, WV 25714	Princess Coals, Inc		
Stanley W. Balis, 1140 19th Street, NW, #700 Washington, DC 20036	Miller Balis & O'Neil, P.C. (For:American Public Gas Assn)		
Andrea Ball, 1601 Connecticut Ave., NW, #601 Washington, DC 20009	Alliance for Justice	104.00	8.00
Robert D. Bannister, 15th & M Streets, NW Washington, DC 20005	National Assn of Home Builders of the U.S.	32,211.53	
Linda W. Banton, 6801 Rockledge Drive Bethesda, MD 20817	Martin Marietta Corp	2,175.00	
Baraff Koerner Olender & Hochberg, P.C., 5335 Wisconsin Avenue, NW, #300 Washington, DC 20015-2003	Encore Media Corp		
John Paul Barber, 8101 Glenbrook Road Bethesda, MD 20814-2749	American Assn of Blood Banks	2,500.00	
Gary C. Barbour, 214 Massachusetts Avenue, NE, #300 Washington, DC 20002	Portland General Electric		1,758.38
Leslie A. Barhyte, 529 14th Street, NW, #440 Washington, DC 20045	Newspaper Association of America	5,000.00	66.25
David H. Baris, 1225 19th Street, NW, #710 Washington, DC 20036	American Assn of Bank Directors		
Jared A. Barlage, 122 C Street, NW, 4th Floor Washington, DC 20001	American Wind Energy Assn	6,735.40	
William J. Barloon, 1850 M Street, NW, #1110 Washington, DC 20036	Sprint Corporation	7,000.00	1,836.99
Barnes Richardson & Colburn, 1225 Eye Street, NW, #1150 Washington, DC 20005	Department 56, Inc	125.00	63.00
Do	Florida Citrus Mutual		
Do	Marion Merrell Dow, Inc		30.36
Do	Miles, Inc		2.25
Do	Omni USA, Inc		
Do	Polaroid Corp		
Sarah Barnett, 1101 15th Street, NW, #600 Washington, DC 20005	Sugar Assn, Inc	356.00	10.00
David M. Barrett, 2626 Pennsylvania Avenue, NW Washington, DC 20037	Fleetwood Enterprises, Inc		
Do	Southeastern Pennsylvania Transportation Authority		
Linda L. Bartlett, 1341 G Street, NW, 9th Floor Washington, DC 20005	Philip Morris Management Corp	750.00	
Richard A. Barton, 1101 17th St., NW, #705 Washington, DC 20036	Direct Marketing Assn	4,500.00	12,897.01
J. Mel Bass, 1401 H Street, NW Washington, DC 20005	American Automobile Manufacturers Assn	2,000.00	

Organization or Individual Filing	Employer/Client	Receipts	Expenditures
Sandy Bass-Cors, 119 Oronoco Street, Suite 300 Alexandria, VA 22314	Coalition for Automotive Repair Equality	4,045.00	
Paul W. Bateman, 490 Fort Williams Parkway Alexandria, VA 22304-1810	Klein & Saks, Inc (for Gold Institute), et al.		
John L. Bauer Jr., 1667 K St., NW, #430 Washington, DC 20006	Armco, Inc		
Jon A. Baumgarten, 1233 20th Street, NW, Suite 800 Washington, DC 20036	Proskauer Rose Goetz & Mendelsohn (For:Association of American Publishers)		
Bayh Connaughton Fensterheim & Malone, PC, 1350 Eye Street, NW, #200 Washington, DC 20005	Crown Butte Mines, Inc		
Do	Illinois Tool Works, Inc		
Do	National Basketball Assn		
Beacon Consulting Group, Inc, 312 Massachuesetts Avenue, NE Washington, DC 20002-5703	Alltel Information Services, Inc	1,350.00	96.05
Do	Big Brothers/Big Sisters of America		40.08
Do	Boston Music Education Collaboratiave	11,250.00	190.78
Do	Cummins-Allison Corp	600.00	41.05
Do	Haymarket House	12,000.00	724.40
Do	Metropolitan Chicago Healthcare Council		292.04
Do	Museum of Science & Industry	3,700.00	319.22
Do	Mystic Seaport Museum	9,000.00	178.03
Do	National Coalition for Volunteer Protection		
Do	National Crime Prevention Council	14,250.00	884.66
Do	National Health Sciences Consortium	5,000.00	133.10
Do	National Institute for Citizen Education & the Law		
Do	New England Conservatory of Music		
Do	One-To-One Partnership, Inc	4,500.00	257.40
Do	Rubber Pavements Assn	19,800.00	4,144.02
Do	SCITREK	2,000.00	9.26
Bechtel & Cole, Chartered, 1901 L Street, Nw, Suite 250 Washington, DC 20036	Press Broadcasting Co, Inc		647.85
Daniel F. Becker, 408 C Street, NE Washington, DC 20002	Sierra Club	4,392.64	
Elizabeth W. Beckwith, 300 5th Street, NE Washington, DC 20002	American Osteopathic Assn	10,000.00	
David Beier, 1747 Pennsylvania Ave., NW, #1223 Washington, DC 20006	Genentech, Inc	3,000.00	106.80
Mark Belanger, 12 East 49th Street New York, NY 10017	Major League Baseball Players Assn		
Stephen E. Bell, 1455 Pennsylvania Ave., NW, #350 Washington, DC 20004	Salomon Brothers, Inc	5,000.00	
Lisa Bellucci, 15th & M Streets, NW Washington, DC 20005	National Assn of Home Builders of the U.S.	8,335.40	
Terre Belt, 1015 Fifteenth Street, NW, #802 Washington, DC 20005	American Consulting Engineers Council	1,875.00	
Mark Benedict, 900 2nd STreet, NE, Suite 306 Washington, DC 20002	Ferroalloy Assn		1,250.00
Catherine Bennett, 1455 Pennsylvania Ave., NW, #925 Washington, DC 20004	Pfizer, Inc	3,000.00	747.08
Bergner Bockorny Clough & Brain, 1101 16th Street, NW, #500 Washington, DC 20036	Dow Chemical Co		
Jason S. Berman, 1020 19th St., NW, #200 Washington, DC 20036	Recording Industry Assn of America, Inc	4,000.00	
Berman Enterprises, 1800 K Street, NW, #629 Washington, DC 20006	Flo-Sun Corp		
Do	VIACOM International	2,500.00	132.22
Joan Kovalic Bernard, 701 Pennsylvania Avenue, NW, #610 Washington, DC 20004	Tenneco, Inc	1,307.25	978.14
Charles Bernardini, 2233 N. Halsted Street Chicago, IL 60614	Dykema Gossett (For:Committee on US Business, Canadian Life & Health Ins Assn).		
Michael J. Bertelsen, 1401 H Street, NW, #1200 Washington, DC 20005	Investment Company Institute		
Beveridge & Diamond, P.C., 1350 Eye Street, NW, #700 Washington, DC 20005	Foundation for Environmental & Economic Progress, Inc	3,000.00	3,368.06
Debbie Billet-Roumell, 901 E Street, NW, #600 Washington, DC 20004	National Treasury Employees Union	13,000.00	183.00
Robert Bingaman Jr., 408 C Street, NE Washington, DC 20002	National Clean Air Coalition, Inc	8,125.00	
James B. Biollot, 1005 E Street, SE Washington, DC 20003	National Agricultural Aviation Assn		
Biotechnology Industry Organization, 1625 K Street, NW Washington, DC 20006		1,484,261.00	21,598.56
Birch Horton Bittner and Cherot, 1155 Connecticut Ave., NW, #1200 Washington, DC 20036	Chugach Alaska Corp	1,500.00	1,500.00
Do	Coastal Landowners Coalition	336.00	336.00
Do	Maranatha Broadcasting Co, Inc	8,212.80	9,328.80
Do	Municipality of Anchorage	7,470.40	7,470.40
Do	North Star Borough	4,387.20	4,387.20
Do	Nuclear Energy Institute	5,456.32	5,456.32
Do	Old Harbor Native Corp	3,500.00	3,500.00
Do	Prince William Sound Science Center	12,984.64	12,984.64
Do	Ringling Brothers and Barnum & Baily Circus	17,615.04	17,615.04
Do	State of Alaska	1,931.20	1,931.20
Do	Tanadgusix Corporation	5,222.40	5,342.40
Do	Westinghouse Electric Corp	3,945.60	3,945.60
Do	Wildlife Legislative Fund of America	6,901.44	6,901.44
Cathleen Black, 11600 Sunrise Valley Drive Reston, VA 22091	Newspaper Association of America	6,000.00	1,535.00
Sam Black, 4330 Leland Street Chevy Chase, MD 20815	Jeld-Wen Company		
Roger Blacklow, 905 16th Street, NW Washington, DC 20006	Laborers' International Union of NA, AFL-CIO	17,499.99	670.50
Helen Blank, 25 E Street, NW Washington, DC 20001	Children's Defense Fund	4,205.17	383.66
David C. Blee, 919 18th Street, NW, #450 Washington, DC 20006	Nuclear Assurance Corp		
Allan Block, 5566 Southwyck Blvd Toledo, OH 43614	Blade Communications, Inc		
Nadine Block, 70 West 40th Street, 3rd Floor New York, NY 10018	American Pacific Enterprises		
Louis Blumberg, 900 - 17th Street NW Washington, DC 20006	Wilderness Society	952.20	474.05
Robert Spurrier Boege, 1575 Eye Street, NW Washington, DC 20005	American Soc of Assn Executives	300.00	
Stacy A. Bohlen, 300 5th Street, NE Washington, DC 20002	American Osteopathic Assn	11,000.00	
John F. Bohm, 526 King Street, #511 Alexandria, VA 22314	National Assisted Housing Management Assn		14,769.00
James E. Boland, 1341 G Street, NW, 9th Floor Washington, DC 20005	Philip Morris Management Corp	5,000.00	882.43
Boland & Madigan, Inc, 700 13th Street, NW, #400 Washington, DC 20005	Accounting Coalition	15,000.00	
Do	Alyeska Pipeline Service Co		
Do	Distilled Spirits Council of the U.S.	24,000.00	7.50
Do	Massachusetts Water Resources Authority	5,000.00	15.00
Do	Portable Rechargeable Battery Assn, et al.	7,000.00	43.00
Do	Southwest Airlines	5,000.00	30.80
Do	SBC Communications, Inc	5,000.00	
Bond & Co, Inc, 655 South Washington Street Alexandria, VA 22314	American Trucking Associations		
Do	Century Council		
Do	Long Island Lighting Co		
Do	Massachusetts Mutual Life Insurance Co		
Do	Philip Morris Companies, Inc		
Manuel E. Bonilla, 1101 Vermont Ave., NW, #700 Washington, DC 20005	American Academy of Ophthalmology		5,602.36
Beau Boulter, P.O. Box 50908 Amarillo, TX 79159	United Seniors Assn, Inc	12,000.00	
Elizabeth A. Boussard, 900 17th Street, NW Washington, DC 20006	Wilderness Society	3,566.14	3,291.08
Taylor R. Bowlden, 1776 Massachusetts Ave., NW Washington, DC 20036	Highway Users Federation	16,630.00	2,156.00
Charles H. Bowser, 777 Great Mills Road Lexington Park, MD 20653			
Michael D. Boyd, 1299 Pennsylvania Ave., NW Washington, DC 20004	General Electric Co		
Carolyn A. Boyer, 555 13th Street, NW, #600 Washington, DC 20004	Health Insurance Assn of America, Inc	1,039.40	272.09
Paul Boyle, 529 14th Street, NW, #400 Washington, DC 20045	Newspaper Association of America	7,000.00	62.03
Bracewell & Patterson, 2000 K Street, NW, #500 Washington, DC 20006	J.D. Firth Associates		
Bracy Williams & Company, 601 13th Street, NW, #510 South Washington, DC 20005	Allied Pilots Association	10,000.00	110.00
Do	American Institute for Foreign Studies	5,000.00	150.00
Do	City of Ft. Worth	7,000.00	90.00
Do	City of Klamath Falls	6,000.00	80.00
Do	City of Tucson	7,000.00	120.00
Do	Coin Coalition	15,000.00	210.00
Do	County of Winnebago	200.00	50.00
Do	Daishowa America Company, Ltd	15,000.00	110.00
Do	Daylight Saving Time Coalition		
Do	Energy Absorption Systems, Inc	8,000.00	110.00
Do	Fort Worth Transportation Authority	5,000.00	200.00
Do	Greater Rockford Airport Authority	5,000.00	90.00
Do	Michigan Consolidated Gas Co	15,000.00	180.00
Do	St. Louis Airport Authority	4,000.00	120.00
Do	Transportation Communications International Union	6,000.00	45.00
Do	United Technologies Corp	4,000.00	40.00
Nick Braden, 1055 North Fairfax Street, Suite 201 Alexandria, VA 22314	U.S. Strategies Corp		
Sandra D. Braden, 911 Main Street, #3000 Kansas City, MO 64105	UtiliCorp United		
Cynthia P. Bradley, 1625 L Street, NW Washington, DC 20036	American Fed of State County & Municipal Employees	12,332.52	269.00
Lynne E. Bradley, 110 Maryland Ave., NE, Suite 101 Washington, DC 20002-5675	American Library Assn	1,248.00	
Patricia C. Branch, 6453 Browsing Deer Columbia, MD 21045	Children's Defense Fund	13,390.00	30.00
Roy Braunstein, 1300 L Street, NW Washington, DC 20005	American Postal Workers Union, AFL-CIO	16,992.59	1,502.53

Organization or Individual Filing	Employer/Client	Receipts	Expenditures
George W. Breece, P.O. Box 2801 Fayetteville, NC 28302	Natl Assoc for the Advancement of Orthodics & Prosthetics	10,500.00	1,548.11
Myron A. Brilliant, 1615 H Street, NW Washington, DC 20062	U.S. Chamber of Commerce		
Robert J. Brinkmann, 11600 Sunrise Valley Drive Reston, VA 22091	Newspaper Association of America	4,000.00	
B. Jeannie Brocato, 2301 Main Street Kansas City, MO 64113	Blue Cross & Blue Shield of Kansas City	320.00	1,776.00
Bonnie L. Brown, 555 13th Street East Tower # 600 Washington, DC 20004	Health Insurance Assn of America, Inc		
David C. Brown, 601 Pennsylvania Ave., NW, Suite 620-North Building Washington, DC 20004	PECO Energy Company	11,290.00	1,083.89
E. Cooper Brown, 6935 Laurel Ave., #204 Takoma Park, MD 20912			
James P. Brown, 232 N. Kingshighway, #202 St. Louis, MO 63108	Bi-State Development Agency	5,500.00	2,159.00
Do	City of St. Louis - City Hall	4,350.00	4,541.00
Do	Lambert-St. Louis International Airport	49,033.00	62,846.00
Do	Brown & Associates (For:Metropolitan St. Louis Sewer District)	15,000.00	15,305.00
Paul S. Brown, 655 Third Avenue New York, NY 10017	Risk & Insurance Management Society, Inc		
R. Stephen Browning, P.O. Box 1697 Helena, MT 59624	Glass Packaging Institute/Industry Union Glass Container...		
Do	Joint Board of Control for Flathead Irrigation Project		
Do	Lewis and Clark Interpretive Center		
Do	Montana Technology Corp		
Brownstein Hyatt Farber & Strickland, P.C., 410 17th Street, 22nd Floor Denver, CO 80202	ORNDA		
Do	US West		1,020.57
Brownstein Zeidman & Lore, 1401 New York Ave., NW, #900 Washington, DC 20005	AFL-CIO Housing Investment Trust		
Do	New York City Housing Development Corp		
Do	New York State Mortgage Loan Enforcement & Admin Corp	98.00	
Do	Starrett Housing Corporation		
Florence Buchanan, 5566 Southwyck Blvd Toledo, OH 43614	Blade Communications, Inc		
Jeremiah S. Buckley, Goodwin Procter & Hoar 901 15th Street, NW, #410 Washington, DC 20005	General Latex & Chemical Co		
Michael Buckley, 1522 K Street, NW, #836 Washington, DC 20005	Consortium of Social Science Assn		30.00
Betsy Buffington, 23 North Scott, #27 Sheridan, WY 82801	Sierra Club	1,778.21	
Building Owners & Managers Assn Int'l, 1201 New York Avenue, NW, #300 Washington, DC 20005			28,416.00
Philip Bujakowski, 1735 New York Avenue, NW Washington, DC 20006	American Institute of Architects		
Thomas J. Bulger, 1050 17th Street, NW, #510 Washington, DC 20036	Association for Commuter Transportation, Inc	10,500.00	1,838.03
Do	ESL/TRW	9,032.70	444.81
Do	Metropolitan Transportation Commission	31,999.98	5,578.37
Do	Oakland County, Michigan	9,113.75	488.39
Marwan Burgan, 601 Pennsylvania Avenue, NW, #900 Washington, DC 20004	American Muslim Council		
Do	MARJAC Investments		
Do	Ruba Harb Sifri, et al.		
Diane B. Burke, 1625 L Street, NW Washington, DC 20036	American Fed of State County & Municipal Employees	17,057.28	774.50
William W. Burrington, 8619 Westwood Center Dr. Vienna, VA 22182-2285	America Online, Inc	23,750.00	49.59
Mary J. Burt, 1090 Vermont Avenue, NW, Suite 800 Washington, DC 20005	National Assn of Mortgage Brokers	18,750.00	
William Burton, Bower & Gardner 110 East 59th Street New York, NY 10022	Continental Insurance Company		
James D. Burwell, Governmental Affairs Dept. (051) Columbia, SC 29218	SCANA Corp	7,731.49	9,608.68
Nicholas J. Bush, 1129 20th Street, N.W., #300 Washington, DC 20036	Natural Gas Supply Assn		
Gregory B. Butler, 601 Pennsylvania Ave., NW, #620N Washington, DC 20004	New England Power Service Co	25,000.00	8,578.03
Jeanne A. Butterfield, 1400 Eye Street, NW, Suite 1200 Washington, DC 20005	American Immigration Lawyers Assn	1,955.00	
John D. Cahill, McDermott/O'Neill & Associates One Beacon Street, #1600 Boston, MA 02108	Bliss Companies	22,500.00	
Do	John Drew Co		
Do	Massachusetts Bay Transportation Authority		
Do	Massachusetts Land Bank	15,000.00	
Do	Massachusetts Port Authority	15,000.00	
Do	Northeastern University	37,500.00	
David B. Calabrese, 2500 Wilson Bouldevard Arlington, VA 22201-3834	Electronic Industries Assn	750.00	618.75
California Health Care Institute, 1020 Prospect St., #310 La Jolla, CA 92037		451,500.00	73,086.00
Bradley F. Call, 800 Connecticut Ave., NW, Suite 600 Washington, DC 20006	Fluor Corp	5,000.00	18.00
Amy E. Callahan, 1150 Connecticut Ave., NW, Suite 507 Washington, DC 20036	Wallace & Edwards		
John Cameron, 68 E. Wacker Place, 3rd Floor Chicago, IL 60601	Illinois Public Action	1,350.00	65.00
Thomas D. Campbell & Associates, Inc, 113 South Alfred Street Alexandria, VA 22314	Cyprus Amax Minerals Co	5,000.00	2,900.00
William Canary Jr, 430 First Street, S.E. Washington D.C.	American Trucking Assns, Inc	3,000.00	
James R. Cannon Jr., 808 17th Street, NW, #300 Washington, DC 20006-3910	Stewart & Stewart (For:Floral Trade Council)	370.67	
Do	Stewart & Stewart (For:Professional Plant Growers Assn)		
Do	Stewart and Stewart (For:Smith Corona Corp)		
Do	Stewart & Stewart (For:Timken Co)		
Do	Stewart & Stewart (For:Torrington Company)		
Brent A. Cantley, 1735 New York Ave., NW Washington, DC 20006	American Institute of Architects		
Shawn Cantrell, 1025 Vermont Avenue, NW, 3rd Floor Washington, DC 20005	Friends of the Earth	86.95	
Gary Capistrant, 1055 North Fairfax Street, #201 Alexandria, VA 22314	U.S. Strategies Corp		
Capital Concepts, 1225 I Street, NW, #500 Washington, DC 20005	Lockheed Aeronautical Systems Co	2,000.00	1,940.68
Do	Savings Coalition of America	9,000.00	5,775.00
Capital Partnerships (VA), Inc, 11350 Random Hils Road, #8000 Fairfax, VA 22030	International Taxicab and Livery Association	15,000.00	2,250.00
Do	North Metro Mayors Coalition	15,000.00	3,768.00
Do	RADAR	5,000.00	797.00
Caplin & Drysdale, Chtd, One Thomas Circle, NW, #1100 Washington, DC 20005	Council on Foundations, Inc		
Melissa Coggeshall Carey, 2001 Pennsylvania Ave., NW Washington, DC 20006	Electronic Industries Assn	750.00	151.67
J.D. Cargill & Associates, Inc, P.O. Box 3407 Atlanta, GA 30302-9998	Pharmaceutical Research & Manufacturers of America		
Linda E. Carlisle, 1100 Connecticut Avenue, NW, #600 Washington, DC 20036	McClure Trotter & Mentz (For:Methanex, Inc)		
Carlyle Consulting, 3000 S. Randolph Street, Suite 317 Arlington, VA 22206	Amdahl Corp	2,075.00	78.72
Do	Levi Strauss International	21,535.00	2,490.38
William Carney, 523 7th Street, SE Washington, DC 20003	Edison Electric Institute	24,000.00	
Do	Nuclear Energy Institute	19,000.00	
Paul E. Carothers, 1341 G Street, NW, 9th Floor Washington, DC 20005	Philip Morris Management Corp	3,000.00	580.61
Margie Carriger, 415 2nd St., NE, #300 Washington, DC 20002	National Assn of Wheat Growers	2,900.00	
David Carroll, 1212 New York Avenue N.W. #500 Washington, DC 20005	Lafarge Corp (For:Cement Kiln Recycling Coalition)		
Frank H. Case III, 2600 Virginia Ave., NW, 10th Floor Washington, DC 20037-1905	Schmeltzer Aptaker & Shepard, PC (For:Council of Nursing Home Suppliers)	1,750.00	
Cassidy and Associates, Inc, 700 13th St., NW, #400 Washington, DC 20005	Albion College		
Mark A. Casso, 1015 15th Street, NW, #802 Washington, DC 20005	American Consulting Engineers Counsel	1,250.00	47.45
Rita L. Castle, 100 NE Adams Street Peoria, IL 61629	Caterpillar, Inc	8,500.00	3,434.00
Gordon Cavanaugh, 601 Pennsylvania Ave., NW, #800 Washington, DC 20004	Reno & Cavanaugh (For:Cooperative Housing Foundation)		
Do	Reno & Cavanaugh (For:Council of Large Public Housing Authorities)	20,647.75	1,365.05
Do	Reno & Cavanaugh (For:Housing Assistance Council)		
Do	Reno & Cavanaugh (For:Housing Authority of the City of Houston)		
Do	Reno & Cavanaugh (For:Housing Authority of the City of Louisville)		
Do	Reno & Cavanaugh (For:Housing Authority Insurance, Inc)	310.00	
Do	Reno & Cavanaugh (For:National American Indian Housing Council)	2,430.00	41.25
Do	Reno & Cavanaugh (For:National Assn of Service & Conservation Corps)	101.25	8.00
Philip T. Cavanaugh, 1401 Eye Street, NW, #1200 Washington, DC 20005	Chevron Companies	8,000.00	750.54
Cement Kiln Recycling Coalition, 1212 New York Ave. NW Suite 500 Washington, DC 20005			
Center for Responsive Politics, 1320 19th Street, NW, #700 Washington, DC 20036			
Chambers Associates, Inc, 805 15th Street, NW, #500 Washington, DC 20005	American Postal Workers Union, AFL-CIO	3,750.00	
Do	Belk Stores Services, Inc		
Do	Coalition of Publicly Traded Limited Partnerships	7,200.00	
Do	Council of Infrastructure Financing Authorities	300.00	
Do	Environmental Technology Council	937.50	
Do	Greater New York Hospital Assn	6,750.00	87.22
Do	Manville Corporation		
Do	National Comm to Preserve Social Security & Medicare	600.00	
Do	National Council of Chain Restaurants		
Do	New York Hospital	5,400.00	168.96
Do	Newhall Land and Farming Company		
Do	PepsiCo, Inc		
Do	Rite Aid Corp	1,012.50	
Do	Targeted Management Consultants		
Thomas Champion, 601 Pennsylvania Ave., NW, #620 N. Bldg. Washington, DC 20004	Consolidated Edison Company of New York	4,770.00	1,279.06
Kelly G. Chapman, 2000 Pennsylvania Ave., NW, 9th Floor Washington, DC 20006	Virginia Power/North Carolina Power	1,328.00	48.43
Richard A. Charter, 6947 Cliff Ave. Bodega Bay, CA 94923	County Administrative Office County of Santa Cruz		336.00
Leslie Cheek III, 490 L'Enfant Plaza East, SW, #4200 Washington, DC 20024	Xerox Corp		
Chernikoff & Company, 1320 18th Street, NW, #100 Washington, DC 20036	Capital Childrens Museum	1,907.00	1,257.75

Organization or Individual Filing	Employer/Client	Receipts	Expenditures
Child Care America, Inc, 14102 Warwick Blvd Newport News, VA 23602		200.00	200.00
Marjorie A. Chorlins, 1350 I Street, NW Washington, DC 20005	Motorola	2,500.00	
Christians' Israel Public Action Campaign, Inc, 2013 Q Street, NW Washington, DC 20009		19,087.03	16,860.07
Donna M. Cirolia, One Culligan Parkway Northbrook, IL 60062	Culligan International Co		
Citizens for an Alternative Tax System, 9401 East Street Manassas, VA 22110		43.45	43.45
Clinton Advocates for Change, 16 Lancaster Drive Suffern, NY 10901		130.00	112.00
William M. Cloherty, 3211 Tennyson Street, NW Washington, DC 20015-2429	Center for International Trade, et al.	1,500.00	250.00
Coalition for Automotive Repair Equality, Inc, 119 Oronoco Street, Suite 300 Alexandria, VA 22314		58,419.00	22,142.00
Coalition for Vehicle Choice, 1100 New York Ave., NW, Suite 810 West Tower Washington, DC 20005		458,966.15	6,535.60
Robert E. Cole, 900 17th St., NW Washington, DC 20006	Kaiser Aluminum & Chemical Corp, et al.	1,000.00	
Collier Shannon Rill & Scott, 3050 K Street, NW, #400 Washington, DC 20007	Limousine Industry Manufacturers Organization		
Do	National Limousine Assn		
John Collins, 430 First Street, SE Washington, DC 20003	American Trucking Assns, Inc	11,000.00	
Michael A. Collins, 19300 Bakers Run Court Brookville, MD 20833	United Assn of Jnymen & Appren of Plmbg & Pipeftg Industry	6,000.00	
Kent W. Colton, 15th & M Streets, NW Washington, DC 20005	National Assn of Home Builders of the U.S.	5,921.61	
Committee for Do-It-Yourself Household Moving, P. O. Box 20084 George Mason Station Alexandria, VA 22320			
Committee for Humane Legislation, Inc, 2000 P Steet, NW, #415 Washington, DC 20026		325.00	981.49
Community Service Society, 105 East 22nd Street New York, NY 10010			20,419.39
Concerned Women for America Legislative Action Committee, 370 L'Enfant Promenade, SW, #800 Washington, DC 20024	Concerned Women for America	34,434.99	34,434.99
Conkling Fiskum & McCormick, 900 SW 5th Avenue, Suite 2300 Portland, OR 97204-1268	Electro Scientific Industries, Inc	3,049.20	1,400.00
Do	Mentor Graphics Corporation	8,774.98	1,548.84
Do	Sequent Computer Systems	5,100.70	1,110.00
Do	Sisters of Providence	5,678.18	31.90
Do	Tektronix, Inc	16,666.00	4,043.84
Ralph T. Conner, 1250 Eye Street, NW Washington, DC 20005	National Tire Dealers & Retreaders Assn	611.05	50.00
Consortium of Social Science Assns, 1522 K Street, NW, #836 Washington, DC 20005		98,137.00	4,612.93
Consumer Federation of America, 1424 16th St., NW, #604 Washington, DC 20036		146,893.50	85,620.79
Convergence Services, Inc, 1800 Diagonal Road, Suite 600 Alexandria, VA 22314	Greater Washington Educational Telecommunications Assn		
Do	Public Broadcasting Service	4,200.00	
Do	Twin Cities Public Television		
James F. Conway Jr., 701 Pennsylvania Avenue, NW Washington, DC 20004	Siemens Corp		
Benjamin Y. Cooper Jr., 100 Daingerfield Road Alexandria, VA 22314	Printing Industries of America, Inc	12,500.00	
Billy R. Cooper, 1250 H Street, NW, Suite 800 Washington, DC 20005	Eastman Kodak Company		
Edward R. Cooper, 15th & M Streets, NW Washington, DC 20005	National Assn of Home Builders of the U.S.	8,028.47	
Mark N. Cooper, 1424 16th St., NW, #604 Washington, DC 20036	Consumer Federation of America	5,000.00	
Copeland Lowery & Jacquez, 601 13th Street, NW, #710 North Washington, DC 20005	BRAC '95 Task Force	8,669.81	
Do	City of San Diego, California	32,000.00	
Do	County of Merced	4,500.00	
Do	CALSTART	13,432.58	
Do	Dillon Development		
Do	JAYCOR	19,673.03	
Do	Nomura Enterprises, Inc		
Do	ORINCON Corp	10,743.45	
Do	Santa Barbara Metropolitan Transit District	15,064.75	
Do	Westlands Water District	12,457.02	
James T. Corcoran, 1667 K Street, NW, #320 Washington, DC 20006	Dial Corp		
Council for Educational Development & Research, 2000 L Street, NW, #601 Washington, DC 20036		6,866.60	1,281.91
Council of Nursing Home Suppliers, c/o Schmeltzer, Aptaker & Shepard 2600 Virginia Ave., NW, 10th Floor Washington, DC 20037-1905.			
Christopher D. Coursen, 1133 Connecticut Ave., NW, #900 Washington, DC 20036	Adelphia Communications Corp		
Do	Allnet Communications Services, Inc		
Do	Booth American Company		
Do	Boston Ventures Management, Inc		
Do	Bresnan Communications Co		
Do	Coursen Group (For Cable Telecommunications Assn)		
Do	Cablevision Industries		
Do	Cablevision Systems Corp		
Do	Columbia International, Inc		
Do	Continental Cablevision, Inc		
Do	Falcon Cable TV		
Do	Insight Communications		
Do	InterMedia Partners		
Do	Lenfest Group		
Do	Marcus Communications		
Do	Mas Tec, Inc		
Do	Medium-Sized Cable Operators Group		
Do	Post-Newsweek Cable		
Do	Scala, Inc		
Do	Triax Communications Corp		
Do	U.S. Cable Corp		
Mark J. Covall, 1319 F Street, NW, #1000 Washington, DC 20004	National Assn of Psychiatric Health Systems	500.00	
Thomas J. Cove, 1625 K Street, NW, #900 Washington, DC 20006	Sporting Goods Manufacturers Assn (SGMA)	5,250.00	1,000.00
Bruce Craig, P.O. Box 640 Charles Town, WV 25414	Conference of National Park Cooperating Associations		
Robert R. Creamer, 68 E. Wacker Place, 3rd Floor Chicago, IL 60601	Illinois Public Action	5,375.00	392.00
Creative Coalition, 1100 Avenue of the Americas, 15th Floor New York, NY 10036			365.00
Teena Cregan, 8 Herbert Street Alexandria, VA 22305-2600	National Assn of Postmasters of the U.S.	12,003.92	
Crop Insurance Research Bureau, 9200 Indian Creek Parkway, Suite 220 Overland Park, KS 66210-2008		598.00	93.32
Mark E. Crosby, 1110 N. Glebe Road, #500 Arlington, VA 22201-4714	Industrial Telecommunications Assn, Inc		
Crowell & Moring, 1001 Pennsylvania Ave., NW Washington, DC 20004-2595	American Tort Reform Assn	360.00	10.00
Do	Asarco, Inc	180.00	10.00
Do	Eli Lilly & Company	1,710.00	10.00
Do	Minnesota Mining & Manufacturing Co		
Do	National Assn of Wholesaler-Distributors	25,025.00	20.00
John T. Curran, 905 16th St., NW Washington, DC 20006	Laborers' Intl Union of North America, AFL-CIO	24,999.99	601.96
Do	National Coordinating Comm for Multiemployer Plans		
Cutler & Stanfield, 700 14th Street, NW, 10th floor Washington, DC 20005	City of Henderson		
Dairy Export Incentive Program (DEIP), One Massachusetts Avenue, NW, #800 Washington, DC 20001			10,030.63
Edward J. Daly III, P.O. Box 19367 Washington, DC 20036	Taxpayer Assets Project	400.00	42.00
Nancy Davenport-Ennis, 303 Butler Farm Road, Suite 104 Hampton, VA 23666	Response Technologies, Inc		
Davidson Colling Group, 1101 Pennsylvania Avenue, NW, #810 Washington, DC 20004	Abbey Health Care Group, Inc	128.57	36.39
Do	American Advertising Federation	50.00	1.05
Do	American Assn of Advertising Agencies	50.00	1.05
Do	American Homepatient		
Do	Association of National Advertisers, Inc	50.00	1.05
Do	Caire, Inc	128.57	36.39
Do	Caraustar Industries	135.00	7.95
Do	Devilbiss Health Care	128.57	36.39
Do	Direct Marketing Assn	50.00	1.05
Do	Dun & Bradstreet Corporation		
Do	Field Container Corp	27.00	1.59
Do	Grocery Manufacturers of America, Inc	50.00	1.05
Do	Halltown Paperboard Co	9.00	0.53
Do	Healthdyne Technologies	128.57	36.39
Do	Homedco	128.57	36.39
Do	HIDA	128.57	36.39
Do	Invacare Corporation	128.57	36.39
Do	Lincare	128.57	36.39
Do	Magazine Publishers of America	50.00	1.05
Do	Media General, Inc	150.00	
Do	Miller & Chevalier, Chtd		
Do	National Assn of Broadcasters	50.00	1.05
Do	Newark Group	171.00	10.07
Do	Newman & Company, Inc	9.00	0.53
Do	Newspaper Assn of America	50.00	1.05

Organization or Individual Filing	Employer/Client	Receipts	Expenditures
Do	NAMES	128.57	36.39
Do	Packaging Corp of American	36.00	2.12
Do	Pediatric Services of America	128.57	36.39
Do	Point of Purchase Advertising Institute	50.00	1.05
Do	Puritan - Bennett Corporation	128.57	36.39
Do	Red Line Healthcare	128.57	36.39
Do	Republic Paperboard Co	18.00	1.06
Do	Rock-Tenn Company	135.00	7.95
Do	Rotech Medical Corp	128.57	36.39
Do	Sonoco Products Co	144.00	8.48
Do	Southeast Paper Manufacturing Co	108.00	6.36
Do	Waldorf Corp	45.00	2.65
Do	White Pigeon Paper Company	9.00	0.53
Do	Yellow Pages Publishers Assn	50.00	1.05
Davis & Harman, 1455 Pennsylvania Avenue, NW, #1200 Washington, DC 20004	Ad Hoc Comm of Life Insurance Companies	1,723.75	50.85
Do	Alcoma Packing Company, Inc	329.00	
Do	American General Life Insurance Co	990.00	135.66
Do	American Home Life Insurance Co	512.50	
Do	American Horse Council	2,970.00	95.34
Do	American Investors Life Insurance	1,200.00	
Do	Armco Steel Co	2,700.00	
Do	Bethlehem Steel Corp	2,700.00	
Do	Chicago Board of Trade	8,500.20	186.72
Do	Committee of Annuity Insurers	1,340.00	32.00
Do	Dresser Industries, Inc		
Do	Employers Health Insurance Co	8,400.00	4.00
Do	First Penn-Pacific Life Insurance Co	197.50	8.40
Do	Florida Power & Light	2,942.50	135.66
Do	Florida Sugar Cane League, Inc	1,200.00	
Do	General Aviation Manufacturers Association	4,500.00	
Do	Hughes & Luce	2,582.00	
Do	James Graham Brown Foundation		
Do	Lincoln National Life Insurance Co	2,177.00	
Do	National Business Aircraft Assn	1,500.00	9.00
Do	National Cattlemen's Assn	900.00	
Do	Retired Lives Reserve Group	1,111.00	50.85
Do	Stock Information Group		
Do	U.S. Sugar Corp	1,200.00	285.41
Do	Underwriters of Lloyd's London		
Do	Worldspan	627.00	
Davis Wright & Tremaine, 1155 Connecticut Ave., NW, #700 Washington, DC 20036	Association of National Advertisers, Inc	60.00	
Do	Max & Heather McCarty		
Do	Gerald D. & Ina Thorne		
Do	West Pac Vessel Owners Assn		
Donald S. Dawson, 1133 Connecticut Ave., NW, #1000 Washington, DC 20036	Leo A. Daly Company		
Do	Michael Gaughan		
Do	Opticians Assn of America		
Do	St. Thomas-St. John Chamber of Commerce, Inc		
Glenn Roger Delaney, 601 Pennsylvania Avenue, NW, #900 Washington, DC 20004	McDermott Inc	13,575.00	
Do	David P. Stang		
Do	Tyson Foods	18,000.00	1,707.00
James A. Delaney, 1755 Massachusetts Ave., NW, #418 Washington, DC 20036	American Soc for the Prevention of Cruelty to Animals	2,800.00	5,190.00
Deloitte & Touche, 1001 Pennsylvania Ave. Suite 350N Washington, DC 20004-2505	UBTI Coalition		
Department for Professional Employees, AFL-CIO, 815 16th St., NW, #707 Washington, DC 20006		16,014.00	16,014.00
Edward M. Desmond, 1401 I Street, NW, #210 Washington, DC 20005	Sterling Winthrop, Inc		
James M. Desmond, 1725 Jefferson Davis Highway #300 Arlington, VA 22201-4127	Lockheed Martin Corp	4,000.00	
Kyra L. Detmer, 1600 M Street, NW, 5th Floor Washington, DC 20036	National Assn of Professional Insurance Agents	9,575.00	141.97
Dewey Ballantine, 1775 Pennsylvania Ave., NW, #500 Washington, DC 20006	Anker Energy Corporation		
Do	Association of Outplacement Consulting Firms		
Do	Beneficial Corporation		
Do	General Reinsurance Corp		
Do	Goldman Sachs & Co		
Do	McCown De Leeuw & Company		
Do	Motion Picture Assn of America		
Do	Norfolk Southern Corp		
Do	Northwestern Memorial Hospital		
Do	NYNEX Corp		
Do	Outplacement Industry Tax Coalition		
Do	Prudential Insurance Co of America	840.00	
Do	Sealaska Corp		
Do	Semiconductor Industry Association	3,500.00	
Do	Tribune Broadcasting Co	420.00	
Do	U.S. Coalition for Fair Lumber Imports	87.30	
Do	U.S. Telephone Assn		
Do	VIACOM International, Inc	420.00	
Do	Walt Disney Co		
Mary Dewhirst, 1350 Connecticut Ave., NW, #200 Washington, DC 20036	Association of America's Public Television Stations	777.40	126.60
Elaine K. Dezenski, 701 Pennsylvania Ave., NW, Suite 720 Washington, DC 20004	Siemens Transportation Systems		
Jennifer S. DeAnna, 601 13th Street, NW, Suite 650 North Washington, DC 20005	Detroit Edison Company	480.00	20.00
Carl S. DeMatteo, 600 Maryland Ave., SW Washington, DC 20024	American Farm Bureau Federation	3,250.00	
Judith Martin DeSarno, 122 C Street, NW, #380 Washington, DC 20001-2109	National Family Planning & Reproductive Health Assn, Inc	362.00	
Cheryl DeSiena, 6815 Laurel Street, NW Washington, DC 20012	Arter & Hadden (For:Association for Responsible Thermal Treatment)	14,338.75	343.14
Do	Environmental Defense Fund	2,513.25	285.63
Caroline Smith DeWaal, 9504 Warren Street Silver Spring, MD 20910	Center for Science in the Public Interest	6,625.00	267.00
Dickstein Shapiro & Morin, LLP, 2101 L St., NW Washington, DC 20037	State of Connecticut		
James C. Dinegar, 1201 New York Ave., NW, #300 Washington, DC 20005	Building Owners & Managers Assn Int'l	5,342.00	162.00
Brian E. Dixon, 1400 16th Street, NW Suite 320 Washington, DC 20036	Zero Population Growth	352.00	
Nicholas J. DiMichael, 1100 New York Ave, #750 Washington, DC 20005-4006	National Industrial Transportation League	3,140.00	30.00
Rose M. DiNapoli, 1101 Pennsylvania Ave., NW, Suite 950 Washington, DC 20004	Student Loan Marketing Assn	2,900.00	1,554.00
Thomas B. Dobbins, 1015 Fifteenth Street, NW, #802 Washington, DC 20005	American Consulting Engineers Council	7,000.00	
Christopher J. Doherty, Fox Bennett & Turner 750 17th Street, NW, #1100 Washington, DC 20006	Society of Academic Emergency Medicine		85.00
Patrick J. Donnelly, 1747 Pennsylvania Ave., NW, Suite 700 Washington, DC 20006	Ciba-Geigy Corp	4,163.00	438.01
Sally S. Donner, 1341 G Street NW, 9th Floor Washington, DC 20005	Philip Morris Management Corp	2,196.50	468.94
Thomas J. Donohue, 430 First Street, SE Washington, DC 20003	American Trucking Assns, Inc	11,000.00	
Kimberly Olson Dorgan, 1702 Esquire Lane McLean, VA 22101	Children's Television Workshop	275.00	
Do	National Captioning Institute		
Madonna Cynthia Douglass, 1120 19th Street, NW, Suite 310 Washington, DC 20036-3605	Institute of Makers of Explosives	2,600.00	50.00
Dow Lohnes & Albertson, 1255 23rd St., NW, Suite 500 Washington, DC 20037	Swiss Hospitality Institute		
Do	Wheelabrator Clean Water Systems, Inc	1,730.00	
Stephen D. Driesler, 700 11th Street, NW Washington, DC 20001-4507	National Assn of Realtors	8,000.00	
Drinker Biddle & Reath, 901 15th Street, NW, #900 Washington, DC 20005	General Communication, Inc		
Do	Puerto Rico Bankers Assn		
Do	Puerto Rico Chamber of Commerce		
Do	Puerto Rico Manufacturers Assn	2,000.00	
Do	Puerto Rico Telephone Co	13,425.00	50.00
Do	Tandy Corp	2,392.00	
Marcel Dubois, 430 1st Street, SE Washington, DC 20003	American Trucking Assn, Inc	9,000.00	
Evelyn Dubrow, 1710 Broadway New York, NY 10019	International Ladies' Garment Workers' Union	14,976.00	
Valerie M.E.A. Dulk, 1625 K Street, NW, Suite 210 Washington, DC 20005	Americans for Democratic Action	1,406.25	
Brigid M. Dunne, 850 Sligo Avenue, Suite 300 Silver Spring, MD 20910	Fund for Animals	6,875.00	2,457.26
Ed Durkin, 101 Constitution Ave., NW Washington, DC 20001	United Brotherhood of Carpenters & Joiners of America		
Dutko & Associates, Inc, 412 First St., SE, #100 Washington, DC 20003	Cable & Wireless, Inc	30,000.00	
Do	CompTel	25,000.00	
Do	Empire Sanitary Landfill, Inc	85,000.00	

Organization or Individual Filing	Employer/Client	Receipts	Expenditures
Do	InfoAccess, Inc		
Do	McCaw/AT&T	30,000.00	
Do	Todhunter International, Inc		
Do	Washington Research Group	16,000.00	
David Dworkin, 3900 Wisconsin Ave., NW Washington, DC 20016	Fannie Mae		
Amy S. Dwyer, 808 17th Street, NW, Suite 300 Washington, DC 20006-3910	Stewart & Stewart (For:Floral Trade Council)	1,383.47	
DJR & Associates, Inc, 555 Madison Avenue, 12th Floor New York, NY 10022	Alcalde & Fay		
Do	U.S. Alcohol Testing of America, Inc		
Paula P. Easley, 2134 Crataegus Ave., #400 Anchorage, AK 99508		5,500.00	1,366.00
C. Renee Eastman, 555 13th Street, NW, #1010 East Washington, DC 20004-1109	Sun Company, Inc	2,000.00	1,170.33
Penny L. Eastman, 901 N. Washington Street, #204 Alexandria, VA 22314	Shipbuilders Council of America		1,700.00
Pamela Pride Eaton, 900 17th St., NW Washington, DC 20006	Wilderness Society	1,308.00	
Eaton Peabody Bradford & Veague, P.A., P.O. Box 1210 Bangor, ME 04402-1210	Penobscot Valley Refuse Disposal District	11,347.80	183.05
Norman R. Eder, P.O. Box 91000 Portland, OR 97291-1000	Oregon Graduate Institute of Science & Technology	12,437.34	12,552.84
Edwards Associates, 214 Mass.Ave. N.E. #300 Washington, DC 20002	Confederated Tribes of Warm Springs Reservation		
Roy L. Eiguren, P.O. Box 2720 Boise, ID 83701-2720	Givens Pursley & Huntley (For:Idaho Cooperative Utilities Assn)		
Dina E. Elani, 901 E Street, NW, Suite 500 Washington, DC 20004-2037	American Assn of Homes & Services for the Aging		
Timothy L. Elder, 100 N.E. Adams Street Peoria, IL 61629-1430	Caterpillar, Inc		
Electronetics Corp, 555 Commerce Drive Amherst, NY 14228			796.13
Electronic Industries Assn, 2500 Wilson Blvd. Arlington, VA 22201-3834		9,767.81	23,111.74
Dorothy A. Ellsworth, 9000 Machinists Place Upper Marlboro, MD 20772	International Assn of Machinists & Aerospace Workers	18,288.01	77.00
Employee Relocation Council, 1720 N St., NW Washington, DC 20036			
Kimberly Neilsen Epstein, 2626 Pennsylvania Ave., NW Washington, DC 20036	National Telephone Cooperative Assn	4,250.00	4,705.55
Thomas J. Erickson, 1300 L Street, NW, #925 Washington, DC 20005	National Grain Trade Council		
Dawn Erlandson, 1025 Vermont Avenue, NW, 3rd Floor Washington, DC 20005	Friends of the Earth	131.83	
Pamela K. Ernest, 1100 Connecticut Ave., NW, #710 Washington, DC 20036	Honeywell, Inc	900.00	1,790.74
Brock Evans, 666 Pennsylvania Avenue, SE Washington, DC 20002	National Audubon Society	4,400.00	230.00
Catherine Evans, 430 First Street, SE Washington, DC 20003	American Trucking Assns, Inc	9,000.00	
Sarah Evans, 750 First Street, NE Room 5004 Washington, DC 20002-4242	Federation of Behavioral Psychological & Cognitive Science		
Walter H. Evans III, 701 Pennsylvania Avenue, NW, #600 Washington, DC 20004	Oregon Economic Development Dept, Ports Div	18,315.00	593.00
Evans Group, Ltd, 1010 Wisconsin Ave., NW, 8th Floor Washington, DC 20007	Armour Pharmaceutical Co		
Do	Association for Responsible Thermal Treatment	15,500.00	
Do	Matlack Systems, Inc		
Do	Republic of Cyprus	22,300.00	
Do	Riddell Sports, Inc	19,500.00	
Farm Health Care Coalition, 1735 I Street, NW, #704 Washington, DC 20006			
Federal Kemper Life Assurance Co, One Kemper Drive, T-1 Long Grove, IL 60049			375.70
Federation of Behavioral Psychological & Cognitive Sciences, 750 First Street, NE Room 5004 Washington, DC 20002-4242.			229.57
Donald M. Fehr, 12 East 49th Street New York, NY 10017	Major League Baseball Players Assn		4,027.50
Steven A. Fehr, 204 West Linwood Blvd Kansas City, MO 64111	Major League Baseball Players Assn		
Jonathan Feldman, 105 East 22nd Street, 3rd Floor New York, NY 10010-5413	Community Service Society	33.12	215.00
Mimi A. Feller, 1100 Wilson Blvd Arlington, VA 22209	Gannett Co, Inc	11,000.00	18,400.00
Melody H. G. Fennel, 15th & M Streets, NW Washington, DC 20005	National Assn of Home Builders of the U.S.	5,552.44	
Jack Ferguson Associates, Inc, 203 Maryland Ave., NE Washington, DC 20002	Arctic Power	2,812.50	341.10
Do	AT&T	7,500.00	331.96
Do	Dillingham Construction Corp, Inc	7,500.00	385.55
Do	Global Marine, Inc	3,750.00	385.08
Do	Haida Corporation	3,750.00	351.71
Do	Klukwan, Inc	7,500.00	395.10
Do	Northern Air Cargo	1,250.00	384.98
Do	U.S. Borax, Inc	7,812.50	385.08
Kirk Ferrell, 122 C Street, NW, #875 Washington, DC 20001	National Pork Producers Council	10,000.00	924.29
Joseph D. Fincher, 4100 Bank of Oklahoma Tower Tulsa, OK 74172	Wichita Tribe		
Deborah A. Fischione, 1299 Pennsylvania Avenue, N.W., #1275 Washington, DC 20004	Chicago Mercantile Exchange		
Mary Ellen Fise, 1424 16th St., NW, #604 Washington, DC 20036	Consumer Federation of America	2,091.00	30.75
Fish & Richardson, P.C., 601 13th Street, NW Suite 500 North Washington, DC 20005	Directors Guild of America	5,000.00	3,021.50
Steven A. Fisher, P.O. Box 76228 Washington, DC 20013	American Great Lakes Ports	42,250.00	6,127.00
Linda G. Fitcheard, 777 14th & H Street, NW Washington, DC 20005	National Assn of Realtors	2,000.00	
Susan G. Flack, 1100 Connecticut Ave, NW, #1200 Washington, DC 20036	Dayton Hudson Corp	100.00	
Do	National Assn of Chain Drug Stores, Inc	100.00	
Do	Flack, Inc (For:Spiegel, Inc)	100.00	
Fleishman-Hillard, Inc, 1301 Connecticut Ave., NW, 7th Floor Washington, DC 20036	American Ambulance Assn	3,000.00	
Do	American Optometric Assn	3,000.00	
Do	Association of American Railroads	9,999.00	
Do	Baxter Healthcare Corp		
Do	Children's Hospital Medical Center of Northern California	12,000.00	17.80
Do	City of Escondido, California	1,500.00	392.78
Do	Coalition of Childrens Hospitals		
Do	CW Agencies, Inc		
Do	Institute of Scrap Recycling Industries	6,000.00	
Do	ILVA SA Ceramica		
Do	Litton Computer Services	16,000.00	109.59
Do	Minot Area Development Corp		
Do	National Natural Resources Coalition	8,000.00	
Do	National Spiritual Assembly of the Baha'is of the U.S.	24,000.00	720.00
Do	Nintendo of America, Inc		
Do	Raytheon Company	16,000.00	
Do	Safe Tire Disposal Corporation		
Do	Sandoz	1,500.00	
Do	Sony Corp of America		
Do	Sverdrup Corp	3,500.00	230.52
Do	Syva Company		
Do	Unisys Corporation	5,250.00	
Do	University of New Haven	1,500.00	
Mac A. Fleming, 26555 Evergreen Rd., #200 Southfield, MI 48076	Brotherhood of Maintenance of Way Employes		
Florida Business Associates, 1620 L Street, NW, #875 Washington, DC 20036	Illinois Community College Board		
Ruth Flower, 245 Second Street, NE Washington, DC 20002	Friends Committee on National Legislation	2,605.07	
Christopher L. Foley, 89 Orinda Way, #4 Orinda, CA 94563	Law Offices of Christopher R. Foley (For:Frank Spenger Company)		
Footwear Distributors & Retailers of America, 1319 F St., NW, #700 Washington, DC 20004			1,500.00
Ford & Ferraro, 98 San Jacinto, Suite 2000 Austin, TX 78701	Houston Chemical Services, Inc		
Carol Tucker Foreman, 1100 New York Avenue, NW, #1030 Washington, DC 20005	EMILY's List		
Do	Monsanto Co	225.00	8.00
Do	United Food & Commercial Workers Int'l Union	471.90	64.00
Foreman & Heidepriem, 1100 New York Ave., NW Suite 1030 Washington, DC 20005	Beef Products, Inc	22,800.00	7,199.50
Do	EMILY's List		
Do	Monsanto Co	2,356.00	816.94
Forest Products Industry National Labor-Management Comm, c/o PeterJ. Kadzik Dickstein Shapiro & Morin 2101 L Street, NW Washington, DC 20037.		59,413.76	59,413.76
Larry Forrester, 3601 Vincennes Road P.O. Box 68700 Indianapolis, IN 46268	National Assn of Mutual Insurance Cos		
Richard D. Fortin, 1275 K Street, NW, #850 Washington, DC 20005-4006	National Industrial Transportation League	3,300.00	30.00
Tracy Fortson, 818 Connecticut Ave., NW, #303 Washington, DC 20006	National Assn for Biomedical Research		
Maria Foscarinis, 918 F Street, NW, #412 Washington, DC 20004	National Law Center on Homelessness and Poverty		
David V. Foster, 1020 19th St., NW, #550 Washington, DC 20036	Genzyme Corp	937.50	
Fox Bennett & Turner, 750 17th Street, NW, #1100 Washington, DC 20006	American Soc of Clinical Oncology		
Do	Bristol-Myers Squibb Co		
Do	Cryomedical Sciences, Inc		
Do	Fisons Corp		
Do	Healthcare Management Alternatives, Inc		
Do	Hoffmann-La Roche, Inc		
Do	Immuno, US		
Do	Johnson & Johnson		250.79
Do	Lederle-Praxis Biologicals		
Do	National Coalition for Cancer Survivorship		

Organization or Individual Filing	Employer/Client	Receipts	Expenditures
Do	New England Biomedical Research Coalition		
Do	Serono Laboratories, Inc		
Phillip L. Fraas, One Massachusetts Avenue, NW, #800 Washington, DC 20001-1431	McLeod Watkinson & Miller (For:DEIP Coalition)	6,960.00	47.33
Michael Francis, 900 17th Street, NW Washington, DC 20006	Wilderness Society	5,827.87	58.23
Marian C. Franz, 2121 Decatur Place, NW Washington, DC 20008	National Campaign for a Peace Tax Fund	2,662.60	1,469.82
David Frazier, 1015 15th Street, NW, Suite 802 Washington, DC 20005	American Consulting Engineers Council	1,900.00	20.00
Freer & McGarry, P.C., 1000 Thomas Jefferson St., NW, #600 Washington, DC 20007	Mid-America Dairymen, Inc	10,780.00	341.75
Do	U.S.-Cuba Business Council	335.00	
Robert Freimark, 900 17th Street, NW Washington, DC 20006-2596	Wilderness Society	1,022.31	834.87
Philip P. Friedlander Jr., 1250 Eye Street, NW, #400 Washington, DC 20005	National Tire Dealers & Retreaders Assn		
Friends Committee on National Legislation, 245 2nd St., NE Washington, DC 20002		189,129.82	147,936.02
Richard B. Froh, 1700 K Street, NW, #601 Washington, DC 20006	Kaiser Permanente	3,789.00	125.00
Gordon H. Fry, 900 19th St., NW Washington, DC 20006	Aluminum Assn, Inc	25.00	
Carolyn Fuller, 1420 New York Avenue, NW, #1050 Washington, DC 20005	Van Scoyoc Associates, Inc (For:North Dakota State University)		
Do	Van Scoyoc Associates, Inc (For:University of New Orleans)		
Daniel J. Funsch, P.O. Box 7613 Missoula, MT 59807	Alliance for the Wild Rockies, Inc		
Furman Group, 1299 Pennsylvania Avenue, NW Suite 995 Washington, DC 20004	West Basin Municipal Water District	40,000.00	
Vivian Gabor, 1901 L Street, NW, Suite 260 Washington, DC 20036	March of Dimes	7,000.00	
Floyd D. Gaibler, 1155 15th Street, NW, Suite 300 Washington, DC 20005	Agricultural Retailers Assn	7,000.00	3,570.70
Galland Kharasch Morse & Garfinkle, P.C., 1054 31st Street, NW Second Floor Washington, DC 20007	Composites Fabricators Assn		
Do	Mobile Industrial Caterers Assn		
Do	National Assn of Theatre Owners		
Do	Textile Rental Services Assn of America		
Juan Gallardo, 1025 Thomas Jefferson Street, NW Washington, DC 20007	Coordinadora de Organizaciones Empresariales de Comercio Ext		945.42
John Paul Galles, 1155 15th St., NW, #710 Washington, DC 20005	National Small Business United	1,000.00	
Thomas Gann, 1300 I Street, NW, #40 East Washington, DC 20005-3306	Sun Microsystems, Inc		3,200.00
Curtis B. Gans, 421 New Jersey Avenue, SE Washington, DC 20003	Committee for the Study of the American Electorate	9,031.50	
Reginald R. Garcia, Melendi Gibbons & Garcia, P.A. 216 South Monroe St., #300 Tallahassee, FL 32301	Florida Assn of Broadcasters	7,500.00	
Do	Greenberg, Traurig	10,000.00	133.85
Do	Taylor Brion Buker & Greene (for PRIDE of Florida)	285.00	
Robert Garcia, 301 SE Harbor Point Drive Stuart, FL 34996	Puerto Rico Federal Affairs	3,500.00	
Lee D. Garrigan, 1015 15th Street, NW, #802 Washington, DC 20005	American Consulting Engineers Council	1,250.00	37.00
Garvey Schubert & Barer, 1000 Potomac Street, NW Washington, DC 20007	American International Freight Assn	4,875.00	
Gas Appliance Manufacturers Assn, Inc, 1901 North Moore Street Arlington, VA 22209		3,406.92	11,248.56
Karl Gawell, 900 17th Street, NW Washington, DC 20006	Wilderness Society	7,578.92	
Barbara L. Gay, 901 E Street, NW, Suite 500 Washington, DC 20004-2037	American Assn of Homes & Services for the Aging		
Craig Gehrke, 900 17th Street, NW Washington, DC 20006	Wilderness Society		
Deanna Gelak, 606 North Washington Street Alexandria, VA 22314	Society for Human Resource Management	2,185.00	
Diane J. Generous, 1331 Pennsylvania Ave., NW, #1500 North Washington, DC 20004-1703	American Soc for Personnel Administration		
Katherine Doddridge Gerlach, 15th & M Streets, NW Washington, DC 20005	National Assn of Home Builders of the U.S.	8,616.86	
David Troy Saxton Getty, 2233 Chanaral Ave. Hemet, CA 92545-2535			
Danny Ghorbani, 8014 Falstaff Road McLean, VA 22102	Association for Regulatory Reform		
Richard Gilbert, 1015 15th Street, NW Washington, DC 20005	American Public Health Assn	1,222.00	
Jana L. Gill, 1575 Eye Street, NW, Suite 370 Washington, DC 20005-1175	Coalition for PUHCA		
Do	Missouri Basin Municipal Power Agency	750.00	
Do	Northern California Power Agency	2,500.00	
Do	OPCO Wholesale Customer Group	2,500.00	
Do	Public Power Council	1,250.00	
Jacqueline Gillan, 777 North Capitol Street, NE, #410 Washington, DC 20002	Advocates for Highway & Auto Safety	9,281.25	
Mary Ann Gilleece, 1747 Pennsylvania Ave., NW, #800 Washington, DC 20006	Gadsby & Hannah (For:Dayton Area Chamber of Commerce)		
Do	Gadsby & Hannah (For:Dyncorp)	225.00	
Do	Gadsby & Hannah (For:Gulfstream Aerospace Corp)		
Do	Gadsby & Hannah (For:NMP Corp)	393.75	
Do	Gadsby & Hannah (For:Sabreliner Corp)	1,845.00	
Do	Gadsby & Hannah (For:Veda, Inc)	393.75	
Do	Gadsby & Hannah (For:Westinghouse & Cutler/Hammer Products)		
Cynthia D. Gillespie, 250 Williams Street Suite 6000 Atlanta, GA 30301-1996	Atlanta Committee for the Olympic Games	713.49	5,040.00
Michael B. Gillett, 1001 Forth Avenue Plaza, Suite 3200 Seattle, WA 98154	Atlantic Richfield Company	577.00	
Do	Pacific Lumber & Shipping Co	897.00	
Dorothy M. Gillman, One Thomas Circle, NW, #950 Washington, DC 20005	Independent Bankers Assn of America	26,200.00	661.83
Maureen Gilman, 901 E St., NW, #600 Washington, DC 20004	National Treasury Employees Union	24,522.00	1,159.14
Glass Packaging Institute, 1627 K Street, NW, #800 Washington, DC 20006			2,453.35
Mark L. Glassman, 1055 North Fairfax Street, Suite 201 Alexandria, VA 22314	U.S. Strategies Corp		
Pamela Goddard, 408 C Street, NE Washington, DC 20002	Sierra Club	5,795.62	
Madeleine Golde, 750 First St., NE, Suite 700 Washington, DC 20002	National Assn of Social Workers	12,175.00	
Ronald L. Goldfarb, Ronald Goldbarb & Associates 918 16th Street, NW, #400 Washington, DC 20006	Washington Independent Writers, Inc		
Neil Goldschmidt, Inc, 222 SW Columbia, #1850 Portland, OR 97201	Seneca Sawmill Company		
Benson S. Goldstein, 11800 Tfton Drive Potomac, MD 20854	National Assn for the Self-Employed		
Jack Golodner, 815 16th St., N.W. Washington, DC 20006	Department for Professional Employees, AFL-CIO	6,234.96	
Laurie Diann Goodman, 3355 Ten Sleep Dr., #5 Jackson, WY 83001		3,000.00	215.00
Goodwin Procter & Hoar, 901 15th Street, NW, #410 Washington, DC 20005	General Latex & Chemical Co		
Do	GE Capital Mortgage Services, Inc		
Do	Massachusetts Bankers Assn		
John E. Gordon, 1725 Jefferson Davis Highway, Suite 601 Arlington, VA 22202-3585	Litton Industries, Inc	1,000.00	1,195.70
Gorlin Group, 2300 M Street, NW, Suite 800 Washington, DC 20037	Intellectual Property Committee	4,140.00	
Mark S. Gorman, Gorman Consulting 309 Prince Street Alexandria, VA 22314	Council for Affordable Health Insurance		
Do	General Mills Restaurants, Inc		524.00
Do	General Mills, Inc	6,000.00	602.57
Do	National Council of Chain Restaurants	6,000.00	112.28
Do	National Religious Broadcasters	500.00	26.33
Do	National Religious Broadcasters Music License Committee	7,500.00	1,075.60
Rebecca M.J. Gould, 2001 L Street, NW, Suite 400 Washington, DC 20036	Business Software Alliance	11,000.00	
Gover Stetson & Williams, 2501 Rio Grande Blvd., NW Albuquerque, NM 87104-3223	Navajo Nation		
Bill Gradison, 1025 Connecticut Ave., NW, Suite 1200 Washington, DC 20036	Health Insurance Assn of America, Inc	9,041.25	2,047.00
Jay Grant, 1000 Connecticut Ave., NW, Suite 810 Washington, DC 20036	National Assn of Health Underwriters		
Harold Gray, 5050 Fulton Street, NW Washington, DC 20016	WMDP Service Station & Automotive Repair Assn		
Scott D. Grayson, 1828 L Street, NW, #1202 Washington, DC 20036	Institute of Electrical & Electronics Engineers (IEEE)	900.00	
Greater Cincinnati Television Educational Foundation, 1223 Central Parkway Cincinnati, OH 45214		25,501.25	25,501.25
Greater Ecosystem Alliance, P.O. Box 2813 Bellingham, WA 98227		47,610.96	1,003.15
Greater New York Hospital Assn, 555 West 57th Street 15th Floor New York, NY 10019		1,643,051.00	83,315.00
Greater Washington Educational Telecommunications Assn, P.O. Box 2626 Washington, DC 20013			8,550.00
Greenberg Traurig Hoffman Lipoff Rosen & Quentel, 1501 M Street, NW, 11th Floor Washington, DC 20005	American Healthcare Assn	15,000.00	921.94
Do	AT&T Universal Card Services	6,000.00	173.54
Do	Blockbuster Entertainment		58.36
Do	Central American & Caribbean Textile & Apparel Council	15,000.00	2,282.56
Do	City of North Miami Beach		
Do	Connaught Laboratories, Inc	17,226.75	423.39
Do	Dade County	37,500.00	
Do	Haverfield Corp	10,372.50	124.04
Do	Healthsource, Inc	5,126.88	280.34
Do	Humana, Inc	22,500.00	1,025.80
Do	John Alden Life Insurance Co		
Do	KeyCorp	21,000.00	
Do	MetroSound USA, Inc		21.18
Do	Mount Sinai Medical Center	15,300.00	314.80
Do	National Assn for the Support of Long-Term Care (NASL)	18,000.00	953.47
Do	National Assn of Mortgage Brokers	7,680.00	196.04
Do	National Assn of Social Workers	3,000.00	72.03
Do	National Health Laboratories	17,009.22	600.48
Do	NBD Bank, NA	9,050.00	214.39
Do	South Dade Land Corp	5,911.50	438.52
Do	Torrington Co	36,000.00	1,175.93
Do	Viacom International, Inc	84,795.63	15,824.00
Do	Visionhouse		

Organization or Individual Filing	Employer/Client	Receipts	Expenditures
Kathryn Griesinger, 2500 Wilson Bouldevard Arlington, VA 22201	Electronic Industries Assn	750.00	44.87
Edward D. Griffith, 3801 West Chester Pike Newtown Square, PA 19073	ARCO Chemical Co	60.00	
Michael E. Grisso, 5115 Doyle Lane Centreville, VA 22020	Aliviane No-Ad, Inc		
Do	Arkansas Blue Cross Blue Shield, Inc		
Do	Blue Cross & Blue Shield of Oklahoma, Inc		
Do	Blue Cross & Blue Shield of Texas, Inc	9,000.00	189.64
Do	Blue Cross & Blue Shield Assn	8,400.00	269.18
Do	Blue Shield & Blue Cross of Louisiana, Inc		
Do	BP America, Inc	4,800.00	
Do	WPS, Inc		
Drew Gruenburg, 1601 Duke Street Alexandria, VA 22314	Society of American Florists	1,000.00	
Gerald M. Guarilia, 70 North Main Street Wilkes-Barre, PA 18711	Blue Cross of Northeastern Pennsylvania		
W. Roger Gwinn, 1130 Connecticut Ave., NW, Suite 300 Washington, DC 20036	Ferguson Company (For:Central Valley Project Water Assn)	26,076.50	1,124.09
GRQ, Inc, 5454 Wisconsin Ave., NW, #1340 Chevy Chase, MD 20815	Manor Healthcare, Inc	100.00	
Do	Midwest Organ Bank, Inc		
Do	National Assn of Medical Directors of Respiratory Care	3,400.00	
Do	Puritan Group-Puritan Bennett Corp	9,828.00	
Do	Spectra Laboratories, Inc	7,431.00	
Do	Transtracheal Systems	8,287.00	
Chase Haddix, 1455 Pennsylvania Ave., NW Washington, DC 20004	Public Strategies Washington, Inc (For:American Methanol Institute, et al.)		
Hager Sharp, Inc, 1090 Vermont Ave., NW, 3rd Floor Washington, DC 20005	APTUS, Inc, et al.	10,718.00	3,695.00
Hale and Dorr, 1455 Pennsylvania Ave., NW, #1000 Washington, DC 20004	American Institute of Certified Public Accountants	7,800.00	525.00
Do	Boston Area Mutual Fund Group	22,000.00	
Do	Center for Technology Commercialization, Inc		
Do	Genetics Institute		
Do	Harcourt Brace & Co		
Do	Hybridon, Inc	2,250.00	48.67
Do	Medallion Oil Company		
Do	Northeastern University	90.00	9.55
Do	Nyacol Products, Inc	1,770.00	34.59
Do	Psychological Corp	1,140.00	25.82
Hall Estill Hardwick Gable Collingsworth & Nelson, 1120 20th Street, NW, #750-S Washington, DC 20036	Society Asset Management, Inc		
James Patrick Halloran, 1615 H Street, NW Washington, DC 20062	U.S. Chamber of Commerce	12,500.00	
Palmer C. Hamilton, Miller Hamilton Snider & Odom P.O. Box 46 Mobile, AL 36601	Colonial BancGroup, Inc	1,848.00	1,163.32
Do	Colonial Mortgage Co		
Hance Scarborough Woodward & Weisbart, 111 Congress, Suite 800 Austin, TX 78701	Contran Corp	5,000.00	
Do	Kinetic Concepts, Inc	4,000.00	
Do	Valhi, Inc	5,000.00	1,135.95
Handgun Control, Inc, 1225 Eye Street, NW, #1100 Washington, DC 20005		1,824,645.00	505,024.00
Christopher W. Hansen, 1700 N. Moore Street Rosslyn, VA 22209	General Dynamics Corp	2,500.00	
Jake Hansen, 11166 Main Street, #302 Fairfax, VA 22030	Seniors Coalition	11,000.00	1,808.49
Heidi Hanson, 1055 North Fairfax Street, Suite 201 Alexandria, VA 22314	U.S. Strategies Corp		
John C. Hare, 701 Pennsylvania Avenue Washington, DC 20004	Siemens Transportation Systems, Inc		
Charles Edward Harple, 25 Louisiana Ave., NW Washington, DC 20001	International Brotherhood of Teamsters	13,898.18	
W. Brendan Harrington, 1101 15th St., NW, #1000 Washington, DC 20005	Cargill, Inc	1,250.00	
Robert L. Harris, 927 15th Street, NW, 3rd Floor Washington, DC 20005	Nutter & Harris (For:Plum Creek Timber Company)	1,800.00	400.00
Fruzsina M. Harsanyi, 1401 H Street, NW, #1060 Washington, DC 20005	Asea Brown Boveri, Inc	3,500.00	
William J. Harte Ltd, 111 West Washington Street, Suite 1000 Chicago, IL 60602	AMGEN, Inc	2,600.00	
Arthur A. Hartman, 1155 21st Street, NW, Suite 1000 Washington, DC 20036	General Atomics		
Carolyn Hartmann, 218 D Street, SE Washington, DC 20003	U.S. Public Interest Research Group	6,666.66	
Roy A. Hastick Sr., Brooklyn Navy Yard, Building 5 Mezzanine A. Brooklyn, NY 11205	Caribbean American Chamber of Commerce & Industry, Inc		
Christina M. Hauptli, 1200 17th St.,NW Washington, DC 20036	National Assn of Home Builders of the U.S.	7,219.28	
Hawkins Delafield & Wood, 1015 15th Street NW Suite 930 Washington, DC 20005	Mortgage Bankers Assn	9,000.00	
John Michael Hayden, 1033 North Fairfax St., #200 Alexandria, VA 22314	American Sportfishing Assn	1,691.81	41.58
Heidi Wagner Hayduk, 1500 K Street, NW, #360 Washington, DC 20005	Healthcare Leadership Council	3,575.00	431.20
Robert G. Hayes, Bogle and Gates 1299 Pennsylvania Ave., NW, #875 East Washington, DC 20004	American Dehydrated Onion & Garlic Assn		
Do	Basic American, Inc		
Do	Washington Wheat Commission		
Steven L. Hayes, 1015 Oneonta Drive Los Angeles, CA 90065	Citizens for an Alternative Tax System		
Hazel & Thomas, P.C., 3100 Fairview Park Drive, Suite 1400 Falls Church, VA 22042	International Disarmament Corp		
Hazelden Foundation, 15245 Pleasant Valley Road Center City, MN 55012-0011			39,726.00
Health Insurance Assn of America, Inc, 1025 Connecticut Ave., NW Washington, DC 20036		19,367.63	23,507.96
Healthcare Leadership Council, 1500 K Street, NW, Suite 360 Washington, DC 20005		1,200.00	40.00
Anne A. Heanue, 110 Maryland Avenue, NW, #101 Washington, DC 20002	American Library Assn	1,086.00	
James R. Hecht, 180 Admiral Cochrane Dr., #305 Annapolis, MD 21401	Wheelabrator Clean Water Systems, Inc		66.70
Hecht Spencer & Associates, Inc, 499 South Capitol Street, SW, #507 Washington, DC 20003	Charles E. Smith Management		
Nikki Heidepriem, 1100 New York Avenue, NW, #1030 Washington, DC 20036	EMILY's List		
Robert M. Heine, 1701 Pennsylvania Ave., NW, #900 Washington, DC 20006	E. I. du Pont de Nemours & Co	315.07	223.55
Helicopter Assn International, 1635 Prince Street Alexandria, VA 22314			17,243.25
Carol C. Henderson, 110 Maryland Ave., NE, #101 Washington, DC 20002	American Library Assn	2,328.00	
Hercules, Inc, Hercules Plaza Wilmington, DE 19894			20,543.61
Owen E. Herrnstadt, 9000 Machinists Place Upper Marlboro, MD 20772	International Assn of Machinists & Aerospace Workers	18,288.01	
Christopher Hicks, 1155 15th Street, NW, Suite 611 Washington, DC 20005	Ethyl Corp		
Sharon L. Hildebrandt, 2600 Virginia Avenue, NW, Suite 1000 Washington, DC 20037	Schmeltzer Aptaker & Shepard, PC (For:Council of Nursing Home Suppliers)	8,000.00	
Catherine J. Hill, 1640 Wisconsin Ave., NW, First Floor Washington, DC 20007	National Counsel Assocs		55.49
Hill and Knowlton, Inc, 901 31st Street, NW Washington, DC 20007	America West		
Do	Coalition for Broadcast Diversity		
Do	Magnetek		
Do	Southern Electric Institute		
Arthur William Hillman, 4301 N. Fairfax Drive, #360 Arlington, VA 22203-1608	National Utility Contractors Assn	3,000.00	1,057.65
Nancy Hirshbein, 1400 16th Street, NW, #320 Washington, DC 20036	Zero Population Growth	281.00	
Hobbs Straus Dean & Wilder, 1819 H St., NW, #800 Washington, DC 20006	Alamo Navajo School Board		
Do	Aroostook Band of Micmacs		
Do	Association of Navajo Community-Controlled School Boards		
Do	Black Mesa Community School Board		
Do	Bristol Bay Area Health Corp	80.00	
Do	Evergreen Legal Services		
Do	Maniilaq Assn	150.00	
Do	Menominee Indian Tribe	320.00	
Do	Metlakatla Indian Community	100.00	
Do	Miccosukee Tribe of Indians of Florida	60.00	
Do	Mississippi Band Choctaw Indians		
Do	Mohegan Tribe of Indians of Connecticut		
Do	National Indian Child Welfare Assn	840.00	
Do	National Indian Education Assn		
Do	National Minority Public Broadcasting Consortia	240.00	
Do	Norton Sound Health Corp	100.00	
Do	Oglala Sioux Tribal Public Safety Commission	45.00	
Do	Pinon Community School Board		
Do	Pueblo de Cochiti		
Do	Ramah Navajo School Board		
Do	Rock Point Community School Board		
Do	Rough Rock School Board		
Do	Seminole Tribe of Florida		
Do	Shiprock Alternative Schools, Inc		
Philip M. Hocker, 20 West Chapman Street Alexandria, VA 22301	Mineral Policy Center		78.00
Scott Hodes, 150 North Michigan Avenue, #2500 Chicago, IL 60601	Investment Company Institute	6,000.00	
Nancy M. Hogan, 516 N. Howard St., #403 Alexandria, VA 22304	National Assisted Housing Management Assn, Inc		750.00
Hogan & Hartson, 555 13th St., NW Washington, DC 20004-1109	Board of Education of the City of New York		
Gerard L. Holder, 901 E Street, NW, #500 Washington, DC 20004-2837	American Assn of Homes & Services for the Aging		
George R. Holland, # 6 Cape Cod Little Rock, AR 72212	Southwestern Bell Telephone Co	15,000.00	3,146.70
Holland & Hart, 1001 Pennsylvania Ave., NW, #310 Washington, DC 20004	CALPINE		
Robert W. Holleyman II, 2001 L Street, NW, #400 Washington, DC 20036	Business Software Alliance	9,062.50	
Thaddeus Holt, P.O. Box 440 Point Clear, AL 36564	American Deposit Corp	800.00	11.83

Organization or Individual Filing	Employer/Client	Receipts	Expenditures
Helen D. Hooper, 1319 F Street, NW, #501 Washington, DC 20004-1106	Land Trust Alliance		
Karen A. Hoover, 2111 Jefferson Davis Highway Apt. 407 Arlington, VA 22202	American Maritime Officers Service		942.71
Hopkins & Sutter (Washington), 888 16th Street, NW Washington, DC 20006	Association of British Insurers		915.00
Do	Institute of London Underwriters		650.00
Richard M. Hoppe, 900 17th Street, NW Washington, DC 20006	Wilderness Society	1,857.69	
Mern Horan, 1424 16th Street, NW, #604 Washington, DC 20036	Consumer Federation of America	2,046.18	
Paul Horel, 9200 Indian Creek Parkway, #220 Overland Park, KS 66210-2008	Crop Insurance Research Bureau	198.00	
Robert Jack Horn, 601 13th Street, NW. #650 N Washington, DC 20005-3808	Detroit Edison Company	1,320.00	287.55
Gerald M. Howard, 15th & M Street, NW Washington, DC 20005	National Assn of Home Builders of the U.S.	17,991.33	
John Howard, 1615 H Street, NW Washington, DC 20062	U.S. Chamber of Commerce		
Jacqueline Howells, 332 Constitution Ave., NE Washington, DC 20002	Marcus G. Faust, P.C. (For:Central Utah Water Conservancy District)	1,785.71	
Howrey & Simon, 1299 Pennsylvania Avenue, NW, Washington, DC 20004	Australian Meat & Live-Stock Corp		
Do	CitiCorp Services, Inc, et al.		
J. Martin Huber, 5301 Wisconsin Ave., NW, #450 Washington, DC 20015	National Assn of Surety Bond Producers		
John P. Hughes, The West Tower, 8th Floor 1333 H Street, NW Washington, DC 20005	Electricity Consumers Resource Council (ELCON)	1,250.00	
Sharon M. Hughes, 1735 I St., NW, Suite 704 Washington, DC 20006	National Council of Agricultural Employers	1,000.00	450.00
Walter E. Huizenga, 99 Canal Center Plaza, Suite 500 Alexandria, VA 22314	AIADA	15,600.00	
B. Jeanine Hull, 12500 Fair Lakes Circle, Suite 350 Fairfax, VA 22033-3804	LG&E Power, Inc	10,000.00	69.03
Brett Hulsey, Midwest Office 214 N. Henry St., #203 Madison, WI 53703	Sierra Club	4,798.96	357.27
Steven E. Humerickhouse, 3454 Vincent Avenue North Minneapolis, MN 55412	Adoption Coalition	2,500.00	6,230.78
Robert R. Humphreys, 2915 34th Street, NW Washington, DC 20008	Helen Keller National Center	250.00	
Do	Recording for the Blind, Inc	1,000.00	
John M. Humphries, 1401 Eye Street, NW, Suite 600 Washington, DC 20005	United Technologies Corp	2,250.00	1,616.95
Angela M. Hunter, 555 13th Street, NW, #600 Washington, DC 20004	Health Insurance of America	2,218.16	262.95
Mark Hurwitz, 1201 New York Ave., NW, #300 Washington, DC 20005	Building Owners & Managers Assn Int'l	5,342.00	162.00
Brian Huse, P.O. Box 1289 Oakland, CA 94604-1289	National Parks & Conservation Assn	450.00	19.00
Steven M. Hyjek, 2100 Pennsylvania Ave., NW, #560 Washington, DC 20037	Hyjek & Fix, Inc (For:Research & Development Labs)	750.00	
Angelo Iasiello, 1015 15th Street, NW, Suite 802 Washington, DC 20005	American Consulting Engineers Council	500.00	86.00
Ibex International, Inc, 1620 Eye Street, NW, Suite 202 Washington, DC 20006	Sovereign Government of the Sudan		
Dawn Igler, P.O. Box 16614 Arlington, VA 22215	National Steel & Shipbuilding Co	13,000.00	520.88
Illinois Public Action, 68 E. Wacker Place, 3rd Floor Chicago, IL 60601		14,100.00	13,635.58
Immigration Services Associates, 1212 New York Avenue, NW, #850 Washington, DC 20005	American Council on International Personnel (ACIP)	2,250.00	11.17
Do	Fragomen Del Rey & Bersen (for Sterling Winthrop)		
Do	Information Technology Assn of America (ITAA)	600.00	10.44
Do	Kennedy Capital Management, Inc	4,550.00	17.88
Independent Bankers Assn of America, One Thomas Circle, NW, #950 Washington, DC 20005-5802		274,026.00	103,049.00
Industrial Union Department, AFL-CIO, 815 16th St., NW, #301 Washington, DC 20006		18,827.00	18,827.00
Industry Union Glass Container Promotion Program, 1627 K Street, NW, #800 Washington, DC 20006			8,017.00
Information Technology Assn of America, Inc, 1616 North Ft. Myer Dr., #1300 Arlington, VA 22209		6,000.00	
International Assn of Machinists & Aerospace Workers, 9000 Machinists Place Upper Marlboro, MD 20772			48,051.84
International Brotherhood of Teamsters, 25 Louisiana Ave., NW Washington, DC 20001			79,081.47
International Business-Government Counsellors, Inc, 818 Connecticut Ave., NW, #1200 Washington, DC 20006	ANSAC		
Do	Brandy Export Assn		
Do	CIBA-GEIGY Corp	1,181.25	
Do	Fashion Accessories Shippers Assn	1,837.50	34.15
Do	Hercules, Inc		
Do	Procter & Gamble		
Do	Uniroyal Chemical Company, Inc	637.50	11.38
Do	Wine Institute	475.00	8.63
Do	Xerox Corp		
Do	3M	4,875.00	375.80
International Hearing Society, 20361 Middlebelt Livonia, MI 48152			
International Public Strategies, Inc, 1030 15th St., NW, #408 Washington, DC 20005	Government of Aruba	22,500.00	215.09
Do	Government of Pakistan	112,500.00	1,643.47
Do	Republic of the Maldives	25,000.00	97.46
Richard M. Irby III, 701 Pennsylvania Avenue, NW, #610 Washington, DC 20004	American Gas Assn	304.00	26.00
Amy F. Isaacs, 1625 K Street, NW, #210 Washington, DC 20006	Americans for Democratic Action	14,056.86	
J&B Management Co, One Executive Drive Fort Lee, NJ 07024		9,200.00	9,200.00
Barbara Jackier, 555 13th Street, NW, East Tower, #600 Washington, DC 20004	Health Insurance Assn of America, Inc	1,033.16	59.00
Beverly Roberson Jackson, 3922 Ingomar Street, NW Washington, DC 20015	National Center for Clinical Infant Programs	419.00	
J. Chad Jackson, 1725 K Street, NW, Suite 914 Washington, DC 20006	Association of American Physicians & Surgeons		
Michael G. Jackson, 1001 19th Street North, #800 Arlington, VA 22209	TRW, Inc	2,110.00	
Thomas C. Jackson, 1350 I Street, NW, #700 Washington, DC 20005	Beveridge & Diamond (For:Foundation for Environmental & Economic Progress, Inc).	1,500.00	
Jeff P. Jacobs, 1015 15th Street, NW Washington, DC 20005	American Public Health Assn	1,200.00	
E. A. Jaenke & Associates, Inc, 1100 New York Avenue, NW, #520 East Washington, DC 20005	University of Kansas	3,750.00	2,918.74
Harriet James, 600 Maryland Ave., SW, #700 Washington, DC 20024	National Fed of Independent Business		
Jar-Mon Consultants, Inc, 208 N. Patrick St. Alexandria, VA 22314	American Business Council, Inc		
Do	American Freedom Coalition		
Do	Christian Voice, Inc	10,030.00	
Michael A. Jawer, 1201 New York Ave., NW, #300 Washington, DC 20005	Building Owners & Managers Assn Int'l	5,342.00	162.00
Edwin S. Jayne Jr., 1625 L Street, NW Washington, DC 20036	American Fed of State County & Municipal Employees	16,293.51	525.76
Jefferson Group, 1341 G Street, NW, Suite 1100 Washington, DC 20005	Barona Casino		
Do	Cabazon Bank of Mission Indians		
Do	Carrington Laboratories, Inc		
Jeford International's, 2775 South Quincy Street, #520 Arlington, VA 22206	Rotary Power International, Inc	150.00	
Jellinek Schwartz & Connolly, Inc, 1525 Wilson Boulevard, #600 Arlington, VA 22209	MARC	275.00	2.75
Timothy Jemal, 122 C Street, NW, #350 Washington, DC 20001	Armenian Assembly of America	12,440.55	
Jenner & Block, 601 13th Street, NW, 12th Floor Washington, DC 20005	Adhesive & Sealant Council, Inc		
Do	American Assn of Electromyography & Electrodiagonosis		
Do	American Booksellers Assn		
Do	American Dental Trade Assn		
Do	American Diabetes Assn		
Do	American Film Marketing Assn		
Do	American Library Assn		
Do	American Soc for Cataract & Refractive Surgery		
Do	American Soc of Assn Executives		
Do	Building Owners & Manufacturers Assn		
Do	Community Associations Institute		
Do	Independent Insurance Agents of America, Inc		
Do	MCI Communications Corp	1,150.00	
Do	National Assn of Professional Insurance Agents		
Do	National Glass Assn		
Do	Society of American Florists		
Carole P. Jennings, 8904 First Avenue Silver Spring, MD 20910	American Academy of Nurse Practitioners	2,300.00	300.00
Jensen Baird Gardner & Henry, Ten Free Street P.O. Box 4510 Portland, ME 04112	Mid-Maine Waste Action Corp	891.00	13.00
Do	Regional Waste Systems, Inc	1,606.50	
Jim Wise Associates Inc, 1500 Wilson Blvd., #320 Alexandria, VA 22209	Kern County, CA	7,500.00	110.00
Do	National Assn of Credit Management	12,600.00	225.00
Do	R.J. Mathews Foundation for Prostate Cancer Research	3,000.00	125.00
Do	San Francisco Bar Pilots Assn	6,000.00	70.00
Ronald P. Johnsen, 700 Thirteenth Street, NW, #900 Washington, DC 20005	Columbia Gas System Service Corp	175.00	416.79
David H. Johnson, 750 First Street, NE Room 5004 Washington, DC 20002-4242	Federation of Behavioral Psychological & Cognitive Sciences	229.57	
Joanna L. Johnson, 1920 N Street, NW Washington, DC 20036	American Mining Congress		
Kay Johnson, 1901 L Street, NW, #260 Washington, DC 20036	March of Dimes Birth Defects Foundation	1,758.00	
W. Ladd Johnson, 601 13th Street, NW, #401 Washington, DC 20005	Resource Management, Inc	4,000.00	4,000.00
Andrea Johnston, 122 C Street, NW, Suite 380 Washington, DC 20001-2109	National Family Planning & Reproductive Health Assn, Inc		
Beverly E. Jones, 1819 L Street, NW, #900 Washington, DC 20036	Consolidated Natural Gas Co	500.00	20.00
David R. Jones, 105 East 22nd Street New York, NY 10010	Community Service Society	257.01	
Neal T. 'Buddy' Jones, 100 Congress Avenue, #1111 Austin, TX 78701	Pharmaceutical Research & Manufacturers of America		
Theodore L. Jones, P.O. Box 65122 Baton Rouge, LA 70896	BellSouth Telecommunications, Inc		
Do	United Companies Financial Corporation		
Wiley N. Jones, 816 Connecticut Ave., NW, 8th Floor Washington, DC 20006	Southern Pacific Transportation Company	1,000.00	500.00
JMD Associates, Inc, 7201 Wisconsin Avenue, Suite 620 Bethesda, MD 20814	Engelhard Corp	3,100.00	150.00

Organization or Individual Filing	Employer/Client	Receipts	Expenditures
Jack Kalavritinos, 1015 15th Street, NW, Suite 802 Washington, DC 20005	American Consulting Engineers Council	1,687.50	45.00
Kalkines Arky Zall & Bernstein, 1675 Broadway, #2700 New York, NY 10019	Coalition of Financially Distressed Hospitals		
Do	St. Luke's-Roosevelt Hospital Center		
Karen Kalla, 408 C Street, NE Washington, DC 20002	Sierra Club	753.01	
James L. Kane Jr., 1315 Vincent Place Mclean, VA 22101			
Donald J. Kaniewski, 905 16th St., NW Washington, DC 20006	Laborers' Intl Union of North America, AFL-CIO	21,249.99	550.55
Dennis R. Kanin, Foley Hoag & Eliot One Post Office Square Boston, MA 02109	East Coast Tuna Assn	1,859.00	9.31
Do	Millicom, Inc	2,542.00	512.58
Martin B. Kanner, 1575 Eye Street, NW, Suite 370 Washington, DC 20005-1175	Coalition for PUHCA		
Do	Missouri Basin Municipal Power Agency	4,200.00	
Do	Northern California Power Agency	4,500.00	
Do	OPCO Wholesale Customer Group	4,000.00	
Do	Public Power Council	4,300.00	
David A. Karcher, 4000 Legato Rd., #850 Fairfax, VA 22033-4003	American Soc of Cataract & Refractive Surgery	528.53	
Gene Karpinski, 218 D Street, SE Washington, DC 20003	U.S. Public Interest Research Group	8,307.72	
Patricia L. Katson, P.O. Box 6802 Falls Church, VA 22003	Liberty Lobby, Inc		
Katten Muchin & Zavis, 525 West Monroe, #1600 Chicago, IL 60661-3693	Fujisawa USA, Inc	126.00	116.00
Kathleen Kavanaugh, 1850 M Street, NW, 11th Floor Washington, DC 20036	Sprint	2,000.00	89.00
Kaye Scholer Fierman Hays & Handler, 901 15th St., NW, #1100 Washington, DC 20005	Spanish Broadcasting System		21,092.00
Do	United Television, Inc	310.00	310.00
Carolyn Kazdin, 815 16th Street, NW, #507 Washington, DC 20006	Amalgated Clothing & Textile Workers Union	1,000.00	18.00
Kevin L. Kearns, 220 National Press Building Washington, DC 20045	US Business & Industrial Council		
Keller & Heckman, 1001 G Street, NW, #500 West Washington, DC 20001	Leprino Foods		
Paul J. Kelley, 2727 North Central Ave. Phoenix, AZ 85004	U-Haul Intl, Inc	9,000.00	
Cynthia K. Kelly, 8101 Glenbrook Road Bethesda, MD 20814-2749	American Assn of Blood Banks	2,500.00	
John A. Kelly, Kelly & Associtеs, Inc 1025 Thomas Jefferson St., NW, #105 Washington, DC 20007	BMW of North America, Inc	12,000.00	
Do	Overlook Hospital	15,000.00	
Do	Perdue Farms, Inc	15,000.00	
Steven B. Kelmar, 555 13th Street, NW, Suite 1260E Washington, DC 20004	Medtronic, Inc		113.68
Kemper Financial Services, Inc, 120 South Lasalle Street Chicago, IL 60603			220.70
Kemper Investors Life Insurance Co, One Kemper Drive, T-1 Long Grove, IL 60049			404.95
Heidi Werling Kendall, 1620 L Street, NW, Suite 800 Washington, DC 20036	Metropolitan Life Insurance Co		
Art Kennedy, P.O. Box 200576 Anchorage, AK 99520	Koniag, Inc	14,791.00	7,949.00
Jerry W. Kennedy, 313 South Carolina Ave., SE Washington, DC 20003-4213	Tuttle Taylor & Heron (For:General Atomics)	3,937.50	170.00
John F. Kennedy, 1620 Fuller Street, NW, #503 Washington, DC 20009	Kennedy & Dolan		
Judith Kennedy, 1050 Thomas Jefferson Street, NW Washington, DC 20007	Student Loan Marketing Assn	850.00	665.00
Nancy Mohr Kennedy, 701 North Fairfax Street Alexandria, VA 22314	United Way of America	25,250.00	50.00
John V. Kenny, 1055 N. Fairfax Street, #201 Alexandria, VA 22314	U.S. Strategies Corp		
Dianne Keppler, 99 Canal Center Plaza, #500 Alexandria, VA 22314	AIADA	9,000.00	
Karen Kerrigan, 1320 - 18TH Street, NW, Suiet 200 Washington, DC 20036	Small Business Survival Committee		
Richard F. Kibben, 231 Kiwassa Road Saranac Lake, NY 12983	Business Roundtable		
Carolyn Kiely, 1015 Fifteenth Street, NW, #802 Washington, DC 20005	American Consulting Engineers Council	1,875.00	51.25
William P. Killmer, 1201 - 15th Street, NW Washington, DC 20005	National Assn of Home Builders of the U.S.	9,981.22	
Kilpatrick & Cody, 700 13th Street, NW, #800 Washington, DC 20005-3960	DeChiaro Properties	2,623.50	22.00
Do	Forest Farmers Assn		
Do	Kiewit Construction Group, Inc		
Do	Kimberly-Clark Corp		
Do	Mercer County Improvement Authority		
Do	Municipal Electric Authority of Georgia		
Do	Pepsico, Inc		
Do	Software Productivity Consortium		
Do	U.S. Sprint Telecommunications Co		
Do	University of Georgia		
Do	Upper Duck River Development		
Jeffrey J. Kimbell, 1575 Eye Street, NW, #500 Washington, DC 20005	McKenna & Cuneo (For:Quest Medical, Inc (for Medical Device Manfacturers Assn)).	1,320.00	1,207.91
Roy Caldwell Kime, 515 North Washington Street, #400 Alexandria, VA 22314	International Assn of Chiefs of Police	15,920.80	4,947.09
Mike Kinard, P.O. Box 727 Magnolia, AR 71753	Kinard Crane & Butler, P.A. (For:Family of Wallace B. Sawyer, Jr.)		
King & Spalding, 1730 Pennsylvania Ave., NW, #1200 Washington, DC 20006	Atlanta Committee for the Olympic Games	13,386.00	202.60
Do	Charter Medical Corp		
Do	GPIA-Animal Drug Alliance	145.00	
Do	Lockheed Martin		
Do	Owens-Illinois	6,455.00	27.00
Kinghorn & Associates, 900 2nd Street, NE, #109 Washington, DC 20002	Aultman Hospital		
Do	Elkem Metals		
Do	Empire Wholesale Lumber Distributors		
Do	Ohio Academy of Nursing Homes		
Do	Timken Company		2,362.50
Steven Kingsley, 845 Ninovan Road, SE Vienna, VA 22180	National Computer System		
Peter C. Kirby, 1447 Peachtree St., #812 Atlanta, GA 30309	Wilderness Society		
Sean Kirkendall, 515 N. Washington Street, #400 Alexandria, VA 22314	International Assn of Chiefs of Police	9,436.00	1,258.46
Kirkpatrick & Lockhart, 1800 M Street, NW, South Lobby, #900 Washington, DC 20036	Glendale Federal Savings Bank	275.00	
Do	Independent Grocers Alliance		
Do	National Court Reporters Assn		
Kirlin Campbell & Keating, One Farragut Square South, Second Floor Washington, DC 20006	American Bureau of Shipping	4,800.00	132.50
Sam Kito Jr., P.O. Box 1350 Sultan, WA 98294	Kito, Inc (For:Alaska Visitors Assn)		
Glenn Knapp, 773 Dartmouth Ave. San Carlos, CA 94070			
Theodore Knappen, 1001 G Street, NW, #400 East Washington, DC 20001	American Managed Care & Review Assn	12,000.00	
Do	Greyhound Lines, Inc	36,000.00	
Do	Mid-Atlantic Medical Services, Inc	12,000.00	
Sharon H. Kneiss, 1800 K Street, NW Washington, DC 20006	Hercules Corp	463.20	150.00
Bruce Knight, 201 Massachusetts Avenue, NE, Suite C-4 Washington, DC 20002	National Assn of Wheat Growers	1,075.00	
Darrell Knuffke, 900 17th Street, NW Washington, DC 20006-2596	Wilderness Society	796.57	
George W. Koch, 1010 Wisconsin Ave., NW, #800 Washington, DC 20007	Grocery Manufacturers of America, Inc		
Kirk Koepsel, 23 North Scott Sherican, WY 82801	Sierra Club	2,673.77	
Florian Kogelnik, 1015 15th Street, NW, #802 Washington, DC 20005	American Consulting Engineers Council	500.00	34.75
Kogovsek & Associates, Inc, 700 Broadway, #929 Denver, CO 80203-3443	City of Greenwood Village	7,500.00	2,827.76
Do	Dolores Water Conservancy District		3,330.86
Do	Rio Grande Water Conservation District	4,000.00	1,335.44
Do	Rocky Mountain Health Care Corp	6,150.00	3,130.86
Do	San Juan Water Commission	2,415.00	3,204.90
Do	Southern Ute Indian Tribe	27,500.00	8,380.77
Do	Southwestern Water Conservation District, Durango County		10,522.34
Do	Upper Yampa Water Conservancy	3,125.00	1,246.64
Do	Ute Mountain Ute Tribe	21,666.00	
Do	Water Protection Assn of Central Kansas	2,000.00	522.31
Do	Wolf Springs Ranches, Inc	9,000.00	682.62
Susan Kohn, 1400 16th Street, NW Washington, DC 20036	Zero Population Growth, Inc	63.00	
Nicholas Kominus, 1730 Rhode Island Avenue, NW Washington, DC 20036	U.S. Cane Sugar Refiners' Assn		124.78
Koniag, Inc, 4300 B Street, #407 Anchorage, AK 99503			27,877.01
Michel N. Korbey, 12500 Fair Lakes Circle, #125 Fairfax, VA 22033	United Seniors Assn, Inc	15,470.00	739.23
John Kormes, 2840 PSFS Building 12 South 12th Street Philadelphia, PA 19107			
Paul A. Korody Jr., 888 17th Street, NW, #300 Washington, DC 20006	ConAgra, Inc	8,000.00	12,560.00
Barry Krasner, 1150 17th Street, NW, #701 Washington, DC 20036	National Air Traffic Controllers Assn	567.12	
Peter M. Kravitz, One Thomas Circle, NW, Suite 950 Washington, DC 20005	Independent Bankers Assn of America	19,425.00	942.93
Kreig DeVault Alexander & Capehart, 2800 One Indiana Square Indianapolis, IN 46204			
Gawain Kripke, 1025 Vermont Ave., NW, Suite 300 Washington, DC 20005	Friends of the Earth	65.22	
Victor Krohn, 9401 East Street Manassas, VA 22110	Citizens for an Alternative Tax System		
Sheena Kuruvilla, 727 N. Washington Street Alexandria, VA 22314	United Fresh Fruit & Vegetable Assn		
Labor-Management Maritime Committee, Inc, 1150 17th Street, NW, Suite 700 Washington, DC 20036		4,720.00	5,931.00
Laborers' Intl Union of North America, AFL-CIO, 905 16th St., NW Washington, DC 20006			74,064.99
Jewel Lafontant-Mankarious, 55 East Monroe Street, #4100 Chicago, IL 60603	Holleb & Coff		
Gerard F. Lamb, 2341 Jefferson Davis Hwy, #1100 Arlington, VA 22202	Bath Iron Works Corp	5,000.00	
Ray H. Lancaster, 1667 K Street, NW, #800 Washington, DC 20006	Texas Gas Transmission Corp, et al.	6,600.00	92.46

Organization or Individual Filing	Employer/Client	Receipts	Expenditures
Scott H. Lane, 99 Canal Center Plaza, Suite 500 Alexandria, VA 22314	AIADA	32,400.00	
Ann Langley & Associates, Inc, 444 North Capitol Street, NW, #837 Washington, DC 20001	Children's Hospital Medical Center of Akron		
Do	Children's Hospital, Boston	2,400.00	
Do	Children's Specialized Hopital		
Do	Health Hill Hospital for Children		
Do	Hospital for Sick Children		
Do	La Rabida Children's Hospital Research Center	750.00	
Do	National Assn of Children's Hospitals & Related Institutions		
Do	National League for Nursing	2,625.00	
Do	National Perinatal Assn	250.00	
Do	Tennessee Primary Care Network	300.00	
Mark Lappen, 1000 Connecticut Ave., NW Washington, DC 20036	National Assn of Health Underwriters		
Latham & Watkins, 1001 Pennsylvania Ave., NW, #1300 S Washington, DC 20004-2505	Aetna Life Insurance		
Do	Digital Equipment Corp		
Do	F.E. Myers		
Do	Montrose Chemical Co	5,994.00	
Karl F. Lauenstein, 1745 Jefferson Davis Highway, #1000 Arlington, VA 22202	General Dynamics Corp	1,000.00	345.63
Beth Lavach, 1747 Pennsylvania Ave., NW, Suite 800 Washington, DC 20006	Gadsby & Hannah (For:Colt Manufacturing Co, Inc)	2,893.99	
Do	Gadsby & Hannah (For:Consolidated Defense Corp)	375.43	
Do	Gadsby & Hannah (For:Dayton Area Chamber of Commerce)	935.00	
Do	Gadsby & Hannah (For:DYNCORP)	85.00	
Do	Gadsby & Hannah (For:Energy Research Corp)	1,625.00	
Do	Gadsby & Hannah (For:NMP Corp)	160.00	
Do	Gadsby & Hannah (For:Sabreliner Corp)		
Do	Gadsby & Hannah (For:Westinghouse & Cutler/Hammer Products)	25.50	
Jonathan Lawniczak, 1331 F Street, NW Washington, DC 20004-1171	National Council of Senior Citizens	6,500.00	
William N. LaForge, McGuiness & Williams 1015 15th Street, NW, #1200 Washington, DC 20005	Paul Werth Associates, Inc (For:Hoechst Celanese Corporation)		
Leadership Conference on Civil Rights, 1629 K Street, N.W., Suite 1010 Washington, DC 20006		74,047.33	65,503.29
Gary A. Lee Group, Inc, P.O. Box 271 Sanibel Island, FL 33957	Harnischfeger Industries		
Do	Midas International		
Do	Pet, Inc		
Dexter W. Lehtinen, 7700 N. Kendell Dr., #303 Miami, FL 33156	Lehtinen O'Donnell Malman Cortinas Vargas & Reiner, P.A. (For:Miccosukee Tribe of Indians of Florida).	4,307.76	12,617.69
Arnold H. Leibowitz, 888 Sixteenth Street, NW # 507 Washington, DC 20006	Cameron & Hornbostel (For:Hebrew Immigrant Aid Society (HIAS))	22,200.00	
Warren R. Leiden, 1400 Eye Street, NW, #1200 Washington, DC 20005	American Immigration Lawyers Assn	5,253.00	
Raymond D. Lett, 201 James Thurber Court Falls Church, VA 22046	Marxman & Associates, Inc		
Mingyew Leung, 1100 17th Street, NW, 10th Floor Washignton, DC 20036	American Assn for Marriage & Family Therapy		
Barbara W. Levine, 1015 15th Street, NW Washington, DC 20005	American Public Health Assn	634.50	
James E. Lewin, 1850 M Street, NW, 11th Floor Washington, DC 20036	Sprint	14,000.00	3,299.75
Charles G. Lewis, 625 Ridge Pike, #410 Conshohocken, PA 19428-3216	Longshore & Simmons		
Nicholas A. Lewis, 15th & M Streets., NW Washington, DC 20005	National Assn of Home Builders of the U.S.	4,970.00	
Lawson LeGate, 2273 S. Highland Dr., #2D Salt Lake City, UT 84106-2832	Sierra Club	420.88	140.12
Robert G. Liberatore, 1100 Connecticut Avenue, NW, #930 Washington, DC 20036	Chrysler Corporation	6,252.00	315.00
Karen L. Lightfoot, 777 N. Capitol Street, NE, #705 Washington, DC 20002	Center on Budget & Policy Priorities	518.84	31.00
Kathleen M. Linehan, 1341 G Street, NW, #900 Washington, DC 20005	Philip Morris Management Corp	4,860.00	120.00
Linton Mields Reisler & Cottone, 1225 Eye Street, NW, #300 Washington, DC 20005	METRA		
Steven S. List, 130 East Randolph Drive, 23rd Floor Chicago, IL 60601	Peoples Gas Light & Coke Co	2,335.72	2,474.96
Barbara A. Little, 1155 15th St., NW, #611 Washington, DC 20005	Ethyl Corporation		
Debbie E. Locker, P.O. Box 4227 Tampa, FL 33677-4227	St. Joseph's Hospital	8,674.96	
Kimberly L. Lohman, 1090 Vermont Ave., NW, Suite 800 Washington, DC 20005	National Assn of Mortgage Brokers	9,879.10	
Long Law Firm, 8550 United Plaza Blvd., #800 Baton Rouge, LA 70809	AT&T		
Do	General Health, Inc		
Do	J & B Management Company	4,050.00	2,033.00
Do	Metropolitan Life Insurance Co		
Do	MicroGeneSys, Inc		
Do	United Companies Financial Corp	500.00	133.81
Ann Looper, 1735 New York Avenue, NW Washington, DC 20006	American Institute of Architects	14,640.00	
Brien Lorenze, 1015 15th Street, NW, Suite 802 Washington, DC 20005	American Consulting Engineers Council	3,312.50	291.23
Franklin W. Losey, 4301 North Fairfax Drive, #330 Arlington, VA 22203	Shipbuilders Council of America		1,650.00
James P. Love, P.O. Box 19367 Washington, DC 20036	Taxpayer Assets Project	1,500.00	200.00
Charles M. Loveless, 1625 L Street, NW Washington, DC 20036	American Fed of State County & Municipal Employees	25,819.02	2,429.30
Steve Lovett, 1111 19th Street, NW Washington, DC 20036	American Forest & Paper Assn	2,000.00	
Mark A. Lowman, 1201 K Street, #800 Sacramento, CA 95814	California Assn of Hospitals and Health Systems	15,000.00	11,448.00
Suellen Lowry, 1531 P Street, NW, #200 Washington, DC 20005	Sierra Club Legal Defense Fund	9,372.64	2,411.52
Amy J. Lucas, 15th & M Street, NW Washington, DC 20005	National Assn of Home Builders of the U.S.	6,236.34	
Catherine Lumsden, 5535 Hempstead Way Springfield, VA 22151	National Assn for Uniformed Services	447.10	
Cody Lusk, 99 Canal Center Plaza, Suite 500 Alexandria, VA 22314	AIADA	9,990.00	
Michelle Gibson Lusk, 1212 New York Ave. NW Suite 500 Washington, DC 20005	Cement Kiln Recycling Coalition		
Marshall L. Lynam, 412 First Street, SE, #60 Washington, DC 20003	Dallas/Ft. Worth International Airport	25,000.00	
Do	Medical Matrix, Inc		
Do	Tandy Corp	12,000.00	
Timothy P. Lynch, 430 First Street SE Washington, DC 20003	American Trucking Assns, Inc	15,000.00	
James S. Lyon, 410 North Lincoln Street Arlington, VA 22201	Mineral Policy Center		70.85
Margaret Lyons, 1747 Pennsylvania Ave., NW, #700 Washington, DC 20006	Ciba-Geigy Corp	3,810.00	46.10
William T. Lyons, 1747 Pennsylvania Ave., NW, #700 Washington, DC 20006	Ciba-Geigy Corp	8,813.00	6,963.00
LPI Consulting, Inc, 3000 K Street, NW, #300 Washington, DC 20007	Tenneco	2,550.00	32.00
Samuel A. Mabry, 1800 K St., NW Washington, DC 20006	Hercules, Inc	10,125.00	3,185.46
Rodney Macalister, 1701 Pennsylvania Ave., NW Washington, DC 20006	E.I. DuPont deNemours & Co		
Charles A. Machemehl Jr., P.O. Box 530187 Birmingham, AL 35253-0187	Vulcan Materials Co		
Robert E. Mackin, 122 South Swan Street Albany, NY 12210	National Conference of Insurance Legislators	12,500.00	
Uday Madiman, P.O. Box 282 Indianapolis, IN 46206	Indy Unlocks, Inc		
Cliff Madison Government Relations, Inc, 1611 Landfall Drive Wilmington, NC 28405	Burbank-Glendale-Pasadena Airport Authority	7,500.00	
Do	Federal Express Corp	12,000.00	
Do	Los Angeles County Metropolitan Transportation Authority	19,089.00	
Do	MarkAir, Inc		
Do	Sarasota-Bradenton Airport	6,999.99	
Bill Magavern, 215 Pennsylvania Ave., SE Washington, DC 20003	Public Citizen	1,850.00	
James J. Magner, 314 Massachusetts Ave, NE Washington, DC 20002	James J. Magner & Associates, Inc. (For:ASARCO, Inc)	1,950.00	16.85
James J. Magner and Associates, Inc, 314 Massachusetts Ave., NE Washington, DC 20002	Asarco, Inc	2,700.00	3,034.71
James E. Mahoney, 2200 Concord Pike Wilmington, DE 19899	John W. Rollins & Associates	14,500.00	793.59
James Timothy Mahoney, 108 Gibbon Street Alexandria, VA 22314	Koniag, Inc	2,450.00	53.65
Terence P. Mahony, 1299 Pennsylvania Ave., NW 11th Floor East Washington, DC 20004	National Broadcasting Co, Inc	3,250.00	
Major League Baseball Players Assn, 12 East 49th Street New York, NY 10017			415,582.71
Todd M. Malan, 801 Pennsylvania Ave., NW, Suite 950 Washington, DC 20004	European-American Chamber of Commerce		
K. Wayne Malbon, 1250 I Street, NW, #400 Washington, DC 20005	National Tire Dealers & Retreaders Assn	1,122.00	12.00
Manatos & Manatos, Inc, 601 13th Street, NW Washington, DC 20005-3807	United Hellenic Amer Congress & Amer Hellenic Alliance, Inc	2,000.00	3,107.84
Manatt Phelps & Phillips, 1501 M Street, NW, Suite 700 Washington, DC 20005	Atlantic Richfield Co		
Peter T. Mangione, 1319 F Street, NW, #700 Washington, DC 20004	Footwear Distributors & Retailers of America		
Donald W. Mann, 60 B Franklin Street Tenafly, NJ 07670	Negative Population Growth, Inc	500.00	
Marc Associates, Inc, 1101 17th Street, NW, #803 Washington, DC 20036-4704	American Assn of Colleges of Osteopathic Medicine	1,666.00	
Do	American College of Foot & Ankle Surgeons		
Do	American Soc for Gastrointestinal Endoscopy	10,000.00	
Do	American Soc of Anesthesiologists	24,500.00	
Do	American Soc of Hematology	1,000.00	
Do	American Urological Assn/Amer Assn of Clinical Urologists	12,000.00	
Do	California Public Employees Retirement System (CALPERS)	4,250.00	
Do	City of Alhambra	4,000.00	
Do	Federation of State Medical Boards of the US	6,000.00	
Do	Health Industry Manufacturers Assn (HME)	21,000.00	
Do	International Soc for Cardiovascular Surg/Soc for Vascular..	4,500.00	
Do	Los Angeles County Office of Education	6,000.00	
Do	Los Angeles County Transportation Commission	3,000.00	
Do	Merck Sharp and Dohm	4,000.00	
Do	National Assn of Epilepsy Centers	2,000.00	

Organization or Individual Filing	Employer/Client	Receipts	Expenditures
Do	National Hemophilia Foundation	8,000.00	
Do	NI Industries	3,000.00	
Do	Research Society on Alcoholism	2,000.00	
Do	U.S. Facilities Corp	6,000.00	
Marine Preservation Association, 8777 North Gainey Drive, Suite 165 Scottsdale, AZ 85258			
Ron Marlenee, 9008 Linda Maria Court Fairfax, VA 22031	Butler Creek		
Marlowe & Company, 1667 K Street, NW, #480 Washington, DC 20006	American Public Gas Assn	1,312.00	33.00
Do	Association for Healthcare Philanthropy	150.00	8.00
Do	City of Sarasota	681.25	42.00
Do	City of Venice, Florida	331.25	8.00
Do	Coalition to Keep Alaska Oil	7,450.00	205.00
Do	Independent Pilots Assn	2,495.00	85.50
Do	National Society of Fundraising Executives	237.50	42.00
Teresa Martin, 150 South 600 E., #5C Salt Lake City, UT 84102	National Parks & Conservation Assn	675.00	1,012.38
Judith Marty, 1 Crane Place Bellevue Hill, NSW 2023 Australia			
Michael Marvin, 122 C Street, NW, 4th Floor Washington, DC 20001	American Wind Energy Assn	20,858.32	208.70
Maryland People's Counsel, 6 St. Paul St., Suite 2102 Fl. Baltimore, MD 21202			
Joseph M. Mattingly, 1901 North Moore Street, #1100 Arlington, VA 22209	Gas Appliance Manufacturers Assn, Inc		
Maureen Maxwell, 900 17th Street, NW Washington, DC 20006	Wilderness Society	17.03	1.00
Mayer Brown & Platt, 2000 Pennsylvania Avenue, NW, #6500 Washington, DC 20006	American Automobile Manufacturers Assn		
Do	Bazelon Center for Mental Health Law		
Do	Equitable Real Estate Investment Management, Inc		
Do	General Electric Aircraft Engines		
Do	John Buck Co		
Do	SmithKline Beecham		
Do	St. Paul Companies		
Do	Women's Legal Defense Fund		
Susan P. McCaffrey, 3901 N. Meridian Street P.O. Box 88409 Indianapolis, IN 46208-0409	Community Service Council of Central IN, Inc		
Nancey K. McCann, 4000 Legato Road, Suite 850 Fairfax, VA 22033-4005	American Soc of Cataract & Refractive Surgery	10,607.16	1,034.04
Katherine S. McCarter, 1015 15th Street, NW Washington, DC 20005	American Public Health Assn		
Carolyn Kim McCarthy, 1455 Pennsylvania Ave., NW, #500 Washington, DC 20004	Corning Life Sciences, Inc	3,000.00	1,000.00
Luckie L. McClintock, 901 Massachusetts Ave., NW Washington, DC 20001	United Assn of Journeymen & Apprentices of the P.& P.F.I.	6,000.00	1,486.00
John M. McClung, 727 N Washington Street Alexandria, VA 22314	United Fresh Fruit & Vegetable Assn	2,000.00	
Mark J. McCombs, 225 West Wacker Drive, Suite 3000 Chicago, IL 60606-1229	Wildman Harrold Allen & Dixon		
Todd McCracken, 1155 15th Street, NW, #710 Washington, DC 20005	National Small Business United	1,000.00	
John McDavitt, 2000 K St., NW, 8th Floor Washington, DC 20006	National Comm to Preserve Social Security & Medicare	4,670.00	
Marianne McDermott, 1200 G Street, NW, #760 Washington, DC 20005	Resources for Group Management, Inc (For:Greeting Card Assn)		
McDermott Will & Emery, 1850 K Street, NW, #450 Washington, DC 20006	Airlease, Ltd		
Do	Alliance Capital Management, LP		
Do	Borden Chemical & Plastics LP		
Do	Campbell Soup Company	1,183.00	
Do	Caylor-Nickel Medical Center		
Do	Cedar Fair LP		
Do	Fundesa		
Do	GAF Corp	87.50	
Do	LAACO, Ltd		
Do	Oppenheimer Capital LP		
Do	Red Lion Hotels		
Do	Reynolds Metals		
Do	Solo Cup Co		
Douglas J. McDonald, 5735 Walcott Avenue Fairfax, VA 22030	VPSI, Inc	228.00	130.00
Elissa M. McGovern, 1400 Eye Street, NW, Suite 1200 Washington, DC 20005	American Immigration Lawyers Assn	1,980.00	
Dennis J. McIntosh, 1225 New York Ave., NW, #200 Washington, DC 20005	Herman Miller, Inc	2,300.00	1,000.00
Robert McIntyre, 1313 L St., NW Washington, DC 20005	Citizens for Tax Justice	16,019.22	
Yvonne McIntyre, 601 13th Street, NW, Suite 650 North Washington, DC 20005	Detroit Edison Co	750.00	45.00
Kim F. McKernan, 600 Maryland Ave., SW, Suite 700 Washington, DC 20024	National Fed of Independent Business		
Bob McLean, 1727 King Street, #400 Alexandria, VA 22314-2753	National Assn of Postal Supervisors	14,434.00	45.22
Michael R. McLeod, 1 Massachusetts Ave., NW, #800 Washington, DC 20001-1431	McLeod Watkinson & Miller (For:American Assn of Crop Insurers)	6,270.00	500.42
Do	McLeod Watkinson & Miller (For:American Mushroom Institute)		
Do	McLeod Watkinson & Miller (For:American Peanut Product Manufacturers, Inc)	31,380.00	464.22
Do	McLeod Watkinson & Miller (For:Chicago Board of Trade)	11,320.00	
Do	General Mills, Inc	5,082.00	171.15
Do	McLeod Watkinson & Miller (For:United Egg Producers)	209.00	
Thomas J. McLeod, 610 Opperman Drive P.O. Box 64526 St Paul, MN 55164-0526	West Publishing Company		
Nancy L. McLernon, 1747 Pennsylvania Avenue, NW, #704 Washington, DC 20006	Organization for International Investment (OFII)	1,690.38	70.50
Fred McLuckie, 25 Louisiana Ave., NW Washington, DC 20001	International Brotherhood of Teamsters	1,912.62	
Molly McMorrow, 1350 I Street, NW, #840 Washington, DC 20005	Ralston Purina Company		735.00
McNair Law Firm, P.A., 1155 15th Street, NW, #400 Washington, DC 20005	Allied-Signal, Inc		
Do	Coalition for Auto Repair Equality		
Do	Del Webb Corp		
Do	Food Lion, Inc		
Do	Harnischfeger Industries, Inc		
Do	INSLAW, Inc		
Do	Phillips Petroleum Co		
Do	South Carolina Research Authority		
Do	SCANA Corp		
Do	W.R. Grace & Company		
William McNary, 68 E. Wacker Place, 3rd Floor Chicago, IL 60601	Illinois Public Action	1,300.00	120.00
Larry McNickle, 901 E Street, NW, #500 Washington, DC 20004-2873	American Assn of Homes & Services for the Aging		
James Meadows, 600 Congress Ave., #1360 Austin, TX 78701	Capital Network System, Inc	1,200.00	
Medtronic, Inc, 7000 Central Avenue, NE Minneapolis, MN 55432			213.68
Bradley V. Mefferd, 5566 Southwyck Blvd Toledo, OH 43614	Blade Communications, Inc		
Larry Mehlhaff, 23 N. Scott, #27 Sheridan, WY 82801	Sierra Club	2,410.16	
Stanley Meierfeld, 4 World Trade Center New York, NY 10048	New York Mercantile Exchange		
Nanine Meiklejohn, P.O. Box 1 Garrett Park, MD 20896	American Fed of State County & Municipal Employees	17,057.22	260.00
Susan R. Meisinger, 606 North Washington Street Alexandria, VA 22314	Society for Human Resource Management	2,900.00	7.95
Carol Melton, 800 Connecticut Avenue, NW, #800 Washington, DC 20006	Time Warner, Inc	9,250.00	
Joseph R. Membrino, 1120 20th Street, NW, #750 South Washington, DC 20036	Hall Estill et al (For:Cherokee Nation)		
Do	Society Asset Management, Inc		
Do	Wichita Tribe		
Joseph Mendelson, 1025 Vermont Ave., NW, 3rd Floor Washington, DC 20005	Friends of the Earth	277.27	
Pamela L. Meredith, 600 New Hampshire Ave., NW Washington, DC 20037	Spectrum Astro, Inc	1,942.00	
Nancy Jo Merrill, 1901 L St., NW, #260 Washington, DC 20036	March of Dimes Birth Defects Foundation	1,325.00	
Howard M. Messner, 1015 15th St., NW, #802 Washington, DC 20005	American Consulting Engineers Council	1,000.00	
Keith R. Mestrich, 815 16th Street, NW, #408 Washington, DC 20006	Food & Allied Service Trades Dept, AFL-CIO		
Matthew S. Metcalfe, P.O. Box 6422 Mobile, AL 36660	American Family Corp		
Joseph J. Mettimano, 2829 Connecticut Ave., NW, #705 Washington, DC 20008	Citizens for the Convention on the Rights of the Child		
Alden M. Meyer, 1616 P Street, NW Washington, DC 20036	Union of Concerned Scientists		12,660.85
Meyers & Associates, 412 First St., SE, #100 Washington, DC 20003	Hudson Tank Storage Co		
Richard P. Michalski, 9000 Machinists Place Upper Marlboro, MD 20772	International Assn of Machinists & Aerospace Workers	11,475.82	
Mid-Atlantic Medical Services, Inc, 4 Taft Court Rockville, MD 20850			12,000.00
Roger E. Middleton, 1155 21st Street, NW, Suite 300 Washington, DC 20036	Martinez & Sandoval		
Edmund Mierzwinski, 218 D Street, SE Washington, DC 20003	U.S. Public Interest Research Group	7,356.30	
Clinton R. Miller, P.O. Box 528 Gainesville, VA 22065-0528	National Council for Improved Health, et al.	4,380.00	1,721.00
Deborah Imle Miller, 15th & M Streets, NW Washington, DC 20005	National Assn of Home Builders of the U.S.	7,424.04	
Ellen S. Miller, 1320 19th Street, NW Washington, DC 20036	Center for Responsive Politics		
Grant Miller, 1800 Diagonal Rd. # 600 Alexandria, VA 22314	Northrop Grumman Corporation	4,000.00	600.00
Pamela A. Miller, 900 17th Street, NW Washington, DC 20006-2596	Wilderness Society	5,449.75	168.79
Steven T. Miller, 1101 Vermont Ave., NW, #700 Washington, DC 20005	American Academy of Ophthalmology		727.00
Miller & Chevalier, Chtd, 655 15th St., NW, #900 Washington, DC 20005-5701	Export Source Rule Coalition		
Do	Government of British Columbia/Min. of Dev. Trade & Tourism	1,687.50	
Do	Great Northern Insured Annuity Corp		
Do	Hewlett-Packard Co	9,250.00	
Do	Marine Preservation Assn		

Organization or Individual Filing	Employer/Client	Receipts	Expenditures
Do	Organization for International Investment	2,875.00	
Do	Pulte Home Corp		
Mintz Levin Cohn Ferris Glovsky & Popeo, P.C., 701 Pennsylvania Avenue, NW, #900 Washington, DC 20004	Cellular Telecommunications Industry Assn	5,000.00	45.00
Do	Competitive Long Distance Coalition , Inc	5,000.00	147.31
Do	McCaw Cellular Communications, Inc	5,000.00	288.64
Do	National Cable Television Assn, Inc	7,500.00	246.41
Do	Newspaper Assn of America		
Do	Sprint	5,000.00	72.46
Joan Mooney, 1101 Vermont Ave., NW, #700 Washington, DC 20005	American Academy of Ophthalmology		12,627.25
Karl R. Moor, 1101 Connecticut Avenue, NW, #800 Washington, DC 20036	Balch & Bingham (For:Alabama Power Co)		
Do	South Carolina Gas & Electric		
Do	Balch & Bingham (For:Southern Company Services, Inc)		
Cynthia L. Moore, 2717 North Fillmore Street Arlington, VA 22207	National Council on Teacher Retirement	425.00	
Laura Moorhead, 1747 Pennsylvania Avenue, NW, #704 Washington, DC 20006	Organization for International Investment, Inc	4,163.22	34.80
Cynthia Root Moran, 1455 F Street, NW, #450 Washington, DC 20004	R. Duffy Wall & Associates, Inc	1,250.00	
Peter J. Moran, 1601 Duke Street Alexandria, VA 22314	Society of American Florists	1,000.00	
John Morgan, 501 3rd Street, NW Washington, DC 20001	Communications Workers of America		
Peter Denis Morgan, 777 14th Street, NW Washington, DC 20005	National Assn of Realtors	2,000.00	
Mark E. Morrison, 1725 Jefferson Davis Highway Crystal Square 2, Suite 300 Arlington, VA 22202	Lockheed Martin Corp	2,000.00	875.48
Gloria Moser, 1101 Vermont Ave., NW, #700 Washington, DC 20005	American Academy of Ophthalmology		1,215.00
L. A. Motley and Company, 1800 K Street, NW, #1000 Washington, DC 20006	Sawyer/Miller Group (for Philippine Sugar Regulatory Admin)		
Susan Connolly Moya, 1401 H Street, NW, #1060 Washington, DC 20005	Asea Brown Boveri, Inc	7,500.00	85.50
Robert J. Mrazek, 301 Constitution Ave., NE Washington, DC 20002	Northrop Grumman Corporation		
Muldoon Murphy & Faucette, 5101 Wisconsin Ave., NW, #508 Washington, DC 20016	Talman Home Federal Savings and Loan Assn		
Mullenholz Brimsek & Belair, 1150 Connecticut Ave., NW, #700 Washington, DC 20036	Equifax, Inc	1,329.90	63.16
Michael L. Mullins, 1101 15th Street, NW, #1000 Washington, DC 20005	Cargill, Inc	1,250.00	
Jeremiah L. Murphy, 701 Pennysvania Ave, NW Washington, DC 20004	Siemens Corp		
John M. Murphy, 110 East 59th Street, Suite 3202 New York, NY 10022	Azerbaijan Study Foundation		
Patrick M. Murphy, 1055 North Fairfax Street, Suite 201 Alexandria, VA 22314	U.S. Strategies Corp		
National Abortion Rights Action League, 1156 15th Street, NW, #700 Washington, DC 20005			32,356.00
National Air Traffic Controllers Assn, 1150 17th Street NW #701 Washington, DC 20036		41,744.23	4,922.12
National Assisted Housing Management Assn, Inc, 526 King Street, #511 Alexandria, VA 22314		71,835.00	41,444.00
National Assn for Adult Security, 8560 East 22nd Street Tucscon, AZ 85731-7011			
National Assn of Health Underwriters, 1000 Connecticut Ave., NW, #810 Washington, DC 20036		224,651.00	94,580.20
National Assn of Home Builders of the U.S., 15th & M Sts., NW Washington, DC 20005		72,217.25	173,567.14
National Assn of Mortgage Brokers (NAMB), 706 E. Bell Road, #101 Phoenix, AZ 85022		14,719.32	92,349.47
National Assn of Wheat Growers, 415 2nd St., NE, #300 Washington, DC 20002		18,000.00	15,725.00
National Business Aircraft Assn, 1200 18th St., NW, #200 Washington, DC 20036-2598			13,394.30
National Coal Assn, 1130 17th Street, NW Washington, DC 20036		1,770,929.31	8,822.64
National Coalition for Cancer Survivorship, 1010 Wayne Avenue, 5th Floor Silver Spring, MD 20910			
National Coalition for Marine Conservation, Inc, 5 West Market Street Leesburg, VA 22075		6,023.55	927.98
National Comm on Pay Equity, 1126 16th St., NW, #411 Washington, DC 20036		42,500.59	
National Comm Against Repressive Legislation, 3321 12th Street, NE Washington, DC 20017		2,457.00	3,773.49
National Council of Agricultural Employers, 1735 I Street, NW, #704 Washington, DC 20006		18,000.00	3,673.00
National Council of La Raza, 1111 19th Street, NW, #1000 Washington, DC 20036		21,105.20	21,105.20
National Crop Insurance Services, Inc, 7301 College Blvd., Suite 170 Overland Park, KS 66212			3,075.00
National Family Planning & Reproductive Health Assn, Inc, 122 C St., NW, #380 Washington, DC 20001		139,677.00	772.00
National Grain Trade Council, 1300 L Street, #925 Washington, DC 20005			38.25
National Grocers Assn, 1825 Samuel Morse Drive Reston, VA 22090		3,000.00	2,515.94
National League of Postmasters, 1023 North Royal Street Alexandria, VA 22314		7,788.00	
National Pork Producers Council, 122 C Street, NW, #875 Washington, DC 20001		180,799.00	54,636.45
National Quality Health Council, c/o PRS 757 Brooksedge Plaza Dr. P.O. Box 6174 Westerville, OH 43081-6174		2,210.00	2,210.00
National Rifle Assn of America, 1600 Rhode Island Ave., NW Washington, DC 20036		757,847.19	549,809.69
National Tire Dealers & Retreaders Assn, 1250 Eye Street, NW, #400 Washington, DC 20005		8,257.05	8,257.05
National Tour Assn, Inc, 546 E. Main Street Lexington, KY 40508		64,231.00	64,231.00
National Venture Capital Association, 1655 N. Fort Meyer Dr., #700 Arlington, VA 22209		31,541.40	71,784.42
Natural Gas Supply Assn, 1129 20th St., NW, #300 Washington, DC 20036		3,764,815.00	113,924.37
Ralph G. Neas, 1629 K Street, N.W., Suite 1010 Washington, DC 20006	Leadership Conference on Civil Rights	20,704.08	225.96
Hosea M. Ned Jr., 12671 Highway 15 Phoenix, LA 70040			
Diana Neidle, 1424 16th Street, NW, Suite 604 Washington, DC 20036	Consumer Federation of America	1,518.67	24.35
Christine V. Nelson, 1 Massachusetts Ave., NW, #800 Washington, DC 20001-1431	McLeod Watkinson & Miller (For:United Egg Assn)	2,788.00	133.45
Do	McLeod Watkinson & Miller (For:United Egg Producers)	2,375.00	99.13
Gaylord Nelson, 900 17th Street, NW Washington, DC 20006	Wilderness Society		
Mark E. Nelson, 1341 G Street, NW, #620 Washington, DC 20005	GTT Communications, Inc	345.00	1,000.00
Network, 801 Pennsylvania Avenue, SE Suite 460 Washington, DC 20003-2167		76,303.60	48,330.70
Barry New, 11911 Freedom Drive, 6th Floor Reston, VA 22090-5602	Rolls-Royce, Inc		
New York Public Interest Research Group, 9 Murray Street, 3rd Floor New York, NY 10007			
Newspaper Association of America, 11600 Sunrise Valley Drive Reston, VA 22091		79,621.75	79,621.75
Daniel E. Nickelson, 2000 L St., NW, #200 Washington, DC 20036	Cleveland Clinic Foundation		
Bob Nicklas, 25 Louisiana Avenue, NW Washington, DC 20001	International Brotherhood of Teamsters	1,691.93	
David P. Nicoli, 1341 G Street, NW, 9th Floor Washington, DC 20005	Philip Morris Management Corp	1,500.00	198.23
Scott H. Nishioki, 1275 Pennsylvania Ave., NW, #400 Washington, DC 20004	Pacific Telesis Group	12,186.00	
Ellen Nissenbaum, 777 North Capitol Street, NE, #705 Washington, DC 20002-4239	Center on Budget & Policy Priorities	2,086.30	91.25
North American Telecommunications Assn, 2000 M St., NW, #550 Washington, DC 20036			
J. Hallock Northcott, 1620 L Street, NW, #1150 Washington, DC 20036	Matsushita Electric Corp of America	500.00	78.31
Northwest Strategies, 111 Queen Anne Avenue North, #500 Seattle, WA 98109	Westinghouse Hanford Co	2,110.00	
Ellis T. Nottingham Jr., 7900 Westpark Drive, Suite A530 McLean, VA 22102	Honeywell, Inc	6,000.00	307.84
Patrick J. Nugent, 1133 19th Street, NW Washington, DC 20036	MCI Communications Corp	2,000.00	
Silas O. Nunn, 901 N. Washington Street Suite 204 Alexandria, VA 22314	Shipbuilders Council of America		1,150.00
Nurnberger & Associates, 1275 K Street, NW, Suite 1100 Washington, DC 20005	ADS Ventures (for MBRI)	6,000.00	14.12
Do	ADS Ventures (for Ztek Corporation)		39.70
Do	ADS Ventures (for: Clivus Multrum)		
Do	ADS Ventures (for: Educational Foundation for Foreign Study)	8,000.00	49.08
Do	ADS Ventures (for: Inchcape Testing Services, Inc)	1,000.00	34.22
Do	ADS Ventures (for: Psychemedics Corp)	500.00	147.45
Do	National Campaign to End Neurological Disorders	10,000.00	364.24
Scott Nystrom, 601 13th Street, NW, #410 South Washington, DC 20004	R. Duffy Wall & Associates, Inc	1,250.00	
O'Brien Calio, 1350 Eye Street, NW, Suite 690 Washington, DC 20005	American Insurance Assn	52.08	
Do	Anheuser-Busch, Inc	130.21	
Do	ARCO	26.56	
Do	AT&T	1,250.00	
Do	Blue Cross Blue Shield Assn		
Do	Federal National Mortgage Assn	351.56	
Do	Global Technology Systems		
Do	Intermedia Partners	1,083.33	
Do	Morgan Stanley & Co, Inc	145.83	
Do	National Wholesale Druggists' Assn		
Do	Product Liability Coordinating Committee	500.00	
Do	Sears Roebuck & Co	78.12	
Do	Teachers Insurance & Annuity Assn		
Maribeth O'Connor, 521 Wall Street Seattle, WA 98121	Group Health Cooperative	6,907.00	1,858.92
O'Connor & Hannan, 1919 Pennsylvania Ave., NW, #800 Washington, DC 20006	Adams Cohen & Associates, Inc		
Do	Associated Credit Bureaus, Inc	3,347.50	
Do	AFL-CIO Maritime Committee		
Do	Bear Stearns & Company, Inc	15,882.00	
Do	China External Trade Development Council		
Do	Citizens Savings Bank	525.00	
Do	Evangelical Lutheran Good Samaritan Society		
Do	Friedman Billings Ramsey & Co		
Do	GAF Corporation	9,295.00	
Do	Healthcare Financing Study Group	2,437.50	
Do	Institute of International Bankers	15,000.00	
Do	Martin Marietta Corp	3,400.00	
Do	MasterCard International, Inc	1,800.00	

Organization or Individual Filing	Employer/Client	Receipts	Expenditures
Do	Michigan State University		
Do	MWW/Strategic Communications, Inc	1,250.00	
Do	Pacific Telesis Group	7,312.00	
Do	Securities Industry Assn	16,333.00	
Do	Standard Chartered PLC	3,375.00	
Do	State Street Bank & Trust Company	3,150.00	
Do	UST	6,250.00	
Do	VISA, USA, Inc	1,800.00	
Grady O'Cummings III, 198 MacDougal St. Brooklyn, NY 11233	New York Committee to Pass Jesse Gray Housing Bill		
Ann O'Leary, 1630 Duke Street, 4th Floor Alexandria, VA 22314-3465	National Rural Letter Carriers Assn		
Kathleen O'Leary, 700 13th Street, NW, #900 Washington, DC 20005	Columbia Gas Transmission Corp	5,000.00	
Jim O'Neal, 4404 Fairfax Hill Plano, TX 75024	People for America		3,460.48
O'Neill and Athy, P.C., 1310 19th Street, NW Washington, DC 20036	American Telephone & Telegraph Co	6,116.00	
Do	General Mills, Inc	1,703.00	
Do	Glass Packaging Institute/Industry Union Glass Cont Program	4,111.00	
Do	Government of Mexico	8,700.00	
Do	JM Family Enterprises, Inc	12,578.00	
Do	Texas Utilities Co		
Do	USX Corporation	3,086.00	
Do	Viacom International, Inc	18,794.00	
Mary Rose Oakar & Asssociates, Inc, 2621 Lorain Avenue Cleveland, OH 44113	Great Waters Aquarium		
B. Robert Okun, 1299 Pennsylvania Ave., NW 11th Floor East Washington, DC 20004	National Broadcasting Co	3,250.00	299.85
John W. Olcott, 1200 18th Street, NW, #200 Washington, DC 20036	National Business Aircraft Assn	1,620.00	35.00
Sally G. Oldham, 21 Dupont Circle, NW Washington, DC 20036-1109	Scenic America		
Richard Oleck, 1181 South Rogers Circle, #6 Boca Raton, FL 33487-2724	Building Trades Assn, Inc		
Daniel Oliver, 3105 Woodley Road, NW Washington, DC 20008	Major League Baseball Players Assn		
Erik Olson, 1350 New York Avenue, NW, #300 Washington, DC 20005	Natural Resources Defense Council, Inc	4,976.00	
Omega Management Group, Inc, P.O. Box 107 Irvington, NY 10533			
Franz M. Oppenheimer, 3000 K Street, NW, #300 Washington, DC 20007-5116	Association Francaise des Banques		
Do	Bremer Vulkan Verbund AG		
Do	Commerzbank Aktiengesellschaft		
Ronald S. Oppenheimer, 4 World Trade Center New York, NY 10048	New York Mercantile Exchange	6,000.00	
Orbital Sciences Corporation, 21700 Atlantic Boulevard Dulles, VA 20166		45.00	
Edward O.C. Ord, 650 California Street, #1200 San Francisco, CA 94108-8	Ord & Norman		
Organ. for Protection & Advancement of Small Telephone Cos, 21 Dupont Circle, NW, Suite 700 Washington, DC 20036		4,455.00	4,455.00
Organization for International Investment, 1401 Eye Street, #1000 Washington, DC 20005		36,000.00	10,300.74
Organization of Professional Employees of USDA, Rm. SM-3-S U.S. Dept of Agriculture Washington, DC 20250		4,059.65	1,028.59
David E. Ortman, 1025 Vermont Avenue, NW, 3rd Floor Washington, DC 20005	Friends of the Earth	39.20	
Jason Osborne, 1015 15th Street, NW, #802 Washington, DC 20005	American Consulting Engineers Council	3,750.00	145.50
David S. Osterhout, 1725 Jefferson Davis Highway Crystal Square 2, Suite 300 Arlington, VA 22202	Lockheed Martin Corp	6,000.00	862.26
Karl Ottosen, 208 G Street, NE Washington, DC 20002	NL Industries/Baroid Corp	12,000.00	
Do	U.S. Federation of Small Businesses, Inc	1,500.00	
Overseas Education Assn, 1201 16th Street, NW, Room 210 Washington, DC 20036		250.00	1,569.09
Jack C. Overstreet, 1725 Jefferson Davis Highway Suite 300 Arlington, VA 22202	Lockheed Martin Corp	4,000.00	364.61
Margaret Owens, 750 First Street, NE, Suite 700 Washington, DC 20002-4241	National Assn of Social Workers		
Oxygenated Fuels Assn, 1330 Connecticut Ave., NW, Suite 300 Washington, DC 20036			
Wayne P. Pacelle, 9806 Cahart Place Silver Spring, MD 20903	Humane Society of the U.S.	553.50	155.80
Pagonis & Donnelly Group, Inc, c/o Rogers & Wells 607 14th Street, NW Washington, DC 20005	Burlington Northern Railroad, Inc		
Brian Pallasch, 1575 Eye Street, NW Washington, DC 20005	American Soc of Assn Executives	300.00	
David L. Parde, 119 Oronoco Street, #300 Alexandria, VA 22314	Coalition for Automotive Repair Equality, Inc	4,658.00	
William M. Parizeau, 2800 Quebec Street, NW Washington, DC 20008	Public Strategies Washington, Inc		
Leslie A. Parmelee, 12 Cynthia Court Ravena, NY 12143	American Train Dispatchers Department/Bro of Locomotive...)		
Parry and Romani Associates, Inc, 233 Constitution Avenue, NE Washington, DC 20002	American Assn of Pharmaceutical Distributors	2,700.00	
Do	American Chiropractic Assn	1,200.00	
Do	American Medical Assn	2,000.00	
Do	American Tort Reform Assn	2,000.00	
Do	D & F Industries, Inc	1,200.00	
Do	Generic Pharmaceutical Industry Assn	1,700.00	
Do	Glaxo, Inc	1,500.00	
Do	HealthCare COMPARE		
Do	Herbalife International of America, Inc	250.00	
Do	Intellectual Property Owners	1,000.00	
Do	International Assn of Broadcast Monitors	1,000.00	
Do	International Dairy Foods Assn	1,500.00	
Do	Motion Picture Assn of America, Inc	3,000.00	
Do	Murdock Healthcare	2,000.00	
Do	Nonprescription Drug Manufacturers Assn	3,160.00	
Do	Pfizer, Inc	2,600.00	
Do	Pharmaceutical Manufacturers Assn	700.00	
Do	Recording Industry Assn of America	400.00	
Do	Research Corp Technology, Inc	3,600.00	
Do	Systech Environmental Corp	1,200.00	
Do	Taxpayers Against Fraud	1,400.00	
Do	U S West		
Do	Unilever U.S., Inc	1,000.00	
Do	Upjohn Company	2,800.00	
Do	Utah Biomedical Industry Council		
Do	Utah Natural Products Alliance	1,000.00	
Do	Won-Door Corporation	750.00	
Richard Pasco, 1 Massachusetts Ave., NW, #800 Washington, DC 20001	McLeod Watkinson & Miller (For:American Peanut Product Manufacturers, Inc)	20,228.00	335.31
Do	McLeod Watkinson & Miller (For:General Mills)	13,620.00	51.49
Richard E. Pasco, 122 C Street, NW, #875 Washington, DC 20001	National Pork Producers Council		
M. Stephanie Patrick, 1101 15th Street, NW, #1000 Washington, DC 20005	Cargill, Inc	1,250.00	
Patton Boggs, L.L.P., 2550 M Street, NW Washington, DC 20037	Air Products & Chemicals, Inc		
Do	Amenco		
Do	Center for Creative Non-Violence		
Do	City & County of Denver		
Do	City of Waterbury		
Do	Coalition for Fair Allocation of Interest		
Do	CUC International		
Do	Eagle-Picher Industries, Inc		
Do	Edison Electric Institute		
Do	Electric Reliability Coalition		
Do	Federation Against Inequitable & Progressive Taxation		
Do	Ford Motor Co		
Do	Genstar Container Corp		
Do	Greensboro-Jamestown Neighborhood Assn		
Do	Institute of Scrap Recycling Industries		
Do	Irvin Industries		
Do	Jena Band of Choctau		
Do	Johanna-Dairies, Inc		
Do	Landauer, Inc		
Do	Leprino Foods		
Do	Metropolitan Life		
Do	Mitchell Energy & Development Corp		
Do	Morrison Knudsen		
Do	Nansay Hawaii		
Do	NCNB Texas National Bank		
Do	Pepsico, Inc		
Do	Reliance Group Holdings, Inc		
Do	Scheidt & Bachman		
Do	Self Storage Assn		
Do	SmithKline Beecham		
Do	State of Louisiana, Office of Conservation		

Organization or Individual Filing	Employer/Client	Receipts	Expenditures
Do	Trans Ocean, Ltd		
Do	Triton Container		
Paul Weiss Rifkind Wharton & Garrison, 1615 L Street, NW, #1300 Washington, DC 20036	Financial Executives Institute		
Peabody & Brown, 1255 23rd Street, NW, #800 Washington, DC 20037	Council for Rural Housing & Development	2,000.00	
Do	Great Western Financial Corp	12,320.00	396.76
Christopher T. Peace, 400 North Washington Street Alexandria, VA 22314	National Assn of Professional Insurance Agents	10,000.00	74.69
J. Leon Peace Jr., 15th & M Streets, NW Washington, DC 20005	National Assn of Home Builders of the U.S.	9,014.53	
Robert A. Peck, 1735 New York Avenue, NW Washington, DC 20006	American Institute of Architects		
Karen W. Penafiel, 1201 New York Avenue, NW, Suite 300 Washington, DC 20005	Building Owners and Managers Assn International	5,342.00	162.00
Nicholas J. Penning, 1801 N. Moore Street Arlington, VA 22209	American Assn of School Administrators	9,880.50	
Pennsylvania Mines Corp, P.O. Box 367 Ebensburg, PA 15931			
People for America, Inc, 4404 Fairfax Hill Plano, TX 75024			6,355.69
Robert Perschel, 900 17th Street, NW Washington, DC 20006-2596	Wilderness Society	469.33	151.42
Susan Persons, 1522 K Street, NW, Suite 836 Washington, DC 20005	Consortium of Social Science Assn		35.40
Gayle Petersen, 900 17th Street, NW Washington, DC 20006	Wilderness Society		
Robert R. Petersen, 1300 L Street, #925 Washington, DC 20005	National Grain Trade Council		
Esther Peterson, 2001 S St., NW, #510 Washington, DC 20009	International Organization of Consumers Unions		
Joseph P. Petito, 1800 M Street, NW, #400 Washington, DC 20036	Coopers & Lybrand	2,200.00	20.00
Susan M. Pettey, 901 E Street, NW, #500 Washington, DC 20004-2837	American Assn of Homes & Services for the Aging		
Mitchell S. Pettit, 1133 Connecticut Ave., NW, #1000 Washington, DC 20036	Alliance for Competitive Communications	45,000.00	
Do	American Bankers Assn	33,000.00	837.66
Do	SBC Communications, Inc	60,000.00	1,472.87
Jack Pezold, P.O. Box 4252 Columbus, GA 31909	Pezold Management		3,421.43
Laura Phelps, 1 Massachusetts Ave., NW, #800 Washington, DC 20001-1431	McLeod Watkinson & Miller (For:American Assn of Crop Insurers)	775.00	55.35
Do	McLeod Watkinson & Miller (For:American Mushroom Institute)		
Do	McLeod Watkinson & Miller (For:American Peanut Product Manufacturers, Inc)	8,689.00	
Do	McLeod Watkinson & Miller (For:General Mills)	900.00	
William D. Phillips, 888 16th Street, NW Washington, DC 20006	General Communications, Inc	7,500.00	7,500.00
Melinda Pierce, 408 C Street, NE Washington, DC 20002	Sierra Club	1,759.24	
Theodore M. Pierce, 5301 Wisconsin Ave., NW, #450 Washington, DC 20015	National Assn of Surety Bond Producers		
Piper & Marbury, 1200 19th Street, NW, #700 Washington, DC 20036	AT&T	8,898.75	34.04
Do	Direct Marketing Assn	2,625.00	22.00
Do	Information Industry Assn	21,633.75	492.40
Do	Journal of Commerce, Inc		
Do	LEXIS-NEXIS		
Do	MCI Communications Corp	10,047.50	451.47
Do	Omnipoint Communications, Inc	17,686.25	547.22
Martha Rachel Plotkin, 1120 Connecticut Avenue, NW, #930 Washington, DC 20036	Police Executive Research Forum	1,910.77	63.20
Podesta Associates, Inc, 1001 G Street, NW Suite 900 East Washington, DC 20001	American Personal Communications (APC)	23,993.02	4,978.51
Do	Association of Directory Publishers	16,479.00	785.24
Do	California Healthcare Institute	556.88	321.12
Do	California Poultry Industry Federation	17,348.32	5,196.55
Do	Committee for America's Copyright Community	16,962.75	1,826.99
Do	Digital Equipment Corp	1,418.44	676.52
Do	Genentech, Inc	11,078.63	2,758.33
Do	Genzyme	11,730.00	904.81
Do	HIMA	4,865.63	244.08
Do	International Brotherhood of Teamsters	2,437.03	228.38
Do	MCI	31,521.00	1,633.32
Do	Newspaper Assn of America	16,173.75	1,126.26
Do	Nutritional Health Alliance		294.67
Anne L. Polansky, 777 North Capitol St., NE, Suite 805 Washington, DC 20002	Solar Energy Industries Assn	5,274.08	
Mindy Pollack, One Greenwich Plaza P.O. Box 2568 Greenwich, CT 06836	NAC Re Corp		
Harry L. Ponder, 815 16th Street, NW, #707 Washington, DC 20006	Department for Professional Employees AFL-CIO	9,038.31	
John F. Pontius, 130 North Carolina Avenue, SE Washington, DC 20003	Executive Interventions		
Port of Seattle, P.O. Box 1209 Seattle, WA 98111			8,961.58
John Pottridge, 400 North Washington Street Alexandria, VA 22314	National Assn of Professional Insurance Agents	5,000.00	
Wayne A. Powell, 1101 Vermont Ave., NW, #700 Washington, DC 20005	American Academy of Ophthalmology		2,389.00
Powell Goldstein Frazer & Murphy, 1001 Pennsylvania Ave., NW, 6th Floor Washington, DC 20004	American Assn of Exporters & Importers		
Do	American Committee for the Weizmann Institute of Science	784.00	
Do	N.V.W. (USA), Inc		
Do	National Alliance for Infusion Therapy	7,761.60	
Premark International, Inc, 1717 Deerfield Road Deerfield, IL 60015		4,000.00	4,000.00
Woodruff M. Price, 1331 Pennsylvania Ave., NW, #560-South Washington, DC 20004	CSX Corporation	8,500.00	549.29
Daniel B. Priest, 1515 Jefferson Davis Highway, #817 Arlington, VA 22215-6566	Ecolocorp, Inc		
George W. Pritts Jr., 1745 Jefferson Davis Hwy., #1200 Arlington, VA 22202	Rockwell International Corp	1,875.00	110.25
Private Practice Section, Amer Physical Therapy Assn, 1101 17th Street, NW, #1000 Washington, DC 20036			15,600.92
Gerald R. Prout, 1627 K St., NW, #500 Washington, DC 20006	FMC Corporation	1,025.00	
Thomas W. Purcell, 100 Daingerfield Road Alexandria, VA 22314	Printing Industries of America, Inc	2,500.00	
Joe Raeder, 1130 Connecticut Avenue, NW, #300 Washington, DC 20036	The Ferguson Company (For:Central Valley Project Water Assn)	26,076.50	1,030.62
Raffaelli Spees Springer & Smith, 1341 G Street, NW, #200 Washington, DC 20005	American Psychological Assn	1,000.00	
Do	Association of Progressive Rental Organizations	9,000.00	
Do	BP America	1,500.00	
Do	Circus Circus Hotel & Resort	1,500.00	
Do	Competitive Long Distance Coalition	1,000.00	
Do	Dean Witter Realty, Inc	3,000.00	
Do	Diagnostic Retrieval Systems	1,000.00	
Do	Golden Hill Paugussett Tribe		
Do	ICI Chemical		
Do	McDonnell Douglas Corp	4,500.00	
Do	Seafarers International Union	1,000.00	
Do	Transportation Institute		
Do	University of Nevada/Las Vegas Research Center		
Do	Wiley, Rein & Fielding	1,000.00	
Daniel Rappaport, Four World Trade Center New York, NY 10048	New York Mercantile Exchange		
Kenneth E. Raske, 555 West 57th Street, 15th Floor New York, NY 10019	Greater New York Hospital Assn	3,773.00	117.00
Eiler C. Ravnholt, 3566 Raymoor Road Kensington, MD 20895	Hawaiian Sugar Planters' Assn	10,500.00	
Recording Industry Assn of America, Inc, 1020 19th St., NW #200 Washington, DC 20036		24,924.26	24,924.26
Bill Redding, 214 N. Henry Street, #203 Madison, WI 53703	Sierra Club	4,680.95	575.00
Fred J. Redeker, 1999 Bryan, #1500 Dallas, TX 75201-6882	Houston Bankers Association		
Jill C. Redmond, 606 N. Washington Street Alexandria, VA 22314	Society for Human Resource Management	3,021.00	14.50
Robert S. Reese Jr., 1341 G Street, NW, #900 Washington, DC 20005	Philip Morris Management Corp	3,000.00	1,388.86
Reese Communications Companies, Inc, 3050 K St., NW, Suite 200 Washington, DC 20007	Philip Morris, USA		
Michael W. Reid, 1300 L Street, NW Washington, DC 20005	American Postal Workers Union, AFL-CIO	15,855.25	677.32
Reid & Priest, 701 Pennsylvania Avenue, NW Washington, DC 20004	Alliance for Power Privatization		
Do	Duke Power Co		
Do	Pacific Gas & Electric Co		
William K. Reilly, c/o World Wildlife Fund 1250 24th Street, NW, 6th Floor Washington, DC 20037-1175	Golden Gate National Park Assn		
Do	National Wildlife Action, et al.		
Rebecca Relic, 1601 Duke Street Alexandria, VA 22314	Society of American Florists	1,000.00	
Rendon Group, Inc, 2000 S Street, NW Washington, DC 20009	Vietnam Veterans Workshop		
Renewable Fuels Assn, One Massachusettes Ave, NW, #820 Washington, DC 20002		77,268.91	74,419.19
Stephen P. Rentner, 1735 New York Avenue, NW Washington, DC 20006	American Institute of Architects		
Reserve Officers Assn of the US, 1 Constitution Ave., NE Washington, DC 20002		4,091.00	20,090.00
Barclay T. Resler, 800 Connecticut Ave., NW, Suite 711 Washington, DC 20006	Coca-Cola Company	100.00	72.56
Paul C. Rettig, 50 F Street, NW, #1100 Washington, DC 20001	American Osteopathic Healthcare Assn	5,000.00	
Jimmie V. Reyna, 808 17th Street, NW, Suite 300 Washington, DC 20006-3910	Stewart & Stewart (For:Radiation Systems, Inc)		
Do	Stewart & Stewart		
Hermione Rhones, 1735 New York Avenue, NW Washington, DC 20006	American Institute of Architects		
David C. Rich, 555 West 57th Street New York, NY 10019	Greater New York Hospital Assn	22,904.00	545.00
Alan K. Richards, 1025 Connecticut Ave., NW, #1200 Washington, DC 20036	Health Insurance Assn of America, Inc	44.75	7.77
Kevin C. Richardson, 2500 Wilson Blvd. Arlington, VA 22201-3834	Electronic Industries Assn	3,000.00	859.02
Timothy L. Richardson, 4104 Denfeld Avenue Kensington, MD 20895	Akhiok-Kaguyak, Inc	6,000.00	
Do	Direct Dimension, Inc	1,666.00	

Organization or Individual Filing	Employer/Client	Receipts	Expenditures
Do	Old Harbor Native Corp	6,000.00	
Marilyn Richmond, 750 First Street, NE Washington, DC 20002-4242	American Psychological Assn	1,500.00	100.00
Blair A. Rieth Jr., 1101 Pennsylvania Ave., NW, Suite 540 Washington, DC 20004	Guidant Corporation	2,000.00	52.00
Gina J. Rigby-LeDonne, 1901 North Moore Street, Suite 1100 Arlington, VA 22209	Gas Appliance Manufacturers Assn	3,654.08	3,153.38
Michael R. Riksen, 2706 Davis Ave. Alexandria, VA 22302	Harris Corporation	2,025.00	1,067.27
A. E. Riley, 430 First Street, SE Washington, DC 20003	American Trucking Assns, Inc	4,000.00	
Matthew J. Rinaldo, 700 New Hampshire Ave., NW Washington, DC 20037	International CellularVision Assn		
Irene Ringwood, Bogle & Gates 1299 Pennsylvania Avenue, NW, #875 East Washington, DC 20004	McPhillips Manufacturing Co		
Ritts Wise & Rogers, 1500 Wilson Bvld., #320 Arlington, VA 22209	Flagstar Corp	12,600.00	125.00
William R. Ritz, 2000 K Street, NW, #800 Washington, DC 20006	National Comm to Preserve Social Security & Medicare	4,802.00	
Valentin J. Riva, 1010 Massachusetts Avenue, NW, 6th Floor Washington, DC 20001	American Road & Transportation Builders Assn	500.00	
Jennifer S. Roberts, 1875 Connecticut Ave., NW, #1016 Washington, DC 20009	Environmental Defense Fund	1,450.00	20.00
Michael A. Roberts, 1101 Vermont Avenue, NW, #300 Washington, DC 20005	American Academy of Ophthalmology		6,882.50
William J. Roberts, 1875 Connecticut Ave, NW, #1016 Washington, DC 20009	Environmental Defense Fund	15,750.00	300.00
Dennis Robertson, 8000 Scott Hamilton Drive Little Rock, AR 72209	Arkansas Electric Cooperatives, Inc	25,380.00	270.00
Rock & Associates, 818 Connecticut Ave., NW, Suite 1100 Washington, DC 20006	Southern Company Services, Inc	3,000.00	
Lewis A. Rockman, P.O. Box 8000 Bradford, PA 16701-0980			
Michael F. Rodgers, 901 E Street, NW, #500 Washington, DC 20004-2837	American Assn of Homes & Services for the Aging		
Randall B. Roe, 1400 K Street, NW, #910 Washington, DC 20005	Burns & Roe Enterprises, Inc		
James A. Rogers, 316 Pennsylvania Ave., SE, #304 Washington, DC 20003	United Parcel Service	2,000.00	414.51
Margaret Rogers, 1776 Eye Street, NW, #575 Washington, DC 20006	Dow Chemical Co		6,467.00
Barbara J. Rohde & Associates, 1701 K Street, NW, #400 Washington, DC 20006	City of Grand Forks	3,000.00	200.00
Do	City of Moorehead	8,000.00	650.00
George L. Rolofson, P.O. Box 18300 Greensboro, NC 27419	CIBA-GEIGY Corp	324.00	
John C. Roney, 1156 15th Street, NW, 1103 Washington, DC 20005	Hawaiian Sugar Planters' Assn		
E. Mitchell Roob Jr., 3838 N. Rural Street Indianapolis, IN 46205-2930	Health & Hospital Corp of Marion County		
Francis P. Rooney, 1400 L Street, NW, #400 Washington, DC 20005	Biscuit & Cracker Mfgrs Assn		
Rooney Group International, Inc, 2000 North 14th Street, #250 Arlington, VA 22201	Bofors AB	3,000.00	1,139.97
Do	Bofors Carl Gustaf	2,400.00	1,139.97
Do	Celsius Tech Electronics	5,700.00	1,200.65
Do	Chemring, Ltd	3,900.00	1,197.69
Do	Intermarine, USA	4,800.00	1,293.87
Do	Kollmorgen Corporation	6,000.00	1,281.97
Do	Olin Ordnance	3,000.00	1,207.93
Do	Raufoss A/S	1,200.00	1,216.00
Do	Recon/Optical, Inc	3,000.00	1,239.23
Do	Tracor, International	1,500.00	1,139.97
Do	Wayne Arny & Associates, Inc	3,000.00	1,206.97
Ropes & Gray, 1001 Pennsylvania Ave., NW, #1200 Washington, DC 20004	Dial Page, Inc	45.00	
Daniel Rosenberg, 218 D St., SE Washington, DC 20003	U.S. Public Interest Research Group	5,517.24	
Marilyn Rosenthal, 1707 L Street, NW, #300 Washington, DC 20036	National Assn of Home Builders of the U.S.	8,319.23	
Roth VanAmberg Gross Rogers & Ortiz, P.O. Box 1447 Santa Fe, NM 87504-1447	Nambe Pueblo		
Do	Pueblo de Cochiti		
Lauren J. Rothfarb, 1126 16th St., NW Washington, DC 20036	International Union of Electronic Electrical Salaried...	13,843.06	208.08
G. Jon Roush, 900 17th Street, NW Washington, DC 20006	Wilderness Society	184.62	
P. Norman Roy, P.O. Box 1938 (10 Madison Ave) Morristown, NJ 07962-1938	Financial Executives Institute	1,325.00	
Robert S. Royer, 1747 Pennsylvania Ave., NW, #900 Washington, DC 20006	Conference of State Bank Supervisors		
Do	Eaton Vance Corp		
Do	Federal Home Loan Bank of New York		
Do	Long Island Savings Bank		
Do	MacAndrews & Forbes Holdings, Inc		
Do	McClure Gerard & Neuenschwander, Inc		
Do	Michigan Trade Exchange		
Do	Republic Boston Capital Corp		
Do	Thorn Americas		
Eric M. Rubin, 1730 M Street, NW, #412 Washington, DC 20036	Outdoor Advertising Assn of America, Inc		
Lois J. Rude, 700 13th Street, NW, #525 Washington, DC 20005	Meridian Oil Inc.	500.00	65.74
Thomas Rugg, 1616 H Street, NW Washington, DC 20006	National Grange	3,375.00	
Nicholas L. Ruggieri, 3 Bethesda Metro Ctr., #700 Bethesda, MD 20814	Serono Laboratories	1,000.00	225.00
John Runyan, 100 Daingerfield Rd. Alexandria, VA 22314	Printing Industries of America, Inc	10,000.00	
Matthew Russell, 300 5th Street, NE Washington, DC 20002	American Osteopathic Assn	10,384.62	
Ryan-McGinn, Inc, 2300 Clarendon Blvd., #610 Arlington, VA 22201	Cathedral Healthcare System	900.00	
Do	West Virginia Hospital Assn	600.00	
Joseph Randy Sabo, 13095 W. Cedar Drive, Unit 202 Lakewood, CO 80228	Umetco Minerals Corp	9,037.50	18,904.22
Kathryn Sabo, 1025 Connecticut Ave., NW Washington, DC 20036	Health Insurance Assn of America, Inc	160.92	228.00
Dean Sackett, 400 North Washington Street Alexandria, VA 22314	National Assn of Professional Insurance Agents	16,250.00	1,681.02
Sagamore Associates, Inc, 1701 K Street, NW #400 Washington, DC 20006	Rose Acre Farms		
Scott R. Salmon, 1101 Pennsylvania Ave., NW, #510 Washington, DC 20004	USX Corp		56.90
Robert S. Salomon III, DFC Group, Inc 7201 Wisconsin Ave. Bethesda, MD 20814	Council of Development Finance Agencies	6,000.00	
Do	Related Companies, Inc	3,000.00	
Felix R. Sanchez, 3625 R Street, NW Washington, DC 20007	American Methanol Institute	1,000.00	510.00
Petronella C. Sanders, 1200 18th Street, NW, #200 Washington, DC 20036	National Business Aircraft Assn	105.00	
Eric Sapirstein, 1130 Connecticut Avenue, NW, #300 Washington, DC 20036	California Assn of Sanitation Agencies	4,056.00	3,539.16
Do	ENS Resources, Inc (For:East Bay MUD)	3,779.50	1,708.44
Do	Las Virgenes Municipal Water District		44.76
Do	Western Research Institute	937.50	135.14
Saunders Consulting, 4806 Bentonbrook Dr. Fairfax, VA 22030	Pharmaceutical Research & Manufacturers of America	6,249.99	438.98
Save Our Security, 1331 F Street NW Washington, DC 20004-1171		4,212.40	36,171.53
Savings Coalition of America, 1225 EYE Street, NW, Suite 500 Washington, DC 20005		97,500.00	24,065.00
Marc Steven Scarduffa, 15th & M Street, NW Washington, DC 20005	National Assn of Home Builders of the U.S.	5,877.97	
Scenic America, 21 Dupont Circle Washington, DC 20036			1,132.95
Mark S. Schacht, 631 Howard Street, 3rd Floor Suite 300 San Francisco, CA 94105-3907	California Rural Legal Assistance, Inc	377.28	472.75
William L. Schachte Jr., 172 Broad Street Charleston, SC 29401	Dyer Ellis Joseph & Mills	4,000.00	35.00
Jennifer A. Schafer, 499 South Capitol Street, SW, #520 Washington, DC 20003	American Gas Cooling Center		
Do	ENGELHARD/ICC		
Schagrin Associates, 1140 - 19th Street, NW, Suite 600 Washington, DC 20036	Armco, Inc		
Do	Committee on Pipe & Tube Imports	351.25	20.00
Do	Tyco International		
Do	Weirton Steel Corporation	868.75	10.00
Harold A. Schaitberger, 1750 New York Ave., NW Washington, DC 20006	International Assn of Fire Fighters	22,490.46	
Thomas A. Schatz, 1301 Connecticut Ave., NW, #400 Washington, DC 20036	Council for Citizens Against Government Waste	3,000.00	29.00
Michael T. Schilling, 1001 19th Street North, #800 Arlington, VA 22209	TRW, Inc	5,000.00	
Irene S. Schindler, 555 13th Street, NW, East Tower, #600 Washington, DC 20004	Health Insurance Association of America	1,608.75	800.00
Ella M. Schiralli, 2500 Wilson Blvd. Arlington, VA 22201-3834	Electronic Industries Assn	700.00	22.02
Lin Schmale, 1601 Duke Street Alexandria, VA 22314	Society of American Florists	1,000.00	
Schmeltzer Aptaker & Sheppard, 2600 Virginia Ave., NW, 10th floor Washington, DC 20037-1905	Council of Nursing Home Suppliers		133.79
Robert Richard Schmitt, 234821 3500 North Elm Street Jackson, MI 49201-8877			
Robert V. Schneider, 1250 24th Street, NW, #300 Washington, DC 20037	Telesciences Corp		
Leonard Schneidman, Foley Hoag & Eliot One Post Office Square Boston, MA 02109	Millicom, Inc		
Paul Schomburg, 1620 L Street, NW, Suite 1150 Washington, DC 20036	Matsushita Electric Corp of America	100.00	78.31
Susan Schreiber, 1615 H Street, NW Washington, DC 20062	U.S. Chamber of Commerce	2,500.00	
John G. Schroeder, 1401 Eye Street, NW, Suite 600 Washington, DC 20005	Sikorsky Aircraft/United Technologies	2,852.00	672.91
Elizabeth Schueler, Willard Office Building 1455 Pennsylvania Ave., NW, #350 Washington, DC 20004	Idaho Conservation League	1,561.00	
Kimberly Schuld, 11166 Main Street, Suite 302 Fairfax, VA 22030	Seniors Coalition, Inc	5,738.00	635.45
Schwabe Williamson & Wyatt, 1299 Pennsylvania Ave., NW, #985 Washington, DC 20004	Grand Rapids Area Transit Authority	3,052.00	67.03
Do	Solid Waste Assn of North America	3,391.00	74.06
Do	Tri-Met	9,766.45	5,522.15
Elizabeth Nash Schwartz, 1700 N. Moore St., #2120 Rosslyn, VA 22209	Boeing Company	9,380.50	1,366.82
Carl F. Schwensen, 415 2nd St., NE, #300 Washington, DC 20002	National Assn of Wheat Growers	7,050.00	
Dawn M. Sciarrino, Fisher Wayland Cooper Leader & Zaragoza 2001 Pennsylvania Ave., Nw, #400 Washington, DC 20006	Pezold Management		
Gregory R. Scott, 1341 G Street, NW, #900 Washington, DC 20005	Philip Morris Management Corp	1,562.50	512.48
Michael D. Scott, 900 17th Street, NW Washington, DC 20006	Wilderness Society	1,018.25	
Anne Scully, 777 14th Street, NW Washington, DC 20005	Zeneca, Inc	6,450.00	911.13
Timothy Scully, 1341 G Street, NW Washington, DC 20005	Philip Morris Management Corp		

Organization or Individual Filing	Employer/Client	Receipts	Expenditures
James Sefcik, 1055 N. Fairfax STreet, Suite 201 Alexandria, VA 22314	U.S. Strategies Corp		
Howard Segermark, 904 Massachusetts Ave., NE Washington, DC 20002	Segermark Company (For:Free Speech Coalition)	12,000.00	
William H. Sells III, 1212 Potomac Street, NW Washington, DC 20007	Computer Leasing and Remarketing Assn (CDLA)		
Seniors Coalition, 11166 Main Street, #302 Fairfax, VA 22030		2,999,825.00	1,7,603.00
Seward & Kissel, 1200 G Street, NW, #350 Washington, DC 20005	Dean Witter, Discover & Co	940.00	
J. Richard Sewell, 801 Pennsylvania Ave., NW, #640 Washington, DC 20004-2604	Florida Power & Light Co		
Suzanne Shackley, 601 Pennsylvania Ave., NW, #400 Washington, DC 20004	Arco Chemical Company	125.00	
Kevin J. Shannon, 2500 Wilson Blvd. Arlington, VA 22201-3934	Electronic Industries Assn	625.00	
John Hunter Sharp, 1129 20th St., NW, #300 Washington, DC 20036	Natural Gas Supply Assn	26,979.80	40.00
Mark J. Sharp, 1620 L Street, NW, #1150 Washington, DC 20036	Matsushita Electric Corp of America	100.00	78.31
Susan Shaw, 2728 S. Arlington Ridge Rd. Arlington, VA 22202	National Treasury Employees Union	19,095.00	259.45
Robert E. Shea, 6811 Cabin John Rd. Springfield, VA 22150	General Mills		
Shaun M. Sheehan, 1722 Eye Street, NW, Washington, DC 20006	Tribune Broadcasting Co	4,000.00	1,143.47
John E. Sheeley, 1 Massachusetts Ave., NW, Suite 800 Washington, DC 20001	McLeod Watkinson & Miller (For:American Assn of Crop Insurers)	11,469.00	109.16
Sher & Blackwell, 2000 L Street, NW, #612 Washington, DC 20036	A.P. Moller-Maersk		
Do	Council of European & Japanese Nat'l Shipowners Assn	2,080.00	16.26
Do	Equipment Interchange Discussion Agreement		
Do	International Brotherhood of Teamsters Chauffers ...	425.00	12.00
Do	Joint Conferences	2,230.00	97.00
Do	Royal Boskalis Westminster NV		
Sheridan Group, 1775 T Street, NW Washington, DC 20009	Cities Advocating Emergency Aids Relief (CAEAR)	91,363.65	24,094.91
Do	CFIDS Assn of America	24,000.00	4,078.75
Do	Immuno-U.S., Inc	15,000.00	2,730.65
Do	III(b) Coalition	21,249.99	5,143.50
Kent G. Shultz, 3500 N. Elm Road Jackson, MI 49201-8877			
Sidley & Austin, 1722 Eye Street, NW Washington, DC 20006	Commonwealth Edison Co		
Do	W. K. Kellogg Foundation		
Mark A. Siegel & Associates, 1030 15th Street, NW, #408 Washington, DC 20005	Stevens Institute of Technology	12,000.00	
Selma Sierra, 211 N. Union Street, #100 Alexandria, VA 22314	Cordia Companies		
Sierra Club, 730 Polk Street San Francisco, CA 94109		199,970.70	199,970.70
Allan Silber, 365 Main Street Nashua, NH 03060	Recyclers of Copper Alloy Products	10,500.00	5,529.70
Mark D. Siljander, 650 Keithley Drive Great Falls, V2 2066	Global Strategies, Inc	15,000.00	15,000.00
Howard J. Silver, 1522 K Street, NW, #836 Washington, DC 20005	Consortium of Social Science Assns		76.40
Silverstein & Mullens, 1776 K Street, NW, #800 Washington, DC 20006	Bristol-Myers Co		
Do	C & M Services, Inc		
Do	Cushman & Wakefield		
Do	MCA, Inc	10,000.00	
Do	National Assn of Home Builders Trade Assn		
Do	5600, Inc	300.00	
David J. Simon, 823 Gold Ave., SW Albuquerque, NM 87102	National Parks & Conservation Association	454.00	78.00
Talmage E. Simpkins, 1150 17th Street, N.W., #700 Washington, DC 20036	AFL-CIO Maritime Committee	300.00	235.52
Do	Labor-Management Maritime Committee, Inc	2,875.00	372.00
Charles W. Simpson, 555 13th Street, NW, #410-W Washington, DC 20004	Morrison Knudsen Corp		
Albert M. Sims, 11006 Hampton Rd. Fairfax Station, VA 22039	Performance Engineering, Inc		
Skadden Arps Slate Meagher & Flom, 1440 New York Avenue, NW Washington, DC 20005	American Electronics Assn	6,781.00	
Do	MCI Communications Corp		
Mary Jacobs Skinner, 1722 Eye Street, NW Washington, DC 20006	La Radida Childrens Hospital & Research Center, et al.		
Barney J. Skladany Jr., 1250 H Street, NW, #500 Washington, DC 20005	Mobil Corp	830.00	
Scott Sklar, 122 C Street, NW. Washington, DC 20001	Solar Energy Industries Assn	6,057.99	3,221.22
Michael P. Skredynski, 1130 Cedarwood Drive Moraga, CA 94556	U.S. Strategies Corp		
Dale D. Skupa, 3601 Vincennes Road P.O. Box 68700 Indianapolis, IN 46268	National Assn of Mutual Insurance Cos		
Alice Slater, 2902 Upton St., NW Washington, DC 20008	National Assisted Housing Management Assn, Inc		1,385.00
William T. Slider, 15th & M Streets, NW Washington, DC 20005	National Assn of Home Builders of the U.S.	11,139.42	
David Sloan, Corporate Strategies International, Inc 1331 Pennsylvania Avenue, NW Suite 905 North Washington, DC 20004.	Oriental Rug Importers, Inc		
Do	Pande Cameron & Co of New York		
Allen Smith, 900 17th St., NW Washington, DC 20006	Wilderness Society	107.69	
David F. Smith, 10 Lafayette Square Buffalo, NY 14203	National Fuel Gas Distribution Corp, et al.		
Eric H. Smith, 1747 Pennsylvania Ave., NW, 12th Floor Washington, DC 20006	International Intellectual Property Alliance	215.73	17.00
Smith Johnson Anderson & Carr, 611 Commerce Street Nashville, TN 37203	Pharmaceutical Research & Manufacturers of America		
Randall D. Snodgrass, 666 Pennsylvania Ave., SE Washington, DC 20003	National Audubon Society	2,950.00	1,100.00
Society for Human Resource Management, 606 North Washington Street Alexandria, VA 22314			18,604.12
Marlene J. Soderstrom, 6215 West St. Joseph Highway Lansing, MI 48917	Michigan Hospital Assn		
Sonnenberg Anderson & Rodriguez, 200 South Wacker Dr. 33rd Floor Chicago, IL 60606	American Yazaki Corp	869.40	39.59
Do	Trek Bicycle Corp		
Sonosky Chambers Sachse & Endreson, 1250 Eye Street, NW #1000 Washington, DC 20005	Alaska Native Health Board		
Do	American Assn of Acupuncture and Oriental Medicine		
Do	Assiniboine and Sioux Tribes	1,249.00	
Do	Bad River Band of Lake Superior Chippewa	101.00	
Do	Class of Native Alaskan Plaintiffs		
Do	Colville Business Council	160.00	
Do	Cook Inlet Regional Citizen Advisory Council		
Do	Fond du Lac Bank of Chippewa Indians		
Do	Great Lakes Indian Fish & Wildlife Commission		
Do	Ho-Chunk Nation	4,535.00	
Do	Hopi Tribe	4,652.00	
Do	Houlton Band of Maliseet Indians of Maine		
Do	Lac Du Flambeau Band of Lake Superior Chippewa Indians	160.00	
Do	Mole Lake Band of the Sokaogon Chippewa Community	251.00	
Do	Multi-Housing Laundry Assn, Inc		
Do	Pueblo of Jemez	840.00	
Do	Sault Ste. Marie	126.00	
Do	Shoshone-Bannock Tribes of the Fort Hall Indian Reservation		
Do	St. Croix Chippewa Indians of Wisconsin		
Do	Standing Rock Sioux Tribe	1,379.00	
Do	Yukon-Kuskokwim Health Corp	1,363.00	
Richard A. Speizman, 1801 K Street, NW, Suite 700 Washington, DC 20006	Price Waterhouse (For:Queen Emma Foundation)		
Spiegel & McDiarmid, 1350 New York Ave., NW Washington, DC 20005-4798	City of St. Louis Airport Authority		
Do	Des Moines Community School District		
Do	Minneapolis/St. Paul Metropolitan Airports Commission		
Do	Orange County		
Squire Sanders & Dempsey, 1201 Pennsylvania Ave., NW P.O. Box 407 Washington, DC 20044	Public Securities Assn		
Charles A. St. Charles, 2100 M Street, NW, #200 Washington, DC 20036	Stewart & Stewart (For:Libbey Glass)	52.50	
Do	Stewart & Stewart (For:Novus International, Inc)		
Do	Stewart & Stewart (For:SCM Chemicals)		
Melvin R. Stahl, 1235 Jefferson Davis Hwy., Suite 600 Arlington, VA 22202	Motorcycle Industry Council, Inc		
Jane Sutter Starke, 2100 Pennsylvania Ave., NW, #600 Washington, DC 20037	Eckert Seamans Cherin & Mellott (For:Central Arkansas Transit Authority)	231.25	0.80
Do	Eckert Seamans Cherin & Mellot (For:City Utilities of Springfield)		
Do	Eckert Seamans Cherin & Mellott (For:Foothill Transit Zone)	185.00	0.80
Do	Eckert Seamans Cherin & Mellott (For:Los Angeles County Metropolitan Transportation Authority).	138.75	0.80
Do	Eckert Seamans Cherin & Mellott (For:Ormet Corp)		
Do	Eckert Seamans Cherin & Mellott (For:Regional Transportation Commission)	3,468.75	29.80
Do	Eckert Seamans Cherin & Mellott (For:Utah Transit Authority)	138.75	0.80
Kent D. Starwalt, 1010 Massachusetts Avenue, NW, Sixth Fl Washington, DC 20001	American Road & Transportation Builders Assn	500.00	
Steel Tank Institute, 570 Oakwood Road Lake Zurich, IL 60047			
Steele Silcox & Browning, P.C., 1150 Connecticut Avenue, NW, 9th Floor Washington, DC 20036	Kmart Corp		
Charles W. Stellar, 1200 19th Street, NW, #200 Washington, DC 20036-2437	American Managed Care & Review Assn		
Stephen R. Effros, P.C., P.O. Box 1005 Fairfax, VA 22030-1005		9,240.00	9,240.00
Steptoe & Johnson, 1330 Connecticut Ave., NW Washington, DC 20036	Association of Private Pension & Welfare Plans, Inc	3,211.25	1,114.95
Urvan R. Sternfels, 1899 L Street, NW, Suite 1000 Washington, DC 20036	National Petroleum Refiners		
Terence P. Stewart, 2100 M Street, NW, #200 Washington, DC 20036	Floral Trade Council	5,408.88	2,031.76
Do	Stewart & Stewart (For:Hudson Industries Corp)		
Do	Stewart & Stewart (For:Libbey, Inc)	2,615.25	73.37

Organization or Individual Filing	Employer/Client	Receipts	Expenditures
Do	Monsanto Co		
Do	Novus International, Inc		
Do	Professional Plant Growers Assn		
Do	PPG Industries, Inc	61,656.16	17,111.77
Do	Radiation Systems, Inc		
Do	Smith Corona Corp		
Do	Stewart and Stewart		
Do	SCM Chemicals		
Do	Timken Co		
Do	Torrington Company		
Stephen W. Still, 2001 Third Avenue, South Birmingham, AL 35233	Torchmark Corp/Liberty Nat'l Life Insurance Co		
Bradley Stillman, 1424 16th Street, NW, Suite 604 Washington, DC 20036	Consumer Federation of America	10,734.66	138.00
Caroline Stinebower, 453 New Jersey Ave., SE Washington, DC 20003	National Fed of Independent Business		
Kenneth F. Stinger, 430 First Street, SE Washington, DC 20003	American Trucking Assns, Inc	9,000.00	
Kaye L Stinson, 1567 EYE Street, NW, #200 Washington, DC 20005	American Cyanamid Co		
Steven F. Stockmeyer, 801 North Fairfax Street, #215 Alexandria, VA 22314	Manville Corporation		
Do	Money Store	7,687.50	
Do	National Assn of Business PACs		
Do	Springs Industries, Inc	2,187.50	
John C. Stone, 1420 New York Avenue, NW, #1050 Washington, DC 20005	Van Scoyoc Associates, Inc (For:American Operations Corp)		
Do	Van Scoyoc Associates, Inc (For:Natural Gas Vehicle Coalition)	1,350.00	
Do	Van Scoyoc Associates, Inc (For:Parsons Engineering Services, Inc)	500.00	
Do	Van Scoyoc Associates, Inc (For:University of New Orleans)		
Do	Van Scoyoc Associates, Inc (For:WINSM Consortium)	900.00	
Judith Lee Stone, 750 First Street, NE, Suite 901 Washington, DC 20002	Advocates for Highway & Auto Safety	1,562.50	
Dena G. Stoner, 2000 L Street, NW #601 Washington, DC 20036	Council for Educational Development & Research	1,375.00	52.00
William P. Stout, P.O. Box 1475 Nashville, TN 37202	United Paperworkers International Union		
Andrea Strader, 1625 L St., NW Washington, DC 20036	American Fed of State County & Municipal Employees	17,654.52	146.50
Ronald J. Streck, P.O. Box 2219 Reston, VA 22090-0219	National Wholesale Druggists' Assn		
Maria S. Strong, 1747 Pennsylvania Ave., NW, 12th Floor Washington, DC 20006	International Intellectual Property Alliance	9.07	
John F. Sturm, NAA 529 - 14th Street, NW, #440 Washington, DC 20045	Newspaper Association of America	15,000.00	64.00
Francis J. Sullivan, 16 W. Walnut Street Alexandria, VA 22301	Frank Sullivan Associates (For:Ingalls Shipbuilding)	281.00	
Do	Frank Sullivan Associates (For:ITT Corporation)	131.00	
Do	Frank Sullivan Associates (For:Northrop Grumman Corporation)	187.00	
Do	Frank Sullivan Associates (For:Textron, Inc)	123.00	
Lauraine D. Sullivan, 151 Farmington Avenue Hartford, CT 06156-3124	Aetna Life & Casualty Co	3,125.00	
Maureen A. Sullivan, 901 E Street, NW, Suite 500 Washington, DC 20004-2037	American Assn of Homes & Services for the Aging		
Sullivan & Cromwell, 1701 Pennsylvania Ave., NW, #800 Washington, DC 20006	Goldman Sachs & Co		3,518.95
Do	Massachusetts Port Authority (MASSPORT)		
Do	Morgan Guaranty Trust Co		3,518.95
Sullivan & Worcester, 1025 Connecticut Ave., NW, #806 Washington, DC 20036	Kollmorgen Corp, et al.		32.14
William R. Sweeney Jr., 1331 Pennsylvania Ave., NW, #1300-N Washington, DC 20004	Electronic Data Systems Corp	120.00	157.00
Swidler & Berlin, Chtd, 3000 K Street, NW, #300 Washington, DC 20007	Association of Container Reconditioners	720.00	
Do	Business Software Alliance	4,057.50	95.00
Do	Grocery Manufacturers Assn		
Do	Hyundai Corp		
Do	Hyundai Engineering & Construction Co, Ltd		
Do	Lotus Development Corp	4,520.00	114.00
Do	Merrill Lynch & Co, Inc	11,281.25	73.00
Do	Metropolitan Fiber Systems Communications Co, Inc	17,857.00	448.00
Do	National Asphalt Pavement Assn	687.50	16.00
Do	National Council of Community Hospitals	6,162.50	
Do	New England Power		
Do	Pharmaceutical Manufacturers Assn		
Do	Philip Morris Management Corp	13,295.00	141.00
Do	Radnor Development Corp		
Bruce B. Talley, 1401 H Street, NW, #1060 Washington, DC 20005	Asea Brown Boveri, Inc	8,500.00	216.50
Alan Tank, 122 C Street, NW, Suite 875 Washington, DC 20001	National Pork Producers Council	10,000.00	721.16
Taxpayers Against Fraud, Inc, 1250 Connecticut Ave., NW, Suite 401 Washington, DC 20036			21,241.81
Lonnie P. Taylor, 1615 H Street, NW Washington, DC 20062	U.S. Chamber of Commerce	15,450.00	149.75
Margaret J. Taylor, 700 13th Street, NW, #525 Washington, DC 20005	Meridian Oil, Inc	1,750.00	42.34
Patricia Taylor, 7121 Sycamore Ave. Takoma Park, MD 20912	Seedco	1,200.00	150.00
Sandra E. Taylor, 1600 M St,. NW, #702 Washington, DC 20036	ICI Americas, Inc	20,000.00	
Taylor Thiemann & Aitken, 908 King Street, #300 Alexandria, VA 22314	Midwest Motor Express, Inc		
Do	Multiemployer Pension Plan Solvency Coalition		
Telecommunications Resellers Assn, 1155 Connecticut Ave., NW, Suite 401 Washington, DC 20036			1,800.00
Fred H. Telmer, c/o Dow Lohnes & Albertson 1255 Twenty-Third Street, NW Washington, DC 20037	Stelco, Inc		
James M. Temenak, P.O. Box 16614 Arlington, VA 22215	National Steel & Shipbuilding Co	7,334.00	3,537.76
Laura I. Thevenot, 1025 Connecticut Ave., NW, Suite 1200 Washington, DC 20036	Health Insurance Assn of America, Inc	1,159.44	355.29
Gregory A. Thies, 1100 New York Avenue, NW, #340 West Washington, DC 20005	BASF Corporation	432.69	100.00
Edlu J. Thom, 601 Pennsylvania Avenue, NW, #400 Washington, DC 20004	Arco Chemical Company	90.00	
R. Lindsay Thomas, 250 Williams Street Atlanta, GA 30301-1996	Atlanta Committee for the Olympic Games		
Otis N. Thompson, U.S. Department of Agriculture (OPEDA) Room SM - 3 - South Ag. Bldg. Washington, DC 20250	Organization of Professional Employees of USDA	681.34	
Patricia L. Thompson, 601 Pennsylvania Avenue #620-North Building Washington, DC 20004	United Illuminating Company	13,695.00	3,586.34
R. Patrick Thompson, 4 World Trade Center New York, NY 10048	New York Mercantile Exchange	5,000.00	
Timothy C. Thompson, 2200 First Interstate Plaza P.O. Box 1157 Tacoma, WA 98401-1157	Bechtel Hanford, Inc	15,000.00	33.80
Thompson & Hutson, 1317 F St., NW, Suite 900 Washington, DC 20004	CSX Corporation		
Do	Fluor-Daniel, Inc	7,550.00	
Do	National Dual Shop Coalition		
John H. Thorne, 1156 15th Street, NW, Suite 400 Washington, DC 20005		10,000.00	3,470.64
John Thornton, 1150 17th Street, NW, #701 Washington, DC 20036	National Air Traffic Controllers Assn	1,835.20	
Linda K. Thrasher, 1101 15th Street, NW, #1000 Washington, DC 20005	Cargill, Inc	1,250.00	
William N. Tindall, 1321 Duke Street, Suite 305 Alexandria, VA 22314	Academy of Managed Care Pharmacy		22,625.75
Merry M. Tobin, 600 Maryland Avenue, SW Washington, DC 20024	American Farm Bureau Federation	5,375.00	
William J. Tobin, 3612 Bent Branch Ct. Falls Church, VA 22041	International Hearing Assn		
Do	National Assn for Adult Security		
Do	National Tax Limitation Committee	200.00	5.00
Jean R. Toohey, 1401 Eye Street, NW, #200 Washington, DC 20005	Rhone-Poulenc, Inc	100.00	50.77
Greg R. Toomey, 430 First Street, SE Washington, DC 20003	Blue Cross and Blue Shield Assn	9,000.00	
Michelle Totah, 1620 L Street, NW, #1150 Washington, DC 20036	Matsushita Electric Corp of America	100.00	78.31
Charles H. Tower, 1026 16th Street, NW, #503 Washington, DC 20036	Electronic Publishing Group	60,000.00	
Eugene M. Trisko, P.O. Box 596 Berkeley Springs, WV 25411			
John F. Troy, 555 13th Street, NW East Tower Suite 600 Washington, DC 20004	Health Insurance Assn of America	841.30	16.00
John P. Truitt, 30420 Revelles Neck Road Westover, MD 21871-3368	Federation of Convicted Felons, The Monkey Boys		
Nathan M. Tyler, 1627 K Street, NW, #800 Washington, DC 20006	Glass Packaging Institute	1,293.35	100.00
U.S. Cane Sugar Refiners' Assn, 1730 Rhode Island Avenue, NW Washington, DC 20036			124.78
U.S. Strategies Corp, 1055 N. Fairfax Street, #201 Alexandria, VA 22314	CareTenders Healthcorp		
Do	Cities in Schools		
Do	City of Las Vegas		
Do	Continental Medical Systems		
Do	Healthsouth Rehabilitation Corp		
Do	Integrated Health Services, Inc		
Do	Promus Companies, Inc		
Do	USA Healthnet, Inc		
Stephen J. Ubl, 1055 N. Fairfax Street, #201 Alexandria, VA 22314	American Physical Therapy Assn/Private Practice Section	11,700.00	1,243.32
United Fresh Fruit & Vegetable Assn, 727 N. Washington St. Alexandria, VA 22314			8,262.12
United Way/Community Service Council of Central IN, Inc, 3901 North Meridian Street P.O. Box 88409 Indianapolis, IN 46208-0409.			
Chase Untermeyer, Box 692000-110703 Houston, TX 77269-2000	Compaq Computer Corp		
Donald W. Upson, 1500 PRC Drive McLean, VA 22102	PRC, Inc		5,739.88
Richard P. Urian, 1850 K Street NW, #1190 Washington, DC 20006	EG&G, Inc		
Van Fleet-Meredith Group, 499 S. Capitol Street, SW, #520 Washington, DC 20003	HARSCO Corp	6,000.00	81.02
Burkett Van Kirk, 1747 Pennsylvania Ave., NW, #1000 Washington, DC 20006	INTERARMS		
H. Stewart Van Scoyoc, 1420 New York Ave., NW, #1050 Washington, DC 20005	Van Scoyoc Associates (For:International Paper)		

Organization or Individual Filing	Employer/Client	Receipts	Expenditures
Do	Van Scoyoc Associates, Inc (For:Natural Gas Vehicle Coalition)	1,350.00	
Do	Van Scoyoc Associates, Inc (For:North Dakota State University)		
Do	Van Scoyoc Associates, Inc (For:Parsons Engineers Services, Inc)	500.00	
Do	Van Scoyoc Associates, Inc (For:University of New Orleans)		
Bronson Van Wyck & Co, 2141 Highway 224 East Tuckerman, AR 72473		9,000.00	14,192.38
Ross P. Vartian, 122 C Street, NW #350 Washington, DC 20001	Armenian Assembly of America	3,283.98	
Patricia C. Vaughan, 655 Third Avenue New York, NY 10017	Risk & Insurance Management Society, Inc		
Vedder Price Kaufman Kammhoz & Day, 2121 K Street, NW, 7th Floor Washington, DC 20037	Bankers' Assn for Foreign Trade (BAFT)	12,356.00	64.06
Do	Coalition to Preserve Self-Insurance		5,044.55
Do	Government of Rheinland-Pfalz		
Joseph B. Verna, 1725 Jefferson Davis Highway, #901 Arlington, VA 22202	Hercules, Inc	1,062.50	50.00
Verner Liipfert Bernhard McPherson & Hand, Chtd, 901 15th Street, NW, #700 Washington, DC 20005-2301	Advanced Television Research Consortium (ARTC)		
Do	Ameritech	1,200.00	
Do	Association of American Railroads	1,792.50	
Do	Bombardier Corp	3,665.00	
Do	Burlington Northern, Inc	2,035.00	
Do	Central Gulf		
Do	Central Transport		
Do	Commonwealth of Puerto Rico	14,973.00	
Do	David Sarnoff Research Center		
Do	GenCorp	2,537.50	
Do	George Washington University		
Do	Harmon Industries	675.00	
Do	Hughes Communications, Inc	12,679.00	
Do	Hughes Network Systems, Inc		
Do	Investment Company Institute	6,769.00	
Do	K Mart Corp		
Do	Kellogg		
Do	Large Public Power Cos		
Do	Manville Corp	340.00	
Do	Mars, Inc	3,452.50	
Do	Martin Marietta Corp		
Do	McDonnell Douglas Corp	5,632.50	
Do	Merrill Lynch & Co, Inc	19,440.00	
Do	MetraHealth Companies, Inc	13,554.50	
Do	Michelin North America		
Do	Motion Picture Assn of America		
Do	National Assn of Government Guaranteed Lenders, Inc	11,077.50	
Do	National Corp for Housing Partnerships		
Do	Northwest Airlines		
Do	NBC	4,860.00	
Do	Philips Electronics North America Corp	390.00	
Do	Puget Sound Power & Light Company		
Do	Shell Oil Co		
Do	Southeast Federal Power Customers, Inc	5,585.00	
Do	State of Hawaii	285.00	
Do	Tenneco	1,440.00	
Do	Travelers Companies	4,930.00	
Do	Uniroyal Chemical Company, Inc		
Do	Western Michigan University	585.00	
Verrill & Dana, One Portland Square P.O. Box 586 Portland, ME 04112-0586	Major League Baseball Players Assn	10,400.00	
Mary Vihstadt, 1667 K Street, NW, Suite 320 Washington, DC 20006	Dial Corp	3,350.00	
Robert J. Vilhauer, 1700 N. Moore Street, #2120 Arlington, VA 22209	Boeing Company	8,750.00	1,075.15
Nick J. Volcheff, 7325 Del Norte Drive Scottsdale, AZ 85258	AT&T		
Earl J. Volk, 245 Second Street, NE Washington, DC 20002	Friends Committee on National Legislation	14,055.97	91.61
John M. Volpe, 1825 Eye Street, NW, Suite 400 Washington, DC 20006	Heublein, Inc	6,562.50	350.00
Volpe Boskey & Lyons, 918 16th Street, NW, #602 Washington, DC 20006	Equipment Leasing Assn of America		
Philip H. Voorhees, 1776 Massachusetts Ave., NW Washington, DC 20036	National Parks & Conservation Assn	3,250.00	465.25
Jay J. Vroom, 1155 15th Street, NW, #900 Washington, DC 20005	American Crop Protection Assn	100.00	191.00
Pamela Hyde Wagner, 4301 North Fairfax Srive, #360 Arlington, VA 22203-1608	National Utility Contractors Assn	2,866.67	119.30
Daniel Waldmann, 555 13th Street, NW, #1050E Washington, DC 20004	Medtronic, Inc		100.00
Doug Walgren, 8312 Hunting Hill Lane McLean, VA 22102	Association of Chiropractic Colleges		
Do	University of Pittsburgh Medical Center		
Charles Walker, 12 Nicklaus Lane, #101 Columbia, SC 29223	National Peach Council		
Walker/Potter Associates, Inc, 1730 Pennsylvania Ave., NW Washington, DC 20006	CSX Corporation	1,875.00	
Do	Koch Industries, Inc	1,000.00	
R. Duffy Wall & Associates, Inc, 601 13th Street, NW, #410 South Washington, DC 20005	PPG Industries, Inc		
Wallace & Edwards, 1150 Connecticut Ave., NW, #507 Washington, DC 20036	Alabama Farmers Federation	1,400.00	
Do	Alabama Power Co	6,000.00	
Do	American Soc of Farm Managers & Rural Appraisers	3,150.00	
Do	American Sugar Cane League	37,500.00	
Do	Calgene, Inc		
Do	Cash America International		
Do	Cotton Warehouse Assn of America		
Do	Delta & Pine Land Co of Miss		
Do	Domino Sugar Corp		
Do	Flue-Cured Tobacco Cooperative Stabilization Corp	3,000.00	
Do	Service Corporation International		
Lori M. Wallach, 215 Pennsylvania Ave., SE Washington, DC 20003	Public Citizen	8,000.00	
R. Douglas Wallin Jr., 1001 Pennsylvania Avenue, NW, #700 Washington, DC 20004	Allied-Signal Aerospace Co		
Michael D. Walsh, P.O. Box 591 Parishville, NY 13672			
Doug Walter, 750 First Street, SE Washington, DC 20002-4242	American Psychological Assn	510.00	100.00
Johnnie M. Walters, PO Box 87 Greenville, SC 29602	Leatherwood Walker Todd & Mann, PC		
Warner & Hultin, 655 15th Street, NW 300 Metropolitan Square Washington, DC 20005	National Quality Health Council	1,500.00	2,210.00
Washington & Christian, 805 15th Street, NW, #1000 Washington, DC 20005	City of Cleveland		10,487.94
Do	City of Miami	11,143.52	9,066.15
Do	City of Oakland	37,380.39	11,019.65
Do	Coca-Cola Company	6,000.00	2,107.47
Do	Government of Antigua and Barbuda	100,000.00	11,133.55
Do	Government of Sao Tome e Principe		8,319.41
Do	Greater Cleveland Regional Transit Authority		
Do	Pascaline Mferri Bongo	176,487.10	17,048.34
Do	Reid & Priest (for City of Denver)		
Do	San Francisco Public Utilities Commission	10,833.32	250.01
Do	Wooden Publishing House	1,250.00	2,967.34
Washington Independent Writers, Inc, 733 15th Street, NW, #220 Washington, DC 20005			
Washington Strategic Consulting Group, Inc, 805 15th Street, NW, Suite 1000 Washington, DC 20005	Government of the Federal Republic of Nigeria	1,500,000.00	23,668.44
Do	Republic of Cameroon	185,082.92	7,380.64
Ronald D. Waterman, 900 2nd Street, NE, #109 Washington, DC 20002	Milwaukee County-Intergovernmental Relations	15,812.25	384.27
Do	Wisconsin Counties Assn	13,793.82	595.89
Waterman & Associates, 900 2nd Street, NE, #109 Washington, DC 20002	American Foundrymen's Society, Inc	81,249.99	5,715.99
Do	American Metalcasting Consortium (AMC)	4,375.00	20.96
Do	Cast Metals Coalition	4,749.99	80.89
Do	North American Die Casting Assn (NADCA)	27,000.00	832.87
Do	Television Music License Committee	6,000.00	112.36
Jerry B. Waters, 1100 New York Ave., NW, #520 East Washington, DC 20005	Farmland Industries, Inc	10,000.00	431.30
Jay Watson, 900 17th Street, NW Washington, DC 20006	Wilderness Society		
James D. Webb, 900 17th Street, NW Washington, DC 20006-2596	Wilderness Society	841.34	267.33
Susan Weber, 1400 16th Street, NW, #320 Washington, DC 20036	Zero Population Growth, Inc		
Webster Chamberlain & Bean, 1747 Pennsylvania Ave., NW, #1000 Washington, DC 20006	Commercial Law League of America		
Theodore F. Weihe, 1800 Massachusetts Avenue, NW 3rd Floor Washington, DC 20036	U.S. Overseas Cooperative Development Committee	8,500.00	
Weil Gotshal & Manges, 1615 L Street, NW, #700 Washington, DC 20036	Circle K Corp		
Do	International Planned Music Assn		
Do	Muzak, L.P.		

Organization or Individual Filing	Employer/Client	Receipts	Expenditures
Deborah Weiner, 1755 Massachusetts Ave., NW, #418 Washington, DC 20036	American Soc for the Prevention of Cruelty to Amimals		
Daniel Weiss, 408 C Street, NE Washington, DC 20002	Sierra Club	6,605.39	
Suzanne Weiss, 901 E Street, NW, #500 Washington, DC 20004-2037	American Assn of Homes & Services for the Aging		
Paul S. Weller Jr., 1629 K St., NW, #1100 Washington, DC 20006	American Grain Inspection Institute		
Do	Apple Processors Assn	14,945.66	
Stuart P. Wells, 15th & M Streets, NW Washington, DC 20005	National Assn of Home Builders of the U.S.	7,891.70	
Barbara West, 311 Massachusetts Ave., NE Washington, DC 20002	Washington Health Advocates	270.60	4.50
William Preston West Jr., 1200 18th Street, NW, #200 Washington, DC 20036	National Business Aircraft Assn	3,960.00	1,365.23
West Virginia Reachback Coalition, Inc, 1100 6th Avenue Hungtington, WV 25714			
Joseph J. Westwater, 1 Massachuseets Avenue, N.W., #800 Washington, DC 20001	McLeod Watkinson & Miller (For:DEIP Coalition)	2,157.00	
Jean A. Whalen, 1200 19th Street, NW, #300 Washington, DC 20036	Leukemia Society of America, Inc	2,812.50	12.50
Ellan Wharton, 1701 Pennsylvania Avenue, NW, #900 Washington, DC 20006	E. I. du Pont de Nemours & Co	172.00	
John C. White, White Consulting Group 2000 M Street, NW, #380 Washington, DC 20036	Maxxam		
Ward H. White, 1133 21st Street, NW, #900 Washington, DC 20036	U.S. Telephone Assn		
White & Case, 1100 Connecticut Avenue, NW, #600 Washington, DC 20036	Coca-Cola Co		
Do	Dart Container Corp		
Do	Motion Picture Assn of America, Inc		
Do	Perpetual Corp		
Do	Rank Video Services America		
Martin Whitmer, 905 16th Street, NW Washington, DC 20006	Laborers' Int'l Union of N.A., AFL-CIO	8,000.01	492.00
John H. Whitmire, P.O. Box 7271 Houston, TX 77008	Houston Firefighters Relief & Retirement Fund		
Steven C. Whitney, 900 17th Street, NW Washington, DC 20006	Wilderness Society	1,073.33	587.79
James K. Wholey, 1301 K Street, NW, Suite 900 East Tower Washington, DC 20005	Gardner Carton & Douglas (For:Association of Progressive Retail Organization)		
Do	Gardner Carton & Douglas (For:BCF Telecom International, Inc)	5,720.00	78.44
Do	Gardner Carton & Douglas (For:Jones Intercable)	55,000.00	12,283.62
Do	Gardner Carton & Douglas (For:Rhone-Poulenc Rorer Pharmaceuticals)	1,812.50	1,406.89
Do	Garder Carton & Douglas (For:Rocky Mountain Health Maint Org)	5,460.75	52.31
Do	Gardner Carton & Douglas (For:Ukiah Valley Medical Center)		
Do	Garder Carton & Douglas (For:Voluntary Hospitals of America Inc)		
Anne Marie Wiedemer, 1350 I Street, NW, #840 Washington, DC 20005	Ralston Purina Company	5,250.00	735.00
Helen C. Wiederhorn, 1350 I Street, NW, #1000 Washington, DC 20005	Ford Motor Co	4,929.99	3,655.64
Wiley Rein & Fielding, 1776 K Street, NW, 12th Floor Washington, DC 20006	Chaparral Steel Co		
Do	Club Car, Inc		
Do	Eastman Kodak Co	1,285.00	54.91
Do	Georgetown Industries		17.04
Do	National Religious Broadcasaters, Music License Comm		
Do	Raritan River Steel Co	300.00	90.00
Do	ROLITE, Inc		
Wilkinson Barker Knauer & Quinn, 1735 New York Ave.. NW Washington, DC 20006	Allegheny Valley North Council of Governments	4,054.00	85.00
Do	Independence County, Arkansas & City of Batesville	365.00	2.50
Do	Summit Energy Storage, Inc	2,723.50	61.50
Do	Yakima-Tieton Irrigation District	1,046.00	61.82
Clark Williams, 666 Pennsylvania Ave., SE Washington, DC 20003	National Audubon Society		
Faith Williams, 1025 Connecticut Avenue, NW, #1200 Washington, DC 20036	Health Insurance Assn of America, Inc	2,247.50	120.00
Percy V. Williams II, 606 North Washington Street Alexandria, VA 22314	Society for Human Resource Management	5,925.00	
Gene R. Willis, 5535 Hempstead Way Springfield, VA 22151	National Assn for Uniformed Services	950.91	
Wilmer Cutler & Pickering, 2445 M Street, NW Washington, DC 20037-1420	Educational Testing Service		
Do	Fitch Investors Service, Inc	5,913.00	70.59
Do	Managed Futures Assn		
Do	People of Enewetak		
Do	Swiss Bankers Assn	8,040.50	772.39
David W. Wilmot, 1010 Vermont Avenue, NW #810 Washington, DC 20005	Anheuser-Busch Companies, Inc		
Don T. Wilson, 1250 I Street, NW, #400 Washington, DC 20005	National Tire Dealers & Retreaders Assn	1,454.00	8.00
Hilary Wilson, 1401 H Street, NW, Suite 1060 Washington, DC 20005	ABB, Inc	5,900.00	25.00
Michael M. Wilson, 801 Pennsylvania Ave., NW, #640 Washington, DC 20004-2604	Florida Power & Light Co	3,000.00	6,404.00
Winston & Strawn, 1400 L Street, NW Washington, DC 20005-3502	Alltel Corporation	1,380.14	
Do	American Honey Producers Assn	260.00	
Do	American Insurance Assn		
Do	Atlantic County Utilities Authority	685.59	10.18
Do	Barr Laboratories, Inc	3,586.25	273.88
Do	Bristol Resource Recovery Facility Operating Committee	685.59	10.18
Do	City of Huntsville	685.59	10.18
Do	City of Indianapolis	685.59	10.18
Do	Connecticut Resources Recovery Authority	685.59	10.18
Do	Cooper Tire & Rubber Company	12,591.25	274.01
Do	CSR, Ltd	2,619.00	21.00
Do	Delaware County (PA), Solid Waste Authority	685.59	10.18
Do	DHL Corporation		
Do	Government of the U.S. Virgin Islands		
Do	Greater Detroit Resource Recovery Authority	685.59	10.18
Do	Hill International, Inc		
Do	Hong Kong Trade Development Council	9,720.00	119.08
Do	Illinios State Medical Society	4,545.00	12.00
Do	Marion County Solid Waste Management	685.59	10.18
Do	McClure Gerard & Neuenschwander, Inc	503.75	
Do	Mercer County		
Do	Minnesota Resource Recovery Assn	685.59	10.18
Do	Montgomery County, Ohio & Montgomery County Solid Waste Dist	685.59	10.18
Do	National Assn of Political Action Committees		
Do	National Organization of Social Security Claimant's Reps	1,980.00	
Do	New Jersey Assn of Environmental Authorities		
Do	Newport News Shipbuilding		
Do	Penobscot Valley Refuse Disposal District	685.59	10.18
Do	Phillips Colleges, Inc	1,398.75	47.61
Do	Port of Pascagoula (Jackson County, MS)	10,911.25	75.94
Do	Regional Transit Authority	16,740.00	882.23
Do	Resource Authority Sumner County	685.59	10.18
Do	Solid Waste Authority of Central Ohio	685.59	10.18
Do	Southwestern Bell Corp		
Do	Spokane Regional Solid Waste System	685.59	10.18
Do	SPR Task Force for Southeast Mississippi		
Do	Town of Babylon	685.59	10.18
Do	Town of North Hempstead	685.59	10.18
Do	USA Rice Federation	7,947.00	86.50
Do	Waggoner Engineering, Inc	4,085.00	53.99
Do	Walt Disney Co		
Do	Western Peanut Growers Assn	1,900.00	
Do	Westinghouse Electric Corp		
Do	York County Solid Waste & Refuse Authority	685.59	10.18
WinCapitol, Inc, 1207 Potomac Street NW Washington, DC 20007	California Energy Company, Inc	140.00	
Do	Calpine Corp	490.00	
Do	Dow Chemical Co	400.00	
Do	Geothermal Resources Assn		
Do	MAGMA Power Co		
Do	OESI		
Do	ORMAT		
Do	Premark International	3,800.00	
Do	Unocal Corp	140.00	
David A. Withrow, 225 Reinekers Lane, #600 Alexandria, VA 22314	Satellite Broadcasters & Communications Assn	1,500.00	51.07
S.R. Wojdak and Associates, Inc, The Bellevue - Suite 850 200 S. Broad Street Philadelphia, PA 19102	American Counseling Assn	2,500.00	
Do	Envirotest Systems		
Do	University of Pennsylvania		
Kenneth M. Wojnicz 108691, P.O. Box 480999 34625 26 Mile Road New Haven, MI 48048			
Jonathan B. Wood, 1275 Pennsylvania Ave., NW, #400 Washington, DC 20004	Pacific Telesis Group	13,752.00	

Organization or Individual Filing	Employer/Client	Receipts	Expenditures
G. Kent Woodman, 2100 Pennsylvania Ave., NW Suite 600 Washington, DC 20037	Eckert Seamans Cherin & Mellott (For:Central Arkansas Transit Authority)	787.50	5.80
Do	Eckert Seamans Cherin & Mellott (For:Foothill Transit Zone)	787.50	5.80
Do	Eckert Seamans Cherin & Mellott (For:Los Angeles County Metropolitan Transportation Authority).	787.50	5.80
Do	Eckert Seamans Cherin & Mellott (For:Regional Transportation Commission)	4,331.25	240.77
Do	Eckert Seamans Cherin & Mellott (For:Utah Transit Authority)	787.50	5.80
Irvin M. Woods, P.O. Box 81 Hume, VA 22639	National Assn of Air Traffic Specialists	4,500.00	144.44
Sue E. Woods, P.O. Box 1330 Huntington, WV 25714	Crystal Block Coal & Coke Co		
Workers Compensation Integrity Stability & Equity (WISE), P.O. Box 18300 Washington, DC 20036-8300			3,082.80
Julie Beth Wright, 1801 North Moore Street Arlington, VA 22209	American Assn of School Administrators	6,000.00	54.55
Writers & Research, Inc, 4810 Saint Paul Boulevard Rochester, NY 14617			
Wunder Diefenderfer Cannon & Thelen, 1615 L St., NW, #650 Washington, DC 20036	Adventist Health System Sunbelt	9,000.00	316.72
Do	American International Group, Inc	2,232.50	323.30
Do	Belz Enterprises	1,800.00	18.72
Do	Bermuda, Government of	2,313.25	218.62
Do	Kohlberg Kravis Roberts & Co	4,346.50	574.83
Do	National Assn of Small Business Investment Companies	1,658.00	23.41
Do	RJR Nabisco	1,950.00	106.41
Do	Siemens Transportation Systems	3,441.00	2,629.40
Nick Yaksich, 5100 Forbes Blvd. NAPA Building Lanham, MD 20706	National Asphalt Pavement Assn		635.00
Caryl Yontz, 1625 L Street, NW Washington, DC 20036	American Fed of State County & Municipal Employees	13,374.24	521.96
Paul J. Zanowski, 15th & M Streets, NW Washington, DC 20005	National Assn of Home Builders of the U.S.	8,238.47	
Richard R. Zaragoza, Fisher Wayland Cooper Leader & Zaragoza 2001 Pennsylvania Ave., NW, #400 Washington, DC 20006.	Pezold Management	3,247.50	
Zero Population Growth, Inc, 1400 16th St., NW, #320 Washington, DC 20036		7,316.00	5,763.00
Carl A. Zichella, 214 N. Henry St., #203 Madison, WI 53703	Sierra Club	5,878.95	2,037.88
Zionist Organization of America, 4 East 34th Street New York, NY 10016			

EXTENSIONS OF REMARKS

SENATOR DOLE'S CALL FOR RECOGNIZING ENGLISH AS AMERICA'S OFFICIAL LANGUAGE

HON. GEORGE P. RADANOVICH

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 6, 1995

Mr. RADANOVICH. Mr. Speaker, many of us in this House—indeed, close to 200 of us—have joined in sponsoring various legislative measures that would declare English as our country's official language. Beyond mere declaration, and depending on the particular proposal, these bills and resolutions contain various mechanisms of implementation and enforcement.

The movement behind recognizing English as our official language, I believe, is growing by the day. I continue to receive communications from my constituents, asking that we, in Congress, take action accordingly, and I am pleased to be a cosponsor of two such English language measures, H.R. 123 and H.R. 1005.

And, Mr. Speaker, it is with this emerging English energy in mind that I take particular pleasure in making available excerpts from a speech by the distinguished majority leader of the U.S. Senate, BOB DOLE, in which he stressed the unifying role of one language. Senator DOLE addressed the American Legion Convention in Indianapolis, IN, earlier this week on Labor Day.

You are Freedom's heroes and American patriots, and I'm proud to be among you. Each of you has answered America's call—whether it was to fight for our freedom, or to defend the peace in which we have prospered for so many years. Each of you knows what it means to wear the uniform of your country, to put your country first and to be willing to bear any sacrifice to keep her free.

Because of you, and those who came before you, we Americans are the freest people on earth. And you know as well as I do how we stay that way; we must remain the strongest country on earth.

That's what I want to talk with you about today. Keeping America strong—in her might and in her heart, in the face of external enemies and in the presence of threats from within. America is still the land of the free and the home of the brave, and a great century of hope and opportunity is about to unfold before us. But to claim that future, America needs your help. For some in America believe our might is no longer needed, and some think our definition of what it means to be an American is out of date.

Of course, neither is true. Can there be any doubt that the world is still a dangerous place? Yes, the Cold War is over. We won one of humanity's greatest struggles against totalitarianism and oppression. But today peace is threatened and dark forces are multiplying in almost every corner of the world.

For the demands of freedom require us to modernize our forces, to maintain our technological edge, and to ensure that America remains the world's one and only superpower. We will never apologize for that. Our goal is not just to be strong enough to turn back a threat. We must be so strong no one ever again is even tempted to threaten us, at all.

But if we are to return this country to greatness, we must do more than restore America's defenses. We must return as a people to the original concept of what it means to be American. This means tackling subjects the arbiters of political correctness don't even want discussed: For example, English must be recognized as America's official language. Western tradition and American greatness must be taught in our schools. And the Federal government just end its war on traditional American values.

America has always been more than just a place on a map, it has held a claim on our hearts. We are a nation dedicated to a proposition: that all men and women are created equal, endowed by our Creator with certain, inalienable rights. Our forefathers rejected race and religion as the forces to form a nation, choosing instead the ideals of freedom and democracy. It was a radical gamble, and ever since we have held it to be an article of faith that those who would be Americans must first abandon lesser allegiances. As Franklin Roosevelt once said, "Americanism . . . is not, and never was, a matter of race and ancestry."

Succeeding waves of immigrants have been drawn to America by this idea. Lacking the centuries-old, primal bonds of other nations, we have used our language, our history and our code of values to make the American experiment work. We have used them to forge millions of diverse individuals into one people with a common purpose. Language, history and values: these are the strings that bind our hearts to America. These are the forces that have held us together—allowing us to be diverse and yet united, to absorb untold millions of immigrants while coming the closest any country ever has to the classless, upwardly mobile society of our ideals.

But these keys to unity are under attack from our government and from intellectual elites who seem embarrassed by America. What we see as opportunity they see as oppression. Where we see a proud past, they see a legacy of shame. What we hold as moral truth, they call intolerance. They have false theories, long dissertations and endless studies to back them up. But they know so much they have somehow missed the fact that the United States of America is the greatest force for good the world has ever known.

Yes, we have our faults. But part of what makes me so proud to be an American is the constant effort of our people to do better—to make our country right and good and just. Unfortunately some policies and programs born out of that desire have gone awry. Begun for the best of reasons and then hijacked by the Embarrassed-to-be-American crowd, certain Federal programs are untying the strings of citizenship.

LOBBYING

HON. LEE H. HAMILTON

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 6, 1995

Mr. HAMILTON. Mr. Speaker, I would like to insert my Washington Report for Wednesday, August 9, 1995, into the CONGRESSIONAL RECORD.

The report follows:

LOBBYING AND SPECIAL INTERESTS

Governing in America has become increasingly difficult in recent years. Part of the problem is that the country is much bigger than it used to be. Since World War II, the population of the U.S. has grown from 130 million people to 260 million. The country has become much more diverse: more than half of all California voters in the 1996 election will be non-white, and some of my colleagues will barely speak a word of English during their next congressional campaign. The country also faces difficult policy issues—from balancing the budget to the challenge of cheap labor abroad. But part of the problem is also the increasing role of special interests in the political process.

Special interests groups have become much more numerous and well-organized in recent years. Washington, of course, has always had lobbyists, and contacting Members of Congress is a basic form of political expression. But we have far more lobbyists now than ever before and they have become very sophisticated and aggressive. Lobbying is one of the biggest growth industries around. There are more than 12,000 registered lobbyists in Washington today, three times more than 20 years ago, but studies show that there are actually close to 100,000 people in Washington who conduct lobbying activities. I used to hear from just a few farm groups on agricultural legislation, for example. Today there are dozens of groups that represent every commodity; not long ago I was visited by people representing Hawaiian Macadamia nut growers. Many lobbyists now also represent foreign governments or companies.

In recent years lobbyists have also greatly expanded their grassroots efforts—trying to persuade ordinary voters to advocate by their letters and contacts with legislators. They use the technologies of the electronic age and can quickly reach and recruit thousands of Americans. With their increasing numbers and influence, lobbyists have become a real power in Washington. They can organize mass demonstrations and flood Members' offices with phone calls, fax messages, and letters.

BENEFITS OF LOBBYISTS

In some ways the growth of these interest groups and lobbying efforts is healthy. I sometimes walk through the halls of Capitol Hill and think I am in the middle of a convention or jamboree. Americans of all persuasions are clamoring to be heard. No single group dominates and freedom of expression is widespread and vigorous.

● This "bullet" symbol identifies statements or insertions which are not spoken by a Member of the Senate on the floor.

Matter set in this typeface indicates words inserted or appended, rather than spoken, by a Member of the House on the floor.

Lobbyists can play an important role in the legislative process. They help to facilitate the flow of information between legislators and their constituents, and they are well-informed and have detailed knowledge of the issues and Washington politics. They are often skillful in bringing contending parties together and building coalitions. With their growing numbers, they are also able to organize constituent interests and get broad numbers of people involved in grassroots lobbying. Lobbyists often play an integral role in representing less prominent interests by publicizing their causes.

DRAWBACKS

But the current lobbying system does have drawbacks. Sometimes it seems that everybody is represented except the average man and woman, and that their interests can be lost in all the special pleading.

Hoosiers are rightly concerned about the influence lobbyists have in our federal government. The efforts of lobbyists can at times go too far—giving lavish gifts to influential Members, helping to funnel large contributions to campaign coffers, using strongarm tactics to get action on their particular agenda, and drafting entire sections of bills or official committee reports. Current lobbying regulations requiring the public disclosure of lobbyists' expenses and activities are vague and are generally considered inadequate.

Lobbyists' efforts can cancel each other out. Members of Congress often witness a clash of sophisticated and aggressive interest groups attempting to achieve contradictory policy goals. They push and pull in so many different directions that nothing seems to move anywhere. They add many issues to the public agenda and that just makes it much more difficult to get legislation passed—hence gridlock and a greater level of public dissatisfaction.

NEED FOR REFORM

All of this has brought about more pressure for lobbying reform. I support several reforms. We should require disclosure of who is paying the lobbyist, how much is being paid, what federal agencies and congressional committees are being lobbied, and the issues involved. Lobbyists should be required to identify how much is being spent on activities such as mass mailing campaigns. We should prohibit Members of Congress and their staffs from accepting gifts from lobbyists. Voters have a right to be skeptical about some of the gifts Members can now legally take. We should also require the public disclosure of bill language or committee report language drafted by lobbyists. The Senate recently passed measures to impose a gift ban and to improve lobbying disclosure; the House should follow suit.

Lobbying reform is needed, but it must be balanced. We must not reach too far and try to restrict legitimate lobbying activities and public contact with Members of Congress. Almost any attempt by the government to limit private and nongovernmental entities from using their own private funds to lobby will be difficult due to the First Amendment. Individuals who lobby on their own behalf or volunteers who lobby on behalf of a group should not be covered. In regulating lobbyists we have to be very careful to protect free speech and specifically careful to exclude from regulation contacts from churches and related groups.

CONCLUSION

Lobbying will always remain an important part of our political process because of the First Amendment right to petition the government for redress of grievances, but there are abuses that need to be checked. Our goals should not be to try to stamp out lobbying entirely, but to improve the current system so that it becomes more open and accountable and enables us to take the multiplicity of interests in this country and forge them into the national interest.

TRIBUTE TO DON BOSCO TECHNICAL INSTITUTE

HON. ESTEBAN EDWARD TORRES

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 6, 1995

Mr. TORRES. Mr. Speaker, I rise today to pay tribute to Don Bosco Technical Institute. Bosco Tech is celebrating 40 years of service to the San Gabriel Valley and the Greater Los Angeles area. Since 1955, young men have tackled the rigorous and challenging curriculum that this notable high school offers.

Like most high schools, Bosco Tech offers college preparatory academic courses, interscholastic athletics and extracurricular activities. What sets this school apart from the rest is the intensive instruction and practical experience in technology. Students specialize in technological areas such as, design, electronics and computer, graphic communication, manufacturing, materials science, power and transportation, and construction technology. Students select one of these areas to concentrate on after first taking introductory courses in at least four of the previously mentioned subjects. Based on their preference, as well as faculty and parental consultation, students select a final technological major.

Bosco Tech students also have the option of remaining at the school for a fifth year of study. During this time, they can attain an associate of science degree in their selected areas of specialization. Whichever option a student chooses, he will be significantly more prepared for the challenges that await than many of his peers.

The methods used at Bosco Tech are a definite success. Their acceptance rate at major colleges and universities for graduates is unparalleled in the Greater Los Angeles area. Bosco Tech alumni are leaders in their fields and communities. It is no surprise that they attribute much of their success to their time spent at Bosco Tech.

Mr. Speaker, I ask my colleagues to join me in paying tribute to this widely recognized and respected school. For 40 years, Don Bosco Technical Institute has invested in the future of America by preparing tomorrow's leaders.

SALUTE TO THE CENTENNIAL ANNIVERSARY OF OUR LADY OF MOUNT CARMEL RECTORY

HON. THOMAS M. FOGLIETTA

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 6, 1995

Mr. FOGLIETTA. Mr. Speaker, I rise today to salute the centennial anniversary of Our Lady of Mount Carmel Rectory.

In 1896, Our Lady of Mount Carmel Rectory was established on 2319 South Third Street, in South Philadelphia. Our Lady of Mount Carmel Rectory has witnessed many changes throughout the years. Our Lady of Mount Carmel Rectory has been blessed with 10 pastors since its creation including the founding pastor, the Rev. Bernard F. Gallagher, to the present pastor, the Rev. Gerald D. Canavan. Today the church hosts many organizations to reach out to its parishioners: Catholic Youth Organization, Senior Citizens' Club, Parish Choir, Pastoral Council. The parish also maintains a grammar school of 457 pupils which will lead Our Lady of Mount Carmel into the next century.

In April 1996, Our Lady of Mount Carmel Rectory's parishioners will proudly celebrate their 100th anniversary with events beginning in October 1995, and lasting through Sunday, April 14, 1996, with a concelebrated Mass at which the Most Reverend Anthony J. Bevilacqua, Archbishop of Philadelphia will be the main celebrant.

I hope my colleagues will join me today in wishing Rev. Gerald D. Canavan and the congregation of Our Lady of Mount Carmel Rectory a very happy 100th anniversary. I wish Our Lady of Mount Carmel Rectory the very best in its next 100 years of service to the American Catholic community in South Philadelphia.

TRIBUTE TO EUPHRATES ABBITT, OUTSTANDING EDUCATOR

HON. CARRIE P. MEEK

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 6, 1995

Mrs. MEEK of Florida. Mr. Speaker, it is my great pleasure to join the family, friends, and coworkers of Euphrates Abbitt in recognizing her 33 dedicated, consecutive years of service to our community. Her retirement from Key Biscayne Elementary on June 23, 1995, was truly a loss for the Dade County Public Schools.

Euphrates graduated from Middle Township High School in Cape May Court House, NJ, in 1957, She began her higher learning at Edward Waters College period in Jacksonville, FL, and received a BS degree from Florida A&M University. Euphrates continued her studies in the field of education as she graduated with honors from Indiana University with a master of science in Education. She continued her postgraduate work in education at the University of Miami and Florida International University.

Euphrates Abbitt began her long career in education as a creative fourth grade teacher at Poinciana Park Elementary. She eventually taught all elementary grades. Through her hard work and willingness to learn new techniques, Euphrates soon became known among her peers for her dedication to teaching excellence.

In 1969, when integration was introduced into the Dade County Schools, Euphrates Abbitt was among those teachers who made it happen. She felt close to the students she taught, and they had confidence in her. She expresses, "If I can reach just one child, then my efforts are worth it."

Over the many years of Euphrates' career, she successfully carried out various assignments including serving as assistant principal and acting principal of Key Biscayne Elementary School. She has been the recipient of numerous awards, certificates, plaques, proclamations, and mementoes through the years from her community, colleagues, and students.

Mr. Speaker, this remarkable woman has dedicated her life to shaping and enriching the minds and hearts of our young people. I join with our entire community in recognizing her many years of hard work and dedication which has made such a huge impact on countless lives. Euphrates will celebrate her official retirement celebration on Saturday, September 30, 1995, in Miami. I know that my colleagues join me in honoring Euphrates Abbitt on this special day.

TRIBUTE TO THE LATE PROF. EDWARD J. MURPHY

HON. PETER T. KING

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 6, 1995

Mr. KING. Mr. Speaker, I rise today to honor the memory of one of our Nation's most eminent educators and scholars, Prof. Edward J. Murphy of the University of Notre Dame Law School who passed away on July 24.

Professor Murphy taught at Notre Dame from 1957 to 1994—and during that time was acknowledged to be an unsurpassed academic authority in the area of contracts law. Professor Murphy held the first chaired law professor at Notre Dame and authored the legal textbook "Studies in Contract Law" which became the most widely used contracts textbook in the country.

Mr. Speaker, for 37 years Professor Murphy taught every student who attended Notre Dame Law School. It was my honor and good fortune to have been one of those students. Professor Murphy taught me contracts, negotiable instruments, and bills and notes and directed a senior contracts seminar in which I participated. I have no hesitancy in saying that Professor Murphy was the most outstanding teacher I have ever had. He was hard working and dedicated and possessed an unsurpassed ability to communicate even the most arcane topics. He was admired and respected by every student who ever sat in his classroom.

Mr. Speaker, Professor Murphy loved the law and he loved to teach. But what made Ed Murphy so unique was that his teaching transcended the classroom. He believed in values, in principles, and in ideals and he imparted them to his students in all that he taught. Professor Murphy believed in God and in his Catholic faith and never wavered when confronted by the forces of political correctness. As Notre Dame Law Professor Charles Rice noted, "Professor Murphy uniquely integrated faith and morality with the law. What he taught is sorely needed by law students today."

Mr. Speaker, Prof. Edward Murphy faced death as he lived his life—with courage, with dignity and with faith in God. And now I would ask this House to pay its own tribute to a man who made such a profound impact on the lives of so many. Please join me as I express my regret at the loss of Edward J. Murphy, and my profoundest condolences to Mary Ann, his wife of 41 years, his 9 children, his 22 grandchildren, and to his entire family.

THE 1995 FARM BILL

HON. LEE H. HAMILTON

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 6, 1995

Mr. HAMILTON. Mr. Speaker, I would like to insert my Washington Report for Wednesday, August 30, 1995, into the CONGRESSIONAL RECORD.

THE 1995 FARM BILL

When Congress returns to Washington after Labor Day, it will begin action on the 1995 farm bill. Farm programs are a bewildering variety of production limits, loans, income support payments, conservation programs, export promotion, research, and rural development. This year they are caught in the debate between budget constraints and the traditional constituencies that support farm programs.

Without much doubt, these programs have contributed to the stability and strength of American agriculture. American farmers produce the safest and cheapest food supply in the world. Americans spend less than 15% of their income on food—far less than our major competitors. While the number of Americans working on farms may be small (2%), almost 20% of the country is involved in production, processing, marketing, transport, sale, and export of agricultural products. Agriculture's success strengthens the American economy.

But, like most areas of the federal budget, farm spending will be reduced over the next several years. The debate in Congress centers on the depth and composition of those cuts. Unfortunately, the congressional leadership may include major farm programs in a huge omnibus budget reconciliation bill. This seven-year budget bill will include major changes in Medicare, welfare, defense, student loans, taxes, and hundreds of other agencies and programs. It will be thousands of pages long. Because of the enormous size of the reconciliation bill, debate on the farm bill may be severely limited on the House floor. Several different farm bill proposals are pending.

SINGLE-PAYMENT PLAN

This proposal would replace all commodity programs with one yearly payment. This plan would cut farm assistance almost a half, from about $9 billion this year to $5 billion in 2002. Farmers would receive one reduced payment each year based on a percentage of their historical payments. Farmers would not have to raise crops to receive payments, but they would be required to maintain existing conservation plans.

One advantage of this proposal is that it separates payments from crop planting requirements, and farmers would be more free to farm according to the market. A disadvantage is that, in bad years, farm payments would still decrease, and many farmers could be forced out of business. This proposal also makes no effort to reform current conservation programs, which favor Great Plains states at the expense of hillier areas such as Southern Indiana.

LOWER TARGET PRICE PLAN

Another proposal would make equally deep cuts, but keep the basic programs. For most crops, the government currently sets a target price and pays farmers a deficiency payment when prices fall below the target. This plan would lower those target prices 2 to 3 percent each year for seven years. That means that deficiency payments would eventually be paid only if prices dropped to extremely low levels. This plan would keep the link between production and payments and allow reforms in other programs. However, if payments are cut too low, farmers might leave the programs, threatening erosion control and other conservation efforts to protect safe drinking water.

OTHER PROPOSALS

Urban Members have proposed abolishing farm programs entirely, or reducing payments to large corporate farms. Other Members have suggested an alternative budget that still balances the budget by 2002, but makes only one-third of the cuts in farm programs described above. It is not clear which of these proposals will be considered on the House floor.

MY GOALS

I believe we should move aggressively to a market-oriented farm policy. Farmers must have increased planting flexibility to respond to world markets, and regulations must be significantly reduced. Cuts in farm programs will be necessary to balance the budget, but farmers should not bear a disproportionate share of the burden.

Regulation: Regulation should be reduced. Farm programs must be streamlined and made more flexible at the local level, with an emphasis on voluntary incentives rather than mandates. All regulations should be based on sound science, and the cost of regulations should be weighed against their benefits.

Research: Agricultural research and extension have given U.S. farmers their competitive edge. I do not believe agricultural research should be reduced. With global competition and market reforms, research should be a top agricultural priority. Research boosts production and develops innovative agricultural products, such as ethanol, soydiesel, and biodegradable ink.

Trade: The United States should aggressively act to open new markets for American farmers. We should continue strong export promotion programs to maintain U.S. market share, so long as our competitors do the same. Small businesses, such as food processors and forest product manufacturers in Southern Indiana, depend increasingly on exports for growth. U.S. export promotion programs should be aimed more at these smaller businesses.

Conservation Programs: Important conservation programs should continue. The Conservation Reserve Program (CRP), which removes environmentally important land from production, should be targeted to more environmentally sensitive areas, such as rolling hills, waterways, and wildlife areas.

Supply Management: Programs that limit crop production should be cut back. Current production controls stabilize prices in years of surplus by removing land from production. This reduces crop supplies and increases prices. However, when U.S. farmers produce less, foreign farmers gain world market share and American agribusiness loses money. Strict supply management programs place U.S. farmers at a competitive disadvantage.

CONCLUSION

In the next few weeks, I am concerned these important considerations may be lost in the rush to complete a mammoth budget reconciliation bill. Farm legislation is too important to brush off with minimal consideration in the overall budget and reform debate.

The farm bill must maintain the strength of American agriculture and move toward free market principles. The farm bill should increase farmer flexibility, decrease regulations, preserve a safe and stable food supply, and provide family farmers with a decent return for their labor and investment.

TRIBUTE TO GERTRUDE "TRUDY" HILL ON HER RETIREMENT

HON. ESTEBAN EDWARD TORRES

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 6, 1995

Mr. TORRES. Mr. Speaker, I ask my colleagues assembled to join me in congratulating Gertrude "Trudy" Hill, an outstanding American, for her dedication to public service. Trudy has served the city of Whittier as the city clerk-treasurer since 1981.

Her expertise and knowledge of local government earned her election to the executive board of the Southern California Clerks Association for 5 consecutive years. She served as president in 1985 and 1986. As president, she initiated an annual strategic planning session for board members to develop a mission statement, as well as short- and long-term goals. She also helped increase scholarship funds for her State association's annual conference.

Her long list of service includes membership on the board of directors of the city clerks department for the league of California Cities, where she also served as president. For the past 18 years, Trudy served on seven committees of the International Institute of Municipal Clerks and currently chairs the Resource Center Committee.

Trudy proudly credits her mother as her No. 1 role model and mentor. She says her mother bestowed upon her strong determination and the belief that all things are possible. To achieve her goals, Trudy seeks a balance in her life. A love for her work, seeing her staff develop as they are presented new challenges, helping her community through church and the YMCA and spending time with her family. Trudy is a 10-year member of Soroptimist International of Whittier, a charter member of YMCA of Whittier, an annual participant in the Employee Art Show and an active member of Our Saviour Lutheran Church.

Mr. Speaker, yesterday her colleagues at the city of Whittier honored her at a luncheon. I ask my colleagues to join me in paying tribute to Gertrude "Trudy" Hill for her commitment to her community and wishing her a wonderful retirement.

SALUTE TO MRS. RUBY RITTER JENKINS

HON. THOMAS M. FOGLIETTA

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 6, 1995

Mr. FOLGIETTA. Mr. Speaker, I rise to salute Mrs. Ruby Ritter Jenkins, whose 100th birthday will be celebrated on September 29, 1995.

Mrs. Jenkins, born on September 29, 1895, is a long-time resident of Philadelphia, whose birthday will be celebrated by the Second Macedonia Baptist Church on September 23, 1995. Mrs. Jenkins is the proud mother of the Reverend Thomas J. Ritter, pastor of the Second Macedonia Baptist Church. Throughout her years, Mrs. Jenkins has been an invaluable member of the church in many capacities including the nurses unit, the deaconesses, president of the Missionary Society, a member of the church choir, a teacher of vacation bible school, and as a Sunday School teacher for over 35 years. In addition, Mrs. Jenkins has represented the church as a member and delegate to the Pennsylvania State Baptist Convention for over 50 years. Mrs. Jenkins has been an enthusiastic leader for church functions and fund raisers in the Philadelphia community.

In addition to her many church activities, Mrs. Jenkins is a strong advocate for voters rights. She has worked tirelessly at the voting polls for many years and always encouraged and persuaded persons to exercise their right to vote. Her strong civic and family commitments, as well as her determination to help others in the community is an inspiration to us all.

Mr. Speaker, I join with the Rev. Thomas J. Ritter, the congregation of Second Macedonia Baptist Church, and the friends of Mrs. Jenkins in wishing her a very happy 100th birthday.

DEFENDING EQUAL OPPORTUNITY ON THE PLAYING FIELDS

HON. TOM LANTOS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 6, 1995

Mr. LANTOS. Mr. Speaker, I invite my colleagues to join me in condemning the meanspirited and utterly sexist provision in the Labor-HHS appropriations bill which would begin to reverse decades of progress in the march to gender equality in our Nation. The current majority's recent attack on title IX, the landmark law that opened the door to women's participation in school sports, cannot go uncriticized even though it was slipped into the debate just before this August recess. I draw my colleagues' attention to the following excellent and pointed, August 7, 1995, editorial by the San Francisco Chronicle, entitled "Equal Opportunity On The Playing Fields," which, unfortunately, could not be entered into the RECORD before the recess. I offer that editorial now, and urge my colleagues to reconsider the Congress' current path which would reverse hard-won gains in equal opportunity for female athletes.

EQUAL OPPORTUNITY ON THE PLAYING FIELDS

Tucked in the ugly social spending cuts package approved by the House of Representatives last week is the first salvo in a war against Title IX, the landmark 1972 law that opened a long-closed door to young women who had been denied participation in school sports.

The meanspirited appropriations measure includes restrictions on Medicaid abortions, funding cuts for Head Start, prohibitions on lobbying by nonprofit groups, limits on the authority of the Occupational Health and Safety Administration and the National Labor Relations Board and termination of subsides that help the poor pay their utility bills.

By a voice vote, the House added an amendment calling for a review of Title IX, which bars sex discrimination by schools and colleges receiving federal funds and requires that both sexes have an equal opportunity to participate in school sports.

The law has come under fire from some newly powerful House conservatives who are sympathetic to coaches who say they are forced to cut back on men's programs in order to comply with the law. This transparent effort at scapegoating women's sports and enfeebling gender equity in college athletics should be squelched before it gets lost in the maze of frenetic congressional activity.

Millions of American women can attest to the difference the '70s law has made in their lives. Contrast the existence of pre-Title IX mothers left out of organized sports in their high school and college years to their daughters, whose lives were immeasurably changed and enriched because they were offered more athletic opportunities.

The same development of confidence, fitness, perseverance and social skills that boys enjoyed for so many decades through sports programs was finally accessible—even if on a much smaller scale—to girls. In addition, like boys who play sports, girls who play sports are more likely to graduate from high school.

Title IX clearly has opened doors. In the years since the gender equity law was enacted, women's participation in college athletics has ballooned. Participation in young women's high school and college competitive sports has increased from about 300,000 to more than 2 million.

But even after 23 years, equity is far from having been achieved. Compared with men, women in Division 1—big-time sports colleges—receive less than one-third of athletic scholarship dollars, one-sixth of recruitment dollars and one-fifth of overall athletic budgets, even though they represent more than half of the student body.

Too many important rights are being surrendered in the name of congressional vigor. Hard-won equal opportunity for female athletes should not be one of them.

A TRIBUTE TO CHARLOTTE F. LEONARD, POETESS OF ROSEMEAD, CA

HON. MATTHEW G. MARTINEZ

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 6, 1995

Mr. MARTINEZ. Mr. Speaker, I rise today to pay tribute to Miss Charlotte Leonard, a resident of Rose Manor, California Christian Home in Rosemead, CA. Mrs. Leonard is the author of one of the most inspiring pieces of poetry that I have ever read. I commend to you, Mr. Speaker, and all of my fellow Members of Congress, both in this House and in the other body, her words:

THE CHAPEL IN THE DOME

(By Charlotte F. Leonard)

High in the dome of our Capitol

Is the national altar of prayer
By the light of a stained glass window
A statesman is kneeling there

Inspired by the Holy Bible
Open to the twenty-third Psalm
High in the dome of this chapel
Our statesman finds peace and calm.

In the center of the window
In this room of blue and gold
Kneels the figure of George Washington
With seals above and below,
And all around the ruby red glass
The stars of our states, aglow.

The seven-branch candelabra
Each side of the altar stand,
With the flag of our country to the right,
The flag of our own dear land.

And the flowers so fair by the Bible there
Speak of the Almighty's hand.
Men of our state and our destiny
Withdraw from your rush of life
To this peaceful chapel in the dome,
Away from all stress and strife.

Renew your faith by the altar there
Look to God for strength and wisdom,
In the wonderful power of prayer.

While I understand that this poem, which Mrs. Leonard penned some years ago, may have been included in the RECORD on an earlier day—during the Nation's bicentennial—it is my firm belief that we need this kind of reminder every now and then. I commend Mrs. Leonard's words to my colleagues and I thank Mrs. Leonard both for writing them and for agreeing to share them with the Nation.

INNOVATIVE, COST-SAVING LEAD POISONING PROGRAM

HON. BENJAMIN L. CARDIN

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 6, 1995

Mr. CARDIN. Mr. Speaker, today, I want to share information on a new, innovative treatment and prevention system for lead poisoning, conceived in Baltimore, that is achieving far better results for greater numbers of children, at a dramatically lower cost than traditional treatments. Approximately 15 percent of the children in the United States, that is one in every six under 6 years of age, have high levels of lead in their blood. I urge my colleagues, whose constituents face this problem, to take note of this treatment model and consider endorsing the approach in their own districts.

The sad truth is that, even though lead poisoning is entirely preventable, it is the No. 1 environmental disease that threatens children in our country. The long term effects of lead can cause learning disabilities, hyperactivity, impaired hearing and speech, even brain damage.

Most children are treated for lead poisoning on an outpatient basis and receive chelation therapy. Children with dangerously high levels of lead in their bodies are treated on an inpatient basis. The good news is that traditional treatments are usually reimbursed by insurance companies and provide necessary relief to the children. The bad news is that traditional treatment has not focused on the root cause of lead poisoning: the child's environment. This often leads to multiple poisonings and very costly medical care for each child. This revolving door syndrome is traumatic for the child and family, frustrating for care provides and costly to the payors.

An exciting new model, called the Community Lead Poisoning Prevention and Treatment Center, created by the Kennedy Kreiger Institute, a leading speciality pediatric facility located in Baltimore, MD, offers a leap forward in lead poisoning treatment and a significant reduction in costs to State and Federal Government.

The key elements to the model are:

Kennedy Kreiger Institute provides a community-based setting for chelation therapy, a renovated rowhouse conveniently located near the outpatient clinic. This is important because it allows children to be treated in a home-like setting, ensures that they live in a lead-free environment—thus avoiding repeated poisoning—and it costs much less than in-hospital treatment.

Kennedy Krieger Institute uses a comprehensive case management approach, addressing not only treatment but also correction of the child's home environment. The institute will facilitate the family's relocation to a lead-free environment or abatement of lead in the family's current dwelling. This crucial, commonsense component in treating a wholly environmental disease has been absent from traditional treatment. Kennedy Kreiger Institute's comprehensive approach also includes community outreach and education regarding sources and negative effects of lead poisoning, abatement, nutrition, and proper household cleaning techniques.

Kennedy Krieger created a partnership with the Maryland Department of Health and Mental Hygiene [DHMH] to secure a waiver from Medicaid. DHMH pays a years capitated rate to Kennedy Krieger, a fixed amount well below normal inpatient costs. DHMH does not limit its authorization of dollars to medical treatment only. Recognizing the institute's expertise in treating lead poisoning, the department allows these experts flexibility to prescribe a mix of services appropriate to the individual child and family. The department frees the experts to do what is right for the child, focusing on prevention and reducing the revolving door syndrome. Isn't it refreshing to see a government agency act sensibly, removing constraints for real, lasting results for these children?

The results have been striking. Since the program's inception in the summer of 1994, 150 children from 133 families have been enrolled; 95 percent of the children have lower blood lead levels at the second visit than at the enrollment visit and continue to have lower blood lead levels; 84 percent of the families who brought their children to the Kennedy Krieger Institute for their second visit now live in lead safe environments; and 60 families have participated in educational programs, and a team of six individuals is being trained in the first Lead Patrol class to educate their communities about lead poisoning issues.

Substantially improved results are only the beginning. When the historical costs of treating children with lead poisoning are applied to the current group of children enrolled in the program and compared with the current costs to payors, the program costs represent 37 percent of the historical costs. During its first year of operation, the total cost savings will reach $2 million, of which the State of Maryland will save between $500,000 and $1 million. Not only has Kennedy Krieger reduced the costs of treating lead poisoned children, it has also improved upon the quality of care given.

I have simplified my explanation of the program in the interest of time. There is so much more to this exciting program, and I urge you to encourage your local pediatric hospitals and health departments to contact the Kennedy Krieger Institute. In the interest of children across the Nation, the institute will be happy to share information and work with local organizations to replicate the model in towns and cities where lead poisoning is such a tragic, yet preventable problem.

THE TENTH AMENDMENT

HON. LEE H. HAMILTON

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 6, 1995

Mr. HAMILTON. Mr. Speaker, I would like to insert my Washington Report for Wednesday, August 16, 1995, into the CONGRESSIONAL RECORD.

THE TENTH AMENDMENT

This year has witnessed a remarkable revival of the Tenth Amendment to the U.S. Constitution. It was until recently perhaps the least known, and least understood, of the ten amendments contained in the Bill of Rights, but now it comes up regularly in my meetings with constituents and public officials. It is invoked most commonly in support of arguments to protect states' rights and return more power from the Federal Government to the states.

The Tenth Amendment to the Constitution states: "The powers not delegated to the United States by the Constitution, nor prohibited by it to the States, are reserved to the States respectively, or to the people." What precisely the amendment means has been the subject of debate for over two hundred years.

HISTORICAL BACKGROUND

The Founding Fathers were divided on the significance of the Tenth Amendment. The delegates to the Constitutional Convention did not include such language in the original Constitution because they thought it was not necessary. According to this view, the Constitution gave the new Federal Government specific powers, such as the powers to tax and regulate interstate commerce; and powers not granted to the Federal Government could not be exercised by it, and were therefore reserved to the states.

But fear of central authority was widespread and there emerged strong support, during the ratification process, for an explicit guarantee that the states should retain control over their internal affairs. Hence, the Tenth Amendment was included in the Bill of Rights. Some Founding Fathers, such as James Madison, viewed the Tenth Amendment as merely rhetorical—a provision intended to allay public fears about new federal powers, without limiting those powers in any substantive way. Others, like Thomas Jefferson and other states' rights advocates, viewed it as the bulwark against abuse of federal powers.

The Supreme Court has over the years changed its approach to the Tenth Amendment. Early on the Court paid little heed to it. Subsequent Courts, however, invoked the Tenth Amendment to curtail powers expressly granted to Congress, particularly the powers to tax and regulate interstate commerce. But then the tide turned again. During the Great Depression, in the face of mounting public opposition and a hostile President Roosevelt, the Court retreated, affirming the Social Security Act and other New Deal laws. The Court thereafter tended to defer to Congress in the exercise of its constitutional powers.

REVIVED INTEREST

The Tenth Amendment has made a striking comeback in the last year. The Supreme Court invoked the amendment in the course of striking down a federal law banning gun possession near a school on the ground that Congress had overstepped its constitutional authority to regulate interstate commerce. Members of Congress have also acted in the name of the Tenth Amendment to rein in federal powers and return more responsibilities to the states.

There are several factors driving the renewed interest in the Tenth Amendment. First is the general hostility to the federal government; there is a sense that government is too intrusive in peoples' lives and too disruptive of business. Second is the view that problems can best be handled by those closest to them, namely state and local governments and individual citizens. Third is the federal budget deficit, which requires that more responsibilities be shifted to states as cost-saving measure.

BALANCED APPROACH

I am generally supportive of efforts to return power to the states. The federal government has become too large, bureaucratic and intrusive, and needs to be downsized. I have supported measures to cut the federal workforce, turn more responsibilities over to the states, and reduce government spending.

However, I am uncomfortable with the proposition that the Tenth Amendment forces us to take such actions. The Tenth Amendment raises the question of how powers should be distributed in our system of government, without really answering that question. The Constitution has to be read as a whole, with consideration given to other clauses which provide large powers to the federal government. The Constitution is ambiguous on the question of where federal powers end, such as the regulation of interstate commerce, and where state powers begin. We have never been able to resolve how much power should be kept at the center of the federal government and how much could be left to the states. That was a tough call in 1789 and it is a tough call in 1995.

Americans have always been hesitant to lodge too much power in the central government. During the first 150 years of our government, states had the dominant role. But with the onset of the Great Depression, power shifted dramatically to Washington. In more recent years the tide has been flowing toward the states, slowly at first but now more strongly. Today what we have is a period of competitive federalism, which means that the federal government and the states are competing with each other for leadership in domestic policy.

I am not sure that any level of government is necessarily wiser, more efficient or more frugal than other levels, nor am I sure that people know more about what happens at the state level than the federal level. It is also unclear whether giving more power to the states is the best form of moving power away from Washington. Why not give power and money directly to the counties or the cities? Why not, as we do with social Security, provide assistance or vouchers directly to individuals, bypassing both the state and the local governments?

Americans do not like big centralized bureaucracies. That's a healthy instinct. The task is to go beyond it and try to determine which level of government can best handle a certain function. As the Congress looks at shifting more responsibility for welfare, Medicaid, transportation, job training, and the environment to the states, we have to be careful that the states have the financial and managerial resources to run the programs. We also have to be careful not to dump too many burdens on states in an extremely brief period of time. The task is to turn a pragmatic eye toward what has a chance of working. If we can do that, the nation will be well served.

CONGRATULATIONS REV. WILLIAM J. KEY

HON. THOMAS M. FOGLIETTA

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 6, 1995

Mr. FOGLIETTA. Mr. Speaker, I rise today to congratulate the Rev. William J. Key on his installation as pastor of the Zion Baptist Church, located in North Philadelphia.

Reverend Key, educated at Morehouse College, Indiana University, and the Howard University School of Divinity, began his tenure with the Zion Baptist Church over 12 years ago, first as a minister of youth and young adults and later as executive director of the Zion Community Center.

Reverend Key has been responsible for many valuable projects in the North Philadelphia community including community outreach by joining with Zion Social Services and the Frontiers in developing and implementing Life Planning workshops and activities for church and neighborhood youth. Reverend Key also managed and developed 15 community empowerment programs directed to the Nicetown-Tioga community and established the Joseph DeBerry Choir. Reverend Key's management capabilities coupled with his strong prayer life and leadership skills have greatly contributed to Zion Baptist Church's spiritual success and enrichment.

I hope my colleagues will join me today in congratulating the Reverend William J. Key on his installation as pastor for the Zion Baptist Church. I wish the Reverend Key and the Zion Baptist Church the very best as they continue their service to the Baptist community in North Philadelphia.

TRIBUTE TO THE LATE WILLIAM N. KENEFICK

HON. PETER J. VISCLOSKY

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 6, 1995

Mr. VISCLOSKY. Mr. Speaker, northwest Indiana lost a great business leader last month. William N. Kenefick, who devoted every ounce of his spirit to the Indiana Port Commission and development of northwest Indiana, passed away on August 10, 1995.

William was the son of a lawyer and a grandson of Michigan City, IN's, first judge. He graduated from Notre Dame University, the Benjamin Franklin School of Accounting, and Georgetown University Law School.

Following service in the U.S. Navy from 1943 to 1946 as a lieutenant, he began his law practice in Michigan City. William actively practiced law until 1978. It was at this point in time that William launched another career as a land developer. William's major projects included the Marina Park South, Commerce Square, Medical Plaza, and Congress Park condominium and office complexes in Michigan City.

Moreover, in 1989, William joined the Indiana Port Commission, which oversees all three of Indiana's port sites. In 1991, William became the head of the commission. During his tenure, William stressed maritime-related industrial development at port properties. William succeeded in developing family-wage jobs for residents of northwest Indiana. As Indiana's International Port at Burns Harbor, IN, celebrates its 25th anniversary, the citizens of northwest Indiana can thank William for his dedication to the Port Commission to make Indiana's ports a success.

William's determination to better northwest Indiana for all of its residents did not stop in the business community. In 1968, William underwent surgery for cancer of the larynx and then traveled to Arizona to learn to speak without a voicebox. He later counseled people facing the same operation.

Mr. Speaker and my other distinguished colleagues, William Kenefick's legacy is a superb example of how the business community can make a difference for everyone in northwest Indiana. William will be missed by all who loved him.

TRIBUTE TO HARLAN MILLER, LONG BEACH, CA

HON. NORMAN Y. MINETA

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 6, 1995

Mr. MINETA. Mr. Speaker, I rise today to pay tribute to a fellow Californian and friend, Harlan Miller of Long Beach, who is nearing completion of his 1-year term as president of the Independent Insurance Agents of America [IIAA]. Mr. Miller is president of Hamman-Miller-Beauchamp-Deeble, Inc., an independent insurance agency located in Long Beach.

The closure of his term as the elected leader of the Nation's largest insurance trade association next month in Las Vegas will be the crowning accomplishment of Mr. Miller's many years of distinguished service to IIAA, his profession, and most importantly, to his 300,000 colleagues across the country.

Harlan has enjoyed a long and distinguished career as an independent insurance agent. His service to both his national and State associations—the Insurance Brokers & Agents of the West—is equally long and impressive. Harlan has held several elective offices in the

Californian association including secretary-treasurer, vice president, and president. He began his commitment to the national organization by serving as the State association's representative to IIAA's national board of directors.

Harlan was elected to IIAA's executive committee in Los Angeles in 1989. In the time since then he has served with unwavering leadership, distinction, and commitment to his thousands of professional counterparts.

Harlan's selfless attitude is also evident in the depth of his involvement in Long Beach area community activities. He is a past president of the Kiwanis Club, Community Volunteer Office, the International City Club, and the Long Beach Boy Scout Council. Additionally, he was an active member of the California State University's President's Associates and has worked with numerous other Long Beach civic groups.

Currently, he sits on the boards of the Memorial Medical Center, Memorial Heart. Institute, and the Advisory Council Junior League of Long Beach and serves on the Planned Gifts Sponsor Committee for the Long Beach Symphony Orchestra.

I congratulate my fellow Californian and concerned citizen for a job extremely well done. I am confident in his selfess service to IIAA, his colleagues, and his fellow citizens of Long Beach will continue uninterrupted well into the future.

MSTRAP AND LEAD PROVIDE A TECHNOLOGICAL LEAP

HON. DUNCAN HUNTER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 6, 1995

Mr. HUNTER. Mr. Speaker, last week on August 29 and 30, the officers and crew of the U.S.S. *Hayler* made history. In exercises against one of the most sophisticated diesel submarine forces in the world, armed with a full load-out of modern torpedoes, the ship successfully defeated every simulated attack. The state of the art capability that was most professionally demonstrated by the ship's captain, CDR Alan B. Hicks, and the U.S.S. *Hayler* represents a technological breakthrough and a real success story for acquisition reform and reinventing Government. This technological leap was provided by two new systems known as MSTRAP and LEAD that were developed and deployed in a fraction of the time and at a fraction of the cost than traditional Mil-Spec approaches would have taken.

PRESS ADVISORY

HON. FORTNEY PETE STARK

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 6, 1995

Mr. STARK. Mr. Speaker, I would like to issue a press advisory concerning the coalition to save Medicare.

Earlier this month, a spokesperson for the coalition was quoted as saying—

> We want to reform Medicare and we want to save it. That's what it's all about. No one's going to be forced into managed care or anything else. It's so simple and so innocent. I'm just amazed at how it's being depicted. (Associated Press, August 9, 1995.)

The person who made this comment on behalf of the coalition was Claire del Real. Ms. del Real served as the Deputy Assistant Secretary for Public Affairs in the Department of Health and Human Services [HHS] during the Reagan administration. Upon leaving HHS, Ms. del Real took a position with International Medical Centers [IMC]. IMC was a private HMO participating in a Medicare demonstration project that promised to provide free prescription drugs, eyeglasses, and doctor and hospital care without Medicare deductibles in an effort to increase competition and reduce costs to the Medicare Program. (The Washington Post, June 23, 1987.)

In reality, IMC President Miguel Recarey was indicted for being one of the most fraudulent parties to ever participate in the Medicare Program, with the fraudulent activity permitted largely as a result of waivers approved by HHS officials. Recarey remains a fugitive from U.S. courts. The inspector general of the Department of Health and Human Services, the General Accounting Office, and a congressional committee found that—

> Between 1981 and 1986, a period in which HHS was making key decisions regarding IMC, numerous HHS employees left Government service for employment with IMC, either directly or as consultants providing services to IMC. ("Alleged Misconduct by International Medical Centers, Inc. Officials," Report of the Office of Special Investigations, General Accounting Office, December 15, 1987.)
>
> Among the former HHS officials hired by IMC was Juan del Real, the HHS general counsel who left the Government in November 1984 to work for a large Washington law firm. The firm began representing IMC several months later and was paid $800,000 in 1986 by IMC. In June 1985, del Real quit the firm to work for IMC at a salary of $325,000, four times what he earned as a Government lawyer. IMC also hired his wife, Claire, a former HHS spokesperson at $130,000 per year. (Miami Herald, 1988.)
>
> McClain Haddow, the chief of staff to the Secretary of HHS, was found to have circumvented his agency's normal procedures, got a secret opinion justifying the waiver to IMC and granted it. Months after Haddow left HHS in 1986, Claire del Real offered him a job and hired him as an IMC lobbyist. ("Medicare Health Maintenance Organizations: the IMC Experience," Hearing of the Committee on Government Operations, December 15, 1987.)

In sum, Ms. del Real was a senior representative in an organization that offered to strengthen, but actually looted, Medicare. Today, she represents an organization with the stated goal of saving Medicare.

"MY VISION FOR AMERICA"

HON. EARL POMEROY

OF NORTH DAKOTA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 6, 1995

Mr. POMEROY. Mr. Speaker, I rise today to bring to the attention of my colleagues a letter written to me from the Veterans of Foreign Wars of the United States regarding the Voice of Democrary broadcast scriptwriting contest. Jennifer Schuler, a senior at Devils Lake High School from North Dakota, has been named a national winner in the 1995 Voice of Democracy Program for her essay entitled "My Vision For America" which emphasizes remembering the positive things in this world. I have included Jennifer's essay for the benefit of my colleagues.

> Bullets flagged down thirty protesters in front of the capitol. . . .(click) Four B-52 bombers flew over Kwait today. . .(click) A 7.1 earthquake struck southern California. . .(click) The mid-west estimates flood damage to have reached. . .(click) The World Trade Center was a evacuated today after a bomb blast. . . (click)
>
> Its hard to watch the news at night and come away with a positive outlook on what the future holds. I, like many other people, get caught up in the media's negative portrayal of the world. If we are so wrapped up in the negative, it closes us off to so many opportunities to see the good that is around us. A perfect example is Susan Smith; the woman who confessed to murdering her two children. The nation, perhaps even the world, was struck to the soul by this story. A shadow fell over the United States filling us with helplessness and now hinders us from seeing the good that so many people are giving.
>
> My vision is that people stop and take the time to see what is actually being accomplished for the better good of this nation. Look for the people who haven't given up on our country. Look at our teachers. Everytime that a teacher helps just one student understand, is another step forward. Look at the organizations dedicated to helping citizens of our own United States and the world. Consider for example, Mothers against Drunk Driving, or students against drunk driving. Everytime their message touches a parent or a child, chances are that someone will be spared from an alcohol related accident. What about UNICEF. Does anyone know what UNICEF stands for anymore? The Jerry Lewis Telethon or the March of Dimes. These organizations, too, are fighting for the people. The people of the United States. It's not just organizations who are making the world a better place. Individuals who donate organs, give up a half an hour of their time to tutor someone, or organize a program like Just Say No are all contributing to the positive side of America.
>
> Certainly our world is not a perfect place. It does have its share of problems. But rather than making these problems so large that they seem impossible or insurmountable, doesn't it make much sense to look at what has already been accomplished. There are many people who have not let the negativism of our country to pull them down. Would African American's have their rights and freedom if Martin Luther King, Jr. hadn't had the courage to bring his dream to life? Would women have won the right to vote if Susan B. Anthony had not held fast to her vision? The Wright Brothers may have not have even attempted to design or construct a plane if they had let the negativism and ridicule of their peers influence their vision that flight was possible. Without these visions, if people had not blocked out the negative, America would not be a safe haven for refugees and immigrants. Without a vision, America would international relations be possible? Take for example Space Station Alpha. Would this be an all-American project with closed doors to the world if someone

had not had a vision? In reality, the U.S., Europe, Canada, Japan, and Russia have all bonded together to create Space Station Alpha. This station is a vision to our future.

We all have visions of what we want America to accomplish. Some examples are world peace, hunger relief, a cure for Aids, or even a unified nation. But my vision is simple. All I ask is that we remember the good, while we're dealing with the bad.

LEGALIZATION OF MARIJUANA

HON. LEE H. HAMILTON

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 6, 1995

Mr. HAMILTON. Mr. Speaker, I would like to insert my Washington Report for Wednesday, September 6, 1995, into the CONGRESSIONAL RECORD.

WHY I OPPOSE LEGALIZING MARIJUANA

I am almost always asked during high school convocations in southern Indiana whether I think marijuana should be legalized. The question reflects a widespread perception, particularly among young people, that marijuana is a "safe" drug and, like tobacco, should be made legal. I do not agree with this view. Recent scientific studies continue to demonstrate that marijuana is dangerous and can cause significant health problems for those who consume it.

WHAT IS IT

Marijuana is a product of the hemp plant, a crop which has been harvested for thousands of years and whose fibers have been used to make rope, canvas and paper. Marijuana derives from the sticky resin of the flowering tops of the plant.

WHERE IS IT GROWN

Most marijuana consumed in this country is grown in Mexico, Colombia and Jamaica. The amount grown in this country, however, has increased in recent years, and now accounts for about 20% of the entire U.S. market. Marijuana is the largest cash crop in the U.S. Earnings from marijuana are estimated at $32 billion per year, far outstripping corn ($14 billion) and soybeans ($11 billion). The highest quality marijuana is cultivated indoors on the West Coast, but the largest volume is grown in the Midwest, including Indiana. The Indiana National Guard, for example, eradicated almost 80 million marijuana plants in Indiana last year.

WHAT IS THE LAW

Under federal law, it is illegal to buy, sell, grow or possess any amount of marijuana anywhere in the United States. Penalties for a first offense range from probation to life imprisonment, with fines of up to $4 million, depending on the quantity of marijuana involved. Under civil forfeiture laws, real estate, cars, cash and any other property connected with a marijuana offense are subject to immediate seizure. The federal government need not prove that the property was bought with the proceeds of illegal drug sales, only that it was involved in the commission of a crime—that marijuana was grown on certain land or transported in a particular vehicle. There are state marijuana laws as well. In 1993 more than 380,000 people were arrested nationwide for violating marijuana laws; marijuana convictions in that year outnumbered those for heroin, cocaine and LSD combined.

WHO USES IT

Close to 70 million Americans have tried marijuana at least once, according to a recent government survey. The number of regular users, however, is far smaller, perhaps around four million people, and overall marijuana use has declined from peak levels in the 1970s. Even so, marijuana consumption among American teenagers has been on the increase over the last three years. Thirteen percent of eighth-graders reported having tried marijuana at least once in 1994, up from 6.2% in 1991.

WHY THE INCREASE

During the 1980s, increasing concerns about the dangers of marijuana and other drugs contributed to a sharp decline in use. That attitude is changing. More and more young people today believe that marijuana is not a dangerous drug—that, unlike cocaine for example, the drug is not addictive, does not kill people and does not produce violent behavior. Furthermore, marijuana is said to have certain medicinal properties, whether it is used by cancer patients to ease the pain and nausea associated with chemotherapy or by a recreational user to relieve stress. In this view, marijuana should be treated like tobacco and made legal.

WHAT ARE THE HEALTH DANGERS

Numerous scientific studies have demonstrated that marijuana does in fact pose serious health dangers. It damages short-term memory, distorts perception, impairs judgment and complex motor skills, alters the heart rate, can lead to severe anxiety, and can cause paranoia and lethargy. It may not kill people by an overdose, but young marijuana users are more likely than nonusers to consume other illicit drugs, to have car accidents, and to be arrested. In 1993, twice as many teenagers ended up in emergency rooms for marijuana use as for heroin and cocaine combined.

Contrary to popular belief, marijuana is also an addictive drug. More efficient agriculture—new methods of harvesting and processing marijuana plants—has made the drug about 20 times more potent than the marijuana on the street in the 60's and 70's. Marijuana is frequently mentioned by drug-control specialists as being a stepping stone or gateway to drugs such as crack cocaine and heroin. About 43% of young people who use marijuana before age 18 go on to use cocaine. Legalizing marijuana would almost certainly cause more young people to use—and become addicted to—marijuana and other drugs.

WHAT ARE THE SOCIAL COSTS

There are numerous social and economic costs associated with increased marijuana use. First, its use can impair academic performance among young people. Marijuana is associated with increased truancy, poor attention span and under-achievement in school. Second, and more broadly, its use causes damage in our workplace. Few Americans realize that three-fourths of regular drug users are employed. According to the U.S. Chamber of Commerce, employed drug users are 33% less productive than their colleagues. They are likely to incur 300% higher medical costs and benefits. Third, marijuana use has been linked to other crimes.

WHAT CAN BE DONE ABOUT THE PROBLEM

A key step to reducing marijuana use, particularly among young people, is to educate them to its dangers. It is critical to reach kids early, before they have begun to use drugs, with clear information about marijuana and with positive alternatives for their time. Children typically have very strong anti-drug attitudes, and most young people today don't use drugs. It's essential to reinforce these views.

Our message must be clear and consistent. The message in the 1980's was, "Just say no to drugs," and the message for the 1990's must be the same. Marijuana use is illegal, dangerous and unhealthy. It is not cool. It is not respectful of your body. If you use drugs, stop, and if you can't stop, get help.

We know that young people need to hear antidrug messages where they live, study, work and play. This education effort must be a group effort, involving the public and private sector, but particularly parents, teachers and neighbors.

TRIBUTE TO JOSEPH ALVARADO AND LOU MARTINEZ

HON. PETER J. VISCLOSKY

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 6, 1995

Mr. VISCLOSKY. Mr. Speaker, it gives me great pleasure to rise today and pay tribute to two celebrated community servants, Mr. Joseph Alvarado and Mr. Lou Martinez. On September 8, 1995, Joe and Lou will be honored for their contributions to northwest Indiana and the Hispanic community by the Northwest Indiana Hispanic Coordinating Council. This testimonial dinner will take place at the Casa Blanca Restaurant in East Chicago, IN.

We are all very fortunate to have dedicated people, like Joe and Lou, who are sincerely proud of their Hispanic heritage and have taken an active role in promoting the progress of the Hispanic community in Indiana's First Congressional District.

Joe Alvarado is a native of East Chicago, IN. He is also a fellow graduate of the University of Notre Dame, where he played varsity football for the Irish. He later received his masters degree in finance from Cornell University. Joe returned to East Chicago and started his career with Inland Steel Co. in 1976. Since that time, he has steadily risen through the ranks from the days when he was a finance trainee to his current position as president of Inland Steel Bar Co.

Lou Martinez, a classmate of mine at Andrean High School in Merrillville IN, has been with the United Way system since he joined the Lake Area United Way in Griffith, IN, in 1979. In my personal experience with Lou, I can say that he is one of the most dedicated and unselfish individuals I know. His desire to serve his community has allowed him to prosper in an organization like the United Way, whose focus is community service. As president of the Lake Area United Way, Lou has realized his leadership potential and he has played a big part in touching the lives of so many who are in need in northwest Indiana.

Mr. Speaker, I offer my heartfelt congratulations to these two very special men. Joe and Lou's large circle of family and friends, as well as the entire Hispanic community of northwest Indiana, can be proud of the contributions these prominent individuals have made. They have proven themselves to be distinguished advocates for the Hispanic community, and they have truly made northwest Indiana a better place in which to live.

A SPECIAL MEMBERS' PRAYER SERVICE ST. PETER'S CATHOLIC CHURCH, 313 2ND STREET, SOUTHEAST ON WEDNESDAY, JANUARY 4, 1995, AT 9:00 A.M.

HON. BILL EMERSON

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 6, 1995

Mr. EMERSON. Mr. Speaker, the opening day of this Congress began, at the request of then Speaker-elect GINGRICH, with a Members' Prayer Service which was held at St. Peter's Church on Capitol Hill. It was a significant event in the history of this Congress and the House of Representatives. The many Members, Members-elect, and their families who attended, and the many Americans who viewed this Service on C-Span, found it inspiring and poignant.

As we return from our prolonged August recess it seems altogether appropriate that we pause and reflect again on the importance of keeping all our endeavors in perspective through our faith. It is in this spirit that I submit for the record the following transcript of this Members' Prayer Service.

PROCESSIONAL HYMN—"GUIDE ME O THOU GREAT JEHOVAH"

He will be our guide even to the end. Ps. 48:14

Guide me, O thou great Jehovah, pilgrim through this barren land;
I am weak, but thou art mighty; hold me with thy pow'rful hand;
Bread of heaven, Bread of heaven, feed me till I want no more, feed till I want no more.
Open now the crystal fountain, whence the healing stream doth flow; let the fire and cloudy pillar lead me all my journey through; strong Deliv'rer, strong Deliv'rer, be thou still my strength and shield, be thou still my strength and shield.
When I thread the verge of Jordan, bid my anxious fears subside; Death of death and hell's Destruction, land me safe on Canaan's side; songs of praises, songs of praises.
I will ever give to thee, I will ever give to thee.

CALL TO WORSHIP

(The Honorable G. V. (Sonny) Montgomery)

In the Call to Worship, I would like to read one verse from the Book of Psalms 95:6 followed with a brief prayer.

The Psalm, "O Come, let us worship and bow down. Let us kneel before the Lord, Our Maker! For He is our God, and we are the people of his pasture, and the sheep of His hand."

Now let us pray.

Our Father, You have given us this good land for our benefit and have blessed us with every good thing. We offer this Prayer of Thanksgiving for all Your good works to us and to all people.

We ask this day that You would bless our government with wisdom and that Your teachings be done with kindness and in the spirit of understanding and peace.

This is our prayer. Amen. Amen.

INTRODUCTORY REMARKS

(The Honorable Bill Emerson)

Welcome!

This is the day the Lord has made, let us be glad and rejoice in it.

The Speaker-elect of the House of Representatives requested that the events of this historic day, the convening of the 104th Congress, commence with a service of prayer for all Members and Members-elect. We are bi-partisan and ecumenical, gathering in body and spirit to invoke the blessings of Divine Providence upon our assemblage—upon our labors and the fruits of our labors.

It is appropriate that we do this.

Toward the close of the Constitutional Convention that created the body into which we will today be sworn as Members, Benjamin Franklin rose, addressed the chair, the illustrious father of our country, and to his colleagues said:

"I have lived . . . a long time, and the longer I live the more convincing proofs I see of this truth—that God governs in the affairs of men. And if a sparrow cannot fall to the ground without His notice, is it probable that an empire can arise without His aid?"

At the time of our greatest national strife Abraham Lincoln said this:

"Being a humble instrument in the hands of our heavenly Father, I desire that *all* my words and acts may be according to His will; and that it may be so, I give thanks to the Almighty, and seek His aid."

It is with these attitudes we gather today, and pray this service may be a blessing to all participants and to our labors that lie ahead.

PRAYER FOR THE PEOPLE AND ALL OF THOSE IN AUTHORITY

(The Honorable Jim Hansen)

Our Father in Heaven, we are assembled here prior to the beginning of the 104th session of the United States Congress. Father, we are thankful to Thee to live in this great land of bounty.

We realize the great significance of this day, and pray for Thy blessings and guidance. As we take this sacred oath of office, and agree to uphold this inspired Constitution and the sacred freedoms which have been secured through the blood and sacrifices of valiant men and women who have gone before us, may we realize that we are servants of the people and sent to this cradle of Democracy to do their bidding.

May we always remember that we are here to serve, and that we serve all the people, regardless of political affiliation, race, religion, or philosophy. Help us to work in harmony, with understanding, with patience, and with an eye single to honest values, correct principles, to upholding the Constitution.

We pray for our President, William Jefferson Clinton, and his family, that he may be blessed as he carries out his awesome responsibility. We pray for unity as we work together for the betterment of the United States of America. Bless us with a spirit of cooperation, that we may deal justly and fairly with one another regardless of our philosophical differences. Help us to treat each other as the brothers and sisters which we truly are.

We also ask that Thy spirit may be poured out upon the leaders of the world, that peace and tranquility will prevail. We ask a special blessing for those in war torn areas of the world, that peace may come to their lands and that people can live together without hate and strife.

We are very aware of the less fortunate among us, the poor, the sick, and the needy. We pray that, during our deliberations, we can provide for opportunities for people to progress and to better their station in life. Help us all to have compassion for the truly needy, and to remember that the worth of each soul is great in Thy sight.

We pray for the families of our nation and of the world. We recognize that families are the bedrock upon which our civilization is built, and that no earthly success or fame can compensate for failure in our homes or in raising our children to be moral and just. Help us, in all that we do, to strengthen the sacred institution of the family.

Now Father, we pray for our leadership in the Congress of both political parties, that we may be successful, that we may work together diligently for the benefit of all our citizens and for all people where ever they may be.

And this we ask in the worthy name of Thy Son, Jesus Christ, Amen.

READING FROM THE OLD TESTAMENT

(The Honorable Benjamin A. Gilman)

"Zen haYom asah Adonai, Na-geelah v'Nees-m'cha Vo."

As David said in Psalm 118. "This is the day that the Lord has made, let us be glad and rejoice in it."

Mr. Speaker-elect, My Dear Colleagues, Father O'Sullivan, and Friends: What a wonderful day this is! Permit me to recite two passages from Hebrew scriptures. One recalls that leadership in this world comes with very special obligation to our Creator. The other sets out a prophetic teaching we should always bear in mind, even in the hour of our greatest triumph. In the first passage, as the Israelites prepare to cross the Jordan, God admonishes Joshua in these words from the First Chapter of the Book of Joshua:

"Be strong and resolute, for you shall apportion to this people the land that I swore to their fathers to give them.

"But you must be very strong and resolute to observe faithfully all the Teaching that My servant Moses enjoined upon you. Do not deviate from it to the left or to the right, that you may be successful wherever you go.

"Let not this Book of the Teaching cease from your lips, but recite it day and night, so that you may observe faithfully all that is written in it. Only then will you prosper in your undertakings and only then will you be successful.

"I charge you: Be strong and resolute; do not be terrified or dismayed, for the Lord your God is with you wherever you go."

And in the Sixth Chapter of the Book of Micah, the Prophet taught:

"Would the Lord be pleased with thousands of rams,
With myriads of streams of oil? . . .
"He has told you, O man, what is good,
And what the Lord requires of you:
Only to do justice,
And to love mercy,
And to walk humbly with your God."

TANAKH

A New Translation of The Holy Scriptures, According to the Traditional Hebrew Text, The Jewish Publication Society 1985.

HYMM—HOW GREAT THOU ART

Great is the Lord, and most worthy of praise Ps. 48:1

Patricia Barnes, Soloist

First Verse
O Lord my God, when I in awesome wonder consider all the worlds thy hands have made,
I see the stars, I hear the rolling thunder, thy pow'r thro'-out the universe displayed.

Refrain
Then sings my soul, my Savior God to thee: how great thou art, how great thou art!
Then sings my soul, my Savior God to thee: how great thou art, how great thou art!

Fourth Verse

When Christ shall come with shout of acclamation and take me home, what joy shall fill my heart!
Then I shall bow in humble adoration and there proclaim, my God, how great thou art.

Reading From the New Testament

(The Honorable Sue Myrick)

MATTHEW 5:2–16

Then He opened His mouth and taught them, saying:
"Blessed are the poor in spirit,
For theirs is the kingdom of heaven.
Blessed are those who mourn,
For they shall be comforted.
Blessed are the meek,
For they shall inherit the earth.
Blessed are those who hunger and thirst for righteousness,
For they shall be filled.
Blessed are the merciful,
For they shall obtain mercy.
Blessed are the pure in heart,
For they shall see God.
Blessed are the peacemakers,
For they shall be called sons of God.
Blessed are those who are persecuted for righteousness' sake,
For theirs is the kingdom of heaven.
Blessed are you when they revile and persecute you, and say all kinds of evil against you falsely for My sake.
Rejoice and be exceedingly glad, for great is your reward in heaven, for so they persecuted the prophets who were before you.
You are the salt of the earth; but if the salt loses its flavor, how shall it be seasoned? It is then good for nothing but to be thrown out and trampled under foot by men.
You are the light of the world. A city that is set on a hill cannot be hidden under a basket, but on a lampstand, and it gives light to all who are in the house.
Let your light so shine before men that they may see your good works and glorify your Father in heaven.

Prayer for Peace in the World

(The Honorable Tony P. Hall)

When Bill Emerson asked me to pray for world peace I went to my scriptures and looked up all the passages on world peace—or at least peace—and there were hundreds of scriptures in both the Old and New Testaments. I thought about it for a while and I thought that a lot of people have prayed for peace—for world peace—for a number of years and often times it eludes us.

And in light of what is going on in the world today, as a matter of fact, I have been told that there are over 100 conflicts going on in the world right now, twenty-three or twenty-four major humanitarian crises, and I felt it may be better to pray for peace in the hearts of us, in the hearts of elected officials. Because, if we don't have peace, how are we going to have peace in the country and peace in the world?

A lot of verses deal with that. There are many verses mentioning peace. And the one verse I really like, that I think addresses the issues is in Philippians. "Be anxious for nothing, but in everything by prayer and supplication, with thanksgiving, let your requests be made known to God; and the peace of God, which surpasses all understanding, will guard your hearts and minds, through Christ Jesus.

Paul wrote this while he was in jail, in prison, and he wrote under great manipulation and pressure and stress. Paul was a wonderful man, and he didn't know from day to day of things and pressures that were going to happen to him. But he had a world view, and his world view was the view of the power of God in prayer, the peace of God in people's hearts. And that is briefly what I want to pray about this morning.

We'll bow our heads.

Thank you Father for the passage and for the privilege of coming together today to ask for peace in the hearts of the Members of Congress, not only those taking office for the first time, but for the other Members and for the leadership especially. We pray for them and we just ask you to be with them, and most especially their spouses and children and families, for whatever is going on in their family, let there be comfort and love and peace. And, then peace among us as politicians and elected officials of this country. We pray that there be peace among the parties, O Lord, that as we go through the days and weeks that are coming, that we walk in a manner that is worthy of You, that we please You, that we increase in knowledge of You and Your will. We just thank You for all the things You do. We ask O God, as we deliberate and as we go through this year, that we ask the question of ourselves individually, "God, what is it You ask of us to do God? What is it You want us to do? Have we been those kind of servants?" If we can, and if we do that O Lord, I believe we can have peace in our hearts and peace in our country and will be helping with the peace in the world.

Responsive Reading

(The Honorable Blanche Lambert)

PSALM 18:1–6 AND 31–36

Leader: I will love thee, O Lord my strength.

All: The Lord is my rock, and my fortress and my believer; my God, my strength, in whom will I trust; my buckler, and the horn of my salvation, and my high tower.

Leader: I will call upon the Lord, who is worthy to be praised; so shall I be saved from all mine enemies.

All: The sorrows of death encompassed me, and the floods of ungodly men made me afraid.

Leader: In my distress I called upon the Lord, and cried unto my God; He heard my voice out of His temple, and my cry came before Him, even into His ears.

Leader: For who is God save the Lord? Or who is a rock save our God?

All: It is God that giveth me with strength, and maketh my way perfect.

Leader: He maketh my feet like hinds' feet, and setteth me upon my high places.

All: He teacheth my hands to war, so that a bow of steel is broken by mine arms.

Leader: Thou hast also given me the shield of Thy salvation; and Thy gentleness hath made me great.

All: Thou has enlarged my steps under me, that my feet did not slip.

Prayer for Guidance

(The Honorable Henry Bonilla)

Let us please bow our heads.

Dear Lord, We are gathered here on this historic day to ask your guidance as we take the reins of government in a new direction.

As we toil in the effort to make the right decisions for our nation we will be counseled and advised by many people . . . many interests . . . many inner feelings . . .

In the end help us all to remember that Your divine guidance is what we should turn to as the greatest authority . . . the greatest special interest . . . because Your interest is the best interest of the United States of America.

As representatives of every neighborhood in America we come from different backgrounds . . . different ethnic groups . . . different economies . . . different cultures . . . different religious backgrounds.

Lord help us to remember that above all we are alike because we are Americans first . . . Americans first with a common interest of preserving the American dream for our children and their children as our country grows and prospers in the next century.

Lord, help us have the wisdom to appreciate what we have and not to be wanting for what we don't have. Help us appreciate that because our country was built on moral principles of freedom and liberty we continue living in the greatest country on earth. Help us appreciate that we live in a country that encourages self-responsibility, self-reliance and selflessness . . .

Lord, help us understand that You give us our health, our intelligence and our talents to strive for these principles. Finally Lord, help us understand every day that what we do now can have a profound affect on what happens to our great nation for future generations . . .

Help us have the vision . . . the foresight . . . the wisdom . . . the humility to pursue an agenda that helps the worker, the parent, the teacher, the child, the volunteer, the student and those less fortunate who need a helping hand. Help us understand, Dear Lord, that They are what America is all about.

In Your Name we pray, Amen.

Hymn—Amazing Grace!

Traditional American Melody, Words by John Newton, 1779, Arranged by Wintley Phipps, John Stoddart and Andrian Westney

(Wintley Phipps, Soloist)

Amazing grace! how sweet the sound that saved a wretch like me!
I once was lost, but now am found, was blind, but now I see.

When we've been there ten thousand years, bright shining as the sun,
We've no less days to sing God's praise than when we've first begun.

Hallelujah! Hallelujah!
Amen

The Homily

(The Honorable Frank R. Wolf)

When I was asked to give this talk, I was initially very reluctant for several reasons. Not only is it sometimes difficult to speak before your colleagues but I have stuttered since I was a small boy and have always found speaking in public a challenge.

As someone who stutters, I have drawn inspiration from Chapter 4 of Exodus in the Bible where God tells Moses to ask Pharaoh to let His people go, Moses answers, "I have never been eloquent . . . I am slow of speech and slow of tongue." God assures Moses that He will send him help—and I'm sure I'll get some help here.

But the greatest source of motivation for speaking today is the passage in Matthew Chapter 10 verse 32, where Jesus says,

Whoever acknowledges me before men, I also will acknowledge before my Father who is in Heaven; but whoever denies me before men, I also will deny before my Father who is in heaven.

And because of this, I felt compelled to speak today.

We are about to open the 104th Congress with great hope and expectation. This is not very different from the opening of previous Congresses. This is my eighth start of a new Congress and I still feel a sense of anticipation and excitement.

So today, as we begin this new Congress, I want to focus on what kind of leaders we should strive to be. I have considered this question often for myself. There are several principles I have learned from my observations and experience as a Member of Congress, as a father and husband, from reading the Scriptures and from listening to individuals I respect. Four of these I want to share with you today. They are ones that I believe are important to acknowledge as we begin this new Congess.

1. The problems in our country have a moral base, and the solutions are not purely political.

2. As leaders, we need to be men and women of character.

3. We must foster reconciliation within our country.

4. While we serve in this 104th Congress, we must not forget those that matter most to us—our spouses and our children.

MORAL ROOT OF PROBLEMS

We all know that we face many serious problems in this country and we as leaders need to diagnose and manage them realistically.

I want to suggest a simple proposition to keep in mind as we lead: The problems we face in America have one thing in common—they are at their core, moral. In our culture today, many believe there is no difference between vice and virtue. However, we must recognize that there are transcendent standards of right and wrong.

Samuel Johnson once said many years ago when his butler told him a guest was coming to dinner who believed morality was a sham. He said, "If he really believes that there is no difference between vice and virtue, let us count the spoons before he leaves."

So, if we believe that transcendent truths exist, what is our role as Members of Congress? Government is not the source of right and wrong, nor is it the ultimate answer regarding questions of right and wrong. The thing that I fear most is that we will believe that we can solve all of our problems politically. If we do believe this, we will fail as we always have. That's not to say we cannot improve things greatly, because we can. But in our political activity what we should focus on is creating a climate where conscience is cultivated and character can be built. It is to that end that public policy, political and social, must be directed.

CHARACTER IN LEADERSHIP

My second point today concerns character. As I enter the 104th Congress, I need to examine my heart—what kind of Member do I want to be. The name of Moses is carved in the wall across from the Speaker's rostrum in the House. When Moses was choosing helpers to lead Israel, his father-in-law Jethro gave him this advice in Exodus chapter 18, verse 21: "Select capable men from all the people, men who fear God, trustworthy men who hate dishonest gain."

Isaiah chapter 1, verse 17 says, "learn to do right, seek justice, encourage the oppressed. Defend the cause of the fatherless. Plead the case of the widow."

And Micah chapter 6, verse 8 says, "And what does the Lord require of you? To act justly and to have mercy and to walk humbly with your God."

I challenge myself to follow these guidelines—to be a person who fears God, to be trustworthy, to be a person of integrity and character. I must ask myself do I want to be a man of excellence or a man of expedience, a man of principle or one who seeks to be popular, a man who looks for the right thing to do and does it, or a man who finds the easy way around whatever I'm facing.

I'm reminded of what William Penn said, "Government, like clocks, go from the motion men give them, and as governments are made and moved by men, so by them they are ruined too . . . Let men be good, and the government cannot be bad; if it be ill, they will cure it. But if men be bad, let the government be never so good, they will endeavor to warp and spoil it."

RECONCILIATION

My third point concerns reconciliation, a sometimes difficult task in Washington. As we govern, it is important to work in a spirit of cooperation. What we need in the country and world, as well as in the Congress, is reconciliation—between races, countries, spouses, between children and their parents.

Today, regardless of your religious views, consider the teaching of Jesus, who is one of the greatest authorities on reconciliation. He stressed the importance of forgiveness and of loving one's enemies. In Matthew chapter 18, verses 21 and 22, Peter asks Jesus, "Lord, how many times shall I forgive my brother when he sins against me? Up to seven times? Jesus answered, I tell you, not seven times, but seventy times seven."

When I think of reconciliation in the political arena I think of one person who did it well. His name was William Wilberforce, who got together a group of members of the British Parliament from across the political spectrum to abolish the slave trade in England at a time when the country's economy was dependent on it.

Today there are many who are committed to reconciliation. Here in Congress there are a number of groups where members from both sides of the aisle meet for fellowship and prayer. For example, a group I'm in on Thursday afternoon (Republicans and Democrats) meets in the House chapel for fellowship and Bible study. The friendships that have been formed and the respect that has changed how we treat one another has been extraordinary. When people meet together respectfully and begin to listen to each other and work toward reconciliation, it changes the nature of the way they conduct their business on the floor of the House and in committee meetings. If you pray with and for someone, and they pray for you, it is hard to then turn around and attack them, and much easier to work with them. In this spirit of cooperation, we can work toward helping the people of America.

My last point concerns our personal priorities. People generally serve in the Congress because they desire to help other people. But we need to remember that while we serve in the 104th Congress trying to help others, we not forget those who matter most to us—our spouses and our children.

People who are working to meet the needs of others many times neglect to meet the needs of their own families. (Ministers, Doctors, Social workers) I heard of an individual who spent his entire life in service to others at the expense of his family. After he died his sons went to the cemetery and urinated on his grave. What a tragedy. As Members, and husbands and wives, and mothers and fathers, we want to be sure to put our families first.

In closing, I want to share a quote [by Dr. James Dobson] from a book I read on the family. It says:

"I have concluded that the accumulation of wealth, even if I could achieve it, is an insufficient reason for living. When I reach the end of my days, a moment or two from now, I must look backward on something more meaningful than the pursuit of houses and land and machines and stocks and bonds. Nor is fame of any lasting benefit. I will consider my earthly existence to have been wasted unless I can recall a loving family, a consistent investment in the lives of people, and an earnest attempt to serve the God who made me. Nothing else makes much sense."

CLOSING PRAYER

(The Honorable Tillie K. Fowler)

Let us pray. Father in heaven, we humbly ask for Your help and guidance as we undertake the important work that lies before us during the 104th Congress.

Give us wisdom, that we may make the right decisions on behalf of the American people; and give us compassion, that we never forget the human impact of those decisions.

Reinforce in us the knowledge that with leadership comes enormous responsibility, and give us strength to undertake the tasks that lie ahead with joyful determination.

Enable us to transcend the boundaries of politics and partisanship to work together for the common good, and keep us ever mindful that we were elected not to accomplish our own selfish ends but to serve the people. For we must always remember that the office we hold is a sacred trust; and that our actions have the power to change the lives or our brothers and sisters for better or for worse.

Lord, the Psalmist tells us that "unless the Lord builds the house, those who build it labor in vain, and unless the Lord watches over the city, the watchman stays awake in vain." As we make the laws of our land, help us remember that—unless we hold ourselves to the standard of your law—our work, too, is in vain.

Thank You for Your many blessings to us and to our Nation, and for Your help in being wise stewards of the bounty You have bestowed upon us. In Your holy name, amen.

HYMN—BATTLE HYMN OF THE REPUBLIC

(Julia Ward Howe)

THE PINE FORGE ACADEMY CHOIR OF PINE FORGE, PA, LLOYD MALLORY, CHOIR DIRECTOR, JOHN STODDART, ORGANIST

First Verse:
Mine eyes have seen the glory of the coming of the Lord:
He is trampling out the vintage where the grapes of wrath are stored;
He hath loosed the fateful lightning of his terrible swift sword:
His truth is marching on.

Fifth Verse:
In the beauty of the lilies Christ was born across the sea,
With a glory in his bosom that transfigures you and me;
As he died to make men holy, let us die to make men free,
While God is marching on.

THE BENEDICTION

(The Honorable Bill Barrett)

Along with the words and the message of the Battle Hymn of the Republic,

May the Strength of God pilot us;
May the Power of God preserve us;
May the Wisdom of God instruct us;
May the Hand of God protect us;
May the Way of God direct us; and
May the Shield of God defend us.
Amen.

TRIBUTE TO GEORGE M. WHITE

HON. BILL RICHARDSON

OF NEW MEXICO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 6, 1995

Mr. RICHARDSON. Mr. Speaker, it is with great respect and admiration that I honor today a great American. George M. White, who has served 24 years as Architect of the Capitol, has announced his retirement, commencing November 21, 1995.

George M. White has established a long and distinguished career, having practiced as an architect and as a consulting engineer since 1948. He is a former electronics design engineer and assistant division manager at General Electric Company and a former member of the Faculty in Physics and in Architecture at Case Western Reserve University.

Mr. White zealously gives his time and energy to numerous organizations, such as the U.S. Capitol Police Board, the Advisory Council on Historic Preservation, and the Board of Regents of the American Architectural Foundation. A few of his former affiliations have been as Trustee of the Freedoms Foundation at Valley Forge, Chairman of the Architectural Advisory Group regarding the restoration of the Statue of Liberty, and member of the Visiting Committee, Department of Architecture and Planning.

George M. White's reputation is universally acclaimed. He is a former member of an international committee of consultants for the Egyptian Museum of Cairo and a former Chairman of the Committee of Review of the National Capital Development Commission for Canberra, Australia.

George M. White has served as the designer, protector and preserver of our federal buildings in the manner of one who reveres and respects the great halls of our nation's Capital. I know all of my colleagues in the House of Representatives join me in wishing George M. White much happiness and success in the years to come. We shall all miss him.

TRIBUTE TO MAYOR CARL W. BLOCK

HON. JIM SAXTON

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 6, 1995

Mr. SAXTON. Mr. Speaker, it is a great honor and privilege for me to congratulate the Honorable Carl W. Block, mayor of Stafford Township, for his 25 years of dedicated public service as a member of the Stafford Township Council, Planning Board, Regular Republican Club, and the Board of Trustees of Southern Ocean County Hospital.

Under Carl's leadership, Stafford Township has won 24 State and national environmental awards, more than any other municipality in the country. Many of the environmental processes conceived and piloted by Stafford are now being used nationwide and in Europe.

Under Mayor Block's leadership, Stafford Township is the fastest growing community in all of Ocean County, with more business and commercial development than any other Ocean County community. This has enabled the township to maintain a tax rate for its citizens well below the county average.

Mayor Block has been successful in bringing to Stafford millions of dollars in revitalization grants, including the Neighborhood Preservation Program, which is used to revitalize older areas of the township. He has also increased parks and recreational areas for the residents of Stafford by 1,000 percent. Manahawkin Lake, which has revitalized under Mayor Block's leadership, has had the highest percentage of swimmable days in all of Ocean County.

Carl developed a long-range master plan for Stafford which gave careful consideration to growth while protecting the environment and assuring that future growth would be managed properly through existing infrastructure and roadways.

His dedication to quality of life issues in Stafford Township resulted in the township receiving the Quality New Jersey Award in 1992. This award is equivalent of the Malcolm Bainbridge Award. Stafford's successes with environmental planning and management have been recognized by numerous national magazines, including National Geographic, which pointed to Stafford Township as an example of how one town can make a difference.

The past year, under Carl's leadership, Stafford was the first township in New Jersey to win the prestigious Lawrence Emerson Award from the National Arbor Day Foundation. This resulted in the permanent display of New Jersey's State Flag at the Lied Conference Center in Nebraska. Stafford was also selected for the 1995 First Place National Award for Excellence by the U.S. Environmental Protection Agency [EPA] for its innovative storm water management design.

Stafford Township's designation as a Tree City U.S.A. for 6 consecutive years, and as a Tree Growth Award Winner for 4 consecutive years are records unsurpassed by any other community in the entire Nation.

Carl Block's motto throughout his tenure as an elected official has been "Progress With Pride." Stafford Township's economic growth, as well as the environmental regulations in existence in the township today, are indicative of his success in judiciously encouraging growth while protecting the environment.

For his contributions to the citizens of Stafford Township and all of Ocean County, I recognize Mayor Carl Block today.

REFORMING WELFARE

HON. LEE H. HAMILTON

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 6, 1995

Mr. HAMILTON. Mr. Speaker, I would like to insert my Washington Report for Wednesday, August 23, 1995, into the CONGRESSIONAL RECORD.

REFORMING WELFARE

Hoosiers do not like the current welfare system. They think it is anti-work and anti-family, and encourages out-of-marriage births. They think it is degrading and demoralizing for welfare recipients who would prefer work. They think it is too bureaucratic and does not provide sufficient flexibility. They also think it has done little to reduce poverty. Welfare reform is one of the major issues before Congress this year, and several aspects of it are being examined.

THE FEDERAL ROLE

The current welfare system as most people think of it consists of Aid to Families with Dependent Children (AFDC), an entitlement under which cash benefits flow to all eligible individuals on the basis of need. The federal government pays from 50% to 80% of the cost depending on the state. In Indiana the federal share is about 63%. Reform proposals before Congress would provide that individuals are not automatically entitled to such assistance. States would be given a fixed amount of money—or block grant—that would no longer vary with the number of families needing assistance.

Shifting to block grants would give states more flexibility to develop innovative ways to deliver assistance. But there would be 50 state experiments in welfare with no systematic evaluation of the results. Furthermore, use of the block grant without requiring states to maintain their own effort would invite welfare cutbacks. States, always fearful of becoming a magnet for the disadvantaged, would likely end up competing to cut benefits and limit eligibility, and a "race to the bottom" could occur.

Several of the proposals would freeze federal funding for five years without adjusting for inflation or growth in the number of poor people. The theory is that block grants will achieve administrative savings, but studies show that 5% in such savings may be about the best that can be expected. If poverty in a state increases, it would have to bear the additional cost of serving more poor people. States already cut budgets in a recession because revenues fall.

Block grants are sometimes quite useful, but I think they make much less sense for programs for which the poor are eligible on an entitlement basis and the federal government shares some or all of the costs. I worry that using the block grants means that the poor would have to compete against other claimants—like teachers, road builders, and law enforcement—for scarce state dollars. The lack of clout of poor people was a principal reason why the welfare program was federalized in the first place—to assure a minimum level of protection for the voiceless poor who would lose out in political competition for limited funds at the state and local levels.

A key issue is whether assisting the poor is seen primarily as a national or state responsibility. There is a strong case for giving the states more flexibility in reforming welfare. But if the federal government uses block grants it gives up its role in helping the needy and easing regional economic disparities. Giving states more flexibility in running welfare programs can be done without necessarily converting them to block grants. For example, many states, including Indiana, have received exemptions from some federal requirements to allow them to experiment with improvements in welfare assistance.

ENCOURAGING WORK

An essential yet often elusive goal in welfare reform is to encourage work. Tools to increase work include financial incentives, education and training, and work requirements.

Financial incentives allow recipients to keep more of their welfare check after they go to work. Past attempts to reduce welfare dependency through financial incentives have proved disappointing. Education and training produce positive results, but they are expensive. Much attention has to be paid to the quality of training provided and the availability of child care for welfare recipients moving into jobs. Many reform proposals require states to enroll 50% of all welfare parents—some three times the current proportion—in work programs, but these proposals provide no funding for the additional work slots. Likewise, if more welfare mothers are moved into work, more child care will be needed; but under some proposals child care funds from the federal government are cut below current levels.

TIME LIMIT

Most of the proposals favor time limits for welfare recipients. Today about one-third of the recipients stay on welfare for more than five years. They are usually a particularly disadvantaged group. The critical issue is, what happens to the recipients who lose all eligibility for welfare because of the time limits? Only about one-third of them are likely to be employed two years later.

PREVENTING DEPENDENCY

Everybody agrees that more effort should be devoted to preventing dependency on welfare. That means education and jobs have to be emphasized, especially for the unskilled. It also means that much more attention has to be paid to out-of-marriage childbirth and to the low levels of child support from fathers of children on welfare.

Early childbearing is a major factor in poverty and welfare dependency. Overall the teenage birth rate is now lower than it was 30 years ago, but the proportion of such births that occur outside of marriage has increased dramatically. Many welfare proposals today deny benefits to young unwed mothers or cap benefits to those who have additional children on welfare, but overall the evidence is not clear about the impact of these proposals. Some state experimentation may be in order.

Requiring more fathers to pay child support would almost certainly mean the number of poor individuals would drop and the number of families on welfare would also drop. Billions of dollars could be saved. The current proposals make the penalties for avoiding child support obligations tougher.

CONCLUSION

I am impressed that the issues in welfare reform are much more complex—and reform itself much more difficult—than the debate in Congress now recognizes. Congress is going to have to be more modest in what it can achieve in a single bill this year. The system is broken, but serious people have serious disagreements over precisely what needs to be fixed and how in the welfare system.

(Newsletter based on the Urban Institute Welfare Reform report.)

IN RECOGNITION OF WILMA HICKS OF MONTICELLO, DEPARTMENT PRESIDENT OF THE MISSISSIPPI LADIES' AUXILIARY TO THE VETERANS OF FOREIGN WARS FOR 1994–95

HON. MIKE PARKER

OF MISSISSIPPI

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 6, 1995

Mr. PARKER. Mr. Speaker, today I stand in the Halls of Congress to ask you to join me in honoring Wilma Hicks of Monticello, MS, department president of the year of our Ladies Auxiliary to the Veterans of foreign Wars in Mississippi.

Mrs. Hicks was honored recently as one of 11 runners-up among department presidents of the year at the National Presidents' Luncheon held in Phoenix, AZ, during the 82d National Convention of the Ladies Auxiliary to the Veterans of Foreign Wars. She is a member of Auxiliary No. 4889 and has held many positions of leadership in the auxiliary at the local, district and State levels. As a result of Mrs. Hicks' leadership to our State during her 1994–95 term of office, the State of Mississippi can report 8,110 members, $31,985 in contributions for the Cancer Aid and Research Program, and at least 75 percent participation in all other auxiliary programs. Across the Nation, the auxiliary has raised more than $3 million for the Auxiliary Cancer Aid and Research Fund for the seventh consecutive year and has volunteered more than 23 million hours in community service.

The Ladies Auxiliary to the Veterans of Foreign Wars is dedicated to serving our Nation through volunteer work in hospitals, through protecting veterans entitlements and by providing community service.

Mr. Speaker and my colleagues, I ask that you join me in paying tribute to Wilma Hicks. I also would ask that your share in this moment to express our collective appreciation to and esteem for the 765,283 auxiliary members across this great Nation. Ladies, we salute you for your willing sacrifices of your time and energy, your dedication to our fighting men and women and your devotion to America's veterans. Mrs. Hicks, you symbolize all that is good, true and steadfast in our society. We will always be grateful for your work and that of the Ladies Auxiliary of the Veterans of Foreign Wars. Thank you.

TRIBUTE TO CAL RIPKEN, JR.

HON. ROBERT L. EHRLICH, JR.

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 6, 1995

Mr. EHRLICH. Mr. Speaker, a Member of Congress is often called upon to acknowledge the noteworthy achievements of his or her constituents. Today I have the unique privilege of recognizing a constituent whose achievement is the talk of the nation .

Tomorrow the quiet town of Aberdeen, MD will pay tribute to its favorite son—Cal Ripken, Jr. West Bel Air Avenue—the normally quiet street running through the heart of downtown Aberdeen—will become a focal point of national attention as the people who know Cal best come together to convey their collective affection for a man baseball fans across the Nation have begun to call the Iron Man. To the citizens of Aberdeen, Cal Ripken is—in the words of Roy Hobbs, the character played by Robert Redford in the movie *The Natural*—"the best there ever was."

Last night Cal Ripken played his 2,130th consecutive game as a Baltimore Oriole, tying a longstanding record originally set by the legendary Lou Gehrig. Today Cal will break that record—a feat once thought impossible, so much so that Lou Gehrig's Hall of Fame plaque at Cooperstown states that his record should stand for all time. It is both fitting andappropriate that Cal Ripken is the only player to surpass the great Gehrig in this regard. He alone represents the qualities for which Lou Gehrig will always be remembered—sportsmanship, character, fair play, and sheer love of the game.

In order to appreciate fully the magnitude of Ripken's achievement, we must look at what else happened in baseball during Ripken's 13-year streak. Since May 30, 1982—the day the streak began—more than 3,600 players have gone on the disabled list. More than 500 players have played shortstop for other major league teams. Endurance, however, is only one aspect of Cal Ripken's success. He was Rookie of the Year in 1982; MVP in 1983 and 1991; and has played in 13 consecutive all star games. He has also hit more home runs than any shortstop in major league history.

Cal's greatest moments have come off the field. He is a tireless advocate for children's literacy programs and, along with his wife Kelly, has worked to broaden awareness of Graves' disease. He has shown an uncommon willingness to give back to the community which has so warmly embraced him. Cal is as much a most valuable person as he is a player.

When I think of Cal Ripken, Jr., I think of a quiet, unassuming man who takes precious time before and after every game to sign autographs, pose for pictures, or to chat with his fans—the way Babe Ruth, Lou Gehrig, and Jackie Robinson once did. I think of a man for whom contributing to the team—not rewriting the record books—is the primary motivation. I think of a man who tied one of baseball's greatest records on a Tuesday night and drove his daughter to her first day of school the following morning. At a time when many fans are disillusioned by the corporation of baseball, Cal's unvarnished passion for the sport evokes a time when baseball was what it was always meant to be—a game.

The people of Aberdeen are right to take such pride in their local hero. Cal Ripken shares their time-tested values—hard work, community, family. His success; he is of them as much as he is one of them. He personifies what is best about our national pastime. His graceful modesty reminds all of us that nice guys often do finish first.

My sincere congratulations go out to Cal Ripken, Jr., his wife Kelly and their two young children; his parents Cal, Sr. and Vi; and to the entire community of Aberdeen on this happy and historic occasion. May the streak continue long into the future.

TRIBUTE TO SADIE FEDDOES

HON. MAJOR R. OWENS

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 6, 1995

Mr. OWENS. Mr. Speaker, Sadie Feddoes is a shining example of the kind of conscientious, dedicated-citizen leader worthy of being designated as a "Point of Light" to be held high as a model for all Americans. In her years of service to the least among us and her long abiding concern for the personal welfare, as well as the public achievement, of those around her, Sadie Feddoes has proven that she can walk with bankers and kings but never lose the common touch.

Sadie Feddoes is a vice president and community and government relations officer for Citibank, where she has been employed for 40 years; a columnist for the New York Amsterdam News since 1972; past chairperson of the board of Bedford Stuyvesant Restoration Corp.; member of the board of directors of Bedford Stuyvesant Restoration Corp.; chairperson of the board of directors of the Billie Holiday Theatre; a member of the board of directors of Brooklyn Economic Development Corp.; a member of the board of directors of the Kings County Overall Economic Development Program Committee; and served on the 1984–85 New York Regional Panel of President Reagan's Commission on White House Fellowships.

She has worked on many community projects and is a member of several charitable and civic organizations. She is a past member of National Women in Communications and New York Women in Communications where she was recognized in 1984 as one of 60 outstanding members. Miss Feddoes was born in St. Vincent, West Indies and holds a bachelor's degree in business from Pace University.

Miss Feddoes has received many citations and awards including Outstanding Performance Award from Citibank in 1970 and is the recipient of awards from the Salvation Army; American Red Cross; the New York State Black and Puerto Rican Legislative Caucus; National Urban League; National Association of Negro Business and Professional Women's Clubs; National Council of Negro Women; Lions International; the National Conference of Christians and Jews; the Boy Scouts of America; Coalition of 100 Black Women; the Navy Yard Boys and Girls Club; Church Women United of Brooklyn; Congressman EDOLPHUS TOWNS; Senator Velmanette Montgomery; Assemblyman Clarence Norman Jr.; and from several churches and civic organizations. She was also a grand marshall for the West Indian-American Labor Day Parade, which attracts over a million persons annually and was the recipient of the Chairman's Award for Distinguished Service from the Congressional Black Caucus of the 102d Congress.

Miss Feddoes received a citation from Borough President Howard Golden on behalf of the People of Brooklyn when she celebrated her 25th year with Citibank and was recognized in the CONGRESSIONAL RECORD on the occasion of her 30th anniversary by Congressman EDOLPHUS TOWNS. Miss Feddoes was honored as the 1982 Woman of the Year by the board of managers of the Brooklyn Home for the Aged and also by the Brooklyn branch of the NAACP as its 1984 Woman of the Year for her outstanding leadership and dedicated work.

She has made several television appearances including guest spots on NBC–TV's "Today Show," "Black Pride" on WPIX–TV and was alternate guest panelist on the cable television show "Face the Women." She is listed in Black American Writers, Past and Present; Who's Who Among Black Americans; Who's Who of American Women; Who's Who in Finance and Industry; and in the British published Dictionary of International Biography.

It is quite fitting and proper that we salute Sadie Feddoes as a "Point of Light" for all Americans. In her career and for her community, Sadie Feddoes has always performed beyond the call of duty. It is our fervent hope that the bright light of Sadie Feddoes will continue to shine for many decades to come.

CONGRATULATIONS CARMEN L. TORRES FOR 25 YEARS OF EXCELLENCE

SPEECH OF

HON. ROBERT A. UNDERWOOD

OF GUAM

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 6, 1995

Mr. UNDERWOOD. Mr. Speaker, I rise to pay tribute to Carmen Lizama Torres, a Guam Department of Public Health and Social Services [DPH&SS] nurse practitioner who is retiring on September 29, 1995, after nearly a quarter of a century of dedicated, unselfish, and untiring service to the people of Guam.

The seventh child in a sibship of 13, Mrs. Torres was born and raised in Saipan in the Northern Marianas Islands. Her career as a health care provider started on her home island when she began after completing a course in practical nursing at the Saipan Civilian Hospital and working there as a practical nurse. In the early sixties, she moved to Guam and settled in Malesso with her husband, Jose Torres.

In 1970, Mrs. Torres enrolled in the University of Guam's School of Nursing, and, after graduating with an associate of arts degree in nursing, she began her public health nursing career when she was appointed a public health nurse and assigned to the public health clinics in Asan, Piti, Santa Rita, and Hagat as a staff nurse. After 4 years in that capacity, she was appointed public health nurse supervisor of the Southern Region Health Center which serves the villages of Talofofo, Inalahan, Malesso, and Humatac.

In 1979, the World Health Organization [WHO] awarded Mrs. Torres a fellowship to study obstetrics and gynecology as a women's health nurse practitioner student at Harbor-UCLA Hospital in Torrance, CA; she had the distinction of being the first Guam nurse to become nurse practitioner and is certified to practice that profession in California and Guam.

After successfully completing the nurse practitioner course at Harbor-UCLA Hospital, Mrs. Torres returned to Guam and to public health where she became an invaluable addition to the women's health care clinics by providing vital clinical services including prenatal care, family planning, cancer screening, and management of sexually transmitted diseases in women. In addition to her duties as a nurse practitioner, Mrs. Torres was supervisor and manager of the Central Region Health Center Clinic for the past 2 years.

An active member of American Nurses Association and the Guam Nurse Association [GNA], Mrs. Torres was named the Outstanding Employee of DPH&SS in 1981 and 1984. In 1994, she received the GNA Presidential Commendation Award for outstanding voluntary and dedicated service to the nursing profession and organization. She was also twice nominated for the GNA Nurse of the Year Award.

Mrs. Torres still resides in Malesso with her husband of 34 years. The couple have two children and three grandchildren.

IN OPPOSITION TO FRENCH NUCLEAR TESTING

HON. ALCEE L. HASTINGS

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 6, 1995

Mr. HASTINGS of Florida. Mr. Speaker, I rise today to express my outrage over the detonation by the Chirac government of a nuclear device in the South Pacific.

The French have blatantly and egregiously ignored the environmental sovereignty of the region. I strongly object to the fact that France carried out these tests more than 10,000 miles from their mainland. If, as Mr. Chirac has stated, these tests pose no threat to the ecosystem, why are they being carried out 10,000 miles away from France? Why detonate atomic weapons in somebody else's backyard? Why not in central France?

The United States, numerous countries, and respected individuals in the region pleaded with the French not to carry out these "experiments." But Mr. Chirac insisted that they are necessary. Why are these tests necessary? Whom are the French preparing to fight? Are they planning to drop a bomb on Algeria? What specter so haunts them that they need to test their nuclear weapons before they sign the Nuclear Non-Proliferation Treaty? And what will this mean for the future of the treaty? Will other countries rush to detonate bombs before they finally renounce nuclear testing? Will rogue nations and terrorist organizations experiment with nuclear weaponry, claiming that they must protect themselves from French aggression?

Mr. Speaker, I cannot adequately express my disappointment with the Chirac government. Economic boycotts, political protests, editorial, outrage, and public opinion seem all to have failed in convincing Mr. Chirac that his policy is wrong. It is dangerous for the ecosystem, dangerous for the fragile marine environment, dangerous for the people living around the Mururoa atoll, and dangerous for those who seek a nuclear-weapon-free world. As Australian Foreign Minister Gareth Evans stated: "This is not the action of a good international citizen."

INTRODUCTION OF THE PUBLIC PENSION PARITY ACT

HON. BRUCE F. VENTO

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 6, 1995

Mr. VENTO. Mr. Speaker, our Nation's public servants have had a long and difficult year. Public employees have been asked to increase their pension contributions in exchange for smaller annuities and to make other financial sacrifices in the name of deficit reduction. Last spring, some Federal employees working in the Murrah Building in Oklahoma City made the ultimate sacrifice while performing their jobs. The time has come to show some support for our public servants, the men and women who work hard to provide needed services for the American people.

Today, I am reintroducing the Public Pension Parity Act, legislation I first introduced in the 98th Congress to rectify a serious tax inequity that our retired public employees continue to face. America's public retirees deserve positive action on this bill.

As you know, Mr. Speaker, most of our public-sector retirees receive a pension in lieu of the Social Security benefits received by private-sector retirees. Social Security benefits are fully tax exempt for individual private-sector retirees earning as much as $25,000 per year, and couples earning up to $32,000. There is no corresponding tax exemption for public-sector retirees, who are effectively being penalized by the Internal Revenue Code for their years of public service.

My legislation, the Public Pension Parity Act of 1995, would amend the Internal Revenue Code so that a public retiree could deduct that portion of his or her governmental pension equivalent to the maximum level for Social Security retirement benefits so long as the individual or couple stays under the same gross income limitations I stated earlier. The bill also includes an offsetting provision to prevent overly generous tax exemptions for those with incomes above these thresholds or who collect both public and private annuities.

The principle of fairness underlies this bill; public-sector retirees should be treated in the same manner as private-sector retirees for purposes of taxation. It is fundamentally unfair to continue to tax the retirement benefits of public employees differently than the Social Security retirement benefits of private-sector employees. For this reason, I urge my colleagues to join me this year in supporting the Public Pension Parity Act to correct the significant inequity in the tax treatment of public-retiree benefits. It is time to reaffirm our support for those who dedicate their careers to public service.

Mr. Speaker, I would also submit a copy of the Public Pension Parity Act for the RECORD.

GREG WYATT—BILL OF RIGHTS EAGLE SCULPTURE

HON. BENJAMIN A. GILMAN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 6, 1995

Mr. GILMAN. Mr. Speaker, I rise today to recognize Greg Wyatt, the sculptor in residence at the Cathedral Church of St. John the Divine and director of the art academy at the Newington Cropsey Foundation. I urge my fellow colleagues to attend an exhibition of Mr. Wyatt's Bill of Rights Eagle in the Russell Senate Office Building rotunda from today until Saturday, September 9, 1995.

Mr. Wyatt's early training in the arts came from instruction with his father, a painting professor at the City College of New York. At an early age Mr. Wyatt's father instilled in him an appreciation for the cultural and artistic traditions of the Hudson River Valley of New York. Greg followed this tradition, earning a bachelor of arts degree in art history from Columbia College and a master of arts degree in ceramic arts from Columbia University. He continued his studies at the National Academy of Design focusing on classical sculpture, and later traveled to Italy as an instructor in Renaissance figurative sculpture.

In addition, I am honored to represent the district that is home to the Newington Cropsey Foundation located in Hastings-on-Hudson, NY, an organization dedicated to preserving the work of the 19th century Hudson Valley artist Jasper Francis Cropsey and the culture of the Hudson River Valley. The exhibit of Mr. Wyatt's Bill of Rights Eagle was made possible by funding from the Newington Cropsey Foundation. The foundation has previously donated important Cropsey works to significant collections including the White House, the Metropolitan Museum of Art, the U.S. Department of State and Princeton University.

Mr. Speaker, this week I will introduce a House resolution to accept on behalf of the American people the Bill of Rights Eagle for display on the grounds of Congress. The distinguished Senate majority leader, TRENT LOTT, will introduce companion legislation in the Senate. This gift by Mr. Wyatt and the Newington Cropsey Foundation, at no cost to the United States, is an appropriate tribute to a document that insures the core of our democracy. Accordingly, Mr. Speaker, I urge our colleagues to support this measure to place this beautiful sculpture on permanent display in the U.S. Capitol.

HUMAN RIGHTS ABUSE AND UNITED STATES-ORIGIN MILITARY EQUIPMENT IN TURKEY

HON. LEE H. HAMILTON

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 6, 1995

Mr. HAMILTON. Mr. Speaker, on June 1, 1995, the State Department released a report on allegations of human rights abuses by the Turkish military. This report stated that United States-origin military equipment has been used in operations in Turkey during which human rights abuses have occurred. This report is the most definitive administration statement linking United States military assistance to human rights violations in Turkey.

I wrote a letter to Secretary Christopher on June 29 asking several questions about that report, and on August 15 I received a reply. I ask that my letter, and the Department's response, be printed in the CONGRESSIONAL RECORD.

HOUSE OF REPRESENTATIVES, COMMITTEE ON INTERNATIONAL RELATIONS,
Washington, DC, June 29, 1995.

Hon. WARREN CHRISTOPHER,
Secretary of State, Department of State, Washington, DC.

DEAR MR. SECRETARY: I write regarding the State Department's Report on Allegations of Human Rights Abuses by the Turkish Military, released on June 1, 1995. I commend you for the precision and detail of that report, which provides important information to the Congress.

What impresses me about that report is your open acknowledgment of the role of U.S.-origin military equipment in human rights abuse in southeastern Turkey. As your report states: "U.S.-origin equipment, which accounts for most major items of the Turkish military inventory, has been used in operations against the PKK during which human rights abuses have occurred."

I would like to ask you several questions about the June 1 report.

1. I do not recall prior Administration statements or testimony coming to the conclusion that U.S. military equipment provided to Turkey was used in operations during which human rights abuses occurred.

Can you point me to prior statements by this Administration, or previous Administrations, that make a link between U.S.-origin equipment provided to the Turkish military and human rights abuses?

2. For how long has the Turkish military used U.S.-supplied equipment in operations against the PKK?

For how long do you believe human rights abuses in connection with Turkish military operations against the PKK have been occurring?

3. Are Turkey's human rights abuses with U.S.-origin military equipment, as detailed in your June 1 report, consistent with Section 4 of the "Purposes for Which Military Sales by the United States Are Authorized," under Section 4 of the Arms Export Control Act (AECA)?

Do you intend to report under Section 3(c)(2) of the AECA concerning a violation of that Act, through the use of U.S.-origin defense equipment for a purpose not authorized under Section 4 of the AECA?

At what point do human rights abuses with U.S.-origin defense equipment constitute a "consistent pattern of gross violations" and thus, under Section 502B of the Foreign Assistance Act, prohibit AECA sales of defense articles or services?

4. What are the implications for U.S. policy of your determination that Turkey has used U.S.-origin military equipment in operations in which human rights abuses have occurred?

What steps are you taking to address human rights abuses mentioned in your June 1 report?

5. Is it U.S. policy to promote a political solution in southeastern Turkey?

Does Turkey support a political solution?

What is the next step in trying to promote a political solution?

I appreciate the strategic importance of Turkey, and I agree with you that Turkey is a long-standing and valuable U.S. ally. I also appreciate the serious security dilemmas facing that country. Yet I believe that your June 1 report compels the United States to revisit relations with Turkey, to insure that U.S.-origin weapons are not used to commit future human rights abuses, and to insure that every effort is made to work for a political solution in southeastern Turkey.

I look forward to your answers to the questions above.

With best regards,

Sincerely,

LEE H. HAMILTON,
Ranking Democratic Member.

U.S. DEPARTMENT OF STATE,
Washington, DC, August 15, 1995.

Hon. LEE HAMILTON,
House of Representatives.

DEAR MR. HAMILTON: On behalf of Secretary Christopher, I am responding to your June 29 letter, which raised a number of questions regarding human rights abuses and the Turkish military's use of U.S.-supplied equipment.

I want to thank you for your comments regarding the State Department's Report on Allegations of Human Rights Abuses by the Turkish Military. The Embassy in Ankara and concerned offices at the Departments of State and Defense made every effort to convey the situation as accurately as possible.

Turning to your questions, we are not aware of statements by this or previous administrations which specifically linked U.S.-origin equipment provided to the Turkish military and human rights abuses. That said, the Administration has frequently expressed concern about human rights abuses in Turkey's conflict with the PKK. We have also noted, in response to Congressional inquiries, the high probability that the GOT has used U.S.-supplied equipment in the southeast. Ambassador Grossman addressed this issue during his confirmation hearings in response to a question from Senator Pell. I have enclosed Ambassador Grossman's response.

The United States has had a military supply relationship with Turkey for over 40 years. It is reasonable to assume, therefore, that Ankara has used U.S.-origin equipment against the PKK since the conflict started nearly 11 years ago. The Turkish military became extensively involved in operations against the PKK in 1992, when the conflict worsened dramatically. Until that time, the military's involvement, as opposed to that of the Jandarma (national guard), was minimal.

With respect to your questions regarding the Arms Export Control Act ("AECA"), section 4 of that Act provides in relevant part that the U.S. Government may provide U.S.-origin defense articles to friendly countries for a number of purposes, including for internal security. Although human rights violations have occurred in the course of operations, those operations appear in fact to have been undertaken for a purpose authorized under the AECA and therefore a report is not required under section 3(c)(2). In any case, the information in our report on alleged human rights abuses is more extensive than what would be provided in a report under section 3(c)(2) of the AECA.

Turkey's human rights record raises serious concerns, but we do not believe that it has engaged in a consistent pattern of gross violations of internationally recognized human rights within the meaning of Section 502B of the Foreign Assistance Act. We must not forget that Turkey is a functioning, albeit troubled, democracy. Although freedom of expression is restricted, Turkey's press is able to criticize the government, and frequently does so.

On July 23, Turkey's Grand National Assembly approved, by the overwhelming majority of 360 to 32, 16 constitutional amendments which will enhance Turkish democracy and broaden political participation. These amendments, among other things, eliminate restrictions on participation in politics by associations, unions, groups and cooperatives; grant civil servants the right to form unions and engage in collective talks; lower the voting age from 20 to 18, and increase the number of parliamentarians from 450 to 550. Both Prime Minister Ciller and Deputy Prime Minister Cetin are committed to going beyond this important step to achieve further reforms, such as modification of Article 8 of the Anti-Terror Law, which has constrained freedom of expression. Additionally, as noted in our report, the Turkish General Staff (TGS) has instituted a program to train soldiers in human rights requirements.

For the past three years, human rights has been a major part of our dialogue with the Turkish government. Every high-level official, both from the State Department and DoD, who has visited Ankara has raised the issue of human rights and its importance to U.S.-Turkish relations. We have started to engage the TGS on this subject as well, and have encouraged visitors from other western countries to support these efforts.

The Turkish government interprets references to the need for a "political solution" in the southeast as encouragement to negotiate with the PKK, which we have not asked Ankara to do. We support Turkey's territorial integrity and legitimate right to fight terrorism. We have emphasized repeatedly that there is no solely military solution to this conflict. We have argued that, in addition to carefully calibrated military operations, resolution will require the expansion of democracy and human rights, including increased civil and cultural rights for Turkey's Kurdish citizens.

While engaged in a difficult struggle with a brutal terrorist organization, the Government of Turkey is making a determined effort to improve its human rights performance. We believe that to promote a settlement in the southeast, our best course is to continue energetically to promote democratization, while supporting Turkey's legitimate struggle against terrorism. In both of these efforts, Turkey needs, and continues to deserve, our help and support.

Please do not hesitate to contact us if we may be of further assistance.

Sincerely,

WENDY R. SHERMAN,
Assistant Secretary, Legislative Affairs.

Enclosure: As stated.

QUESTION FOR THE RECORD SUBMITTED TO MARC GROSSMAN BY SENATOR CLAIBORNE PELL

Question. 2. Is U.S.-origin equipment being used in the Turkish military campaign against Kurdish civilians?

Answer. A large portion of Turkey's inventory of defense items is U.S.-supplied or produced under co-production arrangements. I therefore assume that U.S.-origin equipment is being used in the Turkish military's campaign against the PKK.

I understand that internal security, along with self-defense, is recognized as an acceptable use of U.S.-supplied defense articles. The agreements under which we provide Turkey and other foreign countries with defense articles permit such uses.

There are reports that in the counter-insurgency a large number of civilians have been killed. These reports are troubling, and the Administration has brought them to the attention of the Turkish authorities, and will be looking into them further. Assistant Secretary Shattuck visited Turkey in July and will be going again in October, partly for this purpose.

TRIBUTE TO PAGE AND ELOISE SMITH

HON. NORMAN Y. MINETA

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 6, 1995

Mr. MINETA. Mr. Speaker, 1½ weeks ago, Page Smith, noted historian and educator, and his wife Eloise, noted artist and educator, passed away in Santa Cruz, CA. They leave behind monuments few will ever equal—monuments in their creative works, in generations of students they inspired, institutions they shaped and reformed, and in the lives they touched and the affections with which they are remembered.

Page as a young man was tempted by various professions: novelist, actor, miner, journalist, and historian among them. He graduated from Darmouth College—selected for its proximity to good trout fishing—in history in 1940. Like many men of his generation, his choice of career was interrupted by military service. He served for 5 years in the Army, including ski combat duty, following graduation from Darmouth. In 1945, as commander of a rifle company of the Tenth Mountain Division on Mt. Belvedere in northern Italy, he was severely wounded in both legs, wounds which he felt the effects of for the rest of his life.

Following the war he entered Harvard under the GI bill and received his doctorate in American history in 1951. From 1953 to 1964, he served on the faculty of the University of California at Los Angeles. Of his move to Los Angeles he later observed that, "I was an extremely provincial Easterner who had never been west of western Maryland and the notion of going to a place as remote and bizarre rather alarmed me * * * and dismayed my mother." Once at UCLA Page both practiced and critized his chosen profession of historian.

His two volume biography of John Adams, published in 1962, played to both scholarly and popular acclaim, winning Columbia University's Bancroft Award and becoming a popular Book-of-the-Month Club selection.

In his subsequent book, "History and the Historian"—1964, Page both stated his philosophy of history and earned the iconoclast label so often attached to him that it might be thought by some to be one of his middle names. He declared that "great history * * * has always been narrative history, history with a story to tell that illuminates the truth of the human situation, that lifts spirits and projects new potentialities." He chided his colleagues for being too wed to narrow subjects, to various forms of determinism, to the primacy of impersonal forces, to the pretense of pseudoscientific objectivity, to the actions and beliefs of the few leaders rather than the people who make up the whole of society.

He later said that the American Revolution took place first and foremost "in the hearts and minds of the American people," and that "the best history of the American Revolution was written by the people who were in it." His work was always a magical weaving of firsthand accounts of those who participated in the events, and his histories were always first and foremost captivating stories about real people.

And that was the narrative history that Page both practiced and preached. When Page published in 1976 "A New Age Now Begins"—which was the beginning of his eight volume work, "A People's History of the United States", the great American historian Samuel Eliot Morrison not only called it "a great, magnificent work," but also spoke of it in terms we might more commonly reserve for a captivating novel or movie: "His story of Bunker Hill is a real thriller. * * * His chapter on Washington resigning his commission, and the disbanding of the army, is a masterpiece."

Page always believed that good history is a good story, that it is about people, and that it must be made from their thoughts and observations, which he found in bits of letters, diaries, and the like. He argued that historians should not look down on the past from their lofty perch of historical distance. "I say the situation is more like an archaeological dig * * * (you) reconstruct what happened out of the remnants and shards."

The Adams biography was the first of his works to take up the curious story, which he revisited in both his "People's History" and in his biography of Thomas Jefferson (1976), of Adams and Jefferson. These two men were in many ways the polar opposites of their era, political adversaries, and symbols of opposite tendencies in American life. Jefferson embodied much of the radical idealism of the Declaration of Independence, Adams the carefully structured, balanced and controlled pragmatism of the Constitution. Each was a leader of powerful and opposing factions in early American political life. Yet these two ex-Presidents, late in their years, became regular correspondents, each coming to appreciate and admire the other despite their differences, each becoming in many ways the most respected of Americans in the eyes of each other. Early in their correspondence, Adams wrote to Jefferson, "You and I ought not to die before we have explained ourselves to each other." Many years and a great many letters later, they died within a few hours of each other on July 4, 1826, the 50th anniversary of the Declaration of Independence. Adams' last words were about Jefferson.

In the early 1960's, two of California's leading educators, Clark Kerr and Dean McHenry, launched a great experiment in higher education. They wanted to see if a university with the size and prestige of the University of California could change its stripes and could create a new campus built around small and intimate colleges along the lines of Swarthmore or Oxford. They needed a first leader of the first college to bring that vision to life. Thus in 1964 page became the first provost of Cowell College at the University of California.

It is now 30 years after the campus welcomed its first few students in 1965, and the place has grown to a major university with many colleges. Yet much of the tone of the campus, its intellectual life, its style, was the inspiration of Page and Eloise. They probably had more influence in the shaping of that great institution than anyone else. In the emphasis on classroom teaching, on shared intellectual pursuits within the college, on the college as a social framework in an otherwise impersonal institutional setting, on personalized education and evaluation, Cowell College and ultimately UCSC were in many ways the offspring of Page and Eloise.

He summed up what a university might be, and in particular what his university should be, as "the pursuit of truth in the company of friends." What is so remarkable that it is so often forgotten is that Page was only provost of Cowell for half a dozen years, and left the university entirely in 1973. His enduring effect on the institution would have been astounding if he had worked there for a lifetime.

Characteristically, he left over one of the principles which had brought him to Santa Cruz: that the primary purpose of the university should be to teach students. He left in protest over the publish-or-perish requirements the university imposed on his younger colleagues to the detriment of their teaching responsibilities. Having so changed the nature of the university, he was still dissatisfied that it had not changed more.

Page was 56 years old when he left the university. He was the award-winning author of five major works in American history, and he had been instrumental in the founding of a major new institution of higher learning. Some would have rested on those considerable laurels, but Page had an irrepressible curiosity and a relentless work ethic. What some thought of as his retirement instead blossomed into his most productive years, years in which he would author and publish another 14 major volumes, including his 8 volume "A People's History of the United States".

The "People's History" alone took a decade to write, but it was Page putting into practice what he had admonished others to do in their histories. It was what he called old-fashioned narrative history, with the spiritual and moral dimension included, and without claims of distant objectivity or easy explanations. One reviewer concluded, "No American since Charles Beard has produced anything comparable in length, scope, or readability."

In his 1990 book, "Killing the Spirit," Page the iconoclast took on higher education even more forcefully than he had taken on historians a quarter of a century earlier. He criticized universities for their obsession with size, for failing to put teaching first, for excessively narrow specialization "at the cost of * * * any awareness of the unity of life," for failure to build a sense of community, for elevating "knowledge for its own sake, rather than knowledge that ripens into wisdom or that serves larger ends," and for promoting "relativism, which denies any moral structure in the world."

Those strong views excepted, Page was in many ways hard to categorize and hard to predict. He was an accomplished scholar and historian who rejected many of the ways of scholars and historians around him. He built up a major university, yet criticized the structure of universities and organized a "Penny University" in Santa Cruz to show that friends could pursue the truth without faculty, without tuition, without books, without grades, without special buildings—they met for years in a cafe, more recently in a church, and, perhaps most importantly, without faculty meetings and administrators. He was to many the founder of Santa Cruz's casual and irreverent style, but he also stood for structure, reverence, and students wearing ties to dinner once a week, and once raised a flap when he complained that students had become too unbuttoned. He was a leading advocate of women's rights and women's role in the university and in the Nation—as in his 1970 book, "Daughters in the Promised Land", but raised another flap by criticizing the proliferation of women's studies classes at UCSC as too often sexual politics rather than serious academic courses. He was an Eastern traditionalist who also became a Western innovator.

He was an author of prodigious output, who nevertheless opposed the premium universities put on publishing at the expense of teaching. His critics sometimes took him to be at the forefront of the counterculture of the 1960's, but in fact he had a traditionalist's work ethic sufficient to stagger most men. Even in his pseudoretirement, he strictly set aside a good part of nearly every day for research and writing, which he did with great discipline. From age 59 to 69, he wrote his eight-volume, 6,000-page "People's History." The month he died at age 77, he published two new works: "Democracy in Trial: The Japanese American Evacuation and Relocation in World War II," and "Old Age is Another Country—A Traveller's Guide."

He was both of the establishment and quick to challenge it. He was above all else a probing mind, always subjecting ideas and beliefs, including his own, to re-evaluation and scrutiny. Nothing was safe from reappraisal and fresh judgment, and there was nothing he loved to challenge anew so much as his own views. He was always looking for a new perspective on any issue, a new piece that would reveal something about the puzzle, a new clue to the mystery.

Eloise grew up in North Carolina. There was nothing about her background which would have suggested a great artist was in the making. Yet beginning with the inspiration of a high school arts teacher, she took to the arts with a vigor that characterized her throughout her life. Her talent was enormous. By the time she was 21, she had won five national scholarships to the Art Students League in New York City.

Once married, her career as an artist was often interrupted, and she clearly determined to make her artistic career secondary. Nevertheless, she continued her work as best she could. She once recalled in a Santa Cruz Sentinel interview that on the rare occasions when she got away to paint, she would think of her children and worry that "they're all out running around in the middle of the street and Page is typing."

Eloise was always a force; a force at home, a force in the community, a force at Cowell College, a force in the world of art, and a force in the life of her husband. But she was always a force with grace and charm. She was coauthor with Page of the style of Cowell College in particular and UCSC in general. On campus, she promoted both greater participation in and understanding of art.

She not only did art, she advocated art and its role in the community. Most notably, she was named by the Governor of California in 1975 to head the California Arts Council, and rather than use that position for more traditional purposes, she determined to start an arts program in the California State prison system as a way to help inmates break patterns that would otherwise bring them back to prison. Despite its modest size and resources, the program enjoyed notable success.

Though she never promoted her own art the way she promoted the role of art in the community, she was widely recognized as an award-winning artist, and particularly in recent years, her art and her reputation as an artist blossomed.

The story of Page and Eloise is not ultimately the story of a historian, an artist, and two educators. The story of Page and Eloise is above all else a love story, and one of the most profound love stories ever lived.

Page as a young soldier in training in North Carolina was walking down the street in town and saw a painting on display in a shop window. He was so taken with it he bought it on the spot and asked to meet the artist. On meeting Eloise, he fell in love at first sight and determined to marry her. They were man and wife for 54 years, had four children, seven grandchildren, and one great-grandchild.

Of their marriage their daughter, Ann Easeley, recently said, "She allowed him to be the kind of person he was. She made a life and an environment and world for him that enabled him to do the amazing things he did. She was devoted to him and he was dependent on her."

Eloise was in many ways Page Smith's Page Smith, the iconoclast's iconoclast. He would hold forth at a dinner gathering in full professorial bloom, and she would manage to deflate his balloon with an affectionate but effective pin prick. He would rush to his own defense and enjoy the opportunity for intellectual thrust and parry, but take great delight at the same time in this university big name getting his comeuppance. He loved her wit, her challenge, as well as her charm.

Page in his later years wrote a very popular newspaper column on old age, entitled "Coming of Age." Eloise was often the foil for his good-natured satires and complaints about old age. Finally she took over one installment of the column to give her rebuttal, entitled, "Page Smith's Wife Tells All." She noted that she had once, "in a thoughtless moment," said that Page was "almost perfect to live with," and that Page had promptly written it down and had it signed by witnesses and notarized.

She then proceeded to set out her reasons for emphasizing that he was less than perfect. A brief sample: "It pains me to have to say that Page is inherently lazy. For years he has done his best to persuade me that, as 'writer' and 'thinker', he is hard at work as soon as his eyes are open in the morning. Although he has written on the importance of a husband's participating in housework, and prides himself on having been a forerunner of the emancipated modern male, here again he is longer on theory than practice. As he gazes distractedly around our rural abode, he manages to screen out dirt on the floor, crumbs (his) on the rug, spiderwebs trailing from the ceiling, windows crusted with dust stirred up by his barnyard fowls whose droppings are everywhere and who rouse me from my sleep with their crowing and honking. He performs the most modest domestic chores as though they were the labors of Hercules. His so-called study would make a pig blush."

She concluded the article however, by saying simply, "I did say 'almost' perfect. But I still adore him."

Page loved the article, just as he loved its author.

This past May Eloise was diagnosed as having kidney cancer, and her health declined rapidly. Soon after, Page was diagnosed as having leukemia. He determined to live as long as she did.

"As mother failed, he failed," said their daughter. "Four days ago they told him they could keep him alive until she died. It's exactly what Daddy wanted. He said he didn't want to live without her and that he considered it a blessing."

When Eloise died Saturday morning, August 26, Page refused further medication. In a few hours, he slipped into a coma. He died a day and a half after she did.

The Smith's longtime friend, Mary Holmes, a professor of art history who came with them from UCLA to launch UCSC, said, "We couldn't even imagine the shape of a life he would have without her. Apparently, he couldn't either."

She added, "Their relationship was such a rarity and an extraordinary thing. It was a gift, and they became a gift for everyone that knew them. It was a love story; what a love story."

By their own wish, they were cremated and their ashes mixed together.

Death is not newsworthy; it is too common. What is rare is to have truly lived to the fullest, to have left a legacy of creative works, of many lives touched, of community improved, of understanding increased, of fond remembrance. There are no two people who have had more of all that than Page and Eloise Smith. Their lives stand as a celebration of what human lives can be.

TRIBUTE TO COL. LEWIS VINCENT EVANS, IV

HON. FLOYD SPENCE

OF SOUTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 6, 1995

Mr. SPENCE. Mr. Speaker, I rise today to recognize Col. Vince Evans upon his retirement from the U.S. Air Force, after serving our great Nation for 24 years. For the past 3 years, Colonel Evans has held the distinguished positions of Chief of the House Air Force Legislative Liaison Office and Chief of the Air Force Weapons Division. Soon after assuming his most recent positions, Colonel Evans quickly established a solid reputation with Members and their staffs as an authority on a diverse array of Air Force programs and issues. His strong operational fighter background quickly established his credibility as he was routinely sought by members of the National Security Committee to provide briefings regarding national security issues.

Colonel Evans' understanding of congressional operations, coupled with his sound judgment and a keen sense of priority, have been of great benefit to both Members of Congress and the U.S. Air Force. Colonel Evans' openness and unquestionable integrity have provided support to Members of the House of Representatives in many difficult situations, ranging from constituent matters to far reaching national defense weapons systems issues. He has demonstrated invaluable support during the historic changes in the House leadership, as well as in meeting the difficult challenges of protecting our Country's military capabilities, while working to balance the Federal budget.

Mr. Speaker, it has been my distinct pleasure to have worked and traveled with Colonel Evans. He has served with great distinction and he has earned our respect and gratitude for his many contributions to our Nation's defense. My colleagues and I bid Col. Lewis Vincent Evans a fond farewell and wish he and his family the very best as they move on to face new challenges and rewards.

TRIBUTE TO SAM MUCHNICK

HON. JERRY F. COSTELLO

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 6, 1995

Mr. COSTELLO. Mr. Speaker, I rise today to pay tribute to Sam Muchnick, a name familiar to many of my colleagues who represent constituents near the St. Louis metropolitan area. Thousands of the people I represent have loved Sam Muchnick for many years as a neighbor, friend and community spirit whose roots in the Metro East are strong.

Sam Muchnick has been one of the greatest sports promoters in all America. For over 50 years, he served as the Nation's premier wrestling promoter until his retirement from the sport in 1982. Known as Mr. Wrestling, Sam has been a good friend to me and was a very close friend to my predecessor, Congressman Melvin Price.

Sam got his start in the sports business as a writer following Cardinals baseball for the St.Louis Times. He got into the wrestling business as an assistant to promoter Tom Packs and found his niche.

He served for more than 25 years as president of the National Wrestling Alliance, which consisted of promoters from coast to coast. During his career as Mr. Wrestling, Sam Muchnick spent many days relating his sporting stories to me and other young people growing up in the Metro East. He still stops by and talks to Jack English, George Silvey, Bob Burns, Eddie Moran, Bob Bregg and other friends in the sports business during a visit to English's Tavern in Belleville.

Today, I bring to the attention of my colleagues the long and popular career of "Mr. Wrestling." I know they join me in congratulating Sam Muchnick for the years of enjoyment he has provided to wrestling and entertainment fans in the United States.

IN HONOR OF THE 1995 CARNAVAL ELIZABETH

HON. ROBERT MENENDEZ

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 6, 1995

Mr. MENENDEZ. Mr. Speaker, I would like to take this opportunity to pay tribute to the participants of the Carnaval Elizabeth. This 3-day event celebrates Hispanic achievement in America and the diversity of the Hispanic culture. The Carnaval will be held from September 2d to the 4th, 1995, in the city of Elizabeth in New Jersey.

The Carnaval is sponsored by the Elizabeth Latin Chamber of Commerce and Melly Mell Productions. The Elizabeth Latin Chamber of Commerce prides itself on assisting and defending Hispanic businesses. It is an organization that engenders friendship and fraternity among city and State organizations. Both organizations are dedicated to helping the Hispanic community. Together they are producing a Carnaval that will celebrate the hard work and traditions of the Hispanic people.

The Carnaval Elizabeth will be celebrated for 3 days over a quarter of a mile stretch in the heart of Elizabeth's Hispanic business district. There will be live entertainment, dancing, folklore and amusement rides for the children. Many Hispanic entertainers such as Ramon Ortiz, Frankie Ruiz, Jose Alberto and many others will share their musical talents. The Carnaval will have booths featuring traditional foods, products, arts and crafts.

The Hispanic culture is rich and diverse. The Carnaval is an opportunity for people from different Hispanic countries to gather together and celebrate their culture. Awareness is very important in the Hispanic community—the Carnaval introduces people to many new customs and traditions. The Carnaval also celebrates the many vital contributions that the Hispanic Community has given to the city of Elizabeth.

I am confident my colleagues will join me in honoring and celebrating the Carnaval Elizabeth. In its 14th year, the Carnaval Elizabeth will celebrate the uniqueness of the Hispanic culture. The gathering will integrate the many Hispanic traditions and create an atmosphere of festivity and cultural recognition.

TRIBUTE TO WALTER REUTHER

HON. SANDER M. LEVIN

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 6, 1995

Mr. LEVIN. Mr. Speaker, on Friday, September 8 a 25th Commemorative Tribute will be held in honor of Walter Reuther. Marking the tragic death of Walter and Mae Reuther in 1970, it will honor their lives and their service to others.

In life, Walter Reuther was larger than life, a giant of a figure.

In death, he left a legacy that has outlived him, and a strong group of legatees to carry on his work.

His legacy includes a number of seeming ironies: Considered by some in the business world to be an enemy, time more and more revealed him as a key figure in helping to preserve, indeed strengthen American capitalism; often in the middle of a number of historic adversarial clashes with management, his Union has led the way toward a more collaborative relationship between management and labor, and sometimes accused of class warfare, Walter Reuther, his brothers Roy and Vic and their colleagues helped create in America the largest middle class in the world.

These contrasts were actually a reflection of consistent threads running throughout the life of Walter Reuther: a strong dedication to democracy and a deep distaste for intolerance; a belief in the dignity of work and of the individual who labored. His strength of personality reinforced, rather than undermined, his belief in pluralism.

His love for his Union, the UAW, was so powerful that it only motivated him to address its imperfections.

I saw his influence first-hand initially as a youngster helping to earn some money for college working in a factory one summer. Walter Reuther's spirit of brotherhood and sisterhood helped create among the rank and file in the plant an atmosphere of people working together, instead of against each other. The plant—hot and dirty—was hardly a haven but it provided a welcome respite from the outside atmosphere in a city often torn by social and racial divisions.

Remembering Walter Reuther is important in part in helping us to remember first principles. He was visionary, and that meant that he could see far enough ahead to discern when there was a need for change in order to be faithful to basic principles, and in order to be effective in carrying them out.

When history has a truly ample period of time to look back fully to discern the evolution of democracy in America in the 20th century, I have no doubt that Walter Reuther will loom very large. It is only true to ourselves, as people who share his faith in democracy, that we take some time in 1995 to remember him, whom we grievously lost 25 years ago in 1970.

RECOGNITION OF THE FIRST LADY HILLARY CLINTON

HON. PATRICIA SCHROEDER

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 6, 1995

Mrs. SCHROEDER. Mr. Speaker, hats off to First Lady Hillary Rodham Clinton for her powerful statement at the U.N. Conference on Women in Beijing. Over the past 3 years, the First Lady has been a strong voice for children, families, and women. She has never shied away from speaking out on issues she cared about—be it childcare or women's health. Over the next week, I would like to highlight excerpts from Mrs. Clinton's statements on women, children, and families so that Members in the House as well as their constituents at their own public libraries can read them.

The first excerpt is from her commencement speech at the University of Minnesota given this past year and focuses on education:

But instead of support and appreciation for education today, we see a movement among us to undermine education. We see some among us who would knock down the ladders of opportunity after they themselves have already reached the top rung. For generations, education has been the gateway to opportunity and, when married with responsibility, has been the recipe for the American Dream. Education is not just about acquiring facts, or even about acquiring skills to prepare oneself for a career. It is also about learning how to meet the challenges of one's time. How to solve problems and adapt to new circumstances. How to go forward into the world with the spirit and optimism that Eric talked about. It is about building a deeper understanding of the complexity of human civilization. Understanding our history, knowing that there is much we can learn from those who came before. Defining one's place in the world, and figuring out how to live in a way that does honor to those who have believed in us.

Education is also not, if it ever were, a one-shot deal. There are all kinds of people in our society today who need to learn and want to learn. They range from the very young to the very old. They are all kinds of people who recognize that the challenges of the global economy are such that they canonly be met by a spirit of learning. But tragically as we all know today, there is a movement afoot in state capitals, and the nation's capital, to retreat on America's historic commitment to education funding. It is a retreat marked by a rather unusual argument. One that says, slashing education funding is for the good of our children. Under this skewed logic, cutting back on education will enable us, in some miraculous way, to provide more and better opportunities than we now enjoy. Nothing could be further from the truth. If we sound the retreat on education in America, we deny the opportunity of preschool and Head Start to thousands of children. We deny tens of thousands of elementary school students the resources they need to improve their reading and math schools. We deny summer jobs and learning opportunities to young people. And most cruelly of all, we deny the opportunity for college to millions of Americans by decreasing the availability of loans, making them less flexible, and raising interest payments and tuition beyond the reach of many working families.

It is particularly ironic that those who profess to worry most about values in America are on a crusade to diminish federal support for education and obliterate the National Service program known as Americorps, that the President launched last year. It is a false debate to pit a discussion about values against the real economic concerns of the American people. It is not either/or. It is both/and. We need both a strong economy that protects jobs and values that we want our children to be raised by. And what better example than National Service of what we mean by taking economic and educational opportunity and marrying it with values. The values you get from tutoring children, building homes for the elderly, working with police officers, cleaning up the environment, immunizing children. National Service is built on very old-fashioned values of hard work, discipline, and community service. The men and women who serve do so because they want to help people. And in return they get some small assistance with their education that not only helps them, but helps us as a country.

So whether we belong to Generation X, Y, or Z, each of us has the opportunity in our own way to make clear what values really matter. And we also can make a difference with those values in the lives of people we love and care about. Education matters. Kindness matters. Truth matters. Patience, hard work, tolerance, empathy, discipline—all of these matter. Forgiveness matters, and gratitude matters, especially on a day like today.

TRIBUTE TO GEORGE WEBSTER

HON. JAMES H. (JIMMY) QUILLEN

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 6, 1995

Mr. QUILLEN. Mr. Speaker, I am honored to take this opportunity to pay tribute to a legend of the Washington, DC, legal community, as well as a very dear friend of mine, George Webster, who is stepping down as general counsel for the American Society of Association Executives after 30 years of exemplary service to that body.

Although he has made his living in the District of Columbia for 45 years, he remains a constituent of mine by maintaining his beautiful farm in Hawkins County, TN, the region where his family originated and where he was born 74 years ago. He served in the U.S. Navy during World War II and attended Harvard Law School on the GI bill.

Upon his arrival in Washington, Mr. Webster established himself at a respected DC law firm where he developed his interest in the laws governing associations. This interest led to his being named general counsel of the American Society of Association Executives in 1965. In turn, his work with ASAE led to his writing the definitive book on association law, "The Law of Associations," in 1971. This book has been in print ever since and has provided crucial guidance for legions of associations as they sought to work toward their members' best interest. It has also proven invaluable to all association leaders.

Mr. Webster founded his own Washington, law firm in 1968, currently known as Webster, Chamberlain, and Bean, of which his son Hugh is a partner. As one might expect, Webster, Chamberlain, and Bean does an excellent business in representing associations as well as corporate entities, and it remains one of the most respected Washington law.

In addition to knowing George Webster by his professional reputation and as a fellow Tennessean in Washington, he also has been extremely active in Republican politics at the State and national levels. He was the head of Lawyers for Nixon during President Nixon's reelection campaign, and has been heavily involved in fundraising for several national Republican candidates since then. In east Tennessee, there are few better ways for a Republican to raise money and meet people than to have him entertain at the Webster farm near Rogersville.

Although George feels that 30 years as general counsel to ASAE is enough, he will continue to remain active at Webster, Chamberlain, and Bean, and I know that he will enjoy spending more time with his lovely wife, Tuttie, and his children, Hugh, George, and Aen. I know that while ASAE will surely miss his guidance, he will continue to be available to advise associations, other attorneys, and friends for a long time to come.

It is a great honor to pay tribute to such a valued and longtime friend who richly deserves the highest praise for his contributions, loyalty, and dedication to his profession, to the State of Tennessee and to the Nation over the years. His achievements have done so much for so many during his lifetime.

TRIBUTE TO HARRY AND GERALDINE DUBEL

HON. JACK QUINN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 6, 1995

Mr. QUINN. Mr. Speaker, I rise today to recognize the 65th wedding anniversary of Harry and Geraldine Dubel. Harry and the former Geraldine Solomon, who were both born in 1909, were married on September 10, 1930, at St. Stephen's Roman Catholic Church.

Parents of 3 wonderful children, Rita, Henry Jr., and Robert, their family now proudly includes 13 grandchildren and 21 great grandchildren.

Harry initially worked as a delivery man for the Bond Bread Co. and then worked in the grocery business. After 10 years, during which he studied the business, he and Geraldine opened their own family-owned and operated market. Their small market grew and prospered and became Buffalo's well-known "Dubel's Supermarket."

After 54 years of hard work, Harry went into semiretirement: now he works only 6 days a week at the store with his sons who took over the family business years ago.

Mr. Speaker, today I would like to join with Harry and Geraldine's family, colleagues, and innumerable friends throughout western New York to recognize and celebrate with them their 65-year commitment based on mutual love, faith, and respect. Harry and Geraldine Dubel are in inspiration to us all.

MAKES ME WANNA WHINE

HON. MICHAEL G. OXLEY

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 6, 1995

Mr. OXLEY. Mr. Speaker, I would like to bring a recent column by Paul Taylor of The Washington Post to the attention of my colleagues. As we in Congress continue about our task of reducing the power, reach and expense of the Federal Government, we might do well also to lower some unrealistic expectations.

In a free society, there are limits to what government can do to guarantee financial success for its citizens, prepare for their retirement, or preserve their families. The U.S. Government can not compel people to make intelligent career choices, invest wisely, or take their kids to the ball game. The Government can not make you go to church—it is in the Constitution.

Our first goal should be to see to it that government interference does not restrain citizens from realizing their dreams. Beyond that, we should limit ourselves to those relatively few activities which are performed best by a National Government. To that end, it would be helpful if politicians, pundits and the press would take a break from over-indulging the malcontents (and searching for scapegoats) and instead focus on efficiently executing the basic functions of government.

The at once sad and glorious truth is that much of what ails the people of the United States today is beyond the domain of government. Americanism is about individual initiative personal responsibility, private acts of charity, and above all else, freedom. With the freedom to pursue your ambitions comes the risk of falling short. With that in mind, I commend the following column by Paul Taylor to the attention of all interested parties.

MAKES ME WANNA WHINE

(By Paul Taylor)

"Politics," says Bill Bradley, "is broken." His fix is to quit the Senate and "focus on the lives of the people who are disconnected from the political process." And just maybe run for president.

Three suggestions, senator. Start by telling all those disconnected people to stop whining. Then tell the politicians to stop pandering to the whining. Then tell the media to stop exploiting the whining.

Can anyone really believe the problem with American politics is that the folks who claim to be alienated from it—most inclusively defined, the nearly three-quarters ofAmericans who now routinely tell pollsters they don't trust their government—aren't being heard?

The problem is that they're running the show. They own the radio talk circuit, the catch-a-scoundrel television newsmagazines, the late-night comedy monologues, the prime-time sitcoms and the afternoon Oprah-and-Phil whine-alongs, to say nothing of Madison Avenue and Hollywood.

Their grievances have become our national entertainment—neatly packaged, voraciously consumed. Their everybody's-out-to-screw-me take on life is ground zero of the popular culture.

The political press lavishes attention on their rumblings about the need for a third party or another independent presidential run by the likes of Ross Perot or Colin Powell, and never mind that the central truth about the "radical middle" of our political spectrum is that its members have no common ideology.

Some are liberal, some conservative, some libertarian. What grieves them doesn't start with politics and, in the main, can't be fixed by politics. It is spiritual, social, moral and economic. That's why, at Perot's whinerama in Dallas earlier this month, the best audience responses went to empathetic speakers from distant poles of the ideological map—Jesse Jackson on the left and House Budget Committee Chairman John Kasich on the right.

Here's a radical notion: When the whiners insist the problem is rooted in politics, their delusions become self-fulfilling. Their media-stoked anger creates the dysfunctional foundation upon which the nation's political conversation is held, its candidates elected and its public policy made. They do at least as much damage to politics as politics does to them.

In 1992, the whiners achieved the latest in a string of dubious political victories by electing a president who is forever reassuring them: "I feel your pain." Naturally, this makes then whine even louder.

But their impact on politics didn't begin with President Clinton. For a generation now, the angry middle class has systematically put into office politicians of both parties who over-indugle them, to everyone's eventual grief. What is the hated national debt but the cumulative choice by one cowed Congress and president after another to give the American people all the goodies they demand, then flinch at charging them at 100 cents on the dollar?

When the angry populists get angrier still about the way this shell game has mortgaged their children's future, they scour the landscape for scapegoats. Is it the big money boys, the corporate lobbyists, the PAC men, the NAFTA brigade? Or is it the lily-livered politicians? Welfare cheats? Illegal immigrants? Single mothers? Blacks? Whites? Japanese? Mexicans? Detective Fuhrman? All the usual suspects get trashed, except of course the perps themselves, who just get more angry.

Before I push this curmudgeonly screed any further, let me put my own suspect credentials on the table: I write with some complicity and, at least for another moment or two, some distance.

I'm recently back from a three-year stint as The Post's correspondent in South Africa, where I covered the brave transformation from apartheid to democracy. Before that, I covered American politics for two decades.

During the 1980s, I wrote my share of sympathetic articles about the set-upon, anxiety-prone, economically stagnant middle class. Perhaps I caught the virus. Eventually, like the subjects of these pieces, I grew jaded with American politics. I decided to cast my lot elsewhere.

In South Africa, I had the chance to observe political leadership at its most sublime. Had Nelson Mandela and Frederik W. de Klerk been guided by the angry voices in their respective constituencies, South Africa probably would have been plunged into a race war. Instead, using moral suasion and pragmatic statesmanship, they persuaded nervous supporters to accept a scary racial compromise. Mandela and de Klerk each succeeded precisely to the degree that an element of their message to the people was: Stick you pain where the moon don't shine; one day you'll thank me.

During those three years abroad I also kept half an eye trained homeward. From 8,000 miles away, American society looked impossibly rich, breathtakingly dynamic and pathologically whiny.

Poor, bedraggled Africa probably isn't the clearest vantage point from which to observe anything in the First World. Nonetheless, here's what I saw from there: An America that had colonized the planet with democracy, language, currency, computers, movies, music, bluejeans and fast food. An America whose inflation and unemployment was low, whose stock market was booming. An America at peace. An America that had slain communism in the second half of the century, just as it had slain fascism in the first.

Job well done! Let's party! Yet everyone in America I saw on CNN seemed to want to shoot, shout or sue.

Plainly, some of this dyspepsia is a morning-after phenomenon. After wars, hot or cold, nations lose their sense of mission. And some is the stress on everyday lives caused by a shift in economic epochs, from the Industrial Age to the Information Age. And some is a winner-takes-all dynamic that keeps driving American income distribution toward more distant poles of inequality. And some is the frustrating wage stagnation of the middle class. And some is the confusing change in gender roles and relationships. Together, all of these forces have undermined the nuclear family, society's most reliable incubator of values and morals.

Let's stipulate that life is tough. It's tough to live in the inner city; to lose a job to corporate "downsizing"; to graduate from college suspecting you'll never live as well as your parents.

But really! Can it be tougher to be a single mother working at McDonald's in 1995 than it was to be a immigrant wife working in a Chicago slaughterhouse in 1915? Tougher to be an insecure factory worker now than an Oklahoma farmer during the Dust Bowl years? A 22-year-old cab driver now than a 22-year old GI in 1917? Or 1943? Or 1952? Or 1969?

Hey, we've got air conditioning, ESPN, Dove Bars and lots of other good stuff. But Americans still seem to have convinced themselves that life in the past few decades keeps getting worse.

Part of the delusion is sustained by my craft. In a complex world, the culture of complaint makes journalism less difficult. There's a grievance, there's a victim, there's a bad guy. Whining (and O.J.) has become the touchstone that connects us all. It bridges our diversity. It moves product.

Sometimes journalism can take all this to silly extremes. Last week's Time magazine cover story, "20th Century Blues," turns to psychobabble in seeking to establish a "mismatch between our genetic makeup and the modern world." The piece begins: "There's a little bit of the Unabomber in most of us." Two weeks ago, a New Yorker essay started the same way. Memo to colleagues: That guy's a crackpot. Most Americans aren't.

In fact, I've made an important discovery after returning from three years of worrying from afar about America's angst. I'm amazed by . . . how normal everybody is! In office elevators, at fast-food joints, in airport lobbies, the folks I encounter are the same busy, sensible, good-humored, can-do Americans I've always known. They don't look crazed; they don't even look stressed.

At the hollow core of this culture of complaint, there's an element of hype—a kind of tacit conspiracy between the media and the whiners. The latter have grown savvy about which sound-bites will get them into the national conversation. The former, if they're so inclined, can extract a fuming quote from just about anyone. I've found that if you talk to most Americans long enough, they turn out to have nuanced, common-sense views (if not always quotable quotes) about almost everything, including their government. They may not be especially well-informed, but they're smart.

They're certainly right that the political system isn't responsive to their anxieties. But they're wrong that their anxieties can be reduced to neat public policy solutions. Or that the sky is somehow falling.

When all these people loudly proclaim that politics is broken, it reminds me of an observation sometimes made about academic politics: the smaller the stakes, the nastier the fights.

Freed from cosmic worries, spared of wars or depressions, bereaved of global enemies, Americans in the 1990s are gazing at their navels and grousing about the lint. It's human nature.

Both the politicians and the media have a professional interest in pretending the stakes are huge. So the 1994 Republican takeover of Congress gets blown up as a "historic" realignment, and already the '96 presidential contenders are talking about a "once-in-a-lifetime" chance to reconfigure the size and scope of government.

The voters are pretty wise to this poppycock, but it feeds their frustration with politics. They keep hearing about all the upheavals that are supposed to be coming out of Washington; then they check their own lives and discover nothing's changed. They feel jerked around. They switch channels, or turn off the set altogether.

The absence of big change from Washington can be seen another way: as a testament to a stable, non-ideological, centrist political system, where public policy is fought out between the 45-yard lines. That's not a bad thing.

The problem is that the real source of what ails America lies beyond the reach of government. Nobody, for example, wants to live in a society where a third of all children are born out of wedlock and half grow up in homes without their biological father. Everyone understands how that tears apart the social fabric.

Yet politicians indulge the conceit that they can change these behaviors. Right now they're debating welfare policy, a useful debate to have. But the personal behavior of the poor (or anyone else) is substantially beyond the reach of policy; always has been.

New Jersey recently adopted a new welfare policy that cuts off additional benefits to welfare mothers if they have more kids. The preliminary findings? They keep right on having more kids. In matters of the heart and matters of the loins, government doesn't have enough carrots and it doesn't have enough sticks.

If there was a little more honesty from on high about what government can do, maybe there'd be a little less anger from below about what it cannot.

But maybe not. I often wondered these past three years how Mandela or de Klerk would have fared in the cynical pit of American politics. They're both gifted politicians, but part of their success was based on the respect that Africans have for their leadersand institutions. It is a continent full of willing followers (often too willing); in this instance they were served by exceptional leaders.

In America at the moment, that relationship has gone awry. Our leaders won't lead and our followers won't follow.

It's hard to imagine how the logjam gets broken from below. The laws of human nature can't be repealed. Cynicism begets cynicism.

Still, each of us can make a start. I hereby vow as a returning political journalist not to report at face value all the whining I'm sure to hear between now and November 1996. But the real burden, I'm afraid, lies with politicians like you, Sen. Bradley. By all means, go out and listen to the voices of the disconnected. But not too long. What they really need is a good talking to.

H.R. 1854, THE LEGISLATIVE BRANCH APPROPRIATIONS ACT CONFERENCE REPORT FOR FISCAL YEAR 1996

HON. DOUG BEREUTER

OF NEBRASKA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 6, 1995

Mr. BEREUTER. Mr. Speaker, this member rises in support of the conference report on H.R. 1854 and is pleased that this measure includes a reduction of $75 million for the General Accounting Office [GAO] below the fiscal year 1996 funding level. This Member is particularly pleased that the House and Senate conferees further reduced the funding level for GAO by $19 million below the House-approved fiscal year 1996 level.

Mr. Speaker, during the first days of the 104th Congress, this Member wrote to the gentleman from Louisiana [Mr. LIVINGSTON], the chairman of the House Appropriations Committee, as well as the gentleman from Ohio [Mr. KASICH], the chairman of the Budget Committee, to express this Member's strong support for reduced funding levels for GAO. This Member is pleased with the action taken which confers with this Member's request for reducing funding for GAO.

For some time, this Member supported a reduction in funding for GAO. In fact, during consideration of the fiscal year 1995 legislative branch appropriations bill, this Member offered an amendment to cut funding for GAO by 5 percent below the fiscal year 1994 level. Unfortunately, this amendment failed by a close vote.

The $374 million fiscal year 1996 funding level for GAO included in the conference report represents a decrease of $75 million below the fiscal year 1995 level. During last year's deliberation of the legislative branch appropriations bill, the House approved a funding level of $439.5 billion, an increase of $9.4 million. In addition, the fiscal year 1995 conference report then included $449 million for GAO, $10 million more than the House bill. This Member commends the conferees for reversing this outrageous trend in funding for GAO.

This Member strongly believes that GAO is an agency where growth has been out of control, and that it is an agency which has not been responsive to individual Members, especially to the requests of Republican Members during our long tenure in the minority. This Member also believes that the quality of work produced by the GAO is shoddy. While the quality of the work varies dramatically, all products are given the same kind of credibility simply because they are GAO products. The level of resources provided to produce these products has been excessive and has grown disproportionately when compared with other congressional support agencies. In addition, GAO resources have also been used for consultants, training, and other unnecessary expenses. Concern has also been expressed that GAO is more interested in getting headlines than in supporting the Congress with the required information. This Member has also been concerned by the funds that have been spent to lavishly renovate GAO's offices. This renovated space includes plush conference and meeting rooms which seem excessive for the scope of work performed at GAO. The leadership and staff of the GAO ought to visit the staff here on Capitol Hill to understand something about crowded staff office conditions and about the absence of required conference rooms for meetings with constituents.

Now let's examine the GAO workload. From 1985 to 1993, GAO investigations doubled from 457 per year to 915. In addition, GAO's budget jumped from $46.9 million in 1965 to our current spending level of $449 million, a nearly 1,000-percent increase in unadjusted dollars.

While the number of full-time equivalent positions at GAO has been reduced additional cuts are still needed to account for the past growth at this agency, which this Member will outline. In 1980, funding for GAO staff cost $204 million. By 1985 that had grown to $299 million. In 1988 it was $330 million, and in 1989, $346 million. The average increase between 1980 and 1990 was 8 percent per year. Then, in 1991, GAO was increased by 14 percent, to a total of $409 million. In 1992, GAO received another 8 percent increase to $443 million.

According to a Democratic study group [DSG] special report issued on May 24, 1994, January 1994 personnel totals for GAO were 4,597. This level was nearly as large as the staffing level of 4,617 for the entire Library of Congress—the largest library in the world—which also includes the staff of the Congressional Research Service.

According to this same study, in 1994, GAO's staffing level was nearly 2½ times as large as the 1,849 House committee staff members during the 103d Congress, and more than one-half as large as the 7,340 individuals employed by Members of the House. The DSG study also compared funding levels for the legislative branch from 1979 to 1994, in inflation-adjusted dollars. According to the DSG, the General Accounting Office received one of the largest increases in funding for the entire legislative branch at an inflation-adjusted 13.5 percent during this time period.

Funding for other areas of the legislative branch have actually declined since 1979, according to this study. For example, the Library of Congress received a 17.6 percent reduction, CBO was reduced by 3.8 percent, and Members' staff was reduced by 6.4 percent in inflation-adjusted dollars since 1979.

Again, this Member would like to thank the conferees for their good judgment in facing the long-term reality of GAO and reducing funding for that agency. This Member urges his colleagues to support this funding level included in this conference report.

TRIBUTE TO RUDY JORDAN ON HIS RETIREMENT

HON. ESTEBAN EDWARD TORRES

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 6, 1995

Mr. TORRES. Mr. Speaker, I ask my colleagues to recognize Mr. Rudy Jordan on the occasion of his retirement from over 30 years of dedicated community service and employment as supervisor of child welfare and attendance with the Montebello Unified School District.

Over the years, Rudy accumulated a long list of accomplishments while working with youth. Starting out as a junior camp counselor at the All Nations Camp in 1948, Rudy worked his way up the ranks to become a senior camp counselor and finally, in 1954, served as All National Boys Club supervisor for 5 years. Rudy later worked as a special education teacher and after 6 years of addressing the needs of special education students, began his employment with the Montebello Unified School District.

Rudy also has an impressive record of involvement in civic organizations, especially those which aim to enrich the lives of youth. He has been a voluntary Big Brother for over 32 years, serving as a mentor to young men who might not otherwise have positive role model to seek guidance and counsel. In addition, he has served as a counselor for the Youth Opportunity Board, an advisory member of the Eastmont Teen Post, co-founder of the Association for the Advancement of Mexican-American Students, co-founder of the Eastmont Parents Guild, co-founder of the committees for both the Reggie Rodriguez Park and Saybrook Park, co-founder of the International Youth Boxing Club and the Hollenbeck Police Athletic League Program. Rudy's involvement in such programs exemplify his strong dedication to helping youth.

Rudy, a Golden Glove boxing champion and former professional boxer, also used his athletic expertise to add fulfilling experiences to the lives of many youth. He is currently a boxing trainer for the Santa Fe Springs Parks and Recreation Program, as well as for the Sierra High School Night Program. He also has been a trainer for the Montebello Police Athletic League Boxing Program. In addition to his civic and youth sports efforts, Rudy has donated his time as an usher at his local parish. Rudy's lovely wife of over 40 years, Gloria, and his five children are proud to have such an active husband and father dedicated to serving his community. Indeed, I have had the distinct honor of knowing Rudy and his family for many years, and I am proud to count him among my friends.

Mr. Speaker, it is with profound pride that I rise to recognize Mr. Rudy Jordan on the occasion of his retirement from the Montebello Unified School District, and I ask my colleagues to join me in extending best wishes and congratulations to Rudy, a fine citizen whose involvement in our community serves as an example to all.

CONCERNING THE RETIREMENT OF SENATOR CLAIBORNE PELL

HON. JACK REED

OF RHODE ISLAND

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 6, 1995

Mr. REED. Mr. Speaker, yesterday, a remarkable man made an important announcement in my home State of Rhode Island and on the floor of the U.S. Senate. Rhode Island's senior Senator, Senator CLAIBORNE

PELL, announced to the people of Rhode Island and to his Senate colleagues that he intends to retire at the end of his current term in the Senate.

The retirement of Senator CLAIBORNE PELL marks the close of a career in the U.S. Senate that has spanned three and a half decades and witnessed rapid change in America and the world. Throughout these turbulent years, Senator PELL never wavered from his commitment to the search for world peace or the creation of educational opportunities for all Americans.

Senator PELL's legacy of public service began well before he was elected to the Senate in 1960. One month before the Japanese attack on Pearl Harbor, CLAIBORNE PELL enlisted in the U.S. Coast Guard where he served as a ship's cook and able seaman. After America entered the war, Senator PELL's family connections could have secured him an immediate officer's commission in the Navy, but he chose instead to remain in the Coast Guard and serve on the dangerous North Atlantic convoy runs between the United States and England in the early years of the war.

After the war, CLAIBORNE PELL and his wife, Nuala, went abroad where Pell worked as a Foreign Service officer for the U.S. State Department. During these postwar Foreign Service years, CLAIBORNE PELL worked in and around the capitals of Eastern Europe, where he witnessed first-hand the emergence of communist domination. Despite this experience, PELL always knew that communism was doomed to failure and predicted the ultimate death of communism long before the Berlin Wall came crashing down.

Following his Foreign Service career and a brief stint in business, PELL declared himself a candidate for the U.S. Senate. PELL ran on a platform of "Peace and Opportunity for Rhode Island" and despite the lack of an endorsement by the Democratic party, PELL won the Democratic primary and was elected to the Senate in 1960. At that time, one of PELL's closest friends in New England politics was Senator John F. Kennedy and it was a special delight for PELL to be going to Washington with his good friend.

During his time in the Senate, CLAIBORNE PELL gained a reputation for serving the cause of peace and creating educational opportunities for all Americans. He has been instrumental in the passage of several arms control treaties and protocols over the years, including a treaty banning nuclear weapons in space and on the floor of the sea. Senator PELL will also always be known for creating the Pell grant, the most universally utilized higher education grant available in America today.

Senator PELL's favorite motto, "Translate ideas into actions that help people," is a philosophy that has guided all of his work in the Senate, whether it was supporting civil rights legislation during the 1960's or drafting education reform legislation in the 1990's

Senator PELL is also known for his energy and unflagging devotion to his job. Despite the long hours, late night Senate sessions, and weekends working back home in Rhode Island, Rhode Island's senior Senator has never wavered in his dogged determination to make life better for all Americans. I know that he will bring the same energy and compassion to whatever task he turns to next.

It has been a privilege for me to serve with CLAIBORNE PELL. I wish the Senator and his wife, Nuala, good health and happiness in the years ahead.

H.R. 2127 LABOR-HHS-EDUCATION APPROPRIATIONS

HON. MATTHEW G. MARTINEZ

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 6, 1995

Mr. MARTINEZ. Mr. Speaker, I think we can all agree that the right to an education is one of the most important rights we have in the United States.

Long ago, we realized that all Americans must have access to education if our Nation and our citizens are to prosper. However, the new majority leadership is undermining education in this country.

They cut $4 billion from education, reducing the Federal Commitment by 16 percent.

Do they assume that States and localities will pick up where the Federal Government will leave off?

In my State or California, it took a lot of arm-twisting to allocate another $1 billion for education, raising California's per pupil expenditure rank from 42nd to 40th among the 50 States. Parents, school board members, and school districts are pleading that Federal funds be restored.

I submit some of these statements from school districts in my district for the record.

Schools will not be able to continue to provide many services that our most disadvantaged children rely upon. Mr. Speaker, this is irrational and mean spirited.

AZUSA UNIFIED SCHOOL DISTRICT,
Azusa, CA, August 1, 1995.

Representative MATTHEW MARTINEZ,
Rayburn House Building,
Washington, DC.

DEAR REPRESENTATIVE MARTINEZ: Azusa Unified School District respectfully requests your support to express our opposition to the $4 billion in cuts the House Appropriations Committee is currently considering to elementary, secondary and higher education programs previously recommended by an appropriations subcommittee. These congressional cuts would slash critical education and training initiatives in California and would reduce education funding by 17 percent while other discretionary programs have only been reduced by two-five percent.

The following critical educational program areas affected are the Safe & Drug Free Schools with a $282 million cut and a $25 million funding loss to California. This cut comes at a time when parents, educators and communities are seeking a safer learning environment for California's students. Vocational Education programs administered by the U.S. Dept. of Education would be cut by $300 million. California would lose approximately $30 million in vocational education funding—a 3 percent cut for the state. Title I funding would be cut by $1.1 billion. California would lose approximately $130 million and the more than 236,000 needy California pupils that benefit from this program will be impacted. Cuts to Title I hit hardest those schools and students that are most in need. Impact Aid would be cut by $83 million nationwide. California would lose approximately $8 million directly affecting California's more than 200 Impact Aid districts. Bilingual Education would be drastically cut by about 75 percent. California would lose approximately $37 million in bilingual funding and districts would be forced to significantly cut back on the number of students served. More than one-quarter of California's 5.3 million kindergarten through 12th grade students have limited-English proficiency. Providing the appropriate services is increasingly challenging in California's schools, where nearly 100 different languages are spoken. Goals 2000 would be completely eliminated. In California approximately 96 percent of all school districts, including Azusa Unified, have indicated to the California Dept. of Education that they desire to utilize Goals 2000 funds. California would end up losing $30 million from this program. These diverse programs are developed at the local level to reexamine existing school programs in order to better serve students.

Adequate state funding for education and crucial, deserving, and equally needed programs will not be available if these cuts are approved. School districts, such as Azusa Unified, desperately need additional revenue to continue to provide necessary programs to assist children within California. It is our concern that the approval of this final Appropriations bill will negatively affect our district's educational programs.

Sincerely,

INEZ Z. GUTIERREZ,
President, Board of Education.

BALDWIN PARK,
UNIFIED SCHOOL DISTRICT,
Baldwin Park, CA, July 20, 1995.

Hon. MATTHEW MARTINEZ,
U.S. House of Representatives, Rayburn Building, Washington, DC.

DEAR REPRESENTATIVE MARTINEZ: I have just learned of the proposed cuts to numerous educational programs proposed by the House Subcommittee on Labor/Health & Human Services/Education Appropriations and am writing to express my outrage and concern for the students and families who will be dramatically affected by the Committee's actions. By reducing programs between 20% and 100%, the Committee is choosing to deny students learning experiences that make a difference in a child's life. The need for maintenance of educational funding from the federal government is critical to the success of schools. The educational system provides students and families with numerous opportunities of success. Imagine how many students learn for the first time to read a word or write a sentence as well as work addition and multiplication problems. The Committee's decision to slash numerous programs will reduce the effectiveness of teachers resulting in poor student performance and ultimately greater social strife.

The Committee's actions deny children a comprehensive, appropriate education. The cutbacks slated for the identified programs reflect this observation which have myriad social implications. It is unconscionable that educational programs would be targeted for reduction and include slashing Title I by $1.1 billion; eliminating the Goals 2000 program; splitting the Safe & Drug-Free Schools funds in half; cutting Bilingual Education by 55 percent; reducing Vocational Education by 28 percent; and trimming Education Technology by 55 percent.

It makes no sense to cut programs which impact all districts across this country in positive dimensions. As an example, planned Title 1 funding reductions would eliminate related activities by ⅕ or one day out of five in our nation's schools. All Title 1 students and parents would have lessened Math and Reading activities because of the Committee's decision to reduce educational funding.

What will be some resultants of the Committee's actions: reduced direct teaching time, especially Math and Reading, for students who need it the most; lessened assistance for students, parents, and teachers in the arena of drug prevention education; a significant increase in lessons taught in a students non-understanding language which will cause students to fall further behind in attaining their education; an increase student drug use because of lack of knowledge and appropriate decision making; expended school violence and confrontation; greater numbers of parents who are distraught over their child's performance and lack of resources because of educational cutbacks; a drop in the opportunity for students, parents, and teachers to partake in technology based programs; and less prepared students to work in vocational fields among other resultants.

California already suffers from one of the highest teacher to student ratios in the United States. The actions of Congress to eliminate Title 1 will force districts across the state and country to layoff teaching assistants who provide a worthwhile service to students. Greater student to teacher ratios would be anticipated.

I ask you, where is the leadership to provide schools with the basics so that they can provide a decent education to children? If you think that schools are not performing well currently, there will be an even greater backlash.

I am in favor of budget cutbacks. However, I would suggest that the Congress look to numerous other programs like agricultural subsidies and non-significant funded projects. At the same time Congress could vote to reduce spending by a given percentage, yet legislate that departments determination the reduction.

Education is the foundation of our country from which all industry and decision making flows. The educational system is what makes our country great so I ask you not to partake in dismantling our country's backbone.

Please demonstrate to the country and the State of California the need for maintaining funding for education from the federal government.

Sincerely,

PETER J. KNAPIK.

ALHAMBRA SCHOOL DISTRICT,
Alhambra, CA, July 28, 1995.

Hon. MATTHEW MARTINEZ,
U.S. House of Representatives, Rayburn Building, Washington, DC.

DEAR CONGRESSMAN MARTINEZ: Educators and Administrators in the Alhambra, California School District regard the recent vote of the House Subcommittee on Labor/Health & Human Services/Education Appropriations to drastically reduce funding for Title I services and to eliminate the Goals 2000 program as a direct assault on the school children of California.

At a time when the State of California in general and Los Angeles County in particular are facing severe budget problems, now, more than ever, school districts *need* federal support for special needs children and need money for projects to improve America's schools. In fact, this is the vital role envisioned for the federal government as a *partner* in educating the nation's children.

Please don't balance the federal budget on the backs of the neediest in our society—our school children. The focus should be on stimulating their ideas and developing their skills to lead the U.S. into the 21st century. Along with the expert guidance of their teachers, we can all be winners in the continuing struggle for quality education.

Sincerely yours,

TERRY J. LARSEN,
Coordinator, Special Projects K-12.

GARVEY SCHOOL DISTRICT,
Rosemead, CA, July 31, 1995.

Hon. MATTHEW G. MARTINEZ,
U.S. House of Representatives, Washington, DC.

DEAR CONGRESSMAN MARTINEZ: The Garvey School District, as you know, is an elementary school district serving 7,200 students attending kindergarten through grade 8. Of this number of students, 3,300 are limited english proficient and 2,400 are non-english proficient. Twenty-four foreign languages are spoken by our student population.

The space in this letter is not enough to describe the numerous other challenges that we face as we endeavor to respond to the fast-changing and sometimes difficult student population service.

It is disheartening to learn of the proposal by House Republicans to cut $36 billion from current education and training investments, which would mean a cut of $4.3 billion for California school districts, including ours.

We believe that federal financial assistance program funding alone will not solve our educational challenges. However, federal funds constitute a significant and critical part of our total budget of $36 million.

California school districts have had limited options for increasing their local revenues. The reduction in federal funding for programs such as Head Start, Title 1, Goals 2000 and Safe and Drug-Free Schools proposed by House Republicans would have a devastating impact on our local school children over the long haul. At the time when California continues to lag in revenue levels compared to that of other states, we as a district, are in no position to absorb the kind of funding cuts that are sure to be inflicted by the Republican proposal.

As a school district administrator belonging to the every-increasing group of people who are being asked to do more with less, I strongly urge you to oppose these cuts as they are harmful to children, to California and to the country.

Sincerely,

ROLLAND M. BOCETA,
Director, Business Services.

MONTEBELLO UNIFIED SCHOOL DISTRICT,
Montebello, CA, August 1, 1995.

Hon. MATTHEW G. MARTINEZ,
U.S. House of Representatives, Rayburn Building, Washington, DC.

Dear CONGRESSMAN MARTINEZ: Thank you for your continued support of public education. It is sad to see that many of your fellow representatives do not value educational excellence for our country's children the way you do. If we are going to ask our students to be competitive with the students in other countries. We cannot cut another educational dollar! The federal investment in education is already only 2-3% of the federal tax dollar, yet it has been cut an alarming 18% while other discretionary programs have only been reduced on their growth slowed by 2-5%.

Leaving it to the states to make up the difference is ignoring the fact that California has been forced to severely cut back its education dollars during our recent devastating recession. We are only now beginning to rebuild and it will take years to get back to at least the average national per pupil expenditure. We do not have the ability to replace the proposed cuts in federal funds and will have to take appropriate actions to balance our already fragile budget.

These funds truly do make a difference in Montebello Unified School District. Title I dollars help our truly disadvantaged students. Our "richest" school has a 45% property rate—our poorest are located in one of the poorest cities in the nation. These students now have access to counseling, tutoring, and computers which reinforce their reading, writing and math skills. We have an almost 50% limited-English speaking population in our district. In one city, students would never have to speak English if it were not for the schools. Cutting bilingual dollars will not help us in our quest to help them become fully proficient in the English language. Our students are also under constant pressure to join gangs and use drugs. Drug usage has once again become a nationwide epidemic and our students are also affected. This is not the time to decrease half of our funding—we should be increasing it!

Finally, I would like to point out that the major corporate employers and politicians have all said that our students are not ready to be employed when they leave school. One proven way to assist those students who have chosen not to go on to higher education is through vocational education funding. Major programs are being developed to assist the school-to-work initiative Cutting back California 30% in vocational education funding will only set us back in our effort to assist those students seeking a viable career after they graduate. My fear is we will see more dropouts instead of the steadily decreasing dropout rate we currently have in our district.

We sincerely appreciate all your effort to help not only the students in our District, or in the State of California, but to continue to fight for all our children throughout the country. America will not continue to be the great county it is if it continues to ignore the educational needs of its children.

Very truly yours,

BARBARA L. CHAVIRA,
Vice-President.

LOS ANGELES UNIFIED SCHOOL DISTRICT,
Los Angeles, CA, August 1, 1995.

Hon. MATTHEW MARTINEZ,
U.S. House of Representatives,
Washington, DC.

DEAR REPRESENTATIVE MARTINEZ: The staff of the Los Angeles Unified School District is opposed to the current Labor/HHS/Education appropriations bill. This legislation would enact billions of dollars in education spending reductions with a potential of great harm to the children who are most in need of educational services.

Federal involvement in public education at the local level is an integral part of the public school system. It has provided much-needed programs for the disadvantaged student population. To change the commitment of our federal government to the nation's neediest children is to cripple an already stressed system. Our cities and their children do not deserve to be hurt in such a manner.

Proposed cuts to Title 1, which improves basic skills for disadvantaged children; Safe and Drug-Free Schools programs that work to keep violence and drugs away from schools; job training programs for low-income and dislocated workers; and summer jobs programs for youth who most desperately need hope and a way to be trained in work skills, as well as the elimination of the School Dropout Prevention program from the federal agenda, are ill-conceived.

Cutting one of these valuable programs would be harmful; cutting all of these andmany other is dangerous. No state or local government can replace these federal funds to prevent the damage the current appropriations bill would cause.

We strongly urge you to go on record as opposing the Labor/HHS/Education appropriations bill. The role of the federal government should not be to harm children by withdrawing established and effective support.

Sincerely,

RONALD PRESCOTT,
Associate Superintendent.

SENATE COMMITTEE MEETINGS

Title IV of Senate Resolution 4, agreed to by the Senate on February 4, 1977, calls for establishment of a system for a computerized schedule of all meetings and hearings of Senate committees, subcommittees, joint committees, and committees of conference. This title requires all such committees to notify the Office of the Senate Daily Digest—designated by the Rules Committee—of the time, place, and purpose of the meetings, when scheduled, and any cancellations or changes in the meetings as they occur.

As an additional procedure along with the computerization of this information, the Office of the Senate Daily Digest will prepare this information for printing in the Extensions of Remarks section of the CONGRESSIONAL RECORD on Monday and Wednesday of each week.

Meetings scheduled for Thursday, September 7, 1995, may be found in the Daily Digest of today's RECORD.

MEETINGS SCHEDULED

SEPTEMBER 8

10:00 a.m.
Judiciary
Terrorism, Technology, and Government Information Subcommittee
To continue hearings on matters relating to the incident in Ruby Ridge, Idaho.
SH–216

SEPTEMBER 12

9:30 a.m.
Commerce, Science, and Transportation
To hold hearings to examine proposals to reform existing spectrum policy.
SR–253

Energy and Natural Resources
To hold hearings on H.R. 1266, to provide for the exchange of lands within Admiralty Island National Monument, known as the "Greens Creek Land Exchange Act".
SD–366

Labor and Human Resources
To hold hearings on S. 969, to require that health plans provide coverage for a minimum hospital stay for a mother and child following the birth of the child.
SD–430

10:00 a.m.
Judiciary
To hold hearings to examine the status of religious liberty in America.
SD–226

1:30 p.m.
Appropriations
District of Columbia Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1996 for the government of the District of Columbia.
SD–138

SEPTEMBER 13

9:00 a.m.
Indian Affairs
To hold hearings on the nomination of Paul M. Homan, of the District of Columbia, to be Special Trustee, Office of Special Trustee for American Indians, Department of the Interior.
SR–485

10:00 a.m.
Judiciary
To hold hearings to examine proposals to divide the ninth circuit court, including S. 956, to divide the ninth judicial circuit of the United States into two circuits.
SD–226

2:00 p.m.
Judiciary
Immigration Subcommittee
To hold hearings on legal immigration reform proposals.
SD–226

SEPTEMBER 14

9:30 a.m.
Commerce, Science, and Transportation
To hold hearings on public broadcasting reform.
SR–253

Energy and Natural Resources
To hold hearings on S. 1144, to reform and enhance the management of the National Park Service, S. 309, to reform the concession policies of the National Park Service, and S. 964, to amend the Land and Water Conservation Fund Act of 1965 with respect to fees for admission into units of the National Park System.
SD–366

10:00 a.m.
Judiciary
Business meeting, to consider pending calendar business.
SD–226

2:00 p.m.
Judiciary
Terrorism, Technology, and Government Information Subcommittee
To resume hearings on matters relating to the incident in Ruby Ridge, Idaho.
SD–G50

SEPTEMBER 15

10:00 a.m.
Judiciary
Terrorism, Technology, and Government Information Subcommittee
To continue hearings on matters relating to the incident in Ruby Ridge, Idaho.
SD–G50

SEPTEMBER 19

9:30 a.m.
Energy and Natural Resources
Business meeting, to consider pending calendar business.
SD–366

SEPTEMBER 20

9:30 a.m.
Energy and Natural Resources
Business meeting, to consider pending calendar business.
SD–366

Labor and Human Resources
Business meeting, to consider pending calendar business.
SD–430

Indian Affairs
To hold oversight hearings on the implementation of Title III of the National Indian Forest Resources Management Act (P.L. 101–630).
SR–485

SEPTEMBER 27

9:30 a.m.
Energy and Natural Resources
Business meeting, to consider pending calendar business.
SD–366

SENATE—*Thursday, September 7, 1995*

(Legislative day of Tuesday, September 5, 1995)

The Senate met at 9:30 a.m., on the expiration of the recess, and was called to order by the President pro tempore [Mr. THURMOND].

PRAYER

The Chaplain, Dr. Lloyd John Ogilvie, offered the following prayer:

Let us pray:

Gracious God, the day stretches out before us filled with more to do than it seems possible to accomplish. The rigors of responsibilities and the pressures of people weigh heavily upon us. We are deeply concerned for our Nation and long to give inspired leadership.

We humbly confess that in the midst of all the needs around us, our greatest need is to renew our relationship with You with an unreserved commitment of our lives to You. You have made commitment the secret of spiritual power for successful leadership. Thank You for the confidence we have when we commit to You our worries and fears and receive Your amazing grace and abundant guidance.

So we renew our commitment to You as our Lord and Savior, our strength and courage, our guide and inspiration. We commit our relationship to You. Help us to communicate Your hope and encouragement to the people around us. Most of all, we commit to You the work of this Senate today. We are here by Your appointment to glorify You and not ourselves. We turn over to You the challenges and decisions before us today. God, bless America today throughout the work we do together. In our Lord's name. Amen.

RECOGNITION OF THE ACTING MAJORITY LEADER

The PRESIDENT pro tempore. The acting majority leader is recognized.

SCHEDULE

Mr. ASHCROFT. For the information of all Senators, the Senate will proceed to a period for routine morning business not to extend beyond 10:30 a.m., with Senators permitted to speak for up to 5 minutes, with the exception of Senator MCCAIN, who is to be recognized for up to 30 minutes. At 10:30 a.m., the Senate will resume consideration of the welfare bill, and the time between 10:30 a.m. and 3:30 p.m. is equally divided between the two managers.

At 3:30 p.m., Senator DASCHLE will be recognized for up to 15 minutes to be followed by 15 minutes under the control of Senator DOLE. At 4 p.m., a rollcall vote will occur on the Daschle amendment to the welfare bill.

Additional amendments are expected to be offered following the disposition of the Daschle amendment. Therefore, votes can be expected into the evening in order to make progress on the welfare bill.

I call this to the attention of the Senate for purposes of restating this agreed-upon procedure.

MORNING BUSINESS

The PRESIDING OFFICER. Under the previous order, there will now be a period for the transaction of morning business.

Mr. HEFLIN. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. ASHCROFT). The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. HEFLIN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HEFLIN. Mr. President, due to the fact that no other Senator desires to speak, I ask unanimous consent that I be allowed to proceed in morning business up to 5 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

TRIBUTE TO SENATOR CLAIBORNE PELL

Mr. HEFLIN. Mr. President, when our colleague from Rhode Island announced his retirement, I could not help but think of what a gentleman he is and what an example he has set for this body over the course of his 35-year career in the Senate. He is the walking embodiment of civility, a reminder of the days when politics and public service were indeed kinder and gentler.

First elected in 1960, CLAIBORNE PELL is not only Rhode Island's senior public servant, but also one of the Nation's senior statesmen. Only Senators THURMOND and BYRD have served here longer. He is one of the best arguments around today against term limits on Members of Congress. Senator PELL's father, Herbert Claiborne Pell, Jr., served as a Congressman from New York from 1919 to 1921 and was a close friend of Franklin Roosevelt and minister to Portugal and Hungary. He had five other relatives who served in Congress as well.

The younger PELL himself served as a foreign service officer for several years, then settled in Newport, along with the Vanderbilts and Auchinclosses. Most of us know him as the quiet, deliberate, thoughtful chairman, and now ranking member, of the Senate Foreign Relations Committee. He was present at the birth of the United Nations in San Francisco 50 years ago, and today carries a copy of the U.N. Charter in his coat pocket. This "eccentricity," as one news account called it, is a testament to the importance Senator PELL has always placed on an international organization aimed at promoting world peace and cooperation.

Senator PELL's greatest legacy probably will lie in the field of education. He is the second-ranking Democrat on the Committee on Labor and Human Resources and for years chaired the Subcommittee on Education, the Arts, and Humanities. He made a particular mark in setting up a grant program for needy college and university students. These Pell grants, as they are officially called, have become familiar to a generation of students. He has also been a leader in promoting ocean research.

A statement Senator PELL made in his retirement announcement summarizes his philosophy and approach to public service. He said,

> I consider . . . the United States Senate a marvelous institution. . . . And I continue to believe that government, and the federal government in particular, can, should, and does make a positive impact on the lives of most Americans.

There is no doubt that CLAIBORNE PELL has contributed significantly and tangibly to that positive impact over the last 3½ decades.

In his announcement, Senator PELL also thanked the people of Rhode Island for having tolerated his eccentricities. If those eccentricities include a quiet, unassuming manner characterized by thoughtful reflection, meditation, honesty, and courtliness, then we should all aspire to be eccentric in the ways that our dear friend from Rhode Island is eccentric. He is eccentric in the best sense of the term. I congratulate Senator PELL, look forward to serving with him for the remainder of this Congress, and wish him all the best for the future.

TRIBUTE TO SENATOR BILL BRADLEY

Mr. HEFLIN. Mr. President, like each and every Member of this body, I was surprised—shocked is not too strong a word—when our colleague from New Jersey announced that he would not be running for a fourth term in the Senate. I could not help but feeling that with the loss of Senator BRADLEY, the Senate would be losing one of its most intellectual, thoughtful, and hard-working Members, perhaps one of its most unique ever.

BILL BRADLEY is indisputably capable, an outstanding student of and original thinker on major economic and foreign policy issues, as well as a reflection of mainstream public opinion in this country. He is careful and deliberate in his judgments, and often provides a fresh and enlightening perspective on the many complex issues that come before the Senate.

Our Nation's tax structure has been one of the focuses of Senator BRADLEY's distinguished career in public service. His 1982 fair tax proposal led directly to the landmark 1986 tax reform bill. The plan was to cut tax rates sharply and eliminate most preferences and tax shelters. He took a broad concept and, in characteristic fashion, filled in the details with exacting care.

This was a major piece of legislation whose passage was remarkable, especially since Senator BRADLEY had relatively little seniority and was, at the time, serving in the minority. But as President Reagan, the Treasury Department, the Ways and Means chairman in the House, the Finance chairman in the Senate, and other key leaders embraced comprehensive tax reform, Senator BRADLEY was there every step of the way. He quietly encouraged others, avoiding the spotlight while offering advice and lobbying Members. He even played basketball with some Members. In spite of his unobtrusive manner and behind-the-scenes style, he emerged as the indispensable man in getting the bill through Congress.

Senator BRADLEY's has been one of our most eloquent voices on the issue of race relations in this country. He has long called for a national dialog on the issue, free of the ideological extremes that tend to make thoughtful and frank discussion of race relations rare, if not impossible. His well-thought-out and reasoned pronouncements have often had a cooling effect, and have raised the level of the arguments above the harsh rhetoric often associated with the issue. This is true on other issues as well, especially during foreign policy crises.

I look forward to working with Senator BRADLEY during the time we have left together in the Senate, and wish him all the best for whatever his future might hold after he leaves. I am confident that he will, for many years to come, continue to influence the direction of our country and will continue to provide valuable leadership on the important issues that confront us.

I yield the floor.

The PRESIDING OFFICER. The Senator from Arizona is recognized for 30 minutes.

Mr. McCAIN. I thank the Chair.

(The remarks of Mr. MCCAIN and Mr. FEINGOLD pertaining to the introduction of legislation are located in today's RECORD under "Statements on Introduced Bills and Joint Resolutions.")

CONGRATULATING CAL RIPKEN, JR., ON BREAKING THE MAJOR LEAGUE BASEBALL RECORD FOR MOST CONSECUTIVE GAMES PLAYED

The PRESIDING OFFICER. The Chair recognizes the Senator from Maryland.

Ms. MIKULSKI. I thank you, Mr. President.

Mr. President, I thank the Senator from Arizona for yielding. He knows why I rise on the Senate floor today. It is because, in behalf of myself and Senator SARBANES, as well as our colleagues from the other side of the Potomac, Senators WARNER and ROBB, I send to the desk a resolution congratulating Cal Ripken, Jr., on the occasion of breaking the Major League baseball record for consecutive games played, and I now ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

> A resolution (S. Res. 167) congratulating Cal Ripken, Jr., on the occasion of his breaking the Major League baseball record for the highest total number of consecutive games played.

The PRESIDING OFFICER. Is there objection to the immediate consideration of the resolution?

There being no objection, the Senate proceeded to consider the resolution.

Ms. MIKULSKI. Mr. President, I would also further like to thank the Republican leader, Senator DOLE, for allowing the Senate to have no more votes after 5:30 last night so those Senators who were fortunate enough to have tickets to the game could get there to be there on time, to hear the national anthem sung, and Mr. Ripken's children throw out the ceremonial first ball and to see America as it really ought to be. So I would like to thank the majority leader for the courtesy that he extended to me and to the other Senators.

Mr. President, it is with pride and enthusiasm that I rise today to honor a baseball hero, a Maryland hero, and an American hero. Last night Cal Ripken, Jr., broke baseball's endurance record. Cal Ripken played in his 2,131 consecutive ballgame, and in doing so, he broke Lou Gehrig's record in consecutive games played. Yes, Cal surpassed the great Iron Horse, Lou Gehrig, by playing 2,131 straight games. Cal has started every game as a Baltimore Oriole player since May 30, 1982.

Now, Cal has achieved many honors already, in his career: Two league Most Valuable Player awards, 13 All-Star games, and two Golden Glove awards. These are just a few of his many accomplishments. His streak is astounding for the character and the commitment it represents. To the people from Maryland like me, the streak means so much more, though, than physical endurance and awards. For us, Cal's effort is a testimony to what someone can achieve when they put team interests ahead of self interests.

Cal has not done this just for the sake of breaking a record; he broke that record because that is how he lives. He gives 100 percent every day. Ask any of the hundreds of Baltimore Orioles, who played with him over the last 14 years. Ask Cal's coaches who have seen him rededicate himself every day. Ask any of the thousands and thousands and even millions of Orioles fans for whom he stayed at the ballpark late at night, willing to sign autographs, appear at charity events and be there for Baltimore and be there for the Orioles. Ask any of the millions of baseball fans who have watched him handle himself with dignity, who have watched him handle himself with gallantry on the playing field and off the playing field. We have watched him also treat others with dignity throughout his career. And, you know, if you ask Cal why he did it, he will tell you he wants to give his team the best chance of winning each and every game, and give the game the good name that it deserves.

Mr. President, this celebration is not for Cal alone but also for the man who held that record for so many years. Lou Gehrig represented the same qualities that we look for in Cal Ripken. It is words like masculine virtue, honor, integrity, being with your team, standing up for what is right. The Lou Gehrig record had really helped create a Yankee dynasty, and Lou Gehrig was the major reason for that dynasty. Lou Gehrig was in a class all by himself. He will always be a champion and have a unique place in baseball.

It was thought during Gehrig's time that the record would never be broken. However, I believe that if Lou Gehrig were alive today he would admire Cal Ripken and see a man following in his footsteps, putting pain and self-interest aside, and see a man working harder than anyone else. He would see Cal Ripken trying to be the best player and the best person he could be, and I believe that the "Pride of the Yankees" would tip his hat in respect for the "Pride of the Orioles."

Mr. President, I believe that people in positions of public trust should serve as role models for young people. I believe this includes athletes and public officials. So, today, I am proud to say that some of Cal's greatest achievements have actually come off the field.

He is a role model for kids. When so many are teaching the philosophy of "me, only," he represents the philosophy of "we, together."

Also, he represents the philosophy of giving your time to your community. His efforts at raising financial resources to fight pediatric cancer at Johns Hopkins—on the night that he tied the Gehrig record, Baltimore raised over $1 million to give to Johns Hopkins for research on the Lou Gehrig disease. That is what Cal Ripken is. And, most important, Cal is a loving father, husband and son.

It is fair to say that the streak does not end when Cal steps off the field. The field is only where it begins.

So on behalf of all Marylanders and the Nation's baseball fans, I want to congratulate Cal Ripken for his achievement. Maryland and America are proud of him. Today is Cal's day. And in Baltimore and in his hometown of Aberdeen, it is "Calleluia Day." So to commemorate his record, I am submitting this Senate resolution along with my colleagues to honor this remarkable achievement.

Mr. SARBANES. Mr. President, last night, September 6, 1995, at Oriole Park at Camden Yards, not far from my home in Baltimore, Cal Ripken broke baseball's most enduring record of consecutive games played. In surpassing Lou Gehrig's streak of 2,130 games, Cal Ripken has secured a place in sports history, and in the hearts and minds of all who love baseball.

This accomplishment is much more than an event to be chronicled in the record books; it is a tribute to Cal Ripken's dedication to excellence—excellence in athletics as well as excellence in sportsmanship. In a time bereft of heroes, we admire persons such as Cal Ripken who exemplify high standards. Cal plays for the love of the game. He does not play for the fame; he cares little about the glory. What he does care about is playing baseball to his fullest potential. His affection for the game shines like a beacon in the night. His love of the game and his dedication has led him to this record. Neither money nor fame could have guided him to such a pinnacle in his career.

We call baseball our national pastime. But for many of us it is much more than that. It brings us back to an era where the players were larger than life and inspired us to the same greatness. When players like Gehrig rambled out onto the field they were more than men: they were heroes. At a time when people are searching for heroes, Cal Ripken stands proudly and quietly at the forefront of those we have to offer our children. He is a man of dignity, quiet workmanship, and humility. It is in keeping with these qualities that his children, Rachel and Ryan, threw out the first pitches to the game that would assure that their father crossed the threshold from extraordinary player to a legend.

Mr. President, I ask unanimous consent that an editorial, lauding Cal Ripken's streak and his character, from the September 6, 1995, edition of the Baltimore Sun, as well as Cal Ripken's statement and excerpts from remarks presented by his teammate Brady Anderson, be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

[From the Baltimore Sun, Sept. 6, 1995]

OUR CAL

Somewhere in this favored city, we should like to think, today a male infant is being born, and named Cal.

Somewhere, as the possibilities grow, a court of law is approving a grown-up's change of name to become Mr., Mrs. or Ms. Calripken.

Fielding still another dream—from a window at 2131 East or West Baltimore Street, or 2131 Maryland Avenue, a banner flies: black background, large yellow numeral 8.

In the distance: north and east of Baltimore, traffic on U.S. 40 is backed up for miles, by the street dancing in Ripkentown, formerly Aberdeen.

Politics enters, the governor of California vowing that, once elected president, he will change the postal abbreviation out there from CA to CAL.

Hold on—back at that Baltimore maternity ward, it turns out instead to be twins; girls, yet. Okay, their names will be Callie and Vinnie.

To be a Baltimorean is to feel, right now, exalted. Some 1,525 daily newspapers are still published in this country and every last one, it may well be, will print a news story tomorrow that is datelined Baltimore—a great-news, feel-wonderful story.

The news is of a new endurance mark, one that won't be outdone until the 2000s, if then; a mark set by a Baltimore Oriole, by a man who as a major leaguer has played only for our Orioles. Season after season, starting in 1982, our tall shortstop has never missed a game. His bones refused to crack; his joints, on being wrenched, simply unwrenched; his sinews (no matter how hard he flung the ball over to first) never tore. People applaud Cal's upbringing; a further help from family is that while the Birds were on the road, no call came to be present instead for wedding or funeral. The nation that reads, or watches some announcer read, will long equate the name Ripken with stoic, determined toughness.

For there to be interest in continuity, a sport has to have gone on awhile; only in the current century did baseball's busy statisticians, checking for uninterrupted participation, proclaim their first durability champ—at 727 consecutive pennant-season games, Steve Brodie, centerfielder for the 1890s Baltimore Orioles. The original games-in-a-row search, however, had to do with base hits. There the original titleholder, at 44 games, proved to be Willie Keeler, rightfielder for the 1890s Orioles.

Is perseverance a municipal characteristic? Let others say—watching us struggle, even now, to get the world to spell Calvin Edwin Ripken Jr. correctly.

With Cal Ripken, just as much off the diamond as on, another quality shines. Put it this way, as the Camden Warehouse banner signals 2131: What a city this would be, what a state, were those of us watching and cheering to go forth, afterward, bent on creating some kind of excellence and decency streak of our own.

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TEXT OF RIPKEN'S SPEECH

After last night's record-breaking game, Cal Ripken delivered the following speech:

When the game numbers on the warehouse changed during fifth innings over the past several weeks, the fans in this ballpark responded incredibly. I'm not sure that my reactions showed how I really felt. I just didn't know what to do.

Tonight, I want to make sure you know how I feel. As I grew up here, I not only had dreams of being a big-league ballplayer, but also of being a Baltimore Oriole. As a boy and a fan, I know how passionate we feel about baseball and the Orioles here. And as a player, I have benefited from this passion.

For all of your support over the years, I want to thank you, the fans of Baltimore, from the bottom of my heart. This is the greatest place to play.

This year has been unbelievable. I've been cheered in ballparks all over the country. People not only showed me their kindness, but more importantly, they demonstrated their love of the game of baseball. I give my thanks to baseball fans everywhere.

I also could express my gratitude to a number of individuals who have played a role in my life and my career, but if I try to mention them all, I might unintentionally miss someone and take more time than I should.

There are, however, four people I want to thank especially. Let me start by thanking my dad. He inspired me with his commitment to the Oriole tradition and made me understand the importance of it. He not only taught me the fundamentals of baseball, he taught me to play it the right way, the Oriole way. From the very beginning, my dad let me know how important it was to be there for your team and to be counted on by your teammates.

My mom, what can I say about my mom? She is an unbelievable person. She let my dad lead the way on the field, but she was there in every other way—leading and shaping the lives of our family off the field. She's the glue who held our lives together while we grew up, and she's always been my inspiration.

Dad and Mom laid the foundation for my baseball career and my life, and when I got to the big leagues, there was a man—Eddie Murray—who showed me how to play this game, day in and day out. I thank him for his example and for his friendship. I was lucky to have him as my teammate for the years we were together, and I congratulate him on the great achievement of 3,000 hits this year.

As my major-league career moved along, the most important person came into my life—my wife, Kelly. She has enriched it with her friendship and with her love. I thank you, Kelly, for the advice, support, and joy you have brought to me, and for always being there. You, Rachel and Ryan are my life.

These people, and many others, have allowed me, day in and day out, to play the American game of baseball.

Tonight I stand here, overwhelmed, as my name is linked with the great and courageous Lou Gehrig. I'm truly humbled to have our names spoken in the same breath.

Some may think our strongest connection is because we both played many consecutive games. Yet I believe in my heart that our true link is a common motivation—a love of the game of baseball, a passion for our team, and a desire to compete on the very highest level.

I know that if Lou Gehrig is looking down on tonight's activities, he isn't concerned about someone playing one more consecutive game than he did. Instead, he's viewing tonight as just another example of what is good and right about the great American game. Whether your name is Gehrig or Ripken: Dimaggio or Robinson; or that of some youngster who picks up his bat or puts on his glove: You are challenged by the game of baseball to do your very best day in and day out. And that's all I've ever tried to do.

Thank you.

ANDERSON'S TRIBUTE

Excerpts from the speech Brady Anderson delivered on behalf of Orioles players after last night's game:

For 14 years, Cal Ripken has played for the Orioles with skill, determination and dedication. His inspiration has always been a love for the game, his teammates and the devoted fans of Baltimore.

The record which has been broken today speaks volumes about a man who never unduly focused on this achievement, but accomplished it through years of energy, incredible inner resources and an unflagging passion for the sport.

But fame is a dual-edged sword, and his is no exception. Incredible pressure has been placed on Cal as it became increasingly apparent that this achievement could be realized. In breaking this record, he surpasses the playing streak of Lou Gehrig, an exceptional baseball player.

I know Cal is honored to be in the company of such a legend, just as we know that each man's accomplishments and contributions enhance, rather than diminish, the other's; for what finer tribute can one player give to another than his uncompromising excellence?

Cal, you have inspired many teammates; you have delighted million of fans; you have given the Nation uncountable memories. Your pride in and love for the game are at a level few others will reach. Cal, thank you.

Mr. WARNER. Mr. President, the front page of today's Washington Post says it all: "History Embraces Ripken." As an original cosponsor of the resolution just submitted by my friend and colleague from Maryland, Senator MIKULSKI, I applaud Cal Ripken, Jr.'s magnificent accomplishment.

Last night's recordbreaking achievement by Ripken restored America's love for and pride in our national pastime, but it was not just a victory for baseball. What we are celebrating is not just Ripken's 2,131st consecutive game, or the home run which punctuated it so perfectly.

Rather, Cal Ripken, Jr.'s achievement is about greatness, about the essence of being and being an American. Cal Ripken, Jr. is a modest hero, a humble role model, a decent citizen, a caring father, a loving husband. He is committed to his craft, his community, and his country.

Yes, history has embraced Cal Ripken, Jr. But, more importantly, he has reminded Americans to celebrate all that is good about themselves and their country.

Congratulations to Cal, to his family, and to a Nation of friends who share his ideals.

Mr. ROBB. Mr. President, I rise today to commend the extraordinary accomplishments of Cal Ripken, Jr. As we all know, last night at Oriole Park at Camden Yards, Cal Ripken broke a record that was once considered unbreakable.

From 1982 until today, the one constant in the ever-changing world of baseball has been the presence of No. 8 in the Baltimore Orioles line-up. In an era where job insecurities increasingly permeate our society, Cal Ripken's breaking of Lou Gehrig's long-standing record while playing for the same team during the entire streak, seems even more remarkable.

Without a doubt, this new record has reinvigorated American's interest in baseball. And the fact that the record-holder is such a solid, decent, and humble man adds extra luster to this unprecedented achievement.

While this record is an extraordinary testament to Cal Ripken's dedication to the game of baseball, his actions during the closing days of this streak are even more telling. In the early morning of September 6, 1995, as Cal stood poised on the edge of baseball immortality, he accompanied his daughter Rachel to her first day of school. And when asked which event held more significance—the breaking of Lou Gehrig's record or his daughter's first day of school—Cal responded that in his house, Rachel's first day of school was undoubtedly the most important occasion.

I congratulate Cal Ripken, his wife Kelly, daughter Rachel, and son Ryan. Cal Ripken has made Americans remember why baseball is our national pastime—and how much true heroes mean to us.

Ms. MIKULSKI. I urge all of my colleagues to join in the celebration by adopting this resolution.

The PRESIDING OFFICER. The question is on agreeing to the resolution.

The resolution (S. Res. 167) was agreed to.

The preamble was agreed to.

The resolution, with its preamble, is as follows:

S. RES. 167

Whereas on May 30, 1982, Cal Ripken, Jr. became the regular starting shortstop for the Baltimore Orioles baseball club;

Whereas Cal Ripken, Jr. has not missed a single day of work in the intervening 14 years;

Whereas on September 6, 1995, Cal Ripken, Jr. played in his 2,131st consecutive Major League Baseball game, breaking the long-standing record held by the great Lou Gehrig;

Whereas Cal Ripken, Jr. has been a first-rate role model for the young people of Baltimore, the State of Maryland, and the United States;

Whereas Cal Ripken, Jr. has been named by America's baseball fans to 13 American League All-Star teams;

Whereas Cal Ripken, Jr. was named the American League's Most Valuable Player for the 1983 and 1991 seasons;

Whereas Cal Ripken, Jr. was a member of the 1983 World Series Champion Baltimore Orioles baseball team;

Whereas Cal Ripken, Jr. was named the Most Valuable Player in the 1991 All-Star game;

Whereas Cal Ripken, Jr. has twice been awarded baseball's most prestigious award for excellence in fielding, the Gold Glove Award, for the 1991 and 1992 seasons;

Whereas in the distinguished career of Cal Ripken, Jr., he has demonstrated an extraordinary work ethic, and dedication to his profession, his family, and his fans; and

Whereas the humility, hard work, desire, and commitment of Cal Ripken, Jr. have made him one of the best-loved and the most enduring figures in the history of the game of baseball: Now, therefore, be it

Resolved, That the United States Senate congratulates Cal Ripken, Jr. for his outstanding achievement in becoming the first player in the history of Major League Baseball to compete in 2,131 consecutive games.

Ms. MIKULSKI. I move to reconsider the vote, and I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Ms. MIKULSKI. Thank you, Mr. President.

I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. MOYNIHAN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

JAPAN-UNITED STATES SENATE YOUTH EXCHANGE PROGRAM

Mr. LUGAR. Mr. President, I would like to draw the attention of my Senate colleagues to a successful international exchange program involving the youth of America. This program, the Japan-United States Senate Youth Exchange Program has been sponsored over the years by the Government of Japan and the Center for Global Partnership and has been sending young students from the United States to Japan for the past 15 years.

The program, which was inaugurated by Prime Minister Zenko Suzuki in 1981, offers outstanding United States high school students the opportunity to spend a summer with a Japanese host family through Youth for Understanding [YFU] International Exchange. As these young people assume positions in business, government, education, and other endeavors, they play a significant role in strengthening the bonds between Japan and the United States.

In the past, 2 students from each of the 50 States of the United States were selected to participate in this exchange program. Because of funding reductions, only 1 student from each State now participates in the program. This is regrettable and represents a downward trend in international exchanges.

The imbalance of exchanges between the United States and Japan is worrisome: there are 20 Japanese exchangees in the United States for every 1 American exchange student in Japan. And funding from Japan for exchanges is much greater than funding from the United States. I hope this imbalance can be corrected.

Mr. President, the Japan-United States Senate Youth Exchange Program has been functioning in the best interests of the United States, Japan, and the individual student and family participants. I want to take this occasion to salute and encourage the efforts of both public and private contributors who have assisted and continue to assist this worthwhile program.

THE BAD DEBT BOXSCORE

Mr. HELMS. Mr. President, before discussing today's bad news about the Federal debt, how about "another go", as the British put it, with our pop quiz. Remember? One question, one answer.

The question: How many millions of dollars does it take to add up to a trillion dollars? While you are thinking about it, bear in mind that it was the U.S. Congress that ran up the Federal debt that now exceeds $4.9 trillion.

To be exact, as of the close of business yesterday, September 6, the total Federal debt—down to the penny—stood at $4,969,749,463,346.30, of which, on a per capita basis, every man, woman, and child in America owes $18,865.25.

Mr. President, back to our pop quiz, how many million in a trillion: There are one million million in a trillion.

BIPARTISAN BUDGET SUMMIT NEEDED NOW

Mr. LEAHY. Mr. President, it is time for a bipartisan summit on the budget.

As I said back in June during the debate on the 1996 budget resolution, I fear that the Republican congressional leadership and the President are on a collision course over the budget.

An immediate bipartisan budget summit is needed to forge a solution to next year's appropriations bills, or we will have a disaster on our hands that will force the entire Government to an abrupt halt this fall.

The start of the 1996 fiscal year is less than a month away, yet we are far from completing the 13 annual appropriations bills needed to fund the Government. In fact, we are very close to a fiscal disaster.

The House, Senate, and the President are still miles apart on these bills without much effort being made to find common ground within the next 30 days. And the administration is now preparing contingency plans for agencies to continue essential operations in case we fail to agree before the first of October.

I see little hope for an agreement if we keep to our current course.

Of the 11 appropriations bills passed so far in the House, President Clinton has threatened to veto 6. The Senate has passed seven appropriations bills, with huge differences from their House counterparts. Indeed, the Senate and House have reached agreement on only one appropriations bill.

The political rhetoric is heating up as the fiscal disagreement continues.

Speaker of the House NEWT GINGRICH has declared that: "The budget fight for me is the equivalent of Gettysburg in the Civil War."

President Clinton has also refused to back down, saying: "I will not be blackmailed into selling the American people's future down the drain to avoid a train wreck. Better a train wreck."

This push for a train wreck is stupid on both sides. We don't need to shut down the Government to prove we are Democrats or Republicans. We all know that an all Republican budget will not become law or an all Democratic budget will not become law.

This political posturing is just what Vermonters tell me that they dislike about Washington.

Shutting down the Government in an attempt to score political points will only bring more scorn of our political system. It is time to put our political differences aside and come together in a bipartisan budget summit—before the crisis.

Our political system will not be the only loser if political gamesmanship causes a Government shutdown—a shutdown will also be a loser for U.S. taxpayers. Government shutdowns waste taxpayer money.

In 1981, for example, the Government spent $5.5 million to close offices and send workers home. In 1990, a President and Congress of different parties failed to reach a bipartisan agreement on the budget. And the General Accounting Office calculated that the resulting 3-day Government shutdown cost taxpayers between $244 and $607 million.

Government shutdowns also hurt the citizens in our society who depend on our Government the most. In 1979, an 11-day Government shutdown led to delays in Federal payments for housing subsidies, delays in GI bill education checks, and delays in aid to the disabled.

A longer shutdown could hurt senior citizens who rely on their Social Security income, students who rely on Federal loans, farmers who rely on Federal support programs, travelers who rely on our air traffic control system, and consumers who rely on meat inspections.

We need a bipartisan budget summit to avoid such a costly Government shutdown. For a summit to succeed, everything must be on the table: Taxes, health care reform, entitlement reform, further spending reductions, and the time it will take to get to a balanced budget.

Such a summit will be a grueling, sometimes acrimonious, encounter. But anyone who has studied the various blueprints can see the outlines of an agreement.

Both Republicans and Democrats agree that we must consolidate unnecessary Government programs, reform welfare, and control Medicare and Medicaid spending. We may now disagree on some of the details for accomplishing these goals, but that is why we need a bipartisan summit—to hammer out the details of a compromise.

CONCLUSION OF MORNING BUSINESS

The PRESIDING OFFICER. Morning business is closed.

FAMILY SELF-SUFFICIENCY ACT

The PRESIDING OFFICER. Under the previous order, the hour of 10:30 a.m. having arrived, the Senate will now resume consideration of H.R. 4, which the clerk will report.

The legislative clerk read as follows:

A bill (H.R. 4) to restore the American family, reduce illegitimacy, control welfare spending, and reduce welfare dependence.

The Senate resumed consideration of the bill.

Pending:

Dole modified amendment No. 2280, of a perfecting nature.

Daschle modified amendment No. 2282 (to Amendment No. 2280), in the nature of a substitute.

The PRESIDING OFFICER. Under the previous order, the time until 3:30 p.m. shall be equally divided between the managers.

Mr. MOYNIHAN addressed the Chair.

The PRESIDING OFFICER. The Senator from New York is recognized.

Mr. MOYNIHAN. Mr. President, it has been understood with my friend, the distinguished chairman of the Committee on Finance, that time is equally divided, and that should there be no speaker seeking recognition, we will suggest the absence of a quorum and the time will be charged equally to each side.

Mr. PACKWOOD. That has been agreed upon.

Mr. MOYNIHAN. I thank my friend.

Mr. President, in auspicious timing, the Washington Post has a splendid editorial this morning entitled "Welfare: Two Kinds of Compromise."

It speaks of the compromise that was notably on display when Congress, the Nation's Governors, and President Reagan worked out some of the better provisions of the Family Support Act in 1988, aimed at reforming welfare.

The parties all agreed on the sensible principles that the Federal Government should help the poor and that the existing welfare program was not doing enough to move people into jobs. The resulting bill was far from perfect and was not adequately financed—that's why welfare reform is still very much a live issue—but it did result in some successes that could be built upon with a new round of reform.

Mr. President, some time later in our debate, I will offer the Family Support Act of 1995, which builds on the 1988 legislation, which passed out of this Chamber 96 to 1. I recall that there was great bipartisan harmony in the Rose Garden when President Reagan signed it.

In the Committee on Finance, I offered the Family Support Act of 1995, and it failed to pass, by 12 votes to 8, which is scarcely an overwhelming rejection. It was a party-line vote, I am sorry to say. Seven years ago it was very different. But we will have an opportunity to discuss it.

I ask unanimous consent, as we begin this morning, to have this editorial printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Washington Post, Sept. 7, 1995]

WELFARE: TWO KINDS OF COMPROMISE

There are different kinds of political compromise. The best kind happens when the contending parties find that substantive agreement can be reached without a compromise of principles. This sort of accord was notably on display when Congress, the nation's governors and President Reagan worked out some of the better provisions of the Family Support Act in 1988, aimed at reforming welfare. The parties all agreed on the sensible principles that the federal government should help the poor and that the existing welfare program was not doing enough to move people into jobs. The resulting bill was far from perfect and was not adequately financed—that's why welfare reform is still very much a live issue—but it did result in some successes that could be built upon with a new round of reform.

But there is a less honorable tradition of compromise involving not a quest for consensus but the artful manipulation of labels and slogans. It is this kind of compromise that is most to be feared as Congress approaches the welfare issue. The debate now seems hopelessly entangled in the rivalry between Senate Majority Leader Bob Dole and Sen. Phil Gramm for the Republican presidential nomination. That was clear when Mr. Dole gave a speech the other day in Chicago promising to fight "for revolutionary change vote by vote and bill by bill," and Mr. Gramm responded rapid-fire at a Washington news conference. "I see Sen. Dole moving to the right in speeches every day," Mr. Gramm said. "I don't see it reflected in what he's doing in the United States Senate."

This is a bad context in which to legislate on a problem such as welfare, where the tough issues will not be solved by a resort to doctrine or slogans. Take a particularly hard question: If welfare is turned into a block grant, should states, in exchange for receiving something close to their current levels of federal aid, be required to maintain something like their current level of spending on the poor. Those spending levels, after all, got them their current allotments of aid in the first place. A small group of Senate Republicans who are trying to prevent Mr. Dole from reacting to Mr. Gramm by doing anything he wants, rightly see this as a central issue. But it's easy to include a provision in a bill labeled "maintenance of effort," as Mr. Dole effectively has, and make it essentially meaningless, as Mr. Dole also effectively has, by allowing states to count all sorts of extraneous expenditures as meeting this "maintenance of effort" requirement and having the requirement expire in a couple of years. The provision would give Mr. Dole cover with his party's moderates without really giving them much of substance. It's fake compromise. Much more of that sort of thing could become the rule in the coming weeks.

Mr. Gramm can make welfare a centerpiece of his campaign against Mr. Dole if he wants to. But the rest of the Senate, not to mention President Clinton, does not need to be complicit in turning a momentous piece of legislation over to the politics of sound bites. Far better no welfare bill than the kind likely to be created in this atmosphere.

Mr. MOYNIHAN. I see my distinguished friend, the Senator from North Dakota, on the floor, and I am happy to yield him 20 minutes if that will be sufficient for his purposes.

The PRESIDING OFFICER. The Chair recognizes the Senator from North Dakota.

Mr. DORGAN. I thank the Senator from New York for yielding me the time to discuss the Daschle amendment on welfare reform.

A friend of mine the other day described a circumstance in his small rural hometown. There was a Lutheran minister who did not make very much money ministering to a very small congregation, being paid a very small salary. And because a minister in a small town is paid very little, his wife gave piano lessons in order to make a few dollars to try to make ends meet for him and his wife. These folks were the parents of the friend of mine who was referring them to me. He said they lived in a very meager house provided by the church and lived on a very meager income all of their lives. They contributed to their community by ministering at the church and by his wife giving piano lessons and teaching Sunday school.

At the other end of the block, there was a wonderful family, as well. This family started a business, worked very hard, made an enormous amount of money and were very successful. They were well liked and also contributed much to the community.

The two families had taken different routes. One chose ministering in a small rural church where they were never to earn any significant amount of money and always lived near subsistence. The other chose to pursue an occupation that would lead them to accumulate a substantial amount of assets. Both were good families and both contributed to their community.

My friend said, "I wonder if my parents contributed less to their community than the folks down the block who made a substantial amount of money." I think not. I think they made at least as great a contribution. But they ended up with nothing.

I use that story to illustrate that, for some in this country these days, being poor is out of fashion. If you are poor, somehow you just did not make it in America and you chose not to spend all of your time trying to maximize your income. So you end up in circumstances, after age 70 and after having ministered for 40 years in a rural church, where you have nothing. And maybe you end up needing some help from someone. But that is not disgraceful. It was because you chose to contribute in other ways during your lifetime and chose not to spend 50 years trying to maximize your income.

The question is, did the minister and his family contribute less to our country? No; they did not. They found themselves in circumstances of some difficulty—without income, without resources, without assets. There are a lot of good people in our country just like them.

The people I just described are atypical. The more likely and typical person in need in this country, with respect to welfare, is a young woman in poverty—an increasingly feminine picture these days—who is raising children in a household without two parents present.

One morning at about 6 a.m., I went down to a homeless shelter here in Washington, DC, and sat there for a couple of hours talking to the people who were there. I have told my colleagues on one previous occasion about my visit at the shelter with a 23-year-old young woman, whom I believe, had three children, whose husband had left her, who had no skills, no high school education, no job, and no place to live.

She and her children, after having spent the night in a temporary shelter, as they did every night, were then put on buses in order to be at this feeding center at 6 a.m.

I sat and visited with this young woman, and I discovered with her, as with virtually everyone else on welfare with whom I have ever visited, that what she wanted most in life was a good job. She was not asking me, can you give me a bigger welfare check? Can you find a way to extend your hand with more money, more benefits, more help? That is not what she was asking.

I was asking her what would she really like if this morning she could wave a wand and change her life? Her response was that she desperately wanted to have a job that paid her a sufficient income so that she could save money for a first month's down payment to rent an apartment where she could live with her children. She said to me, "I want a place to live. I know in order to get a place to live, I need to get a job. In order to get a job, I have to have some skills. I do look for work almost every day and I do get work. And the minute I get work—it is occasionally frying a hamburger at some franchise place and always at the minimum wage—I lose my health care benefits for my children. The moment I try to save $10 or $20 for the first month's rent on an apartment so I could get rid of this homeless condition for me and my children and find a place to live, the minute I save $10 or $20, I lose my AFDC payment or it is reduced by the same amount."

And as I drove back to the office here on Capitol Hill the morning after I visited with her, I thought to myself, I am pretty well educated. I have a couple of college degrees. I have done pretty well. And I wondered how could I think my way through this problem if I were in this young woman's situation? What kind of a solution allows her to get off this treadmill, the treadmill of poverty, helplessness, hopelessness?

I honestly, putting myself in her position, could not really think my way out of her problem. She cannot get a job because she does not have the skills. She cannot save money for a down payment on rent because she does not have a job. If she gets a job and starts saving money, she loses AFDC payments for her kids. It is an endless circle of trouble for someone who is literally trapped in a cycle of poverty from which they cannot recover.

Now, I mention that story because in order to talk about welfare reform, you have to talk about two truths. One is often used by those of us in public office, regrettably, to talk about welfare. That is, the stereotypical notion of who is a welfare recipient. It is some bloated, overweight, lazy, slovenly, indolent, good-for-nothing person laying in a Lazy Boy recliner with a quart of beer in one hand and a Jack Daniels in another hand, with his hand on the television changer watching a 27-inch color television set and unwilling to get up and get out and get a job and go to work, munching nachos all day long watching Oprah, Geraldo, and Montel. That is the notion of the stereotypical welfare recipient.

I suppose that happens. There is, I suppose, a small element among welfare recipients who are inherently lazy, unmotivated, unwilling to work, and have become institutionalized in the welfare system. This small element believes he or she can go on welfare and live on it forever, even if they are able bodied. That does happen. It should not happen. It is a minority of the people on welfare. We must eliminate those people for whom welfare has become an institutionalized way of life. We can and will stop these abusers of the system.

The welfare bill that we have offered—Senator DASCHLE, Senator MOYNIHAN, myself, and others—is a bill that says to those folks, if you believe that in this country you can live on welfare as a routine matter and you are able bodied, then you are wrong.

Welfare is temporary assistance. We are willing to give it, we believe we must give it. But welfare is temporary and it is conditional. Our bill says we will offer a temporary hand if you are down and out. But you have a responsibility to take hold of that hand and get out of poverty by getting training to help you get a job. Our plan is intended to move people off the welfare rolls and on to payrolls. That is what our bill says. That is what we say to those folks.

The abuser—the able bodied who are lazy, is a minority in the welfare system. The bulk of the welfare recipients are represented by the woman I discussed earlier—the young woman living in poverty, a 23-year-old unskilled woman with three children to raise, and not the means with which to do it. She represents the bulk of the welfare recipients.

The question is, What do we do about it?

Let me give a couple of other facts. It is also a stereotypical notion of welfare that we have a lot of people in this country who are simply producing large numbers of children in order to get more welfare benefits. It probably does happen, but it is not typical.

The average size of the welfare family in America is nearly identical to the average size of the American family. Let me say that again because it is important. In public debate we all too often use stereotypes, and the stereotype is the notion that there is someone out there having 16 babies because producing babies allows them to get a lot of welfare. The average size of the welfare family is nearly identical to the average size of the average family in our country.

We spend about 1 percent of the Federal budget on welfare. A substantial amount of money is spent in many ways in our country, but we spend only about 1 percent of the Federal budget.

My interest in this issue has to do with two things. First, I would like to engage with people from as far right on the political spectrum as Pat Buchanan and people all the way to the far left and say we all agree on one thing: Welfare is temporary. Welfare should not become institutionalized for people who are able bodied and believe they ought to live off of the rest of the taxpayers for the rest of their lives. The temporary nature of welfare assistance is embodied in the Daschle bill.

Second, and more important to me, is an understanding of our obligation to America's children. Tens of millions of America's children are growing up in circumstances of poverty. They were born in circumstances of poverty not because they chose to, not because they decided that is what they wanted for their lives, but because of a circumstance of birth.

Two-thirds of the people on welfare in America are kids under 16 years of age. No one, no matter how thoughtless they may be in public debate, would say, I hope, to a 4-, 6-, or 8-year-old child: "You do not matter. Your hunger does not count. Your clothing needs are irrelevant."

I have spent a lot of time working on hunger issues as a Member of Congress and have told my colleagues before about a young man who made an indelible impression with me. I will never forget it. A man named David Bright from New York City, who also lived in a homeless shelter, described to us on the Hunger Committee when I served in the House, his life in the shelter with rats and with danger and so on. He said that no 10-year-old boy like me should have to put his head down on his desk at school in the afternoon because it hurts to be hungry. This from a 10-year-old boy telling us in Congress about stomachs that hurt because they did not have enough to eat.

This welfare bill cares about our kids in this country. We must decide, whatever else we do about welfare, to take care of America's children in the right way—to give them hope, opportunity and, yes, nutrition, education, and shelter.

Now, when I talk about children, there is one inescapable fact that the Senator from New York has talked about at great length that has to be addressed in the context of welfare reform. And that is the epidemic of teenage pregnancies in this country.

There will be roughly 4 million babies born this year in America—roughly. Over 1 million of those babies will be born in circumstances where two parents will not be present at the birth. 900,000 of children born this year will never in their lifetime learn the identity of their father. Think of the circumstances of that, what it means to a society. Nearly 1 million babies born this year will never in their lifetime learn the identity of their father.

The Democratic alternative we are considering today addresses the issue of teenage pregnancy and the epidemic that is occurring in this country. We address the circumstances where children are growing up in homes where the parents are children themselves, and they have no information or experience to do adequate parenting.

What we do in the Daschle amendment is that we want a national crusade against teenage pregnancy; we say that teenage pregnancy is not something that is acceptable to this country. It is not something we should promote or encourage; it is something we should discourage. People should have children only when they are able to care for them.

What this amendment says to a child who is going to have a child, a 16- or 17-year-old child who is going to have a baby—which is happening all too often in this country—is you are not going to be able to live in a separate residence if that happens. You are not going to be able to leave school and get public assistance. We say there are going to be conditions for receiving assistance. Every teenage mother who has a baby out of wedlock has to understand this. If you do not stay in school, you will lose all benefits—nothing. Benefits are terminated. And you are not going to be able to collect money to set up a separate living arrangement for yourself and your baby.

Our proposal establishes some adult-supervised living homes, where teenage mothers will have to live in supervised circumstances and stay in school as a condition for receiving benefits. We are saying this matters in our country. There is a teenage pregnancy epidemic that this country must deal with. It is also an epidemic that eats up a substantial amount of our welfare benefits to respond to it. Our proposal says we can and should do something about it.

As I indicated, the Senator from New York has done an enormous amount of work on this issue. I commend him for it. He was the impetus in our Democratic caucus for saying: This is wrong. This is going to hurt our country. This is going to disintegrate our society unless we address it in the right way.

This amendment, the Daschle initiative, addresses teenage pregnancy, in my judgment, in a very significant way. I am very proud to say this is the right way to do it. It is the right way to go about it.

We also say something else. We say to a young woman who has a child out of wedlock, "If you are going to get benefits, you have a responsibility to help us identify who the father is. You have that responsibility. If you do not do that, you do not get benefits." We are going to find out who the father is, and we are going to go after deadbeat dads.

Deadbeat dads have a responsibility to help provide for those children. Not just taxpayers, but the people who fathered those children have a responsibility to provide some resources to help those children. They each have a responsibility to be a parent. But in the event they will not do that, we are going to make sure that they own up to the responsibility of providing resources for those children.

Our bill is tough on absent parents who are delinquent in child support. Our bill is tough on this issue. When a child is born out of wedlock and when a mother says "I now want benefits," we insist that mother help us identify the father, and that father help pay for and contribute to the well-being of that child.

I would like to mention two other points about this legislation. I have not done this necessarily in any order. I guess I could have prioritized this welfare discussion a bit more, but I wanted to talk about a couple of component parts of it that are important to me.

First, there is an assumption that if we reform the welfare system, there will be enormous savings. Savings of $100 billion over 7 years, as I believe was estimated in the budget resolution, are not going to happen. The fact is, if we do what is necessary to reform the welfare system, to make it really work, we are not going to save money in the next 7 years. But we can build a better country and make people more responsible and give people opportunity and get people off the welfare rolls and onto payrolls.

The woman in the homeless shelter that I talked about earlier is the reason we are not going to save money. In order for her to work and get a job, she has two requirements. She has to get some training to get a good job. And then, in order to work at the job, she has to have some child care. If she does not get the training, she will not get the job. And if she does not have child care, she cannot work. Then, when those two requirements are met, one other element has to be present. If the job that person gets does not provide health care, then we have to have some Medicaid transition benefits as well.

If we do not do those three things, welfare reform will fail. All three things cost money in the short term. In the long term, they will save money. But there is no way on God's green Earth to believe someone who says, if we reform this welfare system—and we should and we will—and do it the right way, that we will save $100 billion in the next 7 years. We can put the country on the right track. We can do the right thing. We can end dependency on welfare by able-bodied people, but we will not save $100 billion and it is time for everyone in this Chamber to understand that.

The second point I would like to make about the financing of welfare is the notion embodied in the Republican proposal, that we can solve this problem quickly and easily if only we simply aggregate all of this money into a block grant and ship it off somewhere and thereby create some nirvana by which the welfare problem is solved.

By and large, block grants are blockheaded. They will, in my judgment, if used routinely and repeatedly, as some have suggested, on virtually every issue coming before the Congress, result in the most egregious abuse and waste of the taxpayers' money we will have ever seen.

Do you want to describe how to promote waste in Government? I will tell you how. You have one level of Government raise the money and then send it to somebody else and say, "You spend it. No strings attached. We will not watch." If you want to promote irresponsible, reckless, wasteful, wild, abusive spending, I guarantee you this blockheaded approach to block grants is the quickest and most effective way to do it.

So, those who come to us with these simple little placebos, who say take this and you can believe it is medicine, whether it is block grants or $100 billion savings, it is pretty unimpressive to me.

What we Democrats have done is put together an alternative. It is an alternative that says welfare cannot be permanent. Welfare is going to be temporary. Welfare is not unconditional. Welfare is going to be conditional. You need help? We are going to give you some help. But you have a responsibility in accepting that help. It is your responsibility to step up and out and off of the welfare system and become a productive member of our society on a payroll somewhere.

The second element of our alternative piece of legislation that is critically important is that we say we are going to protect America's children. Yes, we are going to reform the welfare system, but we are going to do it the right way, with the right incentives that require responsibility for oneself. That is the foundation of our approach. But, at the same time, we are also going to protect America's children. Our plan leaves no questions unanswered about whether America's children will be protected.

That is why I am delighted to be here to support the Daschle initiative. I was part of a large group of people who helped construct it. I was not the major architect. I know the Senator from New York and others support it as well.

I have taken slightly more time than I intended, but I appreciate the generosity of the Senator from New York.

I yield the floor.

The PRESIDING OFFICER. The Chair recognizes the Senator from New York.

Mr. MOYNIHAN. Mr. President, may I thank the Senator from North Dakota, Senator DORGAN, for beginning today's debate, today's critical debate, in an open, thoughtful, fair-minded manner.

Could I comment on just one particular point? The Senator raised the question of the children born out of wedlock, and he is quite right. In 1992, 1,224,876 children were born out of wedlock—in some census tracts, 80 percent of all children born. Happily, North Dakota has been spared—or spared itself. This is something altogether new to our experience.

And 30 years ago, you could not have discussed it on the Senate floor. There is a maturity coming to our debates. This was a subject—the ratio, in 1992, reached 30.1 percent. It is probably almost 33 now. It has gone up every year since 1970.

In 1970, it was 10.6 percent. So it has tripled, the ratio, and the number of children have tripled.

We could not talk about this. We were not sure it was happening. Was it an aberration, just the weather, something like that? There used to be theories that when there would be blackouts there would be more children conceived. That turned out not to be so.

We have a social crisis of a new order—not a recession, not a drought, not a collapse of farm prices, nor an increase in mortgages, the things that have come with some periodicity and consequence to us, and which we have learned to understand pretty much and manage. We have never had this before, and we have never talked about it before; not in the calm, thoughtful way the Senator from North Dakota has done.

I want to thank him most sincerely for setting a tone which I think and I hope will continue throughout this debate.

Mr. President, I look to my friend on the Republican side. Does he wish to speak?

Mr. PACKWOOD. I do.

Mr. MOYNIHAN. If I may observe, the Senator from Florida is here.

Mr. PACKWOOD. I apologize. I can wait. I am going to be on the floor.

The Senator may go right ahead.

Mr. MOYNIHAN. I yield to the distinguished Senator from Florida 15 minutes.

The PRESIDING OFFICER (Mr. CAMPBELL). The Senator from Florida is recognized to speak for 15 minutes.

Mr. GRAHAM. Thank you very much, Mr. President and my distinguished colleagues. I appreciate the courtesy.

I want to talk some about the structure of the welfare reform proposal that is before us and some concerns I have as to whether we are building a foundation on reality with steel and concrete, or a foundation of sand based on theory, hope, and avoidance of responsibility.

I am going to be talking from basically two sources. First, I will talk from some statistics that are generic and analytical of the legislation before us. I will also be talking from some anecdotes which are personal and specific.

For the last 21 years, I have had a practice of taking an occasional job in a different area of interest within my State. In July, I took a job with one of the two welfare-to-work programs in Florida, this one in Pensacola. This is a program which is very similar to the objectives of both the underlying bill and the amendment that is before us. It is mandatory; that is, participation is required. It has the goal of placing a high percentage of those persons who are currently on welfare into employment. It is exploring what are the pragmatic requirements of accomplishing that objective, and it is doing so in the community of Pensacola, which is very representative of the kind of communities across America in which this type of program will be applied.

I am going to be using some of the information and observations from that experience also as the basis of my comments on the plan which is before us today.

Mr. President, I strongly support a serious effort to move people from the dependency of welfare to the independence of and self-sufficiency through employment. That is a fundamentally important objective.

As we start this, I want us to understand almost the moral dimension of what we are doing, and I will place that in the context of eight women with whom I spent a considerable amount of time in Pensacola who are part of this process of making the transition.

Just to describe these eight women, they were six white and two African American women. They were somewhat older than I had anticipated. The youngest was in the early twenties, up to the early forties. All of them had two or more children. Three of the eight women had a child with a serious medical disability. I was initially surprised that there would be that high an incidence of medical disability. But on reflection, given the fact that these women typically had no or very limited prenatal care with their children and had limited access to primary care since their children were born, it is not surprising that there would be that incidence of medical disability.

These are women who are very committed to a better life for their children through the achievement of independence for themselves. Many of these women have limited educational backgrounds and, therefore, the kind of job training in which they are now engaged in Pensacola, the Welfare to Work program, is difficult for them. But they are making a maximum effort to be successful.

In the course of attending one of the programs in which they are learning some of the basic skills that will be necessary, one of the women broke down and cried. She said: "This is so difficult for me, but I understand the importance of this opportunity that I am being given and, if I do not succeed, not only will this likely be my last chance but it will fundamentally change the future for my children. I want to succeed."

Our moral responsibility as a society, Mr. President, is we are telling these women that you have 2, maybe 3 years to be successful in preparing yourself and securing employment, and securing employment at a level that will allow you to support your children. We are making a commitment to them that not only are we going to provide them with what would be required to do so, but there will be a job there that they can secure upon the completion of their preparation. And the consequences of their failing to get that job is that they and their children will have the level of support that they are currently receiving terminated or substantially altered and reduced.

So there is a commitment on both sides. And it is from that point that I would like to draw some observations about the underlying bill which is before us today, because I believe it is based on some unrealistic assessments of the world in which this proposal will actually operate and creates the potential of some serious unfairness and a violation of that moral commitment that we are making to these Americans.

First, I believe that the goal of the welfare plan, which is to have 25 percent of the current welfare beneficiaries employed in year 1 of this plan and 50 percent employed in year 5, is unrealistic.

In year 1, the definition of reaching that 25 percent is a month-by-month evaluation of how many persons who were on welfare had been moved into a work position. And if at the end of the first 12 months of the fiscal year, you do not have an average of 25 percent, then your State is subject to sanctions. I believe it is going to be virtually if not absolutely impossible to reach that 25 percent goal. There is a necessary startup period in terms of developing the job placement programs, the job training programs, and the support services such as transportation, as well as securing child care for the young dependents of these women, which makes reaching the goal of a 25-percent objective in year 1 highly unlikely.

Equally as difficult will be to reach the 50-percent level in year 5. That is in large part because of whether the jobs are going to actually be available. Pensacola, FL, happens to be an area that has a relatively growing economy, an economy which is creating a substantial number of jobs. But even there the administrators of the program stated that it will be very difficult to reach a 50 percent placement level within a 5-year period. That would be true because of the competition for those jobs from all the other people in the community who will be seeking that employment—the issue of will there be jobs that will be not just at the barest minimum wage but at a level high enough or at least offering a sufficient potential to raise a sufficient amount of money to be able to support a family of a single mother and two children, which is the typical family in Pensacola.

There are 6,600 welfare families in Pensacola, so the goal is to place 3,300 of those in work by the year 2000. That will be a challenge for Pensacola. But, Mr. President, let us put that in the context of another American city, a substantially larger city, and that is Philadelphia. Philadelphia has not 6,600 people on welfare; it has 500,000 people who are receiving some form of public assistance.

In Philadelphia, using the statistics provided by DRI McGraw-Hill on U.S. Market Review, in 1994 there were

2,149,000 jobs in Philadelphia. In the last year of their survey, which is 1997, the projection is there will be 2,206,000 jobs in the Philadelphia area, or an increase of approximately 47,000 jobs over that period from 1994 to 1997. We do not have the statistics to the year 2000, but assuming that that rate of increase continues, we could expect maybe another 20,000 or 30,000 jobs to the year 2000, so well under a 100,000-job growth and yet we are saying that by the year 2000, half of this population of 500,000 people is supposed to be placed in jobs in Philadelphia.

How is that going to happen? I think we have a level of unreality in terms of the scale of the population that we are saying has to be trained and placed and their children supported and the number of jobs which are going to be created, particularly in those areas of the country that are not experiencing the kind of robust economic growth that a community such as Pensacola, FL, has experienced.

My first point is that I think we have a statistical unreality in terms of what we are saying has to happen and what, in fact, is likely to occur. And for that reason, independent groups such as the Congressional Budget Office and the General Accounting Office that have looked at this plan, have stated that 44 out of the 50 States will not be able to meet the expectations of this legislation—that 44 out of the 50 States are going to fall into the category of those that are nonperformers and therefore subject to a 5-percent penalty.

I would suggest that these numbers are so unrealistic in terms of the kind of commitments that we are prepared to make that the 5 percent penalty will be accepted as a fact of life for many States and that any serious effort to meet these unrealistic goals is likely to be abandoned.

It is interesting to me the difference in which we are treating those programs that we are about to ship off to the States and say, "You run them," such as welfare reform and Medicaid, where we are setting these theoretical goals, and then essentially abandoning any effort to do those things that will be necessary to make those goals attainable, and how we are treating the one big program we are responsible for running and that at least as of today no one has suggested be sent to the States to run, which is Medicare. There we are saying that Medicare has to be treated above politics; that we have to be very, very careful it is structured properly because we know we are going to be held responsible for how that one is administered.

With welfare and Medicaid, we essentially are saying we can abandon all responsibilities for the pragmatic implementation. That is going to be somebody else's responsibility.

A second level of unreality is in the funding levels and specifically in the area of unfunded mandates to the States. It is interesting, when we came here back in January with a very expansive and aggressive agenda of domestic issues, which issue received primacy, which received that special recognition of being Senate bill No. 1. Well, that honor was assigned to the legislation that dealt with reducing unfunded mandates, that as our No. 1 domestic objective we were going to cease the process of having the Federal Government meet its responsibilities by telling somebody else, generally a State or local government, what to do and requiring them to use their resources in order to achieve that national objective.

The PRESIDING OFFICER. The Senator's time has expired.

Mr. MOYNIHAN. Can the Senator use another 5 minutes? We want to be fair to all Senators.

Mr. GRAHAM. If I could.

Mr. MOYNIHAN. I would be happy to do it. I am listening to what he has to say.

Mr. GRAHAM. The reality is that this bill which we are about to pass will be the grandfather of all unfunded mandates. We are going to be imposing significant new responsibilities on the States, without the resources to fund those responsibilities, and that as we impose that grandfather of all unfunded mandates, we are going to be creating a whole series of stepchildren as its consequence.

Let me just use the example of my State, a family of three typically, and in the case of all eight of the women I mentioned earlier, this is the case, a single mother with two children. The State of Florida provides $303 a month in economic support, cash assistance to that mother and two children. That $303 is roughly half Federal money and half State money. Under this proposal, it is going to take 75 percent of the Federal money that we have been providing for the support of that family of three in order to pay for the job training and related support activities and the child care of that mother and her family while she is preparing to work. There is no proposal to act to fund those additional activities.

In fact, the level of funding at the Federal level will be declining over the period of this program. So instead of that family having $303, it will see that reduced to approximately $185 a month which will be available for economic support because the remainder of the money, approximately $135, will be used to pay for these other mandated services. So we are saying that this family, which has been living on $303 a month, is now going to have to start living on $180 a month while the remainder of the money is used to prepare the mother for a future job and to provide child care for her dependent children.

Mr. President, I think that is an unrealistic economic scenario. And it becomes even more draconian since we are no longer going to be requiring States, at least after 2 years, and even in a very soft way during the first 2 years, to provide any continuing match. So potentially not $85. If the State of Florida were to decide to abandon its local match and not provide any State funds, we could have this family living on $35 a month, just that portion of the Federal money that is left over after you have met your mandates. I think that is highly unrealistic and would defeat not only the goal of moving people from welfare to work, but would also undermine our basic American humanitarian and compassionate sense of responsibility to all of our citizens.

And finally, the reality of this proposal is in the extreme disparities that will exist from State to State under this plan. I mention unfunded mandates. In the case of Florida, about 75 percent of our Federal funds would be required to meet the unfunded mandates. We are better off than Mississippi, where it will take 88 percent of Mississippi's Federal money to meet their unfunded mandates, which compares to the District of Columbia, that can meet their unfunded mandates with only 46 percent of the Federal money.

Why is there such a great disparity? Because we start off with a tremendous disparity in how much Federal money per child is available under the proposal that has been submitted by the majority leader. A stark difference is right within a mile of where we stand. A poor child in the District of Columbia will get three times as much money under this proposal of the majority leader as will a poor child across the Potomac River in Virginia.

I think that is not only indefensible and unfair, but undermines the basic credibility of this proposal as a means of moving people from welfare to work.

So, Mr. President, in those areas, I think we have a house that is being built on a foundation of sand.

Mr. President, we need to guard against passing legislation which has rhetorical mandates and aspirations, but without the practical understanding of what it would mean in the lives of people and, therefore, virtually assuring that we will have a failure of accomplishing our objectives and will have more decades of exactly the kind of welfare issue, exactly the kind of continuing dependence that we are trying to ameliorate through this effort.

Mr. President, I urge the adoption of the more pragmatic amendment which has been offered by Senator DASCHLE and his colleagues as the starting point for serious, meaningful welfare reform.

Thank you, Mr. President.

Mr. MOYNIHAN. Mr. President, I yield myself 5 minutes, if I need that much, to thank the Senator from Florida, the former Governor of Florida, who knows precisely of what he speaks when Federal formulas are involved.

You heard the striking differences between the jurisdictions of Florida, Mississippi, the District of Columbia, and Virginia. I hope you also heard the Senator's comment about the city of Philadelphia, the number of jobs in the city, the numbers created in recent years. I have been trying to make a point, as I said yesterday—I do not know that I can persuade anyone, but I can try to make it and I can argue—which is the point that 30 years ago, we might have considered turning this subject back to the States, giving them block grants of some kind, saying, "You handle it. Cities, you handle it. It makes some sense since local governments are closer to the problem. It is not that big a problem."

It is today, in one after another jurisdiction, a problem that has overwhelmed the capacity of the city and the State.

The Senator mentioned Philadelphia. In 1993, 57 percent of the children living in the city of Philadelphia were on AFDC, welfare, at one point in the course of the year. At any given moment, 44 percent—these are numbers never contemplated. Nothing like that happened in the Great Depression. And these children are paupers. They are not from unemployed families, where there is a house, an automobile, some insurance.

One of the few regulations the Federal Government does have—the rest are all intended you have to waiver for—if you have less than $1,000 in assets, you are a pauper. The cities cannot handle it. And they will not.

Just as when we began the deinstitutionalization of our mental institutions in the early 1960's—at the last public bill-signing ceremony President Kennedy had, on October 31, 1963, he signed the Community Mental Health Construction Act of 1963. I was present. He gave me a pen. I had been involved with this in New York, where it began. Transfer license. We were going to build 2,000 community mental health centers by the year 1980, and one per 100,000 thereafter.

We built about 400. We kind of overlapped and folded the program in and forgot about the program. We emptied out the mental institutions. And we have been hearing about homeless shelters all day.

I said yesterday, and I will repeat again, in 10 years' time, with this legislation in place, with these time limits in place, children will be in the streets. Seventy-six percent of the children on welfare are on welfare for more than 5 years.

The Senator from Connecticut, I hope, will keep that in mind—76 percent. About 40 percent—the remainder come and go quickly and are never a problem.

But if we do this, we will have in my city of New York half a million people on the streets in New York. We wonder about homeless people. They used to be in mental institutions. Now these children are in houses. They are in households. We will wonder where they came from. We say, "Why are these children sleeping on grates? Why are they being picked up in the morning frozen? Why are they horrible to each other, a menace to all, and more importantly to themselves? Whatever happened?"

When the homeless appeared in New York, we right away diagnosed it as a lack of affordable housing. That is not what it was. It was Federal policy in its most perverse mode. Make a great change and do not follow through. Make changes you do not fully understand. Those tranquilizers were not as good as we thought.

Here are some other cities. In Detroit, 67 percent of children were on welfare at one point or another in the year of 1993; in Baltimore, 56 percent.

My time has expired. But I will return to this subject.

Now I am going to suggest the absence of a quorum for 1 minute to see whether the Senator from Oregon wishes to speak—I do not see him on the floor—after which it is the turn of the Senator from Connecticut.

The PRESIDING OFFICER. The absence of a quorum has been suggested. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. MOYNIHAN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MOYNIHAN. I am happy to yield to my friend.

Is 15 minutes sufficient for his purposes?

Mr. DODD. Why do we not try 15. I may need 20.

Mr. MOYNIHAN. Twenty, it is.

Mr. DODD. I thank the Senator.

Mr. MOYNIHAN. May I record, Mr. President, the Senator from Oregon does not wish to speak at this moment. So if the speakers are all on our side, it is because we are talking, I suppose, about our bill.

The PRESIDING OFFICER. The Senator from Connecticut, Mr. DODD, is recognized for 20 minutes.

Mr. DODD. Mr. President, I thank my colleague from New York. Before beginning, our colleague from Florida asked me to yield to him for a minute to raise a question to the distinguished Senator from New York.

Mr. GRAHAM. Mr. President, I thank the Senator from Connecticut very much. I appreciate his courtesy.

I want to commend the Senator from New York for the excellent statement, and particularly that he brings us back to reality, just what are the circumstances of the people that are going to be affected by our actions.

I would like to inject, briefly, for the Senator's information and possibly further comment, some good news. I mentioned that in Pensacola, there were 6,600 welfare families. I am pleased to say that in the first 18 months of the transition program, which is a program based on the 1988 legislation that the Senator from New York sponsored, that almost 600 of those 6,600 have, in fact, been placed in employment, that having occurred because there was a willingness to put the resources required to provide the kind of training and support, including child care, to those families to allow it to happen.

It can happen. This is not just a doom-and-gloom scenario. We are not consigned to have to deal with this problem in its current form forever. But it is not going to be easy, it is not going to be quick, and it is not going to be inexpensive if we are going to achieve real results.

I appreciate the constant reminder of the Senator from New York of those realities.

Mr. MOYNIHAN. I thank my friend from Florida, and I do particularly appreciate his reference to the Family Support Act, which never promised a rose garden. We said if you try hard, you will have something to show for it. Pensacola does.

Thank you, Mr. President.

The PRESIDING OFFICER. The Senator from Connecticut is recognized for 20 minutes.

Mr. DODD. Mr. President, before my colleague from New York departs the floor and my colleague from Florida continues, I want to commend my colleague from Florida for an excellent statement.

And, let me just say, the distinguished Senator from New York has contributed more to the collective wisdom in this body on the subject of welfare reform than anyone. I say that with all due respect to the other 99 of us in this Chamber, but the Senator from New York has dedicated virtually a lifetime of service focused on this complex issue.

She is no longer with us, but Barbara Tuchman wrote a wonderful book called the "March of Folly." It was related to foreign policy failures throughout history. What made her book unique is that she talked about failures where those responsible for conducting foreign policy—from the Trojan Wars to the Vietnam war—knew when they were about to do something that, in fact, it was wrong and that there were better alternatives. But, they refused to recognize them. She described several historical events beginning with Troy, including the American Revolution, and several others.

Were she alive today and were she to write a domestic version of the "March of Folly," I suspect our current debate on welfare reform might be a chapter in that book. My fear is, and I heard my colleague from New York express this over and over again, we are missing each other in the night as we discuss this subject matter.

The Senator from New York has said repeatedly we are not engaged in reform here at all. What we are engaged in is a dismantling, total dismantling of a system with a faint hope that what we are about to put in place is somehow going to serve the public in a better way. What we are talking about here is reducing our Federal commitment to welfare by roughly $70 billion, passing the cost on to the States and localities of this country and asking them to assume the responsibility and burden of picking up this chore with little likelihood that we are going to achieve the desired goals expressed, with all due respect to the majority leader's bill.

I just want to take a moment, before getting into the substance of my remarks, and urge my colleagues to please listen —listen—to our colleague from New York. There is a lot of wisdom in what he says. He knows this issue well. Historically, we have paid attention to our colleagues, regardless of party, regardless of ideology, who brought a special knowledge and experience to a subject matter. The Senator from New York is that individual in our midst. We ought to be listening to him on this subject.

So I hope in the coming days, we can get away from a bit of the politics of this issue and think about what we are doing and what a mess we are likely to create in this country, costing the middle-class taxpayers billions of dollars before we are through, all in the name of some political debate about who is going to deal with the welfare recipient more harshly than the next.

That ought not to be what this debate is about. It ought to be about how we reform our current system to make it work better in a realistic, thoughtful, prudent manner. Unfortunately, I do not think that this has been the case. I know my colleague from New York has other business to attend to, but I just felt very strongly when I came over here to address this matter. This is one of those rare occasions when the "March of Folly" seems to be upon us once again.

Mr. President, I hope we will pay some close attention to the proposals that are being offered by the distinguished Democratic leader and hope that somehow in the next few days we may come to our senses and find some common ground on this issue.

I read the other day that the distinguished majority leader announced in Chicago that there will be no compromises this fall. How does this institution function when the leader of our body says there will be no compromise on a subject matter that will have a profound effect on our country for years to come? We need to seek some common ground and thoughtful analysis to deal intelligently and effectively with the issue of welfare reform.

There is no debate about what we are trying to achieve: How do we move people from dependency to self-sufficiency? We are now looking at grandchildren and great-grandchildren of people who have been dependent on welfare without the ability or the fortune of work. How do we move people to work in an intelligent way? How do we make it possible for them to get there and stay there, so that they have at least the basic protection of health care and some safe place to put their children?

This is not a concept that is terribly difficult to grasp, I hope. Every single family in this country ought to be able to relate to this. They do. When you go to work, where is your child? Who is watching your child? Every single person, from the highest paid chief executive officer down to the lowest wage earner in this country, understands that critical issue: if you are going to go to work, you need to have access to safe, affordable, and quality child care. It ought not to be difficult for us to try and come up with some ways to do achieve this.

The benefit of all of this is not just fiscal, it also has to do with the fabric of our country. It has to do with helping to provide people opportunities to have a sense of self-worth as we build our neighborhoods and communities. It is a critical element. And trying to find the ways and the means to accomplish that goal ought to be the subject of our discussions. We should not, as I said earlier, outdo each other in our rhetoric to indict people, in most cases, who, through no fault of their own, are in this situation.

I left this chart here, Mr. President, because it ought to be in everyone's mind. As our colleague from New York has pointed out, two-thirds of the people we are talking about in this bill are children; they are not adults, they are kids. Two-thirds of the recipients are America's children. In Baltimore, Detroit, Los Angeles, Philadelphia, there are staggering numbers of children who are recipients or dependents of families where there is this dependency on public assistance of one kind or another.

I hope, again, we can have an honest and thoughtful debate about how we can improve this situation, rather than worsening it by creating a race to the bottom. The Washington Post the other day—I do not have it here with me today—had a lengthy article about what will happen as States race to cut benefits. As some States cut benefits, their actions will put great pressure on neighboring States to follow suit, or else risk becoming a magnet for families searching for ways to end their slide further down the economic ladder. As the race proceeds, it will cause great damage to our national commitment to address these problems.

Maybe I am wrong, but I honestly believe when there is a child in Pennsylvania, or a child in Colorado, or a child in New York that is in trouble, I have an obligation as a Senator to help them. I am a U.S. Senator from the State of Connecticut, but my interest and concern about children is not limited to the geography that I represent. It is the country that I represent. And so when there is a child who is hurting in a Western State, an Eastern State, or my own State, I believe that, through the constitutional process which creates this institution, I ought to bring a concern to this national body to grapple with these problems in a way that makes sense for all of us. I should not just assume that these problems are Colorado's problem, or New York's problem, or Pennsylvania's problem alone. That belief would run contrary to our sense of nationhood.

So the goals of work and independence and self-sufficiency and family unity are all things that we ought to be striving for.

We are going to miss that mark substantially if we do not try and find ways to achieve those goals in a realistic way, and make the kinds of investments that will need to be made if we are going to be successful.

The tendency to blame and punish is certainly tempting. I understand the politics of it. But in the long-term it is not going to help us resolve the kind of difficulties that I think we have been asked to assume by our election to this body as national representatives—not just our own States' representatives but national representatives.

There is strong evidence that the rise of poverty is, in large part, attributable to declining wages. There has been a tremendous amount of evidence that over the past 2½ decades wages have declined, and anxiety and fear has grown among our people as a result of that trend. I hope we will keep this evidence in mind as we consider this debate on welfare reform.

If we take the view that the only purpose of welfare reform is to punish people—as I said a moment ago, those who have been getting something for nothing—then we are going to ignore the fact that welfare is an unwelcome fate for most recipients.

More important, we will miss the opportunity, in my view, for any kind of real, meaningful reform, because we will ignore what we must do to move people from the dependency of welfare to work: First, to provide them with education and training. Again, we all know we are entering a sophisticated age. There are fewer and fewer jobs where little or no education or training is needed. As it is right now, less than 1 percent of the jobs in this country are going to be available to people with less than a high school diploma. In a few years, it will be a college diploma. You are going to have to have those skills if you are going to move people to work. The jobs will not exist for people in this category without the training.

Second, you have to ensure that States are partners with the Federal government, lest they engage in a race to the bottom that rewards States for spending less on moving their people from welfare rolls to payrolls. I do not think anyone believes that is a wise course to follow.

Third, and I think most important in this debate, and I have referenced it already—is to ensure that parents have the child care that they need in order to keep a job in the first place. Child care, I happen to believe, is the linchpin of welfare reform.

No matter what else we do, if a parent cannot find a safe and affordable place for their young children during the working day, that parent is not going to be able to hold down a job. I do not care how you look at that issue or analyze it. That is a fact.

In my view, the alternative proposal offered by the majority leader, Senator DOLE, fails to meet this three-part standard. It represents, I think, a retreat from the problem and not reform of it. It does not even, in my view, deserve to be called reform. All it would do is package up Federal programs for poor families, cut the funding by $70 billion, and ship the whole problem to the 50 States. Is somebody going to tell me that is reform? That is just passing the buck and asking the middle-class taxpayer to have their property taxes and sales taxes skyrocket at the local level—as we wash our hands of it. We have reformed the problem. Mr. President, we will have done nothing of the kind.

The acid test of any welfare reform proposal is its impact on children, in my view, because they are the majority of the recipients. Is a reform proposal going to punish the children for the mistakes or bad luck of their parents? It bears repeating time and time again that two-thirds of the AFDC recipients are children. More than 9 million children received cash assistance in 1993.

The Republican welfare reform proposal, as it is called, would single these children out for extraordinarily harsh treatment. I do not care what your ideology or politics are, I do not know of anybody that wants to see that happen. Yet, Mr. President, as a matter of fact, that is just what happens under this proposal. In my view, the Republican plan packages up punitive policies that aim for the parent, but will hit the child instead.

Children should not be penalized because of the happenstance into which they have been born. I do not think we want to see that be the case.

We promise the elderly and veterans a minimum level of support in our society. Why can we not do the same for children? We need a national commitment to see that children are not abused, that they do not go hungry, and that their basic needs are being met.

The Republican proposal, however, fails to provide even the most basic minimum standards for our Nation's children. Mr. President, I want to stress that these children, I believe, are our Nation's responsibility. They are our Nation's responsibility. Whether a child lives in Mississippi, California, Connecticut, Colorado, or Pennsylvania, we as a nation must look out for the basic welfare of each and every one of these young citizens. The American people, I think, understand the concept of nationhood. They do not want us to pull the basic safety net out from under these children.

The Republican plan, however, threatens to do just that. If a parent is cut off of welfare after a 5-year time limit and is still not working, his or her children are the real losers. The Republican proposal makes no allowance for these children. If you are a kid in that family, you have had it. I do not believe that makes a lot of sense, Mr. President. I think you ought to be thoughtful about what is apt to happen down the pike here.

The proposal being offered by the Democratic leader includes a 5-year time limit, but it provides a voucher in the amount of the child's portion to a third party for families who hit the time limit. So the children's portion is held aside. If the family does not make it out of welfare in 5 years—you still have something for the kid. As it is right now in the Republican proposal, you have nothing for that child. Does anybody really believe that is what we should do? Are we going to look at the face of that child in 5 years and say, "I am sorry, your parents did not get off of it, you are a loser and you get nothing." I do not know of a single person in this body that would sit and look that child in the face—not the number or the statistic, but that child—and say, "you get nothing because your parents did not make it off welfare in 5 years." I do not believe that makes any sense. I honestly do not believe that is what we will do. Nor do I believe that is what the States will do. But, this bill calls for that.

Changing the welfare rules will not make these children disappear. They may very well end up out on the street—as the Senator from New York said—solely because of the mistakes or bad luck of their parents. We ought to be more creative and more responsible than that.

Under the Republican plan, 3.9 million children could lose assistance under the 5-year time limit. More than twice that number would be jeopardized if States move to the 2-year limit, as some have suggested.

I go back to the point of the Senator from Florida and the Senator from New York. In Detroit, 67 percent of the children are on welfare. In Philadelphia, it is 57 percent. There are some 500,000 families, or people, on welfare in that city alone. Is anybody going to honestly tell me that in 5 years, everybody is going to be off? If you are not, the kids in that city are going to be the ones to pay the price because their parents were not able to find the jobs. That does not make any sense, Mr. President. More thought needs to be given to all of this.

Despite its tough rhetoric, the Republican welfare reform bill is empty, in my view, when it comes to putting welfare recipients to work. The legislation requires States only to dramatically increase their participation rates. They impose this requirement, yet do not provide the resources to help States reach this goal.

Talk about an unfunded mandate. If you do not get it done, if you do not meet that requirement in Philadelphia—Philadelphia, with 500,000 people—in a couple of years, and do not raise your participation rates, we penalize Pennsylvania.

That is an unfunded mandate—no resources to do it. My Lord, that is an incredible burden to place on these States and localities as we wash our hands entirely of it.

The proposal being offered by the distinguished Democratic leader sends, I think, a different message—not perfect, but certainly one we ought to look at as a way to incorporate these ideas. It should not be mistaken for defense of the status quo. It is anything but. It ends unconditional receipt of assistance. It replaces the entitlement to benefits with entitlement to employment services. It would cut off benefits to anyone who refuses a job offer, and would require parents to sign a parent empowerment contract.

As the title suggests, the Work First plan makes work a reality for people on welfare, and not just simply a promise.

Our alternative is built on a basic principle that work must be at the center of real welfare reform. We would provide job training and child care assistance to help welfare recipients find and keep jobs. We would back it up with tough requirements and the resources, Mr. President, to make that a reality.

Under the work first bill, existing child care programs are consolidated and dedicated to child care. The bill guarantees child care for those required to work or prepared for work, ensuring that kids will not be left home alone.

The bill also provides 1 year of transitional assistance with options for an extension for an additional year on a sliding scale basis.

In contrast, the Dole-Packwood bill acts as if the 4.3 million kids on AFDC under the age of 6 and the 3.8 million on AFDC between ages 6 and 13 somehow do not exist.

Under the Republican proposal, we will have less money in child care than we do today, less money before we put all of the welfare mothers to work and send them out the door, less money for these kids that have to be placed in some sort of a situation where they are safe.

In the Dole bill, the three major child care programs that serve 640,000 children disappear. That is a fact, Mr. President. They disappear, undermining the Federal-State partnership.

There is absolutely no requirement under the welfare reform proposal being proposed by Senators DOLE and PACKWOOD that States continue to use the money that they previously dedicated to child care. You do not have to do that any longer. You are off the hook. So the States do not even have to put a nickel into child care. In the earlier bill, they did. They have now taken it out.

Existing State requirements are gone on child care. If States wanted to provide the same level of services as today, they could not, because the money supply is simply not there. The level of funding is frozen to 1994 levels, at the same time we expect many more mothers to go to work.

According to numbers from the Department of Health and Human services agencies, an additional $6 billion for child care is needed over 5 years, over the fiscal year 1994 levels included in the current Dole draft, to make the Dole welfare reform plan work.

The only money dedicated to this critical component of welfare reform is the money authorized by the Labor and Human Resources Committee earlier this year for child care, for the child care and development block grant. Mr. President, that serves a very small number of families.

As the author of that legislation, with my colleague from Utah, Senator HATCH, 5 years ago, I strongly support the program, Mr. President. But it is no substitute, frankly, for dedicated funds protected from the budgetary whims of this and future Congresses.

Furthermore, the program was created, I point out, to help the working poor, and is a mere fraction of what is needed. It is clear under the Republican proposal the working poor are going to lose, and lose substantially, and middle-income taxpayers are going to watch their taxes go up at the local level.

The Dole bill even allows States to use the meager amounts that have been dedicated to child care for other welfare programs, so you can get rid of it altogether.

The majority leader modified his bill in August. He gave States the option to exclude parents with children under the age of 1 from the work requirements. There is no provision, however, for other preschool and elementary-age children.

The bill does not provide adequate funds for child care, and at the same time, it is going to penalize and sanction parents who cannot work because they do not have the child care or cannot afford it.

Mr. President, that is a no-win situation we are putting these parents in. It is just plain wrong. In my view, it will not work. As I read it, this welfare bill says it is OK to leave your children home alone. You will go to work, but you figure out how to deal with your children.

In case anyone thinks that there are enough Federal dollars in child care under the current system, just look at what has happened. Thirty-six States, Mr. President, and the District of Columbia have waiting lists for child care.

Listen to the numbers on waiting lists: In Texas, 35,000 children are on a waiting list for child care. That is today, now. I am not talking about after we pass this bill. Today, 35,000 are waiting. In Illinois, 20,000 children are on a waiting list. In Alabama, 20,000 children are waiting. In Florida, 20,000. In Georgia, 41,000.

Other States have chosen not to keep a list, but the problem is present there, too.

Now, we are going to require more people to go to work while providing less child care resources. With thousands of kids already on waiting lists for child care slots, how is that possible?

Child care is not only a tremendous concern to those struggling to get off welfare. Talk to any middle-income family about child care. Have a conversation with a family that weekly, if not monthly, goes through the anxiety. They are out there working, single mothers trying to raise kids, or two-income earners.

If you want to get an earful, talk to them about child care and the problems they have. I am not talking about welfare recipients or working poor, but the average family that struggles every week with where they are going to place their kids. Is it safe? Will they be OK? How much does it cost? Here we are, telling millions of people to go to work with no accommodation, no accommodation for child care.

Mr. President, it is lunacy to think this is reform. It is dangerous. As the Senator from New York has said, we will rue the day, we will rue the day if we adopt this legislation without accommodating the kinds of investments that have to occur if this proposal is truly to work in the coming years.

If we turn our back on this issue—and frankly, Mr. President, I say so with the highest degree of respect for the individuals who are the authors of the bill—if we do that, we will create significant damage in this country. The damage will be similar to those created, as the Senator from New York described, to the deinstitutionalization of the mentally ill.

Welfare reform requires far more thought, Mr. President, far more thought. No compromise is a great political speech. But, it is not the way to address serious, complex, and profound social policy issues.

Mr. President, I hope in the coming days that we will develop a willingness to sit down and work this out thoughtfully. I am hopeful that the Daschle alternative will be adopted because it is.

But, if that is not the case, I will offer amendments with specific offsets to improve the Dole/Packwood bill. I will say they will come from corporate welfare, I let my colleagues know.

So, Mr. President, I hope common sense will prevail in these coming days and that we will find, as we have historically on issues like this, some common ground. The President has urged it. Others have here including the senator from New York. I think this no-compromise approach is unfortunate. It is not a sound way to legislate, certainly not in an area that is as important as this one.

I yield the floor.

The PRESIDING OFFICER (Mr. KYL). The Senator from New York [Mr. MOYNIHAN] is recognized.

Mr. MOYNIHAN. Mr. President, I know the Senator from Pennsylvania would like to have a dialog with the Senator from Connecticut. But just before he does, may I say I brought to the floor a pen with which John F. Kennedy, on October 31, 1963, signed the Mental Retardation Facilities and Community Mental Health Centers Construction Act of 1963.

The Senator from Connecticut recognizes those pens. This was the last public bill signing of the Kennedy administration, and we set about emptying out our mental institutions. We said we were going to provide for the children, the young people and the older persons who left. We were going to provide community care. But we did not provide the wherewithal. We almost, for a while, forgot we had ever done it. It now seems to be lost with us entirely. We deal with the problem of the homeless as if it had no antecedent in our decisions.

We are on the floor of the U.S. Senate making a vastly more important decision. There were a million, almost a million persons in mental institutions when this bill was signed. There are about 100,000 today. There are 14 million women and children on welfare—14 million. When they end up on the streets, I hope somebody will remember that it was foretold.

I wonder.

I yield the floor.

The PRESIDING OFFICER. The Senator from Pennsylvania [Mr. SANTORUM] is recognized.

Mr. SANTORUM. Mr. President, I yield myself such time as I may consume.

I appreciate the comments of the Senator from Connecticut. In fact, with respect to the child care comments he made, I think there are some legitimate points he does make. I find myself wondering whether we do need to commit potentially more resources to provide for people who are going to be required to work so they can have the opportunity to have some child care available to them.

I am hesitant, in fact reluctant, to be for an entitlement for child care because I think that could be a slippery slope. I am not too sure we want to provide an entitlement to child care for people who are on welfare and have people who are working mothers, who need child care just as badly, have no entitlement. That, I think, creates a double standard that may in fact encourage more people to get on welfare to get the child care benefit. So I do have some concerns about that.

But I think it is a legitimate issue to bring to the floor, to talk about how we are going to have single mothers with children work and not have the resources available for child care. I think that is an issue. I think the leader came to the floor before the recess and admitted that that is an area we hope to do some work on.

We talk about bipartisanship. I think that may be an area where we could find some common ground. I think, again, on this side, we are going to be stopping short of an entitlement in nature, but certainly to provide more day care slots and to provide more funding for people to have choices as to where to take day care, that is not beyond the pale—at least from this Senator's perspective, that is not.

One of the things that concerned me, however, about his talk was at least the inference, if not the direct assault, that somehow or another Republicans are slashing welfare. I think we have to make this very clear. What we are talking about here, on the Democratic bill and frankly on the Republican bill, is not slashing welfare.

I will give the numbers. Unfortunately, the numbers do not match, necessarily, because the Democrats' calculation of what welfare is and the Republicans' calculation is a little different. Welfare, from my perspective, is obviously not just AFDC, but it is AFDC and food stamps and child care and a whole lot of other programs. When you add all those programs up, we come up with spending this year of roughly $170 billion that we will spend on welfare programs.

On the Democratic side, they add in the earned-income tax credit and some other social service programs, and they come up with a figure closer to $190 billion. So we start at a different base. But let me give what, under the Republican bill, we will spend 7 years from now and what we would spend 7 years from now if we did nothing.

If we did nothing, we would go from spending $170 billion on welfare today to, in 7 years, spending $302 billion on welfare. That is if we did nothing. We would increase spending by $132 billion, a roughly 77 percent increase in spending on welfare in the next 7 years. That is if we did nothing.

Now, what does this dramatic slashing, punishing, cruel, blaming-the-poor, Republican proposal do to welfare expenditures over the next 7 years? We are not going to spend in the year 2002 $302 billion, that is correct. We will spend $289 billion. The increase will be, not 77 percent over the next 7 years, but 70 percent over the next 7 years.

I know you can say a lot of things about this program, but cruel slashing, cutting, when you are cutting 7 percent of the increase out of a program that is going to increase 77 percent over 7 years is hardly slashing. It is hardly leaving people out on the street.

Let us please stick to the facts. This is not a harsh bill. This is not a cruel bill. This is not a bill that blames anybody. This is an honest attempt to try to solve the problem. And, yes, at the same time try to accomplish some savings—hopefully efficiencies, doing things better, getting more people off the rolls and back into productive society, which will save money in the process.

Just so you understand what the other side is going to do, under their numbers welfare spending is $190 billion today and will increase to $333 billion by the year 2002, an increase of $153 billion, a 75-percent increase.

So, $189—$190 billion to $333 billion. Again, the Republicans start at $170 billion and we go to $302 billion. But they use different numbers. Under the Democratic proposal, their spending would increase from $190 billion today, not to $333 billion but to $330 billion. So, instead of a 75-percent increase, you get a 74-percent increase.

I would not even call that an adjustment. That is not even—that does not even touch the system. The Republican proposal was a modest reduction. This does not even meet the standard of reduction, hardly. And they are trying to put this up as changing welfare as we know it? Reforming the system? Giving not only the recipient a different program but the taxpayer a break in funding this system?

It does not stand up. Either way, their system does not stand up to reduce spending significantly and ours certainly cannot be accused of slashing and cutting. Ours is a responsible reduction from a very dramatic increase.

A couple of other points I wanted to make about the talk of the Senator from Connecticut. He said, as the Senator from Louisiana discussed yesterday and the Senator from New York discussed yesterday, "How are you going to pay for these programs? You do not have the resources. We cannot do it. The Governors won't be able to put these work programs in place and there is no way for us to be able to fund this program with the number of children and single mothers on this program."

I would remind the Senator from Connecticut that the Republican Governors Association strongly supports the Dole package, strongly supports the block grant approach, strongly supports the idea that if you give them just what they had this year in AFDC funding, and a little growth factor for the growth States which we have provided for in this bill, that they will be able to run this program, put people to work, get people and turn the system from a maintenance system, a dependency system to a dynamic system that moves people out of poverty and do it for less money. For less money.

I will remind you that these Governors, the Republican Governors who support the Dole package represent 80 percent of the welfare recipients in this country. Eighty percent of the welfare recipients in this country are represented by Republican Governors, and they believe they can do a better job with less money than what the Federal Government is doing today.

So ask the people who are going to implement the program how they will do it and they will tell you they can do it. In fact, they want to do it.

It is interesting that the Senator from Connecticut mentioned and focused a lot of his introductory remarks on how we have to change this dependency system, and used the word "dependency" as it should be, as a pejorative term. It is not a good thing. And then later in his talk he talked about how cruel and horrible it was to cut people off after 5 years with nothing. He said, "We are going to cut them off and there will not be any benefits."

First off, that is not true. Children, moms with children, will continue to receive food stamps, will continue to receive Medicaid, will continue to receive housing benefits that they do in any other social service. They will lose their cash assistance. Under the Democrat bill, they lose their cash assistance also. The only difference is they replace the cash assistance with a voucher in almost an equal amount—they have a slight reduction—a voucher for them to be able to go out and do basically what they did with the cash.

So in a sense it is not much of a penalty. But we say if you are going to end dependency, you cannot continue to keep people on the system and pay them virtually the same they are making now on the system. You have to end dependency by ending dependency. You cannot continue to provide for someone on the system and expect them to leave the system.

I do not say that without the understanding that a lot of people leave the system. But a lot of people are trapped in the system because of the nature of the dependency of it in which the benefits continue.

So you cannot stand on the floor and say, "We have to end dependency" and say, "We cannot cut them off." You cannot be for any dependency and not be for some termination of benefits at some point in time when the social contract between the Government and the person the Government is attempting to help at some point ends, and the person has to do it on their own.

The other point that I cannot more strongly disagree with is the Senator from Connecticut repeatedly said, "This is a national problem." It is a national problem. As a Senator from Connecticut, he cares about the children in Philadelphia and he cares about the children in Colorado. The presiding officer is from Colorado. I care about the children from Connecticut and the children from Arizona. I just do not believe that the Federal Government is the best person to help them.

Sure, it is a national problem. But I think what we have found in decades of looking at what helps the poor in this country is the National Government does not solve the problem. It is a national problem that calls for a local solution. Sure, the Federal Government has a role to play. We are going to continue. He says we are going to wash our hands of it. We are not going to wash our hands of this.

I will repeat the numbers to make sure the Senator from Connecticut understands. We are going to be spending $289 billion under the Republican proposal in the year 2002, a 70-percent increase. The commitment is there. But what we are suggesting in this bill, which is philosophically different and fundamentally different from what the Senator from Connecticut and many on the other side of the aisle believe, is that we solve problems best when it deals with the poor by making it more personal and individual and local in nature; that community organizations and individuals solve problems better in dealing with people who have troubles in their lives than a system that processes checks and papers and maintains people in poverty.

I think everyone here understands that this is a national problem, and that that is why we are having this debate. If this was not a national problem, we would not be here debating it. Of course, it is a national problem. But does that mean that the Federal Government has to solve the problem here, has to have instant solutions here for everybody to be treated the same in America? Of course not. National problems do not always require national solutions. They at many times require solutions to be done and ideas to be grown in the local communities or the individual who can help that person get out of poverty.

The Senator from Connecticut also talked about how two-thirds of the people on welfare are children. That is a fact. It is very disquieting. He talks about how cruel it is, that the Republican bill will in fact hurt children and target children for their harsh treatment. I will just remind the Senator that over the past 30 years we have tried a great experiment as a result of the Great Society programs of the 1960's. We tried this experiment blindly, with absolutely no idea of whether this program was going to work.

A lot of the criticism on the other side is we do not know whether turning this back to the States is going to work. We do not know it is going to work. Well, I would suggest to you back in 1965, 1966, or 1967, in the years in which these programs were enacted in the early 1970's, that a lot these programs were passed, and they had absolutely no idea whether they were going to work. But they thought that it was worth a try. In fact, I would say that a lot of the people who voted for these programs did so with the best of intentions and with the greatest of hopes that this in fact would work. But it has not. I think we did answer that question.

Two-thirds of the people on welfare are children. But more of those children are born out of wedlock today than they were in 1965. In fact, if you go back to 1960, the out-of-wedlock birth rate in this country, the illegitimacy rate in this country, was 5 percent. It is now 33 percent.

I think everyone will admit now, both sides of the aisle, both philosophical perspectives will tell you that it is a harmful thing for our country. More of them are born out of wedlock. More of them are born at low birth weights. More are born drug addicted, crack addicted. More of them live in unsafe neighborhoods and die violent deaths. More of them have less opportunity. More of them have less educational opportunities and a chance for success. That is the system we have today.

I sometimes just become amazed that someone could stand up on the floor and say that what we are doing is cruel when the system today is as cruel as we have ever seen in the history of this country. What we are suggesting is not cruel or harsh. What we are trying to do is change a system that is surrounded or built on the difficulty of maintaining people in poverty.

I cannot stress this point enough: No one who receives welfare benefits as their sole source of income gets rich. You do not get rich on welfare. You maintain people. That is what the system does. That is what it is built to do—to maintain people at a level of survival.

It is not a system that you go into with the expectation—people who have never been in the business when they think of welfare do not think there is a system that people go into and they are transformed into productive, working citizens. That is what welfare does in this country. Nobody believes that. Nobody thinks of welfare as the system that changes people's lives for the better. They think of welfare as the safety net where people get caught in it.

We have to change that. That is what this bill does. It fundamentally changes the whole perception of what welfare is all about. The whole expectation of someone who now gets onto welfare is not how many are going to be provided for whatever the length of time in poverty. But how will I be helped to get back on my feet to get out of poverty. That we will change the system from one of maintenance and dependency to dynamic renewal, that is the challenge. And what many of us believe is that that is the challenge best met by people who care most about the people involved in the system. And, yes, the Senator from Connecticut cares about the children in Philadelphia. He probably cares about my children. I will never forget the Senator from Texas, Senator GRAMM, who suggested that on a talk show a couple of years ago. Ira Magaziner was on talking about health care, and Magaziner was saying, "I care about your children as much as you do, Senator." And Senator GRAMM shot back, "Then tell me their names."

Yes, I care about children in Philadelphia and Hartford and Bismarck and Fargo. I care about them. But that does not mean I am the best person to help them. The people in Fargo know better how to solve this problem and how to deal with this person, to sit across the table from them and say: What can I do to help you get back on your feet and going? Not with the eyeshade down, hand out the check and process the next number.

That is the fundamental difference we are debating here today. It is a difference between holding on to the past and moving to the future.

It is a great opportunity, it is a great opportunity we have before us to make this system something that we can be proud of, that we can look and see experimentation across the country.

In the Republican bill, we allow nonprofit organizations to get involved and be the welfare agency for that community. I know there are many communities—the Senator from Connecticut mentioned Philadelphia on many occasions. I have been to north Philadelphia and west Philadelphia, and the only thing left, the only thing left in these neighborhoods—there are no jobs left in these neighborhoods, nothing of an institutional setting except the church. Why not let the people who care most about these folks, why not let the churches get involved in providing welfare services.

Oh, I know we get real nervous about church and state, but, folks, I want to solve the problem. I want to help people. And I know many pastors—many pastors—who would absolutely be the best people to work in those communities. Sure, they would have oversight, there would be Federal oversight or State oversight, but the people working with the folks in the community would be people who know, people who care about them, people who the folks who end up on welfare trust, know that they care about themselves and their families.

This is different. We are not walking away. We are facilitating a different approach. It is one that I know will work, I know will work because it has worked in the past and I think it will work better because the Federal Government will provide a lot of the needed resources that in fact were not there in the past.

We stand at a very important moment, as we vote on this substitute later today, whether we are going to continue to try to micromanage and have solutions based out of Washington to run welfare or whether we are going to turn away from that approach that we know does not work and move to something different, exciting, dynamic, that is going to help millions of people leave welfare.

Mr. President, I yield the floor.

Mr. CONRAD addressed the Chair.

The PRESIDING OFFICER. The Senator from North Dakota.

Mr. CONRAD. Mr. President, I have listened to my colleague from Pennsylvania and found that I agree with much of what he says in terms of where the decisions might be made, but I disagree with him in terms of his characterization of the divide that exists in this debate. I do not really think it is a question of where should the decision be made.

In my own welfare proposal that I made before the Senate Finance Committee, I left it entirely up to the States. Let the States decide what the makeup of the program should be. Let the States decide what the eligibility should be. Let the States decide what the time periods are. Let the States decide what the sanctions are.

That was not the divide in the debate. The fundamental difference in the debate was, should there be a continuation of an automatic stabilizer, a mechanism that allows the State to be assisted by the Federal Government if there is a circumstance in which State resources are overwhelmed.

Mr. President, if there is a flood in Mississippi, if there is a drought in North Dakota, if there is an earthquake in California, if there is an economic collapse in Pennsylvania, some of us believe just as fervently as does the Senator from Pennsylvania that the Federal Government has an obligation to make certain the kids in that State do not wind up on the street.

I remember being in the State of California, going down the street in San Francisco, in one of the most affluent neighborhoods of that beautiful city, and encountering a young mother with two children sitting on the curb with a sign that said, "I'm homeless. Please help me." I inquired of the woman, who was dressed as a middle-class person and her children were well groomed, "How did you wind up on the streets of San Francisco?" And she said to me, "My husband left without notice, abandoned the family. I could not make the house payment. I was just evicted yesterday." And here sat this young woman, a lovely young woman, with two little kids on the street in San Francisco, CA, begging for money to feed her children.

If, God forbid, we are in a circumstance in which California suffers a whole other series of economic calamities or, closer to home, my home State suffers through another devastating drought as we did in 1988 and 1989, there comes a time when a flat level of funding from the Federal Government does not do the job, does not protect people who I think everyone in this Chamber would want to see protected.

The fundamental debate here is, are we going to preserve an automatic stabilizer that says to individual States if they suffer an economic collapse or some other calamity, that it will not just be a flat funding from the Federal Government and strained State resources that are ready to meet the challenge but this country stands together united? That is why we are the United States of America. Over and over, we have seen this country respond to tragedy. Whether it was the bombing in Oklahoma, the earthquakes in California, or the drought in my State, we stood together as one nation under God, indivisible, and we came to help out, to make certain that a young mother with two little kids was not on the street because the husband deserted the family and the house payment was not made.

Mr. President, let me just say, if the American people agree on one thing, it is that the current welfare system is broken. Make no mistake about it. Both sides are offering dramatic changes with respect to how we deal with welfare in America.

The current system is one that nobody respects. The taxpayers do not respect it. Those who are caught in the welfare system do not respect it. The current system does not emphasize work. It contains perverse incentives that actually break up low-income families. It allows parents to abdicate responsibility for raising their children. It allows fathers to escape their child support obligations. And it subjects 9.5 million children and 4 million mothers to a future of hardship and failure. That is why on both sides of the aisle there is a fundamental commitment to reforming our welfare system and rebuilding it from the ground up.

Mr. President, in January I began to develop my own alternative welfare reform legislation. I called it the Work And Gainful Employment Act. I hoped it would foster a bipartisan dialog on welfare. The WAGE Act was the first Senate proposal to completely reform our welfare system while maintaining an economic safety net for States and children.

It represented a substantial departure from the past. And I am proud that many of the concepts included in the WAGE Act are now in the Work First proposal offered on our side. Under the WAGE Act States receive unprecedented flexibility to experiment. They can develop the methods for moving welfare recipients to work. They have complete flexibility to design employment programs, determine eligibility criteria, develop sanctions, and determine the support that individuals receive. States may establish time limits of any duration, but those limits only apply to participants who refuse to work.

The WAGE Act eliminates the unconditional entitlement of AFDC, but unlike the blank check block grant approach in the Republican bill, it does not abdicate Federal responsibility. Instead, my bill replaces AFDC with a new transitional aid program. Under that program, welfare recipients must work in order to receive benefits. The WAGE Act also creates a block grant to fund child care work activities and includes the resources to put people to work. The only part of the current system that is maintained by my plan is the safety net for States and children. That is where we have a fundamental difference and divide between the two sides. My plan assures that as poverty and population increase, as recessions occur, and as natural disasters confront our States, the Nation will not abandon Americans in need.

Mr. President, I am disappointed in the partisan nature of the welfare debate to this point. I very much hoped that we would approach welfare on a bipartisan basis. In fact, Senator CHAFEE and I authored one of the few bipartisan welfare-related proposals, the Children's SSI Eligibility Reform Act, which I incorporated into the WAGE Act that I offered earlier this year.

Mr. President, I listened to the majority leader on the floor in August when Senator KENNEDY questioned him about the lack of resources for child care in the Republican bill. The majority leader said he was aware of the problem. He said he was discussing possible solutions within his caucus. Mr. President, I would say to the majority leader, this problem should come as no surprise.

When the Finance Committee debated welfare, I asked the Congressional Budget Office whether the Republican proposal had sufficient resources to meet its work requirements. It was a very important point, Mr. President and my colleagues. The Congressional Budget Office looked at the Republican plan and told us in open hearing that 44 of the 50 States of these United States would have no work requirement under the Republican plan, a plan that puts itself forward as work oriented, tough on work. If the Congressional Budget Office said in testimony before the Senate Finance Committee that 44 of the 50 States under the Republican plan will have no work requirement, that is not tough on work. That is not insisting that people go to work. That is no work requirement at all in 44 of the 50 States, because the States would be better off taking the penalty than actually having the funds necessary to require people to go to work.

Mr. President, that is a fundamental difference between what the Republicans hold out as a work-oriented bill and the Work First proposal advanced by this side, a proposal that has sufficient funding to deliver on the promise of moving people from welfare to work. And that ought to be the first test of any bill. No serious effort to reform welfare can succeed without child care.

Shortly before I offered my WAGE Act, Governors Carper, Carnahan, and Caperton wrote me in support of my bill. In their letter the Governors describe the elements needed for serious welfare reform. The Governors said in part:

> The litmus test for any real reform is whether or not it adequately answers the following three questions:
>
> First, does it prepare welfare recipients for work?
>
> Second, does it help welfare recipients find a job?
>
> Third, does it enable welfare recipients to maintain a job?

The Governors went on to say, and I quote:

> Your bill meets this test because it provides assistance to prepare individuals for work, to help individuals find and keep jobs, and to ensure that work pays more than welfare.

They went on to say:

> Your bill appropriately recognizes the critical link of child care in enabling welfare recipients to work and emphasizes that both parents have a responsibility to their children with the inclusion of measures to increase paternity establishments, child support collections, and interstate cooperation of child support enforcement.

Mr. President, while the WAGE Act and Work First Act both recognize the critical child-care link, the Dole bill gets a failing grade. Not only does it fail to provide child care, but it kicks children off of welfare roles if their parents are unable to work because child care is unavailable. That makes no sense. It is unconscionable to subject children to a time limit regardless of whether their parents receive the child care they need to become employed.

That is a catch-22 for the kids. But the Dole bill does precisely that. Mr. President, not only does the Dole bill include insufficient resources for child care and job training—and that is not my estimate, that is the bipartisan Congressional Budget Office telling us that that is a fact—it amounts to a $16.7 billion unfunded mandate to the States.

We have heard a lot of talk around here about how bad it is to have an unfunded mandate for the States. But that is exactly what the Dole bill represents, a huge unfunded mandate to the States. It calls for more welfare recipients to go to work, but it does not provide the money or the resources to make that happen. It calls for child care to be provided, but insufficient resources are made available.

Mr. President, the Republican plan is from the land of make-believe. You say it and it is true. We are going to move people to work. But the resources are not provided to make that happen, so it is all a hoax. It is just words. And, again, that is not my analysis. That is the Congressional Budget Office telling us 44 of the 50 States will not have a work requirement under this proposal. There has been plenty of time since the Finance Committee met to get this bill right. But, frankly, no serious effort has been made.

Now, I want this debate to be bipartisan. The American people want it to be bipartisan. They do not care whether the solution has a Democratic or Republican label. They just want the problem fixed. But they want real reform, not false promises, not just words, not just rhetoric. They want the reality of changing this system.

Mr. President, when I set out to develop a welfare reform proposal, I started with four principles. One, emphasize work; two, protect children; three, provide flexibility to the States; and four, strengthen families.

Mr. President, a reformed welfare system should require people to work in order to receive assistance. This is where those of us on both sides of the aisle, I think, are in agreement. I believe there is a consensus that if people are going to get something, they ought to work. If a reformed welfare system does that and enables States to experiment, helps keep families together, then the American people will have a system worth respecting.

The proposal I developed meets those tests. The Work First proposal, that I am proud to cosponsor with the Democratic leader, does as well. But the Republican bill does not.

Mr. President, both my proposal and Senator DASCHLE's put work first. They take action where the Republican proposal makes promises. Unlike the Dole and Gramm proposals, they provide the resources necessary to make work a reality. And Work First protects children; the Republican plan does not.

Mr. President, while Work First provides States with unprecedented flexibility to develop welfare programs, it also requires States to match Federal contributions so they do not get a free ride. The Republican plan does not.

We all agree that State flexibility is important, but there is an enormous difference between a flexible program and a blank check. The Dole block grant program is a blank check. It divorces who spends the money from who raises the money, and that is a profoundly misguided principle. We ought not to separate the responsibility of raising money from the responsibility of spending that money.

There are some similarities between the Democratic and Republican proposals. Both are significant departures from the status quo. They are departures from a system that focuses too much on writing checks and too little on promoting work and self-sufficiency. Both junk overly prescriptive Federal regulations, and both provide significant flexibility for States. But the shortcomings of the Republican proposal are a lost opportunity. Without significant changes now, the Republican proposal will undoubtedly require substantial future revisions by the Congress, and those revisions will come after the Republican plan has irreversibly harmed millions of vulnerable children and wreaked havoc on State economies.

Let me highlight a few of the most significant shortcomings in the Republican proposal and how our approach differs.

First, the work requirements in the Dole proposal are hollow. The Republican plan provides essentially flat funding for States while calling for an increased effort at putting people to work. Work First, on the other hand, makes a serious effort to provide the necessary resources to put people to work. It uses savings from the welfare system to put welfare recipients to work and includes the resources necessary to fund work programs.

I do not disagree with the goal of the Republican proposal, but it simply does not add up. If we are going to make an honest effort to put people to work, we should remember the words of responsible commentators like the Republican Governor from Wisconsin, Tommy Thompson, when he testified before the Finance Committee. Governor Thompson reminded all of us that it takes an upfront investment to have a work requirement. Senator MOYNIHAN recalls that, no doubt. We need to provide resources for child care and job training if we are going to have a serious work requirement.

Second, the Republican plan eliminates the safety net for children and the automatic stabilization mechanism for States. Whatever the faults of the current welfare system, and they are many, it does automatically adjust for changing needs.

I am going to conclude soon, because I have colleagues waiting to speak. Under the Republican plan, States are left to face crises on their own. Whether faced with a drought in North Dakota, a flood in Mississippi, an earthquake in California, or an economic downturn in Pennsylvania, the Federal Government ought to help stabilize State economies. The Work First plan continues the Federal Government's responsibility; the Dole plan does not.

The Republican bill includes a so-called rainy day loan fund. But the funding is simply not sufficient to confront the magnitude of economic impacts that occur during State recessions or disasters. Even New Jersey's Republican Governor has said the rainy day fund in Senator DOLE's bill won't get the job done.

The genius of a national approach to automatically assisting individual States that experience recessions, large population increases, high unemployment, increases in poverty or natural disasters, is that we all support each other in times of need. Part of what binds us as a nation is our sense of mutual obligation and common purpose. Our entire Nation watched as California struggled to overcome the devastation from the L.A. earthquake. The same was true after Hurricane Andrew and the Oklahoma bombing. And whenever one State is in recession, we provide an influx of national resources through unemployment insurance and other Federal programs.

The current funding structure automatically adjusts to State need. It accomplishes automatically what any nation should guarantee to its citizens—they will not be abandoned in their time of greatest need. But under the Republican proposal, States would have to borrow the money and pay it back while they still may be in the midst of a recession or other economic emergency. The Dole bill's rainy day fund is clearly a second-best approach.

Third, Mr. President, the Republican bill makes a hollow commitment to ensure that teen mothers will receive the adult supervision they need to improve their lives and the futures of their children.

In the Finance Committee, I offered an amendment that would have required all teen mothers to live with their parents, some other responsible adult, or in an adult supervised setting like a second chance home. To my surprise, that amendment failed on a tie 10–10 vote. I would have expected overwhelming support for such a provision. But every Republican on the committee except for Senator NICKLES opposed the amendment.

Now the Republican bill includes the adult supervision requirement and another provision I have been advocating for some time—a requirement that minor parents stay in school. But again, the rhetoric and reality are two different things. First, the requirements are a facade because the bill provides no resources. Without sufficient resources, infants and their young mothers who have no place to go will simply be denied needed assistance. Second, the Republican plan fails to guarantee that adult supervised living environments will be available to young mothers as an alternative to living in an abusive household. To be serious, any requirement that teenage parents live with a parent or other responsible adult must provide alternatives when no such adult is available. Therefore, I plan to offer an amendment that will provide Federal resources for second chance homes. Second chance homes are adult supervised living arrangements that provide the training, child care, counseling, and other resources that teenage parents need to learn how to care for their children. And they work.

When the Finance Committee held its hearings on welfare reform, Sister Mary Rose McGeady from Covenant House gave the most compelling testimony we heard. She told us that Covenant House works. Covenant House takes in teenage parents and helps them build a future for themselves and their children. She also told us that Covenant House has been extremely successful in preventing second pregnancies among the girls it serves.

We know that 42 percent of welfare recipients gave birth as teens. And we also know that the younger a girl is when she gives birth, the more likely she will become a long-term welfare recipient. But Covenant House and other second chance homes increase the chance that these mothers will break out of the welfare failure chain.

We should not penalize the children of teenage mothers simply because of the circumstances into which they were born. Nor should we allow their mothers the option of getting a benefit check that is a ticket to their own apartment. Rather, teenage mothers should have to finish school and learn how to take care of themselves and their children. They should learn the kind of responsibility that will not only improve their lives, but the future prospects of their children. That will only happen it States receive the resources necessary to make second chance homes a reality.

The U.S. Catholic Conference, the National Council of Churches, Catholic Charities U.S.A., and many others agree with me that second chance homes should be included in reform. We are all concerned about the need for strong welfare reform that discourages out-of-wedlock pregnancies. I hope my Republican colleagues will work with me to make second chance homes a reality.

But while I see enormous potential for Republicans and Democrats to work together on many aspects of welfare reform, there is one significant problem. The sponsors of welfare reform on the Republican side have shown complete unwillingness to move from their block grant approach. They argue that block grants are the only way to provide State flexibility. But, Mr. President, that's simply not true. Both the WAGE Act and Work First provide States with unprecedented flexibility without dumping welfare completely on the backs of State and local taxpayers.

The block grant in the Republican bill is the height of irresponsibility. History will prove that fact. We must all recognize that the need for a nationwide safety net has nothing to do with whether Governors or Members of Congress care more about children. Obviously, we all care deeply about our children.

But ending our Nation's safety net for children is extremely dangerous. Neither Governors nor Members of Congress can prevent the uncertainties that come from the business cycle, recessions, population shifts between States and natural disasters. If we abolish a safety net for children, the security of our Nation's children will be left to chance, depending solely on where a child lives. It is inconsistent at best for those who preach about morality and family values to support a plan that undermines those values.

The Work First plan strikes the right balance. It prohibits any unconditional entitlement to welfare benefits. Instead, it requires people to work in return for welfare. While it includes a few basic requirements for States, it also provides States with significant flexibility. It wipes out the 45 State plan requirements that are currently in AFDC. Work First replaces the old requirements with only a few categories. It provides States with the flexibility to design employment programs; provide incentives to case managers for successful job placements and retention among the welfare population; determine program eligibility; and establish a number of other policies under the State work program.

The last time the Senate acted on welfare reform, we passed a bipartisan bill with 96 votes. There are many aspects of welfare reform on which Republicans and Democrats can agree. But I am disappointed in the block-grants-or-bust approach being taken by the Republican majority. There are responsible and innovative ways to address this issue without the second-best pure block grant approach.

I developed the WAGE bill in order to demonstrate that there is, indeed, a better way to reform welfare. The

Work First Act closely parallels my approach. I sincerely hope that my Republican and Democratic colleagues alike will support Work First. Work First scraps a system that is broken. It uses the best ideas to build an effective welfare system that will move people into work and keep families together. And it allows States the freedom to try new ideas. I strongly believe that Work First offers the best possibility for bipartisan welfare reform this year.

Mr. President, I want to conclude by thanking my colleague, Senator MOYNIHAN, who has been a visionary on this question for longer than most people have been aware that it was a critical problem facing this country. I can remember so well 30 years ago when my colleague from New York warned this Nation of what was to come, and he has been precisely correct in what he predicted.

There is no other Member of this Chamber, there is no other academic in American society, there is no other expert who predicted with such accuracy and such vision what would occur in this country. No one has matched the predictive power of the Senator from New York, and I think his views are owed special deference because he is the only one here who has a track record of accurately predicting what would happen in 30 years. It is truly remarkable the vision that he has had with respect to this issue, and I have listened to and learned from my colleague from New York. I hope other colleagues, before this debate is concluded, will listen and learn from this very wise man.

I thank the Chair and yield the floor.

Mr. MOYNIHAN addressed the Chair.

The PRESIDING OFFICER. The Senator from New York.

Mr. MOYNIHAN. Mr. President, I thank my colleague on the Finance Committee and my friend from North Dakota for his very generous remarks. May I make the point that it was he who asked in the Finance Committee, how are you going to provide for the job training provisions in the majority measure, and the CBO simply said, "You can't."

It was a clear and concise statement of what we are up against and what we are going to do to ourselves if we do not come to our senses.

I thank the Senator from North Dakota.

I see my friend from Minnesota is here.

Mr. GRAMS addressed the Chair.

The PRESIDING OFFICER. The Senator from Minnesota.

Mr. GRAMS. Mr. President, every sports fan in America celebrated along with Baltimore's Cal Ripken last night; when he played in his 2,131 consecutive game and broke a baseball record most thought could never be toppled.

That is an impressive feat; even more impressive when you consider that "The Streak" represents more than 13 years of dedication, sacrifice, and plenty of hard work.

There is another consecutive streak you should know about, one that has not received nearly the attention that Cal Ripken's has, but one that affects a lot more people, and imposes an enormous cost on the American taxpayers. Worst of all, this streak has gone on unchecked for more than 30 years.

Since the Great Society programs of the 1960's—for three long decades—taxpayers have suffered through a consecutive Federal spending streak that has taken more than 5 trillion of their tax dollars and siphoned them off to fund a welfare system that, frankly, has done more harm than good.

Mr. President, I hope Cal Ripken's streak goes on forever, but the uncontrolled welfare spending streak must come to an end, and it is up to us to stop it. I rise today to remind my colleagues of a simple truth, and that is, the people are demanding that this Congress take responsibility for our broken welfare system and fix it.

Last year, when I was running for the Senate, I listened to Minnesotans as we sat down together in their coffee shops and truck stops, in their businesses and in their homes.

They asked me over and over again: "What are you going to do about welfare?"

I told them we were going to fix it, and many of my colleagues made the same promise.

As you know, we just returned from a 3-week recess, and like many others, I had the opportunity to spend that time traveling my State, meeting with people once again and again listening to their concerns.

But the question this time was not "What are you going to do about welfare?" The question now was "What are you doing about it?"

The people are expecting solutions, not delays, not the attempts we are seeing to derail this critically important legislation.

For three decades, it has been the taxpayers who have paid the price for a welfare system that does little but encourage dependency and illegitimacy.

For three decades, the taxpayers have continually turned over their hard-earned dollars to individuals instead of bettering their own families and helping secure their own futures. The taxpayers have been subsidizing hopelessness and despair.

Congress has attempted to repair this mess before. The last major effort was in 1988, with the passage of the Family Support Act. On the day that conference report was passed in the House, my good friend, BILL ARCHER, now chairman of the Ways and Means Committee, went to the floor with a warning.

He said:

> My criteria for welfare reform are that after 5 years of implementation we should be able to say to the taxpayers of this country that we have been able to encourage and to remove welfare recipients from the rolls so that it results in a program which has fewer welfare recipients than would occur under the current law. We should be able to say to the working people of this country that the cost of this program will result, after 5 years, in reduced taxes necessary to pay for welfare. This bill fails on both accounts.

Mr. President, he could not have been more right, and we should have listened.

Today, 7 years later, we have 1.3 million more families on the AFDC rolls than we had back in 1988. Seven years later, the working people of America are paying more taxes than they have ever paid before—4.5 percent more than they paid in 1988. We cannot continue to think that we will solve the welfare problem by throwing more precious taxpayer dollars at it, hoping that they will do some good. And, at last, I think we have a Congress that understands.

Instead of encouraging the status quo, the Republican welfare reform legislation offers welfare families a future. It offers hope. Yes, it does ask something in return from those who benefit from it. But what it gives back is something infinitely more valuable: self-esteem, a sense of accomplishment, and a chance to create a better life for themselves and their children.

The first step in creating that better life does not require anything more than a commitment. In breaking that long-held baseball record last night, Cal Ripken reminded us all that a person does not necessarily need to be the strongest, or the fastest, or the biggest player on the team to make a lasting contribution. Sometimes those with the most to give are simply the folks who show up every day, ready to work, eager to make a contribution.

Taxpayers do that. They show up for work every day, put in 40-plus hours a week for their hard earned money. They make a contribution.

With our legislation, we are encouraging welfare recipients to step up to the plate and take their turn at bat, to start lifting themselves, with our help, toward something better. We are not expecting home runs, but we will expect them to show up at the ballpark, ready to contribute. If we can accomplish that, then we cannot help but succeed.

Mr. President, I urge my colleagues to get serious about moving this legislation forward. I have heard about the terms of bipartisan support and a bipartisan effort. I hope that is what we can come down to as we go on with this debate, that we do come to a consensus that this is a bipartisan effort. I heard my colleague from North Dakota say we are not going to get everything he wants or everything I want, but hopefully we can come together with a plan that does meet the needs, obligations, and the responsibilities to our taxpayers. And they expect nothing less. Thank you, Mr. President.

I yield the floor.

Mr. MOYNIHAN. Mr. President, may I congratulate the Senator from Minnesota not only for the substance of his remarks but for the elegant way in which last night's events in Baltimore were used as a metaphor for what it was about. Having in my youth watched Lou Gehrig at the Yankee Stadium, I had a certain ambivalence about it, but nothing like upward and onward.

I will just say that regarding the substance of what is hoped for in welfare, there is a consensus, surprisingly, and it commences with the 1988 legislation, which redefines a widow's pension as a reality of this time. There is no agreement on how you finance—pay for—what needs doing.

Yet, the Senator from Minnesota spoke very properly about the prospect of consensus and bipartisanship, and I hope we may yet find that. We have done it in the past; why not in the future?

None speaks more ably and with more of a record in this regard than the Senator from Illinois. I see that he has risen. I believe he would like to address the Senate in this matter. I ask him how long he would like?

Mr. SIMON. Five minutes.

Mr. MOYNIHAN. In 5 minutes, the Senator from Illinois can say more than most of us do in 50. I am happy to yield him the time.

Mr. SIMON. I thank the Senator from New York. I wish he were accurate in that.

We all want welfare reform. I heard the Presiding Officer at a committee meeting this morning talk about the need for that. I do regret that we do not have more of a bipartisan effort, not only on this but on a lot of things. This has happened gradually over a period of years on the Hill, and I think it has not been a healthy thing. So when the Senator from Minnesota makes his comments about the need for working together, I agree. I heard Senator TED STEVENS make similar comments yesterday morning, and Senator BYRD has made some comments along that line.

Real candidly, the principal bill that we have, without the amendment, does not deal with the problem of poverty, does not deal with the problem of jobs. Whether you have a Democratic Senate or a Republican Senate, whether you have a Democratic President or a Republican President, one thing is not going to change, one trend line: the demand for unskilled labor is going down. Most of those on welfare are people who do not have skills. And so to have real welfare reform, we really have to be talking about jobs, ultimately. But, in the meantime, we cannot let people fall through the cracks.

I heard what our colleague from North Dakota, Senator CONRAD, said about Senator MOYNIHAN. Senator MOYNIHAN knows more about welfare than all of the rest of this body put together—meaning no disrespect to my colleagues here from Arizona and Minnesota, and anywhere else. But the reality is that we have, as a Nation, said we are committed to having a safety net for people. This bill, unamended, takes out the safety net. That is the reality. The State maintenance effort that is now required will die. If Arizona wants to do nothing, Arizona can do nothing. And if Illinois wants to do nothing, Illinois can do nothing.

Let me add one other point. The Dole bill takes a bill that emerged from the Labor and Human Resources Committee, dealing with job training and a number of other things like that, and just drops it wholesale in here—a bill that I think most of us on the committee know needs to be refined. For example, the Job Corps is just decimated. Now, the Job Corps needs to be improved. But 79 percent of the people in the Job Corps are high school dropouts. This is not a Sunday school class we are picking up and saying we want to help you along; these are people who are on the fringes, and the Job Corps has been a remarkably successful enterprise.

I will have an amendment, Mr. President, that is identical to a bill that Senator Boren and Senator REID and Senator Wofford and I introduced last year, which will call for an experiment—basically, a WPA type of program in four locations, to be picked by the Secretary of Labor, in which we will say that you can be on welfare 5 weeks—not 5 years, not 2 years, but 5 weeks—and you have to work 4 days a week at the minimum wage. The fifth day you have to be out trying to find a job in the private sector. We will give you $535 a month—not much money, but at least something. I do not recall the average in Arizona, but the average welfare payment per family in Illinois is $367. And then projects would be picked by local citizens, and these people will work on the projects, as we did in the old WPA.

Screen people as they come in. If they cannot read and write, get them into a program. If they have no marketable skill, then get them to a community college.

The PRESIDING OFFICER (Mr. COATS). The time of the Senator has expired.

Mr. SIMON. Could I have 1 minute?

Mr. MOYNIHAN. The Senator from Illinois can have as much time as he desires because he has so much to say and says it so well.

Mr. SIMON. I thank my colleague from New York. I intend now to speak for 2 or 3 hours, but I shall not.

One other great advantage of the WPA-type of program that I will offer in this amendment is we do not restrict it to one person in a household. One of the things that we have done through our welfare policies is discourage families from sticking together.

If you can have two people earning an income on a WPA-type of project, then, frankly, they would have a chance of not living in luxury, but there would be the economic incentive for families to stick together rather than families to separate.

I certainly am going to support the amendment offered by Senator DASCHLE and Senator MOYNIHAN. I hope we do not do real harm to this country in the name of welfare reform. Everything that is under a label "welfare reform" is not real good for this country. We have to recognize that.

I yield the floor.

Mr. MOYNIHAN. Mr. President, I see the able and learned Senator from California has risen. She has asked if she might have 12 minutes. She most certainly can, and I look forward to hearing from her.

Mrs. BOXER. Thank you very much, Mr. President. Thank you very much, Senator MOYNIHAN, not only for the time but for your extraordinary leadership, your vision.

I think it should send a chill through this body, whether we are Democrats or Republicans, men or women, moms, dads, single people, grandmothers, or grandfathers, when you discussed very clearly the results of the Republican plan: if it passes and is signed into law, it will undoubtedly mean children in deep despair, and in deep poverty. Your image of children sleeping on grates across this Nation is one which I take very seriously.

There are few in this Congress and few in this country and I could even say, in my opinion, there are none, who have been so correct in their analysis of what is happening to the poor in this Nation. We have made many mistakes, the Senator from Minnesota is correct, as we have tried to deal with this very intractable problem. I hope we would not replace some of those mistakes with even deeper mistakes. I, therefore, applaud the call for bipartisanship as we deal with this issue.

Mr. President, I think it is important to note that we are talking here about the Nation's children. If you look at my home State of California, approximately 70 percent of California AFDC recipients—that is, those who are on welfare—are children. Let me repeat: in my home State of California, 70 percent of those on welfare are children. Children who were born into a circumstance not of their own making at all—just their circumstance.

What we do here will impact them greatly. In many ways, we are their protectors, Mr. President. We are their protectors. I hope we will not abandon them.

As I listened to the Senator from New York, my leader on this issue, I say that he has issued a warning that if the Dole bill passes unamended, in fact we will be doing just that. We will be saying that regardless of our statements in all of our campaigns—that children are the most important thing, that children are our future—that without our children getting a break, the country will go backwards. In fact we will be walking away from the future. We would be walking away from our responsibility.

Many know I have had the great joy of becoming a grandmother for the first time. As I looked at that little child and saw all the love that he gets on a daily basis, I know how pleased he is. We can never guarantee anyone that they will have that much love in their life.

But, my goodness, we have to give the basic guarantee to these innocents, to these babies, that they will not be left out in the cold. At least that, Mr. President. At least that.

Now, it was President Clinton who brought this issue to our attention during his campaign. "We must end welfare as we know it," he said. I think that President Clinton has a great deal of compassion in his heart for children.

I know that he agrees with us in the Senate when we say, "Let us reform welfare to benefit the children, not reform it to hurt the children." We will be judged on how we handle this bill. We will be judged in the abstract at first, but we will be judged by the results eventually.

People will know if children are going hungrier, if more of the homeless are children. They will know where to point the finger, and it will be right here. If we take the Dole approach without amending it—and I hope in a bipartisan fashion we will amend it—we will be hurting our children and we will see the results of that and we will know when and where it came from.

I listened to my learned friend from New York talk about what happened to the homeless after we moved to close down mental institutions. For all the good reasons—we said, it is better to have our mentally ill in smaller institutions, smaller homes throughout the country. But something happened on the way to the Forum. We ran out of money and we never built those alternatives.

This situation is worse because right off the top we know in the Dole bill we are freezing spending. At least when my predecessors tried to reform the mental health system, they had a plan. But this Dole bill is no plan. It is an abdication, not a plan. This is very, very troubling.

Now, one of the things that upsets me perhaps more than any other, is that there is no clear way in the Dole bill that we are going to enable working moms and working dads to rely on child care.

Child care is really an incidental in the Dole bill. It is wrapped into a job assistance grant. The funds are frozen. In California, we have thousands of kids today waiting in line to get into child care. We do nothing.

I hearken this Senate back to the days of Franklin Delano Roosevelt, who is often praised by Republicans for his leadership. He knew we needed to get women into the workplace. We all know about "Rosie the Riveter." Without women going to work and building the machinery of war that we had to build in this Nation—and we had to catch up because we were so behind in order to fight these battles—women were relied upon in the workplace. And Franklin Delano Roosevelt knew a woman was not going to abandon her child. She was going to need child care while the husband was off at war and she was off in the factory.

According to Doris Kearns Goodwin in the book "No Ordinary Time," which I commend to everyone, nearly $50 million was spent on child care before the end of the war. And the women blossomed in the workplace because they knew that their kids were OK.

I like the Democratic alternative. I think it makes sense because what it says is: You must work, but we will make sure that you do not abandon your children. The Democratic plan is respectful of the family, is understanding of the family. The Democratic plan puts work first and children first. Work first and children first. The Republican plan takes us out of the game. It says to the States: Here it is. It is your problem.

The people in our States understand in the end it will be their problem, because what is going to happen when there are more helpless and more homeless and more desperate people, and people are tripping over them in the street and we are out of it?

We have to balance the budget, and we will. We will not have the money for welfare. And it will be the greatest unfunded mandate of all time, because people are not going to allow their communities to deteriorate.

So I am very proud to support the Democratic alternative. I think it is smart. I think it builds on what success we have had. In California we have had success. In Riverside County, for example, and in Los Angeles County, we have put a large percentage of welfare recipients onto the work rolls because we have really given them what they need. But the Republican plan, that is going to lead to nothing but trouble—trouble in the States, unfunded mandates laid on our State taxpayers, laid on our local taxpayers.

I come from the local end of things. I got elected to the Board of Supervisors of Marin County a long time ago. I got calls at home when anything was going on in the street. I can assure you, county supervisors and city council people and mayors and Governors are going to be very upset when these problems appear in their communities and the Federal Government says, "It is your problem."

Mr. President, an estimated 70 percent of welfare recipients are children and here we are walking away from those children. We do not have to do it. Let us be tough on work and kind to children. That is what the Democratic alternative does. I hope we will have bipartisan support for that. My cities in California are desperate about this. Billions of dollars will be lost to the big counties in California with the Republican plan—billions. Not millions but billions. And the problem will not go away.

So I stand with the former chairman, the Democratic ranking member of the Finance Committee. His vision should not be ignored. We should learn from him. We should listen to him. He is the leader in this Nation on this issue. He predicted what would happen in the communities, the out-of-wedlock births, and the problems that would follow in society. And when he says he knows we are going to see kids sleeping on grates, and misery, and children who are out of control—he knows what he is talking about.

So I stand with him proudly. I hope we will support the Democratic alternative and, if we lose that, that we will come together on amending the Dole bill. I yield the floor.

The PRESIDING OFFICER. The Senator from New York.

Mr. MOYNIHAN. Mr. President, may I express particular personal thanks to the Senator from California for her generosity in her remarks, and to make the case—just comment—that in the aftermath of the Family Support Act, we had considerable successes in places such as Riverside. And we also had a continued rise in the number of families headed by women.

The CBO has done the best analysis you can do with these things, a regression analysis. It states the caseload increase from late 1989 to 1992, increases in the number of families headed by women explain just over half in the rise of the AFDC basic caseload. A quarter was the recession.

I ask unanimous consent the analysis be printed in the RECORD at this point.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

U.S. CONGRESS,
CONGRESSIONAL BUDGET OFFICE,
Washington, DC, August 6, 1993.

Subject: CBO Staff Memorandum on Rising Caseloads in the Aid to Families with Dependent Children (AFDC) Program.

We are enclosing a copy of "Forecasting AFDC Caseloads, with an Emphasis on Economic Factors," which was prepared by Janice Peskin and John Tapogna in response to a request from the Subcommittee on Human Resources of the Committee on Ways and Means. To understand the upsurge in AFDC caseloads that began during late 1989, the memorandum develops regression models that estimate how various factors affect caseloads.

The CBO model for the AFDC-Basic caseload indicates that:

The effect on employment of the 1990-1991 recession—and the relatively weak economy before and after the recession—accounts for about a quarter of the recent growth in caseloads; and

Increases in the number of families headed by women explain just over half of the rise in the AFDC-Basic caseload.

Looking ahead to the 1993-1995 period, increases in the AFDC-Basic caseload are expected to be sizable. The main underlying causes are growth in the number of families headed by women—especially by never-married mothers—which is expected to continue at a rapid rate, and the relatively weak economic recovery that is forecast.

We hope you find this report useful.

Mr. MOYNIHAN. I do not want to go around looking like an Easter procession here or something, but to my friend from California, that is the pen with which John F. Kennedy, in his last public bill-signing ceremony, October 31, 1963, signed the Community Mental Health Construction Act of 1963.

We were going to build 2,000 community mental health centers by the year 1980 and 1 per 100,000 population afterwards. We built 400 and we forgot what we were doing. We emptied out the mental institutions. The next thing you know, the problem of the homeless appears. I was there. He gave me this pen. And we said, "The homeless? Where did they come from? It was certainly nothing we did."

It was exactly something we did. When you see those children sleeping on grates in 10 years time in your city, do not think it will not be recorded, thanks to the Senator from California, that you can see it coming. Somebody might keep the pen with which this bill is going to be signed, if in fact it is signed, for such an occasion.

Mr. President, I thank, again, the Senator from California. I see the Senator from Michigan is on the floor. Would he like to speak?

The Senator from Michigan asks 15 minutes. The Senator from Pennsylvania has nobody wishing to speak.

The PRESIDING OFFICER. The Chair will advise the Senator from New York that the time remaining under the time agreement for his side is 12 minutes and 45 seconds.

Mr. MOYNIHAN. The Senator from Michigan is accordingly granted 12 minutes. We will have 45 seconds to wrap up. Is that agreeable?

Mr. LEVIN. I will be happy to take 10.

Mr. MOYNIHAN. No, we understood this would happen and it has happened.

The PRESIDING OFFICER. The Senator from Michigan is recognized.

Mr. LEVIN. Mr. President, I thank my friend from New York. I also thank him, much more importantly, for the extraordinary wisdom, as well as passion, with which he addresses this subject. The experience that he has, the institutional and national memory which he carries around up there in his head, is unique. I just wish there were more of us like him in that capacity, to learn from experience not just what is achievable, but also to pass along the lessons of unintended consequences for so many things that we do.

Mr. President, the Nation's welfare system does not serve the Nation well. It is broken in a number of places. It has failed the children that it is intended to protect. It has failed the American taxpayer.

I am hopeful the debate in the Senate will result in a constructive effort which will finally end the current system and achieve meaningful reform. Meaningful reform will assure that children are protected, that able-bodied people work, and that child support enforcement laws are fully effective in getting fathers to support their children.

The history of this country's welfare reform is littered with the remains of programs that have begun with high expectations but fallen short in reality. Welfare has too often been a cycle of dependence instead of independence. It makes no sense to continue a system which contains incentives for people to be on welfare. We have an obligation to break this cycle for all concerned.

The imperative of ending welfare dependency has led me to conclude that one component of welfare reform must be time limits on welfare benefits, in order to force able-bodied recipients to seek and secure employment.

The Daschle work first bill fundamentally changes the current welfare system by replacing a system of unconditional, unlimited aid with conditional benefits for a limited time. But it does so without abandoning the national goal of helping children. Under the work first bill, in order to receive assistance, all recipients must sign an empowerment contract. This contract will contain an individual plan, designed to move the recipient promptly into the work force. Those who refuse to sign a contract will not get assistance, and tough sanctions will apply to those not complying with the contract that they sign. I have long believed that work requirements should be clear, strong, and should be applied promptly. I am pleased that Senator DASCHLE has accepted a modification at my request which adds a requirement that recipients be in job training or in school or working in a private sector job within 6 months of the receipt of benefits, or, if a private sector job cannot be found, in community service employment. The requirement would be phased in to allow the States the opportunity to adjust administratively.

The Dole legislation requires recipients to work within no more than 2 years of the receipt of benefits. But why wait that long? Why wait 2 years? Unless an able-bodied person is in school or job training, why wait longer than 6 months to require that a person either have a private job or be performing community service?

There is no doubt that there is a great need in local communities across the country for community service workers. Last year, the demand for community service workers from the President's AmeriCorps Program was far greater than the ability to fund them. According to AmeriCorps, of the 538 project applications requesting approximately 60,000 workers, applications for only about 20,000 workers, about a third, could be funded. Projects ranged from environmental cleanup, to assisting in day care centers, to home health care aides. So it is clear that there is no shortage of need for community service and for workers to perform community service.

Mr. President, I have long been concerned about the cycle of dependency and the need to return welfare recipients to work. As long as 14 years ago, in 1981, I was the author, along with Senator DOLE, of an amendment which was enacted into law to put some welfare recipients back to work as home health care aides, thereby decreasing the welfare rolls and increasing the local tax base.

This demonstration project called for the training and placement of AFDC recipients as home care aides to Medicaid recipients as a long-term care alternative to institutional care and was subject to rigorous evaluation of demonstration and the post-demonstration periods.

The independently conducted program evaluation found that in six of the seven demonstration projects, trainees' total monthly earnings increased by 56 percent to over 130 percent during the demonstration period. Evaluations of the post-demonstration years indicated similarly positive and significant income effects.

Consistent with the increase in employment, trainees also received reduced public benefits. All seven States moved a significant proportion of trainees off of AFDC. In four of the States, a significant proportion of the trainees also were moved off of the Food Stamp Program or received significantly reduced benefit amounts.

Additionally, the program evaluation indicated that it significantly increased the amount of formal in-home care received by Medicaid clients and had significant beneficial effects on client health and functioning. The evaluation also indicates that clients benefited from marginally reduced costs for the services that they received.

As the 1986 evaluation of our demonstration project showed, this type of demonstration had great potential in allowing local governments to respond to priority needs and assist members of their community in obtaining the training necessary to obtain practical, meaningful private-sector employment and become productive, self-sufficient members of their community.

So experience has shown that we must be much more aggressive in requiring recipients to work. But, as we require recipients to work, we must remember that another important part of the challenge facing us is that two-thirds of the welfare recipients nationwide are children. Almost 10 million American children—nearly 400,000 in my home State of Michigan alone—receive benefits. We must not punish the kids in our welfare reform.

I am hopeful that the 104th Congress will get people off welfare and into jobs, in the privilege sector, if possible, but in community service, if necessary.

I want to again commend and congratulate Senator MOYNIHAN for his decades of work on this issue. I want to congratulate Senators DASCHLE, MIKULSKI, BREAUX, and so many others of our colleagues who have worked on the Daschle work first bill, which I am proud to cosponsor.

The work first bill is tough on getting people into jobs. But it provides the necessary incentives and resources to the States not only to require people to work, but to help people find jobs and to keep them.

Mr. President, I have focused on making sure that able-bodied people on welfare work. That has been a focus of my efforts for over a decade now in this body, and I have described one of those efforts, with Senator DOLE, that we actually succeeded in putting into place over a decade ago that had some very positive effects. But there are other critically important elements of positive welfare reform. The number of children born to unwed teenaged mothers has continued to rise at totally unacceptable rates. We all recognize the need to do something about this and to remove any incentives created by the welfare system for teenagers to have children. I support teen pregnancy prevention programs with flexibility for the States in its implementation.

We also know that the problem of teen pregnancy and unwed teenaged parents is not going to be completely eliminated or easily eliminated. So I support provisions which require teen parents to continue their education and job training and to live either at home with an adult family member or in an adult-supervised group home in order to qualify for benefits.

We should not erode the Federal safety net for low-income working families and for families who have exhausted their unemployment benefits. We frequently forget those families. Working families who lose their jobs get unemployment and then exhaust their unemployment. These are working people.

Tens of thousands of people in my home State of Michigan, over 329,000 nationally, who are working people who have exhausted their unemployment benefits have had to move into welfare as a final resort. That was their final safety net. And responsible reform must assure that in times of economic crisis, funds are available for working families who have lost their jobs and exhausted their unemployment insurance. And the only way to do this is with a Federal safety net, that Federal safety net which the Senator from New York has spent so much time analyzing and discussing before this body.

Child care assistance is an important facet of realistic welfare reform as it is for low-income working families who are not on welfare. Child care assistance is essential to help recipients keep a job and stay off welfare. Assistance is particularly needed in transition periods moving from welfare to work. That is why child care assistance is such an important feature of the work first plan, not just for people on welfare but for low-income people, whether or not they are on welfare.

Another key element of any successful welfare program will be assuring that parents take responsibility for their children. So we must toughen and improve interstate enforcement of child support. I very much support provisions to require welfare recipients' cooperation in establishing the paternity of a child as a condition of eligibility for benefits, and a range of measures such as driver's license and passport restrictions, use of Federal income tax refunds, and an enhanced database capability for locating parents who do not meet their child support obligations.

The Daschle amendment which is before us addresses these and other problems. It ends the failed welfare system and replaces it with a program to move people into jobs, to provide child care, to assure that parents take responsibility for the children they bring into the world, and it does this without penalizing America's children.

So I intend to vote for Senator DASCHLE's work first welfare reform program to finally end the current system and achieve meaningful but realistic welfare reform.

Again, I want to particularly single out our good friend from New York for the dedication which he has brought to this subject over so many decades, and for the wisdom which he imparts, and for the warnings which he really gives to all of us that we should do our best to reform the system but be aware of those unintended consequences. It is a lesson which each of us should heed.

I thank my friend for the time.

I yield the floor.

The PRESIDING OFFICER. The Chair would advise the Senator from New York that he has 25 seconds remaining.

Mr. MOYNIHAN. I will use each of those seconds to thank my incomparably learned and capable friend from Michigan who has so wonderfully guided us in legal matters through this Congress and who has spoken so wisely about welfare and who has spoken generously about the Senator from New York.

Mr. President, if I have 5 remaining seconds, I will retain them for some unspecified purpose.

The PRESIDING OFFICER. The time has expired.

Mr. DOLE. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. MOYNIHAN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MOYNIHAN. Mr. President, the majority leader has very generously suggested we might have an additional 15 minutes for our side, and the Senator from Vermont is present and I give him as much of that time as he wishes.

The PRESIDING OFFICER. The Senator from Vermont is recognized.

Mr. LEAHY. Mr. President, I thank the distinguished Senator from New York and the distinguished Republican leader for the courtesy that in my years here I have grown accustomed to receiving from both of them.

Mr. President, I am concerned about the welfare bill before us, the Republican version. I know that a lot of very good Senators on both sides of the aisle have been wrestling with the problems we face, but I worry about just how that wrestling match may come out.

Mr. President, the Republican welfare bill is an all-out assault on low-income children and families. The bill is anti-child, anti-family and it does nothing to get people off welfare and into a job.

The rhetoric being used to sell this bill to the American people is full of false promises. The bill is not reform.

It boxes up welfare problems and ships them off to the States. On the outside of this box there ought to be, in big bold letters, a sign that says "Local taxpayers beware."

Sending severely underfunded block grants to the States with no real emphasis on work will cost all of us more in the end. The Senate Republican plan cuts spending on welfare now, but you can be sure that local taxpayers will be picking up the tab later.

According to the Congressional Budget Office, 44 of the 50 States will not meet work participation target rates in the Senate Republican bill because this plan fails to provide States with the money needed to achieve these rates.

Here is another unfunded mandate being passed on to the State and local taxpayers.

States must either swallow further cuts in Federal payments to the needy—or come up with more money from their own coffers.

This makes no sense—unless the true purpose of this bill is to turn our back on the unemployed and further burden the taxpayer. You have to be tax-happy or cold-hearted to like this bill.

In my home State of Vermont, the Republican bill would cut over $77 million in cash assistance, supplemental security income, child care, and food stamps over the next 5 years.

Under the Republican block grant proposal there will be no adjustments for high unemployment or recession. When the block grant money runs out, Vermonters will pick up the tab.

Helping low-income Americans find a way out of poverty is a responsibility of both States and the Federal Government. The Republican plan abandons any national involvement in providing for the welfare of the Nation.

States need more flexibility, but that does not mean shedding our national responsibility.

I cannot support the Republican plan, but I intend to vote for the alternative proposal offered by Senator DASCHLE. The Democratic leader's plan continues a national commitment to keep families together and work their way off welfare.

Families on welfare cannot get jobs if they do not have adequate child care support. They cannot keep their jobs unless there is a transition period for child care.

The Democratic bill not only emphasizes helping people find work—but backs it up with the child care necessary to go to work.

The Democratic alternative is a national commitment to help children and families work their way out of poverty. The Republican bill is a feel-good, do-nothing charade that takes a walk on the problem of poverty.

There is a welfare scandal in this country that most Republicans have been strangely silent about. It is the scandal of corporate welfare.

As we pause on the brink of slashing food assistance and child care to needy families, I wish we would think a little bit about the corporations that are receiving benefits from Uncle Sam.

According to the conservative Cato Institute, the American taxpayer spends $85 billion a year on corporate welfare—not including tax loopholes that cost many billions of dollars more.

The reason for this is simple. Low-income children cannot hire high-priced Washington law firms. Those who can hire expensive law firms are spared the reform axe this year.

The Senate Republican bill takes food, child care, housing assistance and assistance for disabled children away from families, but continues the practice of letting taxpayers foot part of the bill for wealthy corporations to lease limousines.

We must look at the entire welfare system—including corporate welfare.

Nobody on the Senate floor disagrees that we need to reform welfare aid for low-income families. We do. There are too many programs that do too little to help people get back to work.

We need to ask more of those who receive assistance, but we should not abandon those who play by the rules. We also need to continue programs that reward low-income working families.

This bill is just the latest attack by Republican leadership in Congress on low-income children and families. But families on welfare are not the only targets.

Earlier this year, the Republican leadership announced plans to cut back the earned income tax credit [EITC]. This is a tax credit that rewards low-income Americans who work. It makes a huge difference for families struggling to pay the rent and buy food for their kids.

Yes, you heard it right. The Republican leadership wants to raise taxes for low-income working families.

The Republican budget resolution also cuts Medicaid by $180 billion over the next 7 years. Medicaid provides long-term care for low-income seniors, the disabled and health care for low-income children and families.

Following through on the budget resolution, the House just cut billions out of next year's appropriations for education programs, Head Start and youth work programs.

At the same time, the House is gearing up to pay for 20 additional B-2 bombers at $1 billion a pop. A plane that the Pentagon has said it does not even want. We need to get our priorities straight.

The Republican assault on programs that benefit low-income Americans comes at a time when census data shows the gap between the rich and the poor is greater than at any time since the end of World War II.

If the present trends continue, the America that our children grow up in will look more like a Third World country, with deep gulfs between the rich and the poor.

Programs that keep poor families together, rather than tearing them apart and programs that feed children so they can learn, are investments in our future.

These investments will make America more productive.

Members of Congress have benefited from the opportunities which have made America the land of opportunity.

We have an obligation to make sure that those same opportunities are available for the next generation.

We must work together to make responsible bipartisan changes to Federal programs that provide assistance to low-income children and families. I fear, however, the public policy is right now being overshadowed by Presidential politics.

I hope that reason will prevail over hysteria as we all take a good hard look at how we can make welfare programs work better for all Americans.

Mr. HEFLIN addressed the Chair.

The PRESIDING OFFICER. The Senator from Alabama.

Mr. HEFLIN. Mr. President, I am pleased that the Senate has finally embarked on an earnest and vigorous debate on reforming welfare. Except for the balanced budget amendment, this is probably the most important legislation we will tackle in this Congress. There is no doubt that our current system is failing welfare recipients and taxpayers alike. I believe that all Senators recognize the shortcomings that exist in welfare and sincerely want to rectify them. Although there are some tough issues yet to be resolved, let us not shirk the responsibility we have to all citizens of this country to work together in passing meaningful welfare reform.

We have before us various proposals to revise the Federal programs that provide assistance to the poor in our Nation. After reviewing the different recommendations, I have concluded that the Work First legislation authored by Senators DASCHLE, BREAUX, and MIKULSKI contains the best alternatives to the current problems in our welfare system. First and foremost, the Work First plan mandates work for welfare recipients and an end to government dependency. The AFDC Program would be abolished and replaced by a time-limited benefit, conditional upon a recipient's signing and complying with a parent empowerment contract. Welfare offices would be transformed into employment offices and ensure that welfare parents become productive members of the work force as soon as possible. Persons receiving temporary employment assistance would be required to look for work from day one and would be penalized for turning down any legitimate job offer. States would confirm that an increasing percentage of their welfare populations are entering the work force. Unlike the Republican leadership bill, however, States would have access to the necessary resources to fulfill work participation rates. Child care assistance would be available to help welfare parents successfully make the transition to employment. The Congressional Budget Office has stated that the lack of child care would make it impossible for 44 States to comply with the majority leader's bill. I do not wish to place such an unfunded mandate on the States. The Work First plan recognizes that child care is a must for States to meet its tough work participation rates. Moreover, only with sufficient child care can single welfare parents retain jobs and avoid a return to welfare dependency.

The Work First bill provides greater incentives than welfare. It transforms the entire welfare bureaucracy, making it work-oriented. States are given the flexibility to administer the Work First employment block grant themselves or contract with private companies to move temporary employment assistance recipients into full-time, private-sector jobs. Senator DASCHLE's bill is cost-effective. It would achieve a savings of $21 billion over 7 years, all of which would go directly toward deficit reduction. And while the Work First proposal imposes tough time limits for welfare assistance, it contains important protections for children, the innocent victims of our current defective system.

There is an urgent need to improve the welfare system in the United States. I hope that the Senate will take advantage of this historic opportunity to enact legislation to overhaul our flawed programs and empower welfare recipients to break cycles of dependency and become successful and productive citizens.

I yield the floor.

Mr. MOYNIHAN addressed the Chair.

The PRESIDING OFFICER. The Senator from New York.

Mr. MOYNIHAN. I think at this point we may have a few moments remaining, which I would like to reserve for some unanticipated purpose.

Seeing no Senators on this side, I see the Senator from Oklahoma.

Mr. NICKLES. I suggest the absence of a quorum.

The PRESIDING OFFICER. The absence of a quorum has been suggested. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. NICKLES. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. NICKLES. Mr. President, we have heard several of our colleagues, particularly on the other side of the aisle, talk about the need for welfare reform. And I would say that there is unanimous support in the Senate and in the country for welfare reform. But I also would say in my opinion the Democrat alternative leaves a lot to be desired.

Let me just make a couple of general comments about welfare before I talk about the specific amendment that we have before us today.

We have a lot of Federal programs, and we are spending a lot of money on welfare. It kind of shocks people. I told people in my State this past month that we have 336 Federal welfare programs; 336 different Federal welfare programs, and they have not been working. We are spending lots and lots of money, and it has not been working.

In 1994, we were spending about $241 billion for welfare programs—$241 billion—and that figure is increasing dramatically. Most of these programs are entitlements. Most of these programs grow. The Federal Government defines eligibility, and then we see how much they cost at the end of the year. We do not budget them. We do not say, "Here is how much money we are going to spend on welfare." They are entitlements. People are entitled to these benefits. Whether it is food stamps, whether it is housing assistance, whether it is energy assistance, you name it, we have a lot of programs where people are entitled to the benefit, and we see how much it costs at the end of the year.

It is not too surprising, therefore, we find a lot of people who become addicted to these entitlements and then they demand their money; they are entitled, as by definition of the Federal Government. So they become addicted to Federal programs. They become dependent on the Federal Government. We have to break the welfare dependency cycle we have in this country.

One of President Clinton's best lines in his 1992 campaign said, "We need to end welfare as we know it." Everyone was applauding. Democrats, Republicans, and Independents said, "Yes, we need to, because we realize the system is not working and it has not worked very well."

Mr. President, I ask unanimous consent that a study done by the Congressional Research Service that lists the 336 welfare programs and their costs be printed in the RECORD.

There being no obligation, the study was ordered to be printed in the RECORD, as follows:

OVERVIEW OF FEDERAL PROGRAMS AND SPENDING IN EIGHT WELFARE DOMAINS NOVEMBER 1994

Welfare domain	Number of programs	FY 1994 or 1995 appropriation (in millions)
Cash welfare	7	*$17,171
Child welfare and child abuse	38	4,306
Child care	45	11,771
Employment and training	154	24,838
Social services	33	6,589
Food and nutrition	10	37,967
Housing	27	17,516
Health	22	5,076
Total	336	125,234

*Figure for FY 1996.

Note. The figure of $125.2 billion does not include the $87 billion the Federal Government spent on Medicaid or the $28 billion spent on Supplemental Security Income in FY 1994.

Overview of selected Federal cash welfare programs for low-income people November 1994

[In millions]

Program	*FY 1996 spending*
AFDC Basic payments	$12,040
AFDC Unemployed Parent payments	1,124
AFDC Emergency Assistance	600
AFDC Administration	1,637
JOBS	900
At-Risk child care	300
AFDC Transitional child care	570
Total	17,171

Source. Congressional Budget Office.

Note. All programs are under jurisdiction of the Committee on Ways and Means. AFDC=Aid to Families with Dependent Children.

Overview of Federal child welfare and child abuse programs for low-income people, November 1994

[In millions]

Committee of Jurisdiction and Program	*FY 1995 appropriations*
Education and Labor Committee (15 programs):	
Abandoned infants assistance	$14.4
Child abuse State grant program	22.8
Children's Justice Grant program	
Child abuse demonstration and research grants	15.4
Demonstration grants for abuse of homeless children	
Community based family resource program	31.4
Adoption opportunities program	13.0
Family violence State grant program	32.6
Family support centers	7.4
Missing and exploited children's program	6.7
Temporary Child Care for disabilities	5.9
Crisis Nurseries	5.9
Grants to improve the investigation and prosecution of child abuse cases	1.5
Children's Advocacy Centers	3.0
Treatment for juvenile offenders who are victims of child abuse or neglect	
Ways and Means Committee (13 programs):	
Child welfare services	292.0
Child welfare training	4.4
Child welfare research and demonstration	6.4
Family Preservation and family support program	150.0
Independent living	70.0
Entitlement for Adoption (4 programs)	399.3
Entitlement for Foster Care (3 programs)	3,128.0
Judiciary Committee (6 programs):	
Criminal background checks for child care providers	
Court-appointed special advocates (CASA) program	6.0
Child abuse training program for judicial personnel and practitioners	0.8
Grants for televised testimony	
Victims of crime program	
Grants to Indian tribes for child abuse cases	
Natural Resources Committee (3 programs):	
Indian child and family programs	24.6
Indian child protection and family violence prevention programs	0.6
Indian child welfare assistance	
Banking Committee (1 program):	
Family unification program	76.0
Total (38 programs)	4,306.1

*Estimated amount of the total $2.8 billion appropriation spent on child care.

Source. Congressional Research Service.

Overview of Federal child care programs for low-income people, November 1994

[In millions]

Committee of Jurisdiction Program	*FY 1994 appropriation*
Committee on Agriculture (1 program):	
Food Stamp program	$180
Subtotal	180
Committee on Education and Labor (25 programs):	
Student financial aid	–
Early Intervention grants for infants and families	253
Title I (Education for the disadvantaged)	127
Even Start	91
Migrant Education	26
Native Hawaiian Family Education Centers	5
School-to-work opportunities	–
Special Child Care Services for Disadvantaged College Students	–
Special Education Preschool Grants	339
Vocational Education	–
Child and adult food program	1,500
Abandoned Infants Assistance Act[1]	15
Child Care and Development Block Grant	892
Child Development Associate Credential Scholarship	1
Comprehensive Child Development Centers	47
Head Start	3,300
State Dependent Care Planning and Development Grants	13
Temporary Child Care for Children with Disabilities and Crisis Nurseries	12
Adult Training Program	–
Economic Dislocation and Worker Adjustment Assist. Program	–
Job Corps	–
Migrant and Seasonal Farmworkers Programs	–
School-to-work Transition (overlapping with Education)	–
Summer Youth Employment and Training Program	–
Youth Training Program	–
Subtotal	6,621
Committee on Ways and Means (11 programs):	
At-Risk Child Care	361
Child Care for Recipients of AFDC	528
Child Care Licensing Improvement Grants	–
Child Welfare Services	–
Social Services Block Grant	560
Transitional Child Care	140
Child Care and Dependent Care Tax Credit	2,700
Child Care as a Business Expense	–
Employer Provided Child or Dependent Care Services	675
Tax Exemption for Nonprofit Organizations	–
National Service Trust Program	–
Subtotal	4,964
Committee on Energy and Commerce (2 programs):	
Residential Substance Abuse Treatment for Women	–
Substance Abuse Prevention and Treatment Block Grant	–
Committee on Banking, Finance and Urban Affairs (4 programs):	
Community Development Block Grant	–
Early Childhood Development Program	6
Family Self-Sufficiency Program	–
Homeless Supportive Housing Program	–
Subtotal	6
Committee on Public Works and Transportation (1 program):	
Appalachian Childhood Development	–
Committee on Small Business (1 program):	
Guaranteed Loans for Small Business	–
Committee on Natural Resources (1 program):	
Indian Child Welfare Act—Title II grants	–
Total (46 programs)	11,771

[1] Jurisdiction shared by Energy and Commerce.

Note. Dash indicates indiscernible amount.

Source. Congressional Research Service.

Overview of Federal employment and training programs for low-income people, November 1994

[In millions]

Program	*FY 1995 appropriation*
Guaranteed Student Loans	$5,889.0
Federal Pell Grant	2,846.9
Rehabilitation Services Basic Support	
Grants to States	1,933.4
JTPA IIB Training Services for the Disadvantaged Summer-Youth Employment and Training Program	1,688.8
JFPA Job Corps	1,153.7
All-Volunteer Force Educational Assistance	895.1
Job Opportunities and Basic Skills Program	825.0
State Legalization Impact Assistance Grants	809.9
JTPA IIA Training Services for the Disadvantaged-Adult	793.1
Employment Service-Wagner Peyser State Grants	734.8
Vocational Education-Basic State Programs	717.5
JTPA IIC Disadvantaged Youth	563.1
Senior Community Service Employment Program	421.1
Community Services Block Grant	352.7
Adult Education-State Administered Basic Grant Programs	261.5
Vocational Rehabilitation for Disabled Veterans	245.1
JTPA EDWAA-Dislocated Workers (Governor's Discretionary)	229.5
JTPA EDWAA-Dislocated Workers (Substate Allotment)	229.5
Trade Adjustment Assistance-Workers	215.0
Supportive Housing Demonstration Program	164.0
Food Stamp Employment and Training	162.7
Upward Bound	160.5
One-Stop Career Centers	150.0
Economic Development-Grants for Public Works and Development	135.4
School-to-Work	135.0
Federal Supplemental Education Opportunity Grants	125.0
JTPA EDWAA-Dislocated Workers (Secretary's Discretionary)	114.7
Student Support Services	110.3
Survivors and Dependents Educational Assistance	109.1
Vocational Education-TechPrep Education	104.1
Miscellaneous*	2,562.0
Total	24,827.5

*A total of 93 programs with spending of less than $100 million; an additional 31 programs are authorized but had no appropriation for 1994.

Source: U.S. General Accounting Office. Multiple Employment and Training Programs: Overlapping Programs Can Add Unnecessary Administrative Costs. (GAO/HEHS-94-80). Washington, D.C. Clarence Crawford, 1994.

Overview of Federal social services programs for low-income people, November, 1994

[In millions]

Committee of Jurisdiction and Program	*FY 1995 Appropriation*
Education and Labor Committee (30 programs):	
Community Services Block Grant	$391.5
Community Economic Development	23.7
Rural Housing	2.9
Rural Community Facilities	3.3
Farm Worker Assistance	3.1
National Youth Sports	12.0
Community Food and Nutrition	8.7
VISTA	42.7
VISTA—Literary	5.0
Special Volunteers Programs	0
Retired Senior Volunteer Corps	35.7
Foster Grandparent Program	67.8
Senior Companion Program	31.2
Senior Demonstrations	1.0
Demonstration Partnership Agreements	8.0
Juvenile Justice Formula Grants (A+B	75.0
Juvenile Justice Discretionary Grants	25.0
Youth Gangs (Part D)	10.0
State Challenge Grants (Part E)	10.0
Juvenile Monitoring (Part G)	4.0
Prevention Grants—Title V	20.0
Americorps: National Service Trust	492.5
Service America	50.0
Civilian Community Corps	26.0
Youth Community Corps	?
Points of Light Foundation	6.5
Runaway and Homeless Youth	40.5
Transition Living for Homeless Youth	13.7
Drug Education for Runaways	14.5
Emergency Food & Shelter (McKinney)	130.0
Emergency Community Services Grants	19.8
Subtotal	1,574.1
Banking Committee (1 program): Community Development Grant	4,600.0
Judiciary Committee (1 program): Legal Services Corporation	415.0
Total (32 Programs)	$6,589.1

Source: Congressional Research Service.

Overview of Federal housing programs for low-income people, November 1994

[In millions]

Program	*FY 1995 Appropriation*
Section 8	$2,800
Public Housing	7,200
Section 236 Interest Deduction	0
Section 235 Homeownership Assistance	7
Section 101 Rent Supplements	0
Home Investment Partnership Program (HOME)	1,400
Homeownership and Opportunity for People Everywhere (HOPE)	50
Section 202 Elderly	1,280
Section 811 Disabled	387
Housing Opportunities for Persons with AFDC	186
Emergency Shelter Grants to Homeless	
Section 8 Moderate Rehabilitation for SROs	
Supportive Housing for Homeless	1,120
Shelter Plus Care	
Innovative Homeless Initiatives Demonstration	
Section 502 Rural Home Loans	2,200
Rural Housing Repair Loans	35
Rural Housing Repair Grants	25
Farm Labor Housing Loans	16
Rural Rental Housing Grants	220
Farm Labor Housing Grants	11
Section 521 Rural Rental Assistance	523
Rural Self-help Housing TA Grants	13
Section 523 Self-Help Housing Site Loans	1
Section 524 Rural Housing Site Loans	1
Section 533 Rural Housing Preservation Grants	22
Bureau of Indian Affairs Housing Grants	19
Total (27 Programs)	17,516

Note: All programs except the Indian Affairs program are under jurisdiction of the Banking Committee; the Indian Affairs program is under jurisdiction of the Natural Resources Committee.

Source. Congressional Budget Office.

Overview of Federal food and nutrition programs for low-income persons, November 1994

[In millions]

Program	*FY 1995 Spending*
Food Stamps	$24,750
Nutrition Assistance for Puerto Rico	1,143
Special Milk	15
Child Nutrition	7,271
Child Nutrition Commodities	400
Food Donations	266
Women, Infants and Children Program	3,297
CSFP	107
Emergency Food Assistance Program	123
HHS: Congregate Meals	386
HHS: Meals on Wheels	96
Food Program Administration	113
Total	37,967

Source: Congressional Budget Office.

Overview of Federal health programs for low-income people, November 1994

[In millions]

Program	*FY 1995 Appropriations*
Community Health Centers	$617
Migrant Health Centers	65
Health Care Services for Homeless	65
Health Services for Residents of Public Housing	10
National Health Service Corps Field Program	45
National Health Service Corps Recruitment Program	80
Rural Health Services Outreach Grants	27
Maternal & Child Health Block grant	572
Setaside for Special Projects of National Significance	101
Setaside for Community Integrated Services Systems	11
Healthy Start Initiative	110
Family Planning Program	193
Adolescent Family Life Demonstration Grants	7
Indian Health Services	1,963
Projects for Assistance in Transition and Homelessness	30
Immunization Program	466
Vaccines for Children	424
CARE Grant Program	198
Scholarships for Disadvantaged Student Faculty (3 Programs)	37
Centers of Excellence	24
Education Assistance Regarding Undergraduates	27
Nurse Education Opportunities	4
Total (22 Programs)	5,076

Source. Congressional Budget Office.

Mr. NICKLES. Mr. President, Franklin Roosevelt once said:

> The lessons of history, confirmed by evidence immediately before me, show conclusively that continued dependence upon relief induces a spiritual and moral disintegration fundamentally destructive to the national fiber. To dole out relief in this way is to administer a narcotic, a subtle destroyer of the human spirit.

Franklin Delano Roosevelt was exactly right. We have induced a spiritual and moral disintegration of fundamental destructive values, and it has been destructive to our national fiber; it has been destructive to the family. We have a welfare system that does not work.

Since President Lyndon Johnson launched the war on poverty in 1965, welfare spending has cost U.S. taxpayers about $5.4 trillion. Tragically, as Roosevelt predicted, this culturally destructive system has heightened the plight of the poor in this country, discouraging work and marriage. Today, one child in seven is raised on welfare through the Aid to Families with Dependent Children Program. Nearly a third of the children in the United States are now born to single mothers. The number of children on AFDC has tripled between 1965 and 1992, even though the total number of children in the United States declined by 5.5 percent.

To fix this system, we must drastically change it. Simply tinkering around the edges, as suggested by the White House and regrettably by the Democrats' substitute, is not an acceptable solution. Real welfare reform must be linked to personal responsibility. It must provide incentives for work instead of dependence, incentives for marriage instead of children born out of wedlock, and incentives to get a good education and save money to buy a home instead of dropping out of school and remaining in Government-owned housing.

The proposal before the Senate fulfills the commitment—and the proposal I am talking about is the Dole proposal—fulfills the commitment to overhaul the welfare system and is the result of important debate among the Senate Republicans in an effort to strengthen our proposal. I believe this proposal should enjoy overwhelming support from both Republicans and Democrats, as well as the White House.

The Dole substitute has strong work requirements to ensure that able-bodied welfare recipients find a job. It recognizes illegitimacy as a serious national problem and stresses the responsibility of parenthood. It controls the unlimited spending of welfare programs by capping spending and consolidating many overlapping programs.

The Dole bill also consolidates 95 Federal programs in 3 block grants with the option for States to request a block grant for food stamps. We may have an amendment to include food stamps in the block-grant proposal, and certainly this Senator will support it.

The Congressional Budget Office scores the Dole proposal as saving approximately $70 billion over 7 years, while the Democratic package that we will vote on at 4 o'clock today saves only $21 billion. The bill also makes reforms in food stamps, housing programs, child support enforcement, and SSI.

The Dole bill has a real work requirement. Any able-bodied welfare recipient will be required to find a job, and work means work. Welfare recipients will no longer be able to avoid work by moving from one job training program to the next. States will also be able to require welfare applicants to look for a job before even receiving a welfare check.

I have heard my colleagues talk, and they have a great title for their bill. It is called the Work First Act of 1995, and that sounds great. But you need to look at the details.

We now have 155 Federal job training programs. They do not work. Why do we have 155? Because in almost every Congress, every time somebody is running for President they say, "The best welfare program is a job," so we come up with a new jobs program.

We did not eliminate any of the old ones not working, and we stacked on new. We have 155 Federal job training programs. It is ridiculous. Under our proposal, we put those together. We basically have one. Let the States decide which ones work. Some undoubtedly do work. I hope so. We are spending a lot of money. It certainly does not make any sense to have 155. That makes no sense whatsoever.

In regard to the substitute before us, many people have said this is a great bill, this is going to help people move into work. I am afraid—I am going to call it the Daschle bill—the Democratic substitute tinkers with the welfare system instead of rebuilding it. It proposes to replace AFDC with a bigger, more expensive package of entitlements.

Again, I want to underline "entitlements." The Republican package says we want to end welfare as an entitlement; people will not be entitled to receive welfare. We will have a block-grant approach. We will say, "This is how much we will spend." It will not be an open-ended entitlement.

Not so under the Democratic package. They replace AFDC with a new entitlement package that actually increases spending. Spending will increase more than $16 billion than projected AFDC costs over the next 7 years, and that is according to the Congressional Budget Office, not just DON NICKLES or the Republican Policy Committee.

The Democratic bill does not impose real time limits on welfare benefits. I have heard everybody say, "Well, we have to have some limits," and I am glad to see they approached time limits in the Democratic bill, but they have exceptions, several pages of exceptions.

As a matter of fact, they talk about a time limit and say, "Oh, yes, we are going to put a limit of cash payments of 5 years under the Democrats' bill," but then if you look at page 3 of the bill, as modified, we have exceptions. We have a hardship exception. That goes for a page. We have exceptions for teen parents. We will not count the years they are teens. There are exceptions for child-only cases, and other exceptions. In other words, this time limit has loopholes that can just be expanded and expanded.

It exempts families that happen to reside in an area that has an unemployment rate exceeding 8 percent. Originally, it was 7.5 percent. That means you do not have a 5-year time limit if you happen to live in New York City, Washington, DC, Los Angeles, or Newark, NJ. A lot of cities, a lot of areas have unemployment rates exceeding 8 percent, so they are exempt from the 5-year limitation.

Does that fix welfare as we know it? Does that meet President Clinton's statement, "We want to end welfare as we know it"? That does not end it. It means it will be a lifetime annuity if you live in a high unemployment area. That makes no sense.

We are going to exempt teenagers. If they are 16 years old and have a child born out of wedlock, we will not count the first 3 years and we will start counting after that. So they can be on for 7 or 8 years.

Wait a minute. That is not what President Clinton's rhetoric was. As a matter of fact, President Clinton said on August 11:

> What do we want out of welfare reform? We want work, we want time limits, we want responsible parenting.

There is no time limit, not if you live in an area that has high unemployment. If you are a teenage mother, that time limit is extended substantially.

So I just want to say I have heard many colleagues on the other side making very laudatory comments on the Daschle bill. But the more I look, the more exceptions I see. It does not look like a welfare reform bill. It is kind of tinkering on the edges.

Let us talk about the work requirement because, again, President Clinton said how important work requirements are. The Dole bill says 50 percent of the people have to be on work—50 percent of all people. Under the Daschle proposal, it requires 30 percent of the cash welfare recipients to engage in work-related activities by 1997, and 50 percent by the year 2000. It sounds like it is the same. But as with the time limits on welfare benefits, these work performance standards are undone by the fine print. A substantial number of recipients are excluded when calculating the work participation rates—mothers with young children, ill people, teen mothers, those caring for a family member who is ill or incapacitated. Together, these "clients," as they are now called under the Democratic bill, make up 25 percent of the adult welfare population, and they are exempt from the accounting of the 50-percent requirement.

Think of that. We will have a welfare population where 25 percent is now exempt from the mandate that 50 percent have to be at work. Well, if you add that together, that means that when the work requirements are fully phased in, 62.5 percent of the adult recipients will not be required to work or even get job training under the Daschle approach. That means five-eighths of the people will not be required to get a job or go into work training because they are exempt. So the time limits have all kinds of exemptions—a big exemption if you live in a high-unemployment area, a big exemption if you are a teen mother. The work requirements have big exemptions because we excluded a lot of people—25 percent of the adult population—from that. That is why I look at President Clinton saying, "What do we want out of welfare? We want work requirements and time limits." But the bill is riddled with exceptions in work requirements and certainly in time limits. It says we want responsible parenting. So do we. Maybe we can say we want responsible parenting and make that happen.

Both bills, I might say, have pretty stringent hits on deadbeat or delinquent dads or parents. So maybe there is some commonality in that area.

But, Mr. President, my comment is that we need to pass a welfare bill. I hope that we will pass a bipartisan bill. I hope our colleagues on the other side, after we dispose of this amendment, will look at the proposal Senator DOLE and myself and many other people have sponsored and be very serious. I know there are a lot of amendments. We need to dispose of them. Maybe we will pass some and reject some. I hope our colleagues that have amendments will bring them to the floor. I hope we will consider and dispose of them and, in the next few days, pass a significant welfare reform bill, one that eliminates the open-ended entitlement, one that has savings for taxpayers and encourages work and moves people away from Federal welfare dependency.

I think that is a big challenge. We have not done it in decades. It needs to be done. The biggest beneficiary—some people think that Republicans are trying to do that so they can save some dollars. Some people think this is management, or we are just going to give the authority to the State. I think the biggest beneficiary of our changes will be welfare recipients, because we will be making some changes so they will get off the addiction of welfare and they will be able to break away from the dependency cycle that so many generations and individuals now are stuck on.

So, Mr. President, I think this is one of the most important pieces of legislation this Congress will consider, certainly this year. I am hopeful that in the next few days we will be successful in passing it.

Mr. President, I know that our side is planning on going into a conference. I see my friend from Arkansas on the floor.

Mr. DEWINE assumed the chair.

Mr. BUMPERS. Mr. President, if I may address a question. I understand that all the time remaining between now and 3:30 belongs to the opponents of the Daschle proposal; is that correct?

Mr. NICKLES. That is correct.

Mr. BUMPERS. I wonder if I can impose on the generosity of the Senator from Oklahoma to yield 5 or 10 minutes to me in opposition to his position.

Mr. NICKLES. I am happy to. I will inform my colleague that we were planning on actually—we have a caucus going on at this moment that I was hoping to join in. So it is my intention, as I told the Senator from New York, to have the Senate stand in recess for some period—say until 3 o'clock. I will be happy to give my colleague 5 minutes.

I yield the Senator from Arkansas 5 minutes.

Mr. KERREY. Mr. President, can I ask the Senator from Oklahoma, is he intending to do that and go into recess at that point?

Mr. NICKLES. That was my hope.

Mr. KERREY. I wonder if the Senator will entertain a unanimous-consent that I speak for 10 minutes after the Senator from Arkansas and at that point we go into recess?

Mr. NICKLES. Yes, but I will withhold putting the unanimous-consent request.

The PRESIDING OFFICER. The Senator from Arkansas is recognized.

Mr. BUMPERS. Mr. President, I want to make a couple of observations and take a slightly different tack on the issue of welfare than that which has been debated.

First of all, I am deeply troubled by the Dole proposal. I do not see how I can support it. One of the reasons I cannot support it is because there is no comprehensive plan on child care. Any welfare proposal that does not consider child care is doomed to failure. Women are not going to work unless they have someplace that will take care of their children during work hours. There is no added money in the Dole proposal for that purpose.

The Dole proposal also has a number of other shortcomings. For instance, the Dole proposal shortchanges States in the Sunbelt, such as Arkansas, where immigration is on the increase. The bill provides no additional funding to take care of a recession when the number of applicants for welfare grow. It seems to me that the proposal is fatally flawed in a number of ways. So I am going to strongly support the Daschle proposal, which attempts to address these issues. Every Member of the Senate wants to vote for welfare reform. If you sit around the coffee shops at home, that is about all they will talk about. However, we have to reform welfare in a commonsensical manner; not the willy-nilly approach taken by the Dole proposal.

It seems to me that we speak loudly, longingly, and piously about the children of this country in this debate on welfare. We overtly or covertly attack them in this proposal—the most vulnerable among our population. Nobody knows for sure what the answer is. However, Mr. President, I assure you the answer is not to make children any worse off than they already are.

Let me just make a point about another kind of welfare. This morning's Washington Post had a story on the Federal Page indicating that the Secretary of the Interior yesterday signed a deed for 110 acres of land belonging to the American people to a Danish company called Faxe Kalk. What do you think the U.S. taxpayers got for that 110 acres of land yesterday? $275—$2.50 an acre. What do you think the corporation Faxe Kalk got? One billion dollars' worth of a mineral called travertine. It is an aggregate source used to whiten paper.

Due to the 1872 mining law, still firmly in place, the taxpayers of this country, who lament the taxes they pay, saw $1 billion worth of their assets go down the tube.

In 1990, Mr. President, I stood exactly where I am standing right now and pleaded with the people of the Senate to impose a moratorium on patenting under the 1872 mining law which requires the Secretary of Interior to deed away billions and billions and billions of dollars worth of gold, platinum, palladium, travertine, whatever, for $2.50 or $5 an acre. I lost that year by two votes.

Mr. President, I wonder if the Senator from Oklahoma will yield 2 additional minutes?

Mr. NICKLES. I yield the Senator from Arkansas an additional 4 minutes, and at the conclusion of his remarks I yield the Senator from Nebraska 10 minutes.

Mr. BUMPERS. I thank the Senator.

I stood here and pleaded with this body to put a moratorium to stop this practice, but lost 50–48.

Four days later, the Stillwater Mining Co. filed an application with the Secretary for patents on approximately 2,000 acres of public land in Montana for $5 an acre—roughly $10,000. If the Secretary winds up having to deed the land, and he certainly will under existing law, to the Stillwater Mining Co., the next story you read in the Washington Post will be that the Secretary of the Interior has deeded 2,000 acres of land belonging to the people of this country for $10,000 and underneath that 2,000 acres lies $38 billion worth of platinum and palladium.

Mr. President, are these my figures? No, they are the figures presented by the Stillwater Mining Co. Mr. President, 2½ years ago, Stillwater said they did not know whether they could make that pay off or not. They say there is $38 billion worth of minerals under it, but they did not know whether they could make it pay off.

Really? A year ago the Manville Corp., which had jointly formed the Stillwater Mining Co. with Chevron bought Chevron out and took Stillwater public at roughly $13 a share. Last week, Manville sold its remaining interest in Stillwater to a bunch of investors for $110 million plus a 5-percent royalty based on a net smelter return. Not bad for a company that 2½ years ago said they did not know whether they could make it profitable or not.

A year ago, when Stillwater went public, the stock sold for $13. 1 year later—how I wish I had invested in this one—the stock is worth $23 today. It had been up to $28. We cannot find the money for child care in the welfare reform bill, while, at the same time, we deeded away $1 billion yesterday, and are getting ready to deed away another $38 billion.

Just before the recess, I offered an amendment on the Interior appropriations bill to renew a moratorium on the issuance of patents pursuant to the 1872 mining law. However, the Senate defeated the amendment 51–46. Instead, my friend from Idaho offered an amendment that would require mining companies to pay fair market value for the surface of the land in the future, but that is just for the surface, not the minerals. So instead of paying $275 yesterday, the Faxe Kalk Corp. for $1 billion worth would have had to pay $20,000.

What a scam. Talk about welfare, welfare for some of our biggest corporations, while we beat up on the children of this country and say to the mothers, "No, we cannot give you child care for your child so you can go to work."

Mr. President, I yield the floor.

Mr. KERREY. Mr. President, this amendment unfortunately will probably be defeated along party lines.

I say unfortunately because there is a significant amount of enthusiasm in this body to respond to the people's concern about our welfare system and to try to change it.

The Democratic Party, as people have observed and understand, has very often had difficulty coming together around change. That is not the case with welfare reform.

We have spent a great deal of time on this side of the aisle—not defending the status quo—coming up with a proposal that radically alters the status quo with an attempt to pass legislation that will respond to taxpayers who say they do not like the current tax.

They think we are spending money with no results, and perhaps worse, spending money and making the problem more serious than it currently is to the recipients who do not like the system, since many do not go onto welfare by choice but are there as a consequence of divorce or separation and find it difficult to get off once they are on.

Mr. President, even providers today increasingly are saying they do not like the current system.

The Work First proposal is a serious attempt to respond to these concerns, an attempt not to reduce the budget deficit, but to reduce the rate of poverty and increase the self-sufficiency of Americans who are struggling to get out of the ranks of poverty. That is the effort that we have before us.

It changes our system so that we first will have an emphasis on finding and keeping a job; second, by providing the support necessary to find and keep that job; and third, by providing the States with more flexibility.

Mr. President, I urge citizens to understand that the Daschle amendment abolishes AFDC. It replaces it with an entitlement that is conditional upon an individual who is able bodied being willing to work. Those recipients must sign a parent empowerment contract that outlines their plan to move themselves into the work force, similar to what many States have already done, including my own, the State of Nebraska.

It provides a stimulus to develop the work ethic by moving from an income maintenance program to an employment assistance program.

Mr. President, beyond that, this bill recognizes that in order to keep that job, individuals, parents, need to have other things. In particular, it makes certain that every single person that is moving into the ranks of the employed has high-quality, affordable child care. Otherwise, they will not be able to get it done.

Now, there is a tremendous differential, Mr. President, between the relative cost of child care for somebody who is in the ranks of the poor and that of the people who are not poor. Above poverty, American families spend about 9 percent of their income for child care. Below poverty, it is almost 25 percent of their income.

This proposal, moreover, says that many Americans are still struggling to try to be able to afford the cost of health care. This extends the 1-year Medicaid to 2 years and provides a sliding scale. So again, there is a requirement of effort for health care.

Mr. President, this legislation responds to States saying that they want more flexibility. It allows States to design their own program and encourages States to redesign their infrastructure, to streamline the processes.

It provides incentive for States if the States exceed the required job participation rate. It does not freeze the funds in an inflexible block grant, but it does say the States are required to maintain some effort.

Mr. President, this legislation by itself will not solve all the problems. I still believe that we need to raise the minimum wage. I still believe that we need to hold on to the progress that was made with the expansion of the earned-income tax credit.

Perhaps one of the most damaging things that is done in the current budget resolution is to reduce the earned-income tax credit. This welfare reform proposal by itself will not solve all the problems.

Indeed, ideally for me, would be to pass the Daschle amendment and then include thereafter title 7 and title 8 of the Dole proposal, which is essentially the Kassebaum Work Force Development Act that consolidates and provides an awful lot more flexibility to States to make job training programs work. It is a very good piece of legislation. It could give the States the kind of flexibility and the power that they need to help people acquire the skills necessary to be self-sufficient.

I have no doubt that, if we were to pass this amendment—and I hope my own skepticism about this current division between Republicans and Democrats will not be warranted, I hope there will be Republicans who will vote for the Daschle proposal—if it is passed, taxpayers will like it because they will be getting their money's worth, for a program that provides incentives for people to work. The recipients will like it because it strengthens child support enforcement, it provides a contract that lets them know precisely what they are supposed to do, and it offers an alternative approach to the cycle of poverty and the cycle of welfare dependency that many are trying to break.

The people of the State of Nebraska, in my recent campaign, indicated strongly they want our welfare rules to be written so work is given greater priority than welfare, so it is more attractive than being on welfare. This legislation responds precisely to that concern. They want the opportunity at the State level and at the local level to be able to design their own programs, and this legislation responds to that concern.

It is not being driven solely by the need to reduce the deficit. There is not an ideological bent to it that says it has to be one way or the other. It is driven by a desire to be able to stand at the end of the day and say this thing is working better; that, from the taxpayers' standpoint, from the beneficiaries' standpoint, and from the providers' standpoint, we have made our welfare system operate in a more efficient, effective and, hopefully, humanitarian fashion as well.

I yield the floor.

The PRESIDING OFFICER. Who yields time? The Senator from Montana.

Mr. BAUCUS. Mr. President, on behalf of the majority leader, I yield myself such time as I may consume.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BAUCUS. Mr. President, this is a very important subject, welfare reform. I have approached the debate myself by trying to go back to the basics. I think all of us have attempted that. That is by asking why we have a welfare system at all, what should it do, and, just as important, what should it not do? The answers to those questions, I think, are simple.

We now do not have a welfare system just in order to give money to poor people. That is not the point of welfare. It is not the point of welfare simply to give money to poor people. Neither do we have a welfare system to punish and humiliate people, especially children, for being poor. The reason we have a welfare system is to help people in a tough spot get back on their feet and back to work; to promote with compassion the values of work, personal responsibility, and self-sufficiency we all share as Americans.

The failure of our present system to meet these goals is a national tragedy. It is a top concern of Montanans and of all Americans, and rightly so. It seems to me very sad that Congress is approaching welfare reform in a polarized, partisan way. After spending several weeks at home listening, talking to people, I know the American people expect better. They expect a serious effort to solve a serious problem. And they are right. That is why I have reached out to work with Republicans on welfare reform, and it is why I am disappointed to see how little effort the majority has made to work with Democrats and how little cooperation there is between the administration and the Congress.

If we continue on this course, the country will not get welfare reform. It will get a partisan bill, maybe a veto, and ultimately an embarrassing failure. So, while we still have time, today I would like to urge us all to try a bit harder to work better together, to do what we know is right, listen to the people, and get the job done.

In the past month, I have listened to Montanans I meet along the highway. I am walking across my State. I talk to people on welfare and people who have fought their way off welfare and into jobs, to teachers from Head Start and professionals from State government, county human service officers, to advocates for poor people, and to middle-class taxpayers who pay for our system.

As heated as the welfare reform debate can be, I have learned that most of us have some basic principles in common. We agree that America needs a welfare system, but one which encourages personal responsibility, encourages work and self-sufficiency, lets States like Montana create systems that make sense for our own unique problems, is fair to taxpayers, protects children, and helps keep families together.

We agree the present system does not achieve these goals. It is broken and it needs dramatic change.

The Federal Government has administered our major welfare program, Aid to Families With Dependent Children, or AFDC, since the 1930's. I think it is fair to say that AFDC has failed to live up to these principles, and there is no reason to reinforce failure. The best thing to do now is not to tinker with the AFDC, or come up with a substitute to it; it is to get the Federal Government out of AFDC, turn it into a block grant, let the States design different plans, come up with their own ideas and try to learn from one another.

Therefore, it is with some reluctance I will vote against the alternative proposal by the Democratic leader. It has some good points: a time limit, work requirements, a child care program, and protection for children. Those are very important. But the proposal has a fundamental flaw. Under the proposal, the Federal Government will continue to administer welfare reform. I believe that will continue to cause a problem. It will continue to write requirements for States, and I believe it will perpetuate a system that has failed. That is why, on balance, I prefer the welfare reform bill offered by Senator DOLE.

The Dole proposal makes a clean break with the past. It converts the welfare program into a block grant, eliminating red tape and giving States the flexibility they need to run their own program. And it does some other essential things. It is fair to taxpayers. It does not require States to adopt the more punitive approaches of the House bill, such as making States deny benefits to families when they have more children, or to unwed teenage mothers. And by placing a time limit on benefits and requiring work, it moves away from a program which is based on benefit checks toward one which is based on responsibility and self-help.

Thus, I hope I will ultimately be able to vote for Senator DOLE's proposal. But at this point I believe it has some very serious problems. They can be fixed, but we cannot evade them.

These problems fall into three main areas:

First, failure to provide for child care. First, women and children, the people who receive the big majority of AFDC benefits, can only go to work if they have a safe, dependable provider of child care, and child care is expensive. When a mother comes off AFDC, she is likely to start with a pretty low-paying job. So, if we expect welfare recipients to work, we must offer some help with child care. But, at present, the Dole bill offers no real help with child care. It merely gives States the option of exempting families with children before their first birthday from the work participation requirements. We have to do much better.

Second, the safety net for families with children. While we must tell people they have to go back to work in a reasonable time, we have also to protect them when times are really tough: when a father suddenly leaves a family, when a wage-earner is killed or disabled in an accident, when a business closes, and when a young, single mother suddenly loses her job. We cannot and we must not simply cut away the whole social safety net.

So, if the Federal Government is going to turn the welfare system over to the States, we need a guarantee that the States will continue to provide their part of that safety net.

We need a guarantee that, under budget pressures as most of them are, they will not simply take the money and eliminate most or all benefits for people who truly need help.

The Dole bill does not provide that guarantee. Instead, it merely says that for 2 years, States must reach 75 percent or more of their present level of spending. After that, all bets are off. That is not good enough.

Third, the Dole bill contains provisions which should not be in a welfare bill at all. All these should be removed.

For example, it turns the Food Stamp Program into an optional block grant that was not in the committee bill. It is in the Dole bill. This is unnecessary, because the Food Stamp Program on the whole works. No doubt it can be improved in some ways, but it provides our families and children with the food they need.

And turning food stamps into a block grant is also dangerous, because it threatens the nutrition of poor children. States could eliminate nutrition services completely, which would threaten kids' health. Or they could turn them into cash grants, which would encourage fraud and abuse by recipients.

In addition, the Dole bill contains a large and controversial job training program. This is a very important issue which should be considered on its own merits, not simply lumped into the welfare bill without debate.

AMERICA NEEDS A BIPARTISAN REFORM

Finally, and once again, my most important criticism applies to the whole approach Congress has taken to welfare reform. That is, I believe Congress is treating this as a political issue rather than a real issue.

That is wrong. The failure of the welfare system is a serious social problem. It is a top concern of the public, and rightly so. It deserves to be more than a political hockey puck.

But today, we have a Democratic bill and a Republican bill. Slogans and press releases. All the things that have made so many Americans fed up with politics.

If nothing changes, we will get a partisan bill pushed through with a very narrow margin of votes. We will get a veto. It will be sustained. And at the end of the year, we will have no welfare reform.

That does not have to happen. We still have time for serious work on a serious problem. We can improve this bill, and ultimately get a good, tough, fair reform. I hope my colleagues here will join me.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Ms. MOSELEY-BRAUN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Ms. MOSELEY-BRAUN. I now ask unanimous consent that I be yielded 10 minutes to speak on the pending legislation.

The PRESIDING OFFICER. Without objection, it is so ordered.

Ms. MOSELEY-BRAUN. Mr. President, today we begin in earnest to tackle the issue of welfare reform. In the next week we will decide if this Congress will pass welfare reform legislation that attacks poverty and aids recipients to become self-sufficient or if we give in to the rhetoric, the hot buttons, the slogans, the wedge issues, ignore past economic appearance, and pass shortsighted and, I daresay, counterproductive legislation.

To look first at some of the facts and to suggest a reality check about this debate: There are currently some 14 million people in the United States receiving aid to families with dependent children assistance, known as welfare. But, Mr. President, over 9 million of those people are children. The remaining 5 million of those people are adults. So let us be clear what we are talking about at the outset. When we talk about welfare reform, we are talking about primarily children. Nine million of the 14 million people receiving welfare are kids; only 5 million are adults.

Now, of those adults, of those 5 million adults, nearly 4 percent overall—these are national numbers—nearly 4 percent have been designated by the States—by the States—as incapacitated or physically unable to work. Other estimates, Mr. President, which include, among other conditions, mental illness, substance abuse and the like, put the number of those who are incapacitated and unable the work at about 18 percent. So 18 percent of the 5 million people are unable to work.

That means then that somewhere between 4.1 and 4.8 million AFDC recipients are able to work, and, Mr. President, I agree that they should work. I do not think there is anyone in this Chamber, indeed in this country, who would deny that those people who can work should work. On this point I think there can be absolute consensus.

The difference, Mr. President, however, between the Democratic alternative, the substitute amendment, and the underlying bill, between the Democratic and the Republican approaches, is that the Democratic approach, I believe, asks two critical questions that apparently did not occur or at least are not represented in the leadership bill.

First question: What about the jobs and attendant training and education for those 4.1 to 4.8 able-bodied adults? And, second, what about the children? Again, 9 million children, what about them? To me, I believe that the bottom line of all of this is to ensure that children are protected. The question we should ask ourselves when evaluating any welfare reform proposal is, what about the children?

I introduced welfare reform legislation earlier in the year. Every provision in that bill, which was developed in conjunction and in conversation with the task force of Illinois residents, every provision of that bill sought to improve the condition of children through economic opportunities for their families and to maintain a safety net for them. The whole idea is to keep families and allow families to come together to provide a nurturing atmosphere for children and at the same time provide those families with an ability to support those children while providing a safety net for those children. I believe that the Democratic Work First bill, also known as the Daschle substitute, builds on those principles of support for families, support for children, and an emphasis on work.

The Daschle plan, the Democratic plan, includes all of the components necessary for successful welfare reform. It is tough on work, including a guarantee of necessary support services like child care and provides funding for job creation, and above all, it protects children. That is the reason that I have joined in cosponsoring the Democratic plan and support it wholeheartedly.

First, the Democratic bill provides that critical safety net for children. Our bill ensures that no child will go hungry or homeless due to the behavior of his or her parents. It affirms the Federal and State commitment to aiding poor children. And in that regard, Mr. President, I would point out that in this country right now some 24 percent, estimated 24 percent, of the children in America fall below the poverty level. The highest level of child poverty in the industrialized world is in America today. I, therefore, think that we cannot approach the issue of welfare reform without addressing the question of child poverty, and addressing the question of child poverty has to take place in a Federal, State, and local collaborative and cooperative arrangement.

Second, Mr. President, the Democratic alternative, the Work First bill, includes critical support services such as child care and health care. We know from past experience that the lack of child care and health care causes many poor people, many recipients, former recipients, to go back into transition and return back to the welfare rolls. An individual who is faced with the prospect of not being able to afford health care may then have to leave work and go back on welfare just to have their health needs attended to. Similarly, a mother, a single mother particularly, or single parent faced with the prospect of leaving their child alone, underaged child alone, in order to go to work will often be forced to leave the work force and go on welfare just to provide for child care.

So, the Work First bill, the Democratic alternative, includes those services as a necessary component of welfare reform. The Work First bill not only guarantees child care for those recipients required to work under it; it also expands and provides for the child care development block grant, the existing program that helps low-income working families to afford child care.

As you know, Mr. President, there are a number of people who work but who need the financial assistance so they can put their children into child care so that they will not be forced back onto welfare rolls. This legislation, the Democratic alternative, provides for those support services.

Mr. President, child care for the working poor is critical. It can often make the difference between a working parent and a parent receiving welfare. In Illinois alone, in my State, we currently have a waiting list—a waiting list, Mr. President—of some 30,000 children, 30,000 kids, children, who need to have slots in day care for which there are no slots available. The Democratic leadership recognizes that moving from welfare to work requires an upfront investment, and it has to be an investment that goes to the benefit of the children.

The Work First bill provides adequate funding so the recipients will have a real opportunity to move from welfare and into the private-sector work force. And that is why I would encourage all of my colleagues to take a good look at the leadership bill and encourage their support of it, because only by providing support for child care will we be able to accomplish real welfare reform.

The Democratic plan recognizes no matter how skilled a recipient, if there are no jobs or not enough jobs in the community, there still can be no work. Again, this job creation is another major element that has to be part of any real welfare reform. This bill, the Democratic bill, the Daschle bill, provides funding for community-based institutions that invest in business enterprises and therefore helps to create new private-sector jobs for low-income persons, which then will help us to revitalize poor, underserved communities and help us diminish the reliance on and the need for welfare.

Mr. President, the Republican leadership bill falls short in the areas that I have just mentioned: Work, child care, and job creation. And above all, it fails children. Two-thirds of those receiving assistance are children, and protecting their future should be the goal of reform.

One of the fundamental errors and problems with the plan before us right now—the Republican plan, the leadership plan—is that the plan ends the 60-year-old Federal commitment to provide assistance to needy children. States are given the option of leaving children to go homeless and hungry. It is unconscionable to me, Mr. President, the Senate would ignore the plight of children and allow that to happen.

During one of the hearings on welfare reform in the Finance Committee, I asked a sponsor, frankly, of the Republican bill, who supported the total dismantlement of the safety net, "What about the children? What if this bill results in children being homeless and hungry?" And the response that I got was, "Well, if that happens, we will just have to come back in a couple years and fix this."

Mr. President, I submit that we cannot be that generous with the suffering of children in this country and that we ought to start off fixing this problem now. And that is why I support the Daschle alternative.

CHILD CARE

Under the Dole bill, work requirements and participation rates are increased but funding for child care is not. Illinois alone will have to increase child care by 383 percent to meet the work requirements in the Dole bill. Funding for recipients required to work will siphon off dollars from low-income families. In a State that already has a waiting list of 30,000, the impact of the Dole bill could be devastating.

This is a misguided approach if the aim of reform is long term self-sufficiency.

JOB CREATION

On the jobs issue the Dole bill is silent. There is no recognition that job creation and economic development are critical to communities that are plagued by both high unemployment and high poverty rates.

The bill assumes that recipients will be able to find jobs after the 5-year time limit, which could be less at a State's option, but does not provide funding for job creation or provide adequate funding for support services that will aid recipients to obtain and keep private sector jobs. In many poor communities jobs do not exist and those that are available are not easily accessible. This bill buys into the "Field of Dreams" theme of: If you kick them off they will work.

In many poor areas in Chicago, unemployment is between 20 and 40 percent. Eighty percent of black youth between the ages of 16 and 19 are unemployed in Chicago and 55 percent of the 20- to 24-year-olds are out of work. It will be nearly impossible to move recipients into permanent private sector jobs if there is no effort to create jobs.

Under the Dole bill States will have to increase the number of persons participating in work-job preparation activities by over 161 percent by the year 2000. To use my State as an example: Illinois will receive $444 million less in AFDC funds, but will be required to increase by 122 percent the number of recipients participating in work-job preparation activities.

This will be a tremendous burden on Illinois. Our current caseload exceeds 700,000 people and 64 percent of the entire caseload resides in one county. In the year 2000, Illinois will be forced to use 73 percent of its block grant allocation to meet the Dole bill requirements. That leaves almost no funding for cash assistance or other programs supporting family stability. In addition, the State and the city of Chicago will have to create tens of thousands of jobs to absorb former welfare recipients who will have reached the 5-year time limit.

UNFUNDED MANDATE

What this means is States and localities will be forced to pick up the tab, which means the cost will be passed along to all of us through higher State and local taxes.

This leads me to my last point—the Dole will is an unfunded mandate.

Welfare reform is not easy and it is not cheap. What we have learned from successful State experiments like those in Michigan and Wisconsin—is that moving recipients into jobs can be done but it is expensive, labor intensive, and time consuming.

Even Tommy Thompson, Governor of Wisconsin, acknowledges the need for an initial investment. He has stated that "every time you change a system you are going to have an up-front investment, more transportation, more job training, more day care. And those who think that you can just change the system from one based on dependency, where you receive a welfare check once a month, to one in which you require people to go to work, are going to be sadly mistaken when you first start the program. Because there is an up-front investment."

In order to meet the work and child care costs associated with the Republican bill, States will have to spend an additional $16.7 billion. That is a very large unfunded mandate.

It is no wonder that the Congressional Budget Office has predicted States won't be able to meet the work and child care requirements in the Dole bill. It is easy to see why CBO assumes that 44 States will be unable to meet the bill's requirements, preferring to risk penalties instead.

CONCLUSION

We all want reform so that the welfare system works better. But we must keep in mind that the system serves real people—the majority of whom are children. Welfare should not be a wedge issue—it is a people issue.

The Work First plan provides a real solution to the problems of poverty; the Republican plan ignores poverty.

We live in one of the richest countries in the world, we have a $7 trillion economy and a $1.2 trillion Federal budget, and yet we lag behind every other industrial nation in child poverty. Yesterday, this body voted to give the Department of Defense $7 billion more than they asked for. Clearly, we have the wherewithal to do better by this Nation's children. What this next week will show is whether or not we have the will.

The PRESIDING OFFICER. The Senator's time has expired.

Ms. MOSELEY-BRAUN. I will continue to express myself on this subject in the coming hours of this debate. Thank you.

The PRESIDING OFFICER. Who yields time?

Mr. SANTORUM. Mr. President, I yield 3 minutes to the Senator from Missouri.

The PRESIDING OFFICER (Mr. ABRAHAM). The Senator from Missouri.

Mr. BOND. Mr. President, I thank the distinguished Senator from Pennsylvania. I want to raise a question for my colleagues on the other side of the aisle as to whether the proposed Daschle amendment would deal with a very disturbing situation we found in the State of Missouri.

Under the current law, and this is one of the reasons people are going nuts with welfare today, we have had an innovative program in Sedalia, MO, where the president pro tempore of the Missouri State Senate worked with the Division of Family Services, which administers AFDC, to try to find employees for a major employer coming to the Sedalia area, bringing 1,500 to 1,600 jobs.

They had the very simple idea that if they would bring qualified AFDC recipients to the employer, then they might help solve the problems of the people who did not have jobs and meet the needs of the employer for workers. They sent over a number of workers. Some of the workers have accepted employment, and the system seems to be working very well for them. Some of them chose to find other jobs because they did not like this employer, and that is a good result. Those two classes of people found work.

A third class of people was turned down for jobs. They continued to receive AFDC. Another class of workers who refused to show up for jobs could be cut off, but they could only be cut off of the AFDC rolls for 2 months—jobs for which they were qualified, well above the minimum wage, and they were cut off, but they could only be cut off for 2 months.

No. 1, would that restriction continue under the proposed Daschle amendment?

No. 2, and this is probably the most troubling part, two of the AFDC recipients who went to the employer failed the mandatory drug test. Since they failed the mandatory drug test, they were not offered jobs. They went back to the Division of Family Services and continued their AFDC checks. They could not be cut off, as we understand in Missouri the requirements of AFDC, even though they failed drug tests.

As I see it, if this is the effect of existing law or the Daschle amendment, then there would be an incentive for people who wanted to stay on AFDC simply to take drugs to prevent them from passing a drug test.

I invite Members who are supporting the Daschle amendment to tell me if those two very important requirements would be changed under the Daschle amendment.

I thank the Chair, and I thank my colleague from Pennsylvania.

The PRESIDING OFFICER. Who yields time?

Mr. SANTORUM. I yield such time as he may consume to the Senator from Colorado.

The PRESIDING OFFICER. The Senator from Colorado is recognized.

Mr. BROWN. Mr. President, I want to thank the Senator from Pennsylvania.

I rise in strong support of the welfare reform effort and to express several concerns about the effort to amend it, which is before the body now. First of all, a very distinguished Member has just noted her, I know, genuine concern that families could be cut off without assistance. Let me assure her and other Members who may be listening to this debate that this bill is not about cutting people off who are genuinely in need and genuinely in need of help. As a matter of fact, what this bill does is continue the program in a significant fashion. What it does do that is different, in its main point, is give States the discretion to run that program, and it has some big differences in this area.

The first and biggest difference is that we take money that is now sent to the Federal bureaucracy to administer this program and put that money into programs to help the needy and help the State level administer the program.

What we are doing with this effort is saying that it is no longer going to be a Federal bureaucracy that dictates to the States and the counties how to run their programs. We are going to give many of the decisions and administration of programs to people on the line, and the resources of the program will be diverted away from the bureaucracy toward those people in need and toward those people who actually run the program. It does make a difference. It puts more resources in the hands of the people who can make a difference and help those in need.

The second thing it does, I think, that is so important and why I think it would be a mistake to turn back to the past is this: In the past, we have precluded people from being able to develop effective, viable programs on the local level. I will simply give an example in Colorado. My own county, Weld County, had a program that had the impact of reducing welfare rolls by a substantial amount during the first month of operation. It was an experimental program.

It ended up with a substantial number of people having viable, substantive jobs that improved their lot in life and set them on the path toward getting out of poverty. It was one focused on job placement and opportunity, not subsistence and welfare.

Those who truly needed the assistance got it, but those who had the ability to work and the desire to work were delighted to have the opportunity to work, and that is what the program did.

What happened to that program? It was shut down, and it was shut down because it did not satisfy the demands of the Federal bureaucrats that ruled.

That is what this bill is all about. This is about giving your local counties and cities and States the ability to design programs that really work. If you believe Washington has all the answers, you will not want to do that. If you believe in centralized planning and decisionmaking in the few hands of people in Washington, DC, that they can make a better decision than the people on the line, why, you want to oppose the Dole amendment, you want to oppose the Republican proposal. What is at stake in this measure is the ability to give the States and the cities and the communities where these programs are run the ability to change welfare.

I do not think there is anyone in this Chamber who would come forward and say they are proud of the results of the war on poverty. Men and women, Democrats and Republicans, liberal and conservatives all look at the numbers and they know that the number of people in poverty has gone up under the war on poverty, not down. They know that in spite of spending hundreds of billions of dollars, literally trillions of dollars since the war on poverty started, that poverty is a bigger problem today than it was when it started. Part of it is because the kind of programs we designed have made people dependent on Government instead of being designed to help make them independent and give them opportunity. That is what this bill is all about.

To go back to central planning, I think, would be a mistake, and that is why this bill is a good one, because it gives broader decisionmaking to a greater number of people and gives flexibility to the States. It redirects the resources so that more of it goes to the recipients and the people who run the program and less to bureaucrats.

Third, Mr. President, I want to make a point I think is very important when people cast their vote on the amendment that is going to be before us. One of the things that sabotaged welfare reform in 1988 was some amendments that were added at the last minute. Those amendments involved an effort to outlaw referrals to work. I know most Members are going to say, "What, making it illegal to refer people to work?" But that is literally what the law did.

I think most Members of the House and the Senate would be surprised if they knew those measures were in it. I remember the battle very well, because I was in a position of the ranking Republican on the Ways and Means Committee that worked on that. There were three provisions added to the bill in the House that restricted referrals to work.

One, the most damaging, literally says that a State may not refer someone to a job in the municipal government or State government unless that job is an entirely new program. In other words, if they simply just have a vacancy in a program where they have a real job that performs real services for real pay and you have a welfare recipient who is able to fill that job, they are not allowed to put that welfare recipient to work in that job.

What it has done is sabotage much of the efforts to turn this program around. You can look in the Green Book that catalogs the welfare programs. If you will look at the rhetoric of the 1988 bill, the line was that we have required either work or education or training, the emphasis being on work. But when you look at the results, what we find is that only 4 percent of the people on welfare in the JOBS Program are in a job or work activity. What you literally have done is create a program that was sabotaged by that prohibition on work.

Now, Mr. President, the major focus of the Dole amendment and the Republican bill that has come out of committee, the No. 1 item that I think has value over and above everything else, is the repeal of the prohibition on work; the repeal of that statute that makes it illegal to refer welfare recipients to existing job openings. It is a tragic mistake that was incorporated into our laws in 1988. It is a tragic mistake that has sabotaged our efforts to help those who are poor among us turn their lives around. Tragically, the amendment before us does not fully correct that error. In other words, if you vote for the Daschle amendment, you will be voting to continue some of the prohibitions on work.

Right now, the Finance Committee bill, and the Dole amendment, repeal the prohibitions on work. If you wipe those out with this weaker amendment, you wipe out the major tool that I think can turn the welfare system around.

Mr. SANTORUM. Will the Senator yield for a question?

Mr. BROWN. Yes.

Mr. SANTORUM. I want to make sure I am clear on this. In current law, the Senator is suggesting that if there is a job opening which a welfare recipient could qualify to do, and someone wants to hire the welfare recipient in a work program for that position, they cannot refer that person for the job; is that correct?

Mr. BROWN. The statute is very clear. They cannot refer them to it unless it is an entirely new job, a new organization, a new department, or new bureaucracy.

Mr. SANTORUM. If I own a company, a small business, and I want to hire a welfare recipient, they cannot refer that person unless it is a newly created job?

Mr. BROWN. They can if it is a private company. But they cannot with regard to a city or State job.

Mr. SANTORUM. A city or State job. If you have a job available in the highway department holding a sign up—we have all seen that—and you want to refer a welfare recipient to that job, you cannot do that today; is that right?

Mr. BROWN. Under today's law, you could not.

Mr. SANTORUM. Under the Daschle proposal, could you refer that person?

Mr. BROWN. My understanding is—and perhaps Members will correct me if I am wrong—in that amendment, they do not fully change that prohibition. On its face the amendment appears to repeal the prohibition, but it in fact continues it in a more subtle form.

Mr. SANTORUM. "Where are the jobs," I hear. We are not allowed to refer them to the jobs. Under our bill, we would create the opportunity for those referrals. Under their bill, they prohibit job placements.

Mr. BROWN. They keep in place a major impediment to placing men and women on those jobs.

Ms. MOSELEY-BRAUN. Would the Senator like a response?

Mr. BROWN. Yes.

Ms. MOSELEY-BRAUN. The Daschle Work First provision says that you cannot fire an individual who is working in order to replace that worker with someone currently receiving public assistance. That is correct. So your reference to a new job means the job is not currently held by a worker, a person already in the private work force.

Mr. BROWN. I appreciate that. Let me say I agree with the Senator that somebody should not be fired to be replaced by a welfare recipient. But the statute on the books now—and that is repealed by the committee proposal—is one that makes it illegal to refer someone to an existing opening. Now, the purpose of that might be to protect somebody from being fired—I have no problem with that—so that you could replace them with a welfare recipient. I assume the concern is it might cost less. I have no problem with that.

I have a problem with the tragedy that has occurred since 1988, and that is prohibiting people from being referred to those jobs which are normally open, saying the only ones you can refer them to are brand new agencies or bureaucracies. That is the basic concern I have about the amendment before us, which I believe is the No. 1 item that was a problem with the 1988 bill.

I will mention that I offered an amendment on the floor of the House to instruct the conferees to repeal from the bill those prohibitions on work. That measure passed by a large majority in the House of Representatives at the time. It was a measure that, unfortunately, though, the conference committee in 1988 chose to retain in the bill, and it has had continuing devastating affects on the abilities of young men and women to turn their lives around from poverty.

It seems to me that what we ought to be doing with the welfare reform bill is looking for ways to help people get out of poverty, instead of having a program that keeps people in poverty. What we have done to people under the existing program is create a program that makes it very difficult to get out of poverty, to leave it, to turn their way of life around. What we have done in some States is create a level so people have to take a pay cut if they go to get a job. Tragically, sometimes the bureaucracy in these areas has chosen not to refer people to baseline jobs, beginning jobs.

The Denver welfare office, which I have visited several times, is a large office that employs over 1,000 people working on welfare-related programs at one location. Obviously, Denver is not as big as many of the cities represented here on this floor right now. But the attitude, tragically, in many of those areas is that you should not start at some of the basic jobs, that you should only refer people to jobs that start at $8 or $9 an hour, or $10 an hour.

Mr. President, let me mention that I think it is terribly important for people to understand that the way you do well in our economy is you start off on the ladder, and you climb it rung by rung by rung. You do not start off at the top. You do start off and work your way up by doing a good job in each responsibility that you have. One of the things I did while in high school was work 40 hours a week. I worked as a gardener, a busboy, and a janitor. Those jobs were jobs that helped me get better jobs. I think around this country, what men and women find is an opportunity—work means an opportunity for them to improve their way of life.

What we have had is a welfare program in the past that has sought to isolate people from an opportunity to get started. What we need more than anything else in the way of welfare reform is a program that understands its purpose and its function, and its focus ought to be to help people get out of poverty, not keep them in it. It ought to be one that has a different image of people. It ought to recognize that some people do need help, and we will provide that. But many people want, more than anything else, an opportunity. They want, more than anything else, a way to find a job, to prepare for the skills, and help to begin that process.

I am proud that in the welfare reform bill that came out of the Finance Committee, there are many ingredients that I think will help turn this around. The biggest one, other than repealing the prohibition on work, is allowing our communities to take a hand in running and designing these programs. Pueblo County in Colorado designed an outstanding program that showed superb results. Unfortunately, it was shut down by Federal regulators because it did not fit their idea of what would work and what would not work. I know San Diego County in California has done a number of experiments that were successful in helping people turn their lives around. Unfortunately, they could not be continued because they did not fit the Federal role model and guides.

We have seen Jefferson County in Colorado come forward with a very progressive program. I am proud to say that I think many of the bills talked about here will give them the flexibility to move ahead with that. But part of this is understanding that central planning, centralization of decisions, centralization and controlling all welfare programs, does not work. The package that has been put together since the war on poverty began has increased poverty, not reduced it. It has reduced opportunity for people. So we have an opportunity, in this next week, to pass what I think will be the single most important bill we will consider in this session of Congress, and that is one of changing welfare, changing it from a program that locks people into poverty to a program that is designed to help people out of poverty.

I yield the floor.

Mr. SANTORUM. Mr. President, I yield myself such time as I may use. I thank the Senator from Colorado for his excellent remarks. I thank him for the great work he has done on not only this legislation but really in getting us here. He mentioned that he has been the ranking member on the Subcommittee on Human Resources of the House Ways and Means Committee, which is a position I was fortunate enough to serve in for 2 years. I know on that committee he worked to set a lot of groundwork for us to work on welfare reform that we did in the House, which became H.R. 4, that passed, and added tremendously, even in last year's debate, by introducing his own bill last session to reform the welfare system and again move the ball forward on this subject.

I want to pick up on this issue of worker displacement because I do not think we got the full answer. I am reading from the bill, section 485 of the bill. Subsection (C) talks about nondisplacement.

"In general, no funds provided under this Act shall be used in a manner that would result in the displacement of any currently employed worker"—I accept that as meaning maybe someone who would be fired—"or the impairment of existing contracts for services or collective bargaining agreements."

Well, what does that mean? It means that if you have any position that is a part of a collective bargaining agreement or contracted service, which just about every city and State position is part of a collective bargaining agreement, you cannot fill that. Any unionized employee whose position is vacant cannot be filled by a welfare recipient. This is a blatant bow to organized labor, saying we will not take that person who holds that sign on the construction project that says "stop" and "slow," that is in most cases a contracted service, an existing contract for service; that is a position that is filled by the contractor for the State government and cannot be filled by a welfare recipient; someone who works in the State bureaucracy, who is a member of a union. I imagine you could do this if you became a union member and got off welfare, but if you are in a work program, you cannot fill that job. You cannot be referred for that job under the Daschle-Breaux position.

It is a fancier way of saying—I know they were very uncomfortable with coming out and saying we do not want to allow people to be referred, because I got a lot of heat on that, but this is a backdoor way of accomplishing the same thing.

So I think we should tell it like it is. It is very clear here that almost all city and State jobs, which are almost all unionized jobs with the exception of political appointments, what we are talking about here is not allowing to replace vacancies.

I think that is, as the Senator from Colorado very eloquently stated, one of the biggest impediments to moving people off welfare into jobs in which they can later become productive, is this prohibition. It remains in the Daschle bill. I think it is a serious flaw in the legislation.

Ms. MOSELEY-BRAUN. Will the Senator yield?

Mr. SANTORUM. I am happy to yield to the Senator.

Ms. MOSELEY-BRAUN. Section 486 of the bill does provide for the placement of people in employment. I wish to correct the statement. I hope the misimpression that was given that the Daschle substitute prohibits people from being placed in public-sector employment—it does not prohibit welfare recipients from being placed in public-sector employment. What it does provide, as the Senator correctly noted, is that it has to be done according to the rules, and the rules which are collective bargaining agreements and others. It does not prohibit the placement of welfare recipient in the public sector.

Mr. SANTORUM. Reclaiming my time, it did not, except there are no public-sector jobs other than the jobs we are talking about in which you could be placed. It sort of is giving with one and taking away with the other. The end result, there will not be public-sector jobs the welfare recipients will be referred to. That is a very serious flaw in this amendment that is being put forward by the Democratic leader.

I am happy to yield 10 minutes to the Senator from Virginia.

The PRESIDING OFFICER. There are 4 minutes remaining on the side of the Senator from Pennsylvania and 2 minutes remaining on the Daschle side.

Mr. ROBB. Mr. President, I ask unanimous-consent that I be recognized for 12 minutes to speak on the bill.

The PRESIDING OFFICER. According to the unanimous-consent agreement, at 3:30 there is to be 15 minutes available to the Democratic leader followed by 15 minutes available to the majority leader.

Mr. SANTORUM. I am happy to yield the remaining 4 minutes on the Republican side to the Senator from Virginia and he can use the remaining time.

Mr. ROBB. I ask that I be recognized until such time as the leaders come to reclaim the time under the unanimous-consent agreement.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBB. Thank you, Mr. President.

Mr. President, I rise today in support of the Work First plan offered by our Democratic leader, Senator DASCHLE. I am pleased to be an original cosponsor of this important legislation because I believe it both establishes firm boundaries to combat welfare dependency and provides beneficiaries with genuine economic opportunity.

George Bernard Shaw once said, "The greatest of our evils and the worst of our crimes is poverty."

And it is unconscionable, Mr. President, that in America today we have nearly 16 million children living in poverty. In 1993, almost 30 percent of all children under age 3 lived in poverty and almost 50 percent of all African-American children were poor.

Between 1989 and 1993, the number of children receiving food stamps increased more than 50 percent and in 1994 25 percent of our Nation's homeless were children under 18.

For the world's greatest democracy (where the value and the freedoms inherent in each individual citizen are unparalleled anywhere on earth) these statistics portray both a moral dilemma and an economic burden of enormous consequence.

We have not only an obligation to improve the quality of life of generations of innocent children shadowed by poverty, but also a responsibility to our taxpayers to both improve our welfare system and to reduce the billions of dollars in lost productivity incurred each year as a result of current poverty levels.

Mr. President, there are infrequent moments in time where constructive and meaningful solutions can be found to otherwise intractable problems. I honestly believe we have before us such a moment, and I hope we do not let this opportunity slip from our grasp.

At a minimum, we do not want to let politics, or public opinion polls, or fears of 30-second sound bites on the evening news prevent us from doing what is right.

And to do what is right, Mr. President, we have to rethink our Nation's social policy. We have to restructure our welfare system to foster greater upward mobility, to reconnect the poor to the mainstream job market, to reward self-discipline and hard work, to encourage families to stay together, and to restore to the poor and the dispossessed both the benefits and the obligations of citizenship.

I believe the Work First plan meets those objectives.

With a 2-year time limit on benefits for adults—and a 5-year lifetime limit—this bill transforms welfare into the short-term safety net it was meant to be. It contains the funding necessary to allow an individual to both sustain a family in the short-term and secure and keep a job in the longer term. That is the definition of real welfare reform, Mr. President.

In reality, single mothers need child care to work, and the Work First plan guarantees that child care. In reality, families need extended Medicaid coverage to bridge the gap created by entry-level jobs with little or no benefits—and the Work First plan makes Medicaid available for an additional 12 months.

By addressing the practical obstacles to independence which so many poor families encounter today, the Work First plan provides incentives to shatter current barriers and allow individuals to move up the economic ladder.

And very importantly, Mr. President, those who cannot find a private sector job under the Work First plan are put to work as well, either through workfare or community service. In fact, within 7 years of enactment, non-exempt individuals are required to participate in community service jobs just 6 months after joining the welfare rolls.

Two years ago, Mr. President, I joined our former colleague from Oklahoma, Senator BOREN, in supporting legislation similar to the old Works Progress Act, which placed into public service jobs AFDC recipients who had completed the JOBS Program and still remained unemployed. Requiring that those individuals work for their benefits appeals to my sense of what the shared contract between a society and its people should encompass.

Only by providing useful work—and the values and discipline associated with work—can we offer the poor and the disadvantaged a permanent way out of poverty. I believe everyone benefits from the sense of self-worth that earning wages and contributing to his or her community engenders.

When we require beneficiaries to work we give them job experience—job experience that can open doors and bridge the gap between dependency and genuine economic opportunity.

The Work First plan is tough medicine, Mr. President, but I believe it establishes a pragmatic, compassionate process to lift many of our poor citizens out of poverty and into the economic mainstream.

And while I believe the Work First plan moves us firmly in the right direction, I have some serious concerns about the alternative plan offered by the majority leader.

First, it guarantees neither adequate child care nor extended health benefits. How can we require poor women to go to work without ensuring that their young children are watched over and protected?

Second, CBO estimates that States will need to collectively spend an additional $5 billion by the year 2000—$5 billion above what they are paying now—to meet the work requirements in the alternative bill. Where will States get that $5 billion, Mr. President, if federal block grants are frozen for 5 years at current levels? And what is more vitally important to successfully improving our welfare system than effectively moving people into jobs?

Finally, Mr. President, I am concerned that the alternative bill fails to require States to continue to contribute their historic share.

As a former Governor, I know that reduced State support could mean financial disaster for many cities and counties. On June 15, the U.S. Conference of Mayors unanimously adopted a resolution opposing the Senate Finance Committee bill and endorsing the Work First plan, stating that it would "provide significantly greater assistance—to facilitate the transition from welfare to work."

The transition from welfare to work—that is our goal. That is the purpose, the spirit, the driving force behind the Work First plan.

Mr. President, every time a welfare recipient earns a living wage, at least one more child in America moves out of poverty.

Every time a welfare recipient earns a living wage, at least one more child in America sees their role model go to work in the morning, earn a salary, pay their bills, believe a little more in their own ability and their self-worth, and live in a world that is infinitely stronger because they contribute to it.

And every time a welfare recipient earns a living wage, at least one more child in America escapes from what could become a cycle of dependency and hopelessness that is inherently unAmerican—and for which we have an obligation today to begin to break.

The moment, Mr. President, is before us. We have an opportunity—indeed, a responsibility—to help many of our most vulnerable people better attain the priceless gift of economic freedom. And we will make our country stronger in the future.

This does not have to be a partisan battle, Mr. President. Rather, it should be a bipartisan effort to identify tough, effective solutions.

As Franklin Roosevelt said during his second inaugural address, "In every land there are always at work forces that drive men apart and forces that draw men together. In our personal ambitions we are individuals. But in our seeking for economic and political progress as a Nation, we all go up, or else we all go down, as one people * * *."

I urge my colleagues on both sides of the aisle to join together in support of the Work First amendment.

Mr. BRYAN. Mr. President, as an original cosponsor of the Democrats' Work First welfare reform plan, I urge my colleagues to join us in supporting this proposal. Welfare reform needs to be done now.

Work First does what all of us want to do—it requires people receiving welfare to get to work as quickly as possible. It does this while also protecting those children at risk and dependent upon the welfare assistance system through no action on their part.

This spring, I came to the Senate floor to discuss the need to reform our welfare system. I related what I had learned after spending an entire morning at one of the busiest welfare offices in Las Vegas, the West Owens District Welfare Office, observing an eligibility determination interview, and meeting with welfare eligibility workers. I later also visited a welfare office in Reno. The need for extensive and immediate reform of the current welfare system was brought home to me most vividly during these visits. I believe Work First gets us to that needed reform.

The Work First alternative is self-explanatory. It puts the focus of the welfare assistance program where it must be—on getting people to work as quickly as possible. All able-bodied recipients go to work immediately. Those who work receive the help they need to get on their feet—they get an additional year of Medicaid health care coverage, and they get child care assistance. And for the working poor, those trying to go it on their own, they get a 5-year child care phase-in to help ensure they can permanently join the work force.

Work First does this, while at the same time showing compassion for those in dire straits, and for those children who are at risk. It is too easy to forget in the heat of debate on this very important issue that there are people, and particularly children throughout this Nation who desperately, and very legitimately need welfare assistance. We want a welfare assistance system that will be there for those truly in need, yet ensures that they get on their own two feet as quickly as possible.

My State of Nevada is the fastest growing State in the Nation. Rapid growth States like Nevada benefit tremendously from the current entitlement status of the Federal welfare assistance system. Today, if a person meets the eligibility criteria, he or she is entitled to assistance. The entitlement protects States like Nevada which are experiencing incredible population increases. As needy people move into these rapid growth States, the Federal funding follows the population shift.

Work First limits the entitlement to welfare assistance. People who need assistance only get it if they are eligible, and only if they meet their responsibilities. It is a time limited and conditional eligibility. For the needy, assistance is there, but only if they do what is necessary to get to work. No longer can welfare assistance become a lifestyle.

Work First provides States with the incentive to create welfare systems that will put people to work as soon as possible. If a State does not meet its target for putting welfare recipients to work, it is penalized. If a State exceeds the target, it is rewarded through a funding bonus.

Work First, unlike the Republican proposal, does not use the block grant approach. As a former Governor, I very much understand the attraction of block grants for Governors and their States. Quite often it can be a better approach.

But the notion that somehow block grants are, in and of themselves, the answer to every problem we have with the current welfare program is disingenuous. Particularly when the Republican block grant proposal asks States to do more with less.

If States are deprived of the funding necessary to do the job the Federal Government is sending to them through a block grant, all of the flexibility in the world will not enable the States to do the job—let alone do it better.

Under the Republican proposal, all States are held to their fiscal year 1994 cash assistance level of Federal funding for the next 5 years. How can rapidly growing States like Nevada possibly provide for their increasing number of people in need based on yesterday's funding levels? And into the next 5 years?

And how does the block grant proposal help States face economic recessions? Economic slowdowns impact welfare assistance programs immediately. Working families lose their jobs through no fault of their own, and it can be a long time before a job is available again. These people need help. And yet Nevada and the other States are expected to provide for these people on an already inadequate level of Federal funding.

Work First also recognizes that the inability to pay for child care is a major hurdle for the many single mothers with children who want to work. It is also a problem for low-income working couples who are at risk of losing their jobs because they cannot afford to pay child care on the wages they receive.

Earlier this year, I observed a welfare eligibility determination interview which involved a young woman, who was working, and married with two young children. Both she and her husband had jobs paying above the minimum wage, yet they could not provide a living wage for their family of four.

Her employer kept her work hours to no more than 20 hours per week, so she was ineligible for job provided health care benefits. One of her children had a preexisting medical condition, so medical care was a necessity. The cost of child care for the two children was making it impossible for both her and her husband to continue to work, and still have enough earned income left to live on. Here is a couple trying to make it on their own, and they cannot.

Work First recognizes the vital importance of child care assistance to help welfare recipients get off welfare and get to work. It also recognizes that the many working poor, like the family I just described, also need child care help—for awhile—to enable them to stay in the work force.

The Republican welfare reform proposal, however, deals with this issue by repealing child care assistance programs which today serve approximately 640,000 children. There is no guarantee that any State will provide funds to implement a child care assistance program.

If it is truly our goal to get people into the workforce permanently, then we must give these people the help—for a limited time—that will enable them to get there. Repealing the very programs that provide this assistance is not the answer.

This June, I introduced my Child Support Enforcement Act legislation modified from my bill last Congress to help further strengthen our ability to get dead beat parents to responsibly provide for their children. I am pleased Work First includes many of the same provisions.

No one who shares the responsibility for bringing children into this world should be allowed to shirk that responsibility later by refusing to admit paternity or by failing to pay child support.

We all lament the increasing number of unwed teenage girls who have children. This situation is particularly disheartening when these young mothers are themselves mere children. But too often in the past, our public policies to try to stem this increase have focused solely on the mother and ignored the responsibility of the father. Those fathers, who many times have already walked away before their children are even born, must face the reality of their parental and financial responsibilities.

Although Nevada is the fastest growing State in the Nation, its population is comparatively small with about 1.6 million people. Yet its State Child Support Enforcement Program had 66,385 cases in fiscal year 1994, and collected $62.7 million of child support. Unfortunately, the total owed was almost $352 million, leaving an uncollected balance of almost $290 million. Already by April this year, Nevada's caseload had grown to over 69,000 cases.

These cases represent only those children whose families are receiving Aid to Families with Dependent Children, or who are using the services of the county district attorney offices to enforce child support. The many Nevadans using private attorneys are not included. This scenario is repeated in every State across the country.

The facts are simple. Nationally, one in four children live in a single-parent household. But one of the most startling statistics is that only half of these single parents have sought and obtained child support orders.

This means 50 percent of these single mothers either have been unable to track down the father, have not pursued support, or are unaware of their legal child support enforcement rights.

Of the parents who have sought out and obtained child support, only half receive the full amount to which they are entitled. This means 25 percent of the single parents who have child support orders actually receive nothing at all.

These facts should concern us. It is all too true that many single parents must seek public welfare assistance in order to be able to support their children. When we taxpayers are asked to lend a helping hand to these children, we should be assured every effort is being made to require absent deadbeat parents meet their financial responsibilities to those same children. Public assistance should not be the escape valve relied upon by those parents who want to walk away from their children.

My child support enforcement legislation and Work First provide the means to help shut that escape valve. Both provide States the authority to withhold or suspend occupational and professional licenses; Work First also includes drivers' licenses. Both allow the denial of passports to noncustodial parents for nonpayment of child support. Both provide for the reporting of child support arrearages to credit bureaus. Both require custodial parents cooperate with paternity establishment and enforcement of child support as a condition of receiving cash assistance. The authority to collect child support from Federal employees and members of the Armed Services is enhanced by both measures. Full faith and credit of child support orders is improved, and States are required to adopt laws to void fraudulent transfers by a person owing child support.

Work First also allows States to prohibit noncustodial parents—the parents who owe the child support—from receiving food stamp assistance. So much of our efforts to establish and collect child support fall on the custodial parent—the parent who cares for the children and tries to make ends meet. This provision provides another way to find noncustodial parents and ensure they meet their child support obligations.

We must give our courts and law enforcement agencies the tools they need to crack down on delinquent parents. The goal is not to drive those who want to meet their obligations to their children away, but rather to make sure those ignoring their children understand that society will not tolerate their irresponsible behavior.

We must assure taxpayers who lend the helping hand to impoverished single mothers and their children that every effort is being made to get deadbeat parents to pay up. We must ensure the children receive adequate and consistent child support, so they are able to have the opportunity to become successful, productive, and healthy adults. For many single parent families, if they could receive the child support payments they are entitled to, it would make the difference between being able to maintain their financial independence, and having to seek welfare assistance.

I do support the Republican welfare reform requirement that all food stamp recipients, both the custodial and the noncustodial parent, participate in child support enforcement efforts as a condition of food stamp eligibility. This requirement to participate in child support enforcement efforts needs to be extended to all welfare and public assistance programs.

During my visits with Nevada eligibility workers, over and over again I heard about problems with the Food Stamp Program eligibility criteria. Work First deals with those problems. People eligible for food stamps, without children, are required to work or get training to work as a condition of receiving benefits.

Although the Food Stamp Program is criticized, it has provided the most basic safety net—food—for those in need, particularly in times of recession. The Republican proposal, however, would give States the irrevocable option to put their food stamp funds into a block grant. This option requires States spend 80 percent of these funds on food assistance. The other 20 percent is left to the States to use as they wish. Again States are held to the higher of either their fiscal year 1994, or the average of their fiscal year 1992–94 expenditures as their funding level under the block grant approach. How can this option possibly provide a dependable minimal safety net for those who are most vulnerable to economic downturns? food stamp funds should go for food; that is too basic a human need to play with.

Good as Work First is, there are some problem areas of the current welfare system that it does not address. I will be proposing a welfare fraud amendment to prohibit welfare recipients who commit welfare fraud from being unjustly enriched because of that fraud. There are times when an individual, whose benefits are reduced because of an act of fraud, games the system by using his reduced monthly income to generate additional benefits from other assistance programs. When welfare recipients are overpaid benefits, we need to allow the welfare system to intercept Federal income tax refunds to recover such benefit amounts.

We need a welfare system that does not allow people to think that receiving welfare assistance is an option they can choose to take when it is convenient. We all read in the Washington Post of the young, unmarried, working woman who made a conscious decision to have a child, voluntarily left her job, and then applied for and received welfare assistance. Her rationale was that she had worked, and now the system owed her support while she stayed home to care for the child for its first 3 years.

Millions of single mothers get up every morning, get their children ready for school or child care, and go off to work, and we should expect no less from those receiving welfare assistance. No one should ever think welfare assistance is going to be there for them because they voluntarily leave their jobs, or decide to have a child and want to stay home to care for it.

Americans are a compassionate people. They are always there to help people who are genuinely in need. They care deeply about our country's children. The outpouring from the hearts of Americans across this country in response to the Oklahoma Federal building bombing verified that compassionate nature a thousand fold.

But most Americans are a hardworking lot, too. The vast majority of Americans are out there every day going to work—doing their best to provide for their families on their own. And many of these hard-working Americans are single mothers who are the sole breadwinner for their children, who pay for their own child care, and who struggle to make it by themselves. It should come as no surprise when these hard-working people feel a bit taken advantage of when they see able-bodied people relying on the welfare assistance program.

The welfare system must be substantially changed. On that we all agree. We all agree too that there will always be people who will need the safety net welfare assistance provides at some time in their lives. But the net should be there only for a limited time, so people get back on their feet and permanently into the workforce.

Work First will change the welfare system. It lets hard-working Americans know that we recognize their frustration with those who abuse the welfare system. It lets Americans in need know that conditional, time-limited assistance is there to help them if they meet their responsibilities to get to work as soon as possible. And it does this compassionately by protecting our most vulnerable citizens. Work First may not have all the answers, but it will get us well down the road to a more fair welfare assistance system.

Mr. BIDEN. Mr. President, I am pleased that the Senate is finally debating welfare reform. And, I want to take a few minutes to discuss my views on the matter.

It is obvious to almost everyone—including those on welfare—that the current welfare system is broken.

Too many welfare recipients spend far too long on welfare and do far too little in exchange for their benefits. Many of those who manage to get off the welfare rolls only end up back on them after a short period of time. And, for some, generations have made welfare their way of life.

This is unacceptable. And, I believe that trying to fix the problem through patchwork solutions is no longer an option—it will only fall short of what needs to be done. Instead, we need to end the current welfare system—scrap it and start over. And, the new program must have as its fundamental premise one basic thing: work.

Back in 1987, I proposed a work requirement for all welfare recipients. And, many of those ideas were embodied in the Family Support Act of 1988—the bipartisan legislation crafted by Senator MOYNIHAN. It was a good first step. But, it is evident today that the 1988 law did not go far enough.

It is time—it is long past time, really—for us to require welfare recipients to work for their benefits.

We must make it unmistakably clear that welfare recipients have an obligation to make every effort to end their dependency. Citizenship is more than just a bundle of benefits. It is also a set of responsibilities. And, the primary responsibility is to provide for yourself and your family by working.

Now, when I say "work," let me be clear about what I mean. I mean work. I do not mean participation in bureaucratic programs. I do not mean participation in "work activities." I mean real work. I mean a job.

And, if a private sector job cannot be found, welfare recipients should still be required to work, giving back to the communities where they live by doing community service work.

In short, the new rule of the game must be this: In exchange for a welfare check, you do something for your benefits. You work. The government will help with child care and some job training, if needed. But, all adults on welfare should be working. The culture of welfare must be replaced with the culture of work.

Let me be specific.

First, we should require all welfare recipients to sign a contract in which they agree to work in exchange for their benefits. Those who refuse to sign should not get benefits.

Then, welfare recipients should have to look for a job immediately. They should have up to 6 months to find a job in the private sector. Six months, period.

Those who refuse to look for work should not get benefits. And, those welfare recipients who are not working at the end of 6 months should work in a public sector job or do community service work—or give up their welfare benefits.

No more free lunches. No more free rides.

And, Mr. President, there should be no more permanent claim on public aid. Working for a welfare check—and everyone should work for their check—must be temporary. Welfare recipients must eventually work for a paycheck.

Do not get me wrong. Temporary assistance is the right and humane thing to do. We should not abandon welfare entirely. All Americans must be secure in the knowledge that if something unexpected happens to them—the death of a spouse, the loss of a job, the burning down of their house—that help will be there.

But, welfare must no longer be a way of life. We do no favors—including for the welfare recipients themselves—by keeping people on welfare indefinitely. We must get people off of welfare—and keep them off. Welfare dependency must be replaced with self-sufficiency and personal responsibility.

So, we should limit adults to 5 years of welfare, returning the welfare system to its original intent—a system of temporary assistance.

Mr. President, a mandatory work requirement and a 5-year time limit sound tough. And, they are. It is time for some tough measures.

But, in the process we must be realistic. If welfare is truly to become a two-way street—if our goal is to move welfare recipients into work and not just out onto the streets—then we cannot ignore the issue of child care.

For a family living in poverty, the costs of child care can eat up almost 25 percent of their income. Expecting welfare recipients to work—demanding that they work—will not work without child care. The work simply will not pay. Welfare recipients will either go to work and leave their children alone —or not go to work at all. No one—no matter how poor—should be asked to choose between their job and their children. Not only is child care the right thing to do—but, without it, welfare reform will fail.

In creating a new welfare system, we must recognize this reality by making sure that child care is available for the children on welfare when their mothers are working. In addition, we must recognize that many of those who leave welfare only to return later do so because they cannot afford child care. We should allow States to provide 2 years of child care assistance for those who have left welfare. And, we should make all low income working families eligible for child care assistance—regardless of whether they had ever been on welfare.

Mr. President, let there be no doubt. We must be strict with the adult recipients of welfare. But, at the same time, we must be compassionate toward the children.

Two-thirds of those on welfare are children—and we should not blame them or punish them for being born into poverty. More than one in every five children in America today is born poor. That's one poor child born every 40 seconds. And they were given no choice in the matter. Abandoning these children—and they are all of our children—is tantamount to abandoning our future.

That is why I believe we must guarantee child care. And, that is why we should, while limiting adults to 5 years of welfare, keep the safety net for children.

If a parent is kicked off of welfare, the children—the innocent children—should continue to receive assistance for food, housing, and clothing. But, that assistance should be provided for the children through a voucher to a third party—not cash to the parents. In other words, adults should not be able to live off of their children's benefits.

The point here is that we should provide nothing for adults who do not work, but we should protect the children who are not to blame.

Finally, in all of this talk and debate about welfare mothers, let us not forget that there are two adults involved in creating a child. Those who bring children into the world should support their children—and that includes the deadbeat parents, who are mostly dads.

They should be forced to pay child support, and tough child support enforcement must be a part of any welfare reform effort. Getting tough on the deadbeat dads must be as high a priority as getting tough on the welfare mothers. Remember, every dollar not paid in child support is another dollar the Government may have to pay in welfare benefits.

Since 1992, when I was appointed to a Senate Democratic task force on child support enforcement, I have argued that fathers who do not work and do not pay child support should be required to take a job—just as welfare mothers should be required to work. Absent parents who have failed to pay child support should be given a simple choice. They could start paying what they owe their children. Or, they could take a community service job in order to earn the money they owe their children. Or, they could go to jail. But, what they should no longer be able to do is to abandon their children.

Mr. President, I am absolutely committed to passing a tough welfare reform measure that emphasizes work and personal responsibility—but protects children in the process and maintains a safety net for all Americans who need temporary help.

In evaluating the options, I believe that Senator DASCHLE's proposal—the Work First Act—comes closest to meeting my goals. The Work First plan strikes an appropriate balance. It requires work and imposes a 5-year time limit. It guarantees child care and a temporary safety net for all Americans. It is tough on both welfare mothers and deadbeat dads.

I believe that the Daschle proposal is real welfare reform. And, I urge my colleagues to join me in voting for this important, significant, and long overdue overhaul of our welfare system.

Mr. HARKIN. Mr. President, as we continue the debate on welfare reform I would like to begin by restating some things that I talked about before we recessed in August.

I believe it is important for people to understand that there is agreement on one issue here—the need to reform the welfare system. We may have differences of opinion about the best way to accomplish it, but on the central issue, there is agreement.

There is not a single member in this Chamber who believes that welfare system is a success. It is failing the taxpayers and it is failing the people who rely on it.

I had great hopes that we would be debating welfare reform legislation that enjoyed broad bipartisan support. In fact, I had written to the two leaders asking that a bipartisan task force be appointed to find our common ground.

Mr. President, neither party has cornered the market on good ideas and sound solutions. Only by having voices from all segments of the political spectrum, can we arrive at sound legislation developed by using common sense.

Unfortunately, the Dole amendment was negotiated behind closed doors within the Republican caucus. The result is legislation that is strong on ideology, and short on true reform. Without changes, I fear the Dole-Packwood proposal may well replace one failed, dependency inducing welfare system with many varieties of the same.

Unfortunately, I vividly recall the last prolonged economic downturn that gripped Iowa during the farm depression and accompanying deep recession in agricultural States and communities. The economy began to sour in 1981 and did not truly begin to turn about for the State until about 1987. That experience has forever changed the economic landscape of Iowa. Good jobs are gone and will never return.

Those were very difficult years, but contributions provided by a partnership with the Federal Government allowed my State and others in the Midwest to recover. One of the most serious shortcomings of the Dole amendment is that it severs this important partnership.

Mr. President, today, we are debating an alternative that has been proposed by the Democratic leadership. Unlike the pending Dole amendment, the Daschle Work First Act will, in fact, truly reform the welfare system. And in the process, will reduce the deficit by $20 billion.

The Work First Act abolishes the current giveaway welfare system and replaces it with a conditional, transitional benefit. Let me repeat this since many seem to misunderstand—a conditional, transitional benefit.

This proposal is not tinkering as some suggest. It is true, comprehensive, real reform of an obsolete, failed system.

Welfare as a way of life will no longer exist. There will be no more unconditional handouts. Parents will be required to responsibility from day one and must do something in return for the welfare check. Failure to do so, will have consequences.

The Democratic leadership proposal starts with the following goal—to get welfare recipients employed and off of welfare. And then develops a comprehensive plan to make it happen.

You can't accomplish the goal unless you do certain things. That's just common sense. First, you have to take care of the kids. Second, you have to make sure that people have the skills and education necessary to get and keep jobs. Finally, there is no free ride, no more government hand outs.

We will provide a hand-up. But individuals on welfare must accept responsibility from day one and grab on to that helping hand. If not, then there will be no check.

A central element of the Daschle bill is the requirement that all families on welfare must negotiate and sign a contract that spells out what they will do to get off of welfare. Failure to meet the terms of the contract will result in the termination of the cash grant.

A binding contract, like that included in the Daschle bill, is currently in place in Iowa. And it works.

Over the past 22 months I have met with a number of individuals about the Iowa Family Investment Program. Time after time I hear welfare recipients say that no one ever asked them about their goals. No one sat down and talked with them about what it takes to get off of welfare.

Welfare recipients rightfully assumed that no one cared if they stayed on welfare indefinitely. That was the message of this obsolete system which kept welfare moms at home, while most other moms were employed outside the home.

There is a new message being delivered in Iowa now. Welfare is a transitional program and people must be working to get off the system.

And the welfare picture is changing in Iowa. More families are working and earning income. There are fewer families on welfare. And the State is spending less for cash grants.

But we can't get from here to there without recognizing the magnitude of the problems facing most of the families on welfare. No skills. No education. No one to take care of the kids.

At a hearing on the Iowa welfare reform program, Governor Terry Brandstad said, "There has been much recognition that welfare reform requires up-front investments with long-term results. * * *"

Iowa has begun to make those investments, in partnership with the Federal Government. And those investments are beginning to yield fruit in the form of reduced expenditures for AFDC grants.

The Work First bill also recognizes that child care is the linchpin to successful welfare reform. We cannot require welfare recipients to work, if there is no place to put the kids. Placing children in harm's way in order to make the parents work in unacceptable. The Daschle bill recognizes this reality.

Instead of simply slashing welfare and dumping all of the responsibility and all of the bills on to States and local taxpayers, the Daschle plan represents real reform and real change.

Like the Iowa plan, Work First demands responsibility from day one. And it ends the something-for-nothing system of today with one that truly turns welfare into work.

It is built on the concepts of accountability, responsibility, opportunity, and common sense. It will liberate families from the welfare trap.

And it will strengthen families and help today's welfare recipients finally walk off the dead end of dependence and on the road to self-sufficiency.

The Daschle Work First bill is a pragmatic, common welfare reform proposal and should be adopted. I urge my colleagues to vote for the amendment.

The PRESIDING OFFICER. The Democratic leader.

Mr. DASCHLE. Mr. President, first let me commend the distinguished Senator from Virginia for his excellent statement and the support he has provided this legislation. His input and his participation has been invaluable on this issue, as it has been on so many others. I am very grateful for that.

Let me reiterate my gratitude as well for the assistance and leadership provided by the distinguished senior Senator from New York, and the Senators from Maryland, Louisiana, and so many other Senators who have had a vital role to play in bringing us to this point. As we have said now for the last couple of days, our intent in offering this amendment is to hold out the hand of partnership to Republicans in bringing forth a proposal that Democrats as well as Republicans could support to bring about meaningful welfare reform. That is our goal.

There are four fundamental aspects of that goal that we view to be very important. First and foremost, we expect, we want, we propose real reform.

Second, we recognize that real reform is not possible without an appreciation of the need to provide more opportunities for work than are provided today.

Third, we must protect children. We understand that we cannot provide opportunities for work, we cannot truly engage in any kind of effort to encourage people to leave their homes, we cannot ask a mother to be separated from her children, without also ensuring that her children are going to be cared for.

Finally, all of us must recognize that South Dakota is different from New York, is different from Michigan. There ought to be, first, flexibility, and, second, the realization that the last thing we want—given that this Senate has put itself on record in opposition to additional unfunded mandates—is to ask States to do things without adequately ensuring that the funding is there to get them done right.

Those are the four goals: Real reform, work, children, and flexibility through an opportunity to sensitize people to the needs and the resources necessary in the States themselves.

We have had a good debate in the last couple of days about many of these goals and how they relate to each other. The reality is different than the rhetoric we have heard on many occasions during this debate.

First, there is a fundamental difference between our approach and the Republican approach with regard to work. The Work First plan fundamentally redefines welfare as we know it by putting a great deal of emphasis on ensuring that the skills can be provided, but ensuring as well that we have the resources to do the job.

The Republican plan, on the other hand, simply boxes up the problem and ships the current system to the States. It tells the States, "You do it. You find a way to ensure that we can come up with some magical solution to all these goals, but we are not going to allow you the resources adequate to get the job done." Boxing up the plan and sending it out is no solution. Providing the necessary infrastructure, providing the resources, and ensuring a partnership between the Federal Government and the States truly is.

Second, we recognize, as I said in articulating the goals of our amendment, that we need to ensure that mothers have the capacity to work, that young mothers in particular have the resources—and from that the confidence—that they will need to go out and seek jobs, to go out and obtain the skills, to go out and get the counseling, to go out and get the education to ensure that at some point in their lives they can be productive citizens with the full expectation that they are doing this in concert with those of us who want to work with them to see that the job gets done right.

We recognize that if we are going to reach this goal of putting people to work, if we are going to ask a mother to leave the home, if we are going to ask a young mother in particular to leave her children, then, my heavens, how long does it take for every Member of this Chamber to realize as well that child care is the linchpin to making that happen? Protecting children is what this is all about; if we do not protect children, if we do not ensure that the children are cared for, there is no way they are going to leave home.

So it seems to me this is exactly what we have to produce in this Chamber prior to the time we finish our work on welfare reform: A realization that protecting children, caring for those kids as mothers leave for work, is an essential element of whatever welfare reform we pass.

The Republican plan ignores 9 million children. It has been aptly described as the "Home Alone" bill, because there simply are not the resources, the infrastructure, the mechanism, the will on the part of many on the Republican side of the aisle to address this issue in a meaningful way.

We simply cannot be willing to leave child care as the only aspect of our need to address the cares of children. We must also recognize, as the distinguished ranking member of the Finance Committee has said on so many occasions, that we must address the problem of teenage pregnancy. While we do not have all the answers to teenage pregnancy, we must recognize that there is a need there. We must try to address the problem in a meaningful way. There is a responsibility for us to care in whatever way we can, ensuring that teen parents get some guidance, ensuring that teen mothers are given an opportunity to work through the challenges they face as young mothers. We do that in the Work First proposal.

We do not claim to have all the answers to teen pregnancy. No one does. No one can possibly tell you, unequivocally, here is how we are going to stop teenage pregnancies. But we can say that teen mothers have to begin taking responsibility. We can say that we have some initial steps in providing them with an infrastructure and with a mechanism by which they can be productive mothers first, workers second, or students third. This amendment does that. This amendment addresses the realization that unless we begin to put the pieces together in working with teenage pregnancy, recognizing we do not have the answers, we are never going to solve the problem at all.

The Republicans have used quite a bit of their time to say that, somehow, this is a plan run out of Washington. Nothing could be further from the truth. The truth is that the Work First plan is specifically designed to give States the flexibility that they need to do whatever it takes in their States, to recognize that in South Dakota we have a different set of circumstances than we might have in Florida or California.

You heard the charge that somehow our plan is weaker on work than the one proposed on the other side, but the truth is the Work First plan is stronger than the current Dole bill as it has been proposed. Our amendment requires community service after 6 months. The Republican plan calls for no work until after 2 years. Our amendment provides for resources to help mothers go to work. The Republican plan is $16.5 underfunded. They say our plan may have too many exemptions from the time limit. The truth is that both plans have exemptions. The Republican plan has a 15-percent exemption, arbitrarily set.

As I said last night, if we use every one of the criteria specified in our amendment, including mothers who have young children, disabled, those people who work in high-unemployment areas, if we have in some way used up all of that 15 percent and still find young mothers who have children, are we then to say to them, "I'm sorry, we have arbitrarily set the line at 15 percent. You happen to be in the 16th percentile. You have to go to work?" I do not think anyone wants to say that. That is why we believe using selective criteria makes a lot more sense, why giving States the flexibility makes a lot more sense. So, indeed, that is what we have attempted to do, to recognize that States need flexibility, but to recognize, too, that there are certain categories of people who simply may not be required, because of the extreme circumstances in which they find themselves, to fit the neat, defined descriptions that we have laid out in this amendment concerning the time limit.

So, Mr. President, the Work First proposal is real reform. The Work First amendment goes beyond rhetoric and meets the reality of reform. The Work

First amendment does what we say is important if indeed we are going to redefine welfare. It provides the opportunity for work. The Work First amendment provides for child care and child protection in ways that are essential to the well-being of the future of this country.

Mr. President, the Work First amendment recognizes that we are not going to do a thing unless States have the resources, and unless we share those resources in a meaningful way, giving maximum flexibility to the States to decide how to use them.

Maybe that is why the U.S. Conference of Mayors has endorsed one welfare reform proposal. They have endorsed Work First because they are the ones who are going to be charged with the responsibility of carrying out what we do here. So the mayors understand all of this. They have said, on a bipartisan basis: We want the Work First plan. Local officials have also endorsed one plan. Local officials have indicated they, too, understand the consequences of no funding, understand the importance of child care, understand the importance of providing maximum flexibility, understand the importance of funding and real work. And they, too, support the Work First proposal.

Organizations of all kinds have come forward to say this is the kind of legislation they want us to pass. The Democratic Governors have said again, as late as this morning: This is what we want; this is what we need. This will do the job.

Mr. President, it has been a good debate. I am hopeful that, as so many have expressed on the Senate floor in the last couple of days, we truly can find bipartisan solutions to the challenges we face in passing meaningful welfare reform. This is our best good-faith effort to accomplish meaningful reform, to reach out to our Republican colleagues and say join us, to reach out across the board to Democratic and Republican Governors alike and say join us, to reach out to all of those people currently on AFDC who want to find ways out of the boxes they are in and say join us. We are providing new opportunities, new solutions, and even new hope for people who need it badly.

Let us hope as a result of the passage of this amendment this afternoon that we can begin our work in earnest to ensure that the reality of welfare reform can be realized at some point in the not too distant future.

I yield the floor.

Mr. LOTT. Mr. President, may I inquire about how the time is divided at this point?

The PRESIDING OFFICER. At this point, all time has expired. But 15 minutes of time has been set aside at 3:45 for the majority leader under a previous unanimous-consent agreement.

Mr. LOTT. Mr. President, while the distinguished majority leader is on his way, I understand I can take a couple of minutes of his time to make a brief statement.

I ask unanimous consent that I be allowed to do that.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. LOTT. Mr. President, our time for debate on this amendment is running out. So I will keep these remarks brief and to the point.

I urge my colleagues to vote against the Daschle-Breaux substitute. I do not question the good motives behind it. I consider it a thoughtful attempt to break out of the welfare status quo—something which all of us want to accomplish.

But I do not believe it does the job, at least not the way the American people want it done.

For starters, it retains authority and decisionmaking about welfare right here in Washington. And it does so at a time when the States are seizing the initiative with far-reaching experiments and demonstration projects. Instead of fostering that process, by returning both authority and resources to State and local taxpayers, the Daschle-Breaux amendment would retain the whole mechanism of Federal micromanagement.

The substitute amendment talks a good fight on two fronts: with regard to work requirements and a time limit for receipt of welfare. But in both cases, there are so many provisos and loopholes and conditions and exceptions that we couldn't expect significant progress over the status quo.

We have had work requirements on paper before, with impressive participation rates mandated by various times certain. What we need now is sufficient flexibility for the States to reach those goals in their own ways. The substitute amendment does not give it to them.

Nor does it offer hope of turning the tide against illegitimacy. That may be its most important shortcoming. There is already a national consensus that illegitimacy is the key factor that drives the growth of welfare. It is the single most powerful force pushing women and children into poverty.

A welfare bill that does not frontally address that issue—that does not make reducing illegitimacy rates a central goal—is simply not credible as welfare reform.

Another touchstone of true welfare reform is whether a bill removes or retains the entitlement status of welfare. It seems to me that the Daschle-Breaux substitute merely replaces the current AFDC entitlement with a new, or newly designated, entitlement, supposedly time limited.

That is not even incremental change, and it cannot get us where the Nation needs to go in modernizing, streamlining, and reforming our programs of public assistance.

I hope that our colleagues who, for one reason or another, plan to vote for the substitute amendment will, thereafter, keep an open mind and open options about the Republican welfare bill this amendment seeks to replace.

It is a large package of very comprehensive welfare reform. But I think it can significantly improve our present system and move us toward genuine welfare reform. It points the way toward the radical change that is needed.

I urge my colleagues to vote against Daschle-Breaux and let us move toward the adoption of the Dole welfare reform package.

I yield the floor.

Mr. PRESSLER. Mr. President, I ask unanimous consent to proceed for 2 minutes.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

Mr. PRESSLER. Mr. President, I rise in support of the Dole approach on the welfare bill. We must restore workfare to our welfare program. The system of welfare that we have in this country was set up in the early 1960's. I remember well the war on poverty, and the intentions were good. But the result has been our inner cities have had generational welfare. The same thing has happened on our Indian reservations. We all want to help people who need help. But we must restore the principle of workfare. That is what the Dole bill does.

Also, we must turn over to our States more of this responsibility, because the States can judge who deserves welfare better. We now have all these Washington bureaucrats with the entitlement programs, situated in Washington, DC, making judgments on who should be on welfare in South Dakota or California. Under this new legislation, under this reform, there will be workfare and the States will decide who gets welfare. That will save the taxpayers money. But more importantly, it will reform our welfare program so we will have a real welfare program that helps the people who need it and requires people to work who are able to work. It is time for reform in welfare.

Mr. President, I yield the floor.

The PRESIDING OFFICER. The majority leader is recognized under the previous unanimous consent agreement.

Mr. DOLE. Mr. President, I want to thank all my colleagues for their work, and my friend from New York, Senator MOYNIHAN, chairman of our committee, Senator PACKWOOD, the Senator from Pennsylvania, Senator SANTORUM, who spent a lot of work on the floor just in the past few days and who has done a great job helping us a lot in the conferences that we have had in an effort to resolve some of the differences on our side.

I am prepared to say I think most of the differences have been resolved on our side because we have tried to base our bill on three principles: Creating a real work requirement, returning authority to the States, and restraining welfare spending. These principles are key to reaching our goal of dramatic reform that provides work, hope, and opportunity to Americans in need.

The amendment before us proposed by the Democratic leader fails to meet these principles. The Democrats call it Work First, but in fact, it is "weak first"—weak on work, weak on limiting welfare dependency, weak on State innovation, weak on savings, weak on real reform.

REAL WORK REQUIREMENT

Let me just say, any bill that comes before us that is going to pass the Congress and, hopefully, any bill signed by the President is going to have a real work requirement in it which requires able-bodied welfare recipients to find a job, not stay at home and not stay in a training program forever, because when it comes to escaping poverty we know the old American work ethic is true. Work works. And States, not the Federal Government, must provide the work requirements. However, we must hold them accountable.

Our bill requires—and even there are some on our side who think our bill does not go far enough, but our bill requires 50 percent of all welfare recipients to engage in work in fiscal year 2000. And that is a fairly high barrier to cross when you consider the young people and elderly and disabled unable to work.

Our colleagues on the other side put a number of loopholes ahead of real work. The Federal Government would exempt 25 percent of all welfare participants and only 50 percent of the remaining 75 percent of the welfare caseload would be expected to work by fiscal year 2000. The bottom line is the Democrats' plan requires only 37 percent of able-bodied recipients to work in fiscal year 2000.

By comparison, the Republican plan requires 50 percent of all welfare recipients to work in fiscal year 2000. We leave the business of exemptions to the people who know best, the closest to the problem. That is the States, the Governors, the State legislators.

We believe States should design and run their own work program. And one thing is certain about welfare reform. No Federal bureaucrat will ever come up with a blanket program which works equally well in all 50 States. Through block grants to States and not waivers, the Federal Government can provide resources to fight poverty without imposing the rules and regulations that ban innovation.

I am reminded of a statement by the distinguished Governor of Wisconsin, Governor Thompson, when he was speaking with seven or eight of our colleagues in my office here, oh, maybe 4 or 5 weeks ago, and some were insisting that we continue to add strings. Whether they are conservative strings, they are strings. And the Governor said, I think maybe in a little bit of frustration, that he was also an elected official; he was elected by the same kind of people we are, and that nobody in the State of Wisconsin was going to go without food or medical care.

We have to give the Governors credit for some integrity and ability and a willingness to do the right thing when it comes to welfare. And I think that is generally the case, whether it is a Democrat or Republican Governor, a Democrat or Republican State legislature; they are closer to the people.

We have not tried this. There probably will be some horror stories. There always are going to be a few cases where maybe a few things will go awry, but they go awry now.

We give the States broad latitude to adopt the programs to meet the varied needs of their low-income citizens. The other bill does not allow States to take over welfare programs. It replaces one set of Federal rules and regulations with new ones, and States that want to innovate must continue to come to Washington, ask for a waiver, wait, wait, wait, and finally get a waiver. We do not think that should be necessary. We believe States ought to be able to innovate; there ought to be a lot of flexibility. And I tell you that we have confidence in the Governors, again, in both parties.

Local welfare administrators and caseworkers must get recipients off welfare and into the workplace. To encourage results, the Republican bill imposes a State penalty for failure to meet participation rates. There would be a 5-percent reduction in the State's annual grant. Under the Democrats' bill, a first-time State failure to meet the participation rate would simply require the HHS Secretary to make recommendations to the States for improving them.

The local welfare administrators and caseworkers need to focus on getting welfare recipients into the mainstream and not focus on unnecessary Federal bureaucracy and regulations. Therefore, the Republican bill delivers welfare dollars to the States directly from the Treasury and reduces the Federal welfare bureaucracy.

Able-bodied recipients must work to support themselves and their families. To accomplish this, we require recipients to work as soon as the State determines that they are work ready or within 2 years, whichever is earlier. Moreover, our bill imposes a real 5-year lifetime limit on receiving welfare benefits.

Our colleagues on the other side have a work ready provision with many exemptions. Moreover, their bill fails to impose real lifetime limits on welfare benefits by offering even more loopholes. For example, a welfare recipient who has three children while on welfare can get up to 7 years of benefits before reaching the 5-year limit. Even then, that recipient would still remain on the welfare rolls entitled to certain benefits and receiving vouchers, without a time limit, in place of cash benefits.

The Democrat bill even provides exceptions to these weak time limits, turning major cities into welfare magnets. If a welfare recipient lives in an area with an unemployment rate exceeding 8 percent, none of the time spent on welfare counts toward the so-called 5-year limit. That would turn cities that have relatively high unemployment rates like New York, Los Angeles, Washington, Philadelphia, Detroit, and many others into time-limit-free zones.

But I think the most important thing is that we want to return authority to the States. And we believe there is an opportunity to do that. We want to give the States the flexibility. The Governors want that. Republican Governors want that, and I think many Democratic Governors want that. And that is why the majority of the Nation's Governors on the Republican side want that.

I noticed Governor Wilson yesterday disagreed with our bill. He was not at the Governors' meeting. Had he been there, I think he might have endorsed it. I have written him a letter to explain the bill so he will better understand it because he has it all confused with some of the others. But I think 28 or 30 of the Governors, with the exception of Governor Wilson, support our bill, and we believe it is a step in the right direction.

I hope that after the bill of the distinguished leader on the other side, Senator DASCHLE, is disposed of, we can then start debate and finish action on this bill no later than 5 o'clock Wednesday. We believe there will be amendments on each side. We have some amendments we cannot work out. The ones we cannot work out we will bring up and have a vote and determine what happens. So it seems to me that we are on the right track.

The Republican leadership plan eliminates the individual entitlement and replaces it with a capped block grant of $16.8 billion a year.

I would say, finally, the Democrat plan proposes to replace AFDC with a bigger, more expensive package of entitlements costing the taxpayers over $14 billion more than AFDC over the next 7 years, including subsidies to families with incomes as high as $45,000 per year.

The Republican bill no longer will continue the burdensome rules and requirements that accompany the old jobs program. The Work Opportunity Act repeals the jobs program and lets the States design real work programs.

The Democrat plan keeps many provisions of AFDC and the jobs program as a Federal entitlement and renames it the "Work First Employment Block Grant."

RESTRAIN WELFARE SPENDING

No program with an unlimited budget will ever be made to work effectively and efficiently. Therefore we must put a cap on welfare spending.

The Republican bill saves $70 billion over 7 years. The Democrat bill saves only $21.6 billion over the same period of time.

Mr. President, because it is weak on work, weak on limiting welfare dependency, weak on State innovation, weak on savings, weak on real reform, the Democrat bill fails the test to real reform. I urge my colleagues to vote against it.

So I think overall, although I know there is a desire of everybody in this body to do something about welfare, we know it has failed. Notwithstanding the best efforts of many to make it work, it has not worked, and it is time that we take a hard look at dramatic reform. That is precisely what we intend to do. The Work Opportunity Act of 1995, in my view, is a step in that direction.

I will indicate to my colleagues that following the vote on the Democratic substitute, we will ask consent at that time that all amendments that people might offer, they notify the managers today and then, if we can get the consent, those amendments would have to be offered by 2 o'clock tomorrow.

I have had a discussion about this with the Democratic leader, Senator DASCHLE. I have not made the request yet, but I do not believe he disagrees with our intent. Our intent is to move as quickly as we can to complete action, giving everybody all the time they want for debate, offer the amendments they wish to offer, but, hopefully, conclude action on next Wednesday afternoon.

I would say that initially we had about 70 amendments on this side of the aisle. In my view, that would have probably boiled down to about 10 or 12 amendments that may require rollcall votes. I am not certain the number of amendments on the other side. But it is my hope that we can reach some agreement so it would not be necessary to file cloture, that we go ahead and debate the bill, then finish the bill at the earliest possible time and go on to something else.

I yield back the remainder of my time.

Mr. DASCHLE. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER (Mr. FAIRCLOTH). Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

VOTE ON AMENDMENT NO. 2282, AS MODIFIED

The PRESIDING OFFICER. The question is on agreeing to the Daschle amendment No. 2282, as modified.

The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. LOTT. I announce that the Senator From Alaska [Mr. MURKOWSKI] is necessarily absent.

The PRESIDING OFFICER. Are there any other Senators in the Chamber desiring to vote?

The result was announced—45 yeas, 54 nays, as follows:

[Rollcall Vote No. 400 Leg.]

YEAS—45

Akaka
Biden
Bingaman
Boxer
Bradley
Breaux
Bryan
Bumpers
Byrd
Conrad
Daschle
Dodd
Dorgan
Exon
Feingold
Feinstein
Ford
Glenn
Graham
Harkin
Heflin
Hollings
Inouye
Johnston
Kennedy
Kerrey
Kerry
Kohl
Lautenberg
Leahy
Levin
Lieberman
Mikulski
Moseley-Braun
Moynihan
Murray
Nunn
Pell
Pryor
Reid
Robb
Rockefeller
Sarbanes
Simon
Wellstone

NAYS—54

Abraham
Ashcroft
Baucus
Bennett
Bond
Brown
Burns
Campbell
Chafee
Coats
Cochran
Cohen
Coverdell
Craig
D'Amato
DeWine
Dole
Domenici
Faircloth
Frist
Gorton
Gramm
Grams
Grassley
Gregg
Hatch
Hatfield
Helms
Hutchison
Inhofe
Jeffords
Kassebaum
Kempthorne
Kyl
Lott
Lugar
Mack
McCain
McConnell
Nickles
Packwood
Pressler
Roth
Santorum
Shelby
Simpson
Smith
Snowe
Specter
Stevens
Thomas
Thompson
Thurmond
Warner

NOT VOTING—1

Murkowski

So, the amendment (No. 2282), as modified, was rejected.

Mr. SANTORUM. Mr. President, I move to reconsider the vote.

Mr. MOYNIHAN. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. MOYNIHAN. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. DOLE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DOLE. Mr. President, what is the pending business?

The PRESIDING OFFICER. The pending business is the Dole amendment No. 2280, as modified.

Mr. DOLE. Mr. President, I ask unanimous consent that the Senator from Oregon, Senator PACKWOOD, be recognized for 10 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

ANNOUNCEMENT OF INTENT TO RESIGN FROM THE SENATE

Mr. PACKWOOD. I thank the Chair and the majority leader.

I think many of you are aware of why I am here today. I am aware of the dishonor that has befallen me in the last 3 years, and I do not want to visit further that dishonor on the Senate. I respect this institution and my colleagues too much for that.

For 27 years, I have worked alongside BOB DOLE, TED STEVENS, and a few others from that era, and most of all with MARK HATFIELD, who is not just a colleague but a friend of almost 50 years and who I met when I was a teenage Young Republican. He was a bright, young, yet unelected legislator, who turned out to be my teacher, mentor, and friend.

There have been many successes in these 27 years, some failures, some frustrations. Let me remember a few, if I could have your indulgence. Hell's Canyon, that great gash in the Earth that is the boundary between Idaho and Oregon with the Snake River running through it, the deepest gorge in the United States. In the late 1960's, early 1970's, for about 6 years, we had a battle on trying to stop a dam from being built in the gorge and at the same time to create a national recreation area. There is humor I see in this, and I smile at some of the newspaper stories I have seen recently about business lobbyists writing legislation.

I want you to picture this trip. We are on a raft trip in the river. I had been invited by environmentalists, most of whom I did not know. I had not seen the gorge before. They wanted me to see it and become involved in the saving of it. One night around the campfire, I believe it was Brock Evans who, I think, is now with the Audubon Society, then with the Sierra Club—we had a highway map of Oregon and Washington, and he takes out a marking pen, and he says, "I think this is where the boundary is." He draws it. Somebody said, "What about those minerals in Idaho." So he crosses it out and draws that up here. That became the boundaries.

The humor was—realizing this is drawn with a marking pen—that when you take it to the legislative counsel's office, if he says here—do you know how many miles that is? If he would say, "Where are these boundaries?" I would have to smile and say, "You will have to call Brock."

There was truck deregulation, an arcane subject that is probably saving consumers more money than anything in deregulation that we have done. Abortion, early on, was a lonely fight. I remember in 1970, 1971, when I introduced the first national abortion legislation, I could get no cosponsor in the Senate. There was only one nibble in the House from Pete McCloskey, who did not quite come on as a sponsor. There was a nibble 2 years before Roe versus Wade. Those were lonely days. That is not a fight that is even yet secure.

Israel, and my trips there, the golden domes, the fight that so many of us had made year after year to keep that bastion of our heritage safe and free, and to this date not guaranteed.

Tax reform in 1986. We were up against the verge of failure. The House had passed a middling bill. I was chairman of the Finance Committee. Every day we were voting away $15 or $20 billion in more loopholes.

I finally just adjourned the committee and said, "We are done." I remember Bill Armstrong saying, "We are done for the day?" And I said, "No, we are done for the session, we will have no more sessions."

Bill Diefenderfer, my counsel, and I went to the Irish Times for our two famous pitchers of beer. Those were the days I drank. I quit drinking years ago. I know why they call it courage—by the time we finished a second pitcher we drafted out on the napkin an outline and really said, OK, they want tax reform, we will give them tax reform.

Here is an example where this body can move when it wants to move. From the time that committee first saw the bill until they passed it in 12 days, PAT MOYNIHAN was a critical player. The six of us met every morning at 8:30 before the meeting. It passed the Senate within a month. So when people say this body cannot move, this body can move.

Maybe some of the best advice I had came from BILL ROTH, successor to John Williams, years ago, when he used the expression—we were having a debate in those days about the filibuster and cloture and how many votes. In those days I was in favor of lowering the number. I am not sure, even though we are in the majority I would favor that now, from two-thirds to 60 votes. John Williams said we make more mistakes in haste than we lose opportunities in delay.

If something should pass, it will pass. It may take 4 or 5 years. That is not a long time in the history of the Republic. Too often in haste we pass things and have to repent.

So for whatever advice I have I hope we would not make things too easy in this body and slip through—I say that as a member of the majority.

Tuition tax credits, a failure. PAT MOYNIHAN and I introduced the first bill in 1977, and have been introducing it ever since. Its day may come. It may be here.

One of the great moments of humor—you have to picture this situation—was in the Carter administration. They were terribly opposed to this tuition tax credit bill. Secretary Califano testified against it twice in the Ways and Means Committee. Came to a Finance Committee hearing and Assistant Secretary for Legislative Affairs Dick Warden came to testify. He had previously been with the United Auto Workers and was hired on as a lobbyist, basically for Health and Human Services—HEW as it was called then.

Thirty seconds into his testimony, Senator MOYNIHAN leans forward and said, "Mr. Warden, why are you here? Why are you here?"

Mr. Warden goes, "Why, I am the Assistant Secretary for Legislative Affairs for the Department of Health, Education and Welfare, and I am here representing the Secretary, the administration."

PAT goes, "No, no, Mr. Warden, I did not do the emphasis right. Why are 'you' here? Secretary Califano testified twice in opposition to this bill in the House. In this committee, where there is a more favorable climate, where is the Secretary today?"

Mr. Warden goes, "Why, I think he is in Cleveland speaking."

PAT goes, "Well, where is the Under Secretary? Why is he not here today representing the administration? Mr. Warden, why?"

"I am not sure."

And PAT's voice rising, saying, "Where is the Assistant Secretary for Education? Mr. Warden, I was in the Kennedy administration when that position was created and I can say that man has utterly nothing to do at all. He could be here testifying today. Mr. Warden, I will tell you where they are. They are up on the eighth floor of their building, cowering under their desks, afraid to come and testify on the most important piece of education legislation introduced in this century, and Mr. Warden that is why you are here. Now, please go on."

Poor old Mr. Warden barely went on. I had more humor in education from PAT than probably anybody here.

Friendships beyond count. The camaraderie is unbelievable. I look at JOHN CHAFEE sitting back here, my squash partner. His secretary, about every 3 months, kicks out our squash matches. Over 15 years, 202 to 199. His secretary not only kicks out the matches, but the games and the scores within the match. JOHN every now and then presents it to me, back we go, back and forth, back and forth, and evenly matched as you can be.

Some here—Senator BYRD would, Senator EXON would—some in my age group will remember General MacArthur's final speech at West Point: Duty, honor, country.

It is my duty to resign. It is the honorable thing to do for this country, for this Senate.

So I now announce that I will resign from the Senate, and I leave this institution not with malice but with love, good luck, Godspeed.

Mr. HATFIELD addressed the Chair.

The PRESIDING OFFICER. The Chair recognizes the Senator from Oregon.

Mr. HATFIELD. Mr. President, the political nightmare that has faced my colleague now for almost 3 years is coming to an end.

I think in an ordeal of this type we tend to focus on the negative or the causes for leading to resignation. As he has briefly reflected on the many accomplishments that he made during his service not only here in the Senate but services he rendered to the State of Oregon as a political leader, as a legislator, I like to accentuate the positive.

I must say in my many years of teaching political science I never had a more brilliant student than Senator PACKWOOD. Came to the university as a freshman and he immediately established himself as one who is knowledgeable about politics and is willing to engage in politics and to invite other people to be involved in politics.

I had been in the State legislature for about 6 years and had known his father who was one of the chief lobbyists in the legislature representing the utilities industry. If Fred Packwood told you something, you knew it was true and you knew it was prudent. He established himself as one of the outstanding lobbyists in that legislature. I knew his mother.

Therefore, I speak even though there may be only but 10 years separating our ages, as sort of a long friend, perhaps partially a mentor, and most of all, someone whose friendship I cherish.

Mr. President, when young BOB PACKWOOD became engaged in political action leading to his political career as an elective officer, he launched a whole new style of campaigning in my State, best described as a slogan "People for Packwood." And he did not have to pay a high price to some kind of a public relations firm to come up with that kind of a focus that epitomized his whole style of campaigning. He thought it out. He demonstrated, again, a brilliant mind in his political activities.

We were going through one of those wrestling matches in the Republican Party that we are still going through and perhaps we will always go through, and that is the wrestling between the so-called liberal wing and the conservative wing. At that particular time the so-called party machinery was pretty much in the hands of conservatives in our State, and the moderates felt that they were not being well represented within the party structure. So Senator PACKWOOD, at that time, organized what was called the Dorchester Conference. And in the Dorchester Conference he invited many Republicans who represented the middle, the center, and said we have to epitomize the pluralism of our party, both in our heritage and in our practice in current time. And he launched that forum which is still going on in my State after all these years, almost 30 years.

So I say to my colleague that you have your footprints, you have your imprint of legislation in the political life of our State, and your record can never be changed on that basis of your contribution.

I would like to come, then, to that very dramatic moment when Senator PACKWOOD decided that he would venture forth as a Republican candidate against the impregnable, the undefeated Senator Wayne Morse, for the U.S. Senate. He was a sacrificial lamb. He was one who was going to fill out the ballot because we wanted to have a Republican candidate in every position on that ballot.

I remember that campaign very well because I had known Senator Morse as a Republican. I had campaigned for Senator Morse as a Republican. I knew Senator Morse's great abilities, and I still respect the contribution that former Senator Morse made to this country, particularly in areas of peace and war.

But I remember, too, that when Senator PACKWOOD suggested a debate with Senator Morse—and we all know, for those of us who remember him, he could make you believe black was white and white was black. In terms of his eloquence and his tenacity as a debater, he was without peer in the U.S. Senate, from those comments made not just by Republican Members, but by Democratic Members alike. And so Senator PACKWOOD not only suggested but challenged him to a debate.

That is not terribly dramatic, in a sense. But Senator PACKWOOD said, "And we will only have 2 minutes to answer a question." Any of us who were friends and knew Senator Morse, he could not tell you what the weather was outside in 2 minutes, because he would attack the subject from its historic context, he would attack the subject from its social context, from its political, from its economic—he would give you the whole ball of wax, so to speak, and an hour and a half later you got the answer.

And that was a very dramatic debate because it was televised. But the television people did not just put the television camera on the face. They realized that what was happening here was a defeat in the making, because on the sides of the podium, Senator Morse's hands began to shake with uncertainty, realizing he was being cut off before he ever got to the second sentence of an answer. And it was probably one of the most historic if not the most historic political debate in my State's history.

At that point the pundits were all saying: Aha, this young man coming along challenging this veteran and sage of Oregon politics, having been both a Republican and a Democrat and being elected to the U.S. Senate as a Republican and as a Democrat both. And that launched Senator PACKWOOD's career here in the Senate.

He has many credits in his record. It does not mean that Senator PACKWOOD and I have agreed on every issue. He is pro-choice. I am pro-life. That has divided us in terms of an issue, but not in terms of a friendship. He has respected my position. I have respected his position. And that was, again, one of the characteristics of Senator PACKWOOD throughout his political life in my State and in the U.S. Senate. He was not a prisoner to dogma. He looked at the issue, he would make his assessment, and he would take his position.

I want to say with all due respect to all of my colleagues that I serve with today and those I have served with over almost the 30 years that I have been here, I have known no colleague that is his peer in taking a complex issue such as a tax package, dissecting it, analyzing it, and explaining it so that the average citizen out there watching the proceedings could understand. He has demonstrated that time and time again. I not only give him that accolade; he has certainly been a role model for me to be more brief than I have a tendency to be, having grown up in a profession that had a 50-minute lecture.

So I just want to say to my dear colleague, I wanted to take just a few moments to focus on a record that cannot be expunged, and that in the total man, and the total person, and the total picture I hope we will be not only considerate of that record and recognize that record, but also recognize that he is a fellow human being. Even though the media and the public often treats us as objects, we are human beings with emotions and with feelings. And I want to say, as a fellow human being, I rise to give these few remarks with a sad heart, for I hurt with Senator PACKWOOD in this particular moment. I count it a privilege to not only have him as a friend for this length of time, but I look forward to many more years of friendship.

In closing, I want to say this lady sitting next to Senator PACKWOOD, Elaine Franklin, has been his right arm through battles and victories and disappointments. And when I was looking at a rather dismal situation in my last election, she took her leave time and her accumulated vacation and came out to the State of Oregon and engaged full time in my campaign for reelection. Even though that was a close election, I have to pay tribute to Elaine Franklin for her role in helping to make it a victory. I think that is part, again, of the person picking key people, able people, as the Senator did in Elaine Franklin.

Mr. DOLE addressed the Chair.

The PRESIDING OFFICER. The Chair recognizes the majority leader.

Mr. DOLE. Mr. President, I will just take a minute or two. I think Senator MCCAIN wanted to say a word.

I think the BOB PACKWOOD we heard today is the BOB PACKWOOD that many of us have known over the years. I remember in 1968, BOB PACKWOOD calling me. We were both running for the Senate for the first time. He called me, I think, late at night or early in the morning. We talked about each winning, about coming to the U.S. Senate. I came from the House. He came from State political office. We ended up on the same committee, the Finance Committee—a very important committee. It had a number of outstanding chairmen—Senator Long was there for a long time, and I was there for a short time; then Senator Bentsen, Senator MOYNIHAN, and Senator PACKWOOD.

I want to underscore what the senior Senator from Oregon just stated. I do not know of anybody who is a quicker study and can explain in detail so that I can understand it, and others can understand it—whether it is Medicare, Medicaid, welfare, capital gains, whatever it is—anything in the jurisdiction of the Finance Committee. I believe my colleagues on either side of the aisle will acknowledge that BOB PACKWOOD has no peer.

I can think of many, many times when he was able to bring us together. I am not talking about bringing together Republicans, but Democrats and Republicans, because of his explanations and illustration of forceful arguments. And he knew the issue. We have served together, not always agreeing on every issue, but serving together over the years and have been good friends over the years.

I know some may be pleased today, and some may not be pleased. But I believe that Senator PACKWOOD when he said duty, honor, and country meant precisely that. He has great respect for the Senate and has always had great respect for the Senate.

As soon as there was this report from the Ethics Committee yesterday there were all kinds of questions and speculation about what will happen now.

I believe Senator PACKWOOD has made the right decision. I believe that a protracted debate in the Senate may not have changed anything. I must say I think it is very severe punishment. I remember one case here where a Senator, charged with certain things, came to the Senate floor 6 months after it was reported by the Ethics Committee, but not after a trial and not after conviction on three counts.

Having said that, I think Senator PACKWOOD has made the correct decision. It is not easy. It has not been easy. It is always easy when you are criticizing, but it is not as easy when you are taking it. We all know that. We have been on both sides.

But I must say that I have watched Senator PACKWOOD the last 24 hours and wondered myself how he was able to carry on. But then, again, I know BOB PACKWOOD. This is not the end of BOB PACKWOOD's career. He will continue to make a difference in the lives of many, many Americans. He only cited a few things. We can cite pages and pages of legislation that bears his name or bears his name along with colleagues on the other side, bipartisan, nonpartisan, in some cases partisan. He is a hard worker—nobody ever suggested otherwise—loyal to his party, loyal to his constituents, and loyal to his leaders.

So I would just say that obviously he deserves some time to get everything in order. It takes a little while around here to do things. I am not certain. He did not state an effective date. But I guess my colleagues would say some reasonable time would be allowed—even by the sharpest critics.

I look at the legislative record of Senator PACKWOOD and add it all up. And I think about the many times he stood on this floor in this place, right here, offering amendments or debating amendments that affected somebody somewhere, some child or children or homeless, or whatever it might be, whatever the issue might be.

I would just say he has been an outstanding legislator, an outstanding U.S. Senator, and someone whose legacy will be around for a long, long time, and a friend of mine.

Mr. MCCAIN addressed the Chair.

The PRESIDING OFFICER. The Senator from Arizona.

Mr. MCCAIN. Mr. President, I want to speak briefly about our colleague, and my friend, BOB PACKWOOD. I will not comment about the circumstances that have compelled Senator PACKWOOD to resign his office. I will not speak about the merits of the case against Senator PACKWOOD. I can neither reproach the Ethics Committee nor endorse their decision. I was spared the burden of adjudicating this matter and it would not be fair for me to criticize the result of their 3-year investigation. I know the members of the committee, and I know them to be decent and principled Senators who would not take their responsibilities in this matter lightly.

But BOB PACKWOOD is my friend. I am proud to call him my friend. And I cannot bring myself to say that his departure from the Senate is welcome. I surely know less about the case against the Senator than do the members of the Ethics Committee, and I know that they would not reach their decision absent their confidence that the decision was just. But I cannot accept it with anything other than profound regret.

Nor can I comfort myself with an appreciation that the Senate has in this moment comprehended something about relationships between men and women that, heretofore, male Senators are supposed to have failed to comprehend. I did not feel that was the case prior to the Ethics Committee's ruling, and I do not think we deserve to be congratulated for suddenly evolving into more sensitive beings.

I cannot claim that I have treated every human being I have encountered in my life fairly or generously. But I am confident that whether I have treated a person well or ill it had nothing to do with their gender, and I resent assumptions that all men in this institution require an object lesson made of BOB PACKWOOD so that we might learn to treat one half of humanity with dignity.

Thus, I cannot quietly or publicly, genuinely or falsely say that BOB PACKWOOD's departure was the necessary price for us to become better people. We could all become better people, but I seriously doubt the Senate's loss of BOB PACKWOOD will advance us toward that goal.

Mr. President, let me also ask my colleagues to spare a little consideration for the whole of BOB PACKWOOD's life and career in this institution before we lapse into self-congratulation. And let us also recall Biblical injunctions concerning forgiveness and understanding. No matter what our views of this matter are, we can all recognize that this is a sad—a profoundly sad moment—for BOB PACKWOOD and for the Senate. Let us not congratulate nor celebrate a thing today. This a moment for grieving.

BOB PACKWOOD is a man of great industry, intellect, and what used to be called civic-mindedness. He is a patriot, a devoted servant of his country. The Almanac of American Politics accurately described him as one of the most "legislatively accomplished of senators with a distinctive and consistent set of principles he has backed for a quarter century."

Every Member of this body knows the extent of his accomplishments. They are vast even when compared to the records of other senior Members of the Senate. On so many of the issues before the Finance Committee which he so ably chaired, BOB PACKWOOD was considered the committee's leading expert. He has been for many years one of the Senate's most effective advocates for less regulation, freer trade, a simpler and less burdensome tax code.

I know that it pains him greatly to leave the Senate now that we are seriously addressing two problems to which he has devoted his considerable energy and ability for years—welfare reform and saving Medicare. Both of these urgent and complex tasks will be far more difficult to resolve absent BOB PACKWOOD'S leadership.

But his broad intellect and keen sense of service would not allow BOB PACKWOOD to limit his work to only those issues before the Finance Committee. They led him to participate centrally in the debates over all the major issues of our time. From the environment to foreign policy, BOB PACKWOOD was a statesman—a distinguished statesman.

BOB is right. There is life after the Senate. And as he builds a satisfying, challenging, and interesting new life—which I am confident he will do—Bob can look back at his 27 years of Senate service with enormous pride and satisfaction. He has contributed more than most to the welfare of his countrymen. He will have his regrets, as will we all. But he cannot but feel that his country is a better place for his service to it.

I commend him greatly for that service; I grieve for him today; I regret this moment's arrival; I wish him good fortune, and say again, without reservation: I am proud to call BOB PACKWOOD my friend.

Mr. SIMPSON addressed the Chair.

The PRESIDING OFFICER. The Senator from Wyoming.

Mr. SIMPSON. Mr. President, BOB PACKWOOD will soon be absent from us. He is also my friend. He will always be my friend. He was chairman of the Republican Senatorial Campaign Committee and helped to recruit me for this Senate post early in the year 1978. He has been loyal, steadfast, and true. And I trust that I was able to return that to him in earnest friendship.

I have prepared some notes. Many of you know me well, and when I really have something to say, I write it down in my own way, no staff, no winging it, which has sometimes put me in a lot of trouble. But I just want to share a few things that come from down deep inside, and they are brief. They may match some of the things said by my dear friend MARK HATFIELD and dear friend JOHN MCCAIN.

This remarkable career of BOB PACKWOOD's public service will now end. The political story of his life will close on its final chapter. But other aspects of his life will go on. And we must not, we cannot, and we should not forget the extraordinary accomplishments and successes of this superior legislator simply because of the maelstrom of negatives that have poured forth from some who have chosen to act as judge, jury, and executioner, at so many levels of our society.

He was the man who always fought so hard for women and their rights. No one can challenge that statement. He was the man who worked doggedly for civil rights and fairness and empowerment for the lesser people of society. He was the man, often the only man, who carried the banner for women's reproductive rights when others were unwilling to unfurl it. He was the man who fought for job equity and the crashing in of the glass ceiling for women in this country. Every single thoughtful, activist women's group was once on his side "through thick or thin," at least until recent times. Then many of them consciously and callously abandoned him, not willing to consider even a shred of evidence portraying "his side" of the story.

Now, please make no mistake here. I am not defending what BOB PACKWOOD did or did not do. I do not know the circumstances of all of that, only what I have read and heard. And having practiced law in real life for 18 years, it is my experience to pay guarded attention to what I read or hear. Justice, freedom, and due process depend on various rules of procedure and process. There are few of such rules in the Senate or in the court of public opinion.

The Ethics Committee of the Senate was established partly to avoid the travesty of a trial by the media. That mission has now been seriously thwarted and twisted.

None of this recent crisis needed to have come to pass. I was serving as assistant leader of our party during a late night session in the month of November 1993. In the Chamber, we were debating and having a great public discussion of the issue of exercising the Senate's power of subpoena of one's most intimate, personal recollections, one's own diary.

Late that night BOB PACKWOOD appeared before Senator BOB DOLE and myself in BOB's office with his written resignation in his hand, signed by him and to be effective at 2 a.m. the following early morning, just hours away, 3 hours away. That apparently was not enough, for that very next morning the Ethics Committee delivered certain files, records, and pleadings to the Justice Department for "further proceedings" as to possible criminal matters, while the committee had made no previous public reference as to any such criminal conduct.

BOB PACKWOOD at that moment of time said that he then had no choice but to remain in the Senate in order to fight the charges from the firmest of battlegrounds.

I remain terribly disturbed about the entire process. These are not personal reflections upon members or any particular member of the Ethics Committee, I assure you. Oh, yes, yes, I know, we should brush all this past brooding aside because the feeding frenzy is now on and the waters are now blood flecked and teeming with scissor-teethed piranha.

Where I personally get in a lot of trouble in life is because of a simple philosophy ingrained in me by a tough grandfather who practiced law and a dear and marvelous father who practiced law, who taught me the power and worth of that craft, and two stalwart sons who come now after me and are practicing the very special profession of law. The best original advice was, "If anyone goes to jail, be sure it's your client."

I liked that advice. I cherished that advice. But I learned a more important thing then, and it will always be so, that there are always two sides, always, always. We have only heard one. There is such a thing as due process and fairness. That has not yet been completed.

There are some stirring words in our Nation's founding documents and in all laws that take their breath of life from those documents and what comes from them requires—no, certainly, it demands—that we must be able to confront our accusers; that we be able to review and examine all papers and documents and witnesses that the "prosecution" may deem relevant in the case. We know that the process of selecting evidence that is "relevant" or "not relevant" does not rest with the parties but with an unbiased finder of fact. We cherish the law that any accuser must at some point, in some proceedings somewhere within the system of justice within this country, be required to raise their right hand and swear to God or make other affirmation that what they are telling is the truth, the whole truth and nothing but the truth, and that person then, after affirming such an oath, is to be subjected to cross-examination based upon the rules of evidence and due process.

It is my understanding that 6 of the 19 accusers of Senator PACKWOOD have not yet been identified in the media and do not wish even at this time to be publicly identified. Apparently, they are to remain "unidentified" even to the extent of retaining that status as the committee releases the record of the proceedings to date.

Senator PACKWOOD indicates that a number of witnesses have come forward on his behalf because they have read about it or suddenly learned of the complaints against him on television or in the press. Additional witnesses are not going to be able to come forth as long as complainants remain unidentified. Perhaps there is yet some forum for Senator BOB PACKWOOD to state "his side." That will be his choice, not mine.

So BOB PACKWOOD is leaving our midst. We know not what the future will hold for him, but he is a fighter. He has fought for women and their rights. He has fought for the lesser in our society and for their rights. He is a true civil libertarian and his public life should not be judged in parts but in sum total. He has conquered an affliction that surely contributed to his downfall, alcoholism. These last recent years have obviously been nightmarish for him and obviously also for his accusers.

That is so true. But the Good Book speaks of judgment and justice and truth and forbearance and tolerance and forgiveness, and we might draw on some of those timeless strengths and attributes in judging this man.

Very few of us in public service have had a life unexamined, but now that will be so to ever more degree. But how far back in life do we then go? As I have said several times before, the AL SIMPSON who was on Federal probation at the age of 18 is not the same AL SIMPSON standing here. The AL SIMPSON who was thrown in the clink at age 20 for clubbing a guy around on the streets of Laramie is not the same AL SIMPSON standing here, although sometimes the feelings are still burning down there.

[Laughter.]

How far back do we go? Anyone here want to go back in their life to 1969 to see what you were up to? Check with me. Come in. Let us have a visit about that.

So if we in the Senate really are to receive the same treatment, for this is what the public is always demanding of us, that we should expect the same treatment—no more and no less—than our fellow men and women, then, pray tell me why the statute of limitations in any jurisdiction in America is no longer than 6 years for offenses far more serious in nature than the ones charged against our brother from Oregon.

That may be very difficult for some to understand, but it is the truth. The statute of limitations is limited to 6 years in the most lenient of jurisdictions and is an average of 3 years in most other jurisdictions, and yet they have plumbed the scraps of life of BOB PACKWOOD back to the year 1969. Where does it all end?

That would be a good question to ask ourselves, and many surely will not do it in any public forum. But when we return to the comfort and solace of our own homes this night, visiting with loved ones and friends and reflect upon the sadness and tragedy of Senator BOB PACKWOOD and of the victims—and I mean that—remember what can be asked and inquired of the accusers can also be the nature of an inquiry to the accused, which is this: How would you feel if this were happening to you?

That is not a diversion. That is not a clever phrase. That is not corny. It is not naive. It is not uncaring. It is not unresponsive. It is not the mumbling of a bald, emaciated 64-year-old Senator from Wyoming who "just does not get it." I have heard all of that guff before. It is just something we should not forget in life as we are pushed forward in the undertow of the immeasurable tide of the information age of a free society. The print and electronic media is now playing all of the varied roles heretofore to be performed only by administrative and court tribunals.

There was a reason for the Ethics Committee. It was to avoid a "public hanging." It was to avoid "frontier justice." It was to avoid "vigilante justice," if you will. That is one of the reasons why it was created. Something has surely gone awry. It will be up to those of us remaining in the Senate to set the course anew.

And to my friend BOB PACKWOOD, God bless you, Godspeed. You are loved by many. Thank you.

[Applause in the galleries.]

The PRESIDING OFFICER. The gallery will suspend. The Sergeant at Arms is noted to restore order if there are outbreaks in the galleries.

Mr. CHAFEE addressed the Chair.

The PRESIDING OFFICER. The Senator from Rhode Island.

Mr. CHAFEE. Mr. President, I am not going to review the bidding of why we are here this afternoon, but I do want to express my sentiments toward BOB PACKWOOD, for whom I have the greatest respect and affection.

As Senator PACKWOOD mentioned, we have played 400 squash matches over the past 12 years. Four hundred times we met at the squash club to play, and in the game of squash—many may not know how it works, but you are very dependent upon your opponent for calling whether a shot was fair or not. In those 400 matches, never once—never once—did I have the slightest inclination or reason to say that what the call that BOB PACKWOOD made was other than perfect.

Never once did I have any sense of questioning it, because I had total reliance on him, and I still have that total reliance and affection and respect for him.

BOB PACKWOOD has one of the finest minds that I have seen since I have been in the Senate. We have served together in the Finance Committee for 18 years, and it is BOB PACKWOOD who is responsible for the Republican Party having as many Senators as we do here.

When I first came to the Senate, there were 37 Republicans, and BOB PACKWOOD was in the leadership at that time and conceived the idea of having retreats on the Eastern Shore where Republicans would get together and come up with plans for the future. It is BOB PACKWOOD who came up with the idea of what is now the Republican Senatorial Campaign Committee, with the Republican Senatorial Trust that he formed. When I ran for office, I received a small amount of money from the Republicans in the Senate, a very modest amount. But BOB PACKWOOD really conceived the machinery that we have now, and the result of the tremendous funding that Republican candidates at present are receiving.

Many have talked about his legislative achievements, but to my mind, the greatest single achievement in BOB PACKWOOD in legislative affairs was the 1986 tax bill. That bill was absolutely stalled, was going nowhere. It had come from the House, not much of a bill. It came over here. We argued with it. Everybody came up with suggestions on how to reduce expenditures or how to have greater tax breaks. We all competed with each other, took care of everybody in sight as the deficit rose and rose in our calculations.

Then BOB PACKWOOD said, "That's it." It was he who came up with the final program that we had. It was the 1986 tax bill. It was a Packwood tax bill that I and many others unanimously voted in the committee. I will never forget that evening. PAT MOYNIHAN was there. Senator DOLE was there. When we finished that vote, a unanimous vote, everybody stood and applauded the chairman of the committee for the tremendous feat that he had accomplished.

So we will miss him. We will miss a fine brain in this Senate. We will miss him pacing across down in the well as matters were debated and coming up and getting at his desk. Back and forth. I will miss that distinctive walk he had, bent forward slightly as he charges over here. I will miss that so much because we were very close friends and will remain close friends, and I will greatly miss him, as we all will.

Thank you, Mr. President.

Mr. MOYNIHAN addressed the Chair.

The PRESIDING OFFICER. The Senator from New York.

Mr. MOYNIHAN. Mr. President, I have not prepared any remarks for this occasion, and I would be the first to assert that I am not especially prepared.

Accordingly, to be brief, perhaps the more intense for that reason, to say that in 18 years that we have shared this committee, as the Senator from Rhode Island just said, they have been years of perfect trust between us and, on my part, profound admiration.

And just a moment's good cheer. The Senator from Rhode Island will remember in those intense days leading up to the 1986 legislation, we would meet each morning in Senator PACKWOOD's office about 7:30 for coffee and plan the day's strategy. If you would like to know something about the Tax Code as it then was, it fell to me each morning to read the service, as it were. I would find the previous day an advertisement in the Wall Street Journal that said: "Buy oxen, antelope"—I do not know—"cattle, llamas * * * guaranteed losses."

And they would guarantee your losses and you could not but make money on the Tax Code. It was a scandal and the country knew it. It is all gone now—thanks to you, and thanks for so much else. There is just one line, perhaps of help in the years ahead, of Dr. Johnson, who said, "How small, of all the ills that human hearts endure, that part which laws or kings can cause or cure."

This last spring Liz and I—your dear Liz—went to Ephesus, where John took Mary after the crucifixion. We saw Mary's house and the site where John is buried in a basilica. We saw where the Apostle Paul preached, and I can think of only his lines from I Corinthians: 13. "Now abideth faith, hope, and charity, these three; but the greatest of these is charity."

The Greek—he was writing in Greek—was "agape," and in English we translate it "love."

Mr. President, I yield the floor.

Mrs. FEINSTEIN. Mr. President, I did not know Senator PACKWOOD well, but I have watched him. I heard him on CNN last evening. I have heard him on other shows. I have listened to him, as the leader and the Senator from Wyoming have pointed out, explain complicated issues in a vital and easily understood way. I have listened as the heads of various women's organizations have indicated their respect for him and for his long record of help.

I recognize that service in this institution is not easy, that people are held to a standard, and after all, we are just mere reflections of everyone around us. We are complete with moles and warts and our own problems. So this is not a happy day for me. I do not believe it is a happy day for the U.S. Senate.

I do believe it is a day of some courage and bravery on the part of Senator PACKWOOD, because even those of us who did not know him well know of his love for this body—you could see it, it is palpable, it is there—and his respect for this body as an institution. I really think that kind of performance goes beyond any party label, and it goes beyond any trial and tribulation.

My father used to always say to me, "Dianne, do not let a man be known for the last thing he does. Let him be known for the best thing he does."

I think that is a legacy that hopefully is being written here this afternoon. This is a sad day in a chapter of history of the U.S. Senate, but it says one thing: We do have our failings, and we do make our mistakes. But it is a sign of a wise man, and even a giant man, who stands and does what has to be done and goes on to fight another day.

I thank you, Senator PACKWOOD, for a long and distinguished service to the U.S. Senate.

Mr. SPECTER. Mr. President, this is a very sad day for many reasons. I think we are losing an outstanding Senator at a time when the Senate and the country needs his expertise very badly. I join my many colleagues and express my sentiment about the friendship which I have enjoyed with Senator PACKWOOD. I think that the Senate, the country, Senator PACKWOOD, and the people who have registered complaints about him would have been better served had there been public hearings. This is a view that I have always held and expressed with my vote in favor of those public hearings.

I understand the business of the Senate. But I believe that we could have found the time here with many of the quorum calls, or perhaps on weekends, or perhaps evenings, to have heard this matter. I believe that America was entitled to full disclosure. I believe the people who came forward with complaints were entitled to be heard, and I think Senator PACKWOOD was entitled to have a defense.

I think that I, as a "juror," a Senator, who had to pass on the issues, would have been prepared and better off had that been done. I have always been opposed to plea bargains of any sort. I understand the kind of pain that would have been involved had we gone through those hearings. But I think it would have served the institution well and all of the parties well. I have had one other very painful experience with Senator PACKWOOD when I got six stitches under my left eye a decade ago. But I consider this day much more painful.

Mr. DOLE. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. STEVENS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. STEVENS. Mr. President, because of other matters, I have not been able to be on the floor during the statements that have been made. I want to comment about my friend from Oregon and his decision. I think it takes courage to face the facts, and Senator PACKWOOD has. But like Senator DOLE, as I have walked through the building and through the Hall, I have been thinking of the good times we have had together. When we came here, particularly to the Senate, we had already met each other. As a matter of fact, I met BOB PACKWOOD at a picnic President Eisenhower had at his farm at Gettysburg, and one of the photographs that I cherish is a photograph of Senator PACKWOOD, John Tower, and myself standing there outside of the Eisenhower home.

We have had a long history of our friendship and acquaintance. I am saddened that this day has come. But I want to really reflect on the good days, as I said, the days of sharing with each other our family lifestyle when we first came to Washington. Neither of us had a great deal of money. We did a lot of entertaining in our homes with one another.

It is a time of change now, of great change. But change does not erase the memories of good friendships, and it is not a time to abandon those memories, as far as I am concerned.

I also remember the time when Senator PACKWOOD flew up to Alaska in a Lear jet with me back in the days when Lear jets were not that safe, as I later found out in 1978. It was a long, hard trip to fly to Alaska in a chartered plane, because we had stayed here on the floor of the Senate too long and had an obligation to make a speech in Alaska and we did go up in a chartered plane.

These memories come back in flashes, I think, to those of us as we sit and listen to developments that are hard to understand, hard to comprehend, and difficult to deal with.

But, Bob, I want you to know that I do cherish those memories. You have been a good Senator. I will not repeat the words that have been said on the floor about the things we have worked on here together.

I know there is a group of Alaska Native people in my office waiting for me now that, had it not been for the help of Senator PACKWOOD, Senator MOYNIHAN and others, they would have suffered severe losses that would not have been recognized under the tax laws, where other people had recognition of their net operating losses. Native people, because of the strange hiatus in the Federal law, had not received the recognition they should have had about the ability to recover those losses through the sale of them to other people.

It was the work of Senator PACKWOOD, Senator MOYNIHAN, and I remember Congressman Rostenkowski and others that recognized that inequity. It did lead to a tax loss. We admit that. But that loss would have been there in any event but for the Federal law that they helped us change.

So times pass, and I find my heart heavy with the decision made by Senator PACKWOOD, but again in the position I hold now as chairman of the Rules Committee, I say that I spent the day trying to figure out what we would do to handle a case of this magnitude and of this complexity had he not made the decision.

So I think in the final analysis, the record should show that Senator PACKWOOD has saved the taxpayers of this country a great deal of money and saved the Senate a great deal of delay in a period of great change, where we need to spend our time and devote our efforts to trying to find solutions for the problems that really confront this country, very deep problems. Problems, I think, that the leadership Senator PACKWOOD has given in the field of welfare, Medicare, and tax reform will continue. The dynamics of his suggestions will be carried out. The inertia of the Packwood move through the Finance Committee will continue, and strangely enough it will continue for years to come without his being there. Thank you.

Mr. DOLE. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. DOLE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

RECESS UNTIL 6 P.M.

Mr. DOLE. Mr. President, I move the Senate stand in recess until 6 p.m.

The motion was agreed to, and at 5:36 p.m. the Senate recessed until 6 p.m.; whereupon the Senate reassembled when called to order by the Presiding Officer (Mr. BENNETT).

FAMILY SELF-SUFFICIENCY ACT

The Senate continued with the consideration of the bill.

Mr. BROWN addressed the Chair.

The PRESIDING OFFICER. The Senator from Colorado.

AMENDMENT NO. 2465 TO AMENDMENT NO. 2280

(Purpose: To provide that funds are expended in accordance with State laws and procedures relating to the expenditure of State revenues)

Mr. BROWN. Mr. President, I rise to offer an amendment and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Colorado [Mr. BROWN], for himself, Mr. MOYNIHAN, Mr. SIMPSON, Mr. MURKOWSKI, Mr. KOHL, Mr. CAMPBELL, and Mr. FEINGOLD, proposes an amendment numbered 2465.

The amendment is as follows:

At the appropriate place, insert the following:

SEC. . EXPENDITURE OF FEDERAL FUNDS IN ACCORDANCE WITH LAWS AND PROCEDURES APPLICABLE TO EXPENDITURE OF STATE FUNDS.

(a) IN GENERAL.—Notwithstanding any other provision of law, any funds received by a State under the provisions of law specified in subsection (b) shall be expended only in accordance with the laws and procedures applicable to expenditures of the State's own revenues, including appropriation by the State legislature, consistent with the terms and conditions required under such provisions of law.

(b) PROVISIONS OF LAW.—The provisions of law specified in this subsection are the following:

(1) Part A of title IV of the Social Security Act (relating to block grants for temporary assistance to needy families).

(2) Section 25 of the Food Stamp Act of 1977 (relating to the optional State food assistance block grant).

(3) Subtitles B and C of title VII of this Act (relating to workforce development).

(4) The Child Care and Development Block Grant Act of 1990 (relating to block grants for child care).

Mr. BROWN. Mr. President, I asked the bulk of the amendment be read, as it just was, for a very simple purpose. It is a straightforward amendment. It is very basic. It simply calls for the amount that is block granted under this bill to be spent in a manner in accordance with the laws and procedures for expenditures of the States' own revenues. That may not sound like a revolutionary or even controversial suggestion, but it is terribly important.

The core and essence of this welfare reform is centered around the suggestion that States and communities can do a better job in deciding how their funds are expended on welfare programs assisting the poor than can a centrally planned government, than can a government thousands of miles away from the action. It is the heart, at least in part, of what this welfare reform is all about—the suggestion that money can be spent better by local levels than it can be by the Federal level.

Why would I raise this issue? The facts are that in six of our States it makes a difference. In 44 of our States the money is expended, as is provided under the State's own laws, generally in the same manner that the State's own expenditures are allocated. But in six of our States a practice has been followed where the Governor alone decides where block grant money is spent.

If we believe that the States are better able to decide how that money is spent, then I think we have to be concerned about the situation in the absence of this amendment. Literally, unless this amendment is adopted, we will see six of our States where the Governor is allowed to both appropriate the money, in effect decide where it is to be spent, and administer that money; that is, distribute the money and, as we will explore later on, even have a strong voice in conducting the audit of how that money is spent.

Literally, what we are doing, then, in those six States is giving into the hands of one person the ability to appropriate, the ability to administer, and some significant control over the audit of what they have appropriated and administered. This is contrary to the very foundation of this country. It is contrary to the very theme of our Constitution. It is contrary to those philosophers who thought of our system and brought it to fruition.

Mr. President, any in this Chamber who have read the very significant book of Senator BYRD, the distinguished Senator from West Virginia, cannot help but note not only his musings about the history of our system, but the intricacies of the Roman system. One of the lessons is the understanding that there needs to be a division of power.

I want to quote from some of our historical documents because I think Members will find it interesting. In our own Federalist Papers, Madison said it best. It is in No. 47, where he says clearly:

> There can be no liberty where the legislative and executive powers are united in the same person or body or magistrates.

Unless we adopt this amendment, you are going to have that power, both legislative and executive powers, combined in one person in six of our States.

In No. 47 of the Federalist Papers, Madison says this:

> The accumulation of all powers, legislative, executive and judiciary, in the same hands, whether of one, a few, or many, and whether hereditary, self-appointed, or elective, may justly be pronounced the very definition of tyranny.

That tyranny he talked about he goes on to talk about in further depth when he says:

> From these facts by which Montesquieu was guided, it may clearly be inferred that in saying, "There can be no liberty where the legislative and executive powers are united in the same person, or body of magistrates."

Mr. President, that is the core of the concern of this amendment. This amendment will simply provide, in those six States where they do not now have it, that they will follow the normal legislative process. If we do not adopt this, what we will in effect be doing is saying that the elected representatives of the people and the legislative branch will be ignored and their priorities bypassed when it comes to welfare reform under these block grants. We in this body have long recognized the difference between block grants and others where we have allocated the money ourselves. In categorical programs it has been normal to send the money back to the States, but it has been sent back to the States with guidelines from the Federal Government, including elected legislators, making the decisions on its allocation.

The prime difference between block grants and the categorical grants is the level of government which designs the program. Under our block grants, the States design the programs. For categorical grants, most of the programs are designed and established at the Federal level. The State is to administer the grant in accordance with Federal directives.

Mr. President, it makes sense that when we move to block grants, that we allow the State legislative process to be part of this.

This amendment is offered, not only by myself but by Senator MOYNIHAN, Senator SIMPSON, Senator MURKOWSKI, Senator KOHL, Senator CAMPBELL, and Senator FEINGOLD.

I believe the provisions of this measure are broad and they are bipartisan. I think they unite the interests of this Congress, an interest that we ought to have special recognition of. Would Senators literally want to abdicate the legislative responsibility to a chief executive? Chief executives are responsible, are important members of our governmental functions, but they should not have combined with them the legislative powers.

In addition to this, I want to draw the Members' special attention to another factor in this bill. Under section 408 of the Dole amendment, it requires States to conduct an annual audit of expenditures under the Federal temporary assistance—AFDC, that is—block grant. The auditor is required to be independent of the administering State agency and approved by the U.S. Treasury Secretary and the chief executive officer of the State.

Literally, what we are doing, then, is we are allocating money to the States which, in some cases in effect, will be legislated or appropriated by a chief executive, administered by that chief executive, and audited by someone that chief executive approves of. Or, put a different way, no one of which the chief executive does not approve can audit those funds.

This is untenable. I understand why some Governors may like this power, but I suspect, on reflection, many Governors will not like that power because what it gives them a special burden. Some may say this is in line with what we have done in the past. But let me assure this body that it is not fully in line. Under the General Revenue Sharing Act of 1972, Public Law 92–512, section 123(a) addressed this. In subsection 4 it said this:

> It will provide for the expenditure of amounts received under subtitle A only in accordance with the laws and procedures applicable to the expenditures of its own revenues.

In other words, the State government would have the ability to appropriate those moneys under the same procedures that they follow now for their own revenues. That is what we are asking in this amendment. It is consistent with the provision that Congress enacted in 1972 for general revenue sharing.

In 1977 the Advisory Committee on Intergovernmental Relations reported:

> The commission recommends that the State legislatures take a much more active role in State decisionmaking relating to the receipt and expenditures of Federal grants to the States.

Specifically, the Commission recommends that the legislatures take action to provide for: inclusion of anticipated in Federal grants in appropriation or authorization bills; prohibition of receipt of expenditures of Federal grants above the amount appropriated without the approval of the legislature. The recommendation goes on.

But whether it is in the 1972 General Revenue Sharing Act or the 1977 report of the Advisory Commission, or the 1980 report of the U.S. Comptroller General that dealt with the same subject, the theme is consistent. It was also a theme of provisions in the 1981 Omnibus Reconciliation Act, in the 1982 Job Training Act, and in the 1984 U.S. Comptroller General's report to Congress. There the subject was addressed, with this specific language—the public's opportunity to influence State decisions for programs supported with block grant funds has been enhanced through the combined effects of multiple public participation opportunities offered by the States, the increased activity of State elected officials, and the increased activity of interest groups at the State level. This increase is related to the expanded public input opportunities established both in response to the Federal requirements as well as to the greater discretion available to the States.

Mr. President, it is clear from following the background that this Congress and independent advisory groups have recognized the value over and over again of having elected State officials set the priorities.

Mr. President, this amendment is straightforward. And it is basic. What it suggests is that we as a Congress ought to make sure that the appropriating function is performed by the State legislatures or at least with regard to the general standard of appropriation that is followed by the States themselves.

It is endorsed by the National Conference of State Legislators. It is endorsed by the National Speakers Conference. It is endorsed by the American Legislative Exchange Council.

Mr. President, I ask unanimous consent to have printed in the RECORD the letters from and resolutions of these three bodies.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

NATIONAL CONFERENCE OF STATE LEGISLATURES,
Washington, DC, August 4, 1995.

Hon. HANK BROWN,
U.S. Senate, Washington, DC.

DEAR SENATOR BROWN: The National Conference of State Legislatures is greatly appreciative of the leadership you have provided on a variety of federalism and intergovernmental relations issues. Most recently, you were able to include language in H.R. 4 that reaffirmed the state legislature's role in expending federal block grant funds. With the Senate about to undertake debate on the Republican leadership's welfare reform package, S. 1120, we wish to call upon you again to ensure that state legislative policymaking and fiscal authority is in no way compromised regarding any and all block grants included in S. 1120.

As reported from the Senate Finance Committee, H.R. 4 specifically stated that family assistance block grant funds received by the state would be expended in accordance with the laws and procedures applicable to expenditure of the state's own revenues. NCSL strongly encourages you to pursue insertion of similar language in S. 1120, making it applicable to all of the various block grants and consolidations being considered, and stands ready to assist you. Your language clearly reaffirms the roles that state lawmakers play in appropriating funds. We are concerned that giving governors direct control over funds, even if it is optional with food stamps, could well violate state laws and practices. Your H.R. 4 language guarantees that there will be an open, deliberative process in expending any block grant monies. It does not change the governor's role regarding the state's policymaking process and it certainly ensures that the state legislature will be involved.

Thank you again for the leadership on and commitment you bring to these issues. NCSL is prepared to work closely with you as floor deliberations on S. 1120 proceed. Please have your staff contact Sheri Steisel (624-8693) or Michael Bird (624-8686) for further assistance.

Sincerely,

JAMES J. LACK,
State Senator, New York and President, NCSL.

RESOLUTION SUPPORTING STATE AUTHORITY IN WELFARE REFORM

Whereas, the 10th Amendment to the Constitution of the United States reserves all powers not prohibited to the states nor delegated to the United States to the states or to the people respectively, and;

Whereas, the Constitution of the United States neither prohibits power over welfare to the states, nor delegates power over welfare to the United States, and;

Whereas, through the years the United States has assumed powers over welfare that are inconsistent with the distribution of powers between the United States, the states, or the people respectively under the United States Constitution, and;

Whereas, restoration of the Constitutional distribution of powers between the United States, the states or the people respectively should proceed at an expeditious pace to restore the consistency of governing relationships with the nation's fundamental law, and;

Whereas, the welfare programs of the United States have been largely unsuccessful, enormously expensive and even counter-productive to the welfare of recipients, and;

Whereas, the states are laboratories of democracy in which different policy approaches are tried, and the most successful policies are copied by states whose policy approaches are less successful, and;

Whereas, restoration of state authority with respect to welfare is consistent with the fundamental democratic principle that government should be as close as possible to the people, and;

Whereas, the United States Senate Finance Committee has reported H.R. 4 which contains language that would allow states to expend federal welfare funds "in any manner that is reasonably calculated to accomplish the purpose" of the bill, and;

Whereas, as reported by the United States Senate Finance Committee, H.R. 4 contains language requiring that federal funding for welfare be "expended only in accordance with the laws and procedures applicable to expenditures of the State's own revenues, including appropriation by the State legislature," and;

Whereas, the above reference clauses in H.R. 4 represent an important step toward restoration of state authority with respect to welfare;

Now therefore be it *resolved,* That the Board of Directors of the American Legislative Exchange Council urges the United States Senate to include the above reference clauses in any welfare reform bill which it adopts.

RESOLVING TO PRESERVE STATE LEGISLATIVE AUTHORITY AND OVERSIGHT OF FEDERAL BLOCK GRANT FUNDS

Whereas, the National Speakers Conference represents the bipartisan and collective sentiment of the nation's Speakers of the House; and

Whereas, the National Speakers Conference seeks to strengthen and preserve state legislatures' traditional appropriations authority and oversight of all state expenditures; and

Whereas, the National Speakers Conference recognizes that this authority is enshrined in our national and state constitutions and is fundamental to the system of checks and balances that defines the separation of power among the three branches of our government; and

Whereas, the National Speakers Conference believes that the appropriation and administration of block grants require the full participation of both the legislative and executive branches to develop and implement effective policy; and

Whereas, the National Speakers Conference believes the most effective means of ensuring the full participation of the legislative and executive branches of government is through the budget appropriation and approval process;

Now, therefore be it resolved by the National Speakers Conference, that the various Speakers of the House attending the National Speakers Conference in a bipartisan vote urge the United States Congress to support the premise that all federal block grants received by the various states be expended only in accordance with the laws and procedures applicable to expenditures of the state's own revenues, including appropriation by the state legislatures; and

Be it further resolved, that the Conference endorses the bipartisan amendment proposed by Senators Hank Brown of Colorado, Daniel Patrick Moynihan of New York, Herb Kohl of Wisconsin, Frank Murkowski of Alaska and Alan Simpson of Wyoming to the welfare reform bill; and

Be it further resolved, that the National Speakers Conference request the United States and the United States House of Representatives in any block grant legislation that is enacted to ensure that the legislative appropriating authority is protected; and

Be it further resolved, that copies of this resolution be transmitted to the Congressional delegations of the various states by the Speakers of the House of those respective states.

Approved this first day of September Nineteen Hundred and Ninety-Five in Santa Fe, New Mexico.

Mr. BROWN. Mr. President, I will reserve the remainder of my time.

Let me simply close with this thought. As we give to the States an enormous grant of new authority and new responsibility, an ability literally to appropriate the funds and allocate the funds that have been taken by the Federal Government, I think it is incumbent upon us to make sure that is done wisely, and it is done well. To suggest that we are going to concentrate in the hands of one person, the Governor, the ability to both appropriate and administer and have a control over the audit is unacceptable.

This amendment gives the States the ability to preside over this money just as they do with their own money that they raise.

I urge the adoption of the amendment.

Mr. MOYNIHAN. Mr. President, may I thank the Senator from Colorado for offering this amendment which appears to this Senator, and I believe to most Senators on either side of the aisle, as appropriate, and necessary because there are principles involved.

I am sure the Senator from Colorado agrees that constitutional government is a division of powers, and always contemplates that resources will be revenues. These are revenues to State governments that will be allocated in accordance with agreements in the legislative branch and the executive branch.

That is the intent of the Senator's amendment.

Mr. BROWN. It is precisely that intent and more consistently constitutional, I believe.

Mr. MOYNIHAN. It seems to me, precisely that. By constitutional proviso the Congress guarantees to the States a republican form of government. I am not sure whether this would fall under that admonition or injunction.

Mr. BROWN. Many of us were hopeful that admonition for a republican form of government meant just that. But unfortunately, apparently it was not.

Mr. MOYNIHAN. I insist that republican be with a small "r," and at the time when Thomas Jefferson assumed to run the democratic Republican Party. But we will not get into that detail.

I would simply indicate that it would be my disposition, absent any contrary information, to accept the amendment. If the Senator wishes a vote, of course that is his right. But I will defer to the Senator from Colorado in this regard.

Mr. BROWN. Mr. President, I would be happy to have it accepted. I am advised there are Members who have concerns about this.

Mr. MOYNIHAN. So they would wish to speak and perhaps to be heard. Very well. I do believe we are at a point where we may be reaching an agreement on tomorrow's schedule, Mr. President.

Mr. President, I see the distinguished Senator from Nevada is on the floor.

I yield the floor.

Mr. REID addressed the Chair.

The PRESIDING OFFICER. The Senator from Nevada.

Mr. REID. Mr. President, will the Chair inform the Senator from Nevada what the parliamentary status now is on the Senate floor?

The PRESIDING OFFICER. The Senator from Colorado is on a second-degree amendment.

Mr. REID. There is no time agreement?

The PRESIDING OFFICER. There is no time agreement.

Mr. REID. Mr. President, I ask unanimous consent that the remarks I make appear elsewhere in the RECORD so as not to interfere with the debate on this amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DOLE addressed the Chair.

The PRESIDING OFFICER. The majority leader.

Mr. DOLE. Mr. President, I wonder if we might be able to get the yeas and nays on the Brown amendment. We will set that vote for tomorrow morning.

The PRESIDING OFFICER. Is there objection to the request?

Without objection, it is so ordered.

Mr. DOLE. Mr. President, if we could ask for the yeas and nays on the Brown amendment.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

Mr. DOLE. We will have an agreement to have that vote tomorrow morning at 9:30 unless it can be accepted. I understand there is no objection on the Democratic side.

Mr. MOYNIHAN. Not to my knowledge.

Mr. DOLE. There may be an objection.

We are still looking for additional amendments to be taken up this evening. We have agreed to amendments on either side. I know the distinguished manager on the other side does not wish to offer his amendment this evening. We can lay it down. I think that would take an hour, or 45 minutes, tomorrow.

Mr. MOYNIHAN. If it is agreeable, an hour and 30 minutes equally divided.

Mr. DOLE. I have no objection to that.

Mr. MOYNIHAN. Will the Senator from Nevada be generous enough to let us proceed with these technical matters for just a moment?

The PRESIDING OFFICER. Does the Senator from Nevada yield for that purpose?

Mr. REID. I do.

AMENDMENT NO. 2466 TO AMENDMENT NO. 2280

(Purpose: To provide a substitute amendment)

Mr. MOYNIHAN. Mr. President, I send an amendment to the desk in the second degree and I ask for its consideration.

The PRESIDING OFFICER. Without objection, the pending amendment of the Senator from Colorado is temporarily set aside, and the clerk will report.

The legislative clerk read as follows:

The Senator from New York (Mr. MOYNIHAN) proposes an amendment numbered 2466 to amendment No. 2280.

Mr. MOYNIHAN. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

(The text of the amendment appears in today's RECORD under "Amendments Submitted.")

Mr. MOYNIHAN. Mr. President, in accordance with the agreement, such as it will be reached between leaders, I yield the floor with the understanding that we will take this matter up tomorrow.

Mr. DASCHLE. Will the Senator from Nevada yield?

Mr. REID. I am happy to yield.

Mr. DASCHLE. Just for clarification of the schedule this evening, it is the leader's intention to take up the Moynihan amendment tomorrow and have other amendments offered if we can have them laid down tonight but no additional amendments would be voted upon tonight?

Mr. DOLE. That is correct. I know Members are going to want to be leaving fairly early tomorrow afternoon. It is not going to be possible unless they are willing to come to the floor tonight and debate the amendments and have the votes tomorrow morning. We are searching on our side if we can ask the leader to search on his side.

Mr. DASCHLE. If the Senator from Nevada will yield, let me urge my colleagues. We have been polling our Members and have been told that we have about 130 amendments. If we have that many amendments, there is no reason why tonight we cannot have a good debate on some of these amendments. I would like to see a couple of them offered and debated tonight. The ranking member is here and prepared to work with any of our Members on this side. So I hope we can do that. If we have that many amendments, there is no reason why at 6 o'clock tonight we do not have more of an opportunity to discuss some of these important matters.

So I really urge all of our Democratic colleagues to cooperate in good faith and to come to the floor. This is a good time to be offering the amendments, and we will accommodate Senators as they come to the floor.

Mr. DOLE. If the Senator from Nevada will yield further, I make the same request. This is normally the late evening, Thursday evening, and we have not announced any votes this evening but we are prepared to do that if we can have the cooperation of Members, if they just come to the floor, debate the amendment, with the exception of the amendment of the Senator from New York, and then we can agree to vote on those tomorrow morning.

Following the votes, we would take up the amendment of the Senator from New York [Mr. MOYNIHAN], with 1½ hours equally divided for debate. So we will put out a hotline on this side, and this is the time to offer amendments. We had 70-some on our list. You have, say, 150. If there are 200 amendments out there, there ought to be somebody willing to come to the floor at 6:20 on a Thursday evening—it is not even dark outside—and offer some amendments. We are prepared to do business. I know the Presiding Officer is very pleased to be here, and we will do our best. I thank my colleague.

Mr. REID addressed the Chair.

The PRESIDING OFFICER. The Senator from Nevada.

SENATOR BRYAN'S WORK ON THE ETHICS COMMITTEE

Mr. REID. The first criminal jury trial that I had involved a burglary case. As I recall, the jury trial took about 3 or 4 days. The reason I remember the case so clearly is that I was the attorney representing the defendant, the person charged with the crime. The prosecutor of that case was RICHARD BRYAN, then a young deputy district attorney in Clark County, NV. It was a good case. We had two young lawyers who had a real good battle in the courtroom.

Senator RICHARD BRYAN was an outstanding lawyer. He was the first public defender in the history of the State of Nevada. He and I took the Nevada bar together in 1963. We were the only two freshmen elected to the Nevada State Legislature in 1969.

Not only did he have a successful and distinguished career as a private attorney, but he also served in the Nevada State Legislature as an assemblyman and as a Nevada State senator. He served as attorney general of the State of Nevada. He was elected twice to be Governor of the State of Nevada and has been elected twice to be a U.S. Senator from the State of Nevada.

The reason I mention this is I think, in the events that have taken place today, those six members of the Ethics Committee who have toiled months and months have been kind of forgotten about. This was a job not sought by Senator RICHARD BRYAN, who was chairman of the Ethics Committee. In fact, he took the job at his peril. He was running for reelection when then majority leader George Mitchell asked him to do his duty as a U.S. Senator and accept this task, this ordeal, to be chairman of the Senate Ethics Committee.

I have never talked to Senator BRYAN about the facts of the case that has been before this body today. But I know RICHARD BRYAN. I know him well. He and I have been friends for 30-odd years or more. And I know how this case has weighed on him. I see it in his face. I see it in his demeanor. As I have indicated, I have never discussed the case with him. But I know Senator BRYAN well, I repeat. I know that his obligation was to be fair to the victims, to be fair to the accused and to this institution and, of course, the oath that he took as a Senator.

The time that he spent on this case could have been spent working on other issues, could have been spent with his family and his friends, but he spent not minutes, not hours, not days, not weeks but months on this case.

When the elections took place last fall, Senator BRYAN became the ranking member of the Ethics Committee, and Senator MITCH MCCONNELL became chairman of the Ethics Committee.

Mr. President, I think that we, as Members of the Senate, should all acknowledge the work done by the Ethics Committee. I am speaking of my friend, Senator BRYAN. I am doing that because I know him so well. I know the time that he spent. I know his background. I know what a good person he is and how fair he tries to be with everybody in everything that he does.

Now, I can speak with more authority and certainty about Senator BRYAN than I can the other five members of the Ethics Committee, but these other five individuals coming from their varied backgrounds and experiences led to this Ethics Committee that had a sense of duty. It was bipartisan in nature, and being bipartisan in nature reached a conclusion in this most difficult case. Senators MIKULSKI and DORGAN on the Democratic side and Chairman MCCONNELL, Senators CRAIG and SMITH are also to be given appreciation by this Senator and I hope the rest of this body for the time that they spent on this very thankless job.

Mr. President, I, of course, have talked in detail about Senator BRYAN and the person that he is. If I knew the other five members as well as I knew Senator BRYAN, I am sure that I could say the same things about them and the difficulty they had in arriving at the decision they did. I am sure that if I had spent the time with them as I have with Senator BRYAN, I could tell by their demeanor, I could tell by the looks on their faces the consternation and the difficulty they had in doing the work that they did on this case.

Mr. President, there is no way to compliment and applaud these gentlemen and the lady who serve on this committee in an adequate fashion, but I, I hope on behalf of the entire Senate and the people of this country, express to them my appreciation and our appreciation for doing what they did in this case, that is, working the long, hard, tireless hours they did and arriving at a decision that only they could arrive at.

Mr. President, in 1882, a member of the very small Nevada Supreme Court—there were three members of the supreme court in 1882—in a case cited at 106 U.S. 154, Justice Bradley said in that case these words that I think apply to what has taken place here today: "The event is always a great teacher."

Mr. President, the event that has taken place today has been a great teacher for us all and will be in the future.

Mr. NICKLES. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

FAMILY SELF-SUFFICIENCY ACT

The Senate continued with the consideration of the bill.

Mr. DEWINE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DEWINE. Mr. President, I rise today to discuss three amendments that I intend to propose later in regard to this bill we are engaged today, this week, and probably into the next week with one of the most fundamental reforms of the welfare system in over a generation. It really is a debate of great historic importance to not only the people who are on welfare, but to all Americans.

The millions of Americans who are trapped in the cycle of welfare dependency need a way out. As we work on this bill, I believe that we have to make absolutely sure that as we do this, we do, in fact, give them a way out and not just put them into another revolving door.

The purpose of the first amendment that I will offer will be to make sure that the States tackle the underlying problem of the welfare system. Quite frankly, Mr. President, too often welfare ends up being quicksand for people instead of a ladder of real opportunity.

The underlying bill that we are working on will certainly help change that and helps change it by creating a work requirement that will help boost welfare clients into the economic mainstream of work and opportunity.

We need to help people get off welfare. One very important way we can do this is by helping them avoid getting on welfare in the first place, and that is one thing that sometimes we miss in this whole debate about welfare. We do need to worry about how to get people off welfare. But if we can take action as a society that keeps them from ever going on welfare, that is a great accomplishment as well. It will not only do society a lot of good, but it will be very important to the individual who we are talking about.

So this brings me to the specific proposal contained in my first amendment.

This amendment would give States credit for making real reductions in their welfare caseload, not illusory reductions based on just ordinary turnover.

What am I talking about? Since 1988, 14 million Americans have gone off welfare—14 million. Yet, during that same period, there has been a 30 percent net increase in the welfare caseload. What this tells us is there are a lot of people going on, a lot of people going off, but we are getting more people coming on than are going off.

So we have to make absolutely sure that we keep our eye on the ball and, really, the ball that we are trying to keep our eye on is the objective of keeping people out of the culture of welfare dependency.

Under the bill, States will have to meet a work requirement, and that is good. But I think this policy will have an unintended side effect, a side effect that I believe my amendment will help cure.

If there is a work requirement, States certainly will have an incentive to try to meet that requirement. If States face the threat of losing Federal funding for failing to meet the work requirement, I am afraid that they could easily fall into the trap of judging their welfare policies solely—solely, Mr. President—by the criterion of whether or not they help meet just that work requirement.

I believe that what we have to remember is that the work requirement is not an end in and of itself. Our goal must be to break the cycle of welfare dependency, and we have found that helping people stay off AFDC, never going on, through tools used by the Government—job training, job search assistance, rent subsidies, transportation assistance, and other similar measures—is a cheaper way of doing this than simply waiting for the person to fall off the economic cliff and become a full-fledged welfare client. It just makes common sense. If we as a society can intervene early, it is going to be cost-effective and it is going to work and it is going to make the difference in people's lives.

Under the bill as written, States are really given no incentive to make these efforts to help people. If anything under the bill, there really is a disincentive to do this. If a State takes an active, aggressive, successful effort to help people stay off welfare, then the really tough welfare cases will make up an increasingly larger proportion of the remaining welfare caseload, and that will make the work requirement much tougher for a State to meet.

Under this bill as written, there is incentive really to wait to help people, to wait, to wait until they are actually on welfare. Then the States can get credit for getting people off welfare. That really does not seem to me to be the right way to do it or the right incentive.

If States divert people from the welfare system by helping them stay off welfare in the first place, then the people who stay on welfare will tend to be more hardcore, more hard-to-reach welfare clients, and that will make it more difficult for States to meet the work requirement.

That, Mr. President, really is exactly the opposite of what we should be trying to do. My amendment would eliminate this truly perverse incentive. My amendment would lower the work requirement that States have to reach by the very same amount that the States have reduced their welfare caseload.

Helping citizens stay off welfare is just as important as making welfare clients work, just as important as moving people off welfare. Indeed, the reason we want to make welfare clients work in the first place is, of course, to help them get off welfare. But—and this is a very important provision in my amendment—we cannot allow this new incentive that I propose for caseload reduction to become an incentive for the States to ignore poverty.

Under my amendment, States will be given no credit for caseload reductions achieved by the changing of eligibility standards. Ignoring the problem of poverty, Mr. President, will certainly not make it go away. Arbitrarily kicking people off of relief is not a solution to welfare dependency, and States should not—I repeat, not—get credit for changing their eligibility to meet this objective.

Welfare reform block grants are designed to give States the flexibility they need to meet their responsibilities. They have to have more flexibility. But they must not become an opportunity for the States to ignore their responsibilities. States do need to be rewarded for solving the problem. Giving States credit for real reductions in caseload will provide this reward.

I believe this amendment will, in fact, yield another benefit. It will enable States to target their resources on the more difficult welfare cases: The at-risk people who need very intensive training and counseling if they are ever going to get off welfare.

It will not do us any good as a society to pat ourselves on the back because people are leaving AFDC, if at the very same time an even greater number of people are getting on the welfare rolls, and if the ones getting on are an even tougher group than the ones who got off.

The American people demand a much more fundamental and far-reaching solution. They demand real reductions in the number of people who need welfare.

Reducing the number of people on welfare is certainly going to be a very tall order. Since 1988, only half a dozen States or so have really managed to reduce their caseload. One of them, Wisconsin, has managed a very significant reduction. It is going to be tough, but it is absolutely necessary.

This issue simply must be faced, and it will be faced with all the creativity at the disposal of the 50 States, 50 laboratories of democracy.

How are States going to do it? There are probably as many ways of doing it as there are States. I think that is one of the positive things about the underlying bill.

There is no single best answer. That is the key reason why we need to give the States the flexibility to experiment. In Wisconsin, for example, the Work First Program, with its tough work requirement, has reduced applications to the welfare system. That is a promising approach. We have to do other things, such as reduce the number of out-of-wedlock births and get rid of the disincentives to marriage.

The bottom line is this, Mr. President: We have to solve the problem and not ignore it. States should be encouraged to take action. But they should be encouraged to take action early to keep people off of welfare, to help them before they drop into the welfare pit. I believe this is the compassionate thing to do. I believe it is the cost-effective thing to do.

My staff and I, Mr. President, have spent a considerable amount of time talking to the people who run Ohio's welfare operation, both at the county levels and at the State level. One of the problems that they have continued to talk to me about is just what I have talked about, and that is, that what we really need to do is keep people off of welfare. We do not want to be in the situation that I used to find years and years ago when I was practicing law and when I was county prosecuting attorney, where we would have situations where people were having problems, where people needed help—either job training, or education, or just a little help to tide them over—and they could not get that help. What the welfare department would have to tell them is, wait until you get the eviction notice, wait until they start putting your clothes and everything else out on the street, then we can help you, then you can get on welfare. And once you get on welfare, all these things will happen and you will get all these benefits. Our director, in the State of Ohio, of welfare, Arnold Tompkins, makes an analogy to a light. He says you go up with the switch or down, and you are either on welfare or you are not. If you are on it, you get all these benefits. If you are not, you do not get the benefits. We have a difficult time giving people some help to stay off of welfare.

I think what we must make sure we are doing when we pass this bill—which is a very, very good bill, and one of the reasons it is a good bill, it has a realistic work requirement in it. One of the things we have to make sure we are doing is allowing the States the flexibility and giving them some incentive to try to take the actions early on which will prevent someone actually from ever going on welfare. We must make sure that we, as we write this bill, give the States credit for having done that.

Let me turn to the second amendment that I intend to propose. It has to do with a rainy day fund. This amendment is a very simple one. It is a recognition of economic realities. When a State faces a recession, a number of things happen. One of them is that the welfare caseload goes up. The other thing that always happens is the revenues going into the State go down.

It is as simple as that. When States are in the middle of a serious recession, they are reluctant to borrow from a loan fund because they are, frankly, afraid they will be unable to pay the money back. I do not blame them. I believe that we need an unemployment contingency grant fund to make sure that when a recession hits, the Federal Government will remain a partner in the process of taking care of the welfare population. You will notice I say "partner."

It should be just as clear, Mr. President, that this rainy day fund must not become a back door to the re-Federalization of welfare. The threshold for disbursements from this fund, I believe, has to be tough. And the threshold in my amendment is, in fact, tough. It has been described as follows: A State, under my amendment, will not qualify if it has a "cold." It will only qualify if it has "pneumonia."

It is my hope that this amendment will not be controversial. I believe it is a necessary precaution for the inevitable downturns in the economic cycle. Under this amendment, the State has to meet two conditions to qualify for aid from this fund. First, it has to maintain its welfare effort at the fiscal year 1994 level. And unemployment has to be two percentage points higher than in the previous year. States will then have to match these Federal funds at the same rate as the matching formula for Medicaid. And they will have to maintain their own effort. This is a tough requirement, but I believe it is fair, and I believe that it will be of immense help to the States.

Mr. President, we need this rainy day fund, and we need to make sure that it is not abused.

Let me turn to the third amendment I intend to offer. It has to do with a subject that has troubled me in this country for many, many years, and that is the issue of child support and child support enforcement. When I discuss this issue, I again have to go back, in my own mind, at least, to my experience as a county prosecuting attorney. One of my jobs, of course, was to try to enforce the child support enforcement laws. Mr. President, the third amendment really is an attempt to make it easier for States to crack down on deadbeat parents. We are all aware that one of the key cost causes of our social breakdown is the failure for parents to be responsible for their own children. The family ought to be the school for citizenship—preparing the children for responsible and productive lives. When the parents do not do that, it is very difficult for society to step in and fill the gap.

We need to reconnect parenthood and responsibility. We need to help States locate these deadbeats, establish support orders for the children, and enforce the orders.

My amendment attempts to address this problem in two ways. First, it provides for a more timely sharing of information with the States. Today, the Federal Parent Locator Service, in the U.S. Department of Health and Human Services, gives the States banking and asset information about potential deadbeats on an annual basis, only once a year.

Mr. President, talk to the people who have to track down these deadbeats, and they will tell you and other Members of the Senate how difficult that process is. As I mentioned, I used to do this when I was a county prosecutor. If you have to wait a whole year to get information about a deadbeat, there is a pretty good chance that that deadbeat is going to flee your jurisdiction. The information that you get may be up to a year old—or even more—and will simply not be information that will do any good.

My amendment is simple. It would change that reporting requirement from an annual basis to a quarterly basis.

Mr. President, these child support enforcers are involved in a very difficult but a very important job. I believe that we should cut—by 75 percent—the amount of time they have to wait for this very important information.

Mr. President, I look forward to the debate on these and the other amendments offered by my colleagues. I believe that we have a great opportunity in this year's welfare reform bill—an opportunity to change the direction of welfare and to really change the direction of this country.

Mr. President, I yield the floor.

Mr. NICKLES. Mr. President, first, I would like to compliment my friend and colleague from Ohio, Senator DEWINE, for an excellent statement. His experience as a Congressman, his experience as Lieutenant Governor of the State of Ohio, as well as a Senator, gives him a perspective that may be better than most because he has been involved in administering these programs. I think he has had some very constructive, positive ideas that are really invaluable. I hope our colleagues will pay attention. I compliment my friend for his remarks.

I would also like to say at this time that we requested a list of amendments, and the numbers were floating around, whether there was 50 amendments, 60 amendments, or 70 amendments.

We are very willing to take up those amendments, see if we can incorporate those amendments into the substitute bill that will be offered tomorrow, or have people offer their amendments. They can debate them. We will set aside the amendment and vote on the amendment tomorrow.

If colleagues have amendments that they would like to be considered and disposed of, and frankly I think we are going to be more favorably disposed tonight than we will be later on Friday and certainly on Monday and Tuesday. I encourage colleagues if they have amendments to please bring those to the floor and we will try to assist in any way we can as far as disposing of them.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mrs. FEINSTEIN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mrs. FEINSTEIN. Mr. President, I understand there is a pending amendment. I ask unanimous consent that the amendment be set aside.

The PRESIDING OFFICER. Without objection, it is so ordered.

AMENDMENT NO. 2469 TO AMENDMENT NO. 2280

(Purpose: To provide additional funding to States to accommodate any growth in the number of people in poverty)

Mrs. FEINSTEIN. Mr. President, I send an amendment to the desk.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from California [Mrs. FEINSTEIN] proposes an amendment numbered 2469 to amendment No. 2280.

Mrs. FEINSTEIN. Mr. President, I ask unanimous consent reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

Beginning on page 17, line 16, strike all through page 21, line 3, and insert the following:

"(3) SUPPLEMENTAL GRANT AMOUNT FOR POVERTY POPULATION INCREASES IN CERTAIN STATES.—

"(A) IN GENERAL.—The amount of the grant payable under paragraph (1) to a qualifying State for each of fiscal years 1997, 1998, 1999, and 2000 shall be increased by the supplemental grant amount for such State.

"(B) QUALIFYING STATE.—For purposes of this paragraph, the term 'qualifying State', with respect to any fiscal year, means a State that had an increase in the number of poor people as determined by the Secretary under subparagraph (D) for the most recent fiscal year for which information is available.

"(C) SUPPLEMENTAL GRANT AMOUNT.—For purposes of this paragraph, the supplemental grant amount for a State, with respect to any fiscal year, is an amount which bears the same ratio to the total amount appropriated under paragraph (4)(B) for such fiscal year as the increase in the number of poor people as so determined for such State bears to the total increase of poor people as so determined for all States.

"(D) REQUIREMENT THAT DATA RELATING TO THE INCIDENCE OF POVERTY IN THE UNITED STATES BE PUBLISHED.—

"(i) IN GENERAL.—The Secretary shall, to the extent feasible, produce and publish for each State, county, and local unit of general purpose government for which data have been compiled in the then most recent census of population under section 141(a) of title 13, United States Code, and for each school district, data relating to the incidence of poverty. Such data may be produced by means of sampling, estimation, or any other method that the Secretary determines will produce current, comprehensive, and reliable data.

"(ii) CONTENT; FREQUENCY.—Data under this subparagraph—

"(I) shall include—

"(aa) for each school district, the number of children age 5 to 17, inclusive, in families below the poverty level; and

"(bb) for each State and county referred to in clause (i), the number of individuals age 65 or older below the poverty level; and

"(II) shall be published—

"(aa) for each State, annually beginning in 1996;

"(bb) for each county and local unit of general purpose government referred to in clause (i), in 1996 and at least every second year thereafter; and

"(ccb) for each school district, in 1998 and at least every second year thereafter.

"(iii) AUTHORITY TO AGGREGATE.—

"(I) IN GENERAL.—If reliable data could not otherwise be produced, the Secretary may, for purposes of clause (ii)(I)(aa), aggregate school districts, but only to the extent necessary to achieve reliability.

"(II) INFORMATION RELATING TO USE OF AUTHORITY.—Any data produced under this clause shall be appropriately identified and shall be accompanied by a detailed explanation as to how and why aggregation was used (including the measures taken to minimize any such aggregation).

"(iv) REPORT TO BE SUBMITTED WHENEVER DATA IS NOT TIMELY PUBLISHED.—If the Secretary is unable to produce and publish the data required under this subparagraph for any county, local unit of general purpose government, or school district in any year specified in clause (ii)(II), a report shall be submitted by the Secretary to the President of the Senate and the Speaker of the House of Representatives, not later than 90 days before the start of the following year, enumerating each government or school district excluded and giving the reasons for the exclusion.

"(v) CRITERIA RELATING TO POVERTY.—In carrying out this subparagraph, the Secretary shall use the same criteria relating to poverty as were used in the then most recent census of population under section 141(a) of title 13, United States Code (subject to such periodic adjustments as may be necessary to compensate for inflation and other similar factors).

"(vi) CONSULTATION.—The Secretary shall consult with the Secretary of Education in carrying out the requirements of this subparagraph relating to school districts.

"(vii) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to carry out this subparagraph $1,500,000 for each of fiscal years 1996 through 2000.

Mrs. FEINSTEIN. Mr. President, I rise today to offer an amendment that would provide additional funding to States to accommodate growth which may occur in their welfare caseloads.

Legislation which provides the basis for this amendment is included in the welfare reform bill already passed by the House of Representatives entitled "H.R. 4, the Personal Responsibility Act."

Title 1 of that bill includes a supplemental grant to adjust for population increases. In the House version, the grant is $100 million annually for each of fiscal years 1997, 1998, 1999, and the year 2000.

In the Dole bill, the supplemental grant is $877 million over 5 years. The House supplemental grant is distributed to States based on each State's proportion of the total growth. However, the Dole bill handles this formula in a very complicated manner which only benefits 19 out of the 50 States.

Frankly, by providing zero funding for growth, it does in the State of California. I have got to make that very clear.

The amendment I am proposing today takes the same approach, as the legislation that passed the House of Representatives, with respect to growth, and would apply it to the Dole bill. California, which is projected to experience a significant growth in its poor population over the next 5 years, under the present draft of the Dole bill, would receive zero—zero.

There is no additional cost associated with this amendment. In fact, there is some reason to believe that this method of accommodating growth equitably and objectively among all States might result in some cost savings when compared to the underlying bill. In any event, the authorization of appropriations, for the supplemental grant for each of the fiscal years, remains the same as in the Dole bill, and distribution of the additional funds is capped by those amounts which total $877 million over 5 years.

I would add another point. All States will be held harmless under this legislation. That is to say, no State's grant will be reduced if the State experiences a decline in its poor population. But each and every State which experiences an increase in its poor population will receive a corresponding increase in its Federal grant to help them carry out the mandates of this legislation.

Let me briefly contrast this with the approach in the underlying bill. As I said, only 19 States, meet the definition for use of this money under the language of the Dole bill, and that is irrespective of their actual growth of in poor youngsters. And, it excludes many States that will experience growth in their caseloads.

Under the Dole bill, 19 States receive automatic additional funding, 2.5 percent of the fiscal year 1996 grant in each of the years 1997 to the year 2000 if, first, their State's welfare spending is less than the national average level of State spending and, second, population growth is greater than the average national population growth.

In addition, for reasons which are unclear, certain States are deemed as qualifying if their level of State welfare spending is less than 35 percent of the national average level of State welfare spending per poor person in fiscal year 1996. As I understand it, only two States qualify. Mississippi and Arkansas are the only two States that would qualify under that portion of the drafting.

This formula penalizes States which have traditionally had higher levels of State welfare spending. So, in other words, if you have been a high benefit State, you are actually penalized by the bill. And, it rewards States, irrespective of their projected, or actual, population growth or decline.

I must say I am astonished that many States which are projected to have significant increases in their poor populations do not meet the definition required by the Dole bill. It leads me to conclude that this supplemental grant is not necessarily to accommodate growth at all.

Federal taxpayers are being asked to spend almost $1 billion over 5 years in the name of growth. But, in fact, the result is that States which, until now, have spent less than the average in assisting the poor will now be subsidized. So, until now, they have not spent much, and, now, they are going to be subsidized by the taxpayers of all 50 States. What kind of a bill is that?

Let me take a moment to review for you what some of the benefit levels have been from some of the States who will be beneficiaries of this so-called growth fund. In Mississippi the maximum monthly AFDC benefit for one-parent families with two children has been $120. That is $120 in combined Federal-State AFDC grants. In Alabama, the combined maximum has been $164. In Texas, the maximum benefit has been $188. In Tennessee, $185. Louisiana, $190. Arkansas, $204. Kentucky, $228.

Let us look at one or two States with similar benefit levels. In Indiana, the monthly benefit is $288. In Missouri, it is $292. But even though these levels are similar to other States, they will receive nothing, zero, zip—nothing—to accommodate any increase in their poor populations. Why? Who would draw this kind of growth formula?

Let us look now at some high growth States. Let us see what they get—Washington, for example. While the Bureau of the Census projects a general population growth of almost 10 percent, the Dole bill provides zero funding for growth. Idaho is projected to experience a general increase in its population of almost 11 percent, Mr. President. Is it a growth State under the Dole bill? The answer is no. Finally, let us take a look at California, the most populous State in the Nation and one which is projected to grow by 6.25 percent over the next 5 years. It, too, receives no additional funds to meet the anticipated growth in caseload.

Clearly, the growth fund in the underlying bill is, as I have said, not a true growth fund. It is a fund for some other reason, but I do not think anyone in this body should call it a growth fund. I believe this is a fundamental flaw in the Dole bill, as compared to the House version of the welfare reform bill.

None of us in this body knows what the future holds for our States—whether it is economic recession in a rust belt State, regional downturn in a sunbelt State, natural disaster in any part of our country, or even Federal base closures. What we do know is there will be unanticipated regional economic conditions and corresponding fluctuations in the incidence of poverty. Any State is susceptible to these circumstances. This amendment, the amendment I am proposing, simply uses the same approach as in the House bill, applies it to the $877 million, and says that you receive additional funding for growth proportionate to your numbers published by the Bureau of the Census. If your poor population goes up, you will get the corresponding proportional share of that fund.

This, to me, is the fair way of doing it. No gimmicks, you use the census figures. If you are a growth State, you get extra funding to carry out the mandate. Frankly, most of the States, the overwhelming number of States, are projected to benefit, and also States with no growth, or actual declines in population, are held harmless. And, finally again, it costs no more money.

You will have proposals before you that use a little sleight of hand. Some will reduce the base funding level currently in the Dole bill and then add to it. This amendment does not alter the initial grant in the Dole bill. This takes the initial grant level, applies the poverty data supplied by the Bureau of the Census, and simply says, as the House in its wisdom did, that that data is used objectively to determine any additional funds which are provided to each and every State. So, Mr. President, your State would benefit from that. My State would benefit from that for sure. That is what this amendment does.

Let me conclude on this amendment by saying that this is not a matter of "winners" and "losers." It is a matter of accuracy and fairness involving the distribution of Federal funds. I think it is very difficult for anyone to argue against that.

I ask unanimous consent that the amendment be temporarily set aside.

Mr. NICKLES. If the Senator from California will yield, I appreciate her amendment, and I want to thank her for coming to the floor and offering her amendment. I see other colleagues, as well as the Senator from Illinois. I again urge other Senators, if they have amendments, I think we will be lot more receptive and also it will expedite the consideration of those amendments for tomorrow or on Monday.

I do not know that this—as a matter of fact, I doubt that allocation amendments are the ones that will be readily agreed upon because some States win and some States lose. Allocation formulas are always contested in almost any type of bill like this, whether it is a highway bill or a welfare bill or other allocations. The allocation formula the Senator is proposing under her amendment would be identical to the one now currently in the House bill.

Mrs. FEINSTEIN. It is the same basis. That is correct.

Mr. NICKLES. The amendment is directed toward States that have increases in welfare population.

Mrs. FEINSTEIN. That is correct any and all States.

Mr. NICKLES. Welfare population being defined as welfare children, or just total welfare population of the States.

Mrs. FEINSTEIN. It is defined as increase in poor populations measured by current census data.

Mr. NICKLES. The information that the Senator handed out, the distribution formula that she is recommending and the impact on the States is on actually the second page of the handout but recorded as page 4.

Is that correct?

Mrs. FEINSTEIN. I did not bring those with me because we are making charts, and we were called, and we came down before the charts were ready, I am afraid.

Mr. NICKLES. I have a couple of charts. I want to make sure. I will confer with my colleague and friend.

Mrs. FEINSTEIN. There are four charts. If I can take a look at them when we finish, I would be happy to.

The Senator is absolutely correct. I know the formula is going to be difficult to change. If it looks like a growth formula, if it is named like a growth formula, it ought to talk and walk like a growth formula. That is all I am saying.

More States are benefited by this. I think 27 States fare better than in the underlying bill are clearly benefited by this, and States which do not experience an increase are held harmless.

Mr. NICKLES. If my colleague will yield further, she has 27 States that would presumably do better under the great portion of the bill, not the entire bill.

Mrs. FEINSTEIN. That is correct.

Mr. NICKLES. The Senator's amendment is allocating the money set aside for growth States, and under her proposed distribution it would increase benefits under that portion of the fund to 27 States as compared to 10 States. In other words, under the Dole proposal.

Mrs. FEINSTEIN. As compared to 19 States. The Dole proposal, as we understand it, benefits only 19 States. My amendment benefits all States. I would be happy to debate it. If I am wrong, I would be happy to admit it. This is our belief. Our formula would benefit 27 States, beyond those in the Dole bill, and would hold everybody else harmless. So nobody would go below what their 1996 level is.

Mr. NICKLES. Let me further try to clarify so I will know and maybe just help us tomorrow when we are considering these amendments.

Under the proposal of the Senator from California, it benefits 27 States. You do not change the amount of money. So you spread it out over a few more States. Senator DOLE's proposal would have additional for the growth States that have large increases in poverty. It would benefit 19 States. So presumably they would do a little bit better. So you are dividing up the same amount of money as compared to your growth proposal. We will have charts to make an analysis or comparison under both proposals.

Mrs. FEINSTEIN. They are not necessarily all of the growth States that are benefited.

Mr. NICKLES. Mr. President, I thank my colleague. Senator DOLE's proposal, I believe, is directed toward States that have significant increases in growth in poverty. And my guess is—I have not studied these charts—but he talks about the growth funds for States that have significant increases in poverty. Yours maybe is a little broader distribution.

I will tell my colleagues that there is a dispute on both sides of the aisle. This is probably not a partisan amendment as such because people wrestle with distribution formulas, and trying to come up with most equitable formula is not always the easiest thing to do, particularly if they have a lot of inequities in past distribution formulas which we have had with different programs.

But I, again, want to thank the Senator from California for offering her amendment and sending it to the desk.

Does the Senator also have another amendment?

Mrs. FEINSTEIN. That is correct, for tonight.

Let me just say what I understand the Dole does in this area. Then if I am wrong, I would be happy to know that.

These funds apply, if two things are met: one, the State's welfare spending is less than the national average of State spending; and, second, population growth is greater than the national population growth. That does not necessarily relate to welfare population growth. That is one problem that I have with it.

AMENDMENT NO. 2470 TO AMENDMENT NO. 2280

(Purpose: To impose a child support obligation on paternal grandparents in cases in which both parents are minors)

Mrs. FEINSTEIN. If I may, I now send the second amendment to the desk and I ask for its consideration

The PRESIDING OFFICER. Without objection, the pending amendment is temporarily set aside, and the clerk will report.

The bill clerk read as follows:

The Senator from California (Mrs. FEINSTEIN) proposes an amendment numbered 2470 to amendment No. 2280.

Mrs. FEINSTEIN. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 654, between lines 15 and 16, insert the following:

SEC. . ENFORCEMENT OF ORDERS AGAINST PATERNAL GRANDPARENTS IN CASES OF MINOR PARENTS.

Section 466(a) (42 U.S.C. 666(a)), as amended by sections 915, 917(a), 923, 965, and 976, is amended by adding at the end the following new paragraph:

"(17) Procedures under which any child support order enforced under this part with respect to a child of minor parents, if the mother of such child is receiving assistance under the State grant under part A, shall be enforceable, jointly and severally, against the paternal grandparents of such child.".

Mrs. FEINSTEIN. Mr. President, as I have listened to the debate, there has been a lot of talk about teenage pregnancy, youngsters impregnating youngsters, walking away from their responsibility, and really young children becoming pregnant, becoming teen mothers often by teen fathers. I have heard many Senators say we must stop this. I believe we have a way to send a major message to a constituency, and it is contained in this amendment.

What this amendment would do is say that every State must have in effect laws and procedures under which a child support order can be enforced, where both parents are minors, and, the mother is a minor receiving Federal assistance for the child, against the paternal grandparents of the child.

So if you are the mother and father of a boy child, and your boy child goes out and impregnates a minor girl who ends up on welfare as a result, you will be liable for a child support order against you as the parents of that young boy.

What I find increasingly is that child support is a growing crisis. This has also been debated—and, frankly, the lack of child support is one of the major causes of children living in poverty in my State; that is, the absence of child support—a parent, usually the father, not always, but usually it is the father that just walks off and does not support his child.

Well, if this is going to be a tough welfare bill, let us address it. Let us say, "Parents, you are responsible for the behavior of your adolescent son. If your adolescent son is going to go out and get a young girl pregnant, you are going to have to pay for the uprearing and the child support of that offspring."

I think the time has come for this kind of amendment. It is strong. It is an amendment that attributes family responsibility. It is an amendment that says parents of minors have responsibilities and one of those responsibilities is to see to it that their sons do not enter into this kind of conduct and then walk away from their responsibility.

So, I would now ask that that amendment be set aside.

I yield the floor.

The PRESIDING OFFICER. Without objection, it is so ordered. The amendment will be set aside.

Mr. NICKLES. Mr. President, while my colleague from California is here, I have not had a chance to totally review her second amendment. I am very interested in this amendment. It is a tough amendment. If I understand it correctly, if my colleague from California will correct me if I misunderstood her statement, but the Senator's amendment would basically, if you have a minor with a child, a single parent—the paternal grandparents would be liable for what expense?

Mrs. FEINSTEIN. For the child support. A court order would be obtained and the parents of the male child would be responsible for the child support of that offspring.

Mr. NICKLES. Let me talk out loud or think out loud. So if you have a teenage mother, if you have in this case an unmarried single mother, and if there is a court order placed against the father for child support, if that is not collectible from the father, then the parents of the father in this case would be liable for the child support?

Mrs. FEINSTEIN. That is correct where the father is also a minor.

Mr. NICKLES. The primary responsibility would still be the father.

Mrs. FEINSTEIN. That is correct.

Mr. NICKLES. But if the father is delinquent, if the father is not available or unable to pay, for whatever reason, unemployed, you name it, then the parents of the absentee father in this case would be liable?

Mrs. FEINSTEIN. That is correct for minor fathers. And I would certainly welcome the Senator from Oklahoma looking at this. If there is any way he thinks it could be made better, I would be delighted.

Mr. NICKLES. I compliment my colleague from California for offering the amendment tonight. I appreciate that. I am interested in the amendment. It looks good from what I have seen. I will study it further and see if we can support it.

Mrs. FEINSTEIN. I thank the Senator.

Mr. SANTORUM. Mr. President, I join with the Senator from Oklahoma. Senator FEINSTEIN's second amendment, I think, is a positive amendment and one that maybe we can work on and get it accepted on both sides. I think it is a good amendment.

I am not as enthusiastic about the first amendment. In defense of Senator HUTCHISON, who really did an outstanding job on this side of the aisle in working on the issue of formulas and trying to bring some compromise into a very difficult issue, nobody is happy with allocations of formulas, as the Senator from Oklahoma said. There are States that win; there are States that lose. What we tried to do is hold at least everybody harmless. We did under the formula that is in the Dole bill and then provided some reasonable amount of money for growth. I guess what is really the bugaboo here is how we determine what growth is and what is fair.

I suggest to you that if the Senator from Texas [Mrs. HUTCHISON], were here, what she would say is what is fair should not be based on what is—a system that you receive money from the State based on how much money you put up, not on how many poor people you have but how much money you are willing to give to the poor people in your State. So if you are a State like California, which is a high-benefit State and puts up a lot of money, you get more Federal dollars. It is a match. The more you put up, the more money you get. And so as a result, States like California and, I would say, Pennsylvania where I am from, which is above average—not as high as California but above-average State as far as welfare dollars—get more money from the Federal Government because we are willing to put up more State dollars to match the Federal funds.

Now, that is an equitable system the way it exists today, but we are changing the system. Effective as a result of this bill's passage there is no more Federal match. There is no more every dollar we put up or every—I think it is roughly 50–50—every dollar we put up, you put up a dollar and we go on together.

What we do now is send a block grant to the States. Every State gets a block grant. What is that? It is an amount of money irrespective of anything else. Irrespective of how much you are contributing, we are going to give you an amount of money that you will be able to spend on AFDC to help mothers with children. It is not dependent anymore on how much money you put up. It is just a block grant.

Now, if we were going to design a block grant program from the start, if we did not have the existing AFDC program in place, how would we distribute that money? Well, let me tell you how it is distributed under the bill. It is distributed based on how much money you got last year.

Think about this. Now we are giving a block grant to take care of a population of children and in most cases mothers and we are basing it on last year's amount of money that the State got, which, of course, from last year, was based on how much the State was willing to pony up to get Federal dollars and match it. It has no relation again to how many more persons but to how much the State was willing to spend.

So what happens, there are many States that are high-benefit States that are getting a lot more money per child than low-benefit States are getting per child. If we were going to design a program today from start—let us say we did not have an AFDC program, we had no poverty assistance program at the Federal level; we were going to start a program today—how would we design a model for helping children?

I suggest that what we would do is exactly what the Senator from California suggested. We should figure out how many poor people there are in the State, people eligible for welfare, for AFDC, and allocate so many dollars per person on welfare. We would take the number of people on welfare in the country, we would say here is how many dollars per person each State will get for that person on welfare and divide it up among the States. That would be a fair allocation formula. No child in California is worth more than a child in Mississippi or Vermont or Oklahoma.

But that is not what we did. We did not start out and say everybody is going to get the same irrespective. What we did was say children in California actually get more money because the State in the prior legislation, the current AFDC law contributed more so children in California get $200 per month per child and a person in Mississippi may get $50.

Now, what the Senator from California says is that, well, we are subsidizing these bad States like Mississippi that did not contribute a lot of money to help the people in their State.

I hear a lot from the other side of the aisle about we should not be punishing children—except, of course, if they happen to live in a State that is not a high-benefit State in this example because that is exactly what we do with the Feinstein amendment. We punish children who live in low-benefit States that continue to get low benefits under the current program.

What Senator HUTCHISON did was say, look, let us look at, since we now no longer require in this bill any kind of matching State funds—there is no maintenance-of-effort provision in this bill. California can completely pull the plug on every dollar of welfare spending that they are now required to spend to get the Federal match. They do not have to contribute a cent anymore and they get all the money. And they get two or three times as much per child as Mississippi. But now, again, California does not have to spend the money to get that money.

Now, how is it fair to say that California should get, because they are increasing in population, even more money per child than Mississippi which maybe is not growing as fast? If you look at it from the perspective of not what has been but what a fair allocation formula should be now based on a completely new model, you would suggest that States having low-benefit levels that are growing should be the recipients of the increasing growth funds to have their children come up to parity with States like California and Pennsylvania and New York and others.

That is what the Senator from Texas is suggesting. I would also suggest the Senator from California is doing her duty. She represents a mega-State, a State that has been very generous with welfare dollars, and under her allocation formula of the pot, I think California—I think it is about $1.5 billion, money that would be allocated over the next 7 years for these programs. They get roughly half the money in California under this program. It is a big chunk. California is a big State. It has one-eighth of the population of the country but they get about half the increase under this formula allocation.

If I was from California, I would design a program that got me half the money, too. I understand that. But it is not fair when you consider the new rules that we have put in place. No longer do we require match. That is the key here. California does not have to put up a penny to get this money anymore.

What we are saying is because we do not make them put up a penny anymore and because they are getting much more per child than I think any other State, with the possible exception of New York, we are not going to give them even more money because they happen to be growing. We are going to take care of the States that do not get a lot of money and that are growing also.

So that is the basis for this discussion. And so while it may, to the virgin ear on this subject, be a very appealing argument from the Senator from California that this is only fair, I mean we are growing and therefore we deserve more money, I would suggest that if we are looking at it for the sake of the child and not looking at where that child lives but looking at what the Federal Government's obligation is to a child under a new system where State matching dollars are irrelevant, then I would suggest that growth fund should be targeted to those States where the Federal contribution per child is the lowest. And that is what this amendment does.

I speak against my own interest in this case because Pennsylvania is not as high a benefit State as California but it is an above-average benefit State that is not going to receive any growth dollars according to the estimates. We are not going to receive a penny, and we would receive a small amount of increase under the Feinstein bill.

So it would be in my interest for Pennsylvania to vote for, I think it is $6 million. It is not a whole lot of money for Pennsylvania, but it is a little bit of money under the Feinstein amendment. That might be to my benefit, but I do not think it is fair under the new allocation. I think it is fair to focus on the child, not where that child lives, in what State.

As the Senator from Connecticut said earlier in the day, this is a Federal problem and we should have a Federal solution. I did not agree with the second part. It is a Federal problem. We do not need Federal solutions, we need local solutions. But the dollars that come from Washington should be equitable across the country. That is what this growth formula attempts to do, to bring other States with lower benefits up to meet the average.

I know it is going to be a difficult vote. I happen to be from one of those States that does not benefit under the current growth funds but would under the Feinstein growth fund. You would be very tempted, and I know many Members will be, to jump on for your parochial interests.

No. 1, I think it would be very damaging for the long-term interests of this bill. I think it is absolutely unfair when you look at the child, not where the child lives and how much the Federal Government is paying per child. I think that should be the fundamental test of whether this formula is fair.

I know this is going to be a very heated issue. It is one that is going to be talked about tomorrow, and I know the Senator from Texas will be far more eloquent than I have been in defending her formula. I just want to commend the Senator from Texas, Senator HUTCHISON, one more time, for the tremendous work she did in putting together an allocation formula which no one thought could be done. We did not think we would be able to work this one out. This was the issue that was bogging us down.

When it comes to money, everybody gets real tightfisted around here. We were able to work out something which I think is defensible, not only from a political standpoint of folks being able to explain back home, but I think it is very defensible from a fairness perspective of what this bill actually accomplishes.

Mr. President, I yield the floor.

Ms. MOSELEY-BRAUN addressed the Chair.

The PRESIDING OFFICER. The Senator from Illinois.

AMENDMENT NO. 2471 TO AMENDMENT NO. 2280

(Purpose: To require States to establish a voucher program for providing assistance to minor children in families that are eligible for but do not receive assistance)

Ms. MOSELEY-BRAUN. Mr. President, I send an amendment to the desk.

The PRESIDING OFFICER. The clerk will report the amendment.

The assistant legislative clerk read as follows:

The Senator from Illinois [Ms. MOSELEY-BRAUN] proposes an amendment numbered 2471 to amendment No. 2280.

Ms. MOSELEY-BRAUN. Mr. President, I ask unanimous consent that the reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 12, between lines 22 and 23, insert the following:

"(G) Assess and provide for the needs of a minor child who is eligible for the child voucher program established under subsection (c).

On page 15, between lines 19 and 20, insert the following:

"(d) CHILD VOUCHER PROGRAM.—

"(1) ELIGIBILITY.—

"(A) IN GENERAL.—A State to which a grant is made under section 403 shall establish and operate a voucher program to provide assistance to each minor child who resides with a family that is eligible for but not receiving assistance under the State program as a result of any reason identified by the State, including—

"(i) the time limit imposed under section 405(b);

"(ii) a penalty imposed under section 404(d); or

"(iii) placement on a waiting list established by the State for recipients of assistance under the State program.

"(B) PERIODIC ASSESSMENTS.—The State shall conduct periodic assessments to determine the continued eligibility of a minor child for a voucher under this subsection.

"(2) AMOUNT OF VOUCHER.—

"(A) IN GENERAL.—The amount of a voucher provided under the program established under paragraph (1) shall be equal to—

"(i) the number of minor children in the family multiplied by

"(ii) the per capita assistance amount determined under subparagraph (B).

"(B) PER CAPITA ASSISTANCE AMOUNT.—For purposes of subparagraph (A), the per capita assistance amount is an amount equal to—

"(i) the amount of assistance that would have been provided to a family described in paragraph (1) under the State program; divided by

"(ii) the number of family members in such family.

"(3) USE OF VOUCHER.—A voucher provided under this subsection may be used to obtain—

"(A) housing;

"(B) food;

"(C) transportation;

"(D) child care; and

"(E) any other item or service that the State deems appropriate.

"(4) DELIVERY OF ITEMS OR SERVICES.—A State shall arrange for the delivery of or directly provide the items and services for which a voucher issued under this subsection may be used.

On page 15, line 20, strike "(d)" and insert "(e)".

On page 24, line 24, insert "(including the operation of a child voucher program described in section 402(c))" after "part".

Ms. MOSELEY-BRAUN. Mr. President, I attempted earlier today to speak to this issue in general, and now, I would like to speak to the issue of welfare reform and the legislation before us generally as well as file several amendments.

At the outset, I would like to say that, quite frankly, I am very pleased with the way this process is working. In spite of all the slogans and the political speeches and the hot buttons and the wedge issues, the fact is that because of this debate, we are undertaking a conversation among ourselves as legislators and, again, indeed with the country around the issue of welfare generally, welfare reform and the appropriate response to the challenge our current system poses to this nation.

Mr. President, I submit to you that this is an issue that, as the French would say—there is an old expression—"plus ca change, plus c'est la meme chose," the more things change, the more they remain the same.

Quite frankly, I brought to the attention of the Finance Committee, on which I serve as a member, an article that had appeared in the Chicago History magazine in their spring issue. The article was entitled "Friendless Foundlings and Homeless Half-Orphans." The caption of the article said:

> In 19th century Chicago, the debate over the care of needy children raised issues of Government versus private control and institutional versus family care.

The article goes on at great length and, indeed, I have some pictures here from the article that showed the condition of poor children in turn of the century Chicago sleeping in the gutters and the, turned over by their parents to orphanages, unable to be cared for because of the poverty of their parents. The homeless half-orphans title refers to women who during the turn of the century struggled to raise children alone and because of their economic circumstances could not afford to do so and were often called upon, compelled even, to turn their children over to halfway houses and orphanages and others in order to provide just for the basic sustenance of those children.

I raise this not to inflame this debate because I, again, very much appreciate the way and the tenor this debate has taken, certainly this evening, but really to begin talking about my amendment which calls on the States to establish a safety net for children, and to put that amendment in context.

Essentially, the amendment itself says that when all is said and done, if you will, at the end of the day, after the States, under the primary legislation, have made all their rules, that in the final analysis, no child—no child—in America will be left to fend for themselves, will be left without subsistence, will be left homeless, will be left hungry.

Bottom line, this amendment calls on us to make an affirmation of our commitment to provide for the children and to make certain that welfare reform does not become a subterfuge or outlet for punishing kids for the sins of their parents or the misfortune, indeed, of their parents to be born into poverty.

I think it is important for us to talk a little bit about welfare in the context of poverty as an issue, because really that is what it is. Welfare is not a stand-alone problem, it is not something you just say exists over here in a vacuum by itself. Welfare is not, and never has been, anything other than a response to poverty. It is a system, a set of rules that calls on a Federal-State relationship and cooperation, and we can debate, as no doubt we will and will continue to, what that relationship must be. But it, essentially, is a relationship between Government that calls on our national community to care for the welfare of poor children so that we do not have to go back to the friendless foundlings and the homeless half-orphans that plagued so many of our communities at the turn of the century in America.

So welfare reform then should, at a minimum—at a minimum—ask the question, and answer in the affirmative the question: What about the children? We must always have an answer that says that no State, no locality, no community, no part of our national community will allow for children to go homeless and to go hungry.

So this amendment requires the States to establish a child voucher program to provide services to minor children who reside in families that meet the State's income and resource criteria for the temporary assistance to needy family block grant, which is the name of the block grant in the underlying bill, but who are not receiving assistance. The amount of the voucher will be based on a pretime limit, per capita rate, and would be a total amount for each child.

The State would be called on, therefore, even if the parent did not qualify for failure to live up to the rules or for cutbacks or whatever reason, to assure that the children would be entitled to essential services through a voucher system.

The voucher would be paid to a third party that would provide the service. So a child living in a family which no longer qualified for assistance would still be assured of essential services. This amendment would assure that children, are not punished for their parents' behavior.

Let us talk a little bit about welfare for a moment. I think it is important to go back to the big picture issue—welfare as a response to poverty.

Right now, in this country, Mr. President, 22 percent of the children live in poverty. This is higher than in any other industrialized nation. One in every 5 children in America lives in poverty. That means that 15 million children live in poverty—40 million Americans total overall, but 15 million children live in poverty. That, Mr. President, is greater—frankly, it is 40 percent more than it was even in 1970.

To talk about what we mean in terms of poverty, for families of three, the poverty rate is $12,320 a year. A family of four is considered to be poor if they have an income of $14,800 a year. Mr. President, 53 percent of female-headed households in this Nation are poor, and 23 percent of American families overall are headed by women. So this becomes a problem of particular urgency for poor children, and particularly for poor women.

Our child poverty rate here in the United States is two times that of Australia and Canada. Our child poverty rate is four times that of France, Sweden, Germany, and the Netherlands.

And so we can see that child poverty is a particular problem here in the United States. It is a problem that has been addressed somewhat by the existence of what is known as welfare, the AFDC program. Again, AFDC is simply a response to poverty.

I have a chart, Mr. President, of child poverty rates among the industrialized countries. This is the most recent data available. As you can see, here is Finland, Sweden, Denmark, Switzerland. It goes from 2.5 percent up to the United States, which is 21.5 percent. We have a higher rate than Australia, Israel, the United Kingdom, Italy, Germany, France, The Netherlands, Austria, Norway, Belgium, Switzerland, Denmark, Sweden, and Finland.

Child poverty is a particular problem here in the United States. The gap between rich and poor children is greater in our country than in any other industrialized country. Affluent households with children in the United States—the top 10 percent in terms of wealth—are amongst the wealthiest children in the 18 industrialized countries that have been surveyed. Of the poorest, the bottom 10 percent of children in the United States in terms of wealth, we are the third poorest among the 18 industrialized countries surveyed.

So the disparity in the children of the wealthiest in the world and the children among the poorest is greater in this country than in any other industrialized nation.

I have another chart here. This depicts poor households with children. Here is the United States with $10,923. Affluent households average almost $65,536 annually. The length of the bars represent the gap between rich and poor children. As we can see, here in the United States, this gap is greater than anywhere else in the industrialized world.

So, as we approach the issue of welfare reform, we are approaching an issue of dealing with our response to a problem that is unique in the industrialized world and a problem that has been getting worse, not better.

The issue of welfare inflames passions in the United States. Without getting into the passions, I want to talk a little bit about the facts in terms of the AFDC program or what is known as the welfare program. As the Chair is no doubt aware, AFDC has been a response to poverty that has been with us for a while. The system has come under great challenge, and that is really why we are here right now, to debate the direction that we are going to take in terms of reforming this program. What we generally refer to as welfare is Aid to Families with Dependent Children, which was established under the Social Security Act of 1935. States obviously play a major role in operating this program. States define eligibility, the benefit levels, and actually administer the program. So, again, while we will talk further and in greater detail about the level of State involvement, the fact is that the States already make a huge determination about who will participate in the AFDC program.

Mr. President, presently there are some 14 million people receiving AFDC in the country. That is a lot of people. The fact of the matter is that that is about 5.3 percent of our total population. But I think a more stunning and compelling fact is not just that 14 million Americans receive some sort of assistance under the Aid to Families with Dependent Children, but that 9 million of those 14 million people are children; 9 million of those people are children. So we hear the discussion about folks not pulling the wagon and in the wagon having to be pulled and about whose fault all of these problems are and the like. I think it is important that we remain mindful of the fact that fully two-thirds—9 million out of 14 million—who will be the subject of what we do here, are children. Only 5 million of those people receiving AFDC are adults.

Of those 5 million adults, Mr. President, states reported that some 3.6 percent of their caseloads were disabled or incapacitated. That encompasses the people who are not able to work. So, really, of the folks we are talking about in terms of welfare reform, some 4.1 million out of the 14 million are able bodied and able to work. Certainly, we start this debate with the notion that anybody who can work should work, and anybody who can take care of themselves should be able to do so. The question becomes, however, what about the children? What do we do about the children?

I daresay, Mr. President, that right now the way this legislation before us is constructed, the children will lose out. There is no guarantee or commitment by our national community that the children will be protected by the decisions that get made at the State level. On the one hand, I think we can all agree that State flexibility is something that is a positive change, and States ought to be able to make decisions about how they handle their local population.

At the same time, legislation that does not provide a safety net for the children essentially penalizes those children and makes any child living here in the United States really at the mercy of their location or geography. So a child who lives in New York may well find himself in the presence of a benevolent State legislature and Governor and find himself cared for and not having to sleep in the streets, as in the original picture I showed you. A child in New York may benefit, and in another State a child may not. So the children, once again, become victims to fortune and victims to the accident of geography and the accident of their birth and of their address. It seems to me, Mr. President, that that is not a result that we as a national community should allow to happen.

By the way, Mr. President, I ask unanimous consent that a copy of the article "Friendless Foundlings and Homeless Orphans" be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Chicago History magazine, Spring, 1995]

FRIENDLESS FOUNDLINGS AND HOMELESS HALF-ORPHANS

(By Joan Gittens)

Editor's note: The debate over the care of dependent children is not new. In the following excerpt, Joan Gittens explores nineteenth-century attitudes towards child care in Illinois and Chicago.

There is perhaps no greater catastrophe for children than when their families, for whatever reason, no longer functions for them. Not only must they contend with emotional upheaval; they are left without caretakers and must look to the broader society for sustenance and protection. If they are fortunate, relatives or friends will step in and fill the gap—if not emotionally, at least on a practical level. The children unlucky enough to have no surrogate parents must look to the society at large to take an interest in their well-being. That this is at best a tenuous situation for a child is demonstrated by the prevalence of the pathetic and mistreated orphan in folk and popular culture.

Yet folklore could scarcely exaggerate life's hazards for children dependent on public bounty in Illinois. Despite the citizenry's occasional intense regard—usually when a particularly brutal story hit the newspapers—dependent children have been generally isolated, remote from public consciousness, and without natural allies. "Their very innocence and inoffensiveness leads to their disregard," wrote one observer bitterly. "They make no loud outcry and menace no one. Since there are so few voices raised in their behalf, it is not surprising that the persons charged with their care should be ignorant of any problems they present, and blind to their real interests."

Besides being easy to ignore, dependent children have historically been costly to the state, requiring years of expense before they could become self-sufficient. How much the issue of their poverty has shaped their prospects the State Board of Charities noted late in the nineteenth century, citing the telling fact that as early as 1795 the territory of Illinois had created an orphans' court to deal with the estates of children who had lost their parents. The children most desperately in need, children without means or property, had no court to watch over their interests. They had instead the overseer of the poor, who could apprentice children from destitute families even over their parents' objections.

Another territorial law underscored the inferior protection accorded to dependent children. The law provided that apprentices and masters could take grievances to a justice of the peace to rule on, thus enforcing on the one hand the master's right to obedience and hard work and on the other the apprentice's right to decent treatment and competent education. The law specifically excluded from protection children apprenticed by the local poor law officials.

The conscious separation of "the state's children" from those with parents continued in the Poor Law of 1819, the social welfare law passed the year after Illinois attained statehood. But revisions of apprenticeship and poor laws in the next fifteen years reflected a growing sense that the state owed a more even-handed treatment to the vulnerable children who looked to them for support. The Apprenticeship Law of 1926 and the Poor Law of 1833 made it the concern of the state that dependent children's apprenticeships be monitored to some extent by the probate judge, who was charged to keep the bonds of indenture in his office and to investigate indentured children's situations from time to time. The laws also articulated some of the expectations that the children might have: the right to decent treatment, adequate education, a new Bible, and two suits of clothes (suitable to their station in life) at the end of the apprenticeship. Masters still had great discretion to decide what was fit and proper treatment, but there was at least some sense that children dependent on the state had a right to proper care.

The Apprenticeship Law of 1826, in addition to voicing some concerns about the protection of dependent children, gave a further indication of an increasing sense of state responsibility by expanding the definition of children requiring state attention. This law gave wide latitude to the overseer of the poor in indenturing children whom he deemed to be inadequately cared for, like the children of beggars, habitual drunkards, and widows of "bad character." This was the first recognition that the state might need to intercede even in families who had not turned to the overseers of the poor for help. And it was the first articulation that the state had an interest in doing more than warding off imminent starvation, that it also had an interest in the proper rearing of children and an obligation on some level to step in if such proper rearing was not going forward.

This concern about proper child rearing was a nineteenth-century phenomenon all across Western culture, but in the United States it was especially tied to the republican experiment that must have been very much on citizens' minds in 1826, that fiftieth-anniversary year of the Declaration of Independence. The adequate raising of children was a humanitarian concern, but it was also a practical matter for the survival of the noble but risky political enterprise that was the focus of so much anxiety and so much international attention. In the 1840s, the Illinois Supreme Court gave this rationale for the state's presumption to interfere in family life:

> The power of chancery to interfere with and control, not only the estates but the persons and custody of all minors within the limits of its jurisdiction, is of very ancient origin, and can not now be questioned. This is a power which must necessarily exist somewhere in every well regulated society, and more especially in a republican government, where each man should be reared and educated under such influences that he may be qualified to exercise the rights of a freeman and take part in the government of the country. It is a duty, then, which the country owes as well to itself, as to the infant, to see that he is not abused, defrauded or neglected, and the infant has a right to this protection.

To some extent the laws dealing with the adult poor reflected increased humanitarian concern as well—Illinois outlawed the practice of auctioning off the destitute to the lowest bidder in 1827, for example—but it is striking that in its increased concern about neglected children, the state paid little or no heed to the rights of poor parents. Earlier poor laws had given the overseer of the poor the right to indenture children without parental consent if the family had become a charge upon the state, even if their poverty was only a temporary catastrophe. The 1826 law expanded the overseer's discretionary powers to decide on the fitness of parents, and while on the one hand that showed an increased concern for the well-being of children, it also reflected a callousness toward the civil rights of poor parents that had always pervaded American poor laws.

This cavalier approach toward destitute families remained characteristic of those engaged in child welfare right through the nineteenth century, a striking anomaly in a society where the sanctity of family ties was a paramount value. It was not until the end of the nineteenth century that some child welfare theorists would begin to argue for the rights of poor parents and to insist that the best care society could offer for children was to support them in their homes rather than removing them.

URBANIZATION AND THE GROWTH OF THE CHILD WELFARE PROBLEM

The growing awareness of children in need was a key characteristic of nineteenth-century social welfare endeavors. In Illinois, as in other areas of the country, this concern had its roots in a mix of philosophical, social, and practical considerations. The years before the Civil War saw an outpouring of reform efforts on all levels, and because of their vulnerability and dependence on adults, children were prime subjects of this heightened humanitarian sense. They appealed further because during the course of the nineteenth century the concept of childhood as a special stage of development grew apace, drawing the attention of everyone from popular novelists to learned theologians.

Nineteenth-century culture celebrated childhood's intuitive goodness and innocence, in contrast to the gloomy assessment of earlier centuries, which had seen children at best as profoundly ignorant and at worst as little bundles of depravity. Another reason for the attention to children's needs was the abiding concern that they be trained to be independent, responsible citizens, not merely for their own sake but for the health of the republic. Finally, attention turned to dependent children because their numbers swelled so markedly with the rapid growth of urban centers during the nineteenth century.

Chicago, a frontier outpost at its incorporation in 1833, grew in the next sixty-seven years to be the second largest city in the United States, an industrial center that attracted immigrants from all over the world. According to the national census, the population of Chicago was 4,470 people in 1840; 298,977 in 1870; and 1,698,575 in 1900. The rapid growth of the city brought great wealth to some, but it brought in its wake much suffering as well. Immigrants who came to the city seeking a better life sometimes found Chicago to be a place of opportunity, but many found themselves enmeshed in a web of poverty, depression, and squalor, and the devastating effects of urban life were particularly visible in children. In 1851 the city charter noted a group that greatly concerned officials: "children who are destitute of proper parental care, wandering about the streets, committing mischief, and growing up in mendicancy, ignorance, idleness, and vice." These children, popularly called "street arabs," were viewed as potential trouble makers and therefore received official attention early.

In addition to these children there were others affected by the disruption of city life. The legislature had made minimal legal provisions for illegitimate children, for example, in the early years of statehood; the presumption was that the mother would keep her baby and the town would support her and her child at subsistence level (and with the most grudging of attitudes) if the father could not be held to account and she could not manage for herself. But in the vast, anonymous city, a desperate mother could simply abandon her baby on the streets without busy neighbors discovering the desertion, as they would inevitably have done in a small town or rural setting. The increase of this phenomenon of deserted children, little "foundlings" as they were called, was a gruesome measure of the hazards that the city could hold in store for young women and their unwanted children.

Orphans as a group grew in number as well. All the dangers of disease were compounded by crowded city life, by filthy tenements and equally filthy and dangerous work places. Children could lose one or both parents to a host of diseases such as cholera, small pox, and tuberculosis. The United States suffered through three cholera epidemics, in 1832 and again in the 1840s and 1850s, and the fact that the disease was waterborne insured that the poor, crowded into tenements and using the foulest of water, were among the hardest hit by the recurring plagues.

"Half-orphans" (the standard term for children who had lost one parent) also claimed the reluctant attention of the state. If the mother died, the children might come to the attention of the larger society because they stood in need of care and nurturing. It was possible that they would turn into some of the little "street arabs" about whom Chicago city officials expressed such concern. But a father's death, on a practical level, was even more catastrophic. Most poor families patched together their meager income from money brought in by fathers, mothers, and children; working men, although they were paid very little, were routinely paid more than women and children, and they made the largest contribution to the family income. Widowed mothers, ill-equipped to provide for their families, might find themselves turning to the city or county for help to support their children. Children were also left "half-orphaned" in fact, although not in law, by their father's desertion of the family. Sometimes this desertion was absolute; but Hull-House resident Julia Lathrop wryly noted "the masculine expedient of temporary disappearance in the face of non-employment or domestic complexity, or both," contending that "the intermittent husband is a constant factor in the economic problem of many a household."

Natural catastrophes like the Great Fire of 1871 were another cause of dependency in children, and family problems and the stresses of urban life were compounded as well by the labor unrest that characterized the last twenty-five years of the century. In addition, the country experienced a financial panic approximately every twenty years: in 1819, 1837, 1857, 1873 and 1893. In Chicago, the Panic of 1893 was delayed for a time by the Columbian Exposition, but with the close of the exhibition, jobs disappeared and all the severity of that worst of nineteenth-century depressions was visited on the city. The year 1894 was in many ways a terrible time for the poor of Chicago. Compounding the depression was the violence and bitterness of the Pullman Strike, and the ultimate defeat of organized labor in the prolonged struggle. A small-pox epidemic struck the city; and the winter was one of the worst on record. The dependency rate soared. Families who had never been able to save enough to have a cushion against disaster were utterly destroyed by such compounded misfortune and had to turn to the city and country for help.

THE STATE RESPONSE TO DEPENDENT CHILDREN

Although the vicissitudes of urban life and economic instability throughout the century greatly expanded both the number and types of children in need of help, public officials resisted innovation in dealing with the needs of dependent children, lumping them with the rest of the dependent population rather than addressing their particular needs as did the private organizations that began to flourish in Chicago in the 1850s. In downstate Illinois, dependent children were still primarily indentured through the middle years of the century. An 1854 revision of the apprenticeship law manifested some special attention to children's needs, strengthening their right to basic education and protection by Poor Law officials who were to monitor their treatment and to "defend them from all cruelty, neglect, and breach of contract on the part of their master." An 1874 law further defined the child's rights to proper care, specifically forbidding "underserved or immoderate correction, unwholesome food, insufficient allowance of food, raiment or lodging, want of sufficient care or physic in sickness, want of instruction in their trade." Such bad behavior on the part of the master gave the state sufficient cause to end indentures. These revisions of the original apprenticeship law reflected the state's ambivalence about parental rights. The 1854 revision deleted the clause authorizing the removal of children from parents whom the overseer of the poor deemed unfit. But the 1874 law restored intervention to some degree, allowing the overseers of the poor to apprentice without parental consent any child "who habitually begs for alms."

Although the basic concept of apprenticeship for dependent children was shortly to reappear in social welfare parlance as the innovative notion of "free foster homes," the whole system of formal, legal apprenticeship as a means of caring for dependent children was beginning to die out in nineteenth-century America. In northern Illinois counties, particularly Cook County, poor law officials instead placed children in the poorhouse, and this trend became state-wide by the end of the century. Most often children were in the poorhouse with their mothers, but a few orphans and illegitimate children ended up there as well.

The presence of children in the almshouse was an enduring affront to reformers. In 1853 a Cook County grand jury found the almshouse to be grossly inadequate, noting with disapproval that "the section devoted to women and children is so crowded as to be very offensive." The physical conditions of this particular poorhouse did improve somewhat over time, but those who concerned themselves with child welfare universally accepted the maxim that the poorhouse was no fit place for children. Forty years and much reform agitation later, the situation was not significantly better. Julia Lathrop, who toured the Cook County poorhouse many times as a member of the State Board of Charities, wrote this description of the children there in 1894:

> There are usually from fifty to seventy-five children, of whom a large proportion are young children with their mothers, a very few of whom are for adoption. The remainder, perhaps a third, are the residuum of all the orphan asylums and hospitals, children whom no one cares to adopt because they are unattractive or scarred or sickly. These children are sent to the public schools across the street from the poor-farm. Of course they wear hideous clothes, and of course the outside children sometimes jeer at them.

These children, as part of the poorhouse population, were among the most stigmatized and outcast members of nineteenth-century society. Nobody went to the poorhouse if they could help it. These institutions were deliberately set up to be as unattractive as possible, a meager social mechanism intended merely to sustain life in the dependent population. The poor, who could pay with no other currency, were expected to pay with their dignity for their board and room. Lathrop spoke of "the absolute lack of privacy, the monotony and dul[l]ness, the discipline, the enforced cleanliness." Nor was enforced cleanliness always the problem. The poorhouse superintendent in Coles County reported in 1880, apparently without embarrassment, that he could not remember one bath having been taken in his sixteen years in charge. The institution's surroundings reflected his laissez faire approach to hygiene.

It was still possible for poor families to receive some measure of "outdoor relief" in most counties of the state in the mid to late nineteenth century, but such support was very limited. Nineteenth-century economic theory, reinforcing the already parsimonious attitude of Americans, posited that handouts merely increased dependency and led to the "pauperizing" of families, destroying their initiative and drive to do better. Poorhouses were set up to replace most outdoor relief, created with the notion that they must not be too attractive or they would be crowded with shiftless types simply trying to live on the bounty of the town. In reality, authorities need not have feared such a thing. Anyone who could possibly manage it stayed out of the poorhouse. Those who entered were the unfortunate souls who had no one to protect them or find them a tolerable situation in the outside world. Children shared the poorhouse with the chronically sick, the elderly poor, the insane, and the mentally and physically disabled, as well as the "paupers" who simply could not make an economic go of it on the outside. In Cook County, and elsewhere on a less grand scale, the essential misery of the poorhouse was compounded by corruption. The staff jobs were filled by patronage, and those in charge of the various wards were thus unlikely to be much exercised about the humane care of inmates.

One of the most critical voices raised against the abuses of the poorhouse and the presence of children there was that of the Board of State Commissioners of Public Charities, established by the legislature in 1869 to monitor and coordinate the various social welfare efforts throughout the state. The board's power was originally very restricted. "The duties required of the commission are quite onerous," the First Biennial Report stated ruefully. "The powers granted are very limited. The board has unlimited power of inspection, suggestion and recommendation, but no administrative power whatsoever." Still, the State Board could and did register vigorous disapproval, and it made enough impact so that a bill to dissolve the new monitoring agency was introduced into the legislature almost immediately. The bill failed, but hostile legislators were able to limit inspection dramatically at one point by cutting off all travel funds for the commissioners.

Despite such constraints, the State Board fulfilled an important function as the first official agency in the state to collect and tabulate information about the actual living conditions of dependent members of society, including children. For example, the board reported that in 1880 Illinois almshouses housed 386 children; forty were assessed as feebleminded, twenty-four diseased, fourteen defective, and eighty-three had been born in the almshouse. Of that eighty-three, seventy-nine were illegitimate, a fact pointed to by almshouse critics to illustrate their concern about the inadequate separation of the sexes in the institutions. Some poorhouses had schools or arranged that children should attend the public schools in the vicinity; but in many county almshouses, the children did not go to school at all. Still, there was no doubt in anyone's mind that these children were getting an education, a thorough grounding in the seamier side of life.

In 1879 there was a movement in Cook County to get children out of the almshouse and into private child care institutions. This effort revealed the prevailing attitudes of reformers toward the parents of children who were dependent because of poverty. Much negotiation was necessary to settle which orphanages were to take the children, since religious groups insisted that the children's religious affiliations be respected. Yet in all the negotiations, no one considered that the poorhouse mothers might have an opinion about the removal of their children. The private institutions involved required the termination of parental rights before they would take the children. When the mothers in the Cook County poorhouse learned that their children's well-being was to be bought at the expense of their parenthood, they protested vigorously but without success. Some reformers, in fact, expressed the view that the mothers' unwillingness to give up their children demonstrated their lack of affection for their families. But in the end, the mothers succeeded in making an eloquent statement about these high-handed methods. When the officials from the child care institutions arrived to pick up the children, they found that most of them were gone. To prevent their removal to the orphanages, the mothers had managed to find places outside the poorhouse for all but seventeen out of seventy-five children. The Cook County poorhouse had a rule that no parents who refused to give consent to the adoption of their children could enter the poorhouse, but in 1880, the county agent objected to the rule as inhumane and cruel. He refused to enforce the policy, and his stance meant that children began to enter the Cook County poorhouse again, with and without parents, less than a year after the "rescue operation" of 1879.

The concern that children were growing up in such a wretched setting did not disappear, despite the limited success of the Cook County effort, but it took another forty years for the Illinois legislature to close almshouses to children. In 1895 a law provided that orphan children could be removed from the poorhouse and placed in private homes, but only when a private charity or individual would assume the expenses connected with such placement. By 1900 a dozen states, beginning with Michigan in 1869, had ended the practice of putting children in the poorhouse, but Illinois proved more resistant to thoroughgoing reform. Finally, in 1919 the legislature passed a law limiting the time in the poorhouse to thirty days for girls under eighteen and boys under seventeen, after which other arrangements would have to be made for them. This effectively ended the use of the poorhouse as a child welfare institution. By that time the number of children in Illinois poorhouses had shrunk considerably: to 171 children in 1918 compared to 470 at the peak, 1886.

CHILD CARE INSTITUTIONS UNDER PUBLIC AUSPICES

Although the county poorhouses provided most of the public care of destitute children in nineteenth-century Illinois, no one made much of an argument to counter the accusations leveled against them of pinch-penny meanness and spiritual demoralization. In reality, they existed as the most frankly minimal of offerings for children in need, with a policy set far more by a consciousness of county expenditures than of children's welfare. Noted social welfare thinker Homer Folks remarked in 1900 that "the states of Illinois and Missouri, notwithstanding their large cities have been singularly backward in making public provisions for destitute and neglected children." In fact, Illinois had only two child welfare institutions under public auspices during the nineteenth century, both far more specialized than the catch-all poorhouses provided by most counties. These institutions were the Soldiers' Orphans' Home and, until 1870, the Chicago Reform School.

The Illinois Soldiers' Orphans' Home founded in 1865 in Normal, Illinois, was a state-funded institution for the care of children whose fathers had been killed or disabled in the Civil War. An institution with a limited purpose, the Soldiers' Orphans' Home was meant to close once its original population had been cared for. But in the 1870s the eligibility for care was broadened to include children of all Civil War veterans, an act that established the institution on a more permanent basis. Frequently the children were half-orphans whose mothers simply could not feed them any more. In 1872, for example, 532 out of 642 children had living mothers. In 1879, the superintendent gave this description of the newly arrived children for that year: "The class now entering are, for the most part, young and in particularly destitute circumstances—those whom their mothers have struggled long and hard to keep, but who now find themselves, at the commencement of winter, without the means for support, and know they must either send them away to be cared for elsewhere, or permit them to remain at home to suffer. The state must now take these burdens of care and responsibility where the weary mothers lay them down."

The separation of children from mothers unable to provide for them financially was a tragic constant in nineteenth-century children's institutions. At least at the Soldiers' Orphans' Home there was some connection maintained between children and their families; mothers were not required to terminate their parental rights when they placed their children there, and it was not uncommon for the children in the institution to spend time, sometimes whole summers, with their mothers. The population of the home fluctuated with the season and with the economic climate of the times.

This enlightened aspect of the place, however, was not typical of the administration. The Soldiers' Orphans' Home was often plagued by scandals and investigations, and the treatment of the children was very harsh. The fact that it was a publicly funded institution meant that it was scrutinized fairly intensively by the State Board of Charities, and the board found little to praise in the orphanage. The quality of administrators varied widely, since they were appointed by the governor. The first superintendent, Mrs. Ohr, was a Civil War colonel's widow with small children but no business capacity and a rapacious appetite for elegance, furnished at the expense of the state. In 1869, early in her tenure, both the Springfield Register and the Chicago Times voiced accusations about serious mistreatment of the children. Although Mrs. Ohr and her staff were exonerated, one steward was dismissed on the grounds that he had made sexual advances to a number of little girls in the institution. Mrs. Ohr weathered this upset, kept on because she was "a mother to these orphans," in the words of the investigating committee. But eventually she went too far; a combination of totally ignoring the trustees' instructions, keeping the children from school in order to perform chores around the institutions, and thoroughly profligate spending finally ended her career at the Soldiers' Ophans' Home some twenty years after she had launched it.

The two superintendents who followed Mrs. Ohr were more business-like in their approach, but they had no training in the care of children, orphans or not; they were strictly political appointments. The most difficult regime for the children up to the turn of the century was that of a Republican politician named J. L. Magner, who was nicknamed "the cattle driver" by some of the Bloomington/Normal locals because of his harsh treatment of the children. There was consistent criticism that the children were made to work too hard, at tasks that were sometimes beyond them, and they were often kept home from school to work. One particularly distressing instance of work beyond the children's capacity was the scalding death of a three-year-old child, burned while being bathed by some of the older children of the institution.

Nor were the superintendents and their policies the only difficulty. The building, planned by a board of trustees with a poetical turn, was gracefully adorned with turrets and "crowned with a tasteful observatory." But Frederick Wines, secretary of the State Board of Charities, assessed the building as a thoroughgoing failure on a practical level. There were no closets, no playgrounds, only two bathrooms for over three hundred children, no infirmary, and no private quarters for the superintendent's family. Perhaps worst of all, there was no deep wellspring to supply water. The well went dry after the first year, and water had to be brought in by railroad. The Soldiers' Orphans' Home, beset by scandals and mismanagement, conjured up the worst fears of Illinois citizens about public institutions run badly because of patronage appointments.

The Chicago Reform School, also a public institution, won approval from most critics for efficient management and humane treatment of its inmates. But the school's involvement with pre-delinquent boys ended with the noted O'Connell decision of 1870, and the institution closed shortly after this. With the exception of the inadequate provision of the poorhouse, the responsibility for dependent children in Chicago, from 1871 to the end of the century, was under private auspices.

THE GROWTH OF PRIVATE INSTITUTIONS IN THE 19TH CENTURY

The state's minimal response to dependent children was an obdurate problem in the nineteenth century. An equally disorganizing feature of child welfare in Illinois resulting from state reluctance was the proliferation of private agencies to care for children. These institutions mushroomed in the state (particularly in Chicago) in the last half of the nineteenth century, offering a wide variety of services to children, based in part on their religious and cultural identification and in part on the variety of needs that the complex crises of urban life created. These agencies, originally meant to fill the gap left by the inadequacy of state responses quickly because entrenched in the public life of the city. Their presence contributed to the fragmentation that would plague child welfare efforts in Illinois through the twentieth century, resulting in a lack of coordination that left many dependent children unserved. By the end of the nineteenth century, critics in Illinois and around the country began to see the dominance of private agencies as a negative and talk in terms of a stronger state organization; but in the mid-nineteenth century, the private child welfare institutions were autonomous, both organizationally and financially, not always by their own choosing.

The Chicago Orphan Asylum, founded in 1848 to respond to the crisis of the cholera epidemic of that year, was the first orphanage in Cook County. It was followed in 1849 by the Roman Catholic Orphan Asylum, which aimed to serve Catholic children and keep them out of the Protestant Chicago Orphan Asylum. This carving out of religious turf, begun so early in the history of child care institutions was to be a major factor in the development of orphanages in Chicago. In addition to a competition among religions for the care of children, a strong sense of ethnicity motivated founders of these institutions. Chicago had institutions representing all nationalities; there were German orphanages, Irish orphanages, Swedish, Polish, Lithuanian, and Jewish orphanages, as well as institutions founded by "native Americans" of English stock.

Besides motives of religion and ethnicity, institutions developed to respond to a variety of needs among children. Many of them took in the children of the poor but insisted that parents relinquish their rights to the children before they were accepted. A few, like the Chicago Nursery and Half-Orphan Asylum, were founded to offer support to working mothers who could not keep their children at home, yet wanted to preserve their families. The children lived at the institution, but mothers were expected to visit them regularly and contribute something toward their children's support. The Chicago Home for the Friendless originally took in homeless and battered women as well as children but soon revised its mission to focus only on children. The Chicago Foundling Hospital specialized in caring for the abandoned infants found with such appalling regularity on the streets and brought by the police to the institution for what care and comfort it could offer. The mortality rate in foundling hospitals was always shockingly high; the babies had frequently suffered from exposure, and feeding them adequately and safely, in the days before infant formula and pasteurized milk, posed a major problem. The desertion of infants was a disturbing and highly visible form of child mistreatment, provoking an 1887 law that made such abandonment a crime resulting in automatically terminated parental rights. But not all children left at the foundling hospital were abandoned on the streets. Dr. William Shipman, founder of the hospital, witnessed a poignant scene in which a mother and her little boy said a heartbroken farewell to their baby before placing it in the champagne basket used as a receptacle outside the foundling hospital. In typical nineteenth century fashion, Shipman sympathized with a mother pushed to such lengths, yet his assistance took the form of only taking the baby, not of investigating ways that the family might stay together.

One development among private institutions that especially reflected the growing awareness of children and their needs was the Illinois Humane Society, which began its child saving work in 1877. By the time the population of Cook County had begun its phenomenal growth, going from 43,383 people in 1850 to 607,524 in 1880. Both the stresses of city life and its anonymity provoked child abuse, according to Oscar Dudley, director of the Illinois Humane Society, who observed that "what is everybody's business is nobody's business"; and thus children could be terribly treated by parents and guardians even though there were laws in effect to protect them. The Humane Society originally began as the Society for the Prevention of Cruelty to Animals, but in 1877, Director Dudley transferred the society's attention to cruelty against children by arresting an abusive guardian. There was, he wrote, "no reason that a child should not be entitled to as much protection under the law as a dumb animal." The Illinois Society for the Prevention of Cruelty to Animals changed its name to the Illinois Humane Society in 1881, recognizing that over two-thirds of its investigations involved cruelty against children rather than animals. Dudley asserted that from 1881, when the Humane Society began to keep records, until the time that he was writing (1893), over ten thousand children had been rescued.

The rescue operations were broadened from cases of abuse to the protection of children exploited by their employers, particularly when children were forced to beg or were entertainers or victims of the infamous padrone system. Dudley reported great success in finding asylums and homes for these children, a situation receiving tacit approval from the state, which did not at this point assume responsibility for neglected or abused children or supervise private child placement activities.

STATE INVOLVEMENT IN THE LATE 19TH CENTURY

The only real state or city involvement with private institutions originally was that the mayor, acting as guardian for dependent children, had the power to place them in child care institutions. The city of Chicago (where most of the children's institutions flourished), the surrounding counties, and the state of Illinois all proved very reluctant to contribute financially to private institutions. The city did give very occasional assistance, in times of real crisis like the cholera epidemics or the Great Fire of 1871, but it was limited in quantity and very episodic. The most the city would do for the Chicago Nursery and Half-Orphan Asylum, for example, was to provide that the city could buy or lease the land upon which the asylum would be built. For the Englewood Infant Nursery, the assistance was even more meager: in 1893 the city provided ten tons of hard coal and burial space for dead babies. For the children who managed to survive, the funding had to come from other sources.

The state did make one major concession in funding when it agreed to provide subsidies for the industrial schools that developed in the last years of the century. The schools were modeled after English institutions made famous by the renowned English reformer Mary Carpenter, who in the 1870s and 1880s enjoyed considerable influence in the United States. The primary point of the schools, reflecting the use of the word "industrial," was to train children to earn their own living in later life, although in fact the training tended to be geared much more toward a traditional agricultural economy than toward anything having to do with industry. Boys learned farming, some shoe and broommaking, woodcarving and academic subjects. Girls were primarily given a common school education and taught domestic skills.

The willingness to fund the industrial schools was traceable to their mission: they were founded to deal with older, predelinquent street children who threatened the public order by begging, consorting with objectional characters, or living in houses of ill-fame. The law establishing industrial schools added that children in the poorhouse were proper subjects for the schools, which meant that in practice there was a mix of younger veterans of the street. The State Board of Charities, which inspected the schools, objected to this mix, but the industrial schools survived this criticism, as well as a series of court challenges ranging from civil liberties concerns to objections that the schools were sectarian institutions and therefore not appropriate recipients of state funds.

The development of the subsidy system, the state funding of private institutions on an amount-per-child basis, was a phenomenon noted by Homer Folks in The Care of the Destitute, Neglected and Dependent Children, his end-of-the-century assessment of child care trends in the United States. Neither Folks nor other observers of current philanthropic trends, groups like the national Conference of Charities and the Illinois State Board of Charities, really approved of such an arrangement. They urged Illinois to move in the direction of states like Kansas and Iowa, which had converted veterans' orphans' homes similar to the Illinois Soldiers' Orphans' Home to state institutions that served all dependent children, regardless of religion, ethnicity, or parental status. These states and others around the country were moving toward a point where the state assumed primary responsibility for dependent children, not by warehousing them in local poorhouses but by placing them in state-run, central institutions from which they were placed out into foster and adoptive homes. This system of central state control was known as the "Michigan Plan," after the first state to enact the policy. Illinois's neighbors Wisconsin and Minnesota, as well as Michigan, had state institutions for dependent children, winning the approval of child welfare theorists who applauded such centralization. It was, they argued, more efficient and economical, providing children with far better, more consistent care than Illinois's system, where a child might be placed with a superb private agency but might also be made to endure the grim inadequacies of the poorhouse.

"The real contest, if such it may be called," wrote Folks in 1900, "will be between the state and the contract or subsidy systems. To put it plainly, the question now being decided is this—is our public administration sufficiently honest and efficient to be entrusted with the management of a system for the care of destitute children, or must we turn that branch of public service over to private charitable corporations, leaving to public officials the functions of paying the bills; and of exercising such supervision over the workings of the plan as may be possible? "Illinois was seen as nonprogressive in its increasing use of the subsidy system, allowing private agencies to dominate the field while the state remained relatively uninvolved in the care and protection of dependent children.

This minimal level of state involvement offended against another philanthropic tenet, the idea that the state should have a monitoring function over all agencies, public and private, as well as keeping in touch with children who had been placed in families. The State Board of Charities did visit the industrial schools, which got public funds, but it was not until the Juvenile Court Act was passed in 1899 that the State Board was given responsibility for inspection of private as well as public agencies for children.

Another significant change from an earlier view, at least among the more "advanced" thinkers, was a rejection of institutions as the best substitute for a child's family. In the nineteenth century, institutions and asylums of all kinds had sprung up, not only in Illinois but all across the United States. Asylums were not intended to be a dumping ground for society's unfortunates, as the county poorhouses were, but were rather supposed to be a specialized environment in which the needs of a particular dependent population could be met most effectively. But it was not long before a set of critics arose who stressed the negative effects of institutions and urged that institutional life should be resorted to only under special circumstances or on a very temporary basis. For special cases, like the handicapped, perhaps institutions could provide resources and training that they would not receive elsewhere, these critics agreed; but for children whose greatest problem was that for one reason or another their families were not functioning, the negative effects of institutions far outweighed the positive aspects.

According to the anti-institutional analysis, the regimentation in institutions was destructive of initiative and individuality. The qualities that brought rewards in an institutional setting—mindless obedience, dependence, obsequiousness—were the very traits that all agreed were destructive to the forming of a healthy, independent adult citizen. Furthermore, institutions by their nature seemed to foster abuse and bad treatment. Exposes and investigations of various institutions featured accusations of physical cruelty and psychological debasement.

Institutions were expensive, physically and psychologically barren, and downright unnatural for children, according to Charles Loring Brace, a minister who worked for the Children's Aid Society of New York. Brace began a program that took the street children of New York City and sought to improve their lives not by placing them in the highly controlled environment of an institution but by resettling them in homes in midwestern and western states such as Illinois. He was convinced that the best solution for children in need of placement was to provide homes in the simplest and most direct way, relying as much as possible on the basic goodness that he believed informed the souls of most Americans, especially those who still lived away from the corrupting city in the virtue-producing agricultural heartland of the nation. The methods of the Children's Aid Society reflected the simplicity of Brace's moral equation. Brace and his associates would arrive in a western town with a trainload of children, and using the medium of the local churches, would call upon citizens to give these needy young people a home. The entire plan of "free foster homes" was really only an updated version of apprenticeship, in which the child agreed to work in exchange for care and training, except that this child-placing organization, aided by such technological developments as the railroads, reached much farther afield than the overseers of the poor had done in earlier times. Free foster homes differed further in that they were no legal bonds struck at all between the child and his foster family. Brace firmly believed that a child who brought a willing pair of hands to a family would be valued accordingly and could safely count on good treatment in his new home.

This notion proved, not surprisingly, to be overly sanguine, as the Children's Aid Society came to discover when the accusations began to grow in the later years of the century that New York was not really solving children's problems by the use of its "Children West" program but was merely dumping one of its troublesome populations onto other states. At various times the Children's Aid Society conducted surveys and studies of its "alumni," claiming a very high success rate for the program, but critics questioned the quality of these studies, and oppositions to Brace's program continued. The 1899 Illinois Juvenile Court Act forbade any agencies to bring children unaccompanied by their parents or guardians, without the approval of the State Board of Charities. This was partly a protection against the importing of child labor in Illinois, but it was a response as well to organizations like the Children's Aid Society. The law included the provision that any child who became a public charge within five years of arrival in Illinois should be removed to his or her home state.

The notion of placing children in families and the belief that normal family life was a far healthier situation than institutions was firmly entrenched in child welfare thinking by the end of the century. But the earlier, more naive, notion that foster families could be trusted to care for dependent children without supervision had been replaced in philanthropic thinking by a belief that it was important for an outside agency regularly to check on the child and act in his behalf. Coupled with this was the beginning of a move away from "free" foster homes to the belief that boarding homes, foster homes in which a family got payment for keeping the foster child, were most productive of humane treatment. Child welfare theorists and practitioners worried that if a family's greatest inducement to take a foster child was the child's potential economic contribution, there might be a strong incentive for them to over-burden him with work, at the expense of his academic education, which reformers were coming more and more to see as the true and proper occupation of childhood.

One final change in philanthropic theory that saw little reflection in practice but was to bring about a revolution in twentieth-century social welfare was the growing conviction that the best thing that could be done for children was to keep them with their families whenever possible. Students of society came increasingly to regard poverty as a result of faulty economic and social structure rather than of personal failings of feckless or lazy individuals, and they disapproved of the kind of casual invasion of poor families' lives that could demand the sacrifice of parental rights in return for assistance. This belief in the preservation of the family became a basic underpinning of the social welfare faith as it was articulated in the next fifty years, and the state of Illinois, with its experiment in mothers' pension programs, was to be in the forefront of progressive practice in this area.

In the last decade of the nineteenth century, through, the innovations that would make Illinois notable a few years later were nowhere in sight. Surrounded by vigorous neighbors, Illinois was considered conservative in its reluctance to deal with its child welfare functions and in its willingness to relinquish the charge to private agencies. In fact, the state's attitude toward dependent children had changed very little in the course of the nineteenth century. The first laws and provisions for dependent children had reflected a lack of ardor bordering on indifference, and at the end of the century, the state's engagement in child welfare, despite the crisis engendered by rapid growth and economic stress, was tepid at best. The combination of fiscal conservatism and ethnic and religious tensions meant that state action was regarded with suspicion in many quarters and kept efforts fragmented and inadequate to the need. There was also a fear that the patronage and corruption for which Illinois was already famous might make state administration of programs for dependent children less effective than privately run efforts. Ironically, it was in part this very disorganization and inaction that would lead to the founding of the Juvenile Court and bring Illinois, however briefly, within the pale of reformers' approval.

FOR FURTHER READING

The Historical Society Library has numerous pamphlets, annual reports, and other materials from institutions such as the Chicago Nursery and Half-Orphan Asylum, the Chicago Home for the Friendless, and the Chicago Foundlings' Hospital. For a broad historical perspective on the United States's care for needy children, see Joseph Hawes's The Children's Rights Movement: A History of Advocacy and Protection (Boston: Twayne Publishers, 1991) and James Leiby's A History of Social Welfare and Social Work in the United States (New York: Columbia University Press, 1978). To learn more about child welfare reform between the Progressive era and the New Deal, see Mina Carson's Settlement Folk: Social Thought and the American Settlement Movement, 1885–1930 (Chicago: The University of Chicago Press, 1990) and Robyn Muncy's Creating a Female Dominion in American Reform, 1890–1935 (New York: Oxford University Press, 1991). Marilyn Irvin Holt's The Orphan Trains: Placing Out in America (Lincoln: The University of Nebraska Press, 1992) discusses one nineteenth-century solution to the plight of urban orphans.

Ms. MOSELEY-BRAUN. So, Mr. President, in order to make certain that we do not have this accident of geography become the difference between children sleeping in the streets or children provided for and given sustenance—food and shelter—I have proposed this amendment, which says that the safety net will, in any event, be there for the children. And that child poverty, which is a national issue for us as Americans, will not then become balkanized in terms of the response that is given by the Government, that our national community recognizes that child poverty is a national issue, and child welfare, in the final analysis, has to have at least a national safety net. And that is what this first amendment provides.

Mr. President, with regard to this amendment I understand that these amendments will be taken up tomorrow. Let me say also that there are tables that I ask unanimous consent to have printed in the RECORD showing the number of children who will be denied or who are in jeopardy of being denied assistance by virtue of the operation of the underlying legislation.

There being no objection, the tables were ordered to be printed in the RECORD, as follows:

PRELIMINARY ESTIMATE OF THE NUMBER OF CHILDREN DENIED AFDC DUE TO THE 60 MONTH TIME LIMIT IN THE SENATE REPUBLICAN LEADERSHIP PLAN

State	Projected number of children on AFDC in 2005 under current law	Number of children denied AFDC because the family received AFDC for more than 60 months	Percentage of children denied AFDC because the family received AFDC for more than 60 months
Alabama	122,000	37,000	30
Alaska	30,000	8,000	27
Arizona	170,000	46,000	27
Arkansas	63,000	20,000	32
California	2,241,000	807,000	36
Colorado	101,000	28,000	28
Connecticut	136,000	41,000	30
Delaware	28,000	8,000	29
District of Columbia	56,000	21,000	38
Florida	605,000	156,000	26
Georgia	348,000	116,000	33
Hawaii	48,000	15,000	31
Idaho	17,000	4,000	24
Illinois	598,000	203,000	34
Indiana	177,000	56,000	32
Iowa	82,000	25,000	30
Kansas	73,000	22,000	30
Kentucky	187,000	59,000	32
Louisiana	235,000	81,000	34
Maine	55,000	19,000	35
Maryland	185,000	59,000	32
Massachusetts	256,000	82,000	32
Michigan	553,000	217,000	39
Minnesota	155,000	50,000	32
Mississippi	153,000	53,000	35
Missouri	218,000	73,000	33
Montana	28,000	7,000	25
Nebraska	39,000	12,000	31
Nevada	30,000	9,000	30
New Hampshire	24,000	7,000	29
New Jersey	302,000	100,000	33
New Mexico	72,000	19,000	26
New York	917,000	303,000	33
North Carolina	281,000	88,000	31
North Dakota	15,000	5,000	33
Ohio	597,000	171,000	29
Oklahoma	111,000	37,000	33
Oregon	97,000	30,000	31
Pennsylvania	517,000	194,000	38
Rhode Island	52,000	16,000	31
South Carolina	135,000	37,000	27
South Dakota	18,000	6,000	33
Tennessee	246,000	75,000	30
Texas	670,000	185,000	28
Utah	45,000	12,000	27
Vermont	22,000	7,000	32
Virginia	166,000	50,000	30
Washington	237,000	75,000	32
West Virginia	93,000	33,000	35
Wisconsin	205,000	61,000	30
Wyoming	14,000	4,000	29
Territories	173,000	47,000	27
Total	12,000,000	3,900,000	33

HHS/ASPE analysis. States may not sum to total due to rounding.

The analysis shows the impact at full implementation.

It assumes States utilize a 15 percent hardship exemption from the time limit as permitted under the bill.

Child poverty rates among industrialized countries

	Percent
Finland	2.5
Sweden	2.7
Denmark	3.3
Switzerland	3.3
Belgium	3.8
Luxembourg	4.1
Norway	4.6
Austria	4.8
Netherlands	6.2

	Percent
France	6.5
Germany (West)	6.8
Italy	9.6
United Kingdom	9.9
Israel	11.1
Ireland	12.0
Canada	13.5
Australia	14.0
United States	21.5

Ms. MOSELEY-BRAUN. Mr. President, in my State of Illinois, quite frankly, it suggests some 34 percent of the children may be denied AFDC or may be denied subsistence if the family violates the time limitation rule, which would translate, Mr. President, in some 203,000 children being at risk of homelessness, being at risk of hunger.

I do not believe, Mr. President, that we can take the kind of chances to allow our children to once again end up as homeless half-orphans and friendless foundlings. We have to assure our national commitment is to child welfare, and that the safety of our children is a paramount concern and one that will not be abrogated without regard to what we do with regard to this legislation overall. It is for that purpose that I file and submit this first amendment.

UNANIMOUS-CONSENT AGREEMENT

Mr. NICKLES. Mr. President, I make a unanimous consent agreement request. I ask unanimous consent that all amendments to H.R. 4 must be offered by 5 p.m. tomorrow; that if cloture is filed in relation to H.R. 4 or an amendment thereto that the vote not occur on that cloture motion prior to 6 p.m. on Wednesday, September 13; that no amendment be given more than 4 hours equally divided; and the two leaders have up to 10 relevant amendments that would not have to be offered by 5 p.m. tomorrow.

The PRESIDING OFFICER (Mr. BURNS). Without objection, it is so ordered.

Mr. NICKLES. Mr. President, I thank my friend and my colleagues on both sides of the aisle.

I announce that there will be no further rollcall votes until morning. There will be votes tomorrow morning, votes starting at 9:30. We may have as many as three or four amendments we will be voting on, for Senators' information, so we ask them to be prompt. Again, no more votes tonight.

We will stay here for some additional time if Senators have additional amendments they wish to have considered. We will be happy to consider those. We have taken up a lot and we are setting those aside and so I think we are making some good progress on the bill.

Again, no further rollcall votes tonight, and we will have rollcall votes stacked tomorrow morning beginning at 9:30. I thank my friend and colleague from Illinois for allowing me to interrupt.

Ms. MOSELEY-BRAUN. Mr. President, I want to submit all of my amendments at this time. I want to make certain that I have enough time to discuss and file my amendment this evening.

AMENDMENT NO. 2472 TO AMENDMENT NO. 2280

(Purpose: To prohibit a State from imposing a time limit for assistance if the State has failed to provide work activity-related services to an adult individual in a family receiving assistance under the State program)

Ms. MOSELEY-BRAUN. Mr. President, my second amendment speaks to the issue of State responsibility. I call it a State responsibility amendment. I send the amendment to the desk.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Illinois [Ms. MOSELEY-BRAUN] proposes an amendment numbered 2472 to amendment No. 2280.

Ms. MOSELEY-BRAUN. Mr. President, I ask unanimous consent reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 40, between lines 16 and 17, insert the following:

"(4) FAILURE OF STATE TO PROVIDE WORK-ACTIVITY RELATED SERVICES.—The limitation described in paragraph (1) shall not apply to a family receiving assistance under this part if the State fails to provide the work experience, assistance in finding employment, and other work preparation activities and support services described in section 402(a)(1)(A)(ii) to the adult individual described in paragraph (1).

Ms. MOSELEY-BRAUN. The second amendment I call the State Responsibility Act. Essentially it says that States shall not just knock somebody, a family, off for failing to meet the work requirement unless they have helped them to try and find a job.

It is kind of basic. I will read it:

> The limitation described . . . shall not apply to a family receiving assistance under this part if the State fails to provide the work experience, assistance in finding employment, and other work preparation activities.

Mr. President, the underlying legislation, has a cutoff for assistance and rules regarding work. For individuals who do not go to work, they will not receive any support.

That is fine, Mr. President. I think we can all agree again, anybody who can work should work and anybody who has children ought to be responsible in the first instance to take care of them.

However, Mr. President, it is also a reality that there are parts of this country in which frankly there are not the employment opportunities available that people can even take jobs.

The absence of jobs in some areas I think is a major problem and frankly defies some of the suggestions made here that the problem with people receiving public assistance is that they just do not want to work. The fact of the matter is that the problem in very many instances is that there are no jobs for people to work at. Even if they wanted to work there are no jobs.

In fact, in my own State, we have areas of my State in which unemployment ranges from 20 to 40 percent. The statistics indicate that 80 percent, frankly, of African-American males between the ages of 16- and 19-years-old in the city of Chicago are currently unemployed.

Mr. President, 55 percent of the 20- to 24-year-olds are out of work. It is not possible to move recipients into permanent private-sector jobs if there is no effort to provide or create those jobs and if the jobs are not there and if individuals have not been given some assistance in terms of transitioning.

Under the bill that we have before the Senate, the number of people participating in the work/job preparation activities is estimated to increase by over 161 percent by the year 2000. Again, that means that States like Illinois will receive some $444 million less in AFDC funds, but on the other hand be required to increase by 122 percent the number of people participating in work and job preparation activity.

Those numbers just do not fit. Eight into three will not go. The numbers do not add up therefore, I think it really is a real concern that States not be allowed to just kick people off without having done what the bill says they should do in providing people with transition to work.

The text of the legislation says that the State has to outline how they intend to "provide a parent or caretaker in such families with work experience, assistance in finding employment and other work preparation activities and support services that the State find appropriate."

Now, that is fine language. I have no problem with that. But the question becomes what if the State does not do this? What then happens to the families? What then happens to the children?

Again, this amendment simply, I think, seeks to clarify that in the event the State has not done that, has not provided work experience assistance in finding employment or the work for the work preparation activities, that the individual then will not be penalized for circumstances frankly that then are legitimately and, in a way that can be documented, beyond their control.

So that is the second amendment that I submit for consideration of my colleagues.

Mr. NICKLES. I appreciate the Senator offering her amendments tonight. Would the Senator please give us a copy of the amendments? I have a copy of your first amendment and comments or questions I might ask. If the Senator would like to go ahead, if we could have copies of both the second and third amendments, that would help.

Ms. MOSELEY-BRAUN. Absolutely. I thought I had provided the Senator with a copy, but I will give it to him right now.

This is the third amendment and this is the second.

AMENDMENT NO. 2473 TO AMENDMENT NO. 2280

(Purpose: To modify the job opportunities to certain low-income individuals program)

The PRESIDING OFFICER. If there is no objection, the previous amendment will be laid aside.

The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Illinois [Ms. MOSELEY-BRAUN] proposes an amendment numbered 2473 to amendment No. 2280.

Ms. MOSELEY-BRAUN. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 122, between lines 11 and 12, insert the following:

SEC. 111. MODIFICATIONS TO THE JOB OPPORTUNITIES FOR CERTAIN LOW-INCOME INDIVIDUALS PROGRAM.

Section 505 of the Family Support Act of 1988 (42 U.S.C. 1315 note) is amended—

(1) in the heading, by striking **"DEMONSTRATION";**

(2) by striking "demonstration" each place it appears;

(3) in subsection (a), by striking "in each of fiscal years" and all that follows through "10" and inserting "shall enter into agreements with";

(4) in subsection (b)(3), by striking "aid to families with dependent children under part A of title IV of the Social Security Act" and inserting "assistance under the State program funded part A of title IV of the Social Security Act in the State in which the individual resides";

(5) in subsection (c)—

(A) in paragraph (1)(C), by striking "aid to families with dependent children under part A of title IV of the Social Security Act" and inserting "assistance under the State program funded part A of title IV of the Social Security Act"; and

(B) in paragraph (2), by striking "aid to families with dependent children under title IV of such Act" and inserting "assistance under the State program funded part A of title IV of the Social Security Act";

(6) in subsection (d), by striking "job opportunities and basic skills training program (as provided for under title IV of the Social Security Act" and inserting "the State program funded under part A of title IV of the Social Security Act"; and

(7) by striking subsections (e) through (g) and inserting the following:

"(e) AUTHORIZATION OF APPROPRIATIONS.—For the purpose of conducting projects under this section, there is authorized to be appropriated an amount not to exceed $25,000,000 for any fiscal year.".

Redesignate the succeeding sections accordingly.

Ms. MOSELEY-BRAUN. Mr. President, I am actually delighted that the Senator from New York is on the floor at this moment, because this next amendment essentially makes permanent a part of the Family Support Act that establishes what is called the Job Opportunities for Low-income Individuals Program.

The JOLI Program—that is what it is called, JOLI, Job Opportunities for Low-income Individuals—is to create job opportunities for AFDC recipients and other low-income individuals. Grants can be made to private, nonprofit corporations to make investments in local business enterprises that will result in the creation of new jobs. This amendment authorizes appropriations for a program that is already in place as a demonstration program. This would make it permanent.

The rationale for the amendment is that the underlying bill does not provide any support at all for job creation. Even though S. 1120 requires some kind of work activity within 24 months, and eligibility for assistance ends after some 60 months, whether the individual has found a job or not. So, there is no question but that we will need to see a great creation of thousands of private-sector jobs in order to absorb the influx of new workers.

So the JOLI Program actually helps. It is working. It helps individuals to become self-sufficient through the development of microenterprises for economic development and other kinds of job training. The really good news about JOLI is that this is not reinventing the wheel. It is already in place. It was authorized under section 505 of the Family Support Act of 1988.

Under a recent evaluation of JOLI, the first 20 JOLI intermediaries—that is, community-based organizations that are the grantees—have assisted some 334 individuals to start or stabilize their own businesses, and it has assisted an additional 535 people to secure employment in jobs paying an average wage of about $8 an hour, which is really quite remarkable. Of the 869 low-income individuals benefiting from the demonstration program, most of them had become economically self-sufficient within a year of their involvement or interaction with the program.

So the JOLI Program addresses the scarcity of jobs in many urban as well as rural communities and recognizes the need to ensure that welfare recipients and other low-income people have access to employment opportunities in the private sector. It utilizes the capacity of community-based organizations and the private sector to develop jobs so individuals who right now are mired in poverty will have some options and have some hope, and will have the ability to take care of themselves and their families.

Again, we are talking about the 5 million people who are adults who are presently receiving public assistance and who will, therefore, hopefully, be given a hand up as opposed to a handout—will be given the ability to work, will be given the ability to care for themselves and their children. I think job creation is an integral part of any honest welfare reform that we undertake to have in this session of the Senate.

AMENDMENT NO. 2474 TO AMENDMENT NO. 2280

(Purpose: To prohibit a State from reserving grant funds for use in subsequent fiscal years if the State has reduced the amount of assistance provided to families under the State program in the preceding fiscal year)

Ms. MOSELEY-BRAUN. Mr. President, I have a last amendment I send to the desk.

The PRESIDING OFFICER. If there is no objection, the pending amendment will be set aside.

The clerk will report the amendment.

The assistant legislative clerk read as follows:

The Senator from Illinois [Ms. MOSELEY-BRAUN] proposes an amendment numbered 2474 to amendment No. 2280.

Ms. MOSELEY-BRAUN. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 25, strike lines 13 through 18, and insert the following:

"(3) AUTHORITY TO RESERVE CERTAIN AMOUNTS FOR ASSISTANCE.—

"(A) IN GENERAL.—A State may reserve amounts paid to the State under this part for any fiscal year for the purpose of providing, without fiscal year limitation, assistance under the State program operated under this part.

"(B) EXCEPTION.—In any fiscal year, a State may not exercise the authority described in subparagraph (A) if the State has reduced the amount of cash assistance provided per family member to families under the State program during the preceding fiscal year.

Ms. MOSELEY-BRAUN. Mr. President, this last amendment—again, this is one of these efforts to keep the worst from happening. Again, we all hope it does not happen, that the States are not less than responsible in their execution of the underlying bill. This amendment is designed to serve as a buttress against what has been characterized as the race to the bottom.

Essentially, if a State decides to cut its cash assistance benefits, to cut the amount that it spends to address the issue of poverty within that State, then that State will be prohibited from carrying forward unused block grant funds.

This is called—I call this the race-to-the-bottom amendment. The notion is, if we send the States this money in a block grant, there is nothing to prohibit that State from saying we do not want to have assistance for poor children. We are not going to address the issue of job creation. We are not going to train people to go back to work. We are not going to provide the children with any assistance. We are just going to further squeeze the amount of resources devoted to the whole issue of poverty in our State and we are going to take the money we get from the Federal Government and use that to go from year to year to year to year and not maintain our own effort.

If one State does it, then the next State would be incentivized, if you will, to do as much, which will then start—hopefully not, but might well start, if you will—a race to the bottom and a cycle of the States trying to underbid one another in terms of the amount of assistance that they provide for poor people who live in that State.

I think that would be a real tragedy. As a result, this amendment simply says that a State may not carry over funds from one year to the next if they have reduced the amount of benefits that are available for poor children and for poor families in that State.

Again, this stops the States from penalizing poor people in ways that would be inconsistent with the legislation. So it is, in that regard, simply a preventive, protective, prophylactic amendment, if you will.

The other reason for this legislation, just to be real candid in terms of the dollars, frankly, is that this legislation—because of the level of appropriations, it has been estimated that the States will, overall, have to cut. They will not have enough money, frankly, to do what is required of them in the legislation. CBO has already advised that most States will not have the money to provide for the kind of job training, the kinds of transition services—or certainly child care in this legislation. So, that being the case, there should not be any money left over. But in the event there is, I think we should put a buttress and a stop that says we are not going to allow States to engage in this race to the bottom, engage in this effort to see who can be the most punitive with regard to poor people in that State.

So that is the last amendment.

Mr. President, I want, in closing—and I have wanted to give my colleague a chance, so I kind of rushed through a little bit to try to speed up so he would have the opportunity to present his amendment—to talk about this issue in another context.

I had occasion, back in my State, to meet with and work with a task force—members came from all sectors—from the business sector, from the community activist sector, people who were advocates, actual welfare mothers served on the panel—to talk about the issues having to do with our response to poverty. I started my conversation this evening saying welfare is not and has never been anything other than a response to poverty; a response that engenders strong feelings, certainly, but that is what it is. We must not lose sight of the underlying issue as we approach the question of how well the response works.

The point is that I believe we have, when all is said and done—we can talk about differences in philosophy about block grants and whether or not there is too much Federal bureaucracy. Although, frankly, the numbers, by the way, do not support the notion that a whole lot of money that is presently dedicated to the AFDC Program goes into administration on the Federal level.

In fact, most of the administrative expenses take place at the State level. I think it is important that we make that point.

I think it is also important—and I am digressing here—to point out that because most of the administration takes place at the State and local level, it is likely that by operation of this new law, should it pass, the States will in fact be stuck with what has been called a huge unfunded mandate in that they will be called on to administer and to do things that they do not presently have the resources to do. And they are going to have to find the resources to do that from places other than the Federal Government. We will not be there to help out with State efforts to create jobs. We will not be there to help out with child care. We will not be there to help out with the administration of whatever the State response is. That is a fundamental problem I think with the underlying bill.

But the point that I really want to make is one that the Senator from New York I think has eloquently spoken to, and it does go to the fundamental issue of debate in all of this. That is the question of common ground. That is the issue of whether or not we have a commitment as a national community to address the issue of poverty, to address the issue of child welfare, or whether or not we are prepared to balkanize as a country into 50 different welfare systems, into 50 different responses to poverty, into 50 different approaches to child welfare, and whether or not the welfare and the well-being, the possibility of potential for hunger, the possibility of the potential for homelessness of a child in this country will depend on an accident of geography. It is bad enough that a child who is born into poverty suffers the accident of having been born poor. As a friend of mine once said, "It is your own fault for being born to poor parents." I could not disagree with that point.

But the fact of matter is, we have to make sure that the accident of being born to poor parents is not exacerbated by where that took place.

The question is whether or not, as Americans, we will have the foresight to recognize that through this as the very central issue of the nature of our Federal Government, the nature of Federalism and the nature of our Nation and the kind of country that we will have. Will we have a country in which everyone recognizes that the welfare of a child in Oklahoma, in Nevada, or Iowa is as important to the Senator from California and the Senator from Illinois and the Senator from New York as the welfare of a child in his or her own State, or will we have a situation in which by virtue of the balkanization provided by this underlying bill, the only children about whose welfare you or I can have a say about are the children in the State from which we are elected?

I do not think, Mr. President, that is a direction that the American people want to see us fall off to.

As we talk about the devolution in Government, the devolution that we ought to consider to welfare work better, making it work efficiently, giving people opportunity, giving people an opportunity to go to work, giving children the kind of care and the kind of safety net that they need to have so that they will have opportunities, so they possibly will not have to be born to poor children, and their children, whether or not they will have to be born to poor parents, that their children will have a chance to do better.

That is, it seems to me, consistent with the American dream and is consistent with the whole concept of what this Nation is about.

I therefore hope that a direction that this bill takes in the final analysis, when all is said and done, and the amendments are put on it, that we reaffirm and not reject and walk away from our national commitment to address the issue of poverty and to provide for the welfare of all of our children.

Thank you.

Mr. NICKLES. Mr. President, will the Senator yield for a question?

I compliment my colleague, one, for her interest in her State, her constituents, and also for the fact that she has I think four or five amendments, and she was waiting to offer those tonight and discuss those. I have not had a chance to review all of them. I have looked at a couple of them.

I know my colleague from Pennsylvania has an amendment he wishes to offer. We may have other amendments. So I will be very brief. I will review these amendments a little more in detail over the night and talk about them possibly tomorrow.

But the first amendment that the Senator has is a big one. It is an important one. Our colleague should be able to understand it. So I ask this question: I am reading under "eligibility." This is talking about the underlying bill. But also I might mention under the Daschle bill, there was a time limit for welfare payments from the Federal Government, 5 years. Under the amendment of the Senator from Illinois, it says after the 5 years should expire and a welfare recipient still has a dependent child, the State would be mandated to provide a voucher program to provide assistance to the minor child.

Is that correct?

Ms. MOSELEY-BRAUN. That is correct.

Mr. NICKLES. The Senator also mentions that she did not want to have unfunded mandates in one of the other amendments but this would be—correct me, if I am wrong, you do not fund this program. You just mandate that the States after 5 years would have to provide a voucher program to provide assistance even though we do not give them any money?

Ms. MOSELEY-BRAUN. We will not give them the money. In fact, if anything, the welfare of those children in those families, if anything, should have first dibs on the block grants that we at the Federal Government level are providing the money that goes to the States that is calculated to, and the whole idea is to provide for the welfare of minor dependent children.

So if that minor dependent child has a parent who does not comply with the work requirement or misses some other test that is set up, that child will still be provided for first.

So, if anything, I call this the child voucher, but really, if anything, it should be called the Child First Amendment.

Mr. NICKLES. I wanted to make sure, though, that we understood. Because this has a benefit, it would not have been provided under the Daschle substitute.

Ms. MOSELEY-BRAUN. Yes, it would have. This particular safety net for children was provided for in the Daschle substitute.

Mr. NICKLES. I will be happy to review it. I appreciate my colleague.

I just looked at the other amendment. She has one amendment that says you want to have a pilot program and you wanted to authorize $25 million for the job opportunities for certain low-income individuals. Is that correct?

Ms. MOSELEY-BRAUN. That is correct.

Mr. NICKLES. That is a program we have ongoing now.

Ms. MOSELEY-BRAUN. That is correct.

Mr. NICKLES. How much are we appropriating for that program at this point?

Ms. MOSELEY-BRAUN. We are right now at about 5.6. So $5.6 million.

Mr. NICKLES. Just for my colleagues' information, according to CRS, we have 154—I have heard now 155—various employment and training programs. This is one program that you would like to maybe take out of the block grants and increase its funding by fivefold. Is that correct?

Ms. MOSELEY-BRAUN. This is a demonstration. This is not just about training. There is a demonstration program that is already in existence for micro-enterprises development, for a variety of approaches to economic development and job creation for low-income individuals. This already exists. Yet the increase is $5.4 million in fiscal year 1995.

Yes, there is a fivefold increase in the funding for this job training and job creation program for low-income individuals. It is that increase.

But I would point out to my colleague that there is no question—again, in the eyes of what we are with doing here—that there is a suggestion that you cannot do welfare reform and put people to work on the cheap. You are going to have to make investment in those counties, in those States such as Wisconsin where there is a successful welfare reform experiment under way. There is no question that to transition people from welfare to work requires that we give them something to work at, give them skills, training, and micro-enterprise loans to start businesses or whatever. But there is some assistance required to leverage human capability to provide that they get back into the private sector and to get back to work.

There are two counties in Wisconsin in which there have been work to welfare, a work transition pilot program. There is no question but that the investment is made on the front end to give individuals the ability to transfer off of welfare and to transfer from dependency to independency.

The JOLI Program has done that. It has done it successfully. It was initiated as a part of the Family Support Act. It works. It is not like trying something brand new. It has worked.

It seems to me that in light of the fact that job creation is not addressed at all in the underlying legislation—and it is not. There is no ability for creating jobs in the bill without this amendment.

Mr. NICKLES. Will the Senator yield on that?

Ms. MOSELEY-BRAUN. Let me finish my point. In light of that fact that there is no effort to leverage private activities to create jobs, this amendment says let us take something that works and let us expand it so that since the States have to have, since individuals who live in these various States will have to comport and comply with work requirements, let us give the States some assistance in providing job creation and private sector entrepreneurial activity.

Mr. NICKLES addressed the Chair.

The PRESIDING OFFICER. The Senator from Oklahoma.

Mr. NICKLES. Mr. President, I will just make a brief statement, not necessarily continue the colloquy.

I appreciate the commitment of my friend and colleague from Illinois. Just a couple of comments pertaining to this amendment.

This second amendment we have been discussing is rather small. It says we would have a $25 million pilot program to continue a program we already have and quadruple its costs or multiply it by five.

That is directly contrary to what we are trying to do in this bill. As I mentioned before, according to CRS we have 154—I put this in the RECORD earlier today—Federal job training programs, some of which—and I know my colleague from New York is the author and sponsor of some—some of which have probably done some good. A whole lot of them probably have not. And so to think that we have 155 and my colleague from Illinois has picked out one——

Ms. MOSELEY-BRAUN. Will the Senator yield for just a comment?

This is not a job training program. This has nothing to do with job training. The JOLI Program is job creation. It gives poor people the opportunity to access money, equity capital in order to start their own businesses and start their own jobs. It is not job training.

That is why it was distinct from the job training debate. That is a whole other debate. If you take a look at what the Family Support Act language that created the JOLI program you will see that it is not a job training program. This amendment says let us give poor people the opportunity to create their own jobs.

Mr. NICKLES addressed the Chair.

Ms. MOSELEY-BRAUN. If I may just respond to my colleague, since we are in a colloquy, some of the initiatives under JOLI have come from other parts of the world. There has been a famous experiment that started actually in India, I say to the Senator from New York, in which poor people were given tiny loans called microloans to start their own businesses.

So it is not job training, and it is to be distinguished from the job training debate.

Mr. NICKLES addressed the Chair.

The PRESIDING OFFICER. The Senator from Oklahoma has the floor.

Mr. NICKLES. Mr. President, I again appreciate my colleague's initiative, her commitment to her cause. I will just state that this Senator is going to vote against it, and this will probably be one we will have a rollcall vote on tomorrow. It does increase the authorization of this program by fivefold. One may not call it a jobs program. I would have to look and see if it was included on the list according to CRS as a Federal employment and/or job training program. Maybe it is a lending program. I am not sure it belongs—if it is a lending program and financing program, maybe it should or should not be in this bill. I do not know that I want to multiply programs by that kind of multiplier at this point.

The overall scope of this bill says we are going to be saving—if we pass this bill, we are going to be saving $70 billion. Now, we are talking about big money. I will go back to the amendment that our colleague from Illinois raised before, but I wish to be really brief because I know our colleague from Pennsylvania has an amendment.

But the initial amendment is a very big amendment. And I will have to compare it—and I appreciate her statement that it was in the Daschle substitute, but as I understand it, it is a bill that would basically waive the 5-year requirement or time limit.

President Clinton said that he wanted to have a time limit, and we are talking about Federal payments—have a time limit on how long an individual or family can receive money from the Federal Government. If we are to end welfare as we know it, we are going to have to have some limitations. As I read the first amendment, as long as there is a dependent minor child, you would continue to have assistance.

Now, the assistance from the Federal Government would be terminated after 5 years, cash assistance. Under the Senator's amendment, the State would provide vouchers for supplemental assistance. That is an unfunded mandate. Maybe the States could take it from other savings in the program. I will try to study that a little more. But the essence of it is the family can be on welfare forever if they continue to have children. And that is not the thrust of what we are trying to do in the bill which is to have real incentive to get off welfare, to break the welfare dependency cycle and to make some improvements.

I do appreciate my colleague's introduction of the amendments and her statements and also her dedication to some of the things she is trying to do. But at least as far as this Senator is concerned, I do not think we will be, at least I will not be able to accept the first amendment as well. I will look at the other couple of amendments that our colleague introduced and will consider those. So again I would like to inform my colleagues tomorrow morning at 9:30 my guess is we will have several rollcall votes. And again I thank my colleague from Illinois for introducing her amendments.

Ms. MOSELEY-BRAUN. I wish to thank my colleague from Oklahoma, except I would just say one thing. I do not mind the Senator taking issue with the amendment one way or another, but I think it is real important not to misrepresent what the amendment is about. It is not about keeping families on welfare forever. It is a child-first amendment. It has to do with children. If the State decides to have a shorter time limit than the bill or the family is cut off because the parent will not go to work, then we have to I think maintain some kind of a safety net for that child.

I do not believe the President of the United States or any other Member of this body wants to set up a set of rules that would leave us with 6-year-old children sleeping in streets homeless and hungry. I do not believe anybody wants to do that. But we do not have any guarantee in the underlying legislation, and that is what this amendment seeks to fix.

I yield the floor.

Mr. SANTORUM addressed the Chair.

The PRESIDING OFFICER. The Senator from Pennsylvania.

Mr. SANTORUM. I thank the Chair. I rise to offer an amendment. Before I do that, I just want to make a couple of comments about what the Senator from Illinois stated and characterized the Republican leadership bill, which I am very hopeful will be adopted by the Senate. She says that the bill balkanizes welfare reform into 50 separate programs and that this is bad, that everyone should be treated the same.

I happen to believe that that is the problem with this system, that everybody is treated the same and not particularly well, and the balkanization into 50 separate programs is a bad idea. But balkanization into a million individual efforts to help poor people in our society is a good idea. And that is what this bill does.

Sure, it gives a lot of flexibility to the States, but there are many provisions in this bill which tell the States and direct the States and encourage the States to go farther; to go down to the local level and to the community level and make this a program that is a program that talks about communities and neighborhoods helping neighborhoods and friends helping friends. And that is the dynamism that is in this bill that has never been tried from a Federal perspective before.

So, yes, it is balkanization but not to 50 but to 50 times 50 times 50 and more. And that is the excitement about this bill. That is why we are so committed to seeing this happen.

The Senator from Illinois also said that there is nothing in this bill about job creation, and I have heard this over and over and over again. And I feel like a broken record getting up and responding to it. But I will say several things.

The Senator from Illinois said there is nothing about job creation. What she is referring to, I assume the Senator is referring to is that there is no Federal dollars to place people in employment. There is no specific pot of Federal dollars to say we will pay for employment slots and for supervision and for paying their stipend while they are working.

What I would say is that the Governors of the States, the Republican Governors of the States, I believe 29 out of 30 of the Governors have said that this bill is an acceptable bill to them; that they do not need a big pot of money if they can run their own program; that they can do it cheaper and better, put more people to work, get more people off the rolls if they have the flexibility to run their own program without all the tripwires and redtape that is involved in the Federal system.

That is Governors, as I said before, Republican Governors, who represent 80 percent of the welfare recipients in this country. Republican Governors are from States that represent 80 percent of welfare recipients and they say this is a good deal; they can live with this; they want this. And they can create the jobs to put the people to work as required by this legislation.

I would also say that we eliminate, in the Dole bill we eliminate the provision in current law, which was maintained in the Daschle bill, we eliminate the provision that says if you are a city or State or any other kind of municipality, you can no longer fill a vacancy with a welfare recipient. That is current law. You cannot fill a vacancy with a welfare recipient in a courthouse or school or any other municipality or government entity.

What we say is, if there is a vacancy there and you want to give someone on welfare a chance, you can fill that vacancy with someone. I used the example earlier today, when we talked about this, of folks on a road crew standing there with that sign: "Slow," "Stop." You cannot fill that vacancy, if it occurs, with a welfare recipient.

You can today under the Dole provision. That is creating jobs. You want to talk about creating job slots, that creates a lot of job slots in communities across this country that are illegal today. So we do expand the opportunities for people on welfare to get jobs under this piece of legislation.

Mr. President, one other comment. The Senator from Illinois said that children should not suffer because of being born accidentally into poverty. Unfortunately, in this country and every other country in the world, poverty exists. The difference between other countries and this country is that when you are born into poverty, you are not frozen into poverty by the Government which does not allow you to rise in society.

There are many cultures and civilizations in this world that doom you to the life in which you were born, but we do not have a caste system in this country. We do not have levels of classes in this country. The greatness of this country is that the grandson of a coal miner who lived in a company town outside of Johnstown, PA, can be a U.S. Senator, as I am.

That is the greatness of this country, that we still offer opportunity, and that is what is lacking in the current system. We disincentize people from getting off the welfare roll by providing, as Franklin Roosevelt said, the subtle narcotic to the masses of welfare. We are going to get rid of the subtle narcotic and turn that into Powerade, into a system to give them the energy and the opportunity to move forward and rise.

AMENDMENT NO. 2477 TO AMENDMENT NO. 2280

(Purpose: To eliminate certain welfare benefits with respect to fugitive felons and probation and parole violators, and to facilitate sharing of information with law enforcement officers, and for other purposes)

Mr. SANTORUM. Mr. President, I ask unanimous consent that the pending amendment be set aside, and I send an amendment to the desk.

The PRESIDING OFFICER. Without objection, it is so ordered. The pending amendment will be set aside. The clerk will report the amendment.

The legislative clerk read as follows:

The Senator from Pennsylvania [Mr. SANTORUM], for himself and Mr. NICKLES, proposes an amendment numbered 2477 to amendment No. 2280.

Mr. SANTORUM. Mr. President, I ask unanimous consent that the reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 42, line 2, insert ", Social Security number, and photograph (if applicable)" before "of any recipient".

On page 42, between lines 21 and 22, insert the following new subsection:

"(e) Denial of Assistance for Absent Child.—Each State to which a grant is made under section 403—

"(1) may not use any part of the grant to provide assistance to a family with respect to any minor child who has been, or is expected by the caretaker relative in the family to be, absent from the home for a period of 45 consecutive days or, at the option of the State, such period of not less than 30 and not more than 90 consecutive days as the State may provide for in the State plan;

"(2) at the option of the State, may establish such good cause exceptions to paragraph (1) as the State considers appropriate if such exceptions are provided for in the State plan; and

"(3) shall provide that a caretaker relative shall not be considered an eligible individual for purposes of this part if the caretaker relative fails to notify the State agency of an absence of a minor child from the home for the period specified in or provided for under paragraph (1), by the end of the 5-day period that begins on the date that it becomes clear to the caretaker relative that the minor child will be absent for the period so specified or provided for in paragraph (1).

On page 130, line 8, insert ", Social Security number, and photograph (if applicable)" before "of any recipient".

On page 198, between lines 14 and 15, insert the following new section:

SEC. ___. DISQUALIFICATION OF FLEEING FELONS.

Section 6 of the Food Stamp Act of 1977 (7 U.S.C. 2015), as amended by section 319(a), is further amended by adding at the end the following new subsection:

"(o) No member of a household who is otherwise eligible to participate in the food stamp program shall be eligible to participate in the program as a member of that or any other household during any period during which the individual is—

"(1) fleeing to avoid prosecution, or custody or confinement after conviction, under the laws of the place from which the individual flees, for a crime, or attempt to commit a crime, which is a felony under the laws of the place from which the individual flees, or which, in the case of the State of New Jersey, is a high misdemeanor under the laws of such State; or

"(2) violating a condition of probation or parole imposed under Federal or State law.".

On page 302 after line 5, add the following new section:

SEC. 504. INFORMATION REPORTING.

(a) Title IV of the Social Security Act.—Section 405 of the Social Security Act, as added by section 101(b), is amended by adding at the end the following new subsection:

"(f) State Required To Provide Certain Information.—Each State to which a grant is made under section 403 shall, at least 4 times annually and upon request of the Immigration and Naturalization Service, furnish the Immigration and Naturalization Service with the name and address of, and other identifying information on, any individual who the State knows is unlawfully in the United States.".

(b) SSI.—Section 1631(e) of such Act (42 U.S.C. 1383(e)) is amended—

(1) by redesignating the paragraphs (6) and (7) inserted by sections 206(d)(2) and 206(f)(1) of the Social Security Independence and Programs Improvement Act of 1994 (Public Law 103-296; 108 Stat. 1514, 1515) as paragraphs (7) and (8), respectively; and

(2) by adding at the end the following new paragraph:

"(9) Notwithstanding any other provision of law, the Commissioner shall, at least 4 times annually and upon request of the Immigration and Naturalization Service (hereafter in this paragraph referred to as the 'Service'), furnish the Service with the name and address of, and other identifying information on, any individual who the Commissioner knows is unlawfully in the United States, and shall ensure that each agreement entered into under section 1616(a) with a State provides that the State shall furnish such information at such times with respect to any individual who the State knows is unlawfully in the United States.".

(c) Housing Programs.—Title I of the United States Housing Act of 1937 (42 U.S.C. 1437 et seq.), as amended by section 1004, is further amended by adding at the end the following new section:

"SEC. 28. PROVISION OF INFORMATION TO LAW ENFORCEMENT AND OTHER AGENCIES.

"(a) Notice to Immigration and Naturalization Service of Illegal Aliens.—Notwithstanding any other provision of law, the Secretary shall, at least 4 times annually and upon request of the Immigration and Naturalization Service (hereafter in this subsection referred to as the 'Service'), furnish the Service with the name and address of, and other identifying information on, any individual who the Secretary knows is unlawfully in the United States, and shall ensure that each contract for assistance entered into under section 6 or 8 of this Act with a public housing agency provides that the public housing agency shall furnish such information at such times with respect to any individual who the public housing agency knows is unlawfully in the United States.".

At the appropriate place, insert the following new section:

SEC. ___. ELIMINATION OF HOUSING ASSISTANCE WITH RESPECT TO FUGITIVE FELONS AND PROBATION AND PAROLE VIOLATORS.

(a) Eligibility for Assistance.—The United States Housing Act of 1937 (42 U.S.C. 1437 et seq.) is amended—

(1) in section 6(l)—

(A) in paragraph (5), by striking "and" at the end;

(B) in paragraph (6), by striking the period at the end and inserting "; and"; and

(C) by inserting immediately after paragraph (6) the following new paragraph:

"(7) provide that it shall be cause for immediate termination of the tenancy of a public housing tenant if such tenant—

"(A) is fleeing to avoid prosecution, or custody or confinement after conviction, under the laws of the place from which the individual flees, for a crime, or attempt to commit a crime, which is a felony under the laws of the place from which the individual flees, or which, in the case of the State of New Jersey, is a high misdemeanor under the laws of such State; or

"(2) is violating a condition of probation or parole imposed under Federal or State law."; and

(2) in section 8(d)(1)(B)—

(A) in clause (iii), by striking "and" at the end;

(B) in clause (iv), by striking the period at the end and inserting "; and"; and

(C) by adding after clause (iv) the following new clause:

"(v) it shall be cause for termination of the tenancy of a tenant if such tenant—

"(I) is fleeing to avoid prosecution, or custody or confinement after conviction, under the laws of the place from which the individual flees, for a crime, or attempt to commit a crime, which is a felony under the laws of the place from which the individual flees, or which, in the case of the State of New Jersey, is a high misdemeanor under the laws of such State; or

"(II) is violating a condition of probation or parole imposed under Federal or State law;".

(b) Provision of Information to Law Enforcement Agencies.—Section 28 of the United States Housing Act of 1937, as added by section 504(c) of this Act, is amended by adding at the end the following new subsection:

"(b) Exchange of Information With Law Enforcement Agencies.—Notwithstanding any other provision of law, each public housing agency that enters into a contract for assistance under section 6 or 8 of this Act with the Secretary shall furnish any Federal, State, or local law enforcement officer, upon the request of the officer, with the current address, Social Security number, and photograph (if applicable) of any recipient of assistance under this Act, if the officer—

"(1) furnishes the public housing agency with the name of the recipient; and

"(2) notifies the agency that—

"(A) such recipient—

"(i) is fleeing to avoid prosecution, or custody or confinement after conviction, under the laws of the place from which the individual flees, for a crime, or attempt to commit a crime, which is a felony under the laws of the place from which the individual flees, or which, in the case of the State of New Jersey, is a high misdemeanor under the laws of such State; or

"(ii) is violating a condition of probation or parole imposed under Federal or State law; or

"(iii) has information that is necessary for the officer to conduct the officer's official duties;

"(B) the location or apprehension of the recipient is within such officer's official duties; and

"(C) the request is made in the proper exercise of the officer's official duties.".

Mr. SANTORUM. Mr. President, the amendment that I sent to the desk I hope is going to be a noncontroversial amendment. I believe it is one that should get broad support, hopefully unanimous support, of this body. It is an amendment that is very similar in nature to one that was adopted in the House of Representatives on their bill offered by Representative BLUTE of Massachusetts having to do with fugitive felons who receive welfare.

Yes, that is right. There are people who are fleeing the law, felons in which warrants are out for their arrest, who are hiding from the law on the welfare rolls. You say, "How does that happen?" Someone has been convicted of a felony and has escaped or violated parole or has been issued a warrant for their arrest on a felony charge and is eluding the law. While eluding the law, they sign up for welfare to support their eluding the law.

You say, "Well, how can this happen?" It is very easy to happen, because in most States in this country, if you are on the welfare rolls and the police department wants to find out if you are on the welfare rolls and they have a felony warrant for your arrest, the welfare department cannot tell the police department that you are receiving benefits. Why? Because your rights to privacy are protected. If you are on the welfare rolls, you have a right of privacy.

You may be a murderer. In fact, one of the reasons I offered this amendment is just last year in Pittsburgh—I have a July 29, 1994, article about a man who was on the welfare rolls. When they found this guy in Philadelphia, they found him and searched him, obviously, and they found a welfare card with his photo on it, his correct name. He did not even bother to lie about what his name was. He was protected by privacy. You say this must be an odd occurrence. This was a murderer, fleeing the law for years and collecting Government benefits.

In Cleveland, they did a sting operation, and they rounded up a lot of felons at this sting operation and searched them, and they found out that a third of the people they caught in the sting operation that had existing warrants were on welfare.

I visited the police department in Philadelphia and talked to their fugitive task force. They have a fugitive task force in the police department in Philadelphia. They have some 50,000 outstanding fugitive warrants in the city of Philadelphia. Historically, what the police officers have said is anywhere from 65 to 75 percent of the felons they catch are on welfare of some sort, whether it is food stamps or AFDC, SSI, you name it, they are collecting money while eluding the law. Not having to sign up for legitimate work where they might be caught, they can stay home and run around with their buddies at night and collect welfare. So you support them while the Federal Government and the State and local counties try to track them down. This is absurd.

So what we are suggesting is that the welfare offices, when contacted by the police department, must give the police department, if they have a warrant—I am not talking about people just wanting to search who is on the welfare rolls, but if you have a warrant for someone's arrest, a felony warrant, that you can contact the welfare office and say, "Has such and such signed up for welfare?" You can give the name and address. And you will find, at least the police told me, when it comes to receiving welfare benefits, they give the correct address to receive those benefits. They do not lie about what address those benefits go to. So you get the name, the address—we have the name—the address, the Social Security number and a photo because a lot of these folks just have police sketches. You might have what their name is, but you may not have a good photo or it may not be a recent photo.

So what we do is give police a tremendous advantage, at least according to the police departments I have talked to and the research I have done, in tracking down fugitive felons.

As I said before, I do not think this is a controversial measure. I think this is something that can and should be supported by everyone.

There is an additional provision in the bill that deals with another problem on AFDC, and that is the term "when a child is temporarily absent from the home." What happens there? This is a separate issue than the fugitive issue, but it is included in the amendment.

We have situations where you have a mother and children or a child who, unfortunately, may be sent to prison or sent to detention, or whatever the case may be, but be out of the home for a period of years. Under the laws in most States, because the Federal law does not define "temporarily absent," what happens is that mom continues to receive welfare benefits for that child, even though the child has not lived in the home for years or months because they are in jail.

We think that is sort of a silly idea. If the child is being otherwise detained because of incarceration as a runaway, whatever the case may be, we should not continue to pay the mother the benefits for the child who is no longer living there. That, you would think, is pretty much common sense, but under the Federal law today, that is not common sense. So we define what "temporarily absent" is.

Again, I am hopeful this amendment will be agreed to and adopted, but I am going to ask at this point for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There appears to be a sufficient second.

The yeas and nays were ordered.

Mr. NICKLES. Mr. President, I wish to compliment my colleague from Pennsylvania. I think this is an excellent amendment. It is kind of bothersome to think that there might be thousands of fleeing felons receiving welfare, and maybe because there is a lack of coordination between law enforcement and welfare agencies and offices, they are able to get away with it. I do not doubt my colleague's homework. It is probably quite accurate. To think that that is happening, it needs to be stopped. His amendment would go a long way toward stopping it.

I ask unanimous consent to be added as a cosponsor, and I hope my colleagues support it.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mrs. FEINSTEIN. Mr. President, I ask unanimous consent that the pending amendment be temporarily set aside.

The PRESIDING OFFICER. Without objection, it is so ordered.

AMENDMENT NO. 2469, AS MODIFIED

Mrs. FEINSTEIN. I want to modify a prior amendment and also introduce two additional amendments. I will try to be brief. I call up amendment No. 2469 and send a modification to the desk. Once the amendment has been modified, I ask unanimous consent that it be laid aside in the previous order of consideration.

The PRESIDING OFFICER. The amendment is so modified.

The amendment (No. 2469), as modified, is as follows:

Beginning on page 18, line 22, strike all through page 22, line 8, and insert the following:

"(3) SUPPLEMENTAL GRANT AMOUNT FOR POVERTY POPULATION INCREASES IN CERTAIN STATES.—

"(A) IN GENERAL.—The amount of the grant payable under paragraph (1) to a qualifying State for each of fiscal years 1997, 1998, 1999, and 2000 shall be increased by the supplemental grant amount for such State.

"(B) QUALIFYING STATE.—For purposes of this paragraph, the term 'qualifying State', with respect to any fiscal year, means a State that had an increase in the number of poor people as determined by the Secretary under subparagraph (D) for the most recent fiscal year for which information is available.

"(C) SUPPLEMENTAL GRANT AMOUNT.—For purposes of this paragraph, the supplemental grant amount for a State, with respect to any fiscal year, is an amount which bears the same ratio to the total amount appropriated under paragraph (4)(B) for such fiscal year as the increase in the number of poor people as so determined for such State bears to the total increase of poor people as so determined for all States.

"(D) REQUIREMENT THAT DATA RELATING TO THE INCIDENCE OF POVERTY IN THE UNITED STATES BE PUBLISHED.—

"(i) IN GENERAL.—The Secretary shall, to the extent feasible, produce and publish for each State, county, and local unit of general purpose government for which data have been compiled in the then most recent census of population under section 141(a) of title 13, United States Code, and for each school district, data relating to the incidence of poverty. Such data may be produced by means of sampling, estimation, or any other method that the Secretary determines will produce current, comprehensive, and reliable data.

"(ii) CONTENT; FREQUENCY.—Data under this subparagraph—

"(I) shall include—

"(aa) for each school district, the number of children age 5 to 17, inclusive, in families below the poverty level; and

"(bb) for each State and county referred to in clause (i), the number of individuals age 65 or older below the poverty level; and

"(II) shall be published—

"(aa) for each State, annually beginning in 1996;

"(bb) for each county and local unit of general purpose government referred to in clause (i), in 1996 and at least every second year thereafter; and

"(cc) for each school district, in 1998 and at least every second year thereafter.

"(iii) AUTHORITY TO AGGREGATE.—

"(I) IN GENERAL.—If reliable data could not otherwise be produced, the Secretary may, for purposes of clause (ii)(I)(aa), aggregate school districts, but only to the extent necessary to achieve reliability.

"(II) INFORMATION RELATING TO USE OF AUTHORITY.—Any data produced under this clause shall be appropriately identified and shall be accompanied by a detailed explanation as to how and why aggregation was used (including the measures taken to minimize any such aggregation).

"(iv) REPORT TO BE SUBMITTED WHENEVER DATA IS NOT TIMELY PUBLISHED.—If the Secretary is unable to produce and publish the data required under this subparagraph for any county, local unit of general purpose government, or school district in any year specified in clause (ii)(II), a report shall be submitted by the Secretary to the President of the Senate and the Speaker of the House of Representatives, not later than 90 days before the start of the following year, enumerating each government or school district excluded and giving the reasons for the exclusion.

"(v) CRITERIA RELATING TO POVERTY.—In carrying out this subparagraph, the Secretary shall use the same criteria relating to poverty as were used in the then most recent census of population under section 141(a) of title 13, United States Code (subject to such periodic adjustments as may be necessary to compensate for inflation and other similar factors).

"(vi) CONSULTATION.—The Secretary shall consult with the Secretary of Education in carrying out the requirements of this subparagraph relating to school districts.

"(vii) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to carry out this subparagraph $1,500,000 for each of fiscal years 1996 through 2000."

AMENDMENT NO. 2478

(Purpose: To provide equal treatment for naturalized and native-born citizens)

Mrs. FEINSTEIN. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from California [Mrs. FEINSTEIN] proposes an amendment numbered 2478.

Mrs. FEINSTEIN. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 274, lines 23 and 24, strike "individual (whether a citizen or national of the United States or an alien)" and insert "alien".

On page 275, line 5, strike "individual" and insert "alien".

On page 275, line 10, strike "individual's" and insert "alien's".

On page 275, line 11, strike "individual" and insert "alien".

On page 275, line 14, strike "individual" and insert "alien".

On page 275, line 20, strike "individual" and insert "alien".

On page 275, line 21, strike "individual" and insert "alien".

On page 276, lines 2 and 3, strike "individual (whether a citizen or national of the United States or an alien)" and insert "alien".

On page 276, line 14, strike "individual" and insert "alien".

On page 278, line 1, strike "**NONCITIZENS**" and insert "**ALIENS**".

On page 278, line 8, strike "a noncitizen" and insert "an alien".

On page 278, line 13, strike "a noncitizen" and insert "an alien".

On page 278, line 16, strike "a noncitizen" and insert "an alien".

On page 278, line 22, strike "a noncitizen" and insert "an alien".

On page 279, line 4, strike "a noncitizen" and insert "an alien".

On page 279, line 6, strike "A noncitizen" and insert "An alien".

On page 279, line 8, strike "noncitizen" and insert "alien".

Mrs. FEINSTEIN. Mr. President, the Dole bill requires that income and resources of an immigrant sponsor be deemed as available to the immigrant when determining eligibility for all federally funded, means-tested programs. This is the case, whether or not the immigrant is a United States citizen. In other words, it creates two classes of citizens. A naturalized citizen, under the Dole bill, could not be eligible for any form of assistance. I believe this is unprecedented and, as I said, creates two classes of American citizens, which will surely be challenged in the courts on constitutional grounds.

So I rise today to offer an amendment to this bill to provide equal treatment for naturalized and native-born U.S. citizens. This amendment is cosponsored by Senators KOHL and SIMON. It is supported by the National Governors Association, the National Conference of State Legislatures, the National Association of Counties, the National League of Cities, the United States Catholic Conference, and the Leadership Conference on Civil Rights, as well as several other organizations.

The amendment simply removes any reference to citizens in all places in the underlying bill that require deeming, and leaves in place the deeming requirements for benefits to legal aliens.

I think the question before the Senate is this: Does the Constitution of the United States of America provide for two distinct classes of United States citizens—those who are naturalized and those who are native-born? I know of only one benefit which is denied by the Constitution to citizens of our country who were not born in this country, and that one thing is the Presidency of the United States. Article II, section 1 of the Constitution expressly states that "no person, except a natural born citizen, or a citizen of the United States at the time of the adoption of the Constitution, shall be eligible to the office of President." That is where the line is drawn for me.

I do not believe that, absent a constitutional amendment, the Constitution gives this body the authority to deny outright any benefits, save that one, to naturalized citizens. Article I of the Constitution does contain one other distinction with regard to naturalized citizens and their qualifications to be Members of Congress. It says, "No person shall be a representative who shall not have attained the age of 25 years and been 7 years a citizen of the United States." That is whether they are native-born or naturalized. It also says, "No person shall be a Senator who shall not have attained the age of 30 years, and been 9 years a citizen of the United States."

I do not believe our forefathers necessarily foresaw the specifics of the debate which is before us today. But I do believe they considered what distinctions should be made between naturalized and native-born citizens. And the result of that consideration is reflected in the Constitution.

The Department of Justice has expressed serious concerns about the constitutionality on the proscription of benefits as applied to naturalized citizens in this bill. In a letter to Senator KENNEDY, dated July 18, a copy of which was also provided to me, Assistant Attorney General, Andrew Fois states:

> The deeming provision, as applied to citizens, would contravene the basic equal protection tenet that "the rights of citizenship of the native born and of the naturalized person are of the same dignity and are coextensive."

The letter goes on to say:

> To the same effect, the provision might be viewed as a classification based on national origin; among citizens otherwise eligible for government assistance, the class excluded by operation of the deeming provision is limited to those born outside the United States. A classification based on national origin, of course, is subject to strict scrutiny under equal protection review, and it is unlikely that the deeming provision could be justified under this standard.

At this time, Mr. President, I ask unanimous consent that the full text of the letter from the Justice Department be printed in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

U.S. DEPARTMENT OF JUSTICE,
OFFICE OF LEGISLATIVE AFFAIRS,
Washington, DC, July 18, 1995.
Hon. EDWARD M. KENNEDY,
U.S. Senate,
Washington, DC.

DEAR SENATOR KENNEDY: This letter follows your question to Attorney General Janet Reno regarding the constitutionality of the deeming provisions in pending immigration legislation at the Senate Judiciary Committee's oversight hearing on June 27.

You have asked for our views regarding the "deeming" provisions of section 204 of S. 269, Senator Simpson's proposed immigration legislation. Our comment here is limited to the question raised by application of section 204 to naturalized citizens.

We have serious concerns about section 204's constitutionality as applied to naturalized citizens. So applied, the deeming provision would operate to deny, or reduce eligibility for, a variety of benefits including student financial assistance and welfare benefits to certain United States citizens because they were born outside the country. This appears to be an unprecedented result. Current federal deeming provisions under various benefits programs operate only as against aliens (see, e.g., 42 U.S.C. §615 (AFDC); 7 U.S.C. 2014(i) (Food Stamps)) and we are not aware of any comparable restrictions on citizen eligibility for federal assistance. As a matter of policy, we think it would be a mistake to begin now to relegate naturalized citizens—who have demonstrated their commitment to our country by undergoing the naturalization process—to a kind of second-class status.

The provision might be defended legally on the grounds that it is an exercise of Congress' plenary authority to regulate immigration and naturalization, or, more specifically, to set the terms under which persons may enter the United States and become citizens. See *Mathews* v. *Diaz*, 426 U.S. 67 (1976); *Toll* v. *Moreno*, 458 U.S. 1, 10–11 (1982). We are not convinced that this defense would prove persuasive. Though Congress undoubtedly has power to impose conditions precedent on entry and naturalization, the provision at issue here would function as a condition subsequent, applying to entrants even after they become citizens. It is not at all clear that Congress' immigration and naturalization power extends this far.

While the rights of citizenship of the native born derive from §1 of the Fourteenth Amendment and the rights of the naturalized citizen derive from satisfying, free of fraud, the requirements set by Congress, the latter, apart from the exception noted [constitutional eligibility for President], becomes a member of the society, possessing all the rights of a native citizen, and standing, in the view of the constitution, on the footing of a native. The constitution does not authorize Congress to enlarge or abridge those rights. The simple power of the national Legislature, is to prescribe a uniform rule of naturalization, and the exercise of this power exhausts it, so far as respects the individual.

Schneider v. *Rusk*, 377 U.S. 163, 166 (1964) (internal quotations omitted) (statutory restriction on length foreign residence applied to naturalized but not native born citizens violates Fifth Amendment equal protection component).

Alternatively, it might be argued in defense of the provision that it classifies not by reference to citizenship at all, but rather on the basis of sponsorship; only those naturalized citizens with sponsors will be affected. Again, we have doubts about whether this characterization of the provision would be accepted. State courts have rejected an analogous position with respect to state deeming provisions, finding that the provisions constitute impermissible discrimination based on alienage despite the fact that they reach only sponsored aliens. See *Barannikov* v. *Town of Greenwich*, 643 A.2d 251, 263–64 (Conn. 1994); *El Souri* v. *Dep't of Social Services*, 414 N.W.2d 679, 682–83 (Mich. 1987). Because the deeming provision in question here, as applied to citizens, is directed at and reaches only naturalized citizens, the same reasoning would compel the conclusion that it constitutes discrimination against naturalized citizens. *Cf. Nyquist* v. *Mauclet*, 432 U.S. 1, 9 (1977) ("The important points are that [the law] is directed at aliens and that only aliens are harmed by it. The fact that the statute is not an absolute bar does not mean that it does not discriminate against the class.") (invalidating state law denying some, but not all, resident aliens financial assistance for higher education).

So understood, the deeming provision, as applied to citizens, would contravene the basic equal protection tenet that "the rights of citizenship of the native born and of the naturalized person are of the same dignity and are coextensive." *Schneider*, 377 U.S. at 165. To the same effect, the provisions might be viewed as a classification based on national origin; among citizens otherwise eligible for government assistance, the class excluded by operation of the deeming provision is limited to those born outside the United States. A classification based on national origin, of course, is subject to strict scrutiny under equal protection review, see *Korematsu* v. *United States*, 323 U.S. 214 (1944), and it is unlikely that the deeming provision could be justified under this standard. See *Barannikova*, 643 A.2d at 265 (invalidating state deeming provision under strict scrutiny); *El Souri*, 414 N.W.2d at 683 (same).

The Office of Management and Budget has advised that there is no objection to the submission of this letter from the standpoint of the Administration's program.

Sincerely,

ANDREW FOIS,
Assistant Attorney General.

Mrs. FEINSTEIN. Mr. President, to a great extent, we are a Nation of immigrants. There are very few of us in this body who could claim not to have been a product, in some way, of immigrants.

My mother was born in St. Petersburg, Russia. She left that country hiding in a hay cart during the revolution. They crossed Siberia on their long journey to California. My grandmother was widowed shortly after arriving in this country, left with four small children. My uncle was a carpenter. My mother did not enjoy good health as a child and was hospitalized for many years. There was no widow's pension then, no AFDC. And I am not one that believes that immigrants should come to the United States to get on the dole. But we do have a naturalization process which, after the designated waiting period, and after meeting certain requirements, immigrants take an oath, they become citizens of the United States, with all of the privileges and benefits accorded to native-born citizens, save the one spelled out in the Constitution that I have read today.

This bill essentially says that even if naturalized—even if a naturalized citizen for 20 years, your sponsor's income will be deemed as yours, and you will not be eligible for Federal benefits.

Even if that sponsor is dying from cancer, and no matter what happens to the naturalized citizen, that naturalized citizen is exempted from coverage under this bill.

I believe that violates the equal protection clause of our Constitution and jeopardizes the fairness of the legislation. So the amendment that I am submitting is essentially equal treatment for naturalized and native-born citizens.

Mr. NICKLES. Will the Senator yield for a question?

Mrs. FEINSTEIN. Yes.

Mr. NICKLES. I will be brief. I think I understand the amendment. The Senator is saying that immigrants to the country should be able to receive welfare benefits just as any other citizen can, is that correct?

Mrs. FEINSTEIN. Only if they have become United States citizens. In other words, the deeming provision does not apply if you are naturalized.

In this bill, the deeming provision extends even to naturalized citizens. Therefore, they would not be eligible.

Mr. NICKLES. If an immigrant comes into the country and goes through the processes to be a naturalized U.S. citizen, they are required now to have a sponsor, a sponsor that states that they will make sure that they will not be a ward of the Government for some period of time.

Does the Senator know what that period would be?

Mrs. FEINSTEIN. I did know and I cannot remember what it was.

Mr. NICKLES. I will review that.

Mrs. FEINSTEIN. This is not just a legal immigrant, but a naturalized citizen too.

We are not talking here about removing that requirement for legal immigrants in this amendment. This is just for naturalized citizens.

Mr. NICKLES. I am happy to have the Senator's amendment. I have not seen it before. I will be happy to review it and we will take it up tomorrow morning.

Mrs. FEINSTEIN. I thank the Senator from Oklahoma very much.

AMENDMENT NO. 2479 TO AMENDMENT NO. 2280

(Purpose: To provide for State and county demonstration programs)

Mrs. FEINSTEIN. I send another amendment to the desk.

The PRESIDING OFFICER. The previous amendment shall be laid aside. The clerk will report.

The bill clerk read as follows:

The Senator from California, [Mrs. FEINSTEIN], proposes an amendment numbered 2479 to amendment No. 2280.

Mrs. FEINSTEIN. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 69, strike lines 18 through 22, and insert the following:

"SEC. 418. STATE AND COUNTY DEMONSTRATION PROGRAMS.

"(a) NO LIMITATION OF STATE DEMONSTRATION PROJECTS.—Nothing in this part shall be construed as limiting a State's ability to conduct demonstration projects for the purpose of identifying innovative or effective program designs in 1 or more political subdivisions of the State.

"(b) COUNTY WELFARE DEMONSTRATION PROJECT.—

"(1) IN GENERAL.—The Secretary of Health and Human Services and the Secretary of Agriculture shall jointly enter into negotiations with all counties or a group of counties having a population greater than 500,000 desiring to conduct a demonstration project described in paragraph (2) for the purpose of establishing appropriate rules to govern establishment and operation of such project.

"(2) DEMONSTRATION PROJECT DESCRIBED.—The demonstration project described in this paragraph shall provide that—

"(A) a county participating in the demonstration project shall have the authority and duty to administer the operation of the program described under this part as if the county were considered a State for the purpose of this part;

"(B) the State in which the county participating in the demonstration project is located shall pass through directly to the county the portion of the grant received by the State under section 403 which the State determines is attributable to the residents of such county; and

"(C) the duration of the project shall be for 5 years.

"(3) COMMENCEMENT OF PROJECT.—After the conclusion of the negotiations described in paragraph (2), the Secretary of Health and Human Services and the Secretary of Agriculture may authorize a county to conduct the demonstration project described in paragraph (2) in accordance with the rules established during the negotiations.

"(4) REPORT.—Not later than 6 months after the termination of a demonstration project operated under this subsection, the Secretary of Health and Human Services and the Secretary of Agriculture shall submit to the Congress a report that includes—

"(A) a description of the demonstration project;

"(B) the rules negotiated with respect to the project; and

"(C) the innovations (if any) that the county was able to initiate under the project.

Mrs. FEINSTEIN. Mr. President, throughout the welfare debate it has often been stated that people closest to the problem know how to best deal with it.

In fact, many States assign administration of Federal welfare programs to counties. As a former mayor, and a former county supervisor, that certainly is the case in California.

Many of the innovations and successes currently under discussion have been initiated at the local level. In my earlier remarks on welfare reform, I mentioned several of them—initiatives made by counties to put people to work, to devise programs to really run their programs with efficiency, and appropriate for their local communities.

This amendment affirms that there will be no limitation on the ability of a State to conduct innovative and effective demonstration projects in one or more of its political subdivisions.

It empowers the Secretary of Health and Human Services to jointly negotiate with any county or group of counties having a population greater than 500,000 to conduct a demonstration project where the county would have the authority and duty to administer the operation of the welfare program covered by this bill.

In essence, what it is saying, for large counties, or a group of small counties, like in Wisconsin for example, the Secretary would have the authority to be able to negotiate so that the grant would go directly from Washington to the counties.

What does this mean? It means you take the State out of it. Why do I want to take the State out of it? Because I know what States do. They charge a cost, they set up a bureaucracy, and therefore a portion of the money will end up in the State. The State can often not send that money to the counties, or find a reason not to send it, and even use it for other purposes.

So in this amendment, the State in which the demonstration county is located would pass directly to the county the portion of the grant determined by the State as attributable to the residents of that county.

The duration of the demonstration project is 5 years, after which time the Secretary is directed to report to the Congress on the description, rules, and innovations initiated under the project. Essentially, the block grants of the large counties could go directly to the counties, thereby I believe, based on my experience, it would save money and be more efficiently used.

This was in the bill, my understanding is, as it was originally drafted, and it was removed. We would by this amendment place it back. It is similar to an amendment which was in the prior Daschle bill.

I thank the Chair. I yield the floor.

Mr. FEINGOLD. Mr. President, I ask that the pending amendment temporarily be set aside so I can offer two amendments which I expect will be ultimately accepted.

The PRESIDING OFFICER. Without objection, the amendment will be set aside.

Mr. FEINGOLD. The first relates to a study of the impact of changes on the child care food program on program participation and family day care providers.

I have worked with the majority and minority on the Agriculture Committee on the language of the amendment, and I expect it will be accepted by the floor managers.

Mr. President, This amendment is very simple and it addresses an issue of great concern raised by my constituents in Wisconsin.

A few months ago, the House of Representatives repealed the entitlement status for the Child and Adult Care Food Program and placed its funding in a block grant of other child nutrition programs. The 10,000 family day care home sponsors in the United States worried the program would be swallowed up by the larger, more well-known programs such as the Special Supplemental Food Program for Women, Infants and Children.

The Family Day Home sponsors, who administer aspects of the CACFP knew the House proposal effectively meant the end of this very important program. Mr. President, the CACFP is a relatively small program that affects a very large number of children in this country. In addition to providing reimbursements to providers for meals served to low-income children in child care centers, it provides a blended reimbursement for meals served in all participating family day care homes—those with six children or fewer. Most children in the United States that currently receive day care are cared for in small family day care homes. Even more significantly, according to Congress's Select Panel for the Promotion of Child Health, pre-school age children receive about three-quarters of their nutritional intake from their day care providers. Those two facts emphasize the importance of ensuring children receive nutritious meals while they under the supervision of a family day care home provider.

Early this year, the operator of Wisconsin's smallest non-profit sponsor in my State, Linda Leindecker of Horizon's Unlimited in Green Bay, met with me to discuss her specific concerns about the proposals to modify the program she helps deliver. The CACFP, she pointed out, has greater benefits than might meet the eye. While the clear goal of the program is to enhance the nutritional status of children receiving care by family day care homes, it has many less obvious benefits. Linda pointed out that the program provides a strong incentive for small family day care homes to become licensed by the State. A recent survey of over 1,200 day care homes in Wisconsin found that over 70 percent of those surveyed became licensed because of CACFP benefits. That means children are more likely to be in day care homes that provide a safe and more healthy environment with more nutritious meals than unregulated day care homes. These so-called "underground" homes are not only operating without health or safety standards, but they are also better able to evade compliance with income tax laws as well.

Not only must family day care homes participating in the CACFP comply with State regulations, they are also subject to random inspections of all their homes by the CACFP sponsors. CACFP care providers must also undergo extensive nutrition education and training programs conducted by sponsors to ensure that the children in participating homes are eating nutritious meals as required by the program. In total, Wisconsin family day care providers are serving nearly 12.5 million healthy breakfasts, lunches, suppers and snacks annually.

Mr. President, the message I have heard loud and clear from Linda and other Family Day Care Home sponsors in Wisconsin is that while the primary benefit of the family day care home portion of the CACFP is the enhanced nutritional status of children in small day care homes, the second most important benefit is the role of this program in creating more licensed and regulated family day care homes. That benefits parents, taxpayers, and children alike.

Mr. President, I am pleased that the Senate Agriculture Committee did not take the drastic approach endorsed by the House. In particular, I am pleased that the Senator from Indiana [Mr. LUGAR] and the Senator from Vermont [Mr. LEAHY] recognized how important CACFP is to this Nation's children by maintaining the identity and entitlement status of the program in S. 904 as approved by the Agriculture Committee

However, the legislation before us, which incorporates the Agriculture Committee's bill S. 904, does make some fundamental changes to the reimbursement structure for family day care homes. The bill establishes an area-wide means test for full reimbursement, tier I, of meals served in family day care and provides a much smaller reimbursement for meals served in homes that do not fall within a qualifying geographic area, tier II. The Democratic alternative to the majority leader's bill also provides for geographic based means testing for CACFP but provides a slightly higher second tier reimbursement.

Wisconsin's day care home sponsors are alarmed by the small tier II home reimbursement and worry that this lower level of reimbursement will eliminate the incentive for family day care homes to become licensed and approved by the State. As some homes drop out of the program and operate underground, even fewer will enter the program at all, making regulated day care less accessible and less affordable to parents of young children. Sponsors are also worried that the nutritional quality of meals served in tier II homes will decline as well. Fifteen cents, they point out, doesn't buy much of a healthy mid-day snack.

I share those concerns, Mr. President. I am concerned that the marginal benefit of day care home participation may no longer justify the cost of being regulated or licensed by the State. If that is the case, I am concerned that not only the quality of day care will decline, but that the quantity of affordable day care will fall as well. While we are debating a bill that proposes to send more low-income parents to work, it is important that there be an adequate supply of safe and affordable day care for their children.

Mr. President, my amendment tries to address those concerns by requiring USDA to study the impact of the changes to CACFP made in this bill on program participation, family day care home licensing and the nutritional quality of meals served in family day care homes. Since the impact of these changes will likely be felt within the first year or two following enactment, my amendment calls for a one-time study of this matter, rather than an annual review.

I think it is critical that Congress have access to the information they need to conduct proper oversight of Federal programs. While the changes made to the CACFP in S. 1120 are intended to maintain program integrity while achieving fiscal responsibility, it is important that Congress find out whether the legislation actually achieves those goals.

That is the intent of my amendment. It is simple and straightforward but it is important.

The second amendment, Mr. President, relates to authority to allow a housing project in Madison, Wisconsin to conduct a demonstration project that waives the current take-one, take-all section 8 requirement that requires a project which accepts a single section 8 resident to take any other section 8 applicant.

The unfortunate result of this policy, Mr. President, is that sometimes it is meant that a project will not accept any section 8 residents at all. This demonstration program would not entail any Federal cost.

I understand that neither the administration nor the authorizing committee has any objection to this amendment and that they support moving in this direction in order to provide greater flexibility for these types of housing programs.

I offer this amendment along with my senior colleague from Wisconsin, Senator KOHL. The amendment would provide an opportunity for Madison, WI, to demonstrate an innovative and emerging strategy in the operation of the Department of Housing and Urban Development assisted housing program by eliminating the take-one, take-all requirement.

That provision requires the manager or owner of multifamily rental housing to make all units available to residents who qualify for section 8 certificates or vouchers under the National Housing Act as long as at least one unit is made available to those residents under the terms of the long-term, 20-year section 8 renter contracts.

The availability of low-income housing is being seriously threatened across this Nation. This is especially true when private property owners are considered who are increasingly choosing to opt out of the HUD section 8 program for a variety of reasons, as their long-term contracts expire.

The situation in this case in Madison is typical of these problems that are being experienced nationwide. HUD itself recognizes this and has actually proposed, Mr. President, that we eliminate the take-one, take-all language.

They project an elimination of the requirement will provide an incentive to attract new multifamily low-income housing developer owners and also retain existing ones.

Local government officials, private institutions, residents and apartment owners in Madison in this case, Mr. President, have agreed to a plan for the Summer Society Circle Apartments that will reduce the concentration of low-income families and densely populated in circumscribed areas.

They believe it will reduce crime and drug and gang activity and stabilize development in neighborhoods by encouraging a mix of low- and moderate-income families. We believe the amendment provides an opportunity to demonstrate that public-private collaborative planning can result in increased, Mr. President, increased availability of quality housing for low- and moderate-income families.

Accordingly, we urge the support of the body. There is no additional cost associated with this demonstration project, which simply allows this community to have greater flexibility in operating in housing projects which meet the needs of the communities.

As I understand the parliamentary situation, it is the desire of the managers to have as many of these amendments offered tonight as possible, and they will be disposed of in due course.

AMENDMENT NO. 2480

(Purpose: To study the impact of amendments to the child and adult care food program on program participation and family day care licensing)

Mr. FEINGOLD. As I said, I expect both of these ultimately to be accepted, and to expedite consideration I now send the first amendment to the desk.

The PRESIDING OFFICER. The clerk will report.

The bill clerk read as follows:

The Senator from Wisconsin [Mr. FEINGOLD] proposes an amendment numbered 2480 to amendment No. 2280.

Mr. FEINGOLD. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 283, after line 23, insert the following:

(f) STUDY OF IMPACT OF AMENDMENTS ON PROGRAM PARTICIPATION AND FAMILY DAY CARE LICENSING.—

(1) IN GENERAL.—The Secretary of Agriculture, in conjunction with the Secretary of Health and Human Services, shall study the impact of the amendments made by this section on—

(A) the number of family day care homes participating in the child and adult care food program established under section 17 of the National School Lunch Act (42 U.S.C. 1766);

(B) the number of day care home sponsoring organizations participating in the program;

(C) the number of day care homes that are licensed, certified, registered, or approved by each State in accordance with regulations issued by the Secretary;

(D) the rate of growth of the numbers referred to in subparagraphs (A) through (C);

(E) the nutritional adequacy and quality of meals served in family day care homes that—

(i) received reimbursement under the program prior to the amendments made by this section but do not receive reimbursement after the amendments made by this section; or

(ii) received full reimbursement under the program prior to the amendments made by this section but do not receive full reimbursement after the amendments made by this section; and

(F) the proportion of low-income children participating in the program prior to the amendments made by this section and the proportion of low-income children participating in the program after the amendments made by this section.

(2) REQUIRED DATA.—Each State agency participating in the child and adult care food program under section 17 of the National School Lunch Act (42 U.S.C. 1766) shall submit to the Secretary data on—

(A) the number of family day care homes participating in the program on July 31, 1996, and July 31, 1997;

(B) the number of family day care homes licensed, certified, registered, or approved for service on July 31, 1996, and July 31, 1997; and

(C) such other data as the Secretary may require to carry out this subsection.

(3) SUBMISSION OF REPORT.—Not later than 2 years after the effective date of Sec. 423 of this Act, the Secretary shall submit the study required under this subsection to the Committee on Economic and Educational Opportunities of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate.

Mr. FEINGOLD. Mr. President, I ask the pending amendment be set aside so I may offer my second amendment.

The PRESIDING OFFICER. The pending amendment is set aside.

AMENDMENT NO. 2481

(Purpose: To make an amendment relating to public housing)

Mr. FEINGOLD. I send my second amendment to the desk.

The PRESIDING OFFICER. The clerk will report.

The bill clerk read as follows:

The Senator from Wisconsin [Mr. FEINGOLD], for himself and Mr. KOHL, proposes an amendment numbered 2481 to amendment No. 2280.

Mr. FEINGOLD. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

At the appropriate place in title X, add the following:

SEC. 10. DEMONSTRATION PROJECT FOR ELIMINATION OF TAKE-ONE-ONE-TAKE-ALL REQUIREMENT.

In order to demonstrate the effects of eliminating the requirement under section 8(t) of the United States Housing Act of 1937, notwithstanding any other provision of law, beginning on the date of enactment of this Act, section 8(t) of such the United States Housing Act of 1937 shall not apply with respect to the multifamily housing project (as such term is defined in section 8(t)(2) of the United States Housing Act of 1937) consisting of the dwelling units located at 2401-2479 Sommerset Circle, in Madison, Wisconsin.

Amend the table of contents accordingly.

Mr. FEINGOLD. Mr. President, I yield the floor.

Mr. MOYNIHAN. Mr. President, I believe the Senator from California wished to speak.

I was mistaken. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mrs. BOXER. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mrs. BOXER. Mr. President, I ask the pending amendment be laid aside.

The PRESIDING OFFICER. The pending amendment will be set aside.

AMENDMENT NO. 2482 TO AMENDMENT NO. 2280

(Purpose: To provide that noncustodial parents who are delinquent in paying child support are ineligible for means-tested Federal benefits)

Mrs. BOXER. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The bill clerk read as follows:

The Senator from California [Mrs. BOXER] proposes an amendment numbered 2482 to amendment No. 2280.

Mrs. BOXER. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 712, between lines 9 and 10, insert the following:

SEC. 972. DENIAL OF MEANS-TESTED FEDERAL BENEFITS TO NONCUSTODIAL PARENTS WHO ARE DELINQUENT IN PAYING CHILD SUPPORT.

(A) IN GENERAL.—Notwithstanding any other provision of law, a non-custodial parent who is more than 2 months delinquent in paying child support shall not be eligible to receive any means-tested Federal benefits.

(b) EXCEPTION.—(1) IN GENERAL.—Subsection (a) shall not apply to an unemployed non-custodial parent who is more then 2 months delinquent in paying child support if such parent—

(A) enters into a schedule of repayment for past due child support with the entity that issued the underlying child support order; and

(B) meets all of the terms of repayment specified in the schedule of repayment as enforced by the appropriate disbursing entity.

(2) 2-YEAR EXCLUSION.—(A) A non-custodial parent who becomes delinquent in child support a second time or any subsequent time shall not be eligible to receive any means-tested Federal benefits for a 2-year period beginning on the date that such parent failed to meet such terms.

(B) At the end of that two-year period, paragraph (A) shall once again apply to that individual.

(c) MEANS-TESTED FEDERAL BENEFITS.—For purposes of this section, the term "means-tested Federal benefits" means benefits under any program of assistance, funded in whole or in part, by the Federal Government, for which eligibility for benefits is based on need.

Mrs. BOXER. Mr. President, I believe this amendment is quite straightforward. It basically says that, if a noncustodial parent is delinquent on child support payments and gets into arrears extending beyond 2 months, that individual, that deadbeat dad or deadbeat mom, as the case may be, will not be entitled to means-tested Federal benefits.

I think it is very important that we do this. I do not think we should be in the business of giving benefits to people who are neglecting their children. Many families go on welfare because noncustodial parents are not paying their child support.

What we do in this amendment is we give people a second chance. We say if they agree to sign a schedule and commit themselves to the repayment of the arrears and continue the payments on time, then they can get these benefits. But if they fail again, they will have to wait 2 years before they get a chance at those benefits again.

I hope we will have broad support for this amendment.

Only about 18 percent of all cases result in child support collections across this Nation.

And we have to remember we have 9.5 million children counting on AFDC for support. We could really take people out of poverty quickly if the deadbeat parent, be it a mom or a dad—usually it is a dad but sometimes it is a mom—came through with their child support payments.

This amendment is just another way for us to stand up and be counted and say: Look, you are not going to be entitled to get job training, vocational training, food stamps, SSI, housing assistance, and the other means-tested Federal benefits if you are behind on those child support payments. But we are ready to help you. If you will sign a schedule of payments and you live up to that schedule, we will make an exception.

It is interesting to note that America's children are owed more than $34 billion in unpaid child support. Talk about lowering the cost of welfare, collecting unpaid support would be one of the quickest ways to do it. Welfare caseloads could be reduced by one-third if families could rely on even $300 a month, or less, of child support. Mr. President, $300 a month would add up to more than $3,000 a year.

So my amendment would crack down on the deadbeat dads or the deadbeat moms, and basically say you have to pay support or you are not going to get the Federal assistance you would otherwise be entitled to.

So, Mr. President, I do not think I need to continue this dialog with my colleagues. I think at this point I can rest on what I have said. I think the Boxer amendment sends a tough message that we will have little tolerance for people who fail to meet their child support commitments. And we should be tough on these people because they jeopardize the health and well-being of their children by failing to pay support, and they are making the taxpayers pay money that they, in fact, owe to these children. So I rest my case on this amendment. I look forward to its being voted upon.

I ask my friend from Oklahoma and my friend from New York, is it necessary to ask for the yeas and nays at this time, because I certainly would like to have a vote on the amendment?

Mr. NICKLES addressed the Chair.

The PRESIDING OFFICER. The Senator from Oklahoma.

Mr. NICKLES. Mr. President, I will be happy to respond to my colleague from California. Certainly she has a right to request the yeas and nays. I will support that effort.

I have a couple of comments. I had not seen the amendment. I may well support the thrust of it. Others may as well. We are going to have a couple of rollcall votes in the morning and then have some debate over Senator MOYNIHAN's proposal, have the rollcall vote on his, and we may have several other rollcall votes. It will certainly be the Senator's opportunity, if she wishes to ask for the yeas and nays tomorrow. And that will also give her the opportunity to modify the amendment if it would make it more agreeable and more acceptable. That would be my recommendation. But, certainly, if she wishes to ask for the yeas and nays tonight she has that opportunity.

Mrs. BOXER. I thank my friend for his honest answer. I appreciate it. I will withhold because I do believe this is an excellent amendment and if there are small technical problems I will be happy to work with my friends to straighten them out.

So I will withhold, but I look forward to voting on this as soon as I can and I will be back in the morning to debate that, discuss it, at what time my colleague thinks is appropriate.

Mr. NICKLES. I appreciate my colleague from California doing that.

Mr. President, I know of no other Senators having amendments, and my colleague from New York as well. I suggest the absence of a quorum. It will be my intention that the Senate stand in recess until tomorrow morning shortly. But I will withhold for that for the moment. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. NICKLES. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

MORNING BUSINESS

(During today's session of the Senate, the following morning business was transacted.)

HONORING LOWELL C. KRUSE AS RECIPIENT OF THE HOPE AWARD

Mr. ASHCROFT. Mr. President, today I would like to congratulate a Missourian who has dedicated his life to helping others. He has spent his entire career in the medical field, not as a doctor, but as someone just as dedicated and just as committed to service. Mr. Kruse is soon to accept the Hope Award, the highest honor bestowed by the Multiple Sclerosis Society. He has served as a hospital administrator, vice president, and president; but throughout, Mr. Kruse has never forgotten those who are less fortunate.

Mr. Kruse was born on February 9, 1944, in the small midwestern town of Lake City, IA. He earned a bachelor's degree in business administration and psychology from Augustana College in Sioux City, SD, and went on to earn his master's degree in hospital administration from the University of Minnesota. Mr. Kruse started his career first as an assistant administrator at the St. Barnabas Hospital in Minneapolis, MN, then became an associate administrator at the Metropolitan Medical Center in Minneapolis where he remained for 7 years serving as the vice president of community operations.

In 1977, Mr. Kruse assumed the responsibilities as president and CEO of the Park Ridge Hospital and Nursing Home in Rochester, NY, and later president and CEO of Upstate Health System, Inc. in Rochester. In 1984, Mr. Kruse returned to his roots in the Midwest, serving as the president and CEO of Heartland Health System in St. Joseph, MO, for the past 10 years.

While Mr. Kruse has continued to strive for success, he has never turned his back on others in his community. In New York, he was a member of the Greater Rochester Area Citizens League Board, the United Way, and the board of directors of the Rochester Area Career Educational Council. In Missouri, he has served as chairman of the St. Joseph Development Corp., as well as chairman of the St. Joseph Chamber of Commerce, and is currently a fellow at the American College of Health Care Executives. These are just a few of the many contributions Mr. Kruse has made to fulfill his commitment and dedication to the communities in which he has lived.

Mr. Kruse has been the recipient of numerous awards for his devotion to community service. In 1970, he was listed as one the outstanding young men in America. In 1976, Mr. Kruse was awarded a Distinguished Service Award and honored as one of 10 outstanding young Minnesotans. In 1992, Mr. Kruse received the Midland Empire Arthritis Center's William E. Hillyard Jr. Humanitarian Award.

Throughout his career, Mr. Kruse has dedicated his life to helping and inspiring those around him. It is clear from his achievements that he is truly committed to making a difference in the lives of many. Mr. Kruse is a great humanitarian who has given his time graciously, caring for those who have been stricken by life threatening diseases. I am grateful for his service and commend him for his dedication to helping others, not just in Missouri, but across America.

MESSAGES FROM THE HOUSE

At 1:02 p.m., a message from the House of Representatives, delivered by Ms. Goetz, one of its reading clerks, announced that the House agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 1854) making appropriations for the legislative branch for the fiscal year ending September 30, 1996, and for other purposes.

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first and second time by unanimous consent, and referred as indicated:

By Mr. MCCAIN (for himself, Mr. FEINGOLD, Mr. THOMPSON, Mr. PELL, and Mr. WELLSTONE):

S. 1219. A bill to reform the financing of Federal elections, and for other purposes; to the Committee on Rules and Administration.

By Mrs. BOXER:

S. 1220. A bill to provide that Members of Congress shall not be paid during Federal Government shutdowns; to the Committee on Governmental Affairs.

By Mrs. KASSEBAUM (for herself and Mr. JEFFORDS):

S. 1221. A bill to authorize appropriations for the Legal Services Corporation Act, and for other purposes; to the Committee on Labor and Human Resources.

By Mr. FAIRCLOTH:

S. 1222. A bill to prevent the creation of an international bailout fund within the International Monetary Fund, and for other purposes; to the Committee on Foreign Relations.

SUBMISSION OF CONCURRENT AND SENATE RESOLUTIONS

The following concurrent resolutions and Senate resolutions were read, and referred (or acted upon), as indicated:

By Ms. MIKULSKI (for herself, Mr. SARBANES, Mr. WARNER, and Mr. ROBB):

S. Res. 167. A resolution congratulating Cal Ripken, Jr. on the occasion of his breaking the Major League Baseball record for the highest total number of consecutive games played; considered and agreed to.

By Mr. LOTT:

S. Con. Res. 26. A concurrent resolution to authorize the Newington-Cropsey Foundation to erect on the Capitol Grounds and present to Congress and the people of the United States a monument dedicated to the Bill of Rights; to the Committee on Rules and Administration.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. MCCAIN (for himself, Mr. FEINGOLD, Mr. THOMPSON, Mr. PELL, and Mr. WELLSTONE):

S. 1219. A bill to reform the refinancing of Federal elections, and for other purposes; to the Committee on Rules and Administration.

THE CAMPAIGN FINANCE REFORM ACT OF 1995

Mr. MCCAIN. Mr. President, I am pleased to join with my colleagues, Senator FEINGOLD and Senator THOMPSON, to introduce the Senate Campaign Finance Reform Act of 1995. This bill, if enacted, would dramatically change American political campaigns.

This legislation is intended to help restore the public's faith in the Congress and the electoral system; to reaffirm that elections are won and lost in a competition of ideas and character, not fundraising. Toward that end, we hope to level the playing field between challengers and incumbents.

Again, I want to note, this bill is about placing ideas over dollars. While my Democrat cosponsors may disagree, I believe that Republicans won majorities in Congress last year because the American people understood and supported our ideas for changing the American Government, not because we excelled at the money chase. We want to make sure that decisions about who governs America—decisions that are so profound in their consequences for current and future generations of Americans—will be made by voters who have a fair understanding of those consequences.

Campaigns, of course, cost money. This bill recognizes that fact. It does not end campaign spending, but limits it in a manner that forces candidates to rely more on their message than their money.

Mr. President, poll after poll reveals the public's loss of faith in the Congress. One of the reasons this has occurred is that the public believes—rightly or wrongly—that special interests control the political and electoral system. In order to limit the ability of special interests to control the process, and to change the perception that money controls politics, we must enact campaign finance reform.

A recent USA Today-CNN Gallup poll revealed that 83 percent of Americans want campaign finance reform enacted. According to the same poll, the only two issues that the public feels are more important than campaign finance reform are balancing the Federal budget and reforming welfare. To the surprise of many, the poll showed that changing Medicare and cutting taxes has less support than did campaign finance reform.

Mr. President, I would like to outline what the bill does:

Spending Limits and Benefits: Senate campaign spending limits would be based on each State's voting-age population, ranging from a high of over $8 million in a large State like California to a low of $1.5 million in a smaller State like Wyoming. Candidates that voluntarily comply with spending limits would receive:

Free Broadcast Time—Candidates would be entitled to 30 minutes of free broadcast time.

Broadcast Discounts—Broadcasters would be required to sell advertising to a complying candidate at 50 percent of the lowest unit rate.

Reduced Postage Rates—Candidates would be able to send up to two pieces of mail to each voting-age resident at the lowest 3d-class nonprofit bulk rate.

New Variable Contribution Limit—If a candidate's opponent does not agree to the spending limits or exceeds the limits, the complying candidate's individual contribution limit is raised from $1,000 to $2,000 and the complying candidate's spending ceiling is raised by 20 percent.

On the issue of Personal Funds: Complying candidates cannot spend more than $250,000 from their personal funds. Candidates who spend more than that amount are considered in violation of this act and therefore qualify for none of this Act's benefits.

Also, candidates are required to raise 60 percent of campaign funds from individuals residing in the candidate's home State.

There is a ban on political action committee contributions. In case a PAC ban is ruled unconstitutional by the Supreme Court, backup limits on PAC contributions are also included. In such an instance, PAC contribution limits would be lowered from $5,000 to the individual contribution limit. Additionally, candidates could receive no more than 20 percent of their contributions from PAC's.

All franked mass mailings banned in year of campaign.

There is a requirement increased disclosure and accountability for those who engage in political advertising.

Bundling is limited.

It requires Full Disclosure of all Soft Money contributions.

There is a ban on personal use of campaign funds, which codifies a recent FEC ruling that prohibits candidates from using campaign funds for personal purposes such as mortgage payments or vacation trips

This bill will affect both parties equally. It does what other bills in the past did not, not benefit just one party. And that is also why it has bipartisan support.

Mr. President, is this a perfect bill? No, it is not. I do not know if it is even possible to write a perfect campaign reform bill. But it is a good bill, that addresses the partisan and nonpartisan concerns that have undermined previous reform attempts. As the Washington Post said, "it would represent a large step forward." Also, as many have noted, we cannot let the perfect be the enemy of the good.

We must take this step. The American people expect us to do at least that much.

Mr. President, I want to make a few additional comments. I note the presence of my friend and colleague from Wisconsin, who is my partner in this effort, Senator FEINGOLD.

Sometimes, residing here in the Nation's capital, as we have to do a great percentage of our time, we have a tendency to not be aware of the hopes and aspirations and frustrations of the American people. Last week there was a CNN poll that showed what the American people want Congress to do and what they expect Congress to do. Mr. President, 88 percent of the American people want Congress to balance the budget; 31 percent believe that they will do it. The next highest on that list is 88 percent want Congress to reform welfare; 47 percent expect them to do it. Next in line is 83 percent of the American people want Congress to reform campaign financing, while only 30 percent of the American people believe that Congress will do it.

The article goes on to say Congress meanwhile has fallen to a 30-percent approval, its lowest level since Republicans won control in January. Analysts say it is largely due to the slowdown in legislation as items have moved to the Senate coupled with an increase in partisan bickering over Medicare and GOP squabbles over welfare reform.

Mr. President, I do not think we should rest easy when the approval of the American people of Congress is as low as 30 percent.

Recently there was a poll done by respected pollsters in this city. I would like to quote three very important items from that poll.

When asked: We need campaign finance reform to make politicians accountable to average voters rather than special interests, voters stated this was very convincing, 59 percent;

somewhat convincing 31 percent; not very convincing, 5 percent; not at all convincing, 4 percent; and do not know, 2 percent.

Mr. President, let me repeat that. When asked: We need campaign finance reform to make politicians accountable to average voters rather than special interests, a total of 59 percent found that argument very convincing, and 31 percent; somewhat convincing, a total of 90 percent of those interviewed.

When asked: We do not need campaign finance reform, the election in November helped clean up a lot of problems in Washington, respondents said their argument was very convincing, 13 percent; somewhat convincing, 19 percent; not very convincing, 22 percent; and not at all convincing, 39 percent.

Reducing the amount special interest groups can contribute to a candidate would be very effective, 54 percent; somewhat effective, 34 percent.

Mr. President, when the respondents were asked: Those who make large campaign contributions get special favors from politicians, respondents said this is one of the things that worries you most, 34 percent; worries you a great deal, 34 percent. Sixty-eight percent of the American people believe that those who make large contributions get special favors from politicians bothers them most or bothers them a great deal.

What I am saying is that we need to reform this business. We must understand that money will always play a role in political campaigns. In an ideal world that would not be the case. We do not live in an ideal world. But there should be accountability.

I am pleased that Senator FEINGOLD and Senator THOMPSON and others are joining in this effort, the first bipartisan effort in over 10 years. This is not a popular issue, Mr. President. It is not one that the Congress would like to address. There are those who are cynical about the real prospects of fundamental campaign finance reform since it has been a high item on the agenda for a long time.

Frankly, I do not know if we will reform campaign financing. But I do know this: If we do not do something in this area, the very high disapproval that the American people have for our activities here in Congress will be reflected at the polls in November of 1996 since the American people have no other recourse. It is not clear to me what that reaction will be, whether it is a search for an independent party or candidate.

About 2 weeks ago was there was a poll taken by the Wall Street Journal and NBC that showed that 6 out of 10 Americans now would support an independent party for a candidate, or whether they would go back to the Democratic Party or they would believe that those on this side of the aisle are making a good effort. But I do know this: If we continue to experience such high disapproval ratings, the American people lose confidence in our ability to carry out their mandates and the repercussions cannot be good for our system of government.

So, Mr. President, I hope we will look at this issue carefully. I hope we will continue to try to work on a bipartisan basis. And I hope that all of those who are interested in this issue will understand that the Senator from Wisconsin and I do not believe that we have come up with a perfect document, there are parts of this bill that I have reservations about, parts of this bill that the Senator from Wisconsin has reservations about. We cannot let perfect be the enemy of the good. And always, if there is one lesson here, it is that this issue must be addressed on a bipartisan basis and from a bipartisan standpoint.

I reserve the remainder of my time and yield such time as he may use to the Senator from Wisconsin.

The PRESIDING OFFICER. The Senator from Wisconsin is recognized.

Mr. FEINGOLD. Mr. President, I thank the Chair.

Mr. President, I especially want to thank the Senator from Arizona. I am pleased to be a part of this effort, to be one of two authors in the McCain-Feingold bill, and am pleased to hear that Senator THOMPSON has joined us.

I have worked with the Senator from Arizona already this year on a number of issues and on a bipartisan basis about our concern about the revolving door. Members of Congress and staff sometimes move rather quickly over to lobbying ventures. We are trying to do something about that.

We worked hard together to try to do something about the great public frustration about pork items being placed on appropriations bills, and are trying to respond in another piece of legislation that is attached to the line-item veto, a bill that could do something about putting extraneous material on emergency spending bills.

I, of course, feel particular good about our recent effort and success on the gift ban which this body enacted just prior to the recess that we just had.

I have to tell you, back home the response to the gift ban was a lot more intense than I expected. People are looking for any sign of hope that things can change here in Washington. Even though the gift ban itself is not something that changes the world or solves all of our problems by any means, there was a feeling I got that people took some heart from that.

Our effort today in introducing this campaign finance reform bill is all about building on that initial success and doing it in an area that is even far more important; as the Senator from Arizona has said, the changing of the way we finance our campaigns. I am very optimistic that a number of Members from both sides of the aisle will join us in this effort soon. That is the indication I am getting from our conversations.

The Senator from Arizona said this is, will be, and will continue to be a bipartisan effort. Senator MCCAIN is speaking to Democrats and I am speaking to Republicans about this. We are not dividing up the Senate because this has to be a product of the Senate.

What we are really asking here is for both political parties to, in effect, sort of mutually disarm this money race in politics and to have a consensus that the Senate and the Congress in this country will all be better off if we stop this horrible trend for outrageous spending in campaigns.

I agree with the Senator from Arizona that this is not the perfect bill or the ideal bill, if there is one. I believe in complete public financing of campaigns. I think it would be better if we did not have any campaign contributions, if it was illegal to ask for campaign contributions. I think everybody would be better off. I suppose that is my ideal world. But I know that cannot pass here.

I introduced my own bill earlier this year, S. 46. I thought it was a good bill but it involved public financing. There are difficulties in getting a majority on that issue. But because campaign finance reform is such an overwhelming priority, I was not only pleased to see some of the ideas of the Senator from Arizona, but I was very surprised to see how far he would come to try to reach a consensus, to try to have a bipartisan bill to solve this problem. I believe it is one of the biggest problems we have in this country. I say the biggest problem we have in terms of our day-to-day operations in trying to solve a particular problem is balancing the Federal budget. That is No. 1.

But if we want to talk about the procedure, if we want to talk about the way this Government is run and why people feel it does not run right, I think the most important issue is changing the way campaigns are financed.

I say this from the point of view of maybe three different groups. The first group, the most important group, is the public at large. The Senator from Arizona says one of the reasons he thinks the Republicans won on November 8 is this issue. I think he is right. I think it is one of the reasons Bill Clinton and some of us won in 1992. It does not mean we earned that support if we do not do campaign finance reform. But I think it is one of the reasons. I think it has been a little bit surprising to people that in a reform Congress that this issue of campaign finance reform has not really come to the fore.

So from the point of view of the public, when they see the hundreds of thousands of dollars poured into the telecommunications bill or the regulatory reform bill, you name it, this is all happening in this Congress, the money race, the big contributions continue, and it makes people feel that they are disconnected from their elected representatives, that something is going on here, that after the election somebody comes here and they are distracted or disconnected from them, and that the big money in campaigns has a lot to do with it.

So from the point of view of the public, we need this legislation. We also need this legislation from the point of view of people who are challengers. We were all new candidates once for the Senate. We all had to face the reality that people would come to us and say, "Well, you may be qualified, but where are you going to get the money?" That ended up being the first question I was asked any time I went anywhere in Wisconsin or other places trying to figure out if I could run a credible race. How are you going to get the money?

Well, that has to change. Some of us were fortunate enough to win, maybe even without a great deal of money. But I cannot even imagine the thousands and thousands of Americans, good Americans, people who would have been wonderful Senators who did not even consider running because they believe this has become a game for either the wealthy or the well connected.

Finally, there is a third group that this should have great appeal for, and that is the 100 Members of this body. Ask any Senator what they do not like about their job. Most are so delighted to be here and consider it a great honor. The one thing that is the bane of any Senator's existence, if there is one, is this necessity of raising money. For many it is a demeaning process, to be told that if you do not raise $10,000 a week, you are not going to have a chance and you are going to have more opponents. It takes away from time with your family; it takes away from time with your constituents; it takes away from time to actually do the job here in Washington, to understand the issues, to talk to other Senators and to work out solutions. So from the point of view of the Senate and those who seek the Senate and those who elect us, it is time to come together, compromise if necessary, and have a real campaign finance reform bill.

The Senator from Arizona has outlined already the major provisions. Let me just highlight what I consider to be the three core provisions that I think make this bill very unique and not only strong but balanced from a partisan point of view. And these are the three provisions that all have to do with what happens if somebody complies with the incentives and with the limits in the bill in order to get various incentives.

First of all, there is a provision that might be called the more Democrat-supported provision. It was the one in S. 3 last year, the one that passed the Democratic Senate, and that is the voluntary limit. We would place a voluntary limit based on the size of the population in a State of how much can be spent in total in a U.S. Senate election from about $1.5 million in the smaller States to a maximum of about $7 million to $8 million in California. And we know even though that sounds like a lot of money, it does not even compare to the $50 million that was spent in a Senate race in California this past year.

So we provide a voluntary limit, and if you abide by the limit, you get benefits such as reduced television time and an opportunity to mail on a reduced basis to the constituents in your State.

The second idea is what I would call a more Republican idea, an idea that I have always liked, one idea I campaigned on and I believe in it, and that is that you should have to get a majority of your campaign contributions from individuals from your own home State—not from PAC's, not from out-of-State interests, but a majority of the money has to come from the folks for whom you work, the boss—in my case, the 5 million people who live in Wisconsin. I think that is a very important provision to return us to the grassroots politics it has been.

The third major provision has to do with a rising trend that we have all noticed and are all concerned about which makes the public terribly cynical, and that is the proliferation of big money being spent by very wealthy individuals to finance their own campaigns. This bill produces a voluntary limit of approximately $250,000, depending on the size of your State, saying that if you spend over that of your own money, your opponent gets some advantages in terms of raising funds to make it more competitive.

So this combination, doing something about the overall amount that is spent, doing something about obtaining funds from outside of your own home State, and doing something about the unfairness of the system that allows only the very wealthy to be able to just get right in the middle of an election, buy recognition and win an election, these three things I think make for the core of a very effective bill. There are other provisions that are important, but I think these three are the ones that will make this bill work and make the bill pass.

In addition, if a complying candidate is faced by an opponent that is pouring millions of dollars of their own money into their campaign, the complying candidate is granted the ability to raise additional campaign funds beyond the limits under current law.

I support that principle—that is, the idea that we should provide incentives for candidates to limit their personal funding, and the idea that if one candidate is facing someone with such vast resources, the candidate without personal wealth should have access to resources of equal value.

I do have concerns about this particular provision that raises the individual contribution limits and allows the complying candidate to raise hundreds of thousands of extra dollars. I am not sure that furthers the goal of bringing down the overall costs of Senate campaigns—in fact, it may only add fuel to the fire. Providing the complying candidate with greater benefits may be a better alternative to raising the contribution limits. But again I support the principle of finding a way to encourage candidates to voluntarily limit their personal spending.

There are other important provisions in this legislation as well. We eliminate a traditional incumbent advantage—franked mass mailings, in the calendar year of an election. The bill contains another provision I have concerns about, a ban on political action committee contributions including the so-called leadership PAC's.

If such a ban is ruled unlawful, PAC contributions will be limited to no more than 20 percent of a candidate's campaign funds collected and the contribution levels for PAC's will be lowered from 5,000 dollars to whatever the applicable individual contribution limits are.

Some view a PAC ban as a cure-all to our campaign finance problems. I am not so sure of this. First, according to figures released by the Federal Election Commission, PAC contributions have remained at fairly equal levels over the past few election cycles. Aggregate PAC contributions totaled $149 million in 1990, rose to $178 million in 1992 and remained at $178 million in 1994.

During the same period, overall campaign spending has risen from $446 million in 1990 to $724 million in 1994—a 62-percent increase. So even though overall campaign costs have skyrocketed in recent years, the level of PAC contributions has remained relatively constant.

That is why I have very serious doubts that banning political action committees will be very helpful in getting a grip on the rapidly rising levels of overall campaign spending. The Senator from Arizona does however make a compelling point that incumbents by and large are most likely to benefit from PAC's as illustrated by the shift in PAC contributions from the Democratic Party to the Republican Party following the 1994 elections.

Though I question the legality and rationale in banning PAC contributions, I think it is entirely appropriate to limit the amount of PAC contributions a candidate may accept as a percentage of overall fundraising. The backup provision in this bill—the 20 percent aggregate limit on PAC contributions, as well as lowering PAC contribution limits so they are equal to individual contribution limits—is a good idea, and I would actually support lowering that aggregate threshold, perhaps 10 percent.

The bill also places new disclosure requirements and limits on the tremendous amounts of soft money, that is, the unregulated campaign funds that are poured into Federal campaigns including Presidential elections.

Soft money represents a real problem in our political system and this is clearly one obstacle that Republicans and Democrats should be working together to eliminate. The amount of soft money raised just this year—numbering in the tens of millions of dollars—stands to undermine the reforms of the Presidential Election System that have worked so well for over 20 years now.

Let me say that I was disappointed in the Democratic National Committee's recent fundraising effort that literally sought to sell access to the President in exchange for campaign contributions. I am very pleased that President Clinton, a longtime supporter of campaign finance reform, denounced this effort and distanced himself from it.

This sort of fundraising has occurred while the White House was in control of Democrats and Republicans alike—and let me be clear here—both parties are guilty of this kind of fundraising tactic that only underscores the need for comprehensive reform that includes soft money limits and disclosure.

Finally, the bill will codify a recent ruling by the Federal Election Commission that bars candidates from using campaign funds for personal purposes, such as mortgage payments, country club memberships and vacations.

Most of these provisions were included in S. 46, the campaign finance reform legislation I introduced on the first day of the 104th Congress, and I am delighted that Senator MCCAIN and I were able to come together, roll up our sleeves and produce a comprehensive reform bill that is fair to Democrats and Republicans alike.

The fact is, I do not support everything in this bill. There are provisions I would like to see modified. The legislation I introduced in January called for full public financing for candidates that agree to limit there overall campaign spending. I continue to believe that public financing is the best way to reform a system that has created dramatically unfair elections and caused Members of Congress to spend increasingly more time hosting fundraisers and less time fulfilling their legislative responsibilities.

However, if campaign finance reform is to pass with bipartisan support, a vehicle for such reform must be found that can be supported by Members from both parties and from across political ideologies. I believe that this bill provides that vehicle.

Having a fair and competitive election system is not a Democratic or Republican issue. How we elect our Representatives is a cornerstone of our Democratic political system. As a Nation, we have always put a tremendous value on participation in our Democratic process. We have repeatedly passed laws, even constitutional amendments, to expand the rights of our citizens to vote and express political viewpoints.

Yet here we are with a campaign system in which the average cost of running for a seat in the U.S. Senate is estimated at $4 million. Four million dollars. That is just the average. In 1994, nearly $35 million was spent between the two general election candidates in California alone. Nearly $27 million was spent by the candidates in the Virginia Senate race.

So unless you win the Powerball drawing, or strike oil in your backyard or are an incumbent Member of Congress, you are an automatic longshot to be even considered a credible candidate for the United States Senate.

That is not expanding participation. That is not encouraging democracy. That is sending out a clear message that unless you are well-financed or well-connected, you should not be running for the United States Senate.

Finally, the time consumed raising contributions for re-election efforts is time taken away from legislative responsibilities of incumbents. Members of Congress should not have to choose between those responsibilities or making phone calls to potential contributors.

What we need to do is to return to a simple proposition: That is, money should not determine the outcome of elections. Elections should be decided by issues and ideas, not checkbooks and campaign coffers. That does not mean that campaign contributions have no place in our election system. It simply means that all candidates should have a legitimate and reasonable opportunity to get their message out to the electorate in their States.

I have reached that conclusion, the Senator from Arizona has reached that conclusion, and the majority of this body has reached that conclusion.

Mr. President, we all know that Congress is not held in very high regard by the American people. They are angry, they are cynical and to a large extent they have lost faith in their Government. All of these feelings have sprung from a common belief that is shared by so many of our constituents—a belief that I find deeply troubling—that the Congress simply does not represent them anymore.

They see the television news accounts of Members of Congress relaxing on a beach vacation paid for by lobbyists. They find out that their Representatives are receiving tens of thousands of dollars from this interest group or that interest group, and they have begun to wonder if the average American really has any sort of voice in Washington, DC. They feel alienated, they feel disconnected and soon they become distrustful.

A few weeks ago, thousands of Americans who have been frustrated by both parties' inability to produce meaningful political reform met at the United We Stand America Convention in Dallas.

Politician after politician, from both parties, ranging from the distinguished Senate majority leader to the general chairman of the Democratic National Committee, stood at the lectern in Dallas and railed for campaign finance reform. Why? As one attendee at this convention framed it:

> When I look at a politician, I wonder who really owns him. I do not see them as people with their own ideas. I think the people who are financing them tell them what to think.

That viewpoint, Mr. President—one that I believe is shared by millions and millions of other Americans—is precisely why we are in such need of immediate and meaningful campaign finance reform.

Whether it is showering Members of Congress with free gifts, meals or vacation trips, or funneling huge campaign contributions to incumbent Members, it has become clear in the minds of the American people—and justifiably so—that the key to gaining access and influence on Capitol Hill is money.

And that is what our election system has become all about—money. Candidates are judged first and foremost not on their positions on the issues, not by their experience or capabilities but by their ability to raise the millions of dollars that are needed in today's climate to run an effective congressional campaign.

The bill we are introducing today will return our campaign system to the people we represent. If an individual wants to run for the United States Senate and can prove that their ideas and viewpoints represent a broad base of support, they will have the opportunity to do so.

I have said many times that we should not have a campaign finance system that favors challengers or incumbents, or candidates from either party. The bill we are introducing today represents the comprehensive, bipartisan reform that the American people have been demanding for years.

This bill represents a compromise that can be supported by Senators from across the ideological spectrum. It is not perfect and it includes provisions which I and others might not support standing alone. Each of us has swallowed hard in some areas to put together a responsible, bipartisan proposal. Taken as a whole and on balance, it is a vast improvement over our current system which can be described as unfair at best and chaotic at worst.

Finally and very briefly, the question I am getting is: Why do you think this is going to succeed? This has been tried time and again.

Well, I can understand that sentiment. Campaign finance reform is not even mentioned in the Republican Contract With America. It is not even there. But there is still a strong feeling that this should be done. Even though there is a disconnect between what the Senator from Arizona has said when he points out people believe this should be done but they do not think it can be done, it will not happen, I think there are signs it will happen.

First, this is the first bipartisan effort of its kind for 10 years. That is very important.

Second, I think the gift ban effort showed that there is a willingness on reform issues to cross party lines, to sometimes not agree with the leadership, and to move on a bipartisan basis to change the system.

Third, you cannot help but notice that at the conference in Dallas run by Mr. Perot, even though it may not have been expected, one of the leading topics was the need for campaign finance reform. And in the first speech given at that conference by our former colleague, Senator Boren said that the conference should go on record in favor of the McCain-Feingold bill.

I also noticed that even before we introduced the bill today, we have already had editorial endorsements across the country. It is rare to receive editorial endorsements on a piece of legislation before you even introduce it, but this bill has already merited it. We also understand that at least a notice will go out today that a couple of our colleagues in the House on a bipartisan basis will introduce this same bill in the House. So there is reason to believe that it will not just be an effort in the Senate.

Let me finally say I think the most telling proof that this thing can work is the vote we took in July. I came to the floor of the Senate and simply brought up a sense-of-the-Senate resolution along with Senator MCCAIN that said we ought to consider campaign finance reform during the 104th Congress. I expected that this would just be accepted, that people would say, "Fine. Let's deal with that later." But the majority leader, a person who has enormous respect in this body from every Member, came down to the floor and indicated that he was not sure there could be a bipartisan effort, and he moved to table my amendment to not have campaign finance reform put on the agenda.

Mr. President, he lost that vote. He almost never loses a vote out here. He has a tremendously high success record. But 13 Republicans joined with various Democrats to say on a 57-41 vote that, yes, during the 104th Congress we have to clean up this money mess that is in Washington. We have to stop this race to raise all this money out here that takes us away from our constituents.

I think that is a good sign. It is a sign that both parties want to work together. And all I can say in conclusion is the thing I especially like about working with the Senator from Arizona is he does not just like introducing bills; he likes to win. This is an effort to pass a bill—not talk about it, pass a bill—send it to the President, and to have by January 1, 1997, a whole different way of electing Senators.

So I thank the Senator from Arizona very much, and I look forward to this effort.

Mr. McCAIN addressed the Chair.

The PRESIDING OFFICER (Mr. COVERDELL). The Chair recognizes the Senator from Arizona.

Mr. McCAIN. Mr. President, I send this legislation to the desk.

The PRESIDING OFFICER. The bill will be received and appropriately referred.

Mr. McCAIN. Thank you, Mr. President. I just want to congratulate the Senator from Wisconsin for a very fine statement. I hope this is the beginning of a process that can be completed. I believe we have clearly stated that we are interested in a bipartisan effort in this area. We are not interested in seeking political advantage or campaign advantage for either party. We are interested in leveling the playing field for incumbents and challengers, which is clearly not the case today. I appreciate the effort of the Senator from Wisconsin and I have grown to appreciate not only his dedication but his tenacity.

Mr. President, I note the presence of the Senator from Maryland in the Chamber, so I will yield back the remainder of my time.

Mr. THOMPSON. Mr. President, I appreciate the opportunity to join my colleagues, Senators MCCAIN and FEINGOLD, in the introduction of the Senate Campaign Finance Reform Act of 1995.

It is well known that the American people have very little faith in their elected representatives. It is a travesty that the commonly held presumption is that Members of Congress are bought and controlled by special interests.

Another problem that affects the reputation and quality of our representative government is that once someone gets elected, they have a significant advantage in subsequent elections.

Congress needs to move away from professionalism and more toward a citizen legislature. It should be more open, instead of more closed. And that's because of the role that money plays. Unless a candidate has access to large sums of money he or she is pretty much cut out of the process. This leaves the field to the professional politicians.

This legislation will do several things. First, it will help level the playing field and help reduce the advantage that incumbents have. And it will bring down the built-in advantage of individual wealth. Second, it will reduce the reliance on private donations.

The new provisions which is the largest step in a new direction is the one that requires that most of a candidate's money must be raised in his or her own State. For myself, I'd probably be in favor of even higher requirements on this.

The most important element in all this is what passage of this legislation would do to improve public confidence. The public is extremely cynical and skeptical of the process of our Congress and our Government. We need to do everything we can to turn that around. Much of the public's concern has to do with the role of money in our process. This would be a step in a downplaying the importance of money in electing our officials and in what is perceived to be its effect on the decisions officials make after their election.

Much of the public perception of the process is justified. We have got to start doing everything we can to enhance the stature and the confidence that people have in the Congress. Otherwise, we are not going to be able to exert the leadership we need to in other legislative areas. Right now we've got feet of clay, and it makes the rest of the body politic weak. Until we do something about these fundamental parts of the political process, Congress is not going to have the strength to sustain itself when we make the tough decisions on fiscal matters, and other important areas such as welfare, tax reform, health care, and crime.

This proposal will help level the playing field, open up the process, and do away with some of the advantages of incumbency. It will reduce the amount of time a candidate and office holder will have to spend on fundraising. It will reduce the role of money and reduce the reliance on private political contributions. And most importantly, it will help renew public confidence.

Mr. WELLSTONE. Mr. President, I am delighted to be an original cosponsor of the bipartisan legislation introduced today by Senators FEINGOLD and MCCAIN, to provide for broad, sweeping reform of the way we conduct and finance congressional elections.

I have been proud to work with my colleagues from Arizona and Wisconsin on a number of political reform issues, and was very pleased to celebrate a major victory with them as allies on the gift ban, passed just before the recess. After several years of struggle and controversy in the face of strong and persistent resistance by certain of my colleagues, including last year's filibuster by our Republican colleagues, it was a major victory for reformers.

And in my conversations with people back in my State, they recognized its importance and said that it gave them renewed hope that we in Congress might respond to growing demands for political reform at the grassroots.

But the gift ban, and the passage of lobbying reform, are only two key elements of the political reform agenda. The more significant reform, in my mind, and the one that will have even more far-reaching consequences for stemming the tide of special interest influence in the political process, is the effort to profoundly reshape the way we finance and conduct political campaigns in this country.

For many years, I and others have pushed forward here in the Senate a number of campaign finance reform bills, only to see them die in the face of near-unanimous Republican opposition, including a sustained filibuster against last year's bill. I hope that as this bill evolves, it will serve as the basis for the grand bipartisan compromise on this issue that has so far eluded us. For that to happen, each side will have to consider giving up certain advantages that many believe the current system now offers. Americans are looking for that kind of cooperation and compromise on political reform. They believe it's long overdue.

On the first day of this Congress, I reintroduced S. 116, my comprehensive campaign reform legislation, which I believe should serve as a model for real, thoroughgoing reform of our campaign finance system. I said at the time that I hoped we would move forward quickly on real reform, despite the persistent opposition of most of my colleagues on the other side of the aisle. That bill has been bottled up by the Governmental Affairs Committee, which has thus far refused to even hold hearings on campaign reform.

There have been a number of other campaign reform bills introduced this year, including the version of last year's comprehensive bill introduced by Minority Leader DASCHLE. None of them have received serious consideration by the committees on jurisdiction either. I hope that additional elements of my bill will be incorporated into the final version of this bill if it moves forward.

This bill is not perfect. Some of its provisions I don't support. But even with its warts, I have decided to be an original cosponsor in the hope that it might provide a vehicle for real, bipartisan reform efforts this year. It does provide many of the central elements of any significant reform plan. Its enactment would go a long way toward restoring integrity to our political process.

Perhaps most important, it would impose strict limits on the amounts that candidates could spend in their campaigns. That is critical if we are to address the huge amount of big money that pours into campaigns, often from well-heeled special interests. As with my bill, and others, the formula would be based on the voting age population in each State. Candidates who agree to abide by the limit would receive free broadcast time, reduced postage rates, and broadcast discounts as incentives for them to participate.

It also contains tough new provisions to ban special interests from bundling contributions, bans contributions from political action committees—with backup limits should the ban be found unconstitutional by the courts—bans incumbent use of taxpayer-paid mass mailings in an election year, imposes tough new limits on so-called soft money contributions that can be used to circumvent Federal financing rules, and prohibits the personal use of campaign funds.

Finally, it places a premium on contributions from a Member's own home State, in an effort to ensure that Senators are more accountable to those who elected them than to big-money special interests. It requires that a substantial majority of funds come from one's State, and that would be another big step toward reform. While it is true that this specific provision has often been seen historically as being harder on Democrats than Republicans, I believe this is an important principle that should be preserved in some form as this bill moves forward.

As I have said, there are some real problems with this bill, and both of its primary sponsors have acknowledged that. I will only identify a few. For example, if a noncomplying candidate refuses to abide by spending limits, the bill allows an increase in contribution limits for the complying candidate, as a deterrent to nonparticipation. I am very troubled by this provision, because I think it could, in some circumstances, increase individual contribution limits, rather than decrease them, as I would prefer. Last year I offered several amendments to reduce substantially individual contribution limits. I continue to believe that this is the way to go, coupled with other incentives. I hope that we will ultimately provide for another way to offer carrots, and wield sticks, to encourage candidates to comply with spending limits.

In addition, the bill provides for a limit on personal funds spent in a campaign to $250,000. I believe this is much too high, which is why I offered an amendment last Congress, approved overwhelmingly by the Senate, to cut this limit down to $25,000. I believe that is where the limit should be set, and I intend to work with my colleagues to reduce that limit.

In short, while this measure is not as comprehensive as earlier versions of campaign legislation which I have authored or supported in the past, it would go a very long way toward real reform. I think that as the bill moves forward, it can be improved upon, and I intend to work to do that. But I commend Senators FEINGOLD and MCCAIN for their effort, and I hope the introduction of this bill will help to move us as soon as possible toward a major overhaul of the campaign finance system, which has eluded us for so many years.

By Mrs. BOXER:

S. 1220. A bill to provide that Members of Congress shall not be paid during Federal Government shutdowns; to the Committee on Governmental Affairs.

FEDERAL GOVERNMENT SHUTDOWN LEGISLATION

• Mrs. BOXER. Mr. President, today I am introducing legislation that I believe is fair and necessary.

This bill says that if the Congress fails to do its work and cannot reach agreement on the Federal budget—and the Federal Government cannot pay its bills—Members of Congress will not receive pay.

Americans are being told every day that we may come to a train wreck over the budget. Certainly, we have major differences among Members of Congress and the President over what our national priorities should be. Some in Congress favor a huge tax cut for the rich paid for by crippling the Medicare system. I think that is cruel and unfair, and I am going to fight it. But even if we cannot agree on priorities, all Members of Congress should agree that we must pass the budget on time and enable the Government to continue operating.

I believe this legislation is important for two key reasons:

First, it will help avert the predicted Government shutdown because—with their personal paychecks on the line—Members will understand the fear and uncertainty now being felt by the millions of Americans who rely on Government services—from small businesses with Federal contracts to farmers to veterans to senior citizens to those who hold U.S. Government bonds.

Second, it codifies a principle that all other workers in America live by: If you don't do your job, you shouldn't get paid. One of Congress' most important functions is to pass the Nation's budget. If we fail in that critically important task, it simply makes sense that our pay should be docked.

This legislation would require that pay for Members of Congress be docked if either there is a lapse in appropriations for any Federal department or agency or the Federal debt ceiling is reached.

I am very pleased that a companion measure is being introduced in the House of Representatives today by Congressman DICK DURBIN.

I ask unanimous consent that the full text of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1220

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. PAY OF MEMBERS OF CONGRESS DURING GOVERNMENT SHUTDOWNS.

No Member of Congress may receive basic pay for any period in which—

(1) there is a lapse in appropriations for any Federal agency or department as a result of a failure to enact a regular appropriations bill or continuing resolution; or

(2) the Federal Government is unable to make payments or meet obligations because the public debt limit under section 3101 of title 31, United States Code has been reached.

SEC. 2. RETROACTIVE PAY PROHIBITED.

No pay forfeited in accordance with section 1 may be paid retroactively.•

By Mrs. KASSEBAUM (for herself and Mr. JEFFORDS):

S. 1221. A bill to authorize appropriations for the Legal Services Corporation Act, and for other purposes; to the Committee on Labor and Human Resources.

LEGAL SERVICES REAUTHORIZATION LEGISLATION

• Mrs. KASSEBAUM. Mr. President, I introduce legislation along with Senator JEFFORDS to reauthorize the Legal Services Corporation [LSC] Act.

Through this federally established corporation, thousands of low income Americans have access to our legal system. Clients seek assistance with landlord-tenant disputes, domestic violence cases, writing of wills, and other civil matters. Sometimes the cases need to be litigated, but frequently, the clients simply need legal counseling.

Regrettably, Legal Services has been plagued with controversy over the last decade. Critics have charged, with some validity, that Legal Services attorneys have acted as advocates for political causes, such as welfare reform and state redistricting cases. As a result, LSC has not been reauthorized since 1977.

Today, I am introducing a Senate companion bill to H.R. 1806, legislation introduced by Representatives MCCOLLUM and STENHOLM in the House of Representatives. I want to give Representatives MCCOLLUM and STENHOLM credit for their hard work in putting this bill together, and for their dedication to assuring that low income Americans retain access to our legal system.

The legislation being introduced today addresses the concerns that have been expressed over the past several years by limiting the types of activities that Legal Services attorneys can handle. For instance, under the bill, Legal Services attorneys cannot represent tenants being evicted from public housing projects for drug dealing. In addition, attorneys will not be representing incarcerated individuals on prisoner rights cases.

The legislation also has new accountability provisions. Lawyers will be required to keep time sheets so federal auditors can monitor the types of cases being handled. New litigation safeguards will be implemented to protect against the filing of frivolous class action law suits. And we will require LSC grantees to bid competitively for their LSC contracts.

Mr. President, Legal Services is an important program. I urge my colleagues to support the legislation being introduced today, and ask unanimous consent that the full text of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1221

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE; TABLE OF CONTENTS; REFERENCE.

(a) SHORT TITLE.—This Act may be cited as the "Legal Services Reform Act of 1995".

(b) TABLE OF CONTENTS.—The table of contents is as follows:

Sec. 1. Short title; table of contents; reference.
Sec. 2. Findings.
Sec. 3. Authorization of appropriations.
Sec. 4. Prohibition on redistricting activity.
Sec. 5. Protection against theft and fraud.
Sec. 6. Solicitation.
Sec. 7. Procedural safeguards for litigation.
Sec. 8. Lobbying and rulemaking.
Sec. 9. Timekeeping.
Sec. 10. Authority of local governing boards.
Sec. 11. Regulation of nonpublic resources.
Sec. 12. Certain eviction proceedings.
Sec. 13. Implementation of competition.
Sec. 14. Research and attorneys' fees.
Sec. 15. Abortion.
Sec. 16. Class actions.
Sec. 17. Aliens.
Sec. 18. Training.
Sec. 19. Copayments.
Sec. 20. Fee-generating cases.
Sec. 21. Welfare reform.
Sec. 22. Prisoner litigation.
Sec. 23. Appointment of Corporation president.
Sec. 24. Evasion.
Sec. 25. Pay for officers and employees of the Corporation.
Sec. 26. Location of principal office.
Sec. 27. Definition.

(c) REFERENCE.—Whenever in this Act an amendment or repeal is expressed in terms of an amendment to or repeal of a section or other provision, the reference shall be considered to be made to section or other provision of the Legal Services Corporation Act (42 U.S.C. 2996 and following).

SEC. 2. FINDINGS.

Section 1001 (42 U.S.C. 2996) is amended to read as follows:

"FINDINGS

"SEC. 1001. The Congress finds the following:

"(1) There is a need to encourage equal access to the system of justice in the United States for individuals seeking redress of grievances.

"(2) There is a need to encourage the provision of high quality legal assistance for those who would otherwise be unable to afford legal counsel.

"(3) Encouraging the provision of legal assistance to those who face an economic barrier to legal counsel will serve the ends of justice consistent with the purposes of the Legal Services Corporation Act.

"(4) It is not the purpose of the Legal Services Corporation Act to meet all the legal needs of all potentially eligible clients, but instead to be a catalyst to encourage the legal profession and others to meet their responsibilities to the poor and to maximize access of the poor to justice.

"(5) For many citizens the availability of legal services has reaffirmed faith in our government of laws.

"(6) To preserve its strength, the legal services program must be made completely free from the influence of political pressures and completely free of lobbying and political activity.

"(7) There are over 2,000 non-profit organizations advocating on behalf of the poor throughout the United States and it is not appropriate for funds regulated under the Legal Services Corporation Act to be expended lobbying for or against positions taken by those groups.

"(8) Attorneys providing legal assistance must protect the best interests of their clients in keeping with the Code of Professional Responsibility, the Canon of Ethics, and the high standards of the legal profession.

SEC. 3. AUTHORIZATION OF APPROPRIATIONS.

Subsection (a) of section 1010 (42 U.S.C. 2996i) is amended to read as follows:

"(a) There are authorized to be appropriated for the purposes of carrying out the activities of the Corporation—

"(1) $278,000,000 for fiscal year 1996,
"(2) $278,000,000 for fiscal year 1997
"(3) $278,000,000 for fiscal year 1998,
"(4) $278,000,000 for fiscal year 1999, and
"(5) $278,000,000 for fiscal year 2000.".

SEC. 4. PROHIBITION ON REDISTRICTING ACTIVITY.

Section 1007(b) (42 U.S.C. 2996f(b)) is amended—

(1) in paragraph (9), by striking "or" after the semicolon;

(2) in paragraph (10), by striking the period and inserting "; or"; and

(3) by adding at the end the following:

"(11) to—

"(A) advocate or oppose, or contribute or make available any funds, personnel, or equipment for use in advocating or opposing, any plan or proposal, or

"(B) represent any party or participate in any other way in litigation,

that is intended to or has the effect of altering, revising, or reapportioning a legislative, judicial, or elective district at any level of government, including influencing the timing or manner of the taking of a census.".

SEC. 5. PROTECTION AGAINST THEFT AND FRAUD.

Section 1005 (42 U.S.C. 2996d) is amended by adding at the end the following:

"(h) For purposes of sections 286, 287, 641, 1001, and 1002 of title 18, United States Code, the Corporation shall be considered to be a department or agency of the United States Government.

"(i) For purposes of sections 3729 through 3733 of title 31, United States Code, the term "United States Government" shall include the Corporation, except that actions that are authorized by section 3730(b) of such title to be brought by persons may not be brought against the Corporation, any recipient, subrecipient, grantee, or contractor of the Corporation, or any employee thereof.

"(j) For purposes of section 1516 of title 18, United States Code—

"(1) the term 'Federal auditor' shall include any auditor employed or retained on a contractual basis by the Corporation,

"(2) the term 'contract' shall include any grant or contract made by the Corporation, and

"(3) the term 'person', as used in subsection (a) of such section, shall include any grantee or contractor receiving financial assistance under section 1006(a)(1).

"(k) Funds provided by the Corporation under section 1006 shall be deemed to be Federal appropriations when used by a contractor, grantee, subcontractor, or subgrantee of the Corporation.

"(l) For purposes of section 666 of title 18, United States Code, funds provided by the Corporation shall be deemed to be benefits under a Federal program involving a grant or contract.".

SEC. 6. SOLICITATION.

Section 1007 (42 U.S.C. 2996f) is amended by adding at the end the following:

"(i) Any recipient, and any employee of a recipient, who has given in-person unsolicited advice to a nonattorney that such nonattorney should obtain counsel or take legal action shall not accept employment resulting from that advice, or refer that nonattorney to another recipient or employee of a recipient, except that—

"(1) an attorney may accept employment by a close friend, relative, former client (if the advice given is germane to the previous employment by the client), or person whom the attorney reasonably believes to be a client because the attorney is currently handling an active legal matter or case for that specific person;

"(2) an attorney may accept employment that results from the attorney's participation in activities designed to educate nonattorneys to recognize legal problems, to make intelligent selection of counsel, or to utilize available legal services if such activities are conducted or sponsored by a qualified legal assistance organization;

"(3) without affecting that attorney's right to accept employment, an attorney may speak publicly or write for publication on legal topics so long as such attorney does not emphasize the attorney's own professional experience or reputation and does not undertake to give individual advice in such speech or publication; and

"(4) if success in asserting rights or defenses of a client in litigation in the nature of class action is dependent upon the joinder of others, an attorney may accept, but shall not seek, employment from those contacted for the purpose of obtaining that joinder.".

SEC. 7. PROCEDURAL SAFEGUARDS FOR LITIGATION.

Section 1007 (42 U.S.C. 2996f), as amended by section 6 of this Act, is further amended by adding at the end the following:

"(j)(1) No recipient or employee of a recipient may file a complaint or otherwise pursue litigation against a defendant unless—

"(A) all plaintiffs have been specifically identified, by name, in any complaint filed for purposes of litigation, except to the extent that a court of competent jurisdiction has granted leave to protect the identity of any plaintiff; and

"(B) a statement or statements of facts written in English and, if necessary, in a language which the plaintiffs understand, which enumerate the particular facts known to the plaintiffs on which the complaint is based, have been signed by the plaintiffs (including named plaintiffs in a class action), are kept on file by the recipient, and are made available to any Federal department or agency that is auditing the activities of the Corporation or any recipient, and to any auditor receiving Federal funds to conduct such auditing, including any auditor or monitor of the Corporation.

Other parties shall have access to the statement of facts referred to in subparagraph (B) only through the discovery process after litigation has begun.

"(2) No recipient or employee of a recipient may engage in precomplaint settlement negotiations with a prospective defendant unless—

"(A) all plaintiffs have been specifically identified, except to the extent that a court of competent jurisdiction has granted leave to protect the identity of any plaintiff; and

"(B) a statement or statements of facts written in English and, if necessary, in a language which the plaintiffs understand, which enumerate the particular facts known to the plaintiffs on which the complaint will be based if such negotiations fail, have been signed by all plaintiffs (including named plaintiffs in a class action), are kept on file by the recipient, and are made available to all prospective defendants or such defendants' counsel, to any Federal department or agency that is auditing the activities of the Corporation or any such recipient, and to any auditor receiving Federal funds to conduct such auditing, including any auditor or monitor of the Corporation.

"(3)(A) Subject to subparagraph (B), any Federal district court of competent jurisdiction, after notice to potential parties to litigation referred to in paragraph (1) or to negotiations described in paragraph (2) and after an opportunity for a hearing, may enjoin the disclosure of the identity of any potential plaintiff pending the outcome of such litigation or negotiations, upon the establishment of reasonable cause to believe that such an injunction is necessary to prevent probable, serious harm to such potential plaintiff.

"(B) Notwithstanding subparagraph (A), the court shall, in a case in which subparagraph (A) applies, order the disclosure of the identity of any potential plaintiff to counsel for potential defendants upon the condition that counsel for potential defendants not disclose the identity of such potential plaintiff (other than to investigators or paralegals hired by such counsel), unless authorized in writing by such potential plaintiff's counsel or the court.

"(C) In a case in which paragraph (1) applies, counsel for potential defendants and the recipient or employee counsel of the recipient may execute an agreement, in lieu of seeking a court order under subparagraph (A), government disclosure of the identity of any potential plaintiff.

"(D) The court may punish as a contempt of court any violation of an order of the court under subparagraph (A) or (B) or of an agreement under subparagraph (C).

"(4) Any funds received from a defendant by a recipient on behalf of a class of eligible clients shall be placed in an escrow account until the funds may be paid to such clients. Any such funds which are not disbursed to clients within one year of the date on which such funds were received shall be returned to the defendant.".

SEC. 8. LOBBYING.

Section 1007(a)(5) (42 U.S.C. 2996f(a)(5)) is amended to read as follows:

"(5) ensure that no funds made available to recipients are used at any time, directly or indirectly—

"(A) to influence the issuance, amendment, or revocation of any executive order or similar promulgation by any Federal, State or local agency, or to undertake to influence the passage or defeat of any legislation by the Congress of the United States, or by any State or local legislative body, or State proposals made by initiative petition or referendum, except to the extent that a governmental agency, a legislative body, a committee, or a member thereof is considering a measure directly affecting the recipient or the Corporation;

"(B) to pay for any publicity or propaganda intended or designed to support or defeat legislation pending before the Congress or State or local legislative bodies or intended or designed to influence any decision by a Federal, State, or local agency;

"(C) to pay for any personal service, advertisement, telegram, telephone communications, letter, printed or written matter, or other device, intended or designed to influence any decision by a Federal, State, or local agency, except when legal assistance is provided by an employee of a recipient to an eligible client on a particular application, claim, or case, which directly involves the client's legal rights or responsibilities and which does not involve the issuance, amendment, or revocation of any agency promulgation described in subparagraph (A);

"(D) to pay for any personal service, advertisement, telegram, telephone communication, letter, printed or written matter, or any other device intended or designed to influence any Member of Congress or any other Federal, State, or local elected official—

"(i) to favor or oppose any referendum, initiative, constitutional amendment, or any similar procedures of the Congress, any State legislature, any local council, or any similar governing body acting in a legislative capacity,

"(ii) to favor or oppose an authorization or appropriation directly affecting the authority, function, or funding of the recipient or the Corporation, or

"(iii) to influence the conduct of oversight proceedings of a recipient or the Corporation; or

"(E) to pay for any personal service, advertisement, telegram, telephone communication, letter, printed or written matter, or any other device intended or designed to influence any Member of Congress or any other Federal, State, or local elected official to favor or oppose any Act, bill, resolution, or similar legislation;

and ensure that no funds made available to recipients are used to pay for any administrative or related costs associated with an activity prohibited in subparagraph (A), (B), (C), (D), or (E);".

SEC. 9. TIMEKEEPING.

Section 1008(b) (42 U.S.C. 2996g(b)) is amended—

(1) by inserting "(1)" after "(b)"; and

(2) by adding at the end the following:

"(2) The Corporation shall require each recipient to maintain records of time spent on the cases or matters with respect to which that recipient is engaged in activities. Pursuant to such requirements, each employee of such recipient who is an attorney or paralegal shall record, by the name of the case or matter, at the time such employee engages in an activity regarding such case or matter, the type (as defined by the Corporation) of case or matter, the time spent on the activity, and the source of funds to be charged for the activity.".

SEC. 10. AUTHORITY OF LOCAL GOVERNING BOARDS.

Section 1007(c) (42 U.S.C. 2996f(c)) is amended—

(1) by striking "(1)" and "(2)" and inserting "(A)" and "(B)", respectively;

(2) by inserting "(1)" after "(c)"; and

(3) by adding at the end the following:

"(2) The board of directors of any nonprofit organization that is—

"(A) chartered under the laws of one of the States, a purpose of which is furnishing legal assistance to eligible clients, and

"(B) receiving funds made available by or through the Corporation,

shall set specific priorities pursuant to section 1007(a)(2)(C) for the types of matters and cases to which the staff of the nonprofit organization shall devote its time and resources. The staff of such organization shall not undertake cases or matters other than in accordance with the specific priorities set by its board of directors, except in emergency situations defined by such board. The staff of such organization shall report, to the board of directors of the organization on a quarterly basis and to the Corporation on an annual basis, all cases undertaken other than in accordance with such priorities. The Corporation shall promulgate a suggested list of priorities which boards of directors may use in setting priorities under this paragraph.".

SEC. 11. REGULATION OF NONPUBLIC RESOURCES.

Section 1010(c) (42 U.S.C. 2996i(c)) is amended to read as follows:

"(c)(1) Any non-Federal funds received by the Corporation, and any funds received by any recipient from any source other than the Corporation, shall be accounted for and reported as receipts and disbursements separate and distinct from Corporation funds. Any funds so received, including funds derived from Interest on Lawyers Trust Accounts, may not be expended by recipients for any purpose prohibited by this title or the Legal Services Reform Act of 1995. The Corporation shall not accept any non-Federal funds, and any recipient shall not accept funds from any source other than the Corporation, unless the Corporation or the recipient, as the case may be, notifies in writing the source of such funds that the funds may not be expended for any purpose prohibited by this title or the Legal Services Reform Act of 1995.

"(2) Paragraph (1) shall not prevent recipients from—

"(A) receiving Indian tribal funds (including funds from private nonprofit organizations for the benefit of Indians or Indian tribes) and expending them in accordance with the specific purposes for which they are provided; or

"(B) using funds received from a source other than the Corporation to provide legal assistance to a client who is not an eligible client if such funds are used for the specific purposes for which such funds were received, except that such funds may not be expended by recipients for any purpose prohibited by this title or the Legal Services Reform Act of 1995 (other than any requirement regarding the eligibility of clients).".

SEC. 12. CERTAIN EVICTION PROCEEDINGS.

Section 1007 (42. U.S.C. 2996f), as amended by sections 6 and 7 of this Act, is further amended by adding at the end the following:

"(k)(1) No funds made available by or through the Corporation may be used for defending a person in a proceeding to evict that person from a public housing project if the person has been charged with the illegal sale or distribution of a controlled substance and if the eviction proceeding is brought by a public housing agency because the illegal drug activity of that person threatens the health or safety of other tenants residing in the public housing project or employees of the public housing agency.

"(2) As used in this subsection—

"(A) the term 'controlled substance' has the meaning given that term in section 102 of the Controlled Substances Act (21 U.S.C. 802); and

"(B) the terms 'public housing project' and 'public housing agency' have the meanings given those terms in section 3 of the United States Housing Act of 1937 (42 U.S.C. 1437a).".

SEC. 13. IMPLEMENTATION OF COMPETITION.

(a) IN GENERAL.—Section 1007 (42 U.S.C. 2996f), as amended by sections 6, 7, and 12 of this Act, is further amended by adding at the end the following:

"(l)(1) All grants and contracts awarded by the Corporation for the provision or support of legal assistance to eligible clients under this title shall be awarded under a competitive bidding system.

"(2) Rights under sections 1007(a)(9) and 1011 shall not apply to the termination or denial of financial assistance under this title as a result of the competitive award of any grant or contract under paragraph (1), and the expiration of any grant or contract under this title as a result of such competitive award shall not be treated as a termination or denial of refunding under section 1007(a)(9) or 1011.

"(3) For purposes of this subsection, the term 'competitive bidding' means a system established by regulations issued by the Corporation which provide for the award of grants and contracts on the basis of merit to persons, organizations, and entities described in section 1006(a) who apply for such awards in competition with others under promulgated criteria. The Corporation shall ensure that the system incorporates the following:

"(A) The competitive bidding system shall commence no later than one year after the date of enactment of this provision and all previously awarded grants and contracts shall be set aside and subjected to this system within one year thereafter.

"(B) All awards of grants and contracts made under this system shall be subject to periodic review and renewed with the opportunity for others to compete for the award, and in no event shall any award be granted for a period longer than 5 years.

"(C) Timely notice for the submission of applications for awards shall be published in periodicals of local and State bar associations and in at least one daily newspaper of general circulation in the area to be served by the award recipient.

"(D) The selection criteria shall include but not be limited to the demonstration of a full understanding of the basic legal needs of the eligible clients to be served and a demonstration of the capability of serving those needs; the reputations of the principals of the applicant; the quality, feasibility, and cost effectiveness of plans submitted by the applicant for the delivery of legal assistance to the eligible clients to be served; a demonstration of willingness to abide by the restrictions placed on those awarded grants and contracts by the Corporation; and, if an applicant has previously received an award from the Corporation, the experiences of the Corporation with the applicant.

"(E) No previous recipient of an award of a grant or contract may be given any preference.

"(m)(1) The Corporation shall define service areas and funds available for each service area shall be on a per capita basis pursuant to the number of poor people determined by the Bureau of the Census to be within that area. Funds for a service area may be distributed by the Corporation to one or more recipients as defined in section 1006(a).

"(2) The amount of the grants from the Corporation and of the contracts entered into by the Corporation under section 1006(a)(1) shall be an equal figure per poor person for all geographic areas, based on the most recent decennial census of population conducted pursuant to section 141 of title 13, United States Code, regardless of the level of funding for any such geographic area before the enactment of the Legal Services Reform Act of 1995.

"(3) Beginning with the fiscal year beginning after the results of the most recent decennial census have been reported to the President under section 141(b) of title 13, United States Code, funding of geographic areas served by recipients shall be redetermined, in accordance with paragraph (2), based on the per capita poverty population in each such geographic area under that decennial census.".

(b) REQUIREMENTS OF RECIPIENTS.—Section 1007(c) (42 U.S.C. 2996f(c)), as amended by section 10 of this Act, is further amended by adding at the end the following:

"(3) Funds appropriated for the Corporation may not be used by the Corporation in making grants or entering into contracts for legal assistance unless the Corporation ensures that the recipient is either—

"(A) a private attorney or attorneys,

"(B) State and local governments or substate regional planning and coordination agencies which are composed of substate areas whose governing board is controlled by locally elected officials, or

"(C) a qualified nonprofit organization chartered under the laws of one of the States—

"(i) a purpose of which is furnishing legal assistance to eligible clients, and

"(ii) the majority of the board of directors or other governing body of which is comprised of attorneys who are admitted to practice in one of the States and are approved to serve on such board or body by the governing bodies of State, county, or municipal bar associations the membership of which represents a majority of the attorneys practicing law in the locality in which the organization is to provide legal assistance.

The approval described in subparagraph (B)(ii) may be given to more than one group of directors.".

SEC. 14. POWERS, RESEARCH, AND ATTORNEYS' FEES.

(a) POWERS.—Section 1006(a)(1)(A)(ii) is amended to read as follows:

"(ii) State and local governments or substate regional planning and coordination agencies which are composed of substate areas whose governing board is controlled by locally elected officials,".

(b) RESEARCH.—Section 1006(a) (42 U.S.C. 2996e(a)) is amended by inserting "and" at the end of paragraph (1), by striking "; and" at the end of paragraph (2) and inserting a period, and by striking paragraph (3).

(c) ATTORNEYS' FEES.—Section 1006 (42 U.S.C. 2996e(f)) is amended by striking subsection (f) and inserting the following:

"(f)(1) A recipient, or any client of such recipient, may not claim or collect attorneys' fees from nongovernmental parties to litigation initiated by such client with the assistance of such recipient.

"(2) The Corporation shall create a fund to pay defendants or clients under paragraphs (3). In addition to any other amounts appropriated to the Corporation, there is authorized to be appropriated to such fund for each fiscal year such sums as may be necessary.

"(3) If a Federal court has found an action commenced by a plaintiff with the assistance of a recipient involves a violation of Rule 11 of the Federal Rules of Civil Procedure, or if the president of the Corporation finds that an action commenced by a plaintiff with the assistance of a recipient in any court involves a violation of the standards of Rule 11, or was commenced for the purpose of retaliation or harassment, the president of the Corporation shall, upon application by the defendant, award from the Fund all reasonable costs and attorneys' fees incurred by the defendant in defending the action.

"(g)(1) The Board, within 90 days after the date of the enactment of the Legal Services Reform Act of 1995, shall issue regulations to provide for the distribution of attorneys' fees received by a recipient, in accordance with paragraph (2).

"(2) Such fees shall be transferred to the Corporation and the Corporation shall distribute such fees among its grantees for the direct delivery of legal assistance, except that, subject to approval by the Corporation—

"(A) a recipient shall not be required to transfer fees or other compensation received as a result of a mandated court appointment;

"(B) a recipient may retain reasonable costs customarily allowed in litigation against an unsuccessful party; and

"(C) a recipient may retain the actual cost of bringing the action, including the proportion of the compensation of each attorney involved in the action which is attributable to that action.".

SEC. 15. ABORTION.

(a) PROHIBITION.—Section 1007 (42 U.S.C. 2996f), as amended by sections 6, 7, 12, and 13 of this Act, is further amended by adding at the end the following:

"(n) No funds made available to any recipient from any source may be used to participate in any litigation with respect to abortion.".

(b) CONFORMING AMENDMENT.—Section 1007(b) (42 U.S.C. 2996f(b)), as amended by section 4, is amended by striking paragraph (8) and redesignating paragraphs (9), (10), and (11) as paragraphs (8), (9), and (10), respectively.

SEC. 16. CLASS ACTIONS.

Section 1006(d)(5) (42 U.S.C. 2996e(d)(5)) is amended—

(1) by striking "No" and inserting "(A) Subject to subparagraph (B), no"; and

(2) by adding at the end the following:

"(B) No recipient or employee of a recipient may bring a class action suit against the Federal Government or any State or local government unless—

"(i) the governing body of the recipient has expressly approved the filing of such an action;

"(ii) the class relief which is the subject of such an action is sought for the primary benefit of individuals who are eligible for legal assistance under this title; and

"(iii) before filing such an action, the project director of the recipient determines that the government entity is not likely to change the policy or practice in question, that the policy or practice will continue to adversely affect eligible clients, that the recipient has given notice of its intention to seek class relief, and that responsible efforts to resolve without litigation the adverse effects of the policy or practice have not been successful or would be adverse to the interest of the clients.".

SEC. 17. RESTRICTIONS ON USE OF FUNDS FOR LEGAL ASSISTANCE TO ALIENS.

Section 1007 (42 U.S.C. 2996f), as amended by sections 6, 7, 12, 13, and 15 of this Act, is further amended by adding at the end the following:

"(o) No funds made available to any recipient from any source may be expended to provide legal assistance for or on behalf of any alien unless the alien is present in the United States and is—

"(1) an alien lawfully admitted for permanent residence as defined in section 101(a)(2) of the Immigration and Nationality Act (8 U.S.C. 1101(a)(20));

"(2) an alien who is either married to a United States citizen or is a parent or an unmarried child under the age of 21 years of such a citizen and who has filed an application for adjustment of status to permanent resident under the Immigration and Nationality Act, and such application has not been rejected;

"(3) an alien who is lawfully present in the United States pursuant to an admission under section 207 of the Immigration and Nationality Act (8 U.S.C. 1157, relating to refugee admissions) or who has been granted asylum by the Attorney General under such Act;

"(4) an alien who is lawfully present in the United States as a result of the Attorney General's withholding of deportation pursuant to section 243(h) of the Immigration and Nationality Act (8 U.S.C. 1253(h)); or

"(5) an alien to whom section 305 of the Immigration Reform and Control Act of 1986 applies, but only to the extent that the legal assistance provided is that described in that section.

An alien who is lawfully present in the United States as a result of being granted conditional entry pursuant to section 203(a)(7) of the Immigration and Nationality Act (8 U.S.C. 11553(a)(7)) before April 1, 1980, because of persecution or fear of persecution on account of race, religion, or political opinion or because of being uprooted by catastrophic natural calamity shall be deemed to be an alien described in paragraph (3).".

SEC. 18. TRAINING.

Section 1007(b)(6) (42 U.S.C. 2996f(b)(6)) is amended to read as follows:

"(6) to support or conduct training programs for the purpose of advocating particular public policies or encouraging political activities, labor or antilabor activities, boycotts, picketing, strikes, or demonstrations, including the dissemination of information about such policies or activities, except that this paragraph shall not be construed to prohibit the training of attorneys or paralegal personnel necessary to prepare them to provide adequate legal assistance to eligible clients, to advise any eligible client as to the nature of the legislative process, or to inform any eligible client of the client's rights under any statute, order, or regulation;".

SEC. 19. COPAYMENTS.

Section 1007 (42 U.S.C. 2996f), as amended by sections 6, 7, 12, 13, 15, and 17 of this Act, is further amended by adding at the end the following:

"(p) The Corporation shall undertake one or more demonstration projects in order to study the feasibility of using client copayments to assist in setting the service priorities of its programs. Based on these projects and such other information as it considers appropriate, the Corporation may adopt a permanent system of client copayments for some or all of its programs of legal assistance.".

SEC. 20. FEE-GENERATING CASES.

(a) REPRESENTATION IN FEE-GENERATING CASE.—Paragraph (1) of section 1007(b) (42 U.S.C. 2996f(b)) is amended to read as follows:

"(1) to provide legal assistance with respect to any fee-generating case, except that this paragraph does not preclude representation of otherwise eligible clients in cases in which the client seeks benefits under titles II or XVI of the Social Security Act;".

(b) DEFINITION.—Section 1007(b) is amended by adding at the end the following:

"For purposes of paragraph (1), the term 'fee-generating case' means any case which if undertaken on behalf of an eligible client by an attorney in private practice may reasonably be expected to result in a fee for legal services from an award to a client from public funds, from the opposing party, or from any other source.".

SEC. 21. WELFARE REFORM.

Section 1007(b) (42 U.S.C. 2996f(b)), as amended by section 15(b), is amended—

(1) by striking "or" at the end of paragraph (9),

(2) by striking the period at the end of paragraph (10) and inserting a semicolon, and

(3) by adding after paragraph (10) the following:

"(11) to provide legal representation for any person or participate in any other way in litigation, lobbying, or rulemaking involving efforts to reform a State or Federal welfare system, except that this paragraph does not preclude a recipient from representing an individual client who seeking specific relief from a welfare agency where such relief does not involve an effort to amend or otherwise challenge existing law; or".

SEC. 22. PRISONER LITIGATION.

Section 1007(b) (42 U.S.C. 2996f(b)), as amended by section 21, is amended by adding after paragraph (11) the following:

"(12) to provide legal representation in litigation on behalf of a local, State, or Federal prisoner.".

SEC. 23. APPOINTMENT OR CORPORATION PRESIDENT.

Section 1005 (42 U.S.C. 2996d) is amended in subsection (a)—

(1) by striking "The Board shall" and inserting "The President, by and with the advice and consent of the Senate, shall";

(2) by adding "who shall serve at the pleasure of the President" after "the president of the Corporation,";

(3) by striking "as the Board" and inserting "as the President"; and

(4) by striking "by the Board" and inserting "by the President".

SEC. 24. EVASION.

The Legal Services Corporation Act is amended—

(1) by redesignating sections 1013 and 1014 as sections 1014 and 1015, respectively; and

(2) by inserting after section 1012 the following new section:

"EVASION

"SEC. 1013. Any attempt, such as the creation or use of 'alternative corporations', to avoid or otherwise evade the provisions of this title or the Legal Services Reform Act of 1995 is prohibited.".

SEC. 25. PAY FOR OFFICERS AND EMPLOYEES OF THE CORPORATION.

Section 1005(d) (42 U.S.C. 2996d(d)) is amended—

(1) by striking "V" and inserting "III"; and

(2) by striking "5316" and inserting "3514".

SEC. 26. LOCATION OF PRINCIPAL OFFICE.

Section 1003(b) (42 U.S.C. 2996b(b)) is amended by striking "District of Columbia" and inserting "Washington D.C. metropolitan area".

SEC. 27. DEFINITION.

As used in section 1009(d) of Legal Services Corporation Act, the term "attorney client privilege" protects only a communication made in confidence to an attorney by a client for the purpose of seeking legal advice. Claims of such privilege and claims of confidentiality do not, except to the extent provided by court order, protect from disclosure to any Federal department or agency that is auditing the activities of the Legal Services Corporation or any recipient (as defined in section 1002 of the Legal Services Corporation Act), or to any auditor receiving Federal funds to conduct such auditing, including any auditor or monitor of the Corporation, the names of plaintiffs that are a matter of public record or documents which have been seen by third parties, including all financial books and records. The Corporation shall not disclose any such information, except to the Inspector General of the Corporation, to Federal or State law enforcement, judicial, or other officials, or to officials of appropriate bar associations for the purpose of conducting investigations of violations of rules of professional conduct.●

By Mr. FAIRCLOTH:

S. 1222. A bill to prevent the creation of an international bailout fund within the International Monetary Fund, and for other purposes; to the Committee on Foreign Relations.

INTERNATIONAL MONETARY FUND LEGISLATION

● Mr. FAIRCLOTH. Mr. President, I have spoken on a number of occasions in opposition to the United States bailout of Mexico. To date, the United States has provided $12.5 billion for Mexico to prop up the Mexican peso. I remain skeptical that the United States will ever have this money repaid.

The Banking Committee held hearings approximately 2 months ago in which a number of Mexican citizens, some of them prominent political opposition leaders, said that we would never be repaid.

What is particularly bothersome about the Mexico debacle is that the United States taxpayer is guaranteeing repayment to investors in Mexican bonds who at the time were earning extraordinary returns, some 30 percent to 40 percent on Mexico bonds. These investors were aware of the risks.

As a reponse to this crisis, the administration, along with the International Monetary Fund [IMF], is now considering the establishment of an international fund to bail out other countries that find themselves in the same position as Mexico. The administration calls this an Emergency Financing Mechanism—but the truth is that it's another bailout on an international scale.

The most troubling aspect of this is that the new fund will create a moral hazard for other countries. What will stop a country from pursuing reckless economic policies, from going deeper into debt—knowing that if they fail, the newly created fund stands ready for a bailout. What will prevent investors from investing in the most risky Government bonds—with full knowledge that the IMF stands ready for an emergency bailout.

I think this is a bad idea, and I think the United States and the International Monetary Fund [IMF] should abandon further discussions about its creation.

Unfortunately, I am not sure this administration will back away from this proposal. For this reason, I am introducing legislation today that will stop the creation of any new international bailout fund.

The bill will prevent any funds from being used, directly or indirectly, for the creation of this new international fund.

Mr. President, our own country is going into debt approximately $800 million a day. We simply cannot afford to be bailing out foreign countries that have pursued poor economic policies. It is bad enough that we have spent $12.5 billion on Mexico. After this, we should say no more to Mexico, and no more to any other country.

If the United States keeps up this spending pattern, who is going to bail out this country? We sent a troubling signal to the world that we were not going to get our economic house in order when the Senate refused to pass a balanced budget amendment, and the dollar declined as a result. I know for certain that we will never balance the budget if we continue policies like bailing out Mexico.

Mr. President, in conclusion, if the United States is serious about balancing our budget—and about avoiding other debacles like Mexico, we will move quickly to stop the creation of this new fund. I would urge the Senate to move forward on this legislation.●

ADDITIONAL COSPONSORS

S. 356

At the request of Mr. SHELBY, the name of the Senator from West Virginia [Mr. BYRD] was added as a cosponsor of S. 356, a bill to amend title 4, United States Code, to declare English as the official language of the Government of the United States.

S. 434

At the request of Mr. KOHL, the name of the Senator from Mississippi [Mr. COCHRAN] was added as a cosponsor of S. 434, a bill to amend the Internal Revenue Code of 1986 to increase the deductibility of business meal expenses for individuals who are subject to Federal limitations on hours of service.

S. 490

At the request of Mr. GRASSLEY, the name of the Senator from Oklahoma [Mr. INHOFE] was added as a cosponsor of S. 490, a bill to amend the Clean Air Act to exempt agriculture-related facilities from certain permitting requirements, and for other purposes.

S. 772

At the request of Mrs. HUTCHISON, the name of the Senator from Virginia [Mr. ROBB] was added as a cosponsor of S. 772, a bill to provide for an assessment of the violence broadcast on television, and for other purposes.

S. 955

At the request of Mr. HATCH, the name of the Senator from New Jersey [Mr. BRADLEY] was added as a cosponsor of S. 955, a bill to clarify the scope of coverage and amount of payment under the medicare program of items and services associated with the use in the furnishing of inpatient hospital services of certain medical devices approved for investigational use.

S. 1000

At the request of Mr. BURNS, the names of the Senator from Texas [Mrs. HUTCHISON], the Senator from Colorado [Mr. BROWN], and the Senator from Indiana [Mr. LUGAR] were added as cosponsors of S. 1000, a bill to amend the Internal Revenue Code of 1986 to provide that the depreciation rules which apply for regular tax purposes shall also apply for alternative minimum tax purposes, to allow a portion of the tentative minimum tax to be offset by the minimum tax credit, and for other purposes.

S. 1009

At the request of Mr. D'AMATO, the name of the Senator from Nevada [Mr. BRYAN] was added as a cosponsor of S. 1009, a bill to prohibit the fraudulent production, sale, transportation, or possession of fictitious items purporting to be valid financial instruments of the United States, foreign governments, States, political subdivisions, or private organizations, to increase the penalties for counterfeiting violations, and for other purposes.

S. 1025

At the request of Mr. INHOFE, his name was withdrawn as a cosponsor of S. 1025, a bill to provide for the exchange of certain federally owned lands and mineral interests therein, and for other purposes.

S. 1028

At the request of Mrs. KASSEBAUM, the name of the Senator from Oregon [Mr. HATFIELD] was added as a cosponsor of S. 1028, a bill to provide increased access to health care benefits, to provide increased portability of health care benefits, to provide increased security of health care benefits, to increase the purchasing power of individuals and small employers, and for other purposes.

SENATE RESOLUTION 133

At the request of Mr. HELMS, the name of the Senator from Montana [Mr. BURNS] was added as a cosponsor of Senate Resolution 133, a resolution expressing the sense of the Senate that the primary safeguard for the well-being and protection of children is the family, and that, because the United Nations Convention on the Rights of the Child could undermine the rights of the family, the President should not sign and transmit it to the Senate.

SENATE RESOLUTION 149

At the request of Mr. AKAKA, the name of the Senator from Utah [Mr.

HATCH] was added as a cosponsor of Senate Resolution 149, a resolution expressing the sense of the Senate regarding the recent announcement by the Republic of France that it intends to conduct a series of underground nuclear test explosions despite the current international moratorium on nuclear testing.

SENATE CONCURRENT RESOLUTION 26—RELATIVE TO A MONUMENT DEDICATED TO THE BILL OF RIGHTS

Mr. LOTT submitted the following concurrent resolution; which was referred to the Committee on Rules and Administration:

S. CON. RES. 26

Resolved by the Senate (the House of Representatives concurring),

SECTION 1. AUTHORIZATION.

The Newington-Cropsey Foundation is authorized to erect on the Capitol Grounds and present to Congress and the people of the United States a monument dedicated to the Bill of Rights (referred to as the "monument"). The monument shall be erected without expense to the United States.

SEC. 2. DESIGN AND REVIEW.

The design and plans for the monument shall be subject to review and approval by the Architect of the Capitol. The monument shall be erected on a site to be determined by the Architect of the Capitol, subject to the approval of the Committee on Rules and Administration of the Senate and the Committee on House Oversight of the House of Representatives and in consultation with the Newington-Cropsey Foundation.

SEC. 3. ACCEPTANCE OF MONUMENT.

After the completion of the monument according to the approved plans and specifications, the monument shall be accepted by the Congress on behalf of the people of the United States for permanent placement on the Capitol Grounds.

Mr. LOTT. Mr. President, I rise today to recognize the work of Greg Wyatt, the sculptor-in-residence at the Cathedral of St. John the Divine.

Mr. Wyatt is exhibiting his sculpture, the bill of rights "Eagle", in the Russell Senate Office Building September 5-9, 1995.

By this exhibition of his craft, Mr. Wyatt expresses the freedoms we are guaranteed by the Bill of Rights through a work of art for all Americans.

As president of the Cathedral of St. John's fantasy fountain fund, Mr. Wyatt also contributes by instructing talented apprentices in appreciation for the renaissance tradition. Studio apprenticeship leads to the development and promotion of the arts, which benefits every American citizen.

Our Bill of Rights is an historic living document that should be the focus of our continuous study and appreciation, for it outlines the most fundamental freedoms and protections we enjoy as Americans.

The "Eagle" that Mr. Wyatt is presenting is a tribute to those freedoms and to the strength of a nation built on individual rights. As we return in September to begin the remainder of the year's work, I urge my colleagues to take time to view this work of art and reflect upon all that it represents.

The exhibit is made possible by the Newington-Cropsey Foundation, an organization which works for the preservation of 19th century art and culture of New York's Hudson River Valley.

Organized to preserve the paintings and historic studio of Jasper Francis Cropsey, the foundation has donated numerous works to significant institutions including the White House, the U.S. Department of State, the Metropolitan Museum of Art, Yale University, Princeton University, and other domestic and international fixtures.

Following the "Eagle" exhibit, the Newington-Cropsey Foundation has offered the sculpture for permanent placement on the Capitol Grounds.

At this time I would like to submit a resolution that will accept this gift from the Newington-Cropsey Foundation and urge that the Senate pass it expeditiously.

SENATE RESOLUTION 167—CONGRATULATING CAL RIPKEN, JR.

Ms. MIKULSKI (for herself, Mr. SARBANES, Mr. WARNER, and Mr. ROBB) submitted the following resolution; which was considered and agreed to:

S. RES. 167

Whereas on May 30, 1982, Cal Ripken, Jr. became the regular starting shortstop for the Baltimore Orioles baseball club;

Whereas Cal Ripken, Jr. has not missed a single day of work in the intervening 14 years;

Whereas on September 6, 1995, Cal Ripken, Jr. played in his 2,131st consecutive Major League Baseball game, breaking the long-standing record held by the great Lou Gehrig;

Whereas Cal Ripken, Jr. has been a first-rate role model for the young people of Baltimore, the State of Maryland, and the United States;

Whereas Cal Ripken, Jr. has been named by America's baseball fans to 13 American League All-Star teams;

Whereas Cal Ripken, Jr. was named the American League's Most Valuable Player for the 1983 and 1991 seasons;

Whereas Cal Ripken, Jr. was a member of the 1983 World Series Champion Baltimore Orioles baseball team;

Whereas Cal Ripken, Jr. was named the Most Valuable Player in the 1991 All-Star game;

Whereas Cal Ripken, Jr. has twice been awarded baseball's most prestigious award for excellence in fielding, the Gold Glove Award, for the 1991 and 1992 seasons;

Whereas in the distinguished career of Cal Ripken, Jr., he has demonstrated an extraordinary work ethic, and dedication to his profession, his family, and his fans; and

Whereas the humility, hard work, desire, and commitment of Cal Ripken, Jr. have made him one of the best-loved and the most enduring figures in the history of the game of baseball: Now, therefore, be it

Resolved, That the United States Senate congratulates Cal Ripken, Jr. for his outstanding achievement in becoming the first player in the history of Major League Baseball to compete in 2,131 consecutive games.

AMENDMENTS SUBMITTED

THE FAMILY SELF-SUFFICIENCY ACT OF 1995

BROWN (AND OTHERS) AMENDMENT NO. 2465

Mr. BROWN (for himself, Mr. MOYNIHAN, Mr. SIMPSON, Mr. MURKOWSKI, Mr. KOHL, Mr. CAMPBELL, Mr. FEINGOLD, Mr. BYRD, and Mr. HELMS) proposed an amendment to amendment No. 2280 proposed by Mr. DOLE to the bill (H.R. 4) to restore the American family, reduce illegitimacy, control welfare spending and reduce welfare dependence; as follows:

At the appropriate place, insert the following:

SEC. . EXPENDITURE OF FEDERAL FUNDS IN ACCORDANCE WITH LAWS AND PROCEDURES APPLICABLE TO EXPENDITURE OF STATE FUNDS.

(a) IN GENERAL.—Notwithstanding any other provision of law, any funds received by a State under the provisions of law specified in subsection (b) shall be expended only in accordance with the laws and procedures applicable to expenditures of the State's own revenues, including appropriation by the State legislature, consistent with the terms and conditions required under such provisions of law.

(b) PROVISIONS OF LAW.—The provisions of law specified in this subsection are the following:

(1) Part A of title IV of the Social Security Act (relating to block grants for temporary assistance to needy families).

(2) Section 25 of the Food Stamp Act of 1977 (relating to the optional State food assistance block grant).

(3) Subtitles B and C of title VII of this Act (relating to workforce development).

(4) The Child Care and Development Block Grant Act of 1990 (relating to block grants for child care).

MOYNIHAN AMENDMENT NO. 2466

Mr. MOYNIHAN proposed an amendment to amendment No. 2280 proposed by Mr. DOLE to the bill H.R. 4, supra; as follows:

In lieu of the matter proposed to be inserted, insert the following:

SHORT TITLE; TABLE OF CONTENTS.

(a) SHORT TITLE.—This Act may be cited as the "Family Support Act of 1995".

(b) TABLE OF CONTENTS.—The table of contents for this Act is as follows:

Sec. 1. Short title; table of contents.
Sec. 2. References to Social Security Act.

TITLE I—STRENGTHENING THE JOBS PROGRAM

Sec. 101. Increase in required JOBS participation rates.
Sec. 102. Promoting work.
Sec. 103. Funding for the JOBS program and child care.
Sec. 104. Evaluation of the JOBS program.

TITLE II—AID TO FAMILIES WITH DEPENDENT CHILDREN

Subtitle A—Requirements for Teenage Parents

Sec. 201. Case management for parents under age 20.

Sec. 202. Participation in educational activity.
Sec. 203. Living arrangement requirements.

Subtitle B—State Flexibility

PART I—ESTABLISHMENT OF INTERAGENCY WELFARE REVIEW BOARD

Sec. 211. Interagency Welfare Review Board.
Sec. 212. Waiver application.
Sec. 213. Review and approval of applications.
Sec. 214. Definition of State.

PART II—ADDITIONAL PROVISIONS CONCERNING WAIVERS

Sec. 221. Schedule for consideration of waiver applications.
Sec. 222. State authority to establish certain AFDC rules.
Sec. 223. Waiver authority for the JOBS program.

TITLE III—CHILD SUPPORT ENFORCEMENT

Sec. 300. Short title.

Subtitle A—Improvements to the Child Support Collection System

PART I—ELIGIBILITY AND OTHER MATTERS CONCERNING TITLE IV–D PROGRAM CLIENTS

Sec. 301. Cooperation requirement and good cause exception.
Sec. 302. State obligation to provide paternity establishment and child support enforcement services.
Sec. 303. Distribution of payments.
Sec. 304. Rights to notification and hearings.
Sec. 305. Privacy safeguards.

PART II—PROGRAM ADMINISTRATION AND FUNDING

Sec. 311. Federal matching payments.
Sec. 312. Performance-based incentives and penalties.
Sec. 313. Federal and State reviews and audits.
Sec. 314. Required reporting procedures.
Sec. 315. Automated data processing requirements.
Sec. 316. Director of CSE program; staffing study.
Sec. 317. Funding for secretarial assistance to State programs.
Sec. 318. Data collection and reports by the Secretary.

PART III—LOCATE AND CASE TRACKING

Sec. 321. Central State and case registry.
Sec. 322. Centralized collection and disbursement of support payments.
Sec. 323. Amendments concerning income withholding.
Sec. 324. Locator information from interstate networks.
Sec. 325. Expanded Federal parent locator service.
Sec. 326. Use of social security numbers.

PART IV—STREAMLINING AND UNIFORMITY OF PROCEDURES

Sec. 331. Adoption of uniform State laws.
Sec. 332. Improvements to full faith and credit for child support orders.
Sec. 333. State laws providing expedited procedures.

PART V—PATERNITY ESTABLISHMENT

Sec. 341. State laws concerning paternity establishment.
Sec. 342. Outreach for voluntary paternity establishment.

PART VI—ESTABLISHMENT AND MODIFICATION OF SUPPORT ORDERS

Sec. 351. National Child Support Guidelines Commission.
Sec. 352. Simplified process for review and adjustment of child support orders.

PART VII—ENFORCEMENT OF SUPPORT ORDERS

Sec. 361. Federal income tax refund offset.
Sec. 362. Internal Revenue Service collection of arrearages.
Sec. 363. Authority to collect support from Federal employees.
Sec. 364. Enforcement of child support obligations of members of the Armed Forces.
Sec. 365. Voiding of fraudulent transfers.
Sec. 366. State law authorizing suspension of licenses.
Sec. 367. Reporting arrearages to credit bureaus.
Sec. 368. Extended statute of limitation for collection of arrearages.
Sec. 369. Charges for arrearages.
Sec. 370. Denial of passports for nonpayment of child support.

PART VIII—MEDICAL SUPPORT

Sec. 381. Technical correction to ERISA definition of medical child support order.

PART IX—ACCESS AND VISITATION PROGRAMS

Sec. 391. Grants to States for access and visitation programs.

Subtitle B—Effect of Enactment

Sec. 395. Effective dates.
Sec. 396. Severability.

TITLE IV—SUPPLEMENTAL SECURITY INCOME

Sec. 401. Revised regulations applicable to the determination of disability in individuals under the age of 18.
Sec. 402. Directory of services.
Sec. 403. Use of standardized tests and their equivalent.
Sec. 404. Graduated benefits for additional children.
Sec. 405. Treatment requirements for disabled individuals under the age of 18.
Sec. 406. Special accounts for individuals under the age of 18.
Sec. 407. Continuing disability reviews for individuals under the age of 18.
Sec. 408. Coordination of services for SSI children.

TITLE V—MISCELLANEOUS PROVISIONS

Sec. 501. Uniform alien eligibility criteria for public assistance programs.
Sec. 502. Deeming of sponsor's income and resources to an alien under the supplemental security income, aid to families with dependent children, and food stamp programs.
Sec. 503. Adjustment to thrifty food plan.
Sec. 504. Failure to comply with other welfare and public assistance programs.

SEC. 2. REFERENCES TO SOCIAL SECURITY ACT.

Except as otherwise specifically provided, whenever in this Act an amendment is expressed in terms of an amendment to or repeal of a section or other provision, the reference shall be considered to be made to that section or other provision of the Social Security Act (42 U.S.C. 301 et seq.).

TITLE I—STRENGTHENING THE JOBS PROGRAM

SEC. 101. INCREASE IN REQUIRED JOBS PARTICIPATION RATES.

(a) IN GENERAL.—Section 403(*l*)(3) (42 U.S.C. 603(*l*)(3)) is amended—

(1) in subparagraph (A)—

(A) in clause (v), by striking "and";

(B) in clause (vi), by striking the period and inserting "or 1996;"; and

(C) by adding at the end the following new clauses:

"(vii) 30 percent if such year is 1997;

"(viii) 35 percent if such year is 1998;

"(ix) 40 percent if such year is 1999;

"(x) 45 percent if such year is 2000; and

"(xi) 50 percent if such year is 2001 or any year thereafter."; and

(2) in subparagraph (B)—

(A) in clause (ii)(IV), by striking "fiscal years 1994 and 1995" and inserting "any fiscal year beginning after fiscal year 1993"; and

(B) in clause (iii), by striking subclauses (I) and (II) and inserting the following:

"(I) the average monthly number of individuals required or allowed by the State to participate in the program under part F who have participated in such program in months in the computation period (including individuals who combine employment and participation in such program for an average of 20 hours a week in that month in such period), plus the number of individuals who are employed for an average of 20 hours a week in that month in such period, divided by

"(II) the average monthly number of individuals required to participate under the program under part F in such period (other than individuals described in subparagraph (C)(iii)(I) or (D) of section 402(a)(19) with respect to whom the State has exercised its option to require their participation), minus the average monthly number of individuals who are being sanctioned in such period pursuant to section 402(a)(19)(G).".

(b) CONFORMING AMENDMENTS.—The Family Support Act of 1988 (42 U.S.C. 1305 note) is amended by striking section 204(b)(2).

SEC. 102. PROMOTING WORK.

(a) INCREASED EMPLOYMENT AND JOB RETENTION.—Section 481(a) (42 U.S.C. 681(a)) is amended to read as follows:

"SEC. 481. (a) PURPOSE.—It is the purpose of this part to assist each State in providing such services as the State determines to be necessary to—

"(1) enable individuals receiving assistance under part A to enter employment as quickly as possible;

"(2) increase job retention; and

"(3) ensure that needy families with children obtain the education, training, and employment that will help them avoid long-term welfare dependence.".

(b) STATE AGENCY RESPONSIBILITIES.—Section 482(a)(2) (42 U.S.C. 682(a)(2)) is amended—

(1) by striking "(2) The" and inserting "(2)(A) The"; and

(2) by adding at the end the following new subparagraphs:

"(B) The State agency shall establish procedures to—

"(i) encourage the placement of participants in jobs as quickly as possible, including using performance measures that reward staff performance, or such other management practice as the State may choose; and

"(ii) assist participants in retaining employment after they are hired.

"(C) The Secretary shall provide technical assistance and training to States to assist the States in implementing effective management practices and strategies in order to achieve the purpose of this part.".

(c) SERVICES AND ACTIVITIES UNDER THE JOBS PROGRAM.—Section 482(d)(1)(A)(i) (42 U.S.C. 682(d)(1)(A)(i)) is amended—

(1) in the matter preceding subclause (I), by striking "shall" and inserting "may"; and

(2) in subclause (I), by striking "(as appropriate)" and all that follows through the semicolon and inserting a semicolon.

(d) JOB PLACEMENT VOUCHER PROGRAM.—

(1) ADDITION OF PROGRAM.—Section 482 (42 U.S.C. 682) is amended—

(A) in subsection (d)(1)(A)(ii)—

(i) in subclause (III), by striking "and" at the end;

(ii) in subclause (IV), by striking the period and inserting "; and"; and

(iii) by adding at the end the following new subclause:

"(V) a job placement voucher program as described in subsection (h).";

(B) by redesignating subsections (h) and (i) as subsections (i) and (j), respectively; and

(C) by inserting after subsection (g), the following subsection:

"(h) JOB PLACEMENT VOUCHER PROGRAM.—(1) The State agency may establish and operate a job placement voucher program for individuals participating in the program under this part.

"(2) A State that elects to operate a job placement voucher program under this subsection—

"(i) shall establish eligibility requirements for participation in the job placement voucher program; and

"(ii) may establish other requirements for such voucher program as the State deems appropriate.

"(3) A job placement voucher program operated by a State under this subsection shall include the following requirements:

"(A) The State shall identify, maintain, and make available to an individual applying for or receiving assistance under part A a list of State-approved job placement organizations that offer services in the area where the individual resides and a description of the job placement and support services each such organization provides. Such organizations may be publicly or privately owned and operated.

"(B)(i) An individual determined to be eligible for assistance under part A shall, at the time the individual becomes eligible for such assistance—

"(I) receive the list and description described in subparagraph (A);

"(II) agree, in exchange for job placement and support services, to—

"(aa) execute, within a period of time permitted by the State, a contract with a State-approved job placement organization which provides that the organization shall attempt to find employment for the individual; and

"(bb) comply with the terms of the contract; and

"(III) receive a job placement voucher (in an amount to be determined by the State) for payment to a State-approved job placement organization.

"(ii) The State shall impose the sanctions provided for in section 402(a)(19)(G) on any individual who does not fulfill the terms of a contract executed with a State-approved job placement organization.

"(C) At the time an individual executes a contract with a State-approved job placement organization, the individual shall provide the organization with the job placement voucher that the individual received pursuant to subparagraph (B).

"(D)(i) A State-approved job placement organization may redeem for payment from the State not more than 25 percent of the value of a job placement voucher upon the initial receipt of the voucher for payment of costs incurred in finding and placing an individual in an employment position. The remaining value of such voucher shall not be redeemed for payment from the State until the State-approved job placement organization—

"(I) finds an employment position (as determined by the State) for the individual who provided the voucher; and

"(II) certifies to the State that the individual remains employed with the employer that the organization originally placed the individual with for the greater of—

"(aa) 6 continuous months; or

"(bb) a period determined by the State.

"(ii) A State may modify, on a case-by-case basis, the requirement of clause (i)(II) under such terms and conditions as the State deems appropriate.

"(E)(i) The State shall establish performance-based standards to evaluate the success of the State job placement voucher program operated under this subsection in achieving employment for individuals participating in such voucher program. Such standards shall take into account the economic conditions of the State in determining the rate of success.

"(ii) The State shall, not less than once a fiscal year, evaluate the job placement voucher program operated under this subsection in accordance with the performance-based standards established under clause (i).

"(iii) The State shall submit a report containing the results of an evaluation conducted under clause (ii) to the Secretary and a description of the performance-based standards used to conduct the evaluation in such form and under such conditions as the Secretary shall require. The Secretary shall review each report submitted under this clause and may require the State to revise the performance-based standards if the Secretary determines that the State is not achieving an adequate rate of success for such State.".

(2) CONFORMING AMENDMENTS.—Title IV (42 U.S.C. 681 et seq.) is amended—

(A) in section 403(*l*) (42 U.S.C. 603(*l*))—

(i) in paragraph (1)(A), by striking "482(i)(2)" and inserting "482(j)(2)"; and

(ii) in paragraph (4)(A)(i), by inserting "a job placement voucher program," after "on-the-job training,"; and

(B) in section 431(a)(6) (42 U.S.C. 629a(a)(6))—

(i) by striking "482(i)(5)" and inserting "482(j)(5)"; and

(ii) by striking "482(i)(7)(A)" and inserting "482(j)(7)(A)".

(3) EFFECTIVE DATE.—The amendments made by paragraphs (1) and (2) shall be effective with respect to calendar quarters beginning with the second calendar quarter beginning after the date of the enactment of this Act.

(e) ELIMINATION OF REQUIREMENT TO PROVIDE EDUCATIONAL ACTIVITIES TO INDIVIDUALS AGE 20 OR OLDER; PERMITTING STATES TO PROVIDE EMPLOYMENT SERVICES FOR NON-CUSTODIAL PARENTS.—Section 482(d) (42 U.S.C. 682(d)) is amended—

(1) by striking paragraph (2);

(2) by redesignating paragraph (3) as paragraph (2); and

(3) in paragraph (2), as so redesignated—

(A) by striking "up to 5"; and

(B) by striking the second sentence.

(f) INCREASE IN PERIOD IN WHICH EARNED INCOME DISREGARD MAY APPLY UNDER WORK SUPPLEMENTATION PROGRAM.—Section 482(e) (42 U.S.C. 682(e)) is amended in paragraphs (2)(G) and (4), by striking "9 months" and inserting "12 months".

(g) STATE FLEXIBILITY FOR THE JOB SEARCH PROGRAM.—Section 482(g) (42 U.S.C. 682(g)) is amended—

(1) in paragraph (2)—

(A) by inserting ", and subject to paragraph (3)," after "section 402(a)(19)(B)(i)"; and

(B) by striking "applies)—" and all that follows through the period at the end and inserting "applies) at such time or times as the State agency may determine."; and

(2) in paragraph (3), by inserting ", not including any period of job search that occurred at the same time that the individual was participating in another activity under this part" after "12 months".

SEC. 103. FUNDING FOR THE JOBS PROGRAM AND CHILD CARE.

(a) FUNDING FOR THE JOBS PROGRAM.—

(1) INCREASE IN FUNDING.—Section 403(k)(3) (42 U.S.C. 603(k)(3)) is amended—

(A) in subparagraph (E), by striking "and"; and

(B) by striking subparagraph (F) and inserting the following:

"(F) $1,200,000,000 in the case of the fiscal year 1996,

"(G) $1,300,000,000 in the case of the fiscal year 1997,

"(H) $1,600,000,000 in the case of the fiscal year 1998,

"(I) $1,900,000,000 in the case of the fiscal year 1999,

"(J) $2,200,000,000 in the case of the fiscal year 2000, and

"(K) $2,500,000,000 in the case of the fiscal year 2001, and each succeeding fiscal year,".

(2) APPLICABLE PERCENTAGES.—

(A) IN GENERAL.—Section 403(*l*)(1) (42 U.S.C. 603(*l*)(1)) is amended—

(i) by striking "(l)(1)(A) In lieu" and inserting "(l)(1) In lieu"; and

(ii) by striking "(including expenditures" and all that follows through subparagraph (B), and inserting "an amount equal to the greater of—

"(A) 70 percent; or

"(B) the Federal medical assistance percentage (as defined in section 1118 in the case of any State to which section 1108 applies, or as defined in section 1905(b) in the case of any other State) plus ten percentage points, in the case of expenditures made by a State in operating such a program for in a fiscal year.".

(B) CONFORMING AMENDMENTS.—Section 403(*l*) (42 U.S.C. 603(*l*)) is amended—

(i) in paragraph (2)(A), by striking "paragraph (1)(A)" and inserting "paragraph (1)"; and

(ii) in paragraph (3)(C), by striking "paragraph (1)(A)" and inserting "paragraph (1)".

(b) FUNDING FOR CHILD CARE.—

(1) FUNDING FOR JOBS AND TRANSITIONAL CHILD CARE.—

(A) IN GENERAL.—Section 402(g)(3)(A) (42 U.S.C. 602(g)(3)(A)) is amended to read as follows:

"(3)(A) In the case of amounts expended for child care pursuant to clause (i) or (ii) of paragraph (1)(A), the applicable rate for purposes of section 403(a) shall be the greater of—

"(i) 70 percent; or

"(ii) the Federal medical assistance percentage (as defined in section 1118 in the case of any State to which section 1108 applies, or as defined in section 1905(b) in the case of any other State) plus ten percentage points.".

(B) EXTENSION OF THE TRANSITIONAL CHILD CARE PROGRAM.—Section 304(b) of the Family Support Act of 1988 (42 U.S.C. 602 note) is amended—

(i) by striking "(1)"; and

(ii) by striking paragraph (2).

(2) FUNDING FOR AT-RISK CHILD CARE.—Section 403(n)(1)(A) (42 U.S.C. 603(n)(1)(A)) is amended to read as follows:

"(A) 70 percent, or, if higher, the Federal medical assistance percentage (as defined in section 1118 in the case of any State to which section 1108 applies, or as defined in section

1905(b) in the case of any other State) plus ten percentage points, of the expenditures by the State in providing child care services pursuant to section 402(i), and in administering the provision of such child care services, for any fiscal year; and".

(c) EFFECTIVE DATES.—

(1) IN GENERAL.—Except as provided in paragraph (2), the amendments made by this section shall take effect on the date of the enactment of this Act.

(2) APPLICABLE PERCENTAGES.—The amendments made by subsections (a)(2) and (b) shall take effect on October 1, 1996.

SEC. 104. EVALUATION OF THE JOBS PROGRAM.

(a) EVALUATION OBJECTIVES AND DEVELOPMENT.—

(1) OBJECTIVES.—The Secretary shall develop and implement a plan for evaluating the programs operated by the States under part F of title IV of the Social Security Act (42 U.S.C. 681 et seq.). Such plan shall be designed to develop information to—

(A) assess the impacts of such programs with respect to—

(i) cost effectiveness;

(ii) the level of earnings achieved;

(iii) welfare receipt;

(iv) job retention;

(v) the effects on children; and

(vi) such other factors as the Secretary may determine;

(B) provide guidance to the Secretary in making any necessary changes and improvements in the performance standards required by section 487 of such Act (42 U.S.C. 687); and

(C) enable the Secretary to provide technical assistance to the States to assist them in improving such programs and in meeting such standards.

(2) DEVELOPMENT OF PLAN.—The plan described in paragraph (1) shall be developed by the Secretary in consultation with representatives of the States.

(b) DEFINITIONS.—For purposes of this section:

(1) SECRETARY.—The term "Secretary" means the Secretary of Health and Human Services.

(2) STATE.—The term "State" means any of the 50 States, the District of Columbia, the Commonwealth of Puerto Rico, the Virgin Islands, Guam, and American Samoa.

(c) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated such sums as may be necessary for fiscal years 1996 through 2000 for the purpose of carrying out the provisions of this section. Any sums so appropriated shall remain available until expended.

TITLE II—AID TO FAMILIES WITH DEPENDENT CHILDREN

Subtitle A—Requirements for Teenage Parents

SEC. 201. CASE MANAGEMENT FOR PARENTS UNDER AGE 20.

(a) IN GENERAL.—Section 482(b) (42 U.S.C. 682(b)) is amended by adding at the end the following new paragraph:

"(4) CASE MANAGER.—The State agency shall—

"(A) assign a case manager to each custodial parent receiving aid under part A who is under age 20;

"(B) provide that case managers will have the training necessary (taking into consideration the recommendations of appropriate professional organizations) to enable them to carry out their responsibilities and will be assigned a caseload the size of which permits effective case management; and

"(C) provide that the case manager will be responsible for—

"(i) assisting such parent in obtaining appropriate services, including at a minimum, parenting education, family planning services, education and vocational training, and child care and transportation services,

"(ii) making the determinations required to implement the provision of section 402(a)(43),

"(iii) monitoring such parent's compliance with all program requirements, and, where appropriate, providing incentives and applying sanctions, and

"(iv) providing general guidance, encouragement, and support to assist such parent in his or her role as a parent and in achieving self-sufficiency.".

(b) EFFECTIVE DATE.—The amendment made by this section shall be effective with respect to calendar quarters beginning on or after October 1, 1996.

SEC. 202. PARTICIPATION IN EDUCATIONAL ACTIVITY.

(a) IN GENERAL.—Section 402(a)(19)(E) (42 U.S.C. 602(a)(19)(E)) is amended to read as follows:

"(E) that the State agency shall—

"(i) in the case of a custodial parent who has not attained 20 years of age, has not successfully completed a high school education (or its equivalent), and is required to participate in the program (including an individual who would otherwise be exempt from participation in the program solely by reason of subparagraph (C)(iii)), require such parent to—

"(I) attend school,

"(II) participate in a program that combines classroom and job training, or

"(III) work toward attainment of a high school education (or its equivalent);

"(ii) in the case of custodial parent who has not attained 20 years of age, but has successfully completed a high school education (or its equivalent), and is required to participate in the program (including an individual who would otherwise be exempt from participation in the program solely by reason of subparagraph (C)(iii)), require such parent to participate in a JOBS activity (including a work activity) approved by the State;

"(iii) establish criteria in accordance with regulations of the Secretary under which a custodial parent described in clauses (i) and (ii) who has not attained 20 years of age may be exempted from the requirements under such clause but the number of such parents exempted from such requirements shall not exceed 50 percent in fiscal year 2000 or any fiscal year thereafter; and

"(iv) at the option of the State, some or all custodial parents who are under age 20 (and pregnant women under age 20) who are receiving aid under this part will be required to participate in a program of monetary incentives and penalties, consistent with subsection (j);".

(b) STATE OPTION TO PROVIDE ADDITIONAL INCENTIVES AND PENALTIES TO ENCOURAGE TEENAGE PARENTS TO COMPLETE HIGH SCHOOL.—Section 402 (42 U.S.C. 602) is amended by adding at the end the following new subsection:

"(j)(1) If a State chooses to conduct a program of monetary incentives and penalties to encourage custodial parents (and pregnant women) who are under age 20 to complete their high school (or equivalent) education, and participate in parenting activities, the State shall amend its State plan—

"(A) to specify the one or more political subdivisions in which the State will conduct the program (or other clearly defined geographic area or areas), and

"(B) to describe its program in detail.

"(2) A program under this subsection—

"(A) may, at the option of the State, include all such parents who are under age 21;

"(B) may, at the option of the State, require full-time participation in secondary school or equivalent educational activities, or participation in a course or program leading to a skills certificate found appropriate by the State agency or parenting education activities (or any combination of such activities and secondary education);

"(C) shall require that the case manager assigned to the custodial parent pursuant to paragraph (3) or (4) of section 482(b) will review the needs of such parent and will assure that, either in the initial development or revision of the parent's employability plan, there will be included a description of the services that will be provided to the parent and the way in which the case manager and service providers will coordinate with the educational or skills training activities in which the custodial parent is participating;

"(D) shall provide monetary incentives for more than minimally acceptable performance of required educational activities; and

"(E) shall provide penalties which may be those required by subsection (a)(19)(G) or, with the approval of the Secretary, other monetary penalties that the State finds will better achieve the objectives of the program.

"(3) When a monetary incentive is payable because of the more than minimally acceptable performance of required educational activities by a custodial parent, the incentive shall be paid directly to such parent, regardless of whether the State agency makes payment of aid under the State plan directly to such parent.

"(4)(A) For purposes of this part, monetary incentives paid under this subsection shall be considered aid to families with dependent children.

"(B) For purposes of any other Federal or federally assisted program based on need, no monetary incentive paid under this subsection shall be considered income in determining a family's eligibility for or amount of benefits under such program, and if aid is reduced by reason of a penalty under this subsection, such other program shall treat the family involved as if no such penalty has been applied.

"(5) The State agency shall from time to time provide such information as the Secretary may request, and otherwise cooperate with the Secretary, in order to permit evaluation of the effectiveness on a broad basis of the State's program conducted under this subsection.".

(c) EFFECTIVE DATE.—The amendments made by this section shall be effective with respect to calendar quarters beginning on or after October 1, 1996.

SEC. 203. LIVING ARRANGEMENT REQUIREMENTS.

(a) IN GENERAL.—Section 402(a)(43) (42 U.S.C. 602(a)(43)) is amended—

(1) in the matter preceding subparagraph (A), by striking "at the option of the State,",

(2) in subparagraph (A), by redesignating clauses (i) and (ii) as subclauses (I) and (II), respectively,

(3) by striking "(A) subject to subparagraph (B)," and inserting "(A)(i) subject to clause (ii),",

(4) in subclause (II) of subparagraph (A)(i), as redesignated—

(A) by striking "(where possible)", and

(B) by striking "or other adult relative" and inserting "other adult relative, or other adult supervising the living arrangement", and

(5) by striking subparagraph (B) and inserting the following:

"(ii) clause (i) does not apply in any case in which the State agency—

"(I) determines that the physical or emotional health or safety of such individual or such dependent child would be jeopardized if such individual and such dependent child lived in the same residence with such individual's own parent or legal guardian; or

"(II) otherwise determines in accordance with regulations issued by the Secretary that there is good cause for waiving such clause; and

"(B) if an individual is not residing in an alternative adult-supervised living arrangement that is approved by the State agency, the State agency (in consultation with the child welfare agency) is required to assist the individual in locating an appropriate living arrangement;".

(b) EFFECTIVE DATE.—The amendments made by this section shall be effective with respect to calendar quarters beginning on or after October 1, 1997.

Subtitle B—State Flexibility

PART I—ESTABLISHMENT OF INTERAGENCY WELFARE REVIEW BOARD

SEC. 211. INTERAGENCY WELFARE REVIEW BOARD.

(a) ESTABLISHMENT AND PURPOSE.—In order to facilitate the consideration of welfare program requirement waiver requests that involve more than 1 Federal department or agency, there is established an Interagency Welfare Review Board (hereafter in this part referred to as the "Board").

(b) MEMBERSHIP.—The Board shall consist of the following members:

(1) The Secretary of Agriculture (or the designee of the Secretary).

(2) The Secretary of Health and Human Services (or the designee of the Secretary).

(3) The Secretary of Housing and Urban Development (or the designee of the Secretary).

(4) The Secretary of Labor (or the designee of the Secretary).

(5) The Secretary of Education (or the designee of the Secretary).

(6) Such other individuals as the President determines appropriate.

(c) CHAIRPERSON.—The President shall appoint 1 member of the Board to serve as Chairperson of the Board.

(d) VACANCIES.—A vacancy in the position of Chairperson shall be filled in the manner in which the original appointment was made.

(e) NO ADDITIONAL COMPENSATION.—The members of the Board may not be provided additional pay, allowances, or benefits by reason of their service on the Board.

(f) POWERS.—

(1) ASSISTANCE OF OTHER FEDERAL ENTITIES.—A member of the Board shall detail to the Chairperson, on a nonreimbursable basis, such officers and employees of the department or agency headed by the member, and shall make available to the Chairperson such assistance as the Chairperson may require to carry out the activities of the Board.

(2) USE OF UNITED STATES MAILS.—The Chairperson may use the United States mails in the same manner and under the same conditions as other departments and agencies of the United States.

(g) DUTIES.—

(1) IN GENERAL.—The Board shall act as the central organization for coordinating the review of applications submitted under section 212 by States for waivers from the requirements of eligible Federal low-income assistance programs that involve more than 1 department or agency of the Federal Government.

(2) DUTY TO PROVIDE TECHNICAL ASSISTANCE.—The Board shall provide assistance and technical advice to entities submitting applications under section 212 and implementing an assistance plan under an application approved under section 213.

SEC. 212. WAIVER APPLICATION.

Any State that is receiving or is eligible to receive funds or other assistance under eligible Federal low-income assistance programs involving more than 1 Federal department or agency and desires a waiver authorized by law from the Federal requirements with respect to such programs may submit to the Board an application for such waiver. The application shall be submitted in the form and manner prescribed by the Board.

SEC. 213. REVIEW AND APPROVAL OF APPLICATIONS.

(a) REVIEW OF APPLICATIONS.—The Board shall review a waiver application submitted under section 212 and issue an advisory opinion with respect to such waiver application. Final decisions with respect to the waiver application shall be made by the Secretaries of the departments or agencies that have responsibility for administering the programs with respect to which the waiver is sought.

(b) ACTION ON APPLICATION.—The Board shall establish a schedule for the consideration of a waiver application submitted under section 212, to assure that the State will receive a final decision from the Secretaries described in subsection (a) on the waiver application not later than 90 days after the date the completed application is received by the Board.

SEC. 214. DEFINITION OF STATE.

(a) IN GENERAL.—For purposes of this part, the term "State" means any of the 50 States, the District of Columbia, Puerto Rico, American Samoa, Guam, and the Virgin Islands.

(b) INDIAN TRIBES.—In the case of an eligible Federal low-income assistance program under which aid or assistance is provided with respect to an Indian tribe, the Indian tribal organization is deemed to be a State for purposes of this part.

PART II—ADDITIONAL PROVISIONS CONCERNING WAIVERS

SEC. 221. SCHEDULE FOR CONSIDERATION OF WAIVER APPLICATIONS.

Section 1115 (42 U.S.C. 1315) is amended—

(1) by redesignating paragraphs (1) and (2) as subparagraphs (A) and (B), respectively;

(2) by striking "(a) In" and inserting "(a)(1) In"; and

(3) by adding at the end the following new paragraph:

"(2) Not later than 90 days after the date a completed application from a State for a waiver under paragraph (1) is received by the Secretary, the Secretary shall approve or disapprove such application. In considering an application for a waiver, there shall be a presumption for approval in the case of a request for a waiver that is similar in substance and scale to one that the Secretary has previously approved.".

SEC. 222. STATE AUTHORITY TO ESTABLISH CERTAIN AFDC RULES.

(a) IN GENERAL.—Section 1115 (42 U.S.C. 1315) is amended by adding at the end the following new subsection:

"(e)(1) Any State having an approved plan under part A of title IV may, without receiving a waiver from the Secretary pursuant to this section or otherwise, establish any of the program changes described in paragraph (2) for purposes of providing aid or assistance under part A of such title.

"(2) The program changes described in this paragraph are the following:

"(A) Income and resource requirements other than those specified in section 402(a)(7) in order to test the effect of such requirements on an individual's effort to obtain employment.

"(B) Requirements relating to the disregard of income other than those specified in section 402(a)(8).

"(C) Standards for defining unemployment other than those prescribed by the Secretary pursuant to section 407(a).

"(D) Rules for the eligibility for aid or assistance under part A of title IV of an unemployed parent without regard to section 407(b)(1)(A)(iii).

"(3)(A) The Secretary shall evaluate a sufficient number of the program changes described in paragraph (2) which are established by a State in order to determine the impact of such changes on the receipt of aid to families with dependent children program under part A of title IV in such State, earnings achieved, costs to the Federal and State governments, and such other factors as the Secretary may determine.

"(B) Any State chosen by the Secretary for an evaluation under subparagraph (A) shall cooperate with such evaluation.

"(C) There are authorized to be appropriated such sums as may be necessary for the purpose of conducting evaluations under this paragraph.

"(4) The authority provided by paragraphs (1) and (2) of this subsection shall expire 5 years after the date on which this subsection takes effect.".

(b) EFFECTIVE DATE.—The amendment made by this section shall take effect on October 1, 1996.

SEC. 223. WAIVER AUTHORITY FOR THE JOBS PROGRAM.

Section 1115(a) (42 U.S.C. 1315(a)) is amended—

(1) in the matter preceding paragraph (1), by striking "part A or D of title IV" and inserting "part A, D, or F of title IV";

(2) in paragraph (1), by inserting "482," after "454,"; and

(3) in paragraph (2), by inserting "402(g)," after "section 3,".

TITLE III—CHILD SUPPORT ENFORCEMENT

SEC. 300. SHORT TITLE.

This title may be cited as the "Interstate Child Support Responsibility Act of 1995".

Subtitle A—Improvements to the Child Support Collection System

PART I—ELIGIBILITY AND OTHER MATTERS CONCERNING TITLE IV-D PROGRAM CLIENTS

SEC. 301. COOPERATION REQUIREMENT AND GOOD CAUSE EXCEPTION.

(a) CHILD SUPPORT ENFORCEMENT REQUIREMENTS.—Section 454 is amended—

(1) by striking "and" at the end of paragraph (23);

(2) by striking the period at the end of paragraph (24) and inserting "; and"; and

(3) by adding after paragraph (24) the following new paragraph:

"(25) provide that the State agency administering the plan under this part—

"(A) will make the determination specified under paragraph (4), as to whether an individual is cooperating with efforts to establish paternity and secure support (or has good cause not to cooperate with such efforts) for purposes of the requirements of sections 402(a)(26) and 1912;

"(B) will advise individuals, both orally and in writing, of the grounds for good cause exceptions to the requirement to cooperate with such efforts;

"(C) will take the best interests of the child into consideration in making the determination whether such individual has good cause not to cooperate with such efforts;

"(D)(i) will make the initial determination as to whether an individual is cooperating (or has good cause not to cooperate) with efforts to establish paternity within 10 days after such individual is referred to such State agency by the State agency administering the program under part A of title XIX;

"(ii) will make redeterminations as to cooperation or good cause at appropriate intervals; and

"(iii) will promptly notify the individual, and the State agencies administering such programs, of each such determination and redetermination;

"(E) with respect to any child born on or after the date 10 months after the date of the enactment of this provision—

"(i) will not determine (or redetermine) the mother of such child to be cooperating with efforts to establish paternity unless the mother furnishes—

"(I) the name of the putative father (or fathers); and

"(II) sufficient additional information to enable the State agency, if reasonable efforts were made, to verify the identity of the person named as the putative father (including such information as the putative father's present address, telephone number, date of birth, past or present place of employment, school previously or currently attended, and names and addresses of parents, friends, or relatives able to provide location information, or other information that could enable service of process on such person); and

"(ii) in the case of a caretaker who is not the mother and who is receiving payments for the child under part A, will determine (or redetermine) such caretaker to be reasonably cooperating with efforts to establish paternity under regulations prescribed by the Secretary; and

"(F)(i) (where a custodial parent who was initially determined not to be cooperating (or to have good cause not to cooperate) is later determined to be cooperating or to have good cause not to cooperate) will immediately notify the State agencies administering the programs under part A of title XIX that this eligibility condition has been met; and

"(ii) (where a custodial parent was initially determined to be cooperating (or to have good cause not to cooperate)) will not later determine such individual not to be cooperating (or not to have good cause not to cooperate) until such individual has been afforded an opportunity for a hearing.".

(b) AFDC AMENDMENTS.—

(1) Section 402(a)(11) is amended by striking "furnishing of" and inserting "application for".

(2) Section 402(a)(26) is amended—

(A) in each of subparagraphs (A) and (B), by redesignating clauses (i) and (ii) as subclauses (I) and (II);

(B) by indenting and redesignating subparagraphs (A), (B), and (C) as clauses (i), (ii), and (iv), respectively;

(C) in clause (ii), as redesignated—

(i) by striking "is claimed, or in obtaining any other payments or property due such applicant or such child," and inserting "is claimed;"; and

(ii) by striking "unless" and all that follows through "aid is claimed; and";

(D) by adding after clause (ii) the following new clause:

"(iii) to cooperate with the State in obtaining any other payments or property due such applicant or such child; and";

(E) in the matter preceding clause (i), as redesignated, to read as follows:

"(26) provide—

"(A) that, as a condition of eligibility for aid, each applicant or recipient will be required (subject to subparagraph (C))—";

(F) in subparagraph (A)(iv), as redesignated, by striking ", unless such individual" and all that follows through "individuals involved";

(G) by adding at the end the following new subparagraphs:

"(B) that the State agency will immediately refer each applicant requiring paternity establishment services to the State agency administering the program under part D;

"(C) that an individual will not be required to cooperate with the State, as provided under subparagraph (A), if the individual is found to have good cause for refusing to cooperate, as determined in accordance with standards prescribed by the Secretary, which standards shall take into consideration the best interests of the child on whose behalf aid is claimed—

"(i) to the satisfaction of the State agency administering the program under part D, as determined in accordance with section 454(25), with respect to the requirements under clauses (i) and (ii) of subparagraph (A); and

"(ii) to the satisfaction of the State agency administering the program under this part, with respect to the requirements under clauses (iii) and (iv) of subparagraph (A);

"(D) that (except as provided in subparagraph (E)) an applicant requiring paternity establishment services (other than an individual eligible for emergency assistance as defined in section 406(e)) shall not be eligible for any aid under this part until such applicant—

"(i) has furnished to the agency administering the State plan under part D the information specified in section 454(25)(E); or

"(ii) has been determined by such agency to have good cause not to cooperate;

"(E) that the provisions of subparagraph (D) shall not apply—

"(i) if the State agency specified in such subparagraph has not, within 10 days after such individual was referred to such agency, provided the notification required by section 454(25)(D)(iii), until such notification is received; and

"(ii) if such individual appeals a determination that the individual lacks good cause for noncooperation, until after such determination is affirmed after notice and opportunity for a hearing; and"; and

(H)(i) by relocating and redesignating as subparagraph (F) the text at the end of subparagraph (A)(ii) beginning with "that, if the relative" and all that follows through the semicolon;

(ii) in subparagraph (F), as so redesignated and relocated, by striking "subparagraphs (A) and (B) of this paragraph" and inserting "subparagraph (A)"; and

(iii) by striking "and" at the end of subparagraph (a)(ii).

(c) MEDICAID AMENDMENTS.—Section 1912(a) is amended—

(1) in paragraph (1)(B), by inserting "(except as provided in paragraph (2))" after "to cooperate with the State";

(2) in subparagraphs (B) and (C) of paragraph (1) by striking ", unless" and all that follows and inserting a semicolon; and

(3) by redesignating paragraph (2) as paragraph (5), and inserting after paragraph (1) the following new paragraphs:

"(2) provide that the State agency will immediately refer each applicant or recipient requiring paternity establishment services to the State agency administering the program under part D of title IV;

"(3) provide that an individual will not be required to cooperate with the State, as provided under paragraph (1), if the individual is found to have good cause for refusing to cooperate, as determined in accordance with standards prescribed by the Secretary, which standards shall take into consideration the best interests of the individuals involved—

"(A) to the satisfaction of the State agency administering the program under part D, as determined in accordance with section 454(25), with respect to the requirements to cooperate with efforts to establish paternity and to obtain support (including medical support) from a parent; and

"(B) to the satisfaction of the State agency administering the program under this title, with respect to other requirements to cooperate under paragraph (1);

"(4) provide that (except as provided in paragraph (5)) an applicant requiring paternity establishment services (other than an individual eligible for emergency assistance as defined in section 406(e), or presumptively eligible pursuant to section 1920) shall not be eligible for medical assistance under this title until such applicant—

"(i) has furnished to the agency administering the State plan under part D of title IV the information specified in section 454(25)(E); or

"(ii) has been determined by such agency to have good cause not to cooperate; and

"(5) provide that the provisions of paragraph (4) shall not apply with respect to an applicant—

"(i) if such agency has not, within 10 days after such individual was referred to such agency, provided the notification required by section 454(25)(D)(iii), until such notification is received); and

"(ii) if such individual appeals a determination that the individual lacks good cause for noncooperation, until after such determination is affirmed after notice and opportunity for a hearing.".

(d) EFFECTIVE DATE.—The amendments made by this section shall be effective with respect to applications filed in or after the first calendar quarter beginning 10 months or more after the date of the enactment of this Act (or such earlier quarter as the State may select) for aid under part A of title IV of the Social Security Act or for medical assistance under title XIX of such Act.

SEC. 302. STATE OBLIGATION TO PROVIDE PATERNITY ESTABLISHMENT AND CHILD SUPPORT ENFORCEMENT SERVICES.

(a) STATE LAW REQUIREMENTS.—Section 466(a) (42 U.S.C. 666(a)) is amended by adding at the end the following new paragraph:

"(12) Procedures under which—

"(A) every child support order established or modified in the State on or after October 1, 1998, is recorded in the central case registry established in accordance with section 454A(e); and

"(B) child support payments are collected through the centralized collections unit established in accordance with section 454B—

"(i) on and after October 1, 1998, under each order subject to wage withholding under section 466(b;; and

"(ii) on and after October 1, 1999, under each other order required to be recorded in such central case registry under this paragraph or section 454A(e)—

"(I) if requested by either party subject to such order, or

"(II) at the option of the State, regardless of whether application is made for services under this part.".

(b) STATE PLAN REQUIREMENTS.—Section 454 (42 U.S.C. 654) is amended—

(1) by striking paragraph (4) and inserting the following new paragraph:

"(4) provide that such State will undertake to provide appropriate services under this part to—

"(A) each child with respect to whom an assignment is effective under section 402(a)(26), 471(a)(17), or 1912 (except in cases in which the State agency determines, in accordance with paragraph (25), that it is against the best interests of the child to do so); and

"(B) each child not described in subparagraph (A)—

"(i) with respect to whom an individual applies for such services; or

"(ii) on and after October 1, 1998, with respect to whom a support order is recorded in the central State case registry established under section 454A, if application is made for services under this part;"; and

(2) in paragraph (6)—

(A) by striking "(6) provide that" and all that follows through subparagraph (A) and inserting the following:

"(6) provide that—

"(A) services under the State plan shall be made available to nonresidents on the same terms as to residents;";

(B) in subparagraph (B)—

(i) by inserting "on individuals not receiving assistance under part A" after "such services shall be imposed"; and

(ii) by inserting "but no fees or costs shall be imposed on any absent or custodial parent or other individual for inclusion in the central State registry maintained pursuant to section 454A(e)"; and

(C) in each of subparagraphs (B), (C), (D), and (E), by indenting such subparagraph and aligning its left margin with the left margin of subparagraph (A); and

(D) in each of subparagraphs (B), (C), and (D), by striking the final comma and inserting a semicolon.

(c) CONFORMING AMENDMENTS.—

(1) PATERNITY ESTABLISHMENT PERCENTAGE.—Section 452(g)(2)(A) (42 U.S.C. 652(g)(2)(A)) is amended by striking "454(6)" each place it appears and inserting "454(4)(A)(ii)".

(2) STATE PLAN.—Section 454(23) (42 U.S.C. 654(23)) is amended, effective October 1, 1998, by striking "information as to any application fees for such services and".

(3) PROCEDURES TO IMPROVE ENFORCEMENT.—Section 466(a)(3)(B) (42 U.S.C. 666(a)(3)(B)) is amended by striking "in the case of overdue support which a State has agreed to collect under section 454(6)" and inserting "in any other case".

(4) DEFINITION OF OVERDUE SUPPORT.—Section 466(e) (42 U.S.C. 666(e)) is amended by striking "or (6)".

SEC. 303. DISTRIBUTION OF PAYMENTS.

(a) DISTRIBUTIONS THROUGH STATE CHILD SUPPORT ENFORCEMENT AGENCY TO FORMER ASSISTANCE RECIPIENTS.—Section 454(5) (42 U.S.C. 654(5)) is amended—

(1) in subparagraph (A)—

(A) by inserting "except as otherwise specifically provided in section 464 or 466(a)(3)," after "is effective,"; and

(B) by striking "except that" and all that follows through the semicolon; and

(2) in subparagraph (B), by striking ", except" and all that follows through "medical assistance".

(b) DISTRIBUTION TO A FAMILY CURRENTLY RECEIVING AFDC.—Section 457 (42 U.S.C. 657) is amended—

(1) by striking subsection (a) and redesignating subsection (b) as subsection (a);

(2) in subsection (a), as redesignated—

(A) in the matter preceding paragraph (2), to read as follows:

"(a) IN THE CASE OF A FAMILY RECEIVING AFDC.—Amounts collected under this part during any month as support of a child who is receiving assistance under part A (or a parent or caretaker relative of such a child) shall (except in the case of a State exercising the option under subsection (b)) be distributed as follows:

"(1) an amount equal to the amount that will be disregarded pursuant to section 402(a)(8)(A)(vi) shall be taken from each of—

"(A) the amounts received in a month which represent payments for that month; and

"(B) the amounts received in a month which represent payments for a prior month which were made by the absent parent in that prior month;

and shall be paid to the family without affecting its eligibility for assistance or decreasing any amount otherwise payable as assistance to such family during such month;";

(B) in paragraph (4), by striking "or (B)" and all that follows through the period and inserting "; then (B) from any remainder, amounts equal to arrearages of such support obligations assigned, pursuant to part A, to any other State or States shall be paid to such other State or States and used to pay any such arrearages (with appropriate reimbursement of the Federal Government to the extent of its participation in the financing); and then (C) any remainder shall be paid to the family."; and

(3) by inserting after subsection (a), as redesignated, the following new subsection:

"(b) ALTERNATIVE DISTRIBUTION IN CASE OF FAMILY RECEIVING AFDC.—In the case of a State electing the option under this subsection, amounts collected as described in subsection (a) shall be distributed as follows:

"(1) an amount equal to the amount that will be disregarded pursuant to section 402(a)(8)(A)(vi) shall be taken from each of—

"(A) the amounts received in a month which represent payments for that month; and

"(B) the amounts received in a month which represent payments for a prior month which were made by the absent parent in that prior month;

and shall be paid to the family without affecting its eligibility for assistance or decreasing any amount otherwise payable as assistance to such family during such month;

"(2) second, from any remainder, amounts equal to the balance of support owed for the current month shall be paid to the family;

"(3) third, from any remainder, amounts equal to arrearages of such support obligations assigned, pursuant to part A, to the State making the collection shall be retained and used by such State to pay any such arrearages (with appropriate reimbursement of the Federal Government to the extent of its participation in the financing);

"(4) fourth, from any remainder, amounts equal to arrearages of such support obligations assigned, pursuant to part A, to any other State or States shall be paid to such other State or States and used to pay any such arrearages (with appropriate reimbursement of the Federal Government to the extent of its participation in the financing); and

"(5) fifth, any remainder shall be paid to the family.".

(c) DISTRIBUTION TO A FAMILY NOT RECEIVING AFDC.—

(1) IN GENERAL.—Section 457(c) (42 U.S.C. 657(c)) is amended to read as follows:

"(c) DISTRIBUTIONS IN CASE OF FAMILY NOT RECEIVING AFDC.—Amounts collected by a State agency under this part during any month as support of a child who is not receiving assistance under part A (or of a parent or caretaker relative of such a child) shall (subject to the remaining provisions of this section) be distributed as follows:

"(1) first, amounts equal to the total of such support owed for such month shall be paid to the family;

"(2) second, from any remainder, amounts equal to arrearages of such support obligations for months during which such child did not receive assistance under part A shall be paid to the family;

"(3) third, from any remainder, amounts equal to arrearages of such support obligations assigned to the State making the collection pursuant to part A shall be retained and used by such State to pay any such arrearages (with appropriate reimbursement of the Federal Government to the extent of its participation in the financing); and

"(4) fourth, from any remainder, amounts equal to arrearages of such support obligations assigned to any other State pursuant to part A shall be paid to such other State or States, and used to pay such arrearages, in the order in which such arrearages accrued (with appropriate reimbursement of the Federal Government to the extent of its participation in the financing).".

(2) EFFECTIVE DATE.—The amendment made by paragraph (1) shall become effective on October 1, 1999.

(d) DISTRIBUTION TO A CHILD RECEIVING ASSISTANCE UNDER TITLE IV–E.—Section 457(d) (42 U.S.C. 657(d)) is amended, in the matter preceding paragraph (1), by striking "Notwithstanding the preceding provisions of this section, amounts" and inserting the following:

"(d) DISTRIBUTIONS IN CASE OF A CHILD RECEIVING ASSISTANCE UNDER TITLE IV–E.—Amounts".

(e) REGULATIONS.—The Secretary of Health and Human Services shall promulgate regulations—

(1) under part D of title IV of the Social Security Act, establishing a uniform nationwide standard for allocation of child support collections from an obligor owing support to more than 1 family; and

(2) under part A of such title, establishing standards applicable to States electing the alternative formula under section 457(b) of such Act for distribution of collections on behalf of families receiving Aid to Families with Dependent Children, designed to minimize irregular monthly payments to such families.

(f) CLERICAL AMENDMENTS.—Section 454 (42 U.S.C. 654) is amended—

(1) in paragraph (11)—

(A) by striking "(11)" and inserting "(11)(A)"; and

(B) by inserting after the semicolon "and"; and

(2) by redesignating paragraph (12) as subparagraph (B) of paragraph (11).

SEC. 304. RIGHTS TO NOTIFICATION AND HEARINGS.

(a) IN GENERAL.—Section 454 (42 U.S.C. 654), as amended by section 302(f), is amended by inserting after paragraph (11) the following new paragraph:

"(12) establish procedures to provide that—

"(A) individuals who are applying for or receiving services under this part—

"(i) receive notice of all proceedings in which support obligations might be established or modified; and

"(ii) receive a copy of any order establishing or modifying a child support obligation, or (in the case of a petition for modification) a notice of determination that there should be no change in the amount of the child support award, within 14 days after issuance of such order or determination;

"(B) individuals applying for or receiving services under this part have access to a fair hearing or other formal complaint procedure that meets standards established by the Secretary and ensures prompt consideration and resolution of complaints (but the resort to such procedure shall not stay the enforcement of any support order); and

"(C) the State may not provide to any noncustodial parent of a child representation relating to the establishment or modification of an order for the payment of child support with respect to that child, unless the State makes provision for such representation outside the State agency;".

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall become effective on October 1, 1997.

SEC. 305. PRIVACY SAFEGUARDS.

(a) STATE PLAN REQUIREMENT.—Section 454 (42 U.S.C. 454), as amended by section 301(a), is amended—

(1) by striking "and" at the end of paragraph (24);

(2) by striking the period at the end of paragraph (25) and inserting "; and"; and

(3) by adding after paragraph (25) the following:

"(26) provide that the State will have in effect safeguards applicable to all sensitive and confidential information handled by the State agency designed to protect the privacy rights of the parties, including—

"(A) safeguards against unauthorized use or disclosure of information relating to proceedings or actions to establish paternity, or to establish or enforce support;

"(B) prohibitions on the release of information on the whereabouts of 1 party to another party against whom a protective order with respect to the former party has been entered; and

"(C) prohibitions on the release of information on the whereabouts of 1 party to another party if the State has reason to believe that the release of the information may result in physical or emotional harm to the former party.".

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall become effective on October 1, 1997.

PART II—PROGRAM ADMINISTRATION AND FUNDING

SEC. 311. FEDERAL MATCHING PAYMENTS.

(a) INCREASED BASE MATCHING RATE.—Section 455(a)(2) (42 U.S.C. 655(a)(2)) is amended to read as follows:

"(2) The applicable percent for a quarter for purposes of paragraph (1)(A) is—

"(A) for fiscal years 1997 and 1998, 66 percent, and

"(B) for fiscal year 1999 and succeeding fiscal years, 75 percent.".

(b) MAINTENANCE OF EFFORT.—Section 455 (42 U.S.C. 655) is amended—

(1) in subsection (a)(1), in the matter preceding subparagraph (A), by striking "From" and inserting "Subject to subsection (c), from"; and

(2) by inserting after subsection (b) the following new subsection:

"(c) Notwithstanding the provisions of subsection (a), total expenditures for the State program under this part for fiscal year 1997 and each succeeding fiscal year (excluding 1-time capital expenditures for automation), reduced by the percentage specified for such fiscal year under subsection (a)(2) shall not be less than such total expenditures for fiscal year 1996, reduced by 66 percent.".

SEC. 312. PERFORMANCE-BASED INCENTIVES AND PENALTIES.

(a) INCENTIVE ADJUSTMENTS TO FEDERAL MATCHING RATE.—Section 458 (42 U.S.C. 658) is amended to read as follows:

"INCENTIVE ADJUSTMENTS TO MATCHING RATE

"SEC. 458. (a) INCENTIVE ADJUSTMENT.—

"(1) IN GENERAL.—In order to encourage and reward State child support enforcement programs which perform in an effective manner, the Federal matching rate for payments to a State under section 455(a)(1)(A), for each fiscal year beginning on or after October 1, 1998, shall be increased by a factor reflecting the sum of the applicable incentive adjustments (if any) determined in accordance with regulations under this section with respect to Statewide paternity establishment and to overall performance in child support enforcement.

"(2) STANDARDS.—

"(A) IN GENERAL.—The Secretary shall specify in regulations—

"(i) the levels of accomplishment, and rates of improvement as alternatives to such levels, which States must attain to qualify for incentive adjustments under this section; and

"(ii) the amounts of incentive adjustment that shall be awarded to States achieving specified accomplishment or improvement levels, which amounts shall be graduated, ranging up to—

"(I) 5 percentage points, in connection with Statewide paternity establishment; and

"(II) 10 percentage points, in connection with overall performance in child support enforcement.

"(B) LIMITATION.—In setting performance standards pursuant to subparagraph (A)(i) and adjustment amounts pursuant to subparagraph (A)(ii), the Secretary shall ensure that the aggregate number of percentage point increases as incentive adjustments to all States do not exceed such aggregate increases as assumed by the Secretary in estimates of the cost of this section as of June 1995, unless the aggregate performance of all States exceeds the projected aggregate performance of all States in such cost estimates.

"(3) DETERMINATION OF INCENTIVE ADJUSTMENT.—The Secretary shall determine the amount (if any) of incentive adjustment due each State on the basis of the data submitted by the State pursuant to section 454(15)(B) concerning the levels of accomplishment (and rates of improvement) with respect to performance indicators specified by the Secretary pursuant to this section.

"(4) FISCAL YEAR SUBJECT TO INCENTIVE ADJUSTMENT.—The total percentage point increase determined pursuant to this section with respect to a State program in a fiscal year shall apply as an adjustment to the applicable percent under section 455(a)(2) for payments to such State for the succeeding fiscal year.

"(5) RECYCLING OF INCENTIVE ADJUSTMENT.—A State shall expend in the State program under this part all funds paid to the State by the Federal Government as a result of an incentive adjustment under this section.

"(b) MEANING OF TERMS.—

"(1) STATEWIDE PATERNITY ESTABLISHMENT PERCENTAGE.—

"(A) IN GENERAL.—For purposes of this section, the term 'Statewide paternity establishment percentage' means, with respect to a fiscal year, the ratio (expressed as a percentage) of—

"(i) the total number of out-of-wedlock children in the State under 1 year of age for whom paternity is established or acknowledged during the fiscal year, to

"(ii) the total number of children requiring paternity establishment born in the State during such fiscal year.

"(B) ALTERNATIVE MEASUREMENT.—The Secretary shall develop an alternate method of measurement for the Statewide paternity establishment percentage for any State that does not record the out-of-wedlock status of children on birth certificates.

"(2) OVERALL PERFORMANCE IN CHILD SUPPORT ENFORCEMENT.—The term 'overall performance in child support enforcement' means a measure or measures of the effectiveness of the State agency in a fiscal year which takes into account factors including—

"(A) the percentage of cases requiring a child support order in which such an order was established;

"(B) the percentage of cases in which child support is being paid;

"(C) the ratio of child support collected to child support due; and

"(D) the cost-effectiveness of the State program, as determined in accordance with standards established by the Secretary in regulations.".

(b) ADJUSTMENT OF PAYMENTS UNDER PART D OF TITLE IV.—Section 455(a)(2) (42 U.S.C. 655(a)(2)), as amended by section 311(a), is amended—

(1) by striking the period at the end of subparagraph (C) and inserting a comma; and

(2) by adding after and below subparagraph (C), flush with the left margin of the paragraph, the following:

"increased by the incentive adjustment factor (if any) determined by the Secretary pursuant to section 458.".

(c) CONFORMING AMENDMENTS.—Section 454(22) (42 U.S.C. 654(22)) is amended—

(1) by striking "incentive payments" the first place it appears and inserting "incentive adjustments"; and

(2) by striking "any such incentive payments made to the State for such period" and inserting "any increases in Federal payments to the State resulting from such incentive adjustments".

(d) CALCULATION OF IV-D PATERNITY ESTABLISHMENT PERCENTAGE.—

(1) OVERALL PERFORMANCE.—Section 452(g)(1) (42 U.S.C. 652(g)(1)) is amended in the matter preceding subparagraph (A) by inserting "its overall performance in child support enforcement is satisfactory (as defined in section 458(b) and regulations of the Secretary), and" after "1994,".

(2) DEFINITION.—Section 452(g)(2)(A) (42 U.S.C. 652(g)(2)(A)) is amended, in the matter preceding clause (i)—

(A) by striking "paternity establishment percentage" and inserting "IV-D paternity establishment percentage"; and

(B) by striking "(or all States, as the case may be)".

(3) MODIFICATION OF REQUIREMENTS.—Section 452(g)(3) (42 U.S.C. 652(g)(3)) is amended—

(A) by striking subparagraph (A) and redesignating subparagraphs (B) and (C) as subparagraphs (A) and (B), respectively;

(B) in subparagraph (A), as redesignated, by striking "the percentage of children born out-of-wedlock in the State" and inserting "the percentage of children in the State who are born out of wedlock or for whom support has not been established"; and

(C) in subparagraph (B), as redesignated—

(i) by inserting "and overall performance in child support enforcement" after "paternity establishment percentages"; and

(ii) by inserting "and securing support" before the period.

(e) REDUCTION OF PAYMENTS UNDER PART D OF TITLE IV.—

(1) NEW REQUIREMENTS.—Section 455 (42 U.S.C. 655) is amended—

(A) by redesignating subsection (e) as subsection (f); and

(B) by inserting after subsection (d) the following new subsection:

"(e)(1) Notwithstanding any other provision of law, if the Secretary finds, with respect to a State program under this part in a fiscal year beginning on or after October 1, 1997—

"(A)(i) on the basis of data submitted by a State pursuant to section 454(15)(B), that the State program in such fiscal year failed to achieve the IV–D paternity establishment percentage (as defined in section 452(g)(2)(A)) or the appropriate level of overall performance in child support enforcement (as defined in section 458(b)(2)), or to meet other performance measures that may be established by the Secretary, or

"(ii) on the basis of an audit or audits of such State data conducted pursuant to section 452(a)(4)(C), that the State data submitted pursuant to section 454(15)(B) is incomplete or unreliable; and

"(B) that, with respect to the succeeding fiscal year—

"(i) the State failed to take sufficient corrective action to achieve the appropriate performance levels as described in subparagraph (A)(i) of this paragraph, or

"(ii) the data submitted by the State pursuant to section 454(15)(B) is incomplete or unreliable,

the amounts otherwise payable to the State under this part for quarters following the end of such succeeding fiscal year, prior to quarters following the end of the first quarter throughout which the State program is in compliance with such performance requirement, shall be reduced by the percentage specified in paragraph (2).

"(2) The reductions required under paragraph (1) shall be—

"(A) not less than 3 nor more than 5 percent, or

"(B) not less than 5 nor more than 7 percent, if the finding is the second consecutive finding made pursuant to paragraph (1), or

"(C) not less than 7 nor more than 10 percent, if the finding is the third or a subsequent consecutive such finding.

"(3) For purposes of this subsection, section 402(a)(27), and section 452(a)(4), a State which is determined as a result of an audit to have submitted incomplete or unreliable data pursuant to section 454(15)(B), shall be determined to have submitted adequate data if the Secretary determines that the extent of the incompleteness or unreliability of the data is of a technical nature which does not adversely affect the determination of the level of the State's performance.".

(2) CONFORMING AMENDMENTS.—

(A) PAYMENTS TO STATES.—Section 403 (42 U.S.C. 603) is amended by striking subsection (h).

(B) DUTIES OF SECRETARY.—Subsections (d)(3)(A), (g)(1), and (g)(3)(A) of section 452 (42 U.S.C. 652) are each amended by striking "403(h)" and inserting "455(e)".

(f) EFFECTIVE DATES.—

(1) INCENTIVE ADJUSTMENTS.—

(A) IN GENERAL.—The amendments made by subsections (a), (b), and (c) shall become effective on October 1, 1997, except to the extent provided in subparagraph (B).

(B) EXCEPTION.—Section 458 of the Social Security Act, as in effect prior to the enactment of this section, shall be effective for purposes of incentive payments to States for fiscal years prior to fiscal year 1999.

(2) PENALTY REDUCTIONS.—

(A) IN GENERAL.—The amendments made by subsection (d) shall become effective with respect to calendar quarters beginning on and after the date of the enactment of this Act.

(B) REDUCTIONS.—The amendments made by subsection (e) shall become effective with respect to calendar quarters beginning on and after the date which is 1 year after the date of the enactment of this Act.

SEC. 313. FEDERAL AND STATE REVIEWS AND AUDITS.

(a) STATE AGENCY ACTIVITIES.—Section 454 (42 U.S.C. 654) is amended—

(1) in paragraph (14)—

(A) by striking "(14)" and inserting "(14)(A)"; and

(B) by inserting after the semicolon "and";

(2) by redesignating paragraph (15) as subparagraph (B) of paragraph (14); and

(3) by inserting after paragraph (14) the following new paragraph:

"(15) provide for—

"(A) a process for annual reviews of and reports to the Secretary on the State program under this part—

"(i) which shall include such information as may be necessary to measure State compliance with Federal requirements for expedited procedures and timely case processing, using such standards and procedures as are required by the Secretary; and

"(ii) under which the State agency will determine the extent to which such program is in conformity with applicable requirements with respect to the operation of State programs under this part (including the status of complaints filed under the procedure required under paragraph (12)(B)); and

"(B) a process of extracting from the State automated data processing system and transmitting to the Secretary data and calculations concerning the levels of accomplishment (and rates of improvement) with respect to applicable performance indicators (including IV–D paternity establishment percentages and overall performance in child support enforcement) to the extent necessary for purposes of sections 452(g) and 458.".

(b) FEDERAL ACTIVITIES.—Section 452(a)(4) (42 U.S.C. 652(a)(4)) is amended to read as follows:

"(4)(A) review data and calculations transmitted by State agencies pursuant to section 454(15)(B) on State program accomplishments with respect to performance indicators for purposes of section 452(g) and 458, and determine the amount (if any) of penalty reductions pursuant to section 455(e) to be applied to the State;

"(B) review annual reports by State agencies pursuant to section 454(15)(A) on State program conformity with Federal requirements; evaluate any elements of a State program in which significant deficiencies are indicated by such report on the status of complaints under the State procedure under section 454(12)(B); and, as appropriate, provide to the State agency comments, recommendations for additional or alternative corrective actions, and technical assistance; and

"(C) conduct audits, in accordance with the government auditing standards of the United States Comptroller General—

"(i) at least once every 3 years (or more frequently, in the case of a State which fails to meet requirements of this part, or of regulations implementing such requirements, concerning performance standards and reliability of program data) to assess the completeness, reliability, and security of the data, and the accuracy of the reporting systems, used for the calculations of performance indicators specified in subsection (g) and section 458;

"(ii) of the adequacy of financial management of the State program, including assessments of—

"(I) whether Federal and other funds made available to carry out the State program under this part are being appropriately expended, and are properly and fully accounted for; and

"(II) whether collections and disbursements of support payments and program income are carried out correctly and are properly and fully accounted for; and

"(iii) for such other purposes as the Secretary may find necessary;".

(c) EFFECTIVE DATE.—The amendments made by this section shall be effective with respect to calendar quarters beginning on or after the date which is 1 year after the enactment of this section.

SEC. 314. REQUIRED REPORTING PROCEDURES.

(a) ESTABLISHMENT.—Section 452(a)(5) (42 U.S.C. 652(a)(5)) is amended by inserting ", and establish procedures to be followed by States for collecting and reporting information required to be provided under this part, and establish uniform definitions (including those necessary to enable the measurement of State compliance with the requirements of this part relating to expedited processes and timely case processing) to be applied in following such procedures" before the semicolon.

(b) STATE PLAN REQUIREMENT.—Section 454 (42 U.S.C. 654), as amended by sections 301(a) and 305(a), is amended—

(1) by striking "and" at the end of paragraph (25);

(2) by striking the period at the end of paragraph (26) and inserting "; and"; and

(3) by adding after paragraph (26) the following:

"(27) provide that the State shall use the definitions established under section 452(a)(5) in collecting and reporting information as required under this part.".

SEC. 315. AUTOMATED DATA PROCESSING REQUIREMENTS.

(a) REVISED REQUIREMENTS.—

(1) STATE PLAN.—Section 454(16) (42 U.S.C. 654(16)) is amended—

(A) by striking ", at the option of the State,";

(B) by inserting "and operation by the State agency" after "for the establishment";

(C) by inserting "meeting the requirements of section 454A" after "information retrieval system";

(D) by striking "in the State and localities thereof, so as (A)" and inserting "so as";

(E) by striking "(i)"; and

(F) by striking "(including, but not limited to," and all that follows and to the semicolon.

(2) AUTOMATED DATA PROCESSING.—Part D of title IV (42 U.S.C. 651–669) is amended by inserting after section 454 the following new section:

"AUTOMATED DATA PROCESSING

"SEC. 454A. (a) IN GENERAL.—In order to meet the requirements of this section, for purposes of the requirement of section 454(16), a State agency shall have in operation a single statewide automated data processing and information retrieval system which has the capability to perform the tasks specified in this section, and performs such tasks with the frequency and in the manner specified in this part or in regulations or guidelines of the Secretary.

"(b) PROGRAM MANAGEMENT.—The automated system required under this section shall perform such functions as the Secretary may specify relating to management of the program under this part, including—

"(1) controlling and accounting for use of Federal, State, and local funds to carry out such program; and

"(2) maintaining the data necessary to meet Federal reporting requirements on a timely basis.

"(c) CALCULATION OF PERFORMANCE INDICATORS.—In order to enable the Secretary to determine the incentive and penalty adjustments required by sections 452(g) and 458, the State agency shall—

"(1) use the automated system—

"(A) to maintain the requisite data on State performance with respect to paternity establishment and child support enforcement in the State; and

"(B) to calculate the IV-D paternity establishment percentage and overall performance in child support enforcement for the State for each fiscal year; and

"(2) have in place systems controls to ensure the completeness, and reliability of, and ready access to, the data described in paragraph (1)(A), and the accuracy of the calculations described in paragraph (1)(B).

"(d) INFORMATION INTEGRITY AND SECURITY.—The State agency shall have in effect safeguards on the integrity, accuracy, and completeness of, access to, and use of data in the automated system required under this section, which shall include the following (in addition to such other safeguards as the Secretary specifies in regulations):

"(1) POLICIES RESTRICTING ACCESS.—Written policies concerning access to data by State agency personnel, and sharing of data with other persons, which—

"(A) permit access to and use of data only to the extent necessary to carry out program responsibilities;

"(B) specify the data which may be used for particular program purposes, and the personnel permitted access to such data; and

"(C) ensure that data obtained or disclosed for a limited program purpose is not used or redisclosed for another, impermissible purpose.

"(2) SYSTEMS CONTROLS.—Systems controls (such as passwords or blocking of fields) to ensure strict adherence to the policies specified under paragraph (1).

"(3) MONITORING OF ACCESS.—Routine monitoring of access to and use of the automated system, through methods such as audit trails and feedback mechanisms, to guard against and promptly identify unauthorized access or use.

"(4) TRAINING AND INFORMATION.—The State agency shall have in effect procedures to ensure that all personnel (including State and local agency staff and contractors) who may have access to or be required to use sensitive or confidential program data are fully informed of applicable requirements and penalties, and are adequately trained in security procedures.

"(5) PENALTIES.—The State agency shall have in effect administrative penalties (up to and including dismissal from employment) for unauthorized access to, or disclosure or use of, confidential data.".

(3) REGULATIONS.—Section 452 (42 U.S.C. 652) is amended by adding at the end the following new subsection:

"(j) The Secretary shall prescribe final regulations for implementation of the requirements of section 454A not later than 2 years after the date of the enactment of this subsection.".

(4) IMPLEMENTATION TIMETABLE.—Section 454(24) (42 U.S.C. 654(24)), as amended by sections 301(a), 305(a)(2) and 314(b)(1), is amended to read as follows:

"(24) provide that the State will have in effect an automated data processing and information retrieval system—

"(A) by October 1, 1996, meeting all requirements of this part which were enacted on or before the date of the enactment of the Family Support Act of 1988; and

"(B) by October 1, 1999, meeting all requirements of this part enacted on or before the date of the enactment of the Interstate Child Support Responsibility Act of 1995 (but this provision shall not be construed to alter earlier deadlines specified for elements of such system), except that such deadline shall be extended by 1 day for each day (if any) by which the Secretary fails to meet the deadline imposed by section 452(j);".

(b) SPECIAL FEDERAL MATCHING RATE FOR DEVELOPMENT COSTS OF AUTOMATED SYSTEMS.—Section 455(a) (42 U.S.C. 655(a)) is amended—

(1) in paragraph (1)(B)—

(A) by striking "90 percent" and inserting "the percent specified in paragraph (3)";

(B) by striking "so much of"; and

(C) by striking "which the Secretary" and all that follows through "thereof"; and

(2) by adding at the end the following new paragraph:

"(3)(A) The Secretary shall pay to each State, for each quarter in fiscal years 1996 through 2001, the percentage specified in subparagraph (B) of so much of State expenditures described in paragraph (1)(B) as the Secretary finds are for a system meeting the requirements specified in section 454(16) and 454A, subject to subparagraph (C).

"(B) The percentage specified in this subparagraph, for purposes of subparagraph (A), is the higher of—

"(i) 80 percent, or

"(ii) the percentage otherwise applicable to Federal payments to the State under paragraph (1)(A) (as adjusted pursuant to section 458).

"(C)(i) The Secretary may not pay more than $260,000,000 in the aggregate under this paragraph for fiscal years 1996, 1997, 1998, 1999, 2000, and 2001.

"(ii) The total amount payable to a State under this paragraph for fiscal years 1996, 1997, 1998, 1999, 2000, and 2001 shall not exceed the limitation determined for the State by the Secretary in regulations.

"(iii) The regulations referred to in clause (ii) shall prescribe a formula for allocating the amount specified in clause (iii) among States with plans approved under this part, which shall take into account—

"(I) the relative size of State caseloads under this part; and

"(II) the level of automation needed to meet the automated data processing requirements of this part.".

(c) CONFORMING AMENDMENT.—Section 123(c) of the Family Support Act of 1988 (102 Stat. 2352; Public Law 100-485) is repealed.

SEC. 316. DIRECTOR OF CSE PROGRAM; STAFFING STUDY.

(a) REPORTING TO SECRETARY.—Section 452(a) (42 U.S.C. 652(a)) is amended in the matter preceding paragraph (1) by striking "directly".

(b) STAFFING STUDIES.—

(1) SCOPE.—The Secretary of Health and Human Services (in this subsection referred to as the "Secretary") shall, directly or by contract, conduct studies of the staffing of each State child support enforcement program under part D of title IV of the Social Security Act. Such studies shall—

(A) include a review of the staffing needs created by requirements for automated data processing, maintenance of a central case registry and centralized collections of child support, and of changes in these needs resulting from changes in such requirements; and

(B) examine and report on effective staffing practices used by the States and on recommended staffing procedures.

(2) FREQUENCY OF STUDIES.—The Secretary shall complete the first staffing study required under paragraph (1) not later than October 1, 1997, and may conduct additional studies subsequently at appropriate intervals.

(3) REPORT TO THE CONGRESS.—The Secretary shall submit a report to the Congress stating the findings and conclusions of each study conducted under this subsection.

SEC. 317. FUNDING FOR SECRETARIAL ASSISTANCE TO STATE PROGRAMS.

Section 452 (42 U.S.C. 652), as amended by section 315(a)(3), is amended by adding at the end the following new subsection:

"(k)(1) There shall be available to the Secretary, from amounts appropriated for fiscal year 1996 and each succeeding fiscal year for payments to States under this part, the amount specified in paragraph (2) for the costs to the Secretary for—

"(A) information dissemination and technical assistance to States, training of State and Federal staff, staffing studies, and related activities needed to improve programs (including technical assistance concerning State automated systems);

"(B) research, demonstration, and special projects of regional or national significance relating to the operation of State programs under this part; and

"(C) operation of the Federal Parent Locator Service under section 453, to the extent such costs are not recovered through user fees.

"(2) The amount specified in this paragraph for a fiscal year is the amount equal to a percentage of the reduction in Federal payments to States under part A on account of child support (including arrearages) collected in the preceding fiscal year on behalf of children receiving aid under such part A in such preceding fiscal year (as determined on the basis of the most recent reliable data available to the Secretary as of the end of the third calendar quarter following the end of such preceding fiscal year), equal to—

"(A) 1 percent, for the activities specified in subparagraphs (A) and (B) of paragraph (1); and

"(B) 2 percent, for the activities specified in subparagraph (C) of paragraph (1).".

SEC. 318. DATA COLLECTION AND REPORTS BY THE SECRETARY.

(a) ANNUAL REPORT TO CONGRESS.—

(1) IN GENERAL.—Section 452(a)(10)(A) (42 U.S.C. 652(a)(10)(A)) is amended—

(A) by striking "this part;" and inserting "this part, including—"; and

(B) by adding at the end the following indented clauses:

"(i) the total amount of child support payments collected as a result of services furnished during such fiscal year to individuals receiving services under this part;

"(ii) the cost to the States and to the Federal Government of furnishing such services to those individuals; and

"(iii) the number of cases involving families—

"(I) who became ineligible for aid under part A during a month in such fiscal year; and

"(II) with respect to whom a child support payment was received in the same month;".

(2) Certain data.—Section 452(a)(10)(C) (42 U.S.C. 652(a)(10)(C)) is amended—

(A) in the matter preceding clause (i), by striking "with the data required under each clause being separately stated for cases" and all that follows through "part:" and inserting "separately stated for cases where the child is receiving aid to families with dependent children (or foster care maintenance payments under part E), or formerly received such aid or payments and the State is continuing to collect support assigned to it under section 402(a)(26), 471(a)(17), or 1912, and all other cases under this part—";

(B) in each of clauses (i) and (ii), by striking ", and the total amount of such obligations";

(C) in clause (iii), by striking "described in" and all that follows through the semicolon and inserting "in which support was collected during the fiscal year;";

(D) by striking clause (iv); and

(E) by redesignating clause (v) as clause (vii), and inserting after clause (iii) the following new clauses:

"(iv) the total amount of support collected during such fiscal year and distributed as current support;

"(v) the total amount of support collected during such fiscal year and distributed as arrearages;

"(vi) the total amount of support due and unpaid for all fiscal years; and".

(3) Use of federal courts.—Section 452(a)(10)(G) (42 U.S.C. 652(a)(10)(G)) is amended by striking "on the use of Federal courts and".

(4) Additional information not necessary.—Section 452(a)(10) (42 U.S.C. 652(a)(10)) is amended by striking all that follows subparagraph (I).

(b) Data Collection and Reporting.—Section 469 (42 U.S.C. 669) is amended—

(1) by striking subsections (a) and (b) and inserting the following:

"(a) The Secretary shall collect and maintain, on a fiscal year basis, up-to-date statistics, by State, with respect to services to establish paternity and services to establish child support obligations, the data specified in subsection (b), separately stated, in the case of each such service, with respect to—

"(1) families (or dependent children) receiving aid under plans approved under part A (or E); and

"(2) families not receiving such aid.

"(b) The data referred to in subsection (a) are—

"(1) the number of cases in the caseload of the State agency administering the plan under this part in which such service is needed; and

"(2) the number of such cases in which the service has been provided."; and

(2) in subsection (c), by striking "(a)(2)" and inserting "(b)(2)".

(c) Effective Date.—The amendments made by this section shall be effective with respect to fiscal year 1996 and succeeding fiscal years.

PART III—LOCATE AND CASE TRACKING

SEC. 321. CENTRAL STATE AND CASE REGISTRY.

Section 454A, as added by section 315(a)(2), is amended by adding at the end the following new subsections:

"(e) Central Case Registry.—

"(1) In general.—The automated system required under this section shall perform the functions, in accordance with the provisions of this subsection, of a single central registry containing records with respect to each case in which services are being provided by the State agency (including, on and after October 1, 1998, each order specified in section 466(a)(12)), using such standardized data elements (such as names, social security numbers or other uniform identification numbers, dates of birth, and case identification numbers), and containing such other information (such as information on case status) as the Secretary may require.

"(2) Payment Records.—Each case record in the central registry shall include a record of—

"(A) the amount of monthly (or other periodic) support owed under the support order, and other amounts due or overdue (including arrearages, interest or late payment penalties, and fees);

"(B) all child support and related amounts collected (including such amounts as fees, late payment penalties, and interest on arrearages);

"(C) the distribution of such amounts collected; and

"(D) the birth date of the child for whom the child support order is entered.

"(3) Updating and monitoring.—The State agency shall promptly establish and maintain, and regularly monitor, case records in the registry required by this subsection, on the basis of—

"(A) information on administrative actions and administrative and judicial proceedings and orders relating to paternity and support;

"(B) information obtained from matches with Federal, State, or local data sources;

"(C) information on support collections and distributions; and

"(D) any other relevant information.

"(f) Data Matches and Other Disclosures of Information.—The automated system required under this section shall have the capacity, and be used by the State agency, to extract data at such times, and in such standardized format or formats, as may be required by the Secretary, and to share and match data with, and receive data from, other data bases and data matching services, in order to obtain (or provide) information necessary to enable the State agency (or Secretary or other State or Federal agencies) to carry out responsibilities under this part. Data matching activities of the State agency shall include at least the following:

"(1) Data bank of child support orders.—Furnishing to the Data Bank of Child Support Orders established under section 453(h) (and updating as necessary, with information, including notice of expiration of orders) minimal information specified by the Secretary on each child support case in the central case registry.

"(2) Federal parent locator service.—Exchanging data with the Federal Parent Locator Service for the purposes specified in section 453.

"(3) AFDC and medicaid agencies.—Exchanging data with State agencies (of the State and of other States) administering the programs under part A and title XIX, as necessary for the performance of State agency responsibilities under this part and under such programs.

"(4) Intra- and interstate data matches.—Exchanging data with other agencies of the State, agencies of other States, and interstate information networks, as necessary and appropriate to carry out (or assist other States to carry out) the purposes of this part.".

SEC. 322. CENTRALIZED COLLECTION AND DISBURSEMENT OF SUPPORT PAYMENTS.

(a) State Plan Requirement.—Section 454 (42 U.S.C. 654), as amended by sections 301(a), 305(a) and 314(b), is amended—

(1) by striking "and" at the end of paragraph (26);

(2) by striking the period at the end of paragraph (27) and inserting "; and"; and

(3) by adding after paragraph (27) the following new paragraph:

"(28) provide that the State agency, on and after October 1, 1998—

"(A) will operate a centralized, automated unit for the collection and disbursement of child support under orders being enforced under this part, in accordance with section 454B; and

"(B) will have sufficient State staff (consisting of State employees), and, at State option, contractors reporting directly to the State agency to monitor and enforce support collections through such centralized unit, including carrying out the automated data processing responsibilities specified in section 454A(g) and to impose, as appropriate in particular cases, the administrative enforcement remedies specified in section 466(c)(1).".

(b) Establishment of Centralized Collection Unit.—Part D of title IV (42 U.S.C. 651–669) is amended by adding after section 454A the following new section:

"CENTRALIZED COLLECTION AND DISBURSEMENT OF SUPPORT PAYMENTS

"Sec. 454B. (a) In General.—In order to meet the requirement of section 454(28), the State agency must operate a single, centralized, automated unit for the collection and disbursement of support payments, coordinated with the automated data system required under section 454A, in accordance with the provisions of this section, which shall be—

"(1) operated directly by the State agency (or by 2 or more State agencies under a regional cooperative agreement), or by a single contractor responsible directly to the State agency; and

"(2) used for the collection and disbursement (including interstate collection and disbursement) of payments under support orders in all cases being enforced by the State pursuant to section 454(4).

"(b) Required Procedures.—The centralized collections unit shall use automated procedures, electronic processes, and computer-driven technology to the maximum extent feasible, efficient, and economical, for the collection and disbursement of support payments, including procedures—

"(1) for receipt of payments from parents, employers, and other States, and for disbursements to custodial parents and other obligees, the State agency, and the State agencies of other States;

"(2) for accurate identification of payments;

"(3) to ensure prompt disbursement of the custodial parent's share of any payment; and

"(4) to furnish to either parent, upon request, timely information on the current status of support payments.".

(c) Use of Automated System.—Section 454A, as added by section 315(a)(2) and as amended by section 321, is amended by adding at the end the following new subsection:

"(g) Centralized Collection and Distribution of Support Payments.—The automated system required under this section shall be used, to the maximum extent feasible, to assist and facilitate collections and disbursement of support payments through the centralized collections unit operated pursuant to section 454B, through the performance of functions including at a minimum—

"(1) generation of orders and notices to employers (and other debtors) for the withholding of wages (and other income)—

"(A) within 2 working days after receipt (from the directory of New Hires established under section 453(i) or any other source) of notice of and the income source subject to such withholding; and

"(B) using uniform formats directed by the Secretary;

"(2) ongoing monitoring to promptly identify failures to make timely payment; and

"(3) automatic use of enforcement mechanisms (including mechanisms authorized pursuant to section 466(c)) where payments are not timely made.".

(d) Effective Date.—The amendments made by this section shall become effective on October 1, 1998.

SEC. 323. AMENDMENTS CONCERNING INCOME WITHHOLDING.

(a) Mandatory Income Withholding.—

(1) From wages.—Section 466(a)(1) (42 U.S.C. 666(a)(1)) is amended to read as follows:

"(1)(A) Procedures described in subsection (b) for the withholding from income of amounts payable as support in cases subject to enforcement under the State plan.

"(B) Procedures under which all child support orders issued (or modified) before October 1, 1996, and which are not otherwise subject to withholding under subsection (b), shall become subject to withholding from wages as provided in subsection (b) if arrearages occur, without the need for a judicial or administrative hearing.".

(2) Repeal of certain provisions concerning arrearages.—Section 466(a)(8) (42 U.S.C. 666(a)(8)) is repealed.

(3) Procedures described.—Section 466(b) (42 U.S.C. 666(b)) is amended—

(A) in the matter preceding paragraph (1), by striking "subsection (a)(1)" and inserting "subsection (a)(1)(A)";

(B) in paragraph (5), by striking "a public agency" and all that follows through the period and inserting "the State through the centralized collections unit established pursuant to section 454B, in accordance with the requirements of such section 454B.";

(C) in paragraph (6)(A)(i)—

(i) by inserting ", in accordance with timetables established by the Secretary," after "must be required"; and

(ii) by striking "to the appropriate agency" and all that follows through the period and inserting "to the State centralized collections unit within 5 working days after the date such amount would (but for this subsection) have been paid or credited to the employee, for distribution in accordance with this part.";

(D) in paragraph (6)(A)(ii), by inserting "be in a standard format prescribed by the Secretary, and" after "shall"; and

(E) in paragraph (6)(D) to read as follows:

"(D) Provision must be made for the imposition of a fine against any employer who—

"(i) discharges from employment, refuses to employ, or takes disciplinary action against any absent parent subject to wage withholding required by this subsection because of the existence of such withholding and the obligations or additional obligations which it imposes upon the employer; or

"(ii) fails to withhold support from wages, or to pay such amounts to the State centralized collections unit in accordance with this subsection.".

(b) Conforming Amendment.—Section 466(c) (42 U.S.C. 666(c)) is repealed.

(c) Definition of Terms.—The Secretary of Health and Human Services shall promulgate regulations providing definitions, for purposes of part D of title IV of the Social Security Act, for the term "income" and for such other terms relating to income withholding under section 466(b) of such Act as the Secretary may find it necessary or advisable to define.

SEC. 324. LOCATOR INFORMATION FROM INTERSTATE NETWORKS.

Section 466(a) (42 U.S.C. 666(a)), as amended by section 323(a)(2), is amended by inserting after paragraph (7) the following new paragraph:

"(8) Procedures ensuring that the State will neither provide funding for, nor use for any purpose (including any purpose unrelated to the purposes of this part), any automated interstate network or system used to locate individuals—

"(A) for purposes relating to the use of motor vehicles; or

"(B) providing information for law enforcement purposes (where child support enforcement agencies are otherwise allowed access by State and Federal law),

unless all Federal and State agencies administering programs under this part (including the entities established under section 453) have access to information in such system or network to the same extent as any other user of such system or network.".

SEC. 325. EXPANDED FEDERAL PARENT LOCATOR SERVICE.

(a) Expanded Authority To Locate Individuals and Assets.—Section 453 (42 U.S.C. 653) is amended—

(1) in subsection (a), by striking "information as to the whereabouts" and all that follows through the period and inserting ", for the purpose of establishing parentage, establishing, setting the amount of, modifying, or enforcing child support obligations—

"(1) information on, or facilitating the discovery of, the location of any individual—

"(A) who is under an obligation to pay child support;

"(B) against whom such an obligation is sought; or

"(C) to whom such an obligation is owed,

including such individual's social security number (or numbers), most recent residential address, and the name, address, and employer identification number of such individual's employer; and

"(2) information on the individual's wages (or other income) from, and benefits of, employment (including rights to or enrollment in group health care coverage); and

"(3) information on the type, status, location, and amount of any assets of, or debts owed by or to, any such individual.";

(2) in subsection (b)—

(A) in the matter preceding paragraph (1), by striking "social security" and all that follows through "absent parent" and inserting "information specified in subsection (a)"; and

(B) in paragraph (2), by inserting before the period ", or from any consumer reporting agency (as defined in section 603(f) of the Fair Credit Reporting Act (15 U.S.C. 1681a(f))"; and

(3) in subsection (e)(1), by inserting before the period ", or by consumer reporting agencies".

(b) Reimbursement for Data From Federal Agencies.—Section 453(e)(2) (42 U.S.C. 653(e)(2)) is amended in the fourth sentence by inserting before the period "in an amount which the Secretary determines to be reasonable payment for the data exchange (which amount shall not include payment for the costs of obtaining, compiling, or maintaining the data)".

(c) Access to Consumer Reports Under Fair Credit Reporting Act.—

(1) In general.—Section 608 of the Fair Credit Reporting Act (15 U.S.C. 1681f) is amended—

(A) by striking ", limited to" and inserting "to a governmental agency (including the entire consumer report, in the case of a Federal, State, or local agency administering a program under part D of title IV of the Social Security Act, and limited to"; and

(B) by striking "employment, to a governmental agency" and inserting "employment, in the case of any other governmental agency)".

(2) Reimbursement for reports by state agencies and credit bureaus.—Section 453 (42 U.S.C. 653) is amended by adding at the end the following new subsection:

"(g) The Secretary is authorized to reimburse to State agencies and consumer credit reporting agencies the costs incurred by such entities in furnishing information requested by the Secretary pursuant to this section in an amount which the Secretary determines to be reasonable payment for the data exchange (which amount shall not include payment for the costs of obtaining, compiling, or maintaining the data).".

(d) Technical Amendments.—

(1) Sections 452(a)(9), 453(a), 453(b), 463(a), and 463(e) (42 U.S.C. 652(a)(9), 653(a), 653(b), 663(a), and 663(e)) are each amended by inserting "Federal" before "Parent" each place it appears.

(2) Section 453 (42 U.S.C. 653) is amended in the heading by inserting "FEDERAL" before "PARENT".

(e) New Components.—Section 453 (42 U.S.C. 653), as amended by subsection (c)(2), is amended by adding at the end the following new subsections:

"(h) Data Bank of Child Support Orders.—

"(1) In general.—Not later than October 1, 1998, in order to assist States in administering their State plans under this part and parts A, F, and G, and for the other purposes specified in this section, the Secretary shall establish and maintain in the Federal Parent Locator Service an automated registry to be known as the Data Bank of Child Support Orders, which shall contain abstracts of child support orders and other information described in paragraph (2) on each case in each State central case registry maintained pursuant to section 454A(e), as furnished (and regularly updated), pursuant to section 454A(f), by State agencies administering programs under this part.

"(2) Case information.—The information referred to in paragraph (1), as specified by the Secretary, shall include sufficient information (including names, social security numbers or other uniform identification numbers, and State case identification numbers) to identify the individuals who owe or are owed support (or with respect to or on behalf of whom support obligations are sought to be established), and the State or States which have established or modified, or are enforcing or seeking to establish, such an order.

"(i) Directory of New Hires.—

"(1) In general.—Not later than October 1, 1998, in order to assist States in administering their State plans under this part and parts A, F, and G, and for the other purposes specified in this section, the Secretary shall establish and maintain in the Federal Parent

Locator Service an automated directory to be known as the directory of New Hires, containing—

"(A) information supplied by employers on each newly hired individual, in accordance with paragraph (2); and

"(B) information supplied by State agencies administering State unemployment compensation laws, in accordance with paragraph (3).

"(2) EMPLOYER INFORMATION.—

"(A) INFORMATION REQUIRED.—Subject to subparagraph (D), each employer shall furnish to the Secretary, for inclusion in the directory under this subsection, not later than 10 days after the date (on or after October 1, 1998) on which the employer hires a new employee (as defined in subparagraph (C)), a report containing the name, date of birth, and social security number of such employee, and the employer identification number of the employer.

"(B) REPORTING METHOD AND FORMAT.—The Secretary shall provide for transmission of the reports required under subparagraph (A) using formats and methods which minimize the burden on employers, which shall include—

"(i) automated or electronic transmission of such reports;

"(ii) transmission by regular mail; and

"(iii) transmission of a copy of the form required for purposes of compliance with section 3402 of the Internal Revenue Code of 1986.

"(C) EMPLOYEE DEFINED.—For purposes of this paragraph, the term 'employee' means any individual subject to the requirement of section 3402(f)(2) of the Internal Revenue Code of 1986.

"(D) PAPERWORK REDUCTION REQUIREMENT.—As required by the information resources management policies published by the Director of the Office of Management and Budget pursuant to section 3504(b)(1) of title 44, United States Code, the Secretary, in order to minimize the cost and reporting burden on employers, shall not require reporting pursuant to this paragraph if an alternative reporting mechanism can be developed that either relies on existing Federal or State reporting or enables the Secretary to collect the needed information in a more cost-effective and equally expeditious manner, taking into account the reporting costs on employers.

"(E) CIVIL MONEY PENALTY ON NONCOMPLYING EMPLOYERS.—

"(i) IN GENERAL.—Any employer that fails to make a timely report in accordance with this paragraph with respect to an individual shall be subject to a civil money penalty, for each calendar year in which the failure occurs, of the lesser of $500 or 1 percent of the wages or other compensation paid by such employer to such individual during such calendar year.

"(ii) APPLICATION OF SECTION 1128A.—Subject to clause (iii), the provisions of section 1128A (other than subsections (a) and (b) thereof) shall apply to a civil money penalty under clause (i) in the same manner as they apply to a civil money penalty or proceeding under section 1128A(a).

"(iii) COSTS TO SECRETARY.—Any employer with respect to whom a penalty under this subparagraph is upheld after an administrative hearing shall be liable to pay all costs of the Secretary with respect to such hearing.

"(3) EMPLOYMENT SECURITY INFORMATION.—

"(A) REPORTING REQUIREMENT.—Each State agency administering a State unemployment compensation law approved by the Secretary of Labor under the Federal Unemployment Tax Act shall furnish to the Secretary extracts of the reports to the Secretary of Labor concerning the wages and unemployment compensation paid to individuals required under section 303(a)(6), in accordance with subparagraph (B).

"(B) MANNER OF COMPLIANCE.—The extracts required under subparagraph (A) shall be furnished to the Secretary on a quarterly basis, with respect to calendar quarters beginning on and after October 1, 1996, by such dates, in such format, and containing such information as required by that Secretary in regulations.

"(j) DATA MATCHES AND OTHER DISCLOSURES.—

"(1) VERIFICATION BY SOCIAL SECURITY ADMINISTRATION.—

"(A) TRANSMISSION OF DATA.—The Secretary shall transmit data on individuals and employers in the registries maintained under this section to the Social Security Administration to the extent necessary for verification in accordance with subparagraph (B).

"(B) VERIFICATION.—The Commissioner of Social Security shall verify the accuracy of, correct or supply to the extent necessary and feasible, and report to the Secretary, the following information in data supplied by the Secretary pursuant to subparagraph (A):

"(i) the name, social security number, and birth date of each individual; and

"(ii) the employer identification number of each employer.

"(2) CHILD SUPPORT LOCATOR MATCHES.—For the purpose of locating individuals for purposes of paternity establishment and establishment and enforcement of child support, the Secretary shall—

"(A) match data in the directory of New Hires against the child support order abstracts in the Data Bank of Child Support Orders not less than every 2 working days; and

"(B) report information obtained from a match established under subparagraph (A) to concerned State agencies operating programs under this part not later than 2 working days after such match.

"(3) DATA MATCHES AND DISCLOSURES OF DATA IN ALL REGISTRIES FOR TITLE IV PROGRAM PURPOSES.—The Secretary shall—

"(A) perform matches of data in each component of the Federal Parent Locator Service maintained under this section against data in each other such component (other than the matches required pursuant to paragraph (1)), and report information resulting from such matches to State agencies operating programs under this part and parts A, F, and G; and

"(B) disclose data in such registries to such State agencies,

to the extent, and with the frequency, that the Secretary determines to be effective in assisting such States to carry out their responsibilities under such programs.

"(k) FEES.—

"(1) FOR SSA VERIFICATION.—The Secretary shall reimburse the Commissioner of Social Security, at a rate negotiated between the Secretary and the Commissioner, the costs incurred by the Commissioner in performing the verification services specified in subsection (j).

"(2) FOR INFORMATION FROM SESAS.—The Secretary shall reimburse costs incurred by State employment security agencies in furnishing data as required by subsection (i)(3), at rates which the Secretary determines to be reasonable (which rates shall not include payment for the costs of obtaining, compiling, or maintaining such data).

"(3) FOR INFORMATION FURNISHED TO STATE AND FEDERAL AGENCIES.—State and Federal agencies receiving data or information from the Secretary pursuant to this section shall reimburse the costs incurred by the Secretary in furnishing such data or information, at rates which the Secretary determines to be reasonable (which rates shall include payment for the costs of obtaining, verifying, maintaining, and matching such data or information).

"(l) RESTRICTION ON DISCLOSURE AND USE.—Data in the Federal Parent Locator Service, and information resulting from matches using such data, shall not be used or disclosed except as specifically provided in this section.

"(m) RETENTION OF DATA.—Data in the Federal Parent Locator Service, and data resulting from matches performed pursuant to this section, shall be retained for such period (determined by the Secretary) as appropriate for the data uses specified in this section.

"(n) INFORMATION INTEGRITY AND SECURITY.—The Secretary shall establish and implement safeguards with respect to the entities established under this section designed to—

"(1) ensure the accuracy and completeness of information in the Federal Parent Locator Service; and

"(2) restrict access to confidential information in the Federal Parent Locator Service to authorized persons, and restrict use of such information to authorized purposes.

"(o) LIMIT ON LIABILITY.—The Secretary shall not be liable to either a State or an individual for inaccurate information provided to a component of the Federal Parent Locator Service and disclosed by the Secretary in accordance with this section.".

(f) CONFORMING AMENDMENTS.—

(1) TO PART D OF TITLE IV OF THE SOCIAL SECURITY ACT.—Section 454(8)(B) (42 U.S.C. 654(8)(B)) is amended to read as follows:

"(B) the Federal Parent Locator Service established under section 453;".

(2) TO FEDERAL UNEMPLOYMENT TAX ACT.—Section 3304(16) of the Internal Revenue Code of 1986 (relating to approval of State laws) is amended—

(A) by striking "Secretary of Health, Education, and Welfare" each place it appears and inserting "Secretary of Health and Human Services";

(B) in subparagraph (B), by striking "such information" and all that follows through the semicolon and inserting "information furnished under subparagraph (A) or (B) is used only for the purposes authorized under such subparagraph;";

(C) by striking "and" at the end of subparagraph (A);

(D) by redesignating subparagraph (B) as subparagraph (C); and

(E) by inserting after subparagraph (A) the following new subparagraph:

"(B) wage and unemployment compensation information contained in the records of such agency shall be furnished to the Secretary of Health and Human Services (in accordance with regulations promulgated by such Secretary) as necessary for the purposes of the directory of New Hires established under section 453(i) of the Social Security Act, and".

(3) TO STATE GRANT PROGRAM UNDER TITLE III OF THE SOCIAL SECURITY ACT.—Section 303(a) (42 U.S.C. 503(a)) is amended—

(A) by striking "and" at the end of paragraph (8);

(B) by striking the period at the end of paragraph (9) and inserting "; and"; and

(C) by adding after paragraph (9) the following new paragraph:

"(10) The making of quarterly electronic reports, at such dates, in such format, and containing such information, as required by the Secretary under section 453(i)(3), and compliance with such provisions as such Secretary may find necessary to ensure the correctness and verification of such reports.".

SEC. 326. USE OF SOCIAL SECURITY NUMBERS.

(a) STATE LAW REQUIREMENT.—Section 466(a) (42 U.S.C. 666(a)), as amended by section 302(a), is amended by adding at the end the following new paragraph:

"(13) Procedures requiring the recording of social security numbers—

"(A) of both parties on marriage licenses and divorce decrees;

"(B) of both parents, on birth records and child support and paternity orders; and

"(C) on all applications for motor vehicle licenses and professional licenses.".

(b) CLARIFICATION OF FEDERAL POLICY.—Section 205(c)(2)(C)(ii) (42 U.S.C. 405(c)(2)(C)(ii)) is amended by striking the third sentence and inserting "This clause shall not be considered to authorize disclosure of such numbers except as provided in the preceding sentence.".

PART IV—STREAMLINING AND UNIFORMITY OF PROCEDURES

SEC. 331. ADOPTION OF UNIFORM STATE LAWS.

Section 466(a) (42 U.S.C. 666(a)), as amended by sections 302(a) and 326(a), is amended by adding at the end the following new paragraph:

"(14)(A) Procedures under which the State adopts in its entirety (with the modifications and additions specified in this paragraph) not later than January 1, 1997, and uses on and after such date, the Uniform Interstate Family Support Act, as approved by the National Conference of Commissioners on Uniform State Laws in August 1992.

"(B) The State law adopted pursuant to subparagraph (A) shall be applied to any case—

"(i) involving an order established or modified in one State and for which a subsequent modification is sought in another State; or

"(ii) in which interstate activity is required to enforce an order.

"(C) The State law adopted pursuant to subparagraph (A) of this paragraph shall contain the following provision in lieu of section 611(a)(1) of the Uniform Interstate Family Support Act described in such subparagraph (A):

"'(1) the following requirements are met:

"'(i) the child, the individual obligee, and the obligor—

"'(I) do not reside in the issuing State; and

"'(II) either reside in this State or are subject to the jurisdiction of this State pursuant to section 201; and

"'(ii) in any case where another State is exercising or seeks to exercise jurisdiction to modify the order, the conditions of section 204 are met to the same extent as required for proceedings to establish orders; or'.

"(D) The State law adopted pursuant to subparagraph (A) shall recognize as valid, for purposes of any proceeding subject to such State law, service of process upon persons in the State (and proof of such service) by any means acceptable in another State which is the initiating or responding State in such proceeding.".

SEC. 332. IMPROVEMENTS TO FULL FAITH AND CREDIT FOR CHILD SUPPORT ORDERS.

Section 1738B of title 28, United States Code, is amended—

(1) in subsection (a)(2), by striking "subsection (e)" and inserting "subsections (e), (f), and (i)";

(2) in subsection (b), by inserting after the first undesignated paragraph the following:

"'child's home State' means the State in which a child lived with a parent or a person acting as parent for at least 6 consecutive months immediately preceding the time of filing of a petition or comparable pleading for support and, if a child is less than 6 months old, the State in which the child lived from birth with any of them. A period of temporary absence of any of them is counted as part of the 6-month period.";

(3) in subsection (c), by inserting "by a court of a State" before "is made";

(4) in subsection (c)(1), by inserting "and subsections (e), (f), and (g)" after "located";

(5) in subsection (d)—

(A) by inserting "individual" before "contestant"; and

(B) by striking "subsection (e)" and inserting "subsections (e) and (f)";

(6) in subsection (e), by striking "make a modification of a child support order with respect to a child that is made" and inserting "modify a child support order issued";

(7) in subsection (e)(1), by inserting "pursuant to subsection (i)" before the semicolon;

(8) in subsection (e)(2)—

(A) by inserting "individual" before "contestant" each place such term appears; and

(B) by striking "to that court's making the modification and assuming" and inserting "with the State of continuing, exclusive jurisdiction for a court of another State to modify the order and assume";

(9) by redesignating subsections (f) and (g) as subsections (g) and (h), respectively;

(10) by inserting after subsection (e) the following new subsection:

"(f) RECOGNITION OF CHILD SUPPORT ORDERS.—If 1 or more child support orders have been issued in this or another State with regard to an obligor and a child, a court shall apply the following rules in determining which order to recognize for purposes of continuing, exclusive jurisdiction and enforcement:

"(1) If only 1 court has issued a child support order, the order of that court must be recognized.

"(2) If 2 or more courts have issued child support orders for the same obligor and child, and only 1 of the courts would have continuing, exclusive jurisdiction under this section, the order of that court must be recognized.

"(3) If 2 or more courts have issued child support orders for the same obligor and child, and only 1 of the courts would have continuing, exclusive jurisdiction under this section, an order issued by a court in the current home State of the child must be recognized, but if an order has not been issued in the current home State of the child, the order most recently issued must be recognized.

"(4) If 2 or more courts have issued child support orders for the same obligor and child, and none of the courts would have continuing, exclusive jurisdiction under this section, a court may issue a child support order, which must be recognized.

"(5) The court that has issued an order recognized under this subsection is the court having continuing, exclusive jurisdiction.";

(11) in subsection (g) (as so redesignated)—

(A) by striking "PRIOR" and inserting "MODIFIED"; and

(B) by striking "subsection (e)" and inserting "subsections (e) and (f)";

(12) in subsection (h) (as so redesignated)—

(A) in paragraph (2), by inserting "including the duration of current payments and other obligations of support" before the comma; and

(B) in paragraph (3), by inserting "arrears under" after "enforce"; and

(13) by adding at the end the following new subsection:

"(i) REGISTRATION FOR MODIFICATION.—If there is no individual contestant or child residing in the issuing State, the party or support enforcement agency seeking to modify, or to modify and enforce, a child support order issued in another State shall register that order in a State with jurisdiction over the nonmovant for the purpose of modification.".

SEC. 333. STATE LAWS PROVIDING EXPEDITED PROCEDURES.

(a) STATE LAW REQUIREMENTS.—Section 466 (42 U.S.C. 666), as amended by section 323(b), is amended—

(1) in subsection (a)(2), in the first sentence, to read as follows: "Expedited administrative and judicial procedures (including the procedures specified in subsection (c)) for establishing paternity and for establishing, modifying, and enforcing support obligations."; and

(2) by adding after subsection (b) the following new subsection:

"(c) The procedures specified in this subsection are the following:

"(1) Procedures which give the State agency the authority (and recognize and enforce the authority of State agencies of other States), without the necessity of obtaining an order from any other judicial or administrative tribunal (but subject to due process safeguards, including (as appropriate) requirements for notice, opportunity to contest the action, and opportunity for an appeal on the record to an independent administrative or judicial tribunal), to take the following actions relating to establishment or enforcement of orders:

"(A) To order genetic testing for the purpose of paternity establishment as provided in section 466(a)(5).

"(B) To enter a default order, upon a showing of service of process and any additional showing required by State law—

"(i) establishing paternity, in the case of any putative father who refuses to submit to genetic testing; and

"(ii) establishing or modifying a support obligation, in the case of a parent (or other obligor or obligee) who fails to respond to notice to appear at a proceeding for such purpose.

"(C) To subpoena any financial or other information needed to establish, modify, or enforce an order, and to sanction failure to respond to any such subpoena.

"(D) To require all entities in the State (including for-profit, nonprofit, and governmental employers) to provide promptly, in response to a request by the State agency of that or any other State administering a program under this part, information on the employment, compensation, and benefits of any individual employed by such entity as an employee or contractor, and to sanction failure to respond to any such request.

"(E) To obtain access, subject to safeguards on privacy and information security, to the following records (including automated access, in the case of records maintained in automated data bases):

"(i) Records of other State and local government agencies, including—

"(I) vital statistics (including records of marriage, birth, and divorce);

"(II) State and local tax and revenue records (including information on residence address, employer, income and assets);

"(III) records concerning real and titled personal property;

"(IV) records of occupational and professional licenses, and records concerning the ownership and control of corporations, partnerships, and other business entities;

"(V) employment security records;

"(VI) records of agencies administering public assistance programs;

"(VII) records of the motor vehicle department; and

"(VIII) corrections records.

"(ii) Certain records held by private entities, including—

"(I) customer records of public utilities and cable television companies; and

"(II) information (including information on assets and liabilities) on individuals who owe or are owed support (or against or with respect to whom a support obligation is sought) held by financial institutions (subject to limitations on liability of such entities arising from affording such access).

"(F) To order income withholding in accordance with subsection (a)(1) and (b) of section 466.

"(G) In cases where support is subject to an assignment under section 402(a)(26), 471(a)(17), or 1912, or to a requirement to pay through the centralized collections unit under section 454B) upon providing notice to obligor and obligee, to direct the obligor or other payor to change the payee to the appropriate government entity.

"(H) For the purpose of securing overdue support—

"(i) to intercept and seize any periodic or lump-sum payment to the obligor by or through a State or local government agency, including—

"(I) unemployment compensation, workers' compensation, and other benefits;

"(II) judgments and settlements in cases under the jurisdiction of the State or local government; and

"(III) lottery winnings;

"(ii) to attach and seize assets of the obligor held by financial institutions;

"(iii) to attach public and private retirement funds in appropriate cases, as determined by the Secretary; and

"(iv) to impose liens in accordance with paragraph (a)(4) and, in appropriate cases, to force sale of property and distribution of proceeds.

"(I) For the purpose of securing overdue support, to increase the amount of monthly support payments to include amounts for arrearages (subject to such conditions or restrictions as the State may provide).

"(J) To suspend drivers' licenses of individuals owing past-due support, in accordance with subsection (a)(16).

"(2) The expedited procedures required under subsection (a)(2) shall include the following rules and authority, applicable with respect to all proceedings to establish paternity or to establish, modify, or enforce support orders:

"(A) Procedures under which—

"(i) the parties to any paternity or child support proceedings are required (subject to privacy safeguards) to file with the tribunal before entry of an order, and to update as appropriate, information on location and identity (including social security number, residential and mailing addresses, telephone number, driver's license number, and name, address, and telephone number of employer); and

"(ii) in any subsequent child support enforcement action between the same parties, the tribunal shall be authorized, upon sufficient showing that diligent effort has been made to ascertain such party's current location, to deem due process requirements for notice and service of process to be met, with respect to such party, by delivery to the most recent residential or employer address so filed pursuant to clause (i).

"(B) Procedures under which—

"(i) the State agency and any administrative or judicial tribunal with authority to hear child support and paternity cases exerts statewide jurisdiction over the parties, and orders issued in such cases have statewide effect; and

"(ii) in the case of a State in which orders in such cases are issued by local jurisdictions, a case may be transferred between jurisdictions in the State without need for any additional filing by the petitioner, or service of process upon the respondent, to retain jurisdiction over the parties.".

(b) EXCEPTIONS FROM STATE LAW REQUIREMENTS.—Section 466(d) (42 U.S.C. 666(d)) is amended—

(1) by striking "(d) If" and inserting "(d)(1) Subject to paragraph (2), if"; and

(2) by adding at the end the following new paragraph:

"(2) The Secretary shall not grant an exemption from the requirements of—

"(A) subsection (a)(5) (concerning procedures for paternity establishment);

"(B) subsection (a)(10) (concerning modification of orders);

"(C) subsection (a)(12) (concerning recording of orders in the central State case registry);

"(D) subsection (a)(13) (concerning recording of social security numbers);

"(E) subsection (a)(14) (concerning interstate enforcement); or

"(F) subsection (c) (concerning expedited procedures), other than paragraph (1)(A) thereof (concerning establishment or modification of support amount).".

(c) AUTOMATION OF STATE AGENCY FUNCTIONS.—Section 454A, as added by section 315(a)(2) and as amended by sections 321 and 322(c), is amended by adding at the end the following new subsection:

"(h) EXPEDITED ADMINISTRATIVE PROCEDURES.—The automated system required under this section shall be used, to the maximum extent feasible, to implement any expedited administrative procedures required under section 466(c).".

PART V—PATERNITY ESTABLISHMENT

SEC. 341. STATE LAWS CONCERNING PATERNITY ESTABLISHMENT.

(a) STATE LAWS REQUIRED.—Section 466(a)(5) (42 U.S.C. 666(a)(5)) is amended—

(1) in subparagraph (B)—

(A) by striking "(B)" and inserting "(B)(i)";

(B) in clause (i), as redesignated, by inserting before the period ", where such request is supported by a sworn statement—

"(I) by such party alleging paternity setting forth facts establishing a reasonable possibility of the requisite sexual contact of the parties; or

"(II) by such party denying paternity setting forth facts establishing a reasonable possibility of the nonexistence of sexual contact of the parties;"; and

(C) by inserting after clause (i) (as redesignated) the following new clause:

"(ii) Procedures which require the State agency, in any case in which such agency orders genetic testing—

"(I) to pay the costs of such tests, subject to recoupment (where the State so elects) from the putative father if paternity is established; and

"(II) to obtain additional testing in any case where an original test result is disputed, upon request and advance payment by the disputing party.";

(2) by striking subparagraphs (C), (D), (E), and (F) and inserting the following:

"(C)(i) Procedures for a simple civil process for voluntarily acknowledging paternity under which the State must provide that, before a mother and a putative father can sign an acknowledgment of paternity, the putative father and the mother must be given notice, orally, in writing, and in a language that each can understand, of the alternatives to, the legal consequences of, and the rights (including, if 1 parent is a minor, any rights afforded due to minority status) and responsibilities that arise from, signing the acknowledgment.

"(ii) Such procedures must include a hospital-based program for the voluntary acknowledgment of paternity focusing on the period immediately before or after the birth of a child.

"(iii) Such procedures must require the State agency responsible for maintaining birth records to offer voluntary paternity establishment services.

"(iv) The Secretary shall prescribe regulations governing voluntary paternity establishment services offered by hospitals and birth record agencies. The Secretary shall prescribe regulations specifying the types of other entities that may offer voluntary paternity establishment services, and governing the provision of such services, which shall include a requirement that such an entity must use the same notice provisions used by, the same materials used by, provide the personnel providing such services with the same training provided by, and evaluate the provision of such services in the same manner as, voluntary paternity establishment programs of hospitals and birth record agencies.

"(D)(i) Procedures under which a signed acknowledgment of paternity is considered a legal finding of paternity, subject to the right of any signatory to rescind the acknowledgment within 60 days.

"(ii)(I) Procedures under which, after the 60-day period referred to in clause (i), a signed acknowledgment of paternity may be challenged in court only on the basis of fraud, duress, or material mistake of fact, with the burden of proof upon the challenger, and under which the legal responsibilities (including child support obligations) of any signatory arising from the acknowledgment may not be suspended during the challenge, except for good cause shown.

"(II) Procedures under which, after the 60-day period referred to in clause (i), a minor who signs an acknowledgment of paternity other than in the presence of a parent or court-appointed guardian ad litem may rescind the acknowledgment in a judicial or administrative proceeding, until the earlier of—

"(aa) attaining the age of majority; or

"(bb) the date of the first judicial or administrative proceeding brought (after the signing) to establish a child support obligation, visitation rights, or custody rights with respect to the child whose paternity is the subject of the acknowledgment, and at which the minor is represented by a parent, guardian ad litem, or attorney.

"(E) Procedures under which no judicial or administrative proceedings are required or permitted to ratify an unchallenged acknowledgment of paternity.

"(F) Procedures requiring—

"(i) that the State admit into evidence, for purposes of establishing paternity, results of any genetic test that is—

"(I) of a type generally acknowledged, by accreditation bodies designated by the Secretary, as reliable evidence of paternity; and

"(II) performed by a laboratory approved by such an accreditation body;

"(ii) that any objection to genetic testing results must be made in writing not later than a specified number of days before any hearing at which such results may be introduced into evidence (or, at State option, not later than a specified number of days after receipt of such results); and

"(iii) that, if no objection is made, the test results are admissible as evidence of paternity without the need for foundation testimony or other proof of authenticity or accuracy."; and

(3) by adding after subparagraph (H) the following new subparagraphs:

"(I) Procedures providing that the parties to an action to establish paternity are not entitled to a jury trial.

"(J) Procedures which require that a temporary order be issued, upon motion by a party, requiring the provision of child support pending an administrative or judicial determination of parentage, where there is clear and convincing evidence of paternity (on the basis of genetic tests or other evidence).

"(K) Procedures under which bills for pregnancy, childbirth, and genetic testing are admissible as evidence without requiring third-party foundation testimony, and shall constitute prima facie evidence of amounts incurred for such services and testing on behalf of the child.

"(L) At the option of the State, procedures under which the tribunal establishing paternity and support has discretion to waive rights to all or part of amounts owed to the State (but not to the mother) for costs related to pregnancy, childbirth, and genetic testing and for public assistance paid to the family where the father cooperates or acknowledges paternity before or after genetic testing.

"(M) Procedures ensuring that the putative father has a reasonable opportunity to initiate a paternity action.".

(b) Technical Amendment.—Section 468 (42 U.S.C. 668) is amended by striking "a simple civil process for voluntarily acknowledging paternity and".

SEC. 342. OUTREACH FOR VOLUNTARY PATERNITY ESTABLISHMENT.

(a) State Plan Requirement.—Section 454(23) (42 U.S.C. 654(23)) is amended—

(1) by striking "(23)" and inserting "(23)(A)";

(2) by inserting "and" after the semicolon; and

(3) by adding at the end the following new subparagraph:

"(B) publicize the availability and encourage the use of procedures for voluntary establishment of paternity and child support through a variety of means, which—

"(i) include distribution of written materials at health care facilities (including hospitals and clinics), and other locations such as schools;

"(ii) may include pre-natal programs to educate expectant couples on individual and joint rights and responsibilities with respect to paternity (and may require all expectant recipients of assistance under part A to participate in such pre-natal programs, as an element of cooperation with efforts to establish paternity and child support);

"(iii) include, with respect to each child discharged from a hospital after birth for whom paternity or child support has not been established, reasonable follow-up efforts, providing—

"(I) in the case of a child for whom paternity has not been established, information on the benefits of and procedures for establishing paternity; and

"(II) in the case of a child for whom paternity has been established but child support has not been established, information on the benefits of and procedures for establishing a child support order, and an application for child support services;".

(b) Enhanced Federal Matching.—Section 455(a)(1)(C) (42 U.S.C. 655(a)(1)(C)) is amended—

(1) by inserting "(i)" before "laboratory costs", and

(2) by inserting before the semicolon ", and (ii) costs of outreach programs designed to encourage voluntary acknowledgment of paternity".

(c) Effective Dates.—

(1) In general.—The amendments made by subsection (a) shall become effective October 1, 1997.

(2) Exception.—The amendments made by subsection (b) shall be effective with respect to calendar quarters beginning on and after October 1, 1996.

PART VI—ESTABLISHMENT AND MODIFICATION OF SUPPORT ORDERS

SEC. 351. NATIONAL CHILD SUPPORT GUIDELINES COMMISSION.

(a) Establishment.—There is hereby established a commission to be known as the "National Child Support Guidelines Commission" (in this section referred to as the "Commission").

(b) General Duties.—

(1) In general.—The Commission shall determine—

(A) whether it is appropriate to develop a national child support guideline for consideration by the Congress or for adoption by individual States; or

(B) based on a study of various guideline models, the benefits and deficiencies of such models, and any needed improvements.

(2) Development of models.—If the Commission determines under paragraph (1)(A) that a national child support guideline is needed or under paragraph (1)(B) that improvements to guideline models are needed, the Commission shall develop such national guideline or improvements.

(c) Matters for Consideration by the Commission.—In making the recommendations concerning guidelines required under subsection (b), the Commission shall consider—

(1) the adequacy of State child support guidelines established pursuant to section 467 of the Social Security Act;

(2) matters generally applicable to all support orders, including—

(A) the feasibility of adopting uniform terms in all child support orders;

(B) how to define income and under what circumstances income should be imputed; and

(C) tax treatment of child support payments;

(3) the appropriate treatment of cases in which either or both parents have financial obligations to more than 1 family, including the effect (if any) to be given to—

(A) the income of either parent's spouse; and

(B) the financial responsibilities of either parent for other children or stepchildren;

(4) the appropriate treatment of expenses for child care (including care of the children of either parent, and work-related or job-training-related child care);

(5) the appropriate treatment of expenses for health care (including uninsured health care) and other extraordinary expenses for children with special needs;

(6) the appropriate duration of support by 1 or both parents, including

(A) support (including shared support) for post-secondary or vocational education; and

(B) support for disabled adult children;

(7) procedures to automatically adjust child support orders periodically to address changed economic circumstances, including changes in the consumer price index or either parent's income and expenses in particular cases;

(8) procedures to help non-custodial parents address grievances regarding visitation and custody orders to prevent such parents from withholding child support payments until such grievances are resolved; and

(9) whether, or to what extent, support levels should be adjusted in cases in which custody is shared or in which the noncustodial parent has extended visitation rights.

(d) Membership.—

(1) Number; appointment.—

(A) In general.—The Commission shall be composed of 12 individuals appointed jointly by the Secretary of Health and Human Services and the Congress, not later than January 15, 1997, of which—

(i) 2 shall be appointed by the Chairman of the Committee on Finance of the Senate, and 1 shall be appointed by the ranking minority member of the Committee;

(ii) 2 shall be appointed by the Chairman of the Committee on Ways and Means of the House of Representatives, and 1 shall be appointed by the ranking minority member of the Committee; and

(iii) 6 shall be appointed by the Secretary of Health and Human Services.

(B) Qualifications of members.—Members of the Commission shall have expertise and experience in the evaluation and development of child support guidelines. At least 1 member shall represent advocacy groups for custodial parents, at least 1 member shall represent advocacy groups for noncustodial parents, and at least 1 member shall be the director of a State program under part D of title IV of the Social Security Act.

(2) Terms of office.—Each member shall be appointed for a term of 2 years. A vacancy in the Commission shall be filled in the manner in which the original appointment was made.

(e) Commission Powers, Compensation, Access to Information, and Supervision.—The first sentence of subparagraph (C), the first and third sentences of subparagraph (D), subparagraph (F) (except with respect to the conduct of medical studies), clauses (ii) and (iii) of subparagraph (G), and subparagraph (H) of section 1886(e)(6) of the Social Security Act shall apply to the Commission in the same manner in which such provisions apply to the Prospective Payment Assessment Commission.

(f) Report.—Not later than 2 years after the appointment of members, the Commission shall submit to the President, the Committee on Ways and Means of the House of Representatives, and the Committee on Finance of the Senate, a recommended national child support guideline and a final assessment of issues relating to such a proposed national child support guideline.

(g) Termination.—The Commission shall terminate 6 months after the submission of the report described in subsection (e).

SEC. 352. SIMPLIFIED PROCESS FOR REVIEW AND ADJUSTMENT OF CHILD SUPPORT ORDERS.

Section 466(a)(10) (42 U.S.C. 666(a)(10)) is amended to read as follows:

"(10)(A)(i) Procedures under which—

"(I) every 3 years, at the request of either parent subject to a child support order, the

State shall review and, as appropriate, adjust the order in accordance with the guidelines established under section 467(a) if the amount of the child support award under the order differs from the amount that would be awarded in accordance with such guidelines, without a requirement for any other change in circumstances; and

"(II) upon request at any time of either parent subject to a child support order, the State shall review and, as appropriate, adjust the order in accordance with the guidelines established under section 467(a) based on a substantial change in the circumstances of either such parent.

"(ii) Such procedures shall require both parents subject to a child support order to be notified of their rights and responsibilities provided for under clause (i) at the time the order is issued and in the annual information exchange form provided under subparagraph (B).

"(B) Procedures under which each child support order issued or modified in the State after the effective date of this subparagraph shall require the parents subject to the order to provide each other with a complete statement of their respective financial condition annually on a form which shall be provided by the State. The Secretary shall establish regulations for the enforcement of such exchange of information.".

PART VII—ENFORCEMENT OF SUPPORT ORDERS

SEC. 361. FEDERAL INCOME TAX REFUND OFFSET.

(a) Changed Order of Refund Distribution Under Internal Revenue Code.—Section 6402(c) of the Internal Revenue Code of 1986 (relating to offset of past-due support against overpayments) is amended—

(1) by striking "The amount" and inserting "(1) In general.—The amount";

(2) by striking "paid to the State. A reduction" and inserting "paid to the State".

"(2) Priorities for offset.—A reduction";

(3) by striking "has been assigned" and inserting "has not been assigned"; and

(4) by striking "and shall be applied" and all that follows and inserting "and shall thereafter be applied to satisfy any past-due support that has been so assigned.".

(b) Elimination of Disparities in Treatment of Assigned and Non-Assigned Arrearages.—

(1) In general.—Section 464(a) (42 U.S.C. 664(a)) is amended—

(A) in paragraph (1)—

(i) in the first sentence, by striking "which has been assigned to such State pursuant to section 402(a)(26) or section 471(a)(17)"; and

(ii) in the second sentence, by striking "in accordance with section 457 (b)(4) or (d)(3)" and inserting "as provided in paragraph (2)";

(B) in paragraph (2), to read as follows:

"(2) The State agency shall distribute amounts paid by the Secretary of the Treasury pursuant to paragraph (1)—

"(A) in accordance with subsection (a)(4) or (d)(3) of section 457, in the case of past-due support assigned to a State pursuant to section 402(a)(26) or section 471(a)(17); and

"(B) to or on behalf of the child to whom the support was owed, in the case of past-due support not so assigned.";

(C) in paragraph (3)—

(i) by striking "or (2)" each place it appears; and

(ii) in subparagraph (B), by striking "under paragraph (2)" and inserting "on account of past-due support described in paragraph (2)(B)".

(2) Notices of past-due support.—Section 464(b) (42 U.S.C. 664(b)) is amended—

(A) by striking "(b)(1)" and inserting "(b)"; and

(B) by striking paragraph (2).

(3) Definition of past-due support.—Section 464(c) (42 U.S.C. 664(c)) is amended—

(A) by striking "(c)(1) Except as provided in paragraph (2), as" and inserting "(c) As"; and

(B) by striking paragraphs (2) and (3).

(c) Treatment of Lump-Sum Tax Refund Under AFDC.—

(1) Exemption from lump-sum rule.—Section 402(a)(17) (42 U.S.C. 602(a)(17)) is amended by inserting before the semicolon at the end the following: ", but this paragraph shall not apply to income received by a family that is attributable to a child support obligation owed with respect to a member of the family and that is paid to the family from amounts withheld from a Federal income tax refund otherwise payable to the person owing such obligation, to the extent that such income is placed in a qualified asset account (as defined in section 406(i)) the total amounts in which, after such placement, does not exceed $10,000".

(2) Qualified asset account defined.—Section 406 (42 U.S.C. 606) is amended by adding at the end the following new subsection:

"(i)(1) The term 'qualified asset account' means a mechanism approved by the State (such as individual retirement accounts, escrow accounts, or savings bonds) that allows savings of a family receiving aid to families with dependent children to be used for qualified distributions.

"(2) The term 'qualified distribution' means a distribution from a qualified asset account for expenses directly related to 1 or more of the following purposes:

"(A) The attendance of a member of the family at any education or training program.

"(B) The improvement of the employability (including self-employment) of a member of the family (such as through the purchase of an automobile).

"(C) The purchase of a home for the family.

"(D) A change of the family residence.".

(d) Effective Date.—The amendments made by this section shall become effective October 1, 1999.

SEC. 362. INTERNAL REVENUE SERVICE COLLECTION OF ARREARAGES.

(a) Amendment to Internal Revenue Code.—Section 6305(a) of the Internal Revenue Code of 1986 (relating to collection of certain liability) is amended—

(1) in paragraph (1), by inserting "except as provided in paragraph (5)" after "collected";

(2) by striking "and" at the end of paragraph (3);

(3) by striking the period at the end of paragraph (4) and inserting ", and";

(4) by adding at the end the following new paragraph:

"(5) no additional fee may be assessed for adjustments to an amount previously certified pursuant to such section 452(b) with respect to the same obligor."; and

(5) by striking "Secretary of Health, Education, and Welfare" each place it appears and inserting "Secretary of Health and Human Services".

(b) Effective Date.—The amendments made by this section shall become effective October 1, 1997.

SEC. 363. AUTHORITY TO COLLECT SUPPORT FROM FEDERAL EMPLOYEES.

(a) Consolidation and Streamlining of Authorities.—Section 459 (42 U.S.C. 659) is amended—

(1) in the heading, by inserting "INCOME WITHHOLDING," before "GARNISHMENT";

(2) in subsection (a)—

(A) by striking "section 207" and inserting "section 207 and section 5301 of title 38, United States Code"; and

(B) by striking "to legal process" and all that follows through the period and inserting "to withholding in accordance with State law pursuant to subsections (a)(1) and (b) of section 466 and regulations of the Secretary thereunder, and to any other legal process brought, by a State agency administering a program under this part or by an individual obligee, to enforce the legal obligation of such individual to provide child support or alimony.";

(3) by striking subsection (b) and inserting the following new subsection:

"(b) Except as otherwise provided herein, each entity specified in subsection (a) shall be subject, with respect to notice to withhold income pursuant to subsection (a)(1) or (b) of section 466, or to any other order or process to enforce support obligations against an individual (if such order or process contains or is accompanied by sufficient data to permit prompt identification of the individual and the moneys involved), to the same requirements as would apply if such entity were a private person.";

(4) by striking subsections (c) and (d) and inserting the following new subsections:

"(c)(1) The head of each agency subject to the requirements of this section shall—

"(A) designate an agent or agents to receive orders and accept service of process; and

"(B) publish—

"(i) in the appendix of such regulations;

"(ii) in each subsequent republication of such regulations; and

"(iii) annually in the Federal Register,

the designation of such agent or agents, identified by title of position, mailing address, and telephone number.

"(2) Whenever an agent designated pursuant to paragraph (1) receives notice pursuant to subsection (a)(1) or (b) of section 466, or is effectively served with any order, process, or interrogatories, with respect to an individual's child support or alimony payment obligations, such agent shall—

"(A) as soon as possible (but not later than 15 days) thereafter, send written notice of such notice or service (together with a copy thereof) to such individual at his duty station or last-known home address;

"(B) not later than 30 days (or such longer period as may be prescribed by applicable State law) after receipt of a notice pursuant to subsection (a)(1) or (b) of section 466, comply with all applicable provisions of such section 466; and

"(C) not later than 30 days (or such longer period as may be prescribed by applicable State law) after effective service of any other such order, process, or interrogatories, respond thereto.

"(d) In the event that a governmental entity receives notice or is served with process, as provided in this section, concerning amounts owed by an individual to more than 1 person—

"(1) support collection under section 466(b) must be given priority over any other process, as provided in section 466(b)(7);

"(2) allocation of moneys due or payable to an individual among claimants under section 466(b) shall be governed by the provisions of such section 466(b) and regulations thereunder; and

"(3) such moneys as remain after compliance with subparagraphs (A) and (B) shall be available to satisfy any other such processes on a first-come, first-served basis, with any such process being satisfied out of such moneys as remain after the satisfaction of all such processes which have been previously served.";

(5) in subsection (f)—

(A) by striking "(f)" and inserting "(f)(1)"; and

(B) by adding at the end the following new paragraph:

"(2) No Federal employee whose duties include taking actions necessary to comply with the requirements of subsection (a) with regard to any individual shall be subject under any law to any disciplinary action or civil or criminal liability or penalty for, or on account of, any disclosure of information made by him in connection with the carrying out of such duties."; and

(6) by adding at the end the following new subsections:

"(g) Authority to promulgate regulations for the implementation of the provisions of this section shall, insofar as the provisions of this section are applicable to moneys due from (or payable by)—

"(1) the executive branch of the Federal Government (including in such branch, for the purposes of this subsection, the territories and possessions of the United States, the United States Postal Service, the Postal Rate Commission, any wholly owned Federal corporation created by an Act of Congress, and the government of the District of Columbia), be vested in the President (or the President's designee);

"(2) the legislative branch of the Federal Government, be vested jointly in the President pro tempore of the Senate and the Speaker of the House of Representatives (or their designees); and

"(3) the judicial branch of the Federal Government, be vested in the Chief Justice of the United States (or the Chief Justice's designee).

"(h) Subject to subsection (i), moneys paid or payable to an individual which are considered to be based upon remuneration for employment, for purposes of this section—

"(1) consist of—

"(A) compensation paid or payable for personal services of such individual, whether such compensation is denominated as wages, salary, commission, bonus, pay, allowances, or otherwise (including severance pay, sick pay, and incentive pay);

"(B) periodic benefits (including a periodic benefit as defined in section 228(h)(3)) or other payments—

"(i) under the insurance system established by title II;

"(ii) under any other system or fund established by the United States which provides for the payment of pensions, retirement or retired pay, annuities, dependents' or survivors' benefits, or similar amounts payable on account of personal services performed by the individual or any other individual;

"(iii) as compensation for death under any Federal program;

"(iv) under any Federal program established to provide 'black lung' benefits; or

"(v) by the Secretary of Veterans Affairs as pension, or as compensation for a service-connected disability or death (except any compensation paid by such Secretary to a former member of the Armed Forces who is in receipt of retired or retainer pay if such former member has waived a portion of his retired pay in order to receive such compensation); and

"(C) worker's compensation benefits paid under Federal or State law; but

"(2) do not include any payment—

"(A) by way of reimbursement or otherwise, to defray expenses incurred by such individual in carrying out duties associated with his employment; or

"(B) as allowances for members of the uniformed services payable pursuant to chapter 7 of title 37, United States Code, as prescribed by the Secretaries concerned (defined by section 101(5) of such title) as necessary for the efficient performance of duty.

"(i) In determining the amount of any moneys due from, or payable by, the United States to any individual, there shall be excluded amounts which—

"(1) are owed by such individual to the United States;

"(2) are required by law to be, and are, deducted from the remuneration or other payment involved, including Federal employment taxes, and fines and forfeitures ordered by court-martial;

"(3) are properly withheld for Federal, State, or local income tax purposes, if the withholding of such amounts is authorized or required by law and if amounts withheld are not greater than would be the case if such individual claimed all the dependents that the individual was entitled to (the withholding of additional amounts pursuant to section 3402(i) of the Internal Revenue Code of 1986 may be permitted only when such individual presents evidence of a tax obligation which supports the additional withholding);

"(4) are deducted as health insurance premiums;

"(5) are deducted as normal retirement contributions (not including amounts deducted for supplementary coverage); or

"(6) are deducted as normal life insurance premiums from salary or other remuneration for employment (not including amounts deducted for supplementary coverage).

"(j) For purposes of this section—".

(b) TRANSFER OF SUBSECTIONS.—Subsections (a) through (d) of section 462 (42 U.S.C. 662), are transferred and redesignated as paragraphs (1) through (4), respectively, of section 459(j) (as added by subsection (a)(6)), and the left margin of each of such paragraphs (1) through (4) is indented 2 ems to the right of the left margin of subsection (j) (as added by subsection (a)(6)).

(c) CONFORMING AMENDMENTS.—

(1) TO PART D OF TITLE IV.—Sections 461 and 462 (42 U.S.C. 661) are repealed.

(2) TO TITLE 5, UNITED STATES CODE.—Section 5520a of title 5, United States Code, is amended, in subsections (h)(2) and (i), by striking "sections 459, 461, and 462 of the Social Security Act (42 U.S.C. 659, 661, and 662)" each place it appears and inserting "section 459 of the Social Security Act (42 U.S.C. 659)".

(d) MILITARY RETIRED AND RETAINER PAY.—Section 1408 of title 10, United States Code, is amended—

(1) in subsection (a)—

(A) in paragraph (1)—

(i) in subparagraph (B), by striking "and";

(ii) in subparagraph (C), by striking the period and inserting "; and"; and

(iii) by adding at the end the following new subparagraph:

"(D) any administrative or judicial tribunal of a State competent to enter orders for support or maintenance (including a State agency administering a State program under part D of title IV of the Social Security Act).";

(B) in paragraph (2), by inserting "or a court order for the payment of child support not included in or accompanied by such a decree or settlement," before "which—";

(2) in subsection (d)—

(A) in the heading, by inserting "(OR FOR BENEFIT OF)" after "CONCERNED"; and

(B) in paragraph (1), in the first sentence, by inserting "(or for the benefit of such spouse or former spouse to a State central collections unit or other public payee designated by a State, in accordance with part D of title IV of the Social Security Act, as directed by court order, or as otherwise directed in accordance with such part D)" before "in an amount sufficient"; and

(3) by adding at the end the following new subsection:

"(j) RELATIONSHIP TO OTHER LAWS.—In any case involving a child support order against a member who has never been married to the other parent of the child, the provisions of this section shall not apply, and the case shall be subject to the provisions of section 459 of the Social Security Act.".

(e) EFFECTIVE DATE.—The amendments made by this section shall become effective 6 months after the date of the enactment of this Act.

SEC. 364. ENFORCEMENT OF CHILD SUPPORT OBLIGATIONS OF MEMBERS OF THE ARMED FORCES.

(a) AVAILABILITY OF LOCATOR INFORMATION.—

(1) MAINTENANCE OF ADDRESS INFORMATION.—The Secretary of Defense shall establish a centralized personnel locator service that includes the address of each member of the Armed Forces under the jurisdiction of the Secretary. Upon request of the Secretary of Transportation, addresses for members of the Coast Guard shall be included in the centralized personnel locator service.

(2) TYPE OF ADDRESS.—

(A) RESIDENTIAL ADDRESS.—Except as provided in subparagraph (B), the address for a member of the Armed Forces shown in the locator service shall be the residential address of that member.

(B) DUTY ADDRESS.—The address for a member of the Armed Forces shown in the locator service shall be the duty address of that member in the case of a member—

(i) who is permanently assigned overseas, to a vessel, or to a routinely deployable unit; or

(ii) with respect to whom the Secretary concerned makes a determination that the member's residential address should not be disclosed due to national security or safety concerns.

(3) UPDATING OF LOCATOR INFORMATION.—Not later than 30 days after a member listed in the locator service establishes a new residential address (or a new duty address, in the case of a member covered by paragraph (2)(B)), the Secretary concerned shall update the locator service to indicate the new address of the member.

(4) AVAILABILITY OF INFORMATION.—The Secretary of Defense shall make information regarding the address of a member of the Armed Forces listed in the locator service available, on request, to the Federal Parent Locator Service.

(b) FACILITATING GRANTING OF LEAVE FOR ATTENDANCE AT HEARINGS.—

(1) REGULATIONS.—The Secretary of each military department, and the Secretary of Transportation with respect to the Coast Guard when it is not operating as a service in the Navy, shall prescribe regulations to facilitate the granting of leave to a member of the Armed Forces under the jurisdiction of that Secretary in a case in which—

(A) the leave is needed for the member to attend a hearing described in paragraph (2);

(B) the member is not serving in or with a unit deployed in a contingency operation (as defined in section 101 of title 10, United States Code); and

(C) the exigencies of military service (as determined by the Secretary concerned) do not otherwise require that such leave not be granted.

(2) COVERED HEARINGS.—Paragraph (1) applies to a hearing that is conducted by a court or pursuant to an administrative process established under State law, in connection with a civil action—

(A) to determine whether a member of the Armed Forces is a natural parent of a child; or

(B) to determine an obligation of a member of the Armed Forces to provide child support.

(3) DEFINITIONS.—For purposes of this subsection:

(A) The term "court" has the meaning given that term in section 1408(a) of title 10, United States Code.

(B) The term "child support" has the meaning given such term in section 462 of the Social Security Act (42 U.S.C. 662).

(c) PAYMENT OF MILITARY RETIRED PAY IN COMPLIANCE WITH CHILD SUPPORT ORDERS.—Section 1408 of title 10, United States Code, as amended by section 363(d)(3), is amended—

(1) by redesignating subsections (i) and (j) as subsections (j) and (k), respectively;

(2) by inserting after subsection (h) the following new subsection:

"(i) CERTIFICATION DATE.—It is not necessary that the date of a certification of the authenticity or completeness of a copy of a court order or an order of an administrative process established under State law for child support received by the Secretary concerned for the purposes of this section be recent in relation to the date of receipt by the Secretary."; and

(3) in subsection (d)—

(A) in paragraph (1), by inserting after the first sentence the following: "In the case of a spouse or former spouse who, pursuant to section 402(a)(26) of the Social Security Act (42 U.S.C. 602(26)), assigns to a State the rights of the spouse or former spouse to receive support, the Secretary concerned may make the child support payments referred to in the preceding sentence to that State in amounts consistent with that assignment of rights."; and

(B) by adding at the end the following new paragraph:

"(6) In the case of a court order or an order of an administrative process established under State law for which effective service is made on the Secretary concerned on or after the date of the enactment of this paragraph and which provides for payments from the disposable retired pay of a member to satisfy the amount of child support set forth in the order, the authority provided in paragraph (1) to make payments from the disposable retired pay of a member to satisfy the amount of child support set forth in a court order or an order of an administrative process established under State law shall apply to payment of any amount of child support arrearages set forth in that order as well as to amounts of child support that currently become due.".

SEC. 365. VOIDING OF FRAUDULENT TRANSFERS.

Section 466(a) (42 U.S.C. 666(a)), as amended by sections 302(a), 326(a), and 331, is amended by adding at the end the following new paragraph:

"(15) Procedures under which—

"(A) the State has in effect—

"(i) the Uniform Fraudulent Conveyance Act of 1981,

"(ii) the Uniform Fraudulent Transfer Act of 1984, or

"(iii) another law, specifying indicia of fraud which create a prima facie case that a debtor transferred income or property to avoid payment to a child support creditor, which the Secretary finds affords comparable rights to child support creditors; and

"(B) in any case in which the State knows of a transfer by a child support debtor with respect to which such a prima facie case is established, the State must—

"(i) seek to void such transfer; or

"(ii) obtain a settlement in the best interests of the child support creditor.".

SEC. 366. STATE LAW AUTHORIZING SUSPENSION OF LICENSES.

Section 466(a) (42 U.S.C. 666(a)), as amended by sections 302(a), 326(a), 331, and 365, is amended by adding at the end the following new paragraph:

"(16) Procedures under which the State has (and uses in appropriate cases) authority (subject to appropriate due process safeguards) to withhold or suspend, or to restrict the use of driver's licenses, professional and occupational licenses, and recreational licenses of individuals owing overdue child support or failing, after receiving appropriate notice, to comply with subpoenas or warrants relating to paternity or child support proceedings.".

SEC. 367. REPORTING ARREARAGES TO CREDIT BUREAUS.

Section 466(a)(7) (42 U.S.C. 666(a)(7)) is amended to read as follows:

"(7)(A) Procedures (subject to safeguards pursuant to subparagraph (B)) requiring the State to report periodically to consumer reporting agencies (as defined in section 603(f) of the Fair Credit Reporting Act (15 U.S.C. 1681a(f)) the name of any absent parent who is delinquent in the payment of support, and the amount of overdue support owed by such parent.

"(B) Procedures ensuring that, in carrying out subparagraph (A), information with respect to an absent parent is reported—

"(i) only after such parent has been afforded all due process required under State law, including notice and a reasonable opportunity to contest the accuracy of such information; and

"(ii) only to an entity that has furnished evidence satisfactory to the State that the entity is a consumer reporting agency.".

SEC. 368. EXTENDED STATUTE OF LIMITATION FOR COLLECTION OF ARREARAGES.

(a) IN GENERAL.—Section 466(a)(9) (42 U.S.C. 666(a)(9)) is amended—

(1) by redesignating subparagraphs (A), (B), and (C) as clauses (i), (ii), and (iii), respectively;

(2) by striking "(9)" and inserting "(9)(A)"; and

(3) by adding at the end the following new subparagraph:

"(B) Procedures under which the statute of limitations on any arrearages of child support extends at least until the child owed such support is 30 years of age.".

(b) APPLICATION OF REQUIREMENT.—The amendment made by this section shall not be interpreted to require any State law to revive any payment obligation which had lapsed prior to the effective date of such State law.

SEC. 369. CHARGES FOR ARREARAGES.

(a) STATE LAW REQUIREMENT.—Section 466(a) (42 U.S.C. 666(a)), as amended by sections 302(a), 326(a), 331, 365, and 367, is amended by adding at the end the following new paragraph:

"(17) Procedures providing for the calculation and collection of interest or penalties for arrearages of child support, and for distribution of such interest or penalties collected for the benefit of the child (except where the right to support has been assigned to the State).".

(b) REGULATIONS.—The Secretary of Health and Human Services shall establish by regulation a rule to resolve choice of law conflicts arising in the implementation of the amendment made by subsection (a).

(c) CONFORMING AMENDMENT.—Section 454(21) (42 U.S.C. 654(21)) is repealed.

(d) EFFECTIVE DATE.—The amendments made by this section shall be effective with respect to arrearages accruing on or after October 1, 1998.

SEC. 370. DENIAL OF PASSPORTS FOR NONPAYMENT OF CHILD SUPPORT.

(a) HHS CERTIFICATION PROCEDURE.—

(1) SECRETARIAL RESPONSIBILITY.—Section 452 (42 U.S.C. 652), as amended by sections 315(a)(3) and 317, is amended by adding at the end the following new subsection:

"(l)(1) If the Secretary receives a certification by a State agency in accordance with the requirements of section 454(29) that an individual owes arrearages of child support in an amount exceeding $5,000 or in an amount exceeding 24 months' worth of child support, the Secretary shall transmit such certification to the Secretary of State for action (with respect to denial, revocation, or limitation of passports) pursuant to section 370(b) of the Interstate Child Support Responsibility Act of 1995.

"(2) The Secretary shall not be liable to an individual for any action with respect to a certification by a State agency under this section.".

(2) STATE CSE AGENCY RESPONSIBILITY.—Section 454 (42 U.S.C. 654), as amended by sections 301(a), 305(a), 314(b), and 322(a), is amended—

(A) by striking "and" at the end of paragraph (27);

(B) by striking the period at the end of paragraph (28) and inserting "; and"; and

(C) by adding after paragraph (28) the following new paragraph:

"(29) provide that the State agency will have in effect a procedure (which may be combined with the procedure for tax refund offset under section 464) for certifying to the Secretary, for purposes of the procedure under section 452(l) (concerning denial of passports) determinations that individuals owe arrearages of child support in an amount exceeding $5,000 or in an amount exceeding 24 months' worth of child support, under which procedure—

"(A) each individual concerned is afforded notice of such determination and the consequences thereof, and an opportunity to contest the determination; and

"(B) the certification by the State agency is furnished to the Secretary in such format, and accompanied by such supporting documentation, as the Secretary may require.".

(b) STATE DEPARTMENT PROCEDURE FOR DENIAL OF PASSPORTS.—

(1) IN GENERAL.—The Secretary of State, upon certification by the Secretary of Health and Human Services, in accordance with section 452(l) of the Social Security Act, that an individual owes arrearages of child support in excess of $5,000 or in an amount exceeding 24 months' worth of child support, shall refuse to issue a passport to such individual, and may revoke, restrict, or limit a passport issued previously to such individual.

(2) LIMIT ON LIABILITY.—The Secretary of State shall not be liable to an individual for any action with respect to a certification by a State agency under this section.

(c) EFFECTIVE DATE.—This section and the amendments made by this section shall become effective October 1, 1996.

PART VIII—MEDICAL SUPPORT

SEC. 381. TECHNICAL CORRECTION TO ERISA DEFINITION OF MEDICAL CHILD SUPPORT ORDER.

(a) IN GENERAL.—Section 609(a)(2)(B) of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1169(a)(2)(B)) is amended—

(1) by striking "issued by a court of competent jurisdiction";

(2) in clause (ii) by striking the period and inserting a comma; and

(3) by adding after clause (ii), the following flush left language:

"if such judgment, decree, or order (I) is issued by a court of competent jurisdiction or (II) is issued by an administrative adjudicator and has the force and effect of law under applicable State law.".

(b) EFFECTIVE DATE.—

(1) IN GENERAL.—The amendments made by this section shall become effective on the date of the enactment of this Act.

(2) PLAN AMENDMENTS NOT REQUIRED UNTIL JANUARY 1, 1996.—

(A) IN GENERAL.—Any amendment to a plan required to be made by an amendment made by this section shall not be required to be made before the first plan year beginning on or after January 1, 1996, if—

(i) during the period after the date before the date of the enactment of this Act and before such first plan year, the plan is operated in accordance with the requirements of the amendments made by this section; and

(ii) such plan amendment applies retroactively to the period after the date before the date of the enactment of this Act and before such first plan year.

(B) NO FAILURE FOR COMPLIANCE WITH THIS PARAGRAPH.—A plan shall not be treated as failing to be operated in accordance with the provisions of the plan merely because it operates in accordance with this paragraph.

PART IX—ACCESS AND VISITATION PROGRAMS

SEC. 391. GRANTS TO STATES FOR ACCESS AND VISITATION PROGRAMS.

Part D of title IV is amended by adding at the end the following new section:

"GRANTS TO STATES FOR ACCESS AND VISITATION PROGRAMS

"SEC. 469A. (a) PURPOSES; AUTHORIZATION OF APPROPRIATIONS.—For purposes of enabling States to establish and administer programs to support and facilitate absent parents' access to and visitation of their children, by means of activities including mediation (both voluntary and mandatory), counseling, education, development of parenting plans, visitation enforcement (including monitoring, supervision, and neutral drop-off and pickup), and development of guidelines for visitation and alternative custody arrangements, there are authorized to be appropriated $5,000,000 for each of fiscal years 1996 and 1997, and $10,000,000 for each succeeding fiscal year.

"(b) PAYMENTS TO STATES.—

"(1) IN GENERAL.—Each State shall be entitled to payment under this section for each fiscal year in an amount equal to its allotment under subsection (c) for such fiscal year, to be used for payment of 90 percent of State expenditures for the purposes specified in subsection (a).

"(2) SUPPLEMENTARY USE.—Payments under this section shall be used by a State to supplement (and not to substitute for) expenditures by the State, for activities specified in subsection (a), at a level at least equal to the level of such expenditures for fiscal year 1994.

"(c) ALLOTMENTS TO STATES.—

"(1) IN GENERAL.—For purposes of subsection (b), each State shall be entitled (subject to paragraph (2)) to an amount for each fiscal year bearing the same ratio to the amount authorized to be appropriated pursuant to subsection (a) for such fiscal year as the number of children in the State living with only 1 biological parent bears to the total number of such children in all States.

"(2) MINIMUM ALLOTMENT.—Allotments to States under paragraph (1) shall be adjusted as necessary to ensure that no State is allotted less than $50,000 for fiscal year 1996 or 1997, or $100,000 for any succeeding fiscal year.

"(d) FEDERAL ADMINISTRATION.—The program under this section shall be administered by the Administration for Children and Families.

"(e) STATE PROGRAM ADMINISTRATION.—

"(1) IN GENERAL.—Each State may administer the program under this section directly or through grants to or contracts with courts, local public agencies, or nonprofit private entities.

"(2) STATEWIDE PLAN PERMISSIBLE.—State programs under this section may, but need not, be statewide.

"(3) EVALUATION.—States administering programs under this section shall monitor, evaluate, and report on such programs in accordance with requirements established by the Secretary.".

Subtitle B—Effect of Enactment

SEC. 395. EFFECTIVE DATES.

(a) IN GENERAL.—Except as otherwise specifically provided (but subject to subsections (b) and (c))—

(1) provisions of subtitle A requiring enactment or amendment of State laws under section 466 of the Social Security Act, or revision of State plans under section 454 of such Act, shall be effective with respect to periods beginning on and after October 1, 1996; and

(2) all other provisions of subtitle A shall become effective upon the date of the enactment of this Act.

(b) GRACE PERIOD FOR STATE LAW CHANGES.—The provisions of subtitle A shall become effective with respect to a State on the later of—

(1) the date specified in subtitle A, or

(2) the effective date of laws enacted by the legislature of such State implementing such provisions,

but in no event later than the first day of the first calendar quarter beginning after the close of the first regular session of the State legislature that begins after the date of the enactment of this Act. For purposes of the previous sentence, in the case of a State that has a 2-year legislative session, each year of such session shall be deemed to be a separate regular session of the State legislature.

(c) GRACE PERIOD FOR STATE CONSTITUTIONAL AMENDMENT.—A State shall not be found out of compliance with any requirement enacted by subtitle A if it is unable to comply without amending the State constitution until the earlier of—

(1) the date which is 1 year after the effective date of the necessary State constitutional amendment, or

(2) the date which is 5 years after the date of the enactment of this Act.

SEC. 396. SEVERABILITY.

If any provision of subtitle A or the application thereof to any person or circumstance is held invalid, the invalidity shall not affect other provisions or applications of subtitle A which can be given effect without regard to the invalid provision or application, and to this end the provisions of subtitle A shall be severable.

TITLE IV—SUPPLEMENTAL SECURITY INCOME

SEC. 401. REVISED REGULATIONS APPLICABLE TO THE DETERMINATION OF DISABILITY IN INDIVIDUALS UNDER THE AGE OF 18.

(a) REGULATIONS APPLICABLE TO THE DETERMINATION OF DISABILITY IN INDIVIDUALS UNDER THE AGE OF 18.—

(1) IN GENERAL.—The Commissioner of Social Security (hereafter in this section referred to as the "Commissioner") is directed to issue revised regulations applicable to the determination of disability in individuals under the age of 18 for purposes of establishing eligibility for supplemental security income benefits under title XVI of the Social Security Act that ensure that such eligibility is limited to those individuals whose impairments are sufficiently severe as to meet the statutory definition of disability contained in section 1614(a)(3)(A) of such Act (42 U.S.C. 1382c(a)(3)(A)).

(2) SPECIFIC REQUIREMENTS.—

(A) IN GENERAL.—The regulations described in paragraph (1) shall provide that an individual under the age of 18 may be determined to be under a disability only if the individual's impairment or combination of impairments is so severe as to cause, at minimum—

(i) a marked limitation in at least 2 domains of functioning or development; or

(ii) an extreme limitation in at least 1 such domain.

(B) DOMAIN DEFINED.—As used in subparagraph (A), the term "domain" refers to a broad but, to the maximum extent practicable, discrete area of function or development that can be identified in infancy and traced through an individual's maturation. Subject to subparagraph (C), the Commissioner shall specify domains and describe the age-appropriate activities and behaviors that characterize each domain. Under no circumstance may the Commissioner specify a domain of maladaptive behavior or consider the limitations caused by such behavior in more than 1 domain.

(C) LIMITATION ON NUMBER OF DOMAINS.—For the purpose of making individualized functional assessments in individuals under the age of 18, the Commissioner shall specify a set of domains consisting of fewer domains than the number in use for such purpose on the date of the enactment of this Act.

(3) DEADLINE.—The Commissioner shall issue the regulations required by this subsection not later than the last day of the ninth month that begins after the date of the enactment of this Act.

(b) DISABILITY REVIEW REQUIRED FOR CERTAIN RECIPIENTS.—

(1) IN GENERAL.—During the period that begins on the effective date of the regulations required by subsection (a) and that ends 2 years after such date, the Commissioner shall redetermine the eligibility for supplemental security income benefits under title XVI of the Social Security Act by reason of disability of each individual receiving such benefits on the basis of a finding of disability made before the effective date of such regulations. The provisions of section 1614(a)(4) of such Act (42 U.S.C. 1382c(a)(4)) shall not apply to redeterminations conducted pursuant to this paragraph. The Commissioner shall except from the requirement of this paragraph any individual whose impairment or combination of impairments was determined to be disabling in accordance with regulations that were not subject to revision pursuant to subsection (a).

(2) NOTICE.—In any case in which the Commissioner initiates a review under this subsection, the Commissioner shall notify the

individual whose case is to be reviewed in the same manner as required under section 221(i)(4) of the Social Security Act (42 U.S.C. 421(i)(4)).

SEC. 402. DIRECTORY OF SERVICES.

Section 1631 (42 U.S.C. 1383) is amended by redesignating the second subsection (n) (relating to notice requirements) as subsection (o) and by adding at the end the following new subsection:

"Directory of Services

"(p) For the purpose of expanding the information base available to members of the public who contact the Social Security Administration, the Commissioner of Social Security shall establish a directory of services for disabled children that are available within the area served by each Social Security Administration office. Each such directory shall include the names of service providers, along with each provider's address and telephone number, and shall be accessible electronically by all agency personnel who provide direct service to the public.".

SEC. 403. USE OF STANDARDIZED TESTS AND THEIR EQUIVALENT.

Section 1614(a)(3)(H) (42 U.S.C. 1382c(a)(3)(H)) is amended—

(1) by inserting "(i)" after "(H)"; and

(2) by adding after and below the end the following:

"(ii) In making any determination under this title with respect to the disability of an individual who is under the age of 18, the Commissioner shall use—

"(I) standardized tests that provide measures of childhood development or functioning, or

"(II) criteria of childhood development or function that are equivalent to the findings of a standardized test,

whenever such tests or criteria are available and the Commissioner determines their use to be appropriate.".

SEC. 404. GRADUATED BENEFITS FOR ADDITIONAL CHILDREN.

(a) IN GENERAL.—Section 1611(b) of the Social Security Act (42 U.S.C. 1382(b)) is amended by adding at the end the following new paragraph:

"(3)(A) The benefit under this title for each eligible blind or disabled individual as determined pursuant to section 1611(a)(1) who—

"(i) is a child under the age of 18,

"(ii) lives in the same household as 1 or more persons who are also eligible blind or disabled children under the age of 18, and

"(iii) does not live in a group or foster home,

shall be equal to the applicable percentage of the amount in section 1611(b)(1), reduced by the amount of any income of such child, including income deemed to such child under section 1614(f)(2).

"(B) For purposes of this paragraph, the applicable percentage shall be determined under the following table:

"If the household has:	**The applicable percentage for each eligible child is:**
2 eligible children	90 percent
3 eligible children	80 percent
4 eligible children	70 percent
5 eligible children	65 percent
6 eligible children	60 percent
7 eligible children	55 percent
8 eligible children	50 percent
9 eligible children or more	45 percent

"(C) For purposes of this paragraph, the applicable household size shall be determined by the number of eligible blind and disabled children under the age of 18 in such household whose countable income and resources do not exceed the limits specified in section 1611(a)(1).".

(b) PRESERVATION OF MEDICAID ELIGIBILITY.—Section 1634 (42 U.S.C. 1383c) is amended by adding at the end the following new subsection:

"(f) Any child under the age of 18 who would be eligible for a payment under this title but for the limitation on payment amount imposed by section 1611(b)(3) shall be deemed receiving such benefit for purposes of establishing such child's eligibility for medical assistance under a State plan approved under title XIX of this Act.".

(c) CONFORMING AMENDMENT.—Section 1618(e) (42 U.S.C. 1382g(e)) is amended by adding at the end the following new paragraph:

"(3) In determining whether the requirements of paragraph (1) of this subsection are met, the difference between the benefit amounts authorized by section 1611(b)(1) and the benefits authorized after the application of section 1611(b)(3) shall be disregarded.

"(4) For purposes of determining compliance with section 1618(b), decreases or increases in a State's expenditures in a 12-month period due solely to reductions in amounts of benefits paid pursuant to section 1611(b)(3) shall be disregarded.".

(d) EFFECTIVE DATE.—The amendments made by this section shall take effect—

(1) on the date of the enactment of this Act, with respect to payments made on the basis of determinations of eligibility made on or after such date, and

(2) 180 days after the date of the enactment of this Act, with respect to payments made for months beginning after such date on the basis of determinations of eligibility made before the date of the enactment of this Act.

SEC. 405. TREATMENT REQUIREMENTS FOR DISABLED INDIVIDUALS UNDER THE AGE OF 18.

(a) IN GENERAL.—Section 1631(a)(2) (42 U.S.C. 1383(a)(2)) is amended—

(1) by redesignating subparagraphs (E) and (F) as subparagraphs (F) and (G), respectively; and

(2) by inserting after subparagraph (D) the following new subparagraph:

"(E)(i) Not later than 3 months after the Commissioner determines that an individual under the age of 18 is eligible for benefits under this title by reason of disability (and periodically thereafter, as the Commissioner may require), the representative payee of such individual shall file with the State agency that makes disability determinations on behalf of the Commissioner of Social Security in the State in which such individual resides, a copy of the treatment plan required by clause (ii).

"(ii) The treatment plan required by this clause shall be developed by the individual's treating physician or other medical provider, or if approved by the Commissioner, other service provider, and shall describe the services that such physician or provider determines is appropriate for the treatment of such individual's impairment or combination of impairments. Such plan shall be in such form and contain such information as the Commissioner may prescribe.

"(iii) The representative payee of any individual described in clause (i) shall provide evidence of adherence to the treatment plan described in clause (ii) at the time of any redetermination of eligibility conducted pursuant to section 1614(a)(3)(G)(ii), and at such other time as the Commissioner may prescribe.

"(iv) The failure of a representative payee to comply without good cause with the requirements of clause (i) or (iii) shall constitute misuse of benefits to which subparagraph (A)(iii) (but not subparagraph (F)) shall apply. In providing for an alternative representative payee as required by subparagraph (A)(iii), the Commissioner shall give preference to the State agency that administers the State plan approved under title XIX for the State in which the individual described in clause (i) resides or any other State agency designated by the State for such responsibility, unless the Commissioner determines that selection of another organization or person would be appropriate. Any such State agency that serves as a representative payee shall be a 'qualified organization' for purposes of subparagraph (D) of this paragraph.

"(v) This subparagraph shall not apply to the representative payee of any individual with respect to whom the Commissioner determines such application would be inappropriate or unnecessary. In making such determinations, the Commissioner shall take into consideration the nature of the individual's impairment (or combination of impairments) and the availability of treatment for such impairment (or impairments). Section 1631(c) shall not apply to a finding by the Commissioner that the requirements of this subparagraph should not apply to an individual's representative payee.".

(b) ACCESS TO MEDICAID RECORDS.—

(1) REQUIREMENT TO FURNISH INFORMATION.—Section 1902(a) (42 U.S.C. 1396a(a)) is amended—

(A) by striking "and" at the end of paragraph (61);

(B) by striking the period at the end of paragraph (62) and inserting "; and"; and

(C) by adding after paragraph (62) the following new paragraph:

"(63) provide that the State agency that administers the plan described in this section shall make available to the Commissioner of Social Security such information as the Commissioner may request in connection with the verification of information furnished to the Commissioner by a representative payee pursuant to section 1631(a)(2)(E)(iii).".

(2) REIMBURSEMENT OF STATE COSTS.—Section 1633 (42 U.S.C. 1383b) is amended by adding at the end the following new subsection:

"(d) The Commissioner of Social Security shall reimburse a State for the costs of providing information pursuant to section 1902(a)(63) from funds available for carrying out this title.".

(c) REPORT TO THE CONGRESS.—Not later than the last day of the thirty-sixth month beginning after the date of the enactment of this Act, the Inspector General of the Social Security Administration shall report to the Committee on Ways and Means of the House of Representatives and the Committee on Finance of the Senate on the implementation of this section.

(d) EFFECTIVE DATE.—This section shall take effect on the first day of the twelfth month that begins after the date of the enactment of this Act.

SEC. 406. SPECIAL ACCOUNTS FOR INDIVIDUALS UNDER THE AGE OF 18.

(a) REQUIREMENT TO ESTABLISH ACCOUNT.—Section 1631(a)(2) (42 U.S.C. 1383(a)(2)), as amended by section 405(a), is amended—

(1) by redesignating subparagraphs (F) and (G) as subparagraphs (G) and (H), respectively; and

(2) by inserting after subparagraph (E) the following new subparagraph:

"(F)(i)(I) Each representative payee of an eligible individual under the age of 18 who is eligible for the payment of benefits described in subclause (II) shall establish on behalf of such individual an account in a financial institution into which such benefits shall be paid, and shall thereafter maintain such account for use in accordance with clause (ii).

"(II) Benefits described in this subclause are past-due monthly benefits under this title (which, for purposes of this subclause, include State supplementary payments made by the Commissioner pursuant to an agreement under section 1616 or section 212(b) of Public Law 93-66) in an amount (after any withholding by the Commissioner for reimbursement to a State for interim assistance under subsection (g)) that exceeds the product of—

"(aa) 6, and

"(bb) the maximum monthly benefit payable under this title to an eligible individual.

"(ii)(I) A representative payee may use funds in the account established under clause (i) to pay for allowable expenses described in subclause (II).

"(II) An allowable expense described in this subclause is an expense for—

"(aa) education or job skills training;

"(bb) personal needs assistance;

"(cc) special equipment;

"(dd) housing modification;

"(ee) medical treatment;

"(ff) therapy or rehabilitation; or

"(gg) any other item or service that the Commissioner determines to be appropriate; provided that such expense benefits such individual and, in the case of an expense described in division (cc), (dd), (ff), or (gg), is related to the impairment (or combination of impairments) of such individual.

"(III) The use of funds from an account established under clause (i) in any manner not authorized by this clause—

"(aa) by a representative payee shall constitute misuse of benefits for all purposes of this paragraph, and any representative payee who knowingly misuses benefits from such an account shall be liable to the Commissioner in an amount equal to the total amount of such misused benefits; and

"(bb) by an eligible individual who is his or her own representative payee shall be considered an overpayment subject to recovery under subsection (b).

"(IV) This clause shall continue to apply to funds in the account after the child has reached age 18, regardless of whether benefits are paid directly to the beneficiary or through a representative payee.

"(iii) The representative payee may deposit into the account established pursuant to clause (i)—

"(I) past-due benefits payable to the eligible individual in an amount less than that specified in clause (i)(II), and

"(II) any other funds representing an underpayment under this title to such individual, provided that the amount of such underpayment is equal to or exceeds the maximum monthly benefit payable under this title to an eligible individual.

"(iv) The Commissioner of Social Security shall establish a system for accountability monitoring whereby such representative payee shall report, at such time and in such manner as the Commissioner shall require, on activity respecting funds in the account established pursuant to clause (i).".

(b) EXCLUSION FROM RESOURCES.—Section 1613(a) (42 U.S.C. 1382b(a)) is amended—

(1) in paragraph (9), by striking "; and" and inserting a semicolon;

(2) in the first paragraph (10), by striking the period and inserting a semicolon;

(3) by redesignating the second paragraph (10) as paragraph (11), and by striking the period and inserting "; and"; and

(4) by adding at the end the following:

"(12) the assets and accrued interest or other earnings of any account established and maintained in accordance with section 1631(a)(2)(F).".

(c) EXCLUSION FROM INCOME.—Section 1612(b) (42 U.S.C. 1382a(b)) is amended—

(1) by striking "and" at the end of paragraph (19);

(2) by striking the period at the end of paragraph (20) and inserting "; and"; and

(3) by adding at the end the following new paragraph:

"(21) the interest or other earnings on any account established and maintained in accordance with section 1631(a)(2)(F).".

(d) CONFORMING AMENDMENT.—Section 1631(a)(2)(E)(iv) of the Act (as added by section 405(a)) is amended by striking "subparagraph (F)" and inserting "subparagraph (G)".

(e) EFFECTIVE DATE.—This section shall take effect on the date which is 180 days after the date of the enactment of this Act.

SEC. 407. CONTINUING DISABILITY REVIEWS FOR INDIVIDUALS UNDER THE AGE OF 18.

(a) IN GENERAL.—Section 1614(a)(3) (42 U.S.C. 1382c(a)(3)) is amended by redesignating subparagraph (H) as subparagraph (I) and by inserting after subparagraph (G) the following new subparagraph—

"(H)(i)(I) Except as provided in subclauses (II), (III), and (IV), the Commissioner of Social Security shall redetermine the eligibility for benefits under this title by reason of disability of each individual under the age of 18 at least once every 3 years.

"(II) In any case in which the Commissioner does not expect improvement in the condition of such an individual, the redetermination of eligibility for such benefits shall be made at such times as the Commissioner determines to be appropriate.

"(III) In any case in which the Commissioner determines that the condition of such an individual may be expected to improve within 3 years, such redetermination shall be made at more frequent intervals.

"(IV) The Commissioner shall redetermine the eligibility for benefits under this title by reason of disability of each individual whose low birth weight is a contributing factor material to the Commissioner's determination that the individual is disabled. Such redetermination shall be made not later than 18 months after such individual was initially determined to be eligible for such benefits on the basis, in whole or in part, of low birth weight.

"(ii) The Commissioner shall determine the most cost-effective means for complying with the requirements of this subparagraph.

"(iii) The provisions of paragraph (4) shall apply to all redeterminations required by this subparagraph.".

(b) CONFORMING AMENDMENT.—Section 208(a) of the Social Security Independence and Program Improvements Act of 1994 is amended by striking "100,000" and inserting "80,000 adult".

SEC. 408. COORDINATION OF SERVICES FOR SSI CHILDREN.

(a) IN GENERAL.—Section 505(a) (42 U.S.C. 705(a)) is amended—

(1) in paragraph 5—

(A) by striking "and" at the end of subparagraph (E);

(B) by striking the period at the end of subparagraph (F) and inserting "; and"; and

(C) by inserting after subparagraph (F) the following new subparagraph:

"(G) the agency administering the State's program under this title shall be responsible for developing a care coordination plan for each child receiving benefits under title XVI on the basis of disability to assure that such child has access to available medical and other support services, that services are provided in an efficient and effective manner, and that gaps in the provision of services are identified."; and

(2) by adding at the end the following new subsection:

"(c) For purposes of subsection (a)(5)(G), the Secretary, the Secretary of Education, and the Commissioner of Social Security shall take such steps as may be necessary, through issuance of regulations, guidelines, or such other means as they may determine, to assure that, where appropriate, the State agency administering title XIX, the State Department of Mental Health, the State Disability Determination Service that makes determinations under title II, the State Vocational Rehabilitation agency, the State Developmental Disabilities Council, and the State Department of Education—

"(1) assist the agency administering the State's program under this title in the development of the child's care coordination plan;

"(2) participate in the planning and delivery of the services specified in the care coordination plan; and

"(3) assist such agency in providing to the Secretary for each fiscal year information on—

"(A) the number of children receiving benefits under title XVI who were referred to such agency for services,

"(B) the number of such children who were referred who were served,

"(C) the services provided (including intensity of services, duration of services, types of providers, and costs of services),

"(D) the number of children referred to other agencies or departments for services, and

"(E) the number of care coordination plans developed during such fiscal year.".

(b) EFFECTIVE DATE.—The amendments made by this section shall apply to fiscal years beginning after September 30, 1995.

TITLE V—MISCELLANEOUS PROVISIONS

SEC. 501. UNIFORM ALIEN ELIGIBILITY CRITERIA FOR PUBLIC ASSISTANCE PROGRAMS.

(a) FEDERAL AND FEDERALLY-ASSISTED PROGRAMS.—

(1) PROGRAM ELIGIBILITY CRITERIA.—

(A) AID TO FAMILIES WITH DEPENDENT CHILDREN.—Section 402(a)(33) (42 U.S.C. 602(a)(33)) is amended by striking "(A) a citizen" and all that follows through "of such Act);" and inserting the following:

"(A) a citizen or national of the United States, or

"(B) a qualified alien, as defined in section 1101(a)(10), provided that such alien is not disqualified from receiving aid under a State plan approved under this part pursuant to section 210(f) or 245A(h) of the Immigration and Nationality Act or any other provision of law;".

(B) SUPPLEMENTAL SECURITY INCOME.—Section 1614(a)(1)(B)(i) (42 U.S.C. 1382c(a)(1)(B)(i) is amended to read as follows:

"(B)(i) is a resident of the United States, and is either—

"(I) a citizen or national of the United States, or

"(II) a qualified alien, as defined in section 1101(a)(10), or".

(C) MEDICAID.—

(i) IN GENERAL.—Section 1903(v) (42 U.S.C. 1396b(v)) is amended—

(I) in paragraph (1), to read as follows:

"(v)(1) Notwithstanding the preceding provisions of this section—

"(A) no payment may be made to a State under this section for medical assistance furnished to an individual who is disqualified from receiving such assistance pursuant to section 210(f) or 245A(h) of the Immigration and Nationality Act (8 U.S.C. 1160(f), 1255a(h)) or any other provision of law; and

"(B) except as provided in paragraph (2), no such payment may be made for medical assistance furnished to an individual who is not—

"(i) a citizen or national of the United States; or

"(ii) a qualified alien, as defined in section 1101(a)(10)."; and

(II) in paragraph (2)—

(aa) by striking "paragraph (1)" and inserting "paragraph (1)(B)"; and

(bb) by striking "alien" each place it appears and inserting "individual".

(ii) CONFORMING AMENDMENTS.—Section 1902 (42 U.S.C. 1396a) is amended—

(I) in subsection (a), in the last sentence by striking "alien" and all that follows through "1903(v)." and inserting "individual who is not (A) a citizen or national of the United States, or (B) a qualified alien, as defined in section 1101(a)(10), only in accordance with section 1903(v)."; and

(II) in subsection (b)(33), by inserting "or national" after "citizen".

(2) DEFINITION OF QUALIFIED ALIEN.—Section 1101(a) (42 U.S.C. 1301(a)) is amended by adding at the end the following new paragraph:

"(10) The term 'qualified alien' means an alien—

"(A) who is lawfully admitted for permanent residence within the meaning of section 101(a)(20) of the Immigration and Nationality Act (8 U.S.C. 1101(a)(20));

"(B) who is admitted as a refugee pursuant to section 207 of such Act (8 U.S.C. 1157);

"(C) who is granted asylum pursuant to section 208 of such Act (8 U.S.C. 1158);

"(D) whose deportation is withheld pursuant to section 243(h) of such Act (8 U.S.C. 1253(h));

"(E) whose deportation is suspended pursuant to section 244 of such Act (8 U.S.C. 1254);

"(F) who was granted conditional entry pursuant to section 203(a)(7) of such Act (8 U.S.C. 1153(a)(7)), as in effect prior to April 1, 1980;

"(G) who is lawfully admitted for temporary residence pursuant to section 210 or 245A of such Act (8 U.S.C. 1160, 1255a);

"(H) who is within a class of aliens lawfully present within the United States pursuant to any other provision of such Act, provided that—

"(i) the Attorney General determines that the continued presence of such class of aliens serves a humanitarian or other compelling public interest; and

"(ii) the Secretary of Health and Human Services determines that such interest would be further served by treating each alien within such class as a 'qualified alien' for purposes of this Act; or

"(I) who is the spouse or unmarried child under 21 years of age of a citizen of the United States, or the parent of such a citizen if the citizen is 21 years of age or older, and with respect to whom an application for adjustment to lawful permanent residence is pending.".

(3) CONFORMING AMENDMENT.—Section 244A(f)(1) of the Immigration and Nationality Act (8 U.S.C. 1254a(f)(1)) is amended by inserting "and shall not be considered to be a 'qualified alien' within the meaning of section 1101(a)(10) of the Social Security Act" after "color or law".

(4) EFFECTIVE DATE.—The amendments made by this subsection are effective with respect to benefits payable on the basis of any application filed after the date of the enactment of this Act.

(b) STATE AND LOCAL PROGRAMS.—A State or political subdivision therein may provide that an alien is not eligible for any program of assistance based on need that is furnished by such State or political subdivision unless such alien is a "qualified alien" within the meaning of section 1101(a)(10) of the Social Security Act (as added by subsection (a)(2) of this section).

SEC. 502. DEEMING OF SPONSOR'S INCOME AND RESOURCES TO AN ALIEN UNDER THE SUPPLEMENTAL SECURITY INCOME, AID TO FAMILIES WITH DEPENDENT CHILDREN, AND FOOD STAMP PROGRAMS.

(a) LENGTH OF DEEMING PERIOD.—

(1) MAKING THE SSI 5-YEAR PERIOD PERMANENT.—Subsection (b) of section 7 of the Unemployment Compensation Amendments of 1993 (Public Law 103–152) is repealed.

(2) INCREASING THE AFDC PERIOD FROM 3 TO 5 YEARS.—Section 415 (42 U.S.C. 615) is amended in subsections (a), (c)(1), and (d) by striking "three years" each place it appears and inserting "5 years".

(3) INCREASING THE FOOD STAMP PERIOD FROM 3 TO 5 YEARS.—Section 5(i) of the Food Stamp Act of 1977 (7 U.S.C. 2014(i)) is amended by striking "three years" each place it appears and inserting "5 years".

(b) INAPPLICABILITY IN THE CASE OF ANY ALIEN WHOSE SPONSOR RECEIVES SSI OR AFDC BENEFITS.—

(1) SSI.—Section 1621(f) (42 U.S.C. 1382j(f)) is amended by adding at the end the following new paragraph:

"(3) The provisions of this section shall not apply to any alien for any month for which such alien's sponsor receives a benefit under this title (which includes, for purposes of this paragraph, the program of federally administered State supplementary payments made pursuant to section 1616(a) or section 212(b) of Public Law 93–66 (42 U.S.C. 1382 note)) or under the program of aid to families with dependent children under part A of title IV.".

(2) AFDC.—Section 415(f) (42 U.S.C. 615(f)) is amended—

(A) by redesignating paragraphs (1) through (5) as subparagraphs (A) through (E), respectively;

(B) by striking "(f)" and inserting "(f)(1)"; and

(C) by adding at the end the following new paragraph:

"(2) The provisions of this section shall not apply to any alien for any month for which such alien's sponsor receives a benefit under the program authorized under this part, or the program of supplemental security income authorized under title XVI (which includes, for purposes of this paragraph, the program of federally administered State supplementary payments made pursuant to section 1616(a) or section 212(b) of Public Law 93–66 (42 U.S.C. 1382 note)).".

(3) FOOD STAMPS.—Section 5(i)(2)(E) of the Food Stamp Act of 1977 (7 U.S.C. 2014(i)(2)(E)) is amended—

(A) by striking "(E)" and inserting "(E)(i)"; and

(B) by adding at the end the following new clause:

"(ii) The provisions of this subsection shall not apply to any alien for any month for which such alien's sponsor receives a benefit under the program of aid to families with dependent children under part A of title IV of the Social Security Act or the program of supplemental security income under title XVI of such Act (which includes, for purposes of this paragraph, the program of federally administered State supplementary payments made pursuant to section 1616(a) of such Act or section 212(b) of Public Law 93–66 (42 U.S.C. 1382 note)).".

(c) INEQUITABLE CIRCUMSTANCES.—

(1) SSI.—Section 1621 (42 U.S.C. 1382j) is amended by adding at the end the following new subsection:

"(g) The Commissioner may, pursuant to regulations promulgated after consultation with the Secretary of Agriculture, alter or suspend the application of this section in any case in which the Secretary determines that such application would be inequitable under the circumstances."

(2) AFDC.—Section 415 (42 U.S.C. 615) is amended by adding at the end the following new subsection:

"(g) The Secretary may, pursuant to regulations promulgated after consultation with the Secretary of Agriculture, alter or suspend the application of this section in any case in which the Secretary determines that such application would be inequitable under the circumstances."

(3) FOOD STAMPS.—Section 5(i)(2) of the Food Stamp Act of 1977 (7 U.S.C. 2014(i)(2)) is amended by adding at the end the following new subparagraph:

"(F) The Secretary may, pursuant to regulations promulgated after consultation with the Secretary of Health and Human Services, alter or suspend the application of this section in any case in which the Secretary determines that such application would be inequitable under the circumstances.".

(d) FOOD STAMPS EXEMPTION FOR BLIND OR DISABLED ALIENS.—Section 5(i)(2)(E) of the Food Stamp Act of 1977 (7 U.S.C. 2014(i)(2)(E)), as amended by subsection (a)(2)(C), is amended by adding at the end the following new clause:

"(iii) The provisions of this subsection shall not apply with respect to any individual for any month for which such individual receives a benefit under the program of supplemental security income authorized by title XVI of the Social Security Act by reason of blindness, as determined under section 1614(a)(2) of such Act, or disability, as determined under section 1614(a)(3) of such Act, provided that such blindness or disability commenced after the date of such individual's admission into the United States for permanent residence.".

(e) STATE AND LOCAL PROGRAMS.—A State or political subdivision therein may provide that an alien is not eligible for any program of assistance based on need that is furnished by such State or political subdivision for any month if such alien has been determined to be ineligible for such month for benefits under—

(A) the program of aid to families with dependent children authorized by part A of title IV of the Social Security Act, as a result of the application of section 415 of such Act;

(B) the program of supplemental security income authorized by title XVI of the Social Security Act, as a result of the application of section 1621 of such Act; or

(C) the Food Stamp Act of 1977, as a result of the application of section 5(i) of such Act.

(f) EFFECTIVE DATE.—

(1) IN GENERAL.—The amendments made by subsections (a) through (d) shall be effective with respect to benefits under the program of aid to families with dependent children under part A of title IV of the Social Security Act (42 U.S.C. 601 et seq.), the program

of supplemental security income under title XVI of such Act (42 U.S.C. 1381 et seq.), and the program under the Food Stamp Act of 1977 (7 U.S.C. 2011 et seq.), payable for months beginning after September 30, 1995, on the basis of—

(A) an application filed after such date, or

(B) an application filed on or before such date by or on behalf of an individual subject to the provisions of section 1621(a) or 415(a) of the Social Security Act (42 U.S.C. 1382j(a), 615(a)) or section 5(i)(1) of the Food Stamp Act of 1977 (7 U.S.C. 2014(i)(1)) (as the case may be) on such date.

(2) STATE AND LOCAL PROGRAMS.—Subsection (e) shall be effective on October 1, 1995.

SEC. 503. ADJUSTMENT TO THRIFTY FOOD PLAN.

The second sentence of section 3(o) of the Food Stamp Act (7 U.S.C. 2012(o)) is amended—

(1) by striking "shall (1) make" and inserting the following: "shall—

"(1) make";

(2) by striking "scale, (2) make" and inserting "scale;

"(2) make";

(3) by striking "Alaska, (3) make" and inserting the following: "Alaska;

"(3) make"; and

(4) by striking "Columbia, (4) through" and all that follows through the end of the subsection and inserting the following: "Columbia; and

"(4) on October 1, 1995, and each October 1 thereafter, adjust the cost of the diet to reflect the cost of the diet, in the preceding June, and round the result to the nearest lower dollar increment for each household size.".

SEC. 504. FAILURE TO COMPLY WITH OTHER WELFARE AND PUBLIC ASSISTANCE PROGRAMS.

Section 8 of the Food Stamp Act of 1977 (7 U.S.C. 2017) is amended by striking subsection (d) and inserting the following:

"(d) REDUCTION OF PUBLIC ASSISTANCE BENEFITS.—If the benefits of a household are reduced under a Federal, State, or local law relating to welfare or a public assistance program for the failure to perform an action required under the law or program, for the duration of the reduction the household may not receive an increased allotment as the result of a decrease in the income of the household to the extent that the decrease is the result of the reduction.".

HATFIELD (AND OTHERS) AMENDMENT NO. 2467

(Ordered to lie on the table.)

Mr. HATFIELD (for himself, Mr. DODD, and Mr. GLENN) submitted an amendment intended to be proposed by them to amendment No. 2280 proposed by Mr. DOLE to the bill H.R. 4, supra, as follows:

In section 714(d)(1)(K), strike "and".

In section 714(d)(1)(L), strike the semicolon and insert ", and".

In section 714(d)(1), insert after subparagraph (L) the following:

"(M) representatives of secondary school students involved in workforce education activities carried out under this title and parents of such students;".

In section 716(b)(6) strike "and".

In section 716(b)(7) strike the period and insert "; and".

In section 716(b), add at the end the following:

(8) with respect to secondary education activities—

(A) establishing effective procedures, including an expedited appeals procedure, by which secondary school teachers, secondary school students involved in workforce education activities carried out under this title, parents of such students, and residents of substate areas will be able to directly participate in State and local decisions that influence the character of secondary education activities carried out under this title that affect their interests;

(B) providing technical assistance, and designing the procedures described in subparagraph (A), to ensure that the individuals described in subparagraph (A) obtain access to the information needed to use such procedures; and

(C) subject to subsection (h), carrying out the secondary education activities, and implementing the procedures described in subparagraph (A), so as to implement the programs, activities, and procedures for the involvement of parents described in section 1118 of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 6319) in accordance with the requirements of such section.

In section 716, add at the following:

(h) PARENTAL INVOLVEMENT.—

(1) COMPARABLE REQUIREMENTS.—For purposes of implementing the requirements of section 1118 of the Elementary and Secondary Education Act (20 U.S.C. 6319) with respect to secondary education activities as required in subsection (b)(8)(C), a reference in such section 1118—

(A) to a local educational agency shall refer to an eligible entity, as defined in subsection (a)(2) of section 727;

(B) to part A of title I of such Act (20 U.S.C. 6311 et seq.) shall refer to this subtitle;

(C) to a plan developed under section 1112 of such Act (20 U.S.C. 6312) shall refer to a local application developed under such section 727;

(D) to the process of school review and improvement under section 1116 of such Act (20 U.S.C. 6317) shall refer to the performance improvement process described in subsection (b)(4) of such section 727;

(E) to an allocation under part A of title I of such Act shall refer to the funds received by an eligible entity under this subtitle;

(F) to the profiles, results, and interpretation described in section 1118(c)(4)(B) of such Act (20 U.S.C. 6319(c)(4)(B)) shall refer to information on the progress of secondary school students participating in workforce education activities carried out under this subtitle, and interpretation of the information; and

(G) to State content or student performance standards shall refer to the State benchmarks of the State.

(2) NONCOMPARABLE REQUIREMENTS.—For purposes of carrying out the requirements of such section 1118 as described in paragraph (1), the requirements of such section relating to a schoolwide program plan developed under section 1114(b) of such Act (20 U.S.C. 6314(b)) or to section 1111(b)(8) of such Act (20 U.S.C. 6311(b)(8)), and the provisions of section 1118(e)(4) of such Act (20 U.S.C. 6319(e)(4)), shall not apply.

In section 728(a)(2)(A), strike "and veterans" and insert "veterans, secondary school students (including such students who are at-risk youth) involved in workforce education activities carried out under this title, and parents of such students".

In section 728(b)(2)(B)(iv), strike "and".

In section 728(b)(2)(B)(v), strike the period and insert "; and ".

In section 728(b)(2)(B), add at the end the following:

"(vi) representatives of secondary school students involved in workforce education activities carried out under this title and parents of such students.".

In section 728(b)(4)(A)(iii), strike "participation" and all that follows and insert "participation, in the development and continuous improvement of the workforce development activities carried out in the substate area—

"(I) of business, industry, and labor; and

"(II) with regard to workforce education activities, of secondary school teachers, secondary school students involved in workforce education activities carried out under this title, and parents of such students;".

SIMON AMENDMENT NO. 2468

(Ordered to lie on the table.)

Mr. SIMON submitted an amendment intended to be proposed by him to amendment No. 2280 proposed by Mr. DOLE to the bill H.R. 4, supra, as follows:

On page 17, line 22, strike "amount (if any) determined under subparagraph (B)" and insert "amount determined under subparagraphs (B) and (C)".

On page 18, between lines 15 and 16, insert the following:

"(C) AMOUNT DETERMINED.—The amount determined under this subparagraph is the amount which bears the same ratio to $240,000,000 (or, $240,000,000 reduced by the amount, if any, available for such fiscal year in accordance with section ___09(c) of the Community Works Progress Act, whichever is lesser) as the amount otherwise determined for such State under subparagraph (A) (without regard to the reduction determined under this subparagraph) bears to $16,795,323,000.

On page 18, line 16, strike "(C)" and insert "(D)".

On page 18, line 21, strike "subparagraph (B)" and insert "subparagraphs (B) and (C)".

On page 22, strike lines 10 through 17, and insert the following:

"(A) IN GENERAL.—There are authorized to be appropriated and there are appropriated $16,795,323,000 for each fiscal year described in paragraph (1)—

"(i) $16,555,323,000 of which shall be for the purpose of paying—

"(I) grants to States under paragraph (1)(A); and

"(II) tribal family assistance grants under paragraph (1)(B); and

"(ii) $240,000,000 of which shall be for the purpose of paying grants beginning with fiscal years after fiscal year 1996 to States for the operation of community works progress programs in accordance with the Community Works Progress Act.

Notwithstanding any other provision of this part, the amount appropriated in accordance with clause (ii) shall be paid to States in accordance with the requirements of the Community Works Progress Act and shall not be subject to any requirements of this part.

On page 36, line 7, insert "(including participation in a community works progress program under the Community Works Progress Act)" after "programs".

At the appropriate place, insert the following new title:

TITLE ___—COMMUNITY WORKS PROGRESS ACT

SEC. ___00. SHORT TITLE.

This title may be cited as the "Community Works Progress Act".

SEC. ___01. ESTABLISHMENT.

In the case of any fiscal year after fiscal year 1996, the Secretary of Labor (hereafter referred to in this title as the "Secretary") shall award grants to 4 States for the establishment of community works progress programs.

SEC. ___02. DEFINITIONS.

For purposes of this title:

(1) COMMUNITY WORKS PROGRESS PROGRAM.—The terms "community works progress program" and "program" mean a program designated by a State under which the State will select governmental and nonprofit entities to conduct community works progress projects which serve a significant public purpose in fields such as health, social service, environmental protection, education, urban and rural development and redevelopment, welfare, recreation, public facilities, public safety, and child care.

(2) COMMUNITY WORKS PROGRESS PROJECT.—The terms "community works progress project" and "project" mean an activity conducted by a governmental or nonprofit entity that results in a specific, identifiable service or product that, but for this title, would not otherwise be done with existing funds and that supplements but does not supplant existing services.

(3) NONPROFIT ENTITY.—The term "nonprofit entity" means an organization—

(A) described in section 501(c) of the Internal Revenue Code of 1986; and

(B) exempt from taxation under section 501(a) of such Code.

SEC. ___03. APPLICATIONS BY STATES.

(a) IN GENERAL.—Each State desiring to conduct, or to continue to conduct, a community works progress program under this title shall submit an annual application to the Secretary at such time and in such manner as the Secretary shall require. Such application shall include—

(1) identification of the State agency or agencies that will administer the program and be the grant recipient of funds for the State, and

(2) a detailed description of the geographic area in which the project is to be carried out, including such demographic and economic data as are necessary to enable the Secretary to consider the factors required by subsection (b).

(b) CONSIDERATION OF APPLICATIONS.—

(1) IN GENERAL.—In reviewing all applications received from States desiring to conduct or continue to conduct a community works progress program under this title, the Secretary shall consider—

(A) the unemployment rate for the area in which each project will be conducted,

(B) the proportion of the population receiving public assistance in each area in which a project will be conducted,

(C) the per capita income for each area in which a project will be conducted,

(D) the degree of involvement and commitment demonstrated by public officials in each area in which projects will be conducted,

(E) the likelihood that projects will be successful,

(F) the contribution that projects are likely to make toward improving the quality of life of residents of the area in which projects will be conducted,

(G) geographic distribution,

(H) the extent to which projects will encourage team approaches to work on real, identifiable needs,

(I) the extent to which private and community agencies will be involved in projects, and

(J) such other criteria as the Secretary deems appropriate.

(2) INDIAN TRIBES AND URBANIZED AREAS.—

(A) IN GENERAL.—The Secretary shall ensure that—

(i) one grant under this title shall be awarded to a State that will conduct a community works progress project that will serve one or more Indian tribes; and

(ii) one grant under this title shall be awarded to a State that will implement a community works progress project in a city that is within an Urbanized Area (as defined by the Bureau of the Census).

(B) INDIAN TRIBE.—For purposes of this paragraph, the term "Indian tribe" means any Indian tribe, band, nation, or other organized group or community, including any Alaska Native village or regional or village corporation as defined in or established pursuant to the Alaska Native Claims Settlement Act (43 U.S.C.A. 1601 et seq.), which is recognized as eligible for the special programs and services provided by the United States to Indians because of their status as Indians.

(c) MODIFICATION TO APPLICATIONS.—If changes in labor market conditions, costs, or other factors require substantial deviation from the terms of an application approved by the Secretary, the State shall submit a modification of such application to the Secretary.

SEC. ___04. PROJECT SELECTION BOARD.

(a) ESTABLISHMENT.—Each State that receives a grant under this title shall establish a Project Selection Board (hereafter referred to as the "Board") in the geographic area or areas identified by the State under section ___03(b)(2).

(b) MEMBERSHIP.—

(1) IN GENERAL.—Each Board shall be composed of 13 members who shall reside in the geographic area identified by the State under section ___03(b)(2). Subject to paragraph (2), the members of the Board shall be appointed by the Governor of the State in consultation with local elected officials in the geographic area.

(2) REPRESENTATIVES OF BUSINESS AND LABOR ORGANIZATIONS.—The Board—

(A) shall have at least one member who is an officer of a recognized labor organization; and

(B) shall have at least one member who is a representative of the business community.

(c) DUTIES OF THE BOARD.—The Board shall—

(1) recommend appropriate projects to the Governor;

(2) select a manager to coordinate and supervise all approved projects; and

(3) periodically report to the Governor on the project activities in a manner to be determined by the Governor.

(d) VETO OF A PROJECT.—One member of the Board who is described in subparagraph (A) of subsection (b)(2) and one member of the Board who is described in subparagraph (B) of such subsection shall have the authority to veto any proposed project. The Governor shall determine which Board members shall have the veto authority described under this subsection.

(e) TERMS AND COMPENSATION OF MEMBERS.—The Governor shall establish the terms for Board members and specify procedures for the filling vacancies and the removal of such members. Any compensation or reimbursement for expenses paid to Board members shall be paid by the State, as determined by the Governor.

SEC. ___05. PARTICIPATION IN PROJECTS.

To be eligible to participate in projects under this title, an individual shall be—

(1) receiving, eligible to receive, or have exhausted unemployment compensation under an unemployment compensation law of a State or of the United States,

(2) receiving, eligible to receive, or at risk of becoming eligible to receive, assistance under a State program funded under part A of title IV of the Social Security Act,

(3) a noncustodial parent of a child who is receiving assistance under a State program funded under part A of title IV of the Social Security Act,

(4) a noncustodial parent who is not employed, or

(5) an individual who—

(A) is not receiving unemployment compensation under an unemployment compensation law of a State or of the United States;

(B) if under the age of 20 years, has graduated from high school or is continuing studies toward a high school equivalency degree;

(C) has resided in the geographic area in which the project is located for a period of at least 60 consecutive days prior to the awarding of the project grant by the Secretary; and

(D) is a citizen of the United States.

SEC. ___06. HOURS AND COMPENSATION.

(a) DETERMINATION OF COMPENSATION.—

(1) IN GENERAL.—Except as provided in paragraph (2), project participants in a community works progress project shall be paid the applicable Federal or State minimum wage, whichever is greater.

(2) EXCEPTIONS.—If a participant in a community works progress project is—

(A) eligible for benefits under a State program funded under part A of title IV of the Social Security Act and such benefits exceed the amount described in paragraph (1), such participant shall be paid an amount that exceeds by 10 percent of the amount of such benefits; or

(B) eligible for benefits under an unemployment compensation law of a State or the United States such benefits exceed the amount described in paragraph (1), such participant shall be paid an amount that exceeds by 10 percent the amount of such benefits.

(b) WORK REQUIREMENTS RELATED TO PARTICIPATION.—

(1) IN GENERAL.—

(A) MAXIMUM HOURS.—In order to assure that each individual participating in a project will have time to seek alternative employment or to participate in an alternative employability enhancement activity, no individual may work as a participant in a project under this title for more than 32 hours per week.

(B) REQUIRED JOB SEARCH ACTIVITY.—Individuals participating in a project who are not receiving assistance under a State program funded under part A of title IV of the Social Security Act or unemployment compensation under an unemployment compensation law of a State or of the United States shall be required to participate in job search activities on a weekly basis.

(c) COMPENSATION FOR PARTICIPANTS.—

(1) PAYMENTS OF ASSISTANCE UNDER A STATE PROGRAM FUNDED UNDER PART A OF TITLE IV AND UNEMPLOYMENT COMPENSATION.—Any State agency responsible for making a payment of benefits to a participant in a project under a State program funded under part A of title IV of the Social Security Act or under an unemployment compensation law of a State or of the United States may transfer such payment to the governmental or nonprofit entity conducting such project and such payment shall be made by such entity

to such participant in conjunction with any payment of compensation made under subsection (a).

(2) TREATMENT OF COMPENSATION OR BENEFITS UNDER OTHER PROGRAMS.—

(A) HIGHER EDUCATION ACT OF 1965.—In determining any grant, loan, or other form of assistance for an individual under any program under the Higher Education Act of 1965, the Secretary of Education shall not take into consideration the compensation and benefits received by such individual under this section for participation in a project.

(B) RELATIONSHIP TO OTHER FEDERAL BENEFITS.—Notwithstanding any other provision of law, any compensation or benefits received by an individual under this section for participation in a community works progress project shall be excluded from any determination of income for the purposes of determining eligibility for benefits under a State program funded under part A of title IV, title XVI, and title XIX of the Social Security Act, or any other Federal or federally assisted program which is based on need.

(3) SUPPORTIVE SERVICES.—Each participant in a project conducted under this title shall be eligible to receive, out of grant funds awarded to the State agency administering such project, assistance to meet necessary costs of transportation, child care, vision testing, eyeglasses, uniforms and other work materials.

SEC. ___07. ADDITIONAL PROGRAM REQUIREMENTS.

(a) NONDUPLICATION AND NONDISPLACEMENT.—(1) NONDUPLICATION.—

(A) IN GENERAL.—Amounts from a grant provided under this title shall be used only for a project that does not duplicate, and is in addition to, an activity otherwise available in the State or unit of general local government in which the project is carried out.

(B) NONPROFIT ENTITY.—Amounts from a grant provided to a State under this title shall not be provided to a nonprofit entity to conduct activities that are the same or substantially equivalent to activities provided by a State or local government agency in which such entity resides, unless the requirements of paragraph (2) are met.

(2) NONDISPLACEMENT.—

(A) IN GENERAL.—A governmental or nonprofit entity shall not displace any employee or position, including partial displacement such as reduction in hours, wages, or employment benefits, as a result of the use by such entity of a participant in a project funded by a grant under this title.

(B) LIMITATION ON SERVICES.—

(i) DUPLICATION OF SERVICES.—A participant in a project funded by a grant under this title shall not perform any services or duties or engage in activities that would otherwise be performed by any employee as part of the assigned duties of such employee.

(ii) SUPPLANTATION OF HIRING.—A participant in a project funded by a grant under this title shall not perform any services or duties or engage in activities that will supplant the hiring of other workers.

(iii) DUTIES FORMERLY PERFORMED BY ANOTHER EMPLOYEE.—A participant in a project funded by a grant under this title shall not perform services or duties that have been performed by or were assigned to any presently employed worker, employee who recently resigned or was discharged, employee who is subject to a reduction in force, employee who is on leave (terminal, temporary, vacation, emergency, or sick), or employee who is on strike or who is being locked out.

(b) FAILURE TO MEET REQUIREMENTS.—The Secretary may suspend or terminate payments under this title for a project if the Secretary determines that the governmental or nonprofit entity conducting such project has materially failed to comply with this title, the application submitted under this title, or any other terms and conditions of a grant under this title agreed to by the State agency administering the project and the Secretary.

(c) GRIEVANCE PROCEDURE.—

(1) IN GENERAL.—Each State conducting a community works progress program or programs under this title shall establish and maintain a procedure for the filing and adjudication of grievances from participants in any project conducted under such program, labor organizations, and other interested individuals concerning such program, including grievances regarding proposed placements of such participants in projects conducted under such program.

(2) DEADLINE FOR GRIEVANCES.—Except for a grievance that alleges fraud or criminal activity, a grievance under this paragraph shall be filed not later than 6 months after the date of the alleged occurrence of the event that is the subject of the grievance.

(d) TESTING AND EDUCATION REQUIREMENTS.—

(1) TESTING.—Each participant in a project shall be tested for basic reading and writing competence prior to employment under such project.

(2) EDUCATION REQUIREMENT.—

(A) FAILURE TO SATISFACTORILY COMPLETE TEST.—Participants who fail to complete satisfactorily the basic competency test required in paragraph (1) shall be furnished counseling and instruction.

(B) LIMITED-ENGLISH.—Participants with limited-English speaking ability may be furnished such instruction as the governmental or nonprofit entity conducting the project deems appropriate.

(e) COMPLETION OF PROJECTS.—

(1) IN GENERAL.—A governmental or nonprofit entity conducting a project or projects under this title shall complete such project or projects within the 2-year period beginning on a date determined appropriate by such entity, the State agency administering the project, and the Secretary.

(2) MODIFICATION.—The period referred to in paragraph (1) may be modified in the discretion of the Secretary upon application by the State in which a project is being conducted.

SEC. ___08. EVALUATIONS AND REPORTS.

(a) BY THE STATE.—Each State conducting a community works progress program or programs under this title shall conduct ongoing evaluations of the effectiveness of such program (including the effectiveness of such program in meeting the goals and objectives described in the application approved by the Secretary) and, for each year in which such program is conducted, shall submit an annual report to the Secretary concerning the results of such evaluations at such time, and in such manner, as the Secretary shall require. The report shall incorporate information from annual reports submitted to the State by governmental and nonprofit entities conducting projects under the program. The report shall include an analysis of the effect of such projects on the economic condition of the area, including its effect on welfare dependency, the local crime rate, general business activity (including business revenues and tax receipts), and business and community leaders' evaluation of the projects' success. Up to 2 percent of the amount granted to a State may be used to conduct the evaluations required under this subsection.

(b) BY THE SECRETARY.—The Secretary shall submit an annual report to the Congress concerning the effectiveness of the community works progress programs conducted under this title. Such report shall analyze the reports received by the Secretary under subsection (a).

SEC. ___09. FUNDING.

(a) IN GENERAL.—There are available for making grants under this title for a fiscal year such amounts as are appropriated for the fiscal year under section 403(a)(2)(A) of the Social Security Act (42 U.S.C. 603(a)(2)(A)).

(b) LIMITATIONS ON COSTS.—

(1) ADMINISTRATIVE EXPENSES.—Not more than 10 percent of the amount of each grant awarded to a State may be used for administrative expenses.

(2) COMPENSATION AND SUPPORTIVE SERVICES.—Not less than 70 percent of the amount of each grant awarded to a State may be used to provide compensation and supportive services to project participants.

(3) WAIVER OF COST LIMITATIONS.—The limitations under paragraphs (1) and (2) may be waived for good cause, as determined appropriate by the Secretary.

(c) AMOUNTS REMAINING AVAILABLE FOR STATE FAMILY ASSISTANCE GRANTS.—Any amounts appropriated for making grants under this title for a fiscal year under section 403(a)(4)(A)(i) of the Social Security Act (42 U.S.C. 603(a)(2)(A), (4)(A)(i)) that are not paid as grants to States in accordance with this title in such fiscal year shall be available for making State family assistance grants for such fiscal year in accordance with subsection (a)(1) of such section.

SEC. ___10. EVALUATION.

Not later than October 1, 2000, the Secretary shall submit to the Congress a comprehensive evaluation of the effectiveness of community works progress programs in reducing welfare dependency, crime, and teenage pregnancy in the geographic areas in which such programs are conducted.

FEINSTEIN AMENDMENTS NOS. 2469–2470

Mrs. FEINSTEIN proposed two amendments to amendment No. 2280 proposed by Mr. DOLE to the bill H.R. 4, supra, as follows:

AMENDMENT NO. 2469

Beginning on page 17, line 16, strike all through page 21, line 3, and insert the following:

"(3) SUPPLEMENTAL GRANT AMOUNT FOR POVERTY POPULATION INCREASES IN CERTAIN STATES.—

"(A) IN GENERAL.—The amount of the grant payable under paragraph (1) to a qualifying State for each of fiscal years 1997, 1998, 1999, and 2000 shall be increased by the supplemental grant amount for such State.

"(B) QUALIFYING STATE.—For purposes of this paragraph, the term 'qualifying State', with respect to any fiscal year, means a State that had an increase in the number of poor people as determined by the Secretary under subparagraph (D) for the most recent fiscal year for which information is available.

"(C) SUPPLEMENTAL GRANT AMOUNT.—For purposes of this paragraph, the supplemental grant amount for a State, with respect to any fiscal year, is an amount which bears the same ratio to the total amount appropriated under paragraph (4)(B) for such fiscal year as the increase in the number of poor people as so determined for such State bears to the total increase of poor people as so determined for all States.

"(D) REQUIREMENT THAT DATA RELATING TO THE INCIDENCE OF POVERTY IN THE UNITED STATES BE PUBLISHED.—

"(i) IN GENERAL.—The Secretary shall, to the extent feasible, produce and publish for each State, county, and local unit of general purpose government for which data have been compiled in the then most recent census of population under section 141(a) of title 13, United States Code, and for each school district, data relating to the incidence of poverty. Such data may be produced by means of sampling, estimation, or any other method that the Secretary determines will produce current, comprehensive, and reliable data.

"(ii) CONTENT; FREQUENCY.—Data under this subparagraph—

"(I) shall include—

"(aa) for each school district, the number of children age 5 to 17, inclusive, in families below the poverty level; and

"(bb) for each State and county referred to in clause (i), the number of individuals age 65 or older below the poverty level; and

"(II) shall be published—

"(aa) for each State, annually beginning in 1996;

"(bb) for each county and local unit of general purpose government referred to in clause (i), in 1996 and at least every second year thereafter; and

"(cc) for each school district, in 1998 and at least every second year thereafter.

"(iii) AUTHORITY TO AGGREGATE.—

"(I) IN GENERAL.—If reliable data could not otherwise be produced, the Secretary may, for purposes of clause (ii)(I)(aa), aggregate school districts, but only to the extent necessary to achieve reliability.

"(II) INFORMATION RELATING TO USE OF AUTHORITY.—Any data produced under this clause shall be appropriately identified and shall be accompanied by a detailed explanation as to how and why aggregation was used (including the measures taken to minimize any such aggregation).

"(iv) REPORT TO BE SUBMITTED WHENEVER DATA IS NOT TIMELY PUBLISHED.—If the Secretary is unable to produce and publish the data required under this subparagraph for any county, local unit of general purpose government, or school district in any year specified in clause (ii)(II), a report shall be submitted by the Secretary to the President of the Senate and the Speaker of the House of Representatives, not later than 90 days before the start of the following year, enumerating each government or school district excluded and giving the reasons for the exclusion.

"(v) CRITERIA RELATING TO POVERTY.—In carrying out this subparagraph, the Secretary shall use the same criteria relating to poverty as were used in the then most recent census of population under section 141(a) of title 13, United States Code (subject to such periodic adjustments as may be necessary to compensate for inflation and other similar factors).

"(vi) CONSULTATION.—The Secretary shall consult with the Secretary of Education in carrying out the requirements of this subparagraph relating to school districts.

"(vii) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to carry out this subparagraph $1,500,000 for each of fiscal years 1996 through 2000.

AMENDMENT NO. 2470

On page 654, between lines 15 and 16, insert the following:

SEC. ___. ENFORCEMENT OF ORDERS AGAINST PATERNAL GRANDPARENTS IN CASES OF MINOR PARENTS.

Section 466(a) (42 U.S.C. 666(a)), as amended by sections 915, 917(a), 923, 965, 969, and 976, is amended by adding at the end the following new paragraph:

"(17) Procedures under which any child support order enforced under this part with respect to a child of minor parents, if the mother of such child is receiving assistance under the State grant under part A, shall be enforceable, jointly and severally, against the paternal grandparents of such child.".

MOSELEY-BRAUN AMENDMENTS NOS. 2471–2474

Ms. MOSELEY-BRAUN proposed four amendments to amendment No. 2280 proposed by Mr. DOLE to the bill, H.R. 4, supra, as follows:

AMENDMENT NO. 2471

On page 12, between lines 22 and 23, insert the following:

"(G) Assess and provide for the needs of a minor child who is eligible for the child voucher program established under subsection (c).

On page 15, between lines 19 and 20, insert the following:

"(d) CHILD VOUCHER PROGRAM.—

"(1) ELIGIBILITY.—

"(A) IN GENERAL.—A State to which a grant is made under section 403 shall establish and operate a voucher program to provide assistance to each minor child who resides with a family that is eligible for but not receiving assistance under the State program as a result of any reason identified by the State, including—

"(i) the time limit imposed under section 405(b);

"(ii) a penalty imposed under section 404(d); or

"(iii) placement on a waiting list established by the State for recipients of assistance under the State program.

"(B) PERIODIC ASSESSMENTS.—The State shall conduct periodic assessments to determine the continued eligibility of a minor child for a voucher under this subsection.

"(2) AMOUNT OF VOUCHER.—

"(A) IN GENERAL.—The amount of a voucher provided under the program established under paragraph (1) shall be equal to—

"(i) the number of minor children in the family; multiplied by

"(ii) the per capita assistance amount determined under subparagraph (B).

"(B) PER CAPITA ASSISTANCE AMOUNT.—For purposes of subparagraph (A), the per capita assistance amount is an amount equal to—

"(i) the amount of assistance that would have been provided to a family described in paragraph (1) under the State program; divided by

"(ii) the number of family members in such family.

"(3) USE OF VOUCHER.—A voucher provided under this subsection may be used to obtain—

"(A) housing;

"(B) food;

"(C) transportation;

"(D) child care; and

"(E) any other item or service that the State deems appropriate.

"(4) DELIVERY OF ITEMS OR SERVICES.—A State shall arrange for the delivery of or directly provide the items and services for which a voucher issued under this subsection may be used.

On page 15, line 20, strike "(d)" and insert "(e)".

On page 24, line 24, insert "(including the operation of a child voucher program described in section 402(c))" after "part".

AMENDMENT NO. 2472

On page 40, between lines 16 and 17, insert the following:

"(4) FAILURE OF STATE TO PROVIDE WORK-ACTIVITY RELATED SERVICES.—The limitation described in paragraph (1) shall not apply to a family receiving assistance under this part if the State fails to provide the work experience, assistance in finding employment, and other work preparation activities and support services described in section 402(a)(1)(A)(ii) to the adult individual described in paragraph (1).

AMENDMENT NO. 2473

On page 122, between lines 11 and 12, insert the following:

SEC. 111. MODIFICATIONS TO THE JOB OPPORTUNITIES FOR CERTAIN LOW-INCOME INDIVIDUALS PROGRAM.

Section 505 of the Family Support Act of 1988 (42 U.S.C. 1315 note) is amended—

(1) in the heading, by striking "demonstration";

(2) by striking "demonstration" each place it appears;

(3) in subsection (a), by striking "in each of fiscal years" and all that follows through "10" and inserting "shall enter into agreements with";

(4) in subsection (b)(3), by striking "aid to families with dependent children under part A of title IV of the Social Security Act" and inserting "assistance under the State program funded part A of title IV of the Social Security Act in the State in which the individual resides";

(5) in subsection (c)—

(A) in paragraph (1)(C), by striking "aid to families with dependent children under part A of title IV of the Social Security Act" and inserting "assistance under the State program funded part A of title IV of the Social Security Act";

(B) in paragraph (2), by striking "aid to families with dependent children under title IV of such Act" and inserting "assistance under the State program funded part A of title IV of the Social Security Act";

(6) in subsection (d), by striking "job opportunities and basic skills training program (as provided for under title IV of the Social Security Act" and inserting "the State program funded under part A of title IV of the Social Security Act"; and

(7) by striking subsections (e) through (g) and inserting the following:

"(e) AUTHORIZATION OF APPROPRIATIONS.—For the purpose of conducting projects under this section, there is authorized to be appropriated an amount not to exceed $25,000,000 for any fiscal year.".

Redesignate the succeeding sections accordingly.

AMENDMENT NO. 2474

On page 25, strike lines 13 through 18, and insert the following:

"(3) AUTHORITY TO RESERVE CERTAIN AMOUNTS FOR ASSISTANCE.—

"(A) IN GENERAL.—A State may reserve amounts paid to the State under this part for any fiscal year for the purpose of providing, without fiscal year limitation, assistance under the State program operated under this part.

"(B) EXCEPTION.—In any fiscal year, a State may not exercise the authority described in subparagraph (A) if the State has reduced the amount of cash assistance provided per family member to families under the State program during the preceding fiscal year.

PELL AMENDMENT NO. 2475

(Ordered to lie on the table.)

Mr. PELL submitted an amendment intended to be proposed by him to amendment No. 2280 proposed by Mr. DOLE to the bill H.R. 4, supra, as follows:

On page 439, strike lines 10 through 15.

On page 439, line 16, strike "C)" and insert "(B)".

On page 440, between lines 14 and 15, insert the following new subsection:

(d) COVERAGE OF STATES.—Notwithstanding any other provision of this subtitle, prior to July 1, 1998, the Secretary shall ensure that all States have at least 1 Job Corps center in the State.

ABRAHAM (AND LIEBERMAN) AMENDMENT NO. 2476

(Ordered to lie on the table.)

Mr. ABRAHAM (for himself and Mr. LIEBERMAN) submitted an amendment intended to be proposed by them to amendment No. 2280 proposed by Mr. DOLE to the bill H.R. 4, supra, as follows:

At the appropriate place in the bill, add the following new section:

SEC. . SENSE OF THE SENATE REGARDING ENTERPRISE ZONES.

(a) FINDINGS.—The Senate finds that—

(1) Many of the Nation's urban centers are places with high levels of poverty, high rates of welfare dependency, high crime rates, poor schools, and joblessness;

(2) Federal tax incentives and regulatory reforms can encourage economic growth, job creation and small business formation in many urban centers;

(3) Encouraging private sector investment in America's economically distressed urban and rural areas is essential to breaking the cycle of poverty and the related ills of crime, drug abuse, illiteracy, welfare dependency, and unemployment;

(4) The empowerment zones enacted in 1993 should be enhanced by providing incentives to increase enterpreneurial growth, capital formation, job creation educational opportunities, and homeownership in the designated communities and zones;

(b) SENSE OF THE SENATE.—Therefore, it is the Sense of the Senate that the Congress should adopt enterprise zone legislation in the 104th Congress, and that such enterprise zone legislation provide the following incentives and provisions:

(1) Federal tax incentives that expand access to capital, increase the formation and expansion of small businesses, and promote commercial revitalization;

(2) Regulatory reforms that allow localities to petition Federal agencies, subject to the relevant agencies' approval, for waivers or modifications of regulations to improve job creation, small business formation and expansion, community development, or economic revitalization objectives of the enterprise zones;

(3) Homeownership incentives and grants to encourage resident management of public housing and home ownership of public housing;

(4) School reform pilot projects in certain designated enterprise zones to provide low-income parents with new and expanded educational options for their children's elementary and secondary schooling.

SANTORUM (AND NICKLES) AMENDMENT NO. 2477

Mr. SANTORUM (for himself and Mr. NICKLES) proposed an amendment to amendment No. 2280 proposed by Mr. DOLE to the bill H.R. 4, supra, as follows:

On page 42, line 2, insert ", Social Security number, and photograph (if applicable)" before "of any recipient".

On page 42, between lines 21 and 22, insert the following new subsection:

"(e) DENIAL OF ASSISTANCE FOR ABSENT CHILD.—Each State to which a grant is made under section 403—

"(1) may not use any part of the grant to provide assistance to a family with respect to any minor child who has been, or is expected by the caretaker relative in the family to be, absent from the home for a period of 45 consecutive days or, at the option of the State, such period of not less than 30 and not more than 90 consecutive days as the State may provide for in the State plan;

"(2) at the option of the State, may establish such good cause exceptions to paragraph (1) as the State considers appropriate if such exceptions are provided for in the State plan; and

"(3) shall provide that a caretaker relative shall not be considered an eligible individual for purposes of this part if the caretaker relative fails to notify the State agency of an absence of a minor child from the home for the period specified in or provided for under paragraph (1), by the end of the 5-day period that begins on the date that it becomes clear to the caretaker relative that the minor child will be absent for the period so specified or provided for in paragraph (1).

On page 130, line 8, insert ", Social Security number, and photograph (if applicable)" before "of any recipient".

On page 198, between lines 14 and 15, insert the following new section:

SEC. ___. DISQUALIFICATION OF FLEEING FELONS.

Section 6 of the Food Stamp Act of 1977 (7 U.S.C. 2015), as amended by section 319(a), is further amended by adding at the end the following new subsection:

"(o) No member of a household who is otherwise eligible to participate in the food stamp program shall be eligible to participate in the program as a member of that or any other household during any period during which the individual is—

"(1) fleeing to avoid prosecution, or custody or confinement after conviction, under the laws of the place from which the individual flees, for a crime, or attempt to commit a crime, which is a felony under the laws of the place from which the individual flees, or which, in the case of the State of New Jersey, is a high misdemeanor under the laws of such State; or

"(2) violating a condition of probation or parole imposed under Federal or State law.".

On page 302 after line 5, add the following new section:

SEC. 504. INFORMATION REPORTING.

(a) TITLE IV OF THE SOCIAL SECURITY ACT.—Section 405 of the Social Security Act, as added by section 101(b), is amended by adding at the end the following new subsection:

"(f) STATE REQUIRED TO PROVIDE CERTAIN INFORMATION.—Each State to which a grant is made under section 403 shall, at least 4 times annually and upon request of the Immigration and Naturalization Service, furnish the Immigration and Naturalization Service with the name and address of, and other identifying information on, any individual who the State knows is unlawfully in the United States.".

(b) SSI.—Section 1631(e) of such Act (42 U.S.C. 1383(e)) is amended—

(1) by redesignating the paragraphs (6) and (7) inserted by sections 206(d)(2) and 206(f)(1) of the Social Security Independence and Programs Improvement Act of 1994 (Public Law 103-296; 108 Stat. 1514, 1515) as paragraphs (7) and (8), respectively; and

(2) by adding at the end the following new paragraph:

"(9) Notwithstanding any other provision of law, the Commissioner shall, at least 4 times annually and upon request of the Immigration and Naturalization Service (hereafter in this paragraph referred to as the 'Service'), furnish the Service with the name and address of, and other identifying information on, any individual who the Commissioner knows is unlawfully in the United States, and shall ensure that each agreement entered into under section 1616(a) with a State provides that the State shall furnish such information at such times with respect to any individual who the State knows is unlawfully in the United States.".

(c) HOUSING PROGRAMS.—Title I of the United States Housing Act of 1937 (42 U.S.C. 1437 et seq.), as amended by section 1004, is further amended by adding at the end the following new section:

"SEC. 28. PROVISION OF INFORMATION TO LAW ENFORCEMENT AND OTHER AGENCIES.

"(a) NOTICE TO IMMIGRATION AND NATURALIZATION SERVICE OF ILLEGAL ALIENS.—Notwithstanding any other provision of law, the Secretary shall, at least 4 times annually and upon request of the Immigration and Naturalization Service (hereafter in this subsection referred to as the 'Service'), furnish the Service with the name and address of, and other identifying information on, any individual who the Secretary knows is unlawfully in the United States, and shall ensure that each contract for assistance entered into under section 6 or 8 of this Act with a public housing agency provides that the public housing agency shall furnish such information at such times with respect to any individual who the public housing agency knows is unlawfully in the United States.".

At the appropriate place, insert the following new section:

SEC. ___. ELIMINATION OF HOUSING ASSISTANCE WITH RESPECT TO FUGITIVE FELONS AND PROBATION AND PAROLE VIOLATORS.

(a) ELIGIBILITY FOR ASSISTANCE.—The United States Housing Act of 1937 (42 U.S.C. 1437 et seq.) is amended—

(1) in section 6(*l*)—

(A) in paragraph (5), by striking "and" at the end;

(B) in paragraph (6), by striking the period at the end and inserting "; and"; and

(C) by inserting immediately after paragraph (6) the following new paragraph:

"(7) provide that it shall be cause for immediate termination of the tenancy of a public housing tenant if such tenant—

"(A) is fleeing to avoid prosecution, or custody or confinement after conviction, under the laws of the place from which the individual flees, for a crime, or attempt to commit a crime, which is a felony under the laws of the place from which the individual flees, or which, in the case of the State of New Jersey, is a high misdemeanor under the laws of such State; or

"(2) is violating a condition of probation or parole imposed under Federal or State law."; and

(2) in section 8(d)(1)(B)—

(A) in clause (iii), by striking "and" at the end;

(B) in clause (iv), by striking the period at the end and inserting "; and"; and

(C) by adding after clause (iv) the following new clause:

"(v) it shall be cause for termination of the tenancy of a tenant if such tenant—

"(I) is fleeing to avoid prosecution, or custody or confinement after conviction, under the laws of the place from which the individual flees, for a crime, or attempt to commit a crime, which is a felony under the laws of the place from which the individual flees, or which, in the case of the State of New Jersey, is a high misdemeanor under the laws of such State; or

"(II) is violating a condition of probation or parole imposed under Federal or State law;".

(b) PROVISION OF INFORMATION TO LAW ENFORCEMENT AGENCIES.—Section 28 of the United States Housing Act of 1937, as added by section 504(c) of this Act, is amended by adding at the end the following new subsection:

"(b) EXCHANGE OF INFORMATION WITH LAW ENFORCEMENT AGENCIES.—Notwithstanding any other provision of law, each public housing agency that enters into a contract for assistance under section 6 or 8 of this Act with the Secretary shall furnish any Federal, State, or local law enforcement officer, upon the request of the officer, with the current address, Social Security number, and photograph (if applicable) of any recipient of assistance under this Act, if the officer—

"(1) furnishes the public housing agency with the name of the recipient; and

"(2) notifies the agency that—

"(A) such recipient—

"(i) is fleeing to avoid prosecution, or custody or confinement after conviction, under the laws of the place from which the individual flees, for a crime, or attempt to commit a crime, which is a felony under the laws of the place from which the individual flees, or which, in the case of the State of New Jersey, is a high misdemeanor under the laws of such State; or

"(ii) is violating a condition of probation or parole imposed under Federal or State law; or

"(iii) has information that is necessary for the officer to conduct the officer's official duties;

"(B) the location or apprehension of the recipient is within such officer's official duties; and

"(C) the request is made in the proper exercise of the officer's official duties.".

FEINSTEIN AMENDMENTS NOS. 2478–2479

Mrs. FEINSTEIN proposed two amendments to amendment No. 2280 proposed by Mr. DOLE to the bill H.R. 4, supra, as follows:

AMENDMENT NO. 2478

On page 274, lines 23 and 24, strike "individual (whether a citizen or national of the United States or an alien)" and insert "alien".

On page 275, line 5, strike "individual" and insert "alien".

On page 275, line 10, strike "individual's" and insert "alien's".

On page 275, line 11, strike "individual" and insert "alien".

On page 275, line 14, strike "individual" and insert "alien".

On page 275, line 20, strike "individual" and insert "alien".

On page 275, line 21, strike "individual" and insert "alien".

On page 276, lines 2 and 3, strike "individual (whether a citizen or national of the United States or an alien)" and insert "alien".

On page 276, line 14, strike "individual" and insert "alien".

On page 278, line 1, strike "**NONCITIZENS**" and insert "**ALIENS**".

On page 278, line 8, strike "a noncitizen" and insert "an alien".

On page 278, line 13, strike "a noncitizen" and insert "an alien".

On page 278, line 16, strike "a noncitizen" and insert "an alien".

On page 278, line 22, strike "a noncitizen" and insert "an alien".

On page 279, line 4, strike "a noncitizen" and insert "an alien".

On page 279, line 6, strike "A noncitizen" and insert "An alien".

On page 279, line 8, strike "noncitizen" and insert "alien".

AMENDMENT NO. 2479

On page 69, strike lines 18 through 22, and insert the following:

"SEC. 413. STATE AND COUNTY DEMONSTRATION PROGRAMS.

"(a) NO LIMITATION OF STATE DEMONSTRATION PROJECTS.—Nothing in this part shall be construed as limiting a State's ability to conduct demonstration projects for the purpose of identifying innovative or effective program designs in 1 or more political subdivisions of the State.

"(b) COUNTY WELFARE DEMONSTRATION PROJECT.—

"(1) IN GENERAL.—The Secretary of Health and Human Services and the Secretary of Agriculture shall jointly enter into negotiations with all counties or a group of counties having a population greater than 500,000 desiring to conduct a demonstration project describing in paragraph (2) of the purpose of establishing appropriate rules to govern the establishment and operation of such project.

"(2) DEMONSTRATION PROJECT DESCRIBED.—The demonstration project described in this paragraph shall provide that—

"(A) a county participating in the demonstration project shall have the authority and duty to administer the operation of the program described under this part as if the county were considered a State for the purpose of this part;

"(B) the State in which the county participating in the demonstration project is located shall pass through directly to the county the portion of the grant received by the State under section 403 which the State determines is attributable to the residents of such county; and

"(C) the duration of the project shall be for 5 years.

"(3) COMMENCEMENT OF PROJECT.—After the conclusion of the negotiations described in paragraph (2), the Secretary of Health and Human Services and the Secretary of Agriculture may authorize a county to conduct the demonstration project described in paragraph (2) in accordance with the rules established during the negotiations.

"(4) REPORT.—Not later than 6 months after the termination of a demonstration project operated under this subsection, the Secretary of Health and Human Services and the Secretary of Agriculture shall submit to the Congress a report that includes—

"(A) a description of the demonstration project;

"(B) the rules negotiated with respect to the project; and

"(C) the innovations (if any) that the county was able to initiate under the project.

FEINGOLD AMENDMENT NO. 2480

Mr. FEINGOLD proposed an amendment to amendment No. 2280 proposed by Mr. DOLE to the bill H.R. 4, supra, as follows:

AMENDMENT NO. 2480

On page 283, after 23, insert the following:

(f) STUDY OF IMPACT OF AMENDMENTS ON PROGRAM PARTICIPATION AND FAMILY DAY CARE LICENSING.—

(1) IN GENERAL.—The Secretary of Agriculture, in conjunction with the Secretary of Health and Human Services, shall study the impact of the amendments made by this section on—

(A) the number of family day care homes participating in the child and adult care food program established under section 17 of the National School Lunch Act (42 U.S.C. 1766);

(B) the number of day care home sponsoring organizations participating in the program;

(C) the number of day care homes that are licensed, certified, registered, or approved by each State in accordance with regulations issued by the Secretary;

(D) the rate of growth of the numbers referred to in subparagraphs (A) through (C);

(E) the nutritional adequacy and quality of meals served in family day care homes that—

(i) received reimbursement under the program prior to the amendments made by this section but do not receive reimbursement after the amendments made by this section; or

(ii) received full reimbursement under the program prior to the amendments made by this section but do not receive full reimbursement after the amendments made by this section; and

(F) the proportion of low-income children participating in the program prior to the amendments made by this section and the proportion of low-income children participating in the program after the amendments made by this section.

(2) REQUIRED DATA.—Each State agency participating in the child and adult care food program under section 17 of the National School Lunch Act (42 U.S.C. 1766) shall submit to the Secretary data on—

(A) the number of family day care homes participating in the program on July 31, 1996, and July 31, 1997;

(B) the number of family day care homes licensed, certified, registered, or approved for service on July 31, 1996, and July 31, 1997; and

(C) such other data as the Secretary may require to carry out this subsection.

(3) SUBMISSION OF REPORT.—Not later than 2 years after the effective date of section 423 of this Act, the Secretary shall submit the study required under this subsection to the Committee on Economic and Educational Opportunities of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate.

FEINGOLD (AND KOHL) AMENDMENT NO. 2481

Mr. FEINGOLD (for himself and Mr. KOHL) proposed an amendment to

amendment No. 2280 proposed by Mr. DOLE to the bill H.R. 4, supra, as follows:

At the appropriate place in title X add the following:

SEC. 10. DEMONSTRATION PROJECT FOR ELIMINATION OF TAKE-ONE-TAKE-ALL REQUIREMENT.

In order to demonstrate the effects of eliminating the requirement under section 8(t) of the United States Housing Act of 1937, notwithstanding any other provision of law, beginning on the date of enactment of this Act, section 8(t) of such the United States Housing Act of 1937 shall not apply with respect to the multifamily housing project (as such term is defined in section 8(t)(2) of the United States Housing Act of 1937) consisting of the dwelling units located at 2401–2479 Somerset Circle, in Madison, Wisconsin.

Amend the table of contents accordingly.

BOXER AMENDMENT NO. 2482

Mrs. BOXER proposed an amendment to amendment No. 2280 proposed by Mr. DOLE to the bill H.R. 4, supra, as follows:

AMENDMENT NO. 2482

On page 712, between lines 9 and 10, insert the following:

SEC. 972. DENIAL OF MEANS-TESTED FEDERAL BENEFITS TO NONCUSTODIAL PARENTS WHO ARE DELINQUENT IN PAYING CHILD SUPPORT.

(a) IN GENERAL.—Notwithstanding any other provision of law, a non-custodial parent who is more than 2 months delinquent in paying child support shall not be eligible to receive any means-tested Federal benefits.

(b) EXCEPTION.—

(1) IN GENERAL.—Subsection (a) shall not apply to an unemployed non-custodial parent who is more than 2 months delinquent in paying child support if such parent—

(A) enters into a schedule of repayment for past due child support with the entity that issued the underlying child support order; and

(B) meets all of the terms of repayment specified in the schedule of repayment as enforced by the appropriate disbursing entity.

(2) 2-YEAR EXCLUSION.—(A) A non-custodial parent who becomes delinquent in child support a second time or any subsequent time shall not be eligible to receive any means-tested Federal benefits for a 2-year period beginning on the date that such parent failed to meet such terms.

(B) At the end of that two-year period, paragraph (A) shall once again apply to that individual.

(c) MEANS-TESTED FEDERAL BENEFITS.—For purposes of this section, the term "means-tested Federal benefits" means benefits under any program of assistance, funded in whole or in part, by the Federal Government, for which eligibility for benefits is based on need.

NOTICES OF HEARING

COMMITTEE ON INDIAN AFFAIRS

Mr. MCCAIN. Mr. President, I would like to announce that the Senate Committee on Indian Affairs will hold a hearing on Wednesday, September 13, 1995, beginning at 9 a.m., in room 485 of the Russell Senate Office Building. The purpose of the hearing is to consider the nomination of Paul N. Homan to be Special Trustee in the Office of the Special Trustee for American Indians in the Department of the Interior.

Those wishing additional information should contact the Committee on Indian Affairs at 224–2251.

SUBCOMMITTEE ON ENERGY PRODUCTION AND REGULATION

Mr. NICKLES. Mr. President, I would like to announce for the information of the Senate and the public that a hearing has been scheduled before the Subcommittee on Energy Production and Regulation to consider S. 1014, to improve the management of royalties from Federal and Outer Continental Shelf oil and gas leases, and for other purposes, and S. 1012, to extend time for construction of certain FERC-licensed hydro projects.

The hearing will take place Thursday, September 14, 1995, at 3 p.m. in room SD–366 of the Dirksen Senate Office Building in Washington, DC.

Those wishing to testify or who wish to submit written statements should write to the Committee on Energy and Natural Resources, U.S. Senate, Washington, DC 20510. For further information regarding S. 1014, please call Michael Poling at (202) 224–8276 or Judy Brown at 224–7556, and regarding S. 1012, please call Howard Useem at (202) 224–6567 or Judy Brown at 224–7556.

AUTHORITY FOR COMMITTEES TO MEET

COMMITTEE ON GOVERNMENTAL AFFAIRS

Mr. GRAMS. Mr. President, I ask unanimous consent on behalf of the Governmental Affairs Committee to meet on Thursday, September 7, at 10 a.m. for a markup on the following agenda:

Legislation:

S. 929, the Department of Commerce Dismantling Act.

S. 177 to repeal the Ramspeck Act.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON LABOR AND HUMAN RESOURCES

Mr. GRAMS. Mr. President, I ask unanimous consent that the Committee on Labor and Human Resources be authorized to meet for a hearing on the nomination of Harris Wofford to be Chief Executive Officer of the Corporation for National and Community Service, during the session of the Senate on Thursday, September 7, 1995, at 9:30 a.m.

The PRESIDING OFFICER. Without objection, it is so ordered.

SUBCOMMITTEE ON THE CONSTITUTION

Mr. GRAMS. Mr. President, I ask unanimous consent that the Subcommittee on the Constitution of the Committee on the Judiciary, be authorized to hold a hearing during the session of the Senate on Thursday, September 7, 1995, at 10 a.m. to consider an overview of affirmative action.

The PRESIDING OFFICER. Without objection, it is so ordered.

SUBCOMMITTEE ON EAST ASIAN AND PACIFIC AFFAIRS

Mr. GRAMS. Mr. President, I ask unanimous consent that the Subcommittee on East Asian and Pacific Affairs of the Committee on Foreign Relations be authorized to meet during the session of the Senate on Thursday, September 7, 1995, at 2 p.m.

The PRESIDING OFFICER. Without objection, it is so ordered.

SUBCOMMITTEE ON TERRORISM, TECHNOLOGY AND GOVERNMENT INFORMATION

Mr. GRAMS. Mr. President, I ask unanimous consent that the Subcommittee on Terrorism, Technology, and Government Information for the Committee on the Judiciary be authorized to meet during the session of the Senate on Thursday, September 7, 1995, at 2 p.m. in SH–216 to hold a hearing on the Ruby Ridge Incident.

The PRESIDING OFFICER. Without objection, it is so ordered.

ADDITIONAL STATEMENTS

POSITION ON VOTES

• Mr. AKAKA. Mr. President, on September 5 and 6, 1995, I missed several votes because I was attending a memorial service in Hawaii. Were I present on September 5, I would have voted "aye" on rollcall vote No. 397, final passage of S. 1087, the Department of Defense appropriations bill.

On September 6, I missed rollcall votes No. 398 and No. 399. Were I present, I would have voted "aye" on rollcall vote No. 398, the Nunn amendment pertaining to our Nation's missile defense policy. I would have also voted "aye" on rollcall vote No. 399, final passage of the Department of Defense authorization bill.•

RECOGNIZING RICHARD TISSIERE

• Mr. LAUTENBERG. Mr. President, I rise today to pay tribute to Richard Tissiere, an outstanding New Jerseyan, who is being honored this week for his dedication and service to the labor movement.

Mr. President, Richard Tissiere has had a long and successful career as a labor leader in my State of New Jersey. Currently he is president and business manager for the Laborers' Union Local 472 of the AFL–CIO.

Mr. Tissiere's contributions to the union began when he joined the local in 1952. He worked as a laborer, shop steward, and foreman, and he continued to serve the local when he was elected in 1964 to Local 472's executive board. The local recognized his talents and commitment when he was elected president in 1976, and when he was chosen as union business manager in 1983. Finally, in 1990, he was acknowledged for his devotion to the labor movement when he was appointed to the New Jersey AFL–CIO Executive Board as its vice president.

Mr. Tissiere has also undertaken other projects that have benefited the labor movement in New Jersey. He has been actively involved as a charter member for the New Jersey Alliance for Action and the Project Build Labor Management Committee. For his accomplishments with the Alliance for Action, he was honored as a recipient of the alliance's Eagle Award.

In recognition of Mr. Tissiere's work to improve the labor movement, he was appointed to serve on Senator BRADLEY's Labor Advisory Committee. While serving on the committee, he was able to display his leadership and push forward a positive agenda for both the committee and the labor movement. In 1991, Mr. Tissiere was further recognized by the Governor's office when he was presented with the Peter J. McGuire Labor Excellence Award, one of the Governor's annual Pride of New Jersey awards.

Not only has Mr. Tissiere made outstanding contributions to the labor movement, but he has actively contributed his time and effort to many public service endeavors. He served in the U.S. Navy, and has provided assistance to the Ironbound Boys and Girls Club in Newark, where he served on the board of advisers. He continues his contributions to his community by serving as an active member on the Task Force for Women in Construction.

Mr. President, I extend my sincerest congratulations to Richard Tissiere for his many contributions to the labor movement in New Jersey, and wish him all the best in his future endeavors.●

ETHICS COMMITTEE'S RESOLUTION REGARDING SENATOR PACKWOOD

● Ms. MIKULSKI. Mr. President, yesterday, I voted to support the Ethics Committee's resolution recommending that Senator PACKWOOD be expelled from the U.S. Senate.

Expulsion meets the criteria I set forth for myself in evaluating this case when I was appointed to the Ethics Committee almost 3 years ago. That criteria is straightforward.

First, that the victims' complaints be taken serious and given value. That the women who came forward be given a fair shake, and, that they be treated with respect and with dignity. And, second, that we clearly demonstrate that the Senate could demonstrate that it could police its own. And that the Ethics Committee would process this with honor and bring honor to the U.S. Senate.

I believe the committee resolution meets these criteria. The committee of which I am a member carefully reviewed the evidence and found substantial credible evidence that Senator PACKWOOD's conduct was an abuse of his position, an abuse of power and that he brought dishonor upon the U.S. Senate.

Senator PACKWOOD has shown a flagrant disregard for the victims, the Senate, and for the citizens of Oregon. His conduct is a systematic abuse of women, power, and this institution.

He has made at least 18 unwanted, unwelcome sexual advances on women. He intentionally obstructed the committee's inquiry by tampering with his diary. He asked lobbyists for jobs for his wife to reduce his alimony payments. His offenses taken cumulatively, and even individually, are unacceptable.

By any standard, in any workplace in the United States of America, he would have been fired for this. I voted to fire Senator PACKWOOD from the U.S. Senate.

For me the past 34 months have been extraordinary. When then Majority Leader GEORGE MITCHELL asked me to serve on the Ethics Committee, I knew that I would be the only woman on the Ethics Committee.

I was willing to assume that role. I knew it was a special responsibility and a special duty. I knew I had a duty to the Senate. I knew I had a duty to the victims and I knew I had a duty to the women of America.

I wanted to be sure that I was a voice for women. Not only for the victims whose voices I wanted to be heard, I also wanted to be a voice for women in how they are treated in a workplace.

I wanted to be a voice for women who are victims in situations of sexual assault where often they themselves are doubly victimized. First, by the assailant and then by the very process of prosecution.

I also wanted to be sure that I was a voice that women's concerns would not be minimized, trivialized, or disregarded. I believe that I worked to fulfill that responsibility. I articulated this throughout the ethics process on the Packwood matter.

I articulated this to the men of the committee and those men have stepped up and honored that responsibility. I want to thank the men of the Ethics Committee for the role that they played in giving value, worth, and voice and a fair shake to the women who came forward on this the very first case in the U.S. Senate involving victims.

I also want to thank the women of Oregon for their patience. For it is those women who stood by the Ethics Committee in these 34 months and placed their trust in the institutional processes of the U.S. Senate.

I think when our vote was taken yesterday that the Senate showed that we could police our own. So, now the work of the Ethics Committee has been completed.

This is a sad day for the Senate, but I am glad that Senator PACKWOOD has written his own final chapter and ended his Senate career with dignity.●

ORDERS FOR FRIDAY, SEPTEMBER 8, 1995

Mr. NICKLES. Mr. President, I ask unanimous consent that when the Senate completes its business today it stand in recess until the hour of 9:15 a.m. on Friday, September 8, 1995, and that following the prayer the Journal of proceedings be deemed approved to date and the time for the two leaders be reserved for their use later in the day; that the Senate then immediately resume consideration of H.R. 4, the welfare reform bill, and that Senator SANTORUM be recognized for up to five minutes for debate in relationship to his amendment; further, that at the hour of 9:30 a.m. the Senate proceed to a vote on or in relation to the Brown amendment, numbered 2465, to be immediately followed by a vote on or in relation to the Santorum amendment numbered 2477.

I further ask unanimous consent further that when the Senate resumes consideration of the Moynihan amendment, numbered 2466, there be 90 minutes of debate equally divided between the two managers; and I further ask unanimous consent that the majority leader will have until the beginning of the first rollcall vote on Friday to modify his amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

PROGRAM

Mr. NICKLES. For the information of all Senators, the Senate will resume consideration of welfare reform bill tomorrow morning with two consecutive rollcall votes beginning at 9:30 a.m.

Senators should also expect further rollcall votes throughout Friday's session of the Senate.

Also, as a reminder, under the previous consent agreement all Senators will have until 5 p.m. tomorrow to offer their amendments to the welfare reform bill.

RECESS UNTIL 9:15 A.M. TOMORROW

Mr. NICKLES. Mr. President, if there is no further business to come before the Senate, I ask unanimous consent that the Senate stand in recess as under the previous order.

Mr. MOYNIHAN. Mr. President, may I simply express my thanks to the Senator from Oklahoma for his careful conclusion of the day and for his preparations for tomorrow.

There being no objection, the Senate at 9:17 p.m. recessed until tomorrow, Friday, September 8, 1995, at 9:15 a.m.

HOUSE OF REPRESENTATIVES—*Thursday, September 7, 1995*

The House met at 10 a.m.

PRAYER

The Reverend Dr. Robert F. Browning, pastor of First Baptist Church, Somerset, KY, offered the following prayer:

Father, You have been so good to us and we thank You for many blessings today. Thank You for trusting us to make decisions. Help us to be wise. Thank You for giving us responsibility. Help us to be industrious. Thank You for allowing us to be leaders in this great country. Help us to follow You as we lead Your people. Thank You for giving us families along our journey. Help us to be faithful to them. Thank You, most of all, for Your abiding presence, gracious love, strengthening arm, and forgiving Spirit. May we be humble recipients and bold ambassadors. Amen.

THE JOURNAL

The SPEAKER. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Pursuant to clause 1, rule I, the Journal stands approved.

PLEDGE OF ALLEGIANCE

The SPEAKER. Will the gentlewoman from Texas, Ms. EDDIE BERNICE JOHNSON, come forward and lead the House in the Pledge of Allegiance.

Ms. EDDIE BERNICE JOHNSON of Texas led the Pledge of Allegiance as follows:

I pledge allegiance to the Flag of the United States of America, and to the Republic for which it stands, one nation under God, indivisible, with liberty and justice for all.

ANNOUNCEMENT BY THE SPEAKER

The SPEAKER. The Chair will recognize 15 Members on each side for 1-minutes.

REQUEST FOR LIMITATION OF TIME FOR FURTHER CONSIDERATION OF H.R. 2126, DEPARTMENT OF DEFENSE APPROPRIATIONS ACT, 1996

Mr. MURTHA. Mr. Speaker, I ask unanimous consent on the defense bill today that we have a limitation of 5 hours on the bill and all amendments thereto.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

Mr. SANDERS. Yes, Mr. Speaker, I object. We are talking about $244 billion. I think we need more debate than 5 hours.

Mr. MURTHA. How about 6 hours?

The SPEAKER. Objection is heard.

Mr. SANDERS. I think it is something that should be discussed perhaps in a little while when people get together. I do not have an objection to a time limit. But I cannot agree to a certain time limit now.

The SPEAKER. The Chair seeks to accommodate Members, and this has been an interesting colloquy. The Chair thinks if the gentlemen can get together, the Chair will be glad to recognize someone at an appropriate moment.

WELCOME TO REV. DR. ROBERT F. BROWNING

(Mr. ROGERS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. ROGERS. Mr. Speaker, the Reverend Bob Browning, who offered today's opening prayer as the guest House Chaplain, is my hometown pastor, friend, and personal counselor.

He is the pastor of the First Baptist Church in Somerset, KY, a church of some 2,000 members.

Although a young man, Brother Browning has packed into his years an impressive career in service to God and his people.

He just last year finished two 1-year terms as president of the Kentucky Baptist Convention, a sure sign of the esteem felt for Brother Browning by his peers and religious leaders throughout Kentucky.

But, no wonder to us, his home church members, we have watched his leadership abilities grow and develop since he came to us in 1982 following pastorships at three other Kentucky churches and receiving his doctorate degree at Southern Baptist Theological Seminary in Louisville.

In addition to various responsibilities with the State association, he has been called upon by the entire community. He serves on everything from the YMCA board to the county solid waste advisory committee. He is a trustee at Cumberland College. He has worked as a volunteer in Africa, Brazil, and Russia.

Brother Bob and his wife Jackie are the parents of three wonderful children: Jason, Amy, and Joshua. Jason is a marine, based in California.

Brother Bob is a wonderful preacher. But his greatest gift is his ability to counsel, one on one. I can personally testify to the warm and caring love he imparts to those who are so fortunate to be in his care. He has been of enormous importance to me and my family in recent months, especially.

Welcome Brother Browning to the people's House, your House.

LET US CONTINUE TO SUPPORT THE B-2

(Mr. DICKS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. DICKS. Mr. Speaker, today the House will take up the Defense appropriations bill, and one of the most important amendments will be on the B-2 bomber. Ever since 1980, when Secretary Harold Brown announced that we would build a stealth bomber, I have felt that this was the most important technological breakthrough in modern military history.

In the Gulf war, the F-117, a stealth attack aircraft, was able to penetrate the most difficult targets and knock out surface-to-air missiles and radars without losing pilots and doing it in a matter of hours. Other airplanes that were not stealthy were unable to penetrate without a large number of support aircraft.

The B-2 gives us a plane that can carry eight times as much as the F-117 and five times as far. In a world where we are going to have a smaller U.S. military, having worldwide reach, being able to stop mobile divisions coming from North Korea, say, into South Korea or into the gulf, is a revolutionary capability. Let us continue to support the B-2.

HOW TO PROTECT OUR CHILDREN'S FUTURE

(Mr. BOEHNER asked and was given permission to address the House for 1 minute.)

Mr. BOEHNER. Mr. Speaker, a lot has changed over the last 9 months of the Republican controlled Congress.

As Members of Congress went home for their August recess, they listened to their constituents. Their constituents continued to ring the bell that was heard loudly last November by voters around this country when they decided to change the makeup of the U.S. Congress. They said that they wanted a smaller, less costly, less intrusive government, and they reiterated their demands over August.

☐This symbol represents the time of day during the House proceedings, e.g., ☐1407 is 2:07 p.m.

Matter set in this typeface indicates words inserted or appended, rather than spoken, by a Member of the House on the floor.

As we look to the fall with a lot of confusion, a lot of activity, let me make it perfectly clear that Republicans in Congress are going to balance the budget over the next 7 years to save the future for our children; that we are going to strengthen, preserve, and protect Medicare for our senior citizens; that we are going to reform welfare, where we reward work and take away the incentives for illegitimacy today; and, last, our fourth objective is to reduce the tax load on middle-income Americans and provide incentives to have a strong, healthy economy so that we ensure that we actually balance the budget over the next 7 years.

This is what we must do to protect our children's future.

THE B-2 BOMBER IS COST-EFFECTIVE

(Ms. EDDIE BERNICE JOHNSON of Texas asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Ms. EDDIE BERNICE JOHNSON of Texas. Mr. Speaker, today I rise in strong support of continuing the B-2 program. The B-2 bomber protects our sons and daughters and grandsons and granddaughters, the women and men of the military looking out for this Nation.

When we send our people to battle, we want to send them with the best equipment we have available and we want to send them in as small a number as possible to save lives. This is what the B-2 will do. The B-2 can replace many of the fighter planes in a very stealth way. It will cost more per individual plane, but when we compare the fact that it can replace 70 some planes on each mission, it is worth it. It is cost effective.

Mr. Speaker, at least seven former Secretaries of Defense have noted the B-2 bomber is the most cost-effective means of rapidly projecting force over great distances.

KEEP THE B-2 BOMBER

(Mr. MCKEON asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. MCKEON. Mr. Speaker, today we will hold an important vote on the future of our Nation's bomber force.

With this in mind, I would like to outline excerpts from a recent report by the Congressional Research Service on the B-2 bomber. This is a neutral organization that does not advocate or oppose defense programs. Members opposed to modernizing our bomber fleet will discuss what they view as alternatives to the B-2. Listen to what the report says about these alternatives:

Alternative No. 1—Tactical aircraft. Tactical aircraft are manpower intensive and require large numbers of tanker aircraft and nearby, properly equipped military bases or carriers from which to operate.

Alternative No. 2.—Cruise missiles. Cruise missiles are expensive—up to 70 times more costly than bomber-delivered direct-attack weapons—and offer comparatively little firepower.

Alternative No. 3.—Theater ballistic missiles—Theater-based ballistic missiles have very limited range and are also more costly than bomber-delivered direct-attack weapons. Of course, the fourth alternative is to do nothing and fly 1950's-era B-52's until they are 70 years old, which has been suggested by officials within our Defense Department. Last month, we witnessed a potential consequence of this mentality when an engine dropped from a B-52 in flight during a routine exercise.

We should not let this happen to the men and women of our Armed Forces. Vote no on the Obey-Dellums-Kasich amendment.

CUTTING MEDICARE TO PAY FOR TAX BREAKS

(Mr. GIBBONS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. GIBBONS. Mr. Speaker, 9 months ago the American public gave to the Republicans the opportunity to control this House of Representatives and the Senate. At that time the Republicans announced that they wanted to give very wealthy income taxpayers a huge tax break. How are they going to pay for it under the budget rules?

They are going to cut 270 billion dollars' worth of benefits out of the Medicare Program, $270 billion. They are going to take away from all the senior citizens the right to choose their doctor. They are going to charge them more. These burdens will fall not only on the senior citizens but on their families, who will feel compelled to have to dig down in their pockets to take care of these people. This is unfair.

But the most unfair thing about all of this, Mr. Speaker, is this: In 2 weeks, we will be voting on the Committee on Ways and Means on this program, and this is the only copy of it that we have, this blank piece of paper. This stealth attack is unconscionable.

SCARE TACTICS REGARDING MEDICARE

(Mr. HAYWORTH asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. HAYWORTH. Mr. Speaker, I listened with great interest to my good friend from Florida who precedes me here in the well, and, Mr. Speaker, we see yet another example of Medi-Scare. You see, if you do not want to solve a problem, you try to scare the H-E-double-hockey-sticks out of the American people. Scare them into an action; scare them into senseless fear.

But the fact remains this: Medicare goes bankrupt in 7 years if we do nothing. To the seniors who age into the program in 7 years, I ask, what do you do when there is no program there? For the seniors who are living under the program now, I ask, what happens when it goes bankrupt?

We are willing to work with our friends in the new minority to come up with a plan to save this vital program. We want to enlarge options; we want to have this program viable. But the one thing we do not need is more fear tactics. The one thing we need is constructive consistent work together to solve this vital problem confronting this Nation.

MEDICARE CUTS

(Ms. DELAURO asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Ms. DELAURO. Mr. Speaker, the Republican plan to cut $270 billion from Medicare to pay for a tax cut for the wealthy will cost seniors $1,000 more a year and will mean that they will lose their choice of doctors. Amazingly, Republicans now say they are only following the Medicare trustees instructions and trying to save the program from insolvency.

But, yesterday, the Medicare trustees, themselves, spoke out on the Republican plan. In an editorial published in the Los Angeles Times, the trustees called the Republican Medicare cuts excessive and said those cuts would seriously hurt seniors.

And, contrary to Republican claims, the Medicare trustees say that the trust fund is not in a sudden crisis, but has actually improved over the past few years. As the trustees said yesterday: "The only thing that has really changed is the political needs of those who are hoping to use major Medicare cuts for other purposes." As we know, those other purposes are tax cuts for the wealthy.

LIMITATION OF TIME FOR FURTHER CONSIDERATION OF H.R. 2126, DEPARTMENT OF DEFENSE APPROPRIATIONS ACT, 1996

Mr. MURTHA. Mr. Speaker, I ask unanimous consent that further consideration of the bill H.R. 2126 in the Committee of the Whole pursuant to House Resolution 205 continue for a period not to exceed 5 hours—excluding time consumed by recorded votes and proceedings incidental thereto.

The Speaker pro tempore (Mr. HOBSON). Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

SUPPORT THE B–2

(Mr. SALMON asked and was given permission to address the House for 1 minute.)

Mr. SALMON. Mr. Speaker, I rise this morning in strong support of the B–2 stealth bomber, and in strong opposition to the Dellums/Kasich amendment to be offered later today to eliminate funding for future bombers.

In today's uncertain world, we will be lucky to have a day's warning before a conflict erupts. With our forward presence constantly shrinking, the B–2 provides us with the ability to rapidly project power deep within well-protected enemy territory.

Further, while the premium on surprise and quick strike ability is increasing, the premium placed on the lives of our service men and women remains paramount. With stealth and precision-guided munitions, one B–2 with a crew of two is as effective as 75 conventional aircraft which place 132 air crew at risk. And the B–2 can do this without being staged on the dangerous front lines of a conflict.

The options that the B–2 provides are vital to the future of our Nation's power projection capabilities. It is currently the only bomber in production, and the only one planned. If the Dellums/Kasich amendment passes later today, we will lose these capabilities along with the ability to rapidly produce them in the future. If this amendment passes, by the year 2030, we will be sending our pilots into combat in 70 year old B–52's. This would be the same as sending our fighter pilots into Desert Storm in wooden and cloth biplanes.

And, the B–2 fits under the budget cap that was approved in the House earlier this year.

I urge a "no" vote on the Dellums-Kasich amendment when it is offered later today. Please join me in voting to maintain our nation's critical power projection capabilities.

ILLEGAL IMMIGRATION

(Mr. TRAFICANT asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. TRAFICANT. Mr. Speaker, illegal immigration is at an all-time high: 4 million illegal immigrants in America. A study now shows that many of them actually end up with food stamps, free health care, free education, free housing, while the Congress of the United States continues to cut money for American citizens. Unbelievable.

I say, ladies and gentlemen, it is time to put American military troops on our border. They are falling out of chairs without arm rests overseas and we have got millions of illegal immigrants, many of them running over our borders with back packs full of cocaine and heroin. Beam me up. Whoever created this immigration policy is in fact smoking dope.

THE B–52 BOMBER

(Mr. WATTS of Oklahoma asked and was given permission to address the House for 1 minute.)

Mr. WATTS of Oklahoma. Mr. Speaker, President Reagan said, "If we are forced to fight, we must have the means and the determination to prevail or we will not have what it takes to secure the peace." This then, is the B–2 Bomber's reason for existence.

The chairman and members of the National Security Committee have clearly supported the B–2. Numerous studies indicate that the United States will require more than 20 B–2 bombers to support the U.S. national military strategy and that makes the B–2 a critical part of our war fighting arsenal and will play a unique role in each and every air and land battle that lies ahead.

The aging fleet of B–52 and B–1 bombers will see their performance decline in the next 5 to 10 years and can never perform the stealth mission of the B–2. In fact, there are no new bombers on the drawing board for the next 20 years. Bottomline: The B–2 is an installment on Congress' promise to revitalize our national security posture.

I challenge each of you to think about the direction of this world. The notion that we are safe—or war is less likely—should be dismissed. The reality is their names may have changed but they are still there—ballistic missiles, chemical weapons, and nuclear weapons. We must have the ability to counter that threat. The time is now—I urge your vote of support for the B–2.

□ 1020

ELEMENTARY SCHOOL STUDENTS ON THE MAJORITY'S HIT LIST

(Mr. GENE GREEN of Texas asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. GENE GREEN of Texas. Mr. Speaker, next Monday I will visit an elementary school, Franklin Elementary School, which is in my district in Houston. This is a school which demonstrates the need for a Federal role in education.

The schools in my district are not wealthy. They rely on Federal education dollars to supplement the State and local funding that they receive. Because of the funding problems that are all too common around the country, not just in Texas, the State and local money just is not enough to provide these children the education, the facilities, and resources these children deserve.

And yet, these kids, their parents, and their teachers kept plugging away. In 1994, the percentage of the students passing a State exam was 35 to 59 percent. In 1995, the percentage rose to 75 to 89 percent. How did this happen? With a dedicated principal, hard-working teachers, involved parents, and extra work on Saturdays, the students did it.

This is an inner-city school that receives chapter I funds. This is a school in which 98 percent of the students receive subsidized breakfast or lunch. In response to their commitment and success, the majority is cutting their funding. And I would like to say: "Welcome back, kids. Along with the seniors, you are on the majority's hit list."

AMERICA MUST PLAN FOR THE 21ST CENTURY

(Mr. SCARBOROUGH asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. SCARBOROUGH. Mr. Speaker, I have been hearing a lot about Medicare and the B–2 bomber. Actually, the two are related, because it seems that some Members continue to stick their head in the sand and deny basic facts.

First of all, if we do nothing on Medicare, in 7 years the trustees say that Medicare goes bankrupt. Something has to be done. We cannot ignore it. We have to face the 21st century with the facts.

The same is true with the B–2 bomber. If we do nothing on the B–2 bomber, if we go along with the Dellums-Kasich amendment, then we are sticking our head in the sand. By the year 2010, the B–52 heavy bombers that we have protecting this country will be over 50 years old.

We cannot sit back and do nothing anymore. We have to plan for the 21st century, not only in Medicare but also in protecting the shores and senior citizens and the young and the old alike.

Mr. Speaker, I urge all my colleagues to oppose the Dellums-Kasich amendment and support the B–2 bomber.

BIPARTISAN EFFORT IS NEEDED TO ADDRESS QUESTIONS OF ETHICS

(Mr. DOGGETT asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. DOGGETT. Mr. Speaker, to resolve so many of the problems of this country, it is essential that Republicans and Democrats come together in a bipartisan fashion. We have seen in this session how this can work.

We have seen a 50-year-old lobbying law adjusted. We have seen a gift ban rule to ban gifts to Members of the Senate approved. And yesterday in a dramatic action, we saw Republicans join Democrats to actually vote to expel a Member.

But for some reason there is a line down the rotunda, and none of that bipartisanship is happening on this side of the Capitol. At the same time that action was being taken, this body was rejecting, on a party line basis, doing anything about gifts for Members of Congress.

Mr. Speaker, today also is the first anniversary, 1 year ago a complaint concerning GOPAC and the Speaker was made to the Committee on Standards of Official Conduct and we have done nothing but dillydallied.

It is time our Republican Members joined us and put a hand on the broom to sweep clean the questions of integrity concerning this House.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore (Mr. HOBSON). It should be noted that Members should not refer to disciplinary actions in either House.

RESTORING HOPE AND OPPORTUNITY

(Mr. KNOLLENBERG asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. KNOLLENBERG. Mr. Speaker, the Republican majority has been diligently working to keep our promises to the American people. This fall we will complete work on our balanced budget plan, save Medicare from bankruptcy, and allow working families and businesses to keep more of what they earn.

For too long, Washington's solution to America's problems was always new spending and new taxes. As a result, our national debt now exceeds $4.9 trillion and the average American family pays more in taxes than it spends on clothing, food, and shelter combined.

This fall offers our best chance to honestly balance the budget, cut exorbitant taxes, and ensure that our children have a bright future that is free of debt and full of hope.

The choices are simple we can either spend now and worry later or we can move forward with an agenda that forces the Federal Government to live within its means, saves the American dream for our children, and lays the foundation for a generation of economic growth and prosperity.

Mr. Speaker, there are no legitimate excuses for continuing to spend money that we do not have. It is time for Congress to quit avoiding the tough choices and restore some sanity to the Federal budget.

AMERICA NEEDS THE B-2 BOMBER

(Mr. TORRES asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. TORRES. Mr. Speaker, the current debate over the B-2 bomber marks a turning point for the preservation of U.S. air power. It has been said that the history of U.S. military power is characterized by technological achievements that produced globally dominating weapons systems. I would maintain that the B-2 bomber is just such a technological achievement. If we examine the core competencies of each of our branch of services, it would be evident that independent strategic bombardment has clearly become the unique core competency of our new U.S. Air Force. Indeed, the United States is no longer just a maritime power—we are an aerospace power, and this strategic air power is vital to our national security.

The President of this United States must continue to have the leverage to deter an aggressor by threatening to destroy most of its economic infrastructure with an immediate, devastating strike. If such a strike were necessary, it could be done with B-2's with minimum support, minimum risk, minimum collateral damage, and without U.S. ground force fatalities.

The B-2 has global range, high subsonic speed and an extremely low radar signature. It combines the most modern avionics with the ability to deliver precision weapons in all weather conditions. Having created this devastating capability I would urge my colleagues not to abandon it without truly understanding the facts. We must project our legacy in air power into the future—to do this we need the B-2 bomber.

MEDICARE IS GOING BROKE

(Mr. BURR asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. BURR. Mr. Speaker, Medicare is going broke. Not maybe. Not way down the road. If this Congress does not address this crisis, our Medicare system will be out of money by the year 2002.

This is not an issue for partisan bickering. This is not an issue where business-as-usual is appropriate. The pending insolvency of Medicare threatens the availability of health care to more than 32 million of America's senior citizens.

The Medicare crisis was defined in April by the Medicare Board of Trustees—including Secretaries Reich, Shalala, and Rubin. In their report on the status of the Medicare Program, they indicate that "the Medicare program is clearly unsustainable in its present form" and they "strongly recommend that the crisis presented by the financial condition of the Medicare trust funds be urgently addressed."

Mr. Speaker, we owe it to our senior citizens to face this Medicare crisis head on. It is the responsibility of Congress to fulfill our commitment to this country's seniors and initiate Medicare reform making this program financially sound now and in the years to come.

THE CRUEL HOAX OF MEDICARE'S INSOLVENCY

(Mr. PALLONE asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. PALLONE. Mr. Speaker, I rise simply to correct this terrible hoax that the Republicans are playing on the American people, that somehow the Medicare Program is bankrupt or insolvent.

In fact, the trustee's report that came out this year showed dramatically that Medicare has never had more money available and, in fact, the life of the program is at least 7 years beyond this year. That is a longer period of time before Medicare goes insolvent than any other period of time that the trustees have reported on in the last few years.

The fact of the matter is that we cannot keep this Medicare Program with a huge pot of money, because if we did that, providers and others would want to raid the program to take advantage of that pot of money. Congress has historically kept the amount of money simply for a few years going in order to protect the program, and it is a cruel hoax on the American people to suggest that Medicare is going insolvent.

What the Republicans are doing is raiding the Medicare trust fund in order to finance a tax cut. It is that simply. They do not want to tell the truth about what is happening here. It is a huge tax cut for the richest Americans.

REPUBLICANS' VICTORY MESSAGE STILL RINGS LOUD AND CLEAR

(Mr. SMITH of Michigan asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. SMITH of Michigan. Mr. Speaker, a lot has changed in Washington over the past 9 months, and the message that sent Republicans to victory last November is still ringing loud and clear.

Americans are not talking about how we balance the budget, but whether or not we will do so. People are also talking about how we save Medicare, not whether or not we will do so.

Our mission this fall is clear. We will pass a budget that brings us into balance by 2002. We will enact meaningful welfare reform that emphasizes work, families, and hope for the future. We will save Medicare from bankruptcy. We will reduce the size of this overbloated government that is taking away our freedoms.

Government has grown quite large. After World War II, we spent 12 percent of our GDP, our gross domestic product, for government spending. Now, we spend almost 22 percent of GDP. We have done this not by taxes, but by borrowing. We must balance the budget if we care about our kids and our grandkids having a good future.

TO PRESIDENT CHIRAC: STOP THE TESTING NOW

(Mr. UNDERWOOD asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. UNDERWOOD. Mr. Speaker, on Tuesday at 12:30 p.m. local time in Mururoa, the French Government exploded an underground nuclear weapon in the first of eight proposed tests that President Chirac contends are in France's vital national interests. It was also the 205th nuclear blast that France exploded, but yet they claim they still need more computer data.

Tuesday's explosion was detected by seismic monitoring stations as far as away as Australia, but France has yet to get the message. Testing half a world away from home displays an arrogance that is unbecoming of a civilized nation.

President Chirac has hinted that France may cut the testing program short. The gentleman from American Samoa [Mr. FALEOMAVAEGA], our distinguished colleague, made his contribution by being detained by French test authorities last week.

President Chirac, listen to the gentleman from American Samoa [Mr. FALEOMAVAEGA] and all peoples of the Pacific. Stop the testing now.

KEEP GOING

(Mrs. SEASTRAND asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Mrs. SEASTRAND. Mr. Speaker, most of the Members of this House have spent the last few weeks traveling our districts and meeting with our constituents. In my town meetings, and in a very successful Medicare conference, my central coast California constituents seemed to be worried that this Congress will be bogged down and not complete the change we started the first 100 days.

They want Medicare to be safe for future generations. They know we must end failed spending policies. They know that we can and must balance the budget and give our children a future free of debt and full of opportunity.

Mr. Speaker, the American people are on to something and my constituents understand that after 40 years of liberals defending the status quo, that the new majority of this Congress is changing the system that created the debt and rewarded inefficiency. They want solutions. They want action and they want it now.

CONGRATULATIONS TO CAL RIPKEN ON HIS 2,131ST CONSECUTIVE GAME

(Mr. CARDIN asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. CARDIN. Mr. Speaker, on behalf of all the Members of this House, and all baseball fans around the Nation, let me offer our collective congratulations to Cal Ripken, Jr., of the Baltimore Orioles. Last night at Camden Yards in the Third Congressional District of Maryland, Cal played his 2,131st consecutive game, one more than the immortal Lou Gehrig, and did it with the same grace and dignity that has marked his remarkable career.

Mr. Speaker, there was not a dry eye in Camden Yards when Cal Ripken spoke after the game and gave credit to his family and the baseball fans for this remarkable accomplishment.

Thank you, Cal, for being such a great role model for young and old alike.

MEMBERS MUST FULFILL THEIR DUTIES

(Mr. BALLENGER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. BALLENGER. Mr. Speaker, as I spent August back home with family and neighbors, I had time to reflect upon why I am here. It's easy to get caught up in inside-the-beltway activities and small battles and forget why our constituents sent us here.

I will tell Members why my constituents sent me here. They sent me here to balance the budget and scale back big Government. They sent me here to save and strengthen Medicare. They sent me here to change the destructive welfare system. And they sent me here to relieve them of their overly heavy tax burden.

These are simple things. We can do this, and we should do this now. This was in our job description when we were sent here, and if we don't fulfill those duties, our employers will find someone who will.

MEDICARE'S PROBLEMS SHOULD BE SOLVED INDEPENDENT OF TAX CUTS

(Mr. MILLER of California asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. MILLER of California. Mr. Speaker, it is quite telling on how excited my Republican colleagues get when democrats tell the truth about their plan to cut Medicare by $270 billion. I am sure in their districts they got the same reaction that I got in mine when people learned that those cuts in Medicare were not going to be recycled to improve or extend the longevity of the Medicare Program, but rather much of that money was going to be taken away for the first time in history from the Medicare Program to pay for tax cuts for some of the wealthiest people in this country.

My constituents understood the need to make adjustments in Medicare. What they could not understand was a plan to raid that system, to make the problems worse, and for the first time in history take money away from Medicare for other purposes in terms of the budget.

Medicare ought to be solved within the Medicare system, independent of the drive to pay for tax cuts for the wealthy, to pay for tax cuts for the richest families in this country, while stealing the money from the elderly who need health care that they can afford.

MEDICARE

(Mr. BONO asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. BONO. Mr. Speaker, when I was home in my district last week, I met with constituents to get their input on Medicare. The most consistent question they had was, "Didn't Congress know about the Medicare problem last year or 2 years ago?" I said yes. But, they refused to confront it.

I urge my colleagues to listen to their constituents and listen to the professionals—the doctors, nurses, hospital administrators, and, of course, our seniors. We cannot propose a solution without their recommendations.

In my district, I have set up a task force to come up with some answers and help find the right solution. Let us not be so arrogant that we think we alone can solve this problem without seeking the advice of the people we represent.

My constituents realize that a 30-year-old Government program needs to be reformed and brought into the 21st century. Politicians using scare tactics and acting like demagogs won't accomplish anything. Let's be responsible and confront the issue. And, solve it.

OPPOSITION TO THE DEFENSE APPROPRIATIONS BILL

(Mr. SANDERS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. SANDERS. Mr. Speaker, I rise in strong opposition to the Defense appropriations bill, especially given the priorities currently being established in Congress.

Now that the cold war is over, why do we continue to spend $100 billion a year to defend Europe and Asia against a nonexistent enemy, while at the same time this Congress proposes major cutbacks in Medicare and Medicaid?

Why are we continuing to fund the absurd star wars program, but make disastrous cuts in student loans and education, the future of America?

Why are we expanding the B-2 program at over $1 billion a plane, when the Pentagon has not even asked for any more planes, but we are cutting back on school nutrition programs and child care?

Why are we not cutting the CIA and the other intelligence programs now that the Soviet Union does not exist, but instead are cutting back on Head Start?

CONGRESS MUST BALANCE THE BUDGET AND STRENGTHEN MEDICARE

(Mr. ALLARD asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. ALLARD. Mr. Speaker, in the next few weeks, after decades of fiscal irresponsibility, Congress will at last face up to its fundamental duty to balance the Federal budget. Not since 1969 have Federal expenses matched Federal revenues. Since then, we have compiled a national debt that bears down on our economy like a lead weight, the new Republican Congress is owning up to its commitment to balance the budget as a matter of moral obligation to future generations.

In addition, we are serious about saving the Medicare system. This is not a partisan issue—the President's own Cabinet Secretaries tell us the system is going bankrupt. Republicans find that unacceptable, Mr. Speaker, and our plan will strengthen and preserve Medicare for the sake of America's seniors.

Years ago, Ronald Reagan asked, "If not us, who? If not now, when?" Mr. Reagan's questions still resonate today. For the sake of our children and our parents, we will balance the budget and strengthen Medicare.

□ 1040

SUPPORT FOR U.N. CONVENTION ON THE ELIMINATION OF ALL FORMS OF DISCRIMINATION AGAINST WOMEN [CEDAW]

(Ms. WOOLSEY asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Ms. WOOLSEY. Mr. Speaker, today women from around the globe are meeting in Beijing.

The U.N. Fourth World Conference on Women, despite all of its problems, is turning out to be a testament to the will and determination of women who seek to create a better world for one-half of the world's population. Women today, in Beijing, are taking a stand for women.

Today, in these Chambers, I am asking my colleagues in the House of Representatives to take a stand for women. Today, I am introducing a resolution to urge the Senate to ratify the U.N. Convention on the Elimination of All Forms of Discrimination Against Women, also known as CEDAW.

I hope that the next century will be the first century in the history of humanity where women are not faced with Government sanctioned discrimination. My resolution will be a step in that direction.

I look forward to the Congress of the United States approving my resolution.

WHY I SUPPORT THE B-2 PROGRAM

(Mr. ENSIGN asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. ENSIGN. Mr. Speaker, I rise today in strong opposition to the B-2 amendment. Like my colleagues I have taken a hard look at the B-2 program. In fact, I have gone out of my way to find a reason to vote against the B-2. I came to Washington to cut the deficit and eliminate wasteful programs. I voted against the space station because in my opinion the program did not make sense in the current budget environment.

The same cannot be said for the B-2. The truth is, that I have been unable to find a compelling reason to justify halting this program at 20 planes. The B-2, with its unprecedented combination of stealth, range, and payload is precisely the kind of technologically advanced weapon in which the Congress should invest.

A single B-2 has the ability to complete a mission that would require many more conventional aircraft. This in turn puts far fewer lives at risk. During the Gulf War the stealthy F-117 flew only 2 percent of the missions but hit 40 percent of the targets. The stealthy B-2 has a far greater capability than the F-117. We must keep our technological edge as we move toward the 21st century. The B-2 stealth bomber is the weapon that can meet future challenges.

REPUBLICANS' MEDICARE PLAN DOES NOT MAKE SENSE

(Mr. BROWN of Ohio asked and was given permission to address the House for 1 minute.)

Mr. BROWN of Ohio. Last month, Mr. Speaker, I listened to Ohioans in the 13th Congressional District in a town meeting in Newton Falls, at county fairs in Medina County, Portage County, at a supermarket in Sheffield Lake. People could not believe the Republicans' plan to cut $270 million in Medicare and at the same time turn around and give tax breaks to the wealthiest Americans of the same amount. I say to my colleagues, if you make $300,000 a year, you save $20,000 a year of your taxes under the Republican plan, while, as a Medicare beneficiary, it will cost you $1,000 a year. If you are paying right now as a Medicare beneficiary a premium of about $46 a month, under the Republican plan you will pay somewhere in the vicinity of $110 a month.

Mr. Speaker, that extra $60 or $70 may not sound like much per month to a Member of Congress. But if my colleagues are making $10,000 or $12,000 a year, and they are retired, on Social Security, paying that extra several hundred dollars, $700 or $800 a year, for medical care is an absolute back breaker, and it does not make sense, Mr. Speaker, to make Medicare beneficiaries pay a thousand dollars more a year, all so they can give tax breaks to the wealthy.

Mr. Speaker, it does not make sense.

PERMISSION FOR SUNDRY COMMITTEES AND THEIR SUBCOMMITTEES TO SIT TODAY DURING THE 5-MINUTE RULE

Mr. BALLENGER. Mr. Speaker, I ask unanimous consent that the following committees and their subcommittees be permitted to sit today while the House is meeting in the Committee of the Whole House under the 5-minute rule: the Committee on Banking and Financial Services, the Committee on Commerce, the Committee on International Relations, the Committee on the Judiciary, the Committee on National Security, the Committee on Resources, the Committee on Science, the Committee on Small Business, the Committee on Transportation and Infrastructure, and the Committee on Veterans' Affairs.

Mr. Speaker, it is my understanding that the minority has been consulted and that there is no objection to these requests.

Mr. WISE. Reserving the right to object, Mr. Speaker, the gentleman is correct. The Democrat leadership has been consulted and has no objections to these requests.

Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER pro tempore (Mr. HOBSON). Is there objection to the request of the gentleman from North Carolina?

There was no objection.

MOTION TO GO TO CONFERENCE ON S. 4, THE SEPARATE ENROLLMENT AND LINE-ITEM VETO ACT OF 1995

Mr. CLINGER. Mr. Speaker, pursuant to clause 1 of rule XX, and by direction of the Committee on Government Reform and Oversight and the Committee on Rules, I offer a privileged motion and ask for its immediate consideration.

The SPEAKER pro tempore. The Clerk will report the motion.

The Clerk read as follows:

Mr. CLINGER moves that the House insist on its amendment to the bill S. 4 and agree to a conference with the Senate thereon.

The SPEAKER pro tempore. The gentleman from Pennsylvania [Mr. CLINGER] is recognized for 1 hour.

Mr. CLINGER. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, on February 6 of this year the House passed H.R. 2, to give the President the line-item veto. The Senate followed suit in adopting S. 4, a separate enrollment version of item veto which was both considerably weaker than the House language and which posed substantial administrative burdens.

The disparity between our approaches was obvious, and so for the past several months Representatives of the House and Senate have been meeting informally to sort out the differences between our bills. The meetings have helped to identify areas for compromise and have focused attention on areas of remaining concern, such as the bills' target tax benefit language and en bloc voting provisions.

Because of these informal and bipartisan discussions, it now appears that agreement on the line-item veto is well within reach. House and Senate leaders have agreed that a formal conference is now warranted, and we are prepared to act. But to progress further and achieve a final agreement, the House must agree to a conference. My motion will allow us to move forward through a conference to resolve our few remaining differences and send to the President the bill he has been seeking—the strongest possible line-item veto.

I urge the motion's adoption.

Mr. Speaker, I yield back the balance of my time, and I move the previous question on the privileged motion.

The previous question was ordered.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Pennsylvania [Mr. CLINGER].

The motion was agreed to.

MOTION TO INSTRUCT OFFERED BY MR. WISE

Mr. WISE. Mr. Speaker, I offer a motion to instruct.

The SPEAKER pro tempore. The Clerk will report the motion.

The Clerk read as follows:

Mr. WISE moves that the managers on the part of the House at the conference on the disagreeing votes of the two Houses on the House amendments to the bill S. 4 be instructed to insist upon the inclusion of provisions within the scope of conference making the bill applicable to current and subsequent fiscal year appropriation measures.

The SPEAKER pro tempore. The gentleman from West Virginia [Mr. WISE] will be recognized for 30 minutes, and the gentleman from Pennsylvania [Mr. CLINGER] will be recognized for 30 minutes.

The Chair recognizes the gentleman from West Virginia [Mr. WISE].

Mr. WISE. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I offer this motion on behalf of the ranking member, the gentlewoman from Illinois [Mrs. COLLINS], and the other Democrats on the committee. I would hope that it would be noncontroversial.

Mr. Speaker, my motion does one thing and one thing only. It instructs the House conferees to insist upon an agreement giving the President line-item veto authority over current fiscal year appropriations, not just appropriations that are enacted after the enactment of the line-item veto. In other words, if my colleagues believe in the line-item veto, that they want it to apply as early as possible, that is the purpose of this motion to instruct.

Mr. Speaker, I reserve the balance of my time.

Mr. CLINGER. Mr. Speaker, I yield 15 minutes of my time to the gentleman from New York [Mr. SOLOMON], the chairman of the Committee on Rules.

Mr. Speaker, pending that I would just indicate that, as chairman of the Committee on Government Reform and Oversight, we are pleased to accept the motion offered by the minority to instruct. The motion simply urges conferees to extend the full effect of the line-item veto to the President insofar as the scope of the conference will allow, and it is an eminently reasonable suggestion which fulfills the spirit of the line-item veto legislation.

Mr. Speaker, I yield 2 minutes to the gentleman from Colorado [Mr. ALLARD].

Mr. ALLARD. Mr. Speaker, I also rise in support of the motion.

Mr. Speaker, the report from my constituents during the month of August was very clear: Get on with the task of balancing the budget and downsizing government.

One tool that is going to be critical in the effort to reduce wasteful spending is the line-item veto. I have long supported a line-item veto for the President and have repeatedly introduced legislation to provide for this provision.

Both Houses have passed a line-item veto and it is time to go to conference and get this enacted into law.

I do not care whether the President is a Republican or a Democrat, we should give him a line-item veto, and we should do it now.

Mr. SOLOMON. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I thank the gentleman from Pennsylvania [Mr. CLINGER], the chairman of the Committee on Government Reform and Oversight, for yielding me half of his time. I applaud the chairman for the outstanding work that he and his committee have done to bring the line-item veto bill to this point, along with the gentleman from Florida [Mr. GOSS] and other members of the Committee on Rules who have worked so diligently and so long on this very important issue. I agree with Chairman CLINGER that the gentleman's motion to instruct be accepted.

However, Mr. Speaker, it must not go unnoticed that we are at an historic moment right now, one which some of us have awaited for over 125 years. I recall 17 years ago when I came here with the gentleman from Pennsylvania [Mr. CLINGER] it was the first bill that I introduced in the Congress, and having waited all these years, it is going to be so gratifying to see this bill finally become law.

It is going to mean something to another person that I have such great respect for, and that is the man on whose birthday we passed this line-item veto back on February 6. His name is Ronald Wilson Reagan, one of the greatest Presidents this country has ever known, and, once this passes both bodies and is signed into law by the President, no one will be happier than that former great President.

Mr. Speaker, I reserve the balance of my time.

Mr. WISE. Mr. Speaker, I ask unanimous consent to allow the ranking member, the gentlewoman from Illinois [Mrs. COLLINS], to control the balance of my time.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from West Virginia?

There was no objection.

Mrs. COLLINS of Illinois. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, my motion does one thing, and one thing only. It instructs the House conferees to insist upon an agreement giving the President line-item veto authority over current fiscal year appropriations, not just appropriations that are enacted after the enactment of the line-item veto.

At the outset, I would like to take this opportunity to thank my colleague, the chairman of the Committee on Government Reform and Oversight, for his support for my motion. Although we disagree over the need to give the President line-item veto authority at all, his willingness to give the President this authority over 1996 appropriations, if applicable, demonstrates his fairness and his commitment to the line-item veto as an instrument of fiscal policy.

In fact, the policy of the House-passed bills is to cover current year appropriations, and my motion simply ensures that this will continue to be the policy of the House. As a result of the passage of the amendment offered by the gentleman from Wisconsin [Mr. OBEY], the President would have 10 days after the bill's date of enactment to line-item veto any unobligated funds from previously enacted appropriations for the current 1995 fiscal year.

My motion simply updates the intent of this amendment by instructing the conferees to make the line-item veto applicable to any current year appropriation, which may be fiscal year 1996 by the time the line-item veto conference is concluded.

The Obey amendment, which was adopted on February 3 of this year, received support from both sides of the aisle.

In accepting the amendment for the majority, the distinguished chairman of the Committee on Government Reform and Oversight and manager of this bill, said "it is an excellent addition to what we are trying to do here, which is to get at those elements of pork, wherever they may exist and wherever they exist every year."

Some have suggested that after receiving publicity for passing the line-item veto, some Republican proponents of this legislation wanted to deny President Clinton use of the line-item veto against upcoming fiscal year appropriations which they have written.

Again, the debate from earlier this year makes it clear that this was not their stated intent at the time.

During the floor debate, the distinguished chairman of the Rules Committee, and a manager of the bill, made this very clear and forceful statement, and I quote:

> Well, here we are. We get a Democratic President, and here is Solomon up here fighting for the same line-item veto for that Democratic President. I think this is something that a chief executive in government, regardless of political party, should have, just as 43 Governors of States have it. * * *.

The gentleman from New York went on to say, "I guess I have enough confidence in any President, regardless of political party, to use this new tool selectively and judiciously."

In his closing arguments, the Speaker also went out of his way to make it very clear that he had no interest in playing partisan politics with this issue. This is what the Speaker said at that time:

> For those who think that this city has to always break down into partisanship, you have a Republican majority giving to a Democratic President this year without any gimmicks an increased power over spending, which we think is an important step for America, and therefore it is an important step on a bipartisan basis to do it for the President of the United States without regard to party or ideology.

The record is clear on both points. There was every intention to give the President line-item veto authority over current year appropriations, including those passed prior to the enactment of this bill, and not to deny the President this authority for partisan political reasons.

Mr. Speaker, I personally do not support the line-item veto bill, but if it is the answer to the country's spending problems that its proponents say it is, then this President should have it to deal with appropriations that may soon become law.

Once Congress cedes the line-item veto authority to a President, it is unlikely that it will every get it back. In the future, there will always be Presidents to whom the Congress may not want to give the line-item veto authority, but they will not have that choice. To deny the President line-item veto authority over fiscal year 1996 appropriations is to admit that the line-item veto is a mistake.

Today, I ask all proponents of this measure, to demonstrate again that their purpose is serious, fiscal reform. Vote for my motion to instruct the conferees to insist that the bill continue to apply to current appropriations, including, if applicable, those 1996 appropriations measures that soon will be enacted.

Mr. Speaker, I reserve the balance of my time.

Mr. CLINGER. Mr. Speaker, I yield myself 30 seconds in order to recognize the enormous role that the chairman of the Committee on Rules has played in this whole effort. As he said, starting 17 years ago he has been in the forefront of the effort to bring to fruition the line-item veto, and I commend him for his commitment to this goal over these many years.

Mr. Speaker, I yield such time as he may consume to the gentleman from Massachusetts [Mr. BLUTE], another leader in this effort, who has done a superb job and, hopefully, will be a member of the conference and bring this thing home.

Mr. BLUTE. Mr. Speaker, I thank the gentleman for yielding this time to me.

Mr. Speaker, today the House is taking action to provide the President an important tool necessary to reduce Government spending. As we move to go to conference on the line-item veto, we take a major step toward eliminating wasteful projects which are often buried in public laws without the benefit of public scrutiny.

On February 6 this House passed H.R. 2 by the overwhelming and bipartisan vote of 294 to 134. The Senate unfortunately disregarded that version and went on to pass a somewhat cumbersome line-item veto which would split larger bills into hundreds of pieces when they went to the President's desk.

Separate enrollment, as the other body calls its version, would create many problems, not the least of which would be giving the President writer's cramp from signing the thousands of bills Congress would be forced to send him.

The House, on the other hand, produced a strong, workable bill which preserves the balance of power between the legislative and executive branches while providing the President with more flexibility by allowing a reduction of spending items. I am confident that in working together with the Senate we can come up with a fine compromise.

By the end of this fiscal year, the Federal debt is estimated to be more than $4.9 trillion. In fact, appropriately on Friday, October 13, of this year, the Federal debt will reach the incredible level of $5 trillion. That means a child born today is immediately saddled with an expense of more than $187,000 over their lifetime just to pay the interest on their debt. While it will not in and of itself balance the budget, the line-item veto will be an important tool the President can use as this country moves toward that goal in 2002.

By moving forward on the line-item veto today, we are poised to deliver a long-overdue instrument of fiscal discipline not only to the President, but to the entire system of government here in Washington. Because we have kept our promise to swiftly maneuver the line-item veto through Congress, the days are numbered for wasteful projects rolled into omnibus spending bills.

This is truly an historic day because common sense is finally coming to our National Capital. I want to commend the gentleman from Pennsylvania [Mr. CLINGER] for his tremendous leadership on this issue as well as the gentleman from New York [Mr. SOLOMON], the gentleman from Florida [Mr. GOSS], and many Members of this Congress on both sides of the aisle who think this is a very, very important tool for the President to have.

□ 1100

Mrs. COLLINS of Illinois. Mr. Speaker. I yield 5 minutes to the gentleman from South Carolina [Mr. SPRATT].

Mr. SPRATT. Mr. Speaker, I rise in support of the motion to go to conference and the motion offered by the gentlewoman from Illinois [Mrs. COLLINS] to instruct conferees to H.R. 2, the line-item veto bill. I am pleased, frankly, that we are finally naming conferees, although I am disappointed that it has taken so long. I would like to give some credit to my colleague, the gentleman from Utah [Mr. ORTON], for prodding us to this point in the process.

Mr. Speaker, 8 months ago, February 6, the House passed H.R. 2; the Senate passed its version of the bill on March 23. We did it with great fanfare. In fact, the date that was chosen, February 6, was not fortuitous; it is the birthday of Ronald Reagan. My friend, the gentleman from New York [Mr. SOLOMON], the distinguished chairman of the Committee on Rules, said this was one of the proudest days of his life. The Republican leadership took particular pride in the fact that they were willing to give a Democratic President this substantial accession of power.

The Speaker himself said during the debate:

> For those who think that this city always has to break down into partisanship, you have a Republican majority giving to a Democratic President this year without any gimmicks an increased power over spending.

The distinguished chairman of the Committee on Rules, the gentleman from New York [Mr. SOLOMON], said:

> A few years ago when we started pushing for this legislative line-item veto, there were a few doubting Democrats who said, "Solomon, it is easy for you to support the line-item veto when your party controls the White House, but we bet you will not be so gung ho when we have a Democratic President."

Well, here we are. We get a Democratic President, and here is the gentleman from New York [Mr. SOLOMON] up here fighting for the same line-item veto for that Democratic President.

So in view of all of the fanfare, what has been the fate of this bill? Almost 150 days after the House and Senate have passed it in different versions, and significantly different versions, that is part of the problem, we are finally getting around to appointing conferees. What happened to the gung ho enthusiasm, to the bipartisan spirit? One has to wonder whether the Republican leadership is no longer so sure that it wants to give these broad powers to a Democratic President. One has to wonder whether they are concerned, afraid that this might give the President too much leverage during the upcoming budget battle. Whatever the reasons may be, I hope we can finally go back to that bipartisan spirit, that enthusiasm that was expressed on February 6.

Mr. Speaker, I still have constitutional questions about this bill. As the gentleman from New York [Mr. SOLOMON] knows, every time we brought it up, I have been out here with an alternative that I think is a more workable alternative that would clearly pass constitutional review. However, I finally came around to voting for this, because I think it will help restore credibility in the congressional spending process if we give the President some additional power to cull out wasteful spending and to send it back here for final review.

Mr. Speaker, the question I am raising today is whether we are going to match our rhetoric with action today, and I hope the conferees will not just take their appointment, but move quickly to resolve differences between the House and Senate bill. I think we have to move to the House bill. I think the Senate has come up with an unworkable proposal as well as an unconstitutional proposal.

Let me take just one final moment to urge support for the motion of the gentlewoman from Illinois [Mrs. COLLINS] and to commend the gentlewoman for bringing forward this particular motion. This should not be controversial. All they do is make clear that H.R. 2 applies to fiscal year 1996 spending bills, even if these bills become law before H.R. 2 is finally enacted.

As a result of the delay in passing H.R. 2, the line-item veto bill, it could be interpreted to exclude fiscal year 1996 spending measures from its coverage. It was never the intent of the House, I do not believe when we passed the bill, to exclude fiscal year 1996 spending bills. In fact, when H.R. 2 was considered by the House, we passed the Obey amendment. The Obey amendment gave the President the authority to veto items in fiscal year 1995 appropriation bills within 10 days after passage of H.R. 2, even if H.R. 2 was enacted.

So I do not think that the Collins amendment should be controversial. If we are true to our intent here, true to our purpose, we will make this part of the instruction, and I hope it will come back, the conference report itself, will come back with the Collins provisions incorporated.

Mr. SOLOMON. Mr. Speaker, I yield myself such time as I may consume to briefly thank both my former office neighbor, the gentlewoman from Illinois [Mrs. COLLINS], who is also a Chicago Bears fan along with me, and it looks like they were going to be coming back strong this year, and the gentleman from South Carolina [Mr. SPRATT] for quoting my previous remarks. Yes, I did back in 1979 support the line-item veto for a President called Jimmy Carter, and I supported it later on for a President called Ronald Wilson Reagan, and I supported it later on for a President called George Bush, and I still support it for a President called Bill Clinton, because it is the right thing to do.

Mr. Speaker, I would just say to the gentleman, that he wants us to get back on a bipartisan basis. We are doing that right here, because we are supporting the motion to instruct offered by the gentlewoman from Illinois [Mrs. COLLINS]. We want to make this bipartisan. I intend, as one of the conferees, to make sure that we are going to lean toward the House-passed bill, because much of what the gentleman from South Carolina said is true: There are constitutional problems with the Senate version. Plus, from a practical point of view, it is just totally unworkable, if we are going to have a real meaningful line-item veto that a President can use effectively.

So I look forward to working with those Members, the gentleman from Pennsylvania [Mr. CLINGER], the gentleman from Massachusetts [Mr. BLUTE], the gentleman from Florida [Mr. GOSS], and others who will be conferees to make sure that we get a meaningful line-item veto finally, once and for all.

Mr. Speaker, having said that, I yield such time as he may consume to the gentleman from Florida [Mr. GOSS], another leader on this issue and one of the most fiscally responsible Members of this body, a member of the Committee on Rules, who has led the fight for fiscal responsibility since the day he set foot on this floor.

Mr. GOSS. Mr. Speaker, I rise obviously in very strong support of the House-passed version of the line-item veto. I would point out that taking this up today as we start out the fall session is a promise kept. We said we would do it, we are doing it. I certainly commend the gentlewoman from Illinois [Mrs. COLLINS] and the gentleman from West Virginia [Mr. WISE] for carrying her motion to resolution which we agree with, as we have said, to instruct conferees. I think it is a useful addition.

I would point out that by a vote of 294 to 134 in early February, this House acted, I think, very decisively to grant line-item veto authority to the President. We really are committed to establishing this tool to root out unnecessary or wasteful spending where we can identify it, and we can, and unfair tax breaks as well, where we can identify them. Our colleagues in the other body obviously have come up with a markedly different approach to the line-item veto, as we all know, their so-called separate enrollment process, and I frankly think that is a very cumbersome and complex process, and I do not think it can be effective, but we will discuss that in conference. We are going to have our work cut out for us over there.

Preliminary discussions, however, make me a little optimistic that we are going to be able to make some progress. I think we are beginning to see some wisdom from people on the other side in understanding our position on this and why we think it is going to work better.

I commend particularly the gentleman from Pennsylvania [Mr. CLINGER], the gentleman from Massachusetts [Mr. BLUTE], as well as the gentleman from New York [Mr. SOLOMON], the chairman of the Committee on Rules, for their efforts of really keeping this on the front burner as we have gone along, even at a time, frankly, when some thought the differences between the House and the other body were going to be too great to overcome. We are back at it, and I think that is right where we should be.

Mr. Speaker, this motion to instruct conferees reflects a spirit of bipartisan cooperation, as the gentleman from New York [Mr. SOLOMON] has just reiterated, by urging the conference to move expeditiously so that the line-item veto can begin to work as soon as possible on appropriations measures. This language restates our commitment to implementing the line-item veto expeditiously, as we have promised we would do.

I was down in the district as we all were on this recent break, and I can count on two questions coming up any time I get a gathering of more than two or three people in my district. One of those questions is where is the line-item veto, the other question by them is what about the notch.

Mr. Speaker, let us today support this motion and get on with our work in conference.

Mrs. COLLINS of Illinois. Mr. Speaker, I yield 1 minute to the gentleman from California [Mr. LEWIS].

Mr. LEWIS of California. Mr. Speaker, I appreciate my colleague yielding, and I rise frankly just to suggest to my colleagues a word of caution that I raised with my friend, the gentleman from New York [Mr. SOLOMON], 17 years ago when we were freshmen, about this matter. I agree very strongly with those who are concerned about our deficit and the importance of moving toward a balanced budget.

Having said that, I feel very strongly about local government and State running a lot more than the Federal Government, but there are reasons to have a Federal Government, including our national defense. From time to time in the history of this country we have tended to be penny-wise and pound-foolish in that area. As peace looms on the horizon, many an administration becomes very cautious about spending money in this area. I would rue the day that a President, for example, chose to use the line-item veto to strike the B-2, for example, so critical to our future ability to project peace in the world. So a word of caution, my friends, as we move forward with the steamroller that seems to be heading toward either a direct line or a cliff.

Mrs. COLLINS of Illinois. Mr. Speaker, I yield 1 minute to the gentleman from Wisconsin [Mr. BARRETT].

Mr. BARRETT of Wisconsin. Mr. Speaker, I rise in support of the motion, and I compliment the gentlewoman from Illinois for putting forth this motion.

Mr. Speaker, I think it is time that this body get on with the work that the American people want us to do, and that is to accomplish the line-item veto legislation. When this legislation was first introduced in January, and it is a piece of legislation that I have supported both in this Congress and in the last Congress, I cautioned my constituents, saying that I feared what we would see is we would see quick action in the House, perhaps separate action by the Senate, and then there would be serious delay in getting the two bodies together, and unfortunately that is clearly what has happened up to this point.

But now it is time for us to get to work. Let us do the work that the American people want us to do, let us sit down as conferees, get the differences between the two houses ironed out and give the President the authority to get rid of pork barrel spending and special interest tax breaks.

Mrs. COLLINS of Illinois. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I want to take just this moment to thank the ranking member of the Committee on Government Reform and Oversight, the chairman, for his assistance in this matter and for the spirit of cooperation that he has always dealt with the minority on this particular matter. He has done so repeatedly, and he has always been there to discuss these very important issues with us.

I want to also thank the chairman of the Committee on Rules who, I am glad to say, is still a very avid fan of the Chicago Bears and, along with him, I too hope that we are successful this term.

Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

Mr. CLINGER. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I want to thank the gentlewoman from Illinois, the ranking member. We may not always agree, but we are always very civil and she has always been very cooperative in accomplishing what needs to be accomplished.

Mr. Speaker, I would just point out again that this measure did have broad bipartisan support when it came before the House in February. I am pleased that we come out of this motion today again united, with bipartisan support, in moving forward and trying to address the issues with the other body.

Mr. ORTON. Mr. Speaker, I rise in strong support of the motion to instruct conferees, which seeks to apply line-item veto legislation to all fiscal year 1996 spending bills.

I am pleased to see House leadership appoint conferees today for H.R. 2, the line-item veto legislation. This move is long overdue. On February 6, the House approved H.R. 2, the line-item veto bill, by the overwhelming majority of 294 to 134. Line-item veto was a key component of the Contract With America. The Senate passed a line-item veto bill in March. However, it is almost 6 months later, and we are finally getting around to appointing conferees.

As a strong supporter of line-item veto, I became increasingly distressed this summer to hear statements from leadership that line-item veto was dead for the year. In an effort to increase pressure to revive this bill this year, I attempted to offer an amendment to each of the five remaining appropriations bills to apply the provisions of H.R. 2 to those individual appropriations bills. My concern was that even if we passed line-item veto this year, a delayed agreement would mean that over $500 billion in fiscal year 1996 spending would not be subject to line-item veto.

When I was denied the opportunity to offer this amendment, I then introduced a House resolution on the last day before recess calling on House leadership to appoint conferees. This resolution was cosponsored by 66 Members of the House. My resolution also stated the sense of the House that we should not send appropriations conference reports to the President unless we took steps to apply line-item veto to such conference reports.

The motion to instruct conferees goes to the heart of this issue. The motion instructs conferees to insist that line-item veto be applicable to any current or subsequent fiscal year appropriations bills—which would include all 1996 spending bills. It is my understanding that leadership will accept this motion. I applaud this constructive move, and again, support the action we are taking today to begin the conference process on line-item veto.

Finally, I would like to acknowledge that finding an agreement between the House and Senate will not be an easy chore. While there is a clear majority in both the House and Senate in favor of some form of line-item veto or enhanced rescission, there are honest disagreements over the best form of such legislation.

However, I have never understood why the potential difficulty of reaching agreement should prevent us from even trying. That is why I have pushed so hard to begin the process. It is my hope that we can move expeditiously to reach an agreement and send a line-item veto bill to the President for his signature into law.

However, the appointment of conferees and the motion to instruct still provide no assurance that line-item veto will apply to 1996 spending bills. Therefore, I reiterate my call to apply line-item veto provisions to each spending bill that we send to the President this year—and to urge that we make every effort to make sure that every dollar of discretionary spending is subject to the fiscal scrutiny of Presidential authority to veto individual items of pork barrel or unnecessary spending. If we can do so, we can help restore taxpayer faith that their tax dollars are spent wisely.

Mr. CLINGER. Mr. Speaker, I yield back the balance of my time.

Mrs. COLLINS of Illinois. Mr. Speaker, I move the previous question on the motion to instruct.

The previous question was ordered.

The SPEAKER pro tempore (Mr. HOBSON). The question is on the motion to instruct offered by the gentleman from West Virginia [Mr. WISE].

The motion was agreed to.

The SPEAKER pro tempore. Without objection, the Chair appoints the following conferees: Messrs. CLINGER, SOLOMON, BUNNING, DREIER, BLUTE, and Mrs. COLLINS of Illinois and Mr. SABO and Mr. BEILENSON.

There was no objection.

GENERAL LEAVE

Mr. YOUNG of Florida. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the bill, H.R. 2126, making appropriations for the Department of Defense for the fiscal year ending September 30, 1996, and for other purposes, and that I may be permitted to include tabular and extraneous material.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Florida?

There was no objection.

PROCEDURE FOR CONSIDERATION OF CERTAIN AMENDMENTS DURING FURTHER CONSIDERATION OF H.R. 2126, DEPARTMENT OF DEFENSE APPROPRIATIONS ACT, 1996

Mr. YOUNG of Florida. Mr. Speaker, I ask unanimous consent that further consideration of the bill H.R. 2126 in the Committee of the Whole pursuant to House Resolution 205 shall also be governed by the following order:

Before consideration of any other amendment it shall be in order to consider the following amendments—identified by their designation in the CONGRESSIONAL RECORD pursuant to clause 6 of rule XXIII—each of which may be considered only in the order specified, may be offered only by the Member—or one of the Members—specified, may amend portions of the bill not yet read for amendment, may amend portions of the bill previously amended, shall be considered as read, shall be debatable as specified, shall not be subject to amendment except as specified, shall not be subject to a demand for division of the question in the House or in the Committee of the Whole, and shall not otherwise be in order during further consideration of the bill for amendment: One of the amendments numbered 10, 11, 18, 34, or 56, by Representative KASICH or Representative OBEY, to be debatable for 60 minutes, with 10 minutes controlled by Representative KASICH, 10 minutes controlled by Representative DELLUMS, 10 minutes controlled by Representative OBEY, 15 minutes controlled by Representative DICKS, and 15 minutes controlled by Representative YOUNG of Florida; one or more of the amendments numbered 37, 58, 59, or 61, by Representative OBEY, to be debatable in the aggregate for not more than 20 minutes equally divided and controlled by the proponent and an opponent; and one of the amendments numbered 3 or 15, by Representative DORNAN, together with the amendment numbered 48 as a substitute therefor, by Representative DELAURO, to be jointly debatable for 30 minutes equally divided and controlled by Representatives DORNAN and DELAURO.

□ 1115

The SPEAKER pro tempore (Mr. HOBSON). Is there objection to the request of the gentleman from Florida?

There was no objection.

DEPARTMENT OF DEFENSE APPROPRIATIONS ACT, 1996

The SPEAKER pro tempore. Pursuant to House Resolution 205 and rule XXIII, the Chair declares the House in the Committee of the Whole House on the State of the Union for the further consideration of the bill, H.R. 2126.

□ 1116

IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill (H.R. 2126) making appropriations for the Department of Defense for the fiscal year ending September 30, 1996, and for other purposes, with Mr. SENSENBRENNER in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. When the Committee of the Whole rose on Monday, July 31, 1995, the amendment offered by the gentlewoman from Oregon [Ms. FURSE] had been disposed of and title III was open for amendment at any point.

Pursuant to the order of the House of today, further consideration of the bill for amendment in Committee of the Whole may not exceed 5 hours, exclusive of time consumed by recorded votes and proceedings incidental thereto.

Before consideration of any other amendment it shall be in order to consider the following amendments—identified by their designation in the CONGRESSIONAL RECORD pursuant to clause 6 of rule XXIII—each of which may be considered only in the order specified, may be offered only by the Member—or one of the Members—specified, may amend portions of the bill not yet read for amendment, may amend portions of the bill previously amended, shall be considered as read, shall be debatable as specified, shall not be subject to amendment except as specified, shall not be subject to a demand for division of the question in the House or in the Committee of the Whole, and shall not otherwise be in order during further consideration of the bill for amendment: One of the amendments numbered 10, 11, 18, 34, or 56, by Representative KASICH or Representative OBEY, to be debatable for 60 minutes, with 10 minutes controlled by Representative KASICH, 10 minutes controlled by Representative DELLUMS, 10 minutes controlled by Representative OBEY, 15 minutes controlled by Representative DICKS, and 15 minutes controlled by Representative YOUNG of Florida; one or more of the amendments numbered 37, 58, 59, or 61, by Representative OBEY, to be debatable in the aggregate for not more than 20 minutes equally divided and controlled by the proponent and an opponent; and one of the amendments numbered 3 or 15, by Representative DORNAN, together with the amendment numbered 48 as a substitute therefor, by Representative DELAURO, to be jointly debatable for 30 minutes equally divided and controlled by the Representatives DORNAN and DELAURO.

Are there any amendments to title III?

AMENDMENT OFFERED BY MR. KASICH

Mr. KASICH. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment offered by Mr. KASICH: Page 23, line 17, strike "$7,162,603,000" and insert "$6,669,603,000".

The CHAIRMAN. Pursuant to the unanimous-consent agreement previously agreed to, the gentleman from Ohio [Mr. KASICH] will be recognized for 10 minutes, the gentleman from California [Mr. DELLUMS] will be recognized for 10 minutes, the gentleman from Wisconsin [Mr. OBEY] will be recognized for 10 minutes, the gentleman from Washington [Mr. DICKS] will be recognized for 15 minutes, and the gentleman from Florida [Mr. YOUNG] will be recognized for 15 minutes.

The Chair recognizes the gentleman from Ohio [Mr. KASICH].

Mr. KASICH. Mr. Chairman, I yield myself 4 minutes.

Well, we have been through this so many times now, it is kind of hard to bring additional facts to the table, but it seems as though every day we turn around in regard to the B-2 bomber there is another interesting development.

In this morning's Wall Street Journal, the head of the Air Force procurement program, the Air Force general in charge of the procurement programs for the Air Force, so Members of Congress, if you are concerned about the C-17, if you are concerned about any of the acquisition programs of the Air Force, General Muellner, said despite the wishes of many in Congress, quote, the Air Force cannot afford to buy more than 20 B-2 stealth bombers. The bottom line is the budget will not support it, he said. I really believe that.

I mean when we have no one in the Pentagon that wants this airplane, when we have the General Accounting Office talking about the performance problems and performance issues associated with the aircraft, when the cost of the airplane is not affordable, and I ask Members how they can go home and defend the billion dollar airplane while at the same time we are trying to squeeze savings out of this Federal budget, and at a time when the mission of this airplane, which was to invade the Soviet Union in the middle of the nuclear war is over, how the heck can we go forward and tell the Pentagon to buy more?

I will say to my Republican colleagues one of the many criticisms that I have encountered over the break is how is it that we want to squeeze down funding for certain programs but yet we want the Pentagon to spend $7 billion more than what they have asked for. Now, some people say that generals do not tell the truth any more, that they are all political. Well, it is interesting, in the last administration the generals' words were good. Now the generals are all political.

Mr. Chairman, I would submit to Members that as one who has questioned aggressively the brass in the Pentagon and the civilians in the Pentagon, I have never yet seen the Pentagon come to Capitol Hill and ask for less spending. It blows my mind that the Pentagon could come and ask for less spending and we keep telling them we know better.

When the general in charge of acquisition for all the major weapon systems for the Air Force says we do not want the plane, we cannot afford the plane, folks, it is time to come to the floor and make a big chop out of the stack of wood labeled corporate welfare and adopt this amendment and abide by the agreement we made several years ago to limit this plane at 20.

The issue that if you have the B-2 you will not need these other planes to carry out the mission is an argument that is also beyond my understanding for this reason. No one is suggesting we retire the F-15's or the F-16's. No one is suggesting that that whole list of aircraft that are supposed to be used will not be used or be retired. In fact, there are additional costs associated with the B-2, including the cost of forward funding, protecting the planes, additional tankers.

Mr. Chairman, the simple fact of the matter is, in a nutshell, and it is kind of hard to lay much more out there, if the guys in the Pentagon, if the guys in the field who are running the military of the United States do not want this plane, if the Pentagon does not want it, if the mission has evaporated, if we are in tough budget times, now is the time to live up to the deal and limit the acquisition to 20. Support the Kasich-Dellums-Obey amendment.

Mr. DICKS. Mr. Chairman, I yield myself 1 minute.

I want to speak against the amendment. On January 4, 1995, seven former Secretaries of Defense, Mel Laird, Jim Schlesinger, Donald Rumsfeld, Harold Brown, Caspar Weinberger, Frank Carlucci, and Dick Cheney wrote the President of the United States a letter and said in their experience that stopping the B-2 at 20 was a serious mistake in judgment.

I think those seven former Secretaries of Defense, six of which were Republicans, and Harold Brown, who was the man who started this program, should be given serious consideration by this Congress. This line is open now. If we could procure the planes now, we can save the taxpayers a considerable amount of money.

Mr. Chairman, this is the most important defense issue that we are going to consider in this decade. The F-117 stealth attack aircraft worked effectively in the gulf. It showed that we could operate autonomously without support aircraft. The B-2 is a bigger and better version of that aircraft.

Mr. OBEY. Mr. Chairman, I yield myself 3 minutes and 30 seconds.

Members, I find this whole debate absolutely mind boggling. For the last month, the Congress has passed appropriation bill after appropriation bill and we have cut education, we have cut student loans, we have cut low-income heating assistance programs for poverty-ridden senior citizens, we have cut science budgets, we have cut virtually everything you can think of on the domestic side of the ledger, and yet some of the same people who enthusiastically embraced those cuts are now saying, oh, but we have to have more spending on this turkey of a B-2 bomber.

We are now being asked to spend money to buy more B-2's than the Pentagon itself is asking for, more than the President is asking for, and we are told that because some former Secretaries of Defense would like us to buy some of these toys, that we ought to do it. I would suggest the right people to ask are not former Secretaries of Defense but the former Directors of the Office of Management and Budget, because I will bet you, if you ask any of them, they will tell you that we simply cannot afford this plane, either militarily or fiscally.

Now, we can get into all of the discussions we want about whether or not this money would be better spent on the domestic side of the ledger than the defense side of the ledger. Let us say it is not going to be. I would submit that we still have to face the fact, and this Congress must face the fact, that we cannot afford to buy the items that we are already promising to buy in the Pentagon budget. We cannot afford to buy the items that we are listing in the Pentagon budget unless we eliminate the additional purchases of the B-2 plus one other major weapon system at least.

Mr. Chairman, while in the near years, the congressional Republican budget would be higher than the President's budget on defense, after 7 years this budget is lower than the President's budget, and we simply do not have the room in the defense budget to buy every little item we would like to buy.

□ 1130

I just want to put this in context for those who think we can afford this. We have some tough choices we have to make. The cost of one of these bombers would pay for the cost of tuition for every single student at the University of Wisconsin for the next 11 years. That is all. The cost of these bombers, which is highly disputable to begin with, because we have three different estimates of what they are likely to cost, but no matter how we slice it, we cannot afford the cost when measured against domestic priorities, we cannot afford the cost when measured against other military priorities, and we ought to pass this amendment and turn down this ridiculous spending today.

Mr. YOUNG of Florida. Mr. Chairman, I yield 2 minutes to the distinguished gentleman from California [Mr. LEWIS], a member of the Committee on Appropriations.

Mr. LEWIS of California. Mr. Chairman, I thank the gentleman for yielding me this time.

Mr. Chairman, I first want to express my deep appreciation to my colleagues who have worked so hard on this matter, a very critical issue to America's future ability to not just defend itself, but to represent freedom and peace in the free world. I especially want to stress my appreciation to my colleague, the gentleman from California [BUCK MCKEON] who has taken the lead on this work from our perspective, and has done a fantastic job of finding out where the votes really are.

The issue before us will close the B-2 line forever, Mr. Chairman. That is the heart of my concern. I strongly oppose this effort. The advent of stealth has revolutionized the way we think about air warfare, an important facet of our Nation's defense. The B-2 is far and away the most advanced weapon system this world has ever seen. The value of this new stealth capability was evident in the gulf war with the F-117. The F-117 production line is already closed. The B-2 bomber takes this technology one major step further.

The B-2 can fly six times farther than the F-117, carry eight times more precision payload, and destroys targets with greater accuracy than any other aircraft that the world has ever seen. For example, a force with 30 B-2's loaded with modern weapons could have engaged as many targets on the first day of the Persian Gulf war as the 1,263 aircraft that were used. This is an amazing fact. The B-2 will save lives as well as money. It will conserve resources in the long run and will create a capability that the U.S. military forces alone will have, and that we desperately will need.

This body has always followed the philosophy that U.S. soldiers, sailors, and airmen must be sent in harm's way fully prepared and equipped for victory. Now is not the time to reverse that philosophy. The citizens of our Nation will not stand for more Scott O'Gradys.

As we continue to close bases around the world, we need the power projection which the B-2 gives us. The B-2 can be almost anywhere in the world in 12 hours.

Several opponents have cited a severely flawed GAO study, stating that the B-2 can't operate in a rainstorm or is not as stealthy as reported. I was pleased to see Secretary Kaminski strongly refute each point in that study. We heard that the draft was not even reviewed by the GAO's chief scientist before it was leaked to the press.

Secretary Kaminski stated in his rebuttal:

> The radar is performing in rain as expected during this stage of its development. There is no indication that the radar's performance while flying through rain will not fully meet requirements.
>
> Testing to date has not identified any areas that will prevent the B-2 from meeting its operational stealth requirements.
>
> The detectability and survivability testing completed to date has been entirely successful in confirming expected B-2 performance.

Even General Horner who was in charge of air operations during the Persian Gulf war states that the "delivered B-2 aircraft have demonstrated, without qualification, that the B-2 is a superb weapon system—performing even better than expected."

As a member of the Intelligence Committee and the Appropriations Subcommittee that handles Defense, I could never in good conscience vote to close the only bomber production line in this country, especially one as advanced as the B-2.

Proponents of this amendment state that we can't afford to keep the only bomber production line in this Nation open. Let me assure you, for our sons and daughters, our grandchildren and great-grandchildren, for pilots like Scott O'Grady, we can't afford not to. Vote "no" on the Obey-Dellums-Kasich amendment.

Mr. KASICH. Mr. Speaker, I yield 2 minutes to the gentleman from Iowa [Mr. GANSKE].

Mr. GANSKE. Mr. Chairman, let us look at the cold hard facts.

The budget resolution conference report contains significantly less money for defense than the House Defense authorization bill that was passed earlier. The House appropriations ceiling for defense has since been adjusted accordingly. The result is that the B-2 is now even less affordable.

Simply put, the enormous outyear "tail" of the B-2 was not budgeted to begin with, and now there is even less money than was believed available at the time of the B-2 authorization vote. The fiscal arguments against the B-2 are now stronger than ever.

The results of the heavy bomber industrial capabilities study have been released. It contradicts assertions that new B-2's are needed to keep a bomber industrial base alive. The study states that, first, there is no distinct bomber industry and that bomber production efficiently shifts between prime contractors over the years, and second, a restart of the production line, if necessary, would not be costly nor present any technical difficulty.

Finally, the General Accounting Office has completed a report on the current status of the B-2 cost, development, and production efforts which is highly critical of the program.

The report states the aircraft has not passed most of its basic tests, is not as "stealthy" as advertised, and its new, next-generation terrain following/terrain avoidance radar cannot distinguish the difference between a rain cloud and a mountain. Furthermore, the GAO warns of persistent technical and production problems that will directly translate into cost growth. Indeed, B-2 proponents found it necessary to write into the Defense authorization bill a repeal of the cost cap—a cap of $44.4 billion on the original 20 aircraft.

The case against additional procurement is clear. Support sound fiscal policy. Support sound defense spending. Support the Kasich amendment.

Mr. DICKS. Mr. Chairman, I yield 3 minutes to my classmate and good friend, the distinguished gentleman from Missouri, Mr. IKE SKELTON, one of the truly outstanding defense experts in the House of Representatives.

Mr. SKELTON. Mr. Chairman, I speak today to keep this House of Representatives from making a mistake. This House made a mistake in the past. In 1939 it sent a message when it failed to spend those dollars necessary to upgrade the harbor at Guam, telling the Japanese Empire that we would not defend the Pacific.

If we turn down additional B-2's and adopt this amendment, we will be sending a message that deterrence does not count. We will be sending a message that we will not take the best advantage of our technological superiority and put it into the defense of our wonderful Nation.

Mr. Chairman, I oppose this amendment. Today's debate will shape the future not only of our United States Air Force, but of our national defense. It is a debate affecting American air doctrine and a debate about our ability to meet the basic requirements of our national military strategy. Additional B-2's are important for modernizing our aging fleet, and it is aging; maintaining our technological edge, for which America has always been in the forefront; and maintaining within the Air Force an ability to project force against an enemy from a great distance.

Our Nation's strategic position is unique. The national military strategy requires our Armed Forces to prepare for nearly two simultaneous major regional contingencies, and we should keep in mind that we came within a gnat's eyelash, a gnat's eyelash, of conflict three times last year: in Haiti, in North Korea, and again with Saddam Hussein.

Mr. Chairman, an effective long range bomber force is essential to meet the requirements of our strategy. We must continue this line. Over the past 70 years, air power has lifted from our soldiers and sailors the burden of maintaining peace, alone; this is an additional weapons system of deterrence.

The gulf war ushered in a new chapter of air power. As the deep strike mission complemented our air forces at sea and on the ground, a new level of performance was reached. In the first 48 hours of Desert Storm, American air power crippled Iraqi air defense, wrecked major command centers, destroyed military communications, prevented Saddam Hussein from broadcasting by radio or television. This was done by the stealth technology. What this B-2 does is add stealth technology to long-range capability. It is a necessary step for our country.

The CHAIRMAN. The Chair notes that the gentleman from Florida [Mr. YOUNG], as manager of the bill, has the right to close on this amendment.

Mr. OBEY. Mr. Chairman, I yield myself 3 minutes.

Mr. Chairman, I note the applause for the last speaker, and I certainly share the House's affection for him, but let us stop the hyperbole and look at the realities. We are told by the last speaker that if we do not fund the B-2 that we are not interested in deterrence. What a line of baloney. What a line of baloney.

This chart demonstrates what has happened to Russian military budgets, in red, since 1989 versus what has happened to the United States defense budget. As we can see in the blue, the United States budget has dropped in minor ways. The former Soviet Union budget has dropped precipitously. The Russian military budget has been cut by some 70 percent. As we can see, the U.S. military budget cuts are markedly less than that. So much for the idea that we are not engaging in deterrence.

People will say, "Well, but you have some of those rogue states out there. We have to be prepared to deal with them." OK. Let us take a look at the potential enemies list. If we take a look at what the United States spends as a portion of the world's military budget, and then if we take a look at what all of the rogue states spend—down here on the chart—excluding for the moment China and Russia, we have the lion's share of military expenditures in comparison to that tiny little sliver for the rogue states, and if we add into it every dime being spent by China or by Russia, it demonstrates that the United States still has overwhelming superiority, not just in military quality but in military budgets.

These two charts would show the United States dominance in terms of military spending and would show a clear and substantial excess of United States defense spending over Russian spending. To argue that that demonstrates that we are not providing military deterrence is patently laughable. If we want to argue the specifics of the B-2, go ahead, but do not for 1 minute suggest that the United States security is threatened by not buying that flying turkey. The only thing that is threatened are the corporate budgets of the people who build that plane.

Mr. YOUNG of Florida. Mr. Chairman, I yield 2 minutes to the distinguished gentleman from Texas, Mr. SAM JOHNSON.

Mr. SAM JOHNSON of Texas. Mr. Chairman, it is not a question of really dollars; it is do we want to defend this country or do we not? The question is, do we want an aircraft that is capable, or do we not? The B-52, which they say can be extended way out there, cannot be. That airplane helped get me out of Vietnam when I came within 2,500 feet of us, scared the Vietnamese to death, and ended the war. However, they are old.

I got a chance to fly one at Seymour Johnson in Goldsboro, NC, when I came back from the very outfit that had bombed Hanoi, and I will tell the Members, when I flew that airplane it scared me to death, because I looked at it and the skin is all wrinkled, the airplane is old. They are hard to maintain. You did not know if they are hard to maintain. You did not know if they were going to fly. Just recently, this picture illustrates what happened to one of our B-52's. Members may have read about it in the paper. Two of the engines fell off of the thing. That is how old they are. Not only that, but they damaged the wing, which we can see there on the left, and damaged one of the other engines. They could not even jettison their fuel, which newer aircraft can. They could not land immediately. They had to fly around until they got some of their fuel out in a bad airplane.

You are asking us to extend the life of this aircraft 30 more years. That is absolutely ludicrous, asking our military to fly in a piece of junk, and that is about what the B-52's are today. For 30 more years, risking the lives of our men, our servicemen, is against the will of the Nation, I believe.

It is time to buy new aircraft and it is time to keep the B-2 line open. It is a superb airplane. It can do the job. It has been proven that it gives our military and added capability that is immeasurable, and it is a program we cannot do without.

Mr. DICKS. Mr. Chairman, I yield 1 minute to the distinguished gentleman from Texas [Mr. FROST], one of our leaders.

Mr. FROST. Mr. Chairman, I rise in opposition to the amendment being offered by the gentleman from Ohio [Mr. KASICH].

The B-2 is an essential component of our overall national defense capability. We live in an increasingly dangerous world, and a significant bomber capability is needed to ensure military preparedness and to protect our national interests.

The events of the last few years since the wall came down in Berlin and the Soviet empire began crumbling have vividly demonstrated that the world continues to be one where hazards abound. The Persian Gulf war certainly emphasized the point that the U.S. can never let down her guard, and that threats to our security interests may pop up at any time throughout the world.

The B-2 is an incredibly powerful and effective aircraft. Just one B-2 plane is needed to carry out a military mission that would normally require an entire squadron of planes. Thus, for a given military operation, only 2 pilots' lives will be put at risk when the B-2 bomber is used.

It's imperative that we maintain all aspects of our military readiness in order to respond to threats. And maintaining readiness requires that we continue to modernize our bomber fleet with the best, most up-to-date equipment we can. The B-2 is a quality aircraft that provides stealthiness, long-range flying capability, and the ability to deliver large payments, on target.

Mr. Chairman, the B-2 provides our Nation with important security. I urge my colleagues to reject the Kasich amendment, and support the B-2 bomber.

□ 1145

Mr. DICKS. Mr. Chairman, I yield 1½ minutes to the distinguished gentleman from California [Mr. FAZIO], the chairman of the Democratic Caucus in the House of Representatives and one of the most knowledgeable Members on defense matters in this House.

Mr. FAZIO of California. Mr. Chairman, despite the comments of my colleague from New York, let me proceed briefly in opposition to the Dellums-Kasich amendment.

I rise in opposition to the Dellums-Kasich amendment to the Defense appropriations bill, and I urge my colleagues to support continued long-lead funding for the B-2 stealth bomber.

We live in uncertain times. Although we cannot predict the course of international events, we can ensure that we have, at our disposal, the resources to protect our vital, national security interests.

Recent events in Bosnia provide just one example of our continued need to maintain a flexible, advanced fighting force.

The B-2 stealth bomber is an integral component of the fighting force of the future. It is the tactical component of our commitment to military readiness. But it is more than that.

With the aid of a revolutionary design, the B-2 is ready to strike for freedom at a moment's notice, across vast distances, with deadly accuracy.

As we bring our troops home from forward bases overseas, we are compelled to consider our ability to initiate military operations from American soil. The B-2's long-range capabilities make this necessity a reality.

While evading the world's most advanced air defense systems, the B-2 can hit its targets with precision, and return safely home.

Most importantly, our mission can be accomplished without placing the lives of tens of thousands of U.S. soldiers in jeopardy.

The B-2 allows us to react quickly, and with resolve, to regional or multiregional conflicts around the globe.

From a technical standpoint, the B-2 represents an unparalleled achievement.

In the past, we augmented our fighting forces with a entire battalion of escorts, radar jammers, and suppressors.

"The B-2," according to former Air Force Chief of Staff Gen. Merrill A. McPeak, "offers a much more satisfying and elegant solution: avoid detection, and tip the scales back in favor of flexibility and offensive punch."

In light of our renewed commitment to fiscal responsibility and deficit reduction, some have questioned our ability to continue investing in this program. We are right to reassess our priorities, and subject the defense budget to the same careful scrutiny we bring to other segments of the Federal budget.

But, for the sake of short-term fiscal expediency, we should not sacrifice our long-term national security interests. The B-2 program is the capstone of a $45 billion investment.

If we back down now, we will undercut this Nation's advanced technology base and risk tying our hands in the event of future conflict.

I would also like to point out that the B-2 represents a way for us to leverage our resources. Just one B-2 can pack the same punch as a much larger conventional force—some estimates suggest a force as large as 75 aircraft.

Finally, Mr. Chairman, I realize that while Republicans continue to make devastating cuts in education and other important programs, it is difficult to support more B-2's.

But I caution my colleagues to remember that if the B-2 is defeated, that will only mean more wasted money on Star Wars and larger unwarranted defense budgets in the future.

So, I would ask my colleagues to support the B-2 and defeat the Dellums-Kasich amendment.

Mr. DICKS. Mr. Chairman, will the gentleman yield?

Mr. FAZIO of California. I yield to the gentleman from Washington.

Mr. DICKS. Mr. Chairman, there have been two major studies, one by Rand and one by Jasper Welch. I even asked Colin Powell, "What did you recommend to Dick Cheney?" He answered 50. The numbers in the two studies are somewhere between 40 and 60 B-2's are what are required to give our Nation a deterrent force for the next 30 years.

The idea that we are going to rely on planes that are today on the average 35 years old I think is a serious mistake in judgment. Stealth is a revolutionary technology. When combined with precision-guided munitions and its range, it gives us a whole new kind of capability.

Mr. YOUNG of Florida. Mr. Chairman, I yield 2 minutes to the distinguished gentleman from California [Mr. MCKEON].

Mr. MCKEON. Mr. Chairman, I appreciate the gentleman yielding me the time.

Mr. Chairman, today we will hear a lot of facts and figures from proponents and opponents of the B-2 program. However, I believe that we should look back in history when we consider whether to continue production of the B-2.

Let me first go back 3 months ago when Capt. Scott O'Grady was shot down in a mission over Bosnia. As we remember, our whole Nation was focused on the fate of this young pilot, and we did not even know his name or anything else about him at the time.

The fact today is that the American people are unwilling to accept large war casualties, and I support them in that. In order to minimize American casualties, we need to ensure that our military forces are equipped with the means necessary to defend U.S. interests in an environment where many nations possess deadly offensive weapons.

Let me go back a little further in history. Every time, as the gentleman from Missouri [Mr. SKELTON] pointed out, that we have redirected defense spending to nondefense programs, we have had to eventually build up our military forces. I realize this money for the B-2 can be used on a number of other programs but can proponents of those other programs guarantee to me, to this body and to the American people that the United States will not need a bomber force in the future?

We have 15 years invested in this and over $40 billion, and now when they can build the planes cheaper, when the production line is there, we are talking about cutting it. That just does not make sense. I do not think that they can guarantee that, and the real issue is, if B-2 production is capped, our ability to produce modern bomber aircraft will vanish quickly. History has demonstrated that it will again be necessary to produce these aircraft, which will then require a massive expenditure in the future.

I have been to the floor. I have seen where these planes are made. I have talked to the people that are building these planes. To lose this capability and this ability is something that we should not even be talking about here today. It is important for us for our future. I urge support of this bill and opposition to the Obey-Dellums-Kasich amendment.

Mr. DICKS. Mr. Chairman, I yield myself 30 seconds. I want to compliment the gentleman for his statement. He has become one of the most knowledgeable Members about the B-2.

There is one other item that I would like to mention. B-2's and F-117's save American lives. When we send a bomber or that F-117 in harm's way, they are going to come back because they are stealthy.

Captain O'Grady got shot down in an F-16, and the French Mirage was shot down. Why? Because they are not stealthy airplanes. We in this Congress have a responsibility to put the young men and women serving in our military in the best airplanes we have got.

Mr. KASICH. Mr. Chairman, I yield 2 minutes to the gentleman from Arizona [Mr. KOLBE], a distinguished member of both the Committee on the Budget and the Committee on Appropriations.

Mr. KOLBE. Mr. Chairman, let me first congratulate Chairman YOUNG and the ranking member, Mr. MURTHA, for writing a responsible spending bill that improves quality of life for our troops, but recognizes that we must pick carefully among competing programs to select those that yield the best results for our national security interests. Our resources are not unlimited, and this bill acknowledges that reality.

It is in that spirit that I rise in support of the Kasich amendment to eliminate funding earmarked for production of additional B-2 bombers. Set aside the fact that Air Force Chief of Staff, General Fogleman, has concerns about the fiscal ramifications of producing more B-2's. And set aside the DOD commissioned study by the Analytical Sciences Corp. that concluded that the United States does not need to keep producing Stealth bombers to preserve bomber-manufacturing capabilities. But do not set aside the basic issue—and that is status of our strategic nuclear force structure and our ability to project nuclear force. That is the proper focus of this debate.

Our nuclear triad depends not just on the B-2, of which we will have 20 by fiscal year 2000, but on our *Ohio*-class strategic submarines, land-based ICBM's, and B-52 bombers. Will our nuclear posture crumble without additional B-2 procurement? The answer is clearly, decisively, "no."

This is a time we are making difficult choices in all Federal agencies and programs. We must also look to our defense establishment for budgetary savings—but only when it is entirely consistent with our national security interests. Military leadership has told Congress that additional procurement of the B-2 is a luxury we cannot afford in future fiscal years, I am not willing to sacrifice other badly needed weapons systems which will become available in future years, nor sacrifice continued readiness on the altar of additional B-2 procurement.

I urge my colleagues to support the Kasich amendment.

Mr. YOUNG of Florida. Mr. Chairman, I yield 1 minute to the distinguished gentleman from Mississippi [Mr. WICKER].

Mr. WICKER. Mr. Chairman, I rise in opposition to the Kasich amendment, and I want to respond to some of the arguments that have been made.

The statement has been made that we are cutting everything else except defense. Well, I think the American people want us to find budget savings. I think they want us to balance the budget. We spend a lot of money on worthwhile projects in this Federal Government, but not all of them are absolutely essential to our survival as a nation.

National defense, on the other hand, is a constitutional responsibility that only the Federal Government has. Providing for the common defense is right there in the preamble to the Constitution, and if the U.S. Congress does not provide those funds, they will not be provided by anyone else.

When 7 former Secretaries of Defense write to the President of the U.S. and say that the B-2 bomber is central to meeting the challenge to U.S. security over the next decades, then we as a Congress ought to sit up and take notice of that.

I urge Members to defeat the Kasich amendment.

Mr. YOUNG of Florida. Mr. Chairman, I yield 2 minute to the gentleman from Louisiana [Mr. LIVINGSTON], the very distinguished chairman of the Committee on Appropriations.

Mr. LIVINGSTON. Mr. Chairman, I appreciate my friend from Florida, the distinguished chairman of the subcommittee, yielding me the time.

The gentleman from Ohio has asked how we can defend spending money on the B-2's. It is very simple. The B-52's are 35 years old now. We have to plan for the threat 30 years out. They will be 65, 70 years old by the time a far envelope threat might arise.

The 117's did a great job. They were stealthy. They worked in Desert Storm. But they are fighter planes. They cannot deliver the munitions. The B-1's are not stealthy. They cannot perform the mission of the B-2's.

The B-2's can perform, they can be there, they can project American power anywhere in the world from the continental United States. They do not have to be based all over the world. We have pulled back our troops, we have pulled back our Navy, we have pulled back our Air Force. We are becoming more and more isolated and internalized. The B-2's can project power, awesome power, quickly and silently and deadly, in the areas to which we might need to project American presence in the future.

It is silly to cut off our own hands at this time. We should not do it. We sill not be able to project that force if we do not continue the line on the B-2's. I urge defeat of the Kasich-Dellums amendment.

Mr. Chairman, I submit for the RECORD a letter from General Horner.

SHALIMAR, FL, *August 23, 1995.*

Hon. BOB LIVINGSTON,
House of Representatives,
Washington, DC.

DEAR MR. CHAIRMAN: This year, as we celebrate the Fiftieth Anniversary of World War II, I am struck by the similarities between the challenges America faced fifty years ago, and those we face today.

Having just won a great and very costly victory, the nation rushed to demobilize and draw down its armed forces. But our relief was short-lived and we soon faced a new, largely undefined military threat. The post cold war draw down of our military forces has been accomplished in like fashion—without sufficient critical debate.

Today, some argue that the international environment allows us to safely abandon military forces in favor of other investments. While this is not an unfamiliar argument, others suspect that we have already gone too far in dismantling our defenses. They are wary of our hasty reductions, for they remember Korea well and how America paid for its lack of military strength with the lives of our men and women. And they remember Desert Storm, where our well trained and properly equipped forces brought a swift victory with a minimum of casualties.

We are now searching for a new national security policy—much as we did after World War II. It took years to define the Containment and Deterrence policies that dictated our decisions about building military forces and led the Free World safely through a forty year struggle. The radical change in the world security environment since the end of the cold war, has been accompanied with an equal change in military affairs. The world has become uncertain, even more dangerous as the nuclear secrets, which the superpowers guarded so carefully in the past are bought, stolen or discovered by an alarming number of nations around the globe.

The revolution in military affairs created by new technologies was displayed over Iraq in 1991. Surveillance of the battlefield by AWACS, Joint STARS, and satellites is now augmented by a host of Unmanned Aerial Vehicles. The computing power needed to make sense of all the information being gathered is rapidly growing, decreasing in cost, and increasing in availability. The newest Joint STARS aircraft uses commercial computers giving it eight times the power at lower cost than the ones used in Desert Storm. All of this is now coupled with communications of astounding capacity. This means we know more, are able to make better decisions, and implement them in seconds rather than days as required in the past.

So what good is all of this surveillance, computing and communications if you can't hit the target? That's the other lesson of the Gulf War—the importance of stealth and precision guided munitions in modern warfare. There is no doubt about the potential offered by stealth, precision guided munitions and information technologies. We must build a force with these capabilities and that is precisely why we need B-2 bombers.

In battle, commanders will know where they need to strike rapidly and accurately to speed victory and protect American lives. The B-2 provides that capability. It can hit targets anywhere throughout the region of conflict with low cost weapons and survive. We saw how the O'Grady shot down in Bosnia drove our air power out of the area until we deployed aircraft to jam and attack ground-based radar and anti-aircraft missiles. The B-2 will not have to wait until a protective armada of support aircraft suppresses enemy air defenses. It carries programmable precision munitions costing significantly less than the long range stand-off weapons carried by other platforms. Because the B-2 can safely release its weapons over the target, its munitions don't need the guidance and propulsion system used by costly standoff weapons to achieve the same level of safety for our military forces. Cost of munitions is important. In fact, during the Gulf War, we were told to quit using the Tomahawk standoff missile because it was too expensive—over a million dollars a shot.

The utility and effectiveness of the B-2 in terms of range, payload, limiting collateral damage, cost of operations and survival of our military men and women are clear and understandable. It is exactly the right military capability needed to fight the next war. So why the reluctance to build that force?

Sticker shock. At over a half a billion dollars each, the B-2 seems unaffordable. But the fact is, the B-2 is actually a bargain. For one thing, the very expensive research and development costs to develop such a superior weapon have already been paid. Even more important, the B-2 does more than any other combat system. Compare it with a half dozen F-117s—the superstars of Desert Storm—which cost about as much as one B-2. But, with the B-2 you get eight times the payload and five times the range. And the B-2 requires much less expensive support to safely perform its mission. Consider that each time we send out a B-52 force with the expensive standoff munitions required to survive, we could send a comparable force of 15 B-2s—the resulting savings would pay for a brand new B-2.

The bottom line is that the price tag of military capabilities have gone up, and we had better spend our money wisely or we will pay for our mistakes. And we will pay in a currency far more precious than mere dollars—the lives of our military men and women.

How many B-2s do we need? No one knows for sure, but we are certain that the currently contracted force, which will yield slightly over a dozen operational aircraft, is too few. By any measure 20 B-2s are not enough. Unless we expand that plan, we will not achieve the potential of these revolutionary new capabilities—stealth, precision munitions and information technologies. We will not be able to achieve increased military capabilities with greater efficiency, less cost and reduced danger to U.S. forces. The current plan is simply too few.

As we develop clarity in our new national defense policies and strategies, we can more accurately define the exact numbers of modern systems required. That is precisely why we need to keep our options open now. A force of 40 or more B-2s is a reasonable estimate. It is obvious we will need to replace our aged fleet of B-52s as they become more and more costly to maintain and less survivable over the modern battlefield. To ignore the B-2 today, and end up building a new bomber after we find ourselves in the same position as when the Korean war started, will cost added tens of billions and take tens of years. Even if we have the money, we surely won't have the time.

We can debate whether or not we need our military forces in this post cold war world. To me a more reasonable discussion would be how the Washington Redskins are going to win next year's super bowl. But if we decide we will need military forces, and if we study recent history, we must conclude the B-2 will be a vital element of that force. When we look at all the factors—cost of targets destroyed, adaptability to the new way wars will be fought by the United States, and our desire to limit the suffering of non-belligerents and our own causalities—then the B-2 is the answer and a bargain to boot. We must keep the B-2 line open at a minimum rate as we define our security policies for the future and build the military forces required.

And we must seize the opportunity brought to us by America's technological genius. We can have a stronger, smaller and more efficient means to winning the next inevitable conflict—no matter when, where or how quickly it arises. That is exactly what the B-2 can do for us.

The B-2 presents us with an opportunity to ensure that future conflicts look like Desert Storm rather than the Korean War. Can we—in good conscience—do otherwise?

Sincerely,

CHARLES A. HORNER,
General, USAF (Ret.).

Mr. DICKS. Mr. Chairman, I yield 1 minute to our distinguished colleague, the gentlewoman from Texas [Ms. EDDIE BERNICE JOHNSON].

Ms. EDDIE BERNICE JOHNSON of Texas. It is rather rare that I come to speak on any issue from this well, but listening to this debate, Mr. Chairman, I cannot sit idly by and allow us one more time to start to plan something and tear it down in order to start again. We cannot sacrifice the defense of our Nation. We simply must do things in a way that they must be done in this day.

Back when Desert Storm came about, 1,200 planes were sent. If we had the B-2, we could have only sent 32. We would have saved lives. This investment saves dollars because it is the most cost-effective measure of defending our shores the way we have the military organized this day.

The other thing, we cannot continue to ask companies to organize to produce and then change and tear down that capability.

Mr. Chairman, I rise in opposition to the Dellums-Kasich amendment and in support of the B-2.

Mr. DICKS. Mr. Chairman, I yield 1 minute to the gentleman from California [Mr. DIXON], a long time member of the Defense Appropriations Subcommittee and a person who is extremely knowledgeable about this particular program.

Mr. DIXON. Mr. Chairman, I thank the gentleman for yielding me the time.

Mr. Chairman, I rise in opposition to the Kasich amendment and in support of the funding for further production of the B-2 bomber included in H.R. 2126.

I recognize that this is not an easy issue for many members, particularly for those of us who opposed the severe reductions in domestic spending included in previous appropriations bills.

I would be less than candid if I said that I was comfortable with the status of our national priorities as represented in House spending bills.

However, we cannot afford to be caught up in a zero-sum budget game that pits our national security needs against our domestic needs.

Let's be clear: If we cut the funding contained in this bill for the B-2, that money will not go to educate our children, or to train our unemployed. Cutting funds for the B-2 will not translate into increased spending for other important programs.

What it may do is unnecessarily harm the Nation's military preparedness; further erode the economies of areas already suffering from defense downsizing; and undermine potential technological advancements possible with a strong Stealth industrial base.

If we have learned anything in the short period which we refer to as "post cold war," it is that there is little we do know about the military contingencies we may face in the future.

We have essentially traded in an ERA where we knew who the enemy was and what the Nation's military might be called on to do, for an era of increasing complexity and changing dynamics.

Opponents and supporters of the B-2 will continue to argue about swing strategies, fighting two simultaneous conflicts at once, and the value of long range bombers over precision guided munitions. But as we debate these issues our ability to continue production of a technologically advanced bomber grinds to a halt.

Should we take a chance and lose the capability to quickly respond to unforeseen challenges?

We know that in the B-2 we have a bomber with: Revolutionary stealth technology; precision weapons capability; long range; large payload; and a bomber that is the only weapons system available to respond anywhere from the United States on the first day of conflict.

We also know that the bomber's industrial base—the only heavy bomber production line still active—is rapidly facing a final shutdown.

And we know that by 2010, any surviving B-52's will be 50 years old and probably retired, and that the B-1B will be 23 years old.

The B-2 is not cheap. But the costs of being unprepared in an increasingly dangerous world pale in comparison. In the midst of so much uncertainty in the world, can we really afford to close the B-2 industrial base in the hope that we may not need it later? I think not.

For those of us representing regions whose economies have been driven by the defense and aerospace industry, there are certainly other factors motivating our support for the B-2.

Thirty years ago, the State of California was the cradle of the aerospace industry. Southern California has provided the core of this technological effort with a skilled and motivated work force of highly dedicated men and women.

In a very short time, we have seen a major erosion of this industrial base, as California's aerospace industry has suffered a major decline: 133,000 direct aerospace jobs lost between 1988-93; 37,000 more will be gone by 1996; and 200,000 additional indirect jobs lost in the service industries supporting the aerospace work force.

Today, the only remaining combat aircraft in production in the region is the B-2 Stealth bomber.

The B-2 program has been essential to California's high technology aerospace industry. Thousands of subcontractors have been involved in development of this technology.

The B-2 industrial base in California and throughout the nation Needs to be sustained. Not only for the sake of continued production of the bomber, but also for potential advances in technology that only a strong industrial base—and the men and women it employs—can support.

If we take together what we don't know about the future military threats the Nation may face, and what we do know about the vast capabilities of the B-2, it seems to me that we cannot afford to take a chance on the erosion of our bomber industrial base. I urge the defeat of this amendment.

□ 1200

Mr. OBEY Mr. Chairman, I yield 1 minute to the gentleman from Indiana [Mr. ROEMER].

Mr. ROEMER. Mr. Chairman, let me begin by saluting the gentleman from Ohio [Mr. KASICH], who I have worked with a number of times in support of deficit-reduction measures in a bipartisan way. And though I oppose the gentleman from Washington [Mr. DICKS], I do not think there is a Member of Congress who knows more about the technology and the minutia involved than the gentleman from Washington.

Mr. Chairman, with that in mind, we are saying as 535 Members of Congress today, since the Senate did not put this in their bill, we have the opportunity to save the taxpayers one-half billion dollars, and $20 billion over the course of the next 10 years, by voting for the Kasich-Dellums amendment.

We are also saying that we are going to look at every corner of deficit reduction in Federal spending, but not in defense and not on the B-2 bomber. That is exempt. We are saying to the Secretary of Defense, we know more than you do about the B-2 bomber. You do not want it, Mr. Secretary, but we are going to make you buy 20 more.

Please vote for the Kasich-Dellums amendment.

Mr. DELLUMS. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, some of my colleagues are concerned, the gentleman from Washington [Mr. DICKS], that this gentleman is maintaining 10 minutes. I am going to take the 10 minutes, because to tell the truth at any given time, it is still the truth.

Mr. Chairman, let us start off remembering where we ended in August. We ended in August talking about balancing the budget and we cut programs and wreaked havoc and extended pain to millions of American people in this country.

We cut programs for the children in this country; our future. We cut programs that affected the farmers; the people who feed us in this country. We cut programs for the veterans, for the senior citizens, for urban, rural, and suburban America.

So, we come back from the August break; now we are on the defense appropriations bill. The first amendment, B-2. And, suddenly, all these people who were willing to inflict pain on the American people cannot inflict pain upon the Pentagon. I hear the sizzle of pork and I will talk about it, but I will also talk about the substance, Mr. Chairman, and members of the committee.

One of my colleagues said we should be talking about what is essential and I will argue that the B-2 is not essential, it is not needed, it is not affordable, and there are alternatives.

Mr. Chairman, one of my colleagues from California said, Well, the rationale for buying 20 more B-2's is the money will not go for domestic programs. Hogwash. This program will cost us minimally $31.5 billion, not million. $31.5 billion. We are only going to appropriate a measly $500 million this year, but that is the camel's nose under the tent. So, we will not be able to argue next year, the year after that, the year after that, and the year after that, Mr. Chairman, for priorities that speak to the highest and the best of our people in this country who are suffering.

B-2 bomber. Mr. Chairman, we already spent $44 billion for the first 20. It will cost us $19.7 billion in production. Add that together and that is in excess of $63 billion. Operation and maintenance is $11.7 billion for the next 20. Multiply that twice for the first 20 and the second 20 and we are up to 80-some billion to maintain 40 aircraft.

It will cost $65 billion for 40. That is not a billion-dollar plane. That is a 1.5-billion Batmobile we do not need.

Mr. Chairman, members of the committee, these costs are conservative. I have been here nearly 25 years and not one program has ever gone as the contractor said it would go. Mr. Chairman, $31.5 will be cheap for the next 20.

Second, they say seven Secretaries have indicated their support for the B-2. The important point is the present

Secretary charged with the significant national defense concerns of this Nation says we do not need it. And, incidentally, he was the father of B-2.

Secretary Cheney sends a letter out to the majority leader in this Congress and said, I had to acquiesce to 20 B-2's because the Congress said do it. That is fallacious and I can document it, Mr. Chairman.

From Department of Defense Press Release numbered 29-92 in January 29, 1992, so check it out, it is objective, here is what Secretary Cheney said:

> We can now afford to be more deliberate in the pace at which we modernize our armed forces. And the emergence of democratically inspired reformers in the republics of the former Soviet Union presents an historic opportunity to make further reductions in the world's strategic arsenal, as the President proposed last night in his State of the Union address.
>
> Secretary Cheney said he will therefore stop the Air Force's B-2 stealth bomber program after the 20th aircraft is produced.

January 1992, before the Congress of the United States even got the budget. That is the facts.

Mr. Chairman, the gentleman from Washington [Mr. DICKS] argues that if we had had B-2, the gentleman would not have been shot down in the F-16, or he spoke to the Mirage. Mr. Chairman, let us talk about facts. The F-16 and the Mirage are fighter aircraft. Do my colleagues know what the response to the F-16 and the Mirage on a stealthy basis is? It is the F-22, not the B-2. Does my colleague think somebody is going to fly this big B-2 around?

Mr. Chairman, members of the committee, the B-2 bomber at this point cannot even tell if it is flying in the rain or flying in the mountain range. It cannot be flown in the daytime. It can be seen. Stealth does not mean invisible. There are several ways to detect a plane. One of them is infrared, the other is optical. You can see it. You can detect it with infrared. That is real, Mr. Chairman.

Next point: Where on this Earth do we need to fly more than 20 B-2 bombers? Against a Third World country? We talk about integrated air defenses. Mr. Chairman, there is not one nation in the world at this point with an integrated air defense. Not one. No one tells you that.

The closest that the world ever came to that was the Soviet Union and the Warsaw Pact. Integrated air defense means comprehensive, interrelated, and synergistic. If my colleagues do not understand those words, look them up in a dictionary and find out.

A B-1 bomber can fly against any air defense that exists in the world today. There are no crackpots on this earth, there is no Third World country on this Earth, neither can the Soviet Union or the United States at this moment, given the incredible financial problems that plague this Nation and plague this world, that have the capacity to develop an integrated air defense.

Next point: One B-2 bomber is equivalent to 75 tactical aircraft. Mr. Chairman, those 75 aircraft already exist in the inventory. We paid for them. None of these 20 B-2 bombers are programmed in next year's budget, or the year after that, or the year after that. So that whole chart business is phony and was supplied by the contractor anyway and ought to be dismissed for self-interest.

Let us talk about the jobs. Mr. Chairman, Members of the committee, we already lost 20-some-thousand in the B-2, and there are 8,000 people working. They have not built all but 20 yet. There are 7 more to deliver, so people have got to work on it. Because not one B-2 looks like the next B-2, because they keep changing it each time, 18 of the 20 will have to be retrofit and standardized. Somebody has got to do the work.

Finally, in the contract, the contractor must maintain depot maintenance into the year 2005. Somebodys got to do the work.

Mr. Chairman, I understand jobs, but to the tune of $31.5 billion to build a plane that the Pentagon says they do not want, they do not need, and there are alternatives, is a sham. It is a shame. You give me $31.5 billion; I will put a hell of a lot more than 8,000 people to work; $31.5 billion is an incredible amount money.

Mr. Chairman, the people that are charged with the responsibility of fighting the war, this is not talking about them. Charged with putting their lives on the line, and not speaking "Will the gentleman yield about it," they do not want this plane.

Mr. Chairman, for those budget people who argue, well, this will not go to the deficit, the only way that can be true is you have got to have a tradeoff. If the people who are the proponents of B-2 and are also budget cutters, because they go home and tell their community that, why do they not tell them they are prepared to cut all of these other programs? Cut the F-22, cut all the C-17's and what have you. But look at their voting record. They are going to back up to the voting record and they are going to vote for all those programs as well.

Mr. Chairman, I urge my colleagues to defeat this turkey. It is not needed.

Mr. YOUNG of Florida. Mr. Chairman, I yield 2 minutes to the gentleman from Texas [Mr. DELAY], the distinguished majority whip.

Mr. DELAY. Mr. Chairman, we have kept our promises to the American people. We have made the hard cuts in spending, while we are maintaining a strong defense for our Nation. Keeping our Nation strong means having a vision into the future defense of this country and having the ability and the technology to carry out our Nation's objectives.

We have heard many arguments for and against the B-2. We have heard about the cost benefits and the strategic benefits. We have heard about capabilities, performance, and jobs. But the B-2 is about people. It is about our men and women who serve this country in uniform. It is about giving them the equipment and technology to defend and protect our Nation and its principles in time of conflict.

We have that technology today. Here it is. Technology that allows our Department of Defense to risk the fewest American lives in time of conflict. The B-2 stands ready as a system designed to protect this Nation from threat of war and minimize the loss of life. Let us face it, that is what we are really talking about here is lives.

Is it a difficult choice? Of course, it is. Most likely, one of the most difficult votes a Member will have to cast this year. But this is a vote which carries with it a vision for the future; the future of this Nation's defense posture and the task of keeping America strong.

Someone once said: A task without a vision is drudgery. A vision without a task is a dream. A task with a vision is victory.

Mr. Chairman, I say to my colleagues today that the B-2 is that vision, the keystone in keeping our Nation's defense strong. The American people sent us here to make changes. Those who believe in the status quo never thought we could make serious cuts while keeping our military strong. Let us send a message back to the American people. Vote against this cutting amendment.

□ 1215

Mr. DICKS. Mr. Chairman, I yield 2 minutes to the distinguished gentlewoman from southern California [Ms. HARMAN], a member of the Committee on National Security.

Ms. HARMAN. Mr. Chairman, I am often a supporter of the initiatives offered by the sponsors of this amendment—and always an admirer—but on this issue of striking the B-2 funding, I rise in strong opposition.

In my view, the B-2 saves lives, saves money, and saves a critical asset—our bomber industrial base.

As a mother of two draft-age children, my first question about any defense acquisition program is, "Will it saves lives?" The answer is a resounding yes.

Many arguments have been made in favor of this incredible aircraft, but I want to emphasize one:

We can afford to buy more B-2's and we should. Within the budget resolution profile, money is available as we: First, retire the expensive, aging B-52 fleet, second, buy the cheaper munitions the B-2 uses, and, third, reap savings from acquisition reform.

Much of the argument against more B-2's assumes the B-52 will remain combat capable through the year 2030. The last B-52H was produced in the early 1960's, so the aircraft will be almost 70 years old in 2030.

If the B–52 were a person at that time, it would be collecting Social Security. Do we want to send our sons and daughters to war in a 70-year-old bomber? I don't think so. I think we want to use the most survivable aircraft possible, an aircraft we have in production right now—the B–2.

The cost of the aircraft is a concern to us all. But it is half the cost its opponents estimate.

The B–2 saves us money by using cheaper weapons. The old B–52 and the B–1 use expensive guided missiles and bombs to fly in from standoff orbits. Since the B–2 can go right to even the most heavily defended target, it can use cheaper laser and gravity bombs, which cost about one one-hundredth the cost of the B–52's weapons.

The new Deputy Defense Secretary testified this May 18 before the Senate Armed Services Committee that:

> If I do not have any carriers available for 15 days and I do not have any tactical aircraft in theater and I do not have any means to get tactical aircraft in theater and we have to continue with this MRC scenario, then I am going to need a lot more bombers than I have in the current force.

That means B–2's.

We can find further savings in acquisition reform. Last year, Secretary Perry testified that as much as $30 billion could be saved by downsizing and procurement reform over 5 years. Those savings would kick in just when they are needed most. They would provide more than enough funds for the B–2 within the budget resolution profile.

As the mother of the lockbox, no Member is more committed to deficit reduction than I am. But this is not the way to get smart, prudent deficit reduction.

Mr. Chairman, as a parent, I am convinced that we must field and fully fund the most effective and survivable weapons systems. The most precious resource this country has is our children. Today, in this House, let us choose the best defense for our children and the men and women who will defend them. Vote against the Kasich-Dellums amendment. We need the B–2.

Mr. OBEY. Mr. Chairman, I yield 1 minute to the gentleman from Illinois [Mr. DURBIN].

Mr. DURBIN. Mr. Chairman, as a cosponsor I rise in support of the Dellums-Kasich amendment. There are only three problems with the B–2 bomber. First, it does not work. It cannot tell the difference between a rain cloud and a mountain. Second, it costs a fortune, $2.2 billion per airplane. Third, we do not need it. What we have been told by the Pentagon, the people who beg us for military expenditures, is do not put any more money into this airplane, we do not need it, and yet today we find that the wind beneath the wings of the B–2 bomber is not national security, it is the clout of defense contractors which stand to bank billions of dollars if Congress will approve this unnecessary boondoggle.

Mr. Chairman, at a time when this Congress is cutting Medicare, Medicaid, education, and health care, it is unconscionable that we would spend up to $30 billion for an airplane that does not work, that costs $2.2 billion a copy, and one that military experts tell us is totally unnecessary.

Mr. DICKS. Mr. Chairman, I yield 2 minutes to the distinguished gentleman from Pennsylvania [Mr. MURTHA], the ranking Democrat member of the Subcommittee on National Security, and our former longtime chairman.

Mr. MURTHA. Mr. Chairman, let me talk about the practical aspects of the B–2 bomber.

One of the things that we try to make decisions on is which weapon system will be the most important to the national security depending on the threat to the Nation. The most effective weapon system we can buy is the one that deters war, that is never used in a war, and I think the B–2, with the amount of money we have available to us, it is certainly not the time to stop it. For instance, if we had less money, it would be a tougher decision, but, with the amount of money that the Committee on the Budget allocated to the defense subcommittee, it certainly would be a mistake for us to cut out the B–2 at this stage.

Mr. Chairman, what I recommend to the Members, and I have been involved in the B–2 for years; as a matter of fact, I was willing to jump over the B–1 and go with the B–2 because of the technology, because of the ability of the B–2 to penetrate defense systems: Now, even though we do not have the threat now, what we want is an airplane that will deter an enemy from attacking us, and I think the B–2 is that airplane.

So, Mr. Chairman, I would ask the Members of Congress to allow us to go forward, to go to conference. Hopefully we will have a good allocation in conference and we will be able to continue the B–2. The big expense for the B–2 comes next year. But I am confident that, as the threat continues, as the threat changes, this Subcommittee on Defense will make the appropriate decision on the B–2, and I think at this point the Members should feel confident to vote for this with the amount of money available.

Mr. Chairman, I ask the Members to strongly support the B–2 as we move forward to conference.

Mr. KASICH. Mr. Chairman, I yield myself the balance of my time.

The CHAIRMAN. The gentleman from Ohio [Mr. KASICH] is recognized for 2 minutes.

Mr. KASICH. Mr. Chairman, the debate is about the future.

Do my colleagues know what this is? Tomahawk missile. I say to my colleagues, "If you launch this either from a ship or from the B–52, which the generals and the Pentagon want to maintain along with 95 B–1's and 20 B–2's, you know what? Your pilot is not in danger." See, it is about the future.

The Vice Chairman of the Joint Chiefs has a big platform outside of this office. That platform can be used to replace the aircraft carrier. We can land C–17's on this platform. See, it is about the future.

The B–2; that is a 1970's–1980's plane. F–22? Uses elements of stealth, but also uses maneuverability and speed. See, it is about the future, it is about effectiveness.

And who can we go to learn about effectiveness? Do my colleagues know who we go to if we do not want to trust the Chairman of the Joint Chiefs that does not want the plane, or the Vice Chairman of the Joint Chiefs? Do my colleagues know who we go to? The commanders in the field who have to carry out the mission. Not one single ground commander, not one single CINC, the commanders in charge of our troops in the field, not one of them want to buy B–2 bombers, not one of them.

Do my colleagues know why? Because they are looking for an effective and efficient defense to protect our soldiers in the future, and, as the general in charge of acquisition in the Air Force said, "If you buy the B–2, you prevent us from being able to buy the things that we really need to secure the defense of this Nation."

See, this debate really is about the future. It really is about what is the most effective way to meet the threat in this world, and, when we got the Vice Chairman of the Joint Chiefs, who has taken the Navy on himself, arguing about more effective and efficient ways to project power, who has written letter after letter and made speech after speech saying, "End this system at 20," my colleagues coming to the House floor, we have got to vote for the most efficient, effective defense.

Vote for the Kasich-Dellums amendment. Make the commonsense choice.

Mr. DICKS. Mr. Chairman, I yield 30 seconds to the distinguished gentleman from Texas [Mr. WILSON] in support of the B–2, a senior member of the Subcommittee on National Security.

Mr. WILSON. Mr. Chairman, I just want to say that the current events in the world are absolute proof to us that we must always maintain the very highest degree of technology and the very most effective forces for our armed services. Now is not the time to take a step back. Now is the time to take a step forward. The B–2 is in my opinion absolutely essential and in many ways enhances the fighting capability of our forces.

Mr. DICKS. Mr. Chairman, I yield myself my remaining minute and a half.

Mr. Chairman, the gentleman from Ohio [Mr. KASICH] just stepped on a landmine. What he forgot to tell us with the standoff cruise missile is that it costs $1.2 million a copy. That is a lot of money compared to $20,000 for the JDAMS.

Second, a standoff cruise missile has no capability against mobile targets. Rand did a study. Three B-2s interdicting Saddam's division moving into Kuwait with the sensor-fused weapon, a smart submunition, knocked out 46 percent of the mechanized vehicles in that division. The B-2 also, with the block 30 upgrade, will have an ability to go after the launchers for the Scud missiles. We might have been able to prevent the war, as the gentleman from Pennsylvania [Mr. MURTHA] said.

Conventional deterrence is in our grasp if we have an adequate number of B-2's. Every expert, Rand, Colin Powell, Jasper Welch, say the right number is somewhere between 40 and 60. Let us not end this program now. The line is open. We should buy these bombers. We can get 20 additional B-2's for $15.3 billion. We can retire other planes in order to make room for life-cycle costs.

The B-2 is the right weapons system for the future. It will save American lives. Our kids will not get shot down like Captain O'Grady got shot down, and this is the most important issue. To kill this program I think would be a tragedy for the American people and a tragedy for our future military capability. If we have to come back, we are going to have to spend $10 billion just to reopen the production line.

We must keep the B-2 line open. The weapons for the B-2 are very cheap. This is a revolutionary conventional capability.

Mr. OBEY. Mr. Chairman, I yield 40 seconds to the gentleman from Georgia [Mr. LEWIS].

Mr. LEWIS of Georgia. Mr. Chairman, I rise in strong support of the Kasich-Dellums amendment.

We should not spend money we don't have on planes we do not need. Twenty more B-2 bombers will not help our children, our sick, our elderly, or national security. Buying more will not make our world a safer place.

President Eisenhower warned us of this day. He said: "every gun that is made, every warship launched, every rocket fired signifies a theft from those who hunger and are not fed, those who are cold and are not clothed."

This is the choice we make today. The time must come for a great nation to have the courage, the raw courage, not to spend millions and billions of dollars on weapons of mass destruction.

The time has come. Look in our hearts. Gather the courage to do what is right. Say "no" to more B-2's. Say "yes" to our children, our people, our future.

Mr. YOUNG of Florida. Mr. Chairman, I yield 1 minute to the gentleman from California [Mr. HUNTER], a distinguished member of the Committee on National Security.

Mr. HUNTER. Mr. Chairman, I thank the gentleman from Florida [Mr. YOUNG] for yielding me this time. My colleagues, we are close to this vote, and what we are doing today is going down the path that we commenced after Vietnam because during Vietnam we lost 2,200 aircraft, mostly to SAM missiles. We lost aircraft that had pilots from every congressional district in this Nation.

The smartest people in this country got together at our request, Congress and the President, and we asked, "Is there any way to avoid radar so we can protect our pilots?" Then, lo and behold, the great American technological base came up with stealth, with the ability to avoid radar.

Now probably radar, the invention of radar, was the greatest military invention of this century. I would say the ability to avoid radar is probably the second greatest invention of this century.

If we do not go with the B-2 bomber, we are going to see pilots go down just like Mr. O'Grady went down. Do not reject this technology. Protect our pilots.

Mr. OBEY. Mr. Chairman, I yield myself the balance of my time.

The CHAIRMAN. The gentleman from Wisconsin is recognized for 1 minute, 20 seconds exactly.

Mr. OBEY. Mr. Chairman, the gentleman from Washington [Mr. DICKS] says that the studies show that we need to have 40 B-2 bombers rather than 20. That is not true. The major study done, the Kaminski study which reviewed 17 other studies, indicated that the best buy for the United States was not 40 B-2's, but 20. Everybody knows it.

Second, if we are talking about tradeoffs, just from the cost of the additional two B-2 bombers he wants to buy this year we could help 1,100,000 more kids under chapter 1, we could help 600,000 or 6 million families to receive low-income heating assistance, which we just cut out of the budget. We would still have enough left to provide summer youth jobs for 300,000 kids.

□ 1230

You talk about comparative defense expenditures. The red lines on this chart indicate the Soviet Union has reduced its budget by 70 percent, its military budget. Our budget has hardly moved in comparison to that. There is no question of where the major threats come from.

Mr. Chairman, if you take a look at how our budget compares to potential enemies, we are spending militarily about 2.5 times as much as all of them combined, including all of the rogue states that are talked about. This is a flying turkey. It will primarily benefit defense contractors, not the defense posture of the United States. We ought to pass this amendment and save the money.

Mr. YOUNG of Florida. Mr. Chairman, I yield such time as he may consume to the gentleman from New York [Mr. SOLOMON], the distinguished chairman of the Committee on Rules.

Mr. SOLOMON. Mr. Chairman, on behalf of every young man and woman, I urge a "no" vote on this amendment.

Mr. YOUNG of Florida. Mr. Chairman, I yield myself the balance of my time.

The CHAIRMAN. The gentleman from Florida is recognized for 3 minutes.

Mr. YOUNG of Florida. Mr. Chairman, all of us hope and pray that in the future that the gentleman from Ohio [Mr. KASICH] referred to, Americans never have to go to war again, whether on the ground or in the air or under the sea or on the sea. But the way the world looks, it does not look like that is going to be a real choice.

Mr. Chairman, while we were on recess, there were major bombing campaigns taking place in which the United States is by far the major player in Bosnia and Herzegovina. We do not know when or where we may be called upon to deploy military forces. If and when we do, I believe this Congress under our constitutional mandate has the responsibility to provide those people that we send to war the best training possible and the best equipment possible and the best technology possible to let them accomplish their mission, do their job, and give themselves a little protection while they are doing it.

This type of stealthy technology may not be ready to fly today. It is in a development process still, as every other airplane program has been and every future airplane program will be. But when this airplane flies, it will give our troops protection from the air that they would love to have. If you do not believe it, check with anybody who served in Desert Shield-Desert Storm when the F-117 stealthy airplane flew into Baghdad and disrupted Saddam's ability to conduct the war, and they did so without any casualty, without any loss of aircraft, because of the technology that we had invested in.

Mr. Chairman, on the question of the F-117 and the technology, the gentleman from Washington [Mr. DICKS] wants me to remind everyone about the former Secretaries of Defense who supported the B-2. They also supported the F-117, except to a point about 10 years ago when the Department of Defense decided they did not need any more F-117's, and in fact they suggested we cancel the program. It was our subcommittee and this Congress who decided that, regardless of their objection, we would not terminate the F-117 program. Where is there a better success story today?

The Congress was right. We filled out the squadrons of the F–117's. We gave the pilots who flew those airplanes the technology to do an effective job against Saddam Hussein and to protect their lives while they were doing it.

So again, join me; hope and pray that we never have to send an American into combat again. But today, Americans are flying combat missions in Bosnia and Herzegovina, so we cannot guarantee that they never have to go again. But if they do, let us have our conscience clear, that we did the best job that we could to make sure they had the technology necessary, the training, and the ability to do their job as they protect their lives.

Ms. FURSE. Mr. Chairman, I am outraged at the way defense contractors make public policy around here. I thought we Members of Congress were sent here to think for ourselves but, unfortunately, I have learned otherwise.

The July 31 issue of Defense Week details contributions by Northrup Grumman's political action committee and the June vote for more B–2's. Northrup donated $167,850 to House Members between January and June 30 and 96 percent of the money went to Members who voted for the extra B–2's.

In June alone, Northrup donated $75,200 to House Members. Of that $75,200, 97 percent went to 47 Members who voted for more B–2's.

Is the B–2 being promoted because it is an absolute necessity for our Nation's defense—or could it be because a contractor has deep pockets?

I want to quote DOD Deputy Secretary White who told us last month, "The Department cannot support procurement of additional B–2's," and "The Department loses approximately $3 billion per year in purchasing power for higher priority programs."

The Department of Defense doesn't want more B–2's, the B–2 has difficulty distinguishing between a raincloud and a mountain, and we cannot afford to spend $31 billion on 20 more of them.

It only makes people more cynical about Washington to see money talk and carry out the contractors' wishes. I hope my colleagues won't vote to throw $31 billion at a plane we don't need.

[From Defense Week, July 31, 1995]

NORTHROP GRUMMAN'S '95 CONTRIBUTIONS SEEM TIMED FOR B–2 ACTION

(By Tony Capaccio)

Illustrating the synergy between legislation and campaign contributions, of $167,850 the Northrop Grumman Corp. political action committee (PAC) donated to House lawmakers between January and June 30, all but $7,400 went to members voting last month to provide additional B–2 funding.

In June alone, the corporate PAC donated $75,200 to House lawmakers, of which $73,200 went to 47 members who voted June 13 to defeat an amendment stripping $553 million in added B–2 money.

It was added to the fiscal 1996 defense authorization.

Another vote to cut the funding is scheduled for later this week as the House debates the fiscal 1996 $244.1 billion appropriations bill.

The dollars and cents aspect is just one—and totally legal—facet of the aggressive Northrop Grumman Corp. campaign to keep open its B–2 production line. Spokesman Tony Cantalio declined to discuss any aspect of Northrop's contributions policy after Defense Week posed written questions.

Detailing which B–2 supporters received Northrop Grumman contributions this year in no way is meant to imply that their votes were "bought," only that the corporation is not bashful about assisting members who acknowledge and agree with its point of view.

In fact, a handful of members who received contributions voted against added funding. They include: Reps. Paul McHale (D–Pa.) $1,000; Patrick Flanagan (D–Ill.), $500; Rick Lazio (R–N.Y.) $850; and Reps. Frank Pallone (D–N.J.), Jack Quinn (R–N.Y.) and Frank Riggs (R–Calif.), who received $500 each this year.

But coming as they have in the course of the B–2 debate, the donations no doubt assure access and give Northrop Grumman officials an advantage in getting their story heard. Where once 40,00 workers nationwide assembled B–2 parts and aircraft at the height of production in 1992, according to spokesman Ed Smith, now 16,500 workers are directly employed as the last four of 20 bombers on order are in final assembly.

Aspects of the Northrop Grumman B–2 campaign and political contributions were detailed in a report released last month by the Center for Responsive Politics, a liberal, Washington, D.C.-based public interest group.

The group's campaign figures went to April 30. Defense Week reviewed donations made in May and June. The June donations were made primarily in three clusters, on June 2, June 26 and June 29. The House vote was June 13.

The Northrop Grumman donations consist mainly of $500 amounts. The largest figures have gone to members of the congressional B–2 "core" support group: Reps. Ike Skelton (D-Mo.), Norman Dicks (D-Wash.), Duncan Hunter (R-Calif.), Jane Harman (D-Calif.), Jerry Lewis (R-Calif.), Buck McKeon (R-Calif.) and House Majority Leader Dick Armey (R-Texas).

The maximum PAC donation each could receive under campaign spending laws is $5,000 per election and primary.

Armey, for example, received the maximum donation on March 9. During the June debate he praised the bomber—still only 50 percent through its testing—as a "flying miracle." House Speaker Newt Gingrich (R-Ga.) did not vote last month but will likely support the bomber when the debate begins this week. Northrop Grumman on June 26 donated $1,000 for his 1996 primary, adding to a $2,000 St. Patrick's Day contribution.

Since its merger with Grumman, Northrop has more clout with the New York delegation and has adjusted its contribution patterns accordingly.

New York Reps. Gary Ackerman (D), Ben Gilman (R), Gerry Solomon (R) and Maurice Hinchey (D) co-authored a June 7 "Dear Colleague" soliciting B–2 support. They wrote that New York, "with over 225 of its companies having supported B–2 production at various times since 1987, will lose significant economic activity" if production ends.

Ackerman had received a $500 contribution in March. Solomon and Hinchey received $1,000 and $500 donations respectively on May 16. Gilman received a $750 contribution June 2.

B–2 supporters who received the largest Northrop Grumman donations in June either before or after the vote were:

McKeon, who received $500 on June 2 and $4,000 June 26. He told Defense Week earlier this year that one of his primary reasons for seeking a seat on the House National Security Committee was to fight for retention of the B–2 production line.

Harman, a debate floor manager, who received $5,000 June 28.

Vic Fazio (D-Calif.), who made a floor speech defending additional funding, received $500 on June 2 and $4,500 June 26.

Rep. Jerry Lewis (R-Calif.), a key B–2 supporter organizing this week's floor debate and who issued a stinging rebuttal to the recent critical General Accounting Office draft report, received $4,500 on June 26.

Rep. Randy Cunningham (R-Calif.) had received $3,500 between January and May from Northrop Grumman, took in another $500 on June 2 and $1,500 June 26.

Members who voted to retain added B–2 funding and received their first Northrop Grumman contributions after the vote included: Joe McDade (R-Pa.), $2,000 on June 14; Robert Walker (R-Pa.), $1,000; Reps. Henry Bonilla (D-Texas), $1,000; Wayne Allard (R-Col.), $1,000; Bob Matsui (D-Calif.), $500; Michael Forbes (R-N.Y.), $500; John Doolittle (R-Calif.), $500; Helen Chenoweth (R-Idaho), $500; Gary Franks (R-Ct.), $500, and Alan Mollohan (D-W.V.), $500.

Charles Wilson (D-Texas), who did not vote on June 13, received a $5,000 contribution 11 days earlier.

Mr. CASTLE. Mr. Chairman, I rise in support of the Kasich-Dellums-Obey amendment to cut $493 million from advanced Air Force procurement for additional B–2 bomber funding.

My opposition to additional B–2 funding is based largely on the great fiscal constraints facing our Nation and the reality that these budget limits may eventually require that we revise our adherence to the current two-war strategy. The most pressing problem facing the Federal Government is the $5 trillion national debt and the need to balance the budget. Given the pressing need to reduce the deficit, it will be very hard to maintain current defense spending, much less increase it significantly. Therefore, I believe it will be very difficult to properly fund our current strategy to fight two major wars simultaneously. I agree we would need closer to 30–40 B–2's for this strategy,but given a lack of an imminent global challenge from a competing superpower, let alone a likely scenario under which we would have to fight two major concurrent wars, I cannot at this time support additional funding.

I am also swayed by two 1995 studies commissioned by the Department of Defense at the direction of Congress, which found that there are other, more cost-effective options for improving U.S. military capabilities than buying additional B–2's at this time. According to these credible reports, the currently planned bomber force can meet military requirements for fighting two major regional conflicts through a mix of B–52's, B–1's, and B–2's. It would be more cost effective to buy additional precision-guided munitions for the bomber force and to upgrade B–1's than to build more than 20 B–2;s.

Lastly, my opposition to additional B–2 funding is not based on the supposition that we may never need to use them. Indeed, we might. It rests more in part on the notion that we need a better understanding of the military capabilities of the different blocks, or types, of B–2's. The recent General Accounting Office report on the B–2 claiming unsolved technical shortcomings concerns me greatly. And while Pentagon Acquisition Chief Paul Kaminski rebutted the report, he did not advocate the purchase of more B–2's.

While we might be able to afford the additional funds the Appropriations Committee has proposed this year, as we move down the road to the year 2002, and toward a balanced budget, agreeing to further funds to procure twenty more B–2's—at a potential total cost of close to $40 billion—will most certainly be a budget buster. Funding more B–2's this year could lead us unwillingly toward procurement of further B–2's in future defense budgets that cannot support them without cuts in funding for the operation and maintenance of our troops and other weapons systems. Funding more B–2's while we are trying to balance the budget could also result in unfair cuts in other areas of the budget as well.

Although I am a strong support supporter of a robust and fully well-rounded defense posture, at this time of fiscal restraint, I find it hard to justify such an expenditure. The billions of dollars required to sustain such an effort is not a necessity and is not affordable.

I have great respect for those who support the B–2. To be sure, it is an awesome aircraft that I am sure will contribute greatly to our defense needs. But given the aforementioned factors that are weighting on me, at this time I cannot support additional funding.

Mr. CONYERS. Mr. Chairman, I rise in strong support of the amendment being offered by my distinguished colleagues Mr. DELLUMS and Mr. KASICH. My comments today are straightforward: The B–2 is no longer needed, it does not work property, and the scarce American dollars that fund it should be better spent.

The B–2 bomber belongs in a museum. It was designed as a long-range bomber to attack the Soviet Union after a nuclear war. It is nothing short of a travesty that the threat to our wallets has not subsided along with the demise of our cold war adversary. The proposed 20 additional B–2's will cost an astounding $31 billion according to the Air Force. The 20 planes already being built are expected to cost $44 billion, but this years Defense authorization bill lifted the cap in the expectation they will cost even more. This all for a plane that the Air Force now says it does not even want.

I rise to tell you the taxpayers of Detroit do not want this plane either. They want their star schools funding back because they would rather put computers in a classroom than in a flying turkey. The taxpayers also want their low-income home energy assistance back. And most of all, they want their jobs back but they will not even get that because the cuts in job training made last month will keep the 14,000 eligible Michigan job-seekers from receiving training.

According to the General Accounting Office, the B–2 has failed many of its basic tests and although I know we are talking about a bomber and not a weather plane, it is important to mention that it cannot tell the difference between a raincloud and a mountain. That does not sound like a plane that costs $2.2 billion apiece.

Many people think that every weapon is worth voting for just because it will create jobs. But a Congressional Research Service study I commissioned a few years ago found that money spent in education, transportation, or construction would create far more jobs than money spent on defense. The jobs argument makes even less sense for the B–2 because out of the jobs cut in aircraft manufacturing since 1989, 90 percent of them are not needed to build the additional bombers and therefore will not come back. Moreover, the recent heavy bomber industrial capabilities study done for the Pentagon noted that the bomber industry is not a unique industrial base that we need to keep warm in the remote event we ever needed to build bombers in the future.

I urge you to support this crucial amendment in the name of economic security, political responsibility, and just plain reality.

Mr. PORTMAN. Mr. Chairman, I wish to express my support for the Kasich-Dellums amendment to remove $493 million for advanced procurement for additional B–2 bombers from the national security appropriations bill for fiscal year 1996. I feel this amendment represents a sound policy, in terms of both national security and fiscal responsibility.

I recognize that real threats to the national security of the United States exist in the post-cold-war world, and I believe we must provide the armed services with the resources they need to protect American citizens and the U.S. role in world affairs. Today, however, military challenges are very different than they were just a few years ago. We must tailor our military force to meet those challenges, and we must do so within very strict budget constraints.

An independent study recently determined, and the Air Force confirmed, that additional B–2 bombers are not wanted or needed in order to develop a force necessary to meet the challenges of today's world. The Air Force has higher priority programs that may be crowded out by the purchase of additional B–2's—programs such as improving the B–1 and purchasing more smart weapons that can perform many of the functions of the B–2 in a more cost-effective manner. And for instances where the B–2 is clearly the only suitable aircraft, we can rely on the 20 B–2's already purchased by the Air Force and currently under production.

It seems clear to me that the purchase of additional B–2's at this time is unwise policy. As we in Congress strive to change the face of Government spending practices and reduce the deficit, actual costs of this program must be scrutinized. It is true that the bill before us today includes just under $500 million for additional B–2's. The total cost of these planes, however, could exceed $20 billion. The defense authorization bill that this body passed earlier this year removed the spending cap for additional B–2's—as well as for the 20 already purchased—leaving the final purchase price dangling high above us, at a level no one yet knows.

In light of the budget crisis facing this Nation, and in light of projected defense funding shortfalls in the tens of billions of dollars over the next several years, I urge my colleagues to prove to the American people that this Congress is serious about bringing Federal spending under control by supporting the Kasich-Dellums amendment.

Mr. MARKEY. Mr. Chairman, the B–2 bomber truly is an extraordinary aircraft. After 14 years of flunking a whole series of Air Force performance tests, this year the B–2 has evaded detection by Republican budget-cutting radar, overcome Pentagon efforts to end further procurement, and out-maneuvered taxpayer groups working for a balanced budget.

This "Airborne Edsel," however, does seem to have difficulty handling more tangible obstacles like rainclouds and mountainsides. According to a report prepared by the General Accounting Office, the B–2's radar cannot distinguish rain from other obstacles and has fallen short of meeting some of its most important mission requirements. The GAO report indicates that software problems have delayed flight tests, changes in the plane's mission will further increase costs, and the contractor—after 9 years of production—is still delivering B–2's that don't meet Air Force mission requirements.

Originally designed to drop nuclear bombs on the Soviet Union, the B–2 is the plane that time forgot. The cold war's over, Chechnya—not world conquest—preoccupies Russian military thinkers, and the Air Force now places a higher priority on other weapons systems. Still, the call for more B–2's persists.

The Nation's top military officials oppose further procurement of B–2 bombers, including: The Secretary of Defense, Chairman of the Joint Chiefs of Staff, the Secretary of the Air Force, and the Air Force Chief of Staff.

An Air Force budget paper makes it crystal clear: "Given the current threat, there is no military requirement for additional B–2's." Let's make the Stealth bomber truly invisible by eliminating funding for more bombers.

Mr. LUTHER. Mr. Chairman, I support the Kasich-Dellums-Obey amendment to the 1996 military appropriations bill.

The arguments surrounding B–2 bombers are well known—in fact, we in this body considered the same amendment almost 7 weeks ago. We know that the Pentagon does not want and cannot afford any more B–2's beyond the 20 already being built. We know that B–2 bombers are being promoted not for the national security of our country, but rather for financial and economic reasons, many of which are parochial in nature.

My colleagues, let there be no question about it—this amendment strikes at the heart of our challenge in this Congress. We were elected amidst a growing national consensus that Federal spending has gotten out of control, burdening our children with a nearly $5 trillion national debt and threatening the future of our Nation. Along with most of my other first-term colleagues, I feel I have a responsibility to the people who sent me here to make wise spending decisions that are in our national interest, even if it means voting against some financial benefit to my district. There are those in my district who will be affected by restricting B–2 spending, but these are the decisions that haven't been made in the past but that we were sent here to make.

Many of us who voted for the recent spending rescissions bill did so not because we relished in cutting the affected programs, but rather because we are deeply concerned about the future of this country. And to vote against future commitments to education, Head Start, child nutrition and school lunches, and summer youth programs—in short, against investing in our children and our future—because of our deficit, and then to turn right around and see $493 million added to a weapons system even the Pentagon does not want—to me that is a great injustice.

This amendment is not about jeopardizing national security; it's about whether we have the courage to save our country from financial disaster while trying to maintain other, key strategic investments in America that create opportunities for our children and future competitiveness for our Nation. Voting for this amendment to cap B-2 production may not be the easy thing to do, but it is the right thing to do. I therefore strongly urge my colleagues to support the Kasich-Dellums-Obey amendment.

The CHAIRMAN. All time has expired.

The question is on the amendment offered by the gentleman from Ohio [Mr. KASICH].

The question was taken; and the Chairman announced that the noes appear to have it.

RECORDED VOTE

Mr. OBEY. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 210, noes 213, not voting 12, as follows:

[Roll No. 639]

AYES—210

Abercrombie
Andrews
Archer
Baldacci
Ballenger
Barcia
Barrett (NE)
Barrett (WI)
Barton
Bass
Becerra
Beilenson
Bereuter
Bilbray
Blute
Bonior
Brown (OH)
Brownback
Bryant (TN)
Bunn
Burr
Camp
Cardin
Castle
Chabot
Christensen
Clay
Clayton
Clement
Coble
Coburn
Collins (IL)
Collins (MI)
Condit
Conyers
Costello
Coyne
Cremeans
Danner
Deal
DeFazio
DeLauro
Dellums
Deutsch
Dickey
Dingell
Doggett
Doyle
Duncan
Durbin
Ehlers
Engel
Eshoo
Evans
Farr
Fattah
Fields (LA)
Flake
Flanagan
Foglietta
Foley
Ford
Frank (MA)
Franks (NJ)
Furse
Ganske
Gejdenson
Gekas
Gibbons
Goodlatte
Goodling
Gordon
Greenwood
Gunderson
Gutierrez
Gutknecht
Hall (OH)
Hamilton
Heineman
Hilliard
Hoekstra
Houghton
Hutchinson
Jackson-Lee
Jacobs
Johnson (SD)
Johnston
Kanjorski
Kaptur
Kasich
Kennedy (MA)
Kennedy (RI)
Kennelly
Kildee
Kingston
Kleczka
Klink
Klug
Kolbe
LaFalce
Lantos
Largent
Latham
LaTourette
Lazio
Leach
Levin
Lewis (GA)
Lincoln
Lipinski
LoBiondo
Lofgren
Lowey
Luther
Markey
Martini
Mascara
McCarthy
McDermott
McHale
McInnis
McNulty
Meehan
Menendez
Mfume
Miller (CA)
Miller (FL)
Mineta
Minge
Mink
Molinari
Moran
Myrick
Nadler
Neal
Ney
Nussle
Oberstar
Obey
Olver
Orton
Owens
Pallone
Parker
Pastor
Payne (NJ)
Payne (VA)
Pelosi
Peterson (MN)
Petri
Porter
Portman
Poshard
Pryce
Quinn
Radanovich
Rahall
Ramstad
Rangel
Reed
Regula
Riggs
Rivers
Roemer
Ros-Lehtinen
Roth
Roukema
Roybal-Allard
Rush
Sabo
Sanders
Sanford
Sawyer
Schroeder
Schumer
Scott
Sensenbrenner
Serrano
Shadegg
Shays
Shuster
Skaggs
Slaughter
Smith (MI)
Smith (WA)
Stark
Stenholm
Stockman
Stokes
Studds
Stupak
Tanner
Torkildsen
Towns
Upton
Velazquez
Vento
Wamp
Watt (NC)
Waxman
Weldon (PA)
White
Williams
Wise
Woolsey
Wyden
Wynn
Yates
Zeliff
Zimmer

NOES—213

Ackerman
Armey
Bachus
Baesler
Baker (CA)
Baker (LA)
Barr
Bartlett
Bateman
Bentsen
Berman
Bevill
Bilirakis
Bliley
Boehlert
Boehner
Bonilla
Bono
Borski
Boucher
Brewster
Browder
Brown (CA)
Brown (FL)
Bryant (TX)
Bunning
Burton
Buyer
Callahan
Calvert
Canady
Chambliss
Chapman
Chenoweth
Chrysler
Clinger
Clyburn
Coleman
Collins (GA)
Combest
Cooley
Cramer
Crane
Crapo
Cubin
Cunningham
Davis
de la Garza
DeLay
Diaz-Balart
Dicks
Dixon
Dooley
Doolittle
Dornan
Dreier
Dunn
Edwards
Ehrlich
Emerson
English
Ensign
Everett
Ewing
Fawell
Fazio
Fields (TX)
Filner
Forbes
Fowler
Fox
Franks (CT)
Frelinghuysen
Frisa
Frost
Funderburk
Gallegly
Gephardt
Geren
Gilchrest
Gillmor
Gilman
Gingrich
Gonzalez
Goss
Graham
Green
Hall (TX)
Hancock
Hansen
Harman
Hastert
Hastings (FL)
Hastings (WA)
Hayes
Hayworth
Hefley
Hefner
Herger
Hilleary
Hinchey
Hobson
Hoke
Holden
Horn
Hostettler
Hoyer
Hunter
Hyde
Inglis
Istook
Jefferson
Johnson (CT)
Johnson, E.B.
Johnson, Sam
Jones
Kelly
Kim
King
Knollenberg
LaHood
Laughlin
Lewis (CA)
Lewis (KY)
Lightfoot
Linder
Livingston
Longley
Lucas
Manton
Manzullo
Martinez
Matsui
McCollum
McCrery
McHugh
McIntosh
McKeon
Meek
Metcalf
Meyers
Mica
Mollohan
Montgomery
Moorhead
Murtha
Myers
Nethercutt
Neumann
Norwood
Ortiz
Oxley
Packard
Paxon
Peterson (FL)
Pickett
Pombo
Pomeroy
Quillen
Richardson
Roberts
Rogers
Rohrabacher
Rose
Royce
Salmon
Saxton
Scarborough
Schaefer
Schiff
Seastrand
Shaw
Skeen
Skelton
Smith (NJ)
Smith (TX)
Solomon
Souder
Spence
Spratt
Stearns
Stump
Talent
Tate
Tauzin
Taylor (MS)
Taylor (NC)
Tejeda
Thomas
Thompson
Thornberry
Thornton
Thurman
Tiahrt
Torres
Torricelli
Traficant
Visclosky
Volkmer
Vucanovich
Walker
Walsh
Ward
Waters
Watts (OK)
Weldon (FL)
Weller
Whitfield
Wicker
Wilson
Wolf
Young (AK)
Young (FL)

NOT VOTING—12

Allard
Bishop
Cox
Maloney
McDade
McKinney
Moakley
Morella
Reynolds
Sisisky
Tucker
Waldholtz

□ 1254

The Clerk announced the following pair:

On this vote:

Mrs. Waldholtz for, with Mr. Cox of California against.

So the amendment was rejected.

The result of the vote was announced as above recorded.

PERSONAL EXPLANATION

Mr. ALLARD. Mr. Chairman, on rollcall No. 639, had I been present I would have voted "no." My pager failed to go off because of a battery failure.

The CHAIRMAN. Pursuant to the order of the House of today, the next order of business is the consideration of one or more of the amendments numbered 37, 58, 59, or 60 offered by the gentleman from Wisconsin [Mr. OBEY].

AMENDMENT OFFERED BY MR. OBEY

Mr. OBEY. Mr. Chairman, I offer an amendment, No. 37.

The CHAIRMAN. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment offered by Mr. OBEY: Page 28, line 11, strike "$13,110,335,000" and insert "$12,110,335,000".

The CHAIRMAN. Pursuant to the order of the House of today, the gentleman from Wisconsin [Mr. OBEY] and a Member opposed will each be recognized for 10 minutes.

The Chair recognizes the gentleman from Wisconsin [Mr. OBEY].

Mr. OBEY. Mr. Chairman, I yield myself 4 minutes.

Mr. Chairman, I am going to lose big for a number of reasons, I believe. No. 1, the F-22, which I am trying to delay, is largely built in the home State of the Speaker. Second, there are contracts for this program in 48 States. Under those circumstances, I have infinite confidence in the capacity of this House to make the wrong decision.

Nonetheless, Mr. Chairman, I want to urge every single Member, especially those who just voted to keep the B-2, I want to urge them to remember that having just voted to keep the B-2, they have no rational choice if they are serious about retaining the B-2 in the budget. They have no rational choice but to vote to delay the F-22, because if they do not, there simply will not be room in the defense budget for the B-2 or a lot of other things.

□ 1300

Mr. Chairman, I would especially urge us all to take a look at the votes of those who vote both for the B-2 and the F-22, because they are clearly not serious about sticking to the budget resolution.

This amendment would cut $1 billion out of the $2.3 billion being appropriated for the F-22. It would delay that program by 5 years.

Why do I do that? It is very simple. The F-22 is meant to replace the F-15. This F-15 is the finest fighter aircraft in the world, and right now we have more than 700 of them. The GAO has told us that the F-15 will be fully capable at least to the year 2015, yet the Air Force wants to spend over $70 billion to buy 442 F-22's. The GAO is urging that we have a 7-year delay.

This amendment simply says, "Let us have a 5-year delay in that program". It seems to me it is eminently sensible. We will be told that there are new threats out there to our air superiority, because other countries have some fighters that are roughly comparable to the F-15. I would ask Members to remember that some of the countries who have them are Switzerland, Israel, France, Britain, Italy, Argentina, Brazil, hardly countries that represent a threat to us. For the few countries who do, such as Iraq and North Korea, I would suggest they learned in Desert Storm that merely having a few capable aircraft does not at all mean that you can match our military superiority by the time that we take into account our training, our superior manpower, and our additional complementary weapons systems such as the AWACS.

What I would say, Mr. Chairman, is very simple. If we want to save money, if we want to listen to the GAO on how to do so, if we want to avoid buying an airplane probably a decade sooner than we have to do it, we will vote for this amendment. This amendment does not kill the F-22 Program. All it does is delay it for 5 years: it saves $1 billion. It seems to me, given the crunch in both the defense budget and the rest of the budget, it makes eminently good sense. I urge Members to support the amendment.

The CHAIRMAN. Who seeks time in opposition to the amendment?

Mr. YOUNG of Florida. Mr. Chairman, I seek time in opposition to the amendment.

The CHAIRMAN. The gentleman from Florida [Mr. YOUNG] is recognized for 10 minutes.

Mr. YOUNG of Florida. Mr. Chairman, I yield myself 4 minutes.

Mr. Chairman, I have a good friend back home in my district, his name is Bob Schultz. He went ashore with the Marine Corps, the 2d Marine Division, in Tarawa more than 50 years ago. As we have talked about that many, many times, he keeps coming back to the fact that when an American goes ashore on an amphibious landing, what he hopes for is that our troops control the air and not the enemy, so they might have a good chance of surviving the amphibious landing.

One of the Marine Corps commandants, P.X. Kelly, made the same point in testimony before our subcommittee, that the first thing that a Marine wants is for an American force to control the air. The F-22 is going to be an air superiority fighter.

The gentleman from Wisconsin [Mr. OBEY] is correct; the F-15 is an outstanding aircraft. The F-16, the F-15, the F-18 are all good airplanes. However, as the future gets closer and closer, those airplanes get older and older. The technology is not as good today as it will be when the F-22 comes on board. If we take the $1 billion the gentleman from Wisconsin is talking about from this program, we do not cancel the program, we do not stop the F-22, we still going to have the F-22, and the gentleman from Wisconsin concedes that. What we are going to do is add billions of dollars to the cost, because the longer that we drag out the program, the more the program costs.

Members do not have to take my word for it. Look back at every aircraft production program we have had. Every time we delay it or drag it out, it costs more money; we all understand we are going to have the F-22 so how do we get it the most cost-effective way? That is to provide the money now, as the Air Force wants to do, rather than dragging it out for 5 years and adding to the cost and getting nothing for that additional cost.

Mr. OBEY. Mr. Chairman, I yield 4½ minutes to the gentleman from Massachusetts [Mr. KENNEDY].

Mr. KENNEDY of Massachusetts. Mr. Chairman, I just want to respond to the statement made by the gentleman from Florida [Mr. YOUNG] for whom I have a great deal of respect.

The fact of the matter is that this airplane is designed for the wrong threat. It is the wrong design. We have a situation where this plane was designed to combat the future Soviet air threat. It was designed to combat the serious investment that the Russians were threatening to make in their air defense system. The F-22 is not a plane that can defend against the kinds of attacks that Sean O'Grady faced when he ended up being shot out of the sky, because of the threats posed by SAM missiles.

If we are truly interested in protecting American pilots, the F-22 is simply not the aircraft we ought to build. The truth of the matter is that if we are going to be concerned about the air threat to this country, the F-16 is the plane that needs to be dealt with. The F-16 is a low technology plane. We own hundreds. It is also a very old aircraft. Sometime, according to the Air Force's own estimate, within the next 5 or 6 years, we are going to have to start replacing them by the hundreds. We do not ever have a design for the replacement of the F-16.

What we have done is gone out and taken a design that was conceived to protect the American people from the Soviet air attack, and we have twisted and cajoled that design into an airplane that is supposed to defend us against the kinds of attacks that we are seeing in Bosnia, in Iran or potentially Iraq, or other countries that potentially threaten the United States today. It is simply not the kind of threat that the F-22 is designed to protect us from.

Therefore, rather than spend good money after bad, that is the argument that the gentleman from Florida [Mr. YOUNG] put forth. That is we have already sunk money into the production. But that does not mean we should continue to spend good money after bad. It means we ought to design a plane that deals with the very real threat that we face as a country in the future.

The first and foremost priority is the replacement of the F-16. The second priority is the high end fighter. The high end fighter must be able to achieve success in attacks coming from ground launched missiles and from air launched missiles. That is not what the F-22 is designed to achieve, so why in God's name are we going to spend $74 billion, after we have just voted to spend an additional $30 billion on the B-2, why would we possibly spend another $74 billion on a design that is not going to meet the real threat we face in the world today?

I think we ought to protect our pilots. I think we have to have a strong national defense. However, I think we ought to take the time to make certain that if we are going to spend $74 billion of the U.S. taxpayers' funds, we spend it on the kind of plane we need. That is simply not what is being accomplished by voting for the F-22.

I would hope that the Congress of the United States does not simply follow in lockstep simply because the dollars have already been appropriated to get this thing to a point where it is close to production. Rather, we would make a fundamental assessment of what the real needs are. The gentleman from Wisconsin [Mr. OBEY] pointed out we simply do not have the money in the budget to fund both the B-2 bomber and the F-22. I talked to senior people in the Air Force just this morning and they said they simply do not have the funds necessary to accomplish both.

If we have to make a choice, the fact of the matter is that we need to vote against the B-2 aircraft, and we ought to redesign the F-22. Let's make it into the kind of aircraft that meets the types of threats we are going to face in the future, and use the funds we have to increase the capability of the F-15 for the next few years. That will accomplish the goals that I think the gentleman from Florida [Mr. YOUNG] is looking to accomplish. The alternative is simply throwing good money after bad, which is what will happen if we build the F-22 as we see it today.

The CHAIRMAN. The gentleman from Wisconsin [Mr. OBEY] has 2 minutes remaining, and the gentleman from Florida [Mr. YOUNG] has 8 minutes remaining and the right to close.

Mr. YOUNG of Florida. Mr. Chairman, I yield 2 minutes to the gentleman from Texas [Mr. BONILLA], a distinguished member of the Subcommittee on National Security of the Committee on Appropriations.

Mr. BONILLA. Mr. Chairman, I rise in strong opposition to this amendment.

Mr. Chairman, the F-22 is about preserving our freedom and liberty well into the next century, this is about air-supremacy.

My colleagues we must never forget that the price of freedom is not cheap. Americans have paid the price on the beaches of Normandy and Okinawa, in the desert heat of North Africa and the frigid cold of Korea, in the jungles of New Guinea and Vietnam. The price we have paid has been very high. Let no one say we cannot afford the F-22. We cannot afford not to have the F-22. An unwise and ill-conceived budget cut today will be paid for with American blood tomorrow. This is a cost none of us should be willing to pay.

The F-22 is a revolutionary weapon. It will guarantee our future security and deter aggression. It will save American lives. The choice should be crystal clear. Air superiority will play a role in America's future security. Air superiority is essential to project American power and minimize casualties. Air superiority will keep the peace. The F-22 is needed. The F-22 is our fighter of the future. We need it.

The amendment's supporters have done a good job presenting their case. They have chosen the right words, the correct arguments, and the proper phrases to demonstrate why we should stop funding the F-22. However, ultimately their words, their arguments, and their phrases fail. We cannot win wars with words, we cannot deter aggression with arguments, and we cannot live securely protected by phrases. We need a strong military; we need the best weapons. We need the F-22. My colleagues please join me in voting for peace, in voting for America's future, please join me in rejecting this amendment.

Mr. YOUNG of Florida. Mr. Chairman, I yield 1 minute to the distinguished gentleman from Georgia [Mr. BARR].

Mr. BARR. Mr. Chairman, I thank the gentleman for yielding time to me.

Mr. Chairman, we heard a few moments ago about a GAO report that the F-15 fighter will suffice to maintain air superiority for this great land of ours well into the 21st century. I would challenge GAO, in the year 2015, if they think the F-15, as great a fighter as it is today, will maintain air superiority against the advances in technology that will in fact have come about for our adversaries and potential adversaries, I challenge them to ride in those F-15's in combat missions in the year 2015. I do not think we will find any takers. We will not find any takers because, as magnificent an aircraft as the F-15 is, and I have flown in them, it will not be adequate, neither through its air frame nor through its electronic countermeasures, to sustain air superiority into the year 2015.

We need the F-22, this country needs the F-22, our friends overseas need the F-22. If we stop or delay production, we will pay more for getting less in the years to come. It makes good economic sense. We need it. Vote for it.

Mr. YOUNG of Florida. Mr. Chairman, I yield 1 minute to the other distinguished gentleman from Georgia [Mr. CHAMBLISS].

Mr. CHAMBLISS. Mr. Chairman, I rise in strong opposition to the amendment offered by my colleague, the gentleman from Wisconsin. By slowing the development of the F-22 we unnecessarily put this Nation's national security at risk. We send the wrong message to the men and women who will be protected by this system in the future, and we will add significant costs to the taxpayer.

As a Member of this body and a first term member of the Committee on National Security, I have taken on a responsibility to this Chamber to assess and respond to the risks posed to the people of this country. To that end, I have come to learn in vivid detail the threats that remain, even in the wake of the cold war. In this critical year when we reevaluate our defense priorities, Members are asked to consider our present state of readiness and to put in place the systems that will ensure our future dominance. Mr. Chairman, the future is the F-22.

Mr. Chairman, I ask that our colleagues send a message to the American people that we will protect your freedom at a price that we can afford. Send the message to our brave servicemembers that "We are committed to your safety, and we will equip you with the most advanced weapons available." I urge the rejection of this amendment.

Mr. OBEY. Mr. Chairman, I yield myself the balance of my time.

The CHAIRMAN. The gentleman from Wisconsin [Mr. OBEY] is recognized for his remaining 2 minutes.

Mr. OBEY. Mr. Chairman, we are told this amendment to cut $1 billion is going to cost money. The fact is the amendment saves $1 billion. The fact is that the GAO, the General Accounting Office, says we ought to delay the purchase of these planes for 7 years. All this amendment does is delay it for 5.

We have heard a couple of speakers from Georgia, where this baby is going to be built, tell us that our friends abroad, our foreign friends, need the F-22. I find that argument ironic, because one of the arguments being used by the supporters of the F-22 is that they are saying "Well, we have to build the F-22 because we have sold so many F-16's to our allies around the world that we now have to buy the F-22 to stay ahead of the threat from our own allies, because we sold too many planes abroad."

□ 1315

I find that argument coming back and meeting itself. I also find it interesting that the president of Lockheed, the company who is going to build this, has already been saying that he is going to be selling this baby at the Paris Air Show next year.

That tells me this is in the budget for purposes of promoting military sales, to increase the profitability of military contractors, and they have been careful to subcontract this baby over 48 States in the Union. That does not tell me much at all about the need for this in order to maintain U.S. air superiority.

Very clearly we have a huge lead and we have a huge domination over every other military force in the world, and we will continue to do so until well into the next century. There is absolutely no reason to refuse to save $1 billion.

We ought to take the advice of the GAO, delay this program. If you do not do that, you do not understand the rest of the content of the budget. No one who voted to preserve the B-2 can afford to vote to keep this F-22 on purchase schedule, because if you do, there will simply not be any room for it and the vote you just cast did not mean anything.

Mr. YOUNG of Florida. Mr. Chairman, I yield the balance of my time to the gentleman from Washington [Mr. DICKS], a member of the subcommittee.

The CHAIRMAN. The gentleman from Washington is recognized for 4 minutes.

Mr. DICKS. I appreciate the gentleman yielding me the time.

Mr. Chairman, I am somewhat surprised that we are on the floor today attacking the F-22 Advanced Tactical Fighter Program. The Air Force has said that this is the most sophisticated and yet the best program that it has managed in many, many years.

I have had Darleen Druyun, the Assistant Secretary of the Air Force, up to the office. She feels, as the contractors also feel, that this program is moving along very, very smoothly. The one thing they are concerned about is, if Congress makes a major reduction in the funding profile for this, that you will have a delay, a major delay, in the contract, and it has already stretched out too far as far as I am concerned.

I believe that you could move this program forward more rapidly. People say, "Well, we don't have enough money to do this." Well, I would take issue with that.

This year and last year, I asked our very able staff on the Defense Subcommittee how much did we cut out just in every line item, going through this budget as we do in enormous detail, and the same number came up, and that is about $3.5 billion. The low-priority items are cut out by the Defense Subcommittee when doing our oversight responsibility.

I believe with that, and if we supplemented the C–17 with a nondevelopmental aircraft, we could not only fund the F–22 but we could also fund the B–2. I also think we have got to make priority decisions. Any administration has to decide what are the most important things for the future.

The Air Force has determined in its judgment that the F–22 is its most important priority. Sometimes I disagree with their priorities, as we noted in the previous vote, but I think this is a program that is going forward very well. It is a model of stealth technology and high technology. It is the kind of weapon that we are going to need in the future.

There are a lot of other systems, by the way, that I would rate as much lower priority, and if we have to make some hard tough decisions down the road, we ought to look at those systems that are basically nonstealthy. The F–22 of course is stealthy and is the best technology for the future.

I would say let us stay with this program, let us keep it moving ahead. I would urge my colleagues to reject the amendment of the gentleman from Wisconsin.

Mrs. KENNELLY. Mr. Chairman, while I respectfully understand the concerns of my colleague and the ranking member of the Appropriations Committee, I rise in opposition to this amendment.

I am pleased that the committee has appropriated research and development funds in fiscal year 1996 for the F–22 advanced tactical fighter. In fact, the committee reports that additional funding will enable the Air Force to maintain original production and capability schedules—resulting in an overall savings of $350–400 million over the life of this program.

The F–22 will serve as our Nation's next generation premier fighter replacing the successful F–16. It will be designed to have both air-to-air and air-to-ground fighter capabilities and operate at supersonic, super-cruise conditions for significant periods of time. The F–22 advanced tactical fighter will be more survivable and stealthier than any fighter jet currently before us.

Earlier this year, this aircraft sucessfully passed its preliminary design review, which, as many of you know, signals the near completion of its design. With the growth of advanced surface-to-air and air-to-air missiles, with the increase in technological development in military forces around the world, the need for the F–22 becomes clearer each day. Furthermore, as we continue to reduce our military forces and shift defense dollars, the need for a fighter that requires less maintenance, less support, and less manpower grows stronger.

The F–22 represents only 3 percent of the Pentagon's research, development, and procurement accounts. This is a very small investment that will provide dominance in the skies. Reliance on air superiority has taken us through several conflicts in recent years and it is improbable that we could ever win a war without it. Our decision today has that kind of potential impact. I urge my colleagues to oppose the Obey amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Wisconsin [Mr. OBEY].

The question was taken; and the Chairman announced that the noes appeared to have it.

RECORDED VOTE

Mr. OBEY. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 126, noes 293, not voting 15, as follows:

[Roll No. 640]

AYES—126

Abercrombie
Ackerman
Andrews
Barcia
Barrett (WI)
Becerra
Beilenson
Berman
Bonior
Borski
Brown (CA)
Brown (OH)
Camp
Cardin
Clay
Clayton
Collins (IL)
Collins (MI)
Condit
Conyers
Cooley
Coyne
Cremeans
Danner
DeFazio
Dellums
Dixon
Doyle
Duncan
Durbin
Ehlers
Engel
Eshoo
Evans
Farr
Fattah
Fields (LA)
Filner
Flake
Foglietta
Ford
Fox
Frank (MA)
Franks (NJ)
Furse
Gephardt
Gutierrez
Hilliard
Hinchey
Hoekstra
Hoke
Jefferson
Johnson (SD)
Johnston
Kanjorski
Kennedy (MA)
Kildee
Kleczka
Klug
Lewis (GA)
Lincoln
LoBiondo
Lofgren
Lowey
Luther
Markey
Matsui
McDermott
McHale
McInnis
Meehan
Menendez
Mfume
Miller (CA)
Minge
Mink
Moran
Nadler
Oberstar
Obey
Olver
Owens
Pallone
Payne (NJ)
Pelosi
Peterson (MN)
Petri
Poshard
Rahall
Ramstad
Rangel
Rivers
Rohrabacher
Roth
Roukema
Roybal-Allard
Royce
Rush
Sabo
Sanders
Sawyer
Schroeder
Schumer
Sensenbrenner
Serrano
Shays
Slaughter
Stark
Stokes
Studds
Stupak
Thornton
Torres
Upton
Velázquez
Vento
Volkmer
Waters
Watt (NC)
Waxman
Williams
Woolsey
Wyden
Wynn
Yates
Zimmer

NOES—293

Allard
Archer
Armey
Bachus
Baesler
Baker (CA)
Baker (LA)
Baldacci
Ballenger
Barr
Barrett (NE)
Bartlett
Barton
Bass
Bateman
Bentsen
Bereuter
Bevill
Bilbray
Bilirakis
Bliley
Blute
Boehlert
Boehner
Bonilla
Bono
Boucher
Brewster
Browder
Brown (FL)
Brownback
Bryant (TN)
Bryant (TX)
Bunn
Bunning
Burr
Burton
Buyer
Callahan
Calvert
Canady
Castle
Chabot
Chambliss
Chapman
Chenoweth
Christensen
Chrysler
Clement
Clinger
Clyburn
Coble
Coburn
Coleman
Collins (GA)
Combest
Costello
Cramer
Crane
Crapo
Cubin
Cunningham
Davis
de la Garza
Deal
DeLauro
DeLay
Deutsch
Diaz-Balart
Dickey
Dicks
Doggett
Dooley
Doolittle
Dornan
Dreier
Dunn
Edwards
Ehrlich
Emerson
English
Ensign
Everett
Ewing
Fawell
Fazio
Fields (TX)
Flanagan
Foley
Forbes
Fowler
Franks (CT)
Frelinghuysen
Frisa
Frost
Funderburk
Gallegly
Ganske
Gejdenson
Gekas
Geren
Gibbons
Gilchrest
Gillmor
Gonzalez
Goodlatte
Goodling
Gordon
Goss
Graham
Green
Greenwood
Gunderson
Gutknecht
Hall (OH)
Hall (TX)
Hamilton
Hancock
Hansen
Harman
Hastert
Hastings (FL)
Hastings (WA)
Hayes
Hayworth
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Jackson-Lee
Jacobs
Johnson (CT)
Johnson, E. B.
Johnson, Sam
Jones
Kaptur
Kasich
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Kennedy (RI)
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LaHood
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Lewis (CA)
Lewis (KY)
Lightfoot
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Lipinski
Livingston
Longley
Lucas
Manton
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Miller (FL)
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Mollohan
Montgomery
Moorhead
Murtha
Myers
Myrick
Neal
Nethercutt
Neumann
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Norwood
Ortiz
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Parker
Pastor
Paxon
Payne (VA)
Peterson (FL)
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Traficant
Visclosky
Vucanovich
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Weldon (FL)

Weldon (PA)
Weller
White
Whitfield
Wicker
Wilson
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Wolf
Young (AK)
Young (FL)
Zeliff

NOT VOTING—15

Bishop
Cox
Dingell
Gilman
Maloney
McKinney
Moakley
Morella
Nussle
Oxley
Reynolds
Sisisky
Towns
Tucker
Waldholtz

□ 1339

Mr. NEAL and Mr. SCOTT changed their vote from "aye" to "no."

Messrs. CAMP, VOLKMER, FOX of Pennsylvania, HILLIARD, CREMEANS, and BEILENSON changed their vote from "no" to "aye."

So the amendment was rejected.

The result of the vote was announced as above recorded.

PERSONAL EXPLANATION

Mr. NUSSLE. Mr. Speaker, on Thursday, September 7, my vote was not recorded on roll call vote No. 640. Had my vote been recorded, I would have voted "aye."

The CHAIRMAN. Pursuant to the unanimous-consent agreement of today, the gentleman from Wisconsin [Mr. OBEY] is entitled to offer amendment 58, amendment 59, or amendment 61 at this time. Does the gentleman from Wisconsin wish to offer any of these amendments?

Mr. OBEY. Mr. Chairman, I can read the handwriting on the wall. I will not be offering the amendments.

The CHAIRMAN. Pursuant to the unanimous-consent agreement of today, it is now in order for the gentleman from California [Mr. DORNAN] to offer amendment No. 3 or amendment No. 15 and, if offered, the gentlewoman from Connecticut [Ms. DELAURO] to offer amendment No. 48 as a substitute therefor.

AMENDMENT NO. 15 OFFERED BY MR. DORNAN

Mr. DORNAN. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment No. 15 offered by Mr. DORNAN: Page 94, after line 3, insert the following new section:

SEC. 8107. None of the funds made available in this Act may be used to administer any policy that permits the performance of abortions at medical treatment or other facilities of the Department of Defense, except when it is made known to the Federal official having authority to obligate or expend such funds that the life of the mother would be endangered if the fetus were carried to term.

AMENDMENT NO. 48 OFFERED BY MS. DELAURO AS A SUBSTITUTE FOR THE AMENDMENT OFFERED BY MR. DORNAN

Ms. DELAURO. Mr. Chairman, I offer an amendment as a substitute for the amendment.

The CHAIRMAN. The Clerk will designate the amendment offered as a substitute for the amendment.

The text of the amendment offered as a substitute for the amendment is as follows:

Amendment No. 48 offered by Ms. DELAURO as a substitute for the amendment offered by Mr. DORNAN: Page 94, after line 3, insert the following new section:

SEC. 8107. None of the funds made available in this Act may be used to administer any policy that permits the performance of abortions at medical treatment or other facilities of the Department of Defense, except when it is made known to the Federal official having authority to obligate or expend such funds that—

(1) the life of the mother would be endangered if the fetus were carried to term; or

(2) in the case of a medical treatment or other facility of the Department of Defense located outside the United States, any cost incurred by the United States in connection with such procedure will be reimbursed from private funds.

The CHAIRMAN. Pursuant to the order of the House of today, the gentleman from California [Mr. DORNAN] and the gentlewoman from Connecticut [Ms. DELAURO] each will be recognized for 15 minutes on the amendment and on the substitute.

The Chair recognizes the gentleman from California [Mr. DORNAN].

Mr. DORNAN. Mr. Chairman, I yield myself such time as I may consume.

Today's debate is very simple, Mr. Chairman. In fact, we had this exact same debate on June 15 of this year when the House considered the Defense authorization bill. I had inserted language in that bill to restore the Reagan-Bush policy which prohibited federally funded, overseas military treatment facilities from providing abortions. When the gentlewoman from Connecticut [Ms. DELAURO] offered an amendment to strike that provision, it was defeated by a bipartisan vote of 196 to 230. Today's vote is no different. I repeat, Mr. Chairman. Today's vote is virtually identical to the one we had during debate over the DOD authorization bill.

I understand the gentlewoman from Connecticut [Ms. DELAURO] is going to once again attempt to gut my amendment. The DeLauro substitute would codify the proabortion executive memorandum issued by Clinton on his first working day in office, January 22, 1993. Roe versus Wade anniversary. It was on that day that Clinton overturned the Reagan-Bush policy which prohibited federally funded, overseas military hospitals from being used as abortion centers. So if you voted "no" on DeLauro during debate over the DOD authorization bill, then you should vote "no" on today's DeLauro substitute.

Mr. Chairman, taxpayers who oppose abortion should not be forced to subsidize it. But that is exactly what is occurring when we permit abortions to be performed in military medical facilities. Supporters of the DeLauro substitute will tell you that no Federal money is involved because the procedure is paid for by the woman. What they do not tell you is that military hospitals are federally funded facilities paid for with U.S. tax dollars.

Everything in these facilities, from the electricity to the equipment, even the building itself, is taxpayer financed. And while there has been strong reluctance among military doctors to perform any abortions, the Pentagon has made it clear that they intend to find a way to implement the policy—possibly by hiring civilian ob/gyns to perform the abortion. This raises additional objections regarding the use of taxpayer money to subsidize abortions in the military.

Supporters of the DeLauro substitute will also argue that President Clinton's pro-abortion executive memorandum was intended to ensure that servicewomen, military spouses, and dependents have access to abortion comparable with that of women in the United States. They also argue that Western nations have strict limits on obtaining abortions and that their medical facilities are unsafe and unsanitary. This, Mr. Chairman, is untrue. First, the military must respect the laws of host nations regarding abortion—this includes laws restricting or prohibiting abortion. Second, women seeking an abortion can go where they have been going for years—local facilities, such as those in Germany, which are comparable to United States abortuaries and they kill the fetuses at less expense.

Mr. Chairman, military hospitals are intended to be places that nurture, heal, and protect all patients—born and preborn. I urge my colleagues to vote down the DeLauro substitute and vote in favor of the Dornan amendment that I am offering.

My amendment would restore the Reagan-Bush policy prohibiting the use of funds to administer any policy that permits the performance of abortions at medical treatment or other facilities of the Department of Defense—except when the life of the mother would be in danger. Its enactment would not only save precious lives, it would disassociate taxpayers from the killing business. And while we have already included similar language in the DOD authorization bill, there are no guarantees that Clinton will sign that bill into law. So my amendment today is nothing more than an insurance policy for taxpayers. It would ensure that in fiscal year 1996, American tax dollars are not used in any way to subsidize abortion in the military. So again, I ask my colleagues who voted "no" on the DeLauro amendment to the DOD authorization bill to once again vote "no" on today's DeLauro substitute. Let's return our military medical facilities to the status of institutions dedicated exclusively to healing. Mr. Chairman, I've just returned from visiting our military folks in Slovenia, Croatia, Macedonia, and Albania, and at our bases at Naples, Aviano, and Brindisi and when I brought this abortion issue up everyone—every single military man and woman said, "Please, no money for abortion!" Please vote "no" on DeLauro and vote "yes" on Dornan. Mr. Chairman, I reserve the balance of my time.

☐ 1345

Ms. DELAURO. Mr. Chairman, I yield myself 3 minutes, 5 seconds.

Mr. Chairman, I offer this bipartisan substitute amendment on behalf of myself, the gentlewoman from Colorado [Mrs. SCHROEDER], the gentleman from Massachusetts [Mr. TORKILDSEN], the gentlewoman from California [Ms. HARMAN], and the gentleman from Kentucky [Mr. WARD]. Our substitute amendment restores equal access to safe medical treatment for military servicewomen and military dependents who are stationed overseas. It corrects language in the Dornan amendment which would ban the Department of Defense from using funds in the bill to administer any policy that permits abortions to be performed at medical facilities except when the life of the mother is in danger.

Mr. Chairman, the Dornan amendment is an assault on the woman's right to choose. It jeopardizes access to safe medical care for millions of women who rely on military hospitals overseas. Women who joined the military to protect our rights should not have to check their constitutional rights at the border.

The Dornan amendment offered today mirrors language in the Defense authorization bill that denies access to legal abortion services for all women utilizing medical facilities outside the United States. This is an outrage. Women and their families have a constitutional right to these services, and their constitutional rights should not be thrown aside while they are under the care of military hospitals.

Let me emphasize several points about our substitute amendment.

First of all, the substitute amendment would not allow Federal funds to be used to pay for abortions, not allow Federal funds. The Dornan amendment overturns current policy that allows women to use their own funds.

Let me repeat that. They use their own funds to pay for abortions in overseas military hospitals. These patients are charged the full reimbursement rate for same-day surgery, more than the cost, more than the cost of abortion services at private facilities in this country, in order to ensure that there is no Federal funding involved.

Second, the substitute protects current policy under which no medical providers are forced to perform abortions due to the conscience clause that exists in the military services. No medical personnel would be forced to participate in or perform these services. It preserves the conscience clause.

Third, this is not a new policy. Privately funded abortions were allowed at military facilities from 1973 to 1988, including all, but a few, months of the Reagan administration, and they have been permitted again since President Clinton's executive order of January 19, 1993. The ban that existed from October 1988 to January 1993 was the exception.

The Dornan amendment is a direct attack on the rights of the American women who virtually work in serving our country valiantly and have put their lives on the line for this country ever single day. It is a backward step, and we must not allow it to move forward.

I urge my colleagues to ensure that our female military personnel and their military dependents have access to safe and legal medical care. Vote for our substitute and defeat the Dornan amendment.

Mr. Chairman, I reserve the balance of my time.

Mr. DORNAN. Mr. Chairman, I yield 2½ minutes to the gentleman from Florida [Mr. WELDON], an Army doctor still active in the Reserve and still actively practicing his profession of delivering babies.

Mr. WELDON of Florida. Mr. Chairman, I rise in opposition to the DeLauro amendment and speak in support of the Dornan amendment.

Mr. Chairman, prior to coming here to the Congress I was practicing medicine in Florida, and prior to practicing medicine in Florida I was in the Army, in the Army Medical Corps. Indeed I was in the Army during the early years of the 1980's when Reagan administration policies went into effect where we were not allowed to provide abortion services in military facilities, and, as a physician, I can say that we like the policy.

Most physicians do not like to get involved with the business of abortion, and that is because the vast majority of physicians become physicians because they want to be healers. They respect human life, and they recognize that performing abortion is a direct contradiction to that principle, a value that actually drew them into medicine. Indeed most physicians still take a Hippocratic Oath where they are asked to do no harm, but performing an abortion is a direct contradiction of that, as well as it is a direct contradiction of the very principle upon which our Nation was founded when Thomas Jefferson said that we are endowed by a Creator with inalienable rights to include the right to life. As a former Army physician, Mr. Chairman, I can tell my colleagues that we very much appreciated the support that we received from the Reagan administration in this area in that we did not have to involve ourselves.

A significant percentage of the American people are very strongly opposed to abortion. They feel that it is morally wrong to use taxpayer funding, even if it is indirect, to support this practice I think is very wrong, and I rise in support of the gentleman from California's position and in opposition to the gentlewoman from Connecticut.

Ms. DELAURO. Mr. Chairman, I yield 1 minute to the gentlewoman from Colorado [Mrs. SCHROEDER].

Mrs. SCHROEDER. Mr. Chairman, I thank the gentlewoman from Connecticut [Ms. DELAURO] for yielding this time to me. I hope everyone votes for her amendment.

Let me tell my colleagues first of all DOD has a conscience clause. DOD has a parental-consent clause that they vigorously enforce. There have been only about 10 abortions that people paid for with their own money in the entire time this was in practice.

When we send people overseas, this is not voluntary. We order them to go overseas, and no one else would tolerate what the Dornan amendment is trying to do. If we said, "When you go overseas, you can no longer have your free speech, thank you very much; when you go overseas, you can no longer have your freedom of religion, we don't want you practicing religion that would offend anybody, we don't want you to have the right to assemble with different groups, we don't want you * * *," people would go crazy. They would say this is our front line of defense defending our rights, and, no matter whether we agree with what they say, or who they assemble with, or what their religion is, we do not want to have that enforced on them just because they are offshore defending our wonderful rights.

Well, that is what my colleagues are doing today. They are doing that to women if they vote for Dornan. Vote "no" on Dornan, and vote for the DeLauro substitute.

When we station military personnel overseas, we do not ask them to give up their rights to free speech, to exercise their religion, to assemble. We don't require them to give up their legal protections against illegal searches and seizures. They still have the right to a speedy and public trial, a right to an attorney. The Dornan amendment asks military women and dependents to give up their legally protected right to choose.

This bill does not force anyone to be involved in an abortion against their will. Currently, active duty women stationed overseas are guaranteed the same rights that they would have if they were stationed stateside because they are allowed to pay the costs of an abortion in a military hospital out of their own pocket. Currently, no DOD funds can be used to fund abortions unless the life of the mother is in danger. Currently, no medical personnel are required to perform an abortion if they object to doing so, unless the life of the mother is at risk. Currently, the DOD cannot perform abortions in countries where that procedure is illegal.

The ban on privately paid abortions for military women overseas strips women of the very rights they were recruited to protect. The ban on abortions at military hospitals is unfair, dangerous, and discriminatory to military personnel. The ban doesn't even allow for abortions in cases where the fetus is so malformed that it will not survive birth.

I urge you to oppose the Dornan amendment.

Ms. DELAURO. Mr. Chairman, I yield 1 minute to the gentlewoman from California [Ms. HARMAN].

Ms. HARMAN. Mr. Chairman, imagine, if you will, a female captain serving with distinction in the Air Force at Kunsan Air Base, Korea. Brutally raped off-base, she receives medical and psychological treatment there, and may even receive more sophisticated OB/GYN treatment at the United States medical facility at Osan or at Yakota Air Base, Japan.

If, however, she discovers later that she is pregnant as the result of the rape, she will be unable to terminate the pregnancy at the Air Force hospital at Osan or Yakota if the Dornan amendment is adopted. And she'd be endangering her life if she went to a substandard local off-base facility.

In fact, this woman would be treated as a second-class citizen—forced to travel on her own back to the United States to obtain the kind of medical procedure guaranteed under our Constitution to all other American women.

For women, the Dornan amendment makes wearing a uniform a liability. That, indeed, may be the recruiting poster designed by the gentleman from California. "Abandon your rights, all ye women who enter."

I strongly support the amendment of my colleague from Connecticut to affirm current policy. Under current policy, neither Federal funds are used nor are health professionals required to perform abortions. Under current policy, expenses are borne entirely by the servicewoman or dependent.

This is a matter of fairness and equal access to medical facilities. Servicewomen and military dependents stationed overseas don't want or expect special treatment or special rights, only the ability to exercise rights guaranteed by Roe versus Wade, at medical facilities convenient to their post.

Remember the female captain stationed in Korea or another country far from the United States. The free exercise of her constitutional rights should not be inversely related to her distance from America's shores.

Vote for the DeLauro amendment.

Ms. DELAURO. Mr. Chairman, I yield 1 minute to the gentlewoman from New York [Mrs. LOWEY].

Mrs. LOWEY. Mr. Chairman, I rise in support of the DeLauro amendment, which strikes language that bars military women and dependents overseas from purchasing abortion services with their own money. I urge my colleagues to support this amendment and to reject the Dornan amendment.

The Dornan amendment goes much further than simply limiting the use of Government funds. It actually bars military women and dependents from using their own money to pay for abortion services at military bases, just as they would use their own funds to pay for those services if they were in the United States.

The Dornan amendment also puts the health of our military women at risk. Many of these women are stationed in countries where there is no access to safe and legal abortions outside of the military hospitals. A woman forced to seek an abortion to local facilities, or forced to wait to travel to acquire safe abortion services, faces tremendous health risks.

It is unimaginable to me and to the American people that we would reward American servicewomen who have volunteered to serve this Nation by violating their constitutional right to a safe abortion. I urge you to support the DeLauro amendment and to reject the Dornan amendment.

□ 1400

Ms. DELAURO. Mr. Chairman, I yield such time as she may consume to the gentlewoman from California [Ms. PELOSI].

Ms. PELOSI. Mr. Chairman, I rise in strong opposition to the Dornan amendment and in strong support of the DeLauro substitute.

Ms. DELAURO. Mr. Chairman, I yield 1 minute to the gentlewoman from Oregon [Ms. FURSE].

Ms. FURSE. Mr. Chairman, I rise in support of the DeLauro amendment.

Mr. Chairman, the Dornan amendment makes women in the military second-class citizens. Our military personnel should not have to risk their health nor sacrifice their civil rights when they serve their country. A ban on women getting abortions in military facilities overseas, even if they pay for it themselves, is discriminatory, and it prohibits women from exercising their legal rights simply because they are stationed overseas. Women stationed overseas are often situated in areas where local facilities are inadequate or they are unavailable.

The DeLauro amendment protects military women's health. We should do no less, Mr. Chairman. We should vote for this DeLauro amendment.

Ms. DELAURO. Mr. Chairman, I yield 1 minute to the gentleman from New York [Mr. NADLER].

Mr. NADLER. Mr. Chairman, I rise in support of the substitute offered by the gentlewoman from Connecticut, and ask unanimous consent to revise and extend my remarks.

Today, after all the pious speeches about the honor and bravery and sacrifice of Americans who wear the uniform of this great Nation overseas, we have reached one of those defining moments of truth.

The question is, Should brave Americans ready to lay down their lives in the defense of our Nation have the same fundamental rights as all other citizens? Can a woman in the service of her country go to a hospital and pay her own money for a legal and constitutionally protected abortion in a safe and clean American hospital?

It is time to show the voters what we really think of our American servicewomen. Do we genuinely respect and honor them enough to allow them the same rights any civilian has? Or are all our statements of respect and gratitude to our servicewomen just more cheap rhetoric for use during campaign season or when we want the taxpayers to buy a weapons system the Pentagon says it doesn't need?

Let's honor our servicewomen with more than just hollow rhetoric; let's respect their fundamental rights. Vote "yes" on the DeLauro substitute.

Ms. DELAURO. Mr. Chairman, I yield 1 minute to the gentleman from Massachusetts [Mr. TORKILDSEN], a cosponsor of the amendment.

Mr. TORKILDSEN. Mr. Chairman, I rise today with regret that this House is once again using important debate time reserved for national security concerns to address the socially divisive issue of abortion. We have been through this same debate several times in committee and on the floor. In fact, the Senate addressed this question and voted to delete the restriction in the Armed Services Committee. I urge my colleagues to do the same by supporting the DeLauro amendment.

The language in this bill relegates our servicewomen and the wives of servicemen to the status of second-class citizens. It also represents congressional tampering at its worst. A women's right to choose is the law of the land—whether we agree or not. Congress has no right to deny a basic law to women simply because they are stationed abroad. The DeLauro amendment would apply current law to the military. Only private money could be used for abortion services, and no Federal money could be used. As a Hyde amendment supporter, I agree with that policy.

I urge my colleagues to reject the social agenda embodied in this language. Support current military policy—vote for the DeLauro amendment.

Mr. DORNAN. Mr. Chairman, I yield myself 30 seconds.

Mr. Chairman, my good friend, the last speaker, said we were wasting precious national security time. Mr. Chairman, we lost 618,000 American lives in the Civil War between the States; we lost about 312,000 precious lives in World War II. Together that does not equal 1 million. We kill 1.5 million American babies in their mothers' wombs every year. The death toll, since the fraudulent, based-on-a-lie Roe versus Wade decision, we have killed about 35 million babies.

Mr. Chairman, this is an excellent use of time.

Ms. DELAURO. Mr. Chairman, I yield 1 minute to the gentleman from Kentucky [Mr. WARD].

Mr. WARD. Mr. Chairman, I thank the gentlewoman for yielding time to me.

Mr. Chairman, we need to be clear about a number of matters with regard to this amendment. The first and most important is no Federal funds will be used to provide these services. The substitute that is being offered by the gentlewoman from Connecticut relates only to the use of private funds. No medical providers will be forced to perform this procedure. No one will be forced to perform this procedure. All branches of the military have conscience clause provisions that permit medical personnel who have moral, religious, or ethical objections to this procedure to opt not to perform it. The substitute preserves this clause.

Mr. Chairman, this will keep military servicewomen and military dependents out of back alleys by allowing them access to safe, legal, and comprehensive reproductive services. I urge support of the DeLauro amendment.

Mr. DORNAN. Mr. Chairman, I yield 1 minute to my distinguished colleague, the gentlewoman from California [Mrs. SEASTRAND].

Mrs. SEASTRAND. Mr. Chairman, I rise in strong support of the Dornan amendment to the Department of Defense authorization bill.

As my colleague from California has accurately pointed out, we have already had this debate and the proponents of forcing taxpayers to pay for overseas abortions came out on the losing end.

The facts today are no different than they were 2½ months ago. There is no reason why the American people—most of whom oppose abortion on demand—should be compelled to pay for abortions overseas and no reason for the U.S. Government to sponsor these abortions.

The Dornan language merely goes back to the more rationale and humane policy that was in place during the Reagan-Bush years. That policy prohibited federally funded, overseas military treatment facilities from providing abortions. Moreover, that policy allowed DOD medical facilities to do what they are supported to do—provide the services necessary to heal the sick and injured.

I urge my colleagues to support the Dornan amendment.

Mrs. DELAURO. Mr. Chairman, I yield myself 5 seconds.

Mr. Chairman, I would just like to reiterate that there are no public funds involved in this effort. It is the funds, private funds, of the women who serve in our military who serve overseas, no public funding.

Mr. Chairman, I yield 1 minute to the gentleman from Massachusetts [Mr. MEEHAN].

Mr. MEEHAN. Mr. Chairman, I rise today in support of the DeLauro amendment to allow women in the armed services access to safe abortions abroad at their own expense.

I respect my colleagues on both sides of the aisle who oppose abortion for moral or religious reasons. But this summer I have witnessed an unprecedented move by moderate Republicans to join with their conservative colleagues in an all-out attack on women's reproductive rights. Members who for years have professed to support the rights to choose have voted to deny entire groups of women—like federal employees—access to safe abortions. Time and time again they have sacrificed women's constitutional rights for political, not moral ambitions.

Allowing military women to pay for their own abortions abroad is not a radical idea. The DeLauro amendment will simply continue to permit women who are voluntarily serving our country to practice the right to choose and to pay for that right themselves.

Please do not continue to sacrifice women's constitutional rights in the Republican fight to maintain control of Congress. Women don't deserve to be the losers in the political battle between Democrats and Republicans in Washington.

Mr. DORNAN. Mr. Chairman, I yield 2½ minutes to the gentleman from Indiana [Mr. HOSTETTLER], my distinguished colleague from the Subcommittee on Military Personnel.

Mr. HOSTETTLER. Mr. Chairman, I rise in strong support of the Dornan amendment and in opposition to the DeLauro amendment. Mr. Chairman, in the Defense authorization bill passed earlier this year this Congress placed limits on the use of U.S. military facilities for the practice of abortion. We now face this very same issue in the context of appropriations.

Those who oppose these limits argue that their position is simply a "matter of fairness." Despite my questioning whether we can have any substantive discussion of fairness without including the preborn, and despite my profound disagreement with the Supreme Court's reasoning in the Roe versus Wade decision, I want to concentrate on what I see as the real issue at hand.

The Supreme Court has told us that we have to allow the killing of preborn children. It has not, however, told us that Government has an obligation to provide this service. The DeLauro amendment, I believe, would obligate the United States to make sure abortion services and facilities are available at U.S. military bases.

There are many reasons why we should not obligate the military to provide facilities and services for abortion. For example, despite the assurances from the other side, I believe it is hard to argue there is no subsidy of abortion by U.S. taxpayers in this case. I believe there is a subsidy, though it may be indirect, because everything in our military medical systems is taxpayer-funded—from the doctor's education and availability, to the electricity powering the facility's equipment, to the very building itself.

In addition, abortion—while declared legal by the Supreme Court—remains a very divisive practice, and allowing abortions to be performed on military installations would bring that discord and dissension right onto our military bases, complete with pickets and the like.

Some would also argue that it is especially offensive to make the military—an institution dedicated to preserving innocent life by deterring aggression—the provider of a procedure that ends innocent life.

While it is offensive, I think that the core principle at issue today—whether the Government is obligated to provide a right—goes beyond the unique circumstances of the military. The freedom of the press guaranteed by the first amendment, for example, does not obligate the Federal Government to provide every interested American with a printing press. Pushing this notion further, I ask, should we allow military facilities to be used for prostitution where it is otherwise legal? I think not.

Congress has the clear responsibility under the Constitution to provide for the rules and regulations of the military. We must not make it the policy of the United States to use its military facilities to destroy an innocent preborn life.

For this reason, Mr. Chairman, I will vote in favor of the Dornan amendment and against the DeLauro amendment. I urge all my colleagues to do the same.

Ms. DELAURO. Mr. Chairman, I yield myself 10 seconds.

Mr. Chairman, the Federal Government is obligated to honor the constitutional rights of women who serve in the military overseas. The Dornan amendment denies their constitutional rights.

Mr. Chairman, I yield 30 seconds to the gentleman from Texas [Mr. BENTSEN].

Mr. BENTSEN. Mr. Chairman, I rise in strong support of the DeLauro amendment to preserve the right to choose for women who serve our country in the military. And I rise in strong opposition to the Dornan amendment to take away that right.

The Dornan amendment is yet another step in the continuing stealth campaign to take away the right to choose for all women. The anti-choice forces in this House already have voted to take away that right for poor women and for women who work for the Federal Government.

But I find the Dornan amendment to be especially offensive because it takes away the freedom to choose from women who risk their lives to defend all of our freedoms. The Dornan amendment makes a mockery of our Constitution and the right to freedom, fairness, and equality enshrined in it.

Once again, I challenge those who oppose a woman's right to choose to have the courage of her convictions and bring it up for an up-or-down vote.

Ms. DELAURO. Mr. Chairman, I yield 30 seconds to the gentleman from California [Mr. FAZIO].

Mr. FAZIO of California. Mr. Chairman, this is one of the saddest debates that we have on this floor, usually twice a year. Since we did away with the draft we asked for volunteers, and of course in the modern era that means we have many women serving in our military. All we are talking about here is protecting and preserving their constitutional right, as has been enumerated by our Supreme Court, to use medical facilities that are clean and safe overseas should they have the tragic requirement of needing an abortion.

Mr. Chairman, this is not public funding. It is their money. They ought to be safe in the assignment of the taxpayers money.

□ 1415

Ms. DELAURO. Mr. Chairman, I yield 30 seconds to the gentlewoman from California [Ms. WOOLSEY].

Ms. WOOLSEY. Mr. Chairman, I rise today in strong support of the DeLauro amendment.

I would like to remind this Congress that the Constitution applies to all Americans, including members of the Armed Forces.

Women soldiers who serve our country overseas have access to a full range of reproductive services. The DeLauro amendment allows them to use their own money in overseas hospitals.

Pass the DeLauro amendment. Protect a military woman's right to choose.

Mr. DELAURO. Mr. Chairman, I yield 30 seconds to the gentleman from Virginia [Mr. MORAN].

Mr. MORAN. Mr. Chairman, do you think for a moment that if men could get pregnant that we would be spending a moment here to discuss whether our men in the military would have the right to use their own money to go to military hospitals to have one of the most personal, private operations possible performed on their bodies? The answer is no.

Mr. Chairman, we do not know the circumstance of pregnancy of these women. We do not know the health circumstances that are unique to them, and the reality is this ought to be left to them. They have a constitutional right, let us support it.

Ms. DELAURO. Mr. Chairman, I reserve the balance of my time.

Mr. DORNAN. Mr. Chairman, I yield 1 minute to the gentleman from New Jersey [Mr. SMITH] who has just returned from a sterling performance in China.

Mr. SMITH of New Jersey. Mr. Chairman, I thank my friend for yielding time to me.

This vote poses two simple yet fundamental questions: First, when Congress encounters one of those rare questions on which the Federal judiciary has not mandated a pro-abortion policy, will we have the courage to stand for innocent human life?

Second, is it consistent with the mission of our Armed Forces, a mission that is justifiable only insofar as it is designed to save and protect human lives, to be deeply involved in the enterprise of killing unborn children?

Unfortunately, on January 22, 1993, our military hospitals were turned into abortion mills by the President of the United States when he reversed a well settled pro-life policy. Since then, however, and I am glad to say, many of our courageous military obstetricians and nurses and anesthesiologists around the world have refused. I say again have refused to comply with that death order. They understand that their job is to be healers first and always. They regard it as inconsistent and hypocritical to heal innocent people in one room and kill them in the next. They know a house divided against itself will not stand.

By adopting the Dornan language, this House will take its stand with these healers, these true health professionals, and bear witness to their courage and vision. DOD hospitals and health care facilities will once again be institutions exclusively dedicated to healing.

The DeLauro amendment makes a false distinction based not on what happens in an abortion, not on who does the abortion, but on who provides the cash. This amendment says, in effect, that it is moral to tear a child limb from limb as long as somebody else is paying for it. It pretends that the United States is not really taking sides if it turns its hospitals into abortion mills, provided that they break even. This distinction is based on a fundamental misunderstanding of what is at stake here, of what is at stake in every single abortion.

Mr. Chairman, the law has a teaching function. It teaches by example. If the United States chooses to turn its military hospitals into abortion mills, it sends a powerful message to women and girls that abortion is not only a choice that they are allowed under the Supreme Court's decisions, but an acceptable choice. By taking its hospitals out of the abortion business, the United States can send the opposite message—a message of healing, of compassion, of justice for each person, born and unborn.

Each of us is called upon today to take a stand one way or the other: For life or for death. The DeLauro amendment attempts to tell us that we can be neutral on this question, but this is not one of the questions on which we can remain neutral. I urge my colleagues to choose life. Please vote "no" on the DeLauro amendment and "yes" on the Dornan amendment.

Vote "yes" on the Dornan amendment, "no" on the DeLauro amendment.

Ms. DELAURO. Mr. Chairman, I yield 30 seconds to the gentleman from New York [Mr. ENGEL].

Mr. ENGEL. Mr. Chairman, I rise in strong support of the DeLauro amendment and opposition to the Dornan amendment. This is a very sensitive question and I certainly respect both sides. My wife and I would not choose abortion for our family. We just had a baby. My wife gave birth at age 41, but I wanted to say something. People who are opposed to abortion do not have a right, in my opinion, to force their beliefs on everybody else.

Mr. Chairman, the thing about the United States is that people have individual rights and individual freedoms. If you do not believe in abortion, then it is your right not to have one. Women in the military ought to be treated like every other citizen. They ought to have the freedom to choose.

Ms. DELAURO. Mr. Chairman, I yield 30 seconds to the gentleman from California [Mr. FARR].

Mr. FARR. Mr. Chairman, I rise in support of the DeLauro substitute amendment and in opposition to the Dornan amendment.

Mr. Chairman and my colleagues, it is patently unfair that American women cannot obtain medical services—medical services that are legal under the American Constitution and American laws—at American medical facilities just because these women are stationed overseas.

Our Government has long advocated the elimination of discrimination and unequal treatment. We have long advocated access to safe and sound medical services. The Dornan amendment is overtly discriminatory; it is overtly unequal and it is overtly unsafe and unsound.

This amendment is not about granting special rights to women stationed overseas. It's about fairness. It's about making sure that American women overseas are not classified as second class citizens by their Government, the Government for which they provide defense from foreign aggression.

I support the DeLauro substitute because I support women as full and equal citizens of this country. To vote otherwise, is to insult the women of America in the worst way possible.

The CHAIRMAN. The gentlewoman from Connecticut [Ms. DELAURO] has 45 seconds remaining.

Ms. DeLAURO. Mr. Chairman, I yield myself the balance of my time.

I would like to emphasize that this amendment is not about public funding and its is not about special treatment, it is about fairness. That is what it is about. The substitute amendment preserves the right to choose and it preserves safe health care for American military women.

Women who serve in the military to protect our rights, to protect our liberty, should not have to check those rights, their constitutional rights, at our border when they go overseas to protect us. They deserve good quality and the best medical care and they have that right under our Constitution. I urge my colleagues to support this bipartisan substitute amendment and to defeat the Dornan amendment.

Mr. DORNAN. Mr. Chairman, I yield myself 15 seconds.

Mr. Chairman, every consultant who has made it to heaven or is in the other place will tell you that the first thing they learn is do not be a flip-flopper, and here is the list of how 230 people voted before. This is not a mockery to the Constitution. The mockery was aging, retired Harry Blackmun finding a right to kill innocent precious human life in the womb. I hope he has a good lawyer when he meets St. Peter.

Mr. Chairman, I yield the balance of my time to the gentleman from Illinois [Mr. HYDE].

The CHAIRMAN. The gentleman from Illinois [Mr. HYDE] is recognized for 1 minute and 15 seconds.

Mr. HYDE. Mr. Chairman, this is more than a legal or a constitutional question, although it certainly is that. It is a moral question. I do not think anybody who claims to be human can be indifferent to the proposition that a tiny, vulnerable, defenseless unborn life is being crushed, is being destroyed, is being exterminated in an abortion and be indifferent to that. That is the one missing factor in all of the reasoned arguments on the proabortion side.

Mr. Chairman, they talk about women's rights, they talk about safe abortion, but they totally forget the invisible element, the unborn child. That is not a nothing. The term safe abortion is an oxymoron. It is terminal for the unborn child.

What is safe about being sucked out of a mother's womb and thrown away with the trash? Abortions are evil. They are not a benign neutral act. They take a human life that has been guaranteed the right to life in our Declaration of Independence as inalienable. Why is that erased in all of our contemplation?

Do not euphemize reproductive rights. There is nothing reproductive about abortion. That is reproductive denial.

Vote for Dornan against DeLauro.

Mrs. VUCANOVICH. Mr. Chairman, the men and women who serve as military doctors in our armed services take an oath to save and defend lives. The majority of doctors in the military do not want to participate in the willful destruction of human life. Despite the great reluctance of doctors to perform abortions—the Pentagon, under the direction of the Clinton administration, is insisting that a way be found to allow abortion on demand at our military facilities. While women seeking an abortion must pay for the procedure—having the procedure take place at a military hospital raises concerns regarding the use of taxpayer money to subsidize abortion-related expenses.

The Dornan language would insure the restoration of a Reagan-Bush policy which stated that overseas U.S. military medical facilities could not be used to perform abortions—except to save the life of the mother. Opponents of the Dornan provision may argue that many nations hosting U.S. military bases may have limits on abortion, making it difficult to obtain this procedure safely. However, the U.S. military is bound to respect the laws of host countries including any restriction on abortions. Furthermore, United States women overseas may continue, as they have for years, to go to Germany and use facilities there that are just as safe as anywhere in the United States.

It is clear that military doctors want nothing to do with aiding the destruction of unborn children and that the majority of the American people do not want their tax dollars to subsidize abortion either directly or indirectly. We have a responsibility to ensure that our military facilities are allowed to be completely dedicated to healing people, not aiding in their destruction. I urge my colleagues to support the Dornan amendment to H.R. 2126.

Ms. PELOSI. Mr. Chairman, I rise today in support of the DeLauro substitute to the Dornan amendment. I oppose the Dornan amendment, which prohibits any funds from being used to perform abortions in military medical facilities except in the case of life endangerment of the mother.

American women are guaranteed the constitutional right to obtain safe and legal abortions. The restrictive language in the Dornan amendment is obvious in its intent to deny that right to women who selflessly serve this country overseas. This is unjust and unreasonable.

The health and safety of women is clearly threatened by the Dornan amendment. Denying women the opportunity to obtain a safe abortion from qualified doctors in a military hospital does not mean they will decide against abortion. Instead, we will see them seeking abortions in an unfamiliar, foreign environment where the opportunity to be treated by a skilled medical professional is not available.

This amendment, as so many others we have seen in the course of this Congress, sacrifices the health, safety, and constitutional rights of women to further a pro-life agenda.

I urge my colleagues to recognize the rights of American servicepeople and their families. Oppose the Dornan amendment and support the DeLauro substitute and women's right to choose.

The CHAIRMAN. The question is on the amendment offered by the gentlewoman from Connecticut [Ms. DELAURO] as a substitute for the amendment offered by the gentleman from California [Mr. DORNAN].

The question was taken; and the Chairman announced that the noes appeared to have it.

RECORDED VOTE

Ms. DELAURO. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

Pursuant to clause 2(c) of rule XXIII, the Chair may reduce to a minimum of 5 minutes the time for electronic voting, if ordered, on the underlying Dornan amendment without intervening business or debate.

The vote was taken by electronic device, and there were—ayes 194, noes 224, not voting 16, as follows:

[Roll No. 641]

AYES—194

Abercrombie
Ackerman
Andrews
Baesler
Baldacci
Barrett (WI)
Bass
Becerra
Beilenson
Bentsen
Berman
Boehlert
Bonior
Bono
Boucher
Brewster
Brown (CA)
Brown (FL)
Brown (OH)
Bryant (TX)
Cardin
Castle
Chapman
Clay
Clayton
Clement
Clyburn
Coleman
Collins (IL)
Collins (MI)
Condit
Conyers
Coyne
Cramer
Danner
DeFazio
DeLauro
Dellums
Deutsch
Dicks
Dixon
Doggett
Dooley
Dunn
Durbin
Edwards
Ehrlich
Engel
Eshoo
Evans
Farr
Fattah
Fawell
Fazio
Fields (LA)
Filner
Flake
Foglietta
Foley
Ford
Fowler
Frank (MA)
Franks (CT)
Franks (NJ)
Frelinghuysen
Frost
Furse
Gejdenson
Gephardt
Geren
Gibbons
Gilchrest
Gilman
Gonzalez
Gordon
Green
Greenwood
Gunderson
Gutierrez
Harman
Hastings (FL)
Hefner
Hilliard
Hinchey
Horn
Houghton
Hoyer
Jackson-Lee
Jacobs
Jefferson
Johnson (CT)
Johnson (SD)
Johnson, E. B.
Johnston
Kelly
Kennedy (MA)
Kennedy (RI)
Kennelly
Kleczka
Klug
Kolbe
Lantos
Leach
Levin
Lewis (GA)
Lincoln
Lofgren
Longley
Lowey
Luther
Markey
Martinez
Martini
Matsui
McCarthy
McDermott
McHale
McHugh
McInnis
Meehan
Meek
Menendez
Meyers
Mfume
Miller (CA)
Miller (FL)
Mineta
Minge
Mink
Molinari
Moran
Nadler
Obey
Olver
Owens
Pallone
Pastor
Payne (NJ)
Payne (VA)
Pelosi
Peterson (FL)
Petri
Pickett
Pomeroy
Porter
Pryce
Ramstad
Rangel
Reed
Richardson
Rivers
Rose
Roukema
Roybal-Allard
Rush
Sabo
Sanders
Sawyer
Schiff
Schroeder
Schumer
Scott
Serrano
Shaw
Shays
Skaggs
Slaughter
Spratt
Stark
Stokes
Studds
Tanner
Thomas
Thompson
Thurman
Torkildsen
Torres
Torricelli
Towns
Velazquez
Vento
Visclosky
Waters
Watt (NC)
Waxman
White
Williams
Wise
Woolsey
Wyden
Wynn
Yates
Zeliff
Zimmer

NOES—224

Allard
Archer
Armey
Bachus
Baker (CA)
Baker (LA)
Ballenger
Barcia
Barr
Barrett (NE)
Bartlett
Barton
Bereuter
Bevill
Bilbray
Bilirakis
Bliley
Blute
Boehner
Bonilla
Borski
Browder
Brownback
Bryant (TN)
Bunn
Bunning
Burr
Burton
Buyer
Callahan
Calvert
Camp
Canady
Chabot
Chambliss
Chenoweth
Christensen
Chrysler
Clinger
Coble
Coburn
Collins (GA)
Combest
Cooley
Costello
Crane
Crapo
Cremeans
Cubin
Cunningham
Davis
de la Garza
Deal
DeLay
Diaz-Balart
Dickey
Doolittle
Dornan
Doyle
Dreier
Duncan
Ehlers
Emerson
English
Ensign
Everett
Ewing
Fields (TX)
Flanagan
Forbes
Fox
Frisa
Funderburk
Gallegly
Ganske

Gekas
Goodlatte
Goodling
Goss
Graham
Gutknecht
Hall (OH)
Hall (TX)
Hamilton
Hancock
Hansen
Hastert
Hastings (WA)
Hayes
Hayworth
Hefley
Heineman
Herger
Hilleary
Hobson
Hoekstra
Hoke
Holden
Hostettler
Hutchinson
Hyde
Inglis
Istook
Johnson, Sam
Jones
Kanjorski
Kaptur
Kasich
Kildee
Kim
King
Kingston
Klink
Knollenberg
LaFalce
LaHood
Largent
Latham
LaTourette
Laughlin
Lazio
Lewis (CA)
Lewis (KY)
Lightfoot
Linder

Lipinski
Livingston
LoBiondo
Lucas
Manton
Manzullo
Mascara
McCollum
McCrery
McDade
McIntosh
McKeon
McNulty
Metcalf
Mica
Mollohan
Montgomery
Moorhead
Murtha
Myers
Myrick
Neal
Nethercutt
Neumann
Ney
Norwood
Nussle
Oberstar
Ortiz
Orton
Oxley
Packard
Parker
Paxon
Peterson (MN)
Pombo
Portman
Poshard
Quillen
Quinn
Radanovich
Rahall
Regula
Riggs
Roberts
Roemer
Rogers
Rohrabacher
Ros-Lehtinen
Roth

Royce
Salmon
Sanford
Saxton
Scarborough
Schaefer
Seastrand
Sensenbrenner
Shadegg
Shuster
Skeen
Skelton
Smith (MI)
Smith (NJ)
Smith (TX)
Smith (WA)
Solomon
Souder
Spence
Stearns
Stenholm
Stockman
Stump
Stupak
Talent
Tate
Tauzin
Taylor (MS)
Taylor (NC)
Tejeda
Thornberry
Thornton
Tiahrt
Traficant
Upton
Volkmer
Vucanovich
Walker
Walsh
Wamp
Watts (OK)
Weldon (FL)
Weldon (PA)
Weller
Whitfield
Wicker
Wolf
Young (AK)
Young (FL)

NOT VOTING—16

Bateman
Bishop
Cox
Dingell
Gillmor
Hunter

Maloney
McKinney
Moakley
Morella
Reynolds
Sisisky

Tucker
Waldholtz
Ward
Wilson

□ 1444

Mr. HORN, Ms. DUNN of Washington, and Mr. THOMAS changed their vote from "no" to "aye."

So the amendment offered as a substitute for the amendment was rejected.

The result of the vote was announced as above recorded.

PERSONAL EXPLANATION

Mr. WARD. Mr. Chairman, during rollcall vote No. 641 on H.R. 2126 I was unavoidably detained. Had I been present I would have voted "aye." I ask unanimous consent that my statement appear in the RECORD immediately following rollcall vote No. 641.

PERSONAL EXPLANATION

Mr. PETRI. Mr. Chairman, I ask that a statement appear in the RECORD following rollcall 641 indicating that, though I was recorded as voting "aye" it was my intention to vote "no," on the amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from California [Mr. DORNAN].

The question was taken; and the Chair announced that the ayes appeared to have it.

RECORDED VOTE

Mr. DORNAN. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The CHAIRMAN. This will be a 5-minute vote.

The vote was taken by electronic device, and there were—ayes 226, noes 191, not voting 17, as follows:

[Roll No. 642]

AYES—226

Allard
Archer
Armey
Bachus
Baker (CA)
Baker (LA)
Ballenger
Barcia
Barr
Barrett (NE)
Bartlett
Barton
Bateman
Bereuter
Bevill
Bilirakis
Bliley
Boehner
Borski
Browder
Brownback
Bryant (TN)
Bunn
Bunning
Burr
Burton
Buyer
Callahan
Calvert
Camp
Canady
Chabot
Chambliss
Chenoweth
Christensen
Chrysler
Clinger
Coble
Coburn
Collins (GA)
Combest
Cooley
Costello
Crane
Crapo
Cremeans
Cubin
Cunningham
Danner
Davis
de la Garza
Deal
DeLay
Diaz-Balart
Dickey
Doolittle
Dornan
Doyle
Dreier
Duncan
Ehlers
Emerson
English
Ensign
Everett
Ewing
Fields (TX)
Flanagan
Forbes
Fox
Frisa
Funderburk
Gallegly
Ganske
Gekas
Gillmor

Goodlatte
Goodling
Goss
Graham
Gutknecht
Hall (OH)
Hall (TX)
Hamilton
Hancock
Hansen
Hastert
Hastings (WA)
Hayes
Hayworth
Hefley
Heineman
Herger
Hilleary
Hobson
Hoekstra
Hoke
Holden
Hostettler
Hunter
Hutchinson
Hyde
Inglis
Istook
Johnson, Sam
Jones
Kanjorski
Kaptur
Kasich
Kildee
Kim
King
Kingston
Kleczka
Klink
Knollenberg
LaFalce
LaHood
Largent
Latham
LaTourette
Laughlin
Lazio
Lewis (CA)
Lewis (KY)
Lightfoot
Linder
Lipinski
Livingston
LoBiondo
Lucas
Manton
Manzullo
Mascara
McCollum
McCrery
McDade
McIntosh
McKeon
McNulty
Metcalf
Mica
Mollohan
Montgomery
Moorhead
Murtha
Myers
Myrick
Neal
Nethercutt
Neumann
Ney

Norwood
Nussle
Oberstar
Ortiz
Orton
Oxley
Packard
Parker
Paxon
Peterson (MN)
Pombo
Portman
Poshard
Quillen
Quinn
Radanovich
Rahall
Regula
Riggs
Roberts
Roemer
Rogers
Rohrabacher
Ros-Lehtinen
Roth
Royce
Salmon
Sanford
Saxton
Scarborough
Schaefer
Seastrand
Sensenbrenner
Shadegg
Shuster
Skeen
Skelton
Smith (MI)
Smith (NJ)
Smith (TX)
Smith (WA)
Solomon
Souder
Spence
Spratt
Stearns
Stenholm
Stockman
Stump
Stupak
Talent
Tate
Tauzin
Taylor (MS)
Taylor (NC)
Tejeda
Thornberry
Tiahrt
Traficant
Upton
Volkmer
Vucanovich
Walker
Walsh
Wamp
Watts (OK)
Weldon (FL)
Weldon (PA)
Weller
Whitfield
Wicker
Wolf
Young (AK)
Young (FL)

NOES—191

Abercrombie
Ackerman
Andrews
Baesler
Baldacci
Barrett (WI)
Bass
Becerra
Beilenson
Bentsen
Berman
Bilbray
Boehlert
Bonilla
Bonior
Bono
Boucher
Brewster
Brown (CA)
Brown (FL)
Brown (OH)
Bryant (TX)
Cardin
Castle
Chapman
Clay
Clayton
Clement
Clyburn
Coleman
Collins (IL)
Collins (MI)
Condit
Conyers
Coyne
Cramer
DeFazio
DeLauro
Dellums
Deutsch
Dicks
Dixon
Doggett
Dooley
Dunn
Durbin
Edwards
Ehrlich
Engel
Eshoo
Evans
Farr
Fawell
Fazio
Fields (LA)
Filner
Foglietta
Foley
Ford
Fowler
Frank (MA)
Franks (CT)
Franks (NJ)
Frelinghuysen

Frost
Furse
Gejdenson
Gephardt
Geren
Gibbons
Gilchrest
Gilman
Gonzalez
Gordon
Green
Greenwood
Gunderson
Gutierrez
Harman
Hastings (FL)
Hefner
Hilliard
Hinchey
Horn
Houghton
Hoyer
Jackson-Lee
Jacobs
Jefferson
Johnson (CT)
Johnson (SD)
Johnson, E. B.
Johnston
Kelly
Kennedy (MA)
Kennedy (RI)
Kennelly
Klug
Kolbe
Lantos
Leach
Levin
Lewis (GA)
Lincoln
Lofgren
Longley
Lowey
Luther
Markey
Martinez
Martini
Matsui
McCarthy
McDermott
McHale
McHugh
McInnis
Meehan
Meek
Menendez
Meyers
Mfume
Miller (CA)
Miller (FL)
Mineta
Minge
Mink
Molinari

Moran
Nadler
Obey
Olver
Owens
Pallone
Pastor
Payne (NJ)
Payne (VA)
Pelosi
Peterson (FL)
Pickett
Pomeroy
Porter
Pryce
Ramstad
Rangel
Reed
Richardson
Rivers
Rose
Roukema
Roybal-Allard
Rush
Sabo
Sanders
Sawyer
Schiff
Schroeder
Schumer
Scott
Serrano
Shaw
Shays
Skaggs
Slaughter
Stark
Stokes
Studds
Tanner
Thomas
Thompson
Thornton
Thurman
Torkildsen
Torres
Torricelli
Towns
Velazquez
Vento
Visclosky
Ward
Watt (NC)
Waxman
White
Williams
Wise
Woolsey
Wyden
Wynn
Yates
Zeliff
Zimmer

NOT VOTING—17

Bishop
Blute
Cox
Dingell
Fattah
Flake

Maloney
McKinney
Moakley
Morella
Petri
Reynolds

Sisisky
Tucker
Waldholtz
Waters
Wilson

□ 1452

So the amendment was agreed to.

The result of the vote was announced as above recorded.

The CHAIRMAN. At the conclusion of the debate on the last amendment, 2 hours and 38 minutes are remaining for debate on further amendments to this bill.

Title III is open to amendment at any point.

AMENDMENT NO. 72 OFFERED BY MR. SCHUMER

Mr. SCHUMER. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment No. 72 offered by Mr. SCHUMER:

Page 16, line 14, after the dollar amount, insert the following: "(increased by $50,000,000)".

Mr. SCHUMER. Mr. Chairman, I intend to withdraw this amendment, but let me explain to my colleagues as to why. The gentleman from New York [Mr. KING] and I first intended to offer this amendment when the bill was originally scheduled for floor consideration a month ago. During the same week the House voted overwhelmingly to lift the arms embargo in the former Yugoslavia. The amendment was a simple one. It would supply $50 million worth of TOW antitank missiles to the Bosnian Government which it desperately needs to overcome the lopsided advantage of the Bosnian Serbs in tanks and armored vehicles and it was intended simply to demonstrate that Congress was willing to put its money where its mouth was, not only by lifting the embargo but by actually providing the Moslems with some of the weapons they need to defend themselves, weapons they cannot afford to buy after years of devastating aggression against them.

I still believe in that amendment, I still believe the Moslems have the right to defend themselves, and at the proper time the United States as the leader of the free world has the duty to assist them. But, of course, significant events have occurred over the last month and they are transpiring as we speak today. The Bosnian Serbs suffered a dramatic reversal in Crimea, the United Nations and the allies have shown renewed resolve and have taken firm action to halt Serb aggression, and for the first time in a while, perhaps since the beginning of hostilities, it looks like we might be on the verge of meaningful negotiations among the warring parties. As a result, there now exists a bipartisan consensus to delay a vote to override the President's veto of the embargo legislation. Therefore, in light of these circumstances, I intend to withdraw the amendment pending the status and progress of negotiations and events on the ground. Therefore, my colleagues, I say, let us see how events transpire. If need be, we can come back and do this amendment, but I ask unanimous consent that the amendment be withdrawn.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

There was no objection.

The CHAIRMAN. Are there further amendments to title III?

If not, the Clerk will designate title IV.

The text of title IV is as follows:

TITLE IV

RESEARCH, DEVELOPMENT, TEST AND EVALUATION

RESEARCH, DEVELOPMENT, TEST AND EVALUATION, ARMY

For expenses necessary for basic and applied scientific research, development, test and evaluation, including maintenance, rehabilitation, lease, and operation of facilities and equipment, as authorized by law; $4,742,150,000, to remain available for obligation until September 30, 1997.

RESEARCH, DEVELOPMENT, TEST AND EVALUATION, NAVY

For expenses necessary for basic and applied scientific research, development, test and evaluation, including maintenance, rehabilitation, lease, and operation of facilities and equipment, as authorized by law; $8,715,481,000, to remain available for obligation until September 30, 1997: *Provided*, That none of the funds appropriated in this paragraph may be obligated or expended to develop or purchase equipment for an Aegis destroyer variant (commonly known as "Flight IIA") whose initial operating capability is budgeted to be achieved prior to the initial operating capability of the Ship Self-Defense program, nor to develop sensor, processor, or display capabilities which duplicate in any way those being developed in the Ship Self-Defense program: *Provided further*, That funds appropriated in this paragraph for development of the LPD–17 ship may not be obligated unless the baseline design of the ship includes cooperative engagement capability and sufficient own-ship self-defense capability against advanced sea-skimming antiship cruise missiles in the baseline design to achieve an estimated probability of survival from attack by such missiles at a level no less than any other Navy ship: *Provided further*, That funds appropriated in this paragraph which are available for the V–22 may be used to meet unique requirements of the Special Operations Forces: *Provided further*, That of the funds appropriated in this paragraph, $189,972,000 shall not be obligated or expended until authorized by law.

RESEARCH, DEVELOPMENT, TEST AND EVALUATION, AIR FORCE

For expenses necessary for basic and applied scientific research, development, test and evaluation, including maintenance, rehabilitation, lease, and operation of facilities and equipment, as authorized by law; $13,110,335,000, to remain available for obligation until September 30, 1997: *Provided*, That of the funds made available in this paragraph, $50,000,000 shall be only for development of reusable launch vehicle technologies.

RESEARCH, DEVELOPMENT, TEST AND EVALUATION, DEFENSE-WIDE

For expenses of activities and agencies of the Department of Defense (other than the military departments), necessary for basic and applied scientific research, development, test and evaluation; advanced research projects as may be designated and determined by the Secretary of Defense, pursuant to law; maintenance, rehabilitation, lease, and operation of facilities and equipment, as authorized by law; $9,029,666,000, to remain available for obligation until September 30, 1997: *Provided*, That not less than $170,000,000 of the funds appropriated in this paragraph shall be made available only for the Sea-Based Wide Area Defense (Navy Upper-Tier) program.

DEVELOPMENTAL TEST AND EVALUATION, DEFENSE

For expenses, not otherwise provided for, of independent activities of the Director, Test and Evaluation in the direction and supervision of developmental test and evaluation, including performance and joint developmental testing and evaluation; and administrative expenses in connection therewith; $259,341,000, to remain available for obligation until September 30, 1997: *Provided*, That of the funds appropriated in this paragraph, $20,000,000 shall not be obligated or expended until authorized by law.

OPERATIONAL TEST AND EVALUATION, DEFENSE

For expenses, not otherwise provided for, necessary for the independent activities of the Director, Operational Test and Evaluation in the direction and supervision of operational test and evaluation, including initial operational test and evaluation which is conducted prior to, and in support of, production decisions; joint operational testing and evaluation; and administrative expenses in connection therewith; $22,587,000, to remain available for obligation until September 30, 1997.

The CHAIRMAN. Are there any amendments to title IV?

If not, the Clerk will designate title V.

The text of title V is as follows:

TITLE V

REVOLVING AND MANAGEMENT FUNDS

DEFENSE BUSINESS OPERATIONS FUND

For the Defense Business Operations Fund; $1,573,800,000: *Provided*, That of this amount, $695,100,000 shall be available only for the liquidation of prior year accumulated operating losses of the Department of the Navy: *Provided further*, That of the funds appropriated in this paragraph, $695,100,000 shall not be obligated or expended until authorized by law.

NATIONAL DEFENSE SEALIFT FUND

For National Defense Sealift Fund programs, projects, and activities, and for expenses of the National Defense Reserve Fleet, as established by section 11 of the Merchant Ship Sales Act of 1946 (50 U.S.C. App 1744); $974,220,000, to remain available until expended: *Provided*, That none of the funds provided in this paragraph shall be used to award a new contract that provides for the acquisition of any of the following major components unless such components are manufactured in the United States: auxiliary equipment, including pumps, for all shipboard services; propulsion system components (that is; engines, reduction gears, and propellers); shipboard cranes; and spreaders for shipboard cranes: *Provided further*, That the exercise of an option in a contract awarded through the obligation of previously appropriated funds shall not be considered to be the award of a new contract: *Provided further*, That the Secretary of the military department responsible for such procurement may waive this restriction on a case-by-case basis by certifying in writing to the Committees on Appropriations of the House of Representatives and the Senate, that adequate domestic supplies are not available to meet Department of Defense requirements on a timely basis and that such an acquisition must be made in order to acquire capability for national security purposes.

The CHAIRMAN. Are there any amendments to title V?

If not, the Clerk will designate title VI.

The text of title VI is as follows:

TITLE VI

OTHER DEPARTMENT OF DEFENSE PROGRAMS

DEFENSE HEALTH PROGRAM

For expenses, not otherwise provided for, for medical and health care programs of the Department of Defense, as authorized by law; $10,205,158,000, of which $9,917,125,000 shall be for Operation and maintenance, of which $288,033,000, to remain available for obligation until September 30, 1998, shall be for Procurement: *Provided*, That the Department shall continue to competitively contract during fiscal year 1996 for mail service pharmacy for at least two multi-state regions in addition to the ongoing solicitations for Florida, South Carolina, Georgia, Delaware, New Jersey, Pennsylvania, and Hawaii, as well as each base closure area not supported by an at-risk managed care plan; that such services shall be procured independent of any other Department managed care contracts; that one multi-state region shall include the State of Kentucky and that one multi-state region shall include the State of New Mexico: *Provided*, That of the funds appropriated in this paragraph, $40,600,000 shall not be obligated or expended until authorized by law.

CHEMICAL AGENTS AND MUNITIONS DESTRUCTION, DEFENSE

For expenses, not otherwise provided for, necessary for the destruction of the United States stockpile of lethal chemical agents and munitions in accordance with the provisions of section 1412 of the Department of Defense Authorization Act, 1986 (50 U.S.C. 1521), and for the destruction of other chemical warfare materials that are not in the chemical weapon stockpile, $746,698,000, of which $393,850,000 shall be for Operation and maintenance, $299,448,000 shall be for Procurement to remain available until September 30, 1998, and $53,400,000 shall be for Research, development, test and evaluation to remain available until September 30, 1997.

DRUG INTERDICTION AND COUNTER-DRUG ACTIVITIES, DEFENSE

(INCLUDING TRANSFER OF FUNDS)

For drug interdiction and counter-drug activities of the Department of Defense, for transfer to appropriations available to the Department of Defense for military personnel of the reserve components serving under the provisions of title 10 and title 32, United States Code; for Operation and maintenance; for Procurement; and for Research, development, test and evaluation; $688,432,000: *Provided*, That the funds appropriated by this paragraph shall be available for obligation for the same time period and for the same purpose as the appropriation to which transferred: *Provided further*, That the transfer authority provided in this paragraph is in addition to any transfer authority contained elsewhere in this Act: *Provided further*, That of the funds appropriated in this paragraph, $8,000,000 shall not be obligated or expended until authorized by law.

OFFICE OF THE INSPECTOR GENERAL

For expenses and activities of the Office of the Inspector General in carrying out the provisions of the Inspector General Act of 1978, as amended; $178,226,000, of which $177,226,000 shall be for Operation and maintenance, of which not to exceed $400,000 is available for emergencies and extraordinary expenses to be expended on the approval or authority of the Inspector General, and payments may be made on his certificate of necessity for confidential military purposes; and of which $1,000,000 to remain available until September 30, 1998, shall be for Procurement.

The CHAIRMAN. Are there any amendments to title VI?

If not, the Clerk will designate title VII.

The text of title VII is as follows:

TITLE VII

RELATED AGENCIES

CENTRAL INTELLIGENCE AGENCY RETIREMENT AND DISABILITY SYSTEM FUND

For payment to the Central Intelligence Agency Retirement and Disability System Fund, to maintain proper funding level for continuing the operation of the Central Intelligence Agency Retirement and Disability System; $213,900,000.

NATIONAL SECURITY EDUCATION TRUST FUND

(RESCISSION)

Of the funds made available under this heading in Public Law 102–172, Public Law 103–50, Public Law 103–139, and Public Law 103–335, $78,100,000 are rescinded: *Provided*, That the balance of funds in the National Security Education Trust Fund (established pursuant to section 804 of the David L. Boren National Security Education Act of 1991 (50 U.S.C. 1904)), other than such amount as is necessary for obligations made before the date of the enactment of this Act, is hereby reduced to zero: *Provided further*, That no outlay may be made from the Fund after the date of the enactment of this Act other than to liquidation of all such obligations made before such date, the Fund shall be closed: *Provided further*, That no obligation may be made from the Fund after the date of the enactment of this Act.

INTELLIGENCE COMMUNITY MANAGEMENT ACCOUNT

For necessary expenses of the Intelligence Community Management Account; $75,683,000.

The CHAIRMAN. Are there any amendments to title VII?

If not, the Clerk will designate title VIII.

The text of title VIII is as follows:

TITLE VIII

GENERAL PROVISIONS

SEC. 8001. No part of any appropriation contained in this Act shall be used for publicity or propaganda purposes not authorized by the Congress.

SEC. 8002. During the current fiscal year, provisions of law prohibiting the payment of compensation to, or employment of, any person not a citizen of the United States shall not apply to personnel of the Department of Defense: *Provided*, That salary increases granted to direct and indirect hire foreign national employees of the Department of Defense funded by this Act shall not be at a rate in excess of the percentage increase authorized by law for civilian employees of the Department of Defense whose pay is computed under the provisions of section 5332 of title 5, United States Code, or at a rate in excess of the percentage increase provided by the appropriate host nation to its own employees, whichever is higher: *Provided further*, That this section shall not apply to Department of Defense foreign service national employees serving at United States diplomatic missions whose pay is set by the Department of State under the Foreign Service Act of 1980.

SEC. 8003. No part of any appropriation contained in this Act shall remain available for obligation beyond the current fiscal year, unless expressly so provided herein.

SEC. 8004. No more than 20 per centum of the appropriations in this Act which are limited for obligation during a single fiscal year shall be obligated during the last two months of such fiscal year: *Provided*, That this section shall not apply to obligations for support of active duty training of reserve components or summer camp training of the Reserve Officers' Training Corps.

(TRANSFER OF FUNDS)

SEC. 8005. Upon determination by the Secretary of Defense that such action is necessary in the national interest, he may, with the approval of the Office of Management and Budget, transfer not to exceed $2,000,000,000 of working capital funds of the Department of Defense or funds made available in this Act to the Department of Defense for military functions (except military construction) between such appropriations or funds or any subdivision thereof, to be merged with and to be available for the same purposes, and for the same time period, as the appropriation or fund to which transferred: *Provided*, That such authority to transfer may not be used unless for higher priority items, based on unforeseen military requirements, than those for which originally appropriated and in no case where the item for which funds are requested has been denied by Congress: *Provided further*, That only for valid Ship Cost Adjustments related to the Shipbuilding and Construction, Navy Appropriation such authority to transfer may be used to transfer funds made available in this or any previous Department of Defense Appropriations Act subject to the same conditions required elsewhere in this paragraph: *Provided further*, That the Secretary of Defense shall notify the Congress promptly of all transfers made pursuant to this authority or any other authority in this Act.

(TRANSFER OF FUNDS)

SEC. 8006. During the current fiscal year, cash balances in working capital funds of the Department of Defense established pursuant to section 2208 of title 10, United States Code, may be maintained in only such amounts as are necessary at any time for cash disbursements to be made from such funds: *Provided*, That transfers may be made between such funds and the "Foreign Currency Fluctuations, Defense" and "Operation and Maintenance" appropriation accounts in such amounts as may be determined by the Secretary of Defense, with the approval of the Office of Management and Budget, except that such transfers may not be made unless the Secretary of Defense has notified the Congress of the proposed transfer. Except in amounts equal to the amounts appropriated to working capital funds in this Act, no obligations may be made against a working capital fund to procure or increase the value of war reserve material inventory, unless the Secretary of Defense has notified the Congress prior to any such obligation.

SEC. 8007. Using funds available by this Act or any other Act, the Secretary of the Air Force, pursuant to a determination under section 2690 of title 10, United States Code, may implement cost-effective agreements for required heating facility modernization in the Kaiserslautern Military Community in the Federal Republic of Germany: *Provided*, That in the City of Kaiserslautern such agreements will include the use of United States anthracite as the base load energy for municipal district heat to the United States Defense installations: *Provided further*, That at Landstuhl Army Regional Medical Center and Ramstein Air Base, furnished heat may be obtained from private, regional or municipal services, if provisions are included for the consideration of United States coal as an energy source.

SEC. 8008. Funds appropriated by this Act may not be used to initiate a special access program without prior notification 30 calendar days in session in advance to the congressional defense committees.

SEC. 8009. None of the funds contained in this Act available for the Civilian Health and Medical Program of the Uniformed Services shall be available for payments to physicians and other non-institutional health care providers in excess of the amounts allowed in fiscal year 1995 for similar services, except that: (a) for services for which the Secretary of Defense determines an increase is justified by economic circumstances, the allowable amounts may be increased in accordance with appropriate economic index data similar to that used pursuant to title XVIII of the Social Security Act; and (b) for services the Secretary determines are overpriced based on allowable payments under title XVIII of the Social Security Act, the allowable amounts shall be reduced by not more than 15 percent (except that the reduction may be waived if the Secretary determines that it would impair adequate access to health care services for beneficiaries). The Secretary shall solicit public comment prior to promulgating regulations to implement this section. Such regulations shall include a limitation, similar to that used under title XVIII of the Social Security Act, on the extent to which a provider may bill a beneficiary an actual charge in excess of the allowable amount.

SEC. 8010. None of the funds provided in this Act shall be available to initiate (1) a multiyear contract that employs economic order quantity procurement in excess of $20,000,000 in any one year of the contract or that includes an unfunded contingent liability in excess of $20,000,000, or (2) a contract for advance procurement leading to a multiyear contract that employs economic order quantity procurement in excess of $20,000,000 in any one year, unless the congressional defense committees have been notified at least thirty days in advance of the proposed contract award: *Provided*, That no part of any appropriation contained in this Act shall be available to initiate a multiyear contract for which the economic order quantity advance procurement is not funded at least to the limits of the Government's liability: *Provided further*, That no part of any appropriation contained in this Act shall be available to initiate multiyear procurement contracts for any systems or component thereof if the value of the multiyear contract would exceed $500,000,000 unless specifically provided in this Act: *Provided further*, That no multiyear procurement contract can be terminated without 10-day prior notification to the congressional defense committees: *Provided further*, That the execution of multiyear authority shall require the use of a present value analysis to determine lowest cost compared to an annual procurement.

Funds appropriated in title III of this Act may be used for multiyear procurement contracts as follows:

E-2C aircraft;

AV-8B aircraft remanufacture;

T-45 aircraft.

SEC. 8011. Within the funds appropriated for the operation and maintenance of the Armed Forces, funds are hereby appropriated pursuant to section 401 of title 10, United States Code, for humanitarian and civic assistance costs under chapter 20 of title 10, United States Code. Such funds may also be obligated for humanitarian and civic assistance costs incidental to authorized operations and pursuant to authority granted in section 401 of chapter 20 of title 10, United States Code, and these obligations shall be reported to Congress on September 30 of each year: *Provided*, That funds available for operation and maintenance shall be available for providing humanitarian and similar assistance by using Civic Action Teams in the Trust Territories of the Pacific Islands and freely associated states of Micronesia, pursuant to the Compact of Free Association as authorized by Public Law 99-239.

SEC. 8012. (a) During fiscal year 1996, the civilian personnel of the Department of Defense may not be managed on the basis of any end-strength, and the management of such personnel during that fiscal year shall not be subject to any constraint or limitation (known as an end-strength) on the number of such personnel who may be employed on the last day of such fiscal year.

(b) The fiscal year 1997 budget request for the Department of Defense as well as all justification material and other documentation supporting the fiscal year 1997 Department of Defense budget request shall be prepared and submitted to the Congress as if subsections (a) and (b) of this provision were effective with regard to fiscal year 1997.

(c) Nothing in this section shall be construed to apply to military (civilian) technicians.

SEC. 8013. Notwithstanding any other provision of law, none of the funds made available by this Act shall be used by the Department of Defense to exceed, outside the fifty United States, its territories, and the District of Columbia, 125,000 civilian workyears: *Provided*, That workyears shall be applied as defined in the Federal Personnel Manual: *Provided further*, That workyears expended in dependent student hiring programs for disadvantaged youths shall not be included in this workyear limitation.

SEC. 8014. None of the funds made available by this Act shall be used in any way, directly or indirectly, to influence congressional action on any legislation or appropriation matters pending before the Congress.

SEC. 8015. None of the funds appropriated for the Department of Defense during the current fiscal year and hereafter shall be obligated for the pay of any individual who is initially employed after the date of enactment of this Act as a technician in the administration and training of the Army Reserve and the maintenance and repair of supplies issued to the Army Reserve unless such individual is also a military member of the Army Reserve troop program unit that he or she is employed to support. Those technicians employed by the Army Reserve in areas other than Army Reserve troop program units need only be members of the Selected Reserve.

SEC. 8016. Notwithstanding any other provision of law, during the current fiscal year and hereafter the Secretaries of the Army and Air Force may authorize the retention in an active status until age sixty of any person who would otherwise be removed from an active status and who is employed as a National Guard or Reserve technician in a position in which active status in a reserve component of the Army or Air Force is required as a condition of that employment.

SEC. 8017. (a) None of the funds appropriated by this Act shall be used to make contributions to the Department of Defense Education Benefits Fund pursuant to section 2006(g) of title 10, United States Code, representing the normal cost for future benefits under section 1415(c) of title 38, United States Code, for any member of the armed services who, on or after the date of enactment of this Act—

(1) enlists in the armed services for a period of active duty of less than three years; or

(2) receives an enlistment bonus under section 308a or 308f of title 37, United States Code,

nor shall any amounts representing the normal cost of such future benefits be transferred from the Fund by the Secretary of the Treasury to the Secretary of Veterans Affairs pursuant to section 2006(d) of title 10, United States Code; nor shall the Secretary of Veterans Affairs pay such benefits to any such member: *Provided*, That, in the case of a member covered by clause (1), these limitations shall not apply to members in combat arms skills or to members who enlist in the armed services on or after July 1, 1989, under a program continued or established by the Secretary of Defense in fiscal year 1991 to test the cost-effective use of special recruiting incentives involving not more than nineteen noncombat arms skills approved in advance by the Secretary of Defense: *Provided further*, That this subsection applies only to active components of the Army.

(b) None of the funds appropriated by this Act shall be available for the basic pay and allowances of any member of the Army participating as a full-time student and receiving benefits paid by the Secretary of Veterans Affairs from the Department of Defense Education Benefits Fund when time spent as a full-time student is credited toward completion of a service commitment: *Provided*, That this subsection shall not apply to those members who have reenlisted with this option prior to October 1, 1987: *Provided further*, That this subsection applies only to active components of the Army.

SEC. 8018. Funds appropriated for the Department of Defense during the current fiscal year and hereafter shall be available for the payment of not more than 75 percent of the charges of a postsecondary educational institution for the tuition or expenses of an officer in the Ready Reserve of the Army National Guard or Army Reserve for education or training during his off-duty periods, except that no part of the charges may be paid unless the officer agrees to remain a member of the Ready Reserve for at least four years after completion of such training or education.

SEC. 8019. None of the funds appropriated by this Act shall be available to convert to contractor performance an activity or function of the Department of Defense that, on or after the date of enactment of this Act, is performed by more than ten Department of Defense civilian employees until a most efficient and cost-effective organization analysis is completed on such activity or function and certification of the analysis is made to the Committees on Appropriations of the House of Representatives and the Senate: *Provided*, That this section shall not apply to a commercial or industrial type function of the Department of Defense that: (1) is included on the procurement list established pursuant to section 2 of the Act of June 25, 1938 (41 U.S.C. 47), popularly referred to as the Javits-Wagner-O'Day Act; (2) is planned to be converted to performance by a qualified nonprofit agency for the blind or by a qualified nonprofit agency for other severely handicapped individuals in accordance with that Act; or (3) is planned to be converted to performance by a qualified firm under 51 percent Native American ownership.

(TRANSFER OF FUNDS)

SEC. 8020. Funds appropriated in title III of this Act for the Department of Defense Pilot Mentor-Protege Program may be transferred to any other appropriation contained in this Act solely for the purpose of implementing a Mentor-Protege Program developmental assistance agreement pursuant to section 831 of the National Defense Authorization Act for Fiscal Year 1991 (Public Law 101-510; 10 U.S.C. 2301 note), as amended, under the authority of this provision or any other transfer authority contained in this Act.

SEC. 8021. For the purposes of the Balanced Budget and Emergency Deficit Control Act of 1985 (Public Law 99-177) as amended by the Balanced Budget and Emergency Deficit Control Reaffirmation Act of 1987 (Public Law 100-119) and by the Budget Enforcement Act of 1990 (Public Law 101-508), the term program, project, and activity for appropriations contained in this Act shall be defined as the most specific level of budget items identified in the Department of Defense Appropriations Act, 1996, the accompanying House and Senate Committee reports, the conference report and accompanying joint explanatory statement of the managers of the Committee of Conference, the related classified annexes and reports, and the P-1 and R-1 budget justification documents as subsequently modified by Congressional action: *Provided*, That the following exception to the above definition shall apply:

For the Military Personnel and the Operation and Maintenance accounts, the term "program, project, and activity" is defined as the appropriations accounts contained in the Department of Defense Appropriations Act: *Provided further*, That at the time the President submits his budget for fiscal year 1997, the Department of Defense shall transmit to the congressional defense committees budget justification document to be known as the "O-1" which shall identify, at the budget activity, activity group, and subactivity group level, the amounts requested by the President to be appropriated to the Department of Defense for operation and maintenance in any budget request, or amended budget request, for fiscal year 1997.

SEC. 8022. Of the funds appropriated to the Army, $147,900,000 shall be available only for the Reserve Component Automation System (RCAS): *Provided*, That none of these funds can be expended—

(1) except as approved by the Chief of the National Guard Bureau;

(2) unless RCAS resource management functions are performed by the National Guard Bureau;

(3) to pay the salary of an RCAS program manager who has not been selected and approved by the Chief of the National Guard Bureau and chartered by the Chief of the National Guard Bureau and the Secretary of the Army;

(4) unless the Program Manager (PM) charter makes the PM accountable to the Chief of the National Guard Bureau and fully defines his authority, responsibility, reporting channels and organizational structure;

(5) to pay the salaries of individuals assigned to the RCAS program management office unless such organization is comprised of personnel chosen jointly by the Chiefs of the National Guard Bureau and the Army Reserve;

(6) to pay contracted costs for the acquisition of RCAS unless RCAS is an integrated system consisting of software, hardware, and communications equipment and unless such contract continues to preclude the use of Government furnished equipment, operating systems, and executive applications software; and

(7) unless RCAS performs its own classified information processing: *Provided further*, That notwithstanding any other provision of law, none of the funds appropriated shall be available for procurement of computers for the Army Reserve Component which are used to network or expand the capabilities of existing or future information systems or duplicate functions to be provided under the RCAS contract unless the procurement meets the following criteria: (A) at sites scheduled to receive RCAS equipment prior to September 30, 1995, RCAS ADP equipment may be procured and only in the numbers and types allocated by the RCAS program to each site; and at sites scheduled to receive RCAS equipment after September 30, 1995, RCAS ADP equipment or ADP equipment from a list of RCAS compatible equipment approved by the Chief of the National Guard Bureau or his designee, may be procured and only in the numbers and types allocated by the RCAS program to each site; (B) the requesting organizational element has insufficient ADP equipment to perform administrative functions but not to exceed the number of work stations determined by the RCAS program for that site; (C) replacement equipment will not exceed the minimum required to maintain the reliability of existing capabilities; (D) replacement will be justified on the basis of cost and feasibility of repairs and maintenance of present ADP equipment as compared to the cost of replacement; and (E) the procurement under this policy must be approved by the Chief of the National Guard Bureau or his designee, provided that the procurement is a one for one replacement action of existing equipment.

SEC. 8023. None of the funds in this Act may be available for the purchase by the Department of Defense (and its departments and agencies) of welded shipboard anchor and mooring chain 4 inches in diameter and under unless the anchor and mooring chain are manufactured in the United States from components which are substantially manufactured in the United States: *Provided*, That for the purpose of this section manufactured will include cutting, heat treating, quality control, testing of chain and welding (including the forging and shot blasting process): *Provided further*, That for the purpose of this section substantially all of the components of anchor and mooring chain shall be considered to be produced or manufactured in the United States if the aggregate cost of the components produced or manufactured in the United States exceeds the aggregate cost of the components produced or manufactured outside the United States: *Provided further*, That when adequate domestic supplies are not available to meet Department of Defense requirements on a timely basis, the Secretary of the service responsible for the procurement may waive this restriction on a case-by-case basis by certifying in writing to the Committees on Appropriations that such an acquisition must be made in order to acquire capability for national security purposes.

(TRANSFER OF FUNDS)

SEC. 8024. Notwithstanding any other provision of law, the Department of Defense may transfer prior year, unobligated balances and funds appropriated in this Act to the operation and maintenance appropriations for the purpose of providing military technician and Department of Defense medical personnel pay and medical programs (including CHAMPUS) the same exemption from sequestration set forth in the Balanced Budget and Emergency Deficit Control Act of 1985 (Public Law 99-177) as amended by the Balanced Budget and Emergency Deficit Control Reaffirmation Act of 1987 (Public Law 100-119) and by the Budget Enforcement Act of 1990 (Public Law 101-508) as that granted the other military personnel accounts: *Provided*, That any transfer made pursuant to any use of the authority provided by this provision shall be limited so that the amounts reprogrammed to the operation and maintenance appropriations do not exceed the amounts sequestered under the Balanced Budget and Emergency Deficit Control Act of 1985 (Public Law 99-177) as amended by the Balanced Budget and Emergency Deficit Control Reaffirmation Act of 1987 (Public Law 100-119) and by the Budget Enforcement Act of 1990 (Public Law 101-508): *Provided further*, That the authority to make transfers pursuant to this section is in addition to the authority to make transfers under other provisions of this Act: *Provided further*, That the Secretary of Defense may proceed with such transfer after notifying the Appropriations Committees of the House of Representatives and the Senate twenty calendar days in session before any such transfer of funds under this provision.

SEC. 8025. None of the funds appropriated by this Act available for the Civilian Health and Medical Program of the Uniformed Services (CHAMPUS) shall be available for the reimbursement of any health care provider for inpatient mental health service for care received when a patient is referred to a provider of inpatient mental health care or residential treatment care by a medical or health care professional having an economic interest in the facility to which the patient is referred: *Provided*, That this limitation does not apply in the case of inpatient mental health services provided under the program for the handicapped under subsection (d) of section 1079 of title 10, United States Code, provided as partial hospital care, or provided pursuant to a waiver authorized by the Secretary of Defense because of medical or psychological circumstances of the patient that are confirmed by a health professional who is not a Federal employee after a review, pursuant to rules prescribed by the Secretary, which takes into account the appropriate level of care for the patient, the intensity of services required by the patient, and the availability of that care.

SEC. 8026. Funds available in this Act may be used to provide transportation for the next-of-kin of individuals who have been prisoners of war or missing in action from the Vietnam era to an annual meeting in the United States, under such regulations as the Secretary of Defense may prescribe.

SEC. 8027. Notwithstanding any other provision of law, during the current fiscal year, the Secretary of Defense may, by Executive Agreement, establish with host nation governments in NATO member states a separate account into which such residual value amounts negotiated in the return of United States military installations in NATO member states may be deposited, in the currency of the host nation, in lieu of direct monetary transfers to the United States Treasury: *Provided*, That such credits may be utilized only for the construction of facilities to support United States military forces in that host nation, or such real property maintenance and base operating costs that are currently executed through monetary transfers to such host nations: *Provided further*, That the Department of Defense's budget submission for fiscal year 1997 shall identify such sums anticipated in residual value settlements, and identify such construction, real property maintenance or base operating costs that shall be funded by the host nation through such credits: *Provided further*, That all military construction projects to be executed from such accounts must be previously approved in a prior Act of Congress: *Provided further*, That each such Executive Agreement with a NATO member host nation shall be reported to the congressional defense committees thirty days prior to the conclusion and endorsement of any such agreement established under this provision.

SEC. 8028. None of the funds available to the Department of Defense in this Act shall be used to demilitarize or dispose of more than 310,784 unserviceable M1 Garand rifles and M1 Carbines.

SEC. 8029. Notwithstanding any other provision of law, none of the funds appropriated by this Act shall be available to pay more than 50 percent of an amount paid to any person under section 308 of title 37, United States Code, in a lump sum.

SEC. 8030. None of the funds appropriated by this Act may be used by the Department of Defense to assign a supervisor's title or grade when the number of people he or she supervises is considered as a basis for this determination: *Provided*, That savings that result from this provision are represented as such in future budget proposals.

SEC. 8031. None of the funds appropriated by this Act shall be available for payments under the Department of Defense contract with the Louisiana State University Medical Center involving the use of cats for Brain Missile Wound Research, and the Department of Defense shall not make payments under such contract from funds obligated prior to the date of the enactment of this Act, except as necessary for costs incurred by the contractor prior to the enactment of this Act: *Provided*, That funds necessary for the care of animals covered by this contract are allowed.

SEC. 8032. None of the funds provided in this Act or any other Act shall be available to conduct bone trauma research at any Army Research Laboratory until the Secretary of the Army certifies that the synthetic compound to be used in the experiments is of such a type that its use will result in a significant medical finding, the research has military application, the research will be conducted in accordance with the standards set by an animal care and use committee, and the research does not duplicate research already conducted by a manufacturer or any other research organization.

SEC. 8033. No more than $50,000 of the funds appropriated or made available in this Act shall be used for any single relocation of an organization, unit, activity or function of the Department of Defense into or within the National Capital Region: *Provided*, That the Secretary of Defense may waive this restriction on a case-by-case basis by certifying in writing to the Committees on Appropriations of the House of Representatives and Senate that such a relocation is required in the best interest of the Government.

SEC. 8034. During the current fiscal year, funds appropriated or otherwise available for any Federal agency, the Congress, the judicial branch, or the District of Columbia may be used for the pay, allowances, and benefits of an employee as defined by section 2105 of title 5 or an individual employed by the government of the District of Columbia, permanent or temporary indefinite, who—

(1) is a member of a Reserve component of the Armed Forces, as described in section 261 of title 10, or the National Guard, as described in section 101 of title 32;

(2) performs, for the purpose of providing military aid to enforce the law or providing assistance to civil authorities in the protection or saving of life or property or prevention of injury—

(A) Federal service under section 331, 332, 333, 3500, or 8500 of title 10, or other provision of law, as applicable, or

(B) full-time military service for his State, the District of Columbia, the Commonwealth of Puerto Rico, or a territory of the United States; and

(3) requests and is granted—

(A) leave under the authority of this section; or

(B) annual leave, which may be granted without regard to the provisions of sections 5519 and 6323(b) of title 5, if such employee is otherwise entitled to such annual leave:

Provided, That any employee who requests leave under subsection (3)(A) for service described in subsection (2) of this section is entitled to such leave, subject to the provisions of this section and of the last sentence of section 6323(b) of title 5, and such leave shall be considered leave under section 6323(b) of title 5.

SEC. 8035. None of the funds appropriated by this Act shall be available to perform any cost study pursuant to the provisions of OMB Circular A-76 if the study being performed exceeds a period of twenty-four months after initiation of such study with respect to a single function activity or forty-eight months after initiation of such study for a multi-function activity.

SEC. 8036. Funds appropriated by this Act for the American Forces Information Service shall not be used for any national or international political or psychological activities.

SEC. 8037. Notwithstanding any other provision of law or regulation, the Secretary of Defense may adjust wage rates for civilian employees hired for certain health care occupations as authorized for the Secretary of Veterans Affairs by section 7455 of title 38, United States Code.

SEC. 8038. None of the funds appropriated or made available in this Act shall be used to reduce or disestablish the operation of the 53rd Weather Reconnaissance Squadron of the Air Force Reserve, if such action would reduce the WC–130 Weather Reconnaissance mission below the levels funded in this Act.

SEC. 8039. (a) Of the funds for the procurement of supplies or services appropriated by this Act, qualified nonprofit agencies for the blind or other severely handicapped shall be afforded the maximum practicable opportunity to participate as subcontractors and suppliers in the performance of contracts let by the Department of Defense.

(b) During the current fiscal year, a business concern which has negotiated with a military service or defense agency a subcontracting plan for the participation by small business concerns pursuant to section 8(d) of the Small Business Act (15 U.S.C. 637(d)) shall be given credit toward meeting that subcontracting goal for any purchases made from qualified nonprofit agencies for the blind or other severely handicapped.

(c) For the purpose of this section, the phrase "qualified nonprofit agency for the blind or other severely handicapped" means a nonprofit agency for the blind or other severely handicapped that has been approved by the Committee for the Purchase from the Blind and Other Severely Handicapped under the Javits-Wagner-O'Day Act (41 U.S.C. 46–48).

SEC. 8040. During the current fiscal year, net receipts pursuant to collections from third party payers pursuant to section 1095 of title 10, United States Code, shall be made available to the local facility of the uniformed services responsible for the collections and shall be over and above the facility's direct budget amount.

SEC. 8041. During the current fiscal year, the Department of Defense is authorized to incur obligations of not to exceed $350,000,000 for purposes specified in section 2350j(c) of title 10, United States Code, in anticipation of receipt of contributions, only from the Government of Kuwait, under that section: *Provided*, That, upon receipt, such contributions from the Government of Kuwait shall be credited to the appropriation or fund which incurred such obligations.

SEC. 8042. (a) Funds appropriated in this Act to finance activities of Department of Defense (DoD) Federally Funded Research and Development Centers (FFRDCs) may not be obligated or expended for a FFRDC if a member of its Board of Directors or Trustees simultaneously serves on the Board of Directors or Trustees of a profit-making company under contract to the Department of Defense unless the FFRDC has a DoD approved conflict of interest policy for its members.

(b) LIMITATION ON COMPENSATION.—No employee or executive officer of a defense FFRDC may be compensated at a rate exceeding Executive Schedule Level I by that FFRDC.

(c) LIMITATION ON COMPENSATION.—No member of a Board of Directors, Trustees, Overseers, Advisory Group, Special Issues Panel, Visiting Committee, or any similar entity of a defense FFRDC may be compensated for his or her services as a member of such entity except under the same conditions, and to the same extent, as members of the Defense Science Board: *Provided*, That a member of any such entity shall be allowed travel expenses and per diem as authorized under the Federal Joint Travel Regulations, when engaged in the performance of membership duties.

(d) Notwithstanding any other provision of law, of the amounts available to the Department of Defense during fiscal year 1996, not more than $1,252,650,000 may be obligated for financing activities of defense FFRDCs: *Provided*, That in addition to any other reductions required by this section, the total amounts appropriated in titles II, III, and IV of this Act to finance activities carried out by defense FFRDCs and other entities providing consulting services, studies and analyses, systems engineering and technical assistance, and technical engineering and management support are hereby reduced by $90,097,000.

SEC. 8043. None of the funds appropriated or made available in this Act shall be used to procure carbon, alloy or armor steel plate for use in any Government-owned facility or property under the control of the Department of Defense which were not melted and rolled in the United States or Canada: *Provided*, That these procurement restrictions shall apply to any and all Federal Supply Class 9515, American Society of Testing and Materials (ASTM) or American Iron and Steel Institute (AISI) specifications of carbon, alloy or armor steel plate: *Provided further*, That the Secretary of the military department responsible for the procurement may waive this restriction on a case-by-case basis by certifying in writing to the Committees on Appropriations of the House of Representatives and the Senate that adequate domestic supplies are not available to meet Department of Defense requirements on a timely basis and that such an acquisition must be made in order to acquire capability for national security purposes: *Provided further*, That these restrictions shall not apply to contracts which are in being as of the date of enactment of this Act.

SEC. 8044. None of the unobligated balances available in the National Defense Stockpile Transaction Fund during the current fiscal year may be obligated or expended to finance any grant or contract to conduct research, development, test and evaluation activities for the development or production of advanced materials, unless amounts for such purposes are specifically appropriated in a subsequent appropriations Act.

SEC. 8045. For the purposes of this Act, the term "congressional defense committees" means the Committees on Appropriations of the Senate and the House of Representatives, the subcommittee on National Security of the Committee on Appropriations and the Committee on National Security of the House of Representatives, and the Committee on Armed Services of the Senate.

SEC. 8046. Notwithstanding any other provision of law, during the current fiscal year, the Department of Defense may acquire the modification, depot maintenance and repair of aircraft, vehicles and vessels as well as the production of components and other Defense-related articles, through competition between Department of Defense depot maintenance activities and private firms: *Provided*, That the Senior Acquisition Executive of the military department or defense agency concerned, with power of delegation, shall certify that successful bids include comparable estimates of all direct and indirect costs for both public and private bids: *Provided further*, That Office of Management and Budget Circular A-76 shall not apply to competitions conducted under this section.

SEC. 8047. (a)(1) If the Secretary of Defense, after consultation with the United States Trade Representative, determines that a foreign country which is party to an agreement described in paragraph (2) has violated the terms of the agreement by discriminating against certain types of products produced in the United States that are covered by the agreement, the Secretary of Defense shall rescind the Secretary's blanket waiver of the Buy American Act with respect to such types of products produced in that foreign country.

(2) An agreement referred to in paragraph (1) is any reciprocal defense procurement memorandum of understanding, between the United States and a foreign country pursuant to which the Secretary of Defense has prospectively waived the Buy American Act for certain products in that country.

(b) The Secretary of Defense shall submit to Congress a report on the amount of Department of Defense purchases from foreign entities in fiscal year 1996. Such report shall separately indicate the dollar value of items for which the Buy American Act was waived pursuant to any agreement described in subsection (a)(2), the Trade Agreement Act of 1979 (19 U.S.C. 2501 et seq.), or any international agreement to which the United States is a party.

(c) For purposes of this section, the term "Buy American Act" means title III of the Act entitled "An Act making appropriations for the Treasury and Post Office Departments for the fiscal year ending June 30, 1934, and for other purposes", approved March 3, 1933 (41 U.S.C. 10a et seq.).

SEC. 8048. Notwithstanding any other provision of law, the Secretary of Defense may, when he considers it in the best interest of the United States, cancel any part of an indebtedness, up to $2,500, that is or was owed to the United States by a member or former member of a uniformed service if such indebtedness, as determined by the Secretary, was incurred in connection with Operation Desert Shield/Storm: *Provided*, That the amount of an indebtedness previously paid by a member or former member and cancelled under this section shall be refunded to the member.

SEC. 8049. Appropriations contained in this Act that remain available at the end of the current fiscal year as a result of energy cost savings realized by the Department of Defense shall remain available for obligation for the next fiscal year to the extent, and for the purposes, provided in section 2865 of title 10, United States Code.

SEC. 8050. During the current fiscal year and thereafter, voluntary separation incentives payable under 10 U.S.C. 1175 may be paid in such amounts as are necessary from the assets of the Voluntary Separation Incentive Fund established by section 1175(h)(1).

(INCLUDING TRANSFER OF FUNDS)

SEC. 8051. Amounts deposited during the current fiscal year to the special account established under 40 U.S.C. 485(h)(2) and to the special account established under 10 U.S.C. 2667(d)(1) are appropriated and shall be available until transferred by the Secretary of Defense to current applicable appropriations or funds of the Department of Defense under the terms and conditions specified by 40 U.S.C. 485(h)(2) (A) and (B) and 10 U.S.C. 2667(d)(1)(B), to be merged with and to be available for the same time period and the same purposes as the appropriation to which transferred.

SEC. 8052. During the current fiscal year, appropriations available to the Department of Defense may be used to reimburse a member of a reserve component of the Armed Forces who is not otherwise entitled to travel and transportation allowances and who occupies transient government housing while performing active duty for training or inactive duty training: *Provided*, That such members may be provided lodging in kind if transient government quarters are unavailable as if the member was entitled to such allowances under subsection (a) of section 404 of title 37, United States Code: *Provided further*, That if lodging in kind is provided, any authorized service charge or cost of such lodging may be paid directly from funds appropriated for operation and maintenance of the reserve component of the member concerned.

SEC. 8053. None of the funds available in this Act may be used to support in any manner, including travel or other related expenses, the "Tailhook Association".

SEC. 8054. The President shall include with each budget for a fiscal year submitted to the Congress under section 1105 of title 31, United States Code, materials that shall identify clearly and separately the amounts requested in the budget for appropriation for that fiscal year for salaries and expenses related to administrative activities of the Department of Defense, the military departments, and the Defense Agencies.

SEC. 8055. During the current fiscal year, amounts contained in the Department of Defense Overseas Military Facility Investment Recovery Account established by section 2921(c)(1) of the National Defense Authorization Act of 1991 (Public Law 101–510; 10 U.S.C. 2687 note) shall be available until expended for the payments specified by section 2921(c)(2) of that Act.

SEC. 8056. During the current fiscal year and thereafter, annual payments granted under the provisions of section 4416 of the National Defense Authorization Act for Fiscal Year 1993 (Public Law 102–428; 106 Stat. 2714) shall be made from appropriations which are available for the pay of reserve component personnel.

SEC. 8057. Of the funds appropriated or otherwise made available by this Act, not more than $119,200,000 shall be available for payment of the operating costs of NATO Headquarters.

SEC. 8058. During the current fiscal year, appropriations which are available to the Department of Defense for operation and maintenance may be used to purchase items having an investment item unit cost of not more than $50,000.

SEC. 8059. During the current fiscal year and thereafter, appropriations available for the pay and allowances of active duty members of the Armed Forces shall be available to pay the retired pay which is payable pursuant to section 4403 of Public Law 102–484 (10 U.S.C. 1293 note) under the terms and conditions provided in section 4403.

SEC. 8060. (a) During the current fiscal year, none of the appropriations or funds available to the Defense Business Operations Fund shall be used for the purchase of an investment item for the purpose of acquiring a new inventory item for sale or anticipated sale during the current fiscal year or a subsequent fiscal year to customers of the Defense Business Operations Fund if such an item would not have been chargeable to the Defense Business Operations Fund during fiscal year 1994 and if the purchase of such an investment item would be chargeable during the current fiscal year to appropriations made to the Department of Defense for procurement.

(b) The fiscal year 1997 budget request for the Department of Defense as well as all justification material and other documentation supporting the fiscal year 1997 Department of Defense budget shall be prepared and submitted to the Congress on the basis that any equipment which was classified as an end item and funded in a procurement appropriation contained in this Act shall be budgeted for in a proposed fiscal year 1997 procurement appropriation and not in the supply management business area or any other area or category of the Defense Business Operations Fund.

SEC. 8061. None of the funds provided in this Act shall be available for use by a Military Department to modify an aircraft, weapon, ship or other item of equipment, that the Military Department concerned plans to retire or otherwise dispose of within five years after completion of the modification: *Provided*, That this prohibition shall not apply to safety modifications: *Provided further*, That this prohibition may be waived by the Secretary of a Military Department if the Secretary determines it is in the best national security interest of the United States to provide such waiver and so notifies the congressional defense committees in writing.

SEC. 8062. No part of the funds in this Act shall be available to prepare or present a request to the Committees on Appropriations for reprogramming of funds, unless for higher priority items, based on unforeseen military requirements, than those for which originally appropriated and in no case where the item for which reprogramming is requested has been denied by the Congress.

SEC. 8063. None of the funds appropriated by this Act shall be available for payment of the compensation of personnel assigned to or serving in the National Foreign Intelligence Program in excess of 92 percent of such personnel actually assigned to or serving in the National Foreign Intelligence Program on September 30, 1992: *Provided*, That in making any reduction in the number of such personnel that may be required pursuant to this section, the percentage of reductions to Senior Intelligence Service positions shall be equal to or exceed the percentage of reductions to non-Senior Intelligence Service positions: *Provided further*, That in making any reduction in the number of such personnel that may be required pursuant to this section, the percentage of reductions to positions in the National Capital Region shall be equal to or exceed the percentage of reductions to positions outside of the National Capital Region.

SEC. 8064. None of the funds provided by this Act may be used to pay the salaries of any person or persons who authorize the transfer of obligated and deobligated appropriations into the Reserve for Contingencies of the Central Intelligence Agency.

SEC. 8065. None of the funds appropriated by this Act for programs of the Central Intelligence Agency shall remain available for obligation beyond the current fiscal year, except for funds appropriated for the Reserve for Contingencies, which shall remain available until September 30, 1997.

SEC. 8066. The classified Annex prepared by the Committee on Appropriations to accompany the report on the Department of Defense Appropriations Act, 1996 is hereby incorporated into this Act: *Provided*, That the amounts specified in the classified Annex are not in addition to amounts appropriated by other provisions of this Act: *Provided further*, That the President shall provide for appropriate distribution of the classified Annex, or of appropriate portions of the classified Annex, within the executive branch of the Government.

SEC. 8067. Notwithstanding any other provision of law, funds made available in this Act for the Defense Intelligence Agency may be used for the design, development, and deployment of General Defense Intelligence Program intelligence communications and intelligence information systems for the Services, the Unified and Specified Commands, and the component commands.

SEC. 8068. Notwithstanding any other provision of law, funds ÷appropriated in this Act for the High Performance Computing Modernization Program shall be made available only for the acquisition and sustainment of operations, including maintenance of the supercomputing and related networking capability at (1) the DOD Science and Technology sites under the cognizance of the DDR&E, (2) the DOD Test and Evaluation centers under the Director, Test and Evaluation, OUSD (A&T), and (3) the Ballistic Missile Defense Organization: *Provided*, That the contracts, contract modifications, or contract options are awarded competitively solely upon the requirements of the users.

SEC. 8069. Amounts collected for the use of the facilities of the National Science Center for Communications and Electronics during the current fiscal year pursuant to section 1459(g) of the Department of Defense Authorization Act, 1986 and deposited to the special account established under subsection 1459(g)(2) of that Act are appropriated and shall be available until expended for the operation and maintenance of the Center as provided for in subsection 1459(g)(2).

SEC. 8070. None of the funds appropriated in this Act may be used to fill the commander's position at any military medical facility with a health care professional unless the prospective candidate can demonstrate professional administrative skills.

SEC. 8071. (a) None of the funds appropriated in this Act may be expended by an entity of the Department of Defense unless the entity, in expending the funds, complies with the Buy American Act. For purposes of this subsection, the term "Buy American Act" means title III of the Act entitled "An Act making appropriations for the Treasury and Post Office Departments for the fiscal year ending June 30, 1934, and for other purposes", approved March 3, 1933 (41 U.S.C. 10a et seq.).

(b) If the Secretary of Defense determines that a person has been convicted of intentionally affixing a label bearing a "Made in America" inscription to any product sold in or shipped to the United States that is not made in America, the Secretary shall determine, in accordance with section 2410f of title 10, United States Code, whether the person should be debarred from contracting with the Department of Defense.

SEC. 8072. None of the funds appropriated by this Act shall be available for a contract for studies, analyses, or consulting services entered into without competition on the basis of an unsolicited proposal unless the head of the activity responsible for the procurement determines—

(1) as a result of thorough technical evaluation, only one source is found fully qualified to perform the proposed work, or

(2) the purpose of the contract is to explore an unsolicited proposal which offers significant scientific or technological promise, represents the product of original thinking, and was submitted in confidence by one source, or

(3) the purpose of the contract is to take advantage of unique and significant industrial accomplishment by a specific concern, or to insure that a new product or idea of a specific concern is given financial support:

Provided, That this limitation shall not apply to contracts in an amount of less than $25,000, contracts related to improvements of equipment that is in development or production, or contracts as to which a civilian official of the Department of Defense, who has been confirmed by the Senate, determines that the award of such contract is in the interest of the national defense.

SEC. 8073. Funds appropriated by this Act for intelligence activities are deemed to be specifically authorized by the Congress for purposes of section 504 of the National Security Act of 1947 (50 U.S.C. 414) during fiscal year 1996 until the enactment of the Intelligence Authorization Act for fiscal year 1996.

SEC. 8074. (a) None of the funds made available by this Act may be obligated for design, development, acquisition, or operation of more than 47 Titan IV expendable launch vehicles, or for satellite mission-model planning for a Titan IV requirement beyond 47 vehicles.

(b) $115,226,000 made available in this Act for Research, Development, Test and Evaluation, Air Force, may only be obligated for development of a new family of medium-lift and heavy-lift expendable launch vehicles evolved from existing technologies.

SEC. 8075. No funds available to the Department of Defense in this Act may be used to establish additional field operating agencies of any element of the Department during fiscal year 1996, except for field operating agencies funded within the National Foreign Intelligence Program.

SEC. 8076. Notwithstanding any other provision of law, for resident classes entering the war colleges after September 30, 1996, the Department of Defense shall require that not less than 20 percent of the total of United States military students at each war college shall be from military departments other than the hosting military department: *Provided*, That each military department will recognize the attendance at a sister military department war college as the equivalent of attendance at its own war college for promotion and advancement of personnel.

SEC. 8077. None of the funds provided in this Act may be obligated for payment on new contracts on which allowable costs charged to the government include payments for individual compensation at a rate in excess of $250,000 per year.

SEC. 8078. None of the funds available in this Act may be used to reduce the authorized positions for military (civilian) technicians of the Army National Guard, the Air National Guard, Army Reserve and Air Force Reserve for the purpose of applying any administratively imposed civilian personnel ceiling, freeze, or reduction on military (civilian) technicians, unless such reductions are a direct result of a reduction in military force structure.

SEC. 8079. During the current fiscal year, funds appropriated in this Act are available to compensate members of the National Guard for duty performed pursuant to a plan submitted by a Governor of a State and approved by the Secretary of Defense under section 112 of title 32, United States Code: *Provided*, That during the performance of such duty, the members of the National Guard shall be under State command and control: *Provided further*, That such duty shall be treated as full-time National Guard duty for purposes of sections 12602 (a)(2) and (b)(2) of title 10, United States Code.

SEC. 8080. Funds appropriated in this Act for operation and maintenance of the Military Departments, Unified and Specified Commands and Defense Agencies shall be available for reimbursement of pay, allowances and other expenses which would otherwise be incurred against appropriations for the National Guard and Reserve when members of the National Guard and Reserve provide intelligence support to Unified Commands, Defense Agencies and Joint Intelligence Activities, including the activities and programs included within the General Defense Intelligence Program and the Consolidated Cryptologic Program: *Provided*, That nothing in this section authorizes deviation from established Reserve and National Guard personnel and training procedures.

SEC. 8081. (a) No project for the construction of any facility, or improvement to any facility, having an estimated Federal cost in excess of $750,000, may be undertaken in any fiscal year unless specifically identified as a separate item in the President's annual fiscal year budget request or otherwise specifically authorized and appropriated if such facility or improvement would be used primarily by personnel of the intelligence community.

(b) As used in this section, the term "intelligence community" has the same meaning given that term in section 3(4) of the National Security Act of 1947 (50 U.S.C. 401a(4)).

SEC. 8082. The Secretary of Defense, from within funds provided in this Act, may obligate not to exceed $75,000 to fulfill Department of Defense obligations under the Educational Loan Repayment Programs for State-sponsored student loan programs not covered under title IV, part B or E of the Higher Education Act of 1965 (title 20 U.S.C. 1071–1087).

SEC. 8083. All refunds or other amounts collected in the administration of the Civilian Health and Medical Program of the Uniformed Services (CHAMPUS) shall be credited to current year appropriations.

(INCLUDING TRANSFER OF FUNDS)

SEC. 8084. None of the funds appropriated in this Act may be transferred to or obligated from the Pentagon Reservation Maintenance Revolving Fund, unless the Secretary of Defense certifies that the total cost for the planning design, construction and installation of equipment for the renovation of the Pentagon Reservation will not exceed $1,218,000,000.

SEC. 8085. (a) None of the funds available to the Department of Defense for any fiscal year for drug interdiction or counter-drug activities may be transferred to any other department or agency of the United States except as specifically provided in an appropriations law.

(b) None of the funds available to the Central Intelligence Agency for any fiscal year for drug interdiction and counter-drug activities may be transferred to any other department or agency of the United States except as specifically provided in an appropriations law.

(TRANSFER OF FUNDS)

SEC. 8086. Appropriations available in this Act under the heading "Operation and Maintenance, Defense-Wide" for increasing energy and water efficiency in Federal buildings may, during their period of availability, be transferred to other appropriations or funds of the Department of Defense for projects related to increasing energy and water efficiency, to be merged with and to be available for the same general purposes, and for the same time period, as the appropriation or fund to which transferred.

SEC. 8087. Funds in the amount of $61,300,000 received during fiscal year 1996 by the Department of the Air Force pursuant to the "Memorandum of Agreement between the National Aeronautics and Space Administration and the United States Air Force on Titan IV/Centaur Launch Support for the Cassini Mission," signed September 8, 1994, and September 23, 1994, and Attachments A, B and C to the Memorandum, shall be merged with appropriations available for research, development, test and evaluation and procurement for fiscal year 1996, and shall be available for the same time period as the appropriation with which merged, and shall be available for obligation only for those Titan IV vehicles and Titan IV-related activities under contract as of the date of enactment of this Act, as well as on the follow-on launch services and program sustaining support contract to be awarded in fiscal year 1996.

(INCLUDING TRANSFER OF FUNDS)

SEC. 8088. In addition to amounts appropriated or otherwise made available by this Act, $44,000,000 is hereby appropriated to the Department of Defense and shall be available only for transfer to the United States Coast Guard for activities relating to national security.

SEC. 8089. The total amount appropriated in title II, III, and IV of this Act is hereby reduced by $30,000,000 for savings through improved management of contractor automatic data processing costs charged through indirect rates on Department of Defense acquisition contracts.

SEC. 8090. (a) None of the funds appropriated in title III of this Act may be obligated by the Department of Defense for acquisition or advance procurement of any system or end item using incremental funding.

(b) For purposes of this section, the term "incremental funding" has the meaning provided in paragraph (3) of section 114(f) of title 10, United States Code, as added by section 1007 of H.R. 1530 of the One Hundred Fourth Congress (the National Defense Authorization Act for Fiscal Year 1996), as passed by the House of Representatives on June 15, 1995.

(c) This section does not apply to an obligation that is classified as an advance procurement for a system or end item that is to be procured on a full funding basis.

SEC. 8091. None of the funds in this Act may be used to purchase any supercomputer which is not manufactured in the United States, unless the Secretary of Defense certifies to the congressional defense committees that such an acquisition must be made in order to acquire capability for national security purposes that is not available from United States manufacturers.

SEC. 8092. None of the funds appropriated in this Act to the Department of the Army may be obligated for procurement of 120mm mortars or 120mm mortar ammunition manufactured outside of the United States.

SEC. 8093. The Department of Defense shall release all funds appropriated and available for the HAVE GAZE program to the Department of the Air Force for obligation under existing contractual arrangements.

SEC. 8094. Notwithstanding any other provision of law, (a) funds available to the Navy in the Operation and Maintenance appropriation for refueling overhauls and defueling inactivations of nuclear-powered warships are available to transport the shipments of naval spent nuclear fuel to the Idaho National Engineering Laboratory needed for examination and storage to avoid threats to the national security; and (b) the Secretary of the Navy is hereby authorized to immediately commence and accomplish such transportation: *Provided*, That the Secretary of Defense shall make the determination as to what shipments are required for that purpose and shall ensure that the shipments are made in accordance with the practices and requirements applied to previous container shipments of naval spent fuel to the Idaho National Engineering Laboratory: *Provided further*, That the authority in this section shall expire on September 30, 1996 or upon the vacation or stay of the current or any subsequent injunction issued by the United States District Court for the District of Idaho which enjoins such shipments, whichever occurs first: *Provided further*, That the authority in this section may not be used unless the Secretary of Defense certifies in writing to the congressional defense committees that a good-faith agreement between the State of Idaho and the United States Government was attempted but could not be reached concerning interim shipments of spent nuclear fuel enjoined by any such injunction based on national security reasons.

SEC. 8095. None of the funds appropriated by this Act shall be available to lease or charter a vessel on a long-term basis used to transport fuel or oil for the Department of Defense in those instances where the leases involve the construction of new ships unless the Secretary of Defense requires that the vessel be constructed in the United States with a double hull under the long term lease or charter authority provided in section 2401 note of title 10, United States Code: *Provided*, That this limitation shall not apply to contracts in force on the date of enactment of this Act: *Provided further*, That by 1997 at least 20 percent of annual leases and charters must be for ships of new construction: *Provided further*, That the Military Sealift Command shall plan to achieve the goal of eliminating single hull ship leases by the year 2015.

SEC. 8096. None of the funds appropriated or made available in this Act to the Department of the Navy shall be used to develop or procure main propulsion engines for the LPD–17 class of ships unless such equipment is powered by a diesel engine manufactured in the United States by a domestically operated entity: *Provided*, That the Secretary of Defense may waive this restriction on a case-by-case basis by certifying in writing to the Committees on Appropriations of the House of Representatives and the Senate that adequate domestic supplies are not available to meet Department of Defense requirements on a timely basis and that such an acquisition must be made in order to acquire capability for national security purposes or there exists a significant cost or quality difference.

SEC. 8097. None of the funds appropriated or made available in this Act to the Department of the Navy shall be used to develop or procure an emergency generator set for the New Attack Submarine unless such equipment is powered by a diesel engine manufactured in the United States by a domestically operated entity: *Provided*, That the Secretary of Defense may waive this restriction on a case-by-case basis by certifying in writing to the Committees on Appropriations of the House of Representatives and the Senate that adequate domestic supplies are not available to meet Department of Defense requirements on a timely basis and that such an acquisition must be made in order to acquire capability for national security purposes or there exists a significant cost or quality difference.

SEC. 8098. The Army shall use George Air Force Base as the interim airhead for the National Training Center at Fort Irwin until Barstow-Daggett reaches Initial Operational Capability as the permanent airhead: *Provided*, That within funds appropriated for "Operation and Maintenance, Army" in this Act, not less than $2,000,000 shall be available only to operate the National Training Center's rotational airhead at the now closed George Air Force Base: *Provided further*, That the Secretary of the Army shall provide the congressional defense committees with a report assessing the Army's compliance with the terms of this provision not later than March 31, 1996: *Provided further*, That not later than April 30, 1996, the Department of the Army shall complete planning and design of the Barstow-Daggett airfield as the permanent airhead in support of training rotations at the National Training Center.

(TRANSFER OF FUNDS)

SEC. 8099. During the current fiscal year, the Secretary of Defense may carry out transfers of funds of not to exceed $200,000,000, as provided in section 127a(c) of title 10, United States Code, as amended by section 1003 of the National Defense Authorization Act for Fiscal Year 1996 (H.R. 1530): *Provided*, That the transfer authority provided in this paragraph is in addition to any transfer authority contained elsewhere in this Act.

SEC. 8100. The sum of $77,500,000 appropriated in title I and the sum of $564,300,000 appropriated in title II for additional incremental costs associated with the operations of the Department of Defense designated, as of June 1, 1995, as Operation Southern Watch and Operation Provide Comfort—

(1) shall not be obligated or expended before the date on which the budget of the President for fiscal year 1997 is transmitted to Congress; and

(2) may be obligated or expended for such incremental costs on or after such date only if that budget specifically sets forth amounts proposed for fiscal year 1997 for each of those operations.

SEC. 8101. (a) The Secretary of Defense shall submit, on a quarterly basis, a report to the congressional defense committees setting forth all costs (including incremental costs) incurred by the Department of Defense during the preceding quarter in implementing or supporting resolutions of the United Nations Security Council, including any such resolution calling for international sanctions, international peacekeeping operations, and humanitarian missions undertaken by the Department of Defense. The quarterly report shall include an aggregate of all such Department of Defense costs by operation or mission.

(b) The Secretary of Defense shall detail in the quarterly reports all efforts made to seek credit against past United Nations expenditures and all efforts made to seek compensation from the United Nations for costs incurred by the Department of Defense in implementing and supporting United Nations activities.

SEC. 8102. (a) LIMITATION ON PARTICIPATION IN CERTAIN OPERATIONS.—None of the funds available to the Department of Defense for the current fiscal year shall be obligated or expended for costs incurred by United States Armed Forces units serving in an operation described in subsection (b) unless the President engages in consultations with the bipartisan leadership of Congress and the congressional committees named in subsection (e) regarding such operation in accordance with subsection (c)(1).

(b) COVERED OPERATIONS.—(1) This section applies to the following:

(A) Any international peacekeeping or peace-enforcement operation that is not underway as of the date of the enactment of this Act and that is authorized by the Security Council of the United Nations under chapter VI or VII of the Charter of the United Nations.

(B) Any other international peacekeeping or peace-enforcement operation that is not underway as of the date of the enactment of this Act.

(C) Any deployment after the date of the enactment of this Act of United States ground forces in the territory of the former Yugoslavia above the level of such forces so deployed as of such date of enactment, other than a deployment involving fewer than 100 personnel.

(D) Except as provided in paragraph (2), any international humanitarian assistance operation.

(2) This section does not apply with respect to—

(A) an international humanitarian assistance operation carried out in response to a disaster; or

(B) any other international humanitarian assistance operation if the President reports to Congress that the estimated cost of such operation is less than $50,000,000.

(c) CONSULTATION WITH CONGRESS.—(1) Consultations under subsection (a) in the case of any operation shall be initiated before the initial deployment of United States Armed Forces units to participate in the operation and, whenever possible, at least 15 days before such deployment. However, if the President determines that the national security so requires, the President may delay the initiation of such consultations until after such initial deployment, but in no case may such consultations be initiated later than 48 hours after such deployment.

(2) Such consultations shall include discussion of all of the following:

(A) The goals of the operation and the mission of any United States Armed Forces units involved in the operation.

(B) The United States interests that will be served by the operation.

(C) The estimated cost of the operation.

(D) The strategy by which the President proposes to fund the operation, including possible supplemental appropriations or payments from international organizations, foreign countries, or other donors.

(E) The extent of involvement of armed forces and other contributions of personnel from other nations.

(F) The anticipated duration and scope of the operation.

(3) Such consultations shall continue on a periodic basis throughout the period of the deployment.

(d) REQUESTS FOR EMERGENCY SUPPLEMENTAL APPROPRIATIONS.—Whenever there is a deployment of United States Armed Forces to perform an international humanitarian, peacekeeping, or peace-enforcement operation, the President should seek emergency supplemental appropriations to meet the incremental costs to the Department of Defense of that deployment not later than 90 days after the date on which such deployment commences.

(e) COMMITTEES TO BE INCLUDED IN CONSULTATIONS.—The committees referred to in subsection (a) are the following:

(1) The congressional defense committees.

(2) The Committee on Foreign Relations of the Senate and the Committee on International Relations of the House of Representatives.

(3) The Select Committee on Intelligence of the Senate and the Permanent Select Committee on Intelligence of the House of Representatives.

SEC. 8103. (a) LIMITATION ON TRANSFER OF DEFENSE ARTICLES AND SERVICES.—Notwithstanding any other provision of law, none of the funds available to the Department of Defense for the current fiscal year may be obligated or expended to transfer to another nation or an international organization any defense articles or services (other than intelligence services) for use in the activities described in subsection (b) unless the congressional defense committees are notified 15 days in advance of such transfer.

(b) COVERED ACTIVITIES.—(1) This section applies to—

(A) any international peacekeeping or peace-enforcement operation under the authority of chapter VI or chapter VII of the United Nations Charter under the authority of a United Nations Security Council resolution; and

(B) any other international peacekeeping, peace-enforcement, humanitarian, or disaster relief operation.

(c) REQUIRED NOTICE.—A notice under subsection (a) shall include the following:

(1) A description of the equipment, supplies, or services to be transferred.

(2) A statement of the value of the equipment, supplies, or services to be transferred.

(3) In the case of a proposed transfer of equipment or supplies—

(A) a statement of whether the inventory requirements of all elements of the Armed Forces (including the reserve components) for the type of equipment or supplies to be transferred have been met; and

(B) a statement of whether the items proposed to be transferred will have to be replaced and, if so, how the President proposes to provide funds for such replacement.

SEC. 8104. None of the funds available to the Department of Defense shall be obligated or expended for the purposes of deploying United States Armed Forces to participate in the implementation of a negotiated peace settlement in Bosnia-Herzegovina, unless such deployment is previously authorized by law.

SEC. 8105. Except as expressly authorized by law or provided for specifically in an Act making appropriations for the Department of Defense, none of the funds available to the Department of Defense after December 1, 1995, for the current fiscal year or any fiscal year hereafter shall be available to support or otherwise provide funds for any program or activity (other than an intelligence program or activity) for which another Federal department or agency has primary responsibility or which is a type of program or activity for which funds are customarily provided in appropriations available to another Federal department or agency. The limitation in the preceding sentence does not apply with respect to funds made available to another department or agency in accordance with section 1535 of title 31, United States Code.

SEC. 8106. None of the funds available to the Department of Defense shall be obligated or expended to make a financial contribution to the United Nations for the cost of an United Nations peacekeeping activity (whether pursuant to assessment or a voluntary contribution) or for payment of any United States arrearage to the United Nations.

The CHAIRMAN. Are there any amendments to title VIII?

AMENDMENT OFFERED BY MR. BURTON OF INDIANA

Mr. BURTON of Indiana. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. BURTON of Indiana: Page 94, after line 3, insert the following new section:

SEC. 8107. None of the funds made available in this Act under the heading "Procurement of Ammunition, Army" may be obligated or expanded for the procurement of munitions unless such acquisition fully complies with the Competition in Contracting Act.

Mr. BURTON of Indiana (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Indiana?

There was no objection.

Mr. BURTON of Indiana. Mr. Chairman, I have cleared this amendment with both the majority and minority leaders on the committee. My amendment saves taxpayers' dollars, supports open and fair competition and codifies existing law. It is noncontroversial.

Mr. YOUNG of Florida. Mr. Chairman, will the gentleman yield?

Mr. BURTON of Indiana. I yield to the gentleman from Florida, chairman of the Defense Appropriations Subcommittee.

Mr. YOUNG of Florida. Mr. Chairman, I would say that we have examined this amendment and discussed it with the gentleman and believe that it does promote competition and think it is a positive addition to this bill and we accept the amendment.

Mr. MURTHA. Mr. Chairman, if the gentleman will yield, we accept the amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Indiana [Mr. BURTON].

The amendment was agreed to.

The CHAIRMAN. Are there further amendments to title VIII?

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AMENDMENT NO. 47 OFFERED BY MS. WOOLSEY

Ms. WOOLSEY. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment No. 47 Offered by Ms. WOOLSEY. Page 94, after line 3, insert the following new section:

SEC. 8107. None of the funds appropriated in this Act may be used to modify any Trident I submarine to enable that submarine to be deployed with Trident II (D–5) missiles.

Ms. WOOLSEY. Mr. Chairman, once again I am here to get this body to do something that the National Taxpayers Union, Citizens Against Government Waste, the Council for a Livable World, and Members on both sides of the aisle believe should have been long ago: Stop wasting money on the Trident nuclear missiles.

At a time when this Congress is making cuts in education, student aid, and Medicare, I am outraged that we are even talking about investing $3 billion over the next 7 years in this cold war relic, especially when the Navy didn't even request it.

Backfitting 4 Trident submarines that now carry C–4 missiles with expensive D–5 missiles would give us a total of 14 subs carrying D–5 missiles; 4 more than the Navy originally planned. My amendment does not do away with D–5 missiles; it simply cancels the backfit, limits the Navy to 10 subs with D–5 missiles, and saves taxpayers $3 billion over 7 years. That is a reasonable request.

It is a reasonable request because the D–5 missile was designed to hit targets in the Soviet Union. Well, guess what folks. The Soviet Union no longer exists. If 10 D–5 subs were enough to stop the Soviet threat during the height of the cold war, then 10 D–5 subs are certainly enough to stop today's smaller threat from the former Soviet Union.

And if my colleagues are concerned about threats from rogue nations like North Korea and Iran, my answer is simple: One Trident submarine, loaded with 24 D–5 missiles, would be more than enough to stop a threat from these nations.

And let us not get into a debate about this amendment damaging military readiness. If military readiness is a problem, it is not because we have not pumped enough money into the military budget. Rather, it is because the Pentagon has some seriously misplaced spending priorities.

With soldiers on food stamps, we cannot afford to be wasting billions of precious dollars on this wasteful and expendable program. But really when it comes down to it, the Woolsey amendment is not about spending priorities within the military; it is about spending priorities, period.

We cannot balance the budget on the backs of children, on the backs of working families, and on the backs of seniors, while allowing the Pentagon's budget to balloon.

Let us hold this Congress and the Pentagon accountable. Let us make it clear that spending an additional $3 billion on the Trident force is a wasteful and ill-advised mistake. It is time to put any further spending on this cold war relic where it belongs: in the history books.

Mr. YOUNG of Florida. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I would like to briefly point out that the President of the United States, through the Nuclear Posture Review, endorsed the need for the *Trident* D–2 backfit. The D–5 missile has improved military effectiveness and reliability, greater range, and twice the design life of the older C–4 missile which it replaces.

Trident submarines are expected to last at least 30 years, and in today's world they might have to last twice that long. The C–4 missile will definitely not have that much of a shelf life. C–4 production actually terminated in 1987 and the C–4 will have to be replaced.

The most cost-effective approach is to continue procurement of the D–5 missile and use some of them to backfit the older *Trident* submarines.

However, the strongest argument I can make against this amendment is that there is no money in this bill for the D–5 submarine backfit and hopefully the gentlewoman would withdraw the amendment.

Mrs. SCHROEDER. Mr. Chairman, I rise in support of the Woolsey amendment.

Mr. Chairman, I think the gentlewoman from California [Ms. WOOLSEY] makes an awful lot of sense. The question is how much is enough and are we buying things based on a threat-based analysis? I think everybody knows we have enough D–5 missiles to more than deter any threat from anywhere at any time. We have got a lock on all of this.

The real question is why do we keep buying more and more and more? Or why are we planning for more, when really, if we were going to invest wisely, I think we would fall back and figure out what might be coming in the future, if some enemy in the future moves forward. But we have a lock on this technology. We know how to do it.

Mr. Chairman, I just think the gentlewoman from California [Ms. WOOLSEY] makes a tremendous amount of sense with this and I congratulate the gentlewoman.

Ms. WOOLSEY. Mr. Chairman, will the gentlewoman yield?

Mrs. SCHROEDER. I yield to the gentlewoman from California.

Ms. WOOLSEY. Mr. Chairman, I would like to respond to the issue of there being no money in the bill for the backfit. The Navy is currently planning how to accomplish the backfit and funds in this bill will be used for this planning.

My amendment says that this planning will not occur and will forgo the backfit. It makes an important policy statement and it sets precedent for future appropriations bills that will contain funds expressly for the backfit. Even though there is no money right now for backfit, there is certainly money in the bill for planning that backfit.

Mr. DICKS. Mr. Chairman, I rise in opposition to the Woolsey amendment.

Mr. Chairman, last year the House voted on this issue and basically took the position that we should support the backfit.

Mr. Chairman, I would like to point out to my distinguished friend and colleague that the Nuclear Posture Review, which was done by the Department of Defense, does, in fact, call for the backfit of 4 *Trident* submarines with the D–5 missile. That is the administration's position and that is the Navy's position.

So, I would just say this: That we have entered into a series of arms control agreements which call upon us to make major reduction in our land-based missiles, to reduce our bomber force to a level that I am frankly troubled by, and the basic deterrent that we have left is on our *Trident* submarines, some of which are based on the east coast in Georgia and others on the west coast in Washington State, from my home area.

Mr. Chairman, I would urge my colleagues to stay with their position of last year, to oppose the Woolsey amendment, and to continue to support the *Trident* submarine program and the D–5 backfit.

Ms. WOOLSEY. Mr. Chairman, I ask unanimous consent to withdraw my amendment.

The CHAIRMAN. Is there objection to the request of the gentlewoman from California?

There was no objection.

The CHAIRMAN. Are there further amendments to title VIII?

AMENDMENT OFFERED BY MR. YOUNG OF FLORIDA

Mr. YOUNG of Florida. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. YOUNG of Florida: On page 55, line 8, after the word "committees" insert the following: ", and the Committee on International Relations of the House of Representatives and the Committee on Foreign Relations of the Senate".

On page 87, line 10, after the word "committees" insert the following: ", the Committee on International Relations of the

House of Representatives, and the Committee on Foreign Relations of the Senate".

On page 91, line 21, after the word "committees" insert the following: ", and the Committee on International Relations of the House of Representatives and the Committee on Foreign Relations of the Senate".

Mr. YOUNG of Florida. Mr. Chairman, this is a technical amendment. We have, in this bill, asked the Department of Defense to provide certain reports to the defense committees of the House and the Senate. This amendment would include as recipients of those reports the Committee on International Relations in the House and the Committee on Foreign Relations in the Senate.

Mr. Chairman, it is strictly a technical amendment.

Mr. MURTHA. Mr. Chairman, we applaud the gentleman from Florida [Mr. YOUNG] and have no problems with the amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Florida [Mr. YOUNG].

The amendment was agreed to.

AMENDMENT OFFERED BY MR. MURTHA

Mr. MURTHA. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. MURTHA: On page 94, after line 3, insert the following new section:

Sec. 8107. None of the funds in this Act may be used to implement any change to the computation of military retired pay as required by law in fiscal year 1995 for military personnel who entered the Service before September 8, 1980.

Mr. MURTHA. Mr. Chairman, this amendment takes care of a problem which for 2 years the Committee on Appropriations has worked out. There was a perception it saved a lot of money by changing the formula for retirement of the military. We find that it has not saved a lot of money. We are offering an amendment to rectify that problem.

Mr. YOUNG of Florida. Mr. Chairman, will the gentleman yield?

Mr. MURTHA. I yield to the gentleman from Florida.

Mr. YOUNG of Florida. Mr. Chairman, we certainly concur with this amendment and urge that it be adopted.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Pennsylvania [Mr. MURTHA].

The amendment was agreed to.

The CHAIRMAN. Are there further amendments to title VIII?

AMENDMENT NO. 82 OFFERED BY MR. SANDERS

Mr. SANDERS. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment offered by Mr. SANDERS: Page 94, after line 3, add the following new section:

SEC. 8107. None of the funds available to the Department of Defense under this Act shall be obligated or expended to pay a contractor under a contract with the Department of Defense for costs of any amount paid by the contractor to an employee when it is made known to the Federal official having authority to obligate or expend such funds that—

(1) such costs are for a bonus or otherwise in excess of the normal salary paid by the contractor to the employee; and

(2) such bonus is part of restructuring costs associated with a business combination.

Mr. SANDERS. Mr. Chairman, the Pentagon is spending $31 million in taxpayer dollars for corporate bonuses for the top executives of just one major defense contractor, the Lockheed-Martin Corp. With so much concern about the Federal deficit and Government waste, I would hope that every Member of the Congress supports the amendment that I am offering which would prohibit this practice.

Mr. Chairman, as you know, earlier this year Pentagon officials agreed to use $31 million in taxpayer money to pay a third of the $92 million in bonuses that top corporate executives of the Martin-Marrietta Corp. and the Lockheed Corp. granted themselves for staging the largest merger of defense contractors in American history, and that was the creation of the Lockheed-Martin Corp. with $11.6 billion in annual military sales and $23 billion in total annual sales.

Just 2 months after this development took place, the same corporate executives announced plans to fire 19,000 American workers and to close 12 factories and laboratories across the Nation.

Mr. Chairman, this seems to me to be an example of corporate welfare at its worst and I would hope that the Members would support my amendment, which would prohibit this golden parachute, as well as any which take place.

Mr. MURTHA. Mr. Chairman, will the gentleman yield?

Mr. SANDERS. I yield to the gentleman from Pennsylvania.

Mr. MURTHA. Mr. Chairman, I want to compliment the gentleman from Vermont [Mr. SANDERS] for the work he has done on this amendment and certainly, speaking for this side of the aisle, we would be glad to accept the amendment.

Mr. YOUNG of Florida. Mr. Chairman, will the gentleman yield?

Mr. SANDERS. I yield to the gentleman from Florida.

Mr. YOUNG of Florida. Mr. Chairman, I associate myself with the remarks of the gentleman from Pennsylvania [Mr. MURTHA] and we are happy to accept this amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Vermont. [Mr. SANDERS].

The amendment was agreed to.

AMENDMENT NO. 85 OFFERED BY MRS. SCHROEDER

Mrs. SCHROEDER. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment No. 85 offered by Mrs. SCHROEDER: Page 94, after line 3, insert the following:

SEC. 8107. (a) LIMITATION ON THE USE OF FEDERAL FUNDS BY CONTRACTORS FOR POLITICAL ADVOCACY.—None of the funds made available by this Act may be used by any Federal contractor for an activity when it is made known to the Federal official having authority to obligate or expend such funds that the activity is any of the following:

(1) Carrying on propaganda, or otherwise attempting to influence Federal, State, or local legislation or agency action, including any of the following:

(A) Monetary or in-kind contributions, endorsements, publicity, or similar activity.

(B) Any attempt to influence any legislation or agency action through an attempt to affect the opinions of the general public or any segment thereof, including any communication between the contractor and an employee of the contractor to directly encourage such employee to urge persons other than employees to engage in such an attempt.

(C) Any attempt to influence any legislation or agency action through communication with any member or employee of a legislative body or agency, or with any government official or employee who may participate in the formulation of the legislation or agency action, including any communication between the contractor and an employee of the contractor to directly encourage such employee to engage in such an attempt or to urge persons other than employees to engage in such an attempt.

(2) Participating or intervening in (including the publishing or distributing of statements) any political campaign on behalf of (or in opposition to) any candidate for public office, including monetary or in-kind contributions, endorsements, publicity, or similar activity.

(3) Participating in any judicial litigation or agency proceeding (including as an amicus curiae) in which agents or instrumentalities of Federal, State, or local governments are parties, other than litigation in which the contractor or potential contractor is a defendant appearing in its own behalf; is defending its tax-exempt status; or is challenging a government decision or action directed specifically at the powers, rights, or duties of that contractor or potential contractor.

(4) Allocating, disbursing, or contributing any funds or in-kind support to any individual, entity, or organization whose expenditures for political advocacy for the previous Federal fiscal year exceeded 15 percent of its total expenditures for that Federal fiscal year.

(b) LIMITATION ON USE OF FEDERAL FUNDS TO AWARD CONTRACTS.—None of the funds made available by this Act may be used to award a contract when it is made known to the Federal official having authority to obligate or expend such funds that—

(1) the expenditures of the potential contractor (other than an individual person) for activities described in subsection (a) for any one of the previous five Federal fiscal years (excluding any fiscal year before 1996) exceeding the sum of—

(A) the first $20,000,000 of the difference between the potential contractor's total expenditures made in the fiscal year and the total amount of Federal contracts and grants it was awarded in that fiscal year, multiplied by .05; and

(B) the remainder of the difference calculated in subparagraph (A), multiplied by .01;

(2) the potential contractor has used funds from any Federal contract to purchase or secure any goods or services (including dues and membership fees) from any other individual, entity, or organization whose expenditures for activities described in subsection (a) for fiscal year 1995 exceeded 15 percent of its total expenditures for that Federal fiscal year; or

(3) the potential contractor has used funds from any Federal contract for a purpose (other than to purchase or secure goods or services) that was not specifically permitted by Congress in the law authorizing the contract.

(c) EXCEPTIONS.—The activities described in subsection (a) do not include an activity when it is made known to the Federal official having authority to obligate or expend such funds that the activity is any of the following:

(1) Making available the results of nonpartisan analysis, study, research, or debate.

(2) Providing technical advice or assistance (where such advice would otherwise constitute the influencing of legislation or agency action) to a government body or to a committee or other subdivision thereof in response to a written request by such body or subdivision, as the case may be.

(3) Communications between a contractor and its employees with respect to legislation, proposed legislation, agency action, or proposed agency action of direct interest to the contractor and such employees, other than communications described in subparagraph (C).

(4) Any communication with a governmental official or employee, other than—

(A) a communication with a member or employee of a legislative body or agency (where such communication would otherwise constitute the influencing of legislation or agency action); or

(B) a communication the principal purpose of which is to influence legislation or agency action.

(5) Official communication by employees of State or local governments, or by organizations whose membership consists exclusively of State or local governments.

Mrs. SCHROEDER. Mr. Chairman, I hope that my colleagues can just accept this amendment. I think it is fairly simple. Most of the Members of the body voted on an amendment very similar to this recently and that was when we were debating the Labor HHS appropriations. The gentleman from Oklahoma [Mr. ISTOOK] offered an amendment that said that any recipient of a Federal grant was not allowed to lobby with their non-Federal funds. Non-Federal funds.

So as my colleagues may know from many of the articles that have appeared since in the Wall Street Journal and other places, they talk about how the Girl Scouts, the Red Cross, all sorts of groups such as that, will not be able to lobby here because they got Federal funds, even with non-Federal funds.

OK. That makes sense.

Now, I voted against that, because I felt that that was really infringing their free speech.

What my amendment does today is say, "Okay, guys, I lost. If we are going to do that to nonprofits, then we certainly ought to be doing it to profits."

My amendment says what is good for the goose is good for the gander, or what is good for a nonprofit ought to be able to be good for a profit.

What this amendment says is that companies that receive high amounts of money for defense contracts and Government contracts that are in for-profit businesses also cannot use their non-Government money to lobby.

Now, let us be real serious about this here. Who do you think, who do you think has the most influence here: the Girl Scouts or some of the big contractors? Now, we have shut the Girl Scouts out, and we have shut the YMCA out, and we have shut the Boy Scouts out, and we have shut out all of those groups because we realize the terrific power they were wielding in this body, and I think if you really believe that, then you had better look at what is going on with defense firms.

I got from several different groups who monitor this the amount of money defense firms are handing out. It is a phenomenal amount of money. I woke up this morning, there were TV ads on television for the B-2 bomber. That looks like lobbying to me. Imagine, it would be in Washington where policymakers are getting up and watching the news. We see ads in newspapers, we see people coming around to offices, we see pens, we see all sorts of things. These are the real megalobbyists. They not only have that, they have something the nonprofits do not have, they also have political action committees.

So yesterday we were having a big debate on this floor about how we ought to have real reform, and if we are going to have real reform and we are going to insist that nonprofits are going to be gagged and not be able to talk or be able to spend their money to consult Congress, we certainly ought to adopt this amendment which just says do to the profits what you do to the nonprofits; do to the defense contractors and other people who have Government contracts what you did to the nonprofit people who got grants from the Government.

That, I think, is something that if we do not do it, it is going to be awfully hard to explain back home, and I think when we see more and more groups getting concerned about whether we are making decisions here based on the threat or whether we are making decisions here based on PAC contributions or lobbying or nonprofit groups exerting excess powers such as Senator SIMPSON in the Senate has talked about, or whatever, we have got to do this equally and evenhandedly, or otherwise it looks like we are being disingenuous.

So while I would like to have everybody have free speech, since this body overruled my position and decided we are not going to have free speech for nonprofits, that these very, very dangerous groups out there that have gotten these grants must not be able to lobby even with their own money, I certainly think if we are that afraid of the Sierra Club and if we are that afraid of the Children's Defense Fund, we ought to be afraid of big contractors who live off of this Federal money, and some make as much as almost $23 billion a year. We certainly ought to say they should not be able to use their non-Government funds to lobby.

So I would hope this could be agreed to, and I would hope that we could get on to it since the body has agreed to exactly the same thing in other appropriation bills for nonprofits, and so I hope everybody can concede this very early.

Mr. YOUNG of Florida. Mr. Chairman, I rise in opposition to the amendment.

I do so only because I am not exactly sure what the effect would be. We were just provided this amendment today. We are trying to determine what effect it would have on title 10 of the United States Code, Armed Forces, which deals with procurement and contracting and things of this type. I am not really sure what effect that would have, and I am just wondering if the gentlewoman would be willing to defer a decision on this amendment for maybe 15 or 20 minutes to give us a chance to try to finish our research on it.

Mrs. SCHROEDER. Mr. Chairman, would the gentleman yield?

Mr. YOUNG of Florida. Mr. Chairman, I yield to the gentlewoman from Colorado.

Mrs. SCHROEDER. I appreciate your open-mindedness on this. And, yes, we have researched that.

But if we could ask unanimous consent to withhold further debate on this for 15 minutes, would that be adequate?

Mr. YOUNG of Florida. That would be helpful.

The CHAIRMAN. The gentlewoman can withdraw the amendment by unanimous consent and then reoffer it once the research is done. Otherwise the debate would have to continue until such time as everybody was talked out and the Chair would then put the question on the amendment.

Mrs. SCHROEDER. Mr. Chairman, if the gentleman will yield further, my concern about that is because of the very stringent time limits we are under, I might not be able to get back up and get it offered. If there is some assurance that I can get recognized again before the time clock goes off.

Mr. YOUNG of Florida. I would have no problem with some assurance there. I would like to point out, these laws dealing with this subject really are legislation and not appropriations. The gentlewoman is on the authorizing committee. That might have been the place to have addressed this issue.

But we began this bill in late July, early August. Here it is now September. This amendment was just filed. So we would like a little time to make sure exactly what the effect would be.

Mrs. SCHROEDER. If the gentleman would yield further, I understand what the gentleman is saying. As you know, the prior Istook amendment on nonprofits came out of the Committee on Appropriations. None of us thought we should be doing this in the authorizing committee, which is why I did not offer it. But since this body adopted it on the Labor, HHS and Education amendments, it seemed to me only fair we do the same kind of thing, and our research makes it look like it is an absolute mirror image. It just takes the Istook amendment, which basically I am opposed to, and I would be opposed to shutting off speech, but we did it. It seems to me only fair then that we do it for the for-profits. That is all I am trying to do as we proceed here.

So the reason we did not do it in the other forum was that we had no idea appropriations was going to start legislating on appropriation bills. So we have no choice but to do the same.

Mr. YOUNG of Florida. The difference is the nonprofits that we are talking about do not have all of this law that relate to them, where the Defense Department does, and I just need to check and make sure that we have something that is not going to be flying up against another law.

Mrs. SCHROEDER. If the gentleman will yield further, again, what I understand where we are is we have about 15 minutes to look at this. Then we can reoffer it, and, hopefully, you can accept it at that point.

Mr. YOUNG of Florida. Before we do that, the gentleman from Pennsylvania [Mr. MURTHA] was on his feet, and I think he wanted to engage in this conversation. We might want to do that before we withdraw the amendment.

Mr. MURTHA. Mr. Chairman, would the gentleman yield?

Mr. YOUNG of Florida. I yield to the gentleman from Pennsylvania.

Mr. MURTHA. I just wanted to add my request to withdraw and see if we could not work something out on it. It is a complicated subject. It is a comprehensive amendment, which certainly in committee I opposed the Istook amendment because of my concern for that issue, and I would ask the gentlewoman to withdraw the amendment and see if we cannot work something out.

Mrs. SCHROEDER. Mr. Chairman, based upon the agreement of both of the gentlemen, I certainly will be more than happy to withdraw it under the condition I can reoffer it, hopefully, in a few minutes where we can work something out.

Mr. Chairman, I ask unanimous consent to withdraw the amendment.

The CHAIRMAN. Is there objection to the request of the gentlewoman from Colorado?

There was no objection.

The CHAIRMAN. The amendment is withdrawn, without prejudice.

AMENDMENT OFFERED BY MR. CALLAHAN

Mr. CALLAHAN. Mr. Chairman, I offer an amendment, amendment No. 73.

The CHAIRMAN. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment offered by Mr. CALLAHAN: Page 94, after line 3, insert the following new section:

SEC. 8107. LIMITATION ON PROCUREMENT OF CERTAIN VESSEL PROPELLERS AND SHIP PROPULSION SHAFTING.

(a) Subject to subsection (c), none of the funds made available by this Act may be used to procure vessel propellers six feet in diameter or greater when it is made known to the Federal official having authority to obligate or expend such funds that such propellers are not manufactured in the United States and do not incorporate castings that are poured and finished only in the United States.

(b) Subject to subsection (c), none of the funds made available by this Act may be used to procure ship propulsion shafting when it is made known to the Federal official having authority to obligate or expend such funds that such ship propulsion shafting is not manufactured in the United States.

(c) The limitation in subsection (a) or subsection (b), as the case may be, does not apply when it is made known to the Federal official having authority to obligate or expend such funds that adequate domestic supplies of propellers described in subsection (a) or of ship propulsion shafting are not available to meet Department of Defense requirements on a timely basis.

Mr. CALLAHAN. Mr. Chairman, the purpose of my amendment is to insert a buy American clause that has been in existence for a great number of years. This buy American clause had to do with propellers, and it was in the 1994 appropriations bill and authorization bill, and for some reason it was left out of the 1995–96 appropriation bill.

But I think it is very important that we recognize that this is an opportunity to spend money in the United States, an opportunity to create jobs here in the United States.

We have a letter from the Department of the Navy dated August 22, 1994, that certainly agrees with the purpose of this, because they fear if we do not include this, that we are going to lose the capability then, in the event of any emergency, to have the capability of developing propellers greater than 6 feet in diameter.

The 1994 future years plan called for the construction of 48 ships and the Navy's fiscal year 1996 plan calls for only the construction of 28 ships.

Since the Navy's report, one fully integrated ship propeller manufacturer has gone out of business. Today there are only two fully integrated propeller manufacturers left in the United States with the capability to design, cast, and machine large monoblock propellers and propeller blades for the U.S. Navy. The Navy's report specifically states that these specialized technologies, processes, skills, and facilities required for the manufacturer, including both casting and finish machining, for blades and monoblock propellers, is critical to maintaining an adequate U.S. industrial base to support current and future Navy requirements.

Without this law, the only Navy manufacturer of controllable pitch propellers which go on the majority of our Navy's surface ships will be forced to close its foundry and lay off many of its skilled workers. The reason is simple: Foreign foundries do not have to comply with the same quality controls and environmental regulations imposed on them as foundries operating in the United States. That is the primary reason for not being able to compete with foreign countries, is they do not have to comply with the environmental regulations and the quality control regulations that we have in this country.

If foreign companies want to manufacture propellers for the U.S. Navy, they should come to the United States, open a manufacturing plant and manufacture them and thus be eligible to help provide them.

I do not believe that our country, for the defense-critical systems, should be dependent on foreign sources only. In a time of national emergency, a foreign source may be unreliable or nonexistent.

Mr. FOGLIETTA. Mr. Chairman, would the gentleman yield?

Mr. CALLAHAN. I yield to the gentleman from Pennsylvania.

Mr. FOGLIETTA. Mr. Chairman, I wish to enter into a colloquy regarding the gentleman's amendment.

Mr. Chairman, as a strong supporter of "Buy America" as well as being a member whose district is home to the Navy's propeller shop and foundry, I wish to clarify the intent of the gentleman's amendment.

I intend to support the gentleman's amendment, and urge my colleagues to support it.

However, I would like the gentleman's assurance that it is not the purpose of this amendment to weaken America's national security position by eliminating or downsizing the propeller shop and foundry in Philadelphia. I believe it would jeopardize our national security if we were to sole-source propeller manufacturing in the private sector.

Mr. CALLAHAN. I am aware that the propeller shop and foundry have been recognized as a core mission by the Navy. The Navy has stated that it is critical to our national security that it remain operational in support of the fleet.

This amendment would not challenge the Navy's position on the Philadelphia propeller shop and foundry. Its intent is not to cause the closure or downsizing in any way, shape or form of this great facility.

Mr. FOGLIETTA. I thank my colleague.

Mr. SANDERS. Mr. Chairman, would the gentleman yield?

Mr. CALLAHAN. I yield to the gentleman from Vermont.

Mr. SANDERS. Mr. Chairman, I speak in support of the gentleman's amendment. I think he is raising a very important issue, but obviously, as you know, the issue goes well beyond propellers.

During the last 2 fiscal years, the U.S. Defense Department has spent at least $13 billion in American taxpayer money to buy goods and services from foreign suppliers. My strong hope would be that the gentleman and I and other people who are concerned about this issue can work together to put an end to these practices.

The CHAIRMAN. The time of the gentleman from Alabama [Mr. CALLAHAN] has expired.

Mr. FOGLIETTA. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I yield to the gentleman from Vermont [Mr. SANDERS].

Mr. SANDERS. Mr. Chairman, I would just make the point that in the State of Vermont, in the last 3 years we have had four instances, four instances where contracts were made with companies in Vermont but the products were produced abroad. So the gentleman is beginning to touch upon an issue of enormous consequence.

I had an amendment which I am going to withdraw, but I would hope that we can work together to demand, wherever possible, and I think it is a lot more possible than people think that if we are going to spend American taxpayers' money for defense equipment, for God's sakes, let us have this work done in America and put American workers to work to do that.

□ 1530

Mr. TORKILDSEN. Mr. Chairman, I move to strike the last word.

Just very briefly, Mr. Chairman, I want to rise in support of the Callahan amendment to require the components of vessels for the Department of Defense to be manufactured in the United States. This amendment makes very good sense. I will not elaborate with details, but I applaud the gentleman for offering the amendment. This is good for our national defense policy, it is good for American jobs. I hope the Callahan amendment is adopted.

Mr. Chairman, I rise today in support of the Callahan amendment to require that components for vessels of the Department of Defense be manufactured in the United States. This amendment makes good sense and has largely been included in the House-passed Department of Defense authorization for fiscal year 1996.

We all know that our defense readiness is in part dependent on our industrial capability to manufacture defense systems. Without this base, we could find ourselves totally dependent on foreign sources, which could be unreliable and possibly nonexistent in time of national emergency. This base, however, may be in jeopardy unless Congress enacts this domestic source statute.

It is troubling when the Clinton administration uses international armaments cooperation as a justification for not supporting American defense manufacturers—the very manufacturers and employees who tax dollars finance the DOD budget. Procuring U.S. manufactured products for defense purposes advances our technological edge, and sustains the U.S. industrial base and the employment base upon which our security depends.

I urge my colleagues to support this important amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Alabama [Mr. CALLAHAN].

The amendment was agreed to.

AMENDMENT OFFERED BY MR. CALLAHAN

Mr. CALLAHAN. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment offered by Mr. CALLAHAN: Page 94, after line 3, insert the following new section:

SEC. 8107. None of the funds provided in title II of this Act for "FORMER SOVIET UNION THREAT REDUCTION" may be obligated or expended to finance housing for any individual when it is made known to the Federal official having authority to obligate or expend such funds that such individual was a member of the military forces of the Soviet Union or that such individual is or was a member of the military forces of the Russian Federation.

Mr. CALLAHAN. Mr. Chairman, once again, and I have risen so many times in the last several years talking about the very ill-conceived program that the administration fostered in creating an ability of the United States to fund houses for Russian soldiers.

Mr. MURTHA. Mr. Chairman, will the gentleman yield?

Mr. CALLAHAN. I yield to the gentleman from Pennsylvania.

Mr. MURTHA. Mr. Chairman, I have no problem with this.

Mr. CALLAHAN. Then, Mr. Chairman, I move adoption of this amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Alabama [Mr. CALLAHAN].

The amendment was agreed to.

AMENDMENT OFFERED BY MR. NEUMANN

Mr. NEUMANN. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment offered by Mr. NEUMANN: Page 94, after line 3, insert the following new section:

SEC. 8107. None of the funds available to the Department of Defense for the current fiscal year shall be obligated or expended for costs incurred by the participation of United States Armed Forces units in any operation in the territory of the former Yugoslavia above the level of forces so deployed as of date of enactment.

Mr. NEUMANN. Mr. Chairman, I have this recurring fear that I am going to wake up one morning, turn on the news and find out the President——

Mr. MURTHA. Mr. Chairman, I reserve a point of order against the amendment.

The CHAIRMAN. The gentleman from Pennsylvania [Mr. MURTHA] is too late in that the gentleman from Wisconsin [Mr. NEUMANN] has already been recognized.

Mr. NEUMANN. Mr. Chairman, I have this recurring fear that I am going to wake up one morning, turn on the news, and find out the President of the United States has deployed 25,000 United States troops to the Bosnian region. That is why I have an amendment to this bill.

Mr. Chairman, the purpose of this amendment is to require the President to come to Congress for approval prior to the deployment of United States troops in the Bosnian area.

My colleagues, make no mistake about the fact that there are plans on the table currently to deploy 25,000 United States ground troops in the Bosnian area.

On June 14, and I quote Secretary Perry; he said there are three different possible ways, and I quote, "There are three possible contingencies in which we would have ground forces in Bosnia. There are, No. 1, a peacekeeping operation to enforce a peacekeeping settlement; No. 2, assisting NATO allies in the full withdrawal of the U.N. Protection Force; and, No. 3, an emergency extraction of the U.N. Protection Force."

General Shali, who also testified at that same hearing, continued to lay out how many troops might be deployed and for how long, and I quote General Shali, same day:

"In the event of a request from the U.N. for assistance in withdrawal of UNPROFOR troops the U.S. would commit about 25,000 American troops for approximately 22 weeks. In the event a situation arises that requires an emergency extraction the NATO plan has a quick response force using selected NATO forces that are in close proximity to Bosnia. American participation and support of this plan are essential."

So, my colleagues see there are plans on the table currently for the deployment of, the potential of deployment of 25,000 United States ground troops in the Bosnian area for a 22-week period of time. Again I have to reiterate my concern that one morning I will turn on the news and find out that 25,000 United States troops have, in fact, been deployed to the Bosnian region. After that I will have to explain to my constituents back home from Racine and

Kenosha and Janesville-Beliot, WI, why their sons and daughters have been sent to the Bosnian region.

Many of my colleagues believe that the President alone has the authority to call the shots in this particular debate. However, our Founding Fathers gave us the responsibility to participate in these discussions, discussions that are literally life-and-death discussions to many young people in uniform.

The Speaker of the House clearly laid out our role in this in a June 7 address to the House of Representatives when he said, and I quote:

"You want to cut off troops for Haiti or Somalia, or you want to cut off troops in Bosnia. There is an easy way to do it. It is called the power of the purse."

Mr. MURTHA. Mr. Chairman, will the gentleman yield?

Mr. NEUMANN. I yield to the gentleman from Pennsylvania.

Mr. MURTHA. Mr. Chairman, I have talked to the gentleman at great length about this amendment, and I have a substitute to the amendment which I think would satisfy certainly me and, I hope, would satisfy the chairman, which would eliminate the extraction part of it from the amendment that the gentleman is offering, because I think it is so important that we have a commitment to the U.N., but, if I could offer this amendment to the amendment, maybe we could continue the colloquy.

Mr. NEUMANN. Mr. Chairman, I yield to the gentleman from Pennsylvania [Mr. MURTHA] for that purpose.

AMENDMENT OFFERED BY MR. MURTHA TO THE AMENDMENT OFFERED BY MR. NEUMANN

Mr. MURTHA. Mr. Chairman, I offer an amendment to the amendment.

The CHAIRMAN. The gentleman from Wisconsin [Mr. NEUMANN] would have to yield back his time in order for the gentleman from Pennsylvania to offer his amendment.

Mr. NEUMANN. Mr. Chairman, I yield back the balance of my time.

The CHAIRMAN. The Clerk will report the amendment to the amendment.

The Clerk read as follows:

Amendment offered by Mr. MURTHA to the amendment offered by Mr. NEUMANN: At the end of the amendment add the following: *Provided*, That this section shall not apply to emergency air rescue operations, the airborne delivery of humanitarian supplies, or the planning and execution of OPLAN 40104 to extract UNPROFOR personnel.

The CHAIRMAN. The gentleman from Pennsylvania [Mr. MURTHA] is recognized for 5 minutes in support of his amendment to the amendment.

Mr. MURTHA. Mr. Chairman, as I said before, the gentleman from Wisconsin [Mr. NEUMANN] and myself have talked at great length, as has the chairman of the committee.

This is a very delicate situation. We know that the White House, whether it is Republican or Democrat, always opposes any kind of stipulation restricting their ability to deploy troops. But I agree with the gentleman that we have not only the right, but the obligation, to insist on authorization before troops are deployed in a humanitarian sense. I do not agree if it is a national security issue; I believe the President does have the ability under the Constitution.

I would hope that the gentleman would accept this amendment. We could take this to conference, and, if the chairman would accept this amendment, then we would be able to then work out the final language with the White House which would give us some leverage over what happens in the future in these humanitarian deployments.

Mr. Chairman, I yield back the balance of my time.

Mr. YOUNG of Florida. Mr. Chairman, I rise in support of the amendment to the amendment offered by the gentleman from Pennsylvania [Mr. MURTHA].

Mr. Chairman, in the last several years the members of our subcommittee have done everything we possibly could to keep this from becoming an American war, and the gentleman from Wisconsin [Mr. NEUMANN] has been a very strong advocate of that. However, we do have to recognize, as the gentleman from Pennsylvania mentioned, our commitment to the United Nations. I would mention in addition our very strong treaty commitment to our NATO allies, and, if our NATO allies become embroiled or endangered, we do have a commitment to come to their rescue.

So, Mr. Chairman, I believe the amendment offered by the gentleman from Pennsylvania to the amendment offered by the gentleman from Wisconsin is a good amendment. It makes the overall legislation acceptable and certainly would, I believe, fit within the realm of the Constitution, and so I would hope also that the gentleman would be willing to accept this amendment and that we can just get on to the next item.

Mr. Chairman, I yield back the balance of my time.

Mr. NEUMANN. Mr. Chairman, I move to strike the last word.

Mr. Chairman, just so I fully understand what is being proposed here, what we are saying is that the President would be required to come to Congress to request funds prior to deploying troops for the peacekeeping, for the enforcement of the peacekeeping settlement, as described by Secretary Perry on June 14, but he would not have to come to request funds to aid in the withdrawal of the French, British, the Dutch, our allies, in the area.

Mr. MURTHA. Mr. Chairman, will the gentleman yield?

Mr. NEUMANN. I yield to the gentleman from Pennsylvania.

Mr. MURTHA. That is correct, and the gentleman has to understand, of course, obviously this does not go in effect until the bill is passed and signed with the President, and we know there will have to be such negotiation before it is finalized.

Mr. NEUMANN. I would be willing to accept the amendment, but I would like to just add that I have some very strong reservations even in those situations of deploying U.S. troops in the region.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Pennsylvania [Mr. MURTHA] to the amendment offered by the gentleman from Wisconsin [Mr. NEUMANN].

The amendment to the amendment was agreed to.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Wisconsin [Mr. NEUMANN], as amended.

The amendment, as amended, was agreed to.

AMENDMENT OFFERED BY MR. SKELTON

Mr. SKELTON. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment offered by Mr. SKELTON: Page 94, after line 3, insert the following new section:

SEC. 8107. None of the funds provided in this Act may be obligated or expended for the provision by the United States of military training for military forces of the Government of Bosnia and Herzegovina.

Mr. SKELTON. Mr. Chairman, I bring this issue to the floor of this House because it involves the potential problem of American military forces being where Americans do not want them to be.

Mr. Chairman, I realize that there are negotiations ongoing at the present time, and I realize that this is a sensitive area of discussion, though I am convinced that I am right, and I will use my few moments on this floor to speak of this issue.

This amendment which I offered states that none of the funds provided in this act may be obligated or expended for the provision by the United States of military training for military forces of the Government of Bosnia and Herzegovina. We all know that the measure known as the Dole amendment passed. What the future of that will be after a veto I cannot say. But I do know that the lifting of the embargo would allow the Bosnia and Herzegovina Government to purchase arms and undoubtedly purchase many of them from us. They are not artillery oriented. They are infantry strong. The Bosnian Serbs are artillery strong, and these weapons that the Moslem Government of Bosnia and Herzegovina would purchase obviously would require people to train them and teach them how to use them.

The question is who would that be? If they buy arms from us, undoubtedly it would be members of our military force, and this is what concerns me. These Bosnian and Herzegovinan Moslem soldiers will not be coming to Fort Sill, OK, to be learning how to shoot artillery. It will be done in country, in all probability trained by American soldiers. This concerns me a great deal.

Now, Mr. Chairman, because there are sensitive negotiations going on at this time, I raise this issue so that the Members of this body will understand my deep concern. I say to my colleagues, Mr. Chairman, that the Balkans are not worth the life of one American soldier. This lifting of the embargo, unless my amendment would prevail, it allows Americans to go in and train, and if some of that does not work, they might become advisers, and then we see Vietnam all over again.

□ 1545

Because of the sensitivity of this and the negotiations at this time, subject to the opportunity at a future date to offer this issue and debate it fully, I ask unanimous consent to withdraw this amendment because of the concerns for the sensitivity of the various negotiations that are ongoing.

The CHAIRMAN. Is there objection to the request of the gentleman from Missouri?

Mr. YOUNG of Florida. Mr. Chairman, reserving the right to object, and I do not intend to object, but I would like to point out to the gentleman from Missouri, who is one of the House's leading experts in the field of national defense and our national security, that the subcommittee spent a lot of time reviewing this entire matter. I would like to call to the attention of our colleagues the fact that the bill before us has seven pages of restrictions and direction as to the proper relationship between the President and the Congress on the issue of deployments for peacekeeping or whatever other purpose.

I appreciate the gentleman withdrawing his amendment, because actually the language in this bill is really very good and has been very well thought out.

Mr. Chairman, I withdraw my reservation of objection.

Mr. SKELTON. Mr. Chairman, if I may respond to our chairman of the subcommittee, and by the way, the gentleman does an excellent job and I appreciate it, and I am glad that the subcommittee reviewed this issue, because I am deeply concerned that one thing will lead to another and if there are not proper restrictions, if there is not proper language, we could very well find ourselves involved where we do not intend ourselves to be involved.

The CHAIRMAN. Is there objection to the request of the gentleman from Missouri?

There was no objection.

AMENDMENT OFFERED BY MR. FARR

Mr. FARR. Mr. Chairman, I offer an amendment, amendment No. 7 to title VIII.

The CHAIRMAN. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment offered by Mr. FARR: Page 94, after line 3, insert the following new section:

SEC. 8107. None of the funds appropriated by this Act or any other Act for any fiscal year may be obligated or expended in a total amount in excess of $6,700,000 for the relocation, as a result of the report of the 1995 Defense Base Closure and Realignment Commission, of the activity of the Army Operational Test and Experimentation Command that is located at Fort Hunter Liggett, California, as of July 1, 1995.

Mr. YOUNG of Florida. Mr. Chairman, I reserve a point of order against this amendment.

The CHAIRMAN. A point of order is reserved.

The gentleman from California [Mr. FARR] is recognized for 5 minutes.

Mr. FARR. Mr. Chairman, I have discussed this amendment with the gentleman from Florida [Mr. YOUNG], and I understand it may not be in order. However, I believe my amendment addresses an important issue, and I would like to speak briefly on the matter before withdrawing the amendment.

Mr. Chairman, my amendment prevents the Army from wasting Federal tax dollars to implement a recommendation by the BRAC Commission. The recommendation would relocate the TEXCOM Experimentation Center from my district to another facility. In their proposal to the BRAC, the Army claimed this move would cost no more than $6.7 million. It is this figure which BRAC used as a basis for its final recommendation to move the facility. However, there are Army documents that show that it may cost as much in fact as $13 million or more.

Mr. Chairman, let me quote from a recent U.S. Army Forces Command document which states that "Significant one-time costs are $17 million for realignment. There are no savings to be realized in this action."

Mr. Chairman, the purpose of my amendment is to hold the Army to its word that the relocation of TEXCOM would be cost-effective and save money important to the American taxpayers. If, as the Army claims, they can move TEXCOM for only $6.7 million despite their own estimates, then my amendment would change nothing. If, however, the Army attempts to convince BRAC to move the facility by raising it one figure and then raid the defense budget to meet the cost of the second higher figure, then my amendment would prevent such a move. In short, my amendment requires the Army to keep their word.

Mrs. SEASTRAND. Mr. Chairman, will the gentleman yield?

Mr. FARR. I yield to the gentlewoman from California.

Mrs. SEASTRAND. Mr. Chairman, the BRAC Commission voted to realign an experimentation unit from Fort Hunter Liggett to Fort Bliss, TX under an assumption that it would save the American taxpayers close to $68 million over the next 20 years, we have information that shows it will cost the taxpayers over $120 million to realign this facility—a simple $188 million error above what the BRAC Commissioners were led to believe.

The Commission was also led to believe that there would be a one time cost of $6.7 million to realign this base when in actuality it will cost closer to $43 million—over six times the projected one time cost.

I believe the realignment of this base weakens the best military training facility available to our service members. I also believe that the goal of saving taxpayer money by this realignment has not been met.

In addition, I believe the BRAC Commission did not have the best data on which to base their decision. It is for these reasons I support this amendment which would require the Army to realign Fort Hunter Liggett for the amount of money the BRAC Commission based its decision.

Mr. FARR. Mr. Chairman, reclaiming my time, I thank the gentleman from Florida [Mr. YOUNG] for his important help in this matter. I look forward to working with him in the future on this problem.

Mr. Chairman, I ask unanimous consent to withdraw my amendment.

The CHAIRMAN. Is there objection to the request of the gentleman from California?

There was no objection.

AMENDMENT OFFERED BY MRS. SCHROEDER

Mrs. SCHROEDER. Mr. Chairman, I offer an amendment to title VIII.

The CHAIRMAN. The Chair would inquire if this is the identical amendment that was previously offered?

Mrs. SCHROEDER. Yes, Mr. Chairman, it is the identical amendment.

The CHAIRMAN. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment offered by Mrs. SCHROEDER: Page 94, after line 3, insert the following:

SEC. 8107. (a) LIMITATION ON THE USE OF FEDERAL FUNDS BY CONTRACTORS FOR POLITICAL ADVOCACY.—None of the funds made available by this Act may be used by any Federal contractor for an activity when it is made known to the Federal official having authority to obligate or expend such funds that the activity is any of the following:

(1) Carrying on propaganda, or otherwise attempting to influence Federal, State, or local legislation or agency action, including any of the following:

(A) Monetary or in-kind contributions, endorsements, publicity, or similar activity.

(B) Any attempt to influence any legislation or agency action through an attempt to affect the opinions of the general public or any segment thereof, including any communication between the contractor and an employee of the contractor to directly encourage such employee to urge persons other than employees to engage in such an attempt.

(C) Any attempt to influence any legislation or agency action through communication with any member or employee of a legislative body or agency, or with any government official or employee who may participate in the formulation of the legislation or agency action, including any communication between the contractor and an employee of the contractor to directly encourage such employee to engage in such an attempt or to urge persons other than employees to engage in such an attempt.

(2) Participating or intervening in (including the publishing or distributing of statements) any political campaign on behalf of (or in opposition to) any candidate for public office, including monetary or in-kind contributions, endorsements, publicity, or similar activity.

(3) Participating in any judicial litigation or agency proceeding (including as an amicus curiae) in which agents or instrumentalities of Federal, State, or local governments are parties, other than litigation in which the contractor or potential contractor is a defendant appearing in its own behalf: is defending its tax-exempt status; or is challenging a government decision or action directed specifically at the powers, rights, or duties of that contractor or potential contractor.

(4) Allocating, disbursing, or contributing any funds or in-kind support to any individual, entity, or organization whose expenditures for political advocacy for the previous Federal fiscal year exceeded 15 percent of its total expenditures for that Federal fiscal year.

(b) LIMITATION ON USE OF FEDERAL FUNDS TO AWARD CONTRACTS.—None of the funds made available by this Act may be used to award a contract when it is made known to the Federal official having authority to obligate or expend such funds that—

(1) the expenditures of the potential contractor (other than an individual person) for activities described in subsection (a) for any one of the previous five Federal fiscal years (excluding any fiscal year before 1996) exceeded the sum of—

(A) the first $20,000,000 of the difference between the potential contractor's total expenditures made in the fiscal year and the total amount of Federal contracts and grants it was awarded in that fiscal year, multiplied by .05: and

(2) the potential contractor has used funds from any Federal contract to purchase or secure any goods or services (including dues and membership fees) from any other individual, entity, or organization whose expenditures for activities described in subsection (a) for fiscal year 1995 exceeded 15 percent of its total expenditures for that Federal fiscal year; or

(3) the potential contractor has used funds from any Federal contract for a purpose (other than to purchase or secure goods or services) that was not specifically permitted by Congress in the law authorizing the contract.

(c) EXCEPTIONS.—The activities described in subsection (a) do not include an activity when it is made known to the Federal official having authority to obligate or expend such funds that the activity is any of the following:

(1) Making available the results of nonpartisan analysis, study, research, or debate.

(2) Providing technical advice or assistance (where such advice would otherwise constitute the influencing of legislation or agency action) to a government body or to a committee or other subdivision there in response to a written request by such body or subdivision, as the case may be.

(3) Communications between a contractor and its employees with respect to legislation, proposed legislation, agency action, or proposed agency action of direct interest to the contractor and such employees. Other than communications described in subparagraph (c).

(4) Any communication with a governmental official or employee, other than—

(A) a communication with a member or employee of a legislative body or agency (where such communication would otherwise constitute the influencing of legislation or agency action); or

(B) a communication the principal purpose of which is to influence legislation or agency action.

(5) Official communication by employees of State or local governments, or by organizations whose membership consists exclusively of State or local governments.

Mrs. SCHROEDER. Mr. Chairman, as I said before, I think this is a terribly important amendment in that it does for profits what we did to nonprofits earlier this year in an appropriation bill.

Earlier this year, the Istook amendment was adopted by this House, and what it did was say that groups, and there are over 460 of them, such as the American Cancer Society, the American Red Cross, the American Society for Prevention of Cruelty to Animals, the Baptist Joint Committee, the United States Catholic Conference, the YMCA, the YWCA, March of Dimes, Multiple Sclerosis, and on and on and on, would not be allowed to use their own funds to lobby in the Congress. This was called defunding of those groups, and that was thought to be very fair. If that is fair, then it is certainly fair to say to profit groups that are getting huge Government contracts that they also should not be using their funds to lobby Congress in this manner.

Now, this amendment is written in exactly the same form as the Istook amendment. It is a limitation on the use of Federal funds by contractors for political advocacy, which means obviously coming to a Federal contractor, having any activity which would be made known to a Federal official or having the authority to obligate or approve or vote for funds that would benefit them. I think this is terribly important, and I certainly, certainly hope that we can in fairness do for the profits what we did for the nonprofits, or I think a lot of people are going to say wait a minute, wait a minute. If you are a nonprofit, do-good group that is collecting it for dues, that is one thing. However, if you are out there and you are making big profits, then you can do whatever you want to with Federal money to lobby to get more of it. I think that would really tilt the scales of justice. All of this is about making sure the scales are even.

Mr. Chairman, I would say after we adopted the Istook amendment on the nonprofits that we certainly should be adopting the Schroeder amendment on the profit side in this area, and I hope we can get a strong aye vote and move on.

Mr. Chairman, today I intend to offer an amendment that would crack down on defense special interests. Recently, this chamber voted to limit the ability of nonprofit organizations to lobby. The provision, Representative ISTOOK's amendment to the Labor, HHS, and Education appropriations bill, limits the ability of recipients of Federal grants to lobby with their non-Federal funds.

While I voted against this limitation on the floor based on constitutional grounds, I recognize the writing on the wall. The majority of this Chamber believes that the ability of special interests to peddle their influence should be seriously curtailed. Assuming that this provision may become the law of the land, shouldn't it then include the real special interests, that is, defense contractors?

Lockheed Martin is now the Nation's largest defense contractor. Their total revenues amounted to $22,900,000,000, 62.9 percent of their revenues were derived from defense-based revenues. In 1994, they received $9 billion in prime contracts from the Department of Defense.

Another example? The political action committee for Northrop Grumman and the major B–2 subcontractors contributed $150,850 in the first 6 months of 1995 to 115 Republican Members of the House. They organized subcontractors to lobby their own State delegations. They organized and paid for fact-finding trips for Members, and invited staff to their B–2 factory in California. The result? The House committees authorized and appropriated $553 million and $493 million respectively for the first installment of 20 new B–2 airplanes, which, according to the GAO, can't tell the difference between a mountain and rain.

Which do you think peddles more influence, nonprofits or defense contractors? It is not the YMCA, the Girl Scouts, the Sierra Club, or the Children's Defense Fund. Influence in this town is bought and sold. Logically, it follows that the most influence resides with the most money—the contractors. What is good for the goose is good for the gander. Support my effort to create equity between nonprofit and for-profit lobbyists.

CAMPAIGN CONTRIBUTIONS FROM DEFENSE FIRMS

LOCKHEED

1995–96—Democrats: $0, Republicans: $59,400 (37 Candidates), Total: $59,400.

1993–94—Democrats: $338,210 (128 Candidates), Republicans: $254,401 (120 Candidates), Total: $592,611.

MCDONNELL DOUGLAS

1995–96—Democrats: $31,000 (37 Candidates), Republicans: $57,749 (70 Candidates), Total: $88,749.

1993–94—Democrats: $160,350 (111 Candidates), Republicans: $80,150 (72 Candidates), Total: $240,500.

NORTHROP GRUMMAN

1993–94—Democrats: $94,555 (70 Candidates), Republicans: $51,050 (46 Candidates), Total: $146,355.

LITTON INDUSTRIES

1995–96—Democrats: $9,500 (13 Candidates), Republicans: $19,299 (26 Candidates), Total: $28,799.

1993–94—Democrats: $52,700 (40 Candidates), Republicans: $60,400 (44 Candidates), Total: $113,100.

GENERAL DYNAMICS

1995–96—Democrats: $33,050 (35 Candidates), Republicans: $74,700 (56 Candidates), Total: $107,750.

1993–94—Democrats: $235,862 (106 Candidates), Republicans: $149,250 (74 Candidates), Total: $385,112.

1994 Defense Firm Revenue from Sales to U.S. Government

Lockheed, $16.564 billion (Lockheed's revenue has also been shown to be $14.4 billion).

McDonnell Douglas Corp., $9.2 billion.

Northrop Grumman, $5.41 billion.

Litton Industries, $3.16 billion.

General Dynamics, $2.862 billion.

Mr. LIVINGSTON. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I know it is a thoughtful amendment and on first glance, it probably looks like a good idea. After all, what is good for the goose is good for the gander if you are dealing with apples and apples and oranges and oranges and that sort of thing. The fact is we are not. We are dealing with apples and oranges. We are dealing with two entirely different concepts.

One is a concept of direct agency, if you will. When the U.S. Government contracts with a public charitable organization to provide charitable services to the American people or abroad, in effect that charitable organization becomes the agent of the U.S. Government. It is taking U.S. taxpayers' money exclusively, subtracts an administration surcharge which they do not pay taxes on, then dispenses what is left to the eligible recipient, to the person who is in need, or to the group of people that are in need.

That is legitimate. That is a legitimate function of Government, and it is perfectly acceptable and should be encouraged. The agency is exclusively taking nonprofit money or money from the American taxpayer to render service to a beneficiary, and any money that they divert for their own costs should not be used to go back and lobby for more money that is in effect not the purpose for which the money was intended in the first place.

In other words, it is a diversion of money, Mr. Chairman. It is a diversion from the purpose for which the money was intended. The money was intended to go to the beneficiary, not to the agency to lobby for more money. The agency is supposed to administer taxpayers' money for some good, altruistic purpose.

In the case of the contractor, there is no agency. A defense contractor is like any other contractor, and I do not know why the gentlewoman stopped at defense contractors. I do not know why she did not just go out and say any time the U.S. Government contracts with anybody for a product or service for the Government's use you cannot lobby.

But, if she did that, No. 1, is a denial of the privilege of the first amendment, which is the right of speech under the Constitution of the United States, to exercise their opportunity to speak to their government, to the representatives of their choice, because in fact you would be applying it to everybody in America. But since you have limited it to just defense contractors or just individuals who provide services or goods to the U.S. Government for the purposes of defense, it is not everybody, it is just tens of millions of people.

Now, we already have title X of the United States Code for the Armed Forces, which deals with all of the activities affecting contracts between vendors in the defense arena and the U.S. Government. In fact, this document here, title X, is something like 16,000 pages thick. Well, I do not know how many pages. It is thick. I do not think anyone will deny that.

That is a compilation of law accruing over the last 30 or 40 years. The last time I checked, the gentlewoman from Colorado has been on the Committee on National Security for the last 18 to 20 years, and so she has played a vital role in affecting this document. I do not recall that she has come forward and said that no contractor in the defense arena cannot lobby, or can lobby the U.S. Government until now, but she may have. But she is doing it now, and she is entitled to do it. But let us not get confused. Anybody who renders products or services to the Government for profit is a private individual, is a private contractor, is working for a living, making products, rendering services, just like any private individual in this country, and does not depend for his income exclusively on the American taxpayer is not a salaried employee of the American taxpayer, is not an agent of the American taxpayer or the American Government.

The other instance in which Mr. Istook offered the amendment earlier in another bill is a system, or is an instance of agency versus contract for hire.

The CHAIRMAN. The time of the gentleman from Louisiana has expired.

(By unanimous consent, Mr. LIVINGSTON was allowed to proceed for 2 additional minutes.)

Mr. LIVINGSTON. Mr. Chairman, we are dealing with agency versus contract for hire, contract for products. There is a real distinction, and to say to anybody who is a contractor who deals with the Federal Government that you cannot lobby is in essence, frankly, to deny their rights under the first amendment of the Constitution of the United States and totally flies in the face of any constitutional principles that I know of.

□ 1600

Mrs. SCHROEDER. Mr. Chairman, will the gentleman yield?

Mr. LIVINGSTON. I yield to the gentlewoman from Colorado.

Mrs. SCHROEDER. Mr. Chairman, first of all, let me answer why it only applies to defense contractors, and that is because of the scope of this bill which I know the gentleman understands. I obviously cannot do it for the universe because we are within this context only, so that is easy.

Let me then go on and say I do not think that what we are trying to say here is not that they cannot lobby, it is that they cannot use Federal funds that they are getting for this to keep lobbying to get more. It is like once you get in the trough, you just keep getting more to feed more, which was what the concern was, I think, in the Istook amendment when people were concerned that some of the agencies might use some of the Federal money that was supposed to go to beneficiaries instead of lobbying to get more.

Mr. Chairman, I think the analysis here is rather similar. We want the analysis to be on a threat based by neutral people rather than people who got a lot of money to manufacture something or make something, then trying to find out more reasons and spend the same money to spin more reasons to convince us we should buy even more for them. That is a heck of a deal. That is a heck of a deal.

Those regulations you are showing, this person has been trying for 20 years to find ways to close that door. We have never been able to really close that door very well. That is why I am saying doing the mirror image of what we did to nonprofits makes an awful lot of sense because maybe it will then be clear across the board and very fair.

The CHAIRMAN. The time of the gentleman from Louisiana [Mr. LIVINGSTON] has again expired.

(By unanimous consent, Mr. LIVINGSTON was allowed to proceed for 2 additional minutes.)

Mr. LIVINGSTON. Mr. Chairman, if the gentlewoman would allow me to clarify something, is it her intent with this amendment to say that no contractor will use Federal funds but will not be denied the right to lobby by using their own private funds?

Mrs. SCHROEDER. Mr. Chairman, if the gentleman will continue to yield, this is titled "limitation on the use of Federal funds by contractors for political advocacy." I do not know how you can be any clearer than that. That is the title of this.

Mr. LIVINGSTON. Mr. Chairman, lots of titles of lots of bills and lots of amendments are deceiving as much as we might intend it otherwise. I specifically would like the gentlewoman to express her intent, her individual intent, the author of this amendment's intent. Would a contractor who expressly uses his or her, or its own money, private money, be entitled to lobby under her amendment?

Mrs. SCHROEDER. The gentleman is correct, because what my amendment says is that it is a limitation on the use of Federal funds to award contracts. None of the funds made available by this act, this act, period. That is about as clear as I know how to make it. Funds made available by this act, which is the defense act going to defense contractors, can be used to go out and lobby for more next year. What we are really saying is the money we are allocating today goes for weapons, not for a way to make sure you get in next year's bill.

Mr. LIVINGSTON. Mr. Chairman, next year the money becomes privatized once it become awarded. I understand the intent, but once money is earned on a contract, it becomes private. How does one determine whether or not that is money from this act, this particular contract?

The CHAIRMAN. The time of the gentleman from Louisiana [Mr. LIVINGSTON] has again expired.

(By unanimous consent, Mr. LIVINGSTON was allowed to proceed for 2 additional minutes.)

Mrs. SCHROEDER. Mr. Chairman, if the gentleman will continue to yield, again, all of those regulations are about the fact that they have to show their costs. We know, if anything, we probably have too many regulations overregulating, making sure we know that. We make sure we have all sorts of people doing oversight everywhere in the Defense Department because we do not just let them guess what it is going to cost and then find out they spent half the money to go out on a cruise instead. We know we are supposed to be doing that oversight. So that is how we know and I think it is very clear.

Mr. LIVINGSTON. Mr. Chairman, if it is the gentlewoman's express intent not to deny private individuals, private corporations, from using their own private funds for lobbying the U.S. Congress, and that her intent is exclusively to deny the right of use of Federal funds for lobbying, then I withdraw my objection.

Mrs. SCHROEDER. I am delighted that the gentleman from Louisiana withdrew his objection. That is my intent and I thank the gentleman for yielding to me.

The CHAIRMAN. The question is on the amendment offered by the gentlewoman from Colorado [Mrs. SCHROEDER].

The amendment was agreed to.

AMENDMENT OFFERED BY MR. SANDERS

Mr. SANDERS. Mr. Chairman, I offer an amendment, No. 9.

The CHAIRMAN. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment offered by Mr. SANDERS: Page 94, after line 3, insert the following new section:

SEC. 8107. Notwithstanding any other provision of this Act, the amount made available for the National Foreign Intelligence program (other than for the Central Intelligence Agency Retirement and Disability System Fund) from the appropriations provided in this Act shall not exceed 90 percent of the amount made available for such Agencies (other than for such Fund) from the appropriations provided in the Department of Defense Appropriations Act, 1995 (Pub. L. 103–335.

Mr. SANDERS. Mr. Chairman, I have an amendment at the desk which is cosponsored by the gentleman from New York [Mr. OWENS].

Mr. Chairman, this amendment is simple and should be supported, although I doubt that it will, by all deficit hawks and those of us who are concerned about a cost-effective government. It cuts funding for the national foreign intelligence program by 10 percent. That is a 10-percent cut in funding for the CIA, and it is a 10-percent cut to the intelligence activities and the Drug Enforcement Administration, the FBI, the National Reconnaissance Office, the National Security Agency, the Defense Intelligence Agency, and other intelligence agencies.

Mr. Chairman, again, let me reiterate that this does not cut the funding for the entire agency. It merely cuts the funding for their intelligence gathering activities.

I would also like to point out that this amendment does not cut intelligence funding for war-time operations. Both tactical and joint military intelligence are not cut. This amendment does not compromise our military strength.

Furthermore, Mr. Chairman, this amendment does not affect the CIA retirement and disability fund.

Recent articles in the Washington Post and other publications estimate that the entire intelligence budget is approximately $29 billion. According to information from a variety of publications and from public documents, about $16 billion of that budget goes to the national foreign intelligence program. That means that this amendment, if adopted, would save the taxpayers of America about $1.6 billion, and even in Washington that is a lot of money.

Mr. Chairman, how do we explain to the American people that Congress is considering major cuts in Medicare, which will have a disastrous impact on the lives of many elderly people; major cuts in Medicaid, which will hurt senior citizens and low-income people; major cuts in student loans, in education; major cutbacks in nutrition programs, in housing and in the environment and a variety of other programs which will impact on tens of millions of people in the middle class, the working class, the elderly, low-income people. How do we say that we can go forward in those areas but, despite the end of the cold war, despite the fact that the Soviet Union no longer exists, that we cannot make at least a 10-percent cut in the intelligence budget and save the taxpayers $1.6 billion?

Mr. YOUNG of Florida. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, as we find ourselves in a world where there are more and more intelligence targets popping up every day, it is not a good idea to further reduce our intelligence budget. Now, I say further reduce because we have already reduced this budget by 16 percent since 1990. We have far less intelligence spending today than we did during Desert Storm. The intelligence community work force is going through a significant downsizing. In the next three fiscal years the work force will be 23 percent smaller than it was in 1990.

The Sanders amendment would affect the intelligence community's ability to support policymakers, military leaders at the national, theater, and tactical levels and law enforcement officials. It could impact critical support to deployed military commanders and tactical forces such as those in Bosnia; critical investments in satellite collection initiatives that are intended to aid our deployed military forces, counternarcotics, international crime and counterterrorism collection, and analytical capabilities would all be affected; as well as our ability to keep pace with the telecommunications developments which are growing dramatically. We cannot afford to do this.

Mr. Chairman, our intelligence budget is already, in my opinion, below the level where it should be. What are some of the targets? What are some of the areas where we have to have intelligence if we are going to protect the U.S. interests and U.S. personnel. Bosnia is the very obvious location. Iraq is very obvious. North Korea, has been in the media for months as well as Russia and the former Soviet states. Libya and Syria have terrorism groups who have threatened the United States interests. Those who would proliferate nuclear weapons, chemical and biological weapons, and we cannot deny the fact that these are all happening. We have to know where and how.

Drugs. Narcotics. The post-cold-war environment. When the Berlin Wall came down and the Iron Curtain melted, we all breathed a sigh of relief and thought, hey, the world will be a beautiful place, full of peace. But while we are still applauding ourselves, up out of the sands of the desert comes Saddam Hussein.

We have to have intelligence. The United States, being the Nation that we are, we have to have adequate intelligence. And I say again, in this bill, we have reduced the intelligence budget to a level actually below where I think it ought to be. A further 10 percent cut just is not acceptable.

Mr. Chairman, as much as I agreed with and supported the gentleman from Vermont [Mr. SANDERS] on his earlier amendment, I have to oppose this one with equal fervor because this would be extremely dangerous.

Mr. OWENS. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I hope the taxpayers are listening very carefully. Taxpayers are angry and they have good reason to be angry. We are paying too much taxes. Taxes should be lowered for families and individuals, while we raise taxes for corporations. Families and individuals are paying something like 44 percent of the tax burden. Corporations are only paying 11 percent, but that is a discussion for another time.

The other way we deal with the way our money is being handled is by streamlining and downsizing and cutting out waste in Government. Here is a concrete example of extreme waste in Government. We cannot talk about concrete figures because they will not give them to us, but there is general agreement. Nobody ever challenges the figure, but the overall intelligence budget is about $28 billion, no less than $28 billion. We are talking today about one portion of it which deals with information gathering activities related to the military which everybody agrees is no less than $16 billion.

In previous amendments we have called for a 10-percent cut in the overall intelligence budget, and that would have been $2.8 billion, or a 10-percent cut for 1 year. And then we said over a 7-year period of course that adds up to much more.

This is a reasonable amendment, very reasonable. As the gentleman from Vermont [Mr. SANDERS] pointed out, it does not apply in wartime. A number of things are exempted. It is understood that we need an intelligence operation. Nobody is saying we do not need it.

What we are saying is that, while we are streamlining, while we are downsizing, while we are going after military pensions and the pensions of Government employees, while we are cutting Medicare, while we are cutting Medicaid, while we have just cut the budget of the title I program for education by $1.1 billion, while we have cut out the whole summer youth employment program, while we are doing all this, then let us look at a piece of waste in this budget which is obvious. It is obvious that we do not need the CIA at the same level as we had it before.

□ 1615

The gentleman before us said, and I will take him for his word, he said we have cut it by 16 percent since 1990. If half of the total activities of the CIA budget were dedicated to the Soviet Union, the evil empire, a major opponent, the other superpower, it used to be the other superpower, a real threat, half of the intelligence budget was dedicated to the Soviet Union, if half of the budget was dedicated to the Soviet Union and the Soviet Union is no longer that kind of threat, then surely we can cut the budget.

If Members say the Soviet Union does not exist anymore, the fragments of the Soviet Union still constitute some kind of threat, let us cut the budget not by half, let us cut it by 25 percent. That is reasonable, instead of 16 percent, let us cut it by 25 percent, which means we have some more cutting to do. We can cut.

We are talking about very real money, that if it is not cut here, will be cut from somewhere else. We can use this $1.6 billion a year. The $1.6 billion per year could be used to replace the $1.1 billion we just cut from the title I program for children's education. That is where we need the intelligence.

Our intelligence budget should be increased in the area of education. Nothing is more significant, nothing is more important for the security of the Nation than an informed population, than a well-educated population. The brain power of America will decide whether we remain a superpower and the leader of the world, or not.

That brain power is suffering right now because we just cut it $1.1 billion. Here is an opportunity to make a cut where it should be, $1.6 billion, out of the intelligence budget. What does the intelligence budget do? The present budget, it is bloated, and because it is bloated, because there is too much bureaucracy, because they do not have enough things to do, they get into situations like the Aldrich Ames situation.

This should be called, partially, the Aldrich Ames Cleansing Act. Aldrich Ames, who had a high place in the CIA, for years did nothing but destructive activities. He carried on a whole series of destructive activities for many years, for which he was paid millions of dollars by the enemies he was supposed to have been spying upon. Aldrich Ames could get away with that because it had no significance. It had significance in terms of the people who died, agents who were in the service of this country died as a result of Aldrich Ames' treacherous activities, but it did not have any significance on peace or war in the world. It had no significance with respect to the security of the United States. We do not need to keep spending $16 billion in this particular area and $28 billion overall for the CIA. We can cut the intelligence budget.

Mr. COMBEST. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I could not agree more strongly with the gentleman from Florida [Mr. YOUNG], the chairman of the Subcommittee on National Security of the Committee on Appropriations. I might also mention the gentleman from Florida is a member of the Permanent Select Committee on Intelligence.

I could not any more eloquently outline why we should not accept this amendment. Rather than repeat a number of the things that the gentleman from Florida said, Mr. Chairman, what I would like to do is to quote from a speech which the President, Mr. Clinton, made to employees of the Central Intelligence Agency recently on a visit that he made there.

> Today, because the Cold War is over, some say that we should and can step back from the world and that we don't need intelligence as much as we used to; that we ought to severely cut the intelligence budget. A few have even urged us to scrap the central intelligence service.
>
> I think these views are profoundly wrong. I believe making deep cuts in intelligence during peacetime is comparable to canceling your health insurance when you're feeling fine. We are living in a moment of hope. Our Nation is at peace. Our economy is growing all right. All around the world, democracy and free markets are on the march. But none of these developments are inevitable or irreversible.
>
> Now, instead of a single enemy, we face a host of scattered and dangerous challenges. They are quite profound and difficult to understand. There are ethnic and regional tensions that threaten to flare into full-scale war in more than 30 nations. Two dozen countries are trying to get their hands on nuclear, chemical, and biological weapons. As these terrible tools of destruction spread, so too spreads the potential for terrorism and for criminals to acquire them. And drug trafficking, organized crime, and environmental decay threaten the stability of new and emerging democracies and threaten our well-being here at home.
>
> In the struggle against these forces, you, the men and women of our intelligence community, serve on the front lines. By necessity, a lot of your work is hidden from the headlines. But in recent months alone, you warned us when Iraq massed its troops against the Kuwaiti border. You provided vital support to our peacekeeping and humanitarian missions in Haiti and Rwanda. You helped to strike a blow at a Columbian drug cartel. You uncovered bribes that would have cheated American companies out of billions of dollars. Your work has saved lives and promoted America's prosperity.

Mr. Chairman, those are words from a speech that the President made to employees of the Central Intelligence Agency. I do not normally quote the President. However, I do not think it could be better summed up. I rise in strong opposition to this amendment and would urge my colleagues to vote "no."

Mr. FRANK of Massachusetts. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I am touched by the endorsement of the Republican chairman of the Permanent Select Committee on Intelligence of the Clinton policy in this regard, but I have to disagree with it. In fact, we are being told a couple of unbelievable things. Essentially we are being told that the collapse of the Soviet Union means that there is no opportunity to save money in intelligence. We are told there is, after all, Iraq and Iran and Libya. I agree.

I disagree with the implicit assumption that there was no Iraq in 1986, that Libya was created in 1983, and that Iran just floated down. All of those other threats were there at the same time. Ten years ago we were dealing with the terrorist threats in Syria, in Iraq, and Libya. Those were not the Andrews sisters a few years ago who suddenly turned ugly on us. Those countries and the threats they projected were a fact 10 years ago.

We also had, as the primary focus of our national security expenditure, a Soviet Union which led an unwilling empire of many other nations that were being held captive, that threatened our very existence. Yes, there are problems in the world today. There are people who run countries today who in a good world would not even be allowed to drive cars. They mean us harm and we need to defend ourselves.

However, we have succeeded in helping bring about the collapse of our single greatest enemy, so that the vast amounts of money and technology we had to spend to watch the Soviet Union and its capacity to make nuclear war on us, to deal with the Warsaw Pack and the millions of men under arms that threatened us there, they are substantially diminished.

The notion that with this collapse of the major part of the threat there is no grounds for savings is nonsense, but it is not simply abstract nonsense. It is now nonsense that drives us to say that college students will not get the kind of student loans they used to get, that drives us to say that we cannot afford enforcement in environmental areas, that drives us to take money away, so that public housing projects have recently been told, thanks to the rescission that the other party put through, that needed repairs to elderly housing will have to be deferred.

The argument that we cannot make substantial cuts when the substantial threat has diminished is nonsense. Everything that is now a threat today was a threat 10 years ago. There are no brand new threats in the world. What is new is that we do not have this ongoing likelihood of thermonuclear war, and what we are saying is we believe that at least a 10-percent cut is possible, given the collapse of that central threat.

I was also struck when the chairman of the subcommittee, my elevator buddy that I travel with up and down, said "We have cut 16 percent," because I do not believe we have cut 16 percent in nominal dollars. That is, I do not think the dollar amount today is 16 percent less than what it was. I think he was saying that in real terms it has been cut. That is, it has not been allowed to keep up with inflation.

That is very striking, because my Republican friends in particular, when we are talking about a program that they like, suddenly start talking about real terms, and the failure to keep up with inflation is considered a cut. When they are talking about programs they do not like, that gets reversed.

In fact, there has not been a 16-percent reduction in the dollars. What they are saying is it has not been allowed to keep up with inflation, but it has not been aimed at inflation, it has been aimed at the Soviet Union.

One other point. If any other agency of government had had the kind of disaster that the Central Intelligence Agency had with Aldrich Ames, we would be talking about the need to cut back on their money because they were so badly run. They employed a Russian spy. If HUD had working for it a person who was secretly demolishing good housing, HUD would be held to account. If the NIH had somebody who went around and spread the plague we would say "We have to control them."

The CIA is like the Defense Department. If they screw up badly, this house will reward them with more money, the theory apparently being that since they wasted so much of what we gave them, we had better give them some more to make up for it. It is an absolute reversal of the normal rules. If a domestic agency misspends money, they are in trouble. When others in national security do, they get rewarded. If our national security was at stake, that would be a factor, but in this bill we are ignoring the savings that the American people are entitled to by the collapse of that threat to our national security.

Mr. DUNCAN. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise in support of this amendment, and I will not take the full 5 minutes, but I will say briefly that I feel this is a very reasonable amendment, a very moderate amendment, and in fact, I would make an argument that it is a very conservative amendment. As most people in this House know, I think I have one of the highest percentages of voting with the majority of my party in the years since I have been here.

I know that not many on my side of the aisle will be voting for this amendment, but I am very pleased that many or several leading conservative organizations have voiced support for this, including very strong support from the Citizens for a Sound Economy, because this is a conservative amendment, because it would save a substantial amount of taxpayers' money.

Many of us saw on the front page of the U.S.A. Today a few days ago that our national debt has now reached over $5 trillion. Alice Rivlin, who is the President's Director of the Office of Management and Budget, put out a memo a few months ago and said we will have yearly losses of over $1 trillion a year by the year 2010, and over $5 trillion a year by the year 2030, if we do not make major changes now. This is one area that can be reduced without harmful effect, because even if this amendment goes through, we can still have a very strong, even a lavish intelligence operation in this country.

I favor a strong intelligence operation, but surely to goodness we can have a good, strong intelligence operation with all the many billions that would be left, even if this amendment passed. If this amendment passes, and it is a cut of 10 percent of a little over half of our intelligence operation in this country, if this amendment passes we will still be spending more than twice the annual budget of the entire State of Tennessee for all that it does; and Tennessee, with a little over 5 million people, is exactly typical, and almost exactly average, in all areas of spending compared to other States, all the other States in this country, so we can still have a very active intelligence operation.

Let me tell the Members what some of this money is being spent for. Last year it was reported on the front page of the Washington Post that the National Reconnaissance Office was building a secret building out here in Virginia, spending $310 million for a 1-million-square-foot building. That is $310 a square foot, about three times the amount that State governments spend on beautiful buildings all over this country. They are spending in these lavish, ridiculous ways because they are not being held back or not being held accountable in the way that they should be for taxpayer money.

These agencies, our intelligence agencies, unfortunately did not predict the coming down of the Berlin Wall, they did not predict the breakup of the Soviet Union. They are doing these esoteric studies and benefiting and helping no one, really, other than the bureaucrats who work for these agencies.

Therefore, I think it is time to step back and take another look at some of these agencies, and reduce their spending at the very time that we are downsizing the military. Many people, most people that I represent, would feel that we should really downsize the intelligence operations even more, and perhaps downsize the military of this country a little bit less, so I think this is a very fair, reasonable, amendment, and I urge its support.

□ 1630

Ms. WOOLSEY. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, today's entire debate seems to be an exercise in delusion.

For those who have not been following events in the world, let me repeat something that doesn't seem to be getting through: The cold war is over. And now that the cold war is over, what in the world are we doing increasing the intelligence budget?

We simply have no business doing this at a time when we are slashing funds for Medicare, student aid, and child nutrition.

And, we have no business doing this at a time when the threat we are facing in this world is much reduced.

Mr. Chairman, it's time for this Congress to wake up and snap out of it. The cold war is over. It's time to cut the intelligence budget. This cut is fair, this cut is needed, and this cut should be passed.

The Sanders-Owens amendment saves over 1.5 billion. It needs our support.

Mr. BECERRA. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I was listening to the debate and watching the debate from my office when I was compelled to come here, because, as I remember, during the debate on the appropriations bill dealing with education programs, with programs for our working men and women to protect them at the workplace, for health programs for seniors, we made dramatic cuts in some of those programs, in some cases eliminating programs.

For example, we cut out every single dollar that we put in to subsidize seniors' payments of their home heating bills during the times in the winter when it is very expensive, especially on the east coast, to try to heat your home. This is for families, mostly seniors, as I said before, who are on subsidized incomes already and who are finding it very difficult to pay their bills, very expensive heating bills. We saw the case in Chicago recently where 400 people died because they had problems keeping their places cool enough to stay there and live, 400 people dying.

We cut dramatically into those programs, in some cases eliminating. Here we find that we are increasing a budget, and we cannot say the number because it is a secret, but we are increasing the budget for an operation which in many respects has outlived some of its purpose. The cold war is over. We have all said that.

Certainly we need our intelligence gathering abilities to remain, but we must certainly tighten our belts, and that includes within the intelligence branch of government. Yet we see that we are increasing the amount by something close to $1 billion, and at least we are trying to cut at least $1 billion out, to have the pain of cuts go all around.

Let me point out one thing that really disturbs me greatly. During the debate on this education appropriations bill, we dealt with the Head Start Program which helps young children. We were told during the debate by this new congressional majority that we had to cut Head Start programming to the tune of $137 million. That is what we cut from last year's funding levels. Why? Because we were told in some cases some of the programs that are administering these dollars for our kids were not very efficient. There was some overlap. We could make better use of the dollars, and this was a signal to them that they better shape up.

Yet we learned that with the CIA we are funding assassinations in countries like Guatemala with the assistance of CIA operatives. We find that they are spending $300 million on lavish offices and buildings, and here we are telling the American people that we have to tighten our belt and cut Head Start $137 million because the administration has not been as efficient as we would like.

I do not think that makes sense. On a budget that we cannot reveal the numbers to the American people, because it is an intelligence matter, we are saying "Let us increase", but when it comes to real intelligence, as the gentleman from New York [Mr. OWENS] pointed out, when it comes to our school children, we are willing to cut.

Forty years ago we had a President, Mr. Eisenhower, who said national security of this country relies on having educated people and a society that knows how to work, and for the first time the Federal Government became involved in helping local schools and local State governments fund education.

Ten years later under President Johnson we passed for the first time an education act to really have the Federal Government get involved. Of all the moneys that schools spend, the Federal Government provides about 6 percent of those dollars, a very small amount, but it is more than we used to.

Now we are told we have to cut back on what we spend on our children, because we have to tighten our belt, yet here we are told, "No; you do not have to tighten your belt, spend more, spend more", even though you are telling Head Start folks, "You cannot get more because you did not administer very efficiently", but the CIA, which helps fund assassinations by CIA operatives, that is OK.

There is something wrong. There is an inconsistency here, and I hope the Members of this body will realize that and vote for this very sound, very well-meaning and, I think, very meaningful way to send a message that everyone must tighten their belt. It is time for us to do it, not just for Head Start but to do it for the intelligence community as well.

Mr. DICKS. Mr. Chairman, I move to strike the requisite number of words and in opposition to this amendment.

Mr. Chairman, I would just point out to my colleagues that we have made dramatic reductions in the intelligence budget, which is a classified matter and I cannot get into the details of it, but we have cut this budget more than George Bush wanted and much more than Bill Clinton wanted. I think we are on a course to reduce not only personnel but the overall expenditures, part of the major reduction in defense spending.

Sometimes people forget that between 1985 and 1995 we have reduced defense spending by about 38 percent, or $100 billion in real terms. The intelligence community has taken its proportion of those reductions, as I mentioned, not only in personnel but also in equipment.

This year's bill was put together on a very bipartisan basis. We looked at the needs in all areas of intelligence, and we came up with a number which is classified and I cannot get into, but I think is about as appropriate to the challenge that we are faced with out there.

Departed Director Jim Woolsey talked about the fact that in a post-cold-war era the world is not as safe and comfortable and cozy as a lot of people thought it was going to be. We have got problems throughout the world, and in my judgment the intelligence budget today is at about the right size and, as I have said, dramatically below what George Bush and President Clinton asked for.

Mr. OWENS. Mr. Chairman, will the gentleman yield?

Mr. DICKS. I yield to the gentleman from New York.

Mr. OWENS. Mr. Chairman, the gentleman disputes the figures that were given to us by another member of the committee. Sixteen percent was a cut, he said, that has taken place, and you say it is more like a $100 billion cut?

Mr. DICKS. On the defense appropriations bill. The intelligence budget is a part of the defense appropriations bill. What I was saying first is defense spending has been——

Mr. OWENS. You agree with the 16 percent figure that he gave us?

Mr. DICKS. I am not going to get into a percentage number because I think that may be classified itself. I am just going to say the defense budget itself has been cut by 37 percent between 1985 and 1995 or about $100 billion. We are down from $350 billion to $250 billion.

If the gentleman would go on with me for one more second, in procurement, we are going to have a procurement readiness problem out there in the future. The cut is from $135 billion to $41 billion.

We have been cutting defense very dramatically, and the intelligence budget has been cut as part of that. President Clinton, when he ran for President, talked about cutting it by 1.5 percent per year. We have cut it beyond that. We have cut it more deeply than that. The gentleman from Pennsylvania [Mr. MURTHA] has been the person who, when he was chairman, made serious cuts in that budget.

Mr. OWENS. We want more money to go to the real defense budget, and not have Aldrich Ames and his colleagues wasting our money, at the same time killing our agents. We think it is being misspent and dangerously wasted in the intelligence operation.

Mr. DICKS. As the gentleman knows, President Clinton has just named Mr. Deutch to come in and be the new director. I as a Democrat feel that John Deutch is very competent, very professional. He has brought in a new management team, he has brought in a whole new top team at the directorate of operations where Mr. Ames resided, and you are right, there were serious problems there.

But to come in here now and say, well, because there were serious problems, we need to take a meat ax approach to the intelligence budget, I do not think is the right approach to it. As I looked at the budget just the other day, and I do not think any of the Members of the House have been up to even look at the classified annex of the budget, that is the only way you can really look and see what is in this budget.

Mr. SANDERS. Mr. Chairman, will the gentleman yield?

Mr. DICKS. I yield to the gentleman from Vermont.

Mr. SANDERS. Just tell the American people why it is OK to slash Medicare, education, and Head Start at a time, for example, in terms of education, we know we need more help for education, when at the same time half of the intelligence budget as I understand it went to fight the Soviet Union, and the Soviet Union no longer exists. Why can we not make a modest $1.6 billion reduction in intelligence funding?

Mr. DICKS. I would say to the gentleman, first of all, I share his concern about Medicare, Medicaid, and education, and I did not vote for balanced budget amendment that required a major tax cut which makes it a requirement to cut too deeply into these programs.

But I do believe that we have made serious and significant cuts in the intelligence budget already, in prior years leading up to this year, and also we have cut the defense budget which the intelligence budget is part of, so I think we have done the job. I think what the gentleman is offering is too severe, goes too far, and is not well thought out.

Mr. WELDON of Pennsylvania. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I think the easiest course to take perhaps on this bill would be to support an amendment that would cut the intelligence funding that is so vital for our national security in a time when we are making tough decisions. But our job here in Washington is to look beyond what is the superficially easy answer and decision and to look at what in fact substantively is needed.

I spent the greater part of the break updating myself on what is happening in the former Soviet republics, and I hope my colleagues did the same. I would encourage my colleagues who may not have read what has been called perhaps the most important foreign policy book of this year, to read the book called Zhirinovsky. This book came out in the end of June 1995, and is a very intensely researched document by two leading Russian writers on Vladimir Zhirinovsky, who is leading the National Liberal Democratic Party. Zhirinovsky, as most of our colleagues know, his party won a majority of the seats in the Duma elections last year and stands to make significant gains in the elections in Russia this coming year.

For those who would argue that the threat from the former Soviet Union no longer exists, I would say take some time to read and update yourselves, whether it is through this particular book, which is a factual documentation, or perhaps the daily FIBUS reports which all of you have access to, which I read every day, on what is happening inside the former Soviet republics.

I take great pride in reaching out to the former Soviet Union. I cochair the energy caucus with the Russian Duma members, I cochair the environmental effort, and I work with them regularly.

But we have to understand, the military leadership in Russia today is the same military leadership that was there when it was the Soviet Union. They have not gone away. They have not run off and converted themselves. The generals in charge are the same generals who were in charge when it was a Communist state, and if you look at what is happening with the intelligence reports that we have access to as Members, they are planning on playing a major role in the upcoming Duma elections this December.

For those who say we can ignore all of this and that we can somehow put our heads in the sand and think that all is rosy, you are just not being honest with yourself or with the American people, because that is not factually borne out by what is happening in that country. There is tremendous turmoil in Russia. There is turmoil in Ukraine.

We had the President of Belarus, just 1 month ago, say he was no longer going to allow the return of the SS-25 missiles. He said he is going to keep them on his own soil, because Russia was not giving enough money to assist in dismantling those missiles. Those are the same missiles, by the way, that have a range of 5,500 kilometers, that can hit any city in America.

Mr. Chairman, I am not here as an alarmist, but what I am asking our colleagues to do is to read factual information. If my colleagues would like to read the book on Zhirinovsky if they have the time, I will provide a copy to them. If they would like to read the FIBUS reports, I will summarize them for them. If you would like to meet with some of the 100 Duma members I met with this year, I will arrange for that. You can laugh all you want. We are talking about a serious issue.

The point is, Mr. Chairman, that what we are doing here I think could really shortchange not just our military but the security of the free world. It might sound good to make a 10-percent cut in the intelligence budget. That is absolutely the wrong decision to be making on this bill, and I would encourage our colleagues to reject this amendment and support efforts to beef up our understanding of what is happening in the former Soviet republics.

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Mr. LEWIS of California. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, my colleagues who appeared just before, he raised a point which I think is very, very important. During much of this debate, people have been suggesting that the world has changed so radically because the East-West confrontation has disappeared and, therefore, we can just radically adjust our defense spending, but there is no need for intelligence spending as well.

Mr. Chairman, let me say this: Beginning with an important point to me, it is my privilege now serving on the Committee on Appropriations, to serve on the Subcommittee on National Security that is before us today. But I also serve with my chairman of the Subcommittee on National Security as a colleague on the Select Committee on Intelligence as well. To combine those two responsibilities gives one a much different picture of the world than I had preceding that service.

Mr. Chairman, there is little question that all of us are very hopeful about the future in terms of the prospects of peace for the world. The hopeful elimination of the East-West confrontation is encouraging to each and every one of us who care about our future. Because of that, many in the House have automatically assumed that we can afford to lightly, almost radically readjust our defense spending.

As a result of that, as has been discussed, we have readjusted downward over the last several years in this Nation, causing us today to be spending $100 billion less than we were before. To suggest that in light of that, that just lightly we can recalculate the need for intelligence spending, readjust similarly, or whack away at these programs would be the gravest of mistakes in terms of our responsibility, not just to this House, the people we represent, but also to those people we would have to preserve peace for in the world.

The intelligence community has come down, as has been discussed. Since 1990, the reductions have been close to 16 percent in this area. But let me say to my colleagues, further reduction could be a dramatic mistake on our part, for as we have reduced defense spending, we are dealing with the reality that the world is much more complex today, not less complex than when we were dealing directly, day in and day out, in our concerns about the Soviet Union.

Indeed, the world is complex not only in terms of Russia, but very, very complex in terms of those other countries we must deal with. And further complex by the fact that it is a much more dangerous world. Those who tended to set aside concerns about terrorism took a look again when bombs went off in New York. But even then, people lightly set that aside.

Oklahoma City came along and questions were raised one more time. Maybe we better know more about this complex world. I would submit to my colleagues and Members that this is exactly not the time to be reducing these budgets.

Indeed, the President, and I would speak to my colleagues on the Democratic side of the aisle especially, our President at this time needs more and better information, not less information. To cut this valuable base from under him is going to undermine his ability to develop policy that is critical to the future of peace in the world. This is not the moment for us to presume that intelligence is unnecessary. Indeed, the intelligent decision is to be increasing these budgets at this moment instead.

Mr. YOUNG of Alaska. Mr. Chairman, will the gentleman yield?

Mr. LEWIS of California. I yield to the gentleman from Florida.

Mr. YOUNG of Florida. Mr. Chairman, I would like to just point out that we are not slashing Medicare. There is nothing about Medicare in this bill. And I can make this commitment to you, that in any legislation that this Congress brings forth to the House there will not be any slash in Medicare.

There is nothing in this bill about Head Start. There are a lot of things that were talked about during the debate that are not in this bill. And the reason I make this point is that there are 13 different appropriations bills, many agencies of Government, each one of them having their own areas of responsibility.

Mr. Chairman, we do not do anybody a service by trying to play one against the other and say we cannot do this because we are going to do that. These are all important, but they are not all done in the same appropriations bill.

A lot of things that have been talked about are things that could be done by the State governments. And as my colleagues know, through our block grant program we plan to do that.

The CHAIRMAN. The time of the gentleman from California [Mr. LEWIS] has expired.

(On request of Mr. YOUNG of Florida, and by unanimous consent, Mr. LEWIS of California was allowed to proceed for 3 additional minutes.)

Mr. LEWIS of California. I yield to the gentleman from Florida.

Mr. YOUNG of Florida. Mr. Chairman, there are a lot of activities that we are going to be funding through block grants and other types of programs, but a lot of those could be done by the States or the local governments.

Mr. Chairman, if there is anything that the cities or the counties or the States cannot do that must be done by the Federal Government it is to protect the security of this Nation. We are talking about a national defense. We are talking about an Army, a Navy, an Air Force, a Marine Corps, a Coast Guard, an intelligence community, and all of these related activities.

Those things can only be done by the Federal Government. The States cannot do them. So, we as the Federal Congress have an obligation. The Constitution gives us the obligation to provide for the common defense. That includes intelligence, knowing what is happening in the world which might affect us. Let us face it, almost everything that happens in the world affects the United States today because of the Nation that we are.

We cannot afford to put blinders on our eyes or to put plugs in our ears and not be able to determine what a potential threat might be or where it might be coming from.

Mr. Chairman, we cannot accept this amendment. It is just too massive a cut in a relatively small budget that is essential to providing for the protection of the security of our Nation and our interests, whatever they might be, and our people.

Mr. Chairman, I emphasize our people, because intelligence not only deals with the spooky spy things that we hear about in the movies, but it deals with threats from terrorists. We deal with threats from narcotics dealers. We deal with threats from nuclear, biological, and chemical weapons. We are dealing with providing intelligence on a lot of threats.

If we do not have that intelligence, we are blindfolded. We just cannot have this cut.

Mr. LEWIS of California. Mr. Chairman, reclaiming my time, I appreciate the comments of the gentleman from Florida for he has said it all. In this moment, in this very, very complex world, it is just the moment the President needs more and better information and the House needs that information too.

Mr. DICKS. Mr. Chairman, will the gentleman yield?

Mr. LEWIS of California. I yield to the gentleman from Washington.

Mr. DICKS. Mr. Chairman, one of the reasons we have been able to cut the defense budget by $100 billion is because we are getting better and better intelligence. In the gulf war, for example, we were able to use precision-guided munitions and we were able to use the intelligence we had for targeting purposes, and we got a much higher kill rate than we ever got in any other war before.

As we move into the future, with the block 30 upgrade on the B-2, we will be able to fuse intelligence right into the cockpit and go after Scud missile launcher and other mobile targets.

The CHAIRMAN. The time of the gentleman from California [Mr. LEWIS] has expired.

(On request of Mr. DICKS, and by unanimous consent, Mr. LEWIS of California was allowed to proceed for 1 additional minute.)

Mr. LEWIS of California. I yield to the gentleman from Washington.

Mr. DICKS. Mr. Chairman, in the totality of the defense budget, we are going to be able to come down a little further if we have quality intelligence. I just believe that a 10-percent cut on top of what we have done over the last 4 or 5 years is too severe and I urge that we defeat the amendment.

Mr. LEWIS of California. Mr. Chairman, reclaiming my time, the gentleman from Washington [Mr. DICKS] makes a very important point. Indeed, it is my work on the Select Committee on Intelligence that has caused me to believe that we are right on the verge of peace in our time. There is a hope for peace in the world, because of some of the things that America is about. Our intelligence community is playing a very significant role in that connection.

Mr. CUNNINGHAM. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise in opposition to the amendment. I have heard a few things said on the floor, and I feel that if people would have served in the frontline, either in the intelligence agency or in the service of this country in the military, that their views might change because of the threat.

First of all, I heard that the cold war is over. Russia, the former Soviet Union, today has built and is producing an airplane called the Su-35. It is superior to our F-14's and even our F-15 Strike Eagles. That airplane carries an AA-10 missile superior to our AMRAAM. They are stealthing their Baltic fleet. They are second in the world at accomplishing that.

Mr. Chairman, I look at Bosnia and the threat that we have there, the imminent threat of putting our troops; another reason why I did not want to lift the arms embargo. Saddam Hussein is still out there. The problems in Israel and North Korea.

The Bottom-Up Review was a level at which we were supposed to fight two conflicts simultaneously after our drawdown. Well, according to GAO, we are between $150 to $200 billion below the Bottom-Up Review, and this is the bare-bone minimum, after a drawdown.

Mr. Chairman, especially in a weakened state, and after the hearings and the testimony time and time again before our committee where they say we could go to war, but it would be a very short-lasting readiness level, that we definitely need more intelligence instead of less.

Second, this is at times, Mr. Chairman, a very evil place and I believe that. It is a place about power. It is a place about the ability to disperse money so that you can get reelected with interest groups. It is the ability to get reelected so that you can control the power and control the majority. And to do that, what we are actually trying to do in education and welfare and the other things are damaged.

Let me give you a couple of classic examples. We get a very low percentage of the dollars back down in the education because the Federal bureaucracy that eats it up here in Washington, DC, but I have heard people say we are cutting education. What we are doing is cutting the Federal bureaucracy.

We only get 23 cents of every dollar that we send here back to the classroom. Take a look at the State bureaucracy, which we have to limit as well. That is not helping education. Look across this country with the SAT scores and reading comprehension, the system has failed.

The gentleman from the other side has his right to a view of bigger government and bigger bureaucracy. I am not disputing his right to have that view. But in that view, it damages the national security of this country, and that I do dispute.

I look at welfare and a very failed system where we only get about 30 cents out of every buck down to it, but yet they will tell you that we are taking food out of mothers' mouths. And in the Medicare system where we are increasing it from $4,800 to $6,700, that is not a cut; that is an add.

Mr. Chairman, we are not going under the same assumptions that they do that we are going to allow the mismanagement, the $16 billion in fraud, waste, and abuse and other things. The bottom line is that we are taking that power out of Washington and moving it back to the States. In the meantime, we are trying to protect this country and its national security needs. In a weakened state, we need to encourage the increase in the intelligence community.

Right now, today, over Bosnia, we have an unmanned drone called the Predator. We are also using the Hunter. That information allows us to find those targets and lessen the risk to our pilots as they are flying over Bosnia today. Yet those systems under these cuts would probably go away. They are just hanging on with the limited funds we have available for national defense.

Can we afford to put our people's lives at risk when we are taking these kinds of cuts? When we are already $200 billion below the Bottom-Up Review and the President of this country, in his first Budget Act, wanted to cut defense $177 billion, after candidate Clinton himself said that $50 billion would put us into a hollow force.

So, Mr. Chairman, I respect the gentleman's right to have his view, but on the same term, I do not respect the ability that it would diminish the chance of our men and women coming back in combat.

Mr. MURTHA. Mr. Chairman, I move to strike the requisite number of words.

Mr. SANDERS. Mr. Chairman, will the gentleman yield?

Mr. MURTHA. I yield to the gentleman from Vermont.

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Mr. SANDERS. Mr. Chairman, now is not really the time to get into a debate over some of the issues that the gentleman from California and the chairman raised, but I would just say the following: We are one Government, and all of the money that we expend comes from the taxpayers, the American people.

The facts are very clear that the United States has, for example, the highest rate of childhood poverty in the industrial world. Nobody disputes that. It is a national shame. In my view, the gentleman may disagree.

The facts are also clear that as a result of policy being made by the majority party, more and more children in this country will suffer and childhood poverty will increase. The United States today, in the United States today, millions of working-class families cannot afford to send their kids to college.

To my mind, there is no question but as a result of recent decisions made by the majority, it will be significantly harder for middle-class families to send their kids to college.

In my State of Vermont and in California and all over this country, millions of elderly people cannot afford the high cost of pharmaceutical drugs, and millions of senior citizens today cannot afford the high cost of health care, despite Medicare.

There is no dispute that as a result of cuts in Medicare, it will be harder and harder for the elderly people to pay for their health care needs, which are going up.

We are one people. If we expend more unnecessarily on intelligence budgets, with the end of the cold war and the decline of the Soviet Union, there is simply less money available to be used on other domestic needs.

Mr. MURTHA. Mr. Chairman, reclaiming my time, I oppose my friend's amendment, and I say we worked hard in trying to balance the intelligence-gathering effort in this country.

Over the years we saw that there was excessive spending, and we cut it dramatically a couple of years ago, against the advice of the President himself and the Director of the intelligence agency. But we think we made the right cuts, the threat had changed so dramatically.

We are continuing that trend to make sure it is leaner and does a better job with the changed threat.

Mr. CUNNINGHAM. Mr. Chairman, will the gentleman yield?

Mr. MURTHA. I yield to the gentleman from California.

Mr. CUNNINGHAM. I thank the gentleman for yielding.

Mr. Chairman, I agree with the gentleman from Vermont in the fact that it would be inappropriate to bring up those issues if they had not been brought up by your side as saying that we were taking away from this bill. That is the reason I addressed them.

Secondly, as we have been only in power for a very short time as far as the majority, those kinds of things did not happen on our watch. Look at the welfare system as it has failed today. Look at the education system. We have good schools.

But as you take a look across the board, there is a lot of work we can do to help those things, and with the Intelligence Committee and with the drawdown of our defense forces, you cannot say the majority party is destroying these other things to beef up defense. Those systems are already in dire need of help. That is what we are trying to do by taking the power away from you and away from Washington and giving it back to the people.

Mr. MURTHA. Let me just urge the Members to vote against the amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Vermont [Mr. SANDERS].

The question was taken; and the Chairman announced that the noes appeared to have it.

Mr. SANDERS. Mr. Chairman, I demand a recorded vote, and pending that, I make the point of order that a quorum is not present.

The CHAIRMAN. Pursuant to the order of the House of Monday, July 31, 1995, further proceedings on the amendment offered by the gentleman from Vermont [Mr. SANDERS] will be postponed.

The point of order of no quorum is considered withdrawn.

AMENDMENT OFFERED BY MRS. SCHROEDER

Mrs. SCHROEDER. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment offered by Mrs. SCHROEDER: Page 94, after line 3, insert the following new section:

SEC. 8107. Each amount appropriated or otherwise made available by this Act that is not required to be appropriated or otherwise made available by a provision of law is hereby reduced by 3 percent.

Mrs. SCHROEDER. Mr. Chairman, I stand to say I think this is a very, very important amendment and a chance to deal with the biggest threat America has, and that is the threat of the debt. Look, that is our biggest threat, and this is the first time I ever remember on this House floor that we have voted for more money for the Defense Department than the President asked for, who is commander in chief, than the Pentagon asked for, than the Joint Chiefs asked for.

All this amendment does is, it is an across-the-board cut to bring that level back down to what the Pentagon, the President and the Joint Chiefs came across the river and said this is what is needed for the threat.

This is a total of a $7.8 billion increase above the level that was requested by the Pentagon. Now, I just want to say that I think we really, if we are going to talk about fiscal responsibility, this is an area where we ought to do it.

Nobody has taken this floor during the entire debate and said that the threat is $7.8 billion greater than the President viewed it, $7.8 billion greater than the Joint Chiefs viewed it or whatever. No. We did not say that.

Instead, we voted to say we are going to add these different things on that they did not ask for, but it should be threat-related, especially when the biggest threat is the threat of the debt.

If you look at the defense budget after this cut would take effect, it would still be that we are allocating more money to defense in this country than the combined amounts of our NATO allies, Russia, and Japan, more than all of those.

If you look at the costs that I am sure we are going to hear about for some of the things that are going on in the Middle East and Somalia, the former Yugoslavia, places where we now have troops and where they are doing different things, be they humanitarian or otherwise, the estimates for all of those things are only about $3 billion. So that is not driving this budget.

But what we are talking about here is $244.12 billion. That is really an incredible amount of money, and I really think that kind of money should be going to offset the debt.

I am not quite sure what the status of the whole lockbox issue is, but my hope would be that this could be locked up for the deficit. But if it is not, it could be used for many other things, too.

We have heard many other things during this debate that people thought were very high priorities.

So think about it. All during the cold war we never gave the Pentagon more then they asked for, for heaven's sakes, and here it is over. We are giving them more than they asked for and more than the rest of the world together is spending on defense. Go figure.

What will this amendment do? What will it cut out? Well, we will hear all sorts of people saying, oh, it could hurt this, it could hurt that. Let me tell you, it does not say what they have to cut out. This gives total discretion to the Pentagon to figure out where they would take that 3 percent out.

They may decide they now want these new weapons they did not used to want, so they could cut other things. Let me give you some examples of places where folks say we could cut. If you look at just intelligence, we have the CIA, we have the Defense Intelligence Agency, we have the Navy Intelligence Agency, Air Force Intelligence Agency, Army Intelligence Agency, National Security Agency, and CIA. If you took all of those, we are told you could save $19 billion in just overhead by trying to just combine them, as we see corporate America doing, and other such things, that there is a tremendous amount of overhead.

If you look at other places in the budget, there are all sorts of other places you could save in overhead. I think it has always been very interesting to me that each branch of the services has their own chaplain school. You know, is there a different way to be a Navy chaplain than there is to be an Army chaplain? I do not really think so. The same with law schools, the same with all sorts of things. So there are lots of ways that, if the Defense Department decides they now want to keep the B–2's in, they now want to keep other things in they had not asked for that we have put in, if they decide they want to do that, fine.

There are many other ways they can juggle these numbers. This is a 3 percent cut to bring it back to what they originally asked for, and I keep reminding you throughout this whole debate, no one heard one person say the threat is greater than they said, the amount is not enough.

Please, vote "aye" for this 3-percent cut.

The Appropriations Committee has recommended an appropriation of $244.12 billion for DOD programs. This appropriation level represents a $7.8 billion increase over the amount requested by the Pentagon. We don't need this spending increase because:

1) Our defense spending currently amounts to more than that of our NATO allies, Russia, and Japan combined.

2) We are still spending 92 cents for every dollar we spend during the cold war, and the cold war is over.

3) The actual extra cost of assorted contingency operations in Somalia, the Middle East, Africa, the former Yugoslavia, and elsewhere totals approximately $3 billion per yer—1% of current military spending.

Your amendment reduces the funding level appropriated for DOD programs by 3% to conform the bill to the level requested by the administration. We have better things that we could do with $8 billion. For example, we could:

First, return it to the Treasury for deficit reduction.

Second, increase funding for biomedical research at NIH by 75%.

Third, clean up 312 superfund sites, average clean up costs per superfund site is $25 million,

Fourth, block grant $156 million to each of the 50 states.

Fifth, pay for more than 70 million mammograms.

Sixth, cover childcare costs for 2 million children for 1 year.

Seventh, send 1.3 million children to Headstart for 1 year.

Eight, disperse Pell grants to 3.3 million needy students.

Ninth, put 235,493 new police officers on the street.

Tenth, offer prenatal and post-partum care to 2 million uninsured pregnant women.

Eleventh, provide 55 million school lunches to eligible children.

Twelfth, feed 9.5 million people one nutritious meal daily for one year.

Thirteenth, nearly quadruple our investment in women's health at HHS.

The increase = Pork for Hawks

If our financial situation is so dire that we must cut education, housing, and children's programs, then this increase in defense spending is irresponsible. If we're trying to balance the budget then why choose to spend:

*$974 million for a new, unrequested Amphibious Marine Transport

*$160 million for 8 unrequested AV-8 Harriers

*$140 million for 20 unrequested Kiowa Warrior Helicopters. This is $20 million over the authorized amount.

*$40 million for 750 unrequested Hellfire missiles

*$39 million for 453 unrequested Javelin missiles

*$27.4 million for unrequested TOW2 System summary

*$46.1 million for 2100 unrequested MLRS Rockets

*$40 million for 45 unrequested Harpoon missiles

*$493 million, in unrequested funds, for the B–2 Bomber program

*$250 million for 6 unrequested F-15E Fighters

*$339 million for 10 unrequested C–130 Cargo Planes. This is $48.6 million and 2 planes over the authorized amount.

*$599 million more for Ballistic Missile Defense

*$200 million more for F–22 Fighters

ANNOUNCEMENT BY THE CHAIRMAN

The CHAIRMAN. Before recognizing the next speaker, the Chair would like to inform the House that the 5 hours provided under the unanimous-consent agreement for the consideration of amendments expires at 5:27. At that time, wherever we are on whichever amendment we are on, the debate will cease and the Chair will put the question.

Mr. YOUNG of Florida. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, the way the amendment is written, each amount provided by this act is hereby reduced by 3 percent. In other words, every account in here, other than the mandatories, would be reduced by 3 percent. That is what the language says.

The problem here is that a large portion of that, almost two-thirds of that reduction, would come from operation and maintenance and military personnel.

Let me tell you what we would be cutting out of military personnel: the pay raise. Do not the people that serve in the military deserve a pay raise?

Mrs. SCHROEDER. Mr. Chairman, will the gentleman yield?

Mr. YOUNG of Florida. I yield to the gentlewoman from Colorado.

Mrs. SCHROEDER. Mr. Chairman, I want to make it very clear that it does not come out of the pay raise. It does not come out of anything in particular. It really is giving the Pentagon a line-item veto. They can allocate this 3 percent however they would like to.

It is a 3 percent across the board or a 3 percent cut of different areas, if you want to do it in personnel. I was pointing out all the ways you could combine things, just in intelligence agencies alone, to save $19 billion, and that will come under personnel by combining them.

I really respect the gentleman from Florida, and I hope we do not get into trying to see a bogeyman here.

The President had in his budget a pay raise. We are all for a pay raise We want that to happen.

But this is a budget that has more money than they asked for, and this is just to bring it back down to those numbers.

Mr. YOUNG of Florida. Mr. Chairman, I ask unanimous consent that 2 minutes be added to my time.

The CHAIRMAN. Is there objection to the request of the gentleman from Florida?

There was no objection.

Mr. YOUNG of Florida. Mr. Chairman, that may be the argument of the gentlewoman. That is not the way the amendment reads, and we have to go by the way the amendment is offered before the House.

"Each amount appropriated or otherwise made available by this act is hereby reduced by 3 percent." That means you go through the bill, pick out the items that are not mandatory, that are not entitlements, and they will be reduced by 3 percent.

All of the debate will not change that, and I say again that part of those accounts are O&M and personnel. $4.5 billion of this reduction would be applied to those two accounts. That is where the pay raise comes from.

What else comes from that? Barracks. We have heard all year long about the sad condition of so many of our barracks. Pentagon officials who testified told us if you drive your kids up to college and their dormitories looked like these barracks, you would put them in the car, take them home; you would not let them stay. That is not fair that your military personnel have to live in facilities like that.

During the break I had a chance to visit some of the military bases, and I have seen some of the barracks that go back to World War II. The tiles are falling off the ceiling. The pipes are leaking. The money is not there to either rebuild them or refurbish them.

So they are in poor condition, and they need to be corrected.

What about promotions? This would, in effect, stall a lot of promotions that are already scheduled. The members of the military are already starting to spend the money in their mind. Some of the promotions are not going to be able to go forward.

As we put this bill together, we did not add a lot of new money for procurement. We did not start up any nice, new, big programs. But what we did, we looked at all of the services, and we tried to isolate and identify those areas where there were real shortages of items that we have to have, and what called this to my attention was that at one of our earlier hearings this year we were talking about airplanes and buying new airplanes, and the witness who was testifying told us, "We are not so much worried about the airplanes. We are short of tugs to draw the airplanes from the hangars out to the runway," and it got me thinking, I wonder how many items there are out there like that that nobody has ever heard about that could actually stop the operation of our military forces.

So I assigned the staff of the subcommittee to identify for me items that nobody has ever heard about but that are essential and important to the conduct of our military forces, and with the help of this page I am going to unravel this long list of items you have never read about in the newspaper, you have never heard about on television, because they are not politically sexy, but they are things that are essential to maintaining our military.

□ 1715

Now here is where we added money, and, if we have to take a 3-percent reduction, we are going to lose a lot of this, things like trucks. I visited one Army facility. They had trucks that go back to Harry Truman's Presidency.

We have added additional money in this bill to buy some new trucks to replace those old trucks that cost more to maintain than to try to use them.

What were some of the other shortfalls?

Believe it or not, ammunition, shortfalls in ammunition. We are correcting that. We are adding additional money to buy ammunition.

What about rifles? Who would ever think that the U.S. Army would be short on rifles? But we are. Certain types of rifles the U.S. Army has a shortage.

Look at the testimony the Army testified today. Real property maintenance, depot maintenance; those are the kind of things we put in this bill.

As I said, we did not create a lot of new programs, we did not start any massive new procurement programs or weapon systems. We are trying to enhance those that we have; we are trying to take care of the nuts and bolts to keep the machinery working.

Mr. Chairman, it reminds me of a statement that my grandmother taught me many, many years ago, and I have later learned that she was not the author, but she related it to me. and that was for the want of a nail the shoe was lost, and for want of the shoe the horse was lost, and for want of the horse the rider was lost, and it goes on to tell how the battle was lost. Well, this list I have just unrolled here, these are my horseshoe nails. We want to make sure we did not lose anything important because we did not provide for the horseshoe nail.

This 3-percent across-the-board cut is going to cut into the increases that we made in some of those nonsexy, nonpolitical, but important, issues relative to those who serve in the Armed Forces, and again, Mr. Chairman, the gentlewoman would argue that her amendment does not do that, but in fact it is exactly what it does.

Mr. OBEY. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I would simply like to note in response to my good friend, the gentleman from Florida [Mr. YOUNG], that I think it is about the third time I have seen him roll out that sheet, the so-called shortages, and all I would say is that I have in my hand this, what someone else from Wisconsin used to say is a copy of a report from the General Accounting Office. It is not very old, August 1995, is labeled "Defense Inventory," and the cover sheet says shortages are recurring but not a problem. The essence of the GAO report is simply that the accounting system of DOD grossly overstates shortage problems, and I would suggest that, therefore, we ought to take his concerns with a grain of salt when evaluating the amendment of the gentlewoman from Colorado.

Now I ordinarily do not like across-the-board cuts. I think they are a brainless way to reduce expenditures and that we ought to have the courage to single out individual items of low priority before being excised from the budget in order to meet our responsibilities to reduce the deficit. But this House has demonstrated on every occasion today that it is not willing to make reductions in this bill in the intelligent way, and so I think that it leaves us with only one choice if we want to see a reduction, and that is to do it in the manner suggested by the gentlewoman from Colorado. I regret that, but I think the responsibility for the viability of the amendment of the gentlewoman from Colorado lies with the committee for refusing to support amendments such as limiting the B-2 purchase to the number requested by the Pentagon or heeding the General Accounting Office when it says that we should not be spending $70 billion 7 years early on the F-22.

Mr. Chairman, we have tried to go after specific nonessential programs and have not found a willingness on the part of the House to accommodate that, and so, if we are interested in seeing to it that this agency is not exempted from the budget squeeze which has been applied with great tenacity and sometimes with great viciousness to other programs in Government, we have no choice but to pursue this admittedly second- or even third-choice approach, but certainly being a better approach than no approach at all, and so I am going to reluctantly support the amendment.

Mrs. SCHROEDER. Mr. Chairman, will the gentleman yield?

Mr. OBEY. I yield to the gentlewoman from Colorado.

Mrs. SCHROEDER. Mr. Chairman, I thank the gentleman from Wisconsin [Mr. OBEY] for his support, and I agree with the gentleman. I do not like doing an across-the-board cut either, but I agree also that when we are squeezing out of everybody the very last, last drop of blood in other programs because of this debt that is looming over our head that we are all watching, I think it looks unconscionable to add more money to all of these things without coming up with a threat analysis that really drives it, and I think it is also very difficult to explain to the people why spending more money than all the rest of the world is spending on defense is still not enough.

Mr. Chairman, we have got to add more, and so I really hope that this body thinks about this. I realize there is always a wish list, there is always a wish list. I have never, never, never found an agency that did not have a wish list, and, if we said to them, Is there anything you need or are short of, they are a fool if they do not come forward with a long list. It is the same with my kids; it is the same with everyone I know. It is human nature.

But the issue is when the Joint Chiefs think it is adequate, and everyone else, then I think that the gentleman is making a good point. I am sorry to do an across-the-board. It is all I know how to do, but I think the American people would say we do not have sacred cows in this budget, and, if we do not pass this, we have got a 2-ton sacred cow grazing in this budget that has been held harmless.

Mr. OBEY. Mr. Chairman, I simply say I agree with that, and I would again point to the chart that I used on two other occasions today. The red bars on this chart show what has happened to the Russian military budget since 1989. The blue lines show what has happened to the American military budget since 1989.

Mr. Chairman, we had almost a 70-percent reduction in the Russian budget, very small reduction in ours. I think that indicates there is ample room for the amendment of the gentlewoman to be accepted.

Mr. CUNNINGHAM. Mr. Chairman I move to strike the requisite number of words.

The CHAIRMAN. The gentleman from California [Mr. CUNNINGHAM] will be recognized for 3 minutes because the time for consideration of amendments expires at 5:27, and it is presently 5:24.

Mr. CUNNINGHAM. Mr. Chairman, I yield to the gentleman from Florida [Mr. YOUNG].

Mr. YOUNG of Florida. Mr. Chairman, I thank the gentleman from California for yielding this time to me, and I want to make this one last point:

This bill appropriates $2.2 billion less than this House authorized on the defense authorization bill earlier this summer, $2.2 billion less.

Mr. CUNNINGHAM. Mr. Chairman, I yield to the gentleman from Pennsylvania [Mr. WELDON].

Mr. WELDON of Pennsylvania. Mr. Chairman, I thank the gentleman from California for yielding.

I would just like to say I cannot believe the discussion here. I would like for our colleagues to tell the 1 million men and women in this country who lost their jobs in the defense industry over the past 2 years that there are no cuts being made. I would like my colleagues to tell them what they have said on the floor today, that we have not been tough with defense spending.

And where do we get this dollar amount from? We are giving the President all this new money. I was President Clinton's bottom-up review who laid out the scenario for how much money we are going to need over the next 5 years.

We have heard the chairman of the full committee mention the General Accounting Office. It was the General Accounting Office who said that we are $150 billion short just to meet the President's bottom-up review, and the Congressional Budget Office said we are at least $60 billion short, and we are only increasing it by a very small amount. In fact, all we are doing is stabilizing defense spending.

I would urge our colleagues to reject this amendment and to support this very tough defense budget that I think has been crafted very wisely by the Committee on Appropriations.

Mr. MURTHA. Mr. Chairman, will the gentleman yield?

Mr. CUNNINGHAM. I yield to the gentleman from Pennsylvania.

Mr. MURTHA. Let me just say there is $12 billion in backlog of real property maintenance. There is a backlog in depot maintenance. We have put it off for years. The military has put it off for what they think are other priorities.

The across-the-board cut is the worst kind of a cut available to the Members. The cuts were offered individually. The Members did not accept those cuts. Some amendments were accepted, some were not, but the point is an across-the-board cut is not the way to cut defense. We have accepted across-the-board cuts, and I would strongly object to and ask the Members to vote against a 3-percent cut across the board.

Mr. CUNNINGHAM. Mr. Chairman, reclaiming what little time I have left, the gentlewoman says that pay raises would not be affected, but, if it is an across-the-board, there is one that we have bipartisan support in trying to fix back the High-One problem that we have. In that account we either affect the COLA, Elk Hills, or High One. Which will it be? If we do a 3-percent cut, we either are going to cut the COLA of military retirees or we are going to affect those few people that have decided to get out recently.

I take a look at what our problems are right now. We have got ships that are not being repaired.

The gentlewoman in support of the base closures, we cannot give the dollars for the base closures to reap the benefit of the dollars back to DOD, because we do not have the dollars. That would be hurt.

I rise in opposition to the amendment.

Ms. FURSE. Mr. Chairman, I rise to support the Schroeder amendment for a 3 percent cut in this defense appropriations bill. I want to talk about budget priorities. I want to remind my colleagues that this Congress really only has power over discretionary spending. That is about 54 percent of the budget, and that 54 percent is divided equally, 50–50, between military and nonmilitary spending.

Mr. Chairman, we have all heard all this talk about how we are gong to cut waste in this new Congress. We are going to balance the budget. But we may be surprised to hear that all of the cuts, all of them, I repeat, all the cuts, have come from nonmilitary spending. Did the military budget get a cut? No, it did not. In fact, it got a huge increase.

Now, poll after poll shows that the average American wants Pentagon spending either kept the same or cut, but they do not want it increased. In this bill before us today, national missile defense—the true star wars—is actually increased 111 percent over last year's level. And one theater missile defense program—Navy upper tier—is increased almost 300 percent over last year. Mr. Chairman, I think this is wrong and I would submit that the American people might think this is a wrong use of their money.

Now, it is true that we have made enormous cuts. But I would like to talk about what those cuts are, and keeping in mind that those cuts are at the same time we are increasing Pentagon spending, while some of the cuts have been direct attacks on our children and our country's future.

The Republicans have approved cuts that would deny Head Start to 180,000 children nationwide by the year 2002. In addition, Pell Grants are being cut. Pell Grants help our young people get to college and they will be denied to 360,000 students in 1996. In fact, 3,000 students in Oregon will not have a chance to go to college because of these cuts.

They are also attacking the environment. Let me tell you some of the cuts in the environment. All funding is eliminated for listing of threatened and endangered species. These are species on which the fishing industry depends. We need support for these endangered species, but we are cutting all the funding. There is a 40-percent reduction in solar and renewable energy, a 33-percent reduction in the EPA budget, including a $765 million cut in clean water funding. There is a 17-percent cut in all of the EPA enforcement.

And what about cuts to seniors? We have cut $270 billion in Medicare and eliminated the Low-Income Home Energy Assistance Program. This new Congress has cut senior nutrition programs by $24 million. The older workers' programs—$46 million in cuts. All at the same time that we are increasing the Pentagon, we are cutting from children, from the environment, and from seniors.

Mr. Chairman, I wonder if cutting away at these programs is the right priority. Is it the priority that we believe in in this country to cut away at security protections, the security of good education, safer streets, healthy children, and seniors, a safe and healthy environment? I would say it is the wrong priority.

Shame—I think it is a shame—when we have such very skewed economics priorities. I would say that they are not the priorities of my constituents. Voting for the Schroeder amendment will go a little way toward righting those priorities.

The CHAIRMAN. All time for consideration of amendments has expired.

The question is on the amendment offered by the gentlewoman from Colorado [Mrs. SCHROEDER].

The question was taken; and the Chairman announced that the noes appeared to have it.

RECORDED VOTE

Mrs. SCHROEDER. Mr. Chairman, I demand a recorded vote.

The CHAIRMAN. Pursuant to the order of the House of Monday, July 31, 1995, further proceedings on the amendment offered by the gentlewoman from Colorado [Mrs. SCHROEDER] will be postponed.

The Clerk will read the last two lines of the bill.

The Clerk read as follows:

"This Act may be cited as the Department of Defense Appropriations Act, 1996".

SEQUENTIAL VOTES POSTPONED IN COMMITTEE OF THE WHOLE

The CHAIRMAN. Pursuant to the order of the House of Monday, July 31, 1995, proceedings will now resume on those amendments on which further proceedings were postponed, in the following order: Amendment No. 9 offered by the gentleman from Vermont [Mr. SANDERS]; amendment No. 43 offered by the gentlewoman from Colorado [Mrs. SCHROEDER].

The Chair will reduce to 5 minutes the time for any electronic vote after the first vote in this series.

AMENDMENT OFFERED BY MR. SANDERS

The CHAIRMAN. The pending business is the demand for a recorded vote on the amendment offered by the gentleman from Vermont [Mr. SANDERS] on which further proceedings were postponed and on which the noes prevailed by voice vote.

The Clerk will redesignate the amendment.

The Clerk redesignated the amendment.

RECORDED VOTE

The CHAIRMAN. A recorded vote has been demanded.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 93, noes 325, not voting 16, as follows:

[Roll No. 643]

AYES—93

Baldacci
Barcia
Barrett (WI)
Becerra
Bonior
Brown (CA)
Brown (OH)
Camp
Clay
Clayton
Coble
Collins (IL)
Collins (MI)
Conyers
Cooley
Costello
Coyne
Danner
DeFazio
Dellums
Duncan
Durbin
Eshoo
Evans
Fattah
Fields (LA)
Filner
Foglietta
Frank (MA)
Furse
Goodlatte
Green
Gutierrez
Gutknecht
Hilliard
Hinchey
Johnson (SD)
Kanjorski
Kennedy (MA)
Kleczka
LaFalce
Lewis (GA)
Lincoln
Lofgren
Luther
Markey
Martinez
McCarthy
McDermott
Meehan
Meyers
Miller (CA)
Minge
Mink
Nadler
Neal
Oberstar
Obey
Olver
Owens
Pastor
Payne (NJ)
Peterson (MN)
Petri
Poshard
Rangel
Rivers
Roemer
Rohrabacher
Roybal-Allard
Royce
Rush
Sanders
Schroeder
Sensenbrenner
Shays
Slaughter
Stark
Studds
Stupak
Thompson
Torricelli
Traficant
Velazquez
Vento
Volkmer
Waters
Watt (NC)
Williams
Woolsey
Wyden
Yates
Zimmer

NOES—325

Abercrombie
Ackerman
Allard
Andrews
Archer
Armey
Bachus
Baesler
Baker (CA)
Baker (LA)
Ballenger
Barr
Barrett (NE)
Bartlett
Barton
Bass
Bateman
Beilenson
Bentsen
Bereuter
Berman
Bevill
Bilbray
Bilirakis
Bliley
Blute
Boehlert
Boehner
Bonilla
Bono
Borski
Boucher
Brewster
Browder
Brown (FL)
Brownback
Bryant (TN)
Bryant (TX)
Bunn
Bunning
Burr
Burton
Buyer
Callahan
Calvert
Canady
Cardin
Castle
Chabot
Chambliss
Chapman
Chenoweth
Christensen
Chrysler
Clement
Clinger
Clyburn
Coburn
Coleman
Collins (GA)
Combest
Condit
Cox
Cramer
Crane
Crapo
Cremeans
Cubin
Cunningham
Davis
de la Garza
Deal
DeLay
Deutsch
Diaz-Balart
Dickey
Dicks
Dixon
Doggett
Dooley
Doolittle
Dornan
Doyle
Dreier
Dunn
Edwards
Ehlers
Ehrlich
Emerson
Engel
English
Ensign
Everett
Ewing
Farr
Fawell
Fields (TX)
Flake
Flanagan
Foley
Forbes
Ford
Fowler
Fox
Franks (CT)
Franks (NJ)
Frelinghuysen
Frisa
Frost
Funderburk
Gallegly
Ganske
Gejdenson
Gekas
Geren
Gibbons
Gilchrest
Gillmor
Gilman
Gonzalez
Goodling
Gordon
Goss
Graham
Greenwood
Gunderson
Hall (OH)
Hall (TX)
Hamilton
Hancock
Hansen
Harman
Hastert
Hastings (FL)
Hastings (WA)
Hayes
Hayworth
Hefley
Hefner
Heineman
Herger
Hilleary
Hobson
Hoekstra
Hoke
Holden
Horn
Hostettler
Houghton
Hoyer
Hunter
Hutchinson
Hyde
Inglis
Istook
Jackson-Lee
Jacobs
Jefferson
Johnson (CT)
Johnson, E. B.
Johnson, Sam
Johnston
Jones
Kaptur
Kasich
Kelly
Kennedy (RI)
Kennelly
Kildee
Kim
King
Kingston
Klink
Klug
Knollenberg
Kolbe
LaHood
Lantos
Largent
Latham
LaTourette
Laughlin
Lazio
Leach
Levin
Lewis (CA)
Lewis (KY)
Lightfoot
Linder
Lipinski
Livingston
LoBiondo
Longley
Lowey
Lucas
Manton
Manzullo
Martini
Mascara
Matsui
McCollum
McCrery
McDade
McHale
McHugh
McInnis
McIntosh
McKeon
McNulty
Meek
Menendez
Metcalf
Mfume
Mica
Miller (FL)
Mineta
Molinari
Mollohan
Montgomery
Moorhead
Moran
Murtha
Myers
Myrick
Nethercutt
Neumann
Ney
Norwood
Nussle
Ortiz
Orton
Oxley
Packard
Pallone
Parker
Paxon
Payne (VA)
Pelosi
Peterson (FL)
Pickett
Pombo
Pomeroy
Porter
Portman
Pryce
Quillen
Quinn
Radanovich
Rahall
Ramstad
Reed
Regula
Richardson
Riggs
Rogers
Ros-Lehtinen
Rose
Roth
Roukema
Sabo
Salmon
Sanford
Sawyer
Saxton
Scarborough
Schaefer
Schiff
Schumer
Scott
Seastrand
Shadegg
Shaw
Shuster
Skaggs
Skeen
Skelton
Smith (MI)
Smith (NJ)
Smith (TX)
Smith (WA)
Solomon
Souder
Spence
Spratt
Stearns
Stenholm
Stockman
Stokes
Stump
Talent
Tanner
Tate
Tauzin
Taylor (MS)
Taylor (NC)
Tejeda
Thomas
Thornberry
Thornton
Thurman
Tiahrt
Torkildsen
Torres
Upton
Visclosky
Vucanovich
Walker
Walsh
Wamp
Ward
Watts (OK)
Waxman
Weldon (FL)
Weldon (PA)
Weller
White
Whitfield
Wicker
Wilson

Wise
Wolf
Wynn
Young (AK)
Young (FL)
Zeliff

NOT VOTING—16

Bishop
DeLauro
Dingell
Fazio
Gephardt
Maloney
McKinney
Moakley
Morella
Reynolds
Roberts
Serrano
Sisisky
Towns
Tucker
Waldholtz

□ 1753

Mr. DOOLEY and Mr. MFUME changed their vote from "aye" to "no."

Mr. COOLEY changed his vote from "no" to "aye."

So the amendment was rejected.

The result of the vote was announced as above recorded.

PERSONAL EXPLANATION

Mrs. MEYERS of Kansas. Mr. Chairman, on amendment No. 16 offered by Mr. SANDERS, rollcall No. 643, I inadvertantly voted "yes." I intended to vote "no" on this amendment. I ask unanimous consent that this statement immediately follow the rollcall on this amendment.

AMENDMENT OFFERED BY MRS. SCHROEDER

The CHAIRMAN. The pending business is the demand for a recorded vote on the amendment offered by the gentlewoman from Colorado [Mrs. SCHROEDER] on which further proceedings were postponed and on which the noes prevailed by voice vote.

The Clerk will redesignate the amendment.

The Clerk redesignated the amendment.

RECORDED VOTE

The CHAIRMAN. A recorded vote has been demanded.

A recorded vote was ordered.

The CHAIRMAN. This is a 5-minute vote.

The vote was taken by electronic device, and there were—ayes 124, noes 296, not voting 14, as follows:

[Roll No. 644]

AYES—124

Ackerman
Barcia
Barrett (WI)
Becerra
Beilenson
Bentsen
Berman
Bonior
Brown (CA)
Brown (OH)
Bryant (TX)
Clay
Clayton
Clement
Collins (IL)
Collins (MI)
Conyers
Coyne
Danner
DeFazio
Dellums
Deutsch
Doggett
Duncan
Durbin
Engel
English
Eshoo
Evans
Farr
Fattah
Fields (LA)
Filner
Foglietta
Ford
Frank (MA)
Furse
Gibbons
Green
Gutierrez
Hilliard
Hinchey
Hoekstra
Jackson-Lee
Jacobs
Johnson (CT)
Johnson (SD)
Johnston
Kennedy (MA)
Kildee
Kleczka
Klug
LaFalce
Lantos
Levin
Lewis (GA)
Lincoln
Lipinski
Lofgren
Lowey
Luther
Manton
Markey
Martinez
Matsui
McCarthy
McDermott
Meehan
Meek
Menendez
Mfume
Miller (CA)
Mineta
Minge
Mink
Nadler
Neal
Ney
Oberstar
Obey
Olver
Owens
Pallone
Pastor
Payne (NJ)
Payne (VA)
Pelosi
Peterson (MN)
Porter
Poshard
Ramstad
Rangel
Rivers
Roukema
Roybal-Allard
Sanders
Sanford
Sawyer
Schroeder
Schumer
Shays
Skaggs
Slaughter
Stark
Stokes
Studds
Stupak
Thornton
Thurman
Torres
Torricelli
Upton
Velazquez
Vento
Volkmer
Waters
Watt (NC)
Waxman
Williams
Woolsey
Wyden
Wynn
Yates
Zimmer

NOES—296

Abercrombie
Allard
Andrews
Archer
Armey
Bachus
Baesler
Baker (CA)
Baker (LA)
Baldacci
Ballenger
Barr
Barrett (NE)
Bartlett
Barton
Bass
Bateman
Bereuter
Bevill
Bilbray
Bilirakis
Bliley
Blute
Boehlert
Boehner
Bonilla
Bono
Borski
Boucher
Brewster
Browder
Brown (FL)
Brownback
Bryant (TN)
Bunn
Bunning
Burr
Burton
Buyer
Callahan
Calvert
Camp
Canady
Cardin
Castle
Chabot
Chambliss
Chapman
Chenoweth
Christensen
Chrysler
Clinger
Clyburn
Coble
Coburn
Coleman
Collins (GA)
Combest
Condit
Cooley
Costello
Cox
Cramer
Crane
Crapo
Cremeans
Cubin
Cunningham
Davis
de la Garza
Deal
DeLauro
DeLay
Diaz-Balart
Dickey
Dicks
Dixon
Dooley
Doolittle
Dornan
Doyle
Dreier
Dunn
Edwards
Ehlers
Ehrlich
Emerson
Ensign
Everett
Ewing
Fawell
Fazio
Fields (TX)
Flake
Flanagan
Foley
Forbes
Fowler
Fox
Franks (CT)
Franks (NJ)
Frelinghuysen
Frisa
Frost
Funderburk
Gallegly
Ganske
Gejdenson
Gekas
Geren
Gilchrest
Gillmor
Gilman
Gonzalez
Goodlatte
Goodling
Gordon
Goss
Graham
Greenwood
Gunderson
Gutknecht
Hall (OH)
Hall (TX)
Hamilton
Hancock
Hansen
Harman
Hastert
Hastings (FL)
Hastings (WA)
Hayes
Hayworth
Hefley
Hefner
Heineman
Herger
Hilleary
Hobson
Hoke
Holden
Horn
Hostettler
Houghton
Hoyer
Hunter
Hutchinson
Hyde
Inglis
Istook
Jefferson
Johnson, E. B.
Johnson, Sam
Jones
Kanjorski
Kasich
Kelly
Kennedy (RI)
Kennelly
Kim
King
Kingston
Klink
Knollenberg
Kolbe
LaHood
Largent
Latham
LaTourette
Laughlin
Lazio
Leach
Lewis (CA)
Lewis (KY)
Lightfoot
Linder
Livingston
LoBiondo
Longley
Lucas
Manzullo
Martini
Mascara
McCollum
McCrery
McDade
McHale
McHugh
McInnis
McIntosh
McKeon
McNulty
Metcalf
Meyers
Mica
Miller (FL)
Molinari
Mollohan
Montgomery
Moorhead
Moran
Murtha
Myers
Myrick
Nethercutt
Neumann
Norwood
Nussle
Ortiz
Orton
Oxley
Packard
Parker
Paxon
Peterson (FL)
Petri
Pickett
Pombo
Pomeroy
Portman
Pryce
Quillen
Quinn
Radanovich
Rahall
Reed
Regula
Richardson
Riggs
Roemer
Rogers
Rohrabacher
Ros-Lehtinen
Rose
Roth
Royce
Rush
Sabo
Salmon
Saxton
Scarborough
Schaefer
Schiff
Scott
Seastrand
Sensenbrenner
Serrano
Shadegg
Shaw
Shuster
Skeen
Skelton
Smith (MI)
Smith (NJ)
Smith (TX)
Smith (WA)
Solomon
Souder
Spence
Spratt
Stearns
Stenholm
Stockman
Stump
Talent
Tanner
Tate
Tauzin
Taylor (MS)
Taylor (NC)
Tejeda
Thomas
Thompson
Thornberry
Tiahrt
Torkildsen
Traficant
Visclosky
Vucanovich
Walker
Walsh
Wamp
Ward
Watts (OK)
Weldon (FL)
Weldon (PA)
Weller
White
Whitfield
Wicker
Wilson
Wise
Wolf
Young (AK)
Young (FL)
Zeliff

NOT VOTING—14

Bishop
Dingell
Gephardt
Kaptur
Maloney
McKinney
Moakley
Morella
Reynolds
Roberts
Sisisky
Towns
Tucker
Waldholtz

□ 1801

Mr. ENGEL changed his vote from "no" to "aye."

So the amendment was rejected.

The result of the vote was announced as above recorded.

Mr. VENTO. Mr. Chairman, the Defense appropriations bill for fiscal year 1996 demonstrates misguided priorities of the new majority in the House. At the same time that billions of dollars are slated to be slashed from education, environmental protection, housing assistance, job training and other needed family programs, the Republican leadership brings to the floor a Defense appropriations bill that spends nearly 8 billion dollars more than the Pentagon requested for the coming year 1996.

In fact, the Defense appropriations bill not only includes billions in extra Pentagon funding, it adds money for weapons and programs that top Defense officials have stated they do not want or need. For example, the bill includes nearly half a billion dollars to continue production of the B–2 stealth bomber beyond the 20 planes that have already been authorized. That's a half a billion dollars for a plane that appears to have significant technical problems, not the least of which is its inability to distinguish rain from other solid obstacles like mountains! The B–2 is a budget busting boondoggle that I hoped my colleagues would have rejected by supporting the Kasich-Dellums-Obey amendment to eliminate funding for additional Stealth bombers from the bill.

This legislation includes $3.5 billion for ballistic missile defense—$599 million more than the budget request—and it shifts the priority toward national missile defense, the star wars program which invites violation of the 1972 ABM Treaty. The bill provides $200 million more than the budget request for the F–22 fighter and an extra $250 million for the F–15. A wide range of humanitarian, peacekeeping, environmental, and disaster relief programs have been sacrificed in order to pay for these added weapons procurement costs. In addition, the bill eliminates the Technology Reinvestment Project and underfunds the Nunn-Lugar denuclearization program in the former Soviet Union. Time and again, this bill serves narrow special interests over the interests of the American people.

Mr. Speaker, we face many difficult choices this year, but the decision to oppose the Defense Appropriations bill is not one of them.

This legislation turns our national priorities upside down—spending billions on star wars missile defense programs and stealth bombers the Pentagon doesn't want at the same time that education, Medicare, housing, and environmental protection programs are being decimated. We need to get our priorities in order. I urge a no vote on the Defense appropriations bill.

Mr. STOKES. Mr. Chairman, I rise in strong opposition to H.R. 2126, the Defense Appropriations Act of 1995. While I am aware of the current fashion in the Congress to increase defense spending at the expense of our domestic programs, I am also mindful of my duty as a Member of Congress to act in the best interest of the people I represent and in the best interest of the U.S. Constitution I have sworn to uphold. This shortsighted and rushed legislation will not only try to resurrect cold war programs that are unnecessary and wasteful, but will endanger the delicate balance of domestic and defense spending.

The National Defense Authorization Act of 1995 that we are considering here today is completely out of balance. This legislation authorizes $7.8 billion more in funding than requested by the administration and $2.5 billion more than current spending levels. H.R. 2126 seeks to isolate the United States by restricting America's role in peacekeeping operations, and misguidedly redirects $3.5 billion to a star wars missile defense system whose time passed with the end of the cold war. This bill also appropriates $493 million more than requested by the military for the B–2 Stealth bomber. H.R. 2126 impinges on the President's constitutional authority by eliminating $65 million requested by the administration for United Nations peacekeeping, and $180 million less than requested for aid to the former Soviet Union.

It would be an abdication of congressional responsibility to support this legislation at the expense of our most important efforts to improve the quality of life for all Americans.

Mr. Chairman, there is no doubt that our military is by far among the world's best. This was demonstrated by our leadership of international forces during the war in the gulf. Over the past 20 years, our military has undergone a massive undertaking to build a defense infrastructure which has allowed us to effectively provide an international show of strength.

While I believe that we must maintain a strong military presence in an era of low intensity global conflicts, I am an avid believer that a healthy balance must be reached between domestic and defense spending. The importance of striking this balance is especially true in light of recent world events such as the end of the cold war. Because of these changes in world politics, the United States is faced with an unprecedented opportunity to redirect funds to relieve problems here at home.

Contrary to the arguments that have been made by the supporters of H.R. 2126, President Clinton has proposed a budget that reasonably addresses the defense and domestic needs of this Nation. President Clinton's fiscal year 1996 defense budget, which is strongly supported by the Pentagon, has two key initiatives: enhancement of military readiness, and improvement of quality of life for our men and women in uniform and their families.

The ironic truth about H.R. 2126 is that it will actually weaken our national defense. The bill before us today appropriates a staggering $3.5 billion for an unnecessary star wars ballistic missile defense system. Because of this massive diversion of defense dollars to a star wars missile defense system, more legitimate funding goals outlined in the President's budget will be undermined. This provision of the bill will also result in a clear violation of the 1972 Anti-Ballistic Missile [ABM] Treaty.

Mr. Chairman, I have always been in favor of a balanced approach to our domestic and foreign affairs interests, and the Constitution's separation of powers. H.R. 2126 is out of balance and undermines the presidential power to shape our foreign policy. This legislation greatly restricts the United States ability to participate in United Nations multilateral peacekeeping operations. This congressional restriction of presidential authority is contrary to the principle of separation of powers and the clear language of the Constitution. The Constitution permits the President as Commander in Chief of the U.S. Armed Forces the power to place U.S. forces under the operational control of other nations' military leaders for United Nations operations.

Mr. Chairman, I think it is important for me to point out that under the current congressional leadership, U.S. policy has taken a direction that will adversely affect the essence of each and every one of our lives. The majority party's plan ignores quality of human life questions, and in order to finance additional military spending, we have been expected time and time again to sacrifice already substantially depleted health, housing, education, and employment budgets.

As opposed to spending billions of dollars to immunize American children, revitalize our urban centers, provide jobs to the jobless or homes for the homeless, this bill seeks to divert funds from these essential services to fund star wars and other unworkable initiatives. H.R. 2126 is an essential part of the Republican strategy to force through a series of bills that will gut the chances for many Americans to live the American dream.

A review of the Republican plan to slash domestic discretionary programs reveal that many programs serving the most needy will be cut. One need only review the VA-HUD and Labor HHS appropriations bill for fiscal year 1996 to see that it cuts education programs by 17 percent, Head Start by 4 percent, the Environmental Protection Agency by 32 percent, and housing for the poor by 26 percent. This mis-direction of funds would greatly harm the American people, the strength of our Nation's defense and the future of our Nation.

Mr. Chairman, in closing, I would like to say that while the pursuit of peace is a noble and necessary objective, it is no easy task—especially when certain Members of Congress are determined to promote antiquated notions left over from the cold war. This legislation clearly reflects the new majority's desire to sacrifice the domestic interests of the American people in pursuit of isolationism and star wars. I urge my colleagues to uphold our Constitution, protect the American people, and vote down this bill.

Ms. FURSE. Mr. Chairman, I was pleased that Chairman YOUNG and Ranking Member MURTHA accepted my amendment reducing the account initial spares and repair parts by $22 million.

This was a very reasonable reduction. In its fiscal year 1996 request, the Department of Defense asked for $118 million for spare parts. Since then, the Air Force has told us that the requirement for 120 C–17's is only $96 million—a difference of $22 million.

The Milestone III Defense Acquisition Board [DAB] Integrated Airlift Force Decision is planned for this November. Ever since the Deputy Secretary of Defense put the C–17 program on probation in late 1993, the Air Force has consistently told us that this DAB decision will choose a number of C–17's somewhere between 40 and 120.

Giving the Air Force money for C–17 spares and repair parts for a number of planes beyond 120 would be a waste of money. DOD has higher priorities, and certainly the American taxpayers do. Frankly, in a program that's experienced as many problems as the C–17 has, I wasn't surprised to find additional waste such as this.

I would prefer that we only provide funding for spare parts for 40 C–17's at this time. Buying spares now for 120 C–17's prejudges the DAB decision. I have refrained from prejudging the DAB in my amendments to both the defense authorization and the defense appropriation and I believe it would be a more responsible approach if the C–17's supporters do so as well.

If the November DAB decision is for fewer than 120 C–17's and I fully expect it to be, I would expect the level of funding in this spare parts account to be reduced commensurately.

My $22 million cut that was adopted by the House is also included in the defense authorization approved by the Senate earlier this week. I will work to ensure it remains in both the defense authorization and appropriation conference bills.

The American taxpayers have already spent almost $18 billion on the C–17 and only 21 have been delivered. The plane was designed to meet a cold war threat that no longer exists and to accommodate battle plans that have since changed. The C–17 is designed to land on short runways. However, short runways are frequently not thick enough to support the plane since its weight is distributed on too few tires. This fundamental flaw was evident in the recently completed reliability, maintainability, and availability evaluation when one runway that was chosen for use during this test had to be rejected because of the damage to the surface that would have been caused.

It is time to cut our losses and admit that the C–17 is simply too expensive. Taxpayers would be interested to know that if we were to buy planes we already know how to build such as 747's or C–5's instead of C–17's, we would get more airlift sooner and save $15 billion. A recent Wall Street Journal analysis gave this four-word assessment of 747's compared to other transport planes: "Highest capacity, lowest price."

I believe that soon we will be forced to bow to economic reality and stop buying this gold-plated cold war relic. In the meantime, my amendment prevents us from throwing money at the plane that cannot be used, even in scenarios proposed by its most optimistic cheerleaders.

I appreciate the foresight, leadership, and cooperation of the leadership of the Appropriations National Security Subcommittee in working with me to make this needed cut of $22 million.

Mr. DICKS. Mr. Chairman, I respectfully submit the following B-2 proclamation for the Record.

B-2 Proclamation—July 26, 1996

Whereas, we the National Aerospace and Defense Workforce Coalition recognize that the present and future of America's aerospace and defense industrial base depends on public and private investment in new technologies, as well as education and training programs geared toward the jobs of tomorrow;

Whereas, the aerospace industry has provided American workers with economic and social mobility and whose income has added to this country's tax base;

Whereas, growth in our nation's technological capabilities rests on ensuring a sufficient and stable defense budget, as well as an industrial climate that promotes a healthy aerospace and defense industry;

Whereas, a declining defense budget has undermined our industrial base as well as our manufacturing infrastructure;

Whereas, America still maintains superiority in stealth technology that is so essential in preserving our national security;

Whereas, the National Aerospace and Defense Workforce Coalition is tired of public policy makers apologizing for supporting programs that provide American jobs while protecting our industrial base and providing for the common defense;

Therefore, be it resolved that the preservation of America's economic and national security ultimately rests on our commitment to maintaining an industrial base in the stealth arena. America cannot afford to lose the unique B-2 stealth production team. A low rate of continued production of this aircraft is definitely in the national interest.

National Aerospace and Defense Workforce Coalition—July 1995

B-2 PROCLAMATION

Catherine J. Vezzetti, Executive Director.

Ed Olson, President, Southern California Professional Engineering Association, Westminster, California.

Mike Hall, President, UAW Local 848, Grand Prairie, Texas.

Harold J. Ammond, Executive Director, Association of Scientists & Professional Engineering Personal, Mt. Laurel, New Jersey.

Charles H. Bofferding III, Executive Director, Seattle Professional Engineering, Employees Association, Seattle, Washington.

Bob Duncan, Chairman, Council of Engineers & Scientists Organizations, Westminster, California.

Wayne Blawat, Chairman—Technicians,

Steve Skattebo, Chairman Engineers.

Leon M. Rapant, Committeeman.

Al Zdrojewski, Labor/Management Coordinator, Local 92 International Federation of Professional & Technical Engineers, Cudahy, Wisconsin.

Frank Souza, President, UAW Local 887, Paramount, California.

Dale Herron, President, Engineers & Scientists Guild, Palmadale, California.

Joseph Smarrella, Treasurer, United Steelworkers of America, District 1, Local 1190, Steubenville, Ohio.

Paul Almelda, National President, International Federation of Professional & Technical Engineers, Silver Spring, Maryland.

Captain Duane E. Woerth, First Vice President, Air Line Pilots Association, Washington, D.C.

Bill Boetger, IAM Business Rept, District Lodge 725, Area 2, Ontario, California.

Thelma Franklin, IAM President, Local 821, Ontario, California.

Doug Burrell, President, UAW Local 1921 New Orleans, Louisiana.

Ed Willis, President, UAW Local 647, Evendale, Ohio.

Frank Gyarmethy, President, UAW Local 1666, Kalamazoo, Michigan.

Allen Holl, President, IAM & AW, LL 2020, Wichita, Kansas.

Harold Landry, Business Manager Local 3, International Federation of Professional & Technical Engineers, Philadelphia, Pennsylvania.

Gary Eder, President, Salaried Employees Association, Hanover, Maryland.

Tony Forte, President, UAW Local 1059, Eddystone, Pennsylvania.

Gary Hawkins, President, UAW Local 128, Troy, Ohio.

Jeffrey D. Manska, President, Local 92, International Federation of Professional & Technical Engineers, Cudshy, Wisconsin.

Michael J. Gavin, President, Lodge 1509.

Frank Bunek, Committeeman, Blacksmith, Cudshy, Wisconsin.

Francis J. Owen, Committeeman, Local 663, International Brotherhood of Electrical Workers, Cudshy, Wisconsin.

Anton Milewski, Vice President.

William Gregson, Committeeman, Local 140, International Association of Machinists, Die Sinkers, Cudahy, Wisconsin.

Michael J. Yokofich, President, Local 1862.

Gerald Svicek, Chairman, Local 1862, International Association of Machinists, Cudahy, Wisconsin.

Sandra L. Paradowski, Vice President, Local 85, Office of Professional Employees International Union Cudahy, Wisconsin.

Mr. LAZIO of New York. Mr. Chairman, I rise today in support of the Department of the Army's breast cancer research program which was included in this bill, the fiscal year 1996 Defense Appropriations Act. Thanks to the leadership of Defense Appropriations Subcommittee Chairman Bill Young and his colleagues, H.R. 2126 provides $100 million to continue that important work. I was pleased the subcommittee was able to honor the request that we in the New York delegation made for this vital research.

There is no question about the seriousness of this disease; 2.6 million women are living with breast cancer today. Thousands more will be diagnosed with and will die from breast cancer this year. While we are beginning to make progress in understanding the disease, we have yet to learn how it is caused, how it is cured, and what means there are for prevention. Our fight cannot stop now.

With the increase in the number of women in the military, the need to address their health concerns, as well as those of women dependents of military personnel, continues to grow.

The Department of the Army's program has proved to be both efficient and effective, attracting more than 3,000 new proposals in the field of breast cancer research since the allocation of funding in fiscal year 1992. As a result, 460 of the most innovative proposals have received funding.

As there is still much research to be done, it is essential that this program continue. On behalf of the 2.6 million women with breast cancer, I thank the subcommittee for continued funding for breast cancer research and encourage my colleagues to support this essential program.

Mrs. COLLINS of Illinois. Mr. Chairman, I rise in strong support of the amendment being offered today by my colleague, Representative Rosa DeLauro. Her amendment would ensure that U.S. servicewomen and military dependents stationed overseas have access to safe, quality health care services.

An amendment being offered today by Congressman Bob Dornan would prevent American servicewomen from exercising their legal right to an abortion. This would single out women who serve in the military overseas for a specific, unfair restriction by prohibiting overseas Department of Defense military facilities from providing privately funded abortions.

Mr. Chairman, American women have the right to obtain abortions in this country. Shouldn't American military women who are serving this country overseas have this same right? Especially if they pay for the abortion with their own money? To establish such a ban is grossly unfair and unjustifiable.

Without the DeLauro amendment, H.R. 2126 could drive women into desperate situations in which they would have to seek abortions from unsafe or unsanitary hospitals in foreign countries. Clearly, a pregnant woman is the one and only person who knows what is best for her, and she, in consultation with her family, doctor, and/or clergy, is the one who should make decisions affecting her body, her health, and her life.

I strongly support the DeLauro amendment and urge my colleagues to do the same.

Mr. NETHERCUTT. Mr. Chairman, I rise in support of H.R. 2126, the 1996 Department of Defense appropriations bill. As a member of the subcommittee and committee which crafted this bipartisan bill, I believe it represents a revitalization of our national security by this Congress.

I want to address a misleading argument that is often made in media reports and in this Chamber. Some people try to criticize this bill by claiming it funds items that the Pentagon didn't even ask for. In fact, as a part of the executive branch, the Department of Defense is asked to confirm the unlikely by saying that the Federal Government can provide for our defense needs with President Clinton's budget plan. The Department of Defense did not ask for everything it needs, even after 10 straight years of cuts, because the President's budget was simply insufficient. The modest increases in defense spending provided by the House budget resolution will help bridge the gap between America's military goals and commitments and the money the administration budgeted for defense.

Many of the big-ticket purchases in this bill have received a lot of discussion, but I want to draw attention to some of the less noticeable needs that are met by this bill.

This bill funds a critical Army need for trucks to replace 2½-ton trucks that are an average of 25 years old. Would you trust your life in wartime to a 1970 vehicle? Our Army troops are forced to do just that by the administration budget.

This bill increases procurement of equipment for the Reserve Component Automation

System. This system will increase readiness by enabling the Army Reserve and National Guard to respond to a crisis in substantially less time than the current, manual process.

This bill helps replace gas-guzzling, air-polluting engines in Air National Guard and Air Reserve tanker refuelers that are expected to be used until the year 2020. In the long run, these engine upgrades will make our refuelers more efficient, cleaner, and more cost-efficient.

The list of items goes on and on: improved laser systems for the Army Reserve, C–9 cargo door repairs for the Navy Reserve, and auxiliary power units for Air Force KC–135's. This bill funds many items the Pentagon needs and was not allowed to request because, although President Clinton's defense budget was not part of a plan to balance the budget, the defense budget was supposed to continue to shrink drastically.

I support this bill because it is the bipartisan product of a committee that did a good job of using available funds to provide for many of the real needs of the Department of Defense. Adequately providing for the national security and vital interests of the United States is one of the most important things this Congress and this Government can do. I urge my colleagues to vote for this important bill.

The CHAIRMAN. Under the rule, the Committee rises.

Accordingly, the Committee rose; and the Speaker pro tempore [Mr. LAHOOD] having assumed the chair, Mr. SENSENBRENNER, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 2126) making appropriations for the Department of Defense for the fiscal year ending September 30, 1996, and for other purposes, pursuant to House Resolution 205, he reported the bill back to the House with sundry amendments adopted by the Committee of the Whole.

The SPEAKER pro tempore. Under the rule, the previous question is ordered.

An amendment striking sections 8021 and 8024 is considered as adopted.

Pursuant to House Resolution 205, is a separate vote demanded on any other amendment?

Mr. SKAGGS. Mr. Speaker, I demand a separate vote on the so-called Schroeder amendment number 85.

The SPEAKER pro tempore. Is a separate vote demanded on any other amendment? If not, the Chair will put them en gros.

The amendments were agreed to.

The SPEAKER pro tempore. The Clerk will report amendment on which a separate vote has been demanded.

The Clerk read as follows:

Amendment: Page 94, after line 3, insert the following:

SEC. 8107. (a) LIMITATIONS ON THE USE OF FEDERAL FUNDS BY CONTRACTORS FOR POLITICAL ADVOCACY.—None of the funds made available by this Act may be used by any Federal contractor for an activity when it is made known to the Federal official having authority to obligate or expend such funds that the activity is any of the following:

(1) Carrying on propaganda, or otherwise attempting to influence Federal, State, or local legislation or agency action, including any of the following:

(A) Monetary or in-kind contributions, endorsements, publicity, or similarly activity.

(B) Any attempt to influence any legislation or agency action through an attempt to affect the opinions of the general public or any segment thereof, including any communication between the contractor and an employee of the contractor to directly encourage such employee to urge persons other than employees to engage in such an attempt.

(C) Any attempt to influence any legislation or agency action through communication with any member or employee of a legislative body or agency, or with any government official or employee who may participate in the formulation of the legislation or agency action, including any communication between the contractor and an employee of the contractor to directly encourage such employee to engage in such an attempt or to urge persons other than employees to engage in such an attempt.

(2) Participating or intervening in (including the publishing or distributing of statements) any political campaign on behalf of (or in opposition to) any candidate for public office, including monetary or in-kind contributions, endorsements, publicity, or similar activity.

(3) Participating in any judicial litigation or agency proceeding (including as an amicus curiae) in which agents or instrumentalities of Federal, State, or local governments are parties, other than litigation in which the contractor or potential contractor is a defendant appearing in its own behalf; is defending its tax-exempt status; or is challenging a government decision or action directed specifically at the powers, rights, or duties of that contractor or potential contractor.

(4) Allocating, disbursing, or contributing any funds or in-kind support to any individual, entity, or organization whose expenditures for political advocacy for the previous Federal fiscal year exceeded 15 percent of its total expenditures for that Federal fiscal year.

(b) LIMITATIONS ON USE OF FEDERAL FUNDS TO AWARD CONTRACTS.—None of the funds made available by this Act may be used to award a contract when it is made known to the Federal official having authority to obligate or expend such funds that—

(1) the expenditures of the potential contractor (other than an individual person) for activities described in subsection (a) for any one of the previous five Federal fiscal years (excluding any fiscal year before 1996) exceeded the sum of—

(A) the first $20,000,000 of the difference between the potential contractor's total expenditures made in the fiscal year and the total amount of Federal contracts and grants it was awarded in that fiscal year, multiplied by .05; and

(B) the remainder of the difference calculated in subparagraph (A), multiplied, by .01;

(2) the potential contractor has used funds from any Federal contract to purchase or secure any goods or services (including dues and membership fees) from any other individual, entity, or organization whose expenditures for activities described in subsection (a) for fiscal year 1995 exceeded 15 percent of its total expenditures for that Federal fiscal year; or

(3) the potential contractor has used funds from any Federal contract for a purpose (other than to purchase or secure goods or services) that was not specifically permitted by Congress in the law authorizing the contract.

(c) EXCEPTIONS.—The activities described in subsection (a) do not include any activity when it is made known to the Federal official having authority to obligate or expend such funds that the activity is any of the following:

(1) Making available the results of nonpartisan analysis, study, research, or debate.

(2) Providing technical advice or assistance (where such advice would otherwise constitute the influencing of legislation or agency action) to a government body or to a committee or other subdivision thereof in response to a written request by such body or subdivision, as the case may be.

(3) Communications between a contractor and its employees with respect to legislation, proposed legislation, agency action, or proposed agency action of direct interest to the contractor and such employees, other than communications described in subparagraph (C).

(4) Any communication with a governmental official or employee, other than—

(A) a communication with a member or employee of a legislative body or agency (where such communication would otherwise constitute the influencing of legislation or agency action); or

(B) a communication the principal purpose of which is to influence legislation or agency action.

(5) Official communication by employees of State or local governments, or by organizations whose membership consists exclusively of State or local governments.

Mr. SKAGGS (during the reading). Mr. Speaker, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Colorado?

There was no objection.

The SPEAKER pro tempore. The question is on the amendment.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

RECORDED VOTE

Mr. SKAGGS. Mr. Speaker, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 182, noes 238, not voting 14, as follows:

[Roll No. 645]

AYES—182

Abercrombie
Ackerman
Barcia
Barrett (WI)
Becerra
Beilenson
Bilbray
Bilirakis
Blute
Borski
Boucher
Brewster
Brown (CA)
Brown (FL)
Brown (OH)
Brownback
Burr
Camp
Castle
Chabot
Chenoweth
Christensen
Clay
Clement
Coble
Coburn
Collins (IL)
Collins (MI)
Combest
Condit
Conyers
Costello
Coyne
Cremeans
Cubin
Danner
Dellums
Dickey
Doggett
Doyle
Duncan
Dunn
Durbin
Ehlers
Engel
English
Ensign
Evans
Farr
Fattah
Fawell
Fields (LA)
Filner
Flake
Foglietta
Foley
Forbes
Ford
Fox
Frank (MA)
Franks (NJ)
Frisa
Furse

Ganske
Gephardt
Geren
Gibbons
Gilchrest
Gillmor
Gilman
Goodling
Gordon
Goss
Greenwood
Gutierrez
Gutknecht
Hall (TX)
Hastert
Heineman
Hilleary
Hinchey
Hoekstra
Holden
Hutchinson
Jacobs
Johnston
Kanjorski
Kasich
Kelly
Kennedy (MA)
Kildee
Kleczka
Klink
Klug
Kolbe
LaFalce
Lantos
Largent
Latham
Lazio
Leach
Lewis (GA)
Lincoln
Lipinski
LoBiondo
Longley
Lowey
Luther
Manton
Manzullo
Markey
Martini
Mascara
McCarthy
McDermott
Meehan
Metcalf
Meyers
Mfume
Miller (FL)
Mink
Molinari
Nethercutt
Neumann
Ney
Oberstar
Obey
Olver
Orton
Owens
Payne (NJ)
Pelosi
Petri
Porter
Poshard
Pryce
Rahall
Ramstad
Rangel
Reed
Regula
Riggs
Rohrabacher
Roukema
Roybal-Allard
Royce
Rush
Salmon
Sanders
Sanford
Scarborough
Schroeder
Schumer
Seastrand
Sensenbrenner
Shaw
Shays
Slaughter
Smith (WA)
Stark
Stockman
Stokes
Studds
Stupak
Tate
Thornton
Thurman
Traficant
Upton
Velazquez
Vento
Volkmer
Waters
Weldon (FL)
Weller
Whitfield
Wise
Woolsey
Wyden
Wynn
Zeliff
Zimmer

NOES—238

Allard
Andrews
Archer
Armey
Bachus
Baesler
Baker (CA)
Baker (LA)
Baldacci
Ballenger
Barr
Barrett (NE)
Bartlett
Barton
Bass
Bateman
Bentsen
Bereuter
Berman
Bevill
Bliley
Boehlert
Boehner
Bonilla
Bonior
Bono
Browder
Bryant (TN)
Bryant (TX)
Bunn
Bunning
Burton
Buyer
Callahan
Calvert
Canady
Cardin
Chambliss
Chapman
Chrysler
Clayton
Clinger
Clyburn
Coleman
Collins (GA)
Cooley
Cox
Cramer
Crane
Crapo
Cunningham
Davis
de la Garza
Deal
DeLauro
DeLay
Deutsch
Diaz-Balart
Dicks
Dixon
Dooley
Doolittle
Dornan
Dreier
Edwards
Ehrlich
Emerson
Eshoo
Everett
Ewing
Fazio
Fields (TX)
Flanagan
Fowler
Franks (CT)
Frelinghuysen
Frost
Funderburk
Gallegly
Gejdenson
Gekas
Gonzalez
Goodlatte
Graham
Green
Gunderson
Hall (OH)
Hamilton
Hancock
Hansen
Harman
Hastings (FL)
Hastings (WA)
Hayes
Hayworth
Hefley
Hefner
Herger
Hilliard
Hobson
Hoke
Horn
Hostettler
Houghton
Hoyer
Hunter
Hyde
Inglis
Istook
Jackson-Lee
Jefferson
Johnson (CT)
Johnson (SD)
Johnson, E.B.
Johnson, Sam
Jones
Kaptur
Kennedy (RI)
Kennelly
Kim
King
Kingston
Knollenberg
LaHood
LaTourette
Laughlin
Levin
Lewis (CA)
Lewis (KY)
Lightfoot
Linder
Livingston
Lofgren
Lucas
Martinez
Matsui
McCollum
McCrery
McDade
McHale
McHugh
McInnis
McIntosh
McKeon
McNulty
Meek
Menendez
Mica
Miller (CA)
Mineta
Minge
Mollohan
Montgomery
Moorhead
Moran
Murtha
Myers
Myrick
Nadler
Neal
Norwood
Nussle
Ortiz
Oxley
Packard
Pallone
Parker
Pastor
Paxon
Payne (VA)
Peterson (FL)
Peterson (MN)
Pickett
Pombo
Pomeroy
Portman
Quillen
Quinn
Richardson
Rivers
Roemer
Rogers
Ros-Lehtinen
Rose
Roth
Sabo
Sawyer
Saxton
Schaefer
Schiff
Scott
Serrano
Shadegg
Shuster
Skaggs
Skeen
Skelton
Smith (MI)
Smith (NJ)
Smith (TX)
Solomon
Souder
Spence
Spratt
Stearns
Stenholm
Stump
Talent
Tanner
Tauzin
Taylor (MS)
Taylor (NC)
Tejeda
Thomas
Thompson
Thornberry
Tiahrt
Torkildsen
Torres
Torricelli
Visclosky
Vucanovich
Walker
Walsh
Wamp
Ward
Watt (NC)
Watts (OK)
Waxman
Weldon (PA)
White
Wicker
Williams
Wilson
Wolf
Yates
Young (AK)
Young (FL)

NOT VOTING—14

Bishop
DeFazio
Dingell
Maloney
McKinney
Moakley
Morella
Radanovich
Reynolds
Roberts
Sisisky
Towns
Tucker
Waldholtz

□ 1824

Mr. YATES and Mr. TORRES changed their vote from "aye" to "no."

Messrs. HUTCHINSON, WELLER, FOX of Pennsylvania, HASTERT, BILBRAY, CHRISTENSEN, WHITFIELD, GOSS, CREMEANS, ORTON, HILLEARY, HEINEMAN, FRISA, GILLMOR, SALMON, BLUTE, LARGENT, and ENGLISH of Pennsylvania changed their vote from "no" to "aye."

So the amendment was rejected.

The result of the vote was announced as above recorded.

PERSONAL EXPLANATION

Mr. DEFAZIO. Mr. Speaker, I missed rollcall 645. I was unavoidably detained, and had I been present, I would have voted "aye."

The SPEAKER pro tempore (Mr. LAHOOD). The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

MOTION TO RECOMMIT OFFERED BY MR. OBEY

Mr. OBEY. Mr. Speaker, I offer a motion to recommit.

The SPEAKER pro tempore. Is the gentleman opposed to the bill?

Mr. OBEY. Yes, I am, Mr. Speaker.

The SPEAKER pro tempore. The Clerk will report the motion to recommit.

The Clerk read as follows:

Mr. Obey moves that the bill H.R. 2126 be recommitted to the Committee on Appropriations with instruction to report the bill back to the House forthwith, with the following amendment:

On page 77, line 8, strike "$250,000" and insert "$200,000".

The SPEAKER pro tempore. The gentleman from Wisconsin [Mr. OBEY] is recognized for 5 minutes.

Mr. OBEY. Mr. Speaker, section 8077 of this bill reads as follows:

None of the funds provided in this Act may be obligated for payment on new contracts on which allowable costs charged to the government include payments for individual compensation at a rate in excess of $250,000 per year.

This recommittal motion simply reduces that $250,000 salary level to $200,000. In essence what it says is that if any defense contractor wants to pay any individual a salary in excess of that paid to the President of the United States, they cannot do it with taxpayer funds through contracting, they have to do it out of their own corporate profits.

When you take a look at the total compensation provided to the CEO's of some of these corporations, you see one being paid $7,287,000, one being paid $5,827,000, another $3,596,000, another $3,538,000, and so on and so forth.

I would simply ask one question. Who do these people think they are, that they think that they are entitled to be compensated at a rate higher than the level of the President of the United States?

It seems to me that if we are asked to buy downsizing of the military budget, if we are asked to buy downsizing of corporations in general, we ought to also be taking a look at downsizing these outrageously high salaries paid to these corporate executives.

All this does is say that you cannot compensate any of these corporations for any salary in excess of the salary paid to the President of the United States.

Mr. YOUNG of Florida. Mr. Speaker, will the gentleman yield?

Mr. OBEY. I yield to the gentleman from Florida.

Mr. YOUNG of Florida. Mr. Speaker, I would like to say to the gentleman that we are very aware of this issue and it makes a minor change. We are proposed to accept the gentleman's motion to recommit.

Mr. OBEY. I thank the gentleman.

The SPEAKER pro tempore. Without objection, the previous question is ordered on the motion to recommit.

There was no objection.

The SPEAKER pro tempore. The question is on the motion to recommit.

The motion to recommit was agreed to.

□ 1830

Mr. YOUNG of Florida. Mr. Speaker, pursuant to the instruction of the House, I report the bill H.R. 2126 back to the House with an amendment.

The SPEAKER pro tempore (Mr. LAHOOD). The Clerk will report the amendment.

The Clerk read as follows:

Amendment: by Mr. YOUNG of Florida: On page 77, line 8, strike "$250,000" and insert "$200,000".

The amendment was agreed to.

The SPEAKER pro tempore. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

The SPEAKER pro tempore. The question is on the passage of the bill.

Pursuant to clause 7, rule XV, the yeas and nays are ordered.

The vote was taken by electronic device and there were—yeas 294, nays 125, not voting 15, as follows:

[Roll No. 646]

YEAS—294

Abercrombie
Allard
Archer
Armey
Bachus
Baesler
Baker (CA)
Baker (LA)
Ballenger
Barcia
Barr
Barrett (NE)
Bartlett
Barton
Bass
Bateman
Bentsen
Bereuter
Bevill
Bilbray
Bilirakis
Bliley
Blute
Boehlert
Boehner
Bonilla
Bono
Boucher
Brewster
Browder
Brownback
Bryant (TN)
Bunn
Bunning
Burr
Burton
Buyer
Callahan
Calvert
Canady
Castle
Chabot
Chambliss
Chapman
Christensen
Chrysler
Clement
Clinger
Clyburn
Coble
Coburn
Coleman
Collins (GA)
Combest
Condit
Cox
Cramer
Crane
Cremeans
Cubin
Cunningham
Davis
de la Garza
Deal
DeLauro
DeLay
Diaz-Balart
Dickey
Dicks
Dixon
Dooley
Doolittle
Dornan
Dreier
Duncan
Edwards
Ehrlich
Emerson
English
Ensign
Eshoo
Everett
Ewing
Farr
Fawell
Fazio
Fields (TX)
Flanagan
Foley
Forbes
Ford
Fowler
Fox
Franks (CT)
Frelinghuysen
Frisa
Frost
Funderburk
Gallegly
Gejdenson
Gekas
Gephardt
Geren
Gibbons
Gilchrest
Gillmor
Gilman
Gonzalez
Goodlatte
Goss
Graham
Green
Greenwood
Gunderson
Gutknecht
Hall (OH)
Hall (TX)
Hamilton
Hancock
Hansen
Harman
Hastert
Hastings (FL)
Hastings (WA)
Hayes
Hayworth
Hefley
Hefner
Heineman
Herger
Hilleary
Hobson
Hoke
Holden
Horn
Hostettler
Houghton
Hoyer
Hunter
Hutchinson
Hyde
Inglis
Istook
Jacobs
Johnson (CT)
Johnson, E. B.
Johnson, Sam
Jones
Kaptur
Kasich
Kelly
Kennedy (MA)
Kennedy (RI)
Kennelly
Kildee
Kim
King
Kingston
Klink
Knollenberg
Kolbe
LaHood
Largent
Latham
LaTourette
Laughlin
Lazio
Leach
Lewis (CA)
Lewis (KY)
Lightfoot
Linder
Lipinski
Livingston
LoBiondo
Longley
Lucas
Manton
Manzullo
Matsui
McCollum
McCrery
McDade
McHale
McHugh
McInnis
McIntosh
McKeon
McNulty
Meek
Metcalf
Meyers
Mica
Miller (FL)
Mineta
Mink
Molinari
Mollohan
Montgomery
Moorhead
Moran
Murtha
Myers
Myrick
Nethercutt
Neumann
Ney
Norwood
Nussle
Ortiz
Oxley
Packard
Parker
Paxon
Payne (VA)
Peterson (FL)
Pickett
Pombo
Pomeroy
Porter
Portman
Pryce
Quillen
Quinn
Radanovich
Regula
Richardson
Roberts
Rogers
Rohrabacher
Ros-Lehtinen
Rose
Royce
Salmon
Sanford
Saxton
Scarborough
Schaefer
Schiff
Scott
Seastrand
Shadegg
Shaw
Shuster
Skeen
Skelton
Smith (MI)
Smith (NJ)
Smith (TX)
Smith (WA)
Solomon
Souder
Spence
Spratt
Stearns
Stenholm
Stockman
Stump
Talent
Tanner
Tate
Tauzin
Taylor (MS)
Taylor (NC)
Tejeda
Thomas
Thompson
Thornberry
Thornton
Thurman
Tiahrt
Torkildsen
Torres
Traficant
Visclosky
Vucanovich
Walker
Walsh
Wamp
Ward
Waters
Watts (OK)
Weldon (FL)
Weldon (PA)
Weller
White
Whitfield
Wicker
Wilson
Wolf
Wynn
Young (AK)
Young (FL)
Zeliff

NAYS—125

Ackerman
Andrews
Baldacci
Barrett (WI)
Beilenson
Berman
Bonior
Borski
Brown (CA)
Brown (FL)
Brown (OH)
Bryant (TX)
Camp
Cardin
Chenoweth
Clay
Clayton
Collins (IL)
Collins (MI)
Conyers
Cooley
Costello
Coyne
Crapo
Danner
DeFazio
Dellums
Deutsch
Doggett
Doyle
Durbin
Ehlers
Engel
Evans
Fattah
Fields (LA)
Filner
Flake
Foglietta
Frank (MA)
Franks (NJ)
Furse
Ganske
Gordon
Gutierrez
Hilliard
Hinchey
Hoekstra
Jackson-Lee
Johnson (SD)
Johnston
Kanjorski
Kleczka
Klug
LaFalce
Lantos
Levin
Lewis (GA)
Lincoln
Lofgren
Lowey
Luther
Markey
Martinez
Martini
Mascara
McCarthy
McDermott
Meehan
Menendez
Mfume
Miller (CA)
Minge
Nadler
Neal
Oberstar
Obey
Olver
Orton
Owens
Pallone
Pastor
Payne (NJ)
Pelosi
Peterson (MN)
Petri
Poshard
Rahall
Ramstad
Rangel
Reed
Riggs
Rivers
Roemer
Roth
Roukema
Roybal-Allard
Rush
Sabo
Sanders
Sawyer
Schroeder
Schumer
Sensenbrenner
Serrano
Shays
Skaggs
Slaughter
Stark
Stokes
Studds
Stupak
Torricelli
Upton
Velazquez
Vento
Volkmer
Watt (NC)
Waxman
Williams
Wise
Woolsey
Wyden
Yates
Zimmer

NOT VOTING—15

Becerra
Bishop
Dingell
Dunn
Goodling
Jefferson
Maloney
McKinney
Moakley
Morella
Reynolds
Sisisky
Towns
Tucker
Waldholtz

□ 1847

The Clerk announced the following pair on this vote:

Mrs. Waldholtz for, with Mrs. Maloney against.

So the bill was passed.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

PERSONAL EXPLANATION

Mr. GOODLING. Mr. Speaker, I regret the official RECORD does not reflect my strong support for H.R. 2126, the Defense Appropriations Act for fiscal year 1996.

I was recorded for each of the votes immediately preceding final passage of the bill. Inexplicably, the RECORD does not reflect my vote supporting final passage of the bill, which I cast electronically. It is my understanding I am not the only Member who has been misrepresented in this manner.

Again, I would like the RECORD to reflect that I cast an "aye" vote on rollcall No. 646.

PERSONAL EXPLANATION

Ms. DUNN of Washington. Mr. Speaker, on September 7, I was present in the House Chamber during the vote on final passage of H.R. 2126, the fiscal year 1996 Department of Defense appropriations bill. I along with other Members, were not properly recorded as having cast our vote on Rollcall No. 646. I respectfully request that the official record indicate I voted "aye" in support of passage of the bill.

AUTHORIZING THE CLERK TO MAKE CORRECTIONS IN ENGROSSMENT OF H.R. 2126, DEPARTMENT OF DEFENSE APPROPRIATIONS ACT, 1996

Mr. YOUNG of Florida. Mr. Speaker, I ask unanimous consent that in the engrossment of H.R. 2126 the clerk be authorized to correct section numbers, punctuation, cross references, and to make other conforming changes as may be necessary to reflect the actions of the House today.

The SPEAKER pro tempore (Mr. LAHOOD). Is there objection to the request of the gentleman from Florida?

There was no objection.

HOUR OF MEETING ON TOMORROW

Mr. GOSS. Mr. Speaker, I ask unanimous consent that when the House adjourns today, it adjourn to meet at 9 a.m., tomorrow morning, September 8, 1995.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Florida?

There was no objection.

REPORT ON RESOLUTION PROVIDING FOR CONSIDERATION OF H.R. 1594, RESTRICTIONS ON PROMOTION BY GOVERNMENT OF USE OF EMPLOYEE BENEFIT PLANS OF ECONOMICALLY TARGETED INVESTMENTS

Mr. GOSS, from the Committee on Rules, submitted a privileged report (Rept. No. 104–240) on the resolution (H. Res. 215) providing for the consideration of the bill (H.R. 1594) to place restrictions on the promotion by the Department of Labor and other Federal agencies and instrumentalities of economically targeted investments in connection with employee benefit plans, which was referred to the House Calendar and ordered to be printed.

REPORT ON RESOLUTION PROVIDING FOR CONSIDERATION OF H.R. 1655, INTELLIGENCE AUTHORIZATION ACT, 1996

Mr. GOSS, from the Committee on Rules, submitted a privileged report (Rept. No. 104–

241) on the resolution (H. Res. 216) providing for the consideration of the bill (H.R. 1655) to authorize appropriations for fiscal year 1996 for intelligence and intelligence-related activities of the U.S. Government, the Community Management Account, and the Central Intelligence Agency Retirement and Disability System, and for other purposes, which was referred to the House Calendar and ordered to be printed.

ANNOUNCEMENT ON AMENDMENT PROCESS FOR THE INTELLIGENCE AUTHORIZATION ACT, THE FEDERAL ACQUISITION REFORM ACT, AND THE DEFICIT REDUCTION LOCKBOX ACT

(Mr. GOSS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. GOSS. Mr. Speaker, the rule that I have just filed on the Intelligence Authorization Act includes a requirement that amendments be printed in the CONGRESSIONAL RECORD before they are offered on the floor.

Since it is possible that the House could take up this matter as soon as next Tuesday, and the House is not planning to be in session on Monday, it means that Members desiring to offer amendments to this bill should submit their amendments for printing in the CONGRESSIONAL RECORD tomorrow.

Chairman SOLOMON already put Members on notice yesterday by a floor announcement and a "Dear Colleague" letter to each Member that a pre-printing requirement was likely on this bill.

This announcement is just intended as a reminder not to wait too late.

In addition, I wish to inform the House that the Rules Committee is planning to meet next Tuesday, September 12, on two bills; H.R. 1670, the Federal Acquisition Reform Act and H.R. 1162, the Deficit Reduction Lockbox Act.

The rules on each of these two bills may provide priority in recognition to Members who have pre-printed their amendments in the CONGRESSIONAL RECORD.

Amendments to be pre-printed would need to be signed by the Member and submitted at the Speaker's table.

The amendments would still need to be consistent with House rules and would be given no special protection by being printed.

Members should use the Office of Legislative Counsel to ensure that their amendments are properly drafted and should check with the Office of the Parliamentarian to be certain their amendments comply with the rules of the House.

It is not necessary to submit amendments to the Rules Committee or testify as long as amendments comply with the House rules.

APPOINTMENT OF CONFEREE IN LIEU OF CONFEREE ON S. 4 THE SEPARATE ENROLLMENT AND LINE ITEM VETO ACT OF 1995

The SPEAKER pro tempore. The Chair announces, without objection, that Mr. GOSS is appointed in lieu of Mr. DREIER as a conferee on S. 4.

There was no objection.

The Speaker pro tempore. The Clerk will notify the Senate of the change in conferees.

APPOINTMENT OF CONFEREES ON H.R. 1905, ENERGY AND WATER DEVELOPMENT APPROPRIATIONS ACT, 1996

Mr. MYERS of Indiana. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H.R. 1905) making appropriations for energy and water development for the fiscal year ending September 30, 1996, and for other purposes, with Senate amendments thereto, disagree with the Senate amendments, and agree to the conference asked by the Senate.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Indiana?

There was no objection.

MOTION TO INSTRUCT OFFERED BY MR. BEVILL

Mr. BEVILL. Mr. Speaker, I offer a motion to instruct conferees.

The Clerk read as follows:

> Mr. BEVILL moves that in resolving differences between the House and Senate with regard to projects and programs of the U.S. Army Corps of Engineers, the managers on the part of the House, at the conference on the disagreeing votes of the two Houses on the bill H.R. 1905, be instructed to select projects and programs within the scope of the conference with without regard to the proposal of the Administration to reduce the role of the Corps of Engineers in flood control, shore protection, and navigation projects.

The SPEAKER pro tempore. The gentleman from Alabama [Mr. BEVILL] and the gentleman from Indiana [Mr. MYERS] will each be recognized for 30 minutes.

The Chair recognizes the gentleman from Alabama [Mr. BEVILL].

Mr. BEVILL. Mr. Speaker, I yield myself such time as I may consume.

Mr. MYERS of Indiana. Mr. Speaker, will the gentleman yield?

Mr. BEVILL. I yield to the gentleman from Indiana.

Mr. MYERS of Indiana. Mr. Speaker, the gentleman from Alabama, as he always has, has discussed his motion with this side, and we have no objection.

Mr. BEVILL. Mr. Speaker, I thank the gentleman.

Mr. Speaker, I yield back the balance of my time.

Mr. MYERS of Indiana. Mr. Speaker, I yield back the balance of my time.

The SPEAKER pro tempore. Without objection, the previous question is ordered on the motion.

There was no objection.

The SPEAKER pro tempore. The question is on the motion to instruct offered by the gentleman from Alabama [Mr. BEVILL]

The motion to instruct was agreed to.

A motion to reconsider was laid on the table.

The SPEAKER pro tempore. Without objection the Chair appoints the following conferees; Messrs: MYERS of Indiana, ROGERS, KNOLLENBERG, RIGGS, FRELINGHUYSEN, BUNN of Oregon, LIVINGSTON, BEVILL, MR. FAZIO of California, CHAPMAN, and OBEY:

There was no objection.

GENERAL LEAVE

Mr. MYERS of Indiana. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks, and that I may be allowed to include tabular and extraneous material, on H.R. 1905.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Indiana?

There was no objection.

APPOINTMENT OF CONFEREES ON H.R. 1817, MILITARY CONSTRUCTION APPROPRIATIONS ACT, 1996

Mrs. VUCANOVICH. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H.R. 1817) making appropriations for military construction, family housing, and base realignment and closure for the Department of Defense for the fiscal year ending September 30, 1996, and for other purposes, with Senate amendments thereto, disagree to the Senate amendments, and agree to the conference asked by the Senate.

The SPEAKER pro tempore. Is there objection to the request of the gentlewoman from Nevada?

There was no objection.

MOTION TO INSTRUCT OFFERED BY MR. OBEY

Mr. OBEY. Mr. Speaker, I offer a motion to instruct.

The Clerk read as follows:

> Mr. OBEY moves that in resolving the differences between the House and Senate, the managers on the part of the House at the conference on the disagreeing votes of the two Houses on the bill H.R. 1817, be instructed to not provide funding for non-quality of life projects added above the President's request, which are in excess of the cumulative amounts added for such projects in the House passed bill.

The SPEAKER pro tempore. Under the rule, the gentleman from Wisconsin [Mr. OBEY] and the gentlewoman from Nevada [Mrs. VUCANOVICH] will each be recognized for 30 minutes.

The Chair recognizes the gentleman from Wisconsin [Mr. OBEY].

Mr. OBEY. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, the House will recall that when the House passed the military construction bill, it included added projects for high-priority quality-of-life projects such as barracks, child care centers, family housing, and medical facilities.

The bill also provided roughly $150 million for projects that were not requested by the President for operational needs.

The other body, however, added some $350 million in projects, many of which do not appear to fit anybody's definition of a high priority.

My motion, Mr. Speaker, provides very specific direction to the conferees that in resolving the differences between the House and the Senate on projects that the most high-priority needs be addressed and that the cumulative level of funding for non-quality-of-life projects added by the Congress not exceed the level currently in the House bill, which is roughly $150 million.

Mr. Speaker, I reserve the balance of my time.

Mrs. VUCANOVICH. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise in strong support of this motion to instruct conferees.

The committee has put quality-of-life projects first. We have worked hard in a bipartisan manner to fund troop housing, family housing, child development centers and medical projects. We have put our dollars where the Department of Defense needs them most.

We have funded projects that are priority locations.

So I urge my colleagues to support the gentleman's motion, and I support it.

Mr. Speaker, I reserve the balance of my time.

Mr. OBEY. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I thank the gentlewoman.

I would clarify this motion does not address any added projects specifically. Therefore, the motion does not preclude any specific project from being considered in conference. The motion simply limits the total amount of non-quality-of-life add-ons.

Mr. Speaker, I yield back the balance of my time.

Mrs. VUCANOVICH. Mr. Speaker, I yield back the balance of my time.

The SPEAKER pro tempore. Without objection, the previous question is ordered on the motion to instruct.

There was no objection.

The SPEAKER pro tempore. The question is on the motion to instruct offered by the gentleman from Wisconsin [Mr. OBEY].

The motion was agreed to.

A motion to reconsider was laid on the table.

The SPEAKER pro tempore. Without objection, the Chair appoints the following conferees: Mrs. VUCANOVICH, and Messrs. CALLAHAN, MCDADE, MYERS of Indiana, PORTER, ISTOOK, WICKER, LIVINGSTON, HEFNER, FOGLIETTA, VISCLOSKY, TORRES, and OBEY.

There was no objection.

GENERAL LEAVE

Mrs. VUCANOVICH. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on H.R. 1817, the bill just considered.

The SPEAKER pro tempore. Is there objection to the request of the gentlewoman from Nevada?

There was no objection.

APPOINTMENT AS MEMBERS OF THE BOARD OF VISITORS TO THE U.S. MERCHANT MARINE ACADEMY

The SPEAKER pro tempore. Without objection, and pursuant to the provisions of section 1295b(h) of title 46, United States Code, the Chair announces the Speaker's appointment as members of the Board of Visitors to the U.S. Merchant Marine Academy the following Members of the House:

Mr. KING of New York, and Mr. MANTON of New York.

There was no objection.

□ 1900

SPECIAL ORDERS

The SPEAKER pro tempore (Mr. LAHOOD). Under the Speaker's announced policy of May 12, 1995, and under a previous order of the House, the following Members will be recognized for 5 minutes each.

REHABILITATION NEEDED, NOT SURGERY

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New Jersey [Mr. PALLONE] is recognized for 5 minutes.

Mr. PALLONE. Mr. Speaker, during the month of August, I met with many senior citizens who are very concerned about the proposed Republican Medicare reductions of $270 billion. I am even more concerned that there are no specifics as to how the cuts will be made. The Republicans so far have refused to give us any details concerning their plan.

The public has the right to examine the Republican plan. Instead the Republicans are opting for the stealth attack approach of slipping cuts right by seniors before their plans can be analyzed.

Many Republicans are claiming that Medicare is going broke, which is simply not true. Medicare is more solvent today than it has been in a long time. The trustees report show that definitively.

As a matter of fact the trustees have spoken out against the Republican plans in a commentary entitled, "Rehabilitation Needed, Not Surgery," which was printed in the Los Angeles Times. I would like to submit this commentary for the RECORD.

The article outlines the fact that the Republicans did not stumble onto something new regarding the question of Medicare solvency.

In the last 20 years, the trustees reported several times that Medicare would run out of money in 4 years or 6 years. The recent trustee report extends solvency to an all-time high of 7 years, 1 more year than was the case last year. I wonder why Republicans did not raise this issue last year, when health care reform—to increase health coverage—was the biggest issue of the year?

Throughout the last 20 years questions of solvency have been raised and Congress worked together making the minor adjustments necessary to maintain Medicare's funding. Congress can work together again, if Republicans will drop their $270 billion Medicare cut.

The trustees go on to say that the Republican's Medicare cuts are excessive, citing that "It is not necessary to cut benefits to ensure the fund's solvency." I believe the true motivation behind the largest Medicare cuts in history is giving the better-off a big tax cut. Republicans first propose taking $270 billion out of Medicare and then call it reform.

Seniors in New Jersey realize what is really happening. They are being asked to come up with more than $1,000 a year in out-of-pocket costs in order to finance a tax cut largely for the wealthy. It is simply not fair and those of us who care about seniors must fight to kill this terrible Republican proposal.

The article referred to is as follows:

[From the Los Angeles Times, Aug. 28, 1995]

REHABILITATION NEEDED, NOT SURGERY

(By Robert E. Rubin, Donna E. Shalala, Robert B. Reich and Shirley S. Chater)

Our nation is involved in a serious examination of the status and future of Medicare. Congressional Republicans have called for $270 billion in cuts over the next seven years, claiming that Medicare is facing a sudden and unprecedented financial crisis that President Clinton has not dealt with, and that all of the majority's cuts are necessary to avert it.

While there is a need to address the financial stability of Medicare, the congressional majority's claims are simply mistaken. As trustees of the Part A Medicare Trust Fund, which is the subject of the current debate, and authors of an annual report that regrettably has been used to distort the facts, we would like to set the record straight.

Concerns about the solvency of the Medicare Part A Trust Fund are not new. The solvency of the trust fund is of utmost concern to us all. Each year, the Medicare trustees undertake an examination to determine its short-term and long-term financial health. The most recent report notes that the trust fund is expected to run dry by 2002. While everyone agrees that we must take action to make sure that the fund has adequate resources, the claim that it is in a sudden crisis is unfounded.

The Medicare trustees have nine times warned that the trust fund would be insolvent within seven years. On each of those occasions, the sitting President and members of Congress from both political parties took appropriate action to strengthen the fund.

Far from being a sudden crisis, the situation has improved over the past few years. When President Clinton took office in 1993, the Medicare trustees predicted the fund would be exhausted in six years. The President offered a package of reforms to push back that date by three years and the Democrats in Congress passed the plan. In 1994, the President proposed a health reform plan that would have strengthened the fund for an additional five years.

So what has caused some members of Congress to become concerned about the fund? Certainly not the facts in this year's trustees report that these members continually cite. The report found that predictions about the solvency of the fund had improved by a year. The only thing that has really changed is the political needs of those who are hoping to use major Medicare cuts for other purposes.

President Clinton has presented a plan to extend the fund's life. Remarkably, some in Congress have said that the President has no plan to address the Medicare Trust Fund issue. But he most certainly does. Under the President's balanced budget plan, payments from the trust fund would be reduced by $89 billion over the next seven years to ensure that Medicare benefits would be covered through October 2006—11 years from now.

The congressional majority's Medicare cuts are excessive; it is not necessary to cut benefits to ensure the fund's solvency. The congressional majority says that all of its proposed $270 billion in Medicare cuts over seven years are necessary. Certainly, some of those savings would help shore up the fund, just as in the President's plan. But a substantial part of the cuts the Republicans seek—at least $100 billion—would seriously hurt senior citizens without contributing one penny to the fund. None of those savings (taken out of what is called Medicare Part B, which basically covers visits to the doctor) would go to the Part A Trust Fund (which mostly covers hospital stays). As a result, those cuts would not extend the life of the trust fund by one day.

And those Part B cuts would come out of the pockets of Medicare beneficiaries, who might have to pay an average of $1,650 per person or $3,300 per couple more over seven years in premiums alone. Total out-of-pocket costs could increase by an average of $2,825 per person of $5,650 per couple over seven years. According to a new study by the Department of Health and Human Services, these increases would effectively push at least half a million senior citizens into poverty and dramatically increase the health care burden on all older and disabled Americans and their families. The President's plan, by contrast, protects Medicare beneficiaries from any new cost increases.

As Medicare trustees, we are responsible for making sure that the program continues to be there for our parents and grandparents as well as for our children and grandchildren. The President's balanced budget plan shows that we can address the short-term problems without taking thousands of dollars out of peoples' pockets; that would give us a chance to work on a long-term plan to preserve Medicare's financial health as the baby boom generation ages. By doing that, we can preserve the Medicare Trust Fund without losing the trust of older Americans.

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from Colorado [Mrs. SCHROEDER] is recognized for 5 minutes.

Mrs. SCHROEDER. Mr. Speaker, this year, as we celebrate the 75th anniversary of women's vote, our society has once again dusted off its perennial "women's question."

What do women want?

Well the events of this week, from the fight of women NGO's at the conference in Beijing to have their voices heard, to the fight of the brave Oregonian women who wanted simply to have a public hearing about Senator PACKWOOD's sexual misconduct, make one thing pretty clear.

Women want dignity and respect so that they have the same opportunities as men to achieve and contribute to their society.

Dignity and respect.

BEIJING CONFERENCE

Respect from Boutros-Ghalli, who won't even go the U.N. Conference on Women, but gives it as a consolation prize to a country who is on global probation for its dismal human rights violation.

Respect from Chinese for the democratic ideals that allow freedom of speech and freedom of assembly.

Respect from countries that practice traditions that degrade women. Examples: FGM; sold into the slavery of prostitution; doused with gasoline and burned to death because their dowries are deemed to small.

Respect in the workplace.

Which brings us to the Packwood case and the women who so bravely came forward with examples of Senator PACKWOOD's sexual misconduct.

This summer I met with 4 of the 17 women who brought the complaint against Senator PACKWOOD. They spoke of their outrage with Senator PACKWOOD's abuse of power. They said his behavior was "demeaning, disrespectful, and humiliating to those who are the victims."

As Senator MCCONNELL said today, "There was a habitual pattern of aggressive, blatantly sexual advances mostly directed at members of his own staff or other whose livelihoods were connected in some way to his power and authority as a Senator."

I applaud the Senate Ethics Committee for standing firm and clearly saying, we will not tolerate this type of behavior.

I found the committee's vote a real sea change. No doubt about it—having more women in the Senate—especially women like Senator BOXER, Senator MIKULSKI, and Senator SNOWE who were willing to shake things up—helped to create this new climate.

The ruling is certainly shaking the foundations of the club. It's no secret that these guys have protected each other over and over again. The ruling is a signal that those days are over.

Most importantly, the vote shows that the Senate, and Congress, has evolved in understanding that women are in the workplace, and they deserve respect.

We tell private employers that this conduct will land them in court. Today, we tell elected officials, this behavior will kick them out of Congress.

Let this be a message for all public officials. You treat people who work for you with respect. They are not playthings, they are people. It all boils down to respect and dignity.

MORE BAD NEWS FOR AMERICA'S WORKERS

The SPEAKER pro tempore (Mr. HOEKSTRA). Under a previous order of the House, the gentlewoman from Ohio [Ms. KAPTUR] is recognized for 5 minutes.

Ms. KAPTUR. Mr. Speaker, tonight I want to talk about another company in our country and more bad news for America's workers as a result of NAFTA, the $20 billion trade loser. This time the damage comes from Topeka, KS, where workers at the Flexel cellophane plant are being forced to take another pay cut, this time for 11 percent. This was reported in the August 31 issue of the Capital-Journal, which is their local newspaper. That means for a worker in that company making $8.50 an hour they will now have their pay cut to close to $8 an hour, and all this has happened after a wage freeze at that company that has been in effect since 1991. In fact, workers at Flexel have seen their wages drop from $13 an hour 5 years ago now to the current proposal to ratchet them down even more, to $8 an hours.

What has been happening to cause this ratcheting down of U.S. worker wages? Mexican-based cellophane manufacturing plants have been increasing their penetration of the United States market to nearly one-fifth, or 20 percent, of our marketplace, up from only 3 percent 4 years ago. Our workers are being forced again to compete against multinational companies that can set up shop anywhere on the globe in order to seek the lowest wages possible along with no environmental enforcement. In Mexico workers at those relocated cellophane plants earn about 50 cents an hour, and that is where America's wages are headed, my friends, and did you notice that the price of cellophane has not dropped in our grocery stores? You can figure out who is making the money off workers on both sides of the United States-Mexican border.

It is time to cancel NAFTA, go back to the drawing boards and reshape it, and stand up for the hard-working families of our continent who all are being taken to the cleaners, and, if I might quote from a retiree from that particular plant in Kansas, he tells us a little bit about what the story is in that community. He said originally du Pont company built what was then called the Tecumseh cellophane plant and brought it on line in 1958, and back in those years that was the fifth plant in the United States making cellophane.

Mr. Speaker, the news articles I will include in the RECORD indicate that there are only two left in this country.

This worker went to work for that company in 1964 and retired in 1985. He says when he retired from the plant it was the last plant operating for du Pont in the United States making cellophane. About 1 year later it was sold to this owner, Flexel, out of Atlanta, GA, and when he left the company back in 1985, he was making just over $12 an hour. Mr. Speaker, he wrote me because he was shocked to find 10 years later the workers in that plant were making so much less. He said:

> Ms. KAPTUR, the imports from Mexico have had an impact on this plant and its workers, and I'm concerned because I still have a lot of my friends working there. Unfortunately all those workers in the United States and the low-paid workers in Mexico will gain no fairness, they will gain no equity, because there is nothing in the trade agreement that tries to compensate for the difference in living standards, political standards, and environmental standards between these two adjacent nations.

So, Mr. Speaker, this evening I will be submitting into the RECORD the entire story of what has happened in Topeka, KS, one community in our country that understands well the impact of footloose multinational corporations and what happens when the Government in Washington falls asleep and fails to protect the workers of this continent.

[The articles referred to are as follows:]

[From the Capital-Journal, Aug. 31, 1995]

PAY CUT OF 11 PERCENT GOES INTO EFFECT ON MONDAY

(By Morgan Chilson)

An 11 percent pay cut will begin Monday at the Flexel plant in Tecumseh, company officials told employees Wednesday.

Pay cuts are part of a company-wide plan to reduce costs because of increased global competition and declining demand for cellophone, said Gerry Broz, site manager at the plant.

Broz also stated adamantly Wednesday that reports from employees that company officials walked out on negotiations with Amalgamated Clothing and Textile Workers Union, or UNITE, last week were "completely inaccurate."

"After almost 10 months of good-faith bargaining and agreement on most issues, the company submitted a final proposal last Thursday calling for an 11 percent pay cut and work-rule changes that would lead to additional cost savings," Broz said.

Broz told employees in meetings Wednesday that Flexel and the union deadlocked over the issue of wage concessions.

Flexel officials opened financial information to a union auditor in the spring so employees would understand the economic difficulties facing the company, Broz said. Despite that, employees continued to ask for a five to 10 percent wage increase, he said.

Broz didn't elaborate on what the additional money saving measures were, but employees highlighted the loss of premium pay or Sunday time-and-a half pay.

The cuts change several regulations, such as what happens when an employee goes home from work sick, according to Randal Carnegie, an employee at Flexel who attended a morning meeting Wednesday.

"On the original program, if you get sick and if you work over two hours and you go home after that two hours, you get eight hours pay," Carnegie said. "They've done away with that."

Carnegie said the company also will no longer pay for annual physicals for employees. That expense will be out-of-pocket for the portion insurance doesn't cover, he said.

For employees on full-time disability, the company will not begin payment of disability pay until after four days and then only with a doctor's excuse, Carnegie added. Disability pay did start the first day off work, he said.

Carnegie, who has been working at Flexel for one year, makes $8.50 an hour at the plant. His hourly wage will drop to $8.04 an hour under the new cuts.

A source familiar with the negotiating process who spoke on the condition of anonymity said the average base wage at the plant has decreased since 1993 to $12.78 per hour. An 11 percent decrease would lower that average base rate to $11.37.

The plant employs over 240 employees, the source said. The base wage has gone down from the 1993 average salary of $13.66 per hour because of lower starting wages, the source said.

Flexel Corp., based in Atlanta, owns the two remaining cellophane plants in the United States, the one in Tecumseh and one in Covington, Ind.

The Covington plant felt its share of cutbacks in April, when about one-third of the plant's 345 employees were laid off, according to reports published in the Commercial News in Danville, Ill.

That newspaper reported 20 salaried and 80 hourly employees were laid off.

The last time employees were laid off at the Tecumseh plant was in 1989, when 12 salaried employees and 30 temporary employees were laid off.

"We don't want to cut Tecumseh wage roll jobs because we want to keep Tecumseh production levels high," Broz said. "So we have no choice but to cut wages."

Carnegie said many employees believe other cost-cutting measures weren't researched. For example, he said, workers currently are paid for lunch shifts and if that policy could be dropped, it would save the company 2.5 hours per week per person.

Broz said it is untrue that other cost-cutting measures haven't been considered.

FLEXEL WORKERS FACE PAY CUT

Mandatory employee meetings today at Flexel Corp. will determine what options are left for members of the Amalgamated Clothing and Textile Workers Union of America after negotiations with management came to a halt last week.

Employees of Flexel, one of two remaining cellophane manufacturing plants in the United States, voted in October 1994 to join ACTWU and then began working with Flexel's management to negotiate a contract. It never got that far.

Last Thursday, members of the management negotiating team walked out of negotiations after leaving their only offer on the table, a source familiar with the negotiations said Tuesday on condition of anonymity.

Jerry Broze, site superintendent at the Flexel plant in Tecumseh, said the company would comment today on labor negotiations.

The source said Flexel's offer involved a reduction of $1.4 million, which amounted to an 11 percent pay cut for employees. When totaled in with other aspects of the offer, including no more premium or overtime pay for working on Sundays, employees would be taking about a 17 percent cut in pay and benefits, the source said.

"They basically put this crazy offer on the table and said it was because of their financial problems," said David Martinez, who has worked at Flexel for 16 years. He began with the company when it was owned by Du Pont. "We came through with a lot of suggestions of things that they could save money on. They just basically put that offer on and never negotiated anything in good faith."

Workers were told the new policies would be instituted Friday, and many think the mandatory meetings today will announce that plan.

Martinez said employees haven't received pay raises in more than four years, which has added to their disenchantment with management.

Wages were frozen in December 1991 at the average salary of $13.66 an hour, according to a report in 1993.

Martinez alleged poor corporate management was the reason for the company's woes.

Martinez cited the purchase of a machine to make rubber gloves that is boxed and sitting in the warehouse unused as an example of poor decisionmaking by Flexel.

In previous years, management said the company experienced financial difficulties because of unfair competition from Mexico. Mexican companies export cellophane to the United States without paying a tariff.

In 1991, Lindsey Walters, president of the Atlanta-based Flexel Corp., said Mexican cellophane plants increased their penetration of U.S. markets to 18 percent from 3 percent during the previous four years.

OUTRAGEOUS THAT LONG ISLAND'S VOLUNTEER FIREFIGHTERS MUST TAKE VACATION TIME FOR FIGHTING THEIR WORST EVER FIRE

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York [Mr. FORBES] is recognized for 5 minutes.

Mr. FORBES. Mr. Speaker, many of us in this Nation for many years have heard about the values of volunteerism. Our own President of the United States came up with a program where he thought we ought to pay volunteers in a program called national service. Tonight I want to address the floor for the purposes of talking about some tremendous individuals who work for the Federal Government. They are the postal workers of this Nation, the men and women who deliver our mail and the people like in my own village of Quogue, Long Island, where we go down to the mail and the employees in the post office are our friends there. They are our neighbors. They donate time to their communities, and a large number of these postal workers on Long Island also happen to be volunteers in the local fire company, volunteer firefighters.

Last evening I addressed this floor and talked about the recent fire on Long Island in which over 5,000 volunteer firefighters made a tremendous contribution. They saved our property, they saved our communities. At threat during that fire could very well have been the local post office in Eastport, the local post office in Speonk, the local post office in West Hampton, Long Island, NY. All of these facilities, had they burned, would have cost the taxpayers many, many dollars to replace these fine postal facilities.

I am forced to come to the floor this evening because of an outrageous incident that I have learned involving the U.S. Postal Service. The postal employees who are our friends, many of our relatives, our neighbors, on Long Island who donated their time to fight the worst fire in Long Island history are now being told by their supervisors at the Postal Service in Washington that they are going to have to take vacation time to cover their absence from work to fight the worst fire in Long Island history. Mr. Speaker, I find that outrageous, I find that the worst example in government of bureaucratic mumbo-jumbo gobbledegook that serves no reasonable purpose. We have small employers on Long Island, delis, Main Street merchants, who can ill afford the loss of an employee for a full week, and yet these smallest of businesses are paying their employees who had to leave the business to go fight the fire.

□ 1915

These volunteer firefighters are the best example of volunteerism, of courage, of bravery, and I find it outrageous that the United States Postal Service, the supervisors in Washington, have deemed them not worthy of being paid while they fought to save our communities.

Mr. Speaker, it is outrageous. I attempted to reach the Postmaster General of the United States, but I was told he was in Hawaii, and he has been there for about a week, and he is jetting home to Washington as we speak. I am hopeful that we can convince the Postmaster General and the hierarchy of the United States Postal Service that when men and women give up their time, thousands of hours to train themselves to stay up in the latest techniques in fighting fires, that they ought to be paid when the community is at risk, such as our communities on Long Island were at risk. I find it outrageous, as I have said repeatedly, that the United States Postal Service in Washington does not deem the volunteerism of its own postal workers in this time of need as worthy of reimbursement for their time away from the post office.

Mr. Speaker, I encourage the United States Postal Service to rethink its position, to pay the employees of the Postal Service who gave of their time to save our communities during the fire, and I ask them, again, to reconsider their position.

THE TRUTH ON MEDICARE

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Georgia [Mr. KINGSTON] is recognized for 5 minutes.

Mr. KINGSTON. Mr. Speaker, I just wanted to discuss a couple of items tonight. A previous speaker on the other side of the aisle actually stood in the House Chamber just minutes ago and said that there is no problem with Medicare, that Medicare is not going bankrupt. I just find that unbelievable, that somebody would be still arguing about the April trustees' report, when it was offered by Clinton appointees, including Secretaries Shalala, Reich and Rubin, who are all appointed by Clinton. They are his right arm, for crying out loud. Drawing partisan lines on a trustee report that really is a Democrat report. I am flabbergasted, after a month back in the district talking to senior citizens, that somebody is at that stage of the debate.

The stage on this side of the aisle, number one, is that this is a bipartisan problem. People that get Medicare, they do not care if they are Democrats or Republicans who are writing the legislation. They want health care.

We are not going to get into a partisan debate on Medicare. What we are going to do is try to preserve and protect it so that it will be there tomorrow, and we are going to try to slow down the rate of increase. Medical inflation on average is about 4.5 percent. Medicare growth has been 11 percent. We are going to increase the benefit to each recipient from about $4,800 to $6,400. So the door is open. Any ideas from either party are welcome, but we are going to solve this problem in a bipartisan way. We are going to simplify Medicare, and protect and preserve it.

The gentleman from the 9th District of Georgia [Mr. CHAMBLISS] joins us, and I yield the floor to him.

Mr. CHAMBLISS. Mr. Speaker, I too am just somewhat flabbergasted by the comments made by the previous speaker from the other side of the aisle regarding the cuts in Medicare. He made one statement that Medicare is more solvent today than it has been in a long time. We had problems with it in the past and the reaction of this Congress was to make minor adjustments in the Medicare program.

Well, what the Democrats consider as "minor adjustments" is raising taxes. That is not what the American people want. The American people want a solid program with solid funding, not a program that is a runaway program that requires raising taxes to fix it.

Congress must act responsibly. We are charged by the American people to take a program like Medicare, to reform, revise, and improve that program to where we take money from the taxpayers and we spend it wisely. When it comes time for folks to receive the benefits of Medicare, they ought to be able to receive those benefits without the necessity of raising taxes.

Mr. KINGSTON. If the gentleman will yield, we actually raised the taxes on Medicare in 1993. All that did is postpone the bankruptcy I think three to six months. So raising taxes is not the solution.

On the subject of taxes, I wanted to say this. We are going to have some important tax debates coming up on flat tax and consumption tax. The average American family in the 1950's paid 2 percent Federal income tax. The average American family today pays 24 percent Federal income tax. During that period of time, the State and local and other Federal taxes have increased to the extent that middle class families now are paying about 40 to 50 percent taxes, while the real wages have fallen. One of the biggest crises in America today is that the middle class are working their tails off just to stay in place. In many cases they are not even breaking even. So tax increases year after year are anything but the answer. We have got to increase the real wages and increase opportunities and jobs for people.

Mr. CHAMBLISS. It was interesting too that the previous speaker stated that we as Republicans are providing tax cuts to middle class America, and those tax cuts are being given at the expense of Medicare recipients. That is absolutely not true. What he did not tell the folks is that Medicare is a trust fund. Payments that are received by the Federal Government from taxpayers for Medicare go into a trust fund. Those funds can be used only for Medicare beneficiaries.

Tax cuts have no relationship to Medicare trust funds. The tax cuts being given to middle class America are being given to those folks you just talked about, the folks who are hard working, scraping by day-to-day to make a decent living for their families. Those are the folks that are going to receive the benefit of the tax cuts that are going to be put in place. That has absolutely no relationship to Medicare.

Mr. KINGSTON. Mr. Speaker, I think the point the gentleman has also made on taxes is that in reality we have not passed a tax cut. We have not really passed anything, because the House, while it has done all kinds of work, all kinds of reform legislation to reduce the size of government and the micromanagement out of Washington, legislation which has increased personal responsibility and increased personal freedom, these great pieces of legislation have not moved in the other body, nor have they been signed by the Executive Branch. Here we are coming into a rude awakening October 1st.

AMERICANS WANT CHANGE NOW

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Florida [Mr. SCARBOROUGH] is recognized for 5 minutes.

Mr. SCARBOROUGH. Mr. Speaker, I went home for the August recess and a funny thing happened before I went home for the August recess. I listened to all these political pundits in Washington, read Wall Street Journal articles that said this is the most revolutionary House of Representatives session since Reconstruction. I heard people telling us day in and day out we were too radical, revolutionary, too extreme, we were moving too fast.

Then I went home, and I held 30 town hall meetings across my district. I made over 100 speeches across my district. I talked to editorial boards, I went on talk radio, I went on TV. I worked my district for over 30 days and talked to more people in my district than I bet any other elected official has ever worked the district in 30 days in northwest Florida, and the message I got from them was quite different than the message I get from reading the Washington Post or listening to Peter Jennings.

They said what are you doing up there? Nothing is happening. You guys need to push it forward. You need to push change. We sent you up to Washington, DC in November to make a difference and make a change. Now, do something.

I will tell you, it was a rude awakening. It shows how there is an incredible disconnect between Washington, DC speak and what people in middle America are saying, and in the area that political pundits consider fly-over space between Washington, DC and Hollywood, CA.

Let me tell you something: The same voter anger that was out there in November of 1994 is still out there in August and September of 1995, and the Americans want us to move forward with our revolutionary agenda.

Now, they say it is revolutionary. I am going to tell you, I do not think it is revolutionary to balance the budget. I do not think it is so radical for the Congress to only do what middle class Americans have done for over 200 years, and only spend as much money as they take in. I do not think it is radical to cut burdensome regulations. I do not think it is extreme to give people their money and their power back.

What is so extreme and revolutionary to adhering to the Constitution? If the 10th amendment tells us that the Federal Government can only do what the Constitution specifically says it can do, and then the rest of the powers are reserved to the people and to the States, that ain't revolutionary by 1995 standards. Let us quit lying to the American people. That may have been revolutionary back 230 years ago, but let me tell you, it is constitutional mainstream thought today. The American people have realized it. I am just wondering when everybody else inside the beltway is going to realize it.

I will tell you, my feeling is if that is revolutionary, then count me in. We have got to cut taxes. We have got to balance the budget. We have got to slash regulations. My residents are telling me get us out of the United Nations and get the United Nations off American soil. They say cut corporate welfare. They say get the IRS off our backs. They say do something, make something happen, make a difference.

Well, let me tell you something. I came up here and I was fired up. I said man, I cannot wait to get up to Washington, DC. I have not felt this fired up in over a year since before I came up here and campaigned to get into Congress the first time.

Then the first day back, I have Commerce Secretary Ron Brown come to my committee and testify under oath, under oath, that there is not a penny of corporate welfare in the Department of Commerce budget and that we should not abolish the Department of Commerce.

Let me tell you something, that is perjury. Plain and simple, that is perjury. The Department of Commerce is stocked with corporate welfare. Everybody in this body knows it. The corporations that get their windfalls from it know it. Bill Clinton knows it, Ron Brown knows it, the administration knows it.

We need to abolish the Department of Commerce. There is a plan coming before this house that is passing through committee that it needs to be abolished. We need to stop handing out corporate welfare, and we need to get Ron Brown, Bill Clinton and the Democrats in this House to support our bill. Abolish the Department of Commerce.

Then we need to move on and abolish the Department of Education bureaucracy, set up in 1979 as a political payoff to the teachers union. We have gone from spending $14 to $33 billion on education in the last 15 years and what has it gotten us? Declining test scores, an increase of violence in schools and dropout rates, and an increase in all the things we do not want. It is micromanagement from Washington, DC.

When are they going to learn inside the Beltway that Washington, DC cannot micro-manage every single problem across America? We were sent up here to make a difference. We need to stay focused and make a difference, because Americans want change.

Mr. Speaker, that is what we are going to deliver to them.

THE APPROPRIATIONS PROCESS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Georgia [Mr. CHAMBLISS] is recognized for 5 minutes.

Mr. CHAMBLISS. Mr. Speaker, I will continue my dialogue with my friend from the First District of Georgia, Mr. KINGSTON. We want to talk for a minute about the process we have been going through here in Congress for the last couple of weeks before the recess and a couple days since we have been back, and that is the appropriations process. We have been taking the money that is received by the government from the taxpayers and deciding exactly how that money ought to be spent, which departments ought to receive what amount of money, what programs ought to be funded, and what programs ought not to be funded.

One thing that we have done, we have made severe cuts in Federal spending. We are going to continue to make severe cuts in Federal spending. We are not going to accomplish all of the cuts that need to be made in this session of Congress, but we have made a giant step in the right direction.

The gentleman from the First District of course is on the Committee on Appropriations, and he may want to address some specific items we have dealt with over the last couple of years.

Mr. KINGSTON. What we have done is we have eliminated, where we can, we have consolidated, we have reduced, and, in spending we have increased in others, tried to hold the line on. But, for example, there are 163 different Federal jobs training programs, 240 Federal education programs; there are 30 different nutrition programs. Clearly some of these can be eliminated or consolidated so that we can get more money to the needy, where that is required, and balance the budget more than anything.

Out of the 13 appropriations bills we have passed, 12 of them in the House, they all move us toward a balanced budget by the year 2002. I wish, and I know you do, I wish we could do it sooner. But we are working on the process. For the first time ever, when we pass that last appropriations bill, the DC appropriations bill, we have passed a budget that moves towards a balanced budget with a clear ending in sight.

Unfortunately, as you have pointed out, the folks on the other side of the Capitol, the other body, have not passed a lot of the legislation because not only are we trying to balance the budget, but we are trying to reduce the bureaucracy, reduce the micro-management out of Washington, the regulatory burden, and so forth, and increase personal responsibility. They have not done a thing over there, not one thing.

On October 1 the fiscal year ends, and the Federal budget, it is time for a showdown. It has been called up here the great train wreck will be coming, but I think it is going to be the rude awakening or the reality check. Do you want the status quo to continue? The President is going to make that decision. Should the Government continue or is he going to want to shut it down?

□ 1930

Mr. CHAMBLISS. Spending has been out of control in Congress for too many years now. We have not had a balanced budget in 25 years. We run the largest business in the world right here in this Chamber. And if any member of the business community across the United States ran their business like Congress has been running the business of this country, they would not last 60 days. It is time we put responsibility back in government. That is one thing that November 8 was all about.

Mr. KINGSTON. Just to underscore what you are saying, when Price Waterhouse came in to do the audit, it was Price Waterhouse that came in, they could not audit the House books. There were too many old-ball ways of doing business. So too many——

Mr. CHAMBLISS. Too many pockets full of money out there and too many strange-looking expenditures of tax money.

But we have done things like today, I was extremely proud that we passed a defense appropriation bill today. I am a member of the Committee on National Security. We have worked extremely hard over the last 7 months, 8 months to put together a defense bill that ensures that we will always be the world's strongest military power. We are the world's greatest country because we are the world's strongest military power. I was very pleased today that that defense appropriations bill passed by a large bipartisan margin. I think we are going to get the military in this country back on the right track because we have cut the defense budget every year for the last 7 years. We have now restored the money. More importantly, we are spending the money from a defense standpoint where the money needs to be spent.

Mr. KINGSTON. Well, it is interesting to note that part of the debate today was interrupted for a Joint Chiefs of Staff briefing to Members of Congress on Bosnia.

It is still a very dangerous world. I believe the military budget is still down 30 or 40 percent of what it was 10 years ago. We are at $244 billion, I believe it was up to about $250 billion. I am not 100 percent sure on those numbers offhand. I have them in my office, but I know that the military budget has fallen tremendously from where it was in the mid-1980's.

Mr. CHAMBLISS. And there were some reasons why that should happen. As the cold war with Russia has come to an end, it is time to downsize the military, to get it down to a more manageable figure and something that we can afford. That has been true over the last several years. That is one reason the Defense Department budget has been reduced.

PLANNING FOR AMERICA'S ECONOMY

The SPEAKER pro tempore (Mr. HOEKSTRA). Under the Speaker's announced policy of May 12, 1995, the gentleman from New York [Mr. OWENS] is recognized for 60 minutes as the designee of the minority leader.

Mr. OWENS. Mr. Speaker, yesterday I concluded some remarks related to the state of the economy and what it means to working people and members of labor unions. I hastily discussed a solution to the problem at that time. Today I would like to go back and do a more thorough discussion of the solution to the problem.

I laid out the problem yesterday. I think it is only fitting that we spend as much time discussing a proposed solution to it.

I do want to recapitulate a statement that started the whole process yesterday. That was a statement, I had read a series of statements that I had read from an article that was produced by Lester Thurow. It was an op-ed article in the Sunday, September 3, New York Times.

I was struck by the opening paragraph of that article. The opening paragraph I would like to quote again:

> No country without a revolution or military defeat and subsequent occupation has ever experienced such a sharp shift in the distribution of earnings as America has in the last generation. At no other time have median wages of American men fallen for more than two decades. Never before have a majority of American workers suffered real wage reductions while the per capita domestic product was advancing.

I think that is a very strong statement by Lester Thurow, who is a professor of economics at the Massachusetts Institute of Technology. He is just making a factual statement. But it is a very compact and focused statement that all of us ought to really think seriously about.

Mr. Thurow is not a progressive or liberal or politician. Mr. Thurow is an economist. Mr. Thurow I think has been on record numerous times as supporting free trade. He probably supported NAFTA and GATT. Mr. Thurow is not an ideologue. He is an economist, very much respected. Written about 10 books. He has been on the Hill at various hearings testifying numerous times before the Senate and the House, well respected.

I think it is important to take a look at that opening statement and some other things he says, including a statement at the end of his article where he talks about the family.

The traditional family—I am quoting Mr. Thurow again: The traditional family is being destroyed not by misguided social welfare programs coming from Washington, although there are some Government initiatives that have undermined family structure, but by a modern economic system that is not congruent with family values. Besides falling real wages, America's other economic problems pale in significance. The remedies lie in major public and private investments in research and development and in creating skilled workers to ensure that tomorrow's high-wage brain power industries generate much of their employment in the United States. Yet if one looks at the weak policy proposals of both Democrats and Republicans, it is a tale told by an idiot, full of sound and fury, signifying nothing.

So Mr. Thurow, the economist, professor of economics at the Massachusetts Institute of Technology, has sort of summed up the predicament of where we are, and he only touched on the solution. When he says we need a remedy in the area of public and private investment and research and development and in creating skilled workers to ensure that tomorrow's high-wage brain power industries generate much of their employment in the United States, I would like to begin at that point really today.

The question is, what are we doing? Mr. Thurow seems to think Democrats are not doing anything significant and also Republicans are not doing anything significant to deal with the remedy. We have a phenomenon which is very real. Everybody factually agrees that this is an unprecedented phenomenon. No country without a revolution or a military defeat and subsequent occupation has ever experienced such a sharp shift in the distribution of earnings as America has in the last generation.

At no other time have median wages of American men fallen for more than two decades. Never before have a majority of American workers suffered real wage reduction while the per capita domestic product was advancing. Our gross national product is advancing. The profits of our corporations are escalating. They have increased over the last 10 years. They are at record levels this year and last year.

We have a very productive economy. We have a very productive private sector, but all boats are not being lifted. In fact, at another point in his article, Mr. Thurow, Dr. Thurow says that the tide rose but 80 percent of the boats sank.

So we have a situation, the tide is rising, continues to rise, but the boats are sinking. The productivity is going up. The profits are going up. But jobs are being lost.

We hear numbers every month about the number of jobs created, how so many more jobs are being created. But it is a simple fact that almost everybody knows that the jobs that are being created are in the service sector at far lower wages than the jobs that are being lost. And every day there are new announcements of mergers and various new arrangements among the private sector, conglomerates, that result in a decrease in the number of jobs available, a downsizing and streamlining of jobs so people in large numbers are losing out as the economy overall advances. What do you do when America's gross national product is increasing, the profits are increasing, what happens, what has to happen?

Twenty percent, according to Mr. Thurow, among the men, the top 20 percent of the labor force has been winning all of the country's wage increases for more than two decades. So 20 percent are doing fairly well right now.

There is a danger though, because at another point Mr. Thurow points out that with our global economy where anything can be made anywhere and sold anywhere, the supply of cheap, often well-educated labor in the Third World is having a big effect on First World wages. So the men in that 20 percent are also threatened.

He points out with an example. Quoting Mr. Thurow: One month's wages for a Seattle software engineer gets the entire—gets the same company an equally good engineer in Bangalore, India, for a whole year. In other words, the Bangalore, India, software engineer will work for one-twelfth of the wages of the Seattle engineer, software engineer.

Educated, educated, high skilled, that is a new threat.

So to dwell on looking at the solution, we have unprecedented prosperity on one hand. The prosperity is defined as the gross national product increase, profits increase, private sector is booming. CEO's are making far more than they ever made. How do we deal with a situation where there is a great transition taking place? Yes, we cannot run back the clock. We cannot deny the global economy.

I do not think we should have moved as fast as we did on NAFTA and GATT, but the reality is that the global marketplace is taking hold. Reality is that capitalism is the economy of the present and capitalism will be the economy of the future. There is no alternative to capitalism. There are variations on it. The Chinese are moving toward a capitalism that is very different from the capitalism in America and the Russians are planning on a capitalism that is very, different.

The French practice a capitalism on an ongoing basis that is very, very different. There are differences, but basically capitalism is the way of the future. The market economy is the way of the future. Nobody wants to turn back the clock. I do not think they have the power to turn back the clock. But how do you operate within the situation that exists? It is the reality, and what is the creative approach to this reality?

One creative approach of course is to move to capture a portion of the resources of the productivity, of the profits and use a portion of those profits to fund, to finance a transition. We hope that, as it has been in the past, of an industrial revolution, we hope this information age revolution will also over time work itself out.

Nobody can predict what capitalism is going to do. Nobody can predict the future with any certainty. It is not planned, capitalism is not planned. So we have to depend on the same kind of phenomena that developed in the industrial revolution and hope that it is going to work itself out over time.

Over time, we are going to have things happen which we cannot even predict now. But we know we are in a transition right now. We know that for the last two decades the wages of American men have fallen. We know that for the last two decades, only 20 percent of the labor force has benefited from the economy and that fewer and fewer of them are included in the big economic boom that is going on now. So how do we handle it?

We have to finance a transition. We have to realize, this is the transitional period, this is the period where large numbers of people are beginning to feel the pinch. Large numbers are suffering. This is a period where the trend is pretty clear. More jobs are going to be lost over the next year or so.

There may probably be an escalation of the number of jobs that are lost in middle management, of the number of jobs that are loss in clerical pursuits, of the number of jobs that are lost in semi-skilled factory work because the gains of computerization and automation eliminate those people first.

The irony of it is that you may have unskilled workers having more opportunities in a few years than the highly educated. The educated people, you may reverse this whole thing. The service people may be able to drive their wages up because the supply of service people especially in services like plumbing and electricians and a number of service people may find that they can command higher and higher wages because there is a greater need for them and they cannot be replaced.

□ 1945

You cannot move their jobs overseas. If you are going to build houses, you cannot take a carpenter's job and take it overseas and build housing, if you are going to install plumbing, et cetera.

There are some jobs that will be able to make some demands, but the largest number of people are employed in manufacturing jobs, in big financial organizations, the clerical jobs, et cetera. They are definitely, the trend is obvious, going to be without jobs.

How do we deal with this transitional period? It may last for 10 years, it may last for another 20 years, but definitely we are in a transitional period.

It is not the job of the private sector to deal with this problem. The private sector is in business to make money. Capitalism, they may have ads on the television that say that they exist to make America great, they exist to improve life for humankind, and you have all heard the ads for General Motors and General Electric and Archer Daniels Midland. They all have an image to project, to make it appear that one of their primary concerns is the fate of humankind or the comfort of the Nation.

Those are all auxiliary concerns. I will not question their motives, but they do not pretend that that is their primary business. Every private sector enterprise is in business to make money, to earn profits, and they are driven by the need for profits.

It does not matter how prosperous they are, they cannot afford to let competitors get ahead of them in terms of their profit margin. It only spells trouble down the road. Even IBM slipped and stumbled. You can never get too big in the private sector, in the capitalist economy, so big that you are secure.

We cannot criticize private industry for making profits. Let us get off the sentimental trip of expecting private industry to take care of the needs of the people. Private industry is not responsible for providing an economy which is fair and just. Private industry is not responsible for providing job training. It is the Government.

We are elected officials, Congress Members, Members of the Senate, Members of the House, members of the State legislatures, members of the city councils, the mayors. We are elected to look after the general welfare, to provide for the general welfare. It is our duty.

If that means that we upset some of the profitmaking enterprises, that we upset the corporations, that we upset the people who are generating the wealth in some way, then so be it. It is our duty to take care of the general welfare.

Only elected officials have that duty. Corporations do not have that duty. Corporations would not be able to exist if they assumed that duty. Whatever they say, attempt to project to confuse us, they are not concerned with the general welfare except as a peripheral issue.

If we are responsible, if the President of the United States is responsible for the state of the American economy, and the Congress and all the other elected officials who make decisions about the lives of people and who are responsible for keeping our society going, then we must take action to deal with a transitional period where things are happening that never happened before.

We never saw prosperity before which was not shared by all of the people. We never saw prosperity before which did not automatically trickle down. This trickling down stopped some time ago. According to Mr. Thurow, we have been in this predicament for two decades now, 20 years. We are still talking about trickle-down economics.

We are still talking about giving big tax breaks to corporations, letting them invest in activities which create jobs. Well, they invest, but they may make their investment in more machinery, more automation, more computerization, or they may make their investment overseas. Wherever the profits will be highest or whatever actions produce the highest profits is what they will do. That is what they are paid to do, but they must look at the situation and say, what can we do in this situation?

One of the things that we have to do is look at taxation policies, because only through gaining more revenue will we be able to finance a transition period. I am sorry, that is one way. One way to finance a transition period is to streamline expenditures, change our expenditures and our priorities, and use the money that we save in Government from changing the priorities and from eliminating waste to finance a transition period agenda. The other way is to reach into the area of prosperity, the corporate sector, and get more revenues to deal with the crisis that we face.

Of course the knee-jerk reaction of both parties is that this is a tax-and-spend liberal you have got talking to you, this is a tax-and-spend liberal who wants to go after more taxes. How dare anybody propose more taxes.

Well, this particular liberal says we need less taxation in the area of income tax on families and individuals. In 1943 families and individuals were paying 27 percent of the total tax burden. Corporations in 1943 were responsible for 40 percent, 39.8 percent of the total tax burden.

So corporations over the period since 1943, to the present, have been able to manipulate the tax laws, or they have been able to convince and to do whatever is necessary to get Government decisionmakers, most of them on the Committee on Ways and Means of the House or the Finance Committee of the Senate, and the rest of us who vote for the things that they bring to the floor. When the Committee on Ways and Means comes to the floor, they will not allow any amendments.

It is very difficult to make any adjustments, but as a Member I cannot tell my constituents that I do not have some burden of guilt on me. Everybody who is a decisionmaker that allows this to happen is guilty. We have been guilty of allowing the American people to be swindled since 1943, because the amount of taxes being paid by corporations has gone steadily down to the point now where it is 11.1 percent of the total tax burden, while the amount of taxes paid by individuals and families has gone up from 27 percent to 44.1 percent.

We have created a reason for the American people to be angry at us, only you have to know how to focus your anger. You have a right to be angry about high taxes. The taxes are not fair, not just. Individuals and families are paying too much in taxes. You heard this from a liberal, a progressive. Corporations, on the other hand, have swindled us because they are paying far less than their fair share.

What we need is a balance of the tax burden. While we are trying to balance the budget, we should consider balancing the tax burden. We should not rush into this. There is no need to be revolutionary about it. Let us move it slowly and set as an objective an equalization of the tax burden by the year 2005.

I agree with the President's analysis that we should not rush things and remake Government in 7 years. Let us take 10 years to remake Government. Let us set a goal. Let us say that by the year 2005, we are going to balance the tax burden and have corporations paying an equal amount of the tax burden with individuals and families. If you set that kind of goal and follow it, you can only win the praises of the people because that means taxes come down for families and individuals. It means that nobody can make the charge of tax-and-spend when it comes to families and individuals certainly. It means that fairness will relieve American families of a burden and the people who are making the money, the corporations are making the money, there is no relationship between their profits and the number of people who are working. The number of people that are working goes down, people are making as individuals and families less money, corporations are making more money, it is only fair, and even if they were not, it would only be fair that we balance off the tax burden.

Why in 1943 was it the opposite? Why was almost 40 percent of the tax burden being carried by corporations and only 27 percent by individuals? And why now is it so out of balance? It went down even as low as 8 percent under Ronald Reagan in 1982. Eight percent was the portion of the burden being borne by corporations while individuals at that time were still at 44 percent. So you have a situation where part of the solution is we need more revenue directed at job training and education. That is the obvious way. There may be some other things that can be done to solve the present problem. We need more revenue directed at job training and education in order to be able to get out of the present bind where the workers and individuals of this Nation are slipping further and further behind while the corporate sector, 5 percent of the population, is going ahead with higher and higher profits.

A just solution is the duty of the people who are elected, the President, Members of Congress, Members of the Senate, we have a duty to solve this problem. I see no other way to solve it unless you have the resources to solve it with. What would you do with the resources that you gained from raising taxes on corporations? You would use it to make an unprecedented education system in this country, an education system which nobody can sit and predict what the components should be, but we could begin a process of working at it with research and development, with implementation of experimentation, with the application of computerization and automation and all kinds of new things which would help enhance the education system, an education system for tomorrow that is unlike any that exists now in Japan or Germany, that is not the way to go. We need an exciting classroom that captures the attention of young people and holds them. We need a classroom that can put a youngster who is a slow learner off into a corner and by use of some kind of repetitive action, either by a computerized program or a videotape that he responds to interactively, there are a number of things underway now which offer the answer for the future. We need all of those things. We need to have every American school have whatever is available. We know that computerization requires that students be computer literate for tomorrow. We know that already. So there should not be a school in the country that does not have an ample supply of computers.

Oh, they cost a lot of money, we might say. Let us get whatever money we need to do that by cutting waste, setting priorities differently, and by raising new revenues where we need them. Those are the two approaches that we should follow.

It is doable. The American people have to say it must be done. The American people have to say, we are angry and we know what we are angry about. We are angry and we are angry at Government. We are angry at elected officials and we have good reason to be angry at elected officials.

People say, well, why are they not angry at corporations? The corporations took their jobs. That is a waste of energy. Corporations are in business to make money. Therefore, you have to turn to your elected officials and say to the elected officials, you have to hold the corporations in line in terms of their responsibilities, and their responsibility, the major contribution they can make, is to generate more revenue where revenue is needed in order to finance a transition period while we deal with the problem of a declining standard of living of American families and American workers.

Herein lies the solution. I think we need to appoint a tax commission, a commission on creative revenues. I think we ought to have a commission similar to the base closing commission, some kind of objective group of experts who would come back to the Congress and the President, and we would have the final say, Congress has the final word on the base closings commission. For years we could not close bases, for years, they were an inefficient, wasteful operation out there and it has not been totally solved. The base closing commission has problems, it is not perfect, but we are moving at a much more reasonable, scientific, logical way to close down bases than we ever did before. Hard decisions are being made by the base closing commission in connection with elected officials. Let us have a creative revenue commission that does the same kind of thing. Instead of relying on the Committee on Ways and Means, which has sold us out, which has swindled the American people since 1943, since the corporate sector started getting greater and greater breaks, paying less and less taxes and the individuals and families started paying more, you have a situation where our interests were not being served by the Ways and Means Committee or the Senate Finance Committee. The political process has broken down.

□ 2000

And it seems never to be able to get itself together again.

I do not have any faith, there are no proposals on the table to give you any reason to believe that it is going to start self-correcting. In the absence of self-correcting, we need outside forces. We have brilliant people in America that could be a part of a creative revenue situation.

Let me say to every State and every city that you have a similar problem and many States now have surpluses and are prosperous. Many cities are prosperous, but have little surplus. But there are an equal number or a majority of cities across the country who are struggling to make revenues and expenditures balance, so cities are in great trouble.

There are a number of States in great difficulty in terms of making revenues and expenditures balance, so you have the same problem.

There ought to be a clear message sent out to liberals and to progressives, and the people on my side of the aisle, Democrats, whatever name you want to take or want to be called, we need to preoccupy ourselves. We need to focus far more on revenue. Revenue policies and tax policies have been neglected by the progressives and the liberals. We do not have any new ideas to propose.

We have not seen any new ideas for a long, long time. Somehow we think that that is the dirty part of it. We will just focus on the expenditures and set priorities and talking about people's needs, all of which are necessary.

People need Medicare, and we are going to fight hard to make certain that Medicare benefits are not cut. We are going to fight hard to make certain that Medicare premiums do not go up. We do not want senior citizens eating dog food in order to pay for their medicine and medical care. We are not going to change in that area.

Liberals will be liberals. The Nation cannot exist without us. We are going to fight hard to get the school lunch program back on track so that little kids will not have to sacrifice their lunches to balance the budget.

We are going to continue to do all of those, but some amount of energy must be addressed to the revenue question. In all of this, Ways and Means will be the star. Ways and Means will be on the front stage here in the Congress and across the country.

You have already budgets of cities and States that have made drastic cuts. Large numbers of people, say in the City of New York, in my district, have told me we do not want to make these sacrifices. We think we still need these services. We think that old people should have home care because home care makes more sense than nursing homes. We think that we should still have decent meals for elderly people because that keeps them healthy and it saves money in terms of hospital care.

And we want to continue our senior citizens programs. We want to continue our programs for young children and make certain that those immunizations take place. And if that means we have to have some outreach workers to make certain that certain kinds of people get those shots, then we want to do that. We want to continue.

But we realize the city is broke. We are willing to sacrifice. We know we have to give up something. If our city is broke, we want to be loyal and good citizens and understand.

My message to you in New York City, New York State, is, yes, we want to be understanding. We should never, never ever waste public money or private money. We should always be vigilant, and in the process of pruning the budget and making city government or State government or national government work efficiently and effectively as an eternal and ongoing process. Vigilance is necessary to make certain that every dollar that is taken in in revenue is spent wisely. That is necessary. We should do more in that area.

On the other hand, do not accept the idea, do not accept the propaganda that the city is broke automatically or the State is broke. In New York City, for example, the revenue possibilities are as great as ever.

New York City once had a City University that was completely free. No tuition was charged at all. That was during the Depression. During the Depression we had a free university; the revenue being generated was meager. But this was because the people who were in charge of the government, the decision-makers, the elected officials felt it was important, important to the people and the people in charge of the government, their families were the people who were going to those free universities.

Now it is a bit different. The power is in the hands of a different set of people, and they have imposed tuition, and they are now saying, we cannot keep going; we have to cut back. The result is that large numbers of people who qualify, students who qualify and should be in college will not be able to go to college. We do not have to make that sacrifice.

What the college professors in New York City should do is put their brains to work and talk to their students and link up with elected officials. In New York City you ought to have a discussion of creative revenue policies. What are the creative revenue policies to make us more aggressively take advantage of the fact that New York City is strategically located? It is strategically located and has a harbor, a shipping industry, is strategically located in terms of air lanes coming from Europe. There is a big volume of travel business from overseas that comes into New York City.

The city has been giving that away for decades. There is a Port of New York and New Jersey Authority. That Authority is an independent authority. That Authority pays interest on bonds. That Authority is run by people who have salaries which are twice the salaries of city officials or State officials, as most public authorities do. They do not have the same level of salaries as people who are public officials. They make decisions, often bad decisions, without any accountability to the taxpayers or the voters. And they have been doing that for years. They have been squandering money for years.

New York City citizens could be more aggressive in taking back the source of revenues generated for the Port Authority of New York and New Jersey. This is just one example that we have been talking about for years, but very few people have done anything about it.

We have a Republican mayor that I disagree with on a number of other things, but he has taken the initiative and he has made it quite clear he is not going to tolerate the continued swindling of New York City by the Port Authority.

New York City has a large tourism business, in fact, probably unequaled in the country. The largest industry in the New York City is tourism. This has not come home to most people. It has been happening for the last 10 years, but they have not gotten the message. It is the second largest business in New York State.

Agriculture is still the largest industry in New York State. But in New York City, tourism is the number one industry. Why? Because New York City is strategically located, as I said before, in terms of traveling, but it has a history that interests people all over the world. It has monuments that interest people.

There are things in New York City that the world will always be interested in. Most people in their lifetimes across the whole Planet Earth would like to see New York City sometime in their lifetime, once in their lifetime. A lot of people say, I do not want to live there, but I would like to see it. And that is one of the greatest advantages. Tourism.

The fact is that New York City has a diversified population, these terrible immigrants that people talk about. We have more than anybody else. We have a greater mixture. There may be some place in the country that has certain immigrant groups that are larger, but we have the greatest mixture in New York City. We could double the tourist industry if the decision-makers in New York City, the city council and the mayor would say, we are going to take this diversity and build on it.

The fact that we have people from China, from Bangladesh, restaurants, Pakistani, Vietnam, to say nothing of all the Caribbean countries, you could have a festival in New York City every week of a different nationality or different ethnic group and promote the kind of thing that brings people into New York City in large numbers to spend their money in various ways. It is a gold mine. The diversity of New York is a gold mine.

Let me give you one example in the heart of my district on Eastern Parkway. In the heart of the 11th Congressional District we have a West Indian Labor Day parade. It has mushroomed in 20 years from a few blocks to something like 50 blocks, and it is the largest tourist event in New York City now, 2 million people. And police always make conservative estimates; this is the police estimate.

Last Monday on Labor Day, 2 million people turned out for the West Indian parade. They do not call it a parade, it is a carnival. They set up food stands. You cannot walk, there are so many people spread along the parkway. People come from all over the world because you have people of Caribbean descent in Canada and London. They come for the carnival and parade, 2 million people.

Can you imagine how much revenue the industry receives from the impact? Those who come from outside have to have hotels. They have to travel in. All kinds of expenditures that come from the outside. Those who are on the inside spend money in great volumes for the various things that are for sale.

And the city has ways to collect this revenue, but it turns over the economy. If the city collects not a dime, the people who are selling the wares and participating in the activity are earning money in a way which generates money for the overall gross income of New York City.

Here is a tourist event started by amateurs that generates this kind of money. What if the city planned and made planning to have some kind of festive every week of the year with a different ethnic group?

And we have a City University system which has 200,000 students. This is before the budget cutbacks and the raising of tuition, but I suspect it is hovering around 195,000 students. You have 200,000 students in the City University system. This is not the State university, just the City of New York. You have all those professors.

You could have an institute for each one of the ethnic groups in the city. An institute which would help plan these things. You could have a welcoming committee for the visitors from Indonesia, Pakistan. You could have a welcoming committee organized by the city so that the activities are organized and the middle-class families of the world who are traveling, you can come to New York and expect more than just to see the sights. You can expect to be welcomed and have some of your human needs taken care of.

You take China. We have a large Chinese population in New York. The best Chinese food in the world; a politically active population.

China, with 1 billion people and growing, broken out of economic stagnation. China is creating a middle-class. If you have a billion people and 1 quarter of that billion people become middle-class, that is 250 million people. If 1 quarter of the 250 million decide to make a trip to New York once every year, we would be overwhelmed by Chinese tourists. But they are coming. It is going to happen.

You can double the revenue from tourism. You can double the economic activity from tourism in New York City if you plan for it and if you encourage it.

Every Eastern European country, you could have an exchange program. There are a thousand ways that we should take the initiative and say that we liberals and progressives are going to seize the initiative and force new activities which generate revenue.

And on the national level as well, this is a diverse Nation. Instead of bashing immigrants, we should look at what that means in terms of a tourism industry. Our initiatives in tourism are paltry as a Nation. States do a better job of encouraging tourism. But nationally, we are not in the same league with Italy and France. They know how to promote tourism. They do whatever is necessary to make certain that people come from the outside to spend their money in their countries. They have all kinds of tricks and special coupons for gasoline and all kinds of tricks, not tricks, but options, inducements, incentives.

We do not do that. We are arrogant about it all. They are going to come or not come. We will encourage a few things by sending out brochures, but revenue can be generated for the whole country if we just organize better the tourism industry.

Mr. ABERCROMBIE of Hawaii is disgusted by the fact that he cannot get an adequate response to the growth of the tourism industry. I will not dwell on that. That is just one example.

I want to bring it home to New Yorkers. Instead of despairing, you have a mayor that says the city is broke. We cannot do any more. We are going to have a different standard of living and quality of life. City University cannot only not be free, but we are going to raise the tuition so that it is going to be as high as Ivy League schools.

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In order to have a different solution in New York City, the liberals, the progressives, have to concern themselves also with taxes and revenue as well as streamlining new priorities, setting new priorities. At the national level, the priorities are all mixed up.

Today we had a vote on the defense appropriations bill, and while this Nation needs to be investing in research and development and needs to be creating skilled workers to insure that tomorrow's highways, brainpower industries generate much of the employment in the United States, going back to Mr. Thurow's article, while we should be doing that, instead of investing in research and development and in education, we made dramatic cuts, drastic cuts in research and development and in education.

Before we went on recess, we had an appropriations bill for education, health and human services and education. Specifically, education suffered about $3 billion in cuts. The Head Start program, for the first time in history of the program, was cut. The title I program was cut by $1.1 billion.

It is the biggest cut. It is the biggest program. Title I is the only program that funnels Federal funds into public schools, into elementary and secondary schools.

At a time when we need to be increasing our brainpower, improving our educational system, even the programs that exist already are drastically cut. Large numbers of job training programs were wiped out. They say they do no good and, therefore, they should be wiped out.

But we have had some weapons systems and some activities in government that have had problems that did no good. We do not wipe them out. The CIA has been in trouble for a long time. The CIA is a great embarrassment to everybody. We do not wipe it out. We insist on restructuring the CIA, get a new director, have some new codes, appoint a commission. Nobody wants to wipe out the CIA.

We do not even cut the CIA. One of the items on the floor of the House today was an amendment to cut the portion of the CIA budget which deals with satellite activities, information-gathering activities only, which is estimated to be about $16 billion. We have to say estimate because we do not know the details of the CIA budget, of the intelligence budget. You are not allowed to do that unless you want to go to the secret room and, not a secret room, go to the room where the budget is as a Member of Congress, and behold the budget of the CIA and the other intelligence gathering activities. Once you look at it, you cannot talk about it. Nobody wants to go and look at it because they are muzzled. You cannot criticize. You are a traitor if you talk about it after you look at it. Everything is topsecret.

So estimates that are never disputed are that $28 billion goes into total intelligence operations, a minimum of $28 billion. In the past we have had a budget amendment on the floor to cut the CIA budget by 10 percent totally across the board, the intelligence budget. That 10 percent of $28 billion would yield $2.8 billion a year. We said do it for 5 years so the CIA budget is cut in half.

Today we were proposing less, just a portion of the CIA budget which deals with intelligence-gathering operations, with satellites and military aspects of it, which is estimated at $16 billion. We were going to cut that by 10 percent. That is $1.6 billion.

When we first introduced the amendment to cut the CIA, we got 104 votes. The second year we introduced it, we got 107 votes. Today we got less than 95 votes.

In a time when the state of the emergency is beginning to manifest itself clearer and clearer every day, at a time when it is clear that we need to devote some resources to deal with the economic emergency that we have in this country, the Members of Congress, Democrats and Republicans, refuse to cut a wasteful CIA budget.

Aldrich Ames and his capers have shown us something is radically wrong with the CIA. Not only are we funding a wasteful operation, but the Aldrich Ames affair shows we are funding a dangerous operation where people are in high places, are allowed to get to high places because of a lack of accountability and standards, and an outright bum, an outright bum was allowed to rise to the top where he was directing the agents who were related to Eastern Europe and the Soviet Union, and Aldrich Ames is responsible for the death of at least 10 agents, at least 10. He is not talking yet. He is in prison, but not fully talking. But they have admitted that he has caused the deaths of at least 10 agents.

He has received at least $2 million from the Soviet Union. Even after the cold war ended, he was still on the payroll, and it was estimated that he was supposed to go, in the end, go to Russia, and there was a big mansion built for him. I suppose they are going to put him in the annals of history because who else has made such a fool of the American intelligence community, this man in high places who broke every rule. He was a drunk, an alcoholic. He used safe houses. We probably have beautiful safe houses that we pay a lot of money for across the world. He used safe houses for his sexual escapades.

He broke all the rules. But he was the son of a former CIA employee. He was a member of the old-boy network. So he was allowed to do this because the agency is not into anything of great significance. If it had been into some significant activity, he would have been exposed a long time ago, with Aldrich Ames's traitorous activities, with the death of 10 agents, at least they admit 10 agents dies, peace and war have not been affected at all. Nobody will say that he had any impact on peace and war in the world. Nobody will say that he had any impact on the security of the United States, because whatever those agents knew and whatever games they were playing, whatever cop-and-robber activities they were engaged in were insignificant.

Most of what Aldrich Ames was doing in getting people killed was insignificant to the welfare of the people of the United States, insignificant to the security of the United States, and yet the Democrats and Republicans both refuse to cut the CIA budget just 10 percent.

That is not the only major vote that was on the floor of the House today. There was a vote for the B-2 bomber, an amendment to strike the B-2 bomber from the appropriations bill. The B-2 bomber the President says he does not want or need. The Joint Chiefs of Staff said, "We do not want or need the B-2 bomber," that whatever functions the B-2 bomber could serve can be served in other ways that are more effective and more efficient. The chief of the Air Force says they do not need the B-2 bomber. The Secretary of Defense says, "We do not want the B-2 bomber." All of the people that we pay to render expertise on these decisions say. "We do not want the B-2 bomber," and yet the amendment to delete the B-2 bomber on the floor of this House, despite the fact that both Republicans and Democrats supported the amendment, Republicans came over in large numbers, led by the chairman of the Committee on the Budget, the Republican Committee on the Budget, the man who, despite the unpopularity of it, will put his vote where his philosophy is, it still lost by 3 votes. It still lost by 3 votes; by 3 votes, the Members of Congress, Democrats and Republicans, said, "We want to keep a weapon that everybody says is wasteful."

Over the life of the B-2 bomber production, we are talking about $30-some billion. Right away I think $30 million is involved in the next year's budget over the life of it, we are talking about $30-some billion, and yet Republicans and Democrats say "no."

What is the reason for rational people, elected by the people of the United States, to fund a weapon that the experts do not want, that the military people do not want? What is the rationale for that?

I will not answer that question. I will let you call your Congressman and ask them how they voted, and let them answer it. But it is clearly an example of how the priorities that we need to be shaping for this transitional period are not being dealt with.

We do not need any more money from taxes, either for families and individuals or corporations, until we eliminate those kinds of wasteful activities and wasteful weapons systems.

We are not living up to the promise that we made in terms of streamlining the budget. The President made it. The Democrats made it. And the Republicans made it. And yet there are tremendous examples of waste, all of which I will not go into. We will not deal with the farm program. We will not deal with the subsidies that go to the farmers in Kansas, which average between $30,000 and $40,000 per family, and it has been doing that for the last 20 years, and they will not cut those subsidies. Farmers are no longer the poor people that Franklin Roosevelt decided to subsidize.

Farmers are corporations now. Only 2 percent of the population lives on farms. But look at the size of the budget, between $12 billion and $20 billion, which go into various farm programs. We could move to seriously cut the waste and take that waste and put it into job training, education, research and development, and deal with the problems Mr. Thurow talks about. We could deal with the problems that we are in a global economy, and our greatest asset will be an educated population, a highly skilled population, a population that is fueled by economic activity that becomes more and more complex all the time but stays ahead of our competition in the rest of the world. This is the answer to the problems that Mr. Thurow lays out.

We can talk in empty terms about family values all we want, but unless we increase the wages of American families, families will continue to fall apart. Mr. Thurow says that in the modern economy all over the world, except in Japan, there is a phenomenon which has been documented all over the world, except in Japan, men are leaving their families in order to deal with the economic crisis. That is a terrible indictment of males, but males are faster to leave their families than females. Everybody knows that. Males are leaving their families all over the world in order to deal with the crisis of not having enough wages to take care of their families. They run away. When men leave their families, their individual quality of life improves because all they have to do is take care of themselves while the family's quality of life that they left behind goes down.

He points out if women start doing that, we are in real trouble. If women start to opt out and leave their children, then only the Government decides. Somebody has to take care of them. We will be in the position of having them shot down in the street like they are shot down in the street in Brazil. Orphaned children, with no homes, are often killed wholesale at night in Brazil. Their civilization has come to that.

I conclude by saying Mr. Thurow's article should be read by every Member of Congress, by every voter out there, just to get an analysis that is mainly objective. He is respected. He is not a liberal; I mean he is not an ideologue. Take a look at his facts. Take a look at his compilation of what is going on in the world and in this country and understand the economic implications.

We have to do something about the phenomenon where no country without a revolution or a military defeat and subsequent occupation has ever experienced such a sharp shift in the distributions of earnings as America has in the last generation. At no other time have median wages of American men fallen for more than two decades. Never before have a majority of American workers suffered real wage reductions while the per capita domestic product was advancing.

We are in a unique period, a transitional period. The only people who can solve this problem are members of government, the President, the Congress, the elected officials all over the country. It is our duty to bite the bullet and come up with some solutions to this drastically changing economy and society.

I hope that in the next few weeks ahead we will bear this in mind.

KEEPING THE PROMISE

The SPEAKER pro tempore (Mr. HOEKSTRA). Under the Speaker's announced policy of May 12, 1995, the gentleman from Ohio [Mr. CHABOT] is recognized for 60 minutes as the designee of the majority leader.

Mr. CHABOT. Mr. Speaker, I really appreciate the opportunity to share this evening with the C-SPAN viewers and some of my fellow colleagues who I am going to introduce in just a moment. We are going to have approximately an hour colloquy here this evening.

The topic basically is we just got back to Washington yesterday. We have spent the last month in districts all over this country talking with the people that we represent.

I, for example, had a town meeting in a community, a township of Delhi, we had a town meeting in Colerain Township. I visited a number of senior citizens' centers around my district, toured factories, really to find out what it is on people's minds back in my district.

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And it was a very, very positive response for the most part. The thing that I heard probably more than anything else is we really like the fact that you and most of the freshmen in particular, and some of the other Members that you have been working with, kept your promise. You did what you said you were going to do in the Contract With America, and they were very, very pleased that we have been doing that.

On the other hand, they have been a bit disappointed with how slow the Senate has been moving on a number of these things, so I did hear that a number of times, but they were very positive about what has been going on in the House, and there were many, many things that we talked about.

Particularly the one issue that kept coming up time and time again was the importance of balancing this budget. The people out there realize that the budget is just too large. This institution, Congress, has spent $5 trillion more than it has brought in over the past couple of decades, and the deficit is just too, too large. The American public, people in my district, realize that. They want us to do something about that, and the message came through to me loud and clear that they believe that the answer to balancing this budget is not to raise taxes, but rather to cut spending, and I have talked to a lot of my colleagues here, and I think that is what their frame of mind is and what they believe we ought to do.

So at this point I kind of would like to introduce a couple of my colleagues that are here this evening.

First of all, let me introduce Mr. MANZULLO. He is from Illinois. And then we have a good friend of mine, Mr. JONES, who is from the State of North Carolina, and I mentioned this, I think, last time, that my mother is from North Carolina. She was born and raised in Charlotte, NC, so she always likes to hear you speak. And we also have here Mr. LEWIS from just across the Ohio River from me in the State of Kentucky. And then Mr. HAYWORTH is going to be joining us in just a few minutes here, and is from Arizona.

So at this time, Mr. LEWIS, what do you hear back in Kentucky?

Mr. LEWIS of Kentucky. Well many of the same things that you have been hearing. My constituents are saying, "We are not concerned that you're going too far. We just don't want you to not go far enough."

And they want a balanced budget. They want to see a future for their children and their grandchildren, and I have told them that I believe with all my heart that the 104th Congress is totally committed to balancing the budget. One thing that they said that they would like to see come out of the Senate would be the balanced budget amendment that will insure that future Congresses will be committed just as much as the 104th to a balanced budget, that they would have to be. I think that is an extremely important thing because, if we go to the trouble of balancing the budget and doing those things that we have to do in order to do that, I would hate to see a future Congress come along and start running up a tremendous debt again.

But across-the-board I saw a lot of positive responses to what Congress has done already; as you mentioned, the Contract With America, that we kept our promises now that we are moving forward with doing exactly what we said we would do in balancing the budget.

I talked to my constituents about the problem with Medicare, that it would go broke in 7 years unless we do something about it, and they understood that. They want something done, they want it saved, and they want it to be secure for the future, and I think that now it is a matter of putting something together that is going to be acceptable to them and to everyone concerned.

So, I had a great response across the district, and I think that from talking to my fellow and lady Congress persons that they are receiving the same response that I did. I just think that we need to carry through now with what we have promised to do from this point on and make sure that we do save Medicare, that we do balance the budget, that we do take care of the welfare problem, that we take care of regulatory reform, that we take care of making sure that we have a strong defense.

You know, there are a lot of things that we are waiting, as you mentioned a minute ago, for the Senate to follow up on, but I think, when it is all said and done and the smoke is cleared, we are going to be there with all the promises kept.

Mr. CHABOT. Mr. JONES, what are you hearing in North Carolina?

Mr. JONES of North Carolina. Well, pretty much the same thing RON was talking about.

As you know, I am delighted to be reminded that your wonderful mother is from Charlotte, NC, a great city in our State of North Carolina. I happen to have the eastern part of the State which actually I have the coastal areas. I have 19 counties, and I had the privilege to be in 15 of the 19 counties. I actually worked all but 3 days during the recess, so it gave me an opportunity to do numerous radio shows and speak in the civic clubs, speak in the senior citizens groups, church groups, and really getting out among the people to listen to the people, and, pretty much what the gentleman from Kentucky said, I found the majority of people are relatively positive about what the new Congress is doing because, as my colleague said, we are following through on our promise to the American people during the campaign, and it is a promise that we kept with the American people starting with the first 100 days in the Contract With America.

As my colleague said, the majority of comments I heard about the major issues that we are dealing with is first to balance the budget. During my presentation, it always started with what a $4.9 trillion debt does for our children and the fact that a child born in 1995, he or she, if they live to be 75, owes $187,000; that is their tax responsibility just to pay the interest on the debt if we do not balance the budget. So, I was very pleased to start the discussion off with the fact that we are talking about the future of our children, or maybe the lack of a future, and then I closed by talking about Medicare, wanting the people to know that we have a serious problem which was acknowledged by the Medicare trustees and that by the year 2002 the Medicare trust fund would be bankrupt.

The other side, primarily the liberals, keep saying that we keep attacking the Republicans' side, and yet I am pleased to tell you, my colleagues, tonight that the majority of people that I spoke to sincerely understand that we, the new Republican majority, are committed to preserving and protecting the Medicare trust fund for our senior citizens.

So, I can honestly tell you that, like my colleague, I was very pleased and very humbled by the confidence that the majority of people in my district feel toward this new majority that we will do what is necessary to tackle some of the most serious problems facing our Nation, trying to find a solution to those problems. So I can honestly tell you that I was well received, not just me, but this new Republican majority, and the people, we are helping to rebuild the trust that I think so many thought America had lost in elected officials because, as my colleague said, we are keeping our promise to the American people, and they know that we are very serious about trying to find solutions to very difficult problems.

So I am pleased to tell you tonight that right now I believe that the American people have more confidence in this new Republican majority than they have had in a Congress in a long time.

Mr. CHABOT. Good to hear it. Sounds like the people in my State of Ohio are saying the same types of things that we are hearing both in Kentucky and in North Carolina.

How about in Illinois? What are you hearing?

Mr. MANZULLO. Well, everything is alive and well in Illinois. It is a magnificent district that I represent, and I think one of the most interesting things that occurred, we had a series of three town meetings. It is the district that is well served by media, and some of the Members had as many as 30 town meetings in order to get across the stretches of their congressional district, and fortunately we have an area that can be served by the media so that we can have fewer town meetings, spend more time in preparation, more time at the meetings, et cetera, and we decided to have a town meeting at one of the senior citizens high rises, retirement homes, and put on this demonstration with overheads showing, as WALTER did, that, regardless of how you look at it, there will be no money for Medicare by the year 2002.

I mean you can talk about people having to receive less, if that is the case, and people said, "Well, gee, that is going to hurt here and everything," and I said, "Well, remember this thing will be broke by the year 2002 unless we do something to really radically transform the system of Medicare," and I said, you know, as you mentioned, that in this meeting that there are somewhere between 1 and 3 million people. I am not sure of the number of former Federal employees who are still on the big FEHBP health insurance plan that most of us still have, whether you work for the Department of Agriculture or you are a Member of Congress. You can opt 1 of 30 different plans.

Mr. Speaker, I said, "Do you realize that there are seniors in this country that have health insurance in lieu of Medicare where they have prescriptive, dental, and optical coverage," and they, sort of stunned, looked at me, and they said, "Well, how is that done?"

I said, "Well, essentially what the Federal Government really does is it is a voucher, it is interjected, the private, private enterprise, into a stagnated governmental system and offering seniors more. Can you imagine that; more coverage because of the private sector?"

And I said what the Republicans are trying to do is, if you want Medicare the way it is, you do not have to do anything. You automatically are enrolled. You want to try a new plan? Come the anniversary date or the opting-in period, you get into that, and I said, you know, we are trying to experiment with ways to bring down the cost of Medicare and possibly even increase the coverage.

And so we talked about 20 minutes, and this was all seniors, and there were only about two questions on Medicare because they registered completely, understood, what was going on and then went on to questions about our legal immigration laws. There had been a 30-minute documentary about our illegal immigration, and I left there a little bit perplexed because the people of this country underestimate the intelligence and the willingness to be part of the solution of the seniors and the seniors will not become political pawns in the hands of either party. What they really appreciate is the fact that the Republicans have taken the initiative to really delve into a highly controversial area, an area where people said what you mentioned, Medicare as the third rail of political death. That is not the case because the Republicans under the leadership of Mr. GINGRICH, who came right out and said we have got a problem, let us meet the problem head-on with the seniors of this country, let us be honest with them, let us tell them what the trustees' report is showing, that the system is going bankrupt, and let us rely upon the integrity of the seniors of this country to understand the true message, and that is what I found having crossed the district.

I tell you I am so proud of the seniors that I represent, and they are indicative of seniors across this country. I think it is absolutely remarkable how fully they comprehend the problem.

Mr. CHABOT. I think that is exactly right, and you know you brought up Medicare, and you also mentioned the trustees and the report. Maybe we should talk a little bit about that; you know, the trustees' report included three of the President's high administrative officials. There were Democrats and Republicans who studied Medicare in depth and came out with a very detailed report that said, if we do nothing about Medicare, it starts losing money next year and goes bankrupt by the year 2002, which is 7 years down the road.

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So I think all of us here tonight and all the Republicans I have talked to, and I think in fairness some of the Democrats too, are committed to saving Medicare. It is absolutely critical to seniors, it is critical to those who will be seniors down the road, we have to save Medicare.

Now, let us be frank about this: There is a scare campaign that has been going on, we have heard it on the floor here now for some weeks and months even, where some liberals are trying to scare seniors and saying there is a plan to cut Medicare. I think, once and for all, we need to put that to rest. None of us are talking about cutting Medicare, period. We do need to save it.

What we have been doing back in the district is we have been talking to seniors and getting their ideas. One of the things I heard from seniors is that they believe there really is a lot of waste, a lot of fraud in the system right now. People have been overcharged. Hospital bills have come through for things that they did not get the service for.

One lady gave me some horror stories, and I just happened to clip an article out of the Washington Times newspaper recently. It is a short article. I would just like to read this. I found this very interesting.

> Representative JOE KNOLLENBERG, Michigan Republican,

He is a Member of Congress here,

> Tells the story of a Michigan woman named Jean English, who, while going through the mail of her recently deceased brother, found a bill for his last hospital stay. Her brother, who suffered a terminal illness, died only a few days after being admitted. The bill for the four-day period came to over $368,000

For 4 days, $368,000.

> All of it had been forwarded to Medicare for payment. Shocked by the expense, Mrs. English called the hospital for an explanation. What she got was a 14-page itemized statement. The greatest expense? A seven-hour,

and I will repeat that,

> seven-hour stay in the emergency room, according to the bill, required over $347,000 worth of supplies.
>
> Well, after much hemming and hawing, says Congressman KNOLLENBERG, the hospital admitted it had made a mistake. Instead of over $347,000, the actual charge should have been $61.30. That is right, $61.30. An overcharge of over $346,000. The problem was found.
>
> End of story? No. The errant bill had been sent to Medicare and paid by Medicare. That is right, they had paid the bill.

So this is the tip of the iceberg, one example. What we need to do, one of the things I think is we need to get seniors involved in giving them an incentive to closely look at those bills and see if they are being overcharged, and perhaps give them a percentage, some kind of incentive for them to look through the bills and help us to reduce the costs which have been soaring out of control.

Mr. JONES. If the gentleman will yield for one moment, I used a chart that showed that each year there was an estimate, that each year fraud, waste and abuse amounted to $44 billion a year charged to the Medicare Trust Fund, and that is exactly the example of what you just gave.

I did find my seniors, quite frankly, they had examples that applied to them as individuals or friends or family members. So there definitely is waste, fraud and abuse that we as the new Republican majority, we are going to deal with that problem and try to reduce and eliminate. So I appreciate your sharing that with us.

Mr. CHABOT. I believe there should be, and we have gone through and really established a criteria. The only bill that I personally would support is one, for example, that continues to allow seniors to have the choice to choose their own doctors, to make things so they would have a series of choices to make, but not to have some bureaucrat up here in Washington telling them what their health care should be like or what doctors they should go to. I think that is important. Let seniors have a high quality of care, continue to have a high quality of care, and have them have choices.

Mr. LEWIS of Kentucky. If the gentleman will yield, I would just like to reemphasize the fact that there is not a cut in Medicare, there is an increase in spending over the next 7 years. It will go from $4,800 per recipient per year on average to $6,700. That is an increase.

What we are trying to do is to hold the rate of growth to what the private sector is, approximately 6.5 percent. If Medicare continues to grow at 10, 11, 12 percent, of course it will go broke in 7 years. Slowing the rate of growth, but increasing the amount that the recipients are going to receive, and giving senior citizens a choice, as you have been talking about and as DON has been discussing, and providing money.

The SPEAKER pro tempore (Mr. HOEKSTRA). The Chair is compelled to remind all Members that remarks in debate are properly directed to the Chair. It is not appropriate to address others in the second person or to refer to colleagues by their given names. A Member properly refers to a colleague as the gentleman or gentlewoman from Indiana, Michigan, or Ohio, or whatever State may be concerned.

The gentleman may proceed.

Mr. LEWIS of Kentucky. Mr. Speaker, I think that it is important that we emphasize the fact that we keep hearing from some of those in the House that we are cutting Medicare. It is just not the case. Then we keep hearing that we are going to take from Medicare and give to the wealthy tax breaks. That just is not the case.

We are looking at allowing families that today are paying almost 40 percent of their income in taxes, average family, to give them an opportunity to have a $500 tax credit per child per family. That does not seem like a tax break for the rich. We are looking at a capital gains tax cut that is going to be good for everyone that wants to sell a piece of property or an investment.

It just seems like that every time that we talk about anything in this House, Mr. Speaker, that we are trying to cut spending, we are trying to allow some tax credits and tax breaks for individuals and families, that it is a tax break for the rich. We have heard that from the school lunch program, from everything that we have attempted to bring the budget into balance, that the American people are asking for. It seems to me that every time we hear that, they are crying wolf on everything.

Mr. MANZULLO. If the gentleman will yield, I got into a very interesting controversy. I tend to get into those once in a while. Whenever you take an oath that you are trying to cut spending, that happens. I sit on the Committee on International Relations. We had an opportunity to take a look at all these incredible student exchange programs. USIA carries them, about 42 different agencies carry them, over $2.5 billion a year. In fact, I just got a request to meet with a member of the Italian Communist Party, brought over to this country, paid for by the USIA, so he can talk to American legislators about elections and democracy and things of that nature.

There has to be some good in every program, and I am itching my head, or scratching my head trying to find that one. So I had moved to the Committee on International Relations to cut out $40 million worth of these programs. I did not get too far there. So I filed an amendment on the floor for regular debate. And goodness gracious, USIA called people back in the district.

I got a fax, one of the nastiest faxes, from a State university not located in my district, written by the woman in charge of these exchange programs, three-page fax on letterhead, "How dare you be so unkind and cruel in cutting these programs." And she went on for about two pages, and then at the end, "I am going to organize my friends and vote against you." That did not bother me. She did not live in the district anyway.

So I called the president of the university. He was not in. I talked to the assistant and got back a three-page fax from the attorney for the school. He said, "I don't see anything improper in people on our staff lobbying Members of Congress." Mind you, they are using Federal dollars if you stop to think about it, especially in her program, "* * * lobbying Members of Congress. Perhaps her letter was too strong." Then he went on for two pages of his own to extol the virtues of these programs.

There is this mentality. You have heard NIMBY, not in my backyard. One is cut everybody's program except mine. I got editorialized because the newspaper back home said Mr. MANZULLO did not want to cut the Fulbright scholarships because those are popular with politicians and their kids. I moved to cut everything.

So in the end we compromised and cut out $20 million in those programs. I got a call from the staff of International Relations, and we worked out a compromise. We saved $20 million just like that. And yet you have to look people in the eye and say if you want to do something about this $5 trillion national debt, which according to a chapter called Generational Forecasts that appears in the budget that says by the time every child born after 1992 enters the work force he or she will have an effective tax rate of between 84 and 94 percent, that is guaranteed socialism. It is a guaranteed collapse of our republic as we know it. We have to be stern and say this country is going to collapse unless we stop that kind of spending.

What I found is that if you tell people that, they say, "Well, but let me tell you about this program of mine because it is an investment." You know, you can take a look at any 1 of the 10,000 programs we have in the Government, and most of them will have some good that comes out of them.

I had a young man in my office who came from Russia, an 18-year-old kid. You can tell that some day he is going to be a leader in that country. We talked for a half an hour. He had come over to this country, 1 of 6,000 students who came from the old Soviet Union, at a cost of $30 million a year, paid by the American taxpayer.

Does the program have worth? You bet it does. But we have got to draw the line and say where does Congress have the authority to spend money we do not have?

Mr. CHABOT. If the gentleman will yield, I think that relates to something I have heard over and over at my town meetings back home, and that is that one area where people really do think there has been a tremendous amount of waste, and I agree, and that is the billions and billions of dollars that we have spent on welfare over the years. In fact, since the Great Society years, we have spent about $5 trillion just on welfare.

I would argue, and many of the people that I talked to back in the district felt this way, that most of that money was counterproductive. It encourages fathers to leave their homes and not to be home and help to raise their kids. It allows kids basically to just assume that a check will come from the Government every month, that nobody in the home ever goes to work, and the Government just supports folks. That is not the way it is; it is not helpful to those kids.

I heard over and over again that people were very pleased that we had passed a very good welfare reform package here in the House. Of course we are still waiting for the other body to act upon that.

Mr. JONES. If the gentleman will yield for a moment, I am glad you brought that subject up, because in addition to balanced budget and Medicare and tax reform, and I want to touch on that in a few minutes, welfare reform, I heard that consistently in the radio shows and speaking to different groups and town meetings, that people were pleased with what the U.S. House of Representatives, led by the Republican Party, did to come out with a tough welfare reform bill, and they hoped that the other side will follow suit.

You are absolutely right that it is a tremendous problem. It has been a system that has perpetuated people being dependent on the system, instead of a system to help people get off the system and become productive citizens.

□ 2100

I appreciate the gentleman bringing that up.

Mr. CHABOT. And the thing that again I heard over and over again is that people did want to help those who truly needed help. But they felt it ought to be temporary; it should not be a permanent way of life. Unfortunately, far too often that is what it has become, and in fact you have got generation after generation after generation of people who are receiving welfare and just never get off.

Mr. HAYWORTH. Mr. Speaker, if the gentleman will yield, it is good to be here with my colleagues this evening to discuss the matters at hand and what we learned on our summer vacation, among the constituents of our respective districts. I think it is also important, as our good friend from North Carolina pointed out, that sometimes things are misunderstood or mischaracterized.

For example, I listened with interest quite often to the gentleman down at the other end of Pennsylvania Avenue mischaracterize what this body has done in terms of meaningful welfare reform. Oftentimes, the President will appear on radio or television or in front of groups and point a finger of accusation at this institution, saying that this new majority is cutting off benefits to unwed teenage mothers. There is one word that the Chief Executive and indeed some of the folks who are guardians of the old order are leaving out of that characterization. And that word is, it is a four-letter word, but it can be discussed in polite company, c-a-s-h, "cash."

We do not advocate taking away benefits. We do not blame little children born into circumstances beyond their control. Indeed, as we have shown in our block grant programs and our efforts to reorganize and transform the welfare state, we are providing for women, infants, and children. But what we are trying to change are the days when someone can look to the Federal Government for what is in essence a subsidy, a cash subsidy for a way of life that abandons responsibility.

I listened with great interest to our friend from New York earlier. I believe you were touching on it just a second ago, the characterizations I believe of the economist Dr. Thurow, I believe at MIT, about some worldwide phenomenon of males leaving the household because of economic pressures.

Friends, there is no need to try and explain away via academia what is going on here as if it is some phenomenon. There are three words that describe it: abdication of responsibility. Economic pressure notwithstanding, for what is external cannot replace what is internal. If people are willing to abandon their responsibilities, and these are people at every level on the economic ladder, if people are willing to abandon their responsibilities, it creates the problem.

So we are not here to demonize one group of people or try to set Americans against each other. What we are simply saying is this: After 30 years of an expansive program whereby some estimates for every dollar we spent on so-called social spending, almost 80 cents are eaten up by the cost of government, is there not a better way to attack the problem? Is there not a better way to have a true safety net that is a trampoline instead of a hammock?

I learned a lot in meetings with our constituents in the district. A lot of people were saying, you have got a lot more you have to get done. There is a lot more we want to see done. We sent you to Washington to make a change. Of course those same constituents acknowledge that it is very difficult in 8 to 10 months to transform a policy of highly centralized power that has taken over four decades to concentrate here in Washington.

But in addition to that, I get letters from all over the country. Indeed we have people, Mr. Speaker, as you know, who join us via C-SPAN. I got a nice note from a gentleman who is a constituent of our good friend MARK FOLEY who I believe is celebrating his 41st birthday today. He attached an item that first appeared in this CONGRESSIONAL RECORD in 1949.

Our friend from Florida sent this. It has been commonly called the ten cannots. A theologian from your State of Ohio first brought these up. They were attributed incorrectly first to Abraham Lincoln, but this is what Rev. William J.H. Bedcar said: "You cannot bring about prosperity by discouraging thrift. You cannot help small men by tearing down big men. You cannot strengthen the weak by weakening the strong. You cannot lift the wage earner by pulling down the wage payer. You cannot help the poor man by destroying the rich. You cannot keep out of trouble by spending more than your income. You cannot further the brotherhood of men or the brotherhood of man by inciting class hatred. You cannot establish security on borrowed money.

You cannot build character and courage by taking away men's initiative and independence. And, finally, you cannot help men permanently by doing for them what they could and should do for themselves.

Mr. JONES. Mr. Speaker, I am pleased to tell the viewers that the gentleman from Arizona was originally from North Carolina. We are delighted to see him in the United States Congress.

Just to make a point on a point that you made, and many fine points that you made, is that the concern about welfare is a concern by all Americans, no matter what race the individual is. Because they fully understand, and I heard this back to the gentleman from Ohio during my travels in my district, from all good Americans that we have a system that, again, needs serious reform for the future of this country.

I think you and the gentleman from Illinois and the gentleman from Arizona remember Bill Bennett appearing before our Republican Conference prior to the vote on welfare reform. He made a very passionate speech and told the conference that he was Catholic, he was pro-life, he was pro-family, but if we did not deal with a very strong welfare reform bill, that our society was in deep, deep trouble.

So, again, I am pleased to add to my good friend from Arizona that we, the House, the Republican majority, join with many conservative Democrats, have passed a very, very fine, tough welfare reform bill.

Mr. CHABOT. I think something that is important to point out is that some of the folks on the other side of aisle, those that tend to be more liberal, have had a tendency to try to paint us who are in favor of changing, reforming welfare, they have tried to paint us as being coldhearted and not caring about families, children that are stuck in welfare.

I would argue that there could not be anything more damaging, more dangerous to those kids than the current welfare system which will basically encourage them to grow up in that same destructive pattern of behavior that put their parents in that system to begin with.

We are trying to change that system to get these kids out of that very destructive welfare system that we have in this country, to totally reform the system. I am very optimistic that over time we will actually be able to accomplish that. I think that is really one of the most priority issues that we have facing this country.

Another thing about welfare that has always bothered me, that does not get mentioned, I do not think, enough, is that we have to figure out where the money is going to those folks on welfare is coming from. Oftentimes the money is coming from other parents, sometimes single mothers who are working two jobs that are paying more taxes than they ought to that comes up here to Washington and then goes back down to the States, back down to the folks receiving welfare. So you are taking money away from hard working, sometimes lower middle class folks and giving it to other folks who in general ought to be working to support their own children.

Mr. HAYWORTH. Indeed, that brings up another part of the equation that is sometimes not emphasized from good people on the other side of the aisle. Indeed when my colleague from New York was here in the previous special order, I know the gentleman from Illinois listened with great interest to this, the gentleman from New York talked about a disparity of income from the very wealthy to the very poor.

And I just think it is significant to note, indeed you probably have already done this during our time together tonight, but I do not think it can be repeated enough to the American people. In 1948, the average American family of four was paying about 3 percent of its income in taxes to the Federal Government. By last year, the average family of four was paying almost one-quarter of its income in taxes to the Federal Government. When you combine that with State, local taxes and the hidden taxes of regulations and fees, it is not a stretch to say that almost every family is paying almost half of its income in taxes.

So the disparity comes not so much when a check is given out but what is taken away by Government. Indeed we have this across the middle class ladder.

Mr. MANZULLO. Mr. Speaker, one of the really disturbing things that is happening in this country, and I believe it is due to the fact that we now have had three, indeed as many as four generations on welfare, is the destruction it does literally to the souls of those children who all they know is the welfare check.

Our colleague from Florida, Congressman DAVE WELDON, during his campaign for Congress, talked to a friend of his who was interviewing three children. And he asked, what do you want to do for a living? One said, I want to be a policeman, and the other one said, I want to be a fireman. And the third child said, I want to collect checks.

I mean, I do not believe the people in this country are willing to cede personal liberty to the Federal Government in exchange for a promise of Government security.

I really do not believe that they are willing to do that. And yet what is happening is the more people get used to the fact of saying, well, let the Government do it, you know, my colleagues, let me just share with you a burden that is on my heart. I do not want to offend anybody when I do this.

When we were kids, the activities that were planned for us were done by our parents. I was raised before television. I remember the area in which we grew up in Kenrock in Rockford. It was a pretty tough area of town. On Saturday nights, my dad and some of the local merchants—dad ran a small grocery store—would take the 16 millimeter projector from the school, because the school was the community, and show movies on painters tarpaulins that were tacked to the back of billboards on the corner there. And hundreds of people, literally hundreds would show up, and we would have peanuts and popcorn. And there was a whole community together.

And my dad, who passed away about 6 years ago, said, when Americans tore the front porches off their houses, when they turned those front porches into TV rooms, the people of this country stopped talking to one another. And before we would look internally. We would look to the schools, to the churches, to each other. And when people stopped talking, they started looking to the Government for an answer.

What an incredible observation by a man who had been raised through the depression and talked about the great days, when everybody would sit on their front porches in the summertime and just throngs of people would walk down the streets, saying hello to each other, checking up on one another, being concerned about one another's children. He said, "my dad passed away 6 years ago," he said, "America has changed and not for the better." What a sad commentary.

Mr. HAYWORTH. Mr. Speaker, the challenge for us, and to the cynics who will be there, the bromide is this, oh, they want to turn the clock back. That will be the accusation that comes from the guardians of the old order who always look to concentrate power in Washington and also look askance at individual responsibility.

☐ 2115

We should hasten to point out that indeed we are building a sense of community in part because of the medium of television, the fact that indeed we have a community across America watching us, that is one of the advantages. But there are many different things that change in our society. The one thing that should not is the subject of another letter I received. Folks from my district in Arizona writing and agreeing that we have to return to this document, the Constitution of the United States. This is a remarkable document. An historian characterized this in a book called the Miracle at Philadelphia, that we have this document that is here and all-encompassing and can deal with different times and different changes. So whether it was the rise of television or, as some theorists purport, the creation of centralized air-conditioning that kept government in business year round, there are changes that come to our society. But the danger for us is to ignore this document the Constitution or moreover, as the gentleman from Illinois suggests, to dismiss the notion of community. The school has become a surrogate family and not dealt with the community, I think the gentleman points that out quite correctly.

Mr. MANZULLO. The point I was trying to make is the fact that we look to government to create our community now and that is the real danger. We all do it. Good, solid, bedrock conservatives like ourselves, we think, well, why can the government not do something about it? Well, the government should be the place of last resort. Not the first place we go. It is the mentality with which we have grown up. We have to turn inwardly and try to resolve our problems.

Mr. JONES. The gentleman from Illinois is absolutely right, both you gentlemen and the gentleman from Ohio and that is what the last election was all about. The American people said enough government is enough. Enough taxation is enough. The gentleman from Arizona mentioned while ago, and I want to reiterate this because I do not think it can be said enough. The average working family in America will spend more on paying taxes than that same average American working family will spend on clothing, housing, and food combined. How can you hope to achieve the American dream for your family when you have got a government that overregulates, with excessive taxation and does not give the family the opportunity to work hard and to grow and to become part of the American dream?

Everything you are saying, I agree with. The nice thing about our frustration is that the American people last November showed their frustration by changing the U.S. House of Representatives, and we have a chance to bring a brighter future and to build a better America.

Mr. CHABOT. The gentleman from Illinois mentioned that we give government too much responsibility now basically to take care of people's every needs. I read a book recently, in fact it was on the list that the Speaker gave us earlier in the year and suggested that we read, it is called the Tragedy of American Compassion. It is a relatively long book, but the interesting and boiling it down to its main point is that for many, many years basically Americans took care of each other, through charities, through churches, and then at some point in our history, and the largest portion of it occurred during the so-called Great Society years, in the 1960's with L.B.J. and folks that thought along those lines, the government basically took over, people no longer really helped their fellow Americans and people that were down and out as much. They expected that the government would do so. Welfare rolls went way up. The whole system basically has gone downhill from there. Not only has that been destructive but that helped to make the budget go out of balance. We are all paying for that huge debt in many, many ways. So this Congress is about finally trying to balance that budget.

As you gentlemen all know, we earlier this year passed the very first balanced budget resolution in the last 30 years. It puts us on a glide path to balancing this budget within the next 7 years.

Talking about what folks back in our districts were talking about and what kind of cuts we ought to make, one cut that I heard over and over again is that why are we paying so much in foreign aid? I agree with the folks that think that we have been paying far too much over the years and that is why we passed a resolution earlier this year to cut back on the amount of foreign aid that we are spending by $21 billion over the next 7 years. It is the largest reduction in foreign aid in our Nation's history. I think that that was a proper thing for us to do. It is going to help us to balance the budget.

Something that is coming up relatively soon that I think that folks, that maybe out at C–SPAN, we ought to give them a heads-up and let them know that we are going to be facing this, because we are going to be facing perhaps, I hope it does not happen, but perhaps an impasse with the President in the near future. We are saying we want to balance this budget, we are making what we think are the necessary cuts and this is how much we can spend and if we spend this much, we are on the glide path to balancing this budget. The President wants to spend more than we do. He wants us to add a lot of big spending back into the program. If we do that, we are not going to balance the budget. So we need very much I think to stick to our guns. That is what I heard: "Don't blink, don't back down to the President, stick to your guns, balance the budget." What have you gentlemen been hearing?

Mr. JONES. If the gentleman will yield, you talked about the balanced budget, talking about the President and the budget we are going to submit. Is it not true, and please correct me if I am wrong, obviously we are working toward balancing the budget for the year 2002. But to get to a zero debt, a zero debt, we must balance the budget every year for the next 25 years from the year 2002 and forward for 25 years, is that not correct?

Mr. CHABOT. Yes, we also have to start paying it off. So we have to spend not only no more than we bring in. We have got to spend less than we bring in for a period of time to get rid of that debt. The debt is so large now, it is mind-boggling. Fourteen percent of every dollar that our citizens send up here in the form of taxes goes just to pay the interest on the debt. It is scary, it really is.

Mr. HAYWORTH. If the gentleman would yield, the way I can put it in a way that I certainly understand with stunning clarity is in this fashion. If we do not change what is going on and if by the good fortune and act of providence we are able to keep this government running with the equivalent of chewing gum and baling wire in the years to come, my son, who is now 21 months old, over the course of his lifetime as a working adult would pay over $180,000 just to service the debt alone, if things remained the same.

Now some good people across the country look to our friend at the other end of Pennsylvania Avenue and say, wait a minute, did he not come on television and agree that we need to balance the budget? Well, that statement is fairly accurate as far as it goes, but once again, the problem is in the details. The same gentleman at the other end of Pennsylvania Avenue stood at that lectern 2 years ago and pledged that he would only use numbers from the Congressional Budget Office in making budget forecasts. Well, a funny thing happened in the past couple of years. I guess a young lady by the name of Rosy Scenario took up residence there in the Rose Garden because the President and his budgeteers are listening to Rosy Scenario. You notice he abandoned the CBO numbers and now has come up with a whole new set of numbers, but the funny thing is this: When you look at his 10-year plan and you use the numbers that he now provides, apart from the Congressional Budget Office numbers, they result in deficits annually in excess of $200 billion for each of those 10 years when he purports that he has a glide path. No, that is not a glide path.

What we ask is for the President of the United States using the phraseology of our good friend CHARLES TAYLOR from North Carolina who said this last week, the President has to be the Commander in Chief, not the campaigner in chief. We all took an oath of office to uphold and defend the Constitution. Let us all step up to the plate, Democrats and Republicans alike, work out the differences and agree to put this Nation on a glide path to a balanced budget in 7 years and stick to it, because as we have heard from our constituents, even that step, as modest as it is, is an important first step but it is less than what many people desire.

Mr. CHABOT. I think the gentleman's analogy about his son paying over $180,000 in his lifetime just on the interest is an excellent analogy. Another one I think that really hits home as to how large this debt is, that if we do not do something within the next year or so, we are going to be paying more just on the interest on the debt than we do for our entire military expenditures. Just think of how much we spend on the military, the Army, the Navy, the Air Force, the Marine Corps, the Pentagon, just think of all the ships that are out at sea, the planes, the soldiers we have, how much that costs. It is a lot of money. We are going to be spending less for all of that then we will just for the interest on the debt. It is an incredibly large amount of money. We can no longer afford to pay that because it is driving us completely bankrupt. So I think it is important.

What I heard from the folks back in Cincinnati over and over again was, "Stick to your guns, balance the budget, work with the President, there's no sense in going to war if you don't need to, but if he wants you to spend more money, don't do it. Balance the budget."

Mr. JONES. We are getting close to the end. I just want to make this statement. What I was pleased with, I have been saying this and many of you here tonight, that this whole Congress is about the next generation, not the next election. I can honestly tell you that the people in my district, the Third District of North Carolina, are pleased to know that they have men and women that are committed to doing what is right to get this Nation straight for our next generation. I am proud to be part of the ladies and gentlemen that serve in this House.

Mr. CHABOT. I would like to thank all the gentlemen, and gentleman from Arizona, the gentleman of North Carolina, and the gentleman from Illinois for being with us here this evening.

Are there any concluding remarks that any of the gentlemen would like to make at this point?

Mr. HAYWORTH. If the gentleman from Ohio would yield, just simply keep those cards and letters coming because there is a diversity of opinion, there is not unanimity, but we all recognize we have to confront these problems to make a difference not only for the next generation but for the very future of this Nation as we go into the next century.

Mr. CHABOT. I would like to thank all you gentlemen for spending your time here this evening. Again I think the message that we got loud and clear was do not back down, balance the budget, do it now.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to:

Mr. BISHOP (at the request of Mr. GEPHARDT), for September 6 and 7, on account of official business.

Mr. COX of California (at the request of Mr. ARMEY), for today until 5 p.m., on account of joining his family at the launch of Space Shuttle Endeavor carrying aboard his brother-in-law, Mike Gernhardt.

Ms. MCKINNEY (at the request of Mr. GEPHARDT), on September 6 and 7, on account of business in the district.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mr. PALLONE) to revise and extend their remarks and include extraneous material:)

Mr. HOYER, for 5 minutes, today.

Mr. PALLONE, for 5 minutes, today.

Mrs. SCHROEDER, for 5 minutes, today.

Ms. KAPTUR, for 5 minutes, today.

(The following Members (at the request of Mr. TATE) to revise and extend their remarks and include extraneous material:)

Mr. FORBES, for 5 minutes, today.

Mr. KINGSTON, for 5 minutes, today.

Mr. SCARBOROUGH, for 5 minutes, today.

Mr. CHAMBLISS, for 5 minutes, today.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

(The following Members (at the request of Mr. PALLONE) and to include extraneous matter:)

Mr. CONYERS.
Mr. CLAY.
Mrs. KENNELLY.
Mr. JACOBS.
Mr. MINETA.
Mr. HALL of Ohio.
Mr. FAZIO of California.
Mr. KLECZKA.
Mr. DINGELL.
Mr. STARK in three instances.
Ms. KAPTUR.
Mrs. COLLINS of Illinois.

(The following Members (at the request of Mr. TATE) and to include extraneous matter:)

Mr. RADANOVICH.
Mr. FORBES.
Mr. LAZIO of New York.
Mr. BILIRAKIS.
Mrs. SEASTRAND.
Mr. MARTINI in two instances.
Mr. LEWIS of California.
Mr. FIELDS of Texas.
Mr. HYDE.
Mr. GEKAS.
Mr. CHAMBLISS.

(The following Member (at his own request) to revise and extend his remarks and include extraneous material after his remarks on the Kasich amendment:)

Mr. LIVINGSTON, today.

(The following Members (at the request of Mr. HAYWORTH) and to include extraneous matter:)

Mr. DURBIN.
Mr. BAKER of California.
Mr. NEY.
Mr. WELLER.
Mr. PAYNE of Virginia.
Mr. STUPAK.
Mr. BENTSEN.
Mrs. SCHROEDER.

ADJOURNMENT

Mr. HAYWORTH. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 9 o'clock and 28 minutes p.m.), under its previous order, the House adjourned until tomorrow, Friday, September 8, 1995, at 9 a.m.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1360. A letter from the Secretary of Agriculture, transmitting a draft of proposed legislation entitled the "Livestock Dealer Trust Act of 1995"; to the Committee on Agriculture.

1361. A letter from the Director, Congressional Budget Office, transmitting CBO's sequestration update report for fiscal year 1996, pursuant to Public Law 101–508, section 13101(a) (104 Stat. 1388–587); to the Committee on Appropriations.

1362. A letter from the Under Secretary of Defense, transmitting a report of a violation of the Anti-Deficiency Act which occurred at the Florida National Guard Bureau [NGB], Camp Blanding, Starke, FL, pursuant to 31 U.S.C. 1517(b); to the Committee on Appropriations.

1363. A letter from the Secretary of Housing and Urban Development, transmitting the annual report to Congress as required by section 203(1) of the Multifamily Property Disposition Reform Act of 1994; to the Committee on Banking and Financial Services.

1364. A letter from the President and Chairman, Export-Import Bank of the United States, transmitting a report involving United States exports to the Republic of the Philippines, pursuant to 12 U.S.C. 635(b)(3)(i); to the Committee on Banking and Financial Services.

1365. A letter from the Chairman, Federal Housing Finance board, transmitting the Board's annual report for the calendar year 1994, pursuant to 12 U.S.C. 1422b; to the Committee on Banking and Financial Services.

1366. A letter from the Chairman, Federal Reserve System, transmitting the annual report on the subject of retail fees and services of depository institutions, pursuant to 12 U.S.C. 1811 note; to the Committee on Banking and Financial Services.

1367. A letter from the Director, Federal Reserve System, transmitting the annual report on the assessment of the profitability of credit card operations of depository institutions, pursuant to 15 U.S.C. 1637; to the Committee on Banking and Financial Services.

1368. A letter from the Chairman, National Credit Union Administration, transmitting the 1994 annual report of the National Credit Union Administration, pursuant to 12 U.S.C. 1752a(d); to the Committee on Banking and Financial Services.

1369. A letter from the Secretary of Education, transmitting the annual report on the education for homeless children and youth for the period of October 1, 1993, through September 30, 1994, pursuant to 42 U.S.C. 11434; to the Committee on Economic and Educational Opportunities.

1370. A letter from the Secretary of Health and Human Services, transmitting the Department's annual report on the status and accomplishments of the Youth Gang Drug Prevention Program, pursuant to 42 U.S.C. 11806; to the Committee on Economic and Educational Opportunities.

1371. A letter from the Secretary of Transportation, transmitting a report regarding the implementation of the Imported Vehicle Safety Compliance Act of 1988 for calendar year 1994, pursuant to 15 U.S.C. 1397 note; to the Committee on Commerce.

1372. A letter from the Chairman, Nuclear Regulatory Commission, transmitting a report on the nondisclosure of safeguards information for the quarter ending June 30, 1995, pursuant to 42 U.S.C. 2167(e); to the Committee on Commerce.

1373. A letter from the Director, Defense Security Assistance Agency, transmitting notification concerning the Department of the Air Force's proposed Letter(s) of Offer and Acceptance [LOA] to Korea for defense articles and services (Transmittal No. 95-38), pursuant to 22 U.S.C. 2776(b); to the Committee on International Relations.

1374. A letter from the Director, Defense Security Assistance Agency, transmitting notification concerning the Department of the Air Force's proposed Letter(s) of Offer and Acceptance [LOA] to Saudi Arabia for defense articles and services (Transmittal No. 95-37), pursuant to 22 U.S.C. 2776(b); to the Committee on International Relations.

1375. A letter from the Director, Defense Security Assistance Agency, transmitting notification concerning the Department of the Army's proposed Letter(s) of Offer and Acceptance [LOA] to Saudi Arabia for defense articles and services (Transmittal No. 95-36), pursuant to 22 U.S.C. 2776(b); to the Committee on International Relations.

1376. A letter from the Director, Defense Security Assistance Agency, transmitting notification concerning the Department of the Army's proposed Letter(s) of Offer and Acceptance [LOA] to Jordan for defense articles and services (Transmittal No. 95-34), pursuant to 22 U.S.C. 2776(b); to the Committee on International Relations.

1377. A letter from the Director, Defense Security Assistance Agency, transmitting notification concerning the Department of the Army's proposed Letter(s) of Offer and Acceptance [LOA] to Egypt for defense articles and services (Transmittal No. 95-35), pursuant to 22 U.S.C. 2776(b); to the Committee on International Relations.

1378. A letter from the Director, Defense Security Assistance Agency, transmitting the Department of the Army's proposed lease of defense articles to the United Nations for use in Rwanda (Transmittal No. 30-95), pursuant to 22 U.S.C. 2796a(a); to the Committee on International Relations.

1379. A letter from the Director, Defense Security Assistance Agency, transmitting the Department of the Air Force's proposed lease of defense articles to the United Nations for use in Rwanda (Transmittal No. 33-95), pursuant to 22 U.S.C. 2796a(a); to the Committee on International Relations.

1380. A letter from the Secretary of Defense, transmitting the Department's report on control and accountability of material relating to weapons of mass destruction in the former Soviet States that receive cooperative threat reduction [CTR] assistance, pursuant to Public Law 103-337, section 1204 (108 Stat. 2883); to the Committee on International Relations.

1381. A letter from the Chairman, Council of the District of Columbia, transmitting a copy of D.C. Act 11-134, "Real Property Tax Reclassification Temporary Amendment Act of 1995," pursuant to D.C. Code, section 1-233(c)(1); to the Committee on Government Reform and Oversight.

1382. A letter from the Chairman, Council of the District of Columbia, transmitting a copy of D.C. Act 11-135, "Canaan Baptist Church Equitable Real Property Tax Relief Act of 1995," pursuant to D.C. Code, section 1-233(c)(1); to the Committee on Government Reform and Oversight.

1383. A letter from the Chairman, Council of the District of Columbia, transmitting a copy of D.C. Act 11-136, "Interference with Medical Facilities and Health Professionals and Re-establishment of Health Services Planning and Certificate of Need Program Temporary Act of 1995," pursuant to D.C. Code, section 1-233(c)(1); to the Committee on Government Reform and Oversight.

1384. A letter from the Chairman, Council of the District of Columbia, transmitting a copy of D.C. Act 11-139, "Public Assistance Self-Sufficiency Program Amendment Act of 1995," pursuant to D.C. Code, section 1-233(c)(1); to the Committee on Government Reform and Oversight.

1385. A letter from the Employee Benefits Manager, AgriBank, transmitting the annual report disclosing the financial condition of the retirement plan for the employees of the Seventh Farm Credit District, pursuant to 31 U.S.C. 9503(a)(1)(B); to the Committee on Government Reform and Oversight.

1386. A letter from the Federal Reserve Employee Benefits System, transmitting a copy of the annual report for the retirement plan year ending December 31, 1994, pursuant to 31 U.S.C. 9503(a)(1)(B); to the Committee on Government Reform and Oversight.

1387. A letter from the Director, Office of Management and Budget, transmitting a report entitled "Statistical Programs of the United States Government, Fiscal Year 1995," pursuant to 44 U.S.C. 3514(a); to the Committee on Government Reform and Oversight.

1388. A letter from the Secretary of the Interior, transmitting the Department's report on the administration of the Marine Mammal Protection Act of 1972, pursuant to 16 U.S.C. 1373(f); to the Committee on Resources.

1389. A letter from the Assistant Attorney General, Department of Justice, transmitting the 1992 and 1993 annual reports on the activities and operations of the Department's Public Integrity Section, Criminal Division, pursuant to 28 U.S.C. 529; to the Committee on the Judiciary.

1390. A letter from the Administrator, Federal Aviation Administration, transmitting the FAA report of progress on developing and certifying the traffic alert and collision avoidance system [TCAS] for the period April through June 1995, pursuant to Public Law 100-223, section 203(b) (101 Stat. 1518); to the Committee on Transportation and Infrastructure.

1391. A letter from the Administrator, Federal Aviation Administration, transmitting a copy of the updated Aviation System Capital Investment Plan [CIP], pursuant to 49 U.S.C. 44501(b); to the Committee on Transportation and Infrastructure.

1392. A letter from the Secretary of Transportation, transmitting the Department's annual report of the transition to quieter airplanes, pursuant to Public Law 101-508, section 9308(g) (104 Stat. 1388-383); to the Committee on Transportation and Infrastructure.

1393. A letter from the Acting Assistant Secretary of the Army, transmitting a copy of a report entitled "Living Within Constraints: An Emerging Vision for High Performance Public Works"; to the Committee on Transportation and Infrastructure.

1394. A letter from the Secretary of Defense, transmitting a report pursuant to section 1206 of the Cooperative Threat Reduction Act of 1993, as amended, pursuant to Public Law 103-337, section 1206(b)(2)(A) (108 Stat. 2884); jointly, to the Committees on International Relations and National Security.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under Clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. LINDER: Committee on Rules. House Resolution 215. Resolution providing for the consideration of the bill (H.R. 1594) to place restrictions on the promotion by the Department of Labor and other Federal agencies and instrumentalities of economically targeted investments in connection with employee benefit plans (Rept. 104-240). Referred to the House Calendar.

Mr. GOSS: Committee on Rules. House Resolution 216. Resolution providing for the consideration of the bill (H.R. 1655) to authorize appropriations for fiscal year 1996 for intelligence and intelligence-related activities of the U.S. Government, the Community Management Account, and Central Intelligence Agency Retirement and Disability System, and for other purposes (Rept. 104-241). Referred to the House Calendar.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. SHUSTER (for himself, Mr. PETRI, Mr. MINETA, and Mr. RAHALL):

H.R. 2274. A bill to amend title 23, United States Code, to designate the National Highway System, and for other purposes; to the Committee on Transportation and Infrastructure.

By Mr. YOUNG of Alaska (for himself, Mr. POMBO, Mr. TAUZIN, Mr. BREWSTER, Mr. DOOLITTLE, Mr. HANSEN, Mr. DOOLEY, Mr. CALVERT, Mr. CONDIT, Mr. STENHOLM, Mr. STUMP, Mr. SMITH of Texas, Mr. GALLEGLY, Mr. FIELDS of Texas, Mr. KOLBE, Ms. DANNER, Mr. HUTCHINSON, Mr. HAYWORTH, Mr. HASTINGS of Washington, Mr. BONILLA, Mr. MCHUGH, Mr. DORNAN, Mr. HERGER, Mr. EVERETT, Mr. TAYLOR of North Carolina, Mr. PACKARD, Mr. CUNNINGHAM, Mr. THORNBERRY, Mr. HAYES, Mr. ROYCE, Mr. COMBEST, Mr. COOLEY, Mr. SALMON, Mr. BONO, Mr. BAKER of California, Mr. HUNTER, Mr. LEWIS of California, Mrs. CUBIN, Mr. MCKEON, Mr. RADANOVICH, Mr. RIGGS, Mr. ROHRABACHER, Mrs. SEASTRAND, Mr. THOMAS, Mr. ALLARD, Mr. SCHAEFER, Mr. MICA, Mr. CHAMBLISS, Mr. COLLINS of Georgia, Mr. LINDER, Mr.

Baker of Louisiana, Mr. Crapo, Mr. Ewing, Mr. Burton of Indiana, Mr. Hostettler, Mr. McIntosh, Mr. Roberts, Mr. Lewis of Kentucky, Mr. Bartlett of Maryland, Mr. Knollenberg, Mr. Emerson, Mr. Hancock, Mr. Skeen, Mr. Paxon, Mr. Solomon, Mr. Ballenger, Mr. Jones, Mr. Oxley, Mr. Coburn, Mr. Largent, Mr. Lucas, Mr. Watts of Oklahoma, Mr. Barton of Texas, Mr. DeLay, Mr. Sam Johnson, Mr. Stockman, Mr. Shadegg, Mr. Callahan, Mr. Laughlin, Mrs. Vucanovich, Mr. Tejeda, Mr. Bachus, Mr. Cox, Mr. Funderburk, Mr. Boehner, Mr. Crane, Mr. Dreier, Mr. Edwards, Mr. Nethercutt, Mr. Pete Geren of Texas, Mr. Ortiz, Mr. Hall of Texas, Mr. Duncan, Mr. McCrery, and Mr. Livingston):

H.R. 2275. A bill to reauthorize and amend the Endangered Species Act of 1973; to the Committee on Resources, and in addition to the Committee on Agriculture, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

By Mr. DUNCAN (for himself, Mr. Shuster, Mr. Oberstar, Mr. Lightfoot, Mr. Clinger, Mr. Weller, Mr. Coble, Mr. Rahall, Mr. Lipinski, Mr. Ewing, Mr. Costello, Mr. Wise, Mr. Hutchinson, Mr. Ehlers, Mr. Bachus, Mrs. Seastrand, Mr. Tate, Ms. Danner, Mrs. Kelly, Mr. Clyburn, and Mr. Latham):

H.R. 2276. A bill to establish the Federal Aviation Administration as an independent establishment in the executive branch, and for other purposes; to the Committee on Transportation and Infrastructure, and in addition to the Committees on Government Reform and Oversight, and the Budget, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

By Mr. GEKAS (for himself, Mr. Armey, Mr. Hyde, and Mr. Inglis of South Carolina):

H.R. 2277. A bill to abolish the Legal Services Corporation and provide the States with money to fund qualified legal services; to the Committee on the Judiciary.

By Mr. WYDEN (for himself, and Mr. Bunn of Oregon):

H.R. 2278. A bill to prohibit the importation into the United States of spent nuclear fuel unless licensed facilities are in operation that have the capacity to store or dispose of all nuclear spent fuel generated by commercial nuclear reactors in the United States and from atomic energy defense activities, and to allow local port authorities to establish health and safety guidelines for safe shipment of spent nuclear fuel; to the Committee on Commerce, and in addition to the Committees on Economic and Educational Opportunities, Transportation and Infrastructure, and International Relations, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

By Mr. ACKERMAN (for himself, Mr. Shays, Mr. Gejdenson, Mr. Manton, Mr. King, Mr. Engel, Mr. Schumer, Mr. Towns, Ms. DeLauro, Mr. Frisa, Mr. Forbes, Mr. Lazio of New York, and Mrs. Lowey):

H.R. 2279. A bill to authorize the Administrator of the Environmental Protection Agency to make grants to the States of New York and Connecticut for the purpose of demonstrating methods of improving water quality in Long Island Sound; to the Committee on Transportation and Infrastructure.

By Mr. DINGELL (for himself, Mr. Waxman, Mr. Bonior, Mr. Bryant of Texas, Ms. Danner, Mr. Kleczka, Mrs. Lowey, and Mr. Stupak):

H.R. 2280. A bill to improve payment integrity in the Medicare and Medicaid Programs, and for other purposes; to the Committee on Commerce, and in addition to the Committees on the Budget, and Ways and Means, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

By Mr. DURBIN:

H.R. 2281. A bill to provide that Members of Congress shall not be paid during Federal Government shutdowns; to the Committee on House Oversight.

By Mr. GEJDENSON:

H.R. 2282. A bill to modify the navigation project for the Thames River, CT, to alter the dimensions of a turning basin in Norwich, CT; to the Committee on Transportation and Infrastructure.

By Mr. PAYNE of Virginia (for himself, Mr. Ballenger, Mr. Baesler, Mr. Boucher, Mr. Coble, Mr. Rogers, Mr. Hefner, Mr. Rose, Mr. Spratt, Mr. Scott, Mr. Bunning of Kentucky, Mr. Funderburk, Mr. Jones, Mr. Gordon, Mr. Clyburn, Mr. Ward, Mr. Taylor of North Carolina, Mr. Clement, Mr. Chambliss, and Mr. Peterson of Florida):

H.R. 2283. A bill to prohibit the regulation of the sale or use of tobacco or tobacco products by the Secretary of Health and Human Services; to the Committee on Commerce.

By Mr. POMBO:

H.R. 2284. A bill to provide incentives for the owners and operators of agricultural land to provide habitat for protected species; to the Committee on Agriculture, and in addition to the Committee on Resources, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

H.R. 2285. A bill to require the Secretary of the Treasury to mint coins in commemoration of Theodore Roosevelt, to authorize the appropriation of the surcharges imposed with respect to such coins to the Secretary of the Interior for use in connection with the administration of the Endangered Species Act of 1973, and for other purposes; to the Committee on Banking and Financial Services.

By Mr. POMBO (for himself, and Mr. Young of Alaska):

H.R. 2286. A bill to amend the Internal Revenue Code of 1986 to provide tax incentives for the conservation of endangered species; to the Committee on Ways and Means.

By Mr. STARK:

H.R. 2287. A bill to amend the Internal Revenue Code of 1986 to make S corporations eligible for the rules applicable to real property subdivided for sale by noncorporate taxpayers; to the Committee on Ways and Means.

By Mr. LINDER:

H. Res. 215. Resolution providing for the consideration of the bill (H.R. 1594) to place restrictions on the promotion by the Department of Labor and other Federal agencies and instrumentalities of economically targeted investments in connection with employee benefit plans; House Calendar No. 85. House Report No. 104–240.

By Mr. GOSS:

H. Res. 216. Resolution providing for the consideration of the bill (H.R. 1655) to authorize appropriations for fiscal year 1996 for intelligence and intelligence-related activities of the U.S. Government, the Community Management Account, and the Central Intelligence Agency Retirement and Disability System, and for other purposes; House Calendar No. 86. House Report No. 104–241.

ADDITIONAL SPONSORS

Under clause 4 of rule XXII, sponsors were added to public bills and resolutions as follows:

H.R. 28: Mr. Coble and Mrs. Waldholtz.

H.R. 263: Mr. Yates.

H.R. 264: Mr. Yates.

H.R. 387: Mr. Norwood.

H.R. 436: Mr. Chambliss and Mr. Luther.

H.R. 501: Mr. Smith of Texas.

H.R. 526: Mr. Pickett and Mr. Whitfield.

H.R. 553: Ms. Eddie Bernice Johnson of Texas.

H.R. 733: Mr. Hefner.

H.R. 734: Mr. Scott and Mr. Johnson of South Dakota.

H.R. 783: Mr. Christensen.

H.R. 835: Mr. Dixon.

H.R. 862: Mr. Hancock and Mr. Parker.

H.R. 864: Mr. Gejdenson, Mr. Stupak, and Mr. Greenwood.

H.R. 892: Mr. Gene Green of Texas.

H.R. 899: Mr. Petri.

H.R. 903: Mr. Klink.

H.R. 922: Mr. Johnston of Florida, Mr. Olver, Mr. Andrews, Mr. Hayes, Mr. Mascara, Mr. Klink, Mr. Hinchey, and Mr. Bentsen.

H.R. 963: Mr. Lightfoot, Mr. Peterson of Minnesota, Mr. Pickett, Mr. Rohrabacher, Mr. Montgomery, Ms. Rivers, Mr. Fazio of California, and Mr. Frelinghuysen.

H.R. 969: Mr. Johnston of Florida.

H.R. 997: Mr. Blute, Mrs. Lincoln, Mrs. Smith of Washington, and Mr. Minge.

H.R. 1007: Mr. Cooley.

H.R. 1127: Mr. Bentsen, Mr. DeFazio, Mr. Goodlatte, Mr. Hutchinson, Mr. Johnston of Florida, Mrs. Meyers of Kansas, Ms. Pryce, Mr. Whitfield, and Mr. Wolf.

H.R. 1161: Mr. Sawyer, Mrs. Meek of Florida, Mr. Dreier, Mr. Bentsen, Mr. Kildee, Mr. Rahall, Mr. Hall of Texas, and Mrs. Kennelly.

H.R. 1178: Mr. Jacobs and Mr. Neal.

H.R. 1274: Mr. Kennedy of Rhode Island.

H.R. 1385: Mr. Bentsen.

H.R. 1402: Mr. Mfume.

H.R. 1406: Mr. Saxton, Mr. Skeen, Mr. Frost, Mr. Lantos, and Mr. Stump.

H.R. 1468: Mr. Bentsen.

H.R. 1493: Mr. Ehrlich, Mr. Williams, and Mr. Bliley.

H.R. 1496: Ms. Molinari.

H.R. 1500: Mr. Barrett of Wisconsin and Mr. Clay.

H.R. 1521: Ms. Norton, Mr. Reynolds, Mr. McDermott, Mr. Dellums, Mr. Evans, Mr. Engel, Mr. Sanders, Mr. Schumer, and Ms. McKinney.

H.R. 1533: Mr. Shadegg.

H.R. 1625: Mr. Hunter and Mr. Inglis of South Carolina.

H.R. 1627: Mr. Weldon of Florida and Mr. Souder.

H.R. 1637: Mr. Rush.

H.R. 1742: Mr. Gejdenson, Mr. Reynolds, Mr. Minge, Mrs. Clayton, and Mr. Hayworth.

H.R. 1743: Mr. Radanovich, Mr. Pombo, Mr. Cooley, Mrs. Chenoweth, Mr. Miller of California, Mr. DeFazio, Mr. Hutchinson, Mr. Hinchey, Mr. Skeen, Mr. Castle, Mr. Frazer, and Mrs. Lincoln.

H.R. 1833: Mr. McCrery, Mr. Oberstar, Mr. Whitfield, and Mr. Coburn.

H.R. 1883: Mrs. Vucanovich.

H.R. 1920: Mr. Fox, Mr. Sabo, and Mrs. Thurman.

H.R. 1961: Mr. Duncan.

H.R. 1963: Ms. Kaptur, Mr. Saxton, Mr. King, and Mrs. Meyers of Kansas.

H.R. 1965: Mr. Callahan, Mr. Hefner, Mr. Sanford, Mr. Martini, and Mr. Owens.

H.R. 1987: Mr. Smith of New Jersey.

H.R. 2003: Mr. Walsh, Mr. Sabo, Ms. McKinney, Mr. Mascara, and Mr. Clay.

H.R. 2006: Mr. Davis and Mr. Bateman.

H.R. 2007: Mr. Wolf, Mr. Davis, Mrs. Morella, and Mr. Bateman.

H.R. 2137: Mrs. Kelly.

H.R. 2146: Mr. Crane and Mrs. Kennelly.

H.R. 2152: Mr. Fox, Mr. Coyne, and Mr. Graham.

H.R. 2182: Mr. Gene Green of Texas, Mrs. Roukema, and Mr. Gallegly.

H.R. 2186: Mr. Portman.

H.R. 2194: Mr. Jacobs.

H.R. 2205: Mr. Brewster and Mr. Clinger.

H.R. 2219: Mr. Blute.

H.R. 2265: Mr. Payne of Virginia, Mr. Bunning of Kentucky, Mr. Bass, Mr. Norwood, Mr. Parker, Mrs. Myrick, and Mr. Rose.

H.R. 2266: Mr. McNulty.

H.R. 2273: Mrs. Morella and Ms. Norton.

H. Con. Res. 5: Mr. Shadegg.

H. Con. Res. 7: Mr. Matsui.

H. Res. 39: Ms. Velazquez, Ms. McKinney, Mr. Nadler, and Mr. Frank of Massachusetts.

H. Res. 118: Mr. Rush and Mr. Williams.

H. Res. 174: Mr. Mineta, Mr. Serrano, Mr. Nadler, Ms. Slaughter, Mr. Underwood, and Mr. Shays.

H. Res. 200: Mr. Davis, Mr. Berman, Mr. Gejdenson, Mr. Pallone, Mr. Ackerman, and Mr. Saxton.

EXTENSIONS OF REMARKS

IF THE GOVERNMENT SHUTS DOWN, MEMBERS OF CONGRESS SHOULDN'T GET PAID

HON. RICHARD J. DURBIN

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, September 7, 1995

Mr. DURBIN. Mr. Speaker, if the Government closes, so should its pocketbook. Today, I am introducing legislation to cut off the paychecks of Members of Congress if the Federal Government shuts down because of budget gridlock. Senator BOXER of California is introducing identical legislation in the Senate.

Under Federal law, the House and the Senate must pass all appropriations bills by October 1. If all the bills are not approved and a stop-gap measure is not enacted, the Federal Government will be unable to make payments or meet its obligations. Such a "train wreck" could result in a shutdown of certain Federal operations.

Too many politicians on Capitol Hill are talking about a "train wreck" as if we're dealing with toy trains. A shutdown of the Federal Government is a serious matter, and Members of Congress should take it seriously.

The bill I am introducing is simple—if we don't finish the job, we don't get paid. The bill has three simple provisions.

First, Members would not receive basic pay for any period in which there is a lapse in appropriations for any Federal agency or department as a result of a failure to enact a regular appropriations bill or continuing resolution.

Second, Members would not receive basic pay for any period in which the Federal Government is unable to make payments or meet obligations because the public debt limit has been reached.

Third, no pay forfeited under this measure could be paid retroactively.

A Government shutdown is not child's play. If a "train wreck" occurs, it will disrupt the lives of millions of Americans.

Even if so-called essential services are continued, many people will be affected by the shutdown of Federal offices. Let me give a few examples.

The small business owner looking for a Federally-assisted loan or technical assistance may be told to put his business plans on hold until the shutdown ends.

The senior citizen trying to apply for Social Security benefits may have to delay her retirement because her application can't be processed.

The farmer looking for advice from the Soil Conservation Service may find the office closed and no one answering the telephones.

These disruptions are not necessary. It's our responsibility to avoid a "train wreck" while Congress and the President debate the broader spending priorities over which we differ. We ought to be able to allow the Government to continue operating while we negotiate our differences over spending priorities. If not, Congressional salaries should be first on the budget chopping block.

I urge my colleagues to join me in cosponsoring this legislation to make Members feel the pain that will be inflicted on others if the Government shuts down.

HOUSING SCHOLARSHIP DEDICATION IN FREMONT, CA

HON. FORTNEY PETE STARK

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, September 7, 1995

Mr. STARK. Mr. Speaker, today, I would like to join my constituents in the celebration of the completion of the modernization of the Century Village Apartments, a 100-unit apartment complex in the city of Fremont.

This complex was recently acquired and renovated by the Mid-Peninsula Housing Coalition, a nonprofit housing developer, with financing assistance provided by the city of Fremont and its redevelopment agency.

Ten apartments at the Century Village are reserved for participants in the Housing Scholarship Program, which combines affordable housing, job training, child care, and other supportive services, to enable participants to obtain full-time employment and achieve economic self-sufficiency. Through donated units and units required through financing agreements to be reserved for housing scholarships, the program is helping people who are helping themselves during a critical period in their lives.

To date, a total of 70 housing scholarships have been provided to families who are in job training. Over 90 percent of the housing scholarship recipients have successfully completed job training. Housing Scholarship Program graduates are developing new leadership skills and becoming valuable assets to the program and the community. Graduates have testified before the city council about the need for additional housing units. Graduates also serve as mentors for new job training participants.

Therefore, Mr. Speaker, I come before you today celebrating with my constituents the success of the Housing Scholarship Program and the completion of the Century Village Apartments. I hope all my colleagues will join in congratulating the city of Fremont and the Mid-Peninsula Housing Coalition for their contribution to their community.

TRIBUTE TO QUENTIN ALEXANDER

HON. BILL BAKER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, September 7, 1995

Mr. BAKER of California. Mr. Speaker, we are all aware of the outstanding work the Boy Scouts of America [BSA] does in training future generations of leaders for our country, and I can testify personally to the benefits of Scouting in my own life. That's why it is a particular pleasure for me to recognize my friend Quentin Alexander today in the CONGRESSIONAL RECORD.

Quentin has been in professional Scouting for the past 38 years, during the last 21 of which he has served as the Scout executive in the Mount Diablo-Silverado Council of the BSA in my home region in the East Bay of San Francisco. Under his stellar leadership, the Mount Diablo-Silverado Council now serves as the facilitating organization for 18,000 Scouts every year. The Council Endowment Fund has been substantially enlarged under Quentin's careful stewardship, and the new Scout Service Center will offer quality Scouting services for decades to come.

Quentin and his gracious wife Nancy plan to remain in our mutual hometown of Danville after Quentin leaves the Mount Diablo-Silverado Council and look forward to staying active in church and community affairs. While Scouting will miss Quentin's active participation, I look forward to benefiting from Quentin's sage counsel and deep concern for America's youth for years to come. It is an honor for me to applaud Quentin's splendid service to our Nation's young people, and to extend my best wishes to him, Nancy, and their loved ones for all the days ahead.

MEDICARE CUTS

HON. PATRICIA SCHROEDER

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Thursday, September 7, 1995

Mrs. SCHROEDER. Mr. Speaker, over the August recess, I went around my city of Denver—from hospitals to neighborhoods—to talk about the proposed Republican Medicare cuts and know it will affect people's lives and health.

In Denver, we have many teaching hospitals—some of the best health care facilities in the country. They are also a good health care deal for the American public.

In teaching hospitals, doctors get their training, hospitals get qualified personnel, and the public gets access to some of the best health care possible.

Now teaching hospitals are going to take Republican Medicare cuts on the chin. Cuts in

● This "bullet" symbol identifies statements or insertions which are not spoken by a Member of the Senate on the floor.
Matter set in this typeface indicates words inserted or appended, rather than spoken, by a Member of the House on the floor.

Medicare will force teaching hospitals to reduce the number of medical trainees they can employ—medical residents who regularly work 80 hours a week, doctors trained with the most up-to-date technology and curricula.

In my district, St. Joseph Hospital employs 100 residents. Cuts in Medicare will reduce the reimbursement St. Joseph's gets to employ medical residents, an annual loss of $1.4 million that the hospital will have to make up from somewhere else in the budget.

Under the Republican Medicare cut scenario everyone loses: the doctors, the hospitals, and most of all, the public.

80TH ANNIVERSARY OF THE NATIONAL POLISH ALLIANCE GROUP NO. 1837

HON. JERRY WELLER

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, September 7, 1995

Mr. WELLER. Mr. Speaker, today I would like to honor the 80th anniversary of the Polish National Alliance Group No. 1837. Formed on August 22, 1915, the group had 13 original charter members. The first was President Theodore Babicki and Vice President Thomas Kien.

Originally, the group was all male. However, on September 1, 1942, 35 woman joined the PNA and has flourished to its current membership of 70.

The Polish National Alliance assists religious, charitable, and military organizations, and the shut-in and ailing. The local PNA has contributed to many worthwhile organizations: Morris Hospital, the Paderewski Foundation in Pennsylvania, the National Vietnam War Memorial in Washington, DC, local Special Olympics.

Clearly, the dedication and sincere efforts by the local PNA has benefited Grundy County and other worthwhile projects. The cause and hard work by the PNA is appreciated by all who have been touched by their kindness.

Congratulations PNA and best wishes for many years to come.

TRIBUTE TO THE U.S.S. "SANTA BARBARA"

HON. ANDREA H. SEASTRAND

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, September 7, 1995

Mrs. SEASTRAND. Mr. Chairman, I rise today to pay tribute to a U.S. Navy vessel that is celebrating its 25th year of distinguished service. Like the beautiful city in the district I represent, the AE28-class ship proudly bares the name of the third century martyr Santa Barbara—the protector against lightning, thunder, and flame. Since being commissioned in 1970 the U.S.S. *Santa Barbara* has earned a reputation as the Atlantic Fleet's finest, fast-attack AE. The distinctions and honors bestowed upon her include three Battle Efficiency "E" Awards won in 1979, 1989, and 1993. Other honors she has received include the Golden Anchor Award, the Maritime Warfare Excellence Award, the Engineering/Survivability Award, the Logistics Management Excellence Award, and the Meritorious Unit Commendation for her performance during her 1992–93 Mediterranean deployment.

During its commissioning ceremony, then Santa Barbara Mayor Gerald Firestone offered the U.S.S. *Santa Barbara* a safe port and hearty welcome if the ship would ever visit the west coast. On behalf of the people of the 22d Congressional District, I would like to say that 25 years later that the welcome would be heartier than ever and the port safe as always.

COMMENDING NATO FOR RETALIATION AGAINST BOSNIAN SERB AGGRESSION

HON. GEORGE P. RADANOVICH

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, September 7, 1995

Mr. RADANOVICH. Mr. Speaker, I would like to commend NATO for finally exhibiting resolve by retaliating against Bosnian Serb aggression. I cannot help but wonder if such actions against the Serbs early in the conflict would not have significantly altered the current dismal situation. The lives of peacekeepers could have been saved, civilian suffering could have been lessened, United Nations credibility could have been salvaged. Three and a half years is far too long a period of time for such atrocities to go unpunished. Unfortunately, 37 more lives needed to be sacrificed before appropriate steps were taken against the Bosnian Serbs. But, we must not dwell on the past, instead we must look forward to the future and hope that the United Nations and NATO continue not to allow Serb attacks on noncombatants in designated safe areas to go unchecked. I must urge the administration to continue in the direction that it has taken, and again reiterate the need to lift the arms embargo against Bosnia and Herzegovina. Diplomatic success depends on the credible use of force.

TECHNICAL CORRECTION TO H.R. 1213

HON. FORTNEY PETE STARK

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, September 7, 1995

Mr. STARK. Mr. Speaker, I am today introducing an updated version of H.R. 1213, with a prospective effective date.

The bill relates to real property sales of S corporations. It is my understanding that if the legislation has a prospective effective date, Treasury will have no objection to the proposal.

A PROCLAMATION HONORING DAVID LEE ELLIOT

HON. ROBERT W. NEY

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, September 7, 1995

Mr. NEY. Mr. Speaker, I commend the following article to my colleagues:

> Whereas, Mr. David Lee Elliot of Zanesville, Ohio sacrificed his life on Sunday, July 23, 1995; and,
>
> Whereas, Mr. David Lee Elliot attempted to make his neighborhood a better place to live by protecting his property; and,
>
> Whereas, Mr. David Lee Elliot was an outstanding and law abiding citizen of Zanesville, Ohio; and,
>
> Whereas, Zanesville, Ohio is a better place to live because of the courageous action that Mr. David Lee Elliot undertook; and,
>
> Whereas, the residents of Zanesville and the surrounding areas of Ohio will greatly miss such an exceptional person.

LONG ISLAND FIREFIGHTERS DESERVE OUR GRATITUDE

HON. RICK LAZIO

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, September 7, 1995

Mr. LAZIO of New York. Mr. Speaker, I rise to salute Long Island's brave men and women volunteer firefighters for risking their lives to battle and extinguish two raging brush fires in Rocky Point and Westhampton, NY during the week of August 21. We owe a special debt to these courageous firefighters for their outstanding efforts in safeguarding the lives and properties of these East End communities.

Volunteer firefighters from many communities answered the call to duty. For the most part, they came from Suffolk and Nassau Counties on Long Island to battle enormous windswept brush fires that affected approximately 3,000 woodland acres in Rocky Point and 6,000 acres in Westhampton. What is truly amazing is the fires, although devastating to eastern Long Island's precious pine barrens, were contained and controlled without loss of life.

After fighting a swift-moving brush fire in Rocky Point, Long Island's firefighters, with little rest, once again became the first line of defense and confronted the searing blaze raging in Westhampton. They demonstrated that they can always be counted on to respond quickly in emergency situations, even if it means putting their lives in jeopardy.

Long Island's volunteers risked their lives under extreme conditions and carried out their firefighting duties with honor and distinction. While the fires did not directly touch my western Suffolk County congressional district—New York's 2d District—volunteers from every fire department in my district responded to the need. They are true professionals who never waver in answering the call to protect Long Island's communities from harm. Their dedication to duty is an outstanding reflection of the communities they serve.

While Long Island's brave volunteer firefighters can never be repaid for their devotion to duty, we can and should acknowledge their commitment by our continued support of their firefighting efforts. They performed well above and beyond the call of duty.

Mr. Speaker, I am proud of Long Island's firefighters and especially proud of those from New York's 2d Congressional District. I hope my colleagues will join me in applauding each and every one of them for carrying out their work with unflinching resolve. Their sacrifices have earned them our deepest gratitude.

IN REMEMBRANCE OF DONALD CRESSMAN—U.S. VETERAN

HON. MICHAEL BILIRAKIS

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Thursday, September 7, 1995

Mr. BILIRAKIS. Mr. Speaker, on September 4, 1995, in gatherings throughout our Nation, Americans paused to commemorate the 50th anniversary of the end of World War II. Sadly, September 4, 1995, also marked the passing of a veteran of that war—an American patriot who loved his family, his country, and his community. It is that man, a good friend, Donald Cressman, for whom I rise today to pay tribute.

Last year I had the privilege of honoring Don for 50 years of membership in the American Legion—he had joined in 1944. Don's story, like that of so many of our fellow veterans, is the story of America's greatness. One of nine children, Don was raised by his grandfather on a farm at the foot of the Pennsylvania Poconos. From his grandfather he learned lessons of discipline and perseverance that would help him overcome great hardships throughout his life. Most important, he learned to walk despite having contracted polio at 5 years of age. In fact, he walked well enough to pass his entrance physical into the U.S. Army and into combat duty. Following the war, he had to learn how to walk again because of a war injury which had put him in a body cast.

Don also learned to work hard, whether it was as a member of the Civilian Conservation Corps, which he joined at 17, or working on the hot beds of Bethlehem Steel, or going to night school on the GI bill following his tour of duty, or working as a realtor throughout his retirement years.

He had also learned to give. Each thinking person comes to a point in life when they realize they owe a debt of gratitude to a nation that's provided them with the freedom and opportunity to succeed. But, since those freedoms were secured by our veterans, haven't they already done more than their share? So often, however, it is our veterans who continue to give generously of their lives to build and strengthen their community. Don was such a man.

He was a founding member of the Dunedin American Legion in 1958 and served many years as a service officer. He was also an active member of the Dunedin VFW and the DAV. He was a charter member of the Dunedin Elks; served as the first president of the Knights of Columbus; was a past president of the Dunedin Board of Realtors and of the Dunedin Chamber of Commerce. Even in his church, Don was a pioneer and active member.

So, today we salute a man who spent his lifetime overcoming the odds; of working hard and contributing to the betterment of his fellow man. To Betty, his beloved wife of over 49 years, and to his son, John, of whom he was immensely proud, Don leaves a rich legacy and a name associated with honor.

We will miss you, Don.

SIMON KONOVER RECEIVES THE NEW LIFE AWARD

HON. BARBARA B. KENNELLY

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Thursday, September 7, 1995

Mrs. KENNELLY. Mr. Speaker, I rise today to pay tribute to the remarkable life of a remarkable man, my constituent, Simon Konover. He will be honored on September 8 with a ceremony at the Holocaust Museum and the presentation of the New Life Award.

Simon Konover is a survivor of the labor camps of World War II and the battle of Stalingrad. Yet after enduring the worst that humanity can do, he came to the United States and created a new life—one dedicated to the best that humanity can do. His service to Connecticut's Jewish community and to the city of Hartford are all but legendary. Simon Konover has served as chairman of the Jewish Federation of Greater Hartford, the Greater Hartford Israel Bond Campaign, and the Connecticut Society for Yad Vashem. He is an Honorary Life Member of the Greater Hartford Jewish Community Center and the Hebrew Home and Hospital, and also serves on the boards of Mount Sinai Hospital, Hartford Hospital, and the Institute for Living. There is probably not a civic organization in Hartford or in the State of Connecticut that has not been assisted by Simon Konover.

It is particularly fitting that Simon will receive this award at the Holocaust Museum, since he has worked tirelessly for its creation. In doing so, he has given us a precious gift–the gift of memory. In this 50th anniversary year of the liberation of Europe, I am proud to join with Simon's wife, Doris, his children, Jane, Michael, and Steven, and his hundreds of friends and admirers to pledge that we will never forget.

SOCIAL SERVICES NEED GOVERNMENT HELP

HON. WILLIAM (BILL) CLAY

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Thursday, September 7, 1995

Mr. CLAY. Mr. Speaker, some of our colleagues are promoting the privatization of social programs as a way to reduce the deficit. They contend that nonprofit organizations like churches have the millions of dollars necessary to provide education, housing, and health care services, to name a few. I would like to share with those members a commentary that thoroughly discusses the infeasibility of their proposition. Entitled "Social Services Need Government Help", the article was written by Mr. Pierre Blaine, a St. Louis television producer, and appeared in the August 25, 1995 edition of the St. Louis Post-Dispatch.

SOCIAL SERVICES NEED GOVERNMENT HELP

(By Pierre Blaine)

As the legislation steeming from the GOP's Contract With America cuts the federal government's ability to provide social services, let us remember that the strength of the U.S. economy is in its mixed-economy features—a private market system with social welfare components. Traditionally, government has been a major partner with nonprofit organizations in delivering social services to Americans. The private sector cannot pick up the slack of government retrenchment in many social areas.

The government developed partnerships with nonprofit organizations to help it carry out welfare-state functions and deliver social welfare services. In fact, the government has been the major source of nonprofit-independent sector funding. The evolution of voluntary associations has enabled the federal government to use nonprofit organizations to decentralize the carrying out of public functions for the common good. The government has already begun giving subsidies directly to nonprofit organizations to provide services.

All the talk about vouchers to be given directly to consumers for them to purchase goods and services directly is a result of budget-deficit planning. The budget deficit has already cut the funding available to nonprofit organizations. Reduced support from the federal government has already pushed nonprofit organizations into the commercial market for income.

The movement toward privatizing some government services began during the presidencies of Ronald Reagan and George Bush. This philosophy advocated the use of vouchers to compel users to seek alternative private-sector markets to traditional government help. But even Reagan's commission, the President's Task Force on Private Sector Initiatives, concluded in 1981 that it would be impossible for the private sector to pick up the slack in government retrenchment.

furthermore, in 1992, corporations contributed only 6 percent of the total amount of charitable giving in the United States. The increases in the demand for social services continue to be out of proportion to the money available to nonprofit organizations. Nonprofit organizations are unlikely to be able to compensate for the current reductions in federal funds.

Over the past 18 years, the largest percentage of cuts in the federal budget has been in the discretionary grants to states and local governments, but the increase in the demand for social services still compels the nonprofit sector to respond. Likewise, the projected cuts in revenue for nonprofit organizations is disproportionate to the amount of the federal budget it consumes. Ironically, this retrenchment of federal dollars comes when the private sector is downsizing through layoffs, mergers, reorganizations and transfer of work to other countries. If the United States has a recession because of high interest rates, it will cause further demands for services by nonprofit organizations.

Nonprofit organizations have been increasing fees, donations, user fees and fund-raising. But those alternatives don't replace federal dollars; they have traditionally been effective only in supplementing a declining base from the federal government. The private sector has become more involved, but it is naive to think that the corporate sector is going to continue to increase giving at levels needed to fill the gap caused by government retrenchment.

Corporate social responsibility depends on the health of the economy as a whole. The business of business is business, and the continued evolution of corporate involvement is tied to the ability to make a profit over long periods. The lack of resources to respond to increased demand leads to doubt about whether private organizations can continue to provide adequate services. Private giving is projected to have to increase by 95 percent between now and 2002 to fill the gap of federal partnership with nonprofit organizations. Voluntary associations are a unique phenomenon in American culture that have had a long affiliation with government in providing social services.

Nonprofit organizations provide services including health care, food pantries, social welfare, housing, economic development and education. The services they provide are not a statistical aberration; they represent help to real faces. Can we afford a contract with America without them?

GUARDCARE: A TRAINING PROGRAM ON TARGET

HON. PATRICIA SCHROEDER

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Thursday, September 7, 1995

Mrs. SCHROEDER. Mr. Speaker, one of the smartest uses of Federal resources is the Colorado National Guard's free clinic for Denver's medically underserved. The clinic, a National Guard GuardCare program, was set up in the baseball stadium and served 640 people in the first 4 days.

GuardCare is a civil-military program designed to provide military training while benefiting the local community. In Denver, 1,633 people who otherwise would not have access to medical treatment benefited. Across the State it will serve 5,000 people in need of care. The program involved the whole community. With the help of U.S. West, it incorporated high tech telemedicine techniques that enabled the National Guard field hospital to talk to Denver General Hospital via television monitor. Denver General provided needed medical information.

The National Guard provided the personnel, the tents, and the medical equipment. For the National Guard it was an ideal training opportunity in field medicine that allowed them to treat the needy in their own community rather than the needy in a foreign country. It is a win-win situation for all.

Unfortunately, this will be the last year for the National Guard's clinic in downtown Denver, and in cities in the other 15 States that have implemented GuardCare programs. Because the National Security Committee, in their zeal to fund unneeded weapons systems, zeroed out the budget for these useful and economically efficient National Guard training opportunities in the authorization bill. The goal of GuardCare was to accomplish mission-essential readiness while rebuilding America. Which part of this goal does the committee find so unworthy of funding? I'll bet it is not the readiness part.

HEALTH INSURANCE HORROR STORY FROM TEXAS

HON. FORTNEY PETE STARK

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, September 7, 1995

Mr. STARK. Mr. Speaker, over the years, I've entered a number of letters from fellow citizens detailing the outrageous failures of our current health insurance system.

I'd like to share with you a letter from the Carawan's of Aransas Pass, TX, which details the crushing increase in health insurance premiums for a family which has had health problems but which has incurred little health expense in the last few years. Clearly, their insurance company wants to force them into giving up their policy—but with no protection against pre-existing condition exclusions, the Carawan's have no where to turn.

Their family policy started 8 years ago at $3,096 a year with a deductible of $2,000. It is now $3,645.90 a quarter with a $3,000 deductible.

Mr. Speaker, I regret we did not pass H.R. 3600 last year. It would have required the kind of open enrollment, no-pre-existing condition, community-rated policies which would save the Carawan's and millions of other Americans from being priced-out of the insurance market. Following is their moving letter on why we so desperately need health insurance reform:

Dear Congressman: Today we received notice that our health insurance was going to be increased by 30% on July 1, 1995. In January, 1994, our quarterly premiums for my husband and I for a $3,000.00 deductible were $1,770.00. The quarterly premium on July 1, 1995 for the same coverage will be $3,645.90 or $14,583.60 a year. Eight years ago when we purchased this plan for our family the premiums were $258.00 quarterly or $3,096.00 a year. (Note the deductible at that time was $2,000 and has been increased not by our choice to $3,000.00). I have spoken to my insurance carrier and they claim the large increase is due to the high loss ratio in the group we are in. Since January, 1994, my husband and I have paid in a total of $12,641.00 in premium and had a total of $584.10 in claims.

The stress from this impossible increase will surely increase our chances of recurring illness. My husband and I both have had cancer and we know what a financial strain a serious illness can cause with health insurance coverage and we can't imagine how we could handle such a situation without any protection. We also realize that we cannot qualify for another plan even though it has been over six years since either of us have been hospitalized. Do we pay the increased premiums until we deplete all our financial resources or do we save the premiums and try to self-insured knowing we could not possibly save enough for a possible needed heart or liver transplant. There is not a simple answer.

My husband who is age 55 and I, age 54, are both self-employed. I am an insurance agent and my husband is a commercial shrimper. My husband is a veteran of the Vietnam war with 8 years service to our country. We have always worked, paid our taxes, and tried to be responsible Americans. We have always tried to protect our family with insurance coverage and have never asked for a free handout from our government. It is not fair at this time in our life to be faced with such a dilemma from no fault of our own.

As a representative of our country, I plead with you to take note of the health care problem and act on what is happening. We cannot keep on much longer the way things are now. If something is not done soon, only the rich and the poor (those on disability or very low income supplemented by our government) will be able to receive medical care. What will happen to the middle class worker that has no company benefits?

Respectfully,

Frances R. Carawan,
Aransas Pass, TX.

EXPERIENCES AND IMPRESSIONS OF ISRAEL

HON. MICHAEL P. FORBES

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, September 7, 1995

Mr. FORBES. Mr. Speaker, I was privileged to join other Members of the House of Representatives on a tour of Israel during the August recess. Attached is an account of my experiences and impressions of Israel while visiting the country.

[From the Jewish World, Sept. 1-7, 1995]

Can Israel Achieve Stable Peace Among Enemies?—Fact-Finding Trip Uncovers Some Answers

(By Michael P. Forbes)

News of the suicide bombing on a Jerusalem city bus came over the radio early Monday morning. Fifteen members of the United States Congress, including myself, and our guests, were traveling at the time from Kibbutz Nof Ginosser on the Sea of Galilee to the Golan Heights up north. My heart broke as I heard the updates: four people dead, 106 wounded; the culprit thought to be a woman suicide-bomber who carried a pipe bomb in her bag. American Joan Davenny, 47, of Connecticut, in Israel to visit her parents and take up Jewish studies at Hebrew University, was among the innocent killed.

Hamas, the Islamic fundamentalist terrorist group, claimed responsibility on Damascus Radio and promised similar attacks through the November 1996 Israeli elections. Their goal is to force Prime Minister Yitzhak Rabin out of office because, they say, he has declared war against Islam. A growing number of Israelis blame Rabin and his peace endeavors for inspiring frequent attacks and Hamas apparently sees opportunity in the deepening fissures of Rabin's popularity resulting from each of the atrocities. All the while, some suggest the region is on the threshold of a lasting peace; that those enemies whose every breath was once dedicated to the destruction of the state of Israel are now her "partners in peace." But I ask myself, why then is this happening?

In a hardworking, seven-day visit to Israel characterized by back-to-back meetings that ran from the early morning through working lunches to well past midnight, we, members of Congress and our guests, came to understand the difficulties Israel faces in this war-prone region and to learn firsthand more about her history and gain unique insights into the dynamics of her politics, economy and daily life.

It serves this nation's interest to continue to support $3 billion in aid to Israel for security and economic development. Six hundred thousand immigrants, largely Russian Jews, have arrived in Israel since 1990. The United

States has provided $80 million for refugee settlement and $10 million in loan guarantees for housing. Five million dollars for a joint U.S.-Israel scientific technology commission will further both nations' research endeavors. Finally, efforts to provide a lasting peace in the Middle East have been bolstered by forgiving $275 million in debt owed by Jordan and $100 million as the U.S. share of multilateral economic assistance for the Palestinians.

I'm proud of this nation's support for Israel. Remembering the tragedy that occurred in Oklahoma City is convincing evidence that, while the Cold War period in which we knew our enemies is over, the world faces a far greater threat from illogical, fanatical terrorist groups. Many have their origins in the Middle East and the world has no better expert in dealing with terrorism than Israel. Our nation's investment there is a good one.

For me, this was a return visit to America's greatest ally in one of the world's most troubled regions and an opportunity to see what changes had taken place in the nine years since I was last there. My ties to Zionism were nurtured in a visit to Israel in 1986 after uncovering a long forgotten family fact that my great-grandfather, Rabbi Max Moses, had emigrated to the United States in the last 19th century from Esslingen, Germany and is today buried in a New Orleans Jewish cemetery.

On August 15, in a trip paid for with private funds, a delegation that included me, my friend from Long Island Congressman Dan Frisa; fellow New Yorkers Congressman Bill Paxon and his wife, Congresswoman Susan Molinari; House Republican Whip, Congressman Tom DeLay of Texas, and 10 other congressional colleagues and guests departed for an exciting, information-packed week of taking in and land and its people. Starting at Mt. Scopus with a tour of the 3,000-year-old capital city of Jerusalem and a meeting with Mayor Ehud Olmert, to the administered territories of Judea and Samaria and a visit there to the settlement of Ma'aleh Adunim with its 200 families, our sightseeing took us from the lowest point on earth (1,298 feet below sea level) at the Dead Sea to the heights of Masada and Golan.

We explored below-ground excavations of the two and a half miles of walls that encircle the Old City of Jerusalem and, on the eve of the Sabbath stopped to pray at the Western Wall, site on an annual pilgrimage by Jews to mourn the destruction of Herod's Temple Mount and their 2,000 years of exile. At the Israel Museum, we took in the Dead Sea Scrolls exhibit and later stopped by the highly-touted Israel Arts and Science Academy, where innovation programs for gifted and talented high school students are in their fifth year. Our travels took us to the holy sites of Bethlehem and Nazareth; to one of the earliest synagogues, dating from the fourth century at Capernaum and to the Church of the Beatitudes, both at the nearby Sea of Galilee.

We made a detour to the port of Haifa and out into the Mediterranean to visit American Navy personnel on the *USS Roosevelt*. Home ported at Norfolk, Virginia, this magnificent aircraft carrier was commissioned in 1986, saw duty in Operation Desert Storm and today continues to be a stabilizing force for peace in the Middle East. The nuclear-powered ship is home to some 80 aircraft and, for this Long Islander, it was with tremendous pride that I spotted Grumman-built planes: the E-2C Hawkeyes (an early warning all-weather defensive plane with a rotating dome) and the supersonic F-14 Tomcat fighter. It was wonderful to meet some New Yorkers while on the carrier and to experience this tremendous asset to the greatest Navy in the world.

In several dozen high level meetings with policymakers, we took the opportunity to get behind-the-scenes insights into a myriad of issues that impact on Israel's security, her future, peace negotiations with the Palestinians, the Syrians and the status of her dealings with surrounding countries. As an ardent supporter of Israel and a member of the House Appropriations' Foreign Operations subcommittee, I very much wanted assurances that Middle East policy decisions made by the United States were not only beneficial to my own country but also to the best interests of our ally Israel. Over dinners with such luminaries as Prime Minister Rabin, Foreign Minister Shimon Peres and U.S. Ambassador Martin Indyk, we were assured Israel and her once-threatening neighbors were moving like never before toward an unprecedented peace.

Where Israel was once isolated, treated like a pariah by its neighbors, today it has treaties with Egypt, Jordan and, if Prime Minister Rabin and Chairman Arafat have their way, before too long will have a treaty in place with the Palestinians. Ambassador Indyk is hopeful that the second phase of the Oslo Accords will be signed in Washington soon. In making his pitch for Congress to keep from undermining the peace negotiations maintaining the U.S. commitments to Israel (something about which this group didn't need convincing) Indyk noted Israel is more than willing to bear the added costs of putting an end to territorial hostilities.

He cited as an example, an "Oslo II" provision that involves redeployment of Israeli military forces out of Judea and Samaria at a cost of $300 million. While telling us of his past advocacy of Jerusalem as the site of the U.S. Embassy, a move I've been pushing in Washington, Indyk now chastises the Congress on the question saying it has "no business" pre-empting negotiations with the Palestinians. If other hopes are realized, a once impossible agreement with Syria might even be in the offing. As Indyk put it, ". . . this is the 'new Israel' . . . the state of siege has been lifted."

If it is indeed a new day, as officials of the prime minister's Labor party government repeatedly suggested, then why are so many Israelis unhappy with Rabin and his proposed terms of a peace agreement? This fact-finding trip was one way I would learn more.

In drawing distinctions between himself and Rabin, Binyamin "Bibi" Netanyahu, member of the Knesset and leader of the Likud party, suggested he is for autonomy in the administered territories of Judea and Samaria, not the creation of a Palestinian state, and characterized the Rabin position as advocating a Palestinian state there rather than autonomy. The Likud leader vehemently opposes any agreement with the Palestinians to surrender land that not only possesses an historical legacy intertwined with Zionism but is of strategic military importance. Specifically referring to the PLO (now referred to as the Palestinian Authority), Netanyahu questioned, ". . . how do we achieve a stable peace among a sea of enemies?

He said distinctions must be made between a "true peace" and a "false peace," referencing the late 1930s when for "peace in our time," British Prime Minister Neville Chamberlain agreed in the Munich Pact to trade land for peace. This left Czechoslovakia vulnerable and set the stage for the madman Hitler to march through Europe in the worst conflagration the modern world has ever known. Clearly, a poignant example of what turned out to be a "false peace." Netanyahu wondered whether the Arabs are genuinely interested in a lasting peace and, if so, are there sufficient security conditions to hold a peace?

Syrian President Hafez el-Assad may profess interest in a peace agreement that includes handing over the Golan Heights, but it's fair to question the wisdom of surrendering northern Israel's three highest hills that directly overlook Syria and, according to military commanders in the region, are a critical line of defense to protecting Israel in the event of another war. Prior to Israel's success in 1967's Six-Day War, Syria occupied the area where it erected an impressive base of operations.

We saw several of those Syrian-built bunker installations during our visit to the Golan Heights and from those locations, developed a clear impression of the tremendous vulnerability many Israeli communities must have experienced during the numerous times they were under military attack with no fall back position. Today, we're reminded of the region's significance with word that Syrian peace talks remain in limbo because they refuse to reconsider a demand that Israel totally withdraw from the Golan.

The Samarian mountains above Jordan offer a similar line of defense that provides security to a peace and most importantly, deters war. We were told by Yossi Beilin, Peres' former deputy at the Foreign Ministry and now minister of Economy and Development, that there have been no terrorist incidents or killings in the secured Golan since taken by Israel in 1967. Ramona Bar Lev, coordinator of the Golan Residents Committee that is opposed to annexation of the area by Syria, reiterated that point. Nonetheless, Netanyahu reminded us that, since 1993, 170 lives have been lost to terrorism, largely emanating from the Arab-dominated hotbed of Gaza, and the toll continues to rise.

In an age of very sophisticated technology, AWACs (airborne warning and control systems), early warning systems, satellite photos and radar, Israel's military commanders were surprisingly candid in telling us there is still no substitute for processing the highest mountaintops and observing the movements of the enemy with one's eyes. Airpower, missiles and selective strikes can cause tremendous damage and distract the enemy, but as we were reminded, the U.S. liberated Kuawait and won the Gulf War with its ground troops and ultimately it is the ground troops that must move in and take an area. In Israel's case, a longstanding point was being sustained that her best defense rests in keeping the strategically important mountains and hills.

As possible terms of an Israel peace accord are floated about and the potential for that nation to shrink from 40–55 miles wide to a narrow enclave of just 9–15 miles wide, conventional thought about the strategic importance of land to Israel's security are challenged. It's tough for outsiders like us to fathom a new way of looking at Israel's defense, even when respected leaders of the Labor government shift their views and now say the best tactical approach is monitoring actions at the Jordan-Saudi border 400 miles away.

Our tour included a visit with Dr. Saeb Erekat, a highly-placed representative of the Palestinian Authority in Jericho and a negotiator in Eilat for Arafat. I found Erekat to be more defensive than conciliatory when questioned by our delegation. He was asked about speeches attributed to Arafat in which he called for a continued jihad. According to Peace Watch, a newsletter monitoring the peace process, in a January 1995 speech to Palestinian laborers Arafat was quoted as saying, "all of us are willing to be martyrs along the way, until our flag flies over Jerusalem, the capital of Palestine. Let no one think they can scare us with weapons, for we have mightier weapons—the weapons of faith, the weapons of martyrdom, the weapons of jihad."

Erekat dismissed that and a series of similar outrageous statements with a convoluted explanation that jihad actually has two meanings: one refers to "little jihad" as the holy war the PLO leader long advocated that ends in the destruction of Israel; the other refers to "big jihad" as massive economic, social and educational changes he wants to bring to the Palestinian people. It is the latter, said Erekat, to which Arafat referred. When Israel's Labor party officials were queried on the issue, they gave a similar answer.

I attempted to get assurances from him that since they now have Gaza and Jericho and Rabin's support (though no final agreement) in their bid to control Judea and Samaria, would those be enough concessions to get the Palestinians to drop their opposition to a united Jerusalem within the state of Israel? He dismissed my question, saying that any final decision must await the last stage of negotiations set to begin in May 1996.

Congress will consider extending the Middle East Peace Facilities Act (MEPFA) later this month. It permits a waiver of U.S. laws prohibiting aid to terrorists and paid the Palestinians $100 million upon signing the peace agreement with Israel. Enough doubts surrounded the Palestinians' willingness to comply with the Oslo Accords that Congress granted only short term extension of the act. What I've learned during this trip will weigh heavily as deliberations of NEPFA move onto the House floor.

The problem of water in this largely arid region has profound implications for Israel and several attempts to understand the Rabin government's position yielded few substantive answers. Israel is seriously dependent on its seasonal rainfall and three critical feeders into the national water system: Israel's only fresh body of water, Lake Kincret at the Golan, the coastal plain aquifer and a mountain aquifer. The coastal plain is subject to salt and pollutants that reduce water quality, shifting an additional burden to the Golan lake and mountain ridges of Judea and Samaria for an adequate supply of water and making it the most important long-term source for the national water system.

The fate of Israel's water supply would be largely left to Arabs in the administered territories if tenets of the peace agreement with the Palestinians are realized. I remain unsatisfied with explanations offered for dealing with the dilemma, most notably that a triumvirate multination entity might govern future administration of the region's water.

In what can best be described as wonderfully fun moments, we celebrated a Shabbat dinner and spent a beautiful, cool, starry night sailing on the Sea of Galilee in a replica of "The Jesus Boat." Newly-emigrated Russian Jews entertained with their music as we danced the hora to the "Have Nagilah."

I was especially moved also by a breakfast meeting we had with former Soviet dissident Natan Sharansky, whose struggle against a totalitarian regime put him in prison for nine years. Sharansky's only crime was his practice of his religion and his growing commitment he had to Zionism. He became an icon in the struggle of Jews to leave for Israel—to make *aliyah*—and an international champion of human rights. He was sentenced to 400 days of isolation, in so-called punishment cells, conditions that compelled him to go more than 200 days on hunger strike. It was an honor for me to meet the hero Sharanksy who is now enjoying freedom as a resident of Israel.

My most profound and emotional moments came during our visit to the Yad Vashem Holocaust Museum, a permanent memorial to the millions of Jews who, for the nature of their beliefs, were persecuted, suffered and died at the hands of history's greatest menace. Six million Jews died in all; 1.5 million were children. My friend, Congressman Jon Fox of Philadelphia, and I had the honor of placing a wreath at the Hall of Remembrance. I will carry with me forever the vivid memory of the Children's Memorial, where a soft but firm voice carefully read in Polish, German, English and Hebrew the names, ages and birthplaces of all those children known to be among the 1.5 million killed by the Nazis.

Ours was an extraordinary fact-finding mission. It has left an indelible impression on me to ensure a sustained American resolve that forever stands by Israel, our dearest friend and closest ally in democracy and freedom. From history's triumphs and tragedies, we must learn so that mankind does not repeat the mistakes of the past. And, most importantly, we must never, ever forget.

PROHIBIT THE FDA AND HHS FROM REGULATING THE SALE OR USE OF TOBACCO PRODUCTS

HON. L.F. PAYNE

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, September 7, 1995

Mr. PAYNE of Virginia. Mr. Speaker, today I am introducing legislation to prohibit the Food and Drug Administration [FDA] or any agent of the Department of Health and Human Services from regulating the sale or use of tobacco products. The bill is in direct response to the proposed rule that the FDA announced last month. Under the Agency's proposal, the FDA would assume broad new powers over tobacco advertising, marketing, and use—powers which Congress has steadfastly refused to grant to the Agency.

I am very pleased to be joined in introducing this bill by Representatives BALLENGER, BAESLER, BOUCHER, COBLE, ROGERS, HEFNER, ROSE, SPRATT, SCOTT, BUNNING, FUNDERBURK, JONES, GORDON, CLEMENT, CLYBURN, TAYLOR of North Carolina, CHAMBLISS, and WARD.

The purpose of this bill is not to thwart legitimate efforts to curb youth smoking. Everyone knows that minors should not smoke cigarettes or dip snuff. Reducing youth smoking is a goal that is almost universally shared. All 50 States have enacted laws to prohibit youth smoking. And the tobacco industry itself has taken voluntary steps to eliminate the sale of tobacco to minors. On several occasions this year, I have actively encouraged the Clinton administration to work with the industry in expanding voluntary restrictions as an alternative to new and over-reaching regulations.

I have never met a tobacco farmer or warehouse employee who would want their children to smoke cigarettes. They want existing laws enforced, and they want voluntary measures to be given the chance to work.

What they do not want is for the Federal Food and Drug Administration [FDA] to use legitimate public concerns about teen smoking as the pretext for asserting its enormous regulatory jurisdiction over tobacco products.

Mr. Speaker, this bill is simple and straightforward. It simply bars the FDA from proceeding with any regulations governing the sale or marketing of tobacco products. Prohibiting the FDA from moving forward with these proposed regulations is not only consistent with existing law, it will send an important message to every other agency that attempts to issue regulations without express authority from the Congress.

This controversy is not new. In the last Congress, and in the Congress before that, legislation was introduced in the House and Senate to expand the FDA by creating a new regulatory category for tobacco products. Those proposals were rejected. In fact, throughout this century, tobacco's opponents have understood that their best chance to ban tobacco is to give unelected officials of the executive branch regulatory authority over this product. Time and again, such attempts have been rejected.

When Congress has enacted legislation dealing with tobacco, its delegation to the executive branch has been narrow and very specific. The FTC, for example, has carefully drawn duties with respect to assuring that the Surgeon General's warning are placed on cigarettes marketed domestically.

Furthermore, in enacting the Federal Cigarette Labeling and Advertising Act of 1965, Congress declared that the act set up a "comprehensive Federal program to deal with cigarette labeling and advertising (15 U.S.C. 1331)." This language suggests strongly that actions not plainly authorized by the act are beyond the powers of the executive branch. It is difficult to understand how the FDA can proceed with new restrictions on tobacco advertising in light of this language.

Even the FDA has acknowledged its inability to regulate tobacco.

Unable to achieve victory in the halls of Congress, tobacco's opponents are now relying on the administrative powers of the executive branch to assert this new and potentially far-reaching authority over tobacco. Tobacco's opponents may celebrate the administration's action on tobacco right now, but they may rue the day when they allowed the executive branch to establish such a precedent.

Just imagine the outcry of tobacco's most vociferous opponents if another President at another time tries to use executive powers to circumvent the expressed will of Congress on such matters as environmental safety, workplace protection, and gender equity. They would cry foul and they would have every right to.

Beyond this important concern about the FDA's legal jurisdiction to act, it is also clear that the administration's proposal runs contrary to the whole focus of government right now. Americans want less government, not more. I find it ironic that as many agencies are downsized and eliminated completely, the administration would seek to expand the scope and mission of the Food and Drug Administration in this manner. Tobacco is already one of the most heavily regulated products in the United States. Regulation begins at the plant bed and runs well beyond the point of sale.

Finally, the FDA needs to re-order its priorities and focus on those issues which Congress has charged it with. We have all heard the reports of the FDA being unable to test and approve life saving drugs in a timely manner. It is an agency that should get its own house in order rather than trying to take on new projects in areas where it clearly lacks jurisdiction.

Mr. Speaker, I am proud to represent more than 5,000 tobacco growers. These hard-working farmers and their families don't want children to smoke. All they want is for Washington to treat them fairly.

The FDA's proposed rulemaking is not fair. It contradicts the plain intent of Congress and is a thinly-veiled attempt to regulate and ultimately destroy domestic tobacco products. I urge my colleagues from both parties and from all regions of the country to join me in sponsoring this important bill.

TRIBUTE TO SISTER JANE FRANCES BRADY, SC

HON. WILLIAM J. MARTINI

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Thursday, September 7, 1995

Mr. MARTINI. Mr. Speaker, I rise today to take this opportunity to recognize an outstanding individual who has dedicated her life to serving others. Sister Jane Frances Brady, SC, brings comfort to those she touches through Healing the Children, a remarkable, service-oriented organization committed to the donation of medical resources to those who cannot afford the attention they need.

All over the world millions of families use the little money they have to buy just enough food to survive; they cannot afford normal medical expenses. In the most underdeveloped countries, children who need care go untreated because of a lack of resources or funding to afford the little care that is available. Families suffer unthinkable pain, and children are the victims in this tragedy.

Sister Jane Frances Brady, SC, the president and chief executive officer of St. Joseph's Hospital and Medical Center is a recipient of numerous awards from professional and civic organizations for her dedication to helping the needy. However, her commitment to Healing the Children proves what the giving of ones self really accomplishes. Healing the Children has sent her to foreign countries where she has served on medical teams helping children who are suffering as a result of a lack of medical resources. As a part of Healing the Children, Sister Jane has also opened the doors of St. Joseph's to sick and needy children from around the world.

Through the work of Sister Jane Frances Brady, SC, and the organization, Healing the Children, families are given the attention they need to help them stay in good health. This group of caring medical professionals seeks out children in need, recruits the medical personnel and provides loving support. The Healing the Children medical teams share their knowledge with the host country's medical personnel, in hopes that one day these trips will not be necessary. At both home and abroad, Healing the Children also flies children to hospitals where they will receive the best possible treatment for their ailment.

Through the caring leadership of executive director and founder Evelyn Dudziec, this organization has performed these important missions for more than a decade. Mrs. Dudziec works out of a small office in her home in Kinnelon, NJ where she oversees the management of Healing the Children. She is also a member of Concerned Persons for Adoption and the Spina Bifida Parent Support Group. As a volunteer chairperson of the Fresh Air Fund of Northern New Jersey, a member of the Vietnamese Refugee Program and a host to 48 children through Healing the Children since 1981, Evelyn opens her heart to those less fortunate. Together with Sister Jane Frances Brady, SC, they serve as a rare and special reminder of what one person can accomplish in this small world.

MARYVILLE ACADEMY—AN OASIS OF HOPE FOR ORPHANS

HON. HENRY J. HYDE

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, September 7, 1995

Mr. HYDE. Mr. Speaker, policymakers have been discussing the merits of orphanages within the concept of foster care and the need to restore the family in our society.

R. Bruce Dold, the Pulitzer Prize winning deputy editorial page editor for the Chicago Tribune, has written an excellent article for Notre Dame magazine, summer 1995 edition on Maryville, a "home of last resort." I am extremely proud of Maryville, which is located in my district, and of Father John Smyth, the academy's director.

Mr. Dold's article deserves a wide audience and I am pleased to commend it to my colleagues:

[From the Notre Dame Magazine, Summer 1995]

A PLACE TO CALL MY OWN

(By R. Bruce Dold)

He was a real wisenheimer, as they called it in those days, a cigar-smoking, card-playing, suspenders-and-fedora kid, and if he didn't straighten out quick, why, "he'd turn out to be a 5-and-10 mug." That's what his older brother said. That's the reason Whitey Marsh had to go to the orphanage.

Oh, it wasn't easy at first. The kid ran away, but the sound of the lunch bell brought him back on the double. And when his brother robbed the bank and Whitey wouldn't spill the beans, it looked dark.

But Whitey was a good egg after all, and when he explained everything, how he was just trying to help his own flesh and blood, they let him go. And he was elected the mayor of Boys Town.

His father took off when he heard Tony Kohl was born. His mother was a drunk who beat him and burned him, and when he was 5 and his brother was 2, she dumped them both outside a child welfare office in Chicago.

They were adopted, but the new parents grew fearful of Tony as he got older. They said he was violent and emotionally unstable, that he hit his brother and other kids. When he was 10, they dropped him at an orphanage and tried to make sure he'd never see his brother again.

The child welfare officials wouldn't let him stay at the orphanage. They put him in a foster home. But he lured some of the younger kids into sex games, and the foster parents got rid of him. The officials put him in a psychiatric hospital, and after four months they placed him in another foster home. He set that one on fire, earning himself another trip to a hospital.

He went through a dozen foster homes, each time getting in trouble and getting kicked out. So they shipped him to a place in Arizona he describes as "a prison," and he hated it.

Finally, a year ago, he was sent to Maryville Academy, the 112-year-old children's home in Des Plaines, Illinois, run by Father John Smyth '57. After a failed adoption and a dozen foster homes and two psychiatric hospitals and one "prison," he's finally, at age 16, found a place that won't kick him out or lock him up. He's not the mayor of Maryville, but he's doing okay.

When House Speaker Newt Gingrich raised the prospect of removing unwed teenage mothers from welfare and allowing states to use the saved money to open orphanages, he stepped into a quietly raging war among those who make it their business to look after abused and neglected children.

When First Lady Hillary Rodham Clinton slammed the Gingrich proposal as "unbelievable and absurd," it appeared to be one more clash of partisan politics. Actually, the public was getting its first glimpse of that war among child-care experts.

Gingrich's suggestion that the naysayers watch the 1938 movie Boys Town to get an idea of what he had in mind was cockeyed. Whitey Marsh, the mug-to-mayor character played by Mickey Rooney, is as much like Tony Kohl as The Great Train Robbery is like Star Wars. But in a sense he probably didn't grasp, Gingrich was on to something.

The United States is currently the de facto parent for nearly half a million abused and neglected children, and the number is growing at a dizzying rate. The nation doesn't know what to do with all these kids, or with scores more who are on the way.

The revival of the orphanage is an unhappy, but utterly unavoidable, choice. The experts just aren't willing to admit it.

They held a roast last year for John Smyth, but nobody could think of anything particularly snide to say about him. The best line came from Chicago Police Superintendent Matt Rodriguez, who claimed that the good father held the Notre Dame record for most fouls in a varsity basketball game.

In a town that routinely chews up and spits out public figures, Smyth, 62, is regarded as an uncommon savior.

He was a 6-foot, 5-inch center and team captain at Notre Dame when the 1956–57 basketball team placed third in the Mideast Regional of the NCAA tournament. He was picked in the first round of the National Basketball Association draft by the Saint Louis Hawks, but after barnstorming for 30 games with a group of college stars picked to play against the Harlem Globetrotters, he gave up basketball to enter Saint Mary of the Lake

Seminary in Chicago and, in 1962, the priesthood.

He knew nothing at all about Maryville when he was assigned there, fresh out of the seminary, but he thought he could hack it for a few years. The place hadn't changed much since 1983, when it opened as Saint Mary's Training School, an outgrowth of a Chicago orphanage started a dozen years earlier to care for children orphaned by the Great Chicago Fire.

In the 1920s, Maryville housed as many as 1,200 children during a flu epidemic, and that many again during the Great Depression of the 1930s. But its fate was tied to changes in the nation's child-welfare policies, and in the early 1970s it nearly closed.

Today there are 276 kids on the campus, a third of them girls. None of the 276 is a Whitey Marsh.

There was a time, more than a century ago, when the orphanage seemed on the cutting edge of child protection. Children who were orphaned in the mid-19th century, usually by health epidemics, either lived on the streets or were placed with adults in poorhouses or jails. Some were shipped west to live with farm families, who often treated them more as indentured servants than as children.

By comparison, the orphanage was a refuge.

But orphanages fell into disfavor in the 1950s and '60s, when studies suggested that very young children who grew up in them suffered from developmental delays and failed to establish personal relationships.

With the advent of antibiotics and the welfare system, far fewer children were orphaned by disease or economic depression. If children had to leave their homes, it was more likely because they had been abused or neglected. The nation moved toward placing those children with foster families, volunteers who provided a temporary, substitute family.

In 1980, Congress passed the Adoption Assistance and Child Welfare Act, which established that the nation's goal was to prevent the removal of abused and neglected children from their homes and, if they were removed, to reunify them with their families as quickly as possible.

The way station of choice for kids who had to leave their homes was now the foster family. The orphanage, officially, was on the outs.

What few people anticipated in 1980 was a new epidemic, one that can't be wiped out by antibiotics: an epidemic of child abuse. In 1982 there were 262,000 children living in substitute care; that number now has soared to 450,000, a high percentage of them the victims of sexual or physical abuse or neglect.

Smyth estimates that 85 to 90 percent of his youngsters come from homes where parents are afflicted by cocaine or alcohol abuse. A decade ago, 85 percent of the children at Maryville could be expected eventually to return to their parents. Now, just 15 percent have an realistic hope of ever going home. Heck, only 15 percent have any hope of a parent so much as showing up at Maryville for a visit.

When kids come to Maryville, they are angry and lost. "We assume that they have not been taught any social skills at all," Smyth says. "Most of them have been through several foster homes. It's just a mismatch there. We're the safety net."

Indeed, by the time kids land at Maryville, they have likely failed a half a dozen foster homes, deepening their sense of distrust and cynicism and shattering their sense of self-worth. Maryville is usually the last chance to repair them.

Since 1979, Maryville has run an intensive therapy program based on the teacher-parent model pioneered at the modern-day Boys Town in Nebraska. Up to nine children live in a townhouse on 98-acre grounds in Des Plaines with a live-in adult or a married couple. Everything is a socialization experience. the kids make their own meals, shop for their groceries, clean house, wash the dishes and balance the house checkbook.

During the day, the parent notes all of their positive and negative behaviors and assigns points for each behavior. Shaking hands and establishing eye contact with a visitor earns points. Cleaning the dishes earns points. Asking for help, giving compliments, completing homework can all be worth points. Anti-social behaviors such as talking back or picking a fight bring negative points.

At 7 each evening, all the points are tallied on a 5-by-8-inch card. It is, in essence, a daily report card. Each child has to accumulate 10,000 points every day to earn privileges for the next day: snacks, television, Nintendo, the telephone.

Over time, the kids move up to higher levels. On the second level they get a later bedtime, more TV time and a point-card review every other day instead of daily. On the third level, privileges are more loosely negotiated. On the fourth, the kids achieve a considerable measure of independence.

Run away from Maryville and they're busted right down to the bottom.

In 1982 there were about 140,000 foster homes available to take in kids; in the most recent count by the National Foster Parent Association, there were just 100,000. So where are they putting all those kids?

"They're just putting more children in the homes," says Gordon Evans, spokesman for the association. "There's an exodus of families. The kids' problems are much more severe than ever before, and (the foster parents) don't know how to cope."

The foster care system, noble in intent, is a bureaucratic nightmare. Numerous studies have shown that many foster parents aren't adequately trained to handle the most troubled children. Moving children from foster home to foster home forces them to deal with rejection again and again. Health care for those children is so haphazard, as they bounce from home to home, that some states have resorted to issuing health-care "passports" so the latest doctor has some idea of the child's health history.

Some states have reacted to the problem by redoubling efforts to prevent child abuse—or responding to it with counseling and other services to parents and children in their homes. Those efforts are necessary, but the results of prevention efforts have been, at best, mixed.

While the child welfare system imploded, something else happened. Orphanages—the best of them, at least—evolved into highly sophisticated models for turning around the lives of the nation's most troubled kids through intensive, round-the-clock treatment.

Far from the barracks image of the old-style orphanages, the Maryville townhouse would be the envy of any college kid crammed into a dorm room. Each house has a roomy kitchen, a living room, a dining area and bedrooms—one for every two kids. The living room has comfortable sofas and lounge chairs, a 27-inch TV and a VCR. On the cork bulletin board, the therapy schedule shares space with the gym schedule.

"They provide consistency, motivation and professional care," says Patrick Murphy, the Cook County Public Guardian, whose father was a Maryville resident from 1914 to 1917. "It's the only option for kids who can't handle the intimacy and demands and inconsistency of a foster home."

Critics of institutional care argue that it can harm children by depriving them of a family structure. Says Marion Wright Edelman, director of the Children's Defense Fund, "We went back to foster care because orphanages are not all Boys Towns. Most families are better than most institutions. That does not mean it's not possible to have humane institutions, but we believe in having a few adults and a few children relating to each other. I don't want to say there's never been a good orphanage, but it has to be at the very, very end of the continuum."

Many of the kids at Maryville would agree. Give them a family that wanted them and they'd be gone in a moment. But many of those kids also acknowledge, perhaps reluctantly, that they can't cut it in a family right now. Says Tony Kohl, "I want to go home after school and not think of myself as a Maryville kid. It'd be much different if I had a regular family, but I understand that's not going to happen."

Maryville will never force a child to leave, no matter how difficult he is. But Tony has still had to deal with a different kind of rejection. In the spring, his parent-teacher took a new job somewhere else. The change to a new parent-teacher was hard on him, and his school grades dropped.

No one has the corner on perfection in child welfare. "Any kid who can be in a foster home should be in a foster home. And if every kid can be in a foster home, close Maryville," Smyth declares. "The question you have to ask is, what happens to the kids who are bounced out (of foster homes). If you're going to turn your back on those kids, they'll be on the street.

"When you take a kid who's bombed out from a foster care program, who is destructive, then you better have the wherewithal to hang in there and solve the problem. Now, that is tough duty."

Besides psychological therapy, Maryville provides preparation for teenagers to live on their own. It tries to prepare them not only for independent living but for family life as adults. It has a Career Development Center with programs in carpentry, printing, auto repair and other vocations, each one sponsored by a local company.

While studies show nearly half the children who go through foster care drop out of school, every child who lives at Maryville graduates from high school. If a Maryville kid is accepted to college, Maryville pays the tuition, thanks largely to private donations. On average, one-third of each graduating class goes on to college, and two-thirds of those students earn a degree. Maryville has graduated kids from Notre Dame, Northwestern and other top schools.

All that comes at a hefty price; Maryville spends about $35,000 a year on each child. The parent-teacher, unlike a foster parent, is a paid professional. At Maryville they earn at least $34,000 a year, plus room and board. These costs are paid by the government and private donations.

Smyth's operation also recruits and trains foster parents and runs a parenting-teen center in Chicago, a witness protection program, a farm school and an emergency shelter for sexually abused children. Altogether, Maryville facilities assist more than 12,000 children each year.

Yes, Maryville works.

The aversion to orphanages nevertheless rages on. Gingrich's proposal to direct money saved from welfare to orphanages raised such an outcry that all references to orphanages were removed from the House bill.

But Gingrich had twisted the debate. Orphanages shouldn't be repositories for the children of poor parents who are forced off welfare; that's both mean-spirited and prohibitively expensive. But more orphanages are needed right now for children who are victims of serious physical or sexual abuse.

The genesis of the move to revive orphanages is generally traced to Lois Forer, a retired judge in Philadelphia who spent years in family court and saw no end to the foster-care treadmill on which many children were running. Joyce Ladner, the acting president of Howard University and a child welfare expert, echoed Forer's opinion that more orphanages are critically needed.

Senator Daniel Patrick Moynihan sounded the alarm in 1989, writing that the prevalence of crack-cocaine will "soon give us the no-parent child as a social problem." The likely answer, he said, was the re-establishment of orphanages. Much in the way that Moynihan's prescience about the underclass was ignored in the 1960s, his warnings about the state of children have been ignored today.

In 1991, Illinois became the first state to launch a formal investigation into reviving orphanages. But a state-established task force concluded that orphanages are "not consistent" with the goal of rapidly returning abused children to their families. The task force seemed not to notice that in the 18 months it spent preparing its report, Illinois' foster-care rolls had swelled by another 11,000 children.

The opponents of orphanages make several critical errors. They raise fears that orphanages will be used inappropriately in place of foster homes, but they don't recognize that foster care is being destroyed by a system that forces troubled kids into it who don't belong there, don't benefit from it, and whose behavior hounds foster parents into quitting.

The opponents cling to the hope that better foster care and "family preservation" programs can handle the child-welfare crisis. It's true that prevention programs are critical and show real promise, but they are still in their infancy. And they're being swamped by the child-abuse epidemic.

Just as flu and typhoid created scores of orphans in the 1890s, so have crack-cocaine and AIDS in the 1990s. "We're always going to have dysfunctional families. But I'm convinced that sexual abuse and physical abuse is the result of being high on crack-cocaine and alcohol," says Smyth. "They're nuts, they're crazy: When they walk in a room, a 7-year-old girl looks like a 21-year-old girl. Human nature has not changed that much in 10, 12, 15 years."

In the 1990s, child abuse often starts in the womb. At the child intake center run by Maryville, roughly 5 to 10 infants arrive each day suffering from fetal alcohol syndrome or the symptoms of crack-cocaine use by their mothers.

The nation can't handle its drug epidemic, which begat the child welfare epidemic. It can't prevent drugs from being manufactured here or shipped in from somewhere else. It doesn't have enough jail cells to lock up the users. And it does not want to spend the money for treatment.

On top of that, the nation is just beginning to deal with the disaster of a federal welfare policy that prevents outright destitution but contributes to a permanent underclass, which is most prone to child neglect.

"Everything it has done has destroyed families," says Smith, who works closely with welfare recipients. "These are the conditions of welfare. You cannot own anything. You cannot save anything, you cannot work and you can't get married. I think that's slavery. If you took away welfare, they'd work. And they'd live and they'd succeed. But you have to raise people up so they can compete. You start by making sure the family stays together and the kids stay in school."

Until the nation figures out how to raise up the underclass and end drug abuse—utopian notions, perhaps—it has to figure out what to do with all the kids who can't live safely at home, particularly those whose emotional scars run deepest.

It cannot afford to turn its back on any reasonable solutions. And that includes the 1990s version of the orphanage.

THE SOCIAL SECURITY ADMINISTRATION

HON. ANDREW JACOBS, JR.

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Thursday, September 7, 1995

Mr. JACOBS. Mr. Speaker, despite her splendid accomplishments as Social Security Commissioner which are set out in the following USA Today article, Shirley Chater's nomination to become the first head of the non-partisan independent Social Security Administration has been held up in the Senate Finance Committee, thus proving that there is more than one way to abuse a woman.

[From the USA Today, Aug. 30, 1995]

AGENCY PUTS FOCUS ON ITS CUSTOMERS

(By Martha T. Moore)

WASHINGTON.—For knowledgeable, helpful, polite telephone service, a shopper can call that famous mail-order retailer in Maine.

Or, a taxpayer can call Social Security.

After two years of corporate-style reengineering, the Social Security Administration is emerging as the federal agency that's providing the best service to its customers—that is, to taxpayers. It's a favorite of Vice President Gore, the champion of reinventing government, and Michael Hammer, co-author of Reengineering the Corporation—the book that spurred the reengineering movement.

And in key measures of customers satisfaction, Social Security has outscored companies famed for service, such as Nordstrom and L.L. Bean. That's an "incredible" achievement, Gore says. "They're really transforming and reengineering their agency."

Reengineering, a term borrowed from the corporate world, means a start-from-scratch overhaul of the way an organization does its work, with goals determined by customers' desires and performance measured by comparisons against the best in the industry. Since 1993, when the Clinton administration kicked off its National Performance Review for government agencies, Social Security has pressed hard to improve customer service, through the agency's toll-free number (800-772-1213) for questions and information, and in its field offices. The changes that have been made are both obvious and subtle. For one thing, taxpayers are now referred to as customers.

As well they should be, says Stephanie Martin, a telephone representative at the agency's Jamaica (N.Y.) Tele-service Center. "Social Security is a business of insurance," says Martin, who handles 50 to 70 callers a day. "They are paying to be insured."

The results so far: In a survey of telephone customer service in May, Social Security outperformed private companies famous for their customer service, including catalog retailer L.L. Bean and Baldrige Quality Award winners Federal Express and AT&T Universal Card.

"There are some government departments which are effectively resisting this whole (performance review) thing tooth and nail, which are bureaucratic nightmares beyond anything one could imagine," Hammer says. "A few agencies are doing a good job. The Social Security Administration is one of the leaders."

Social Security Commissioner Shirley Chater is hoping for a fringe benefit from reengineering: If people believe Social Security is run efficiently, they may worry less about whether it will go broke before they retire. "Good service equals confidence in the program," she says.

To come up with a revamped process, the agency began the way corporations do: It created a reengineering team. Together with consultants, the team members visited private companies such as AT&T's Universal Card operation to see how they operate. And they did what all market researchers do: they talked to the people who use their services. "The cornerstone is to find out what your customers want," says Toni Lenane, chief policy officer and head of the customer service program. The agency surveyed 10,000 people, conducted focus groups, and mailed 22,000 comment cards to people who had visited Social Security offices.

What the team learned: Customers don't expect the world, but they want to be treated well and quickly. Based on the results, the agency pledged to treat customers politely and promptly. It instituted more courtesy training for employees. It is reassigning as many as 700 staff members from headquarters and support jobs to field offices to deal with customers face-to-face.

The biggest effort focuses on the 800 number, most taxpayers' first contact with the agency. Social Security's goal is for customers to reach a representative within five minutes.

It's a tough task. Because all Social Security checks normally arrive on the third day of the month (unless that falls on a Sunday), everyone who has a problem calls on the same day to complain. That's why the agency hasn't met its five-minute target yet. In the May telephone service survey, Social Security scored first in every aspect of telephone service except time spent on hold: Its callers held for about eight minutes on average. Agency figures for week of August 7-11 show that 69% of callers got through within five minutes. Lenane admits that on the worst days, callers may never get through. So the reengineering isn't over. By January, the agency predicts the success rate will reach 95%. To hit that goal, it is adding staff to answer phones at peak times. In January, when calls typically increase because of December retirees and frequent questions about cost-of-living adjustments and taxes, the agency will boost the number of people answering phones from 4,600 last year, then a record, to 7,900. Most help comes from other agency workers trained to pitch in temporarily.

Upgrading phone systems and adding automated information to answer the most common questions. Already, a menu allows callers to choose English or Spanish language help. That's a boon for Betsy Reyes, a bilingual representative at the Queens (N.Y.) phone center. Before, she was summoned each time an agency worker received a call from a Spanish speaker. Now those calls queue up automatically.

Staggering delivery times of checks for people who retire in coming years. The agency had hoped to stagger checks for people already receiving Social Security as well. But current recipients, whose finances revolve around a check arriving the third of each month, were opposed.

While the reinvention of customer service continues, the agency also is preparing to tackle an even tougher challenge: fixing the process for awarding disability benefits. Now, it's a nightmare that can drag on for nearly two years—even though the actual labor involved in a disability claim, by the agency's own count, totals 45 hours. Even a simple claim for benefits that doesn't get appealed takes 155 days—five months—to be decided. The problem: a cumbersome administrative process. Handling the disability program, though it involves only 20% of Social Security recipients, takes up more than half of the agency's $4.9 billion administrative budget.

The goal for reengineering that process calls for a disability application to be handled by one person, down from 13 currently. A four-level process will be cut to two levels. "You can always continue to throw money at something, but we really needed to fundamentally rethink the program," says Charles Jones, director of the disability process redesign.

The reengineering, which will take five years to complete, hinges on a new computer system—which in turn hinges on a $1 billion appropriation from Congress. But the biggest obstacle is "people's natural resistance to major change. It is scary to a lot of people," Jones says.

Reengineering scared Martin, the Queens telephone representative, mostly because it sounded like "more work to do." But the customer service program, which gives phone representatives more information so they can answer questions quickly, "makes the job creative and interesting," she says. Even courtesy training is welcome. Social Security phone reps get their share of angry, even suicidal callers. "It's stressful," Reyes says. And because of the range of information they provide, "we're like the doctor, lawyer, social worker, accountant," says Martin.

"Psychiatrist," Reyes adds.

In fact, as much as Social Security has modeled itself on the corporate world, it remains different.

"We should look for new ideas" from private industry, says Richard Heyniger, of the Jamaica center. But he recalls his first job with Social Security, 21 years ago, visiting shelters in Manhattan. "Guys would sneeze on me and drool on me," as he tracked down homeless men to give them their benefits, he says. "I don't think there are lot of private sector organizations that do that. They're concerned with customers—but they're also concerned with profits."

"WHAT AMERICA MEANS TO ME"

HON. JERRY LEWIS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, September 7, 1995

Mr. LEWIS of California. Mr. Speaker, I would like to bring to your attention a meaningful message, "What America Means to Me," written by Julio Martinez who is a member of VFW Post 2545 in Redlands, CA. As a nation of immigrants, we must continue to recognize that the strength of our country lies largely in its diversity. I commend this passage to my colleagues in the House:

WHAT AMERICA MEANS TO ME

America means to me, the place of my birth.
Born to a family who taught me, early in life,
No matter the hardships,
To love this land of my birth.

America offered schools for you and me,
To become whatever we wished to become.
Through life adjustment and preparation.
So we could build a stronger nation.

America means to me, freedom of speech,
As long as I do not infringe on the rights, of any of our citizens.
America is the only place on this earth,
Where people of all nationalities live, and coexist as fellow citizens.

America means to me, freedom of religion,
To worship any religion I choose.
And the freedom not to worship if I so choose.

America means to me, the freedom,
Of working where I choose to work.
And wherever I choose to work.
And am guaranteed fair wages for my work.
America means to me, freedom,
To move from one job to another, without reprisal.
From one state to another, without fear upon my arrival.

America means to me, the freedom, to choose where,
I wish to live and am guaranteed, by our,
Constitution, the freedom.
To pursue life, liberty and the pursuit of happiness.
With total freedom.

America means to me, freedom to elect,
Public officials to govern us,
With our consent.
and to remove them if not content.

America means to me, the freedom,
On the Fourth of July, her birthday, to celebrate.
She gained her independence for you and for me.
So let us all celebrate.

America means to me, freedom to fly,
Our beautiful flag, atop our flagpoles,
Fluttering majestically, throughout our nation,
Reminding us all that we live in a free nation.

America may not be perfect, but,
It is still the best nation in the world.
So we had best take care of her, by living harmoniously together.
If we look out for each other,
She will continue to be the best nation in the world.

We know we are still learning to live together, as American citizens.
But let an outsider threaten America, and she,
Will send out a call to her sons, daughters and citizens.
We will respond to her call, no matter what we contend.
We will defend her to the very end.

Our nation is free.
We have demonstrated to the world,
We will fight to keep her free.

And yes this is what America, means to me.
That I wish the world to see.

TRIBUTE TO ELEANOR KAHLE

HON. MARCY KAPTUR

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, September 7, 1995

Ms. KAPTUR. Mr. Speaker, I rise to honor the life of an extraordinary woman, Mrs. Eleanor Kahle of Toledo, who died at the age of 78 years young on August 13, 1995. Councilwoman and vice mayor emeritus, Eleanor Kahle, was a citizen-stateswoman, a mentor, a team player, and a friend to thousands. Her passing leaves a void in our community no one can adequately fill.

Eleanor (Konieczka) Kahle, Polish-American by heritage, began her life on September 10, 1916, in what was then the small community of Sylvania outside of the city of Toledo. At the time of her death, she had become a citizen of the world. In fact, though over her lifetime she received recognitions too numerous to mention, the one she cherished most was her last, that of being named National Volunteer of the Year of Sister Cities International.

It has been said that Eleanor Kahle had four careers in her life: that of wife and mother of six children, pastoral associate in the Catholic Church, executive director of the West Toledo Senior Center, and elected official in the city of Toledo. In all of these careers, Eleanor Kahle forged new ground. She took no responsibility more seriously than raising her six sons as a young widow, and delighted in their achievements as adults and in their children's.

She was also a devoted woman of the church. There did not exist such a position as pastoral associate in the diocesan Catholic Church until Eleanor Kahle pursued its creation. In the 1970's as a pastoral associate, she was essentially the highest ranking woman in the Catholic Church, performing nearly all of the duties of the priesthood with the exception of the celebration of the Mass and the Sacraments.

Doggedly pursuing the creation of a senior citizens center for several years in spite of tremendous opposition, she oversaw the birth of the thriving West Toledo Senior Center in 1979, directing its growth until her retirement in 1993. Today that center stands, 5,000 seniors strong, housed in a large, pleasant, refurbished building, as a true legacy to her.

In 1983, I was honored by her service on my congressional staff in Washington as a special assistant on senior citizen issues, guiding and advising me as Congress debated changes in the Social Security system to assure its future solvency. She approached that opportunity with the zest, intelligence, and dedication that characterized her entire life.

In 1987, at the age of 70, when most people would not dream of making such a major change in their life, Eleanor began her stellar political career as an elected official winning a seat on Toledo's city council. Four years later, in 1991, she finished first in the city council races among a field of eight, and was elected the city's vice mayor, one of only two women in Toledo history to rise to the post. Always planning and working toward unmet horizons she kept up the brisk pace of public life right until her unexpected illness, and never wavered from the idea that she might return to her duties. It was during her career as a councilwoman that Eleanor Kahle committed herself to the Sister Cities International ideals. She traveled abroad extensively as a goodwill ambassador for Toledo and our Nation, establishing new relationships with the cities of Szeged, Hungary, and Poznan, Poland. She hosted dozens of visitors in her home and was Toledo's most dedicated ambassador-at-large.

In every endeavor, Eleanor Kahle conducted herself with grace, dignity, and eloquence. In her own mind, she never had to be the leader, "just wanted to make sure the job got done." Yet in her persevering and joyful way, she led her community forward always, many times as a lone pioneer. Who can forget the twinkle in her eye or her cherubic grin. In the words of her children, while describing her and comparing her to the roses she so enjoyed, Eleanor Kahle was "a true American beauty."

In special memory of Eleanor's life, in honor of her gifts and talents, and in recognition of her achievements and the special roles she fulfilled so exceptionally in our community, our Nation, and our world, the Eleanor Kahle Memorial Scholarship Fund will be established at Lourdes College, to be awarded to a nontraditional student who wishes to pursue those goals which Eleanor cherished and toward which she strove. This scholarship will stand as a legacy to Eleanor, her life, and her ideals. On behalf of all the citizens of our community whose lives have been improved by her vigilant work, let us publicly thank her as well as her family for their selfless devotion to others. We shall miss her always and be inspired by her life's work. She remains our true friend.

FELICIAN SISTERS HONORED AS 1995 "POLISH AMERICANS OF THE YEAR"

HON. GERALD D. KLECZKA

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Thursday, September 7, 1995

Mr. KLECZKA. Mr. Speaker, I rise today to recognize the Felician Order of Sisters who have been named "Polish Americans of the Year" by The Milwaukee Society, an affiliate of the Polish National Alliance.

In 1855, the Felician Order was established in Poland by Mary Angela Truszkowska. Nineteen years later, in 1874, five Felician Sisters came to the United States and opened a parochial school in Polonia, WI. As time went on and their numbers increased, they also established orphanages, homes for the elderly, hospitals, and day care centers, in addition to teaching. Today, St. Francis Hospital, Villa St. Francis, the Terrace at St. Francis, and St. Joseph Day Care Center for Children are all examples of their continued ministry on Milwaukee's South Side.

When I attended St. Helen's Grade School, the Felicians staffed the facility and I know full well of their dedication and impact on educating young minds. I warmly remember the discipline and understanding and warmth—although for some reason, I remember the discipline the most! I wonder why?

I ask my colleagues to join me in recognizing the Felician Sisters' remarkable contribution to the citizens of Milwaukee, WI, and to the United States. They are a shining example of the commitment and dedication which is representative of Polish immigrants throughout our nation's history.

Mr. Speaker, I offer best wishes and congratulations to the Felician Sisters as this year's Milwaukee Society's "Polish Americans of the Year."

TRIBUTE TO ED GANNAWAY

HON. SAXBY CHAMBLISS

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, September 7, 1995

Mr. CHAMBLISS. Mr. Speaker, August 22, 1995, is a day etched in the minds of those who flew on board ASA Commuter Flight 529 from Atlanta, GA, Gulfport, MS. Flight 529 was forced to crash land in a small field near Carrollton, GA, resulting in the death of four passengers and its captain, Ed Gannaway of Dublin, GA. However, due to the sheer heroics of Captain Gannaway, 26 passengers survived the crash landing. Landing a plane with a blown engine took a level head and all the outstanding skills available to Captain Gannaway.

Flight attendant Robin Fech, of Warner Robins, has similarly earned our praise for her calm and efficient preparation of the passengers for the crash landing that awaited them. Fortunately, Robin Fech survived the ill-fated flight.

Today, I would like to take this time to recognize Captain Ed Gannaway for the manner in which he guided his crippled plane over houses, power lines, and trees to finally find the hayfield near Carrollton. Because of Ed Gannaway, 24 others are still alive today. Ed Gannaway was a great American, and many lives are touched by his passing. Whether it be the kids from Boy Scout Troop 66 or those that knew him from First United Methodist church in Dublin, Ed Gannaway will be missed.

Our hearts go out to his wife, Jackie, and three sons, Craig, Russell, and Rob. It will always be hard to face this loss, but I pray that it be reassuring to know that Ed Gannaway died for the sake of other lives. Without Ed Gannaway as pilot on this particular day, the news of this crash might have been far graver. The best way to sum up Ed Gannaway's feat is as Rev. Jack Key said, "Ed Gannaway truly flew on wings of eagles."

INTRODUCING THE MEDICARE AND MEDICAID PAYMENT INTEGRITY ACT OF 1995

HON. JOHN D. DINGELL

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Thursday, September 7, 1995

Mr. DINGELL. Mr. Speaker, I am pleased today to introduce, with my colleague, Mr. WAXMAN, the Medicare and Medicaid Payment Integrity Act of 1995.

This legislation would improve the Government's ability to detect fraud and abuse in the Medicare and Medicaid programs. It would create a new mechanism to increase funding available for combating health care fraud and abuse without drawing down from the U.S. Treasury, or further burdening taxpayers.

The bill would establish a new health care antifraud reinvestment fund, into which certain monetary recoveries resulting from health care fraud enforcement cases would be deposited. These funds would be used to support additional enforcement activities by the Federal Government. The account would be available to fund expanded and innovative methods to investigate fraud and abuse, sanction offenders, deter misconduct, and return improperly spent money to the trust fund and the Treasury. Thus, the individuals and corporations who defraud our Nation's health care system will foot the bill for increased policing of these programs.

This legislation also provides for a stable funding source for payment integrity activities undertaken by the health care financing administration. These include:

First, medical and utilization review; second, audit of cost reports; third, Medicare secondary payer determinations and recovery of payments; and fourth, education of providers and beneficiaries regarding payment integrity. These activities would no longer be subject to the ups and downs of the appropriations process. However, spending could not exceed the amounts that were appropriated for fiscal year 1996 through 2002.

This bill is a serious attempt to expand fraud and abuse activities without increasing burdens on Federal taxpayers. In the near future, Senator BOB GRAHAM of Florida will be introducing this bill as part of a larger legislative package that includes further expansion of fraud and abuse activities. We have been talking with Senator GRAHAM and his staff and may be offering an even broader bill in the House in the near future.

In the meantime, this is a good first step and I commend it to my colleagues.

HONORING BOB SLAGLE FOR HIS SERVICE AS CHAIRMAN OF THE TEXAS DEMOCRATIC PARTY

HON. KEN BENTSEN

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, September 7, 1995

Mr. BENTSEN. Mr. Speaker, I am proud to submit the following statement on behalf of myself and my Democratic colleagues in the Texas delegation:

Our friend Bob Slagle, who has served as Chairman of the Texas Democratic Party since September, 1980, has announced that he will not seek reelection in 1996. Party activists and party officers are often typecast and miscast as "political hacks" engaged in a cynical electoral game that emphasizes only winning and cares little about policy and its effect on people. Often the work of party leaders is taken for granted, as credit and glory is showered on consultants, candidates, and high profile political gurus.

Over the span of 15 years, Bob Slagle has sacrificed his time and energy serving his party, his state, and his nation, and we are thankful for the respect and commitment he has shown to those of us who have run for office and serve in this great body. Today we are proud to salute our Chairman, Bob Slagle, for his commitment to the people and his belief that this great system of government we call democracy must work to make sure all Americans have the opportunity to fully realize their talents and put them to work for the common good. Although he is a fierce partisan, Bob is an even fiercer patriot, a man whose politics are driven by a belief that the more people participate in politics, the better our government will serve the people.

When one stops to think about what it must be like to deal year round will all the different groups and factions within a political party, one has to appreciate the dedication Bob has shown to working to keep Democrats together as we have fought for those things we believe are important for our country. As Chairman, Bob has worked to make sure the Texas Democratic Party is truly an inclusive, democratic party, the party where all calls are taken, where everyone still counts. At the same time, the Texas Democratic Party has pioneered many modern campaign concepts during Bob's tenure, including the ticketwide coordinated campaign; the development of a statewide computerized voter file that contains voter history, targeting, and demographics data to allow campaigns to target voter contact efforts; and the implementation of a secure, on-line interactive communications network.

Thanks to Chairman Slagle's tireless efforts, Democratic officeholders have not been "defeated with a redistricting map," while at the same time the protection and creation of African American and Hispanic districts have been achieved. Perhaps most important, Bob worked to build a solid small donor base to assure the party of a stable funding source, and he and the party staff have traveled all over Texas to conduct workshops, hold rallies, and campaign for Democrats up and down the ticket. All this has helped keep the Democrats the majority party in Texas at a time when many other states with similar demographics have been flooded by a "Republican tide."

For 15 years as Chairman and long before that, Bob has worked side by side with people from all walks of life to make our state and nation stronger through their participation. His friends include the famous and the unknown; rich and poor; black, brown, and white; urban and rural; conservative and liberal; and even some Republicans—all those who believe that by bringing people together to find the common good, the great American democratic system offers "the best hope on earth."

On Saturday, September 9th, Texas Democrats and friends from around the country will join in "A Salute to Bob Slagle" in Austin. We join in saluting Bob and thanking the Chairman for his 15-year tenure of service and lifetime of commitment to his party, state, and nation.

Respectfully submitted by:

Henry B. Gonzalez, Twentieth District; E "Kika" de la Garza, Fifteenth District; Charles Wilson, Second District; Martin Frost, Twenty-Fourth District; Charles W. Stenholm, Seventeenth District; Ralph M. Hall, Fourth District; John Bryant, Fifth District; Ronald Coleman, Sixteenth District; Solomon P. Ortiz, Twenty-Seventh District; Jim Chapman, First District; Pete Geren, Twelfth District; Chet Edwards, Eleventh District; Gene Green, Twenty-Ninth District; Eddie Bernice Johnson, Thirtieth District; Frank Tejeda, Twenty-Eighth District; Kenneth E. Bentsen, Jr., Twenty-Fifth District; Lloyd Doggett, Tenth District; Shelia Jackson Lee, Eighteenth District.

THE PBS SERIES "THE AMERICAN PROMISE"

HON. CARDISS COLLINS

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, September 7, 1995

Mrs. COLLINS of Illinois. Mr. Speaker, as has been said many times before, ours is the only Nation founded on an idea—the idea of democracy. No idea is more American. Yet the idea of democracy is neither simply defined, nor easily described. American democracy expresses itself in endless variations.

Mr. Speaker, I rise today to remind my colleagues of the grassroots of democracy, taking place everyday in communities across the United States, which is literally vital to the life of our Nation, yet too often ignored in the chambers of this Capitol. With this in mind, I recommend to you the American Promise, an important new PBS television series celebrating community-based democracy. The American Promise makes its national broadcast premier on October 1, 2, and 3.

Here, in Washington, we conduct democracy's most visible work. It is the democracy studied in civics and political science classrooms and reported by our newspapers, magazines, and television programs.

We arrive here after elections, propose and study legislation, debate, and then vote on competing bills and amendments. It is a fact that each stage of the process has winners and losers. By necessity we live and work in a world of partisanship and competition. Before any bill becomes the law of the land, it must be debated, tested, and its consequence thoroughly understood by the people and by us, the peoples representatives.

Not surprisingly, this world in which we are immersed leaves many citizens frustrated and cynical. Too often, this version of democracy seems to be nothing but a political contest. Who is up? Who is down? How do yesterday's events affect the power to get things done tomorrow? Our standing is gauged by an extraordinary sensitive barometer, instantaneously reflecting each small political success and failure.

Yet this work—our work here in Washington—is but one form of American democracy. It is a serious mistake to think otherwise. In community after community throughout America, in large ways and small, citizens decide every day to become part of the democratic process. They do this by joining an organization; bringing other together to improve or expand existing services; inventing a better mousetrap; asking why a flawed practice can't be changed; engaging in a civil and respectful debate; considering another viewpoint; or shouldering the responsibility to make hard decisions.

When this happens, there are no losers. Everybody in the community wins. When a community development bank is opened when none existed before, or when individuals cooperate so that dry lands may be irrigated, no one need ask who is up, or who is down. Score keeping quickly becomes irrelevant. Through action and energy, participation and deliberation, taking responsibility and seeking common ground, American democracy comes to life and everybody in the community wins.

Mr. Speaker, In my view there is no better antidote to doubts about our Nation's future. We need only shift our gaze away from the latest reiteration of partisan one-upmanship, to the grassroots democracy taking place in our communities.

The American Promise, the new PBS series, does exactly that: it reminds us all of the community-based democracy that is found beyond this Capitol, and in so doing, it helps restore our faith in the idea of democracy, the idea of America, and the limitless possibilities for our Nation's future.

The American Promise is a 3-hour television program on civic participation and grassroots democracy. In some 50 different story segments taken from every region of the United States, lessons are offered on the skills and values needed to bring our democracy to life. These vignettes are collected around distinct themes to illustrate core American values such as freedom, responsibility, opportunity, participation, and deliberation.

One of the story segments features an outstanding example of community-based democracy in Chicago in the Seventh Congressional District which I represent. The Full Circle Fund, designed and funded by the Chicago Women's Self-Employment Project, provides vital capital along with business advice to micro-enterprises. In the last 3 years, the Women's Self-Employment Project has lent $60,000 to 60 low-income women without a single default and a late payment rate of only three percent.

The Full Circle Fund lends to circles, of teams, all women in the circle are responsible for the loan. The circle qualifies for the loan, one or two women in the circle get the money first, then when they have begun paying it back, other circle members are eligible for funds. Circle members meet to collect loan payments, discuss their businesses, and provide each other with support and advice. Together, these women work together to create opportunity, social capital and the backbone of community democracy.

One of the lending circle meetings at BJ's Professional Beauty Supply will be a part of the American Promise's first hour and it offers all of us much to consider and remember about our communities.

After the October PBS broadcast premier The American Promise will then be put to use in high school and junior high school classrooms throughout the United States, as an instructional tools on civics and community-based democracy.

The National Council for the Social Studies has endorsed the program. And Farmers Insurance Group, the program's corporate sponsor, has pledged to make the video, teaching guides, and classroom materials available to all interested schools and teachers at no cost.

Mr. Speaker, I urge my colleagues and viewers across the Nation to tune-in to this important program. And I would like to thank the Farmers Insurance Group, and its chairman, Leo E. Denlea, Jr., for bringing The American Promise to us. The program reminds us all of what right about America, and what we have to do to make good on America's bright future.

IN HONOR OF MAJ. GEN. JOHN F. PHILLIPS

HON. VIC FAZIO

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, September 7, 1995

Mr. FAZIO of California. Mr. Speaker, I rise today to honor U.S. Air Force Maj. Gen. John F. Phillips, the Commander of the Sacramento Air Logistics Center [ALC] at McClellan Air Force Base. Major General Phillips will be retiring from the Air Force later this month after an exceptional career characterized by many significant and demanding assignments. Because of his outstanding record of leadership and accomplishments, the Secretary of Defense has asked Major Phillips to continue his service to the Nation by selecting him as Deputy Undersecretary of Defense for Logistics. In this critical position, he will oversee the work done by maintenance depots for all branches of the military.

As commander of the Sacramento ALC, Major General Phillips oversees a center that employs approximately 13,500 civilian and military personnel and manages $3.2 billion annually, including a $548 million payroll and $820 million in contract awards. This center provides worldwide logistics support to a number of aircraft that include the F–117 Stealth fighter, F–22, F–111 series, A–10, F–15 and KC–135; manages more than 200 communication systems and eight space systems; and repairs, overhauls and modifies entire categories of complex avionics components, hydraulic and pneudraulic systems, and flight control systems.

Major General Phillips' Air Force career began when he was commissioned as a second lieutenant after receiving his bachelor of science degree with honors in biology and chemistry from Jarvis Christian College, TX. Later, he would earn his master of science degree in logistics management from the Air Force Institute of Technology. In addition, Major General Phillips has also studied and completed academic programs at several other educational institutions including the Air Command and Staff College, the Institute of Aerospace Safety Engineering at the University of Southern California, the Defense Systems Management College, and Harvard University.

After completing his navigator training, Major General Phillips attended KC–135 combat crew training and subsequently served as an instructor navigator. He flew regular combat missions over Vietnam as a KC–135 navigator. Subsequently, Major General Phillips graduated from pilot training with top honors and worked as a T–37 instructor pilot. His responsibilities continued to become more complex and challenging as his Air Force career progressed. Major General Phillips has held many assignments in the logistics management field, including positions at the Pentagon and several Air Force bases. Perhaps one of his most fascinating assignment was as a logistics systems analyst at the Doshan Tappeh Air Base in Iran during 1978 to 1979. Major General Phillips had the misfortune of being held hostage for 3 weeks when the Ayatollah Khomeini overthrew the Shah of Iran. He was only released after the United States recognized the Khomeini regime.

Major General Phillips is an experienced pilot, navigator and instructor pilot with more than 3,000 flying hours, including 300-plus combat flying hours over Vietnam. He has received several major military awards and decorations; some of these include the Distinguished Service Medal, the Air Force Commendation Medal with oak leaf cluster, and the Republic of Vietnam Gallantry Cross with Palm. Despite the tremendous duties of overseeing the Sacramento ALC, Major General Phillips participates in a number of community activities. He serves on the board of directors of the Sacramento Urban League Metropolitan Chamber of Commerce, Ballet, and is the chairman of the local Combined Federal Campaign charity drive. Major General Phillips and his wife Blanche are the parents of three children and grandparents of two.

Major General Phillips is keenly aware of the struggle that African American military officers and pilots before him have faced. In recognition of this, he helps maintain their spirit and the important history of their efforts through his service as the vice president of the Tuskegee Airmen Inc.

I join my colleagues today in honoring Maj. Gen. John F. Phillips for his more than 30 years of distinguished and dedicated service to the Air Force and our Nation. I also congratulate him on his Department of Defense appointment and wish him continued success as he embarks on a new career.

NEWBERRY WOMEN'S CLUB CELEBRATES 100TH ANNIVERSARY

HON. BART STUPAK

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Thursday, September 7, 1995

Mr. STUPAK. Mr. Speaker, it is, indeed, an honor for me to bring to the attention of the U.S. House of Representatives and its membership an event that occurred just last week in my congressional district, the First District of Michigan. On Thursday, August 31, 1995, the Newberry Women's Club, of Newberry, MI, celebrated its 100th anniversary. I congratulate all members of this outstanding organization, both past and present, on reaching this milestone.

First organized in 1895 as the Bay View Reading Circle, the small group of 13 women and men met to discuss issues of the day as well as matters relating to history and literature.

The organization continued to grow and in 1914 joined the State Federation and drafted its first constitution and by-laws. With more members came more involved discussions of various topics of interest to the group including art, music, education, period furniture. Individual members also composed music, wrote poetry and even wrote and produced plays that received recognition through the General Federation of Women's Clubs.

Over the years, the club changed its name to the Newberry Women's Club and involved itself in many social, civic and charitable projects including the organization of a club for girls, assistance in health clinics, contributions to the Bay Cliff Health Camp, filing Christmas and Easter baskets for the needy and even providing an arts and nursing scholarship that is awarded annually to a Newberry High School graduating senior.

As the club's second century begins, their primary focus centers on education, the arts, public affairs, home life, conservation and international affairs. While their interests have certainly broadened, they have not forgotten their origins and the primary purpose of the original club.

Mr. Speaker, it is through organizations like the Newberry Women's Club that our heritage is maintained while at the same time allowing us to look forward to meet the needs of people. I congratulate the Newberry Women's Club and wish them well in their next 100 years.

CELEBRATING THE BIRTH OF MATUSALA TEWOLDE-KUFLOM

HON. JACK FIELDS

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, September 7, 1995

Mr. FIELDS of Texas. Mr. Speaker, with the crush of business leading up to the August district work period, I was remiss in not bringing to the attention of the House a very joyous bit of news that I know we all can appreciate and celebrate. Belatedly, I want to take a moment today to congratulate two fine individuals in Fairfax, VA on the birth of their son in May.

On May 19, Tewolde T. "Ted" Kuflom and his wife, Tsehainesh Ugbazghi-Adkeme became the proud parents of their first child, Matusala Tewolde-Kuflom.

"Ted" and his wife immigrated to the United States from Eritrea in September 1988 and have worked hard since then to become successful small business owners. For the last 5 years, they have operated the D–11 Market, a corner grocery store located in northeast Washington, DC.

Their hard work and determination to build a better life for themselves, and their deep love for their son, ensure that Matusala will have what we want for all children: a loving and secure home life and a chance to fully partake in the American dream.

I salute "Ted" and wife, and I know you join with me, Mr. Speaker, in congratulating them on the healthy arrival of their son, Matusala Tewolde-Kuflom.

MOLECULAR BIOLOGY MAY REDUCE RISK OF BIRTH DEFECTS

HON. GEORGE W. GEKAS

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, September 7, 1995

Mr. GEKAS. Mr. Speaker, we have all been aware of the problems associated with birth—the possibility that an infant is born with certain defects—but up to now, we have not had a full understanding of why a child dies prematurely or fails to develop to its full human potential. Recently, at the 39th briefing before the Congressional Biomedical Research Caucus, Dr. James L. Mills, chief of the pediatric epidemiology section at the National Institute of Child Health and Human Development, described incredible advances in identifying causes of birth defects and their possible prevention.

I believe that his remarks will indicate the remarkable advances made in molecular biology at the National Institutes of Health.

BIRTH DEFECTS

(James L. Mills, M.D.)

It is a great pleasure for me to have the opportunity to come and share my enthusiasm for birth defects research with you today. Had I been asked to give this talk in 1980, when I first started doing birth defects research, I would have done so with considerable trepidation. The fact is, most birth defects research in those days was rather pedestrian. It was good work but not exciting. It consisted of classifying and describing various birth defects. We might have been fighting a war on cancer then, but we were hardly fighting a skirmish on birth defects.

Today, the situation has changed dramatically. Dr. Holmes has already pointed out that we have expanded our understanding of how birth defects occur tremendously. We have better strategies for identifying new causes of birth defects, and we are able to identify families at risk more accurately than we ever could before.

I will discuss several areas of research that have blossomed over the last decade. First, how biochemical abnormalities cause birth defects; next, how factors in the embryo's environment interact with intrinsic (genetic) factors within us to produce birth defects; and finally, how our understanding of these biochemical, environmental and genetic factors can lead to preventing birth defects.

First, I would like to speak about how biochemical abnormalities in mothers cause birth defects in their offspring. I have chosen as an example work done by us at NIH with collaborators at five major universities in the Diabetes in Early Pregnancy Study. Women who have diabetes at the time that they become pregnant have a greatly increased risk of having a child with a birth defect. Heart, brain and spinal cord defects are just a few of the many birth defects that infants of diabetic mothers are at increased risk of experiencing. We have learned that this increased risk is related to how well the mother is controlling her diabetes early in pregnancy. The better her control, the lower the risk. We also made a little bonus discovery. Diabetic women are also at increased risk for miscarriage. We were pleased to discover that a diabetic woman can also reduce her risk for having a miscarriage by improving her control. In fact, a diabetic mother in excellent control has no greater risk for having a miscarriage than a woman with no medical problems.

More work remains to be done on diabetes. Although we know that some aspect of maternal diabetic control causes malformations, diabetes is not just high blood glucose. It is more complicated than that. In addition to raising blood glucose, diabetes can cause numerous other metabolic changes. Scientists are now trying to determine which of the many biochemical abnormalities caused by diabetes is responsible for birth defects—as a way of identifying more precisely those at highest risk, and to improve our understanding of the mechanisms by which these defects occur.

Diabetes illustrates another fascinating riddle about birth defects. We know that those diabetic women in very poor control are at highest risk for having a malformed infant, 20 percent or more of their offspring will have major birth defects (that's about ten times the rate in the general population). Why is it that the other 80 percent are not affected? We know that women who take medications that are known to cause birth defects during the critical period when the embryo's organs are developing still do not have a 100 percent chance of having affected offspring. What we do not know is why some embryos escape unscathed.

We do have some ideas, however. One of the reasons we think not every exposed embryo gets malformations brings me to the next topic; that is, how factors from outside the developing embryo—in the embryo's environment—and genetic factors interact to cause birth defects. Now let me explain just what I mean by factors outside the developing embryo. The embryo's environment means whatever is in the mother's blood—drugs she takes for acne, high blood glucose, or low vitamin levels. By genetic factors, I mean anything hereditary that make the embryo directly susceptible to birth defects.

In order to illustrate how the embryo's environment and genetic factors together produce birth defects, I want to tell you a story about neural tube defects and folic acid. Neural tube defects are a malformation of the nervous system. They are among the most devastating defects. Anencephaly is a uniformly fatal defect in which most of the brain is missing. Spina bifida is a disruption of the spinal cord that is often fatal. In survivors, it causes paralysis, bladder and bowel problems and severe disability.

Many years ago scientists observed that neural tube defects were much more common in poor families. Some suspected that dietary deficiency was an important factor. When women who had delivered an affected child were tested, they were found to have significantly lower levels of several vitamins—notably folate—in their blood. This prompted scientists to give women vitamins before they became pregnant to try to prevent neural tube defects. When investigators gave women vitamin tablets containing folic acid before they became pregnant, they were able to decrease the risk for neural tube defects, thus proving that folic acid was an important factor in the causation of NTDs. In fact, the United States Public Health Service now recommends that all women who could possibly get pregnant take folic acid to prevent these defects. So, investigators had found the environmental piece of the puzzle—folate. But remember, I said this was a story about an environmental-genetic interaction. What about the genetic piece that completed the puzzle?

We know something else about the causes of neural tube defects; certain ethnic groups are known to be at high risk. In the Celtic population, in particular in Scotland and Ireland, the risk is up to five times higher than the risk in the U.S. They call neural tube defects the curse of the Celts. So there is clearly a high risk genetic group.

We saw this as a golden opportunity to look for an environmental, that is vitamin-related, genetic, that is Celtic, interaction. We at NIH and our collaborators at the Health Research Board of Ireland and Trinity College, Dublin explored what it was about these high risk Irish mothers that put them at risk for having a child with a neural tube defect.

We had several clues. First, we knew that folate was important. This made it very likely that these women or their embryos had a problem absorbing folate from their diet, or using folate normally in their metabolic reactions. Unfortunately, humans use folate in over a dozen different reactions, making it very difficult to determine where the problem was. But we were lucky.

We had a second clue—low vitamin B12 levels also seemed to increase the risk for neural tube defects, and of all the dozen plus reactions that involved folate, only one involved B12 as well. In this reaction, B12 and folate are used to eliminate a chemical known as homocysteine. Homocysteine is converted into methionine, an essential ingredient in the production of proteins, DNA and other critical items for the embryo.

We hypothesized that women whose fetuses had neural tube defects could not covert homocysteine to methionine normally. We were able to measure homocysteine levels in the blood of women who were pregnant, carrying fetuses with neural tube defects. The homocysteine levels were higher than normal, indicating that these women were not able to convert homocysteine normally.

We believe that this inability to convert homocysteine is the reason that these women have babies with neural tube defects—either because homocysteine is toxic to the embryo, or because the embryo does not receive a sufficient amount of the products of the reaction. Genetically, these women seem to have an abnormal enzyme (a chemical that moves the reaction forward). Adding more of the vitamin, folic acid, in essence pushes this chemical reaction forward and converts the homocysteine normally.

Here then was the missing piece of the puzzle. A combination of an environmental factor—insufficient folate—and a genetic factor—impaired ability to clear homocysteine—causes neural tube defects.

This leads me to the last major topic—how our understanding of these biochemical and genetic factors can lead to the prevention of birth defects. After all, it may be very satisfying to know how birth defects occur, but we are really in this business to save children from death and disability. In order to do this, we are constantly on the lookout for markers to identify women at risk, and for interventions to prevent birth defects.

We now know of several biochemical risk factors. The diabetes specialist can use clinical markers like blood glucose to identify women in poor metabolic control, women who should avoid getting pregnant until their medical problems can be corrected. We hope that we will soon have a practical test to identify women who do not convert homocysteine well and, thus, are at increased risk for having children with neural tube defects. These women could then be targeted to receive extra folic acid to prevent neural tube defects. In the meantime, we can still prevent many neural tube defects by ensuring that all women who might become pregnant take folic acid supplements.

What will the future bring? To use the illustration of neural tube defects again, we expect to find the specific biochemical reaction that is working too slowly in converting homocysteine. Once this is done, we will look at the enzyme that is supposed to move that reaction ahead. Because each enzyme is manufactured by a specific gene, it will be possible to see if the women with the homocysteine abnormality have a defective gene for that enzyme. This is as simple as finding out whether the genetic code contains an error for that gene. When that is accomplished, women can be screened by gene testing as another method of identifying women at higher risk for having babies with neural tube defects—those who especially need additional folate before they become pregnant.

Looking even farther into the future, we may be preventing birth defects by gene therapy. When a couple has a gene abnormality that prevents them from having normal children, it may be possible to perform in vitro fertilization and insert the proper gene into the fertilized egg to correct the defect—and to do it even before the fertilized egg is put into the mother's uterus.

Of course, we face new challenges with these new scientific advances. Moral issues, such as when to perform genetic testing and gene therapy, will require very careful consideration. Fortunately, when the goal is to save the life of the child by preventing birth defects, the moral questions often have clear answers.

In conclusion, Mark Twain once said that everybody always talks about the weather but nobody ever does anything about it. Until recently it could have been said that we scientists always talked about birth defects but never did anything about them. Now we are in an exciting new era where we are not just talking about birth defects; now we are doing something about them. We are preventing them.

EUNA M. THOMPSON, EXCELLENT TEACHER

HON. TONY P. HALL

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, September 7, 1995

Mr. HALL of Ohio. Mr. Speaker, I rise today to salute Euna M. Thompson, a teacher in my district, who embodies excellence in the field of education. Ms. Thompson is an outstanding example of the vital and significant impact that a teacher can make on students' lives.

Ms. Thompson is a recipient of the 1995 Excellence in Teaching Award of the National Council of Negro Women. The Excellence in Teaching Award honors teachers who uphold the legacy of Mary McLeod Bethune, eminent educator and founder of the National Council of Negro Women, by making significant contributions to the education of African American students.

Ms. Thompson strives to effect change in her students by strengthening their self-esteem, self-discipline, creativity, and critical thinking skills. She creates opportunities for her students to explore, create, perform and develop positive attitudes about themselves.

Ms. Thompson uses her considerable musical talents to enhance her teaching methods. She views art and music as a means to enrich oneself culturally and academically. By leading her students to a second place victory in a New York singing competition and spearheading a $40,000 fund-raising campaign, Ms. Thompson created a once-in-a-lifetime opportunity for her students to sing for Pope John Paul II in Rome.

Ms. Thompson has worked in the public school system for more than 30 years and now serves the Dayton community as director of Choral Music and Humanities at the Patterson Career Center. She has received many awards and accolades including the Impact II Grant for two consecutive years, the Dayton-Montgomery County Public Education Fund's Excellence in Teaching Award and the Martin Luther King Award for promoting human rights through the arts.

Mr. Speaker, I applaud Ms. Thompson for her devotion to children. By making a real and positive difference in her students' lives, Ms. Thompson makes a real and positive difference in our future.

HOUSE OF REPRESENTATIVES—*Friday, September 8, 1995*

The House met at 9 a.m. and was called to order by the Speaker pro tempore [Mr. KOLBE].

DESIGNATION OF SPEAKER PRO TEMPORE

The SPEAKER pro tempore laid before the House the following communication from the Speaker:

WASHINGTON, DC,
September 8, 1995.

I hereby designate the Honorable JIM KOLBE to act as Speaker pro tempore on this day.

NEWT GINGRICH,
Speaker of the House of Representatives.

PRAYER

The Chaplain, Rev. James David Ford, D.D., offered the following prayer:

O gracious God, from whom we have received our very lives and in whom is our hope and confidence, we express our thanksgiving for this new day and the opportunities that are before us. We place before You our needs, those attitudes and feelings and hopes that are dear to us, asking that You would bless us so we choose the better way, confirm us in all truth, and forgive us in the depths of our hearts. May what we say and do and think this day be to Your glory and honor. In Your name, we pray. Amen.

THE JOURNAL

The SPEAKER pro tempore. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Pursuant to clause 1, rule I, the Journal stands approved.

PLEDGE OF ALLEGIANCE

The SPEAKER pro tempore. Will the gentleman from California [Mr. CUNNINGHAM] come forward and lead the House in the Pledge of Allegiance.

Mr. CUNNINGHAM led the Pledge of Allegiance as follows:

I pledge allegiance to the Flag of the United States of America, and to the Republic for which it stands, one nation under God, indivisible, with liberty and justice for all.

DISAPPROVING THE RECOMMENDATIONS OF THE DEFENSE BASE CLOSURE AND REALIGNMENT COMMISSION

Mr. SPENCE. Mr. Speaker, pursuant to section 2908 of Public Law 101-510 and by direction of the Committee on National Security, I call up the joint resolution (H.J. Res. 102) disapproving the recommendations of the Defense Base Closure and Realignment Commission, and ask unanimous consent for its immediate consideration in the House.

The Clerk read the title of the joint resolution.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from South Carolina?

There was no objection.

The text of House Joint Resolution 102 is as follows:

H.J. RES. 102

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That Congress disapproves the recommendations of the Defense Base Closure and Realignment Commission as submitted by the President on July 13, 1995.

The SPEAKER pro tempore. Pursuant to section 2908 of the Defense Base Closure and Realignment Act of 1990, the gentleman from South Carolina [Mr. SPENCE] and the gentleman from Texas [Mr. TEJEDA] will each be recognized for 1 hour.

The Chair recognizes the gentleman from South Carolina [Mr. SPENCE].

Mr. SPENCE. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, today, the House will consider whether to disapprove the recommendations of the independent Defense Base Closure and Realignment Commission to close 28 major military installations and realign the mission at another 77 bases. I rise in opposition to House Joint Resolution 102, which would disapprove the Commission's recommendations, and I urge my colleagues to oppose it as well.

We are currently in the fourth round of base closures since 1989, and the third and final round under the Commission's present charter. We all recognize that base closures are a reality in the post-cold-war world, particularly in view of the reductions in force structure that have taken place over the past 6 years.

The Department of Defense is counting on the savings resulting from base closure and realignment to fund currently underfunded modernization and infrastructure improvements late this decade and into the next century. According to the Commission, implementation of their recommendations would result in one-time costs of approximately $3.6 billion. However, the Commission expects $1.6 billion in annual savings and net present value savings of $19.3 billion over the next 20 years to result from the 1995 base closure recommendations.

Personally, I am concerned about ongoing force structure reductions as well as the closing of a number of installations already in the works under BRAC. At least some of these bases are unique national assets that we will never reconstitute even if needed in the future.

A number of Members, including myself, have been skeptical when it comes to the rosy projections that have been made in previous base closure rounds concerning the savings that will accrue to the military services. To date, savings have fallen well short of expectations while the up-front costs of closures have soared beyond initial estimates and remain underfunded. Reluctantly, however, I realize that with the growing pressures on defense resources we simply cannot afford to keep all the installations and facilities open that I believe our military may one day need again.

Speaking from experience, I understand the pain and dislocation that a base closure or major realignment can inflict on a community, even a region. In the past, even if I was not supportive of the closing of bases, I was at least satisfied that the Commission and the closure process had essentially worked as intended—that politics had not been the determining factor in the development of the administration's or the Commission's numerous recommendations.

In this sense, I was especially concerned about the administration's handling of the Commission's recommendations. There is no question that Presidential politics were paramount in the White House's very public and tortured consideration of the Commission's recommendations. The veneer of a national security justification for rejection of the list was dropped as politics quickly took center stage. Fortunately, common sense prevailed over politics and the administration ultimately backed down and allowed the process to proceed. For the sake of the process, I am nonetheless relieved that the President finally opted to allow substance and process to prevail over politics in his decision to submit the Commission's recommendations to the Congress.

However, I remain concerned about recent comments made by senior administration officials implying that the White House will find a way to assist a select few installations in politically sensitive States by "privatizing

□ This symbol represents the time of day during the House proceedings, e.g., □ 1407 is 2:07 p.m.

Matter set in this typeface indicates words inserted or appended, rather than spoken, by a Member of the House on the floor.

in place." Some have gone so far as to guarantee employment to workers at installations scheduled to be closed—a guarantee that everyone knows will be nearly impossible to honor.

While I am sympathetic to the desire to preserve defense skills and jobs, it is clear that the Commission was seriously concerned about the cost of maintaining excess capacity at several types of installations, particularly Air Force depots. Privatization of workloads at these particular installations was only one of several options recommended by the Commission. Contrary to the assertions of some, Congress ultimately will retain the authority to determine how and if privatization in place makes sense.

Mr. Speaker, the National Security Committee considered the recommendations of the Commission very carefully. While some Members expressed concern with individual recommendations contained in the Commission's report, the committee decided to support the Commission's findings. The committee voted 43 to 10 to report House Joint Resolution 102 adversely. In the committee's judgment, this resolution should be defeated. I urge a "no" vote to my colleagues.

Mr. Speaker, I reserve the balance of my time.

Mr. TEJEDA. Mr. Speaker, I ask unanimous consent to divide my 1 hour of debate so the gentleman from California [Mr. FAZIO] is able to control 20 minutes of that time and I will control 40 minutes.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Texas?

There was no objection.

The SPEAKER pro tempore. The gentleman from Texas [Mr. TEJEDA] will be recognized for 40 minutes, and the gentleman from California [Mr. FAZIO] will be recognized for 20 minutes.

The Chair recognizes the gentleman from Texas [Mr. TEJEDA].

Mr. TEJEDA. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, this resolution represents the end of a long and painful process for many communities and their citizens. While these communities are now turning their attention toward reuse efforts and planning for the future, we have this final opportunity to overturn the Base Closure Commission's recommendations.

In my opinion, the base Closure Commission made a mistake in voting to close two of the Air Force's air logistics centers. These depots are located in San Antonio, TX and Sacramento, CA. My colleagues from San Antonio and Sacramento will speak to this decision in a few minutes, so I will not add to that specific debate yet.

It should come as no surprise, then, that the San Antonio and Sacramento delegations introduced resolutions of disapproval. This issue is not a partisan issue. Base closures and economic losses cut across party lines. I stand here before the House because my constituents and my district, in fact this Nation, does not deserve the closure of Kelly Air Force Base. I do not believe that closure of Kelly Air Force Base is in the best interest of our national security. If there is a way to keep Kelly open, we will fight that fight, and this is what this resolution of disapproval is all about.

I expect nothing less from my colleagues across the Nation who also lose bases and jobs in this process. And we will hear from them. In contrast, I expect those whose districts stand to gain from these recommendations to voice their strong support for the Base Closure Commission's recommendations.

I have no illusions about the final outcome of this matter. It is the bottom of the ninth and we are behind by a lot of runs. But this does not mean we give up and walk off the field. There are important issues which need to be addressed, and I look forward to a lively discussion during the next 2 hours.

Mr. Speaker, I reserve the balance of my time.

Mr. FAZIO of California. Mr. Speaker, I appreciate the gentleman from Texas sharing his time with me, and I yield myself such time as I may consume.

Mr. Speaker, I rise in strong opposition to the BRAC Commission's 1995 base closure list and in support of this resolution. I do so for the first time. While this is the fourth round of base closure, it is the first time that I have risen in opposition, despite the fact that it is the third of four rounds that have impacted the community, Sacramento, CA, that I represent along with several of my colleagues who will appear later today.

I want to join with the comments that my friend, Mr. TEJEDA, of San Antonio has made with reference to my particular opposition to the decision to close two of the five Air Logistics Centers under the Materiel Command based in Dayton, OH. I strongly supported the position that the Air Force and DOD took to downsize in place. I think that was the right decision, both in terms of keeping capacity available for any international emergency that would have required surge capability.

I regret the decision, which was very hard fought within the Commission, to close the two facilities that now will undergo privatization. As my friend from San Antonio said, we will hear a good deal from people who expected to gain a great deal from the closure of our two bases, who are troubled by the report of the DOD Commission on Roles and Missions which has advocated strongly the privatization of our heretofore public Air Force Logistics Centers.

I know what I am engaging in here today is probably under the rubric of a primal scream. I understand that I am probably engaging in a fruitless protest, and I have seen others whose bases have closed do so in prior discussions of resolutions to, in effect, reverse the decisions of the BRAC process of the Commission. But I think I have justification in using this last opportunity to express my measure of protest, because in fact nowhere in the United States has the BRAC had such a devastating impact as it has had in the Sacramento area.

In all four rounds of the BRAC, the Sacramento area has shouldered well over a quarter of all the jobs lost in California due to BRAC. In fact, the Sacramento area standing alone has absorbed more base closure losses in terms of direct and indirect jobs than any other State in the Nation. In fact, the same could be said of the Sacramento as well as San Francisco Bay area individually.

Mr. Speaker, I reserve the balance of my time.

Mr. HEFLEY. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise in opposition to House Joint Resolution 102 and I urge my colleagues to vote against it.

I supported the establishment of the current base closure process in 1990. I believed then, and I continue to believe, that the disposal of unneeded military infrastructure and overhead would save scarce resources. I think we have come a long way in that regard.

Frankly we have closed bases through this process that I never thought would ever be closed—and we have closed some that we may ultimately wish we had not. Personally, I was opposed to the closure in previous rounds of facilities such as Lowry Air Force Base and Pueblo Army Depot in Colorado. I fought to keep them from closing, but when faced with the decision to accept or reject the entire list produced by the Commission, I concluded that the Commission had acted appropriately, and that in an era of declining defense dollars the national interest had been served. This year I feel the same way, even though Fitzsimons Army Medical Center is on the list.

I want to briefly say a word about the ultimate reuse for facilities such as Fitzsimons. One of our goals throughout this process has been to get installations slated for closure as quickly as possible into reuse by the local community. I have been impressed with the speed and dedication with which the city of Aurora has approached redevelopment. Working with the University of Colorado, an impressive reuse plan is already taking shape for Fitzsimons. I want to encourage the Department of Defense, particularly the Department of the Army, to do what it can to facilitate a rapid transition of the facility and related property to the local redevelopment authority so that the people of Aurora and Colorado can benefit from reuse as soon as possible.

Mr. Speaker, since the first round of base closures in 1988, over 100 major U.S.-based facilities have closed, and plant replacement value has been reduced by 21 percent. The Commission's 1995 recommendations will raise the number of major U.S.-based installations closed to about 130, and plant replacement value will have been reduced by another 6 percent or so.

Although not covered by BRAC, unneeded overseas infrastructure has also been reduced substantially. During the BRAC period, the services have closed or reduced operations at over 950 bases overseas—a plant replacement value reduction of 43 percent.

Despite all the rhetoric from some quarters, including from some in the administration who periodically suggest that we have not done enough, I believe this process has resulted in a significant downsizing of our military infrastructure. In my judgment, the military services need to adjust to the sharp base and installation reductions they will have to absorb.

As the chairman of the Subcommittee on Military Installations and Facilities, I have been approached about the possibility of authorizing another round of base closures in 6 years of so. Indeed, that was one of the recommendations of the Defense Base Closure and Realignment Commission. There may be a need in the future to resurrect this process, but I believe that authorizing another round now would be a mistake.

The services need time to adjust to a post-BRAC environment. Some units have moved as many as three times throughout the final phases of BRAC. Once force structure and installations infrastructure have stabilized, and once we have a clear understanding of the actual costs and savings balance from BRAC, Congress will be in a better position to assess whether any further rounds of base closure are necessary. While I have great respect for the Commissioners, particularly Chairman Alan Dixon, I would not support authorization of a future round at this time.

There is no doubt that there are problems in the BRAC process. It is clear that the upfront costs of base closures and realignments have been substantially more than anyone expected. It is also true that revenues from disposal have not been realized, and realized savings have fallen far short of original estimates. This does not mean that the process has not worked or that it has collapsed. It is an indication of just how difficult the implementation of BRAC, with its huge upfront costs and hidden environmental cleanup costs, has proven to be in practice.

Mr. Speaker, the first hearing the Subcommittee on Military Installations and Facilities held in this session concerned the BRAC process. I want to assure the House that the subcommittee will continue its commitment to oversight of BRAC implementation even after the formal Commission process ends this year.

The Secretary of Defense estimates that $40 billion will be saved as a result of action taken in all four phases of base closure. He may be right. I hope he is; but even if savings fall short of expectations, there is no question that we must complete the process we began 7 years ago. I urge my colleagues to support the judgment of the National Security Committee and vote "no" on the resolution of disapproval.

Mr. Speaker, I reserve the balance of my time.

Mr. FAZIO of California. Mr. Speaker, I yield such time as he may consume to the gentleman from Sacramento, CA [Mr. MATSUI], who has worked so long and hard to build McClellan Air Force Base into the modern entity it is today.

□ 0920

Mr. MATSUI. Mr. Speaker, I would like to thank the gentleman from California [Mr. FAZIO], but first of all, I would like to take a moment to first of all thank both the gentleman from California [Mr. DOOLITTLE] and the gentleman from California [Mr. POMBO] for the hard work they did in trying to pursue our efforts to save McClellan Air Force Base. We had a very strong bipartisan effort in northern California and without their help, I do not believe we could have gotten as far as we did.

Mr. Speaker, I would like to spend a few moments to talk about my colleague, the gentleman from California [Mr. FAZIO], who is adjacent to me in Sacramento County. The gentleman from California [Mr. FAZIO] and I have worked over the years to get $400 million of construction programs for McClellan in the last decade and a half. This is because the Air Force has suggested that we should do this to maintain McClellan as a viable, strong base of the five maintenance depots.

Mr. Speaker, the gentleman, over the last 8 or 9 months in particular, did a tremendous job in doing whatever he could to save McClellan Air Force Base. I think the final recommendation, that is the privatization of this base, would not have occurred without his able assistance and his ability to put together this package in a coalition.

So, Mr. Speaker, I say to the gentleman from California, on behalf of my constituents in the Fifth Congressional District, I want to thank him very much for his help, because I think we will be able to maintain a level of employment at that base now that will not create economic disruption. So I just want to pay my respects for the gentleman's efforts over the last 8 months to a year.

Mr. Speaker, I would also like to acknowledge the President's activities in this. As you know, the Air Force, the Pentagon, and the President did not want to close McClellan Air Force Base. He wanted to basically keep the five logistic depots open and downsize all five of them for the purpose of future possible national international crises.

Those are the five probably most important depots in the country. When these five depots are compared to the Army or the Navy, we always come out ahead, because we have become technologically the most proficient. Obviously, we have one of the best work forces in the entire Federal Government and, as a result of that, I believe the long-range plans of this administration, but particularly of the people that are running on a long-term basis the Pentagon, have felt if we ever went into interservicing, these bases should be the ones to preserve.

As my colleagues know, the President attempted to save these bases for that future possibility. Unfortunately, the Commission, in its own wisdom, decided to close two bases, one in Texas and the McClellan Air Force Base in California. This was against the strenuous objection of the administration, the Pentagon, and the Air Force.

I have to say that the reason I am going to vote in favor of this resolution, and against the recommendations of this Commission, is because originally this process was to be nonpolitical. It was to be an objective process. We have had two prior closings and we had two bases in my district that closed as a result of those two prior Commissions. Mr. Speaker, I voted to close those bases, even though there was a total of 10,000 employees, because I thought the process was fair and objective.

But I have to tell my colleagues that this process was the most outrageous process around. Those Commissioners, not all of them, but many of them, had their own agenda. One who was a high-ranking Army official, for example, not only during his discussions showed significant bias, but he was actually outwardly favoring Army depots saying all his experience with the Army led him to believe that we should save these bases. That is not the way this process was supposed to work.

In fact the irony of all of this is when Sacramento Army Depot in my district closed, we were able to get the last Commission to allow certain functions to be bid out and McClellan was one of the bidders, along with Tobyhanna and some other Army bases. Believe it or not, McClellan Air Force Base was the one that actually prevailed over the Army bases to get an Army contract. Now that contract is going to be going to an Army base, even though they were less efficient.

So, Mr. Speaker, I am going to be voting for this resolution because I felt that the process was unfair.

Mr. Speaker, in conclusion I would like to make one further observation. To the employees of Sacramento County who over the years have just done a tremendous job, I want to thank them for their efforts on behalf of the national defense of this country. We are going to do everything we can to make sure this privatization plan that the President and the gentleman from California [Mr. FAZIO] put together will work.

And I want to make an admonition. I am going to be one of the strongest proponents of privatization of depots in the future. And if, in fact, we are able to pursue this and make progress in this area, it is my opinion that those bases that were protected for political reasons, not for substantive reasons, and some were protected for substantive reasons, but those that were protected for political reasons will find that they are the most in jeopardy as we go into the 21st century.

Mr. HEFLEY. Mr. Speaker, I yield 3 minutes to the gentleman from California [Mr. CUNNINGHAM].

Mr. CUNNINGHAM. Mr. Speaker, I am amazed, especially at my California colleagues. When they vote for a $177 billion cut in defense, and California is the leader in the defense industry and most of our bases are in California, what did they expect? What did they expect?

They vote for a Clinton tax package and $177 billion cut, after Colin Powell, Dick Cheney, and then-candidate Clinton said that anything above a $50 billion cut would put us into a hollow force. And then I hear that the President wanted to save California bases. Yes, California is important in a 1996 election. Sure, he would like to save them.

But I think we need to look at why we are closing those bases in the first place. Who called for an additional base closure round? The very same people now that are saying that the President wants to save those bases. Give me a break.

Mr. Speaker, in committee they used the analogy of a fisherman and they said take the analogy of a catfish that has now been cut and we are going to skin him alive, gut him, and eat him. Well, do not expect us to sit there and take it. If my colleagues voted for the defense cuts and they are from California, they are not the fish; they are the in the role of a fisherman. They caused the problem.

I take a look at what we have gone through and why many of us are fighting against the continued assaults on DOD spending. I look at the increase in nondefense spending by 261 percent by Members and, yes, even some of the Members on our own committee in this House.

I take a look at the extension of Somalia, which cost us billions of dollars, and Haiti, which has cost us billions of dollars, and what they want to do is delay this process. And right now, DOD is having to eat the overhead, because we have not funded BRAC.

Mr. Speaker, if families are from El Toro and they have to move, or Miramar and having to move to Fallon, Nevada, NTC, all over the State of California, those families are being disrupted and they are losing their jobs, defense jobs with the military and associated jobs. We lost a million jobs in the State of California.

But as Paul Harvey said, the rest of the story is look at who caused it. And they say that the President wants to save those bases. Absolutely, he caused it.

Mr. MATSUI. Mr. Chairman, will the gentleman yield?

Mr. CUNNINGHAM. I yield to the gentleman from California.

Mr. MATSUI. Mr. Speaker, as I said in my comments, I supported the last two closings, including bases in my district. No one is suggesting the downsizing should not occur. It is the process that is extremely important in this particular effort.

Mr. CUNNINGHAM. Mr. Speaker, I disagree.

Mr. HEFLEY. Mr. Speaker, I yield 3 minutes to the gentleman from Utah [Mr. HANSEN].

Mr. HANSEN. Mr. Speaker, I rise today in strong opposition to House Joint Resolution 102 and in support of the recommendations of the BRAC Commission.

I know BRAC is painful. The First District of Utah has lost a base in each round of BRAC and will lose Defense Depot Ogden if this list is accepted. While I may not agree with every decision, I believe the BRAC process is fair and must remain independent. That is why I will vote against this resolution.

Now, after the game has been fairly played, the President wants to go back and change the rules. Under Public Law 101–510, the President had two choices: Either send the list back to the Commission with recommended changes or accept the list in total. The President instead decided to play outside the law, and forward the list to Congress with two substantial changes.

The President's unprecedented direction to the Pentagon to privatize in place the majority of jobs at the McClellan and Kelly Air Logistics Centers is nothing more than an attempt to circumvent the independent BRAC process for the political expediency of satisfying northern California.

The administration has continued to play fast and lose with the law. On a recent visit to McClellan, White House Chief of Staff, Leon Panetta, issued the following threat:

> If there is any action in Congress or by any other depots to try to inhibit the privatization effort, the President has made it clear that we will consider that a breach of process and he will order that McClellan be kept open.

I find that kind of blatant disregard for the law offensive and contemptuous of the law and of Congress. I want to be very clear, I do not consider the President's letter, directing privatization inplace, to be part of the BRAC recommendations we will approve here today.

I also want to point out that any plan to do so would clearly violate at least five sections of title 10, United States Code. The President simply cannot ignore current law to solve his own political problems. Our country has found, several times in our history, that no one is above the law.

It appears the President has once again come up with a lose-lose-lose compromise by worrying about political repercussions instead of leading the Nation.

This plan to privatize inefficient excess capacity and guarantee jobs is bad for the Department of Defense because it does not address the fundamental excess capacity questions in the depot system and will only result in higher maintenance costs and substantially lower savings.

It is bad for the country because it undermines the integrity of a process designed to be free from this kind of political tampering.

And it is bad for many of the workers at McClellan and Kelly who will now lose the option to follow their Federal job to another DOD depot.

This recommendation ignores the BRAC Commission findings that "the closure of McClellan AFB, and the San Antonio Air Logistics Center, permits significantly improved utilization of the remaining depots and reduces DOD operating costs." The closure was deemed a necessity given the significant amount of excess depot capacity and limited defense resources.

I have already joined with other Members of Congress to raise these objections to the Pentagon. It is obvious that all bases, would prefer a second chance to save the majority of the jobs through privatization in place. Support of this option for political expediency at McClellan, will endanger the entire BRAC process and the $19 billion in savings it represents.

I urge all my colleagues to vote against this resolution and to join me in holding the President, and Department of Defense, accountable for compliance with the law of the land.

Mr. FAZIO of California. Mr. Speaker, I yield 3 minutes to the gentleman from California [Mr. HORN].

Mr. HORN. Mr. Speaker, the closure process is an attempt to be objective. By and large it has been objective. It is not a generally partisan process. However, it is an intense process within the services and between the services where there are very high partisan rivalries.

In the case of the Navy, it is a matter of the air wing versus the surface fleet

versus the underseas fleet. What happened in the case of the closure of the Long Beach Naval Shipyard, the only shipyard that has ever returned, consistently, money to the Treasury; the most efficient one, if you listen to the former commander of the Portsmouth Naval Shipyard, Captain Bowman, when he was on the 1993 Base Closure Commission. He said that everyone in the Navy knows that Long Beach has been 4 years ahead of every single yard, both in efficiency and effectiveness.

Mr. Speaker, I would like to put in the RECORD at this point various material to back up that and other statements.

CONGRESS OF THE UNITED STATES,
HOUSE OF REPRESENTATIVES,
Washington, DC, June 13, 1995.
Hon. ALAN J. DIXON,
The Base Closure and Realignment Commission, 1700 North Moore Street, Suite 1425, Arlington, VA.

DEAR CHAIRMAN DIXON: I am writing to address several issues which are crucial to the deliberations the 1995 Defense Base Closure and Realignment Commission will soon be undertaking concerning the potential closure of naval shipyards. As you are aware, The Defense Base Closure and Realignment Act of 1990 (Public Law 101–510) and subsequent changes made by the Congress (Public Law 102–311 and Public Law 102–484) were designed to provide a fair and impartial process for the timely closure and realignment of domestic military installations. Under the provisions of this legislation, specific criteria were established under which the Department of Defense recommends a military installation for closure. The law specifically states that these recommendations must be based on the future force structure plan and preestablished final selection criteria.

Public Law 101–510 specifically states that the Defense Base Closure and Realignment Commission can make changes in the recommendations made by the Department of Defense only if the Commission determines that the Secretary deviated substantially from the future force-structure plan and final selection criteria. (See Attachment A, Sec. 2903(d)(2)(B) and (C) of Public Law 101–501.)

It has been proven conclusively that in recommending Long Beach Naval Shipyard for closure, the Department of Defense substantially deviated from the future force structure plan and the preestablished final selection criteria. A summary of the evidence and rationale for this conclusion is presented in Attachment B.

If the Commission concludes that the Department of Defense substantially deviated from the criteria established in Public Law 101–510 then, under this law, this consideration, and this consideration alone, is sufficient grounds to change the Secretary of Defense's recommendation.

Representatives of the City of Long Beach and I have had several meetings with Commission staff where we have presented the arguments which prove that there has been substantial deviation. It is my belief that Commission staff is generally in agreement with our position. However, there seems to be a concern that since so much overcapacity exists, some closures will have to occur.

In this regard, the technical case to keep the Portsmouth Naval Shipyard open appears to rest heavily on nuclear issues, rather than on the future force structure plan and the preestablished final selection criteria. Based on the criteria established in Public Law 101–510, if overcapacity considerations argue for the closure of a naval shipyard, the data clearly favor keeping the Long Beach Naval Shipyard open. In addition, closing the Portsmouth Naval Shipyard has a much greater effect on reducing excess capacity. Based on the data presented by Commission staff at the Commission "add" hearing on May 10, 1995, public naval shipyard nuclear excess capacity is currently 37 percent; conventional non nuclear excess capacity is 16 percent.

Closing conventional shipyards such as SRF Guam and the Long Beach Naval Shipyard does not change the Navy's excess capacity at nuclear shipyards. That remains untouched at its current level of 37 percent. However, this closure would result in a shortage of non nuclear shipyard capacity of minus 17 percent. The irony is that with the exception of a few aircraft carriers and submarines, the Navy's future ships will be conventionally powered. In brief, the future of the Navy seems to be non nuclear. Closing SRF Guam and the Portsmouth Naval Shipyard would reduce nuclear excess capacity to 14 percent, and reduce non-nuclear excess capacity to 7 percent (See Attachment C, the bar charts prepared by Commission staff).

Thus, in terms of attaining the objective of reducing excess capacity, if one of these shipyards has to be closed, the numbers show that the Commission should close the Portsmouth Naval Shipyard.

On another related but relevant issue, it is my understanding that a primary consideration in the decision not to close McClellan Air Force Base in 1993 was the cost of environmental clean-up. Moreover, the presentation made by community representatives at the Wednesday, May 24, 1995 regional hearing heavily emphasized the high cost of environmental restoration in the case to keep McClellan Air Force Base open.

As you are aware, legislation and the Department of Defense guidelines preclude consideration of the costs of environmental clean-up in the installation closure decision making process. However, if the potential environmental clean-up costs are used as a justification not to close anyone particular installation, these criteria should be applied equally to all other installations being considered for closure.

I would like to make one final comment. It appears that many of the actions in defense of the Portsmouth Naval Shipyard may have been driven by the upcoming New Hampshire Presidential Primary, as opposed to the cr4iterai established by Public Law 101–510. A month before the base closure recommendations were made by the Secretary of Defense, President Clinton publicly stated that he did not believe the Portsmouth Naval Shipyard would be on the list of installations recommended by the Navy and the Department of Defense for closure. More recently, the President spoke over four New Hampshire radio stations as follows: "I support the Secretary of Defense's recommendations and I believe that they will be upheld."

The Navy sent its most senior officials to the Portsmouth site visit and regional hearing. Included were Assistant Secretary of the Navy for Installations and Environment Robert B. Pirie, Jr.; Chief of Naval Operations Jeremy M. Boorda; Director of Naval Reactors Admiral Bruce DeMars; and the Commander of the Naval Sea Systems Command, Vice Admiral George Sterner. This is unprecedented. Never in the history of the base closure process have such senior members of any military service attended a site visit and regional hearing for the express purpose of advocating that a particular installation remain open.

I am confident that the Commission will do all it can to assure that any decisions made regarding the closure of either the Portsmouth or the Long Beach Naval Shipyard will be fair and impartial—and made outside of the political arena—in accordance with the procedures established in Public Law 101–510. The injection of politics at the highest level is, I believe, unfortunate and has made more difficult the already considerable challenge of convincing affected communities that political considerations are not a factor in the BRAC decision making process. Your efforts to assure the integrity of the process are appreciated.

Thank you for considering these very important issues.

Sincerely,

STEPHEN HORN,
U.S. Representative.

ATTACHMENT A

SEC. 2903 (D)(2)(B) AND (C) OF PUBLIC LAW 101–510

"(B)" Subject to subparagraph (C), in making "its recommendations, the Commission may make changes in any of the recommendations made by the Secretary if the Commission determines that the Secretary deviated substantially from the force-structure plan and final criteria referred to in subsection (c)(1) in making recommendations.

"(C) In the case of a change described in subparagraph (D) in the recommendations made by the Secretary, the Commission may make the change only if the Commission—

"(i) makes the determination required by subparagraph (B);

"(ii) determines that the change is consistent with the force-structure plan and final criteria referred to in subsection (c)(1);

"(iii) publishes a notice of the proposed change in the Federal Register not less than 30 days before transmitting its recommendations to the president pursuant to paragraph (2); and

"(iv) conducts public hearings on the proposed change."

ATTACHMENT B

LONG BEACH NAVAL SHIPYARD

Examples of Where the Navy/Department of Defense Substantially Deviated from the Future Force Structure Plan and the Preestablished Final Selection Criteria:

1. The Navy predetermined the fate of the Long Beach Naval Shipyard (Long Beach NSY).

Shifting critical workload away.

Ignored a $100 million offer by the Port of Long Beach to consolidate facilities from the Naval Station for Shipyard convenience. Why?

Studied feasibility of bringing a floating drydock from Hawaii to San Diego (The Machinist).

Never included the Long Beach NSY in the Regional Maintenance Center concept, but did include the Puget Sound and Pearl Harbor Naval Shipyards.

Has postponed the transfer of surplus Naval Station property from BRAC 91 to BRAC 95. Is there a connection?

2. The Navy states future uncertainties of the force structure prevent the closure of the Portsmouth Naval Shipyard (Portsmouth NSY).

Public Law 101–510 clearly states that the force structure plan for fiscal years 1995 through 2001 be the basis for making recommendations for base closures and realignments.

The Navy argues, that the uncertainty of the future submarine force (including future proposed new construction) including beyond 2001 is a valid and essential consideration.

This is clearly outside the future force structure plan parameters established by Public Law 101-510.

3. Using the new force structure as the reason not to need Drydock #1.

In BRAC 1992 and BRAC 1993, the Navy stated that Drydock #1 was essential for conventional aircraft carrier (CV) and nuclear aircraft carrier (CVN) emergent docking on the west coast.

Additionally, in BRAC 1991 and BRAC 1993 the Navy stated unequivocally that it could not fulfill its pacific Fleet mission requirements without Drydock #1.

There are still twelve aircraft carriers in the Fleet with six homeported in the Pacific area.

The percentage of large deck ships in the new force structure is increasing.

Drydock #1 is one of two drydocks on the entire west coast capable of docking EVERY SHIP IN THE NAVY including CVNs and submarines. Once this asset is lost, its lost forever.

4. The Navy used different economic data and thresholds in its analysis of installations considered for closure.

The Office of the Secretary of Defense guidance in the BRAC process stipulates that economic impact is to be assessed at the economic area level (metropolitan statistical area or county).

The Navy evaluated the potential impact of closing the Long Beach NSY based on this criteria.

Four California installations were removed by the Navy due to cumulative total direct and indirect job change, even though military value considerations presented them as viable candidates for closure.

Long Beach's cumulative total direct and indirect job change is higher than three of these installations.

Thus, the Navy applied economic impact criteria differently between the Long Beach NSY and the other four Navy installations. Again, the Navy/Department of Defense substantially deviated from the final selection criteria.

5. The Navy recommended the closure of the Long Beach NSY and not the Portsmouth NSY.

The military value of the Long Beach NSY was higher than the Portsmouth NSY.

The BRAC 1995 final selection criteria are weighted heavily toward military value.

The Navy contends that nuclear issues significantly outweigh the established selection criteria, therefore the Portsmouth NSY should not be closed.

This is a substantial deviation from the final selection criteria.

Therefore, if the Portsmouth NSY remains open, the Long Beach NSY should also remain open due to substantial deviation in the final selection criteria.

6. The Base Structure Analysis Team (BSAT) developed data call scenarios, military value criteria and their evaluation criteria in a manner that was prejudicial and caused the Long Beach NSY to obtain lower scores.

This accounts for the Long Beach NSY having a military value of 48.7 in 1993 and 38.04 in 1995.

The Department of Defense did not establish new final selection criteria between 1993 and 1995. Thus, based on the final selection criteria, the relative rankings of the military value of shipyards should not have changed.

Thus, there was a substantial deviation from the established final selection criteria.

7. The Navy used different and possibly non-existent selection criteria in its consideration of private shipyards on the east coast and the west coast.

The Navy has stated on the record that regardless of whether technical capabilities or capacity exist, the private sector on the east coast can not and should not absorb transferred workload from east coast public shipyards. Ironically, both Newport News and Electric Boat have the capability and capacity to handle any transferred workload from the Portsmouth NSY.

The Navy contends that it is acceptable for the majority of the Long Beach NSY's transferred workload to be absorbed by the west coast private shipyards. However, the small private shipyards on the west coast do not have the capability to handle large deck ships.

The 1995 BRAC process does not list the quantitation of private sector capabilities as a part of the final selection criteria.

8. The Navy badly underestimated the cost of closure ($74.53 million).

The Navy's cost of closure budget submitted to Naval Sea Systems Command (NAVSEA) is $433 million. Some sources have indicated that NAVSEA considers this estimate too low. [See attached letter from Commander, Long Beach Naval Shipyard, dated May 17, 1995.]

Over $500 million of additional workman's compensation costs over a 20 year period were not included.

Thus, the cost of closure is understated by $858 million. If the costs of homeporting CVNs at North Island as opposed to the Long Beach NSY are properly calculated and included, Long Beach NSY closure costs may exceed $1 billion.

9. The Navy calculates a 20 year Return on Investment of at least $1.948 billion. The Navy says this is due to workload shifting to other shipyards. Independent estimates, based on the workload planning for the Long Beach NSY for fiscal years 1996 through 2001, show that performing this work at other locations will cost about $450 million less than at the Long Beach NSY. The result is a break even point of about 40 years rather than the Navy's claim of an immediate return on investment. The workman's compensation included in the Long Beach NSY costs, which must be paid whether the Long Beach NSY closes or not, will wipe out the $450 million savings.

10. The data call scenarios and military value criteria established by the BSAT included many factors intended to address nuclear issues. Yet, the Navy now argues that the nuclear issues alone are sufficient grounds to keep the Portsmouth NSY open and close the Long Beach NSY. The Navy now contends;

No nuclear shipyard should be closed.

All non-nuclear work can be done in nuclear shipyards, but nuclear work can only be done in nuclear shipyards.

However, nuclear issues always seem to be unclear. The facts are that the only components on any nuclear ship that are "nuclear" are the reactor compartment, the cooling systems, and the propulsion systems. Nuclear certification is required to work on these, and only these components.

It is estimated that 85% of a nuclear ship work package is conventional work and can be done in non-nuclear shipyards.

The Long Beach NSY with its nuclear certified drydock could work on any nuclear ship with the assistance of tiger teams from a nuclear shipyard.

Is the BRAC Commission prepared to:

Balance the true cost of keeping this strategic waterfront ship repair facility against the unknown future needs of our Navy and our national defense.

Lose the capability and the strategic location of the Long Beach NSY's Drydock #1. Once closed, Drydock #1 will be lost forever.

Close the one public shipyard that complied with Department of Defense guidance to install more efficient management, rightsized, and has returned money to the taxpayer six years in a row. Long Beach NSY is the only public shipyard operating in the black. What kind of a message does this send to other federal facilities that are attempting to become more efficient to ensure their long-term survival.

DEPARTMENT OF THE NAVY,
LONG BEACH NAVAL SHIPYARD,
Long Beach, CA, May 17, 1995.

From: Commander, Long Beach Naval Shipyard.
To: Commander, Naval Sea Systems Command (SEA 97E).
Subject: FY96 Budget Submission.
Enclosure: (1) Overview Data for the FY96 DBOF Budget. (2) Long Beach Naval Shipyard Base Closure Budget.

1. Enclosures (1) and (2) are submitted as the Overview Data for the FY96 DBOF Budget and the Long Beach Naval Shipyard Base Closure Budget.

J.A. PICKERING.

EXHIBIT BCIV–02—BASE REALIGNMENT AND CLOSURE (1995) COMMISSION—FINANCIAL SUMMARY

[In thousands of dollars]

	Fiscal year						
	1996	1997	1998	1999	2000	2001	Total
Activity: Long Beach Naval Complex UIC:							
Funded							
One-time implementation costs:							
Military construction	....	....	....	....	....	....	....
Family housing	....	....	....	....	....	....	....
Construction	....	....	....	....	....	....	....
Operations	....	....	....	....	....	....	....
Environmental	....	....	....	....	....	....	....
Studies	....	....	....	....	....	....	....

EXHIBIT BCIV–02—BASE REALIGNMENT AND CLOSURE (1995) COMMISSION—FINANCIAL SUMMARY—Continued

[In thousands of dollars]

	Fiscal year						
	1996	1997	1998	1999	2000	2001	Total
Compliance							
Restoration							
Operation and maintenance	13,980	60,550					74,530
Military personnel—PCS							
HAP							
Other							
Total	13,980	60,550					74,530
Unfunded							
One-time implementation costs:							
Military construction	3,100	9,300					12,400
Family housing							
Construction							
Operations							
Environmental	15,597	17,455					33,052
Studies							
Compliance							
Restoration							
Operation and maintenance	73,460	135,499	20,739	15,695	15,729	15,765	276,887
Military personnel—PCS							
HAP		36,383					36,363
Other							
Total	92,157	198,617	20,739	15,695	15,729	15,765	358,702
Total Requirement							
One-time implementation costs:							
Military construction	3,100	9,300					12,400
Family housing							
Construction							
Operations							
Environmental	15,597	17,455					33,052
Studies							
Compliance							
Restoration							
Operation and maintenance	87,440	196,049	20,739	15,695	15,729	15,765	351,417
Military personnel—PCS							
Other		36,363					36,363
Total	106,137	259,167	20,739	15,695	15,729	15,765	433,232

[Memorandum from U.S. Representative Stephen Horn, June 20, 1995]

PRESIDENTIAL POLITICS AND THE 1995 ROUND OF MILITARY BASE CLOSURES

The Defense Base Closure and Realignment Act of 1990 (Public Law 101-510) and subsequent changes made by the Congress (Public Law 102-311 and Public Law 102-484) were designed to provide a fair and impartial process for the timely closure and realignment of domestic military installations. One of the primary objectives of this legislation was to move the closure of military installations outside of the political arena, and to base installation closure actions on the future force structure plan and preestablished final selection criteria.

Most of the actions which have been taken by the Department of Defense and past Defense Base Closure and Realignment Commissions appear to have fulfilled these objectives. However, the actions taken by the Navy, the Department of Defense, the President, and certain Republican Presidential candidates in regard to attempting to prevent the closure of one military installation in New Hampshire appear to violate the spirit and intent of the law and are unprecedented. It appears that the actions being taken to save the Portsmouth Naval Shipyard are driven by the 1996 New Hampshire Presidential Primary as opposed to the criteria established in Public Law 101-510.

In regard to the Navy's actions in developing the data base which resulted in the Department of Defense not recommending the Portsmouth Naval Shipyard for closure, a few examples are relevant.

1. The Navy deviated from the future force structure plan parameters established in Public Law 101-510 in an attempt to prevent closure of the Portsmouth Naval Shipyard.

Public Law 101-510 clearly states that the Force Structure Plan for fiscal years 1995 through 2001 be the basis for making recommendations for base closures and realignments.

The Navy argues that the uncertainty of the future submarine force (including future proposed new construction) including beyond 2001 is a valid and essential consideration.

This is outside the force structure parameters established by Public law 101-510.

2. The Navy recommended that the Portsmouth Naval Shipyard remain open and that another shipyard with a higher military value be closed. The BRAC 1995 final selection criteria is weighted heavily toward military value. Thus, there is a substantial deviation from the established selection criteria.

3. The Navy attempted to develop their data call scenarios and military value criteria in a manner that was prejudicial and would result in the Portsmouth Naval Shipyard obtaining a higher score.

Many factors were included which addressed nuclear issues.

The weighing of military value components was changed to favor the Portsmouth Naval Shipyard.

The Portsmouth Naval Shipyard was still ranked the second lowest in military value.

The Navy now contends that nuclear issues *alone* are sufficient grounds to keep the Portsmouth Naval Shipyard open, regardless of the fact that they were adequately considered in the calculation of military value. This is a substantial deviation from the established final selection criteria.

There is also evidence that the Department of Defense took certain actions in an attempt to assure that the Portsmouth Naval Shipyard would remain open. The Department of Defense established a Joint Cross-Service Group to review base closure recommendations in regard to inter-servicing. The Joint Cross Services Group analyzed and reviewed six primary scenarios for naval shipyard closures. Only one of these options concluded that the Portsmouth Naval Shipyard should remain open. Yet, when the Department of Defense made its final recommendations, the Portsmouth Naval Shipyard was not among the military installations that it recommended for closure.

In late January, President Clinton told a Manchester, New Hampshire radio station audience that he did not believe the Portsmouth Naval Shipyard would be on the list of military installations the Navy and Department of Defense would be recommending for closure. This was about a month before the Department of Defense recommendations were released. These kinds of statements by the President certainly must have had some effect on Navy and Department of Defense officials who were in the process of making the final decisions on which installations to recommend for closure.

After the Department of Defense made their final base closure recommendations, the Defense Base Closure and Realignment Commission technical staff conducted an extensive analysis of whether the recommendation not to close the Portsmouth Naval Shipyard conformed to the legislated future force structure plan and final selection criteria requirements. The technical staff then made the recommendation to add the Portsmouth Naval Shipyard to those military installations being considered for closure. On May 10, 1995, the Commission voted six to two to add the Portsmouth Naval Shipyard to the list of bases being considered for closure. It is interesting that the two members of the Commission who voted against adding the Portsmouth Naval Shipyard to the list were appointed to the Commission by Senator Robert Dole, a 1996 Republican Presidential candidate.

Adding the Portsmouth Naval Shipyard for consideration caused President Clinton to conduct interviews with four New Hampshire radio stations stating he did not believe that the Portsmouth Naval Shipyard will be shut down by the Commission and that he stands behind the Pentagon's original list of base closures. "I support the Secretary of Defense's recommendations, and I believe that they will be upheld."

Although such behavior, while not appropriate, is expected of politicians, one might not expect that the White House would ask the Navy and Department of Defense to go outside the guidelines established by Public Law 101-510 to attempt to unduly influence and intimidate the Defense Base Closure and Realignment Commission. There was so much political heat that all eight Commissioners decided that they had better attend the Portsmouth Naval Shipyard site visit and regional hearing. In the entire history of the base closure and realignment process, all of the Commissioners have never attended a site visit and regional hearing for one particular installation.

Perhaps one of the reasons all eight Commissioners decided to attend was because they knew the Navy was sending its "Big Guns" to shepherd these events. Conducting the site visit were Assistant Secretary of the Navy for Installations and Environment Robert B. Pirrie, Chief of Naval Operations Jeremy M. Boorda, and the Director of Naval Reactors Admiral Bruce DeMars. This is unprecedented. Never in the entire history of the base closure process, have such senior members of a military service attended an installation site visit. In addition, Vice Admiral George Sterner, Commander of the Naval Sea Systems Command, testified in support of the Portsmouth Naval Shipyard at the regional hearing. Again, this has never happened in conjunction with any potential base closure and is unprecedented.

No supportable analytical data was presented by the Navy or Portsmouth Naval Shipyard advocates at the regional hearing. Instead, the Navy simply said over and over again that the Portsmouth Naval Shipyard was absolutely essential for the Navy to continue its mission, and regardless of the lower military value ranking and discrepancies in the data base, the Navy's judgement should be upheld by the Commission. At one point in the hearing Senator William Cohen lectured the Commission and implied that the Commissioners did not have the technical expertise to question subjective judgements made by the Navy. One can only wonder if all of these high level Federal officials were ordered to the site visit and the regional hearing in an attempt to intimidate the Defense Base Closure and Realignment Commission.

At this point, one might ask:

Why was the Navy and Department of Defense willing to deviate substantially from the future force structure plan and the preestablished final selection criteria and recommend that the Portsmouth Naval Shipyard remain open?

Why did the Commissioners appointed by Senator Robert Dole vote against adding the Portsmouth Naval Shipyard to the list of military installations the Commission is considering for closure?

What is so important about the Portsmouth Naval Shipyard?

The importance of the Portsmouth Naval Shipyard is that the vast majority of its personnel live in New Hampshire, the State that has the first 1996 presidential primary. President Clinton, Governor Wilson, and Senator Dole all want a strong showing. The fact that three incumbent presidents, Johnson Carter, and Bush, all lost their presidencies in part due to an early challenge from within their own parties has not been lost on President Clinton and his advisors. The fact that should the Portsmouth Naval Shipyard close, New Hampshire voters might take their frustration out on Republican candidates who they thought could and should have been able to save it, has not been lost on Governor Wilson or Senator Dole.

This all makes good sense if you are a Presidential candidate, but how about:

Good government?

Circumventing the spirit and intent of legislation that was expressly passed to insure a fair and impartial base closure process?

Should the Portsmouth Naval Shipyard be held to the same standards as other military installations which will be closed?

What about the families and workers who lose their jobs due to base closures because their State does not have the first presidential primary?

The real message in the 1994 elections was not a shift from the Democratic to the Republican party. What the American Public was trying to tell its elected officials is that it is tired of a government which does not work, and makes decisions based on political considerations instead of the merits of the situation. The situation created by the intense political effort to keep the Portsmouth Naval Shipyard open and the upcoming 1996 New Hampshire Presidential Primary is exactly what the American Public voted against in 1994. Hopefully, the Defense Base Closure and Realignment Commission will make its ultimate decision based on the merits rather than politics.

Mr. HORN. The politics of the services seem to be overriding. This year Admiral Boorda walked into a meeting and said, "Let's save all the nuclear shipyards." There is only one nonnuclear shipyard and that is the one that is the most efficient: Long Beach. So that was Death Knell I for Long Beach Naval Shipyard.

Mr. Speaker, it was the wrong way to go about it. Admiral Boorda looked me in the eye a month before the decision was made and said, "Gee, I was sort of out of the loop. I didn't have anything to do with it." I thought that was a little strange for the Chief of Naval Operations, but so be it.

But then we had the President in Connecticut asked about Portsmouth. There is something that goes on in New Hampshire every 4 years that I guess guided this answer. He was not alone. He had Republican candidates say just what he said. "Aw, shucks, I sure hope that they keep Portsmouth open," was the attitude. That was a month before the decision was made in the Navy. That was Death Knell II.

Mr. Speaker, naval political appointees are not stupid. When the boss says keep one open, it meant the death knell of the other one who had been ahead of Portsmouth, and even though they juggled the numbers and tried to make it the other way, was still one-tenth of a point ahead of Portsmouth on what really counts and that is the military value.

We can argue all the disasters to unemployment, and indeed they are. Long Beach as a city has suffered more than 46 States in base closure. In 1991, we had the naval station and the hospital close. In 1995, the shipyard.

As I said, this is not partisan and does not affect seniority here. My colleagues will remember the gentleman from California [Mr. DELLUMS], the distinguished former chairman of the Committee on Armed Services, Mare Island and Alameda were closed. The gentleman from South Carolina [Mr. SPENCE], the distinguished chairman of the Committee on National Security, ranking Republican then, Charleston was closed.

My predecessor, Glenn Anderson, two decades in Congress, a committee chairman; the naval station and naval hospital were closed.

What bothers me though is that partisan politics got into it with reference to New Hampshire, and yet the President made an impassioned speech that morning, and later in the day he simply signed the recommendations of the defense bureaucrats and politicians and sent them to Congress.

And, finally, there was the former Senator from Illinois, Mr. Alan Dixon, who was the President's choice for chairman of the Defense Base Closure and Realignment Commission. Never have I seen such an arbitrary chairman. He remains unmatched in my mind as I compare him to some of the well-known autocratic chairs that existed in the House and the Senate over the last half century.

Before the Commission's own staff presentation on the Long Beach Naval Shipyard was completed, Chairman Dixon arbitrarily shut if off, refused to delay the vote until after lunch, and generally harangued his colleagues. That was Death Knell III.

And so a great naval shipyard—the youngest, born in 1943; the most modern; the most efficient and effective of any shipyard will be no more. No longer will 70 percent of the surface ships in the Pacific Fleet be within 100 miles of this great facility. Those vessels will have to travel 1,600 to 2,600 miles to secure comparable service. No longer will a great work force of 3,000 dedicated men and women, a 60-percent minority and women work force be available to serve well the Navy and the Nation. This is indeed a sad day in the military history of our country.

Mr. HEFLEY. Mr. Speaker, I yield 2 minutes to the gentleman from Missouri [Mr. SKELTON].

Mr. SKELTON. Mr. Speaker, I rise in opposition to the resolution, in favor of the Base Closure Commission recommendations.

Mr. Speaker, this is not an easy process. It is often painful. But, Mr. Speaker, it is a very necessary process for us to go through.

We like to point out that we have a wonderful military, and the military did its job during the cold war. It was necessary during that era to have an extremely large and strong multibased, multipost military within our country.

We won the cold war, and to those who are losing installations in their area, they nevertheless should take pride in the fact that they did their job. The men and women, civilian, military, at those particular posts, installations, did an excellent job in protecting freedom through the years.

But this process is one that I have watched. I had the opportunity to testify in front of the Base Closure Commission. I found them to be fair. I found them to listen. I found them to read and understand the facts. They also visited the various installations throughout the country.

Mr. Speaker, I hope that this body will give a strong vote of support for the Base Closure Commission, voting against this resolution, because this is the only process available to save money so that we will have those dollars to modernize our military; to take care of the needs, the family needs, the family housing; to make sure we do not cut our military too small. Mr. Speaker, these Base Closure Commission savings will help us do that.

Mr. TEJEDA. Mr. Speaker, I yield 4 minutes to the gentlewoman from Connecticut [Ms. DELAURO].

Ms. DELAURO. Mr. Speaker, I rise in strong support of the resolution to reject the recommendations of the Base Closure and Realignment Commission.

I support the base closure and realignment process and believe it has led to the orderly downsizing of our Nation's defense infrastructure, given the end of the cold war. The Department of Defense and the Commission have made a tremendous effort to carefully examine every base during this and prior base closure rounds.

Nonetheless, I continue to believe the Commission made a shortsighted decision when it voted to close the Stratford, CT, Army Engine Plant. I believe that the Army has substantially understated the military value of the Stratford plant, and it has substantially underestimated the cost of closing the facility and reconstituting its capabilities elsewhere.

The Stratford Army Engine Plant is the only place in the country where we build the AGT1500 tank engines and critical spare parts that will be used in the Abrams tank for the next 30 years. In my view, it is a tremendous risk to national security to close this plant and lose its unique capabilities. With no new tank engine in development, we need the Stratford plant to extend the life of the engines now in use; to build critical spares; to provide field expertise to resolve problems that arise in battlefield situations; and to quickly build new engines should that be required by a military emergency.

I also remain skeptical about the feasibility of the Army's plan to reconstitute the dual-use technology that the Stratford plant has used to produce top quality engines for tanks, helicopters, hovercraft, and commercial jets.

The Army has proposed moving the helicopter work to Corpus Christi, TX and the tank work to Anniston, AL. But this is much simpler said than done. The same equipment and the same work force teams at the plant produce military and commercial products for both aviation and ground use. All but 2 of 11 manufacturing cells are dual-use, as is the vast majority of machines. Recreating this capability elsewhere will be expensive and time consuming.

I also believe the Army has substantially underestimated the cost of closing the plant.

This year, the Army itself recognized that our Nation's tank engine industrial base would benefit from continued operation of the Stratford plant as a dual-use manufacturing facility. In February, the Army announced that it would invest $47.5 million to downsize the facility, enhance engine durability, and initiate a Service Life Extension Program. The employees of the plant, the union members, and the management joined together to make this plan work—they are cutting costs, improving productivity, and diversifying the product line into the commercial marketplace.

This dual-use approach would maintain the vital military value of the Stratford Army Engine Plant, while reducing costs to the Army by expanding commercial use of the plant. This would be the best option for national security and the best option for the taxpayer.

It is hard to understand why the Stratford Army Engine Plant was recommended for closure when a promising plan for downsizing and dual-use manufacturing was already in place. I was disappointed by the Base Closure and Realignment Commission's recommendation to close the Stratford site and joined the plant's workers and management, and the community in making our case to the Commission. I still believe maintaining military and commercial production at Stratford would serve our country best.

I urge my colleagues to support the resolution of disapproval.

□ 0940

Mr. FAZIO of California. Mr. Speaker, I yield 2 minutes to the gentleman from California [Mr. DOOLITTLE]. He is from an adjoining district to mine who has fought staunchly for McClellan Air Force Base.

Mr. DOOLITTLE. Mr. Speaker, I have in the past supported the BRAC Commission process, viewing it as a reasonable way to effect the necessary downsizing of excess capacity.

As the gentleman from California [Mr. FAZIO] mentioned, I have been very involved with him, the gentleman from California [Mr. MATSUI], the gentleman from California [Mr. POMBO], the gentleman from California [Mr. HERGER], and others from our region in fighting for McClellan Air Force Base. I can tell you that the gentleman from Utah [Mr. HANSEN] was right last year or the year before when he proposed cutting off the process after the first three rounds. I am sorry that we have gone to the fourth round. The fourth round has disappointed me.

The idea that we somehow remove politics from the BRAC process, in my opinion, did not turn out to be the case. In fact, it reminds me of the method for selecting judges advocated by the American Bar Association throughout the country where all they do is shift the politics from the more open forum of the Governor, and so forth, and move it back behind closed doors where intense logrolling and politicking is going on. We should have had cross-servicing. That would have saved McClellan Air Force Base. It is a modern base capable of doing the job. But, no, despite the fact that every major panel has recommended cross-servicing, we do not have it. It is not part of our defense policy. It is a tragedy, Mr. Speaker.

We should pass this resolution. We should go back to the drawing boards. We should get cross-servicing in as part of this, and if we are going to have politics in the process, then let us get it out in the open.

Mr. Speaker, I must add I am disappointed in the President. The President told the gentleman from California [Mr. FAZIO] and me of his keen awareness of how California has had 15 percent of the military personnel around the country and suffered 85 percent of the personnel reductions, and yet when the time came, when the one person that could have intervened to make a difference here could have exercised that, he did not.

With the privatization we have got, even that is slipping. I intend to fight for that. I urge approval of this resolution.

Mr. HEFLEY. Mr. Speaker, I yield 4 minutes to the gentleman from Pennsylvania [Mr. WELDON].

Mr. WELDON of Pennsylvania. Mr. Speaker, I rise today to oppose the resolution and to ask our colleagues to support the recommendations of the BRAC Commission.

I cannot help but note the irony of today's debate. Where are our colleagues who yesterday were on the House floor saying that we have not cut defense; where are they today? Are they hiding in their offices? We heard all of these Members stand up and say we are not doing enough to cut defense. We need to the defense budget more and more. Where are they today as we are about to decide to close a number of additional installations that will affect ultimately over 1 million American people in both the services, the uniforms, and the industrial segment of our community and society who supports the military?

Why are these cuts occurring? They are occurring because we have been on a dramatic downsizing of the military, unlike any other period in the history of this country, down to 3 percent of our GNP, and 16 cents of every Federal dollar, when you compare it to John Kennedy's tenure where we were spending 9 percent of our GNP and 55 cents of every Federal dollar on the military.

We have made dramatic cuts. You are seeing the results of those cuts partially today.

I think the BRAC Commission did a commendable job. I am not happy with everything they did. I have been trying for 8 years to close a facility in my old hometown. I testified three times before the commission, "Close this Army facility down. We don't want it. The town doesn't want it. The county doesn't want it." Again, it is not on the list for closure. So I do not like that, and I will be happy to be back again next year either legislatively or before the BRAC Commission to close it again.

I can tell you this Commission accepted a higher percentage of Pentagon recommendations than any other commission, and despite what President Clinton said, this Commission came up with more savings than what the administration had.

But what really outrages me, what really outrages me as a member of the Committee on National Security and as someone who is going to, at the end of this month, see the last of 13,000 workers leave the Philadelphia Navy Yard, the Philadelphia Navy Base, and before that, the Philadelphia naval hospital, is to see this President play partisan politics with the lives of people in the military. It is an absolutely disgusting outrage. Again, this President wants to have it both ways. He does not have the backbone or the guts to stand up and disapprove the list and send it back for a reconsideration of McClellan or Kelly. What does he do? He signs it and then sends a letter down saying, "I really don't want to sign it."

Mr. Speaker, that is absolutely outrageous. But that is what this President did.

I would like to, at this point in time, ask the chairman of the Subcommittee on Military Installations and Facilities, is it your distinguished interpretation that that letter has absolutely no legal standing whatsoever in this process?

Mr. HEFLEY. Mr. Speaker, will the gentleman yield?

Mr. WELDON of Pennsylvania. I yield to the gentleman from Colorado.

Mr. HEFLEY. I say to the gentleman from Pennsylvania [Mr. WELDON] I absolutely agree with him.

It has no legal standing as far as we can determine. Our committee did consider this, and let me just quote from the committee report just a moment:

> In our judgment, the letter of the President of July 13, 1995, communicating his approval of the recommendations of the Defense Base Closure and Realignment Committee, has no standing beyond certification. Public Law 101-510 does not provide for any such communication to contain assumptions about the implementation of the recommendations of the Commission.

Mr. WELDON of Pennsylvania. I thank the chairman for that comment.

I would add it is the feeling of this committee that that letter has no standing whatsoever. It is a political document.

But I would say to the President, Where is your letter for the 13,000 Philadelphia, PA, tri-State workers that are going to be laid off at the end of this month? Where is your letter of concern for them? Where is your letter of concern for all of those other bases, or are we just pandering to one State because of the electoral votes there?

Mr. Speaker, I am absolutely outraged at, again, the lowness of the depths that this President would take in this process. He has demeaned the Commission. He has demeaned the process. But somehow that does not surprise me.

Vote "no."

Mr. TEJEDA. Mr. Speaker, I yield 2 minutes to the gentleman from Illinois [Mr. EVANS].

Mr. EVANS. Mr. Speaker, I urge my colleagues to support the resolution of disapproval. I must do this because I am deeply disturbed by the base closure process. In the rush to close installations there has been a failure to analyze all of the facts carefully. This is obvious from the recommendation made by the Commission concerning the Savanna Army depot activity.

In the case of Savanna, the Commission ignored a number of important factors. For example, closing the installation would result in the loss of important and hard to replicate capabilities, increase costs above the Army estimate to close the base and move its functions, and reduce ammo storage capability below critical military needs.

For instance, the Commission failed to consider that Savanna is one of the most efficient facilities in the Army. During Desert Storm, Savanna had the highest outloading rate of any depot. It is also one of the few with adequate rail service to shipping centers. These national assets would be hard to replace in a nationwide mobilization.

In addition, the estimate of the cost of closing Savanna and relocating the U.S. Army Defense Ammunition Center and School [USADACS] is too low. DOD stated that it would cost $38 million to close the installation and relocate functions. However, the Savanna Army depot realignment task force estimates that the cost of closing the facility and moving the school is much higher—as much as $88 million. This includes new construction that will have to take place at McAlester to complete the move.

Even more important, the decision to close ammunition storage facilities failed to take into account storage needs. The Army's 1993 Wholesale Ammunition Stockpile Program study indicated that even with 11 depots, as much as 6 million square feet of outside storage will be needed to match our Nation's future ammunition stockpile. This could indicate that the ammunition study is flawed. Because of this decision, we may not have enough space to meet future storage needs.

Our ammunition depots are a national asset that will be needed to meet future mobilization needs. The Commission's recommendation will mean the loss of an important part of this irreplaceable asset.

I believe that we must reject the recommendations made by the Commission. From the errors I have seen made in just the case of the Savanna Army depot activity, I am concerned that other mistakes may have been made that will force us to make poor choices concerning our Nation's defense infrastructure and unnecessarily eliminate the jobs of thousands of civilian employees who have served our Nation proudly. I hope my colleagues will join me in opposing these recommendations.

Mr. TEJEDA. Mr. Speaker, I yield 2 minutes to the gentleman from Guam [Mr. UNDERWOOD].

Mr. UNDERWOOD. Mr. Speaker, I thank the gentleman for yielding me this time.

Mr. Speaker, as I have pointed out on several occasions previously, no community is more negatively affected on a per capita basis by the BRAC 1955 decisions than Guam. We are losing a ship repair facility and a fleet industrial supply center, the only such facilities on U.S. soil on the other side of the international dateline, and potentially some 10 percent of our total work force on Guam will be affected.

My community, small and loyal, will be suffering. But my point here in standing in support of House Joint Resolution 102 is not just to bemoan the effects of the BRAC process on a small island 9,000 miles away, with no electoral votes to give and no vote to cast on this floor. My purpose is to draw attention to the disjunctures in the BRAC process, to point out that the forward positioning of U.S. forces in Asia is benefiting foreign countries over U.S. communities.

On the very day the BRAC process was announced, riggers at the ship repair facility on Guam were offered positions at the Yokosuka ship repair facility in Japan, and to point out that America's war fighting capacity in Asia is overly dependent upon the stationing of forces in foreign countries when U.S. soil is available, and to point out that the BRAC process ignored the sound advice of people in uniform and favored the bean counters, the so-called men in suits in the Pentagon.

For the record, I would like to point out that even as BRAC put forth a disagreeable decision, Guam is determined to make the best of it and to survive. In this, I have asked the Department of Defense and the administration to give Guam the same consideration that other communities are apparently receiving. In short, we are asking for the best arrangements possible, a kind of most-favored-base closing treatment.

I recognize that the resolution may not pass, and I do not intend to confound the laws which govern the BRAC process and which have served the country generally well. But consider casting a symbolic vote to send a message regarding the 1995 process.

Support the Tejeda resolution.

Mr. HEFLEY. Mr. Speaker, I yield 2 minutes to the gentlewoman from Florida [Mrs. FOWLER].

Mrs. FOWLER. Mr. Speaker, I rise in opposition to the resolution now pending before us.

Last year I joined with those who supported postponing the 1995 base closure round. But the amendment to postpone it was opposed by the Defense Department, which argued that it needed these savings for systems modernization and other recapitalization efforts, and this effort was soundly defeated.

Thus, the 1995 base closure deliberations proceeded. Ultimately, the Base Closure Commission recommended the closure or realignment of 132 installations, including 123 of the Secretary of Defense's 146 recommendations. The projected savings total $19.3 billion over 20 years.

I do not agree with every one of these decisions, and I sympathize deeply with those of my colleagues who lost facilities in the 1995 BRAC process. Northeast Florida will lose thousands of military billets as a result of the 1993 base closure round, so I am quite familiar with that pain.

But the Commission, the Pentagon, and the GAO did a huge amount of work to reach their conclusions in this round. They worked in good faith. The national security calculations were made. The savings are now budgeted. It makes no sense to dismiss this enormous effort now. We should vote down this resolution.

Having said that, I must register my grave concern about the manner in which the President responded to the Commission's recommendations. It is my strong view that he has sought to interject politics into this process by calling for the privatization in place of two major Air Force logistics facilities that the Commission ordered closed.

In doing so, he has articulated a plan that undermines the entire purpose behind base closure law, which is to reduce the Pentagon's excess capacity. By privatizing in place, the administration not only fails to eliminate this excess capacity, but it exacerbates the current excess capacity problems at those facilities that the Commission deemed, after a careful review of objective criteria, to be our most efficient.

Instead of performing America's essential military maintenance functions at those facilities the Commission preserved, the administration would perform them at the facilities deemed least deserving. It would then further subject these mission critical functions to a very risky new private management scheme.

To top it off, his plan would violate current law if carried to fruition.

I urge a no vote on this resolution, but more important, I hope my colleagues will oppose the administration's attempts to subvert the BRAC process for political gain.

Mr. FAZIO of California. Mr. Speaker, I yield 2 minutes to the gentleman from California [Mr. POMBO], a gentleman who has worked very closely with us since his arrival in Congress to save McClellan Air Force Base.

Mr. POMBO. Mr. Speaker, I thank the gentleman for yielding me this time.

Mr. Speaker, I rise today in support of this resolution, and in strong opposition to the 1995 defense base closure recommendations forwarded to Congress by the President.

I oppose this list for reasons both broad and specific. Specifically, the inclusion of McClellan AFB on this list is wholly unacceptable. The Sacramento area of California has already suffered through two previous rounds of base closures resulting in the total loss of over 28,000 jobs. The closure of McClellan will add another 13,000 direct, and many more indirect, jobs to that figure.

This BRAC list calls for the closure of McClellan and Kelly Air Force Bases. This represents the costliest, most disruptive way to eliminate excess capacity in the Air Force depot system—and will have the worst impact on military mission support capabilities.

More broadly, however, I am concerned that we are cutting muscle, and not just fat, with this round of closures. After extensive visits and consultations, I am convinced that there are serious questions of national security arising from this BRAC list.

Once we close a military facility, we will never get it back. Therefore, it is common sense that we must be cautious and discerning about each and every facility we close.

At issue here is, first and foremost, an issue of America's military preparedness, and of our ability to influence and shape global affairs into the next century. I have not yet seen a serious, detailed, and integrated plan for our future security requirements that analyzes base closures in light of the needs of our 21st century military. I believe that such a plan must be produced and debated prior to closing scores of military bases, and most especially before consideration is given to closing McClellan Air Force Base.

Mr. HEFLEY. Mr. Speaker, I yield 2 minutes to the gentleman from Oklahoma [Mr. WATTS].

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Mr. WATTS of Oklahoma. Mr. Speaker, President Harry Truman once said, "Every segment of our population and every individual has the right to expect from our Government a fair deal."

Mr. Speaker, the BRAC process was a fair deal for every individual in this country. Before the BRAC process, bases did not close, downsizing was simply a theory, and the American taxpayer was charged with unnecessary bills for the maintenance of excess capacity in our Army, Navy, Marine Corps, and Air Force.

The BRAC process closes unneeded military installations. Military facilities across the land compete on a level playing field. Some win, some lose, but the fight is fair and without the political influence of the Congress or the President. The victors should be honored and now is the time to stand up and do what is right for this country and her people. This BRAC has left some in the executive branch with a message they could not politically swallow. They are now attempting to corrupt a fair process that estimates a savings of more than $19 billion. Well, this Congressman and many who sit on both sides of the aisle simply will not tolerate that and will fight to make certain the BRAC process remains as apolitical as was originally intended.

BRAC is a proven process and to dismantle that process by disapproving the list would, in the words of Chairman Alan Dixon, "destroy the BRAC process forever and fail to save an estimated 19 billion dollars." That is simply not an acceptable course of action.

Disagreements between how the BRAC list will be implemented will lead to heated discussions throughout this Congress. I am especially upset about the President's decision to privatize-in-place at McClellan and Kelly Air Force Bases. The President's decision to accept the BRAC list with a privatize-in-place option is a play that wasn't in the play book or within the rules of the game. He has taken an apolitical process and turned it into a zero-sum-game. If this Congress allows the Department of Defense to privatize-in-place, we will never achieve the savings that were clearly identified by the BRAC's recommendation, nor will the BRAC process retain the credibility it has worked so hard to achieve.

But that fight is for another day. Today, we face the question of rejecting the BRAC list. This question has but one answer—"No."

Today, we must do what it takes to deliver on our promise for a fair deal to those we represent. To do this there is only one reasonable action; accept the BRAC recommendation by voting down the resolution to disapprove recommendations of the Defense Base Closure and Realignment Commission.

I ask you to do the right thing and cast your vote against the resolution to disapprove the BRAC recommendation.

Mr. TEJEDA. Mr. Speaker, I yield 4½ minutes to the gentleman from New Jersey [Mr. MENENDEZ].

Mr. MENENDEZ. Mr. Speaker, I urge my colleagues to reject the BRAC Commission's recommendation because they violated not only the spirit of the law, but the letter of the law that empowers them to close bases in the first place, and, as an example of that I am deeply disturbed by the conduct of the BRAC Commission with respect to the Military Ocean Terminal, Bayonne, NJ, specifically with regard to the recommendation to eliminate dedicated military ocean terminals. Never before has the Commission decided, on its own initiative, to virtually eliminate an entire military mission. Ironically, the Commission found precisely what I had alleged—that the Secretary had substantially deviated from the selection criteria in its recommendation to close MOTBY which is grounds for removal from the list. However, the Commission far exceeded its statutory charter by expanding the scope of realignments and eliminated the entire military ocean terminal mission.

Let me outline the numerous legal and factual errors that the BRAC failed to take into account in their sloppy, haphazard proceedings.

First, a fatally flawed recommendation from the Secretary to close the Army portion of MOTBY without regard for the cross service assessment of the Navy Military Sealift Command, leaving this agency stranded, required removal of the base from the list.

Second, this legal error was further tainted by a legally invalid attempt to rescue the first recommendation by closing and not enclaving MSC. This is an unlawful expansion of the scope of realignment because the BRAC failed to add the MSC enclave at the legal deadline for the consideration of additional bases.

Third, the BRAC, Navy and DoD have violated the letter and intent of the BRAC statute by increasing the scope of activities to be realigned away from Bayonne 1 week away from the Commission's final round of hearings. This left the community with no time to respond to the proposed revisions.

Fourth, the BRAC on its own motion realigned activities away from MOTBY to a so-called Base X. This is a violation of its own selection criteria 2, regarding the availability and condition of land and facilities at potential receiving locations. The Commission has failed to follow its own rules. By randomly assigning missions to mythical bases, the cost and manpower implications of criteria 4 become infinite.

Fifth, although the BRAC has limited judicial review of its actions, it is clear that this is a major abuse of discretion in two areas. The BRAC's actions are ultra vires and wildly beyond the bounds of its enabling statute and the Commission has completely failed to follow its own regulations.

I do not want to seem to be calling sour grapes over this decision. I want to establish a record because in the next few weeks legislation, which is equally ill conceived, and proves my case today. This legislation greatly threatens the military and economic security of the United States. The Ocean Shipping Reform Act, when combined with the closure of the dedicated military ocean terminals at both Bayonne and Oakland, poses the most serious threat to our Nation's ability to mobilize in this century.

There are compelling military value reasons to reject MOTBY's closure. MOTBY is a unique strategic asset. No other port on the east or gulf coasts, commercial or military, can duplicate its combination of advantages in the support of power projection from the continental United States without the disruption of commercial port activities. This was amply demonstrated during the Gulf war and our recent operations in Somalia and Haiti.

Having investigated and documented this matter fully, it was shocking to see the assortment of half truths and mischaracterizations that was paraded before the Commission as analysis, without an opportunity for rebuttal. For example, the staff alleged that MOTBY was only used to mobilize the 10th Mountain Light Infantry Division when, in fact, dozens of units shipped through MOTBY as well as outsized cargo such as M1A2 tanks from as far as Fort Hood, TX.

Bayonne sits astride the huge, highly developed, multimodal transportation network of the American Northeast Corridor. Once cargo arrives at Bayonne, it can be placed directly into vast covered warehouses or uncovered—and fully secure—staging areas. All types of cargo, from heavy, outsized weapons like the M1A2 tank and the Patriot antimissile system, to the full range of munitions available to our fighting forces can be loaded by Bayonne's specially trained union force using state of the art, dedicated rail lines using every type of roll-on/roll-off vessel in the MSC inventory. Bayonne has the best steaming times to Europe, a full day's advantage over any other U.S. port, military or civilian.

Nowhere in the staff presentation was there any reflection of the shortcomings of commercial ports. For example, since most ports are containerized, there are no commercial ports which can lift the 70 tons of the M1A2 Abrams. If forced to rely on roll-on/roll-off ships in the MSC inventory, the number of useable commercial ports plummets and even the tiny, remaining Military Ocean Terminal, Sunny Point, NC, an ammunition depot, quickly becomes unusable.

Finally as operations in the Persian Gulf, Somalia and Haiti have proven beyond doubt, MOTBY's unique heavy sealift capabilities are always available to us in a crisis. The Pentagon's recommendation that Bayonne be closed is based on the untested premise that commercial ports on the east and gulf coasts will be both willing and able to forego their profitable contracts to accommodate time sensitive military cargo. The exact opposite of this premise was experienced with the ports of Houston and Portland during the Gulf war. Indeed, the director of port operations of the Port of New York and New Jersey, Lillian Liburdi, an acknowledged expert on military cargo management, testified that no commercial port on the east or gulf coast could substitute for MOTBY. DoD has acknowledged this by contracting with MARAD and Louisiana State University to study this very issue of commercial port availability should Bayonne be closed—a study that should have preceded any closure recommendation.

Past BRACs have wrestled with the depot issue and this BRAC has 14 boxes of studies on depots. It is extremely reckless to leap ahead with the unstudied and untested assumptions that commercial ports can replace dedicated military ports in all war fighting scenarios. It threatens the soldier waiting for resupply on the beach and it threatens the economy whose ports may be subjected to commandeering at short notice. The role of MOTBY is essential. If it is closed, we will be forced to recreate it, at enormous cost, every time we mobilize even the smallest forces.

Finally, I have taken this time to go into great detail in rebutting the Commission's finding point by point because of my great policy concern about maritime commerce. In its ignorance the Commission found, "six ports capable of deploying an infantry division within 1 day's rail movement of Bayonne." As I warned the Commission in their regional hearing, legislation deregulating of the maritime industry, in the form of the Ocean Shipping Reform Act, has already been reported out of the Committee on Transportation. Maritime deregulation will have powerful shakeouts for ports, much as airline deregulation had for airports.

Our former colleague, Helen Bentley, who had vast experience in the maritime industry, has warned that deregulation will create megaports like airline hubs. Mrs. Bentley warned that deregulation could reduce the number of ports serving the Nation to as few as four. Most small seaports will vanish. There is precedence. Just as Halifax has decimated Great Lakes ports, the passage of NAFTA and maritime deregulation could spell extinction for gulf coast ports from competition via Veracruz. Ninety-five percent of American export commerce moves by ship. If maritime deregulation occurs, there will be a vast reduction in port capacity. There will be even less willingness by the new megaports to disrupt commercial traffic by accepting military cargo on a short term basis. The military cargo charges will be at an enormous premium. Even the sloppy staff work done by the Commission showed port operators becoming increasingly unwilling to guarantee priority to military cargo required by port planning orders. In some cases they desire 12–14 days to clear staging and berthing areas.

Unfortunately, port legal counsel on the BRAC staff failed to appreciate that the military cannot compel commercial operators to give priority to military deployments during contingency situations. Under the third and fourth amendments of the Constitution, there is no authority to disrupt commercial ports in the absence of a declared emergency. By that time it may be long after the need to mobilize and use ports. The Kuwaiti invasion was in August 1990. Congress authorized the use of force months later. Port planning orders and port allocation orders are no guarantee port access on a timely basis. The only reason these orders have worked at all in the past is the delicate balance struck in the Shipping Act of 1984 between military and necessity and good commercial practice, which tolerated excess capacity in our ports.

Today, I urge you to reject the BRAC recommendations. The Commission has far exceeded its authority into roles and missions. Moreover, they have seriously jeopardized the military readiness of the Nation. It will cost more than huge sums of money, it will cost soldiers' lives.

Mr. HEFLEY. Mr. Speaker, I yield 3 minutes to the gentleman from Georgia [Mr. CHAMBLISS].

Mr. CHAMBLISS. Mr. Speaker, I believe that the Members of the House recognize the importance of supporting and preserving the integrity of the BRAC process. In it, Congress has created the most politically neutral means possible of reducing our military's excessive infrastructure. Although we may not agree with individual decisions, we must support the process.

With respect to the process, however, I would like to address a situation that has arisen from the recommendations of this most recent Commission. Specifically, I refer to the President's plans for the future of our air logistics depot structure.

As my colleagues are aware, the Commission determined the Air Force maintains excess capacity in its air depots. As a result, commissioners voted to close two depots based on the objective base closure criteria.

As with all individual base closure decisions before, the two depots slated for closure would be phased out over a 5-year period. This would solve the two primary problems the BRAC was created to eliminate: excess capacity and infrastructure.

Now, Mr. Speaker, the Pentagon has come to inform Congress that under direction of this administration and the President, another plan is in the works for the two air force depots to be closed.

Mr. Speaker, it seems the President has concluded that the loss of over 10,000 jobs in each of the very electoral-vote-rich States of California and Texas demands special attention. In order to save those jobs, and presumably those votes, the President has instructed the Secretary of Defense to devise a plan to privatize in place, in effect maintaining all depot jobs in San Antonio and Sacramento.

What the President is saying here, Mr. Speaker, is that the BRAC process is political, that an otherwise objective process is necessary until it affects his chances of reelection. The deliberate end-run this President is making around the process should offend each and every Member of this Congress that has worked within the limits of the process and every Member that has accepted the four rounds of BRAC recommendations. You know, it is not very often that this Congress agrees on a politics-free solution to the problems we face, but in this case the process must be preserved and defended.

Mr. Speaker, this President's decision to privatize in place the work performed at Sacramento and San Antonio air logistics centers nullifies the very difficult decisions made by the BRAC. The BRAC took its charge very seriously: to assess and repair a military scheme that maintained excess depot capacity and infrastructure that was out of proportion with the force structure demanded in this post-cold war world.

The commissioners accomplished their task, and by privatizing in place, the Pentagon will be overriding the commissioners' decision and embracing our status quo of excess capacity.

Let me make one point perfectly clear, to my colleagues, but more important to the President and this administration. The President's acceptance of this Commission's recommendations is just that: "acceptance." The Commission has not recommended privatization in place, or any other concoction designed to save political hides, regardless of how desperate the President is to amend the recommendations.

The President's acceptance is unconditional, and our rejection here today of the resolution before us will signal our support for this very difficult process.

I ask my colleagues to reject the joint resolution before you. The BRAC process has been many things, but it has not been political.

Mr. TEJEDA. Mr. Speaker, I yield 2½ minutes to the gentleman from California [Mr. FARR].

Mr. FARR. Mr. Speaker, I rise today to support the resolution of disapproval.

I do so because I am concerned about the manner in which the BRAC Commission carried out its mission. I support downsizing the military and cutting the budget. But I believe it needs to be done in a manner that is logical, fair, and honest, with the emphasis, Mr. Speaker, on honest.

In my district, the BRAC recommended that Fort Hunter Liggett be realigned. The Army told BRAC publicly and on the record, that it would only cost $6.7 million to move the mission of Fort Hunter Liggett to Fort Bliss, TX.

The truth is, Mr. Speaker, that internal Army documents which I have obtained show a different story. Internal Army documents show that it will, in fact, cost three times that amount to move the Fort Hunter Liggett mission.

The Army told BRAC publicly and on the record, that savings of $12.7 million would be realized from the realignment of Fort Hunter Liggett. But internal Army documents state, "There are no savings to be realized in this action."

I am not whining about having a base realigned in my district. As everyone knows, my district is the site of the largest base closure so far, that of Fort Ord. And I know from experience that as traumatic an experience as base closure can be, there is a way to turn closure into successful economic redevelopment. President Clinton was at Fort Ord just this past weekend to celebrate Fort Ord's transformation into a major educational center. So, I do not necessarily oppose base closure or realignment. What I oppose is the deliberate manipulation of the numbers by the Army and the BRAC to make their case.

The BRAC method above all must be fair and honest. I do not believe this round of closures met those criteria and that is why I support this resolution.

Mr. HEFLEY. Mr. Speaker, I yield 3 minutes to the gentleman from Oklahoma [Mr. LUCAS].

Mr. LUCAS. Mr. Speaker, I know what an emotional issue this is, for I have been very involved in the BRAC process. I, too, had base on the closure list, Vance Air Force Base in Enid, OK. And many of my constituents work for Tinker Air Force Base in Oklahoma City. I was fortunate, my bases are not slated for closure, but I remember the stress I felt when commissioners visited the base and when I was waiting for the final closure list.

None of us want to lose something so valuable as a base in our district.

That is why the 101st Congress created BRAC. They knew that base closures would best be handled by an unbiased, nonpartisan group. They knew that when politics are involved, base worthiness and cost-effectiveness fall by the wayside, as was demonstrated by the President earlier this year. It would be nearly impossible for Congress and the President to decide objectively which bases to close.

Sure the BRAC process has flaws, but it has worked well thus far. I do not think any of us can argue that this process was not fair and open. We each had ample opportunity to participate and to validate the information used.

Therefore, Mr. Speaker, I urge my colleagues to finish this process and vote "no" on the resolution of disapproval.

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Mr. TEJEDA. Mr. Speaker, I yield 2 minutes to the gentleman from Texas [Mr. ORTIZ].

Mr. ORTIZ. Mr. Speaker, as the ranking minority member and long time participant on the Military Installations Subcommittee, I have always been skeptical of the current base closure process.

I am concerned that the process has not yielded the expected savings and I believe that Congress should at a minimum have the opportunity to amend the list.

I believe that the members of the Base Closure Commission worked in good faith and appreciate the enormity of their task.

Additionally, I support the vast majority of the recommendations of the Commission.

However, I believe that for national security reasons the Congress should overturn the closure recommendations as submitted by the President.

We have reduced our Nation's defense too much and too fast.

I believe that the closure of the Kelly Air Logistics Center at San Antonio, TX, will result in a severe degradation of readiness that cannot be overlooked.

The costs, both financially and militarily, will be enormous.

Therefore, I will support the resolution of my colleague from Texas, Congressman TEJEDA.

Mr. TEJEDA. Mr. Speaker, I yield 5 minutes to the gentleman from Alabama [Mr. BROWDER].

Mr. BROWDER. Mr. Speaker, I appreciate the gentleman yielding time to me.

Mr. Speaker, I think it is important for us to note what is happening today. A lot of us think that this process has gone awry, and we are speaking up about it. That does not mean that we are not trying to save money. We are honestly trying to challenge decisions that impact negatively, not only on our districts but on the national defense.

Let me say something strange, though, for someone who is opposed to one of the base closure decisions. I think that the base closure process that we have is about as fair a process as we are going to get. It is designed to close bases over objections of people who want them to stay open. So I think it is about as fair a process as we are going to get. It is a fair process. But sometimes mistakes are made.

Mr. Speaker, I am here today to call attention to one of these mistakes and to ask that a future Congress come back and take a look at what happened in this decision. I know Fort McClellan in Alabama is going to close, which is in my district. We are not going to cry over spilled milk. Fort McClellan is the home of the Army Chemical School and the only place in the world where we can train with live agent chemical weapons on the place. Experts all over the country and internationally have testified that not only is it a mistake in these times to close Fort McClellan, but it will disrupt our capability for up to a decade. Everybody agrees on the increasing threat, not only in the world from our military enemies, but also from terrorists here domestically. This is the only place where we can prepare for this.

Now, I know they say they can move it somewhere else, but just this move experts testify will disrupt the capability for up to 10 years. Our men and women are required to be able to survive a fight in a chemical environment. This will disrupt that.

Mr. Speaker, I just want to cite one example. Back in June, the Army testified to the Base Closure Commission that the one-time closing cost of Fort McClellan was $231 million. The next month, according to a BRAC 1995 information briefing, these are the Army's own documents, the closing costs had increased 70 percent, to $393 million. I wish the BRAC Commission had had the real numbers.

This BRAC document has closing costs, net closing costs; that is, minus savings, that testified before the Commission in June, $110 million. Now they say the closing costs are $377 million. That is a 243 percent increase. Savings over 20 years, they said in June it was $287 million, and now they say they are not available. The answer to it, in our newspaper which got this document, says the answer from the Army is we are not going to talk specific figures. It is too early.

No, Mr. Speaker, it is too late. They tortured the numbers and closed this base. It will hurt our military men and women in the future. At some point, Mr. Speaker, in the future something is going to happen with chemical weapons, an incident akin to the Beirut barracks bombing of the past, at which time there were investigations about why that was allowed to happen. Mr. Speaker, at some time in the future, we are probably going to have a chemical weapons incident, a tragedy akin to that. When we do, I hope this Congress will come back and investigate and will hold people accountable for why they not only witnessed, but accepted, and even participated in the distortion of numbers and the overriding of all of our military experts who said this is a major mistake.

Mr. Speaker, I feel somewhat like a friend of mine, Claude Harris, a former member of this body, who told me one time about a catfish, and the fisherman that caught that catfish was about to clean him and he said now, hold still, Mr. Catfish. This is not going to hurt you too much. All I am going to do is skin you and gut you. Mr. Speaker, that is what is happening here.

We are going to protest. I urge support of this resolution, but I do not think this resolution will pass, and in some cases, such as this, the men and women who fight in our military are going to be the ones who suffer.

Mr. TEJEDA. Mr. Speaker, I yield 6 minutes to the gentleman from Texas [Mr. GONZALEZ].

Mr. GONZALEZ. Mr. Speaker, I rise in support of the resolution to disapprove the recommendations of the Defense Base Closure and Realignment Commission.

In the first place, I believe the process involved is simply a sham and evasion of the constitutional responsibility of the Congress. The Commission concept is simply a way of delegating to others not only our responsibility to determine what military forces to establish and maintain, but our fundamental legislative responsibility as well. No matter how politically easy and attractive the Commission concept is, we cannot escape the reality that when we embraced this idea, we effectively said, Congress does not want to exercise its constitutional mandate with respect to establishing and regulating the military forces of the United States—we don't even want to legislate when it comes down to issues of reducing military establishments. Therefore the process itself is one that is inimical to the vitality, the relevance, and the plain duty of the Congress. But that is an argument for a different occasion; the fact is, the Commission concept was established and in place; it will be for a future Congress to decide whether or not to embrace the idea again.

This resolution ought to be approved, because the work of the Commission is flawed, certainly with regard to the logistics support system of the Air Force.

In the past, commissions did not deviate very much from the plans and recommendations of the Secretary of Defense, but in this case the Commission made wholesale revisions. This is a dangerous precedent; it is not a Commission that must shoulder responsibility in the event of war; it is the Congress and the President. It is not a Commission that plans forces to meet contingencies, it is the President and the Secretary of Defense. It is not a Commission that votes the funds, it is the Congress. But this Commission went far afield, and made changes that fundamentally affect the ability of this country to adequately support its air forces. The fact is, if this resolution fails and the Commission recommendations take effect, the Air Force will have almost no reserve capacity for the maintenance of aircraft engines, and very little reserve capacity to maintain its aircraft. The Commission is, in effect, placing all the support needs of the Air Force in a single basket, for each major item. If any one of those places suffers an accident, there can easily be grave effects on the ability of the Air Force to perform its basic mission.

I am not speaking of a far-fetched notion.

Under the Commission plan, every single military aircraft engine would be overhauled at a single place. Just a few years ago, that very building suffered a disastrous fire that shut it down for over a year. Luckily for the Air Force, the workload at Tinker Air Force Base could be diverted to the engine facility at Kelly Air Force Base, and readiness did not suffer.

But the Commission recommended that the logistics functions at Kelly be shut down—leaving the Air Force not only no reserve capacity to repair engines, and very little for aircraft in the event of any conflict lasting more than a few days; but depriving it of any ability to shift workload in the event a major facility is shut down by accident or some catastrophic misfortune.

The Air Force recommendation, supported by the Secretary of Defense, was to keep five Air Force logistics centers, but to reduce each of them in size, in effect, mothballing capacity that could rapidly be brought into action in the event of need. This would have saved money and provided a considerable margin of safety as well. But the Commission rejected the idea of maintaining such a margin of safety, even though the Air Force plan would have saved almost as much money as the Commission plan.

Not only did the Commission reject the idea of maintaining reserve capacity while saving money, it compounded this double error by electing to shut down Kelly Air Force Base, which is the cheapest and most reliable of the Air Logistics Centers. The work that is done at Kelly is of the highest quality, unsurpassed by any; and its cost per hour is the lowest in the service. How can it make sense to close down the lowest cost, highest quality producer? But this is what happened.

The President clearly does not want to lose the capacity that is available at Kelly Air Force Base, so he has opted to try privatizing the major facilities there, so as to keep them in being, and keeping at least some of the trained personnel in place. In other words, the Commission's basic premise is so flawed that it has been rejected, as a practical matter. But I do not believe we should accept a half-measure that on its face accepts the recommendation, but at the same time rejects its premise, which is where we stand today. I would rather reject the Commission report outright, and I urge that the House do so by supporting this resolution. Let us say frankly that we want reserve capacity; let us say honestly that we want flexibility and emergency response ability; and let us reject a report and recommendation that flies in the face of sound policy and even good sense. Vote for the resolution.

Mr. HEFLEY. Mr. speaker, I yield 4 minutes to the gentleman from Mississippi [Mr. MONTGOMERY].

Mr. MONTGOMERY. Mr. Speaker, I ask my colleagues to oppose House Joint Resolution 102, a motion of disapproval, and ask my colleagues to vote no.

Mr. Speaker, I am a little hesitant about getting up here this morning, because I was fortunate that I had two bases on the Base Closure Commission list and those bases came off. But I want to point out to my colleagues, I have also in the past had units that were put on the Base Closure Commission that did not come off.

Mr. Speaker, it should be pointed out that the members of the 1995 Base Closure Commission represented a broad section of this country. The chairman was Alan Dixon, a former Member from Illinois, and, incidentally, he voted to close my bases. Then you had Mr. Al Cornella of South Dakota, a private businessman, and Ms. Rebecca Cox, who served on the Commission before private enterprise forced out our Air Force Gen. J.B. Davis, very qualified, Mr. Lee Kling, a banker from St. Louis, MO, private enterprise. You had Adm. Ben Montoya, who is very capable and who had been in the Navy.

□ 1030

And then you had Maj. Gen. Joe Robles who served as a base commander and knew a lot about base closure. And then you had Miss Wendi Steele who served on the staff here in Washington on the Senate side. So, Mr. Speaker, these were qualified people. I guess I spent more time at the Base Closure Commission meetings and I was impressed.

Now, the staff worked hard. They were highly qualified. Some had been on the board in previous base closure rounds. They knew the bases and the process. These men and women, as far as I know, this Commission spent more time on the job flying around the country. They went thousands and thousands of miles looking at the different bases. So the process was open from start to finish. You could talk to the commissioners, you could talk to staff.

Mr. Speaker, they made themselves available to all of us. It is the toughest job I think you could give civilians, and that is one reason I wanted to get up here this morning to commend these commissioners for taking on a job like this. There are no compliments to it. It was a heartache to them. They did not like what they had to do, but they served our country well. I think they did a very thorough and fair job, and I hope the House will reject the motion for disapproval and accept the recommendations of this Commission.

Mr. TEJEDA. Mr. Speaker, I yield 3 minutes to the gentleman from Texas [Mr. BONILLA].

Mr. BONILLA. Mr. Speaker, I rise today in support of a strong national defense, a vigilant America, and a secure, peaceful future. I support this resolution, of which I am an original sponsor, to disapprove the misguided recommendations of the Base Closure and Realignment Commission. Closing vital military facilities, like Kelly Air Force Base, leaves America weaker. Ask my colleagues to put aside parochial interests and vote for a strong Armed Forces. Reject the BRAC proposals.

Ronald Reagan clearly understood the necessity of a policy of peace through strength. That policy brought us triumph in the cold war. In contrast, policies of unilateral disarmament in the past only served to embolden aggressors and set the stage for World War II. I am afraid these BRAC recommendations reflect a pattern of disarmament which threatens our future security.

Our military leaders and the Commander-in-Chief have recognized the serious negative implications of the BRAC recommendations for our military security. However, President Clinton failed to reject these dangerous proposals. I urge my colleagues to reject these proposals and please vote for a strong defense and for this resolution.

I would be remiss if I failed to note that the BRAC did get some things right. This BRAC recognized the importance and quality of Laughlin Air Force Base. Its facilities remain second to none and the BRAC Commissioners had no choice but to recognize that fact. Brooks Air Force Base's excellence was recognized as well. However, the recommendation to close Kelly remains irresponsible and dangerous.

I also want to take a moment to comment on the human dimension of this recommendation. The BRAC proposal will have a devastating impact on affected communities costing tens of thousands of jobs and hurting tens of thousands of families. Closing Kelly Air Force Base in San Antonio will slam the door on thousands of hard working patriotic Americans. It will ignore their sacrifices. I know that the spirit and the dedication of the Kelly worker cannot be crushed and that ultimately San Antonio will overcome this setback. But our military will clearly be weakened and the lives of Kelly's workers will be disrupted and their financial security jeopardized. Please vote for this resolution and let Kelly's workers know we are in their corner.

If you support the visions of Ronald Reagan's peace through strength, if you support our U.S. Air Force, if you support the plan of preserving freedom and liberty going into the next century, please vote for this resolution.

Mr. TEJEDA. Mr. Speaker, I yield 3 minutes to my friend, the gentleman from Texas [Mr. SMITH].

Mr. SMITH of Texas. Mr. Speaker, I thank my colleague and friend and neighbor from San Antonio for yielding me time.

On June 16, 1995, 35,000 San Antonians lined the streets of our hometown to demonstrate "Kelly Pride." The purpose of this huge demonstration in "Military City" was to inform the Base Realignment and Closure Commission why Kelly Air Force Base should not be closed. It wasn't only the people of San Antonio who recognized the importance of Kelly to defending the freedom that Americans cherish. Military leaders understood the importance of Kelly and recommended that BRAC not close Kelly. Because the BRAC Commission ignored this view and decided to close Kelly anyway, I support the Tejada resolution and will vote to disapprove the BRAC Commission list.

Our military leaders recommended that Kelly stay open for good reason. The pride of San Antonio has made Kelly into one of the Nation's premier Air Force bases, an essential player in the free world's fight against nazism, fascism, communism, and in the recently successful campaign in the Persian Gulf.

You can see the pride of San Antonio in the work of the generations of San Antonians who have made Kelly Air Logistics Center synonymous with high quality, top efficiency, and unmatched productivity.

You can see the pride of San Antonio as another C–5 or C–5A rolls out of one of the enormous hangers where it has been expertly serviced and prepared to do its part in our Nation's defense.

You can see the pride of San Antonio as its military and civilian communities rallied together to support airlifts in Operation Desert Storm and all recent major conflicts and humanitarian missions.

The Air Force recognized the indispensable contributions of Kelly and that is why they recommended that this depot remain open. Because BRAC rejected the recommendations of our military experts, I will vote for the motion to disapprove the recommendations of the Base Closure and Realignment Commission out of protest against the loss of resources and services that the Kelly community contributes to our Nation's defense.

Kelly's proud tradition is confirmed not only by the Air Force's recommendation that Kelly stay open but also by the decision of the Commission and the administration to recommend that "Privatization in place" be implemented at Kelly. I am encouraged and hopeful that this plan will secure our Nation's defense. Our community's leaders, the city of San Antonio, and the Kelly community will join together to work with the Federal Government to ensure that this transition is as smooth as possible.

I know that our community will show the hard work, patriotism, and commitment that it has always shown in its work for our Nation's military. I am optimistic that you will continue to see San Antonio's pride as future generations of workers demonstrate their excellence, as another C–5 rolls out of the hanger, and as we support the missions of our Nation's armed services in future crises. "Kelly Pride" will sustain our community through this transition, just as thoroughly as it has sustained our Nation's Air Force for so many years.

Mr. TEJEDA. Mr. Speaker, I yield 2 minutes to the gentleman from Arizona [Mr. PASTOR].

Mr. PASTOR. Mr. Speaker, the Hispanic Caucus has been a very active participant throughout the BRAC process. Our concern has been the closure of Kelly Air Force Base in San Antonio.

We have worked in a bipartisan manner with out colleagues from San Antonio in order to ensure that the economic viability of San Antonio continues. As you heard this morning, and studies have shown, on the merits Kelly Air Force Base deserves to continue its mission. It has been very effective. It has been efficient and plays a vital role in the defense of this country. So on the merits alone, Kelly Air Force Base deserves to continue its mission.

One of the concerns that we have as the Hispanic Caucus is that Kelly Air Force Base has been a long-time employer of the Hispanic community in San Antonio. To date, over 60 percent of the civilian employment base in Kelly is of Mexican-American descent. Kelly Air Force Base has had a long history in the Hispanic community. It has provided employment and in turn has provided opportunities for Hispanic families to better themselves.

If Kelly Air Force Base is closed according to the BRAC recommendation, it will have a devastating effect in the Hispanic community of San Antonio, high unemployment, lack of opportunity for families to better themselves.

Mr. Speaker, Kelly Air Force Base deserves to stay open, continue its mission on the merits, but it also needs to continue in order to ensure the wellbeing of San Antonians in Texas.

The SPEAKER pro tempore. (Mr. KOLBE). The gentleman from Texas [Mr. TEJEDA] has 3 minutes remaining, and the gentleman from California [Mr. FAZIO] has 4 minutes remaining.

Mr. TEJEDA. Mr. Speaker, I yield 2 minutes to the gentlewoman from California [Ms. WATERS].

Ms. WATERS. Mr. Speaker, I rise in strong support of this resolution of disapproval. The 1995 Base Realignment and Closure Commission recommendations have missed the mark. This year's report uses that I believe to be faulty methodology, underestimated costs, and optimistic savings assumptions. As I have stated previously in writing to President Clinton, in light of the problems associated with this report, we should declare a moratorium on all base closures, pending a reexamination of the true savings associated with closing the specified bases.

Obviously, my primary frame of reference for this issue is in the State of California. California has already lost 22 bases—more than any other State. If the current closings go into effect, the cumulative loss for California would total 200,000 jobs and $7 billion in economic activity. Closing the Long Beach Naval Shipyard, in Long Beach, CA, as this report would do, is unnecessary, militarily risky, and it would exacerbate the deteriorating industrial base of our region of the country.

Without question, these recommendations are bad for California, but they are bad for the military as well. Many of the savings envisioned from this report are illusory. There is no guarantee we can save money and no real assurances that jobs lost can be replaced. Previous attempts to contract for lost jobs have been less than successful. In conclusion, let's start this process over and do it right. Let's support this resolution, and disapprove the Base Closing Commission report.

Mr. HEFLEY. Mr. Speaker, I yield 2 minutes to the gentleman from Pennsylvania [Mr. GEKAS].

Mr. GEKAS. Mr. Speaker, the result of this year's round of BRAC decisions adversely affected my own district in Indiantown Gap, heretofore a vital part of our national defense structure, which has been modified downward, downsized, as it were, by the decision. You would think then that I would stand here and support with all my heart and vigor the resolution that is at hand, but I take the opposite view.

I supported the initial concept of BRAC and its initial coming into being and voted for it. It is unseemly now of me to say that, because it has affected perhaps adversely my own back yard, that the concept is wrong, that the decisionmaking was flawed, that the concept is inappropriate. I believe very strongly that the people in my district who were affected by this latest decision of the BRAC are going to be able to rally to the cause of softening the blow and of finding alternative ways of continuing the enterprises in which they were involved in support of some of the activities of the Indiantown Gap facility.

In short, they will be resilient enough to understand that we cannot have a nationwide concept of downsizing our bases across the Nation and across the world except for our own. Therefore, I will vote against this resolution.

□ 1045

Mr. FAZIO of California. Mr. Speaker, I yield myself 3 minutes.

Mr. Speaker, I just want to simply sum up by saying a few things here. I think the gentleman from California [Mr. DOOLITTLE] said it correctly when he said BRAC was a political entity. It simply takes the politics out of Congress and perhaps out of the Pentagon, and puts it in the hands of a number of decent and perhaps well-intentioned people, but people who do bring biases. We have seen this debate go on, as others have in the past, and those who dodge the BRAC bullet are here to praise the Commission, and those who were impacted by it are here to deride them.

The bottom line is, for California, as we have heard from many Members, we have had an overwhelming impact. Fourteen percent of all DOD personnel in our State, from 60 direct to 85 indirect percentage of all jobs lost through the 4 BRAC rounds in one State. There is no question, if we had moved across services and forced the military entities to compete with each other, we could have done a much better job of saving the taxpayers money and preserving the best of our infrastructure, but privatization is also important. We have heard people come to the floor today and deride privatization. Whether it is the Defense Science Board or the Joint Chiefs or the Commission on Roles and Missions, all of them are pushing us in the direction of privatization. The President pushes for it, the BRAC itself in its report allows it, and I call my colleagues to read the letter from the President to the Commission, from the Commission to the President, all of the legal authority in the view of all the various general counsel and all the agencies makes clear that privatization can take place at McClellan and Kelly Air Force Base, despite the critics, who would like to take our workload and would like to take our jobs to their own bases.

Let me be very clear. We will be dipping into readiness to pay for this foolish reduction in our capability. We will not be able to make the numbers work out. This BRAC round is predicated on phony bean counting, and in my view, we will pay for it, not only with turbulence in our military repair area, particularly for aircraft in the Air Force arsenal, but we will also pay for it by draining our readiness funds to pay for base closure, something that is supposed to save the taxpayers money.

Sacramento will survive. We will pull it together and we will come back, despite these heavy hits, but I do believe that my opposition and my support for this resolution is firmly based on the hit on American military readiness, so I would urge my colleagues to join us in perhaps what is a protest vote, but still a symbolic and important symbol of our opposition.

Mr. Speaker, I yield my remaining 1 minute to the gentleman from Texas [Mr. TEJEDA].

Mr. TEJEDA. Mr. Speaker, I yield myself the balance of my time.

Mr. Speaker, I would like to thank very much the gentleman from Colorado [Mr. HEFLEY], our chairman on the Subcommittee on Military Installations and Facilities of the Committee on National Security, and the gentleman from South Carolina [Mr. SPENCE], our full committee chairman, for their cooperation and understanding on this issue.

Mr. Speaker, Kelly has the best quality record with the lowest defect rate and the fewest customer complaints of all ALCs. Kelly has the best educated Air Force, and nowhere else in the Nation will we find employees who are as involved in their community than in San Antonio.

Mr. Speaker, I believe that the Base Closure Commission has cut right through the fat and into the bone and muscle of our Air Force. Keep in mind that California was essential to the success of Operation Just Cause and Operations Desert Shield and Desert Storm. During Desert Shield and Desert Storm, 17 million pounds of munitions and 64 percent of items for airlift support were shipped through Kelly. The Air Force recommendation to the Commission on Depots was the product of a thorough, year-long study conducted by professional military analysts. The Base Closure Commission's recommendation on the ALCs followed only 6 weeks of study, during which time they were also attempting to focus on hundreds of other Air Force, Army, and Navy installations.

Mr. Speaker, this is the final opportunity to right the wrongs made by the Commission. I urge my colleagues to support this resolution of disapproval.

Mr. Speaker, I fully recognize that the post-cold-war drawdown of military infrastructure has lagged behind the personnel reductions. Nobody said that there would be easy choices in this round of base closures.

I feel strongly, however, that the Base Closure Commission overstepped its bounds and placed our military readiness at risk in the event of a national crisis. Never before in previous base closure rounds has a Commission deviated so substantially from the Defense Department's recommendations.

It should come as no surprise that my objection to this base closure list rests with the recommended closure of two Air Force logistics centers, or ALCs. Although Kelly AFB is not in my district, I do represent many of the outstanding and dedicated workers there and I recognize that the work they do is second to none in the Department of Defense.

In fact, Kelly has the best quality record, with the lowest defect rate and fewest customer complaints, of all ALCs. Kelly has the best educated work force, and nowhere else in the Nation will you find employees who are as involved in their community than in San Antonio.

In March, the Air Force and the Department of Defense proposed to the Base Closure Commission that the five existing ALCs downsize in place rather than close one of the depots. To reach this commonsense proposal, the Air Force focussed on being financially responsible, reducing excess capacity, and satisfying its current and projected needs.

In testimony before the Base Closure Commission, Secretary of the Air Force Widnall stated that the cost to close one Air Force depot would nearly equal the entire Air Force budget for the next 6 years for all of its 1995 closures and realignments. So what does the Commission do? It votes to close not only two depots, but it votes to close the most cost-effective and productive depot at Kelly AFB.

The original Air Force recommendation of downsizing would have eliminated more than one depot equivalent worth of excess capacity without losing the many unique facilities and capabilities at any of the depots. In voting to close two, the Commission disregarded the value and cost-effectiveness of these unique facilities, particularly with respect to the C–5 at Kelly AFB.

There is only one depot in the Defense Department which can support the C–5. Kelly has the only hangar in the DOD which can hold six C–5s, and it is the only depot able to test and repair the C–5 engine. With 23 years of C–5 management and maintenance experience, Kelly is the heart of DOD strategic airlift.

During Commission hearings, Air Force Chief of Staff Gen. Ron Fogleman stated:

> It is clear that we have excess capacity. It is equally clear, in my view, that our approach reduces that capacity in the manner that best serves the total operational mission of the Air Force. I believe it is the only responsible approach to this issue.

The day before the Commission's vote on the ALCs, Secretary Widnall and General Fogleman wrote to Commission Chairman Alan Dixon. I will not read the letter, but I think it is significant and include it in the RECORD at this point of the debate.

The material referred to is as follows:

SECRETARY OF THE AIR FORCE,
Washington, DC, June 21, 1995.

Hon. ALAN J. DIXON,
Chairman, Defense Base Closure and Realignment Commission, 1700 N. Moore Street, Suite 1425, Arlington, VA

DEAR MR. CHAIRMAN: The Air Force approach to the depots is prudent because it saves money for the taxpayers and protects military readiness. It is also the product of exhaustive analysis by military professionals and senior leadership who have been working the proposal for over a year.

Our depot proposal is simple. Building on the personnel reductions that have already been taken from the Air Logistic Centers and depots during the last five years (over 26,000 people), the pending air Force proposal would reduce and realign the depots by an additional 1,987 jobs (with a net present value of $975 million). While there would be some disruption, the business of the Air Force—flying combat and transport aircraft, and maintaining our command and control and space network—would continue unimpeded. This total air Force depot reduction of 28,000 jobs is almost two and a half times the total depot reduction achieved by all other DoD components in all four BRAC rounds combined.

On the other hand, the staff generated BRAC proposal described to us will cost the Air Force hundreds of millions of additional dollars (in excess of $1 billion in environmental and military construction costs) during the next five years; disrupt military readiness because of the total restructuring of the Air Force logistics and depot system; preclude the Air Force from carrying through on vital readiness and modernization programs; and have a devastating impact on as many as 25,000 DoD employees in Texas and California who would lose their jobs or have to relocate to other Air Force installations at great personal and public expense.

Most importantly, the essential business of the Air Force—operations, logistics, and budget dollars that are critical to future modernization—would be greatly disrupted. Since the end of the cold war, the Air Force has reduced its budget by more than $20 billion and reduced personnel by over 200,000 people. Some further reductions and savings are necessary; however, they must be taken in a way that permits the Air Force to continue to carry out its essential mission. The Department of Defense proposal does that; the Commission staff alternative does not.

Sincerely,

RONALD R. FOGLEMAN,
General, USAF Chief of Staff.
SHIELA E. WIDNALL,
Secretary of the Air Force.

Mr. Speaker, in essence, they warned that the staff-generated BRAC proposal to close ALC's would severely disrupt military readiness and the essential operations of the Air Force.

As I sat in the hearing room during the Commission's deliberations on the ALC's, I was stunned by the blatant agenda being advanced by the Commission's staff—to portray Kelly AFB in the worst possible light and provide for the closure of two ALC's.

Commissioner J.B. Davis, a retired Air Force general, acknowledged during the Commission's vote that the staff seemed to be focused on the excess capacity figures. He concurred with General Fogleman that some overcapacity helps. It is that overcapacity, surge capacity, that services need in times of a crisis. He stated: "Closing depots * * * can severely disrupt that service and the Air Force's wartime capability."

Mr. Speaker, I believe that the Base Closure Commission has cut right through the fat and into the bone and muscle of our Air Force. Keep in mind that Kelly was essential to the success of operation just cause and Operations Desert Shield and Desert Storm. During Desert Shield/Desert Storm, 17 million pounds of munitions and 64 percent of items for airlift support were shipped through Kelly.

The Air Force recommendation to the Commission on Depots was the product of a thorough year-long study conducted by professional military analysts. The Base Closure Commission's recommendations on the ALC's followed only 6 weeks of study, during which time they were also attempting to focus on hundreds of other Air Force, Army and Navy installations.

This is the final opportunity to right the wrongs made by the Commission. I urge my colleagues to support this resolution of disapproval.

Mr. HEFLEY. Mr. Speaker, I yield myself the remainder of my time.

Mr. Speaker, I want to commend the gentleman from Texas [Mr. TEJEDA] and the gentleman from California, [Mr. FAZIO] for the way in which they have conducted themselves during this debate. I have tremendous empathy for the fight they are engaged in over there. Heck, I have the same problem. I do not want to see Fitzsimmons Army Medical Center closed, either. I think it is a mistake to do that.

I have a little less empathy with the parade of people who have come up here who voted yesterday for an across-the-board cut in the Defense budget who are now crying because a base in their area is being affected. That seems a little disingenuous to me.

This is not an easy process. I think sometimes this process does make wrong decisions. I think some of these decisions we will regret down the line when we have national emergencies. I know this is agonizing for communities across this country, and it is not easy for the various branches of the services who are going through this, and having to recommend closing things that we would really rather not, in many cases, because they do not think it makes good sense. I am very disappointed that the President of the United States injected Presidential politics into this process. I think that is very disappointing.

This is not a perfect process, but it is the only process we have to get at this. We had not closed a base in this country since the 1970's until this process started. Congress did not have the ability to close bases. There are some bases that we do need to close. I reject the idea that to vote against this resolution is to vote against a strong national defense. It is this administration that is driving the depth at which we have to cut back on defense in this country. It is the most anti-Defense administration, I think, in the last 50 years, and that is what is driving the deep cuts that we have to make.

With these deep cuts, we have to use every single Defense dollar we have the most effective way possible, so yes, we are having to give up some facilities that I wish we were not giving up. However, this is the process we have set up. This is the end of this round of base closure.

I would encourage my colleagues to vote against this resolution, support the Base Closure Commission, and let us now move on to solidifying what we have with our defense structure across this country, and make sure that we have a strong defense with what we have left.

Mr. DAVIS. Mr. Speaker, I am compelled to vote in support of the resolution disapproving the recommendations of the Defense Base Closure and Realignment Commission [BRAC]. I approve of the BRAC process, but in my district the Army has taken action under BRAC 95 that simply does not make sense, and I cannot support it.

The Army, in its closure submittal to the BRAC, has proposed moving the 400 military and civilian personnel and equipment of the Army's Information Systems Software Development Center [ISSC] from leased space in Fairfax County to Government space on Fort Meade, MD. It is ostensibly an in-area move and personnel will be transferred to the new facility at Fort Meade without layoffs. With the pressure on the services to move out of leased space, it looks like a good move. But, this is a bad decision for the Army and the Government, and though I have urged the Army and the BRAC to reconsider this decision, today we still find this facility slated for transfer in this BRAC recommendation.

The Army ISSC has been in Fairfax County for over 20 years. When the Army looked to move ISSC from outdated leased facilities in Fairfax, VA, it asked the General Services Administration [GSA] to rent space for ISSC in northern Virginia. The Army even specified the boundaries of an area in which they wanted to rent—a location close to its Fort Belvoir and Pentagon customers and close to where most of its employees had settled over the past 20 years. This was the Crown Ridge building located at the junction of I–66 and the Fairfax County Parkway in my district.

GSA, at the request of the Army, signed a lease with Crown Ridge Associates for 6 years. That lease started a little over a year ago and runs through May 28, 2000. A total of $7.2 million was spent by Crown Ridge, GSA, and the Army to upgrade the building to meet the unique requirements of Army ISSC. Crown spent $1.3 million, GSA $2.9 million, and DOD spent $3.0 million to get this building ready. And in fact, they are still in the process of upgrading and moving into the space.

After spending all this money, the Army proposed in this BRAC to move ISSC to Fort Meade, MD. The Army believes that it will save $8 million over 20 years. Under the Army lease with GSA, it can move out of the space without penalty if appropriate notice is given.

Unfortunately for GSA and the American taxpayer, GSA is still obligated for the 6-year term of the lease. If the Army moves out, GSA is stuck with an empty building. Not only that, but this will not be an easy space for the GSA to find government customers for. Traditionally, GSA would look for locations in some proximity to mass transit—the subway, trains, and bus lines. This location is well beyond the subway and there are no easy connections to mass transit. To quote GSA regarding Army plans to move out of this building,

> . . . the building was leased specifically for the Army, and was altered to suit their specific needs. Other federal agencies have not expressed interest in the location, and the building might be difficult to market.

In addition, the Army is going to have to convert or build facilities at Fort Meade. The Cobra model figures used by the Army indicate that it will have to spend roughly $5 million to renovate space at Fort Meade and moves ISSC. So, at a minimum, the Government spends $11 million in renovation and moving costs and ISSC has to go through two moves in 3 years. But, the Government also will be stuck with a $3 million per year lease for a building which may sit empty for 3 years—another $9 million.

This is not how Congress intended the BRAC process to work—the objective is to reduce costs for the Government, not just the military services. Clearly, the Army should have made this move before it asked GSA to sign a 6-year lease. Now, however, the lease has been signed, and the Government is on the hook even if the Army moves out. I understand the pressure on the Army to move out of leased space, but this is a bad deal for the Government and the American taxpayer.

For this reason, I cannot support the BRAC recommendations.

Mr. LEVIN. Mr. Speaker, I rise in opposition to House Joint Resolution 102, to disapprove the recommendations of the Defense Base Closure and Realignment Commission.

It is with great reluctance that I oppose the resolution of disapproval. I do so despite the fact that the Commission accepted a flawed Army recommendation to close the Detroit Arsenal Tank Plant in my district.

In my judgment, the Army mishandled this matter. All other issues aside, the most fundamental shortcoming of the Army's recommendation is the lack of a credible estimate of the cost of closing the tank plant.

The Army's original claim was that closing the tank plant would result in a one-time cost of only $1.4 million. When I asked the Army how it arrived at this figure, the Army told me the estimate was based on a standard formula that sets building closing costs at $1.25 per square foot.

A buck and a quarter per square foot isn't going to do the job. Unlike most Army installations, the Detroit Tank Plant is an industrial facility that has been manufacturing tanks for nearly 50 years. I sincerely doubt $1.4 million will be enough to close the facility and move the work to other locations.

During her site visit to the tank plant last April, Commissioner Steele heard a broad range of testimony from myself and others that raised serious problems with the Army's original closing cost estimate. After hearing the evidence, Commissioner Steele asked the Army to prepare a revised cost estimate by mid-May.

The Army never presented a revised cost estimate. The Army's Tank Automotive and Armaments Command [TACOM] in Warren, MI, requested and received detailed closing cost data from the contractor at the plant. Using this data, TACOM prepared a revised closing cost estimate. At the 11th hour, I was informed that the Army rejected the new cost study and decided to stick with its original estimate of $1.4 million.

While the Army was unwilling to accept new cost data from the people who actually run the plant, my office received reports that the true closing costs, as calculated by the contractor at the plant and TACOM, are at least 25 times higher than the Army's original calculations.

It is being increasingly suggested that the Army desires to transfer the tank plant's work from the private sector to the Government-run Rock Island Arsenal in Illinois. This would be contrary to OMB circular No. A–76, which states that it is the official policy of the United States that "the Government should not compete with its citizens." It also would be contrary to the recent recommendations of the Commission on Roles and Missions of the Armed Forces. These jobs should remain in the private sector and in Michigan.

So why am I opposing the resolution to disapprove the base closure list? I do so for the simple reason that the Nation cannot afford to spend billions of dollars every year for unneeded defense installations around the country. At the end of the day, the independent base closure process is the only means we have to close unneeded military facilities.

The base closure process is painful. The process sometimes results in the wrong military facilities being closed, as the closure of the Detroit Arsenal Tank Plant demonstrates. The one virtue of the base closure process is that it is unbiased and immune from politics. At the end of the day, it's about as fair a process as we're going to get.

I did everything I could to save the tank plant; however, I largely agree with the balance of the Base Closure Commission's recommendations to close or realign 103 other bases and military facilities. Closing these bases is expected to save more than $19 billion over 20 years. I will therefore oppose the resolution of disapproval.

Mr. EVANS. Mr. Speaker, I support the resolution of disapproval. I must do this because I am deeply disturbed by the base closure process. In the rush to close installations there has been a failure to analyze all of the facts carefully. This is obvious in the recommendations made by the Commission concerning the Savanna Army Depot Activity and the O'Hare Reserve Station.

In the case of the Savanna Army Depot Activity, the Commission ignored a number of important factors. For example, closing the installation would result in the loss of important and hard-to-replicate capabilities, increase costs above the Army estimate to close the base and move its functions, and reduce ammo storage capability below critical military needs.

For instance, the Commission failed to consider that Savanna is one of the most efficient facilities in the Army. During Desert Storm, Savanna had the highest outloading rate of any depot. It is also one of the few with adequate rail service to shipping centers. These national assets would be hard to replace in a nationwide mobilization.

In addition, the estimate of the cost of closing Savanna and relocating the U.S. Army Defense Ammunition Center and School [USADACS] is too low. DOD stated that it would cost $38 million to close the installation and relocate functions. However, the Savanna Army Depot Realignment Task Force estimates that the cost of closing the facility and moving the school is much higher—as much as $88 million. This includes new construction that will have to take place at McAlester to complete the move.

Even more importantly, the decision to close ammunition storage facilities failed to take into account storage needs. The Army's 1993 Wholesale Ammunition Stockpile Program study indicated that even with 11 depots, as much as 6 million square feet of outside storage will be needed to match our Nation's future ammunition stockpile. This could indicate that the ammunition study is flawed. Because of this decision, we may not have enough space to meet future storage needs.

Our ammunition depots are a national asset that will be needed to meet future mobilization needs. The Commission's recommendation will mean the loss of an important part of this irreplaceable asset.

Regarding the Commission's recommendation on the O'Hare Air Reserve Station, I am deeply disappointed that the Commission chose a course of action that will eliminate an entire unit within the State and also move the remaining KC135 unit to Scott AFB. The latter recommendation was made without an analysis of the costs to the Government or how long it will take the units to return to operational status.

The closure of the station and its C–130 unit would be a blow to Illinois and a sad chapter in one of our Nation's finest military units. The 928th Airlift Wing has one of the most distinguished records of any Reserve unit in the country. A highlight of this is the 46 years and over 166,000 hours of flying without an accident, the longest stretch of accident-free flying by any civilian or military organization in the country. We should preserve this record and keep the unit in one of the communities in Illinois willing to host it. Unfortunately, the Commission's recommendation will eliminate this effective and efficient fighting asset.

I am also disappointed that the Commission decided to change last year's recommendation concerning moving the 126th Air Refueling Wing. Instead of allowing the process to fully progress, the Commission arbitrarily chose to relocate the unit to Scott Air Force Base. This move was done without any analysis of how long it would take the unit to reach full operational capability due to recruiting and retention concerns. Without this analysis, this recommendation is shortsighted and did not include a thoughtful consideration of other potential sites in the State of Illinois. I therefore cannot support this recommendation.

I believe that we should reject the recommendations of the Commission. From the errors I have seen made in just these two examples, I am concerned that other mistakes may have been made that will force us to make poor choices concerning our Nation's defense infrastructure and unnecessarily eliminate the jobs of thousands of civilian employees who have served our Nation proudly. I hope my colleagues will join me in opposing these recommendations.

Mr. FAZIO of California. Mr. Speaker, I rise today in strong opposition to the BRAC Commission's 1995 base closure list and in support of House Joint Resolution 2.

Nowhere in the United States has BRAC had such a devastating impact as it has had in the Sacramento area. In all four rounds of BRAC the Sacramento area has shouldered well over a quarter of all jobs lost in California due to BRAC.

BRAC made a terrible decision to close McClellan AFB which I represent. Sacramento has been hit far more than any other community in this country. Nowhere in the United States has a community been hit three separate times. Sacramento has already given its fair share to base downsizing.

I voted for the creation of an independent base closure commission because it would be insulated from the politics of individual Members of Congress and their districts so that BRAC could make fairminded decisions as to which bases ought to be closed based on the basis of national need.

However, I must say with great regret and dismay that this BRAC Commission was exceedingly political, made its decision in a vacuum, and in my mind deliberately inflicted undue pain on the people of Sacramento.

BRAC made its decision based not on the facts, but rather the politics of base closures, that up until now have been void from the process.

I believe that BRAC grossly distorted the process and abdicated its responsibility as an independent commission.

This decision was based on data and analysis generated by the Commission staff that was not certified. Further, there was no opportunity—even when specifically requested—for the Air Force or DOD to review the staff analysis and determine the operational impacts of the recommendations. The impacted communities were not provided with an opportunity to respond to this analysis either.

I believe that this approach seriously undermines what was designed to be an open and fair process and contradicts the spirit of the BRAC statute.

I would like to discuss three areas where I feel that the BRAC Commission substantially deviated from the intent of the BRAC statute as well as its total disregard for the Department of Defense's recommendations. In my mind and the minds of many of my colleagues on both sides of the aisle that have been adversely affected by this decision, the BRAC Commission clearly subverted and deviated from the BRAC statute and past BRAC Commissions.

ECONOMIC IMPACT

The Sacramento region has suffered two previous base closures—Mather AFB (1988) and the Sacramento Army Depot (1991). These closures resulted in the loss of 11,516 direct jobs and 28,090 total.

The closure of McClellan will result in a loss of 13,000 direct jobs and over 31,000 total jobs.

The total combined effect of all three closures results in over 59,000 total jobs lost which represents 7.8 percent of the region's total employment. These three closures make Sacramento the hardest hit community in the entire country for all four BRAC rounds.

MILITARY READINESS

The recommendations to close McClellan and Kelly are simply unacceptable. Of all the options for eliminating excess capacity in the Air Force depot system, the Commission's approach will cause the most turbulence, will cost the most money, and will have the most negative impact on mission support capabilities.

The substitution of judgment by the BRAC staff on the cost and savings associated with these two bases is deeply troubling. Changing assumptions and parameters based on anecdotal information and running COBRA analyses using nonbudget quality data and with no input from military officials are causes for great concern.

A review of the military's BRAC budgets demonstrates that previous cost assessments of prior rounds were understated. In fact, earlier this year, the Navy reprogrammed more than $700 million from operations and maintenance accounts to cover cost overruns in its base closure account. We should not risk the readiness of our troops on a cost and savings evaluation which did not receive the same level of budget scrutiny as Secretary Perry's original recommendations.

In a letter dated June 21, 1995, Secretary of the Air Force Sheila Widnall and Air Force Chief of Staff Ron Fogleman wrote to the BRAC Commission that "the staff generated BRAC proposal described to us will * * * preclude the Air Force from carrying through on vital readiness and modernization programs."

Secretary Widnall and General Fogleman further stated that "the essential business of the Air Force * * * would be greatly disrupted."

CROSS-SERVICING

There is widespread agreement, including the recently published Commission of Roles and Missions Report, that cross-servicing and privatization are the smartest, cheapest, and least disruptive methods of downsizing large industrial facilities. Every major study in this area, from the Defense Science Board to the Joint Chiefs of Staff, agree that cross-servicing and privatization are the right way to downsize depot maintenance.

The fact that neither the Defense Department nor the Commission were successful in instituting cross-servicing in a comprehensive manner to remove redundancies among the services is a major disappointment.

In my view, the Commission's recommendations are not an appropriate or acceptable substitute for eliminating capacity in defense industrial facilities the right way through cross-servicing.

This BRAC list comes up short. The enormous costs, loss of capabilities, and overall impact on readiness are too great a risk. There is a right way and a wrong way to downsize depots. This is definitely the wrong way.

I understand probably better than most that we as a Congress have the responsibility to close bases down that are unneeded in the wake of the end of the Soviet Union and the cold war.

But BRAC's decision risks readiness, will not eliminate excess capacity, and asks the people of Sacramento to shoulder a far higher proportion of pain than does the rest of the country.

The BRAC Commission has gone too far this time, I ask my colleagues to support this resolution and reject the Commission's ill-advised recommendations.

The SPEAKER pro tempore. All time has expired. Pursuant to section 2908 of the Defense Base Closure and Realignment Act of 1990, the question is on passage of the joint resolution.

The question was taken; and the Speaker pro tempore announced that the noes appeared to have it.

Mr. TEJEDA. Mr. Speaker, I object to the vote on the grounds that a quorum is not present and I make the point of order that a quorum is not present.

The SPEAKER pro tempore. Evidently a quorum is not present.

The Sergeant of Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 75, nays 343, not voting 16, as follows:

[Roll No. 647]

YEAS—75

Ackerman
Andrews
Bentsen
Bevill
Bonilla
Borski
Browder
Brown (CA)
Bryant (TX)
Chapman
Clay
Coleman
Combest
Costello
Davis
de la Garza
DeLauro
Dixon
Doolittle
Eshoo
Evans
Farr
Fazio
Ford
Fox
Gejdenson
Gephardt
Gilchrest
Gonzalez
Goodling
Green
Hamilton
Hastings (FL)
Herger
Hilliard
Holden
Horn
Hoyer
Jackson-Lee
Kennelly
Kim
Lantos
Lewis (CA)
Lofgren
Manzullo
Martinez
Matsui
McCollum
Menendez
Mica
Miller (CA)
Mineta
Murtha
Myers
Ortiz
Pastor
Payne (NJ)
Pelosi
Pombo
Roybal-Allard
Royce
Scarborough
Schroeder
Seastrand
Shuster
Smith (TX)
Talent
Tejeda
Torres
Torricelli
Towns
Waters
Williams
Woolsey
Wynn

NAYS—343

Abercrombie
Allard
Archer
Armey
Bachus
Baesler
Baker (CA)
Baker (LA)
Baldacci
Ballenger
Barcia
Barr
Barrett (NE)
Barrett (WI)
Bartlett
Barton
Bass
Bateman
Beilenson
Bereuter
Berman
Bilbray
Bilirakis
Bishop
Bliley
Blute
Boehlert
Boehner
Bonior
Bono
Boucher
Brewster
Brown (FL)
Brown (OH)
Brownback
Bryant (TN)
Bunn
Bunning
Burr
Burton
Buyer
Callahan
Calvert
Camp
Canady
Cardin
Castle
Chabot
Chambliss
Chenoweth
Christensen
Chrysler
Clayton
Clement
Clinger
Clyburn
Coble
Coburn
Collins (GA)
Collins (IL)
Collins (MI)
Condit
Conyers
Cooley
Cox
Coyne
Cramer
Crane
Crapo
Cremeans
Cubin
Cunningham
Danner
Deal
DeFazio
DeLay
Dellums
Deutsch
Diaz-Balart
Dickey
Dicks
Doggett
Dooley
Dornan
Doyle
Dreier
Duncan
Dunn
Durbin
Edwards
Ehlers
Ehrlich
Emerson
Engel
English
Ensign
Everett
Ewing
Fattah
Fawell
Fields (LA)
Fields (TX)
Filner
Flake
Flanagan
Foglietta
Foley
Forbes
Fowler
Frank (MA)
Franks (CT)
Franks (NJ)
Frelinghuysen
Frisa
Frost
Funderburk
Furse
Gallegly
Ganske
Gekas
Geren
Gibbons
Gillmor
Gilman
Goodlatte
Gordon
Goss
Graham
Greenwood
Gunderson
Gutierrez
Gutknecht
Hall (OH)
Hall (TX)
Hancock
Hansen
Harman
Hastert

Hastings (WA)
Hayes
Hayworth
Hefley
Hefner
Heineman
Hilleary
Hinchey
Hobson
Hoekstra
Hoke
Hostettler
Houghton
Hunter
Hutchinson
Hyde
Inglis
Istook
Jacobs
Johnson (CT)
Johnson (SD)
Johnson, E.B.
Johnson, Sam
Johnston
Jones
Kanjorski
Kaptur
Kasich
Kelly
Kennedy (MA)
Kennedy (RI)
Kildee
King
Kingston
Kleczka
Klink
Klug
Knollenberg
Kolbe
LaFalce
LaHood
Largent
Latham
LaTourette
Laughlin
Lazio
Leach
Levin
Lewis (GA)
Lewis (KY)
Lightfoot
Lincoln
Linder
Lipinski
Livingston
LoBiondo
Longley
Lowey
Lucas
Luther
Manton
Markey
Martini
Mascara
McCarthy
McCrery
McDermott
McHale
McHugh
McInnis
McIntosh
McKeon
McNulty
Meehan
Meek
Metcalf
Meyers
Mfume
Miller (FL)
Minge
Mink
Molinari
Mollohan
Montgomery
Moorhead
Myrick
Nadler
Neal
Nethercutt
Neumann
Ney
Norwood
Nussle
Oberstar
Obey
Olver
Orton
Owens
Oxley
Packard
Pallone
Parker
Payne (VA)
Peterson (FL)
Peterson (MN)
Petri
Pickett
Pomeroy
Porter
Portman
Poshard
Pryce
Quillen
Quinn
Radanovich
Rahall
Ramstad
Rangel
Reed
Regula
Richardson
Riggs
Rivers
Roberts
Roemer
Rogers
Rohrabacher
Ros-Lehtinen
Rose
Roth
Roukema
Rush
Sabo
Salmon
Sanders
Sanford
Sawyer
Saxton
Schaefer
Schiff
Schumer
Scott
Sensenbrenner
Serrano
Shadegg
Shaw
Shays
Skaggs
Skeen
Skelton
Slaughter
Smith (MI)
Smith (NJ)
Smith (WA)
Solomon
Souder
Spence
Spratt
Stark
Stearns
Stockman
Studds
Stump
Stupak
Tanner
Tate
Tauzin
Taylor (MS)
Taylor (NC)
Thomas
Thompson
Thornberry
Thornton
Thurman
Tiahrt
Torkildsen
Traficant
Upton
Velazquez
Vento
Visclosky
Volkmer
Vucanovich
Walker
Walsh
Wamp
Ward
Watt (NC)
Watts (OK)
Waxman
Weldon (FL)
Weldon (PA)
Weller
White
Whitfield
Wicker
Wilson
Wise
Wolf
Wyden
Yates
Young (AK)
Young (FL)
Zeliff
Zimmer

NOT VOTING—16

Becerra
Dingell
Jefferson
Maloney
McDade
McKinney
Moakley
Moran
Morella
Paxon
Reynolds
Sisisky
Stenholm
Stokes
Tucker
Waldholtz

□ 1122

Messrs. OWENS, McINTOSH, FIELDS of Louisiana, KENNEDY of Massachusetts, and Mrs. CHENOWETH changed their vote from "yea" to "nay."

Messrs. TORRICELLI, ROYCE, and GILCHREST changed their vote from "nay" to "yea."

So the joint resolution was rejected.

The result of the vote was announced as above recorded.

REMOVAL OF NAME OF MEMBER AS COSPONSOR OF H.R. 1617

Mr. SAM JOHNSON of Texas. Mr. Speaker, I ask unanimous consent that my name be withdrawn as a cosponsor of H.R. 1617.

The SPEAKER pro tempore (Mr. DREIER). Is there objection to the request of the gentleman from Texas?

There was no objection.

APPOINTMENT OF CONFEREES ON H.R. 2020, TREASURY, POSTAL SERVICE, AND GENERAL GOVERNMENT APPROPRIATIONS ACT, 1996

Mr. LIGHTFOOT. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H.R. 2020) making appropriations for the Treasury Department, the United States Postal Service, the Executive Office of the President, and certain independent agencies, for the fiscal year ending September 30, 1996, and for other purposes, with Senate amendments thereto, disagree to the amendments and agree to the conference asked by the Senate.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Iowa?

There was no objection.

MOTION TO INSTRUCT CONFEREES OFFERED BY MR. OBEY

Mr. OBEY. Mr. Speaker, I offer a motion to instruct conferees.

The SPEAKER pro tempore. The Clerk will report the motion.

The Clerk read as follows:

Mr. OBEY moves that the managers on the part of the House at the conference on the disagreeing votes of the two Houses on the bill, H.R. 2020, be instructed to agree to the amendment of the Senate numbered 130.

The SPEAKER pro tempore. The gentleman from Iowa [Mr. LIGHTFOOT] will be recognized for 30 minutes, and the gentleman from Wisconsin [Mr. OBEY] will be recognized for 30 minutes.

PARLIAMENTARY INQUIRY

Mr. HOYER. Mr. Speaker, I have a parliamentary inquiry.

The SPEAKER pro tempore. The gentleman will state it.

Mr. HOYER. Mr. Speaker, am I correct that under the rules, a Member in opposition has the right to half the time?

The SPEAKER pro tempore. One-third of the time could be allotted to a Member in opposition.

Mr. HOYER. Mr. Speaker, is it my understanding that the gentleman is yielding to me the time?

Mr. LIGHTFOOT. Mr. Speaker, I would be happy to yield my 30 minutes to the gentleman from Maryland.

The SPEAKER pro tempore. Is the gentleman opposed to the motion?

Mr. LIGHTFOOT. Mr. Speaker, I am not in favor of the motion, but I would yield my 30 minutes to the gentleman.

The SPEAKER pro tempore. The gentleman is yielding all 30 minutes to the gentleman from Maryland. The gentleman from Maryland is recognized for 30 minutes in opposition to the motion.

The gentleman from Wisconsin [Mr. OBEY] is recognized for 30 minutes.

Mr. OBEY. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, what is before us is the question of going to conference on the Treasury-Postal appropriation bill. The motion that I have just made is a motion which would accept the Senate amendment numbered 130, which in essence indicates that the congressional pay will be frozen for yet another year with no COLA, although that COLA will be provided for other Federal employees.

Mr. Speaker, as Members of the House know, this House established a new procedure. As Members will remember in, I believe, 1991, the Congress took a step forward, at least I think many thoughtful Members will recognize it was a step forward, when we decided that outside income for Members of Congress was going to be limited and that instead we would have only one paymaster, that being the general public, rather than supplementing our pay through various activities, including giving speeches and earning outside income in a manner which many people were concerned created the appearance of a conflict of interest.

The Congress took a lot of heat for that action at the time, but I think it was the right action because I think it substantially improved the financial practices around here. It was supported on both sides of the aisle on a bipartisan basis.

We established a new process under that legislation which guaranteed that Members of Congress would never get a pay increase larger than that provided for other Federal employees. And, in fact, the way it was set up, we got that adjustment one year later, so that we could not be accused of setting the trend for increased pay, but rather we were following what would happen in other sectors of the economy.

Mr. Speaker, under that we received two small cost of living adjustments: A 3.5 increase in 1992 and a 3.2 increase in 1993. Since that time we have taken action each year to freeze our own pay. So that means that for calendar year 1994, and 1995, the Congress voluntarily decided not to accept a congressional pay raise, even though other Federal employees did receive a pay raise.

The Senate has now taken an action on this bill which indicates their belief that we should do that for another year.

□ 1130

I think that probably the vast majority of Members on both sides of the aisle will share the view that under the circumstances that we face with other agencies of Government being cut, with many other programs being cut, when we are in the process of establishing budget guidelines that we will live with for either the next 5 or 7 years on our way to what people would like to think would be a balanced budget, I think that under the circumstances, it would be highly unrealistic to expect that the Congress this year would receive even a cost-of-living adjustment.

So I am simply offering this motion because I think that it is generally accepted in the House that, under these circumstances, it would be appropriate to accept the Senate position.

In doing so, I would make the following observation, however: I believe it is essential to the ability of this House over the long term to attract quality candidates, and I think it is essential to see to it that in the long term we do not have renewed pressures for providing other ways for Members to receive income by, in effect, cashing in on their own notoriety, for want of a better word, or by cashing in on their title as a Member of Congress to increase their pay. In order to prevent those actions from happening, it is going to be necessary at some time for Members of Congress to receive pay adjustments identical to those provided to other workers in the Federal Government.

I do not believe that people can expect that forever there will be no adjustments in congressional pay. But I think it is common good sense to recognize that, under these circumstances, Members of Congress are not and should not be providing themselves with an increase in pay when we are in the process of establishing a multiyear effort to reduce the deficit and cut expenditures.

So, for the third year in a row, the effect of this motion would be to deny ourselves a pay raise. I think that that is the rational thing to do under these circumstances, and I would urge support for the motion.

Mr. LIVINGSTON. Mr. Speaker, will the gentleman yield?

Mr. OBEY. I yield to the gentleman from Louisiana.

Mr. LIVINGSTON. Mr. Speaker, I thank the gentleman for yielding.

It is with some degree of reluctance that I rise in a bipartisan display of support. It is with some degree of reluctance that I rise in an effort to display bipartisan support for the gentleman's amendment.

I agree with the gentleman's conclusions. This Congress has made great strides in making deep cuts in the Federal budget. To date, the appropriations process has yielded net savings in fiscal year 1995 and 1996 of approximately $44 billion, and it would be highly untenable for the Congress to say, "Well, we are going to cut the rest of the Federal budget, but we are going to go ahead and allow our own pay to escalate."

So I join the gentleman, and I suspect that the vast majority of the Members of this House will join him. The Senate has already gone on record as supporting this effort, and so this effort is merely to conform with what the Senate has already done.

But let me say that I also have some grave concern that pay, unfortunately, becomes an aspect, an ingredient to a degree of short-term politics. I, frankly, do not know any Members over the years that I have served in the Congress that have been defeated over the pay raise issue. But I suspect, if any have, they are very few in number.

The American people, I think, intuitively understand that public officials have to make a living, and if they do not want a body of 100 percent of millionaires in the House of Representatives or in the Senate, then, obviously, they have to pay them a salary.

One can argue how much that salary should be. But a few years ago, as the gentleman pointed out, we had an honoraria process whereby Members of the Congress would supplement their own income by going out and getting speaking fees. I think that the press did a pretty good job, and Members in this body and the Members of the other body stood up and talked about how that process had gone astray. That situation had done much to begin to corrupt the institution. People were not working for their pay. They were going out and cutting deals. They were walking into breakfasts and walking out with thousand dollar checks. Frankly, the whole system smelled.

So the gentleman who is presenting this initiative, and several others and I were eager to get rid of honoraria. Honoraria is now history. It is gone for Members of Congress, and I think that is good.

In an effort to compensate for what was a significant loss of income for many Members of the House and in the other body, there was a fairly significant pay increase. But really it was not an increase, because it was offsetting income that was lost.

That being said, that was several years ago, and since then Members have gotten some nominal COLA's, along with the rest of the Federal employees and military retirees and others, but not as often as the Federal employees and the military retirees. In the last 2 or 3 years this body and the other body have joined together and frozen our pay. We have not had any COLA's, even though Federal employees and military retirees have gotten their COLA's, and that is OK. We are doing it again this year.

I dare say, for one reason or another it is quite possible we may do that again next year. But I would like to offer a cautionary note to my colleagues in this body and tell you that unless you want a situation where all of the Members of the various districts, the 435 districts of this great Nation that serve in this body, if you want everyone to be a millionaire, well then just keep on freezing the pay because a person of modest means will not be able to serve here after some length of time. He will not be able to raise his family. He will not be able to send his children to college or educate his kids or meet obligations to his family. She will not be able to raise her family. He or she will not be running for Congress because he or she at some point will not be able to afford to be here. I do not think that is what we want.

I think the great thing about this country is that we have not had to depend solely on the affluent class, if you will, to serve as our public figures.

I think the great thing about this institution, particularly the House of Representatives, and I do distinguish it from the Senate, because 82 percent of them are millionaires, I am not trying to condemn anybody who has been smart enough or affluent enough or wise enough to invest their money and has made great fortune for himself or inherited great fortune. I think that is great. That is the American system. All of those that are of affluent means that serve in this body serve valiantly and serve their constituents, but our constituents should also have the opportunity to elect people who are not affluent, who are not people who absolutely can pay their way to be here.

That is why I think that is a mistake to freeze our pay year after year after year. I think there is great merit in giving the Federal employees a cost-of-living adjustment periodically. There is great merit in giving retired Federal employees, retired military personnel a cost-of-living adjustment periodically, and, yes, I think that there is great merit in providing judges and Members of Congress and heads of departments of the executive branch and other ranking leaders a periodic adjustment in their cost of living as well. Not to do so risks changing this system, risks changing this country, and not necessarily for the better, because it will not only go to those folks who are of independent means, it could go to those folks who might other wise seek to find outside income through less-than-appropriate channels. I would not want to see that happen either.

So I think that the gentleman's motion is well taken at this time. It is with some degree of reluctance that I support it, but I do urge that all of the Members of this body support it. Let us send this issue on to the conference and get it over with and address this issue next year and the years thereafter.

Mr. HOYER. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, for all of the reasons articulated by the distinguished gentleman from Louisiana, the chairman of the Committee on Appropriations, I rise in opposition to this motion. I think he is absolutely correct, and the reasons that he articulated were the reasons that undergirded the efforts of this House of Representatives to, in a fair and open manner, adopt legislation which would lead to a reasonable incremental adjustment in the pay of Members.

It is obviously a very politically difficult situation. No Member likes to vote on their raise, and, in fact, what we talk about here is not a raise in the classic sense. It is a cost-of-living adjustment; that is to say, a mechanism was established to keep Members even with the cost-of-living adjustment.

The gentleman from Louisiana pointed out that we do that for others, social security recipients, Federal retirees, and active Federal employees, some 2 million, as well as for members of the military. We do that so that their standard of living will not deteriorate as inflation occurs. That is the issue here, not a pay raise in the classic sense.

That resolution of a very thorny issue was arrived at through bipartisan work and agreement. The current speaker, Speaker GINGRICH, was a part of that, Speaker Foley and the current minority leader, the gentleman from Missouri [Mr. GEPHARDT] was part of that, the distinguished ranking member of the Committee on Appropriations, the gentleman from Wisconsin [Mr. OBEY] was part of that, and my good friend from California [Mr. FAZIO] was a leader in that effort, the current chairman of the Committee on Appropriations was a part of that, the gentleman from California [Mr. LEWIS], who was then chairman of the Republican Conference, was a part of that, in trying to deal with a very difficult issue, obviously, with our constituents so that they knew and we knew and our families knew what is the deal, how do we adjust congressional pay in a rational, reasonable way.

The failure to have done that over the years led to anomalies that outraged the American public and gave great fodder for talk show hosts.

What was that? As the gentleman has pointed out, for 3 or 4 or 5 years we would go with zero, and then because Members were falling substantially behind, the quadrennial pay commission would recommend a high figure, and we would take a portion of it, in one instance, for instance, a raise of $10,000, or approximately that figure. That is a very high figure when one hears about it being a raise and does not divide it by the 4 or 5 previous years that zero was the adjustment.

As a result, the public was outraged at our giving ourselves from this perspective such large pay raises. This, again, was an effort to avoid that consequence and to provide for an annual mechanism that would go into effect only in the event that Federal employees got a raise, so that if the other employees of the Federal Government did not get a raise, Members of Congress would not get a cost-of-living adjustment. We did that again to ensure that we were not treated differently.

We talked a lot about treating ourselves the same, covering ourselves by the same laws that we expect others to abide by, and that was the reason that we tied ourselves to other Federal employees. We are ultimately paid by the Federal Government, the Federal taxpayer. We are Federal employees, and if they did not get an adjustment, we felt we should not.

In this instance, they will get an adjustment, and the motion offered by the gentleman from Wisconsin will provide that we will not have an adjustment, and that will be the third year, and I do not think there is anybody on this floor that believes that next year the Members of Congress are going to have the ability or will to look their constituents in the eye and say, "We are going to take one-fourth or one-half or three-fourths of or a whole of that adjustment which we have not taken."

□ 1145

So, we will go 4 years in a row, and the difficulty that will then occur will be in 1997 there will be an effort, I predict, to do a larger number, a catchup, if you will, and the American public will then again say, "Those guys don't get it. Why are they giving themselves such a big pay raise?" And there will be no discussion about January 1993, or January 1994, or January 1995, or January 1996, or January 1997. That will be forgotten.

So, I rise to oppose this motion, not because I do not understand the concerns of my chairman, the concerns of my ranking member. I think I am a reasonably perceptive Member of this body in terms of the political realities of this body, and so I understand what the gentleman from Louisiana [Mr. LIVINGSTON] has said the realities are, and, having said that, I regret that we find ourselves in a position of suggesting this alternative.

Mr. Speaker, I yield such time as he may consume to the gentleman from California [Mr. FAZIO], who has forever been a Member of this body who has taken a lot of flak, a lot of heat. He has had the courage to stand up for his 434 colleagues, but, much more importantly, for this institution, and for that I not only have great affection for the gentleman, but great respect.

Mr. FAZIO of California. Mr. Speaker, I want to thank the gentleman from Maryland [Mr. HOYER] for yielding this time to me and, far more importantly, for his very kind and generous remarks, and I want to congratulate him for having had the courage, as he always does, to try to educate not only his constituents, not only his colleagues, but, I think, the country on the very, very difficult conundrum we often find ourselves in on this pay issue. There is no question that the gentleman's comments are pertinent and to the point and that, if we are not careful, we will repeat the very bitter and unhappy history that we have seen occur on this floor where periodically, perhaps once a decade, we go through this catharsis of debate and public reaction over the question of pay for Members of Congress.

I also want to associate myself with the remarks of the gentleman from Louisiana [Mr. LIVINGSTON] who, along with the gentleman from Wisconsin [Mr. OBEY] and a number of other Members, served so stalwartly on the commission that we formed in 1989 that brought the bipartisan leadership of both the caucus and the conference together to resolve this issue, and we hope once and for all. Obviously that is not the case. Lynn Martin, who co-chaired that effort along with me at that time, I think would agree that we tried to put in place a very conservative and automatic process, but in fact, unless we have total bipartisan consensus in this institution from one generation, one class, to the next, it is very unlikely that we will have the courage even to allow the automatic mechanism which guarantees that we make our cost-of-living adjustment less by five-tenths of 1 percent than anything that the private sector made. It guarantees that we always get something that is very modest behind inflation, behind what is happening in the private sector.

The comments of the gentleman from Maryland [Mr. HOYER] are, therefore, on point, and I regret that we are at the point we are today, but reality, as the gentleman from Wisconsin [Mr. OBEY] has said, has crashed in. We are at a point, and I would hope that all the Members would understand that regardless of how we may feel differently on this issue, we ought to accommodate the situation, the politics of the moment, and we ought to do what we can to lower our voices and to allow this process to go, as I think we all know it must, toward the decision that I am sure we will make with great—a majority here in just a moment—to lay this issue aside for this Congress. But, as the gentleman from Louisiana [Mr. LIVINGSTON] has said and the gentleman from Maryland [Mr. HOYER] has said, to continue to do this is to create an atmosphere of crisis that will do far more damage to this institution out in the future than we can at all mitigate by the minor act we will be making here in just a moment.

Mr. Speaker, I say to my colleagues, "Mr. HOYER, Mr. LIVINGSTON, Mr. OBEY, with this kind of leadership where our Speaker and minority leader are brought together, ultimately we can accomplish our purpose and, I think, educate the American people as to the importance of it." We are not there at the moment, and so, while I know the gentleman from Maryland [Mr. HOYER] speaks with great sincerity, I do hope that his opposition, which I believe is largely symbolic here today, will not succeed.

Mr. HOYER. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I do not see my opposition as largely symbolic. I perceive it as very real, and those that talk to me about it know that it is not symbolism that I am seeking.

Mr. Speaker, I reserve the balance of my time.

Mr. OBEY. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I have just one additional observation.

I recognize fully what the gentleman from Louisiana said, and I understand the position of the gentleman from Maryland. I do not think it is reasonable to expect that the only people in America who never get a pay adjustment would be Members of Congress.

I make no apology for the efforts of the past that have been engaged in on a bipartisan basis in this House, in full view of the public, not in a midnight vote, as did occur in the other body, but in full view of the public, in the afternoon, an up-or-down vote after a long discussion. I make no apology for the fact that we decided that we would make the public our only paymaster, because I believe this place is a much cleaner place for having done that. And I have no argument with the suggestion that Members of Congress should be treated the same as other Federal employees with respect to cost-of-living increases. That is probably as good a guide as any.

Unfortunately we are stuck with the job, under the Constitution, of determining our own pay. I wish we did not have that job because it is a no-win situation, and so I think, if we are to set a guideline, what happens to other Federal employees is probably as good a guideline as we can find for what ought to happen to us in terms of pay. I would gladly have somebody else set that pay, but under the circumstances I think that it is appropriate this year, given what is happening with the budget, for the Congress to freeze its own pay.

I would note that that is unquestionably a lot easier for Members of the other body to do because, as the gentleman from Louisiana [Mr. LIVINGSTON] indicated, newspaper stories indicate that there are possibly up to 80 percent of the Senate that are millionaires. I regret that condition; I think we would be better off if we had a more even spread among income groups in the other body. But we do not, and I recognize it is much easier for them to do this than it is for those on this side of the Capitol, but I think under the circumstances this is the best course of action. I think Members understand that.

Mr. HOYER. Mr. Speaker, I yield back the balance of my time.

Mr. OBEY. Mr. Speaker, I, too, yield back the balance of my time.

The SPEAKER pro tempore (Mr. DREIER). Without objection, the previous questions is ordered.

There was no objection.

The SPEAKER pro tempore. The question is on the motion to instruct offered by the gentleman from Wisconsin [Mr. OBEY].

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

Mr. OBEY. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The vote was taken by electronic device, and there were—yeas 387, nays 31, not voting 16, as follows:

[Roll No. 648]

YEAS—387

Abercrombie
Ackerman
Allard
Andrews
Archer
Armey
Bachus
Baesler
Baker (CA)
Baker (LA)
Baldacci
Ballenger
Barcia
Barr
Barrett (NE)
Barrett (WI)
Bartlett
Barton
Bass
Bateman
Beilenson
Bentsen
Bereuter
Bevill
Bilbray
Bilirakis
Bishop
Bliley
Blute
Boehner
Bonilla
Bonior
Bono
Borski
Boucher
Browder
Brown (CA)
Brown (FL)
Brown (OH)
Brownback
Bryant (TN)
Bryant (TX)
Bunn
Bunning
Burr
Burton
Buyer
Callahan
Calvert
Camp
Canady
Cardin
Castle
Chabot
Chambliss
Chapman
Chenoweth
Christensen
Chrysler
Clement
Clinger
Clyburn
Coble
Coburn
Coleman
Collins (GA)
Collins (IL)
Combest
Condit
Cooley
Costello
Cox
Coyne
Cramer
Crane
Crapo
Cremeans
Cubin
Cunningham
Danner
Davis
de la Garza
Deal
DeFazio
DeLauro
Dellums
Deutsch
Diaz-Balart
Dickey
Dicks
Dixon
Doggett
Dooley
Doolittle
Dornan
Doyle
Dreier
Duncan
Dunn
Durbin
Edwards
Ehlers
Ehrlich
Emerson
English
Ensign
Eshoo
Evans
Everett
Ewing
Farr
Fawell
Fazio
Fields (LA)
Fields (TX)
Filner
Flanagan
Foglietta
Foley
Forbes
Ford
Fowler
Fox
Frank (MA)
Franks (CT)
Franks (NJ)
Frelinghuysen
Frisa
Frost
Funderburk
Furse
Gallegly
Ganske
Gejdenson
Gekas
Gephardt
Geren
Gibbons
Gilchrest
Gillmor
Gilman
Goodlatte
Goodling
Gordon
Goss
Graham
Green
Greenwood
Gunderson
Gutierrez
Gutknecht
Hall (OH)
Hall (TX)
Hamilton
Hancock
Hansen
Harman
Hastert
Hastings (WA)
Hayworth
Hefley
Hefner
Heineman
Herger
Hilleary
Hilliard
Hinchey
Hobson
Hoekstra
Hoke
Holden
Horn
Hostettler
Hunter
Hutchinson
Hyde
Inglis
Istook
Jackson-Lee
Jacobs
Johnson (CT)
Johnson (SD)
Johnson, E. B.
Johnson, Sam
Johnston
Jones
Kanjorski
Kaptur
Kasich
Kelly
Kennedy (MA)
Kennedy (RI)
Kennelly
Kildee
Kim
Kingston
Kleczka
Klink
Klug
Knollenberg
Kolbe
LaFalce
LaHood
Lantos
Largent
Latham
LaTourette
Laughlin
Lazio
Leach
Levin
Lewis (GA)
Lewis (KY)
Lightfoot
Lincoln
Linder
Lipinski
Livingston
LoBiondo
Lofgren
Longley
Lowey
Lucas
Luther
Manton
Manzullo
Markey
Martini
Mascara
Matsui
McCarthy
McCollum
McCrery
McHale
McHugh
McInnis
McIntosh
McKeon
McNulty
Meehan
Meek
Menendez
Metcalf
Meyers
Mica
Miller (CA)
Miller (FL)
Mineta
Minge
Mink
Molinari
Mollohan
Montgomery
Moorhead
Myers
Myrick
Neal
Nethercutt
Neumann
Ney
Norwood
Nussle
Oberstar
Obey
Olver
Ortiz
Orton
Owens
Oxley
Packard
Pallone
Parker
Pastor
Payne (NJ)
Payne (VA)
Pelosi
Peterson (FL)
Peterson (MN)
Petri
Pickett
Pombo
Pomeroy
Porter
Portman
Poshard
Pryce
Quillen
Quinn
Radanovich
Rahall
Ramstad
Reed
Regula
Richardson
Riggs
Rivers
Roberts
Roemer
Rogers
Rohrabacher
Ros-Lehtinen
Rose
Roth
Roukema
Roybal-Allard
Royce
Rush
Sabo
Salmon
Sanders
Sanford
Sawyer
Saxton
Scarborough
Schaefer
Schiff
Schroeder
Schumer
Scott
Seastrand
Sensenbrenner
Shadegg
Shaw
Shays
Shuster
Skaggs
Skeen
Skelton
Slaughter
Smith (MI)
Smith (NJ)
Smith (TX)
Smith (WA)
Solomon
Souder
Spence
Spratt
Stearns
Stenholm
Stockman
Studds
Stump
Stupak
Talent
Tanner
Tate
Tauzin
Taylor (MS)
Taylor (NC)
Tejeda
Thompson
Thornberry
Thornton
Thurman
Tiahrt
Torkildsen
Torres
Torricelli
Traficant
Upton
Vento
Visclosky
Vucanovich
Walker
Walsh
Wamp
Ward
Waters
Watts (OK)
Weldon (FL)
Weldon (PA)
Weller
White
Whitfield
Wicker
Williams
Wilson
Wise
Wolf
Woolsey
Wyden
Wynn
Yates
Young (AK)
Young (FL)
Zeliff
Zimmer

NAYS—31

Berman
Boehlert
Brewster
Clay
Clayton
Collins (MI)
Conyers
DeLay
Engel
Fattah
Flake
Gonzalez
Hastings (FL)
Houghton
Hoyer
King
Lewis (CA)
Martinez
McDermott
Mfume
Moran
Murtha
Nadler
Rangel
Serrano
Stark
Thomas
Towns
Velazquez
Watt (NC)
Waxman

NOT VOTING—16

Becerra
Dingell
Hayes
Jefferson
Maloney
McDade
McKinney
Moakley
Morella
Paxon
Reynolds
Sisisky
Stokes
Tucker
Volkmer
Waldholtz

☐ 1215

Messrs. TOWNS, STARK, FLAKE, and MFUME changed their vote from "yea" to "nay."

Mr. ORTIZ, Mrs. COLLINS of Illinois, and Mrs. MEEK of Florida changed their vote from "nay" to "yea."

So the motion was agreed to.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

PERSONAL EXPLANATION

Mr. BEVILL. Mr. Speaker, I was in a meeting on the Senate side of the Capitol during rollcall vote No. 648 on the motion to instruct conferees on H.R. 2020. Had I been present, I would have voted "yes."

□ 1215

The SPEAKER pro tempore (Mr. COMBEST). Without objection, the Chair appoints the following conferees: Messrs. LIGHTFOOT, WOLF, ISTOOK, KINGSTON, FORBES, LIVINGSTON, HOYER, VISCLOSKY, COLEMAN, and OBEY.

There was no objection.

GENERAL LEAVE

Mr. LIGHTFOOT. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days to revise and extend their remarks and that I may include tabular and extraneous material.

The SPEAKER pro tempore (Mr. BARRETT of Nebraska). Is there objection to the request of the gentleman from Iowa?

There was no objection.

REMOVAL OF NAME OF MEMBER AS COSPONSOR OF H.R. 359

Mr. GEKAS. Mr. Speaker, I ask unanimous consent that my name be removed as a cosponsor of H.R. 359. When I first signed on as a cosponsor, I thought it might be a good way to address some patent department deficiencies, but since then I have changed my opinion and I respectfully ask to be withdrawn as a sponsor of H.R. 359.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

APPOINTMENT OF CONFEREES ON H.R. 1977, DEPARTMENT OF THE INTERIOR AND RELATED AGENCIES APPROPRIATIONS ACT, 1996

Mr. REGULA. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H.R. 1977) making appropriations for the Department of the Interior and related agencies for the fiscal year ending September 30, 1996, and for other purposes, with Senate amendments thereto, disagree to the Senate amendments and agree to the conference asked by the Senate.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Ohio?

Mr. GALLEGLY. Mr. Speaker, reserving the right, I will not object, but I did want to take the opportunity to address the distinguished chairman of the Interior Appropriations Subcommittee. As the chairman knows, the Committee on Resources has approved H.R. 1332, which would eliminate the Office of Territorial and International Affairs [OTIA] and terminate its programs. This action will save taxpayers $16 million in fiscal year 1996 and $117 million over the next 7 years. This authorization bill, which I introduced, received widespread bipartisan support and is currently awaiting floor consideration.

Mr. Speaker, when the floor considered H.R. 1977, the Interior appropriations bill, I offered an amendment to delete the funding for the OTIA and its programs in accordance with our committee's work. The chairman graciously accepted my amendment. Unfortunately, the other body has gone in just the opposite direction in their appropriations bill by preserving in some ways and enhancing this unnecessary office in other ways. It is my hope that the Chair and other House conferees will stick firm to the House position in trying to eliminate this piece of bureaucracy.

At the very least I would ask that, since both authorization committees have such opposite views of the future need of the OTIA, that the chairman not accept any legislative language from the Senate involving the OTIA or its programs and that they subject any appropriation for the OTIA, its programs or former territories, to an authorization.

Mr. Speaker, this issue should be resolved by the authorization committees, and I would appreciate the chairman's consideration.

Mr. Speaker, continuing my reservation of objection, I yield to the gentleman from Ohio [Mr. REGULA].

Mr. REGULA. Mr. Speaker, I thank the gentleman, and we certainly will.

Mr. GALLEGLY. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Ohio?

There was no objection.

MOTION TO INSTRUCT CONFEREES OFFERED BY MR. YATES

Mr. YATES. Mr. Speaker, I offer a motion to instruct.

The Clerk read as follows:

Mr. YATES moves that the managers on the part of the House at the conference on the disagreeing votes of the two Houses on the bill, H.R. 1977, be instructed to disagree to the amendment of the Senate numbered 158.

The SPEAKER pro tempore. The gentleman from Illinois [Mr. YATES] will be recognized for 30 minutes, and the gentleman from Ohio [Mr. REGULA] will be recognized for 30 minutes.

The Chair recognizes the gentleman from Illinois [Mr. YATES].

Mr. YATES. Mr. Speaker, I yield myself such time as I may consume.

This is a straightforward motion instructing the House conferees to retain the moratorium on the hard rock mining claims. During House consideration of the bill, the gentleman from Wisconsin [Mr. KLUG] and the gentleman from West Virginia [Mr. RAHALL] offered an amendment to insert the existing moratorium language that has operated this year. The amendment was adopted by a bipartisan vote of 271 to 153.

My motion tells the conferees to stay with the current moratorium language. It requires them to abide by the rule of the significant majority of the House to stop the corporate welfare that has resulted in companies receiving mineral rights worth hundreds of millions of dollars for as little as $2.50 an acre.

The latest example of that, Mr. Speaker, was a few days ago when Secretary Babbitt was required to sign an application for a patent by a foreign company which is estimated to be able to mine 1 billion dollars' worth of minerals in return for a payment of $275. It is time to stop this raid on the Federal Treasury that has gone on for more than 100 years. It is time for the legislative committees to make substantive changes to the 1872 Mining Act.

Mr. Speaker, my motion is a vote for fiscal responsibility, and I urge my colleagues to support the motion to instruct.

Mr. Speaker, I reserve the balance of my time.

Mr. REGULA. Mr. Speaker, I yield such time as she may consume to the gentlewoman from Nevada [Mrs. VUCANOVICH].

Mrs. VUCANOVICH. Mr. Speaker, I rise in opposition to the motion to instruct House conferees to accept the mining patent moratorium, and I urge my colleagues to vote "no."

The House adopted a 1-year moratorium on issuing mining patents. The Senate, however, took another tack. Senate provisions would require fair market value of the surface value of patented lands. The Senate also adopted a reverter clause so that, if land patented for mining is ever used for any other purposes, it reverts back to Federal control.

The Senate provisions raise revenue while the house provisions do nothing but preserve the status quo. Comprehensive mining law reform proposals are pending in both the House and the Senate. These proposals include royalties, which will lead to additional increases in revenue to the Treasury. However, past experience has shown that a patent moratorium will stifle any progress toward comprehensive mining law reform and preserving the status quo which both sides of this issue agree is not acceptable. The only responsible position is to oppose the motion to instruct, thus bringing in revenue and clearing the way for comprehensive mining law reform.

I urge my colleagues to vote against the motion to instruct.

Mr. YATES. Mr. Speaker, I yield myself 1 minute.

I had neglected in my opening remarks to point out that the most important and significant leader in support of the patent moratorium in this House has been the chairman of this appropriations subcommittee the gentleman from Ohio [Mr. REGULA]. His speeches on this subject have been illuminating and have been very persuasive, and I know that he will be very, very persuasive in support of the House position at such time as we meet on the conference.

Mr. POSHARD. Mr. Speaker, I rise today in strong opposition to H.R. 1977, the 1996 Interior appropriations bill. Last year I supported important legislation, signed into law by President Clinton, increasing payment in lieu of taxes [PILT] by more than 100 percent over 5 years to counties which have Federal land holdings in their jurisdiction. However, the 1996 House Interior appropriations bill does not appropriate the funds necessary to implement the phased-in increase to PILT payments passed by Congress.

The purpose of last year's PILT legislation was to give additional help to counties who suffer lost tax revenue from the presence of Federal lands. The PILT program provides financial stability and opportunities for our counties which would otherwise be left without sufficient tax revenue. However, for many years these payments were not allowed to grow with inflation. In recognizing the importance and success of the PILT program, Congress made a commitment to allow for a substantial increase in these payments, an increase many counties were expecting and relying upon to provide the basic services which they deliver.

Several counties in the 19th Congressional District, which I am proud to represent, rely greatly on the PILT program. Johnson, Hardin, and Pope counties are all home to the Shawnee National Forest, and without an increase in PILT assistance, I am afraid they will be forced to face some very difficult times. It is unfair that these counties should have to suffer financially simply because they are home to one of our national forests. I believe this is a case when Government has a responsibility to provide necessary and fair compensation to counties with federally owned lands.

I have long supported efforts to balance the Federal budget, and I recognize the fact that balancing the budget will require some tough choices. However, I do not agree we should back away from providing much needed financial assistance to our counties and communities in order to pay for a package of tax cuts, many of which affect only upper-income individuals and corporations. The truth is, Congress can balance the budget, but not on the backs of those who sincerely need the help of Government.

In closing, I urge the bill's conferees to include the necessary funding to implement the increase in PILT funding as prescribed by Congress and the President. Without the inclusion of an increase in PILT funding to reflect the promise Congress made to many of our counties across this Nation, I am afraid I will be unable to support the conference report.

Mr. SKAGGS. Mr. Speaker, I urge adoption of this motion. I joined in voting for the patent moratorium when the Interior appropriations bill was on the House floor, and I intend to press for retaining the moratorium when we meet in conference with the other body.

The time has long since come for reforming the obsolete mining law of 1872. Just this week, we had another reminder of how outdated that law is when Secretary Babbitt was forced to give a foreign mining company ownership of 110 acres of Federal lands containing an estimated billion dollars' worth of minerals—for which the company paid just $275.

Let me repeat: under the mining law of 1872, the Federal Government was forced to sell lands with a billion dollars worth of minerals for the grand total of $275, with no provision for the taxpayers—the owners of the Federal lands—to get any royalties, of the kind that are routinely paid in connection when these kinds of minerals are developed on other lands.

So, the current situation is bad. But it would be even worse except for the fact that the Interior appropriation bill for the current fiscal year included a partial patent moratorium—that is, a partial moratorium on land sales under the 1872 Act. The effect of that moratorium is to reduce the number of such unfair, budget-busting sales, and so to protect the taxpayers while Congress works to reform the mining law.

In the last Congress, in addition to the partial moratorium, both the House and the Senate passed bills to replace this obsolete mining law with a modern statute. Unfortunately, however, the conferees were unable to reach agreement on a final version. So, the reform job remains unfinished.

We need to keep working on this. And we need to renew the moratorium, to continue protecting the taxpayers in the meantime. That's why the House was right to adopt the Klug-Rahall amendment—the amendment to renew the moratorium—when the 1996 Interior appropriations bill was on the floor. And that's why we should adopt this motion to instruct, in the interests of protecting the taxpayers and advancing the process of reform.

Mr. YATES. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

Mr. REGULA. Mr. Speaker, I yield back the balance of my time.

The SPEAKER pro tempore. The question is on the motion to instruct offered by the gentleman from Illinois [Mr. YATES].

The motion to instruct was agreed to.

A motion to reconsider was laid on the table.

The SPEAKER pro tempore. Without objection, the Chair appoints the following conferees: Messrs. REGULA, MCDADE, KOLBE, SKEEN, and Mrs. VUCANOVICH, and Messrs. TAYLOR of North Carolina, NETHERCUTT, BUNN of Oregon, LIVINGSTON, YATES, DICKS, BEVILL, SKAGGS, and OBEY.

There was no objection.

GENERAL LEAVE

Mr. REGULA. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days to revise and extend their remarks and that I may include tabular and extraneous material.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Ohio?

There was no objection.

APPOINTMENT OF CONFEREES ON H.R. 2002, DEPARTMENT OF TRANSPORTATION AND RELATED AGENCIES APPROPRIATIONS ACT, 1996

Mr. WOLF. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H.R. 2002) making appropriations for the Department of Transportation and related agencies for the fiscal year ending September 30, 1996, and for other purposes, with Senate amendments thereto, disagree to the Senate amendments and agree to the conference asked by the Senate.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Virginia?

There was no objection.

MOTION TO INSTRUCT CONFEREES OFFERED BY MR. COLEMAN

Mr. COLEMAN. Mr. Speaker, I offer a motion to instruct.

The SPEAKER pro tempore. The Clerk will report the motion.

The Clerk read as follows:

Mr. COLEMAN moves that in resolving the differences between the House and Senate, the managers on the part of the House at the conferees on the disagreeing votes of the two Houses on the bill, H.R. 2002, be instructed to provide funding for the Federal-Aid Highways Program at a level which is as close as possible to the level in the House-passed bill.

The SPEAKER pro tempore. The gentleman from Texas [Mr. COLEMAN] and the gentleman from Virginia [Mr. WOLF] will each be recognized for 30 minutes.

The Chair recognizes the gentleman from Texas [Mr. COLEMAN].

Mr. COLEMAN. Mr. Speaker, I yield myself such time as I may consume.

My motion to instruct conferees is very straightforward. It simply instructs the House conferees to agree to provide funding for the Federal aid highways program at a level that is as close as possible to the $18 billion provided in the House-passed bill.

Mr. Speaker, I yield back the balance of my time.

Mr. WOLF. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise in strong support of the motions offered by the gentleman from Texas. As the gentleman already pointed out, the House bill provides $18 billion for the Federal air highway program, an increase of $840 million over the previous fiscal year. Under this, most States get more than they did in the past.

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The Senate alternatively has elected to reduce highway spending to $17 billion, $1 billion below the House level and $160 million below last year's level. The Federal-Aid Highway Program consists of several programs designed to aid in the construction, rehabilitation, traffic management, and safety of our Nation's highways.

These programs also assist in the improvement of other modes of transportation, so it is my hope that the committee conference can agree to provide the funding for the Federal-Aid Highway Program at a level which is as close as possible to the level of the House-passed bill, realizing the competing needs of the Coast Guard and others.

Mr. Speaker, I rise in support of the motion offered by the gentleman from Texas. As the gentleman has already pointed out, the House bill provides $18 billion for the Federal-Aid Highway Program, an increase of $840 million over the previous fiscal year.

The Senate, alternatively, has elected to reduce highway spending to $17 billion, $1 billion below the House level, and $160 million below last year's level.

The Federal-Aid Highway Program consists of several programs designed to aid in the construction, rehabilitation, traffic management, and safety of our Nation's highways. These programs also assist in the improvement of other modes of transportation. Infrastructure spending on highways is critical to the efficient movement of goods and people in the United States and has direct effects on the national economy and interstate commerce. In fact, every billion dollars spent on the highway system results in improvements in pavements and bridge conditions and reduced congestion. For example, $1 billion could fund 2,500 lane miles of pavement improvements, 375 lane miles of increased capacity, and 190 bridge improvements. Highway spending also means jobs: For a billion dollars, as many as 50,000 jobs can be supported.

It is my hope that the conference committee can agree to provide funding for the Federal-Aid Highway Program at a level which is as close as possible to the level in the House-passed bill, recognizing the competing demands of the Coast Guard, the Federal Aviation Administration, and other safety programs of the Department of Transportation.

I support the gentleman's motion and urge that the motion be agreed to.

Mr. OBEY. Mr. Speaker, will the gentleman yield?

Mr. WOLF. I yield to the gentleman from Wisconsin.

Mr. OBEY. Mr. Speaker, I appreciate the fact that the gentleman is accepting this motion. I think it is the right thing to do.

Mr. COLEMAN. Mr. Speaker, will the gentleman yield?

Mr. WOLF. I yield to the gentleman from Texas.

Mr. COLEMAN. Mr. Speaker, my motion to instruct conferees on H.R. 2002, the fiscal year 1996 Department of Transportation Appropriations Act is very straightforward. My motion would simply instruct the House conferees to agree to provide funding for the Federal-Aid Highway Program at a level that is as close as possible to the $18 billion provided in the House-passed bill.

Mr. Speaker, one of the most significant areas of difference in the House and Senate transportation appropriations bill is the funding level recommended for the Federal Highway Program. The House bill provides an obligation limitation for this purpose that is $1 billion more than the $17 billion level recommended by the Senate. In addition to providing a funding level for the Federal Highway Program that is less than the 1995 level, the Senate has also included $39.5 million in earmarked highway demonstration projects that benefit only a few, selected areas.

Mr. Speaker, in Texas and in most other States, there is a huge backlog of roads, highways and bridges that are in desperate need of repair and rehabilitation. In 1993, the Federal Highway Administration estimated that the annual cost to maintain and improve highway conditions was $59 billion. The House bill squarely recognizes these needs and addresses them by providing the highest ever funding level for the Federal Highway Program, and by providing these funds in a manner such that every State will benefit.

As with the other appropriations bills, the House made some very difficult choices in allocating fiscal year 1996 funding for transportation programs that in total is $1 billion less than 1995 appropriations. However, in making those choices, the House determined that investing in our Nation's infrastructure should be of the utmost importance, even in austere budgetary times. Such an investment will enhance highway safety, ease congestion, create jobs, and increase our Nation's productivity. For these reasons, I believe that we should insist on making highway infrastructure spending a priority for the conferees on this bill. I urge the adoption of this motion.

GENERAL LEAVE

Mr. WOLF. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks, and that I may include tabular and extraneous material, on this legislation.

The SPEAKER pro tempore (Mr. BARRETT of Nebraska). Is there objection to the request of the gentleman from Virginia?

There was no objection.

The SPEAKER pro tempore. Without objection, the previous question is ordered on the motion to instruct.

There was no objection.

The SPEAKER pro tempore. The question is on the motion to instruct conferees offered by the gentleman from Texas [Mr. COLEMAN].

The motion was agreed to.

A motion to reconsider was laid on the table.

The SPEAKER pro tempore. Without objection, the Chair appoints the following conferees: Messrs. WOLF, DELAY, REGULA, ROGERS, LIGHTFOOT, PACKARD, CALLAHAN, DICKEY, LIVINGSTON, SABO, DURBIN, COLEMAN, FOGLIETTA, and OBEY.

There was no objection.

LEGISLATIVE PROGRAM

(Mr. FAZIO of California, asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. FAZIO of California. Mr. Speaker, I am happy to yield to the gentleman from Texas [Mr. ARMEY], the majority leader, for the purpose of inquiring about the schedule.

Mr. ARMEY. I thank the gentleman for yielding, Mr. Speaker.

Mr. Speaker, let me preface my remarks on the schedule for next week by informing all the Members that we have had our final vote for today and for this week. There will be no more votes today.

Mr. Speaker, the House will not be in session on Monday, September 11.

On Tuesday, the House will meet at 10:30 a.m. for morning hour and 12 noon for legislative business to take up H.R. 2150, the Small Business Credit Efficiency Act, which will be considered under suspension of the rules. However, we will not have any recorded votes until 3 p.m.

For Tuesday afternoon and the balance of the week, we plan to consider the following bills, all of which will be subject to rules: H.R. 1594, the Pension Protection Act of 1995; H.R. 1655, the fiscal year 1996 Intelligence reauthorization bill; H.R. 1162, the Deficit Reduction Lockbox Act; and H.R. 1670, the Federal Acquisition Reform Act of 1995. Members should also be advised that conference reports may be brought to the floor at any time.

On Wednesday and Thursday, the House will meet at 10 a.m. for legislative business.

Tuesday it will be our hope to adjourn around 7 or 8 p.m. On Wednesday we may work a little later, and it is our hope to have Members on their way home to their families by 6 p.m. on Thursday.

The House will meet in pro forma session on Friday, September 15. There will be no recorded votes.

Mr. FAZIO of California. Mr. Speaker, if I could further inquire of the majority leader, let me open by saying that I appreciate the fact that we seem to have returned to a more normal schedule here, and I think this will be conducive to families having an opportunity to have at least a late supper, if not a regular dinner together. I am sure we are all relieved because of the difference that this makes with the last couple of weeks that we had prior to our August recess.

I would like to ask, however, when we would be bringing to the floor the legislation on gifts and lobbying reform. We were chastised roundly earlier in the week because we attempted to use the legislative branch appropriation bill to bring that before the body. I know there are hearings in the Committee on the Judiciary. I am wondering, because of the importance of having time to appreciate and understand the changes it will require of Members and their offices, whether or not we are going to be able to see that law enacted in time to implement the rules and the statute by January 1.

Does the majority have any ability at this time to give us an indication as to when we will bring that to the floor and when it might be effective?

Mr. ARMEY. Mr. Speaker, if the gentleman will continue to yield, I thank the gentleman for his inquiry. I do appreciate the inquiry. As the gentleman noted, hearings were held this week. We are looking at that. We are talking among ourselves and with the committee, looking for an opportunity to bring that up. I am sorry we have nothing definitive to report at this time.

Mr. FAZIO of California. I would ask the gentleman, is it possible it may be added to our list of "must pass" legislation so it would be considered by the end of this calendar year in order to be effective in January?

Mr. ARMEY. Of course, as the gentleman knows, all things are possible. I just simply cannot attach any probability or likelihood to it at this time until I have further discussion with other relevant people.

Mr. FAZIO of California. Mr. Speaker, could the majority leader indicate to us when we will be able to begin the process of analysis and numbers crunching on the Medicare provisions that will be a central part of reconciliation? Perhaps the gentleman could update us on when reconciliation is expected to come to the floor, and when we will be able to begin the process of understanding the full impact of those cuts in the Medicare Program that are obviously going to be very contentious and need a great deal of attention before we should be in a position to vote on them.

Mr. ARMEY. If the gentleman will continue to yield, again I thank the gentleman for asking. It is a little difficult to tell right now. We hope to complete our work. We have had a lot of people working very diligently on Medicare, and of course all the other work that is being done on reconciliation. We should begin to start seeing some of the fruits of the labor maybe as early as the end of next week, but I would say it would probably be somewhere closer to the end of September before we could really have defining work out here for us to examine.

Mr. FAZIO of California. Mr. Speaker, could the gentleman tell us when we anticipate reconciliation being brought to the floor? Has that been agreed to finally?

Mr. ARMEY. If the gentleman will again yield, I think once we get into the period of time where we have some very important recesses necessary for the Jewish holidays, that as we try to work our way around that, we might anticipate it would be perhaps the week before or the week following those Jewish holidays recess.

Mr. FAZIO of California. There is no intent to change our current schedule that has been announced and disseminated to Members on either Jewish holidays or the Columbus Day break?

Mr. ARMEY. I really appreciate the gentleman asking. Everybody should have a printed schedule in the form of calendars, and those dates for when the week begins and where it ends, and what days are off because of the holidays, those are firm. There would be no changes in there except possibly, should things go well on floor action, we might every now and then be able to have a pleasant surprise and get out a little earlier or maybe have an extra day to spend in our districts, but there would be no days in addition to those that are already in the schedule for the Members.

Mr. FAZIO of California. Mr. Speaker, I appreciate the gentleman's reassurance. I am sure the Members appreciate that. We would look forward to only pleasant surprises, and no unhappy eventualities that might set us back.

Mr. ARMEY. If the gentleman will yield further, I am sure the gentleman realizes, or maybe does not realize he misspoke earlier, but Mr. Speaker, just for the record, I want to encourage the gentleman to appreciate the fact that we do not intend to see any package in which there will be Medicare cuts.

Mr. FAZIO of California. I was wondering if the gentleman might not have caught that. Reductions in the rate of increase, is that the jargon?

Mr. ARMEY. I would like to think of it as a generous increase.

Mr. FAZIO of California. For those who note the aging of America and the increasing population of the aged and the often double digit increases in the cost of health care, perhaps this is a much more important debate than simply a semantic one. We can hold that for the eventual introduction of the Medicare increase reductions.

Mr. ARMEY. Mr. Speaker, I thank the gentleman.

ADJOURNMENT TO TUESDAY, SEPTEMBER 12, 1995

Mr. ARMEY. Mr. Speaker, I ask unanimous consent that when the House adjourns today, it adjourn to meet at 10:30 a.m. on Tuesday, September 12, for morning hour debate.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Texas?

There was no objection.

DISPENSING WITH CALENDAR WEDNESDAY BUSINESS ON WEDNESDAY NEXT

Mr. ARMEY. Mr. Speaker, I ask unanimous consent that the business in order under the Calendar Wednesday rule be dispensed with on Wednesday next.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Texas?

There was no objection.

SPECIAL ORDERS

The SPEAKER pro tempore. Under the Speaker's announced policy of May 12, 1995, and under a previous order of the House, the following Members are recognized for 5 minutes each.

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from Texas [Ms. JACKSON-LEE] is recognized for 5 minutes.

Ms. JACKSON-LEE. Mr. Speaker, on Wednesday the House considered the fiscal year 1996 legislative appropriations bill and I do agree that the House has to take a serious look at its own fiscal affairs. However, I would like to comment on a matter that relates to the daily operation of the House and does not make financial sense.

Last week, the House folding room and all of its related operations were closed. This decision was made under the guise of streamlining and reform. However, it is nothing more than a mean-spirited, poorly conceived, and fiscally irresponsible action. It is truly reform for the sake of reform.

I applaud the House Oversight Committee in its efforts to change the way that the House does business. I was elected to Congress to help to restore the public's faith in this institution. However, by trying to save money in closing the folding room, the committee has created a bookkeeping nightmare and as Members search for new vendors to serve the printing and mailing needs of their constituents, the total franking and overall costs to the taxpayer will probably increase.

Our constituents need and deserve to be well informed about the issues that affect them. Bulk mailings and newsletters are an essential part of our jobs and voters expect to have a clear line of communications to their representatives in Washington. Certainly, a responsible use of these mailing privileges is expected; nevertheless, by closing the folding room another barrier has been created between Washington and the rest of the country.

Why were other remedies related to the House operation of a folding room not considered further? An outside company could have been brought in to run the day-to-day operations of the folding room. As it now stands. congressional staffs now have to scramble to find new vendors and much of their productivity is wasted as they endeavor to fold, stuff, and seal hundreds of pieces of normal correspondence that they churn out on a daily basis. And the job is not done well. I know of a recent bulk mailing that was improperly handled by an outside vendor and because of this precious time and money was lost.

Without the folding room, the House is a more confused and inefficient operation. Is this what the American people voted for in the last election?

And, there is a very important moral issue at play. Over 100 people lost their jobs when the folding room was abruptly shut down. Many of these people were loyal employees of the House with over 20 years of faithful service. I believe that the treatment of the folding room staff was wrong. I am very distrusted that many are starting to believe that the House is the last plantation. If the labor laws of America are to be applied to Congress, then the employees of the House should be treated with at least minimum levels of respect and decency.

I want Congress to be efficient and mindful of the taxpayers' money. However, by closing the folding room, the total money spent by the House will most likely increase, constituent service will be slowed, and the House will appear to be even more out of touch. The Oversight Committee's action are well intentioned, but poorly implemented. The House may find that it needs to look at this issue again.

REAUTHORIZATION OF THE RYAN WHITE CARE ACT

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Oklahoma [Mr. COBURN] is recognized for 5 minutes.

Mr. COBURN. Mr. Speaker, it is fast approaching the time in this country when we will reauthorize a very important health care act known as the Ryan White Care Act. This act does tremendous amounts of good in terms of offering health care for those afflicted with this dreadful disease.

We owe a tremendous debt of gratitude to the gentleman from New York [Mr. ACKERMAN] for his efforts to raise the awareness of this body, as well as this country, as to the former testing practices of the CDC, and we also owe a debt of gratitude to him for making us aware of the failed policies of the ethicists that have advised the CDC, for over this past year we have been blindly testing mothers and children for this disease, without their knowledge, and when finding positive cases we have refused to identify those positive cases and offer treatment for both newborn children and their mothers, this all at the advice of a group of ethicists that told our CDC that this was an appropriate practice.

The other disturbing thing about that is that the CDC thought it was an appropriate practice, that newborn children infected with a deadly virus and knowledge of that by our own Centers for Disease Control should not have the opportunity for the best treatment that we have available, and also their mothers should not have the knowledge or opportunity that they in fact could be treated, their quality of life could be prolonged, and complications arising from this disease could be prevented.

That, however, has not been the full story of what has happened. Because of the awareness that has come to light through the efforts of the gentleman from New York [Mr. ACKERMAN], we will be proposing, with the new Ryan White authorization, an opportunity for children to have a future.

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There is no place today where we have and can make an impact on the HIV epidemic in this country like that associated with women of reproductive age. Today, the fastest growing segment in this epidemic is women in the reproductive age category. It is growing 8 times faster in this group than in any other group in our country.

We also have the opportunity to truly impact newborn babies, because now we have a treatment that prevents, two-thirds of the time, infection in the baby from a woman who might be carrying the HIV virus.

The opportunity that will be coming before us will be shadowed in many debates, a debate on confidentiality, a debate on the rights of women not to be tested, but the ultimate debate that will come about as we reauthorize Ryan White will be the debate of how we have handled this epidemic in our country. In 1981, the first case was diagnosed, and today we have 2.5 million people in our country with this virus. We should ask if we are proud of the job that this country has done in facing this disease, in the way that our Government agencies have handled the epidemic and their approach to it.

But, most importantly, where we have an opportunity to make a difference, to prevent infection in newborn children, we should not shrink back from that. We should stand up and make the difference, the difference that not only will save several thousand babies' lives each year but also, in this time of scarce resources, will add a quarter of a billion dollars in saved health care costs just from testing mothers during their first trimester of pregnancy.

It is my hope and my wish that we will step aside from the politically correct positions of our country and look at the real harm that this infection has caused, not to make callous judgments on those who have unfortunately acquired this disease but all work together to make a new and improved effort at making a difference, saving lives and controlling this epidemic.

INTRODUCTION OF H.R. 2265, MOTOR SPORTS PROTECTION ACT

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from North Carolina [Mr. FUNDERBURK] is recognized for 5 minutes.

Mr. FUNDERBURK. Mr. Speaker, on Wednesday I introduced H.R. 2265, the Motor Sports Protection Act to meet the threat to professional auto racing posed by Bill Clinton's assault on tobacco.

If tobacco companies are forced to remove their sponsorship of racing the very existence of NASCAR, NHRA, and formula one is in doubt. NASCAR alone is a $2-billion industry. An advertising ban will put thousands of Americans out of work.

Richard Petty the king of racing noted: "That all race fans can rally around this bill and I want to help stop Big Brother from attacking law abiding, family oriented, hard working citizens who enjoy racing." Mr. Speaker, this is not about tobacco alone. It is about whether we will stand up and fight another blatant power grab by the Federal Government. We must draw the line against bureaucratic meddling with this wholesome, all-American sport. H.R. 2265, is the first step in our fight to win back Government for our people. Please join the effort and help save racing.

THE BALANCED-BUDGET MYTH

The SPEAKER pro tempore. Under the Speaker's announced policy of May 12, 1995, the gentleman from Texas [Mr. GONZALEZ] is recognized for 60 minutes as the designee of the minority leader.

Mr. GONZALEZ. Mr. Speaker, I want to preliminarily begin with some general remarks and then as I go into my allotted time, I will be more specific in the issue that I feel is in urgent need to be discussed.

The reason I wanted to have some preliminary remarks by way of explanation is that this period set aside that we designate as special orders is a very interesting one with a very interesting history in which I am very proud of the role I played in developing it into an accepted and formal part of the procedures.

In the beginning of my career here in the House, which of course spans quite a number of years going back to 1961, it was not the custom to practice what we call today special orders. It was looked upon as a quite radical if not an unaccustomed practice, and the procedure was very, very formal, very standardized, and allowed for no real participation even during the general consideration of the full House for any but the very few selected leaders who exercised total power at that time.

Well, of course, that is a long time ago. Those of us who have managed to span these years have noticed, with some gratification, the changes since that rather straitjacketed and quite sterile period of time. Of course, in the interim the country has literally been shaken to root and marrow with some very, very substantial issues and developments that have engulfed it, not because there were issues born spontaneously from within our country, but as the work shrunk and the United States after the war became an inescapable even though quite reluctant leader of the world, has had to accept those issues and those matters that were very seldom confronted in the House in any kind of a general debate.

There have been quite radical and innovative changes since then. I am recalling a period of time in which any but the leadership, very select leadership, participated in the general procedures. There was no such thing as an individual Member, not part of that very select and small group, initiating or even addressing the full House.

So by dint of the force of circumstances and the great historical occurrences that hit the country and because of the worldwide changes, that, of course, changed the whole aspect and it has been reflected in the internal proceedings in our House. I believe that I have witnessed about every single major occurrence, or as I call it, great landslides in developmental history of this country, both social, economic, and political.

In the first place, I consider myself and want to acknowledge the privilege that I have been given by virtue of our institutional system in our country, one born of freedom, one born of equal access to all citizens depending on the citizen's own exertions and energy and whatever innovative changes he was motivated to bring about. When I first came to the House, it was not that way at all. It was very formal, very staid, very rigid.

I do not recall sessions of the House being held more than at the most 2 or 3 days a week, and of a duration of not more than 2 hours on each occasion. But, of course, this was before the great watershed developments that engulfed us as well as the rest of the world. We must remember that I am talking about a period of time that antedated the Berlin Wall crisis, which today who recalls such other at that time Earth-shaking crises, and then, of course, the internal and the vast sea changes in our domestic, economic, and social structural composition.

Now today, though, I want to take advantage of this opportunity, which is a great opportunity. I am proud of the contribution I have made to providing this hour which we call here and designate special orders, but which is really born out of one of the original legislative practices mounting back to the very first Congress, and that was the privilege, because that is what it is, it is a privilege under our system of legislative procedures based on hard and fast rules, of a multiple body in which it is quite understood and it makes common sense to understand that if you have a multiple body such as this, 435 Members, you have to have some order of selectivity in the recognition of the Members. Otherwise, it would be confusion, worse, confounded, and compounded.

But today I am here to set the record straight about a very misleading slogan which is being broadcast from the rooftops and the airwaves through our country, in Washington, from various groups around the country, and last weekend from most of the speakers at Ross Perot's meeting at the Dallas Convention Center we were hearing the same refrain, quote, balance the budget, balance the budget, balance the budget.

Of course, many swear their dedication to this goal or this slogan or this, I do not know what else to call it, but a myth of balancing the budget. It is said by them that once the budget is balanced, we will all be saved from the dire consequences that having the deficit in the Government budget imposes on us.

I have been one of those that from the beginning of my career have noted this balance-the-budget outcry and have followed it all through these 35-plus years in the House.

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Now, our friends in the other party, the Republican Party, say that their miracle cure on this goal of balancing the budget will take only 7 years. However, those of us who were around during the Republican administrations of the 1980's and early 1990's find their plan to be like an arsonist; someone who sets the fire to a building, and then brags about how quickly he can come around with the firearm and put it out.

Before the first budget request of these Republican administrations, at the beginning of 1981, and recall I have been through all of this, the total Government debt, mind you, minus debt held by the Government itself, was $769 billion. That is a lot of money, but it is nothing like the $2.8 trillion debt they left behind in 1992.

Mind you, an 11-year period, and from that amount, $769 billion to $2.8 trillion is quite a bit of a difference and a accumulation of what I said then and continue to say is unacceptable debt.

During these Republican administrations, these are Republican administrations, mind you, even though it was the Democrats that were constantly pilloried as the spenders and wastrels by these same Republicans, but it was during these Republican administrations, I repeat, that the deficit of the Federal Government, that is the amount, the Federal Government spends over and above its revenues, grew to large proportion of the country's total income.

In 1983, the deficit was over 5 percent of the Nation's total income, and it was over 4 percent in 1984, 1985, and 1986. Now, in 1995, the deficit has come down. After 3 years of a Democratic administration, the deficit is slightly over 2 percent of the Nation's income. This is at least some substantial progress.

Mr. Speaker, it is not success, but it is certainly a big march down the road toward that. Now, the truth about what the deficit is going to be in 7 years, that is in the year 2002, is that nobody, under any plan, knows with any precision what that deficit might be. By the year 2002, the total income of everyone in the country will grow from its present level of about $7 trillion to somewhere around $8.4 trillion, if it grows at about 2.7 percent per year, as it is projected.

Nobody, no economist, no statistical expert, and no Republican budgeteer spewing a constant barrage of projections and balanced budget slogans could possibly tell you with any certainty whether the budget deficit will be plus or minus 2 percent of the Nation's income in the year 2002. Given the unknown course of the economy, which is now struggling through a period of slow growth, no one could even predict with any certainty what total income will be 7 years from now.

Now, many so-called experts didn't even know last year how slow income would grow this year. Certainly, the Federal Reserve did not know when they doubled short-term interest rates again and again in only 13 months, and I protesting every inch of the way, and protesting since my coming to the Congress at this type of an action, because that is the heart of the matter.

Any power in any country that controls interest rates controls the life of that country. That is what I have said all along and repeat it now.

And now, they have begun to retreat with lower interest rates after they have seen the consequences of this foolish policy. In the race of the balanced budgeteers, there are now attempts in the Congress to forget about the people who have no well-heeled lobbyist working the halls of the Nation's Capitol in their behalf.

Many of us are familiar with the increasing problem of poverty in our country, even though it is not much discussed and even though it can conveniently be out of sight of the general middle-class public.

We know the people who will be hurt the most. There are numerous statistics showing the Nation's distribution of income is continually getting worse. This week an international study, the nonprofit Luxembourg Income Study, financed by the U.S. National Science Foundation, made some international comparisons that point to this critical problem in the United States.

The researchers found that the gap between the rich and the poor families with children in the United States is the largest among the 18 industrial countries that they studied and rated. The largest. Our country with the largest gap between the rich and poor families with children in the world in the industrial world.

One of the authors of the study, Timothy M. Smeeding, said that while the gap between rich and poor is generally wider in the United States than in other developed countries, U.S. social programs for the poor are less generous. In an interview this week, Smeeding is reported to have said, and I quote, "Some people say we're such a rich country that even our poor kids are better off. It isn't true."

So what is the Congress now doing in the face of this national tragedy? On the table there are proposals to turn back welfare legislation to the States and eliminate Federal standards and supervision. For example, there is proposed legislation to abolish the aid for dependent children, this real spinal column of all aid programs, and replace it with a temporary family assistance block grant to States. Under that program, there would be no Federal guarantees, which will mean much lower assistance to most of our Nation's citizens who happen to be poor.

This means more deprivation for poor children. This is no gimmick; this is the truth. The history of welfare payments since 1970 shows that this type of proposed legislation is misguided.

For example the State aid for families with dependent children payments have been jointly funded by the National and the State governments, but they are set at the State level. AFDC, as this program is known, began in 1937, and benefits increased for three decades. In 1940, the average States' benefit paid to a family was $287 in 1993 dollars. In 1970, it reached its top amount of $608, and then began to drop, reaching $349 in 1993, again measured in 1993 dollars. That is almost the same level as in 1940, and this is a shame.

Since 1970, these welfare benefits corrected for inflation, have declined because States have been fearful they would attract poor people if their benefits were high. This was the so-called undesirable magnet effect.

Mr. Speaker, it is a travesty to commit to a policy to further deprive the Nation's poor and destitute at a time when the problems of poverty are becoming worse. In 1993, 39.3 million of our citizens, that is 15.1 percent of the population, were considered poor under the official measure based on family income during the year.

This is an increase of 1.3 million people from 1992. In 1993 over one-fifth, 22 percent, of all children were poor and there is a good chance that new poverty figures will not show any improvement. The Government poverty-income cutoff for a family of four was $14,763. The Federal Government has a duty to provide assistance for those citizens. It does not benefit anyone in this country, rich or poor, to let conditions of poverty continue without help from the Federal Government.

One example of a beneficial effect of Government programs is the poverty rate for older people, at one time higher than that of children, which dipped below the child poverty rate in 1974 and has remained that. However, that could change if Medicare is seriously underfunded as the Republicans are now proposing in order to give a tax break—net tax break—to the wealthy.

It is an embarrassment to rational reasoning, and a con game with terrible consequences, to use the balanced budget slogan to justify gutting our already lean program designed to help the less fortunate. We should not, and will not balance the budget of America on the backs of the poor.

The CHAIRMAN. Under the Speaker's announced policy of May 12, 1995, the gentleman from California [Mr. DORNAN] is recognized for 60 minutes as the designee of the majority leader.

REPORT OF FACTFINDING TRIP

Mr. DORNAN. Mr. Speaker, we have had a fast 3 days. Started late on Wednesday, finishing early today. Pressure is building up here for a major budgetary struggle between the two major, only major parties in the world's only superpower, on all of these budgetary issues.

We have come back from a long, what we sometimes euphemistically call a district work period. We are supposed to cram in a vacation and work hard. For some of us, it is hard work.

I took one of the more difficult and fast-moving factfinding trips of my career, now that I am one of only two double chairmen out of all 435 Members of this Chamber. I chair a Subcommittee on Intelligence, the Subcommittee on Technical and Tactical Intelligence, and I chair the Subcommittee on Military Personnel, which becomes the most important of all 5 military subcommittees under the Committee on National Security, what used to be called Armed Services, and is still called Armed Services in the House of Lords or the other Chamber, the Senate.

On this trip, in discussing the issues with new young enlisted men, senior sergeants, petty officers, and the officer corps at all levels, up to and including four-star admirals, at Naples, at the major air base that is in command of all the bombing missions going on as we speak over poor torn ripped Bosnia-Herzegovina. And at Brendezy, down at the coast at the very heel of the Italian peninsula.

That is where we have our Navy Seals, where we have what was a major listening post base. In all the world, there are only five listening to everything, San Vito Air Station, using the international airport at Brendezy where we keep our AC–130 Hercules special mission Spectre gun ships.

I met with all the crews there. It is still classified whether or not they are going in at night over Bosnia. These were the aircraft that if we had them in Somalia over Mogadishu, we would have saved a dozen or more lives of our best trained Army special forces and Delta Force, Rangers and 160th Aviation Regiment, special armed squadrons.

Then I traveled with Congressman GREG LAUGHLIN, the highest ranking active reservist in the House or the Senate, of Galveston, TX, and we went to Slovenia. A fascinating, brand-new country in the world. It never had nation status, let alone a seat in the United Nations since the dissolution of the Communist country of the former Yugoslavia.

□ 1315

Then we went down to Croatia, met with Secretary General Boutros Boutros-Ghali's special representative to all of the problems in former Yugoslavia, Mr., that is his formal title, Mr. Sasushi Akashi, met with him at the U.N. headquarters, the blue helmet home plate in Zagreb, then went down along the Dalmatian coast, drove slowly through all of the destruction wreaked upon one of the world's most beautiful coastlines, looks for all the world like the California coastline between Santa Barbara and Monterey—just torn apart. The international airport in Zadar utterly destroyed except for the runways, all of the international terminal buildings, hollow shells of aluminum, like a nuclear explosion went off, the tower, all the windows shot out with AK–47's by the retreating Bosnian soldiers. They almost cut Croatia in half at that point, Zadar.

Then we went down to Macedonia, met with all of our American tripwire forces out in the front outposts along the border, flew on white helicopters, UH–60 Blackhawks that, of course, called themselves the Whitehawks, with the United Nations stenciled on the sides, went out to these American outposts, studied this poor city of Skopje, which had been destroyed by an earthquake in 1963. It has never really made it back to a stable, functioning city, still great pockets of poverty from that horrible earthquake in 1963.

Then we flew over to Albania, one of the most godforsaken but still physically beautiful countries in the world, and met with the president there, Sali Berisha, Mr. Berisha; he is a European renowned heart surgeon. His wife is a renowned doctor of pediatrics, a child doctor. What a lucky country to go from the depths of communism with a paranoidal maniac, Enver Hoxna, one of the last psychotic, paranoid Communist dictators in the world, who literally took this beautiful country of Albania, a brand new country created after World War I, not a traditional nation on the face of the Earth, and just drove it into the ground, more than a half-century of locked-up paranoia and total Communist psychotic oppression, and now they have a wonderful president who said to me and to the gentleman from Texas [Mr. LAUGHLIN], although he wants to be in the United Nations and would like to be accepted into NATO, he does not care what happens in the world if he just has the friendship of the United States, just one on one, unilateral friendship, and he thinks Albania will make it into the 21st century.

That is the identical message we got north of there in another one of the eight parts of Yugoslavia that have spun off in Solvenia, same message: "U.S. friendship is what we want."

In Albania, we looked at what was supposed to be a top-secret program and is now written about in all newspapers, the Predator, unmanned aerial vehicle [UAV] program. The pilots at that base, both Albanian and our U.S. Forces there, took us in a cave that the Chinese carved out of a mountain, a cave as long as several football fields, and there I looked at 24 or 25 MiG aircraft from the vintage of when I flew almost 40 years ago. There were MiG–19, "Farmer" was our NATO codeword, jets that they still fly, that were Russia's response to my F–100 Supersabre, and older jets from Korea, MiG Alley, early 1950's, MiG–15's and MiG–17's, the kind of airplane my colleague, the gentleman from California [Mr. CUNNINGHAM], shot down in North Vietnam. At least of his five victories, three are MiG–17's, all of this in this giant tunnel. And the landscape of the country is scarred, marred with 700,000 to 1 million concrete bunkers, pillboxes, machine gun posts, some of them as big as the entire rostrum of this House, others as big as from here to the other lectern, a million of them, maybe, making the whole landscape look ugly, and there is no money to remove them or drag them out to the sea and make a breakwater for a small boat harbor on this beautiful Dalmatian coast of the Adriatic.

On that trip, at every stop I would take off my chairman's hat from intelligence and put on my chairman's hat from military personnel and ask our men and women at all levels of command what it will take to keep them in the military, to keep that expensive training that they were given to melt down the evil empire of the Soviet Union and stand guard over freedom and be part of the world's only superpower, and everywhere they talked about family, and quality of life; they spoke of what it would take them to earn a proper living with groceries, their compensation.

So, all around that hot area of the world, I saw again that America is so lucky, as Ronald Reagan used to quote James Michener's great fictitious, but more fact than fiction, novel from the Korean war, "The Bridges of Toko-Ri," "Where do we get such men," and now we can say women, "Where do we get such men and women?" How are we so lucky as to have them serve us?

The sad thing about this break, Mr. Speaker, is that we went through some of the greatest anniversaries with the House adjourned. The 50th anniversary of the end of the greatest crusade for freedom against tyranny in all of recorded history during our break, the 50th anniversary endings. We had adjourned by the time Sunday came up for the 50th anniversary of the bombing at Hiroshima; 3 days later Nagasaki, August 9.

On August 15 in the Pacific, on the other side of the dateline, August 14 here, the end of shooting in the Second World War; not really so; Japanese imperial warload staff beheaded prisoners, shot them, killed all the prisoners at Unit 371 in Pingfan, outside of Mukden, Manchuria. They called these godforsaken human beings "logs," to depersonalize them. They had shot them, amputated all four of their limbs, one at a time, let them recover from each amputation, training over a thousand doctors to go out to all the tentacles of the imperial octopus that was so abusing the whole eastern perimeter, western perimeter of the Pacific around Asia. They had boiled them to death to see what it was like. They had frozen them to death. They had tied them to trees and hit them with bombs and shrapnel and grenades. They had put flamethrowers on them. They had infected them with anthrax, all forms of biological warfare, and none of these people that I know of were brought to justice.

That is why everybody is so grateful to the current Prime Minister of Japan, that he offered an apology that we cannot get out of their congress, their "diet," but there were men killed after August 15 over there, and August 14 here. Many prisoners died.

My friend, Jack Singlaub, was parachuted in with a small OSS team to the Chinese island of Hainan, under Japanese warlord control. Notice I say "warlord," to distinguish ourselves from the free democracy of Japan today, and it was mostly, it was all Australian and New Zealand prisoners, no Americans there. He loaded them on trains from this prison camp on the western side of Hainan island and took them over to the biggest port on the eastern side, and five or six Australian and New Zealand prisoners died on that train, but at least they died as free men. That was a very rough 2-week period. All of the prisoners were under death orders. If the United States invasion forces of Operation Olympic had set foot on the Japanese home islands, all prisoners were to be executed. Many were beheaded and beaten to death in the streets of Japanese cities if they were unfortunate enough to bail out over their target. Many of them miraculously survived.

War crimes trials in Japan, but far less than those that were brought to the bar of justice, Hitler's war criminals.

So we passed through all of those anniversaries without a word on this House floor, because we were out. Then came V–J Day. I decided I would spend V–J Day at our airbases encircling tortured Bosnia rather than be in Hawaii, where I planned to be and was invited to go with a World War II veteran, a young-looking gentleman from Arizona, Mr. STUMP. I wanted to be on that trip, but I was so offended by the photo opportunities of the White House at the Normandy beaches to the exclusion of some of our heroes when they should have been the focus, that I did not want to subject myself to that, and I would have been pained to hear Mr. Clinton call the U.S.S. *Missouri*, the battleship upon which the Japanese surrender terms were unconditionally signed on September 2, 1945, I would have been pained to hear Mr. Clinton call it a carrier, an aircraft carrier. I would have been pained to hear him refer to the front of the ship, the bow, as the bow, as in a bow in your hair, and I guess he would call the stern the back side of the ship. If that had been Vice President Dan Quayle making verbal mistakes like that, you would all know about it. It would be headlines. But people are probably listening to C–SPAN today, 1,300,000 who think I am making that up. No, Mr. Clinton actually said those things, aircraft carrier *Missouri*, bow of it, as in bow and arrow, the bow of the ship. He got away with it. I preferred to be out with the troops in the field rather than at those wonderful closing ceremonies.

But now a word here on the floor, Mr. Speaker. Here is what has been painful to me over the last 4 years: Except for the gentleman from Mississippi [Mr. MONTGOMERY], two-star general, retired in the Army, of the Montgomery GI bill fame, and the aforementioned gentleman from Arizona [Mr. STUMP], Navy retiree, except for one 1-hour special order that they did on Iwo Jima, there has not been a single memorial on the floor of the U.S. House of Representatives or the United States Senate for any single 50-year anniversary of anything that happened all during World War II, not Pearl Harbor, not the fall of Bataan, or the Bataan death march, not Corregidor, not the comeback at Guadalcanal, not the landings in Tarawa, not the Dieppe raid along the coast of Hitler's fortress Europe, not Al Alamein, not the battles at Tobruk, not the Kasserine Pass, not the landings at Sicily in July 9, 1943; we have heard here in July 1993, not Salerno, not Anzio, not Operation Overlord on D-Day, not Operation Dragon down on the southern coast of France, nothing about Okinawa, which came after Iwo Jima or the Gilbert Islands or Marshall Islands or the Battle of the Coral Sea or the Battle of Midway or the Battle of the Solomon Islands or the Santa Cruz Islands, nothing for 4 years in the Senate or the House floor pausing for a series of 1-minute speeches or 1-minute special orders. I am not saying this to pat myself on the back; except for about 10 of my 1-hour special orders, nothing, nothing on this House floor.

I remember an Oklahoma Congressman shut this place down. I remember it because he lost his primary a few months later. I wondered if there was a connection. I think his name was Congressman Risenhoover. He shut this place down. We filled it with potted palms, and on Flag Day, June 14 in some late year in the late 1970's, I forget the year, we had the great western singers, June Carter and Johnny Cash, standing up there. We sang patriotic hymns, and we did Flag Day, and there was nothing special. It was not the 50th anniversary of Flag Day, or silver anniversary. It was just Flag Day, any June 14. The whole place shut down, palms, potted plants all over at every entrance.

I have never seen the like of it, potted plants all around the front here. We do not do that for a State of the Union with the Commander in Chief standing up there. We did not do that for Douglas MacArthur or Winston Churchill the two times he stood up there.

□ 1330

I thought, "Wow, we are going to do this, I guess, all during World War II. Am I lucky to be here."

And, when George Bush got elected, because I went with President Bush to Pearl Harbor's 50th anniversary, and we stood there on that memorial across the midships of the U.S.S. *Arizona*, still a ship of the line, with the flag run up at reveille every morning. I thought, "This is going to be great, go through all these 50-year anniversaries with a 58 combat mission Navy attack carrier pilot in the White House."

And instead we ended up with someone who had avoided the draft three times, has insulted the military over, and over, and over with photo opportunities, using them to try to up his ratings, and thank God it fails every time, and here we are, past September 2, 1995, 50 years gone by. No memorials.

Today I have an editorial, a counter-editorial, in the USA Today. They always put in the left-right views.

They called my office at 2 o'clock yesterday, said, "Give us something quick. Senator WARNER is not responding fast enough, the No. 2 man on Armed Services Committee in the other body." They said, "Give us something on why the military should be built up."

We pumped out something quickly. I sent a corrected copy on a fax to USA Today at 3:30, and I said, "Well, this will be in next week," and it is in this morning, a turnaround of about 15 hours before it hit the streets, and I would like to read it, Mr. Speaker.

It says, "Military Needs Buildup." It is what every one of these young, not-so-young, people all around the Mediterranean told me.

"ROBERT K. DORNAN, opposing view: The military budget has been hit year after year. Security demands that we spend more."

Now I have not read the USA Today house editorial that says we must gut defense even more, but here is my response on September 8:

"After 11 straight years of defense spending cuts, Republicans are providing the national security leadership not found in the current administration.

"Indeed, President Clinton's draconian defense budget would produce another Carter-era "hollow force" reportedly underfunded by as much as $150 billion. Congress, therefore, is not squandering money when it votes to increase the Pentagon's budget by $7 billion more than requested. Instead, it is restoring national security funding to necessary levels.

"How soon we forget what is required to quickly and decisively win on the modern battlefield.

"Today's military modernization is tomorrow's combat readiness. Systems such as the F–117 'Nighthawk' stealth fighter and the Patriot missile were not developed overnight. They were the culmination of years of research and development. These revolutionary systems drastically reduced our casualties" killed in acting and wounded in action) "in Desert Storm." more than any other conflict in history given the level of lethality, and violence, and speed, and maneuverability.

"Today we can improve upon these systems with new weapons that will further reduce the risk to American troops.

"The B–2 'Spirit' Stealth bomber," I helped to name that, so of course I want to get the name in, "carries eight times the payload of the F–117, with greater range and crew survivability."

Keep in mind, listening audience, Mr. Speaker, and my colleagues who may be packing up their bags in their offices to head back to their districts, that the B–2 survived in this Chamber by 3 votes, 213 to 210, to defeat an amendment, mostly by people who have never served in the military, to kill and shut down the world's only bomber production line, the B–2 "Spirit."

"New missile defense programs, such as the upgraded Navy Aegis (A-e-g-i-s) system, provide greater range, accuracy, and coverage than Patriot missiles."

We call that upper-tier Navy defense. Put two ships off Israel, two ships off Korea, just two ships, and the footprint from both those ships can keep Israel free from being struck with a nuclear weapon or, as we now find out from the defecting son-in-law of dictator, mad-dog killer Saddam Hussein; we now find out that, yes, they were driving to completion of a nuclear weapon and were playing around with the most deadly biological, and chemical, and nerve gas weapons since World War II and would have used them, and may have used them; the jury is out on that. So we need this Navy upper-tier Aegis system antimissile defense.

"Does the Pentagon need these expensive new programs? Ask the Air Force pilots who will not have to attack highly defended enemy targets in vulnerable, unstealthy aircraft because they will have the B–2. Ask the Marines and Army troops who will not have to worry about Scud ballistic missile attacks because of the Navy's new ballistic missile defense."

All of this, of course, predicated upon the conference between the House and the Senate, the conference process that we are entering, that we entered this afternoon. My R&D Subcommittee is meeting as I speak. I decided that letting America know what we are doing was more important than participating in that meeting because I am not the chairman of that subcommittee; the gentleman from Pennsylvania [Mr. WELDON] is.

My close in today's USA Today:

"These and other Republican initiatives in areas such as personnel and training will not just maintain, but will enhance, the combat capability that has so quickly deteriorated under Clinton's leadership.

"Those of us who visit," as I did in the Balkans over this break our troops, "and listen to our front-line troops are giving them what they need," what they deserve, "including equipment that will drastically reduce loss of" precious, "life."

"The Reagan revolution of the 1980's laid the foundation for" the victory in, "Desert Storm. The Republican revolution" that started on November 8, "of 1994 is laying the foundation for any future victories, if that is our fate, and the survival of U.S. combat troops well into the 21st century."

Now, Mr. Speaker, I had intended to spend the better part of this hour special order on defense on some of the votes that we won this week. We won them all on the conservative side with the help of many conservative members of the former majority party, the oldest political party in America, the Democrats, but last night I kept a promise that I made to a Navy Seal at Brandezy, Italy. I do not want to identify him by rank, but let us put it this way. All the Seal's in the Mediterranean depend on this fine young officer and Annapolis graduate from decades ago.

He said to me, "Congressman DORNAN, I appreciate you being in the Presidential race, although it appears you don't have much chance of victory, as I appreciate Mr. Keyes, Alan Keyes, of Maryland, because you discuss the moral issues which I believe are the critical issues of our time."

Now keep in mind this is a senior naval officer trained to the peak of physical and mental performance for his country. He said, "Congressman, I believe as a naval officer that the military culture is the last stable part of American life from which we can begin the rebuilding of our Nation's moral fiber, from which we can begin to defend the moral and cultural ethos that is collapsing around us."

Now I would like to think there is a pocket of us on both sides of the aisle in the House and the Senate that also believe that we are in an advanced state of moral decline in our country.

He said to me, this naval officer, "Did you see the cover story of Newsweek in July on bissexuality?"

I said, "No, captain, I did not."

He said, "Well, I canceled my subscription with a long letter to the New York publisher and senior editors saying that this was the most vile and corrupt article I've ever seen in my life."

And I said, "Well, every week in my office I get 10 magazines and about 10 newspapers," and I said, "I try to read as much as any human being in the House or Senate. With all due immodesty, I've never seen anybody that reads more."

And I said, "I did not see this particular Newsweek. I can go weeks without even catching a cover story in Time, or Newsweek, or U.S. News and World Report, or all the other magazines that we get. Then there is all the great conservative publications, the moderate ones like New Republic I try to stay up with, and Crisis, and First Things, and cutting edge of Catholic and Protestant, conservative, magazines, and of course Bill Buckley, my old pal, with National Review—awful lot to read. We have tremendous responsibility here to stay informed on what our Speaker GINGRICH calls the "information highway" to be an alert, informed man or woman in this place. It is an overwhelming job if you're trying to inform yourself of all aspects of the popular culture and try to cover the economic front, the foreign affairs front, the human rights front, the defense front, all the social issues at home, gang warfare, the O.J. Simpson trial, not as a gawking "Lookie Lou," but as someone aware that this trial, as the Menendez trial has done, can put our whole jury system in jeopardy."

And I promised this Navy SEAL that I would get the Newsweek article out of my huge piles of reading material in my office and take a look at it. I have only been home since the first of September. I got it out last night and read it. Here it is, Mr. Speaker. It is the Newsweek issue of July 17, so it hit the newsstands on Monday, July 10. I read it last night, and I agree with this naval officer, assigned at a forward base in Italy, a kind of a man who will go in and put his life on the line if another Captain Scott O'Grady gets shot down along the coast. The Navy SEAL's will have the job to go in and rescue them under fire, and I agree with this naval officer. This is the most corrupt article, let alone a cover story, that I have ever read in an American magazine in my life—Newsweek.

The Washington bureau chief, and we are having our problems right now over another issue that personally involves my honor, and I will do a 1-hour special order or a personal privilege in the middle of the day—no, I would not do that in September, budget month—to defend my honor from an attack by a reporter who has only been—who was not even hired when this issue came out, who attacked my honor and said I crashed four aircraft in the Air Force. I have not crashed one. Ejected twice from totally out-of-control aircraft, but he doubled that to four and said I crashed them and said I was a black ace, one kind of black ace. The only black aces I know were an F-14 squadron called the "Black Aces" in the unheralded until the HBO special in the last few weeks, the 99th fighter squadron, and then the 332nd Fighter Group, the Tuskegee airmen, our young fighter pilots in the Italian theatre of African-American heritage who are finally getting their recognition 52 years after they entered combat. That is the only "Black Aces" I know about.

But I am having my problems with Evan Thomas, who I think is one of the better talking heads. He will be on television tomorrow, on a program called "Inside U.S.A.," a handsome young man, and we are having out problems on this, but I have not talked to him about this issue, and I will. I am going to fly up to New York. I am going to go see Donald and Katharine Graham. She is chairman emeritus and has discussed this issue.

I almost wonder if I can read this in the Chamber, but listen to this. I wish you folks were not leaving up there because—well, get the CONGRESSIONAL RECORD tomorrow and read this.

Here is the article on bisexuality. It is under "Lifestyle," of course.

"Bisexuality is the wild card of our erotic life. Now it is coming out in the open, in pop culture, in cyberspace, and on campus. But can you really have it both ways?" They asked rhetorically, question mark, by John Leland. The answer is Newsweek thinks you can because in this article, one of America's great magazines—when I was a little kid coming out of St. Patrick's, I used to look at their beautiful headquarters building right there on Fifth Avenue across from Tiffany somewhere. Newsweek, which is owned by the Washington Post, one of America's three major newspapers, all of them liberal: L.A. Times, New York Times, Washington Post. They own this, so it is under Katharine and Donald Graham.

Here is what Newsweek says about this issue. Brace yourself for culture shock if you are still shockable.

They show here Theresa, and Ronelle, all these couples, Stephen and Linda. Of course, she's 47 and he's 30. They all have multiple partners, they all switch-hit, they are all AC/DC, they are dual-gaited. I remember all the cute words in New York, and, after all, I grew up in Manhattan and then west to Los Angeles, Beverly Hills, so I know all the flippant dialog.

□ 1345

Here is a woman, 48, with a young Hispanic guy, it looks like he is about 17, 18, 19; he is in his early 20's. Freud said we are all bisexual. He thought that exclusive heterosexuality was a problem. In the copy it says that he thought homosexuality was a problem, and he never got around to that, because he died and met God before he had a chance to get into that.

But the article goes on, and by its commentary, approving of this fifth gender. Bella Abzug stands up in Beijing, China, in the middle of the world's most oppressive human rights, communistic dictatorship and mentions homophobia and gets a standing ovation from all of the assembled feminists of the world. if Ms. Hillary was in the room, she would have given her a standing ovation.

So here in the picture of this blue-eyed, red-headed guy, Tim, 24, with Ellen, 30 years of age. She has done it all, it is always older women and younger guys in these bisexual things. Listen to this. "The bisexual blip of the 1970's was an offshoot of the sexual revolution."

Of course, Newsweek's position is the sexual revolution was just grand. Tell that to 200,000 people dead of AIDS, another million infected in this country, and 10 to 20 million affected all around the world. Make love, casual sex like alley cats, not war. So they refer to the sexual revolution in an approving way.

"The bisexual blip was an offshoot of that revolution. It was straight with a twist. By contrast, the current bisexual movement rises from the gay and feminists movements." Notice it did not say lesbian wing of the feminist movement, just the feminist movement. "For a generation that came of age during the gay rights movement, same-sex relationships or experiments no longer carry the stigma they once did." Stigma. What would that mean? Would that mean sin? Right and wrong, evil, banal sin, mortal sin?

Newsweek magazine, with this article, Mr. Speaker, and anybody listening, make no mistake about it, Newsweek magazine, with this July 17 cover story, is a direct frontal attack on everything that I was ever taught by my parents, by every teacher I had in grade school, high school, and college. It is a direct frontal assault on Mother Theresa, on Pope John Paul II, on Billy Graham, or every Protestant, Catholic, and Jewish theologian in this Nation. It is a frontal assault on Moses, right before my eyes, on the Jewish rabbi and great lawgiver Mimones over here; it is a frontal assault on the justice code of almost all of the 23 men whose medallions you see up in this Chamber: The Pope, Pope Innocent, Pope Gregory, St. Louis, Pope Alphonse. It is an assault upon every moral code in this country, but it says, there is no more stigma to promiscuity and groping around like alley cats, and any drug-infested party you can go to, and it gets worse. No longer a stigma.

Get this next line. I hope you are watching, Evan Thomas. If my office is listening, Mr. Speaker, I hope they call Newsweek because he is in his office this afternoon, and ask Evan Thomas to please turn on the television and listen to this. This is not in quotes, this is Newsweek writing, this is John Leland writing, with the help, and I am going to mention him right now, of Steve Rhodes, contributing in Chicago, Peter Katel in Miami, Claudia Kalb and Marc Peyser in New York, Nadine Joseph in San Francisco, and Martha Brant in Washington, in the Washington office and bureau reports.

Get this next line, after there is no stigma: "More and more of us—at work * * *" Is this Newsweek people at work?—at school, in our families, and in our entertainments—"move comfortably between gay and straight worlds."

"Most of us in our work move comfortably between gay and straight worlds and in our schools?" Then they go to a quote: "Those of us who are younger," says Rebecca Kaplan, 24, a psychology major at Massachusetts Institute of Technology—what are your SAT scores to get into MIT? She says, "those of us who are younger owe a great deal to gays, lesbians and bisexuals who came before us."

Who came before us? That is a line for George Washington in his inaugural speech, April 30, 1789. We owe this to Benjamin Franklin and to George Mason up here, we owe it to them, Thomas Payne and those who came before us, those who died at Lexington and Concord, those who suffered during the six and a half years of the Revolutionary War. Any African-American can say, we owe this to those who died in the conflict, to the terrorist John Brown and his sons, we owe it to everybody who came before us, our freedom.

What was the greatest scene in the wonderful movie, "Glory," when Morgan Freeman says to the young rebel Denzel Washington, he says, white boys have anted up and died for our freedom; now it is our time to ante up, and he rallies the 4th regiment to go against Fort Wagner, and they gave their lives in the fight for freedom to keep this country. As it says here, tolerance, liberty and union on the other side, those who went before us.

"The bisexuals, lesbians who went before us, we owe it to them." She is going to make a great psychologist. Still in school at age 24. She says, "because of them," Rebecca continues, "I was able to come out as a bisexual and not hate myself." Here is this word feminism again, not the lesbian branch of feminism. Feminism has also made romantic attachments between two women—either provisional or lasting—more acceptable, even privileged.

Do you know that I had to be a Congressman approaching my sixties before a young graduate of Holyoke told me that the majority of women at that college would say they were lesbians? That she had to form on campus a heterosexual club to defend themselves. They were not just defending virginity, they were defending normal heterosexuality. And she said, of course, most of the women are 4-year lesbians, or more accurately a 3-year, 9-month lesbian. Peer pressure, sexual lesbian experimentation, and then as, some radical lesbians have said, dripping bile from their lips, they have said, and then the sisters betray us, not in this order necessarily, and go out and get themselves a dog, a station wagon, children and a husband.

Is that what Newsweek means by provisional lesbians? Just while they were in college, at a school of higher learning, one of the privileged of the world, to get advanced education beyond high school?

Then it says, after privileged, "as president of the National Organization for Women, Patricia Ireland sets a quiet example". She is a big mouth, so what does quiet mean? "She has both a husband and a female companion." What kind of a wimp is her husband down there in Miami that he lets her keep a lesbian roommate up there in Washington, DC. where she does the work of NOW, preparing to send Bella Abzug to rant on in Beijing, China about homophobia? Incredible. And there were some people at NOW that voted against the Nation's most famous lesbian becoming head of NOW.

Now, this in Newsweek, and this is in quotes, "Namely every college or university in the country and some high schools now have gay and lesbian student centers; sex with one's own gender, for anyone who is curious," that is you, Mr. Speaker, that is everybody in the gallery, that is these two staffers sitting here, that is our pages, that is me, "for anyone who is curious, section with one's own gender is now a visible and protected part of campus culture."

And protected by Newsweek, ladies and gentlemen. Queer studies. I thought queer was a politically incorrect word. "Queer studies and gender studies are now part of the national curriculum. A popular T-shirt spotted recently in a Connecticut high school puts it this way: Do not assume I am straight." That is a high school kid.

"As one 17 year old bi says," we do not know if it is a boy or girl, 17-year-old, someone over 18 rapes a 17-year-old young lady on a date, that is a statutory rape. This is a minor child that Newsweek is writing about. "A 17-year-old minor bi says 'It is not us versus them anymore. There is just more and more of us.'" Tim Horing, but there is an umlaut—I did not know Newsweek's typewriters had umlauts over the 0—21, a sophomore—why is he a sophomore at 21? He should be a senior or junior—at City College in San Francisco, describes himself as "typical of bisexual youth. We just refuse to label ourselves as any of the five food groups." That is male heterosexual, female heterosexual, male homosexual, female homosexual, and the bi's. "We do not want to be any part of the five. We revel in the fuzziness, in the blurred images. Working class, Roman Catholic," and, oh, does the New York Times and the networks as CBS did in their CBS reports last night, do they love to attack Cardinal John Joseph O'Connor and the Roman Catholic Church, if they get a Catholic or practicing Baptist family or an orthodox Jewish family, oh, to get somebody from a traditional Jewish or Roman Catholic to switch over and talk about how they are a recovering Catholic or a recovering Jewish person, because of all that terrible confirmation and Holy Communion and bar mitzvah and bat mitzvah, oh, they love to get one of this.

And get this, Tom's father is a retired New York narcotics cop. A narco guy taking away another one of their flesh privileges, to get high and then grope out boy for all the warm flesh.

"Horing had his first sexual fantasies about the Bionic Woman, and then in his teens he admitted to himself in a series of difficult steps that he was also attracted to men. He came out to a few friends in school, and at his graduation when his name was called, Timothy Horing, six rows in the auditorium mischievously," no, not mischievously, "yelled out 'The bisexual; Tim Horing, the bisexual.' A surprise to his parents."

No, a gut-ripping heart seizure for his New York retired narcotics cop and his Roman Catholic mother.

"For the most part, he has been in monogamous relationships." You like that, "for the most part?" "Usually with men."

Oh, I see. I always said for my entire life that bisexuality was basically a cover story for homosexuality. That when they captured the adjective "gay" to say that they were happier than your average pair, more cheerful, more mirthful, that then, if they said they were bisexual, they could say

"Well, I date the whole base. I can date anybody on Capitol Hill. I am a switch-hitter. I am AC–DC, I am bi. I can go for anything. You are missing out on half the world." But we find out he basically dates men.

As we go all the way through this, most of it is male homosexuality, not bisexuality. Though he is now dating two gay men and a bisexual woman. I see. He is spreading himself around. Two homosexual men and one half-homosexual woman. What would that give him in the rating of chess pieces? What would that make him, 87.75 homosexual?

He says, young Tom, "I never wanted a white picket fence, but I do want someone I can settle down with and raise my Benetton kids." Benetton. Is that the Benetton Colors out of Italy that put Ronald Reagan in major news magazines with cancer, sarcoma, AIDS sores all over his face? Is this Benetton that pushes homosexual money into every corner of America and everywhere else their clothing is marketed?

I notice that the Justice Department today under Janet Reno is investigating Calvin Klein jeans to see if they used underaged children in their soft core pornography, latest wave of disgusting ads, and Klein, unless he gets taken to court, is laughing all the way to the bank again, because negative soft- or hard-core pornography sells in modern America.

They just had an adult bookstore convention in the Sheraton Universal Hotel in Los Angeles, and I am reading in one of my Los Angeles Times clippings that the business, in spite of the January 17 earthquake 2 years ago, has rebounded and doubled. You do not see porno theaters in your markets anymore, because it is in all the hotels for traveling businessmen to demean somebody else's sister, wife, somebody else's daughter, who did not have the love of a father, and it is in all the video stores, including Blockbuster. The ripping apart of these young gals from these transitional neighborhoods who never new the loving touch, the moral touch, of a father, to hug them and kiss them and guide them through school.

They are out there as the young whores of our society being used by the porno industry. And no matter how many commit suicide like Karen Applegate from a beautiful little town in Wisconsin.—I have spoken to her mother. No matter how many kill themselves. Six playmates have killed themselves over the years. When I asked Hugh Hefner that once to his face, he turned red and did not want to discuss it and said it was a lie. I knew them each by name, starting with Marilyn Monroe, his first playmate.

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But this guy says he wants to raise his Benetton kids in a swinging orgy household. His partner may be a man or woman, he says. I don't feel forced to choose. I don't have to make any tough choices.

Then it shows this very pathetic human being with his baby. He has gone through every orgy situation available to the humankind. And when people ask him what his little baby is, man or woman, he says ask the baby. He has a little boy or girl and he says, ask the baby. Smart aleck. Pray for him. He is 42 and he has three or four people on the hook. It goes on and on as it gets worse.

Softening tensions. Softening tensions. This is Newsweek. That is a paragraph title. For many bisexuals, it has not been easy. When I came out in '88, says Melissa Merry, 31, energetic Chicagoan who calls herself Mel: I was told by people from local lesbian support groups not to come out as a bisexual or I would be asked to leave.

They did not want the fence straddling. Well, when I got to some of these paragraphs about high schools, the first thing that flashed in my mind, as an Irish-American, was William B. Yeats poem read when Hitler started World War II. And he died that year, Yeats. It is called "The Second Coming", about the beast being born, the Antichrist and slouching off to Bethlehem to be born. Those are the last lines, but it begins turning and turning in the widening gyre, as in gyrations, falcons, circle. Turning and turning in the widening gyre, the falcon no longer hears the falconer. Things fall apart. The center cannot hold. Everywhere the blood din tide is loosed. Everywhere the ceremony of innocence is drowned.

The ceremony of innocence is drowned by Newsweek. The best lack all conviction and the worst are full of passionate intensity. There is an intensity to this article and it is evil and it is the worst.

When I saw in here they are claiming James Dean, the actor who died at age 24 after only three movies, when I see they are claiming Marlene Dietrich as a bisexual lesbian, and Cary Grant, my favorite actor as a young man because of everybody's favorite movie quote-unquote "Gunga Din," when I saw that, I went to the end to see how many women participated in—what is the author's name again, with John Leland in this disgusting, vile piece—and while I was back at the tail end of the article reading all the violence—by the way, if this were in Time we would not know who contributed to this. I could not call any of these people and say have you lost your moral compass totally at this magazine? Does Donald Graham read this, this cover story of this corruption, this drowning of innocence? And as I was reading, I decided I would look before I finished the story at the last line.

Now, let me tell you a story about myself personally. When I was a young man in Beverly Hills, just out of high school, and I heard these rumors, because my uncle is the Tin Man in the Wizard of Oz, Jack Haley, I grew up in that community. I knew who dodged the draft. I knew the heroes who went off to combat, like James Stewart and Tyrone Power. We know who all the ones that were rumored to be homosexuals. I knew about Rock Hudson 10 years before it came out in the press.

I had a small bit part in a movie "Gathering of Eagles," and he minced across the set and the director said cut. And Rock turned around and said was I mincing too much? And the director said, just do it again, Rock. I witnessed that, and everybody talks behind the scenes. Just as in fashion design, in ice skating, in supernumeraries, on Broadway stage, in ballet, and now in some parts of government there is a larger percentage than the 1 percent of homosexuals out there across America. And when I worked on the sets of Hollywood trying to feed my five children and dreaming about running for Congress someday, I had long philosophical discussions with a lot of young homosexual men in their 20's, and they would tell me about Rock and all the stars that they just were dying to get with some night; wanted them, and then to see them up there 50 feet high up on the silver screen and know that you had sexually been with them. What a trip.

And how did I rationalize Cary Grant when I was in high school? I remember working out a rationale that when God gives you a lot of talent and you make a lot of money in your 20's or 30's—what did Robin Williams say after he came off cocaine and watched his friend John Belushi die? He said cocaine is God's way of telling you you are making too much money.

It was the same way in Hollywood. Always has been. Or in any profession where money flows fast into the hands of the young. Look at all our rock stars. Look at Kurt Cobain blowing his brains out. Look at Jerry Garcia. Look at Marilyn Monroe. Look at Elvis. Look at Jimi Hendrix. Look at Jim Morrison. Look at Janis Joplin. Whether it is booze or heroin or drugs, and orgies for all of them.

I watched Elvis Presley using his staff to pimp for him. I thought what a tragedy for this polite young man from Tupelo, MS. I am trying to sell him a script called the 101st American, about Vietnam, because he had served honorably in the Army, and I am watching his staff hit on young pretty extra girls for him. They rented a big mansion up in Beverly Hills below the head of the owner of the L.A. Rams, who is now dead, and you could hear the orgies going on all night long.

He died naked, on drugs at 42 years of age, and now you can get a postage stamp and lick Elvis and stick him on your letter and say there went the most talented man in rock singing in our lifetime dead at 42. And in that suite of stamps you can get Marilyn Monroe. Do we forget how old she was in August of 1962 when she died? 36 years old. 36 years old! At my age, that is a kid. We are celebrating these two deaths with their most glamorous picture.

Remember the debate in the Post Office department: Do we want the fat, older drug besotted Elvis or the younger Elvis in his prime? We picked the younger one. And he was a polite young man. What a tragedy!

So I watched all these people corrupting themselves, and I watched others, like Jimmy Stewart and my Uncle Jack and others. I remember Danny Thomas telling me I have never told a dirty joke in my life, Bob. Do not ever forget that. My uncle told me, never stoop to dirty humor on the stage. It is too easy to get laughs. Today I watch all these comedians. It is a category with the medical word for male organ. That is all they do, are jokes on genitalia.

It is sickening what is going on in Hollywood. But what was my rationale for Cary Grant? Here it was, I remember it vividly, I was in my teens. I said when you have too much money, and you can have any beautiful woman in the world, and you start going to wild Hollywood parties and drinking too much—we did not know about drugs much in those days—and you start drinking too much, and you are at an orgy, whatever moves, I guess. It is all a mortal sin. It is all promiscuity. It is all flesh. Flesh is flesh, so you experiment with everything.

So I do not think Cary Grant was a homosexual or a bisexual. He just got carried away at those orgies. That was my rationale so I could like Sergeant McChesney of Gunga Din with McLaglen and with Sergeant Ballentine Douglas Fairbanks, Jr.

Years later, in a debate running for the Senate seat that Pete Wilson eventually won, I am debating one of the candidates back in the pack, because I am still back in the pack in the Presidential race, he was a State senator, he was raised as a German-American Roman Catholic, he was a colonel in the Marine Reserve, and I pointed out to him in a radio debate in 1982 at a station in Pasadena, KRLA—how is that for a memory—I said, you know something my State Senate friend, reaching out and grabbing any kind of flesh, whether heterosexual or homosexual, lust is lust. It is one of the seven deadly sins. It is all a mortal sin whether normal or abnormal.

He went ballistic. Would not accept that. Then I found out he had a scandal brewing. He had two college students where he taught as a professor, a marine officer, who were pregnant with children out of wedlock. He bragged, quite properly, at least he was pro-life. I could not understand why he took such exception to saying that God is not going to judge a promiscuous homosexual any more harshly than he will judge a promiscuous heterosexual. It is all lust. It is all the ceremony of innocence being drowned as we do this to our children.

So there it is, when I am a teenager rationalizing Cary Grant and arguing on a radio show in a California Senate race in 1982. Here is my point for telling those two little tangential tales. My eyes jump above all the bylines of these people, Steve and Peter and Claudia and Mark and Nadine and Martha, and here is the last line of this disgusting, vile, decadent piece from the Graham empire of the Washington Post Newsweek magazine and other small newspapers.

It says in the last paragraph, in San Francisco recently Tim Horing—remember him, Roman Catholic, parents retired New York narco cop father—he was telling his friends about how he changed his approach to picking up boys. How old was Horing? 21. Hey, Newsweek, did you slip here in your investigative reporting? Telling his friends how he had changed his approach to pick up boys? Is he a 21-year-old chicken hawk hitting on runaway young men on the street who also, in most cases, until recently, when peer pressure overwhelms even good attentive Jewish Christian mothers and fathers. In the old days, last year, last decade, it was young boys who never knew a father's masculine touch, a mother's hug, a mom or dad taking them to a baseball game or fishing. It was young men who ran away from inattentive alcoholic families that ended up on the street of once glamorous Hollywood Boulevard to be preyed upon, P-R-E-Y-E-D upon, to be taken off for porno films and turned into midnight cowboy male street whores all along Selma Boulevard behind beautiful Jesuit Blessed Sacrament Church in Hollywood.

I drove down that street when I did Michael Reagan's show a month ago, and there they are, still huddling in the driveways with less business because now most of them are infected with AIDS. So Tim Horing—I have to check if he was 21. Yes, he is 21. He says the boys that I pick up now—he has changed his approach. "I used to say are you queer? Then I switched to, do you like boys? Now his favorite line is, do you like me?"

As he sees it, "I have gone from the political to the historical attraction to the very personal. All that matters is if they like me." This is the new bisexual moment, Newsweek says. This is their close in a nutshell.

And I close with this line, Mr. Speaker. "Hard fought, hard thought, and distinctively individual. It is a thorny narrative, fraught with questions of identity and belonging. And in the end, it is really about the simple, mysterious pull between warm human bodies when the lights go out."

My teenage rationale for Cary Grant. We are in advanced moral decay, Mr. Speaker, and I am going to stay in the Presidential race as long as I can, because there is not anyone in the race like Congressman ROBERT K. DORNAN at age 62.

BALANCING THE BUDGET

The SPEAKER pro tempore (Mr. FOX of Pennsylvania). Under the Speaker's announced policy of May 12, 1995, the gentleman from Connecticut [Mr. SHAYS] is recognized for 60 minutes as the designee of the majority leader.

Mr. SHAYS. Mr. Speaker, I appreciate the opportunity to address this Chamber in a special order, and to say that I am interested in talking on a very different issue than the previous speaker, and to say for those who are in staff and want to know what time we are going to end, I do not intend to use the full hour. Twenty minutes is my goal.

Mr. Speaker, I have been in public life for 20 years. I have served 13 years in the statehouse and now 8 years in Congress, but I was in the statehouse and I looked at Congress, an institution that I revered as someone who in high school and college was an American history major, and wondered why Congress would not do its most basic responsibility, and that is to get its own financial house in order. I knew we had to do that at the State level, but I saw Congress continually deficit spend and wondered why it was happening.

I realized it was not the fault necessarily of one party or the White House versus Congress or the Congress versus the White House. Republicans did not want to control military spending, and Democrats did not want to control the growth of what we call entitlements, Medicare, Medicaid, food stamps, other programs. By law, you were entitled to the benefit, entitlements never being voted on by Congress on automatic pilot.

So Republicans did not give on defense. Democrats did not give on entitlements, and then they got together each year to vote on budgets with large deficits, Republicans and Democrats together, the White House and Congress.

During these 8 years I have served in Congress, I have noticed and felt a real privilege of being part of a small group really championed by JOHN KASICH, our Budget Committee chairman, who 8 years ago introduced budgets to get our financial house in order and only 30 Members at that time supported it.

But each year I notice something very distinct. Each year I notice that more and more Members were troubled by the fact that we were increasing our national debt to such a point. It went up in the last 20 years from $800 billion to now $4.9 trillion.

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Each year I would notice 30 would vote for it, then 50, then 70, and during the last Congress, we had a hard core of 160 who were concerned about getting our financial house in order. In fact, at one point, there was a bipartisan effort, unique in this Chamber, comprised of Democrats and Republicans, called the Penny-Kasich proposal, which sought to make over $100 billion of cuts in Government spending.

I went to the White House to encourage them to support this proposal, and if they could not support it, to at least not oppose it. They opposed it. It was defeated by only four votes, Republicans and Democrats uniting to get our financial house in order. We needed 218 votes, and we had about 213.

We now as Republicans have an opportunity to lead Congress, and it is the first time in 40 years. We have, under our watch, the opportunity to get this country back in balance. We have three basic goals. One of our goals is, first, to get our financial house in order and balance our Federal budget.

Our second is to preserve, protect, and strengthen our trust funds, particularly Medicare, which we will see shortly is going bankrupt in 7 years. It is starting next year to go bankrupt. The Medicare trust fund is the trust fund that working people pay into, 1.45 percent is their share; if they are self-employed then they pay double that, 2.9 percent, into a trust fund that pays for the hospital costs of Medicare.

Our third effort is to transform our social and corporate welfare state into an opportunity society, where the most disadvantaged in our communities can have a better future.

Mr. Speaker, as a moderate Republican I am very comfortable using an opportunity society, because that is what we need and that is what we are seeking to have. When we try to get our financial house in order, this first chart basically shows that overall, we are going to spend more money. When we talk about cuts, we are going to cut some programs. Foreign aid is going to be cut. We are going to spend less next year than we spend today. There are certain programs in what we call discretionary spending that are going to be cut. We are going to spend less in those programs than next year. We are going to eliminate some programs. We are going to consolidate some departments.

There are some programs that are going to stay even. Defense spending under our proposal stays even. I would like it to be a reduction, but it is a hard freeze for the next 7 years. In real dollars it is a cut. In absolute dollars it is the same.

In some programs, like Medicare and Medicaid, we are going to spend more dollars. We are not cutting Medicare and Medicaid, we are increasing it. It is only in Washington, when we increase spending but do not spend as much as some people say we should spend, we call it a cut.

One of the ironic things that I found when I became a Member of Congress 8 years ago was that if Congress spent $100 million for a program, in the next year to run the same level of service it has to spend $105 million. If we spend $103 million, even though we were spending $3 million more, Congress, the White House, and the press would call it a $2 million cut in spending, whereas most people I know back in my district would say, "My gosh, you spend $100 million this year, next year you are going to spend 103, so that sounds like a $3 million increase."

In our original spending we are at $1.5 trillion. Under our proposal in the seventh year we are going to be spending $1.8 trillion. We are going to be spending more dollars in the seventh year than we spend now. We are going to change, though, the spending line, which is in red, so it automatically, in 7 years, will intersect revenues, which is in blue.

That green line is our conference agreement. We are tilting down the spending level of Government, still allowing it to increase, but knowing that it will intersect revenue and therefore have a balanced budget in 7 years.

The challenge for us when we balance our budget, and in this pie chart it illustrates it quite well, the purple colors are what we call entitlements: Social Security, which we are not going to change at all; Medicare, Medicaid, other entitlements. If you fit the law, you get the benefit of the program.

What you see in yellow is interest on the national debt. Because of Congress' and the White House's failure to control spending, having annual deficits, at the end of each year the annual deficits are then brought over to the national debt, the national debt keeps increasing.

These added deficits added to our national debt that have meant we spend $235 billion this year in interest on the national debt, 15 percent of our budget, is interest on the national debt. We cannot spend it on programs for children, we cannot spend it on programs for the middle class, we cannot spend it on programs for the elderly. We are having to spend $235 billion on interest on the national debt.

Interestingly enough, now, we pay more in interest on the national debt than we have as a deficit. If we did not have to pay so much interest on the national debt, we would not have deficits. What I vote on as a Member of Congress is about a third of the budget. I vote on defense spending, which is about 17 percent; foreign aid and the State Department, about 1.4 percent of the budget; and I vote on 16 percent of the budget, domestic discretionary spending, all what we call, in the pink, discretionary spending, and what we vote on in the Committee on Appropriations every year, I just vote on the pink, it is a third of the budget.

Then I am making decisions on what we spend on defense, what we spend to run the executive branch and the administration in its entirety, all the branches. I vote on what we spend for the judicial branch and what we spend for the legislative branch. In the executive branch, I am voting on all the grants that I have to make decisions on, but it is only, basically, one-third of the budget I vote on.

The blue I do not vote on. It just happens. It is on automatic pilot. We refer to what is in blue and what is in yellow. Two-thirds of the budget is mandatory spending, and we have not touched it in years.

When people say how come those of you who remember Gramm-Rudman, you were going to control deficits and eliminate them and not keep adding to the national debt. The reason Gramm-Rudman failed is that it only focused in on the pink, it only focused on domestic discretionary spending and defense spending, foreign aid. It ignored all the entitlements.

Now what we are looking to do is to focus in on other programs, Medicare and Medicaid in particular Medicare and Medicaid are 17 percent of our budget. These areas here, 17 percent of our budget, just two programs, are equal to all domestic spending. We are not looking to slow the growth. We are looking to not have Medicare and Medicaid grow at 10 percent a year. For a few years it actually grew at 20 percent a year.

As these programs become larger and larger, and they are mandatory, they are entitlements, what is in the pink, what I vote on every year, becomes smaller and smaller.

The budget is just simply getting out of control. We want to improve and protect and strengthen Medicare and Medicaid. We think, and we believe with all our heart and soul, we can have a better Medicare and Medicaid Program at an increased cost, but not have a 10-percent increase each year.

What is our budget doing? Our budget is having an annual decrease in domestic discretionary spending of 1.6 percent a year. We are having an annual decrease in foreign aid of 4.5 percent a year. Defense spending is not going up, and it is not going down. Some people would say, "How can you have such a large program and not cut it at all, just keep it constant?" I would like it reduced, but there is one serious issue that we are faced with. The Congressional Budget Office says that the defense budget in the next 7 years is over $100 billion oversubscribed. We have weapons system that if we funded all the weapons system that we have authorized, we would have $100 billion over what we are going to be allowed to spend. The Government Accounting Office, the GAO, says we are $150 billion oversubscribed. We are going to have cuts in defense spending just to stay at a constant no increase in spending.

Finally, we have interest on the national debt, which under our plan is going to grow at 2.7 percent a year. That is the interest payments that we have to pay. By the way, when we pay interest, we are not reducing the national debt, we are just carrying the cost. If it was your home mortgage, you are setting some aside on interest in the national debt and you are paying off some of the principal. We are not paying off the principal, we are just paying off the interest and trying to stay harmless. Other entitlements are going to grow at 4.1 percent a year, Medicaid, and going to grow at 4.9 percent a year, basically 5 percent each year.

We are not cutting Medicaid. Medicaid is health care for the poor, it is nursing care for the elderly. It is going to go up at basically 5 percent a year. Medicare, health care for the elderly, is going to grow at 6.3 percent a year. You have heard that Republicans intend to cut Medicare and Medicaid. It is not true. What we intend to do is slow their growth. In the process, we are looking to change these programs.

Basically, Social Security is going to grow at 5.3 percent a year. We have not looked at Social Security. We are not going to touch Social Security. We are going to focus in on these other parts of the budget. What are we looking to do with Medicaid? We intend to have Medicaid go from $89 billion in this year, to the year 2002 when it is going to go up to $124 billion. That is a significant increase in the seventh year.

It continually goes up, but what we have done is we have reduced the rate of increase. We are not cutting Medicare, we are increasing Medicare spending quite significantly. In fact, Medicaid spending in the next 7 years, we are going to spend $773 billion. In the last 7 years we spent $444 billion. We are going to spend $329 billion more in the next 7 years than we spent in the last 7. Only in Washington, when you spend $329 billion more, do they call it a cut. I know nowhere else in the country, when you spend more money do people call it a cut. We are going to spend $329 billion more.

With Medicare part A, which is health care for the elderly, money that goes to hospital costs, what we know from the trustees report, five of the members were appointed by President Clinton, three of them are Cabinet officials, and one is head of Social Security, all appointed by the President, and they issued a report earlier this year. They said conservatively that Medicare will start to have more money going out of the fund, Medicare part A trust fund, than comes into the fund. Remember, what comes into the fund is what you pay, that 1.4 or 1.5 percent every week or every 2 weeks or every month out of your paycheck. That goes into a fund and it should be building up, but we have 136 billion this year, it is going to go down $1 billion, and by the year 2002, 7 years from today, that blue line goes to zero. There will be no money in the trust fund. Then the only way we fund Medicare would be as the money comes into the fund, it immediately gets taken out. The Medicare part A trust fund is going bankrupt.

We have four ways to save this fund. We can affect the beneficiaries, those that get the service, we can affect the providers, those who give the service, we can decide to raise taxes on those who are working today. However, we must realize that if you are self-employed, 15 percent of your paycheck—before—you pay your income tax is going into Social Security and Medicare. We have intention whatsoever in increasing that tax. We are not going to increase the tax.

We have one other choice. We can change and transform the system and, in the process, benefit beneficiaries and benefit providers. We are looking to transform the system. We are looking to protect it. We are looking to preserve it. We are looking to strengthen it. We are looking to allow Medicare patients to have the same kind of health care that everybody else has. What their children and their children's children have, we want for seniors. If they want to stay in traditional fee-for-service, the traditional Medicare program, what they have now, they will be able to do that, but we are going to try to encourage more Americans in Medicare to get into the private sector, where they can have a variety of new services, and we believe at less cost. Medicare part A is going bankrupt. We are looking to preserve, protect, and strengthen that program.

Are we going to spend less on Medicare? We are going to slow its growth. We are going to spend more on Medicare. We are going to have it go from $178 billion to $274 billion in the seventh year. We are looking to spend 50 percent more, over 50 percent more on Medicare than we spend today in the seventh year. It is going to go up that much.

□ 1430

In fact, in the last 7 years, we spent $926 billion on Medicare and we are looking to spend $1.6 trillion, $1,601 billion more, in the next 7 years. That represents $675 billion of new money. Only in Washington when you spend $675 billion of new money do they call it a cut. We are not cutting Medicare. We are going to spend $675 billion more, a total of $1.6 trillion, in the next 7 years. It goes up from the sum of $178 billion to the sum of $274 billion.

The President had at first said that we should not, quote-unquote, cut Medicare and Medicaid. He described the efforts of Congress to slow the growth of Medicare and Medicaid as a cut. But then a few months ago he came in with what he called his 10-year budget.

I want to say without any hesitation that I am very grateful, and I mean this sincerely, that the President has weighed in and said, yes, we need to balance the budget, we said 7 years, he said 10 years. But there are some of us who believe it should be 5 years, not 7, some of us stretched out into 7, but the President said we should balance the budget in 10 years.

He also said that we should slow the growth of Medicare and Medicaid. So he has weighed in on admitting and acknowledging that we need to slow the growth of these two programs, and he said we are going to spend more but we cannot spend as much as we were originally intending.

What was interesting, though, was when the Congressional Budget Office looked at the President's 10-year plan, they said it does not get balanced in 10 years. They said he is more optimistic on revenue than he should be, he is more optimistic that we can control other costs than he should be, and they said his budget never gets in balance in those 10 years.

One of the reasons why I am here today is the President constantly is referring to his 10-year budget and that he has weighed in on the balanced budget. The Congressional Budget Office says it is not balanced.

How does he say it is balanced? Because the Office of Management and Budget with their numbers, done out of the White House, have said that it is a balanced budget. They are using different economic projections.

When the President was at that dais there when he spoke to us, he said that it was important for us to sing out of the same hymnal, he said it was important for us to use the same referee, the same umpire, and he said it should be the Congressional Budget Office. We have dealt with the conservative projections of the Congressional Budget Office, in part because that is our obligation, in part because the President said that is who it should be. When we look at what the Congressional Budget Office has said about what is under current law, current law is what passed last year and the year before, if you remember, there were tax increases 2 years ago, there was a lot of disharmony, there was the thought that tax increases would slow the deficits, the Congressional Budget Office has weighed in and said under current law, the national debt is $175 billion today, the deficit, excuse me, will be $175 billion. Remember, deficits are the annual difference between revenue and spending, and they say it will be $175 billion. They say the next year under current law it will go to 210, to 230, to 232, to 265, to 296, to 310, to 340, to 372, to 408, to 454. That was the President's tax plan of 2 years ago. It does not begin to head us in a balanced budget. It is the top line, it is in black, it is current law, it goes in this direction. That is the whole debate. We have got to get that line which is headed up to head down so it gets to zero and does not keep going up.

The President's budget of February, which is hard to see, it is just below the current law, and it is only a 5-year projection, they say that the President's February budget, which the President asked us to act on, would have a deficit of basically $177 billion, 211, then it goes to 232, 231, 256, 276.

The President's budget of February keeps going up. What do they say about the President's 10-year budget? That is in red. When CBO scored the President's budget, they said it goes from 175 to 196, 212, 199, goes down, then it goes up, 213, 220, 211, 210, 207, 209, 209. It never gets below $200 billion a year. That is the President's 10-year budget. That is the budget that he says balance in 10 years.

He can say it because the Office of Management and Budget have given him numbers that allow him to say it. But when the Congressional Budget Office scores it, the organization he said should judge our budget and his budget, when we look at that budget, it never is in balance. It is in a constant deficit of over $200 billion.

When the Congressional Budget Office scores what we intend to do, and what we intend to do is have cuts in discretionary spending, cuts in foreign aid, eliminating some programs, consolidating other programs, eliminating some departments and agencies, reducing others, having a freeze on defense spending, allowing Medicare to go up, allowing Medicaid to go up, they say that our budget goes from $175 billion to 170 to 152 to 116, to 100, to 81, to 33, to minus 6 in the 7th year. Obviously we are estimating. We could be off, we could reduce the deficit a little sooner, it could go out a little more. so every year we are going to have to look at it and be firm that we get to a balanced budget in the next 7 years.

Some people said that when Congress voted for a balanced budget amendment and said they would vote to balance the budget that we, Congress, boxed ourselves in. We did box ourselves in. We felt that if we were in support of a balanced budget in 7 years, a balanced budget amendment, which is the easiest thing to vote for, all you have to do is vote for saying we will balance it, we said that the important thing is that we vote to balance the budget, and so we boxed ourselves in.

We were much like Cortez when he left the old world for the new world and was to conquer the new world. He landed in this new world and he came with sailors and soldiers and the sailors and soldiers looked back at the old world longingly, Cortez did something quite dramatic, he burned his ships. He said there is no retreat.

We have no retreat. We did box ourselves in. We have committed to balancing this budget. We are not looking back at the old world. We are looking at the new world. We are looking to get our financial house in order, we are looking to balance the budget, we are looking to save our trust funds, particularly Medicare which is in the most trouble, and we are looking to transform this social corporate welfare state into an opportunity society where the poor have a future, and we have boxed ourselves in eagerly so. There is no retreat. There is no going back to the old world. We are in the new world and we are out to conquer the new world and to transform our society. The worst that could happen is we would fail. What is the alternative, to go back to the old world?

When the Congressional Budget Office and OMB's numbers are put together, you can learn some very interesting information. Thr red line that goes parallel horizontal is the President's budget scored by the Congressional Budget Office. The red line with black dots is the President's budget scored by the Office of Management and Budget, the President's own office. They say he balances his budget in 10 years.

Now, when we look at the congressional budget, scoring our budget, they say we balance, this green line here, they say we balance the budget in 7 years. If we use the Congress's numbers using the Office of Management and Budget, in other words, have the Office of Management and Budget score our budget using the same projections, then they say we balance the budget in 6 years.

My greatest fear, or one of my greatest fears is that we will have a budget disagreement and people call it a train wreck, I do not call it a train wreck, a train wreck implies tremendous destruction and it is pretty irresponsible to have a train wreck.

What we have is a disagreement between the White House and the President. The President says he wants us to balance the budget in 10 years but it is never balanced according to the Congressional Budget Office. We want to balance it in 7 years. The President has opinions about our spending cuts and our changes to the growth in spending. We have opportunity to have dialog on that issue.

There are things that Republicans are going to, and this majority in Congress is going to hold firm on and there are other issues that I think should be open to debate. One thing that is firm in my judgment is that we need to balance the budget in 7 years. My goodness, we should balance it in 5 years.

I think another issue that clearly is one in which we will hold to strongly, we need a tax cut. When we talk about a tax cut, understand that $145 billion in the next 7 years of loss in revenue. In a spending of over $11 trillion in the next 7 years, we are going to spend over $11 trillion in the next 7 years and we are saying let us just reduce taxes by $245 billion. Half of that tax cut is going to be a $500 tax credit to families under $200,000 for every child. If you have 3 children, you will get $1,500 back from the Federal Government. Now some people might think of that as a gift. I do not.

Mr. Speaker, I notice I am going over 20 minutes. I apologize. I am getting to my end here. Some people think of it as a gift. I do not think of it as a gift. I think of it as trying to direct money where it is nost needed, for families.

I come from a family of 4 boys. I happen to be close to 50. In fact, my biggest shock was I got an invitation to join AARP a few months ago. I do not know if you know what that is like, to get an invitation to be a member of AARP when you are still in your 40's. But my family, my dad and mom, were able to deduct in today's dollars per child from their income tax over $7,000 per child. The laws in the 1950's and early 1960's allowed you to deduct per child over $7,000 per child. Today you are only allowed to deduct $2,450, I believe, per child. So that meant in today's dollars if you were a family of 4, you could deduct $28,000 from your income, you would subtract it, and if you made $50,000, then you had only $22,000 that was taxable. That is if we had the same system now that we had when my family was raising their 4 boys. We were far more family friendly then.

People say, well, we need to be more family friendly. We need to help families. What is the best way to do it? To have a government program where the government takes off a certain amount of money before it directs it to a child? Or to allow families to decide how to spend money on their family? What we want to do with half the tax cut is to give $500 per child. If you have 5 children, you can figure out pretty clearly what you are going to be able to get from that. The other is we want a capital gains exemption.

What do I think is going to basically happen in this budget disagreement? Republicans are going to hold firm to 7 years, Republicans are going to hold firm to a tax cut. The President should weigh in and say I do not like where you are making your spending cuts and tell us how he would do it differently and we can come to some agreement, he may say we are having too large a tax cut, but ultimately I think the issue should be can we make the tax cut apply to families that are not as high income.

For instance, the President has advocated having the child tax credit apply to families with $75,000 income or less. That is an area that it seems to me makes sense for there to be compromise. Have the tax cuts, just have it apply to families that make less income, so we get away from any argument that he may have that it is going to wealthy people.

What is going to happen with Medicaid and Medicare? We are going to spend in Medicaid in the 7th year $124 billion. He has suggested spending $150 billion. There is not much difference between us. But what the President does is he says he is saving $54 billion from Medicaid and Republicans are saving $182 billion. The problem is his $54 billion is scored by OMB and he is using our $182 billion scored by CBO. If we are going to be fair, if we use the number that we are reducing the growth in Medicaid by $54 billion, that is his number, then our number has to be $114 billion. We are not that far apart. If we use our number of $182 billion of slowing the growth of Medicaid, then CBO says his number is $122 billion. We are simply not that far apart. We have the ability to work out our differences.

Finally, with Medicare, the President says he wants to slow the growth, he wants to spend $260 billion in Medicare in the 7th year and we want to spend $244 billion. There is a difference. The program if we made no change would be over $300 billion on the 7th year. He uses the number of $127 billion, OMB says he is reducing the number $127 billion, then he says Republicans in the majority want to reduce it $270 billion.

In fact, if we use OMB to OMB, if he uses $127 billion scored by OMB, then our number is $205 billion. We are simply not that far apart. If we say we are slowing the growth $270 billion using CBO, his number is not $127 billion, that is scored by OMB, we have to use CBO's number. They say he is slowing the growth of Medicare by $192 billion.

□ 1445

We are simply not that far apart. On a per beneficiary basis, we are spending $4,800 per beneficiary today to Medicare, and in our 7th year we would spend $6,734 per beneficiary. Not only did we have a 50-percent growth in Medicare, but a 40-percent growth per beneficiary. The President wants to spend $7,128 per beneficiary. We are simply not that far apart.

In conclusion, Mr. Speaker, and thank you for this time, I know you have other things to do and I appreciate it. Mr. Speaker, in conclusion, we are going to get our financial house in order. We are going to balance our Federal budget and we are going to do it in 7 years and we are going to have a tax cut.

I am hopeful that the President will weigh in and make that tax cut more responsive to low-income people. I am hoping he will weigh in and look at some of our spending reductions and make suggestions that we can compromise on. There is no reason for us to have ultimately a disagreement.

But I do know this. As a Member of this majority party, when our debt ceiling, the amount that we are allowed to borrow based on our national debt, being at $4.9 trillion, when the President comes in and says, "I need you to raise the debt ceiling, because we have to increase the national debt above $5 trillion," myself, NICK SMITH, and a whole host of other Members on this side of the aisle intend to not raise the debt ceiling. We will not allow this House to increase the debt unless the White House weighs in on a 7-year budget.

Is that a train wreck? Is that gridlock? In one sense it is gridlock. We have never had gridlock on the budget. When I started out, Republicans and Democrats agreed. Democrats did not want to control the growth of entitlements and Republicans didn't want to control the growth of defense spending. So they both agreed to pass budgets with large deficits.

These budgets with large deficits have been agreed to by both Republicans and Democrats, but you have this majority Congress agreeing that we are going to get our financial house in order. It is an unprecedented thing to have Congress say it wants to spend less. Usually Congress wants to spend more.

We do not intend to waste this opportunity that we have. We have been in the minority for 40 years. We are in the majority. It is under our watch, and we look forward to getting our financial house in order.

We will have gridlock until the White House recognizes that we are determined not to increase the debt ceiling, we are determined to balance the budget in 7 years, we are determined to have what we consider a very fair tax credit. But that gridlock will end when the President agrees to a 7-year budget using real numbers, not numbers cooked by OMB, and then the debate will be in my judgment how we spend those dollars and how we effect the tax cut.

Mr. Speaker, I would like to thank you for the opportunity to address the House.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to:

Mr. VOLKMER (at the request of Mr. GEPHARDT), for after 11:30 a.m. today, on account of illness of spouse.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mr. LUTHER) to revise and extend their remarks and include extraneous material:)

Mrs. SCHROEDER, for 5 minutes, today.

Mr. OWENS, for 5 minutes, today.

Ms. JACKSON-LEE, for 5 minutes, today.

(The following Members (at the request of Mr. POMBO) to revise and extend their remarks and include extraneous material:)

Mr. MCINTOSH, for 5 minutes, today.

Mr. COBURN, for 5 minutes, today.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

(The following Members (at the request of Mr. LUTHER) and to include extraneous matter:)

Mr. FRANK of Massachusetts.

Mr. JACOBS.

Ms. DELAURO in three instances.

Mr. ACKERMAN in three instances.

Mr. FARR.

(The following Members (at the request of Mr. POMBO) and to include extraneous matter:)

Mr. WALSH.

Mr. CRANE.

Mr. RIGGS.

Mr. KIM in three instances.

(The following Members (at the request of Mr. SHAYS) and to include extraneous matter:)

Mr. EHRLICH in two instances.

Ms. DELAURO.

Mr. VISCLOSKY.

Mr. DEUTSCH.

Mr. MENENDEZ.

Mr. ORTON.

Mrs. MALONEY.

Mr. UNDERWOOD.

ADJOURNMENT

Mr. SHAYS. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 2 o'clock and 48 minutes p.m.), under its previous order, the House adjourned until Tuesday, September 12, 1995, at 10:30 a.m.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1395. A letter from the Director, Office of Management and Budget, transmitting notification of the President's intent to exempt all military personnel accounts from sequester for fiscal year 1996, pursuant to Public Law 101-508, section 13101(c)(4) (104 Stat. 1388-589); to the Committee on Appropriations.

1396. A letter from the Assistant Secretary of Defense, transmitting notification that the Department of Defense will terminate its leasehold interests in the former emergency operating facility at the Greenbrier Hotel, White Sulphur Springs, WV; to the Committee on National Security.

1397. A letter from the Director of Defense Research and Engineering, Department of Defense, transmitting a report entitled, "Fiscal Year 1996 Department of Defense Master Plan for Science, Mathematics, and Engineering Education," Public Law 101–190, section 829(a); to the Committee on National Security.

1398. A letter from the Secretary of the Treasury, transmitting the Department's fourth monthly report to Congress, as required by section 404 of the Mexican Debt Disclosure Act of 1995, pursuant to Public Law 104–6, section 404(a) (109 Stat. 90); to the Committee on Banking and Financial Services.

1399. A letter from the Acting Director, Office of Thrift Supervision, transmitting the 1994 annual report on enforcement actions and initiatives, pursuant to 12 U.S.C. 1833; to the Committee on Banking and Financial Services.

1400. A letter from the Secretary of Education, transmitting Final Regulations—Administration of Grants to Institutions of Higher Education, Hospitals, and Nonprofit Organizations; Direct Grant Programs; State-administered Programs; and General Provisions Act—Enforcement, pursuant to 20 U.S.C. 1232(d)(1); to the Committee on Economic and Educational Opportunities.

1401. A letter from the Secretary of Energy, transmitting the quarterly report on the Strategic Petroleum Reserve for the second quarter of 1995, pursuant to 42 U.S.C. 6245(a); to the Committee on Commerce.

1402. A letter from the Fiscal Assistant Secretary of the Treasury, transmitting notification that no exceptions to the prohibition against favored treatment of a government securities broker or dealer were granted by the Secretary for the calendar year 1994, pursuant to 31 U.S.C. 3121 note; to the Committee on Commerce.

1403. A letter from the Director, Office of Legislative and Intergovernmental Affairs, Federal Communications Commission, transmitting a report on the progress on reinventing the FCC; to the Committee on Commerce.

1404. A letter from the Secretary of Energy, transmitting a report on the status of coal-fuel mixtures; to the Committee on Commerce.

1405. A letter from the Secretary of Health and Human Services, transmitting a copy of a report entitled, "Alcohol and Other Drug Abuse Prevention: The National Structured Evaluation," pursuant to Public Law 100–690, section 3522(a); to the Committee on Commerce.

1406. A letter from the Director, Office of Management and Budget, transmitting OMB's estimate of the amount of discretionary new budget authority and outlays for the current year (if any) and the budget year provided by H.R. 1944, pursuant to Public Law 101–508, section 13101(a) (104 Stat. 1388–578); to the Committee on Government Reform and Oversight.

1407. A letter from the Assistant Secretary for Indian Affairs, Department of the Interior, transmitting a proposed plan related to the use and distribution of the Mission Indian's judgement funds in Docket 80–A, before the U.S. Court of Federal Claims; to the Committee on Resources.

1408. A letter from the Under Secretary for Oceans and Atmosphere, Department of Commerce, transmitting a report related to the economic conditions of the U.S. Gulf of Mexico and South Atlantic shrimp fishery; to the Committee on Resources.

1409. A letter from the General Counsel, Department of the Treasury, transmitting a draft of proposed legislation to authorize the Secretary of the Treasury to establish a flexible procedure for facilitating timely payment on claims on account of Government checks; to the Committee on the Judiciary.

1410. A letter from the Administrator, General Services Administration, transmitting informational copies of various lease prospectuses, pursuant to 40 U.S.C. 606(a); to the Committee on Transportation and Infrastructure.

1411. A letter from the Commissioner, General Services Administration, transmitting a report on Federal building consolidations; to the Committee on Transportation and Infrastructure.

1412. A letter from the Director, Office of Personnel Management, transmitting the 1993 and 1994 combined annual report on Veterans' Employment in the Federal Government, pursuant to 38 U.S.C. 4214(e)(1); to the Committee on Veterans' Affairs.

1413. A letter from the Secretary of Agriculture, transmitting notification of the intention of the Departments of the Army and Agriculture to interchange jurisdiction of civil works and national forest lands at Lake Ouachita in the State of Arkansas, pursuant to 16 U.S.C. 505a; jointly, to the Committees on Agriculture and Transportation and Infrastructure.

1414. A letter from the Secretary of Transportation and Administrator of the Environmental Protection Agency, transmitting a joint report entitled "Administrative Assistance to the States: Compliance with Nitrogen Oxides Requirements of the Transportation Conformity Rule"; jointly, to the Committees on Appropriations and Commerce.

1415. A letter from the Administrator, Environmental Protection Agency, transmitting a report on the Agency's implementation of the Waste Isolation Pilot Plant Land Withdrawal Act, pursuant to Public Law 102–579, section 23(a)(2) (106 Stat. 479); jointly, to the Committees on Commerce and National Security.

1416. A letter from the Director, Defense Security Assistance Agency, transmitting the quarterly reports in accordance with section 36(a) and 26(b) of the Arms Export Control Act, the March 24, 1979, report by the Committee on Foreign Affairs, and the Seventh report by the Committee on Government Operations for the third quarter of fiscal year 1995, April 1, 1995 through June 30, 1995, pursuant to 22 U.S.C. 2776(a); jointly, to the Committees on International Relations and Government Reform and Oversight.

1417. A letter from the Administrator, Agency for International Development, transmitting the annual report to Congress on activities under the Denton Amendment Program for fiscal year 1995, pursuant to 10 U.S.C. 402; jointly, to the Committees on International Relations and National Security.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. YOUNG of Alaska: Committee on Resources. H.R. 1743. A bill to amend the Water Resources Research Act of 1984 to extend the authorizations of appropriations through fiscal year 2000, and for other purposes; with an amendment (Rept. 104–242). Referred to the Committee of the Whole House on the State of the Union.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. SHAW (for himself, Mr. FORD, Mr. CAMP, Mr. MCCRERY, Mrs. KENNELLY, Mr. COLLINS of Georgia, Mr. ENGLISH of Pennsylvania, Mr. LEVIN, Mr. NUSSLE, Ms. DUNN of Washington, Mr. RANGEL, Mr. ENSIGN, and Mr. STARK):

H.R. 2288. A bill to amend part D of title IV of the Social Security Act to extend for 2 years the deadline by which States are required to have in effect an automated data processing and information retrieval system for use in the administration of State plans for child and spousal support; to the Committee on Ways and Means.

By Mr. BUYER (for himself, Ms. WATERS, Mr. STUMP, Mr. MONTGOMERY, Mr. BARR, Mr. COOLEY, Mr. HUTCHINSON, Mr. SCHAEFER, Mr. CLYBURN, Mr. MASCARA, and Mr. EVANS):

H.R. 2289. A bill to amend title 38, United States Code, to extend permanently certain housing programs, to improve the veterans employment and training system, and to make clarifying and technical amendments to further clarify the employment and reemployment rights and responsibilities of members of the uniformed services, as well as those of the employer community, and for other purposes; to the Committee on Veterans' Affairs.

By Mr. FOX:

H.R. 2290. A bill to amend the medical device provisions of the Federal Food, Drug, and Cosmetic Act; to the Committee on Commerce.

By Mr. GEKAS (for himself and Mr. REED):

H.R. 2291. A bill to extend the Administrative Conference of the United States, and for other purposes; to the Committee on the Judiciary.

By Mr. HASTINGS of Washington:

H.R. 2292. A bill to preserve and protect the Hanford Reach of the Columbia River, and for other purposes; to the Committee on Resources.

By Mr. LAFALCE:

H.R. 2293. A bill to establish audit authority in the Comptroller of the State of New York over the Niagara Falls Bridge Commission; to the Committee on Transportation and Infrastructure.

By Mr. MOORHEAD (for himself, Mr. HYDE, Mr. CONYERS, and Mrs. SCHROEDER):

H.R. 2294. A bill to amend the Federal Judgeship Act of 1990 to allow affected judicial districts to receive the full benefit of temporary judgeship positions as provided in that act; to the Committee on the Judiciary.

By Mr. SMITH of Michigan:

H.R. 2295. A bill to extend the discretionary spending limits set forth in title VI of the Congressional Budget Act of 1974 and to extend the Balanced Budget and Emergency Deficit Control Act of 1985 until fiscal year 2002; to the Committee on the Budget.

MEMORIALS

Under clause 4 of rule XXII,

158. The SPEAKER presented a memorial of the General Assembly of the State of Nevada, relative to small landfills with environmental regulations; to the Committee on Commerce.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII,

Mr. STUPAK introduced a bill (H.R. 2296) for the relief of Robert and Verda Shatusky; which was referred to the Committee on the Judiciary.

ADDITIONAL SPONSORS

Under clause 4 of rule XXII, sponsors were added to public bills and resolutions as follows:

H.R. 72: Mr. Weldon of Florida.

H.R. 359: Mr. Zimmer.

H.R. 394: Mr. Frazer, Mr. Norwood, Mr. Hoke, Mr. Riggs, and Mr. McDade.

H.R. 426: Mr. Stenholm.

H.R. 752: Mr. Foglietta, Miss Collins of Michigan, Mr. Forbes, Mr. Skelton, and Mr. Bilbray.

H.R. 820: Mr. Taylor of Mississippi, Mr. Manzullo, Mr. Ford, Mr. Mascara, and Mr. Moorhead.

H.R. 1114: Mr. Jones, Mr. Bunning of Kentucky, Mr. Saxton, Mr. Peterson of Florida, Mr. Shadegg, Mrs. Waldholtz, Mr. Frazer, Mr. Gutknecht, Mr. Barcia of Michigan, Mr. Moorhead, Mr. Ganske, Mr. Gallegly, and Mr. Cramer.

H.R. 1204: Mr. Gallegly, Mr. Dellums, and Ms. DeLauro.

H.R. 1385: Mr. Oberstar.

H.R. 1446: Mr. Rahall.

H.R. 1488: Mr. Bunning of Kentucky, Mr. Scarborough, Mr. Norwood, Mr. Hastings of Washington, Mr. Kolbe, and Mr. Allard.

H.R. 1506: Mr. Barr.

H.R. 1552: Mr. Shadegg, Mr. Shays, Mr. Nethercutt, Mr. Davis, Mr. Johnston of Florida, Mr. Coleman, and Mr. Neal of Massachusetts.

H.R. 1661: Mr. Holden, Ms. Slaughter, Mr. Mascara, Mr. Callahan, Mr. Hefner, Mr. King, Mr. Ensign, and Mr. Burton of Indiana.

H.R. 1753: Mr. Rangel, Mr. Bevill, Mr. Ensign, and Mr. Davis.

H.R. 1791: Mr. Lewis of Georgia, Mr. Traficant, Mr. Canady, Mrs. Meek of Florida, Mr. Ney, Mrs. Lincoln, Mr. Andrews, Mr. Hall of Texas, Mr. Wyden, Mr. Hoke, and Mr. Ganske.

H.R. 1885: Ms. Danner.

H.R. 1893: Mr. Weldon of Pennsylvania, Mr. Fattah, Mr. McHugh, Mr. Parker, Mr. Solomon, Mr. Hinchey, Mr. Towns, Mr. Yates, Mr. Frisa, Mr. Inglis of South Carolina, Mr. Vento, Ms. Slaughter, Mr. Stupak, Mr. Spratt, Mrs. Johnson of Connecticut, and Mrs. Lowey.

H.R. 1930: Mr. Gene Green of Texas, Mr. Shays, Mr. Stearns, and Ms. Slaughter.

H.R. 1933: Ms. Velazquez, Mr. Frazer, and Mr. Frost.

H.R. 1975: Mr. Hayes.

H.R. 2009: Mr. Studds, Ms. McKinney, Mr. Serrano, and Mr. Dellums.

H.R. 2013: Ms. Molinari.

H.R. 2137: Mr. Luther, Mr. LoBiondo, and Mr. Bereuter.

H.R. 2219: Mr. Bachus and Mr. Fox.

H.J. Res. 100: Mr. Berman and Mr. Dreier.

H.J. Res. 106: Mr. Collins of Georgia, Mr. Klug, Mr. Kolbe, and Mr. Schiff.

H. Con. Res. 42: Mr. Shays, Mr. Kennedy of Rhode Island, Mr. Serrano, Mr. Davis, Mr. Reed, Mr. Scarborough, and Mr. King.

H. Res. 30: Mr. McCollum, Mr. Kennedy of Rhode Island, Mr. Gordon, Mr. Peterson of Minnesota, Mr. Dornan, Mr. Wynn, Mr. Hefley, Mr. Hefner, and Mr. de la Garza.

DELETIONS OF SPONSORS FROM PUBLIC BILLS AND RESOLUTIONS

Under clause 4 of rule XXII, sponsors were deleted from public bills and resolutions as follows:

H.R. 359: Mr. Gekas.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

38. By the SPEAKER: Petition of the Thibodaux Chamber of Commerce, LA, relative to Federal support programs for sugar; to the Committee on Agriculture.

39. Also, petition of the Southern Governors' Association, relative to regulation E of the electronic benefit transfer [EBT] system; to the Committee on Banking and Financial Services.

40. Also, petition of H.E. Voorn of Arnhem, relative to the death penalty; to the Committee on the Judiciary.

AMENDMENTS

Under clause 6 of rule XXIII, proposed amendments were submitted as follows:

H.R. 1594

Offered by: Mr. Gene Green of Texas

Amendment No. 1: Insert after section 4 the following new section (redesignating section 5 as section 6):

SEC. 5. PROTECTION OF DOMESTIC INVESTMENTS.

Nothing in this Act shall be construed as prohibiting the investment by an employee benefit plan (within the meaning of paragraph (3) of section 3 of the Employee Retirement Income Security Act of 1974) in domestic investments, as distinguished from foreign investments.

H.R. 1655

Offered by: Mr. Berman

Amendment No. 1: Page 6, strike the closing quotation marks and period.

Page 6, after line 6 insert the following:

"Sunset

"Sec. 903. This title shall cease to be effective on the date which is three years after the date of the enactment of this title."

Page 6, after line 9, strike the closing quotation marks and period on the line relating to section 902 and insert after such line the following:

"Sec. 903. Sunset.".

H.R. 1655

Offered by: Mr. Traficant

Amendment No. 2: Page 10, after line 17, insert the following:

SEC. 308. COMPLIANCE WITH BUY AMERICAN ACT.

No funds appropriated pursuant to this Act may be expended by an entity unless the entity agrees that in expending the assistance the entity will comply with sections 2 through 4 of the Act of March 3, 1933 (41 U.S.C. 10a-10c, popularly known as the "Buy American Act").

SEC. 309. SENSE OF CONGRESS; REQUIREMENT REGARDING NOTICE.

(a) Purchase of American-Made Equipment and Products.—In the case of any equipment or products that may be authorized to be purchased with financial assistance provided under this Act, it is the sense of the Congress that entities receiving such assistance should, in expending the assistance, purchase only American-made equipment and products.

(b) Notice to Recipients of Assistance.—In providing financial assistance under this Act, the Secretary of the Treasury shall provide to each recipient of the assistance a notice describing the statement made in subsection (a) by the Congress.

SEC. 310. PROHIBITION OF CONTRACTS.

If it has been finally determined by a court or Federal agency that any person intentionally affixed a fraudulent label bearing a "Made in America" inscription, or any inscription with the same meaning, to any product sold in or shipped to the United States that was not made in the United States, such person shall be ineligible to receive any contract or subcontract made with funds provided pursuant to this Act, pursuant to the debarment, suspension, and ineligibility procedures described in sections 9.400 through 9.409 of title 48, Code of Federal Regulations.

SENATE—*Friday, September 8, 1995*

(Legislative day of Tuesday, September 5, 1995)

The Senate met at 9:15 a.m., on the expiration of the recess, and was called to order by the President pro tempore [Mr. THURMOND].

PRAYER

The Chaplain, Dr. Lloyd John Ogilvie, offered the following prayer:

And God who gives beginnings, gives the end: a place for broken things too broke to mend.—John Masefield.

Almighty God, Lord of ultimate judgment, and unlimited grace, we come to You for the healing of the profound grief we have over the resignation of our colleague ROBERT PACKWOOD and the circumstances that necessitated it. We thank You that, "never yet a abyss was found deeper than your love could sound." We ask that Your healing grace and mercy, restitution and release, may sound in the depth of his heart today. Heal his brokeness and remind him that You have plans for him, to give him a future and a hope. We praise You for his immense contribution to the work of this Senate through the years. Give him strength and courage as he begins a new phase of his life sustained by Your love and guidance.

Lord, we also ask for Your healing of a pain of a very different kind of brokeness we are all feeling today. We ask You to heal our divisions and bring deeper unity. After our human evaluations are made and judgments rendered, we confess with the Psalmist, "If You Lord, should mark iniquities, O Lord, who could stand? But there is forgiveness with You that You may be feared. I wait for the Lord, my soul waits, and in His Word I do hope."—Psalm 130: 3-4.

With an acute awareness of our own needs, give us humility to trust You with our weaknesses and praise You for our strengths. Give us a renewed commitment to exemplify strong moral leadership. Most of all, bind us together in greater oneness as, with one mind and heart, we press on to the work You have given us to do together. In our Lord's name. Amen.

RECOGNITION OF THE ACTING MAJORITY LEADER

The PRESIDENT pro tempore. The able Senator from Texas is recognized.

SCHEDULE

Mrs. HUTCHISON. Mr. President, on behalf of the leader and for the information of all Senators, the Senate will immediately begin resuming consideration of the welfare reform bill. As a reminder to all Senators, there will be two rollcall votes beginning at 9:30 this morning. The first vote will be on or in relation to the Brown amendment No. 2465, to be followed by a vote on or in relation to the Santorum amendment No. 2477.

In addition, there are a number of pending amendments to the welfare reform bill. Therefore, further rollcall votes can be expected. Also, as a reminder, by a previous consent agreement, all amendments must be offered by 5 p.m. today to be in order to the welfare bill.

FAMILY SELF-SUFFICIENCY ACT

The PRESIDING OFFICER (Mr. KYL). Under the previous order, the Senate will now resume consideration of H.R. 4, which the clerk will report.

The assistant legislative clerk read as follows:

A bill (H.R. 4) to restore the American family, reduce illegitimacy, control welfare spending, and reduce welfare dependence.

The Senate resumed consideration of the bill.

Pending:

Dole modified amendment No. 2280, of a perfecting nature.

Brown amendment No. 2465 (to amendment No. 2280), to provide that funds are expended in accordance with State laws and procedures relating to the expenditure of State revenues.

Moynihan amendment No. 2466 (to amendment No. 2280), in the nature of a substitute.

Feinstein modified amendment No. 2469 (to amendment No. 2280), to provide additional funding to States to accommodate any growth in the number of people in poverty.

Feinstein amendment No. 2470 (to amendment No. 2280), to impose a child support obligation on paternal grandparents in cases in which both parents are minors.

Moseley-Braun amendment No. 2471 (to amendment No. 2280), to require States to establish a voucher program for providing assistance to minor children in families that are eligible for but do not receive assistance.

Moseley-Braun amendment No. 2472 (to amendment No. 2280), to prohibit a State from imposing a time limit for assistance if the State has failed to provide work activity-related services to an adult individual in a family receiving assistance under the State program.

Moseley-Braun amendment No. 2473 (to amendment No. 2280), to modify the job opportunities to certain low-income individuals program.

Moseley-Braun amendment No. 2474 (to amendment No. 2280), to prohibit a State from reserving grant funds for use in subsequent fiscal years if the State has reduced the amount of assistance provided to families under the State program in the preceding fiscal year.

Santorum amendment No. 2477 (to amendment No. 2280), to eliminate certain welfare benefits with respect to fugitive felons and probation and parole violators, and to facilitate sharing of information with law enforcement officers.

Feinstein amendment No. 2478 (to amendment No. 2280), to provide equal treatment for naturalized and native-born citizens.

Feinstein amendment No. 2479 (to amendment No. 2280), to provide for State and county demonstration programs.

Feingold amendment No. 2480 (to amendment No. 2280), to study the impact of amendments to the child and adult care food program on program participation and family day care licensing.

Feingold amendment No. 2481 (to amendment No. 2280), to provide for a demonstration project for the elimination of take-one-take-all requirement.

Boxer amendment No. 2482 (to amendment No. 2280), to provide that noncustodial parents who are delinquent in paying child support are ineligible for means-tested Federal benefits.

AMENDMENT NO. 2477

The PRESIDING OFFICER. Under previous order, the Senator from Pennsylvania [Mr. SANTORUM] is recognized for up to 5 minutes for debate in relation to his amendment.

Mr. SANTORUM. I thank the Chair.

I will not take the 5 minutes. I wanted to inform Members who were not here last night when we debated this amendment, I believe this is an amendment that should get overwhelming support of this body. The amendment addresses a problem that I think has come to light through newspaper articles and other studies that have been done by criminal experts where we found that because of the privacy provisions in the current welfare statutes, police are not able to get addresses of people who are fleeing the criminal justice system, fugitive felons who have warrants out for their arrest or are, in fact, convicted felons who have escaped.

You have warrants out for their arrest, convicted felons that police are trying to track down. They go to the welfare agency and say, "Are they receiving welfare? Is there a current address you might have?" And the welfare agency, under law, is not allowed to tell them whether this person is receiving food stamps or AFDC or whatever the case may be.

You might say, how big of a problem is this? Well, in Cleveland they had a sting operation a year or so ago and 33 percent of the people who they caught in this sting operation had welfare cards, either receiving food stamps, AFDC, or SSI.

In Philadelphia—I went there earlier this year and talked to the fugitive task force there—they have 50,000 outstanding fugitive warrants, felony warrants in the city of Philadelphia. And of the people that they have brought in under this task force, the police there claim that 75 percent of the people who they have brought in collect welfare. And there is no way for them to go to the welfare agency with this warrant and be able to find out where these people live because one thing the police of Philadelphia told me is that when these folks sign up for welfare, they give the right address because they want those checks to be mailed to the right place.

So we have good information and in many cases we have photographs, and as you know, in pursuing felons you do not necessarily have a recent photograph. They may have changed appearance. So there are all sorts of good reasons this amendment is supported by the chief of police, the FOP—all law enforcement agencies have come out in favor of this amendment.

I am hopeful that the Senate today will adopt this and move forward to help police be able to better find fugitives. Remember, these are dangerous felons who are hiding out, not taking jobs, by collecting Government benefits and therefore not signing up for employment where they might otherwise be caught. So we think this is sort of a logical exemption to the privacy provisions of the Welfare Act. And I hope that the Senate will support the amendment this morning.

I yield the floor.

Mr. BINGAMAN addressed the Chair.

The PRESIDING OFFICER. The Senator from New Mexico.

AMENDMENTS NOS. 2483, 2484, AND 2485, EN BLOC, TO AMENDMENT NO. 2280

Mr. BINGAMAN. Mr. President, to meet the requirements of the agreement that has been worked out by the managers of the bill and the majority and minority leaders, I send three amendments to the desk and ask that it be in order for me to submit them for consideration at this time en bloc.

The PRESIDING OFFICER. Without objection, it is so ordered.

The clerk will report the amendments.

The assistant legislative clerk read as follows:

The Senator from New Mexico [Mr. BINGAMAN] proposes en bloc amendments numbered 2483 through 2485, en bloc, to amendment No. 2280.

Mr. BINGAMAN. Mr. President, I ask that further reading of the amendments be dispensed with.

And as I understand the agreement at this time, it is appropriate to ask consent that the amendments be set aside for consideration later.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendments are as follows:

AMENDMENT NO. 2483

(Purpose: To require the development of a strategic plan for a State family assistance program)

Beginning with page 11, line 8, strike all through page 14, line 16, and insert the following:

"SEC. 402. ELIGIBLE STATES; STATE PLANS.

"(a) IN GENERAL.—As used in this part, the term 'eligible State' means, with respect to a fiscal year, a State that has submitted to the Secretary a single comprehensive State Family Assistance Program Strategic Plan (hereafter referred to in this section as the 'State Plan') outlining a 5-year strategy for the statewide program.

"(b) FAMILY ASSISTANCE PROGRAM STRATEGIC PLAN PARTS.—Each State plan shall contain 2 parts:

"(1) 5-YEAR PLAN.—The first part of the State plan shall describe a 5-year strategic plan for the statewide program designed to meet the State goals and reach the State benchmarks for each of the essential program activities of the family assistance program.

"(2) ANNUAL CERTIFICATION.—The second part of the State plan shall contain a certification by the chief executive officer of the State that, during the fiscal year, the State family assistance program will include each of the essential program activities specified in subsection (h)(6).

"(c) CONTENTS OF THE STATE PLAN.—The State plan shall include:

"(1) STATE GOALS.—A description of the goals of the 5-year plan, including outcome related goals of and benchmarks for each of the essential program activities of the family assistance program.

"(2) CURRENT YEAR PLAN.—A description of how the goals and benchmarks described in paragraph (1) will be achieved, or how progress toward the goals and benchmarks will be achieved, during the fiscal year in which the plan has been submitted.

"(3) PERFORMANCE INDICATORS.—A description of performance indicators to be used in measuring or assessing the relevant output service levels and outcomes of each of the essential program activities and other relevant program activities.

"(4) EXTERNAL FACTORS.—An identification of those key factors external to the program and beyond the control of the State that could significantly affect the attainment of the goals and benchmarks.

"(5) EVALUATION MECHANISMS.—A description of a mechanism for conducting program evaluation, to be used to compare actual results with the goals and benchmarks and designate the results on a scale ranging from highly successful to failing to reach the goals and benchmarks of the program.

"(6) MINIMUM PARTICIPATION RATES.—A description of how the minimum participation rates specified in section 404 will be satisfied.

"(7) ESTIMATE OF EXPENDITURES.—An estimate of the total amount of state or local expenditures under the program for the fiscal year in which the plan is submitted.

"(d) DETERMINATIONS.—The Secretary shall determine whether a plan submitted pursuant to subsection (a) contains the material required by subsection (b).

"(e) STATE WORK OPPORTUNITY PLANNING BOARDS.—

"(1) IN GENERAL.—A Governor of a State that receives a grant under section 403 may establish a State Work Opportunity Planning Board (referred to in this section as 'the Board') in accordance with this section.

"(2) MEMBERSHIP.—Membership of the Board shall include—

"(A) persons with leadership experience in private business, industry, and voluntary organizations;

"(B) representatives of State departments or agencies responsible for implementing and overseeing programs funded under this title;

"(C) elected officials representing various jurisdictions included in the State plan;

"(D) representatives of private and nonprofit organizations participating in implementation of the State plan;

"(E) the general public; and

"(F) any other individuals and representatives of community-based organizations that the Governor may designate.

"(3) CHAIRPERSON.—The Board shall select a chairperson from among the members of the Board.

"(4) FUNCTIONS.—The functions of the Board shall include—

"(A) advising the Governor and State legislature on the development of the statewide family assistance program, the State plan described in subsections (a) and (b), and the State goals and State benchmarks;

"(B) assisting in the development of specific performance indicators to measure progress toward meeting the State goals and reaching the State benchmarks and providing guidance on how such progress may be improved;

"(C) serving as a link between business, industry, labor, non-profit and community-based organizations, and the statewide system;

"(D) assisting in preparing annual reports required under this part;

"(E) receiving and commenting on the State plan developed under subsection (a); and

"(F) assisting in the monitoring and continuous improvement of the performance of the State family assistance program, including evaluation of the effectiveness of activities and program funded under this title".

On page 14, line 17, strike "(b)" and insert "(f)".

On page 15, line 12, strike "(c)" and insert "(g)".

On page 15, line 20, strike "(d)" and insert "(h)".

On page 16, between lines 22 and 23, insert the following:

"(6) ESSENTIAL PROGRAM ACTIVITIES.—The term 'essential program activities' includes the following activities:

"(A) Assistance provided to needy families with not less than 1 minor child (or any expectant family).

"(B) Work preparation and work experience activities for parents or caretakers in needy families with not less than 1 minor child, including assistance in finding employment, child care assistance, and other support services that the State considers appropriate to enable such families to become self-sufficient and leave the program.

"(C) The requirement for parents or caretakers receiving assistance under the program to engage in work activities in accordance with section 404 and to enter into a personal responsibility contract in accordance with section 405(a).

"(D) The child protection program operated by the State in accordance with part B.

"(E) The foster care and adoption assistance program operated by the State in accordance with part E.

"(F) The child support enforcement program operated by the State in accordance with part D.

"(G) A teenage pregnancy prevention program, including efforts to reduce and prevent out-of-wedlock pregnancies.

"(H) Participation in the income and eligibility verification system required by section 1137.

"(I) The establishment and operation of a privacy system that restricts the use and disclosure of information about individuals and families receiving assistance under the program.

"(J) A certification identifying the State agencies or entities administering the program.

"(K) The establishment and operation of a reporting system for reports required under this part."

AMENDMENT NO. 2484

At the end of section 201 of the amendment, add the following new subsection:

(d) FUNDING OF CERTAIN PROGRAMS FOR DRUG ADDICTS AND ALCOHOLICS.—

(1) IN GENERAL.—Out of any money in the Treasury not otherwise appropriated, there are hereby appropriated—

(A) for carrying out section 1971 of the Public Health Service Act (as amended by paragraph (2) of this subsection), $95,000,000 for each of the fiscal years 1997 through 2000; and

(B) for carrying out the medication development project to improve drug abuse and drug treatment research (administered through the National Institute on Drug Abuse), $5,000,000 for each of the fiscal years 1997 through 2000.

(2) CAPACITY EXPANSION PROGRAM REGARDING DRUG ABUSE TREATMENT.—Section 1971 of the Public Health Service Act (42 U.S.C. 300y) is amended—

(A) in subsection (a)(1), by adding at the end the following sentence: "This paragraph is subject to subsection (j).";

(B) by redesignating subsection (j) as subsection (k);

(C) in subsection (j) (as so redesignated), by inserting before the period the following: "and for each of the fiscal years 1995 through 2000"; and

(D) by inserting after subsection (i) the following subsection:

"(j) FORMULA GRANTS FOR CERTAIN FISCAL YEARS.—

"(1) IN GENERAL.—For each of the fiscal years 1997 through 2000, the Director shall, for the purpose described in subsection (a)(1), make a grant to each State that submits to the Director an application in accordance with paragraph (2). Such a grant for a State shall consist of the allotment determined for the State under paragraph (3). For each of the fiscal years 1997 through 2000, grants under this paragraph shall be the exclusive grants under this section.

"(2) REQUIREMENTS.—The Director may make a grant under paragraph (1) only if, by the date specified by the Director, the State submits to the Director an application for the grant that is in such form, is made in such manner, and contain such agreements, assurances, and information as the Director determines to be necessary to carry out this subsection, and if the application contains an agreement by the State in accordance with the following:

"(A) The State will expend the grant in accordance with the priority described in subsection (b)(1).

"(B) The State will comply with the conditions described in each of subsections (c), (d), (g), and (h).

"(3) ALLOTMENT.—

"(A) For purposes of paragraph (1), the allotment under this paragraph for a State for a fiscal year shall, except as provided in subparagraph (B), be the product of—

"(i) the amount appropriated in section 601(d)(1)(A) of the Work Opportunity Act of 1995 for the fiscal year, together with any additional amounts appropriated to carry out this section for the fiscal year; and

"(ii) the percentage determined for the State under the formula established in section 1933(a).

"(B) Subsections (b) through (d) of section 1933 apply to an allotment under subparagraph (A) to the same extent and in the same manner as such subsections apply to an allotment under subsection (a) of section 1933.".

AMENDMENT NO. 2485

On page 374, line 2, insert "and not reserved under paragraph (3)" after "734(b)(2)".

On page 374, between lines 21 and 22, insert the following:

(3) RESERVATION FOR INDIAN VOCATIONAL EDUCATION GRANTS.—From amounts made available under section 734(b)(2) for a fiscal year, the Secretary shall reserve $4,000,000 for such year to award grants, to tribally controlled postsecondary vocational institutions to enable such institutions to carry out activities described in subsection (d), on the basis of a formula that—

(A) takes into consideration—

(i) the costs of basic operational support at such institutions; and

(ii) the availability to such institutions of Federal funds not provided under this paragraph for such costs; and

(B) is consistent with the purpose of section 382 of the Carl D. Perkins Vocational and Applied Technology Education Act (20 U.S.C. 2397).

Mr. BINGAMAN. Mr. President, I yield the floor.

Mr. PACKWOOD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. BROWN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BROWN. Mr. President, notwithstanding the previous order, I ask unanimous consent to speak for 30 seconds on the amendment that we will be voting on.

The PRESIDING OFFICER. Without objection, it is so ordered.

AMENDMENT NO. 2465

Mr. BROWN. Mr. President, the first vote we will have at 9:30 or shortly thereafter will be on my amendment. What it does is require that the States, when they receive the money from the block grant, handle it the same way they do their own funds. There are six States in our Nation that now have that money from a block grant come to their Governor alone. That Governor is then vested with not only the power to appropriate it, but to act as the executive and, incidentally, approve the person who is the auditor.

So it is a safety measure, very much in line with our concept of constitutional government and the division of powers. And I hope all Members will feel comfortable in supporting it.

Mr. President, I yield back my time and note the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. SANTORUM. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

Mr. PACKWOOD. I object.

The PRESIDING OFFICER. The clerk will continue with the call of the roll.

The legislative clerk continued with the call of the roll.

Mr. PACKWOOD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. PACKWOOD. Mr. President, I ask unanimous consent that the majority leader be able to offer a modification to his amendment after the votes.

The PRESIDING OFFICER. Is there objection?

Mr. MOYNIHAN. Mr. President, there is no objection on this side.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. SANTORUM addressed the Chair.

The PRESIDING OFFICER. The Senator from Pennsylvania.

Mr. SANTORUM. Mr. President, I ask unanimous consent that Senators ABRAHAM and BAUCUS be added as cosponsors to my amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

VOTE ON AMENDMENT NO. 2465

Mr. KYL. Under the previous order, the hour of 9:30 having arrived, the Senate will now vote on the Brown amendment No. 2465. The yeas and nays have been ordered.

The clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. LOTT: I announce that the Senator from Mississippi [Mr. COCHRAN] and the Senator from Alaska [Mr. MURKOWSKI] are necessarily absent.

The PRESIDING OFFICER (Mr. DEWINE). Are there any other Senators in the Chamber desiring to vote?

The result was announced—yeas 92, nays 6, as follows:

[Rollcall Vote No. 401 Leg.]

YEAS—92

Abraham
Akaka
Baucus
Bennett
Bingaman
Bond
Boxer
Bradley
Breaux
Brown
Bryan
Bumpers
Burns
Byrd
Campbell
Cohen
Conrad
Coverdell
Craig
D'Amato
Daschle
DeWine
Dodd
Dole
Domenici
Dorgan
Exon
Faircloth
Feingold
Feinstein
Ford
Frist
Glenn
Gorton
Graham
Gramm
Grams
Grassley
Harkin
Hatch
Hatfield
Heflin
Helms
Hollings
Hutchison
Inhofe
Inouye
Jeffords
Johnston
Kassebaum
Kempthorne
Kennedy
Kerrey
Kerry
Kohl
Kyl
Lautenberg

Leahy
Levin
Lieberman
Lott
Lugar
Mack
McCain
McConnell
Mikulski
Moseley-Braun
Moynihan
Murray
Nickles
Nunn
Packwood
Pell
Pressler
Pryor
Reid
Robb
Rockefeller
Roth
Santorum
Sarbanes
Shelby
Simon
Simpson
Smith
Snowe
Specter
Stevens
Thomas
Thurmond
Warner
Wellstone

NAYS—6

Ashcroft
Biden
Chafee
Coats
Gregg
Thompson

NOT VOTING—2

Cochran
Murkowski

So the amendment (No. 2465) was agreed to.

Mr. MOYNIHAN. Mr. President, I move to reconsider the vote.

Mr. GLENN. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

VOTE ON AMENDMENT NO. 2477

The PRESIDING OFFICER. The question is now on the Santorum amendment, No. 2477.

The yeas and nays have been ordered. The clerk will call the roll.

The legislative clerk called the roll.

Mr. LOTT. I announce that the Senator from Mississippi [Mr. COCHRAN], the Senator from Alaska [Mr. MURKOWSKI], and the Senator from Texas [Mr. GRAMM] are necessarily absent.

The PRESIDING OFFICER. Are there any other Senators in the Chamber who desire to vote?

The result was announced, yeas 91, nays 6, as follows:

[Rollcall Vote No. 402 Leg.]

YEAS—91

Abraham
Ashcroft
Baucus
Bennett
Biden
Bingaman
Bond
Boxer
Bradley
Breaux
Brown
Bryan
Bumpers
Burns
Byrd
Chafee
Coats
Cohen
Conrad
Coverdell
Craig
D'Amato
Daschle
DeWine
Dodd
Dole
Domenici
Dorgan
Exon
Faircloth
Feingold
Feinstein
Ford
Frist
Glenn
Gorton
Graham
Grams
Grassley
Gregg
Harkin
Hatch
Hatfield
Heflin
Helms
Hollings
Hutchison
Inhofe
Jeffords
Johnston
Kassebaum
Kempthorne
Kennedy
Kerrey
Kerry
Kohl
Kyl
Lautenberg
Leahy
Levin
Lieberman
Lott
Lugar
Mack
McCain
McConnell
Mikulski
Murray
Nickles
Nunn
Packwood
Pell
Pressler
Pryor
Reid
Robb
Rockefeller
Roth
Santorum
Sarbanes
Shelby
Simpson
Smith
Snowe
Specter
Stevens
Thomas
Thompson
Thurmond
Warner
Wellstone

NAYS—6

Akaka
Campbell
Inouye
Moseley-Braun
Moynihan
Simon

NOT VOTING—3

Cochran
Gramm
Murkowski

So the amendment (No. 2477) was agreed to.

GOLDEN GAVEL AWARD

Mr. DOLE. Mr. President, as all Senators know, the Senate is a place of tradition, and one tradition we have is honoring those colleagues who preside over the Senate for more than 100 hours a session. Compared to Cal Ripken's 2,131 games, 100 hours may not seem like a long time, but presiding over the Senate can be very tough duty.

There are periods, of course, when absolutely nothing is happening, but there are also periods when rulings from the Chair may change the course of legislation or of history itself.

Many Senators have presided over the Senate, but I am told that no Republican Senator has ever presided for over 100 hours in a shorter period of time than the current occupant of the Chair, Senator MIKE DEWINE, of Ohio.

It is a pleasure to announce that he is the first recipient of the Golden Gavel Award in the 104th Congress. And when Senator DEWINE departs from the chair today, I will invite him back to the cloakroom where we have a cake in his honor. I know all Senators join me in congratulating the presiding officer on this occasion.

[Applause, Senators rising.]

FAMILY SELF-SUFFICIENCY ACT

The Senate continued with the consideration of the bill.

Mr. DOLE. Mr. President, I am going to modify my amendment. But if I could briefly put in a quorum and indicate that on this side of the aisle the bill will be managed by a number of members on the Finance Committee—Senator GRASSLEY, Senator HATCH, Senator SANTORUM, Senator NICKLES, Senator CHAFEE, and the leader—throughout the remainder of the time on this particular bill. We have a lot of managers.

Could I suggest the absence of a quorum, unless somebody wanted to——

Mr. MOYNIHAN addressed the Chair.

The PRESIDING OFFICER. The Senator from New York.

Mr. MOYNIHAN. A number of Senators simply wish to lay down their amendments. This is understood. And there will be no debate, but simply if you would recognize them as they rise, we would appreciate it, sir.

Mr. SIMON addressed the Chair.

The PRESIDING OFFICER. The Senator from Illinois.

AMENDMENT NO. 2468 TO AMENDMENT NO. 2280

(Purpose: To provide grants for the establishment of community works progress programs)

Mr. SIMON. This is for the purpose of laying down my amendment. It is No. 2468. I would like to call it up.

I think there is another amendment pending that I have to ask unanimous consent to ask that it be set aside. I do so request.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. SIMON. I call up my amendment No. 2468.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Illinois [Mr. SIMON] proposes an amendment numbered 2468 to amendment No. 2280.

Mr. SIMON. Mr. President, I ask that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

(The text of the amendment is printed in today's RECORD under "Amendments Submitted.")

Mr. SIMON. I ask unanimous consent that the amendment be set aside.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. LEVIN addressed the Chair.

The PRESIDING OFFICER. The Senator from Michigan.

AMENDMENT NO. 2486 TO AMENDMENT NO. 2280

(Purpose: To require recipients of assistance under a State program funded under part A of title IV of the Social Security Act to participate in State mandated community service activities if they are not engaged in work after 6 months of receiving benefits)

Mr. LEVIN. Mr. President, pursuant to the unanimous consent agreement, I send an amendment to the desk so that it will be qualified pursuant to that agreement.

The PRESIDING OFFICER. Without objection, it is so ordered.

The clerk will report.

The legislative clerk read as follows:

The Senator from Michigan [Mr. LEVIN] proposes an amendment numbered 2486 to amendment No. 2280.

Mr. LEVIN. Mr. President, I ask that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 12, between lines 22 and 23, insert the following:

"(G) COMMUNITY SERVICE.—Not later than 3 years after the date of the enactment of the Work Opportunity Act of 1995, should (and not later than 7 years after such date, shall) offer to, and require participation by, a parent or caretaker receiving assistance under the program who, after receiving such assistant for 6 months—

"(i) is not exempt for work requirements; and

"(ii) is not engaged in work as determined under section 404(c),

in community service employment, with minimum hours per week and tasks to be determined by the State.

On page 35, between lines 2 and 3, insert the following:

"(6) CERTAIN COMMUNITY SERVICE EXCLUDED.—An individual performing community service pursuant to the requirement under section 402(a)(1)(1G) shall be excluded from the determination of a State's participation rate.

Mr. LEVIN. Mr. President, I ask unanimous consent that the amendment be laid aside.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BREAUX addressed the Chair.

The PRESIDING OFFICER. The Senator from Louisiana.

Mr. BREAUX. Thank you, Mr. President.

PRIVILEGE OF THE FLOOR

Mr. BREAUX. Mr. President, I ask unanimous consent that Lisa Aikman, a congressional fellow in my office, be granted floor privileges through the end of our consideration of the Work Opportunity Act of 1995.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BREAUX. Mr. President, I ask that the pending amendment be set aside so I may ask unanimous consent to offer four amendments en bloc.

The PRESIDING OFFICER. Without objection, it is so ordered.

AMENDMENTS NOS. 2487 THROUGH 2490, EN BLOC, TO AMENDMENT NO. 2280

Mr. BREAUX. I send my amendments to the desk.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Louisiana [Mr. BREAUX] proposes amendments numbered 2487 through 2490, en bloc, to amendment No. 2280.

Mr. BREAUX. Mr. President, I ask that the reading of the amendments be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

AMENDMENT NO. 2487

(Propose: To maintain the welfare partnership between the States and the Federal Government)

On page 23, beginning on line 7, strike all through page 24, line 18, and insert the following:

"(5) WELFARE PARTNERSHIP.—

"(A) IN GENERAL.—The amount of the grant otherwise determined under paragraph (1) for fiscal year 1997, 1998, 1999, or 2000 shall be reduced by the amount by which State expenditures under the State program funded under this part for the preceding fiscal year is less than 100 percent of historic State expenditures.

"(B) HISTORIC STATE EXPENDITURES.—For purposes of this paragraph—

"(i) IN GENERAL.—The term 'historic State expenditures' means expenditures by a State under parts A and F of title IV for fiscal year 1994, as in effect during such fiscal year.

"(ii) HOLD HARMLESS.—In no event shall the historic State expenditures applicable to any fiscal year exceed the amount which bears the same ratio to the amount determined under clause (i) as—

"(I) the grant amount otherwise determined under paragraph (1) for the preceding fiscal year (without regard to section 407), bears to

"(II) the total amount of Federal payments to the State under section 403 for fiscal year 1994 (as in effect during such fiscal year).

"(C) DETERMINATION OF STATE EXPENDITURES FOR PRECEDING FISCAL YEAR.—

"(i) IN GENERAL.—For purposes of this paragraph, the expenditures of a State under the State program funded under this part for a preceding fiscal year shall be equal to the sum of the State's expenditures under the program in the preceding fiscal year for—

"(I) cash assistance;

"(II) child care assistance;

"(III) education, job training, and work; and

"(IV) administrative costs.

"(ii) TRANSFERS FROM OTHER STATE AND LOCAL PROGRAMS.—In determining State expenditures under clause (i), such expenditures shall not include funding supplanted by transfers from other State and local programs.

"(D) EXCLUSION OF FEDERAL AMOUNTS.—For purposes of this paragraph, State expenditures shall not include any expenditures from amounts made available by the Federal Government.

AMENDMENT NO. 2488

(Purpose: To maintain the welfare partnership between the States and the Federal Government)

On page 23, beginning on line 7, strike all through page 24, line 18, and insert the following:

"(5) WELFARE PARTNERSHIP.—

"(A) IN GENERAL.—The amount of the grant otherwise determined under paragraph (I) for fiscal year 1997, 1998, 1999, or 2000 shall be reduced by the amount by which State expenditures under the State program funded under this part for the preceding fiscal year is less than 90 percent of historic State expenditures.

"(B) HISTORIC STATE EXPENDITURES.—For purposes of this paragraph—

"(i) IN GENERAL.—The term 'historic State expenditures' means expenditures by a State under parts A and F of title IV for fiscal year 1994, as in effect during such fiscal year.

"(ii) HOLD HARMLESS.—In no event shall the historic State expenditures applicable to any fiscal year exceed the amount which bears the same ratio to the amount determined under clause (i) as—

"(I) the amount otherwise determined under paragraph (1) for the preceding fiscal year (without regard to section 407), bears to

"(II) the total amount of Federal payments to the State under section 403 for fiscal year 1994 (as in effect during such fiscal year).

"(C) DETERMINATION OF STATE EXPENDITURES FOR PRECEDING FISCAL YEAR.—

"(i) IN GENERAL.—For purpose of this paragraph, the expenditures of a State under the State program funded under this part for a preceding fiscal year shall be equal to the sum of the State's expenditures under the program in the preceding fiscal year for—

"(I) cash assistance;

"(II) child care assistance;

"(III) education, job training, and work; and

"(IV) administrative costs.

"(ii) TRANSFERS FROM OTHER STATE AND LOCAL PROGRAMS.—In determining State expenditures under clause (i), such expenditures shall not include funding supplanted by transfers from other State and local programs.

"(D) EXCLUSION OF FEDERAL AMOUNTS.—For purposes of this paragraph, State expenditures shall not include any expenditures from amounts made available by the Federal Government.

AMENDMENT NO. 2489

In section 703(39), strike "(8)" and all that follows and insert "(9) of section 716(a).".

In section 714(c)(2)(B), strike clause (vii) and insert the following:

"(vii) the steps the State will take over the 3 years covered by the plan to comply with the requirements specified in section 716(a)(3) relating to the provision of education and training services;".

In section 716(a)(1)(A), strike "and (4)" and insert "(4), and (5)".

In section 716(a)(1), strike subparagraph (B) and insert the following:

"(B) may be used to carry out the activities described in paragraphs (6), (7), (8), and (9).".

In section 716(a), strike paragraph (9).

In section 716(a)(8), strike "(8)" and insert "(9)".

In section 716(a)(7), strike "(7)" and insert "(8)".

In section 716(a)(6), strike "(6)" and insert "(7)".

In section 716(a)(5), strike "(5)" and insert "(6)".

In section 716(a)(4), strike "(4)" and insert "(5)".

In section 716(a)(3), strike "(3)" and insert "(4)".

In section 716(a), insert after paragraph (2) the following:

"(3) EDUCATION AND TRAINING SERVICES.—

"(A) IN GENERAL.—The State shall use a portion of the funds described in paragraph (1) to provide education and training services in accordance with this paragraph to adults, each of whom—

"(i) is unable to obtain employment through core services described in paragraph (2)(B);

"(ii) needs the education and training services in order to obtain employment, as determined through—

"(I) an initial assessment under paragraph (2)(B)(ii); or

"(II) a comprehensive and specialized assessment; and

"(iii) is unable to obtain other grant assistance, such as a Pell Grant provided under title IV of the Higher Education Act of 1965 (20 U.S.C. 1070 et seq.), for such services.

"(B) TYPES OF SERVICES.—Such education and training services may include the following:

"(i) Occupational skills training, including training for nontraditional employment.

"(ii) On-the-job training.

"(iii) Services that combine workplace training with related instruction.

"(iv) Skill upgrading and retraining.

"(v) Entrepreneurial training.

"(vi) Preemployment training to enhance basic workplace competencies, provided to individuals who are determined under guidelines developed by the Federal Partnership to be low-income.

"(vii) Customized training conducted with a commitment by an employer or group of employers to employ an individual on successful completion of the training.

"(C) USE OF VOUCHERS FOR DISLOCATED WORKERS.—

"(i) IN GENERAL.—Except as provided in clauses (ii) and (iii), education and training services described in subparagraph (B) shall be provided to dislocated workers through a system of vouchers that is administered through one-stop delivery described in paragraph (2).

"(ii) EXCEPTIONS.—Education and training services described in subparagraph (B) may be provided to dislocated workers in a substate area through a contract for services in lieu of a voucher if—

"(I) the local partnership described in section 728(a), or local workforce development board described in section 728(b), for the substate area determines there are an insufficient number of eligible entities in the substate area to effectively provide the education and training services through a voucher system;

"(II) the local partnership or local workforce development board determines that the eligible entities in the substate area are unable to effectively provide the education and training services to special participant populations; or

"(III) the local partnership or local workforce development board decides that the education and training services shall be provided through a direct contract with a community-based organization serving special participant populations.

"(iii) PROHIBITION ON PROVISION OF ON-THE-JOB TRAINING THROUGH VOUCHERS.—On-the-job training provided under this paragraph shall not be provided through a voucher system.

"(D) ELIGIBILITY OF EDUCATION AND TRAINING SERVICE PROVIDERS.—

"(i) ELIGIBILITY REQUIREMENTS.—An entity shall be eligible to provide the education and training services through a program carried out under this paragraph and receive funds from the portion described in subparagraph (A) through the receipt of vouchers if—

"(I)(aa) the entity is eligible to carry out the program under title IV of the Higher Education Act of 1965; or

"(bb) the entity is eligible to carry out the program under an alternative eligibility procedure established by the Governor of the State that includes criteria for minimum acceptable levels of performance; and

"(II) the entity submits accurate performance-based information required pursuant to clause (ii), [except that entities described in subclause (I)(aa) shall only be required to provide information for programs other than programs leading to a degree.]

"(ii) PERFORMANCE-BASED INFORMATION.—The State shall identify performance-based information that is to be submitted by an entity for the entity to be eligible to provide the services, and receive the funds, described in clause (i). Such information [shall] include information relating to—

"(I) the percentage of students completing the programs, if any, through which the entity provides education and training services described in subparagraph (B), as of the date of the submission;

"(II) the rates of licensure of graduates of the programs;

"(III) the percentage of graduates of the programs meeting skill standards and certification requirements endorsed by the National Skill Standards Board established under the Goals 2000: Educate America Act;

"(IV) the rates of placement and retention in employment, and earnings, of the graduates of the programs;

"(V) the percentage of students in such a program who obtained employment in an occupation related to the program; and

"(VI) the warranties or guarantees provided by such entity relating to the skill levels or employment to be attained by recipients of the education and training services provided by the entity under this paragraph.

"(iii) ADMINISTRATION.—The Governor shall designate a State agency to collect, verify, and disseminate the performance-based information submitted pursuant to clause (ii).

"(iv) ON-THE-JOB TRAINING EXCEPTION.—Entities shall not be subject to the requirements of clauses (i) through (iii) with respect to on-the-job training activities.".

In section 716(a)(7) (as so redesignated), strike subparagraphs (A), (B), and (C).

In subparagraph (D) of section 716(a)(7) (as so redesignated), strike "(D)" and insert "(A)".

In section 716(a)(7) (as so redesignated), strike subparagraph (E).

In subparagraph (F) of section 716(a)(7) (as so redesignated), strike "(F)" and insert "(B)".

In section 716(a)(7) (as so redesignated), strike subparagraph (G).

In subparagraph (H) of section 716(a)(7) (as so redesignated), strike "(H)" and insert "(C)".

In subparagraph (I) of section 716(a)(7) (as so redesignated), strike "(I)" and insert "(D)".

In section 716(a)(7) (as so redesignated), strike subparagraph (J).

In subparagraph (K) of section 716(a)(7) (as so redesignated), strike "(K)" and insert "(E)".

In subparagraph (L) of section 716(a)(7) (as so redesignated), strike "(L)" and insert "(F)".

In subparagraph (M) of section 716(a)(7) (as so redesignated), strike "(M)" and insert "(G)".

In subparagraph (N) of section 716(a)(7) (as so redesignated), strike "(N)" and insert "(H)".

In subparagraph (O) of section 716(a)(7) (as so redesignated), strike "(O)" and insert "(I)".

In section 716(g)(1)(A), strike "(a)(6)" and insert "(a)(7)".

In section 716(g)(1)(B), strike "(a)(6)" and insert "(a)(7)".

In section 716(g)(2)(A), strike "(a)(6)" and insert "(a)(7)".

In section 716(g)(2)(B)(i), strike "(a)(6)" and insert "(a)(7)".

In section 7(38) of the Rehabilitation Act of 1973 (as amended by section 804), strike "(8)" and all that follows and insert "(9) of section 716(a) of the Workforce Development Act of 1995.".

AMENDMENT NO. 2490

(Purpose: To strike provisions relating to workforce development and workforce preparation)

Strike titles VII and VIII of the amendment.

Mr. BREAUX. I ask unanimous consent that the amendments be temporarily set aside until it is appropriate that they be considered.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MOYNIHAN addressed the Chair.

The PRESIDING OFFICER. The Senator from New York.

Mr. MOYNIHAN. I believe the pending amendment is offered by this Senator under a time agreement of 1½ hours, equally divided.

The PRESIDING OFFICER. Amendment No. 2466. There is a 90-minute time limit.

Mr. MOYNIHAN. Thank you.

Mr. DOLE. Mr. President, I wonder whether, rather than waste time in a quorum call, I could have consent to modify an amendment? If I could just extend that consent to follow disposition of the Moynihan amendment?

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. KERRY addressed the Chair.

The PRESIDING OFFICER. The Senator from Massachusetts.

Mr. KERRY. Would it be possible to proceed for 5 minutes or so on a subject outside of that?

Mr. DOLE. It is all right with this Senator.

Mr. MOYNIHAN. Five minutes, and then we can get to this matter then.

The PRESIDING OFFICER. The Senator from Massachusetts.

CONGRESS MOVING TOWARD A "TRAIN WRECK"

Mr. KERRY. Mr. President, it is clear that Congress is moving inexorably toward what the press is consistently referring to as a "train wreck." And all of us understand as we look at the budget process that there is an inevitable confrontation that is going to take place. That train wreck is already beginning to promote a concern in the financial marketplace. It is upsetting people's perceptions about what Congress is capable of doing or willing to do.

And I would like to say at this time, Mr. President, I would like to express my hope that bipartisanship and common sense will still be virtues here in Washington and that we can take the steps necessary to avoid any train wreck.

It seems to me that all of us ought to be pretty sensitive to what is about to happen. Despite the fact that a huge portion of the public has said that they did not like the way we do business.

Mr. President, a portion of the public has already said to us they do not like the way we do business here. And a lot of us have come to understand that. Despite the fact that we talk about change, we rarely accomplish it. And despite the fact that we claim we want bipartisanship and avoid politics as usual, Congress and the President are moving in a kind of mindless Alice in Wonderland atmosphere toward an inevitable confrontation.

And that confrontation is going to leave Americans questioning the quality of the leadership of this country and questioning the degree to which people here are in touch with the real concerns of the American people.

I find this a profoundly disturbing and almost incomprehensible equation. It is contrary to all of the things that people are asking us to do. And yet some people around here seem more content to believe that it is better to have a sort of ripeness to the political confrontation before we sit down and discuss what we are going to do.

Mr. President, I think that the American people have made it very clear that they want us to behave like adults and they want an assurance that critical services are going to continue to be provided to the people who pay our bills, who pay our salaries, and who pay for those services. In addition to that, there are very fundamental, basic needs of the country that should not be made poker chips in a political gamesmanship one-upmanship process.

Most people have made it very, very clear that their concerns are whether they are going to have a job, whether we are going to do something about raising their income, whether kids are going to get to school and whether the schools are going to be safe, and whether they will be safe in their communities. These are the real concerns of the American people. And every single one of us knows that there are going to be some appropriations bills on the floor that are going to be passed in a unison of ideological fervor. Those bills are absolutely preordained to be vetoed. They are absolutely preordained to have the vetoes upheld. And we are absolutely preordained to come here to confront the moment of reality. But that moment of reality is being put off into the future in a way that makes the American people the pawns in the process.

And I guarantee my colleagues—and they know it because I hear them saying it in the back halls—this will not serve America's interests. This will not serve our interests. It will be bad for this institution. And those of us who I think are concerned about trying to find a bipartisan, moderate, commonsense solution would like to suggest that rather than waiting for the train wreck, let us do what sensible people are supposed to do. Let us sit down now. Let us begin the process now of a bipartisan effort to avoid this confrontation and to find out if we can behave like the adults the American people sent us here to behave like. It is not very complicated.

I would ask that the President of the United States engage with the leadership, with those leaders of the key committees now, and that we even invite the American people to participate. Hold a meeting in the East Room. Let C-SPAN be part of the discussion of the priorities of this country. Let them see why there are differences of opinion. Let America share together with us an opportunity to prove that we are not going to conduct business as usual, that we are prepared to truly think differently.

I ask for 1 additional minute, Mr. President.

The PRESIDING OFFICER. The Senator is recognized for 1 additional minute.

Mr. KERRY. Mr. President, rather than go through the process of the inevitable confrontation with a continuing resolution, with a then delayed moment of confrontation with another continuing resolution, it is incumbent on all of us to have a responsible process in the interest of this institution and the American people.

I hope that the President of the United States will reach out to the leadership, and I hope that the majority leader will not be stuck in a position where he suggests that compromise is impossible.

Compromise is the nature of the legislative process. Inevitably, everyone knows there will be some kind of compromise. There has to be. The political equation of the veto, the political equation of the executive versus the legislative branch dictates that that will happen. What the American people do not want to see is a repeat of the Washington Monument and other symbolic closings that ultimately wind up with more than symbolic closings. It is not necessary.

So I implore our colleagues, let us not make the American people the pawns in a political charade. Let us get away from business as usual. Let us begin the process of a real dialog now that proves to the American people we are prepared to have an important, open, significant debate about the priorities of this country, and we can conduct our business in a mature and sensible fashion.

I yield the floor, and I thank the distinguished managers.

THE FAMILY SELF-SUFFICIENCY ACT

The Senate continued with the consideration of the bill.

The PRESIDING OFFICER. Who yields time?

Mr. MOYNIHAN addressed the Chair.

The PRESIDING OFFICER. The Senator from New York.

AMENDMENT NO. 2466

Mr. MOYNIHAN. Mr. President, I yield myself such time as I may require for an opening statement.

Mr. President, I rise in an all but empty Chamber to offer an amendment which is in the nature of a substitute for the bill reported from the Committee on Finance and later amended by the distinguished Republican leader.

On May 26, the committee considered the chairman's mark and the bill that I offered, the Family Support Act of 1995. It failed by a vote of 12 to 8 in our committee on party lines, with one exception, and it was not a happy moment, much less a promising moment. It was, indeed, a foreboding one.

Had it not been for the 1994 congressional elections, the wave of what George Will called a cymbal-clash change of the electorate, this measure now before the Senate is pretty much the measure we would have been considering. It brings the Family Support Act of 1988 up to the higher standards, higher expectations that we assumed would come with time and which we also assumed in what might seem the innocence of the last decade would be as bipartisan an effort as was the original.

The Family Support Act passed the Senate on June 16, 1988, by a vote of 93 to 3. We went to conference. The conference committee agreed. It came back, and on September 29 it passed out of this Senate 96 to 1, and then the following day the conference report was agreed to in the House by a vote of 347 to 53, near to an overwhelming vote. And on October 13, it was signed by President Reagan in a ceremony in the Rose Garden. Then Governor William J. Clinton of Arkansas, the Chairman of the Governors' Association was on hand, as was Governor Mike Castle, then Republican Governor of Delaware. The two of them had helped this bipartisan effort in the Governors' Association.

President Reagan said:

> I'm pleased to sign into law today a major reform of our Nation's welfare system, the Family Support Act. This bill creates a new emphasis on the importance of work for individuals in the welfare system.

It basically redefined the Aid to Families with Dependent Children legislation, which dates back to 1935. What had been a widow's pension, meant to phase out as survivor's insurance matured in Social Security, had become a wholly different program for a wholly different population, and within a certain measure of delay, when the time came, we redefined the program, redefined its objectives. We did so, Mr. President, with a measure of realism, even of modesty, in the face of extraordinary change in our social structure, our social system, if you will. This change came suddenly and without warning and to this day it can be quantified but scarcely explained. I refer to the subject that has been spoken about with candor and, I think, understanding, with an openness on the floor in this debate already, which is the rise of out-of-wedlock births, from about 6 percent nationwide in 1960 to about 33 percent today.

I have commented several times that this is something we did not know how to talk about, were not sure we ought to talk about, but which Presidents now openly discuss. President Bush was the first President to raise this issue in a State of the Union Message. President Clinton has done the same. President Clinton has suggested projections that we have made in our office which could take us surely to 40 percent, a number without meaning until this moment in history. We could not have imagined it.

We created the JOBS Program, one of those acronyms, Jobs Opportunities and Basic Skills. We set quotas, percentages that States had to meet as they moved along with the funds available, and we began to see results.

We never promised a very great deal. We made very clear that the persons we were concerned about were the persons most in need, and they are not difficult to define, Mr. President.

About 42 percent of persons who enter the welfare system are there for 24 months or less. They typically are women with children whose marriages have dissolved, and it takes them a period to put their life back, their affairs back in order, and they do. A fairly considerable amount of research has indicated they do not need anything but time and a certain amount of income support, which is what the Social Security system is all about.

On the other hand, a very large proportion of our children enter this system and stay in it for more than 5 years, stay in it for much of their childhood. Seventy-six percent of persons on the AFDC rolls at any given time will be on more than 5 years. They are the ones who are most in need. They are the ones who are most difficult to help. Those are the ones, when something succeeds, you have saved a life. We should concentrate on that.

We were off to a slow start. We had a recession. We had a rise in the number of out-of-wedlock births. What is worrisome is that the cohort of women age 15–24, the age group disproportionately responsible for out-of-wedlock births, is expected to rise over the next 10 years. We will have more illegitimacy, and consequently more of a need for welfare assistance. That phrase "demography is destiny"—demography is destiny for the welfare system.

In the face of these massive, disturbing, changes in the structure of the family, we enacted the Family Support Act of 1988. For the first time, we said that the single mothers on the welfare rolls must be in education, training, or work to receive their benefits, to the extent State resources permit. We gave States great flexibility to experiment. And we began to get good news from around the country as these programs took effect. The word came out that you can innovate, you ought to try.

How many Senators have we heard talking about Riverside, CA? We had the director of that jobs program in to testify before us this spring in the Finance Committee, with enthusiasm, full of energy. He had a blue button that says "Life works when you work." That sort of energy in the executive establishment is to be praised. All across the country, we began to hear of this program and that program taking hold. But still, the welfare caseload grew.

As I said yesterday, our assessment in the Congressional Budget Office is that about half the growth was due to the increase in out-of-wedlock births. About a quarter of the decline of the economy is the increase in unemployment. There is a measure in which the economy affects welfare dependency. But primarily, welfare dependency derives from single-parent families. It is affected by the rise in the business cycle—but marginally. We are dealing with something very different, very new, just learning our way. And yet, while we simply do not know how to change the behavior which is driving illegitimacy, we are learning how to get welfare recipients off the rolls and into jobs. What we have learned we have learned under the Family Support Act.

That is why it has come as a source of dismay to many students of the subject, scholars such as Lawrence Mead, of New York University, who certainly wishes himself to be understood as conservative in these matters. He said recently of the legislation before us, what we voted on yesterday and what we will vote on:

> The main effect of block grants would be to disestablish the jobs program which has been the major force pushing States with large caseloads to reform.

Dr. Meade has commented that even New York is beginning to get the message. Well, that is a large event. You cannot break the mindset of a half century instantly. There is a sort of law of retarded response, that large bureaucracies established to provide benefits on a permanent basis to permanently dependent persons, widows react slowly to change, and it will take a generation to get it understood that this is no longer the reality.

I knew Frances Perkins rather well. She was very much in evidence here in Washington in the early sixties. We began to notice this welfare problem, and I would talk with her about it. When it began, she would describe the typical recipient of the Aid to Families with Dependent Children. The typical recipient was a West Virginia miner's widow. There was no expectation that she would go to work in the mines. In time, the survivors insurance would take care of that. In time the survivors insurance did. Only about 71 percent of the persons receiving Social Security benefits are retired persons. The rest are spouses, children of deceased workers, and persons of that order.

We knew we were changing and we knew the change would be difficult, but we built into our legislation very careful evaluation to find what works. We particularly looked to the Manpower Demonstration Research Corporation based in New York, which had provided the basic data on which we enacted the legislation, and they have now reported. They are not easily impressed. They quantify, they measure, and they are very realistic. This is what they recently wrote about an assessment of the program Nationwide:

> This report represents early evidence that well-implemented, highly mandatory jobs programs that use job search followed by a range of short-term education, training, and other services to promote rapid job entry can produce dramatic reductions in welfare receipt and substantial increases in employment and earnings.

May I say, Mr. President, the MDRC is not in the habit of referring to dramatic reductions. But they have done it. Indeed, we see our caseloads beginning to decline over the last year. They have dropped by a quarter of a million, 240,000 or almost 5 percent. Most of the decline has come in the 44 smaller States that have about half the caseload. Forty-four States have half of the AFDC cases; six have the other half.

I have spoken to you, Mr. President, about the degree to which so many of our cities are effectively overwhelmed by this social disorder, as it now is. In the city of Chicago, in a given year, 46 percent of all children will be on welfare. In Detroit, 67 percent will be. In Philadelphia, 57 percent. In New York, 39 percent. These are numbers that overwhelm a political and a social system. They will stay overwhelmed. It will be a generation before we are out of this.

But if we now abandon efforts which are beginning to show results, we will regret it. We will regret it if we remember having done it. I have, several times, referred to a remark made on the Charlie Rose show by the new director of the National Urban League, Mr. Hugh Price, who said that what we are proposing is something equal to the measures of the deinstitutionalization of mental patients in the 1960's.

I happen to have been much involved in that. The program began in the 1950's in New York State, where the first tranquilizers were developed. I was on hand, Mr. President, when on October 31, 1963, President John F. Kennedy had his last public bill signing ceremony. He signed the Community Mental Health Construction Act of 1963. He gave me a pen, and I have had it framed. We were going to build 2,000 community mental health centers between then and 1980. We were going to empty out our mental institutions and treat people in their communities. Well, we emptied out our mental institutions, but we did not build the centers. We built about 400 and then forgot what we were doing. Then the problem of the homeless appeared, and people said, "Where did these homeless persons come from?"

In my city of New York they said, well, it is obviously the problem of lack of affordable housing. It was not a lack of affordable housing. It is schizophrenia, found in a basic incidence of large populations. We did something terribly wrong and we cannot even recover the memory.

If in 10 years' time we find children sleeping on grates, picked up in the morning frozen, and we ask, why are they scavenging, being awful to themselves, awful to one another? Would anyone remember how it began? It would have begun on the House floor this spring and the Senate Chamber this autumn.

You will have half a million children in New York City with altogether inadequate provision, if any. It will almost be forgotten. Such is the amnesiac quality of so much of our politics, that there was a time when the Federal Government said it had a responsibility.

These children are all our children and we are all responsible for them. If you had more intelligent federalism it would sort so many things out. We have so many things we are doing at the Federal level in which we have no business.

It was remarked yesterday that when the Food Stamp Program began, States were free to set their own levels and they set them at wildly different levels, and many were quite inadequate. President Nixon came along and said, no, children are children, they are all American children. We will have a national standard.

President Nixon proposed a guaranteed income. The distinguished Presiding Officer was presiding the other day when just by coincidence a Brazilian Senator happened to be in Washington and came to watch us, observe us. I went out to introduce myself and asked him to come and join us on the floor. Senator Eduardo Suplicy, who gave us a copy of a bill that has passed the Brazilian Senate which provided a guaranteed minimum income—all families with children up to age 14.

Brazil is doing it, moving in the direction we were. We are moving away. We are moving away amidst all manner of myth and misinformation.

First of all there is the myth that there is, in fact, an individual entitlement to welfare benefits. There is not, sir. States are entitled to a Federal matching share of any outlays they make on their own State programs.

The Federal share for various States ranges from 50 percent to about 78 percent. A State may have any program it wishes; it may have no program and provide $1 per year per child or $1,000 per year per child.

The number of actual Federal requirements are relatively few. The Federal statute says you can have only $1,000 in assets. All these children are paupers.

The bureaucracy has been too presciptive in detailing how States may implement their programs, and has often taken much too long to approve various State experiments. But the fact remains that under current law States have a good deal of flexibility, and through the waiver process they can do almost anything they please. There exists now flexibility for innovation, as there exists a Federal commitment to provide a share of provision to impoverished dependent children. If we abandon that, we abandon those children.

The legislation offered in the Finance Committee—I see my distinguished friend from Illinois was there—and now here as an amendment in the nature of the substitute, would build on the Family Support Act of 1988.

We would increase the funding for the Jobs Program from $1.2 billion in this coming fiscal year to $2.5 billion. The Federal matching rate for JOBS and child care would go from 60 to 70 percent. The participation rates would increase from 20 percent this year in stages to 50 percent in the year 2001.

These are increases we anticipated would be made as we got the hang of this effort, got to learn more about it. We learned, for example, that immediate job search is the most important thing; that a focus solely on educational training delays the reality of getting a job.

We are even learning to break one of the worst habits we ever acquired on this subject, which is disparaging entry-level jobs. My Lord, how I have spent 30 years listening to "advocates" talk about dead end jobs. Now the cliche is "flipping hamburgers."

The present chief executive officer of McDonald's, Ed Rensi, began flipping hamburgers. As I recall, he entered his entry wage at 83 cents an hour. Everybody starts. It is getting started that matters most.

This was our program, Mr. President. We had great hopes for it. It was bipartisan—96 to 1. It has taken hold.

If we look around, a great majority of the States have been coming in, proposing innovative measures of this kind, such as increasing income—disregards, moving people into the work force.

We have a transition from Medicaid provision for a year after leaving the AFDC rolls. We have child care provisions. We thought this out. We have done it. We have done it well. That we should abandon it now would be a great loss to our children. The United States will end up looking to the rest of the world as a place that cannot handle its affairs. We will wonder what we did. We have an opportunity to avoid that. We will vote in a very short while now.

Three years ago we would routinely have upgraded, updated, brought up to the expected higher standards the Family Support Act. If we are unwilling to do so today, at least in 10 years' time, when the horrors we shall have visited upon the children of the United States begin to be unmistakable, there will be those who can remember this day in this Chamber and say, "I saw that coming and I voted to prevent it."

Mr. President, I yield the floor. I see the distinguished Senator from Iowa is managing and would like to speak.

The PRESIDING OFFICER. The Senator from Iowa.

Mr. GRASSLEY. Mr. President, I yield myself such time as I might consume. But I would like to have the Chair notify me when I have used 20 minutes because if I have colleagues who want to speak, I want to make sure that they have an opportunity to do so.

Mr. President, we have heard a defense of the 1988 act from the distinguished Senator from New York. I believe, as one who voted for the 1988 act, that it was pursued from beginning to end with the best of intentions. The goals were to move people from welfare to work, from dependence to independence, to strengthen the family and even to save the taxpayers money.

I have to look back on those efforts as work being sincerely done, but as I look at the evolution of that act, the use of it and what it set out to accomplish and has accomplished, I believe I failed when I voted for that bill. I do not want to say that anyone else failed, but I look back at our efforts and see 3.1 million more people on AFDC now than we had then as one measure of failure. I see a lot more tax dollars being spent as another measure of failure.

Now we are being asked by the other side, by the amendment of the distinguished Senator from New York, to build on the 1988 act. Albeit, I am sure, they are suggesting changes in the amendment before us that reflect what they see as failures of that 1988 act. But the difference between the leadership proposal under the distinguished leadership of Senator DOLE and what the loyal opposition offers is the difference between night and day.

We have seen the Federal Government failing in welfare reform, not just since the 1988 act but, we would have to say, over the last several decades. In contrast, we have seen States succeed where we have failed, States like Missouri and Iowa and Wisconsin, Michigan, Massachusetts, New Jersey, and others. That is why we propose to get the Federal Government out of the business of welfare and turn it over to the States with the resources to accomplish the goal of ending welfare as we know it.

The major difference between what my distinguished friend from New York suggests and what Senator DOLE and the Finance Committee on this side suggests is whether or not we are going to maintain what is called the Federal entitlement. We propose to end the Federal entitlement. The Moynihan proposal maintains it.

Republicans propose to save the taxpayers $70 billion. Under the Moynihan proposal, the savings is only $2.1 billion. That is $2.1 billion in savings with the proposal on that side of the aisle; $70 billion in savings on the program from this side of the aisle.

Now, we do not propose our bill just to save money. We do not propose the ending of the entitlement just to save money. In fact, even if there was not an issue of balancing the budget, the failure of the Federal Government, after decades in the welfare business, is why it should be reformed on its own merits, and that is the way we proceed.

The litmus test of whether or not there is going to be change in Washington, the litmus test of whether it is no longer business as usual, is this issue of the Federal entitlement. Our proposal ends the Federal entitlement. That side would preserve the Federal entitlement.

As I look back at the 1988 legislation, there are things that I see as wrong now that I did not see then. It loosened some of the tough eligibility requirements that were enacted in the 1981 Reagan welfare reforms. It expanded the eligibility to two-parent families.

It provided for State waivers that would make it possible to reverse still more of those 1981 reforms.

I know some people would say we made those waivers available, that is why these States today are doing what they are doing. That is true. But, also, in the first instance, States were able to seek waivers of the 1981 reforms that were enacted.

We also permitted waivers to redefine who was unemployed by basing it on income earned rather than hours worked. We allowed the term "strict work requirements" to be undermined by creating an exemption for mothers having another child under 6. We promised a lot of education. We promised a lot of job training. We promised other attractive social services including child care and medical services to AFDC recipients who leave the welfare rolls. And the sole price for admission to those rolls was having that first baby.

Now, you can say to me, that any one of those things are very, very small. These are precisely the reasons, though, why AFDC has grown by 3.1 million people since 1988. Yes, these results demonstrate, as I look back at the 1988 legislation, that some of those changes were wrong. Though each of the changes might have been slight, they created incentives which, taken together, have caused the dramatic explosion in the AFDC rolls from 1989 to 1995.

Now, I anticipate some will say, "Well, GRASSLEY, you forget that we had a recession in 1991 and 1992. That obviously had something to do with the explosion of people on AFDC."

Before I respond to that, let me give the statistics on the growth of AFDC. There were 3 million in 1960. It rose rapidly through the 1960's and early 1970's. It rose rapidly, yes, even into the 1970's and then leveled off in 1972.

We had a very, very deep recession in 1974 and 1975, and the numbers dropped in the middle of that recession. That recession was deeper than what we had in 1991. The numbers stayed fairly level, though they did rise a little bit during the Carter administration, to 11.1 million in 1981, then they leveled off. They were 10.3 million in 1982, 11 million in 1989, and then we had that dramatic increase of another 3 million people that I believe is blamed on the 1988 law. We were promised that the numbers would go down as a result of the 1988 legislation. We thought that the act would steer AFDC parents to work and off the dole. Obviously, the legislation was praised by Democrats as well as Republicans as a final means of reducing welfare dependency.

We heard earlier that President Reagan praised the 1988 act when he signed it into law. But I still maintain, looking back over the history, that there was a period of time when President Reagan was against what was going on in the Congress. But we had a candidate for President in 1988 by the name of President Bush who, all of a sudden, at the time of the conference committee, came out and supported the legislation. I think that pulling of the rug out from the efforts to modify the legislation nixed what opportunity we had at that late moment to do more. And that legislation passed with only one dissenting vote. It was bipartisan, and I suppose for that reason nobody wants to expose the dramatic failures.

I can only speak for myself. But I do see the six or seven reasons that I gave of changes in the 1981 law, some expansion of eligibility and the redefinition of unemployed, and the redefinition of strict work requirements as opening up the opportunity for the dramatic growth we then saw. I do not see the growth, Mr. President, in any direct way related to a recession because we did not have that dramatic of an increase in the last recession that we had in 1974 and 1975.

So, we are at the point where we have to consider the new approach to welfare reform, an approach that establishes faith in State governments and local governments because they have done a lot to reduce welfare. Their plans are working. Yet, they had to come to the Federal Government on bended knees, hat in hand, even to get limited waivers to accomplish what they wanted to do. I will bet that in most instances they would have been more dramatic, more dynamic in what they would want to try in the way of reform if they had not had to get those waivers. I know my own State of Iowa had to wait 8 months for waivers.

Iowa has moved 2,000 people off the welfare rolls and reduced the monthly check from $360 to $340. My State has the highest percentage of anybody on AFDC at work, 34 percent. That has been a dramatic increase from under 18 percent when our program started, less than 2 years ago.

President Clinton ran for office in 1992. When he was running for office, he promised to end welfare as we know it. After 2 years of inaction, the American people rendered a very dramatic change in Congress, so dramatic that some historians say you have to go back to 1930 to see such a political change at the grassroots in America reflected in the membership of Congress. But for the first time since 1954, Republicans control both Houses of the Congress.

The American people said that they wanted change. The people had not seen the President and a Congress of the President's party so that there would be no gridlock delivered, as was promised in that 1992 election. They wanted change and they did not receive it. So they voted out the old and voted in the new.

I stated how in 1988 we passed welfare reform. Unfortunately, it failed our hopes and expectations. We have more people on welfare today than we did then.

The proposal that is before us from the other side of the aisle is basically a modification and continuation of the 1988 plan. The only positive thing to come out of the 1988 Family Support Act is that some States sought out waivers and came up with changes. As our political laboratories, our State legislatures, they suggested changes which could be made. They began to move people from welfare to work and save the taxpayers' money.

The example of the States then is what moved us on this side of the aisle to our block grant approach as a means of addressing the crisis in the current welfare system. We are ending the entitlement approach, by ending the attitude that the Federal Government knows the answers to all the welfare problems, that we can decide in Washington and we can pay for them as well.

Well, we learned that we do not have all the answers. We have learned that we have not solved all of the problems. And we are finally, after 30 years, facing up to the fact that we cannot afford all of these entitlements.

I am surprised when I hear that if we give authority back to the States, children will be left starving in the streets. That has not been said this morning, but the implication is there when we are told that 10 years from now if we vote for a block grant approach, we are going to look back and see that it is a mistake. That could be. And we have constitutional authority to reevaluate what we have done. But I think I have seen enough change and improvement in the programs at the State level to give me courage to move forward with ending the Federal entitlement and to ignore the warnings that I have received from my good friend.

Somehow I think some in this body have bought into the idea that we at the Federal level know what's best and that we can fix everything. I think it is a fairly arrogant approach to assume that only the Federal leaders as opposed to State leaders have compassion towards the needs of those less fortunate in our society.

In 40 years of Federal control we have seen an increase in dependency. We have seen an increase in the number of people on welfare. We have seen an increase in all of the social pathological problems that come from single-parent families.

We have heard these statistics over and over, but 70 percent of the juveniles in reformatories come from single-parent families, 60 percent of the rapists, 72 percent of the adolescent murderers. Kids that come from broken families are 40 percent more likely to fail a grade, 70 percent more likely to be expelled from school. Girls from broken families are more likely to have out-of-wedlock births and continue the problem.

The PRESIDING OFFICER. The Chair will advise the Senator he has used 20 minutes.

Mr. GRASSLEY. OK. I am going to take just a few more minutes and then yield the floor to my colleagues.

We have seen well-intended Federal programs destroy the nuclear family. And then we see amendments like we have before us today to continue that form of Federal control.

There is something I believe that we as Republicans and Democrats do agree on, and that is that the current system must be changed and changed dramatically. How dramatically?

Well, not very dramatically from the ideas we are getting from the other side of the aisle. When you want to end a Federal entitlement and let the States make the decisions, that is very dramatic.

We do not all agree that the welfare state is broken, but both Republicans and Democrats agree that the welfare system within the welfare state is broken, or we would not even have these ideas from the other side of the aisle.

The leadership bill meets the basic goals of welfare reform. That is to provide a system that meets the short-term needs of low-income Americans as they prepare for independence, to provide for much greater State flexibility, to reduce the incidence of out-of-wedlock births and strengthen the family, and finally to save the taxpayers some of their hard-earned money.

It is interesting to me that many Members will oppose the leadership bill and support the Moynihan bill because they say our proposal might hurt children. Yet I wish that these same Members would admit that the current system has hurt children.

The system I have described has not been good for our children. If we truly care about these children, we will reform very dramatically the current detrimental system.

Then you have to consider: If you are concerned about children, you also have to be concerned about children who are not on welfare. And if we are not concerned about doing something about this out-of-control Federal spending—though welfare is a small part of it—then we do not show the proper concern for each child born this day who inherits at the first breath $18,000 of responsibility for the $4.9 trillion debt we have. If we do not reverse the deficit crisis, our children, all children, will pay 80 percent of their lifetime earnings in taxes. Mr. President, that is wrong. We have to be concerned about the children who are not on welfare as well as children who are on welfare.

It is appropriate for us to be concerned about the children of low-income Americans but, frankly, I think it is about time that we are concerned about all the children of America. That means we have to reduce the deficit while we change the welfare system to free those who are trapped in it. If we take steps to move people from welfare to work, to give more flexibility to the States, to reduce illegitimacy and to strengthen the family, we will in the long run save the taxpayers money. This will be the natural result of positive changes to the current system.

I yield the floor.

Mr. ROCKEFELLER addressed the Chair.

The PRESIDING OFFICER. Who yields time?

Mr. MOYNIHAN. Mr. President, I understand the distinguished Senator from West Virginia would like to offer an amendment, and to do so with celerity. I yield 30 seconds for such purpose.

The PRESIDING OFFICER. The Senator from West Virginia.

Mr. ROCKEFELLER. I thank my ranking member.

AMENDMENTS NOS. 2491 AND 2492, EN BLOC, TO AMENDMENT NO. 2280

Mr. ROCKEFELLER. Mr. President, pursuant to the unanimous consent, I send two amendments, en bloc, to the desk and ask they be read and the pending amendment be laid aside.

The PRESIDING OFFICER. Without objection, it is so ordered. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from West Virginia [Mr. ROCKEFELLER] proposes, en bloc, amendments numbered 2491 and 2492 to amendment No. 2280.

Mr. ROCKEFELLER. Mr. President, I ask unanimous consent that reading of the amendments be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendments are as follows:

AMENDMENT NO. 2491

(Purpose: To provide States with the option to exempt families residing in areas of high unemployment from the time limit)

On page 36, between lines 18 and 19, insert the following:

"(4) AREAS OF HIGH UNEMPLOYMENT.—

"(A) IN GENERAL.—At the State's option, the State may, on a uniform basis, exempt a family from the application of paragraph (1) if—

"(i) such family resides in an area of high unemployment designated by the State under subparagraph (B); and

"(ii) the State makes available, and requires an individual in the family to participate in, work activities described in subparagraphs (B), (D), or (F) of section 404(c)(3).

"(B) AREAS OF HIGH UNEMPLOYMENT.—The State may designate a sub-State area as an area of high unemployment if such area—

"(i) is a major political subdivision (or is comprised of 2 or more geographically contiguous political subdivisions);

"(ii) has an average annual unemployment rate (as determined by the Bureau of Labor Statistics) of at least 10 percent; and

"(iii) has at least 25,000 residents.

The State may waive the requirement of clause (iii) in the case of a sub-State area that is an Indian reservation.

AMENDMENT NO. 2492

(Purpose: To provide for a State option to exempt certain individuals from the participation rate calculation and the time limit)

On page 35, between lines 2 and 3, insert the following:

"(6) STATE OPTION FOR PARTICIPATION REQUIREMENT EXEMPTIONS.—For any fiscal year, a State may opt to not require an individual described in subclause (I) or (II) of section 405(a)(3)(B)(ii) to engage in work activities and may exclude such an individual from the determination of the minimum participation rate specified for such fiscal year in subsection (a).

On page 40, strike lines 6 through 16, and insert the following:

"(B) LIMITATION.—

"(i) 15 PERCENT.—In addition to any families provided with exemptions by the State under clause (ii), the number of families with respect to which an exemption made by a State under subparagraph (A) is in effect for a fiscal year shall not exceed 15 percent of the average monthly number of families to which the State is providing assistance under the program operated under this part.

"(ii) CERTAIN FAMILIES.—At the State's option, the State may provide an exemption under subparagraph (A) to a family—

"(I) of an individual who is ill, incapacitated, or of advanced age; and

"(II) of an individual who is providing full-time care for a disabled dependent of the individual.

Mr. ROCKEFELLER. I thank the Senator from New York. I ask unanimous consent to lay the amendments aside.

The PRESIDING OFFICER. Without objection, it is so ordered. The Senator from New York.

AMENDMENT NO. 2466

Mr. MOYNIHAN. Mr. President, I yield myself 90 seconds, first to say in response to my friend from Iowa, my long associate on the Committee on Finance, he was this morning talking of the achievements of the State of Iowa in this area, and did so the other day, and he was talking about the achievements under the Family Support Act. There is yet a new proposal that came from Iowa, a request for a new set of disregards, and such like, received in April and approved in August for the Iowa Family Investment Program.

The Senator is right to be proud, but why not associate what Iowa has done with the legislation that encouraged it. I do not ask a response. I do not expect a response. But I would like to put that new Iowa Family Investment Program in the RECORD at this point, Mr. President. It is one page.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

IOWA FAMILY INVESTMENT PROGRAM

(Request: April 1993. Approved: August, 1993)

STATEWIDE

Disregard 20% of earnings as work expense deduction; in addition, disregard 50% of earned income after all other deductions applied; disregard all earnings in first four months of employment if individual reports employment in timely manner and had less than $1200 in earnings in 12 months before the employment began.

$2,000 asset limit for applicants, $5,000 for recipients; exempt equity value of automobile up to $3,000, adjusted annually by CPI; income deposited in IDA will not be counted as income and funds in IDA not counted toward asset limit.

Limit exemptions from requirement of Family Investment Agreement to individuals: 1) with a child under 6 months; 2) already employed 30 hours per week or more; or 3) disabled.

Plan specifies that families will be given individualized time limits based on their circumstances. At the end of the specified period, all benefits terminated. Extensions available for good cause.

For noncompliance, family will receive "Limited Benefit Plan," full benefits for three months of benefits, followed by three months of benefits for children only, followed by full family ineligibility for six months.

TCC for 24 months.

Eliminate 100-hour rule and work history requirements.

Allow stepparents same earned income disregards as available to recipients, as described above. Stepparents also allowed to receive regular child care expense deduction.

Allow grandparents same earned income disregards as available to recipients, as described above.

Mr. MOYNIHAN. Mr. President, again, in response to my friend, it is the fact that in the 1992 campaign, then candidate, now President Clinton proposed to end welfare as we know it. In an address to Georgetown University opening his campaign in 1991, he proposed a 2-year limit and now we begin to see the consequences. I have nothing more to say than that except to concede, I hope graciously, the Senator is right. We are ending the Federal entitlement to States for the support of dependent children and it is ending what we have known as welfare.

Sir, my able colleague and friend from Louisiana would like to speak to the experience of Louisiana under the Family Support Act. I am happy to yield 5 minutes to the Senator from Louisiana.

Mr. BREAUX. I thank very much the ranking member for giving me some time.

I, too, was a little confused when the Senator from Iowa was talking about the situation in his State. I have heard many, many times in many forums the success of Iowa in being innovative, in creating new programs and ideas of how to solve the problems of welfare reform in their particular State. And those accomplishments really were accomplished under the Family Support Act that was passed in this Congress in 1988.

That bill, which passed this body by a vote of 96 to 1, allowed States to be creative, allowed States to put in new ideas and new programs. Iowa took advantage of that and I think made some great progress. I think they should be proud of it. But it also is a result of actions that this Senate, this body took when we enacted the Family Support Act of 1988, the principal author of which was the ranking member of the Senate Finance Committee, the senior Senator from the State of New York.

Is it perfect? Of course not. Is anything we do ever perfect? Of course not. But it has allowed for great progress in permitting States to be innovative in creating programs that best fit the needs of their particular State.

In keeping with that, I wanted to share the experience of my State of Louisiana. The headline in the Monroe News Star World of August 14 of this year: "Project Independence Trims Welfare Rolls Across State." This is good news. This was done under the existing program, under the Family Support Act of 1988. There is good news in the land, in many States that have done substantially positive things in getting people off welfare. I read from the article. It says:

"In Louisiana, welfare reform is nothing new. Since October of 1990, the number of Louisiana residents receiving Aid to Families with Dependent Children has dropped 20 percent," said Howard Prejeau, Assistant Secretary for the Office of Family Support.

"Since 1990, it has dropped 20 percent." The article further continues:

"That decrease," he said, "is due in large part to Project Independence, a program that helps AFDC recipients find jobs and increase their education." Project Independence was created under the Family Support Act of 1988.

As of June 1995, 11,260 participants received jobs with 8,332 making enough money to get off welfare completely, according to a report released by the Department of Social Services.

A program in my State provides child care and transportation, absolutely essential ingredients if we are going to have real reform for those looking for work. Also it helps build up self-esteem by teaching the value of working and showing them their own self-worth.

Project Independence also has programs to help participants receive their GED's or high school diplomas, receive associate and 4-year degrees or job-skills training and build résumés through community service work.

A report issued by the Public Welfare Association in 1994, Louisiana ranked last in AFDC caseload growth in the country for 1989 through 1993.

Mr. President, it is not a coincidence that this achievement and this accomplishment for my State of Louisiana was produced as a direct product of the Family Support Act of 1988 offered by the distinguished Senator from New York, Senator MOYNIHAN. We should recognize and congratulate success where it has occurred. And under this program there have been outstanding examples of real success. We should not ignore it.

I yield the floor.

Mr. GRASSLEY addressed the Chair.

The PRESIDING OFFICER. The Senator from Iowa.

Mr. GRASSLEY. I would yield 5 minutes to the Senator from Oklahoma.

The PRESIDING OFFICER. The Senator from Oklahoma.

Mr. INHOFE. I thank the Senator from Iowa for yielding the time.

Mr. President, I think it is appropriate during this debate to be aware of something that is going on around the Nation today that there are those individuals trying to hold on to the past with white knuckles and using taxpayers' money to do that.

I was shocked to find out yesterday that in my hometown of Tulsa, OK, we had a traveling troupe from Texas. These are the regional directors of the various agencies: Mr. Steve Weatherford from Housing and Urban Development, he is the regional director; Pat Montoya, Health and Human Services; and Jim Cantu, of Labor, all converging upon one city, to scare the people of Tulsa, OK, into thinking that if we go along with the changes that we are advocating in the welfare system, the changes in Government as we know it, the changes that are consistent with the revolution that took place on November 8, 1994, that somehow people are going to be starving.

I am just going to read a couple of the quotes here. And it happens that our mayor in Tulsa is a very strong supporter of President Clinton, so I am sure she joined in. But Steve Weatherford of HUD said, "We are talking about major cuts to our social fabric. * * * We are talking about hundreds of thousands of children and poor people who will be affected in Oklahoma."

We have Pat Montoya with Health and Human Services, "Tulsa would lose more than $5 billion in Federal funding between 1995 and the year 2002 if the GOP program is adopted."

Jim Cantu of Labor said that GOP budget cuts would "take food out of the mouths of children and punish 15-year-old mothers."

And on and on and on.

You know, I have to join with my fellow Senator from Oklahoma, DON NICKLES, as well as Congressman STEVE LARGENT whose district this city of Tulsa is, when we say that there is no better case that can be made of the bloated Government and the waste that has taken place today than to have these top officials with all their entourage trouping around going from city to city to scare people and into maintaining the status quo.

I think that the stories that we are hearing today in conjunction with the welfare bill are very similar to that.

I think the most profound thing that was said by the Senator from Iowa was that if you are really concerned and really having compassion, look at the children who will be born today, if we do not make these major changes, having to spend 82 percent—I think it has been calculated of their lifetime earnings—on supporting Government. So I hope that we can keep this in mind that there is an army of bureaucrats trouping around the country right now, trying to scare people into thinking that we cannot afford a major change.

Let us keep in mind that in November there was a change, that there is a mandate that came with that, and that is, let us end these age-old programs that have been proven failures and change the role of Government as we have come to know it since the 1960's.

Mr. GRASSLEY addressed the Chair.

The PRESIDING OFFICER. The Senator from Iowa.

Mr. GRASSLEY. I would like to defer to the Senator from Maine on the same basis we just did a little while ago to the Senator from West Virginia.

Mr. MOYNIHAN. Would my friend mind if we alternate at this point?

Mr. GRASSLEY. I will yield the floor to the Senator from New York.

Mr. MOYNIHAN. I am very happy to yield 5 minutes of our remaining time to my strong colleague on the Committee on Finance, the Senator from Illinois.

Ms. MOSELEY-BRAUN. Thank you very much, Mr. President.

The PRESIDING OFFICER. The Senator from Illinois.

Ms. MOSELEY-BRAUN. I want to thank the Senator from New York for his exemplary leadership in this area and for what I consider to be a brilliant statement earlier.

There is so much to say about this subject, one scarcely can say it all in 5 minutes. But I am going to just talk about an observation I had a few minutes ago listening to PAT MOYNIHAN on this subject.

The observation had to do with the whole notion of perspective, of how one perceives an issue often dictates the kind of conclusions that one reaches about it, whether the facts support that perception or not.

I was reminded of a fact that PAT MOYNIHAN has been an oracle, if you will, a visionary for a number of years about a number of these issues going to the social fabric in our country. He has found himself over time derided, criticized for his observations. Then, with the passage of time, people come back and say, oh, by the way, that PAT MOYNIHAN was right 20 years ago. He warned us about the increase in illegitimacy. He warned us about this development, or he warned us about another development.

And so, frankly, it has got to be a little frustrating to him to be that kind of prophet in his own time, pointing the way and trying to give people the facts, the basic information that should influence debates like this one, but I daresay unfortunately all too often do not influence debates like this one.

The fact of the matter is, this is more of a political debate than it is anything having to do with reality. The fact of the matter is, this debate is being shaped by hot buttons and wedge issues and frustration and, frankly, campaign dynamics more than anything going to the experience, the history, the reality or anything that can be projected for the future.

I heard a lot of conversation about this as a revolution we are going to go and do things a new way. We are going to get the Federal Government out of the business of providing for poor children and out of setting up the welfare system and the like.

The reality is, Mr. President, that there is an old expression that those who do not learn the lessons of history are doomed to repeat its mistakes. I think that is ancient wisdom that still applies.

The fact of the matter is that the Federal Government was not always in the business of providing for poor children.

Last night, when I made a statement about this issue, I talked about the friendless foundlings and homeless half-orphans, the experience of this country in dealing with the poverty, child poverty particularly, before the Federal Government ingratiated itself and got involved in providing a national safety net, a national base, if you will, below which we expect no American child to fall.

Well, we apparently did not learn that history or have chosen, because of our frustration and our aggravation with our inability to fix this problem, decided to go back to that, to go back to the model that says the Federal Government has no role and, more to the point, as a national community because it is not a Federal Government that sets out there. We are all as Americans in this democracy—really the Federal Government is an expression of all of us as a national community. And this legislation, as has been admitted and spoken to very candidly on the floor, says that as a national community we have no obligation to poor children in the various locations and locales around this country, that a child's situation and the level and degree of poverty or privation may well depend on an accident of that child's geography, and that that is OK by this body with the pending legislation.

Well, that may be the case. But I submit to you, Mr. President, we have, at a minimum, an obligation to do no harm. As we talk about our political revolution and anger about politicians making statements or whatever, and we go through all of that, it seems to me we have an obligation to do no harm.

In my mind, that means that we do not allow ourselves to construct a response to poverty that will leave the possibility wide open that PAT MOYNIHAN might once again be right, will leave the possibility that we could very well wind up with children being found frozen on the grates on the street corners, that children will no longer have a national safety net, that we will not, as a national community, have a sense of obligation and responsibility to poor children.

There are estimates that given the leadership proposal, should the leadership proposal pass, and this is a preliminary estimate, in my State of Illinois alone, it is projected that the number of children by the 21st century—which is not that far from now—the number of children that will be cut off will be 598,000 children, or 34 percent.

The PRESIDING OFFICER. The Chair advises the Senator 5 minutes have expired.

Mr. MOYNIHAN. I yield 1 additional minute.

Ms. MOSELEY-BRAUN. Mr. President, I will be brief. Nationally, the number of children who are likely to be affected and left with no safety net for their welfare whatsoever in this country will be 12 million children—12 million children, a third of the children.

We already know in this country, in America, right now we have the highest child poverty rate in the entire industrialized world. That, in and of itself, ought to make us mindful of our obligation to do better by the response to poverty that we construct in this legislative body than the hot button and the politics that is apparently driving the debate today. If anything, that perspective makes me very sad.

I want to congratulate Senator MOYNIHAN for continuing to raise the issues that these are a phenomenon that transcends anything the Federal Government standing alone can do or any bill standing alone will do. These are the issues that go to the core of fundamental issues having to do with the functioning of our economy, with the existence of poverty and with the breakdown of the family as a unit.

Those kinds of concerns are not being addressed by the leadership bill, and I hope that the Members will support Senator MOYNIHAN's amendment, at least with the prescription that as we move in this very sensitive and important area, we do no harm to the children.

The PRESIDING OFFICER. The Chair advises the Senator from New York he has 2 minutes and 15 seconds. The Senator from Iowa has 17 minutes and 6 seconds. Who yields time?

Mr. GRASSLEY. I yield the floor to the Senator from Maine, on the same basis that we did the Senator from West Virginia earlier today.

The PRESIDING OFFICER. The Senator from Maine.

Ms. SNOWE. Mr. President, I thank the Senator for yielding.

I ask unanimous consent to temporarily set aside the pending amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

AMENDMENT NO. 2493 TO AMENDMENT NO. 2280

(Purpose: To clarify provisions relating to the distribution to families of collected child support payments)

Ms. SNOWE. Mr. President, I send an amendment to the desk.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Maine [Ms. Snowe], for herself and Mr. BRADLEY, proposes an amendment No. 2493 to amendment No. 2280.

Ms. SNOWE. Mr. President, I ask unanimous consent that the reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

Beginning on page 582, strike line 3 and all that follows through line 2 on page 583, and insert the following:

"(ii) DISTRIBUTION TO THE FAMILY TO SATISFY ARREARAGES THAT ACCRUED BEFORE THE FAMILY RECEIVED ASSISTANCE.—From any remainder after the application of clause (i), in order to satisfy arrearages of support obligations that accrued before the family received assistance from the State, the State—

"(I) may distribute to the family the amount so collected with respect to such arrearages accruing (and assigned to the State as a condition of receiving assistance) before the effective date of this subsection; and

"(II) shall distribute to the family the amount so collected with respect to such arrearages accruing after such effective date.

"(iii) RETENTION BY THE STATE OF A PORTION OF ASSIGNED ARREARAGES TO REPAY ASSISTANCE FURNISHED TO THE FAMILY.—From any remainder after the application of clauses (i) and (ii), the State shall retain (with appropriate distribution to the Federal Government) amounts necessary to reimburse the State and Federal Government for assistance furnished to the family.

"(iv) DISTRIBUTION OF THE REMAINDER TO THE FAMILY.—The State shall distribute to the family any remainder after the application of clauses (i), (ii), and (iii)."

On page 585, between lines 10 and 11, insert the following:

(c) AMENDMENTS TO INTERNAL REVENUE CODE CONCERNING COLLECTION OF CHILD SUPPORT ARREARAGES THROUGH INCOME TAX REFUND OFFSET.—

(1) Section 6402(c) of the Internal Revenue Code of 1986 is amended by striking the third sentence.

(2) Section 6402(d)(2) of such Code is amended in the first sentence by striking all that follows "subsection (c)" and inserting a period.

On page 585, line 11, strike "(c)" and insert "(d)".

Ms. SNOWE. Mr. President, this amendment is also being cosponsored by Senator BRADLEY of New Jersey.

Mr. President, I ask unanimous consent to set aside the pending amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

AMENDMENT NO. 2494 TO AMENDMENT NO. 2280

(Purpose: To clarify that the penalty provisions do not apply to certain single custodial parents in need of child care and to exempt certain single custodial parents in need of child care from the work requirements)

Ms. SNOWE. Mr. President, I send another amendment to the desk.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Maine [Ms. SNOWE] proposes an amendment No. 2494 to amendment No. 2280.

Ms. SNOWE. Mr. President, I ask unanimous consent that the reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 36, strike lines 14 through 25, and insert the following:

"(d) PENALTIES AGAINST INDIVIDUALS.—

"(1) IN GENERAL.—Except as provided in paragraph (2), if an adult in a family receiving assistance under the State program funded under this part refuses to engage in work required under subsection (c)(1) or (c)(2), a State to which a grant is made under section 403 shall—

"(A) reduce the amount of assistance otherwise payable to the family pro rate (or more, at the option of the State) with respect to any period during a month in which the adult so refuses; or

"(B) terminate such assistance, subject to such good cause and other exceptions as the State may establish.

"(2) EXCEPTION.—Notwithstanding paragraph (1), a state may not reduce or terminate assistance under the State program based on a refusal of an adult to work if such adult is a single custodial parent caring for a child age 5 or under and has a demonstrated inability to obtain needed child care, for one or more of the following reasons:

"(A) Unavailability of appropriate child care within a reasonable distance of the individual's home or work site.

"(B) Unavailability or unsuitability of informal child care by a relative or under other arrangements.

"(C) Unavailability of appropriate and affordable formal child care arrangements."

Ms. SNOWE. Mr. President, I ask unanimous consent to set aside the pending amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

Who yields time?

Mr. PRYOR addressed the Chair.

The PRESIDING OFFICER. The Senator from Arkansas.

AMENDMENT NO. 2495 TO AMENDMENT NO. 2280

(Purpose: To modify the penalty provisions)

Mr. PRYOR. Mr. President, I have an amendment which I send to the desk.

The PRESIDING OFFICER. Without objection, the pending amendment is set aside. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Arkansas [Mr. PRYOR] proposes an amendment numbered 2495 to amendment No. 2280.

Mr. PRYOR. Mr. President, I ask unanimous consent that the reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 52, lines 4 through 6, strike "so used, plus 5 percent of such grant (determined without regard to this section)." and insert "so used. If the Secretary determines that such unlawful expenditure was made by the State in intentional violation of the requirements of this part, then the Secretary shall impose an additional penalty of up to 5 percent of such grant (determined without regard to this section).".

On page 56, between lines 9 and 10, insert the following:

"(d) COMPLIANCE PLAN.—

"(1) IN GENERAL.—Prior to the deduction from the grant of aggregate penalties under subsection (a) in excess of 5 percent of a State's grant payable under section 403, a State may develop jointly with the Secretary a plan which outlines how the State will correct any violations for which such penalties would be deducted and how the State will insure continuing compliance with the requirements of this part.

"(2) FAILURE TO CORRECT.—If the Secretary determines that a State has not corrected the violations described in paragraph (1) in a timely manner, the Secretary shall deduct some or all of the penalties described in paragraph (1) from the grant.".

On page 56, strike lines 11 through 14, and insert the following:

"(1) IN GENERAL.—The penalties described in paragraphs (2) through (6) of subsection (a) shall apply—

"(A) with respect to periods beginning 6 months after the Secretary issues final rules with respect to such penalties; or

"(B) with respect to fiscal years beginning on or after October 1, 1996;

whichever is later.".

Mr. PRYOR. Mr. President, I ask unanimous consent that the amendment just sent to the desk be set aside.

The PRESIDING OFFICER. Without objection, it is so ordered. Who yields time?

Mr. MOYNIHAN. I yield 30 seconds to the distinguished Senator from Arkansas.

Mr. PRYOR. The Senator from Arkansas just offered the amendment. So I yield back my few seconds. I thank the chairman.

The PRESIDING OFFICER. Who yields time?

Mr. GRASSLEY. How much time does Senator MOYNIHAN have left?

The PRESIDING OFFICER. The Senator from New York has 1 minute remaining. The Senator from Iowa has 15 minutes, 30 seconds remaining.

AMENDMENT NO. 2466

Mr. GRASSLEY. Mr. President, I am going to use the same amount of time Senator MOYNIHAN has left, and then I will yield back my time.

I would like to respond to a couple statements that have been made, I think one by Senator MOYNIHAN, the other one by Senator BREAUX. They each made the point that since my State of Iowa has been doing so well in getting waivers, why should we not just continue building upon the 1988 act.

The point here, Mr. President, is first, that it takes such a very, very long time to get a waiver. Second, I believe State legislatures, in changing their welfare laws with the hopes of getting a waiver, are relatively less dynamic and venturesome than they would be if they had the sole authority to make a determination of what they wanted in welfare reform for their State.

Just to show you how complicated it is to get such a waiver approved, a State can sometimes be caught getting waivers from four different Federal Departments: The Department of Health and Human Services, the Department of Agriculture, the Department of Housing and Urban Development, and the Department of Labor.

All four of these Departments are, in one way or another, responsible for programs that affect low-income families served by our current welfare system. However, there is no coordination among these Departments in granting waivers to the States. In fact, each specific program has its own set of statutes and rules defining the parameters of possible waivers.

I could give you description after description of what my State of Iowa has gone through. In the first days of debate on this legislation, we heard speeches by the Senator from Oregon about the complicated process of waivers that Oregon had to go through, the multitudes of meetings, the multitudes of trips to Washington, DC, the changes that were required, and then they had to go back through the approval process again. We want to end the process by which the coequal States of our Union come to Washington hat in hand on bended knee to get these waivers.

The last point I will make is this. We have had the opportunity again today to hear from the Senator from Illinois about the plight of children. She does this very well.

There is no disputing anything she says, including the facts and figures that she has given of the rapid increase in the number of children in those circumstances.

But let me remind her—let me remind everybody—as we debate welfare reform, as we consider a change of this system, that all the problems she describes are under a failed system. All those statistics that have increased in number, such as the number of people in poverty—the system that is being defended today, is the cause of those increases.

It is about time that we try something new. I think we have seen the success of the States, and we ought to move to a new approach.

I ask my colleagues to vote against the Moynihan amendment.

I yield 2 minutes to the Senator from New York.

Mr. MOYNIHAN. And I yield 1 minute of the 2 minutes, generously provided by the Senator from Iowa, to the Senator from New Jersey.

Mr. BRADLEY. Mr. President, I ask unanimous consent that the pending measure be set aside for the purposes of sending amendments to the desk, not being counted against my time.

The PRESIDING OFFICER (Mr. FRIST). Without objection, it is so ordered.

AMENDMENTS NOS. 2496, 2497, AND 2498, EN BLOC, TO AMENDMENT NO. 2280

Mr. BRADLEY. Mr. President, I send all three amendments to the desk, en bloc, and ask for their immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from New York [Mr. MOYNIHAN] proposes amendments numbered 2496, 2497, and 2498.

Mr. BRADLEY. Mr. President, I ask unanimous consent that reading of the amendments be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendments are as follows:

AMENDMENT NO. 2496

(Purpose: To modify the provisions regarding the State plan requirements)

At the end of section 402(a), insert the following:

"(9) ADDITIONAL REQUIREMENTS.—

"(A) ELIGIBILITY.—The terms and conditions under which families are deemed needy and eligible for assistance under the program.

"(B) TERMS AND CONDITIONS.—The terms and conditions described in subparagraph (A) shall include—

"(i) a need standard based on family income and size;

"(ii) a standard for benefits or schedule of benefits for families based on family size and income;

"(iii) explicit rules regarding the treatment of earned and unearned income, resources, and assets; and

"(iv) a description of any variations in the terms and conditions described in clauses (i), (ii), and (iii) that are applicable in—

"(I) regions or localities within the State; or

"(II) particular circumstances.

"(C) IDENTIFICATION OF FAMILIES CATEGORICALLY INELIGIBLE FOR ASSISTANCE.—Identification of any categories of families, or individuals with such families, that are deemed by the State to be categorically ineligible for assistance under the program, regardless of family income or other terms and conditions developed under subparagraph (A).

"(D) ASSURANCES REGARDING THE PROVISION OF ASSISTANCE.—Assurances that all families deemed eligible for assistance under the program under subparagraph (A) shall be provided assistance under the standard for benefits or the benefit schedule described in subparagraph (B)(ii), unless—

"(i) the family or an individual member of the family is categorically ineligible for assistance under subparagraph (C); or

"(ii) the family is subject to sanctions or reductions in benefits under terms of another provision of the State plan, this part, Federal or State law, or an agreement between an individual recipient of assistance in such family and the State that may contain terms and conditions applicable only to the individual recipient.

"(E) PROCEDURES FOR ENSURING THE AVAILABILITY OF FUNDS.—The procedures under which the State shall ensure that funds will remain available to provide assistance under the program to all eligible families during a fiscal year if the State exhausts the grant provided to the State for such fiscal year under section 403.

"(F) WAITING LISTS.—Assurances that no family otherwise eligible for assistance under the program shall be placed on a waiting list for assistance or instructed to reapply at such time that additional Federal funds may become available.".

AMENDMENT NO. 2497

(Purpose: To prohibit a State from shifting the costs of aid or assistance provided under the aid to families with dependent children or the JOBS programs to local governments)

At the end of section 405, insert the following:

"(f) NO UNFUNDED LOCAL MANDATES.—A State to which a grant is made under section 403 may not, by mandate or policy, shift the costs of providing aid or assistance that, prior to October 1, 1995 (or March 31, 1996, in the case of a State exercising the option described in section 110(b) of the Family Self-Sufficiency Act of 1995) was provided under the aid to families with dependent children or the JOBS programs (as such programs were in effect on September 30, 1995) to—

"(1) counties;

"(2) localities;

"(3) school boards; or

"(4) other units of local government.".

AMENDMENT NO. 2498

(Purpose: To provide that existing civil rights laws shall not be preempted by this Act)

At the appropriate place at the end of Title I, add the following:

Nothing in this Act shall be interpreted to preempt the enforcement of existing civil rights laws.

AMENDMENT NO. 2466

Mr. BRADLEY. Mr. President, I rise to congratulate Senator MOYNIHAN for putting together the only welfare alternative that is really based on what we know about welfare, what the problems are, what we can fix, and what we can't fix.

As a member of the Finance Committee, I was struck by the fact that we held several months of hearings, heard from academic experts, State administrators, Governors, people who work with young mothers in residential programs, and job placement specialists. We heard all their suggestions about what could be improved, and then we proceeded to ignore all their advice. We simply ignored it.

Instead we adopted a solution that serves the political purpose of claiming that we've eliminated welfare, but in reality, does nothing. It turns over the whole thing, with all its problems, to the States, in the hopes that they can figure it out.

Senator MOYNIHAN took the right approach. He looked at his own greatest accomplishment, the Family Support Act of 1988, and was willing to acknowledge that it had fallen short of our expectations in some very distinct ways:

First, the JOBS Program overall was not successful at moving people into work. It put too little emphasis on real work and discouraged real education, leaving people to waste their time in empty job search programs and structured study halls. Some programs actually delayed recipients getting jobs longer than if they hadn't been in the program. But several counties and States found ways to do much better, by striving to place people directly into real jobs and building the training around those jobs. This amendment shifts the focus of the JOBS Program to build on its strengths rather than its shortcomings.

Second, AFDC overall, and the JOBS Program in particular, don't give States enough flexibility to find their own solutions. That's not an argument for handing the States a fixed pot of money and washing our hands of the whole thing. Instead, it's an argument for giving the States flexibility within clear standards, requiring the States to structure the JOBS Program as they see fit but requiring results. This amendment does just that.

Third, we made a mistake in 1988 that we are now on the verge of making all over again, in much greater magnitude: We made big promises and failed to invest. Taking individuals from the middle of the turmoil of America's cities, from the turmoil of their own families and neighborhoods, individuals who are caring for children, and helping them to become economically self-sufficient is an enormous challenge. It means giving each person almost constant attention, helping them find a way to balance work and family, helping them master new skills, compensating for the failures of the elementary and secondary school system. It means sticking with people after they find their first job, helping them keep that job and move on to a better one. It cannot be done with slogans or wishes. It requires an investment.

Since 1988, we have spent only $1 billion a year on the JOBS Program, and much of that has gone unspent because States have not been willing or able to come up with their share. This amendment is the only alternative that makes realistic promises about getting people to work and puts the investment behind it.

The argument I have heard against this amendment is simply that it retains the entitlement. That's an evil work, but what does it really mean? It means that States will get an amount of money equal to what they need—when hardship increases because of the economy, States will have the resources they need. It means that individuals who need help will get it, as long as they make an effort to become self-sufficient. Nobody is entitled to anything if they don't follow the rules. And the States can set the rules with greater flexibility under this amendment.

Mr. President, I urge my colleagues to support Senator MOYNIHAN's alternative. It is the only welfare bill we will vote on that is based on reality and not slogans. It builds on the successful piece of legislation in 1988 by repairing its most glaring flaws. It will not end welfare as we know it, but it will reform welfare into a system that strengthens families, that connects parents to work, that brings fathers back into the family, and that promotes innovation.

Those may seem like modest expectations compared to the slogans that we hear on this floor throughout this debate. But if we can accomplish this much, we will have reason to be proud.

This amendment and this alternative deserves the Senate's support.

Mr. ROTH. Mr. President, we all owe a debt of gratitude to Senator MOYNIHAN for his tireless efforts to educate this body and indeed the American people about the causes of poverty in modern society. Spanning four decades, Senator MOYNIHAN has performed several roles in the effort to end poverty. Throughout his distinguished career, he has been a professor, a planner, an economist, a social scientist, an advocate, and an author, as well as a brilliant legislator and dedicated public servant.

But most of all, he has been right about the causes of poverty amidst the wealthiest nation on earth. He has given us, chapter and verse, the reasons why the number of children receiving AFDC has increased threefold since a small group in the Office of Economic Opportunity mapped out the War on Poverty 30 years ago.

Senator MOYNIHAN predicted the growing tragedy of the American welfare system. He was right because he knew then, as he maintains today that there are consequences to behavior.

But we are here today because knowing why something happens does not necessarily tell us how to modify the predictable results. In fact, we now have 30 years of experience which tells us that despite the best of intentions, the Federal Government cannot replace strong families. The needs of children and families cannot be reduced to mathematical diagrams. The wisdom of Solomon is rarely found in the Federal Register.

Under the present welfare system, we now have over 9 million children receiving AFDC benefits. If we do nothing, the Department of Health and Human Services projects there will be 12 million children on AFDC within 10 years. That is what the present system will bring. This fact alone should embolden us to act in a dramatic way to change the status quo.

Today, we have the choice between two different approaches to changing the welfare system. There are several important, fundamental differences between Senator MOYNIHAN's proposal and the Republican legislation. Perhaps the most important difference is the role of the Federal Government. It is time to release the grasp of Washington which for too long has choked off the initiative and creativity of the States in answering the challenges of the welfare system. If the States remain dependent on Washington, they will not take the bold steps we need and should encourage to the vexing problems of our welfare system. The States do not need another Washington-based approach. They do not need another revision based on a faulty premise. Our block grant approach will free the 50 sovereign States to serve their needy citizens in the most effective manner possible. It is time to leave the past behind and place our confidence in the States to meet the challenges of the future.

Mr. GRASSLEY. Mr. President, I yield back what time I have remaining.

Mr. MOYNIHAN. Mr. President, I yield back such time as we may have remaining.

The PRESIDING OFFICER. All time is yielded back.

Mr. GRASSLEY. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from New York.

The clerk will call the roll.

The legislative clerk called the roll.

Mr. LOTT. I announce that the Senator from Mississippi [Mr. COCHRAN] and the Senator from Alaska [Mr. MURKOWSKI] are necessarily absent.

I also announce that the Senator from Tennessee [Mr. THOMPSON] is absent due to illness.

I further announce that, if present and voting, the Senator from Tennessee [Mr. THOMPSON] would each vote "nay."

The PRESIDING OFFICER. Are there any other Senators in the Chamber desiring to vote?

The result was announced—yeas 41, nays 56, as follows:

[Rollcall Vote No. 403 Leg.]

YEAS—41

Akaka
Biden
Boxer
Bradley
Breaux
Bryan
Bumpers
Byrd
Conrad
Daschle
Dodd
Dorgan
Exon
Feingold
Feinstein
Ford
Glenn
Graham
Heflin
Hollings
Inouye
Johnston
Kennedy
Kerrey
Kerry
Lautenberg
Leahy
Levin
Lieberman
Mikulski
Moseley-Braun
Moynihan
Murray
Pell
Pryor
Reid
Robb
Rockefeller
Sarbanes
Simon
Wellstone

NAYS—56

Abraham
Ashcroft
Baucus
Bennett
Bingaman
Bond
Brown
Burns
Campbell
Chafee
Coats
Cohen
Coverdell
Craig
D'Amato
DeWine
Dole
Domenici
Faircloth
Frist
Gorton
Gramm
Grams
Grassley

Gregg
Harkin
Hatch
Hatfield
Helms
Hutchison
Inhofe
Jeffords
Kassebaum
Kempthorne
Kohl
Kyl
Lott
Lugar
Mack
McCain
McConnell
Nickles
Nunn
Packwood
Pressler
Roth
Santorum
Shelby
Simpson
Smith
Snowe
Specter
Stevens
Thomas
Thurmond
Warner

NOT VOTING—3

Cochran
Murkowski
Thompson

So the amendment (No. 2466) was rejected.

Mr. GRASSLEY. Mr. President, I move to reconsider the vote.

Mr. MOYNIHAN. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Several Senators addressed the Chair.

The PRESIDING OFFICER. The Senator from Iowa.

Mr. GRASSLEY. Mr. President, I yield to the Senator from Missouri to offer an amendment.

Mr. BOND addressed the Chair.

The PRESIDING OFFICER. The Senator from Missouri.

AMENDMENT NO. 2499 TO AMENDMENT NO. 2280

Mr. BOND. Mr. President, I will only take a moment. I want to offer an amendment. I will send it to the desk and ask it be set aside so it may be covered—may be discussed and acted upon next week.

Yesterday I told this Chamber about a situation in Sedalia, MO, where we are attempting to get people off of welfare into an employment situation. The program is working well except we found that when welfare recipients, AFDC recipients, went to the employer and tested positively for drugs and were refused a job, the State was prohibited under Federal regulations from cutting them off from their AFDC aid. So we have a situation where, if someone wants to stay on welfare and does not want to have to take a job, they could use drugs, be disqualified from taking a position because of drug tests, and could not be sanctioned by the State.

This measure very simply states that notwithstanding any other provision of law, a State shall not be prohibited by the Federal Government from sanctioning welfare recipients who test positive for use of controlled substances.

Mr. President, I send the amendment to the desk.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Missouri [Mr. BOND] proposes an amendment numbered 2499 to amendment No. 2280.

Mr. BOND. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

At the appropriate place in the bill, insert the following:

Notwithstanding any other provision of law, States shall not be prohibited by the federal government from sanctioning welfare recipients who test positive for use of controlled substances.

Mr. BOND. Mr. President, I ask unanimous consent the amendment be set aside to be called up pursuant to agreement by the manager and ranking member.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MOYNIHAN. Mr. President, the Senator from Ohio wishes to be recognized.

The PRESIDING OFFICER. The Senator from Ohio.

AMENDMENT NO. 2500 TO AMENDMENT NO. 2280

(Purpose: To ensure that training for displaced homemakers is included among workforce employment activities and workforce education activities for which funds may be used under this Act)

Mr. GLENN. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Ohio [Mr. GLENN] proposes an amendment numbered 2500 to amendment No. 2280.

Mr. GLENN. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 322, strike lines 8 through 14 and insert the following:

(8) DISPLACED HOMEMAKER.—The term "displaced homemaker" means an individual who—

(A) has been dependent—

(i) on assistance under part A of title IV of the Social Security Act and whose youngest child is not younger than 16; or

(ii) on the income of another family member, but is no longer supported by such income; and

(B) is unemployed or underemployed, and is experiencing difficulty in obtaining or upgrading employment.

On page 359, line 13, strike "and".

On page 359, line 16, strike the period and insert "; and".

On page 359, between lines 16 and 17, insert the following:

(P) preemployment training for displaced homemakers.

On page 364, between lines 9 and 10, insert the following:

(6) providing programs for single parents, displaced homemakers, and single pregnant women;

On page 364, line 10, strike "(6)" and insert "(7)".

On page 364, line 12, strike "(7)" and insert "(8)".

On page 412, line 4, strike "and".

On page 412, line 5, strike the period and inset "; and".

On page 412, between 5 and 6, insert the following:

(G) displaced homemakers.

Mr. GLENN. Mr. President, I rise today to offer this amendment because I am extremely concerned that the current provisions in this bill will neglect and ignore a very important segment of our population—displaced homemakers. Nationwide, there are over 17 million displaced homemakers with close to 700,000 in Ohio. The current Perkins Vocational programs for displaced homemakers and single parents has been extremely effective. Approximately 80 percent of women served in these programs are placed in employment and/or post-secondary education. I repeat, 80 percent. Now, if this is not considered a success story, I do not know what is.

This is a good example in which something that we created many years ago, works and works well. Recent statistics show that 85 percent of former program participants across the Nation rated the displaced homemakers programs excellent or very good. Over 75 percent said that these programs were better than other government-funded programs they had participated in.

You know why the success rate is so high? It's because people like Amber McDonald of Akron, OH take their training very seriously and are dead set on getting off welfare.

In a recent letter to me, Amber wrote:

> I'd like to state that I am on public assistance at this time in my life and have one child. I don't take pride in the fact I receive welfare. I am grateful to the State of Ohio for their help. It has allowed me to survive and keep my child. It's a long hard road to getting off assistance. One I believe I'm on now. I am attending displaced homemaker classes and these classes have helped me make decisions—good solid decisions. Not the "please-the-system-decisions I've made in the past. The Displaced Homemaker classes educated me about where I could go, what I would need to succeed and how to go about it. We need this program and others like it. A lot of us want off welfare. We are as tired of being on the system as the system is of having us.

Before 1984, when States were not required to fund displaced homemakers' training activities, States unfortunately spent less than 1 percent of their funding on specialized services for displaced homemakers. This is unfortunate because programs for single parents and displaced homemakers have been effective in both preventing families from entering the welfare system and helping families move from the welfare system. And displaced homemakers remain an at-risk population. According to the 1980 census, more than half of the displaced homemakers live in or near poverty.

My amendment will not, I repeat, will not result in a set aside. This amendment will only make it permissible for States to fund for specialized vocational training programs. States will have the flexibility in determining the funding amount and the types of programs to institute. I just want to make sure that States are encouraged to continue these programs that are working.

I have been hearing from many people from Ohio who have benefited from these services. These women are now gainfully employed; they are off welfare. And they are providing for their families. Are these not the outcomes we want?

For example, Rebecca Richards from Fairfield, OH, wrote how her and her child's life changed since she participated in a displaced homemaker program. She said "As a result of the programs available, I was able to become a productive person in society." and she concluded by saying "With the program, I found a friend who counseled me, listened to complaints and successes, gave me useful information and training, and helped me meet with other single parents to form a network of friends." Let us face it, the traditional vocational training programs will not provide this type of training.

Mr. President, I urge my colleagues to support this amendment which is central to the welfare reform debate. Another Ohioan—Diane Cook—wrote me saying that "Everyone makes mistakes but they all should be allowed a second chance. Give us that second chance."

The bottom line is to get people off welfare and to keep them off welfare. What better way to accomplish this objective than encouraging the States to tailor training programs which will affect over 17 million women. Mr. President, let us give them that second chance. I yield the floor.

Mr. President, I ask unanimous consent the amendment be set aside pending consideration of the next amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

Several Senators addressed the Chair.

The PRESIDING OFFICER. The Senator from Iowa.

AMENDMENTS NOS. 2501 AND 2502 TO AMENDMENT NO. 2280

Mr. GRASSLEY. Mr. President, I send to the desk an amendment for Senator PRESSLER and an amendment for Senator COHEN.

I ask unanimous consent these amendments be read and filed and laid aside under the usual procedure.

The PRESIDING OFFICER. Without objection, it is so ordered.

The clerk will report.

The legislative clerk read as follows:

The Senator from Iowa [Mr. GRASSLEY], for Mr. PRESSLER, proposes an amendment numbered 2501 to amendment No. 2280 and, for Mr. COHEN, an amendment numbered 2502 to amendment No. 2280.

The amendments are as follows:

AMENDMENT NO. 2501

(Purpose: To provide a State option to use an income tax intercept to collect overpayments in assistance under the State program funded under part A of title IV of the Social Security Act)

On page 77, line 21, strike the end quotation marks and the end period.

On page 77, between lines 21 and 22, insert the following:

"SEC. 418. COLLECTION OF OVERPAYMENTS FROM FEDERAL TAX REFUNDS.

"(a) IN GENERAL.—Upon receiving notice from the Secretary of Health and Human Services that a State agency administering a plan approved under this part has notified the Secretary that a named individual has been overpaid under the State plan approved under this part, the Secretary of the Treasury shall determine whether any amounts as refunds of Federal taxes paid are payable to such individual, regardless of whether such individual filed a tax return as a married or unmarried individual. If the Secretary of the Treasury finds that any such amount is payable, the Secretary shall withhold from such refunds an amount equal to the overpayment sought to be collected by the State and pay such amount to the State agency.

"(b) REGULATIONS.—The Secretary of the Treasury shall issue regulations, after review by the Secretary of Health and Human Services, that provide—

"(1) that a State may only submit under subsection (a) requests for collection of overpayments with respect to individuals—

"(A) who are no longer receiving assistance under the State plan approved under this part,

"(B) with respect to whom the State has already taken appropriate action under State law against the income or resources of the individuals or families involved to collect the past-due legally enforceable debt; and

"(C) to whom the State agency has given notice of its intent to request withholding by the Secretary of the Treasury from the income tax refunds of such individuals;

"(2) that the Secretary of the Treasury will give a timely and appropriate notice to any other person filing a joint return with the individual whose refund is subject to withholding under subsection (a); and

"(3) the procedures that the State and the Secretary of the Treasury will follow in carrying out this section which, to the maximum extent feasible and consistent with the specific provisions of this section, will be the same as those issued pursuant to section 464(b) applicable to collection of past-due child support.".

(c) CONFORMING AMENDMENTS RELATING TO COLLECTION OF OVERPAYMENTS.—

(1) Section 6402 of the Internal Revenue Code of 1986 (relating to authority to make credits or refunds) is amended—

(A) in subsection (a), by striking "(c) and (d)" and inserting "(c), (d), and (e)";

(B) by redesignating subsections (e) through (i) as subsections (f) through (j), respectively; and

(C) by inserting after subsection (d) the following:

"(e) COLLECTION OF OVERPAYMENTS UNDER TITLE IV–A OF THE SOCIAL SECURITY ACT.—The amount of any overpayment to be refunded to the person making the overpayment shall be reduced (after reductions pursuant to subsection (c) and (d), but before a credit against future liability for an internal revenue tax) in accordance with section 418 of the Social Security Act (concerning recovery of overpayments to individuals under State plans approved under part A of title IV of such Act).".

(2) Paragraph (10) of section 6103(*l*) of such Code is amended—

(A) by striking "(c) or (d)" each place it appears and inserting "(c), (d), or (e)"; and

(B) by adding at the end of subparagraph (B) the following new sentence: "Any return information disclosed with respect to section 6402(e) shall only be disclosed to officers and employees of the State agency requesting such information.".

(3) The matter preceding subparagraph (A) of section 6103(p)(4) of such Code is amended—

(A) by striking "(5), (10)" and inserting "(5)"; and

(B) by striking "(9), or (12)" and inserting "(9), (10), or (12)."

(4) Section 552a(a)(8)(B)(iv)(III) of title 5, United States Code, is amended by striking "section 464 or 1137 of the Social Security Act" and inserting "section 418, 464, or 1137 of the Social Security Act."

AMENDMENT NO. 2502

(Purpose: To ensure that programs are implemented consistent with the first amendment)

On page 78, line 18, insert after "subsection (a)(2)" the following: "so long as the programs are implemented consistent with the Establishment Clause of the United States Constitution".

On page 80, line 13, add ";" after "governance" and delete lines 14–16.

The PRESIDING OFFICER. Without objection the amendments will be laid aside.

Mr. MOYNIHAN. Mr. President, I defer to the Senator from Minnesota.

The PRESIDING OFFICER. The Senator from Minnesota is recognized.

Mr. WELLSTONE. Mr. President, I thank the Chair.

AMENDMENTS NUMBERED 2503, 2504, 2505, AND 2506 EN BLOC TO AMENDMENT NO. 2280

Mr. WELLSTONE. Mr. President, I send amendments en bloc to the desk and ask for their consideration.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Minnesota [Mr. WELLSTONE], proposes amendments numbered 2503, 2504, 2505, and 2506 en bloc to amendment No. 2280.

Mr. WELLSTONE. Mr. President, I ask unanimous consent that reading of the amendments be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendments are as follows:

AMENDMENT NO. 2503

(Purpose: to prevent an increase in the number of hungry children in states that elect to participate in a food assistance block grant program)

On page 229, between lines 13 and 14, insert the following:

"(4) SUNSET OF ELECTION UPON INCREASE IN NUMBER OF HUNGRY CHILDREN.—

"(A) FINDINGS.—The Congress finds that—

"(i) on March 29, 1995 the Senate adopted a resolution stating that Congress should not enact or adopt any legislation that will increase the number of children who are hungry;

"(ii) it is not the intent of this bill to cause more children to be hungry;'

"(iii) the Food Stamp Program serves to prevent child hunger;

"(iv) a State's election to participate in the optional state food assistance block grant program should not serve to increase the number of hungry children in that State; and

"(v) one indicator of hunger among children is the child poverty rate.

"(B) SUNSET.—If the Secretary of Health and Human Services makes two successive findings that the poverty rate among children in a State is significantly higher in a State that has elected to participate in a program established under subsection (a) than it would have been had there been no such election, 180 days after the second such finding such election shall be permanently and irreversibly revoked and the provisions of paragraphs (1) and (2) shall not be applicable to that State.

"(C) PROCEDURE FOR FINDING BY SECRETARY.—In making the finding described in subparagraph (B), the Secretary shall adhere to the following procedure:

"(i) Every three years, the Secretary shall develop data and report to Congress with respect to each State that has elected to participate in a program established under subsection (a) whether the child poverty rate in such State is significantly higher than it would have been had the State not made such election.

"(ii) The Secretary shall provide the report required under clause (i) to all States that have elected to participate in a program established under subsection (a), and the Secretary shall provide each State for which the Secretary determined that the child poverty rate is significantly higher than it would have been had the State not made such election with an opportunity to respond to such determination.

"(iii) If the response by a State under clause (ii) does not result in the Secretary reversing the determination that the child poverty rate in that State is significantly higher than it would have been had the State not made such election, then the Secretary shall publish a finding as described in subparagraph (B).

AMENDMENT NO. 2504

(Purpose: To prevent an increase in the number of hungry and homeless children in states that receive block grants for temporary assistance for needy families)

On page 124, between lines 12 and 13, insert the following:

"SEC. 113. SUNSET UPON OF INCREASE IN NUMBER OF HUNGRY OR HOMELESS CHILDREN.

"(a) FINDINGS.—The Congress finds that—

"(1) on March 29, 1995 the Senate adopted a resolution stating that Congress should not enact or adopt any legislation that will increase the number of children who are hungry or homeless;

"(2) it is not the intent of this bill to cause more children to be hungry or homeless;

"(3) the Aid to Families with Dependent Children program, which is repealed by this title, has helped prevent hunger and homelessness among children;

"(4) the operation of block grants for temporary assistance for needy families under this title should not serve to increase significantly the number of hungry or homeless children in any State; and

"(5) one indicator of hunger and homelessness among children is the child poverty rate.

"(b) SUNSET.—If the Secretary of Health and Human Services makes two successive findings that the poverty rate among children in a State is significantly higher in the State than it would have been had this title not been implemented, then all of the provisions of this title shall cease to be effective with regard to the State 180 days after the second such finding, making effective any provisions of law repealed by this title.

"(c) PROCEDURE FOR FINDING BY SECRETARY.—In making the finding described in subsection (b), the Secretary shall adhere to the following procedure:

"(1) Every three years, the Secretary shall develop data and report to Congress with respect to each State whether the child poverty rate in that State is significantly higher than it would have been had this title not been implemented.

"(2) The Secretary shall provide the report required under paragraph (1) to all States, and the Secretary shall provide each State for which the Secretary determined that the child poverty rate is significantly higher than it would have been had this title not been implemented with an opportunity to respond to such determination.

"(3) If the response by a State under paragraph (2) does not result in the Secretary reversing the determination that the child poverty rate in that State is significantly higher than it would have been had this title not been implemented, then the Secretary shall publish a finding as described in subsection (b), and the State must implement a plan to decrease the child poverty rate."

AMENDMENT NO. 2505

(Purpose: To express the sense of the Senate regarding continuing medicaid coverage for individuals who lose eligibility for welfare benefits because of more earnings or hours of employment)

On page 86, between lines 3 and 4, insert the following:

SEC. 104A. SENSE OF THE SENATE REGARDING CONTINUING MEDICAID COVERAGE.

(a) FINDINGS.—The Senate finds that—

(1) the potential loss of medicaid coverage represents a large disincentive for recipients of welfare benefits to accept jobs that offer no health insurance;

(2) thousands of the Nation's employers continue to find the cost of health insurance out of reach;

(3) the percentage of working people who receive health insurance from their employer has dipped to its lowest point since the early 1980s; and

(4) children have accounted for the largest proportion of the increase in the number of uninsured in recent years.

(b) SENSE OF THE SENATE.—It is the sense of the Senate that any medicaid reform enacted by the Senate this year should require that States continue to provide medicaid for 12 months to families who lose eligibility for welfare benefits because of more earnings or hours of employment.

AMENDMENT NO. 2506

(Purpose: To provide for an extension of transitional medicaid benefits)

On page 86, between lines 3 and 4, insert the following:

SEC. 104A. EXTENSION OF TRANSITIONAL MEDICAID BENEFITS.

(a) FINDINGS.—The Senate finds that—

(1) the potential loss of medicaid coverage represents a large disincentive for recipients of welfare benefits to accept jobs that offer no health insurance;

(2) thousands of the Nation's employers continue to find the cost of health insurance out of reach;

(3) the percentage of working people who receive health insurance from their employer has dipped to its lowest point since the early 1980s; and

(4) children have accounted for the largest proportion of the increase in the number of uninsured in recent years.

(b) EXTENSION OF MEDICAID ENROLLMENT FOR FORMER TEMPORARY EMPLOYMENT ASSISTANCE RECIPIENTS FOR 1 ADDITIONAL YEAR.—

(1) IN GENERAL.—Section 1925(b)(1) (42 U.S.C. 1396r-6(b)(1)) is amended by striking the period at the end and inserting the following: ", and shall provide that the State shall offer to each such family the option of extending coverage under this subsection for an additional 2 succeeding 6-month periods in the same manner and under the same conditions as the option of extending coverage under this subsection for the first succeeding 6-month period.".

(2) CONFORMING AMENDMENTS.—

(A) IN GENERAL.—Section 1925 (42 U.S.C. 1396r-6) is amended—

(i) in subsection (b)—

(I) in the heading, by striking "EXTENSION" and inserting "EXTENSIONS";

(II) in the heading of paragraph (1), by striking "REQUIREMENT" and inserting "IN GENERAL";

(III) in paragraph (2)(B)(ii)—

(aa) in the heading, by striking "PERIOD" and inserting "PERIODS"; and

(bb) by striking "in the period" and inserting "in each of the 6-month periods";

(IV) in paragraph (3)(A), by striking "the 6-month period" and inserting "any 6-month period";

(V) in paragraph (4)(A), by striking "the extension period" and inserting "any extension period"; and

(VI) in paragraph (5)(D)(i), by striking "is a 3-month period" and all that follows and inserting the following: "is, with respect to a particular 6-month additional extension period provided under this subsection, a 3-month period beginning with the first or fourth month of such extension period."; and

(ii) by striking subsection (f).

(B) FAMILY SUPPORT ACT.—Section 303(f)(2) of the Family Support Act of 1988 (42 U.S.C. 602 note) is amended—

(i) by striking "(A)"; and

(ii) by striking subparagraphs (B) and (C).

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to medical assistance furnished for calendar quarters beginning on or after October 1, 1995.

AMENDMENT NO. 2507 TO AMENDMENT NO. 2280

(Purpose: To exclude energy assistance payments for one-time costs of weatherization or repair or replacement of unsafe or inoperative heating devices from income under the food stamp program)

Mr. WELLSTONE. Mr. President, I send an amendment to the desk and ask for its consideration.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Minnesota (Mr. WELLSTONE), for himself and Mr. FEINGOLD, proposes an amendment numbered 2507 to amendment No. 2280.

Mr. WELLSTONE. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

Beginning on page 161, strike line 7 and all that follows through page 163, line 1, and insert the following:

SEC. 308. ENERGY ASSISTANCE.

(a) IN GENERAL.—Section 5(d)(11) of the Food Stamp Act of 1977 (7 U.S.C. 2014(d)(11)) is amended by striking "any payments or allowances" and inserting the following: "a one-time payment or allowance for the costs of weatherization or emergency repair or replacement of an unsafe or inoperative furnace or other heating or cooling device,".

(b) CONFORMING AMENDMENTS.—Section 5(k)(1)(A) of the Act (7 U.S.C. 2014(k)(1)(A)), is amended by striking "plan for aid to families with dependent children approved" and inserting "program funded".

Mr. WELLSTONE. I ask unanimous consent that the amendments be laid aside and be considered next week.

The PRESIDING OFFICER. Without objection, it is so ordered.

Several Senators addressed the Chair.

Mr. GRASSLEY. Mr. President, I defer to the Senator from Colorado for the purposes of offering an amendment.

The PRESIDING OFFICER. The Senator from Colorado.

AMENDMENT NO. 2508 TO AMENDMENT NO. 2280

(Purpose: To impose a cap on the amount of funds that can be used for administrative purposes)

Mr. BROWN. Mr. President, I send an amendment to the desk and ask for its consideration.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Colorado (Mr. BROWN) proposes an amendment numbered 2508 to amendment No. 2280.

On page 25, strike line 4 and insert the following: "1, 1995;

except that not more than 15 percent of the grant may be used for administrative purposes.".

Mr. BROWN. Mr. President, I ask unanimous consent that the amendment be laid over until next week for consideration.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DOLE. Mr. President, I will not interfere with people offering their amendments. But I wonder if I might be permitted to modify my amendment at a later time this afternoon.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MOYNIHAN. Mr. President, I defer to the Senator from Illinois.

The PRESIDING OFFICER. The Senator from Illinois.

AMENDMENTS NOS. 2509 AND 2510 TO AMENDMENT NO. 2280

Mr. SIMON. Mr. President, I send two amendments to the desk and ask for their consideration.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Illinois (Mr. SIMON) proposes amendments numbered 2509 and 2510 to amendment No. 2280.

Mr. SIMON. Mr. President, I ask unanimous consent that reading of the amendments be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

AMENDMENT NO. 2509

(Purpose: To eliminate retroactive deeming requirements for those legal immigrants already in the United States)

On page 289, lines 2 through 5, strike ", or for a period of 5 years beginning on the day such individual was first lawfully in the United States after the execution of such affidavit or agreement, whichever period is longer".

(The text of the amendment No. 2510 is printed in today's RECORD under "Amendments Submitted.")

Mr. SIMON. I ask unanimous consent that the amendments be set aside.

The PRESIDING OFFICER. Without objection, it is so ordered.

Several Senators addressed the Chair.

The PRESIDING OFFICER. The Senator from Iowa.

Mr. GRASSLEY. Mr. President, I defer to the Senator from Michigan for the purposes of offering an amendment.

AMENDMENTS NOS. 2511 AND 2512 TO AMENDMENT NO. 2280

Mr. ABRAHAM. Mr. President, I send two amendments to the desk and ask for their consideration.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Michigan (Mr. ABRAHAM) proposes amendments numbered 2511 and 2512 to amendment No. 2280.

Mr. ABRAHAM. Mr. President, I ask unanimous consent that reading of the amendments be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendments are as follows:

AMENDMENT NO. 2511

At the appropriate place in the bill, add the following new section:

"SEC. . SENSE OF THE SENATE REGARDING ENTERPRISE ZONES.

(a) FINDINGS.—The Senate finds that—

(1) Many of the Nation's urban centers are places with high levels of poverty, high rates of welfare dependency, high crime rates, poor schools, and joblessness;

(2) Federal tax incentives and regulatory reforms can encourage economic growth, job creation and small business formation in many urban centers;

(3) Encouraging private sector investment in America's economically distressed urban and rural areas is essential to breaking the cycle of poverty and the related ills of crime, drug abuse, illiteracy, welfare dependency, and unemployment;

(4) The empowerment zones enacted in 1993 should be enhanced by providing incentives to increase entrepreneurial growth, capital formation, job creation, educational opportunities and homeownership in the designated communities and zones;

(b) SENSE OF THE SENATE.—Therefore, it is the Sense of the Senate that the Congress should adopt enterprise zone legislation in the 104th Congress, and that such enterprise zone legislation provide the following incentives and provisions:

(1) Federal tax incentives that expand access to capital, increase the formation and expansion of small businesses, and promote commercial revitalization;

(2) Regulatory reforms that allow localities to petition Federal agencies, subject to the relevant agencies' approval, for waivers or modifications of regulations to improve job creation, small business formation and expansion, community development, or economic revitalization objectives of the enterprise zones;

(3) Homeownership incentives and grants to encourage resident management of public housing and home ownership of public housing;

(4) School reform pilot projects in certain designated enterprise zones to provide low-income parents with new and expanded educational options for their children's elementary and secondary schooling.

AMENDMENT NO. 2512

(Purpose: To increase the block grant amount to States that reduce out-of-wedlock births)

On page 46, after line 24, insert the following:

"(a) GRANT INCREASED TO REWARD STATES THAT REDUCE OUT-OF-WEDLOCK BIRTHS.—

"(1) IN GENERAL.—The amount of the grant payable to a State under section 403(a)(1)(A) for fiscal years 1998, 1999, and 2000 shall be increased by—

"(A) 5 percent if—

"(i) the illegitimacy ratio of the State for the fiscal year is at least 1 percentage point lower than the illegitimacy ratio of the State for fiscal year 1995; and

"(ii) the rate of induced pregnancy terminations in the State for the same fiscal year is not higher than the rate of induced pregnancy terminations in the State for fiscal year 1995; or

"(B) 10 percent if—

"(i) the illegitimacy ratio of the State for the fiscal year is at least 2 percentage points lower than the illegitimacy ratio of the State for fiscal year 1995; and

"(ii) the rate of induced pregnancy terminations in the State for the same fiscal year is not higher than the rate of induced pregnancy termination in the State for fiscal year 1995.

"(2) DETERMINATION OF THE SECRETARY.—The Secretary shall not increase the grant amount under paragraph (1) if the Secretary determines that the relevant difference between the illegitimacy ratio of a State for an applicable fiscal year and the illegitimacy ratio of such State for fiscal year 1995 is the result of a change in State methods of reporting data used to calculate the illegitimacy ratio or if the Secretary determines that the relevant non-increase in the rate of induced pregnancy terminations for an applicable fiscal year as compared to fiscal year 1995 is the result of a change in State methods of reporting data used to calculate the rate of induced pregnancy terminations.

"(3) ILLEGITIMACY RATIO.—For purposes of this subsection, the term "illegitimacy ratio" means, with respect to a State and a fiscal year—

"(A) the number of out-of-wedlock births that occurred in the State during the fiscal year; divided by

"(B) the number of births that occurred in the State during the same fiscal year.

"(4) AVAILABILITY OF AMOUNTS.—There are authorized to be appropriated and there are appropriated such sums as may be necessary for fiscal years 1998, 1999, and 2000 for the purpose of increasing the amount of the grant payable to a State under section 403(a)(1) in accordance with this subsection.

Mr. ABRAHAM. I ask unanimous consent that the amendments be set aside.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MOYNIHAN. Mr. President, I defer to the distinguished Senator from California.

The PRESIDING OFFICER. The Senator from California.

Mrs. FEINSTEIN. I thank the Chair. I thank the Senator from New York.

AMENDMENT NO. 2513 TO AMENDMENT NO. 2280

(Purpose: To limit deeming of income to cash and cash-like programs, and to retain SSI eligibility and exempt deeming of income requirements for victims of domestic violence)

Mrs. FEINSTEIN. Mr. President, I send an amendment to the desk and ask for its consideration.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from California (Mrs. Feinstein) proposes an amendment numbered 2513 to amendment No. 2280.

Mrs. FEINSTEIN. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 276, line 22, strike "or".

On page 276, line 23, insert ", or (VI)" after "(V)".

On page 277, line 10, strike "and".

On page 277, line 16, strike the period and insert a semicolon.

On page 277, between lines 16 and 17, insert the following:

(F) assistance or services provided to abused or neglected children and their families; and

(G) assistance or benefits under other Federal non-cash programs.

On page 278, line 22, strike "or".

On page 278, line 25, insert "; or (VI) an alien lawfully admitted to the United States for permanent residence who has been subjected to domestic violence, or whose household members have been subjected to domestic violence, by the alien's sponsor or by members of the sponsor's household" after "title II".

Mrs. FEINSTEIN. Mr. President, I ask unanimous consent that the amendment be set aside.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mrs. FEINSTEIN. I thank the Chair.

AMENDMENT NO. 2514 TO AMENDMENT NO. 2280

(Purpose: To establish a job placement performance bonus that provides an incentive for States to successfully place individuals in unsubsidized jobs, and for other purposes)

Mr. MOYNIHAN. Mr. President, on behalf of the Senator from Connecticut [Mr. LIEBERMAN], I send an amendment to the desk and ask for its consideration.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from New York [Mr. MOYNIHAN], for Mr. LIEBERMAN, for himself and Mr. BREAUX and Mr. CONRAD, proposes amendment numbered 2514 to amendment No. 2280.

Mr. MOYNIHAN. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 17, line 8, insert "and for each of fiscal years 1998, 1999, and 2000, the amount of the State's job placement performance bonus determined under subsection (f)(1) for the fiscal year" after "year".

On page 17, line 22, insert "and the applicable percent specified under subsection (f)(2)(B)(ii) for such fiscal year" after "(B)".

On page 29, between lines 15 and 16, insert:

"(f) JOB PLACEMENT PERFORMANCE BONUS—

"(1) IN GENERAL.—The job placement performance bonus determined with respect to a State and a fiscal year is an amount equal to the amount of the State's allocation of the job placement performance fund determined in accordance with the formula developed under paragraph (2).

"(2) ALLOCATION FORMULA: BONUS FUND.—

"(A) ALLOCATION FORMULA.—

"(i) IN GENERAL.—Not later than September 30, 1996, the Secretary of Health and Human Services shall develop and publish in the Federal Register a formula for allocating amounts in the job placement performance bonus fund to States based on the number of families that received assistance under a State program funded under this part in the preceding fiscal year that became ineligible for assistance under the State program as a result of unsubsidized employment during such year.

"(ii) FACTORS TO CONSIDER.—In developing the allocation formula under clause (i), the Secretary shall—

"(I) provide a greater financial bonus for individuals in families described in clause (i) who remain employed for greater periods of time or are at greater risk of long-term welfare dependency; and

"(I) take into account the unemployment conditions of each State or geographic area.

"(B) JOB PLACEMENT PERFORMANCE BONUS FUND.—

"(i) IN GENERAL.—The amount in the job placement performance bonus fund for a fiscal year shall be an amount equal to—

"(I) the applicable percentage of the amount appropriated under section 403(a)(2)(A) for such fiscal year; and

"(II) the amount of the reduction in grants made under this section for the preceding fiscal year resulting from the application of section 407.

"(ii) APPLICABLE PERCENTAGE.—For purposes of clause (i)(I), the applicable percentage shall be determined in accordance with the following table:

"For fiscal year:	*The applicable percentage is:*
1998	3
1999	4
2000 and each fiscal year thereafter	5.

On page 29, line 16, strike "(f)" and insert "(g)".

On page 66, line 13, insert "and a preliminary assessment of the job placement performance bonus established under section 403(f)" before the end period.

AMENDMENT NO. 2515 TO AMENDMENT NO. 2280

(Purpose: To establish a national clearinghouse on teenage pregnancy, set national goals for the reduction of out-of-wedlock and teenage pregnancies, require States to establish a set-aside for teenage pregnancy prevention activities, and for other purposes)

Mr. MOYNIHAN. Mr. President, I send an amendment to the desk in behalf of Senator LIEBERMAN and I ask for its consideration.

The PRESIDING OFFICER. The Clerk will report.

The legislative clerk read as follows:

The Senator from New York [Mr. MOYNIHAN], for Mr. LIEBERMAN, proposes an amendment numbered 2515 to amendment No. 2280.

Mr. MOYNIHAN. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

At the appropriate place, insert:

SEC. . NATIONAL CLEARINGHOUSE ON TEENAGE PREGNANCY.

(a) ESTABLISHMENT.—The Secretary of Education and the Secretary of Health and Human Services shall establish a national center for the collection and provision of information that relates to adolescent pregnancy prevention programs, to be known as the "National Clearinghouse on Teenage Pregnancy Prevention Programs".

(b) FUNCTIONS.—The national center established under subsection (a) shall serve as a national information and data clearinghouse, and as a material development source for adolescent pregnancy prevention programs. Such center shall—

(1) develop and maintain a system for disseminating information on all types of adolescent pregnancy prevention programs and on the state of adolescent pregnancy prevention program development, including information concerning the most effective model programs;

(2) identify model programs representing the various types of adolescent pregnancy prevention programs;

(3) develop networks of adolescent pregnancy prevention programs for the purpose of sharing and disseminating information;

(4) develop technical assistance materials to assist other entities in establishing and improving adolescent pregnancy prevention programs;

(5) participate in activities designed to encourage and enhance public media campaigns on the issue of adolescent pregnancy; and

(6) conduct such other activities as the responsible Federal officials find will assist in developing and carrying out programs or activities to reduce adolescent pregnancy.

(c) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated such sums as may be necessary to carry out the purposes of this section.

SEC. . ESTABLISHING NATIONAL GOALS TO REDUCE OUT-OF WEDLOCK PREGNANCIES AND TO PREVENT TEENAGE PREGNANCIES.

(a) IN GENERAL.—Not later than January 1, 1997, the Secretary of Health and Human Services shall establish and implement a strategy for—

(1) reducing out-of-wedlock teenage pregnancies by at least 5 percent a year, and

(2) assuring that at least 25 percent of the communities in the United States have teenage pregnancy prevention programs in place.

(b) REPORT.—Not later than June 30, 1998, and annually thereafter, the Secretary shall report to the Congress with respect to the progress that has been made in meeting the goals described in paragraphs (1) and (2) of subsection (a).

(c) OUT-OF-WEDLOCK AND TEENAGE PREGNANCY PREVENTION PROGRAMS.—Section 2002 (42 U.S.C. 1397a) is amended by adding at the end the following new subsection:

"(f)(1) Beginning in fiscal year 1996 and each fiscal year thereafter, each State shall use at least 5 percent of its allotment under section 2003 for the fiscal year to develop and implement a State program to reduce the incidence of out-of-wedlock and teenage pregnancies in the State.

"(2) The Secretary shall conduct a study with respect to the State programs implemented under paragraph (1) to determine the relative effectiveness of the different approaches for reducing out-of-wedlock pregnancies and preventing teenage pregnancy utilized in the programs conducted under this subsection and the approaches that can be best replicated by other States.

"(3) Each State conducting a program under this subsection shall provide to the Secretary, in such form and with such frequency as the Secretary requires, data from the programs conducted under this subsection. The Secretary shall report to the Congress annually on the progress of the programs and shall, not later than June 30, 1998, submit to the Congress a report on the study required under paragraph (2).".

SEC. . SENSE OF THE SENATE REGARDING ENFORCEMENT OF STATUTORY RAPE LAWS.

It is the sense of the Senate that States and local jurisdictions should aggressively enforce statutory rape laws.

Mr. MOYNIHAN. Mr. President, I ask unanimous consent that the amendments numbered 2514 and 2515 be set aside.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. GRASSLEY. Mr. President, we are waiting for a few minutes for Senator CRAIG to get here to offer the next amendment that will be considered this afternoon. So, until he arrives, I would like to have permission to speak as if in morning business to introduce a bill that Senator LEVIN and I are introducing.

The PRESIDING OFFICER. Without objection, it is so ordered.

(The remarks of Mr. GRASSLEY pertaining to the introduction of S. 1224 are located in today's RECORD under "Statements on Introduced Bills and Joint Resolutions.")

Mr. GRASSLEY. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. LOTT. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

DEPARTMENT OF DEFENSE APPROPRIATIONS, 1996

The PRESIDING OFFICER. Under a previous order, the Chair lays before the Senate H.R. 2126. The clerk will report.

The legislative clerk read as follows:

A bill (H.R. 2126) making appropriations for the Department of Defense for the fiscal year ending September 30, 1996, and for other purposes.

The PRESIDING OFFICER. Under the order, all after the enacting clause is stricken and the language of S. 1087 is inserted.

The clerk will read the bill for the third time.

The bill was read the third time.

The PRESIDING OFFICER. The bill is passed and the motion to reconsider is laid upon the table.

So the bill (H.R. 2126), as amended, was passed.

The PRESIDING OFFICER. Under the order, the Senate insists on its amendments, requests a conference with the House on the disagreeing votes of the two Houses, and the Chair is authorized to appoint conferees on the part of the Senate.

The PRESIDING OFFICER appointed Mr. STEVENS, Mr. COCHRAN, Mr. SPECTER, Mr. DOMENICI, Mr. GRAMM, Mr. BOND, Mr. MCCONNELL, Mr. MACK, Mr. SHELBY, Mr. HATFIELD, Mr. INOUYE, Mr. HOLLINGS, Mr. JOHNSTON, Mr. BYRD, Mr. LEAHY, Mr. BUMPERS, Mr. LAUTENBERG, and Mr. HARKIN conferees on the part of the Senate.

The PRESIDING OFFICER. Under the order, S. 1087 is indefinitely postponed.

FAMILY SELF-SUFFICIENCY ACT

The Senate continued with the consideration of the bill.

Mr. BROWN addressed the Chair.

The PRESIDING OFFICER. The Senator from Colorado.

Mr. BROWN. Mr. President, what is the pending business before the Senate?

The PRESIDING OFFICER. The pending business is the Boxer amendment No. 2482.

AMENDMENT NO. 2508

Mr. BROWN. Mr. President, I ask unanimous-consent that the pending amendment be set aside and that the portion of the unanimous-consent agreement which laid aside consideration of the Brown amendment until next Monday be waived and that I be allowed to bring up the Brown amendment at this time.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

Mr. BROWN. Mr. President, I therefore call up amendment No. 2508, the Brown amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BROWN. Mr. President, this is a very straightforward amendment. When it was initially offered, it was read.

Let me simply reiterate for the benefit of Members who may not have been here at the time, what it does is place a limit of 15 percent on the Federal funds that may be used for administrative expenditures under the temporary assistance block grant. This is under title I.

Mr. President, what this suggests is that at least 85 percent of the money that is given in a block grant go to actual assistance and only 15 percent, or a maximum of 15 percent go for bureaucracy or administrative costs.

History shows that the vast majority of our States can and do live within this limitation already. Frankly, my purpose in offering it is to make it clear that this money is not simply to be consumed in administrative costs but to go to programs and to go to the people where it will do some good.

One may reasonably ask, is 15 percent reasonable?

I might say that three-fourths of the States already operate within that for comparable programs. But I also might mention that the other parts of the welfare bill have limitations on administrative costs and that this is perhaps more generous than most of those.

Let me be specific. In the child care block grant the cap is 5 percent whereas this is 15 percent. Job training coordination for statewide work force education is a 1-percent cap—that is 5 percent of the 20 percent. The statewide work force employment program versus the education program is a 5-percent cap. The food stamp block grant option is a 6-percent cap. So by suggesting a 15-percent cap for administrative costs we are not trying to be overly tight with the States but we do think some upper limit with regard to administrative costs is appropriate, that is, essential.

How many times have we heard from our States and counties where we have said most of the money that was sent to them, or a large portion of the money that was sent to them, to deal with a problem is consumed at the State level for administrative costs, money that does not go to help people, money that may not go to directly dealing with the people at hand.

The 50-percent maximum limit is reasonable. It is one that States can live with. And, frankly, Mr. President, what it says is this money is meant to help people and goes to effect a program, not to simply be consumed by new bureaucracies at a State level.

With the broad new discretion given the States, this sort of reasonable upper limit for bureaucracy, I think, is appropriate and needed. The saddest commentary of all would be if delineating the money to the States, doing away with the Federal bureaucracy, ended up producing a whole new huge bureaucracy on the State level. So a reasonable limit is needed, appropriate.

I urge its adoption, Mr. President.

Mr. President, on this amendment I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

Mr. BROWN. Mr. President, I yield back the balance of my time.

Mr. GRASSLEY addressed the Chair.

The PRESIDING OFFICER. The Senator from Iowa.

Mr. GRASSLEY. I would rise in support of the amendment by the Senator from Colorado. I think in this whole process of moving from categorical programs administered from Washington to more flexible programs, you can also call block grants to the States. I think we have an appropriate responsibility to the Federal taxpayers to make sure that money is not eaten up in excess administrative costs.

I think the Brown amendment is a step in the right direction. I do not think very many States would exceed that anyway, and probably very few States exceed that presently. But we are moving into a program of what we think is of considerable length. And I have always said that to meet the Federal responsibilities on block grants it is legitimate to put limits on administrative expenses, to have some national goals that ought to be met, and to have a targeted population described by the Federal taxpayers.

It seems to me that this solves one of those major, legitimate issues that we ought to deal with here, albeit at the same time we are going to give the maximum discretion to the States on the administering of the welfare program. So I compliment the Senator from Colorado for his amendment.

I yield the floor.

Mr. BIDEN. Mr. President, the Brown amendment to the welfare bill sounds good on the surface, and I suspect it will pass by a large margin. But, I will vote against it, and I want to explain why.

The fact is, this amendment would be prejudicial to my State of Delaware. It would require all States to treat their Federal welfare block grant funds as if they were State revenues, thus requiring the moneys to be appropriated by the State legislature.

However, Delaware is one of only six States where the General Assembly has decided that Federal moneys can bypass the State legislature and be directly appropriated to a State agency by the governor. In other words, State legislators in Delaware have decided themselves to forego the right to appropriate Federal funds.

I simply do not believe that this bill is the time or the place to change my State's budget law and longstanding appropriations process. If the Delaware General Assembly wants to appropriate the Federal funds that Delaware receives, the General Assembly is fully within its rights to change Delaware's law. But, I cannot support imposing that on my State—especially in a bill that is intended, according to its sponsors, to give States more rights and flexibility.

Mr. President, I thank the Chair, and I yield the floor.

Mr. MOYNIHAN. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. MOYNIHAN. Mr. President, I ask unanimous consent that further proceedings under the quorum call be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MOYNIHAN. Mr. President, this appears to me to be another amendment that will make the block grant unworkable. And I entirely support that.

I believe the yeas and nays have been requested?

Mr. GRASSLEY. Yes.

Mr. MOYNIHAN. I yield the floor.

The PRESIDING OFFICER. The question is on agreeing to amendment No. 2508 offered by the Senator from Colorado.

The yeas and nays have been ordered.

The clerk will call the roll.

The bill clerk called the roll.

Mr. LOTT. I announce that the Senator from Colorado [Mr. CAMPBELL], the Senator from Mississippi [Mr. COCHRAN], the Senator from Florida [Mr. MACK], the Senator from Arizona [Mr. MCCAIN], the Senator from Alaska [Mr. MURKOWSKI], and the Senator from Alabama [Mr. SHELBY] are necessarily absent.

I also announce that the Senator from Tennessee [Mr. THOMPSON] is absent due to illness.

Mr. FORD. I announce that the Senator from Arkansas [Mr. PRYOR] is necessarily absent.

The PRESIDING OFFICER (Mr. GRAMS). Are there any other Senators in the Chamber desiring to vote?

The result was announced—yeas 87, nays 5, as follows:

[Rollcall Vote No. 404 Leg.]

YEAS—87

Abraham
Akaka
Baucus
Bennett
Biden
Bingaman
Boxer
Bradley
Breaux
Brown
Bryan
Bumpers
Burns
Byrd
Chafee
Coats
Cohen
Conrad
Coverdell
Craig
D'Amato
Daschle
DeWine
Dodd
Dole
Domenici
Dorgan
Exon
Faircloth
Feingold
Feinstein
Ford
Frist
Glenn
Graham
Gramm
Grams
Grassley
Gregg
Harkin
Hatfield
Heflin
Helms
Hollings
Hutchison
Inhofe
Inouye
Jeffords
Johnston
Kassebaum
Kempthorne
Kennedy
Kerrey
Kerry
Kohl
Kyl
Lautenberg
Leahy
Levin
Lieberman
Lott
McConnell
Mikulski
Moseley-Braun
Moynihan
Murray
Nickles
Nunn
Packwood
Pell
Pressler
Reid
Robb
Rockefeller
Roth
Santorum
Sarbanes
Simon
Simpson
Smith
Snowe
Specter
Stevens
Thomas
Thurmond
Warner
Wellstone

NAYS—5

Ashcroft
Bond
Gorton
Hatch
Lugar

NOT VOTING—8

Campbell
Cochran
Mack
McCain
Murkowski
Pryor
Shelby
Thompson

So, the amendment (No. 2508) was agreed to.

Mr. HATCH. Mr. President, I move to reconsider the vote.

Mr. MOYNIHAN. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. HATCH. Mr. President, pursuant to the previous agreement, I ask unanimous consent that the pending amendment be briefly set aside so that I and Senator HELMS, in that order, may send amendments to the desk and ask for their immediate consideration in accordance with the unanimous consent agreement already agreed to.

Mrs. BOXER. Reserving the right to object, I assume after those two are laid down we will go to my amendment. I need only 1 minute to explain it.

Mr. HATCH. As soon as we do this procedural matter and we conclude this, we will move right to the Senator from California. I include that in the unanimous consent agreement.

Mr. EXON. Reserving the right to object, may I please have an understanding of what the procedure is?

The Senator from Nebraska also has an amendment to offer that I have been waiting to offer for some time. I am not in any particular rush. Are we setting up an order?

If the unanimous consent request is granted, as I understand it, there would be some motion taken up offered by the Senators from North Carolina and Utah, and following that we will go to the Senator from California; is that correct?

Mr. HATCH. That is correct. We would be happy to have the Senator put his in, but we are not making arguments at this time.

Mr. MOYNIHAN. Mr. President, it is my understanding that the Senator from Nebraska would like to speak, and we had anticipated after the vote on the Boxer amendment other Senators would speak. I see the Senator from Idaho may wish to speak.

Mr. HATCH. My understanding is that the Boxer amendment will require a vote so we want to move forward as fast as we can.

Mr. EXON. With that understanding, I have no objection, and after the vote on the Boxer amendment I will proceed at that time.

Mr. HATCH. I have been informed immediately following the Boxer vote that Senator CRAIG has reserved some time; will the Senator from Nebraska wait until after Senator CRAIG?

Mr. EXON. Sure. With the understanding I be recognized sometime prior to 5 p.m.

Mr. HATCH. Mr. President, I ask unanimous consent that the pending amendment be briefly set aside.

The PRESIDING OFFICER. Without objection, it is so ordered.

AMENDMENT NO. 2516 TO AMENDMENT NO. 2280

(Purpose: To establish a block grant program for the provision of child care services)

Mr. HATCH. I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Utah [Mr. HATCH], for himself and Mr. KOHL, proposes an amendment numbered 2516 to amendment No. 2280.

Mr. HATCH. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

(The text of the amendment is printed in today's RECORD under "Amendments Submitted.")

Mr. HATCH. Mr. President, I am pleased to be joined in this amendment by the Senator from Wisconsin, Senator KOHL. I invite all my colleagues to review this amendment and join us as cosponsors.

This is not a partisan proposal. It is intended to assist States in making child care services a key component of their title I temporary assistance programs.

We will be discussing this amendment in more detail later, but let me simply say today that I believe this amendment addresses a broadly recognized need for child care by families who are on welfare and struggling to get off.

Obviously, for a single parent, child care is necessary in order for that parent to work. A mother or father cannot leave a young child at home alone.

Mr. President, I believe in the work requirements incorporated in the Dole substitute. I happen to believe that work—and the sense of personal accomplishment that comes from it—is one of the single most important things we can provide to welfare recipients. But, we cannot do it without child care.

My amendment simply provides a child care block grant into the title I temporary assistance block grant. It is not complicated. It carries no new administrative requirements.

Mr. President, I will have more to say about this next week. I invite my colleagues to join Senator KOHL and me in sponsoring this important amendment.

Mr. President, I ask unanimous consent that the pending amendment be briefly set aside.

The PRESIDING OFFICER. Without objection, it is so ordered.

AMENDMENTS NOS. 2517, 2518, AND 2519, EN BLOC, TO AMENDMENT NO. 2280

Mr. HATCH. I send three amendments to the desk on behalf of Senator DEWINE.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Utah [Mr. HATCH], for Mr. DEWINE, proposes amendments, en bloc, numbered 2517 through 2519 to amendment No. 2280.

Mr. HATCH. I ask unanimous consent that reading of the amendments be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendments are as follows:

AMENDMENT NO. 2517

(Purpose: To provide for quarterly reporting by banks with respect to common trust funds)

On page 712, between lines 9 and 10, insert the following:

SEC. . QUARTERLY REPORTS WITH RESPECT TO COMMON TRUST FUNDS.

(a) IN GENERAL.—Section 6032 of the Internal Revenue Code of 1986 (relating to returns of banks with respect to common trust funds) is amended by striking "each taxable year" and inserting "each quarter of the taxable year".

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to taxable years beginning after the date of the enactment of this Act.

AMENDMENT NO. 2518

(Purpose: To modify the method for calculating participation rates to more accurately reflect the total case load of families receiving assistance in the State, and for other purposes)

On page 31, line 15, insert "and" after the semicolon.

On page 31, line 23, strike "and" and insert "divided by".

Beginning on page 31, line 24, strike all through page 32, line 10.

Beginning on page 33, line 10, strike all through page 34, line 5, and insert the following:

"(3) PRO RATA REDUCTION OF PARTICIPATION RATE DUE TO CASELOAD REDUCTIONS NOT REQUIRED BY FEDERAL LAW.—

"(A) IN GENERAL.—The Secretary shall prescribe regulations for reducing the minimum participation rate otherwise required by this section for a fiscal year by the number of percentage points equal to the number of percentage points (if any) by which—

"(i) the number of families receiving assistance during the fiscal year under the State program funded under this part is less than

"(ii) the number of families that received aid under the State plan approved under part A of this title (as in effect before October 1, 1995) during the fiscal year immediately preceding such effective date.

The minimum participation rate shall not be reduced to the extent that the Secretary determines that the reduction in the number of families receiving such assistance is required by Federal law.

"(B) ELIGIBILITY CHANGES NOT COUNTED.—The regulations described in subparagraph (A) shall not take into account families that are diverted from a State program funded under this part as a result of differences in eligibility criteria under a State program funded under this part and eligibility criteria under such State's plan under the aid to families with dependent children program, as such plan was in effect on the day before the date of the enactment of the Work Opportunity Act of 1995.

AMENDMENT NO. 2519

(Purpose: To provide for a rainy day contingency fund)

On page 29, between lines 17 and 18, insert the following:

"(g) RAINY DAY CONTINGENCY FUND.—

"(1) ESTABLISHMENT.—There is hereby established in the Treasury of the United States a fund which shall be known as the 'Rainy Day Contingency Fund' (hereafter in this section referred to as the 'Rainy Day Fund').

"(2) DEPOSITS INTO FUND.—Out of any money in the Treasury of the United States not otherwise appropriated, there are hereby appropriated for fiscal years 1996, 1997, 1998, 1999, and 2000 such sums as are necessary for payment to the Rainy Day Fund in a total amount not to exceed $525,000,000.

"(3) COMPUTATION OF GRANT.—

"(A) IN GENERAL.—The Secretary of the Treasury shall pay to each State for each quarter in a fiscal year following the quarter in which such State becomes an eligible State under this subsection, an amount equal to the Federal medical assistance percentage for such State for such fiscal year (as defined in section 1905(b)) of so much of the expenditures by the State in such year under the State program funded under this part as exceed the historic State expenditures for such State.

"(B) METHOD OF COMPUTATION, PAYMENT, AND RECONCILIATION.—

"(i) METHOD OF COMPUTATION.—The method of computing and paying such amounts shall be as follows:

"(I) The Secretary of Health and Human Services shall estimate the amount to be paid to the State for such quarter under the provisions of subparagraph (A), such estimate to be based on a report filed by the State containing its estimate of the total sum to be expended in such quarter and such other information as the Secretary may find necessary.

"(II) The Secretary of Health and Human Services shall then certify to the Secretary of the Treasury the amount so estimated by the Secretary of Health and Human Services.

"(ii) METHOD OF PAYMENT.—The Secretary of the Treasury shall thereupon, through the Fiscal Service of the Department of the Treasury and prior to audit or settlement by the General Accounting Office, pay to the State, at the time or times fixed by the Secretary of Health and Human Services, the amount so certified.

"(iii) METHOD OF RECONCILIATION.—If at the end of each fiscal year, the Secretary of Health and Human Services finds that a State which received amounts from the Rainy Day Fund in such fiscal year did not meet the maintenance of effort requirement under paragraph (5)(B) for such fiscal year, the Secretary shall reduce the State family assistance grant for such State for the succeeding fiscal year by such amounts.

"(4) USE OF GRANT.—

"(A) IN GENERAL.—An eligible State may use the grant—

"(i) in any manner that is reasonably calculated to accomplish the purpose of this part; or

"(ii) in any manner that such State used amounts received under part A or F of this title, as such parts were in effect before October 1, 1995.

"(B) REFUND OF UNUSED PORTION.—Any amount of a grant under this subsection not used during the fiscal year shall be returned to the Rainy Day Fund.

"(5) ELIGIBLE STATE.—

"(A) IN GENERAL.—For purposes of this subsection, a State is an eligible State with respect to any quarter in a fiscal year, if such State—

"(i) has an average total unemployment rate for such quarter which exceeds by at least 2 percentage points such average total rate for the same quarter of either the preceding or second preceding fiscal year; and

"(ii) has met the maintenance of effort requirement under subparagraph (B) for the State program funded under this part for the preceding fiscal year.

"(B) MAINTENANCE OF EFFORT.—

"(i) IN GENERAL.—The maintenance of effort requirement for any State under this subparagraph for any fiscal year is the expenditure of an amount at least equal to 100 percent of the level of historic State expenditures for such State.

"(ii) HISTORIC STATE EXPENDITURES.—For purposes of this subparagraph, the term 'historic State expenditures' means payments of cash assistance to recipients of aid to families with dependent children under the State plan under part A of title IV for fiscal year 1994, as in effect during such fiscal year.

"(iii) DETERMINING STATE EXPENDITURES.—For purposes of this subparagraph, State expenditures shall not include any expenditures from amounts made available by the Federal Government.

Mr. HATCH. Mr. President, pursuant to the previous agreement, I ask unanimous consent that the pending amendment be briefly set aside.

The PRESIDING OFFICER. Without objection, it is so ordered.

AMENDMENT NO. 2520 TO AMENDMENT NO. 2280

Mr. HATCH. I send an amendment to the desk and ask for its immediate consideration for and on behalf of Senator BURNS.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Utah [Mr. HATCH] for Mr. BURNS, proposes an amendment numbered 2520 to amendment No. 2280.

Mr. HATCH. I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

Amend section 105 (a) to read:

(a) IN GENERAL.—The Secretary of Health and Human Services shall take such actions as may be necessary, including reduction in force actions, consistent with sections 3502 and 3595 of title 5, United States Code, to ensure that at least 50 percent of the personnel in positions that relate to a covered activity are separated from service. Where possible, reductions should come from headquarters before reductions are made in the field. In the case of a program that is repealed, 100% of the positions shall be eliminated.

Elimination of positions may begin upon passage of this Act but shall be completed no later than six (6) months following the date of implementation.

Mr. HATCH. I ask unanimous consent the pending amendment be set aside.

The PRESIDING OFFICER. Without objection, it is so ordered.

AMENDMENT NO. 2521 TO AMENDMENT NO. 2280

(Purpose: To ensure state eligibility and benefit restrictions for immigrants are no more restrictive than those of the Federal Government)

Mr. HATCH. Mr. President, I send an amendment to the desk for and on behalf of Senator SIMPSON and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Utah [Mr. HATCH], for Mr. SIMPSON, proposes an amendment numbered 2521 to amendment No. 2280.

Mr. HATCH. I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 287, strike lines 13–17 and insert the following:

"(a) IN GENERAL.—(1) Subject to paragraph (2) and subsection (b), a State may, at its option, limit or restrict the eligibility of noncitizens of the United States for any means-tested public assistance program, whether funded by the Federal Government or by the State.

"(2)(A) The authority under subsection (a) may be exercised only to the extent that any prohibitions, limitations, or restrictions are not more restrictive or of a longer duration than comparable Federal programs.

"(B) For the purposes of this subsection, attribution to a noncitizen of the income or resources of any person who (as a sponsor of such noncitizen's entry into the United States) executed an affidavit of support or similar agreement with respect to such noncitizen, for purposes of determining the eligibility for or amount of benefits of such noncitizen, shall not be considered more restrictive than a prohibition of eligibility."

Mr. HATCH. I ask unanimous consent the pending amendment be set aside.

The PRESIDING OFFICER. Without objection, it is so ordered.

AMENDMENT NO. 2522 TO AMENDMENT NO. 2280

(Purpose: To modify provisions relating to funds for other child care programs)

Mr. HATCH. Mr. President, I send another amendment to the desk for and on behalf of Senator KASSEBAUM and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Utah [Mr. HATCH], for Mrs. KASSEBAUM, proposes an amendment numbered 2522 to amendment No. 2280.

Mr. HATCH. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

Beginning on page 313, strike line 13 and all that follows through line 5 on page 314, and insert the following new subsection:

(l) APPLICATION OF SUBCHAPTER.—The Child Care and Development Block Grant Act of 1990 (42 U.S.C. 9858 et seq.) is amended by adding at the end thereof the following new section:

"SEC. 658T. APPLICATION TO OTHER PROGRAMS.

"Notwithstanding any other provision of law, a State that uses funding for child care services under any Federal program shall ensure that activities carried out using such funds meet the requirements, standards, and criteria of this subchapter, except for the quality set-aside provisions of section 685G, and the regulations promulgated under this subchapter. Such sums shall be administered through a uniform State plan. To the maximum extent practicable, amounts provided to a State under such programs shall be transferred to the lead agency and integrated into the program established under this subchapter by the State.".

Mr. HELMS. I ask unanimous consent the pending amendment be set aside.

The PRESIDING OFFICER. Without objection, it is so ordered.

AMENDMENT NO. 2523 TO AMENDMENT NO. 2280

(Purpose: To require single, able-bodied individuals receiving food stamps to work at least 40 hours every 4 weeks)

Mr. HELMS. Mr. President, I send an amendment to the desk and ask it be stated.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from North Carolina [Mr. HELMS] for himself, Mr. FAIRCLOTH, Mr. SHELBY, and Mr. GRAMS, proposes an amendment numbered 2523 to amendment No. 2280.

Mr. HELMS. I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

Beginning on page 195, strike line 22 and all that follows through page 198, line 14, and insert the following:

SEC. 319. WORK REQUIREMENT.

Section 6 of the Food Stamp Act of 1977 (7 U.S.C. 2015) (as amended by section 318) is further amended by inserting after subsection (m) the following:

"(n) WORK REQUIREMENT.—

"(1) IN GENERAL.—Subject to paragraph (3), no individual shall be eligible to participate in the food stamp program as a member of any household if the individual did not work at least 40 hours during the preceding 4-week period.

"(2) WORK PROGRAM.—For purposes of paragraph (1), an individual may perform community service or work for a State or political subdivision of a State through a program established by the State or political subdivision.

"(3) EXEMPTIONS.—Paragraph (1) shall not apply to an individual if the individual is—

"(A) a parent residing with a dependent child under 18 years of age;

"(B) a member of a household with responsibility for the care of an incapacitated person;

"(C) mentally or physically unfit;

"(D) under 18 years of age; or

"(E) 55 years of age or older.".

Exemption: Emergency care and nutrition assistance for teenage parents.

Mrs. BOXER. I ask unanimous consent the pending amendment be set aside.

The PRESIDING OFFICER. Without objection, the amendment is set aside.

AMENDMENT NO. 2482

The PRESIDING OFFICER. The question is on agreeing to the amendment of Senator BOXER, amendment No. 2482.

Mrs. BOXER. Mr. President, I understand I have 60 seconds. I will use 30 seconds to explain my amendment.

What we are saying here is if you are a deadbeat dad or a deadbeat mom and have fallen behind on your child support more than 2 months, you must not be eligible for means-tested Federal benefits.

I have modified that amendment with the help of Senator SANTORUM. We exclude emergency medical care and nutrition assistance for teenage parents, but basically if you do not sign a repayment schedule committing yourself to make up for those delinquent payments, you will not get benefits such as housing assistance or SSI or food stamps.

We feel it is very important to send a message to deadbeat parents. I ask Senators to give us an aye vote.

The PRESIDING OFFICER. The amendment is so modified.

The amendment (No. 2482), as modified, is as follows:

On page 712, between lines 9 and 10, insert the following:

SEC. 972. DENIAL OF MEANS-TESTED FEDERAL BENEFITS TO NONCUSTODIAL PARENTS WHO ARE DELINQUENT IN PAYING CHILD SUPPORT.

(a) IN GENERAL.—Notwithstanding any other provision of law, a non-custodial parent who is more than 2 months delinquent in paying child support shall not be eligible to receive any means-tested Federal benefits.

(b) EXCEPTION.—

(1) IN GENERAL.—Subsection (a) shall not apply to an unemployed non-custodial parent who is more than 2 months delinquent in paying child support if such parent—

(A) enters into a schedule of repayment for past due child support with the entity that issued the underlying child support order; and

(B) meets all of the terms of repayment specified in the schedule of repayment as forced by the appropriate disbursing entity.

(2) 2-YEAR EXCLUSION.—(A) A non-custodial parent who becomes delinquent in child support a second time or any subsequent time shall not be eligible to receive any means-tested Federal benefits for a 2-year period beginning on the date that such parent failed to meet such terms.

(B) At the end of that two-year period, paragraph (A) shall once again apply to that individual.

(c) MEANS-TESTED FEDERAL BENEFITS.—For purposes of this section, the term "means-tested Federal benefits" means benefits under any program of assistance, funded in whole or in part, by the Federal Government, for which eligibility for benefits is based on need.

Exemption: Emergency care and nutrition assistance for teenage parents.

Mrs. BOXER. I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. LOTT. I announce that the Senator from Colorado [Mr. CAMPBELL], the Senator from Mississippi [Mr. COCHRAN], the Senator from Florida [Mr. MACK], the Senator from Arizona [Mr. MCCAIN], the Senator from Kentucky [Mr. MCCONNELL], and the Senator from Arkansas [Mr. MURKOWSKI] are necessarily absent.

I also announce that the Senator from Tennessee [Mr. THOMPSON] is absent due to illness.

Mr. FORD. I announce that the Senator from Louisana [Mr. BREAUX] and the Senator from Arkansas [Mr. PRYOR] are necessarily absent.

The PRESIDING OFFICER. Are there any other Senators in the Chamber desiring to vote?

The result was announced—yeas 91, nays 0, as follows:

[Rollcall Vote No. 405 Leg.]

YEAS—91

Abraham
Akaka
Ashcroft
Baucus
Bennett
Biden
Bingaman
Bond
Boxer
Bradley
Brown
Bryan
Bumpers
Burns
Byrd
Chafee
Coats
Cohen
Conrad
Coverdell
Craig
D'Amato
Daschle
DeWine
Dodd
Dole
Domenici
Dorgan
Exon
Faircloth
Feingold
Feinstein
Ford
Frist
Glenn
Gorton
Graham
Gramm
Grams
Grassley
Gregg
Harkin
Hatch
Hatfield
Heflin
Helms
Hollings
Hutchison
Inhofe
Inouye
Jeffords
Johnston
Kassebaum
Kempthorne
Kennedy
Kerrey
Kerry
Kohl
Kyl
Lautenberg
Leahy
Levin
Lieberman
Lott
Lugar
Mikulski
Moseley-Braun
Moynihan
Murray
Nickles
Nunn
Packwood
Pell
Pressler
Reid
Robb
Rockefeller
Roth
Santorum
Sarbanes
Shelby
Simon
Simpson
Smith
Snowe
Specter
Stevens
Thomas
Thurmond
Warner
Wellstone

NOT VOTING—9

Breaux
Campbell
Cochran
Mack
McCain
McConnell
Murkowski
Pryor
Thompson

So the amendment (No. 2482) as modified, was agreed to.

Mr. HATCH. Mr. President, I move to reconsider the vote.

Mr. MOYNIHAN. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 2524 TO AMENDMENT NO. 2280

(Purpose: To provide for a good cause exception for hospital-based programs providing for voluntary acknowledgment of paternity)

Mr. CRAIG. Mr. President, I send an amendment to the desk for myself and Senator SHELBY.

The PRESIDING OFFICER. Without objection, the clerk will report.

The assistant legislative clerk read as follows:

The Senator from Idaho [Mr. CRAIG], for himself and Mr. SHELBY, proposes an amendment numbered 2524 to amendment No. 2280.

Mr. CRAIG. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 643, line 16, insert ", subject to such good cause and other exceptions as the State shall establish and taking into account the best interests of the child" before the end period.

Mr. CRAIG. Mr. President, it is my understanding that this amendment has received recognition from both sides and is acceptable.

The amendment would simply allow the States to establish good cause and other exceptions and thus will not override State laws defining paternity. Moreover, it requires all hospital bed programs providing for voluntary acknowledgment of paternity to take into account the best interests of the child. It provides consistency between Federal AFDC law and the laws regarding in-hospital paternity establishment.

Mr. HATCH. Mr. President, we think the amendment is an excellent amendment, and we are prepared to accept it on this side. I understand the other side is prepared to accept it. I turn to the distinguished Senator from New York.

Mr. MOYNIHAN. Mr. President, we surely agree this a commendable amendment. We thank the Senator from Idaho for offering it. It would be agreed to on this side if the question is asked.

Mr. HATCH. I urge adoption of the amendment.

The PRESIDING OFFICER. If there is no further debate, the question is on agreeing to amendment No. 2524.

So the amendment (No. 2524) was agreed to.

Mr. HATCH. Mr. President, I move to reconsider the vote.

Mr. MOYNIHAN. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. EXON. Mr. President, first, an inquiry of the Chair.

As I understand it, the present measure before the Senate is the amendment numbered 2280 by Senator DOLE. Is that correct?

The PRESIDING OFFICER. That is the first-degree amendment pending. There have been second-degree amendments offered that have been set aside.

Mr. EXON. That is what I wished to clarify. The Senator from Nebraska is ready to offer an amendment to that amendment.

AMENDMENT NO. 2525 TO AMENDMENT NO. 2280

(Purpose: To prohibit the payment of certain Federal benefits to any person not lawfully present within the United States, and for other purposes)

Mr. EXON. I send the amendment to the desk at this time and ask for its immediate consideration.

The PRESIDING OFFICER. Without objection, the clerk will report.

The assistant legislative clerk read as follows:

The Senator from Nebraska [Mr. EXON] proposes an amendment numbered 2525 to amendment No. 2280.

Mr. EXON. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 302, between lines 5 and 6, insert the following:

SEC. 506. PROHIBITION ON PAYMENT OF FEDERAL BENEFITS TO CERTAIN PERSONS.

(a) IN GENERAL.—Notwithstanding any other provision of law and except as provided in subsection (b), Federal benefits shall not be paid or provided to any person who is not a person lawfully present within the United States.

(b) EXCEPTIONS.—Subsection (a) shall not apply with respect to the following benefits:

(1) Emergency medical services under title XIX of the Social Security Act.

(2) Short-term emergency disaster relief.

(3) Assistance or benefits under the National School Lunch Act.

(4) Assistance or benefits under the Child Nutrition Act of 1966.

(5) Public health assistance for immunizations and, if the Secretary of Health and Human Services determines that it is necessary to prevent the spread of a serious communicable disease, for testing and treatment of such disease.

(c) DEFINITIONS.—For purposes of this section:

(1) FEDERAL BENEFIT.—The term "Federal benefit" means—

(A) the issuance of any grant, contract, loan, professional license, or commercial license provided by an agency of the United States or by appropriated funds of the United States; and

(B) any retirement, welfare, Social Security, health, disability, veterans benefit, public housing, education, food stamps, unemployment benefit, or any other similar benefit for which payments or assistance are provided by an agency of the United States or by appropriated funds of the United States.

(2) VETERANS BENEFIT.—The term "veterans benefit" means all benefits provided to veterans, their families, or survivors by virtue of the service of a veteran in the Armed Forces of the United States.

(3) PERSON LAWFULLY PRESENT WITHIN THE UNITED STATES.—The term "person lawfully present within the United States" means a person who, at the time the person applies for, receives, or attempts to receive a Federal benefit, is a United States citizen, a permanent resident alien, an alien whose deportation has been withheld under section 243(h) of the Immigration and Nationality Act (8 U.S.C. 1253(h)), and asylee, a refugee, a parolee who has been paroled for a period of at least 1 year, a national, or a national of the United States for purposes of the immigration laws of the United States (as defined in section 101(a)(17) of the Immigration and Nationality Act (8 U.S.C. 1101(a)(17)).

(d) STATE OBLIGATION.—Notwithstanding any other provision of law, a State that administers a program that provides a Federal benefit (described in section 506(c)(1)) or provides State bene fits pursuant to such a program shall not be required to provide such benefit to a person who is not a person lawfully present within the United States (as defined in section 506(c)(3)) through a State agency or with appropriated funds of such State.

(e) VERIFICATION OF ELIGIBILITY.—

(1) IN GENERAL.—Not later than 18 months after the date of the enactment of this Act, the Attorney General of the United States, after consultation with the Secretary of Health and Human Services, shall promulgate regulations requiring verification that a person applying for a Federal benefit, including a benefit described in section 506(b), is a person lawfully present within the United States and is eligible to receive such benefit. Such regulations shall, to the extent feasible, require that information requested and exchanged be similar in form and manner to information requested and exchanged under section 1137 of the Social Security Act.

(2) STATE COMPLIANCE.—Not later than 24 months after the date the regulations described in subsection (1) are adopted, a State that administers a program that provides a Federal benefit described in such subsection shall have in effect a verification system that complies with the regulations.

(3) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated such sums as may be necessary to carry out the purpose of this section.

(f) SEVERABILITY.—If any provision of this title or the application of such provision to any person or circumstance is held to be unconstitutional, the remainder of this title and the application of the provisions of such to any person or circumstance shall not be affected thereby.

Mr. EXON. Mr. President, I rise today to offer an amendment to the pending welfare reform bill to address the issue of payment of Federal benefits to illegal aliens. I have talked with the managers of the bill, and I have agreed to offer it now, to briefly debate the matter, and we will schedule a vote and possibly limited debate sometime next week as we move through the whole series of amendments we have pending.

Mr. President, I introduced a similar measure, S. 918, earlier in this Congress. As many Senators know, I have long supported blocking Federal benefits to illegal aliens as a matter of both sound immigration policy and as a matter of sound fiscal policy. I have introduced this measure as either a stand-alone bill or as an amendment in every Congress since 1989.

In 1993, when we debated the comprehensive crime bill, the Senate accepted my amendment to restrict benefits to illegal aliens by a vote of 85 to 2. Unfortunately, Mr. President, the provision was dropped in conference with the House of Representatives. Simply stated, my amendment says that Federal benefits shall not be paid or provided to those not lawfully present within the United States. My amendment is well crafted to only deny illegals the benefit of Federal support and specifically defines who is a person lawfully present within the United States.

My amendment also provides for a number of exemptions. Federal funds could be provided to illegal aliens for emergency medical services, disaster relief, school lunches, child nutrition and immunization. Sick people would not be turned away at the hospital emergency rooms, nor would the public health be threatened by a communicable disease.

We must draw the line and say that illegal aliens should not be receiving scarce resources except for true emergencies and public health concerns.

Also, States would not be obligated to provide benefits to those not lawfully present in our country. Following the publishing of the rules by the Attorney General, the States would have 2 years to comply with the verification requirements, and necessary funds would be authorized.

It should be noted that the long-awaited report of the U.S. Commission on Immigration Reform, headed by former Representative Barbara Jordan, has generally recommended that illegal aliens not receive publicly funded services or assistance.

Mr. President, it is true that many Federal programs specifically exclude by statute illegal aliens in their criteria for eligibility, but in many cases the benefits continue to flow to these illegal aliens due to the expansive and misguided agency regulations and court interpretation.

Many Federal programs allow benefits to go to aliens permanently residing in the United States under color of law. However, this category is not defined by statute, and the categories of aliens it covers vary from program to program because various court decisions have defined it differently. I am sure that my fellow colleagues are well aware of the published growing concern with our country's haphazard immigration policy and porous border. I believe this debate over welfare reform provides us with a golden opportunity to create a new and more coherent policy regarding immigrants and to stop, once and for all, the payment of benefits to illegal aliens.

The Senate appears ready to give the States more flexibility and responsibility to oversee Federal programs. I think it is only fair that in exchange for the increased flexibility and discretion, the Federal Government should ask the States to stand with us in verifying immigrant status and help identify illegal aliens.

With the assistance of the States in the verification process, few illegals will receive benefits. And both Federal and State budgets will reflect those savings. It is the simple fact that a deported alien will not be available to collect welfare benefits that are desperately needed by many of our citizens.

Mr. President, in my opinion, the Federal Government and the States have been working at cross-purposes in enforcing our immigration laws. The States have decried the inability of the Federal Government to police our borders. Yet when Congress proposes dropping the payment of benefits to illegal aliens, the States complain that they will be saddled with the full cost of providing these services.

It is only reasonable to require States to verify the status of applicants provided we help give them the resources to do the job. By allowing States to deny benefits to these not lawfully present and providing funds for States to set up verification systems, my amendment is actually a fully funded mandate.

I believe we must do more regarding immigration reform itself. I feel strongly that deportation proceedings should be expedited, and there needs to be greater enforcement when holders of temporary visas intentionally overstay their visit. I also believe that there needs to be a stricter enforcement of sponsor affidavits and the deeming provision to ensure that immigrants will not be a burden to taxpayers. Efforts to provide better border patrols and to attack asylum abuse are also needed. The widespread abuse of identification cards by illegal aliens is a major problem. The production of false resident alien cards, drivers' licenses, and Social Security cards is a multimillion dollar national crime which only aids illegal aliens receiving Government benefits. It must be stopped.

The word is out, if you want to receive welfare benefits more generous than any, come to America. Do not even bother to enter legally. By allowing the payment of benefits to illegal aliens, we have become a magnet. In the past, immigrants came to America to work hard and prosper under freedom, but today too many are coming to receive the free ride.

Finally, and in closing, Mr. President, I must address briefly the overall context in which this issue is being discussed. Right now we are debating the welfare bill which will have great impact on those in our country who are in need. While I believe that our welfare system needs a major overhaul, I am concerned that those who are truly in need will bear an undue share of the burden. In these times of massive budget reductions, I must remind all that our Government is still there. It still has the responsibility to help its needy citizens. By providing Federal funds to those that are in our country illegally, we are misusing scarce resources. We simply cannot justify nor can we afford giving Federal benefits to people who are in our country illegally.

Mr. President, I thank the Chair. And I will make an understanding with the managers of the bill when we will take up this matter again at the beginning of next week.

I thank the Chair. I yield the floor.

Mr. SHELBY addressed the Chair.

The PRESIDING OFFICER (Mr. INHOFE). The Senator from Alabama.

AMENDMENTS NOS. 2526 AND 2527 TO AMENDMENT NO. 2280

Mr. SHELBY. I ask unanimous consent that the pending amendment be set aside so that I may send two amendments to the desk.

I ask for their immediate consideration.

The PRESIDING OFFICER. Is there objection?

Without objection, it is so ordered.

The clerk will report the amendments.

The assistant legislative clerk read as follows:

The Senator from Alabama [Mr. SHELBY] proposes amendments, en bloc, numbered 2526 and 2527 to amendment No. 2280.

Mr. SHELBY. Mr. President, I ask unanimous consent that the reading of the amendments be dispensed with.

The amendments are as follows:

AMENDMENT NO. 2526

At the appropriate place, insert:

SEC. . REFUNDABLE CREDIT FOR ADOPTION EXPENSES.

(a) IN GENERAL.—Subpart C of part IV of subchapter A of chapter 1 of the Internal Revenue Code of 1986 (relating to refundable credits) is amended by redesignating section 35 as section 36 and by inserting after section 34 the following new section:

"SEC. 35. ADOPTION EXPENSES.

"(a) ALLOWANCE OF CREDIT.—In the case of an individual, there shall be allowed as a credit against the tax imposed by this subtitle for the taxable year the amount of the qualified adoption expenses paid or incurred by the taxpayer during such taxable year.

"(b) LIMITATIONS.—

"(1) DOLLAR LIMITATION.—The aggregate amount of qualified adoption expenses which may be taken into account under subsection (a) with respect to the adoption of a child shall not exceed $5,000.

"(2) INCOME LIMITATION.—The amount allowable as a credit under subsection (a) for any taxable year shall be reduced (but not below zero) by an amount which bears the same ratio to the amount so allowable (determined without regard to this paragraph but with regard to paragraph (1)) as—

"(A) the amount (if any) by which the taxpayer's adjusted gross income exceeds $60,000, bears to

"(B) $40,000.

"(3) DENIAL OF DOUBLE BENEFIT.—

"(A) IN GENERAL.—No credit shall be allowed under subsection (a) for any expense for which a deduction or credit is allowable under any other provision of this chapter.

"(B) GRANTS.—No credit shall be allowed under subsection (a) for any expense to the extent that funds for such expense are received under any Federal, State, or local program.

"(c) QUALIFIED ADOPTION EXPENSES.—For purposes of this section, the term 'qualified adoption expenses' means reasonable and necessary adoption fees, court costs, attorney fees, and other expenses which are directly related to the legal and finalized adoption of a child by the taxpayer and which are not incurred in violation of State or Federal law or in carrying out any surrogate parenting arrangement. The term 'qualified adoption expenses' shall not include any expenses in connection with the adoption by an individual of a child who is the child of such individual's spouse.

"(d) MARRIED COUPLES MUST FILE JOINT RETURNS.—Rules similar to the rules of paragraphs (2), (3), and (4) of section 21(e) shall apply for purposes of this section."

(b) CONFORMING AMENDMENTS.—

(1) Paragraph (2) of section 1324(b) of title 31, United States Code, is amended by inserting before the period ", or from section 35 of such Code".

(2) The table of sections for subpart C of part IV of subchapter A of chapter 1 of the Internal Revenue Code of 1986 is amended by striking the last item and inserting the following:

"Sec. 35. Adoption expenses.
"Sec. 36. Overpayments of tax.".

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 1995.

SEC. . EXCLUSION OF ADOPTION ASSISTANCE.

(a) IN GENERAL.—Part III of subchapter B of chapter 1 of the Internal Revenue Code of 1986 is amended by redesignating section 137 as section 138 and by inserting after section 136 the following new section:

"SEC. 137. ADOPTION ASSISTANCE.

"(a) IN GENERAL.—Gross income of an employee does not include employee adoption assistance benefits, or military adoption assistance benefits, received by the employee with respect to the employee's adoption of a child.

"(b) DEFINITIONS.—For purposes of this section—

"(1) EMPLOYEE ADOPTION ASSISTANCE BENEFITS.—The term 'employee adoption assistance benefits' means payment by an employer of qualified adoption expenses with respect to an employee's adoption of a child, or reimbursement by the employer of such qualified adoption expenses paid or incurred by the employee in the taxable year.

"(2) EMPLOYER AND EMPLOYEE.—The terms 'employer' and 'employee' have the respective meanings given such terms by section 127(c).

"(3) MILITARY ADOPTION ASSISTANCE BENEFITS.—The term 'military adoption assistance benefits' means benefits provided under section 1502 of title 10, United States Code, or section 514 of title 14, United States Code.

"(4) QUALIFIED ADOPTION EXPENSES.—

"(A) IN GENERAL.—The term 'qualified adoption expenses' means reasonable and necessary adoption fees, court costs, attorney fees, and other expenses—

"(i) which are directly related to, and the principal purpose of which is for, the legal and finalized adoption of an eligible child by the taxpayer, and

"(ii) which are not incurred in violation of State or Federal law or in carrying out any surrogate parenting arrangement.

"(B) ELIGIBLE CHILD.—The term 'eligible child' means any individual—

"(i) who has not attained age 18 as of the time of the adoption, or

"(ii) who is physically or mentally incapable of caring for himself.

"(c) COORDINATION WITH OTHER PROVISION.—The Secretary shall issue regulations to coordinate the application of this section with the application of any other provision of this title which allows a credit or deduction with respect to qualified adoption expenses."

(b) CLERICAL AMENDMENT.—The table of sections for part III of subchapter 1 of such Code is amended by striking the item relating to section 137 and inserting the following new items:

"Sec. 137. Adoption assistance.
"Sec. 138. Cross references to other Acts."

(c) EFFECTIVE DATE.—The amendments made this section shall apply to taxable years beginning after December 31, 1995.

SEC. . WITHDRAWAL FROM IRA FOR ADOPTION EXPENSES.

(a) IN GENERAL.—Subsection (d) of section 408 of the Internal Revenue Code of 1986 is amended by adding at the end the following new paragraph:

"(8) QUALIFIED ADOPTION EXPENSES.—

"(A) IN GENERAL.—Any amount which is paid or distributed out of an individual retirement plan of the taxpayer, and which would (but for this paragraph) be includible in gross income, shall be excluded from gross income to the extent that—

"(i) such amount exceeds the sum of—

"(I) the amount excludable under section 137, and

"(II) any amount allowable as a credit under this title with respect to qualified adoption expenses; and

"(ii) such amount does not exceed the qualified adoption expenses paid or incurred by the taxpayer during the taxable year.

"(B) QUALIFIED ADOPTION EXPENSES.—For purposes of this paragraph, the term 'qualified adoption expenses' has the meaning given such term by section 137, except that such term shall not include any expense in connection with the adoption by an individual of a child who is the child of such individual's spouse."

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to taxable years beginning after December 31, 1995.

AMENDMENT NO. 2527

On page 216, strike lines 4 thorough 6 and insert the following:

"(3) at the option of a State, funds to—

"(A) operate an employment and training program for needy individuals under the program; or

"(B) operate a work program under section 404 of the Social Security Act:

"(4) at the option of a State, funds to provide benefits to individuals with incomes below 185 percent of the poverty line under subsection (d)(3)(B)(v); and

On line 216, line 7, strike "(4)" and insert "(5)".

On page 216, strike lines 13 through 17 and insert the following:

"(2) FOUR-YEAR ELECTION.—

"(A) PERIOD.—A State may elect to participate in the program established under subsection (a) for a period of not less than 4 years.

"(B) ELECTION.—At the end of each 4-year period, a State may elect to participate in the program established under subsection (a) or in the food stamp program in accordance with the other sections of this Act.

On page 219, strike lines 11 through 13 and insert the following:

"(iii) at the option of a State—

"(I) to operate an employment and training program for needy individuals under the program; or

"(II) to operate a work program under section 404 of the Social Security Act;;

On page 219, line 15, strike the period at the end and insert "; and".

On page 219, between lines 15 and 16, insert the following:

"(v) to provide other forms of benefits to individuals with incomes below 185 percent of the poverty line, as defined in section 673(2) of the Community Services Block Grant Act (42 U.S.C. 9902(2)), except that not more than 20 percent of the amount allotted to a State under subsection (l)(2) may be used under this clause.

On page 220, strike line 14 and insert the following:

"(E) NOTICE AND HEARINGS.—

"(i) IN GENERAL.—The State

On page 220, between lines 20 and 21, insert the following:

"(ii) LIMITATION.—Clause (i) shall not impeded the ability of the State to promptly and efficiently alter or reduce benefits in response to a failure by a recipient to perform work or other required activities.

On page 223, strike lines 7 and 8 and insert the following:

"(g) EMPLOYMENT AND TRAINING.—No individual or

On page 223, strike lines 14 through 17.

On page 227, strike line 8 and insert the following:

"(5) PROVISION OF FOOD ASSISTANCE.—

"(A) IN GENERAL.—A

On page 227, strike lines 14 and 15 and insert the following:

"to food purchases, direct provision of commodities or cash aid in lieu of coupons under subparagraph (B).

"(B) CASH AID IN LIEU OF COUPONS.—

"(i) ELIGIBLE INDIVIDUALS.—An individual shall be eligible under this subparagraph if the individual is—

"(I) receiving benefits under this Act;

"(II) receiving benefits under a State program funded under part A of title IV of the Social Security Act (42 U.S.C. 601 et seq.); and

"(III) participating in unsubsidized employment, subsidized employment, on-the-job training, or a community services program under section 404 of the Social Security Act.

"(ii) STATE OPTION.—In the case of an individual described in clause (i), a State may—

"(I) convert the food stamp benefits of the household in which the individual is a member to cash, and provide the cash in a single integrated payment with cash aid under part A of title IV of the Social Security Act (42 U.S.C. 601 et seq.); and

"(II) sanction an individual, or a household that contains an individual, or reduce the benefits of the individual or household under the same rules and procedures as the State uses under part A of title IV of the Act (42 U.S.C. 601 et seq.).

On page 229, strike line 24 and all that follows through page 231, line 2, and insert the following: "97 percent of the federal funds the Director of the Office of Management and Budget estimates would have been expended under the food stamp program in the State for the fiscal year if the State had not elected to participate in the program under this section.".

Mr. SHELBY. Mr. President, I ask unanimous consent that the amendments be set aside until next week.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. SHELBY. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. MOYNIHAN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MOYNIHAN. Mr. President, I have a number of amendments which I am going to send forward and then ask to be laid aside. I am doing this at the request of colleagues.

The PRESIDING OFFICER. Without objection, it is so ordered.

AMENDMENTS NOS. 2528 THROUGH 2532, EN BLOC, TO AMENDMENT NO. 2280

Mr. MOYNIHAN. First, Mr. President, on behalf of Senators CONRAD and LIEBERMAN, an amendment designed to combat teen pregnancy; second, an amendment from Mr. CONRAD and Mr. BRADLEY to provide State flexibility; third, an amendment by Mr. CONRAD alone to create second-chance homes; and, further, an amendment by Mr. CONRAD to encourage States to move people to payrolls; and, finally, a complete substitute by Mr. CONRAD that provides employees with work, protects children and promotes family and State flexibility.

I send them to the desk.

The PRESIDING OFFICER. Without objection, the clerk will report the amendments by number only.

The assistant legislative clerk read as follows:

The Senator from New York [Mr. MOYNIHAN], for others, proposes amendments, en bloc, numbered 2528 through 2532 to amendment No. 2280.

Mr. MOYNIHAN. Mr. President, I ask unanimous consent that the reading of the amendments, en bloc, be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

AMENDMENT NO. 2528

(Purpose: To provide that a State that provides assistance to unmarried teenage parents under the State program require such parents as a condition of receiving such assistance to live in an adult-supervised setting and attend high school or other equivalent training program.)

On page 50, strike line 6 and all that follows through page 51, line 11, and insert the following:

"(d) REQUIREMENT THAT TEENAGE PARENTS LIVE IN ADULT-SUPERVISED SETTINGS.—

"(1) IN GENERAL.—

"(A) REQUIREMENT.—Except as provided in paragraph (2), if a State provides assistance under the State program funded under this part to an individual described in subparagraph (B), such individual may only receive assistance under the program if such individual and the child of the individual reside in a place of residence maintained by a parent, legal guardian, or other adult relative of such individual as such parent's, guardian's, or adult relative's own home.

"(B) INDIVIDUAL DESCRIBED.—For purposes of subparagraph (A), an individual described in this subparagraph is an individual who is—

"(i) under the age of 18; and

"(ii) not married and has a minor child in his or her care.

"(2) EXCEPTION.—

"(A) PROVISION OF, OR ASSISTANCE IN LOCATING, ADULT-SUPERVISED LIVING ARRANGEMENT.—In the case of an individual who is described in subparagraph (B), the State agency shall provide, or assist such individual in locating, an appropriate adult-supervised supportive living arrangement, including a second chance home, another responsible adult, or a foster home, taking into consideration the needs and concerns of the such individual, unless the State agency determines that the individual's current living arrangement is appropriate, and thereafter shall require that such parent and the child of such parent reside in such living arrangement as a condition of the continued receipt of assistance under the plan (or in an alternative appropriate arrangement, should circumstances change and the current arrangement cease to be appropriate).

"(B) INDIVIDUAL DESCRIBED.—For purposes of subparagraph (A), an individual is described in this subparagraph if the individual is described in paragraph (1)(B) and—

"(ii) such individual has no parent or legal guardian of his or her own who is living or whose whereabouts are known;

"(iii) no living parent or legal guardian of such individual allows the individual to live in the home of such parent or guardian;

"(iv) the State agency determines that the physical or emotional health of such individual or any minor child of the individual would be jeopardized if such individual and such minor child lived in the same residence with such individual's own parent or legal guardian; or

"(v) the State agency otherwise determines that it is in the best interest of the minor child to waive the requirement of paragraph (1) with respect to such individual.

"(C) SECOND-CHANCE HOME.—For purposes of this paragraph, the term 'second-chance home' means an entity that provides individuals described in subparagraph (B) with a supportive and supervised living arrangement in which such individuals are required to learn parenting skills, including child development, family budgeting, health and nutrition, and other skills to promote their long-term economic independence and the well-being of their children.

"(3) ASSISTANCE TO STATES IN PROVIDING OR LOCATING ADULT-SUPERVISED SUPPORTIVE LIVING ARRANGEMENTS FOR UNMARRIED TEENAGE PARENTS.—

"(A) IN GENERAL.—For each of fiscal years 1998 through 2002, each State that provides assistance under the State program to individuals described in paragraph (1)(B) shall be entitled to receive a grant in an amount determined under subparagraph (B) for the purpose of providing or locating adult-supervised supportive living arrangements for individuals described in paragraph (1)(B) in accordance with this subsection.

"(B) AMOUNT DETERMINED.—

"(i) IN GENERAL.—The amount determined under this subparagraph is an amount that bears the same ratio to the amount specified under clause (ii) as the amount of the State family assistance grant for the State for such fiscal year (described in section 403(a)(2)) bears to the amount appropriated for such fiscal year in accordance with section 403(a)(4)(A).

"(ii) AMOUNT SPECIFIED.—The amount specified in this subparagraph is—

"(I) for fiscal year 1998, $20,000,000;

"(II) for fiscal year 1999, $40,000,000; and

"(III) for each of fiscal years 2000, 2001, and 2002, $80,000,000.

"(C) ASSISTANCE TO STATES IN PROVIDING OR LOCATING ADULT-SUPERVISED SUPPORTIVE LIVING ARRANGEMENTS FOR UNMARRIED TEENAGE PARENTS.—There are authorized to be appropriated and there are appropriated for fiscal years 1998, 1999, and 2000 such sums as may be necessary for the purpose of paying grants to States in accordance with the provisions of the paragraph.

"(e) REQUIREMENT THAT TEENAGE PARENTS ATTEND HIGH SCHOOL OR OTHER EQUIVALENT TRAINING PROGRAM.—If a State provides assistance under the State program funded under this part to an individual described in subsection (d)(1)(B) who has not successfully completed a high-school education (or its equivalent) and whose minor child is at least 12 weeks of age, the State shall not provide such individual with assistance under the program (or, at the option of the State, shall provide a reduced level of such assistance) if the individual does not participate in—

"(1) educational activities directed toward the attainment of a high school diploma or its equivalent; or

"(2) an alternative educational or training program that has been approved by the State.

On page 51, strike "(e)" and insert "(f)".

At the appropriate place, insert the following:

SEC. . NATIONAL CLEARINGHOUSE ON TEENAGE PREGNANCY.

(a) ESTABLISHMENT.—The Secretary of Education and the Secretary of Health and Human Services shall establish a national center for the collection and provision of information that relates to adolescent pregnancy prevention programs, to be known as the "National Clearninghouse on Teenage Pregnancy Prevention Programs".

(b) FUNCTIONS.—The national center established under subsection (a) shall serve as a national information and data clearinghouse, and as a material development source for adolescent pregnancy prevention programs. Such center shall—

(1) develop and maintain a system for disseminating information on all types of adolescent pregnancy prevention programs and on the state of adolescent pregnancy prevention program development, including information concerning the most effective model programs;

(2) identify model programs representing the various types of adolescent pregnancy prevention programs;

(3) develop networks of adolescent pregnancy prevention programs for the purpose of sharing and disseminating information;

(4) develop technical assistance materials to assist other entities in establishing and improving adolescent pregnancy prevention programs;

(5) participate in activities designed to encourage and enhance public media campaigns on the issue of adolescent pregnancy; and

(6) conduct such other activities as the responsible Federal officials find will assist in developing and carrying out programs or activities to reduce adolescent pregnancy.

(c) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated such sums as may be necessary to carry out the purposes of this section.

SEC. . ESTABLISHING NATIONAL GOALS TO REDUCE OUT-OF-WEDLOCK PREGNANCIES AND TO PREVENT TEENAGE PREGNANCIES.

(a) IN GENERAL.—Not later than January 1, 1997, the Secretary of Health and Human Services shall establish and implement a strategy for—

(1) reducing out-of-wedlock teenage pregnancies by at least 2 percent a year, and

(2) assuring that at least 25 percent of the communities in the United States have teenage pregnancy prevention programs in place.

(b) REPORT.—Not later than June 30, 1998, and annually thereafter, the Secretary shall report to the Congress with respect to the progress that has been made in meeting the goals described in paragraphs (1) and (2) of subsection (a).

(b) OUT-OF-WEDLOCK AND TEENAGE PREGNANCY PREVENTION PROGRAMS.—Section 2002 of the Social Security Act (42 U.S.C. 1397a) is amended by adding at the end the following new subsection:

"(f)(1) Beginning in fiscal year 1996 and each fiscal year thereafter, each State shall use at least 5 percent of its allotment under section 2003 for the fiscal year to develop and implement a State program to reduce the incidence of out-of-wedlock and teenage pregnancies in the State.

"(2) The Secretary shall conduct a study with respect to the State programs implemented under paragraph (1) to determine the relative effectiveness of the different approaches for reducing out-of-wedlock pregnancies and preventing teenage pregnancy utilized in the programs conducted under this subsection and the approaches that can be best replicated by other States.

"(3) Each State conducting a program under this subsection shall provide to the Secretary, in such form and with such frequency as the Secretary requires, data from the programs conducted under this subsection. The Secretary shall report to the Congress annually on the progress of the programs and shall, not later than June 30, 1998, submit to the Congress a report on the study required under paragraph (2).".

SEC. . SENSE OF THE SENATE REGARDING ENFORCEMENT OF STATUTORY RAPE LAWS.

It is the sense of the Senate that States and local jurisdictions should aggressively enforce statutory rape laws.

AMENDMENT NO. 2529

(The text of the amendment is printed in today's RECORD under "Amendments Submitted.")

AMENDMENT NO. 2530

(Purpose: To provide that a State that provides assistance to unmarried teenage parents under the State program require such parents as a condition of receiving such assistance to live in an adult-supervised setting and attend high school or other equivalent training program)

On page 50, strike line 6 and all that follows through page 51, line 11, and insert the following:

"(d) REQUIREMENT THAT TEENAGE PARENTS LIVE IN ADULT-SUPERVISED SETTINGS.—

"(1) IN GENERAL.—

"(A) REQUIREMENT.—Except as provided in paragraph (2), if a State provides assistance under the State program funded under this part to an individual described in subparagraph (B), such individual may only receive assistance under the program if such individual and the child of the individual reside in a place of residence maintained by a parent, legal guardian, or other adult relative of such individual as such parent's, guardian's, or adult relative's own home.

"(B) INDIVIDUAL DESCRIBED.—For purposes of subparagraph (A), an individual described in this subparagraph is an individual who is—

"(i) under the age of 18; and

"(ii) not married and has a minor child in his or her care.

"(2) EXCEPTION.—

"(A) PROVISION OF, OR ASSISTANCE IN LOCATING, ADULT-SUPERVISED LIVING ARRANGEMENT.—In the case of an individual who is described in subparagraph (B), the State agency shall provide, or assist such individual in locating, an appropriate adult-supervised supportive living arrangement, including a second chance home, another responsible adult, or a foster home, taking into consideration the needs and concerns of the such individual, unless the State agency determines that the individual's current living arrangement is appropriate, and thereafter shall require that such parent and the child of such parent reside in such living arrangement as a condition of the continued receipt of assistance under the plan (or in an alternative appropriate arrangement, should circumstances change and the current arrangement cease to be appropriate).

"(B) INDIVIDUAL DESCRIBED.—For purposes of subparagraph (A), an individual is described in this subparagraph if the individual is described in paragraph (1)(B) and—

"(ii) such individual has no parent or legal guardian of his or her own who is living or whose whereabouts are known;

"(iii) no living parent or legal guardian of such individual allows the individual to live in the home of such parent or guardian;

"(iv) the State agency determines that the physical or emotional health of such individual or any minor child of the individual would be jeopardized if such individual and such minor child lived in the same residence with such individual's own parent or legal guardian; or

"(v) the State agency otherwise determines that it is in the best interest of the minor child to waive the requirement of paragraph (1) with respect to such individual.

"(C) SECOND-CHANCE HOME.—For purposes of this paragraph, the term 'second-chance home' means an entity that provides individuals described in subparagraph (B) with a supportive and supervised living arrangement in which such individuals are required to learn parenting skills, including child development, family budgeting, health and nutrition, and other skills to promote their long-term economic independence and the well-being of their children.

"(3) ASSISTANCE TO STATES IN PROVIDING OR LOCATING ADULT-SUPERVISED SUPPORTIVE LIVING ARRANGEMENTS FOR UNMARRIED TEENAGE PARENTS.—

"(A) IN GENERAL.—For each of fiscal years 1998 through 2002, each State that provides assistance under the State program to individuals described in paragraph (1)(B) shall be entitled to receive a grant in an amount determined under subparagraph (B) for the purpose of providing or locating adult-supervised supportive living arrangements for individuals described in paragraph (1)(B) in accordance with this subsection.

"(B) AMOUNT DETERMINED.—

"(i) IN GENERAL.—The amount determined under this subparagraph is an amount that bears the same ratio to the amount specified under clause (ii) as the amount of the State family assistance grant for the State for such fiscal year (described in section 403(a)(2)) bears to the amount appropriated for such fiscal year in accordance with section 403(a)(4)(A).

"(ii) AMOUNT SPECIFIED.—The amount specified in this subparagraph is—

"(I) for fiscal year 1998, $20,000,000;

"(II) for fiscal year 1999, $40,000,000; and

"(III) for each of fiscal years 2000, 2001, and 2002, $80,000,000.

"(C) ASSISTANCE TO STATES IN PROVIDING OR LOCATING ADULT-SUPERVISED SUPPORTIVE LIVING ARRANGEMENTS FOR UNMARRIED TEENAGE PARENTS.—There are authorized to be appropriated and there are appropriated for fiscal years 1998, 1999, and 2000 such sums as may be necessary for the purpose of paying grants to States in accordance with the provisions of this paragraph.

"(e) REQUIREMENT THAT TEENAGE PARENTS ATTEND HIGH SCHOOL OR OTHER EQUIVALENT TRAINING PROGRAM.—If a State provides assistance under the State program funded under this part to an individual described in subsection (d)(1)(B) who has not successfully completed a high-school education (or its equivalent) and whose minor child is at least 12 weeks of age, the State shall not provide such individual with assistance under the program (or, at the option of the State, shall provide a reduced level of such assistance) if the individual does not participate in—

"(1) educational activities directed toward the attainment of a high school diploma or its equivalent; or

"(2) an alternative educational or training program that has been approved by the State."

On page 51, strike "(e)" and insert "(f)".

AMENDMENT NO. 2531

On page 31, line 23, strike "and".

On page 32, line 10, strike "divided by" and insert "and".

On page 32, between lines 10 and 11, insert the following:

"(V) the number of all families that became ineligible to receive assistance under the State program during the previous 6-month period as a result of section 405(b) that include an adult who is engaged in work (in accordance with subsection (c)) for the month; divided by".

On page 32, strike lines 11 through 15, and insert the following:

"(ii) the sum of—

"(I) the total number of all families receiving assistance under the State program funded under this part during the month that include an adult; and

"(II) the number of all families that became ineligible to receive assistance under the State program during the previous 6-month period as a result of section 405(b) that do not include an adult who is engaged in work (in accordance with subsection (c)) for the month.

AMENDMENT NO. 2532

(The text of the amendment is printed in today's RECORD under "Amendments Submitted.")

AMENDMENT NO. 2533 TO AMENDMENT NO. 2280

(Purpose: To improve the provisions relating to incentive grants)

Mr. MOYNIHAN. Mr. President, I offer an amendment for Mr. LEVIN to the underlying amendment 2280.

The PRESIDING OFFICER. Without objection, it is so ordered.

The pending amendments are set aside.

The clerk will report the amendment.

The legislative clerk read as follows:

The Senator from New York [Mr. MOYNIHAN], for Mr. LEVIN, proposes an amendment numbered 2533 to amendment No. 2280.

Mr. MOYNIHAN. Mr. President, I ask unanimous consent that the reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

AMENDMENT NO. 2533

On page 417, line 15, strike "or" and insert "and".

Mr. MOYNIHAN. Mr. President, I ask unanimous consent that the amendment be set aside.

The PRESIDING OFFICER. Without objection, it is so ordered.

AMENDMENTS NOS. 2491 AND 2492, AS MODIFIED

Mr. MOYNIHAN. Mr. President, on behalf of Senator ROCKEFELLER, I send to the desk the following modifications to amendments Nos. 2491 and 2492.

The PRESIDING OFFICER. Without objection, the amendments will be so modified.

The amendments (No. 2491 and No. 2492), as modified, are as follows:

AMENDMENT NO. 2491

On page 40, between lines 16 and 17, insert the following:

"(4) AREAS OF HIGH UNEMPLOYMENT.—

"(A) IN GENERAL.—At the State's option, the State may, on a uniform basis, exempt a family from the application of paragraph (1) if—

"(i) such family resides in an area of high unemployment designated by the State under subparagraph (B); and

"(ii) the State makes available, and requires an individual in the family to participate in, work activities described in subparagraphs (B), (D), or (F) of section 404(c)(3).

"(B) AREAS OF HIGH UNEMPLOYMENT.—The State may designate a sub-State area as an area of high unemployment if such area—

"(i) is a major political subdivision (or is comprised of 2 or more geographically contiguous political subdivisions);

"(ii) has an average annual unemployment rate (as determined by the Bureau of Labor Statistics) of at least 10 percent; and

"(iii) has at least 25,000 residents. The State may waive the requirement of clause (iii) in the case of a sub-State area that is an Indian reservation.

AMENDMENT NO. 2492

On page 35, between lines 2 and 3, insert the following:

"(6) STATE OPTION FOR PARTICIPATION REQUIREMENT EXEMPTIONS.—For any fiscal year, a State may opt to not require an individual described in subclause (I) or (II) of section 405(a)(3)(B)(ii) to engage in work activities and may exclude such an individual from the determination of the minimum participation rate specified for such fiscal year in subsection (a).

On page 40, strike lines 10 through 16, and insert the following:

"(B) LIMITATION.—

"(i) 15 Percent.—In addition to any families provided with exemptions by the State under clause (ii), the number of families with respect to which an exemption made by a State under subparagraph (A) is in effect for a fiscal year shall not exceed 15 percent of the average monthly number of families to which the State is providing assistance under the program operated under this part.

"(ii) CERTAIN FAMILIES.—At the State's option, the State may provide an exemption under subparagraph (A) to a family—

"(I) of an individual who is ill, incapacitated, or of advanced age; and

"(II) of an individual who is providing full-time care for a disabled dependent of the individual.

AMENDMENT NO. 2475 TO AMENDMENT NO. 2280

(Purpose: To clarify that each State must carry out activities through at least one Job Corps center)

Mr. MOYNIHAN. Mr. President, on behalf of Senator PELL, I call up amendment No. 2475.

The PRESIDING OFFICER. The clerk will report the amendment.

The legislative clerk read as follows:

The Senator from New York [Mr. MOYNIHAN], for Mr. PELL, proposes an amendment numbered 2475 to amendment No. 2280.

Mr. MOYNIHAN. I ask unanimous consent that the reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 439, strike lines 10 through 15.

On page 439, line 16, strike "(C)" and insert "(B)".

On page 440, between lines 14 and 15, insert the following new subsection:

(d) COVERAGE OF STATES.—Notwithstanding any other provision of this subtitle, prior to July 1, 1998, the Secretary shall ensure that all States have at least 1 Job Corps center in the State.

Mr. MOYNIHAN. Mr. President, I ask unanimous consent that the amendment be laid aside.

The PRESIDING OFFICER. Without objection, it is so ordered.

AMENDMENTS NOS. 2534 AND 2535 TO AMENDMENT NO. 2280

Mr. MOYNIHAN. Mr. President, on behalf of Senator DODD and Senator PELL, I send forth an amendment, and an amendment by Senator DORGAN to the underlying Dole amendment. I will just send those up at this time.

The PRESIDING OFFICER. Without objection, the clerk will report the amendments.

The assistant legislative clerk read as follows:

The Senator from New York [Mr. MOYNIHAN], proposes amendments numbered 2534 and 2535 to amendment No. 2280.

Mr. MOYNIHAN. Mr. President, I ask unanimous consent that the reading of the amendments be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendments are as follows:

AMENDMENT NO. 2534

(Purpose: To award national rapid response grants to address major economic dislocations, and for other purposes)

On page 397, strike lines 5 and 6 and insert the following:

"(1) 90 percent shall be reserved for making allotments under section 712;".

On page 397, line 15, strike "and" at the end thereof.

On page 397, line 17, strike the period and insert "; and".

On page 397, between lines 17 and 18, insert the following:

"(7) 2 percent shall be reserved for carrying out sections 775 and 776.".

On page 461, between lines 18 and 19, insert the following new sections, and redesignate the remaining sections and cross references thereto, accordingly:

SEC. 775. NATIONAL RAPID RESPONSE GRANTS FOR DISLOCATED WORKERS.

(a) IN GENERAL.—From amounts reserved under section 734(b), the Secretary of Labor may award national rapid response grants to eligible entities to enable the entities to provide adjustment assistance to workers affected by major economic dislocations that result from plant closures, base closures, or mass layoffs.

(b) PROJECTS AND SERVICES.—

(1) IN GENERAL.—Amounts provided under grants awarded under this section shall be used to provide employment, training and related services through projects that relate to—

(A) industry-wide dislocations;

(B) multistate dislocations;

(C) dislocations resulting from reductions in defense expenditures;

(D) dislocations resulting from international trade actions;

(E) dislocations resulting from environmental laws and regulations, including the Clean Air Act (42 U.S.C. 7401 et seq.), and the Endangered Species Act of 1973 (16 U.S.C. 1531 et seq.);

(F) dislocations affecting Indian Tribes and tribal organizations; and

(G) other dislocations that result from special circumstances or that State and local resources are insufficient to address.

(2) COMMUNITY PROJECTS.—The Secretary of Labor may award grants under this section for projects that provide comprehensive planning services to assist communities in addressing and reducing the impact of an economic dislocation.

(c) ADMINISTRATION.—

(1) APPLICATION.—To be eligible to receive a grant under this section, an eligible entity shall submit an application to the Secretary of Labor at such time, in such manner, and accompanied by such information as the Secretary of Labor determines to be appropriate.

(2) ELIGIBLE ENTITIES.—The Secretary of Labor may award a grant under this section to—

(A) a State;

(B) a local entity administering assistance provided under title I;

(C) an employer or employer association;

(D) a worker-management transition assistance committee or other employer-employee entities;

(E) a representative of employees;

(F) a community development corporation or community-based organization; or

(G) an industry consortium.

(d) USE OF FUNDS IN EMERGENCIES.—

(1) IN GENERAL.—Where the Secretary of Labor and the chief executive officer of a State determine that an emergency exists with respect to any particular distressed industry or any particularly distressed area within a State, the Secretary may use amounts made available under this section to provide emergency financial assistance to dislocated workers in the form of employment, training, and related services.

(2) ARRANGEMENTS.—The Secretary of Labor may enter into arrangements with eligible entities in a State described in paragraph (1) for the immediate provision of emergency financial assistance under paragraph (1) for the purposes of this section with any necessary supportive documentation to be submitted at a date agreed to by the chief executive officer and the Secretary.

SEC. 776. DISASTER RELIEF EMPLOYMENT ASSISTANCE.

(a) QUALIFICATION FOR FUNDS.—From amounts reserved under section 734(b), the Secretary of Labor may provide assistance to the chief executive officer of a State within which is located an area that has suffered an emergency or a major disaster as defined in paragraphs (1) and (2), respectively, of section 102 of the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C. 5122(1) and (2)) (hereafter referred to in this section as the "disaster area").

(b) USE OF FUNDS.—

(1) PROJECTS RESTRICTED TO DISASTER AREAS.—Funds provided to a State under subsection (a)—

(A) shall be used solely to provide eligible individuals with employment in projects to provide clothing, shelter, and other humanitarian assistance for disaster victims and in projects regarding the demolition, cleanup, repair, renovation, and reconstruction of damaged and destroyed structures, facilities, and lands located within the disaster area; and

(B) may be expended through public and private agencies and organizations administering such projects.

(2) ELIGIBILITY REQUIREMENTS.—An individual shall be eligible for employment in a project under this section if such individual is a dislocated worker or is temporarily or permanently laid off as a result of an emergency or disaster referred to in subsection (a).

(3) LIMITATIONS ON DISASTER RELIEF EMPLOYMENT.—No individual may be employed using assistance provided under this section for a period of more than 6 months if such employment is related to recovery from a single emergency or disaster.

Mr. DODD. Mr. President, I am pleased to offer this amendment to the Workforce Development Act, which is contained in this larger welfare reform measure, for myself and Mr. PELL.

This amendment is very similar to one I offered in the Labor Committee when we considered the Workforce Development bill. While I certainly believe there is much that can be improved upon in the Workforce Development bill, this amendment is quite modest and accepts the basic premise of the bill of moving Federal job training programs to the States.

However, even in a block grant environment, I believe that we should preserve a small amount of money for the Federal Government to respond quickly to concentrated economic dislocations—the kind no one State can predict or pay for.

Highly concentrated economic dislocations can be caused by plant closings, base realignments, or natural disasters. These major economic dislocations often cross State lines and effect thousands of workers. Moreover, many mass dislocations, such as base closures, are in fact precipitated by Federal actions and therefore clearly merit a Federal response.

The House Workforce Development bill includes a provision on mass layoffs and natural disasters, and my amendment draws heavily from that language. I actually cut down on the scope of national activities found in the House bill.

NEED WILL NOT GO AWAY

Mr. President, we need to understand that the need for such assistance will not diminish in the coming years. Indeed, in some areas of the country it could increase.

Defense-related layoffs in the private sector alone are continuing, with up to an additional 25 to 30 percent reduction expected within the next 2 to 3 years.

Mr. President, this amendment is not about the ups and downs of the normal business cycle. This amendment is about the out-of-the-ordinary event involving hundreds or thousands of workers in a dramatic and sudden way.

It is vitally important that we be prepared for such hopefully rare occurrences. Natural disasters, like the recent flooding in the Midwest, cannot be predicted, and yet have grown more and more devastating over the years. When these catastrophes occur, we cannot just turn our backs on Americans in need. We need to have the resources available to provide emergency funds in order to get these people back on their feet.

EXAMPLES

So that my colleagues know what I am talking about, here are a few examples of the kinds of activities that have been funded through such a program in the past:

Recently, the State of Connecticut was awarded a $4.3 million grant to provide work force development services for more than 1,400 workers laid off by Allied Signal as a result of Defense downsizing.

The State of Washington received $14.6 million to assist workers laid off by Boeing.

More than $4 million in retraining dollars have been made available for 9,500 GTE employees expected to be dislocated from their jobs in 22 States, including Missouri, Washington, and Illinois.

More than $100 million have been spent over the last 4 years in response to natural disasters. For example, for the 1993 Mid-west floods, funding was provided to Missouri, Illinois, Iowa, Minnesota, and Kansas.

MODEST AMENDMENT

My amendment would create a modest, 2 percent set-aside for these activities: rapid response grants for mass dislocations and employment services for those affected by natural disasters. This 2 percent set-aside of the Workforce Development Program's $6.1 billion total authorization would come to roughly $120 million. That would represent a sizeable cut to what is currently spent on these activities. And even after my set-aside, over 90 percent of this bill's funds would still go directly to the States.

AMENDMENT NO. 2535

(Purpose: To express the sense of the Senate on legislative accountability for the unfunded mandates imposed by welfare reform legislation)

At the appropriate place, add the following new section:

SEC. . SENSE OF THE SENATE ON LEGISLATIVE ACCOUNTABILITY FOR UNFUNDED MANDATES IN WELFARE REFORM LEGISLATION.

(a) FINDINGS.—The Senate finds that the purposes of the Unfunded Mandates Reform Act of 1995 are:

(1) "to strengthen the partnership between the Federal Government and State, local and tribal governments";

(2) "to end the imposition, in the absence of full consideration by Congress, of Federal mandates on State, local and tribal governments without adequate Federal funding, in a manner that may displace other essential State, local and tribal governmental priorities";

(3) "to assist Congress in its consideration of proposed legislation establishing or revising Federal programs containing Federal mandates affecting State, local and tribal governments, and the private sector by—

(A) providing for the development of information about the nature and size of mandates in proposed legislation; and

(B) establishing a mechanism to bring such information to the attention of the Senate and the House of Representatives before the Senate and the House of Representatives vote on proposed legislation";

(4) "to promote informed and deliberate decisions by Congress on the appropriateness of Federal mandates in any particular instance"; and

(5) "to require that Congress consider whether to provide funding to assist State, local and tribal governments in complying with Federal mandates".

(b) SENSE OF THE SENATE.—It is the sense of the Senate that prior to the Senate acting on the conference report on either H.R. 4 or any other legislation including welfare reform provisions, the Congressional Budget Office shall prepare an analysis of the conference report to include:

(1) estimates, over each of the next seven fiscal years, by state and in total, of—

(A) the costs to states of meeting all work requirements in the conference report, including those for single-parent families, two-parent families, and those who have received cash assistance for 2 years;

(B) the resources available to the states to meet these work requirements, defined as federal appropriations authorized in the conference report for this purpose in addition to what states are projected to spend under current welfare law;

(C) the amount of any additional revenue needed by the states to meet the work requirements in the conference report, beyond resources available as defined under subparagraph (b)(1)(B);

(2) an estimate, based on the analysis in paragraph (b)(1), of how many states would opt to pay any penalty provided for by the conference report rather than raise the additional revenue needed to meet the work requirements in the conference report; and

(3) estimates, over each of the next 7 fiscal years, of the costs to States of any other requirements imposed on them by such legislation.

AMENDMENTS NOS. 2536 AND 2537 TO AMENDMENT NO. 2280

Mr. MOYNIHAN. Mr. President, a final sequence. On behalf of Mr. LIEBERMAN, I send to the desk an amendment concerning the reduction of illegitimacy and control of welfare spending and an amendment to create a national clearing house on teenage pregnancy.

The PRESIDING OFFICER. Without objection, the clerk will report.

The assistant legislative clerk read as follows:

The Senator from New York [Mr. MOYNIHAN], for Mr. LIEBERMAN, proposes amendments numbered 2536 and 2537 to amendment No. 2280.

Mr. MOYNIHAN. Mr. President, I ask unanimous consent that the reading of the amendments be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendments are as follows:

AMENDMENT NO. 2536

(Purpose: To establish bonus payments for States that achieve reductions in out-of-wedlock pregnancies, establish a national clearinghouse on teenage pregnancy, set national goals for the reduction of out-of-wedlock and teenage pregnancies, require States to establish a set-aside for teenage pregnancy prevention activities, and for other purposes)

On page 17, line 8, insert "and for each of fiscal years 1998, 1999, and 2000, the amount of the State's share of the out-of-wedlock pregnancy reduction bonus determined under subsection (f) for the fiscal year" after "year".

On page 17, line 22, insert "and the applicable percent specified under subsection (f)(3)(B)(ii) for such fiscal year" after "(B)".

On page 29, between lines 15 and 16, insert:

"(f) OUT-OF-WEDLOCK PREGNANCY REDUCTION BONUS.—

"(1) IN GENERAL.—Any State that meets the applicable percentage reduction with respect to the out-of-wedlock pregnancies in the State for a fiscal year shall be entitled to receive a share of the out-of-wedlock pregnancy reduction bonus for the fiscal year in accordance with the formula developed under paragraph (3).

"(2) APPLICABLE PERCENTAGE REDUCTION; PERCENTAGE OF OUT-OF-WEDLOCK PREGNANCIES.—

"(A) APPLICABLE PERCENTAGE REDUCTION.—The term 'applicable percentage reduction' means with respect to any fiscal year, a reduction of 2 or more whole percentage points of the percentage of out-of-wedlock pregnancies in the State for the preceding fiscal year over the percentage of out-of-wedlock pregnancies in the State for fiscal year 1995.

"(B) PERCENTAGE OF OUT-OF-WEDLOCK PREGNANCIES.—For purposes of this subsection, the term 'percentage of out-of-wedlock pregnancies' means—

"(i) the total number of abortions, live births, and spontaneous abortions among single teenagers in a State in a fiscal year, divided by—

"(ii) the total number of single teenagers in the State in the fiscal year.

"(3) ALLOCATION FORMULA; BONUS FUND.—

"(A) ALLOCATION FORMULA.—Not later than September 30, 1996, the Secretary of Health and Human Services shall develop and publish in the Federal Register a formula for allocating amounts in the out-of-wedlock pregnancy reduction bonus fund to States that achieve the applicable percentage reduction described in paragraph (2)(A)

"(B) OUT-OF-WEDLOCK PREGNANCY REDUCTION BONUS FUND.—

"(i) IN GENERAL.—The amount in the out-of-wedlock pregnancy reduction bonus fund for a fiscal year shall be an amount equal to—

"(I) the applicable percentage of the amount appropriated under section 403(a)(2)(A) for such fiscal year; and

"(II) the amount of the reduction in grants made under this section for the preceding fiscal year resulting from the application of section 407.

"(ii) APPLICABLE PERCENTAGE.—For purposes of clause (i)(I), the applicable percentage shall be determined in accordance with the following table:

"For fiscal year:	*The applicable percentage is:*
1998	3
1999	4
2000 and each fiscal year thereafter	5

On page 29, line 16, strike "(f)" and insert "(g)".

At the appropriate place, insert:

SEC. . NATIONAL CLEARINGHOUSE ON TEENAGE PREGNANCY.

(a) ESTABLISHMENT.—The Secretary of Education and the Secretary of Health and Human Services shall establish a national center for the collection and provision of information that relates to adolescent pregnancy prevention programs, to be known as the "National Clearinghouse on Teenage Pregnancy Prevention Programs".

(b) FUNCTIONS.—The national center established under subsection (a) shall serve as a national information and data clearinghouse, and as a material development source for adolescent pregnancy prevention programs. Such center shall—

(1) develop and maintain a system for disseminating information on all types of adolescent pregnancy prevention programs and on the state of adolescent pregnancy prevention program development, including information concerning the most effective model programs;

(2) identify model programs representing the various types of adolescent pregnancy prevention programs;

(3) develop networks of adolescent pregnancy prevention programs for the purpose of sharing and disseminating information;

(4) develop technical assistance materials to assist other entities in establishing and improving adolescent pregnancy prevention programs;

(5) participate in activities designed to encourage and enhance public media campaigns on the issue of adolescent pregnancy; and

(6) conduct such other activities as the responsible Federal officials find will assist in developing and carrying out programs or activities to reduce adolescent pregnancy.

(c) APPOINTMENT OF FEDERAL COORDINATOR AND SPOKESPERSON.—The Secretary of Health and Human Services, after consultation with the President, shall appoint an employee of the Department of Health and Human Services to coordinate all the activities of the Federal Government relating to the reduction of teenage pregnancies and to serve as the spokesperson for the Federal Government on issues related to teenage pregnancies.

(d) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated such sums as may be necessary to carry out the purposes of this section.

SEC. . ESTABLISHING NATIONAL GOALS TO REDUCE OUT-OF-WEDLOCK PREGNANCIES AND TO PREVENT TEENAGE PREGNANCIES.

(a) IN GENERAL.—Not later than January 1, 1997, the Secretary of Health and Human Services shall establish and implement a strategy for—

(1) reducing out-of-wedlock teenage pregnancies by at least 2 percent a year, and

(2) assuring that at least 25 percent of the communities in the United States have teenage pregnancy prevention programs in place.

(b) REPORT.—Not later than Jan 30, 1998, and annually thereafter, the Secretary shall report to the Congress with respect to the progress that has been made in meeting the goals described in paragraphs (1) and (2) of subsection (a).

(b) OUT-OF-WEDLOCK AND TEENAGE PREGNANCY PREVENTION PROGRAMS.—Section 2002 (42 U.S.C. 1397a) is amended by adding at the end the following new subsection:

"(f)(1) Beginning in fiscal year 1996 and each fiscal year thereafter, each State shall use at least 5 percent of its allotment under section 2003 for the fiscal year to develop and implement a State program to reduce the incidence of out-of-wedlock and teenage pregnancies in the State.

"(2) The Secretary shall conduct a study with respect to the State programs implemented under paragraph (1) to determine the relative effectiveness of the different approaches for reducing out-of-wedlock pregnancies and preventing teenage pregnancy utilized in the programs conducted under this subsection and the approaches that can be best replicated by other States.

"(3) Each State conducting a program under this subsection shall provide to the Secretary, in such form and with such frequency as the Secretary requires, data from the programs conducted under this subsection. The Secretary shall report to the Congress annually on the progress of the programs and shall, not later than June 30, 1998, submit to the Congress a report on the study required under paragraph (2).".

SEC. . SENSE OF THE SENATE REGARDING ENFORCEMENT OF STATUTORY RAPE LAWS.

It is the sense of the Senate that States and local jurisdiction should aggressively enforce statutory rape laws.

AMENDMENT NO. 2537

(Purpose: To establish a national clearinghouse on teenage pregnancy, set national goals for the reduction of out-of-wedlock and teenage pregnancies, require States to establish a set-aside for teenage pregnancy prevention activities, and for other purposes)

At the appropriate place, insert:

SEC. . NATIONAL CLEARINGHOUSE ON TEENAGE PREGNANCY.

(a) ESTABLISHMENT.—The Secretary of Education and the Secretary of Health and Human Services shall establish a national center for the collection and provision of information that relates to adolescent pregnancy prevention programs, to be known as the "National Clearinghouse on Teenage Pregnancy Prevention Programs".

(b) FUNCTIONS.—The national center established under subsection (a) shall serve as a national information and data clearinghouse, and as a material development source for adolescent pregnancy prevention programs. Such center shall—

(1) develop and maintain a system for disseminating information on all types of adolescent pregnancy prevention programs and on the state of adolescent pregnancy prevention program development, including information concerning the most effective model programs;

(2) identify model programs representing the various types of adolescent pregnancy prevention programs;

(3) develop networks of adolescent pregnancy prevention programs for the purpose of sharing and disseminating information;

(4) develop technical assistance materials to assist other entities in establishing and improving adolescent pregnancy prevention programs;

(5) participate in activities designed to encourage and enhance public media campaigns on the issue of adolescent pregnancy; and

(6) conduct such other activities as the responsible Federal officials find will assist in developing and carrying out programs or activities to reduce adolescent pregnancy.

(c) APPOINTMENT OF FEDERAL COORDINATOR AND SPOKESPERSON.—The Secretary of Health and Human Services, after consultation with the President, shall appoint an employee of the Department of Health and Human Services to coordinate all the activities of the Federal Government relating to the reduction of teenage pregnancies and to serve as the spokesperson for the Federal Government on issues related to teenage pregnancies.

(d) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated such sums as may be necessary to carry out the purposes of this section.

SEC. . ESTABLISHING NATIONAL GOALS TO REDUCE OUT-OF-WEDLOCK PREGNANCIES AND TO PREVENT TEENAGE PREGNANCIES.

(a) IN GENERAL.—Not later than January 1, 1997, the Secretary of Health and Human Services shall establish and implement a strategy for—

(1) reducing out-of-wedlock teenage pregnancies by at least 2 percent a year, and

(2) assuring that at least 25 percent of the communities in the United States have teenage pregnancy prevention programs in place.

(b) REPORT.—Not later than June 30, 1998, and annually thereafter, the Secretary shall report to the Congress with respect to the progress that has been made in meeting the goals described in paragraphs (1) and (2) of subsection (a).

(c) OUT-OF-WEDLOCK AND TEENAGE PREGNANCY PREVENTION PROGRAMS.—Section 2002 (42 U.S.C. 1397a) is amended by adding at the end the following new subsection:

"(f)(1) Beginning in fiscal year 1996 and each fiscal year thereafter, each State shall use at least 5 percent of its allotment under section 2003 for the fiscal year to develop and implement a State program to reduce the incidence of out-of-wedlock and teenage pregnancies in the State.

"(2) The Secretary shall conduct a study with respect to the State programs implemented under paragraph (1) to determine the relative effectiveness of the different approaches for reducing out-of-wedlock pregnancies and preventing teenage pregnancy utilized in the programs conducted under this subsection and the approaches that can be best replicated by other States.

"(3) Each State conducting a program under this subsection shall provide to the Secretary, in such form and with such frequency as the Secretary requires, data from the programs conducted under this subsection. The Secretary shall report to the Congress annually on the progress of the programs and shall, not later than June 30, 1998, submit to the Congress a report on the study required under paragraph (2).".

SEC. . SENSE OF THE SENATE REGARDING ENFORCEMENT OF STATUTORY RAPE LAWS.

It is the sense of the Senate that States and local jurisdictions should aggressively enforce statutory rape laws.

Mr. MOYNIHAN. Mr. President, I ask unanimous consent that the amendments be laid aside.

The PRESIDING OFFICER. Without objection, it is so ordered.

AMENDMENT NO. 2538 TO AMENDMENT NO. 2280

(Purpose: To strike the provisions repealing trade adjustment assistance, and for other purposes)

Mr. MOYNIHAN. Mr. President, finally, in this seemingly endless sequence, I send an amendment of my own to the desk.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from New York [Mr. MOYNIHAN] proposes an amendment numbered 2538 to amendment No. 2280.

Mr. MOYNIHAN. Mr. President, I ask unanimous consent that the reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

In section 781(b), strike paragraph (1) (relating to the Trade Act of 1974).

In section 781(b)(2), strike "(2)" and insert "(1)".

In section 781(b)(3), strike "(3)" and insert "(2)".

In section 781(b)(4), strike "(4)" and insert "(3)".

In section 781(b)(5), strike "(5)" and insert "(4)".

In section 781(b)(6), strike "(6)" and insert "(5)".

In section 781(b)(7), strike "(7)" and insert "(6)".

In section 781(b)(8), strike "(8)" and insert "(7)".

Mr. MOYNIHAN. Mr. President, I ask unanimous consent that the amendment be set aside.

The PRESIDING OFFICER. Without objection, it is so ordered.

AMENDMENT NO. 2539 TO AMENDMENT NO. 2280

(Purpose: To provide a tax credit for charitable contributions to organizations providing poverty assistance, and for other purposes)

Mr. HATCH. Mr. President, I send an amendment to the desk for and on behalf of Senators Coats and Ashcroft.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Utah [Mr. Hatch], for Mr. Coats, for himself and Mr. Ashcroft, proposes an amendment numbered 2539 to amendment No. 2280.

Mr. HATCH. Mr. President, I ask unanimous consent that the reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

At the end of the amendment, add the following new title:

TITLE XIII—MISCELLANEOUS PROVISIONS

SEC. 1301. CREDIT FOR CHARITABLE CONTRIBUTIONS TO CERTAIN PRIVATE CHARITIES PROVIDING ASSISTANCE TO THE POOR.

(a) In General.—Subpart A of part IV of subchapter A of chapter 1 of the Internal Revenue Code of 1986 (relating to nonrefundable personal credits) is amended by inserting after section 22 the following new section:

"SEC. 23. CREDIT FOR CERTAIN CHARITABLE CONTRIBUTIONS.

"(a) In General.—In the case of an eligible individual, there shall be allowed as a credit against the tax imposed by this chapter for the taxable year an amount equal to the qualified charitable contributions which are paid by the taxpayer during the taxable year.

"(b) Limitation.—The credit allowed by subsection (a) for the taxable year shall not exceed $500 ($1,000 in the case of a joint return under section 6013).

"(c) Eligible Individual; Qualified Charitable Contribution.—for purposes of this section—

"(1) Eligible individual.—The term 'eligible individual' means, with respect to any charitable contribution, an individual who is certified by the qualified charity to whom the contribution was made by the individual as having performed at least 50 hours of volunteer service for the charity during the calendar year in which the taxable year begins.

"(2) Qualified charitable contribution.—The term 'qualified charitable contribution' means any charitable contribution (as defined in section 170(c)) made in cash to a qualified charity but only if the amount of each such contribution, and the recipient thereof, are identified on the return for the taxable year during which such contribution is made.

"(d) Qualified Charity.—

"(1) In general.—For purposes of this section, the term 'qualified charity' means, with respect to the taxpayer, any organization—

"(A) which is described in section 501(c)(3) and exempt from tax under section 501(a), and

"(B) which, upon request by the organization, is certified by the Secretary as meeting the requirements of paragraphs (2) and (3).

"(2) Charity must primarily assist the poor.—An organization meets the requirements of this paragraph only if the Secretary reasonably expects that the predominant activity of such organization will be the provision of services to individuals and families which are designed to prevent or alleviate poverty among individuals and families whose incomes fall below 150 percent of the official poverty line (as defined by the Office of Management and Budget).

"(3) Minimum expense requirement.—

"(A) In general.—An organization meets the requirements of this paragraph only if the Secretary reasonably expects that the annual poverty program expenses of such organization will not be less than 70 percent of the annual aggregate expenses of such organization.

"(B) Poverty program expense.—For purposes of subparagraph (A)—

"(i) In general.—The term 'poverty program expense' means any expense in providing program services referred to in paragraph (2).

"(ii) Exceptions.—Such term shall not include—

"(I) any management or general expense,

"(II) any expense for the purpose of influencing legislation (as defined in section 4911(d)),

"(III) any expense primarily for the purpose of fundraising, and

"(IV) any expense for a legal service provided on behalf of any individual referred to in paragraph (2).

"(4) Election to treat poverty programs as separate organization.—

"(A) In general.—An organization may elect to treat one or more programs operated by it as a separate organization for purposes of this section.

"(B) Effect of election.--If an organization elects the application of this paragraph, the organization, in accordance with regulations, shall—

"(i) maintain separate accounting for revenues and expenses of programs with respect to which the election was made,

"(ii) ensure that contributions to which this section applies be used only for such programs, and

"(iii) provide for the proportional allocation of management, general, and fund-raising expenses to such programs to the extent not allocable to a specific program.

"(C) Reporting requirements.—

"(i) Organization not otherwise required to file.—An organization not otherwise required to file any return under section 6033 shall be required to file such a return with respect to any poverty program treated as a separate organization under this paragraph.

"(ii) Organizations required to file.—An organization otherwise required to file a return under section 6033—

"(I) shall file a separate return with respect to any poverty program treated as a separate organization under this section, and

"(II) shall include on its own return the percentages equivalent to those required of qualified charities under the last sentence of section 6033(b) and determined with respect to such organization (without regard to the expenses of any poverty program under subclause (I)).

"(e) Coordination With Deduction for Charitable Contributions.—

"(1) Credit in lieu of deduction.—The credit provided by subsection (a) for any qualified charitable contribution shall be in lieu of any deduction otherwise allowable under this chapter for such contribution.

"(2) Election to have section not apply.—A taxpayer may elect for any taxable year to have this section not apply."

(b) Returns.—

(1) Qualified charities required to provide copies of annual return.—Subsection (e) of section 6104 of such Code (relating to public inspection of certain annual returns and applications for exemption) is amended by adding at the end the following new paragraph:

"(3) Qualified charities required to provide copies of annual return.—

"(A) In general.—Every qualified charity (as defined in section 23(d)) shall, upon request of an individual made at an office where such organization's annual return filed under section 6033 is required under paragraph (1) to be available for inspection, provide a copy of such return to such individual without charge other than a reasonable fee for any reproduction and mailing costs. If the request is made in person, such copies shall be provided immediately and, if made other than in person, shall be provided within 30 days.

"(B) Period of availability.—Subparagraph (A) shall apply only during the 3-year period beginning on the filing date (as defined in paragraph (1)(D) of the return requested)."

(2) Additional information.—Section 6033(b) of such Code is amended by adding at the end the following new flush sentence:

"Each qualified charity (as defined in section 23(d)) to which this subsection otherwise applies shall also furnish each of the percentage determined by dividing each of the following categories of the organization's expenses for the year by its total expenses for the year: program services; management and general; fundraising; and payments to affiliates."

(c) Clerical Amendment.—The table of sections for subpart A of part IV of subchapter A of chapter 1 of such Code is amended by inserting after the item relating to section 22 the following new item:

"Sec. 23. Credit for certain charitable contributions."

(d) Effective Date.—The amendments made by this section shall apply to contributions made after the 90th day after the date of the enactment of this Act in taxable years ending after such date.

Mr. COATS. Mr. President, I rise to offer on behalf of myself and Senator Ashcroft, the charity tax credit amendment. This amendment is designed to expand the ability of private and faith based charities to serve the poor by making it easier for taxpayers to make donations to these organizations. It is an important, urgently needed reform, but it also symbolizes a broader point.

The Congress is currently focused on the essential task of clearing away the ruins of the Great Society. Centralized, bureaucratic anti-poverty programs have failed—and that failure has had a human cost. It is measured in broken homes and violent streets. Our current system has undermined families and fostered dependence.

This is undeniable. But while our Great Society illusions have ended, the suffering of many of our people has not. Indifference to that fact is not an option. We cannot retreat into the cocoon of our affluence. We cannot accept the survival of the fittest. No society can live without hope—hope that its suffering and anguish are not endless.

I think we have seen the shape of that hope it is not found in the ivory towers of academia. It is not found in the marble temples of official Washington. I found it five blocks from here, in a place so distant from Congress it is almost another world.

The Reverend John Woods came to a desolate Washington neighborhood in 1990 to take over the Gospel Mission, a shelter and drug treatment center for homeless men. The day he arrived, he found crack cocaine being processed in the back yard. A few days later, the local gang fired shots into his office to scare him away. Instead of leaving, he hung a sign on the door extending this invitation: "If you haven't got a friend in the world you can find one here. Come in."

The Gospel Mission is a place that offers unconditional love, but accepts no excuses. Men in rehabilitation are given random drug tests. If they violate the rules, they are told to leave the program. But the success of the mission comes down to something simple: It does more than provide a meal and treat an addiction, it offers spiritual challenge and renewal.

Listen to one addict who came to Reverend Woods after failing in several governmental rehabilitation programs:

> Those programs generally take addictions from you, but don't place anything within you. I needed a spiritual lifting. People like Reverend Woods are like God walking into your life. Not only am I drug-free, but more than that, I can be a person again.

Reverend Woods's success is particularly clear compared to government approaches. The Gospel Mission has a 12-month rehabilitation rate of 66 percent, while a once heralded government program just 3 blocks away rehabilitates less than 10 percent of those it serves—while spending 20 times as much as Reverend Woods.

This is just one example. It is important, not because it is rare, but because it is common. It takes place in every community, in places distant from the center of government. But it is the only compassion that consistently works—a war on poverty that marches from victory to victory. It makes every new deal, new frontier and new covenant look small in comparison.

Several months ago, I asked a question: How can we get resources into the hands of these private and religious institutions where individuals are actually being helped? And, How can we do this without either undermining their work with restrictions, or offending the first amendment? I introduced S. 1120, the Comprehensive Charity Reform Act, a major portion of which we have incorporated in today's amendment. Our amendment has two central features.

First, it provides a $500 charity tax credit ($1,000 for married taxpayers filing jointly) which will provide more generous tax benefits to taxpayers who decide to donate a portion of their tax liability to charities that focus on fighting or preventing poverty.

Second, it requires that individuals volunteer their time, as well as donate their money, to qualify for the credit.

The purpose of this legislation is twofold: First, we want to take a small portion of welfare spending in America and give it through the Tax Code to private and religious institutions that effectively provide individuals with hope, dignity, help and independence. Without eliminating a public safety net, we want to focus some attention and resources where it can make all the difference.

Second, we want to promote an ethic of giving in America. When individuals make these contributions to effective charities, it is a form of involvement beyond writing a check to the Federal Government. It encourages a new definition of citizenship, one in which men and women examine and support the programs in their own communities that serve the poor. This amendment adopts Senator ASHCROFT's proposal that requires individuals to volunteer their time, as well as donate their money, to local poverty relief programs.

I hope that my colleagues take a careful look at this new approach to compassion. It is important for us not only to spread authority and resources within the levels of Government, but to spread them beyond Government altogether—to institutions that can not only feed the body but touch the soul. It is an issue I look forward to debating more fully next week.

Mr. HATCH. Mr. President, I ask unanimous consent that the amendment be set aside.

The PRESIDING OFFICER. Without objection, it is so ordered.

AMENDMENTS NOS. 2540 THROUGH 2544, EN BLOC, TO AMENDMENT NO. 2280

Mr. HATCH. Mr. President, I send five amendments to the desk for and on behalf of the honorable JOHN MCCAIN of Arizona, and I ask unanimous consent that they be considered en bloc.

The PRESIDING OFFICER. Without objection, it is so ordered. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Utah [Mr. HATCH], for Mr. MCCAIN, proposes amendments numbered 2540 through 2544, en bloc, to amendment No. 2280.

Mr. HATCH. Mr. President, I ask unanimous consent that the reading of the amendments be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendments are as follows:

AMENDMENT NO. 2540

(Purpose: To remove barriers to interracial and interethnic adoptions, and for other purposes)

At the appropriate place, insert the following:

SEC. . REMOVAL OF BARRIERS TO INTERRACIAL AND INTERETHNIC ADOPTIONS.

(a) FINDINGS.—Congress finds that—

(1) nearly 500,000 children are in foster care in the United States;

(2) tens of thousands of children in foster care are waiting for adoption;

(3) 2 years and 8 months is the median length of time that children wait to be adopted, and minority children often wait twice as long as other children to be adopted; and

(4) child welfare agencies should work to eliminate racial, ethnic, and national origin discrimination and bias in adoption and foster care recruitment, selection, and placement procedures.

(b) PURPOSE.—The purpose of this section is to promote the best interests of children by—

(1) decreasing the length of time that children wait to be adopted; and

(2) preventing discrimination in the placement of children on the basis of race, color, or national origin.

(c) REMOVAL OF BARRIERS TO INTERRACIAL AND INTERETHNIC ADOPTIONS.—

(1) PROHIBITION.—A State or other entity that receives funds from the Federal Government and is involved in adoption or foster care placements may not—

(A) deny to any person the opportunity to become an adoptive or a foster parent, on the basis of the race, color, or national origin of the person, or of the child, involved; or

(B) delay or deny the placement of a child for adoption or into foster care, or otherwise discriminate in making a placement decision, on the basis of the race, color, or national origin of the adoptive or foster parent, or the child, involved.

(2) PENALTIES.—

(A) STATE VIOLATORS.—A State that violates paragraph (1) shall remit to the Secretary of Health and Human Services all funds that were paid to the State under part E of title IV of the Social Security Act (42 U.S.C. 670 et seq.) (relating to foster care and adoption assistance) during the period of the violation.

(B) PRIVATE VIOLATORS.—Any other entity that violates paragraph (1) shall remit to the Secretary of Health and Human Services all funds that were paid to the entity during the period under part E of title IV of the Social Security Act.

(3) PRIVATE CAUSE OF ACTION.—

(A) IN GENERAL.—Any individual or class of individuals aggrieved by a violation of paragraph (1) by a State or other entity may bring an action seeking relief in any United States district court or State court of appropriate jurisdiction.

(B) STATUTE OF LIMITATIONS.—An action under this subsection may not be brought more than 2 years after the date the alleged violation occurred.

(4) ATTORNEY'S FEES.—In any action or proceeding under this Act, the court, in the discretion of the court, may allow the prevailing party, other than the United States, a reasonable attorney's fee, including litigation expenses and costs, and the States and the United States shall be liable for the fee to the same extent as a private individual.

(5) STATE IMMUNITY.—A State not be immune under the 11th amendment to the Constitution from an action in Federal or State court of appropriate jurisdiction for a violation of this section.

(6) NO EFFECT ON INDIAN CHILD WELFARE ACT OF 1978.—Nothing in this Act shall be construed to affect the application of the Indian Child Welfare Act of 1978 (25 U.S.C. 1901 et seq.).

(d) REPEAL.—Subpart 1 of part E of title V of the Improving America's Schools Act of 1994 (42 U.S.C. 5115a) is amended—

(1) by repealing sections 551 through 553; and

(2) by redesignating section 554 and section 551.

(e) EFFECTIVE DATE.—This section, and the amendments made by this section, shall take effect 90 days after the date of enactment of this Act.

AMENDMENT NO. 2541

(Purpose: To provide that States are not required to comply with excessive data collection and reporting requirements unless the Federal Government provides sufficient funding to allow States to meet such excessive requirements)

On page 122, between lines 11 and 12, insert the following:

SEC. 110A. FEDERAL FUNDING FOR EXCESSIVE DATA REPORTING REQUIREMENTS.

Notwithstanding any other provision of law, a State shall not be required to comply with any data collection or data reporting requirement added by this Act that the General Accounting Office determines is in excess of normal Federal management needs (including systems development costs) unless the Federal Government provides the State with funding sufficient to allow States to comply with such requirements.

AMENDMENT NO. 2542

(Purpose: To remove the maximum length of participation in the work supplementation or support program)

On page 215, line 24, add closing quotation marks and a period at the end.

On page 216, strike lines 1 through 5.

AMENDMENT NO. 2543

(Purpose: To make job readiness workshops as work activity)

On page 36, line 10, strike "and".

On page 36, line 13, strike the end period.

On page 36, between lines 13 and 14, insert the following:

"(G) job readiness workshops in which an individual attends pre-employment classes to obtain business or industry specific training required to meet employer-specific needs (not to exceed 4 weeks with respect to any individual)."

AMENDMENT NO. 2544

(Purpose: To permit States to enter into a corrective action plan prior to the deduction of penalties from the block grant)

On page 122, between lines 11 and 12, insert the following:

SEC. 110A. CORRECTIVE ACTION PLAN.

(a) IN GENERAL.—

(1) NOTIFICATION OF VIOLATION.—Notwithstanding any other provision of law, the Federal Government shall, prior to assessing a penalty against a State under any program established or modified under this Act, notify the State of the violation of law for which such penalty would be assessed and allow the State the opportunity to enter into a corrective action plan in accordance with this section.

(2) 60-DAY PERIOD TO PROPOSE A CORRECTIVE ACTION PLAN.—Any State notified under paragraph (1) shall have 60 days in which to submit to the Federal Government a corrective action plan to correct any violations described in such paragraph.

(3) ACCEPTANCE OF PLAN.—The Federal Government shall have 60 days to accept or reject the State's corrective action plan and may consult with the State during this period to modify the plan. If the Federal Government does not accept or reject the corrective action plan during the period, the corrective action plan shall be deemed to be accepted.

(b) 90-DAY GRACE PERIOD.—If a corrective action plan is accepted by the Federal Government, no penalty shall be imposed with respect to a violation described in subsection (a) if the State corrects the violation pursuant to the plan within 90 days after the date on which the plan is accepted (or within such other period specified in the plan).

Mr. HATCH. Mr. President, I yield the floor.

AMENDMENT NO. 2545 TO AMENDMENT NO. 2280

(Purpose: To require each family receiving assistance under the State program funded under part A of title IV of the Social Security Act to enter into a personal responsibility contract or a limited benefit plan)

Mr. HARKIN. Mr. President, I have an amendment which I send to the desk and ask for its consideration.

The PRESIDING OFFICER. The clerk will report the amendment.

The assistant legislative clerk read as follows:

The Senator from Iowa [Mr. HARKIN] proposes an amendment numbered 2545 to amendment No. 2280.

Mr. HARKIN. Mr. President, I ask unanimous consent that the reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 39, strike lines 4 through 10, and insert the following:

"(a) STATE REQUIRED TO ENTER INTO A PERSONAL RESPONSIBILITY CONTRACT WITH EACH FAMILY RECEIVING ASSISTANCE.—

"(1) IN GENERAL.—Each State to which a grant is made under section 403 shall require each family receiving assistance under the State program funded under this part to enter into—

"(A) a personal responsibility contract (as developed by the State) with the State; or

"(B) a limited benefit plan.

"(2) PERSONAL RESPONSIBILITY CONTRACT.—For purposes of this subsection, the term 'personal responsibility contract' means a binding contract between the State and each family receiving assistance under the State program funded under this part that—

"(A) outlines the steps each family and the State will take to get the family off of welfare and to become self-sufficient;

"(B) specifies a negotiated time-limited period of eligibility for receipt of assistance that is consistent with unique family circumstances and is based on a reasonable plan to facilitate the transition of the family to self-sufficiency;

"(C) provides that the family will automatically enter into a limited benefit plan if the family is out of compliance with the personal responsibility contract; and

"(D) provides that the contract shall be invalid if the State agency fails to comply with the contract.

"(3) LIMITED BENEFIT PLAN.—For purposes of this subsection, the term 'limited benefit plan' means a plan which provides for a reduced level of assistance and later termination of assistance to a family that has entered into the plan in accordance with a schedule to be determined by the State.

"(4) ASSESSMENT.—The State agency shall provide, through a case manager, an initial and thorough assessment of the skills, prior work experience, and employability of each parent for use in developing and negotiating a personal responsibility contract.

"(5) DISPUTE RESOLUTION.—The State agency described in section 402(a)(6) shall establish a dispute resolution procedure for disputes related to participation in the personal responsibility contract that provides the opportunity for a hearing."

Mr. HARKIN. Mr. President, when an individual is hired for a job, they are handed a job description. A job description outlines their responsibilities. On day one, they know what is expected of them in order to earn a paycheck.

However, when an individual goes into the welfare office to sign up for benefits, they fill out an application and then the Government sends them a check. There is no job description. Nothing is expected on day one. The individual simply goes home and collects a paycheck.

I believe that is wrong, and I believe it saps an individual's self-esteem and makes the family dependent.

Mr. President, we must fundamentally change the way we think about welfare, not just to reform welfare, but we have to change the way we think about it. We should be guided by common sense and build a system based on a foundation of responsibility. If you want a check, you must work for it. You must follow a job description. We must stop looking at welfare as a Government giveaway program. Instead, it should be a contract demanding mutual responsibility between the Government and the individual receiving benefits. The contract should outline the steps a recipient will take to become self-sufficient and also a date certain by which they will be off welfare.

Responsibility should start on day one with benefits conditioned on compliance with the terms of the contract. Essentially, the contract should outline the responsibilities for an individual in the same manner that a job description describes a worker's duties. It would build greater accountability in the welfare system and it would send the clear message that welfare, as usual, is history. Mr. President, a binding contract of this nature not only makes common sense, it works.

As I have noted previously, the State of Iowa has a relatively new welfare reform program. The centerpiece of the

Iowa Family Investment Program is just such a contract which charts an individual's course off welfare and a date when welfare benefits will end. Failure to follow the contract means the elimination of welfare benefits.

Over the past 18 months, I have held numerous meetings with welfare recipients, case managers and others to discuss welfare. I often hear that the Iowa contract really does make a difference. Dennette Kellogg of Dubuque can receive benefits for several years before the new program began. She served honorably in the U.S. Marines and then married and started a family. But she was an unfortunate victim of domestic abuse and left California for her hometown with one child and pregnant with a second child. She ended up on welfare and wanted out but felt she had few options and felt she was trapped.

She recently told me:

> "The family investment contract gave me a sense of self-worth, something the old system lacks . . . and now I had a reason to look forward to the future instead of feeling being trapped."

She has escaped. She is now working as a housing specialist and is no longer on welfare. But for her, she had a contract which outlined what she was expected to do. The contract also outlined what the State of Iowa was going to do. So both sides knew what was expected.

In addition to making it clear what is expected of individuals on welfare, a contract of mutual responsibility also makes it possible not only for families to simply move off welfare but to stay off permanently.

Self-sufficiency is the only way to end the cycle of dependency and poverty that is claiming more and more victims each year. A well-designed and enforced contract is a way to make families self-sufficient, not Government dependent. It is the way to stop treating the symptoms of the disease and to go after the cause.

The proposal that we have before us, the amendment offered by Senator DOLE, at least recognizes the important principle of a contract. However, it does not define the personal responsibility contract in any way. It could be anything or it could be nothing.

My amendment, which I just sent to the desk, would add clarity to make sure that it works as envisioned and does not become just another failed promise for welfare recipients and the taxpayers.

Without further definition, I am concerned that the provision in the Dole-Packwood bill will not provide us with the desired result in terms of a contract.

My amendment is simple. It just says that a State would provide an assessment to determine the strengths and the barriers to employment. That information then would be used to draw up a binding contract that outlines the steps a family would take to move off welfare and a date certain when welfare benefits would end.

Failure to follow the terms of the contract would result in serious consequences—the elimination of cash welfare benefits. The experience we have had in Iowa has shown us that individuality is critical. Families have different needs, and a cookie cutter that stamps out one plan for everyone will fail. You cannot force families into a preshaped mold. But instead, we need to form the mold around the family. The last thing we need is a one size fits all contract. My amendment would clarify that individual family characteristics must be paramount in negotiating the terms of the contract.

Accountability, responsibility, and common sense must guide us as we reform the welfare system. Strengthening the personal responsibility contract will send a clear message that the rules have changed and that responsibility is required from day one on welfare—just as a worker knows the rules on the first day of a new job.

We have a responsibility for the taxpayers' money. The taxpayers of Iowa want to make sure that their money is well spent, whether it is in Oklahoma, Nevada, California, or Pennsylvania. A contract such as I have outlined here will ensure greater accountability in the welfare system.

Mr. President, I have an editorial from the Omaha World Herald entitled "Welfare Contract a Worthwhile Idea." I ask unanimous consent that it be printed in the RECORD at the end of my statement.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. HARKIN. I thought I might take a few minutes to buttress my remarks for the need for a well-defined contract by once again bringing to my colleagues an illustration of what has happened in Iowa since we changed our welfare system.

I always point with pride to the fact that in Iowa, we now have the distinction of having a higher percentage of people on welfare who work than any State in the Nation.

Mr. President, before we started our welfare reform program, about 18 percent of the people on welfare worked. It is now up to about 35 percent, which is just about double. So what we have is more people on welfare who are also working. Again, that is one of the objectives of welfare reform.

What has happened to our caseload? We knew at the beginning that, in changing the rules, the initial thing that would happen is that we would have more people on welfare. Everyone knew that. Sure enough, after we enacted the bill, we went from 36,000 to almost 40,000 in the space of just about a year. But look at what has happened since then. Our caseload has come down, and we now have fewer people by about 2,000 caseload 2 years after we started our program. The first year it went up, and then it came down dramatically. So in 2 years we have done two things. We have more people on welfare working—we doubled it—and we have cut the total caseload of people on welfare in Iowa.

With all the talk about what all of the States are doing, I point out that Iowa, to this date, as far as I know, is the only State that has actually cut people off of welfare. We did it with the contract. People have a contract. They sign it and they have to live up to it. If they do not, they are cut off. The chart shows that we have less of a caseload than we did when we started.

How much are we spending on welfare in Iowa? Has the cost gone up or down? Here is total what we spend in Iowa. The yellow, blue, and green lines are 1992, 1993 and 1994. The amount we totally spent on welfare basically stayed about the same in the State of Iowa. We enacted a welfare reform program in October 1993, and almost 2 years later you can see what happened. Our total spending on welfare has dropped, and dropped dramatically, since we have had our welfare reform program.

So, again, people say, No. 1, we want more people to work. Well, in Iowa we have doubled it. Second, we want fewer people on welfare. Well, we have fewer people on welfare, as I have shown. Third, we want to spend less money. Well, here it is, we are spending less money on welfare.

The average grant—now, we had the total, and this is the total amount of money the State of Iowa is spending on welfare. It has come down dramatically. What happened to the average person on welfare? It was about $373 average per family, and we are now down to $336. That is about a 10, 11, 12 percent drop in what we are spending per caseload in the State of Iowa. So, by any yardstick of measuring, the Iowa experiment has worked and has worked well.

Some people might say that in Iowa you do not have high unemployment and all that kind of stuff. Mr. President, when we enacted welfare reform, the Department of Health and Human Services insisted—and I admit I fought this for some time—that we have a control group, a certain group of individuals in Iowa who would not come under the new reform program. They would stay under the old system. So, 2 years later, we were able to compare the control group to the new group. What we have found is that under the old group, they are still down to about 18 percent of those who are working, not 36 percent. The average caseload cost is still high. And so we have that control group to show that it is not just because of the Iowa circumstance, it is because of how we reformed the system.

That brings me back to my amendment. The central feature of the Iowa welfare reform program is a contract. When the person comes in to get welfare, an assessment is done. Who are you? What are you? What is your background? Do you have disabilities? How many children do you have? Tests are given; assessments are made by a case manager. Based upon that, an individual contract is drawn up. That person signs that contract. It is a binding contract. That contract spells out, from day one, what that individual must do to continue to receive benefits. It also spells out what the State will do in terms of child care and that type of thing. As I stated, if the welfare recipient does not live up to the terms of the contract, after 3 months benefits are ended. And that has happened in the State of Iowa. That is why I feel so strongly about having a contract as a part of whatever welfare reform program passes here.

As I stated, the Dole proposal does mention a contract, but it does not say what it is. All my amendment seeks to do is to further define and outline what the personal responsibility contract is, and to make sure that it is a contract that is molded around the family. Under the proposal that we have before us, the Dole-Packwood proposal, it just states a contract. Well, the State can set up one contract for everybody. Again, that just will not work.

We need a contract for each individual family that is on welfare. It needs to be molded around that family. So that is why I feel that the provision for a personal responsibility contract needs to be strengthened. It is in the bill and that is what my amendment seeks to do.

With that, Mr. President, I will inquire of the managers of the bill. I would like to ask for the yeas and nays on my amendment. I do not know if they are in the mode of accepting amendments or not. I have not checked.

I yield the floor.

EXHIBIT 1

[From the Omaha World Herald]

WELFARE CONTRACT A WORTHWHILE IDEA

The idea that welfare should involve a form of social contract continues to deserve attention.

Sen. Tom Harkin, D-Iowa, has introduced a bill in the Senate that reflects ideas from a welfare reform plan enacted by Governor Branstad and the Iowa Legislature. One idea is that welfare isn't an automatic entitlement. A recipient must sign a contract with state government. The contract spells out the services the government will provide, and it contains specific steps to be taken by the recipient to become self-reliant.

A similar provision has been included in the welfare reform program under consideration in Nebraska. Jerry Oligmueller of the State Department of Social Services said that recipients would sign a "self-sufficiency contract" charting a two-year course to self-sufficiency.

Emphasis on personal responsibility, he said, is part of the state's effort to recognize and encourage a change in attitudes about welfare.

The idea of changing society's thinking about welfare is all to the good. In the case of people who have no physical or mental ailments, welfare should not be an open-ended arrangement. It's not fair for the government to take money from tax-paying citizens to provide for the permanent support of an able-bodied person. State and federal officials who are trying to re-establish welfare as a temporary, rehabilitative program are doing the right thing.

Mr. MOYNIHAN. Mr. President, if the Senator from Iowa would be good enough, it would seem to me that we could put the amendment over until Monday. We will begin voting Monday at 5 o'clock. We can arrange for him to have a vote after 5 o'clock if that is possible. I see the majority leader on the floor.

Mr. HARKIN. If I might inquire, Mr. President, if the Senator would yield, would now be the appropriate time to ask for the yeas and nays?

Mr. MOYNIHAN. Yes.

Mr. HARKIN. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

Mr. MOYNIHAN. The Republican manager would have to agree to any sequence on the Senator's vote. If he could be patient, that will be done.

Mr. DOLE. I think under the agreement they did want to vote on the Dodd amendment first.

Mr. MOYNIHAN. I said the sequence depends on the Republican manager.

Mr. DOLE. I say to my colleagues, hopefully in the next minute or so we will be able to get a consent agreement that is now being cleared by the Democratic leader. If it is clear, there will be no further votes.

AMENDMENT NO. 2546 TO AMENDMENT NO. 2280

(Purpose: To maintain the welfare partnership between the States and the Federal Government)

Mr. CHAFEE. Mr. President, I send to the desk an amendment, and ask for its immediate consideration.

The PRESIDING OFFICER. The pending amendment is set aside.

The legislative clerk read as follows:

The Senator from Rhode Island [Mr. CHAFEE] proposes an amendment numbered 2546 to amendment No. 2280.

Mr. CHAFEE. Mr. President, I ask unanimous consent that the reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 23, beginning on line 7, strike all through page 24, line 18, and insert the following:

"(5) WELFARE PARTNERSHIP.—

"(A) IN GENERAL.—The amount of the grant otherwise determined under paragraph (1) for fiscal year 1997, 1998, 1999, or 2000 shall be reduced by the amount by which State expenditures under the State program funded under this part for the preceding fiscal year is less than 75 percent of historic State expenditures.

"(B) HISTORIC STATE EXPENDITURES.—For purposes of this paragraph—

"(i) IN GENERAL.—The term 'historic State expenditures' means expenditures by a State under parts A and F of title IV for fiscal year 1994, as in effect during such fiscal year.

"(ii) HOLD HARMLESS.—In no event shall the historic State expenditures applicable to any fiscal year exceed the amount which bears the same ratio to the amount determined under clause (i) as—

"(I) the grant amount otherwise determined under paragraph (1) for the preceding fiscal year (without regard to section 407), bears to

"(II) the total amount of Federal payments to the State under section 403 for fiscal year 1994 (as in effect during such fiscal year).

"(C) DETERMINATION OF STATE EXPENDITURES FOR PRECEDING FISCAL YEAR.—

"(i) IN GENERAL.—For purposes of this paragraph, the expenditures of a State under the State program funded under this part for a preceding fiscal year shall be equal to the sum of the State's expenditures under the program in the preceding fiscal year for—

"(I) cash assistance;

"(II) child care assistance;

"(III) education, job training, and work; and

"(IV) administrative costs.

"(ii) TRANSFERS FROM OTHER STATE AND LOCAL PROGRAMS.—In determining State expenditures under clause (i), such expenditures shall not include funding supplanted by transfers from other State and local programs.

"(D) EXCLUSION OF FEDERAL AMOUNTS.—For purposes of this paragraph, State expenditures shall not include any expenditures from amounts made available by the Federal Government.

Mr. CHAFEE. Mr. President, just a brief explanation.

Under the rules that we are operating, as I understand it, we are required to file any amendments that we have reserved spots for by 5 o'clock this evening. As such, this is that type of amendment.

I do not seek its immediate consideration now. I will call it up in some sequence next week, whenever is a proper time. Basically, this amendment is the maintenance-of-effort amendment that requires 75 percent maintenance of effort based on 1964 State expenditures, and the maintenance of effort shall continue for 5 years. The State expenditures shall only be for those existing categories that State expenditures are now made for, to qualify for matching funds under the AFDC and the other payments. In other words, the Federal contribution.

The point I am making here is that the State maintenance-of-efforts funds cannot be used, for example, for Medicaid, which they are not currently committed to be used for.

Mr. President, I ask that the amendment be set aside and we take it up in whatever sequence is deemed proper next week.

The PRESIDING OFFICER. Without objection, it is so ordered.

UNANIMOUS-CONSENT AGREEMENT

Mr. DOLE. Mr. President, I understand this consent agreement has been cleared by my colleagues on the other side. I will propound it. I ask unanimous consent when the Senate completes its business today, it stand in recess until 10 a.m. Monday, September 11, 1995, and immediately resume consideration of the welfare bill, H.R. 4.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DOLE. I further ask at 10 o'clock a.m. Senator KASSEBAUM be recognized to offer an amendment concerning block grants, and following the conclusion of debate the amendment be laid aside and the vote occur on or in relation to the amendment second in the voting sequence to be outlined before for Monday, September 11.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DOLE. I further ask that following the debate on the above-mentioned amendment, Senator HELMS be recognized to offer an amendment regarding work for food stamps, and following conclusion of the debate the amendment be laid aside and the vote occur on or in relation to the amendment third in the voting sequence on Monday.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DOLE. I further ask following debate, Senator DODD be recognized to offer an amendment regarding child care, and that debate be limited to 4 hours to be equally divided in the usual form and the vote occur on or in relation to that amendment at 5 p.m. on September 11.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DOLE. That would be the first vote.

We need to work out additional time, I think, on the Feinstein amendments. We can do that on Monday.

I also ask there be 4 minutes for debate to be equally divided in the usual form between the second and third rollcall votes ordered on Monday.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DOLE. And that the first vote be for 15 minutes and the other two or any other subsequent votes be limited to 10 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DOLE. I say to my colleagues I think we are making progress. We have had five votes today. We have been able to dispose of other amendments. Members are offering their amendments to be considered and they still have until 5:00 p.m. to do so.

In light of this agreement, in lining up the three rollcall votes beginning at 5 p.m. on Monday, there will be no further votes today.

Members are reminded if you intend to offer an amendment to this bill, those amendments must be offered by 5 p.m. this evening.

AMENDMENT NO. 2280, AS FURTHER MODIFIED

Mr. DOLE. At this time, I have consent to modify my amendment. I send that modification to the desk.

The PRESIDING OFFICER. Under the previous order, the amendment is so modified.

The amendment (No. 2280), as further modified, is as follows:

On page 23, beginning on line 7, strike all through page 24, line 18, and insert the following:

"(5) MAINTENANCE OF EFFORT.—

"(A) IN GENERAL.—The amount of the grant otherwise determined under paragraph (1) for fiscal year 1997, 1998, or 1999 shall be reduced by the amount by which State expenditures under the State programs described in subparagraph (B) for the preceding fiscal year is less than 75 percent of historic State expenditures.

"(B) PROGRAMS DESCRIBED.—The programs described in this subparagraph are—

"(i) the State program funded under this part; and

"(ii) any other program for low-income individuals (other than the medicaid program under title XIX of this Act) established or modified under the Work Opportunity Act of 1995.

"(C) HISTORIC STATE EXPENDITURES.—For purposes of this paragraph, the term 'historic State expenditures' means amounts expended by the State under parts A and F of this title for fiscal year 1994, as in effect during such fiscal year.

"(D) DETERMINING STATE EXPENDITURES.—For purposes of this paragraph, State expenditures shall not include any expenditures from amounts made available by the Federal Government.".

On page 36, strike lines 14 through 25, and insert the following:

"(d) PENALTIES AGAINST INDIVIDUALS.—

"(1) IN GENERAL.—Except as provided in paragraph (2), if an adult in a family receiving assistance under the State program funded under this part refuses to engage in work required under subsection (c)(1) or (c)(2), a State to which a grant is made under section 403 shall—

"(A) reduce the amount of assistance otherwise payable to the family pro rata (or more, at the option of the State) with respect to any period during a month in which the adult so refuses; or

"(B) terminate such assistance,

subject to such good cause and other exceptions as the State may establish.

"(2) EXCEPTION.—Notwithstanding paragraph (1), a State may not reduce or terminate assistance under the State program based on a refusal of an adult to work if such adult is a single custodial parent caring for a child age 5 or under and has a demonstrated inability (as determined by the State) to obtain needed child care, for one or more of the following reasons:

"(A) Unavailability of appropriate child care within a reasonable distance of the individual's home or work site.

"(B) Unavailability or unsuitability of informal child care by a relative or under other arrangements.

"(C) Unavailability of appropriate and affordable formal child care arrangements.".

On page 49, beginning with line 20, strike all through page 50, line 5, and insert the following:

"(c) NO ADDITIONAL CASH ASSISTANCE FOR CHILDREN BORN TO FAMILIES RECEIVING ASSISTANCE.—

"(1) GENERAL RULE.—A State to which a grant is made under section 403 may not use any part of the grant to provide cash assistance for a minor child who is born to—

"(A) a recipient of assistance under the program operated under this part; or

"(B) a person who received such assistance at any time during the 10-month period ending with the birth of the child.

"(2) EXCEPTION FOR VOUCHERS.—Paragraph (1) shall not apply to vouchers which are provided in lieu of cash assistance and which may be used only to pay for particular goods and services specified by the State as suitable for the care of the child involved.

"(3) EXCEPTION FOR RAPE OR INCEST.—Paragraph (1) shall not apply with respect to a child who is born as a result of rape or incest.".

On page 51, between lines 11 and 12, insert the following:

"(e) GRANT INCREASED TO REWARD STATES THAT REDUCE OUT-OF-WEDLOCK BIRTHS.—

"(1) IN GENERAL.—The amount of the grant payable to a State under section 403(a)(1)(A) for fiscal years 1998, 1999, and 2000 shall be increased by—

"(A) 5 percent if—

"(i) the illegitimacy ratio of the State for the fiscal year is at least 1 percentage point lower than the illegitimacy ratio of the State for fiscal year 1995; and

"(ii) the rate of induced pregnancy terminations for the fiscal year in the State is not higher than the rate of induced pregnancy terminations in the State for fiscal year 1995; or

"(B) 10 percent if—

"(i) the illegitimacy ratio of the State for the fiscal year is at least 2 percentage points lower than the illegitimacy ratio of the State for fiscal year 1995; and

"(ii) the rate of induced pregnancy terminations in the State for the same fiscal year is not higher than the rate of induced pregnancy terminations in the State for fiscal year 1995.

"(2) DETERMINATION OF THE SECRETARY.—The Secretary shall not increase the grant amount under paragraph (1) if the Secretary determines that the relevant difference between the illegitimacy ratio of a State for an applicable fiscal year and the illegitimacy ratio of such State for fiscal year 1995 is the result of a change in State methods of reporting data used to calculate the illegitimacy ratio or if the Secretary determines that the relevant non-increase in the rate of induced pregnancy terminations for an applicable fiscal year as compared to fiscal year 1995 is the result of a change in State methods of reporting data used to calculate the rate of induced pregnancy terminations.

"(3) ILLEGITIMACY RATIO.—For purposes of this subsection, the term 'illegitimacy ratio' means, with respect to a State and a fiscal year—

"(A) the number of out-of-wedlock births that occurred in the State during the most recent fiscal year for which such information is available; divided by

"(B) the number of births that occurred in the State during the most recent fiscal year for which such information is available.

"(4) AVAILABILITY OF AMOUNTS.—There are authorized to be appropriated and there are appropriated such sums as may be necessary for fiscal years 1998, 1999, and 2000 for the purpose of increasing the amount of the grant payable to a State under section 403(a)(1) in accordance with this subsection.

On page 51, line 12, strike "(e)" and insert "(f)".

On page 77, strike line 22 and all that follows through page 83, line 15, and insert the following:

SEC. 102. SERVICES PROVIDED BY CHARITABLE, RELIGIOUS, OR PRIVATE ORGANIZATIONS.

(a) General.—

(1) State options.—Notwithstanding any other provision of law, a State may—

(A) administer and provide services under the programs described in subparagraphs (A) and (B)(i) of paragraph (2) through contracts with charitable, religious, or private organizations; and

(B) provide beneficiaries of assistance under the programs described in subparagraphs (A) and (B)(ii) of paragraph (2) with certificates, vouchers, or other forms of disbursement which are redeemable with such organizations.

(2) Programs described.—The programs described in this paragraph are the following programs:

(A) A State program funded under part A of title IV of the Social Security Act (as amended by section 101).

(B) Any other program that is established or modified under titles, I, II, or X that—

(i) permits contracts with organizations; or

(ii) permits certificates, vouchers, or other forms of disbursement to be provided to, beneficiaries, as a means of providing assistance.

(b) Religious Organizations.—The purpose of this section is to allow religious organizations to contract, or to accept certificates, vouchers, or other forms of disbursement under any program described in subsection (a)(2), on the same basis as any other provider without impairing the religious character of such organizations, and without diminishing the religious freedom of beneficiaries of assistance funded under such program.

(c) Nondiscrimination Against Religious Organizations.—Religious organizations are eligible, on the same basis as any other private organization, as contractors to provide assistance, or to accept certificates, vouchers, or other forms of disbursement, under any program described in subsection (a)(2). Neither the Federal Government nor a State receiving funds under such programs shall discriminate against an organization which is or applies to be a contractor to provide assistance, or which accepts certificates, vouchers, or other forms of disbursement, on the basis that the organization has a religious character.

(d) Religious Character and Freedom.—

(1) Religious organizations.—Notwithstanding any other provision of law, any religious organization with a contract described in subsection (a)(1)(A), or which accepts certificates, vouchers, or other forms of disbursement under subsection (a)(1)(B), shall retain its independence from Federal, State, and local governments, including such organization's control over the definition, development, practice, and expression of its religious beliefs.

(2) Additional safeguards.—Neither the Federal Government nor a State shall require a religious organization to—

(A) alter its form of internal governance;

(B) form a separate, nonprofit corporation to receive and administer the assistance funded under a program described in subsection (a)(2) solely on the basis that it is a religious organization; or

(C) remove religious art, icons, scripture, or other symbols;

in order to be eligible to contract to provide assistance, or to accept certificates, vouchers, or other forms of disbursement, funded under a program described in subsection (a)(2).

(e) Rights of Beneficiaries of Assistance.—

(1) In general.—If an individual described in paragraph (2) has an objection to the religious character of the organization or institution from which the individual receives, or would receive, assistance funded under any program described in subsection (a)(2), the State in which the individual resides shall provide such individual (if otherwise eligible for such assistance) with assistance from an alternative provider the value of which is not less than the value of the assistance which the individual would have received from such organization.

(2) Individual described.—An individual described in this paragraph is an individual who receives, applies for, or requests to apply for, assistance under a program described in subsection (a)(2).

(f) Nondiscrimination in Employment.—

(1) In general.—Except as provided in paragraph (2), nothing in this section shall be construed to modify or affect the provisions of any other Federal or State law or regulation that relates to discrimination in employment on the basis of religion.

(2) Exception.—A religious organization with a contract described in subsection (a)(1)(A), or which accepts certificates, vouchers, or other forms of disbursement under subsection (a)(1)(B), may require that an employee rendering service pursuant to such contract, or pursuant to the organization's acceptance of certificates, vouchers, or other forms of disbursement adhere to—

(A) the religious tenets and teachings of such organization; and

(B) any rules of the organization regarding the use of drugs or alcohol.

(g) Nondiscrimination Against Beneficiaries.—Except as otherwise provided in law, a religious organization shall not discriminate against an individual in regard to rendering assistance funded under any program described in subsection (a)(2) on the basis of religion, a religious belief, or refusal to actively participate in a religious practice.

(h) Fiscal Accountability.—

(1) In general.—Except as provided in paragraph (2), any religious organization contracting to provide assistance funded under any program described in subsection (a)(2) shall be subject to the same regulations as other contractors to account in accord with generally accepted auditing principles for the use of such funds provided under section programs.

(2) Limited audit.—If such organization segregates Federal funds provided under such programs into separate accounts, then only the financial assistance provided with such funds shall be subject to audit.

(i) Compliance.—A religious organization which has its rights under this section violated may enforce its claim exclusively by asserting a civil action for such relief as may be appropriate, including injunctive relief or damages, in an appropriate State court against the entity or agency that allegedly commits such violation.

SEC. 103. LIMITATIONS ON USE OF FUNDS FOR CERTAIN PURPOSES.

No funds provided directly to institutions or organizations to provide services and administer programs described in section 102(a)(2) and programs established or modified under this Act shall be expended for sectarian worship or instruction. This section shall not apply to financial assistance provided to or on behalf of beneficiaries of assistance in the form of certificates, vouchers, or other forms of disbursement, if such beneficiary may choose where such assistance shall be redeemed.

On page 20, beginning on line 8, strike all through line 17 and insert in lieu thereof the following:

"(ii) Certain States Deemed Qualifying States—For purposes of this paragraph, a State shall be deemed to be a qualifying State for fiscal years 1997, 1998, 1999, and 2000 if—

"(I) the level of State welfare spending per poor person in fiscal year 1996 was less than 35 percent of the national average level of State welfare spending per poor person in fiscal year 1996; or

"(II) a State has extremely high population growth (which for purposes of this clause shall be defined as a greater than ten percent increase in population from April 1, 1990 to July 1, 1994, as determined by the Bureau of the Census).".

On page 17, line 8, insert "and for fiscal year 2000, the amount of the State's share of the performance bonus and high performance bonus determined under section 418 for such fiscal year" after "year".

On page 17, line 22, insert "and for fiscal year 2000, reduced by the percent specified in section 418(a)(3)" after "(B)".

On page 59, between lines 22 and 23, insert the following:

"(14) Any other data necessary to measure the progress the State is making in achieving performance with respect to the measurement categories described in section 418(c)(1).".

On page 77, line 21, strike the end quotes and the end period.

On page 77, between lines 21 and 22, insert the following:

"SEC. 418. PERFORMANCE BONUS AND HIGH PERFORMANCE BONUS.

"(a) In General.—

"(1) Performance bonus.—In addition to the State family assistance grant, for fiscal year 2000, the Secretary shall pay to each qualified State an amount equal to the State's share of the performance bonus fund described in paragraph (3).

"(2) Qualified State.—For purposes of this subsection, the term 'qualified State' means a State that during the measurement period—

"(A) exceeds the overall average performance achieved by all States with respect to a measurement category, or

"(B) improves the State's performance in a measurement category by at least 15 percent over the State's baseline period.

"(3) Bonus fund.—The amount of the bonus fund for fiscal year 2000 shall be an amount equal to 5 percent of the amount appropriated under section 403(a)(2)(A) for such fiscal year.

"(b) High Performance Bonus.—

"(1) In general.—In addition to the amount provided under subsection (a), each of the 10 high performance States in each measurement category shall be entitled to receive a share of the high performance bonus fund described in paragraph (3).

"(2) High performance States.—For purposes of this subsection, the term 'high performance States' means with respect to each measurement category during the measurement period—

"(A) the 5 States that have the highest percentage of improvement with respect to the State's performance in the measurement category over the State's baseline period; and

"(B) the 5 States that have the highest overall average performance with respect to the measurement category.

"(3) HIGH PERFORMANCE BONUS FUND.—There are authorized to be appropriated and there are appropriated the amount of the high performance bonus fund for fiscal year 2000 equal to—

"(A) the amount of the reduction in State family assistance grants for all States for fiscal years 1996, 1997, 1998, and 1999 resulting from the application of section 407; plus

"(c) DEFINITIONS AND SPECIAL RULES.—For purposes of this section:

"(1) MEASUREMENT CATEGORY.—A measurement category means any of the following categories:

"(A) A reduction in the average length of time families in the State receive assistance during a fiscal year under the State program funded under this part.

"(B) An increase in the percentage of families receiving such assistance under this part that receive child support payments under part D.

"(C) An increase in the percentage of families receiving assistance under this part that earn an income.

"(D) An increase in the amount earned by families that receive assistance under this part.

"(E) A reduction in the percentage of families that become eligible for assistance under this part within 18 months after becoming ineligible for such assistance.

"(2) MEASUREMENT PERIOD; BASELINE PERIOD.—

"(A) MEASUREMENT PERIOD.—The term 'measurement period' means the period beginning not later than 6 months after the date of the enactment of the Work Opportunity Act of 1995 and ending on September 30, 1999.

"(B) BASELINE PERIOD.—The term 'base-line period' means fiscal year 1994.

"(3) ALLOCATION FORMULA.—For purposes of determining a State's share of the performance bonus fund under subsection (a)(1), and the State's share of the high performance bonus fund under subsection (b)(1), the Secretary shall, not later than June 30, 1999, develop and publish in the Federal Register a formula for allocating amounts in the performance bonus fund to qualified States and a formula for allocating amounts in the high performance bonus fund to high performance States. Such formulas shall be based on each State's proportional share of the total amount appropriated under section 403(a)(2)(A) for fiscal year 2000.".

Mr. DOLE. I will briefly explain the first modification which provides no additional cash assistance for children born of families receiving assistance. States may provide vouchers in lieu of cash assistance, and they may be used to pay for particular goods and services suitable for the care of the child involved.

The second one provides a bonus to States reducing out-of-wedlock births.

Third is a maintenance of effort. We are still trying to reconcile that with the distinguished Senator from Rhode Island. He just offered an amendment. We have a little different amendment. We are very close to an agreement. Maybe we can agree on something by Monday.

The fourth would be a work family provision relating to child care. States cannot sanction a single custodial parent for failure to work if the parent shows a demonstrated need for child care and the States define what constitutes demonstrated need.

No. 5, services provided by charitable, religious, or private organizations, limitation on the use of funds for certain purposes—just a modification of the current provision, and a modification of the supplemental growth fund.

And finally, a performance bonus fund that provides additional money for States that exceed performance goals.

These are modifications to the amendment. There will still be other amendments.

I ask unanimous consent to have this printed in the RECORD.

There being no objection, the modifications ordered to be printed in the RECORD, are as follows:

MODIFICATIONS TO LEADERSHIP WELFARE BILL

TITLE I—TEMPORARY ASSISTANCE TO NEEDY FAMILIES BLOCK GRANT

1. Provides No Additional Cash Assistance for Children Born to Families Receiving Assistance ("Family Cap"). States may not provide additional cash assistance for children born to families receiving assistance. States may provide vouchers in lieu of cash assistance. Vouchers may be used only to pay for particular goods and services that are suitable for the care of the child involved.

2. Out-of-Wedlock Birth Ratio. Provides a bonus to States that reduce out-of wedlock births.

3. Maintenance of Effort. For the first three years, States must spend 75 percent of what the State spent on AFDC benefits including JOBS and child care, for the preceding fiscal year. This is a modification to current provisions.

4. Work Penalty Provisions Relating to Child Care. States can not sanction a single custodial parent for failure to work if the parent shows a demonstrated need for child care. The States define what constitutes demonstrated need.

5. Services Provided by Charitable, Religious or Private Organizations and Limitations on Use of Funds for Certain Purposes. Modifications to current provisions.

6. Modification to Supplemental Growth Fund. Qualifies States with extraordinary population increases for the supplemental growth fund.

7. Performance Bonus Fund. Provides additional money for States that exceed performance goals.

Mr. DOLE. There may be other amendments. Senator HATCH is here, Senator CHAFEE is here, both members of the Finance Committee, the distinguished Senator from New York, ranking member on the committee is here. If there are some amendments that can be taken, I assume we would be open for business for a while. Otherwise, as I indicated, there are no further votes today. There may be additional debate, and Members are reminded of the 5 o'clock deadline.

In my view, I do not see why we cannot complete action on this bill by Wednesday or perhaps early Thursday because we would like to do the State, Justice Department appropriations bill on Thursday and Friday.

We have done seven appropriations bills. That gives us No. 8. That would leave five to do before the end of this month. The only one available to us next week will be State, Justice, Commerce appropriations bill. The others come out the following week.

I do not think it will be necessary because I think we have had good cooperation—we would rather not file cloture. We like to have a good debate and let everybody have a chance to debate their amendments up or down and then have a vote on final passage.

Of course, if there should be some effort to frustrate the process, then it would be my suggestion we wrap all this up and put it in reconciliation. Welfare reform is very important, and if we are frustrated here, we will try to do it in another way.

So far, we have had good cooperation on both sides. Members have been offering amendments. We have had good debates. I think we are making progress.

Mr. KENNEDY. Would the Senator yield for a brief question?

Mr. DOLE. I yield.

Mr. KENNEDY. The changes included in the amendment are those child care provisions which will give the State, even, an option, open to the States, that will exclude the parent from the sanctions if the child is less than 1 year old? As I understand it, that was going to be the intention of the Senator. I am just asking now whether that was—if the Senator will just be kind enough to repeat the provisions dealing with day care?

We had inquired of the majority leader a week or so ago, or just before the break, about the child care provisions and the Senator had indicated that there would be some modifications. I had understood, in the modification that was sent to the desk, it did provide for the State's flexibility to exclude from the punitive provisions of the legislation if the child was less than 1 year old.

But that was one provision. I am just inquiring of the leader if that is the only change that was made with regard to child care? I think later on in the afternoon, Senator DODD and myself, and I think others, are going to be introducing an amendment on the child care which the majority leader referenced, which we will dispose of early next week. I just want to try to understand exactly what modification has been included by the leader relating to the child care, which I consider to be, perhaps, the most important provisions, along with the work requirements, in the bill.

Mr. DOLE. I might say in response, this is an amendment suggested by the Senator from Maine, Senator SNOWE. The State would not sanction if they are of preschool age, which I think is a step in the direction the Senator would want us to go.

Mr. KENNEDY. I see. So, as I understand it, then——

Mr. DOLE. I will be happy to furnish the Senator with a copy of the legislative language, too.

Mr. KENNEDY. Fine. I will not, then, take up the time. As I understand the amendment of the Senator from Maine, it will, therefore, increase the age of the child? I think it is up to 5 years of age, which effectively will—5 years of age——

Mr. DOLE. Five?

Mr. KENNEDY. Exclude 60 percent of those who are currently on welfare today, since 60 percent of those who are on welfare have children under that age.

The purpose of the legislation, as I understood it, was to try to get people to work and also to provide for their children with day care. We will have a chance later to debate this, but as I understand the changes in the child care provision, they effectively will say those welfare mothers can stay home and continue to take care of the children. Then, after that child gets to 6, they will be subject to the other provisions of the legislation.

I hope we will have a chance to debate that because it seems to me to be both undermining the thrust of the legislation, in terms of moving people from welfare to work, because they will be excluded and we do not have additional kinds of child care provisions that will permit them to move to work, which I know is the objective of the majority leader.

So I thank the Senator for his explanation, but this is the kind of issue I hope we will have an opportunity to debate before we get to closure.

Mr. DOLE. I thank the Senator from Massachusetts for his statement, as I understood his statement on the participation rates. But we do not sanction a single custodial parent for failure to work if the parent shows a demonstrated need for child care. And that would be determined by the States, what constitutes a demonstrated need.

We will have that debate on Monday. Senator SNOWE will be here, and I am certain she will be happy to go into it in more detail.

Mr. CHAFEE. Mr. President, I have just a procedural question. We are open for business for filing the amendments until 5, and to have an amendment count you have to send it to the desk. That is what offering an amendment is.

So, as I understand it—so, therefore, presumably, the establishment has to stay in business until 5?

Mr. DOLE. Oh, yes. We will be around until 5. The Senator from Utah suggests maybe we can go into recess until a quarter of 5. But we are not going to try to shut off anybody because there may be Members now in the process of drafting amendments. So I hope we could continue to maybe accept amendments, maybe have some debate. There may be other amendments to be offered.

In fact, if some have been offered where we could do the debate this afternoon and take up the votes on Monday, we will be happy to do that, too.

Mr. CHAFEE. Mr. President, if this is complete, I have an amendment on behalf of Mr. COHEN. I will send it to the desk.

Mr. MOYNIHAN. There is a Moynihan-Dole amendment we can accept right now.

The PRESIDING OFFICER. The Senator from Rhode Island.

AMENDMENT NO. 2502, AS MODIFIED

Mr. CHAFEE. Mr. President, on behalf of Senator COHEN, I send to the desk a modification to a prior amendment.

The PRESIDING OFFICER. The amendment will be modified.

The amendment (No. 2502), as modified, is as follows:

On page 79, line 18, insert after "subsection (a)(2)" the following: "so long as the programs are implemented consistent with the Establishment Clause of the United States Constitution".

On page 80, line 13, after "governance" replace "," with ";" and delete lines 14–16.

AMENDMENT NO. 2547 TO AMENDMENT NO. 2280

(Purpose: To deny supplemental security income cash benefits by reason of disability to drug addicts and alcoholics, to require beneficiaries with accompanying addiction to comply with appropriate treatment requirements as determined by the Commissioner, and for other purposes)

Mr. CHAFEE. Now, Mr. President, on behalf of Senator COHEN I send an amendment to the desk dealing with supplemental security income benefits, so-called SSI, and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Rhode Island [Mr. CHAFEE], for Mr. COHEN, proposes an amendment numbered 2547 to amendment No. 2280.

The PRESIDING OFFICER. Without objection, further reading will be dispensed with.

The amendment is as follows:

Beginning on page 112, line 13, strike all through page 114, line 23, and insert the following:

SEC. 201. DRUG ADDICTS AND ALCOHOLICS UNDER THE SUPPLEMENTAL SECURITY INCOME PROGRAM.

(a) TERMINATION OF SSI CASH BENEFITS FOR DRUG ADDICTS AND ALCOHOLICS.—Section 1611(e)(3) (42 U.S.C. 1382(e)(3)) is amended—

(1) by striking "(B)" and inserting "(C)";

(2) by striking "(3)(A) and inserting "(B)"; and

(3) by inserting before subparagraph (B) as redesignated by paragraph (2) the following new subparagraph:

"(3)(A) No cash benefits shall be payable under this title to any individual who is otherwise eligible for benefits under this title by reason of disability, if such individual's alcoholism or drug addiction is a contributing factor material to the Commissioner's determination that such individual is disabled.".

(b) TREATMENT REQUIREMENTS.—

(1) Section 1611(e)(3)(B)(i)(I) (42 U.S.C. 1382(e)(3)(B)(i)(I)), as redesignated by subsection (a), is amended to read as follows:

"(B)(i)(I)(aa) Any individual who would be eligible for cash benefits under this title but for the application of subparagraph (A) may elect to comply with the provisions of this subparagraph."

"(bb) Any individual who is eligible for cash benefits under this title by reason of disability (or whose eligibility for such benefits is suspended) or is eligible for benefits pursuant to section 1619(b), and who was eligible for such benefits by reason of disability, for which such individual's alcoholism or drug addiction was a contributing factor material to the Commissioner's determination that such individual was disabled, for the month preceding the month in which section 201 of the Work Opportunity Act of 1995 takes effect, shall be required to comply with the provisions of this subparagraph."

(2) Section 1611(e)(3)(B)(i)(II) (42 U.S.C. 1382(e)(3)(B)(i)(II)), as so redesignated, is amended by striking "who is required under subclause (I)" and inserting "described in division (bb) of subclause (I) who is required".

(3) Subclauses (I) and (II) of section 1611(e)(3)(B)(ii) (42 U.S.C. 1382(e)(3)(B)(ii)), as so redesignated, are each amended by striking "clause (i)" and inserting "clause (i)(I)".

(4) Section 1611(e)(3)(B) (42 U.S.C. 1382(e)(3)(B)), as so redesignated, is amended by striking clause (v) and by redesignating clause (vi) as clause (v).

(5) Section 1611(e)(3)(B)(v) (42 U.S.C. 1382(e)(3)(B)(v)), as redesignated by paragraph (4), is amended—

(A) in subclause (I), by striking "who is eligible" and all that follows through "is disabled" and inserting "described in clause (i)(I)"; and

(B) in subclause (V), by striking "or v".

(6) Section 1611(e)(3)(C)(i) (42 U.S.C. 1382(e)(3)(C)(i)), as redesignated by subsection (a), is amended by striking "who are receiving benefits under this title and who as a condition of such benefits" and inserting "described in subparagraph (B)(i)(I)(aa) who elect to undergo treatment; and the monitoring and testing of all individuals described in subparagraph (B)(i)(I)(bb) who".

(7) Section 1611(e)(3)(C)(iii)(II)(aa) (42 U.S.C. 1382(e)(3)(C)(iii)(II)(aa)), as so redesignated, is amended by striking "residing in the State" and all that follows through "they are disabled" and inserting "described in subparagraph (B)(i)(I) residing in the State".

(8) Section 1611(e)(3)(C)(iii) (42 U.S.C. 1382(e)(3)(C)(iii)), as so redesignated, is amended by adding at the end the following:

"(III) The monitoring requirements of subclause (II) shall not apply in the case of any individual described in subparagraph (B)(i)(I)(aa) who fails to comply with the requirements of subparagraph (B).".

(9) Section 1611(e)(3) (42 U.S.C. 1382(e)(3)), as amended by subsection (a), is amended by adding at the end the following new subparagraphs:

"(D) The Commissioner shall provide appropriate notification to each individual subject to the limitation on cash benefits contained in subparagraph (A) and the treatment provisions contained in subparagraph (B).

"(E) The requirements of subparagraph (B) shall cease to apply to any individual—

"(i) after three years of treatment, or

"(ii) if the Commissioner determines that such individual no longer needs treatment.".

(c) REPRESENTATIVE PAYEE REQUIREMENTS.—

(1) Section 1631(a)(2)(A)(ii)(II) (42 U.S.C. 1383(a)(2)(A)(ii)(II)) is amended to read as follows:

"(II) In the case of an individual eligible for benefits under this title by reason of disability, if such individual also has an alcoholism or drug addiction condition (as determined by the Commissioner of Social Security), the payment of such benefits to a representative payee shall be deemed to serve the interest of the individual. In any case in which such payment is so deemed under this subclause to serve the interest of an individual, the Commissioner shall include, in the individual's notification of such eligibility, a notice that such alcoholism or drug addiction condition accompanies the disability upon which such eligibility is based and that the Commissioner is therefore required to pay the individual's benefits to a representative payee.".

(2) Section 1631(a)(2)(B)(vii) (42 U.S.C. 1383(a)(2)(B)(vii)) is amended by striking "eligible for benefits" and all that follows through "is disabled" and inserting "described in subparagraph (A)(ii)(II)".

(3) Section 1631(a)(2)(B)(ix)(II) (42 U.S.C. 1383(a)(2)(B)(ix)(II)) is amended by striking all that follows "15 years, or" and inserting "described in subparagraph (A)(ii)(II)".

(4) Section 1631(a)(2)(D)(i)(II) (42 U.S.C. 1383(a)(2)(D)(i)(II)) is amended by striking "eligible for benefits" and all that follows through "is disabled" and inserting "described in subparagraph (A)(ii)(II)".

(d) PRESERVATION OF MEDICAID ELIGIBILITY.—Section 1634(e) (42 U.S.C. 1382(e)) is amended—

(1) by striking "clause (i) or (v) of section 1611(e)(3)(A)" and inserting "subparagraph (A) or subparagraph (B)(i)(II) of section 1611(e)(3)"; and

(2) by adding at the end the following: "This subsection shall not apply to any such person—

"(i) after three years of treatment, or

"(ii) if earlier, if the Commissioner determines that such individual no longer needs treatment, or

"(iii) if such person has previously received such treatment.".

(e) EFFECTIVE DATE.—

(1) IN GENERAL.—Except as provided in paragraph (2), the amendments made by this section shall apply to applicants for benefits for months beginning on or after the date of the enactment of this Act, without regard to whether regulations have been issued to implement such amendments.

(2) APPLICATION TO CURRENT RECIPIENTS.—Notwithstanding any other provision of law, in the case of an individual who is receiving supplemental security income benefits under title XVI of the Social Security Act as of the date of the enactment of this Act and whose eligibility for such benefits would terminate by reason of the amendments made by this section, such amendments shall apply with respect to the benefits of such individual for months beginning after the cessation of the individual's treatment provided pursuant to such title as in effect on the day before the date of such enactment, and the Commissioner of Social Security shall so notify the individual not later than 90 days after the date of the enactment of this Act.

The PRESIDING OFFICER. The Senator from New York.

AMENDMENT NO. 2548 TO AMENDMENT NO. 2280

(Purpose: To direct the Commissioner of Social Security to develop a prototype of a counterfeit-resistant social security card, and to provide for a study and report on the development of such card)

Mr. MOYNIHAN. Mr. President, I send an amendment to the desk for myself and Senator DOLE. It is an amendment for the development of a prototype counterfeit resistant Social Security card. I ask for its immediate consideration.

The PRESIDING OFFICER. Without objection, we will set aside the pending amendment.

The clerk will report the amendment.

The assistant legislative clerk read as follows:

The Senator from New York [Mr. MOYNIHAN], for himself and Mr. DOLE, proposes an amendment numbered 2548 to Amendment No. 2280.

Mr. MOYNIHAN. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 87, between lines 5 and 6, insert the following:

SEC. 105A. DEVELOPING OF PROTOTYPE OF COUNTERFEIT-RESISTANT SOCIAL SECURITY CARD REQUIRED.

(a) DEVELOPMENT.—

(1) IN GENERAL.—The Commissioner of Social Security (hereafter in this section referred to as the "Commissioner") shall in accordance with the provisions of this section develop a prototype of a counterfeit-resistant social security card. Such prototype card shall—

(A) be made of a durable, tamper-resistant material such as plastic or polyester,

(B) employ technologies that provide security features, such as magnetic stripes, holograms, and integrated circuits, and

(C) be developed so as to provide individuals with reliable proof of citizenship or legal resident alien status.

(2) ASSISTANCE BY ATTORNEY GENERAL.—The Attorney General of the United States shall provide such information and assistance as the Commissioner deems necessary to achieve the purposes of this section.

(b) STUDY AND REPORT.—

(1) IN GENERAL.—The Commissioner shall conduct a study and issue a report to Congress which examines different methods of improving the social security card application process.

(2) ELEMENTS OF STUDY.—The study shall include an evaluation of the cost and work load implications of issuing a counterfeit-resistant social security card for all individuals over a 3, 5, and 10 year period. The study shall also evaluate the feasibility and cost implications of imposing a user fee for replacement cards and cards issued to individuals who apply for such a card prior to the scheduled 3, 5, and 10 year phase-in options.

(3) DISTRIBUTION OF REPORT.—Copies of the report described in this subsection along with a facsimile of the prototype card as described in subsection (a) shall be submitted to the Committees on Ways and Means and Judiciary of the House of Representatives and the Committees on Finance and Judiciary of the Senate within 1 year of the date of the enactment of this Act.

(c) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated and are appropriated from the Federal Old-Age and Survivors Insurance Trust Fund such sums as may be necessary to carry out the purposes of this section.

Mr. MOYNIHAN. Mr. President, it was 18 years ago that I first proposed we produce a new tamper-resistant Social Security card to reduce fraud and enhance public confidence in our Social Security system. This has been an ongoing battle, and I think there should be a new sense of urgency about this issue in light of the current welfare debate.

The amendment I offer today is very simple. It would require two things. First, it would require the Commissioner of the Social Security Administration to develop a prototype of a counter-proof Social Security card. The prototype card would be designed with the security features necessary so that it could be used reliably to confirm U.S. citizenship or legal resident alien status.

Second, it would require the Commissioner to study and report to Congress on ways to improve the Social Security card application process so as to reduce the process' vulnerability to fraud. An evaluation of cost and workload implications of issuing a counterfeit-resistant Social Security card is also required.

The Congressional Budget Office has informed me that this amendment would result in an insignificant increase—less than $500,000—in administrative expenses for the Social Security Administration.

When the Social Security amendments were before us in 1983, we approved a provision to require the production of a new tamper-resistant Social Security card. The law, section 345 of Public Law 98-21, stated:

> The social security card shall be made of banknote paper, and (to the maximum extent practicable) shall be a card which cannot be counterfeited.

What a disappointment when late in 1983, the Social Security Administration began to issue the new card, and it became clear that the agency simply had not understood what Congress intended. The new card looks much like the old, a pasteboard card really much like the first ones produced by Social Security in 1936. It has the same design framing the name and nearly the same colors. It feels the same. An expert examining a card with a magnifying glass can certainly detect whether or not one of the new ones is genuine, but therein lies the problem. We should have a distinguished, durable card that can hold vital information and can be authenticated easily.

There is a history here. The Social Security Administration, from its earlier years, has resisted any use of the Social Security card for identification purposes. In fact, the card actually said it could not be so used.

In 1977, when I first proposed that we produce a new card, the Social Security Administration objected and the proposal was not adopted. I tried again and again, and succeeded only on the fifth try.

Or so I thought. Until the card was introduced.

A new Social Security card—one very difficult to counterfeit and easily verified as genuine—could be manufactured at a low cost. The major expense, if we were to approve new cards, would be the cost of the interview process and that is why the amendment requires a study to include the cost and workload implications of a new card. Let us explore our options—we must try to improve the system.

A Social Security card could be designed along the lines of today's high technology credit cards. The card could be highly tamper-resistant, and its authenticity could be readily discerned by the untrained eye. It must be seen as a special document; one which would be visually and tactilely more difficult to counterfeit than the current paper card.

The magnetic stripe would contain the Social Security number, encoded with an algorithm known only to the Social Security Administration. A so-called watermark stripe could be placed over it, making it nearly impossible to counterfeit without technology that currently costs $10 million. The decoding algorithm could be integrated with the Social Security Administration computers.

The new cards will not eliminate all fraudulent use of Social Security cards. But it will close down the shopfront operations that flood America with false Social Security cards.

That is what the Congress intended in the 1983 legislation.

Let us try again. We have seen that it can be done. It is what the Clinton administration intended last year when they introduced the health security card. As many of you remember, it has a magnetic stripe to hold whatever information may be necessary.

A key reform in our ongoing welfare debate is the restriction of benefits to U.S. citizens. I think it is safe to say that when this restriction is enforced there will be a revitalized black market for documentation of U.S. citizenship. It would be wise to head off this foreseeable problem. A high technology Social Security card would also facilitate the disbursement of benefits to our citizens. A simpler, more effective way of providing citizenship would strengthen public confidence in our immigration system and improve the efficiency of our welfare system.

I offer the present amendment, which as I said earlier, would require only the development of a prototype counterfeit-resistant card and a study on ways to reduce the vulnerability of the card application process to fraud. The Attorney General would assist the Commissioner of Social Security with determining what is needed here.

I ask for the support of my colleagues on this important matter once again—this time for a simple prototype card and a study.

The PRESIDING OFFICER. If there be no further debate, the question is on agreeing to the amendment.

The amendment (No. 2548) was agreed to.

Mr. DOLE. Mr. President, I move to reconsider the vote.

Mr. MOYNIHAN. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. The Senator from New York.

Mr. MOYNIHAN. Mr. President, I have just a short list of amendments to be called up and set aside, on behalf of other Senators.

AMENDMENT NO. 2549 TO AMENDMENT NO. 2280

(Purpose: To allow a State to revoke an election to participate in the optional State food assistance block grant)

Mr. MOYNIHAN. Mr. President, Senator KERREY has an amendment on the Food Stamp Program which I send to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from New York [Mr. MOYNIHAN] for Mr. KERREY, proposes an amendment numbered 2549 to amendment No. 2280.

Mr. MOYNIHAN. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 229, strike lines 4 through 8 and insert the following:

"(2) ELECTION REVOCABLE.—A State that elects to participate in the program established under subsection (a) may subsequently elect to participate in the food stamp program in accordance with the other sections of this Act.

Mr. MOYNIHAN. Mr. President, I ask that amendment be laid aside.

The PRESIDING OFFICER. Without objection, it is so ordered.

AMENDMENTS NOS. 2550 AND 2551 TO AMENDMENT NO. 2280

Mr. MOYNIHAN. Mr. President, I have two amendments I send forward on behalf of Senator KOHL. Each concerns the Food Stamp Program.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from New York [Mr. MOYNIHAN], for Mr. KOHL, proposes amendments numbered 2550 and 2551 to amendment No. 2280.

Mr. MOYNIHAN. Mr. President, I ask unanimous consent that reading of the amendments be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendments are as follows:

AMENDMENT NO. 2550

(Purpose: To exempt the elderly, disabled, and children from an optional State food assistance block grant)

On page 244, strike lines 3 through 13 and insert the following:

"(B) REDUCTIONS IN ALLOTMENTS.—

"(i) REDUCTION FOR EXEMPTED INDIVIDUALS.—

"(I) DETERMINATION.—The Secretary shall determine the Federal costs of providing benefits to and administering the food stamp program for exempted individuals in each State participating in the program established under this section.

"(II) REDUCTION.—The Secretary shall reduce the allotment to each State participating in the program established under this section by the amount determined under subclause (I).

"(ii) INSUFFICIENT FUNDS.—If the Secretary finds that the total amount of allotments to which States would otherwise be entitled for a fiscal year under subparagraph (A) will exceed the amount of funds that will be made available to provide the allotments for the fiscal year, the Secretary shall reduce the allotments made to States under this subsection, on a pro rata basis, to the extent necessary to allot under this subsection a total amount that is equal to the funds that will be made available.

"(m) EXEMPTED INDIVIDUALS.—

"(1) DEFINITION.—Subject to paragraph (2), in this subsection, the term 'exempted individual' means an individual who is—

"(A) elderly;

"(B) a child; or

"(C) disabled.

"(2) EXEMPTION.—Notwithstanding any other provision of this section, an exempted individual shall not be subject to this section and shall be subject to the other sections of this Act.".

AMENDMENT NO. 2551

(Purpose: To expand the food stamp employment and training program)

On page 158, between lines 14 and 15, insert the following:

SEC. 301. DECLARATION OF POLICY.

Section 2 of the Food Stamp Act of 1977 (7 U.S.C. 2011) is amended by adding at the end the following: "Congress intends that the food stamp program support the employment focus and family strengthening mission of public welfare and welfare replacement programs by—

"(1) facilitating the transition of low-income families and households from economic dependency to economic self-sufficiency through work;

"(2) promoting employment as the primary means of income support for economically dependent families and households and reducing the barriers to employment of economically dependent families and households; and

"(3) maintaining and strengthening healthy family functioning and family life.".

On page 185, line 7, strike "and".

On page 185, between lines 13 and 14, insert the following:

(D) by redesignating clauses (vi) and (vii) as clauses (vii) and (viii), respectively; and

(E) by inserting after clause (v) the following:

"(vi) Case management, casework, and other services necessary to support healthy family functioning, enable participation in an employment and training program, or otherwise facilitate the transition from economic dependency to self-sufficiency through work.";

Mr. MOYNIHAN. Mr. President, I ask unanimous consent the amendments be laid aside.

The PRESIDING OFFICER. Without objection, it is so ordered.

AMENDMENTS NOS. 2552 THROUGH 2555 TO AMENDMENT NO. 2280

Mr. MOYNIHAN. Finally, Mr. President, I have four amendments concerning the legislation before us on the American family, restoring the American family, which I send to the desk on behalf of Mr. BRYAN. I ask for their immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from New York [Mr. MOYNIHAN], for Mr. BRYAN, proposes amendments numbered 2552 through 2555 to amendment No. 2280.

Mr. MOYNIHAN. Mr. President, I ask unanimous consent that reading of the amendments be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendments are as follows:

AMENDMENT NO. 2552

(Purpose: To provide that a recipient of welfare benefits under a means-tested program for which Federal funds are appropriated is not unjustly enriched as a result of defrauding another means-tested welfare or public assistance program)

At the appropriate place in the title X, insert the following new section:

SEC. . FRAUD UNDER MEANS-TESTED WELFARE AND PUBLIC ASSISTANCE PROGRAMS.

(a) IN GENERAL.—If an individual's benefits under a Federal, State, or local law relating to a means-tested welfare or a public assistance program are reduced because of an act of fraud by the individual under the law or program, the individual may not, for the duration of the reduction, receive an increased benefit under any other means-tested welfare or public assistance program for which Federal funds are appropriated as a result of a decrease in the income of the individual (determined under the applicable program) attributable to such reduction.

(b) WELFARE OR PUBLIC ASSISTANCE PROGRAMS FOR WHICH FEDERAL FUNDS ARE APPROPRIATED.—For purposes of subsection (a), the term "means-tested welfare or public assistance program for which Federal funds are appropriated" shall include the food stamp program under the Food Stamp Act of 1977 (7 U.S.C. 2011 et seq.), any program of public or assisted housing under title I of the United States Housing Act of 1937 (42 U.S.C. 1437 et seq.), and State programs funded under part A of title IV of the Social Security Act (42 U.S.C. 601 et seq.).

AMENDMENT NO. 2553

(Purpose: To require a recipient of assistance based on need, funded in whole or in part by Federal funds, and the noncustodial parent to cooperate with paternity establishment and child support enforcement in order to maintain eligibility for such assistance)

On page 87, between lines 5 and 6, insert the following:

SEC. . COOPERATION REQUIRED WITH RESPECT TO PATERNITY ESTABLISHMENT AND CHILD SUPPORT ENFORCEMENT FOR ELIGIBILITY FOR ASSISTANCE.

Subject to the provisions of titles IV and XIX of the Social Security Act and the Food Stamp Act of 1977, and notwithstanding any other provision of law, no Federal funds may be used to provide assistance based on need to, or on behalf of, a child in a family that includes an individual (including the noncustodial parent, if any) whom the agency responsible for administering such assistance determines is not cooperating in establishing the paternity of such child, or in establishing, modifying, or enforcing a support order with respect to such child, without good cause as determined by such agency in accordance with standards prescribed by such agency which shall take into consideration the best interests of the child.

AMENDMENT NO. 2554

(Purpose: To provide that State welfare and public assistance agencies can notify the Internal Revenue Service to intercept Federal income tax refunds to recapture overpayments of welfare or public assistance benefits)

At the appropriate place in the amendment, insert the following new section:

SEC. . COLLECTION OF WELFARE OR PUBLIC ASSISTANCE BENEFIT OVERPAYMENTS FROM FEDERAL TAX REFUNDS.

(a) IN GENERAL.—Paragraph (1) of section 6402(d) of the Internal Revenue Code of 1986 (relating to collection of debts owed to Federal agencies) is amended by inserting "or upon receiving notice from any State agency that a named person owes a past-due legally enforceable debt arising out of an overpayment under an applicable welfare program," before "the Secretary shall".

(b) APPLICABLE WELFARE PROGRAMS.—Section 6402(d) of such Code is amended by adding at the end the following new paragraph:

"(4) APPLICABLE WELFARE PROGRAM.—For purposes of this subsection, the term 'applicable welfare program' means any program established or significantly modified by the Work Opportunity Act of 1995."

(c) CONFORMING AMENDMENTS.—

(1) Section 6402(d)(2) of such Code is amended by inserting "or State" after "Federal".

(2) The heading for section 6402(d) of such Code is amended by inserting "or certain State" after "Federal".

(d) EFFECTIVE DATE.—The amendments made by this section shall apply to refunds payable after December 31, 1995.

AMENDMENT NO. 2555

(Purpose: To provide state welfare or public assistance agencies an option to determine eligibility of a household containing an ineligible individual under the Food Stamp program)

At the appropriate place in the amendment, insert the following new section:

SEC. . Section 6(f) of the Food Stamp Act of 1977 (7 U.S.C. 2015(f)) is amended by striking the third sentence and inserting the following:

The state agency shall, at its option, consider either all income and financial resources of the individual rendered ineligible to participate in the food stamp program under this subsection, or such income, less a pro rata share, and the financial resources of the ineligible individual, to determine the eligibility and the value of the allotment of the household of which such individual is a member.

The PRESIDING OFFICER. The Senator from Utah.

Mr. HATCH. Mr. President, I ask unanimous consent the pending amendment be set aside.

The PRESIDING OFFICER. Without objection, it is so ordered.

AMENDMENT NO. 2467 TO AMENDMENT NO. 2280

(Purpose: To increase the participation of teachers, parents, and students in developing and improving workforce education activities)

Mr. HATCH. Mr. President, I ask unanimous consent amendment No. 2467 be called up and sent to the desk for immediate consideration.

The PRESIDING OFFICER. The clerk will report the amendment.

The legislative clerk read as follows:

The Senator from Utah [Mr. HATCH], for Mr. HATFIELD, for himself, Mr. DODD and Mr. GLENN, proposes an amendment numbered 2467 to amendment No. 2280.

Mr. HATCH. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

In section 714(d)(1)(K), strike "and".

In section 714(d)(1)(L), strike the semicolon and insert "; and".

In section 714(d)(1), insert after subparagraph (L) the following:

"(M) representatives of secondary school students involved in workforce education activities carried out under this title and parents of such students;".

In section 716(b)(6) strike "and".

In section 716(b)(7) strike the period and insert "; and".

In section 716(b), add at the end the following:

(8) with respect to secondary education activities—

(A) establishing effective procedures, including an expedited appeals procedure, by which secondary school teachers, secondary school students involved in workforce education activities carried out under this title, parents of such students, and residents of substate areas will be able to directly participate in State and local decisions that influence the character of secondary education activities carried out under this title that affect their interests;

(B) providing technical assistance, and designing the procedures described in subparagraph (A), to ensure that the individuals described in subparagraph (A) obtain access to the information needed to use such procedures; and

(C) subject to subsection (h), carrying out the secondary education activities, and implementing the procedures described in subparagraph (A), so as to implement the programs, activities, and procedures for the involvement of parents described in section 1118 of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 6319) in accordance with the requirements of such section.

In section 716, add at the end the following:

(h) PARENTAL INVOLVEMENT.—

(1) COMPARABLE REQUIREMENTS.—For purposes of implementing the requirements of section 1118 of the Elementary and Secondary Education Act (20 U.S.C. 6319) with respect to secondary education activities as required in subsection (b)(8)(C), a reference in such section 1118—

(A) to a local educational agency shall refer to an eligible entity, as defined in subsection (a)(2) of section 727;

(B) to part A of title I of such Act (20 U.S.C. 6311 et seq.) shall refer to this subtitle;

(C) to a plan developed under section 1112 of such Act (20 U.S.C. 6312) shall refer to a local application developed under such section 727;

(D) to the process of school review and improvement under section 1116 of such Act (20 U.S.C. 6317) shall refer to the performance improvement process described in subsection (b)(4) of such section 727;

(E) to an allocation under part A of title I of such Act shall refer to the funds received by an eligible entity under this subtitle;

(F) to the profiles, results, and interpretation described in section 118(c)(4)(B) of such Act (20 U.S.C. 6319(c)(4)(B)) shall refer to information on the progress of secondary school students participating in workforce education activities carried out under this subtitle, and interpretation of the information; and

(G) to State content or student performance standards shall refer to the State benchmarks of the State.

(2) NONCOMPARABLE REQUIREMENTS.—For purposes of carrying out the requirements of such section 1118 as described in paragraph (1), the requirements of such section relating to a schoolwide program plan developed under section 1114(b) of such Act (20 U.S.C. 6314(b)) or to section 1111(b)(8) of such Act (20 U.S.C. 6311(b)(8)), and the provisions of section 1118(e)(4) of such Act (20 U.S.C. 6319(e)(4)), shall not apply.

In section 728(a)(2)(A), strike "and veterans" and insert "veterans, secondary school students (including such students who are at-risk youth) involved in workforce education activities carried out under this title, and parents of such students".

In section 728(b)(2)(B)(iv), strike "and".

In section 728(b)(2)(B)(v), strike the period and insert "; and".

In section 728(b)(2)(B), add at the end the following:

"(vi) representatives of secondary school students involved in workforce education activities carried out under this title and parents of such students.".

In section 728(b)(4)(A)(iii), strike "participation" and all that follows and insert "participation, in the development and continuous improvement of the workforce development activities carried out in the substate area—

"(I) of business, industry, and labor; and

"(II) with regard to workforce education activities, of secondary school teachers, secondary school students involved in workforce education activities carried out under this title, and parents of such students;".

Mr. HATCH. Mr. President, I ask unanimous consent the amendment be laid aside.

The PRESIDING OFFICER. Without objection, it is so ordered.

AMENDMENT NO. 2556 TO AMENDMENT NO. 2280

(Purpose: Transmission of quarterly wage reports in order to relay information to the State Directory of New Hires to assist in locating absent parents)

Mr. HATCH. Mr. President, I send an amendment to the desk and in behalf of Senator NICKLES of Oklahoma and I ask for its consideration.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Utah [Mr. HATCH], for Mr. NICKLES, proposes an amendment numbered 2556.

Mr. HATCH. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

Sec. 913 page 601 of the amendment, strike line 8 thru line 21 and insert in lieu thereof the following:

"(2) TIMING OF REPORT.—Each report required by paragraph (1) shall be made in accordance with the requirements of Section 1320b-7 (3), Title 42 of U.S.C."

"(c) REPORTING FORMAT.—Each report required under Section 1320b-7(3), Title 42 of U.S.C. shall include an indication of those employees newly hired during such quarter."

Mr. HATCH. Mr. President, I see the distinguished Senator from Alabama.

Mr. HEFLIN addressed the Chair.

The PRESIDING OFFICER. The Senator from Alabama is recognized.

Mr. HEFLIN. I thank the Chair.

(The remarks of Mr. HEFLIN pertaining to the introduction of S. 1227 are located in today's RECORD under "Statements on Introduced Bills and Joint Resolutions.")

Mr. HATCH. Mr. President, I ask unanimous consent that the pending amendment be set aside.

The PRESIDING OFFICER. Without objection, it is so ordered.

AMENDMENTS NOS. 2557 AND 2558, EN BLOC, TO AMENDMENT NO. 2280.

Mr. HATCH. I send two amendments to the desk and ask for their immediate consideration.

The PRESIDING OFFICER. The clerk will report the amendments.

The assistant legislative clerk read as follows:

The Senator from Utah [Mr. HATCH], for Mr. JEFFORDS, proposes amendments, en bloc, numbered 2557 and 2558 to amendment No. 2280.

Mr. HATCH. Mr. President, I ask unanimous consent that reading of the amendments be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendments are as follows:

AMENDMENT NO. 2557

(Purpose: To amend the definition of work activities to include vocational education training that does not exceed 24 months)

On page 36, line 12, strike "12" and insert "24".

AMENDMENT NO. 2558

(Purpose: To provide for the State distribution of funds for secondary school vocational education, postsecondary and adult vocational education, and adult education)

On page 381, strike lines 18 through 21, and insert the following:

(3) STATE DETERMINATIONS.—From the amount available to a State educational agency under paragraph (2)(B) for a fiscal year, such agency shall distribute such funds for workforce education activities in such State as follows:

(A) 75 percent of such amount shall be distributed for secondary school vocational education in accordance with section 722, or for postsecondary and adult vocational education in accordance with section 723, or for both; and

(B) 25 percent of such amount shall be distributed for adult education in accordance with section 724.

Mr. HATCH. I also ask unanimous consent that those amendments be set aside for later consideration.

The PRESIDING OFFICER. Without objection, it is so ordered.

AMENDMENT NO. 2559 TO AMENDMENT NO. 2280

(Purpose: To require the establishment of local work force development boards)

Mr. HATCH. Mr. President, I send another amendment to the desk for and on behalf of Senator KYL and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report the amendment.

The assistant legislative clerk read as follows.

The Senator from Utah [Mr. HATCH], for Mr. KYL, proposes an amendment numbered 2559.

Mr. HATCH. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

In section 728, strike subsections (a) and (b) and insert the following:

(a) LOCAL AGREEMENTS.—

(1) IN GENERAL.—After a Governor submits the State plan described in section 714 to the Federal Partnership, the Governor shall negotiate and enter into a local agreement regarding the workforce employment activities, school-to-work activities, and economic development activities (within a State that is eligible to carry out such activities, as described in subsection (c)) to be carried out in each substate area in the State with local workforce development boards described in subsection (b).

(2) CONTENTS.—

(A) STATE GOALS AND STATE BENCHMARKS.—Such an agreement shall include a description of the manner in which funds allocated to a substate area under this subtitle will be spent to meet the State goals and reach the State benchmarks in a manner that reflects local labor market conditions.

(B) COLLABORATION.—The agreement shall also include information that demonstrates the manner in which—

(i) the Governor; and

(ii) the local workforce development board;

collaborated in reaching the agreement.

(3) FAILURE TO REACH AGREEMENT.—If, after a reasonable effort, the Governor is unable to enter into an agreement with the local workforce development board, the Governor shall notify the board, and provide the board with the opportunity to comment, not later than 30 days after the date of the notification, on the manner in which funds allocated to such substate area will be spent to meet the State goals and reach the State benchmarks.

(4) EXCEPTION.—A State that indicates in the State plan described in section 714 that the State will be treated as a substate area for purposes of the application of this subtitle shall not be subject to this subsection.

(b) LOCAL WORKFORCE DEVELOPMENT BOARDS.—

(1) IN GENERAL.—There shall be a local workforce development board for every substate area in a State that receives assistance under this title.

(2) DUTIES.—Such a local workforce development board shall—

(A) have principal responsibility for implementing local workforce development activities (other than economic development activities), including one-stop centers or systems, school-to-work activities, and workfare activities; and

(B) shall have authority over economic development activities if no comparable oversight or policy group exists within the substate area.

(3) APPOINTMENT.—

(A) IN GENERAL.—A local workforce development board shall be appointed by the chief elected official of a unit of general purpose local government within the substate area involved, based on guidelines established by the Governor, in consultation with local elected officials in the substate area.

(B) CHIEF ELECTED OFFICIAL.—Such chief elected official shall be selected by the elected officials of 1 or more units of general purpose local government within the substate area.

(C) MEMBERSHIP.—A majority of the members of the board shall be representatives of business. The remainder of the board shall consist of such other members as the Governor may determine to be appropriate.

(4) REFERENCES.—Notwithstanding any other provision of this title, any reference in this title to a local partnership shall be deemed to be a reference to a local workforce development board established under this subsection.

Mr. HATCH. I ask unanimous consent that the amendment be set aside.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. KENNEDY. Mr. President, at long last, the Senate turns its attention to an issue at the heart of the availability of any real welfare proposal and close to the heart of all working families, and that is access to safe, affordable child care in the next period of time. I see in the Chamber my friend and colleague, the Senator from Connecticut, who will offer the amendment for himself and for myself.

Mr. President, somehow amidst all the tough talk and political posturing about welfare reform, talk of block grants and State flexibility, funding formulas and family caps, this debate seems to have lost sight of the clear and simple fact that a single parent with a preschool-aged child cannot hold down a job if there is no one to care for that child.

I think over the long course of the hearings that have been held on the question of welfare reform in the time that I have been in the Senate, it is very clear what the elements of a successful welfare reform bill must be. There has to be, obviously, a job at the end of the line for an individual, hopefully in the private sector, public sector if necessary. There has to be some training for that individual. There also has to be some care for the child of that parent. And when we realize that two-thirds of those recipients today on welfare have small children, we understand the importance of providing the child care. And there also has to be an element of health care for that child and for that family.

Those are essentially the elements. And what is an intolerable situation is to present welfare reform legislation and pretend that it is really, truly a reform program without addressing the enormously important issue of who is going to care for the children that will be affected by this debate.

Of those that are on welfare, about 10 million of them are children, 4 to 5 million are adults. So when we talk about the welfare issue and welfare reform, we are really talking about children and families in this country. Many of those children are the sons and daughters of working families. Children are always the most vulnerable individuals. They are not here to speak for themselves. As responsible policymakers, we must consider the impact of any legislative effort on the most vulnerable in our society.

So throughout this debate we intend to ask over and over again the key questions that should guide this entire debate: Who will care for the children? As families enter the job search, who will care for the children? As families enter workfare programs, who will care for the children? As a single parent is mandated to take a job, who will care for the children?

I would like to just take a few moments before my friend and colleague from Connecticut introduces legislation that will address this issue, and I think in an important way remedy this glaring defect in the majority leader's proposal, to consider where we are with the proposal that is before the Senate this afternoon.

First of all, if we look at the current situation under the existing legislation, legislation that passed in 1988 with virtually unanimous support in the Senate, which recognized the importance of child care programs, there is $1 billion to take care of 643,000 children.

Under the bill that is before the Senate at the present time, that particular funding, the $1.1 billion, which is the total of three different child care programs, is effectively eliminated, crossed out as separately designated child care funding.

There is an additional child care program in current law that is provided under discretionary spending for the child care programs which also amounts to $1 billion—some $935 million spent in the year 1995 to take care of 750,000 children. This is $935 million for 750,000 versus $1.1 billion for 643,000 children. These are the sons and daughters of low-income working families and need care for a short period of time, and that is why there is some disparity.

The majority leader's proposal not only eliminates the $1 billion which will currently provide for the 643,000 children—eliminates that—but also takes a third of the $1 billion which was appropriated for child care and allows 30 percent of it to be transferred for other purposes.

We have to ask ourselves, who is going to care for all of these children? Who is going to care for the children who are being taken care of under the existing discretionary program if these funds are diverted away? Who will care for the children who would have been cared for through the mandatory programs that would otherwise be expended in 1996 but have been effectively?

We have to ask ourselves, what is going to be the response?

When this issue was raised just before the break, the leader indicated what his response was going to be.

In the exchange on the floor of the Senate, the majority leader said:

> Let me just respond this way to the Senator from Massachusetts. I said just a few moments ago—I do not think the Senator was on the floor—that was an area of concern raised by the White House, the same general area. As I said, it is a concern raised by a number of my colleagues on this side of the aisle.
>
> We had our first meeting on Friday. And Senator KASSEBAUM, the chairman of the committee, who did a lot of work in this area, was present.
>
> It is certainly true that Senator KASSEBAUM has been very dedicated to child care. It was Senator DODD who was the leader of the development of the discretionary program, with strong support of the Senator from Utah, Mr. HATCH, and it was Senator KASSEBAUM who ensured that this valuable program was reauthorized.

It continues on:

> So I can say to the Senator in all candor, it is something we are looking at. We know there is a problem, and we are looking at it because under the present provision of S. 1120 it would be block granted to the States. But there is a great deal of concern expressed. I can only say that we are going to sit down, I think, again either tonight or tomorrow morning to try to address that on this side.

Now, what happened? First of all, we have what I call under the existing Dole proposal effectively the home alone program. We are telling parents that they are going to have to leave their children home alone. We are saying if the parent of this family does not go out and take a job, they are going to lose any kind of support benefits and we are going to leave the child alone at home.

That was the issue brought before the majority leader just before the August recess and he responded that he was going to address that particular proposal. So what happened? In the proposal sent to the Senate just before the break, he included a provision providing the discretion to the States the option to exempt a parent with a child less than 1 year old—but completely at the discretion of the States. If the State did not choose to do it, infants could find themselves home alone again.

The new bill did not provide additional child care for families with young children. The bill did not provide additional funding to help and assist those families in achieving self sufficiency, allowing them to go to work with good quality day care. All it did was say that those families would be exempt. You will not be denied the benefits of the program if you do not participate in the work program. And effectively what you are saying is happy birthday to the child when they turn 1, because that parent is going to be required to go on out and leave that child at home alone when they are 13 months old.

I call that "Home Alone II." You left the children home alone in the initial proposal. And now we are saying we are leaving it up to the States to exempt 10 percent of families from having to leave their children home alone. But what about getting those parents into the work force, which is part of the desire of this particular legislation? We are not providing child care. All we are saying is that if you have young children, you can stay home and do not have to work.

Mr. President, this chart gives a real reflection of what the needs are and what the realities are under the day care proposal. We are taking the $1 billion that was spent on child care for welfare families and under the Dole proposal it is eliminated. But we will have to spend $4.8 billion in the year 2000 alone to provide for day care for welfare recipients mandated to work under the Home Alone bill. That means that if the Dole bill is implemented and all the people required to work actually go to work, you will need $4.8 billion to provide the day care for them in that one single year—one single year.

This assumes that only half of the parents that are going to work will need help finding and affording child care. It says that the others will be able to get child care on their own, which is an extraordinary assumption. I mean, it defies what is happening in all of our States. I am interested in listening to Senators who have had a different experience in their State, finding scores of people receiving welfare that are able to get child care and pay for it. But that is one of the assumptions.

Even with that assumption, HHS says that the Dole bill will cost $4.8 billion for child care in the year 2000. Cumulatively, under the Dole proposal, it will be $11.2 billion from 1996 to the year 2000. And States will only be provided $16.8 billion flat funding over that period of time. If you are going to need all of this for day care, where is the money going to be on job search? Where is the money going to be in providing for the health care needs of the children? Where is the money going to be for job training and education? Where is it going to be? It is just not going to be there. That is why this is so fraudulent. That is why this legislation is so basically and fundamentally flawed when you think about the needs of the poor children of this country.

Mr. President, I will join with my colleague and friend from Connecticut in an amendment to address this particular problem by restoring the existing $1 billion and making up the rest to make sure this legislation addresses the issue of child care for the children of this country, as well as the requirements in terms of job needs.

So, Mr. President, I welcome the opportunity, as we come into the weekend, to join with our leader here in the Senate, Senator DODD, who has provided leadership in this child care area. It has been a bipartisan effort, in our committee and on the floor, with Senator HATCH and Senator KASSEBAUM and others, very much involved in this effort.

Let me just say, finally, we heard just a few moments ago, additional changes proposed by the majority leader. As I understand, this includes an amendment to raise the age of children whose families are exempt from 1 to 5 years of age. This effectively will mean that sixty percent of those who are on welfare will be excluded from welfare reform because that many have children under 5.

So that raises some serious issues and questions about what we are doing here if we go about excluding people from the requirements rather than assisting them. As a way of trying to respond to this particular need, I think this raises some serious questions about what this legislation is all about.

Mr. SANTORUM. Will the Senator yield?

Mr. KENNEDY. I will in a second. I prefer that we provide the kind of support that is included in the Dodd amendment because if we do that, what we are going to do to get people to work—by providing the training for them, the day care, and help them to find a job. That is the objective, to care for children and to promote work. That is the desirable end.

But certainly, if we are not going to have the kind of support and help and the funding for the day care, as a matter of policy, it is a lot better to have the parent at home taking care of very small children than requiring them to make a choice between leaving a child who is 2, 3, 4, or 5 home alone and complying with the requirements of this legislation.

So this is a very important discussion and debate. I hope that we will have the chance on Monday, to get into greater detail both on the changes that have been made. But just at the opening of this, because I see my friend and colleague from Connecticut on the floor who wants to make a presentation, I think it is important that we understand exactly where we are with regard to the child care proposals.

I will be glad to yield briefly for a question from the Senator, and then I want to yield the floor so that the Senator from Connecticut can——

Mr. SANTORUM. I just wanted to respond to the comments of the Senator from Massachusetts about the Snowe amendment. I think there is a mischaracterization. Maybe it is not a mischaracterization. I know the amendment has not been presented. You received a summary. But what the Snowe amendment does is say that the parents with children under 5 who can demonstrate to the State—the States will determine what the demonstration requirements would be—that their child care is either unaffordable to them or unavailable to them, whatever, would not be sanctioned for not working.

That does not mean that anyone who has a child under 5 would be exempt from the work requirement. That is not the case. In fact, they would be required to work unless they can prove that there is no child care available. So what happens, since the Snowe amendment does not change the participation standard, which is that 50 percent have to be in the work program, what the Snowe amendment really attempts to do by keeping the denominator the same is to encourage States to provide more child care so they can increase work participation by families with children under 5. So it is, in a sense, a roundabout way of getting States to come up with more child care dollars so we can, in fact, give opportunities for women, in most cases women, who have children under 5.

Mr. KENNEDY. Mr. President, I appreciate that, and I will make a brief comment. That is the very basis of the difference among the Dole, Senator Santorum, and other proposals. You are not providing child care for that mother that wants to be able to go out and work. What you are saying is that mothers will have to work unless they are able to demonstrate that for some means they cannot quite get that child care, that they do not have the resources to do it.

I say to the Senator from Pennsylvania, travel around your own State or my State or any of the other States and talk to those mothers and ask them. We already know what is happening out there. We already have that kind of information, and we just know of the availability of child care.

I hope it is not quite as punitive as described by the Senator to say because we know what the shortage is and what the cost is in terms of quality child care. I do not know how many working families that are trying to go out and work and provide for their families, let alone those that are caught in the misfortunes of life and have a life of dependency, are able to go on out there and get the child care and afford to pay it, have someone tell them, "Well, maybe your situation is not desperate enough and you are able to stay home. You are able to stay home. We are not going to do anything for you to get child care so you can get off welfare, we are just going to say you can still get your check."

I do not think that is really what this bill should be about.

I look forward to the opportunity later this afternoon and Monday to get into greater detail on this.

Mr. DODD addressed the Chair.

The PRESIDING OFFICER. The Senator from Connecticut is recognized.

AMENDMENT NO. 2560 TO AMENDMENT NO. 2280

(Purpose: To provide for the establishment of a supplemental child care grant program)

Mr. DODD. Mr. President, I send an amendment to the desk.

The PRESIDING OFFICER. The clerk will report the amendment.

The legislative clerk read as follows:

The Senator from Connecticut [Mr. DODD], for himself, Mr. KENNEDY, Mr. KOHL, Ms. MIKULSKI, Ms. MOSELEY-BRAUN, Mrs. MURRAY, Mrs. BOXER, Mr. LEAHY, and Mr. KERREY, proposes an amendment numbered 2560 to amendment No. 2280.

Mr. DODD. Mr. President, I ask unanimous consent that the reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 17, line 22, strike "subparagraph (B)" and insert "subparagraphs (B) and (C)".

On page 18, between lines 15 and 16, insert the following new subparagraph:

"(C) AMOUNT ATTRIBUTABLE TO CERTAIN CHILD CARE PAYMENTS.—For purposes of subparagraph (A), the amount determined under this subparagraph is an amount equal to the Federal payments to the State under subsections (g)(1)(A)(i), (g)(1)(A)(ii), and (i) of section 402 for fiscal year 1994 (as in effect during such fiscal year).".

On page 18, line 16, strike "(C)" and insert "(D)".

On page 22, line 12, strike "$16,795,323,000" and insert "$15,795,323,000".

At the end of title VI, add the following new section:

SEC. . WORK PROGRAM RELATED CHILD CARE.

(a) ESTABLISHMENT.—The Secretary of Health and Human Services shall, upon the application of a State under subsection (c), provide a grant to such State for the provision of child care services to individuals.

(b) FUNDING.—For the purpose of providing child care services for eligible children through the awarding of grants to States under this section for a fiscal year, the Secretary of Health and Human Services shall pay, from funds in the Treasury not otherwise appropriated, an amount equal to the sum of—

(1) the outlays for child care services under sections 402(g)(1)(A)(i), 402(g)(1)(A)(ii), and 402(i) of the Social Security Act (as such sections existed on the day before the date of enactment of this Act) for fiscal year 1994; and

(2)(A) for fiscal year 1996, $246,000,000;

(B) for fiscal year 1997, $311,000,000;

(C) for fiscal year 1998, $570,000,000;

(D) for fiscal year 1999, $1,122,000,000; and

(E) for fiscal year 2000, $3,776,000,000.

(c) APPLICATION.—To be eligible to receive a grant under this section, a State shall prepare and submit to the Secretary of Health and Human Services an application at such time, in such manner, and containing such information as the Secretary may require.

(d) AMOUNT OF GRANT.—From the amounts available under subsection (b) for a fiscal year, the Secretary of Health and Human Services shall allot to each State (with an application approved under subsection (c)) an amount which bears the same relationship to such amounts as the total number of eligible children in the State bears to the total number of eligible children in all States (with applications approved under subsection (c)).

(e) USE OF FUNDS.—

(1) IN GENERAL.—Amounts received by a State under a grant awarded under this section shall be used to carry out programs and activities to provide child care services to eligible children residing within such State.

(2) ELIGIBLE CHILDREN.—For purposes of this section, the term "eligible child" means an individual—

(A) who is less than 13 years of age; and

(B) who resides with a parent or parents who are working pursuant to a work requirement contained in section 404 of the Social Security Act (as amended by section 101), are attending a job training or educational program, or are at risk of falling into welfare.

(3) GUARANTEE.—Notwithstanding any other provision of this Act, or of part A of title IV of the Social Security Act—

(A) no parent of a preschool age child shall be penalized or sanctioned for failure to participate in a job training, educational, or work program if child care assistance in an appropriate child care program is not provided for the child of such parent; and

(B) no parent of an elementary school age child shall be penalized or sanctioned for failure to participate in a job training, educational, or work program before or after normal school hours if assistance in an appropriate before or after school program is not provided for the child of such parent.

(f) GENERL PROVISIONS.—

(1) OTHER REQUIREMENTS.—The requirements, standards, and criteria under the Child Care and Development Block Grant Act of 1990 (42 U.S.C. 9858 et seq.) except for the provisions of section 658G of such Act, shall apply to the funds appropriated under this section to the extent that such requirements, standards, and criteria do not directly conflict with the provisions of this section.

(2) MAINTENANCE OF EFFORT.—A State, in utilizing the proceeds of a grant received under this section, shall maintain the expenditures of the State for child care activities at a level that is equal to not less than the level of such expenditures maintained by the State under the provisions of law referred to in subsection (b) for fiscal year 1994.

(g) SENSE OF THE SENATE REGARDING FINANCING.—

(1) FINDINGS.—The Senate finds that—

(A) child care is essential to the success of real welfare reform and this Act dramatically reduces the funds designated for child care while at the same time increasing the need for such care; and

(B) obsolete corporate subsidies and tax expenditures consume a larger and growing portion of the funds in the Treasury.

(2) SENSE OF THE SENATE.—It is the sense of the Senate that the new investment in child care, above the amounts appropriated under the provisions of law referred to in subsection (b)(1) for fiscal year 1994, provided under this section should be offset by corresponding reductions in corporate welfare.

Mr. DODD. Mr. President, this is the child care amendment. As I understand it, we will take some time this afternoon, and on Monday we will resume the debate and have a vote on this amendment, I think, at 5 p.m. I stand corrected if that is not correct. My colleague from Pennsylvania is indicating that that is the situation procedurally. We will have people over the weekend take a look at the amendment, decide either to support it or offer ideas to change it. But I think it is a critically important amendment. It is one of the two or three, I think, most significant amendments we will have during the consideration of this bill, because it is such an important linchpin to the whole debate on welfare. It determines whether or not the so-called welfare reform proposal can actually work.

Let me, first of all, thank my colleague from Massachusetts for his support in putting this amendment together, and for his support not just today and recently, but over the years.

As he has pointed out, Mr. President, going back some 5, 6, 7 years ago, we were able to fashion a child care proposal, the very first, I might add, ever adopted by a Congress with the exception of the period in about 1942 or 1943 when, in the middle of World War II, the Congress appropriated $50 million for a national child care program for the obvious reasons.

We had young men in uniform who were fighting in the European and Pacific theaters. War production was critical. Women went to work in war production facilities and, obviously, taking care of their children was something that needed to be done.

In fact, I invite my colleagues to look at a fascinating exhibit at the Library of Congress. There are marvelous photographs and stories about these child care facilities and how sophisticated they were with doctors and nurses, wonderful feeding programs and the like. In fact, one of them still is in operation in Santa Monica, CA, the only one I know of that is still operating from that period of time.

Obviously, that was a time of national emergency. Once World War II was over, young men came back from the war, women left war production, men went to work in our companies and factories across the country, and these child care facilities, many of them, closed their doors.

It is intriguing to note, because it was, obviously, a recognized need that we could not very well ask people to go to work in war production without a parent being home and to leave children home alone.

I have gone back and examined that legislation. There was no criteria established in that bill based on the age of the children or exemptions from work and war production. It was designed to take care of kids, and it was a wonderful educational process as well, where those children actually had a good education experience while being in that child care setting.

At any rate, we are again engaged in a debate. This time another emergency, not of the magnitude of World War II, but an emergency. We have far too many people who are living on public assistance of one kind or another. We are trying to break that cycle. We are trying to make it possible for people to go back to work or to go to work for the first time ever, and we are faced not with a dissimilar fact situation.

In World War II, the men in those families were fighting a war. Today, in many cases, there are not any men at all in these households, just women raising children alone. And yet we want them to go to work, not in war production today, but we want them to get into the work force, because we think it is not only good for them, it is good for the country. But the issue regarding the children is the same, it is the common denominator. In 1942 and 1943, we reached the collective conclusion those kids should not be left home alone. We needed women in war production; take care of the kids.

Today we are saying collectively, I think, we ought to get people to work in this country. We are tired of watching two and three generations and four generations live on public assistance. We want to get them to work, and yet we know we have a staggering number of children who need care.

What this amendment is designed to do is to come up with a means by which we make the work requirements in this particular bill be effective. So that is what we have crafted with this amendment. We take $5 billion as part of the block grant—it is already in the bill—and dedicate that to child care. We then recognize, as a result of HHS's numbers, that you cannot possibly meet the criteria outlined in the Dole legislation that requires that a certain percentage of people on welfare get to work, if you do not have a child care component. So 44 States would not be in compliance according to CBO. We come up with $6 billion to come out of a corporate welfare approach that is designated by a sense-of-the-Senate resolution.

Some will argue you do not need $6 billion, you can do with a sum less than that. I, frankly, will be listening and more than happy to entertain some discussion of that. Health and Human Services says roughly $6 billion. CBO says less than that, depending on what numbers you use as the base.

The point is, what presently exists in the bill does not meet the criteria at all. You need to have more resources. I will get into why that is the case in a moment.

As I pointed out yesterday during our debate, and when the distinguished majority leader, Senator DOLE, pulled his welfare reform bill 3 weeks ago, that, in my view, the bill pretended to be serious about work but ignored how children would fit into that equation.

At that point, I described the legislation as "child care—less." There has been a lot of talk, obviously, in the past several weeks about a modified proposal. But as far as I can tell, not much has changed in the legislation.

The Republican proposal is still, as Senator KENNEDY has pointed out, a home alone bill. The Republican proposal amounts, in my view, to nothing more than a bitter taste for thousands of families across the country. You cannot throw a dab of budgetary so-called gravy on it and call it tasty or a success. It is just window dressing, Mr. President, and Americans simply, I think, will not take it.

The Republican proposal still imposes significant new work requirements without acknowledging that child care is essential if people are going to go to work. Funds previously designated for child care and child care only disappear.

I point out, on one of the charts that we have here, that in 1994, we designated $1 billion for child care assistance in our welfare reform programs. That was only done a year or so ago. The Dole bill, as presently crafted, as Senator KENNEDY pointed out a moment ago, takes that money previously earmarked for child care, lumps it into general welfare, a pool. One can argue that the States may decide to use those resources.

Let us assume, if you want to, that they may. But there is no requirement. They may decide to do something else with it. If you say we are going to insist that that $1 billion be left in the bill for child care, the fact is, that with the changes in the Dole bill we are going to increase the need for child care slots by 165 percent. So the $1 billion is going to be totally inadequate in order to meet this increased demand that we have. So it is not even going to come close to the demands that we will have on us. The bottom line here is that no money is guaranteed at all. Not a single penny is guaranteed here at all.

In fact, even under previous legislation, you had a requirement that States had to dedicate some of their own resources for child care. We even stripped that out of the bill. So there was no requirement there at all either. So we have taken out the Federal money, and the State requirement too. We have said that you have to go to work quickly, and we do not provide the resources to allow that to happen.

Let me quickly add that we are seeing add-ons or modifications now. We had the provision that was added that said if you had children under the age of 1, you would be exempted from the work requirement. Now, that has been raised to the age of 5. I appreciate the point of our colleague from Pennsylvania that that exemption only exists if child care is not available. The fact of the matter is, if you are on welfare and you do not have any dedicated resources, child care is de facto not going to be available.

A point I think that needs to be made here is that we need to remind ourselves what the essence of this bill is. That is, to try and get people to work. If we start exempting people because they have children under the age of 1 or 5—while I appreciate the motivations behind it—it is going to run counter to what we should be trying to do. Does that mean if you have three children above the age of 5 and one under, that you are exempt? Is that going to be an inducement to some families—at a time of trying to discourage more children, is it in fact going to be an inducement in some ways for people to have a child in order to avoid the work requirements? I would much rather see us stick with the criteria that you try and get people to work and then provide the child care for them. That, it seems to me, makes more sense and goes to the essence and heart of what we are trying to achieve, instead of trying to come up with an exemption for each age group here. I think we ought to be trying to assist these families to become self sufficient, independent, and to give them the resources to achieve those goals.

As we know right now, we have been told that as a result of no additional funds, we will have to find an $4.8 billion in the year 2000 just to meet the child care requirements. States would be required to spend totally, we are reminded, some $11 billion over the next 5 years.

Let me emphasize again that I think there is general consensus here that if there is one common theme in all of the various proposals that are being discussed regarding welfare reform it is that we want to get people to work. We are trying to figure out the best way to do that, the most efficient way to do it.

What those who agree with that proposition are suggesting is that if we are going to get people on public assistance to work, there are several things we have to do.

First, we have to see if they have the training and the education in order to meet the criteria of the job market, which is critically important. Second, we have to recognize the reality that almost everyone in the country understands; that is, it is difficult to get to work if you have young children and you have no place to leave them where they will be cared for and adequately protected.

That is an issue that everyone understands. You certainly do not have to be on welfare to understand that. As I said yesterday and the day before, every single family in this country whether two parents who work, or a single parent works, knows of the anxiety of child care.

Even if you have a good child care system today in place for your children, every week you wonder whether it will be there next week, and how much more it may cost. Will there be a problem for one reason or another?

Child care for working families with young children is an issue that everyone understands, regardless of their economic situation.

What I am suggesting here and what we successfully passed a few years ago, with the tremendous help of my colleague from Utah, Senator HATCH, in a very strong, bipartisan way, with the ultimate support of President Bush and the Bush administration, was the recognition that we need to have some support for child care, for families, as we try to move them into the workplace, and for the working poor.

What we are doing with this amendment is trying to come up with adequate resources that make it possible for the work requirements of this bill to become effective. If we are really going to get people from welfare to work, where two-thirds of these families have children that are very young, then you will have to deal with the child care issue.

That does not require any great leap of faith. It does not require a great understanding of the complexity of law. It merely states what everyone ought to be able to appreciate and understand. That is what we are trying to do with this amendment.

Now we are being told, as it stands right now, the Governors would have to come up with $4.8 billion in the year 2000. If we are going to just provide for the welfare recipients mandated under the home alone bill, if you are going to get to the year 2000, you will need a total amount of roughly $11 billion between now and then.

You can take out of the block grant $5 billion, but you have to come up with $6 billion more, roughly, to meet the criteria. Am I absolutely certain of the $6 billion? No, I am not. I am listening to a lot of people who spend a lot of time on these issues, and they tell me that is roughly the number. It could be somewhat less. But the point is, it is roughly in that ballpark if you are going to meet the work criteria.

Now, it is being suggested by the majority leader and others, rather than do that, why not just exempt these families that have very young children?

First, the proposal was under age 1. Now the proposal is up to 5 years.

My suggestion here is, rather than start exempting people with young children right and left, why not try to come up with the resources so we get back to the heart of the welfare proposals, and that is to make it possible for people to get to work? That seems to me to be a more logical step to take, rather than retreating from those obligations of work requirements.

So that is what we do with this amendment. We try to make it possible for that to happen. Otherwise, I do not know what these Governors are going to do. They do not have the resources, Mr. President. We are shifting the problem to them. We are saying, you come up with the resources or you face the penalties, because we have penalties in the bill. And if you do not get a certain percentage of your welfare recipients into the work force in the first year or two and then at a higher percentage a year or two after that, then there are penalties that we at the Federal Government levy on these States.

So what are the options? Either you do not get the child care, you do not get people to work, and then you have a penalty, which means you have to raise taxes to pay it; or you have to come up with $4.8 billion in 2000, or more over the next 5 years in one form of taxation or another.

Why not try to come up here with a means by which we make it possible for people to make that transition, so we get from the dependency on welfare to work by providing adequate child care for these children?

I have recommended here corporate welfare as an offset—I cannot identify choices specifically because then you end up with bills being transferred immediately to various committees. We have in the amendment—because the obvious question is how do you pay for it—a section. We asked people to look at corporate welfare. There is a lot in there. We talk about deductions and availability of certain things. There is a lot that exists. We have a tax proposal that is going to be submitted to us that calls for $250 billion in tax cuts, the bulk of which will go to upper-income families. If we would just modify that by $6 billion, I might add, or take a look at the literally billions of dollars that exist in corporate welfare and find $6 billion in order to achieve this desirable goal of getting people to work, it seems to me to be a modest request. I am confident that people who are committed to this will be able to find the resources over the next 5 years to do so.

This ought to be, in my view, an issue which people can gather around. We may disagree on other aspects of this bill, but I do not believe there ought to be the kind of partisan debate over child care, over coming up with the resources to make it possible for people to go to work and have their kids well taken care of. That is an issue everybody understands. As I said a moment ago, anybody who is at work today and has young children understands the problem, the worry, the concern, the anxiety that people have.

Frankly, with all due respect to those who have made the proposal of 1 year or 5 years, you have a child that is 5 years and 6 months, or 6 years old, 7 years old, you are not going to leave that child home alone and go to work. That is just unrealistic.

In fact, even when those children are in school, the great anxiety that parents have at 2 or 3 o'clock in the afternoon is hoping the child gets home safely. Look at the number of phone calls that get made at 3:30 and 4 o'clock when people are at work to find out whether or not that young child has made it home, and then worrying when they are home what happens to them. Who is watching them? What are they doing?

Again, I have to believe most of my colleagues understand these issues because they have certainly heard the general worry and concern outside of the welfare debate when it comes to the issue of care for children. It's obviously compared to the other things we do—my God, we come up with criteria for parking places. We take care of people's cars better. We have criteria for pets in this country to make sure they are not going to get harmed. All I am saying is what about our kids? In this day and age, we just increased the defense budget by $7 billion for next year, $7 billion more than the Pentagon wanted. That is $1 billion more than would take care of all the child care needs under the Dole bill for 5 years—for 5 years. One year of increased spending that was not asked for by the Pentagon.

In a just and fair society, with the tremendous and legitimate demand of the constituencies of this country that said we ought to get people off of welfare and to work, understanding the element of child care, we ought to be able to do that. And this ought to be a unanimous vote. There ought to be no great split here on that issue, and that is what I am offering with this amendment.

We can have, over the weekend, a talk about it. Staffs may meet. Maybe somebody will have some other ideas how we can fashion this to the satisfaction of everyone. I am not rigidly holding onto every dotted "i" and crossed "t." If there are some other numbers people want to use, I am open to them. I am not looking for an acrimonious debate on this issue. I am just telling you flatout that a welfare reform bill that demands that people go to work and does not have a child care factor to it, an element to it to allow for that transition to occur, is just unworkable.

I promise that you can threaten families all you want, they are not going to abandon their children. They just will not do it. I do not care what income category, what part of the country you are talking about. These families are not going to walk out of the house and leave that child alone. We would condemn them if they did. You get arrested in parts of this country if you do it. We have had cases in Connecticut in recent times where people have gone to casinos and left children in parked cars. We arrest them. It is a headline story when it happens.

Does anyone think that we are going to have a law that requires that people go to work and leave their kids locked up in their houses, and that we are not going to have a sense of outrage about it? And we are then going to penalize those States because they have not met the criteria because people have refused to obey the law and leave their children alone? That is insanity. That does not make any sense at all.

So I do not know why people have so much difficulty with this concept. This ought to be a 20-minute debate, not a great source of controversy. If you do not understand the linkage between child care and welfare reform, then you do not have the vaguest notion about welfare and what needs to be done to make it work better.

So, Mr. President, I hope over the coming 2 or 3 days before we come back on Monday afternoon, that people will take a good look at this, come together, and see if we cannot either support this amendment or some modifications to it so it roughly will allow the Dole bill provisions to actually take effect and make it possible for these States to meet the criteria without raising taxes.

In the absence of doing it, you have the biggest unfunded mandate I have seen so far. It was S. 1, I think, the unfunded mandate bill, where we said you cannot put mandates on States without coming up with the resources so they do not have to raise their own taxes. Here we are going to have a mandate that you take your welfare recipients and put them to work or face penalties. That is an unfunded mandate if we do not help them provide the resources to meet those criteria that we are laying out in this legislation.

So, Mr. President, again, I thank my colleagues for listening here this afternoon. I know I have probably bored them over the years on this subject matter, going back 7 and 8 years ago when we started the child care debates. But I think most people recognize today—certainly the corporate community does. The business community has had tremendous sophistication in understanding its employees' needs. They understanding the value of productive workers and having good, adequate child care alleviates worries so those employees can pay full attention to their jobs. Every sector of our society seems to appreciate the relationship between people's worries about their children, the priorities that people place on their children and their children's needs and the simultaneous need to be a productive and successful worker.

As we now talk about getting people off public assistance and moving them into the work force for the benefit of everyone, most importantly that individual, the element of dealing with their young children is something that we have to take into consideration.

I think exempting the families, as appealing as that may be to some, confuses the issue rather than sticking to the point of trying to make it possible for people to get to work and help them stay there through an adequate and appropriate child care system or structure.

So with that, Mr. President I urge my colleagues to take a look at this. We will reengage the debate on Monday and hopefully come up with an adequate solution that will make it possible for all of us to begin to support the DOLE proposal on welfare reform.

I know, in speaking with others, that the administration is very interested in supporting a bill that will truly be a welfare reform bill. That is the strong desire of President Clinton. He wants to do it. He believes that can be done if an issue like this can be adequately addressed and several others. But this is certainly an important element in all of that.

With that, I thank my colleagues and I yield the floor.

SENATOR PACKWOOD'S RESIGNATION EFFECTIVE AS OF OCTOBER 1, 1995

Mr. DOLE. Mr. President, there have been a number of inquiries last night and today about when the resignation of Senator PACKWOOD would be effective. I think I can best answer that in the exchange of letters I have had with Senator PACKWOOD if my colleagues will permit me.

This is my letter to Senator PACKWOOD:

DEAR BOB: As I said on the Senate floor yesterday, it is my belief that you made the right and honorable decision to resign from the United States Senate.

I believe that it is in the best interests of the Senate and of the State of Oregon to reach closure on this matter as soon as possible.

Therefore, it is my recommendation that your resignation become effective no later than October 1, 1995. I would further recommend that you relinquish the Chairmanship of the Senate Committee on Finance effective today.

I know of your deep concern for your personal and committee staff, and I will work to provide them with an appropriate period of time to complete their own transition.

Sincerely,

BOB DOLE.

This is Senator PACKWOOD's reply:

DEAR BOB: I hereby tender my resignation as of October 1, 1995. I also am relinquishing today, Friday, September 8, my chairmanship of the Senate Committee on Finance.

I appreciate very much your concern and willingness to help the Personal and Committee staff in having an appropriate period of time to complete their own transition.

Thanks so much.

Sincerely,

BOB PACKWOOD.

Mr. President, I ask unanimous consent that those letters be printed in the RECORD.

There being no objection, the letters were ordered to be printed in the RECORD, as follows:

U.S. SENATE,
OFFICE OF THE REPUBLICAN LEADER,
Washington, DC, September 8, 1995.

Senator BOB PACKWOOD,
259 Russell, Washington, DC.

DEAR BOB: As I said on the Senate floor yesterday, it is my belief that you made the right and honorable decision to resign from the United States Senate.

I believe that it in the best interests of the Senate and of the State of Oregon to reach closure on this matter as soon as possible.

Therefore, it is my recommendation that your resignation become effective no later than October 1, 1995. I would further recommend that you relinquish the Chairmanship of the Senate Committee on Finance effective today.

I know of your deep concern for your personal and committee staff, and I will work to provide them with an appropriate period of time to complete their own transition.

Sincerely,

BOB DOLE.

U.S. SENATE,
Washington, DC, September 8, 1995.

Hon. BOB DOLE,
Senate, Washington, DC.

DEAR BOB: I hereby tender my resignation as of October 1, 1995. I also am relinquishing today, Friday, September 8, my chairmanship of the Senate Committee on Finance.

I appreciate very much your concern and willingness to help the Personal and Committee staff in having an appropriate period of time to complete their own transition.

Thanks so much.

Sincerely,

BOB PACKWOOD.

Mr. DOLE. Mr. President, I think that answers any questions anybody may have had.

FAMILY SELF-SUFFICIENCY ACT

The Senate continued with the consideration of the bill.

Mr. ASHCROFT. I thank the Senator from Connecticut. I am delighted to have this opportunity to make a few remarks and to offer two amendments to the Dole modified amendment for the welfare reform proposal.

Mr. President, the Dole modified amendment which is offered today is a substantial improvement, a very substantial and significant step toward the right kind of operation in terms of reforming welfare. I am pleased to see that the mechanism for delivering block grants—which was first recommended in the proposal I made on welfare reform called CIVIC, Senate bills 842, 843, 844 and 845, the proposal for delivering block grants directly from the Department of the Treasury to the States—is included and that will vastly reduce the Federal welfare bureaucracy, which I considered to be a bureaucratic tax upon the poor, and make resources available to the truly needy. It should limit Washington's interference in the States' welfare reform efforts.

As I have spoken many times on the floor, ending the micromanagement and intermeddling involvement of HHS to the extent possible, and giving States the opportunity to craft and shape welfare reform so that it meets the needs of the people in the States, is very important. We do need to replace the failed system of welfare which has been a Washington-run system, and the modified amendment proposed by Senator DOLE would help achieve this, in part, by adopting the proposal which is for direct block grants to the States that bypass much of the redtape of Washington.

Also, it is important that the Dole amendment includes an independent audit provision which will eliminate much of the Washington micromanagement and prevent funds from being consumed needlessly on bureaucratic oversight. Under this provision, States would supply to the Department of the Treasury audits conducted by independent auditors demonstrating their compliance and that block grant funds have been used properly in serving the needy populations.

I want to also say how pleased I am to see that the modified amendment includes a provision adapted from my welfare reform bill, which recognizes that Government programs alone will never solve all of our welfare needs. We have to allow States to involve a number of nongovernmental charitable organizations, including faith-based organizations, in serving the poor. Organizations like the Salvation Army and Boys and Girls Clubs are often more successful in serving people in need than are governmental institutions. We need to be able to tap these resources effectively. There is a character in the programs like the Boys and Girls Clubs and the Salvation Army that is important in meeting needs. It is a character associated with charity, which provides for a kind of compassion and caring that instills hope and aspiration in the lives of people.

The modified amendment includes very important provisions in this respect, which will ensure that such organizations that are selected to participate in meeting the needs of the poor are not forced to compromise their character. Furthermore, any person eligible for assistance who would be offended by going to one of these organizations to receive assistance would have an opportunity to receive alternative services from the state. There have been clear guidelines set to protect individual rights and to protect the rights of the organization.

While these are important provisions included in the modified Dole amendment, Mr. President, the modified amendment still I think needs adjustment and falls shorts of being a comprehensive welfare reform bill.

That is why I intend to send a pair of amendments to the desk which would broaden the bill to include block grants for two major welfare programs: Food stamps and supplemental security income, or the SSI program.

Block grants are essential for these programs because if you leave welfare partially open ended as entitlement programs, and partially block granted, there is a tendency on the part of jurisdictions to shift the welfare caseload from the areas which are block granted to the areas that are open ended and entitlements.

As a result, rather than controlling and managing welfare effectively, you just push from one area of the welfare population to another, move people from AFDC over to SSI. In some cases, that move would be far more expensive.

A single child on SSI gets $448 a month. There are AFDC programs which provide $200 or $300 a month, and a shift in that population would not be a reform at all in terms of cost containment, but a way of just dramatically increasing our welfare costs. As a matter of fact, it would make it very difficult for us to control costs.

In addition, when you have a program which has no limit on it, totally entitlement and totally federally funded, the incentives on the part of State and local instrumentalities to combat fraud and abuse are low. If we give the items in block grants to the States, the incentive to contain fraud and abuse, to detect it, to root it out of the system, is elevated.

Mr. President, fraud and abuse are rampant in the Food Stamp Program and SSI today because as the rolls grow, the money flows. There is no incentive to the welfare industry to reduce the problem. The only way we will be able to combat fraud and abuse is to give States the ability to design and enforce these programs and the incentive for them to limit the expenditures in these programs. I intend to send two amendments to the desk regarding SSI and food stamps.

Finally, Mr. President, I join today Senator COATS in introducing an amendment which also recognizes we must look beyond Government to solve the welfare problems. Specifically, we need to encourage people to get involved personally in helping the needy. Our amendment combines proposals which we have offered in the past to accomplish this goal. It would provide a nonrefundable tax credit to individuals who volunteer time as well as money to give to charitable organizations so that individuals who contributed at least 50 hours per year at nonprofit private or religious charitable organizations which serve the needy would be eligible for not just the tax deduction regarding a $500 contribution, but if they also have a $500 contribution, they would be eligible for a tax credit of up to $500.

Mr. President, let me emphasize that simply rearranging the deck chairs on the "Welfare Titanic" would be turning our backs on the most pressing issues facing our future. We must fundamentally reform the entirety of our welfare system.

We simply cannot tinker around the margins. We cannot afford to repeat the mistakes we made in the past. We must all admit that Government alone has failed miserably and will continue to fail.

We must, I believe, have these expanded block grants so we do not have a partial system of block grants which invites cost-shifting and does not provide incentives for fraud and abuse containment.

I believe we must invite a far broader band of our society to participate in meeting the needs of the needy, and for that reason we need to encourage involvement by a far broader group of individuals in society.

AMENDMENTS NOS. 2561 AND 2562 TO AMENDMENT NO. 2280

Mr. ASHCROFT. Mr. President, I send two amendments to the desk and I ask unanimous consent they be considered as having been offered individually.

The PRESIDING OFFICER. Without objection, it is so ordered.

The clerk will report.

The legislative clerk read as follows:

The Senator from Missouri [Mr. ASHCROFT] proposes amendments numbered 2561 and 2562 to amendment No. 2280.

Mr. ASHCROFT. Mr. President, I ask unanimous consent that reading of the amendments be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

(The text of the amendments are printed in today's RECORD under "Amendments Submitted.")

Mr. ASHCROFT. I wish to thank the Senator from Connecticut for his courtesy.

Mr. DODD. I send my apologies to the Senator from Missouri and the people of Missouri for saying the State of Ohio.

Mr. ASHCROFT. Perhaps the Senator needs to apologize to the Senator from Ohio if he is offended.

I yield to my colleague from Florida.

AMENDMENTS NOS. 2563 AND 2564 TO AMENDMENT NO. 2280

Mr. GRAHAM. Mr. President, I thank the Senator from Connecticut. On behalf of Senator KENNEDY, I send two amendments to the desk to be offered, and I ask the pending amendment be set aside.

The PRESIDING OFFICER. Without objection, the pending amendment is set aside.

The clerk will report.

The legislative clerk read as follows:

The Senator from Florida [Mr. GRAHAM], for Mr. KENNEDY, proposes amendments numbered 2563 and 2564 to amendment No. 2280.

Mr. GRAHAM. Mr. President, I ask unanimous consent that reading of the amendments be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendments are as follows:

AMENDMENT NO. 2563

(Purpose: To terminate sponsor responsibilities upon the date of naturalization of the immigrant)

On page 289, line 5, strike the period and insert ", but in no event shall such period extend beyond the date (if any) on which the alien becomes a citizen of the United States under chapter 2 of title III of the Immigration and Nationality Act."

On page 291, line 14, strike the period and insert ", but in no event shall such period extend beyond the date (if any) on which the alien becomes a citizen of the United States under chapter 2 of title III of the Immigration and Nationality Act."

On page 293, line 16, insert "but in no event shall the sponsor be required to provide financial support beyond the date (if any) on which the alien becomes a citizen of the United States under chapter 2 of title III of the Immigration and Nationality Act." after "quarters".

AMENDMENT NO. 2564

(Purpose: To grant the Attorney General flexibility in certain public assistance determinations for immigrants)

On page 292, line 5, strike "and".

On page 292, line 11, strike the period and insert "; and".

On page 292, between lines 11 and 12, insert the following new subparagraph:

(F) benefits or services which serve a compelling humanitarian or compelling public interest as specified by the Attorney General in consultation with appropriate Federal agencies and departments.

AMENDMENTS NOS. 2565 THROUGH 2569 TO AMENDMENT NO. 2280

Mr. GRAHAM. Mr. President, I ask the pending amendment be set aside, and on behalf of myself and cosponsors, I send to the desk five amendments.

The PRESIDING OFFICER. The amendment is set aside. The clerk will report.

The legislative clerk read as follows:

The Senator from Florida [Mr. GRAHAM] proposes amendments numbered 2565 through 2569 to amendment No. 2280.

Mr. GRAHAM. Mr. President, I ask unanimous consent that reading of the amendments be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendments are as follows:

AMENDMENT NO. 2565

(Purpose: To provide a formula for allocating funds that more accurately reflects the needs of States with children below the poverty line, and for other purposes)

On page 17, line 2, strike "paragraphs (3) and (5), section 407 (relating to penalties)," and insert "section 407 (relating to penalties)".

On page 17, beginning on line 16, strike all through line 22, and insert the following: "equal to the amount determined under paragraph (3), reduced by the amount (if any) determined under subparagraph (B)."

On page 18, beginning on line 22, strike all through page 22, line 8, and insert the following:

"(3) STATE FAMILY ASSISTANCE GRANT.—

"(A) IN GENERAL.—Subject to subparagraphs (B) and (C), for purposes of paragraph (2), the amount of the State family assistance grant to a State for a fiscal year is an amount which bears the same ratio to the amount appropriated for such fiscal year under paragraph (4)(A) as the average number of minor children in families within the State having incomes below the poverty line for the 3 preceding fiscal years bears to the average number of minor children in families within all States having incomes below the poverty line for such 3 preceding fiscal years.

"(B) SPECIAL RULES.—

"(i) CEILING.—Except as provided in clause (ii), the amount of the State family assistance grant for a fiscal year to a State shall not exceed—

"(I) for fiscal year 1996, an amount equal to 150 percent of the total amount of Federal payments to the State under section 403 for fiscal year 1994 (as such section was in effect before October 1, 1995); and

"(II) for each fiscal year thereafter, an amount equal to 150 percent of the total amount of the State family assistance grant to the State for the preceding fiscal year.

"(ii) MINIMUM ALLOCATION.—

"(I) IN GENERAL.—Subject to subclause (II), if the amount of the State family assistance grant determined under subparagraph (A) for a fiscal year is less than 0.6 percent of the total amount appropriated for such fiscal year under paragraph (4)(A), the amount of such grant for such fiscal year shall be an amount equal to the lesser of—

"(aa) 0.6 percent of the amount appropriated under paragraph (4)(A) for such fiscal year, or

"(bb) an amount equal to two times the total amount of Federal payments to the State under section 403 for fiscal year 1994 (as such section was in effect before October 1, 1995).

"(II) REDUCTION IF AMOUNTS NOT AVAILABLE.—If the aggregate amount by which State family assistance grants for States is increased for a fiscal year under subclause (I) exceeds the aggregate amount by which State family assistance grants for States is decreased for the fiscal year under clause (i), the amount of the State family assistance grant to a State to which this clause applies shall be reduced by an amount which bears the same ratio to the aggregate amount of such excess as the average number of minor children in families within the State having incomes below the poverty line for the 3 preceding fiscal years bears to the average number of minor children in families within all States to which this clause applies having incomes below the poverty line for such 3 preceding fiscal years.

"(C) ALLOCATION OF REMAINDER.—

"(i) IN GENERAL.—A State that is an eligible State for a fiscal year shall be entitled to an increase in the State family assistance grant equal to the additional allocation amount determined under clause (ii) (if any) for such State for the fiscal year.

"(ii) ADDITIONAL ALLOCATION AMOUNT.—The additional allocation amount for an eligible State for a fiscal year determined under this clause is the amount which bears the same ratio to the remainder allocation amount for the fiscal year determined under clause (iii) as the average number of minor children in families within the eligible State having incomes below the poverty line for the 3-preceding fiscal years bears to the average number of minor children in families within all eligible States having incomes below the poverty line for such 3-preceding fiscal years.

"(iii) REMAINDER ALLOCATION AMOUNT.—The remainder allocation amount determined under this clause is the amount (if any) that is equal to the difference between—

"(I) the amount appropriated for the fiscal year under paragraph (4)(A), and

"(II) an amount equal to the sum of the family assistance grants determined under this paragraph (without regard to this subparagraph) for all States for such fiscal year.

"(iv) ELIGIBLE STATE.—For purposes of this subparagraph, the term 'eligible State' means a State whose State family assistance grant for the fiscal year, as determined under this paragraph (without regard to this subparagraph), is less than the total amount of Federal payments to the State under section 403 for fiscal year 1994 (as such section was in effect before October 1, 1995).

"(D) OPTION TO BASE ALLOCATIONS ON PRECEDING FISCAL YEAR DATA.—The Secretary may in lieu of using data for the 3 preceding fiscal years, allocate funds under this paragraph based on data for the most recent fiscal year for which accurate data are available.

"(E) DEFINITIONS AND SPECIAL RULES.—For purposes of this paragraph—

"(i) POVERTY LINE.—The term poverty line has the same meaning given such term in section 673(2) of the Community Services Block Grant Act (42 U.S.C. 9902(2)).

"(ii) 3 PRECEDING FISCAL YEARS.—The term '3 preceding fiscal years' means the 3 most recent fiscal years preceding the current fiscal year for which data are available.

"(iv) PUBLICATION OF ALLOCATIONS.—Not later than January 15th of each calendar year, the Secretary shall publish in the Federal Register the amount of the family assistance grant to which each State is entitled under this subsection for the fiscal year that begins in such calendar year.

On page 23, beginning on line 7, strike all through page 24, line 18.

AMENDMENT NO. 2566

(Purpose: To require each responsible Federal agency to determine whether there are sufficient appropriations to carry out the Federal intergovernmental mandates required by this Act, provide that the mandates will not be effective under certain conditions, and for other purposes)

At the appropriate place, insert the following new section:

SEC. . UNFUNDED FEDERAL INTERGOVERNMENTAL MANDATES.

(a) IN GENERAL.—Notwithstanding any other provision of law—

(1) no later than 15 days after the beginning of fiscal year 1996, and annually thereafter through fiscal year 2000, the Director of the Congressional Budget Office shall, in a manner similar to section 424(a) (1) and (2) of the Congressional Budget and Impoundment Control Act of 1974 (2 U.S.C. 658c(a) (1) and (2)), estimate the direct costs for the fiscal year of each Federal intergovernmental mandate resulting from the enactment of this Act or any other legislation that includes welfare reform provisions and determine whether there are sufficient appropriations for the fiscal year to provide for the direct costs,

(2) each responsible Federal agency shall, for each fiscal year described in paragraph (1), identify any appropriations bill or other legislation that provides Federal funding of the direct costs described in paragraph (1) which relate to each Federal intergovernmental mandate within the agency's jurisdiction and shall determine whether there are insufficient appropriations for the fiscal year to provide such direct costs, and

(3) no later than 30 days after the beginning of each fiscal year described in paragraph (1), the responsible Federal agency shall notify the appropriate authorizing

committees of Congress of the agency's determination under paragraph (2) and submit either—

(A) a statement that the agency has determined based on a re-estimate of the direct costs of such mandate, after consultation with State, local, and tribal governments, that the amount appropriated is sufficient to pay for the direct costs of such Federal intergovernmental mandate for the fiscal year, or

(B) legislative recommendations for—

(i) implementing a less costly Federal intergovernmental mandate, or

(ii) making such mandate ineffective for the fiscal year.

(b) LEGISLATIVE ACTION.—

(1) IN GENERAL.—The Congress shall consider on an expedited basis, under procedures similar to the procedures set forth in section 425 of the Congressional Budget and Impoundment Control Act of 1974 (2 U.S.C. 658d), the statement or legislative recommendations described in subsection (a)(3) no later than 30 days after the statement or recommendations are submitted to Congress.

(2) LEGISLATIVE ACTION REQUIRED.—The Federal intergovernmental mandate to which a statement described in subsection (a)(2) relates shall—

(i) cease to be effective on the date that is 60 days after the date the statement is submitted under subsection (a)(3)(A) unless Congress has approved the agency's determination under subsection (a)(3)(A) by joint resolution during the 60-day period;

(ii) cease to be effective on the date that is 60 days after the date the legislative recommendations described in subsection (a)(3)(B) are submitted to the Congress, unless Congress provides otherwise by law; or

(iii) in the case that such mandate has not yet taken effect, continue not to be effective unless Congress provides otherwise by law.

(c) DEFINITIONS.—For purposes of this section:

(1) RESPONSIBLE FEDERAL AGENCY.—The term "responsible Federal agency" means the agency that has jurisdiction with respect to a Federal intergovernmental mandate created by the provisions of this Act or any other legislation that is enacted that includes welfare reform provisions.

(2) FEDERAL INTERGOVERNMENTAL MANDATE; DIRECT COSTS.—The terms "Federal intergovernmental mandate" and "direct costs" have the meanings given such terms by section 421 of the Congressional Budget and Impoundment Control Act of 1974 (2 U.S.C. 658).

(3) WELFARE REFORM PROVISIONS.—The term "welfare reform provisions" means provisions of Federal law relating to any Federal benefit for which eligibility is based on need.

AMENDMENT NO. 2567

(Purpose: To provide that the Secretary, in ranking States with respect to the success of their work programs, shall take into account the average number of minor children in families in the State that have incomes below the poverty line and the amount of funding provided each State for such families)

On page 64, line 10, after the period, insert the following: "In ranking States under this subsection, the Secretary shall take into account the average number of minor children in families in the State that have incomes below the poverty line and the amount of funding provided each State for such families."

AMENDMENT NO. 2568

(Purpose: To set national work participation rate goals and to provide that the Secretary shall adjust the goals for individual States based on the amount of Federal funding the State receives for minor children in families in the State that have incomes below the poverty line, and for other purposes)

On page 12, strike lines 10 and 11, and insert the following:

"(C) Satisfy the work participation rate goals established for the State pursuant to section 404(b)(6)."

On page 29, beginning with line 19, strike all through the table preceding line 3, on page 30, and insert the following:

"SEC. 404. NATIONAL WORK PARTICIPATION RATE GOALS.

"(a) NATIONAL GOALS FOR WORK PARTICIPATION RATES.—A State to which a grant is made under section 403 shall make every effort to achieve the national work participation rate goals specified in the following tables for the fiscal year with respect to—

"(1) all families receiving assistance under the State program funded under this part:

"If the fiscal year is:	*"The national participation rate goal for all families is:*
1996	25
1997	30
1998	35
1999	40
2000 or thereafter	50;

and

"(2) with respect to 2-parent families receiving such assistance:

"If the fiscal year is:	*"The national participation rate goal is:*
1996	60
1997 or 1998	75
1999 or thereafter	90".

On page 35, between lines 2 and 3, insert the following:

"(6) MODIFICATIONS TO NATIONAL PARTICIPATION RATE GOALS TO REFLECT THE NUMBER OF FAMILIES RECEIVING ASSISTANCE IN EACH STATE.—The Secretary, after consultation with the States, shall establish specific work participation rate goals for each State by adjusting the national participation rate goals to reflect the level of Federal funds a State is receiving under this part for the fiscal year and the average number of minor children in families having incomes below the poverty line that are estimated for the State for the fiscal year. Not later January 15, 1996, and each year thereafter, the Secretary shall publish in the Federal Register the participation rate goals for each State for the current fiscal year.".

On page 52, beginning on line 24, strike all through "fiscal year," on page 53, line 4, and insert the following:

"(3) FAILURE TO SATISFY PARTICIPATION RATE.—

"(A) IN GENERAL.—If the Secretary determines that a State has failed to satisfy the work participation rate goals specified for the State pursuant to section 404(b)(6) for a fiscal year,".

AMENDMENT NO. 2569

(Purpose: To provide for the perspective application of the provisions of title V)

On page 300, line 10, insert "other than section 506 of this Act," after "law,".

On page 302, between lines 5 and 6, insert the following:

SEC. 506. APPLICATION OF TITLE TO CERTAIN BENEFICIARIES.

The provisions of, and amendments made by, this title shall not apply to any noncitizen who is lawfully present in the U.S. and receiving benefits under a program on the date of the enactment of this Act.

Mr. GRAHAM. Mr. President, I offered several amendments which I will explain in brief.

My first amendment would change the formula for distributing Federal welfare funds to the States.

I am offering this amendment with Senator DALE BUMPERS. I would ask for unanimous consent to add Senators BRYAN, MOSELEY-BRAUN, PRYOR, JOHNSTON, and REID as cosponsors.

In sum, our formula amendment would distribute funds under this bill on the basis of a State's number of children in poverty.

In the interest of time, I ask unanimous consent to have printed in the RECORD at this point a description of the Graham-Bumpers formula amendment. Thank you.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

GRAHAM-BUMPERS CHILDREN'S FAIR SHARE PROPOSAL

The Graham-Bumpers Children's Fair Share proposal allocates funding based on the number of poor children in each state.

The amendment would be needs based, adjusts for population and demographic changes, treats all poor children equitably does not permanently disadvantage States based on previous year's spending in a system that is being dismantled, and allows all States a more equitable chance at achieving the work requirements in S. 1120. The Graham-Bumpers children's fair share measure would establish a fair, equitable and level playing field for poor children in America, regardless of where they live.

Disparities in funding would be narrowed in the short run and eliminated over time—in sharp contrast to S. 1120.

Children's Fair Share Allocation Formula: The Children's fair share formula would allocate funding based on a 3-year average of the number of children in poverty. This information would come from the Bureau of the Census in its annual estimate through sampling data. With the latest data available, the Secretary would determine the state-by-state allocations and publish the data in the Federal Register on January 15 of every year.

Small State Minimum Allocation: For any State whose allocation was less than 0.6 percent, the minimum allocation would be set at the lesser of 0.6 percent of the total allocation or twice the actual fiscal year 1994 expenditure level.

Allocation Increase Ceiling: For all states except those covered by the small State minimum allocation, the amount of the allocation would be restricted to increase not more than 50 percent over Fiscal Year 1994 expenditure levels in the first year and to 50% increases for every subsequent year.

Final Adjustment to Minimize Adverse Impact: The savings from the "allocation increase ceiling" would exceed that for "small state minimum allocation." The net effect of these adjustments would be reallocated among the States who receive less than their fiscal year 1994 actual expenditures.

Mr. GRAHAM. My second amendment addresses the issue of unfunded mandates. In the spirit of S. 1, the first bill of this session that will seek to limit unfunded mandates in the future, a bill which was passed with bipartisan support and signed into law by the President, I am offering an amendment to apply the principles of S. 1—the unfunded mandates bill—to the welfare reform bill.

My third amendment deals with the section of the Dole bill the calls for a ranking of States' compliance with the provisions of this bill. My thesis is that this ranking system would be inherently unfair, because of the disparate amounts that would flow to States under this bill. Therefore, if we're going to give the States a grade, my amendment would require the Secretary to take into account the number of poor children in each State.

My fourth amendment deals with the work-participation goals in the Dole bill. My amendment would allow those work goals to be modified, based on the amount of funding a State receives. My final amendment would allow legal aliens currently receiving benefits to continue to be eligible under this legislation.

Mr. SANTORUM addressed the Chair.

The PRESIDING OFFICER (Mr. Smith). The Senator from Pennsylvania is recognized.

Mr. SANTORUM. Mr. President, I ask unanimous consent that the pending amendment be set aside.

Mr. DODD. Will my colleague yield for a second?

AMENDMENT NO. 2570 TO AMENDMENT NO. 2280

(Purpose: To reduce fraud and trafficking in the Food Stamp program by providing incentives to States to implement electronic benefit transfer systems)

Mr. DODD. Mr. President, in behalf of my colleague from Vermont, I would like to send an amendment to the desk

The PRESIDING OFFICER. Without objection, the pending amendment is set aside and the clerk will report.

The legislative clerk read as follows:

The Senator from Connecticut [Mr. DODD], for Mr. LEAHY, proposes an amendment numbered 2570.

Mr. DODD. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

(The text of the amendment is printed in today's RECORD under "Amendments Submitted.")

AMENDMENT NO. 2571 TO AMENDMENT 2280

(Purpose: To modify the maintenance of effort provision)

Mr. JEFFORDS. Mr. President, I send an amendment to the desk and ask for its consideration.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Vermont [Mr. JEFFORDS) proposes an amendment numbered 2571 to amendment number 2280.

Mr. JEFFORDS. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

In section 403(a)(5) of the amendment, strike B–D, and insert the following:

"(B) HISTORIC STATE EXPENDITURES.—For purposes of this paragraph, the term 'historic State expenditures' means expenditures by a State under parts A and F of title IV for fiscal year 1994, as in effect during such fiscal year.

"(C) DETERMINATION OF STATE EXPENDITURES FOR PRECEDING FISCAL YEAR.—

"(i) IN GENERAL.—For purposes of this paragraph, the expenditures of a State under the State program funded under this part for a preceding fiscal year shall be equal to the sum of the State's expenditures under the program in the preceding fiscal year for—

"(I) cash assistance;

"(II) child care assistance;

"(III) job education, training, and work; and

"(IV) administrative costs.

"(ii) TRANSFERS FROM OTHER STATE AND LOCAL PROGRAMS.—In determining State expenditures under clause (i), such expenditures shall not include funding supplanted by transfers from other State and local programs.

"(D) EXCLUSION OF FEDERAL AMOUNTS.—For purposes of this paragraph, State expenditures shall not include any expenditures from amounts made available by the Federal Government.

Mr. JEFFORDS. Mr. President, there is a little confusion. Some time ago the Senator from Utah offered three amendments on my behalf. Only two were delivered in that package. This is the third amendment, so there is no confusion.

This amendment will clarify the definition of maintenance of effort.

I ask unanimous consent that my amendment be set aside.

The PRESIDING OFFICER. Without objection, it is so ordered.

AMENDMENTS NOS. 2572 THROUGH 2576 TO AMENDMENT NO. 2280

Mr. SANTORUM. Mr. President, I send the following five amendments to the desk on behalf of the Senator from New Mexico [Mr. DOMENICI] and ask for their consideration.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Pennsylvania [Mr. SANTORUM], for Mr. DOMENICI, proposes amendments numbered 2572 through 2576 to amendment No. 2280.

Mr. SANTORUM. Mr. President, I ask unanimous consent that reading of the amendments be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendments are as follows:

AMENDMENT NO. 2572

(Purpose: To improve the child support enforcement system by giving States better incentives to improve collections)

On page 590, after line 23, strike (a) incentive Payments and all that follows through page 595, line 2 and insert the following:

Share collections 50/50 with all States.

Set national standards that all states must reach before incentives are made.

National standards will be set up for Paternity Establishment, Support Order establishment, Percentage of cases with collections, ratio of support due to support collected and cost effectiveness.

Set basic matching rate at 50 percent and allow incentive matching rates up to 90 percent of expenditures for the performance categories.

Change audit process to invoke audit sanctions if States do not meet 50 percent of the performance standard.

Require IRS COBRA notices to be sent to the State Child Support Agency.

AMENDMENT NO. 2573

(Purpose: To maintain the welfare partnership between the States and the Federal Government)

On page 21, after line 25, insert the following:

"(5) Welfare partnership.—

"(A) In general.—Beginning with fiscal year 1997, if a State does not maintain the expenditures of the State under the program for the preceding fiscal year at a level equal to or greater than 75% of the level of historic State expenditures, the amount of the grant otherwise determined under paragraph (1) shall be reduced in accordance with subparagraph (B).

"(B) Reduction.—The amount of the reduction determined under this subparagraph shall be equal to—

"(i)(I) the difference between the historic State expenditures and the expenditures of the State under the State program for the preceding fiscal year;

"(ii) the amount determined under clause (i)(I).

"(C) Historic state expenditures.—For purposes of this paragraph, the term historic State expenditures means expenditures by a State under parts A and F of title IV for fiscal year 1994, as in effect during such fiscal year.

"(D) Determining state expenditures.—

"(i) In general.—Subject to (ii) and (iii), for purposes of this paragraph the expenditures of a State under the State program funded under this part for a preceding fiscal year shall be determined by adding the expenditures of that State under its State program for—

"(I) cash assistance;

"(II) child care assistance;

"(III) job education and training, and work; and

"(IV) administrative costs;

in that fiscal year.

"(ii) Exclusion of grant amounts.—The determination under (i) shall not include grant amounts paid under paragraph (1) (or, in the case of historic State expenditures, amounts paid in accordance with section 403, as in effect during fiscal year 1994).

"(iii) Reservation of federal amounts.—For any fiscal year, if a State has expended amounts reserved in accordance with subsection (b)(3), such expenditure shall not be considered a State expenditure under the State program."

AMENDMENT NO. 2574

(Purpose: To express the Sense of the Senate regarding the inability of the non-custodial parent to pay child support)

At the appropriate place in the bill, insert the following new provision:

"SEC. . SENSE OF THE SENATE.

"It is the sense of the Senate that—

"(a) States should diligently continue their efforts to enforce child support payments by the non-custodial parent to the custodial parent, regardless of the employment status or location of the non-custodial parent; and

"(b) States are encouraged to pursue pilot programs in which the parents of a non-adult, non-custodial parent who refuses to or is unable to pay child support must

"(1) pay or contribute to the child support owned by the non-custodial parent; or

"(2) otherwise fulfill all financial obligations and meet all conditions imposed on the non-custodial parent, such as participation in a work program or other related activity."

AMENDMENT NO. 2575

(Purpose: To allow States maximum flexibility in designing their Temporary Assistance programs)

On page XX, after line XX, strike and all that follows through page XX, Line XX.

AMENDMENT NO. 2576

(Purpose: To create a national child custody database, and to clarify exclusive continuing jurisdiction provisions of the Parental Kidnapping Prevention Act)

On page 792, after line 22, add the following new title:

TITLE —CHILD CUSTODY REFORM

SEC. 01. SHORT TITLE.

This title may be cited as the "Child Custody Reform Act of 1995".

SEC. 02. REQUIREMENTS FOR EXCLUSIVE CONTINUING JURISDICTION MODIFICATION.

Section 1738A of title 28, United States Code, is amended—

(1) in subsection (d) to read as follows:

"(d)(1) Subject to paragraph (2) the jurisdiction of a court of a State that has made a child custody or visitation determination in accordance with this section continues exclusively as long as such State remains the residence of the child or of any contestant.

"(2) Continuing jurisdiction under paragraph (1) shall be subject to any applicable provision of law of the State that issued the initial child custody determination in accordance with this section, when such State law establishes limitations on continuing jurisdiction when a child is absent from such State.";

(2) in subsection (f)—

(A) by redesignating paragraphs (1) and (2) as paragraphs (2) and (1), respectively and transferring paragraph (2) (as so redesignated) so as to appear after paragraph (1) (as so redesignated); and

(B) in paragraph (1) (as so redesignated), by inserting "pursuant to subsection (d)," after "the court of the other State no longer has jurisdiction,"; and

(3) in subsection (g), by inserting "or continuing jurisdiction" after "exercising jurisdiction".

SEC. 03. ESTABLISHMENT OF NATIONAL CHILD CUSTODY REGISTRY.

Section 453 of the Social Security Act (42 U.S.C. 653) (as amended by section 916) is further amended by adding at the end the following new subsection:

"(p)(1) Not later than 1 year after the date of enactment of this subsection, the Secretary, in consultation with the Attorney General, shall conduct and conclude a study regarding the most practicable and efficient way to create a national child custody registry to carry out the purposes of paragraph (3). Pursuant to this study, and subject to the availability of appropriations, the Secretary shall create a national child custody registry and promulgate regulations necessary to implement such registry. The study and regulations shall include—

"(A) a determination concerning whether a new national database should be established or whether an existing network should be expanded in order to enable courts to identify child custody determinations made by, or proceedings filed before, any court of the United States, its territories or possessions;

"(B) measures to encourage and provide assistance to States to collect and organize the data necessary to carry out subparagraph (A);

"(C) if necessary, measures describing how the Secretary will work with the related and interested State agencies so that the database described in subparagraph (A) can be linked with appropriate State registries for the purpose of exchanging and comparing the child custody information contained therein;

"(D) the information that should be entered in the registry (such as the court of jurisdiction where a child custody proceeding has been filed or a child custody determination has been made, the name of the presiding officer of the court in which a child custody proceeding has been filed, the telephone number of such court, the names and social security numbers of the parties, the name, date of birth, and social security numbers of each child) to carry out the purposes of paragraph (3);

"(E) the standards necessary to ensure the standardization of data elements, updating of information, reimbursement, reports, safeguards for privacy and information security, and other such provisions as the Secretary determines appropriate;

"(F) measures to protect confidential information and privacy rights (including safeguards against the unauthorized use or disclosure of information) which ensure that—

"(i) no confidential information is entered into the registry;

"(ii) the information contained in the registry shall be available only to courts or law enforcement officers to carry out the purposes in paragraph (3); and

"(iii) no information is entered into the registry (or where information has previously been entered, that other necessary means will be taken) if there is a reason to believe that the information may result in physical harm to a person; and

"(G) an analysis of costs associated with the establishment of the child custody registry and the implementation of the proposed regulations.

"(2) As used in this subsection—

"(A) the term 'child custody determination' means a judgment, decree, or other order of a court providing for custody or visitation of a child, and includes permanent and temporary orders, and initial orders and modifications; and

"(B) the term 'custody proceeding'—

"(i) means a proceeding in which a custody determination is one of several issues, such as a proceeding for divorce or separation, as well as neglect, abuse, dependency, wardship, guardianship, termination of parental rights, adoption, protective action from domestic violence, and Hague Child Abduction Convention proceedings; and

"(ii) does not include a judgment, decree, or other order of a court made in a juvenile delinquency, or status offender proceeding.

"(3) The purposes of this subsection are to—

"(A) encourage and provide assistance to State and local jurisdictions to permit—

"(i) courts to identify child custody determinations made by, and proceedings in, other States, local jurisdictions, and countries;

"(ii) law enforcement officers to enforce child custody determinations and recover parentally abducted children consistent with State law and regulations;

"(B) avoid duplicative and or contradictory child custody or visitation determinations by assuring that courts have the information they need to—

"(i) give full faith and credit to the child custody or visitation determination made by a court of another State as required by section 1738A of title 28, United States Code; and

"(ii) refrain from exercising jurisdiction when another court is exercising jurisdiction consistent with section 1738A of title 28, United States Code.

"(4) There are authorized to be appropriated such sums as may be necessary to establish the child custody registry and implement the regulations pursuant to paragraph (1).".

SEC. 04. SENSE OF THE SENATE REGARDING SUPERVISED CHILD VISITATION CENTERS.

It is the sense of the Senate that local governments should take full advantage of the Local Crime Prevention Block Grant Program established under subtitle B of title III of the Violent Crime Control and Law Enforcement Act of 1994, to establish supervised visitation centers for children who have been removed from their parents and placed outside the home as a result of abuse or neglect or other risk of harm to such children, and for children whose parents are separated or divorced and the children are at risk because of physical or mental abuse or domestic violence.

Mr. SANTORUM. Mr. President, I ask unanimous consent that those amendments be set aside for later consideration.

The PRESIDING OFFICER. Without objection, it is so ordered.

AMENDMENT NO. 2577, 2578 AND 2579 TO AMENDMENT NO. 2280

Mr. SANTORUM. Mr. President, I send to the desk three amendments on behalf of the Senator from New York, Senator D'AMATO and ask for their consideration.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Pennsylvania [Mr. SANTORUM], for Mr. D'AMATO, proposes amendments numbered 2577, 2578, and 2579 to amendment No. 2280.

Mr. SANTORUM. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendments are as follows:

AMENDMENT NO. 2577

(Purpose: Changing the date for the determination of fiscal year 1994 expenditures)

On page 17, line 20, strike "February 14" and insert "May 15".

AMENDMENT NO. 2578

(Purpose: Claims arising before effective date)

On page 124, between lines 9 and 10, insert:

(3) CLOSING OUT ACCOUNT FOR THOSE PROGRAMS TERMINATED OR SUBSTANTIALLY MODIFIED BY THIS TITLE.—In closing out accounts, Federal and State officials may use scientifically acceptable statistical sampling techniques. Claims made under programs which are repealed or substantially amended in this title and which involve State expenditures in cases where assistance or services were provided during a prior fiscal year, shall be treated as expenditures during fiscal year 1995 for purposes of reimbursement even if payment was made by a State on or after October 1, 1995. States shall complete the filing of all claims no later than September 30, 1997. Federal department heads shall—

(A) use the single audit procedure to review and resolve any claims in connection with the close out of programs, and

(B) reimburse States for any payments made for assistance or services provided during a prior fiscal year from funds for fiscal year 1995, rather than the funds authorized by this title.

AMENDMENT NO. 2579

(Purpose: Terminating efforts to recover funds for prior fiscal years)

On page 124, between lines 9 and 10, insert:

Notwithstanding the preceding sentence, the Secretary of Health and Human Services shall cease efforts to recover previously granted funds, shall pay any amounts being deferred, and shall forgive any disallowance pending appeal before the Departmental Appeals Board or before any Federal court unless the Secretary determines that there was not substantial compliance with the program requirements underlying the claims or, upon probable cause, believes that there is evidence of fraud on the part of the State. The preceding sentence shall not be construed as diminishing the right of a State to administrative or judicial review of a disallowance of funds.

Mr. SANTORUM. Mr. President, I ask unanimous consent that those amendments be set aside for later consideration.

The PRESIDING OFFICER. Without objection, it is so ordered.

AMENDMENT NO. 2580 TO AMENDMENT NO. 2280

(Purpose: To limit vocational education activities counted as work)

Mr. SANTORUM. Mr. President, I send an amendment to the desk in behalf of Senator GRAMS of Minnesota and ask for its consideration.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Pennsylvania [Mr. SANTORUM], for Mr. GRAMS, proposes an amendment numbered 2580 to amendment No. 2280.

Mr. SANTORUM. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 36, between lines 13 and 14, insert the following;

"(4) LIMITATION ON VOCATIONAL EDUCATION ACTIVITIES COUNTED AS WORK.—For purposes of determining monthly participation rates under paragraphs (1)(B)(i)(I) and (2)(B)(i) of subsection (b), not more than 20 percent of adults in all families and in 2-parent families determined to be engaged in work in the State for a month may meet the work activity requirement through participation in vocational educational training.

Mr. SANTORUM. Mr. President, I ask unanimous consent that that amendment be set aside for later consideration.

The PRESIDING OFFICER. Without objection, it is so ordered.

AMENDMENT NO. 2560

Mr. SANTORUM. Mr. President, seeing no other Senators present, I would like to respond to the comments of the Senator from Connecticut.

As I said, yesterday when I made comments on the issue of child care, I have sympathy for what he is talking about. I was a member of the Ways and Means Committee which last year worked on the Republican Task Force on Welfare and came up with a bill, H.R. 3,500, with the Senator from Massachusetts spoke to and came over and said we should adopt the Santorum bill over here from last session because indeed in the last session we introduced a bill that, as chairman of the task force, will provide more money for child care recognizing the need that if we are going to put people into work that we would in fact be required to come up with some more money for child care.

I say that under H.R. 3,500 we did not block grant the program. We did not give States the kind of flexibility that we do in this bill, and that Governors from across the country—as I said, yesterday, 80 percent of the people who are on welfare today are represented by Republican Governors. Those Governors have almost unanimously—I think there is one Governor so far that has not come out and endorsed this proposal—said that they are willing to take the allocation of resources provided in this bill and can in fact run programs that will put people to work and provide day care and the other support services that are necessary to get people into work.

So while we did provide money in that bill in the House, we did not provide the flexibility that the Governors wanted. They believe, as sort of the age-old tradeoff, as most Governors will tell you, if you are going to give us all these requirements give us the money to live with them. If you are going to give us responsibility, give us the flexibility and we will not need as much money.

That is pretty much the bottom line here. We believe we are actually able to provide more money overall if we give more flexibility to run the programs and not have the bureaucratic hoops to jump through here in Washington which cost a lot of money for the States to comply with. So that is one comment.

The other comment I would make is that in the programs that have in fact required work and in fact did put people into work. I cite the example of Riverside, CA, Grand Rapids, MI and Atlanta. In those programs where you had these work requirements you had substantial cost savings from the existing programs as a result of implementing this program.

You had I believe about a 15 percent reduction in food stamps, over 20 percent reduction in AFDC payments and over 25 percent reduction in AFDC caseload. So you got a lot of people off welfare who maybe should not have been on welfare in the first place and you had a reduction in the expenditures which that pool of resources could be used to provide the supplemental benefits that are necessary to put people to work. In fact, that is what was done in these experimental cities that I referenced.

So it is a matter of better targeting resources. It is not a matter that we have to keep putting up more and more money.

The final point I wanted to make on child care, and it is a sensitive one, is that I share the concern, and in fact I support the Snowe amendment which now is the modified Dole package which would provide for mothers who have children under 5 to be able to be exempted from the work requirement if they can demonstrate that they simply do not have child care available or the child care available is simply unaffordable under the circumstances that they are in.

I support that because I think we first have to make sure that before we create an entitlement for someone to get child care we have to make sure there are not any other sources of day care available. There are people on welfare who have parents and grandparents who can help provide day care for children, who have neighbors, who have other situations in which they can in fact find child care for their children without resorting to government entitlement. The government entitlement and the big concern I have with the Government entitlement is it becomes the first resort for day care, not the last, and that it becomes another program that just simply grows and grows and grows and we continue to break down the family, the need for parents and grandparents as we have done historically not just in this country, in every civilization known, to have parents and grandparents of the mother be able to be there and help provide for the extended family.

We can continue to say that is not as important, or the Government is going to take their place now, that the Government is going to be in there first to provide this day care. I think that is harmful. I do not think that should be the first resort. I think we should say that families should continue to work together and not look to the Government to provide day care for children. If you are going to have children, there should be a responsibility of not only the parents but the grandparents involved to be a participant in helping. And in fact that is what happens today in most cases in America.

If we create this entitlement, which is what has been talked about, I think we really potentially damage. Unintended as it may be, I think we damage the nucleus of the relationships of families in America, and the dependency which I think is so necessary between generations to hold families together.

The other point I would want to make on that is that if we provided an entitlement for mothers—and it is predominantly mothers—for mothers on welfare, we say if you go on welfare and then go to work under a work program, we will provide you day care, but if you do not go on welfare and you just are trying to make ends meet as a single mom, you are on your own, wow. What are we saying here? What are we saying to single mothers who are out there, as they are, in the millions today just trying to get kids to day care and get to work and not be late and get home on time and the rest, and we say if you get on welfare, we will make it easy for you; the Government will pay for it? What are we saying?

Mr. DODD. Will my colleague yield?

Mr. SANTORUM. I will be happy to yield.

Mr. DODD. It is an interesting point because presently we provide about 640,000 children in a program with assistance. What we need to talk about is not just people on welfare but people going to work at 125 percent or so of poverty. And there is a transition where people should start to contribute to their own child care needs.

I did not mention this in my remarks, but one of the dangers I think of what is going to happen here is that you have people working right now that are out there, they are getting help with their child care. If we are now going to say to the welfare recipient that you have got to go to work, and we are going to say, take what exists out there today, we may be taking care from some of the very people working right now, managing to stay at work because they are getting help with child care. They are going to be put into a second-class status because the person on welfare is going to utilize that dollar.

My colleague is correct. We have provided, not to any great extent, for some families to try and keep them off of welfare because even if you get off welfare, you have to stay off and staying off requires a bit of time so you can get up to a point where you can afford the rent. Setting aside health care and looking just at food, rent and so forth, average day care costs, private costs are $80, $100 a week, for the least expensive programs in many cases, and if you are pulling down something a bit above minimum wage that gets almost impossible.

So it is a good point, but it seems to me it does not necessarily argue against trying to get people off welfare and providing that transitional assistance. I think the Senator was making that point.

Mr. SANTORUM. I am not making the point that we should not provide child care for women who are on welfare who want to work. I am not saying we should not do that. The point I was making is I do not think we should create a guaranteed entitlement for it. There is a difference. The Senator mentioned in fact for working mothers today there is no entitlement to day care. There simply is not. We do, as the Senator mentioned, have some 600,000 people who are in need of day care assistance, that assistance, but it is a very tough program. You have to walk through the hoops to be able to qualify. You have to prove that there is no family or other kind of support necessary.

It is not easy to qualify. And even at that, even if you qualify, you are not guaranteed a slot.

Mr. DODD. Will my colleague yield on that point?

Mr. SANTORUM. Sure.

Mr. DODD. Just to make the case. We have no entitlement. This amendment is not an entitlement. There is no provision here saying that you are entitled to it. We have been told this is the rough amount of money—with the 165 percent increase under the Dole work provisions, this is the amount of money we have been told would be adequate to provide for child care. There is no entitlement here at all. In the past, I have argued for entitlement.

Mr. SANTORUM. The Senator has.

Mr. DODD. But not on this one. This is no entitlement.

Mr. SANTORUM. If you provide the amount of money that will be necessary to fully fund the program, in a sense you have not created an entitlement but you have created a slot for everyone.

Mr. DODD. Hopefully. But you do not have a right to go to court, as you do under an entitlement program, and say I have met the criteria; therefore, you must provide me.

Mr. SANTORUM. I think that is a distinction without a difference.

Mr. DODD. That is an entitlement program.

Mr. SANTORUM. OK. Then if we are going to provide sufficient money for everyone to get child care as a first resort and a last resort, while it may not be an entitlement, it has in effect the same consequence which is everyone will have a day care slot, and that is a Federal day care slot which I think is a dangerous precedent and a counterproductive one.

Again, I want to emphasize that I think through the Snowe amendment we are going to without a doubt encourage States—and I think a lot of States would do this without our encouragement—encourage States to move forward and to provide day care support for working single parents. And I will go through that rationale again. I think it is important.

Under the Dole provision, we are going to require eventually 50 percent of all people who participate in this program, the welfare program, 50 percent will have to be in the work program. There will be a substantial number, roughly a third is usually the number, a third considered to be incapacitated, disabled, whatever the term you want to use, who will never be in a work program because of either their own incapacity or disability of a child that would make that parent really ineligible to have to leave that child and go to work.

So you are setting aside a third that you pretty well know are not ever going to be in that program. So you have 50 percent of the whole thing and again a third of that is gone, so you have a pretty good chunk of the remaining caseload that are going to be required to work.

If you say that single parents are going to be required to work irrespective of the age of the child, so they are going to be in the denominator of the equation, but they are not required to work if they can demonstrate that child care is not available to them—and again the State will set the criteria—that means they are not going to be in the enumerator, and if you have a pool here of roughly 67 percent of the whole group, and you have to get 50 percent to work, you have a pretty slim margin to work with to exclude people because they cannot get day care.

So what you are going to do is to meet your 50 percent number the State really is going to be forced to go out and provide day care opportunities for younger mothers, and I think that is what we want to do. We want to make sure that as efficiently as possible we can direct the States to in effect go out and provide those dollars.

So we think we have gotten around the problem without getting into the—I will not use the term "entitlement" because it is not entitlement—without getting used to, I would say, the guaranteed slot that is being provided for in the Dodd amendment, however well-intentioned I think—I know the Senator from Connecticut has been a champion in trying to expand the number of day care guarantees for parents. However well-intentioned that is, I do not think that is the right direction we should be taking at this time.

Mr. DODD. If my colleague will yield for just one more point, I appreciate his concerns, and I was not aware of his efforts in the previous Congress in the other body with H.R. 3500, with the Senator's own welfare reform and child care proposals, but I will take a look at them. Maybe I will offer that as an amendment, the Santorum bill——

Mr. SANTORUM. Do not put me on the spot.

Mr. DODD. From the previous Congress. I just raise this because it is a good point. States under the Dole proposals I suspect—I am sure they are going to be wanting to do what they can in child care, but I suspect they are also going to weigh the cost of doing that, through whatever mechanism they have to do it, either by cutting spending in other areas or raising taxes, and the penalties imposed upon them if they do not meet the criteria of the legislation regarding a certain percentage of the welfare recipients going to work. They will decide which they would rather do, pay the penalty, which I presume would be lower—I do not know exactly, but I suspect it is lower than what it would be to come up with the resources to see to it that the welfare recipient makes the transition. That is one of my concerns here. So we will end up with States paying the penalties in some cases because it is cheaper to pay the penalties than it is to meet that criteria, or that race to the bottom approach where they will say: Look, we are going to lower this thing so that people will not stay around in this State and they will find some other State, Pennsylvania, New Hampshire, some other place to go to, so you will have a competition as to who will get this thing done and we have another national problem.

Mr. SANTORUM. I would say to the Senator again in the Dole bill as recently modified there is a provision that States have to do 75 percent maintenance of effort over 3 years. There really is no attempt to race to the bottom. I do not know how many States are going to be willing to sort of give back dollars as opposed to reallocating existing dollars.

We are not really asking to spend more money. We are telling them to reallocate dollars to child care, to implement the work program. And that is not costing them any Federal funds to do that. If they violate and suffer penalties, they will lose Federal dollars. And that is a pretty powerful incentive, I think. I will get those numbers as to what the penalties will be.

Mr. DODD. Yes.

Mr. SANTORUM. I think it is important to look. If, in fact, we see the penalties are not particularly stiff, I would look at dealing with that down the road.

I thank the Senator.

Mr. DODD. I thank the Senator.

Mr. JEFFORDS addressed the Chair.

The PRESIDING OFFICER. The Senator from Vermont.

AMENDMENT NO. 2581 TO AMENDMENT NO. 2280

(Purpose: To strike the increase to the grant to reward States that reduce out-of-wedlock births)

Mr. JEFFORDS. I have an amendment at the desk and ask for its immediate consideration.

The PRESIDING OFFICER. Without objection, the clerk will report.

The assistant legislative clerk read as follows:

The Senator from Vermont [Mr. JEFFORDS] proposes an amendment numbered 2581.

Mr. JEFFORDS. Mr. President, I ask unanimous consent that the reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

Strike the matter between lines 11 and 12 of page 51 (as inserted by the modification of September 8, 1995).

Mr. DODD. Will my colleague yield for one second?

Mr. JEFFORDS. I will be happy to.

AMENDMENTS NOS. 2582, 2583, AND 2584, EN BLOC, TO AMENDMENT NO. 2280

Mr. DODD. I send to the desk three amendments on behalf of Senator WELLSTONE.

The PRESIDING OFFICER. Without objection, it is so ordered.

The clerk will report the amendments.

To assistant legislative clerk read as follows:

The Senator from Connecticut [Mr. DODD] for Mr. WELLSTONE proposes amendments numbered 2582, 2583, and 2584, en bloc.

Mr. DODD. Mr. President, I ask unanimous consent that the reading of the amendments be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendments are as follows:

AMENDMENT NO. 2582

(Purpose: To amend the Fair Labor Standards Act of 1938 to increase the minimum wage rate under such Act)

On page 576, between lines 12 and 13, insert the following:

Subtitle D—Minimum Wage Rate

SEC. 841. INCREASE IN THE MINIMUM WAGE RATE.

Section 6(a)(1) of the Fair Labor Standards Act of 1938 (29 U.S.C. 206(a)(1)) is amended to read as follows:

"(1) except as otherwise provided in this section, not less than $4.25 an hour during the period ending December 31, 1995, not less than $4.70 an hour during the year beginning January 1, 1996, and not less than $5.15 an hour after December 31, 1996;".

AMENDMENT NO. 2583

(Purpose: To exempt women and children who have been battered or subject to extreme cruelty from certain requirements of the bill)

On page 14, between lines 12 and 13, insert the following:

"(8) CERTIFICATION REGARDING BATTERED INDIVIDUALS.—A certification from the chief executive officer of the State specifying that—

"(A) the State will exempt from the requirements of sections 404, 405 (a) and (b), and 406 (b), (c), and (d), or modify the application of such sections to, any woman, child, or relative applying for or receiving assistance under this part, if such woman, child, or relative was battered or subjected to extreme cruelty and the physical, mental, and emotional well-being of the woman, child, or relative will be endangered by application of such sections to such woman, child, or relative, and

"(B) the State will take into consideration the family circumstances and the counseling and other supportive service needs of the woman, child, or relative.

On page 14, line 13, strike "(8)" and insert "(9)".

On page 16, between lines 22 and 23, insert the following:

"(6) BATTERED OR SUBJECTED TO EXTREME CRUELTY.—The term 'battered or subjected to extreme cruelty' includes, but is not limited to—

"(A) physical acts resulting in, or threatening to result in physical injury;

"(B) sexual abuse, sexual activity involving a dependent child, forcing the caretaker relative of a dependent child to engage in nonconsensual sexual acts or activities, or threats of or attempts at physical or sexual abuse;

"(C) mental abuse; and

"(D) neglect or deprivation of medical care.

On page 35, between lines 2 and 3, insert the following:

"(6) CERTAIN INDIVIDUALS EXCLUDED IN CALCULATION OF PARTICIPATION RATES.—An individual who is battered or subjected to extreme cruelty and with respect to whom an exemption or modification is in effect at any time during a fiscal year by reason of section 402(a)(8) shall not be included for purposes of calculating the State's participation rate for the fiscal year under this subsection.

On page 36, after line 25, add the following: The penalties described in paragraphs (1) and (2) shall not apply with respect to an individual who is battered or subjected to extreme cruelty and with respect to whom an exemption or modification is in effect by reason of section 402(a)(8).

On page 74, between lines 2 and 3, insert: Such requirements, limits, and penalties shall contain exemptions described in section 402(a)(8) for individuals who have been battered or subject to extreme cruelty.

On page 175, line 16, strike "and".

On page 175, line 20, strike the period and insert "; and".

On page 175, between lines 20 and 21, insert the following:

(C) by adding at the end the following new subparagraph:

"(F) The provisions of this subsection shall not apply with respect to any alien who has been battered or subjected to extreme cruelty (within the meaning of section 402(d)(6) of the Social Security Act (42 U.S.C. 602(d)(6))."

On page 183, line 11, strike the end quotation marks and the end period.

On page 183, between lines 11 and 12, insert:

"(E) EXCEPTION FOR BATTERED INDIVIDUALS.—The requirements of this paragraph shall not apply to an individual who has been battered or subjected to extreme cruelty (within the meaning of section 402(d)(6) of the Social Security Act) if such application would endanger the physical, mental, or emotional well-being of the individual.".

On page 192, between line 16 insert at the end: "The standards shall provide a good cause exception to protect individuals who have been battered or subjected to extreme cruelty (within the meaning of section 402(d)(6) of the Social Security Act)."

On page 197, line 13, after "section" insert "6(d)(1)(E) or".

On page 287, line 21, strike "or (V)" and insert "(V), or (VI)".

On page 291, lines 18 and 19, strike "or (V)" and insert "(V), or (VI)".

On page 299, line 11, strike "or".

On page 299, line 14, strike "title II" and insert "title II; or (VI) a noncitizen who has been battered or subjected to extreme cruelty (within the meaning of section 402(d)(6))".

On page 612, line 24, strike "rights" and inserting "rights, and only if such resident parent or such resident parent's child is not an individual who has been battered or subjected to extreme cruelty (within the meaning of section 402(d)(6)) by such absent parent".

On page 715, line 8, strike "arrangements." and insert "arrangements. Such programs shall not provide for access or visitation if any individual involved is an individual who has been battered or subjected to extreme cruelty (within the meaning of section 402(d)(6)) by the absent parent.".

AMENDMENT NO. 2584

(Purpose: To exempt women and children who have been battered or subject to extreme cruelty from certain requirements of the bill)

At the end of the amendment, insert the following new title:

TITLE —PROTECTION OF BATTERED INDIVIDUALS

SEC. 01. EXEMPTION OF BATTERED INDIVIDUALS FROM CERTAIN REQUIREMENTS.

(a) IN GENERAL.—Notwithstanding any other provision of, or amendment made by, this Act, the applicable administering authority of any specified provision shall exempt from (or modify) the application of such provision to any individual who was battered or subjected to extreme cruelty if the physical, mental, or emotional well-being of the individual would be endangered by the application of such provision to such individual. The applicable administering authority shall take into consideration the family circumstances and the counseling and other supportive service needs of the individual.

(b) SPECIFIED PROVISIONS.—For purposes of this section, the term "specified provision" means any requirement, limitation, or penalty under any of the following:

(1) Sections 404, 405 (a) and (b), 406 (b), (c), and (d), 414(d), 453(c), 469A, and 1614(a)(1) of the Social Security Act.

(2) Sections 5(i) and 6 (d), (j), and (n) of the Food Stamp Act of 1977.

(3) Sections 501(a) and 502 of this Act.

(c) DEFINITIONS AND SPECIAL RULES.—For purposes of this section—

(1) BATTERED OR SUBJECTED TO EXTREME CRUELTY.—The term "battered or subjected to extreme cruelty" includes, but is not limited to—

(A) physical acts resulting in, or threatening to result in, physical injury;

(B) sexual abuse, sexual activity involving a dependent child, forcing the caretaker relative of a dependent child to engage in nonconsensual sexual acts or activities, or threats of or attempts at physical or sexual abuse;

(C) mental abuse; and

(D) neglect or deprivation of medical care.

(2) CALCULATION OF PARTICIPATION RATES.—An individual exempted from the work requirements under section 404 of the Social Security Act by reason of subsection (a) shall not be included for purposes of calculating the State's participation rate under such section.

Mr. DODD. I thank my colleague.

Mr. JEFFORDS addressed the Chair.

The PRESIDING OFFICER. The Senator from Vermont is recognized.

Mr. JEFFORDS. I ask unanimous consent that my amendment be set aside.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. STEVENS addressed the Chair.

The PRESIDING OFFICER. The Senator from Alaska.

AMENDMENT NO. 2585 TO AMENDMENT NO. 2280

Mr. STEVENS. I send an amendment to the desk.

The PRESIDING OFFICER. The clerk will report the amendment.

The assistant legislative clerk read as follows:

The Senator from Alaska [Mr. STEVENS], for himself and Mr. MURKOWSKI, proposes an amendment numbered 2585.

Mr. STEVENS. Mr. President, I ask unanimous consent that the reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 16 of the pending amendment, beginning on line 13, strike all through line 17 and insert in lieu thereof the following:

"(4) INDIAN, INDIAN TRIBE, AND TRIBAL ORGANIZATION.—

"(A) IN GENERAL.—Except as provided in subparagraph (B), the terms 'Indian', 'Indian tribe', and 'tribal organization' have the meaning given such terms by section 4 of the Indian Self-Determination and Education Assistance Act (25 U.S.C. 450b).

"(B) IN ALASKA.—For purposes of grants under section 414 on behalf of Indians in Alaska, the term 'Indian tribe' shall mean only the following Alaska Native regional non-profit corporations—

"(i) Arctic Slope Native Association,

"(ii) Kawerak, Inc.,

"(iii) Maniilaq Association,

"(iv) Association of Village Council Presidents,

"(v) Tanana Chiefs Conference,

"(vi) Cook Inlet Tribal Council,

"(vii) Bristol Bay Native Association,

"(viii) Aleutian and Pribilof Island Association,

"(ix) Chugachmuit,

"(x) Tlingit Haida Central Council,

"(xi) Kodiak Area Native Association, and

"(xii) Copper River Native Association.

Mr. STEVENS. I want to make a brief explanation of this amendment. I hope it will be adopted as a technical amendment. I have provided a copy to each side.

I think this is a necessary change in the provision that is in the Dole amendment dealing with Indians, Indian tribes and tribal organizations. It will provide in Alaska there be a specific regional framework for block granting welfare funds. We think that is necessary to meet the circumstances of our State. After all, it is one-fifth the size of the United States.

The administrative costs of just having the welfare assistance programs administered from Juneau are almost the same as administering the whole east coast of the United States from Washington, DC. It is something we are trying to get away from through block granting.

This amendment would apply only to Alaska and specify that there are 12 Alaska Native regional nonprofit corporations that are the only native organizations in Alaska which would be eligible to receive family subsistence block grants directly under the concepts of this bill. I think that this will limit the eligible organizations. There are some 170 different organizations that would be entitled otherwise if we would block grant directly to those organizations.

We prefer to do it on a regional basis to keep administrative costs to a minimum and it is my hope that having decided to do this, if it is approved by Congress, that within each region the regional nonprofits themselves will work with the villages so that these moneys can be administered with the very least administrative costs and will not be spending money on people flying planes or going to visit these individual areas from far distant places. Let the people of the area determine what the basic family assistance money should be used for.

It is consistent with the law. We are not changing the law at all. It merely changes the concept of the tribal organization that is specified in the previous subsection (a) of subsection 4, which is the Indian tribe and tribal organization section. I am hopeful that it will be accepted as a technical amendment.

I ask that the amendment be set aside temporarily until there is a report from the two sides.

The PRESIDING OFFICER. Without objection, it is so ordered.

AMENDMENT NO. 2586 TO AMENDMENT NO. 2280

(Purpose: To modify the religious provider provision)

Mr. SANTORUM. Mr. President, I send the following amendment to the desk, and ask for its immediate consideration on behalf of the Senator from Maine, Senator COHEN.

The PRESIDING OFFICER. The clerk will report the amendment.

The assistant legislative clerk read as follows:

The Senator from Pennsylvania [Mr. SANTORUM] for Mr. COHEN proposes an amendment numbered 2586.

Mr. SANTORUM. Mr. President, I ask unanimous consent that the reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

In section 102(c) of the amendment, insert "so long as the programs are implemented consistent with the Establishment Clause of the United States Constitution" after "subsection (a)(2)".

In section 102(d)(2) of the amendment, strike subparagraph (B), and redesignate subparagraph (C) as subparagraph (B).

Mr. SANTORUM. I ask unanimous consent that that amendment be set aside for later consideration.

The PRESIDING OFFICER. Without objection, it is so ordered.

AMENDMENT NO. 2587 TO AMENDMENT NO. 2280

(Purpose: To maintain a national Job Corps program, carried out in partnership with States and communities)

Mr. SANTORUM. Mr. President, I send to the desk an amendment on behalf of the Senator from Pennsylvania, Senator SPECTER, and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report the amendment.

The assistant legislative clerk read as follows:

The Senator from Pennsylvania [Mr. SANTORUM] for Mr. SPECTER proposes an amendment numbered 2587.

Mr. SANTORUM. Mr. President, I ask unanimous consent that the reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

(The text of the amendment is printed in today's RECORD under "Amendments Submitted.")

Mr. SANTORUM. I ask unanimous consent that the amendment be set aside for later consideration.

Mr. LAUTENBERG. Mr. President, I rise in strong opposition to the Dole-Packwood welfare reform bill.

Mr. President, we live in the greatest nation on Earth. We are the wealthiest country in the world. But it is clear that some in our society do not share in this wealth. They are poor. They are jobless and in some cases homeless. And they must rely on public assistance to survive. In America, this is unacceptable. And we should be committed to improving their lives.

Mr. President, there is no question that the current welfare system needs reform. But the central goal for any welfare reform bill should be to move welfare recipients into productive work.

This will only happen if we provide welfare recipients with education and job training to prepare them for employment. It will only happen if we provide families with affordable child care. It will only happen if we can place them into jobs, preferably in the private sector or—as a last resort—in community service.

But the Dole-Packwood bill is not designed to help welfare recipients get on their feet and go to work. It is only designed to cut programs—pure and simple.

It is designed to take money from the poor so that Republicans can provide huge tax cuts for the rich. That is what is really going on here.

Unfortunately, Mr. President, the radical experiment proposed in this legislation will inflict problems on our society while producing defenseless victims. Those victims are not represented in the Senate offices. They are not here lobbying against this bill. They do not even know they are at risk.

The victims will be America's children. And there will be millions of them.

Mr. President, the AFDC Program provides a safety net for 9 million children. These young people are innocent. They did not ask to be born into poverty. And they do not deserve to be punished.

These children are African-American, Hispanic, Asian, and white. They live in urban areas and rural areas. But, most importantly, they are American children. And we as a Nation have a responsibility to provide them with a safety net.

The children we are talking about are desperately poor, Mr. President. They are not living high off the hog. These kids live in poverty.

Consider the following:

The median AFDC grant for a family of three is $366 per month. This is the same amount a Member of Congress makes in one day; $366 per month does not buy much these days. As a matter of fact, it gets a family of three to 38 percent of the Federal poverty level.

Mr. President, this is the median. Consider the conditions some children live under in certain States.

In Mississippi, the maximum a family of three can receive is $120 per month. This will get a family to 13 percent of the poverty level.

In Texas, the maximum a family of three can receive is $184 per month. This will get a family to 19 percent of the poverty level.

Mr. President, it is hard for many of us to appreciate what life is like for the 9 million children who live in poverty and who benefit from AFDC.

I grew up in a working class family in Paterson, NJ, in the heart of the Depression. Times were tough. And I learned all too well what it meant to struggle economically.

But as bad as things were for my own family, they still were not as bad as for millions of today's children.

These are children who are not always sure whether they will get their next meal. Not always sure that they will have a roof over their heads. Not always sure they will get the health care they need.

Mr. President, these children are vulnerable. They are living on the edge of homelessness and hunger. And they did not do anything to deserve this fate.

Mr. President, if we are serious about reforming a program that keeps these children afloat, we will not adopt a radical proposal like the Dole-Packwood bill. We will not put millions of American children at risk. And we will not simply give a blank check to States and throw up our hands.

Mr. President, this Republican bill is not a serious policy document. It is a budget document. It's a down payment on a Republican tax cut that targets huge benefits for millionaires and other wealthy Americans. A tax cut that, as passed by the House, would provide $20,000 to those who make $350,000 per year.

Mr. President, if the Republicans were serious about improving opportunities for those on welfare, they would be talking about increasing our commitment to education and job training. In fact, only last year, the House Republican welfare reform bill, authored in part by Senator SANTORUM, would have increased spending on education and training by $10 billion.

This year, by contrast, the House Republican welfare bill actually cuts $65 billion, including huge reductions in education and training.

So what has changed? The answer is simple. This year, the Republicans need the money for their tax cuts for the rich.

Mr. President, shifting our welfare system to 50 State bureaucracies may give Congress more money to provide tax cuts. But it is not going to solve the serious problems facing our welfare system, or the people it serves.

To really reform welfare, Mr. President, we first must emphasize a very basic American value: the value of work.

We should expect recipients to work. In fact, we should demand that they work, if they can.

Of course, Mr. President, that kind of emphasis on work is important. But it is not enough. We also have to help people get the skills they need to get a job in the private sector. I am not talking about handouts.

I am talking about teaching people to read. Teaching people how to run a cash register or a computer. Teaching people what it takes to be self-sufficient in today's economy.

We also have to provide child care.

Mr. President, how is a woman with several young children supposed to find a job if she can not find someone to take care of her kids? It is simply impossible. There is just no point in pretending otherwise.

Unfortunately, the Dole-Packwood bill does not even begin to address these kind of needs. It does not even try to promote work. It does not even try to give people job training. It does not even try to provide child care.

All it does is throw up its hands and ship the program to the States. That is it.

Mr. President, that is not real welfare reform. It is simply passing the buck to save a buck. And who's going to get the buck that's saved? The people the Republicans really care about: the rich.

Mr. President, if we are serious about welfare reform, I would suggest that we start with adopting provisions that were contained in the "Work First" alternative developed by Senators DASCHLE, BREAUX, and MIKULSKI. Unlike the Dole-Packwood bill, this proposal addresses the real problems facing our welfare system.

It emphasizes moving people into productive work by providing education, training, child care, and health care for those who leave the welfare rolls. And after 2 years, recipients would have to work, either in the private sector or in community service.

It provides flexibility for States to run welfare experiments, while preserving the Federal commitment to poor children.

It encourages families to stay together and discourages teen pregnancy.

It contains tough new measures to better collect child support.

Finally, it makes savings in the Food Stamp and SSI Programs by cracking down on waste, fraud, and abuse.

This is a much preferable approach to welfare reform, Mr. President. It emphasizes work and protects the safety net for children. It is the type of balance we need to truly reform our welfare system.

Therefore, I will work with my colleagues to try to improve this Dole-Packwood bill through amendments.

Mr. President, we have an enormous opportunity to improve the welfare system. President Clinton has made welfare reform a priority, and the American people are demanding action.

But to do the job right, we are going to have to work on a bipartisan basis. That means that my Republican colleagues will have to sit down with Senate Democrats and the administration and produce a balanced reform bill. A bill that protects children. And a bill that promotes work.

Mr. President, there is a precedent for such a bipartisan effort, and it can happen again. In 1988, the Senate passed the Family Support Act which provided funds for States to train AFDC recipients so that they could move permanently into the work force.

We passed that legislation by a vote of 96 to 1 when the Democrats controlled both Houses of Congress. It was signed by President Reagan. And you know who attended the bill signing ceremony at the White House? Then-Gov. Bill Clinton.

I would hope that we could repeat this kind of bipartisanship. But to do so, we are going to have to move well beyond budget-driven proposals that simply shift the welfare problem to the States, and that threaten millions of children in the process.

So I would strongly urge my colleagues to reject the Dole-Packwood bill. Let us reform our welfare system. But let us do it right.

I yield the floor.

TRIBAL BLOCK GRANTS AND WELFARE REFORM

Mr. MCCAIN. Mr. President, I rise in strong support of the Indian provisions contained in the Dole substitute to H.R. 4, the Work Opportunity Act of 1995. I commend the distinguished majority leader, Senator DOLE, and the chairman of the Senate Finance Committee, Senator PACKWOOD, for their efforts to overhaul our Nation's welfare system and for including provisions which responsibly address the unique needs and requirements of Indian country. Senators DOLE and PACKWOOD have taken great care to draft a welfare plan that effects real change in a system that is greatly in need of repair while ensuring that all citizens, including our Nation's Indian population, receive equitable access to necessary welfare assistance. It is important to point out that the Dole substitute bill honors in many practical ways the special relationship that the United States has with Indian tribal governments.

Clearly, our welfare system has failed to meet its goals. Dependency is the off-spring of the current welfare system. In order to foster independence, we must completely replace the welfare system that breeds this dependency.

Let me put it plain and simple—the great social programs of the past have failed American Indians as much or even more than they have failed the rest of America's citizens. These programs have failed Indians because they have largely ignored the existence of Indian tribal governments and the unique needs and of the Indian population. Recent attempts to fix this problem have been like placing a bandaid on a gaping wound. Under existing programs, Indians remain the worst-off and yet benefit the least. If we are to truly reform welfare then we cannot ignore Indians, who year-after-year rank the highest in poverty and unemployment.

I believe that the Dole substitute bill promises greater hope for Indians because it allows their own tribal governments to serve Indians now living in poverty. It empowers tribes themselves to assist in ending the welfare dependency often created by existing programs by placing resources necessary to fight local welfare problems into the hands of local tribal governments. Mr. President, I believe this bill demonstrates a real commitment to ending welfare as Indians have known it. As I have said on many occasions, our successes as a nation should be measured by the impact that we have made in the lives of our most vulnerable citizens—American Indians.

Early in the 104th Congress, the Senate Committee on Indian Affairs held several hearings on the potential impact to Indians of various welfare reform proposals such as block grants. During these hearings, tribal leaders spoke out in strong favor of direct Federal funding which would allow tribal governments flexibility in administering local welfare assistance programs and stated their hopes of receiving no less authority than the Congress chooses to give to State governments in this regard. The committee also received testimony from the Inspector General of the U.S. Department of Health and Human Services who testified to how poorly Indians fare under block grants as currently administered by State governments. In response to the record adduced at these hearings, the Indian Affairs Committee developed provisions for direct, block grant funding to tribal governments which are now contained in the Dole substitute bill. These provisions reflect the efforts of many members on both the Indian Affairs and Finance Committees, and to them I express my gratitude.

Let me take several minutes to explain the Indian provisions related to temporary assistance for needy families contained in the leader's bill and the goals and purposes of those governments. In general terms, the bill authorizes Indian governments, like State governments, to receive direct Federal funding to design and administer local tribal welfare programs. Let me be clear—an Indian tribe retains the complete freedom to choose whether or not it will exercise this authority. If it does not, the State retains the authority and the funds it otherwise has under the Dole substitute bill.

Section 402(b) requires a State to certify, as it does with several other important Federal priorities, that it will provide equitable access to Indians not covered by a tribal plan. This provision expressly recognizes the Federal Government's trust responsibility to, and government-to-government relationship with Indian tribes.

Section 402(d) provides standard definitions of the terms "Indian", "Indian tribe", and "tribal organization" in order to clarify the respective limits of State and tribal government responsibilities under the bill.

Section 403(a) establishes the method by which tribal plans are funded, basing tribal grants on the amount attributable to Federal funds spent by a State in fiscal year 1994 on Indian families residing in the service area of an approved tribal plan. Under this Section, States are given advance notice before the tribal grant amounts are deducted from their quarterly payment. Once deducted, the State has no responsibility under the bill for those Indian families and service areas so identified in an approved tribal plan.

Section 403(e) provides that the secretary shall continue to provide direct funding, for fiscal years 1996 through 2000, to those Indian tribes or tribal organizations who conducted a job opportunities and basic skills training program in fiscal year 1995, in an amount equal to the amount received by such tribal JOBS programs in fiscal year 1995.

Section 404(b)(4) provides that a state may, at its option, count those Indian families receiving assistance under a tribal family assistance plan as part of the calculation of a State's monthly participation rates in accordance with paragraphs (1)(B) and (2)(B) of section 404.

Section 414 is the main Indian provision setting forth the basic authority for tribal direct funding and the express requirements of tribal family assistance plans. It requires the Secretary to make direct funding available to Indian tribes exercising this option in order to strengthen and enhance the control and flexibility of local governments over local programs, consistent with well-settled principles of Indian self-determination. In particular, section 414(a) describes how the goals of welfare reform pursued under this bill and the goals of Indian self-determination and self-governance authorized under separate authority are consistent. Section 414(b) establishes the methodology for funding an approved tribal family assistance plan, including the use of data submitted by State and tribal governments. This provision anticipates that the data involved is already collected or the added burden of data collection required will be de minimus. Section 414(c) provides that in order to be eligible to receive direct funding, an Indian tribe must submit a 3-year family assistance plan. Each approved plan must outline the tribe's approach to providing welfare-related services consistent with the purposes of this section. Each plan must specify whether the services provided by the tribe will be provided through agreements, contracts, or compacts with intertribal consortia, States, or other entities. This allows small tribes to join with other tribes in order to economize on administrative costs and pool their talents to address their common problems. Each plan must identify with specificity the population and service area or areas which the tribe will serve. This requirement is designed to ensure that there is no overlap in service administration and to provide a clear outline to affected State administrations of the boundaries of their responsibilities under the Act. Each plan must also provide guarantees that tribal administration of the plan will not result in families receiving duplicative assistance from other State or tribal programs funded under this part. Each plan must identify employment opportunities in or near the service area of the tribe and the manner in which the tribe will cooperate and participate in enhancing such opportunities for recipients of assistance under the plan consistent with any applicable State standards. And finally, each plan must apply fiscal accounting principles in accordance with chapter 75 of title 31, United States Code. This last requirement is consistent with other Federal authority governing the administration by tribes and tribal organizations of similar block grant programs under authority of the Indian Self-Determination and Education Assistance Act of 1975, as amended. Section 414(d) requires the establishment of minimum work participation requirements, time limits on receipt of welfare-related services, and individual penalties consistent with the purposes of this section and the economic conditions of a tribe's service area and the availability to a tribe of other employment-related resources. These restrictions must be developed with the full participation of the tribes and tribal organizations, and must be similar to comparable provisions in Section 404(d). The remaining provisions of Section 414 further ensure that funding accountability will be maintained by tribes and tribal organizations in administering funds under an approved tribal family assistance plan.

The funds provided to a tribe under section 414 are deducted from the State allocation, but only after advance notice to the State. Having lost the Federal support for temporary assistance to needy Indian families in a tribal plan's service area, the State no longer has any responsibility under the bill for those families. The Indian Affairs Committee has been informed by various State representatives that it is administratively more difficult and costly for States to provide services to Indians who reside in remote locations of their States. While these States acknowledge a responsibility to provide services, circumstances such as geographic isolation make it more difficult to do so. States are, therefore, well-served by these provisions, because if Indian families in a geographical area are identified in an approved and funded tribal plan, a State government no longer has the responsibility to serve those families unless the tribe and the State agree otherwise.

Some tribal representatives have pointed out that some tribes may choose not to exercise the option to administer a tribal plan, because the bill does not require a State to provide State funding to supplement the Federal funding provided to a tribe. As originally drafted, the Indian provisions expressly permitted States to agree to provide State funding or services to an Indian tribe with an approved plan in order to maintain equitable services. It is my understanding that this language was deleted because other provisions in the bill provide sufficient guarantees that States will ensure the delivery of equitable services. But under the bill's current provisions, a State is not prohibited from entering into an agreement with a tribe for the transfer of State funds or the provision of specific State services to a tribe for the benefit of Indians within that State. Indeed, a State government may choose to enter into an agreement with a tribal government to induce the tribe to take over administration of these programs, and one of the inducements could be a transfer of State funds to the tribe that would otherwise have been used by the State to serve those who would now be served under the tribal plan. If State administrators are sincere about making real progress on welfare reform, and I think they are, I expect they will act responsibly and sensitively with tribes that wish to join the State in administering programs that end welfare dependency.

Mr. President, it is important to point out that these Indian provisions are consistent with the purposes of the Dole substitute bill. They do not seek to circumvent these purposes nor give preferable treatment to Indian tribal governments. The tribal plans remain subject to minimum requirements and penalties similar to those applied to State governments. The Dole substitute also requires a tribe to comply with the fiscal accountability requirements of chapter 75 of title 31, United States Code and the Indian Self-Determination and Education Assistance Act of 1975, as amended. I would also submit that giving tribal governments the authority to administer a tribal welfare program is consistent with our goal of empowering local government control over local programs. It only stands to reason that, like States, Indian tribal governments are most familiar with the problems that plague their local communities.

Many of my colleagues in the Senate know that some Indian tribal governments may not have existing capacity or infrastructure to administer complex welfare programs. Consequently, the Dole substitute bill includes provisions authorizing tribes to enter into cooperative agreements with States or other tribal governments for the provision of welfare assistance. This will allow small tribes to join with other tribes in order to economize on administrative costs and pool their talents and resources to address their common problems. However, I believe it is very important to permit and encourage those Indian tribal governments that do possess such capacity to participate in these new welfare initiatives by addressing welfare issues at a local level.

It should go without saying that any State may enter into any agreement it chooses with a tribe for the transfer of State funds to that tribe for the purpose of administering a welfare program that benefits Indians within that State. In my view, it is in both a State and tribe's best interest to work out supplemental agreements for funding and services where necessary because to do otherwise could undermine the goals of the bill.

I know that many Members in this body are aware that Indian Country has historically been plagued by high unemployment and therefore its residents suffer from extremely high poverty rates. Therefore, I was pleased to learn that the Finance Committee Chairman drafted provisions that enable Indian tribes that are currently administering tribal JOBS programs to continue to do so. Section 403 of the Dole substitute provides that the Secretary shall provide direct funding in an amount equal to the amount received by the existing tribal JOBS programs in fiscal year 1995. By keeping the JOBS programs in Indian country intact, we will acknowledge the positive impact it has made in the lives of thousands of Indians. Indians residing in communities where a tribal JOBS program is in operation have experienced a new sense of hope by developing basic job skills that have helped them to secure stable job opportunities both on and off the reservation. The Dole substitute bill also contains provisions in titles VI and VIII which provide continuing resources for programs that have proven successful in Indian country, such as the Child Care and Development Block Program as well as new programs that are critical to ending the high Indian unemployment rates such as the proposed workforce development and training activities. These provisions, along with the JOBS component will greatly assist in helping Indian country contribute to the goals of welfare reform and the purposes of the act.

Mr. President, I believe it is important to point out that with passage of these provisions in the Dole substitute bill the Senate will discharge some of its continuing responsibilities under the U.S. Constitution—the very foundation of our treaty, trust, and legal relationship with the Nation's Indian tribes, and which vests the Congress with plenary power over Indian affairs. I was deeply troubled to learn that H.R. 4, as passed by the House, did not address the unique status of Indian tribal governments or the trust responsibility of the Federal Government to the Indian tribes. There was no House debate on the status of the welfare state on many Indian reservations nor the impact that the proposed changes to welfare programs would have on access to services already in existence in Indian country. Nor was there any mention made in the House welfare debate of the significant legal and trust responsibility that the Federal Government has to the Indian tribes. Therefore, it is extremely important that the Senate do so. to do otherwise would be to abrogate our responsibilities. I was pleased to learn that the distinguished chairman of the House Ways and Means Committee has acknowledged with some regret the failure of the House to address the Indian issues and has given his assurance to address this oversight during conference on the bill.

As the chairman of the Indian Affairs Committee, I feel it is my responsibility to take a moment to briefly expand my remarks to a discussion of the responsibilities of the Congress toward Indians under the U.S. Constitution. The Constitution provides that the Congress has plenary power to prescribe Federal Indian policy. These powers are provided for pursuant to the Commerce and the Treaty Power clauses. Sadly, over the last two centuries, the Congress has poorly exercised its power and responsibility—subjecting Indian tribal governments to inconsistent or contradictory policies—policies of termination and assimilation. These policies have served to weaken well established Indian systems of government and, in my view, have greatly contributed to the welfare state that exists today on most Indian reservations.

I know that time and time again, I have stood on this floor to recite grim statistics revealing that Indians are, and consistently remain—even in 1995—the poorest of the poor and always the last to benefit. Today, I will withhold from reciting that data because I believe that this bill begins to turn the tide in this Nation's treatment of Indians and their tribal governments. Similar to the unfunded mandates bill we enacted into law earlier their year, the Dole substitute bill under consideration will treat tribal governments like State governments by allowing them the flexibility and authority to directly administer their own programs free of Federal bureaucratic intrusion and control. Due in large part to the leadership of the late President Nixon, the Congress for more than two decades have responsibly exercised its plenary authority by replacing the distorted and dismal policy of termination of Indian tribal governments with empowering policies of tribal self-determination and self-governance—policies that respect and honor the government-to-government relationship between the Federal Government and the Indian tribes—policies that are consistent with the Federal trust responsibility and that set a new course of fairness in the Federal Government's dealings with Indian tribal governments.

Given the renewed commitment by Congress to deal fairly with the Indian tribes, I fully understood why many tribal leaders became concerned when the Congress earlier this year began moving toward a system of block grants to States. The concerns were that if the Congress did not revise the block grant model to reflect its responsibility to Indian tribal governments, the government-to-government relationship between the tribes and the United States would be soon eroded and the Federal trust responsibility held sacred in our Constitution and the decisions of our Supreme Court would be relegated to the States.

These tribal concerns are likewise valid in a practical sense. A Federal Inspector General's report issued in August 1994 found that Federal block grants to States, in some instances have not resulted in equitable services being provided to Indians. That report found that in 15 of the 24 States with the largest Indian populations, eligible Indian tribes did not receive funds even though Indian population figures were used to justify the State's receipt of Federal funding. In addition, findings of the Senate Committee on Indian Affairs revealed that even when States were attempting to serve Indians, the programmatic and administrative costs of providing welfare services to Indians are often greater than providing local services to others. What these findings revealed to me is that when either the Federal or State governments have administered programs for Indians, Indians have not received an equitable share of services.

Mr. President, the whole purpose of welfare reform is to provide the tools to State governments to design and administer local welfare programs. After all, we have come to understand that local governments want and have the ability to create local solutions to address what are, in essence, local problems. I would suggest that this policy is no different than the Federal Indian policies of tribal self-determination and self-governance. I also know that elected tribal officials have a great love of country and an incredible desire to contribute to the Nation's goal of elevating members of their communities out of the depths of poverty. Given the tools to do so, I believe that Indian tribes will make great contribution to the Nation's war on poverty.

Mr. President, before I conclude my remarks, I would like to acknowledge a group of Senators that I believe have demonstrated a great level of understanding and commitment to the importance of addressing the needs of Indian tribes in the Nation's welfare reform movement. Senators HATCH, INOUYE, DOMENICI, SIMON, MURKOWSKI, PRESSLER, CAMPBELL, and KASSEBAUM have contributed to ensuring that Indian tribes are not overlooked and abandoned in the current welfare reform efforts.

Two members of the Indian Affairs Committee deserve particular recognition: my good friend from Kansas, Senator NANCY LANDON KASSEBAUM and my good friend from Utah, Senator ORRIN HATCH. Senator KASSEBAUM, as chairwoman of the Labor and Human Resources Committee, worked closely with the Indian Affairs Committee and Senator SIMON to ensure that provisions for direct Federal funding would be available to Indian tribes in her committee's employment consolidation bill and that tribes would continue to receive funding through the Child Care and Development Block Grant Program. Senator KASSEBAUM'S leadership has greatly contributed to the fairness with which Indian tribes are treated under H.R. 4 and the progress that has been made by the Congress in its treatment of Indian tribes.

I want to give particular thanks to my good friend from Utah, Senator ORRIN HATCH. Senator HATCH has worked tirelessly with me over the last several months to shape and enhance tribal welfare provisions that could be acceptable in any welfare reform plan. Senator HATCH is a member of the Senate Finance Committee and he is a new member of the Senate Committee on Indian Affairs. He has demonstrated a great level of understanding and commitment to the betterment of the lives of Indian people, and I commend Senator HATCH for his steadfast leadership in ensuring that Indian tribal governments are fairly treated in the welfare reform debate.

Mr. President, I understand that other major welfare reform proposals make an effort to similarly address the needs of Indian tribes. While I have placed my full support behind the provisions of H.R. 4 related to Indian tribal governments, I want to make sure to recognize the attention that has been paid and the work that has been done on behalf of Indian tribal governments by my colleague so the other side of the aisle. For example, I know that S. 1117 would have provided a 3-percent allocation of funds to Indian tribes under the JOBS Program and would have authorized new funding for teen pregnancy prevention and for teen parent group homes, and like the Dole substitute bill, provides continued funding for child care and development block grants to tribes.

The spirit in which the Senate has acted has adhered to a principle that I believe should guide the Congress in matters of Indian affairs: Indian issues are neither Republican, nor Democratic. They are not even bipartisan issues—they are nonpartisan issues. They are day-to-day human issues which call for a level of understanding on both sides of the aisle. While this body is not in total agreement with just how to reform welfare, the one thing we all agree upon is that whatever new form this Nation's welfare system takes, providing equal access to the Nation's Indian population is not only the right thing to do, it honorably discharges some of our continuing responsibilities under the U.S. Constitution.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. SANTORUM. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

SENATE ETHICS COMMITTEE PERFORMED WITH HONOR

Mr. BYRD. Mr. President, one definition given for the word "ethics" by the Random House Dictionary is—and I quote—"The branch of philosophy dealing with values relating to human conduct, with respect to the rightness and wrongness of certain actions and to the goodness and badness of the motives and ends of such actions."

Members of this body who are called to service on the Ethics Committee are asked to make judgments quite unlike the judgments required by service on any other committee of the Senate. These individuals are called upon to grapple not only with public policy and legal and constitutional questions, but also with the deeper philosophical questions which have confronted the human race since Adam and Eve found themselves tempted in the Garden—namely "the rightness and wrongness of certain actions" by their own colleagues. There is no more daunting task than this.

To be asked to sit in judgment of another's actions and motives is, in one sense, an honor, but it is also an humbling experience for those who are so honored to sit in judgment. And with that charge must come the certain inner realization that no one among us is without fault, that none of us is free from errors in judgment, weakness, and at times failings of character. Such task is made all the more difficult in a body such as this, where politics too easily intrudes, and where friendships developed over long years can cloud one's objectivity.

I am deeply saddened by the tragedy that has befallen our colleague, Senator PACKWOOD. However, he has done the right thing in choosing to spare the Senate further agony over his fate. Although this experience has been difficult for all concerned, one thing is clear. The Senate Ethics Committee has again performed its most arduous function with honor, thoroughness and professionalism. I commend the chairman of the committee, Senator MCCONNELL, vice chairman, Senator BRYAN, Senator MIKULSKI, Senator SMITH, Senator DORGAN, and Senator CRAIG for their handling of this extremely contentious matter. I commend the very professional staff of the Ethics Committee for their diligent work stretching over some 2½ years. I understand that the staff read 16,000 pages of documents, spent approximately 1,000 hours in meetings and interviewed over 260 witnesses during the investigation of this matter. That staff has served the Senate well.

We live in times which are, unfortunately, more politically charged and ruthlessly partisan than I have ever witnessed in my tenure in the Senate. And it is nothing short of amazing that the Ethics Committee, evenly split among Democrats and Republicans, could come to a unanimous decision on this very unfortunate and highly politically charged matter. They were pulled and they were tugged by the media, by other colleagues, by an enormous workload, by political forces outside this body, and I am sure by their own personal inner turmoil over judging the actions and determining the fate of a fellow human being. Still and all, they came through. The ability of the Senate to police itself has been questioned time and time again. In this instance, perhaps the committee's toughest test in many years, I believe that the question has certainly been answered in the affirmative.

I yield the floor and suggest the absence of a quorum.

Mr. SANTORUM. If the Senator will withhold.

Mr. BYRD. I withhold my request.

FAMILY SELF-SUFFICIENCY ACT

The Senate continued with the consideration of the bill.

The PRESIDING OFFICER. The Senator from Pennsylvania.

AMENDMENT NO. 2588 TO AMENDMENT NO. 2280

(Purpose: To require States to provide voucher assistance for children born to families receiving assistance)

Mr. SANTORUM. Mr. President, I send to the desk an amendment on behalf of the Senator from Rhode Island, Senator CHAFEE.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Pennsylvania [Mr. SANTORUM], for Mr. CHAFEE, proposes an amendment numbered 2588 to amendment No. 2280.

Mr. SANTORUM. Mr. President, I ask unanimous consent that the reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 50, beginning with line 12, strike all through line 17, and insert the following:

(2) Vouchers for children born to families receiving assistance—States must provide vouchers in lieu of cash assistance which may be used only to pay for particular goods and services specified by the State as suitable for the care of the child.

Mr. SANTORUM. Mr. President, I ask unanimous consent that that amendment be set aside for later consideration.

The PRESIDING OFFICER. Without objection, it is so ordered.

AMENDMENT NO. 2589 TO AMENDMENT NO. 2280

(Purpose: To provide for child support enforcement agreements between the States and Indian tribes or tribal organizations)

Mr. SANTORUM. Mr. President, I send to the desk an amendment on behalf of the Senator from Arizona, Senator MCCAIN, and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Pennsylvania [Mr. SANTORUM], for Mr. MCCAIN, proposes an amendment No. 2589 to amendment No. 2280.

Mr. SANTORUM. Mr. President, I ask unanimous consent that the reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 583, between lines 6 and 7, insert the following:

"(4) FAMILIES UNDER CERTAIN AGREEMENTS.—In the case of a family receiving assistance from an Indian tribe, distribute the amount so collected pursuant to an agreement entered into pursuant to a State plan under section 454(32).

On page 712, between lines 9 and 10, insert the following:

SEC. 972. CHILD SUPPORT ENFORCEMENT FOR INDIAN TRIBES.

(a) CHILD SUPPORT ENFORCEMENT AGREEMENTS.—Section 454 (42 U.S.C. 654), as amended by sections 901(b), 904(a), 912(b), 913(a), 933, 943(a), and 970(a)(2) is amended—

(1) by striking "and" at the end of paragraph (30);

(2) by striking the period at the end of paragraph (31) and inserting "; and"; and

(3) by adding after paragraph (31) the following new paragraph:

"(32) provide that a State that receives funding pursuant to section 429 and that has within its borders Indian country (as defined in section 1151 of title 18, United States Code) shall, through the State administering agency, make reasonable efforts to enter into cooperative agreements with an Indian tribe or tribal organization (as defined in paragraphs (1) and (2) of section 428(c)), if the Indian tribe or tribal organization demonstrates that such tribe or organization has an established tribal court system or a Court of Indian Offenses with the authority to establish paternity, establish and enforce support orders, and to enter support orders in accordance with child support guidelines established by such tribe or organization, under which the State and tribe or organization shall provide for the cooperative delivery of child support enforcement services in Indian country and for the forwarding of all funding collected pursuant to the functions performed by the tribe or organization to the State agency, or conversely, by the State agency to the tribe or organization, which shall distribute such funding in accordance with such agreement.".

(b) DIRECT FEDERAL FUNDING TO INDIAN TRIBES AND TRIBAL ORGANIZATIONS.—Section 455 (42 U.S.C. 655) is amended by adding at the end the following new subsection:

"(b) The Secretary may, in appropriate cases, make direct payments under this part to an Indian tribe or tribal organization which has an approved child support enforcement plan under this title. In determining whether such payments are appropriate, the Secretary shall, at a minimum, consider whether services are being provided to eligible Indian recipients by the State agency through an agreement entered into pursuant to section 454(32). The Secretary shall provide for an appropriate adjustment to the State allotment under this section to take into account any payments made under this subsection to Indian tribes or tribal organizations located within such State.

(c) COOPERATIVE ENFORCEMENT AGREEMENTS.—Paragraph (7) of section 454 (42 U.S.C. 654) is amended by inserting "and Indian tribes or tribal organizations (as defined in section 450(b) of title 25, United States Code)" after "law enforcement officials".

Mr. SANTORUM. Mr. President, I ask unanimous consent that that amendment be set aside for later consideration.

The PRESIDING OFFICER. Without objection, it is so ordered.

The PRESIDING OFFICER. The Senator from New York.

AMENDMENT NO. 2590 TO AMENDMENT NO. 2280

(Purpose: To provide that case record data submitted by the States be disaggregated, to provide funding for certain research, demonstration, and evaluation projects, and for other purposes)

Mr. MOYNIHAN. Mr. President, I send to the desk an amendment for myself, Ms. SNOWE, Mr. ROCKEFELLER, and Mr. BYRD.

The PRESIDING OFFICER. The clerk will report the amendment.

The assistant legislative clerk read as follows:

The Senator from New York [Mr. MOYNIHAN], for himself, Ms. SNOWE, Mr. ROCKEFELLER, and Mr. BYRD, proposes an amendment No. 2590 to amendment No. 2280.

Mr. MOYNIHAN. Mr. President, I ask unanimous consent that the reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 26, between lines 21 and 22, insert the following:

"(f) ADDITIONAL AMOUNT FOR STUDIES AND DEMONSTRATIONS.—

"(1) IN GENERAL.—There are authorized to be appropriated and there are appropriated for each fiscal year described in subsection (a)(1) an additional amount equal to 0.20 percent of the amount appropriated under subparagraph (A) of subsection (a)(4) for the purpose of paying—

"(A) the Federal share of any State-initiated study approved under section 410(g);

"(B) an amount determined by the Secretary to be necessary to operate and evaluate demonstration projects, relating to part A of title IV of this Act, that are in effect or approved under section 1115 as of October 1, 1995, and are continued after such date;

"(C) the cost of conducting the research described in section 410(a); and

"(D) the cost of developing and evaluating innovative approaches for reducing welfare dependency and increasing the well-being of minor children under section 410(b).

"(2) ALLOCATION.—Of the amount appropriated under paragraph (1) for a fiscal year—

"(A) 50 percent shall be allocated for the purposes described in subparagraphs (A) and (B) of paragraph (1), and

"(B) 50 percent shall be allocated for the purposes described in subparagraphs (C) and (D) of paragraph (1).

On page 26, line 22, strike "(f)" and insert "(g)".

On page 53, beginning on line 7, strike all through page 55, line 7, and insert the following:

"(a) IN GENERAL.—The Secretary, in consultation with State and local government officials and other interested persons, shall develop a quality assurance system of data collection and reporting that promotes accountability and ensures the improvement and integrity of programs funded under this part.

"(b) STATE SUBMISSIONS.—

"(1) IN GENERAL.—Not later than the 15th day of the first month of each calendar quarter, each State to which a grant is made under section 403 shall submit to the Secretary the data described in paragraphs (2) and (3) with respect to families described in paragraph (4).

"(2) DISAGGREGATED DATA DESCRIBED.—The data described in this paragraph with respect to families described in paragraph (4) is a sample of monthly disaggregated case record data containing the following:

"(A) The age of the adults and children (including pregnant women) in each family.

"(B) The marital and familial status of each member of the family (including whether the family is a 2-parent family and whether a child is living with an adult relative other than a parent).

"(C) The gender, educational level, work experience, and race of the head of each family.

"(D) The health status of each member of the family (including whether any member of the family is seriously ill, disabled, or incapacitated and is being cared for by another member of the family).

"(E) The type and amount of any benefit or assistance received by the family, including—

"(i) the amount of and reason for any reduction in assistance, and

"(ii) if assistance is terminated, whether termination is due to employment, sanction, or time limit.

"(F) Any benefit or assistance received by a member of the family with respect to housing, food stamps, job training, or the Head Start program.

"(G) The number of months since the family filed the most recent application for assistance under the program and if assistance was denied, the reason for the denial.

"(H) The number of times a family has applied for and received assistance under the State program and the number of months assistance has been received each time assistance has been provided to the family.

"(I) The employment status of the adults in the family (including the number of hours worked and the amount earned).

"(J) The date on which an adult in the family began to engage in work, the number of hours the adult engaged in work, the work activity in which the adult participated, and the amount of child care assistance provided to the adult (if any).

"(K) The number of individuals in each family receiving assistance and the number of individuals in each family not receiving assistance, and the relationship of each individual to the youngest child in the family.

"(L) The citizenship status of each member of the family.

"(M) The housing arrangement of each member of the family.

"(N) The amount of unearned income, child support, assets, and other financial factors considered in determining eligibility for assistance under the State program.

"(O) The location in the State of each family receiving assistance.

"(P) Any other data that the Secretary determines is necessary to ensure efficient and effective program administration.

"(3) AGGREGATED MONTHLY DATA.—The data described in this paragraph is the following aggregated monthly data with respect to the families described in paragraph (4):

"(A) The number of families.

"(B) The number of adults in each family.

"(C) The number of children in each family.

"(D) The number of families for which assistance has been terminated because of employment, sanctions, or time limits.

"(4) FAMILIES DESCRIBED.—The families described in this paragraph are—

"(A) families receiving assistance under a State program funded under this part for each month in the calendar quarter preceding the calendar quarter in which the data is submitted,

"(B) families applying for such assistance during such preceding calendar quarter, and

"(C) families that became ineligible to receive such assistance during such preceding calendar quarter.

"(5) APPROPRIATE SUBSETS OF DATA COLLECTED.—The Secretary shall determine appropriate subsets of the data described in paragraphs (2) and (3) that a State is required to submit under paragraph (1) with respect to families described in subparagraphs (B) and (C) of paragraph (4).

"(6) SAMPLING AND OTHER METHODS.—The Secretary shall provide the States with such case sampling plans and data collection procedures as the Secretary deems necessary to produce statistically valid estimates of each State's program performance. The Secretary is authorized to develop and implement procedures for verifying the quality of data submitted by the States.

On page 58, between lines 5 and 6, insert the following:

"(j) REPORT TO CONGRESS.—Not later than 6 months after the end of fiscal year 1997, and each fiscal year thereafter, the Secretary shall transmit to the Congress a report describing—

"(1) whether the States are meeting—

"(A) the participation rates described in section 404(a); and

"(B) the objectives of—

"(i) increasing employment and earnings of needy families, and child support collections; and

"(ii) decreasing out-of-wedlock pregnancies and child poverty;

"(3) the demographic and financial characteristics of families applying for assistance, families receiving assistance, and families that become ineligible to receive assistance;

"(4) the characteristics of each State program funded under this part; and

"(5) the trends in employment and earnings of needy families with minor children.

On page 58, beginning on line 8, strike all through page 58, line 21, and insert the following:

"(a) RESEARCH.—The Secretary shall conduct research on the benefits, effects, and costs of operating different State programs funded under this part, including time limits relating to eligibility for assistance. The research shall include studies on the effects of different programs and the operation of such programs on welfare dependency, illegitimacy, teen pregnancy, employment rates, child well-being, and any other area the Secretary deems appropriate.

"(b) DEVELOPMENT AND EVALUATION OF INNOVATIVE APPROACHES TO REDUCING WELFARE DEPENDENCY AND INCREASING CHILD WELL-BEING.—

"(1) IN GENERAL.—The Secretary may assist States in developing, and shall evaluate, innovative approaches for reducing welfare dependency and increasing the well-being of minor children with respect to recipients of assistance under programs funded under this part. The Secretary may provide funds for training and technical assistance to carry out the approaches developed pursuant to this paragraph.

"(2) EVALUATIONS.—In performing the evaluations under paragraph (1), the Secretary shall, to the maximum extent feasible, use random assignment as an evaluation methodology.

On page 58, line 22, strike "(d)" and insert "(c)".

On page 59, line 4, strike "(e)" and insert "(d)".

On page 59, line 22, strike "(f)" and insert "(e)".

On page 60, between lines 13 and 14, insert the following:

"(g) STATE-INITIATED STUDIES.—A State shall be eligible to receive funding to evaluate the State's family assistance program funded under this part if—

"(1) the State submits a proposal to the Secretary for such evaluation,

"(2) the Secretary determines that the design and approach of the evaluation is rigorous and is likely to yield information that is credible and will be useful to other States, and

"(3) unless otherwise waived by the Secretary, the State provides a non-Federal share of at least 10 percent of the cost of such study.

Mr. MOYNIHAN. Mr. President, I ask unanimous consent that the amendment be laid aside.

The PRESIDING OFFICER. Without objection, it is so ordered.

AMENDMENT NOS. 2591 THROUGH 2593, EN BLOC, TO AMENDMENT NO. 2280

Mr. MOYNIHAN. Mr. President, I now send to the desk three amendments by Senator BOXER and ask unanimous consent that they be considered en bloc.

The PRESIDING OFFICER. Without objection, it is so ordered. The clerk will report the amendments.

The assistant legislative clerk read as follows:

The Senator from New York [Mr. MOYNIHAN], for Mrs. BOXER, proposes amendments numbered 2591 through 2593, en bloc, to amendment No. 2280.

Mr. MOYNIHAN. Mr. President, I ask unanimous consent that the reading of the amendments be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendments are as follows:

AMENDMENT NO. 2591

(Purpose: To provide for a child care maintenance of effort)

On page 17, line 2, strike "and (5)" and insert "(5), and (6)".

On page 24, between lines 18 and 19, and insert the following:

"(6) CHILD CARE MAINTENANCE OF EFFORT.—

"(A) IN GENERAL.—The amount of the grant otherwise determined under paragraph (1) for fiscal year 1997, 1998, 1999, and 2000 shall be reduced by the amount by which State expenditures under the State program funded under this part for child care for the preceding fiscal year is less than historic State child care expenditures.

"(B) HISTORIC STATE CHILD CARE EXPENDITURES.—For purposes of this paragraph, the term 'historic State child care expenditures' means amounts expended for fiscal year 1994 for child care under—

"(i) section 402(g)(1)(A)(i) of this Act (relating to AFDC–JOBs child care) (as in effect during such year);

"(ii) section 402(g)(1)(A)(ii) of this Act (relating to transitional child care) (as so in effect); and

"(iii) section 402(i) of this Act (relating to at-risk child care) (as so in effect).

"(C) DETERMINING STATE EXPENDITURES.—For purposes of this paragraph, State expenditures shall not include any expenditures from amounts made available by the Federal Government.

"(D) BONUS FOR STATES WITH HIGH WORK PARTICIPATION RATES.—The Secretary shall distribute (in a manner to be determined by the Secretary) amounts by which State grants are reduced under this section to States that exceed the minimum participation rates specified under section 404(a). If no State qualifies for such distribution, the Secretary may retain such amounts for distribution in succeeding years.

AMENDMENT NO. 2592

(Purpose: To provide that State authority to restrict benefits to noncitizens does not apply to foster care or adoption assistance programs)

On page 292, line 5, strike "and".

On page 292, line 11, strike the end period and insert ", and".

On page 292, between lines 11 and 12, insert:

(F) payments for foster care and adoption assistance under part E of title IV of the Social Security Act.

AMENDMENT NO. 2593

(Purpose: Expressing the sense of the Senate on restrictions on providing medical information by recipients of Federal aid)

At the appropriate place, insert the following new section:

SEC. . SENSE OF SENATE REGARDING GAG RULE.

It is the sense of the Senate that, notwithstanding any other provision of law, receipt of Federal funding by providers of health care or social services shall not permit the Federal Government, States, counties, or any other political subdivisions to restrict the content of any medical information provided by those providers in furtherance of the provision of health care or social services to their patients or clients.

Mr. MOYNIHAN. Mr. President, I ask unanimous consent that the amendments be laid aside.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MOYNIHAN. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. SANTORUM. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

AMENDMENTS NOS. 2594 THROUGH 2609, EN BLOC, TO AMENDMENT NO. 2280

Mr. SANTORUM. Mr. President, I send 16 amendments, en bloc, on behalf of Senator FAIRCLOTH and ask for their immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Pennsylvania [Mr. SANTORUM], for Mr. FAIRCLOTH, proposes amendments numbered 2594 through 2609, en bloc.

Mr. SANTORUM. Mr. President, I ask unanimous consent that reading of the amendments be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendments are as follows:

AMENDMENT NO. 2594

(Purpose: To prohibit direct cash benefits for out of wedlock births to minors except under certain condition)

On page 49, strike line 13 through line 19 and insert the following.

"(b) NO ASSISTANCE FOR OUT-OF-WEDLOCK BIRTHS TO MINORS UNLESS CERTAIN CONDITIONS ARE MET.—Notwithstanding subsection (d), a State to which a grant is made under section 403 may not use any part of the grant to provide cash benefits for a child born out-of-wedlock to an individual who has not attained 18 years of age, or for the individual, until the individual attains such age or unless the following conditions are met:

"(A) The individual is in, or has graduated from, a secondary school or a program offering the equivalent of vocational or technical training, or has obtained a certificate of high school equivalency.

"(B) Any cash benefits for the child or the individual are provided only to—

"(i) an adult with whom the individual or child reside, and whom the State recognizes as acting in loco parentis with respect to the individual; or

"(ii) the maternity home, foster home, or other adult-supervised supportive living arrangement in which the individual lives.

"(C) Any vouchers provided in lieu of cash benefits for the individual or the child may be used only to pay for—

"(i) particular goods and services specified by the State as suitable for the care of the child (such as diapers, clothing, or cribs): or

"(ii) the costs associated with a maternity home, foster home, or other adult supervised supportive living arrangement in which the individual and child live.

"(D) EXCEPTION FOR RAPE OR INCEST.—Subparagraph (A) shall not apply with respect to a child who is born as a result of rape or incest."

AMENDMENT NO. 2595

(Purpose: To require the Secretary of Housing and Urban Development to submit a report regarding disqualification of illegal aliens from housing assistance programs)

At the appropriate place, insert the following:

SEC. ___. REPORT ON DISQUALIFICATION OF ILLEGAL ALIENS FROM HOUSING ASSISTANCE PROGRAMS.

(a) IN GENERAL.—Not later than 90 days after the date of the enactment of this Act, the Secretary of Housing and Urban Development shall submit to the Committees on the Judiciary of the House of Representatives and the Senate, the Committee on Banking and Financial Services of the House of Representatives, and the Committee on Banking, Housing, and Urban Affairs of the Senate, a report describing the manner in which the Secretary is enforcing section 214 of the Housing and Community Development Act of 1980.

(b) CONTENTS.—The report submitted under subsection (a) shall include statistics with respect to the number of aliens denied financial assistance under such section.

Amend the table of contents accordingly.

AMENDMENT NO. 2596

(Purpose: To express the sense of the Congress regarding a work requirement for public housing residents)

At the appropriate place, insert the following:

SEC. . SENSE OF THE CONGRESS REGARDING A WORK REQUIREMENT FOR PUBLIC HOUSING RESIDENTS.

It is the sense of the Congress that able-bodied residents of public housing (as such term is defined in section 3(b) of the United States Housing Act of 1937) should be required to perform work service to improve and maintain the facilities in which they live.

Amend the table of contents accordingly.

AMENDMENT NO. 2597

(Purpose: To require ongoing State evaluations of activities carried out through statewide workforce development systems)

At the end of section 731, insert the following:

(f) EVALUATIONS.—

(1) COVERED ACTIVITIES.—The activities referred to in this subsection are activities carried out under this subtitle or subtitle C.

(2) IN GENERAL.—Each State that carries out activities described in paragraph (1) shall conduct ongoing evaluations of such activities.

(3) METHODS.—The State shall conduct such evaluations through controlled experiments using experimental and control groups chosen by random assignment. In conducting the evaluations, the State shall, at a minimum, determine whether activities described in paragraph (1) effectively raise the hourly wage rates of participants in such activities.

(4) ONGOING NATURE OF EVALUATIONS.—At any given time during the 2-year period of the program, the State shall conduct at least 1 such evaluation of the activities described in paragraph (1).

AMENDMENT NO. 2598

(Purpose: To provide for transferability of funds)

At the end of section 712, insert the following:

(d) TRANSFERABILITY TO OPERATE WORK PROGRAMS.—

(1) TRANSFERS TO OTHER WORK AND TRAINING ACTIVITIES.—The Governor of a State that receives an allotment under this section may use 25 percent of the funds made available through the allotment—

(A) to enable the State to meet the minimum participation rates described in section 404(a) of the Social Security Act (as amended by section 101), including the provision of such child care services as the Governor may determine to be necessary to meet the rates; or

(B) for the implementation of work and training programs for recipients of Federal means tested assistance (as defined by the Federal Partnership), including the provision of the child care services described in subparagraph (A).

(2) TRANSFERS FROM OTHER WORK AND TRAINING ACTIVITIES.—The Governor of a State that receives funds under part A of title IV of the Social Security Act, or Federal financial assistance to carry out the programs described in paragraph (1)(B), may use 25 percent of the funds or financial assistance to carry out the activities described in this subtitle.

AMENDMENT NO. 2599

(Purpose: To provide for transferability of funds allotted for workforce preparation activities for at-risk youth)

In section 759(b), add at the end the following:

(3) TRANSFERS TO OTHER WORK AND TRAINING ACTIVITIES.—The Governor of a State that receives an allotment under this section may use 25 percent of the funds made available through the allotment—

(A) to enable the State to meet the minimum participation rates described in section 404(a) of the Social Security Act (as amended by section 101), including the provision of such child care services as the Governor may determine to be necessary to meet the rates; or

(B) for the implementation of work and training programs for recipients of Federal means tested assistance (as defined by the Federal Partnership), including the provision of the child care services described in subparagraph (A).

(4) TRANSFERS FROM OTHER WORK AND TRAINING ACTIVITIES.—The Governor of a State that receives funds under part A of title IV of the Social Security Act, or Federal financial assistance to carry out the programs described in paragraph (3)(B), may use 25 percent of the funds or financial assistance to carry out the activities described in this subtitle.

AMENDMENT NO. 2600

(Purpose: To allow a State agency to make cash payments to certain individuals in lieu of food stamp allotments)

On page 200, between 11 and 12, insert the following:

SEC. 321. CASH AID IN LIEU OF ALLOTMENT.

Section 7 of the Food Stamp Act of 1977 (7 U.S.C. 2016) (as amended by section 320) is further amended by adding at the end the following:

"(k) CASH AID IN LIEU OF COUPONS.—

"(1) ELIGIBLE INDIVIDUALS.—For purposes of this subsection, an individual shall be eligible if the individual is—

"(A) receiving benefits under this Act;

"(B) receiving benefits under a State program funded under part A of title IV of the Social Security Act (42 U.S.C. 601 et seq.); and

"(C) participating in subsidized employment, on-the-job training, or a community service program under section 404 of the Social Security Act.

"(2) STATE OPTION.—In the case of an eligible individual described in paragraph (1), a State agency may—

"(A) convert the food stamp benefits of the household of which the individual is a member to cash, and provide the cash in a single integrated payment with cash aid under part A of title IV of the Social Security Act (42 U.S.C. 601 et seq.); and

"(B) sanction the individual, or a household that contains the individual, or reduce the benefits of the individual or household under the same rules and procedures as the State uses under part A of title IV of the Act (42 U.S.C. 601 et seq.).

AMENDMENT NO. 2601

(Purpose: To integrate the temporary assistance to needy families with food stamp work rules)

On page 190, strike lines 9 through 17 and insert the following:

"(i) COMPARABLE TREATMENT UNDER SEPARATE PROGRAMS.—

"(1) IN GENERAL.—If a disqualification, penalty, or sanction is imposed on a household or part of a household for a failure of an individual to perform an action required under a Federal, State, or local law relating to a welfare or public assistance program, the State agency may impose the same disqualification, penalty, or sanction on the household or part of the household under the food stamp program using the rules and procedures that apply to the welfare or public assistance program.

AMENDMENT NO. 2602

(Purpose: To limit vocational education activities counted as work)

On page 36, between lines 13 and 14, insert the following:

"(4) LIMITATION ON VOCATIONAL EDUCATION ACTIVITIES COUNTED AS WORK.—For purposes of determining monthly participation rates under paragraphs (1)(B)(i)(I) and (2)(B)(i) of subsection (b), not more than 20 percent of adults in all families and in 2-parent families determined to be engaged in work in the State for a month may meet the work activity requirement through participation in vocational educational training.

AMENDMENT NO. 2603

(Purpose: To deny assistance for out-of-wedlock births to minors)

On page 49, strike lines 13 through 19, and insert the following:

"(b) NO ASSISTANCE FOR OUT-OF-WEDLOCK BIRTHS TO MINORS.—

"(1) GENERAL RULE.—A State to which a grant is made under section 403 may not use any part of the grant to provide cash benefits for a child born out-of-wedlock to an individual who has not attained 18 years of age, or for the individual, until the individual attains such age.

"(2) EXCEPTION FOR RAPE OR INCEST.—Paragraph (1) shall not apply with respect to a child who is born as a result of rape (other than statutory rape) or incest.

"(3) EXCEPTION FOR VOUCHERS.—Paragraph (1) shall not apply to vouchers which are provided in lieu of cash benefits and which may be used only to pay for particular goods and services specified by the State as suitable for the care of the child involved.

"(4) STATE MAY ELECT NOT TO HAVE PROVISION APPLY.—

"(A) IN GENERAL.—Paragraph (1) shall not apply to a State during any period during which there is in effect a State law which provides that individuals described in paragraph (1) are eligible for cash benefits from funds made available under section 403.

"(B) TIME FOR ELECTION.—Subparagraph (A) shall only apply if such State law is in effect on or before the first day of the first calendar quarter beginning after the close of the first regular session of the State legislature that begins after the date of the enactment of the Work Opportunity Act of 1995.

"(C) TRANSITION RULE.—Paragraph (1) shall not apply in a State before the first day of the first calendar quarter described in subparagraph (B) unless there is in effect before such day a State law prohibiting cash benefits to individuals described in paragraph (1).

AMENDMENT NO. 2604

(Purpose: To provide for no additional cash assistance for children born to families receiving assistance)

On page 49, beginning with line 20, strike all through page 50, line 5, and insert the following:

"(c) NO ADDITIONAL CASH ASSISTANCE FOR CHILDREN BORN TO FAMILIES RECEIVING ASSISTANCE.—

"(1) GENERAL RULE.—A State to which a grant is made under section 403 may not use any part of the grant to provide cash benefits for a minor child who is born to—

"(A) a recipient of benefits under the program operated under this part; or

"(B) a person who received such benefits at any time during the 10-month period ending with the birth of the child.

"(2) EXCEPTION FOR RAPE OR INCEST.—Paragraph (1) shall not apply with respect to a child who is born as a result of rape (other than statutory rape) or incest.

"(3) EXCEPTION FOR VOUCHERS.—Paragraph (1) shall not apply to vouchers which are provided in lieu of cash benefits and which may be used only to pay for particular goods and services specified by the State as suitable for the care of the child involved.

"(4) STATE MAY ELECT NOT TO HAVE PROVISION APPLY.—

"(A) IN GENERAL.—Paragraph (1) shall not apply to a State during any period during which there is in effect a State law which provides that individuals described in paragraph (1) are eligible for cash benefits from funds made available under section 403.

"(B) TIME FOR ELECTION.—Subparagraph (A) shall only apply if such State law is in effect on or before the first day of the first calendar quarter beginning after the close of the first regular session of the State legislature that begins after the date of the enactment of the Work Opportunity Act of 1995.

"(C) TRANSITION RULE.—Paragraph (1) shall not apply in a State before the first day of the first calendar quarter described in subparagraph (B) unless there is in effect before such day a State law prohibiting cash benefits to individuals described in paragraph (1).

AMENDMENT NO. 2605

(Purpose: To deny assistance for out-of-wedlock births to minors)

On page 49, strike lines 13 through 19, and insert the following:

"(b) NO ASSISTANCE FOR OUT-OF-WEDLOCK BIRTHS TO MINORS.—

"(1) GENERAL RULE.—A State to which a grant is made under section 403 may not use any part of the grant to provide cash benefits for a child born out-of-wedlock to an individual who has not attained 18 years of age, or for the individual, until the individual attains such age.

"(2) EXCEPTION FOR RAPE OR INCEST.—Paragraph (1) shall not apply with respect to a child who is born as a result of rape (other then statutory rape) or incest.

"(3) STATE OPTION.—Nothing in paragraph (1) shall be construed to prohibit a State from using funds provided by section 403 from providing aid in the form of vouchers that may be used only to pay for particular goods and services specified by the State as suitable for the care of the child such as diapers, clothing, and school supplies.

AMENDMENT NO. 2606

(Purpose: To provide for provisions relating to paternity establishment and fraud)

On page 42, between lines 21 and 22, insert the following:

"(f) PROVISIONS RELATING TO PATERNITY ESTABLISHMENT.—

"(1) PATERNITY NOT ESTABLISHED.—If a State provides cash benefits to families from grant funds received by the State under section 403, the State shall provide that if a family applying for such benefits includes a child who has not attained age 18 and who was born on or after January 1, 1996, with respect to whom paternity has not been established, such benefits shall not be available for—

"(A) such child (until the child attains age 18); and

"(B) the parent or caretaker relative of such child if the parent or caretaker relative of such child is not the parent or caretaker relative of another child for whom benefits are available.

"(2) EXCEPTIONS.—Notwithstanding paragraph (1)—

"(A) the State may use grant funds received by the State under section 403 to provide cash benefits to a minor child who is up to 6 months of age for whom paternity has not been established if the parent or caretaker relative of the child provides the name, address, and such other identifying information as the State may require of an individual who may be the father of the child; and

"(B) the State may exempt up to 25 percent of all families in the population described in paragraph (1) applying for cash benefits from grant funds received by the State under section 403 which include a child who was born on or after January 1, 1996, and with respect to whom paternity has not been established, from the reduction imposed under paragraph (1).

AMENDMENT NO. 2607

(Purpose: To require State goals and a State plan for reducing illegitimacy)

On page 11, beginning on line 5, strike ", and establish" and all that follows through line 7, and insert a period.

On page 11, between lines 7 and 8, insert the following:

"SEC. 401A. GOALS AND PLAN OR REDUCING ILLEGITIMACY.

"(a) IN GENERAL.—Not later than 1 year after the date of the enactment of this Act, each State to which a grant is made under section 403 shall—

"(1) establish formal numeric goals for the State's illegitimacy ratio for fiscal years 1997 through 2007; and

"(2) submit a plan to the Secretary that—

"(A) outlines how the State intends to reduce the State's illegitimacy ratio; and

"(B) evaluates the potential impact of the State's plan for reducing the State's illegitimacy ratio on the State's abortion rate.

"(b) ILLEGITIMACY RATIO AND ABORTION RATE.—

"(1) ILLEGITIMACY RATIO.—For purposes of this section, the term 'illegitimacy ratio' means, with respect to a State and a fiscal year—

"(A) the number of out-of-wedlock births that occurred in the State during the most recent fiscal year for which such information is available; divided by

"(B) the number of births that occurred in the State during the most recent fiscal year for which such information is available.

"(2) ABORTION RATE.—For purposes of this section, the term 'abortion rate' means, with respect to a State and a fiscal year, the number of abortions performed in the State per 1,000 women who are residents of the State and are between the ages of 15 and 44 during the most recent fiscal year for which such information is available.

AMENDMENT NO. 2608

(Purpose: To provide for an abstinence education program)

On page 425, between lines 15 and 16, insert the following:

"(d) ABSTINENCE EDUCATION PROGRAM.—

"(1) FUNDS EARMARKED.—Of the amounts appropriated under subsection (a), $200,000,000 shall be allocated to the States pursuant to the allocation formula and rules under title V of the Social Security Act (42

U.S.C. 701 et seq.) to be used exclusively for abstinence education, and at the option of the State, where appropriate, mentoring, counseling, and adult supervision to promote abstinence from sexual activity, with a focus on those groups which are most likely to bear children out-of-wedlock.

"(2) ABSTINENCE EDUCATION.—For purposes of this subsection, the term 'abstinence education' shall mean an educational or motivational program which—

"(A) has as its exclusive purpose, teaching the social, psychological, and health gains to be realized by abstaining from sexual activity;

"(B) teaches abstinence from sexual activity outside marriage as the expected standard for all school age children;

"(C) teaches that abstinence from sexual activity is the only certain way to avoid out-of-wedlock pregnancy, sexually transmitted diseases, and other associated health problems;

"(D) teaches that a mutually faithful monogamous relationship in context of marriage is the expected standard of human sexual activity;

"(E) teaches that sexual activity outside of the context of marriage is likely to have harmful psychological and physical effects;

"(F) teaches that bearing children out-of-wedlock is likely to have harmful consequences for the child, the child's parents, and society;

"(G) teaches young people how to reject sexual advances and how alcohol and drug use increases vulnerability to sexual advances; and

"(H) teaches the importance of attaining self-sufficiency before engaging in sexual activity.

AMENDMENT NO. 2609

(Purpose: To prohibit teenage parents from living in the home of an adult relative or guardian who has a history of receiving assistance)

On page 50, line 13, insert "except as provided in paragraph (3)," after "(A)".

On page 51, between lines 11 and 12, insert the following:

"(3) REQUIREMENT THAT ADULT RELATIVE OR GUARDIAN NOT HAVE A HISTORY OF ASSISTANCE.—A State shall not use any part of the grant paid under section 403 to provide assistance to an individual described in paragraph (2) if such individual resides with a parent, guardian, or other adult relative who—

(A) has had a child out-of-wedlock; and

(B) during the preceding 2-year period, received assistance as an adult under a State program funded under this part or under the program for aid to families with dependent children.

Mr. SANTORUM. I ask unanimous consent that the amendments just offered be temporarily set aside.

The PRESIDING OFFICER. Without objection, it is so ordered.

AMENDMENTS NOS. 2610 AND 2611, EN BLOC, TO AMENDMENT NO. 2280

Mr. MOYNIHAN. Mr. President, I send two amendments to the desk and ask for their immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from New York [Mr. MOYNIHAN] proposes amendments numbered 2610 and 2611.

Mr. MOYNIHAN. Mr. President, I ask unanimous consent that reading of the amendments be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendments are as follows:

AMENDMENT NO. 2610

(Purpose: To amend title 13, United States Code, to require that any data relating to the incidence of poverty produced or published by the Secretary of Commerce for subnational areas is corrected for differences in the cost of living in those areas)

On page 122, between lines 11 and 12, insert the following:

SEC. 110A. POVERTY DATA CORRECTION.

(a) IN GENERAL.—Chapter 5 of title 13, United States Code, is amended by adding after subchapter V the following:

"Subchapter VI—Poverty Data

"SEC. 197. CORRECTION OF SUBNATIONAL DATA RELATING TO POVERTY.

"(a) Any data relating to the incidence of poverty produced or published by or for the Secretary for subnational areas shall be corrected for differences in the cost of living, and data produced for State and sub-State areas shall be corrected for differences in the cost of living for at least all States of the United States.

"(b) Data under this section shall be published in 1997 and at least every second year thereafter.

"SEC. 198. DEVELOPMENT OF STATE COST-OF-LIVING INDEX AND STATE POVERTY THRESHOLDS.

"(a) To correct any data relating to the incidence of poverty for differences in the cost of living, the Secretary shall—

"(1) develop or cause to be developed a State cost-of-living index which ranks and assigns an index value to each State using data on wage, housing, and other costs relevant to the cost of living; and

"(2) multiply the Federal Government's statistical poverty thresholds by the index value for each State's cost of living to produce State poverty thresholds for each State.

"(b) The State cost-of-living index and resulting State poverty thresholds shall be published prior to September 30, 1996, for calendar year 1995 and shall be updated annually for each subsequent calendar year.".

(b) CONFORMING AMENDMENT.—The table of subchapters of chapter 5 of the title 13, United States Code, is amended by adding at the end the following:

"SUBCHAPTER VI—POVERTY DATA

"Sec. 197. Correction of subnational data relating to poverty.

"Sec. 198. Development of State cost-of-living index and State poverty thresholds.".

AMENDMENT NO. 2611

(Purpose: To correct imbalances in certain States in the Federal tax to Federal benefit ratio by reallocating the distribution of Federal spending, and for other purposes)

At the appropriate place, insert:

TITLE —STATE MINIMUM RETURN OF FEDERAL TAX BURDEN

SEC. 01. SHORT TITLE.

This title may be cited as the "State Minimum Return Act of 1995".

SEC. 02. STATEMENT OF POLICY.

It is the purpose of this title to provide, within existing budgetary limits, authority to reallocate the distribution of certain Federal spending to various States in order to ensure by the end of fiscal year 2000 that each State receive in each fiscal year a percentage of total allocable Federal expenditures equal to a minimum of 90 percent of the percentage of total Federal tax burden attributable to such State for such fiscal year.

SEC. 03. DEFINITIONS.

As used in this title—

(1) The term "Director" means the Director of the Office of Management and Budget.

(2) The term "Federal agency" means any agency defined in section 551(1) of title 5, United States Code.

(3) The term "State" means each of the several States and the District of Columbia.

(4) The term "historic share" means the average percentage share of Federal expenditures received by any State during the most recent three fiscal years.

(5) The term "Federal expenditures" means all outlays by the Federal Government as defined in section 3(1) of the Congressional Budget and Impoundment Control Act of 1974 (2 U.S.C. 622(1)) which the Bureau of the Census can allocate to the several States.

(6) The term "Federal tax revenues" means all revenues collected pursuant to the Internal Revenue Code of 1986.

(7) The term "need-based program" means any program which results in direct payment to individuals and which involves an income test to help determine the eligibility of an individual for assistance under such program.

SEC. 04. DESIGNATION OF ELIGIBLE STATES.

(a) Any State shall be eligible for a positive reallocation of allocable Federal expenditures described in section __ 05 and received by such State under section 07(a), if such State, for any fiscal year, has an allocable Federal expenditure to Federal tax ratio which is less than 90 percent.

(b) Any State shall be eligible for a positive reallocation of Federal expenditures described in section __ 05 and received by such State under paragraph (1) of section 07(a), if such State, for any fiscal year, has an allocable Federal expenditure to Federal tax ratio which is less than 100 percent but greater than or equal to 90 percent.

(c) During each fiscal year, the Director, after consultation with the Secretary of the Treasury and the Director of the Census Bureau, shall determine the eligibility of any State under this section using the most recent fiscal year data and estimated data available concerning Federal tax revenues and allocable Federal expenditures attributable to such State. The Secretary of the Treasury shall determine the attribution of Federal tax revenues to each State after consultation with the Comptroller General of the United States and other interested public and private persons.

(d) For purposes of determining the eligibility of any State under subsection (c), any water or power program in which the Federal Government, through Government corporations, provides water or power to any State at less than market price shall be taken into account in computing such State's allocable Federal expenditure to Federal tax ratio by characterizing as an imputed Federal expenditure the difference between the market price as determined by the Secretary of the Treasury in consultation with the Director and the Secretary of Energy and the Secretary of the Interior and the program's actual price of providing such water or power to such State.

SEC. 05. DESIGNATION OF REALLOCABLE FEDERAL EXPENDITURES.

All allocable Federal expenditures in any fiscal year shall be subject to reallocation to ensure the objective described in section __

02 with respect to eligible States designated under section __ 04, except for such expenditures with respect to the following:

(1) Water and power programs which are described in section __ 04(d).

(2) Compensation and allowances of officers and employees of the Federal Government.

(3) Maintenance of Federal Government buildings and installations.

(4) Offsetting receipts.

(5) Programs for which the Federal Government assumes the total cost and in which a direct payment is made to a recipient other than a governmental unit. Such programs include, but are not limited to:

(A) Social Security, including disability, retirement, survivors insurance, unemployment compensation, and Medicare, including hospital and supplementary medical insurance;

(B) Supplemental Security Income;

(C) Food Stamps;

(D) Black Lung Disability;

(E) National Guaranteed Student Loan interest subsidies;

(F) Pell grants;

(G) lower income housing assistance;

(H) social insurance payments for railroad workers;

(I) railroad retirement;

(J) excess earned income tax credits;

(K) veterans assistance, including pensions, service connected disability, nonservice connected disability, educational assistance, dependency payments, and pensions for spouses and surviving dependents;

(L) Federal workers' compensation;

(M) Federal retirement and disability;

(N) Federal employee life and health insurance; and

(O) farm income support programs.

SEC. 06. REALLOCATION AUTHORITY.

(a) Notwithstanding any other provision of law, during any fiscal year the head of each Federal agency shall, after consultation with the Director, make such reallocations of allocable expenditures described in section 05 to eligible States designated under section 04 as are necessary to ensure the objective described in section 02.

(b) Notwithstanding any other provisions of law and to the extent necessary in the administration of this title, the head of each Federal agency shall waive any administrative provision with respect to allocation, allotments, reservations, priorities, or planning and application requirements (other than audit requirements) for the expenditures reallocated under this title.

(c) The head of each Federal agency having responsibilities under this title is authorized and directed to cooperate with the Director in the administration of the provisions of this title.

SEC. 07. REALLOCATION MECHANISMS.

(a) Notwithstanding any other provision of law, for purposes of this title, during any fiscal year reallocations of expenditures required by section 06 shall be accomplished in the following manner:

(1)(A) With respect to procurement contracts, and subcontracts in excess of $25,000, the head of each Federal agency shall—

(i) identify qualified firms in eligible States designated under section 04 and disseminate any information to such firms necessary to increase participation by such firms in the bidding for such contracts and subcontracts,

(ii) in order to ensure the objective described in section 02, increase the national share of such contracts and subcontracts for each eligible State designated under section 04(a) by up to 10 percent each fiscal year, and

(iii) thirty days after the end of each fiscal year, report to the Director regarding progress made during such fiscal year to increase the share of such contracts and subcontracts for such eligible States, including the percentage increase achieved under clause (ii) and if the goal described in clause (ii) is not attained, the reasons therefor.

Within ninety days after the end of each fiscal year, the Director shall review, evaluate, and report to the Congress as to the progress made during such fiscal year to increase the share of procurement contracts and subcontracts the preponderance of the value of which has been performed in such eligible States.

(B) With respect to each fiscal year, if any Federal agency does not attain the goal described in subparagraph (A)(ii), then, during the subsequent fiscal year, such agency shall report to the Director prior to the awarding of any contract or subcontract described in subparagraph (A) to any firm in an ineligible State the reasons such contract or subcontract was not awarded to any firm in an eligible State.

(C) In the case of any competitive procurement contract or subcontract, the head of the contracting Federal agency shall award such contract or subcontract to the lowest bid from a qualified firm that will perform the preponderance of the value of the work in an eligible State designated under section ____04 if the bid for such contract or subcontract is lower or equivalent to any bid from any qualified firm that will perform the preponderance of the value of the work in an ineligible State.

(D) In the case of any noncompetitive procurement contract or subcontract, the head of each Federal agency shall identify and award such contract or subcontract to a qualified firm that will perform the preponderance of the value of the work in an eligible State designated under section ____04 and that complete such contract or subcontract at a lower or equivalent price as any qualified firm that will perform the preponderance of the value of the work in an ineligible State.

(E) For purposes of this paragraph, in the case of any procurement contract or subcontract, any firm shall be qualified if—

(i) such firm has met the elements of responsibility provided for in section 8(b)(7) of the Small Business Act (15 U.S.C. 637(b)(7)) as determined by the head of the contracting Federal agency to be necessary to complete the contract or subcontract in a timely and satisfactory manner, and

(ii) with respect to any prequalification requirement, such firm has been notified in writing of all standards which a prospective contractor must satisfy in order to become qualified, and upon request, is provided a prompt opportunity to demonstrate the ability of such firm to meet such specified standards.

(F) In order to reallocate expenditures with respect to subcontracts as required by subparagraph (A), each Federal agency shall collect necessary data to identify such subcontracts beginning in fiscal year 1991.

(a) With respect to all other expenditures described in section ____05, including all grants administered by the Department of Transportation, the Department of the Interior, the Department of Agriculture, the Environmental Protection Agency, and the United States Army Corps of Engineers, any eligible State designated under section ____04(a) shall receive 110 percent of such State's historic share with respect to such expenditures.

(b) No reallocation shall be made under this section with respect to allocable expenditures for any program to any State in any fiscal year which results in a reduction of 10 percent or more of the amount of such expenditures to such State.

(c) No reallocation shall be made under the provisions of this title which will result in any allocable Federal expenditure to Federal tax ratio of any State being reduced below 90 percent.

SEC. ___08. AMENDMENTS.

No provision of law shall explicitly or implicitly amend the provisions of this title unless such provision specifically refers to this title.

SEC. ___09. STUDY.

(a) The Secretary of the Treasury or a delegate of the Secretary shall conduct a study on the impact of Federal spending, tax policy, and fiscal policy on State economies and the economic growth rate of States and regions of the United States. In particular, the Secretary or his delegate shall examine the extent to which the economies of States which have allocable Federal expenditure to Federal tax ratios below 100 are harmed by such a fiscal relationship with the Federal Government.

(b) The report of the study required by subsection (a) shall be submitted to Congress not later than December 31, 1996.

SEC. ___10. EFFECTIVE DATE.

The provisions of this title shall take effect for fiscal years beginning after the date of the enactment of this title.

Mr. MOYNIHAN. I ask unanimous consent that the amendments be temporarily laid aside.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MOYNIHAN. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. MOYNIHAN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MOYNIHAN. Mr. President, as the Senate today winds to a close, we will have perhaps a few more amendments by the 5 o'clock deadline. My colleague and friend from Pennsylvania observes that there were about 120 when we last counted, which does not auger well for the conclusion of our business by Wednesday evening. But it does speak to the extraordinary transformation in the debate over welfare policy in the United States.

I spoke earlier this week of the moment of February 8, 1971, when Time and Newsweek and U.S. News and World Report had as their cover stories the subject of welfare and the seeming intractable problem—that at a time when the illegitimacy ratio in our country was one-third what it is today. The number of children born outside of marriage was one-third of what it is today. In 1992, it was 1.2 million. The ratio would be about 30 percent. It is about 33 percent today. That is the basic social condition that leads to this baffling problem.

We are not alone, and it is important to know that. Just by happenstance, Mr. President, this week's issue of The Economist, a British "newspaper," as they call it, has as its cover story, "The Disappearing Family." They have a chart on page 26 called "Fewer Gold Rings: Births to Unmarried Mothers as a Percentage of the Total." I find myself cited as the source. Indeed our office did do this work.

Characteristically, the administration did nothing. Characteristically, the Department of Health and Human Services does nothing. Characteristically, they are absent from this debate. At times, there has been no one in the Vice President's office, as there is on any major issue affecting legislation. They are vanishing, defeated by the commitment to end welfare as they know it, and horrified at the prospect of what that will mean as they see it happen.

The Economist has its "lead article," as they say, on the subject, and then they have a long story. It begins:

> To European ears, America's family values debate can sound shrill, even surreal. It is taken as a sign that the citizens of the new world remain considerably less sophisticated and more moralistic than those of the old. But Europe would do well to listen. In many American neighborhoods, the family has collapsed. Among households with children and poor inner cities, fewer than one in ten have a father in residence. If there are lessons from this awful experience, they are worth learning.

They go on to say that many of the same phenomenon are appearing in Britain. They differentiate between different parts of Europe that are adjacent but are very different in their approaches. Sweden is a country of individuals, and has a very high rate of birth outside of marriage, but they are not births outside of households. All their family structure, their social policy, is built around the individual. Germany, which is just across the Baltic, is a nation built around families. And all of their social policy is designed in that direction, and the consequences are easy to see. Our policies are hard to find.

Years ago, we observed that there is no way a nation can avoid a family policy.

It can only avoid acknowledging what the family policy is—or being aware. Whatever you do, one way or another, will have consequences.

I rise in the remaining few moments of today's session to thank my colleagues on the Democratic side, the minority side, for their support in the bill I offered this morning, the Family Support Act of 1995.

Mr. President, 41 Democrats voted for it; five did not. They have their reasons. They are understood and respected. Fifty-six altogether, 51 Members of the other side voted "no." Several mentioned to me that one Senator on that side volunteered that it was the worst vote he ever cast, but that is understandable.

The point I tried to make is that this legislation, the Family Support Act of 1988, passed the Senate 93-3 in its first form and then the conference report 96-1.

We had consensus and we lost it. I have to think we began to lose it when President Clinton, campaigning for the Presidency, said he would end welfare as we know it, asked for a 2-year time limit, and no further details.

Legislation finally came forward in the 103d Congress, but very late, with no expectation that it would be dealt with. I was chairman of the Finance Committee and was happy to do it but nobody wanted it. It was left for this. A curious—how to say—silence from organizations. You would have expected to hear something from the U.S. Conference of Mayors, which I have worked with for 35 years in one form or another, helping them get revenue sharing going directly to municipalities, and things like that. Silent on our bill. The welfare reform advocates, children's advocates, silent on our bill. Democratic Governors, silent.

Well, the fact is, there has been an extraordinary change in expectations of what Congress will do and a passivity which perhaps accounts for events, a complacency, the assumption that a Democratic administration confirmed in these matters.

Well, we see the results. I will put on the RECORD that the absence of any support for the legislation which we put forward in the Finance Committee last spring—the vote was 12-8, eight Democrats—has to be taken as an unprecedented surrender and unprecedented abandonment of principle.

I say to the U.S. Conference of Mayors, they have abandoned every principle they have stood for in 35 years I have worked with them. The Governors are split on partisanship.

The advocacy groups—what advocacy groups? Maybe their anxiety is that, if they say anything, their funding will be cut off. Well, then, we know where their priorities are.

Mr. President, I can only regret that silence, even as I express my appreciation for the Senators who did support us today. The time will come when they will be proud of that vote. I yield the floor.

AMENDMENT NO. 2476 TO AMENDMENT NO. 2280

(Purpose: Sense of the Senate regarding Enterprise Zone legislation)

Mr. SANTORUM. Mr. President, I ask amendment 2476 offered by the Senator from Michigan be called up and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Pennsylvania [Mr. SANTORUM] for Mr. ABRAHAM (for himself an Mr. LIEBERMAN) proposes an amendment numbered 2476 to amendment No. 2280.

Mr. SANTORUM. I ask unanimous consent that reading of the amendment be dispensed.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

At the appropriate place in the bill, add the following new section:

"SEC. . SENSE OF THE SENATE REGARDING ENTERPRISE ZONES.

(a) FINDINGS.—The Senate finds that—

(1) Many of the Nation's urban centers are places with high levels of poverty, high rates of welfare dependency, high crime rates, poor schools, and joblessness;

(2) Federal tax incentives and regulatory reforms can encourage economic growth, job creation and small business formation in many urban centers;

(3) Encouraging private sector investment in America's economically distressed urban and rural areas is essential to breaking the cycle of poverty and the related ills of crime, drug abuse, illiteracy, welfare dependency, and unemployment;

(4) The empowerment zones enacted in 1993 should be enhanced by providing incentives to increase enterpreneurial growth, capital formation, job creation, educational opportunities and home ownership in the designated communities and zones;

(b) SENSE OF THE SENATE.—Therefore, it is the Sense of the Senate that the Congress should adopt enterprise zone legislation in the 104th Congress, and that such enterprise zone legislation provide the following incentives and provisions:

(1) Federal tax incentives that expand access to capital, increase the formation and expansion of small businesses, and promote commercial revitalization;

(2) Regulatory reforms that allow localities to petition Federal agencies, subject to the relevant agencies' approval, for waivers or modifications of regulations to improve job creation, small business formation and expansion, community development, or economic revitalization objectives of the enterprise zones;

(3) Home ownership incentives and grants to encourage resident management of public housing and home ownership of public housing;

(4) School reform pilot projects in certain designated enterprise zones to provide low-income parents with new and expanded educational options for their children's elementary and secondary schooling.

Mr. SANTORUM. I ask unanimous consent that that amendment be laid aside.

The PRESIDING OFFICER. Without objection, it is so ordered.

AMENDMENTS NOS. 2612 THROUGH 2617, EN BLOC TO AMENDMENT NO. 2280

Mr. SANTORUM. Mr. President, I send to the desk six amendments offered on behalf of the Senator from Texas [Mr. GRAMM] and ask for their immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Pennsylvania [Mr. SANTORUM] for Mr. GRAMM proposes amendments numbered 2612 through 2617, en bloc, to amendment No. 2280.

Mr. SANTORUM. Mr. President, I ask unanimous consent the reading be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendments are as follows:

AMENDMENT NO. 2612

(Purpose: To limit the State option for work participation requirement exemptions to the first 12 months to which the requirement applies)

On page 34, line 20, strike "For any fiscal year" and insert "Solely for the first 12-month period to which the requirements to engage in work under this section is in effect".

AMENDMENT NO. 2613

(Purpose: To require that certain individuals who are not required to work are included, in the participation rate calculation)

On page 34, beginning on line 24, strike "and may exclude" and all that follows through page 35, line 2, and insert a period.

AMENDMENT NO. 2614

(Purpose: To provide for increased penalties for failure to work requirements)

On page 53, strike lines 1 through 8, and insert the following:

"(A) IN GENERAL.—If the Secretary determines that a State has failed to satisfy the minimum participation rates specified in section 404(a) for a fiscal year, the Secretary shall reduce the amount of the grant that would (in the absence of this section) be payable to the State under section 403 for the immediately succeeding fiscal year by—

"(i) in the first year in which the State fails to satisfy such rates, 5 percent; and

"(ii) in subsequent years in which the State fails to satisfy such rates, the percent reduction determined under this subparagraph (if any) in the proceeding year, increased 5 percent.

AMENDMENT NO. 2615

(Purpose: To reduce the Federal welfare bureaucracy)

On page 792, strike lines 1 through 22 and insert the following:

SEC. 1202. REDUCTIONS IN FEDERAL BUREAUCRACY.

(a) IN GENERAL.—The Secretary of Health and Human Services and the Secretary of Labor shall reduce the Federal workforce within the Department of Health and Human Services and the Department of Labor, respectively, by an amount equal to the sum of—

(1) 75 percent of the full-time equivalent positions at each such Department that relate to any direct spending program, or any program funded through discretionary spending, that has been converted into a block grant program under this Act and the amendments made by this Act; and

(2) an amount equal to 75 percent of that portion of the total full-time equivalent departmental management positions at each such Department that bears the same relationship to the amount appropriated for the programs referred to in paragraph (1) as such amount relates to the total amount appropriated for use by each such Department.

(b) REDUCTIONS IN THE DEPARTMENT OF HEALTH AND HUMAN SERVICES.—Notwithstanding any other provision of this Act, the Secretary of Health and Human Services shall take such actions as may be necessary, including reductions in force actions, consistent with sections 3502 and 3595 of title 5, United States Code, to reduce the full-time equivalent positions within the Department of Health and Human Services—

(1) by 245 full-time equivalent positions related to the program converted into a block grant under the amendment made by section 101(b); and

(2) by 60 full-time equivalent managerial positions in the Department.

(c) REDUCTIONS IN THE DEPARTMENT OF LABOR.—Notwithstanding any other provision of this Act, the Secretary of Labor shall take such actions as may be necessary, including reductions in force actions, consistent with sections 3502 and 3595 of title 5, United States Code, to reduce the full-time equivalent positions within the Department of Labor—

(1) by 675 full-time equivalent positions related to the programs converted into a block grant under titles VII and VIII; and

(2) by 156 full-time equivalent managerial positions in the Department.

AMENDMENT NO. 2616

(Purpose: To require paternity establishment as a condition of benefit receipt)

On page 42, between lines 21 and 22, insert the following:

"(f) PROVISIONS RELATING TO PATERNITY ESTABLISHMENT.—

"(1) PATERNITY NOT ESTABLISHED.—If a State provides cash benefits to families from grant funds received by the State under section 403, the State shall provide that if a family applying for such benefits includes a child who has not attained age 18 and who was born on or after January 1, 1996, with respect to whom paternity has not been established, such benefits shall not be available for—

"(A) such child (until the child attains age 18); and

"(B) the parent or caretaker relative of such child if the parent or caretaker relative of such child is not the parent or caretaker relative of another child for whom benefits are available.

"(2) EXCEPTIONS.—Notwithstanding paragraph (1)—

"(A) the State may use grant funds received by the State under section 403 to provide cash benefits to a minor child who is up to 6 months of age for whom paternity has not been established if the parent or caretaker relative of the child provides the name, address, and such other identifying information as the State may require of an individual who may be the father of the child; and

"(B) the State may exempt up to 25 percent of all families in the population described in paragraph (1) applying for cash benefits from grant funds received by the State under section 403 which include a child who was born on or after January 1, 1996, and with respect to whom paternity has not been established, from the reduction imposed under paragraph (1).

AMENDMENT NO. 2617

(Purpose: To prohibit the use of Federal funds for legal challenges to welfare reform)

At the appropriate place, insert the following:

SEC. RESTRICTIONS ON TAXPAYER FINANCED LEGAL CHALLENGES.

(a) IN GENERAL.—No legal aid organization or other entity that provides legal services and which receives Federal funds or IOLTA funds may challenge (or act as an attorney on behalf of any party who seeks to challenge) in any legal proceeding—

(1) the legal validity—

(A) under the United States Constitution—

(i) of this Act or any regulations promulgated under this Act; and

(ii) of any law or regulation enacted or promulgated by a State pursuant to this Act;

(B) under this Act or any regulation adopted under this Act of any State law or regulation; and

(C) under any State Constitution of any law or regulation enacted or promulgated by a State pursuant to this Act; and

(2) the conflict—

(A) of this Act or any regulations promulgated under this Act with any other law or regulation of the United States; and

(B) of any law or regulation enacted or promulgated by a State pursuant to this Act with any law or regulation of the United States.

(f) IOLTA FUNDS DEFINED.—For purposes of this section, the term "IOLTA funds" means interest on lawyers trust account funds that—

(1) are generated when attorneys are required by State court or State bar rules to deposit otherwise noninterest-bearing client funds into an interest-bearing account while awaiting the outcome of a legal proceeding; and

(2) are pooled and distributed by a subdivision of a State bar association or the State court system to organizations selected by the State courts administration.

(c) LEGAL PROCEEDING DEFINED.—For purposes of this section, the term "legal proceeding" includes—

(1) a proceeding—

(A) in a court of the United States;

(B) in a court of a State; and

(C) in an administrative hearing in a Federal or State agency; and

(2) any activities related to the commencement of a proceeding described in subparagraph (A).

Mr. SANTORUM. I ask unanimous consent that the amendments be laid aside.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MOYNIHAN. Mr. President, a parliamentary inquiry. The clock seems to be approaching 5 o'clock and I have what is approximately 8 minutes' worth of sending amendments to the desk. I ask unanimous consent that we extend our time to 5:05.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MOYNIHAN. Mr. President, I rise to acknowledge what would be, not the first time, an error. I said recently just a moment ago that the Department of Health and Human Services has been silent on the subject of this atrocious legislation.

I am wrong, sir. I have just been handed an amendment which asks us to see that no position, no full-time position in the Department of Health and Human Services be eliminated.

So we will look after—I am beginning to believe what I hear about the bureaucracy.

AMENDMENTS NOS. 2618 THROUGH 2672 TO AMENDMENT NO. 2280

Mr. MOYNIHAN. I send to the desk this amendment with a group of other amendments and ask for their immediate consideration. I am told no one else would introduce the amendment and it falls to me to do so. I do so with a certain reluctance.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from New York [Mr. MOYNIHAN], proposes amendments numbered 2618 through 2672 to amendment No. 2280.

Mr. MOYNIHAN. Mr. President, I ask unanimous consent reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendments are as follows:

AMENDMENT NO. 2618

(Purpose: Eliminate requirement that HHS reduce full-time equivalent positions by specific percentages and retain requirements to evaluate the number of FTB positions required to carry out the activities under the bill and to take action to reduce the appropriate number of positions)

On page , strike title XII and insert the following new title:

"TITLE XII—REDUCTIONS IN FEDERAL GOVERNMENT POSITIONS

"SEC. 1201. REDUCTIONS.

"(a) DEFINITIONS.—As used in this section:

"(1) APPROPRIATE EFFECTIVE DATE.—The term 'appropriate effective date', used with respect to a Department referred to in this section, means the date on which all provisions of this Act that the Department is required to carry out, and amendments and repeals made by this Act to provisions of Federal law that the Department is required to carry out, are effective.

"(2) COVERED ACTIVITY.—The term 'covered activity', used with respect to a Department referred to in this section, means an activity that the Department is required to carry out under—

"(A) a provision of this Act; or

"(B) a provision of Federal law that is amended or repealed by this Act.

"(b) REPORTS.—

"(1) CONTENTS.—Not later than December 31, 1995, each Secretary referred to in paragraph (2) shall prepare and submit to the relevant committees described in paragraph (3) a report containing—

"(A) the determinations described in subsection (c);

"(B) appropriate documentation in support of such determinations; and

"(C) a description of the methodology used in making such determinations.

"(2) SECRETARY.—The Secretaries referred to in this paragraph are—

"(A) the Secretary of Agriculture;

"(B) the Secretary of Education;

"(C) the Secretary of Labor;

"(D) the Secretary of Housing and Urban Development; and

"(E) the Secretary of Health and Human Services.

"(3) RELEVANT COMMITTEES.—The relevant Committees described in this paragraph are the following:

"(A) With respect to each Secretary described in paragraph (2), the Committee on Government Reform and Oversight of the House of Representatives and the Committee on Governmental Affairs of the Senate.

"(B) With respect to the Secretary of Agriculture, the Committee on Agriculture and the Committee on Economic and Educational Opportunities of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate.

"(C) With respect to the Secretary of Education, the Committee on Economic and Educational Opportunities of the House of Representatives and the Committee on Labor and Human Resources of the Senate.

"(D) With respect to the Secretary of Labor, the Committee on Economic and Educational Opportunities of the House of Representatives and the Committee on Labor and Human Resources of the Senate.

"(E) With respect to the Secretary of Housing and Urban Development, the Committee on Banking and Financial Services of the House of Representatives and the Committee on Banking, Housing, and Urban Affairs of the Senate.

"(F) With respect to the Secretary of Health and Human Services, the Committee on Economic and Educational Opportunities of the House of Representatives, the Committee on Labor and Human Resources of the Senate, the Committee on Ways and Means of the House of Representatives, and the Committee on Finance of the Senate.

"(4) REPORT ON CHANGES.—Not later than December 31, 1996, and each December 31 thereafter, each Secretary referred to in paragraph (2) shall prepare and submit to the relevant Committees described in paragraph (3), a report concerning any changes with respect to the determinations made under subsection (c) for the year in which the report is being submitted.

"(c) DETERMINATIONS.—Not later than December 31, 1995, each Secretary referred to in subsection (b)(2) shall determine—

"(1) the number of full-time equivalent positions required by the Department (or the Federal Partnership established under section 771) headed by such Secretary to carry out the covered activities of the Department (or Federal Partnership), as of the day before the date of enactment of this Act;

"(2) the number of such positions required by the Department (or Federal Partnership) to carry out the activities, as of the appropriate effective date for the Department (or Federal Partnership); and

"(3) the difference obtained by subtracting the number referred to in paragraph (2) from the number referred to in paragraph (1).

"(d) ACTIONS.—Not later than 30 days after the appropriate effective date for the Department involved, each Secretary referred to in subsection (b)(2) shall take such actions as may be necessary, including reduction in force actions, consistent with sections 3502 and 3595 of title 5, United States Code, to reduce the number of positions of personnel of the Department by at least the difference referred to in subsection (c)(3).

"(e) CONSISTENCY.—

"(1) EDUCATION.—The Secretary of Education shall carry out this section in a manner that enables the Secretary to meet the requirements of this section and section 776(i)(2).

"(2) LABOR.—The Secretary of Labor shall carry out this section in a manner that enables the Secretary to meet the requirements of this section and section 776(i)(2).

"(f) CALCULATION.—In determining, under subsection (c), the number of full-time equivalent positions required by a Department to carry out a covered activity, a Secretary referred to in subsection (b)(2), shall include the number of such positions occupied by personnel carrying out program functions or other functions (including budgetary, legislative, administrative, planning, evaluation, and legal functions) related to the activity.

"(g) GENERAL ACCOUNTING OFFICE REPORT.—Not later than July 1, 1996, the Comptroller General of the United States shall prepare and submit to the committees described in subsection (b)(3), a report concerning the determinations made by each Secretary under subsection (c). Such report shall contain an analysis of the determinations made by each Secretary under subsection (c) and a determination as to whether further reductions in full-time equivalent positions are appropriate.".

AMENDMENT NO. 2619

(Purpose: To terminate sponsor responsibilities upon the date of naturalization of the immigrant)

On page 289, line 5, strike the period and insert ", but in no event shall such period extend beyond the date (if any) on which the alien becomes a citizen of the United States under chapter 2 of title III of the Immigration and Nationality Act."

AMENDMENT NO. 2620

(Purpose: To grant the Attorney General flexibility in certain public assistance determinations for immigrants)

On page 292, strike line 5 through line 11 and insert the following:

Nutrition Act of 1966;

(E) public health assistance for immunizations with respect to immunizable diseases and for testing and treatment for communicable diseases if the Secretary of Health and Human Services determines that such testing and treatment is necessary; and

(F) benefits or services which serve a compelling humanitarian or compelling public interest as specified by the Attorney General in consultation with appropriate Federal agencies and departments.

AMENDMENT NO. 2621

(Purpose: To ensure that programs are implemented consistent with the First Amendment to the U.S. Constitution)

On pages 77 through 83, strike sec. 102 and sec. 103.

AMENDMENT NO. 2622

(The text of the amendment (No. 2622) is printed in today's RECORD under "Amendments Submitted.")

AMENDMENT NO. 2623

(Purpose: To permit State to apply for waivers with respect to the 15 percent cap on hardship exemptions from the 5-year time limitation)

On page 40, between lines 16 and 17, insert the following new subparagraph:

"(C) WAIVER OF LIMITATION.—The Secretary, upon a demonstration by a State that an extraordinary number of families require an exemption from the application of paragraph (1) due to disability, domestic violence, homelessness, or the need to be in the home to care for a disabled child, may permit the State to provide exemptions in excess of the 15 percent limitation described in subparagraph (B) for a specified period of time.".

AMENDMENT NO. 2624

(Purpose: To permit States to provide non-cash assistance to children ineligible for aid because of the 5-year time limitation)

On page 40, between lines 16 and 17, insert the following new paragraph:

"(4) NON-CASH ASSISTANCE FOR CHILDREN.—Nothing in paragraph (1) shall be construed as prohibiting a State from using funds provided under section 403 to provide aid, in the form of in-kind assistance, vouchers usable for particular goods or services as specified by the State, or vendor payments to individuals providing such goods or services, to the minor children of a needy family.".

AMENDMENT NO. 2625

(Purpose: To require States to have in effect laws regarding duration of child support)

On page 641, between lines 11 and 12, insert the following:

SEC. 426. DURATION OF SUPPORT.

Section 466(a) (42 U.S.C. 666(a)), as amended by this Act, is amended—

(1) by inserting after paragraph (16) the following new paragraph:

"(17) Procedures under which the State—

"(A) requires a continuing support obligation by the noncustodial parent until at least the later of the date on which a child for whom a support obligation is owed reaches the age of 18, or graduates from or is no longer enrolled in secondary school or its equivalent, unless a child marries, joins the United States armed forces, or is otherwise emancipated under State law;

"(B)(i) provides that courts or administrative agencies with child support jurisdiction have the discretionary power, until the date on which the child involved reaches the age of 22, pursuant to criteria established by the State, to order child support, payable directly or indirectly (support may be paid directly to a post-secondary or vocational school or college) to a child, at least up to the age of 22 for a child enrolled full-time in an accredited postsecondary or vocational school or college and who is a student in good standing; and

"(ii) may, without application of the rebuttable presumption in section 467(b)(2), award support under this subsection in amounts that, in whole or in part, reflect the actual costs of post secondary education; and

"(C) provides for child support to continue beyond the child's age of majority provided the child is disabled, unable to be self-supportive, and the disability arose during the child's minority."; and

(2) by adding at the end the following new sentence: "Nothing in paragraph (17) shall preclude a State from imposing more extensive child support obligations or obligations of longer duration.".

AMENDMENT NO. 2626

(Purpose: To eliminate a repeal relating to the Trade Act of 1974)

Section 781(b) is amended to read as follows:

(b) SUBSEQUENT REPEALS.—The following provisions are repealed:

(1) The Adult Education Act (20 U.S.C. 1201 et seq.).

(2) The Carl D. Perkins Vocational and Applied Technology Education Act (20 U.S.C. 2301 et seq.).

(3) The School-to-Work Opportunities Act of 1994 (20 U.S.C. 6101 et seq.).

(4) The Wagner-Peyser Act (29 U.S.C. 49 et seq.).

(5) The Job Training Partnership Act (29 U.S.C. 1501 et seq.).

(6) Title V of the Older Americans Act of 1965 (42 U.S.C. 3056 et seq.).

(7) Title VII of the Stewart B. McKinney Homeless Assistance Act (42 U.S.C. 11421 et seq.), other than subtitle C of such title.

AMENDMENT NO. 2627

(Purpose: To improve provisions relating to the Trade Act of 1974)

In title VIII, add at the end the following:

Subtitle D—Amendment to Trade Act of 1974

SEC. 841. TRAINING AND OTHER EMPLOYMENT SERVICES FOR TRADE-IMPACTED WORKERS.

Section 239(e) of the Trade Act of 1974 (19 U.S.C. 2311(e)) is amended to read as follows:

"(e) Any agreement entered into under this section shall provide that the services made available to adversely affected workers under sections 235 and 236 shall be provided through the statewide workforce development system established by the State under subtitle B of the Workforce Development Act of 1995 to provide such services to other dislocated workers.".

AMENDMENT NO. 2628

(The text of the amendment (No. 2628) is printed in today's RECORD under "Amendments Submitted.")

AMENDMENT NO. 2629 CALENDAR NO.—

(Purpose: To improve provisions relating to the unemployment trust fund)

Beginning on page 419, strike line 17 and all that follows through page 424, line 4, and insert the following:

SEC. 733. UNEMPLOYMENT TRUST FUND.

(A) IN GENERAL.—Section 901(c) of the Social Security Act (42 U.S.C. 1101(c)) is amended—

(1) in paragraph (1)—

(A) in subparagraph (A)(iii), by striking "carrying into effect section 4103" and inserting "carrying out the activities described in sections 4103, 4103A, 4104, and 4104A"; and

(B) in subparagraph (B), in the matter preceding clause (i), by striking "Department of Labor" and inserting "Department of Labor or the Workforce Development Partnership, as appropriate,"; and

(2) in the first sentence of paragraph (4), by striking "the Department of Labor" and inserting "the Workforce Development Partnership".

(b) EFFECTIVE DATE.—The amendments made by this section shall take effect July 1, 1998.

AMENDMENT NO. 2630

(Purpose: To clarify that the responsibilities of the National Board are advisory)

Section 772(a)(4)(A) is amended to read as follows:

(A) IN GENERAL.—Notwithstanding any other provision of this Act or any amendment made by this Act, any provision of this Act or any amendment made by this Act that would otherwise grant the National Board the authority to carry out a function (as defined in section 776) shall be construed to give the National Board the authority only to provide advice to the Secretary of Labor and the Secretary of Education with respect to the function, and not the authority to carry out the function. The provision shall be deemed to grant the Secretary of Labor and the Secretary of Education, acting jointly, the authority to carry out the function.

AMENDMENT NO. 2631

(The text of the amendment (No. 2631) is printed in today's RECORD under "Amendments Submitted."

AMENDMENT NO. 2632

(Purpose: To exclude employment and training programs under the Food Stamp Act of 1977 from the list of activities that may be provided as workforce employment activities)

On page 359, strike lines 11 through 16 and insert the following:

viduals to participate in the statewide system; and

(N) followup services for participants who are placed in unsubsidized employment.

AMENDMENT NO. 2633

(Purpose: To provide for the State distribution of funds for secondary school vocational education, postsecondary and adult vocational education, and adult education)

In section 721(b), strike paragraph (4) and insert the following:

(4) STATE DETERMINATIONS.—From the amount available to a State educational agency under paragraph (2)(B) for a fiscal year, such agency shall distribute such amount for workforce education activities in such State as follows:

(A) 75 percent of such amount shall be distributed for secondary school vocational education in accordance with section 722, or for postsecondary and adult vocational education in accordance with section 723, or for both; and

(B) 25 percent of such amount shall be distributed for adult education in accordance with section 724.

AMENDMENT NO. 2634

(Purpose: To establish a job placement performance bonus that provides an incentive for States to successfully place individuals in unsubsidized jobs, and for other purposes)

On page 17, line 8, insert "and for each of fiscal years 1998, 1999, and 2000, the amount of the State's job placement performance bonus determined under subsection (f)(1) for fiscal year" after "year".

On page 17, line 22, insert "and the applicable amount specified under subsection (f)(2)(B) for such fiscal year" after "(B)".

On page 29, between lines 15 and 16, insert:

"(f) JOB PLACEMENT PERFORMANCE BONUS.—

"(1) IN GENERAL.—The job placement performance bonus determined with respect to a State and a fiscal year is an amount equal to the amount of the State's allocation of the job placement performance fund determined in accordance with the formula developed under paragraph (2).

"(2) ALLOCATION FORMULA; BONUS FUND.—

"(i) IN GENERAL.—Not later than September 30, 1996, the Secretary of Health and Human Services shall develop and publish in the Federal Register a formula for allocating amounts in the job placement performance bonus fund to States based on the number of families that received assistance under a State program funded under this part in the preceding fiscal year that became ineligible for assistance under the State program, or the number of families with a reduction in the amount of such assistance, as a result of unsubsidized employment during such year.

"(ii) FACTORS TO CONSIDER.—In developing the allocation formula under clause (i), the Secretary shall—

"(I) provide a greater financial bonus for individuals in families described in clause (i) who remain employed for greater periods of time or are at greater risk of long-term welfare dependency;

"(II) take into account the unemployment conditions of each State or geographic area; and

"(III) take into account the number of families in each State that received assistance under a State program funded under this part in the preceding fiscal year that became ineligible for assistance under the State program, or the number of families with a reduction in the amount of such assistance, as a result of unsubsidized employment during such year, including fiscal years prior to 1997.

"(B) JOB PLACEMENT PERFORMANCE BONUS FUND.—

"(i) IN GENERAL.—For purposes of establishing a job placement performance bonus fund and making disbursements from such fund in accordance with subparagraph (A), with respect to a fiscal year there are authorized to be appropriated and there are appropriated an amount equal to the sum of—

"(I)(aa) for fiscal year 1998, $70,000,000;

"(bb) for fiscal year 1999, $140,000,000;

"(cc) for fiscal year 2000, $210,000,000; and

"(II) the amount of the reduction in grants made under this section for the preceding fiscal year resulting from the application of section 407 for the fiscal year involved.

On page 29, line 16, strike "(f)" and insert "(g)".

On page 66 line 7, insert "and a preliminary assessment of the job placement performance bonus established under section 403(f)" before the period.

On page 108, between lines 20 and 21, insert the following new subsection:

(i) REPEAL OF MARKET PROMOTION PROGRAM.—Section 203 of the Agricultural Trade Act of 1978 (7 U.S.C. 5623) is repealed.

AMENDMENT NO. 2635

(Purpose: To require that 25 percent of the funds for workforce employment activities be expended to carry out such activities for dislocated workers)

In section 716(a), add at the end the following:

(11) WORKFORCE EMPLOYMENT ACTIVITIES FOR DISLOCATED WORKERS.—Each State shall use 25 percent of the funds made available to the State for a program year under section 713(a)(1), less any portion of such funds made available under section 901(c)(1)(A) of the Social Security Act (42 U.S.C. 1101(c)(1)(A), to provide workforce employment activities for dislocated workers.

AMENDMENT NO. 2636

(Purpose: To establish a definition of a local workforce development board)

On page 324, strike lines 1 through 3 and insert the following:

(17) LOCAL WORKFORCE DEVELOPMENT BOARD.—The term "local workforce development board" means a board established under section 715.

AMENDMENT NO. 2637

(Purpose: To provide a conforming amendment with respect to local workforce development boards)

On page 380, strike lines 17 through 22 and insert the following:

(ii) such additional factors as the Governor (in consultation with local workforce development boards) determines to be necessary.

AMENDMENT NO. 2638

(Purpose: To require the establishment of local workforce development boards)

Beginning on page 400, strike line 10 and all that follows through page 404, line 1 and insert the following:

the local workforce development board in the substate area.

SEC. 728. LOCAL AGREEMENTS AND WORKFORCE DEVELOPMENT BOARDS.

(a) LOCAL AGREEMENTS.—

(1) IN GENERAL.—After a Governor submits the State plan described in section 714 to the Federal Partnership, the Governor shall negotiate and enter into a local agreement regarding the workforce employment activities, school-to-work activities, and economic development activities (within a State that is eligible to carry out such activities, as described in subsection (c)) to be carried out in each substate area in the State with local workforce development boards.

(2) BUSINESS AND INDUSTRY INVOLVEMENT.—The business and industry representatives on the local workforce development board shall have a lead role in the design, management, and evaluation of the activities to the carried out in the substate area under the local agreement.

(3) CONTENTS.—

(A) STATE GOALS AND STATE BENCHMARKS.—Such an agreement shall include a description of the manner in which funds allocated to a substate area under this subtitle will be spent to meet the State goals and reach the State benchmarks in a manner that reflects local labor market conditions.

(B) COLLABORATION.—The agreement shall also include information that demonstrates the manner in which—

(i) the Governor; and

(ii) the local workforce development board;

collaborated in reaching the agreement.

(4) FAILURE TO REACH AGREEMENT.—If, after a reasonable effort, the Governor is unable to enter into an agreement with the local workforce development board, the Governor shall notify the partnership or board, as appropriate, and provide the partnership or board, as appropriate, with the opportunity to comment, not later than 30 days after the date of the notification, on the manner in which funds allocated to such substate area will be spent to meet the State goals and reach the State benchmarks.

(5) EXCEPTION.—A State that indicates in the State plan described in section 714 that the State will be treated as a substate area for purposes of the application of this subtitle shall not be subject to this subsection.

(b) LOCAL WORKFORCE DEVELOPMENT BOARDS.—

(1) IN GENERAL.—Each State shall facilitate

AMENDMENT NO. 2639

(Purpose: To clarify the role of the summer jobs program)

In section 759, strike subsections (b) through (e) and insert the following:

(b) STATE USE OF FUNDS.—

(1) CORE JOB CORPS ACTIVITIES.—The State shall use a portion of the funds made available to the State through an allotment received under subsection (c) to establish and operate Job Corps centers as described in chapter 2, if a center located in the State received assistance under part B of title IV of the Job Training Partnership Act for fiscal year 1996 and was not closed in accordance with section 755.

(2) CORE WORK-BASED LEARNING OPPORTUNITIES.—

(A) IN GENERAL.—The State shall use 25 percent of the funds made available to the State through an allotment received under subsection (c) to make grants to eligible entities in substate areas, in accordance with the procedures described in subsection (e), to assist the substate areas in organizing summer jobs programs that provide work-based learning opportunities in the private and public sectors that are directly linked to year-round school-to-work activities in the substate areas.

(B) LIMITATION.—No funds provided under this subtitle shall be used to displace employed workers.

(3) PERMISSIBLE ACTIVITIES.—The State may use a portion of the funds described in paragraph (1) to—

(A) make grants to eligible entities in substate areas, in accordance with the procedures described in subsection (e), to assist each such entity in carrying out alternative programs to assist out-of-school at-risk youth in participating in school-to-work activities in the substate area; and

(B) carry out other workforce development activities specifically for at-risk youth.

(c) ALLOTMENTS.—

(1) IN GENERAL.—The Secretary of Labor and the Secretary of Education, acting jointly on the advice of the Federal Partnership, shall allot to each State an amount equal to the total of—

(A) the amount made available to the State under paragraph (2); and

(B) the amounts made available to the State under subparagraphs (C), (D), and (E) of paragraph (3).

(2) ALLOTMENTS BASED ON FISCAL YEAR 1996 APPROPRIATIONS.—Using a portion of the funds appropriated under subsection (g) for a fiscal year, the Secretary of Labor and the Secretary of Education, acting jointly on the advice of the Federal Partnership, shall make available to each State the amount that Job Corps centers in the State expended for fiscal year 1996 under part B of title IV of the Job Training Partnership Act to carry out activities related to the direct operation of the centers, as determined under section 755(a)(2).

(3) ALLOTMENTS BASED ON POPULATIONS.—

(A) DEFINITIONS.—As used in this paragraph:

(i) INDIVIDUAL IN POVERTY.—The term "individual in poverty" means an individual who—

(I) is not less than age 18;

(II) is not more than age 64; and

(III) is a member of a family (of 1 or more members) with an income at or below the poverty line.

(ii) POVERTY LINE.—The term "poverty line" means the poverty line (as defined by the Office of Management and Budget, and revised annually in accordance with section 673(2) of the Community Services Block Grant Act (42 U.S.C. 9902(2)) applicable to a family of the size involved, using the most recent available data provided by the Bureau of the Census, prior to the program year for which the allotment is made, and applying the definition of poverty used by the Bureau of the Census in compiling the 1990 decennial census.

(B) TOTAL ALLOTMENTS.—The Secretary of Labor and the Secretary of Education, acting jointly on the advice of the Federal Partnership, shall use the remainder of the funds that are appropriated under subsection (g) for a fiscal year, and that are not made available under paragraph (2), to make amounts available under this paragraph.

(C) UNEMPLOYED INDIVIDUALS.—From funds equal to 33⅓ percent of such remainder, the Secretary of Labor and the Secretary of Education, acting jointly on the advice of the Federal Partnership, shall make available to each State an amount that bears the same relationship to such funds as the average number of unemployed individuals (as determined by the Secretary of Labor for the most recent 24-month period for which data are available, prior to the program year for which the allotment is made) in the State bears to the average number of unemployed individuals (as so determined) in the United States.

(D) INDIVIDUALS IN POVERTY.—From funds equal to 33⅓ percent of such remainder, the Secretary of Labor and the Secretary of Education, acting jointly on the advice of the Federal Partnership, shall make available to each State an amount that bears the same relationship to such funds as the total number of individuals in poverty in the State bears to the total number of individuals in poverty in the United States.

(E) AT-RISK YOUTH.—From funds equal to 33⅓ percent of such remainder, the Secretary of Labor and the Secretary of Education, acting jointly on the advice of the Federal Partnership, shall make available to each State an amount that bears the same relationship to such funds as the total number of at-risk youth in the State bears to the total number of at-risk youth in the United States.

(d) STATE PLAN.—

(1) INFORMATION.—To be eligible to receive an allotment under subsection (c), a State shall include, in the State plan to be submitted under section 714, information describing the allocation within the State of the funds

made available through the allotment, and how the programs and activities described in subsection (b) will be carried out to meet the State goals and reach the State benchmarks.

(2) LIMITATION.—A State may not be required to include the information described in paragraph (1) in the State plan to be submitted under section 714 to be eligible to receive an allotment under section 712.

(e) APPLICATION.—To be eligible to receive a grant under paragraph (2) or (3)(A) of subsection (b) from a State to carry out programs in a substate area, an entity shall prepare and submit an application to the Governor of the State at such time, in such manner, and containing such information as the Governor may require. The Governor may establish criteria for reviewing such applications. Any such criteria shall, at a minimum, include the extent to which the local partnership described in section 728(a) (or, where established, the local work force development board described in section 728(b)) for the substate area approves of such application.

AMENDMENT NO. 2640

(Purpose: To expand the provisions relating to the limitation of the use of funds under title VII)

At the end of section 716(f), insert the following:

(4) DISPLACEMENT.—No funds provided under this title shall be used in a manner that would result in—

(A) the displacement of any currently employed worker (including partial displacement such as a reduction in wages, hours of nonovertime work, or employment benefits) or the impairment of an existing contract for services or collective bargaining agreement; or

(B) the employment or assignment of a participant to fill a position when—

(i) any other person is on layoff from the same or a substantially equivalent position; or

(ii) the employer has terminated the employment of any other employee or otherwise reduced its workforce in order to fill the vacancy so created with a participant subsidized under this title.

(5) HEALTH AND SAFETY.—Health and safety standards established under Federal and State law otherwise applicable to working conditions of employees shall be equally applicable to working conditions of participants engaged in work activities pursuant to this title. Appropriate workers' compensation and tort claims protections shall be provided to participants on the same basis as such protections are provided to other individuals in the State in similar employment (as determined under regulations issued by the Secretary of Labor).

(6) EMPLOYMENT CONDITIONS.—Participants employed or assigned to work in positions subsidized under this title shall be provided benefits and working conditions at the same level and to the same extent as other employees working a similar length of time and doing the same type of work.

(7) DISPUTE RESOLUTION PROCEDURE.—The State shall establish and maintain (pursuant to regulations issued by the Secretary of Labor) a dispute resolution procedure for resolving complaints alleging violations of any of the prohibitions or requirements described in this subsection. Such procedure shall include an opportunity for a hearing and shall be completed not later than the 90th day after the date of the submission of a complaint, by which day the complainant shall be provided a written decision by the State. A decision of the State under such procedure, or a failure of a State to issue a decision within the 90-day period, may be appealed to the Secretary of Labor, who shall investigate the allegations contained in the complaint and make a determination not later than 60 days after the date of the appeal as to whether a violation of a prohibition or requirement of this subsection has occurred.

(8) REMEDIES.—

(A) IN GENERAL.—Except as provided in subparagraphs (B) and (C), remedies that may be imposed under this paragraph for violations of the prohibitions and requirements described in this subsection shall be limited to—

(i) suspension or termination of payments under this title;

(ii) prohibition of placement of any participant, for an appropriate period of time, with an employer that has violated this subsection; and

(iii) appropriate equitable relief (other than back pay).

(B) EXCEPTIONS.—

(i) REPAYMENT.—If the Secretary of Labor determines that a violation of paragraph (2) or (3) has occurred, the Secretary of Labor shall require the State or substate recipient of funds that has violated paragraph (2) or (3), respectively, to repay to the United States an amount equal to the amount expended in violation of paragraph (2) or (3), respectively.

(ii) ADDITIONAL REMEDIES.—In addition to the remedies available under subparagraph (A), remedies available under this paragraph for violations of paragraph (4) may include—

(I) reinstatement of the displaced employee to the position held by such employee prior to displacement;

(II) payment of lost wages and benefits of the employee; and

(III) reestablishment of other relevant terms, conditions, and privileges of employment of the employee.

(C) OTHER LAWS OR CONTRACTS.—Nothing in this paragraph shall be construed to prohibit a complainant from pursuing a remedy authorized under another Federal, State, or local law or a contract or collective bargaining agreement for a violation of the prohibitions or requirements described in this subsection.

AMENDMENT NO. 2641

(Purpose: To improve the State apportionment of funds by activity)

On page 337, strike lines 4 through 20 and insert the following:

(a) ACTIVITIES.—From the sum of the funds made available to a State through an allotment received under section 712 and the funds made available under section 901(c)(1)(A) of the Social Security Act (42 U.S.C. 1101(c)(1)(A)) to carry out this title for a program year—

(1) a portion equal to 40 percent of such sum (which portion shall include the amount allotted to the State from funds made available under section 901(c)(1)(A) of the Social Security Act) shall be made available for workforce employment activities or activities described in section 716(a)(10);

(2) a portion equal to 25 percent of such sum shall be made available for workforce education activities; and

(3) a portion (referred to in this title as the "flex account") equal to 35 percent of such sum shall be made available for flexible workforce activities.

AMENDMENT NO. 2642

(Purpose: To clarify the role of the summer jobs program)

In section 759, strike subsections (b) through (e) and insert the following:

(b) STATE USE OF FUNDS.—

(1) CORE JOB CORPS ACTIVITIES.—The State shall use a portion of the funds made available to the State through an allotment received under subsection (c) to establish and operate Job Corps centers as described in chapter 2, if a center located in the State received assistance under part B of title IV of the Job Training Partnership Act for fiscal year 1996 and was not closed in accordance with section 755.

(2) CORE WORK-BASED LEARNING OPPORTUNITIES.—

(A) IN GENERAL.—The State shall use a portion of the funds made available to the State through an allotment received under subsection (c) to make grants to eligible entities in substate areas, in accordance with the procedures described in subsection (e), to assist the substate areas in organizing summer jobs programs that provide work-based learning opportunities in the private and public sectors that are directly linked to year-round school-to-work activities in the substate areas.

(B) LIMITATION.—No funds provided under this subtitle shall be used to displace employed workers.

(3) PERMISSIBLE ACTIVITIES.—The State may use a portion of the funds described in paragraph (1) to—

(A) make grants to eligible entities in substate areas, in accordance with the procedures described in subsection (e), to assist each such entity in carrying out alternative programs to assist out-of-school at-risk youth in participating in school-to-work activities in the substate area; and

(B) carry out other workforce development activities specifically for at-risk youth.

(c) ALLOTMENTS.—

(1) IN GENERAL.—The Secretary of Labor and the Secretary of Education, acting jointly on the advice of the Federal Partnership, shall allot to each State an amount equal to the total of—

(A) the amount made available to the State under paragraph (2); and

(B) the amounts made available to the State under subparagraphs (C), (D), and (E) of paragraph (3).

(2) ALLOTMENTS BASED ON FISCAL YEAR 1996 APPROPRIATIONS.—Using a portion of the funds appropriated under subsection (g) for a fiscal year, the Secretary of Labor and the Secretary of Education, acting jointly on the advice of the Federal Partnership, shall make available to each State the amount that Job Corps centers in the State expended for fiscal year 1996 under part B of title IV of the Job Training Partnership Act to carry out activities related to the direct operation of the centers, as determined under section 755(a)(2).

(3) ALLOTMENTS BASED ON POPULATIONS.—

(A) DEFINITIONS.—As used in this paragraph:

(i) INDIVIDUAL IN POVERTY.—The term "individual in poverty" means an individual who—

(I) is not less than age 18;

(II) is not more than age 64; and

(III) is a member of a family (of 1 or more members) with an income at or below the poverty line.

(ii) POVERTY LINE.—The term "poverty line" means the poverty line (as defined by the Office of Management and Budget, and revised annually in accordance with section

673(2) of the Community Services Block Grant Act (42 U.S.C. 9902(2)) applicable to a family of the size involved, using the most recent available data provided by the Bureau of the Census, prior to the program year for which the allotment is made, and applying the definition of poverty used by the Bureau of the Census in compiling the 1990 decennial census.

(B) TOTAL ALLOTMENTS.—The Secretary of Labor and the Secretary of Education, acting jointly on the advice of the Federal Partnership, shall use the remainder of the funds that are appropriated under subsection (g) for a fiscal year, and that are not made available under paragraph (2), to make amounts available under this paragraph.

(C) UNEMPLOYED INDIVIDUALS.—From funds equal to 33⅓ percent of such remainder, the Secretary of Labor and the Secretary of Education, acting jointly on the advice of the Federal Partnership, shall make available to each State an amount that bears the same relationship to such funds as the average number of unemployed individuals (as determined by the Secretary of Labor for the most recent 24-month period for which data are available, prior to the program year for which the allotment is made) in the State bears to the average number of unemployed individuals (as so determined) in the United States.

(D) INDIVIDUALS IN POVERTY.—From funds equal to 33⅓ percent of such remainder, the Secretary of Labor and the Secretary of Education, acting jointly on the advice of the Federal Partnership, shall make available to each State an amount that bears the same relationship to such funds as the total number of individuals in poverty in the State bears to the total number of individuals in poverty in the United States.

(E) AT-RISK YOUTH.—From funds equal to 33⅓ percent of such remainder, the Secretary of Labor and the Secretary of Education, acting jointly on the advice of the Federal Partnership, shall make available to each State an amount that bears the same relationship to such funds as the total number of at-risk youth in the State bears to the total number of at-risk youth in the United States.

(d) STATE PLAN.—

(1) INFORMATION.—To be eligible to receive an allotment under subsection (c), a State shall include, in the State plan to be submitted under section 714, information describing the allocation within the State of the funds made available through the allotment, and how the programs and activities described in subsection (b) will be carried out to meet the State goals and reach the State benchmarks.

(2) LIMITATION.—A State may not be required to include the information described in paragraph (1) in the State plan to be submitted under section 714 to be eligible to receive an allotment under section 712.

(e) APPLICATION.—To be eligible to receive a grant under paragraph (2) or (3)(A) of subsection (b) from a State to carry out programs in a substate area, an entity shall prepare and submit an application to the Governor of the State at such time, in such manner, and containing such information as the Governor may require. The Governor may establish criteria for reviewing such applications. Any such criteria shall, at a minimum, include the extent to which the local partnership described in section 728(a) (or, where established, the local workforce development board described in section 728(b)) for the substate area approves of such application.

AMENDMENT NO. 2643

(Purpose: To increase the authorization of appropriations for workforce development activities)

On page 424, line 8, strike "$6,127,000,000" and insert "$8,100,000,000".

AMENDMENT NO. 2644

(Purpose: To limit the percentage of the flex account funds that may be used for economic development activities)

Beginning on page 366, strike line 24 and all that follows through page 367 line 24, and insert the following:

(e) ECONOMIC DEVELOPMENT ACTIVITIES.—

(1) IN GENERAL.—In the case of a State that meets the requirements of section 728(c), the State may, subject to paragraph (2), use not more than 10 percent of the funds made available to the State under this subtitle through the flex account to supplement other funds provided by the State or private sector—

(A) to provide customized assessments of the skills of workers and an analysis of the skill needs of employers;

(B) to assist consortia of small- and medium-size employers in upgrading the skills of their workforces;

(C) to provide productivity and quality improvement training programs for the workforces of small- and medium-size employers;

(D) to provide recognition and use of voluntary industry-developed skills standards by employers, schools, and training institutions;

(E) to carry out training activities in companies that are developing modernization plans in conjunction with State industrial extension service offices; and

(F) to provide on-site, industry-specific training programs supportive of industrial and economic development:

through the statewide system.

(2) CONDITIONS.—In order for a State to be eligible to use funds described in paragraph (1) to award a grant to provide services described in paragraph (1)—

(A) the State shall make available (directly or through donations from the affected employers or businesses) non-Federal contributions in an amount equal to not less than $1 for every $1 of Federal funds provided under the grant;

(B) the services are designed to result in an increase in the wages of the incumbent workers served; and

(C) the providers of the services are—

(i) eligible to provide services under the Higher Education Act of 1965 (20 U.S.C. 1001 et seq.); or

(ii) determined to be eligible, under procedures established by the Governor, to receive payment through vouchers as described in subsection (a)(9)(B)(i)(III).

AMENDMENT NO. 2645

(Purpose: To make a conforming amendment regarding limiting the percentage of the flex account funds that may be used for economic development activities)

On page 407, line 16, strike "the funds" and insert "not more than 10 percent of funds".

AMENDMENT NO. 2646

(The text of the amendment (No. 2646) is printed in today's RECORD under "Amendments Submitted.")

AMENDMENT NO. 2647

(Purpose: To ensure that students have broad exposure to a wide range of knowledge on occupations and choices for skill training)

At the end of section 716, add the following new subsection:

(h) ALL ASPECTS OF AN INDUSTRY.—

(1) DEFINITION.—As used in this subsection, the term "all aspects of an industry", used with respect to a participant, means all aspects of the industry or industry sector the participant is preparing to enter, including planning, management, finances, technical and production skills, underlying principles of technology, labor and community issues, health and safety issues, and environmental issues, related to such industry or industry sector.

(2) WORKFORCE EDUCATION ACTIVITIES AND SCHOOL-TO-WORK ACTIVITIES.—Each State that receives an allotment under section 712 shall ensure that the workforce education activities and school-to-work activities carried out with funds made available through the allotment provide strong experience in and understanding of all aspects of an industry relating to the career major of each participant in either type of activities.

(3) STATE PLAN REQUIREMENT.—To be eligible to receive an allotment under section 712, the State shall specify, in the portion of the State plan described in section 714(c)(3) (relating to workforce education activities), how the activities will provide participants with the experience and understanding described in paragraph (2).

(4) STATE BENCHMARKS.—In developing and identifying State benchmarks that measure student mastery of academic knowledge and work readiness skills under section 731(c)(2)(A), the State shall develop and identify State benchmarks that measure the understanding of all aspects of an industry by student participants.

AMENDMENT NO. 2648

(Purpose: To clarify the advisory nature of the responsibilities of the National Board)

On page 323, line 8, strike "under the direction of the National Board" and insert "under the joint direction of the Secretary of Labor and the Secretary of Education".

On page 469, lines 4 and 5, strike "The Federal Partnership shall be directed by" and insert "There shall be in the Federal Partnership".

On page 470, lines 20 and 21, strike "oversee all activities" and insert "provide advice to the Secretary of Labor and the Secretary of Education regarding all activities".

On page 476, line 19, strike "to the National Board".

On page 496, line 4, strike "to the National Board" and insert "to the President".

On page 496, lines 7 through 9, strike "the President, the Committee on Economic and Educational Opportunities of the House of Representatives," and insert "the Committee on Economic and Educational Opportunities of the House of Representatives".

Beginning on page 497, strike line 25 and all that follows through page 500, line 4, and insert the following:

(3) REVIEW.—

(A) IN GENERAL.—Not later than 45 days after the date of submission of the proposed workplan under paragraph (1), the President shall—

(i) review and approve the workplan; or

(ii) reject the workplan, prepare an alternative workplan that contains the analysis, information, and determinations described in paragraph (2), and submit the alternative workplan to the Committee on Economic and Educational Opportunities of the House of Representatives and the Committee on Labor and Human Resources of the Senate.

(B) FUNCTIONS TRANSFERRED.—If the President approves the proposed workplan, or prepares the alternative workplan, the functions descried in paragraph (2)(C), as determined in such proposed or alternative workplan, shall be transferred under subsection (b).

(C) SPECIAL RULE.—If the President takes no action on the proposed workplan submitted under paragraph (1) within the 45-day period described in subparagraph (A), such workplan shall be deemed to be approved and shall take effect on the day after the end of such period. The functions described in paragraph (2)(C), as determined in the proposed workplan, shall be transferred under subsection (b).

(4) REPORT.—Not later than July 1, 1998, the Secretary of Education and the Secretary of Labor shall submit to the appropriate committees of Congress information on the transfers required by this section.

On page 501, line 5, strike "National Board" and insert "Secretary of Labor and Secretary of Education, acting jointly".

On page 501, lines 8 and 9, strike "National Board" and insert "Secretaries".

On page 501, lines 11 and 12, strike "National Board" and insert "Secretary of Labor and Secretary of Education".

On page 501, line 13, strike "National Board" and insert "Secretaries".

On page 501, line 15, strike "National Board" and insert "Secretary of Labor and Secretary of Education, acting jointly".

On page 505, line 9, strike "National Board" and insert "Secretary of Labor and Secretary of Education, acting jointly".

On page 511, lines 4 and 5, strike "Director, or National Board" and insert "or Director,".

On page 558, lines 15 through 18 and insert the following:

administered by the Secretary of Education (referred to in this section as the "Secretary"). The Secretary may include in

On page 558, line 20, strike "National Board" and insert "Secretary".

On page 559, lines 1 and 2, strike "National Board" and insert "Secretary".

On page 559, lines 9 and 10, strike "National Board" and insert "Secretary".

On page 559, line 11, strike "National Board" and insert "Secretary".

On page 559, line 12, strike "National Board's" and insert "Secretary's".

On page 559, line 15, strike "National Board" and insert "Secretary".

On page 564, lines 19 and 20, strike "National Board" and insert "Secretary".

On page 566, line 18, strike "National Board" and insert "Secretary".

On page 567, line 22, strike "National Board,".

On page 568, lines 3 and 4, strike "the National Board,".

On page 569, line 3, strike "National Board" and insert "Secretary of Education (referred to in this section as the 'Secretary')".

On page 569, line 9, strike "National Board" and insert "Secretary".

On page 572, line 24, strike "National Board" and insert "Secretary".

On page 573, line 22, strike "National Board" and insert "Secretary".

On page 575, line 5, strike "National Board" and insert "Secretary".

On page 575, line 10, strike "National Board" and insert "Secretary".

On page 575, line 15, strike "National Board" and insert "Secretary".

AMENDMENT NO. 2649

(Purpose: To provide both women and men with access to training in occupations or fields of work in which women or men comprise less than 25 percent of the individuals employed in such occupations or fields of work, with respect to workforce development activities)

At the end of section 716, add the following new subsection:

(h) NONTRADITIONAL OCCUPATIONS.—

(1) DEFINITION.—The term "nontraditional occupation", used with respect to women or men, refers to an occupation or field of work in which women or men, respectively, comprise less than 25 percent of the individuals employed in such occupation or field of work.

(2) WORKFORCE EMPLOYMENT ACTIVITIES.—Each State that receives an allotment under section 712 may, in carrying out workforce employment activities with funds made available through the allotment, carry out—

(A) programs encouraging women and men to consider nontraditional occupations for women and men, respectively; and

(B) development and training relating to provision of effective services, including the provision of current information (as of the date of the provision) on high-wage, high-demand occupations, to individuals with multiple barriers to employment.

(3) WORKFORCE EDUCATION ACTIVITIES.—Each State that receives an allotment under section 712 shall ensure that the workforce education activities carried out with funds made available through the allotment provide exposure to high-wage, high-skill careers.

(4) STATE BENCHMARKS.—In developing and identifying State benchmarks under section 731(c)(1), the State shall develop and identify State benchmarks that measure the understanding of all aspects of an industry by participants.

AMENDMENT NO. 2650

(Purpose: To provide both women and men with access to training in occupations or fields of work in which women or men comprise less than 25 percent of the individuals employed in such occupations or fields of work, with respect to workforce preparation activities for at-risk youth)

At the end of subtitle C, add the following:

SEC. 760. NONTRADITIONAL OCCUPATIONS.

(a) DEFINITION.—The term "nontraditional occupation", used with respect to women or men, refers to an occupation or field of work in which women or men, respectively, comprise less than 25 percent of the individuals employed in such occupation or field of work.

(b) JOB CORPS.—A State that receives funds through an allotment made under section 759(c)(2) shall ensure that enrollees assigned to Job Corps centers in the State receive career awareness activities relating to nontraditional occupations for women and men.

(c) PERMISSIBLE WORKFORCE PREPARATION ACTIVITIES.—A State that receives funds through an allotment made under section 759(c)(3) and uses the funds to assist entities in providing work-based learning as a component of school-to-work activities under section 759(b)(2)(B) shall ensure that the work-based learning includes career exploration programs and occupational skill training relating to nontraditional occupations for women and men.

AMENDMENT NO. 2651

(Purpose: To ensure that States reference existing academic and occupational standards in their State plans)

On page 340, line 9, after "State" insert the following: ", including how the State will develop, adopt, or use industry-recognized skill standards, such as the skill standards endorsed by the National Skill Standards Board, to identify skill needs for current (as of the date of submission of the plan) and emerging occupations".

AMENDMENT NO. 2652

(Purpose: To ensure that State plans describe activities that will enable States to meet their benchmarks)a

Beginning on page 349, strike line 6 and all that follows through page 351, line 20, and insert the following:

dent performance measures, including measures of academic and occupational skills at levels specified in challenging standards, such as the student performance standards certified by the National Education Standards and Improvement Council (and not disapproved by the National Education Goals Panel) and the skill standards endorsed by the National Skill Standards Board, that are developed, adopted, or used by the State.

(d) PROCEDURE FOR DEVELOPMENT OF PART OF PLAN RELATING TO STRATEGIC PLAN.—

(1) DESCRIPTION OF DEVELOPMENT.—The part of the State plan relating to the strategic plan shall include a description of the manner in which—

(A) the Governor;

(B) the State educational agency;

(C) representatives of business and industry, including representatives of key industry sectors, and of small- and medium-size and large employers, in the State;

(D) representatives of labor and workers;

(E) local elected officials from throughout the State;

(F) the State agency officials responsible for vocational education;

(G) the State agency officials responsible for postsecondary education;

(H) the State agency officials responsible for adult education;

(I) the State agency officials responsible for vocational rehabilitation;

(J) such other State agency officials, including officials responsible for economic development and employment, as the Governor may designate;

(K) the representative of the Veterans' Employment and Training Service assigned to the State under section 4103 of title 38, United States Code; and

(L) other appropriate officials, including members of the State workforce development board described in section 715, if the State has established such a board;

collaborated in the development of such part of the plan.

(2) FAILURE TO OBTAIN SUPPORT.—If, after a reasonable effort, the Governor is unable to obtain the support of the individuals and entities described in paragraph (1) for the strategic plan the Governor shall—

(A) provide such individuals and entities with copies of the strategic plan;

(B) allow such individuals and entities to submit to the Governor, not later than the end of the 30-day period beginning on the date on which the Governor provides such individuals and entities with copies of such plan under subparagraph (A), comments on such plan; and

(C) include any such comments in such plan.

(e) APPROVAL.—The Secretary of Labor and the Secretary of Education, acting jointly on the advice of the Federal Partnership, shall approve a State plan if—

(1) the Federal Partnership determines that the plan contains the information described in subsection (c);

(2) the Federal Partnership determines that the State has prepared the plan in accordance with the requirements of this section, including the requirements relating to development of any part of the plan;

(3) the Federal Partnership determines that the State, in preparing the plan, has described activities that will enable the State to meet the State benchmarks; and

(4) the State benchmarks for the State have

AMENDMENT NO. 2653

(Purpose: To clarify that the term "labor market information" refers to labor market and occupational information)

In section 714(c)(2)(E), strike "labor market information" and insert "labor market and occupational information (referred to in this Act as 'labor market information')".

AMENDMENT NO. 2654

(Purpose: To explicitly include occupational information in the labor market information system provided under workforce employment activities)

Strike section 773 and insert the following:

SEC. 773. LABOR MARKET INFORMATION.

(a) FEDERAL RESPONSIBILITIES.—The Federal Partnership, in accordance with the provisions of this section, shall oversee the development, maintenance, and continuous improvement of a nationwide integrated labor market information system that shall include—

(1) statistical data from cooperative statistical survey and projection programs and data from administrative reporting systems, that, taken together, shall enumerate, estimate, and project the supply and demand for labor at the substate, State, and national levels in a timely manner, including data on—

(A) the demographics, socioeconomic characteristics, and current employment status of the substate, State, and national populations (as of the date of the collection of the data), including self-employed, part-time, and seasonal workers;

(B) job vacancies, education and training requirements, skills, wages, benefits, working conditions, and industrial distribution, of occupations, as well as current and projected employment opportunities and trends by industry and occupation;

(C) the educational attainment, training, skills, skill levels, and occupations of the populations;

(D) information maintained in a longitudinal manner on the quarterly earnings, establishment and industry affiliation, and geographic location of employment for all individuals for whom the information is collected by the States; and

(E) the incidence, industrial and geographical location, and number of workers displaced by permanent layoffs and plant closings;

(2) State and substate area employment and consumer information (which shall be current, comprehensive, automated, accessible, easy to understand, and in a form useful for facilitating immediate employment, entry into education and training programs, and career exploration) on—

(A) job openings, locations, hiring requirements, and application procedures, including profiles of industries in the local labor market that describe the nature of work performed, employment requirements, and patterns in wages and benefits;

(B) jobseekers, including the education, training, and employment experience of the jobseekers; and

(C) the cost and effectiveness of providers of workforce employment activities, workforce education activities, and flexible workforce activities, including the percentage of program completion, acquisition of skills to meet industry-recognized skill standards, continued education, job placement, and earnings, by participants, and other information that may be useful in facilitating informed choices among providers by participants;

(3) technical standards for labor market information that will—

(A) ensure compatibility of the information and the ability to aggregate the information from substate areas to State and national levels;

(B) support standardization and aggregation of the data from administrative reporting systems;

(C) include—

(i) classification and coding systems for industries, occupations, skills, programs, and courses;

(ii) nationally standardized definitions of labor market and occupational terms, including terms related to State benchmarks established pursuant to section 731(c);

(iii) quality control mechanisms for the collection and analysis of labor market information; and

(iv) common schedules for collection and dissemination of labor market information; and

(D) eliminate gaps and duplication in statistical undertakings, with a high priority given to the systemization of wage surveys;

(4) an analysis of data and information described in paragraphs (1) and (2) for uses such as—

(A) national, State, and substate area economic policymaking;

(B) planning and evaluation of workforce development activities;

(C) the implementation of Federal policies, including the allocation of Federal funds to States and substate areas; and

(D) research on labor market and occupational dynamics;

(5) dissemination mechanisms for data and analysis, including mechanisms that may be standardized among the States; and

(6) programs of technical assistance for States and substate areas in the development, maintenance, utilization, and continuous improvement of the data, information, standards, analysis, and dissemination mechanisms, described in paragraphs (1) through (5).

(b) JOINT FEDERAL-STATE RESPONSIBILITIES.—

(1) IN GENERAL.—The nationwide integrated labor market information system shall be planned, administered, overseen, and evaluated through a cooperative governance structure involving the Federal Government and the States receiving financial assistance under this title.

(2) ANNUAL PLAN.—The Federal Partnership shall, with the assistance of the Bureau of Labor Statistics and other Federal agencies, where appropriate, prepare an annual plan that shall be the mechanism for achieving the cooperative Federal-State governance structure for the nationwide integrated labor market information system. The plan shall—

(A) establish goals for the development and improvement of a nationwide integrated labor market information system based on information needs for achieving economic growth and productivity, accountability, fund allocation equity, and an understanding of labor market and occupational characteristics and dynamics;

(B) describe the elements of the system, including—

(i) standards, definitions, formats, collection methodologies, and other necessary system elements, for use in collecting the data and information described in paragraphs (1) and (2) of subsection (a); and

(ii) assurances that—

(I) data will be sufficiently timely and detailed for uses including the uses described in subsection (a)(4);

(II) administrative records will be standardized to facilitate the aggregation of data from substate areas to State and national levels and to support the creation of new statistical series from program records; and

(III) paperwork and reporting requirements on employers and individuals will be reduced;

(C) recommend needed improvements in administrative reporting systems to be used for the nationwide integrated labor market information system;

(D) describe the current spending on integrated labor market information activities from all sources, assess the adequacy of the funds spent, and identify the specific budget needs of the Federal Government and States with respect to implementing and improving the nationwide integrated labor market information system;

(E) develop a budget for the nationwide integrated labor market information system that—

(i) accounts for all funds described in subparagraph (D) and any new funds made available pursuant to this title; and

(ii) describes the relative allotments to be made for—

(I) operating the cooperative statistical programs pursuant to subsection (a)(1);

(II) developing and providing employment and consumer information pursuant to subsection (a)(2);

(III) ensuring that technical standards are met pursuant to subsection (a)(3); and

(IV) providing the analysis, dissemination mechanisms, and technical assistance under paragraphs (4), (5), and (6) of subsection (a), and matching data;

(F) describe the involvement of States in developing the plan by holding formal consultations conducted in cooperation with representatives of the Governors of each State or the State workforce development board described in section 715, where appropriate, pursuant to a process established by the Federal Partnership; and

(G) provide for technical assistance to the States for the development of statewide comprehensive labor market information systems described in subsection (c), including assistance with the development of easy-to-use software and hardware, or uniform information displays.

For purposes of applying Office of Management and Budget Circular A-11 to determine persons eligible to participate in deliberations relating to budget issues for the development of the plan, the representatives of the Governors of each State and the State workforce development board described in subparagraph (F) shall be considered to be employees of the Department of Labor.

(c) STATE RESPONSIBILITIES.—

(1) DESIGNATION OF STATE AGENCY.—In order to receive Federal financial assistance under this title, the Governor of a State shall—

(A) establish an interagency process for the oversight of a statewide comprehensive labor market information system and for the participation of the State in the cooperative Federal-State governance structure for the nationwide integrated labor market information system; and

(B) designate a single State agency or entity within the State to be responsible for the management of the statewide comprehensive labor market information system.

(2) DUTIES.—In order to receive Federal financial assistance under this title, the State agency or entity within the State designated under paragraph (1)(B) shall—

(A) consult with employers and local workforce development boards described in section 728(b), where appropriate, about the labor market relevance of the data to be collected and displayed through the statewide comprehensive labor market information system;

(B) develop, maintain, and continuously improve the statewide comprehensive labor market information system, which shall—

(i) include all of the elements described in paragraphs (1), (2), (3), (4), (5), and (6) of subsection (a); and

(ii) provide the consumer information described in clauses (v) and (vi) of section 716(a)(2)(B) in a manner that shall be responsive to the needs of business, industry, workers, and jobseekers;

(C) ensure the performance of contract and grant responsibilities for data collection, analysis, and dissemination, through the statewide comprehensive labor market information system;

(D) conduct such other data collection, analysis, and dissemination activities to ensure that State and substate area labor market information is comprehensive;

(E) actively seek the participation of other State and local agencies, with particular attention to State education, economic development, human services, and welfare agencies, in data collection, analysis, and dissemination activities in order to ensure complementarity and compatibility among data;

(F) participate in the development of the national annual plan described in subsection (b)(2); and

(G) ensure that the matches required for the job placement accountability system by section 731(d)(2)(A) are made for the State and for other States.

(3) RULE OF CONSTRUCTION.—Nothing in this title shall be construed as limiting the ability of a State agency to conduct additional data collection, analysis, and dissemination activities with State funds or with Federal funds from sources other than this title.

(d) EFFECTIVE DATE.—This section shall take effect on July 1, 1998.

AMENDMENT NO. 2655

(Purpose: To provide a conforming amendment relating to labor market and occupational information)

In section 101(a)(3)(C)(i)(II) of the Rehabilitation Act of 1973, as amended by section 809(a)(8), strike "labor market information" and insert "labor market and occupational information".

AMENDMENT NO. 2656

(Purpose: To maintain the administration of the school-to-work programs in the school-to-work office)

On page 465, strike lines 4 through 12.

AMENDMENT NO. 2657

(Purpose: To make the list of workforce education activities for which funds may be used more consistent with the provisions of the amendments made by the Carl D. Perkins Vocational and Applied Technology Education Act Amendments of 1990, and the provisions of the School-to-Work Opportunities Act of 1994)

On page 363, beginning with line 12, strike all through page 364, line 13, and insert the following:

(b) WORKFORCE EDUCATION ACTIVITIES.—The State educational agency shall use the funds made available to the State educational agency under this title for workforce education activities to carry out, through the statewide workforce development system, activities that include—

(1) ensuring that all students, including students who are members of special populations, have the opportunity to achieve to challenging State academic standards and industry-based skill standards;

(2) promoting the integration of academic and vocational education;

(3) supporting career majors in broad occupational clusters or industry sectors;

(4) effectively linking secondary education and postsecondary education, including implementing tech-prep programs;

(5) providing students with strong experience in, and understanding of, all aspects of the industry such students are preparing to enter;

(6) providing connecting activities that link each youth participating in workforce education activities under this subsection with an employer in an industry or occupation relating to the career of such youth;

(7) combining school-based and work-based instruction, including instruction in general workplace competencies;

(8) providing school-site and workplace mentoring;

(9) providing a planned program of job training and work experience that is coordinated with school-based learning;

(10) providing career guidance and counseling for students at the earliest possible age, including the provision of career awareness, career exploration, exposure to high-wage, high-skill careers, and guidance information, to students and their parents that is, to the extent possible, in a language and form that the students and their parents understand;

(11) expanding, improving, and modernizing quality vocational education programs;

(12) improving access to quality vocational education programs for at-risk youth;

(13) providing literacy and basic education services for adults and out-of-school youth, including adults and out-of-school youth in correctional institutions;

(14) providing programs for adults and out-of-school youth to complete their secondary education; or

(15) providing programs of family and work-place literacy.

AMENDMENT NO. 2658

(The text of the amendment (No. 2658) is printed in today's RECORD under "Amendments Submitted.")

AMENDMENT NO. 2659

(The text of the amendment (No. 2659) is printed in today's RECORD under "Amendments Submitted.")

AMENDMENT NO. 2660

(Purpose: To include volunteers among those for whom the National Center for Research in Education and Workforce Development conducts research and development, and provides technical assistance)

On page 489, line 18, insert "volunteers," after "teachers,".

AMENDMENT NO. 2661

(Purpose: To provide supplemental security income benefits to persons who are disabled by reason of drug or alcohol abuse, and for other purposes)

On page 124, beginning on line 16, strike all through page 133, line 18, and insert the following:

SEC. 201. LIMITED ELIGIBILITY OF NONCITIZENS FOR SSI BENEFITS.

Paragraph (1) of section 1614(a) (42 U.S.C. 1382c(a)) is amended—

(1) in subparagraph (B)(i), by striking "either" and all that follows through ", or" and inserting "(I) a citizen; (II) a noncitizen who is granted asylum under section 208 of the Immigration and Nationality Act or whose deportation has been withheld under section 243(h) of such Act for a period of not more than 5 years after the date of arrival into the United States; (III) a noncitizen who is admitted to the United States as a refugee under section 207 of such Act for not more than such 5-year period; (IV) a noncitizen, lawfully present in any State (or any territory or possession of the United States), who is a veteran (as defined in section 101 of title 38, United States Code) with a discharge characterized as an honorable discharge and not on account of alienage or who is the spouse or unmarried dependent child of such veteran; or (V) a noncitizen who has worked sufficient calendar quarters of coverage to be a fully insured individual for benefits under title II, or"; and

(2) by adding at the end the following new flush sentence:

"For purposes of subparagraph (B)(i)(IV), the determination of whether a noncitizen is lawfully present in the United States shall be made in accordance with regulations of the Attorney General. A noncitizen shall not be considered to be lawfully present in the United States for purposes of this title merely because the noncitizen may be considered to be permanently residing in the United States under color of law for purposes of any particular program.".

SEC. 202. DENIAL OF SSI BENEFITS FOR 10 YEARS TO INDIVIDUALS FOUND TO HAVE FRAUDULENTLY MISREPRESENTED RESIDENCE IN ORDER TO OBTAIN BENEFITS SIMULTANEOUSLY IN 2 OR MORE STATES.

Section 1614(a) (42 U.S.C. 1382c(a)) is amended by adding at the end the following new paragraph:

"(5) An individual shall not be considered an eligible individual for purposes of this title during the 10-year period beginning on the date the individual is convicted in Federal or State court of having made a fraudulent statement or representation with respect to the place of residence of the individual in order to receive assistance simultaneously from 2 or more States under programs that are funded under part A of title IV, title XIX, or the Food Stamp Act of 1977, or benefits in 2 or more States under the supplemental security income program under title XVI.".

SEC. 203. DENIAL OF SSI BENEFITS FOR FUGITIVE FELONS AND PROBATION AND PAROLE VIOLATORS.

(a) IN GENERAL.—Section 1611(e) (42 U.S.C. 1382(e)) is amended by adding at the end the following new paragraph:

"(6) A person shall not be an eligible individual or eligible spouse for purposes of this title with respect to any month if during such month the person is—

"(A) fleeing to avoid prosecution, or custody or confinement after conviction, under the laws of the place from which the person flees, for a crime, or an attempt to commit a crime, which is a felony under the laws of the place from which the person flees, or which, in the case of the State of New Jersey, is a high misdemeanor under the laws of such State; or

"(B) violating a condition of probation or parole imposed under Federal or State law.".

(b) EXCHANGE OF INFORMATION WITH LAW ENFORCEMENT AGENCIES.—Section 1631(e) (42 U.S.C. 1383(e)) is amended by inserting after paragraph (3) the following new paragraph:

"(4) Notwithstanding any other provision of law, the Commissioner shall furnish any Federal, State, or local law enforcement officer, upon the request of the officer, with the current address of any recipient of benefits under this title, if the officer furnishes the agency with the name of the recipient and notifies the agency that—

"(A) the recipient—

"(i) is fleeing to avoid prosecution, or custody or confinement after conviction, under the laws of the place from which the person flees, for a crime, or an attempt to commit a crime, which is a felony under the laws of the place from which the person flees, or which, in the case of the State of New Jersey, is a high misdemeanor under the laws of such State;

"(ii) is violating a condition of probation or parole imposed under Federal or State law; or

"(iii) has information that is necessary for the officer to conduct the officer's official duties; and

"(B) the location or apprehension of the recipient is within the officer's official duties.".

SEC. 204. EFFECTIVE DATES; APPLICATION TO CURRENT RECIPIENTS.

(a) SECTION 201.—

(1) IN GENERAL.—Except as provided in paragraphs (2) and (3), the amendments made by section 201 shall apply to applicants for benefits for months beginning on or after the date of the enactment of this Act, without regard to whether regulations have been issued to implement such amendments.

(2) APPLICATION TO CURRENT RECIPIENTS.—

(A) APPLICATION AND NOTICE.—Notwithstanding any other provision of law, in the case of an individual who is receiving supplemental security income benefits under title XVI of the Social Security Act as of the date of the enactment of this Act and whose eligibility for such benefits would terminate by reason of the amendments made by section 201, such amendments shall apply with respect to the benefits of such individual for months beginning on or after January 1, 1997, and the Commissioner of Social Security shall so notify the individual not later than 90 days after the date of the enactment of this Act.

(B) REAPPLICATION.—

(i) IN GENERAL.—Not later than 120 days after the date of the enactment of this Act, each individual notified pursuant to subparagraph (A) who desires to reapply for benefits under title XVI of the Social Security Act, as amended by this title, shall reapply to the Commissioner of Social Security.

(ii) DETERMINATION OF ELIGIBILITY.—Not later than 1 year after the date of the enactment of this Act, the Commissioner of Social Security shall determine the eligibility of each individual who reapplies for benefits under clause (i) pursuant to the procedures of such title.

(b) OTHER AMENDMENTS.—The amendments made by sections 202 and 203 shall take effect on the date of the enactment of this Act.

Subtitle B—Benefits for Disabled Children

SEC. 211. DEFINITION AND ELIGIBILITY RULES.

(a) DEFINITION OF CHILDHOOD DISABILITY.—Section 1614(a)(3) (42 U.S.C. 1382c(a)(3)) is amended—

AMENDMENT NO. 2662

(Purpose: To provide demonstration projects for using neighborhood schools as centers for beneficial activities for children and their parents in order to break the welfare cycle)

On page 122, between lines 11 and 12, insert:

SEC. 110. DEMONSTRATION PROJECTS FOR SCHOOL UTILIZATION.

(a) FINDINGS.—It is the goal of the United States that children grow to be self-sufficient citizens, that parents equip themselves to provide the best parental care and guidance to their children, and that welfare dependency, crime, and the deterioration of neighborhoods be eliminated. It will contribute to these goals to increase the level of parents' involvement in their children's school and other activities, to increase the amount of time parents spend with or in close proximity to their children, to increase the portion of the day and night when children are in a safe and healthy environment and not exposed to unfavorable influences, to increase the opportunities for children to participate in safe, healthy, and enjoyable extra-curricular and organized developmental and recreational activities, and to make more accessible the opportunities for parents, especially those dependent on public assistance, to increase and enhance their parenting and living skills. All of these contributions can be facilitated by establishing the neighborhood public school as a focal point for such activities and by extending the hours of the day in which its facilities are available for such activities.

(b) GRANTS.—The Secretary of Education (hereafter in this section referred to as the "Secretary") shall make demonstration grants as provided in subsection (c) to States to enable them to increase the number of hours during each day when existing public school facilities are available for use for the purposes set forth in subsection (d).

(c) SELECTION OF STATES.—The Secretary shall make grants to not more than 5 States for demonstration projects in accordance with this section. Each State shall select the number and location of schools based on the amount of funds it deems necessary for a school properly to achieve the goals of this program. The schools selected must have a significant percentage of students receiving benefits under part A of title IV of the Social Security Act. No more than 2 percent of the grant to any State shall be used for administrative expenses of any kind by any entity (except that none of the activities set forth in paragraphs (1) and (2) of subsection (d) shall be considered an administrative activity the expenses for which are limited by this subsection).

(d) USE OF FUNDS.—The grants made under subsection (b), in order that school facilities can be more fully utilized, shall be used to provide funding for, among other things—

(1) extending the length of the school day, expanding the scope of student programs offered before and after pre-existing school hours, enabling volunteers and parents or professionals paid from other sources to teach, tutor, coach, organize, advise, or monitor students before and after pre-existing school hours, and providing security, supplies, utilities, and janitorial services before and after pre-existing school hours for these programs,

(2) making the school facilities available for community and neighborhood clubs, civic associations and organizations, Boy and Girl Scouts and similar organizations, adult education classes, organized sports, parental education classes, and other educational, recreational, and social activities.

None of the funds provided under this section can be used to supplant funds already provided to a school facility for services, equipment, personnel, or utilities nor can funds be used to pay costs associated with operating school facilities during hours those facilities are already available for student or community use.

(e) APPLICATIONS.—

(1) IN GENERAL.—The Governor of each State desiring to conduct a demonstration project under this section shall prepare and submit to the Secretary an application in such manner and containing such information as the Secretary may require. The Secretary shall actively encourage States to submit such applications.

(2) APPROVAL.—The Secretary shall consider all applications received from States desiring to conduct demonstration projects under this section and shall approve such applications in a number of States to be determined by the Secretary (not to exceed 5), taking into account the overall funding levels available under this section.

(f) DURATION.—A demonstration project under this section shall be conducted for not more than 4 years plus an additional time period of up to 12 months for final evaluation and reporting. The Secretary may terminate a project if the Secretary determines that the State conducting the project is not in substantial compliance with the terms of the application approved by the Secretary under this section.

(g) EVALUATION PLAN.—

(1) STANDARDS.—Not later than 3 months after the date of the enactment of this section, the Secretary shall develop standards for evaluating the effectiveness of each demonstration project in contributing toward meeting the objectives set forth in subsection (a), which shall include the requirement that an independent expert entity selected by the Secretary provide an evaluation of all demonstration projects, which evaluations shall be included in the appropriate State's annual and final reports to the Secretary under subsection (h)(1).

(2) SUBMISSION OF PLAN.—Each State conducting a demonstration project under this section shall submit an evaluation plan (meeting the standards developed by the Secretary under paragraph (1)) to the Secretary not later than 90 days after the State is notified of the Secretary's approval for such project. A State shall not receive any Federal funds for the operation of the demonstration project until the Secretary approves such evaluation plan.

(h) REPORTS.—

(1) STATE.—A State that conducts a demonstration project under this section shall prepare and submit to the Secretary annual and final reports in accordance with the State's evaluation plan under subsection (g)(2) for such demonstration project.

(2) SECRETARY.—The Secretary shall prepare and submit to the Congress annual reports concerning each demonstration project under this Act.

(i) AUTHORIZATIONS.—

(1) GRANTS.—There are authorized to be appropriated for grants under subsection (b) for each of fiscal years 1996, 1997, 1998, 1999, and 2000, $10,000,000.

(2) ADMINISTRATION.—There are authorized to be appropriated $1,000,000 for each of fiscal years 1996, 1997, 1998, 1999, and 2000 for the administration of this section by the Secretary, including development of standards and evaluation of all demonstration projects by an independent expert entity under subsection (g)(1).

AMENDMENT NO. 2663

(Purpose: To provide demonstration projects for using neighborhood schools as centers for beneficial activities for children and their parents in order to break the welfare cycle, and for other purposes)

On page 122, between lines 11 and 12, insert:

SEC. 110. DEMONSTRATION PROJECTS FOR SCHOOL UTILIZATION.

(a) FINDINGS.—It is the goal of the United States that children grow to be self-sufficient citizens, that parents equip themselves to provide the best parental care and guidance to their children, and that welfare dependency, crime, and the deterioration of neighborhoods be eliminated. It will contribute to these goals to increase the level of parents' involvement in their children's school and other activities, to increase the amount of time parents spend with or in close proximity to their children, to increase the portion of the day and night when children are in a safe and healthy environment and not exposed to unfavorable influences, to increase the opportunities for children to participate in safe, healthy, and enjoyable extracurricular and organized developmental and recreational activities, and to make more accessible the opportunities for parents, especially those dependent on public assistance, to increase and enhance their parenting and living skills. All of these contributions can be facilitated by establishing the neighborhood public school as a focal point for such activities and by extending the hours of the day in which its facilities are available for such activities.

(b) GRANTS.—The Secretary of Education (hereafter in this section referred to as the "Secretary") shall make demonstration grants as provided in subsection (c) to States to enable them to increase the number of hours during each day when existing public school facilities are available for use for the purposes set forth in subsection (d).

(c) SELECTION OF STATES.—The Secretary shall make grants to not more than 5 States for demonstration projects in accordance with this section. Each State shall select the number and location of schools based on the amount of funds it deems necessary for a school properly to achieve the goals of this program. The schools selected must have a significant percentage of students receiving benefits under part A of title IV of the Social Security Act. No more than 2 percent of the grant to any State shall be used for administrative expenses of any kind by any entity (except that none of the activities set forth in paragraphs (1) and (2) of subsection (d) shall be considered an administrative activity the expenses for which are limited by this subsection).

(d) USE OF FUNDS.—The grants made under subsection (b), in order that school facilities can be more fully utilized, shall be used to provide funding for, among other things—

(1) extending the length of the school day, expanding the scope of student programs offered before and after pre-existing school hours, enabling volunteers and parents or professionals paid from other sources to teach, tutor, coach, organize, advise, or monitor students before and after pre-existing school hours, and providing security, supplies, utilities, and janitorial services before and after pre-existing school hours for these programs,

(2) making the school facilities available for community and neighborhood clubs, civic associations and organizations, Boy and Girl Scouts and similar organizations, adult education classes, organized sports, parental education classes, and other educational, recreational, and social activities.

None of the funds provided under this section can be used to supplant funds already provided to a school facility for services, equipment, personnel, or utilities nor can funds be used to pay costs associated with operating school facilities during hours those facilities are already available for student or community use.

(e) APPLICATIONS.—

(1) IN GENERAL.—The Governor of each State desiring to conduct a demonstration project under this section shall prepare and submit to the Secretary an application in such manner and containing such information as the Secretary may require. The Secretary shall actively encourage States to submit such applications.

(2) APPROVAL.—The Secretary shall consider all applications received from States desiring to conduct demonstration projects under this section and shall approve such applications in a number of States to be determined by the Secretary (not to exceed 5), taking into account the overall funding levels available under this section.

(f) DURATION.—A demonstration project under this section shall be conducted for not more than 4 years plus an additional time period of up to 12 months for final evaluation and reporting. The Secretary may terminate a project if the Secretary determines that the State conducting the project is not in substantial compliance with the terms of the application approved by the Secretary under this section.

(g) EVALUATION PLAN.—

(1) STANDARDS.—Not later than 3 months after the date of the enactment of this section, the Secretary shall develop standards for evaluating the effectiveness of each demonstration project in contributing toward meeting the objectives set forth in subsection (a), which shall include the requirement that an independent expert entity selected by the Secretary provide an evaluation of all demonstration projects, which evaluations shall be included in the appropriate State's annual and final reports to the Secretary under subsection (h)(1).

(2) SUBMISSION OF PLAN.—Each State conducting a demonstration project under this section shall submit an evaluation plan (meeting the standards developed by the Secretary under paragraph (1)) to the Secretary not later than 90 days after the State is notified of the Secretary's approval for such project. A State shall not receive any Federal funds for the operation of the demonstration project until the Secretary approves such evaluation plan.

(h) REPORTS.—

(1) STATE.—A State that conducts a demonstration project under this section shall prepare and submit to the Secretary annual and final reports in accordance with the State's evaluation plan under subsection (g)(2) for such demonstration project.

(2) SECRETARY.—The Secretary shall prepare and submit to the Congress annual reports concerning each demonstration project under this Act.

(i) AUTHORIZATIONS.—

(1) GRANTS.—There are authorized to be appropriated for grants under subsection (b) for each of fiscal years 1996, 1997, 1998, 1999, and 2000, $10,000,000.

(2) ADMINISTRATION.—There are authorized to be appropriated $1,000,000 for each of fiscal years 1996, 1997, 1998, 1999, and 2000 for the administration of this section by the Secretary, including development of standards and evaluation of all demonstration projects by an independent expert entity under subsection (g)(1).

SEC. 111. STUDY OF SCHOOLS WITH STUDENTS FAILING TO ENTER WORKFORCE.

(a) STUDY.—The Secretary of Education shall conduct a study to—

(1) determine which high schools have the highest proportion of students, both those who graduate and those who drop out before graduating, who never reach the workforce, and establish the reasons for such disproportionate failure, and

(2) measure the educational effectiveness of existing innovative educational mechanisms, including charter schools, extended school days, the community schools program, and child care programs, in increasing the proportion of a school's students who become a part of the workforce.

(b) REPORT.—The Secretary shall, not later than January 1, 1997, report to the Congress the results of the study conducted under subsection (a), including recommendations with respect to measures which prove effective in assisting schools in preparing students for the workforce.

(c) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated $7,000,000 to carry out the purposes of this section.

SEC. 112. SCHOOL CARE FOR CHILDREN OF INDIVIDUALS REQUIRED TO WORK.

Notwithstanding any other provision of, or amendment made by, this title, if a State requires an individual receiving assistance under a State program funded under part A of title IV to engage in work activities, the State shall provide adult-supervised care to each school-age child of the individual before and after school during the hours during which the individual is working and in transit between home and work. Such care shall be provided at the location where each child attends school. Comparable activities shall be provided during the same daily time periods for all days during which the individual is working but school is not in session.

SEC. 113. PARENTAL RESPONSIBILITY CONTRACTS.

(a) ASSESSMENT.—Notwithstanding any other provision of, or amendment made by, this title, each State to which a grant is made under section 403 of the Social Security Act shall provide that the State agency, through a case manager, shall make an initial assessment of the education level, parenting skills, and history of parenting activities and involvement of each parent who is applying for financial assistance under the plan.

(b) PARENTAL RESPONSIBILITY CONTRACTS.—On the basis of the assessment made under subsection (a) with respect to each parent applicant, the case manager, in consultation with the parent applicant (hereafter in this subsection referred to as the "client"), and, if possible, the client's spouse if one is present, shall develop a parental responsibility contract for the client, which meets the following requirements:

(1) Sets forth the obligations of the client, including all of the following the case manager believes are within the ability and capacity of the client, are not incompatible with the employment or school activities of the client, and are not inconsistent with each other in the client's case or with the well being of the client's children:

(A) Attend school, if necessary, and maintain certain grades and attendance.

(B) Keep school-age children of the client in school.

(C) Immunize children of the client.

(D) Attend parenting and money management classes.

(E) Participate in parent and teacher associations and other activities intended to involve parents in their children's school activities and in the affairs of their children's school.

(F) Attend school activities with their children where attendance or participation by both children and parents is appropriate.

(G) Undergo appropriate substance abuse treatment counseling.

(H) Any other appropriate activity, at the option of the State.

(2) Provides that the client shall accept any bona fide offer of unsubsidized full-time

employment, unless the client has good cause for not doing so.

(c) Penalties for Noncompliance With Parental Responsibility Contract.—

(1) In general.—Except as provided in paragraph (2), the following penalties shall apply:

(A) Progressive reductions in assistance for 1st and 2nd acts of non-compliance.—The State plan shall provide that the amount of assistance otherwise payable under this part to a family that includes a client who, with respect to a parental responsibility contract signed by the client, commits an act of noncompliance without good cause, shall be reduced by—

(i) 33 percent for the 1st such act of noncompliance; or

(ii) 66 percent for the 2nd such act of noncompliance.

(B) Denial of assistance for 3rd and subsequent acts of noncompliance.—The State shall provide that in the case of the 3rd or subsequent such act of noncompliance, the family of which the client is a member shall not thereafter be eligible for assistance under this part.

(C) Length of penalties.—The penalty for an act of noncompliance shall not exceed the greater of—

(i) in the case of—

(I) the 1st act of noncompliance, 1 month,

(II) the 2nd act of noncompliance, 3 months, or

(III) the 3rd or subsequent act of noncompliance, 6 months; or

(ii) the period ending with the cessation of such act of noncompliance.

(D) Denial of assistance to adults refusing to accept a bona fide offer of employment.—The State plan shall provide that if an unemployed individual who has attained 18 years of age refuses to accept a bona fide offer of employment without good cause, such act of noncompliance shall be considered a 3rd or subsequent act of noncompliance.

(2) State flexibility.—The State plan may provide for different penalties than those specified in paragraph (1).

SEC. 114. AMENDMENT TO GOALS 2000: EDUCATE AMERICA ACT.

Section 102 of the Goals 2000: Educate America Act (20 U.S.C. 5812) is amended by adding at the end the following new paragraph:

"(9) Self-sufficiency.—By the year 2000, fewer Americans will need to rely on welfare benefits because—

"(A) schools will place greater emphasis on equipping all students to achieve economic self-sufficiency in adulthood, regardless of whether they pursue higher education;

"(B) schools will not compromise educational standards in order to graduate students who have not achieved the recognized educational competency levels applicable to high school graduates; and

"(C) schools will focus more attention and resources on ensuring that children from families who receive public assistance, or are at risk of needing public assistance, make expected scholastic progress throughout their elementary and secondary schooling or are provided with special assistance and directed to remedial programs and activities designed to return them to expected levels of progress."

AMENDMENT NO. 2664

(Purpose: To require applicants for assistance who are parents to enter into a Parental Responsibility Contract and perform satisfactorily under its terms as a condition of receipt of that assistance)

On page 122, between lines 11 and 12, insert:

SEC. 110. PARENTAL RESPONSIBILITY CONTRACTS.

(a) Assessment.—Notwithstanding any other provision of, or amendment made by, this title, each State to which a grant is made under section 403 of the Social Security Act shall provide that the State agency, through a case manager, shall make an initial assessment of the education level, parenting skills, and history of parenting activities and involvement of each parent who is applying for financial assistance under the plan.

(b) Parental Responsibility Contracts.—On the basis of the assessment made under subsection (a) with respect to each parent applicant, the case manager, in consultation with the parent applicant (hereafter in this subsection referred to as the "client"), and, if possible, the client's spouse if one is present, shall develop a parental responsibility contract for the client, which meets the following requirements:

(1) Sets forth the obligations of the client, including all of the following the case manager believes are within the ability and capacity of the client, are not incompatible with the employment or school activities of the client, and are not inconsistent with each other in the client's case or with the well being of the client's children:

(A) Attend school, if necessary, and maintain certain grades and attendance.

(B) Keep school-age children of the client in school.

(C) Immunize children of the client.

(D) Attend parenting and money management classes.

(E) Participate in parent and teachers associations and other activities intended to involve parents in their children's school activities and in the affairs of their children's school.

(F) Attend school activities with their children where attendance or participation by both children and parents is appropriate.

(G) Undergo appropriate substance abuse treatment counseling.

(H) Any other appropriate activity, at the option of the State.

(2) Provides that the client shall accept any bona fide offer of unsubsidized full-time employment, unless the client has good cause for not doing so.

(c) Penalties for Noncompliance With Parental Responsibility Contract.—

(1) In general.—Except as provided in paragraph (2), the following penalties shall apply:

(A) Progressive reductions in assistance for 1st and 2nd acts of non-compliance.—The State plan shall provide that the amount of assistance otherwise payable under this part to a family that includes a client who, with respect to a parental responsibility contract signed by the client, commits an act of noncompliance without good cause, shall be reduced by—

(i) 33 percent for the 1st such act of noncompliance; or

(ii) 66 percent for the 2nd such act of noncompliance.

(B) Denial of assistance for 3rd and subsequent acts of noncompliance.—The State shall provide that in the case of the 3rd or subsequent such act of noncompliance, the family of which the client is a member shall not thereafter be eligible for assistance under this part.

(C) Length of penalties.—The penalty for an act of noncompliance shall not exceed the greater of—

(i) in the case of—

(I) the 1st act of noncompliance, 1 month,

(II) the 2nd act of noncompliance, 3 months, or

(III) the 3rd or subsequent act of noncompliance, 6 months; or

(ii) the period ending with the cessation of such act of noncompliance.

(D) Denial of assistance to adults refusing to accept a bona fide offer of employment.—The State plan shall provide that if an unemployed individual who has attained 18 years of age refuses to accept a bona fide offer of employment without good cause, such act of noncompliance shall be considered a 3rd or subsequent act of noncompliance.

(2) State flexibility.—The State plan may provide for different penalties than those specified in paragraph (1).

AMENDMENT NO. 2665

(Purpose: To reduce the income tax rate for individuals to equal the estimated cost of certain repealed programs)

Beginning on page 10, line 10, strike all through page 77, line 21, and insert the following:

(b) Reduction in Individual Tax Rates.—Section 1 of the Internal Revenue Code of 1986 (relating to tax imposed) is amended by adding at the end the following new subsection:

"(i) Adjustments in Tax Tables To Reflect Repeal of Certain Programs.—

"(1) In general.—Not later than December 15 of 1995, and each subsequent calendar year, the Secretary shall prescribe tables which shall apply in lieu of the tables contained in subsections (a), (b), (c), (d), and (e) (after the application of subsection (f)) with respect to taxable years beginning in the succeeding calendar year.

"(2) Method of prescribing tables.—The tables under paragraph (1) shall be prescribed by reducing the rates of tax proportionately such that the resulting loss of revenue for such calendar year equals the estimated total expenditures for the fiscal year in which such calendar year begins for part A of title IV of the Social Security Act as proposed to be added by Senate amendment numbered 2280 (as in effect on September 8, 1995).

Beginning on page 83, line 16, strike through page 86, line 3.

Beginning on page 87, line 6, strike through page 120, line 8.

Beginning on page 122, line 12, strike through page 124, line 12.

AMENDMENT NO. 2666

(Purpose: To make the Workforce Development System more responsive to changing local labor markets)

In section 702(a)(8), strike "private sector leadership in designing" and insert "private sector leadership and the diverse and changing demands of employers and workers in designing".

In section 702(b)(1), insert before the semicolon the following: "and to respond more effectively to changing local labor markets".

In section 703(29), insert before the period the following: "and designed to ensure that local labor and education and training markets are responsive to the diverse and changing demands of employers and workers".

In section 716(a)(2)(B)(viii), strike "; and" and insert a semicolon.

In section 716(a)(2)(B)(ix), strike the period and insert "; and".

At the end of section 716(a)(2)(B), add the following:

(x) establishment of such system of individual skill grants as will enable dislocated workers who are unable to find new jobs through the core services described in clauses (i) through (ix), and who are unable to obtain other grant assistance (such as a Pell Grant), to learn new skills to find new jobs.

In section 716(a)(9), strike "provided under this subtitle" and insert "provided under this subtitle for persons age 18 or older who are unable to obtain other assistance (such as a Pell Grant)".

At the end of section 731(b), add the following new paragraph:

(3) RESPONSIVENESS TO MARKET DEMAND.—Each statewide system supported by an allotment under section 712 shall be designed to meet the goal of ensuring that the local labor and education and training markets in the State are responsive to the diverse and changing demands of employers and workers.

At the end of section 731(c), add the following:

(8) RESPONSIVENESS TO MARKET DEMAND.—To be eligible to receive an allotment under section 712, a State shall develop, in accordance with paragraph (5), and identify in the State plan of the State, proposed quantifiable benchmarks to measure the statewide progress of the State in meeting the goal described in subsection (b)(3).

In section 732(a)(1)(A), strike "; or" and insert a semicolon.

In section 732(a)(1)(B), strike the period and insert "; or".

At the end of section 732(a)(1), add the following:

(C) demonstrates to the Federal Partnership that the State has made a substantial increase in the number of dislocated workers placed in unsubsidized employment, the reemployment wage rates of the workers, or the speed of reemployment of the workers through the use of training vouchers or other continually improving systems that respond effectively to the diverse and changing demands of local employers and workers.

(The text of the amendment No. 2667, is printed in today's RECORD under "Amendments Submitted".)

AMENDMENT NO. 2668

(Purpose: To eliminate a repeal of title V of the Older Americans Act of 1965)

On page 520, strike lines 17 through 19 and insert the following:

(7) Title VII of the Stewart B. McKinney

(The text of the amendment No. 2669, is printed in today's RECORD under "Amendments Submitted".)

AMENDMENT NO. 2670

(Purpose: To allow a State to revoke an election to participate in the optional State food assistance block grant)

On page 229, strike lines 4 through 8 and insert the following:

"(2) ELECTION REVOCABLE.—A State that elects to participate in the program established under subsection (a) may subsequently reverse its election only once thereafter. Following such reversal, the State shall only be eligible to participate in the food stamp program in accordance with the other sections of this Act and shall not receive a block grant under this section.

AMENDMENT NO. 2671

(Purpose: To provide a 3 percent set aside for the funding of family assistance grants for Indians)

On page 26, before line 1, insert the following:

"(6) LOANS TO INDIAN TRIBES.—For purposes of this subsection, an Indian tribe with a tribal family assistance plan approved under section 414 shall be treated as a State, except that—

"(A) the Secretary may extend the time limitation under paragraph (4)(A);

"(B) the Secretary may waive the interest requirement under subparagraph (4)(B);

"(C) paragraph (4)(C) shall be applied by substituting 'tribal family assistance grant under section 414' for 'State family assistance grant under subsection (a)(2)'; and

"(D) paragraph (5) shall be applied without regard to subparagraph (B).

On page 26, strike lines 11 through 16, and insert the following:

"(2) ELIGIBLE INDIAN TRIBE.—For purposes of paragraph (1), the term 'eligible Indian tribe' means an Indian tribe or Alaska Native organization that—

"(A) conducted a job opportunities and basic skills training program in fiscal year 1995 under section 482(i) (as in effect during such fiscal year); and

"(B) is not receiving a tribal family assistance grant under section 414.

Beginning on page 63, line 14, strike all through page 68, line 21, and insert the following:

"(a) IN GENERAL.—

"(1) APPLICATION.—

"(A) IN GENERAL.—An Indian tribe may apply at any time to the Secretary (in such manner as the Secretary prescribes) to receive a family assistance grant.

"(B) 3-YEAR TRIBAL FAMILY ASSISTANCE PLAN.—

"(i) IN GENERAL.—As part of the application under subparagraph (A), the Indian tribe shall submit to the Secretary a 3-year tribal family assistance plan that—

"(I) outlines the Indian tribe's approach to providing welfare-related services for the 3-year period, consistent with the purposes of this section;

"(II) specifies whether the welfare-related services provided under the plan will be provided by the Indian tribe or through agreements, contracts, or compacts with intertribal consortia, States, or other entities;

"(III) identifies the population and service area or areas to be served by such plan;

"(IV) provides that a family receiving assistance under the plan may not receive duplicative assistance from other State or tribal programs funded under this part;

"(V) identifies the employment opportunities in or near the service area or areas of the Indian tribe and the manner in which the Indian tribe will cooperate and participate in enhancing such opportunities for recipients of assistance under the plan consistent with any applicable State standards; and

"(VI) applies the fiscal accountability provisions of section 5(f)(1) of the Indian Self-Determination and Education Assistance Act (25 U.S.C. 450c(f)(1)), relating to the submission of a single-agency audit report required by chapter 75 of title 31, United States Code. Nothing in this clause shall preclude an Indian tribe from entering into an agreement with a State under the tribal family assistance plan for providing services to individuals residing outside the tribe's jurisdiction or for providing services to non-tribal members residing within the tribe's jurisdiction. Any such agreement shall include an appropriate transfer of funds from the State to the tribe.

"(ii) APPROVAL.—The Secretary shall approve each tribal family assistance plan submitted in accordance with clause (i).

"(2) PARTICIPATION.—If a tribe chooses to apply and the application is approved, such tribe shall be entitled to a direct payment in the amount determined in accordance with the provisions of subsection (b) for each fiscal year beginning after such approval.

"(3) NO PARTICIPATION.—If a tribe chooses not to apply, the amount that would otherwise be available to such tribe for the fiscal year shall be payable to the State in which that tribe is located. Such State shall provide equitable access to services by recipients within that tribe's jurisdiction.

"(4) NO MATCH REQUIRED.—Indian tribes shall not be required to submit a monetary match to receive a payment under this section.

"(5) JOINT PROGRAMS.—An Indian tribe may also apply to the Secretary jointly with 1 or more such tribes to administer family assistance services as a consortium. The Secretary shall establish such terms and conditions for such consortium as are necessary.

"(b) PAYMENT AMOUNT.—

"(1) IN GENERAL.—From an amount equal to 3 percent of the amount specified under section 403(a)(4) for a fiscal year, the Secretary shall pay directly to each Indian tribe requesting a family assistance grant for such fiscal year an amount pursuant to an allocation formula determined by the Secretary based on the need for services and utilizing (if possible) data that is common to all Indian tribes.

"(2) AUTHORITY TO RESERVE CERTAIN AMOUNTS FOR ASSISTANCE.—An Indian tribe may reserve amounts paid to the Indian tribe under this part for any fiscal year for the purpose of providing, without fiscal year limitation, assistance under the program operated under this part.

"(c) VOLUNTARY TERMINATION.—An Indian tribe may voluntarily terminate receipt of a family assistance grant. The Indian tribe shall give the State and the Secretary notice of such decision 6 months prior to the date of termination. The amount under subsection (b) with respect to such grant for the fiscal year shall be payable to the State in which that tribe is located. Such State shall provide equitable access to services by recipients residing within that tribe's jurisdiction. If a voluntary termination of a grant occurs under this subsection, the tribe shall not be eligible to submit an application under this section before the 6th year following such termination.

"(d) MINIMUM WORK PARTICIPATION REQUIREMENTS AND TIME LIMITS.—The Secretary, with the participation of Indian tribes, shall establish for each Indian tribe receiving a grant under this section minimum work participation requirements, appropriate time limits for receipt of welfare-related services under such grant, and penalties against individuals—

"(1) consistent with the purposes of this section;

"(2) consistent with the economic conditions and resources available to each tribe; and

"(3) similar to comparable provisions in section 404(d).

"(e) EMERGENCY ASSISTANCE.—Nothing in this section shall preclude an Indian tribe from seeking emergency assistance from any Federal loan program or emergency fund.

"(f) MAINTENANCE OF EFFORT ASSISTANCE.—Nothing in this section shall preclude a

State from providing maintenance of effort funds to Indian tribes located in such State.

"(g) Accountability.—Nothing in this section shall be construed to limit the ability of the Secretary to maintain program funding accountability consistent with—

"(1) generally accepted accounting principles; and

"(2) the requirements of the Indian Self-Determination and Education Assistance Act (25 U.S.C. 450 et seq.).

"(h) Tribal Penalties.—For the purpose of ensuring the proper use of family assistance grants, the following provisions shall apply to an Indian tribe with an approved tribal assistance plan:

"(1) The provisions of subsections (a)(1), (a)(6), and (b) of section 407, in the same manner as such subsections apply to a State.

"(2) The provisions of section 407(a)(3), except that such subsection shall be applied by substituting 'the minimum requirements established under subsection (d) of section 414' for 'the minimum participation rates specified in section 404'.

"(i) Data Collection and Reporting.—For the purpose of ensuring uniformity in data collection, section 409 shall apply to an Indian tribe with an approved family assistance plan.

"(j) Information Sharing.—Each State and the Indian tribes located within its jurisdiction may share (in a manner that ensures confidentiality) eligibility and other information on residents in such State that would be helpful for determining eligibility for other Federal and State assistance programs.

On page 101, between lines 20 and 21, insert the following:

(j) Amendment to Title XIX.—Section 1903(u)(1)(D) (42 U.S.C. 1396b(u)(1)(D)) is amended by adding at the end the following new clause:

"(vi) In determining the amount of erroneous excess payments, there shall not be included any erroneous payments made by the State to the benefit of members of Indian families based on correctly processed information received or information not timely received from a tribe with a tribal family assistance plan approved under part A of title IV of the Social Security Act.".

On page 108, between lines 20 and 21, insert the following:

(i) Section 16(c)(3) of the Food Stamp Act (7 U.S.C. 2025(c)(3)) is amended by adding at the end the following new subparagraph:

"(C) Any errors resulting from State payments to Indian families based on correctly processed information received or information not timely received from a tribe with a tribal family assistance plan approved under part A of title IV of the Social Security Act.".

AMENDMENT NO. 2672

(Purpose: To provide for a contingency grant fund)

Beginning on page 26, line 13, strike all through page 28, line 19, and insert the following:

"(d) Contingency Fund.—

"(1) Establishment.—There is hereby established in the Treasury of the United States a fund which shall be known as the 'Contingency Fund for State Welfare Programs' (hereafter in this section referred to as the 'Fund').

"(2) Deposits into fund.—Out of any money in the Treasury of the United States not otherwise appropriated, there are hereby appropriated for fiscal years 1996, 1997, 1998, 1999, 2000, 2001, and 2002 such sums as are necessary for payment to the Fund in a total amount not to exceed $5,000,000,000, of which not more than $4,000,000,000 shall be available during the first 5 fiscal years.

"(3) Computation of grant.—

"(A) In general.—Subject to subparagraph (B), the Secretary of the Treasury shall pay to each eligible State in a fiscal year an amount equal to the Federal medical assistance percentage for such State for such fiscal year (as defined in section 1905(b)) of so much of the expenditures by the State in such year under the State program funded under this part as exceed the historic State expenditures for such State.

"(B) Limitation.—The total amount paid to a State under subparagraph (A) for any fiscal year shall not exceed an amount equal to 20 percent of the annual amount determined for such State under the State program funded under this part (without regard to this subsection) for such fiscal year.

"(C) Method of computation, payment, and reconciliation.—

"(i) Method of computation.—The method of computing and paying such amounts shall be as follows:

"(I) The Secretary of Health and Human Services shall estimate the amount to be paid to the State for each quarter under the provisions of subparagraph (A), such estimate to be based on a report filed by the State containing its estimate of the total sum to be expended in such quarter and such other information as the Secretary may find necessary.

"(II) The Secretary of Health and Human Services shall then certify to the Secretary of the Treasury the amount so estimated by the Secretary of Health and Human Services.

"(ii) Method of payment.—The Secretary of the Treasury shall thereupon, through the Fiscal Service of the Department of the Treasury and prior to audit or settlement by the General Accounting Office, pay to the State, at the time or times fixed by the Secretary of Health and Human Services, the amount so certified.

"(iii) Method of reconciliation.—If at the end of each fiscal year, the Secretary of Health and Human Services finds that a State which received amounts from the Fund in such fiscal year did not meet the maintenance of effort requirement under paragraph (5)(B) for such fiscal year, the Secretary shall reduce the State family assistance grant for such State for the succeeding fiscal year by such amounts.

"(4) Use of grant.—

"(A) In general.—An eligible State may use the grant—

"(i) in any manner that is reasonably calculated to accomplish the purpose of this part; or

"(ii) in any manner that such State used amounts received under part A or F of this title, as such parts were in effect before October 1, 1995.

"(B) Refund of unused portion.—Any amount of a grant under this subsection not used during the fiscal year shall be returned to the Fund.

"(5) Eligible state.—

"(A) In general.—For purposes of this subsection, a State is an eligible State with respect to a fiscal year, if such State—

"(i) has an average total unemployment rate or a children population in such State's food stamp program which exceeds such average total rate or population for fiscal year 1994; and

"(ii) has met the maintenance of effort requirement under subparagraph (B) for the State program funded under this part for the fiscal year.

"(B) Maintenance of effort.—

"(i) In general.—The maintenance of effort requirement for any State under this subparagraph for any fiscal year is the expenditure of an amount at least equal to 100 percent of the level of spending in fiscal year 1994.

"(ii) Historic state expenditures.—For purposes of this subparagraph, the term 'historic State expenditures' means payments of cash assistance to recipients of aid to families with dependent children under the State plan under part A of title IV for fiscal year 1994, as in effect during such fiscal year.

"(iii) Determining state expenditures.—For purposes of this subparagraph, State expenditures shall not include any expenditures from amounts made available by the Federal Government.

"(6) Annual reports.—The Secretary of the Treasury shall annually report to the Congress on the status of the Fund.

Mr. MOYNIHAN. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

Mr. SANTORUM. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

AMENDMENTS NOS. 2674 AND 2675 TO AMENDMENT NO. 2880

Mr. SANTORUM. Mr. President, I send two amendments to the desk and ask for their immediate consideration on behalf of the Senator from Kentucky [Mr. McConnell].

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Pennsylvania [Mr. Santorum], for Mr. McConnell, proposes amendments numbered 2674 and 2675, to amendment No. 2280.

Mr. SANTORUM. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendments are as follows:

AMENDMENT NO. 2674

(Purpose: To timely rapid implementation of provisions relating to the child and adult care food program)

On page 270, after line 23, insert the following:

(3) Regulations.—

(A) Interim regulations.—Not later than February 1, 1996, the Secretary shall issue interim regulations to implement—

(i) the amendments made by paragraphs (1), (3), and (4) of subsection (b); and

(ii) section 17(f)(3)(C) of the National School Lunch Act (42 U.S.C. 1766(f)(3)(C)).

(B) Final regulations.—Not later than August 1, 1996, the Secretary shall issue final regulations to implement the provisions of law referred to in subparagraph (A).

AMENDMENT NO. 2675

(Purpose: To clarify the school data provision of the child and adult care food program)

On page 268, strike lines 4 through 17 and insert the following:

"(I) In general.—A State agency administering the school lunch program under this Act or the school breakfast program under the Child Nutrition Act of 1966 (42 U.S.C. 1771 et seq.) shall provide to approved family or group day care home sponsoring organizations a list of schools serving elementary school children in the State in which not less than ½ of the children enrolled are certified to receive free or reduced price meals. The State agency shall collect the data necessary to create the list annually and provide the list on a timely basis to any approved family or group day care home sponsoring organization that requests the list."

Mr. SANTORUM. Mr. President, I ask unanimous consent that the amendments be laid aside.

The PRESIDING OFFICER. Without objection, it is so ordered.

AMENDMENT NO. 2676 TO AMENDMENT NO. 2280

(Purpose: To strike the increase to the grant to reward States that reduce out-of-wedlock births)

Mr. SANTORUM. Mr. President, I send an amendment to the desk on behalf of the Senator from Oregon [Mr. PACKWOOD] and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Pennsylvania [Mr. SANTORUM], for Mr. PACKWOOD, proposes an amendment numbered 2676 to amendment No. 2880.

Mr. SANTORUM. I ask unanimous consent reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 11, strike lines 5 through 22.

On page 11, line 23, insert the following:

(B) NONDISCRIMINATION AGAINST EMPLOYEES ADMINISTERING OR PROVIDING SERVICES.—

(i) PROHIBITION.—A religious organization with a contract described in subsection (a)(1)(A) shall not discriminate in employment on the basis of religion of an employee or prospective employee if such employee's primary responsibility is or would be administering or providing services under such contract.

(ii) QUALIFIED APPLICANTS.—If 2 or more prospective employees are qualified for a position administering or providing services under a contract described in subsection (a)(1)(A), nothing in this section shall prohibit a religious organization from employing a prospective employee who is already participating on a regular basis in other activities of the organization.

(C) PRESENT EMPLOYEES.—This paragraph shall not apply to employees of religious organizations with a contract described in subsection (a)(1)(A) if such employees are employed by such organization on the date of the enactment of this Act.

Mr. SANTORUM. Mr. President, I ask unanimous consent that amendment be set aside.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MOYNIHAN. Mr. President, can we get a rough tally? I understand we are approaching 200, as the hour of 5 o'clock nears.

The PRESIDING OFFICER. The clerk has not yet added them up, I would say to the Senator.

Mr. MOYNIHAN. Perhaps when that does come we can have it recorded in our record for the day. I would appreciate that, sir.

Stop the clock, Mr. President.

AMENDMENT NO. 2677 TO AMENDMENT NO. 2280

(Purpose: To provide for an extension of transitional medicaid benefits)

Mr. MOYNIHAN. Mr. President, I send an amendment to the desk for Mr. KENNEDY and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from New York [Mr. MOYNIHAN], for Mr. KENNEDY, proposes an amendment numbered 2677 to amendment No. 2880.

Mr. MOYNIHAN. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with and the pending amendment be laid aside.

The PRESIDING OFFICER. Without objection, it is so ordered.

(The text of the amendment is printed in today's RECORD under "Amendments Submitted.")

MORNING BUSINESS

Mr. SANTORUM. Mr. President, I ask unanimous consent that there now be a period for the transaction of morning business with Senators permitted to speak for up to 10 minutes each.

The PRESIDING OFFICER. Without objection, it is so ordered.

MESSAGES FROM THE PRESIDENT

Messages from the President of the United States were communicated to the Senate by Mr. Thomas, one of his secretaries.

EXECUTIVE MESSAGES REFERRED

As in executive session the Presiding Officer laid before the Senate messages from the President of the United States submitting sundry nominations which were referred to the appropriate committees.

(The nominations received today are printed at the end of the Senate proceedings.)

REPORT OF A REVISED DEFERRAL OF BUDGETARY RESOURCES—MESSAGE FROM THE PRESIDENT—PM 79

The PRESIDING OFFICER laid before the Senate the following message from the President of the United States, together with an accompanying report, which was referred jointly, pursuant to the order of January 30, 1975 as modified by the order of April 11, 1986, to the Committee on the Budget, to the Committee on Appropriations, and to the Committee on Foreign Relations.

To the Congress of the United States:

In accordance with the Congressional Budget and Impoundment Control Act of 1974, I herewith report one revised deferral of budgetary resources, totaling $1.2 billion.

The deferral affects the International Security Assistance program.

WILLIAM J. CLINTON.

THE WHITE HOUSE, *September 8, 1995.*

MESSAGES FROM THE HOUSE

At 11:22 a.m., a message from the House of Representatives, delivered by Ms. Goetz, one of its reading clerks, announced that the House insists upon its amendment to the bill (S. 4) to grant the power to the President to reduce budget authority, disagreed to by the Senate, and agrees to the conference asked by the Senate on the disagreeing votes of the two Houses thereon; and appoints Mr. CLINGER, Mr. SOLOMON, Mr. BUNNING of Kentucky, Mr. GOSS, Mr. BLUTE, Mrs. COLLINS of Illinois, Mr. SABO, and Mr. BEILENSON as the managers of the conference on the part of the House.

The message also announced that the House disagrees to the amendments of the Senate to the bill (H.R. 1817) making appropriations for military construction, family housing, and base realignment and closure for the Department of Defense for the fiscal year ending September 30, 1996, and for other purposes, and agrees to the conference asked by the Senate on the disagreeing votes of the two Houses thereon; and appoints Mrs. VUCANOVICH, Mr. CALLAHAN, Mr. MCDADE, Mr. MYERS of Indiana, Mr. PORTER, Mr. ISTOOK, Mr. WICKER, Mr. LIVINGSTON, Mr. HEFNER, Mr. FOGLIETTA, Mr. VISCLOSKY, Mr. TORRES, and Mr. OBEY as the managers of the conference on the part of the House.

The message further announced that the House disagrees to the amendments of the Senate to the bill (H.R. 1905) making appropriations for energy and water development for the fiscal year ending September 30, 1996, and for other purposes, and agrees to the conference asked by the Senate on the disagreeing votes of the two Houses thereon; and appoints Mr. MYERS of Indiana, Mr. ROGERS, Mr. KNOLLENBERG, Mr. RIGGS, Mr. FRELINGHUYSEN, Mr. BUNN of Oregon, Mr. LIVINGSTON, Mr. BEVILL, Mr. FAZIO of California, Mr. CHAPMAN, and Mr. OBEY as the managers of the conference on the part of the House.

The message also announced that pursuant to the provisions of section 1295 b(h) of title 46, United States Code, the Speaker appoints the following Members as members of the Board of Visitors to the United States Merchant Marine Academy on the part of the House: Mr. KING and Mr. MANTON.

At 3:25 p.m., a message from the House of Representatives, delivered by Ms. Goetz, one of its reading clerks, announced that the House disagrees to the amendments of the Senate to the bill (H.R. 1977) making appropriations for the Department of the Interior and related agencies for the fiscal year ending September 30, 1996, and for other purposes and agrees to the conference asked by the Senate on the disagreeing votes of the two Houses thereon; and appoints Mr. REGULA, Mr. MCDADE, Mr. KOLBE, Mr. SKEEN, Mrs. VUCANOVICH, Mr. TAYLOR of North Carolina, Mr. NETHERCUTT, Mr. BUNN of Oregon, Mr. LIVINGSTON, Mr. YATES, Mr. DICKS, Mr. BEVILL, Mr. SKAGGS, and Mr. OBEY as the managers of the conference on the part of the Houses.

The message also announced that the House disagrees to the amendments of the Senate to the bill (H.R. 2002) making appropriations for the Department of Transportation and related agencies for the fiscal year ending September 30, 1996, and for other purposes, and agrees to the conference asked by the Senate on the disagreeing votes of the two Houses thereon; and appoints Mr. WOLF, Mr. DELAY, Mr. REGULA, Mr. ROGERS, Mr. LIGHTFOOT, Mr. PACKARD, Mr. CALLAHAN, Mr. DICKEY, Mr. LIVINGSTON, Mr. SABO, Mr. DURBIN, MR. COLEMAN, Mr. FOGLIETTA, and Mr. OBEY as the managers of the conference on the part of the House.

The message further announced that the House disagrees to the amendments of the Senate to the bill (H.R. 2020) making appropriations for the Treasury Department, the United States Postal Service, the Executive Office of the President, and certain Independent Agencies, for the fiscal year ending September 30, 1996, and for other purposes, and agrees to the conference asked by the Senate on the disagreeing votes of the two Houses thereon; and appoints Mr. LIGHTFOOT, Mr. WOLF, Mr. ISTOOK, Mr. KINGSTON, Mr. FORBES, Mr. LIVINGSTON, Mr. HOYER, Mr. VISCLOSKY, Mr. COLEMAN, and Mr. OBEY as the managers of the conference on the part of the House.

MEASURE PLACED ON THE CALENDAR

The following measure was placed on the calendar:

S. Res. 168. An original resolution concerning the Select Committee on Ethics investigation of Senator PACKWOOD of Oregon.

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first and second time by unanimous consent, and referred as indicated:

By Mr. SIMPSON:

S. 1223. A bill to relinquish any interest that the United States may have in certain land that was subject to a right-of-way that was granted to the predecessor of the Chicago and Northwestern Transportation Company, and for other purposes; to the Committee on Energy and Natural Resources.

By Mr. GRASSLEY (for himself and Mr. LEVIN):

S. 1224. A bill to amend subchapter IV of chapter 5 of title 5, United States Code, relating to alternative means of dispute resolution in the administrative process, and for other purposes; to the Committee on Governmental Affairs.

By Mr. JEFFORDS:

S. 1225. A bill to require the Secretary of the Interior to conduct an inventory of historic sites, buildings, and artifacts in the Champlain Valley and the upper Hudson River Valley, including the Lake George area, and for other purposes; to the Committee on Energy and Natural Resources.

S. 1226. A bill to require the Secretary of the Interior to prepare a study of battlefields of the Revolutionary War and the War of 1812, to establish an American Battlefield Protection Program, and for other purposes; to the Committee on Energy and Natural Resources.

By Mr. HEFLIN:

S. 1227. A bill to extend and revise agricultural price support and related programs for cotton, peanuts, and oilseeds, and for other purposes; to the Committee on Agriculture, Nutrition, and Forestry.

By Mr. D'AMATO (for himself, Mr. INOUYE, Mr. PRESSLER, Mr. FAIRCLOTH, and Mr. KOHL):

S. 1228. A bill to impose sanctions on foreign persons exporting petroleum products, natural gas, or related technology to Iran; to the Committee on Banking, Housing, and Urban Affairs.

SUBMISSION OF CONCURRENT AND SENATE RESOLUTIONS

The following concurrent resolutions and Senate resolutions were read, and referred (or acted upon), as indicated:

By Mr. MCCONNELL:

S. Res. 168. An original resolution concerning the Select Committee on Ethics investigation of Senator PACKWOOD of Oregon; from the Select Committee on Ethics; placed on the calendar.

By Mr. THOMAS (for himself, Mr. HELMS, Mr. PELL, Mr. D'AMATO, Mr. MACK, and Mrs. FEINSTEIN):

S. Res. 169. A bill expressing the sense of the Senate welcoming His Holiness the Dalai Lama on his visit to the United States.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. SIMPSON:

S. 1223. A bill to relinquish any interest that the United States may have in certain land that was subject to a right-of-way that was granted to the predecessor of the Chicago and Northwestern Transportation Company, and for other purposes; to the Committee on Energy and Natural Resources.

LAND TITLE TRANSFER LEGISLATION

• Mr. SIMPSON. Mr. President, I introduce legislation to permit the transference of clear title to certain land in Douglas, WY. I believe that this legislation should be uncontroversial because of the unique history of this land, and the obvious public benefits which will accrue from its transfer.

Among those benefits: The transfer will facilitate the cleanup of a 200-foot-wide blighted area that divides the city in half. It will also enable a number of citizens to finally secure sound and merchantable title to property on which their homes are located. These actions will do much to continue to revitalize the city's downtown business district.

The need for this legislation is based upon the particular legal history of this land. In the mid-19th century, the United States was eager to fully settle the Western territories which had been acquired during the Mexican War and in the Louisiana Purchase. The principle means of accomplishing this lay with the development of the railroads, which could bring not only settlers, but the rapid transportation of commerce.

Laying rail over these vast expanses of the West was a most expensive undertaking. Realizing this, Congress passed a number of railroad acts allowing the immediate establishment of a series of railroad right-of-ways. This was done through the use of special grants that were immediately effective once a railroad decided to locate its track over a specific piece of ground.

According to a document entitled "Railroad Lands and Rights-of-Way" that was prepared by The First American Title Insurance Co., these grants provided railroads with a limited fee title to strips of land ranging from 200 to 400 feet in width wherever the track might be laid, as long as they adhered to the general routes established in these congressional acts. No patents were given on these rights-of-way because the congressional act was sufficient in itself to convey the interest to the railroad.

The titles to the track strips granted by Congress have been determined by various court interpretations to be limited fee estates. This is an interpretation that has grown up over time, quite apart from the specific mandates of statutory language.

It is at this point that the city of Douglas, WY, enters the story. On March 3, 1875, one of these congressional railroad acts established a railroad right-of-way for the Chicago and Northwestern Railroad through a section of what is now central Wyoming. Almost immediately the city of Douglas, WY, was born and it grew up around the right-of-way, which still runs right smack through the center of town.

As the years passed, the railroad sold portions of land out of the 200-foot-wide easement to the local citizens. Many of these lots now contain homes whose current owners now have a quite serious problem: because the right-of-way is a limited fee, they are unable to gain good and clear title to their land.

To make matters more confounding, the railroad ceased operation and sought abandonment of this right-of-way on April 14, 1989, and filed formal notice in the Federal Register to that effect. In its wake, the railroad left behind this strip of land that has since become quite unsightly and overgrown with weeds. Additionally, this land also contains a number of dilapidated old buildings that blight the community and are dangerous attractions to young children.

Fortunately, the city of Douglas remedied one of the most serious dangers by remodeling an old depot and part of the surrounding strip into the city's chamber of commerce and a railroad interpretive center. The city stands by now, ready and able to develop the remainder of this land into an attractive subdivision if Congress is willing to transfer clear title to this land.

I trust that the Senate will approve of this legislation in order to transfer this land which previously was governed by the Chicago and Northwestern Railroad. To do so will clearly serve the public interest, and impinges upon no private interests. The good citizens of Douglas will greatly benefit from this correction of a problem rooted in long-ago 19th century law, and I earnestly urge its passage.●

By Mr. GRASSLEY (for himself and Mr. LEVIN):

S. 1224. A bill to amend subchapter IV of chapter 5 of title 5, United States Code, relating to alternative means of dispute resolution in the administrative process, and for other purposes; to the Committee on Governmental Affairs.

THE ADMINISTRATIVE DISPUTE RESOLUTION ACT OF 1995

Mr. GRASSLEY. Mr. President, the bill that I and Senator LEVIN are introducing today, the Administrative Dispute Resolution Act of 1995, is an amendment to subchapter IV of chapter 5 of title 5 of the United States Code, a law which I sponsored in 1989. That law, also titled the "Administrative Dispute Resolution Act," was designed to encourage Federal agencies to streamline dispute resolution processes through the use of alternative dispute resolution techniques instead of litigation. In other words, it would reduce our litigation process. These techniques—often collectively referred to as ADR—include mediation, arbitration, conciliation, fact-finding and minitrials, among others.

Since the implementation of the 1989 act, both Federal agencies and private parties have realized significant time and cost savings by avoiding the litigation quagmire, while sacrificing little in fairness and party satisfaction. Almost all the Federal agencies now have some sort of ADR framework in place, and most have enjoyed significant degrees of success. For example, the Environmental Protection Agency now uses mediation and arbitration processes to resolve superfund, Clean Water Act and Resource Conservation and Recovery Act disputes. The EPA and the private parties involved expressed great satisfaction with the efficiency and fairness of these techniques for the resolution of complex regulatory issues.

Not only are ADR techniques more efficient, they are also far less costly than litigation. One agency, the Federal Deposit Insurance Corporation, has estimated a savings of $13 million in legal costs in the last 3 years alone. Even better, the Resolution Trust Corporation estimated it saved $114 million over the last 4 years. Nor are these cost savings realized only in the Government. NRC, a private computer company, reduced it's pending lawsuits from 263 to 28 and cut the cost of outside attorneys' fees by half over a period of 10 years through the use of ADR techniques. Also, a contractor was able to deliver a completed rocket testing facility to the Air Force 3 months ahead of schedule and $12 million under budget by using ADR. In fact, the contractor was so satisfied with past ADR outcomes that it released all further claims against the Government.

Despite these gains, much work still remains in integrating ADR techniques into the Federal Government. Many agencies lag behind in adopting ADR programs into their daily routines. This lag is at least partially due to institutional misgivings about the new and unfamiliar. However, it is also due to legitimate concerns about confidentiality, fairness and quality assurance. It is these latter concerns that our new bill seeks to address. Based largely on an extensive and thorough analysis by the Administrative Conference of the United States, this bill modifies and clarifies the 1989 ADR Act, making ADR more attractive to both Federal agencies and private parties for solving regulatory disputes. At this time I would like to briefly summarize how the proposed act will accomplish this goal.

First, the bill removes the term "settlement negotiations" from the group of ADR techniques listed in the 1989 act. This will not decrease the effectiveness of the act as "settlement negotiations" are not and have never been covered by the act as they do not use third party "neutrals" in resolving conflicts. Thus, abolition of the term merely eliminates widespread agency confusion as to whether "settlement negotiation" is a statutorily supported ADR technique, and does not decrease the scope of the original act.

Second, the bill addresses agency confidentiality concerns by exempting all dispute resolution communications from Freedom of Information Act disclosure. Although these communications have always been confidential by implication, this amendment to the 1989 act makes that confidentiality express and clear.

Third, the bill makes it easier for agencies to acquire "neutrals" by streamlining competitive procedures for obtaining expert services and by allowing the acquisition of "neutrals" from nonprofit organizations.

Fourth, the bill eliminates the requirement that the validity of all contract claims under $100,000 be certified by the contractor. This change brings the 1989 ADR Act into conformance with the certification levels in the Contracts Disputes Act, thus encouraging the use of ADR techniques in many small disputes where they may be particularly appropriate.

Fifth, the bill authorizes the use of "any alternate means of dispute resolution under the act or other mutually agreeable procedures" for resolving claims. This greatly expands the range of available ADR techniques, above and beyond those listed in the statute, provided that both parties in the dispute agree to the method ultimately used.

Sixth, the bill orders the Chairman of the Administrative Conference of the United States to study the benefits and problems of Federal ADR use and report these findings to Congress 3 years after this bill is enacted. This will allow Congress to reassess the value of ADR methods at that time and make appropriate changes.

Finally, the bill permanently authorizes the ADR Act by striking the sunset provision presently in the law.

Mr. President, there has been much progress in the implementation and use of ADR techniques in the Federal Government since I first introduced the Administrative Dispute Resolution Act in 1989. Passage of this amendment to the act will further this progress by eliminating the remaining statutory barriers to ADR use and by clarifying statutory language. I hope my colleagues will join Senator LEVIN and I in this effort.

Mr. President, I ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1224

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Administrative Dispute Resolution Act of 1995".

SEC. 2. AMENDMENT TO DEFINITIONS.

Section 571 of title 5, United States Code, is amended—

(1) in paragraph (3) by striking out "settlement negotiations,"; and

(2) in paragraph (8)—

(A) in subparagraph (B) by striking out "decision," and inserting in lieu thereof "decision."; and

(B) by striking out the matter following subparagraph (B).

SEC. 3. AMENDMENT TO CONFIDENTIALITY PROVISIONS.

(a) TERMINATION OF AVAILABILITY EXEMPTION TO CONFIDENTIALITY.—Section 574(b) of title 5, United States Code, is amended—

(1) in paragraph (5) by adding "or" at the end thereof;

(2) in paragraph (6) by striking out "; or" and inserting in lieu thereof a period; and

(3) by striking out paragraph (7).

(b) LIMITATION OF CONFIDENTIALITY APPLICATION TO COMMUNICATION.—Section 574 of title 5, United States Code, is amended—

(1) in subsection (a) in the matter before paragraph (1) by striking out "any information concerning"; and

(2) in subsection (b) in the matter before paragraph (1) by striking out "any information concerning".

(c) ALTERNATIVE CONFIDENTIALITY PROCEDURES.—Section 574(d) of title 5, United States Code, is amended—

(1) by inserting "(1)" after "(d)"; and

(2) by adding at the end thereof the following new paragraph:

"(2) For purposes of the application of section 552(b)(3), an alternative confidential procedure under this subsection may not provide for less disclosure than the confidential procedures otherwise provided under this section.".

(d) EXEMPTION FROM DISCLOSURE BY STATUTE.—Section 574 of title 5, United States Code, is amended by striking out subsection (j) and inserting in lieu thereof the following:

"(j)(1) A record described under paragraph (2) shall be specifically exempted from disclosure under section 552(b)(3).

"(2) Paragraph (1) applies to any record that—

"(A) is—

"(i) generated by an agency in a dispute resolution proceeding; or

"(ii) initially provided to an agency in a dispute resolution proceeding; and

"(B) may not be disclosed under this section.".

SEC. 4. ADMINISTRATIVE CONFERENCE REPORTING REQUIREMENTS.

On the date occurring 3 years after the date of the enactment of this Act, the Chairman of the Administrative Conference of the United States shall submit a report to Congress concerning implementation of subchapter IV of chapter 5 of title 5, United States Code (as amended by this Act) relating to alternative means of dispute resolution, by Federal agencies, including, to the extent available, information relating to the costs and benefits of using alternative means of dispute resolution.

SEC. 5. AMENDMENTS TO SUPPORT SERVICE PROVISION.

Section 583 of title 5, United States Code, is amended by inserting "State, local, and tribal governments," after "other Federal agencies,".

SEC. 6. AMENDMENTS TO THE CONTRACT DISPUTES ACT.

Section 6 of the Contract Disputes Act of 1978 (41 U.S.C. 605) is amended—

(1) in subsection (d) by striking out the second sentence and inserting in lieu thereof: "The contractor shall certify the claim when required to do so as provided under subsection (c)(1) or as otherwise required by law."; and

(2) in subsection (e) by striking out the first sentence.

SEC. 7. AMENDMENTS ON ACQUIRING NEUTRALS.

(a) COMPETITIVE REQUIREMENTS IN DEFENSE AGENCY CONTRACTS.—Section 2304 of title 10, United States Code, is amended by adding at the end thereof the following new subsection:

"(k) For the purpose of applying subsection (c)(3)(C), the head of an agency may procure expert services without regard to sections 8, 9, and 15 of the Small Business Act (15 U.S.C. 637, 638, and 644).".

(b) COMPETITIVE REQUIREMENTS IN FEDERAL CONTRACTS.—Section 303(c) of the Federal Property and Administrative Services Act of 1949 (41 U.S.C. 253(c)), is amended by inserting at the end thereof the following new subsection:

"(i) For the purpose of applying subsection (c)(3)(C), an agency may procure expert services without regard to sections 8, 9, and 15 of the Small Business Act (15 U.S.C. 637, 638, and 644).".

SEC. 8. PERMANENT AUTHORIZATION OF THE ALTERNATIVE DISPUTE RESOLUTION PROVISIONS OF TITLE 5, UNITED STATES CODE.

The Administrative Dispute Resolution Act (Public Law 101-552; 104 Stat. 2747; 5 U.S.C. 581 note) is amended by striking out section 11.

By Mr. JEFFORDS:

S. 1225. A bill to require the Secretary of the Interior to conduct an inventory of historic sites, buildings, and artifacts in the Champlain Valley and the upper Hudson River Valley, including the Lake George area, and for other purposes; to the Committee on Energy and Natural Resources.

THE CHAMPLAIN VALLEY HERITAGE CORRIDOR INVENTORY ACT

Mr. JEFFORDS. Mr. President, today I introduce legislation known as the Champlain Valley Heritage Corridor Inventory Act. The legislation that I am introducing is very similar to legislation that I have introduced in the past, with minor alterations to reflect the many comments I have received on this matter.

The corridor bill would inventory the many historically significant cultural resources which make up the Upper Hudson River Valley, the Champlain Valley, and the Lake George region. This would be accomplished by the Secretary of the Interior working with officials of State and local government, local historians and archaeologists, owners of historic sites, native Americans, local and regional planning commissions, local and regional chambers of commerce, interstate citizen groups, and any other interested parties. This is to be a grass roots coalition intended to benefit individuals and communities alike.

Mr. President, the legislation that I offer today seeks to enhance something that, truly, already exists. Along Lake Champlain, Lake George, and the Upper Hudson River in my home State of Vermont, and in New York and the Province of Quebec, is a wondrous corridor of heritage, perhaps unrivaled for its historic richness in all of the Western Hemisphere.

Americans wishing to discover the history, first hand, of the French and Indian wars, the decisive campaign of the American Revolution and of a key campaign of the War of 1812, must come to this area.

Fort Ticonderoga, Crown Point, the Saratoga Battlefield, Mount Independence, Bennington Battlefield, Hubbardton Battlefield, the Plattsburgh battle sites are there, and nowhere else. It is a resource the people of the north country truly cherish, and long have shared with the rest of the world.

Trouble is, it's not an easy task to guide oneself along those paths of history. I would like to change that. And if I can, it seems to me that all the people of the corridor, indeed all the people of this Nation, stand to benefit.

One day in the not-too-distant future, I would hope to see the great historic sites of this corridor linked, made easy to discover and explore. Here and there we ought to have a visitors center to help the traveler, the historian, in their search for the storied places of the past. Here and there ought to be a pulloff by the roadside with explanations of the historic significance of the area, a map. Common signage would be a great help.

A heritage corridor along these historic waterways would be a wonderful gift of our generation to future generations of Americans who would go forth to seek this Nation's fascinating past, indeed this continent's history. We should go forward in the spirit of those farsighted pioneer preservationists of this corridor, such as Ticonderoga's Pell family. Long ago they had the foresight to preserve and protect Ticonderoga, Mount Independence, Saratoga, Hubbardton, and dozens of other historic places.

T.S. Eliot said that history "is a pattern of timeless moments." We are indeed fortunate that a wealth of such moments were enacted in our corridor, and that many of their settings have survived. They constitute a valued bequest that carries a considerable responsibility. They constitute a heritage that should be shared with all Americans.

Therefore, Mr. President, today I introduce this heritage corridor inventory bill. I do it in the name of the people of my home country who have long cared deeply about their history. Also, I do it in the name of those who wrote the history of the corridor that we seek to honor, preserve and make more accessible. Those names include Ethan Allen, Arthur St. Clair, Seth Warner, Robert Rogers, Philip Schuyler, George Washington, and a thousand more now forgotten, but never unappreciated, men and women who stood firm to make a new Nation called America.

Those long-ago people, and the people who live along the storied waterways that are true paths of history, deserve no less.

By Mr. JEFFORDS:

S. 1226. A bill to require the Secretary of the Interior to prepare a study of battlefields of the Revolutionary War and the War of 1812, to establish an American Battlefield Protection Program, and for other purposes; to the Committee on Energy and Natural Resources.

THE REVOLUTIONARY WAR AND WAR OF 1812 HISTORIC PRESERVATION STUDY ACT OF 1995

Mr. JEFFORDS. Mr. President, I am proud to say that there is in this land a great wellspring of caring for the places where freedom was won and defended. Millions of Americans have, in recent years, become aware of the hallowed ground of our Civil War battlefields, have visited them, read of them, many have written of them.

The clear and eloquent message I hear is that these treasured places should be saved, intact, for future generations. The preservation message goes forth from Gettysburg, Antietam, Manassas, Cold Harbor, Malvern Hill, Petersburg, Stones River, and dozens more Civil War places. It is heard from the banks of the Mississippi to the Atlantic Coast, from Mobile to the Monocacy.

When battlefields become severely threatened, such as has happened at Brandy Station and Manassas, there quickly develops a continuity of Americans that spreads nationwide. The American people care about their history, look on these places as national treasures, and speak eloquently and effectively for their preservation.

Five years ago, Congress responded to the growing awareness of our Civil War heritage and the concern for the sites where that heritage took form, by passing legislation that created a national Civil War Sites Advisory Commission. Composed of distinguished historians, supported by a staff of National Park Service experts, the Commission for 2 years studied the remaining Civil War battlefields. Civil War sites were visited, public meetings held, and in the end a report was written.

In that report, Commissioner James McPherson of Princeton University noted that while Americans no longer have the power to consecrate their historic sites, they clearly have the power to desecrate them. A plan of action was presented for protecting what remains of the Civil War battlefields. It is a plan now being discussed in the Halls of Congress, a plan that I strongly favor and which I hope will be acted upon.

Thanks in large part to the work of Ken Burns, before he turned to baseball, this Nation is now highly aware of its Civil War history and the places where that history took place. That war, in Lincoln's words, brought forth a new birth of freedom. It was a freedom won initially, of course, four score years earlier on the battlefields of the American Revolution.

Somewhat sadly, the Revolutionary War and War of 1812 has not had, of late, a bard the equal of Mr. Burns to sing its praises, reawaken the awareness of its history. The people nowadays do not go forth in anywhere the numbers to the Revolutionary battlefields, as they do to our Civil War fields.

Nonetheless, the Revolutionary and War of 1812 sites offer experiences full well as intriguing, meaningful, even haunting, as the scenes of the Civil War. Many of the key sites of the Revolutionary War and War of 1812 still exist, though some are in jeopardy and some are much in need of enhancement. A half million people do visit the Saratoga Battlefield each year—scene of the war's decisive battle. Yet the battlefield of Hubbardton in Vermont, a key prelude to Saratoga, and once called by National Park historian Edwin Bears the best preserved of all American battlefields, is visited by only about 2,500 people annually. It just isn't very well known.

Fort Ticonderoga, both a French and Indian War and Revolutionary War site, receives more than 100,000 visitors annually. Yet just across Lake Champlain on the Vermont shore, Mount Independence receives only about 3,000 visitors. And it lacks a museum, even permanent toilet facilities. Yet it has been called the least disturbed major Revolutionary War site, a place where as many as 1,000 American soldiers may be buried. In the winter of 1776–77, Mount Independence was garrisoned against a British invasion from Canada. The troops there probably spent a harder winter than Washington's men at Valley Forge. Earthworks, a hospital site, blockhouse foundations, the abutments of a military bridge, all survive on the Mount. Thousands of artifacts have been dug and preserved, awaiting a proper facility for display. This is a major American historic site that needs the caring attention of this Nation. At the very least it would seem to qualify as a national cemetery.

It is part of the American freedom story, a story that, sadly, is very hard to follow today. While a great chapter of that story was written along Lake Champlain, finding the places where the story happened, following the military routes, is a near-impossible job for anyone seeking history. That is but one example of why our Revolutionary War sites need attention.

It is time to take a thorough look at our Revolutionary War places, to make a thorough study of what remain, even of what has been lost. This Nation continues to grow, the heaviest concentrations of population being along the east coast corridor. And this, of course, is where the old and fragile sites of the Revolution exist.

There needs to be done, I believe, a thorough study of Lexington and Concord, Cowpens and Brandywide, Yorktown and Saratoga. We need an assessment of Mount Independence and Crown Point, Valley Forge, and Germantown. We need to know what we have and what needs doing so that those wondrous sites are preserved and made understandable and accessible to the American public.

The American people are ever more interested in the story of their Nation's past—want their history protected and interpreted.

So I say today that Congress should act now to create a Revolutionary War and War of 1812 Sites Commission. This Commission should go forth to the places where independence was won, determine what remains, and what is needed to make sure our founding heritage is not lost. It is a task that history calls upon us to make, so that our present generations can pass on to the Americans of the fast approaching new millennium a wondrous gift of history. That gift would be the landscape where the Nation that our Civil War President called the last best hope of mankind was born in fire and blood and bravery, thus establishing the glowing promise of freedom that yet abides across this great land.

By Mr. HEFLIN:

S. 1227. A bill to extend and revise agricultural price support and related programs for cotton, peanuts, and oilseeds, and for other purposes; to the Committee on Agriculture, Nutrition, and Forestry.

THE SOUTHERN AGRICULTURE ACT OF 1995

Mr. HEFLIN. Mr. President, I rise today to introduce the Southern Agriculture Act of 1995. This legislation will extend and revise agricultural loan and related programs for cotton, peanuts, and oilseeds.

Some farm programs, as currently structured, have served rural America well, and in the case of southern crops, farm programs have served the rural South extremely well. Therefore, it is my intention to introduce legislation that fine tunes these programs, rather than radically restructuring them, as some are proposing.

In 1994, the cotton industry experienced a record year. Cotton production in the United States totaled a record 19.7 million bales. Production in the Southeast totaled 3.7 million bales, an increase of 89 percent over the previous year. U.S. exports and domestic mill consumption together totaled in excess of 21 million bales in 1994, the largest total offtake on record. During calendar 1994, U.S. cotton textile exports increase 15 percent above 1993 to surpass 1 billion pounds, a new record.

Much of this success is due to the structure of the cotton program. Through the use of the marketing loan, that I put in, in the 1985 farm bill, the cotton industry has been able to take advantage of favorable world prices resulting from poor planting decisions and harvest conditions experienced by some of our foreign competitors. The marketing loan has been an enormously valuable tool for this industry and is responsible for drastically reducing the cost of the cotton program by allowing producers to effectively market their crop.

The cotton program stands as a shining example of a farm program that works as it should. For instance, there will be no idled acres, or set-asides, for this year's crop, further reducing the cost of the program. Despite the perception that commodity programs pay farmers not to plant a portion of their crops, cotton producers only get paid for the cotton that they produce.

Due to the success in the manner in which the industry is operating, I see no reason to change a policy just for the sake of change. Therefore, this legislation proposes to extend the cotton program as written.

I would like to take this opportunity to recognize that while cotton has just had a record year and expectations are high for 1995, cotton producers in Alabama, and throughout the Southeast, are having to deal with a severe drought and have been plagued by an extraordinary outbreak of insect and worm infestations.

Roughly two-thirds of Alabama's cotton crop has had some degree of significant yield damage, and nearly one quarter of the State's cotton crop will not be harvested this year. As work progresses on the 1995 farm bill, I will be mindful of this situation as our deliberations continue.

Mr. President, there is a crop that is unique to a handful of States in the South that has represented more than just an economic endeavor, rather it has been responsible for a way of life and the preservation of a rural culture. The peanut program which is essential to Alabama, has lately been the target of those who would have us believe that ending this program or radically altering its structure would be in the best interest of all American consumers.

While it is acknowledged that the American farmer receives a higher amount for his peanuts, it should also be pointed out that the world price against which they are measured represents an entirely different grade and quality of peanuts. Peanuts of foreign origin are not subject to similar requirements for minimum wage, environmental protection, restricted chemical use, rigorous post harvest treatment, or inspection.

Detractors tell us that by radically changing the peanut program that consumers will realize savings at the check-out stand as a result. The GAO in 1993 interviewed both small and large manufacturers of peanuts products and were told that they "may not pass the savings directly on to the final consumer of peanut products, but they could develop some new product lines." What this peanut product manufacturer, anti-peanut movement sounds like to me is an effort to increase the manufacturer's bottom line, at the expense of peanut producers with absolutely no guarantee whatsoever that any savings realized by manufacturers will be passed along to consumers.

Auburn University recently released a study that indicates that the peanut industry in Alabama, Georgia, and Florida has an economic impact in the tri-State area exceeding $1.3 billion, and employment associated with economic activity related to the peanut industry exceeds 16,000 jobs in the three States. This record of success has been accomplished through one of the USDA's most cost-effective commodity programs. The peanut program has a 10-year average cost of about $13 million annually.

The Auburn study goes further to indicate, using the very same economic impact model used by the Base Realignment and Closure Commission, that changes in the order of those being proposed by the antipeanut forces would cost 4,510 jobs in Alabama, Georgia, and Florida and have a negative economic impact exceeding $320 million.

However, in an effort to further limit the already minimal cost exposure of the program, this legislation will freeze the support price paid to producers at the 1995 crop level. Additionally, the Southern Agricultural Act of 1995 will eliminate other production control provisions, thereby even further reducing the cost of the program by limiting the amount of peanuts that a producer may carry over to the following year's crop.

According to the USDA, this peanut proposal will save an estimated $173 million over 7 years from the cost of the program. Furthermore, other peanut State Senators and I are working on ways to eliminate all cost to the Federal Government from the peanut program to achieve a no-net-cost program. The peanut program is vital to Alabama and I strongly support its continuation.

Soybeans are another crop of great importance to Alabama. However, due to the lack of profitability, acres planted to soybeans in Alabama have declined by 90 percent over the last 10 to 15 years.

Soybeans and other oilseeds do not receive income support under the farm program. Lacking income protection, soybean producers in Alabama and other States are vulnerable to sharp increases in production and reductions in prices. This vulnerability has resulted in a lost of over 10 million acres of soybean production in the United States since 1981, with most of this loss occurring in Southern States. Soybean production peaked in Alabama in 1979 with 2.2 million acres planted. Data on the 1995 crop indicates only 230,000 acres are planted to soybeans in Alabama.

In an effort to correct his situation, this legislation addresses this issue by increasing marketing loan rates for soybeans to $5.25 per bushel from the current level of $4.92 per bushel. While not high enough to incur outlays except during years when soybean prices fall well below historical levels, this increased loan rate will provide a minimal amount of support for our soybean producers, encouraging greater planting of soybeans in years when prices warrant it.

Every year the farming community takes risks that most Americans take for granted each time they go to the grocery store and purchase a gallon of milk or loaf of bread or jar of peanut butter. Each time they walk down the grocery aisles, there is that same consistency in quality and price that consumers now rarely, if ever, stop to appreciate. However, it is the farmer who each spring puts his family on the line by planting his crops. Every farming family is no more than a natural disaster away from losing his farm and home. Regardless, each year he again takes that risk that provides us all with the highest quality, most abundant, and most affordable food and fiber in world. For that, I strongly believe that we should, at the very least, provide some measure of a safety net for the unavoidable natural disasters and the heavily subsidized competition that our farmers must face from our foreign trading partners.

I realize that we are faced with budget realities that dictate that we must make some difficult and painful choices. We must keep in mind, though, that Commodity Credit Corporation outlays for farm programs have declined from a high of $26 billion in fiscal year 1986 to less than $9 billion in fiscal year 1995, a 65-percent reduction. According to the Congressional Budget Office, farm program outlays are projected to remain below this level for fiscal years 1996–2002, even if no changes are made in current law for existing farm programs. If all other sectors of the Federal Government had experienced the same proportion of cuts as agriculture has, the Federal budget would now be balanced. However, the upcoming reconciliation bill appears to be the place for those decisions to be debated.

The Southern Agricultural Act of 1995 is a statement of support for the continuation and improvement of the cotton, peanut, and soybean farm programs, programs that have worked well and do not warrant drastic overhaul. This bill is designed to allow these farm programs continue to build upon their many successes which include benefits to taxpayers, consumers, and producers alike.

By Mr. D'AMATO (for himself, Mr. INOUYE, Mr. PRESSLER, Mr. FAIRCLOTH, and Mr. KOHL):

S. 1228. A bill to impose sanctions on foreign persons exporting petroleum products, natural gas, or related technology to Iran; to the Committee on Banking, Housing, and Urban Affairs.

THE IRAN FOREIGN OIL SANCTIONS ACT OF 1995

Mr. D'AMATO. Mr. President, I rise today, along with my distinguished colleagues, Senators INOUYE, PRESSLER, FAIRCLOTH, and KOHL to introduce the Iran Foreign Oil Sanctions Act of 1995. The purpose of this legislation is simple. It will place sanctions on any foreign company that supplies Iran with equipment to extract petroleum, natural gas, or other activities that would enable Iran to obtain hard currency with which to fund the acquisition of a nuclear bomb and to continue its funding of international terrorism. Any increase in Iranian oil revenues should be viewed as a threat to the national security and foreign policy interests of the United States.

Several months ago, I commended President Clinton for his wisdom in implementing a total United States trade ban against Iran. I had been pushing for this ban for 2 years, because I felt that it was wrong for us to be subsidizing Iranian terrorism. Thankfully, the United States no longer is doing so. I wish, however, I could say the same for the rest of the world. While Iran is racing to obtain weapons of mass destruction, most of the other countries of the world are subsidizing them through their development of the Iranian oil fields. What they are forgetting is that by providing Iran with hard currency, they are providing Iran with the means with which to fulfill their dreams of obtaining nuclear weapons. This cannot be allowed to happen.

While I know that this administration has tried to convince our allies of their mistake in subsidizing Iranian aggression, I feel that they can do more. I feel that they must have the proper tools with which to deal with the allies regarding Iran and this bill provides those tools. Our allies must understand that oil is Iran's lifeline. If we are going to persuade the Iranian regime that its efforts to achieve nuclear status, its support for international terrorism, and its horrendous human rights abuses against the Iranian people should all end, we must end the funding with which they are paying for it all. The rest of the world now must stop providing that funding.

Our legislation provides a series of mandatory sanctions and discretionary sanctions that the President may place upon any foreign company, foreign person, successor entity to that company or person, parent, and subsidiary who engages in either trade with Iran in the above-mentioned sectors or has requisite knowledge thereof.

Among the mandatory sanctions that the President can place upon the offending foreign company are the following:

Procurement sanctions which state that the U.S. Government shall not procure, or enter into any contract for the procurement of, any goods or services from such sanctioned foreign persons or any parent, subsidiary, affiliate, or successor entity thereof.

Export sanctions which state that the U.S. Government shall not issue any license or grant any other permission or authority to export any goods or technology to a sanctioned foreign person or company.

Inclusion onto the table of denial orders stating that sanctioned foreign persons shall be included within the table of denial orders for general and validated export licenses for a period of not less than three years.

Denial of entry of persons into the United States meaning that senior executives of sanctioned companies, as well as sanctioned persons are ineligible to receive visas and shall be excluded from admission into the United States.

Additional to the mandatory sanctions, there is a menu of discretionary sanctions that the President can choose from to impose upon the offending foreign company. They include the following choices:

Review of certain mergers, acquisitions, and takeovers, stating that the President may exercise his statutory authority to prohibit mergers, acquisitions, takeovers, and other similar investments in the United States by sanctioned companies and persons.

Import sanctions, stating that the President may ban the importation into the United States of products produced by any sanctioned foreign person, including any parent, subsidiary, affiliate, or successor entity.

Prohibition against export-import bank assistance for exports to foreign persons, stating that there shall be no export-import guarantees, credit, or insurance for goods or services to sanctioned companies or persons.

Loans from U.S. financial institutions, stating that the U.S. Government may prohibit U.S. financial institutions from making any loan or providing any credit to any sanctioned foreign person or company.

Prohibitions on foreign financial institutions, stating that a sanctioned foreign financial institution will lose its designation as a primary dealer in the United States, a sanctioned foreign financial institution shall not serve as an agent of the U.S. Government or serve as a repository of U.S. Government funds and a sanctioned foreign financial institution shall not engage in any line of business or conduct any business from any location that it did not conduct before the determination by the President of becoming a sanctioned company or person.

Mr. President, I want to make it clear that we are providing the President with a wide variety of options to deal with foreign companies that provide Iran with oilfields and affiliated equipment. We have provided ample waiver authority for the President, and in no way mean to tie his hands in his conduct of foreign affairs. We are, however, putting the countries of the world on notice that Iran is a dangerous country, with intentions inimical to our own, possessing aspirations that provide a real and sustained threat to the region and the world. Continued coddling and trading with Iran will only serve to build up a monster that we will have to deal with at some future time. It is better to deal with Iran now, in this manner, than a nuclear-armed Iran in the more dangerous future.

I urge my colleagues to support this important bill.

Mr. President, I ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1228

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Iran Foreign Oil Sanctions Act of 1995".

SEC. 2. FINDINGS.

The Congress makes the following findings:

(1) The efforts of the Government of Iran to acquire weapons of mass destruction and the means to deliver them endanger potentially the national security and foreign policy interests of the United States and those countries with which it shares common strategic and foreign policy objectives.

(2) The objective of preventing the proliferation of weapons of mass destruction through existing multilateral and bilateral initiatives requires additional efforts to deny Iran the financial means to sustain its nuclear, chemical, biological, and missile weapons programs.

SEC. 3. DECLARATION OF POLICY.

The Congress declares that it is the policy of the United States to deny Iran the ability to fund the development and acquisition of weapons of mass destruction and the means to deliver them by preventing Iran from acquiring equipment that would enhance Iran's ability to extract, refine, process, store, or transport petroleum, petroleum products, or natural gas.

SEC. 4. IMPOSITION OF SANCTIONS ON FOREIGN PERSONS EXPORTING PETROLEUM PRODUCTS, NATURAL GAS, OR RELATED TECHNOLOGY TO IRAN.

(a) IN GENERAL.—The President shall impose the mandatory sanctions in section 5(1) and may impose one or more of the discretionary sanctions described in section 5(2), if the President determines that a foreign person subject to this section has, with requisite knowledge, on or after the date of enactment of this Act, exported, transferred, or released to Iran, its nationals, or entities controlled by Iran or its nationals any goods or technology identified on the List of Petroleum and Natural Gas-Related Goods and Technology established by section 9 (hereafter in this Act referred to as the "List")—

(1) through the export from the United States of any goods or technology identified in the List that is subject to the jurisdiction of the United States, or

(2) through the export from any other country or territory of any goods or technology identified in the List that would be, if they were United States goods or technology, subject to the jurisdiction of the United States and subject to the restrictions set forth in this section.

(b) Persons Against Which the Sanctions Are To Be Imposed.—The sanctions described in subsection (a) shall be imposed on—

(1) the foreign person with respect to whom the President makes the determination described in that subsection;

(2) any successor entity to that foreign person;

(3) any foreign person that is a parent or subsidiary of that person if that parent or subsidiary with requisite knowledge engaged in the activities which were the basis of that determination; and

(4) any foreign person that is an affiliate of that person if that affiliate with requisite knowledge engaged in the activities which were the basis of that determination and if that affiliate is controlled in fact by that person.

SEC. 5. DESCRIPTION OF SANCTIONS.

The sanctions to be imposed on a foreign person under section 4(a) are as follows:

(1) Mandatory sanctions.—

(A) Procurement sanction.—The United States Government shall not procure, or enter into any contract for the procurement of, any goods or services from such sanctioned foreign person or any parent, subsidiary, affiliate, or successor entity thereof, as described in section 4(b).

(B) Export sanction.—(i) The United States Government shall not issue any license or grant any other permission or authority to export any goods or technology to a sanctioned foreign person under—

(I) the Export Administration Act of 1979;

(II) the Arms Export Control Act;

(III) the Atomic Energy Act of 1954; or

(IV) any other statute that requires the prior review and approval of the United States Government as a condition for the exportation of goods and services, or their reexport, to any foreign person designated by the President as violating this section.

(ii) Sanctioned foreign persons shall be included within the Table of Denial Orders for general and validated export licenses for a period of not less than three years.

(C) Denial of entry of persons into the united states.—Sanctioned natural persons, and senior executive officers of sanctioned foreign persons that are corporations or partnerships, shall be ineligible to receive visas and shall be excluded from admission into the United States.

(2) Discretionary sanctions.—

(A) Investment in the united states authority to review certain mergers, acquisitions, and takeovers.—The President may exercise his authority under section 721(d) of the Defense Production Act of 1950 to investigate and prohibit mergers, acquisitions, takeovers, and other similar investments in the United States by persons engaged in interstate commerce—

(i) if such actions involve foreign persons sanctioned under section 4(a); and

(ii) if the President finds, in addition to the requirements of section 721(e) of such Act, that the participation of foreign persons, sanctioned by the President under section 4(a), in activities to assist, directly or indirectly, Iran to increase the revenue available to that government by extracting petroleum, natural gas, or other activities related to these product sectors threatens to impair the national security and foreign policy interests of the United States.

(B) Import sanction.—(i) The importation into the United States of products produced by any sanctioned foreign person, including any parent, subsidiary, affiliate, or successor entity thereof, may be prohibited.

(ii) Clause (i) includes application to—

(I) the entry of any "finished product" or "component part", whether shipped directly by the manufacturer, or by another entity; and

(II) the contracting for the provision of services in the United States or abroad by United States persons and by foreign persons in the United States.

(C) Prohibition against export-import bank assistance for exports to foreign persons.—The Export-Import Bank of the United States may not guarantee, insure, extend credit, or participate in the extension of credit in connection with the export of any goods or services to any foreign person that has been made subject to the sanctions pursuant to section 4(a).

(D) Loans from united states financial institutions.—The United States Government may prohibit any United States financial institution from making any loan or providing any credit to any foreign person sanctioned under section 4(a) unless such foreign person is engaged in activities to relieve human suffering, within the meaning of section 203(b)(2) of the International Emergency Economic Powers Act.

(E) Prohibitions on foreign financial institutions.—The following prohibitions may be imposed against foreign financial institutions sanctioned under section 4(a):

(i) Designation as primary dealer.—Neither the Board of Governors of the Federal Reserve System nor the Federal Reserve Bank of New York may designate, or permit the continuation of any prior designation of, such financial institution as a primary dealer in United States Government debt instruments.

(ii) Government funds.—Such financial institution shall not serve as agent of the United States Government or serve as repository for United States Government funds.

(iii) Restrictions on operations.—Such financial institutions shall not, directly or indirectly—

(I) commence any line of business in the United States in which it was not engaged as of the date of the determination by the President under section 4(a); or

(II) conduct business from any location in the United States at which it did not conduct business as of the date of the determination by the President under section 4(a).

SEC. 6. WAIVER AUTHORITY REGARDING SANCTIONS AGAINST IRAN.

The sanctions of section 5 shall not apply if the President determines and certifies to the appropriate congressional committees that Iran—

(1) has substantially improved its adherence to internationally recognized standards of human rights;

(2) has ceased its efforts to design, develop, manufacture, or acquire—

(A) a nuclear explosive device or related materials and technology;

(B) chemical and biological weapons;

(C) missiles and missile launch technology; or

(D) any missile or other delivery system capable of reaching the territory of a country the government of which shares strategic interests with the United States and is engaged in defense cooperation, including the acquisition of items identified in the United States Munitions List, with the United States; and

(3) has ceased all forms of support for international terrorism.

SEC. 7. WAIVER OF SANCTIONS AGAINST FOREIGN PERSONS.

(a) Consultations.—If the President makes a determination described in section 4(a) with respect foreign persons, the Congress urges the President, to initiate consultations immediately with the foreign government with primary jurisdiction over that foreign person with respect to the imposition of the sanctions pursuant to this section.

(1) Actions by government of jurisdiction.—In order to pursue such consultations with that government, the President may delay imposition of the sanctions pursuant to this section within 90 days. Following such consultations, the President shall immediately impose sanctions unless the President determines and certifies to the Congress that the government has taken specific and effective actions, including the imposition of appropriate penalties, to terminate the involvement of the foreign person in the activities that resulted in the imposition of sanctions against the foreign person.

(2) Additional delay in imposition of sanctions.—The President may delay the imposition of sanctions for up to an additional 45 days if the President determines and certifies to the Congress that the government with primary jurisdiction over the foreign person is in the process of taking the actions described in paragraph (1).

(3) Report to congress.—Not later than 45 days after making a determination under section 4(a), the President shall submit to the Committee on Banking, Housing and Urban Affairs of the Senate and the Committee on International Relations of the House of Representatives a report on the status of consultations with the appropriate foreign government under this subsection, and the basis for any determination under paragraph (2) that such government has taken specific corrective actions.

(b) Assurances From Foreign Persons.—The President may terminate the sanctions against a foreign person, subject to a determination under section 4(a), if the foreign person provides assurances to the Secretary that the actions that resulted in the determination to impose sanctions have been terminated and have provided specific assurances that it will neither directly nor indirectly, or through any other person, including subsidiaries and affiliates, direct or participate in any activity to provide to Iran goods or technology on the List.

(c) Exceptions.—The President shall not be required to apply or maintain the sanctions under section 4(a)—

(1) in the case of procurement of defense articles or defense services—

(A) under existing contracts or subcontracts, including the exercise of options for production quantities to satisfy requirements essential to the national security of the United States;

(B) if the President determines in writing that the person or other entity to which the sanction would otherwise be applied is a sole source supplier of the defense articles or services, that the defense articles or services are essential, and that alternative sources are not readily or reasonably available; or

(C) if the President determines in writing that such articles or services are essential to the national security under defense coproduction agreements;

(2) to products or services provided under contracts entered into before the date on which the President publishes his intention to impose the sanction;

(3) to—

(A) spare parts which are essential to United States products or production;

(B) component parts, but not finished products, essential to United States products or production; or

(C) routine servicing and maintenance of products, to the extent that alternative sources are not readily or reasonably available;

(4) to information and technology essential to United States products or production; or

(5) to medicines, medical supplies, or other humanitarian items.

(d) PRESIDENTIAL NATIONAL SECURITY WAIVER.—(1) The President may waive the requirement in section 4(a) to impose a sanction or sanctions on a foreign person in section 4(b), for goods and technology that are not subject to the jurisdiction of the United States, 15 days after the President determines and so reports to the Committee on Banking, Housing, and Urban Affairs of the Senate and the Committee on International Relations of the House of Representatives that it is essential to the national interest of the United States to exercise such waiver authority.

(2) Any such report shall provide a specific and detailed rationale for such determination, including—

(A) a description of the conduct, including the identification of the goods and technology involved in the violation, that resulted in the determination of a violation or violations;

(B) an explanation of the efforts to secure the cooperation of the government with primary jurisdiction of the foreign person to terminate or penalize the activities that resulted in the determination of a violation;

(C) an estimate as to the significance of the goods and technology exported to Iran on that country's ability to extract, refine, process, store, or transport petroleum, petroleum products, or natural gas; and

(D) a statement as to the response of the United States in the event that such foreign person engages in other activities that under this section would constitute an additional violation.

SEC. 8. TERMINATION OF SANCTIONS.

(a) DURATION OF SANCTIONS.—The sanctions imposed pursuant to this section shall apply for a period of not less than 12 months following the determination by the President under section 4(a) and shall cease to apply thereafter only if the President determines and certifies to the Congress that reliable information indicates that the foreign person with respect to which the determination was made under section 4(a) has ceased to aid or abet Iran, or any individual, group, or entity owned or controlled by Iran, to acquire goods and technology on the List.

(b) WAIVER.—

(1) CRITERION FOR WAIVER.—The President may waive the continued application of any sanction imposed on any foreign person pursuant to this section, after the end of the 12-month period beginning on the date on which that sanction was imposed on that person, if the President determines and certifies to the Congress that the continued imposition of the sanction would have a serious adverse effect on United States national security.

(2) NOTIFICATION OF AND REPORT TO CONGRESS.—If the President decides to exercise the waiver authority provided in paragraph (1), the President shall so notify the Congress not less than 30 days before the waiver takes effect. Such notification shall include a report fully articulating the rationale and circumstances which led the President to exercise the waiver authority.

SEC. 9. GOODS AND TECHNOLOGY SUBJECT TO EXPORT CONTROL RESTRICTIONS.

(a) CONTROL LIST.—(1) For purposes of the determinations to be made pursuant to section 4(a), the President, in consultation with the Secretary of State and the Secretary of Energy, and the heads of other appropriate departments and agencies, shall establish and maintain the List of Petroleum and Natural Gas-Related Goods and Technology, consisting of goods or technology (including software and technical data) that the President determines materially contribute to the extraction, refining, production, storage, or transportation of petroleum, petroleum products, or natural gas and the products thereof in or by Iran, including goods and technology that are required for the development, production, or use (including the repair, maintenance, or operation of equipment) for the petroleum and natural gas activities described in this subsection.

(2) The President within 60 days of the date of enactment of this Act shall cause the List to be published in the Federal Register, together with any regulations necessary thereto. Thereafter, any revisions to the List or amendments to the regulations shall be published in the same manner.

(3) Not less than 30 days in advance of the publication of the List, it shall be provided to the Committee on Banking, Housing, and Urban Affairs of the Senate and to the Committee on International Relations of the House of Representatives. The President shall consult with such Committees regarding the content of the List and shall respond to questions regarding the basis for the inclusion on, or exclusion from, the List of specified goods and technologies.

(4) The President may delegate the functions of this subsection to the Secretary of Commerce.

(b) STATUTORY CONSTRUCTION.—Nothing in this section prevents the inclusion on the List of any goods or technology that may be produced in and traded internationally by companies in countries with which the United States cooperates in controlling the export of goods and technology to prevent the proliferation of weapons of mass destruction and the means to deliver them, or in any other country.

SEC. 10. REPORT REQUIRED.

Beginning 60 days after the date of enactment of this Act, and every 90 days thereafter, the President shall transmit to the appropriate congressional committees a report describing—

(1) the nuclear and other military capabilities of Iran; and

(2) the support, if any, provided by Iran for acts of international terrorism.

SEC. 11. DEFINITIONS.

As used in this Act:

(1) ACT OF INTERNATIONAL TERRORISM.—The term "act of international terrorism" means an act—

(A) which is violent or dangerous to human life and that is a violation of the criminal laws of the United States or of any State or that would be a criminal violation if committed within the jurisdiction of the United States or any State; and

(B) which appears to be intended—

(i) to intimidate or coerce a civilian population;

(ii) to influence the policy of a government by intimidation or coercion; or

(iii) to affect the conduct of a government by assassination or kidnapping.

(2) APPROPRIATE CONGRESSIONAL COMMITTEES.—The term "appropriate congressional committees" means the Committees on Banking, Housing and Urban Affairs and Foreign Relations of the Senate and the Committees on Banking and Financial Services and International Relations of the House of Representatives.

(3) COMPONENT PARTS.—The term "component parts" has the meaning given the term in section 11A(e)(1) of the Export Administration Act of 1979 (50 U.S.C. App. 2410a(e)(1)).

(4) FINANCIAL INSTITUTION.—The term "financial institution" includes—

(A) a depository institution (as defined in section 3(c)(1) of the Federal Deposit Insurance Act), including a branch or agency of a foreign bank (as defined in section 1(b)(7) of the International Banking Act of 1978);

(B) a credit union;

(C) a securities firm, including a broker or dealer;

(D) an insurance company, including an agency or underwriter;

(E) any other company that provides financial services; or

(F) any subsidiary of such financial institution.

(5) FINISHED PRODUCTS.—The term "finished products" has the meaning given the term in section 11A(e)(2) of the Export Administration Act of 1979 (50 U.S.C. App. 2410a(e)(2)).

(6) FOREIGN PERSON.—The term "foreign person" means—

(A) an individual who is not a United States national or an alien admitted for permanent residence to the United States; or

(B) a corporation, partnership, or other nongovernment entity which is not a United States national.

(7) IRAN.—The term "Iran" includes any agency or instrumentality of Iran.

(8) NUCLEAR EXPLOSIVE DEVICE.—The term "nuclear explosive device" means any device, whether assembled or disassembled, that is designed to produce an instantaneous release of an amount of nuclear energy from special nuclear material that is greater than the amount of energy that would be released from the detonation of one pound of trinitrotoluene (TNT).

(9) PERSON.—The term "person" means a natural person as well as a corporation, business association, partnership, society, trust, any other nongovernmental entity, organization, or group, and any governmental entity, operating as a business enterprise, and any successor of any such entity in the case of countries where it may be impossible to identify a specific government entity referred to in paragraph (2), the term "person" means—

(A) all activities of that government relating to the development or production of any missile equipment or technology; and

(B) all activities of that government affecting the development or production of aircraft, electronics, and space systems or equipment.

(10) PETROLEUM PRODUCTS.—As used in this section, the term "petroleum products" means crude oil, residual fuel oil, or any refined petroleum product.

(11) REQUISITE KNOWLEDGE.—For purposes of this subsection, the term "requisite knowledge" means situations in which a person "knows", as "knowing" is defined in section 104 of the Foreign Corrupt Practices Act of 1977 (15 U.S.C. 78dd–2).

(12) SENIOR EXECUTIVE OFFICERS.—The term "senior executive officers" includes officers of sanctioned foreign persons, or their designees, who are in a position to direct the conduct or implement the policies that resulted in the determination by the President to impose sanctions against the foreign person.

(13) UNITED STATES OR STATE.—The term "United States" or "State" means the several States, the District of Columbia, the

Commonwealth of Puerto Rico, the Commonwealth of the Northern Mariana Islands, American Samoa, Guam, the United States Virgin Islands, and any other territory or possession of the United States.

(14) UNITED STATES NATIONAL.—The term "United States national" means—

(A) a natural person who is a citizen of the United States or who owes permanent allegiance to the United States;

(B) a corporation or other legal entity which is organized under the laws of the United States, any State or territory thereof, or the District of Columbia, if natural persons who are nationals of the United States own, directly or indirectly, more than 50 percent of the outstanding capital stock or other beneficial interest in such legal entity; and

(C) any foreign subsidiary of a corporation or other legal entity described in subparagraph (B).

ADDITIONAL COSPONSORS

S. 44

At the request of Mr. REID, the name of the Senator from Texas [Mrs. HUTCHISON] was added as a cosponsor of S. 44, a bill to amend title 4 of the United States Code to limit State taxation of certain pension income.

S. 358

At the request of Mr. HEFLIN, the name of the Senator from Oklahoma [Mr. NICKLES] was added as a cosponsor of S. 358, a bill to amend the Internal Revenue Code of 1986 to provide for an excise tax exemption for certain emergency medical transportation by air ambulance.

S. 678

At the request of Mr. AKAKA, the names of the Senator from Virginia [Mr. WARNER] and the Senator from Nebraska [Mr. KERREY] were added as cosponsors of S. 678, a bill to provide for the coordination and implementation of a national aquaculture policy for the private sector by the Secretary of Agriculture, to establish an aquaculture development and research program, and for other purposes.

S. 789

At the request of Mr. CHAFEE, the name of the Senator from Michigan [Mr. ABRAHAM] was added as a cosponsor of S. 789, a bill to amend the Internal Revenue Code of 1986 to make permanent the section 170(e)(5) rules pertaining to gifts of publicly-traded stock to certain private foundations, and for other purposes.

S. 852

At the request of Mr. DOMENICI, the name of the Senator from Oklahoma [Mr. NICKLES] was added as a cosponsor of S. 852, a bill to provide for uniform management of livestock grazing on Federal land, and for other purposes.

S. 885

At the request of Mr. SIMPSON, the name of the Senator from Indiana [Mr. LUGAR] was added as a cosponsor of S. 885, a bill to establish United States commemorative coin programs, and for other purposes.

S. 949

At the request of Mr. GRAHAM, the names of the Senator from Rhode Island [Mr. PELL] and the Senator from Mississippi [Mr. LOTT] were added as cosponsors of S. 949, a bill to require the Secretary of the Treasury to mint coins in commemoration of the 200th anniversary of the death of George Washington.

S. 955

At the request of Mr. HATCH, the name of the Senator from North Carolina [Mr. HELMS] was added as a cosponsor of S. 955, a bill to clarify the scope of coverage and amount of payment under the Medicare program of items and services associated with the use in the furnishing of inpatient hospital services of certain medical devices approved for investigational use.

S. 1002

At the request of Mr. CHAFEE, the name of the Senator from New York [Mr. D'AMATO] was added as a cosponsor of S. 1002, a bill to amend the Internal Revenue Code of 1986 to provide a credit against income tax to individuals who rehabilitate historic homes or who are the first purchasers of rehabilitated historic homes for use as a principal residence.

S. 1028

At the request of Mrs. KASSEBAUM, the name of the Senator from Michigan [Mr. ABRAHAM] was added as a cosponsor of S. 1028, a bill to provide increased access to health care benefits, to provide increased portability of health care benefits, to provide increased security of health care benefits, to increase the purchasing power of individuals and small employers, and for other purposes.

S. 1086

At the request of Mr. PRYOR, the name of the Senator from Nebraska [Mr. EXON] was added as a cosponsor of S. 1086, a bill to amend the Internal Revenue Code of 1986 to allow a family-owned business exclusion from the gross estate subject to estate tax, and for other purposes.

S. 1138

At the request of Mr. GRASSLEY, the name of the Senator from North Carolina [Mr. HELMS] was added as a cosponsor of S. 1138, a bill to amend title XVIII of the Social Security Act to provide that certain health insurance policies are not duplicative, and for other purposes.

S. 1220

At the request of Mrs. BOXER, the names of the Senator from Wisconsin [Mr. FEINGOLD] and the Senator from Arkansas [Mr. BUMPERS] were added as cosponsors of S. 1220, a bill to provide that Members of Congress shall not be paid during Federal Government shutdowns.

AMENDMENT NO. 2465

At the request of Mr. BROWN, the name of the Senator from Massachusetts [Mr. KERRY] was added as a cosponsor of amendment No. 2465 proposed to H.R. 4, a bill to restore the American family, reduce illegitimacy, control welfare spending and reduce welfare dependence.

SENATE RESOLUTION 168—ORIGINAL RESOLUTION CONCERNING THE SELECT COMMITTEE ON ETHICS INVESTIGATION OF SENATOR PACKWOOD OF OREGON

Mr. MCCONNELL, from the Select Committee on Ethics, reported the following original resolution; which was placed on the calendar:

S. RES. 168

Resolved: That pursuant to Article 1, Section 5, Clause 2 of the United States Constitution, Senator PACKWOOD is expelled from the Senate for his illegal actions and improper conduct in attempting to obstruct and impede the Committee's Inquiry; engaging in a pattern of sexual misconduct in at least 18 instances between 1969 and 1990; and engaging in a plan to enhance his financial position by soliciting, encouraging and coordinating employment opportunities for his wife from individuals with interests in legislation or issues which he could influence.

SENATE RESOLUTION 169—SENSE OF THE SENATE WELCOMING HIS HOLINESS THE DALAI LAMA

Mr. THOMAS (for himself, Mr. HELMS, Mr. PELL, Mr. D'AMATO, Mr. MACK, and Mrs. FEINSTEIN) submitted the following resolution; which was considered and agreed to:

S. RES. 169

Whereas historically Tibet has demonstrated those attributes which under international law constitute statehood: it has had a defined territory and a permanent population; it has been under the control of its own government; and it has engaged in, or had the capacity to engage in, formal relations with other states;

Whereas beginning in 1949 Tibet was forcibly and coercively invaded and occupied by the People's Republic of China;

Whereas under the principles of international law Tibet is an occupied country and its true representatives continue to be His Holiness the Dalai Lama and the Tibetan Government-in-exile, which the Congress has recognized on several occasions;

Whereas the Tibetan people are historically, territorially, and culturally distinct from the Chinese population in the People's Republic of China and were forcibly incorporated into the People's Republic of China;

Whereas the Tibetan people are entitled to the right of self-determination as recognized in 1961 by the United Nations General Assembly in Resolution No. 1723;

Whereas instead of being afforded that right they have been subjected to repressive actions on the part of the Government of the People's Republic of China, which have resulted in the deaths of countless Tibetans, the destruction of over 6,000 temples and monasteries as well as much of Tibet's unique cultural and spiritual patrimony, the flight of the Dalai Lama and over 100,000 Tibetans from their homeland, the establishment in Tibet by the Chinese of a consistent and well-documented pattern of human rights abuses including numerous violations of the United Nations Declaration on Human Rights, and the settlement of thousands of Chinese in Tibet in an effort to reduce Tibetans to being a minority in their own land; and

Whereas this September His Holiness the Dalai Lama will be making his first extended visit to Washington, DC, since 1993: Now, therefore, be it

Resolved, That the Senate—

(1) warmly welcomes His Holiness the Dalai Lama to the United States;

(2) urges the President to meet with His Holiness the Dalai Lama during his visit to discuss substantive issues of interest to our two respective governments, and to continue to encourage the Government of the People's Republic of China to meet the Dalai Lama or his representatives to discuss a solution to the present impasse in their relations; and

(3) urges His Holiness the Dalai Lama to remind the Tibetan people that, as they move forward in their struggle toward preserving their culture and regaining their freedom, the Congress and the American people stand with them.

AMENDMENTS SUBMITTED

THE WORK OPPORTUNITY ACT OF 1995

BINGAMAN AMENDMENTS NOS. 2483–2485

Mr. BINGAMAN proposed three amendments to amendment No. 2280 proposed by Mr. DOLE to the bill (H.R. 4) to restore the American family, reduce illegitimacy, control welfare spending, and reduce welfare dependence; as follows:

AMENDMENT NO. 2483

Beginning with page 11, line 8, strike all through page 14, line 16, and insert the following:

"SEC. 402. ELIGIBLE STATES; STATE PLANS.

"(a) IN GENERAL.—As used in this part, the term 'eligible State' means, with respect to a fiscal year, a State that has submitted to the Secretary a single comprehensive State Family Assistance Program Strategic Plan (hereafter referred to in this section as the 'State Plan') outlining a 5-year strategy for the statewide program.

"(b) FAMILY ASSISTANCE PROGRAM STRATEGIC PLAN PARTS.—Each State plan shall contain 2 parts:

"(1) 5-YEAR PLAN.—The first part of the State plan shall describe a 5-year strategic plan for the statewide program designed to meet the State goals and reach the State benchmarks for each of the essential program activities of the family assistance program.

"(2) ANNUAL CERTIFICATION.—The second part of the State plan shall contain a certification by the chief executive officer of the State that, during the fiscal year, the State family assistance program will include each of the essential program activities specified in subsection (h)(6).

"(c) CONTENTS OF THE STATE PLAN.—The State plan shall include:

"(1) STATE GOALS.—A description of the goals of the 5-year plan, including outcome related goals of and benchmarks for each of the essential program activities of the family assistance program.

"(2) CURRENT YEAR PLAN.—A description of how the goals and benchmarks described in paragraph (1) will be achieved, or how progress toward the goals and benchmarks will be achieved, during the fiscal year in which the plan has been submitted.

"(3) PERFORMANCE INDICATORS.—A description of performance indicators to be used in measuring or assessing the relevant output service levels and outcomes of each of the essential program activities and other relevant program activities.

"(4) EXTERNAL FACTORS.—An identification of those key factors external to the program and beyond the control of the State that could significantly affect the attainment of the goals and benchmarks.

"(5) EVALUATION MECHANISMS.—A description of a mechanism for conducting program evaluation, to be used to compare actual results with the goals and benchmarks and designate the results on a scale ranging from highly successful to failing to reach the goals and benchmarks of the program.

"(6) MINIMUM PARTICIPATION RATES.—A description of how the minimum participation rates specified in section 404 will be satisfied.

"(7) ESTIMATE OF EXPENDITURES.—An estimate of the total amount of State or local expenditures under the program for the fiscal year in which the plan is submitted.

"(d) DETERMINATIONS.—The Secretary shall determine whether a plan submitted pursuant to subsection (a) contains the material required by subsection (b).

"(e) STATE WORK OPPORTUNITY PLANNING BOARDS.—

"(1) IN GENERAL.—A Governor of a State that receives a grant under section 403 may establish a State Work Opportunity Planning Board (referred to in this section as "the Board") in accordance with this section.

"(2) MEMBERSHIP.—Membership of the Board shall include—

"(A) persons with leadership experience in private business, industry, and voluntary organizations;

"(B) representatives of State departments or agencies responsible for implementing and overseeing programs funded under this title;

"(C) elected officials representing various jurisdictions included in the State plan;

"(D) representatives of private and nonprofit organizations participating in implementation of the State plan;

"(E) the general public; and

"(F) any other individuals and representatives of community-based organizations that the Governor may designate.

"(3) CHAIRPERSON.—The Board shall select a chairperson from among the members of the Board.

"(4) FUNCTIONS.—The functions of the Board shall include—

"(A) advising the Governor and State legislature on the development of the statewide family assistance program, the State plan described in subsections (a) and (b), and the State goals and State benchmarks;

"(B) assisting in the development of specific performance indicators to measure progress toward meeting the State goals and reaching the State benchmarks and providing guidance on how such progress may be improved;

"(C) serving as a link between business, industry, labor, non-profit and community-based organizations, and the statewide system;

"(D) assisting in preparing annual reports required under this part;

"(E) receiving and commenting on the State plan developed under subsection (a); and

"(F) assisting in the monitoring and continuous improvement of the performance of the State family assistance program, including evaluation of the effectiveness of activities and program funded under this title.

On page 14, line 17, strike "(b)" and insert "(f)".

On page 15, line 12, strike "(c)" and insert "(g)".

On page 15, line 20, strike "(d)" and insert "(h)".

On page 16, between lines 22 and 23, insert the following:

"(6) ESSENTIAL PROGRAM ACTIVITIES.—The term 'essential program activities' includes the following activities:

"(A) Assistance provided to needy families with not less than 1 minor child (or any expectant family).

"(B) Work preparation and work experience activities for parents or caretakers in needy families with not less than 1 minor child, including assistance in finding employment, child care assistance, and other support services that the State considers appropriate to enable such families to become self-sufficient and leave the program.

"(C) The requirement for parents or caretakers receiving assistance under the program to engage in work activities in accordance with section 404 and to enter into a personal responsibility contract in accordance with section 405(a).

"(D) The child protection program operated by the State in accordance with part B.

"(E) The foster care and adoption assistance program operated by the State in accordance with part E.

"(F) The child support enforcement program operated by the State in accordance with part D.

"(G) A teenage pregnancy prevention program, including efforts to reduce and prevent out-of-wedlock pregnancies.

"(H) Participation in the income and eligibility verification system required by section 1137.

"(I) The establishment and operation of a privacy system that restricts the use and disclosure of information about individuals and families receiving assistance under the program.

"(J) A certification identifying the State agencies or entities administering the program.

"(K) The establishment and operation of a reporting system for reports required under this part.

AMENDMENT NO. 2484

At the end of section 201 of the amendment, add the following new subsection:

(d) FUNDING OF CERTAIN PROGRAMS FOR DRUG ADDICTS AND ALCOHOLICS.—

(1) IN GENERAL.—Out of any money in the Treasury not otherwise appropriated, there are hereby appropriated—

(A) for carrying out section 1971 of the Public Health Service Act (as amended by paragraph (2) of this subsection), $95,000,000 for each of the fiscal years 1997 through 2000; and

(B) for carrying out the medication development project to improve drug abuse and drug treatment research (administered through the National Institute on Drug Abuse), $5,000,000 for each of the fiscal years 1997 through 2000.

(2) CAPACITY EXPANSION PROGRAM REGARDING DRUG ABUSE TREATMENT.—Section 1971 of the Public Health Service Act (42 U.S.C. 300y) is amended—

(A) in subsection (a)(1), by adding at the end the following sentence: "This paragraph is subject to subsection (j).";

(B) by redesignating subsection (j) as subsection (k);

(C) in subsection (j) (as so redesignated), by inserting before the period the following: "and for each of the fiscal years 1995 through 2000;" and

(D) by inserting after subsection (i) the following subsection:

"(j) FORMULA GRANTS FOR CERTAIN FISCAL YEARS.—

"(1) IN GENERAL.—For each of the fiscal years 1997 through 2000, the Director shall, for the purpose described in subsection (a)(1), make a grant to each State that submits to the Director an application in accordance with paragraph (2). Such a grant for a State shall consist of the allotment determined for the State under paragraph (3). For each of the fiscal years 1997 through 2000, grants under this paragraph shall be the exclusive grants under this section.

"(2) REQUIREMENTS.—The Director may make a grant under paragraph (1) only if, by the date specified by the Director, the State submits to the Director an application for the grant that is in such form, is made in such manner, and contain such agreements, assurances, and information as the Director determines to be necessary to carry out this subsection, and if the application contains an agreement by the State in accordance with the following:

"(A) The State will expend the grant in accordance with the priority described in subsection (b)(1).

"(B) The State will comply with the conditions described in each of subsections (c), (d), (g), and (h).

"(3) ALLOTMENT.—

"(A) For purposes of paragraph (1), the allotment under this paragraph for a fiscal year shall, except as provided in subparagraph (B), be the product of—

"(i) the amount appropriated in section 601(d)(1)(A) of the Work Opportunity Act of 1995 for the fiscal year, together with any additional amounts appropriated to carry out this section for the fiscal year; and

"(ii) the percentage determined for the State under he formula established in section 1933(a).

"(B) Subsections (b) through (d) of section 1933 apply to an allotment under subparagraph (A) to the same extent and in the same manner as such subsections apply to an allotment under subsection (a) of section 1933.".

AMENDMENT NO. 2485

On page 374, line 2, insert "and not reserved under paragraph (3)" after "734(b)(2)".

On page 374, between lines 21 and 22, insert the following:

(3) RESERVATION FOR INDIAN VOCATIONAL EDUCATION GRANTS.—From amounts made available under section 734(b)(2) for a fiscal year, the Secretary shall reserve $4,000,000 for such year to award grants, to tribally controlled postsecondary vocational institutions to enable such institutions to carry out activities described in subsection (d), on the basis of a formula that—

(A) takes into consideration—

(i) the costs of basic operational support at such institutions; and

(ii) the availability to such institutions of Federal funds not provided under this paragraph for such costs; and

(B) is consistent with the purpose of section 382 of the Carl D. Perkins Vocational and Applied Technology Education Act (20 U.S.C. 2397).

LEVIN AMENDMENT NO. 2486

Mr. LEVIN proposed an amendment to amendment No. 2280 proposed by Mr. DOLE to the bill H.R. 4, supra; as follows:

On page 12, between lines 22 and 23, insert the following:

"(G) COMMUNITY SERVICE.—Not later than 3 years after the date of the enactment of the Work Opportunity Act of 1995, should (and not later than 7 years after such date, shall) offer to, and require participation by, a parent or caretaker receiving assistance under the program who, after receiving such assistance for 6 months—

"(i) is not exempt from work requirements; and

"(ii) is not engaged in work as determined under section 404(c),

in community service employment, with minimum hours per week and tasks to be determined by the State.

On page 35, between lines 2 and 3, insert the following:

"(6) CERTAIN COMMUNITY SERVICE EXCLUDED.—An individual performing community service pursuant to the requirement under section 402(a)(1)(G) shall be excluded from the determination of a State's participation rate.

BREAUX AMENDMENTS NOS. 2487–2488

Mr. BREAUX proposed two amendments to amendment No. 2280 proposed by Mr. DOLE to the bill H.R. 4, supra; as follows:

AMENDMENT NO. 2487

On page 23, beginning on line 7, strike all through page 24, line 18, and insert the following:

"(5) WELFARE PARTNERSHIP.—

"(A) IN GENERAL.—the amount of the grant otherwise determined under paragraph (1) for fiscal year 1997, 1998, 1999, or 2000 shall be reduced by the amount by which State expenditures under the State program funded under this part for the preceding fiscal year is less than 100 percent of historic State expenditures.

"(B) HISTORIC STATE EXPENDITURES.—For purposes of this paragraph—

"(i) IN GENERAL.—The term 'historic State expenditures' means expenditures by a State under parts A and F of title IV for fiscal year 1994, as in effect during such fiscal year.

"(ii) HOLD HARMLESS.—In no event shall the historic State expenditures applicable to any fiscal year exceed the amount which bears the same ratio to the amount determined under clause (i) as—

"(I) the grant amount otherwise determined under paragraph (1) of the preceding fiscal year (without regard to section 407), bears to

"(II) the total amount of Federal payments to the State under section 403 for fiscal year 1994 (as in effect during such fiscal year).

"(C) DETERMINATION OF STATE EXPENDITURES FOR PRECEDING FISCAL YEAR.—

"(i) IN GENERAL.—For purposes of this paragraph, the expenditures of a State under the State program funded under this part for a preceding fiscal year shall be equal to the sum of the State's expenditures under the program in the preceding fiscal year for—

"(I) cash assistance;

"(II) child care assistance;

"(III) education, job training, and work; and

"(IV) administrative costs.

"(ii) TRANSFERS FROM OTHER STATE AND LOCAL PROGRAMS.—In determining State expenditures under clause (i), such expenditures shall not include funding supplanted by transfers from other State and local programs.

"(D) EXCLUSION OF FEDERAL AMOUNTS.—For purposes of this paragraph, State expenditures shall not include any expenditures from amounts made available by the Federal Government.

AMENDMENT NO. 2488

On page 23, beginning on line 7, strike all through page 24, line 18, and insert the following:

"(5) WELFARE PARTNERSHIP.—

"(A) IN GENERAL.—The amount of the grant otherwise determined under paragraph (1) for fiscal year 1997, 1998, 1999, or 2000 shall be reduced by the amount by which State expenditures under the State program funded under this part for the preceding fiscal year is less than 90 percent of historic State expenditures.

"(B) HISTORIC STATE EXPENDITURES.—For purposes of this paragraph—

"(i) IN GENERAL.—The term 'historic State expenditures' means expenditures by a State under parts A and F of title IV for fiscal year 1994, as in effect during such fiscal year.

"(ii) HOLD HARMLESS.—In no event shall the historic State expenditures applicable to any fiscal year exceed the amount which bears the same ratio to the amount determined under clause (i) as—

"(I) the grant amount otherwise determined under paragraph (1) for the preceding fiscal year (without regard to section 407), bears to

"(II) the total amount of Federal payments to the State under section 403 for fiscal year 1994 (as in effect during such fiscal year).

"(C) DETERMINATION OF STATE EXPENDITURES FOR PRECEDING FISCAL YEAR.—

"(i) IN GENERAL.—For purposes of this paragraph, the expenditures of a State under the State program funded under this part for a preceding fiscal year shall be equal to the sum of the State's expenditures under the program in the preceding fiscal year for—

"(I) cash assistance;

"(II) child care assistance;

"(III) education, job training, and work; and

"(IV) administrative costs.

"(ii) TRANSFERS FROM OTHER STATE AND LOCAL PROGRAMS.—In determining State expenditures under clause (i), such expenditures shall not include funding supplanted by transfers from other State and local programs.

"(D) EXCLUSION OF FEDERAL AMOUNTS.—For purposes of this paragraph, State expenditures shall not include any expenditures from amounts made available by the Federal Government.

BREAUX (AND OTHERS) AMENDMENT NO. 2489

Mr. BREAUX (for himself, Mr. DASCHLE, Mr. KENNEDY, and Mr. PELL) proposed an amendment to amendment No. 2280 proposed by Mr. DOLE to the bill H.R. 4, supra, as follows:

In section 703(39), strike "(8)" and all that follows and insert "(9) of section 716(a).".

In section 714(c)(2)(B), strike clause (vii) and insert the following:

"(vii) the steps the State will take over the 3 years covered by the plan to comply with the requirements specified in section 716(a)(3) relating to the provision of education and training services;".

In section 716(a)(1)(A), strike "and (4)" and insert "(4), and (5)".

In section 716(a)(1), strike subparagraph (B) and insert the following:

"(B) may be used to carry out the activities described in paragraphs (6), (7), (8), and (9).".

In section 716(a), strike paragraph (9).

In section 716(a)(8), strike "(8)" and insert "(9)".

In section 716(a)(7), strike "(7)" and insert "(8)".

In section 716(a)(6), strike "(6)" and insert "(7)".

In section 716(a)(5), strike "(5)" and insert "(6)".

In section 716(a)(4), strike "(4)" and insert "(5)".

In section 716(a)(3), strike "(3)" and insert "(4)".

In section 716(a), insert after paragraph (2) the following:

"(3) EDUCATION AND TRAINING SERVICES.—

"(A) IN GENERAL.—The State shall use a portion of the funds described in paragraph (1) to provide education and training services in accordance with this paragraph to adults, each of whom—

"(i) is unable to obtain employment through core services described in paragraph (2)(B);

"(ii) needs the education and training services in order to obtain employment, as determined through—

"(I) an initial assessment under paragraph (2)(B)(ii); or

"(II) a comprehensive and specialized assessment; and

"(iii) is unable to obtain other grant assistance, such as a Pell Grant provided under title IV of the Higher Education Act of 1965 (20 U.S.C. 1070 et seq.), for such services.

"(B) TYPES OF SERVICES.—Such education and training services may include the following:

"(i) Occupational skills training, including training for nontraditional employment.

"(ii) On-the-job training.

"(iii) Services that combine workplace training with related instruction.

"(iv) Skill upgrading and retraining.

"(v) Entrepreneurial training.

"(vi) Preemployment training to enhance basic workplace competencies, provided to individuals who are determined under guidelines developed by the Federal Partnership to be low-income.

"(vii) Customized training conducted with a commitment by an employer or group of employers to employ an individual on successful completion of the training.

"(C) USE OF VOUCHERS FOR DISLOCATED WORKERS.—

"(i) IN GENERAL.—Except as provided in clauses (ii) and (iii), education and training services described in subparagraph (B) shall be provided to dislocated workers through a system of vouchers that is administered through one-stop delivery described in paragraph (2).

"(ii) EXCEPTIONS.—Education and training services described in subparagraph (B) may be provided to dislocated workers in a substate area through a contract for services in lieu of a voucher if—

"(I) the local partnership described in section 728(a), or local workforce development board described in section 728(b), for the substate area determines there are an insufficient number of eligible entities in the substate area to effectively provide the education and training services through a voucher system;

"(II) the local partnership or local workforce development board determines that the eligible entities in the substate area are unable to effectively provide the education and training services to special participant populations; or

"(III) the local partnership or local workforce development board decides that the education and training services shall be provided through a direct contract with a community-based organization serving special participant populations.

"(iii) PROHIBITION ON PROVISION OF ON-THE-JOB TRAINING THROUGH VOUCHERS.—On-the-job training provided under this paragraph shall not be provided through a voucher system.

"(D) ELIGIBILITY OF EDUCATION AND TRAINING SERVICE PROVIDERS.—

"(i) ELIGIBILITY REQUIREMENTS.—An entity shall be eligible to provide the education and training services through a program carried out under this paragraph and receive funds from the portion described in subparagraph (A) through the receipt of vouchers if—

"(I)(aa) the entity is eligible to carry out the program under title IV of the Higher Education Act of 1965; or

"(bb) the entity is eligible to carry out the program under an alternative eligibility procedure established by the Governor of the State that includes criteria for minimum acceptable levels of performance; and

"(II) the entity submits accurate performance-based information required pursuant to clause (ii).

"(ii) PERFORMANCE-BASED INFORMATION.—The State shall identify performance-based information that is to be submitted by an entity for the entity to be eligible to provide the services, and receive the funds, described in clause (i). Such information includes information relating to—

"(I) the percentage of students completing the programs, if any, through which the entity provides education and training services described in subparagraph (B), as of the date of the submission;

"(II) the rates of licensure of graduates of the programs;

"(III) the percentage of graduates of the programs meeting skill standards and certification requirements endorsed by the National Skill Standards Board established under the Goals 2000: Educate America Act;

"(IV) the rates of placement and retention in employment, and earnings, of the graduates of the programs;

"(V) the percentage of students in such a program who obtained employment in an occupation related to the program; and

"(VI) the warranties or guarantees provided by such entity relating to the skill levels or employment to be attained by recipients of the education and training services provided by the entity under this paragraph.

"(iii) ADMINISTRATION.—The Governor shall designate a State agency to collect, verify, and disseminate the performance-based information submitted pursuant to clause (ii).

"(iv) ON-THE-JOB TRAINING EXCEPTION.—Entities shall not be subject to the requirements of clauses (i) through (iii) with respect to on-the-job training activities.".

In section 716(a)(7) (as so redesignated), strike subparagraphs (A), (B), and (C).

In subparagraph (D) of section 716(a)(7) (as so redesignated), strike "(D)" and insert "(A)".

In section 716(a)(7) (as so redesignated), strike subparagraph (E).

In subparagraph (F) of section 716(a)(7) (as so redesignated), strike "(F)" and insert "(B)".

In section 716(a)(7) (as so redesignated), strike subparagraph (G).

In subparagraph (H) of section 716(a)(7) (as so redesignated), strike "(H)" and insert "(C)".

In subparagraph (I) of section 716(a)(7) (as so redesignated), strike "(I)" and insert "(D)".

In section 716(a)(7) (as so redesignated), strike subparagraph (J).

In subparagraph (K) of section 716(a)(7) (as so redesignated), strike "(K)" and insert "(E)".

In subparagraph (L) of section 716(a)(7) (as so redesignated), strike "(L)" and insert "(F)".

In subparagraph (M) of section 716(a)(7) (as so redesignated), strike "(M)" and insert "(G)".

In subparagraph (N) of section 716(a)(7) (as so redesignated), strike "(N)" and insert "(H)".

In subparagraph (O) of section 716(a)(7) (as so redesignated), strike "(O)" and insert "(I)".

In section 716(g)(1)(A), strike "(a)(6)" and insert "(a)(7)".

In section 716(g)(1)(B), strike "(a)(6)" and insert "(a)(7)".

In section 716(g)(2)(A), strike "(a)(6)" and insert "(a)(7)".

In section 716(g)(2)(B)(i), strike "(a)(6)" and insert "(a)(7)".

In section 7(38) of the Rehabilitation Act of 1973 (as amended by section 804), strike "(8)" and all that follows and insert "(9) of section 716(a) of the Workforce Development Act of 1995.".

BREAUX (AND OTHERS) AMENDMENT NO. 2490

Mr. BREAUX (for himself, Mr. PELL, Mr. KENNEDY, Mr. LIEBERMAN, Mr. BRADLEY, and Mr. JOHNSTON) proposed an amendment to amendment No. 2280 proposed by Mr. DOLE to the bill H.R. 4, supra, as follows:

Strikes titles VII and VIII of the amendment.

ROCKEFELLER (AND BAUCUS) AMENDMENT NO. 2491

Mr. ROCKEFELLER (for himself and Mr. BAUCUS) proposed an amendment to amendment No. 2280 proposed by Mr. DOLE to the bill H.R. 4, supra, as follows:

On page 36, between lines 18 and 19, insert the following:

"(4) AREAS OF HIGH UNEMPLOYMENT.—

"(A) IN GENERAL.—At the State's option, the State may, on a uniform basis, exempt a family from the application of paragraph (1) if—

"(i) such family resides in area of high unemployment designated by the State under subparagraph (B); and

"(ii) the State makes available, and requires an individual in the family to participate in, work activities described in subparagraphs (B), (D), or (F) of section 404(c)(3).

"(B) AREAS OF HIGH UNEMPLOYMENT.—The State may designate a sub-State area as an area of high unemployment if such area—

"(i) is a major political subdivision (or is comprised of 2 or more geographically contiguous political subdivisions);

"(ii) has an average annual unemployment rate (as determined by the Bureau of Labor Statistics) of at least 10 percent; and

"(iii) has at least 25,000 residents.

The State may waive the requirement of clause (iii) in the case of a sub-State area that is an Indian reservation.

ROCKEFELLER AMENDMENT NO. 2492

Mr. ROCKEFELLER proposed an amendment to amendment No. 2280 proposed by Mr. DOLE to the bill H.R. 4, supra, as follows:

On page 35, between lines 2 and 3, insert the following:

"(6) STATE OPTION FOR PARTICIPATION REQUIREMENT EXEMPTIONS.—For any fiscal year, a State may opt to not require an individual described in subclause (I) or (II) of section 405(a)(3)(B)(ii) to engage in work activities and may exclude such an individual from the determination of the minimum participation rate specified for such fiscal year in subsection (a).

On page 40, strike lines 6 through 16, and insert the following:

"(B) LIMITATION.—

"(i) 15 PERCENT.—In addition to any families provided with exemptions by the State under clause (ii), the number of families with respect to which an exemption made by a State under subparagraph (A) is in effect for a fiscal year shall not exceed 15 percent of the average monthly number of families to which the State is providing assistance under the program operated under this part.

"(ii) CERTAIN FAMILIES.—At the State's option, the State may provide an exemption under subparagraph (A) to a family—

"(I) of an individual who is ill, incapacitated, or of advanced age; and

"(II) of an individual who is providing full-time care for a disabled dependent of the individual.

SNOWE (AND BRADLEY) AMENDMENT NO. 2493

Ms. SNOWE (for herself and Mr. BRADLEY) proposed an amendment to amendment No. 2280 proposed by Mr. DOLE to the bill H.R. 4, supra, as follows:

Beginning on page 582, strike line 3 and all that follows through line 2 on page 583, and insert the following:

"(ii) DISTRIBUTION TO THE FAMILY TO SATISFY ARREARAGES THAT ACCRUED BEFORE THE FAMILY RECEIVED ASSISTANCE.—From any remainder after the application of clause (i), in order to satisfy arrearages of support obligations that accrued before the family received assistance from the State, the State—

"(I) may distribute to the family the amount so collected with respect to such arrearages accruing (and assigned to the State as a condition of receiving assistance) before the effective date of this subsection; and

"(II) shall distribute to the family the amount so collected with respect to such arrearages accruing after such effective date.

"(iii) RETENTION BY THE STATE OF A PORTION OF ASSIGNED ARREARAGES TO REPAY ASSISTANCE FURNISHED TO THE FAMILY.—From any remainder after the application of clauses (i) and (ii), the State shall retain (with appropriate distribution to the Federal Government) amounts necessary to reimburse the State and Federal Government for assistance furnished to the family.

"(iv) DISTRIBUTION OF THE REMAINDER TO THE FAMILY.—The State shall distribute to the family any remainder after the application of clauses (i), (ii), and (iii).

On page 585, between lines 10 and 11, insert the following:

(c) AMENDMENTS TO INTERNAL REVENUE CODE CONCERNING COLLECTION OF CHILD SUPPORT ARREARAGES THROUGH INCOME TAX REFUND OFFSET.—

(1) Section 6402(c) of the Internal Revenue Code of 1986 is amended by striking the third sentence.

(2) Section 6402(d)(2) of such Code is amended in the first sentence by striking all that follows "subsection (c)" and inserting a period.

On page 585, line 11, strike "(c)" and insert "(d)".

SNOWE AMENDMENT NO. 2494

Ms. SNOWE proposed an amendment to amendment No. 2280 proposed by Mr. DOLE to the bill H.R. 4, supra, as follows:

On page 36, strike lines 14 through 25, and insert the following:

"(d) PENALTIES AGAINST INDIVIDUALS.—

"(1) IN GENERAL.—Except as provided in paragraph (2), if an adult in a family receiving assistance under the State program funded under this part refuses to engage in work required under subsection (c)(1) or (c)(2), a State to which a grant is made under section 403 shall—

"(A) reduce the amount of assistance otherwise payable to the family pro rata (or more, at the option of the State) with respect to any period during a month in which the adult so refuses; or

"(B) terminate such assistance,

subject to such good cause and other exceptions as the State may establish.

"(2) EXCEPTION.—Notwithstanding paragraph (1), a State may not reduce or terminate assistance under the State program based on a refusal of an adult to work if such adult is a single custodial parent caring for a child age 5 or under and has a demonstrated inability to obtain needed child care, for one or more of the following reasons:

"(A) Unavailability of appropriate child care within a reasonable distance of the individual's home or work site.

"(B) Unavailability or unsuitability of informal child care by a relative or under other arrangements.

"(C) Unavailability of appropriate and affordable formal child care arrangements.

PRYOR AMENDMENT NO. 2495

Mr. PRYOR proposed an amendment to amendment No. 2280 proposed by Mr. DOLE to the bill H.R. 4, supra, as follows:

At the appropriate place in the bill, insert the following:

On page 52, lines 4 through 6, strike "so used, plus 5 percent of such grant (determined without regard to this section)." and insert "so used. If the Secretary determines that such unlawful expenditure was made by the State in intentional violation of the requirements of this part, then the Secretary shall impose an additional penalty of up to 5 percent of such grant (determined without regard to this section).".

On page 56, between lines 9 and 10, insert the following:

"(d) COMPLIANCE PLAN.—

"(1) IN GENERAL.—Prior to the deduction from the grant of aggregate penalties under subsection (a) in excess of 5 percent of a State's grant payable under section 403, a State may develop jointly with the Secretary a plan which outlines how the State will correct any violations for which such penalties would be deducted and how the State will insure continuing compliance with the requirements of this part.

"(2) FAILURE TO CORRECT.—If the Secretary determines that a State has not corrected the violations described in paragraph (1) in a timely manner, the Secretary shall deduct some or all of the penalties described in paragraph (1) from the grant.".

On page 56, strike lines 11 through 14, and insert the following:

"(1) IN GENERAL.—The penalties described in paragraphs (2) through (6) of subsection (a) shall apply—

"(A) with respect to periods beginning 6 months after the Secretary issues final rules with respect to such penalties; or

"(B) with respect to fiscal years beginning on or after October 1, 1996;

whichever is later.".

BRADLEY AMENDMENTS NOS. 2496–2498

Mr. BRADLEY proposed three amendments to amendment No. 2280 proposed by Mr. DOLE to the bill H.R. 4, supra, as follows:

AMENDMENT NO. 2496

At the end of section 402(a), insert the following:

"(9) ADDITIONAL REQUIREMENTS.—

"(A) ELIGIBILITY.—The terms and conditions under which families are deemed needy and eligible for assistance under the program.

"(B) TERMS AND CONDITIONS.—The terms and conditions described in subparagraph (A) shall include—

"(i) a need standard based on family income and size;

"(ii) a standard for benefits or schedule of benefits for families based on family size and income;

"(iii) explicit rules regarding the treatment of earned and unearned income, resources, and assets; and

"(iv) a description of any variations in the terms and conditions described in clauses (i), (ii), and (iii) that are applicable in—

"(I) regions or localities within the State; or

"(II) particular circumstances.

"(C) IDENTIFICATION OF FAMILIES CATEGORICALLY INELIGIBLE FOR ASSISTANCE.—Identification of any categories of families, or individuals within such families, that are deemed by the State to be categorically ineligible for assistance under the program, regardless of family income or other terms and conditions developed under subparagraph (A).

"(D) ASSURANCES REGARDING THE PROVISION OF ASSISTANCE.—Assurances that all families deemed eligible for assistance under the program under subparagraph (A) shall be provided assistance under the standard for benefits or the benefit schedule described in subparagraph (B)(ii), unless—

"(i) the family or an individual member of the family is categorically ineligible for assistance under subparagraph (C); or

"(ii) the family is subject to sanctions or reductions in benefits under terms of another provision of the State plan, this part, Federal or State law, or an agreement between an individual recipient of assistance in such family and the State that may contain terms and conditions applicable only to the individual recipient.

"(E) PROCEDURES FOR ENSURING THE AVAILABILITY OF FUNDS.—The procedures under which the State shall ensure that funds will remain available to provide assistance under the program to all eligible families during a fiscal year if the State exhausts the grant provided to the State for such fiscal year under section 403.

"(F) WAITING LISTS.—Assurances that no family otherwise eligible for assistance under the program shall be placed on a waiting list for assistance or instructed to reapply at such time that additional Federal funds may become available.

AMENDMENT NO. 2497

At the end of section 405, insert the following:

"(f) NO UNFUNDED LOCAL MANDATES.—A State to which a grant is made under section 403 may not, by mandate or policy, shift the costs of providing aid or assistance that, prior to October 1, 1995 (or March 31, 1996, in the case of a State exercising the option described in section 110(b) of the Family Self-Sufficiency Act of 1995) was provided under the aid to families with dependent children or the JOBS programs (as such programs were in effect on September 30, 1995) to—

"(1) counties;

"(2) localities;

"(3) school boards; or

"(4) other units of local government.

AMENDMENT NO. 2498

At the appropriate place at the end of Title I, add the following:

Nothing in this Act shall be interpreted to preempt the enforcement of existing civil rights laws.

BOND AMENDMENT NO. 2499

Mr. BOND proposed an amendment to amendment No. 2280 proposed by Mr. DOLE to the bill H.R. 4, supra, as follows:

At the appropriate place in the bill, insert the following: "Notwithstanding any other provision of law, States shall not be prohibited by the federal government from sanctioning welfare recipients who test positive for use of controlled substances."

GLENN AMENDMENT NO. 2500

Mr. GLENN proposed an amendment to amendment No. 2280 proposed by Mr. DOLE to the bill H.R. 4, supra, as follows:

On page 322, strike lines 8 through 14 and insert the following:

(8) DISPLACED HOMEMAKER.—The term "displaced homemaker" means an individual who—

(A) has been dependent

(i) on assistance under part A of title IV of the Social Security Act and whose youngest child is not younger than 16; or

(ii) on the income of another family member, but is no longer supported by such income; and

(B) is unemployed or underemployed, and is experiencing difficulty in obtaining or upgrading employment.

On page 359, line 13, strike "and".

On page 359, line 16, strike the period and insert "; and".

On page 359, between lines 16 and 17, insert the following:

(P) Preemployment training for displaced homemakers.

On page 364, between lines 9 and 10, insert the following:

(6) providing programs for single parents, displaced homemakers, and single pregnant women;

On page 364, line 10, strike "(6)" and insert "(7)".

On page 364, line 12, strike "(7)" and insert "(8)".

On page 412, line 4, strike "and".

On page 412, line 5, strike the period and insert "; and".

On page 412, between lines 5 and 6, insert the following:

(G) displaced homemakers.

PRESSLER AMENDMENT NO. 2501

Mr. GRASSLEY (for Mr. PRESSLER) proposed an amendment to amendment No. 2280 proposed by Mr. DOLE to the bill H.R. 4, supra, as follows:

On page 77, line 21, strike the end quotation marks and the end period.

On page 77, between lines 21 and 22, insert the following:

"SEC. 418. COLLECTION OF OVERPAYMENTS FROM FEDERAL TAX REFUNDS.

"(a) IN GENERAL.—Upon receiving notice from the Secretary of Health and Human Services that a State agency administering a plan approved under this part has notified the Secretary that a named individual has been overpaid under the State plan approved under this part, the Secretary of the Treasury shall determine whether any amounts as refunds of Federal taxes paid are payable to such individual, regardless of whether such individual filed a tax return as a married or unmarried individual. If the Secretary of the Treasury finds that any such amount is payable, the Secretary shall withhold from such refunds an amount equal to the overpayment sought to be collected by the State and pay such amount to the State agency.

"(b) REGULATIONS.—The Secretary of the Treasury shall issue regulations, after review by the Secretary of Health and Human Services, that provide—

"(1) that a State may only submit under subsection (a) requests for collection of overpayments with respect to individuals—

"(A) who are no longer receiving assistance under the State plan approved under this part;

"(B) with respect to whom the State has already taken appropriate action under State law against the income or resources of the individuals or families involved to collect the past-due legally enforceable debt; and

"(C) to whom the State agency has given notice of its intent to request withholding by the Secretary of the Treasury from the income tax refunds of such individuals;

"(2) that the Secretary of the Treasury will give a timely and appropriate notice to any other person filing a joint return with the individual whose refund is subject to withholding under subsection (a); and

"(3) the procedures that the State and the Secretary of the Treasury will follow in carrying out this section which, to the maximum extent feasible and consistent with the specific provisions of this section, will be the same as those issued pursuant to section 464(b) applicable to collection of past-due child support.".

(c) CONFORMING AMENDMENTS RELATING TO COLLECTION OF OVERPAYMENTS.—

(1) Section 6402 of the Internal Revenue Code of 1986 (relating to authority to make credits or refunds) is amended—

(A) in subsection (a), by striking "(c) and (d)" and inserting "(c), (d), and (e)";

(B) by redesignating subsections (e) through (i) as subsections (f) through (j), respectively; and

(C) by inserting after subsection (d) the following:

"(e) COLLECTION OF OVERPAYMENTS UNDER TITLE IV-A OF THE SOCIAL SECURITY ACT.—The amount of any overpayment to be refunded to the person making the overpayment shall be reduced (after reductions pursuant to subsections (c) and (d), but before a credit against future liability for an internal revenue tax) in accordance with section 418 of the Social Security Act (concerning recovery of overpayments to individuals under State plans approved under part A of title IV of such Act).".

(2) Paragraph (10) of section 6103(*l*) of such Code is amended—

(A) by striking "(c) or (d)" each place it appears and inserting "(c), (d), or (e)"; and

(B) by adding at the end of subparagraph (B) the following new sentence: "Any return information disclosed with respect to section 6402(e) shall only be disclosed to officers and employees of the State agency requesting such information.".

(3) The matter preceding subparagraph (A) of section 6103(p)(4) of such Code is amended—

(A) by striking "(5), (10)" and inserting "(5)"; and

(B) by striking "(9), or (12)" and inserting "(9), (10), or (12)".

(4) Section 552a(a)(8)(B)(iv)(III) of title 5, United States Code, is amended by striking "section 464 or 1137 of the Social Security Act" and inserting "section 418, 464, or 1137 of the Social Security Act."

COHEN AMENDMENT NO. 2502

Mr. GRASSLEY (for Mr. COHEN) proposed an amendment to amendment No. 2280 proposed by Mr. DOLE to the bill H.R. 4, supra, as follows:

On page 78, line 18, insert after "subsection (a)(2)" the following:

"So long as the programs are implemented consistent with the Establishment Clause of the United States Constitution.".

On page 80, line 13, add ";" after "governance" and delete lines 14-16.

WELLSTONE AMENDMENTS NOS. 2503-2506

Mr. WELLSTONE proposed four amendments to amendment No. 2280 proposed by Mr. DOLE to the bill H.R. 4, supra, as follows:

AMENDMENT NO. 2503

On page 229, between lines 13 and 14, insert the following:

"(4) SUNSET OF ELECTION UPON INCREASE IN NUMBER OF HUNGRY CHILDREN.—

"(A) FINDINGS.—The Congress finds that—

"(i) on March 29, 1995 the Senate adopted a resolution stating that Congress should not enact or adopt any legislation that will increase the number of children who are hungry;

"(ii) it is not the intent of this bill to cause more children to be hungry;

"(iii) the Food Stamp Program serves to prevent child hunger;

"(iv) a State's election to participate in the optional state food assistance block grant program should not serve to increase the number of hungry children in that State; and

"(v) one indicator of hunger among children is the child poverty rate.

"(B) SUNSET.—If the Secretary of Health and Human Services makes two successive findings that the poverty rate among children in a State is significantly higher in a State that has elected to participate in a program established under subsection (a) than it would have been had there been no such election, 180 days after the second such finding such election shall be permanently and irreversibly revoked and the provisions of paragraphs (1) and (2) shall not be applicable to that State.

"(C) PROCEDURE FOR FINDING BY SECRETARY.—In making the finding described in subparagraph (B), the Secretary shall adhere to the following procedure:

"(i) Every three years, the Secretary shall develop data and report to Congress with respect to each State that has elected to participate in a program established under subsection (a) whether the child poverty rate in such State is significantly higher than it would have been had the State not made such election.

"(ii) The Secretary shall provide the report required under clause (i) to all States that have elected to participate in a program established under subsection (a), and the Secretary shall provide each State for which the Secretary determined that the child poverty rate is significantly higher than it would have been had the State not made such election with an opportunity to respond to such determination.

"(iii) If the response by a State under clause (ii) does not result in the Secretary reversing the determination that the child poverty rate in that State is significantly higher than it would have been had the State not made such election, then the Secretary shall publish a finding as described in subparagraph (B)

AMENDMENT NO. 2504

On page 124, between lines 12 and 13, insert the following:

"SEC. 113. SUNSET UPON OF INCREASE IN NUMBER OF HUNGRY OR HOMELESS CHILDREN.

"(a) FINDINGS.—The Congress finds that—

"(1) on March 29, 1995 the Senate adopted a resolution stating that Congress should not enact or adopt any legislation that will increase the number of children who are hungry or homeless;

"(2) it is not the intent of this bill to cause more children to be hungry or homeless;

"(3) the Aid to Families with Dependent Children program, which is repealed by this title, has helped prevent hunger and homelessness among children;

"(4) the operation of block grants for temporary assistance for needy families under this title should not serve to increase significantly the number of hungry or homeless children in any State; and

"(5) one indicator of hunger and homelessness among children is the child poverty rate.

"(b) SUNSET.—If the Secretary of Health and Human Services makes two successive findings that the poverty rate among children in a State is significantly higher in the State than it would have been had this title not been implemented, then all of the provisions of this title shall cease to be effective with regard to that State 180 days after the second such finding, making effective any provisions of law repealed by this title.

"(c) PROCEDURE FOR FINDING BY SECRETARY.—In making the finding described in subsection (b), the Secretary shall adhere to the following procedure:

"(1) Every three years, the Secretary shall develop data and report to Congress with respect to each State whether the child poverty rate in that State is significantly higher than it would have been had this title not been implemented.

"(2) The Secretary shall provide the report required under paragraph (1) to all States, and the Secretary shall provide each State for which the Secretary determined that the child poverty rate is significantly higher than it would have been had this title not been implemented with an opportunity to respond to such determination.

"(3) If the response by a State under paragraph (2) does not result in the Secretary reversing the determination that the child poverty rate in that State is significantly higher than it would have been had this title not been implemented, then the Secretary shall publish a finding as described in subsection (b), and the State must implement a plan to decrease the child poverty rate."

AMENDMENT NO. 2505

On page 86, between lines 3 and 4, insert the following:

SEC. 104A. SENSE OF THE SENATE REGARDING CONTINUING MEDICAID COVERAGE.

(a) FINDINGS.—The Senate finds that—

(1) the potential loss of medicaid coverage represents a large disincentive for recipients of welfare benefits to accept jobs that offer no health insurance;

(2) thousands of the Nation's employers continue to find the cost of health insurance out of reach;

(3) the percentage of working people who receive health insurance from their employer has dipped to its lowest point since the early 1980s; and

(4) children have accounted for the largest proportion of the increase in the number of uninsured in recent years.

(b) SENSE OF THE SENATE.—It is the sense of the Senate that any medicaid reform enacted by the Senate this year should require that States continue to provide medicaid for 12 months to families who lose eligibility for welfare benefits because of more earnings or hours of employment.

AMENDMENT NO. 2506

On page 86; between lines 3 and 4, insert the following:

SEC. 104A. EXTENSION OF TRANSITIONAL MEDICAID BENEFITS.

(a) FINDINGS.—THE SENATE FINDS THAT—

(1) the potential loss of Medicaid coverage represents a large disincentive for recipients of welfare benefits to accept jobs that offer no health insurance;

(2) thousands of the Nation's employers continue to find the cost of health insurance out of reach;

(3) the percentage of working people who receive health insurance from their employer has dipped to its lowest point since the early 1980s; and

(4) children have accounted for the largest proportion of the increase in the number of uninsured in recent years.

(b) EXTENSION OF MEDICAID ENROLLMENT FOR FORMER TEMPORARY EMPLOYMENT ASSISTANCE RECIPIENTS FOR 1 ADDITIONAL YEAR.—

(1) IN GENERAL.—Section 1925(b)(1) (42 U.S.C. 1396r–6(b)(1)) is amended by striking the period at the end and inserting the following: ", and shall provide that the State shall offer to each such family the option of extending coverage under this subsection for an additional 2 succeeding 6-month periods in the same manner and under the same conditions as the option of extending coverage under this subsection for the first succeeding 6-month period.".

(2) CONFORMING AMENDMENTS.—

(A) IN GENERAL.—Section 1925 (42 U.S.C. 1396r–6) is amended—

(i) in subsection (b)—

(I) in the heading, by striking "EXTENSION" and inserting "EXTENSIONS";

(II) in the heading of paragraph (1), by striking "REQUIREMENT" and inserting "IN GENERAL";

(III) in paragraph (2)(B)(ii)—

(aa) in the heading, by striking "PERIOD" and inserting "PERIODS"; and

(bb) by striking "in the period" and inserting "in each of the 6-month periods";

(IV) in paragraph (3)(A), by striking "the 6-month period" and inserting "any 6-month period";

(V) in paragraph (4)(A), by striking "the extension period" and inserting "any extension period"; and

(VI) in paragraph (5)(D)(i), by striking "is a 3-month period" and all that follows and inserting the following: "is, with respect to a particular 6-month additional extension period provided under this subsection, a 3-month period beginning with the first or fourth month of such extension period."; and

(ii) by striking subsection (f).

(B) FAMILY SUPPORT ACT.—Section 303(f)(2) of the Family Support Act of 1988 (42 U.S.C. 602 note) is amended—

(i) by striking "(A)"; and

(ii) by striking subparagraphs (B) and (C).

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to medical assistance furnished for calendar quarters beginning on or after October 1, 1995.

WELLSTONE (AND FEINGOLD) AMENDMENT NO. 2507

Mr. WELLSTONE (for himself and Mr. FEINGOLD) proposed an amendment to amendment No. 2280 proposed by Mr. DOLE to the bill H.R. 4, supra, as follows:

Beginning on page 161, strike line 7 and all that follows through page 163, line 1, and insert the following:

SEC. 308. ENERGY ASSISTANCE.

(a) IN GENERAL.—Section 5(d)(11) of the Food Stamp Act of 1977 (7 U.S.C. 2014(d)(11)) is amended by striking "any payments or allowances" and inserting the following: "a one-time payment or allowance for the costs of weatherization or emergency repair or replacement of an unsafe or inoperative furnace or other heating or cooling device.".

(b) CONFORMING AMENDMENT.—Section 5(k)(1)(A) of the Act (7 U.S.C. 2014(k)(1)(A)) is amended by striking "plan for aid to families with dependent children approved" and inserting "program funded".

BROWN AMENDMENT NO. 2508

Mr. BROWN proposed an amendment to amendment No. 2280 proposed by Mr. DOLE to the bill H.R. 4, supra, as follows:

On page 25, strike line 4 and insert the following:

1, 1995;

except that not more than 15 percent of the grant may be used for administrative purposes.

SIMON AMENDMENTS NOS. 2509–2510

Mr. SIMON proposed two amendments to amendment No. 2280 proposed by Mr. DOLE to the bill H.R. 4, supra, as follows:

AMENDMENT NO. 2509

On page 289, lines 2 through 5, strike ", or for a period of 5 years beginning on the day such individual was first lawfully in the

United States after the execution of such affidavit or agreement, whichever period is longer".

AMENDMENT NO. 2510

In title VII, strike chapters 1 and 2 of subtitle C and insert the following:

CHAPTER 1—GENERAL PROVISIONS

SEC. 741. DEFINITIONS.

As used in this subtitle:

(1) AT-RISK YOUTH.—The term "at-risk youth" means an individual who—

(A) is not less than age 15 and not more than age 24;

(B) is low-income (as defined in section 723(e));

(C) is 1 or more of the following:

(i) Basic skills deficient.

(ii) A school dropout.

(iii) Homeless or a runaway.

(iv) Pregnant or parenting.

(v) Involved in the juvenile justice system.

(vi) An individual who requires additional education, training, or intensive counseling and related assistance, in order to secure and hold employment or participate successfully in regular schoolwork.

(2) ENROLLEE.—The term "enrollee" means an individual enrolled in the Job Corps.

(3) GOVERNOR.—The term "Governor" means the chief executive officer of a State.

(4) JOB CORPS.—The term "Job Corps" means the Job Corps described in section 743.

(5) JOB CORPS CENTER.—The term "Job Corps center" means a center described in section 743.

(6) OPERATOR.—The term "operator" means an individual selected under this chapter to operate a Job Corps center.

(7) SECRETARY.—The term "Secretary" means the Secretary of Labor.

CHAPTER 2—JOB CORPS

SEC. 742. PURPOSES.

The purposes of this chapter are—

(1) to maintain a national Job Corps program, carried out in partnership with States and communities, to assist at-risk youth who need and can benefit from an unusually intensive program, operated in a group setting, to become more responsible, employable, and productive citizens;

(2) to set forth standards and procedures for selecting individuals as enrollees in the Job Corps;

(3) to authorize the establishment of Job Corps centers in which enrollees will participate in intensive programs of workforce development activities; and

(4) to prescribe various other powers, duties, and responsibilities incident to the operation and continuing development of the Job Corps.

SEC. 743. ESTABLISHMENT.

There shall be established in the Department of Labor a Job Corps program, to carry out activities described in this chapter for individuals enrolled in the Job Corps and assigned to a center.

SEC. 744. INDIVIDUALS ELIGIBLE FOR THE JOB CORPS.

To be eligible to become an enrollee, an individual shall be an at-risk youth.

SEC. 745. SCREENING AND SELECTION OF APPLICANTS.

(a) STANDARDS AND PROCEDURES.—

(1) IN GENERAL.—The Secretary shall prescribe specific standards and procedures for the screening and selection of applicants for the Job Corps, after considering recommendations from the Governors, State workforce development boards established under section 715, local partnerships and local workforce development boards established under section 728, and other interested parties.

(2) METHODS.—In prescribing standards and procedures under paragraph (1) for the screening and selection of Job Corps applicants, the Secretary shall—

(A) require enrollees to take drug tests within 30 days of enrollment in the Job Corps;

(B) allocate, where necessary, additional resources to increase the applicant pool;

(C) establish performance standards for outreach to and screening of Job Corps applicants;

(D) where appropriate, take measures to improve the professional capability of the individuals conducting such screening; and

(E) require Job Corps applicants to pass behavioral background checks, conducted in accordance with procedures established by the Secretary.

(3) IMPLEMENTATION.—To the extent practicable, the standards and procedures shall be implemented through arrangements with—

(A) one-stop career centers;

(B) agencies and organizations such as community action agencies, professional groups, and labor organizations; and

(C) agencies and individuals that have contact with youth over substantial periods of time and are able to offer reliable information about the needs and problems of the youth.

(4) CONSULTATION.—The standards and procedures shall provide for necessary consultation with individuals and organizations, including court, probation, parole, law enforcement, education, welfare, and medical authorities and advisers.

(b) SPECIAL LIMITATIONS.—No individual shall be selected as an enrollee unless the individual or organization implementing the standards and procedures determines that—

(1) there is a reasonable expectation that the individual considered for selection can participate successfully in group situations and activities, is not likely to engage in behavior that would prevent other enrollees from receiving the benefit of the program or be incompatible with the maintenance of sound discipline and satisfactory relationships between the Job Corps center to which the individual might be assigned and surrounding communities; and

(2) the individual manifests a basic understanding of both the rules to which the individual will be subject and of the consequences of failure to observe the rules.

SEC. 746. ENROLLMENT AND ASSIGNMENT.

(a) RELATIONSHIP BETWEEN ENROLLMENT AND MILITARY OBLIGATIONS.—Enrollment in the Job Corps shall not relieve any individual of obligations under the Military Selective Service Act (50 U.S.C. App. 451 et seq.).

(b) ASSIGNMENT.—After the Secretary has determined that an enrollee is to be assigned to a Job Corps center, the enrollee shall be assigned to the center that is closest to the residence of the enrollee, except that the Secretary may waive this requirement for good cause, including to ensure an equitable opportunity for at-risk youth from various sections of the Nation to participate in the Job Corps program, to prevent undue delays in assignment of an enrollee, to adequately meet the educational or other needs of an enrollee, and for efficiency and economy in the operation of the program.

(c) PERIOD OF ENROLLMENT.—No individual may be enrolled in the Job Corps for more than 2 years, except—

(1) in a case in which completion of an advanced career training program under section 748(d) would require an individual to participate for more than 2 years; or

(2) as the Secretary may authorize in a special case.

SEC. 747. JOB CORPS CENTERS.

(a) OPERATORS.—

(1) ELIGIBLE ENTITIES.—The Secretary shall enter into an agreement with a Federal, State, or local agency, which may be a State board or agency that operates or wishes to develop an area vocational education school facility or residential vocational school, or with a private organization, for the operation of each Job Corps center. The Secretary shall enter into an agreement with an appropriate entity to provide services for a Job Corps center.

(2) SELECTION PROCESS.—Except as provided in subsection (c)(2), the Secretary shall select an entity to operate a Job Corps center on a competitive basis, after reviewing the operating plans described in section 750. In selecting a private organization to serve as an operator, the Secretary may convene and obtain the recommendation of a selection panel described in section 752(b). In selecting an entity to serve as an operator or to provide services for a Job Corps center, the Secretary shall take into consideration the previous performance of the entity, if any, relating to operating or providing services for a Job Corps center.

(b) CHARACTER AND ACTIVITIES.—Job Corps centers may be residential or nonresidential in character, and shall be designed and operated so as to provide enrollees, in a well-supervised setting, with access to activities described in section 748. In any year, no more than 20 percent of the individuals enrolled in the Job Corps may be nonresidential participants in the Job Corps.

(c) CIVILIAN CONSERVATION CENTERS.—

(1) IN GENERAL.—The Job Corps centers may include Civilian Conservation Centers, located primarily in rural areas, which shall provide, in addition to other training and assistance, programs of work experience to conserve, develop, or manage public natural resources or public recreational areas or to develop community projects in the public interest.

(2) SELECTION PROCESS.—The Secretary may select an entity to operate a Civilian Conservation Center on a competitive basis, if the center fails to meet such national performance standards as the Secretary shall establish.

SEC. 748. PROGRAM ACTIVITIES.

(a) ACTIVITIES PROVIDED THROUGH JOB CORPS CENTERS.—Each Job Corps center shall provide enrollees assigned to the center with access to activities described in section 716(a)(2)(B), and such other workforce development activities as may be appropriate to meet the needs of the enrollees, including providing work-based learning throughout the enrollment of the enrollees and assisting the enrollees in obtaining meaningful unsubsidized employment, participating successfully in secondary education or postsecondary education programs, enrolling in other suitable training programs, or satisfying Armed Forces requirements, on completion of their enrollment.

(b) ARRANGEMENTS.—The Secretary shall arrange for enrollees assigned to Job Corps centers to receive workforce development activities through the statewide system, including workforce development activities provided through local public or private educational agencies, vocational educational institutions, or technical institutes.

(c) JOB PLACEMENT ACCOUNTABILITY.—Each Job Corps center shall be connected to the job placement accountability system described in section 731(d) in the State in which the center is located.

(d) ADVANCED CAREER TRAINING PROGRAMS.—

(1) IN GENERAL.—The Secretary may arrange for programs of advanced career training for selected enrollees in which the enrollees may continue to participate for a period of not to exceed 1 year in addition to the period of participation to which the enrollees would otherwise be limited.

(2) POSTSECONDARY EDUCATIONAL INSTITUTIONS.—The advanced career training may be provided through a postsecondary educational institution for an enrollee who has obtained a secondary school diploma or its recognized equivalent, has demonstrated commitment and capacity in previous Job Corps participation, and has an identified occupational goal.

(3) COMPANY-SPONSORED TRAINING PROGRAMS.—The Secretary may enter into contracts with private for-profit businesses and labor unions to provide the advanced career training through intensive training in company-sponsored training programs, combined with internships in work settings.

(4) BENEFITS.—

(A) IN GENERAL.—During the period of participation in an advanced career training program, an enrollee shall be eligible for full Job Corps benefits, or a monthly stipend equal to the average value of the residential support, food, allowances, and other benefits provided to enrollees assigned to residential Job Corps centers.

(B) CALCULATION.—The total amount for which an enrollee shall be eligible under subparagraph (A) shall be reduced by the amount of any scholarship or other educational grant assistance received by such enrollee for advanced career training.

(5) DEMONSTRATION.—Each year, any operator seeking to enroll additional enrollees in an advanced career training program shall demonstrate that participants in such program have achieved a reasonable rate of completion and placement in training-related jobs before the operator may carry out such additional enrollment.

SEC. 749. SUPPORT.

The Secretary shall provide enrollees assigned to Job Corps centers with such personal allowances, including readjustment allowances, as the Secretary may determine to be necessary or appropriate to meet the needs of the enrollees.

SEC. 750. OPERATING PLAN.

(a) IN GENERAL.—To be eligible to operate a Job Corps center, an entity shall prepare and submit an operating plan to the Secretary for approval. Prior to submitting the plan to the Secretary, the entity shall submit the plan to the Governor of the State in which the center is located for review and comment. The entity shall submit any comments prepared by the Governor on the plan to the Secretary with the plan. Such plan shall include, at a minimum, information indicating—

(1) in quantifiable terms, the extent to which the center will contribute to the achievement of the proposed State goals and State benchmarks identified in the State plan submitted under section 714 for the State in which the center is located;

(2) the extent to which workforce employment activities and workforce education activities delivered through the Job Corps center are directly linked to the workforce development needs of the region in which the center is located;

(3) an implementation strategy to ensure that all enrollees assigned to the Job Corps center will have access to services through the one-stop delivery of core services described in section 716(a)(2) by the State; and

(4) an implementation strategy to ensure that the curricula of all such enrollees is integrated into the school-to-work activities of the State, including work-based learning, work experience, and career-building activities, and that such enrollees have the opportunity to obtain secondary school diplomas or their recognized equivalent.

(b) APPROVAL.—The Secretary shall not approve an operating plan described in subsection (a) for a center if the Secretary determines that the activities proposed to be carried out through the center are not sufficiently integrated with the activities carried out through the statewide system of the State in which the center is located.

SEC. 751. STANDARDS OF CONDUCT.

(a) PROVISION AND ENFORCEMENT.—The Secretary shall provide, and directors of Job Corps center shall stringently enforce, standards of conduct within the centers. Such standards of conduct shall include provisions forbidding the actions described in subsection (b)(2)(A).

(b) DISCIPLINARY MEASURES.—

(1) IN GENERAL.—To promote the proper moral and disciplinary conditions in the Job Corps, the directors of Job Corps centers shall take appropriate disciplinary measures against enrollees. If such a director determines that an enrollee has committed a violation of the standards of conduct, the director shall dismiss the enrollee from the Job Corps if the director determines that the retention of the enrollee in the Job Corps will jeopardize the enforcement of such standards or diminish the opportunities of other enrollees.

(2) ZERO TOLERANCE POLICY.—

(A) GUIDELINES.—The director shall adopt guidelines establishing a zero tolerance policy for an act of violence, for use, sale, or possession of a controlled substance, for abuse of alcohol, or for another illegal or disruptive activity, as determined by the Secretary.

(B) DEFINITIONS.—As used in this paragraph:

(i) CONTROLLED SUBSTANCE.—The term "controlled substance" has the meaning given the term in section 102 of the Controlled Substances Act (21 U.S.C. 802).

(ii) ZERO TOLERANCE POLICY.—The term "zero tolerance policy" means a policy under which an enrollee shall be automatically dismissed from the Job Corps after a determination by the director that the enrollee has carried out an action described in subparagraph (A).

(c) APPEAL.—A disciplinary measure taken by a director under this section shall be subject to expeditious appeal in accordance with procedures established by the Secretary.

SEC. 752. COMMUNITY PARTICIPATION.

(a) ACTIVITIES.—The Secretary shall encourage and cooperate in activities to establish a mutually beneficial relationship between Job Corps centers in the State and nearby communities. The activities shall include the use of any local partnerships or local workforce development boards established in the State under section 728 to provide a mechanism for joint discussion of common problems and for planning programs of mutual interest.

(b) SELECTION PANELS.—The Governor may recommend individuals to serve on a selection panel convened by the Secretary to provide recommendations to the Secretary regarding any competitive selection of a private organization to serve as an operator for a center in the State. In recommending individuals to serve on the panel, the Governor may recommend members of State workforce development boards established under section 715, if any, members of any local partnerships or local workforce development boards established in the State under section 728, or other representatives selected by the Governor.

(c) ACTIVITIES.—Each Job Corps center director shall—

(1) give officials of nearby communities appropriate advance notice of changes in the rules, procedures, or activities of the Job Corps center that may affect or be of interest to the communities;

(2) afford the communities a meaningful voice in the affairs of the Job Corps center that are of direct concern to the communities, including policies governing the issuance and terms of passes to enrollees; and

(3) encourage the participation of enrollees in programs for improvement of the communities, with appropriate advance consultation with business, labor, professional, and other interested groups, in the communities.

SEC. 753. COUNSELING AND PLACEMENT.

The Secretary shall ensure that enrollees assigned to Job Corps centers receive academic and vocational counseling and job placement services, which shall be provided, to the maximum extent practicable, through the delivery of core services described in section 716(a)(2).

SEC. 754. ADVISORY COMMITTEES.

The Secretary is authorized to make use of advisory committees in connection with the operation of the Job Corps program, and the operation of Job Corps centers, whenever the Secretary determines that the availability of outside advice and counsel on a regular basis would be of substantial benefit in identifying and overcoming problems, in planning program or center development, or in strengthening relationships between the Job Corps and agencies, institutions, or groups engaged in related activities.

SEC. 755. APPLICATION OF PROVISIONS OF FEDERAL LAW.

(a) ENROLLEES NOT CONSIDERED TO BE FEDERAL EMPLOYEES.—

(1) IN GENERAL.—Except as otherwise provided in this subsection and in section 8143(a) of title 5, United States Code, enrollees shall not be considered to be Federal employees and shall not be subject to the provisions of law relating to Federal employment, including such provisions regarding hours of work, rates of compensation, leave, unemployment compensation, and Federal employee benefits.

(2) PROVISIONS RELATING TO TAXES AND SOCIAL SECURITY BENEFITS.—For purposes of the Internal Revenue Code of 1986 and title II of the Social Security Act (42 U.S.C. 401 et seq.), enrollees shall be deemed to be employees of the United States and any service performed by an individual as an enrollee shall be deemed to be performed in the employ of the United States.

(3) PROVISIONS RELATING TO COMPENSATION TO FEDERAL EMPLOYEES FOR WORK INJURIES.—For purposes of subchapter I of chapter 81 of title 5, United States Code (relating to compensation to Federal employees for work injuries), enrollees shall be deemed to be civil employees of the Government of the United States within the meaning of the term "employee" as defined in section 8101 of title 5, United States Code, and the provisions of such subchapter shall apply as specified in section 8143(a) of title 5, United States Code.

(4) FEDERAL TORT CLAIMS PROVISIONS.—For purposes of the Federal tort claims provisions in title 28, United States Code, enrollees shall be considered to be employees of the Government.

(b) ADJUSTMENTS AND SETTLEMENTS.—Whenever the Secretary finds a claim for damages to a person or property resulting from the operation of the Job Corps to be a proper charge against the United States, and the claim is not cognizable under section 2672 of title 28, United States Code, the Secretary may adjust and settle the claim in an amount not exceeding $1,500.

(c) PERSONNEL OF THE UNIFORMED SERVICES.—Personnel of the uniformed services who are detailed or assigned to duty in the performance of agreements made by the Secretary for the support of the Job Corps shall not be counted in computing strength under any law limiting the strength of such services or in computing the percentage authorized by law for any grade in such services.

SEC. 756. SPECIAL PROVISIONS.

(a) ENROLLMENT OF WOMEN.—The Secretary shall immediately take steps to achieve an enrollment of 50 percent women in the Job Corps program, consistent with the need to—

(1) promote efficiency and economy in the operation of the program;

(2) promote sound administrative practice; and

(3) meet the socioeconomic, educational, and training needs of the population to be served by the program.

(b) STUDIES, EVALUATIONS, PROPOSALS, AND DATA.—The Secretary shall assure that all studies, evaluations, proposals, and data produced or developed with Federal funds in the course of carrying out the Job Corps program shall become the property of the United States.

(c) GROSS RECEIPTS.—Transactions conducted by a private for-profit contractor or a nonprofit contractor in connection with the operation by the contractor of a Job Corps center or the provision of services by the contractor for a Job Corps center shall not be considered to be generating gross receipts. Such a contractor shall not be liable, directly or indirectly, to any State or subdivision of a State (nor to any person acting on behalf of such a State or subdivision) for any gross receipts taxes, business privilege taxes measured by gross receipts, or any similar taxes imposed on, or measured by, gross receipts in connection with any payments made to or by such contractor for operating or providing services for a Job Corps center. Such a contractor shall not be liable to any State or subdivision of a State to collect or pay any sales, excise, use, or similar tax imposed on the sale to or use by such contractor of any property, service, or other item in connection with the operation of or provision of services for a Job Corps center.

(d) MANAGEMENT FEE.—The Secretary shall provide each operator or entity providing services for a Job Corps center with an equitable and negotiated management fee of not less than 1 percent of the contract amount.

(e) DONATIONS.—The Secretary may accept on behalf of the Job Corps or individual Job Corps centers charitable donations of cash or other assistance, including equipment and materials, if such donations are available for appropriate use for the purposes set forth in this chapter.

SEC. 757. REVIEW OF JOB CORPS CENTERS.

(a) NATIONAL JOB CORPS REVIEW.—Not later than March 31, 1997, an advisory committee established by the Secretary shall conduct a review of the activities carried out under part B of title IV of the Job Training Partnership Act (29 U.S.C. 1691 et seq.), and submit to the appropriate committees of Congress a report containing the results of the review, including—

(1) information on the amount of funds expended for fiscal year 1996 to carry out activities under such part, for each State and for the United States;

(2) for each Job Corps center funded under such part, information on the amount of funds expended for fiscal year 1996 under such part to carry out activities related to the direct operation of the center, including funds expended for student training, outreach or intake activities, meals and lodging, student allowances, medical care, placement or settlement activities, and administration;

(3) for each Job Corps center, information on the amount of funds expended for fiscal year 1996 under such part through contracts to carry out activities not related to the direct operation of the center, including funds expended for student travel, national outreach, screening, and placement services, national vocational training, and national and regional administrative costs;

(4) for each Job Corps center, information on the amount of funds expended for fiscal year 1996 under such part for facility construction, rehabilitation, and acquisition expenses;

(5) information on the amount of funds required to be expended under such part to complete each new or proposed Job Corps center, and to rehabilitate and repair each existing Job Corps center, as of the date of the submission of the report;

(6) a summary of the information described in paragraphs (2) through (5) for all Job Corps centers;

(7) an assessment of the need to serve at-risk youth in the Job Corps program, including—

(A) a cost-benefit analysis of the residential component of the Job Corps program;

(B) the need for residential education and training services for at-risk youth, analyzed for each State and for the United States; and

(C) the distribution of training positions in the Job Corps program, as compared to the need for the services described in subparagraph (B), analyzed for each State;

(8) an overview of the Job Corps program as a whole and an analysis of individual Job Corps centers, including a 5-year performance measurement summary that includes information, analyzed for the program and for each Job Corps center, on—

(A) the number of enrollees served;

(B) the number of former enrollees who entered employment, including the number of former enrollees placed in a position related to the job training received through the program and the number placed in a position not related to the job training received;

(C) the number of former enrollees placed in jobs for 32 hours per week or more;

(D) the number of former enrollees who entered employment and were retained in the employment for more than 13 weeks;

(E) the number of former enrollees who entered the Armed Forces;

(F) the number of former enrollees who completed vocational training, and the rate of such completion, analyzed by vocation;

(G) the number of former enrollees who entered postsecondary education;

(H) the number and percentage of early dropouts from the Job Corps program;

(I) the average wage of former enrollees, including wages from positions described in subparagraph (B);

(J) the number of former enrollees who obtained a secondary school diploma or its recognized equivalent;

(K) the average level of learning gains for former enrollees; and

(L) the number of former enrollees that did not—

(i) enter employment or postsecondary education;

(ii) complete a vocational education program; or

(iii) make identifiable learning gains;

(9) information regarding the performance of all existing Job Corps centers over the 3 years preceding the date of submission of the report; and

(10) job placement rates for each Job Corps center and each entity providing services to a Job Corps center.

(b) RECOMMENDATIONS OF ADVISORY COMMITTEE.—

(1) RECOMMENDATIONS.—The advisory committee shall, based on the results of the review described in subsection (a), make recommendations to the Secretary of Labor, regarding improvements in the operation of the Job Corps program, including—

(A) closing Job Corps centers described in paragraph (2) in cases in which prospects for performance improvement are poor or facility rehabilitation, renovation, or repair is not cost-effective;

(B) relocating Job Corps centers described in paragraph (2)(A)(iii) in cases in which facility rehabilitation, renovation, or repair is not cost-effective; and

(C) taking any other action that would improve the operation of a Job Corps center.

(2) CONSIDERATIONS.—

(A) IN GENERAL.—In determining whether to recommend that the Secretary of Labor close a Job Corps center, the advisory committee shall consider whether the center—

(i) has consistently received low performance measurement ratings under the Department of Labor or the Office of Inspector General Job Corps rating system;

(ii) is among the centers that have experienced the highest number of serious incidents of violence or criminal activity in the past 5 years;

(iii) is among the centers that require the largest funding for renovation or repair, as specified in the Department of Labor Job Corps Construction/Rehabilitation Funding Needs Survey, or for rehabilitation or repair, as reflected in the portion of the review described in subsection (a)(5);

(iv) is among the centers for which the highest relative or absolute fiscal year 1996 expenditures were made, for any of the categories of expenditures described in paragraph (2), (3), or (4) of subsection (a), as reflected in the review described in subsection (a);

(v) is among the centers with the least State and local support; or

(vi) is among the centers with the lowest rating on such additional criteria as the advisory committee may determine to be appropriate.

(B) COVERAGE OF STATES AND REGIONS.—Notwithstanding subparagraph (A), the advisory committee shall not recommend that the Secretary of Labor close the only Job Corps center in a State or a region of the United States.

(C) ALLOWANCE FOR NEW JOB CORPS CENTERS.—Notwithstanding any other provision of this section, if the planning or construction of a Job Corps center that received Federal funding for fiscal year 1994 or 1995 has not been completed by the date of enactment of this Act—

(i) the appropriate entity may complete the planning or construction and begin operation of the center; and

(ii) the advisory committee shall not evaluate the center under this title sooner than 3 years after the first date of operation of the center.

(3) REPORT.—Not later than June 30, 1997, the advisory committee shall submit a report to the Secretary of Labor, which shall contain a detailed statement of the findings and conclusions of the advisory committee resulting from the review described in subsection (a) together with the recommendations described in paragraph (1).

(c) IMPLEMENTATION OF PERFORMANCE IMPROVEMENTS.—The Secretary shall, after reviewing the report submitted under subsection (b)(3), implement improvements in the operation of the Job Corps program, including the appropriate closings of individual Job Corps centers by September 30, 1997. Funds saved through the implementation of such improvements shall be used to maintain overall Job Corps program service levels, improve facilities at existing Job Corps centers, relocate Job Corps centers, initiate new Job Corps centers, and make other performance improvements in the Job Corps program.

(d) REPORT TO CONGRESS.—The Secretary shall annually report to Congress the information specified in paragraphs (8), (9), and (10) of subsection (a) and such additional information relating to the Job Corps program as the Secretary may determine to be appropriate.

SEC. 758. EFFECTIVE DATE.

(a) IN GENERAL.—Except as provided in subsection (b), this chapter shall take effect on July 1, 1998.

(b) REPORT.—Section 757 shall take effect on the date of enactment of this Act.

In section 759(a), strike "to States to assist the States in paying for the cost of carrying out" and insert "for States, to enable the Secretary of Labor to carry out in the States, and to assist the States in paying for the cost of carrying out,".

In section 759(b)(1), strike "The State shall use a portion of the funds made available to the State through an allotment received under subsection (c)" and insert "The Secretary of Labor shall use the funds made available for a State through an allotment made under subsection (c)(2), and, at the election of the State, a portion of the funds made available to the State through an allotment received under subsection (c)(3),".

In section 759(b)(1), strike "section 755" and insert "section 757".

In section 759(b)(2), strike "the funds described in paragraph (1)" and insert "the funds made available to a State through an allotment received under subsection (c)(3)".

In section 759(c)(1), in the matter preceding subparagraph (A), strike "allot to" and insert "allot for".

In section 759(c)(1)(A), strike "available to" and insert "available for".

In section 759(c)(2), strike "to each State" and insert "for each State".

In section 759(c)(2), strike "to carry out" and insert "to enable the Secretary of Labor to carry out".

In section 759(c)(2), strike "section 755(a)(2)" and insert "section 757(a)(2)".

In section 759(d)(1), strike "subsection (c)" and insert "subsection (c)(3)".

In section 771(b), strike "this title" and insert "this title (other than subtitle C)".

In section 772(a)(4)(B), strike "this title" and insert "this title (other than subtitle C)".

In section 776(c)(2)(H), strike "this title" and insert "this title (other than subtitle C)".

In the first sentence of section 776(c)(5)(A), strike "this title" and insert "this title (other than subtitle C)".

In the second sentence of section 776(c)(5)(A), strike "this title" and insert "this title (other than subtitle C)".

ABRAHAM (AND LIEBERMAN) AMENDMENT NO. 2511

Mr. ABRAHAM (for himself and Mr. LIEBERMAN) proposed an amendment to amendment No. 2280 proposed by Mr. DOLE to the bill H.R. 4, supra, as follows:

At the appropriate place in the bill, add the following new section:

"SEC. ——. SENSE OF THE SENATE REGARDING ENTERPRISE ZONES.

(a) FINDINGS.—The Senate finds that—

(1) Many of the Nation's urban centers are places with high levels of poverty, high rates of welfare dependency, high crime rates, poor schools, and joblessness;

(2) Federal tax incentives and regulatory reforms can encourage economic growth, job creation and small business formation in many urban centers;

(3) Encouraging private sector investment in America's economically distressed urban and rural areas is essential to breaking the cycle of poverty and the related ills of crime, drug abuse, illiteracy, welfare dependency, and unemployment;

(4) The empowerment zones enacted in 1993 should be enhanced by providing incentives to increase entrepreneurial growth, capital formation, job creation, educational opportunities, and home ownership in the designated communities and zones;

(b) SENSE OF THE SENATE.—Therefore, it is the Sense of the Senate that the Congress should adopt enterprise zone legislation in the 104th Congress, and that such enterprise zone legislation provide the following incentives and provisions:

(1) Federal tax incentives that expand access to capital, increase the formation and expansion of small businesses, and promote commercial revitalization;

(2) Regulatory reforms that allow localities to petition Federal agencies, subject to the relevant agencies' approval, for waivers or modifications of regulations to improve job creation, small business formation and expansion, community development, or economic revitalization objectives of the enterprise zones;

(3) Home ownership incentives and grants to encourage resident management of public housing and home ownership of public housing;

(4) School reform pilot projects in certain designated enterprise zones to provide low-income parents with new and expanded educational options for their children's elementary and secondary schooling.

ABRAHAM AMENDMENT NO. 2512

Mr. ABRAHAM proposed an amendment to amendment No. 2280 proposed by Mr. DOLE to the bill H.R. 4, supra, as follows:

On page 46, after line 24, insert the following:

"(a) GRANT INCREASED TO REWARD STATES THAT REDUCE OUT-OF-WEDLOCK BIRTHS.—

"(1) IN GENERAL.—The amount of the grant payable to a State under section 403(a)(1)(A) for fiscal years 1998, 1999, and 2000 shall be increased by—

"(A) 5 percent if—

"(i) the illegitimacy ratio of the State for the fiscal year is at least 1 percentage point lower than the illegitimacy ratio of the State for fiscal year 1995; and

"(ii) the rate of induced pregnancy terminations in the State for the same fiscal year is not higher than the rate of induced pregnancy terminations in the State for fiscal year 1995; or

"(B) 10 percent if—

"(i) the illegitimacy ratio of the State for the fiscal year is at least 2 percentage points lower than the illegitimacy ratio of the State for fiscal year 1995; and

"(ii) the rate of induced pregnancy terminations in the State for the same fiscal year is not higher than the rate of induced pregnancy terminations in the State for fiscal year 1995.

"(2) DETERMINATION OF THE SECRETARY.—The Secretary shall not increase the grant amount under paragraph (1) if the Secretary determines that the relevant difference between the illegitimacy ratio of a State for an applicable fiscal year and the illegitimacy ratio of such State for fiscal year 1995 is the result of a change in State methods of reporting data used to calculate the illegitimacy ratio or if the Secretary determines that the relevant non-increase in the rate of induced pregnancy terminations for an applicable fiscal year as compared to fiscal year 1995 is the result of a change in State methods of reporting data used to calculate the rate of induced pregnancy terminations.

"(3) ILLEGITIMACY RATIO.—For purposes of this subsection, the term 'illegitimacy ratio' means, with respect to a State and a fiscal year—

"(A) the number of out-of-wedlock births that occurred in the State during the fiscal year; divided by

"(B) the number of births that occurred in the State during the same fiscal year

"(4) AVAILABILITY OF AMOUNTS.—There are authorized to be appropriated and there are appropriated such sums as may be necessary for fiscal years 1998, 1990, and 2000 for the purpose of increasing the amount of the grant payable to a State under section 403(a)(1) in accordance with this subsection.

FEINSTEIN AMENDMENT NO. 2513

Mrs. FEINSTEIN proposed an amendment to amendment No. 2280 proposed by Mr. DOLE to the bill H.R. 4, supra, as follows:

On page 276, line 22, strike "or".

On page 276, line 23, insert ", or (VI)" after "(V)".

On page 277, line 10, strike "and".

On page 277, line 16, strike the period and insert a semicolon.

On page 277, between lines 16 and 17, insert the following:

(F) assistance or services provided to abused or neglected children and their families; and

(G) assistance or benefits under other Federal non-cash programs.

On page 278, line 22, strike "or".

On page 278, line 25, insert "; or (VI) an alien lawfully admitted to the United States for permanent residence who has been subjected to domestic violence, or whose household members have been subjected to domestic violence, by the alien's sponsor or by members of the sponsor's household" after "title II".

LIEBERMAN (AND OTHERS) AMENDMENT NO. 2514

Mr. MOYNIHAN (for Mr. LIEBERMAN for himself, Mr. BREAUX, and Mr. CONRAD) proposed an amendment to amendment NO. 2280 proposed by Mr. DOLE to the bill H.R. 4, supra, as follows:

On page 17, line 8, insert "and for each of fiscal years 1998, 1999, and 2000, the amount of the State's job placement performance bonus determined under subsection (f)(1) for the fiscal year" after "year".

On page 17, line 22, insert "and the applicable percent specified under subsection (f)(2)(B)(ii) for such fiscal year" after "(B)".

On page 29, between lines 15 and 16, insert:

"(f) JOB PLACEMENT PERFORMANCE BONUS.—

"(1) IN GENERAL.—The job placement performance bonus determined with respect to a State and a fiscal year is an amount equal to the amount of the State's allocation of the job placement performance fund determined in accordance with the formula developed under paragraph (2).

"(2) ALLOCATION FORMULA; BONUS FUND.—

"(A) ALLOCATION FORMULA.—

"(i) IN GENERAL.—Not later than September 30, 1996, the Secretary of Health and Human Services shall develop and publish in the Federal Register a formula for allocating amounts in the job placement performance bonus fund to States based on the number of families that received assistance under a State program funded under this part in the preceding fiscal year that became ineligible for assistance under the State program as a result of unsubsidized employment during such year.

"(ii) FACTORS TO CONSIDER.—In developing the allocation formula under clause (i), the Secretary shall—

"(I) provide a greater financial bonus for individuals in families described in clause (i) who remain employed for greater periods of time or are at greater risk of long-term welfare dependency; and

"(II) take into account the unemployment conditions of each State or geographic area.

"(B) JOB PLACEMENT PERFORMANCE BONUS FUND.—

"(i) IN GENERAL.—The amount in the job placement performance bonus fund for a fiscal year shall be an amount equal to—

"(I) the applicable percentage of the amount appropriated under section 403(a)(2)(A) for such fiscal year; and

"(II) the amount of the reduction in grants made under this section for the preceding fiscal year resulting from the application of section 407.

"(ii) APPLICABLE PERCENTAGE.—For purposes of clause (i)(I), the applicable percentage shall be determined in accordance with the following table:

"For fiscal year:	*The applicable percentage is:*
1998	3
1999	4
2000 and each fiscal year thereafter	5

On page 29, line 16, strike "(f)" and insert "(g)".

On page 66, line 13, insert "and a preliminary assessment of the job placement performance bonus established under section 403(f)" before the end period.

LIEBERMAN AMENDMENT NO. 2515

Mr. MOYNIHAN (for Mr. LIEBERMAN) proposed an amendment to amendment No. 2280 proposed by Mr. DOLE to the bill H.R. 4, supra, as follows:

At the appropriate place, insert:

SEC. . NATIONAL CLEARINGHOUSE ON TEENAGE PREGNANCY.

(a) ESTABLISHMENT.—The Secretary of Education and the Secretary of Health and Human Services shall establish a national center for the collection and provision of information that relates to adolescent pregnancy prevention programs, to be known as the "National Clearinghouse on Teenage Pregnancy Prevention Programs".

(b) FUNCTIONS.—The national center established under subsection (a) shall serve as a national information and data clearinghouse, and as a material development source for adolescent pregnancy prevention programs. Such center shall—

(1) develop and maintain a system for disseminating information on all types of adolescent pregnancy prevention programs and on the state of adolescent pregnancy prevention program development, including information concerning the most effective model programs;

(2) identify model programs representing the various types of adolescent pregnancy prevention programs;

(3) develop networks of adolescent pregnancy prevention programs for the purpose of sharing and disseminating information;

(4) develop technical assistance materials to assist other entities in establishing and improving adolescent pregnancy prevention programs;

(5) participate in activities designed to encourage and enhance public media campaigns on the issue of adolescent pregnancy; and

(6) conduct such other activities as the responsible Federal officials find will assist in developing and carrying out programs or activities to reduce adolescent pregnancy.

(c) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated such sums as may be necessary to carry out the purposes of this section.

SEC. —. ESTABLISHING NATIONAL GOALS TO REDUCE OUT-OF-WEDLOCK PREGNANCIES AND TO PREVENT TEENAGE PREGNANCIES.

(a) IN GENERAL.—Not later than January 1, 1997, the Secretary of Health and Human Services shall establish and implement a strategy for—

(1) reducing out-of-wedlock teenage pregnancies by at least 5 percent a year, and

(2) assuring that at least 25 percent of the communities in the United States have teenage pregnancy prevention programs in place.

(b) REPORT.—Not later than June 30, 1998, and annually thereafter, the Secretary shall report to the Congress with respect to the progress that has been made in meeting the goals described in paragraphs (1) and (2) of subsection (a).

(b) OUT-OF-WEDLOCK AND TEENAGE PREGNANCY PREVENTION PROGRAMS.—Section 2002 (42 U.S.C. 1397a) is amended by adding at the end the following new subsection:

"(f)(1) Beginning in fiscal year 1996 and each fiscal year thereafter, each State shall use at least 5 percent of its allotment under section 2003 for the fiscal year to develop and implement a State program to reduce the incidence of out-of-wedlock and teenage pregnancies in the State.

"(2) The Secretary shall conduct a study with respect to the State programs implemented under paragraph (1) to determine the relative effectiveness of the different approaches for reducing out-of-wedlock pregnancies and preventing teenage pregnancy utilized in the programs conducted under this subsection and the approaches that can be best replicated by other States.

"(3) Each State conducting a program under this subsection shall provide to the Secretary, in such form and with such frequency as the Secretary requires, data from the programs conducted under this subsection. The Secretary shall report to the Congress annually on the progress of the programs and shall, not later than June 30, 1998, submit to the Congress a report on the study required under paragraph (2).".

SEC. —. SENSE OF THE SENATE REGARDING ENFORCEMENT OF STATUTORY RAPE LAWS.

It is the sense of the Senate that States and local jurisdictions should aggressively enforce statutory rape laws.

HATCH (AND KOHL) AMENDMENT NO. 2516

Mr. HATCH (for himself and Mr. KOHL) proposed an amendment to amendment No. 2280 proposed by Mr. DOLE to the bill H.R. 4, supra, as follows:

Beginning on page 10, strike line 13 and all that follows through line 4 on page 69, and insert the following:

"for such families; and

"(3) prevent and reduce the incidence of out-of-wedlock pregnancies; and

"(4) provide child care assistance to eligible parents and providers.

"SEC. 402. ELIGIBLE STATES; STATE PLAN.

"(a) IN GENERAL.—As used in this part, the term 'eligible State' means, with respect to a fiscal year, a State that has submitted to the Secretary a plan that includes the following:

"(1) OUTLINE OF FAMILY ASSISTANCE PROGRAM.—A written document that outlines how the State intends to do the following:

"(A) Conduct a program designed to serve all political subdivisions in the State to—

"(i) provide assistance to needy families with not less than 1 minor child; and

"(ii) provide a parent or caretaker in such families with work experience, assistance in finding employment, and other work preparation activities and support services that the State considers appropriate to enable such families to leave the program and become self-sufficient.

"(B) Require a parent or caretaker receiving assistance under the program to engage in work (as defined by the State) when the State determines the parent or caretaker is ready to engage in work, or after 24 months (whether or not consecutive) of receiving assistance under the program, whichever is earlier.

"(C) Satisfy the minimum participation rates specified in section 404.

"(D) Treat—

"(i) families with minor children moving into the State from another State; and

"(ii) noncitizens of the United States.

"(E) Safeguard and restrict the use and disclosure of information about individuals and families receiving assistance under the program.

"(F) Establish goals and take action to prevent and reduce the incidence of out-of-wedlock pregnancies, with special emphasis on teenage pregnancies.

"(G) With respect to a State that desires to receive a grant under section 403(b)(6), conduct a program designed to serve all political subdivisions in the State to provide child care assistance to eligible parents and providers and safeguard and restrict the use and disclosure of information about individuals receiving assistance under the program.

"(2) CERTIFICATION THAT THE STATE WILL OPERATE A CHILD SUPPORT ENFORCEMENT PROGRAM.—A certification by the chief executive officer of the State that, during the fiscal year, the State will operate a child support enforcement program under the State plan approved under part D.

"(3) CERTIFICATION THAT THE STATE WILL OPERATE A CHILD PROTECTION PROGRAM.—A certification by the chief executive officer of the State that, during the fiscal year, the State will operate a child protection program under the State plan approved under part B.

"(4) CERTIFICATION THAT THE STATE WILL OPERATE A FOSTER CARE AND ADOPTION ASSISTANCE PROGRAM.—A certification by the chief executive officer of the State that, during the fiscal year, the State will operate a foster care and adoption assistance program under the State plan approved under part E.

"(5) CERTIFICATION THAT THE STATE WILL PARTICIPATE IN THE INCOME AND ELIGIBILITY VERIFICATION SYSTEM.—A certification by the chief executive officer of the State that, during the fiscal year, the State will participate in the income and eligibility verification system required by section 1137.

"(6) CERTIFICATION OF THE ADMINISTRATION OF THE PROGRAM.—A certification by the chief executive officer of the State specifying which State agency or agencies are responsible for the administration and supervision of the State program for the fiscal year.

"(7) CERTIFICATION THAT REQUIRED REPORTS WILL BE SUBMITTED.—A certification by the chief executive officer of the State that the State shall provide the Secretary with any reports required under this part.

"(8) ESTIMATE OF FISCAL YEAR STATE AND LOCAL EXPENDITURES.—An estimate of the total amount of State and local expenditures under the State program for the fiscal year.

"(b) CERTIFICATION THAT THE STATE WILL PROVIDE ACCESS TO INDIANS.—

"(1) IN GENERAL.—In recognition of the Federal Government's trust responsibility to, and government-to-government relationship with, Indian tribes, the Secretary shall ensure that Indians receive at least their equitable share of services under the State program, by requiring a certification by the chief executive officer of each State described in paragraph (2) that, during the fiscal year, the State shall provide Indians in each Indian tribe that does not have a tribal family assistance plan approved under section 414 for a fiscal year with equitable access to assistance under the State program funded under this part.

"(2) STATE DESCRIBED.—For purposes of paragraph (1), a State described in this paragraph is a State in which there is an Indian tribe that does not have a tribal family assistance plan approved under section 414 for a fiscal year.

"(c) DEFINITIONS.—For purposes of this part, the following definitions shall apply:

"(1) ADULT.—The term 'adult' means an individual who is not a minor child.

"(2) MINOR CHILD.—The term 'minor child' means an individual—

"(A) who—

"(i) has not attained 18 years of age; or

"(ii) has not attained 19 years of age and is a full-time student in a secondary school (or in the equivalent level of vocational or technical training); and

"(B) who resides with such individual's custodial parent or other caretaker.

"(3) FISCAL YEAR.—The term 'fiscal year' means any 12-month period ending on September 30 of a calendar year.

"(4) INDIAN, INDIAN TRIBE, AND TRIBAL ORGANIZATION.—The terms 'Indian', 'Indian tribe', and 'tribal organization' have the meaning given such terms by section 4 of the Indian Self-Determination and Education Assistance Act (25 U.S.C. 450b).

"(5) STATE.—Except as otherwise specifically provided, the term 'State' includes the several States, the District of Columbia, the Commonwealth of Puerto Rico, the United States Virgin Islands, Guam, and American Samoa.

"(6) CHILD CARE CERTIFICATE.—The term 'child care certificate' means a certificate (that may be a check or other disbursement) that is issued by a State or local government under this title directly to a parent who may use such certificate only as payment for child care services. Nothing in this title shall preclude the use of such certificates for sectarian child care services if freely chosen by the parent. For purposes of this title, child care certificates shall not be considered to be grants or contracts.

"(7) ELIGIBLE CHILD.—The term 'eligible child' means an individual—

"(A) who is less than 13 years of age; and

"(B) who—

"(i) resides with a parent or parents who are working or attending a job training or educational program; or

"(ii) is receiving, or needs to receive, protective services and resides with a parent or parents not described in clause (i).

"(8) ELIGIBLE CHILD CARE PROVIDER.—The term 'eligible child care provider' means—

"(A) a center-based child care provider, a group home child care provider, a family child care provider, or other provider of child care services for compensation that—

"(i) is licensed, regulated, or registered under State law; and

"(ii) satisfies the State and local requirements;

applicable to the child care services it provides; or

"(B) a child care provider that is 18 years of age or older who provides child care services only to eligible children who are, by affinity or consanguinity, or by court decree, the grandchild, niece, or nephew of such provider, if such provider is registered and complies with any State requirements that govern child care provided by the relative involved.

"(9) FAMILY CHILD CARE PROVIDER.—The term 'family child care provider' means one individual who provides child care services for fewer than 24 hours per day, as the sole caregiver, and in a private residence.

"(10) PARENT.—The term 'parent' includes a legal guardian or other person standing in loco parentis.

"SEC. 403. PAYMENTS TO STATES AND INDIAN TRIBES.

"(a) GRANT AMOUNT.—

"(1) IN GENERAL.—Subject to the provisions of paragraph (3), section 407 (relating to penalties), and section 414(g), for each of fiscal years 1996, 1997, 1998, 1999, and 2000, the Secretary shall pay—

"(A) each eligible State a grant in an amount equal to the State family assistance grant for the fiscal year; and

"(B) each Indian tribe with an approved tribal family assistance plan a tribal family assistance grant in accordance with section 414.

"(2) STATE FAMILY ASSISTANCE GRANT.—

"(A) IN GENERAL.—For purposes of paragraph (1)(A), a State family assistance grant for any State for a fiscal year is an amount equal to the total amount of the Federal payments to the State under section 403 for fiscal year 1994 (as such section was in effect during such fiscal year and as such payments were reported by the State on February 14, 1995), reduced by the amount (if any) determined under subparagraph (B).

"(B) AMOUNT ATTRIBUTABLE TO CERTAIN INDIAN FAMILIES SERVED BY INDIAN TRIBES.—

"(i) IN GENERAL.—For purposes of subparagraph (A), the amount determined under this subparagraph is an amount equal to the Federal payments to the State under section 403 for fiscal year 1994 (as in effect during such fiscal year) attributable to expenditures by the State under parts A and F of this title (as so in effect) for Indian families described in clause (ii).

"(ii) INDIAN FAMILIES DESCRIBED.—For purposes of clause (i), Indian families described in this clause are Indian families who reside in a service area or areas of an Indian tribe receiving a tribal family assistance grant under section 414.

"(C) NOTIFICATION.—Not later than 3 months prior to the payment of each quarterly installment of a State grant under subsection (a)(1), the Secretary shall notify the State of the amount of the reduction determined under subparagraph (B) with respect to the State.

"(3) SUPPLEMENTAL GRANT AMOUNT FOR POPULATION INCREASES IN CERTAIN STATES.—

"(A) IN GENERAL.—The amount of the grant payable under paragraph (1) to a qualifying State for each of fiscal years 1997, 1998, 1999, and 2000 shall be increased by an amount equal to 2.5 percent of the amount that the State received under this section in the preceding fiscal year.

"(B) INCREASE TO REMAIN IN EFFECT EVEN IF STATE FAILS TO QUALIFY IN LATER YEARS.—Subject to section 407, in no event shall the amount of a grant payable under paragraph (1) to a State for any fiscal year be less than the amount the State received under this section for the preceding fiscal year.

"(C) QUALIFYING STATE.—

"(i) IN GENERAL.—For purposes of this paragraph, the term 'qualifying State', with respect to any fiscal year, means a State that—

"(I) had an average level of State welfare spending per poor person in the preceding fiscal year that was less than the national average level of State welfare spending per poor person in the preceding fiscal year; and

"(II) had an estimated rate of State population growth as determined by the Bureau of the Census for the most recent fiscal year for which information is available that was greater than the average rate of population growth for all States as determined by the Bureau of the Census for such fiscal year.

"(ii) CERTAIN STATES DEEMED QUALIFYING STATES.—For purposes of this paragraph, a State shall be deemed to be a qualifying State for fiscal years 1997, 1998, 1999, and 2000 if the level of State welfare spending per poor person in fiscal year 1996 was less than 35 percent of the national average level of State welfare spending per poor person in fiscal year 1996.

"(iii) STATE MUST QUALIFY IN FISCAL YEAR 1997.—A State shall not be eligible to be a qualifying State under clause (i) for fiscal years after 1997 if the State was not a qualifying State under clause (i) in fiscal year 1997.

"(D) DEFINITIONS.—For purposes of this paragraph:

"(i) LEVEL OF STATE WELFARE SPENDING PER POOR PERSON.—The term 'level of State welfare spending per poor person' means, with respect to a State for any fiscal year—

"(I) the amount of the grant received by the State under this section (prior to the application of section 407); divided by

"(II) the number of the individuals in the State who had an income below the poverty line according to the 1990 decennial census.

"(ii) NATIONAL AVERAGE LEVEL OF STATE WELFARE SPENDING PER POOR PERSON.—The term 'national average level of State welfare spending per poor person' means an amount equal to—

"(I) the amount paid in grants under this section (prior to the application of section 407); divided by

"(II) the number of individuals in all States with an income below the poverty line according to the 1990 decennial census.

"(iii) POVERTY LINE.—The term 'poverty line' has the same meaning given such term in section 673(2) of the Community Services Block Grant Act (42 U.S.C. 9902(2)).

"(iv) STATE.—The term 'State' means each of the 50 States of the United States.

"(4) APPROPRIATION.—

"(A) STATES.—There are authorized to be appropriated and there are appropriated $16,795,323,000 for each fiscal year described in paragraph (1) for the purpose of paying—

"(i) grants to States under paragraph (1)(A); and

"(ii) tribal family assistance grants under paragraph (1)(B).

"(B) ADJUSTMENT FOR QUALIFYING STATES.—For the purpose of increasing the amount of the grant payable to a State under paragraph (1) in accordance with paragraph (3), there are authorized to be appropriated and there are appropriated—

"(i) for fiscal year 1997, $85,860,000;

"(ii) for fiscal year 1998, $173,276,000;

"(iii) for fiscal year 1999, $263,468,000; and

"(iv) for fiscal year 2000, $355,310,000.

"(5) CHILD CARE GRANT.—

"(A) IN GENERAL.—Subject to the provisions of section 406, the Secretary shall pay to each eligible State submitting a State plan that complies with section 402(a)(1)(G) for each of fiscal years 1996, 1997, 1998, 1999, and 2000 a grant in an amount equal to the State child care grant for the fiscal year.

"(B) FUNDING.—

"(i) STATES.—Of the amounts appropriated under paragraph (4)(A) for a fiscal year, the Secretary shall make available $979,877,626 for each such fiscal year for the purpose of paying State child care grants to States under subsection (b)(6).

"(ii) INDIAN TRIBES.—The Secretary shall make available ___ percent of the amount made available under clause (i) for each such fiscal year for the purpose of paying State child care grants to Indian tribes under such paragraph.

"(b) USE OF GRANT.—

"(1) IN GENERAL.—Subject to this part, a State to which a grant is made under this section may use the grant—

"(A) in any manner that is reasonably calculated to accomplish the purpose of this part; or

"(B) in any manner that such State used amounts received under part A or F of this title, as such parts were in effect before October 1, 1995.

"(2) AUTHORITY TO TREAT INTERSTATE IMMIGRANTS UNDER RULES OF FORMER STATE.—A State to which a grant is made under this section may apply to a family the rules of the program operated under this part of another State if the family has moved to the State from the other State and has resided in the State for less than 12 months.

"(3) AUTHORITY TO RESERVE CERTAIN AMOUNTS FOR ASSISTANCE.—A State may reserve amounts paid to the State under this part for any fiscal year for the purpose of providing, without fiscal year limitation, assistance under the State program operated under this part.

"(4) AUTHORITY TO OPERATE EMPLOYMENT PLACEMENT PROGRAM.—A State to which a grant is made under this section may use a portion of the grant to make payments (or provide job placement vouchers) to State-approved public and private job placement agencies that provide employment placement services to individuals who receive assistance under the State program funded under this part.

"(5) TRANSFERABILITY OF GRANT AMOUNTS.—A State may use up to 30 percent of amounts received from a grant under this part for a fiscal year to carry out State activities under the Child Care and Development Block Grant Act of 1990 (42 U.S.C. 9858 et seq.) (relating to child care block grants).

"(6) STATE CHILD CARE GRANT.—

"(A) IN GENERAL.—For purposes of subsection (a)(5)(A), a State child care grant for any State for a fiscal year is an amount equal to the total amount of the Federal payments to the State under section—

"(i) 402(g)(3)(A) of the Social Security Act (as such section was in effect before October 1, 1995) for amounts expended for child care pursuant to paragraph (1) of such section;

"(ii) 403(l)(1)(A) of the Social Security Act (as such section was in effect before October 1, 1995) for amounts expended for child care pursuant to section 402(g)(1)(A) of such Act, in the case of a State with respect to which section 1108 of such Act applies; and

"(iii) 403(n) of the Social Security Act (as such section was in effect before October 1, 1995) for child care services pursuant to section 402(i) of such Act.

"(B) USE OF FUNDS.—Subject to this title, a State to which a State child care grant is made under subsection (a)(5)(A), may use the grant in any manner that is reasonably calculated to accomplish the purpose of this title, including making child care services available through—

"(i) the provision of child care certificates to parents on behalf of an eligible child;

"(ii) the reimbursement of, or contracting with, eligible child care providers; and

"(iii) any other activities to increase child care access or affordability as determined appropriate by the State.

"(c) TIMING OF PAYMENTS.—The Secretary shall pay each grant payable to a State under this section in quarterly installments.

"(d) FEDERAL LOAN FUND FOR STATE WELFARE PROGRAMS.—

"(1) ESTABLISHMENT.—There is hereby established in the Treasury of the United States a revolving loan fund which shall be known as the 'Federal Loan Fund for State Welfare Programs' (hereafter for purposes of this section referred to as the 'fund').

"(2) DEPOSITS INTO FUND.—

"(A) APPROPRIATION.—Out of any money in the Treasury of the United States not otherwise appropriated, $1,700,000,000 are hereby appropriated for fiscal year 1996 for payment to the fund.

"(B) LOAN REPAYMENTS.—The Secretary shall deposit into the fund any principal or interest payment received with respect to a loan made under this subsection.

"(3) AVAILABILITY.—Amounts in the fund are authorized to remain available without fiscal year limitation for the purpose of making loans and receiving payments of principal and interest on such loans, in accordance with this subsection.

"(4) USE OF FUND.—

"(A) LOANS TO STATES.—The Secretary shall make loans from the fund to any loan-eligible State, as defined in subparagraph (D), for a period to maturity of not more than 3 years.

"(B) RATE OF INTEREST.—The Secretary shall charge and collect interest on any loan made under subparagraph (A) at a rate equal to the Federal short-term rate, as defined in section 1274(d) of the Internal Revenue Code of 1986.

"(C) MAXIMUM LOAN.—The cumulative amount of any loans made to a State under subparagraph (A) during fiscal years 1996 through 2000 shall not exceed 10 percent of the State family assistance grant under subsection (a)(2) for a fiscal year.

"(D) LOAN-ELIGIBLE STATE.—For purposes of subparagraph (A), a loan-eligible State is a State which has not had a penalty described in section 407(a)(1) imposed against it at any time prior to the loan being made.

"(5) LIMITATION ON USE OF LOAN.—A State shall use a loan received under this subsection only for any purpose for which grant amounts received by the State under subsection (a) may be used including—

"(A) welfare anti-fraud activities; and

"(B) the provision of assistance under the State program to Indian families that have moved from the service area of an Indian tribe with a tribal family assistance plan approved under section 414.

"(e) SPECIAL RULE FOR INDIAN TRIBES THAT RECEIVED JOBS FUNDS.—

"(1) IN GENERAL.—The Secretary shall pay to each eligible Indian tribe for each of fiscal years 1996, 1997, 1998, 1999, and 2000 a grant in an amount equal to the amount received by such Indian tribe in fiscal year 1995 under section 482(i) (as in effect during such fiscal year) for the purpose of operating a program to make work activities available to members of the Indian tribe.

"(2) ELIGIBLE INDIAN TRIBE.—For purposes of paragraph (1), the term 'eligible Indian tribe' means an Indian tribe or Alaska Native organization that conducted a job opportunities and basic skills training program in fiscal year 1995 under section 482(i) (as in effect during such fiscal year).

"(3) APPROPRIATION.—There are authorized to be appropriated and there are hereby appropriated $7,638,474 for each fiscal year described in paragraph (1) for the purpose of paying grants in accordance with such paragraph.

"(f) SECRETARY.—For purposes of this section, the term 'Secretary' means the Secretary of the Treasury.

"SEC. 404. MANDATORY WORK REQUIREMENTS.

"(a) PARTICIPATION RATE REQUIREMENTS.—A State to which a grant is made under section 403 for a fiscal year shall achieve the minimum participation rate specified in the following tables for the fiscal year with respect to—

"(1) all families receiving assistance under the State program funded under this part:

"If the fiscal year is:	**The minimum participation rate for all families is:**
1996	25
1997	30
1998	35
1999	40
2000 or thereafter ...	50; and

"(2) with respect to 2-parent families receiving such assistance:

"If the fiscal year is:	The minimum participation rate is:
1996	60
1997 or 1998	75
1999 or thereafter	90.

"(b) CALCULATION OF PARTICIPATION RATES.—

"(1) FOR ALL FAMILIES.—

"(A) AVERAGE MONTHLY RATE.—For purposes of subsection (a)(1), the participation rate for all families of a State for a fiscal year is the average of the participation rates for all families of the State for each month in the fiscal year.

"(B) MONTHLY PARTICIPATION RATES.—The participation rate of a State for all families of the State for a month, expressed as a percentage, is—

"(i) the sum of—

"(I) the number of all families receiving assistance under the State program funded under this part that include an adult who is engaged in work for the month;

"(II) the number of all families receiving assistance under the State program funded under this part that are subject in such month to a penalty described in paragraph (1)(A) or (2)(A) of subsection (d) but have not been subject to such penalty for more than 3 months within the preceding 12-month period (whether or not consecutive);

"(III) the number of all families receiving assistance under the State program funded under this part that have become ineligible for assistance under the State program within the previous 6-month period because of employment and that include an adult who is employed for the month; and

"(IV) beginning in the first month beginning after the promulgation of the regulations described in paragraph (3) and in accordance with such regulations, the average monthly number of all families that are not receiving assistance under the State program funded under this part as a result of the State's diversion of such families from the State program prior to such families receipt of assistance under the program; divided by

"(ii) the total number of all families receiving assistance under the State program funded under this part during the month that include an adult.

"(2) 2-PARENT FAMILIES.—

"(A) AVERAGE MONTHLY RATE.—For purposes of subsection (a)(2), the participation rate for 2-parent families of a State for a fiscal year is the average of the participation rates for 2-parent families of the State for each month in the fiscal year.

"(B) MONTHLY PARTICIPATION RATES.—The participation rate of a State for 2-parent families of the State for a month, expressed as a percentage, is—

"(i) the total number of 2-parent families described in paragraph (1)(B)(i); divided by

"(ii) the total number of 2-parent families receiving assistance under the State program funded under this part during the month that include an adult.

"(3) REGULATIONS RELATING TO CALCULATION OF FAMILIES DIVERTED FROM ASSISTANCE.—

"(A) IN GENERAL.—Not later than 1 year after the date of the enactment of the Work Opportunity Act of 1995, the Secretary shall consult with the States and establish, by regulation, a method to measure the number of families diverted by a State from the State program funded under this part prior to such families receipt of assistance under the program.

"(B) ELIGIBILITY CHANGES NOT COUNTED.—The regulations described in subparagraph (A) shall not take into account families that are diverted from a State program funded under this part as a result of differences in eligibility criteria under a State program funded under this part and eligibility criteria under such State's plan under the aid to families with dependent children program, as such plan was in effect on the day before the date of the enactment of the Work Opportunity Act of 1995.

"(4) STATE OPTION TO INCLUDE INDIVIDUALS RECEIVING ASSISTANCE UNDER A TRIBAL FAMILY ASSISTANCE PLAN.—For purposes of paragraphs (1)(B) and (2)(B), a State may, at its option, include families receiving assistance under a tribal family assistance plan approved under section 414. For purposes of the previous sentence, an individual who receives assistance under a tribal family assistance plan approved under section 414 shall be treated as being engaged in work if the individual is participating in work under standards that are comparable to State standards for being engaged in work.

"(c) ENGAGED IN WORK.—

"(1) ALL FAMILIES.—For purposes of subsection (b)(1)(B)(i)(I), an adult is engaged in work for a month in a fiscal year if the adult is participating in work for at least the minimum average number of hours per week specified in the following table during the month, not fewer than 20 hours per week of which are attributable to a work activity:

"If the month is in fiscal year:	The minimum average number of hours per week is:
1996	20
1997	20
1998	20
1999	25
2000	30
2001	30
2002	35
2003 or thereafter	35.

"(2) 2-PARENT FAMILIES.—For purposes of subsection (b)(2)(A), an adult is engaged in work for a month in a fiscal year if the adult is participating in work for at least 35 hours per week during the month, not fewer than 30 hours per week of which are attributable to work activities described in paragraph (3).

"(3) DEFINITION OF WORK ACTIVITIES.—For purposes of this subsection, the term 'work activities' means—

"(A) unsubsidized employment;

"(B) subsidized employment;

"(C) on-the-job training;

"(D) community service programs; and

"(E) job search (only for the first 4 weeks in which an individual is required to participate in work activities under this section).

"(d) PENALTIES AGAINST INDIVIDUALS.—If an adult in a family receiving assistance under the State program funded under this part refuses to engage in work required under subsection (c)(1) or (c)(2), a State to which a grant is made under section 403 shall—

"(1) reduce the amount of assistance that would otherwise be payable to the family; or

"(2) terminate such assistance,

subject to such good cause and other exceptions as the State may establish.

"(e) NONDISPLACEMENT IN WORK ACTIVITIES.—

"(1) IN GENERAL.—Subject to paragraph (2), an adult in a family receiving assistance under this part may fill a vacant employment position in order to engage in a work activity described in subsection (c)(3).

"(2) NO FILLING OF CERTAIN VACANCIES.—No adult described in paragraph (1) shall be employed, or job opening filled, by such an adult—

"(A) when any other individual is on layoff from the same or any substantially equivalent job; or

"(B) when the employer has terminated the employment of any regular employee or otherwise reduced its workforce with the intention of filling the vacancy so created by hiring an adult described in paragraph (1).

"(f) SENSE OF THE CONGRESS.—It is the sense of the Congress that in complying with this section, each State that operates a program funded under this part is encouraged to assign the highest priority to requiring adults in 2-parent families and adults in single-parent families that include older preschool or school-age children to be engaged in work activities.

"(g) DELIVERY THROUGH STATEWIDE SYSTEM.—

"(1) IN GENERAL.—Each work program carried out by the State to provide work activities in order to comply with this section shall be delivered through the statewide workforce development system established in section 711 of the Work Opportunity Act of 1995 unless a required work activity is not available locally through the statewide workforce development system.

"(2) EFFECTIVE DATE.—The provisions of paragraph (1) shall take effect—

"(A) in a State described in section 815(b)(1) of the Work Opportunity Act of 1995; and

"(B) in any other State, on July 1, 1998.

"SEC. 405. REQUIREMENTS AND LIMITATIONS.

"(a) STATE REQUIRED TO ENTER INTO A PERSONAL RESPONSIBILITY CONTRACT WITH EACH FAMILY RECEIVING ASSISTANCE.—Each State to which a grant is made under section 403 shall require each family receiving assistance under the State program funded under this part to have entered into a personal responsibility contract (as developed by the State) with the State.

"(b) NO ASSISTANCE FOR MORE THAN 5 YEARS.—

"(1) IN GENERAL.—Except as provided under paragraphs (2) and (3), a State to which a grant is made under section 403 may not use any part of the grant to provide assistance to a family that includes an adult who has received assistance under the program operated under this part for the lesser of—

"(A) the period of time established at the option of the State; or

"(B) 60 months (whether or not consecutive) after September 30, 1995.

"(2) MINOR CHILD EXCEPTION.—If an individual received assistance under the State program operated under this part as a minor child in a needy family, any period during which such individual's family received assistance shall not be counted for purposes of applying the limitation described in paragraph (1) to an application for assistance under such program by such individual as the head of a household of a needy family with minor children.

"(3) HARDSHIP EXCEPTION.—

"(A) IN GENERAL.—The State may exempt a family from the application of paragraph (1) by reason of hardship.

"(B) LIMITATION.—The number of families with respect to which an exemption made by a State under subparagraph (A) is in effect for a fiscal year shall not exceed 15 percent of the average monthly number of families to which the State is providing assistance under the program operated under this part.

"(c) DENIAL OF ASSISTANCE FOR 10 YEARS TO A PERSON FOUND TO HAVE FRAUDULENTLY MISREPRESENTED RESIDENCE IN ORDER TO OBTAIN ASSISTANCE IN 2 OR MORE STATES.—An individual shall not be considered an eligible individual for the purposes of this part during the 10-year period that begins on the date the individual is convicted in Federal or State court of having made a fraudulent statement or representation with respect to the place of residence of the individual in order to receive assistance simultaneously from 2 or more States under programs that are funded under this title, title XIX, or the Food Stamp Act of 1977, or benefits in 2 or more States under the supplemental security income program under title XVI.

"(d) Denial of Assistance for Fugitive Felons and Probation and Parole Violators.—

"(1) In general.—An individual shall not be considered an eligible individual for the purposes of this part if such individual is—

"(A) fleeing to avoid prosecution, or custody or confinement after conviction, under the laws of the place from which the individual flees, for a crime, or an attempt to commit a crime, which is a felony under the laws of the place from which the individual flees, or which, in the case of the State of New Jersey, is a high misdemeanor under the laws of such State; or

"(B) violating a condition of probation or parole imposed under Federal or State law.

"(2) Exchange of information with law enforcement agencies.—Notwithstanding any other provision of law, a State shall furnish any Federal, State, or local law enforcement officer, upon the request of the officer, with the current address of any recipient of assistance under this part, if the officer furnishes the agency with the name of the recipient and notifies the agency that—

"(A) such recipient—

"(i) is described in subparagraph (A) or (B) of paragraph (1); or

"(ii) has information that is necessary for the officer to conduct the officer's official duties; and

"(B) the location or apprehension of the recipient is within such officer's official duties.

"SEC. 406. PROMOTING RESPONSIBLE PARENTING.

"(a) Findings.—The Congress makes the following findings:

"(1) Marriage is the foundation of a successful society.

"(2) Marriage is an essential institution of a successful society which promotes the interests of children.

"(3) Promotion of responsible fatherhood and motherhood is integral to successful child rearing and the wellbeing of children.

"(4) In 1992, only 54 percent of single-parent families with children had a child support order established and, of that 54 percent, only about one half received the full amount due. Of the cases enforced through the public child support enforcement system, only 18 percent of the caseload has a collection.

"(5) The number of individuals receiving aid to families with dependent children (hereafter in this subsection referred to as 'AFDC') has more than tripled since 1965. More than two-thirds of these recipients are children. Eighty-nine percent of children receiving AFDC benefits now live in homes in which no father is present.

"(A)(i) The average monthly number of children receiving AFDC benefits—

"(I) was 3,300,000 in 1965;

"(II) was 6,200,000 in 1970;

"(III) was 7,400,000 in 1980; and

"(IV) was 9,300,000 in 1992.

"(ii) While the number of children receiving AFDC benefits increased nearly threefold between 1965 and 1992, the total number of children in the United States aged 0 to 18 has declined by 5.5 percent.

"(B) The Department of Health and Human Services has estimated that 12,000,000 children will receive AFDC benefits within 10 years.

"(C) The increase in the number of children receiving public assistance is closely related to the increase in births to unmarried women. Between 1970 and 1991, the percentage of live births to unmarried women increased nearly threefold, from 10.7 percent to 29.5 percent.

"(6) The increase of out-of-wedlock pregnancies and births is well documented as follows:

"(A) It is estimated that the rate of nonmarital teen pregnancy rose 23 percent from 54 pregnancies per 1,000 unmarried teenagers in 1976 to 66.7 pregnancies in 1991. The overall rate of nonmarital pregnancy rose 14 percent from 90.8 pregnancies per 1,000 unmarried women in 1980 to 103 in both 1991 and 1992. In contrast, the overall pregnancy rate for married couples decreased 7.3 percent between 1980 and 1991, from 126.9 pregnancies per 1,000 married women in 1980 to 117.6 pregnancies in 1991.

"(B) The total of all out-of-wedlock births between 1970 and 1991 has risen from 10.7 percent to 29.5 percent and if the current trend continues, 50 percent of all births by the year 2015 will be out-of-wedlock.

"(7) The negative consequences of an out-of-wedlock birth on the mother, the child, the family, and society are well documented as follows:

"(A) Young women 17 and under who give birth outside of marriage are more likely to go on public assistance and to spend more years on welfare once enrolled. These combined effects of 'younger and longer' increase total AFDC costs per household by 25 percent to 30 percent for 17-year olds.

"(B) Children born out-of-wedlock have a substantially higher risk of being born at a very low or moderately low birth weight.

"(C) Children born out-of-wedlock are more likely to experience low verbal cognitive attainment, as well as more child abuse, and neglect.

"(D) Children born out-of-wedlock were more likely to have lower cognitive scores, lower educational aspirations, and a greater likelihood of becoming teenage parents themselves.

"(E) Being born out-of-wedlock significantly reduces the chances of the child growing up to have an intact marriage.

"(F) Children born out-of-wedlock are 3 more times likely to be on welfare when they grow up.

"(8) Currently 35 percent of children in single-parent homes were born out-of-wedlock, nearly the same percentage as that of children in single-parent homes whose parents are divorced (37 percent). While many parents find themselves, through divorce or tragic circumstances beyond their control, facing the difficult task of raising children alone, nevertheless, the negative consequences of raising children in single-parent homes are well documented as follows:

"(A) Only 9 percent of married-couple families with children under 18 years of age have income below the national poverty level. In contrast, 46 percent of female-headed households with children under 18 years of age are below the national poverty level.

"(B) Among single-parent families, nearly ½ of the mothers who never married received AFDC while only ⅕ of divorced mothers received AFDC.

"(C) Children born into families receiving welfare assistance are 3 times more likely to be on welfare when they reach adulthood than children not born into families receiving welfare.

"(D) Mothers under 20 years of age are at the greatest risk of bearing low birth-weight babies.

"(E) The younger the single parent mother, the less likely she is to finish high school.

"(F) Young women who have children before finishing high school are more likely to receive welfare assistance for a longer period of time.

"(G) Between 1985 and 1990, the public cost of births to teenage mothers under the aid to families with dependent children program, the food stamp program, and the medicaid program has been estimated at $120,000,000,000.

"(H) The absence of a father in the life of a child has a negative effect on school performance and peer adjustment.

"(I) Children of teenage single parents have lower cognitive scores, lower educational aspirations, and a greater likelihood of becoming teenage parents themselves.

"(J) Children of single-parent homes are 3 times more likely to fail and repeat a year in grade school than are children from intact two-parent families.

"(K) Children from single-parent homes are almost 4 times more likely to be expelled or suspended from school.

"(L) Neighborhoods with larger percentages of youth aged 12 through 20 and areas with higher percentages of single-parent households have higher rates of violent crime.

"(M) Of those youth held for criminal offenses within the State juvenile justice system, only 29.8 percent lived primarily in a home with both parents. In contrast to these incarcerated youth, 73.9 percent of the 62,800,000 children in the Nation's resident population were living with both parents.

"(9) Therefore, in light of this demonstration of the crisis in our Nation, it is the sense of the Congress that prevention of out-of-wedlock pregnancy and reduction in out-of-wedlock birth are very important Government interests and the policy contained in provisions of this title is intended to address the crisis.

"(b) State Option To Deny Assistance For Out-of-Wedlock Births to Minors.—At the option of the State, a State to which a grant is made under section 403 may provide that the grant shall not be used to provide assistance for a child born out-of-wedlock to an individual who has not attained 18 years of age, or for the individual, until the individual attains such age.

"(c) State Option To Deny Assistance for Children Born to Families Receiving Assistance.—At the option of the State, a State to which a grant is made under section 403 may provide that the grant shall not be used to provide assistance for a minor child who is born to—

"(1) a recipient of assistance under the program funded under this part; or

"(2) an individual who received such benefits at any time during the 10-month period ending with the birth of the child.

"(d) Requirement That Teenage Parents Live In an Adult-Supervised Setting and Attend School.—

"(1) In general.—A State to which a grant is made under section 403 shall not use any part of the grant to provide assistance to an individual described in paragraph (2) if—

"(A) the individual and the minor child of the individual do not reside in—

"(i) a place of residence maintained by a parent, legal guardian, or other adult relative of such individual as such parent's, guardian's, or adult relative's own home; or

"(ii) another adult-supervised setting; and

"(B) the individual does not participate in—

"(i) educational activities directed toward the attainment of a high school diploma or its equivalent; or

"(ii) an alternative educational or training program that has been approved by the State.

"(2) Individual described.—An individual described in this paragraph is an individual who—

"(A) is under the age of 18 and is not married; and

"(B) has a minor child in his or her care.

"SEC. 407. STATE PENALTIES.

"(a) In General.—Subject to the provisions of subsection (b), the Secretary shall deduct from the grant otherwise payable under section 403 the following penalties:

"(1) For use of grant in violation of this part.—If an audit conducted under section 408 finds that an amount paid to a State under section 403 for a fiscal year has been used in violation of this part, then the Secretary shall reduce the amount of the grant otherwise payable to the State under such section for the immediately succeeding fiscal year quarter by the amount so used, plus 5 percent of such grant (determined without regard to this section).

"(2) For failure to submit required report.—

"(A) In general.—If the Secretary determines that a State has not, within 6 months after the end of a fiscal year, submitted the report required by section 409 for the fiscal year, the Secretary shall reduce by 5 percent the amount of the grant that would (in the absence of this section) be payable to the State under section 403 for the immediately succeeding fiscal year.

"(B) Rescission of penalty.—The Secretary shall rescind a penalty imposed on a State under subparagraph (A) with respect to a report for a fiscal year if the State submits the report before the end of the immediately succeeding fiscal year.

"(3) For failure to satisfy minimum participation rates.—

"(A) In general.—If the Secretary determines that a State has failed to satisfy the minimum participation rates specified in section 404(a) for a fiscal year, the Secretary shall reduce by not more than 5 percent the amount of the grant that would (in the absence of this section) be payable to the State under section 403 for the immediately succeeding fiscal year.

"(B) Penalty based on severity of failure.—The Secretary shall impose reductions under subparagraph (A) on the basis of the degree of noncompliance.

"(4) For failure to participate in the income and eligibility verification system.—If the Secretary determines that a State program funded under this part is not participating during a fiscal year in the income and eligibility verification system required by section 1137, the Secretary shall reduce by not more than 5 percent the amount of the grant that would (in the absence of this section) be payable to the State under section 403 for the immediately succeeding fiscal year.

"(5) For failure to comply with paternity establishment and child support enforcement requirements under part D.—Notwithstanding any other provision of this Act, if the Secretary determines that the State agency that administers a program funded under this part does not enforce the penalties requested by the agency administering part D against recipients of assistance under the State program who fail to cooperate in establishing paternity in accordance with such part, the Secretary shall reduce by not more than 5 percent the amount of the grant that would (in the absence of this section) be payable to the State under section 403 for the immediately succeeding fiscal year.

"(6) For failure to timely repay a Federal loan fund for State welfare programs.—If the Secretary determines that a State has failed to repay any amount borrowed from the Federal Loan Fund for State Welfare Programs established under section 403(d) within the period of maturity applicable to such loan, plus any interest owed on such loan, then the Secretary shall reduce the amount of the grant otherwise payable to the State under section 403 for the immediately succeeding fiscal year quarter by the outstanding loan amount, plus the interest owed on such outstanding amount.

"(b) Requirements.—

"(1) Limitation on amount of penalty.—

"(A) In general.—In imposing the penalties described in subsection (a), the Secretary shall not reduce any quarterly payment to a State by more than 25 percent.

"(B) Carryforward of unrecovered penalties.—To the extent that subparagraph (A) prevents the Secretary from recovering during a fiscal year the full amount of all penalties imposed on a State under subsection (a) for a prior fiscal year, the Secretary shall apply any remaining amount of such penalties to the grant otherwise payable to the State under section 403 for the immediately succeeding fiscal year.

"(2) State funds to replace reductions in grant.—A State which has a penalty imposed against it under subsection (a) shall expend additional State funds in an amount equal to the amount of the penalty for the purpose of providing assistance under the State program under this part.

"(3) Reasonable cause for noncompliance.—The Secretary may not impose a penalty on a State under subsection (a) if the Secretary determines that the State has reasonable cause for failing to comply with a requirement for which a penalty is imposed under such subsection.

"(c) Certification of Amount of Penalties.—If the Secretary is required to reduce the amount of any grant under this section, the Secretary shall certify the amount of such reduction to the Secretary of the Treasury and the Secretary of the Treasury shall reduce the amount paid to the State under section 403 by such amount.

"(d) Effective Dates.—

"(1) In general.—The penalties described in paragraphs (2) through (6) of subsection (a) shall apply with respect to fiscal years beginning on or after October 1, 1996.

"(2) Misuse of funds.—The penalties described in subsection (a)(1) shall apply with respect to fiscal years beginning on or after October 1, 1995.

"SEC. 408. AUDITS.

"(a) In General.—Each State shall, not less than annually, audit the State expenditures from amounts received under this part. Such audit shall—

"(1) determine the extent to which such expenditures were or were not expended in accordance with this part; and

"(2) be conducted by an approved entity (as defined in subsection (b)) in accordance with generally accepted auditing principles.

"(b) Approved Entity.—For purposes of subsection (a), the term 'approved entity' means an entity that—

"(1) is approved by the Secretary of the Treasury;

"(2) is approved by the chief executive officer of the State; and

"(3) is independent of any agency administering activities funded under this part.

"(c) Audit Report.—Not later than 30 days following the completion of an audit under this subsection, a State shall submit a copy of the audit to the State legislature, the Secretary of the Treasury, and the Secretary of Health and Human Services.

"(d) Additional Accounting Requirements.—The provisions of chapter 75 of title 31, United States Code, shall apply to the audit requirements of this section.

"SEC. 409. DATA COLLECTION AND REPORTING.

"(a) In General.—Each State to which a grant is made under section 403 for a fiscal year shall, not later than 6 months after the end of fiscal year 1997, and each fiscal year thereafter, transmit to the Secretary the following aggregate information on families to which assistance was provided during the fiscal year under the State program operated under this part:

"(1) The number of adults receiving such assistance.

"(2) The number of children receiving such assistance and the average age of the children.

"(3) The employment status of such adults, and the average earnings of employed adults receiving such assistance.

"(4) The age, race, and educational attainment at the time of application for assistance of the adults receiving such assistance.

"(5) The average amount of cash and other assistance provided to the families under the program.

"(6) The number of months, since the most recent application for assistance under the program, for which such assistance has been provided to the families.

"(7) The total number of months for which assistance has been provided to the families under the program.

"(8) Any other data necessary to indicate whether the State is in compliance with the plan most recently submitted by the State pursuant to section 402.

"(9) The components of any program carried out by the State to provide work activities in order to comply with section 404, and the average monthly number of adults in each such component.

"(10) The number of part-time job placements and the number of full-time job placements made through the program referred to in paragraph (9), the number of cases with reduced assistance, and the number of cases closed due to employment.

"(11) The number of cases closed due to section 405(b).

"(12) The increase or decrease in the number of children born out of wedlock to recipients of assistance under the State program funded under this part and the State's success in meeting its goals established under section 402(a)(1)(F).

"(13) With respect to a State child care grant under section 403(a)(5), information concerning—

"(A) the number of eligible parents and children receiving assistance under such grant;

"(B) the number of individuals described in section 402(a)(19)(C)(iii)(II) of the Social Security Act (as such section was in effect on September 30, 1995) not participating in work activities due to the unavailability of child care; and

"(C) other data described in paragraphs (1) through (12) relevant to the State child care grant.

"(b) Authority of States To Use Estimates.—A State may comply with the requirement to provide precise numerical information described in subsection (a) by submitting an estimate which is obtained through the use of scientifically acceptable sampling methods.

"(c) Report on Use of Federal Funds To Cover Administrative Costs and Overhead.—The report required by subsection (a) for a fiscal year shall include a statement of—

"(1) the total amount and percentage of the Federal funds paid to the State under this part for the fiscal year that are used to cover administrative costs or overhead; and

"(2) the total amount of State funds that are used to cover such costs or overhead.

"(d) Report on State Expenditures on Programs for Needy Families.—The report required by subsection (a) for a fiscal year shall include a statement of the total amount expended by the State during the fiscal year on the program under this part and the purposes for which such amount was spent.

"(e) Report on Noncustodial Parents Participating in Work Activities.—The report required by subsection (a) for a fiscal year shall include the number of noncustodial parents in the State who participated in work activities during the fiscal year.

"(f) Report on Child Support Collected.—The report required by subsection (a) for a fiscal year shall include the total amount of child support collected by the State agency administering the State program under part D on behalf of a family receiving assistance under this part.

"(g) Report on Child Care.—The report required by subsection (a) for a fiscal year shall include the total amount expended by the State for child care under the program under this part, along with a description of the types of child care provided, including child care provided in the case of a family that—

"(1) has ceased to receive assistance under this part because of employment; or

"(2) is not receiving assistance under this part but would be at risk of becoming eligible for such assistance if child care was not provided.

"(h) Report on Transitional Services.—The report required by subsection (a) for a fiscal year shall include the total amount expended by the State for providing transitional services to a family that has ceased to receive assistance under this part because of employment, along with a description of such services.

"(i) Secretary's Report on Data Processing.—

"(1) In general.—Not later than 6 months after the date of the enactment of the Work Opportunity Act of 1995, the Secretary shall prepare and submit to the Congress a report on—

"(A) the status of the automated data processing systems operated by the States to assist management in the administration of State programs under this part (whether in effect before or after October 1, 1995); and

"(B) what would be required to establish a system capable of—

"(i) tracking participants in public programs over time; and

"(ii) checking case records of the States to determine whether individuals are participating in public programs in 2 or more States.

"(2) Preferred contents.—The report required by paragraph (1) should include—

"(A) a plan for building on the automated data processing systems of the States to establish a system with the capabilities described in paragraph (1)(B); and

"(B) an estimate of the amount of time required to establish such a system and of the cost of establishing such a system.

"SEC. 410. RESEARCH, EVALUATIONS, AND NATIONAL STUDIES.

"(a) Research.—The Secretary may conduct research on the effects and costs of State programs funded under this part.

"(b) Development and Evaluation of Innovative Approaches To Employing Welfare Recipients.—The Secretary may assist States in developing, and shall evaluate, innovative approaches to employing recipients of assistance under programs funded under this part. In performing such evaluations, the Secretary shall, to the maximum extent feasible, use random assignment to experimental and control groups.

"(c) Studies of Welfare Caseloads.—The Secretary may conduct studies of the caseloads of States operating programs funded under this part.

"(d) Dissemination of Information.—The Secretary shall develop innovative methods of disseminating information on any research, evaluations, and studies conducted under this section, including the facilitation of the sharing of information and best practices among States and localities through the use of computers and other technologies.

"(e) Annual Ranking of States and Review of Most and Least Successful Work Programs.—

"(1) Annual ranking of states.—The Secretary shall rank annually the States to which grants are paid under section 403 in the order of their success in moving recipients of assistance under the State program funded under this part into long-term private sector jobs.

"(2) Annual review of most and least successful work programs.—The Secretary shall review the programs of the 3 States most recently ranked highest under paragraph (1) and the 3 States most recently ranked lowest under paragraph (1) that provide parents with work experience, assistance in finding employment, and other work preparation activities and support services to enable the families of such parents to leave the program and become self-sufficient.

"(f) Study on Alternative Outcomes Measures.—

"(1) Study.—The Secretary shall, in cooperation with the States, study and analyze outcomes measures for evaluating the success of a State in moving individuals out of the welfare system through employment as an alternative to the minimum participation rates described in section 404. The study shall include a determination as to whether such alternative outcomes measures should be applied on a national or a State-by-State basis.

"(2) Report.—Not later than September 30, 1998, the Secretary shall submit to the Committee on Finance of the Senate and the Committee on Ways and Means of the House of Representatives a report containing the findings of the study described in paragraph (1).

"SEC. 411. STUDY BY THE CENSUS BUREAU.

"(a) In General.—The Bureau of the Census shall expand the Survey of Income and Program Participation as necessary to obtain such information as will enable interested persons to evaluate the impact of the amendments made by title I of the Work Opportunity Act of 1995 on a random national sample of recipients of assistance under State programs funded under this part and (as appropriate) other low-income families, and in doing so, shall pay particular attention to the issues of out-of-wedlock births, welfare dependency, the beginning and end of welfare spells, and the causes of repeat welfare spells.

"(b) Appropriation.—Out of any money in the Treasury of the United States not otherwise appropriated, the Secretary of the Treasury shall pay to the Bureau of the Census $10,000,000 for each of fiscal years 1996, 1997, 1998, 1999, and 2000 to carry out subsection (a).

"SEC. 412. WAIVERS.

"(a) Continuation of Waivers.—

"(1) In general.—Except as provided in paragraph (2), if any waiver granted to a State under section 1115 or otherwise which relates to the provision of assistance under a State plan under this part is in effect or approved by the Secretary as of October 1, 1995, the amendments made by the Work Opportunity Act of 1995 shall not apply with respect to the State before the expiration (determined without regard to any extensions) of the waiver to the extent such amendments are inconsistent with the terms of the waiver.

"(2) Financing limitation.—Notwithstanding any other provision of law, beginning with fiscal year 1996, a State operating under a waiver described in paragraph (1) shall receive the payment described for such State for such fiscal year under section 403, in lieu of any other payment provided for in the waiver.

"(b) State Option To Terminate Waiver.—

"(1) In general.—A State may terminate a waiver described in subsection (a) before the expiration of the waiver.

"(2) Report.—A State which terminates a waiver under paragraph (1) shall submit a report to the Secretary summarizing the waiver and any available information concerning the result or effect of such waiver.

"(3) Hold harmless provision.—

"(A) In general.—A State that, not later than the date described in subparagraph (B), submits a written request to terminate a waiver described in subsection (a) shall be held harmless for accrued cost neutrality liabilities incurred under the terms and conditions of such waiver.

"(B) Date described.—The date described in this subparagraph is the later of—

"(i) January 1, 1996; or

"(ii) 90 days following the adjournment of the first regular session of the State legislature that begins after the date of the enactment of the Work Opportunity Act of 1995.

"(c) Secretarial Encouragement of Current Waivers.—The Secretary shall encourage any State operating a waiver described in subsection (a) to continue such waiver and to evaluate, using random sampling and other characteristics of accepted scientific evaluations, the result or effect of such waiver.

"SEC. 413. STATE DEMONSTRATION PROGRAMS.

Nothing in this part shall be construed as limiting a State's ability to conduct demonstration projects for the purpose of identifying innovative or effective program designs in 1 or more political subdivisions of the State.

"SEC. 414. DIRECT FUNDING AND ADMINISTRATION BY INDIAN TRIBES.

"(a) Purpose.—The purpose of this section is—

"(1) to strengthen and enhance the control and flexibility of local governments over local programs; and

"(2) in recognition of the principles contained in the Indian Self-Determination and Education Assistance Act (25 U.S.C. 450 et seq.)—

"(A) to provide direct Federal funding to Indian tribes for the tribal administration of the program funded under this part; or

"(B) to enable Indian tribes to enter into agreements, contracts, or compacts with intertribal consortia, States, or other entities for the administration of such program on behalf of the Indian tribe.

"(b) GRANT AMOUNTS FOR INDIAN TRIBES.—

"(1) IN GENERAL.—For each of fiscal years 1996, 1997, 1998, 1999, and 2000, the Secretary shall pay to each Indian tribe that has an approved tribal family assistance plan a tribal family assistance grant for the fiscal year in an amount equal to the amount determined under paragraph (2).

"(2) AMOUNT DETERMINED.—

"(A) IN GENERAL.—The amount determined under this paragraph is an amount equal to the total amount of the Federal payments to a State or States under section 403 for fiscal year 1994 (as in effect during such fiscal year) attributable to expenditures by the State or States under part A and part F of this title (as so in effect) in such year for Indian families residing in the service area or areas identified by the Indian tribe in subsection (c)(1)(C).

"(B) USE OF STATE SUBMITTED DATA.—

"(i) IN GENERAL.—The Secretary shall use State submitted data to make each determination under subparagraph (A).

"(ii) DISAGREEMENT WITH DETERMINATION.—If an Indian tribe or tribal organization disagrees with State submitted data described under clause (i), the Indian tribe or tribal organization may submit to the Secretary such additional information as may be relevant to making the determination under subparagraph (A) and the Secretary may consider such information before making such determination.

"(c) 3-YEAR TRIBAL FAMILY ASSISTANCE PLAN.—

"(1) IN GENERAL.—Any Indian tribe that desires to receive a tribal family assistance grant shall submit to the Secretary a 3-year tribal family assistance plan that—

"(A) outlines the Indian tribe's approach to providing welfare-related services for the 3-year period, consistent with the purposes of this section;

"(B) specifies whether the welfare-related services provided under the plan will be provided by the Indian tribe or through agreements, contracts, or compacts with intertribal consortia, States, or other entities;

"(C) identifies the population and service area or areas to be served by such plan;

"(D) provides that a family receiving assistance under the plan may not receive duplicative assistance from other State or tribal programs funded under this part;

"(E) identifies the employment opportunities in or near the service area or areas of the Indian tribe and the manner in which the Indian tribe will cooperate and participate in enhancing such opportunities for recipients of assistance under the plan consistent with any applicable State standards; and

"(F) applies the fiscal accountability provisions of section 5(f)(1) of the Indian Self-Determination and Education Assistance Act (25 U.S.C. 450c(f)(1)), relating to the submission of a single-agency audit report required by chapter 75 of title 31, United States Code.

"(2) APPROVAL.—The Secretary shall approve each tribal family assistance plan submitted in accordance with paragraph (1).

"(3) CONSORTIUM OF TRIBES.—Nothing in this section shall preclude the development and submission of a single plan by the participating Indian tribes of an intertribal consortium.

"(d) MINIMUM WORK PARTICIPATION REQUIREMENTS AND TIME LIMITS.—The Secretary, with the participation of Indian tribes, shall establish for each Indian tribe receiving a grant under this section minimum work participation requirements, appropriate time limits for receipt of welfare-related services under such grant, and penalties against individuals—

"(1) consistent with the purposes of this section;

"(2) consistent with the economic conditions and resources available to each tribe; and

"(3) similar to comparable provisions in section 404(d).

"(e) EMERGENCY ASSISTANCE.—Nothing in this section shall preclude an Indian tribe from seeking emergency assistance from any Federal loan program or emergency fund.

"(f) ACCOUNTABILITY.—Nothing in this section shall be construed to limit the ability of the Secretary to maintain program funding accountability consistent with—

"(1) generally accepted accounting principles; and

"(2) the requirements of the Indian Self-Determination and Education Assistance Act (25 U.S.C. 450 et seq.).

"(g) TRIBAL PENALTIES.—For the purpose of ensuring the proper use of tribal family assistance grants, the following provisions shall apply to an Indian tribe with an approved tribal assistance plan:

"(1) The provisions of subsections (a)(1), (a)(6), and (b) of section 407, in the same manner as such subsections apply to a State.

"(2) The provisions of section 407(a)(3), except that such subsection shall be applied by substituting 'the minimum requirements established under subsection (d) of section 414' for 'the minimum participation rates specified in section 404'.

"(h) DATA COLLECTION AND REPORTING.—For the purpose of ensuring uniformity in data collection, section 409 shall apply to an Indian tribe with an approved tribal family assistance plan.".

"SEC. 415. ADMINISTRATION.

"(a) ASSISTANT SECRETARY.—The programs under this part and part D of this title shall be administered by an Assistant Secretary for Family Support within the Department of Health and Human Services, who shall be appointed by the President, by and with the advice and consent of the Senate, and who shall be in addition to any other Assistant Secretary of Health and Human Services provided for by law.

"(b) STATE CHILD CARE GRANT.—A State may administer the programs under the State child care grant under section 403(a)(5) in conjunction with the programs administered under the Child Care and Development Block Grant Act of 1990 (42 U.S.C. 9801 et seq.).

"(c) TRANSFER OF FUNDS.—

"(1) AUTHORITY.—Of the aggregate amount of payments received by a State under this part in each fiscal year, the State may transfer not more than 30 percent of the amounts received under any such program under this part for use by the State to carry out State programs under this title, except that such funds may only be transferred if the program out of which such funds will be transferred continues to provide services at a level that is adequate under the requirements applicable under such program.

"(2) REQUIREMENTS.—Funds transferred under paragraph (1) to carry out a State program operated under this part shall be subject to the same requirements that apply to Federal funds provided directly under the program into which such funds are transferred.".

DEWINE AMENDMENTS NOS. 2517–2519

Mr. HATCH (for Mr. DEWINE) proposed three amendments to amendment No. 2280 proposed by Mr. DOLE to the bill H.R. 4, supra, as follows:

AMENDMENT NO. 2517

On page 712, between lines 9 and 10, insert the following:

SEC. ___. QUARTERLY REPORTS WITH RESPECT TO COMMON TRUST FUNDS.

(a) IN GENERAL.—Section 6032 of the Internal Revenue Code of 1986 (relating to returns of banks with respect to common trust funds) is amended by striking "each taxable year" and inserting "each quarter of the taxable year".

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to taxable years beginning after the date of the enactment of this Act.

AMENDMENT NO. 2518

On page 31, line 15, insert "and" after the semicolon.

On page 31, line 23, strike "and" and insert "divided by".

Beginning on page 31, line 24, strike all through page 32, line 10.

Beginning on page 33, line 10, strike all through page 34, line 5, and insert the following:

"(3) PRO RATA REDUCTION OF PARTICIPATION RATE DUE TO CASELOAD REDUCTIONS NOT REQUIRED BY FEDERAL LAW.—

"(A) IN GENERAL.—The Secretary shall prescribe regulations for reducing the minimum participation rate otherwise required by this section for a fiscal year by the number of percentage points equal to the number of percentage points (if any) by which—

"(i) the number of families receiving assistance during the fiscal year under the State program funded under this part is less than

"(ii) the number of families that received aid under the State plan approved under part A of this title (as in effect before October 1, 1995) during the fiscal year immediately preceding such effective date.

The minimum participation rate shall not be reduced to the extent that the Secretary determines that the reduction in the number of families receiving such assistance is required by Federal law.

"(B) ELIGIBILITY CHANGES NOT COUNTED.—The regulations described in subparagraph (A) shall not take into account families that are diverted from a State program funded under this part as a result of differences in eligibility criteria under a State program funded under this part and eligibility criteria under such State's plan under the aid to families with dependent children program, as such plan was in effect on the day before the date of the enactment of the Work Opportunity Act of 1995.

AMENDMENT NO. 2519

On page 29, between lines 17 and 18, insert the following:

"(g) Rainy Day Contingency Fund.—

"(1) Establishment.—There is hereby established in the Treasury of the United States a fund which shall be known as the 'Rainy Day Contingency Fund' (hereafter in this section referred to as the 'Rainy Day Fund').

"(2) Deposits into fund.—Out of any money in the Treasury of the United States not otherwise appropriated, there are hereby appropriated for fiscal years 1996, 1997, 1998, 1999, and 2000 such sums as are necessary for payment to the Rainy Day Fund in a total amount not to exceed $525,000,000.

"(3) Computation of grant.—

"(A) In general.—The Secretary of the Treasury shall pay to each State for each quarter in a fiscal year following the quarter in which such State becomes an eligible State under this subsection, an amount equal to the Federal medical assistance percentage for such State for such fiscal year (as defined in section 1905(b)) of so much of the expenditures by the State in such year under the State program funded under this part as exceed the historic State expenditures for such State.

"(B) Method of computation, payment, and reconciliation.—

"(i) Method of computation.—The method of computing and paying such amounts shall be as follows:

"(I) The Secretary of Health and Human Services shall estimate the amount to be paid to the State for such quarter under the provisions of subparagraph (A), such estimate to be based on a report filed by the State containing its estimate of the total sum to be expended in such quarter and such other information as the Secretary may find necessary.

"(II) The Secretary of Health and Human Services shall then certify to the Secretary of the Treasury the amount so estimated by the Secretary of Health and Human Services.

"(ii) Method of payment.—The Secretary of the Treasury shall thereupon, through the Fiscal Service of the Department of the Treasury and prior to audit or settlement by the General Accounting Office, pay to the State, at the time or times fixed by the Secretary of Health and Human Services, the amount so certified.

"(iii) Method of reconciliation.—If at the end of each fiscal year, the Secretary of Health and Human Services finds that a State which received amounts from the Rainy Day Fund in such fiscal year did not meet the maintenance of effort requirement under paragraph (5)(B) for such fiscal year, the Secretary shall reduce the State family assistance grant for such State for the succeeding fiscal year by such amounts.

"(4) Use of grant.—

"(A) In general.—An eligible State may use the grant—

"(i) in any manner that is reasonably calculated to accomplish the purpose of this part; or

"(ii) in any manner that such State used amounts received under part A or F of this title, as such parts were in effect before October 1, 1995.

"(B) Refund of unused portion.—Any amount of a grant under this subsection not used during the fiscal year shall be returned to the Rainy Day Fund.

"(5) Eligible State.—

"(A) In general.—For purposes of this subsection, a State is an eligible State with respect to any quarter in a fiscal year, if such State—

"(i) has an average total unemployment rate for such quarter which exceeds by at least 2 percentage points such average total rate for the same quarter of either the preceding or second preceding fiscal year; and

"(ii) has met the maintenance of effort requirement under subparagraph (B) for the State program funded under this part for the preceding fiscal year.

"(B) Maintenance of effort.—

"(i) In general.—The maintenance of effort requirement for any State under this subparagraph for any fiscal year is the expenditure of an amount at least equal to 100 percent of the level of historic State expenditures for such State.

"(ii) Historic State expenditures.—For purposes of this subparagraph, the term 'historic State expenditures' means payments of cash assistance to recipients of aid to families with dependent children under the State plan under part A of title IV for fiscal year 1994, as in effect during such fiscal year.

"(iii) Determining State expenditures.—For purposes of this subparagraph, State expenditures shall not include any expenditures from amounts made available by the Federal Government.

BURNS AMENDMENT NO. 2520

Mr. HATCH (for Mr. BURNS) proposed an amendment to amendment No. 2280 proposed by Mr. DOLE to the bill H.R. 4, supra, as follows:

Amend section 105 (a) to read:

(a) In General.—The Secretary of Health and Human Services shall take such actions as may be necessary, including reduction in force actions, consistent with sections 3502 and 3595 of title 5, United States Code, to ensure that at least 50 percent of the personnel in positions that relate to a covered activity are separated from service. Where possible, reductions should come from headquarters before reductions are made in the field. In the case of a program that is repealed, 100% of the positions shall be eliminated.

Elimination of positions may begin upon passage of this Act but shall be completed no later than six (6) months following the date of implementation.

SIMPSON AMENDMENT NO. 2521

Mr. HATCH (for Mr. SIMPSON) proposed an amendment to amendment No. 2280 proposed by Mr. DOLE to the bill H.R. 4, supra, as follows:

On page 287, strike lines 13–17 and insert the following:

"(a) In General.—(1) Subject to paragraph (2) and subsection (b), a State may, at its option, limit or restrict the eligibility of noncitizens of the United States for any means-tested public assistance program, whether funded by the Federal Government or by the State.

"(2)(A) The authority under subsection (a) may be exercised only to the extent that any prohibitions, limitations, or restrictions are not more restrictive or of a longer duration than comparable Federal programs.

"(B) For the purposes of this subsection, attribution to a noncitizen of the income or resources of any person who (as a sponsor of such noncitizen's entry into the United States) executed an affidavit of support or similar agreement with respect to such noncitizen, for purposes of determining the eligibility for or amount of benefits of such noncitizen, shall not be considered more restrictive than a prohibition of eligibility."

KASSEBAUM AMENDMENT NO. 2522

Mr. HATCH (for Mrs. KASSEBAUM) proposed an amendment to amendment No. 2280 proposed by Mr. DOLE to the bill H.R. 4, supra, as follows:

Beginning on page 313, strike line 13 and all that follows through line 5 on page 314, and insert the following new subsection:

(l) Application of Subchapter.—The Child Care and Development Block Grant Act of 1990 (42 U.S.C. 9858 et seq.) is amended by adding at the end thereof the following new section:

"SEC. 658T. APPLICATION TO OTHER PROGRAMS.

"Notwithstanding any other provision of law, a State that uses funding for child care services under any Federal program shall ensure that activities carried out using such funds meet the requirements, standards, and criteria of this subchapter, except for the quality set-aside provisions of section 658G, and the regulations promulgated under this subchapter. Such sums shall be administered through a uniform State plan. To the maximum extent practicable, amounts provided to a State under such programs shall be transferred to the lead agency and integrated into the program established under this subchapter by the State.".

HELMS (AND OTHERS) AMENDMENT NO. 2523

Mr. HELMS (for himself, Mr. FAIRCLOTH, Mr. SHELBY, and Mr. GRAMS) proposed an amendment to amendment No. 2280 proposed by Mr. DOLE to the bill H.R. 4, supra, as follows:

Beginning on page 195, strike line 22 and all that follows through page 198, line 14, and insert the following:

SEC. 319. WORK REQUIREMENT.

Section 6 of the Food Stamp Act of 1977 (7 U.S.C. 2015) (as amended by section 318) is further amended by inserting after subsection (m) the following:

"(n) Work Requirement.—

"(1) In general.—Subject to paragraph (3), no individual shall be eligible to participate in the food stamp program as a member of any household if the individual did not work at least 40 hours during the preceding 4-week period.

"(2) Work program.—For purposes of paragraph (1), an individual may perform community service or work for a State or political subdivision of a State through a program established by the State or political subdivision.

"(3) Exemptions.—Paragraph (1) shall not apply to an individual if the individual is—

"(A) a parent residing with a dependent child under 18 years of age;

"(B) a member of a house with responsibility for the care of an incapacitated person;

"(C) mentally or physically unfit;

"(D) under 18 years of age; or

"(E) 55 years of age or older.".

CRAIG (AND SHELBY) AMENDMENT NO. 2524

Mr. CRAIG (for himself and Mr. SHELBY) proposed an amendment to amendment No. 2280 proposed by Mr. DOLE to the bill H.R. 4, supra, as follows:

On page 643, line 16, insert ", subject to such good cause and other exceptions as the State shall establish and taking into account the best interests of the child'' before the end period.

EXON AMENDMENT NO. 2525

Mr. EXON proposed an amendment to amendment No. 2280 proposed by Mr. DOLE to the bill H.R. 4, supra, as follows:

On page 302, between lines 5 and 6, insert the following:

SEC. 506. PROHIBITION ON PAYMENT OF FEDERAL BENEFITS TO CERTAIN PERSONS.

(a) IN GENERAL.—Notwithstanding any other provision of law and except as provided in subsection (b), Federal benefits shall not be paid or provided to any person who is not a person lawfully present within the United States.

(b) EXCEPTIONS.—Subsection (a) shall not apply with respect to the following benefits:

(1) Emergency medical services under title XIX of the Social Security Act.

(2) Short-term emergency disaster relief.

(3) Assistance or benefits under the National School Lunch Act.

(4) Assistance or benefits under the Child Nutrition Act of 1966.

(5) Public health assistance for immunizations and, if the Secretary of Health and Human Services determines that it is necessary to prevent the spread of a serious communicable disease, for testing and treatment of such disease.

(c) DEFINITIONS.—For purposes of this section:

(1) FEDERAL BENEFIT.—The term ''Federal benefit'' means—

(A) the issuance of any grant, contract, loan, professional license, or commercial license provided by an agency of the United States or by appropriated funds of the United States; and

(B) any retirement, welfare, Social Security, health, disability, veterans benefit, public housing, education, food stamps, unemployment benefit, or any other similar benefit for which payments or assistance are provided by an agency of the United States or by appropriated funds of the United States.

(2) VETERANS BENEFIT.—The term ''veterans benefit'' means all benefits provided to veterans, their families, or survivors by virtue of the service of a veteran in the Armed Forces of the United States.

(3) PERSON LAWFULLY PRESENT WITHIN THE UNITED STATES.—The term ''person lawfully present within the United States'' means a person who, at the time the person applies for, receives, or attempts to receive a Federal benefit, is a United States citizen, a permanent resident alien, an alien whose deportation has been withheld under section 243(h) of the Immigration and Nationality Act (8 U.S.C. 1253(h)), an asylee, a refugee, a parolee who has been paroled for a period of at least 1 year, a national, or a national of the United States for purposes of the immigration laws of the United States (as defined in section 101(a)(17) of the Immigration and Nationality Act (8 U.S.C. 1101(a)(17)).

(d) STATE OBLIGATION.—Notwithstanding any other provision of law, a State that administers a program that provides a Federal benefit (described in section 506(c)(1)) or provides State benefits pursuant to such a program shall not be required to provide such benefit to a person who is not a person lawfully present within the United States (as defined in section 506(c)(3)) through a State agency or with appropriated funds of such State.

(e) VERIFICATION OF ELIGIBILITY.

(1) IN GENERAL.—Not later than 18 months after the date of the enactment of this Act, the Attorney General of the United States, after consultation with the Secretary of Health and Human Services, shall promulgate regulations requiring verification that a person applying for a Federal benefit, including a benefit described in section 506(b), is a person lawfully present within the United States and is eligible to receive such benefit. Such regulations shall, to the extent feasible, require that information requested and exchanged be similar in form and manner to information requested and exchanged under section 1137 of the Social Security Act.

(2) STATE COMPLIANCE.—Not later than 24 months after the date the regulations described in subsection (1) are adopted, a State that administers a program that provides a Federal benefit described in such subsection shall have in effect a verification system that complies with the regulations.

(3) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated such sums as may be necessary to carry out the purpose of this section.

(f) SEVERABILITY.—If any provision of this title or the application of such provision to any person or circumstance is held to be unconstitutional, the remainder of this title and the application of the provisions of such to any person or circumstance shall not be affected thereby.

SHELBY (AND OTHERS) AMENDMENT NO. 2526

Mr. SHELBY (for himself, Mr. CRAIG, Mr. HATFIELD, Mr. GRAMS, and Mr. SANTORUM) proposed an amendment to amendment No. 2280 proposed by Mr. DOLE to the bill H.R. 4, supra, as follows:

At the appropriate place, insert:

SEC. ___. REFUNDABLE CREDIT FOR ADOPTION EXPENSES.

(a) IN GENERAL.—Subpart C of part IV of subchapter A of chapter 1 of the Internal Revenue Code of 1986 (relating to refundable credits) is amended by redesignating section 35 as section 36 and by inserting after section 34 the following new section:

"SEC. 35. ADOPTION EXPENSES.

''(a) ALLOWANCE OF CREDIT.—In the case of an individual, there shall be allowed as a credit against the tax imposed by this subtitle for the taxable year the amount of the qualified adoption expenses paid or incurred by the taxpayer during such taxable year.

''(b) LIMITATIONS.—

''(1) DOLLAR LIMITATION.—The aggregate amount of qualified adoption expenses which may be taken into account under subsection (a) with respect to the adoption of a child shall not exceed $5,000.

''(2) INCOME LIMITATION.—The amount allowable as a credit under subsection (a) for any taxable year shall be reduced (but not below zero) by an amount which bears the same ratio to the amount so allowable (determined without regard to this paragraph but with regard to paragraph (1)) as—

''(A) the amount (if any) by which the taxpayer's adjusted gross income exceeds $60,000, bears to

''(B) $40,000.

''(3) DENIAL OF DOUBLE BENEFIT.—

''(A) IN GENERAL.—No credit shall be allowed under subsection (a) for any expense for which a deduction or credit is allowable under any other provision of this chapter.

''(B) GRANTS.—No credit shall be allowed under subsection (a) for any expense to the extent that funds for such expense are received under any Federal, State, or local program.

''(c) QUALIFIED ADOPTION EXPENSES.—For purposes of this section, the term 'qualified adoption expenses' means reasonable and necessary adoption fees, court costs, attorney fees, and other expenses which are directly related to the legal and finalized adoption of a child by the taxpayer and which are not incurred in violation of State or Federal law or in carrying out any surrogate parenting arrangement. The term 'qualified adoption expenses' shall not include any expenses in connection with the adoption by an individual of a child who is the child of such individual's spouse.

''(d) MARRIED COUPLES MUST FILE JOINT RETURNS.—Rules similar to the rules of paragraphs (2), (3), and (4) of section 21(e) shall apply for purposes of this section.''

(b) CONFORMING AMENDMENTS.—

(1) Paragraph (2) of section 1324(b) of title 31, United States Code, is amended by inserting before the period '', or from section 35 of such Code''.

(2) The table of sections for subpart C of part IV of subchapter A of chapter 1 of the Internal Revenue Code of 1986 is amended by striking the last item and inserting the following:

''Sec. 35. Adoption expenses.

''Sec. 36. Overpayments of tax.''.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 1995.

SEC. ___. EXCLUSION OF ADOPTION ASSISTANCE.

(a) IN GENERAL.—Part III of subchapter B of chapter 1 of the Internal Revenue Code of 1986 is amended by redesignating section 137 as section 138 and by inserting after section 136 the following new section:

"SEC. 137. ADOPTION ASSISTANCE.

''(a) IN GENERAL.—Gross income of an employee does not include employee adoption assistance benefits, or military adoption assistance benefits, received by the employee with respect to the employee's adoption of a child.

''(b) DEFINITIONS.—For purposes of this section—

''(1) EMPLOYEE ADOPTION ASSISTANCE BENEFITS.—The term 'employee adoption assistance benefits' means payment by an employer of qualified adoption expenses with respect to an employee's adoption of a child, or reimbursement by the employer of such qualified adoption expenses paid or incurred by the employee in the taxable year.

''(2) EMPLOYER AND EMPLOYEE.—The terms 'employer' and 'employee' have the respective meanings given such terms by section 127(c).

''(3) MILITARY ADOPTION ASSISTANCE BENEFITS.—The term 'military adoption assistance benefits' means benefits provided under section 1052 of title 10, United States Code, or section 514 of title 14, United States Code.

''(4) QUALIFIED ADOPTION EXPENSES.—

''(A) IN GENERAL.—The term 'qualified adoption expenses' means reasonable and necessary adoption fees, court costs, attorney fees, and other expenses—

''(i) which are directly related to, and the principal purpose of which is for, the legal and finalized adoption of an eligible child by the taxpayer, and

''(ii) which are not incurred in violation of State or Federal law or in carrying out any surrogate parenting arrangement.

''(B) ELIGIBLE CHILD.—The term 'eligible child' means any individual—

''(i) who has not attained age 18 as of the time of the adoption, or "(ii) who is physically or mentally incapable of caring for himself.

"(c) COORDINATION WITH OTHER PROVISIONS.—The Secretary shall issue regulations to coordinate the application of this section with the application of any other provision of this title which allows a credit or deduction with respect to qualified adoption expenses."

(b) CLERICAL AMENDMENT.—The table of sections for part III of subchapter B of chapter 1 of such Code is amended by striking the item relating to section 137 and inserting the following new items:

"Sec. 137. Adoption assistance.

"Sec. 138. Cross references to other Acts."

(c) EFFECTIVE DATE.—The amendments made this section shall apply to taxable years beginning after December 31, 1995.

SEC. ___. WITHDRAWAL FROM IRA FOR ADOPTION EXPENSES.

(a) IN GENERAL.—Subsection (d) of section 408 of the Internal Revenue Code of 1986 is amended by adding at the end the following new paragraph:

"(8) QUALIFIED ADOPTION EXPENSES.—

"(A) IN GENERAL.—Any amount which is paid or distributed out of an individual retirement plan of the taxpayer, and which would (but for this paragraph) be includible in gross income, shall be excluded from gross income to the extent that—

"(i) such amount exceeds the sum of—

"(I) the amount excludable under section 137, and

"(II) any amount allowable as a credit under this title with respect to qualified adoption expenses; and

"(ii) such amount does not exceed the qualified adoption expenses paid or incurred by the taxpayer during the taxable year.

"(B) QUALIFIED ADOPTION EXPENSES.—For purposes of this paragraph, the term 'qualified adoption expenses' has the meaning given such term by section 137, except that such term shall not include any expense in connection with the adoption by an individual of a child who is the child of such individual's spouse."

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to taxable years beginning after December 31, 1995.

SHELBY AMENDMENT NO. 2527

Mr. SHELBY proposed an amendment to amendment No. 2280 proposed by Mr. DOLE to the bill H.R. 4, supra, as follows:

On page 216, strike lines 4 through 6 and insert the following:

"(3) at the option of a State, funds to—

"(A) operate an employment and training program for needy individuals under the program; or

"(B) operate a work program under section 404 of the Social Security Act;

"(4) at the option of a State, funds to provide benefits to individuals with incomes below 185 percent of the poverty line under subsection (d)(3)(B)(v); and

On page 216, line 7, strike "(4)" and insert "(5)".

On page 216, strike lines 13 through 17 and insert the following:

"(2) FOUR-YEAR ELECTION.—

"(A) PERIOD.—A State may elect to participate in the program established under subsection (a) for a period of not less than 4 years.

"(B) ELECTION.—At the end of each 4-year period, a State may elect to participate in the program established under subsection (a) or in the food stamp program in accordance with the other sections of this Act.

On page 219, strike lines 11 through 13 and insert the following:

"(iii) at the option of a State—

"(I) to operate an employment and training program for needy individuals under the program; or

"(II) to operate a work program under section 404 of the Social Security Act;

On page 219, line 15, strike the period at the end and insert "; and".

On page 219, between lines 15 and 16, insert the following:

"(v) to provide other forms of benefits to individuals with incomes below 185 percent of the poverty line, as defined in section 673(2) of the Community Services Block Grant Act (42 U.S.C. 9902(2)), except that not more than 20 percent of the amount allotted to a State under subsection (l)(2) may be used under this clause.

On page 220, strike line 14 and insert the following:

"(E) NOTICE AND HEARINGS.—

"(i) IN GENERAL.—The State

On page 220, between lines 20 and 21, insert the following:

"(ii) LIMITATION.—Clause (i) shall not impede the ability of the State to promptly and efficiently alter or reduce benefits in response to a failure by a recipient to perform work or other required activities.

On page 223, strike lines 7 and 8 and insert the following:

"(g) EMPLOYMENT AND TRAINING.—No individual or

On page 223, strike lines 14 through 17.

On page 227, strike line 8 and insert the following:

"(5) PROVISION OF FOOD ASSISTANCE.—

"(A) IN GENERAL.—A

On page 227, strike lines 14 and 15 and insert the following:

to food purchases, direct provision of commodities or cash aid in lieu of coupons under subparagraph (B).

"(B) CASH AID IN LIEU OF COUPONS.—

"(i) ELIGIBLE INDIVIDUALS.—An individual shall be eligible under this subparagraph if the individual is—

"(I) receiving benefits under this Act;

"(II) receiving benefits under a State program funded under part A of title IV of the Social Security Act (42 U.S.C. 601 et seq.); and

"(III) participating in unsubsidized employment, subsidized employment, on-the-job training, or a community service program under section 404 of the Social Security Act.

"(ii) STATE OPTION.—In the case of an individual described in clause (i), a State may—

"(I) convert the food stamp benefits of the household in which the individual is a member to cash, and provide the cash in a single integrated payment with cash aid under part A of title IV of the Social Security Act (42 U.S.C. 601 et seq.); and

"(II) sanction an individual, or a household that contains an individual, or reduce the benefits of the individual or household under the same rules and procedures as the State uses under part A of title IV of the Act (42 U.S.C. 601 et seq.).

On page 229, strike line 24 and all that follows through page 231, line 2, and insert the following:

97 percent of the federal funds the Director of the Office of Management and Budget estimates would have been expended under the food stamp program in the State for the fiscal year if the State had not elected to participate in the program under this section.

CONRAD (AND LIBERMAN) AMENDMENT NO. 2528

Mr. MOYNIHAN (for Mr. CONRAD for himself and Mr. LIEBERMAN) proposed an amendment to amendment No. 2280 proposed by Mr. DOLE to the bill H.R. 4, supra, as follows:

On page 50, strike line 6 and all that follows through page 51, line 11, and insert the following:

"(d) REQUIREMENT THAT TEENAGE PARENTS LIVE IN ADULT-SUPERVISED SETTINGS.—

"(1) IN GENERAL.—

"(A) REQUIREMENT.—Except as provided in paragraph (2), if a State provides assistance under the State program funded under this part to an individual described in subparagraph (B), such individual may only receive assistance under the program if such individual and the child of the individual reside in a place of residence maintained by a parent, legal guardian, or other adult relative of such individual as such parent's, guardian's, or adult relative's own home.

"(B) INDIVIDUAL DESCRIBED.— For purposes of subparagraph (A), an individual described in this subparagraph is an individual who is—

"(i) under the age of 18; and

"(ii) not married and has a minor child in his or her care.

"(2) EXCEPTION.—

"(A) PROVISION OF, OR ASSISTANCE IN LOCATING, ADULT-SUPERVISED LIVING ARRANGEMENT.—In the case of an individual who is described in subparagraph (B), the State agency shall provide, or assist such individual in locating, an appropriate adult-supervised supportive living arrangement, including a second chance home, another responsible adult, or a foster home, taking into consideration the needs and concerns of the such individual, unless the State agency determines that the individual's current living arrangement is appropriate, and thereafter shall require that such parent and the child of such parent reside in such living arrangement as a condition of the continued receipt of assistance under the plan (or in an alternative appropriate arrangement, should circumstances change and the current arrangement cease to be appropriate).

"(B) INDIVIDUAL DESCRIBED.—For purposes of subparagraph (A), an individual is described in this subparagraph if the individual is described in paragraph (1)(B) and—

"(ii) such individual has no parent or legal guardian of his or her own who is living or whose whereabouts are known;

"(iii) no living parent or legal guardian of such individual allows the individual to live in the home of such parent or guardian;

"(iv) the State agency determines that the physical or emotional health of such individual or any minor child of the individual would be jeopardized if such individual and such minor child lived in the same residence with such individual's own parent or legal guardian; or

"(v) the State agency otherwise determines that it is in the best interest of the minor child to waive the requirement of paragraph (1) with respect to such individual.

"(C) SECOND-CHANCE HOME.—For purposes of this paragraph, the term 'second-chance home' means an entity that provides individuals described in subparagraph (B) with a supportive and supervised living arrangement in which such individuals are required to learn parenting skills, including child development, family budgeting, health and nutrition, and other skills to promote their long-term economic independence and the well-being of their children.

"(3) ASSISTANCE TO STATES IN PROVIDING OR LOCATING ADULT-SUPERVISED SUPPORTIVE LIVING ARRANGEMENTS FOR UNMARRIED TEENAGE PARENTS.—

"(A) IN GENERAL.—For each of fiscal years 1998 through 2002, each State that provides assistance under the State program to individuals described in paragraph (1)(B) shall be entitled to receive a grant in an amount determined under subparagraph (B) for the purpose of providing or locating adult-supervised supportive living arrangements for individuals described in paragraph (1)(B) in accordance with this subsection.

"(B) AMOUNT DETERMINED.—

"(i) IN GENERAL.—The amount determined under this subparagraph is an amount that bears the same ratio to the amount specified under clause (ii) as the amount of the State family assistance grant for the State for such fiscal year (described in section 403(a)(2)) bears to the amount appropriated for such fiscal year in accordance with section 403(a)(4)(A).

"(ii) AMOUNT SPECIFIED.—The amount specified in this subparagraph is—

"(I) for fiscal year 1998, $20,000,000;

"(II) for fiscal year 1999, $40,000,000; and

"(III) for each of fiscal years 2000, 2001, and 2002, $80,000,000.

"(C) ASSISTANCE TO STATES IN PROVIDING OR LOCATING ADULT-SUPERVISED SUPPORTIVE LIVING ARRANGEMENTS FOR UNMARRIED TEENAGE PARENTS.—There are authorized to be appropriated and there are appropriated for fiscal years 1998, 1999, and 2000 such sums as may be necessary for the purpose of paying grants to States in accordance with the provisions of this paragraph.

"(e) REQUIREMENT THAT TEENAGE PARENTS ATTEND HIGH SCHOOL OR OTHER EQUIVALENT TRAINING PROGRAM.—If a State provides assistance under the State program funded under this part to an individual described in subsection (d)(1)(B) who has not successfully completed a high-school education (or its equivalent) and whose minor child is at least 12 weeks of age, the State shall not provide such individual with assistance under the program (or, at the option of the State, shall provide a reduced level of such assistance) if the individual does not participate in—

"(1) educational activities directed toward the attainment of a high school diploma or its equivalent; or

"(2) an alternative educational or training program that has been approved by the State.

On page 51, strike "(e)" and insert "(f)".

At the appropriate place, insert the following:

SEC. ___. NATIONAL CLEARINGHOUSE ON TEENAGE PREGNANCY.

(a) ESTABLISHMENT.—The Secretary of Education and the Secretary of Health and Human Services shall establish a national center for the collection and provision of information that relates to adolescent pregnancy prevention programs, to be known as the "National Clearinghouse on Teenage Pregnancy Prevention Programs".

(b) FUNCTIONS.—The national center established under subsection (a) shall serve as a national information and data clearinghouse, and as a material development source for adolescent pregnancy prevention programs. Such center shall—

(1) develop and maintain a system for disseminating information on all types of adolescent pregnancy prevention programs and on the state of adolescent pregnancy prevention program development, including information concerning the most effective model programs;

(2) identify model programs representing the various types of adolescent pregnancy prevention programs;

(3) develop networks of adolescent pregnancy prevention programs for the purpose of sharing and disseminating information;

(4) develop technical assistance materials to assist other entities in establishing and improving adolescent pregnancy prevention programs;

(5) participate in activities designed to encourage and enhance public media campaigns on the issue of adolescent pregnancy; and

(6) conduct such other activities as the responsible Federal officials find will assist in developing and carrying out programs or activities to reduce adolescent pregnancy.

(c) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated such sums as may be necessary to carry out the purposes of this section.

SEC. ___. ESTABLISHING NATIONAL GOALS TO REDUCE OUT-OF-WEDLOCK PREGNANCIES AND TO PREVENT TEENAGE PREGNANCIES.

(a) IN GENERAL.—Not later than January 1, 1997, the Secretary of Health and Human Services shall establish and implement a strategy for—

(1) reducing out-of-wedlock teenage pregnancies by at least 2 percent a year, and

(2) assuring that at least 25 percent of the communities in the United States have teenage pregnancy prevention programs in place.

(b) REPORT.—Not later than June 30, 1998, and annually thereafter, the Secretary shall report to the Congress with respect to the progress that has been made in meeting the goals described in paragraphs (1) and (2) of subsection (a).

(b) OUT-OF-WEDLOCK AND TEENAGE PREGNANCY PREVENTION PROGRAMS.—Section 2002 of the Social Security Act (42 U.S.C. 1397a) is amended by adding at the end the following new subsection:

"(f)(1) Beginning in fiscal year 1996 and each fiscal year thereafter, each State shall use at least 5 percent of its allotment under section 2003 for the fiscal year to develop and implement a State program to reduce the incidence of out-of-wedlock and teenage pregnancies in the State.

"(2) The Secretary shall conduct a study with respect to the State programs implemented under paragraph (1) to determine the relative effectiveness of the different approaches for reducing out-of-wedlock pregnancies and preventing teenage pregnancy utilized in the programs conducted under this subsection and the approaches that can be best replicated by other States.

"(3) Each State conducting a program under this subsection shall provide to the Secretary, in such form and with such frequency as the Secretary requires, data from the programs conducted under this subsection. The Secretary shall report to the Congress annually on the progress of the programs and shall, not later than June 30, 1998, submit to the Congress a report on the study required under paragraph (2).".

SEC. ___. SENSE OF THE SENATE REGARDING ENFORCEMENT OF STATUTORY RAPE LAWS.

It is the sense of the Senate that States and local jurisdictions should aggressively enforce statutory rape laws.

CONRAD (AND BRADLEY) AMENDMENT NO. 2529

Mr. MOYNIHAN (for Mr. CONRAD, for himself and Mr. BRADLEY) proposed an amendment to amendment No. 2280 proposed by Mr. DOLE to the bill H.R. 4, supra, as follows:

On page 9, between lines 9 and 10, insert the following:

SEC. 100A. ELECTION OF STATE PROGRAM.

(a) INITIAL ELECTION.—Not later than the effective date under section 112, and prior to the expiration of any election under this section thereafter, each State shall elect whether it chooses to participate in—

(1) the State program funded under part A of title IV of the Social Security Act, as amended by title I of this Act; or

(2) the transitional aid program and the work and gainful employment program under the Work and Gainful Employment Act, as added by title XIII of this Act.

A State may receive Federal funds for operating either the program described in paragraph (1) or the programs described in paragraph (2), but not both.

(b) EFFECT OF ELECTION.—An election made under subsection (a) shall remain in effect for a period of 4 years beginning on the date that the State begins participation in the programs elected by the State.

(c) INFORMATION AND ADMINISTRATION.—The Secretary shall—

(1) provide the States with information about the programs described in subsection (a); and

(2) coordinate and administer the election process described under subsection (a).

(d) ELECTING TO PARTICIPATE IN TAP AND WAGE.—If, after having elected under this section to participate in the program described in subsection (a)(1) during the preceding 4-year period, a State elects under subsection (a) to participate in the programs described in subsection (a)(2), the State shall provide that total State and Federal expenditures in each fiscal year under the programs described in subsection (a)(2) shall not be less than the grant amount that the State received under section 403 of the Social Security Act for operating the program described in subsection (a)(1).

On page 792, after line 22, add the following:

TITLE XIII—TRANSITIONAL AID PROGRAM AND WAGE PROGRAM

SEC. 1300. SHORT TITLE.

This title may be cited as the "Work and Gainful Employment Act".

Subtitle A—Transitional Aid Program

SEC. 1301. PURPOSE AND APPROPRIATION.

(a) PURPOSE.—It is the purpose of this subtitle to provide a program of transitional aid to families with needy children to enhance the well-being of such needy children, and to enable parents of children in such families to obtain and retain work and to become self-sufficient.

(b) APPROPRIATIONS.—There is hereby authorized to be appropriated and are appropriated for each fiscal year such sums as may be necessary to carry out the purposes of this subtitle. The sums made available under this subsection shall be used for making payments to States which have submitted, and had approved by the Secretary, State plans for providing a program of transitional aid.

SEC. 1302. STATE PLANS FOR, AND GENERAL REQUIREMENTS OF, TRANSITIONAL AID PROGRAM.

(a) STATE PLANS.—A State plan for a transitional aid program shall meet the requirements of the following paragraphs:

(1) ELECTION OF OPTIONS IN PROGRAM DESIGN.—The State plan shall describe the

State's policies regarding eligibility, services, assistance amounts, and program requirements, including a description of:

(A) The support and benefits (including benefit levels) provided to individuals eligible to participate and whether such support is in the form of wages in subsidized public or nonprofit employment or direct subsidies to employers.

(B) The extent to which earned or unearned income is disregarded in determining eligibility for, and amount of, assistance.

(C) The State's policy for determining the extent to which child support received on behalf of a member of the family is disregarded in determining eligibility for, and the amount of, assistance.

(D) The treatment of earnings of a child living in the home.

(E) The State's resource limit, including a description of the policy determined by the State regarding any exclusion allowed for vehicles owned by family members, resources set aside for future needs of a child, individual development accounts, or other policies established by the State to encourage savings.

(F) Any restrictions the State elects to impose relating to eligibility for assistance of two-parent families.

(G) The criteria for participating in the program including requirements that a family must comply with as a condition of receiving aid, such as school attendance, participation in appropriate preemployment activities, and receipt of appropriate childhood immunizations. The plan shall specify whether the State elects to provide incentives for compliance with the requirements, sanctions for noncompliance, or a combination of incentives and sanctions that the State determines appropriate.

(H) The sanctions imposed on individuals who fail to comply with the State's program requirements without good cause, including the amount and length of time of such sanctions, provided that if the sanction results in complete elimination of aid to the family, the State plan shall describe the procedures used to ensure the well-being of children.

(I) Whether payment is made or denied for a child conceived during a period in which such child's parent was receiving aid under the program.

(J) Whether the State elects to establish a time limit after which an individual must comply with continuous or additional work requirements under subtitle B as a condition for receiving aid under the State plan approved under this subtitle.

(2) PARENTAL RESPONSIBILITY AGREEMENTS AND WAGE PLANS.—

(A) IN GENERAL.—The State plan shall provide that the State require the parent or caretaker relative to enter into—

(i) a Parental Responsibility Agreement in accordance with subparagraph (B), or

(ii) a Parental Responsibility Agreement in accordance with subparagraph (B) and a Wage Plan in accordance with section 1391(b) if such parent or caretaker relative is required to participate in the WAGE program.

(B) DESCRIPTION OF PARENTAL RESPONSIBILITY AGREEMENT.—A Parental Responsibility Agreement is a statement signed by the applicant for aid that—

(i) specifies that the transitional aid program is a privilege,

(ii) the transitional aid program is a transitional program to move recipients into work and self-sufficiency, and

(iii) the individual must abide by any requirements of the State or risk forfeiting eligibility for transitional aid.

(3) STATEWIDE PLAN.—The State plan shall be in effect in all political subdivisions of the State. If such plan is not administered uniformly throughout the State, the plan shall describe the variations.

(4) GENERAL ELIGIBILITY REQUIREMENT.—

(A) IN GENERAL.—The State plan shall ensure that transitional aid is provided to all families with needy children and that such aid is furnished with reasonable promptness to individuals found eligible under the State plan. In providing such assistance, States will take into account the income and needs of a parent of a needy child if the parent is living in the same home as the child.

(B) NEEDY CHILD.—For purposes of subparagraph (A), a needy child shall be determined by the State, but shall be a child who—

(i) is under the age of 18, or

(ii) at the option of the State, under the age of 19 and a full-time student in a secondary school (or in the equivalent level of vocational or technical training).

(C) PREGNANT WOMAN.—At the option of the State, the State may provide transitional aid to an individual who does not have a needy child if such individual is pregnant, and such transitional aid is provided—

(i) in order to meet the needs of the individual occasioned by or resulting from her pregnancy, and

(ii) not more than 3 months before and after the date the woman's child is expected to be born.

(D) PERSONS OTHER THAN PARENTS.—For purposes of this paragraph, a State may provide that the following individuals shall constitute a family with a needy child if such individuals are living in the same home as the child:

(i) Any relative or legal guardian of the child.

(ii) Any person who participates in the Food Stamp program with the child.

(iii) Any other person who provides—

(I) care for an incapacitated family member (which, for purposes of this subparagraph only, may include a child receiving supplemental security income benefits under title XVI of the Social Security Act; or

(II) child care to enable a caretaker relative to work outside the home or to participate in the WAGE program.

(5) CHILD CARE SERVICES.—The State plan shall provide that no individual shall be sanctioned for failure to comply with the State's WAGE program requirements if such individual needs child care assistance in order to participate, and the State fails to provide such assistance.

(6) VERIFICATION SYSTEM.—The State plan shall provide that information is requested and exchanged for purposes of income and eligibility verification in accordance with a State system which meets the requirements of section 1137 of the Social Security Act, unless the State has established an alternative system under section 1310 of this Act to prevent fraud and abuse.

(7) ALIEN ELIGIBILITY.—The State plan shall provide that in order for an individual to be eligible for transitional aid under this subtitle, the individual shall be—

(A) a citizen or national of the United States, or

(B) an individual described in subclause (II), (III), (IV), or (V) of section 1614(a)(1)(B)(i) of the Social Security Act (42 U.S.C. 1382c(a)(1)(B)(i)).

(8) DETECTION OF FRAUD.—

(A) IN GENERAL.—The State plan shall provide (in accordance with regulations issued by the Secretary) for appropriate measures to detect fraudulent applications for transitional aid to families with needy children before establishing eligibility for such aid.

(B) DESCRIPTION OF FRAUD CONTROL PROGRAM.—If the State has elected to establish and operate a fraud control program under section 1310, the State shall submit to the Secretary (with such revisions as may from time to time be necessary) a description of such program and will operate such program in full compliance with such section 1310.

(9) PARTICIPATION IN CHILD SUPPORT ENFORCEMENT.—The State plan shall provide—

(A) that the State has in effect a plan approved under part D of title IV of the Social Security Act and operates a child support enforcement program in substantial compliance with such plan, and

(B) that, as a condition of eligibility for aid, each applicant or recipient will be required (subject to subparagraph (D))—

(i) to assign the State any rights to support from any other person such applicant may have in such applicant's own behalf or in behalf of any other family member for whom the applicant is applying for or receiving aid; and

(ii) to cooperate with the State—

(I) in establishing the paternity of a child born out of wedlock with respect to whom aid is claimed, and

(II) in obtaining support payments for such applicant and for a child with respect to whom such aid is claimed;

(C) that the State agency will immediately refer each applicant requiring paternity establishment, award establishment, or child support enforcement services to the State agency administering the program under part D of title IV of the Social Security Act;

(D) that an individual shall be required to cooperate with the State, as provided under subparagraph (B), unless the individual is found to have good cause for refusing to cooperate, as determined in accordance with standards prescribed by the Secretary, which standards shall take into consideration the best interests of the child on whose behalf aid is claimed to the satisfaction of the State agency administering the program under part D of title IV of the Social Security Act, as determined in accordance with section 454(29) of such Act;

(E) that—

(i) (except as provided in clause (ii)) an applicant requiring services provided under part D of title IV of the Social Security Act shall not be eligible for any aid under this subtitle until such applicant—

(I) has furnished to the agency administering the State plan under part D of such title the information specified in section 454(29) of such Act; or

(II) has been determined by such agency to have good cause not to cooperate; and

(ii) that the provisions of clause (i) shall not apply—

(I) if the agency specified in clause (i) has not within 10 days after such individual was referred to such agency, provided the notification required by section 454(29)(D)(iii) of such Act, until such notification is received; and

(II) if such individual appeals a determination that the individual lacks good cause for noncooperation, until after such determination is affirmed after notice and opportunity for a hearing; and

(F) that, if the relative with whom a child is living is found to be ineligible because of failure to comply with the requirements of subparagraph (B), the State may authorize protective payments as provided for in section 1305.

(10) AUTOMATED DATA PROCESSING SYSTEM.—The State plan may, at the option of

the State, provide for the establishment and operation, in accordance with an (initial and annually updated) advance automated data processing planning document approved under subsection (c), of an automated statewide management information system designed effectively and efficiently to assist management in the administration of the State plan for transitional aid to families with needy children approved under this subtitle, so as—

(A) to control and account for—

(i) all the factors in the total eligibility determination process under such plan for aid (including but not limited to (I) identifiable correlation factors (such as social security numbers, names, dates of birth, home addresses, and mailing addresses (including postal ZIP codes) of all applicants and recipients of such aid and the relative with whom any child who is such an applicant or recipient is living) to assure sufficient compatibility among the systems of different jurisdictions to permit periodic screening to determine whether an individual is or has been receiving benefits from more than one jurisdiction, (II) checking records of applicants and recipients of such aid on a periodic basis with other agencies, both intra- and inter-State, for determination and verification of eligibility and payment pursuant to requirements imposed by other provisions of this title or title IV of the Social Security Act),

(ii) the costs, quality, and delivery of funds and services furnished to applicants for and recipients of such aid;

(B) to notify the appropriate officials of child support, food stamp, social service, and medical assistance programs approved under title XIX of the Social Security Act whenever the recipient becomes ineligible or the amount of aid or services is changed; and

(C) to provide for security against unauthorized access to, or use of, the data in such system.

(11) PARTICIPATION IN WAGE.—The State plan shall provide—

(A) that the State operate a WAGE program in accordance with subtitle B, and

(B) a description of individuals required to participate in the WAGE program in the State; such individuals may not include the following:

(i) Parents of children under 12 weeks of age or, at the State's option, up to 1 year.

(ii) Individuals who are ill or incapacitated, as defined by the State.

(iii) Individuals who are needed in the home on a full-time basis to care for a disabled child or other household member.

(iv) Individuals who are over 60 years of age.

(v) Individuals under age 16 other than teenage parents.

(12) REPORT OF CHILD ABUSE.—The State plan shall provide that the State agency will—

(A) report to an appropriate agency or official, known or suspected instances of physical or mental injury, sexual abuse or exploitation, or negligent treatment or maltreatment of a child receiving aid under this subtitle under circumstances which indicate that the child's health or welfare is threatened thereby; and

(B) provide such information with respect to a situation described in subparagraph (A) as the State agency may have.

(b) APPROVAL OF STATE PLANS.—

(1) IN GENERAL.—Not later than 60 days after the date a State submits to the Secretary a plan that provides for the establishment and operation of a program or an amendment to such plan that meets the requirements of subsection (a), the Secretary shall approve the plan.

(2) AUTHORITY TO EXTEND DEADLINE.—The 60-day deadline established in paragraph (1) with respect to a State may be extended in accordance with an agreement between the Secretary and the State.

(c) APPROVAL OF AUTOMATIC DATA PROCESSING PLANNING DOCUMENT; REVIEW OF MANAGEMENT INFORMATION SYSTEMS; FAILURE TO COMPLY; REDUCTION OF PAYMENTS.—

(1) APPROVAL OF AUTOMATED DATA PROCESSING PLANNING DOCUMENT.—The Secretary shall not approve the initial and annually updated advance automated data processing planning document, referred to in paragraph (2), unless the Secretary finds that such document, when implemented, will generally carry out the objectives of the statewide management system referred to in such paragraph, and such document—

(A) provides for the conduct of, and reflects the results of, requirements analysis studies, which include consideration of the program mission, functions, organization, services, constraints, and current support, of, in, or relating to, such system,

(B) contains a description of the proposed statewide management system, including a description of information flows, input data, and output reports and uses,

(C) sets forth the security and interface requirements to be employed in such statewide management system,

(D) describes the projected resource requirements for staff and other needs, and the resources available or expected to be available to meet such requirements,

(E) includes cost-benefit analyses of each alternative management system, data processing services and equipment, and a cost allocation plan containing the basis for rates, both direct and indirect, to be in effect under such statewide management system,

(F) contains an implementation plan with charts of development events, testing descriptions, proposed acceptance criteria, and backup and fallback procedures to handle possible failure of contingencies, and

(G) contains a summary of proposed improvements of such statewide management system in terms of qualitative and quantitative benefits.

(2) SECRETARIAL REVIEW.—

(A) IN GENERAL.—The Secretary shall, on a continuing basis, review, assess, and inspect the planning, design, and operation of, statewide management information systems referred to in section 1303(a)(2), with a view to determining whether, and to what extent, such systems meet and continue to meet requirements imposed under such section and the conditions specified under paragraph (10) of subsection (a).

(B) SUSPENSION OF APPROVAL.—If the Secretary finds with respect to any statewide management information system referred to in section 1303(a)(2) that there is a failure substantially to comply with criteria, requirements, and other undertakings, prescribed by the advance automated data processing planning document previously approved by the Secretary with respect to such system, then the Secretary shall suspend his approval of such document until there is no longer any such failure of such system to comply with such criteria, requirements, and other undertakings so prescribed.

(C) REDUCTION OF PAYMENTS UNDER SECTION 1303.—If the Secretary determines that such a system has not been implemented by the State by the date specified for implementation in the State's advance automated data processing planning document, then the Secretary shall reduce payments to such State, in accordance with section 1303(b), in an amount equal to 40 percent of the expenditures referred to in section 1303(a)(2) with respect to which payments were made to the State under section 1303(a)(2). The Secretary may extend the deadline for implementation if the State demonstrates to the satisfaction of the Secretary that the State cannot implement such system by the date specified in such planning document due to circumstances beyond the State's control.

(d) IMPACT ON MEDICAID BENEFITS OF NONCOMPLIANCE WITH CERTAIN TAP AND WAGE REQUIREMENTS.—If a family becomes ineligible to receive transitional aid under the State transitional aid program because an individual in such family fails to comply with the requirements of this subtitle—

(1) a needy child of such family shall remain eligible for medical assistance under the State's plan approved under title XIX of the Social Security Act, and

(2) the family shall be appropriately notified of such extension (in the State agency's notice to the family of the termination of its eligibility for such aid) as required by section 1925(a)(2) of the Social Security Act.

SEC. 1303. PAYMENTS TO STATES.

(a) COMPUTATION OF AMOUNTS.—From the sums appropriated therefor, the Secretary of the Treasury shall pay to each State which has an approved plan for a transitional aid program, for each quarter, beginning with the quarter commencing October 1, 1995, an amount equal to—

(1) the Federal medical assistance percentage (as defined in section 1905(b) of the Social Security Act) of the expenditures by the State for benefits and assistance under such plan, and

(2) 50 percent of so much of the sums expended during such quarter as are attributable to the planning, design, development, or installation of such statewide mechanized claims processing and information retrieval systems as—

(A) meet the conditions of section 1302(a)(10), and

(B) the Secretary determines are likely to provide more efficient, economical, and effective administration of the plan and to be compatible with the claims processing and information retrieval systems utilized in the administration of State plans approved under title XIX of the Social Security Act, and State programs with respect to which there is Federal financial participation under title XX of the Social Security Act.

(b) METHOD OF COMPUTATION AND PAYMENT.—The method of computing and paying such amounts shall be as follows:

(1) ESTIMATES.—The Secretary shall, prior to the beginning of each quarter, estimate the amount to be paid to the State for such quarter under the provisions of subsection (a) of this section, such estimate to be based on—

(A) a report filed by the State containing its estimate of the total sum to be expended in such quarter in accordance with the provisions of such subsection and stating the amount appropriated or made available by the State and its political subdivisions for such expenditures in such quarter, and if such amount is less than the State's proportionate share of the total sum of such estimated expenditures, the source or sources from which the difference is expected to be derived,

(B) records showing the number of needy children in the State, and

(C) such other information as the Secretary may find necessary.

(2) ADJUSTMENTS FOR PRIOR QUARTERS.—The Secretary of Health and Human Services shall then certify to the Secretary of the Treasury the amount so estimated by the Secretary of Health and Human Services—

(A) reduced or increased, as the case may be, by any sum by which the Secretary finds that the Secretary's estimate for any prior quarter was greater or less than the amount which should have been paid to the State for such quarter,

(B) reduced by a sum equivalent to the pro rata share to which the United States is equitably entitled, as determined by the Secretary of Health and Human Services, of the net amount recovered during any prior quarter by the State or any political subdivision thereof with respect to transitional aid to families with needy children furnished under the State plan, and

(C) reduced by such amount as is necessary to provide the "appropriate reimbursement of the Federal Government" that the State is required to make under section 457 of the Social Security Act out of that portion of child support collections retained by the State pursuant to such section,

except that such increases or reductions shall not be made to the extent that such sums have been applied to make the amount certified for any prior quarter greater or less than the amount estimated by the Secretary of Health and Human Services for such prior quarter.

(3) PAYMENT OF THE AMOUNT CERTIFIED.—The Secretary of the Treasury shall thereupon, through the Fiscal Service of the Department of the Treasury and prior to audit or settlement by the General Accounting Office, pay to the State, at the time or times fixed by the Secretary of Health and Human Services, the amount so certified.

(c) UNIFORM REPORTING REQUIREMENTS.—In order to assist in obtaining the information needed to carry out subsection (b)(1) and otherwise to perform the Secretary's duties under this subtitle, the Secretary shall establish uniform reporting requirements under which each State will be required to furnish data regarding—

(1) the monthly number of families assisted under this subtitle;

(2) the types of such families;

(3) the monthly number of children assisted under this subtitle;

(4) the amounts expended to serve such families and children;

(5) the length of time for which such families and children are assisted;

(6) the number of families and children receiving child care assistance;

(7) the number of families receiving transitional medicaid assistance; and

(8) in what form the amounts of assistance are being spent (the amount spent on wage subsidies compared to the amount spent on cash benefits).

(d) BONUS AMOUNT.—

(1) IN GENERAL.—For fiscal year 1997 and each fiscal year thereafter, a State operating a transitional aid program under subtitle A in the preceding fiscal year meeting the requirements of paragraph (2) shall receive a bonus amount equal to 10 percent of the base payment amount determined for such State under section 1381(b).

(2) REQUIREMENTS.—A transitional aid program meets the requirements of this paragraph if the program—

(A) provides for disregards of earned income for families receiving transitional aid to ensure that a family in which a family member worked part-time in a minimum wage job did not have a lower monthly income after calculation of reasonable work-related expenses than a family of the same size in which a family member did not work;

(B) provides that calculation of the level of transitional aid under the program for a family is based only on the needs of needy children and the caretaker relatives of such children; and

(C) provides for equal treatment of one-parent and two-parent families.

SEC. 1304. DEVIATION FROM PLAN.

(a) STOPPAGE OF PAYMENTS.—In the case of any State plan for transitional aid to families with needy children which has been approved by the Secretary, if the Secretary, after reasonable notice and opportunity for hearing to the State agency administering or supervising the administration of such plan, finds that in the administration of the plan there is a failure to comply substantially with any provision required by section 1302(a) to be included in the plan, the Secretary shall notify such State agency that further payments will not be made to the State (or in the Secretary's discretion, that payments will be limited to categories under or parts of the State plan not affected by such failure) until the Secretary is satisfied that such prohibited requirement is no longer so imposed, and that there is no longer any such failure to comply. Until the Secretary is so satisfied the Secretary shall make no further payments to such State (or shall limit payments to categories under or parts of the State plan not affected by such failure).

(b) MISUSE OF FUNDS.—In any case in which the Secretary finds that a State has misappropriated or misused funds appropriated pursuant to section 1303, the Secretary shall reduce the payment to which the State would otherwise be entitled under this subtitle for the fiscal year following the fiscal year in which such finding is made by an amount equal to two times the amount of funds found to be misused or misappropriated.

SEC. 1305. USE OF PAYMENTS FOR BENEFIT OF CHILDREN.

Whenever the State agency has reason to believe that any payments of transitional aid to families with needy children made with respect to a child are not being or may not be used in the best interests of the child, the State agency may provide for such counseling and guidance services with respect to the use of such payments and the management of other funds by the relative receiving such payments as it deems advisable in order to assure use of such payments in the best interests of such child, and may provide for advising such relative that continued failure to so use such payments will result in substitution therefor of such protective payments as the State may authorize, or in seeking appointment of a guardian or legal representative as provided in section 1111 of the Social Security Act, or in the imposition of criminal or civil penalties authorized under State law if it is determined by a court of competent jurisdiction that such relative is not using or has not used for the benefit of the child any such payments made for that purpose; and the provision of such services or advice by the State agency (or the taking of the action specified in such advice) shall not serve as a basis for withholding funds from such State under section 1304 and shall not prevent such payments with respect to such child from being considered transitional aid to families with needy children.

SEC. 1306. SPECIAL RULE.

Each needy child, and each relative with whom such a child is living (including the spouse of such relative), who becomes ineligible for transitional aid to families with needy children as a result (wholly or partly) of the collection or increased collection of child or spousal support under part D of title IV of the Social Security Act, and who has received such aid in at least 3 of the 6 months immediately preceding the month in which such ineligibility begins, shall be deemed to be a recipient of transitional aid to families with needy children for purposes of title XIX of such Act for an additional 4 calendar months beginning with the month in which such ineligibility begins.

SEC. 1307. PERFORMANCE MEASUREMENT SYSTEM.

(a) IN GENERAL.—Not later than July 1, 1996, the Secretary, in consultation with the States, shall submit recommendations to Congress to streamline the system for monitoring the accuracy of payments made for transitional aid to families with needy children and for transforming the transitional aid program into a system that measures a State's performance in moving recipients of such aid into permanent employment.

(b) DETAILS OF RECOMMENDATIONS.—The recommendations required by subsection (a) shall—

(1) be based on a system which replaces the AFDC quality control system (described in section 408 of the Social Security Act as in effect on the day before the date of the enactment of the Work and Gainful Employment Act),

(2) include an effort to ensure the continuity of recipient data collected under the AFDC quality control system and the new streamlined system, and

(3) integrate the performance measurements under the WAGE program and any other applicable performance measurements that are designed to measure the effectiveness of States in promoting work.

SEC. 1308. EXCLUSION FROM TRANSITIONAL AID PROGRAM UNIT OF INDIVIDUALS FOR WHOM CERTAIN PAYMENTS ARE MADE.

(a) EXCLUSION OF CHILDREN RECEIVING FOSTER CARE, ETC.—Notwithstanding any other provision of this title (other than subsection (b))—

(1) a child with respect to whom foster care maintenance payments or adoption assistance payments are made under part E of title IV of the Social Security Act or under State or local law, or a child or parent receiving benefits under title XVI of such Act, shall not, for the period for which such payments are made, be regarded as a member of a family for purposes of determining the amount of benefits of the family under this subtitle; and

(2) the income and resources of such child or parent shall be excluded from the income and resources of a family under this subtitle.

(b) LIMITATION.—Subsection (a) of this section shall not apply in the case of a child with respect to whom adoption assistance payments are made under part E of title IV of the Social Security Act or under State or local law, if application of such subsection would reduce the benefits under this subtitle of the family of which the child would otherwise be regarded as a member.

SEC. 1309. TECHNICAL ASSISTANCE FOR DEVELOPING MANAGEMENT INFORMATION SYSTEMS.

The Secretary shall provide such technical assistance to States as the Secretary determines necessary to assist States to plan, design, develop, or install and provide for the security of, the management information systems referred to in section 1303(a)(2).

SEC. 1310. FRAUD CONTROL.

(a) ELECTION FOR FRAUD CONTROL PROGRAM.—Any State, in the administration of its State plan approved under section 1302, may elect to establish and operate a fraud control program in accordance with this section.

(b) PENALTY FOR FALSE OR MISLEADING STATEMENT OR MISREPRESENTATION OF FACT.—Under any such program, if an individual who is a member of a family applying for or receiving aid under the State plan approved under section 1302 is found by a Federal or State court or pursuant to an administrative hearing meeting requirements determined in regulations of the Secretary, on the basis of a plea of guilty or nolo contendere or otherwise, to have intentionally—

(1) made a false or misleading statement or misrepresented, concealed, or withheld facts, or

(2) committed any act intended to mislead, misrepresent, conceal, or withhold facts or propound a falsity, for the purpose of establishing or maintaining the family's eligibility for aid under such State plan or of increasing (or preventing a reduction in) the amount of such aid, then the needs of such individual shall not be taken into account by the State in determining eligibility for transitional aid under this subtitle with respect to his or her family—

(A) for a period of 6 months upon the first occasion of any such offense,

(B) for a period of 12 months upon the second occasion of any such offense, and

(C) permanently upon the third or a subsequent occasion of any such offense.

(c) PROCEEDINGS AGAINST VIOLATORS BY STATE AGENCY.—The State agency involved shall proceed against any individual alleged to have committed an offense described in subsection (b) either by way of administrative hearing or by referring the matter to the appropriate authorities for civil or criminal action in a court of law. The State agency shall coordinate its actions under this section with any corresponding actions being taken under the food stamp program in any case where the factual issues involved arise from the same or related circumstances.

(d) DURATION OF PERIOD OF SANCTIONS; REVIEW.—Any period for which sanctions are imposed under subsection (b) shall remain in effect, without possibility of administrative stay, unless and until the finding upon which the sanctions were imposed is subsequently reversed by a court of appropriate jurisdiction; but in no event shall the duration of the period for which such sanctions are imposed be subject to review.

(e) ADDITIONAL SANCTIONS PROVIDED BY LAW.—The sanctions provided under subsection (b) shall be in addition to, and not in substitution for, any other sanctions which may be provided for by law with respect to the offenses involved.

(f) WRITTEN NOTICE OF PENALTIES FOR FRAUD.—Each State which has elected to establish and operate a fraud control program under this section must provide all applicants for transitional aid to families with needy children under its approved State plan, at the time of their application for such aid, with a written notice of the penalties for fraud which are provided for under this section.

SEC. 1311. ASSISTANT SECRETARY FOR FAMILY SUPPORT.

The programs under this title and part D of title IV of the Social Security Act shall be administered by an Assistant Secretary for Family Support within the Department of Health and Human Services, who shall be appointed by the President, by and with the advice and consent of the Senate, and who shall be in addition to any other Assistant Secretary of Health and Human Services provided for by law.

SEC. 1312. TRANSITION FROM AFDC TO TRANSITIONAL AID PROGRAM.

In the case of any individual who is an applicant for or recipient of aid to families with dependent children under part A of title IV of the Social Security Act, as in effect on the day before the effective date of this title, the State may, at the State's option, provide that—

(1) such individual be treated as an applicant for or recipient of (as the case may be) transitional aid to families with needy children under this subtitle as in effect on such effective date, or

(2) such individual submit an application for transitional aid in accordance with the provisions of the State plan approved under this subtitle as so in effect.

Subtitle B—Work And Gainful Employment (Wage) Program

SEC. 1380. PURPOSE.

It is the purpose of this subtitle to provide States with flexibility to design programs to ensure that needy families with children obtain employment and avoid long-term welfare dependence.

PART 1—BLOCK GRANT

SEC. 1381. BLOCK GRANT.

(a) BLOCK GRANT AMOUNT.—Subject to section 1382, each State that operates a WAGE program in accordance with part 2 shall be entitled to receive for each fiscal year a block grant amount equal to—

(1) the base payment amount determined under subsection (b) and the additional amount described in subsection (b)(3); plus

(2) the performance award amount (if any) determined under subsection (c).

(b) BASE PAYMENT AMOUNT.—

(1) IN GENERAL.—Subject to the limitation of paragraph (3), the base payment amount determined under this subsection with respect to each State is—

(A) for fiscal year 1996, an amount equal to the base amount determined under paragraph (2); and

(B) for fiscal year 1997 and each subsequent fiscal year, an amount equal to 103 percent of the base payment amount determined under this subsection for the prior fiscal year.

(2) BASE AMOUNT.—The base amount determined under this paragraph with respect to each State is an amount equal to the greater of—

(A) 103 percent of the Federal payments made to the State in fiscal year 1995—

(i) for child care services described in clause (i) or (ii) of section 402(g)(1)(a) (relating to AFDC–JOBS child care and transitional child care);

(ii) under section 403(a)(3) (relating to administrative costs of operating the AFDC program), other than any payments made under such section for automated data processing systems; and

(iii) under section 403(a)(5) (relating to emergency assistance); or

(B) 103 percent of the average of the Federal payments described in clauses (i), (ii), and (iii) of subparagraph (A) made to the State in fiscal years 1993, 1994, and 1995.

(3) ADDITIONAL PAYMENTS.—

(A) IN GENERAL.—In addition to the amounts specified in paragraph (2), each State operating a program under the subtitle shall be entitled to receive an amount that bears the same ratio to the amount specified in subparagraph (B) for such fiscal year as the average monthly number of families with needy children receiving transitional aid in the State in the preceding fiscal year bears to the average monthly number of families receiving transitional aid or cash assistance under the State program funded under part A of title IV of the Social Security Act in all the States for such preceding year.

(B) AMOUNT SPECIFIED.—The amount specified in this subparagraph is—

(i) for fiscal year 1996, $1,200,000,000;

(ii) for fiscal year 1997, $1,700,000,000;

(iii) for fiscal year 1998, $2,100,000,000;

(iv) for fiscal year 1999, $2,700,000,000; and

(v) for fiscal year 2000, $3,200,000,000.

(c) PERFORMANCE AWARD.—

(1) IN GENERAL.—Subject to the limitation of paragraph (4), the performance award determined under this subsection for a fiscal year for a State is an amount equal to the sum of—

(A) the full-time employment savings of the State, plus

(B) the part-time employment savings of the State.

(2) FULL-TIME EMPLOYMENT SAVINGS.—For purposes of this subsection—

(A) IN GENERAL.—The full-time employment savings of a State for any fiscal year is an amount equal to the product of—

(i) the total number of full-time performance award employees, and

(ii) an amount equal to 6 times the Federal share of the average monthly transitional aid paid to individuals in accordance with the State plan under subtitle A for the preceding fiscal year.

(B) FULL-TIME PERFORMANCE AWARD EMPLOYEES.—The term 'full-time performance award employees' means, with respect to any fiscal year, a number of employees equal to the applicable percentage of the average monthly number of individuals who, during the preceding fiscal year, received transitional aid under the program operated in accordance with the State plan under subtitle A.

(C) APPLICABLE PERCENTAGE.—The term 'applicable percentage' means, with respect to any fiscal year, the number of whole percentage points (if any) by which—

(i) the percentage which—

(I) the average monthly number of individuals who became ineligible during the preceding fiscal year to receive transitional aid under the program operated in accordance with the State plan under subtitle A by reason of earnings from employment, bears to

(II) the number of individuals receiving transitional aid under the program operated in accordance with the State plan under subtitle A for such preceding fiscal year, exceeds

(ii) the percentage determined under clause (i) for fiscal year 1996.

(D) SPECIAL RULE FOR SHORT-TERM EMPLOYEES.—An individual shall not be taken into account under subclause (I) of subparagraph (C)(i) unless the employment described in such subclause has continued for 6 consecutive months. If an individual is not taken into account for a fiscal year by reason of this subparagraph, such individual shall be taken into account in the following fiscal year if such 6-month period ends in such following fiscal year.

(3) PART-TIME EMPLOYMENT SAVINGS.—For purposes of this subsection—

(A) IN GENERAL.—The part-time employment savings of a State for any fiscal year is an amount equal to the product of—

(i) the total number of part-time performance award employees, and

(ii) an amount equal to 6 times the Federal share of the average monthly transitional aid (weighted for family size) which would otherwise be paid to individuals described in subparagraph (C)(i)(I) in accordance with the State plan under subtitle A for the preceding fiscal year but for the fact the individual worked at least 20 hours per week.

(B) PART-TIME PERFORMANCE AWARD EMPLOYEES.—The term 'part-time performance award employees' means, with respect to any fiscal year, a number of employees equal to the applicable percentage of the average monthly number of individuals who, during the preceding fiscal year, received transitional aid under the program operated in accordance with the State plan under subtitle A.

(C) APPLICABLE PERCENTAGE.—The term 'applicable percentage' means, with respect to any fiscal year, the number of whole percentage points (if any) by which—

(i) the percentage which—

(I) the average monthly number of individuals who were eligible to receive transitional aid under the program operated in accordance with the State plan under subtitle A during the preceding fiscal year, and worked at least 20 hours a week in a position which was not subsidized by the State, bears to

(II) the number of individuals receiving transitional aid under the program operated in accordance with the State plan under subtitle A for such preceding fiscal year, exceeds

(ii) the percentage determined under clause (i) for fiscal year 1996.

(D) SPECIAL RULE FOR AREAS OF HIGH UNEMPLOYMENT.—In the case of any State (or any area of a State) which has an average monthly unemployment rate which is more than 6.5 percent (as determined by the Secretary of Labor) for the fiscal year for which the percentage described in subparagraph (C)(i) is being determined, such State may, in applying subparagraph (C)(i)(I), include individuals residing in such State (or area) who worked at least 20 hours a week in positions fully subsidized by the State.

(4) LIMITATION.—

(A) IN GENERAL.—The performance award under paragraph (1) for a State for any fiscal year shall not exceed the amount that bears the same ratio to the amount specified in clause (ii) for such fiscal year as the amount of full-time and part-time performance award employees of the State for a fiscal year bears to the amount of such employees for all States participating in the program under this subtitle for such fiscal year.

(B) AMOUNT SPECIFIED.—The amount specified in this subparagraph is—

(i) for fiscal year 1998, $200,000,000;

(ii) for fiscal year 1999, $400,000,000; and

(iii) for fiscal year 2000 and each fiscal year thereafter, $600,000,000.

(5) AWARD BEGINNING WITH FISCAL YEAR 1998.—No amount shall be paid to a State as a performance award determined under this subsection before October 1, 1997.

(d) PAYMENTS TO INDIAN TRIBES.—The Secretary shall reserve for payment to Indian tribes and Alaska Native organizations with an application approved under section 1392(a)(1)(A) an amount equal to not more than 2 percent of the amount appropriated under subsection (a). Such amounts shall be distributed to each tribe and Alaska Native organization in an amount that bears the same ratio to the total amount reserved under this subsection as the number of the participants required to be served in the preceding fiscal year in the tribe's or Alaska Native organization's service area bears to the number of participants to be served by all tribes and Alaska Native organizations in such preceding year. In making such distributions, the Secretary shall take into account such other factors as the Secretary deems appropriate, including unique geographic, economic, demographic, and administrative conditions of individual Indian tribes and Alaska Native organizations.

SEC. 1382. PARTICIPATION RATES.

(a) PARTICIPATION RATE REQUIREMENT.—

(1) IN GENERAL.—Notwithstanding section 1381, the Secretary shall pay to a State an amount equal to 95 percent of the base payment amount determined for the State for a fiscal year if the State's participation rate determined under subsection (c) for the preceding fiscal year does not exceed or equal the following percentage:

"Fiscal year:	Percentage:
1996	35
1997	40
1998	45
1999	50
2000	55.

(2) REQUIRED WORK ACTIVITY.—A State shall not be treated as having a participation rate meeting the requirements of this subsection if the number of individuals described in subsection (c)(1) engaged in work activities is not at least 50 percent of the total number of individuals described in subsection (c)(1).

(b) ELECTION BY THE STATE.—In lieu of the reduction described in subsection (a), a State that does not meet the participation rate requirements described in subsection (a), may elect to receive the full amount of the payments described in section 1381(a)(1) to which the State is otherwise entitled for the fiscal year if the State makes available non-Federal contributions for the fiscal year in an amount equal to not less than 5 percent of the State's non-Federal contributions for the preceding fiscal year.

(c) DETERMINATION OF PARTICIPATION RATE.—The State's participation rate for a fiscal year shall be the number, expressed as a percentage, equal to—

(1) the sum of—

(A) the average monthly number of individuals in the State who have participated in work activities or work preparation activities under the WAGE program under part 2 for an average of at least 20 hours a week,

(B) the average monthly number of individuals who within the previous 6-month period have become ineligible for transitional aid under subtitle A or the WAGE program because the individuals are employed, and

(C) the average monthly number of individuals under sanctions for failing to comply with a WAGE Plan, divided by

(2) the average monthly number of families with an adult recipient, not including those who are exempt under section 1302(a)(11).

(d) DEFINITION OF WORK ACTIVITIES.—For purposes of this section, the term 'work activities' means—

(1) unsubsidized employment;

(2) subsidized private sector employment;

(3) subsidized public sector employment or work experience (including work associated with the refurbishing of publicly assisted housing) only if sufficient private sector employment is not available;

(4) on-the-job training; and

(5) microenterprise employment.

(e) TWO-YEAR LIMIT.—For purposes of subsection (c)(1)(A), an individual who has participated in the WAGE program for 2 years may not be counted in determining the State's participation rate unless such individual is engaged in a work activity.

PART 2—ESTABLISHMENT AND OPERATION OF WAGE PROGRAM

SEC. 1390. REQUIREMENT TO ESTABLISH A WAGE PROGRAM.

A State shall establish a work and gainful employment program (hereafter in this part referred to as the 'WAGE program') in accordance with section 1391.

SEC. 1391. ESTABLISHMENT AND OPERATION OF FLEXIBLE STATE PROGRAMS.

(a) PROGRAM REQUIREMENTS.—Any State with a State plan approved under subsection (c) shall establish and operate a program that meets the following requirements:

(1) OBJECTIVE.—The objective of the program is for each program participant to find and hold a full-time unsubsidized paid job, and for this goal to be achieved in a cost-effective fashion.

(2) METHODS OF OBTAINING OBJECTIVE.—The objective of the program under paragraph (1) shall be achieved by connecting recipients of transitional aid with the private sector labor market as soon as possible and offering them the support and skills necessary to remain in the labor market. Each component of the program should seek to attain the objective by emphasizing employment and conveying an understanding that minimum wage jobs are a stepping stone to more highly paid employment. The program is intended to provide recipients with job search and placement, education, training, wage supplementation, temporary subsidized jobs, or such other services as the State deems necessary to help a recipient obtain private sector employment.

(3) JOB CREATION.—The creation of jobs, with an emphasis on private sector jobs, shall be a component of the program and shall be a priority for each State office that has responsibility under the program.

(4) ASSISTANCE.—The State may provide assistance to participants in the program in the following forms:

(A) State job placement services, which may include employment opportunity centers that act as one-stop placement entities through which the State makes available to each program participant services under programs carried out under one or more of the following provisions of law:

(i) Part A of title II of the Job Training Partnership Act (29 U.S.C. 1601 et seq.) (relating to the adult training program).

(ii) Part B of title II of such Act (29 U.S.C. 1630 et seq.) (relating to the summer youth employment and training programs).

(iii) Part C of title II of such Act (29 U.S.C. 1641 et seq.) (relating to the youth training program).

(iv) Title III of such Act (29 U.S.C. 1651 et seq.) (relating to employment and training assistance for dislocated workers).

(v) Part B of title IV of such Act (29 U.S.C. 1691 et seq.) (relating to the Job Corps).

(vi) The Carl D. Perkins Vocational and Applied Technology Education Act (20 U.S.C. 2301 et seq.).

(vii) The Adult Education Act (20 U.S.C. 1201 et seq.).

(viii) Part B of chapter 1 of title I of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 2741 et seq.) (relating to Even Start family literacy programs).

(ix) Subtitle A of title VII of the Stewart B. McKinney Homeless Assistance Act (42 U.S.C. 11421) (relating to adult education for the homeless).

(x) Subtitle B of title VII of such Act (42 U.S.C. 11431 et seq.) (relating to education for homeless children and youth).

(xi) Subtitle C of title VII of such Act (42 U.S.C. 11441) (relating to job training for the homeless).

(xii) The School-to-Work Opportunities Act of 1994.

(xiii) The National and Community Service Act of 1990 (42 U.S.C. 12501 et seq.).

(xiv) The National Skill Standards Act of 1994.

(B) Private placement company services, which may include contracts the State enters into with private companies (whether operated for profit or not for profit) or community action agencies for placement of participants in the program in positions of full-time or part-time employment, preferably in the private sector, for wages sufficient to eliminate the need of such participants for cash assistance.

(C) Microenterprise programs, including programs under which the State makes grants and loans to public and private organizations, agencies, and other entities (whether operated for profit or not for profit) to enable such entities to facilitate economic development by—

(i) providing technical assistance, advice, and business support services (including assistance, advice, and support relating to business planning, financing, marketing, and other microenterprise development activities) to owners of microenterprises and persons developing microenterprises; and

(ii) providing general support (such as peer support and self-esteem programs) to owners of microenterprises and persons developing microenterprises.

(D) Work supplementation programs, under which the State may use part or all of the sums that would otherwise be payable to participants in the program as transitional aid under subtitle A for the purpose of providing and subsidizing jobs for such participants as an alternative to the transitional aid that would otherwise be so payable to them.

(E) Innovative JOBS programs, including programs similar to—

(i) the program known as the 'GAIN Program' that has been operated by Riverside County, California, under Federal law in effect immediately before the date this section first applies to the State of California;

(ii) the program known as 'JOBS Plus' that has been operated by the State of Oregon under Federal law in effect immediately before the date this section first applies to the State of Oregon; and

(iii) the program known as 'JOBS' that has been operated by Kenosha County, Wisconsin, under Federal law in effect immediately before the date this section first applies to the State of Wisconsin.

(F) Temporary subsidized job creation, which may include workfare programs.

(G) Education or training services.

(H) Any other service which provides individuals with the support and skills necessary to obtain and keep employment in the private sector.

For purposes of subparagraph (C), the term 'microenterprise' means a commercial enterprise which has 5 or fewer employees, one or more of whom owns the enterprise.

(5) WAGE PLAN.—The State agency shall develop a WAGE Plan in accordance with subsection (b) with each program participant.

(6) HOURS OF PARTICIPATION REQUIREMENT.—The State shall provide that each participant in the program under this section shall participate in activities in accordance with this section for at least 20 hours per week (or, at the State's option, a greater number of hours per week), including job search in cases where the individual is not employed in an unsubsidized job in the private sector.

(7) TIME LIMIT.—A State may establish a time limit of any duration for participation by an individual in the WAGE program. A State shall not terminate any participant subject to such time limit if the participant has complied with the requirements set forth in the WAGE Plan established in accordance with paragraph (5).

(8) CHILD CARE SERVICES.—The State shall offer each individual participating in the program child care services (as determined by the State) if such individual requires child care services in order to participate.

(9) NONDISPLACEMENT.—The program shall comply with the requirements of subsection (g).

(10) NONCUSTODIAL PARENTS.—

(A) IN GENERAL.—The State may provide services under the program, on a voluntary or mandatory basis, to noncustodial parents of needy children who are recipients of transitional aid.

(B) PARTICIPATION RATE.—Noncustodial parents who participate in the WAGE program shall be treated as participants for purposes of determining the participation rate under section 1382.

(b) WAGE PLAN.—

(1) IN GENERAL.—On the basis of an initial assessment of the skills, prior work experience, and employability of each individual who the State requires to participate in the WAGE program, the State agency shall, together with the individual, develop a WAGE Plan, which—

(A) sets forth an employment goal for the individual and contains an individualized comprehensive plan developed by the State agency with the participant for moving the individual into the workforce;

(B) provides that the participant shall spend at least 20 hours per week (or, at the option of the State, a greater number of hours per week) in activities provided for in the WAGE Plan, including job search in cases where the individual is not employed in an unsubsidized job in the private sector;

(C) sets forth the obligations of the individual, which may include a requirement that the individual attend school, maintain certain grades and attendance, keep school age children of the individual in school, immunize children, attend parenting and money management classes, or do other things that will help the individual become and remain employed in the private sector;

(D) provides that the participant shall accept any bona fide offer of unsubsidized full-time employment, unless the participant has good cause for not doing so;

(E) describes the child care and other social services and assistance which the State will provide in order to allow the individual to take full advantage of the activities under the program operated in accordance with this section;

(F) at the option of the State, provides that aid under the transitional aid program is to be paid to the participant based on the number of hours that the participant spends in activities provided for in the agreement; and

(G) at the option of the State, requires the participant to undergo appropriate substance abuse treatment.

(2) TIMING.—The State agency shall comply with paragraph (1) with respect to an individual—

(A) within 90 days (or, at the option of the State, 180 days) after the effective date of this part, in the case of an individual who, as of such effective date, is a recipient of aid under the State plan approved under subtitle A; or

(B) within 30 days (or, at the option of the State, 90 days) after the individual is determined to be eligible for such aid, in the case of any other individual.

(c) STATE PLANS.—

(1) IN GENERAL.—Within 60 days after the date a State submits to the Secretary a plan that provides for the establishment and operation of a program that meets the requirements of subsection (a), the Secretary shall approve the plan.

(2) AUTHORITY TO EXTEND DEADLINE.—The 60-day deadline established in paragraph (1) with respect to a State may be extended in accordance with an agreement between the Secretary and the State.

(d) ANNUAL REPORTS.—

(1) COMPLIANCE WITH PERFORMANCE MEASURES.—Each State that operates a program under this section shall submit to the Secretary annual reports that compare the achievements of the program with the performance-based measures established under subsection (e).

(2) COMPLIANCE WITH PARTICIPATION RATES.—Each State that operates a program under this section for a fiscal year shall submit to the Secretary a report on the participation rate determined under section 1382 of the State for the fiscal year.

(e) PERFORMANCE-BASED MEASURES.—The Secretary shall, by regulation, establish measures of the effectiveness of the State's program established under this section in moving recipients of transitional aid under the State plan approved under subtitle A into full-time unsubsidized employment, based on the performance of such programs.

(f) EFFECT OF FAILURE TO MEET PARTICIPATION RATES.—

(1) IN GENERAL.—If a State fails to achieve the participation rate required by section 1382(a) for the fiscal year, the Secretary may make recommendations for changes in the program. The State may elect to follow such recommendations, and shall demonstrate to the Secretary how the State will achieve the required participation rates.

(2) SECOND CONSECUTIVE FAILURE.—Notwithstanding paragraph (1), if the State has failed to achieve the participation rates required by section 1382(a) for 2 consecutive fiscal years, the Secretary may require the State to make changes in the State program established under this section.

(g) NO DISPLACEMENT.—No work assignment under the program shall result in—

(1) the displacement of any currently employed worker or position (including partial displacement such as a reduction in the hours of nonovertime work, wages, or employment benefits), or result in the impairment of existing contracts for services or collective bargaining agreements;

(2) the employment or assignment of a participant of the filling of a position when—

(A) any other individual is on layoff from the same or any equivalent position, or

(B) the employer has terminated the employment of any regular employee or otherwise reduced its workforce with the effect of filling the vacancy so created with a participant subsidized under the program; or

(3) any infringement of the promotional opportunities of any currently employed individual.

No participant may be assigned under work supplementation programs or under workfare programs to fill any established unfilled position vacancy.

SEC. 1392. SPECIAL PROVISIONS RELATING TO INDIAN TRIBES AND ALASKA NATIVE ORGANIZATIONS.

(a) SPECIAL PROVISIONS RELATING TO TRIBES AND NATIVE ORGANIZATIONS.—

(1) IN GENERAL.—

(A) WAGE PROGRAMS.—An Indian tribe or Alaska Native organization may apply to the Secretary to conduct a WAGE program under this part. An application to conduct a WAGE program in a fiscal year shall be submitted not later than July 1 of the preceding fiscal year. Upon approval of the application, payment in the amount determined in accordance with section 1382(d) shall be made directly to the tribe or organization involved.

(B) WAIVER OF CERTAIN REQUIREMENTS.—The Secretary may waive any requirements of this part with respect to a WAGE program conducted under this part by an Indian tribe or Alaska Native organization as the Secretary determines to be appropriate.

(C) TERMINATION.—The WAGE program conducted by any Indian tribe or Alaska Native organization may be terminated voluntarily by such tribe or organization or may be terminated by the Secretary upon a finding that such program is not being conducted in substantial conformity with the terms of the application approved under subparagraph (A). If a WAGE program of an Indian tribe or Alaska Native organization is terminated, such tribe or organization shall not be eligible to submit a new application under subparagraph (A) with respect to any year before the 6th year following such termination.

(D) CONSORTIUM OF TRIBES.—An Indian tribe may enter into an agreement with other Indian tribes for the provision of WAGE program services by a tribal consortium providing for centralized administration of WAGE program services for the region served by the Indian tribes so agreeing. In the case of such an agreement, a single application under this part may be submitted by the tribal consortium and the consortium shall be entitled to receive an amount equal to the aggregate amount that all of the tribes in the consortium would have been entitled to receive if each tribe applied separately. In any case in which an application is submitted by a tribal consortium, the approval of each Indian tribe included in the consortium shall be a prerequisite to the distribution of funds to the tribal consortium.

(2) DETERMINATION OF EXEMPT INDIVIDUAL.—An application under this section shall provide that upon approval the Indian tribe or Alaska Native organization, as the case may be, will be responsible for determining whether an individual (within the service area of the tribe or organization) is exempt under section 1302(a)(11).

(b) OTHER REQUIREMENTS.—

(1) CHILD CARE.—Each Indian tribe and Alaska Native organization submitting an application under this section may also submit to the Secretary (as a part of the application) a description of the program that the tribe or organization will implement to meet the child care needs of WAGE program participants and may request funds to provide such child care. The Secretary may waive any other requirement of this part with respect to child care services as the Secretary determines inappropriate for such child care program, other than the requirement described in section 1391(a)(8).

(2) PAYMENT FOR CHILD CARE.—The Secretary shall adjust the payment for a fiscal year under section 1381(d) to reflect the cost of child care for the number of required participants in need of such care in the preceding fiscal year (and other recipients in need of such care) in the tribe's or Alaska Native organization's service area, subject to the limitation on total funding for tribes and Alaska Native organizations.

(3) DATA COLLECTION.—The Secretary shall establish data collection and reporting requirements with respect to child care services implemented under this subsection.

(c) DEFINITIONS.—For purposes of this section—

(1) TRIBAL CONSORTIUM.—The term 'tribal consortium' means any group, association, partnership, corporation, or other legal entity which is controlled, sanctioned, or chartered by the governing body of more than 1 Indian tribe.

(2) INDIAN TRIBE.—The term 'Indian tribe' means any tribe, band, nation, or other organized group or community of Indians that—

(A) is recognized as eligible for the special programs and services provided by the United States to Indians because of their status as Indians; and

(B) for which a reservation exists.

For purposes of subparagraph (B), a reservation includes Indian reservations, public domain Indian allotments, and former Indian reservations in Oklahoma.

(3) ALASKA NATIVE ORGANIZATION.—

(A) IN GENERAL.—The term 'Alaska Native organization' means any organized group of Alaska Natives eligible to operate a Federal program under Public Law 93-638 or such group's designee.

(B) BOUNDARIES.—The boundaries of an Alaska Native organization shall be those of the geographical region, established pursuant to section 7(a) of the Alaska Native Claims Settlement Act, within which the Alaska Native organization is located (without regard to the ownership of the land within the boundaries).

(C) LIMITS ON APPLICATIONS.—The Secretary may approve only one application from an Alaska Native organization for each of the 12 geographical regions established pursuant to section 7(a) of the Alaska Native Claims Settlement Act.

Nothing in this paragraph shall be construed to grant or defer any status or powers other than those expressly granted in this paragraph or to validate or invalidate any claim by Alaska Natives of sovereign authority over lands or people.

Subtitle C—Miscellaneous Provisions

SEC. 1395. DEFINITIONS.

For purposes of this title:

(1) SECRETARY.—The term "Secretary" means the Secretary of Health and Human Services.

(2) STATE.—the term "State" has the meaning given such term by section 402(c)(4) of the Social Security Act.

SEC. 1396. REGULATIONS.

The Secretary shall prescribe such regulations as may be necessary to implement this title.

SEC. 1397. APPLICABILITY TO STATES.

(a) STATE OPTION TO ACCELERATE APPLICABILITY.—If a State formally notifies the Secretary that the State desires to accelerate the applicability to the State of this title, this title shall apply to the State on and after such earlier date as the State may select.

(b) STATE OPTION TO DELAY APPLICABILITY UNTIL WAIVERS EXPIRE.—This title shall not apply to a State with respect to which there is in effect a waiver issued under section 1115 of the Social Security Act for the State program established under part F of title IV of such Act until the waiver expires, if the State formally notifies the Secretary that the State desires to so delay such effective date.

(c) AUTHORITY OF THE SECRETARY OF HEALTH AND HUMAN SERVICES TO DELAY APPLICABILITY TO A STATE.—If a State formally notifies the Secretary that the State desires to delay the applicability to the State of this title, this title shall apply to the State on and after any later date agreed upon by the Secretary and the State.

CONRAD AMENDMENT NO. 2530

Mr. MOYNIHAN (for Mr. CONRAD) proposed an amendment to amendment No. 2280 proposed by Mr. DOLE to the bill H.R. 4, supra, as follows:

On page 50, strike line 6 and all that follows through page 51, line 11, and insert the following:

"(d) REQUIREMENT THAT TEENAGE PARENTS LIVE IN ADULT-SUPERVISED SETTINGS.—

"(1) IN GENERAL.—

"(A) REQUIREMENT.—Except as provided in paragraph (2), if a State provides assistance under the State program funded under this part to an individual described in subparagraph (B), such individual may only receive assistance under the program if such individual and the child of the individual reside in a place of residence maintained by a parent, legal guardian, or other adult relative of such individual as such parent's, guardian's, or adult relative's own home.

"(B) INDIVIDUAL DESCRIBED.—For purposes of subparagraph (A), an individual described in this subparagraph is an individual who is—

"(i) under the age of 18; and

"(ii) not married and has a minor child in his or her care.

"(2) EXCEPTION.—

"(A) PROVISION OF, OR ASSISTANCE IN LOCATING, ADULT-SUPERVISED LIVING ARRANGEMENT.—In the case of an individual who is described in subparagraph (B), the State agency shall provide, or assist such individual in locating, an appropriate adult-supervised supportive living arrangement, including a second chance home, another responsible adult, or a foster home, taking into consideration the needs and concerns of the such individual, unless the State agency determines that the individual's current living arrangement is appropriate, and thereafter shall require that such parent and the child of such parent reside in such living arrangement as a condition of the continued receipt of assistance under the plan (or in an alternative appropriate arrangement, should circumstances change and the current arrangement cease to be appropriate).

"(B) INDIVIDUAL DESCRIBED.—For purposes of subparagraph (A), an individual is described in this subparagraph if the individual is described in paragraph (1)(B) and—

"(ii) such individual has no parent or legal guardian of his or her own who is living or whose whereabouts are known;

"(iii) no living parent or legal guardian of such individual allows the individual to live in the home of such parent or guardian;

"(iv) the State agency determines that the physical or emotional health of such individual or any minor child of the individual would be jeopardized if such individual and such minor child lived in the same residence with such individual's own parent or legal guardian; or

"(v) the State agency otherwise determines that it is in the best interest of the minor child to waive the requirement of paragraph (1) with respect to such individual.

"(C) SECOND-CHANCE HOME.—For purposes of this paragraph, the term 'second-chance home' means an entity that provides individuals described in subparagraph (B) with a supportive and supervised living arrangement in which such individuals are required to learn parenting skills, including child development, family budgeting, health and nutrition, and other skills to promote their long-term economic independence and the well-being of their children.

"(3) ASSISTANCE TO STATES IN PROVIDING OR LOCATING ADULT-SUPERVISED SUPPORTIVE LIVING ARRANGEMENTS FOR UNMARRIED TEENAGE PARENTS.—

"(A) IN GENERAL.—For each of fiscal years 1998 through 2002, each State that provides assistance under the State program to individuals described in paragraph (1)(B) shall be entitled to receive a grant in an amount determined under subparagraph (B) for the purpose of providing or locating adult-supervised supportive living arrangements for individuals described in paragraph (1)(B) in accordance with this subsection.

"(B) AMOUNT DETERMINED.—

"(i) IN GENERAL.—The amount determined under this subparagraph is an amount that bears the same ratio to the amount specified under clause (ii) as the amount of the State family assistance grant for the State for such fiscal year (described in section 403(a)(2)) bears to the amount appropriated for such fiscal year in accordance with section 403(a)(4)(A).

"(ii) AMOUNT SPECIFIED.—The amount specified in this subparagraph is—

"(I) for fiscal year 1998, $20,000,000;

"(II) for fiscal year 1999, $40,000,000; and

"(III) for each of fiscal years 2000, 2001, and 2002, $80,000,000.

"(C) ASSISTANCE TO STATES IN PROVIDING OR LOCATING ADULT-SUPERVISED SUPPORTIVE LIVING ARRANGEMENTS FOR UNMARRIED TEENAGE PARENTS.—There are authorized to be appropriated and there are appropriated for fiscal years 1998, 1999, and 2000 such sums as may be necessary for the purpose of paying grants to States in accordance with the provisions of this paragraph.

"(e) REQUIREMENT THAT TEENAGE PARENTS ATTEND HIGH SCHOOL OR OTHER EQUIVALENT TRAINING PROGRAM.—If a State provides assistance under the State program funded under this part to an individual described in subsection (d)(1)(B) who has not successfully completed a high-school education (or its equivalent) and whose minor child is at least 12 weeks of age, the State shall not provide such individual with assistance under the program (or, at the option of the State, shall provide a reduced level of such assistance) if the individual does not participate in—

"(1) educational activities directed toward the attainment of a high school diploma or its equivalent; or

"(2) an alternative educational or training program that has been approved by the State.

On page 51, strike "(e)" and insert "(f)".

CONRAD AMENDMENT NO. 2531

Mr. MOYNIHAN (for Mr. CONRAD) proposed an amendment to amendment No. 2280 proposed by Mr. DOLE to the bill H.R. 4, supra, as follows:

On page 31, line 23, strike "and".

On page 32, line 10, strike "divided by" and insert "and".

On page 32, between lines 10 and 11, insert the following:

"(V) the number of all families that became ineligible to receive assistance under the State program during the previous 6-month period as a result of section 405(b) that include an adult who is engaged in work (in accordance with subsection (c)) for the month; divided by

On page 32, strike lines 11 through 15, and insert the following:

"(ii) the sum of—

"(I) the total number of all families receiving assistance under the State program funded under this part during the month that include an adult; and

"(II) the number of all families that became ineligible to receive assistance under the State program during the previous 6-month period as a result of section 405(b) that do not include an adult who is engaged in work (in accordance with subsection (c)) for the month.

CONRAD AMENDMENT NO. 2532

Mr. MOYNIHAN (for Mr. CONRAD) proposed an amendment to amendment No. 2280 proposed by Mr. DOLE to the bill H.R. 4, supra, as follows:

In lieu of the matter proposed to be inserted, insert the following:

SEC. 1. SHORT TITLE; REFERENCE; TABLE OF CONTENTS.

(a) SHORT TITLE.—This Act may be cited as the "Work and Gainful Employment Act".

(b) REFERENCE.—Except as otherwise specifically provided, wherever in this Act an amendment is expressed in terms of an amendment to or repeal of a section or other provision, the reference shall be considered to be made to that section or other provision of the Social Security Act.

(c) TABLE OF CONTENTS.—The table of contents for this Act is as follows:

Sec. 1. Short title; reference; table of contents.

TITLE I—TRANSITIONAL AID PROGRAM

Sec. 101. Transitional aid program.

TITLE II—WORK AND GAINFUL EMPLOYMENT (WAGE) PROGRAM

Sec. 201. WAGE program.
Sec. 202. Regulations.
Sec. 203. Applicability to States.

TITLE III—CHILD CARE FOR WORKING PARENTS

Sec. 301. Purpose.

Subtitle A—Amendments to the Child Care and Development Block Grant Act of 1990

Sec. 311. Amendments to the child care and development block grant act of 1990.
Sec. 312. Sense of the Senate.
Sec. 313. Repeals and technical and conforming amendments.

Subtitle B—At-Risk Child Care

Sec. 321. Provision of child care to certain low-income families.
Sec. 322. Use of funds.
Sec. 323. Payments to States.
Sec. 324. State defined.
Sec. 325. Appropriations.

TITLE IV—CHILD SUPPORT RESPONSIBILITY

Sec. 400. Short title.

Subtitle A—Improvements to the Child Support Collection System

PART I—ELIGIBILITY AND OTHER MATTERS CONCERNING TITLE IV-D PROGRAM CLIENTS

Sec. 401. State obligation to provide paternity establishment and child support enforcement services.
Sec. 402. Distribution of payments.
Sec. 403. Rights to notification and hearings.
Sec. 404. Privacy safeguards.
Sec. 405. Cooperation requirements and good cause exceptions.

PART II—PROGRAM ADMINISTRATION AND FUNDING

Sec. 411. Federal matching payments.
Sec. 412. Performance-based incentives and penalties.
Sec. 413. Federal and State reviews and audits.
Sec. 414. Required reporting procedures.
Sec. 415. Automated data processing requirements.
Sec. 416. Director of child support enforcement program; staffing study.
Sec. 417. Funding for secretarial assistance to State programs.
Sec. 418. Data collection and reports by the Secretary.

PART III—LOCATE AND CASE TRACKING

Sec. 421. Central State and case registry.
Sec. 422. Centralized collection and disbursement of support payments.
Sec. 423. State directory of new hires.
Sec. 424. Amendments concerning income withholding.
Sec. 425. Locator information from interstate networks.
Sec. 426. Expansion of the Federal parent locator service.
Sec. 427. Use of social security numbers.

PART IV—STREAMLINING AND UNIFORMITY OF PROCEDURES

Sec. 431. Adoption of uniform State laws.
Sec. 432. Improvements to full faith and credit for child support orders.
Sec. 433. State laws providing expedited procedures.
Sec. 434. Administrative enforcement in interstate cases.
Sec. 435. Use of forms in interstate enforcement.

PART V—PATERNITY ESTABLISHMENT

Sec. 441. State laws concerning paternity establishment.
Sec. 442. Outreach for voluntary paternity establishment.

PART VI—ESTABLISHMENT AND MODIFICATION OF SUPPORT ORDERS

Sec. 451. National child support guidelines commission.
Sec. 452. Simplified process for review and adjustment of child support orders.

PART VII—ENFORCEMENT OF SUPPORT ORDERS

Sec. 461. Federal income tax refund offset.
Sec. 462. Internal revenue service collection of arrearages.
Sec. 463. Authority to collect support from Federal employees.
Sec. 464. Enforcement of child support obligations of members of the armed forces.
Sec. 465. Motor vehicle liens.
Sec. 466. Voiding of fraudulent transfers.
Sec. 467. State law authorizing suspension of licenses.
Sec. 468. Reporting arrearages to credit bureaus.
Sec. 469. Extended statute of limitation for collection of arrearages.
Sec. 470. Charges for arrearages.
Sec. 471. Denial of passports for nonpayment of child support.
Sec. 472. International child support enforcement.

PART VIII—MEDICAL SUPPORT

Sec. 481. Technical correction to ERISA definition of medical child support order.

PART IX—ACCESS AND VISITATION PROGRAMS

Sec. 491. Grants to States for access and visitation programs.

Subtitle B—Child Support Enforcement and Assurance Demonstrations

Sec. 494. Child support enforcement and assurance demonstrations.

Subtitle C—Demonstration Projects To Provide Services to Certain Noncustodial Parents
Sec. 495. Establishment of demonstration projects for providing services to certain noncustodial parents.
Subtitle D—Severability
Sec. 496. Severability.
TITLE V—TRANSITIONAL MEDICAID
Sec. 501. State option to extend transitional medicaid benefits.
TITLE VI—TEENAGE PREGNANCY PREVENTION
Sec. 601. Supervised living arrangements for minors.
Sec. 602. Reinforcing families.
Sec. 603. Required completion of high school or other training for teenage parents.
Sec. 604. Targeting youth at risk of teenage pregnancy.
Sec. 605. National Clearinghouse on Teenage Pregnancy.
Sec. 606. Denial of Federal housing benefits to minors who bear children out-of-wedlock.
Sec. 607. National campaign against teenage pregnancy.
TITLE VII—CHILDREN'S ELIGIBILITY FOR SUPPLEMENTAL SECURITY INCOME
Sec. 701. Definition and eligibility rules.
Sec. 702. Eligibility redeterminations and continuing disability reviews.
Sec. 703. Additional accountability requirements.
TITLE VIII—FINANCING AND FOOD ASSISTANCE REFORM
Subtitle A—Treatment of Aliens
Sec. 801. Uniform alien eligibility criteria for public assistance programs.
Sec. 802. Extension of deeming of income and resources under transitional aid, SSI, and food stamp programs.
Sec. 803. Requirements for sponsor's affidavit of support.
Sec. 804. Extending requirement for affidavits of support to family-related and diversity immigrants.
Subtitle B—Food Assistance Provisions
Sec. 821. Mandatory claims collection methods.
Sec. 822. Reduction of basic benefit level.
Sec. 823. Prorating benefits after interruptions in participation.
Sec. 824. Work requirement for able-bodied recipients.
Sec. 825. Extending current claims retention rates.
Sec. 826. Two-year freeze of standard deduction.
Sec. 827. Nutrition assistance for Puerto Rico.
Sec. 828. Repeal of special rule for persons who do not purchase and prepare food separately.
Sec. 829. Earnings of certain high school students counted as income.
Sec. 830. Energy assistance counted as income.
Sec. 831. Vendor payments for transitional housing counted as income.
Sec. 832. Denial of food stamp benefits for 10 years to certain individuals found to have fraudulently misrepresented residence to obtain benefits.
Sec. 833. Disqualification relating to child support arrears.
Sec. 834. Limiting adjustment of minimum benefit.
Sec. 835. Penalty for failure to comply with work requirements of other programs.
Sec. 836. Resumption of discretionary funding for nutrition education and training program.
Sec. 837. Improvement of child and adult care food program operated under the national school lunch act.
Subtitle C—Supplemental Security Income
Sec. 841. Verification of eligibility for certain SSI disability benefits.
Sec. 842. Nonpayment of SSI disability benefits to substance abusers.
TITLE IX—LEGISLATIVE PROPOSALS; EFFECTIVE DATE
Sec. 901. Secretarial submission.
Sec. 902. Effective date.

TITLE I—TRANSITIONAL AID PROGRAM

SEC. 101. TRANSITIONAL AID PROGRAM.

(a) IN GENERAL.—Title IV (42 U.S.C. 601 et seq.) is amended by striking part A and inserting the following:

"PART A—TRANSITIONAL AID PROGRAM

"SEC. 401. PURPOSE AND APPROPRIATION.

"(a) PURPOSE.—It is the purpose of this part to provide a program of transitional aid to families with needy children to enhance the well-being of such needy children, and to enable parents of children in such families to obtain and retain work and to become self-sufficient.

"(b) APPROPRIATIONS.—There is hereby authorized to be appropriated and are appropriated for each fiscal year such sums as may be necessary to carry out the purposes of this part. The sums made available under this subsection shall be used for making payments to States which have submitted, and had approved by the Secretary, State plans for providing a program of transitional aid.

"SEC. 402. STATE PLANS FOR, AND GENERAL REQUIREMENTS OF, TRANSITIONAL AID PROGRAM.

"(a) STATE PLANS.—A State plan for a transitional aid program shall meet the requirements of the following paragraphs:

"(1) ELECTION OF OPTIONS IN PROGRAM DESIGN.—The State plan shall describe the State's policies regarding eligibility, services, assistance amounts, and program requirements, including a description of:

"(A) The support and benefits (including benefit levels) provided to individuals eligible to participate and whether such support is in the form of wages in subsidized public or nonprofit employment or direct subsidies to employers.

"(B) The extent to which earned or unearned income is disregarded in determining eligibility for, and amount of, assistance.

"(C) The State's policy for determining the extent to which child support received on behalf of a member of the family is disregarded in determining eligibility for, and the amount of, assistance.

"(D) The treatment of earnings of a child living in the home.

"(E) The State's resource limit, including a description of the policy determined by the State regarding any exclusion allowed for vehicles owned by family members, resources set aside for future needs of a child, individual development accounts, or other policies established by the State to encourage savings.

"(F) Any restrictions the State elects to impose relating to eligibility for assistance of two-parent families.

"(G) The criteria for participating in the program including requirements that a family must comply with as a condition of receiving aid, such as school attendance, participation in appropriate preemployment activities, and receipt of appropriate childhood immunizations. The plan shall specify whether the State elects to provide incentives for compliance with the requirements, sanctions for noncompliance, or a combination of incentives and sanctions that the State determines appropriate.

"(H) The sanctions imposed on individuals who fail to comply with the State's program requirements without good cause, including the amount and length of time of such sanctions, provided that if the sanction results in complete elimination of aid to the family, the State plan shall describe the procedures used to ensure the well-being of children.

"(I) Whether payment is made or denied for a child conceived during a period in which such child's parent was receiving aid under the program.

"(J) Whether the State elects to establish a time limit after which an individual must comply with continuous or additional work requirements under part F as a condition for receiving aid under the State plan approved under this part.

"(2) PARENTAL RESPONSIBILITY AGREEMENTS AND WAGE PLANS.—

"(A) IN GENERAL.—The State plan shall provide that the State require the parent or caretaker relative to enter into—

"(i) a Parental Responsibility Agreement in accordance with subparagraph (B), or

"(ii) a Parental Responsibility Agreement in accordance with subparagraph (B) and a Wage Plan in accordance with section 491(b) if such parent or caretaker relative is required to participate in the WAGE program.

"(B) DESCRIPTION OF PARENTAL RESPONSIBILITY AGREEMENT.—A Parental Responsibility Agreement is a statement signed by the applicant for aid that—

"(i) specifies that the transitional aid program is a privilege,

"(ii) the transitional aid program is a transitional program to move recipients into work and self-sufficiency, and

"(iii) the individual must abide by any requirements of the State or risk forfeiting eligibility for transitional aid.

"(3) STATEWIDE PLAN.—The State plan shall be in effect in all political subdivisions of the State. If such plan is not administered uniformly throughout the State, the plan shall describe the variations.

"(4) GENERAL ELIGIBILITY REQUIREMENT.—

"(A) IN GENERAL.—The State plan shall ensure that transitional aid is provided to all families with needy children and that such aid is furnished with reasonable promptness to individuals found eligible under the State plan. In providing such assistance, States will take into account the income and needs of a parent of a needy child if the parent is living in the same home as the child.

"(B) NEEDY CHILD.—For purposes of subparagraph (A), a needy child shall be determined by the State, but shall be a child who—

"(i) is under the age of 18, or

"(ii) at the option of the State, under the age of 19 and a full-time student in a secondary school (or in the equivalent level of vocational or technical training).

"(C) PREGNANT WOMAN.—At the option of the State, the State may provide transitional aid to an individual who does not have a needy child if such individual is pregnant, and such transitional aid is provided—

"(i) in order to meet the needs of the individual occasioned by or resulting from her pregnancy, and "(ii) not more than 3 months before and after the date the woman's child is expected to be born.

"(D) PERSONS OTHER THAN PARENTS.—For purposes of this paragraph, a State may provide that the following individuals shall constitute a family with a needy child if such individuals are living in the same home as the child:

"(i) Any relative or legal guardian of the child.

"(ii) Any person who participates in the Food Stamp program with the child.

"(iii) Any other person who provides—

"(I) care for an incapacitated family member (which, for purposes of this subparagraph only, may include a child receiving supplemental security income benefits under title XVI; or

"(II) child care to enable a caretaker relative to work outside the home or to participate in the WAGE program.

"(5) CHILD CARE SERVICES.—The State plan shall provide that no individual shall be sanctioned for failure to comply with the State's WAGE program requirements if such individual needs child care assistance in order to participate, and the State fails to provide such assistance.

"(6) VERIFICATION SYSTEM.—The State plan shall provide that information is requested and exchanged for purposes of income and eligibility verification in accordance with a State system which meets the requirements of section 1137, unless the State has established an alternative system under section 411 to prevent fraud and abuse.

"(7) ALIEN ELIGIBILITY.—The State plan shall provide that in order for an individual to be eligible for transitional aid under this part, the individual shall be—

"(A) a citizen or national of the United States, or

"(B) a qualified alien (as defined in section 1101(a)(10)), provided that such alien is not disqualified from receiving aid under this part by reason of section 210(f) or 245A(h) of the Immigration and Nationality Act (8 U.S.C. 1160(f) or 1255a(h)) or any other provision of law.

"(8) DETECTION OF FRAUD.—

"(A) IN GENERAL.—The State plan shall provide (in accordance with regulations issued by the Secretary) for appropriate measures to detect fraudulent applications for transitional aid to families with needy children before establishing eligibility for such aid.

"(B) DESCRIPTION OF FRAUD CONTROL PROGRAM.—If the State has elected to establish and operate a fraud control program under section 411, the State shall submit to the Secretary (with such revisions as may from time to time be necessary) a description of such program and will operate such program in full compliance with such section 411.

"(9) PARTICIPATION IN CHILD SUPPORT ENFORCEMENT.—The State plan shall provide—

"(A) that the State has in effect a plan approved under part D and operates a child support enforcement program in substantial compliance with such plan, and

"(B) that, as a condition of eligibility for aid, each applicant or recipient will be required (subject to subparagraph (D))—

"(i) to assign the State any rights to support from any other person such applicant may have in such applicant's own behalf or in behalf of any other family member for whom the applicant is applying for or receiving aid; and

"(ii) to cooperate with the State—

"(I) in establishing the paternity of a child born out of wedlock with respect to whom aid is claimed, and

"(II) in obtaining support payments for such applicant and for a child with respect to whom such aid is claimed;

"(C) that the State agency will immediately refer each applicant requiring paternity establishment, award establishment, or child support enforcement services to the State agency administering the program under part D;

"(D) that an individual shall be required to cooperate with the State, as provided under subparagraph (B), unless the individual is found to have good cause for refusing to cooperate, as determined in accordance with standards prescribed by the Secretary, which standards shall take into consideration the best interests of the child on whose behalf aid is claimed to the satisfaction of the State agency administering the program under part D, as determined in accordance with section 454(26);

"(E) that—

"(i) (except as provided in clause (ii)) an applicant requiring services provided under part D shall not be eligible for any aid under this part until such applicant—

"(I) has furnished to the agency administering the State plan under part D the information specified in section 454(26)(E); or

"(II) has been determined by such agency to have good cause not to cooperate; and

"(ii) that the provisions of clause (i) shall not apply—

"(I) if the agency specified in clause (i) has not within 10 days after such individual was referred to such agency, provided the notification required by section 454(26)(D)(iii), until such notification is received; and

"(II) if such individual appeals a determination that the individual lacks good cause for noncooperation, until after such determination is affirmed after notice and opportunity for a hearing; and

"(F) that, if the relative with whom a child is living is found to be ineligible because of failure to comply with the requirements of subparagraph (B), the State may authorize protective payments as provided for in section 405.

"(10) AUTOMATED DATA PROCESSING SYSTEM.—The State plan may, at the option of the State, provide for the establishment and operation, in accordance with an (initial and annually updated) advance automated data processing planning document approved under subsection (c) of an automated statewide management information system designed effectively and efficiently, to assist management in the administration of the State plan for transitional aid to families with needy children approved under this part, so as—

"(A) to control and account for—

"(i) all the factors in the total eligibility determination process under such plan for aid (including but not limited to (I) identifiable correlation factors (such as social security numbers, names, dates of birth, home addresses, and mailing addresses (including postal ZIP codes) of all applicants and recipients of such aid and the relative with whom any child who is such an applicant or recipient is living) to assure sufficient compatibility among the systems of different jurisdictions to permit periodic screening to determine whether an individual is or has been receiving benefits from more than one jurisdiction, (II) checking records of applicants and recipients of such aid on a periodic basis with other agencies, both intra- and inter-State, for determination and verification of eligibility and payment pursuant to requirements imposed by other provisions of this title),

"(ii) the costs, quality, and delivery of funds and services furnished to applicants for and recipients of such aid;

"(B) to notify the appropriate officials of child support, food stamp, social service, and medical assistance programs approved under title XIX whenever the recipient becomes ineligible or the amount of aid or services is changed; and

"(C) to provide for security against unauthorized access to, or use of, the data in such system.

"(11) PARTICIPATION IN WAGE.—The State plan shall provide—

"(A) that the State operate a WAGE program in accordance with part F, and

"(B) a description of individuals required to participate in the WAGE program in the State; such individuals may not include the following:

"(i) Parents of children under 12 weeks of age or, at the State's option, up to 1 year.

"(ii) Individuals who are ill or incapacitated, as defined by the State.

"(iii) Individuals who are needed in the home on a full-time basis to care for a disabled child or other household member.

"(iv) Individuals who are over 60 years of age.

"(v) Individuals under age 16 other than teenage parents.

"(12) REPORT OF CHILD ABUSE.—The State plan shall provide that the State agency will—

"(A) report to an appropriate agency or official, known or suspected instances of physical or mental injury, sexual abuse or exploitation, or negligent treatment or maltreatment of a child receiving aid under this part under circumstances which indicate that the child's health or welfare is threatened thereby; and

"(B) provide such information with respect to a situation described in subparagraph (A) as the State agency may have.

"(b) APPROVAL OF STATE PLANS.—

"(1) IN GENERAL.—Not later than 60 days after the date a State submits to the Secretary a plan that provides for the establishment and operation of a program or an amendment to such plan that meets the requirements of subsection (a), the Secretary shall approve the plan.

"(2) AUTHORITY TO EXTEND DEADLINE.—The 60-day deadline established in paragraph (1) with respect to a State may be extended in accordance with an agreement between the Secretary and the State.

"(c) APPROVAL OF AUTOMATIC DATA PROCESSING PLANNING DOCUMENT; REVIEW OF MANAGEMENT INFORMATION SYSTEMS; FAILURE TO COMPLY; REDUCTION OF PAYMENTS.—

"(1) APPROVAL OF AUTOMATED DATA PROCESSING PLANNING DOCUMENT.—The Secretary shall not approve the initial and annually updated advance automated data processing planning document, referred to in paragraph (2), unless the Secretary finds that such document, when implemented, will generally carry out the objectives of the statewide management system referred to in such paragraph, and such document—

"(A) provides for the conduct of, and reflects the results of, requirements analysis studies, which include consideration of the program mission, functions, organization, services, constraints, and current support, of, in, or relating to, such system,

"(B) contains a description of the proposed statewide management system, including a description of information flows, input data, and output reports and uses,

"(C) sets forth the security and interface requirements to be employed in such statewide management system, "(D) describes the projected resource requirements for staff and other needs, and the resources available or expected to be available to meet such requirements,

"(E) includes cost-benefit analyses of each alternative management system, data processing services and equipment, and a cost allocation plan containing the basis for rates, both direct and indirect, to be in effect under such statewide management system,

"(F) contains an implementation plan with charts of development events, testing descriptions, proposed acceptance criteria, and backup and fallback procedures to handle possible failure of contingencies, and

"(G) contains a summary of proposed improvements of such statewide management system in terms of qualitative and quantitative benefits.

"(2) SECRETARIAL REVIEW.—

"(A) IN GENERAL.—The Secretary shall, on a continuing basis, review, assess, and inspect the planning, design, and operation of, statewide management information systems referred to in section 403(a)(2), with a view to determining whether, and to what extent, such systems meet and continue to meet requirements imposed under such section and the conditions specified under paragraph (10) of subsection (a).

"(B) SUSPENSION OF APPROVAL.—If the Secretary finds with respect to any statewide management information system referred to in section 403(a)(2) that there is a failure substantially to comply with criteria, requirements, and other undertakings, prescribed by the advance automated data processing planning document previously approved by the Secretary with respect to such system, then the Secretary shall suspend his approval of such document until there is no longer any such failure of such system to comply with such criteria, requirements, and other undertakings so prescribed.

"(C) REDUCTION OF PAYMENTS UNDER SECTION 403.—If the Secretary determines that such a system has not been implemented by the State by the date specified for implementation in the State's advance automated data processing planning document, then the Secretary shall reduce payments to such State, in accordance with section 403(b), in an amount equal to 40 percent of the expenditures referred to in section 403(a)(2) with respect to which payments were made to the State under section 403(a)(2). The Secretary may extend the deadline for implementation if the State demonstrates to the satisfaction of the Secretary that the State cannot implement such system by the date specified in such planning document due to circumstances beyond the State's control.

"(d) TEMPORARY DISQUALIFICATION OF CERTAIN NEWLY LEGALIZED ALIENS.—For temporary disqualification of certain newly legalized aliens from receiving transitional aid to families with needy children, see subsection (h) of section 245A of the Immigration and Nationality Act (8 U.S.C. 1255a), subsection (f) of section 210 of such Act (8 U.S.C. 1160), and subsection (d)(7) of section 210A of such Act (8 U.S.C. 1161).

"(e) IMPACT ON MEDICAID BENEFITS OF NONCOMPLIANCE WITH CERTAIN TAP AND WAGE REQUIREMENTS.—If a family becomes ineligible to receive transitional aid under the State transitional aid program because an individual in such family fails to comply with the requirements of this part—

"(1) a needy child of such family shall remain eligible for medical assistance under the State's plan approved under title XIX, and

"(2) the family shall be appropriately notified of such extension (in the State agency's notice to the family of the termination of its eligibility for such aid) as required by section 1925(a)(2).

"SEC. 403. PAYMENTS TO STATES.

"(a) COMPUTATION OF AMOUNTS.—From the sums appropriated therefor, the Secretary of the Treasury shall pay to each State which has an approved plan for a transitional aid program, for each quarter, beginning with the quarter commencing October 1, 1995, an amount equal to—

"(1) the Federal medical assistance percentage (as defined in section 1905(b)) of the expenditures by the State for benefits and assistance under such plan, and

"(2) 50 percent of so much of the sums expended during such quarter as are attributable to the planning, design, development, or installation of such statewide mechanized claims processing and information retrieval systems as—

"(A) meet the conditions of section 402(a)(10), and

"(B) the Secretary determines are likely to provide more efficient, economical, and effective administration of the plan and to be compatible with the claims processing and information retrieval systems utilized in the administration of State plans approved under title XIX, and State programs with respect to which there is Federal financial participation under title XX.

"(b) METHOD OF COMPUTATION AND PAYMENT.—The method of computing and paying such amounts shall be as follows:

"(1) ESTIMATES.—The Secretary shall, prior to the beginning of each quarter, estimate the amount to be paid to the State for such quarter under the provisions of subsection (a) of this section, such estimate to be based on—

"(A) a report filed by the State containing its estimate of the total sum to be expended in such quarter in accordance with the provisions of such subsection and stating the amount appropriated or made available by the State and its political subdivisions for such expenditures in such quarter, and if such amount is less than the State's proportionate share of the total sum of such estimated expenditures, the source or sources from which the difference is expected to be derived,

"(B) records showing the number of needy children in the State, and

"(C) such other information as the Secretary may find necessary.

"(2) ADJUSTMENTS FOR PRIOR QUARTERS.—The Secretary of Health and Human Services shall then certify to the Secretary of the Treasury the amount so estimated by the Secretary of Health and Human Services—

"(A) reduced or increased, as the case may be, by any sum by which the Secretary finds that the Secretary's estimate for any prior quarter was greater or less than the amount which should have been paid to the State for such quarter,

"(B) reduced by a sum equivalent to the pro rata share to which the United States is equitably entitled, as determined by the Secretary of Health and Human Services, of the net amount recovered during any prior quarter by the State or any political subdivision thereof with respect to transitional aid to families with needy children furnished under the State plan, and

"(C) reduced by such amount as is necessary to provide the 'appropriate reimbursement of the Federal Government' that the State is required to make under section 457 out of that portion of child support collections retained by the State pursuant to such section,

except that such increases or reductions shall not be made to the extent that such sums have been applied to make the amount certified for any prior quarter greater or less than the amount estimated by the Secretary of Health and Human Services for such prior quarter.

"(3) PAYMENT OF THE AMOUNT CERTIFIED.—The Secretary of the Treasury shall thereupon, through the Fiscal Service of the Department of the Treasury and prior to audit or settlement by the General Accounting Office, pay to the State, at the time or times fixed by the Secretary of Health and Human Services, the amount so certified.

"(c) UNIFORM REPORTING REQUIREMENTS.—In order to assist in obtaining the information needed to carry out subsection (b)(1) and otherwise to perform the Secretary's duties under this part, the Secretary shall establish uniform reporting requirements under which each State will be required to furnish data regarding—

"(1) the monthly number of families assisted under this part;

"(2) the types of such families;

"(3) the monthly number of children assisted under this part;

"(4) the amounts expended to serve such families and children;

"(5) the length of time for which such families and children are assisted;

"(6) the number of families and children receiving child care assistance;

"(7) the number of families receiving transitional medicaid assistance; and

"(8) in what form the amounts of assistance are being spent (the amount spent on wage subsidies compared to the amount spent on cash benefits).

"(d) BONUS AMOUNT.—

"(1) IN GENERAL.—For fiscal year 1997 and each fiscal year thereafter, a State operating a transitional aid program under part A in the preceding fiscal year meeting the requirements of paragraph (2) shall receive a bonus amount equal to 10 percent of the base payment amount determined for such State under section 481(b).

"(2) REQUIREMENTS.—A transitional aid program meets the requirements of this paragraph if the program—

"(A) provides for disregards of earned income for families receiving transitional aid to ensure that a family in which a family member worked part-time in a minimum wage job did not have a lower monthly income after calculation of reasonable work-related expenses than a family of the same size in which a family member did not work;

"(B) provides that calculation of the level of transitional aid under the program for a family is based only on the needs of needy children and the caretaker relatives of such children; and

"(C) provides for equal treatment of one-parent and two-parent families.

"SEC. 404. DEVIATION FROM PLAN.

"(a) STOPPAGE OF PAYMENTS.—In the case of any State plan for transitional aid to families with needy children which has been approved by the Secretary, if the Secretary, after reasonable notice and opportunity for hearing to the State agency administering or supervising the administration of such plan, finds that in the administration of the plan there is a failure to comply substantially with any provision required by section 402(a) to be included in the plan, the Secretary shall notify such State agency that further payments will not be made to the State (or in the Secretary's discretion, that payments will be limited to categories under or parts of the State plan not affected by such failure) until the Secretary is satisfied that such prohibited requirement is no longer so imposed, and that there is no longer any such failure to comply. Until the Secretary is so satisfied the Secretary shall make no further payments to such State (or shall limit payments to categories under or parts of the State plan not affected by such failure).

"(b) MISUSE OF FUNDS.—In any case in which the Secretary finds that a State has misappropriated or misused funds appropriated pursuant to section 403, the Secretary shall reduce the payment to which the State would otherwise be entitled under this part for the fiscal year following the fiscal year in which such finding is made by an amount equal to two times the amount of funds found to be misused or misappropriated.

"SEC. 405. USE OF PAYMENTS FOR BENEFIT OF CHILDREN.

"Whenever the State agency has reason to believe that any payments of transitional aid to families with needy children made with respect to a child are not being or may not be used in the best interests of the child, the State agency may provide for such counseling and guidance services with respect to the use of such payments and the management of other funds by the relative receiving such payments as it deems advisable in order to assure use of such payments in the best interests of such child, and may provide for advising such relative that continued failure to so use such payments will result in substitution therefor of such protective payments as the State may authorize, or in seeking appointment of a guardian or legal representative as provided in section 1111, or in the imposition of criminal or civil penalties authorized under State law if it is determined by a court of competent jurisdiction that such relative is not using or has not used for the benefit of the child any such payments made for that purpose; and the provision of such services or advice by the State agency (or the taking of the action specified in such advice) shall not serve as a basis for withholding funds from such State under section 404 and shall not prevent such payments with respect to such child from being considered transitional aid to families with needy children.

"SEC. 406. SPECIAL RULE.

"Each needy child, and each relative with whom such a child is living (including the spouse of such relative), who becomes ineligible for transitional aid to families with needy children as a result (wholly or partly) of the collection or increased collection of child or spousal support under part D of this title, and who has received such aid in at least 3 of the 6 months immediately preceding the month in which such ineligibility begins, shall be deemed to be a recipient of transitional aid to families with needy children for purposes of title XIX for an additional 4 calendar months beginning with the month in which such ineligibility begins.

"SEC. 407. PERFORMANCE MEASUREMENT SYSTEM.

"(a) IN GENERAL.—Not later than July 1, 1996, the Secretary, in consultation with the States, shall submit recommendations to Congress to streamline the system for monitoring the accuracy of payments made for transitional aid to families with needy children and for transforming the transitional aid program into a system that measures a State's performance in moving recipients of such aid into permanent employment.

"(b) DETAILS OF RECOMMENDATIONS.—The recommendations required by subsection (a) shall—

"(1) be based on a system which replaces the AFDC quality control system (described in section 408 of the Social Security Act as in effect on the day before the date of the enactment of the Work and Gainful Employment Act),

"(2) include an effort to ensure the continuity of recipient data collected under the AFDC quality control system and the new streamlined system, and

"(3) integrate the performance measurements under the WAGE program and any other applicable performance measurements that are designed to measure the effectiveness of States in promoting work.

"SEC. 408. EXCLUSION FROM TRANSITIONAL AID PROGRAM UNIT OF INDIVIDUALS FOR WHOM CERTAIN PAYMENTS ARE MADE.

"(a) EXCLUSION OF CHILDREN RECEIVING FOSTER CARE, ETC.—Notwithstanding any other provision of this title (other than subsection (b))—

"(1) a child with respect to whom foster care maintenance payments or adoption assistance payments are made under part E of this title or under State or local law, or a child or parent receiving benefits under title XVI of this Act, shall not, for the period for which such payments are made, be regarded as a member of a family for purposes of determining the amount of benefits of the family under this part; and

"(2) the income and resources of such child or parent shall be excluded from the income and resources of a family under this part.

"(b) LIMITATION.—Subsection (a) of this section shall not apply in the case of a child with respect to whom adoption assistance payments are made under part E of this title or under State or local law, if application of such subsection would reduce the benefits under this part of the family of which the child would otherwise be regarded as a member.

"SEC. 409. TECHNICAL ASSISTANCE FOR DEVELOPING MANAGEMENT INFORMATION SYSTEMS.

"The Secretary shall provide such technical assistance to States as the Secretary determines necessary to assist States to plan, design, develop, or install and provide for the security of, the management information systems referred to in section 403(a)(2).

"SEC. 410. ATTRIBUTION OF INCOME AND RESOURCES OF SPONSOR AND SPOUSE TO ALIEN.

"(a) APPLICABILITY; TIME PERIOD.—For purposes of determining eligibility for and the amount of benefits under a State plan approved under this part for an individual who is a qualified alien described in section 402(a)(7), the income and resources of any person who (as a sponsor of such individual's entry into the United States) executed an affidavit of support or similar agreement with respect to such individual, and the income and resources of the sponsor's spouse, shall be deemed to be the unearned income and resources of such individual (in accordance with subsections (b) and (c) of this section) for a period determined under section 802 of the Work and Gainful Employment Act, except that this section is not applicable if such individual is a needy child and such sponsor (or such sponsor's spouse) is the parent of such child.

"(b) COMPUTATION.—

"(1) AMOUNT DEEMED UNEARNED INCOME.—The amount of income of a sponsor (and his spouse) which shall be deemed to be the unearned income of a qualified alien for any month shall be determined as follows:

"(A) The total amount of earned and unearned income of such sponsor and such sponsor's spouse (if such spouse is living with the sponsor) shall be determined for such month.

"(B) The amount determined under subparagraph (A) shall be reduced by an amount equal to the sum of—

"(i) the lesser of—

"(I) 20 percent of the total of any amounts received by the sponsor and his spouse in such month as wages or salary or as net earnings from self employment, plus the full amount of any costs incurred by them in producing self-employment income in such month, or

"(II) $175;

"(ii) the cash needs standard established by the State under its plan for a family of the same size and composition as the sponsor and those other individuals living in the same household as the sponsor who are claimed by him as dependents for purposes of determining his Federal personal income tax liability but whose needs are not taken into account by the State for the purpose of determining eligibility for transitional aid under this part;

"(iii) any amounts paid by the sponsor (or his spouse) to individuals not living in such household who are claimed by him as dependents for purposes of determining his Federal personal income tax liability; and

"(iv) any payments of alimony or child support with respect to individuals not living in such household.

"(2) AMOUNT DEEMED RESOURCES.—The amount of resources of a sponsor (and his spouse) which shall be deemed to be the resources of a qualified alien for any month shall be determined as follows:

"(A) The total amount of the resources (determined as if the sponsor were applying for aid under the State plan approved under this part) of such sponsor and such sponsor's spouse (if such spouse is living with the sponsor) shall be determined.

"(B) The amount determined under subparagraph (A) shall be reduced by $1,500.

"(c) PROVISION OF INFORMATION BY ALIEN CONCERNING THE ALIEN'S SPONSOR; RECEIPT OF INFORMATION FROM DEPARTMENTS OF STATE AND JUSTICE.—

"(1) INFORMATION REQUIRED.—Any individual who is an alien and whose sponsor was a public or private agency shall be ineligible for aid under a State plan approved under this part during the period determined under section 802 of the Work and Gainful Employment Act, unless the State agency administering such plan determines that such sponsor either no longer exists or has become unable to meet such individual's needs; and such determination shall be made by the State agency based upon such criteria as it may specify in the State plan, and upon such documentary evidence as it may therein require. Any such individual, and any other individual who is a qualified alien (as a condition of his or her eligibility for aid under a State plan approved under this part during the period determined under section 802 of the Work and Gainful Employment Act, shall be required to provide to the State agency administering such plan such information and documentation with respect to his sponsor as may be necessary in order for the State agency to make any determination required under this section, and to obtain any cooperation from such sponsor necessary for any such determination. Such alien shall also be required to provide to the State agency such information and documentation as it may request and which such alien or his sponsor provided in support of such alien's immigration application.

"(2) COOPERATION WITH SECRETARY OF STATE AND ATTORNEY GENERAL.—The Secretary shall enter into agreements with the Secretary of State and the Attorney General whereby any information available to them and required in order to make any determination under this section will be provided by them to the Secretary (who may, in turn, make such information available, upon request, to a concerned State agency), and whereby the Secretary of State and Attorney General will inform any sponsor of an alien, at the time such sponsor executes an affidavit of support or similar agreement, of the requirements imposed by this section.

"(d) JOINT AND SEVERAL LIABILITY OF ALIEN AND SPONSOR FOR OVERPAYMENT OF AID DURING SPECIFIED PERIOD FOLLOWING ENTRY.—Any sponsor of a qualified alien, and such alien, shall be jointly and severally liable for an amount equal to any overpayment of aid under the State plan made to such alien during the period determined under section 802 of the Work and Gainful Employment Act, on account of such sponsor's failure to provide correct information under the provisions of this section, except where such sponsor was without fault, or where good cause of such failure existed. Any such overpayment which is not repaid to the State or recovered in accordance with the procedures generally applicable under the State plan to the recoupment of overpayments shall be withheld from any subsequent payment to which such alien or such sponsor is entitled under any provision of this Act.

"(e) DIVISION OF INCOME AND RESOURCES OF INDIVIDUAL SPONSORING TWO OR MORE ALIENS LIVING IN SAME HOME.—

"(1) IN GENERAL.—In any case where a person is the sponsor of two or more alien individuals who are living in the same home, the income and resources of such sponsor (and his spouse), to the extent they would be deemed the income and resources of any one of such individuals under the preceding provisions of this section, shall be divided into two or more equal shares (the number of shares being the same as the number of such alien individuals) and the income and resources of each such individual shall be deemed to include one such share.

"(2) DEEMED INCOME AND RESOURCES.—Income and resources of a sponsor (and his spouse) which are deemed under this section to be the income and resources of any alien individual in a family shall not be considered in determining the need of other family members except to the extent such income or resources are actually available to such other members.

"(f) ALIENS NOT COVERED.—The provisions of this section shall not apply with respect to any alien who is—

"(1) admitted to the United States as a result of the application, prior to April 1, 1980, of the provisions of section 203(a)(7) of the Immigration and Nationality Act (8 U.S.C. 1153(a)(7));

"(2) admitted to the United States as a result of the application, after March 31, 1980, of the provisions of section 207(c) of such Act;

"(3) paroled into the United States as a refugee under section 212(d)(5) of such Act;

"(4) granted political asylum by the Attorney General under section 208 of such Act; or

"(5) a Cuban or Haitian entrant, as defined in section 501(e) of the Refugee Education Assistance Act of 1980 (Public Law 96–422).

"SEC. 411. FRAUD CONTROL.

"(a) ELECTION FOR FRAUD CONTROL PROGRAM.—Any State, in the administration of its State plan approved under section 402, may elect to establish and operate a fraud control program in accordance with this section.

"(b) PENALTY FOR FALSE OR MISLEADING STATEMENT OR MISREPRESENTATION OF FACT.—Under any such program, if an individual who is a member of a family applying for or receiving aid under the State plan approved under section 402 is found by a Federal or State court or pursuant to an administrative hearing meeting requirements determined in regulations of the Secretary, on the basis of a plea of guilty or nolo contendere or otherwise, to have intentionally—

"(1) made a false or misleading statement or misrepresented, concealed, or withheld facts, or

"(2) committed any act intended to mislead, misrepresent, conceal, or withhold facts or propound a falsity, for the purpose of establishing or maintaining the family's eligibility for aid under such State plan or of increasing (or preventing a reduction in) the amount of such aid, then the needs of such individual shall not be taken into account by the State in determining eligibility for transitional aid under this part with respect to his or her family—

"(A) for a period of 6 months upon the first occasion of any such offense,

"(B) for a period of 12 months upon the second occasion of any such offense, and

"(C) permanently upon the third or a subsequent occasion of any such offense.

"(c) PROCEEDINGS AGAINST VIOLATORS BY STATE AGENCY.—The State agency involved shall proceed against any individual alleged to have committed an offense described in subsection (b) either by way of administrative hearing or by referring the matter to the appropriate authorities for civil or criminal action in a court of law. The State agency shall coordinate its actions under this section with any corresponding actions being taken under the food stamp program in any case where the factual issues involved arise from the same or related circumstances.

"(d) DURATION OF PERIOD OF SANCTIONS; REVIEW.—Any period for which sanctions are imposed under subsection (b) shall remain in effect, without possibility of administrative stay, unless and until the finding upon which the sanctions were imposed is subsequently reversed by a court of appropriate jurisdiction; but in no event shall the duration of the period for which such sanctions are imposed be subject to review.

"(e) ADDITIONAL SANCTIONS PROVIDED BY LAW.—The sanctions provided under subsection (b) shall be in addition to, and not in substitution for, any other sanctions which may be provided for by law with respect to the offenses involved.

"(f) WRITTEN NOTICE OF PENALTIES FOR FRAUD.—Each State which has elected to establish and operate a fraud control program under this section must provide all applicants for transitional aid to families with needy children under its approved State plan, at the time of their application for such aid, with a written notice of the penalties for fraud which are provided for under this section.

"SEC. 412. ASSISTANT SECRETARY FOR FAMILY SUPPORT.

"The programs under this part, part D, and part F of this title shall be administered by an Assistant Secretary for Family Support within the Department of Health and Human Services, who shall be appointed by the President, by and with the advice and consent of the Senate, and who shall be in addition to any other Assistant Secretary of Health and Human Services provided for by law.".

(b) TRANSITION FROM AFDC TO TRANSITIONAL AID PROGRAM.—In the case of any individual who is an applicant for or recipient of aid to families with dependent children under part A of title IV of the Social Security Act, as in effect on the day before the effective date of this title, the State may, at the State's option, provide that—

(1) such individual be treated as an applicant for or recipient of (as the case may be) transitional aid to families with needy children under part A of title IV of the Social Security Act as in effect on such effective date, or

(2) such individual submit an application for transitional aid in accordance with the provisions of the State plan approved under such part A as so in effect.

TITLE II—WORK AND GAINFUL EMPLOYMENT (WAGE) PROGRAM

SEC. 201. WAGE PROGRAM.

Part F of title IV of the Social Security Act (42 U.S.C. 681 et seq.) is amended to read as follows:

"PART F—WAGE PROGRAM

"SEC. 480. PURPOSE.

"It is the purpose of this part to provide States with flexibility to design programs to ensure that needy families with children obtain employment and avoid long-term welfare dependence.

"Subpart 1—Block Grant

"SEC. 481. BLOCK GRANT.

"(a) BLOCK GRANT AMOUNT.—Subject to section 482, each State that operates a WAGE program in accordance with subpart 2 shall be entitled to receive for each fiscal year a block grant amount equal to—

"(1) the base payment amount determined under subsection (b) and the additional amount described in subsection (b)(3); plus

"(2) the performance award amount (if any) determined under subsection (c).

"(b) BASE PAYMENT AMOUNT.—

"(1) IN GENERAL.—Subject to the limitation of paragraph (3), the base payment amount determined under this subsection with respect to each State is—

"(A) for fiscal year 1996, an amount equal to the base amount determined under paragraph (2); and

"(B) for fiscal year 1997 and each subsequent fiscal year, an amount equal to 103 percent of the base payment amount determined under this subsection for the prior fiscal year.

"(2) BASE AMOUNT.—The base amount determined under this paragraph with respect to each State is an amount equal to the greater of—

"(A) 103 percent of the Federal payments made to the State in fiscal year 1995—

"(i) for child care services described in clause (i) or (ii) of section 402(g)(1)(a) (relating to AFDC–JOBS child care and transitional child care);

"(ii) under section 403(a)(3) (relating to administrative costs of operating the AFDC program), other than any payments made under such section for automated data processing systems; and

"(iii) under section 403(a)(5) (relating to emergency assistance); or

"(B) 103 percent of the average of the Federal payments described in clauses (i), (ii), and (iii) of subparagraph (A) made to the State in fiscal years 1993, 1994, and 1995.

"(3) ADDITIONAL PAYMENTS.—

"(A) IN GENERAL.—In addition to the amounts specified in paragraph (2), each

State shall be entitled to receive an amount that bears the same ratio to the amount specified in subparagraph (B) for such fiscal year as the average monthly number of families with needy children receiving transitional aid in the State in the preceding fiscal year bears to the average monthly number of such families in all the States for such preceding year.

"(B) AMOUNT SPECIFIED.—The amount specified in this subparagraph is—

"(i) for fiscal year 1996, $1,200,000,000;

"(ii) for fiscal year 1997, $1,700,000,000;

"(iii) for fiscal year 1998, $2,100,000,000;

"(iv) for fiscal year 1999, $2,700,000,000; and

"(v) for fiscal year 2000, $3,200,000,000.

"(c) PERFORMANCE AWARD.—

"(1) IN GENERAL.—Subject to the limitation of paragraph (4), the performance award determined under this subsection for a fiscal year for a State is an amount equal to the sum of—

"(A) the full-time employment savings of the State, plus

"(B) the part-time employment savings of the State.

"(2) FULL-TIME EMPLOYMENT SAVINGS.—For purposes of this subsection—

"(A) IN GENERAL.—The full-time employment savings of a State for any fiscal year is an amount equal to the product of—

"(i) the total number of full-time performance award employees, and

"(ii) an amount equal to 6 times the Federal share of the average monthly transitional aid paid to individuals in accordance with the State plan under part A for the preceding fiscal year.

"(B) FULL-TIME PERFORMANCE AWARD EMPLOYEES.—The term 'full-time performance award employees' means, with respect to any fiscal year, a number of employees equal to the applicable percentage of the average monthly number of individuals who, during the preceding fiscal year, received transitional aid under the program operated in accordance with the State plan under part A.

"(C) APPLICABLE PERCENTAGE.—The term 'applicable percentage' means, with respect to any fiscal year, the number of whole percentage points (if any) by which—

"(i) the percentage which—

"(I) the average monthly number of individuals who became ineligible during the preceding fiscal year to receive transitional aid under the program operated in accordance with the State plan under part A by reason of earnings from employment, bears to

"(II) the number of individuals receiving transitional aid under the program operated in accordance with the State plan under part A for such preceding fiscal year, exceeds

"(ii) the percentage determined under clause (i) for fiscal year 1996.

"(D) SPECIAL RULE FOR SHORT-TERM EMPLOYEES.—An individual shall not be taken into account under subclause (I) of subparagraph (C)(i) unless the employment described in such subclause has continued for 6 consecutive months. If an individual is not taken into account for a fiscal year by reason of this subparagraph, such individual shall be taken into account in the following fiscal year if such 6-month period ends in such following fiscal year.

"(3) PART-TIME EMPLOYMENT SAVINGS.—For purposes of this subsection—

"(A) IN GENERAL.—The part-time employment savings of a State for any fiscal year is an amount equal to the product of—

"(i) the total number of part-time performance award employees, and

"(ii) an amount equal to 6 times the Federal share of the average monthly transitional aid (weighted for family size) which would otherwise be paid to individuals described in subparagraph (C)(i)(I) in accordance with the State plan under part A for the preceding fiscal year but for the fact the individual worked at least 20 hours per week.

"(B) PART-TIME PERFORMANCE AWARD EMPLOYEES.—The term 'part-time performance award employees' means, with respect to any fiscal year, a number of employees equal to the applicable percentage of the average monthly number of individuals who, during the preceding fiscal year, received transitional aid under the program operated in accordance with the State plan under part A.

"(C) APPLICABLE PERCENTAGE.—The term 'applicable percentage' means, with respect to any fiscal year, the number of whole percentage points (if any) by which—

"(i) the percentage which—

"(I) the average monthly number of individuals who were eligible to receive transitional aid under the program operated in accordance with the State plan under part A during the preceding fiscal year, and worked at least 20 hours a week in a position which was not subsidized by the State, bears to

"(II) the number of individuals receiving transitional aid under the program operated in accordance with the State plan under part A for such preceding fiscal year, exceeds

"(ii) the percentage determined under clause (i) for fiscal year 1996.

"(D) SPECIAL RULE FOR AREAS OF HIGH UNEMPLOYMENT.—In the case of any State (or any area of a State) which has an average monthly unemployment rate which is more than 6.5 percent (as determined by the Secretary of Labor) for the fiscal year for which the percentage described in subparagraph (C)(i) is being determined, such State may, in applying subparagraph (C)(i)(I), include individuals residing in such State (or area) who worked at least 20 hours a week in positions fully subsidized by the State.

"(4) LIMITATION.—

"(A) IN GENERAL.—The performance award under paragraph (1) for a State for any fiscal year shall not exceed the amount that bears the same ratio to the amount specified in clause (ii) for such fiscal year as the amount of full-time and part-time performance award employees of the State for a fiscal year bears to the amount of such employees for all States for such fiscal year.

"(B) AMOUNT SPECIFIED.—The amount specified in this subparagraph is—

"(i) for fiscal year 1998, $200,000,000;

"(ii) for fiscal year 1999, $400,000,000; and

"(iii) for fiscal year 2000 and each fiscal year thereafter, $600,000,000.

"(5) AWARD BEGINNING WITH FISCAL YEAR 1998.—No amount shall be paid to a State as a performance award determined under this subsection before October 1, 1997.

"(d) PAYMENTS TO INDIAN TRIBES.—The Secretary shall reserve for payment to Indian tribes and Alaska Native organizations with an application approved under section 492(a)(1)(A) an amount equal to not more than 2 percent of the amount appropriated under subsection (a). Such amounts shall be distributed to each tribe and Alaska Native organization in an amount that bears the same ratio to the total amount reserved under this subsection as the number of the participants required to be served in the preceding fiscal year in the tribe's or Alaska Native organization's service area bears to the number of participants to be served by all tribes and Alaska Native organizations in such preceding year. In making such distributions, the Secretary shall take into account such other factors as the Secretary deems appropriate, including unique geographic, economic, demographic, and administrative conditions of individual Indian tribes and Alaska Native organizations.

"SEC. 482. PARTICIPATION RATES.

"(a) PARTICIPATION RATE REQUIREMENT.—

"(1) IN GENERAL.—Notwithstanding section 481, the Secretary shall pay to a State an amount equal to 95 percent of the base payment amount determined for the State for a fiscal year if the State's participation rate determined under subsection (c) for the preceding fiscal year does not exceed or equal the following percentage:

"Fiscal year:	Percentage:
1996	35
1997	40
1998	45
1999	50
2000	55.

"(2) REQUIRED WORK ACTIVITY.—A State shall not be treated as having a participation rate meeting the requirements of this subsection if the number of individuals described in subsection (c)(1) engaged in work activities is not at least 50 percent of the total number of individuals described in subsection (c)(1).

"(b) ELECTION BY THE STATE.—In lieu of the reduction described in subsection (a), a State that does not meet the participation rate requirements described in subsection (a), may elect to receive the full amount of the payments described in section 481(a)(1) to which the State is otherwise entitled for the fiscal year if the State makes available non-Federal contributions for the fiscal year in an amount equal to not less than 5 percent of the State's non-Federal contributions for the preceding fiscal year.

"(c) DETERMINATION OF PARTICIPATION RATE.—The State's participation rate for a fiscal year shall be the number, expressed as a percentage, equal to—

"(1) the sum of—

"(A) the average monthly number of individuals in the State who have participated in work activities or work preparation activities under the WAGE program under subpart 2 for an average of at least 20 hours a week,

"(B) the average monthly number of individuals who within the previous 6-month period have become ineligible for transitional aid under part A or the WAGE program because the individuals are employed, and

"(C) the average monthly number of individuals under sanctions for failing to comply with a WAGE Plan, divided by

"(2) the average monthly number of families with an adult recipient, not including those who are exempt under section 402(a)(11).

"(d) DEFINITION OF WORK ACTIVITIES.—For purposes of this section, the term 'work activities' means—

"(1) unsubsidized employment;

"(2) subsidized private sector employment;

"(3) subsidized public sector employment or work experience (including work associated with the refurbishing of publicly assisted housing) only if sufficient private sector employment is not available;

"(4) on-the-job training; and

"(5) microenterprise employment.

"(e) TWO-YEAR LIMIT.—For purposes of subsection (c)(1)(A), an individual who has participated in the WAGE program for 2 years may not be counted in determining the State's participation rate unless such individual is engaged in a work activity.

"Subpart 2—Establishment and Operation of WAGE Program

"SEC. 490. REQUIREMENT TO ESTABLISH A WAGE PROGRAM.

"A State shall establish a work and gainful employment program (hereafter in this part referred to as the 'WAGE program') in accordance with section 491.

"SEC. 491. ESTABLISHMENT AND OPERATION OF FLEXIBLE STATE PROGRAMS.

"(a) Program Requirements.—Any State with a State plan approved under subsection (c) shall establish and operate a program that meets the following requirements:

"(1) Objective.—The objective of the program is for each program participant to find and hold a full-time unsubsidized paid job, and for this goal to be achieved in a cost-effective fashion.

"(2) Methods of obtaining objective.—The objective of the program under paragraph (1) shall be achieved by connecting recipients of transitional aid with the private sector labor market as soon as possible and offering them the support and skills necessary to remain in the labor market. Each component of the program should seek to attain the objective by emphasizing employment and conveying an understanding that minimum wage jobs are a stepping stone to more highly paid employment. The program is intended to provide recipients with job search and placement, education, training, wage supplementation, temporary subsidized jobs, or such other services as the State deems necessary to help a recipient obtain private sector employment.

"(3) Job creation.—The creation of jobs, with an emphasis on private sector jobs, shall be a component of the program and shall be a priority for each State office that has responsibility under the program.

"(4) Assistance.—The State may provide assistance to participants in the program in the following forms:

"(A) State job placement services, which may include employment opportunity centers that act as one-stop placement entities through which the State makes available to each program participant services under programs carried out under one or more of the following provisions of law:

"(i) Part A of title II of the Job Training Partnership Act (29 U.S.C. 1601 et seq.) (relating to the adult training program).

"(ii) Part B of title II of such Act (29 U.S.C. 1630 et seq.) (relating to the summer youth employment and training programs).

"(iii) Part C of title II of such Act (29 U.S.C. 1641 et seq.) (relating to the youth training program).

"(iv) Title III of such Act (29 U.S.C. 1651 et seq.) (relating to employment and training assistance for dislocated workers).

"(v) Part B of title IV of such Act (29 U.S.C. 1691 et seq.) (relating to the Job Corps).

"(vi) The Carl D. Perkins Vocational and Applied Technology Education Act (20 U.S.C. 2301 et seq.).

"(vii) The Adult Education Act (20 U.S.C. 1201 et seq.).

"(viii) Part B of chapter 1 of title I of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 2741 et seq.) (relating to Even Start family literacy programs).

"(ix) Subtitle A of title VII of the Stewart B. McKinney Homeless Assistance Act (42 U.S.C. 11421) (relating to adult education for the homeless).

"(x) Subtitle B of title VII of such Act (42 U.S.C. 11431 et seq.) (relating to education for homeless children and youth).

"(xi) Subtitle C of title VII of such Act (42 U.S.C. 11441) (relating to job training for the homeless).

"(xii) The School-to-Work Opportunities Act of 1994.

"(xiii) The National and Community Service Act of 1990 (42 U.S.C. 12501 et seq.).

"(xiv) The National Skill Standards Act of 1994.

"(B) Private placement company services, which may include contracts the State enters into with private companies (whether operated for profit or not for profit) or community action agencies for placement of participants in the program in positions of full-time or part-time employment, preferably in the private sector, for wages sufficient to eliminate the need of such participants for cash assistance.

"(C) Microenterprise programs, including programs under which the State makes grants and loans to public and private organizations, agencies, and other entities (whether operated for profit or not for profit) to enable such entities to facilitate economic development by—

"(i) providing technical assistance, advice, and business support services (including assistance, advice, and support relating to business planning, financing, marketing, and other microenterprise development activities) to owners of microenterprises and persons developing microenterprises; and

"(ii) providing general support (such as peer support and self-esteem programs) to owners of microenterprises and persons developing microenterprises.

"(D) Work supplementation programs, under which the State may use part or all of the sums that would otherwise be payable to participants in the program as transitional aid under part A for the purpose of providing and subsidizing jobs for such participants as an alternative to the transitional aid that would otherwise be so payable to them.

"(E) Innovative JOBS programs, including programs similar to—

"(i) the program known as the 'GAIN Program' that has been operated by Riverside County, California, under Federal law in effect immediately before the date this section first applies to the State of California;

"(ii) the program known as 'JOBS Plus' that has been operated by the State of Oregon under Federal law in effect immediately before the date this section first applies to the State of Oregon; and

"(iii) the program known as 'JOBS' that has been operated by Kenosha County, Wisconsin, under Federal law in effect immediately before the date this section first applies to the State of Wisconsin.

"(F) Temporary subsidized job creation, which may include workfare programs.

"(G) Education or training services.

"(H) Any other service which provides individuals with the support and skills necessary to obtain and keep employment in the private sector.

For purposes of subparagraph (C), the term 'microenterprise' means a commercial enterprise which has 5 or fewer employees, one or more of whom owns the enterprise.

"(5) WAGE plan.—The State agency shall develop a WAGE Plan in accordance with subsection (b) with each program participant.

"(6) Hours of participation requirement.—The State shall provide that each participant in the program under this section shall participate in activities in accordance with this section for at least 20 hours per week (or, at the State's option, a greater number of hours per week), including job search in cases where the individual is not employed in an unsubsidized job in the private sector.

"(7) Time limit.—A State may establish a time limit of any duration for participation by an individual in the WAGE program. A State shall not terminate any participant subject to such time limit if the participant has complied with the requirements set forth in the WAGE Plan established in accordance with paragraph (5).

"(8) Child care services.—The State shall offer each individual participating in the program child care services (as determined by the State) if such individual requires child care services in order to participate.

"(9) Nondisplacement.—The program shall comply with the requirements of subsection (g).

"(10) Noncustodial parents.—

"(A) In general.—The State may provide services under the program, on a voluntary or mandatory basis, to noncustodial parents of needy children who are recipients of transitional aid.

"(B) Participation rate.—Noncustodial parents who participate in the WAGE program shall be treated as participants for purposes of determining the participation rate under section 482.

"(b) WAGE Plan.—

"(1) In general.—On the basis of an initial assessment of the skills, prior work experience, and employability of each individual who the State requires to participate in the WAGE program, the State agency shall, together with the individual, develop a WAGE Plan, which—

"(A) sets forth an employment goal for the individual and contains an individualized comprehensive plan developed by the State agency with the participant for moving the individual into the workforce;

"(B) provides that the participant shall spend at least 20 hours per week (or, at the option of the State, a greater number of hours per week) in activities provided for in the WAGE Plan, including job search in cases where the individual is not employed in an unsubsidized job in the private sector;

"(C) sets forth the obligations of the individual, which may include a requirement that the individual attend school, maintain certain grades and attendance, keep school age children of the individual in school, immunize children, attend parenting and money management classes, or do other things that will help the individual become and remain employed in the private sector;

"(D) provides that the participant shall accept any bona fide offer of unsubsidized full-time employment, unless the participant has good cause for not doing so;

"(E) describes the child care and other social services and assistance which the State will provide in order to allow the individual to take full advantage of the activities under the program operated in accordance with this section;

"(F) at the option of the State, provides that aid under the transitional aid program is to be paid to the participant based on the number of hours that the participant spends in activities provided for in the agreement; and

"(G) at the option of the State, requires the participant to undergo appropriate substance abuse treatment.

"(2) Timing.—The State agency shall comply with paragraph (1) with respect to an individual—

"(A) within 90 days (or, at the option of the State, 180 days) after the effective date of this part, in the case of an individual who, as of such effective date, is a recipient of aid under the State plan approved under part A; or

"(B) within 30 days (or, at the option of the State, 90 days) after the individual is determined to be eligible for such aid, in the case of any other individual.

"(c) State Plans.—

"(1) In general.—Within 60 days after the date a State submits to the Secretary a plan that provides for the establishment and operation of a program that meets the requirements of subsection (a), the Secretary shall approve the plan.

"(2) Authority to extend deadline.—The 60-day deadline established in paragraph (1) with respect to a State may be extended in accordance with an agreement between the Secretary and the State.

"(d) Annual Reports.—

"(1) Compliance with performance measures.—Each State that operates a program under this section shall submit to the Secretary annual reports that compare the achievements of the program with the performance-based measures established under subsection (e).

"(2) Compliance with participation rates.—Each State that operates a program under this section for a fiscal year shall submit to the Secretary a report on the participation rate determined under section 482 of the State for the fiscal year.

"(e) Performance-Based Measures.—The Secretary shall, by regulation, establish measures of the effectiveness of the State's program established under this section in moving recipients of transitional aid under the State plan approved under part A into full-time unsubsidized employment, based on the performance of such programs.

"(f) Effect of Failure To Meet Participation Rates.—

"(1) In general.—If a State fails to achieve the participation rate required by section 482(a) for the fiscal year, the Secretary may make recommendations for changes in the program. The State may elect to follow such recommendations, and shall demonstrate to the Secretary how the State will achieve the required participation rates.

"(2) Second consecutive failure.—Notwithstanding paragraph (1), if the State has failed to achieve the participation rates required by section 482(a) for 2 consecutive fiscal years, the Secretary may require the State to make changes in the State program established under this section.

"(g) No Displacement.—No work assignment under the program shall result in—

"(1) the displacement of any currently employed worker or position (including partial displacement such as a reduction in the hours of nonovertime work, wages, or employment benefits), or result in the impairment of existing contracts for services or collective bargaining agreements;

"(2) the employment or assignment of a participant of the filling of a position when—

"(A) any other individual is on layoff from the same or any equivalent position, or

"(B) the employer has terminated the employment of any regular employee or otherwise reduced its workforce with the effect of filling the vacancy so created with a participant subsidized under the program; or

"(3) any infringement of the promotional opportunities of any currently employed individual.

No participant may be assigned under work supplementation programs or under workfare programs to fill any established unfilled position vacancy.

"SEC. 492. SPECIAL PROVISIONS RELATING TO INDIAN TRIBES AND ALASKA NATIVE ORGANIZATIONS.

"(a) Special Provisions Relating to Tribes and Native Organizations.—

"(1) In general.—

"(A) WAGE programs.—An Indian tribe or Alaska Native organization may apply to the Secretary to conduct a WAGE program under this part. An application to conduct a WAGE program in a fiscal year shall be submitted not later than July 1 of the preceding fiscal year. Upon approval of the application, payment in the amount determined in accordance with section 482(d) shall be made directly to the tribe or organization involved.

"(B) Waiver of certain requirements.—The Secretary may waive any requirements of this part with respect to a WAGE program conducted under this part by an Indian tribe or Alaska Native organization as the Secretary determines to be appropriate.

"(C) Termination.—The WAGE program conducted by any Indian tribe or Alaska Native organization may be terminated voluntarily by such tribe or organization or may be terminated by the Secretary upon a finding that such program is not being conducted in substantial conformity with the terms of the application approved under subparagraph (A). If a WAGE program of an Indian tribe or Alaska Native organization is terminated, such tribe or organization shall not be eligible to submit a new application under subparagraph (A) with respect to any year before the 6th year following such termination.

"(D) Consortium of tribes.—An Indian tribe may enter into an agreement with other Indian tribes for the provision of WAGE program services by a tribal consortium providing for centralized administration of WAGE program services for the region served by the Indian tribes so agreeing. In the case of such an agreement, a single application under this part may be submitted by the tribal consortium and the consortium shall be entitled to receive an amount equal to the aggregate amount that all of the tribes in the consortium would have been entitled to receive if each tribe applied separately. In any case in which an application is submitted by a tribal consortium, the approval of each Indian tribe included in the consortium shall be a prerequisite to the distribution of funds to the tribal consortium.

"(2) Determination of exempt individual.—An application under this section shall provide that upon approval the Indian tribe or Alaska Native organization, as the case may be, will be responsible for determining whether an individual (within the service area of the tribe or organization) is exempt under section 402(a)(11).

"(b) Other Requirements.—

"(1) Child care.—Each Indian tribe and Alaska Native organization submitting an application under this section may also submit to the Secretary (as a part of the application) a description of the program that the tribe or organization will implement to meet the child care needs of WAGE program participants and may request funds to provide such child care. The Secretary may waive any other requirement of this part with respect to child care services as the Secretary determines inappropriate for such child care program, other than the requirement described in section 491(a)(8).

"(2) Payment for child care.—The Secretary shall adjust the payment for a fiscal year under section 481(d) to reflect the cost of child care for the number of required participants in need of such care in the preceding fiscal year (and other recipients in need of such care) in the tribe's or Alaska Native organization's service area, subject to the limitation on total funding for tribes and Alaska Native organizations.

"(3) Data collection.—The Secretary shall establish data collection and reporting requirements with respect to child care services implemented under this subsection.

"(c) Definitions.—For purposes of this section—

"(1) Tribal consortium.—The term 'tribal consortium' means any group, association, partnership, corporation, or other legal entity which is controlled, sanctioned, or chartered by the governing body of more than 1 Indian tribe.

"(2) Indian tribe.—The term 'Indian tribe' means any tribe, band, nation, or other organized group or community of Indians that—

"(A) is recognized as eligible for the special programs and services provided by the United States to Indians because of their status as Indians; and

"(B) for which a reservation exists.

For purposes of subparagraph (B), a reservation includes Indian reservations, public domain Indian allotments, and former Indian reservations in Oklahoma.

"(3) Alaska native organization.—

"(A) In general.—The term 'Alaska Native organization' means any organized group of Alaska Natives eligible to operate a Federal program under Public Law 93-638 or such group's designee.

"(B) Boundaries.—The boundaries of an Alaska Native organization shall be those of the geographical region, established pursuant to section 7(a) of the Alaska Native Claims Settlement Act, within which the Alaska Native organization is located (without regard to the ownership of the land within the boundaries).

"(C) Limits on applications.—The Secretary may approve only one application from an Alaska Native organization for each of the 12 geographical regions established pursuant to section 7(a) of the Alaska Native Claims Settlement Act.

Nothing in this paragraph shall be construed to grant or defer any status or powers other than those expressly granted in this paragraph or to validate or invalidate any claim by Alaska Natives of sovereign authority over lands or people.".

SEC. 202. REGULATIONS.

The Secretary of Health and Human Services shall prescribe such regulations as may be necessary to implement the amendments made by this title.

SEC. 203. APPLICABILITY TO STATES.

(a) State Option To Accelerate Applicability.—If a State formally notifies the Secretary of Health and Human Services that the State desires to accelerate the applicability to the State of the amendments made by this title, the amendments shall apply to the State on and after such earlier date as the State may select.

(b) State Option To Delay Applicability Until Waivers Expire.—The amendments made by this title shall not apply to a State with respect to which there is in effect a waiver issued under section 1115 of the Social Security Act for the State program established under part F of title IV of such Act until the waiver expires, if the State formally notifies the Secretary of Health and Human Services that the State desires to so delay such effective date.

(c) Authority of the Secretary of Health and Human Services To Delay Applicability to a State.—If a State formally notifies the Secretary of Health and Human Services that the State desires to delay the applicability to the State of the amendments made by this title, the amendments shall apply to the State on and after any later date agreed upon by the Secretary and the State.

TITLE III—CHILD CARE FOR WORKING PARENTS

SEC. 301. PURPOSE.

It is the purpose of this title to—

(1) eliminate fragmentation of child care programs; and

(2) increase the availability of affordable child care in order to promote self sufficiency and support working families.

Subtitle A—Amendments to the Child Care and Development Block Grant Act of 1990

SEC. 311. AMENDMENTS TO THE CHILD CARE AND DEVELOPMENT BLOCK GRANT ACT OF 1990.

(a) Authorization of Appropriations.—Section 658B of the Child Care and Development Block Grant Act of 1990 (42 U.S.C. 9858) is amended to read as follows:

"SEC. 658B. AUTHORIZATION OF APPROPRIATIONS.

"There are authorized to be appropriated to carry out this subchapter $1,000,000,000 for fiscal year 1996, and such sums as may be necessary for each of the fiscal years 1997 through 2000.".

(b) Lead Agency.—Section 658D(b) of the Child Care and Development Block Grant Act of 1990 (42 U.S.C. 9858b(b)) is amended—

(1) in paragraph (1)—

(A) in subparagraph (A), by striking "State" and inserting "governmental or nongovernmental"; and

(B) in subparagraph (C), by inserting "with sufficient time and Statewide distribution of the notice of such hearing," after "hearing in the State"; and

(2) in paragraph (2), by striking the second sentence.

(c) Application and Plan.—Section 658E of the Child Care and Development Block Grant Act of 1990 (42 U.S.C. 9858c) is amended—

(1) in subsection (b), by striking "implemented—" and all that follows through "plans." and inserting "implemented during a 2-year period.";

(2) in subsection (c)—

(A) in paragraph (2)—

(i) in subparagraph (A)—

(I) in clause (iii) by striking the semicolon and inserting a period; and

(II) by striking "except" and all that follows through "1992."; and

(ii) in subparagraph (E)—

(I) by striking clause (ii) and inserting the following new clause:

"(ii) the State will implement mechanisms to ensure that appropriate payment mechanisms exist so that proper payments under this subchapter will be made to providers within the State and to permit the State to furnish information to such providers."; and

(II) by adding at the end thereof the following new sentence: "In lieu of any licensing and regulatory requirements applicable under State and local law, the Secretary, in consultation with Indian tribes and tribal organizations, shall develop minimum child care standards (that appropriately reflect tribal needs and available resources) that shall be applicable to Indian tribes and tribal organization receiving assistance under this subchapter."; and

(iii) by striking subparagraphs (H) and (I); and

(B) in paragraph (3)—

(i) in subparagraph (C)—

(I) in the subparagraph heading, by striking "AND TO INCREASE" and all that follows through "CARE SERVICES";

(II) by striking "25 percent" and inserting "15 percent"; and

(III) by striking "and to provide before-" and all that follows through "658H)"; and

(ii) by adding at the end thereof the following new subparagraph:

"(D) Limitation on Administrative Costs.—Not more than 5 percent of the aggregate amount of payments received under this subchapter by a State in each fiscal year may be expended for administrative costs incurred by such State to carry out all its functions and duties under this subchapter.".

(d) Sliding Fee Scale.—

(1) In General.—Section 658E(c)(5) of the Child Care and Development Block Grant Act of 1990 (42 U.S.C. 9858c(c)(5)) is amended by inserting before the period the following: "and that ensures a representative distribution of funding among the working poor and recipients of Federal welfare assistance".

(2) Eligibility.—Section 658P(4)(B) of the Child Care and Development Block Grant Act of 1990 (42 U.S.C. 9858n(4)(B)) is amended by striking "75 percent" and inserting "100 percent".

(e) Quality.—Section 658G of the Child Care and Development Block Grant Act of 1990 (42 U.S.C. 9858e) is amended—

(1) in the matter preceding paragraph (1)—

(A) by striking "A State" and inserting "(a) In General.—A State";

(B) by striking "not less than 20 percent of"; and

(C) by striking "one or more of the following" and inserting "carrying out the resource and referral activities described in subsection (b), and for one or more of the activities described in subsection (c).";

(2) in paragraph (1), by inserting before the period the following: ", including providing comprehensive consumer education to parents and the public, referrals that honor parental choice, and activities designed to improve the quality and availability of child care";

(3) by striking "(1) Resource and Referral Programs.—Operating" and inserting the following:

"(b) Resource and Referral Programs.—The activities described in this subsection are operating";

(4) by redesignating paragraphs (2) through (5) as paragraphs (1) through (4), respectively;

(5) by inserting before paragraph (1) (as so redesignated) the following:

"(c) Other Activities.—The activities described in this section are the following:"; and

(6) by adding at the end thereof the following:

"(5) Before- and After-School Activities.—Increasing the availability of before- and after-school care.

"(6) Infant Care.—Increasing the availability of child care for infants under the age of 18 months.

"(7) Nontraditional Work Hours.—Increasing the availability of child care between the hours of 5:00 p.m. and 8:00 a.m.

"(d) Nondiscrimination.—With respect to child care providers that comply with applicable State law but which are otherwise not required to be licensed by the State, the State, in carrying out this section, may not discriminate against such a provider if such provider desires to participate in resource and referral activities carried out under subsection (b).".

(f) Repeal.—Section 658H of the Child Care and Development Block Grant Act of 1990 (42 U.S.C. 9858f) is repealed.

(g) Enforcement.—Section 658I(b)(2) of the Child Care and Development Block Grant Act of 1990 (42 U.S.C. 9858g(b)(2)) is amended—

(1) in the matter following clause (ii) of subparagraph (A), by striking "finding and that" and all that follows through the period and inserting "finding and may impose additional program requirements on the State, including a requirement that the State reimburse the Secretary for any funds that were improperly expended for purposes prohibited or not authorized by this subchapter, that the Secretary deduct from the administrative portion of the State allotment for the following fiscal year an amount that is less than or equal to any improperly expended funds, or a combination of such options."; and

(2) by striking subparagraphs (B) and (C).

(h) Reports.—Section 658K of the Child Care and Development Block Grant Act of 1990 (42 U.S.C. 9858i) is amended—

(1) in the section heading, by striking "ANNUAL REPORT" and inserting "REPORTS"; and

(2) in subsection (a)—

(A) in the subsection heading, by striking "Annual Report" and inserting "Reports";

(B) by striking "December 31, 1992, and annually thereafter" and inserting "December 31, 1996, and every 2 years thereafter";

(C) in paragraph (2)—

(i) in subparagraph (A), by inserting before the semicolon "and the types of child care programs under which such assistance is provided";

(ii) by striking subparagraph (B); and

(iii) by redesignating subparagraphs (C) and (D) as subparagraphs (B) and (C), respectively;

(D) by striking paragraph (4);

(E) by redesignating paragraphs (5) and (6) as paragraphs (4) and (5), respectively;

(F) in paragraph (4), as so redesignated, by striking "and" at the end thereof;

(G) in paragraph (5), as so redesignated, by adding "and" at the end thereof; and

(H) by inserting after paragraph (5), as so redesignated, the following new paragraph:

"(6) describing the extent and manner to which the resource and referral activities are being carried out by the State;".

(i) Report by Secretary.—Section 658L of the Child Care and Development Block Grant Act of 1990 (42 U.S.C. 9858j) is amended—

(1) by striking "1993" and inserting "1997";

(2) by striking "annually" and inserting "bi-annually"; and

(3) by striking "Education and Labor" and inserting "Economic and Educational Opportunities".

(j) Allotments.—Section 658O of the Child Care and Development Block Grant Act of 1990 (42 U.S.C. 9858m) is amended—

(1) in subsection (c), by adding at the end thereof the following new paragraph:

"(6) Construction or Renovation of Facilities.—

"(A) Request for Use of Funds.—An Indian tribe or tribal organization may submit to the Secretary a request to use amounts provided under this subsection for construction or renovation purposes.

"(B) Determination.—With respect to a request submitted under subparagraph (A), and except as provided in subparagraph (C), upon a determination by the Secretary that adequate facilities are not otherwise available to an Indian tribe or tribal organization to enable such tribe or organization to carry out child care programs in accordance with this subchapter, and that the lack of such facilities will inhibit the operation of such programs in the future, the Secretary may permit the tribe or organization to use assistance provided under this subsection to make payments for the construction or renovation of facilities that will be used to carry out such programs.

"(C) LIMITATION.—The Secretary may not permit an Indian tribe or tribal organization to use amounts provided under this subsection for construction or renovation if such use will result in a decrease in the level of child care services provided by the tribe or organization as compared to the level of such services provided by the tribe or organization in the fiscal year preceding the year for which the determination under subparagraph (A) is being made.

"(D) UNIFORM PROCEDURES.—The Secretary shall develop and implement uniform procedures for the solicitation and consideration of requests under this paragraph."; and

(2) in subsection (e)—

(A) in paragraph (1), by striking "Any" and inserting "Except as provided in paragraph (4), any"; and

(B) by adding at the end thereof the following new paragraph:

"(4) INDIAN TRIBES OR TRIBAL ORGANIZATIONS.—Any portion of a grant or contract made to an Indian tribe or tribal organization under subsection (c) that the Secretary determines is not being used in a manner consistent with the provision of this subchapter in the period for with the grant or contract is made available, shall be reallocated by the Secretary to other tribes or organization that have submitted applications under subsection (c) in proportion to the original allocations to such tribes or organization.".

(k) DEFINITIONS.—Section 658P of the Child Care and Development Block Grant Act of 1990 (42 U.S.C. 9858n) is amended—

(1) in paragraph (2), in the first sentence by inserting "or as a deposit for child care services if such a deposit is required of other children being cared for by the provider" after "child care services"; and

(2) in paragraph (5)(B)—

(A) by inserting "great grandchild, sibling (if the provider lives in a separate residence)," after "grandchild,";

(B) by striking "is registered and"; and

(C) by striking "State" and inserting "applicable".

(l) APPLICATION OF SUBCHAPTER.—The Child Care and Development Block Grant Act of 1990 (42 U.S.C. 9858 et seq.) is amended by adding at the end thereof the following new section:

"SEC. 658T. APPLICATION TO OTHER PROGRAMS.

"Notwithstanding any other provision of law, a State that uses funding for child care services under any Federal program shall ensure that activities carried out using such funds meet the requirements, standards, and criteria of this subchapter and the regulations promulgated under this subchapter. Such sums shall be administered through a uniform State plan. To the maximum extent practicable, amounts provided to a State under such programs shall be transferred to the lead agency and integrated into the program established under this subchapter by the State.".

SEC. 312. SENSE OF THE SENATE.

(a) FINDINGS.—The Senate finds that—

(1) the availability and accessibility of quality child care will be critical to any welfare reform effort;

(2) as parents move from welfare into the workforce or into job preparation and education, child care must be affordable and safe;

(3) whether parents are pursuing job training, transitioning off welfare, or are already in the work force and attempting to remain employed, no parent can be expected to leave his or her child in a dangerous situation;

(4) affordable and accessible child care is a prerequisite for job training and for entering the workforce; and

(5) studies have shown that the lack of quality child care is the most frequently cited barrier to employment and self-sufficiency.

(b) SENSE OF THE SENATE.—It is the sense of the Senate that the Federal Government has a responsibility to provide funding and leadership with respect to child care.

SEC. 313. REPEALS AND TECHNICAL AND CONFORMING AMENDMENTS.

(a) STATE DEPENDENT CARE DEVELOPMENT GRANTS ACT.—The State Dependent Care Development Grants Act (42 U.S.C. 9871 et seq.) is repealed.

(b) CHILD DEVELOPMENT ASSOCIATE SCHOLARSHIP ASSISTANCE ACT OF 1985.—The Child Development Associate Scholarship Assistance Act of 1985 (42 U.S.C. 10901 et seq.) is repealed.

(c) ADDITIONAL CONFORMING AMENDMENTS.—

(1) RECOMMENDED LEGISLATION.—After consultation with the appropriate committees of the Congress and the Director of the Office of Management and Budget, the Secretary of Health and Human Services shall prepare and submit to the Congress a legislative proposal in the form of an implementing bill containing technical and conforming amendments to reflect the amendments and repeals made by this Act.

(2) SUBMISSION TO CONGRESS.—Not later than 6 months after the date of enactment of this Act, the Secretary of Health and Human Services shall submit the implementing bill referred to under paragraph (1).

Subtitle B—At-Risk Child Care

SEC. 321. PROVISION OF CHILD CARE TO CERTAIN LOW-INCOME FAMILIES.

(a) IN GENERAL.—Each State agency administering the State plan approved under part A of title IV of the Social Security Act may, to the extent that it determines that resources are available, provide child care in accordance with the requirements of the Child Care and Development Block Grant Act of 1990 (42 U.S.C. 9858 et seq.) to any low-income family that the State determines—

(1) is not receiving transitional aid under the State plan approved under part A of title IV of the Social Security Act;

(2) needs such care in order to work; and

(3) would be at risk of becoming eligible for transitional aid under the State plan approved under such part if such care were not provided.

SEC. 322. USE OF FUNDS.

Amounts expended by the State agency for child care under section 321 shall be treated as amounts for which payment may be made to a State under section 323 only to the extent that such amounts are expended to provide child care in accordance with the requirements of the Child Care and Development Block Grant Act of 1990 (42 U.S.C. 9858 et seq.).

SEC. 323. PAYMENTS TO STATES.

(a) PAYMENT AMOUNT.—Each State shall be entitled to payment from the Secretary in an amount equal to the lesser of—

(1) the Federal medical assistance percentage (as defined in section 1905(b) of the Social Security Act (42 U.S.C. 1396d(b)) of the expenditures by the State in providing child care services pursuant to this section, and in administering the provision of such child care services, for any fiscal year; or

(2) the limitation determined under subsection (b) with respect to the State for the fiscal year.

(b) LIMITATION.—

(1) LIMITATION DESCRIBED.—The limitation determined under this subsection with respect to a State for any fiscal year is the amount that bears the same ratio to the amount specified in paragraph (2) for such fiscal year as the number of children residing in the State in the second year preceding such fiscal year bears to the number of children residing in the United States in such second preceding fiscal year.

(2) AMOUNT SPECIFIED.—The amount specified in this subparagraph is $300,000,000 for fiscal year 1996, and each fiscal year thereafter.

(3) CARRYFORWARD OF STATE LIMITATION.—If the limitation determined under paragraph (1) with respect to a State for a fiscal year exceeds the amount paid to the State under this section for the fiscal year, the limitation determined under this subsection with respect to the State for the immediately succeeding fiscal year shall be increased by the amount of such excess.

SEC. 324. STATE DEFINED.

For purposes of this subtitle, the term "State" shall have the meaning given such term in section 1101(1) of the Social Security Act (42 U.S.C. 1301(1)) with respect to the use of such term in title IV of such Act (42 U.S.C. 601 et seq.).

SEC. 325. APPROPRIATIONS.

For fiscal year 1996 and each succeeding fiscal year, there are authorized to be appropriated and there are appropriated $300,000,000 for the purpose of carrying out the provisions of this title.

TITLE IV—CHILD SUPPORT RESPONSIBILITY

SEC. 400. SHORT TITLE.

This title may be cited as the "Child Support Responsibility Act of 1995".

Subtitle A—Improvements to the Child Support Collection System

PART I—ELIGIBILITY AND OTHER MATTERS CONCERNING TITLE IV-D PROGRAM CLIENTS

SEC. 401. STATE OBLIGATION TO PROVIDE PATERNITY ESTABLISHMENT AND CHILD SUPPORT ENFORCEMENT SERVICES.

(a) STATE LAW REQUIREMENTS.—Section 466(a) (42 U.S.C. 666(a)) is amended by adding at the end the following new paragraph:

"(12) Procedures under which—

"(A) every child support order established or modified in the State on or after October 1, 1998, is recorded in the central case registry established in accordance with section 454A(e); and

"(B) child support payments are collected through the centralized collections unit established in accordance with section 454B—

"(i) on and after October 1, 1998, under each order subject to wage withholding under section 466(b); and

"(ii) on and after October 1, 1999, under each other order required to be recorded in such central case registry under this paragraph or section 454A(e), if requested by either party subject to such order.".

(b) STATE PLAN REQUIREMENTS.—Section 454 (42 U.S.C. 654) is amended—

(1) by striking paragraph (4) and inserting the following new paragraph:

"(4) provide that such State will undertake to provide appropriate services under this part to—

"(A) each child with respect to whom an assignment is effective under section 402(a)(9), 471(a)(17), or 1912 (except in cases in which the State agency determines, in accordance with paragraph (25), that it is against the best interests of the child to do so); and

"(B) each child not described in subparagraph (A)—

"(i) with respect to whom an individual applies for such services; or

"(ii) on and after October 1, 1998, with respect to whom a support order is recorded in the central State case registry established under section 454A, if application is made for services under this part;"; and

(2) in paragraph (6)—

(A) by striking "(6) provide that" and all that follows through subparagraph (A) and inserting the following:

"(6) provide that—

"(A) services under the State plan shall be made available to nonresidents on the same terms as to residents;";

(B) in subparagraph (B)—

(i) by inserting "on individuals not receiving assistance under part A" after "such services shall be imposed"; and

(ii) by inserting "but no fees or costs shall be imposed on any absent or custodial parent or other individual for inclusion in the central State registry maintained pursuant to section 454A(e)";

(C) in each of subparagraphs (B), (C), (D), and (E), by indenting such subparagraph and aligning its left margin with the left margin of subparagraph (A); and

(D) in each of subparagraphs (B), (C), and (D), by striking the final comma and inserting a semicolon.

(c) CONFORMING AMENDMENTS.—

(1) PATERNITY ESTABLISHMENT PERCENTAGE.—Section 452(g)(2)(A) (42 U.S.C. 652(g)(2)(A)) is amended by striking "454(6)" each place it appears and inserting "454(4)(A)(ii)".

(2) STATE PLAN.—Section 454(23) (42 U.S.C. 654(23)) is amended, effective October 1, 1998, by striking "information as to any application fees for such services and".

(3) PROCEDURES TO IMPROVE ENFORCEMENT.—Section 466(a)(3)(B) (42 U.S.C. 666(a)(3)(B)) is amended by striking "in the case of overdue support which a State has agreed to collect under section 454(6)" and inserting "in any other case".

(4) DEFINITION OF OVERDUE SUPPORT.—Section 466(e) (42 U.S.C. 666(e)) is amended by striking "or (6)".

SEC. 402. DISTRIBUTION OF PAYMENTS.

(a) DISTRIBUTIONS THROUGH STATE CHILD SUPPORT ENFORCEMENT AGENCY TO FORMER ASSISTANCE RECIPIENTS.—Section 454(5) (42 U.S.C. 654(5)) is amended—

(1) in subparagraph (A)—

(A) by inserting "except as otherwise specifically provided in section 464 or 466(a)(3)," after "is effective,"; and

(B) by striking "except that" and all that follows through the semicolon; and

(2) in subparagraph (B), by striking ", except" and all that follows through "medical assistance".

(b) DISTRIBUTION TO A FAMILY CURRENTLY RECEIVING AID UNDER PART A OF TITLE IV OF THE SOCIAL SECURITY ACT.—Section 457 (42 U.S.C. 657) is amended—

(1) by striking subsection (a) and redesignating subsection (b) as subsection (a);

(2) in subsection (a), as redesignated—

(A) in the matter preceding paragraph (2), to read as follows:

"(a) IN THE CASE OF A FAMILY RECEIVING AID UNDER PART A OF TITLE IV OF THE SOCIAL SECURITY ACT.—Amounts collected under this part during any month as support of a child who is receiving assistance under part A (or a parent or caretaker relative of such a child) shall (except in the case of a State exercising the option under subsection (b)) be distributed as follows:

"(1) an amount equal to the amount that will be disregarded pursuant to section 402(a)(1)(C) shall be taken from each of—

"(A) the amounts received in a month which represent payments for that month; and

"(B) the amounts received in a month which represent payments for a prior month which were made by the absent parent in that prior month;

and shall be paid to the family without affecting its eligibility for assistance or decreasing any amount otherwise payable as assistance to such family during such month;";

(B) in paragraph (4), by striking "or (B)" and all that follows through the period and inserting "; then (B) from any remainder, amounts equal to arrearages of such support obligations assigned, pursuant to part A, to any other State or States shall be paid to such other State or States and used to pay any such arrearages (with appropriate reimbursement of the Federal Government to the extent of its participation in the financing); and then (C) any remainder shall be paid to the family."; and

(3) by inserting after subsection (a), as redesignated, the following new subsection:

"(b) ALTERNATIVE DISTRIBUTION IN CASE OF FAMILY RECEIVING AID UNDER PART A OF TITLE IV OF THE SOCIAL SECURITY ACT.—In the case of a State electing the option under this subsection, amounts collected as described in subsection (a) shall be distributed as follows:

"(1) an amount equal to the amount that will be disregarded pursuant to section 402(a)(1)(C) shall be taken from each of—

"(A) the amounts received in a month which represent payments for that month; and

"(B) the amounts received in a month which represent payments for a prior month which were made by the absent parent in that prior month;

and shall be paid to the family without affecting its eligibility for assistance or decreasing any amount otherwise payable as assistance to such family during such month;

"(2) second, from any remainder, amounts equal to the balance of support owed for the current month shall be paid to the family;

"(3) third, from any remainder, amounts equal to arrearages of such support obligations assigned, pursuant to part A, to the State making the collection shall be retained and used by such State to pay any such arrearages (with appropriate reimbursement of the Federal Government to the extent of its participation in the financing);

"(4) fourth, from any remainder, amounts equal to arrearages of such support obligations assigned, pursuant to part A, to any other State or States shall be paid to such other State or States and used to pay any such arrearages (with appropriate reimbursement of the Federal Government to the extent of its participation in the financing); and

"(5) fifth, any remainder shall be paid to the family.".

(c) DISTRIBUTION TO A FAMILY NOT RECEIVING AID UNDER PART A OF TITLE IV OF THE SOCIAL SECURITY ACT.—

(1) IN GENERAL.—Section 457(c) (42 U.S.C. 657(c)) is amended to read as follows:

"(c) DISTRIBUTIONS IN CASE OF FAMILY NOT RECEIVING AID UNDER PART A OF TITLE IV OF THE SOCIAL SECURITY ACT.—Amounts collected by a State agency under this part during any month as support of a child who is not receiving assistance under part A (or of a parent or caretaker relative of such a child) shall (subject to the remaining provisions of this section) be distributed as follows:

"(1) first, amounts equal to the total of such support owed for such month shall be paid to the family;

"(2) second, from any remainder, amounts equal to arrearages of such support obligations for months during which such child did not receive assistance under part A shall be paid to the family;

"(3) third, from any remainder, amounts equal to arrearages of such support obligations assigned to the State making the collection pursuant to part A shall be retained and used by such State to pay any such arrearages (with appropriate reimbursement of the Federal Government to the extent of its participation in the financing); and

"(4) fourth, from any remainder, amounts equal to arrearages of such support obligations assigned to any other State pursuant to part A shall be paid to such other State or States, and used to pay such arrearages, in the order in which such arrearages accrued (with appropriate reimbursement of the Federal Government to the extent of its participation in the financing).".

(2) EFFECTIVE DATE.—The amendment made by paragraph (1) shall become effective on October 1, 1999.

(d) DISTRIBUTION TO A CHILD RECEIVING ASSISTANCE UNDER TITLE IV-E.—Section 457(d) (42 U.S.C. 657(d)) is amended, in the matter preceding paragraph (1), by striking "Notwithstanding the preceding provisions of this section, amounts" and inserting the following:

"(d) DISTRIBUTIONS IN CASE OF A CHILD RECEIVING ASSISTANCE UNDER TITLE IV-E.—Amounts".

(e) REGULATIONS.—The Secretary of Health and Human Services shall promulgate regulations—

(1) under part D of title IV of the Social Security Act, establishing a uniform nationwide standard for allocation of child support collections from an obligor owing support to more than 1 family; and

(2) under part A of such title, establishing standards applicable to States electing the alternative formula under section 457(b) of such Act for distribution of collections on behalf of families receiving transitional aid, designed to minimize irregular monthly payments to such families.

(f) CLERICAL AMENDMENTS.—Section 454 (42 U.S.C. 654) is amended—

(1) in paragraph (11)—

(A) by striking "(11)" and inserting "(11)(A)"; and

(B) by inserting after the semicolon "and"; and

(2) by redesignating paragraph (12) as subparagraph (B) of paragraph (11).

(g) EFFECTIVE DATE.—The amendments made by this section shall be effective with respect to calendar quarters beginning on or after October 1, 1999 or earlier at State's option.

SEC. 403. RIGHTS TO NOTIFICATION AND HEARINGS.

(a) IN GENERAL.—Section 454 (42 U.S.C. 654), as amended by section 402(f), is amended by inserting after paragraph (11) the following new paragraph:

"(12) establish procedures to provide that—

"(A) individuals who are applying for or receiving services under this part, or are parties to cases in which services are being provided under this part—

"(i) receive notice of all proceedings in which support obligations might be established or modified; and

"(ii) receive a copy of any order establishing or modifying a child support obligation, or (in the case of a petition for modification) a notice of determination that there should be no change in the amount of the child support award, within 14 days after issuance of such order or determination;

"(B) individuals applying for or receiving services under this part have access to a fair hearing or other formal complaint procedure that meets standards established by the Secretary and ensures prompt consideration and resolution of complaints (but the resort to such procedure shall not stay the enforcement of any support order); and

"(C) the State may not provide to any noncustodial parent of a child representation relating to the establishment or modification of an order for the payment of child support with respect to that child, unless the State makes provision for such representation outside the State agency;".

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall become effective on October 1, 1997.

SEC. 404. PRIVACY SAFEGUARDS.

(a) STATE PLAN REQUIREMENT.—Section 454 (42 U.S.C. 454) is amended—

(1) by striking "and" at the end of paragraph (23);

(2) by striking the period at the end of paragraph (24) and inserting "; and"; and

(3) by adding after paragraph (24) the following:

"(25) provide that the State will have in effect safeguards applicable to all sensitive and confidential information handled by the State agency designed to protect the privacy rights of the parties, including—

"(A) safeguards against unauthorized use or disclosure of information relating to proceedings or actions to establish paternity, or to establish or enforce support;

"(B) prohibitions on the release of information on the whereabouts of 1 party to another party against whom a protective order with respect to the former party has been entered; and

"(C) prohibitions on the release of information on the whereabouts of 1 party to another party if the State has reason to believe that the release of the information may result in physical or emotional harm to the former party.".

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall become effective on October 1, 1997.

SEC. 405. COOPERATION REQUIREMENTS AND GOOD CAUSE EXCEPTIONS.

(a) CHILD SUPPORT ENFORCEMENT REQUIREMENTS.—Section 454, as amended by section 405, is amended—

(1) by striking "and" at the end of paragraph (24);

(2) by striking the period at the end of paragraph (25) and inserting "; and"; and

(3) by adding at the end the following new paragraph:

"(26) provide that the State agency administering the plan under this part—

"(A) will make the determination specified under paragraph (4), as to whether an individual is cooperating with efforts to establish paternity and secure support (or has good cause not to cooperate with such efforts) for purposes of the requirements of part A of this title and section 1912;

"(B) will advise individuals, both orally and in writing, of the grounds for good cause exceptions to the requirement to cooperate with such efforts;

"(C) will take the best interests of the child into consideration in making the determination whether such individual has good cause not to cooperate with such efforts;

"(D)(i) will make the initial determination as to whether an individual is cooperating (or has good cause not to cooperate) within 10 days after such individual is referred to such State agency by the State agency administering the program under part A or section 1912;

"(ii) will make redeterminations as to cooperation or good cause at appropriate intervals; and

"(iii) will promptly notify the individual, and the State agencies administering such programs, of each such determination and redetermination;

"(E) with respect to any child born on or after the date 10 months after the enactment of this provision, will not determine (or redetermine) the mother (or other custodial relative) of such child to be cooperating with efforts to establish paternity unless such individual furnishes—

"(i) the name of the putative father (or fathers); and

"(ii) sufficient additional information to enable the State agency, if reasonable efforts were made, to verify the identity of the person named as the putative father (including such information as the putative father's present address, telephone number, date of birth, past or present place of employment, school previously or currently attended, and names and addresses of parents, friends, or relatives able to provide location information, or other information that could enable service of process on such person), and

"(F)(i) (where a custodial parent who was initially determined not to be cooperating (or to have good cause not to cooperate) is later determined to be cooperating or to have good cause not to cooperate) will immediately notify the State agencies administering the programs under part A or section 1912 that this eligibility condition has been met; and

"(ii) (where a custodial parent was initially determined to be cooperating (or to have good cause not to cooperate) will not later determine such individual not to be cooperating (or not to have good cause not to cooperate)) until such individual has been afforded an opportunity for a hearing.".

(b) MEDICAID AMENDMENTS.—Section 1912(a) is amended—

(1) in paragraph (1)(B), by inserting "(except as provided in paragraph (2))" after "to cooperate with the State";

(2) in subparagraphs (B) and (C) of paragraph (1) by striking ", unless" and all that follows and inserting a semicolon; and

(3) by redesignating paragraph (2) as paragraph (5), and inserting after paragraph (1) the following new paragraphs:

"(2) provide that the State agency will immediately refer each applicant or recipient requiring paternity establishment services to the State agency administering the program under part D of title IV;

"(3) provide that an individual will not be required to cooperate with the State, as provided under paragraph (1), if the individual is found to have good cause for refusing to cooperate, as determined in accordance with standards prescribed by the Secretary, which standards shall take into consideration the best interests of the individuals involved—

"(A) to the satisfaction of the State agency administering the program under part D, as determined in accordance with section 454(26), with respect to the requirements to cooperate with efforts to establish paternity and to obtain support (including medical support) from a parent; and

"(B) to the satisfaction of the State agency administering the program under this title, with respect to other requirements to cooperate under paragraph (1);

"(4) provide that (except as provided in paragraph (5)) an applicant requiring paternity establishment services other than an individual who is presumptively eligible pursuant to section 1920) shall not be eligible for medical assistance under this title until such applicant—

"(A) has furnished to the agency administering the State plan under part D of title IV the information specified in section 454(26)(E); or

"(B) has been determined by such agency to have good cause not to cooperate; and

"(5) provide that the provisions of paragraph (4) shall not apply with respect to an applicant—

"(A) if such agency has not, within 10 days after such individual was referred to such agency, provided the notification required by section 454(26)(D)(iii), until such notification is received; and

"(B) if such individual appeals a determination that the individual lacks good cause for noncooperation, until after such determination is affirmed after notice and opportunity for a hearing.".

(c) EFFECTIVE DATE.—The amendments made by this section shall be effective with respect to applications filed in or after the first calendar quarter beginning 10 months or more after the date of the enactment of this amendment (or such earlier quarter as the State may select) for transitional aid under part A of title IV of the Social Security Act or for medical assistance under title XIX of such Act.

PART II—PROGRAM ADMINISTRATION AND FUNDING

SEC. 411. FEDERAL MATCHING PAYMENTS.

(a) INCREASED BASE MATCHING RATE.—Section 455(a)(2) (42 U.S.C. 655(a)(2)) is amended to read as follows:

"(2) The applicable percent for a quarter for purposes of paragraph (1)(A) is—

"(A) for fiscal year 1997, 69 percent,

"(B) for fiscal year 1998, 72 percent, and

"(C) for fiscal year 1999 and succeeding fiscal years, 75 percent.".

(b) MAINTENANCE OF EFFORT.—Section 455 (42 U.S.C. 655) is amended—

(1) in subsection (a)(1), in the matter preceding subparagraph (A), by striking "From" and inserting "Subject to subsection (c), from"; and

(2) by inserting after subsection (b) the following new subsection:

"(c) Notwithstanding the provisions of subsection (a), total expenditures for the State program under this part for fiscal year 1997 and each succeeding fiscal year (excluding 1-time capital expenditures for automation), reduced by the percentage specified for such fiscal year under subsection (a)(2) shall not be less than such total expenditures for fiscal year 1996, reduced by 66 percent.".

SEC. 412. PERFORMANCE-BASED INCENTIVES AND PENALTIES.

(a) INCENTIVE ADJUSTMENTS TO FEDERAL MATCHING RATE.—Section 458 (42 U.S.C. 658) is amended to read as follows:

"INCENTIVE ADJUSTMENTS TO MATCHING RATE

"SEC. 458. (a) INCENTIVE ADJUSTMENT.—

"(1) IN GENERAL.—In order to encourage and reward State child support enforcement programs which perform in an effective manner, the Federal matching rate for payments to a State under section 455(a)(1)(A), for each fiscal year beginning on or after October 1, 1998, shall be increased by a factor reflecting the sum of the applicable incentive adjustments (if any) determined in accordance with regulations under this section with respect to Statewide paternity establishment and to overall performance in child support enforcement.

"(2) STANDARDS.—

"(A) IN GENERAL.—The Secretary shall specify in regulations—

"(i) the levels of accomplishment, and rates of improvement as alternatives to such levels, which States must attain to qualify for incentive adjustments under this section; and

"(ii) the amounts of incentive adjustment that shall be awarded to States achieving specified accomplishment or improvement levels, which amounts shall be graduated, ranging up to—

"(I) 5 percentage points, in connection with Statewide paternity establishment; and

"(II) 10 percentage points, in connection with overall performance in child support enforcement.

"(B) LIMITATION.—In setting performance standards pursuant to subparagraph (A)(i) and adjustment amounts pursuant to subparagraph (A)(ii), the Secretary shall ensure that the aggregate number of percentage point increases as incentive adjustments to all States do not exceed such aggregate increases as assumed by the Secretary in estimates of the cost of this section as of June 1995, unless the aggregate performance of all States exceeds the projected aggregate performance of all States in such cost estimates.

"(3) DETERMINATION OF INCENTIVE ADJUSTMENT.—The Secretary shall determine the amount (if any) of incentive adjustment due each State on the basis of the data submitted by the State pursuant to section 454(15)(B) concerning the levels of accomplishment (and rates of improvement) with respect to performance indicators specified by the Secretary pursuant to this section.

"(4) FISCAL YEAR SUBJECT TO INCENTIVE ADJUSTMENT.—The total percentage point increase determined pursuant to this section with respect to a State program in a fiscal year shall apply as an adjustment to the applicable percent under section 455(a)(2) for payments to such State for the succeeding fiscal year.

"(5) RECYCLING OF INCENTIVE ADJUSTMENT.—A State shall expend in the State program under this part all funds paid to the State by the Federal Government as a result of an incentive adjustment under this section.

"(b) MEANING OF TERMS.—

"(1) STATEWIDE PATERNITY ESTABLISHMENT PERCENTAGE.—

"(A) IN GENERAL.—For purposes of this section, the term 'Statewide paternity establishment percentage' means, with respect to a fiscal year, the ratio (expressed as a percentage) of—

"(i) the total number of out-of-wedlock children in the State under 1 year of age for whom paternity is established or acknowledged during the fiscal year, to

"(ii) the total number of children requiring paternity establishment born in the State during such fiscal year.

"(B) ALTERNATIVE MEASUREMENT.—The Secretary shall develop an alternate method of measurement for the Statewide paternity establishment percentage for any State that does not record the out-of-wedlock status of children on birth certificates.

"(2) OVERALL PERFORMANCE IN CHILD SUPPORT ENFORCEMENT.—The term 'overall performance in child support enforcement' means a measure or measures of the effectiveness of the State agency in a fiscal year which takes into account factors including—

"(A) the percentage of cases requiring a child support order in which such an order was established;

"(B) the percentage of cases in which child support is being paid;

"(C) the ratio of child support collected to child support due; and

"(D) the cost-effectiveness of the State program, as determined in accordance with standards established by the Secretary in regulations.".

(b) ADJUSTMENT OF PAYMENTS UNDER PART D OF TITLE IV.—Section 455(a)(2) (42 U.S.C. 655(a)(2)), as amended by section 411(a), is amended—

(1) by striking the period at the end of subparagraph (C) and inserting a comma; and

(2) by adding after and below subparagraph (C), flush with the left margin of the paragraph, the following:

"increased by the incentive adjustment factor (if any) determined by the Secretary pursuant to section 458.".

(c) CONFORMING AMENDMENTS.—Section 454(22) (42 U.S.C. 654(22)) is amended—

(1) by striking "incentive payments" the first place it appears and inserting "incentive adjustments"; and

(2) by striking "any such incentive payments made to the State for such period" and inserting "any increases in Federal payments to the State resulting from such incentive adjustments".

(d) CALCULATION OF IV-D PATERNITY ESTABLISHMENT PERCENTAGE.—

(1) OVERALL PERFORMANCE.—Section 452(g)(1) (42 U.S.C. 652(g)(1)) is amended in the matter preceding subparagraph (A) by inserting "its overall performance in child support enforcement is satisfactory (as defined in section 458(b) and regulations of the Secretary), and" after "1994,".

(2) DEFINITION.—Section 452(g)(2)(A) (42 U.S.C. 652(g)(2)(A)) is amended, in the matter preceding clause (i)—

(A) by striking "paternity establishment percentage" and inserting "IV-D paternity establishment percentage"; and

(B) by striking "(or all States, as the case may be)".

(3) MODIFICATION OF REQUIREMENTS.—Section 452(g)(3) (42 U.S.C. 652(g)(3)) is amended—

(A) by striking subparagraph (A) and redesignating subparagraphs (B) and (C) as subparagraphs (A) and (B), respectively;

(B) in subparagraph (A), as redesignated, by striking "the percentage of children born out-of-wedlock in the State" and inserting "the percentage of children in the State who are born out of wedlock or for whom support has not been established"; and

(C) in subparagraph (B), as redesignated—

(i) by inserting "and overall performance in child support enforcement" after "paternity establishment percentages"; and

(ii) by inserting "and securing support" before the period.

(e) REDUCTION OF PAYMENTS UNDER PART D OF TITLE IV.—

(1) NEW REQUIREMENTS.—Section 455 (42 U.S.C. 655) is amended—

(A) by redesignating subsection (e) as subsection (f); and

(B) by inserting after subsection (d) the following new subsection:

"(e)(1) Notwithstanding any other provision of law, if the Secretary finds, with respect to a State program under this part in a fiscal year beginning on or after October 1, 1997—

"(A)(i) on the basis of data submitted by a State pursuant to section 454(15)(B), that the State program in such fiscal year failed to achieve the IV-D paternity establishment percentage (as defined in section 452(g)(2)(A)) or the appropriate level of overall performance in child support enforcement (as defined in section 458(b)(2)), or to meet other performance measures that may be established by the Secretary, or

"(ii) on the basis of an audit or audits of such State data conducted pursuant to section 452(a)(4)(C), that the State data submitted pursuant to section 454(15)(B) is incomplete or unreliable; and

"(B) that, with respect to the succeeding fiscal year—

"(i) the State failed to take sufficient corrective action to achieve the appropriate performance levels as described in subparagraph (A)(i) of this paragraph, or

"(ii) the data submitted by the State pursuant to section 454(15)(B) is incomplete or unreliable,

the amounts otherwise payable to the State under this part for quarters following the end of such succeeding fiscal year, prior to quarters following the end of the first quarter throughout which the State program is in compliance with such performance requirement, shall be reduced by the percentage specified in paragraph (2).

"(2) The reductions required under paragraph (1) shall be—

"(A) not less than 3 nor more than 5 percent, or

"(B) not less than 5 nor more than 7 percent, if the finding is the second consecutive finding made pursuant to paragraph (1), or

"(C) not less than 7 nor more than 10 percent, if the finding is the third or a subsequent consecutive such finding.

"(3) For purposes of this subsection, section 402(a)(9), and section 452(a)(4), a State which is determined as a result of an audit to have submitted incomplete or unreliable data pursuant to section 454(15)(B), shall be determined to have submitted adequate data if the Secretary determines that the extent of the incompleteness or unreliability of the data is of a technical nature which does not adversely affect the determination of the level of the State's performance.".

(2) CONFORMING AMENDMENTS.—Subsections (d)(3)(A), (g)(1), and (g)(3)(A) of section 452 (42 U.S.C. 652) are each amended by striking "403(h)" and inserting "455(e)".

(f) EFFECTIVE DATES.—

(1) INCENTIVE ADJUSTMENTS.—

(A) IN GENERAL.—The amendments made by subsections (a), (b), and (c) shall become effective on October 1, 1997, except to the extent provided in subparagraph (B).

(B) EXCEPTION.—Section 458 of the Social Security Act, as in effect prior to the enactment of this section, shall be effective for purposes of incentive payments to States for fiscal years prior to fiscal year 1999.

(2) PENALTY REDUCTIONS.—

(A) IN GENERAL.—The amendments made by subsection (d) shall become effective with respect to calendar quarters beginning on and after the date of the enactment of this Act.

(B) Reductions.—The amendments made by subsection (e) shall become effective with respect to calendar quarters beginning on and after the date 1 which is year after the date of the enactment of this Act.

SEC. 413. FEDERAL AND STATE REVIEWS AND AUDITS.

(a) State Agency Activities.—Section 454 (42 U.S.C. 654) is amended—

(1) in paragraph (14)—

(A) by striking "(14)" and inserting "(14)(A)"; and

(B) by inserting after the semicolon "and";

(2) by redesignating paragraph (15) as subparagraph (B) of paragraph (14); and

(3) by inserting after paragraph (14) the following new paragraph:

"(15) provide for—

"(A) a process for annual reviews of and reports to the Secretary on the State program under this part—

"(i) which shall include such information as may be necessary to measure State compliance with Federal requirements for expedited procedures and timely case processing, using such standards and procedures as are required by the Secretary; and

"(ii) under which the State agency will determine the extent to which such program is in conformity with applicable requirements with respect to the operation of State programs under this part (including the status of complaints filed under the procedure required under paragraph (12)(B)); and

"(B) a process of extracting from the State automated data processing system and transmitting to the Secretary data and calculations concerning the levels of accomplishment (and rates of improvement) with respect to applicable performance indicators (including IV-D paternity establishment percentages and overall performance in child support enforcement) to the extent necessary for purposes of sections 452(g) and 458.".

(b) Federal Activities.—Section 452(a)(4) (42 U.S.C. 652(a)(4)) is amended to read as follows:

"(4)(A) review data and calculations transmitted by State agencies pursuant to section 454(15)(B) on State program accomplishments with respect to performance indicators for purposes of section 452(g) and 458, and determine the amount (if any) of penalty reductions pursuant to section 455(e) to be applied to the State;

"(B) review annual reports by State agencies pursuant to section 454(15)(A) on State program conformity with Federal requirements; evaluate any elements of a State program in which significant deficiencies are indicated by such report on the status of complaints under the State procedure under section 454(12)(B); and, as appropriate, provide to the State agency comments, recommendations for additional or alternative corrective actions, and technical assistance; and

"(C) conduct audits, in accordance with the government auditing standards of the United States Comptroller General—

"(i) at least once every 3 years (or more frequently, in the case of a State which fails to meet requirements of this part, or of regulations implementing such requirements, concerning performance standards and reliability of program data) to assess the completeness, reliability, and security of the data, and the accuracy of the reporting systems, used for the calculations of performance indicators specified in subsection (g) and section 458;

"(ii) of the adequacy of financial management of the State program, including assessments of—

"(I) whether Federal and other funds made available to carry out the State program under this part are being appropriately expended, and are properly and fully accounted for; and

"(II) whether collections and disbursements of support payments and program income are carried out correctly and are properly and fully accounted for; and

"(iii) for such other purposes as the Secretary may find necessary;".

(c) Effective . Date.—The amendments made by this section shall be effective with respect to calendar quarters beginning on or after the date which is 1 year after the enactment of this section.

SEC. 414. REQUIRED REPORTING PROCEDURES.

(a) Establishment.—Section 452(a)(5) (42 U.S.C. 652(a)(5)) is amended by inserting ", and establish procedures to be followed by States for collecting and reporting information required to be provided under this part, and establish uniform definitions (including those necessary to enable the measurement of State compliance with the requirements of this part relating to expedited processes and timely case processing) to be applied in following such procedures" before the semicolon.

(b) State Plan Requirement.—Section 454 (42 U.S.C. 654), as amended by sections 404(a) and 405, is amended—

(1) by striking "and" at the end of paragraph (25);

(2) by striking the period at the end of paragraph (26) and inserting "; and"; and

(3) by adding after paragraph (26) the following:

"(27) provide that the State shall use the definitions established under section 452(a)(5) in collecting and reporting information as required under this part.".

SEC. 415. AUTOMATED DATA PROCESSING REQUIREMENTS.

(a) Revised Requirements.—

(1) State Plan.—Section 454(16) (42 U.S.C. 654(16)) is amended—

(A) by striking ", at the option of the State,";

(B) by inserting "and operation by the State agency" after "for the establishment";

(C) by inserting "meeting the requirements of section 454A" after "information retrieval system";

(D) by striking "in the State and localities thereof, so as (A)" and inserting "so as";

(E) by striking "(i)"; and

(F) by striking "(including, but not limited to," and all that follows and to the semicolon.

(2) Automated Data Processing.—Part D of title IV (42 U.S.C. 651-669) is amended by inserting after section 454 the following new section:

"AUTOMATED DATA PROCESSING

"Sec. 454A. (a) In General.—In order to meet the requirements of this section, for purposes of the requirement of section 454(16), a State agency shall have in operation a single statewide automated data processing and information retrieval system which has the capability to perform the tasks specified in this section, and performs such tasks with the frequency and in the manner specified in this part or in regulations or guidelines of the Secretary.

"(b) Program Management.—The automated system required under this section shall perform such functions as the Secretary may specify relating to management of the program under this part, including—

"(1) controlling and accounting for use of Federal, State, and local funds to carry out such program; and

"(2) maintaining the data necessary to meet Federal reporting requirements on a timely basis.

"(c) Calculation of Performance Indicators.—In order to enable the Secretary to determine the incentive and penalty adjustments required by sections 452(g) and 458, the State agency shall—

"(1) use the automated system—

"(A) to maintain the requisite data on State performance with respect to paternity establishment and child support enforcement in the State; and

"(B) to calculate the IV-D paternity establishment percentage and overall performance in child support enforcement for the State for each fiscal year; and

"(2) have in place systems controls to ensure the completeness, and reliability of, and ready access to, the data described in paragraph (1)(A), and the accuracy of the calculations described in paragraph (1)(B).

"(d) Information Integrity and Security.—The State agency shall have in effect safeguards on the integrity, accuracy, and completeness of, access to, and use of data in the automated system required under this section, which shall include the following (in addition to such other safeguards as the Secretary specifies in regulations):

"(1) Policies restricting access.—Written policies concerning access to data by State agency personnel, and sharing of data with other persons, which—

"(A) permit access to and use of data only to the extent necessary to carry out program responsibilities;

"(B) specify the data which may be used for particular program purposes, and the personnel permitted access to such data; and

"(C) ensure that data obtained or disclosed for a limited program purpose is not used or redisclosed for another, impermissible purpose.

"(2) Systems controls.—Systems controls (such as passwords or blocking of fields) to ensure strict adherence to the policies specified under paragraph (1).

"(3) Monitoring of access.—Routine monitoring of access to and use of the automated system, through methods such as audit trails and feedback mechanisms, to guard against and promptly identify unauthorized access or use.

"(4) Training and information.—The State agency shall have in effect procedures to ensure that all personnel (including State and local agency staff and contractors) who may have access to or be required to use sensitive or confidential program data are fully informed of applicable requirements and penalties, and are adequately trained in security procedures.

"(5) Penalties.—The State agency shall have in effect administrative penalties (up to and including dismissal from employment) for unauthorized access to, or disclosure or use of, confidential data.".

(3) Regulations.—Section 452 (42 U.S.C. 652) is amended by adding at the end the following new subsection:

"(j) The Secretary shall prescribe final regulations for implementation of the requirements of section 454A not later than 2 years after the date of the enactment of this subsection.".

(4) Implementation timetable.—Section 454(24) (42 U.S.C. 654(24)), as amended by sections 404(a)(2) and 414(b)(1), is amended to read as follows:

"(24) provide that the State will have in effect an automated data processing and information retrieval system—

"(A) by October 1, 1996, meeting all requirements of this part which were enacted on or before the date of the enactment of the Family Support Act of 1988; and

"(B) by October 1, 1999, meeting all requirements of this part enacted on or before the date of the enactment of the Interstate Child Support Responsibility Act of 1995 (but this provision shall not be construed to alter earlier deadlines specified for elements of such system), except that such deadline shall be extended by 1 day for each day (if any) by which the Secretary fails to meet the deadline imposed by section 452(j);".

(b) Special Federal Matching Rate for Development Costs of Automated Systems.—Section 455(a) (42 U.S.C. 655(a)) is amended—

(1) in paragraph (1)(B)—

(A) by striking "90 percent" and inserting "the percent specified in paragraph (3)";

(B) by striking "so much of"; and

(C) by striking "which the Secretary" and all that follows through "thereof"; and

(2) by adding at the end the following new paragraph:

"(3)(A) The Secretary shall pay to each State, for each quarter in fiscal year 1996, 90 percent of so much of State expenditures described in paragraph (1)(B) as the Secretary finds are for a system meeting the requirements specified in section 454(16), or meeting such requirements without regard to subparagraph (D) thereof.

"(B)(i) The Secretary shall pay to each State, for each quarter in fiscal years 1997 through 2001, the percentage specified in clause (ii) of so much of State expenditures described in paragraph (1)(B) as the Secretary finds are for a system meeting the requirements specified in section 454(16) and 454A.

"(ii) The percentage specified in this clause, for purposes of clause (i), is the higher of—

"(I) 80 percent, or

"(II) the percentage otherwise applicable to Federal payments to the State under paragraph (1)(A) (as adjusted pursuant to section 458).".

(c) Conforming Amendment.—Section 123(c) of the Family Support Act of 1988 (102 Stat. 2352; Public Law 100-485) is repealed.

SEC. 416. DIRECTOR OF CHILD SUPPORT ENFORCEMENT PROGRAM; STAFFING STUDY.

(a) Reporting to Secretary.—Section 452(a) (42 U.S.C. 652(a)) is amended in the matter preceding paragraph (1) by striking "directly".

(b) Staffing Studies.—

(1) Scope.—The Secretary of Health and Human Services (in this subsection referred to as the "Secretary") shall, directly or by contract, conduct studies of the staffing of each State child support enforcement program under part D of title IV of the Social Security Act. Such studies shall—

(A) include a review of the staffing needs created by requirements for automated data processing, maintenance of a central case registry and centralized collections of child support, and of changes in these needs resulting from changes in such requirements; and

(B) examine and report on effective staffing practices used by the States and on recommended staffing procedures.

(2) Frequency of studies.—The Secretary shall complete the first staffing study required under paragraph (1) not later than October 1, 1998, and may conduct additional studies subsequently at appropriate intervals.

(3) Report to the congress.—The Secretary shall submit a report to the Congress stating the findings and conclusions of each study conducted under this subsection.

SEC. 417. FUNDING FOR SECRETARIAL ASSISTANCE TO STATE PROGRAMS.

Section 452 (42 U.S.C. 652), as amended by section 415(a)(3), is amended by adding at the end the following new subsection:

"(k)(1) There shall be available to the Secretary, from amounts appropriated for fiscal year 1996 and each succeeding fiscal year for payments to States under this part, the amount specified in paragraph (2) for the costs to the Secretary for—

"(A) information dissemination and technical assistance to States, training of State and Federal staff, staffing studies, and related activities needed to improve programs (including technical assistance concerning State automated systems);

"(B) research, demonstration, and special projects of regional or national significance relating to the operation of State programs under this part; and

"(C) operation of the Federal Parent Locator Service under section 453, to the extent such costs are not recovered through user fees.

"(2) The amount specified in this paragraph for a fiscal year is the amount equal to a percentage of the reduction in Federal payments to States under part A on account of child support (including arrearages) collected in the preceding fiscal year on behalf of children receiving aid under such part A in such preceding fiscal year (as determined on the basis of the most recent reliable data available to the Secretary as of the end of the third calendar quarter following the end of such preceding fiscal year), equal to 2 percent, for the activities specified in subparagraphs (A), (B), and (C) of paragraph (1).".

SEC. 418. DATA COLLECTION AND REPORTS BY THE SECRETARY.

(a) Annual Report to Congress.—

(1) In general.—Section 452(a)(10)(A) (42 U.S.C. 652(a)(10)(A)) is amended—

(A) by striking "this part;" and inserting "this part, including—"; and

(B) by adding at the end the following indented clauses:

"(i) the total amount of child support payments collected as a result of services furnished during such fiscal year to individuals receiving services under this part;

"(ii) the cost to the States and to the Federal Government of furnishing such services to those individuals; and

"(iii) the number of cases involving families—

"(I) who became ineligible for aid under part A during a month in such fiscal year; and

"(II) with respect to whom a child support payment was received in the same month;".

(2) Certain data.—Section 452(a)(10)(C) (42 U.S.C. 652(a)(10)(C)) is amended—

(A) in the matter preceding clause (i), by striking "with the data required under each clause being separately stated for cases" and all that follows through "part:" and inserting "separately stated for cases where the child is receiving aid to families with dependent children (or foster care maintenance payments under part E), or formerly received such aid or payments and the State is continuing to collect support assigned to it under section 402(a)(9), 471(a)(17), or 1912, and all other cases under this part—";

(B) in each of clauses (i) and (ii), by striking ", and the total amount of such obligations";

(C) in clause (iii), by striking "described in" and all that follows through the semicolon and inserting "in which support was collected during the fiscal year;";

(D) by striking clause (iv); and

(E) by redesignating clause (v) as clause (vii), and inserting after clause (iii) the following new clauses:

"(iv) the total amount of support collected during such fiscal year and distributed as current support;

"(v) the total amount of support collected during such fiscal year and distributed as arrearages;

"(vi) the total amount of support due and unpaid for all fiscal years; and".

(3) Use of federal courts.—Section 452(a)(10)(G) (42 U.S.C. 652(a)(10)(G)) is amended by striking "on the use of Federal courts and".

(4) Additional information not necessary.—Section 452(a)(10) (42 U.S.C. 652(a)(10)) is amended by striking all that follows subparagraph (I).

(b) Data Collection and Reporting.—Section 469 (42 U.S.C. 669) is amended—

(1) by striking subsections (a) and (b) and inserting the following:

"(a) The Secretary shall collect and maintain, on a fiscal year basis, up-to-date statistics, by State, with respect to services to establish paternity and services to establish child support obligations, the data specified in subsection (b), separately stated, in the case of each such service, with respect to—

"(1) families (or dependent children) receiving aid under plans approved under part A (or E); and

"(2) families not receiving such aid.

"(b) The data referred to in subsection (a) are—

"(1) the number of cases in the caseload of the State agency administering the plan under this part in which such service is needed; and

"(2) the number of such cases in which the service has been provided."; and

(2) in subsection (c), by striking "(a)(2)" and inserting "(b)(2)".

(c) Effective Date.—The amendments made by this section shall be effective with respect to fiscal year 1996 and succeeding fiscal years.

PART III—LOCATE AND CASE TRACKING

SEC. 421. CENTRAL STATE AND CASE REGISTRY.

Section 454A, as added by section 415(a)(2), is amended by adding at the end the following new subsections:

"(e) Central Case Registry.—

"(1) In general.—The automated system required under this section shall perform the functions, in accordance with the provisions of this subsection, of a single central registry containing records with respect to each case in which services are being provided by the State agency (including, on and after October 1, 1998, each order specified in section 466(a)(12)), using such standardized data elements (such as names, social security numbers or other uniform identification numbers, dates of birth, and case identification numbers), and containing such other information (such as information on case status) as the Secretary may require.

"(2) Payment Records.—Each case record in the central registry shall include a record of—

"(A) the amount of monthly (or other periodic) support owed under the support order, and other amounts due or overdue (including arrearages, interest or late payment penalties, and fees);

"(B) all child support and related amounts collected (including such amounts as fees, late payment penalties, and interest on arrearages);

"(C) the distribution of such amounts collected; and

"(D) the birth date of the child for whom the child support order is entered.

"(3) UPDATING AND MONITORING.—The State agency shall promptly establish and maintain, and regularly monitor, case records in the registry required by this subsection, on the basis of—

"(A) information on administrative actions and administrative and judicial proceedings and orders relating to paternity and support;

"(B) information obtained from matches with Federal, State, or local data sources;

"(C) information on support collections and distributions; and

"(D) any other relevant information.

"(f) DATA MATCHES AND OTHER DISCLOSURES OF INFORMATION.—The automated system required under this section shall have the capacity, and be used by the State agency, to extract data at such times, and in such standardized format or formats, as may be required by the Secretary, and to share and match data with, and receive data from, other data bases and data matching services, in order to obtain (or provide) information necessary to enable the State agency (or Secretary or other State or Federal agencies) to carry out responsibilities under this part. Data matching activities of the State agency shall include at least the following:

"(1) DATA BANK OF CHILD SUPPORT ORDERS.—Furnishing to the Data Bank of Child Support Orders established under section 453(h) (and updating as necessary, with information, including notice of expiration of orders) minimal information specified by the Secretary on each child support case in the central case registry.

"(2) FEDERAL PARENT LOCATOR SERVICE.—Exchanging data with the Federal Parent Locator Service for the purposes specified in section 453.

"(3) TITLE IV–A AND MEDICAID AGENCIES.—Exchanging data with State agencies (of the State and of other States) administering the programs under part A and title XIX, as necessary for the performance of State agency responsibilities under this part and under such programs.

"(4) INTRA- AND INTERSTATE DATA MATCHES.—Exchanging data with other agencies of the State, agencies of other States, and interstate information networks, as necessary and appropriate to carry out (or assist other States to carry out) the purposes of this part.".

SEC. 422. CENTRALIZED COLLECTION AND DISBURSEMENT OF SUPPORT PAYMENTS.

(a) STATE PLAN REQUIREMENT.—Section 454 (42 U.S.C. 654), as amended by sections 404(a), 405, and 414(b), is amended—

(1) by striking "and" at the end of paragraph (26);

(2) by striking the period at the end of paragraph (27) and inserting "; and"; and

(3) by adding after paragraph (27) the following new paragraph:

"(28) provide that the State agency, on and after October 1, 1998—

"(A) will operate a centralized, automated unit for the collection and disbursement of child support under orders being enforced under this part, in accordance with section 454B; and

"(B) will have sufficient State staff (consisting of State employees), and, at State option, contractors reporting directly to the State agency to monitor and enforce support collections through such centralized unit, including carrying out the automated data processing responsibilities specified in section 454A(g) and to impose, as appropriate in particular cases, the administrative enforcement remedies specified in section 466(c)(1).".

(b) ESTABLISHMENT OF CENTRALIZED COLLECTION UNIT.—Part D of title IV (42 U.S.C. 651–669) is amended by adding after section 454A the following new section:

"CENTRALIZED COLLECTION AND DISBURSEMENT OF SUPPORT PAYMENTS

"SEC. 454B. (a) IN GENERAL.—In order to meet the requirement of section 454(28), the State agency must operate a single, centralized, automated unit for the collection and disbursement of support payments, coordinated with the automated data system required under section 454A, in accordance with the provisions of this section, which shall be—

"(1) operated directly by the State agency (or by 2 or more State agencies under a regional cooperative agreement), or by a single contractor responsible directly to the State agency; and

"(2) used for the collection and disbursement (including interstate collection and disbursement) of payments under support orders in all cases being enforced by the State pursuant to section 454(4).

"(b) REQUIRED PROCEDURES.—The centralized collections unit shall use automated procedures, electronic processes, and computer-driven technology to the maximum extent feasible, efficient, and economical, for the collection and disbursement of support payments, including procedures—

"(1) for receipt of payments from parents, employers, and other States, and for disbursements to custodial parents and other obligees, the State agency, and the State agencies of other States;

"(2) for accurate identification of payments;

"(3) to ensure prompt disbursement of the custodial parent's share of any payment; and

"(4) to furnish to either parent, upon request, timely information on the current status of support payments.".

(c) USE OF AUTOMATED SYSTEM.—Section 454A, as added by section 415(a)(2) and as amended by section 421, is amended by adding at the end the following new subsection:

"(g) CENTRALIZED COLLECTION AND DISTRIBUTION OF SUPPORT PAYMENTS.—The automated system required under this section shall be used, to the maximum extent feasible, to assist and facilitate collections and disbursement of support payments through the centralized collections unit operated pursuant to section 454B, through the performance of functions including at a minimum—

"(1) generation of orders and notices to employers (and other debtors) for the withholding of wages (and other income)—

"(A) within 2 working days after receipt (from the directory of New Hires established under section 453(i) or any other source) of notice of and the income source subject to such withholding; and

"(B) using uniform formats directed by the Secretary;

"(2) ongoing monitoring to promptly identify failures to make timely payment; and

"(3) automatic use of enforcement mechanisms (including mechanisms authorized pursuant to section 466(c)) where payments are not timely made.".

(d) EFFECTIVE DATE.—The amendments made by this section shall become effective on October 1, 1998.

SEC. 423. STATE DIRECTORY OF NEW HIRES.

(a) STATE PLAN REQUIREMENT.—Section 454 (42 U.S.C. 654), as amended by sections 404(a), 405, 414(b), and 422(a)(2) of this Act, is amended—

(1) by striking "and" at the end of paragraph (27);

(2) by striking the period at the end of paragraph (28) and inserting "; and"; and

(3) by adding after paragraph (28) the following:

"(28) provide that, on and after October 1, 1998, the State will operate a State Directory of New Hires in accordance with section 453A.".

(b) STATE DIRECTORY OF NEW HIRES.—Part D of title IV (42 U.S.C. 651–669) is amended by inserting after section 453 the following:

"SEC. 453A. STATE DIRECTORY OF NEW HIRES.

"(a) ESTABLISHMENT.—

"(1) IN GENERAL.—Not later than October 1, 1998, each State shall establish an automated directory (to be known as the 'State Directory of New Hires') which shall contain information supplied in accordance with subsection (b) by employers and labor organizations on each newly hired employee.

"(2) DEFINITIONS.—As used in this section:

"(A) EMPLOYEE.—The term 'employee'—

"(i) means an individual who is an employee within the meaning of chapter 24 of the Internal Revenue Code of 1986; and

"(ii) does not include an employee of a Federal or State agency performing intelligence or counterintelligence functions, if the head of such agency has determined that reporting pursuant to paragraph (1) with respect to the employee could endanger the safety of the employee or compromise an ongoing investigation or intelligence mission.

"(B) GOVERNMENTAL EMPLOYERS.—The term 'employer' includes any governmental entity.

"(C) LABOR ORGANIZATION.—The term 'labor organization' shall have the meaning given such term in section 2(5) of the National Labor Relations Act, and includes any entity (also known as a 'hiring hall') which is used by the organization and an employer to carry out requirements described in section 8(f)(3) of such Act of an agreement between the organization and the employer.

"(b) EMPLOYER INFORMATION.—

"(1) REPORTING REQUIREMENT.—

"(A) IN GENERAL.—Except as provided in subparagraph (B), each employer (or labor organization) shall furnish to the Directory of New Hires of the State in which a newly hired employee works a report that contains the name, address, and social security number of the employee, and the name of, and identifying number assigned under section 6109 of the Internal Revenue Code of 1986 to, the employer.

"(B) MULTISTATE EMPLOYERS.—An employer who has employees who are employed in 2 or more States may comply with subparagraph (A) by transmitting the report described in subparagraph (A) magnetically or electronically to the State in which the greatest number of employees of the employer are employed.

"(2) TIMING OF REPORT.—The report required by paragraph (1) with respect to an employee shall be made not later than the later of—

"(A) 15 days after the date the employer hires the employee;

"(B) the date the employee first receives wages or other compensation from the employer; or

"(C) in the case of a payroll processing service or an employer that processes more than one payroll and reports by electronic or magnetic means, the first business day of the week following the date on which the employee first receives wages or other compensation from the employer.

"(c) REPORTING FORMAT AND METHOD.—Each report required by subsection (b) shall be made on a W-4 form or the equivalent, and may be transmitted by first class mail, magnetically, or electronically.

"(d) CIVIL MONEY PENALTIES ON NONCOMPLYING EMPLOYERS.—

"(1) IN GENERAL.—An employer that fails to comply with subsection (b) with respect to an employee shall be subject to a civil money penalty of—

"(A) $25; or

"(B) $500 if, under State law, the failure is the result of a conspiracy between the employer and the employee to not supply the required report or to supply a false or incomplete report.

"(2) APPLICABILITY OF SECTION 1128.—Section 1128 (other than subsections (a) and (b) of such section) shall apply to a civil money penalty under paragraph (1) of this subsection in the same manner as such section applies to a civil money penalty or proceeding under section 1128A(a).

"(e) INFORMATION COMPARISONS.—

"(1) IN GENERAL.—Not later than October 1, 1998, an agency designated by the State shall, directly or by contract, conduct automated comparisons of the social security numbers reported by employers pursuant to subsection (b) and the social security numbers appearing in the records of the State case registry for cases being enforced under the State plan.

"(2) NOTICE OF MATCH.—When an information comparison conducted under paragraph (1) reveals a match with respect to the social security number of an individual required to provide support under a support order, the State Directory of New Hires shall provide the agency administering the State plan approved under this part of the appropriate State with the name, address, and social security number of the employee to whom the social security number is assigned, and the name of, and identifying number assigned under section 6109 of the Internal Revenue Code of 1986 to, the employer.

"(f) TRANSMISSION OF INFORMATION.—

"(1) TRANSMISSION OF WAGE WITHHOLDING NOTICES TO EMPLOYERS.—Within 2 business days after the date information regarding a newly hired employee is entered into the State Directory of New Hires, the State agency enforcing the employee's child support obligation shall transmit a notice to the employer of the employee directing the employer to withhold from the wages of the employee an amount equal to the monthly (or other periodic) child support obligation of the employee, unless the employee's wages are not subject to withholding pursuant to section 466(b)(3).

"(2) TRANSMISSIONS TO THE NATIONAL DIRECTORY OF NEW HIRES.—

"(A) NEW HIRE INFORMATION.—Within 4 business days after the State Directory of New Hires receives information from employers pursuant to this section, the State Directory of New Hires shall furnish the information to the National Directory of New Hires.

"(B) WAGE AND UNEMPLOYMENT COMPENSATION INFORMATION.—The State Directory of New Hires shall, on a quarterly basis, furnish to the National Directory of New Hires extracts of the reports required under section 303(a)(6) to be made to the Secretary of Labor concerning the wages and unemployment compensation paid to individuals, by such dates, in such format, and containing such information as the Secretary of Health and Human Services shall specify in regulations.

"(3) BUSINESS DAY DEFINED.—As used in this subsection, the term 'business day' means a day on which State offices are open for regular business.

"(g) OTHER USES OF NEW HIRE INFORMATION.—

"(1) LOCATION OF CHILD SUPPORT OBLIGORS.—The agency administering the State plan approved under this part shall use information received pursuant to subsection (e)(2) to locate individuals for purposes of establishing paternity and establishing, modifying, and enforcing child support obligations.

"(2) VERIFICATION OF ELIGIBILITY FOR CERTAIN PROGRAMS.—A State agency responsible for administering a program specified in section 1137(b) shall have access to information reported by employers pursuant to subsection (b) of this section for purposes of verifying eligibility for the program.

"(3) ADMINISTRATION OF EMPLOYMENT SECURITY AND WORKERS COMPENSATION.—State agencies operating employment security and workers' compensation programs shall have access to information reported by employers pursuant to subsection (b) for the purposes of administering such programs.".

SEC. 424. AMENDMENTS CONCERNING INCOME WITHHOLDING.

(a) MANDATORY INCOME WITHHOLDING.—

(1) FROM WAGES.—Section 466(a)(1) (42 U.S.C. 666(a)(1)) is amended to read as follows:

"(1)(A) Procedures described in subsection (b) for the withholding from income of amounts payable as support in cases subject to enforcement under the State plan.

"(B) Procedures under which all child support orders issued (or modified) before October 1, 1996, and which are not otherwise subject to withholding under subsection (b), shall become subject to withholding from wages as provided in subsection (b) if arrearages occur, without the need for a judicial or administrative hearing.".

(2) REPEAL OF CERTAIN PROVISIONS CONCERNING ARREARAGES.—Section 466(a)(8) (42 U.S.C. 666(a)(8)) is repealed.

(3) PROCEDURES DESCRIBED.—Section 466(b) (42 U.S.C. 666(b)) is amended—

(A) in the matter preceding paragraph (1), by striking "subsection (a)(1)" and inserting "subsection (a)(1)(A)";

(B) in paragraph (5), by striking "a public agency" and all that follows through the period and inserting "the State through the centralized collections unit established pursuant to section 454B, in accordance with the requirements of such section 454B.";

(C) in paragraph (6)(A)(i)—

(i) by inserting ", in accordance with timetables established by the Secretary," after "must be required"; and

(ii) by striking "to the appropriate agency" and all that follows through the period and inserting "to the State centralized collections unit within 5 working days after the date such amount would (but for this subsection) have been paid or credited to the employee, for distribution in accordance with this part.";

(D) in paragraph (6)(A)(ii), by inserting "be in a standard format prescribed by the Secretary, and" after "shall"; and

(E) in paragraph (6)(D) to read as follows:

"(D) Provision must be made for the imposition of a fine against any employer who—

"(i) discharges from employment, refuses to employ, or takes disciplinary action against any absent parent subject to wage withholding required by this subsection because of the existence of such withholding and the obligations or additional obligations which it imposes upon the employer; or

"(ii) fails to withhold support from wages, or to pay such amounts to the State centralized collections unit in accordance with this subsection.".

(b) CONFORMING AMENDMENT.—Section 466(c) (42 U.S.C. 666(c)) is repealed.

(c) DEFINITION OF TERMS.—The Secretary of Health and Human Services shall promulgate regulations providing definitions, for purposes of part D of title IV of the Social Security Act, for the term "income" and for such other terms relating to income withholding under section 466(b) of such Act as the Secretary may find it necessary or advisable to define.

SEC. 425. LOCATOR INFORMATION FROM INTERSTATE NETWORKS.

Section 466(a) (42 U.S.C. 666(a)), as amended by section 424(a)(2), is amended by inserting after paragraph (7) the following new paragraph:

"(8) Procedures ensuring that the State will neither provide funding for, nor use for any purpose (including any purpose unrelated to the purposes of this part), any automated interstate network or system used to locate individuals—

"(A) for purposes relating to the use of motor vehicles; or

"(B) providing information for law enforcement purposes (where child support enforcement agencies are otherwise allowed access by State and Federal law),

unless all Federal and State agencies administering programs under this part (including the entities established under section 453) have access to information in such system or network to the same extent as any other user of such system or network.".

SEC. 426. EXPANSION OF THE FEDERAL PARENT LOCATOR SERVICE.

(a) EXPANDED AUTHORITY TO LOCATE INDIVIDUALS AND ASSETS.—Section 453 (42 U.S.C. 653) is amended—

(1) in subsection (a), by striking all that follows "subsection (c))" and inserting ", for the purpose of establishing parentage, establishing, setting the amount of, modifying, or enforcing child support obligations—

"(1) information on, or facilitating the discovery of, the location of any individual—

"(A) who is under an obligation to pay child support;

"(B) against whom such an obligation is sought; or

"(C) to whom such an obligation is owed,

including the individual's social security number (or numbers), most recent address, and the name, address, and employer identification number of the individual's employer;

"(2) information on the individual's wages (or other income) from, and benefits of, employment (including rights to or enrollment in group health care coverage); and

"(3) information on the type, status, location, and amount of any assets of, or debts owed by or to, any such individual.";

(2) in subsection (b)—

(A) in the matter preceding paragraph (1), by striking "social security" and all that follows through "absent parent" and inserting "information described in subsection (a)"; and

(B) in paragraph (2), by inserting before the period ", or from any consumer reporting agency (as defined in section 603(f) of the Fair Credit Reporting Act (15 U.S.C. 1681a(f))"; and

(3) in subsection (e)(1), by inserting before the period ", or by consumer reporting agencies".

(b) REIMBURSEMENT FOR INFORMATION FROM FEDERAL AGENCIES.—Section 453(e)(2) (42 U.S.C. 653(e)(2)) is amended in the 4th sentence by inserting before the period "in an amount which the Secretary determines to be reasonable payment for the information exchange (which amount shall not include payment for the costs of obtaining, compiling, or maintaining the information)".

(c) REIMBURSEMENT FOR REPORTS BY STATE AGENCIES.—Section 453 (42 U.S.C. 653) is amended by adding at the end the following:

"(g) The Secretary may reimburse Federal and State agencies for the costs incurred by such entities in furnishing information requested by the Secretary under this section in an amount which the Secretary determines to be reasonable payment for the information exchange (which amount shall not include payment for the costs of obtaining, compiling, or maintaining the information).".

(d) TECHNICAL AMENDMENTS.—

(1) Sections 452(a)(9), 453(a), 453(b), 463(a), 463(e), and 463(f) (42 U.S.C. 652(a)(9), 653(a), 653(b), 663(a), 663(e), and 663(f)) are each amended by inserting "Federal" before "Parent" each place such term appears.

(2) Section 453 (42 U.S.C. 653) is amended in the heading by adding "FEDERAL" before "PARENT".

(e) NEW COMPONENTS.—Section 453 (42 U.S.C. 653), as amended by subsection (c) of this section, is amended by adding at the end the following:

"(h) FEDERAL CASE REGISTRY OF CHILD SUPPORT ORDERS.—

"(1) IN GENERAL.—Not later than October 1, 1999, in order to assist States in administering programs under State plans approved under this part and programs funded under part A, and for the other purposes specified in this section, the Secretary shall establish and maintain in the Federal Parent Locator Service an automated registry (which shall be known as the 'Federal Case Registry of Child Support Orders'), which shall contain abstracts of support orders and other information described in paragraph (2) with respect to each case in each State case registry maintained pursuant to section 454A(e), as furnished (and regularly updated), pursuant to section 454A(f), by State agencies administering programs under this part.

"(2) CASE INFORMATION.—The information referred to in paragraph (1) with respect to a case shall be such information as the Secretary may specify in regulations (including the names, social security numbers or other uniform identification numbers, and State case identification numbers) to identify the individuals who owe or are owed support (or with respect to or on behalf of whom support obligations are sought to be established), and the State or States which have the case.

"(i) NATIONAL DIRECTORY OF NEW HIRES.—

"(1) IN GENERAL.—In order to assist States in administering programs under State plans approved under this part and programs funded under part A, and for the other purposes specified in this section, the Secretary shall, not later than October 1, 1999, establish and maintain in the Federal Parent Locator Service an automated directory to be known as the National Directory of New Hires, which shall contain the information supplied pursuant to section 453A(f)(2).

"(2) ADMINISTRATION OF FEDERAL TAX LAWS.—The Secretary of the Treasury shall have access to the information in the Federal Directory of New Hires for purposes of administering section 32 of the Internal Revenue Code of 1986, or the advance payment of the earned income tax credit under section 3507 of such Code, and verifying a claim with respect to employment in a tax return.

"(j) INFORMATION COMPARISONS AND OTHER DISCLOSURES.—

"(1) VERIFICATION BY SOCIAL SECURITY ADMINISTRATION.—

"(A) The Secretary shall transmit information on individuals and employers maintained under this section to the Social Security Administration to the extent necessary for verification in accordance with subparagraph (B).

"(B) The Social Security Administration shall verify the accuracy of, correct, or supply to the extent possible, and report to the Secretary, the following information supplied by the Secretary pursuant to subparagraph (A):

"(i) The name, social security number, and birth date of each such individual.

"(ii) The employer identification number of each such employer.

"(2) INFORMATION COMPARISONS.—For the purpose of locating individuals in a paternity establishment case or a case involving the establishment, modification, or enforcement of a support order, the Secretary shall—

"(A) compare information in the National Directory of New Hires against information in the Federal Case Registry of Child Support Orders not less often than every 2 business days; and

"(B) within 2 such days after such a comparison reveals a match with respect to an individual, report the information to the State agency responsible for the case.

"(3) INFORMATION COMPARISONS AND DISCLOSURES OF INFORMATION IN ALL REGISTRIES FOR TITLE IV PROGRAM PURPOSES.—To the extent and with the frequency that the Secretary determines to be effective in assisting States to carry out their responsibilities under programs operated under this part and programs funded under part A, the Secretary shall—

"(A) compare the information in each component of the Federal Parent Locator Service maintained under this section against the information in each other such component (other than the comparison required by paragraph (2)), and report instances in which such a comparison reveals a match with respect to an individual to State agencies operating such programs; and

"(B) disclose information in such registries to such State agencies.

"(4) PROVISION OF NEW HIRE INFORMATION TO THE SOCIAL SECURITY ADMINISTRATION.—The National Directory of New Hires shall provide the Commissioner of Social Security with all information in the National Directory, which shall be used to determine the accuracy of payments under the supplemental security income program under title XVI and in connection with benefits under title II.

"(5) RESEARCH.—The Secretary may provide access to information reported by employers pursuant to section 453A(b) for research purposes found by the Secretary to be likely to contribute to achieving the purposes of part A or this part, but without personal identifiers.

"(k) FEES.—

"(1) FOR SSA VERIFICATION.—The Secretary shall reimburse the Commissioner of Social Security, at a rate negotiated between the Secretary and the Commissioner, for the costs incurred by the Commissioner in performing the verification services described in subsection (j).

"(2) FOR INFORMATION FROM STATE DIRECTORIES OF NEW HIRES.—The Secretary shall reimburse costs incurred by State directories of new hires in furnishing information as required by subsection (j)(3), at rates which the Secretary determines to be reasonable (which rates shall not include payment for the costs of obtaining, compiling, or maintaining such information).

"(3) FOR INFORMATION FURNISHED TO STATE AND FEDERAL AGENCIES.—A State or Federal agency that receives information from the Secretary pursuant to this section shall reimburse the Secretary for costs incurred by the Secretary in furnishing the information, at rates which the Secretary determines to be reasonable (which rates shall include payment for the costs of obtaining, verifying, maintaining, and comparing the information).

"(l) RESTRICTION ON DISCLOSURE AND USE.—Information in the Federal Parent Locator Service, and information resulting from comparisons using such information, shall not be used or disclosed except as expressly provided in this section, subject to section 6103 of the Internal Revenue Code of 1986.

"(m) INFORMATION INTEGRITY AND SECURITY.—The Secretary shall establish and implement safeguards with respect to the entities established under this section designed to—

"(1) ensure the accuracy and completeness of information in the Federal Parent Locator Service; and

"(2) restrict access to confidential information in the Federal Parent Locator Service to authorized persons, and restrict use of such information to authorized purposes.".

(f) QUARTERLY WAGE REPORTING.—Section 1137(a)(3) (42 U.S.C. 1320b–7(a)(3)) is amended—

(1) by inserting "(including any governmental entity)" after "employers",

(2) by striking "except that" and inserting "except that—",

(3) by inserting "(A)" before "the Secretary of Labor",

(4) by striking "paragraph (2)" and inserting "paragraph (2), and",

(5) by indenting the text so as to align it with new subparagraph (B) (as added by paragraph (6) of this subsection); and

(6) by adding at the end the following new subparagraph:

"(B) no report shall be filed with respect to an employee of a Federal or State agency performing intelligence or counterintelligence functions, if the head of such agency has determined that filing a report with respect to the employee could endanger the safety of the employee or compromise an ongoing investigation or intelligence mission;".

(g) CONFORMING AMENDMENTS.—

(1) TO PART D OF TITLE IV OF THE SOCIAL SECURITY ACT.—Section 454(8)(B) (42 U.S.C. 654(8)(B)) is amended to read as follows:

"(B) the Federal Parent Locator Service established under section 453;".

(2) TO FEDERAL UNEMPLOYMENT TAX ACT.—Section 3304(a)(16) of the Internal Revenue Code of 1986 is amended—

(A) by striking "Secretary of Health, Education, and Welfare" each place such term appears and inserting "Secretary of Health and Human Services";

(B) in subparagraph (B), by striking "such information" and all that follows and inserting "information furnished under subparagraph (A) or (B) is used only for the purposes authorized under such subparagraph;";

(C) by striking "and" at the end of subparagraph (A);

(D) by redesignating subparagraph (B) as subparagraph (C); and

(E) by inserting after subparagraph (A) the following new subparagraph:

"(B) wage and unemployment compensation information contained in the records of such agency shall be furnished to the Secretary of Health and Human Services (in accordance with regulations promulgated by such Secretary) as necessary for the purposes of the National Directory of New Hires established under section 453(i) of the Social Security Act, and".

(3) TO STATE GRANT PROGRAM UNDER TITLE III OF THE SOCIAL SECURITY ACT.—Section 303(a) (42 U.S.C. 503(a)) is amended—

(A) by striking "and" at the end of paragraph (8);

(B) by striking "and" at the end of paragraph (9);

(C) by striking the period at the end of paragraph (10) and inserting "; and"; and

(D) by adding after paragraph (10) the following:

"(11) The making of quarterly electronic reports, at such dates, in such format, and containing such information, as required by the Secretary of Health and Human Services under section 453(i)(3), and compliance with such provisions as such Secretary may find necessary to ensure the correctness and verification of such reports.".

SEC. 427. USE OF SOCIAL SECURITY NUMBERS.

(a) STATE LAW REQUIREMENT.—Section 466(a) (42 U.S.C. 666(a)), as amended by section 401(a), is amended by adding at the end the following new paragraph:

"(13) Procedures requiring the recording of social security numbers—

"(A) of both parties on marriage licenses and divorce decrees;

"(B) of both parents, on birth records and child support and paternity orders and acknowledgements;

"(C) on all applications for motor vehicle licenses and professional licenses; and

"(D) of decedents on death certificates.".

(b) CONFORMING AMENDMENTS.—Section 205(c)(2)(C) (42 U.S.C. 405(c)(2)(C)) is amended—

(1) in clause (i), by striking "may require" and inserting "shall require";

(2) in clause (ii)—

(A) by inserting after the first sentence the following: "In the administration of any law involving the issuance of a marriage certificate or license, each State shall require each party named in the certificate or license to furnish to the State (or political subdivision thereof) or any State agency having administrative responsibility for the law involved, the social security number of the party."; and

(B) by striking "Such numbers shall not be recorded on the birth certificate." and inserting "This clause shall not be considered to authorize disclosure of such numbers except as provided in the preceding sentence.";

(3) in clause (vi), by striking "may" and inserting "shall"; and

(4) by adding at the end the following:

"(x) An agency of a State (or a political subdivision thereof) charged with the administration of any law concerning the issuance or renewal of a license, certificate, permit, or other authorization to engage in a profession, an occupation, or a commercial activity shall require all applicants for issuance or renewal of the license, certificate, permit, or other authorization to provide the applicant's social security number to the agency for the purpose of administering such laws, and for the purpose of responding to requests for information from an agency operating pursuant to part D of title IV.

"(xi) All divorce decrees, support orders, and paternity determinations issued, and all paternity acknowledgments made, in each State shall include the social security number of each party to the decree, order, determination, or acknowledgement in the records relating to the matter.".

PART IV—STREAMLINING AND UNIFORMITY OF PROCEDURES

SEC. 431. ADOPTION OF UNIFORM STATE LAWS.

Section 466(a) (42 U.S.C. 666(a)), as amended by sections 401(a) and 427(a), is amended by adding at the end the following new paragraph:

"(14)(A) Procedures under which the State adopts in its entirety (with the modifications and additions specified in this paragraph) not later than January 1, 1997, and uses on and after such date, the Uniform Interstate Family Support Act, as approved by the National Conference of Commissioners on Uniform State Laws in August 1992.

"(B) The State law adopted pursuant to subparagraph (A) shall be applied to any case—

"(i) involving an order established or modified in one State and for which a subsequent modification is sought in another State; or

"(ii) in which interstate activity is required to enforce an order.

"(C) The State law adopted pursuant to subparagraph (A) of this paragraph shall contain the following provision in lieu of section 611(a)(1) of the Uniform Interstate Family Support Act described in such subparagraph (A):

"'(1) the following requirements are met:

"'(i) the child, the individual obligee, and the obligor—

"'(I) do not reside in the issuing State; and

"'(II) either reside in this State or are subject to the jurisdiction of this State pursuant to section 201; and

"'(ii) in any case where another State is exercising or seeks to exercise jurisdiction to modify the order, the conditions of section 204 are met to the same extent as required for proceedings to establish orders; or'.

"(D) The State law adopted pursuant to subparagraph (A) shall recognize as valid, for purposes of any proceeding subject to such State law, service of process upon persons in the State (and proof of such service) by any means acceptable in another State which is the initiating or responding State in such proceeding.".

SEC. 432. IMPROVEMENTS TO FULL FAITH AND CREDIT FOR CHILD SUPPORT ORDERS.

Section 1738B of title 28, United States Code, is amended—

(1) in subsection (a)(2), by striking "subsection (e)" and inserting "subsections (e), (f), and (i)";

(2) in subsection (b), by inserting after the first undesignated paragraph the following:

"'child's home State' means the State in which a child lived with a parent or a person acting as parent for at least 6 consecutive months immediately preceding the time of filing of a petition or comparable pleading for support and, if a child is less than 6 months old, the State in which the child lived from birth with any of them. A period of temporary absence of any of them is counted as part of the 6-month period.";

(3) in subsection (c), by inserting "by a court of a State" before "is made";

(4) in subsection (c)(1), by inserting "and subsections (e), (f), and (g)" after "located";

(5) in subsection (d)—

(A) by inserting "individual" before "contestant"; and

(B) by striking "subsection (e)" and inserting "subsections (e) and (f)";

(6) in subsection (e), by striking "make a modification of a child support order with respect to a child that is made" and inserting "modify a child support order issued";

(7) in subsection (e)(1), by inserting "pursuant to subsection (i)" before the semicolon;

(8) in subsection (e)(2)—

(A) by inserting "individual" before "contestant" each place such term appears; and

(B) by striking "to that court's making the modification and assuming" and inserting "with the State of continuing, exclusive jurisdiction for a court of another State to modify the order and assume";

(9) by redesignating subsections (f) and (g) as subsections (g) and (h), respectively;

(10) by inserting after subsection (e) the following new subsection:

"(f) RECOGNITION OF CHILD SUPPORT ORDERS.—If 1 or more child support orders have been issued in this or another State with regard to an obligor and a child, a court shall apply the following rules in determining which order to recognize for purposes of continuing, exclusive jurisdiction and enforcement:

"(1) If only 1 court has issued a child support order, the order of that court must be recognized.

"(2) If 2 or more courts have issued child support orders for the same obligor and child, and only 1 of the courts would have continuing, exclusive jurisdiction under this section, the order of that court must be recognized.

"(3) If 2 or more courts have issued child support orders for the same obligor and child, and only 1 of the courts would have continuing, exclusive jurisdiction under this section, an order issued by a court in the current home State of the child must be recognized, but if an order has not been issued in the current home State of the child, the order most recently issued must be recognized.

"(4) If 2 or more courts have issued child support orders for the same obligor and child, and none of the courts would have continuing, exclusive jurisdiction under this section, a court may issue a child support order, which must be recognized.

"(5) The court that has issued an order recognized under this subsection is the court having continuing, exclusive jurisdiction.";

(11) in subsection (g) (as so redesignated)—

(A) by striking "PRIOR" and inserting "MODIFIED"; and

(B) by striking "subsection (e)" and inserting "subsections (e) and (f)";

(12) in subsection (h) (as so redesignated)—

(A) in paragraph (2), by inserting "including the duration of current payments and other obligations of support" before the comma; and

(B) in paragraph (3), by inserting "arrears under" after "enforce"; and

(13) by adding at the end the following new subsection:

"(i) REGISTRATION FOR MODIFICATION.—If there is no individual contestant or child residing in the issuing State, the party or support enforcement agency seeking to modify, or to modify and enforce, a child support order issued in another State shall register that order in a State with jurisdiction over the nonmovant for the purpose of modification.".

SEC. 433. STATE LAWS PROVIDING EXPEDITED PROCEDURES.

(a) STATE LAW REQUIREMENTS.—Section 466 (42 U.S.C. 666), as amended by section 424(b), is amended—

(1) in subsection (a)(2), in the first sentence, to read as follows: "Expedited administrative and judicial procedures (including the procedures specified in subsection (c)) for establishing paternity and for establishing, modifying, and enforcing support obligations."; and

(2) by adding after subsection (b) the following new subsection:

"(c) The procedures specified in this subsection are the following:

"(1) Procedures which give the State agency the authority (and recognize and enforce the authority of State agencies of other States), without the necessity of obtaining an order from any other judicial or administrative tribunal (but subject to due process safeguards, including (as appropriate) requirements for notice, opportunity to contest the action, and opportunity for an appeal on the record to an independent administrative or judicial tribunal), to take the following actions relating to establishment or enforcement of orders:

"(A) To order genetic testing for the purpose of paternity establishment as provided in section 466(a)(5).

"(B) To enter a default order, upon a showing of service of process and any additional showing required by State law—

"(i) establishing paternity, in the case of any putative father who refuses to submit to genetic testing; and

"(ii) establishing or modifying a support obligation, in the case of a parent (or other obligor or obligee) who fails to respond to notice to appear at a proceeding for such purpose.

"(C) To subpoena any financial or other information needed to establish, modify, or enforce an order, and to sanction failure to respond to any such subpoena.

"(D) To require all entities in the State (including for-profit, nonprofit, and governmental employers) to provide promptly, in response to a request by the State agency of that or any other State administering a program under this part, information on the employment, compensation, and benefits of any individual employed by such entity as an employee or contractor, and to sanction failure to respond to any such request.

"(E) To obtain access, subject to safeguards on privacy and information security, to the following records (including automated access, in the case of records maintained in automated data bases):

"(i) Records of other State and local government agencies, including—

"(I) vital statistics (including records of marriage, birth, and divorce);

"(II) State and local tax and revenue records (including information on residence address, employer, income and assets);

"(III) records concerning real and titled personal property;

"(IV) records of occupational and professional licenses, and records concerning the ownership and control of corporations, partnerships, and other business entities;

"(V) employment security records;

"(VI) records of agencies administering public assistance programs;

"(VII) records of the motor vehicle department; and

"(VIII) corrections records.

"(ii) Certain records held by private entities, including—

"(I) customer records of public utilities and cable television companies; and

"(II) information (including information on assets and liabilities) on individuals who owe or are owed support (or against or with respect to whom a support obligation is sought) held by financial institutions (subject to limitations on liability of such entities arising from affording such access).

"(F) To order income withholding in accordance with subsection (a)(1) and (b) of section 466.

"(G) In cases where support is subject to an assignment under section 402(a)(9), 471(a)(17), or 1912, or to a requirement to pay through the centralized collections unit under section 454B) upon providing notice to obligor and obligee, to direct the obligor or other payor to change the payee to the appropriate government entity.

"(H) For the purpose of securing overdue support—

"(i) to intercept and seize any periodic or lump-sum payment to the obligor by or through a State or local government agency, including—

"(I) unemployment compensation, workers' compensation, and other benefits;

"(II) judgments and settlements in cases under the jurisdiction of the State or local government; and

"(III) lottery winnings;

"(ii) to attach and seize assets of the obligor held by financial institutions;

"(iii) to attach public and private retirement funds in appropriate cases, as determined by the Secretary; and

"(iv) to impose liens in accordance with paragraph (a)(4) and, in appropriate cases, to force sale of property and distribution of proceeds.

"(I) For the purpose of securing overdue support, to increase the amount of monthly support payments to include amounts for arrearages (subject to such conditions or restrictions as the State may provide).

"(J) To suspend drivers' licenses of individuals owing past-due support, in accordance with subsection (a)(16).

"(2) The expedited procedures required under subsection (a)(2) shall include the following rules and authority, applicable with respect to all proceedings to establish paternity or to establish, modify, or enforce support orders:

"(A) Procedures under which—

"(i) the parties to any paternity or child support proceedings are required (subject to privacy safeguards) to file with the tribunal before entry of an order, and to update as appropriate, information on location and identity (including social security number, residential and mailing addresses, telephone number, driver's license number, and name, address, and telephone number of employer); and

"(ii) in any subsequent child support enforcement action between the same parties, the tribunal shall be authorized, upon sufficient showing that diligent effort has been made to ascertain such party's current location, to deem due process requirements for notice and service of process to be met, with respect to such party, by delivery to the most recent residential or employer address so filed pursuant to clause (i).

"(B) Procedures under which—

"(i) the State agency and any administrative or judicial tribunal with authority to hear child support and paternity cases exerts statewide jurisdiction over the parties, and orders issued in such cases have statewide effect; and

"(ii) in the case of a State in which orders in such cases are issued by local jurisdictions, a case may be transferred between jurisdictions in the State without need for any additional filing by the petitioner, or service of process upon the respondent, to retain jurisdiction over the parties.".

(b) EXCEPTIONS FROM STATE LAW REQUIREMENTS.—Section 466(d) (42 U.S.C. 666(d)) is amended—

(1) by striking "(d) If" and inserting "(d)(1) Subject to paragraph (2), if"; and

(2) by adding at the end the following new paragraph:

"(2) The Secretary shall not grant an exemption from the requirements of—

"(A) subsection (a)(5) (concerning procedures for paternity establishment);

"(B) subsection (a)(10) (concerning modification of orders);

"(C) subsection (a)(12) (concerning recording of orders in the central State case registry);

"(D) subsection (a)(13) (concerning recording of social security numbers);

"(E) subsection (a)(14) (concerning interstate enforcement); or

"(F) subsection (c) (concerning expedited procedures), other than paragraph (1)(A) thereof (concerning establishment or modification of support amount).".

(c) AUTOMATION OF STATE AGENCY FUNCTIONS.—Section 454A, as added by section 415(a)(2) and as amended by sections 421 and 422(c), is amended by adding at the end the following new subsection:

"(h) EXPEDITED ADMINISTRATIVE PROCEDURES.—The automated system required under this section shall be used, to the maximum extent feasible, to implement any expedited administrative procedures required under section 466(c).".

SEC. 434. ADMINISTRATIVE ENFORCEMENT IN INTERSTATE CASES.

Section 466(a) (42 U.S.C. 666(a)), as amended by sections 401(a), 427, and 431, is amended by adding at the end the following:

"(15) Procedures under which—

"(A)(i) the State shall respond within 5 business days to a request made by another State to enforce a support order; and

"(ii) the term 'business day' means a day on which State offices are open for regular business;

"(B) the State may, by electronic or other means, transmit to another State a request for assistance in a case involving the enforcement of a support order, which request—

"(i) shall include such information as will enable the State to which the request is transmitted to compare the information about the case to the information in the data bases of the State; and

"(ii) shall constitute a certification by the requesting State—

"(I) of the amount of support under the order the payment of which is in arrears; and

"(II) that the requesting State has complied with all procedural due process requirements applicable to the case;

"(C) if the State provides assistance to another State pursuant to this paragraph with respect to a case, neither State shall consider the case to be transferred to the caseload of such other State; and

"(D) the State shall maintain records of—

"(i) the number of such requests for assistance received by the State;

"(ii) the number of cases for which the State collected support in response to such a request; and

"(iii) the amount of such collected support.".

SEC. 435. USE OF FORMS IN INTERSTATE ENFORCEMENT.

(a) PROMULGATION.—Section 452(a) (42 U.S.C. 652(a)) is amended—

(1) by striking "and" at the end of paragraph (9);

(2) by striking the period at the end of paragraph (10) and inserting "; and"; and

(3) by adding at the end the following:

"(11) not later than June 30, 1996, promulgate forms to be used by States in interstate cases for—

"(A) collection of child support through income withholding;

"(B) imposition of liens; and

"(C) administrative subpoenas.".

(b) USE BY STATES.—Section 454(9) (42 U.S.C. 654(9)) is amended—

(1) by striking "and" at the end of subparagraph (C);

(2) by inserting "and" at the end of subparagraph (D); and

(3) by adding at the end the following:

"(E) no later than October 1, 1996, in using the forms promulgated pursuant to section 452(a)(11) for income withholding, imposition of liens, and issuance of administrative subpoenas in interstate child support cases;".

PART V—PATERNITY ESTABLISHMENT

SEC. 441. STATE LAWS CONCERNING PATERNITY ESTABLISHMENT.

(a) STATE LAWS REQUIRED.—Section 466(a)(5) (42 U.S.C. 666(a)(5)) is amended—

(1) in subparagraph (B)—

(A) by striking "(B)" and inserting "(B)(i)";

(B) in clause (i), as redesignated, by inserting before the period ", where such request is supported by a sworn statement—

"(I) by such party alleging paternity setting forth facts establishing a reasonable possibility of the requisite sexual contact of the parties; or

"(II) by such party denying paternity setting forth facts establishing a reasonable possibility of the nonexistence of sexual contact of the parties;"; and

(C) by inserting after clause (i) (as redesignated) the following new clause:

"(ii) Procedures which require the State agency, in any case in which such agency orders genetic testing—

"(I) to pay the costs of such tests, subject to recoupment (where the State so elects) from the putative father if paternity is established; and

"(II) to obtain additional testing in any case where an original test result is disputed, upon request and advance payment by the disputing party.";

(2) by striking subparagraphs (C), (D), (E), and (F) and inserting the following:

"(C)(i) Procedures for a simple civil process for voluntarily acknowledging paternity under which the State must provide that, before a mother and a putative father can sign an acknowledgment of paternity, the putative father and the mother must be given notice, orally, in writing, and in a language that each can understand, of the alternatives to, the legal consequences of, and the rights (including, if 1 parent is a minor, any rights afforded due to minority status) and responsibilities that arise from, signing the acknowledgment.

"(ii) Such procedures must include a hospital-based program for the voluntary acknowledgment of paternity focusing on the period immediately before or after the birth of a child.

"(iii) Such procedures must require the State agency responsible for maintaining birth records to offer voluntary paternity establishment services.

"(iv) The Secretary shall prescribe regulations governing voluntary paternity establishment services offered by hospitals and birth record agencies. The Secretary shall prescribe regulations specifying the types of other entities that may offer voluntary paternity establishment services, and governing the provision of such services, which shall include a requirement that such an entity must use the same notice provisions used by, the same materials used by, provide the personnel providing such services with the same training provided by, and evaluate the provision of such services in the same manner as, voluntary paternity establishment programs of hospitals and birth record agencies.

"(D)(i) Procedures under which a signed acknowledgment of paternity is considered a legal finding of paternity, subject to the right of any signatory to rescind the acknowledgment within 60 days.

"(ii)(I) Procedures under which, after the 60-day period referred to in clause (i), a signed acknowledgment of paternity may be challenged in court only on the basis of fraud, duress, or material mistake of fact, with the burden of proof upon the challenger, and under which the legal responsibilities (including child support obligations) of any signatory arising from the acknowledgment may not be suspended during the challenge, except for good cause shown.

"(II) Procedures under which, after the 60-day period referred to in clause (i), a minor who signs an acknowledgment of paternity other than in the presence of a parent or court-appointed guardian ad litem may rescind the acknowledgment in a judicial or administrative proceeding, until the earlier of—

"(aa) attaining the age of majority; or

"(bb) the date of the first judicial or administrative proceeding brought (after the signing) to establish a child support obligation, visitation rights, or custody rights with respect to the child whose paternity is the subject of the acknowledgment, and at which the minor is represented by a parent, guardian ad litem, or attorney.

"(E) Procedures under which no judicial or administrative proceedings are required or permitted to ratify an unchallenged acknowledgment of paternity.

"(F) Procedures requiring—

"(i) that the State admit into evidence, for purposes of establishing paternity, results of any genetic test that is—

"(I) of a type generally acknowledged, by accreditation bodies designated by the Secretary, as reliable evidence of paternity; and

"(II) performed by a laboratory approved by such an accreditation body;

"(ii) that any objection to genetic testing results must be made in writing not later than a specified number of days before any hearing at which such results may be introduced into evidence (or, at State option, not later than a specified number of days after receipt of such results); and

"(iii) that, if no objection is made, the test results are admissible as evidence of paternity without the need for foundation testimony or other proof of authenticity or accuracy."; and

(3) by adding after subparagraph (H) the following new subparagraphs:

"(I) Procedures providing that the parties to an action to establish paternity are not entitled to a jury trial.

"(J) Procedures which require that a temporary order be issued, upon motion by a party, requiring the provision of child support pending an administrative or judicial determination of parentage, where there is clear and convincing evidence of paternity (on the basis of genetic tests or other evidence).

"(K) Procedures under which bills for pregnancy, childbirth, and genetic testing are admissible as evidence without requiring third-party foundation testimony, and shall constitute prima facie evidence of amounts incurred for such services and testing on behalf of the child.

"(L) At the option of the State, procedures under which the tribunal establishing paternity and support has discretion to waive rights to all or part of amounts owed to the State (but not to the mother) for costs related to pregnancy, childbirth, and genetic testing and for public assistance paid to the family where the father cooperates or acknowledges paternity before or after genetic testing.

"(M) Procedures ensuring that the putative father has a reasonable opportunity to initiate a paternity action.

"(N) Procedures under which voluntary acknowledgements and adjudications of paternity by judicial or administrative processes are filed with the State registry of birth records for comparison with information in the central case registry.".

(b) STATE PLANS.—Section 454(a)(7) (42 U.S.C. 654(a)(7)) is amended to read as follows:

"(7) provide for entering into cooperative arrangements with—

"(A) appropriate courts and law enforcement officials to—

"(i) assist the agency administering the plan, and

"(ii) to assist such courts and officials and such agency with respect to matters of common concern; and

"(B) the State registry of birth records to record voluntary acknowledgments and adjudications of paternity and to make such records available for data matches and other purposes required by the agency administering the plan;".

(c) NATIONAL PATERNITY ACKNOWLEDGMENT AFFIDAVIT.—Section 452(a)(7) (42 U.S.C. 652(a)(7)) is amended by inserting ", and develop an affidavit to be used for the voluntary acknowledgment of paternity which shall include the social security number of each parent" before the semicolon.

(d) TECHNICAL AMENDMENT.—Section 468 (42 U.S.C. 668) is amended by striking "a simple civil process for voluntarily acknowledging paternity and".

SEC. 442. OUTREACH FOR VOLUNTARY PATERNITY ESTABLISHMENT.

(a) STATE PLAN REQUIREMENT.—Section 454(23) (42 U.S.C. 654(23)) is amended—

(1) by striking "(23)" and inserting "(23)(A)";

(2) by inserting "and" after the semicolon; and

(3) by adding at the end the following new subparagraph:

"(B) publicize the availability and encourage the use of procedures for voluntary establishment of paternity and child support through a variety of means, which—

"(i) include distribution of written materials at health care facilities (including hospitals and clinics), and other locations such as schools;

"(ii) may include pre-natal programs to educate expectant couples on individual and joint rights and responsibilities with respect to paternity (and may require all expectant recipients of assistance under part A to participate in such pre-natal programs, as an element of cooperation with efforts to establish paternity and child support);

"(iii) include, with respect to each child discharged from a hospital after birth for whom paternity or child support has not been established, reasonable followup efforts, providing—

"(I) in the case of a child for whom paternity has not been established, information on the benefits of and procedures for establishing paternity; and

"(II) in the case of a child for whom paternity has been established but child support has not been established, information on the benefits of and procedures for establishing a child support order, and an application for child support services;".

(b) ENHANCED FEDERAL MATCHING.—Section 455(a)(1)(C) (42 U.S.C. 655(a)(1)(C)) is amended—

(1) by inserting "(i)" before "laboratory costs", and

(2) by inserting before the semicolon ", and (ii) costs of outreach programs designed to encourage voluntary acknowledgment of paternity".

(c) EFFECTIVE DATES.—

(1) IN GENERAL.—The amendments made by subsection (a) shall become effective October 1, 1997.

(2) EXCEPTION.—The amendments made by subsection (b) shall be effective with respect to calendar quarters beginning on and after October 1, 1996.

PART VI—ESTABLISHMENT AND MODIFICATION OF SUPPORT ORDERS

SEC. 451. NATIONAL CHILD SUPPORT GUIDELINES COMMISSION.

(a) ESTABLISHMENT.—There is hereby established a commission to be known as the "National Child Support Guidelines Commission" (in this section referred to as the "Commission").

(b) GENERAL DUTIES.—

(1) IN GENERAL.—The Commission shall determine—

(A) whether it is appropriate to develop a national child support guideline for consideration by the Congress or for adoption by individual States; or

(B) based on a study of various guideline models, the benefits and deficiencies of such models, and any needed improvements.

(2) DEVELOPMENT OF MODELS.—If the Commission determines under paragraph (1)(A) that a national child support guideline is needed or under paragraph (1)(B) that improvements to guideline models are needed, the Commission shall develop such national guideline or improvements.

(c) MATTERS FOR CONSIDERATION BY THE COMMISSION.—In making the recommendations concerning guidelines required under subsection (b), the Commission shall consider—

(1) the adequacy of State child support guidelines established pursuant to section 467 of the Social Security Act;

(2) matters generally applicable to all support orders, including—

(A) the feasibility of adopting uniform terms in all child support orders;

(B) how to define income and under what circumstances income should be imputed; and

(C) tax treatment of child support payments;

(3) the appropriate treatment of cases in which either or both parents have financial obligations to more than 1 family, including the effect (if any) to be given to—

(A) the income of either parent's spouse; and

(B) the financial responsibilities of either parent for other children or stepchildren;

(4) the appropriate treatment of expenses for child care (including care of the children of either parent, and work-related or job-training-related child care);

(5) the appropriate treatment of expenses for health care (including uninsured health care) and other extraordinary expenses for children with special needs;

(6) the appropriate duration of support by 1 or both parents, including

(A) support (including shared support) for post-secondary or vocational education; and

(B) support for disabled adult children;

(7) procedures to automatically adjust child support orders periodically to address changed economic circumstances, including changes in the consumer price index or either parent's income and expenses in particular cases;

(8) procedures to help non-custodial parents address grievances regarding visitation and custody orders to prevent such parents from withholding child support payments until such grievances are resolved; and

(9) whether, or to what extent, support levels should be adjusted in cases in which custody is shared or in which the noncustodial parent has extended visitation rights.

(d) MEMBERSHIP.—

(1) NUMBER; APPOINTMENT.—

(A) IN GENERAL.—The Commission shall be composed of 12 individuals appointed jointly by the Secretary of Health and Human Services and the Congress, not later than January 15, 1997, of which—

(i) 2 shall be appointed by the Chairman of the Committee on Finance of the Senate, and 1 shall be appointed by the ranking minority member of the Committee;

(ii) 2 shall be appointed by the Chairman of the Committee on Ways and Means of the House of Representatives, and 1 shall be appointed by the ranking minority member of the Committee; and

(iii) 6 shall be appointed by the Secretary of Health and Human Services.

(B) QUALIFICATIONS OF MEMBERS.—Members of the Commission shall have expertise and experience in the evaluation and development of child support guidelines. At least 1 member shall represent advocacy groups for custodial parents, at least 1 member shall represent advocacy groups for noncustodial parents, and at least 1 member shall be the director of a State program under part D of title IV of the Social Security Act.

(2) TERMS OF OFFICE.—Each member shall be appointed for a term of 2 years. A vacancy in the Commission shall be filled in the manner in which the original appointment was made.

(e) COMMISSION POWERS, COMPENSATION, ACCESS TO INFORMATION, AND SUPERVISION.—The first sentence of subparagraph (C), the first and third sentences of subparagraph (D), subparagraph (F) (except with respect to the conduct of medical studies), clauses (ii) and (iii) of subparagraph (G), and subparagraph (H) of section 1886(e)(6) of the Social Security Act shall apply to the Commission in the same manner in which such provisions apply to the Prospective Payment Assessment Commission.

(f) REPORT.—Not later than 2 years after the appointment of members, the Commission shall submit to the President, the Committee on Ways and Means of the House of Representatives, and the Committee on Finance of the Senate, a recommended national child support guideline and a final assessment of issues relating to such a proposed national child support guideline.

(g) TERMINATION.—The Commission shall terminate 6 months after the submission of the report described in subsection (e).

SEC. 452. SIMPLIFIED PROCESS FOR REVIEW AND ADJUSTMENT OF CHILD SUPPORT ORDERS.

Section 466(a)(10) (42 U.S.C. 666(a)(10)) is amended to read as follows:

"(10)(A)(i) Procedures under which—

"(I) every 3 years, at the request of either parent subject to a child support order, the State shall review and, as appropriate, adjust the order in accordance with the guidelines established under section 467(a) if the amount of the child support award under the order differs from the amount that would be awarded in accordance with such guidelines, without a requirement for any other change in circumstances; and

"(II) upon request at any time of either parent subject to a child support order, the State shall review and, as appropriate, adjust the order in accordance with the guidelines established under section 467(a) based on a substantial change in the circumstances of either such parent.

"(ii) Such procedures shall require both parents subject to a child support order to be notified of their rights and responsibilities provided for under clause (i) at the time the order is issued and in the annual information exchange form provided under subparagraph (B).

"(B) Procedures under which each child support order issued or modified in the State after the effective date of this subparagraph shall require the parents subject to the order to provide each other with a complete statement of their respective financial condition annually on a form which shall be provided by the State. The Secretary shall establish regulations for the enforcement of such exchange of information.".

PART VII—ENFORCEMENT OF SUPPORT ORDERS

SEC. 461. FEDERAL INCOME TAX REFUND OFFSET.

(a) CHANGED ORDER OF REFUND DISTRIBUTION UNDER INTERNAL REVENUE CODE.—Section 6402(c) of the Internal Revenue Code of 1986 (relating to offset of past-due support against overpayments) is amended by striking the third sentence.

(b) ELIMINATION OF DISPARITIES IN TREATMENT OF ASSIGNED AND NONASSIGNED ARREARAGES.—

(1) IN GENERAL.—Section 464(a) (42 U.S.C. 664(a)) is amended—

(A) in paragraph (1)—

(i) in the first sentence, by striking "which has been assigned to such State pursuant to section 402(a)(9) or section 471(a)(17)"; and

(ii) in the second sentence, by striking "in accordance with section 457 (b)(4) or (d)(3)" and inserting "as provided in paragraph (2)";

(B) in paragraph (2), to read as follows:

"(2) The State agency shall distribute amounts paid by the Secretary of the Treasury pursuant to paragraph (1)—

"(A) in accordance with subsection (a)(4) or (d)(3) of section 457, in the case of past-due support assigned to a State pursuant to section 402(a)(9) or section 471(a)(17); and

"(B) to or on behalf of the child to whom the support was owed, in the case of past-due support not so assigned.";

(C) in paragraph (3)—

(i) by striking "or (2)" each place it appears; and

(ii) in subparagraph (B), by striking "under paragraph (2)" and inserting "on account of past-due support described in paragraph (2)(B)".

(2) NOTICES OF PAST-DUE SUPPORT.—Section 464(b) (42 U.S.C. 664(b)) is amended—

(A) by striking "(b)(1)" and inserting "(b)"; and

(B) by striking paragraph (2).

(3) DEFINITION OF PAST-DUE SUPPORT.—Section 464(c) (42 U.S.C. 664(c)) is amended—

(A) by striking "(c)(1) Except as provided in paragraph (2), as" and inserting "(c) As"; and

(B) by striking paragraphs (2) and (3).

(c) EFFECTIVE DATE.—The amendments made by this section shall become effective October 1, 1999.

SEC. 462. INTERNAL REVENUE SERVICE COLLECTION OF ARREARAGES.

(a) AMENDMENT TO INTERNAL REVENUE CODE.—Section 6305(a) of the Internal Revenue Code of 1986 (relating to collection of certain liability) is amended—

(1) in paragraph (1), by inserting "except as provided in paragraph (5)" after "collected";

(2) by striking "and" at the end of paragraph (3);

(3) by striking the period at the end of paragraph (4) and inserting ", and";

(4) by adding at the end the following new paragraph:

"(5) no additional fee may be assessed for adjustments to an amount previously certified pursuant to such section 452(b) with respect to the same obligor."; and

(5) by striking "Secretary of Health, Education, and Welfare" each place it appears and inserting "Secretary of Health and Human Services".

(b) EFFECTIVE DATE.—The amendments made by this section shall become effective October 1, 1997.

SEC. 463. AUTHORITY TO COLLECT SUPPORT FROM FEDERAL EMPLOYEES.

(a) CONSOLIDATION AND STREAMLINING OF AUTHORITIES.—Section 459 (42 U.S.C. 659) is amended—

(1) in the heading, by inserting "INCOME WITHHOLDING," before "GARNISHMENT";

(2) in subsection (a)—

(A) by striking "section 207" and inserting "section 207 and section 5301 of title 38, United States Code"; and

(B) by striking "to legal process" and all that follows through the period and inserting "to withholding in accordance with State law pursuant to subsections (a)(1) and (b) of section 466 and regulations of the Secretary thereunder, and to any other legal process brought, by a State agency administering a program under this part or by an individual obligee, to enforce the legal obligation of such individual to provide child support or alimony.";

(3) by striking subsection (b) and inserting the following new subsection:

"(b) Except as otherwise provided herein, each entity specified in subsection (a) shall be subject, with respect to notice to withhold income pursuant to subsection (a)(1) or (b) of section 466, or to any other order or process to enforce support obligations against an individual (if such order or process contains or is accompanied by sufficient data to permit prompt identification of the individual and the moneys involved), to the same requirements as would apply if such entity were a private person.";

(4) by striking subsections (c) and (d) and inserting the following new subsections:

"(c)(1) The head of each agency subject to the requirements of this section shall—

"(A) designate an agent or agents to receive orders and accept service of process; and

"(B) publish—

"(i) in the appendix of such regulations;

"(ii) in each subsequent republication of such regulations; and

"(iii) annually in the Federal Register,

the designation of such agent or agents, identified by title of position, mailing address, and telephone number.

"(2) Whenever an agent designated pursuant to paragraph (1) receives notice pursuant to subsection (a)(1) or (b) of section 466, or is effectively served with any order, process, or interrogatories, with respect to an individual's child support or alimony payment obligations, such agent shall—

"(A) as soon as possible (but not later than 15 days) thereafter, send written notice of such notice or service (together with a copy thereof) to such individual at his duty station or last-known home address;

"(B) not later than 30 days (or such longer period as may be prescribed by applicable State law) after receipt of a notice pursuant to subsection (a)(1) or (b) of section 466, comply with all applicable provisions of such section 466; and

"(C) not later than 30 days (or such longer period as may be prescribed by applicable State law) after effective service of any other such order, process, or interrogatories, respond thereto.

"(d) In the event that a governmental entity receives notice or is served with process, as provided in this section, concerning amounts owed by an individual to more than 1 person—

"(1) support collection under section 466(b) must be given priority over any other process, as provided in section 466(b)(7);

"(2) allocation of moneys due or payable to an individual among claimants under section 466(b) shall be governed by the provisions of such section 466(b) and regulations thereunder; and

"(3) such moneys as remain after compliance with subparagraphs (A) and (B) shall be available to satisfy any other such processes on a first-come, first-served basis, with any such process being satisfied out of such moneys as remain after the satisfaction of all such processes which have been previously served.";

(5) in subsection (f)—

(A) by striking "(f)" and inserting "(f)(1)"; and

(B) by adding at the end the following new paragraph:

"(2) No Federal employee whose duties include taking actions necessary to comply with the requirements of subsection (a) with regard to any individual shall be subject under any law to any disciplinary action or civil or criminal liability or penalty for, or on account of, any disclosure of information made by him in connection with the carrying out of such duties."; and

(6) by adding at the end the following new subsections:

"(g) Authority to promulgate regulations for the implementation of the provisions of this section shall, insofar as the provisions of this section are applicable to moneys due from (or payable by)—

"(1) the executive branch of the Federal Government (including in such branch, for the purposes of this subsection, the territories and possessions of the United States, the United States Postal Service, the Postal Rate Commission, any wholly owned Federal corporation created by an Act of Congress, and the government of the District of Columbia), be vested in the President (or the President's designee);

"(2) the legislative branch of the Federal Government, be vested jointly in the President pro tempore of the Senate and the Speaker of the House of Representatives (or their designees); and

"(3) the judicial branch of the Federal Government, be vested in the Chief Justice of the United States (or the Chief Justice's designee).

"(h) Subject to subsection (i), moneys paid or payable to an individual which are considered to be based upon remuneration for employment, for purposes of this section—

"(1) consist of—

"(A) compensation paid or payable for personal services of such individual, whether such compensation is denominated as wages, salary, commission, bonus, pay, allowances, or otherwise (including severance pay, sick pay, and incentive pay);

"(B) periodic benefits (including a periodic benefit as defined in section 228(h)(3)) or other payments—

"(i) under the insurance system established by title II;

"(ii) under any other system or fund established by the United States which provides for the payment of pensions, retirement or retired pay, annuities, dependents' or survivors' benefits, or similar amounts payable on account of personal services performed by the individual or any other individual;

"(iii) as compensation for death under any Federal program;

"(iv) under any Federal program established to provide 'black lung' benefits; or

"(v) by the Secretary of Veterans Affairs as pension, or as compensation for a service-connected disability or death (except any compensation paid by such Secretary to a former member of the Armed Forces who is in receipt of retired or retainer pay if such former member has waived a portion of his retired pay in order to receive such compensation); and

"(C) worker's compensation benefits paid under Federal or State law; but

"(2) do not include any payment—

"(A) by way of reimbursement or otherwise, to defray expenses incurred by such individual in carrying out duties associated with his employment; or

"(B) as allowances for members of the uniformed services payable pursuant to chapter 7 of title 37, United States Code, as prescribed by the Secretaries concerned (defined by section 101(5) of such title) as necessary for the efficient performance of duty.

"(i) In determining the amount of any moneys due from, or payable by, the United States to any individual, there shall be excluded amounts which—

"(1) are owed by such individual to the United States;

"(2) are required by law to be, and are, deducted from the remuneration or other payment involved, including Federal employment taxes, and fines and forfeitures ordered by court-martial;

"(3) are properly withheld for Federal, State, or local income tax purposes, if the withholding of such amounts is authorized or required by law and if amounts withheld are not greater than would be the case if such individual claimed all the dependents that the individual was entitled to (the withholding of additional amounts pursuant to section 3402(i) of the Internal Revenue Code of 1986 may be permitted only when such individual presents evidence of a tax obligation which supports the additional withholding);

"(4) are deducted as health insurance premiums;

"(5) are deducted as normal retirement contributions (not including amounts deducted for supplementary coverage); or

"(6) are deducted as normal life insurance premiums from salary or other remuneration for employment (not including amounts deducted for supplementary coverage).

"(j) For purposes of this section—".

(b) TRANSFER OF SUBSECTIONS.—Subsections (a) through (d) of section 462 (42 U.S.C. 662), are transferred and redesignated as paragraphs (1) through (4), respectively, of section 459(j) (as added by subsection (a)(6)), and the left margin of each of such paragraphs (1) through (4) is indented 2 ems to the right of the left margin of subsection (j) (as added by subsection (a)(6)).

(c) CONFORMING AMENDMENTS.—

(1) TO PART D OF TITLE IV.—Sections 461 and 462 (42 U.S.C. 661) are repealed.

(2) TO TITLE 5, UNITED STATES CODE.—Section 5520a of title 5, United States Code, is amended, in subsections (h)(2) and (i), by striking "sections 459, 461, and 462 of the Social Security Act (42 U.S.C. 659, 661, and 662)" each place it appears and inserting "section 459 of the Social Security Act (42 U.S.C. 659)".

(d) MILITARY RETIRED AND RETAINER PAY.—Section 1408 of title 10, United States Code, is amended—

(1) in subsection (a)—

(A) in paragraph (1)—

(i) in subparagraph (B), by striking "and";

(ii) in subparagraph (C), by striking the period and inserting "; and"; and

(iii) by adding at the end the following new subparagraph:

"(D) any administrative or judicial tribunal of a State competent to enter orders for support or maintenance (including a State agency administering a State program under part D of title IV of the Social Security Act).";

(B) in paragraph (2), by inserting "or a court order for the payment of child support not included in or accompanied by such a decree or settlement," before "which—";

(2) in subsection (d)—

(A) in the heading, by inserting "(OR FOR BENEFIT OF)" after "CONCERNED"; and

(B) in paragraph (1), in the first sentence, by inserting "(or for the benefit of such spouse or former spouse to a State central collections unit or other public payee designated by a State, in accordance with part D of title IV of the Social Security Act, as directed by court order, or as otherwise directed in accordance with such part D)" before "in an amount sufficient"; and

(3) by adding at the end the following new subsection:

"(j) RELATIONSHIP TO OTHER LAWS.—In any case involving a child support order against a member who has never been married to the other parent of the child, the provisions of this section shall not apply, and the case shall be subject to the provisions of section 459 of the Social Security Act.".

(e) EFFECTIVE DATE.—The amendments made by this section shall become effective 6 months after the date of the enactment of this Act.

SEC. 464. ENFORCEMENT OF CHILD SUPPORT OBLIGATIONS OF MEMBERS OF THE ARMED FORCES.

(a) AVAILABILITY OF LOCATOR INFORMATION.—

(1) MAINTENANCE OF ADDRESS INFORMATION.—The Secretary of Defense shall establish a centralized personnel locator service that includes the address of each member of the Armed Forces under the jurisdiction of the Secretary. Upon request of the Secretary of Transportation, addresses for members of the Coast Guard shall be included in the centralized personnel locator service.

(2) TYPE OF ADDRESS.—

(A) RESIDENTIAL ADDRESS.—Except as provided in subparagraph (B), the address for a member of the Armed Forces shown in the locator service shall be the residential address of that member.

(B) DUTY ADDRESS.—The address for a member of the Armed Forces shown in the locator service shall be the duty address of that member in the case of a member—

(i) who is permanently assigned overseas, to a vessel, or to a routinely deployable unit; or

(ii) with respect to whom the Secretary concerned makes a determination that the member's residential address should not be disclosed due to national security or safety concerns.

(3) UPDATING OF LOCATOR INFORMATION.—Not later than 30 days after a member listed in the locator service establishes a new residential address (or a new duty address, in the case of a member covered by paragraph (2)(B)), the Secretary concerned shall update the locator service to indicate the new address of the member.

(4) AVAILABILITY OF INFORMATION.—The Secretary of Defense shall make information regarding the address of a member of the Armed Forces listed in the locator service available, on request, to the Federal Parent Locator Service.

(b) FACILITATING GRANTING OF LEAVE FOR ATTENDANCE AT HEARINGS.—

(1) REGULATIONS.—The Secretary of each military department, and the Secretary of Transportation with respect to the Coast Guard when it is not operating as a service in the Navy, shall prescribe regulations to facilitate the granting of leave to a member of the Armed Forces under the jurisdiction of that Secretary in a case in which—

(A) the leave is needed for the member to attend a hearing described in paragraph (2);

(B) the member is not serving in or with a unit deployed in a contingency operation (as defined in section 101 of title 10, United States Code); and

(C) the exigencies of military service (as determined by the Secretary concerned) do not otherwise require that such leave not be granted.

(2) COVERED HEARINGS.—Paragraph (1) applies to a hearing that is conducted by a court or pursuant to an administrative process established under State law, in connection with a civil action—

(A) to determine whether a member of the Armed Forces is a natural parent of a child; or

(B) to determine an obligation of a member of the Armed Forces to provide child support.

(3) DEFINITIONS.—For purposes of this subsection:

(A) The term "court" has the meaning given that term in section 1408(a) of title 10, United States Code.

(B) The term "child support" has the meaning given such term in section 462 of the Social Security Act (42 U.S.C. 662).

(c) PAYMENT OF MILITARY RETIRED PAY IN COMPLIANCE WITH CHILD SUPPORT ORDERS.—Section 1408 of title 10, United States Code, as amended by section 463(d)(3), is amended—

(1) by redesignating subsections (i) and (j) as subsections (j) and (k), respectively;

(2) by inserting after subsection (h) the following new subsection:

"(i) CERTIFICATION DATE.—It is not necessary that the date of a certification of the authenticity or completeness of a copy of a court order or an order of an administrative process established under State law for child support received by the Secretary concerned for the purposes of this section be recent in relation to the date of receipt by the Secretary."; and

(3) in subsection (d)—

(A) in paragraph (1), by inserting after the first sentence the following: "In the case of a spouse or former spouse who, pursuant to section 402(a)(9) of the Social Security Act (42 U.S.C. 602(26)), assigns to a State the rights of the spouse or former spouse to receive support, the Secretary concerned may make the child support payments referred to in the preceding sentence to that State in amounts consistent with that assignment of rights."; and

(B) by adding at the end the following new paragraph:

"(6) In the case of a court order or an order of an administrative process established under State law for which effective service is made on the Secretary concerned on or after the date of the enactment of this paragraph and which provides for payments from the disposable retired pay of a member to satisfy the amount of child support set forth in the order, the authority provided in paragraph (1) to make payments from the disposable retired pay of a member to satisfy the amount of child support set forth in a court order or an order of an administrative process established under State law shall apply to payment of any amount of child support arrearages set forth in that order as well as to amounts of child support that currently become due.".

SEC. 465. MOTOR VEHICLE LIENS.

Section 466(a)(4) (42 U.S.C. 666(a)(4)) is amended—

(1) by striking "(4)" and inserting "(4)(A)"; and

(2) by adding at the end the following new subparagraphs:

"(B) Procedures for placing liens for arrearages of child support on motor vehicle titles of individuals owing such arrearages equal to or exceeding 1 month of support (or other minimum amount set by the State), under which—

"(i) any person owed such arrearages may place such a lien;

"(ii) the State agency administering the program under this part shall systematically place such liens;

"(iii) expedited methods are provided for—

"(I) ascertaining the amount of arrears;

"(II) affording the person owing the arrears or other titleholder to contest the amount of arrears or to obtain a release upon fulfilling the support obligation;

"(iv) such a lien has precedence over all other encumbrances on a vehicle title other than a purchase money security interest; and

"(v) the individual or State agency owed the arrears may execute on, seize, and sell the property in accordance with State law.

"(C) Procedures under which—

"(i) liens arise by operation of law against real and personal property for amounts of overdue support owed by an absent parent who resides or owns property in the State; and

"(ii) the State accords full faith and credit to such liens which arise in another State, without registration of the underlying order which is the basis for such lien.".

SEC. 466. VOIDING OF FRAUDULENT TRANSFERS.

Section 466(a) (42 U.S.C. 666(a)), as amended by sections 401(a), 427(a), 431, and 434, is amended by adding at the end the following new paragraph:

"(16) Procedures under which—

"(A) the State has in effect—

"(i) the Uniform Fraudulent Conveyance Act of 1981,

"(ii) the Uniform Fraudulent Transfer Act of 1984, or

"(iii) another law, specifying indicia of fraud which create a prima facie case that a debtor transferred income or property to avoid payment to a child support creditor, which the Secretary finds affords comparable rights to child support creditors; and

"(B) in any case in which the State knows of a transfer by a child support debtor with respect to which such a prima facie case is established, the State must—

"(i) seek to void such transfer; or

"(ii) obtain a settlement in the best interests of the child support creditor.".

SEC. 467. STATE LAW AUTHORIZING SUSPENSION OF LICENSES.

Section 466(a) (42 U.S.C. 666(a)), as amended by sections 401(a), 427(a), 431, 434, and 466, is amended by adding at the end the following new paragraph:

"(17) Procedures under which the State has (and uses in appropriate cases) authority (subject to appropriate due process safeguards) to withhold or suspend, or to restrict the use of driver's licenses, professional and occupational licenses, and recreational licenses of individuals owing overdue child support or failing, after receiving appropriate notice, to comply with subpoenas or warrants relating to paternity or child support proceedings.".

SEC. 468. REPORTING ARREARAGES TO CREDIT BUREAUS.

Section 466(a)(7) (42 U.S.C. 666(a)(7)) is amended to read as follows:

"(7)(A) Procedures (subject to safeguards pursuant to subparagraph (B)) requiring the State to report periodically to consumer reporting agencies (as defined in section 603(f) of the Fair Credit Reporting Act (15 U.S.C. 1681a(f)) the name of any absent parent who is delinquent in the payment of support, and the amount of overdue support owed by such parent.

"(B) Procedures ensuring that, in carrying out subparagraph (A), information with respect to an absent parent is reported—

"(i) only after such parent has been afforded all due process required under State law, including notice and a reasonable opportunity to contest the accuracy of such information; and

"(ii) only to an entity that has furnished evidence satisfactory to the State that the entity is a consumer reporting agency.".

SEC. 469. EXTENDED STATUTE OF LIMITATION FOR COLLECTION OF ARREARAGES.

(a) IN GENERAL.—Section 466(a)(9) (42 U.S.C. 666(a)(9)) is amended—

(1) by redesignating subparagraphs (A), (B), and (C) as clauses (i), (ii), and (iii), respectively;

(2) by striking "(9)" and inserting "(9)(A)"; and

(3) by adding at the end the following new subparagraph:

"(B) Procedures under which the statute of limitations on any arrearages of child support extends at least until the child owed such support is 30 years of age.".

(b) APPLICATION OF REQUIREMENT.—The amendment made by this section shall not be interpreted to require any State law to revive any payment obligation which had lapsed prior to the effective date of such State law.

SEC. 470. CHARGES FOR ARREARAGES.

(a) STATE LAW REQUIREMENT.—Section 466(a) (42 U.S.C. 666(a)), as amended by sections 401(a), 427(a), 431, 434, 466, and 467, is amended by adding at the end the following new paragraph:

"(18) Procedures providing for the calculation and collection of interest or penalties for arrearages of child support, and for distribution of such interest or penalties collected for the benefit of the child (except where the right to support has been assigned to the State).".

(b) REGULATIONS.—The Secretary of Health and Human Services shall establish by regulation a rule to resolve choice of law conflicts arising in the implementation of the amendment made by subsection (a).

(c) CONFORMING AMENDMENT.—Section 454(21) (42 U.S.C. 654(21)) is repealed.

(d) EFFECTIVE DATE.—The amendments made by this section shall be effective with respect to arrearages accruing on or after October 1, 1998.

SEC. 471. DENIAL OF PASSPORTS FOR NONPAYMENT OF CHILD SUPPORT.

(a) HHS CERTIFICATION PROCEDURE.—

(1) SECRETARIAL RESPONSIBILITY.—Section 452 (42 U.S.C. 652), as amended by sections 415(a)(3) and 417, is amended by adding at the end the following new subsection:

"(l)(1) If the Secretary receives a certification by a State agency in accordance with the requirements of section 454(29) that an individual owes arrearages of child support in an amount exceeding $5,000 or in an amount exceeding 24 months' worth of child support, the Secretary shall transmit such certification to the Secretary of State for action (with respect to denial, revocation, or limitation of passports) pursuant to section 471(b) of the Interstate Child Support Responsibility Act of 1995.

"(2) The Secretary shall not be liable to an individual for any action with respect to a certification by a State agency under this section.".

(2) STATE CHILD SUPPORT ENFORCEMENT AGENCY RESPONSIBILITY.—Section 454 (42 U.S.C. 654), as amended by sections 404(a), 405, 414(b), 422(a), and 423(a) is amended—

(A) by striking "and" at the end of paragraph (28);

(B) by striking the period at the end of paragraph (29) and inserting "; and"; and

(C) by adding after paragraph (29) the following new paragraph:

"(30) provide that the State agency will have in effect a procedure (which may be combined with the procedure for tax refund offset under section 464) for certifying to the Secretary, for purposes of the procedure under section 452(l) (concerning denial of passports) determinations that individuals owe arrearages of child support in an amount exceeding $5,000 or in an amount exceeding 24 months' worth of child support, under which procedure—

"(A) each individual concerned is afforded notice of such determination and the consequences thereof, and an opportunity to contest the determination; and

"(B) the certification by the State agency is furnished to the Secretary in such format, and accompanied by such supporting documentation, as the Secretary may require.".

(b) STATE DEPARTMENT PROCEDURE FOR DENIAL OF PASSPORTS.—

(1) IN GENERAL.—The Secretary of State, upon certification by the Secretary of Health and Human Services, in accordance with section 452(l) of the Social Security Act, that an individual owes arrearages of child support in excess of $5,000 or in an amount exceeding 24 months' worth of child support, shall refuse to issue a passport to such individual, and may revoke, restrict, or limit a passport issued previously to such individual.

(2) LIMIT ON LIABILITY.—The Secretary of State shall not be liable to an individual for any action with respect to a certification by a State agency under this section.

(c) EFFECTIVE DATE.—This section and the amendments made by this section shall become effective October 1, 1996.

SEC. 472. INTERNATIONAL CHILD SUPPORT ENFORCEMENT.

(a) SENSE OF THE CONGRESS THAT THE UNITED STATES SHOULD RATIFY THE UNITED NATIONS CONVENTION OF 1956.—It is the sense of the Congress that the United States should ratify the United Nations Convention of 1956.

(b) TREATMENT OF INTERNATIONAL CHILD SUPPORT CASES AS INTERSTATE CASES.—Section 454 (42 U.S.C. 654), as amended by sections 404(a), 405, 414(b), 422(a), 423(a), and 471(a)(2), is amended—

(1) by striking "and" at the end of paragraph (29);

(2) by striking the period at the end of paragraph (30) and inserting "; and"; and

(3) by inserting after paragraph (30) the following new paragraph:

"(31) provide that the State must treat international child support cases in the same manner as the State treats interstate child support cases under the plan.".

PART VIII—MEDICAL SUPPORT

SEC. 481. TECHNICAL CORRECTION TO ERISA DEFINITION OF MEDICAL CHILD SUPPORT ORDER.

(a) IN GENERAL.—Section 609(a)(2)(B) of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1169(a)(2)(B)) is amended—

(1) by striking "issued by a court of competent jurisdiction";

(2) in clause (ii) by striking the period and inserting a comma; and

(3) by adding after clause (ii), the following flush left language:

"if such judgment, decree, or order (I) is issued by a court of competent jurisdiction or (II) is issued by an administrative adjudicator and has the force and effect of law under applicable State law.".

(b) EFFECTIVE DATE.—

(1) IN GENERAL.—The amendments made by this section shall become effective on the date of the enactment of this Act.

(2) PLAN AMENDMENTS NOT REQUIRED UNTIL JANUARY 1, 1996.—

(A) IN GENERAL.—Any amendment to a plan required to be made by an amendment made by this section shall not be required to be made before the first plan year beginning on or after January 1, 1996, if—

(i) during the period after the date before the date of the enactment of this Act and before such first plan year, the plan is operated in accordance with the requirements of the amendments made by this section; and

(ii) such plan amendment applies retroactively to the period after the date before the date of the enactment of this Act and before such first plan year.

(B) NO FAILURE FOR COMPLIANCE WITH THIS PARAGRAPH.—A plan shall not be treated as failing to be operated in accordance with the provisions of the plan merely because it operates in accordance with this paragraph.

PART IX—ACCESS AND VISITATION PROGRAMS

SEC. 491. GRANTS TO STATES FOR ACCESS AND VISITATION PROGRAMS.

Part D of title IV is amended by adding at the end the following new section:

"GRANTS TO STATES FOR ACCESS AND VISITATION PROGRAMS

"SEC. 469A. (a) PURPOSES; AUTHORIZATION OF APPROPRIATIONS.—For purposes of enabling States to establish and administer programs to support and facilitate absent parents' access to and visitation of their children, by means of activities including mediation (both voluntary and mandatory), counseling, education, development of parenting plans, visitation enforcement (including monitoring, supervision, and neutral drop-off and pickup), and development of guidelines for visitation and alternative custody arrangements, there are authorized to be appropriated $5,000,000 for each of fiscal years 1996 and 1997, and $10,000,000 for each succeeding fiscal year.

"(b) PAYMENTS TO STATES.—

"(1) IN GENERAL.—Each State shall be entitled to payment under this section for each fiscal year in an amount equal to its allotment under subsection (c) for such fiscal year, to be used for payment of 90 percent of State expenditures for the purposes specified in subsection (a).

"(2) SUPPLEMENTARY USE.—Payments under this section shall be used by a State to supplement (and not to substitute for) expenditures by the State, for activities specified in subsection (a), at a level at least equal to the level of such expenditures for fiscal year 1994.

"(c) ALLOTMENTS TO STATES.—

"(1) IN GENERAL.—For purposes of subsection (b), each State shall be entitled (subject to paragraph (2)) to an amount for each fiscal year bearing the same ratio to the amount authorized to be appropriated pursuant to subsection (a) for such fiscal year as the number of children in the State living with only 1 biological parent bears to the total number of such children in all States.

"(2) MINIMUM ALLOTMENT.—Allotments to States under paragraph (1) shall be adjusted as necessary to ensure that no State is allotted less than $50,000 for fiscal year 1996 or 1997, or $100,000 for any succeeding fiscal year.

"(d) FEDERAL ADMINISTRATION.—The program under this section shall be administered by the Administration for Children and Families.

"(e) STATE PROGRAM ADMINISTRATION.—

"(1) IN GENERAL.—Each State may administer the program under this section directly or through grants to or contracts with courts, local public agencies, or non-profit private entities.

"(2) STATEWIDE PLAN PERMISSIBLE.—State programs under this section may, but need not, be statewide.

"(3) EVALUATION.—States administering programs under this section shall monitor, evaluate, and report on such programs in accordance with requirements established by the Secretary.".

Subtitle B—Child Support Enforcement and Assurance Demonstrations

SEC. 494. CHILD SUPPORT ENFORCEMENT AND ASSURANCE DEMONSTRATIONS.

(a) DEMONSTRATIONS AUTHORIZED.—

(1) INITIAL PROJECTS.—The Secretary of Health and Human Services (hereafter in this section referred to as the "Secretary") shall make grants to three States for demonstrations under this section to determine the effectiveness of programs to provide assured levels of child support to custodial parents of children for whom paternity and support obligations have been established.

(b) DURATION OF PROJECTS.—

(1) TOTAL PROJECT PERIOD.—The Secretary shall make grants to States for demonstrations under this section beginning in fiscal year 1997, for periods of 7 to 10 years.

(2) PHASEDOWN PERIOD.—Each State implementing a demonstration project under this section shall—

(A) phase out activities under such demonstration during the final two years of the project; and

(B) obtain the Secretary's approval, before the beginning of such phasedown period, of a plan for accomplishing such phasedown.

(c) CONSIDERATIONS IN SELECTION OF PROJECTS.—

(1) SCOPE.—Projects under this section may, but need not, be statewide in scope.

(2) STATE ADMINISTRATION.—

(A) RESPONSIBLE STATE AGENCY.—A State demonstration project under this section shall be administered either by the State agency administering the program under title IV–D of the Social Security Act or the State department of revenue and taxation.

(B) AUTOMATION.—The State agency described in subparagraph (A) shall operate (or have automated access to) the automated data system required under section 454(16) of the Social Security Act, and shall have adequate automated capacity to carry out the project under this section (including the timely distribution of child support assurance benefits).

(3) CONTROLS.—At least one demonstration project under this section shall include randomly assigned control groups.

(d) ELIGIBILITY.—

(1) IN GENERAL.—Child support assurance payments under projects under this section shall be available only to children for whom paternity and support obligations have been established (or with respect to whom a determination has been made that efforts to establish paternity or support would not be in the best interests of the child).

(2) FAMILIES WITH SHARED CUSTODY.—In cases where both parents share custody of a child, a parent and child shall not be eligible for benefits under a demonstration under this section unless—

(A) a support order is in effect entitling such parent to support payments in excess of the minimum benefit; or

(B) the agency or tribunal which issued the order certifies that the child support award would be below such minimum benefit if either parent was awarded sole custody and the guidelines under section 467 were applied.

(3) STATE OPTION TO BASE ELIGIBILITY ON NEED.—At State option, eligibility for benefits under a demonstration under this section may be limited to families with incomes and resources below a standard of need established by the State.

(f) BENEFIT AMOUNTS.—

(1) RANGE OF BENEFIT LEVELS.—States shall have flexibility to set annual benefit levels under demonstrations under this section, provided that (subject to the remaining provisions of this subsection) such levels—

(A) are not lower than $1,500 for a family with one child or $3,000 for a family with four or more children; and

(B) are not higher than $3,000 for a family with one child or $4,500 for a family with four or more children;

(2) INDEXING.—Annual benefit levels for each fiscal year after fiscal year 1996 shall be indexed to reflect the change in the Consumer Price Index.

(3) UNMATCHED EXCESS BENEFITS.—The Secretary may permit States to pay benefits higher than a maximum specified in paragraphs (1) and (2), but Federal matching of such payments shall not be available for benefits in excess of the amounts specified in paragraph (1) (as adjusted in accordance with paragraph (2)) by more than $25 per month.

(g) TREATMENT OF BENEFITS.—

(1) FOR PURPOSES OF TRANSITIONAL AID.—The amount of aid otherwise payable to a family under title IV–A of the Social Security Act shall be reduced by an amount equal to the amount of child support assurance paid to such family (or, at the Secretary's discretion, by a percentage of such amount paid specified by the Secretary).

(2) TREATMENT OF BENEFITS FOR PURPOSES OF OTHER BENEFIT PROGRAMS.—

(A) IN GENERAL.—Except as provided in subparagraph (B), child support assurance paid to a family shall be considered ordinary income for purposes of determining eligibility for and benefits under any Federal or State program.

(B) DEEMED TRANSITIONAL AID ELIGIBILITY.—At State option, a child (or family) that is ineligible for aid under title IV–A of the Social Security Act because of payments under a demonstration under this section may be deemed to be receiving such aid for purposes of determining eligibility for other Federal and State programs.

(3) FOR TAX PURPOSES.—Child support assurance which is paid to a family under this section and is not reimbursed from a child support collection from a noncustodial parent shall be considered ordinary income for purposes of Federal and State tax liability.

(h) WORK PROGRAM OPTION.—At the option of the State grantee, a demonstration under this section may include a work program for unemployed noncustodial parents of eligible children.

(i) AVAILABILITY OF APPROPRIATIONS FOR PAYMENTS TO STATES.—

(1) STATE ENTITLEMENT TO IV–D FUNDING.—A State administering an approved demonstration under this section in a calendar quarter shall be entitled to payments for such quarter, pursuant to section 455 of the Social Security Act for the Federal share of reasonable and necessary expenditures (including expenditures for benefit payments and for associated administrative costs) under such project, in an amount (subject to paragraphs (2) and (3)) equal to—

(A) with respect to that portion of such expenditures equal to the reduction of expenditures under title IV–A of the Social Security Act pursuant to subsection (g)(1), a percentage equal to the percentage that would have been paid if such expenditures had been made under such title IV–A; and

(B) 90 percent of the remainder of such expenditures.

(2) STATES WITH LOW TRANSITIONAL AID BENEFITS.—In the case of a State in which benefit levels under title IV–A of the Social Security Act are below the national median for such payments, the Secretary may elect to provide 90 percent Federal matching of a portion of expenditures under a project under this section that would otherwise be matched at the rate specified in paragraph (1)(A).

(3) FUNDING LIMITS; PRO RATA REDUCTIONS OF STATE MATCHING.—

(A) FUNDS AVAILABLE.—There shall be available to the Secretary, from amounts appropriated to carry our part D of title IV of the Social Security Act, for purposes of carrying out demonstrations under this section, amounts not to exceed—

(i) $27,000,000 for fiscal year 1997;

(ii) $55,000,000 for fiscal year 1998;

(iii) $70,000,000 for each of fiscal years 1999 through 2002; and

(iv) $55,000,000 for fiscal year 2003.

(B) PRO RATA REDUCTIONS.—The Secretary shall make pro rata reductions in the amounts otherwise payable to States under this section as necessary to comply with the funding limitation specified in subparagraph (A).

(j) DISTRIBUTION OF CHILD SUPPORT COLLECTIONS.—Notwithstanding section 457 of the Social Security Act, support payments collected from the noncustodial parent of a child receiving (or who has received) child support assurance payments under this section shall be distributed as follows:

(1) first, amounts equal to the total support owed for such month shall be paid to the family;

(2) second, from any remainder, amounts owed to the State on account of child support assurance payments to the family shall be paid to the State (with appropriate reimbursement to the Federal Government of its share to such payments);

(3) third, from any remainder, arrearages of support owed to the family shall be paid to the family; and

(4) fourth, from any remainder, amounts owed to the State on account of current or past payments of aid under title IV–A of the Social Security Act shall be paid to the State (with appropriate reimbursement to the Federal Government of its share of such payments).

(k) EVALUATIONS AND REPORTS.—

(1) STATE EVALUATIONS.—Each State administering a demonstration project under this section shall—

(A) provide for ongoing and retrospective evaluation of the project, meeting such conditions and standards as the Secretary may require; and

(B) submit to the Secretary such reports (at such times, in such format, and containing such information) as the Secretary may require, including at least an interim report not later than 90 days after the end of the fourth year of the project, and a final report not later than one year after the completion of the project, which shall include information on and analysis of the effect of the project with respect to—

(i) the economic circumstances of both noncustodial and custodial parents;

(ii) the rate of compliance by noncustodial parents with support orders;

(iii) work-force participation by both custodial and noncustodial parents;

(iv) the need for or amount of transitional aid to families with needy children under title IV–A of the Social Security Act;

(v) paternity establishment rates; and

(vi) any other matters the Secretary may specify.

(2) REPORTS TO CONGRESS.—The Secretary shall, on the basis of reports received from States administering projects under this section, make the following reports, containing an assessment of the effectiveness of the projects and any recommendations the Secretary considers appropriate:

(A) an interim report, not later than 6 months following receipt of the interim State reports required by paragraph (1)(B); and

(B) a final report, not later than 6 months following receipt of the final State reports required under such paragraph.

(3) FUNDING FOR COSTS TO SECRETARY.—There are authorized to be appropriated $10,000,000 for fiscal year 1997, to remain available until expended, for payment of the cost of evaluations by the Secretary of the demonstrations carried out under this section.

Subtitle C—Demonstration Projects To Provide Services to Certain Noncustodial Parents

SEC. 495. ESTABLISHMENT OF DEMONSTRATION PROJECTS FOR PROVIDING SERVICES TO CERTAIN NONCUSTODIAL PARENTS.

(a) IN GENERAL.—The Secretary of Health and Human Services (hereafter in this section referred to as the "Secretary") shall make grants to not more than 5 States to conduct demonstration projects in accordance with subsection (b) for the purpose of providing services to noncustodial parents who are unable to meet child support obligations due to unemployment or underemployment.

(b) REQUIREMENTS OF PROJECT.—A project conducted in accordance with this subsection shall provide noncustodial parents who are unable to meet child support obligations due to unemployment or underemployment with the following services:

(1) Assessment of job readiness.

(2) Referrals to job training and education programs.

(3) Court monitored job search.

(4) Court ordered participation in State work programs or other specialized employment programs.

(5) Technical assistance and information and interpretation of legal proceedings.

(6) Information dissemination and referrals to other available services.

(7) Other services determined by the State.

(c) APPLICATIONS.—Each State desiring to conduct a demonstration project under this section shall prepare and submit to the Secretary an application at such time, in such manner, and containing such information as the Secretary may require.

(d) REPORTS.—A State that conducts a demonstration project under this section shall prepare and submit to the Secretary annual and final reports in such form and containing such information as the Secretary may require.

(e) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated $1,000,000 for each of fiscal years 1997 through 1999 for the purpose of conducting demonstration projects in accordance with this section.

Subtitle D—Severability

SEC. 496. SEVERABILITY.

If any provision of subtitle A or the application thereof to any person or circumstance is held invalid, the invalidity shall not affect other provisions or applications of subtitle A which can be given effect without regard to the invalid provision or application, and to this end the provisions of subtitle A shall be severable.

TITLE V—TRANSITIONAL MEDICAID

SEC. 501. STATE OPTION TO EXTEND TRANSITIONAL MEDICAID BENEFITS.

(a) OPTIONAL EXTENSION OF MEDICAID ENROLLMENT FOR FORMER TRANSITIONAL AID PROGRAM RECIPIENTS FOR 1 ADDITIONAL YEAR.—

(1) IN GENERAL.—Section 1925(b)(1) (42 U.S.C. 1396r–6(b)(1)) is amended by striking the period at the end and inserting the following: ", and may provide that the State may offer to each such family the option of extending coverage under this subsection for any of the first 2 succeeding 6-month periods, in the same manner and under the same conditions as the option of extending coverage under this subsection for the first succeeding 6-month period.".

(2) CONFORMING AMENDMENTS.—

(A) IN GENERAL.—Section 1925 (42 U.S.C. 1396r–6) is amended—

(i) in subsection (b)—

(I) in the heading, by striking "EXTENSION" and inserting "EXTENSIONS";

(II) in the heading of paragraph (1), by striking "REQUIREMENT" and inserting "IN GENERAL";

(III) in paragraph (2)(B)(ii)—

(aa) in the heading, by striking "PERIOD" and inserting "PERIODS"; and

(bb) by striking "in the period" and inserting "in each of the 6-month periods";

(IV) in paragraph (3)(A), by striking "the 6-month period" and inserting "any 6-month period";

(V) in paragraph (4)(A), by striking "the extension period" and inserting "any extension period"; and

(VI) in paragraph (5)(D)(i), by striking "is a 3-month period" and all that follows and inserting the following: "is, with respect to a particular 6-month additional extension period provided under this subsection, a 3-month period beginning with the 1st or 4th month of such extension period."; and

(ii) by striking subsection (f).

(B) FAMILY SUPPORT ACT.—Section 303(f)(2) of the Family Support Act of 1988 (42 U.S.C. 602 note) is amended—

(i) by striking "(A)"; and

(ii) by striking subparagraphs (B) and (C).

(b) EFFECTIVE DATE.—

(1) IN GENERAL.—Except as provided in paragraph (2), the amendments made by subsection (a) shall apply to calendar quarters beginning on or after October 1, 1996, without regard to whether final regulations to carry out such amendments have been promulgated by such date.

(2) WHEN STATE LEGISLATION IS REQUIRED.—In the case of a State plan for medical assistance under title XIX of the Social Security Act which the Secretary of Health and Human Services determines requires State legislation (other than legislation appropriating funds) in order for the plan to meet the additional requirements imposed by the amendments made by subsection (a), the State plan shall not be regarded as failing to comply with the requirements of such title solely on the basis of its failure to meet these additional requirements before the first day of the first calendar quarter beginning after the close of the first regular session of the State legislature that begins after the date of the enactment of this Act. For purposes of the previous sentence, in the case of a State that has a 2-year legislative session, each year of such session shall be deemed to be a separate regular session of the State legislature.

TITLE VI—TEENAGE PREGNANCY PREVENTION

SEC. 601. SUPERVISED LIVING ARRANGEMENTS FOR MINORS.

Section 402(a) (42 U.S.C. 602(a)), as amended by section 101, is amended by adding at the end the following new paragraph:

"(13) RESIDENCY REQUIREMENT FOR TEENAGE PARENTS.—The State plan shall provide that—

"(A) IN GENERAL.—Except as provided in subparagraph (B)(i), in the case of any individual who is under the age of 18 and has never married, and who has a dependent child in his or her care (or is pregnant and is eligible for transitional aid to families with needy children under the State plan)—

"(i) such individual may receive transitional aid to families with needy children under the plan for the individual and such child (or for the individual if the individual is a pregnant woman) only if such individual and child (or such pregnant woman) reside in a place of residence maintained by a parent, legal guardian, or other adult relative of such individual as such parent's, guardian's, or adult relative's own home; and

"(ii) such aid (where possible) shall be provided to the parent, legal guardian, or other adult relative on behalf of such individual and child.

"(B) EXCEPTION.—

"(i) ASSISTANCE IN LOCATING ADULT-SUPERVISED LIVING ARRANGEMENT.—In the case of an individual described in clause (ii)—

"(I) the State agency shall assist such individual in locating an appropriate adult-supervised supportive living arrangement taking into consideration the needs and concerns of the individual, unless the State agency determines that the individual's current living arrangement is appropriate, and thereafter shall require that the individual (and child, if any) reside in such living arrangement as a condition of the continued receipt of aid under the plan (or in an alternative appropriate arrangement, should circumstances change and the current arrangement cease to be appropriate), or

"(II) if the State agency is unable, after making diligent efforts, to locate any such appropriate living arrangement, it shall provide for comprehensive case management, monitoring, and other social services consistent with the best interests of the individual (and child) while living independently.

"(ii) Individual described.—For purposes of clause (i), an individual is described in this clause if—

"(I) such individual has no parent or legal guardian of his or her own who is living and whose whereabouts are known;

"(II) no living parent or legal guardian of such individual allows the individual to live in the home of such parent or guardian;

"(III) the State agency determines that the physical or emotional health of such individual or any dependent child of the individual would be jeopardized if such individual and such dependent child lived in the same residence with such individual's own parent or legal guardian; or

"(IV) the State agency otherwise determines (in accordance with regulations issued by the Secretary) that it is in the best interest of the dependent child to waive the requirement of subparagraph (A) with respect to such individual.".

SEC. 602. REINFORCING FAMILIES.

(a) In General.—Title XX (42 U.S.C. 1397-1397e) is amended by adding at the end the following new section:

"SEC. 2008. SECOND CHANCE HOUSES.

"(a) Entitlement.—

"(1) In general.—In addition to any payment under sections 2002 and 2007, beginning with fiscal year 1996, each State shall be entitled to funds under this section for each fiscal year for the establishment, operation, and support of second chance houses for custodial parents under the age of 19 and their children.

"(2) Payment to states.—

"(A) In general.—Each State shall be entitled to payment under this section for each fiscal year in an amount equal to its allotment (determined in accordance with subsection (b)) for such fiscal year, to be used by such State for the purposes set forth in paragraph (1).

"(B) Transfers of funds.—The Secretary shall make payments in accordance with section 6503 of title 31, United States Code, to each State from its allotment for use under this title.

"(C) Use.—Payments to a State from its allotment for any fiscal year must be expended by the State in such fiscal year or in the succeeding fiscal year.

"(D) Technical assistance.—A State may use a portion of the amounts described in subparagraph (A) for the purpose of purchasing technical assistance from public or private entities if the State determines that such assistance is required in developing, implementing, or administering the program funded under this section.

"(3) Second chance houses.—For purposes of this section, the term 'second chance houses' means an entity that provides custodial parents under the age of 19 and their children with a supportive and supervised living arrangement in which such parents would be required to learn parenting skills, including child development, family budgeting, health and nutrition, and other skills to promote their long-term economic independence and the well-being of their children. A second chance house may also serve as a network center for other supportive services that might be available in the community.

"(b) Allotment.—

"(1) Certain jurisdictions.—The allotment for any fiscal year to each of the jurisdictions of Puerto Rico, Guam, the Virgin Islands, American Samoa, and the Northern Mariana Islands shall be an amount which bears the same ratio to the amount specified under paragraph (3) as the allotment that the jurisdiction receives under section 2003(a) for the fiscal year bears to the total amount specified for such fiscal year under section 2003(c).

"(2) Other states.—The allotment for any fiscal year for each State other than the jurisdictions of Puerto Rico, Guam, the Virgin Islands, American Samoa, and the Northern Mariana Islands shall be an amount which bears the same ratio to—

"(A) the amount specified under paragraph (3); reduced by

"(B) the total amount allotted to those jurisdictions for that fiscal year under paragraph (1),

as the allotment that the State receives under section 2003(b) for the fiscal year bears to the total amount specified for such fiscal year under section 2003(c).

"(3) Amount specified.—The amount specified for purposes of paragraphs (1) and (2) shall be $40,000,000 for fiscal year 1996 and each subsequent fiscal year.

"(c) Local Involvement.—Each State shall seek local involvement from the community in any area in which a second chance house receiving funds pursuant to this section is to be established. In determining criteria for targeting funds received under this section, each State shall evaluate the community's commitment to the establishment and planning of the house.

"(d) Limitations on the Use of Funds.—

"(1) Construction.—Except as provided in paragraph (2), funds made available under this section may not be used by the State, or any other person with which the State makes arrangements to carry out the purposes of this section, for the purchase or improvement of land, or the purchase, construction, or permanent improvement (other than minor remodeling) of any building or other facility.

"(2) Waiver.—The Secretary may waive the limitation contained in paragraph (1) upon the State's request for such a waiver if the Secretary finds that the request describes extraordinary circumstances to justify the waiver and that permitting the waiver will contribute to the State's ability to carry out the purposes of this section.

"(e) Treatment of Indian Tribes.—

"(1) In general.—An Indian tribe may apply to the Secretary to establish, operate, and support adult-supervised group homes for custodial parents under the age of 19 and their children in accordance with an application procedure to be determined by the Secretary. Except as otherwise provided in this subsection, the provisions of this section shall apply to Indian tribes receiving funds under this subsection in the same manner and to the same extent as the other provisions of this section apply to States.

"(2) Allotment.—If the Secretary approves an Indian tribe's application, the Secretary shall allot to such tribe for a fiscal year an amount which the Secretary determines is the Indian tribe's fair and equitable share of the amount specified under paragraph (3) for all Indian tribes with applications approved under this subsection (based on allotment factors to be determined by the Secretary). The Secretary shall determine a minimum allotment amount for all Indian tribes with applications approved under this subsection. Each Indian tribe with an application approved under this subsection shall be entitled to such minimum allotment.

"(3) Amount specified.—The amount specified under this paragraph for all Indian tribes with applications approved under this subsection is $5,000,000 for fiscal year 1996 and each subsequent fiscal year.

"(4) Indian tribe defined.—For purposes of this section, the term 'Indian tribe' means any Indian tribe, band, nation, pueblo, or other organized group or community, including any Alaska Native entity which is recognized as eligible for the special programs and services provided by the United States to Indian tribes because of their status as Indians.".

(b) Receipt of Payments by Second Chance Houses.—Section 402(a)(13)(A)(ii), as added by section 601, is amended by striking "or other adult relative" and inserting "other adult relative, or second chance house receiving funds under section 2008".

(c) Recommendations on Usage of Government Surplus Property.—Not later than 6 months after the date of the enactment of this Act, after consultation with the Secretary of Defense, the Secretary of Housing and Urban Development, and the Administrator of the General Services Administration, the Secretary of Health and Human Services shall submit recommendations to the Congress on the extent to which surplus properties of the United States Government may be used for the establishment of second chance houses receiving funds under section 2008 of the Social Security Act.

SEC. 603. REQUIRED COMPLETION OF HIGH SCHOOL OR OTHER TRAINING FOR TEENAGE PARENTS.

(a) In General.—Section 402(a) (42 U.S.C. 602(a)), as amended by sections 101, 601, and 602, is amended by adding at the end the following new paragraph:

"(14) Educational requirements.—The State plan shall provide the following educational requirements:

"(A) Custodial parent under 19 years.—In the case of a custodial parent who has not attained 19 years of age, has not successfully completed a high-school education (or its equivalent), and is required to participate in the program (including an individual who would otherwise be exempt from participation in the program solely by reason of clause (i), (ii), or (iii) of paragraph (11)(B)), the State agency shall—

"(i) require such parent to participate in—

"(I) educational activities directed toward the attainment of a high school diploma or its equivalent on a full-time basis (as defined by the educational provider); or

"(II) an alternative educational or training program (that has been approved by the Secretary) on a full-time basis (as defined by the provider); and

"(ii) provide child care in accordance with paragraph (5) with respect to the family.

"(B) Custodial parent 19 years old.—

"(i) In general.—To the extent that the program is available in the political subdivision involved and State resources otherwise permit, the State agency shall require a custodial parent who would be described in subparagraph (A), if that parent is 19 years of age, to participate in an educational activity described in clause (ii).

"(ii) Type of educational activity.—The State agency may require a parent described in clause (i)—

"(I) to participate in educational activities directed toward the attainment of a high school diploma or its equivalent on a full-time basis (as defined by the educational provider); or

"(II) to participate in training or work activities in lieu of the educational activities under subclause (I) if such parent fails to make good progress in successfully completing such educational activities or if it is determined (prior to any assignment of the individual to such educational activities) pursuant to an educational assessment that participation in such educational activities is inappropriate for such parent.

"(C) EDUCATIONAL ACTIVITY CONSIDERED PARTICIPATION IN PROGRAM.—

"(i) IN GENERAL.—If the parent or other caretaker relative or any dependent child in the family is attending in good standing an institution of higher education (as defined in section 481(a) of the Higher Education Act of 1965 (20 U.S.C. 1088), or a school or course of vocational or technical training (not less than half time) consistent with the individual's employment goals, and is making satisfactory progress in such institution, school, or course, at the time he or she would otherwise commence participation in the program under this section, such attendance may, at the State's option, constitute satisfactory participation in the program (by that caretaker or child) so long as it continues and is consistent with such goals.

"(ii) ADDITIONAL REQUIREMENTS.—In addition to the requirements described in clause (i)—

"(I) any other activities in which an individual described in this subparagraph participates may not be permitted to interfere with the school or training described in such clause; and

"(II) the costs of such school or training shall not constitute a federally reimbursable expense for purposes of section 403, however the costs of day care, transportation, and other services which are necessary (as determined by the State agency) for such attendance in accordance with paragraph (5) are eligible for Federal reimbursement.".

(b) STATE OPTION TO PROVIDE ADDITIONAL INCENTIVES AND PENALTIES TO ENCOURAGE TEENAGE PARENTS TO COMPLETE HIGH SCHOOL AND PARTICIPATE IN PARENTING ACTIVITIES.—

(1) STATE PLAN.—Section 402(a)(14)(A), as added by subsection (a), is amended by adding at the end the following new subparagraph:

"(D) INCENTIVES AND PENALTY PROGRAM.—At the option of the State, some or all custodial parents and pregnant women who have not attained 19 years of age (or at the State's option, 21 years of age) and who are receiving aid under this part shall be required to participate in a program of monetary incentives and penalties for participation and completion of a high school education (or equivalent) and in parenting activities, consistent with subsection (f);".

(2) ELEMENTS OF PROGRAM.—Section 402 (42 U.S.C. 602), as amended by section 101, is amended by adding at the end the following new subsection:

"(f) INCENTIVES AND PENALTIES PROGRAM.—

"(1) IN GENERAL.—If a State opts to conduct a program of incentives and penalties described in subsection (a)(14)(D), the State shall amend its State plan—

"(A) to specify the one or more political subdivisions (or other clearly defined geographic area or areas) in which the State will conduct the program; and

"(B) to describe its program in detail.

"(2) PROGRAM DESCRIBED.—A program under this subsection—

"(A) may, at the option of the State, require full-time participation by custodial parents and pregnant women to whom the program applies in secondary school or equivalent educational activities, or participation in a course or program leading to a parenting skills certificate found appropriate by the State agency or parenting education activities (or any combination of such activities and secondary education);

"(B) shall require that the needs of such custodial parents and pregnant women shall be reviewed and the program will ensure that, either in the initial development or revision of such individual's employability plan, there will be included a description of the services that will be provided to the individual and the way in which the program and service providers will coordinate with the educational or skills training activities in which the individual is participating;

"(C) shall provide monetary incentives for more than minimally acceptable performance of required educational activities; and

"(D) shall provide penalties (which may be those allowed by subsection (a)(1)(H) or other monetary penalties that the State finds will better achieve the objectives of the program) for less than minimally acceptable performance of required activities.

"(3) MONETARY INCENTIVE PAYABLE TO PARENT.—When a monetary incentive is payable because of the more than minimally acceptable performance of required educational activities by a custodial parent, the incentive shall be paid directly to such parent, regardless of whether the State agency makes payment of aid under the State plan directly to such parent.

"(4) TREATMENT OF MONETARY INCENTIVE.—

"(A) IN GENERAL.—For purposes of this part, monetary incentives paid under this subsection shall be considered transitional aid to families with needy children.

"(B) TREATMENT UNDER OTHER FEDERAL PROGRAMS.—For purposes of any other Federal or federally-assisted program based on need, no monetary incentive paid under this subsection shall be considered income in determining a family's eligibility for or amount of benefits under such program, and if aid is reduced by reason of a penalty under this subsection, such other program shall treat the family involved as if no such penalty has been applied.

"(5) INFORMATION PROVIDED TO SECRETARY.—The State agency shall from time to time provide such information with respect to the State operation of the program as the Secretary may request.".

SEC. 604. TARGETING YOUTH AT RISK OF TEENAGE PREGNANCY.

(a) IN GENERAL.—Section 402 of the Social Security Act (42 U.S.C. 602), as amended by sections 101 and 603, is amended by adding at the end the following new subsection:

"(g) REDUCTION IN TEENAGE PREGNANCY.—

"(1) IN GENERAL.—Each State agency may, to the extent it determines resources are available, provide for the operation of projects to reduce teenage pregnancy. Such projects shall be operated by eligible entities that have submitted applications described in paragraph (3) that have been approved in accordance with paragraph (4).

"(2) ELIGIBLE ENTITY.—For purposes of this subsection, the term 'eligible entity' includes State agencies, local agencies, publicly supported organizations, private nonprofit organizations, and consortia of such entities.

"(3) APPLICATION DESCRIBED.—An application described in this paragraph shall—

"(A) describe the project;

"(B) include an endorsement of the project by the chief elected official of the jurisdiction in which the project is to be located;

"(C) demonstrate strong local commitment and local involvement in the planning and implementation of the project; and

"(D) be submitted in such manner and containing such information as the Secretary may require.

"(4) APPROVAL OF APPLICATION.—

"(A) IN GENERAL.—Subject to subparagraph (B), the chief executive officer of a State may approve an application under this paragraph based on selection criteria to be determined by such chief executive officer.

"(B) PREFERENCES IN APPROVING PROJECTS.—Preference in approving a project shall be accorded to projects that target—

"(i) both young men and women;

"(ii) areas with high teenage pregnancy rates; or

"(iii) areas with a high incidence of individuals receiving transitional aid to families with needy children.

"(5) INDIAN TRIBES.—

"(A) IN GENERAL.—An Indian tribe may apply to the Secretary to provide for the operation of projects to reduce teenage pregnancy in accordance with an application procedure to be determined by the Secretary. Except as otherwise provided in this subsection, the provisions of this section shall apply to Indian tribes receiving funds under this subsection in the same manner and to the same extent as the other provisions of this section apply to States.

"(B) INDIAN TRIBE DEFINED.—For purposes of this subsection, the term 'Indian tribe' means any Indian tribe, band, nation, pueblo, or other organized group or community, including any Alaska Native entity which is recognized as eligible for the special programs and services provided by the United States to Indian tribes because of their status as Indians.

"(6) TERM OF PROJECTS.—A project conducted under this subsection shall be conducted for not less than 3 years.

"(7) STUDY.—

"(A) IN GENERAL.—The Secretary shall conduct a study in accordance with subparagraph (B) to determine the relative effectiveness of the different approaches for preventing teenage pregnancy utilized in the projects conducted under this subsection.

"(B) STUDY REQUIREMENTS.—The study required under subparagraph (A) shall—

"(i) be based on data gathered from projects conducted in 5 States chosen by the Secretary from among the States in which projects under this subsection are operated;

"(ii) use specific outcome measures (determined by the Secretary) to test the effectiveness of the projects;

"(iii) use experimental and control groups (to the extent possible) that are composed of a random sample of participants in the projects; and

"(iv) be conducted in accordance with an experimental design determined by the Secretary to result in a comparable design among all projects.

"(C) INTERIM AND ANNUAL REPORTS.—Each eligible entity conducting a project under this subsection shall provide to the Secretary, in such form and with such frequency as the Secretary requires, interim data from the projects conducted under this subsection. The Secretary shall report to the Congress annually on the progress of such projects and shall, not later than January 1, 2003, submit to the Congress a report on the study required under subparagraph (A).

"(D) AUTHORIZATION.—There are authorized to be appropriated $500,000 for each of fiscal years 1996 through 2001 for the purpose of conducting the study required under subparagraph (A).".

(b) Payment.—Section 403 of the Social Security Act (42 U.S.C. 603), as amended by section 101, is amended by adding at the end the following new subsection:

"(e) Payments for Reducing Teenage Pregnancy.—

"(1) In general.—In addition to any payment under subsection (a), each State shall be entitled to payment from the Secretary for each of fiscal years 1996 through 2001 in an amount equal to the lesser of—

"(A) 75 percent of the expenditures made by the State in providing for the operation of the projects under section 402(g), and in administering the projects under such section; or

"(B) the limitation determined under paragraph (2) with respect to the State for the fiscal year.

"(2) Limitation.—

"(A) In general.—The limitation determined under this paragraph with respect to a State for any fiscal year is the amount that bears the same ratio to $20,000,000 as the population with an income below the poverty line (as such term is defined in section 673(2) of the Omnibus Budget Reconciliation Act of 1981), including any revision required by such section) in the State in the second preceding fiscal year bears to such population residing in the United States in the second preceding fiscal year.

"(B) Limitation increased.—If the limitation determined under subparagraph (A) with respect to a State for a fiscal year exceeds the amount paid to the State under this subsection for the fiscal year, the limitation determined under this paragraph with respect to the State for the immediately succeeding fiscal year shall be increased by the amount of such excess.

"(3) Payments to Indian tribes.—

"(A) In general.—Notwithstanding any other provision of this title, for purposes of this subsection, an Indian tribe with an application approved under section 402(g)(5) shall be entitled to payment from the Secretary for each of fiscal years 1996 through 2001 in an amount equal to the lesser of—

"(i) 75 percent of the expenditures made by the Indian tribe in providing for the operation of the projects under section 402(g)(5), and in administering the projects under such section; or

"(ii) the limitation determined under subparagraph (B) with respect to the Indian tribe for the fiscal year.

"(B) Limitation.—

"(i) In general.—The limitation determined under this subparagraph with respect to an Indian tribe for any fiscal year is the amount that bears the same ratio to $3,750,000 as the population with an income below the poverty line (as such term is defined in section 673(2) of the Omnibus Budget Reconciliation Act of 1981), including any revision required by such section) in the Indian tribe in the second preceding fiscal year bears to such population of all Indian tribes with applications approved under section 402(g)(5) in the second preceding fiscal year.

"(ii) Increase in limitation.—If the limitation determined under clause (i) with respect to an Indian tribe for a fiscal year exceeds the amount paid to the Indian tribe under this paragraph for the fiscal year, the limitation determined under this subparagraph with respect to the Indian tribe for the immediately succeeding fiscal year shall be increased by the amount of such excess.

"(4) Appropriations.—Amounts appropriated for a fiscal year to carry out this part shall be made available for payments under this subsection for such fiscal year.".

SEC. 605. NATIONAL CLEARINGHOUSE ON TEENAGE PREGNANCY.

(a) Establishment.—Not later than October 1, 1996, the Secretary of Health and Human Services, shall within an existing office of the Department of Health and Human Services, establish a national center for the collection and provision of information that relates to adolescent pregnancy prevention programs, to be known as the "National Clearinghouse on Teenage Pregnancy Prevention Programs".

(b) Functions.—The national center established under subsection (a) shall serve as a national information and data clearinghouse, and as a training, technical assistance, and material development source for adolescent pregnancy prevention programs. Such center shall—

(1) develop and maintain a system for disseminating information on all types of adolescent pregnancy prevention programs and on the state of adolescent pregnancy prevention program development, including information concerning the most effective model programs;

(2) develop and sponsor a variety of training institutes and curricula for adolescent pregnancy prevention program staff;

(3) identify model programs representing the various types of adolescent pregnancy prevention programs;

(4) develop technical assistance materials and activities to assist other entities in establishing and improving adolescent pregnancy prevention programs;

(5) develop networks of adolescent pregnancy prevention programs for the purpose of sharing and disseminating information; and

(6) conduct such other activities as the responsible Federal officials find will assist in developing and carrying out programs or activities to reduce adolescent pregnancy.

(c) Authorization of Appropriations.—There are authorized to be appropriated such sums as may be necessary to carry out the provisions of this section.

SEC. 606. DENIAL OF FEDERAL HOUSING BENEFITS TO MINORS WHO BEAR CHILDREN OUT-OF-WEDLOCK.

(a) Prohibition of Assistance.—Notwithstanding any other provision of law, a household whose head of household is an individual who has borne a child out-of-wedlock before attaining 18 years of age may not be provided Federal housing assistance for a dwelling unit until attaining such age, unless—

(1) after the birth of the child—

(A) the individual marries an individual who has been determined by the relevant State to be the biological father of the child; or

(B) the biological parent of the child has legal custody of the child and marries an individual who legally adopts the child;

(2) the individual is a biological and custodial parent of another child who was not born out-of-wedlock; or

(3) eligibility for such Federal housing assistance is based in whole or in part on any disability or handicap of a member of the household.

(b) Definitions.—For purposes of this section, the following definitions shall apply:

(1) Covered program.—The term "covered program" means—

(A) the program of rental assistance on behalf of low-income families provided under section 8 of the United States Housing Act of 1937 (42 U.S.C. 1437f);

(B) the public housing program under title I of the United States Housing Act of 1937 (42 U.S.C. 1437 et seq.);

(C) the program of rent supplement payments on behalf of qualified tenants pursuant to contracts entered into under section 101 of the Housing and Urban Development Act of 1965 (12 U.S.C. 1701s);

(D) the program of interest reduction payments pursuant to contracts entered into by the Secretary of Housing and Urban Development under section 236 of the National Housing Act (12 U.S.C. 1715z–1);

(E) the program for mortgage insurance provided pursuant to sections 221(d) (3) or (4) of the National Housing Act (12 U.S.C. 1715l(d)) for multifamily housing for low- and moderate-income families;

(F) the rural housing loan program under section 502 of the Housing Act of 1949 (42 U.S.C. 1472);

(G) the rural housing loan guarantee program under section 502(h) of the Housing Act of 1949 (42 U.S.C. 1472(h));

(H) the loan and grant programs under section 504 of the Housing Act of 1949 (42 U.S.C. 1474) for repairs and improvements to rural dwellings;

(I) the program of loans for rental and cooperative rural housing under section 515 of the Housing Act of 1949 (42 U.S.C. 1485);

(J) the program of rental assistance payments pursuant to contracts entered into under section 521(a)(2)(A) of the Housing Act of 1949 (42 U.S.C. 1490a(a)(2)(A));

(K) the loan and assistance programs under sections 514 and 516 of the Housing Act of 1949 (42 U.S.C. 1484, 1486) for housing for farm labor;

(L) the program of grants and loans for mutual and self-help housing and technical assistance under section 523 of the Housing Act of 1949 (42 U.S.C. 1490c);

(M) the program of grants for preservation and rehabilitation of housing under section 533 of the Housing Act of 1949 (42 U.S.C. 1490m); and

(N) the program of site loans under section 524 of the Housing Act of 1949 (42 U.S.C. 1490d).

(2) Covered project.—The term "covered project" means any housing for which Federal housing assistance is provided that is attached to the project or specific dwelling units in the project.

(3) Federal housing assistance.—The term "Federal housing assistance" means—

(A) assistance provided under a covered program in the form of any contract, grant, loan, subsidy, cooperative agreement, loan or mortgage guarantee or insurance, or other financial assistance; or

(B) occupancy in a dwelling unit that is—

(i) provided assistance under a covered program; or

(ii) located in a covered project and subject to occupancy limitations under a covered program that are based on income.

(4) State.—The term "State" means the States of the United States, the District of Columbia, the Commonwealth of Puerto Rico, the Commonwealth of the Northern Mariana Islands, Guam, the Virgin Islands, American Samoa, and any other territory or possession of the United States.

(c) Limitations on Applicability.—Subsection (a) shall not apply to Federal housing assistance provided for a household pursuant to an application or request for such assistance made by such household before the effective date of this Act if the household was receiving such assistance on the effective date of this Act.

SEC. 607. NATIONAL CAMPAIGN AGAINST TEENAGE PREGNANCY.

(a) Findings.—The Congress finds that the Government has a role to play in preventing teenage pregnancy but that the Government alone cannot deal with the massive changes in societal attitudes and behavior that have occurred in recent decades.

(b) SENSE OF THE CONGRESS.—It is the sense of the Congress that the President should lead a national campaign against teenage pregnancy that—

(1) challenges all aspects of society, including businesses, national and community voluntary organizations, religious institutions, and schools, to join in a national effort to reduce teenage pregnancies;

(2) emphasizes broad themes of economic opportunity and the personal responsibility of each family in every community; and

(3) establishes national and individual goals, based on the measurable aspects of such broad themes, to define the mission and guide the work of the national campaign including—

(A) graduation from high school; and

(B) deferral of childbearing until an individual is emotionally prepared to support a child and accept economic responsibility for the child's support.

TITLE VII—CHILDREN'S ELIGIBILITY FOR SUPPLEMENTAL SECURITY INCOME

SEC. 701. DEFINITION AND ELIGIBILITY RULES.

(a) DEFINITION OF CHILDHOOD DISABILITY.—Section 1614(a)(3) (42 U.S.C. 1382c(a)(3)) is amended—

(1) in subparagraph (A), by striking "An individual" and inserting "Except as provided in subparagraph (C), an individual";

(2) in subparagraph (A), by striking "(or, in the case of an individual under the age of 18, if he suffers from any medically determinable physical or mental impairment of comparable severity)";

(3) by redesignating subparagraphs (C) through (H) as subparagraphs (D) through (I), respectively;

(4) by inserting after subparagraph (B) the following new subparagraph:

"(C) An individual under the age of 18 shall be considered disabled for the purposes of this title if that individual has a medically determinable physical or mental impairment, which results in marked and severe functional limitations, and which can be expected to result in death or which has lasted or can be expected to last for a continuous period of not less than 12 months."; and

(5) in subparagraph (F), as redesignated by paragraph (3), by striking "(D)" and inserting "(E)".

(b) CHANGES TO CHILDHOOD SSI REGULATIONS.—

(1) MODIFICATION TO MEDICAL CRITERIA FOR EVALUATION OF MENTAL AND EMOTIONAL DISORDERS.—The Commissioner of Social Security shall modify sections 112.00C.2. and 112.02B.2.c.(2) of appendix 1 to subpart P of part 404 of title 20, Code of Federal Regulations, to eliminate references to maladaptive behavior in the domain of personal/behavorial function.

(2) DISCONTINUANCE OF INDIVIDUALIZED FUNCTIONAL ASSESSMENT.—The Commissioner of Social Security shall discontinue the individualized functional assessment for children set forth in sections 416.924d and 416.924e of title 20, Code of Federal Regulations.

(c) EFFECTIVE DATE; REGULATIONS; APPLICATION TO CURRENT RECIPIENTS.—

(1) IN GENERAL.—The amendments made by subsections (a) and (b) shall apply to applicants for benefits for months beginning on or after the date of the enactment of this Act, without regard to whether regulations have been issued to implement such amendments.

(2) REGULATIONS.—The Commissioner of Social Security shall issue such regulations as the Commissioner determines to be necessary to implement the amendments made by subsections (a) and (b) not later than 60 days after the date of the enactment of this Act.

(3) APPLICATION TO CURRENT RECIPIENTS.—

(A) ELIGIBILITY DETERMINATIONS.—Not later than 1 year after the date of the enactment of this Act, the Commissioner of Social Security shall redetermine the eligibility of any individual under age 18 who is receiving supplemental security income benefits based on a disability under title XVI of the Social Security Act as of the date of the enactment of this Act and whose eligibility for such benefits may terminate by reason of the amendments made by subsection (a) or (b). With respect to redeterminations under this subparagraph—

(i) section 1614(a)(4) of the Social Security Act (42 U.S.C. 1382c(a)(4)) shall not apply;

(ii) the Commissioner of Social Security shall apply the eligibility criteria for new applicants for benefits under title XVI of such Act; and

(iii) the Commissioner shall give such redeterminations priority over all other reviews under such title.

(B) GRANDFATHER PROVISION.—The amendments made by subsections (a) and (b), and the redetermination under subparagraph (A), shall only apply with respect to the benefits of an individual described in subparagraph (A) for months beginning on or after January 1, 1997.

(C) NOTICE.—Not later than 90 days after the date of the enactment of this Act, the Commissioner of Social Security shall notify an individual described in subparagraph (A) of the provisions of this paragraph.

SEC. 702. ELIGIBILITY REDETERMINATIONS AND CONTINUING DISABILITY REVIEWS.

(a) CONTINUING DISABILITY REVIEWS RELATING TO CERTAIN CHILDREN.—Section 1614(a)(3)(H) (42 U.S.C. 1382c(a)(3)(H)), as redesignated by section 701(a)(3), is amended—

(1) by inserting "(i)" after "(H)"; and

(2) by adding at the end the following new clause:

"(ii)(I) Not less frequently than once every 3 years, the Commissioner shall review in accordance with paragraph (4) the continued eligibility for benefits under this title of each individual who has not attained 18 years of age and is eligible for such benefits by reason of an impairment (or combination of impairments) which may improve (or, which is unlikely to improve, at the option of the Commissioner).

"(II) A parent or guardian of a recipient whose case is reviewed under this clause shall present, at the time of review, evidence demonstrating that the recipient is, and has been, receiving treatment, to the extent considered medically necessary and available, of the condition which was the basis for providing benefits under this title.".

(b) DISABILITY ELIGIBILITY REDETERMINATIONS REQUIRED FOR SSI RECIPIENTS WHO ATTAIN 18 YEARS OF AGE.—

(1) IN GENERAL.—Section 1614(a)(3)(H) (42 U.S.C. 1382c(a)(3)(H)), as amended by subsection (a), is amended by adding at the end the following new clause:

"(iii) If an individual is eligible for benefits under this title by reason of disability for the month preceding the month in which the individual attains the age of 18 years, the Commissioner shall redetermine such eligibility—

"(I) during the 1-year period beginning on the individual's 18th birthday; and

"(II) by applying the criteria used in determining the initial eligibility for applicants who have attained the age of 18 years.

With respect to a redetermination under this clause, paragraph (4) shall not apply and such redetermination shall be considered a substitute for a review or redetermination otherwise required under any other provision of this subparagraph during that 1-year period.".

(2) CONFORMING REPEAL.—Section 207 of the Social Security Independence and Program Improvements Act of 1994 (42 U.S.C. 1382 note; 108 Stat. 1516) is hereby repealed.

(c) CONTINUING DISABILITY REVIEW REQUIRED FOR LOW BIRTH WEIGHT BABIES.—Section 1614(a)(3)(H) (42 U.S.C. 1382c(a)(3)(H)), as amended by subsections (a) and (b), is amended by adding at the end the following new clause:

"(iv)(I) Not later than 12 months after the birth of an individual, the Commissioner shall review in accordance with paragraph (4) the continuing eligibility for benefits under this title by reason of disability of such individual whose low birth weight is a contributing factor material to the Commissioner's determination that the individual is disabled.

"(II) A review under subclause (I) shall be considered a substitute for a review otherwise required under any other provision of this subparagraph during that 12-month period.

"(III) A parent or guardian of a recipient whose case is reviewed under this clause shall present, at the time of review, evidence demonstrating that the recipient is, and has been, receiving treatment, to the extent considered medically necessary and available, of the condition which was the basis for providing benefits under this title.".

(d) MEDICAID FOR CHILDREN SHOWING IMPROVEMENT.—Section 1634 (42 U.S.C. 1383c) is amended by adding at the end the following new subsection:

"(f) In the case of any individual who has not attained 18 years of age and who has been determined to be ineligible for benefits under this title—

"(1) because of medical improvement following a continuing disability review under section 1631(a)(3)(H), or

"(2) as the result of the application of section 611(b)(2) of the Work First Act of 1995,

such individual shall continue to be considered eligible for such benefits for purposes of determining eligibility under title XIX if such individual is not otherwise eligible for medical assistance under such title and, in the case of an individual described in paragraph (1), such assistance is needed to maintain functional gains, and, in the case of an individual described in paragraph (2), such assistance would be available if such section 611(b)(2) had not been enacted.".

(e) EFFECTIVE DATE.—The amendments made by this section shall apply to benefits for months beginning on or after the date of the enactment of this Act, without regard to whether regulations have been issued to implement such amendments.

SEC. 703. ADDITIONAL ACCOUNTABILITY REQUIREMENTS.

(a) TIGHTENING OF REPRESENTATIVE PAYEE REQUIREMENTS.—

(1) CLARIFICATION OF ROLE.—Section 1631(a)(2)(B)(ii) (42 U.S.C. 1383(a)(2)(B)(ii)) is amended by striking "and" at the end of subclause (II), by striking the period at the end of subclause (IV) and inserting "; and", and by adding after subclause (IV) the following new subclause:

"(V) advise such person through the notice of award of benefits, and at such other times as the Commissioner of Social Security deems appropriate, of specific examples of appropriate expenditures of benefits under this title and the proper role of a representative payee.".

(2) DOCUMENTATION OF EXPENDITURES REQUIRED.—

(A) IN GENERAL.—Subparagraph (C)(i) of section 1631(a)(2) (42 U.S.C. 1383(a)(2)) is amended to read as follows:

"(C)(i) In any case where payment is made to a representative payee of an individual or spouse, the Commissioner of Social Security shall—

"(I) require such representative payee to document expenditures and keep contemporaneous records of transactions made using such payment; and

"(II) implement statistically valid procedures for reviewing a sample of such contemporaneous records in order to identify instances in which such representative payee is not properly using such payment.".

(B) CONFORMING AMENDMENT WITH RESPECT TO PARENT PAYEES.—Clause (ii) of section 1631(a)(2)(C) (42 U.S.C. 1383(a)(2)(C)) is amended by striking "Clause (i)" and inserting "Subclauses (II) and (III) of clause (i)".

(3) EFFECTIVE DATE.—The amendments made by this subsection shall apply to benefits paid after the date of the enactment of this Act.

(b) DEDICATED SAVINGS ACCOUNTS.—

(1) IN GENERAL.—Section 1631(a)(2)(B) (42 U.S.C. 1383(a)(2)(B)) is amended by adding at the end the following new clause:

"(xiv) Notwithstanding clause (x), the Commissioner of Social Security may, at the request of the representative payee, pay any lump sum payment for the benefit of a child into a dedicated savings account that could only be used to purchase for such child—

"(I) education and job skills training;

"(II) special equipment or housing modifications or both specifically related to, and required by the nature of, the child's disability; and

"(III) appropriate therapy and rehabilitation.".

(2) DISREGARD OF TRUST FUNDS.—Section 1613(a) (42 U.S.C. 1382b) is amended—

(A) by striking "and" at the end of paragraph (9),

(B) by striking the period at the end of paragraph (10) the first place it appears and inserting a semicolon,

(C) by redesignating paragraph (10) the second place it appears as paragraph (11) and striking the period at the end of such paragraph and inserting "; and", and

(D) by inserting after paragraph (11), as so redesignated, the following new paragraph:

"(12) all amounts deposited in, or interest credited to, a dedicated savings account described in section 1631(a)(2)(B)(xiv).".

(3) EFFECTIVE DATE.—The amendments made by this subsection shall apply to payments made after the date of the enactment of this Act.

TITLE VIII—FINANCING AND FOOD ASSISTANCE REFORM

Subtitle A—Treatment of Aliens

SEC. 801. UNIFORM ALIEN ELIGIBILITY CRITERIA FOR PUBLIC ASSISTANCE PROGRAMS.

(a) DEFINITION OF "QUALIFIED ALIEN".—

(1) IN GENERAL.—Section 1101(a) (42 U.S.C. 1301(a)) is amended by adding at the end the following new paragraph:

"(10) The term 'qualified alien' means an alien—

"(A) who is lawfully admitted for permanent residence within the meaning of section 101(a)(20) of the Immigration and Nationality Act;

"(B) who is admitted as a refugee pursuant to section 207 of such Act;

"(C) who is granted asylum pursuant to section 208 of such Act;

"(D) whose deportation is withheld pursuant to section 243(h) of such Act;

"(E) whose deportation is suspended pursuant to section 244 of such Act;

"(F) who is granted conditional entry pursuant to section 203(a)(7) of such Act as in effect prior to April 1, 1980;

"(G) who is lawfully admitted for temporary residence pursuant to section 210 or 245A of such Act;

"(H) who is within a class of aliens lawfully present within the United States pursuant to any other provision of such Act, if—

"(i) the Attorney General determines that the continued presence of such class of aliens serves a humanitarian or other compelling public interest, and

"(ii) the Secretary of Health and Human Services determines that such interest would be further served by treating each alien within such class as a 'qualified alien' for purposes of this Act; or

"(I)(i) who is the spouse, or unmarried child under 21 years of age, of a citizen of the United States, or

"(ii)(I) who is the parent of a citizen of the United States who is at least 21 years of age, and

"(II) with respect to whom an application for adjustment to lawful permanent residence is pending, such status not having changed.".

(2) CONFORMING AMENDMENT.—Section 244A(f)(1) of the Immigration and Nationality Act (8 U.S.C. 1254a(f)(1)) is amended by inserting "and shall not be considered to be a qualified alien within the meaning of section 1101(a)(10) of the Social Security Act" before the semicolon.

(b) FEDERAL ASSISTANCE PROGRAMS.—

(1) SUPPLEMENTAL SECURITY INCOME.—Section 1614(a)(1)(B)(i) (42 U.S.C. 1382c(a)(1)(B)(i)) is amended to read as follows:

"(B)(i) is a resident of the United States, and is either (I) a citizen or national of the United States, or (II) a qualified alien (as defined in section 1101(a)(10)), or".

(2) MEDICAID.—

(A) ELIGIBILITY LIMITATION.—Section 1903(v)(1) (42 U.S.C. 1396b(v)(1)) is amended to read as follows:

"(v)(1) Notwithstanding the preceding provisions of this section and except as provided in paragraph (2)—

"(A) no payment may be made to a State under this section for medical assistance furnished to an individual who is disqualified from receiving such assistance by reason of section 210(f) or 245A(h) of the Immigration and Nationality Act (8 U.S.C. 1160(f) or 1155a(h)) or any other provision of law, and

"(B) no such payment may be made for medical assistance furnished to an individual unless such individual is—

"(i) a citizen or national of the United States, or

"(ii) a qualified alien (as defined in section 1101(a)(10)).".

(B) CONFORMING AMENDMENTS.—

(i) Section 1903(v)(2) (42 U.S.C. 1396b(v)(2)) is amended by striking "alien" each place it appears and inserting "individual".

(ii) Section 1902(a) (42 U.S.C. 1396a(a)) is amended in the last sentence by striking "alien" and all that follows to the end period and inserting "individual who is not (A) a citizen or national of the United States, or (B) a qualified alien (as defined in section 1101(a)(10)) only in accordance with section 1903(v).".

(iii) Section 1902(b)(3) (42 U.S.C. 1396a(b)(3)) is amended by inserting "or national" after "citizen".

(c) STATE AND LOCAL PROGRAMS.—A State or political subdivision thereof may provide that an alien is not eligible for any program of cash assistance based on need that is furnished by such State or political subdivision thereof for any month unless such alien is a qualified alien as defined in section 1101(a)(10) of the Social Security Act.

SEC. 802. EXTENSION OF DEEMING OF INCOME AND RESOURCES UNDER TRANSITIONAL AID, SSI, AND FOOD STAMP PROGRAMS.

(a) IN GENERAL.—Except as provided in subsections (b) and (c), in applying sections 410 and 1621 of the Social Security Act and section 5(i) of the Food Stamp Act of 1977, the period in which each respective section otherwise applies with respect to a qualified alien (as defined in section 1101(a)(10) of the Social Security Act shall be extended through the date (if any) on which the alien becomes a citizen of the United States pursuant to chapter 2 of title III of the Immigration and Nationality Act.

(b) EXCEPTIONS.—Subsection (a) shall not apply to a qualified alien if—

(1) the alien has been lawfully admitted to the United States for permanent residence, has attained 75 years of age, and has resided in the United States for at least 5 years;

(2) the alien—

(A) is a veteran (as defined in section 101 of title 38, United States Code) with a discharge characterized as an honorable discharge,

(B) is on active duty (other than active duty for training) in the Armed Forces of the United States, or

(C) is the spouse or unmarried dependent child of an individual described in subparagraph (A) or (B);

(3) the alien is the subject of domestic violence by the alien's spouse and a divorce between the alien and the alien's spouse has been initiated through the filing of an appropriate action in an appropriate court;

(4) there has been paid with respect to the self-employment income or employment of the alien, or of a parent or spouse of the alien, taxes under chapter 2 or chapter 21 of the Internal Revenue Code of 1986 in each of 20 different calendar quarters; or

(5) the alien is unable because of physical or developmental disability or mental impairment (including Alzheimer's disease) to comply with the naturalization requirements of section 312(a) of the Immigration and Nationality Act.

(c) HOLD HARMLESS FOR MEDICAID ELIGIBILITY.—Subsection (a) shall not apply with respect to a determination of eligibility for benefits under part A of title IV of the Social Security Act or under the supplemental security income program of title XVI of such Act to the extent such determinations provide for eligibility for medical assistance under title XIX of such Act.

(d) STATE AND LOCAL PROGRAMS.—A State or political subdivision thereof may provide that an alien is not eligible for any program of cash assistance based on need that is furnished by such State or political subdivision thereof for any month if such alien has been determined to be ineligible for such month for benefits under—

(1) the program under part A of title IV of the Social Security Act;

(2) the program of supplemental security income authorized by title XVI of the Social Security Act; or

(3) the Food Stamp Act of 1977;

as a result of this section.

(e) EFFECTIVE DATE.—This section shall apply to benefits payable under the transitional aid program under part A of title IV of the Social Security Act, the program of supplemental security income authorized under title XVI of the Social Security Act, or the Food Stamp Act of 1977, for months beginning after September 30, 1995, on the basis of—

(1) an application filed after such date, or

(2) an application filed on or before such date by or on behalf of an individual subject to the provisions of section 1621(a) or section 410(a) of the Social Security Act or section 5(i)(1) of the Food Stamp Act of 1977 (as the case may be) on such date.

SEC. 803. REQUIREMENTS FOR SPONSOR'S AFFIDAVIT OF SUPPORT.

(a) IN GENERAL.—Section 213 of the Immigration and Nationality Act (8 U.S.C. 1183) is amended—

(1) in the heading, by striking "ON GIVING BOND" and inserting "UPON PROVISION OF BOND OR GUARANTEE OF FINANCIAL RESPONSIBILITY";

(2) by designating the existing matter as subsection (a); and

(3) by adding at the end the following new subsection:

"(b)(1) An alien excludable under section 212(a)(4) may, if otherwise admissible, be admitted in the discretion of the Attorney General upon a finding by the Attorney General that—

"(A) the alien has received a guarantee of financial responsibility in such form as may be prescribed pursuant to paragraph (4) and meets the conditions described in paragraph (2); and

"(B) taking into consideration all relevant circumstances, it is reasonable to expect that the sponsor, as defined in paragraph (2)(A), has the financial capacity to meet the obligations of the guarantee.

"(2) A guarantee of financial responsibility for an alien must—

"(A) be signed in the presence of an immigration officer or consular officer (or in the presence of a notary public) by an individual (referred to in this subsection as the 'sponsor') who is—

"(i) 21 years of age or older;

"(ii) of good moral character; and

"(iii) a citizen of the United States or an alien lawfully admitted for permanent residence domiciled in any of the several States of the United States, the District of Columbia, or any territory or possession of the United States;

"(B) provide that the sponsor enters into a legally binding commitment to furnish to or on behalf of the alien financial support sufficient to meet the alien's basic subsistence needs during the period that begins on the date that the alien acquires the status of an alien lawfully admitted for permanent residence and ends on the earlier of—

"(i) the date the alien becomes a citizen of the United States under chapter 2 of title III;

"(ii) the first date the alien is a veteran (as defined in section 101 of title 38, United States Code) with a discharge characterized as an honorable discharge;

"(iii) the first date as of which there has been paid with respect to the self-employment income or employment of the alien, or of a parent or spouse of the alien, taxes under chapter 2 or chapter 21 of the Internal Revenue Code of 1986 in each of 20 different calendar quarters; or

"(iv) any period in which the alien is—

"(I) on active duty (other than active duty for training) in the Armed Forces of the United States; or

"(II) the spouse or unmarried dependent child of an individual described in clause (ii) or subclause (I) of this clause; and

"(C) contain the sponsor's authorization to the Internal Revenue Service to disclose any tax return information necessary to verify the sponsor's income to the extent necessary to determine the eligibility for benefits under—

"(i) the program under part A of title IV of the Social Security Act;

"(ii) the program of supplemental security income authorized by title XVI of the Social Security Act; or

"(iii) the Food Stamp Act of 1977,

for an alien sponsored by the sponsor.

"(3) Any guarantee of financial support executed on behalf of an alien pursuant to this subsection—

"(A) must be enforceable against the sponsor; and

"(B) may be enforced against the sponsor in a civil suit brought by the alien or by the Federal Government, any State, district, territory, or possession of the United States, or any political subdivision of such State, district, territory, or possession of the United States, which provides benefits to the alien in any court of competent jurisdiction.

"(4) The Secretary of State, the Attorney General, the Secretary of Health and Human Services, the Secretary of Agriculture, and the Commissioner of Social Security, shall jointly establish the form of the guarantee of financial support described in this section.".

(b) DATE FOR ESTABLISHMENT OF FORM; EFFECTIVE DATE.—

(1) DATE FOR ESTABLISHMENT.—The Secretary of State, the Attorney General, the Secretary of Health and Human Services, the Secretary of Agriculture, and the Commissioner of Social Security shall establish a form for the guarantee of financial support pursuant to section 213(b)(4) (as added by this subsection) not later than 180 days after the date of the enactment of this Act.

(2) EFFECTIVE DATE.—The amendments made by this subsection shall apply to affidavits of support executed on or after a date specified by the Attorney General, which date shall be not earlier than 60 days (and not later than 90 days) after the date the form for the guarantee of financial support is developed under section 213(b)(4) of the Immigration and Nationality Act (as added by this subsection).

(c) CLERICAL AMENDMENT.—The table of contents of the Immigration and Nationality Act is amended by amending the item relating to section 213 to read as follows:

"Sec. 213. Admission of certain aliens upon provision of bond or guarantee of financial responsibility.".

SEC. 804. EXTENDING REQUIREMENT FOR AFFIDAVITS OF SUPPORT TO FAMILY-RELATED AND DIVERSITY IMMIGRANTS.

(a) IN GENERAL.—Section 212(a)(4) of the Immigration and Nationality Act (8 U.S.C. 1182(a)(4)) is amended to read as follows:

"(4) PUBLIC CHARGE AND AFFIDAVITS OF SUPPORT.—

"(A) PUBLIC CHARGE.—Any alien who, in the opinion of the consular officer at the time of application for a visa, or in the opinion of the Attorney General at the time of application for admission or adjustment of status, is likely at any time to become a public charge is excludable.

"(B) AFFIDAVITS OF SUPPORT.—Any immigrant who seeks admission or adjustment of status as any of the following is excludable unless there has been executed with respect to the immigrant an affidavit of support pursuant to section 213(b):

"(i) As an immediate relative (under section 201(b)(2)).

"(ii) As a family-sponsored immigrant under section 203(a) (or as the spouse or child under section 203(d) of such immigrant).

"(iii) As the spouse or child (under section 203(d)) of an employment-based immigrant under section 203(b).

"(iv) As a diversity immigrant under section 203(c) (or as the spouse or child under section 203(d) of such an immigrant).".

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall apply to aliens with respect to whom an immigrant visa is issued (or adjustment of status is granted) after the date specified by the Attorney General under section 803(b)(2).

Subtitle B—Food Assistance Provisions

SEC. 821. MANDATORY CLAIMS COLLECTION METHODS.

(a) Section 11(e)(8) of the Food Stamp Act of 1977 (7 U.S.C. 2020(e)(8)) is amended by inserting "or refunds of Federal taxes as authorized pursuant to section 3720A of title 31, United States Code" before the semicolon at the end.

(b) Section 13(d) of the Food Stamp Act of 1977 (7 U.S.C. 2022(d)) is amended—

(1) by striking "may" and inserting "shall"; and

(2) by inserting "or refunds of Federal taxes as authorized pursuant to section 3720A of title 31, United States Code" before the period at the end.

(c) Section 6103(*l*) of the Internal Revenue Code of 1986 (26 U.S.C. 6103(*l*)) is amended—

(1) by striking "officers and employees" in paragraph (10)(A) and inserting "officers, employees or agents, including State agencies"; and

(2) by striking "officers and employees" in paragraph (10)(B) and inserting "officers, employees or agents, including State agencies".

SEC. 822. REDUCTION OF BASIC BENEFIT LEVEL.

The second sentence of section 3(o) of the Food Stamp Act of 1977 (7 U.S.C. 2012(o)) is amended—

(1) by striking "and (11)" and inserting "(11)";

(2) in paragraph (11), by inserting "through October 1, 1994" after "each October 1 thereafter"; and

(3) by inserting before the period at the end the following: ", and (12) on October 1, 1995, and on each October 1 thereafter, adjust the cost of such diet to reflect 100 percent of the cost, in the preceding June (without regard to any previous adjustment made under this paragraph or paragraphs (4) through (11)) and round the result to the nearest lower dollar increment for each household size".

SEC. 823. PRORATING BENEFITS AFTER INTERRUPTIONS IN PARTICIPATION.

Section 8(c)(2)(B) of the Food Stamp Act of 1977 (7 U.S.C. 2017(c)(2)(B)) is amended by striking "of more than one month".

SEC. 824. WORK REQUIREMENT FOR ABLE-BODIED RECIPIENTS.

(a) WORK REQUIREMENT.—Section 6(d) of the Food Stamp Act of 1977 (7 U.S.C. 2015(d)) is amended by adding at the end the following:

"(5)(A) Except as provided in subparagraphs (B), (C), and (D), an individual who has received an allotment for 6 consecutive months during which such individual has not been employed a minimum of an average of 20 hours per week shall be disqualified if such individual is not employed at least an average of 20 hours per week, participating in a workfare program under section 20 (or a comparable State or local workfare program), or participating in and complying with the requirements of an approved employment and training program under paragraph (4).

"(B) The provisions of subparagraph (A) shall not apply in the case of an individual who—

"(i) is under 18 or over 50 years of age;

"(ii) is certified by a physician as physically or mentally unfit for employment;

"(iii) is a parent or other member of a household that includes a minor child;

"(iv) is participating a minimum of an average of 20 hours per week and is in compliance with the requirements of—

"(I) a program under the Job Training Partnership Act (29 U.S.C. 1501 et seq.);

"(II) a program under section 236 of the Trade Act of 1974 (19 U.S.C. 2296); or

"(III) another program for the purpose of employment and training operated by a State or local government, as determined appropriate by the Secretary; or

"(v) would otherwise be exempt under paragraph (2).

"(C) The Secretary may waive the requirements of subparagraph (A) in the case of some or all individuals within all or part of a State if the Secretary finds that such area—

"(i) has an unemployment rate of over 7 percent; or

"(ii) does not have a sufficient number of jobs to provide employment for individuals subject to this paragraph.

The Secretary shall report to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate on the basis on which the Secretary made this decision.

"(D) An individual who has been disqualified from the food stamp program by reason of subparagraph (A) may reestablish eligibility for assistance—

"(i) by meeting the requirements of subparagraph (A);

"(ii) by becoming exempt under subparagraph (B); or

"(iii) if the Secretary grants a waiver under subparagraph (C).

"(E) A household (as defined in section 3(i)) that includes an individual who is not exempt under paragraph (2) and who refuses to work, refuses to look for work, turns down a job, or refuses to participate in the State program if the State places the individual in such program shall be ineligible to receive food stamp benefits. The State agency shall reduce, by such amount the State considers appropriate, the amount otherwise payable to a household that includes an individual who fails without good cause to comply with other requirements of the WAGE Plan signed by the individual.

"(F) The State agency shall make an initial assessment of the skills, prior work experience, and employability of each participant not exempted under subparagraph (B) within 6 months of initial certification. The State agency shall use such assessment, in consultation with the program participant, to develop a WAGE Plan for the participant. Such plan—

"(i) shall provide that participation in food stamp employment and training activities shall be a condition of eligibility for food stamp benefits, except during any period during which the individual is employed in full-time unsubsidized employment in the private sector;

"(ii) shall establish an employment goal and a plan for moving the individual into private sector employment immediately;

"(iii) shall establish the obligations of the individual, which shall include actions that will help the individual obtain and keep private sector employment; and

"(iv) may require that the individual enter the State program approved under part F of title IV of the Social Security Act if the caseworker determines that the individual will need education, training, job placement assistance, wage enhancement, or other services to obtain private sector employment.".

(b) ENHANCED EMPLOYMENT AND TRAINING PROGRAM.—Section 16(h)(1) of the Food Stamp Act of 1977 (7 U.S.C. 2025 (h)(1)) is amended—

(1) in subparagraph (A)—

(A) by striking "$75,000,000" and inserting "$150,000,000"; and

(B) by striking "1991 through 1995" and inserting "1996 through 2000";

(2) by striking subparagraphs (B), (C), (E) and (F) and redesignating subparagraph (D) as subparagraph (B); and

(3) in subparagraph (B) (as so redesignated), by striking "for each" and all that follows through "of $60,000,000" and inserting "the Secretary shall allocate funding".

(c) REQUIRED PARTICIPATION IN WORK AND TRAINING PROGRAMS.—Section 6(d)(4) of the Food Stamp Act of 1977 (7 U.S.C. 2015(d)(4)) is amended by adding at the end the following:

"(O) The State agency shall provide an opportunity to participate in the employment and training program under this paragraph to any individual who would otherwise become subject to disqualification under paragraph (5)(A).".

(d) COORDINATING WORK REQUIREMENTS IN TRANSITIONAL AID AND FOOD STAMP PROGRAMS.—Section 6(d)(4) of the Food Stamp Act of 1977 (7 U.S.C. 2015(d)(4)), as amended by subsection (c), is amended by adding at the end the following:

"(P)(i) Notwithstanding any other provision of this paragraph, a State agency that meets the participation requirements of clause (ii) may operate the employment and training program of the State for individuals who are members of households receiving allotments under this Act as part of its WAGE Program under part F of title IV of the Social Security Act (42 U.S.C. 681 et seq.), except that sections 487(b) and 489(a)(4) shall not apply to any month during which the individual participates in such program while not receiving income under part A of subtitle IV of the Social Security Act (42 U.S.C. 601 et seq.). If a State agency exercises the option provided under this clause, the operation of the program shall be subject to the requirements of such part F, except that any reference to 'transitional aid to families with needy children' in such part shall be deemed a reference to food stamp allotments for purposes of any person not receiving income under such part A.

"(ii) A State agency may exercise the option provided under clause (i) if the State agency provides an individual who is subject to the requirements of paragraph (5) who is not employed at least an average of 20 hours per week or participating in a workfare program under section 20 (or a comparable State or local program) with the opportunity to participate in an approved employment and training program. A State agency shall be considered to have complied with the requirements of this subparagraph in any area for which a waiver under paragraph (5)(4)(C) is in effect.".

SEC. 825. EXTENDING CURRENT CLAIMS RETENTION RATES.

Section 16(a) of the Food Stamp Act of 1977 (7 U.S.C. 2025(a)) is amended by striking "September 30, 1995" each place it appears and inserting "September 30, 2002".

SEC. 826. TWO-YEAR FREEZE OF STANDARD DEDUCTION.

Section 5(e) of the Food Stamp Act of 1977 (7 U.S.C. 2014(e)) is amended in the second sentence by inserting "except October 1, 1995 and October 1, 1996" after "thereafter".

SEC. 827. NUTRITION ASSISTANCE FOR PUERTO RICO.

Section 19(a)(1)(A) of the Food Stamp Act of 1977 (7 U.S.C. 2028(a)(1)(A)) is amended—

(1) by striking "1994, and" and inserting "1994,"; and

(2) by inserting "and $1,143,000,000 for fiscal year 1996," before "to finance".

SEC. 828. REPEAL OF SPECIAL RULE FOR PERSONS WHO DO NOT PURCHASE AND PREPARE FOOD SEPARATELY.

(a) REPEALER.—Section 3(i) of the Food Stamp Act of 1977 (7 U.S.C. 2012(i)) is amended by striking the third sentence.

(b) CONFORMING AMENDMENT.—Section 5(a) of the Food Stamp Act of 1977 (7 U.S.C. 2014(a)) is amended by striking ", 16(e)(1), and the third sentence of section 3(i)" and inserting "and 16(e)(1)".

SEC. 829. EARNINGS OF CERTAIN HIGH SCHOOL STUDENTS COUNTED AS INCOME.

Section 5(d)(7) of the Food Stamp Act of 1977 (7 U.S.C. 2014(d)(7)) is amended by striking "21" and inserting "18".

SEC. 830. ENERGY ASSISTANCE COUNTED AS INCOME.

(a) LIMITING EXCLUSION.—Section 5(d)(11) of the Food Stamp Act of 1977 (7 U.S.C. 2014(d)(11)) is amended—

(1) by striking "(A) under any Federal law, or (B)"; and

(2) by inserting before the comma at the end the following: ", except that no benefits provided under the State program under part A of title IV of the Social Security Act (42 U.S.C. 601 et seq.) shall be excluded under this clause".

(b) CONFORMING AMENDMENTS.—

(1) Section 5(e) of the Food Stamp Act of 1977 (7 U.S.C. 2014(e)) is amended by striking sentences nine through twelve.

(2) Section 5(k)(2) of the Food Stamp Act of 1977 (7 U.S.C. 2014(k)(2)) is amended by striking subparagraph (C) and redesignating subparagraphs (D) through (H) as subparagraphs (C) through (G), respectively.

SEC. 831. VENDOR PAYMENTS FOR TRANSITIONAL HOUSING COUNTED AS INCOME.

Section 5(k)(2) of the Food Stamp Act of 1977 (7 U.S.C. 2014(k)(2)), as amended by section 830(b)(2), is amended—

(1) by striking subparagraph (F); and

(2) by redesignating subparagraphs (G) and (H) as subparagraphs (F) and (G), respectively.

SEC. 832. DENIAL OF FOOD STAMP BENEFITS FOR 10 YEARS TO CERTAIN INDIVIDUALS FOUND TO HAVE FRAUDULENTLY MISREPRESENTED RESIDENCE TO OBTAIN BENEFITS.

Section 6 of the Food Stamp Act of 1977 (7 U.S.C. 2015) is amended by adding at the end the following:

"(i) An individual shall be ineligible to participate in the food stamp program as a member of any household during the 10-year period beginning on the date the individual is found by a State to have made, or is convicted in Federal or State court of having made, a fraudulent statement or representation with respect to the place of residence of the individual in order to receive benefits simultaneously from 2 or more States under the food stamp program or under programs that are funded under part A of title IV of the Social Security Act (42 U.S.C. 601 et seq.), under title XIX of such Act (42 U.S.C.

1396 et seq.), or under the supplemental security income program under title XVI of such Act (42 U.S.C. 1381 et seq.).''.

SEC. 833. DISQUALIFICATION RELATING TO CHILD SUPPORT ARREARS.

Section 6 of the Food Stamp Act of 1977 (7 U.S.C. 2015), as amended by section 833, is amended by adding at the end the following:

''(j) A State plan under section 11 may provide that no individual is eligible to participate in the food stamp program as a member of any household during any period such individual has a payment overdue that is both—

''(1) under a court order for the support of a child of such individual; and

''(2) not included in a payment plan approved by a court or the State agency designated under part D of title IV of the Social Security Act (42 U.S.C. 651 et seq.) with which the individual is in current compliance.''.

SEC. 834. LIMITING ADJUSTMENT OF MINIMUM BENEFIT.

Section 8(a) of the Food Stamp Act of 1977 (7 U.S.C. 2017(a)) is amended by striking ''nearest $5'' and inserting ''nearest $10''.

SEC. 835. PENALTY FOR FAILURE TO COMPLY WITH WORK REQUIREMENTS OF OTHER PROGRAMS.

Section 8(d) of the Food Stamp Act of 1977 (7 U.S.C. 2017(d)) is amended—

(1) by inserting ''or any work requirement under such program'' after ''assistance program''; and

(2) by inserting at the end ''The State agency may impose the same penalty on a household for such failure to comply with a work requirement in the program under part A of title IV of the Social Security Act (42 U.S.C. 601 et seq.) that is imposed under such part.''

SEC. 836. RESUMPTION OF DISCRETIONARY FUNDING FOR NUTRITION EDUCATION AND TRAINING PROGRAM.

Section 19(i)(2)(A) of the Child Nutrition Act of 1966 (42 U.S.C. 1788(i)(2)(A)) is amended—

(1) by striking ''Out of'' and all that follows through ''and $10,000,000'' and inserting ''To carry out the provisions of this section, there is hereby authorized to be appropriated not to exceed $10,000,000''; and

(2) by striking the last sentence.

SEC. 837. IMPROVEMENT OF CHILD AND ADULT CARE FOOD PROGRAM OPERATED UNDER THE NATIONAL SCHOOL LUNCH ACT.

(a) IN GENERAL.—Section 17(f)(3)(A) of the National School Lunch Act (42 U.S.C. 1766(f)(3)(A)) is amended to read as follows:

''(A)(i) Institutions that participate in the program under this section as family or group day care home sponsoring organizations shall be provided, for payment to such homes, the reimbursement factors in accordance with this subparagraph for the cost of obtaining and preparing food and prescribed labor costs, involved in providing meals under this section.

''(ii)(I) A low- or moderate-income family or group day care home shall be provided the reimbursement factors without a requirement for documentation of the costs described in clause (i), except that reimbursement shall not be provided under this subparagraph for meals or supplements served to the children of a person acting as a family or group day care home provider unless such children meet the eligibility standards for free or reduced price meals under section 9 of this Act. The reimbursement factors applied to such a home shall be the factors in effect on the date of the enactment of the Work and Gainful Employment Act. The reimbursement factors under this subparagraph shall be adjusted on July 1 of each year to reflect changes in the Consumer Price Index for food away from home for the most recent 12-month period for which such data are available. The reimbursement factors under this subparagraph shall be rounded to the nearest one-fourth cent.

''(II) For purposes of this clause, the term 'low- or moderate-income family or group day care home' means—

''(aa) a family or group day care home that is located in a census tract area in which at least 50 percent of the children residing in such area are members of households whose incomes meet the eligibility standards for free or reduced price meals under section 9 of this Act, as determined by the family or group day care home sponsoring organization using census tract data provided to such organization by the State agency in accordance with subparagraph (B)(i);

''(bb) a family or group day care home that is located in an area served by a school in which at least 50 percent of the total number of children enrolled are certified to receive free or reduced price meals under this Act or the Child Nutrition Act of 1966 (42 U.S.C. 1771 et seq.), as determined by the family or group day care home sponsoring organization using data provided to such organization by the State agency in accordance with subparagraph (B)(ii); or

''(cc) a family or group day care home that is operated by a provider whose household meets the eligibility standards for free or reduced price meals under section 9 of this Act.

''(iii)(I) Except as provided for in subclause (II), with respect to meals or supplements served under this clause by a family or group day care home that does not meet the criteria set forth in clause (ii)(II), the reimbursement factors shall be—

''(aa) $1.00 for lunches and suppers;

''(bb) $.40 for breakfasts; and

''(cc) $.20 for supplements.

Such factors shall be adjusted on July 1, 1997, and each July 1 thereafter to reflect changes in the Consumer Price Index for food away from home for the most recent 12-month period for which such data are available. The reimbursement factors under this clause shall be rounded to the nearest one-fourth cent. A family or group day care home shall be provided a reimbursement factor under this subclause without a requirement for documentation of the costs described in clause (i), except that reimbursement shall not be provided under this clause for meals or supplements served to the children of a person acting as a family or group day care home provider unless such children meet the eligibility standards for free or reduced price meals under section 9 of this Act.

''(II) A family or group day care home that does not meet the criteria set forth in clause (ii)(II), may elect to be provided a reimbursement factor determined in accordance with the following requirements:

''(aa) With respect to meals or supplements served under this subsection to children who are members of households whose incomes meet the eligibility standards for free or reduced price meals under section 9 of this Act, the family or group day care home shall be provided reimbursement factors set by the Secretary in accordance with subclause (ii)(I).

''(bb) With respect to meals or supplements served under this subsection to children who are members of households whose incomes do not meet such eligibility standards, the family or group day care home shall be provided a reimbursement factor in accordance with subclause (I).

''(III) A family or group day care home electing to use the procedures under subclause (II) may consider a child with a parent participating in the WAGE program established under part F of title IV of the Social Security Act or a State child care program with an income eligibility limit that does not exceed the eligibility standard for free or reduced price meals under section 9 of this Act, to be a child who is a member of a household whose income meets the eligibility standards under section 9 of this Act. A family or group day care home may elect to receive the reimbursement factors prescribed under clause (ii)(I) solely for such children if it does not wish to have income statements collected from parents.

''(IV) The Secretary shall prescribe simplified meal counting and reporting procedures for use by family and group day care homes that elect to use the procedures under subclause (II) and by family and group day care home sponsoring organizations that serve such homes. Such procedures may include the following:

''(aa) Setting an annual percentage for each such home of the number of meals served that are to be reimbursed in accordance with the reimbursement factors prescribed under clause (ii)(I) and an annual percentage of the number of meals served that are to be reimbursed in accordance with the reimbursement factors prescribed under clause (ii)(I), based on the incomes of children enrolled in the home in a specified month or other period.

''(bb) Setting blended reimbursement factors for a home annually based on the incomes of children enrolled in the home in a specified month or period.

''(cc) Placing a home into one of several reimbursement categories annually based on the percentage of children in the home whose households have incomes that meet the eligibility standards under section 9 of this Act.

''(dd) Such other simplified procedures as the Secretary may prescribe.''.

(b) PROVISION OF DATA TO FAMILY OR GROUP DAY CARE HOMES.—Section 17(f)(3) of such Act (42 U.S.C. 1766(f)(3)) is amended—

(1) by redesignating subparagraphs (B) and (C) as subparagraphs (D) and (E), respectively; and

(2) by inserting after subparagraph (A) (as amended by subsection (a)) the following new subparagraph:

''(B)(i) The Secretary shall provide to each State agency administering a child and adult care food program under this section data from the most recent decennial census for which such data are available showing which census tracts in the State meet the requirements of subparagraph (A)(ii)(II)(aa). The State agency shall provide such data to family or group day care home sponsoring organizations located in the State.

''(ii) Each State agency administering a child and adult care food program under this section shall annually provide to family or group day care home sponsoring organizations located in the State a list of all schools in the State in which at least 50 percent of the children are enrolled and certified to receive free or reduced price meals under this Act or the Child Nutrition Act of 1966 (42 U.S.C. 1771 et seq.). The Secretary shall direct State agencies administering the school lunch program under this Act and the school breakfast program under the Child Nutrition Act of 1966 to collect this information annually and to provide it on a timely basis to the State agency administering the program under this section.''.

(c) GRANTS TO STATES TO PROVIDE ASSISTANCE TO FAMILY OR GROUP DAY CARE HOMES.—Section 17(f)(3) of such Act (42 U.S.C. 1766(f)(3)) is amended by inserting after subparagraph (B) (as added by subsection (b)(2)) the following new subparagraph:

"(C)(i) From amounts appropriated to carry out this section, the Secretary shall reserve $2,000,000 in fiscal year 1996 and $5,000,000 in fiscal year 1997 to provide grants to States for the purpose of providing grants to family and day care home sponsoring organizations and other appropriate organizations to secure and provide training, materials, automated data processing assistance, and other assistance for the staff of such sponsoring organizations and for family and group day care homes in order to assist in the implementation of the requirements contained in subparagraph (A).

"(ii) From amounts appropriated to carry out this section, the Secretary shall reserve $5,000,000 in fiscal year 1998 and in each fiscal year thereafter to provide grants to States for the purpose of making grants to family or group day care home sponsoring organizations and other appropriate organizations to assist low- or moderate-income family or group day care homes (as such term is defined in subparagraph (A)(ii)(II)) to become licensed or registered for the program under this section or overcome other barriers to the program.".

(d) EFFECTIVE DATES.—

(1) IN GENERAL.—The amendments made by subsections (a) and (b) shall take effect on July 1, 1996.

(2) GRANTS TO STATES.—The amendment made by subsection (c) shall take effect on the date of the enactment of this Act.

Subtitle C—Supplemental Security Income

SEC. 841. VERIFICATION OF ELIGIBILITY FOR CERTAIN SSI DISABILITY BENEFITS.

Section 1631 (42 U.S.C. 1383) is amended by adding at the end the following new subsection:

"(o)(1) Notwithstanding any other provision of law, if the Commissioner of Social Security determines that an individual, who is 18 years of age or older, is eligible to receive benefits pursuant to section 1614(a)(3), the Commissioner shall, at the time of the determination, either exempt the individual from an eligibility review or establish a schedule for reviewing the individual's continuing eligibility in accordance with paragraph (2).

"(2)(A) The Commissioner shall establish a periodic review with respect to the continuing eligibility of an individual to receive benefits, unless the individual is exempt from review under subparagraph (C) or is subject to a scheduled review under subparagraph (B). A periodic review under this subparagraph shall be initiated by the Commissioner not later than 30 months after the date a determination is made that the individual is eligible for benefits and every 30 months thereafter, unless a waiver is granted under section 221(i)(2). However, the Commissioner shall not postpone the initiation of a periodic review for more than 12 months in any case in which such waiver has been granted unless exigent circumstances require such postponement.

"(B)(i) In the case of an individual, other than an individual who is exempt from review under subparagraph (C) or with respect to whom subparagraph (A) applies, the Commissioner shall schedule a review regarding the individual's continuing eligibility to receive benefits at any time the Commissioner determines, based on the evidence available, that there is a significant possibility that the individual may cease to be entitled to such benefits.

"(ii) The Commissioner may establish classifications of individuals for whom a review of continuing eligibility is scheduled based on the impairments that are the basis for such individuals' eligibility for benefits. A review of an individual covered by a classification shall be scheduled in accordance with the applicable classification, unless the Commissioner determines that applying such schedule is inconsistent with the purpose of this Act or the integrity of the supplemental security income program.

"(C)(i) The Commissioner may exempt an individual from review under this subsection, if the individual's eligibility for benefits is based on a condition that, as a practical matter, has no substantial likelihood of improving to a point where the individual will be able to perform substantial gainful activity.

"(ii) The Commissioner may establish classifications of individuals who are exempt from review under this subsection based on the impairments that are the basis for such individuals' eligibility for benefits. Notwithstanding any such classification, the Commissioner may, at the time of determining an individual's eligibility, schedule a review of such individual's continuing eligibility if the Commissioner determines that a review is necessary to preserve the integrity of the supplemental security income program.

"(3) The Commissioner may revise a determination made under paragraph (1) and schedule a review under paragraph (2)(B), if the Commissioner obtains credible evidence that an individual may no longer be eligible for benefits or the Commissioner determines that a review is necessary to maintain the integrity of the supplemental security income program. Information obtained under section 1137 may be used as the basis to schedule a review.

"(4)(i) The requirements of sections 1614(a)(4) and 1633 shall apply to reviews conducted under this subsection.

"(ii) Such reviews may be conducted by the applicable State agency or the Commissioner, whichever is appropriate.".

SEC. 842. NONPAYMENT OF SSI DISABILITY BENEFITS TO SUBSTANCE ABUSERS.

(a) IN GENERAL.—Section 1614(a)(3) (42 U.S.C. 1382c(a)(3)) is amended by adding at the end the following new subparagraph:

"(I) Notwithstanding subparagraph (A), an individual shall not be considered disabled for purposes of this title if alcoholism or drug addiction would (but for this subparagraph) be a contributing factor material to the Commissioner's determination that the individual is disabled.".

(b) ADDITIONAL ELIGIBILITY REQUIREMENTS.—Section 1611(e)(3)(A) (42 U.S.C. 1382(e)(3)(A)) is amended—

(1) in clause (i), by striking subclause (I) and inserting the following new subclause:

"(I) In the case of any individual who is eligible for benefits under this title by reason of disability for the month in which the Work and Gainful Employment Act becomes effective, whose alcoholism or drug addiction was a contributing factor material to the Commissioner's determination that such individual is disabled, whose benefits are terminated as a result of section 1614(a)(3)(I), and who subsequently becomes re-eligible for benefits under this title based on a disability, such individual shall comply with the provisions of this subparagraph. In any case in which an individual is required to comply with the provisions of this subparagraph, the Commissioner shall include in the individual's notification of such eligibility a notice informing the individual of such requirement."; and

(2) in clause (vi)—

(A) in subclause (I), by striking "who is eligible for benefits" through "is disabled," and inserting "described in clause (i),";

(B) in subclause (V), by striking "or (v)"; and

(C) by redesignating clause (vi) as clause (v).

(c) CONFORMING AMENDMENTS.—

(1) Section 1611(e)(3)(B)(iii)(II)(aa) (42 U.S.C. 1382(e)(3)(B)(iii)(II)(aa)) is amended by striking "with respect to whom" through "they are disabled" and inserting "described in subparagraph (A)(i)".

(2) Section 201(b)(3) of the Social Security Independence and Program Improvements Act of 1994 (42 U.S.C. 425 note) is amended by striking subparagraph (C).

(d) MEDICAID BENEFITS.—Section 1634(e) (42 U.S.C. 1383c(e)) is amended—

(1) by striking "or (v)";

(2) by inserting "(1)" after "(e)"; and

(3) by inserting at the end thereof:

"(2) Each person who is eligible for benefits under this title by reason of disability for the month in which the Work and Gainful Employment Act becomes effective and whose benefits are terminated as a result of section 1614(a)(3)(I) shall be deemed to be receiving such benefits for purposes of title XIX.".

(e) PAYMENT OF BENEFITS TO REPRESENTATIVE PAYEES.—

(1) Section 1631(a)(2)(A)(ii)(II) (42 U.S.C. 1383(a)(2)(A)(ii)(II)) is amended to read as follows:

"(II) In the case of an individual described in section 1611(e)(3)(A)(i)(I), the payment of benefits under this title by reason of disability to a representative payee shall be deemed to serve the interest of the individual under this title. In any case in which payment is so deemed under this subclause to serve the interest of an individual, the Commissioner shall include, in the individual's notification of such eligibility, a notice that the Commissioner is required by the Social Security Act to pay the individual's benefits to a representative payee.".

(2) Section 1631(a)(2)(B)(vii) (42 U.S.C. 1383(a)(2)(B)(vii)) is amended by striking ", if alcoholism" through "individual is disabled" and inserting in lieu thereof "who is described in section 1611(e)(3)(A)(i)(I)".

(3) Section 1631(a)(2)(D)(i)(II) (42 U.S.C. 1383(a)(2)(D)(i)(II)) is amended by striking "alcoholism or drug addiction is a contributing factor material to the Commissioner's determination that the individual is disabled" and inserting "who is described in section 1611(e)(3)(A)(i)(I)".

TITLE IX—LEGISLATIVE PROPOSALS; EFFECTIVE DATE

SEC. 901. SECRETARIAL SUBMISSION.

The Secretary of Health and Human Services shall, within 90 days after the date of the enactment of this Act, submit to the appropriate committees of the Congress, a legislative proposal providing such technical and conforming amendments in the law as are required by the provisions of this Act.

SEC. 902. EFFECTIVE DATE.

(a) IN GENERAL.—Except as otherwise specifically provided in this Act, this Act and the amendments made by this shall be effective with respect to calendar quarters beginning on or after October 1, 1995.

(b) SPECIAL RULE.—In the case of a State that the Secretary of Health and Human Services determines requires State legislation (other than legislation appropriating funds) in order to meet the additional requirements imposed by this Act or the amendments made by this Act, the State shall not be regarded as failing to comply with such requirements before the first day of the first calendar quarter beginning after the close of the first regular session of the State legislature that begins after the date of the enactment of this Act. For purposes of this subsection, in the case of a State that has a 2-year legislative session, each year of the session shall be treated as a separate regular session of the State legislature.

LEVIN AMENDMENT NO. 2533

Mr. MOYNIHAN (for Mr. Levin) proposed an amendment to amendment No. 2280 proposed by Mr. Dole to the bill H.R. 4, supra, as follows:

On page 417, line 15, strike "or" and insert "and".

DODD AMENDMENT NO. 2534

Mr. MOYNIHAN (for Mr. Dodd) proposed an amendment No. 2280 proposed by Mr. Dole to the bill H.R. 4, supra, as follows:

On page 397, strike lines 5 and 6 and insert the following:

"(1) 90 percent shall be reserved for making allotments under section 712;".

On page 397, line 15, strike "and" at the end thereof.

On page 397, line 17, strike the period and insert "; and".

On page 397, between lines 17 and 18, insert the following:

"(7) 2 percent shall be reserved for carrying out sections 775 and 776.".

On page 461, between lines 18 and 19, insert the following new sections and redesignate the remaining sections and cross references thereto, accordingly:

SEC. 775. NATIONAL RAPID RESPONSE GRANTS FOR DISLOCATED WORKERS.

(a) In General.—From amounts reserved under section 734(b), the Secretary of Labor may award national rapid response grants to eligible entities to enable the entities to provide adjustment assistance to workers affected by major economic dislocations that result from plant closures, base closures, or mass layoffs.

(b) Projects and Services.—

(1) In general.—Amounts provided under grants awarded under this section shall be used to provide employment, training and related services through projects that relate to—

(A) industry-wide dislocations;

(B) multistate dislocations;

(C) dislocations resulting from reductions in defense expenditures;

(D) dislocations resulting from international trade actions;

(E) dislocations resulting from environmental laws and regulations, including the Clean Air Act (42 U.S.C. 7401 et seq.), and the Endangered Species Act of 1973 (16 U.S.C. 1531 et seq.);

(F) dislocations affecting Indian Tribes and tribal organizations; and

(G) other dislocations that result from special circumstances or that State and local resources are insufficient to address.

(2) Community projects.—The Secretary of Labor may award grants under this section for projects that provide comprehensive planning services to assist communities in addressing and reducing the impact of an economic dislocation.

(c) Administration.—

(1) Application.—To be eligible to receive a grant under this section, an eligible entity shall submit an application to the Secretary of Labor at such time, in such manner, and accompanied by such information as the Secretary of Labor determines to be appropriate.

(2) Eligible Entities.—The Secretary of Labor may award a grant under this section to—

(A) a State;

(B) a local entity administering assistance provided under title I;

(C) an employer or employer association;

(D) a worker-management transition assistance committee or other employer-employee entities;

(E) a representative of employees;

(F) a community development corporation or community-based organization; or

(G) an industry consortium.

(d) Use of Funds in Emergencies.—

(1) In general.—Where the Secretary of Labor and the chief executive officer of a State determine that an emergency exists with respect to any particular distressed industry or any particularly distressed area within a State, the Secretary may use amounts made available under this section to provide emergency financial assistance to dislocated workers in the form of employment, training, and related services.

(2) Arrangements.—The Secretary of Labor may enter into arrangements with eligible entities in a State described in paragraph (1) for the immediate provision of emergency financial assistance under paragraph (1) for the purposes of this section with any necessary supportive documentation to be submitted at a date agreed to by the chief executive officer and the Secretary.

SEC. 776. DISASTER RELIEF EMPLOYMENT ASSISTANCE.

(a) Qualification for Funds.—From amounts reserved under section 734(b), the Secretary of Labor may provide assistance to the chief executive officer of a State within which is located an area that has suffered an emergency or a major disaster as defined in paragraphs (1) and (2), respectively, of section 102 of the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C. 5122(1) and (2)) (hereafter referred to in this section as the "disaster area").

(b) Use of Funds.—

(1) Projects restricted to disaster areas.—Funds provided to a State under subsection (a)—

(A) shall be used solely to provide eligible individuals with employment in projects to provide clothing, shelter, and other humanitarian assistance for disaster victims and in projects regarding the demolition, cleanup, repair, renovation, and reconstruction of damaged and destroyed structures, facilities, and lands located within the disaster area; and

(B) may be expended through public and private agencies and organizations administering such projects.

(2) Eligibility requirements.—An individual shall be eligible for employment in a project under this section if such individual is a dislocated worker or is temporarily or permanently laid off as a result of an emergency or disaster referred to in subsection (a).

(3) Limitations on disaster relief employment.—No individual may be employed using assistance provided under this section for a period of more than 6 months if such employment is related to recovery from a single emergency or disaster.

DORGAN AMENDMENT NO. 2535

Mr. MOYNIHAN (for Mr. Dorgan) proposed an amendment to amendment No. 2280 proposed by Mr. Dole to the bill H.R. 4, supra, as follows:

At the appropriate place, add the following new section:

SEC. . SENSE OF THE SENATE ON LEGISLATIVE ACCOUNTABILITY FOR UNFUNDED MANDATES IN WELFARE REFORM LEGISLATION.

(a) Findings.—The Senate finds that the purposes of the Unfunded Mandates Reform Act of 1995 are:

(1) "to strengthen the partnership between the Federal Government and State, local and tribal governments";

(2) "to end the imposition, in the absence of full consideration by Congress, of Federal mandates on State, local and tribal governments without adequate Federal funding, in a manner that may displace other essential State, local and tribal governmental priorities";

(3) "to assist Congress in its consideration of proposed legislation establishing or revising Federal programs containing Federal mandates affecting State, local and tribal governments, and the private sector by—

(A) providing for the development of information about the nature and size of mandates in proposed legislation; and

(B) establishing a mechanism to bring such information to the attention of the Senate and the House of Representatives before the Senate and the House of Representatives vote on proposed legislation";

(4) "to promote informed and deliberate decisions by Congress on the appropriateness of Federal mandates in any particular instance"; and

(5) "to require that Congress consider whether to provide funding to assist State, local and tribal governments in complying with Federal mandates"

(b) Sense of the Senate.—It is the sense of the Senate that prior to the Senate acting on the conference report on either H.R. 4 or any other legislation including welfare reform provisions, the Congressional Budget Office shall prepare an analysis of the conference report to include:

(1) estimates, over each of the next seven fiscal years, by state and in total, of—

(A) the costs to states of meeting all work requirements in the conference report, including those for single-parent families, two-parent families, and those who have received cash assistance for 2 years;

(B) the resources available to the states to meet these work requirements, defined as federal appropriations authorized in the conference report for this purpose in addition to what states are projected to spend under current welfare law;

(C) the amount of any additional revenue needed by the states to meet the work requirements in the conference report, beyond resources available as defined under subparagraph (b)(1)(B);

(2) an estimate, based on the analysis in paragraph (b)(1), of how many states would opt to pay any penalty provided for by the conference report rather than raise the additional revenue needed to meet the work requirements in the conference report; and

(3) estimates, over each of the next 7 fiscal years, of the costs to States of any other requirements imposed on them by such legislation.

LIEBERMAN AMENDMENTS NOS. 2536–2537

Mr. MOYNIHAN (for Mr. LIEBERMAN) proposed two amendments to amendment No. 2280 proposed by Mr. DOLE to the bill H.R. 4, supra, as follows:

AMENDMENT NO. 2536

On page 17, line 8, insert "and for each of fiscal years 1998, 1999, and 2000, the amount of the State's share of the out-of-wedlock pregnancy reduction bonus determined under subsection (f) for the fiscal year" after "year".

On page 17, line 22, insert "and the applicable percent specified under subsection (f)(3)(B)(ii) for such fiscal year" after "(B)".

On page 29, between lines 15 and 16, insert:

"(f) OUT-OF-WEDLOCK PREGNANCY REDUCTION BONUS.—

"(1) IN GENERAL.—Any State that meets the applicable percentage reduction with respect to the out-of-wedlock pregnancies in the State for a fiscal year shall be entitled to receive a share of the out-of-wedlock pregnancy reduction bonus for the fiscal year in accordance with the formula developed under paragraph (3).

"(2) APPLICABLE PERCENTAGE REDUCTION; PERCENTAGE OF OUT-OF-WEDLOCK PREGNANCIES.—

"(A) APPLICABLE PERCENTAGE REDUCTION.—The term 'applicable percentage reduction' means with respect to any fiscal year, a reduction of 2 or more whole percentage points of the percentage of out-of-wedlock pregnancies in the State for the preceding fiscal year over the percentage of out-of-wedlock pregnancies in the State for fiscal year 1995.

"(B) PERCENTAGE OF OUT-OF-WEDLOCK PREGNANCIES.—For purposes of this subsection, the term 'percentage of out-of-wedlock pregnancies' means—

"(i) the total number of abortions, live births, and spontaneous abortions among single teenagers in a State in a fiscal year, divided by—

"(ii) the total number of single teenagers in the State in the fiscal year.

"(3) ALLOCATION FORMULA; BONUS FUND.—

"(A) ALLOCATION FORMULA.—Not later than September 30, 1996, the Secretary of Health and Human Services shall develop and publish in the Federal Register a formula for allocating amounts in the out-of-wedlock pregnancy reduction bonus fund to States that achieve the applicable percentage reduction described in paragraph (2)(A).

"(B) OUT-OF-WEDLOCK PREGNANCY REDUCTION BONUS FUND.—

"(i) IN GENERAL.—The amount in the out-of-wedlock pregnancy reduction bonus fund for a fiscal year shall be an amount equal to—

"(I) the applicable percentage of the amount appropriated under section 403(a)(2)(A) for such fiscal year; and

"(II) the amount of the reduction in grants made under this section for the preceding fiscal year resulting from the application of section 407.

"(ii) APPLICABLE PERCENTAGE.—For purposes of clause (i)(I), the applicable percentage shall be determined in accordance with the following table:

"For fiscal year:	The applicable percentage is:
1998	3
1999	4
2000 and each fiscal year thereafter	5.

On page 29, line 16, strike "(f)" and insert "(g)".

At the appropriate place, insert:

SEC. ___. NATIONAL CLEARINGHOUSE ON TEENAGE PREGNANCY.

(a) ESTABLISHMENT.—The Secretary of Education and the Secretary of Health and Human Services shall establish a national center for the collection and provision of information that relates to adolescent pregnancy prevention programs, to be known as the "National Clearinghouse on Teenage Pregnancy Prevention Programs".

(b) FUNCTIONS.—The national center established under subsection (a) shall serve as a national information and data clearinghouse, and as a material development source for adolescent pregnancy prevention programs. Such center shall—

(1) develop and maintain a system for disseminating information on all types of adolescent pregnancy prevention programs and on the state of adolescent pregnancy prevention program development, including information concerning the most effective model programs;

(2) identify model programs representing the various types of adolescent pregnancy prevention programs;

(3) develop networks of adolescent pregnancy prevention programs for the purpose of sharing and disseminating information;

(4) develop technical assistance materials to assist other entities in establishing and improving adolescent pregnancy prevention programs;

(5) participate in activities designed to encourage and enhance public media campaigns on the issue of adolescent pregnancy; and

(6) conduct such other activities as the responsible Federal officials find will assist in developing and carrying out programs or activities to reduce adolescent pregnancy.

(c) APPOINTMENT OF FEDERAL COORDINATOR AND SPOKESPERSON.—The Secretary of Health and Human Services, after consultation with the President, shall appoint an employee of the Department of Health and Human Services to coordinate all the activities of the Federal Government relating to the reduction of teenage pregnancies and to serve as the spokesperson for the Federal Government on issues related to teenage pregnancies.

(d) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated such sums as may be necessary to carry out the purposes of this section.

SEC. ___. ESTABLISHING NATIONAL GOALS TO REDUCE OUT-OF-WEDLOCK PREGNANCIES AND TO PREVENT TEENAGE PREGNANCIES.

(a) IN GENERAL.—Not later than January 1, 1997, the Secretary of Health and Human Services shall establish and implement a strategy for—

(1) reducing out-of-wedlock teenage pregnancies by at least 2 percent a year, and

(2) assuring that at least 25 percent of the communities in the United States have teenage pregnancy prevention programs in place.

(b) REPORT.—Not later than June 30, 1998, and annually thereafter, the Secretary shall report to the Congress with respect to the progress that has been made in meeting the goals described in paragraphs (1) and (2) of subsection (a).

(b) OUT-OF-WEDLOCK AND TEENAGE PREGNANCY PREVENTION PROGRAMS.—Section 2002 (42 U.S.C. 1397a) is amended by adding at the end the following new subsection:

"(f)(1) Beginning in fiscal year 1996 and each fiscal year thereafter, each State shall use at least 5 percent of its allotment under section 2003 for the fiscal year to develop and implement a State program to reduce the incidence of out-of-wedlock and teenage pregnancies in the State.

"(2) The Secretary shall conduct a study with respect to the State programs implemented under paragraph (1) to determine the relative effectiveness of the different approaches for reducing out-of-wedlock pregnancies and preventing teenage pregnancy utilized in the programs conducted under this subsection and the approaches that can be best replicated by other States.

"(3) Each State conducting a program under this subsection shall provide to the Secretary, in such form and with such frequency as the Secretary requires, data from the programs conducted under this subsection. The Secretary shall report to the Congress annually on the progress of the programs and shall, not later than June 30, 1998, submit to the Congress a report on the study required under paragraph (2).".

SEC. . SENSE OF THE SENATE REGARDING ENFORCEMENT OF STATUTORY RAPE LAWS.

It is the sense of the Senate that States and local jurisdictions should aggressively enforce statutory rape laws.

AMENDMENT NO. 2537

At the appropriate place, insert:

SEC. . NATIONAL CLEARINGHOUSE ON TEENAGE PREGNANCY.

(a) ESTABLISHMENT.—The Secretary of Education and the Secretary of Health and Human Services shall establish a national center for the collection and provision of information that relates to adolescent pregnancy prevention programs, to be known as the "National Clearinghouse on Teenage Pregnancy Prevention Programs".

(b) FUNCTIONS.—The national center established under subsection (a) shall serve as a national information and data clearinghouse, and as a material development source for adolescent pregnancy prevention programs. Such center shall—

(1) develop and maintain a system for disseminating information on all types of adolescent pregnancy prevention programs and on the state of adolescent pregnancy prevention program development, including information concerning the most effective model programs;

(2) identify model programs representing the various types of adolescent pregnancy prevention programs;

(3) develop networks of adolescent pregnancy prevention programs for the purpose of sharing and disseminating information;

(4) develop technical assistance materials to assist other entities in establishing and improving adolescent pregnancy prevention programs;

(5) participate in activities designed to encourage and enhance public media campaigns on the issue of adolescent pregnancy; and

(6) conduct such other activities as the responsible Federal officials find will assist in developing and carrying out programs or activities to reduce adolescent pregnancy.

(c) APPOINTMENT OF FEDERAL COORDINATOR AND SPOKESPERSON.—The Secretary of Health and Human Services, after consultation with the President, shall appoint an employee of the Department of Health and Human Services to coordinate all the activities of the Federal Government relating to the reduction of teenage pregnancies and to serve as the spokesperson for the Federal Government on issues related to teenage pregnancies.

(d) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated such sums as may be necessary to carry out the purposes of this section.

SEC. . ESTABLISHING NATIONAL GOALS TO REDUCE OUT-OF-WEDLOCK PREGNANCIES AND TO PREVENT TEENAGE PREGNANCIES.

(a) IN GENERAL.—Not later than January 1, 1997, the Secretary of Health and Human Services shall establish and implement a strategy for—

(1) reducing out-of-wedlock teenage pregnancies by at least 2 percent a year, and

(2) assuring that at least 25 percent of the communities in the United States have teenage pregnancy prevention programs in place.

(b) REPORT.—Not later than June 30, 1998, and annually thereafter, the Secretary shall report to the Congress with respect to the progress that has been made in meeting the goals described in paragraphs (1) and (2) of subsection (a).

(b) OUT-OF-WEDLOCK AND TEENAGE PREGNANCY PREVENTION PROGRAMS.—Section 2002 (42 U.S.C. 1397a) is amended by adding at the end the following new subsection:

"(f)(1) Beginning in fiscal year 1996 and each fiscal year thereafter, each State shall use at least 5 percent of its allotment under section 2003 for the fiscal year to develop and implement a State program to reduce the incidence of out-of-wedlock and teenage pregnancies in the State.

"(2) The Secretary shall conduct a study with respect to the State programs implemented under paragraph (1) to determine the relative effectiveness of the different approaches for reducing out-of-wedlock pregnancies and preventing teenage pregnancy utilized in the programs conducted under this subsection and the approaches that can be best replicated by other States.

"(3) Each State conducting a program under this subsection shall provide to the Secretary, in such form and with such frequency as the Secretary requires, data from the programs conducted under this subsection. The Secretary shall report to the Congress annually on the progress of the programs and shall, not later than June 30, 1998, submit to the Congress a report on the study required under paragraph (2).".

SEC. . SENSE OF THE SENATE REGARDING ENFORCEMENT OF STATUTORY RAPE LAWS.

It is the sense of the Senate that States and local jurisdictions should aggressively enforce statutory rape laws.

MOYNIHAN AMENDMENT NO. 2538

Mr. MOYNIHAN proposed an amendment to amendment No. 2280 proposed by Mr. DOLE to the bill H.R. 4, supra, as follows:

In section 781(b), strike paragraph (1) (relating to the Trade Act of 1974).

In section 781(b)(2), strike "(2)" and insert "(1)".

In section 781(b)(3), strike "(3)" and insert "(2)".

In section 781(b)(4), strike "(4)" and insert "(3)".

In section 781(b)(5), strike "(5)" and insert "(4)".

In section 781(b)(6), strike "(6)" and insert "(5)".

In section 781(b)(7), strike "(7)" and insert "(6)".

In section 781(b)(8), strike "(8)" and insert "(7)".

COATS (AND ASHCROFT) AMENDMENT NO. 2539

Mr. HATCH (for Mr. COATS, for himself and Mr. ASHCROFT) proposed an amendment to amendment No. 2280 proposed by Mr. DOLE to the bill H.R. 4, supra, as follows:

At the end of the amendment, add the following new title:

TITLE XIII—MISCELLANEOUS PROVISIONS

SEC. 1301. CREDIT FOR CHARITABLE CONTRIBUTIONS TO CERTAIN PRIVATE CHARITIES PROVIDING ASSISTANCE TO THE POOR.

(a) IN GENERAL.—Subpart A of part IV of subchapter A of chapter 1 of the Internal Revenue Code of 1986 (relating to nonrefundable personal credits) is amended by inserting after section 22 the following new section:

"SEC. 23. CREDIT FOR CERTAIN CHARITABLE CONTRIBUTIONS.

"(a) IN GENERAL.—In the case of an eligible individual, there shall be allowed as a credit against the tax imposed by this chapter for the taxable year an amount equal to the qualified charitable contributions which are paid by the taxpayer during the taxable year.

"(b) LIMITATION.—The credit allowed by subsection (a) for the taxable year shall not exceed $500 ($1,000 in the case of a joint return under section 6013).

"(c) ELIGIBLE INDIVIDUAL; QUALIFIED CHARITABLE CONTRIBUTION.—For purposes of this section—

"(1) ELIGIBLE INDIVIDUAL.—The term 'eligible individual' means, with respect to any charitable contribution, an individual who is certified by the qualified charity to whom the contribution was made by the individual as having performed at least 50 hours of volunteer service for the charity during the calendar year in which the taxable year begins.

"(2) QUALIFIED CHARITABLE CONTRIBUTION.—The term 'qualified charitable contribution' means any charitable contribution (as defined in section 170(c)) made in cash to a qualified charity but only if the amount of each such contribution, and the recipient thereof, are identified on the return for the taxable year during which such contribution is made.

"(d) QUALIFIED CHARITY.—

"(1) IN GENERAL.—For purposes of this section, the term 'qualified charity' means, with respect to the taxpayer, any organization—

"(A) which is described in section 501(c)(3) and exempt from tax under section 501(a), and

"(B) which, upon request by the organization, is certified by the Secretary as meeting the requirements of paragraphs (2) and (3).

"(2) CHARITY MUST PRIMARILY ASSIST THE POOR.—An organization meets the requirements of this paragraph only if the Secretary reasonably expects that the predominant activity of such organization will be the provision of services to individuals and families which are designed to prevent or alleviate poverty among individuals and families whose incomes fall below 150 percent of the official poverty line (as defined by the Office of Management and Budget).

"(3) MINIMUM EXPENSE REQUIREMENT.—

"(A) IN GENERAL.—An organization meets the requirements of this paragraph only if the Secretary reasonably expects that the annual poverty program expenses of such organization will not be less than 70 percent of the annual aggregate expenses of such organization.

"(B) POVERTY PROGRAM EXPENSE.—For purposes of subparagraph (A)—

"(i) IN GENERAL.—The term 'poverty program expense' means any expense in providing program services referred to in paragraph (2).

"(ii) EXCEPTIONS.—Such term shall not include—

"(I) any management or general expense,

"(II) any expense for the purpose of influencing legislation (as defined in section 4911(d)),

"(III) any expense primarily for the purpose of fundraising, and

"(IV) any expense for a legal service provided on behalf of any individual referred to in paragraph (2).

"(4) ELECTION TO TREAT POVERTY PROGRAMS AS SEPARATE ORGANIZATION.—

"(A) IN GENERAL.—An organization may elect to treat one or more programs operated by it as a separate organization for purposes of this section.

"(B) EFFECT OF ELECTION.—If an organization elects the application of this paragraph, the organization, in accordance with regulations, shall—

"(i) maintain separate accounting for revenues and expenses of programs with respect to which the election was made,

"(ii) ensure that contributions to which this section applies be used only for such programs, and

"(iii) provide for the proportional allocation of management, general, and fundraising expenses to such programs to the extent not allocable to a specific program.

"(C) REPORTING REQUIREMENTS.—

"(i) ORGANIZATIONS NOT OTHERWISE REQUIRED TO FILE.—An organization not otherwise required to file any return under section 6033 shall be required to file such a return with respect to any poverty program treated as a separate organization under this paragraph.

"(ii) ORGANIZATIONS REQUIRED TO FILE.—An organization otherwise required to file a return under section 6033—

"(I) shall file a separate return with respect to any poverty program treated as a separate organization under this section, and

"(II) shall include on its own return the percentages equivalent to those required of qualified charities under the last sentence of section 6033(b) and determined with respect to such organization (without regard to the expenses of any poverty program under subclause (I)).

"(e) COORDINATION WITH DEDUCTION FOR CHARITABLE CONTRIBUTIONS.—

"(1) CREDIT IN LIEU OF DEDUCTION.—The credit provided by subsection (a) for any qualified charitable contribution shall be in lieu of any deduction otherwise allowable under this chapter for such contribution.

"(2) ELECTION TO HAVE SECTION NOT APPLY.—A taxpayer may elect for any taxable year to have this section not apply."

(b) RETURNS.—

(1) QUALIFIED CHARITIES REQUIRED TO PROVIDE COPIES OF ANNUAL RETURN.—Subsection (e) of section 6104 of such Code (relating to public inspection of certain annual returns and applications for exemption) is amended by adding at the end the following new paragraph:

"(3) QUALIFIED CHARITIES REQUIRED TO PROVIDE COPIES OF ANNUAL RETURN.—

"(A) IN GENERAL.—Every qualified charity (as defined in section 23(d)) shall, upon request of an individual made at an office where such organization's annual return filed under section 6033 is required under paragraph (1) to be available for inspection, provide a copy of such return to such individual without charge other than a reasonable fee for any reproduction and mailing costs. If the request is made in person, such copies shall be provided immediately and, if made other than in person, shall be provided within 30 days.

"(B) PERIOD OF AVAILABILITY.—Subparagraph (A) shall apply only during the 3-year period beginning on the filing date (as defined in paragraph (1)(D) of the return requested)."

(2) ADDITIONAL INFORMATION.—Section 6033(b) of such Code is amended by adding at the end the following new flush sentence:

"Each qualified charity (as defined in section 23(d)) to which this subsection otherwise applies shall also furnish each of the percentages determined by dividing each of the following categories of the organization's expenses for the year by its total expenses for the year: program services; management and general; fundraising; and payments to affiliates."

(c) CLERICAL AMENDMENT.—The table of sections for subpart A of part IV of subchapter A of chapter 1 of such Code is amended by inserting after the item relating to section 22 the following new item:

"Sec. 23. Credit for certain charitable contributions."

(d) EFFECTIVE DATE.—The amendments made by this section shall apply to contributions made after the 90th day after the date of the enactment of this Act in taxable years ending after such date.

McCAIN AMENDMENT NOS. 2540–2544

Mr. HATCH (for Mr. McCAIN) proposed an amendment to amendment No. 2280 proposed by Mr. DOLE to the bill H.R. 4, supra, as follows:

AMENDMENT No. 2540

At the appropriate place, insert the following:

SEC. . REMOVAL OF BARRIERS TO INTERRACIAL AND INTERETHNIC ADOPTIONS.

(a) FINDINGS.—Congress finds that—

(1) nearly 500,000 children are in foster care in the United States;

(2) tens of thousands of children in foster care are waiting for adoption;

(3) 2 years and 8 months is the median length of time that children wait to be adopted, and minority children often wait twice as long as other children to be adopted; and

(4) child welfare agencies should work to eliminate racial, ethnic, and national origin discrimination and bias in adoption and foster care recruitment, selection, and placement procedures.

(b) PURPOSE.—The purpose of this section is to promote the best interests of children by—

(1) decreasing the length of time that children wait to be adopted; and

(2) preventing discrimination in the placement of children on the basis of race, color, or national origin.

(c) REMOVAL OF BARRIERS TO INTERRACIAL AND INTERETHNIC ADOPTIONS.—

(1) PROHIBITION.—A State or other entity that receives funds from the Federal Government and is involved in adoption or foster care placements may not—

(A) deny to any person the opportunity to become an adoptive or a foster parent, on the basis of the race, color, or national origin of the person, or of the child, involved; or

(B) delay or deny the placement of a child for adoption or into foster care, or otherwise discriminate in making a placement decision, on the basis of the race, color, or national origin of the adoptive or foster parent, or the child, involved.

(2) PENALTIES.—

(A) STATE VIOLATORS.—A State that violates paragraph (1) shall remit to the Secretary of Health and Human Services all funds that were paid to the State under part E of title IV of the Social Security Act (42 U.S.C. 670 et seq.) (relating to foster care and adoption assistance) during the period of the violation.

(B) PRIVATE VIOLATORS.—Any other entity that violates paragraph (1) shall remit to the Secretary of Health and Human Services all funds that were paid to the entity during the period of the violation by a State from funds provided under part E of title IV of the Social Security Act.

(3) PRIVATE CAUSE OF ACTION.—

(A) IN GENERAL.—Any individual or class of individuals aggrieved by a violation of paragraph (1) by a State or other entity may bring an action seeking relief in any United States district court or State court of appropriate jurisdiction.

(B) STATURE OF LIMITATIONS.—An action under this subsection may not be brought more than 2 years after the date the alleged violation occurred.

(4) ATTORNEY'S FEES.—In any action or proceeding under this Act, the court, in the discretion of the court, may allow the prevailing party, other than the United States, a reasonable attorney's fee, including litigation expenses and costs, and the States and the United States shall be liable for the fee to the same extent as a private individual.

(5) STATE IMMUNITY.—A State shall not be immune under the 11th amendment to the Constitution from an action of Federal or State court of appropriate jurisdiction for a violation of this section.

(6) NO EFFECT ON INDIAN CHILD WELFARE ACT OF 1978.—Nothing in this Act shall be construed to affect the application of the Indian Child Welfare Act of 1978 (25 U.S.C. 1901 et seq.).

(d) REPEAL.—Subpart 1 of part E of title V of the Improving America's Schools Act of 1994 (42 U.S.C. 5115a) is amended—

(1) by repealing sections 551 through 553; and

(2) by redesignating section 554 as section 551.

(e) EFFECTIVE DATE.—This section, and the amendments made by this section, shall take effect 90 days after the date of enactment of this Act.

AMENDMENT No. 2541

On page 122, between lines 11 and 12, insert the following:

SEC. 110A. FEDERAL FUNDING FOR EXCESSIVE DATA REPORTING REQUIREMENTS.

Notwithstanding any other provision of law, a State shall not be required to comply with any data collection or data collection or data reporting requirements added by this Act that the General Accounting Office determines is in excess of normal Federal management needs (including systems development costs) unless the Federal Government provides the State with funding sufficient to allow States to comply with such requirements.

AMENDMENT No. 2542

On page 215, line 24, add closing quotation marks and a period at the end.

On page 216, strike lines 1 through 5.

AMENDMENT No. 2543

On page 36, line 10, strike "and".

On page 36, line 13, strike the end period.

On page 36, between lines 13 and 14, insert the following:

"(G) job readiness workshops in which an individual attends pre-employment classes to obtain business or industry specific training required to meet employer-specific needs (not to exceed 4 weeks with respect to any individual).

AMENDMENT No. 2544

On page 122, between lines 11 and 12, insert the following:

SEC. 110A. CORRECTIVE ACTION PLAN.

(a) IN GENERAL.—

(1) NOTIFICATION OF VIOLATION.—Notwithstanding any other provision of law, the Federal Government shall, prior to assessing a penalty against a State under any program established or modified under this Act, notify the State of the violation of law for which such penalty would be assessed and allow the State the opportunity to enter into a corrective action plan in accordance with this section.

(2) 60-DAY PERIOD TO PROPOSE A CORRECTIVE ACTION PLAN.—Any State notified under paragraph (1) shall have 60 days in which to submit to the Federal Government a corrective action plan to correct any violations described in such paragraph

(3) ACCEPTANCE OF PLAN.—The Federal Government shall have 60 days to accept or reject the State's corrective action plan and may consult with the State during this period to modify the plan. If the Federal Government does not accept or reject the corrective action plan during the period, the corrective action plan shall be deemed to be accepted.

(b) 90-DAY GRACE PERIOD.—If a corrective action plan is accepted by the Federal Government, no penalty shall be imposed with respect to a violation described in subsection (a) if the State corrects the violation pursuant to the plan within 90 days after the date on which the plan is accepted (or within such other period specified in the plan).

HARKIN AMENDMENT NO. 2545

Mr. HARKIN proposed an amendment to amendment No. 2280 proposed by Mr. DOLE to the bill H.R. 4, supra, as follows:

On page 39, strike lines 4 through 10, and insert the following:

"(a) STATE REQUIRED TO ENTER INTO A PERSONAL RESPONSIBILITY CONTRACT WITH EACH FAMILY RECEIVING ASSISTANCE.—

"(1) IN GENERAL.—Each State to which a grant is made under section 403 shall require each family receiving assistance under the State program funded under this part to enter into—

"(A) a personal responsibility contract (as developed by the State) with the State; or

"(B) a limited benefit plan.

"(2) PERSONAL RESPONSIBILITY CONTRACT.—For purposes of this subsection, the term 'personal responsibility contact' means a binding contract between the State and each family receiving assistance under the State program funded under this part that—

"(A) outlines the steps each family and the State will take to get the family off of welfare and to become self-sufficient;

"(B) specifies a negotiated time-limited period of eligibility for receipt of assistance that is consistent with unique family circumstances and is based on a reasonable plan to facilitate the transition of the family to self-sufficiency;

"(C) provides that the family will automatically enter into a limited benefit plan if the family is out of compliance with the personal responsibility contract; and

"(D) provides that the contract shall be invalid if the State agency fails to comply with the contract.

"(3) LIMITED BENEFIT PLAN.—For purposes of this subsection, the term 'limited benefit plan' means a plan which provides for a reduced level of assistance and later termination of assistance to a family that has entered into the plan in accordance with a schedule to be determined by the State.

"(4) ASSESSMENT.—The State agency shall provide, through a case manager, an initial and thorough assessment of the skills, prior work experience, and employability of each parent for use in developing and negotiating a personal responsibility contract.

"(5) DISPUTE RESOLUTION.—The State agency described in section 402(a)(6) shall establish a dispute resolution procedure for disputes related to participation in the personal responsibility contract that provides the opportunity for a hearing.

CHAFEE AMENDMENT NO. 2546

Mr. CHAFEE proposed an amendment to amendment No. 2280 proposed by Mr. DOLE to the bill H.R. 4, supra, as follows:

On page 23, beginning on line 7, strike all through page 24, line 18, and insert the following:

"(5) WELFARE PARTNERSHIP.—

"(A) IN GENERAL.—The amount of the grant otherwise determined under paragraph (1) for fiscal year 1997, 1998, 1999, or 2000 shall be reduced by the amount by which State expenditures under the State program funded under this part for the preceding fiscal year is less that 75 percent of historic State expenditures.

"(B) HISTORIC STATE EXPENDITURES.—For purposes of this paragraph—

"(i) IN GENERAL.—The term 'historic State expenditures' means expenditures by a State under parts A and F of title IV for fiscal year 1994, as in effect during such fiscal year.

"(ii) HOLD HARMLESS.—In no event shall the historic State expenditures applicable to any fiscal year exceed the amount which bears the same ratio to the amount determined under clause (i) as—

"(I) the grant amount otherwise determined under paragraph (1) for the preceding fiscal year (without regard to section 407), bears to;

"(II) the total amount of Federal payments to the State under section 403 for fiscal year 1994 (as in effect during such fiscal year).

"(C) DETERMINATION OF STATE EXPENDITURES FOR PRECEDING FISCAL YEAR.—

"(i) IN GENERAL.—For purposes of this paragraph, the expenditures of a State under the State program funded under this part for a preceding fiscal year shall be equal to the sum of the State's expenditures under the program in the preceding fiscal year for—

"(I) cash assistance;

"(II) child care assistance;

"(III) education, job training, and work; and

"(IV) administrative costs.

"(ii) TRANSFERS FROM OTHER STATE AND LOCAL PROGRAMS.—In determining State expenditures under clause (i), such expenditures shall not include funding supplanted by transfers from other State and local programs.

"(D) EXCLUSION OF FEDERAL AMOUNTS.—For purposes of this paragraph, State expenditures shall not include any expenditures from amounts made available by the Federal Government.

COHEN AMENDMENT NO. 2547

Mr. CHAFEE (for Mr. COHEN) proposed an amendment to amendment No. 2280 proposed by Mr. DOLE to the bill H.R. 4, supra; as follows:

Beginning on page 112, line 13, strike all through page 114, line 23, and insert the following:

SEC. 201. DRUG ADDICTS AND ALCOHOLICS UNDER THE SUPPLEMENTAL SECURITY INCOME PROGRAM.

(a) TERMINATION OF SSI CASH BENEFITS FOR DRUG ADDICTS AND ALCOHOLICS.—Section 1611(e)(3) (42 U.S.C. 1382(e)(3)) is amended—

(1) by striking "(B)" and inserting "(C)";

(2) by striking "(3)(A) and inserting "(B)"; and

(3) by inserting before subparagraph (B) as redesignated by paragraph (2) the following new subparagraph:

"(3)(A) No cash benefits shall be payable under this title to any individual who is otherwise eligible for benefits under this title by reason of disability, if such individual's alcoholism or drug addiction is a contributing factor material to the Commissioner's determination that such individual is disabled.".

(b) TREATMENT REQUIREMENTS.—

(1) Section 1611(e)(3)(B)(i)(I) (42 U.S.C. 1382(e)(3)(B)(i)(I)), as redesignated by subsection (a), is amended to read as follows:

"(B)(i)(I)(aa) Any individual who would be eligible for cash benefits under this title but for the application of subparagraph (A) may elect to comply with the provisions of this subparagraph.

"(bb) Any individual who is eligible for cash benefits under this title by reason of disability (or whose eligibility for such benefits is suspended) or is eligible for benefits pursuant to section 1619(b), and who was eligible for such benefits by reason of disability, for which such individual's alcoholism or drug addiction was a contributing factor material to the Commissioner's determination that such individual was disabled, for the month preceding the month in which section 201 of the Work Opportunity Act of 1995 takes effect, shall be required to comply with the provisions of this subparagraph.

(2) Section 1611(e)(3)(B)(i)(II) (42 U.S.C. 1382(e)(3)(B)(i)(II)), as so redesignated, is amended by striking "who is required under subclause (I)" and inserting "described in division (bb) of subclause (I) who is required".

(3) Subclauses (I) and (II) of section 1611(e)(3)(B)(ii) (42 U.S.C. 1382(e)(3)(B)(ii)), as so redesignated, are each amended by striking "clause (i)" and inserting "clause (i)(I)".

(4) Section 1611(e)(3)(B) (42 U.S.C. 1382(e)(3)(B)), as so redesignated, is amended by striking clause (v) and by redesignating clause (vi) as clause (v).

(5) Section 1611(e)(3)(B)(v) (42 U.S.C. 1382(e)(3)(B)(v)), as redesignated by paragraph (4), is amended—

(A) in subclause (I), by striking "who is eligible" and all that follows through "is disabled" and inserting "described in clause (i)(I)"; and

(B) in subclause (V), by striking "or v".

(6) Section 1611(e)(3)(C)(i) (42 U.S.C. 1382(e)(3)(C)(i)), as redesignated by subsection (a), is amended by striking "who are receiving benefits under this title and who as a condition of such benefits" and inserting "described in subparagraph (B)(i)(I)(aa) who elect to undergo treatment; and the monitoring and testing of all individuals described in subparagraph (B)(i)(I)(bb) who".

(7) Section 1611(e)(3)(C)(iii)(II)(aa) (42 U.S.C. 1382(e)(3)(C)(iii)(II)(aa)), as so redesignated, is amended by striking "residing in the State" and all that follows through "they are disabled" and inserting "described in subparagraph (B)(i)(I) residing in the State".

(8) Section 1611(e)(3)(C)(iii) (42 U.S.C. 1382(e)(3)(C)(iii)), as so redesignated, is amended by adding at the end the following:

"(III) The monitoring requirements of subclause (II) shall not apply in the case of any individual described in subparagraph (B)(i)(I)(aa) who fails to comply with the requirements of subparagraph (B).".

(9) Section 1611(e)(3) (42 U.S.C. 1382(e)(3)), as amended by subsection (a), is amended by adding at the end the following new subparagraphs:

"(D) The Commissioner shall provide appropriate notification to each individual subject to the limitation on cash benefits contained in subparagraph (A) and the treatment provisions contained in subparagraph (B).

"(E) The requirements of subparagraph (B) shall cease to apply to any individual—

"(i) after three years of treatment, or

"(ii) if the Commissioner determines that such individual no longer needs treatment.".

(c) REPRESENTATIVE PAYEE REQUIREMENTS.—

(1) Section 1631(a)(2)(A)(ii)(II) (42 U.S.C. 1383(a)(2)(A)(ii)(II)) is amended to read as follows:

"(II) In the case of an individual eligible for benefits under this title by reason of disability, if such individual also has an alcoholism or drug addiction condition (as determined by the Commissioner of Social Security), the payment of such benefits to a representative payee shall be deemed to serve the interest of the individual. In any case in which such payment is so deemed under this subclause to serve the interest of an individual, the Commissioner shall include, in the individual's notification of such eligibility, a notice that such alcoholism or drug addiction condition accompanies the disability upon which such eligibility is based and that the Commissioner is therefore required to pay the individual's benefits to a representative payee.".

(2) Section 1631(a)(2)(B)(vii) (42 U.S.C. 1383(a)(2)(B)(vii)) is amended by striking "eligible for benefits" and all that follows through "is disabled" and inserting "described in subparagraph (A)(ii)(II)".

(3) Section 1631(a)(2)(B)(ix)(II) (42 U.S.C. 1383(a)(2)(B)(ix)(II)) is amended by striking all that follows "15 years, or" and inserting "described in subparagraph (A)(ii)(II)".

(4) Section 1631(a)(2)(D)(i)(II) (42 U.S.C. 1383(a)(2)(D)(i)(II)) is amended by striking "eligible for benefits" and all that follows through "is disabled" and inserting "described in subparagraph (A)(ii)(II)".

(d) PRESERVATION OF MEDICAID ELIGIBILITY.—Section 1634(e) (42 U.S.C. 1382(e)) is amended—

(1) by striking "clause (i) or (v) of section 1611(e)(3)(A)" and inserting "subparagraph (A) or subparagraph (B)(i)(II) of section 1611(e)(3)"; and

(2) by adding at the end the following: "This subsection shall not apply to any such person—

"(i) after three years of treatment, or

"(ii) if earlier, if the Commissioner determines that such individual no longer needs treatment, or

"(iii) if such person has previously received such treatment.".

(e) EFFECTIVE DATE.—

(1) IN GENERAL.—Except as provided in paragraph (2), the amendments made by this

section shall apply to applicants for benefits for months beginning on or after the date of the enactment of this Act, without regard to whether regulations have been issued to implement such amendments.

(2) APPLICATION TO CURRENT RECIPIENTS.—Notwithstanding any other provision of law, in the case of an individual who is receiving supplemental security income benefits under title XVI of the Social Security Act as of the date of the enactment of this Act and whose eligibility for such benefits would terminate by reason of the amendments made by this section, such amendments shall apply with respect to the benefits of such individual for months beginning after the cessation of the individual's treatment provided pursuant to such title as in effect on the day before the date of such enactment, and the Commissioner of Social Security shall so notify the individual not later than 90 days after the date of the enactment of this Act.

MOYNIHAN (AND DOLE) AMENDMENT NO. 2548

Mr. MOYNIHAN (for himself and Mr. DOLE) proposed an amendment to amendment No. 2280 proposed by Mr. DOLE to the bill H.R. 4, supra, as follows:

On page 87, between lines 5 and 6, insert the following:

SEC. 105A. DEVELOPMENT OF PROTOTYPE OF COUNTERFEIT-RESISTANT SOCIAL SECURITY CARD REQUIRED.

(a) DEVELOPMENT.—

(1) IN GENERAL.—The Commissioner of Social Security (hereafter in this section referred to as the "Commissioner") shall in accordance with the provisions of this section develop a prototype of a counterfeit-resistant social security card. Such prototype card shall—

(A) be made of a durable, tamper-resistant material such as plastic or polyester,

(B) employ technologies that provide security features, such as magnetic stripes, holograms, and integrated circuits, and

(C) be developed so as to provide individuals with reliable proof of citizenship or legal resident alien status.

(2) ASSISTANCE BY ATTORNEY GENERAL.—The Attorney General of the United States shall provide such information and assistance as the Commissioner deems necessary to achieve the purposes of this section.

(b) STUDY AND REPORT.—

(1) IN GENERAL.—The Commissioner shall conduct a study and issue a report to Congress which examines different methods of improving the social security card application process.

(2) ELEMENTS OF STUDY.—The study shall include an evaluation of the cost and work load implications of issuing a counterfeit-resistant social security card for all individuals over a 3, 5, and 10 year period. The study shall also evaluate the feasibility and cost implications of imposing a user fee for replacement cards and cards issued to individuals who apply for such a card prior to the scheduled 3, 5, and 10 year phase-in options.

(3) DISTRIBUTION OF REPORT.—Copies of the report described in this subsection along with a facsimile of the prototype card as described in subsection (a) shall be submitted to the Committees on Ways and Means and Judiciary of the House of Representatives and the Committees on Finance and Judiciary of the Senate within 1 year of the date of the enactment of this Act.

(c) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated and are appropriated from the Federal Old-Age and Survivors Insurance Trust Fund such sums as may be necessary to carry out the purposes of this section.

KERREY AMENDMENT NO. 2549

Mr. MOYNIHAN (for Mr. KERREY) proposed an amendment to amendment No. 2280 proposed by Mr. DOLE to the bill H.R. 4, supra, as follows:

On page 229, strike lines 4 through 8 and insert the following:

"(2) ELECTION REVOCABLE.—A State that elects to participate in the program established under subsection (a) may subsequently elect to participate in the food stamp program in accordance with the other sections of this Act.

KOHL AMENDMENTS NOS. 2550–2551

Mr. MOYNIHAN (for Mr. KOHL) proposed two amendments to amendment No. 2280 proposed by Mr. DOLE to the bill H.R. 4, supra, as follows:

AMENDMENT NO. 2550

On page 244, strike lines 3 through 13 and insert the following:

"(B) REDUCTIONS IN ALLOTMENTS.—

"(i) REDUCTION FOR EXEMPTED INDIVIDUALS.—

"(I) DETERMINATION.—The Secretary shall determine the Federal costs of providing benefits to and administering the food stamp program for exempted individuals in each State participating in the program established under this section.

"(II) REDUCTION.—The Secretary shall reduce the allotment to each State participating in the program established under this section by the amount determined under subclause (I).

"(ii) INSUFFICIENT FUNDS.—If the Secretary finds that the total amount of allotments to which States would otherwise be entitled for a fiscal year under subparagraph (A) will exceed the amount of funds that will be made available to provide the allotments for the fiscal year, the Secretary shall reduce the allotments made to States under this subsection, on a pro rata basis, to the extent necessary to allot under this subsection a total amount that is equal to the funds that will be made available.

"(m) EXEMPTED INDIVIDUALS.—

"(1) DEFINITION.—Subject to paragraph (2), in this subsection, the term 'exempted individual' means a individual who is—

"(A) elderly;

"(B) a child; or

"(C) disabled.

"(2) EXEMPTION.—Notwithstanding any other provision of this section, an exempted individual shall not be subject to this section and shall be subject to the other sections of this Act.".

AMENDMENT NO. 2551

On page 158, between lines 14 and 15, insert the following:

SEC. 301. DECLARATION OF POLICY.

Section 2 of the Food Stamp Act of 1977 (7 U.S.C. 2011) is amended by adding at the end the following: "Congress intends that the food stamp program support the employment focus and family strengthening mission of public welfare and welfare replacement programs by—

"(1) facilitating the transition of low-income families and households from economic dependency to economic self-sufficiency through work;

"(2) promoting employment as the primary means of income support for economically dependent families and households and reducing the barriers to employment of economically dependent families and households; and

"(3) maintaining and strengthening healthy family functioning and family life.".

On page 185, line 7, strike "and".

On page 185, between lines 13 and 14, insert the following:

(D) by redesignating clauses (vi) and (vii) as clauses (vii) and (viii), respectively; and

(E) by inserting after clause (v) the following:

"(vi) Case management, casework, and other services necessary to support healthy family functioning, enable participation in an employment and training program, or otherwise facilitate the transition from economic dependency to self-sufficiency through work.";

BRYAN AMENDMENTS NOS. 2552–2555

Mr. MOYNIHAN (for Mr. BRYAN) proposed four amendments to amendment No. 2280 proposed by Mr. DOLE to the bill H.R. 4, supra; as follows:

AMENDMENT NO. 2552

At the appropriate place in the title X, insert the following new section:

At the appropriate place, insert the following new section:

SEC. . FRAUD UNDER MEANS-TESTED WELFARE AND PUBLIC ASSISTANCE PROGRAMS.

(a) IN GENERAL.—If an individual's benefits under a Federal, State, or local law relating to a means-tested welfare or a public assistance program are reduced because of an act of fraud by the individual under the law or program, the individual may not, for the duration of the reduction, receive an increased benefit under any other means-tested welfare or public assistance program for which Federal funds are appropriated as a result of a decrease in the income of the individual (determined under the applicable program) attributed to such reduction.

(b) WELFARE OR PUBLIC ASSISTANCE PROGRAMS FOR WHICH FEDERAL FUNDS ARE APPROPRIATED.—For purposes of subsection (a), the term "means-tested welfare or public assistance program for which Federal funds are appropriated" shall include the food stamp program under the Food Stamp Act of 1977 (7 U.S.C. 2011 et seq.), any program of public or assisted housing under title I of the United States Housing Act of 1937 (42 U.S.C. 1437 et seq.), and State programs funded under part A of title IV of the Social Security Act (42 U.S.C. 601 et seq.).

AMENDMENT NO. 2553

On page 87, between lines 5 and 6, insert the following:

SEC. . COOPERATION REQUIRED WITH RESPECT TO PATERNITY ESTABLISHMENT AND CHILD SUPPORT ENFORCEMENT FOR ELIGIBILITY FOR ASSISTANCE.

Subject to the provisions of titles IV and XIX of the Social Security Act and the Food Stamp Act of 1977, and notwithstanding any other provision of law, no Federal funds may be used to provide assistance based on need to, or on behalf of, a child in a family that includes an individual (including the noncustodial parent, if any) whom the agency responsible for administering such assistance determines is not cooperating in establishing the paternity of such child, or in establishing, modifying, or enforcing a support order with respect to such child, without good cause as determined by such agency in accordance with standards prescribed by such agency which shall take into consideration the best interests of the child.

AMENDMENT No. 2554

At the appropriate place in the amendment, insert the following new section:

SEC. . COLLECTION OF WELFARE OR PUBLIC ASSISTANCE BENEFIT OVERPAYMENTS FROM FEDERAL TAX REFUNDS.

(a) IN GENERAL.—Paragraph (1) of section 6402(d) of the Internal Revenue Code of 1986 (relating to collection of debts owed to Federal agencies) is amended by inserting "or upon receiving notice from any State agency that a named person owes a past-due legally enforceable debt arising out of an overpayment under an applicable welfare program," before "the Secretary shall".

(b) APPLICABLE WELFARE PROGRAMS.—Section 6402(d) of such Code is amended by adding at the end the following new paragraph:

"(4) APPLICABLE WELFARE PROGRAM.—For purposes of this subsection, the term 'applicable welfare program' means any program established or significantly modified by the Work Opportunity Act of 1995."

(c) CONFORMING AMENDMENTS.—

(1) Section 6402(d)(2) of such Code is amended by inserting "or State" after "Federal".

(2) The heading for section 6402(d) of such Code is amended by inserting "or certain State" after "Federal".

(d) EFFECTIVE DATE.—The amendments made by this section shall apply to refunds payable after December 31, 1995.

AMENDMENT No. 2555

At the appropriate place in the amendment, insert the following new section:

SEC. . Section 6(f) of the Food Stamp Act of 1977 (7 U.S.C. 2015(f)) is amended by striking the third sentence and inserting the following:

The State agency shall, at its option, consider either all income and financial resources of the individual rendered ineligible to participate in the food stamp program under this subsection, or such income, less a pro rate share, and the financial resources of the ineligible individual, to determine the eligibility and the value of the allotment of the household of which such individual is a member.

NICKLES AMENDMENT NO. 2556

Mr. HATCH (for Mr. NICKLES) proposed an amendment to amendment No. 2280 proposed by Mr. DOLE to the bill H.R. 4, supra, as follows:

SEC. 913 page 601 of the amendment, strike line 8 thru line 21 and insert in lieu thereof the following:

"(2) TIMING OF REPORT.—Each report required by paragraph (1) shall be made in accordance with the requirements of Section 1320b–7(3), Title 42 of U.S.C."

(c) REPORTING FORMAT.—Each report required under Section 1320b–7(3), Title 42 of U.S.C. shall include an indication of those employees newly hired during such quarter.

JEFFORDS AMENDMENT NO. 2557

Mr. HATCH (for Mr. JEFFORDS) proposed an amendment to amendment No. 2280 proposed by Mr. DOLE to the bill H.R. 4, supra, as follows:

On page 36, line 12, strike "12" and insert "24".

JEFFORDS (AND PELL) AMENDMENT NO. 2558

Mr. HATCH (for Mr. JEFFORDS for himself and Mr. PELL) proposed an amendment to amendment No. 2280 proposed by Mr. DOLE to the bill H.R. 4, supra; as follows:

On page 381, strike lines 18 through 21, and insert the following:

(3) STATE DETERMINATIONS.—From the amount available to a State educational agency under paragraph (2)(B) for a fiscal year, such agency shall distribute such funds for workforce education activities in such State as follows:

(A) 75 percent of such amount shall be distributed for secondary school vocational education in accordance with section 722, or for postsecondary and adult vocational education in accordance with section 723, or for both; and

(B) 25 percent of such amount shall be distributed for adult education in accordance with section 724.

KYL AMENDMENT NO. 2559

Mr. HATCH (for Mr. KYL) proposed an amendment to amendment No. 2280 proposed by Mr. DOLE to the bill H.R. 4, supra, as follows:

In section 728, strike subsections (a) and (b) and insert the following:

(a) LOCAL AGREEMENTS.—

(1) IN GENERAL.—After a Governor submits the State plan described in section 714 to the Federal Partnership, the Governor shall negotiate and enter into a local agreement regarding the workforce employment activities, school-to-work activities, and economic development activities (within a State that is eligible to carry out such activities, as described in subsection (c)) to be carried out in each substate area in the State with local workforce development boards described in subsection (b).

(2) CONTENTS.—

(A) STATE GOALS AND STATE BENCHMARKS.—Such an agreement shall include a description of the manner in which funds allocated to a substate area under this subtitle will be spent to meet the State goals and reach the State benchmarks in a manner that reflects local labor market conditions.

(B) COLLABORATION.—The agreement shall also include information that demonstrates the manner in which—

(i) the Governor; and

(ii) the local workforce development board; collaborated in reaching the agreement.

(3) FAILURE TO REACH AGREEMENT.—If, after a reasonable effort, the Governor is unable to enter into an agreement with the local workforce development board, the Governor shall notify the board, and provide the board with the opportunity to comment, not later than 30 days after the date of the notification, on the manner in which funds allocated to such substate area will be spent to meet the State goals and reach the State benchmarks.

(4) EXCEPTION.—A State that indicates in the State plan described in section 714 that the State will be treated as a substate area for purposes of the application of this subtitle shall not be subject to this subsection.

(b) LOCAL WORKFORCE DEVELOPMENT BOARDS.—

(1) IN GENERAL.—There shall be a local workforce development board for every substate area in a State that receives assistance under this title.

(2) DUTIES.—Such a local workforce development board shall—

(A) have principal responsibility for implementing local workforce development activities (other than economic development activities), including one-stop centers or systems, school-to-work activities, and workfare activities; and

(B) shall have authority over economic development activities if no comparable oversight or policy group exists within the substate area.

(3) APPOINTMENT.—

(A) IN GENERAL.—A local workforce development board shall be appointed by the chief elected official of a unit of general purpose local government within the substate area involved, based on guidelines established by the Governor, in consultation with local elected officials in the substate area.

(B) CHIEF ELECTED OFFICIAL.—Such chief elected official shall be selected by the elected officials of 1 or more units of general purpose local government within the substate area.

(C) MEMBERSHIP.—A majority of the members of the board shall be representatives of business. The remainder of the board shall consist of such other members as the Governor may determine to be appropriate.

(4) REFERENCES.—Notwithstanding any other provision of this title, any reference in this title to a local partnership shall be deemed to be a reference to a local workforce development board established under this subsection.

DODD (AND OTHERS) AMENDMENT NO. 2560

Mr. DODD (for himself, Mr. KENNEDY, Mr. KOHL, Ms. MIKULSKI, Ms. MOSELEY-BRAUN, Mrs. MURRAY, Mrs. BOXER, Mr. LEAHY, and Mr. KERREY) proposed an amendment to amendment No. 2280 proposed by Mr. DOLE to the bill H.R. 4, supra, as follows:

On page 17, line 22, strike "subparagraph (B)" and insert "subparagraphs (B) and (C)".

On page 18, between lines 15 and 16, insert the following new subparagraph:

"(C) AMOUNT ATTRIBUTABLE TO CERTAIN CHILD CARE PAYMENTS.—For purposes of subparagraph (A), the amount determined under this subparagraph is an amount equal to the Federal payments to the State under subsections (g)(1)(A)(i), (g)(1)(A)(ii), and (i) of section 402 for fiscal year 1994 (as in effect during such fiscal year).".

On page 18, line 16, strike "(C)" and insert "(D)".

On page 22, line 12, strike "$16,795,323,000" and insert "$15,795,323,000".

At the end of title VI, add the following new section:

SEC. . WORK PROGRAM RELATED CHILD CARE.

(a) ESTABLISHMENT.—The Secretary of Health and Human Services shall, upon the application of a State under subsection (c), provide a grant to such State for the provision of child care services to individuals.

(b) FUNDING.—For the purpose of providing child care services for eligible children through the awarding of grants to States under this section for a fiscal year, the Secretary of Health and Human Services shall pay, from funds in the Treasury not otherwise appropriated, an amount equal to the sum of—

(1) the outlays for child care services under sections 402(g)(1)(A)(i), 402(g)(1)(A)(ii), and 402(i) of the Social Security Act (as such sections existed on the day before the date of

enactment of this Act) for fiscal year 1994; and

(2)(A) for fiscal year 1996, $246,000,000;

(B) for fiscal year 1997, $311,000,000;

(C) for fiscal year 1998, $570,000,000;

(D) for fiscal year 1999, $1,122,000,000; and

(E) for fiscal year 2000, $3,776,000,000.

(c) Application.—To be eligible to receive a grant under this section, a State shall prepare and submit to the Secretary of Health and Human Services an application at such time, in such manner, and containing such information as the Secretary may require.

(d) Amount of Grant.—From the amounts available under subsection (b) for a fiscal year, the Secretary of Health and Human Services shall allot to each State (with an application approved under subsection (c)) an amount which bears the same relationship to such amounts as the total number of eligible children in the State bears to the total number of eligible children in all States (with applications approved under subsection (c)).

(e) Use of Funds.—

(1) In general.—Amounts received by a State under a grant awarded under this section shall be used to carry out programs and activities to provide child care services to eligible children residing within such State.

(2) Eligible children.—For purposes of this section, the term "eligible child" means an individual—

(A) who is less than 13 years of age; and

(B) who resides with a parent or parents who are working pursuant to a work requirement contained in section 404 of the Social Security Act (as amended by section 101), are attending a job training or educational program, or are at risk of falling into welfare.

(3) Guarantee.—Notwithstanding any other provision of this Act, or of part A of title IV of the Social Security Act—

(A) no parent of a preschool age child shall be penalized or sanctioned for failure to participate in a job training, educational, or work program if child care assistance in an appropriate child care program is not provided for the child of such parent; and

(B) no parent of an elementary school age child shall be penalized or sanctioned for failure to participate in a job training, educational, or work program before or after normal school hours if assistance in an appropriate before or after school program is not provided for the child of such parent.

(f) General Provisions.—

(1) Other requirements.—The requirements, standards, and criteria under the Child Care and Development Block Grant Act of 1990 (42 U.S.C. 9858 et seq.), except for the provisions of section 658G of such Act, shall apply to the funds appropriated under this section to the extent that such requirements, standards, and criteria do not directly conflict with the provisions of this section.

(2) Maintenance of Effort.—A State, in utilizing the proceeds of a grant received under this section, shall maintain the expenditures of the State for child care activities at a level that is equal to not less than the level of such expenditures maintained by the State under the provisions of law referred to in subsection (b) for fiscal year 1994.

(g) Sense of the Senate Regarding Financing.—

(1) Findings.—The Senate finds that—

(A) child care is essential to the success of real welfare reform and this Act dramatically reduces the funds designated for child care while at the same time increasing the need for such care; and

(B) obsolete corporate subsidies and tax expenditures consume a larger and growing portion of the funds in the Treasury.

(2) Sense of the senate.—It is the sense of the Senate that the new investment in child care, above the amounts appropriated under the provisions of law referred to in subsection (b)(1) for fiscal year 1994, provided under this section should be offset by corresponding reductions in corporate welfare.

ASHCROFT AMENDMENTS NOS. 2561–2562

Mr. ASHCROFT proposed two amendments to amendment No. 2280 proposed by Mr. Dole to the bill H.R. 4, supra, as follows:

Amendment No. 2561

At the appropriate place, add the following:

Subtitle F—SSI Flexibility

SEC. 251. SHORT TITLE.

This subtitle may be cited as the "Supplemental Social Security Income Flexibility Act of 1995".

SEC. 252. BLOCK GRANTS TO THE STATES FOR SUPPLEMENTAL SECURITY INCOME FOR THE DISABLED AND BLIND.

(a) In General.—Title XVI (42 U.S.C. 1381–1383d) is amended by adding at the end the following new part:

"Part C—Block Grants to States for Supplemental Security Income for the Disabled and Blind

"PURPOSE; IMPLEMENTATION

"Sec. 1651. (a) Purpose.—The purpose of this part is to consolidate Federal assistance to the States for supplemental income for individuals who are disabled or blind (other than individuals who have attained age 65) into a single grant for such purpose, thereby giving States maximum flexibility to—

"(1) require beneficiaries who are parents to ensure that their school-age children attend school;

"(2) require minors who are beneficiaries to attend school;

"(3) require parent beneficiaries to ensure that their children receive the full complement of childhood immunizations;

"(4) require beneficiaries not to use illegal drugs or abuse other drugs;

"(5) deny assistance to children solely on the basis that a child is unable to perform age-appropriate activities;

"(6) deny assistance to individuals whose disabilities are primarily the result of their abuse of illegal or legal drugs, or alcohol;

"(7) deny assistance to illegal aliens;

"(8) require individuals who sponsor the residency of legal aliens to support those they sponsor;

"(9) involve religious and charitable organizations, voluntary associations, civic groups, community organizations, nonprofit entities, benevolent and fraternal orders, philanthropic entities, and other groups in the private sector, as appropriate, in the provision of assistance to needy disabled and blind individuals which the funding States receive under this part.

"(b) Implementation.—This purpose shall be implemented in accordance with conditions in each State and as determined by State law.

"PAYMENTS TO STATES

"Sec. 1652. (a) Amount.—

"(1) In general.—Each State shall, subject to the requirements of this part, be entitled to receive quarterly payments for fiscal years 1997, 1998, 1999, and 2000 in an amount equal to 25 percent of the annual amount determined under paragraph (2) for such fiscal year for carrying out the purpose described in section 1651.

"(2) Annual amount.—The annual amount determined for a State under this paragraph for each fiscal year beginning with fiscal year 1997 is equal to an amount which bears the same relationship to the total funds for such year specified in paragraph (3) as the annual amount determined for such State under part A of this title with respect to persons who are disabled or blind individuals, other than individuals who have attained age 65, for fiscal year 1994 bore to the total funds for all States under such part with respect to such persons for such year.

"(3) Total funds.—The total funds specified in this paragraph are as follows:

"(A) For fiscal year 1997, $20,203,000,000.

"(B) For fiscal year 1998, $22,065,000,000.

"(C) For fiscal year 1999, $24,457,000,000.

"(D) For fiscal year 2000, $29,311,000,000.

"(b) Funding Requirements.—The Secretary of the Treasury shall make quarterly payments described in subsection (a)(1) directly to each State in accordance with section 6503 of title 31, United States Code.

"(c) Expenditure of Funds; Rainy Day Fund.—Amounts received by a State under this part for any fiscal year shall be expended by the State in such fiscal year or in the succeeding fiscal year; except for such amounts as the State deems necessary to set aside in a separate account to provide, without fiscal limitation, for unexpected levels of assistance as a result of events which cause an unexpected increase in the need for providing supplemental income for individuals who are disabled or blind (other than individuals who have attained the age 65). Any amounts remaining in such segregated account after fiscal year 2000 shall be expended by a State for the purpose described in section 1651 of this part as in effect in fiscal year 2000.

"(d) Prohibition on Use of Funds.—Except as provided in subsection (e), a State to which a payment is made under this part may not use any part of such payment to provide medical services.

"(e) Authority To Use Portion of Grant for Other Purposes.—

"(1) In general.—A State may use not more than 30 percent of the annual amount paid to the State under this part for a fiscal year to carry out a State program pursuant to any or all of the following provisions of law:

"(A) Part A of title IV of this Act.

"(B) Part D of title IV of this Act.

"(C) The Food Stamp Act.

"(D) The various Acts amended by title IV of the Work Opportunity Act of 1995.

"(E) The Child Care and Development Block Grant Act of 1990.

"(F) Title VII of the Work Opportunity Act of 1995.

"(G) Title XIX of this Act.

"(2) Applicable rules.—Any amount paid to the State under this part that is used to carry out a State program pursuant to a provision of law specified in paragraph (1) shall not be subject to the requirements of this part, but shall be subject to the requirements that apply to Federal funds provided directly under the provision of law to carry out the program.

"ADMINISTRATIVE AND FISCAL ACCOUNTABILITY

"Sec. 1653. (a) Audits; Reimbursements.—

"(1) Audits.—

"(A) In general.—A State shall, not less than annually, audit the State expenditures from amounts received under this part. Such audit shall—

"(i) determine the extent to which such expenditures were or were not expended in accordance with this part; and "(ii) be conducted by an approved entity (as defined in subparagraph (B)) in accordance with generally accepted auditing principles.

"(B) APPROVED ENTITY.—For purposes of subparagraph (A), the term 'approved entity' means an entity that is—

"(i) approved by the Secretary of the Treasury;

"(ii) approved by the chief executive officer of the State; and

"(iii) independent of any agency administering activities funded under this part.

"(2) REIMBURSEMENT.—

"(A) IN GENERAL.—Not later than 30 days following the completion of an audit under this subsection, a State shall submit a copy of the audit to the State legislature and to the Secretary of the Treasury.

"(B) REPAYMENT.—Each State shall pay to the United States amounts ultimately found by the approved entity under paragraph (1)(A) not to have been expended in accordance with this part plus 10 percent of such amount as a penalty, or the Secretary of the Treasury may offset such amounts plus the 10 percent penalty against any other amount in any other year that the State may be entitled to receive under this part.

"(b) ADDITIONAL ACCOUNTING REQUIREMENTS.—The provisions of chapter 75 of title 31, United States Code, shall apply to the audit requirements of this section.

"(c) REPORTING REQUIREMENTS; FORM, CONTENTS.—

"(1) ANNUAL REPORTS.—A State shall prepare comprehensive annual reports on the activities carried out with amounts received by a State under this part.

"(2) CONTENT.—Reports prepared under this section—

"(A) shall be for the most recently completed fiscal year;

"(B) shall be in accordance with generally accepted accounting principles, including the provisions of chapter 75 of title 31, United States Code;

"(C) shall include the results of the most recent audit conducted in accordance with the requirements of subsection (a) of this section; and

"(D) shall be in such form and contain such other information as the State deems necessary—

"(i) to provide an accurate description of such activities; and

"(ii) to secure a complete record of the purposes for which amounts were expended in accordance with this part.

"(3) COPIES.—A State shall make copies of the reports required under this section available for public inspection within the State. Copies also shall be provided upon request to any interested public agency, and each such agency may provide its views on such reports to the Congress.

"(d) ADMINISTRATIVE SUPERVISION—

"(1) ROLE OF THE SECRETARY OF THE TREASURY.—

"(A) IN GENERAL.—The Secretary of the Treasury shall supervise the amounts received under this part in accordance with subparagraph (B).

"(B) LIMITED SUPERVISION—The supervision by the Secretary of the Treasury shall be limited to—

"(i) making quarterly payments to the States in accordance with section 1652(b);

"(ii) approving the entities referred to in subsection (a)(1)(B); and

"(iii) withholding payment to a State based on the findings of such an entity in accordance with subsection (a)(2)(B).

"(2) OTHER FEDERAL SUPERVISION.—No administrative officer or agency of the United States, other than the Secretary of the Treasury and, as provided for in section 1654, the Attorney General, shall supervise the amounts received by the States under this part or the use of such amounts by the States.

"(e) LIMITED FEDERAL OVERSIGHT.—With the exception of the Department of the Treasury as provided for in this section and section 1654 of this part, no Federal department or agency may promulgate regulations or issue rules regarding the purpose of this part.

"NONDISCRIMINATION PROVISIONS

"SEC. 1654. (a) NO DISCRIMINATION AGAINST INDIVIDUALS.—No individual shall be excluded from participation in, denied the benefits of, or subjected to discrimination under any program or activity funded in whole or in part with amounts received under this part on the basis of such individual's—

"(1) disability under section 504 of the Rehabilitation Act of 1973 (29 U.S.C. 794);

"(2) sex under title IX of the Education Amendments of 1972 (20 U.S.C. 1681 et seq.); or

"(3) race, color, or national origin under title VI of the Civil Rights Act of 1964 (42 U.S.C. 2000d et seq.).

"(b) COMPLIANCE.—If the Secretary of the Treasury determines that a State, or an entity that has received funds from amounts received by the State under this part, has failed to comply with a provision of law referred to in subsection (a), except as provided for in section 1655 of this part, the Secretary of the Treasury shall notify the chief executive officer of the State and shall request the officer to secure compliance with such provision of law. If, not later than 60 days after receiving such notification, the chief executive officer fails or refuses to secure compliance, the Secretary of the Treasury may—

"(1) refer the matter to the Attorney General with a recommendation that an appropriate civil action be instituted;

"(2) exercise the powers and functions provided under title VI of the Civil Rights Act of 1964 (42 U.S.C. 2000d et seq.), title IX of the Education Amendments of 1972 (20 U.S.C. 1681 et seq.); or section 505 of the Rehabilitation Act of 1973 (29 U.S.C. 794a), (as applicable); or

"(3) take such other action as may be provided by law.

"(c) AUTHORITY OF ATTORNEY GENERAL; CIVIL ACTIONS.—When a matter is referred to the Attorney General pursuant to subsection (b)(1), or if the Attorney General has reason to believe that an entity is engaged in a pattern or practice in violation of a provision of law referred to in subsection (a), the Attorney General may bring a civil action in an appropriate district court of the United States for such relief as may be appropriate, including injunctive relief.

"SERVICES PROVIDED BY CHARITABLE, RELIGIOUS, OR PRIVATE ORGANIZATIONS.

"SEC. 1655. (a) IN GENERAL.—

(1) STATE OPTIONS.—Notwithstanding any other provision of law, a State may—

"(A) administer and provide services under the programs described in subparagraphs (A) and (B)(i) of paragraph (2) through contracts with charitable, religious, or private organizations; and

"(B) provide beneficiaries of assistance under the programs described in subparagraphs (A) and (B)(ii) of paragraph (2) with certificates, vouchers, or other forms of disbursement which are redeemable with such organizations.

"(2) PROGRAMS DESCRIBED.—The programs described in this paragraph are the following programs:

"(A) A State program funded under part A of title IV of the Social Security Act (as amended by section 101).

"(B) Any other program that is established or modified under titles I, II, or X that—

"(i) permits contracts with organizations; or

"(ii) permits certificates, vouchers, or other forms of disbursement to be provided to, or on behalf of, beneficiaries, as a means of providing assistance from an organization chosen by the beneficiaries.

"(b) RELIGIOUS ORGANIZATIONS.—The purpose of this section is to allow religious organizations to contract, or to accept certificates, vouchers, or other forms of disbursement under any program described in subsection (a)(2), on the same basis as any other provider without impairing the religious character of such organizations, and without diminishing the religious freedom of beneficiaries of assistance funded under such program.

"(c) NONDISCRIMINATION AGAINST RELIGIOUS ORGANIZATIONS.—Religious organizations are eligible, on the same basis as any other private organization, as contractors to provide assistance, or to accept certificates, vouchers, or other forms of disbursement, under any program described in subsection (a)(2). Neither the Federal Government nor a State receiving funds under such programs shall discriminate against an organization which is or applies to be a contractor to provide assistance, or which accepts certificates, vouchers, or other forms of disbursement, on the basis that the organization has a religious character.

"(d) RELIGIOUS CHARACTER AND FREEDOM.—

"(1) RELIGIOUS ORGANIZATIONS.—Notwithstanding any other provision of law, any religious organization with a contract described in subsection (a)(1)(A), or which accepts certificates, vouchers, or other forms of disbursement under subsection (a)(1)(B), shall retain its independence from Federal, State, and local governments, including such organization's control over the definition, development, practice, and expression of its religious beliefs.

"(2) ADDITIONAL SAFEGUARDS.—Neither the Federal Government nor a State shall require a religious organization to—

"(A) alter its form of internal governance;

"(B) form a separate, nonprofit corporation to receive and administer the assistance funded under a program described in subsection (a)(2) solely on the basis that it is a religious organization; or

"(C) remove religious art, icons, scripture, or other symbols;

in order to be eligible to contract to provide assistance, or to accept certificates, vouchers, or other forms of disbursement, funded under a program described in subsection (a)(2).

"(e) RIGHTS OF BENEFICIARIES OF ASSISTANCE.—

"(1) IN GENERAL.—If an individual described in paragraph (2) has an objection to the religious character of the organization or institution from which the individual receives, or would receive, assistance funded under any program described in subsection (a)(2), the State in which the individual resides shall provide such individual (if otherwise eligible for such assistance) with assistance from an alternative provider the value of which is not less than the value of the assistance which the individual would have received from such organization.

"(2) INDIVIDUAL DESCRIBED.—An individual described in this paragraph is an individual who receives, applies for, or requests to apply for, assistance under a program described in subsection (a)(2).

"(f) NONDISCRIMINATION IN EMPLOYMENT.—

"(1) IN GENERAL.—Except as provided in paragraph (2), nothing in this section shall be construed to modify or affect the provisions of any other Federal or State law or regulation that relates to discrimination in employment on the basis of religion.

"(2) EXCEPTION.—A religious organization with a contract described in subsection (a)(1)(A), or which accepts certificates, vouchers, or other forms of disbursement under subsection (a)(1)(B), may require that an employee rendering service pursuant to such contract, or pursuant to the organization's acceptance of certificates, vouchers, or other forms of disbursement adhere to—

"(A) the religious tenets and teachings of such organization; and

"(B) any rules of the organization regarding the use of drugs or alcohol.

"(g) NONDISCRIMINATION AGAINST BENEFICIARIES.—Except as otherwise provided in law, a religious organization shall not discriminate against an individual in regard to rendering assistance funded under any program described in subsection (a)(2) on the basis of religion, a religious belief, or refusal to actively participate in a religious practice.

"(h) FISCAL ACCOUNTABILITY.—

"(1) IN GENERAL.—Except as provided in paragraph (2), any religious organization contracting to provide assistance funded under any program described in subsection (a)(2) shall be subject to the same regulations as other contractors to account in accord with generally accepted auditing principles for the use of such funds provided under such programs.

"(2) LIMITED AUDIT.—If such organization segregates Federal funds provided under such programs into separate accounts, then only the financial assistance provided with such funds shall be subject to audit.

"(i) COMPLIANCE.—A religious organization which has its rights under this section violated may enforce its claim exclusively by asserting a civil action for such relief as may be appropriate, including injunctive relief or damages, in an appropriate State court against the entity or agency that allegedly commits such violation.

"SEC. 1656. LIMITATIONS ON USE OF FUNDS FOR CERTAIN PURPOSES.

"No funds provided directly to institutions or organizations to provide services and administer programs described in section 102(a)(2) and programs established or modified under this Act shall be expended for sectarian worship or instruction. This section shall not apply to financial assistance provided to or on behalf of beneficiaries of assistance in the form of certificates, vouchers, or other forms of disbursement, if such beneficiary may choose where such assistance shall be redeemed."

(b) CONFORMING AMENDMENT.—Section 1602 (42 U.S.C. 1381a) is amended by striking "Every" and inserting "(a) Every" and by adding at the end the following new subsection:

"(b) No person who is a disabled or blind individual (other than a person who has attained age 65) shall be an eligible individual or eligible spouse for purposes of this part with respect to any month beginning after September 30, 1996, but shall be eligible for services to the disabled or blind funded under part C of this title.".

SEC. 253. CONFORMING AMENDMENTS TO THE BUDGET ACT.

The Balanced Budget and Emergency Deficit Control Act of 1985 (2 U.S.C. 900 et seq.) is amended in section 255(h) (2 U.S.C. 905(h), by striking "Supplemental Security Income Program (75–0406–0–1–609); and" and inserting "Supplemental Security Income Program and block grants to States for supplemental security income for disabled individuals; and".

SEC. 254. EFFECTIVE DATE.

The amendments made by this subtitle shall take effect on October 1, 1996.

AMENDMENT NO. 2562

Beginning on page 158, strike line 14 and all that follows through page 253, line 20, and insert the following:

SEC. 301. FOOD STAMP BLOCK GRANT PROGRAM.

The Food Stamp Act of 1977 (7 U.S.C. 2011 et seq.) is amended to read as follows:

"SECTION 1. SHORT TITLE.

"This Act may be cited as the 'Food Stamp Flexibility Act of 1995'.

"SEC. 2. DEFINITION.

"In this Act, the term 'State' means each of the several States, the District of Columbia, the Commonwealth of Puerto Rico, Guam, the Virgin Islands of the United States, and the reservations of an Indian tribe whose tribal organization meets the requirements of this Act for participation as a State agency.

"SEC. 3. PURPOSE; IMPLEMENTATION.

"(a) PURPOSE.—The purpose of this Act is to strengthen individuals by helping them move from dependence on government benefits to economic independence by consolidating Federal assistance to the States for food assistance to the needy into a single grant that gives a State maximum flexibility to—

"(1) require a beneficiary who is a parent to ensure that any school-age child of the parent attend school;

"(2) require a minor who is a beneficiary to attend school;

"(3) require a beneficiary who is a parent to ensure that any child of the parent receive the full complement of childhood immunizations;

"(4) limit the amount of time a beneficiary may receive assistance;

"(5) require beneficiaries not to use illegal drugs or abuse other drugs;

"(6) deny assistance to illegal aliens;

"(7) require an individual who sponsors the residency of a legal alien to support the alien sponsored; and

"(8) involve religious and charitable organizations, voluntary associations, civic groups, community organizations, nonprofit entities, benevolent and fraternal orders, philanthropic entities, and other groups in the private sector, as appropriate, in the provision of services and assistance to needy individuals with the funding the State receives under this Act.

"(b) IMPLEMENTATION.—The purpose in subsection (a) shall be implemented in accordance with conditions in each State and as determined by State law.

"SEC. 4. PAYMENT TO STATES.

"(a) STATE MANDATES FOR WORK BY BENEFICIARIES.—

"(1) IN GENERAL.—As a condition of receiving a payment of funds under this Act, a State shall—

"(A) require each adult member of any family receiving assistance from a State under this Act to engage in work (as defined by the State) when the State determines the adult member is ready to engage in work, or after 24 months (whether or not consecutive) of receiving assistance from the State under this Act, whichever is earlier; and

"(B) satisfy the minimum participation rates specified in section 404 of the Social Security Act under rules similar to the rules specified in such section.

"(2) ELIGIBILITY.—Any individual who fails or refuses to work, and any member of the family of the individual residing with the individual, shall not be eligible for assistance from funds provided to the State under this Act.

"(b) AMOUNT.—

"(1) IN GENERAL.—Subject to the requirements of this Act, each State shall be entitled to receive quarterly payments for fiscal years 1996, 1997, 1998, 1999, and 2000 in an amount equal to 25 percent of the annual amount determined under paragraph (2) for the fiscal year for carrying out the purpose described in section 3.

"(2) ANNUAL AMOUNT.—The annual amount determined for a State under this paragraph for each fiscal year beginning with fiscal year 1996 is equal to an amount which bears the same relationship to the total funds for such year specified in paragraph (3) as the annual amount determined for such State under this Act for fiscal year 1995 bore to the total funds for all States under this Act for such year.

"(3) TOTAL FUNDS.—The total funds specified in this paragraph are as follows:

"(A) For fiscal year 1996, $25,427,000,000.

"(B) For fiscal year 1997, $26,425,000,000.

"(C) For fiscal year 1998, $27,539,000,000.

"(D) For fiscal year 1999, $28,658,000,000.

"(E) For fiscal year 2000, $29,994,000,000.

"(c) FUNDING REQUIREMENTS.—The Secretary of the Treasury shall make quarterly payments described in subsection (b)(1) directly to each State in accordance with section 6503 of title 31, United States Code.

"(d) EXPENDITURE OF FUNDS.—

"(1) IN GENERAL.—Any amount received by a State under this Act for a fiscal year shall be expended by the State in the fiscal year or in the succeeding fiscal year, except for such amounts as the State considers necessary to set aside in a separate account to provide, without fiscal limitation, for unexpected levels of assistance during a period of high unemployment or any other event that causes an unexpected increase in the need for food assistance to needy individuals.

"(2) REMAINING AMOUNTS.—Any amount in the separate account under paragraph (1) after fiscal year 2000 shall be expended by the State for the purpose described in section 3 of this Act.

"(e) PROHIBITION ON USE OF FUNDS.—Except as provided in subsection (f), a State to which a payment is made under this section may not use any part of the payment to provide medical services.

"(f) AUTHORITY TO USE PORTION OF GRANT FOR OTHER PURPOSES.—

"(1) IN GENERAL.—A State may use not more than 30 percent of the annual amount paid to the State under this Act for a fiscal year to carry out a State program under—

"(A) part A of title IV of the Social Security Act;

"(B) part D of title IV of the Social Security Act;

"(C) title XVI of the Social Security Act;

"(D) the various Acts amended by title IV of the Work Opportunity Act of 1995;

"(E) the Child Care and Development Block Grant Act of 1990;

"(F) title VII of the Work Opportunity Act of 1995; or

"(G) title XIX of the Social Security Act.

"(2) APPLICABLE RULES.—Any amount paid to a State under this Act that is used to carry out a State program under a provision of law specified in paragraph (1) shall not be subject to the requirements of this Act, but shall be subject to the requirements that apply to Federal funds provided directly under the provision of law to carry out the program.

"SEC. 5. ADMINISTRATIVE AND FISCAL ACCOUNTABILITY.

"(a) Audits; Reimbursement.—

"(1) Audits.—

"(A) In general.—A State shall, not less than annually, audit the State expenditures from amounts received under this Act. The audit shall—

"(i) determine the extent to which the expenditures were or were not expended in accordance with this Act; and

"(ii) be conducted by an approved entity in accordance with generally accepted accounting principles.

"(B) Approved entity.—For purposes of subparagraphs (A), the term 'approved entity' means an entity that is—

"(i) approved by the Secretary of the Treasury;

"(ii) approved by the chief executive officer of a State; and

"(iii) independent of any agency administering activities funded under this Act.

"(2) Reimbursement.—

"(A) In general.—Not later than 30 days following the completion of an audit under this subsection, a State shall submit a copy of the audit to the State legislature and to the Secretary of the Treasury.

"(B) Repayment.—Each State shall pay to the United States amounts ultimately found by the approved entity under paragraph (1)(A) not to have been expended in accordance with this Act plus 10 percent of the amount as a penalty, or the Secretary of the Treasury may offset the amount plus the 10 percent penalty against any other amount in any other year that the State may be entitled to receive under this Act.

"(b) Additional Accounting Requirement.—The provisions of chapter 75 of title 31, United States Code, shall apply to the audit requirements of this section.

"(c) Reporting Requirements; Form, Contents.—

"(1) Annual reports.—A State shall prepare comprehensive annual reports on activities carried out with amounts received by the State under this Act.

"(2) Content.—Reports prepared under this section—

"(A) shall be for the most recently completed fiscal year;

"(B) shall be in accordance with generally accepted accounting principles and the provisions of section 6503 of title 31, United States Code;

"(C) shall include the results of the most recent audit conducted in accordance with the requirements of subsection (a) of this section; and

"(D) shall be in such form and contain such other information as the State considers necessary—

"(i) to provide an accurate description of each activity; and

"(ii) to secure a complete record of the purposes for which amounts were expended in accordance with this Act.

"(3) Copies.—A State shall make copies of the reports required under this section available for public inspection within the State. Copies also shall be provided upon request to any interested public agency, and each agency may provide views on each report to the Congress.

"(d) Administrative Supervision.—

"(1) Role of the Secretary of the Treasury.—

"(A) In general.—The Secretary of the Treasury shall supervise any amounts received under this Act in accordance with subparagraph (B).

"(B) Limited supervision.—The supervision by the Secretary of the Treasury shall be limited to—

"(i) making quarterly payments to the States in accordance with section 4(c);

"(ii) approving an entity under subsection (a)(1)(B); and

"(iii) withholding payment to a State based on the findings of an approved entity under subsection (a)(2)(B).

"(2) Other federal supervision.—No administrative officer or agency of the United States, other than the Secretary of the Treasury and, as provided for in section 6, the Attorney General, shall supervise the amounts received by the States under this Act or the use of the funds by the States.

"(e) Limited Federal Oversight.—With the exception of the Department of the Treasury under this section and section 6 of this Act, no Federal department or agency may promulgate regulations or issue rules regarding the purpose of this Act.

"SEC. 6. NONDISCRIMINATION PROVISIONS.

"(a) No Discrimination Against Individuals.—No individual shall be excluded from participation in, denied the benefits of, or subjected to discrimination under any program or activity funded in whole or in part with amounts received under this Act on the basis of—

"(1) disability under section 504 of the Rehabilitation Act of 1973 (29 U.S.C. 794);

"(2) sex under title IX of the Education Amendments of 1972 (20 U.S.C. 1681 et seq.); or

"(3) race, color, or national origin under title VI of the Civil Rights Act of 1964 (42 U.S.C. 2000d et seq.).

"(b) Compliance.—

"(1) Notification.—If the Secretary of the Treasury determines that a State, or an entity that has received funds from amounts received by the State under this Act, has failed to comply with a provision of law referred to in subsection (a), except as provided for in section 7 of this Act, the Secretary of the Treasury shall notify the chief executive officer of the State and shall request the officer to secure compliance with the provision of law.

"(2) Enforcement.—If, not later than 60 days after receiving a notification under paragraph (1), the chief executive officer fails or refuses to secure compliance, the Secretary of the Treasury may—

"(A) refer the matter to the Attorney General with a recommendation that an appropriate civil action be instituted;

"(B) exercise the powers and functions provided under title VI of the Civil Rights Act of 1964 (42 U.S.C. 2000d et seq.), title IX of the Education Amendments of 1972 (20 U.S.C. 1681 et seq.); or section 505 of the Rehabilitation Act of 1973 (29 U.S.C. 794a); or

"(C) take such other action as may be provided by law.

"(c) Authority of Attorney General; Civil Actions.—When a matter is referred to the Attorney General under subsection (b)(2)(A), or if the Attorney General has reason to believe that an entity is engaged in a pattern or practice in violation of a provision of law referred to in subsection (a), the Attorney General may bring a civil action in an appropriate district court of the United States for such relief as may be appropriate, including injunctive relief.

SEC. 7. SERVICES PROVIDED BY CHARITABLE, RELIGIOUS, OR PRIVATE ORGANIZATIONS.

(a) In General.—

(1) State options.—Notwithstanding any other provision of law, a State may—

(A) administer and provide services under the programs described in subparagraphs (A) and (B)(i) of paragraph (2) through contracts with charitable, religious, or private organizations; and

(B) provide beneficiaries of assistance under the programs described in subparagraphs (A) and (B)(ii) of paragraph (2) with certificates, vouchers, or other forms of disbursement which are redeemable with such organizations.

(2) Programs described.—The programs described in this paragraph are the following programs:

(A) A State program funded under part A of title IV of the Social Security Act (as amended by section 101).

(B) Any other program that is established or modified under titles I, II, or X that—

(i) permits contracts with organizations; or

(ii) permits certificates, vouchers, or other forms of disbursement to be provided to, beneficiaries, as a means of providing assistance.

(b) Religious Organizations.—The purpose of this section is to allow religious organizations to contract, or to accept certificates, vouchers, or other forms of disbursement under any program described in subsection (a)(2), on the same basis as any other provider without impairing the religious character of such organizations, and without diminishing the religious freedom of beneficiaries of assistance funded under such program.

(c) Nondiscrimination Against Religious Organizations.—Religious organizations are eligible, on the same basis as any other private organization, as contractors to provide assistance, or to accept certificates, vouchers, or other forms of disbursement, under any program described in subsection (a)(2). Neither the Federal Government nor a State receiving funds under such programs shall discriminate against an organization which is or applies to be a contractor to provide assistance, or which accepts certificates, vouchers, or other forms of disbursement, on the basis that the organization has a religious character.

(d) Religious Character and Freedom.—

(1) Religious organizations.—Notwithstanding any other provision of law, any religious organization with a contract described in subsection (a)(1)(A), or which accepts certificates, vouchers, or other forms of disbursement under subsection (a)(1)(B), shall retain its independence from Federal, State, and local governments, including such organization's control over the definition, development, practice, and expression of its religious beliefs.

(2) Additional safeguards.—Neither the Federal Government nor a State shall require a religious organization to—

(A) alter its form of internal governance;

(B) form a separate, nonprofit corporation to receive and administer the assistance funded under a program described in subsection (a)(2) solely on the basis that it is a religious organization; or

(C) remove religious art, icons, scripture, or other symbols;

in order to be eligible to contract to provide assistance, or to accept certificates, vouchers, or other forms of disbursement, funded under a program described in subsection (a)(2).

(e) Rights of Beneficiaries of Assistance.—

(1) IN GENERAL.—If an individual described in paragraph (2) has an objection to the religious character of the organization or institution from which the individual receives, or would receive, assistance funded under any program described in subsection (a)(2), the State in which the individual resides shall provide such individual (if otherwise eligible for such assistance) with assistance from an alternative provider the value of which is not less than the value of the assistance which the individual would have received from such organization.

(2) INDIVIDUAL DESCRIBED.—An individual described in this paragraph is an individual who receives, applies for, or requests to apply for, assistance under a program described in subsection (a)(2).

(f) NONDISCRIMINATION IN EMPLOYMENT.—

(1) IN GENERAL.—Except as provided in paragraph (2), nothing in this section shall be construed to modify or affect the provisions of any other Federal or State law or regulation that relates to discrimination in employment on the basis of religion.

(2) EXCEPTION.—A religious organization with a contract described in subsection (a)(1)(A), or which accepts certificates, vouchers, or other forms of disbursement under subsection (a)(1)(B), may require that an employee rendering service pursuant to such contract, or pursuant to the organization's acceptance of certificates, vouchers, or other forms of disbursement adhere to—

(A) the religious tenets and teachings of such organization; and

(B) any rules of the organization regarding the use of drugs or alcohol.

(g) NONDISCRIMINATION AGAINST BENEFICIARIES.—Except as otherwise provided in law, a religious organization shall not discriminate against an individual in regard to rendering assistance funded under any program described in subsection (a)(2) on the basis of religion, a religious belief, or refusal to actively participate in a religious practice.

(h) FISCAL ACCOUNTABILITY.—

(1) IN GENERAL.—Except as provided in paragraph (2), any religious organization contracting to provide assistance funded under any program described in subsection (a)(2) shall be subject to the same regulations as other contractors to account in accord with generally accepted auditing principles for the use of such funds provided under such programs.

(2) LIMITED AUDIT.—If such organization segregates Federal funds provided under such programs into separate accounts, then only the financial assistance provided with such funds shall be subject to audit.

(i) COMPLIANCE.—A religious organization which has its rights under this section violated may enforce its claim exclusively by asserting a civil action for such relief as may be appropriate, including injunctive relief or damages, in an appropriate State court against the entity or agency that allegedly commits such violation.

SEC. 8. LIMITATIONS ON USE OF FUNDS FOR CERTAIN PURPOSES.

No funds provided directly to institutions or organizations to provide services and administer programs described in section 102(a)(2) and programs established or modified under this Act shall be expended for sectarian worship or instruction. This section shall not apply to financial assistance provided to or on behalf of beneficiaries of assistance in the form of certificates, vouchers, or other forms of disbursement, if such beneficiary may choose where such assistance shall be redeemed.

SEC. 302. CONFORMING AMENDMENTS.

(a)(1) Section 250(c)(8) of the Balanced Budget and Emergency Deficit Control Act of 1985 (2 U.S.C. 900(c)(8)) is amended—

(A) by inserting "and" at the end of subparagraph (A);

(B) by striking "; and" at the end of subparagraph (B) and inserting a period; and

(C) by striking subparagraph (C).

(2) Section 255 of the Balanced Budget and Emergency Deficit Control Act of 1985 (2 U.S.C. 905) is amended—

(A) in subsection (h) (as enacted by section 255 of Public Law 99–177), by striking "Food stamp programs (12–3505–0–1–605 and 12–3550–0–1–605);"; and

(B) by redesignating subsection (h) (as added by section 13101(c)(4) of Public Law 101–508) as subsection (j).

(b) Section 5 of the Agriculture and Consumer Protection Act of 1973 (Public Law 93–86; 7 U.S.C. 612c note) is amended—

(1) in subsection (h)(1), by striking "food stamps" and inserting "food assistance provided under the Food Stamp Flexibility Act of 1995"; and

(2) in subsection (i), by striking paragraph (1) and inserting the following:

"(1) food assistance provided under the Food Stamp Flexibility Act of 1995;".

(c) Section 205 of the Emergency Food Assistance Act of 1983 (Public Law 98–8; 7 U.S.C. 612c note) is amended—

(1) by striking subsection (a); and

(2) in subsection (b), by striking "(b) Except" and inserting "Except".

(d)(1) Section 3(a)(2) of the Commodity Distribution Reform Act and WIC Amendments of 1987 (Public Law 100–237; 7 U.S.C. 612c note) is amended—

(A) by striking subparagraph (B); and

(B) by redesignating subparagraphs (C) through (F) as subparagraphs (B) through (E), respectively.

(2) Section 3(e)(1)(D)(iii) of the Commodity Distribution Reform Act and WIC Amendments of 1987 (Public Law 100–237; 7 U.S.C. 612c note) is amended—

(A) by striking subclause (II); and

(B) by redesignating subclauses (III) through (V) as subclauses (II) through (IV), respectively.

(e) Section 110(h)(2) of the Hunger Prevention Act of 1988 (Public Law 100–435; 7 U.S.C. 612c note) is amended by striking "the Food Stamp Act of 1977," and inserting "the Food Stamp Flexibility Act of 1995,".

(f) The matter under the heading "FOOD STAMP PROGRAM" under the heading "FOOD AND NUTRITION SERVICE" of chapter I of title I of the Supplemental Appropriations Act, 1985 (99 Stat. 297; 7 U.S.C. 2012a) is amended by striking ": *Provided*," and all that follows through "health centers".

(g) The first sentence of section 1337 of the Agriculture and Food Act of 1981 (7 U.S.C. 2270) is amended by striking ", including but not limited to the Food Stamp Act of 1977,".

(h)(1) Section 1584 of the Food Security Act of 1985 (7 U.S.C. 3175a) is amended by striking "in households" and all that follows through "1977" and inserting "and families eligible to participate in programs under the Food Stamp Flexibility Act of 1995".

(2) Section 1585 of the Food Security Act of 1985 (7 U.S.C. 3175b) is amended—

(A) in the matter preceding paragraph (1), by striking "Food Stamp Act of 1977" and inserting "Food Stamp Flexibility Act of 1995"; and

(B) in paragraph (1), by striking "food stamps and other".

(i) Section 1114 of the Agriculture and Food Act of 1981 (7 U.S.C. 4004a) is amended by striking subsection (d).

(j)(1) Section 931(3) of the Food, Agriculture, Conservation, and Trade Act Amendments of 1991 (Public Law 102–237; 7 U.S.C. 5930 note) is amended by striking subparagraphs (B) and (C) and inserting the following:

"(B) are participating in the food assistance block grant program established under the Food Stamp Flexibility Act of 1995; or

"(C) have income below 185 percent of the poverty line, as defined in section 673(2) of the Community Services Block Grant Act (42 U.S.C. 9902(2)), for the 48 contiguous States and the District of Columbia, Alaska, Hawaii, the Virgin Islands of the United States, and Guam, respectively.".

(2) Section 932(1) of the Food, Agriculture, Conservation, and Trade Act Amendments of 1991 (Public Law 102–237; 7 U.S.C. 5930 note) is amended by striking subparagraphs (B) and (C) and inserting the following:

"(B) is participating in the food assistance block grant program established under the Food Stamp Flexibility Act of 1995; or

"(C) has income below 185 percent of the poverty line, as defined in section 673(2) of the Community Services Block Grant Act (42 U.S.C. 9902(2)), for the 48 contiguous States and the District of Columbia, Alaska, Hawaii, the Virgin Islands of the United States, and Guam, respectively.".

(k) Section 1679(c)(2) of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 5932(c)(2)) is amended by striking "food stamp program, the expanded food and nutrition education program," and inserting "expanded food and nutrition education program".

(l) Section 245A(h)(1)(A)(iii) of the Immigration and Nationality Act (8 U.S.C. 1255a(h)(1)(A)(iii)) is amended by striking "Food Stamp Act of 1977" and inserting "Food Stamp Flexibility Act of 1995".

(m) Section 1956(c)(7)(D) of title 18, United States Code, is amended by striking "section 15" and all that follows through "$5,000," and inserting "the Food Stamp Flexibility Act of 1995".

(n) Section 231(d)(3)(A)(iii) of the Carl D. Perkins Vocational Education Act (20 U.S.C. 2341(d)(3)(A)(iii)) is amended by striking "Food Stamp Act of 1977" and inserting "Food Stamp Flexibility Act of 1995".

(o)(1) Section 32(j) of the Internal Revenue Code of 1986 is amended—

(A) by inserting "and" at the end of paragraph (3);

(B) by striking ", and" at the end of paragraph (4) and inserting a period; and

(C) by striking paragraph (5).

(2) Section 6103(*l*)(7) of the Code is amended—

(A) in the paragraph heading, by striking "FOOD STAMP ACT OF 1977" and inserting "FOOD STAMP FLEXIBILITY ACT OF 1995"; and

(B) in subparagraph (D)(vi), by striking "the Food Stamp Act of 1977" and inserting "the Food Stamp Flexibility Act of 1995".

(3) Section 6109 of the Code is amended—

(A) in subsection (f) (as added by section 1735(c) of Public Law 101–624)—

(i) in the subsection heading, by striking "FOOD STAMP ACT OF 1977" and inserting "THE FOOD STAMP FLEXIBILITY ACT OF 1995"; and

(ii) in paragraph (1)—

(I) in the first sentence, by striking "section 9 of the Food Stamp Act of 1977 (7 U.S.C. 2018)" and inserting "the Food Stamp Flexibility Act of 1995"; and

(II) in the second sentence, by striking "section 12 or 15 of such Act (7 U.S.C. 2021 or 2024)" and inserting "the Act".

(B) by redesignating subsection (f) (as added by section 2201(d) of Public Law 101–624) as subsection (g); and

(4) Section 7523(b)(3)(C) of the Code is amended by striking "food stamps" and inserting "food assistance under the Food Stamp Flexibility Act of 1995".

(p) Section 3(b) of the Act of June 6, 1933 (48 Stat. 114, chapter 49; 29 U.S.C. 49b(b)) is amended by striking "the food stamp" and all that follows through "2011 et seq.)," and inserting "food assistance under the Food Stamp Flexibility Act of 1995".

(q)(1) Section 4(8)(C) of the Job Training Partnership Act (29 U.S.C. 1503(8)(C)) is amended by striking "food stamps pursuant to the Food Stamp Act of 1977" and inserting "food assistance under the Food Stamp Flexibility Act of 1995".

(2) Section 205(a) of the Job Training Partnership Act (29 U.S.C. 1605(a)) is amended—

(A) by striking paragraph (5); and

(B) by redesignating paragraphs (6) through (14) as paragraphs (5) through (13), respectively.

(3) Section 655(b) of the Job Training Partnership Act (29 U.S.C. 1645(b)) is amended—

(A) by striking paragraph (7); and

(B) by redesignating paragraphs (8), (9), and (10) as paragraphs (7), (8), and (9), respectively.

(4) Section 701(b)(2)(A) of the Job Training Partnership Act (29 U.S.C. 1792(b)(2)(A)) is amended—

(A) by inserting "and" at the end of clause (v);

(B) by striking clause (vii).

(r) Section 3803(c)(2)(C)(vii) of title 31, United States Code, is amended by striking "food stamp" and all that follows and inserting "Food Stamp Flexibility Act of 1995;".

(s) Section 522(b)(7)(C) of the Public Health Service Act (42 U.S.C. 290cc–22(b)(7)(C)) is amended by striking "food stamps" and inserting "food assistance under the Food Stamp Flexibility Act of 1995".

(t)(1) Section 205(c)(2)(C) of the Social Security Act (42 U.S.C. 405(c)(2)(C)) is amended—

(B) in clause (iii)(II), by striking the last sentence and inserting "Any information shared under this subclause may be used by the other agency or instrumentality only for the purpose of investigation of violations of Federal laws or enforcement of such laws."; and

(B) in clause (iv)—

(i) in the first sentence, by striking "section 9 of the Food Stamp Act of 1977 (7 U.S.C. 2018)" and inserting "the Food Stamp Flexibility Act of 1995"; and

(ii) in the second sentence, by striking "section 12 or 15 of such Act (7 U.S.C. 2021 or 2024)" and inserting "the Act".

(2) Section 303(d) of the Social Security Act (42 U.S.C. 503(d)) is amended—

(A) in paragraph (1)—

(i) in subparagraph (A), by striking "food stamp agency" and inserting "food assistance agency"; and

(ii) in subparagraph (B), by striking "food stamp program" and all that follows and inserting "Food Stamp Flexibility Act of 1995.";

(B) in paragraph (2)—

(i) by striking subparagraph (B) and inserting the following:

"(B) The State agency charged with the administration of the State law—

"(i) may require each new applicant for unemployment compensation to disclose whether the applicant owes any amount to a State food assistance agency;

"(ii) may notify a State food assistance agency that the applicant has been determined to be eligible for unemployment compensation if—

"(I) the applicant disclosed under clause (i) that the applicant owes an amount to the food assistance agency; and

"(II) the applicant has been determined to be eligible for unemployment compensation;

"(iii) may deduct and withhold from any unemployment compensation otherwise payable to an individual any amount owed by the individual to a State food assistance agency; and

"(iv) shall pay any amount deducted and withheld under clause (iii) to the appropriate State food assistance agency.";

(ii) in subparagraph (C), by striking "food stamp agency" and all that follows and inserting "food assistance agency as repayment by the individual to the food assistance agency."; and

(iii) by striking subparagraph (D) and inserting the following:

"(D) A State food assistance agency shall reimburse the State agency charged with the administration of the State unemployment compensation law for the administrative costs incurred by the State agency under this paragraph that are attributable to payment to the food assistance agency under this paragraph."; and

(C) by striking paragraph (4) and inserting the following:

"(4) In this subsection, the term 'food assistance agency' means an agency designated by a State to provide food assistance under the Food Stamp Flexibility Act of 1995.".

(3) Section 402(a) of the Social Security Act (42 U.S.C. 602(a)) is amended—

(A) in the first sentence—

(i) in paragraph (7)(C)(i), by striking "family's monthly allotment of food stamp coupons" and inserting "food assistance the family receives under the Food Stamp Flexibility Act of 1995"; and

(ii) in paragraph (30)(B), by striking "food stamp" and inserting "food assistance under the Food Stamp Flexibility Act of 1995"; and

(B) in the second sentence, by striking "Food Stamp Act of 1977" and inserting "Food Stamp Flexibility Act of 1995".

(4) Section 410 of the Social Security Act (42 U.S.C. 610) is repealed.

(5) The first section of Public Law 94–585 (42 U.S.C. 610 note) is amended by striking subsection (b).

(6) The second sentence of section 416(c) of the Social Security Act (42 U.S.C. 616(c)) is amended by striking "food stamp program" and insert "Food Stamp Flexibility Act of 1995".

(7) Section 433(c) of the Social Security Act (42 U.S.C. 629c(c)) is amended—

(A) in paragraph (1), by striking "food stamp percentage" and inserting "food assistance percentage"; and

(B) in paragraph (2)—

(i) in the paragraph heading, by striking "FOOD STAMP" and inserting "FOOD ASSISTANCE"; and

(ii) by striking subparagraph (A) and inserting the following:

"(A) IN GENERAL.—As used in paragraph (1), the term 'food assistance percentage' means, with respect to a State and a fiscal year, the average monthly number of children receiving food assistance benefits in the State for months in the 3 fiscal years referred to in subparagraph (B) of this paragraph, as determined from sample surveys made under the Food Stamp Flexibility Act of 1995, expressed as a percentage of the average monthly number of children receiving food assistance benefits in the States described in paragraph (1) for months in the 3 fiscal years, as so determined.".

(8) Section 1136(f)(1) of the Social Security Act (42 U.S.C. 1320b–6(f)(1)) is amended by striking "the Federal food stamp program" and inserting "the food assistance program under the Food Stamp Flexibility Act of 1995".

(9) Section 1137 of the Social Security Act (42 U.S.C. 1320b–7) is amended—

(A) in paragraphs (2) and (5)(B) of subsection (a), by striking "food stamp program" each place it appears and inserting "food assistance program under the Food Stamp Flexibility Act of 1995; and

(B) in subsection (b), by striking paragraph (4) and inserting the following:

"(4) the food assistance program under the Food Stamp Flexibility Act of 1995; and".

(10) Section 1631(n) of the Social Security Act (42 U.S.C. 1383(n)) is amended—

(A) in the subsection heading, by striking "FOOD STAMP" and inserting "FOOD ASSISTANCE"; and

(B) by striking "food stamp program" and all that follows and inserting "food assistance program under the Food Stamp Flexibility Act of 1995."

(11) Section 1924(d)(4)(B) of the Social Security Act (42 U.S.C. 1396r–5(d)(4)(B)) is amended by striking "section 5(e) of the Food Stamp Act of 1977" and inserting "Food Stamp Flexibility Act of 1995".

(u) Section 8(k) of the United States Housing Act of 1937 (42 U.S.C. 1437f(k)) is amended by striking "the Food Stamp Act of 1977" and inserting "the Food Stamp Flexibility Act of 1995".

(v)(1) Section 9 of the National School Lunch Act (42 U.S.C. 1758) is amended—

(A) in subsection (b)—

(i) in paragraph (2)(C)(ii), by striking subclause (I) and inserting the following:

"(I) a family that is receiving food assistance under the Food Stamp Flexibility Act of 1995; or"; and

(ii) in paragraph (6)—

(I) in subparagraph (A), by striking clause (i) and inserting the following:

"(i) a member of a family receiving assistance under the Food Stamp Flexibility Act of 1995;"; and

(II) in subparagraph (B), by striking "food stamps" and inserting "food assistance under the Food Stamp Flexibility Act of 1995"; and

(ii) in subsection (d)(2)(B), by striking "the food stamp program under the Food Stamp Act of 1977" and inserting "a food assistance program under the Food Stamp Flexibility Act of 1995".

(2) Section 17(o)(5) of the National School Lunch Act (42 U.S.C. 1766(o)(5)) is amended by striking subparagraph (A) and inserting the following:

"(A) a member of a family receiving food assistance under the Food Stamp Flexibility Act of 1995; or".

(w) Section 17 of the Child Nutrition Act of 1966 (42 U.S.C. 1786) is amended—

(1) in subsection (c)(1)—

(A) in subparagraph (A), by striking "food stamp program" and inserting "food assistance program under the Food Stamp Flexibility Act of 1995"; and

(B) in subparagraph (B), by striking "food stamps" and inserting "food assistance under the Act";

(2) in subsection (d)(2)(A)(ii)(I), strike "food stamps" and all that follows and insert "food assistance under the Food Stamp Flexibility Act of 1995; or";

(3) in subsection (e)(4)(A), by striking "food stamps" and inserting "food assistance under the Food Stamp Flexibility Act of 1995";

(4) in subsection (f)(1)(C)(iii), by striking "food stamp" and inserting "food assistance

programs under the Food Stamp Flexibility Act of 1995''; and

(5) in subsection (m)(7)(B)—

(A) by striking ''the food stamp program carried out under the Food Stamp Act of 1977 (7 U.S.C. 2011 et seq.)'' and inserting ''any food assistance under the Food Stamp Flexibility Act of 1995''; and

(B) by striking ''in lieu of food stamps''.

(x)(1) Section 202(a) of the Older Americans Act of 1965 (42 U.S.C. 3012(a)) is amended—

(A) in paragraph (20)(A), by striking ''benefits under the Food Stamp Act of 1977'' and inserting ''food assistance under the Food Stamp Flexibility Act of 1995''; and

(B) in paragraph (23), by striking ''benefits under the Food Stamp Act of 1977 (7 U.S.C. 2011 et seq.)'' and inserting ''food assistance under the Food Stamp Flexibility Act of 1995''.

(2) Section 206(g)(1)(N) of the Older Americans Act of 1965 (42 U.S.C. 3017(g)(1)(N)) is amended by striking ''food stamp benefits'' and inserting ''food assistance under the Food Stamp Flexibility Act of 1995''.

(3) Section 509 of the Older Americans Act of 1965 (42 U.S.C. 3056g) is amended—

(A) in the section heading, by striking ''FOOD STAMP'' and inserting ''FOOD ASSISTANCE''; and

(B) by striking ''the Food Stamp Act of 1977'' and inserting ''the Food Stamp Flexibility Act of 1995''.

(4) Section 706(a)(3) of the Older Americans Act of 1965 (42 U.S.C. 3058e(a)(3)) is amended to read as follows:

''(3) food assistance under the Food Stamp Flexibility Act of 1995.''.

(5) Section 741(a)(4)(D) of the Older Americans Act of 1965 (42 U.S.C. 3058k(a)(4)(D)) is amended to read as follows:

''(D) a food assistance program established under the Food Stamp Flexibility Act of 1995;''.

(y) Section 705(a)(2)(D) of the Older Americans Act Amendments of 1992 (Public Law 102–375; 42 U.S.C. 3058k note) is amended to read as follows:

''(D) a food assistance program established under the Food Stamp Flexibility Act of 1995; and''

(z) Section 412 of the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C. 5179) is amended to read as follows:

''SEC. 412. FOOD ASSISTANCE.

''On the determination by the President that, as a result of a major disaster, low-income households in a State are unable to purchase adequate amounts of nutritious food, the State may distribute food assistance under the Food Stamp Flexibility Act of 1995.''.

(aa) Section 802(d)(2)(A) of the Cranston-Gonzalez National Affordable Housing Act (42 U.S.C. 8011(d)(2)(A)) is amended—

(1) in the subparagraph heading, by striking ''FOOD STAMPS'' and inserting ''FOOD ASSISTANCE''; and

(2) by striking clause (i) and inserting the following:

''(i) shall—

''(I) apply as a retail provider of food under any applicable food assistance program under the Food Stamp Flexibility Act of 1995; and

''(II) if approved as a retail provider of food, accept food assistance payments from individuals receiving assistance under the Act; and''

(bb) Section 2605 of the Low-Income Home Energy Assistance Act of 1981 (42 U.S.C. 8624) is amended—

(1) in subsection (b)(2)(A), by striking clause (iii) and inserting the following:

''(iii) food assistance under the Food Stamp Flexibility Act of 1995; or''; and

(2) in subsection (f)—

(A) in paragraph (1), by striking ''food stamps'' and inserting ''food assistance''; and

(B) in paragraph (2), by striking ''and for purposes'' and all that follows through ''2014(e))''.

(cc) Section 29 of the Alaska Native Claims Settlement Act (43 U.S.C. 1626) is amended—

(1) in subsection (b), by striking ''Notwithstanding section 5(a)'' and all that follows through ''food stamp program,'' and inserting ''In determining the eligibility of a household to participate in a food assistance program under the Food Stamp Flexibility Act of 1995,''; and

(2) in subsection (c), by striking paragraph (1) and inserting the following:

''(1) participate in a food assistance program under the Food Stamp Flexibility Act of 1995,''.

SEC. 303. EFFECTIVE DATE.

This title and the amendments made by this title shall take effect on October 1, 1995.

KENNEDY AMENDMENTS NOS. 2563–2564

Mr. GRAHAM (for Mr. KENNEDY) proposed two amendments to amendment No. 2280 proposed by Mr. DOLE to the bill H.R. 4, supra, as follows:

AMENDMENT NO. 2563

On page 289, line 5, strike the period and insert '', but in no event shall such period extend beyond the date (if any) on which the alien becomes a citizen of the United States under chapter 2 of title III of the Immigration and Nationality Act.''

On page 291, line 14, strike the period and insert '', but in no event shall such period extend beyond the date (if any) on which the alien becomes a citizen of the United States under chapter 2 of title III of the Immigration and Nationality Act.''

On page 293, line 16, insert ''but in no event shall the sponsor be required to provide financial support beyond the date (if any) on which the alien becomes a citizen of the United States under chapter 2 of title III of the Immigration and Nationality Act.'' after ''quarters''.

AMENDMENT NO. 2564

On page 292, line 5, strike ''and''.

On page 292, line 11, strike the period and insert ''; and''.

On page 292, between lines 11 and 12, insert the following new subparagraph:

(F) benefits or services which serve a compelling humanitarian or compelling public interest as specified by the Attorney General in consultation with appropriate Federal agencies and departments.

GRAHAM (AND OTHERS) AMENDMENT NO. 2565

Mr. GRAHAM (for himself, Mr. BUMPERS, Mr. BRYAN, Ms. MOSELEY-BRAUN, Mr. PRYOR, Mr. JOHNSTON, and Mr. REID) proposed an amendment to amendment No. 2280 proposed by Mr. DOLE to the bill H.R. 4, supra; as follows:

On page 17, line 2, strike ''paragraphs (3) and (5), section 407 (relating to penalties),'' and insert ''section 407 (relating to penalties)''.

On page 17, beginning on line 16, strike all through line 22, and insert the following: ''equal to the amount determined under paragraph (3), reduced by the amount (if any) determined under subparagraph (B).''

On page 18, beginning on line 22, strike all through page 22, line 8, and insert the following:

''(3) STATE FAMILY ASSISTANCE GRANT.—

''(A) IN GENERAL.—Subject to subparagraphs (B) and (C), for purposes of paragraph (2), the amount of the State family assistance grant to a State for a fiscal year is an amount which bears the same ratio to the amount appropriated for such fiscal year under paragraph (4)(A) as the average number of minor children in families within the State having incomes below the poverty line for the 3-preceding fiscal years bears to the average number of minor children in families within all States having incomes below the poverty line for such 3-preceding fiscal years.

''(B) SPECIAL RULES.—

''(i) CEILING—Except as provided in clause (ii), the amount of the State family assistance grant for a fiscal year to a State shall not exceed—

''(I) for fiscal year 1996, an amount equal to 150 percent of the total amount of Federal payments to the State under section 403 for fiscal year 1994 (as such section was in effect before October 1, 1995); and

''(II) for each fiscal year there-after, an amount equal to 150 percent of the total amount of the State family assistance grant to the State for the preceding fiscal year.

''(ii) MINIMUM ALLOCATION.—

''(I) IN GENERAL.—Subject to subclause (II), if the amount of the State family assistance grant determined under subparagraph (A) for a fiscal year is less than 0.6 percent of the total amount appropriated for such fiscal year under paragraph (4)(A), the amount of such grant for such fiscal year shall be an amount equal to the lesser of—

''(aa) 0.6 percent of the amount appropriated under paragraph (4)(A) for such fiscal year, or

''(bb) an amount equal to two times the total amount of Federal payments to the State under section 403 for fiscal year 1994 (as such section was in effect before October 1, 1995).

''(II) REDUCTION IF AMOUNTS NOT AVAILABLE.—If the aggregate amount by which State family assistance grants for States is increased for a fiscal year under subclause (I) exceeds the aggregate amount by which State family assistance grants for States is decreased for the fiscal year under clause (i), the amount of the State family assistance grant to a State to which this clause applies shall be reduced by an amount which bears the same ratio to the aggregate amount of such excess as the average number of minor children in families within the State having incomes below the poverty line for the 3-preceding fiscal years bears to the average number of minor children in families within all States to which this clause applies having incomes below the poverty line for such 3-preceding fiscal years.

''(C) ALLOCATION OF REMAINDER.—

''(i) IN GENERAL.—A State that is an eligible State for a fiscal year shall be entitled to an increase in the State family assistance grant equal to the additional allocation amount determined under clause (ii) (if any) for such State for the fiscal year.

''(ii) ADDITIONAL ALLOCATION AMOUNT.—The additional allocation amount for an eligible State for a fiscal year determined under this clause is the amount which bears the same ratio to the remainder allocation amount for the fiscal year determined under clause (iii) as the average number of minor children in families within the eligible State having incomes below the poverty line for the 3-preceding fiscal years bears to the average number of minor children in families within all eligible States having incomes below the poverty line for such 3-preceding fiscal years.

"(iii) REMAINDER ALLOCATION AMOUNT.—The remainder allocation amount determined under this clause is the amount (if any) that is equal to the difference between—

"(I) the amount appropriated for the fiscal year under paragraph (4)(A), and

"(II) an amount equal to the sum of the family assistance grants determined under this paragraph (without regard to this subparagraph) for all States for such fiscal year.

"(iv) ELIGIBLE STATE.—For purposes of this subparagraph, the term 'eligible State' means a State whose State family assistance grant for the fiscal year, as determined under this paragraph (without regard to this subparagraph), is less than the total amount of Federal payments to the State under section 403 for fiscal year 1994 (as such section was in effect before October 1, 1995).

"(D) OPTION TO BASE ALLOCATIONS ON PRECEDING FISCAL YEAR DATA.—The Secretary may in lieu of using data for the 3-preceding fiscal years, allocate funds under this paragraph based on data for the most recent fiscal year for which accurate data are available.

"(E) DEFINITIONS AND SPECIAL RULES.— For purposes of this paragraph—

"(i) POVERTY LINE.—The term 'poverty line' has the same meaning given such term in section 673(2) of the Community Services Block Grant Act (42 U.S.C. 9902(2)).

"(ii) 3-PRECEDING FISCAL YEARS.—The term '3-preceding fiscal years' means the 3 most recent fiscal years preceding the current fiscal year for which data are available.

"(iv) PUBLICATION OF ALLOCATIONS.—Not later than January 15th of each calendar year, the Secretary shall publish in the Federal Register the amount of the family assistance grant to which each State is entitled under this subsection for the fiscal year that begins in such calendar year.

On page 23, beginning on line 7, strike all through page 24, line 18.

GRAHAM AMENDMENT NOS. 2566–2567

Mr. GRAHAM proposed two amendments to amendment No. 2280 proposed by Mr. DOLE to the bill H.R. 4, supra; as follows:

AMENDMENT NO. 2566

At the appropriate place, insert the following new section:

SEC. . UNFUNDED FEDERAL INTERGOVERNMENTAL MANDATES.

(a) IN GENERAL.—Notwithstanding any other provision of law—

(1) no later than 15 days after the beginning of fiscal year 1996, and annually thereafter through fiscal year 2000, the Director of the Congressional Budget Office shall, in a manner similar to section 424(a) (1) and (2) of the Congressional Budget and Impoundment Control Act of 1974 (2 U.S.C. 658c(a) (1) and (2)), estimate the direct costs for the fiscal year of each Federal intergovernmental mandate resulting from the enactment of this Act or any other legislation that includes welfare reform provisions and determine whether there are sufficient appropriations for the fiscal year to provide for the direct costs.

(2) each responsible Federal agency shall, for each fiscal year described in paragraph (1), identify any appropriations bill or other legislation that provides Federal funding of the direct costs described in paragraph (1) which relate to each Federal intergovernmental mandate within the agency's jurisdiction and shall determine whether there are insufficient appropriations for the fiscal year to provide such direct costs, and

(3) no later 30 days after the beginning of each fiscal year described in paragraph (1), the responsible Federal agency shall notify the appropriate authorizing committees of Congress of the agency's determination under paragraph (2) and submit either—

(A) a statement that the agency has determined based on a re-estimate of the direct costs of such mandate, after consultation with State, local, and tribal governments, that the amount appropriated is sufficient to pay for the direct costs of such Federal intergovernmental mandate for the fiscal year, or

(B) legislative recommendations for—

(i) implementing a less costly Federal intergovernmental mandate, or

(ii) making such mandate ineffective for the fiscal year.

(b) LEGISLATIVE ACTION.—

(1) IN GENERAL.—The Congress shall consider on an expedited basis, under procedures similar to the procedures set forth in section 425 of the Congressional Budget and Impoundment Control Act of 1974 (2 U.S.C. 658d), the statement or legislative recommendations described in subsection (a)(3) no later than 30 days after the statement or recommendations are submitted to Congress.

(a) LEGISLATIVE ACTION REQUIRED.—The Federal intergovernmental mandate to which a statement described in subsection (a)(2) relates shall—

(i) cease to be effective on the date that is 60 days after the date the statement is submitted under subsection (a)(3)(A) unless Congress has approved the agency's determination under subsection (a)(3)(A) by joint resolution during the 60-day period;

(ii) cease to be effective on the date that is 60 days after the date of the legislative recommendations described in subsection (a)(3)(B) are submitted to the Congress, unless Congress provides otherwise by law; or

(iii) in the case that such mandate has not yet taken effect, continue not to be effective unless Congress provides otherwise by law.

(c) DEFINITIONS.—For purposes of this section:

(1) RESPONSIBLE FEDERAL AGENCY.—The term "responsible Federal agency" means the agency that has jurisdiction with respect to a Federal intergovernmental mandate created by the provisions of this Act or any other legislation that is enacted that includes welfare reform provisions.

(2) FEDERAL INTERGOVERNMENTAL MANDATE; DIRECT COSTS.—The terms "Federal intergovernmental mandate" and "direct costs" have the meanings given such terms by section 421 of the Congressional Budget and Impoundment Control Act of 1974 (2 U.S.C. 658).

(3) WELFARE REFORM PROVISIONS.—The term "welfare reform provisions" means provisions of Federal law relating to any Federal benefit for which eligibility is based on need.

AMENDMENT NO. 2567

On page 64, line 10, after the period, insert the following: "In ranking States under this subsection, the Secretary shall take into account the average number of minor children in families in the State that have incomes below the poverty line and the amount of funding provided each State for such families."

GRAHAM AMENDMENT NOS. 2568–2569

Mr. GRAHAM proposed two amendments to amendment No. 2280 proposed by Mr. DOLE to the bill H.R. 4, supra; as follows:

AMENDMENT NO. 2568

On page 12, strike lines 10 and 11, and insert the following:

"(C) Satisfy the work participation rate goals established for the State pursuant to section 404(b)(6).

On page 29, beginning with line 19, strike all through the table preceding line 3, on page 30, and insert the following:

"SEC. 404. NATIONAL WORK PARTICIPATION RATE GOALS.

"(a) NATIONAL GOALS FOR WORK PARTICIPATION RATES.—A State to which a grant is made under section 403 shall make every effort to achieve the national work participation rate goals specified in the following tables for the fiscal year with respect to—

"(1) all families receiving assistance under the State program funded under this part:

"If the fiscal year is:	**The national participation rate goal for all families is:**
1996	25
1997	30
1998	35
1999	40
2000 or thereafter ...	50;

and

"(2) with respect to 2-parent families receiving such assistance:

"If the fiscal year is:	**The national participation rate goal is:**
1996	60
1997 or 1998	75
1999 or thereafter ...	90.

On page 35, between lines 2 and 3, insert the following:

"(6) MODIFICATIONS TO NATIONAL PARTICIPATION RATE GOALS TO REFLECT THE NUMBER OF FAMILIES RECEIVING ASSISTANCE IN EACH STATE.—The Secretary, after consultation with the States, shall establish specific work participation rate goals for each State by adjusting the national participation rate goals to reflect the level of Federal funds a State is receiving under this part for the fiscal year and the average number of minor children in families having incomes below the poverty line that are estimated for the State for the fiscal year. Not later than January 15, 1996, and each year thereafter, the Secretary shall publish in the Federal Register the participation rate goals for each State for the current fiscal year.

On page 52, beginning on line 24, strike all through "fiscal year," on page 53, line 4, and insert the following:

"(3) FAILURE TO SATISFY PARTICIPATION RATE.—

"(A) IN GENERAL.—If the Secretary determines that a State has failed to satisfy the work participation rate goals specified for the State pursuant to section 404(b)(6) for a fiscal year,

AMENDMENT NO. 2569

On page 300, line 10, insert "other than section 506 of this Act," after "law,".

On page 302, between lines 5 and 6, insert the following:

SEC. 506. APPLICATION OF TITLE TO CERTAIN BENEFICIARIES.

The provisions of, and amendments made by, this title shall not apply to any noncitizen who is lawfully present in the U.S. and receiving benefits under a program on the date of the enactment of this Act.

DODD (AND LEAHY) AMENDMENT NO. 2570

Mr. DODD (for himself and Mr. LEAHY) proposed an amendment to amendment No. 2280 proposed by Mr. DOLE to the bill H.R. 4, supra, as follows:

Section 320 is amended by adding at the end thereof the following:

"(4) STATE ELECTRONIC BENEFITS TRANSFER OPTIONS IN GENERAL.—States may implement electronic benefit transfer systems under the authorities and conditions set forth in section 7(i) and related provisions, or the authorities and conditions set forth in paragraph (5).

"(5) ELECTRONIC BENEFITS TRANSFER CARD SYSTEMS ASSISTANCE OPTION.—If a State notifies the Secretary of its intention to convert to a state-wide electronic benefits transfer card system, or a multiple-State regional electronic benefits transfer card system with other state-wide systems, within three years of the date of enactment of this paragraph, the Secretary shall allow the establishment of an electronic benefits transfer card system within the State under the following terms—

"(A) COORDINATION AND LAW ENFORCEMENT.—

"(i) CONVERSION.—The Secretary shall coordinate with, and assist, the State or States in a regional system in eliminating the use of food stamp coupons and the full conversion to an electronic benefits transfer card system within three years after the decision of the State to convert to the system set forth in this paragraph.

"(ii) OPERATIONS.—States shall take into account generally accepted standard operating rules for carrying out this paragraph, based on—

"(I) commercial electronic funds transfer technology;

"(II) the need to permit interstate operation and law enforcement monitoring; and

"(III) the need to permit monitoring and investigations by authorized law enforcement agencies.

"(iii) LAW ENFORCEMENT.—The Secretary, in consultation with the Inspector General of the United States Department of Agriculture and the United States Secret Service, shall inform the State of proper security features, good management techniques, and methods of deterring counterfeiting.

"(B) PAPER AND OTHER ALTERNATIVE BENEFIT TRANSFER SYSTEMS.—Beginning on the date of the implementation of the electronic benefits transfer card system in a State under authority of this paragraph, the Secretary shall also permit the use of paper-based and other benefit transfer approaches for providing benefits to food stamp households in the case of special-need retail food stores.

"(C) STATE-PROVIDED EQUIPMENT.—

"(i) ELECTRONIC BENEFITS TRANSFER CARD SYSTEM.—

"(I) IN GENERAL.—A retail food store that does not have point-of-sale electronic benefits transfer equipment, and does not intend to obtain point-of-sale electronic benefits transfer equipment in the near future, shall be provided by a State agency with, or reimbursed for, the costs of purchasing and installing single-function, point-of-sale equipment, and related telephone equipment, which shall be used only for Federal and State assistance program.

"(II) EQUIPMENT REQUIREMENTS.—Equipment provided under this subparagraph shall be capable of interstate operations and based on generally accepted commercial electronic benefits transfer operating principles that permit interstate law enforcement monitoring and shall be capable of providing a recipient with access to multiple Federal and State benefit programs.

"(ii) PAPER AND OTHER ALTERNATIVE BENEFIT SYSTEMS.—A special-need retail store that does not obtain, and does not intend to obtain in the near future, point-of-sale paper-based or other alternative benefits transfer equipment shall be provided by the State agency or compensated for the costs of purchasing such equipment which shall be used only for Federal and State assistance programs. Such paper systems includes using the electronic benefit transfer card to make an impression on a point-of-sale paper document.

"(iii) RETURN OF ELECTRONIC BENEFITS TRANSFER EQUIPMENT.—A retail food store may at any time return the equipment to the State and obtain equipment with funds of the store.

"(iv) COST TO STORES.—The cost of documents of systems that may be required pursuant to this paragraph may not be imposed upon a retail food store participating in the program.

"(D) CHARGING FOR ELECTRONIC BENEFITS TRANSFER CARD REPLACEMENT.—

"(i) IN GENERAL.—Under this paragraph, the Secretary shall reimburse State agencies for the costs of purchasing and issuing electronic benefits transfer cards; and

"(ii) REPLACEMENT CARDS.—Under this paragraph, the Secretary may charge a household through allotment reduction or otherwise for the cost of replacing a lost or stolen electronic benefit transfer card, unless the card was stolen by force or threat of force."

"(E) TRANSITION FUND.—At the beginning of each fiscal year during the 10-year period beginning with the first full fiscal year following the date of enactment of this paragraph, the Secretary shall place the amount of the funds generated by the transaction fees provided in subparagraph (F) into an account, to be known as the Transition Conversion Account, to remain available until expended.

"(F) TRANSACTION FEE.—

(i) During the 10-year period beginning on the date of enactment of this paragraph, the Secretary shall, to the extent necessary to not increase costs to the Secretary under this paragraph, impose a transaction fee of not more than 2 cents for each transaction made at a retail food store using an electronic benefits transfer card authorized by this paragraph, to be taken from the benefits of the household using the card, except that no household shall be assessed more than 16 cents under this paragraph per month. The Secretary may reduce the fee on a household receiving the maximum benefits available under the program.

"(ii) FEES LIMITED TO USES.—A fee imposed under clause (i) shall be in an amount not greater than is necessary to carry out the uses of the Transition Conversion Account in subparagraph (G).

"(G)(i)DUTY OF SECRETARY.—Out of funds in the Transition Conversion Account, and, only to the extent necessary, out of funds provided to carry out this Act, the Secretary shall provide funds to provide transition assistance and funds to States participating under this paragraph for—

"(I) the reasonable cost of purchasing and installing, or for the cost of reimbursing a retail food store for the cost of purchasing and installing single-function, point-of-sale equipment described in subparagraph (C), to be used only for Federal and State assistance programs;

"(II) the reasonable start-up cost of purchasing and installing telephone equipment or connections for single-function, point-of-sale equipment, to be used only for Federal and State assistance programs; and

"(III) assistance to modify an electronic benefits transfer system implemented by a State prior to the date of enactment of this paragraph to the extent necessary to operate statewide or multi-statewide under this paragraph.

"(ii) USE OF ACCOUNT.—The Secretary shall use funds in the Transition Conversion Account in implementing this paragraph and to—

"(I) provide start-up training for State agencies, employees and recipients based on a plan approved by Secretary;

"(II) pay for other one-time reasonable costs of converting to an electronic benefits transfer system that is capable of interstate functions and is capable of being monitored by law enforcement agencies;

"(III) pay for liabilities assumed by the Secretary under subparagraph (I);

"(IV) pay other liabilities related to the electronic benefits transfer system established under this paragraph that are incurred by the Secretary; and

"(V) expand and implement a nationwide program to monitor compliance with program rules related to retail food stores and the electronic delivery of benefits under this Act.

"(H) COMPETITIVE BIDDING.—In purchasing point-of-sale equipment described in subparagraph (C), electronic benefits transfer cards, and telephone equipment or connections referred to in subparagraph (G), States shall use competitive bidding systems to ensure that they obtain the lowest prices for the equipment and cards that meet specifications. States shall not enter into purchase agreements which condition the purchase of additional services or equipment from suppliers of equipment or cards under this paragraph. The Secretary shall monitor the sale prices for such equipment and cards and the Inspector General shall investigate possible wrongdoing or fraud as appropriate.

"(I) LIABILITY OR REPLACEMENT BENEFITS FOR UNAUTHORIZED USE OF EBT CARDS.—

"(i) IN GENERAL.—The Secretary shall require State agencies that choose to implement an electronic benefits transfer system under this paragraph to advise any household participating in the food stamp program how to promptly report a lost, destroyed, damaged, improperly manufactured, dysfunctional, or stolen electronic benefits transfer card.

"(ii) REGULATIONS.—Under this paragraph, the Secretary shall issue regulations providing that—

"(I) a household shall not receive any replacement for benefits lost due to the unauthorized use of an electronic benefits transfer card; and

"(III) a household shall not be liable for any amounts in excess of the benefits available to the household at the time of the unauthorized use.

"(iii) SPECIAL LOSSES.—Notwithstanding clause (ii), under this paragraph a household shall receive a replacement for any benefits lost if the loss was caused by—

"(I) force or the threat of force.

"(II) unauthorized use of the card after the State agency receives notice that the card was lost or stolen; or

"(III) a system error or malfunction, fraud, abuse, negligence, or mistake by the service provider, the card issuing agency, or the State agency, or an inaccurate execution of a transaction by the service provider.

"*Provided*, That with respect to losses described in subclause (II) and (III), the State shall reimburse the Secretary. Nothing in subclause (III) shall prevent a State from obtaining reimbursement from the service provider or the card issuing agency for system error or malfunction, fraud, abuse, negligence, or mistake by such service provider or card issuing agency.

"(J) ELIMINATION OF FOOD STAMP COUPONS.—

"(i) IN GENERAL.—Except as provided in clause (ii) and (iii) and notwithstanding any other provision of this Act, effective beginning on the date 3 years after the date a chief executive officer of a State informs the Secretary that the State intends to implement an electronic benefits transfer system authorized by this paragraph, the Secretary shall not provide any food stamp coupons to the State.

"(ii) EXCEPTIONS.—

"(I) EXTENSION.—Clause (i) shall not apply to the extent that the chief executive officer of a State determines that an extension is necessary and so notifies the Secretary in writing, except that the extension shall not extend beyond 5 years after the date that a chief executive officer of a State informs the secretary of the decision to implement an electronic benefits transfer system under this paragraph.

"(II) WAIVER.—In addition to any extension under subclause (I), the Secretary may grant a waiver to a State to phase-in or delay, implementation of electronic benefits transfer for good cause shown by the State, except that the waiver shall not extend for more than 6 months.

"(iii) DISASTER RELIEF.—The Secretary may provide food stamp coupons for disaster relief under section 5(h).".

"(K) SPECIAL RULE.—A State agency may require a household to explain the circumstances regarding each occasion that—

"(i) the household reports a lost or stolen electronic benefits transfer card; and

"(ii) the card was used for an unauthorized transaction.

In the appropriate circumstances, the state agency shall investigate and ensure that appropriate cases are acted upon either through administrative disqualification or referral to courts of appropriate jurisdiction, or referral for prosecution.

"(L) ESTABLISHMENT.—In carrying out this paragraph, the States shall—

"(i) take into account the needs of law enforcement personnel and the need to permit and encourage further technological developments and scientific advances;

"(ii) ensure that security is protected by appropriate means such as requiring that a personal identification number be issued with each electronic benefits transfer card to help protect the integrity of the program;

"(iii) provide for—

"(I) recipient protection regarding privacy, ease of use, and access to and service in retail food stores;

"(II) financial accountability and the capability of the system to handle interstate operations and interstate monitoring by law enforcement agencies including the Inspector General of the Department of Agriculture;

"(III) rules prohibiting store participation unless any appropriate equipment necessary to permit households to purchase food with the benefits issued under the Food Stamp Act of 1977 is operational and reasonably available; and

"(IV) rules providing for monitoring and investigation by an authorized law enforcement agency including the Inspector General of the Department of Agriculture.

"(M) ADDITIONAL EMPLOYEES.—The Secretary shall assign additional employees to investigate and adequately monitor compliance with program rules related to electronic benefits transfer systems and retail food store participation.

"(N) REQUEST FOR STATEMENT.—Under this paragraph on the request of a household, the State, through a person issuing benefits to the household, shall provide once per month a statement of benefit transfers and balances for such household for the month preceding the request.

"(O) ERRORS.—Under this paragraph—

"(i) IN GENERAL.—States shall design systems to timely resolve disputes over alleged errors.

"(ii) CORRECTED ERRORS.—Households able to obtain corrections of errors under this subparagraph shall not be entitled to a fair hearing regarding the resolved dispute.

"(P) APPLICABLE LAW.

"For purposes of this Act, fraud and related activities related to electronic benefits transfer shall be governed by section 15 of this Act (U.S.C. 2024) and section 1029 of title 18, United States Code, in addition to any other applicable law.

"(Q) DEFINITIONS.—For the purpose of this paragraph—

"(i) ELECTRONIC BENEFITS TRANSFER CARD SYSTEM.—The term 'electronic benefits transfer card system' means a system to support transactions conducted with electronic benefits transfer cards, paper, or other alternative benefits transfer systems approved by the Secretary for the provision of program benefits in accordance with this paragraph.

"(ii) RETAIL FOOD STORE.—The term 'retail food store' means a retail food store, a farmer's market, or a house-to-house trade route authorized to participate in the food stamp program.

"(iii) SPECIAL-NEED RETAIL FOOD STORE.—The term 'special-need retail food store' means—

"(I) a retail food store located in a very rural area;

"(II) a retail food store without access to dependable electricity or regular telephone service; or

"(III) a farmers' market or house-to-house trade route that is authorized to participate in the food stamp program.

"(R) LEAD ROLE OF INDUSTRY AND STATES.—The Secretary shall consult with the Secretary of the Treasury, the Secretary of Health and Human Services, the Inspector General of the United States Department of Agriculture, the United States Secret Service, the National Governor's Association, the Food Marketing Institute, the National Association of Convenience Stores, the American Public Welfare Association, the National Conference of State Legislatures, the American Bankers Association, the financial services community, State agencies, and food advocates to obtain information helpful to retail stores, the financial services industry, and States in the conversion to electronic benefits transfer, including information regarding—

"(i) the degree to which an electronic benefits transfer system could be easily integrated with commercial networks;

"(ii) the usefulness of appropriate electronic benefits transfer security features and local management controls, including features in an electronic benefits transfer card to deter counterfeiting of the card;

"(iii) the use of laser scanner technology with electronic benefits transfer technology so that only eligible food items can be purchased by food stamp participants in stores that use scanners;

"(iv) how to maximize technology that uses data available from an electronic benefits transfer system to identify fraud and allow law enforcement personnel to quickly identify or target a suspected or actual program violator;

"(v) means of ensuring the confidentiality of personal information in electronic benefits transfer systems and the applicability of section 552a of title 5, United States Code, to electronic benefits transfer systems;

"(vi) the best approaches for maximizing the use of then current point-of-sale terminals and systems to reduce costs; and

"(vii) the best approaches for maximizing the use of electronic benefits transfer systems for multiple Federal and State benefit programs so as to achieve the highest cost savings possible through the implementation of electronic benefits transfer systems.".

(b) CONFORMING AMENDMENTS.—

(1) Section 3 of the Food Stamp Act of 1977 (42 U.S.C. 2012) is amended—

(A) in subsection (a), by striking "coupons" and inserting "benefits";

(B) in the first sentence of subsection (c), by striking "authorization cards" and inserting "allotments";

(C) in subsection (d), by striking "the provisions of this Act" and inserting "sections 5(h) and 7";

(D) in subsection (e)—

(i) by striking "Coupon issuer" and inserting "Benefit issuer"; and

(ii) by striking "coupons" and inserting "benefits";

(E) in the last sentence of subsection (i), by striking "coupons" and inserting "allotments"; and

(F) by adding at the end the following new subsection:

"(v) 'Electronic benefits transfer card' means a card issued to a household participating in the program that is used to purchase food.

(2) Section 4(a) of such Act (7 U.S.C. 2013(a)) is amended—

(A) in the first sentence by inserting "and to funds made available under

Section 7" after "this Act".

(B) in the first and second sentences, by striking "coupons" each place it appears and inserting "electronic benefits transfer cards or coupons"; and

(C) by striking the third sentence and inserting the following new sentence: "The Secretary, through the facilities of the Treasury of the United States, shall reimburse the stores for food purchases made with electronic benefits transfer cards or coupons provided under this Act.".

(3) The first sentence of section 6(b)(1) of such Act (7 U.S.C. 2015(b)(1)) is amended—

(A) by striking "coupons or authorization cards" and inserting "electronic benefits transfer cards, coupons, or authorization cards"; and

(B) in clauses (ii) and (iii), by inserting "or electronic benefits transfer cards" after "coupons" each place it appears.

(4) Section 7 of such Act (7 U.S.C. 2016) is amended—

(A) by striking the section heading and inserting the following new section heading:

"ISSUANCE AND USE OF ELECTRONIC BENEFITS TRANSFER CARDS OR COUPONS";

(B) in subsection (a), by striking "Coupons" and all that follows through "necessary, and" and inserting "Electronic benefits transfer cards or coupons";

(C) in subsection (b), by striking "Coupons" and inserting "Electronic benefits transfer cards or coupons";

(D) in subsection (e), by striking "coupons to coupon issuers" and replace with "benefits to benefits issuers"; and by striking "by coupon issuers" in inserting "by benefits issuers".

(E) in subsection (f)—

(i) by striking "issuance of coupons" and inserting "issuance of electronic benefits transfer cards or coupons";

(ii) by striking "coupon issuer" and inserting "electronic benefits transfer or coupon issuer"; and

(iii) by striking "coupons and allotments" and inserting "electronic benefits transfer cards, coupons, and allotments";

(F) by deleting "(1) The" in subsections (g) and (h) and inserting the following: "(1) Except with respect to electronic benefit transfer care systems operated under section 7(j)(5), the"; and

(G) by striking subparagraph (i)(2)(A); and by relettering (B) through (H) as (A) through (G).

(5) Section 8(b) of such Act (7 U.S.C. 2017(b)) is amended by striking "coupons" and inserting "electronic benefits transfer cards or coupons".

(6) Section 9 or such Act (7 U.S.C. 2018) is amended—

(A) in subsections (a) and (b), by striking "coupons" each place it appears and inserting "coupons, or accept electronic benefits transfer cards,"; and

(B) in subsection (a)(1)(B), by striking "coupon business" and inserting "electronic benefits transfer cards and coupon business".

(7) Section 10 of such Act (7 U.S.C. 2019) is amended—

(A) by striking the section heading and inserting the following:

REDEMPTION OF COUPONS OR ELECTRONIC BENEFITS TRANSFER CARDS;

and

(B) in the first sentence—

(i) by inserting after "provide for" the following: "reimbursing stores for program benefits provided and for";

(ii) by inserting after "food coupons" the following: "or use their members' electronic benefits transfer cards"; and

(iii) by striking the period at the end and inserting the following: "unless the center organization, institution, shelter, group living arrangement, or establishment is equipped with a point-of-sale device for the purpose of participating in the electronic benefits transfer system.".

(8) Section 11 of such Act (7 U.S.C. 2020) is amended—

(A) in the first sentence of subsection (a), by striking "coupons" and inserting "electronic benefits transfer cards or coupons,";

(B) in subsection (e)—

(i) in paragraph (2)—

(I) by striking "a coupon allotment" and inserting "an allotment"; and

(II) by striking "issuing coupons" and inserting "issuing electronic benefits transfer cards or coupons";

(ii) in paragraph (7), by striking "coupon issuance" and inserting "electronic benefits transfer card or coupon issuance";

(iii) in paragraph (8)(C), by striking "coupons" and inserting "benefits";

(iv) in paragraph (9), by striking "coupons" each place it appears and inserting "electronic benefits transfer cards or coupons";

(v) in paragraph (11), by striking "in the form of coupons";

(vi) in paragraph (16), by striking "coupons" and inserting "electronic benefits transfer card or coupons";

(vii) in paragraph (17), by striking "food stamps" and replacing with "benefits";

(viii) in paragraph (21), by striking "coupons" and inserting "electronic benefits transfer cards or coupons";

(ix) in paragraph (24), by striking "coupons" and inserting "benefits"; and

(x) in paragraph (25), by striking "coupons" each place it appears and inserting "electronic benefits transfer cards or coupons"; and

(C) in subsection (h), by striking "face value of any coupon or coupons" and inserting "value of any benefits"; and

(D) in subsection (n)—

(i) by striking "both coupons" each place it appears and inserting "benefits under this Act"; and

(ii) by striking "of coupons" and inserting "of benefits."

(9) Section 12 of such Act (7 U.S.C. 2021) is amended—

(A) in subsection (b)(3), by striking "coupons" each place it appears and inserting "electronic benefits transfer cards or coupons";

(B) in subsection (d)—

(i) in the first sentence—

(I) by inserting after "redeem coupons" the following: "and to accept electronic benefits transfer cards"; and

(II) by striking "value of coupons" and inserting "value of benefits and coupons"; and

(ii) in the third sentence, by striking "coupons" each place it appears and inserting "benefits"; and

(C) in the first sentence of subsection (f)—

(i) by inserting after "to accept and redeem food coupons" the following: "electronic benefits transfer cards, or to accept and redeem food coupons,"; and

(ii) by inserting before the period at the end the following: "or program benefits".

(10) Section 13 of such Act (7 U.S.C. 2022) is amended by striking "coupons" each place it appears and inserting "benefits".

(11) Section 15 of such Act (7 U.S.C. 2024) is amended—

(A) in subsection (a), by striking "issuance or presentment for redemption" and inserting "issuance, presentment for redemption, or use of electronic benefits transfer cards or"; (B) in the first sentence of subsection (b)(1)—

(i) by inserting after "coupons authorization cards," each place it appears the following: "electronic benefits transfer cards,'; and

(ii) by striking "coupons or authorization cards" and place it appears and inserting the following: "coupons, authorization cards, or electronic benefits transfer cards";

(C) in the first sentence of subsection (c)—

(i) by striking "coupons" and inserting " a coupon or electronic benefits transfer card"; and

(ii) strike "such coupons are" and inserting "the payment or redemption is";

(D) in subsection (d) striking coupons" and replacing with "Benefits";

(E) in subsection (e) after "coupons" inserting "or electronic benefits transfer card";

(F) in subsection (f) after "coupon" inserting "or electronic benefits transfer card"; and

(G) in the first sentence of subsection (g), by inserting after "coupons, authorization cards," the following: "electronic benefits transfer cards,".

(12) Section 16 (7 U.S.C. 2025) is amended—

(A) in subsection (a)—

(i) in paragraph (2) after "coupons" by inserting "electronic benefits transfer cards";

(ii) in paragraph (3) by inserting after "households" the following: ", including the cost of providing equipment necessary for retail food stores to participate in an electronic benefits transfer system"

(B) by deleting subsection (d);

(C) by redesignating subsections (e) through (j) as subsections (d) through (i), respectively;

(D) in subsection (g)(5) (as redesignated by paragraph (3))—

(i) in subparagraph (A), by striking "(A)"; and

(ii) by striking subparagraph (B);

(E) in subsection (h) (as redesignated by paragraph (3)), by striking paragraph (3); and

(F) by striking subsection (i) (as redesignated by paragraph (3)).

(13) Section 17 of such Act (7 U.S.C. 2026) is amended—

(A) in the last sentence of subsection (a)(2), by striking "coupon" and inserting "benefit";

(B) by deleting the last sentence of paragraph (b)(2);

(C) by deleting the last sentence of subsection (c);

(D) in subsection (d)(1)(B), by striking "coupons" each place it appears and inserting "benefits";

(E) by deleting the last sentence of subsection (e);

(F) by striking subsection (f); and

(G) by redesignating subsections (g) through (k) as subsections (f) through (j), respectively.

(14) Section 21 of such Act (7 U.S.C. 2030) is amended—

(A) by striking "coupons" each place it appears (other than in subsections (b)(2)(A)(ii) and (d)) and inserting "benefits";

(B) in subsection (b)(2)(A)(ii), by striking "coupons" and inserting "electronic benefits transfer cards or coupons"; and

(C) in subsection (d)—

(i) in paragraph (2), by striking "Coupons" and inserting "Benefits"; and

(ii) in paragraph (3), by striking "in food coupons".

(15) Section 22 of such Act (7 U.S.C. 2031) is amended—

(A) in subsection (b)—

(i) in paragraph (3)(D)—

(I) in clause (ii), by striking "coupons" and inserting "benefits"; and

(II) in clause (iii), by striking "coupons" and inserting "electronic benefits transfer benefits";

(ii) in paragraph (9), by striking "coupons" and inserting "benefits";

(iii) in paragraph (10)(B)—

(I) in the second sentence of clause (I), by striking "Food coupons" and inserting "Program benefits"; and

(II) in clause (ii)—

(aa) in the second sentence, by striking "Food coupons" and inserting "Benefits"; and

(bb) in the third sentence, by striking "food coupons" each place it appears and inserting "benefits";

(B) in subsection (d), by striking "coupons" each place it appears and inserting "benefits";

(C) in subsection (g)(1)(A), by striking "coupon"; and

(D) in subsection (h), by striking "food coupons" and inserting "benefits".

(16) Section 1956(c)(7)(D) of title 18, United States Code, is amended by inserting "electronic benefits transfer cards or "before "coupons having".

JEFFORDS AMENDMENT NO. 2571

Mr. JEFFORDS proposed an amendment to amendment No. 2280 proposed by Mr. DOLE to the bill H.R. 4, supra; as follows:

In section 403(a)(5) of the amendment, strike B–D, and insert the following:

"(B) HISTORIC STATE EXPENDITURES.—For purposes of this paragraph, the term 'historic State expenditures' means expenditures by a State under parts A and F of title IV for fiscal year 1994, as in effect during such fiscal year.

"(C) DETERMINATION OF STATE EXPENDITURES FOR PRECEDING FISCAL YEAR.—

"(i) IN GENERAL.—For purposes of this paragraph, the expenditures of a State under the State program funded under this part for a preceding fiscal year shall be equal to the sum of the State's expenditures under the program in the preceding fiscal year for—

"(I) cash assistance;

"(II) child care assistance;

"(III) job education, training, and work; and

"(IV) administrative costs.

"(ii) TRANSFERS FROM OTHER STATE AND LOCAL PROGRAMS.—In determining State expenditures under clause (i), such expenditures shall not include funding supplanted by transfers from other State and local programs.

"(D) EXCLUSION OF FEDERAL AMOUNTS.—For purposes of this paragraph, State expenditures shall not include any expenditures from amounts made available by the Federal Government.

DOMENICI AMENDMENTS NOS. 2572–2574

Mr. SANTORUM (for Mr. DOMENICI) proposed three amendments to amendment No. 2280 proposed by Mr. DOLE to the bill H.R. 4, supra; as follows:

AMENDMENT NO. 2572

On page 590, after line 23, strike "(a) incentive Payments" and all that follows through page 595, line 2 and insert the following:

Share collections 50/50 with all States.

Set national standards that all States must reach before incentives are made. National standards will be set up for Paternity Establishment, Support Order establishment, percentage of cases with collections, ratio of support due to support collected and cost effectiveness.

Set basic matching rate at 50% and allow incentive matching rates up to 90% of expenditures for the performance categories.

Change audit process to invoke audit sanctions if States do not meet 50% of the performance standard.

Require IRS COBRA notices to be sent to the State Child Support Agency.

AMENDMENT NO. 2573

On page 21, after line 25, insert the following:

"(5) WELFARE PARTNERSHIP.—

"(A) IN GENERAL.—Beginning with fiscal year 1997, if a State does not maintain the expenditures of the State under the program for the proceeding fiscal year at a level equal to or greater than 75% of the level of historic State expenditures, the amount of the grant otherwise determined under paragraph (1) shall be reduced in accordance with subparagraph (B).

"(B) REDUCTION.—The amount of the reduction determined under this subparagraph shall be equal to—

(i)(I) the difference between the historic State expenditures and the expenditures of the State under the State program for the preceding fiscal year;

(ii) the amount determined under clause (i)(I)

"(C) HISTORIC STATE EXPENDITURES.—For purposes of this paragraph, the term "historic State expenditures" means expenditures by a State under parts A and F of title IV for fiscal year 1994, as in effect during such fiscal year.

"(D) DETERMINING STATE EXPENDITURES.—

"(i) IN GENERAL.—Subject to (ii) and (iii), for purposes of this paragraph the expenditures of a State under the State program funded under this part for a preceding fiscal year shall be determined by adding the expenditures of that State under its State program for—

"(I) cash assistance;

"(II) child care assistance;

"(III) job education and training, and work; and

"(IV) administrative costs; in that fiscal year.

"(ii) EXCLUSION OF GRANT AMOUNTS.—The determination under (i) shall not include grant amounts paid under paragraph (1) (or, in the case of historic State expenditures, amounts paid in accordance with section 403, as in effect during fiscal year 1994).

"(iii) RESERVATION OF FEDERAL AMOUNTS.—For any fiscal year, if a State has expended amounts reserved in accordance with subsection (b)(3), such expenditures shall not be considered a State expenditure under the State program."

AMENDMENT NO. 2574

At the appropriate place in the bill, insert the following new provision:

"SEC. . SENSE OF THE SENATE.

"It is the sense of the Senate that—

"(a) States should diligently continue their efforts to enforce child support payments to the non-custodial parent to the custodial parent, regardless of the employment status or location of the non-custodial parent; and

"(b) States are encouraged to pursue pilot programs in which the parents of a non-adult, non-custodial parent who refuses to or is unable to pay child support must—

"(1) pay or contribute to the child support owed by the non-custodial parent; or

"(2) otherwise fulfill all financial obligations and meet all conditions imposed on the non-custodial parent, such as participation in a work program or other related activity."

DOMENICI AMENDMENT NO. 2575

Mr. SANTORUM (for Mr. DOMENICI) proposed an amendment to amendment No. 2280 proposed by Mr. DOLE to the bill H.R. 4, supra; as follows:

On page XX, after line XX, strike —— and all that follows through page XX, Line XX.

DOMENICI (AND BIDEN) AMENDMENT NO. 2576

Mr. SANTORUM (for Mr. DOMENICI for himself and Mr. BIDEN) proposed an amendment to amendment No. 2280 proposed by Mr. DOLE to the bill H.R. 4, supra; as follows:

On page 792, after line 22, add the following new title:

TITLE —CHILD CUSTODY REFORM

SEC. 01. SHORT TITLE.

This title may be cited as the "Child Custody Reform Act of 1995".

SEC. 02. REQUIREMENTS FOR EXCLUSIVE CONTINUING JURISDICTION MODIFICATION.

Section 1738A of title 28, United States Code, is amended—

(1) in subsection (d) to read as follows:

"(d)(1) Subject to paragraph (2) the jurisdiction of a court of a State that has made a child custody or visitation determination in accordance with this section continues exclusively as long as such State remains the residence of the child or of any contestant.

"(2) Continuing jurisdiction under paragraph (1) shall be subject to any applicable provision of law of the State that issued the initial child custody determination in accordance with this section, when such State law establishes limitations on continuing jurisdiction when a child is absent from such State.";

(2) in subsection (f)

(A) by redesignating paragraphs (1) and (2) as paragraphs (2) and (1), respectively and transferring paragraph (2) (as so redesignated) so as to appear after paragraph (1) (as so redesignated); and

(B) in paragraph (1) (as so redesignated), by inserting "pursuant to subsection (d)," after "the court of the other State no longer has jurisdiction,"; and

(3) in subsection (g), by inserting "or continuing jurisdiction" after "exercising jurisdiction".

SEC. 03. ESTABLISHMENT OF NATIONAL CHILD CUSTODY REGISTRY.

Section 453 of the Social Security Act (42 U.S.C. 653) (as amended by section 916) is further amended by adding at the end the following new subsection:

"(p)(1) Not later than 1 year after the date of enactment of this subsection, the Secretary, in consultation with the Attorney General, shall conduct and conclude a study regarding the most practicable and efficient way to create a national child custody registry to carry out the purposes of paragraph (3). Pursuant to this study, and subject to the availability of appropriations, the Secretary shall create a national child custody registry and promulgate regulations necessary to implement such registry. The study and regulations shall include—

"(A) a determination concerning whether a new national database should be established or whether an existing network should be expanded in order to enable courts to identify child custody determinations made by, or proceedings filed before, any court of the United States, its territories or possessions;

"(B) measures to encourage and provide assistance to States to collect and organize the data necessary to carry out subparagraph (A);

"(C) if necessary, measures describing how the Secretary will work with the related and interested State agencies so that the database described in subparagraph (A) can be linked with appropriate State registries for the purpose of exchanging and comparing the child custody information contained therein;

"(D) the information that should be entered in the registry (such as the court of jurisdiction where a child custody proceeding has been filed or a child custody determination has been made, the name of the presiding officer of the court in which a child custody proceeding has been filed, the telephone number of such court, the names and social security numbers of the parties, the name, date of birth, and social security numbers of each child) to carry out the purposes of paragraph (3);

"(E) the standards necessary to ensure the standardization of data elements, updating of information, reimbursement, reports, safeguards for privacy and information security, and other such provisions as the Secretary determines appropriate;

"(F) measures to protect confidential information and privacy rights (including safeguards against the unauthorized use or disclosure of information) which ensure that—

"(i) no confidential information is entered into the registry;

"(ii) the information contained in the registry shall be available only to courts or law enforcement officers to carry out the purposes in paragraph (3); and

"(iii) no information is entered into the registry (or where information has previously been entered, that other necessary means will be taken) if there is a reason to believe that the information may result in physical harm to a person; and

"(G) an analysis of costs associated with the establishment of the child custody registry and the implementation of the proposed regulations.

"(2) As used in this subsection—

"(A) the term 'child custody determination' means a judgment, decree, or other order of a court providing for custody or visitation of a child, and includes permanent and temporary orders, and initial orders and modifications; and

"(B) the term 'custody proceeding'—

"(i) means a proceeding in which a custody determination is one of several issues, such as a proceeding for divorce or separation, as well as neglect, abuse, dependency, wardship, guardianship, termination of parental rights, adoption, protective action from domestic violence, and Hague Child Abduction Convention proceedings; and

"(ii) does not include a judgment, decree, or other order of a court made in a juvenile delinquency, or status offender proceeding.

"(3) The purposes of this subsection are to—

"(A) encourage and provide assistance to State and local jurisdictions to permit—

"(i) courts to identify child custody determinations made by, and proceedings in, other States, local jurisdictions, and countries;

"(ii) law enforcement officers to enforce child custody determinations and recover parentally abducted children consistent with State law and regulations;

"(B) avoid duplicative and or contradictory child custody or visitation determinations by assuring that courts have the information they need to—

"(i) give full faith and credit to the child custody or visitation determination made by a court of another State as required by section 1738A of title 28, United States Code; and

"(ii) refrain from exercising jurisdiction when another court is exercising jurisdiction consistent with section 1738A of title 28, United States Code.

"(4) There are authorized to be appropriated such sums as may be necessary to establish the child custody registry and implement the regulations pursuant to paragraph (1).".

SEC. 04. SENSE OF THE SENATE REGARDING SUPERVISED CHILD VISITATION CENTERS.

It is the sense of the Senate that local governments should take full advantage of the Local Crime Prevention Block Grant Program established under subtitle B of title III of the Violent Crime Control and Law Enforcement Act of 1994, to establish supervised visitation centers for children who have been removed from their parents and placed outside the home as a result of abuse or neglect or other risk of harm to such children, and for children whose parents are separated or divorced and the children are at risk because of physical or mental abuse or domestic violence.

D'AMATO AMENDMENT NO. 2577

Mr. SANTORUM (for Mr. D'AMATO) proposed an amendment to amendment No. 2280 proposed by Mr. DOLE to the bill H.R. 4, supra; as follows:

On page 17, line 20, strike "February 14" and insert "May 15".

D'AMATO AMENDMENT NOS. 2578–2579

Mr. SANTORUM (for Mr. D'AMATO) proposed two amendments to amendment No. 2280 proposed by Mr. DOLE to the bill H.R. 4, supra; as follows:

AMENDMENT No. 2578

On page 124, between lines 9 and 10, insert: (3) CLOSING OUT ACCOUNT FOR THOSE PROGRAMS TERMINATED OR SUBSTANTIALLY MODIFIED BY THIS TITLE.—In closing out accounts, Federal and State officials may use scientifically acceptable statistical sampling techniques. Claims made under programs which are repealed or substantially amended in this title and which involve State expenditures in cases where assistance or services were provided during a prior fiscal year, shall be treated as expenditures during fiscal year 1995 for purposes of reimbursement even if payment was made by a State on or after October 1, 1995. States shall complete the filing of all claims no later than September 30, 1997. Federal department heads shall—

(A) use the single audit procedure to review and resolve any claims in connection with the close out of programs, and

(B) reimburse States for any payments made for assistance of services provided during a prior fiscal year from funds for fiscal year 1995, rather than the funds authorized by this title.

AMENDMENT No. 2579

On page 124, between lines 9 and 10, insert: Notwithstanding the preceding sentence, the Secretary of Health and Human Services shall cease efforts to recover previously granted funds, shall pay any amounts being deferred, and shall forgive any disallowance pending appeal before the Departmental Appeals Board or before any Federal court unless the Secretary determines that there was not substantial compliance with the program requirements underlying the claims or, upon probable cause, believes that there is evidence of fraud on the part of the State. The preceding sentence shall not be construed as diminishing the right of a State to administrative or judicial review of a disallowance of funds.

GRAMS AMENDMENT NO. 2580

Mr. SANTORUM (for Mr. GRAMS) proposed an amendment to amendment No. 2280 proposed by Mr. DOLE to the bill H.R. 4, supra; as follows:

On page 36, between lines 13 and 14, insert the following:

"(4) LIMITATION ON VOCATIONAL EDUCATION ACTIVITIES COUNTED AS WORK.—For purposes of determining monthly participation rates under paragraphs (1)(B)(i)(I) and (2)(B)(i) of subsection (b), not more than 20 percent of adults in all families and in 2-parent families determined to be engaged in work in the State for a month may meet the work activity requirement through participation in vocational educational training.

JEFFORDS AMENDMENT NO. 2581

Mr. JEFFORDS proposed an amendment to amendment No. 2280 proposed by Mr. DOLE to the bill H.R. 4, supra; as follows:

Strike the matter between lines 11 and 12 of page 51 (as inserted by the modification of September 8, 1995).

WELLSTONE AMENDMENT NO. 2582

Mr. DODD (for Mr. WELLSTONE) proposed an amendment to amendment No. 2280 proposed by Mr. DOLE to the bill H.R. 4, supra; as follows:

On page 576, between lines 12 and 13, insert the following:

Subtitle D—Minimum Wage Rate

SEC. 841. INCREASE IN THE MINIMUM WAGE RATE.

Section 6(a)(1) of the Fair Labor Standards Act of 1938 (29 U.S.C. 206(a)(1)) is amended to read as follows:

"(1) except as otherwise provided in this section, not less than $4.25 an hour during the period ending December 31, 1995, not less than $4.70 an hour during the year beginning January 1, 1996, and not less than $5.15 an hour after December 31, 1996;".

WELLSTONE (AND MURRAY) AMENDMENT NOS. 2583–2584

Mr. DODD (for Mr. WELLSTONE, for himself and Mrs. MURRAY) proposed two amendments to amendment No. 2280 proposed by Mr. DOLE to the bill H.R. 4, supra; as follows:

AMENDMENT No. 2583

On page 14, between lines 12 and 13, insert the following:

"(8) CERTIFICATION REGARDING BATTERED INDIVIDUALS.—A certification from the chief executive officer of the State specifying that—

"(A) the State will exempt from the requirements of sections 404, 405 (a) and (b), and 406 (b), (c), and (d), or modify the application of such sections to, any woman, child, or relative applying for or receiving assistance under this part, if such woman, child, or relative was battered or subjected to extreme cruelty and the physical, mental, and emotional well-being of the woman, child, or relative will be endangered by application of such sections to such woman, child, or relative, and

"(B) the State will take into consideration the family circumstances and the counseling and other supportive service needs of the woman, child, or relative.

On page 14, line 13, strike "(8)" and insert "(9)".

On page 16, between lines 22 and 23, insert the following:

"(6) BATTERED OR SUBJECTED TO EXTREME CRUELTY.—The term 'battered or subjected to extreme cruelty' includes, but is not limited to—

"(A) physical acts resulting in, or threatening to result in, physical injury;

"(B) sexual abuse, sexual activity involving a dependent child, forcing the caretaker relative of a dependent child to engage in nonconsensual sexual acts or activities, or threats of or attempts at physical or sexual abuse;

"(C) mental abuse; and

"(D) neglect or deprivation of medical care.

On page 35, between lines 2 and 3, insert the following:

"(6) CERTAIN INDIVIDUALS EXCLUDED IN CALCULATION OF PARTICIPATION RATES.—An individual who is battered or subjected to extreme cruelty and with respect to whom an exemption or modification is in effect at any time during a fiscal year by reason of section 402(a)(8) shall not be included for purposes of calculating the State's participation rate for the fiscal year under this subsection.

On page 36, after line 25, add the following: The penalties described in paragraphs (1) and (2) shall not apply with respect to an individual who is battered or subjected to extreme cruelty and with respect to whom an exemption or modification is in effect by reason of section 402(a)(8).

On page 74, between lines 2 and 3, insert:

Such requirements, limits, and penalties shall contain exemptions described in section 402(a)(8) for individuals who have been battered or subject to extreme cruelty.

On page 175, line 16, strike "and".

On page 175, line 20, strike the period and insert "; and".

On page 175, between lines 20 and 21, insert the following:

(C) by adding at the end the following new subparagraph:

"(F) The provisions of this subsection shall not apply with respect to any alien who has been battered or subjected to extreme cruelty (within the meaning of section 402(d)(6) of the Social Security Act (42 U.S.C. 602(d)(6))."

On page 183, line 11, strike the end quotation marks and the end period.

On page 183, between lines 11 and 12, insert:

"(E) EXCEPTION FOR BATTERED INDIVIDUALS.—The requirements of this paragraph shall not apply to an individual who has been battered or subjected to extreme cruelty (within the meaning of section 402(d)(6) of the Social Security Act) if such application would endanger the physical, mental, or emotional well-being of the individual.".

On page 192, between line 16 insert at the end: "The standards shall provide a good cause exception to protect individuals who have been battered or subjected to extreme cruelty (within the meaning of section 402(d)(6) of the Social Security Act)."

On page 197, line 13, after "section" insert "6(d)(1)(E) or".

On page 287, line 21, strike "or (V)" and insert "(V), or (VI)".

On page 291, lines 18 and 19, strike "or (V)" and insert "(V), or (VI)".

On page 299, line 11, strike "or".

On page 299, line 14, strike "title II" and insert "title II; or (VI) a noncitizen who has been battered or subjected to extreme cruelty (within the meaning of section 402(d)(6))".

On page 612, line 24, strike "rights" and inserting "rights, and only if such resident parent or such resident parent's child is not an individual who has been battered or subjected to extreme cruelty (within the meaning of section 402(d)(6)) by such absent parent".

On page 715, line 8, strike "arrangements." and insert "arrangements. Such programs shall not provide for access or visitation if any individual involved is an individual who has been battered or subjected to extreme cruelty (within the meaning of section 402(d)(6)) by the absent parent.".

AMENDMENT No. 2584

At the end of the amendment, insert the following new title:

TITLE —PROTECTION OF BATTERED INDIVIDUALS

SEC. 01. EXEMPTION OF BATTERED INDIVIDUALS FROM CERTAIN REQUIREMENTS.

(a) IN GENERAL.—Notwithstanding any other provision of, or amendment made by, this Act, the applicable administering authority of any specified provision shall exempt from (or modify) the application of such provision to any individual who was battered or subjected to extreme cruelty if the physical, mental, or emotional well-being of the individual would be endangered by the application of such provision to such individual. The applicable administering authority shall take into consideration the family circumstances and the counseling and other supportive service needs of the individual.

(b) SPECIFIED PROVISIONS.—For purposes of this section, the term "specified provision" means any requirement, limitation, or penalty under any of the following:

(1) Sections 404, 405 (a) and (b), 406 (b), (c), and (d), 414(d), 453(c), 469A, and 1614(a)(1) of the Social Security Act.

(2) Sections 5(i) and 6 (d), (j), and (n) of the Food Stamp Act of 1977.

(3) Sections 501(a) and 502 of this Act.

(c) DEFINITIONS AND SPECIAL RULES.—For purposes of this section—

(1) BATTERED OR SUBJECTED TO EXTREME CRUELTY.—The term "battered or subjected to extreme cruelty" includes, but is not limited to—

(A) physical acts resulting in, or threatening to result in, physical injury;

(B) sexual abuse, sexual activity involving a dependent child, forcing the caretaker relative of a dependent child to engage in nonconsensual sexual acts or activities, or threats of or attempts at physical or sexual abuse;

(C) mental abuse; and

(D) neglect or deprivation of medical care.

(2) CALCULATION OF PARTICIPATION RATES.—An individual exempted from the work requirements under section 404 of the Social Security Act by reason of subsection (a) shall not be included for purposes of calculating the State's participation rate under such section.

STEVENS (AND MURKOWSKI) AMENDMENT NO. 2585

Mr. STEVENS (for himself and Mr. Murkowski) proposed an amendment to amendment No. 2280 proposed by Mr. Dole to the bill H.R. 4, supra, as follows:

On page 16 of the pending amendment, beginning on line 13, strike all through line 17 and insert in lieu thereof the following:

"(4) INDIAN, INDIAN TRIBE, AND TRIBAL ORGANIZATION.—

"(A) IN GENERAL.—Except as provided in subparagraph (B), the terms 'Indian', 'Indian tribe', and 'tribal organization' have the meaning given such terms by section 4 of the Indian Self-Determination and Education Assistance Act (25 U.S.C. 450b).

"(B) IN ALASKA.—For purposes of grants under section 414 on behalf of Indians in Alaska, the term 'Indian tribe' shall mean only the following Alaska Native regional non-profit corporations—

"(i) Arctic Slope Native Association,

"(ii) Kawerak, Inc.,

"(iii) Maniilaq Association,

"(iv) Association of Village Council Presidents,

"(v) Tanana Chiefs Conference,

"(vi) Cook Inlet Tribal Council,

"(vii) Bristol Bay Native Association,

"(viii) Aleutian and Pribilof Island Association,

"(ix) Chugachmuit,

"(x) Tlingit Haida Central Council,

"(xi) Kodiak Area Native Association, and

"(xii) Copper River Native Association.".

COHEN AMENDMENT NO. 2586

Mr. SANTORUM (for Mr. Cohen) proposed an amendment to amendment No. 2280 proposed by Mr. Dole to the bill H.R. 4, supra, as follows:

In section 102(c) of the amendment, insert "so long as the programs are implemented consistent with the Establishment Clause of the United States Constitution" after "subsection (a)(2)".

In section 102(d)(2) of the amendment, strike subparagraph (B), and redesignate subparagraph (C) as subparagraph (B).

SPECTER (AND SIMON) AMENDMENT NO. 2587

Mr. SANTORUM (for Mr. Specter, for himself and Mr. Simon) proposed an amendment to amendment No. 2280 proposed by Mr. Dole to the bill H.R. 4, supra, as follows:

In title VII, strike chapters 1 and 2 of subtitle C and insert the following:

CHAPTER 1—GENERAL PROVISIONS

SEC. 741. DEFINITIONS.

As used in this subtitle:

(1) AT-RISK YOUTH.—The term "at-risk youth" means an individual who—

(A) is not less than age 15 and not more than age 24;

(B) is low-income (as defined in section 723(e));

(C) is 1 or more of the following:

(i) Basic skills deficient.

(ii) A school dropout.

(iii) Homeless or a runaway.

(iv) Pregnant or parenting.

(v) Involved in the juvenile justice system.

(vi) An individual who requires additional education, training, or intensive counseling and related assistance, in order to secure and hold employment or participate successfully in regular schoolwork.

(2) ENROLLEE.—The term "enrollee" means an individual enrolled in the Job Corps.

(3) GOVERNOR.—The term "Governor" means the chief executive officer of a State.

(4) JOB CORPS.—The term "Job Corps" means the Job Corps described in section 743.

(5) JOB CORPS CENTER.—The term "Job Corps center" means a center described in section 743.

(6) OPERATOR.—The term "operator" means an entity selected under this chapter to operate a Job Corps center.

(7) SECRETARY.—The term "Secretary" means the Secretary of Labor.

CHAPTER 2—JOB CORPS

SEC. 742. PURPOSES.

The purposes of this chapter are—

(1) to maintain a national Job Corps program, carried out in partnership with States and communities, to assist at-risk youth who need and can benefit from an unusually intensive program, operated in a group setting, to become more responsible, employable, and productive citizens;

(2) to set forth standards and procedures for selecting individuals as enrollees in the Job Corps;

(3) to authorize the establishment of Job Corps centers in which enrollees will participate in intensive programs of workforce development activities; and

(4) to prescribe various other powers, duties, and responsibilities incident to the operation and continuing development of the Job Corps.

SEC. 743. ESTABLISHMENT.

There shall be established in the Department of Labor a Job Corps program, to carry out activities described in this chapter for individuals enrolled in the Job Corps and assigned to a center.

SEC. 744. INDIVIDUALS ELIGIBLE FOR THE JOB CORPS.

To be eligible to become an enrollee, an individual shall be an at-risk youth.

SEC. 745. SCREENING AND SELECTION OF APPLICANTS.

(a) STANDARDS AND PROCEDURES.—

(1) IN GENERAL.—The Secretary shall prescribe specific standards and procedures for the screening and selection of applicants for the Job Corps, after considering recommendations from the Governors, State workforce development boards established under section 715, local partnerships and local workforce development boards established under section 728, and other interested parties.

(2) METHODS.—In prescribing standards and procedures under paragraph (1) for the screening and selection of Job Corps applicants, the Secretary shall—

(A) require enrollees to take drug tests within 30 days of enrollment in the Job Corps;

(B) allocate, where necessary, additional resources to increase the applicant pool;

(C) establish standards for outreach to and screening of Job Corps applicants;

(D) where appropriate, take measures to improve the professional capability of the individuals conducting such screening; and

(E) require Job Corps applicants to pass background checks, conducted in accordance with procedures established by the Secretary.

(3) IMPLEMENTATION.—To the extent practicable, the standards and procedures shall be implemented through arrangements with—

(A) one-stop career centers;

(B) agencies and organizations such as community action agencies, professional groups, and labor organizations; and

(C) agencies and individuals that have contact with youth over substantial periods of time and are able to offer reliable information about the needs and problems of the youth.

(4) CONSULTATION.—The standards and procedures shall provide for necessary consultation with individuals and organizations, including court, probation, parole, law enforcement, education, welfare, and medical authorities and advisers.

(b) SPECIAL LIMITATIONS.—No individual shall be selected as an enrollee unless the individual or organization implementing the standards and procedures determines that—

(1) there is a reasonable expectation that the individual considered for selection can participate successfully in group situations and activities, is not likely to engage in behavior that would prevent other enrollees from receiving the benefit of the program or be incompatible with the maintenance of sound discipline and satisfactory relationships between the Job Corps center to which the individual might be assigned and surrounding communities; and

(2) the individual manifests a basic understanding of both the rules to which the individual will be subject and of the consequences of failure to observe the rules.

SEC. 746. ENROLLMENT AND ASSIGNMENT.

(a) RELATIONSHIP BETWEEN ENROLLMENT AND MILITARY OBLIGATIONS.—Enrollment in the Job Corps shall not relieve any individual of obligations under the Military Selective Service Act (50 U.S.C. App. 451 et seq.).

(b) ASSIGNMENT.—After the Secretary has determined that an enrollee is to be assigned to a Job Corps center, the enrollee shall be assigned to the center that is closest to the residence of the enrollee, except that the Secretary may waive this requirement for good cause, including to ensure an equitable opportunity for at-risk youth from various sections of the Nation to participate in the Job Corps program, to prevent undue delays in assignment of an enrollee, to adequately meet the educational or other needs of an enrollee, and for efficiency and economy in the operation of the program.

(c) PERIOD OF ENROLLMENT.—No individual may be enrolled in the Job Corps for more than 2 years, except—

(1) in a case in which completion of an advanced career training program under section 748(d) would require an individual to participate for more than 2 years; or

(2) as the Secretary may authorize in a special case.

SEC. 747. JOB CORPS CENTERS.

(a) OPERATORS AND SERVICE PROVIDERS.—

(1) ELIGIBLE ENTITIES.—The Secretary shall enter into an agreement with a Federal, State, or local agency, which may be a State board or agency that operates or wishes to develop an area vocational education school facility or residential vocational school, or with a private organization, for the operation of each Job Corps center. The Secretary shall enter into an agreement with an appropriate entity to provide services for a Job Corps center.

(2) SELECTION PROCESS.—Except as provided in subsection (c)(d), the Secretary shall select an entity to operate a Job Corps center on a competitive basis, after reviewing the operating plans described in section 750. In selecting a private or public entity to serve as an operator, the Secretary may convene and obtain the recommendation of a selection panel described in section 752(b). In selecting an entity to serve as an operator or to provide services for a Job Corps center, the Secretary shall take into consideration the previous performance of the entity, if any, relating to operating or providing services for a Job Corps center.

(b) CHARACTER AND ACTIVITIES.—Job Corps centers may be residential or nonresidential in character, and shall be designed and operated so as to provide enrollees, in a well-supervised setting, with access to activities described in section 748. In any year, no more than 20 percent of the individuals enrolled in the Job Corps may be nonresidential participants in the Job Corps.

(c) CIVILIAN CONSERVATION CENTERS.—

(1) IN GENERAL.—The Job Corps centers may include Civilian Conservation Centers operated under agreement with the Secretary of Agriculture or Secretary of Interior, located primarily in rural areas, which shall provide, in addition to other training and assistance, programs of work experience to conserve, develop, or manage public natural resources or public recreational areas or to develop community projects in the public interest.

(2) SELECTION PROCESS.—The Secretary may select a nongovernmental entity to operate a Civilian Conservation Center on a competitive basis, if the center fails to meet such national performance standards as the Secretary shall establish.

(d) The Secretary may enter into agreement with Indian Tribes to operate Job Corps centers for Native American Indians.

SEC. 748. PROGRAM ACTIVITIES.

(a) ACTIVITIES PROVIDED THROUGH JOB CORPS CENTERS.—Each Job Corps center shall provide enrollees assigned to the center with access to activities described in section 716(a)(2)(B), and such other workforce development activities as may be appropriate to meet the needs of the enrollees, including providing work-based learning throughout the enrollment of the enrollees and assisting the enrollees in obtaining meaningful unsubsidized employment, participating successfully in secondary education or postsecondary education programs, enrolling in other suitable training programs, or satisfying Armed Forces requirements, on completion of their enrollment.

(b) ARRANGEMENTS.—The Secretary shall arrange for enrollees assigned to Job Corps centers to receive workforce development activities through or in cooperation with the statewide system, including workforce development activities provided through local public or private educational agencies, vocational educational institutions, or technical institutes.

(c) JOB PLACEMENT ACCOUNTABILITY.—The Secretary shall establish a Job Placement Accountability System in conjunction with the job placement accountability system described in section 731(d) in the State in which the center is located.

(d) ADVANCED CAREER TRAINING PROGRAMS.—

(1) IN GENERAL.—The Secretary may arrange for programs of advanced career training for selected enrollees in which the enrollees may continue to participate for a period of not to exceed 1 year in addition to the period of participation to which the enrollees would otherwise be limited.

(2) POSTSECONDARY EDUCATIONAL INSTITUTIONS.—The advanced career training may be provided through a postsecondary educational institution for an enrollee who has obtained a secondary school diploma or its recognized equivalent, has demonstrated commitment and capacity in previous Job Corps participation, and has an identified occupational goal.

(3) COMPANY-SPONSORED TRAINING PROGRAMS.—The Secretary may enter into contracts with private for-profit businesses and labor unions to provide the advanced career training through intensive training in company-sponsored training programs, combined with internships in work settings.

(4) BENEFITS.—

(A) IN GENERAL.—During the period of participation in an advanced career training program, an enrollee shall be eligible for full Job Corps benefits, or a monthly stipend equal to the average value of the residential support, food, allowances, and other benefits provided to enrollees assigned to residential Job Corps centers.

(B) CALCULATION.—The total amount for which an enrollee shall be eligible under subparagraph (A) shall be reduced by the amount of any scholarship or other educational grant assistance received by such enrollee for advanced career training.

(5) DEMONSTRATION.—Each year, any operator seeking to enroll additional enrollees in an advanced career training program shall demonstrate that participants in such program have achieved a reasonable rate of completion and placement in training-related jobs before the operator may carry out such additional enrollment.

SEC. 749. SUPPORT.

The Secretary shall provide enrollees assigned to Job Corps centers with such personal allowances, including readjustment allowances, as the Secretary may determine to be necessary or appropriate to meet the needs of the enrollees.

SEC. 750. OPERATING PLAN.

(a) IN GENERAL.—To be eligible to operate a Job Corps center, an entity shall prepare and submit an operating plan to the Secretary for approval. Prior to submitting the plan to the Secretary, the entity shall submit the plan to the Governor of the State in which the center is located for review and comment. The entity shall submit any comments prepared by the Governor on the plan to the Secretary with the plan. Such plan shall include, at a minimum, information indicating—

(1) in quantifiable terms, the extent to which the center will contribute to the achievement of the proposed State goals and State benchmarks identified in the State plan submitted under section 714 for the State in which the center is located;

(2) the extent to which workforce employment activities and workforce education activities delivered through the Job Corps center are directly linked to the workforce development needs of the region in which the center is located;

(3) an implementation strategy to ensure that all enrollees assigned to the Job Corps center will have access to services through the one-stop delivery of core services described in section 716(a)(2) by the State; and

(4) an implementation strategy to ensure that the curricula of all such enrollees is integrated into the school-to-work activities of the State, including work-based learning, work experience, and career-building activities, and that such enrollees have the opportunity to obtain secondary school diplomas or their recognized equivalent.

(b) APPROVAL.—The Secretary shall not approve an operating plan described in subsection (a) for a center if the Secretary determines that the activities proposed to be carried out through the center are not sufficiently integrated with the activities carried out through the statewide system of the State in which the center is located.

SEC. 751. STANDARDS OF CONDUCT.

(a) PROVISION AND ENFORCEMENT.—The Secretary shall provide, and directors of Job Corps center shall stringently enforce, standards of conduct within the centers. Such standards of conduct shall include provisions forbidding the actions described in subsection (b)(2)(A).

(b) DISCIPLINARY MEASURES.—

(1) IN GENERAL.—To promote the proper moral and disciplinary conditions in the Job Corps, the directors of Job Corps centers shall take appropriate disciplinary measures against enrollees. If such a director determines that an enrollee has committed a violation of the standards of conduct, the director shall dismiss the enrollee from the Job Corps if the director determines that the retention of the enrollee in the Job Corps will jeopardize the enforcement of such standards or diminish the opportunities of other enrollees.

(2) ZERO TOLERANCE POLICY.—

(A) GUIDELINES.—The Secretary shall adopt guidelines establishing a zero tolerance policy for an act of violence, for use, sale, or possession of a controlled substance, for abuse of alcohol, or for another illegal or disruptive activity.

(B) DEFINITIONS.—As used in this paragraph:

(i) CONTROLLED SUBSTANCE.—The term "controlled substance" has the meaning given the term in section 102 of the Controlled Substances Act (21 U.S.C. 802).

(ii) ZERO TOLERANCE POLICY.—The term "zero tolerance policy" means a policy under which an enrollee shall be automatically dismissed from the Job Corps after a determination by the director that the enrollee has carried out an action described in subparagraph (A).

(c) APPEAL.—A disciplinary measure taken by a director under this section shall be subject to expeditious appeal in accordance with procedures established by the Secretary.

SEC. 752. COMMUNITY PARTICIPATION.

(a) ACTIVITIES.—The Secretary shall encourage and cooperate in activities to establish a mutually beneficial relationship between Job Corps centers in the State and nearby communities. The activities shall include the use of any local partnerships or local workforce development boards established in the State under section 728 to provide a mechanism for joint discussion of common problems and for planning programs of mutual interest.

(b) SELECTION PANELS.—The Governor may recommend individuals to serve on a selection panel convened by the Secretary to provide recommendations to the Secretary regarding any competitive selection of an operator for a center in the State. In recommending individuals to serve on the panel, the Governor may recommend members of State workforce development boards established under section 715, if any, members of any local partnerships or local workforce development boards established in the State under section 728, or other representatives selected by the Governor.

(c) ACTIVITIES.—Each Job Corps center director shall—

(1) give officials of nearby communities appropriate advance notice of changes in the rules, procedures, or activities of the Job Corps center that may affect or be of interest to the communities;

(2) afford the communities a meaningful voice in the affairs of the Job Corps center that are of direct concern to the communities, including policies governing the issuance and terms of passes to enrollees; and

(3) encourage the participation of enrollees in programs for improvement of the communities, with appropriate advance consultation with business, labor, professional, and other interested groups, in the communities.

SEC. 753. COUNSELING AND PLACEMENT.

The Secretary shall ensure that enrollees assigned to Job Corps centers receive academic and vocational counseling and job placement services, which shall be provided, to the maximum extent practicable, through the delivery of core services described in section 716(a)(2).

SEC. 754. ADVISORY COMMITTEES.

The Secretary is authorized to make use of advisory committees in connection with the operation of the Job Corps program, and the operation of Job Corps centers, whenever the Secretary determines that the availability of outside advice and counsel on a regular basis would be of substantial benefit in identifying and overcoming problems, in planning program or center development, or in strengthening relationships between the Job Corps and agencies, institutions, or groups engaged in related activities.

SEC. 755. APPLICATION OF PROVISIONS OF FEDERAL LAW.

(a) ENROLLEES NOT CONSIDERED TO BE FEDERAL EMPLOYEES.—

(1) IN GENERAL.—Except as otherwise provided in this subsection and in section 8143(a) of title 5, United States Code, enrollees shall not be considered to be Federal employees and shall not be subject to the provisions of law relating to Federal employment, including such provisions regarding hours of work, rates of compensation, leave, unemployment compensation, and Federal employee benefits.

(2) PROVISIONS RELATING TO TAXES AND SOCIAL SECURITY BENEFITS.—For purposes of the Internal Revenue Code of 1986 and title II of the Social Security Act (42 U.S.C. 401 et seq.), enrollees shall be deemed to be employees of the United States and any service performed by an individual as an enrollee shall be deemed to be performed in the employ of the United States.

(3) PROVISIONS RELATING TO COMPENSATION TO FEDERAL EMPLOYEES FOR WORK INJURIES.—For purposes of subchapter I of chapter 81 of title 5, United States Code (relating to compensation to Federal employees for work injuries), enrollees shall be deemed to be civil employees of the Government of the United States within the meaning of the term "employee" as defined in section 8101 of title 5, United States Code, and the provisions of such subchapter shall apply as specified in section 8143(a) of title 5, United States Code.

(4) FEDERAL TORT CLAIMS PROVISIONS.—For purposes of the Federal tort claims provisions in title 28, United States Code, enrollees shall be considered to be employees of the Government.

(b) ADJUSTMENTS AND SETTLEMENTS.—Whenever the Secretary finds a claim for damages to a person or property resulting from the operation of the Job Corps to be a proper charge against the United States, and the claim is not cognizable under section 2672 of title 28, United States Code, the Secretary may adjust and settle the claim in an amount not exceeding $1,500.

(c) PERSONNEL OF THE UNIFORMED SERVICES.—Personnel of the uniformed services who are detailed or assigned to duty in the performance of agreements made by the Secretary for the support of the Job Corps shall not be counted in computing strength under any law limiting the strength of such services or in computing the percentage authorized by law for any grade in such services.

SEC. 756. SPECIAL PROVISIONS.

(a) ENROLLMENT OF WOMEN.—The Secretary shall immediately take steps to achieve an enrollment of 50 percent women in the Job Corps program, consistent with the need to—

(1) promote efficiency and economy in the operation of the program;

(2) promote sound administrative practice; and

(3) meet the socioeconomic, educational, and training needs of the population to be served by the program.

(b) STUDIES, EVALUATIONS, PROPOSALS, AND DATA.—The Secretary shall assure that all studies, evaluations, proposals, and data produced or developed with Federal funds in the course of carrying out the Job Corps program shall become the property of the United States.

(c) Gross Receipts.—Transactions conducted by a private for-profit contractor or a nonprofit contractor in connection with the operation by the contractor of a Job Corps center or the provision of services by the contractor for a Job Corps center shall not be considered to be generating gross receipts. Such a contractor shall not be liable, directly or indirectly, to any State or subdivision of a State (nor to any person acting on behalf of such a State or subdivision) for any gross receipts taxes, business privilege taxes measured by gross receipts, or any similar taxes imposed on, or measured by, gross receipts in connection with any payments made to or by such contractor for operating or providing services for a Job Corps center. Such a contractor shall not be liable to any State or subdivision of a State to collect or pay any sales, excise, use, or similar tax imposed on the sale to or use by such contractor of any property, service, or other item in connection with the operation of or provision of services for a Job Corps center.

(d) Management Fee.—The Secretary shall provide each operator or entity providing services for a Job Corps center with an equitable and negotiated management fee of not less than 1 percent of the contract amount.

(e) Donations.—The Secretary may accept on behalf of the Job Corps or individual Job Corps centers charitable donations of cash or other assistance, including equipment and materials, if such donations are available for appropriate use for the purposes set forth in this chapter.

SEC. 757. REVIEW OF JOB CORPS CENTERS.

(a) National Job Corps Review.—Not later than March 31, 1997, the Governing Board shall conduct a review of the activities carried out under part B of title IV of the Job Training Partnership Act (29 U.S.C. 1691 et seq.), and submit to the appropriate committees of Congress a report containing the results of the review, including—

(1) information on the amount of funds expended for fiscal year 1996 to carry out activities under such part, for each State and for the United States;

(2) for each Job Corps center funded under such part, information on the amount of funds expended for fiscal year 1996 under such part to carry out activities related to the direct operation of the center, including funds expended for student training, outreach or intake activities, meals and lodging, student allowances, medical care, placement or settlement activities, and administration;

(3) for each Job Corps center, information on the amount of funds expended for fiscal year 1996 under such part through contracts to carry out activities not related to the direct operation of the center, including funds expended for student travel, national outreach, screening, and placement services, national vocational training, and national and regional administrative costs;

(4) for each Job Corps center, information on the amount of funds expended for fiscal year 1996 under such part for facility construction, rehabilitation, and acquisition expenses;

(5) information on the amount of funds required to be expended under such part to complete each new or proposed Job Corps center, and to rehabilitate and repair each existing Job Corps center, as of the date of the submission of the report;

(6) a summary of the information described in paragraphs (2) through (5) for all Job Corps centers;

(7) an assessment of the need to serve at-risk youth in the Job Corps program, including—

(A) a cost-benefit analysis of the residential component of the Job Corps program;

(B) the need for residential education and training services for at-risk youth, analyzed for each State and for the United States; and

(C) the distribution of training positions in the Job Corps program, as compared to the need for the services described in subparagraph (B), analyzed for each State;

(8) an overview of the Job Corps program as a whole and an analysis of individual Job Corps centers, including a 5-year performance measurement summary that includes information, analyzed for the program and for each Job Corps center, on—

(A) the number of enrollees served;

(B) the number of former enrollees who entered employment, including the number of former enrollees placed in a position related to the job training received through the program and the number placed in a position not related to the job training received;

(C) the number of former enrollees placed in jobs for 32 hours per week or more;

(D) the number of former enrollees who entered employment and were retained in the employment for more than 13 weeks;

(E) the number of former enrollees who entered the Armed Forces;

(F) the number of former enrollees who completed vocational training, and the rate of such completion, analyzed by vocation;

(G) the number of former enrollees who entered postsecondary education;

(H) the number and percentage of early dropouts from the Job Corps program;

(I) the average wage of former enrollees, including wages from positions described in subparagraph (B);

(J) the number of former enrollees who obtained a secondary school diploma or its recognized equivalent;

(K) the average level of learning gains for former enrollees; and

(L) the number of former enrollees that did not—

(i) enter employment or postsecondary education;

(ii) complete a vocational education program; or

(iii) make identifiable learning gains;

(9) information regarding the performance of all existing Job Corps centers over the 3 years preceding the date of submission of the report; and

(10) job placement rates for each Job Corps center and each entity providing services to a Job Corps center.

(b) Recommendations of Governing Board.—

(1) Recommendations.—The Governing Board shall, based on the results of the review described in subsection (a), make recommendations to the Secretary of Labor, regarding improvements in the operation of the Job Corps program, including—

(A) closing 5 Job Corps centers by September 30, 1997, and 5 additional Job Corps centers by September 30, 2000;

(B) relocating Job Corps centers described in paragraph (2)(A)(iii) in cases in which facility rehabilitation, renovation, or repair is not cost-effective; and

(C) taking any other action that would improve the operation of a Job Corps center.

(2) Considerations.—

(A) In general.—In determining whether to recommend that the Secretary of Labor close a Job Corps center, the advisory committee shall consider whether the center—

(i) has consistently received low performance measurement ratings under the Department of Labor or the Office of Inspector General Job Corps rating system;

(ii) is among the centers that have experienced the highest number of serious incidents of violence or criminal activity in the past 5 years;

(iii) is among the centers that require the largest funding for renovation or repair, as specified in the Department of Labor Job Corps Construction/Rehabilitation Funding Needs Survey, or for rehabilitation or repair, as reflected in the portion of the review described in subsection (a)(5);

(iv) is among the centers for which the highest relative or absolute fiscal year 1996 expenditures were made, for any of the categories of expenditures described in paragraph (2), (3), or (4) of subsection (a), as reflected in the review described in subsection (a);

(v) is among the centers with the least State and local support; or

(vi) is among the centers with the lowest rating on such additional criteria as the advisory committee may determine to be appropriate.

(B) Coverage of states and regions.—Notwithstanding subparagraph (A), the advisory committee shall not recommend that the Secretary of Labor close the only Job Corps center in a State or a region of the United States.

(C) Allowance for new job corps centers.—Notwithstanding any other provision of this section, if the planning or construction of a Job Corps center that received Federal funding for fiscal year 1994 or 1995 has not been completed by the date of enactment of this Act—

(i) the appropriate entity may complete the planning or construction and begin operation of the center; and

(ii) the advisory committee shall not evaluate the center under this title sooner than 3 years after the first date of operation of the center.

(3) Report.—Not later than June 30, 1997, the Governing Board shall submit a report to the Secretary of Labor, which shall contain a detailed statement of the findings and conclusions of the Board resulting from the review described in subsection (a) together with the recommendations described in paragraph (1).

(c) Implementation of Performance Improvements.—The Secretary shall, after reviewing the report submitted under subsection (b)(3), implement improvements in the operation of the Job Corps program, including the closings of 10 individual Job Corps centers pursuant to subsection (b). The Secretary may close additional centers as he deems appropriate. Funds saved through the implementation of such improvements shall be used to maintain overall Job Corps program service levels, improve facilities at existing Job Corps centers, relocate Job Corps centers, initiate new Job Corps centers, and make other performance improvements in the Job Corps program.

(d) Report to Congress.—The Secretary shall annually report to Congress the information specified in paragraphs (8), (9), and (10) of subsection (a) and such additional information relating to the Job Corps program as the Secretary may determine to be appropriate.

SEC. 758. EFFECTIVE DATE.

(a) In General.—Except as provided in subsection (b), this chapter shall take effect on July 1, 1998.

(b) Report.—Section 757 shall take effect on the date of enactment of this Act.

In section 759(a), strike "to States to assist the States in paying for the cost of carrying out" and insert "for States, to enable the Secretary of Labor to carry out in the States, and to assist the States in paying for the cost of carrying out,".

In section 759(b)(1), strike "The State shall use a portion of the funds made available to the State through an allotment received under subsection (c)" and insert "The Secretary of Labor shall use the funds made available for a State through an allotment made under subsection (c)(2), and, at the election of the State, a portion of the funds made available to the State through an allotment received under subsection (c)(3),".

In section 759(b)(1), strike "section 755" and insert "section 757".

In section 759(b)(2), strike "the funds described in paragraph (1)" and insert "the funds made available to a State through an allotment received under subsection (c)(3)".

In section 759(c)(1), in the matter preceding subparagraph (A), strike "allot to" and insert "allot for".

In section 759(c)(1)(A), strike "available to" and insert "available for".

In section 759(c)(2), strike "to each State" and insert "for each State".

In section 759(c)(2), strike "to carry out" and insert "to enable the Secretary of Labor to carry out".

In section 759(c)(2), strike "section 755(a)(2)" and insert "section 757(a)(2), (3), and (4)".

In section 759(d)(1), strike "subsection (c)" and insert "subsection (c)(3)".

In section 771(b), strike "this title" and insert "this title (other than subtitle C)".

In section 772(a)(4)(B), strike "this title" and insert "this title (other than subtitle C)".

In section 776(c)(2)(H), strike "this title" and insert "this title (other than subtitle C)".

In the first sentence of section 776(c)(5)(A), strike "this title" and insert "this title (other than subtitle C)".

In the second sentence of section 776(c)(5)(A), strike "this title" and insert "this title (other than subtitle C)".

CHAFEE AMENDMENT NO. 2588

Mr. SANTORUM (for Mr. CHAFEE) proposed an amendment to amendment No. 2280 proposed by Mr. DOLE to the bill H.R. 4, supra, as follows:

On page 50, beginning with line 12, strike all through line 17, and insert the following:

(2) VOUCHERS FOR CHILDREN BORN TO FAMILIES RECEIVING ASSISTANCE.—States must provide vouchers in lieu of cash assistance which may be used only to pay for particular goods and services specified by the State as suitable for the care of the child.

MCCAIN AMENDMENT NO. 2589

Mr. SANTORUM (for Mr. MCCAIN) proposed an amendment to amendment No. 2280 proposed by Mr. DOLE to the bill H.R. 4, supra, as follows:

On page 583, between lines 6 and 7, insert the following:

"(4) FAMILIES UNDER CERTAIN AGREEMENTS.—In the case of a family receiving assistance from an Indian tribe, distribute the amount so collected pursuant to an agreement entered into pursuant to a State plan under section 454(32).

On page 712, between lines 9 and 10, insert the following:

SEC. 972. CHILD SUPPORT ENFORCEMENT FOR INDIAN TRIBES.

(a) CHILD SUPPORT ENFORCEMENT AGREEMENTS.—Section 454 (42 U.S.C. 654), as amended by sections 901(b), 904(a), 912(b), 913(a), 933, 943(a), and 970(a)(2) is amended—

(1) by striking "and" at the end of paragraph (3);

(2) by striking the period at the end of paragraph (31) and inserting "; and"; and

(3) by adding after paragraph (31) the following new paragraph:

"(32) provide that a State that receives funding pursuant to section 429 and that has within its borders Indian country (as defined in section 1151 of title 18, United States Code) shall, through the State administering agency, make reasonable efforts to enter into cooperative agreements with an Indian tribe or tribal organization (as defined in paragraphs (1) and (2) of section 428(c)), if the Indian tribe or tribal organization demonstrates that such tribe or organization has an established tribal court system or a Court of Indian Offenses with the authority to establish paternity, establish and enforce support orders, and to enter support orders in accordance with child support guidelines established by such tribe or organization, under which the State and tribe or organization shall provide for the cooperative delivery of child support enforcement services in Indian country and for the forwarding of all funding collected pursuant to the functions performed by the tribe or organization to the State agency, or conversely, by the State agency to the tribe or organization, which shall distribute such funding in accordance with such agreement.".

(b) DIRECT FEDERAL FUNDING TO INDIAN TRIBES AND TRIBAL ORGANIZATIONS.—Section 455 (42 U.S.C. 655) is amended by adding at the end the following new subsection:

"(b) The Secretary may, in appropriate cases, make direct payments under this part to an Indian tribe or tribal organization which has an approved child support enforcement plan under this title. In determining whether such payments are appropriate, the Secretary shall, at a minimum, consider whether services are being provided to eligible Indian recipients by the State agency through an agreement entered into pursuant to section 454(32). The Secretary shall provide for an appropriate adjustment to the State allotment under this section to take into account any payments made under this subsection to Indian tribes or tribal organizations located within such State.

(c) COOPERATIVE ENFORCEMENT AGREEMENTS.—Paragraph (7) of section 454 (42 U.S.C. 654) is amended by inserting "and Indian tribes or tribal organizations (as defined in section 450(b) of title 25, United States Code)" after "law enforcement officials".

MOYNIHAN (AND OTHERS) AMENDMENT NO. 2590

Mr. MOYNIHAN (for himself, Ms. SNOWE, Mr. ROCKEFELLER, and Mr. BYRD) proposed an amendment to amendment No. 2280 proposed by Mr. DOLE to the bill H.R. 4, supra, as follows:

On page 26, between lines 21 and 22, insert the following:

"(f) ADDITIONAL AMOUNT FOR STUDIES AND DEMONSTRATIONS.—

"(1) IN GENERAL.—There are authorized to be appropriated and there are appropriated for each fiscal year described in subsection (a)(1) an additional amount equal to 0.20 percent of the amount appropriated under subparagraph (A) of subsection (a)(4) for the purpose of paying—

"(A) the Federal share of any State-initiated study approved under section 410(g);

"(B) an amount determined by the Secretary to be necessary to operate and evaluate demonstration projects, relating to part A of title IV of this Act, that are in effect or approved under section 1115 as of October 1, 1995, and are continued after such date;

"(C) the cost of conducting the research described in section 410(a); and

"(D) the cost of developing and evaluating innovative approaches for reducing welfare dependency and increasing the well-being of minor children under section 410(b).

"(2) ALLOCATION.—Of the amount appropriated under paragraph (1) for a fiscal year—

"(A) 50 percent shall be allocated for the purposes described in subparagraphs (A) and (B) of paragraph (1), and

"(B) 50 percent shall be allocated for the purposes described in subparagraphs (C) and (D) of paragraph (1).

On page 26, line 22, strike "(f)" and insert "(g)".

On page 53, beginning on line 7, strike all through page 55, line 7, and insert the following:

"(a) IN GENERAL.—The Secretary, in consultation with State and local government officials and other interested persons, shall develop a quality assurance system of data collection and reporting that promotes accountability and ensures the improvement and integrity of programs funded under this part.

"(b) STATE SUBMISSIONS.—

"(1) IN GENERAL.—Not later than the 15th day of the first month of each calendar quarter, each State to which a grant is made under section 403 shall submit to the Secretary the data described in paragraphs (2) and (3) with respect to families described in paragraph (4).

"(2) DISAGGREGATED DATA DESCRIBED.—The data described in this paragraph with respect to families described in paragraph (4) is a sample of monthly disaggregated case record data containing the following:

"(A) The age of the adults and children (including pregnant women) in each family.

"(B) The marital and familial status of each member of the family (including whether the family is a 2-parent family and whether a child is living with an adult relative other than a parent).

"(C) The gender, educational level, work experience, and race of the head of each family.

"(D) The health status of each member of the family (including whether any member of the family is seriously ill, disabled, or incapacitated and is being cared for by another member of the family).

"(E) The type and amount of any benefit or assistance received by the family, including—

"(i) the amount of and reason for any reduction in assistance, and

"(ii) if assistance is terminated, whether termination is due to employment, sanction, or time limit.

"(F) Any benefit or assistance received by a member of the family with respect to housing, food stamps, job training, or the Head Start program.

"(G) The number of months since the family filed the most recent application for assistance under the program and if assistance was denied, the reason for the denial.

"(H) The number of times a family has applied for and received assistance under the State program and the number of months assistance has been received each time assistance has been provided to the family.

"(I) The employment status of the adults in the family (including the number of hours worked and the amount earned).

"(J) The date on which an adult in the family began to engage in work, the number of hours the adult engaged in work, the work activity in which the adult participated, and the amount of child care assistance provided to the adult (if any).

"(K) The number of individuals in each family receiving assistance and the number of individuals in each family not receiving assistance, and the relationship of each individual to the youngest child in the family.

"(L) The citizenship status of each member of the family.

"(M) The housing arrangement of each member of the family.

"(N) The amount of unearned income, child support, assets, and other financial factors considered in determining eligibility for assistance under the State program.

"(O) The location in the State of each family receiving assistance.

"(P) Any other data that the Secretary determines is necessary to ensure efficient and effective program administration.

"(3) AGGREGATED MONTHLY DATA.—The data described in this paragraph is the following aggregated monthly data with respect to the families described in paragraph (4):

"(A) The number of families.

"(B) The number of adults in each family.

"(C) The number of children in each family.

"(D) The number of families for which assistance has been terminated because of employment, sanctions, or time limits.

"(4) FAMILIES DESCRIBED.—The families described in this paragraph are—

"(A) families receiving assistance under a State program funded under this part for each month in the calendar quarter preceding the calendar quarter in which the data is submitted,

"(B) families applying for such assistance during such preceding calendar quarter, and

"(C) families that became ineligible to receive such assistance during such preceding calendar quarter.

"(5) APPROPRIATE SUBSETS OF DATA COLLECTED.—The Secretary shall determine appropriate subsets of the data described in paragraphs (2) and (3) that a State is required to submit under paragraph (1) with respect to families described in subparagraphs (B) and (C) of paragraph (4).

"(6) SAMPLING AND OTHER METHODS.—The Secretary shall provide the States with such case sampling plans and data collection procedures as the Secretary deems necessary to produce statistically valid estimates of each State's program performance. The Secretary is authorized to develop and implement procedures for verifying the quality of data submitted by the States.

On page 58, between lines 5 and 6, insert the following:

"(j) REPORT TO CONGRESS.—Not later than 6 months after the end of fiscal year 1997, and each fiscal year thereafter, the Secretary shall transmit to the Congress a report describing—

"(1) whether the States are meeting—

"(A) the participation rates described in section 404(a); and

"(B) the objectives of—

"(i) increasing employment and earnings of needy families, and child support collections; and

"(ii) decreasing out-of-wedlock pregnancies and child poverty;

"(3) the demographic and financial characteristics of families applying for assistance, families receiving assistance, and families that become ineligible to receive assistance;

"(4) the characteristics of each State program funded under this part; and

"(5) the trends in employment and earnings of needy families with minor children.

On page 58, beginning on line 8, strike all through page 58, line 21, and insert the following:

"(a) RESEARCH.—The Secretary shall conduct research on the benefits, effects, and costs of operating different State programs funded under this part, including time limits relating to eligibility for assistance. The research shall include studies on the effects of different programs and the operation of such programs on welfare dependency, illegitimacy, teen pregnancy, employment rates, child well-being, and any other area the Secretary deems appropriate.

"(b) DEVELOPMENT AND EVALUATION OF INNOVATIVE APPROACHES TO REDUCING WELFARE DEPENDENCY AND INCREASING CHILD WELL-BEING.—

"(1) IN GENERAL.—The Secretary may assist States in developing, and shall evaluate, innovative approaches for reducing welfare dependency and increasing the well-being of minor children with respect to recipients of assistance under programs funded under this part. The Secretary may provide funds for training and technical assistance to carry out the approaches developed pursuant to this paragraph.

"(2) EVALUATIONS.—In performing the evaluations under paragraph (1), the Secretary shall, to the maximum extent feasible, use random assignment as an evaluation methodology.

On page 58, line 22, strike "(d)" and insert "(c)".

On page 59, line 4, strike "(e)" and insert "(d)".

On page 59, line 22, strike "(f)" and insert "(e)".

On page 60, between lines 13 and 14, insert the following:

"(g) STATE-INITIATED STUDIES.—A State shall be eligible to receive funding to evaluate the State's family assistance program funded under this part if—

"(1) the State submits a proposal to the Secretary for such evaluation,

"(2) the Secretary determines that the design and approach of the evaluation is rigorous and is likely to yield information that is credible and will be useful to other States, and

"(3) unless otherwise waived by the Secretary, the State provides a non-Federal share of at least 10 percent of the cost of such study.

BOXER AMENDMENT NO. 2591

Mr. MOYNIHAN (for Mrs. BOXER) proposed an amendment to amendment No. 2280 proposed by Mr. DOLE to the bill H.R. 4, supra, as follows:

On page 17, line 2, strike "and (5)" and insert "(5), and (6)".

On page 24, between lines 18 and 19, and insert the following:

"(6) CHILD CARE MAINTENANCE OF EFFORT.—

"(A) IN GENERAL.—The amount of the grant otherwise determined under paragraph (1) for fiscal year 1997, 1998, 1999, and 2000 shall be reduced by the amount by which State expenditures under the State program funded under this part for child care for the preceding fiscal year is less than historic State child care expenditures.

"(B) HISTORIC STATE CHILD CARE EXPENDITURES.—For purposes of this paragraph, the term 'historic State child care expenditures' means amounts expended for fiscal year 1994 for child care under—

"(i) section 402(g)(1)(A)(i) of this Act (relating to AFDC–JOBs child care) (as in effect during such year);

"(ii) section 402(g)(1)(A)(ii) of this Act (relating to transitional child care) (as so in effect); and

"(iii) section 402(i) of this Act (relating to at-risk child care) (as so in effect).

"(C) DETERMINING STATE EXPENDITURES.—For purposes of this paragraph, State expenditures shall not include any expenditures from amounts made available by the Federal Government.

"(D) BONUS FOR STATES WITH HIGH WORK PARTICIPATION RATES.—The Secretary shall distribute (in a manner to be determined by the Secretary) amounts by which State grants are reduced under this section to States that exceed the minimum participation rates specified under section 404(a). If no State qualifies for such distribution, the Secretary may retain such amounts for distribution in succeeding years.".

BOXER AMENDMENTS NOS. 2592–2593

Mr. MOYNIHAN (for Mrs. BOXER) proposed an amendment to amendment No. 2280 proposed by Mr. DOLE to the bill H.R. 4, supra, as follows:

AMENDMENT NO. 2592

On page 292, line 5, strike "and".

On page 292, line 11, strike the end period and insert ", and".

On page 292, between lines 11 and 12, insert:

(F) payments for foster care and adoption assistance under part E of title IV of the Social Security Act.

AMENDMENT NO. 2593

At the appropriate place, insert the following new section:

SEC. ___. SENSE OF SENATE REGARDING GAG RULE.

It is the sense of the Senate that, notwithstanding any other provision of law, receipt of Federal funding by providers of health care or social services shall not permit the Federal Government, States, counties, or any other political subdivisions to restrict the content of any medical information provided by those providers in furtherance of the provision of health care or social services to their patients or clients.

FAIRCLOTH (AND GRAMM) AMENDMENT NO. 2594

Mr. SANTORUM (for Mr. FAIRCLOTH for himself and Mr. GRAMM) proposed an amendment to amendment No. 2280 proposed by Mr. DOLE to the bill H.R. 4, supra, as follows:

On page 49, strike line 13 through line 19 and insert the following.

"(b) NO ASSISTANCE FOR OUT-OF-WEDLOCK BIRTHS TO MINORS UNLESS CERTAIN CONDITIONS ARE MET.—Notwithstanding subsection (d), a State to which a grant is made under section 403 may not use any part of the grant to provide cash benefits for a child born out-of-wedlock to an individual who has not attained 18 years of age, or for the individual, until the individual attains such age or unless the following conditions are met:

"(A) The individual is in, or has graduated from, a secondary school or a program offering the equivalent of vocational or technical training, or has obtained a certificate of high school equivalency.

"(B) Any cash benefits for the child or the individual are provided only to—

(I) an adult with whom the individual or child reside, and whom the State recognizes as acting in loco parentis with respect to the individual; or

(ii) the maternity home, foster home, or other adult-supervised supportive living arrangement in which the individual lives.

"(C) Any vouchers provided in lieu of cash benefits for the individual or the child may be used only to pay for—

(i) particular goods and services specified by the State as suitable for the care of the child (such as diapers, clothing, or cribs): or

(ii) the costs associated with a maternity home, foster home, or other adult supervised supportive living arrangement in which the individual and child live.

"(D) EXCEPTION FOR RAPE OR INCEST.—Subparagraph (A) shall not apply with respect to a child who is born as a result of rape or incest."

FAIRCLOTH AMENDMENTS NOS. 2595–2607

Mr. SANTORUM (for Mr. FAIRCLOTH) proposed thirteen amendments to amendment No. 2280 proposed by Mr. DOLE to the bill H.R. 4, supra, as follows:

AMENDMENT NO. 2595

At the appropriate place, insert the following:

SEC. ___. REPORT ON DISQUALIFICATION OF ILLEGAL ALIENS FROM HOUSING ASSISTANCE PROGRAMS.

(a) IN GENERAL.—Not later than 90 days after the date of the enactment of this Act, the Secretary of Housing and Urban Development shall submit to the Committees on the Judiciary of the House of Representatives and the Senate, the Committee on Banking and Financial Services of the House of Representatives, and the Committee on Banking, Housing, and Urban Affairs of the Senate, a report describing the manner in which the Secretary is enforcing section 214 of the Housing and Community Development Act of 1980.

(b) CONTENTS.—The report submitted under subsection (a) shall include statistics with respect to the number of aliens denied financial assistance under such section.

Amend the table of contents accordingly.

AMENDMENT NO. 2596

At the appropriate place, insert the following:

SEC. ___. SENSE OF THE CONGRESS REGARDING A WORK REQUIREMENT FOR PUBLIC HOUSING RESIDENTS.

It is the sense of the Congress that able-bodied residents of public housing (as such term is defined in section 3(b) of the United States Housing Act of 1937) should be required to perform work service to improve and maintain the facilities in which they live.

Amend the table of contents accordingly.

AMENDMENT NO. 2597

At the end of section 731, insert the following:

(f) EVALUATIONS.—

(1) COVERED ACTIVITIES.—The activities referred to in this subsection are activities carried out under this subtitle or subtitle C.

(2) IN GENERAL.—Each State that carries out activities described in paragraph (1) shall conduct ongoing evaluations of such activities.

(3) METHODS.—The State shall conduct such evaluations through controlled experiments using experimental and control groups chosen by random assignment. In conducting the evaluations, the State shall, at a minimum, determine whether activities described in paragraph (1) effectively raise the hourly wage rates of participants in such activities.

(4) ONGOING NATURE OF EVALUATIONS.—At any given time during the 2-year period of the program, the State shall conduct at least 1 such evaluation of the activities described in paragraph (1).

AMENDMENT NO. 2598

At the end of section 712, insert the following:

(d) TRANSFERABILITY TO OPERATE WORK PROGRAMS.—

(1) TRANSFERS TO OTHER WORK AND TRAINING ACTIVITIES.—The Governor of a State that receives an allotment under this section may use 25 percent of the funds made available through the allotment—

(A) to enable the State to meet the minimum participation rates described in section 404(a) of the Social Security Act (as amended by section 101), including the provision of such child care services as the Governor may determine to be necessary to meet the rates; or

(B) for the implementation of work and training programs for recipients of Federal means tested assistance (as defined by the Federal Partnership), including the provision of the child care services described in subparagraph (A).

(2) TRANSFERS FROM OTHER WORK AND TRAINING ACTIVITIES.—The Governor of a State that receives funds under part A of title IV of the Social Security Act, or Federal financial assistance to carry out the programs described in paragraph (1)(B), may use 25 percent of the funds or financial assistance to carry out the activities described in this subtitle.

AMENDMENT NO. 2599

In section 759(b), add at the end the following:

(3) TRANSFERS TO OTHER WORK AND TRAINING ACTIVITIES.—The Governor of a State that receives an allotment under this section may use 25 percent of the funds made available through the allotment—

(A) to enable the State to meet the minimum participation rates described in section 404(a) of the Social Security Act (as amended by section 101), including the provision of such child care services as the Governor may determine to be necessary to meet the rates; or

(B) for the implementation of work and training programs for recipients of Federal means tested assistance (as defined by the Federal Partnership), including the provision of the child care services described in subparagraph (A).

(4) TRANSFERS FROM OTHER WORK AND TRAINING ACTIVITIES.—The Governor of a State that receives funds under part A of title IV of the Social Security Act, or Federal financial assistance to carry out the programs described in paragraph (3)(B), may use 25 percent of the funds or financial assistance to carry out the activities described in this subtitle.

AMENDMENT NO. 2600

On page 200, between lines 11 and 12, insert the following:

SEC. 321. CASH AID IN LIEU OF ALLOTMENT.

Section 7 of the Food Stamp Act of 1977 (7 U.S.C. 2016) (as amended by section 320) is further amended by adding at the end the following:

"(k) CASH AID IN LIEU OF COUPONS.—

"(1) ELIGIBLE INDIVIDUALS.—For purposes of this subsection, an individual shall be eligible if the individual is—

"(A) receiving benefits under this Act;

"(B) receiving benefits under a State program funded under part A of title IV of the Social Security Act (42 U.S.C. 601 et seq.); and

"(C) participating in subsidized employment, on-the-job training, or a community service program under section 404 of the Social Security Act.

"(2) STATE OPTION.—In the case of an eligible individual described in paragraph (1), a State agency may—

"(A) convert the food stamp benefits of the household of which the individual is a member to cash, and provide the cash in a single integrated payment with cash aid under part A of title IV of the Social Security Act (42 U.S.C. 601 et seq.); and

"(B) sanction the individual, or a household that contains the individual, or reduce the benefits of the individual or household under the same rules and procedures as the State uses under part A of title IV of the Act (42 U.S.C. 601 et seq.).

AMENDMENT NO. 2601

On page 190, strike lines 9 through 17 and insert the following:

"(i) COMPARABLE TREATMENT UNDER SEPARATE PROGRAMS.—

"(1) IN GENERAL.—If a disqualification, penalty, or sanction is imposed on a household or part of a household for a failure of an individual to perform an action required under a Federal, State, or local law relating to a welfare or public assistance program, the State agency may impose the same disqualification, penalty, or sanction on the household or part of the household under the food stamp program using the rules and procedures that apply to the welfare or public assistance program.

AMENDMENT NO. 2602

On page 36, between lines 13 and 14, insert the following:

"(4) LIMITATION ON VOCATIONAL EDUCATION ACTIVITIES COUNTED AS WORK.—For purposes of determining monthly participation rates under paragraphs (1)(B)(i)(I) and (2)(B)(i) of subsection (b), not more than 20 percent of adults in all families and in 2-parent families determined to be engaged in work in the State for a month may meet the work activity requirement through participation in vocational educational training.

AMENDMENT NO. 2603

On page 49, strike lines 13 through 19, and insert the following:

"(b) NO ASSISTANCE FOR OUT-OF-WEDLOCK BIRTHS TO MINORS.—

"(1) GENERAL RULE.—A State to which a grant is made under section 403 may not use any part of the grant to provide cash benefits for a child born out-of-wedlock to an individual who has not attained 18 years of age, or for the individual, until the individual attains such age.

"(2) EXCEPTION FOR RAPE OR INCEST.—Paragraph (1) shall not apply with respect to a child who is born as a result of rape (other than statutory rape) or incest.

"(3) EXCEPTION FOR VOUCHERS.—Paragraph (1) shall not apply to vouchers which are provided in lieu of cash benefits and which may be used only to pay for particular goods and services specified by the State as suitable for the care of the child involved.

"(4) STATE MAY ELECT NOT TO HAVE PROVISION APPLY.—

"(A) IN GENERAL.—Paragraph (1) shall not apply to a State during any period during which there is in effect a State law which provides that individuals described in paragraph (1) are eligible for cash benefits from funds made available under section 403.

"(B) TIME FOR ELECTION.—Subparagraph (A) shall only apply if such State law is in effect on or before the first day of the first calendar quarter beginning after the close of the first regular session of the State legislature that begins after the date of the enactment of the Work Opportunity Act of 1995.

"(C) TRANSITION RULE.—Paragraph (1) shall not apply in a State before the first day of the first calendar quarter described in subparagraph (B) unless there is in effect before such day a State law prohibiting cash benefits to individuals described in paragraph (1).

AMENDMENT NO. 2604

On page 49, beginning with line 20, strike all through page 50, line 5, and insert the following:

"(c) NO ADDITIONAL CASH ASSISTANCE FOR CHILDREN BORN TO FAMILIES RECEIVING ASSISTANCE.—

"(1) GENERAL RULE.—A State to which a grant is made under section 403 may not use any part of the grant to provide cash benefits for a minor child who is born to—

"(A) a recipient of benefits under the program operated under this part; or

"(B) a person who received such benefits at any time during the 10-month period ending with the birth of the child.

"(2) EXCEPTION FOR RAPE OR INCEST.—Paragraph (1) shall not apply with respect to a child who is born as a result of rape (other than statutory rape) or incest.

"(3) EXCEPTION FOR VOUCHERS.—Paragraph (1) shall not apply to vouchers which are provided in lieu of cash benefits and which may be used only to pay for particular goods and services specified by the State as suitable for the care of the child involved.

"(4) STATE MAY ELECT NOT TO HAVE PROVISION APPLY.—

"(A) IN GENERAL.—Paragraph (1) shall not apply to a State during any period during which there is in effect a State law which provides that individuals described in paragraph (1) are eligible for cash benefits from funds made available under section 403.

"(B) TIME FOR ELECTION.—Subparagraph (A) shall only apply if such State law is in effect on or before the first day of the first calendar quarter beginning after the close of the first regular session of the State legislature that begins after the date of the enactment of the Work Opportunity Act of 1995.

"(C) TRANSITION RULE.—Paragraph (1) shall not apply in a State before the first day of the first calendar quarter described in subparagraph (B) unless there is in effect before such day a State law prohibiting cash benefits to individuals described in paragraph (1).

AMENDMENT NO. 2605

On page 49, strike lines 13 through 19, and insert the following:

"(b) NO ASSISTANCE FOR OUT-OF-WEDLOCK BIRTHS TO MINORS.—

"(1) GENERAL RULE.—A State to which a grant is made under section 403 may not use any part of the grant to provide cash benefits for a child born out-of-wedlock to an individual who has not attained 18 years of age, or for the individual, until the individual attains such age.

"(2) EXCEPTION FOR RAPE OR INCEST.—Paragraph (1) shall not apply with respect to a child who is born as a result of rape (other than statutory rape) or incest.

"(3) STATE OPTION.—Nothing in paragraph (1) shall be construed to prohibit a State from using funds provided by section 403 from providing aid in the form of vouchers that may be used only to pay for particular goods and services specified by the State as suitable for the care of the child such as diapers, clothing, and school supplies.

AMENDMENT NO. 2606

On page 42, between lines 21 and 22, insert the following:

"(f) PROVISIONS RELATING TO PATERNITY ESTABLISHMENT.—

"(1) PATERNITY NOT ESTABLISHED.—If a State provides cash benefits to families from grant funds received by the State under section 403, the State shall provide that if a family applying for such benefits includes a child who has not attained age 18 and who was born on or after January 1, 1996, with respect to whom paternity has not been established, such benefits shall not be available for—

"(A) such child (until the child attains age 18); and

"(B) the parent or caretaker relative of such child if the parent or caretaker relative of such child is not the parent or caretaker relative of another child for whom benefits are available.

"(2) EXCEPTIONS.—Notwithstanding paragraph (1)—

"(A) the State may use grant funds received by the State under section 403 to provide cash benefits to a minor child who is up to 6 months of age for whom paternity has not been established if the parent or caretaker relative of the child provides the name, address, and such other identifying information as the State may require of an individual who may be the father of the child; and

"(B) the State may exempt up to 25 percent of all families in the population described in paragraph (1) applying for cash benefits from grant funds received by the State under section 403 which include a child who was born on or after January 1, 1996, and with respect to whom paternity has not been established, from the reduction imposed under paragraph (1).

AMENDMENT NO. 2607

On page 11, beginning on line 5, strike ", and establish" and all that follows through line 7, and insert a period.

On page 11, between lines 7 and 8, insert the following:

"SEC. 401A. GOALS AND PLAN FOR REDUCING ILLEGITIMACY.

"(a) IN GENERAL.—Not later than 1 year after the date of the enactment of this Act, each State to which a grant is made under section 403 shall—

"(1) establish formal numeric goals for the State's illegitimacy ratio for fiscal years 1997 through 2007; and

"(2) submit a plan to the Secretary that—

"(A) outlines how the State intends to reduce the State's illegitimacy ratio; and

"(B) evaluates the potential impact of the States's plan for reducing the State's illegitimacy ratio on the State's abortion rate.

"(b) ILLEGITIMACY RATIO AND ABORTION RATE.—

"(1) ILLEGITIMACY RATIO.—For purposes of this section, the term 'illegitimacy ratio' means, with respect to a State and a fiscal year—

"(A) the number of out-of-wedlock births that occurred in the State during the most recent fiscal year for which such information is available; divided by

"(B) the number of births that occurred in the State during the most recent fiscal year for which such information is available.

"(2) ABORTION RATE.—For purposes of this section, the term 'abortion rate' means, with respect to a State and a fiscal year, the number of abortions performed in the State per 1,000 women who are residents of the State and are between the ages of 15 and 44 during the most recent fiscal year for which such information is available.

FAIRCLOTH (AND GRAMM) AMENDMENT NO. 2608

Mr. SANTORUM (for Mr. FAIRCLOTH, for himself, and Mr. GRAMM) proposed an amendment to amendment No. 2280 proposed by Mr. DOLE to the bill H.R. 4, supra, as follows:

On page 425, between lines 15 and 16, insert the following:

"(d) ABSTINENCE EDUCATION PROGRAM.—

"(1) FUNDS EARMARKED.—Of the amounts appropriated under subsection (a), $200,000,000 shall be allocated to the States pursuant to the allocation formula and rules under title V of the Social Security Act (42 U.S.C. 701 et seq.) to be used exclusively for abstinence education, and at the option of the State, where appropriate, mentoring, counseling, and adult supervision to promote abstinence from sexual activity, with a focus on those groups which are most likely to bear children out-of-wedlock.

"(2) ABSTINENCE EDUCATION.—For purposes of this subsection, the term 'abstinence education' shall mean an educational or motivational program which—

"(A) has as its exclusive purpose, teaching the social, psychological, and health gains to be realized by abstaining from sexual activity;

"(B) teaches abstinence from sexual activity outside marriage as the expected standard for all school age children;

"(C) teaches that abstinence from sexual activity is the only certain way to avoid out-of-wedlock pregnancy, sexually transmitted diseases, and other associated health problems;

"(D) teaches that a mutually faithful monogamous relationship in context of marriage is the expected standard of human sexual activity;

"(E) teaches that sexual activity outside of the context of marriage is likely to have harmful psychological and physical effects;

"(F) teaches that bearing children out-of-wedlock is likely to have harmful consequences for the child, the child's parents, and society;

"(G) teaches young people how to reject sexual advances and how alcohol and drug use increases vulnerability to sexual advances; and

"(H) teaches the importance of attaining self-sufficiency before engaging in sexual activity.

FAIRCLOTH AMENDMENT NO. 2609

Mr. SANTORUM (for Mr. FAIRCLOTH) proposed an amendment to amendment No. 2280 proposed by Mr. DOLE to the bill H.R. 4, supra, as follows:

On page 50, line 13, insert "except as provided in paragraph (3)," after "(A)".

On page 51, between lines 11 and 12, insert the following:

"(3) REQUIREMENT THAT ADULT RELATIVE OR GUARDIAN NOT HAVE A HISTORY OF ASSISTANCE.—A State shall not use any part of the grant paid under section 403 to provide assistance to an individual described in paragraph (2) if such individual resides with a parent, guardian, or other adult relative who—

(A) has had a child out-of-wedlock; and

(B) during the preceding 2-year period, received assistance as an adult under a State program funded under this part or under the program for aid to families with dependent children.

MOYNIHAN AMENDMENT NO. 2610

Mr. MOYNIHAN proposed an amendment to amendment No. 2280 proposed by Mr. DOLE to the bill H.R. 4, supra, as follows:

On page 122, between lines 11 and 12, insert the following:

SEC. 110A. POVERTY DATA CORRECTION.

(a) IN GENERAL.—Chapter 5 of title 13, United States Code, is amended by adding after subchapter V the following:

"SUBCHAPTER VI—POVERTY DATA

"SEC. 197. CORRECTION OF SUBNATIONAL DATA RELATING TO PROVERTY.

"(a) Any data relating to the incidence of poverty produced or published by or for the Secretary for subnational areas shall be corrected for differences in the cost of living, and data produced for State and sub-State areas shall be corrected for differences in the cost of living for at least all States of the United States.

"(b) Data under this section shall be published in 1997 and at least every second year thereafter.

"SEC. 198. DEVELOPMENT OF STATE COST-OF-LIVING INDEX AND STATE POVERTY THRESHOLDS.

"(a) To correct any data relating to the incidence of poverty for differences in the cost of living, the Secretarty shall—

"(1) develop or cause to be developed a State cost-of-living index which ranks and assigns an index value to each State using data on wage, housing, and other costs relevant to the cost of living; and

"(2) multiply the Federal Government's statistical poverty thresholds by the index value for each State's cost of living to produce State poverty thresholds for each State.

"(b) The State cost-of-living index and resulting State poverty thresholds shall be published prior to September 30, 1996, for calendar year 1995 and shall be updated annually for each subsequent calendar year.".

(b) CONFORMING AMENDMENT.—The table of subchapters of chapter 5 of title 13, United States Code, is amended by adding at the end the following:

"SUBCHAPTER VI—POVERTY DATA

"Sec. 197. Correction of subnational data relating to poverty.

"Sec. 198. Development of State cost-of-living index and State poverty thresholds.".

MOYNIHAN AMENDMENT NO. 2611

Mr. MOYNIHAN proposed an amendment to amendment No. 2280 proposed by Mr. DOLE to the bill H.R. 4, supra, as follows:

At the appropriate place, insert:

TITLE ___—STATE MINIMUM RETURN OF FEDERAL TAX BURDEN

SEC. ___01. SHORT TITLE.

This title may be cited as the "State Minimum Return Act of 1995".

SEC. ___02. STATEMENT OF POLICY.

It is the purpose of this title to provide, within existing budgetary limits, authority to reallocate the distribution of certain Federal spending to various States in order to ensure by the end of fiscal year 2000 that each State receive in each fiscal year a percentage of total allocable Federal expenditures equal to a minimum of 90 percent of the percentage of total Federal tax burden attributable to such State for such fiscal year.

SEC. ___03. DEFINITIONS.

As used in this title—

(1) The term "Director" means the Director of the Office of Management and Budget.

(2) The term "Federal agency" means any agency defined in section 551(1) of title 5, United States Code.

(3) The term "State" means each of the several States and the District of Columbia.

(4) The term "historic share" means the average percentage share of Federal expenditures received by any State during the most recent three fiscal years.

(5) The term "Federal expenditures" means all outlays by the Federal Government as defined in section 3(1) of the Congressional Budget and Impoundment Control Act of 1974 (2 U.S.C. 622(1)) which the Bureau of the Census can allocate to the several States.

(6) The term "Federal tax revenues" means all revenues collected pursuant to the Internal Revenue Code of 1986.

(7) The term "need-based program" means any program which results in direct payment to individuals and which involves an income test to help determine the eligibility of an individual for assistance under such program.

SEC. ___04. DESIGNATION OF ELIGIBLE STATES.

(a) Any State shall be eligible for a positive reallocation of allocable Federal expenditures described in section ___05 and received by such State under section ___07(a), if such State, for any fiscal year, has an allocable Federal expenditure to Federal tax ratio which is less than 90 percent.

(b) Any State shall be eligible for a positive reallocation of Federal expenditures described in section ___05 and received by such State under paragraph (1) of section ___07(a), if such State, for any fiscal year, has an allocable Federal expenditure to Federal tax ratio which is less than 100 percent but greater than or equal to 90 percent.

(c) During each fiscal year, the Director, after consultation with the Secretary of the Treasury and the Director of the Census Bureau, shall determine the eligibility of any State under this section using the most recent fiscal year data and estimated data available concerning Federal tax revenues and allocable Federal expenditures attributable to such State. The Secretary of the Treasury shall determine the attribution of Federal tax revenues to each State after consultation with the Comptroller General of the United States and other interested public and private persons.

(d) For purposes of determining the eligibility of any State under subsection (c), any water or power program in which the Federal Government, through Government corporations, provides water or power to any State at less than market price shall be taken into account in computing such State's allocable Federal expenditure to Federal tax ratio by characterizing as an imputed Federal expenditure the difference between the market price as determined by the Secretary of the Treasury in consultation with the Director and the Secretary of Energy and the Secretary of the Interior and the program's actual price of providing such water or power to such State.

SEC. ___05. DESIGNATION OF REALLOCABLE FEDERAL EXPENDITURES.

All allocable Federal expenditures in any fiscal year shall be subject to reallocation to ensure the objective described in section ___02 with respect to eligible States designated under section ___04, except for such expenditures with respect to the following:

(1) Water and power programs which are described in section ___04(d).

(2) Compensation and allowances of officers and employees of the Federal Government.

(3) Maintenance of Federal Government buildings and installations.

(4) Offsetting receipts.

(5) Programs for which the Federal Government assumes the total cost and in which a direct payment is made to a recipient other than a governmental unit. Such programs include, but are not limited to:

(A) Social Security, including disability, retirement, survivors insurance, unemployment compensation, and Medicare, including hospital and supplementary medical insurance;

(B) Supplemental Security Income;

(C) Food Stamps;

(D) Black Lung Disability;

(E) National Guaranteed Student Loan interest subsidies;

(F) Pell grants;

(G) lower income housing assistance;

(H) social insurance payments for railroad workers;

(I) railroad retirement;

(J) excess earned income tax credits;

(K) veterans assistance, including pensions, service connected disability, nonservice connected disability, educational assistance, dependency payments, and pensions for spouses and surviving dependents;

(L) Federal workers' compensation;

(M) Federal retirement and disability;

(N) Federal employee life and health insurance; and

(O) farm income support programs.

SEC. ___06. REALLOCATION AUTHORITY.

(a) Notwithstanding any other provision of law, during any fiscal year the head of each Federal agency shall, after consultation with the Director, make such reallocations of allocable expenditures described in section ___05 to eligible States designated under section ___04 as are necessary to ensure the objective described in section ___02.

(b) Notwithstanding any other provision of law and to the extent necessary in the administration of this title, the head of each Federal agency shall waive any administrative provision with respect to allocation, allotments, reservations, priorities, or planning and application requirements (other than audit requirements) for the expenditures reallocated under this title.

(c) The head of each Federal agency having responsibilities under this title is authorized and directed to cooperate with the Director in the administration of the provisions of this title.

SEC. ___07. REALLOCATION MECHANISMS.

(a) Notwithstanding any other provision of law, for purposes of this title, during any fiscal year reallocations of expenditures required by section ___06 shall be accomplished in the following manner:

(1)(A) With respect to procurement contracts, and subcontracts in excess of $25,000, the head of each Federal agency shall—

(i) identify qualified firms in eligible States designated under section ___04 and disseminate any information to such firms necessary to increase participation by such firms in the bidding for such contracts and subcontracts,

(ii) in order to ensure the objective described in section ___02, increase the national share of such contracts and subcontracts for each eligible State designated under section ___04(a) by up to 10 percent each fiscal year, and

(iii) thirty days after the end of each fiscal year, report to the Director regarding progress made during such fiscal year to increase the share of such contracts and subcontracts for such eligible States, including the percentage increase achieved under clause (ii) and if the goal described in clause (ii) is not attained, the reasons therefor.

Within ninety days after the end of each fiscal year, the Director shall review, evaluate, and report to the Congress as to the progress made during such fiscal year to increase the share of procurement contracts and subcontracts the preponderance of the value of which has been performed in such eligible States.

(B) With respect to each fiscal year, if any Federal agency does not attain the goal described in subparagraph (A)(ii), then, during the subsequent fiscal year, such agency shall report to the Director prior to the awarding of any contract or subcontract described in subparagraph (A) to any firm in an ineligible State the reasons such contract or subcontract was not awarded to any firm in an eligible State.

(C) In the case of any competitive procurement contract or subcontract, the head of the contracting Federal agency shall award such contract or subcontract to the lowest bid from a qualified firm that will perform the preponderance of the value of the work in an eligible State designated under section ___04 if the bid for such contract or subcontract is lower or equivalent to any bid from any qualified firm that will perform the preponderance of the value of the work in an ineligible State.

(D) In the case of any noncompetitive procurement contract or subcontract, the head of each Federal agency shall identify and award such contract or subcontract to a qualified firm that will perform the preponderance of the value of the work in an eligible State designated under section ___04 and that complete such contract or subcontract at a lower or equivalent price as any qualified firm that will perform the preponderance of the value of the work in an ineligible State.

(E) For purposes of this paragraph, in the case of any procurement contract or subcontract, any firm shall be qualified if—

(i) such firm has met the elements of responsibility provided for in section 8(b)(7) of the Small Business Act (15 U.S.C. 637(b)(7)) as determined by the head of the contracting Federal agency to be necessary to complete the contract or subcontract in a timely and satisfactory manner, and

(ii) with respect to any prequalification requirement, such firm has been notified in writing of all standards which a prospective contractor must satisfy in order to become qualified, and upon request, is provided a prompt opportunity to demonstrate the ability of such firm to meet such specified standards.

(F) In order to reallocate expenditures with respect to subcontracts as required by subparagraph (A), each Federal agency shall collect necessary data to identify such subcontracts beginning in fiscal year 1991.

(2)(A) With respect to all other expenditures described in section ___05, including all grants administered by the Department of Transportation, the Department of the Interior, the Department of Agriculture, the Environmental Protection Agency, and the United States Army Corps of Engineers, any eligible State designated under section ___04(a) shall receive 110 percent of such State's historic share with respect to such expenditures.

(b) No reallocation shall be made under this section with respect to allocable expenditures for any program to any State in any fiscal year which results in a reduction of 10 percent or more of the amount of such expenditures to such State.

(c) No reallocation shall be made under the provisions of this title which will result in any allocable Federal expenditure to Federal tax ratio of any State being reduced below 90 percent.

SEC. ___08. AMENDMENTS.

No provision of law shall explicitly or implicitly amend the provisions of this title unless such provision specifically refers to this title.

SEC. ___09. STUDY.

(a) The Secretary of the Treasury or a delegate of the Secretary shall conduct a study on the impact of Federal spending, tax policy, and fiscal policy on State economies and the economic growth rate of States and regions of the United States. In particular, the Secretary or his delegate shall examine the extent to which the economies of States which have allocable Federal expenditure to Federal tax ratios below 100 are harmed by such a fiscal relationship with the Federal Government.

(b) The report of the study required by subsection (a) shall be submitted to Congress not later than December 31, 1996.

SEC. ___10. EFFECTIVE DATE.

The provisions of this title shall take effect for fiscal years beginning after the date of the enactment of this title.

GRAMM AMENDMENTS NOS. 2612–2614

Mr. SANTORUM (for Mr. GRAMM) proposed three amendments to amendment No. 2280 proposed by Mr. DOLE to the bill H.R. 4, supra, as follows:

AMENDMENT NO. 2612

On page 34, line 20, strike "For any fiscal year" and insert "Solely for the first 12-month period to which the requirement to engage in work under this section is in effect".

AMENDMENT NO. 2613

On page 34, beginning on line 24, strike "and may exclude" and all that follows through page 35, line 2, and insert a period.

AMENDMENT NO. 2614

On page 53, strike lines 1 through 8, and insert the following:

"(A) IN GENERAL.—If the Secretary determines that a State has failed to satisfy the minimum participation rates specified in section 404(a) for a fiscal year, the Secretary shall reduce the amount of the grant that would (in the absence of this section) be payable to the State under section 403 for the immediately succeeding fiscal year by—

"(i) in the first year in which the State fails to satisfy such rates, 5 percent; and

"(ii) in subsequent years in which the State fails to satisfy such rates, the percent reduction determined under this subparagraph (if any) in the preceding year, increased by 5 percent.

GRAMM (AND FAIRCLOTH) AMENDMENTS NOS. 2615–2617

Mr. SANTORUM (for Mr. GRAMM, for himself and Mr. FAIRCLOTH) proposed three amendments to amendment No. 2280 proposed by Mr. DOLE to the bill H.R. 4, supra, as follows:

AMENDMENT NO. 2615

On page 792, strike lines 1 through 22 and insert the following:

SEC. 1202. REDUCTIONS IN FEDERAL BUREAUCRACY.

(a) IN GENERAL.—The Secretary of Health and Human Services and the Secretary of Labor shall reduce the Federal workforce within the Department of Health and Human Services and the Department of Labor, respectively, by an amount equal to the sum of—

(1) 75 percent of the full-time equivalent positions at each such Department that relate to any direct spending program, or any program funded through discretionary spending, that has been converted into a block grant program under this Act and the amendments made by this Act; and

(2) an amount equal to 75 percent of that portion of the total full-time equivalent departmental management positions at each such Department that bears the same relationship to the amount appropriated for the programs referred to in paragraph (1) as such amount relates to the total amount appropriated for use by each such Department.

(b) REDUCTIONS IN THE DEPARTMENT OF HEALTH AND HUMAN SERVICES.—Notwithstanding any other provision of this Act, the Secretary of Health and Human Services shall take such actions as may be necessary, including reductions in force actions, consistent with sections 3502 and 3595 of title 5, United States Code, to reduce the full-time equivalent positions within the Department of Health and Human Services—

(1) by 245 full-time equivalent positions related to the program converted into a block grant under the amendment made by section 101(b); and

(2) by 60 full-time equivalent managerial positions in the Department.

(c) REDUCTIONS IN THE DEPARTMENT OF LABOR.—Notwithstanding any other provision of this Act, the Secretary of Labor shall take such actions as may be necessary, including reductions in force actions, consistent with sections 3502 and 3595 of title 5, United States Code, to reduce the full-time equivalent positions within the Department of Labor—

(1) by 675 full-time equivalent positions related to the programs converted into a block grant under titles VII and VIII; and

(2) by 156 full-time equivalent managerial positions in the Department.

AMENDMENT NO. 2616

On page 42, between lines 21 and 22, insert the following:

"(f) PROVISIONS RELATING TO PATERNITY ESTABLISHMENT.—

"(1) PATERNITY NOT ESTABLISHED.—If a State provides cash benefits to families from grant funds received by the State under section 403, the State shall provide that if a family applying for such benefits includes a child who has not attained age 18 and who was born on or after January 1, 1996, with respect to whom paternity has not been established, such benefits shall not be available for—

"(A) such child (until the child attains age 18); and

"(B) the parent or caretaker relative of such child if the parent or caretaker relative of such child is not the parent or caretaker relative of another child for whom benefits are available.

"(2) EXCEPTIONS.—Notwithstanding paragraph (1)—

"(A) the State may use grant funds received by the State under section 403 to provide cash benefits to a minor child who is up to 6 months of age for whom paternity has not been established if the parent or caretaker relative of the child provides the name, address, and such other identifying information as the State may require of an individual who may be the father of the child; and

"(B) the State may exempt up to 25 percent of all families in the population described in paragraph (1) applying for cash benefits from grant funds received by the State under section 403 which include a child who was born on or after January 1, 1996, and with respect to whom paternity has not been established, from the reduction imposed under paragraph (1).

AMENDMENT NO. 2617

At the appropriate place, insert the following:

SEC. . RESTRICTIONS ON TAXPAYER FINANCED LEGAL CHALLENGES.

(a) IN GENERAL.—No legal aid organization or other entity that provides legal services and which receives Federal funds or IOLTA funds may challenge (or act as an attorney on behalf of any party who seeks to challenge) in any legal proceeding—

(1) the legal validity—

(A) under the United States Constitution—

(i) of this Act or any regulations promulgated under this Act; and

(ii) of any law or regulation enacted or promulgated by a State pursuant to this Act;

(B) under this Act or any regulation adopted under this Act of any State law or regulation; and

(C) under any State Constitution of any law or regulation enacted or promulgated by a State pursuant to this Act; and

(2) the conflict—

(A) of this Act or any regulations promulgated under this Act with any other law or regulation of the United States; and

(B) of any law or regulation enacted or promulgated by a State pursuant to this Act with any law or regulation of the United States.

(b) IOLTA FUNDS DEFINED.—For purposes of this section, the term "IOLTA funds" means interest on lawyers trust account funds that—

(1) are generated when attorneys are required by State court or State bar rules to deposit otherwise noninterest-bearing client funds into an interest-bearing account while awaiting the outcome of a legal proceeding; and

(2) are pooled and distributed by a subdivision of a State bar association or the State court system to organizations selected by the State courts administration.

(c) LEGAL PROCEEDING DEFINED.—For purposes of this section, the term "legal proceeding" includes—

(1) a proceeding—

(A) in a court of the United States;

(B) in a court of a State; and

(C) in an administrative hearing in a Federal or State agency; and

(2) any activities related to the commencement of a proceeding described in subparagraph (A).

MOYNIHAN AMENDMENT NO. 2618

Mr. MOYNIHAN proposed an amendment to amendment No. 2280 proposed by Mr. DOLE to the bill H.R. 4, supra, as follows:

On page , strike title XII and insert the following new title:

"TITLE XII—REDUCTIONS IN FEDERAL GOVERNMENT POSITIONS

"SEC. 1201. REDUCTIONS.

"(a) DEFINITIONS.—As used in this section:

"(1) APPROPRIATE EFFECTIVE DATE.—The term 'appropriate effective date', used with respect to a department referred to in this section, means the date on which all provisions of this Act that the Department is required to carry out, and amendments and repeals made by this Act to provisions of Federal law that the Department is required to carry out, are effective.

"(2) COVERED ACTIVITY.—The term 'covered activity', used with respect to a Department referred to in this section, means an activity that the Department is required to carry out under—

"(A) a provision of this Act; or

"(B) a provision of Federal law that is amended or repealed by this Act.

"(b) REPORTS.—

"(1) CONTENTS.—Not later than December 31, 1995, each Secretary referred to in paragraph (2) shall prepare and submit to the relevant committees described in paragraph (3) a report containing—

"(A) the determinations described in subsection (c);

"(B) appropriate documentation in support of such determinations; and

"(C) a description of the methodology used in making such determinations.

"(2) SECRETARY.—The Secretaries referred to in this paragraph are—

"(A) the Secretary of Agriculture;

"(B) the Secretary of Education;

"(C) the Secretary of Labor,

"(D) the Secretary of Housing and Urban Development, and

"(E) the Secretary of Health and Human Services.

"(3) RELEVANT COMMITTEES.—The relevant Committees described in this paragraph are the following:

"(A) With respect to each Secretary described in paragraph (2), the Committee on Government Reform and Oversight of the House of Representatives and the Committee on Governmental Affairs of the Senate.

"(B) With respect to the Secretary of Agriculture, the Committee on Agriculture and the Committee on Economic and Educational Opportunities of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate.

"(C) With respect to the Secretary of Education, the Committee on Economic and Educational Opportunities of the House of Representatives and the Committee on Labor and Human Resources of the Senate.

"(D) With respect to the Secretary of Labor, the Committee on Economic and Educational Opportunities of the House of Representatives and the Committee on Labor and Human Resources of the Senate.

"(E) With respect to the Secretary of Housing and Urban Development, the Committee on Banking and Financial Services of the House of Representatives and the Committee on Banking, Housing, and Urban Affairs of the Senate.

"(F) With respect to the Secretary of Health and Human Services, the Committee on Economic and Educational Opportunities of the House of Representatives, the Committee on Labor and Human Resources of the Senate, the Committee on Ways and Means of the House of Representatives, and the Committee on Finance of the Senate.

"(4) REPORT ON CHANGES.—Not later than December 31, 1996, and each December 31 thereafter, each Secretary referred to in paragraph (2) shall prepare and submit to the relevant Committees described in paragraph (3), a report concerning any changes with respect to the determinations made under subsection (c) for the year in which the report is being submitted.

"(c) DETERMINATIONS.—Not later than December 31, 1995, each Secretary referred to in subsection (b)(2) shall determine—

"(1) the number of full-time equivalent positions required by the Department (or the Federal Partnership established under section 771) headed by such Secretary to carry out the covered activities of the Department (or Federal Partnership), as of the day before the date of enactment of this Act;

"(2) the number of such positions required by the Department (or Federal Partnership) to carry out the activities, as of the appropriate effective date for the Department (or Federal Partnership); and

"(3) the difference obtained by subtracting the number referred to in paragraph (2) from the number referred to in paragraph (1).

"(d) ACTIONS.—Not later than 30 days after the appropriate effective date for the Department involved, each Secretary referred to in subsection (b)(2) shall take such actions as may be necessary, including reduction in force actions, consistent with sections 3502 and 3595 of title 5, United States Code, to reduce the number of positions of personnel of the Department by at least the difference referred to in subsection (c)(3).

"(e) CONSISTENCY.—

"(1) EDUATION.—The Secretary of Education shall carry out this section in a manner that enables the Secretary to meet the requirements of this section and section 776(1)(2).

"(2) LABOR.—The Secretary of Labor shall carry out this section in a manner that enables the Secretary to meet the requirements of this section and section 776(1)(2).

"(f) CALCULATION.—In determining, under subsection (c), the number of full-time equivalent positions required by a Department to carry out a covered activity, a Secretary referred to in subsection (b)(2), shall include the number of such positions occupied by personnel carrying out program functions or other functions (including budgetary, legislative, administrative, planning, evaluation, and legal functions) related to the activity.

"(g) GENERAL ACCOUNTING OFFICE REPORT.—Not later than July 1, 1996, the Comptroller General of the United States shall prepare and submit to the committees described in subsection (b)(3), a report concerning the determinations made by each Secretary under subsection (c). Such report shall contain an analysis of the determinations made by each Secretary under subsection (c) and a determination as to whether further reductions in full-time equivalent positions are appropriate.".

KENNEDY AMENDMENTS NOS. 2619–2631

Mr. MOYNIHAN (for Mr. KENNEDY) proposed 13 amendments to amendment No. 2280 proposed by Mr. DOLE to the bill H.R. 4, supra, as follows:

AMENDMENT NO. 2619

On page 289, line 5, strike the period and insert ", but in no event shall such period extend beyond the date (if any) on which the alien becomes a citizen of the United States under chapter 2 of title III of the Immigration and Nationality Act."

AMENDMENT NO. 2620

On page 292, strike lines 5 through lines 11 and insert the following:

Nutrition Act of 1966;

(E) public health assistance for immunizations with respect to immunizable diseases and for testing and treatment for communicable diseases if the Secretary of Health and Human Services determines that such testing and treatment is necessary; and

(F) benefits or services which serve a compelling humanitarian or compelling public interest as specified by the Attorney General in consultation with appropriate Federal agencies and departments.

AMENDMENT NO. 2621

On pages 77 through 83, strike sec. 102 and sec. 103.

AMENDMENT NO. 2622

On page 159, strike lines 1 through 5.

On page 792, after line 22, add the following new title:

TITLE ___—CORPORATE WELFARE REDUCTION

SEC. ___01. SHORT TITLE.

This title may be cited as the "Corporate Welfare Reduction Act of 1995".

SEC. ___02. FOREIGN OIL AND GAS INCOME.

(a) SPECIAL RULES FOR FOREIGN TAX CREDIT WITH RESPECT TO FOREIGN OIL AND GAS INCOME.—

(1) CERTAIN TAXES NOT CREDITABLE.—

(A) IN GENERAL.—Subsection (a) of section 907 of the Internal Revenue Code of 1986 (relating to reduction in amount allowed as foreign tax under section 901) is amended to read as follows:

"(a) CERTAIN TAXES NOT CREDITABLE.—

"(1) IN GENERAL.—For purposes of this subtitle, the term 'income, war profits, and excess profits taxes' shall not include—

"(A) any taxes which are paid or accrued to any foreign country with respect to foreign oil and gas income and which are not imposed under a generally applicable income tax law of such country, and

"(B) any taxes (not described in subparagraph (A)) which are paid or accrued to any foreign country with respect to foreign oil and gas income to the extent that the foreign law imposing such amount of tax is structured, or in fact operates, so that the amount of tax imposed with respect to foreign oil and gas income will generally be materially greater, over a reasonable period of time, than the amount generally imposed on income that is not foreign oil and gas income.

In computing the amount not treated as tax under subparagraph (B), such amount shall be treated as a deduction under the foreign law.

"(2) FOREIGN OIL AND GAS INCOME.—For purposes of this paragraph, the term 'foreign oil and gas income' means the amount of foreign oil and gas extraction income and foreign oil related income.

"(3) GENERALLY APPLICABLE INCOME TAX LAW.—For purposes of this paragraph, the term 'generally applicable income tax law' means any law of a foreign country imposing an income tax if such tax generally applies to all income from sources within such foreign country—

"(A) without regard to the residence or nationality of the person earning such income, and

"(B) in the case of any income earned by a corporation, partnership, or other entity, without regard to—

"(i) where such corporation, partnership, or other entity is organized, and

"(ii) the residence or nationality of the persons owning interests in such corporation, partnership, or entity."

(B) CONFORMING AMENDMENT.—Section 907 of such Code is amended by striking subsections (b), (c)(3), (c)(4), (c)(5), and (f).

(2) SEPARATE BASKETS FOR FOREIGN OIL AND GAS EXTRACTION INCOME AND FOREIGN OIL RELATED INCOME.—

(A) IN GENERAL.—Paragraph (1) of section 904(d) of such Code (relating to separate application of section with respect to certain categories of income) is amended by striking "and" at the end of subparagraph (H), by redesignating subparagraph (I) as subparagraph (K) and by inserting after subparagraph (H) the following new subparagraphs:

"(I) foreign oil and gas extraction income,

"(J) foreign oil related income, and".

(B) DEFINITIONS.—Paragraph (2) of section 904(d) of such Code is amended by redesignating subparagraphs (H) and (I) as subparagraphs (J) and (K), respectively, and by inserting after subparagraph (G) the following new subparagraphs:

"(H) FOREIGN OIL AND GAS EXTRACTION INCOME.—The term 'foreign oil and gas extraction income' has the meaning given such term by section 907(c)(1). Such term shall not include any dividend from a noncontrolled section 902 corporation.

"(I) FOREIGN OIL RELATED INCOME.—The term 'foreign oil related income' has the meaning given such term by section 907(c)(2). Such term shall not include any dividend from a noncontrolled section 902 corporation and any shipping income."

(C) CONFORMING AMENDMENT.—Clause (i) of section 904(d)(3)(F) of such Code is amended by striking "or (E)" and inserting "(E), (I), or (J)".

(3) EFFECTIVE DATE.—

(A) IN GENERAL.—Except as otherwise provided in this paragraph, the amendments made by this subsection shall apply to taxable years beginning after December 31, 1995.

(B) DISALLOWANCE RULE.—

(i) Section 907(a) of such Code (as amended by paragraph (1)) shall apply to taxes paid or accrued after December 31, 1995, in taxable years ending after such date.

(ii) In determining the amount of taxes deemed to be paid in a taxable year beginning after December 31, 1995, under section 902 or 960 of such Code, section 907(a) of such Code (as amended by paragraph (1)) shall apply to all taxes whether paid or accrued before, on, or after December 31, 1995.

(C) LOSS RULE.—Notwithstanding the amendments made by paragraph (1)(B), section 907(c)(4) of such Code shall continue to apply with respect to foreign oil and gas extraction losses for taxable years beginning before January 1, 1996.

(D) TRANSITIONAL RULES.—

(i) Any taxes paid or accrued in a taxable year beginning before January 1, 1996, with respect to income which was described in subparagraph (I) of section 904(d)(1) of such Code (as in effect on the day before the date of the enactment of this Act) shall be treated as taxes paid or accrued with respect to foreign oil and gas extraction income or foreign oil related income (as the case may be) to the extent such taxes were paid or accrued with respect to such type of income.

(ii) Any unused oil and gas extraction taxes which under section 907(f) of such Code (as so in effect) would have been allowed as a carryover to the taxpayer's first taxable year beginning after December 31, 1995 (determined without regard to the limitation of paragraph (2) of such section 907(f) for such first taxable year), shall be allowed as carryovers under section 904(c) of such Code in the same manner as if they were unused taxes under section 904(c) with respect to foreign oil and gas extraction income.

(b) ELIMINATION OF DEFERRAL FOR FOREIGN OIL AND GAS EXTRACTION INCOME.—

(1) GENERAL RULE.—Paragraph (1) of section 954(g) of the Internal Revenue Code of 1986 (defining foreign base company oil related income) is amended to read as follows:

"(1) IN GENERAL.—Except as otherwise provided in this subsection, the term 'foreign oil and gas income' means any income of a kind which would be taken into account in determining the amount of—

"(A) foreign oil and gas extraction income (as defined in section 907(c)(1)), or

"(B) foreign oil related income (as defined in section 907(c)(2))."

(2) CONFORMING AMENDMENTS.—

(A) Subsections (a)(5), (b)(4), (b)(5), and (b)(8) of section 954 of such Code are each amended by striking "base company oil related income" each place it appears (including in the heading of subsection (b)(8)) and inserting "oil and gas income".

(B) The subsection heading for subsection (g) of section 954 of such Code is amended by striking "FOREIGN BASE COMPANY OIL RELATED INCOME" and inserting "FOREIGN OIL AND GAS INCOME".

(C) Subparagraph (A) of section 954(g)(2) of such Code is amended by striking "foreign base company oil related income" and inserting "foreign oil and gas income".

(3) EFFECTIVE DATE.—The amendments made by this subsection shall apply to taxable years of foreign corporations beginning after December 31, 1995, and to taxable years of United States shareholders in which or with which such taxable years of foreign corporations end.

SEC. ___03. TRANSFER PRICING.

(a) AUTHORITY OF SECRETARY WHEN LEGAL LIMITS ON TRANSFER BY TAXPAYER.—Section 482 of the Internal Revenue Code of 1986 (relating to allocation of income and deductions among taxpayers) is amended by adding at the end the following: "The authority of the Secretary under this section shall not be limited by any restriction (by any law or agreement) on the ability of such interests, organizations, trades, or businesses to transfer or receive money or other property."

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to taxable years beginning after December 31, 1995.

SEC. ___04. ELIMINATION OF EXCLUSION FOR CITIZENS OR RESIDENTS OF UNITED STATES LIVING ABROAD.

Section 911 of the Internal Revenue Code of 1986 (relating to citizens or residents of the United States living abroad) is amended by redesignating subsection (f) as subsection (g) and by inserting after subsection (e) the following new subsection:

"(f) TERMINATION.—This section shall not apply to any taxable year beginning after December 31, 1995."

SEC. ___05. DISPOSITION OF STOCK IN DOMESTIC CORPORATIONS BY 10-PERCENT FOREIGN SHAREHOLDERS.

(a) GENERAL RULE.—Subpart D of part II of subchapter N of chapter 1 of the Internal Revenue Code of 1986 (relating to miscellaneous provisions) is amended by adding at the end thereof the following new section:

"SEC. 899. DISPOSITION OF STOCK IN DOMESTIC CORPORATIONS BY 10-PERCENT FOREIGN SHAREHOLDERS.

"(a) GENERAL RULE.—

"(1) TREATMENT AS EFFECTIVELY CONNECTED WITH UNITED STATES TRADE OR BUSINESS.—For purposes of this title, if any nonresident alien individual or foreign corporation is a 10-percent shareholder in any domestic corporation, any gain or loss of such individual or foreign corporation from the disposition of any stock in such domestic corporation shall be taken into account—

"(A) in the case of a nonresident alien individual, under section 871(b)(1), or

"(B) in the case of a foreign corporation, under section 882(a)(1),

as if the taxpayer were engaged during the taxable year in a trade or business within the United States through a permanent establishment in the United States and as if such gain or loss were effectively connected with such trade or business and attributable to such permanent establishment. Notwithstanding section 865, any such gain or loss shall be treated as from sources in the United States.

"(2) 26-PERCENT MINIMUM TAX ON NONRESIDENT ALIEN INDIVIDUALS.—

"(A) IN GENERAL.—In the case of any nonresident alien individual, the amount determined under section 55(b)(1)(A) shall not be less than 26 percent of the lesser of—

"(i) the individual's alternative minimum taxable income (as defined in section 55(b)(2)) for the taxable year, or

"(ii) the individual's net taxable stock gain for the taxable year.

"(B) NET TAXABLE STOCK GAIN.—For purposes of subparagraph (A), the term 'net taxable stock gain' means the excess of—

"(i) the aggregate gains for the taxable year from dispositions of stock in domestic corporations with respect to which such individual is a 10-percent shareholder, over

"(ii) the aggregate of the losses for the taxable year from dispositions of such stock.

"(C) COORDINATION WITH SECTION 897(a)(2).—Section 897(a)(2)(A) shall not apply to any nonresident alien individual for any taxable year for which such individual has a net taxable stock gain, but the amount of such net taxable stock gain shall be increased by the amount of such individual's net United States real property gain (as defined in section 897(a)(2)(B)) for such taxable year.

"(b) 10-PERCENT SHAREHOLDER.—

"(1) IN GENERAL.—For purposes of this section, the term '10-percent shareholder' means any person who at any time during the shorter of—

"(A) the period beginning on January 1, 1995, and ending on the date of the disposition, or

"(B) the 5-year period ending on the date of the disposition,

owned 10 percent or more (by vote or value) of the stock in the domestic corporation.

"(2) CONSTRUCTIVE OWNERSHIP.—

"(A) IN GENERAL.—Section 318(a) (relating to constructive ownership of stock) shall apply for purposes of paragraph (1).

"(B) MODIFICATIONS.—For purposes of subparagraph (A)—

"(i) paragraph (2)(C) of section 318(a) shall be applied by substituting '10 percent' for '50 percent', and

"(ii) paragraph (3)(C) of section 318(a) shall be applied—

"(I) by substituting '10 percent' for '50 percent', and

"(II) in any case where such paragraph would not apply but for subclause (I), by considering a corporation as owning the stock (other than stock in such corporation) owned by or for any shareholder of such corporation in that proportion which the value of the stock which such shareholder owns in such corporation bears to the value of all stock in such corporation.

"(3) TREATMENT OF STOCK HELD BY CERTAIN PARTNERSHIPS.—

"(A) IN GENERAL.—For purposes of this section, if—

"(i) a partnership is a 10-percent shareholder in any domestic corporation, and

"(ii) 10 percent or more of the capital or profits interests in such partnership is held (directly or indirectly) by nonresident alien individuals or foreign corporations,

each partner in such partnership who is not otherwise a 10-percent shareholder in such corporation shall, with respect to the stock in such corporation held by the partnership, be treated as a 10-percent shareholder in such corporation.

"(B) EXCEPTION.—

"(i) IN GENERAL.—Subparagraph (A) shall not apply with respect to stock in a domestic corporation held by any partnership if, at all times during the 5-year period ending on the date of the disposition involved—

"(I) the aggregate bases of the stock and securities in such domestic corporation held by such partnership were less than 25 percent of the partnership's net adjusted asset cost, and

"(II) the partnership did not own 50 percent or more (by vote or value) of the stock in such domestic corporation.

The Secretary may by regulations disregard any failure to meet the requirements of subclause (I) where the partnership normally met such requirements during such 5-year period.

"(ii) NET ADJUSTED ASSET COST.—For purposes of clause (i), the term 'net adjusted asset cost' means—

"(I) the aggregate bases of all of the assets of the partnership other than cash and cash items, reduced by

"(II) the portion of the liabilities of the partnership not allocable (on a proportionate basis) to assets excluded under subclause (I).

"(C) EXCEPTION NOT TO APPLY TO 50-PERCENT PARTNERS.—Subparagraph (B) shall not apply in the case of any partner owning (directly or indirectly) more than 50 percent of the capital or profits interests in the partnership at any time during the 5-year period ending on the date of the disposition.

"(D) SPECIAL RULES.—For purposes of subparagraphs (B) and (C)—

"(i) TREATMENT OF PREDECESSORS.—Any reference to a partnership or corporation shall be treated as including a reference to any predecessor thereof.

"(ii) PARTNERSHIP NOT IN EXISTENCE.—If any partnership was not in existence throughout the entire 5-year period ending on the date of the disposition, only the portion of such period during which the partnership (or any predecessor) was in existence shall be taken into account.

"(E) OTHER PASS-THRU ENTITIES; TIERED ENTITIES.—Rules similar to the rules of the preceding provisions of this paragraph shall also apply in the case of any pass-thru entity other than a partnership and in the case of tiered partnerships and other entities.

"(c) COORDINATION WITH NONRECOGNITION PROVISIONS; ETC.—

"(1) COORDINATION WITH NONRECOGNITION PROVISIONS.—

"(A) IN GENERAL.—Except as provided in subparagraph (B), any nonrecognition provision shall apply for purposes of this section to a transaction only in the case of—

"(i) an exchange of stock in a domestic corporation for other property the sale of which would be subject to taxation under this chapter, or

"(ii) a distribution with respect to which gain or loss would not be recognized under section 336 if the sale of the distributed property by the distributee would be subject to tax under this chapter.

"(B) REGULATIONS.—The Secretary shall prescribe regulations (which are necessary or appropriate to prevent the avoidance of Federal income taxes) providing—

"(i) the extent to which nonrecognition provisions shall, and shall not, apply for purposes of this section, and

"(ii) the extent to which—

"(I) transfers of property in a reorganization, and

"(II) changes in interests in, or distributions from, a partnership, trust, or estate,

shall be treated as sales of property at fair market value.

"(C) NONRECOGNITION PROVISION.—For purposes of this paragraph, the term 'nonrecognition provision' means any provision of this title for not recognizing gain or loss.

"(2) CERTAIN OTHER RULES MADE APPLICABLE.—For purposes of this section, rules similar to the rules of subsections (g) and (j) of section 897 shall apply.

"(d) CERTAIN INTEREST TREATED AS STOCK.—For purposes of this section—

"(1) any option or other right to acquire stock in a domestic corporation,

"(2) the conversion feature of any debt instrument issued by a domestic corporation, and

"(3) to the extent provided in regulations, any other interest in a domestic corporation other than an interest solely as creditor,

shall be treated as stock in such corporation.

"(e) TREATMENT OF CERTAIN GAIN AS A DIVIDEND.—In the case of any gain which would be subject to tax by reason of this section but for a treaty and which results from any distribution in liquidation or redemption, for purposes of this subtitle, such gain shall be treated as a dividend to the extent of the earnings and profits of the domestic corporation attributable to the stock. Rules similar to the rules of section 1248(c) (determined without regard to paragraph (2)(D) thereof) shall apply for purposes of the preceding sentence.

"(f) REGULATIONS.—The Secretary shall prescribe such regulations as may be appropriate to carry out the purposes of this section, including—

"(1) regulations coordinating the provisions of this section with the provisions of section 897, and

"(2) regulations aggregating stock held by a group of persons acting together."

(b) WITHHOLDING OF TAX.—Subchapter A of chapter 3 of such Code is amended by adding at the end the following new section:

"SEC. 1447. WITHHOLDING OF TAX ON CERTAIN STOCK DISPOSITIONS.

"(a) GENERAL RULE.—Except as otherwise provided in this section, in the case of any disposition of stock in a domestic corporation by a foreign person who is a 10-percent shareholder in such corporation, the withholding agent shall deduct and withhold a tax equal to 10 percent of the amount realized on the disposition.

"(b) EXCEPTIONS.—

"(1) STOCK WHICH IS NOT REGULARLY TRADED.—In the case of a disposition of stock which is not regularly traded, a withholding agent shall not be required to deduct and withhold any amount under subsection (a) if—

"(A) the transferor furnishes to such withholding agent an affidavit by such transferor stating, under penalty of perjury, that section 899 does not apply to such disposition because—

''(i) the transferor is not a foreign person, or

''(ii) the transferor is not a 10-percent shareholder, and

''(B) such withholding agent does not know (or have reason to know) that such affidavit is not correct.

''(2) Stock which is regularly traded.—

''(A) In general.—Except as provided in subparagraph (B), a withholding agent shall not be required to deduct and withhold any amount under subsection (a) with respect to any disposition of regularly traded stock if such withholding agent does not know (or have reason to know) that section 899 applies to such disposition.

''(B) Special rule where substantial disposition.—If—

''(i) there is a disposition of regularly traded stock in a corporation, and

''(ii) the amount of stock involved in such disposition constitutes 1 percent or more (by vote or value) of the stock in such corporation,

subparagraph (A) shall not apply but paragraph (1) shall apply as if the disposition involved stock which was not regularly traded.

''(C) Notification by foreign person.—If section 899 applies to any disposition by a foreign person of regularly traded stock, such foreign person shall notify the withholding agent that section 899 applies to such disposition.

''(3) Nonrecognition transactions.—A withholding agent shall not be required to deduct and withhold any amount under subsection (a) in any case where gain or loss is not recognized by reason of section 899(c) (or the regulations prescribed under such section).

''(c) Special Rule Where No Withholding.—If—

''(1) there is no amount deducted and withheld under this section with respect to any disposition to which section 899 applies, and

''(2) the foreign person does not pay the tax imposed by this subtitle to the extent attributable to such disposition on the date prescribed therefor,

for purposes of determining the amount of such tax, the foreign person's basis in the stock disposed of shall be treated as zero or such other amount as the Secretary may determine (and, for purposes of section 6501, the underpayment of such tax shall be treated as due to a willful attempt to evade such tax).

''(d) Definitions and Special Rules.—For purposes of this section—

''(1) Withholding agent.—The term 'withholding agent' means—

''(A) the last United States person to have the control, receipt, custody, disposal, or payment of the amount realized on the disposition, or

''(B) if there is no such United States person, the person prescribed in regulations.

''(2) Foreign person.—The term 'foreign person' means any person other than a United States person.

''(3) Regularly traded stock.—The term 'regularly traded stock' means any stock of a class which is regularly traded on an established securities market.

''(4) Authority to prescribe reduced amount.—At the request of the person making the disposition or the withholding agent, the Secretary may prescribe a reduced amount to be withheld under this section if the Secretary determines that to substitute such reduced amount will not jeopardize the collection of the tax imposed by section 871(b)(1) or 882(a)(1).

''(5) Other terms.—Except as provided in this section, terms used in this section shall have the same respective meanings as when used in section 899.

''(6) Certain rules made applicable.—Rules similar to the rules of section 1445(e) shall apply for purposes of this section.

''(e) Regulations.—The Secretary shall prescribe such regulations as may be appropriate to carry out the purposes of this section, including regulations coordinating the provisions of this section with the provisions of sections 1445 and 1446.''

(c) Exception From Branch Profits Tax.—Subparagraph (C) of section 884(d)(2) of such Code is amended to read as follows:

''(C) gain treated as effectively connected with the conduct of a trade or business within the United States under—

''(i) section 897 in the case of the disposition of a United States real property interest described in section 897(c)(1)(A)(ii), or

''(ii) section 899,''.

(d) Reports With Respect to Certain Distributions.—Paragraph (2) of section 6038B(a) of such Code (relating to notice of certain transfers to foreign person) is amended by striking ''section 336'' and inserting ''section 302, 331, or 336''.

(e) Clerical Amendments.—

(1) The table of sections for subpart D of part II of subchapter N of chapter 1 of such Code is amended by adding at the end the following new item:

''Sec. 899. Dispositions of stock in domestic corporations by 10-percent foreign shareholders.''

(2) The table of sections for subchapter A of chapter 3 of such Code is amended by adding at the end the following new item:

''Sec. 1447. Withholding of tax on certain stock dispositions.''

(f) Effective Date.—

(1) In general.—Except as otherwise provided in this subsection, the amendments made by this section shall apply to dispositions after the date of the enactment of this Act, except that section 1447 of such Code (as added by this section) shall not apply to any disposition before the date 6 months after the date of the enactment of this Act.

(2) Coordination with treaties.—

(A) In general.—Sections 899 (other than subsection (e) thereof) and 1447 of such Code (as added by this section) shall not apply to any disposition if such disposition is by a qualified resident of a foreign country and the application of such sections to such disposition would be contrary to any treaty between the United States and such foreign country which is in effect on the date of the enactment of this Act and at the time of such disposition.

(B) Qualified resident.—For purposes of subparagraph (A), the term ''qualified resident'' means any resident of the foreign country entitled to the benefits of the treaty referred to in subparagraph (A); except that such term shall not include a corporation unless such corporation is a qualified resident of such country (as defined in section 884(e)(4) of such Code).

SEC. ___06. PORTFOLIO DEBT.

(a) In General.—Section 871(h)(3) of the Internal Revenue Code of 1986 is amended to read as follows:

''(3) Portfolio interest to include only interest on government obligations.—The term 'portfolio interest' shall include only interest paid on an obligation issued by a governmental entity.''

(b) Conforming Amendments.—

(1) Section 881(c)(3) of such Code is amended—

(A) in subparagraph (A), by adding ''or'' at the end, and

(B) by striking subparagraph (B) and redesignating subparagraph (C) as subparagraph (B).

(2) Section 881(c)(4) of such Code is amended—

(A) by striking ''section 871(h)(4)'' and inserting ''section 871(h)(3) or (4)'', and

(B) in the heading, by inserting ''INTEREST ON NON-GOVERNMENT OBLIGATIONS OR'' after ''INCLUDE''.

(c) Effective Date.—The amendments made by this section shall apply to interest received after December 31, 1995, with respect to obligations issued after such date.

SEC. ___07. SOURCE OF INCOME FROM CERTAIN SALES OF INVENTORY PROPERTY.

(a) General Rule.—Subsection (b) of section 865 of the Internal Revenue Code of 1986 (relating to exception for inventory property) is amended to read as follows:

''(b) Inventory Property.—

''(1) Income attributable to production activity.—In the case of income from the sale of inventory property produced (in whole or in part) by the taxpayer—

''(A) a portion (determined under regulations) of such income shall be allocated to production activity (and sourced in the United States or outside the United States depending on where such activity occurs), and

''(B) the remaining portion of such income shall be sourced under the other provisions of this section.

The regulations prescribed under subparagraph (A) shall provide that at least 50 percent of such income shall be allocated to production activities.

''(2) Sales income.—

''(A) United states residents.—Income from the sale of inventory property by a United States resident shall be sourced outside the United States if—

''(i) the property is sold for use, consumption, or disposition outside the United States and an office or another fixed place of business of the taxpayer outside the United States participated materially in the sale, and

''(ii) such sale is not (directly or indirectly) to an affiliate of the taxpayer.

''(B) Nonresident.—Income from the sale of inventory property by a nonresident shall be sourced in the United States if—

''(i) the taxpayer has an office or other fixed place of business in the United States, and

''(ii) such sale is through such office or other fixed place of business.

This subparagraph shall not apply if the requirements of clauses (i) and (ii) of subparagraph (A) are met with respect to such sale.

''(3) Coordination with treaties.—For purposes of paragraph (2)(A)(i), a United States resident shall not be treated as having an office or fixed place of business in a foreign country if a treaty prevents such country from imposing an income tax on the income.''

(b) Effective Date.—The amendments made by this section shall apply to income from sales occurring after December 31, 1995.

SEC. ___08. ENHANCEMENT OF BENEFITS FOR FOREIGN SALES CORPORATIONS.

(a) In General.—Subsection (a) of section 923 of the Internal Revenue Code of 1986 is amended—

(1) in paragraph (2), by striking ''32 percent'' and inserting ''34 percent'', and

(2) in paragraph (3), by striking ''16/23'' and inserting ''17/23''.

(b) Special Rules Relating to Corporate Preference Items.—Paragraph (4) of section 291(a) of such Code is amended—

(1) in subparagraph (A), by striking "'30 percent' for '32 percent'" and inserting "'32 percent' for '34 percent'", and

(2) in subparagraph (B), by striking "'15⁄23' for '16⁄23'" and inserting "'16⁄23' for '17⁄23'".

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 1995.

AMENDMENT NO. 2623

On page 40, between lines 16 and 17, insert the following:

"(C) WAIVER OF LIMITATION.—The Secretary, upon a demonstration by a State that an extraordinary number of families require an exemption from the application of paragraph (1) due to disability, domestic violence, homelessness, or the need to be in the home to care for a disabled child, may permit the State to provide exemptions in excess of the 15 percent limitation described in subparagraph (B) for a specified period of time.".

AMENDMENT NO. 2624

On page 40, between lines 16 and 17, insert the following:

"(4) NON-CASH ASSISTANCE FOR CHILDREN.—Nothing in paragraph (1) shall be construed as prohibiting a State from using funds provided under section 403 to provide aid, in the form of in-kind assistance, vouchers usable for particular goods or services as specified by the State, or vendor payments to individuals providing such goods or services, to the minor children of a needy family.".

AMENDMENT NO. 2625

On page 641, between lines 11 and 12, insert the following:

SEC. 426. DURATION OF SUPPORT.

Section 466(a) (42 U.S.C. 666(a)), as amended by this Act, is amended—

(1) by inserting after paragraph (16) the following new paragraph:

"(17) Procedures under which the State—

"(A) requires a continuing support obligation by the noncustodial parent until at least the later of the date on which a child for whom a support obligation is owed reaches the age of 18, or graduates from or is no longer enrolled in secondary school or its equivalent, unless a child marries, joins the United States armed forces, or is otherwise emancipated under State law;

"(B)(i) provides that courts or administrative agencies with child support jurisdiction have the discretionary power, until the date on which the child involved reaches the age of 22, pursuant to criteria established by the State, to order child support, payable directly or indirectly (support may be paid directly to a postsecondary or vocational school or college) to a child, at least up to the age of 22 for a child enrolled full-time in an accredited postsecondary or vocational school or college and who is a student in good standing; and

"(ii) may, without application of the rebuttable presumption in section 467(b)(2), award support under this subsection in amounts that, in whole or in part, reflect the actual costs of post secondary education; and

"(C) provides for child support to continue beyond the child's age of majority provided the child is disabled, unable to be self-supportive, and the disability arose during the child's minority."; and

(2) by adding at the end the following new sentence: "Nothing in paragraph (17) shall preclude a State from imposing more extensive child support obligations or obligations of longer duration.".

AMENDMENT NO. 2626

Section 781(b) is amended to read as follows:

(b) SUBSEQUENT REPEALS.—The following provisions are repealed:

(1) The Adult Education Act (20 U.S.C. 1201 et seq.).

(2) The Carl D. Perkins Vocational and Applied Technology Education Act (20 U.S.C. 2301 et seq.).

(3) The School-to-Work Opportunities Act of 1994 (20 U.S.C. 6101 et seq.).

(4) The Wagner-Peyser Act (29 U.S.C. et seq.).

(5) The Job Training Partnership Act (29 U.S.C. 1501 et seq.).

(6) Title V of the Older Americans Act of 1965 (42 U.S.C. 3056 et seq.).

(7) Title VII of the Stewart B. McKinney Homeless Assistance Act (42 U.S.C. 11421 et seq.), other than subtitle C of such title.

AMENDMENT NO. 2627

In title VIII, add at the end the following:

Subtitle D—Amendment to Trade Act of 1974

SEC. 841. TRAINING AND OTHER EMPLOYMENT SERVICES FOR TRADE-IMPACTED WORKERS

Section 239(e) of the Trade Act of 1974 (19 U.S.C. 2311(e)) is amended to read as follows:

"(e) Any agreement entered into under this section shall provide that the services made available to adversely affected workers under sections 235 and 236 shall be provided through the statewide workforce development system established by the State under subtitle B of the Workforce Development Act of 1995 to provide such services to other dislocated workers.".

AMENDMENT NO. 2628

Beginning on page 520, strike line 13 and all that follows through page 529, line 2, and insert the following:

(5) The Job Training Partnership Act (29 U.S.C. 1501 et seq.).

(6) Title V of the Older Americans Act of 1965 (42 U.S.C. 3056 et seq.).

(7) Title VII of the Stewart B. McKinney Homeless Assistance Act (42 U.S.C. 11421 et seq.), other than subtitle C of such title.

(c) EFFECTIVE DATES.—

(1) IMMEDIATE REPEALS.—The repeals made by subsection (a) shall take effect on the date of enactment of this Act.

(2) SUBSEQUENT REPEALS.—The repeals made by subsection (b) shall take effect on July 1, 1998.

SEC. 782. CONFORMING AMENDMENTS.

(a) IMMEDIATE REPEALS.—

(1) REFERENCES TO SECTION 204 OF THE IMMIGRATION REFORM AND CONTROL ACT OF 1986.—The table of contents for the Immigration Reform and Control Act of 1986 is amended by striking the item relating to section 204 of such Act.

(2) REFERENCES TO TITLE II OF PUBLIC LAW 95–250.—Section 103 of Public Law 95–250 (16 U.S.C. 791) is amended—

(A) by striking the second sentence of subsection (a); and

(B) by striking the second sentence of subsection (b).

(3) REFERENCES TO SUBTITLE C OF TITLE VII OF THE STEWART B. MCKINNEY HOMELESS ASSISTANCE ACT.—

(A) Section 762(a) of the Stewart B. McKinney Homeless Assistance Act (42 U.S.C. 11472(a)) is amended—

(i) by striking "each of the following programs" and inserting "the emergency community services homeless grant program established in section 751"; and

(ii) by striking "tribes:" and all that follows and inserting "tribes.".

(B) The table of contents of such Act is amended by striking the items relating to subtitle C of title VII of such Act.

(4) REFERENCES TO TITLE 49, UNITED STATES CODE.—

(A) Sections 5313(b)(1) and 5314(a)(1) of title 49, United States Code, are amended by striking "5317, and 5322" and inserting "and 5317".

(B) The table of contents for chapter 53 of title 49, United States Code, is amended by striking the item relating to section 5322.

(b) SUBSEQUENT REPEALS.—

(1) REFERENCES TO THE CARL D. PERKINS VOCATIONAL AND APPLIED TECHNOLOGY EDUCATION ACT.—

(A) Section 245A(h)(4)(C) of the Immigration and Nationality Act (8 U.S.C. 1255a(h)(4)(C)) is amended by striking "Vocational Education Act of 1963" and inserting "Workforce Development Act of 1995".

(B) The Goals 2000: Educate America Act (20 U.S.C. 5801 et seq.) is amended—

(i) in section 306 (20 U.S.C. 5886)—

(I) in subsection (c)(1)(A), by striking all beginning with " which process" through "Act" and inserting "which process shall include coordination with the benchmarks described in section 731(c)(2) of the Workforce Development Act of 1995"; and

(II) in subsection (l), by striking "Carl D. Perkins Vocational and Applied Technology Education Act" and inserting "Workforce Development Act of 1995"; and

(ii) in section 311(b) (20 U.S.C. 5891(b)), by striking paragraph (6).

(C) The Elementary and Secondary Education Act of 1965 (20 U.S.C. 6301 et seq.) is amended—

(i) in section 1114(b)(2)(C)(v) (20 U.S.C. 6314(b)(2)(C)(v)), by striking "Carl D. Perkins Vocational and Applied Technology Education Act" and inserting "Workforce Development Act of 1995";

(ii) in section 9115(b)(5) (20 U.S.C. 7815(b)(5)), by striking "Carl D. Perkins Vocational and Applied Technology Education Act" and inserting "Workforce Development Act of 1995";

(iii) in section 14302(a)(2) (20 U.S.C. 8852(a)(2))—

(I) by striking subparagraph (C); and

(II) by redesignating subparagraphs (D), (E), and (F) as subparagraphs (C), (D), and (E), respectively; and

(iv) in the matter preceding subparagraph (A) of section 14307(a)(1) (20 U.S.C. 8857(a)(1)), by striking "Carl D. Perkins Vocational and Applied Technology Education Act" and inserting "Workforce Development Act of 1995".

(D) Section 533(c)(4)(A) of the Equity in Educational Land-Grant Status Act of 1994 (7 U.S.C. 301 note) is amended by striking "(20 U.S.C. 2397h(3)" and inserting ", as such section was in effect on the day preceding the date of enactment of the Workforce Development Act of 1995".

(E) Section 563 of the Improving America's Schools Act of 1994 (20 U.S.C. 6301 note) is amended by striking "the date of enactment of an Act reauthorizing the Carl D. Perkins Vocational and Applied Technology Education Act (20 U.S.C. 2301 et seq.)" and inserting "July 1, 1998".

(F) Section 135(c)(3)(B) of the Internal Revenue Code of 1986 (26 U.S.C. 135(c)(3)(B)) is amended—

(i) by striking "subparagraph (C) or (D) of section 521(3) of the Carl D. Perkins Vocational Education Act" and inserting "subparagraph (C) or (D) of section 703(2) of the Workforce Development Act of 1995"; and

(ii) by striking "any State (as defined in section 521(27) of such Act)" and inserting "any State or outlying area (as the terms 'State' and 'outlying area' are defined in section 703 of such Act)".

(G) Section 101(a)(11)(A) of the Rehabilitation Act of 1973 (29 U.S.C. 721(a)(11)(A)) is amended by striking "Carl D. Perkins Vocational and Applied Technology Education Act (20 U.S.C. 2301 et seq.)" and inserting "Workforce Development Act of 1995".

(H) Section 214(c) of the Appalachian Regional Development Act of 1965 (40 U.S.C. App. 214(c)) is amended by striking "Carl D. Perkins Vocational Education Act" and inserting "Workforce Development Act of 1995".

(I) Section 104 of the Vocational Education Amendments of 1968 (82 Stat. 1091) is amended by striking "section 3 of the Carl D. Perkins Vocational Education Act" and inserting "the Workforce Development Act of 1995".

(2) REFERENCES TO THE ADULT EDUCATION ACT.—

(A) Subsection (b) of section 402 of the Refugee Education Assistance Act (8 U.S.C. 1522, note) is repealed.

(B) Paragraph (20) of section 3 of the Library Services and Construction Act (20 U.S.C. 351a(20)) is amended to read as follows:

"(20) The term 'educationally disadvantaged adult' means an individual who—

"(A) is age 16 or older, or beyond the age of compulsory school attendance under State law;

"(B) is not enrolled in secondary school;

"(C) demonstrates basic skills equivalent to or below that of students at the fifth grade level; or

"(D) has been placed in the lowest or beginning level of an adult education program when that program does not use grade level equivalencies as a measure of students' basic skills.".

(C)(i) Section 1202(c)(1) of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 6362(c)(1)) is amended by striking "Adult Education Act" and inserting "Workforce Development Act of 1995".

(ii) Section 1205(8)(B) of such Act (20 U.S.C. 6365(8)(B)) is amended by striking "Adult Education Act" and inserting "Workforce Development Act of 1995".

(iii) Section 1206(a)(1)(A) of such Act (20 U.S.C. 6366(a)(1)(A)) is amended by striking "an adult basic education program under the Adult Education Act" and inserting "adult education activities under the Workforce Development Act of 1995".

(iv) Section 3113(1) of such Act (20 U.S.C. 6813(1)) is amended by striking "section 312 of the Adult Education Act" and inserting "section 703 of the Workforce Development Act of 1995".

(v) Section 9161(2) of such Act (20 U.S.C. 7881(2)) is amended by striking "section 312(2) of the Adult Education Act" and inserting "section 703 of the Workforce Development Act of 1995".

(D) Section 203(b)(8) of the Older Americans Act (42 U.S.C. 3013(b)(8)) is amended by striking "Adult Education Act" and inserting "Workforce Development Act of 1995".

(3) RECOMMENDED LEGISLATION.—After consultation with the appropriate committees of Congress and the Director of the Office of Management and Budget, the Federal Partnership shall prepare and submit to Congress recommended legislation containing technical and conforming amendments to reflect the changes made by section 781(b).

(4) SUBMISSION TO CONGRESS.—Not later than March 31, 1997, the Federal Partnership shall submit the recommended legislation referred to under paragraph (3).

Subtitle G—Amendments to Wagner-Peyser Act

SEC. 791. GENERAL PROGRAM REQUIREMENTS.

Section 1 of the Wagner-Peyser Act (29 U.S.C. 49) is amended by striking "national system" and all that follows and inserting "national system of employment service offices open to the public, there shall be in the Federal Partnership a United States Employment Service.".

SEC. 792. DEFINITIONS.

(a) IN GENERAL.—Section 2 of the Wagner-Peyser Act (29 U.S.C. 49a) is amended—

(1) by striking paragraphs (1), (2), (3), and (4);

(2) by inserting before paragraph (5) the following paragraphs:

"(1) the term 'Federal Partnership' has the meaning given the term in section 703 of the Workforce Development Act of 1995;

"(2) the term 'one-stop career center system' means a means of providing one-stop delivery of core services described in section 716(a)(2)(B) of the Workforce Development Act of 1995;

"(3) the term 'Secretary', used without further modification, means the Secretary of Labor and the Secretary of Education, acting jointly; and"; and

(3) by redesignating paragraph (5) as paragraph (4).

(b) CONFORMING AMENDMENTS.—

(1) SECRETARY.—Sections 3(b), 6(b)(1), and 7(d) of the Wagner-Peyser Act (29 U.S.C. 49b(b), 49e(b)(1), and 49f(d)) are amended by striking "Secretary of Labor" and inserting "Secretary".

(2) DIRECTOR.—Section 12 of the Wagner-Peyser Act (29 U.S.C. 49k) is amended by striking "The Director, with the approval of the Secretary of Labor," and inserting "The Secretary".

SEC. 793. FUNCTIONS.

(a) IN GENERAL.—Section 3 of the Wagner-Peyser Act (29 U.S.C. 49b) is amended—

(1) by striking subsection (a) and inserting the following subsection:

"(a) The Federal Partnership shall—

"(1) assist in the coordination and development of a nationwide system of labor exchange services for the general public, provided through the one-stop career center systems of the States;

"(2) assist in the development of continuous improvement models for such nationwide system that ensure private sector satisfaction with the system and meet the demands of jobseekers relating to the system; and

"(3) ensure the continuation of services for individuals receiving unemployment compensation that were provided, under a provision specified in section 781 of the Workforce Development Act of 1995, on the day before the date of enactment of such Act."; and

(2) by adding at the end the following new subsection:

"(c) Notwithstanding any Act referred to in section 771(b) of the Workforce Development Act of 1995, the Secretary of Labor and the Secretary of Education, acting jointly, in accordance with the plan approved or determinations made by the President under section 776(c) of such Act, shall provide for, and exercise final authority over, the effective and efficient administration of this Act and the officers and employees of the United States Employment Service.".

(b) CONFORMING AMENDMENTS.—Section 508(b) of the Unemployment Compensation Amendments of 1976 (42 U.S.C. 603a(b)) is amended—

(1) by striking "the third sentence of section 3(a)" and inserting "section 3(b)"; and

(2) by striking "49b(a)" and inserting "49b(b))".

SEC. 794. DESIGNATION OF STATE AGENCIES.

Section 4 of the Wagner-Peyser Act (29 U.S.C. 49c) is amended—

(1) by striking "a State shall, through its legislature," and inserting "a Governor shall"; and

(2) by striking "the United States Employment Service" and inserting "the Federal Partnership".

SEC. 795. APPROPRIATIONS.

Section 5(c) of the Wagner-Peyser Act (29 U.S.C. 49d(c)) is amended by striking paragraph (3).

SEC. 796. ALLOTMENTS.

Section 6 of the Wagner-Peyser Act (29 U.S.C. 49e) is amended—

(1) in subsection (a), by striking "section 5" and inserting "section 5, or made available under section 901(c)(1)(A) of the Social Security Act (42 U.S.C. 1101(c)(1)(A)),"; and

(2) in subsection (b)(1), by striking "section 5 of this Act" and inserting "section 5, or made available under section 901(c)(1)(A) of the Social Security Act,".

SEC. 797. DISPOSITION OF ALLOTTED FUNDS.

Section 7 of the Wagner-Peyser Act (29 U.S.C. 49f) is amended—

(1) in subsection (b)(2), by striking "and the appropriate private industry council and chief elected official or officials" and inserting ", and the appropriate local partnership established under section 728(a) of the Workforce Development Act of 1995 (or, where established, the appropriate local workforce development board described in section 728(b) of such Act)";

(2) in subsection (c)(2), by striking "any program under" and all that follows and inserting "any activity carried out under the Workforce Development Act of 1995.";

(3) in subsection (d)—

(A) by striking "United States Employment Service" and inserting "Federal Partnership"; and

(B) by striking "administrative entity under the Job Training Partnership Act" and inserting "local entity under the Workforce Development Act of 1995"; and

(4) by adding at the end the following subsection:

"(e) All job search, placement, recruitment, labor market information, and other labor exchange services authorized under subsection (a) shall be provided through the one-stop career center system established by the State.".

SEC. 798. STATE PLANS.

Section 8 of the Wagner-Peyser Act (29 U.S.C. 49g) is amended—

(1) by striking subsection (a) and inserting the following new subsection:

"(a) Any State desiring to receive assistance under this Act shall include in the portion of the State workforce development plan described in section 714 of the Workforce Development Act of 1995 relating to workforce employment activities, detailed plans for carrying out this Act in such State.";

(2) by striking subsections (b), (c), and (e);

(3) in subsection (d), by striking "United States Employment Service" and inserting "Federal Partnership"; and

(4) by redesignating subsection (d) as subsection (b).

SEC. 799. FEDERAL ADVISORY COUNCIL.

Section 11 of the Wagner-Peyser Act (29 U.S.C. 49j) is repealed.

AMENDMENT NO. 2629

Beginning on page 419, strike line 17 and all that follows through page 424, line 4, and insert the following:

SEC. 733. UNEMPLOYMENT TRUST FUND.

(a) IN GENERAL.—Section 901(c) of the Social Security Act (42 U.S.C. 1101(c)) is amended—

(1) in paragraph (1)—

(A) in subparagraph (A)(iii), by striking "carrying into effect section 4103" and inserting "carrying out the activities described in sections 4103, 4103A, 4104, and 4104A"; and

(B) in subparagraph (B), in the matter preceding clause (i), by striking "Department of Labor" and inserting "Department of Labor or the Workforce Development Partnership, as appropriate,"; and

(2) in the first sentence of paragraph (4), by striking "the Department of Labor" and inserting "the Workforce Development Partnership".

(b) EFFECTIVE DATE.—The amendments made by this section shall take effect July 1, 1998.

AMENDMENT NO. 2630

Section 772(a)(4)(A) is amended to read as follows:

(A) IN GENERAL.—Notwithstanding any other provision of this Act or any amendment made by this Act, any provision of this Act or any amendment made by this Act that would otherwise grant the National Board the authority to carry out a function (as defined in section 776) shall be construed to give the National Board the authority only to provide advice to the Secretary of Labor and the Secretary of Education with respect to the function, and not the authority to carry out the function. The provision shall be deemed to grant the Secretary of Labor and the Secretary of Education, acting jointly, the authority to carry out the function.

AMENDMENT NO. 2631

Beginning on page 337, strike line 4 and all that follows through page 379, line 21, and insert the following:

(a) ACTIVITIES.—From the sum of the funds made available to a State through an allotment received under section 712, through funds received under section 6 of the Wagner-Peyser Act (29 U.S.C. 49e), or through funds made available under section 901(c)(1)(A)(ii) of the Social Security Act (42 U.S.C. 1101(c)(1)(A)(ii)) for a program year—

(1) a portion equal to 25 percent of such sum (which portion shall include the amount made available to the State through funds received under section 6 of the Wagner-Peyser Act or through funds made available under section 901(c)(1)(A)(ii) of the Social Security Act) shall be made available for workforce employment activities, activities carried out under the Wagner-Peyser Act (29 U.S.C. 49 et seq.), or activities described in section 716(a)(10);

(2) a portion equal to 25 percent of such sum shall be made available for workforce education activities; and

(3) a portion (referred to in this title as the "flex account") equal to 50 percent of such sum shall be made available for flexible workforce activities.

(b) RECIPIENTS.—In making an allotment under section 712 to a State, the Secretary of Labor and the Secretary of Education, acting jointly, shall make a payment—

(1) to the Governor of the State for the portion described in subsection (a)(1), and such part of the flex account as the Governor may be eligible to receive, as determined under the State plan of the State submitted under section 714; and

(2) to the State educational agency of the State for the portion described in subsection (a)(2), and such part of the flex account as the State educational agency may be eligible to receive, as determined under the State plan of the State submitted under section 714.

SEC. 714. STATE PLANS.

(a) IN GENERAL.—For a State to be eligible to receive an allotment under section 712, the Governor of the State shall submit to the Federal Partnership, and obtain approval of, a single comprehensive State workforce development plan (referred to in this section as a "State plan"), outlining a 3-year strategy for the statewide system of the State.

(b) PARTS.—

(1) IN GENERAL.—The State plan shall contain 3 parts.

(2) STRATEGIC PLAN AND FLEXIBLE WORKFORCE ACTIVITIES.—The first part of the State plan shall describe a strategic plan for the statewide system, including the flexible workforce activities, and, if appropriate, economic development activities, that are designed to meet the State goals and reach the State benchmarks and are to be carried out with the allotment. The Governor shall develop the first part of the State plan, using procedures that are consistent with the procedures described in subsection (d).

(3) WORKFORCE EMPLOYMENT ACTIVITIES.—The second part of the State plan shall describe the workforce employment activities that are designed to meet the State goals and reach the State benchmarks and are to be carried out with the allotment. The Governor shall develop the second part of the State plan.

(4) WORKFORCE EDUCATION ACTIVITIES.—The third part of the State plan shall describe the workforce education activities that are designed to meet the State goals and reach the State benchmarks and are to be carried out with the allotment. The State educational agency of the State shall develop the third part of the State plan in consultation, where appropriate, with the State postsecondary education agency and with community colleges.

(c) CONTENTS OF THE PLAN.—The State plan shall include—

(1) with respect to the strategic plan for the statewide system—

(A) information describing how the State will identify the current and future workforce development needs of the industry sectors most important to the economic competitiveness of the State;

(B) information describing how the State will identify the current and future workforce development needs of all segments of the population of the State;

(C) information identifying the State goals and State benchmarks and how the goals and benchmarks will make the statewide system relevant and responsive to labor market and education needs at the local level;

(D) information describing how the State will coordinate workforce development activities to meet the State goals and reach the State benchmarks;

(E) information describing the allocation within the State of the funds made available through the flex account for the State, and how the flexible workforce activities, including school-to-work activities, to be carried out with such funds will be carried out to meet the State goals and reach the State benchmarks;

(F) information identifying how the State will obtain the active and continuous participation of business, industry, and labor in the development and continuous improvement of the statewide system;

(G) information identifying how any funds that a State receives under this subtitle will be leveraged with other public and private resources to maximize the effectiveness of such resources for all workforce development activities, and expand the participation of business, industry, labor, and individuals in the statewide system;

(H) information identifying how the workforce development activities to be carried out with funds received through the allotment will be coordinated with programs carried out by the Veterans' Employment and Training Service with funds received under title 38, United States Code, in order to meet the State goals and reach the State benchmarks related to veterans;

(I) information describing how the State will eliminate duplication in the administration and delivery of services under this title;

(J) information describing the process the State will use to independently evaluate and continuously improve the performance of the statewide system, on a yearly basis, including the development of specific performance indicators to measure progress toward meeting the State goals;

(K) an assurance that the funds made available under this subtitle will supplement and not supplant other public funds expended to provide workforce development activities;

(L) information identifying the steps that the State will take over the 3 years covered by the plan to establish common data collection and reporting requirements for workforce development activities and vocational rehabilitation program activities;

(M) with respect to economic development activities, information—

(i) describing the activities to be carried out with the funds made available under this subtitle;

(ii) describing how the activities will lead directly to increased earnings of nonmanagerial employees in the State; and

(iii) describing whether the labor organization, if any, representing the nonmanagerial employees supports the activities;

(N) the description referred to in subsection (d)(1); and

(O)(i) information demonstrating the support of individuals and entities described in subsection (d)(1) for the plan; or

(ii) in a case in which the Governor is unable to obtain the support of such individuals and entities as provided in subsection (d)(2), the comments referred to in subsection (d)(2)(B),

(2) with respect to workforce employment activities, information—

(A)(i) identifying and designating substate areas, including urban and rural areas, to which funds received through the allotment will be distributed, which areas shall, to the extent feasible, reflect local labor market areas; or

(ii) stating that the State will be treated as a substate area for purposes of the application of this subtitle, if the State receives an increase in an allotment under section 712 for a program year as a result of the application of section 712(c)(2); and

(B) describing the basic features of one-stop delivery of core services described in section 716(a)(2) in the State, including information regarding—

(i) the strategy of the State for developing fully operational one-stop delivery of core services described in section 716(a)(2);

(ii) the time frame for achieving the strategy;

(iii) the estimated cost for achieving the strategy;

(iv) the steps that the State will take over the 3 years covered by the plan to provide individuals with access to one-stop delivery of core services described in section 716(a)(2);

(v) the steps that the State will take over the 3 years covered by the plan to ensure that all publicly funded labor exchange services described in section 716(a)(2)(B), and all such services described in the Wagner-Peyser Act (29 U.S.C. 49 et seq.), are provided through the one-stop career center system of the State;

(vi) the steps that the State will take over the 3 years covered by the plan to provide information through the one-stop delivery to individuals on the quality of workforce employment activities, workforce education activities, and vocational rehabilitation program activities, provided through the statewide system;

(vii) the steps that the State will take over the 3 years covered by the plan to link services provided through the one-stop delivery with services provided through State welfare agencies; and

(viii) in a case in which the State chooses to use vouchers to deliver workforce employment activities, the steps that the State will take over the 3 years covered by the plan to comply with the requirements in section 716(a)(9) and the information required in such section;

(C) identifying performance indicators that relate to the State goals, and to the State benchmarks, concerning workforce employment activities;

(D) describing the workforce employment activities to be carried out with funds received through the allotment;

(E) describing the steps that the State will take over the 3 years covered by the plan to establish a statewide comprehensive labor market information system described in section 773(c) that will be utilized by all the providers of one-stop delivery of core services described in section 716(a)(2), providers of other workforce employment activities, and providers of workforce education activities, in the State;

(F) describing the steps that the State will take over the 3 years covered by the plan to establish a job placement accountability system described in section 731(d);

(G) describing the process the State will use to approve all providers of workforce employment activities through the statewide system; and

(H)(i) describing the steps that the State will take to segregate the amount made available to the State under section 6 of the Wagner-Peyser Act (29 U.S.C. 49e) or under section 901(c)(1)(A)(ii) of the Social Security Act (42 U.S.C. 1101(c)(1)(A)(ii)) from the remainder of the portion described in section 713(a)(1); and

(ii) describing how the State will use the amount described in clause (i) to carry out the activities described in section 716(a)(10);

(3) with respect to workforce education activities, information—

(A) describing how funds received through the allotment will be allocated among—

(i) secondary school vocational education, or postsecondary and adult vocational education, or both; and

(ii) adult education;

(B) identifying performance indicators that relate to the State goals, and to the State benchmarks, concerning workforce education activities;

(C) describing the workforce education activities that will be carried out with funds received through the allotment;

(D) describing how the State will address the adult education needs of the State;

(E) describing how the State will disaggregate data relating to at-risk youth in order to adequately measure the progress of at-risk youth toward accomplishing the results measured by the State goals, and the State benchmarks;

(F) describing how the State will adequately address the needs of both at-risk youth who are in school, and out-of-school youth, in alternative education programs that teach to the same challenging academic, occupational, and skill proficiencies as are provided for in-school youth;

(G) describing how the workforce education activities described in the State plan and the State allocation of funds received through the allotment for such activities are an integral part of comprehensive efforts of the State to improve education for all students and adults;

(H) describing how the State will annually evaluate the effectiveness of the State plan with respect to workforce education activities;

(I) describing how the State will address the professional development needs of the State with respect to workforce education activities;

(J) describing how the State will provide local educational agencies in the State with technical assistance; and

(K) describing how the State will assess the progress of the State in implementing student performance measures.

(d) PROCEDURE FOR DEVELOPMENT OF PART OF PLAN RELATING TO STRATEGIC PLAN.—

(1) DESCRIPTION OF DEVELOPMENT.—The part of the State plan relating to the strategic plan shall include a description of the manner in which—

(A) the Governor;

(B) the State educational agency;

(C) representatives of business and industry, including representatives of key industry sectors, and of small- and medium-size and large employers, in the State;

(D) representatives of labor and workers;

(E) local elected officials from throughout the State;

(F) the State agency officials responsible for vocational education;

(G) the State agency officials responsible for postsecondary education;

(H) the State agency officials responsible for adult education;

(I) the State agency officials responsible for vocational rehabilitation;

(J) such other State agency officials, including officials responsible for economic development and employment, as the Governor may designate;

(K) the representative of the Veterans' Employment and Training Service assigned to the State under section 4103 of title 38, United States Code; and

(L) other appropriate officials, including members of the State workforce development board described in section 715, if the State has established such a board;

collaborated in the development of such part of the plan.

(2) FAILURE TO OBTAIN SUPPORT.—If, after a reasonable effort, the Governor is unable to obtain the support of the individuals and entities described in paragraph (1) for the strategic plan the Governor shall—

(A) provide such individuals and entities with copies of the strategic plan;

(B) allow such individuals and entities to submit to the Governor, not later than the end of the 30-day period beginning on the date on which the Governor provides such individuals and entities with copies of such plan under subparagraph (A), comments on such plan; and

(C) include any such comments in such plan.

(e) APPROVAL.—The Secretary of Labor and the Secretary of Education, acting jointly on the advice of the Federal Partnership, shall approve a State plan if—

(1) the Federal Partnership determines that the plan contains the information described in subsection (c);

(2) the Federal Partnership determines that the State has prepared the plan in accordance with the requirements of this section, including the requirements relating to development of any part of the plan; and

(3) the State benchmarks for the State have been negotiated and approved in accordance with section 731(c).

(f) NO ENTITLEMENT TO A SERVICE.—Nothing in this title shall be construed to provide any individual with an entitlement to a service provided under this title.

SEC. 715. STATE WORKFORCE DEVELOPMENT BOARDS.

(a) ESTABLISHMENT.—A Governor of a State that receives an allotment under section 712 may establish a State workforce development board—

(1) on which a majority of the members are representatives of business and industry;

(2) on which not less than 25 percent of the members shall be representatives of labor, workers, and community-based organizations;

(3) that shall include representatives of veterans;

(4) that shall include a representative of the State educational agency and a representative from the State agency responsible for vocational rehabilitation;

(5) that may include any other individual or entity that participates in the collaboration described in section 714(d)(1); and

(6) that may include any other individual or entity the Governor may designate.

(b) CHAIRPERSON.—The State workforce development board shall select a chairperson from among the members of the board who are representatives of business and industry.

(c) FUNCTIONS.—The functions of the State workforce development board shall include—

(1) advising the Governor on the development of the statewide system, the State plan described in section 714, and the State goals and State benchmarks;

(2) assisting in the development of specific performance indicators to measure progress toward meeting the State goals and reaching the State benchmarks and providing guidance on how such progress may be improved;

(3) serving as a link between business, industry, labor, and the statewide system;

(4) assisting the Governor in preparing the annual report to the Federal Partnership regarding progress in reaching the State benchmarks, as described in section 731(a);

(5) receiving and commenting on the State plan developed under section 101 of the Rehabilitation Act of 1973 (29 U.S.C. 721);

(6) assisting the Governor in developing the statewide comprehensive labor market information system described in section 773(c) to provide information that will be utilized by all the providers of one-stop delivery of core services described in section 716(a)(2), providers of other workforce employment activities, and providers of workforce education activities, in the State; and

(7) assisting in the monitoring and continuous improvement of the performance of the

statewide system, including evaluation of the effectiveness of workforce development activities funded under this title.

SEC. 716. USE OF FUNDS.

(a) Workforce Employment Activities.—

(1) In general.—Funds made available to a State under this subtitle to carry out workforce employment activities through a statewide system—

(A) shall be used to carry out the activities described in paragraphs (2), (3), and (4); and

(B) may be used to carry out the activities described in paragraphs (5), (6), (7), and (8), including providing activities described in paragraph (6) through vouchers described in paragraph (9).

(2) One-stop delivery of core services.—

(A) Access.—The State shall use a portion of the funds described in paragraph (1) to establish a means of providing access to the statewide system through core services described in subparagraph (B) available—

(i) through multiple, connected access points, linked electronically or otherwise;

(ii) through a network that assures participants that such core services will be available regardless of where the participants initially enter the statewide system;

(iii) at not less than 1 physical location in each substate area of the State; or

(iv) through some combination of the options described in clauses (i), (ii), and (iii).

(B) Core services.—The core services referred to in subparagraph (A) shall, at a minimum, include—

(i) outreach, intake, and orientation to the information and other services available through one-stop delivery of core services described in this subparagraph;

(ii) initial assessment of skill levels, aptitudes, abilities, and supportive service needs;

(iii) job search and placement assistance and, where appropriate, career counseling;

(iv) customized screening and referral of qualified applicants to employment;

(v) provision of accurate information relating to local labor market conditions, including employment profiles of growth industries and occupations within a substate area, the educational and skills requirements of jobs in the industries and occupations, and the earnings potential of the jobs;

(vi) provision of accurate information relating to the quality and availability of other workforce employment activities, workforce education activities, and vocational rehabilitation program activities;

(vii) provision of information regarding how the substate area is performing on the State benchmarks;

(viii) provision of initial eligibility information on forms of public financial assistance that may be available in order to enable persons to participate in workforce employment activities, workforce education activities, or vocational rehabilitation program activities; and

(ix) referral to other appropriate workforce employment activities, workforce education activities, and vocational rehabilitation employment activities.

(3) Labor market information system.—The State shall use a portion of the funds described in paragraph (1) to establish a statewide comprehensive labor market information system described in section 773(c).

(4) Job placement accountability system.—The State shall use a portion of the funds described in paragraph (1) to establish a job placement accountability system described in section 731(d).

(5) Permissible one-stop delivery activities.—The State may provide, through one-stop delivery—

(A) co-location of services related to workforce development activities, such as unemployment insurance, vocational rehabilitation program activities, welfare assistance, veterans' employment services, or other public assistance;

(B) intensive services for participants who are unable to obtain employment through the core services described in paragraph (2)(B), as determined by the State; and

(C) dissemination to employers of information on activities carried out through the statewide system.

(6) Other permissible activities.—The State may use a portion of the funds described in paragraph (1) to provide services through the statewide system that may include—

(A) on-the-job training;

(B) occupational skills training;

(C) entrepreneurial training;

(D) training to develop work habits to help individuals obtain and retain employment;

(E) customized training conducted with a commitment by an employer or group of employers to employ an individual after successful completion of the training;

(F) rapid response assistance for dislocated workers;

(G) skill upgrading and retraining for persons not in the workforce;

(H) preemployment and work maturity skills training for youth;

(I) connecting activities that organize consortia of small- and medium-size businesses to provide work-based learning opportunities for youth participants in school-to-work programs;

(J) programs for adults that combine workplace training with related instruction;

(K) services to assist individuals in attaining certificates of mastery with respect to industry-based skill standards;

(L) case management services;

(M) supportive services, such as transportation and financial assistance, that enable individuals to participate in the statewide system;

(N) followup services for participants who are placed in unsubsidized employment; and

(O) an employment and training program described in section 6(d)(4) of the Food Stamp Act of 1977 (7 U.S.C. 2015(d)(4)).

(7) Staff development and training.—The State may use a portion of the funds described in paragraph (1) for the development and training of staff of providers of one-stop delivery of core services described in paragraph (2), including development and training relating to principles of quality management.

(8) Incentive grant awards.—The State may use a portion of the funds described in paragraph (1) to award incentive grants to substate areas that reach or exceed the State benchmarks established under section 731(c), with an emphasis on benchmarks established under section 731(c)(3). A substate area that receives such a grant may use the funds made available through the grant to carry out any workforce development activities authorized under this title.

(9) Vouchers.—

(A) In general.—A State may deliver some or all of the workforce employment activities described in paragraph (6) that are provided under this subtitle through a system of vouchers administered through the one-stop delivery of core services described in paragraph (2) in the State.

(B) Eligibility requirements.—

(i) In general.—A State that chooses to deliver the activities described in subparagraph (A) through vouchers shall indicate in the State plan described in section 714 the criteria that will be used to determine—

(I) which workforce employment activities described in paragraph (6) will be delivered through the voucher system;

(II) eligibility requirements for participants to receive the vouchers and the amount of funds that participants will be able to access through the voucher system; and

(III) which employment, training, and education providers are eligible to receive payment through the vouchers.

(ii) Considerations.—In establishing State criteria for service providers eligible to receive payment through the vouchers under clause (i)(III), the State shall take into account industry-recognized skills standards promoted by the National Skills Standards Board.

(C) Accountability requirements.—A State that chooses to deliver the activities described in paragraph (6) through vouchers shall indicate in the State plan—

(i) information concerning how the State will utilize the statewide comprehensive labor market information system described in section 773(c) and the job placement accountability system established under section 731(d) to provide timely and accurate information to participants about the performance of eligible employment, training, and education providers;

(ii) other information about the performance of eligible providers of services that the State believes is necessary for participants receiving the vouchers to make informed career choices; and

(iii) the timeframe in which the information developed under clauses (i) and (ii) will be widely available through the one-stop delivery of core services described in paragraph (2) in the State.

(10) Funds from unemployment trust fund.—Funds made available to a Governor under section 901(c)(1)(A) of the Social Security Act (42 U.S.C. 1101(c)(1)(A)) for a program year shall only be available for activities authorized under such section 901(c)(1)(A), which are—

(A) the administration of State unemployment compensation laws as provided in title III of the Social Security Act (including administration pursuant to agreements under any Federal unemployment compensation law);

(B) the establishment and maintenance of systems of public employment offices in accordance with the Wagner-Peyser Act (29 U.S.C. 49 et seq.); and

(C) carrying out the activities described in sections 4103, 4103A, 4104, and 4104A of title 38, United States Code (relating to veterans' employment services).

(b) Workforce Education Activities.—The State educational agency shall use the funds made available to the State educational agency under this subtitle for workforce education activities to carry out, through the statewide system, activities that include—

(1) integrating academic and vocational education;

(2) linking secondary education (as determined under State law) and postsecondary education, including implementing tech-prep programs;

(3) providing career guidance and counseling for students at the earliest possible age, including the provision of career awareness, exploration, planning, and guidance information to students and their parents that is, to the extent possible, in a language and form that the students and their parents understand;

(4) providing literacy and basic education services for adults and out-of-school youth, including adults and out-of-school youth in correctional institutions;

(5) providing programs for adults and out-of-school youth to complete their secondary education;

(6) expanding, improving, and modernizing quality vocational education programs; and

(7) improving access to quality vocational education programs for at-risk youth.

(c) Fiscal Requirements for Workforce Education Activities.—

(1) Supplement not supplant.—Funds made available under this subtitle for workforce education activities shall supplement, and may not supplant, other public funds expended to carry out workforce education activities.

(2) Maintenance of effort.—

(A) Determination.—No payments shall be made under this subtitle for any program year to a State for workforce education activities unless the Federal Partnership determines that the fiscal effort per student or the aggregate expenditures of such State for workforce education for the program year preceding the program year for which the determination is made, equaled or exceeded such effort or expenditures for workforce education for the second program year preceding the fiscal year for which the determination is made.

(B) Waiver.—The Federal Partnership may waive the requirements of this section (with respect to not more than 5 percent of expenditures by any State educational agency) for 1 program year only, on making a determination that such waiver would be equitable due to exceptional or uncontrollable circumstances affecting the ability of the applicant to meet such requirements, such as a natural disaster or an unforeseen and precipitous decline in financial resources. No level of funding permitted under such a waiver may be used as the basis for computing the fiscal effort or aggregate expenditures required under this section for years subsequent to the year covered by such waiver. The fiscal effort or aggregate expenditures for the subsequent years shall be computed on the basis of the level of funding that would, but for such waiver, have been required.

(d) Flexible Workforce Activities.—

(1) Core flexible workforce activities.—The State shall use a portion of the funds made available to the State under this subtitle through the flex account to carry out school-to-work activities through the statewide system, except that any State that received a grant under subtitle B of title II of the School-to-Work Opportunities Act of 1994 (20 U.S.C. 6141 et seq.) shall use such portion to support the continued development of the statewide School-to-Work Opportunities system of the State through the continuation of activities that are carried out in accordance with the terms of such grant.

(2) Permissible flexible workforce activities.—The State may use a portion of the funds made available to the State under this subtitle through the flex account—

(A) to carry out workforce employment activities through the statewide system; and

(B) to carry out workforce education activities through the statewide system.

(e) Economic Development Activities.—In the case of a State that meets the requirements of section 728(c), the State may use a portion of the funds made available to the State under this subtitle through the flex account to supplement other funds provided by the State or private sector—

(1) to provide customized assessments of the skills of workers and an analysis of the skill needs of employers;

(2) to assist consortia of small- and medium-size employers in upgrading the skills of their workforces;

(3) to provide productivity and quality improvement training programs for the workforces of small- and medium-size employers;

(4) to provide recognition and use of voluntary industry-developed skills standards by employers, schools, and training institutions;

(5) to carry out training activities in companies that are developing modernization plans in conjunction with State industrial extension service offices; and

(6) to provide on-site, industry-specific training programs supportive of industrial and economic development;

through the statewide system.

(f) Limitations.—

(1) Wages.—No funds provided under this subtitle shall be used to pay the wages of incumbent workers during their participation in economic development activities provided through the statewide system.

(2) Relocation.—No funds provided under this subtitle shall be used or proposed for use to encourage or induce the relocation, of a business or part of a business, that results in a loss of employment for any employee of such business at the original location.

(3) Training and assessments following relocation.—No funds provided under this subtitle shall be used for customized or skill training, on-the-job training, or company specific assessments of job applicants or workers, for any business or part of a business, that has relocated, until 120 days after the date on which such business commences operations at the new location, if the relocation of such business or part of a business, results in a loss of employment for any worker of such business at the original location.

(g) Limitations on Participants.—

(1) Diploma or equivalent.—

(A) In general.—No individual may participate in workforce employment activities described in subparagraph (A), (B), (C), (E), (G), (J), or (K) of subsection (a)(6) until the individual has obtained a secondary school diploma or its recognized equivalent, or is enrolled in a program or course of study to obtain a secondary school diploma or its recognized equivalent.

(B) Exception.—Nothing in subparagraph (A) shall prevent participation in workforce employment activities described under subparagraph (A), (B), (C), (E), (G), (J), or (K) of subsection (a)(6) by individuals who, after testing and in the judgment of medical, psychiatric, academic, or other appropriate professionals, lack the requisite capacity to complete successfully a course of study that would lead to a secondary school diploma or its recognized equivalent.

(2) Services.—

(A) Referral.—If an individual who has not obtained a secondary school diploma or its recognized equivalent applies to participate in workforce employment activities described under subparagraph (A), (B), (C), (E), (G), (J), or (K) of subsection (a)(6), such individual shall be referred to State approved adult education services that provide instruction designed to help such individual obtain a secondary school diploma or its recognized equivalent.

(B) State provision of services.—Notwithstanding any other provision of this title, a State may use funds made available under section 713(a)(1) to provide State approved adult education services that provide instruction designed to help individuals obtain a secondary school diploma or its recognized equivalent, to individuals who—

(i) are seeking to participate in workforce employment activities described under subparagraph (A), (B), (C), (E), (G), (J), or (K) of subsection (a)(6); and

(ii) are otherwise unable to obtain such services.

SEC. 717. INDIAN WORKFORCE DEVELOPMENT ACTIVITIES.

(a) Purpose.—

(1) In general.—The purpose of this section is to support workforce development activities for Indian and Native Hawaiian individuals in order—

(A) to develop more fully the academic, occupational, and literacy skills of such individuals;

(B) to make such individuals more competitive in the workforce; and

(C) to promote the economic and social development of Indian and Native Hawaiian communities in accordance with the goals and values of such communities.

(2) Indian policy.—All programs assisted under this section shall be administered in a manner consistent with the principles of the Indian Self-Determination and Education Assistance Act (25 U.S.C. 450 et seq.) and the government-to-government relationship between the Federal Government and Indian tribal governments.

(b) Definitions.—As used in this section:

(1) Alaska native.—The term "Alaska Native" means a Native as such term is defined in section 3(b) of the Alaska Native Claims Settlement Act (43 U.S.C. 1602(b)).

(2) Indian, indian tribe, and tribal organization.—The terms "Indian", "Indian tribe", and "tribal organization" have the same meanings given such terms in subsections (d), (e) and (l), respectively, of section 4 of the Indian Self-Determination and Education Assistance Act (25 U.S.C. 450b).

(3) Institution of higher education.—The term "institution of higher education" has the meaning given the term in section 1201(a) of the Higher Education Act of 1965 (20 U.S.C. 1141(a)).

(4) Native hawaiian and native hawaiian organization.—The terms "Native Hawaiian" and "Native Hawaiian organization" have the same meanings given such terms in paragraphs (1) and (3), respectively, of section 9212 of the Native Hawaiian Education Act (20 U.S.C. 7912).

(5) Tribally controlled community college.—The term "tribally controlled community college" has the same meaning given such term in section 2(a)(4) of the Tribally Controlled Community College Assistance Act of 1978 (25 U.S.C. 1801(a)(4)).

(6) Tribally controlled postsecondary vocational institution.—The term "tribally controlled postsecondary vocational institution" means an institution of higher education that—

(A) is formally controlled, or has been formally sanctioned or chartered, by the governing body of an Indian tribe or Indian tribes;

(B) offers a technical degree or certificate granting program;

(C) is governed by a board of directors or trustees, a majority of whom are Indians;

(D) demonstrates adherence to stated goals, a philosophy, or a plan of operation, that fosters individual Indian economic and self-sufficiency opportunity, including programs that are appropriate to stated tribal goals of developing individual entrepreneurships and self-sustaining economic infrastructures on reservations;

(E) has been in operation for at least 3 years;

(F) holds accreditation with or is a candidate for accreditation by a nationally recognized accrediting authority for postsecondary vocational education; and

(G) enrolls the full-time equivalent of not fewer than 100 students, of whom a majority are Indians.

(c) PROGRAM AUTHORIZED.—

(1) ASSISTANCE AUTHORIZED.—From amounts made available under section 734(b)(2), the Secretary of Labor and the Secretary of Education, acting jointly on the advice of the Federal Partnership, shall make grants to, or enter into contracts or cooperative agreements with, Indian tribes and tribal organizations, Alaska Native entities, tribally controlled community colleges, tribally controlled postsecondary vocational institutions, Indian-controlled organizations serving Indians or Alaska Natives, and Native Hawaiian organizations to carry out the authorized activities described in subsection (d).

(2) FORMULA.—The Secretary of Labor and the Secretary of Education, acting jointly on the advice of the Federal Partnership, shall make grants to, or enter into contracts and cooperative agreements with, entities as described in paragraph (1) to carry out the activities described in paragraphs (2) and (3) of subsection (d) on the basis of a formula developed by the Federal Partnership in consultation with entities described in paragraph (1).

(d) AUTHORIZED ACTIVITIES.—

(1) IN GENERAL.—Funds made available under this section shall be used to carry out the activities described in paragraphs (2) and (3) that—

(A) are consistent with this section; and

(B) are necessary to meet the needs of Indians and Native Hawaiians preparing to enter, reenter, or retain unsubsidized employment.

(2) WORKFORCE DEVELOPMENT ACTIVITIES AND SUPPLEMENTAL SERVICES.—

(A) IN GENERAL.—Funds made available under this section shall be used for—

(i) comprehensive workforce development activities for Indians and Native Hawaiians;

(ii) supplemental services for Indian or Native Hawaiian youth on or near Indian reservations in Oklahoma, Alaska, or Hawaii; and

(iii) supplemental services to recipients of public assistance on or near Indian reservations or former reservation areas in Oklahoma or in Alaska.

(B) SPECIAL RULE.—Notwithstanding any other provision of this section, individuals who were eligible to participate in programs under section 401 of the Job Training Partnership Act (29 U.S.C. 1671) (as such section was in effect on the day before the date of enactment of this Act) shall be eligible to participate in an activity assisted under subparagraph (A)(i).

(3) VOCATIONAL EDUCATION, ADULT EDUCATION, AND LITERACY SERVICES.—Funds made available under this section shall be used for—

(A) workforce education activities conducted by entities described in subsection (c)(1); and

(B) the support of tribally controlled postsecondary vocational institutions in order to ensure continuing and expanded educational opportunities for Indian students.

(e) PROGRAM PLAN.—In order to receive a grant or enter into a contract or cooperative agreement under this section an entity described in subsection (c)(1) shall submit to the Federal Partnership a plan that describes a 3-year strategy for meeting the needs of Indian and Native Hawaiian individuals, as appropriate, in the area served by such entity. Such plan shall—

(1) be consistent with the purposes of this section;

(2) identify the population to be served;

(3) identify the education and employment needs of the population to be served and the manner in which the services to be provided will strengthen the ability of the individuals served to obtain or retain unsubsidized employment;

(4) describe the services to be provided and the manner in which such services are to be integrated with other appropriate services; and

(5) describe the goals and benchmarks to be used to assess the performance of entities in carrying out the activities assisted under this section.

(f) FURTHER CONSOLIDATION OF FUNDS.—Each entity receiving assistance under this section may consolidate such assistance with assistance received from related programs in accordance with the provisions of the Indian Employment, Training and Related Services Demonstration Act of 1992 (25 U.S.C. 3401 et seq.).

(g) NONDUPLICATIVE AND NONEXCLUSIVE SERVICES.—Nothing in this section shall be construed—

(1) to limit the eligibility of any entity described in subsection (c)(1) to participate in any program offered by a State or local entity under this title; or

(2) to preclude or discourage any agreement, between any entity described in subsection (c)(1) and any State or local entity, to facilitate the provision of services by such entity or to the population served by such entity.

(h) PARTNERSHIP PROVISIONS.—

(1) OFFICE ESTABLISHED.—There shall be established within the Federal Partnership an office to administer the activities assisted under this section.

(2) CONSULTATION REQUIRED.—

(A) IN GENERAL.—The Federal Partnership, through the office established under paragraph (1), shall develop regulations and policies for activities assisted under this section in consultation with tribal organizations and Native Hawaiian organizations. Such regulations and policies shall take into account the special circumstances under which such activities operate.

(B) ADMINISTRATIVE SUPPORT.—The Federal Partnership shall provide such administrative support to the office established under paragraph (1) as the Federal Partnership determines to be necessary to carry out the consultation required by subparagraph (A).

(3) TECHNICAL ASSISTANCE.—The Federal Partnership, through the office established under paragraph (1), is authorized to provide technical assistance to entities described in subsection (c)(1) that receive assistance under this section to enable such entities to improve the workforce development activities provided by such entities.

SEC. 718. GRANTS TO OUTLYING AREAS.

(a) GENERAL AUTHORITY.—Using funds made available under section 734(b)(3), the Secretary of Labor and the Secretary of Education, acting jointly on the advice of the Federal Partnership, shall make grants to outlying areas to carry out workforce development activities.

(b) APPLICATION.—The Federal Partnership shall issue regulations specifying the provisions of this title that shall apply to outlying areas that receive funds under this subtitle.

CHAPTER 2—LOCAL PROVISIONS

SEC. 721. LOCAL APPORTIONMENT BY ACTIVITY.

(a) WORKFORCE EMPLOYMENT ACTIVITIES.—

(1) IN GENERAL.—The sum of—

(A) the funds made available to a State for any fiscal year under section 713(a)(1), less any portion of such funds made available under section 6 of the Wagner-Peyser Act (29 U.S.C. 49e) or section 901(c)(1)(A) of the Social Security Act (42 U.S.C. 1101(c)(1)(A)); and

(B) the funds made available to a State for any fiscal year under section 713(a)(3) for workforce employment activities;

shall be made available to the Governor of such State for use in accordance with paragraph (2).

KENNEDY AMENDMENT NO. 2632

Mr. MOYNIHAN (for Mr. KENNEDY) proposed an amendment to amendment No. 2280 proposed by Mr. DOLE to the bill H.R. 4, supra, as follows:

On page 359, strike lines 11 through 16 and insert the following:

viduals to participate in the statewide system; and

(N) followup services for participants who are placed in unsubsidized employment.

KENNEDY AMENDMENT NO. 2633

Mr. MOYNIHAN (for Mr. KENNEDY) proposed an amendment to amendment No. 2280 proposed by Mr. DOLE to the bill H.R. 4, supra, as follows:

In section 721(b), strike paragraph (4) and insert the following:

(4) STATE DETERMINATIONS.—From the amount available to a State educational agency under paragraph (2)(B) for a fiscal year, such agency shall distribute such amount for workforce education activities in such State as follows:

(A) 75 percent of such amount shall be distributed for secondary school vocational education in accordance with section 722, or for postsecondary and adult vocational education in accordance with section 723, or for both; and

(B) 25 percent of such amount shall be distributed for adult education in accordance with section 724.

KENNEDY (AND OTHERS) AMENDMENT NO. 2634

Mr. MOYNIHAN (for Mr. KENNEDY, for himself, Mr. LIEBERMAN, Mr. BREAUX, and Mr. CONRAD) proposed an amendment to amendment No. 2280 proposed by Mr. DOLE to the bill H.R. 4, supra, as follows:

On page 17, line 8, insert "and for each of fiscal years 1998, 1999 and 2000, the amount of the State's job placement performance bonus determined under subsection (f)(1) for the fiscal year" after "year".

On page 17, line 22, insert "and the applicable amount specified under subsection (f)(2)(B) for such fiscal year" after "(B)".

On page 29, between lines 15 and 16, insert:

"(f) JOB PLACEMENT PERFORMANCE BONUS.—

"(1) IN GENERAL.—The job placement performance bonus determined with respect to a State and a fiscal year is an amount equal to the amount of the State's allocation of the job placement performance fund determined in accordance with the formula developed under paragraph (2).

"(2) ALLOCATION FORMULA; BONUS FUND.—

"(A) ALLOCATION FORMULA.—

"(i) IN GENERAL.—Not later than September 30, 1996, the Secretary of Health and Human Services shall develop and publish in the Federal Register a formula for allocating amounts in the job placement performance bonus fund to States based on the number of families that received assistance under a State program funded under this part in the preceding fiscal year that became ineligible for assistance under the State program, or the number of families with a reduction in the amount of such assistance, as a result of unsubsidized employment during such year.

"(ii) FACTORS TO CONSIDER.—In developing the allocation formula under clause (i), the Secretary shall—

"(I) provide a greater financial bonus for individuals in families described in clause (i) who remain employed for greater periods of time or are at a greater risk of long-term welfare dependency;

"(II) take into account the unemployment conditions of each State or geographic area; and

"(III) take into account the number of families in each State that received assistance under a State program funded under this part in the preceding fiscal year that became ineligible for assistance under the State program, or the number of families with a reduction in the amount of such assistance, as a result of unsubsidized employment during such year, including fiscal years prior to 1997.

"(B) JOB PLACEMENT PERFORMANCE BONUS FUND.—

"(i) GENERAL.—For purposes of establishing a job placement performance bonus fund and making disbursements from such fund in accordance with subparagraph (A), with respect to a fiscal year there are authorized to be appropriated and there are appropriated an amount equal to the sum of—

"(I)(aa) for fiscal year 1998, $70,000,000;

"(bb) for fiscal year 1999, $140,000,000;

"(cc) for fiscal year 2000, $210,000,000; and

"(II) the amount of the reduction in grants made under this section for the preceding fiscal year resulting from the application of section 407 for the fiscal year involved.

On page 29, line 16, strike "(f)" and insert "(g)".

On page 66, line 7, insert "and a preliminary assessment of the job placement performance bonus established under section 403(f)" before the period.

On page 108, between lines 20 and 21, insert the following new subsection:

(i) REPEAL OF MARKET PROMOTION PROGRAM.—Section 203 of the Agricultural Trade Act of 1978 (7 U.S.C. 5623) is repealed.

KENNEDY AMENDMENT NO. 2635

Mr. MOYNIHAN (for Mr. KENNEDY) proposed an amendment to amendment No. 2280 proposed by Mr. DOLE to the bill H.R. 4, supra, as follows

In section 716(a), add at the end the following:

(11) WORKFORCE EMPLOYMENT ACTIVITIES FOR DISLOCATED WORKERS.—Each State shall use 25 percent of the funds made available to the State for a program year under section 713(a)(1), less any portion of such funds made available under section 901(c)(1)(A) of the Social Security Act (42 U.S.C. 1101(c)(1)(A), to provide workforce employment activities for dislocated workers.

KENNEDY (AND BREAUX) AMENDMENTS NOS. 2636–2638

Mr. MOYNIHAN (for Mr. KENNEDY, for himself and Mr. BREAUX) proposed three amendments to amendment No. 2280 proposed by Mr. DOLE to the bill H.R. 4, supra, as follows:

AMENDMENT NO. 2636

On page 324, strike lines 1 through 3 and insert the following:

(17) LOCAL WORKFORCE DEVELOPMENT BOARD.—The term "local workforce development board" means a board established under section 715.

AMENDMENT NO. 2637

On page 380, strike lines 17 through 22 and insert the following:

(ii) such additional factors as the Governor (in consultation with local workforce development boards) determines to be necessary.

AMENDMENT NO. 2638

Beginning on page 400, strike line 10 and all that follows through page 404, line 1 and insert the following:

the local workforce development board in the substate area.

SEC. 728. LOCAL AGREEMENTS AND WORKFORCE DEVELOPMENT BOARDS.

(a) LOCAL AGREEMENTS.—

(1) IN GENERAL.—After a Governor submits the State plan described in section 714 to the Federal Partnership, the Governor shall negotiate and enter into a local agreement regarding the workforce employment activities, school-to-work activities, and economic development activities (within a State that is eligible to carry out such activities, as described in subsection (c)) to be carried out in each substate area in the State with local workforce development boards.

(2) BUSINESS AND INDUSTRY INVOLVEMENT.—The business and industry representatives on the local workforce development board shall have a lead role in the design, management, and evaluation of the activities to be carried out in the substate area under the local agreement.

(3) CONTENTS.—

(A) STATE GOALS AND STATE BENCHMARKS.—Such an agreement shall include a description of the manner in which funds allocated to a substate area under this subtitle will be spent to meet the State goals and reach the State benchmarks in a manner that reflects local labor market conditions.

(B) COLLABORATION.—The agreement shall also include information that demonstrates the manner in which—

(i) the Governor; and

(ii) the local workforce development board;

collaborated in reaching the agreement.

(4) FAILURE TO REACH AGREEMENT.—If, after a reasonable effort, the Governor is unable to enter into an agreement with the local workforce development board, the Governor shall notify the partnership or board, as appropriate, with the opportunity to comment, not later than 30 days after the date of the notification, on the manner in which funds allocated to such substate area will be spent to meet the State goals and reach the State benchmarks.

(5) EXCEPTION.—A State that indicates in the State plan described in section 714 that the State will be treated as a substate area for purposes of the application of this subtitle shall not be subject to this subsection.

(b) LOCAL WORKFORCE DEVELOPMENT BOARDS.—

(1) IN GENERAL.—Each State shall facilitate

KENNEDY AMENDMENT NO. 2639

Mr. MOYNIHAN (for Mr. KENNEDY) proposed an amendment to amendment No. 2280 proposed by Mr. DOLE to the bill H.R. 4, supra, as follows:

In section 759, strike subsections (b) through (e) and insert the following:

(b) STATE USE OF FUNDS.—

(1) CORE JOB CORPS ACTIVITIES.—The State shall use a portion of the funds made available to the State through an allotment received under subsection (c) to establish and operate Job Corps centers as described in chapter 2, if a center located in the State received assistance under part B of title IV of the Job Training Partnership Act for fiscal year 1996 and was not closed in accordance with section 755.

(2) CORE WORK-BASED LEARNING OPPORTUNITIES.—

(A) IN GENERAL.—The State shall use 25 percent of the funds made available to the State through an allotment received under subsection (c) to make grants to eligible entities in substate areas, in accordance with the procedures described in subsection (e), to assist the substate areas in organizing summer jobs programs that provide work-based learning opportunities in the private and public sectors that are directly linked to year-round school-to-work activities in the substate areas.

(B) LIMITATION.—No funds provided under this subtitle shall be used to displace employed workers.

(3) PERMISSIBLE ACTIVITIES.—The State may use a portion of the funds described in paragraph (1) to—

(A) make grants to eligible entities in substate areas, in accordance with the procedures described in subsection (e), to assist each such entity in carrying out alternative programs to assist out-of-school at-risk youth in participating in school-to-work activities in the substate area; and

(B) carry out other workforce development activities specifically for at-risk youth.

(c) ALLOTMENTS.—

(1) IN GENERAL.—The Secretary of Labor and the Secretary of Education, acting jointly on the advice of the Federal Partnership, shall allot to each State an amount equal to the total of—

(A) the amount made available to the State under paragraph (2); and

(B) the amounts made available to the State under subparagraphs (C), (D), and (E) of paragraph (3).

(2) ALLOTMENTS BASED ON FISCAL YEAR 1996 APPROPRIATIONS.—Using a portion of the funds appropriated under subsection (g) for a fiscal year, the Secretary of Labor and the Secretary of Education, acting jointly on the advice of the Federal Partnership, shall make available to each State the amount that Job Corps centers in the State expended for fiscal year 1996 under part B of title IV of the Job Training Partnership Act to carry out activities related to the direct operation of the centers, as determined under section 755(a)(2).

(3) ALLOTMENTS BASED ON POPULATIONS.—

(A) DEFINITIONS.—As used in this paragraph:

(i) INDIVIDUAL IN POVERTY.—The term "individual in poverty" means an individual who—

(I) is not less than age 18;

(II) is not more than age 64; and

(III) is a member of a family (of 1 or more members) with an income at or below the poverty line.

(ii) POVERTY LINE.—The term "poverty line" means the poverty line (as defined by the Office of Management and Budget, and revised annually in accordance with section 673(2) of the Community Services Block Grant Act (42 U.S.C. 9902(2)) applicable to a family of the size involved, using the most recent available data provided by the Bureau of the Census, prior to the program year for which the allotment is made, and applying the definition of poverty used by the Bureau of the Census in compiling the 1990 decennial census.

(B) Total allotments.—The Secretary of Labor and the Secretary of Education, acting jointly on the advice of the Federal Partnership, shall use the remainder of the funds that are appropriated under subsection (g) for a fiscal year, and that are not made available under paragraph (2), to make amounts available under this paragraph.

(C) Unemployed individuals.—From funds equal to 33⅓ percent of such remainder, the Secretary of Labor and the Secretary of Education, acting jointly on the advice of the Federal Partnership, shall make available to each State an amount that bears the same relationship to such funds as the average number of unemployed individuals (as determined by the Secretary of Labor for the most recent 24-month period for which data are available, prior to the program year for which the allotment is made) in the State bears to the average number of unemployed individuals (as so determined) in the United States.

(D) Individuals in poverty.—From funds equal to 33⅓ percent of such remainder, the Secretary of Labor and the Secretary of Education, acting jointly on the advice of the Federal Partnership, shall make available to each State an amount that bears the same relationship to such funds as the total number of individuals in poverty in the State bears to the total number of individuals in poverty in the United States.

(E) At-risk youth.—From funds equal to 33⅓ percent of such remainder, the Secretary of Labor and the Secretary of Education, acting jointly on the advice of the Federal Partnership, shall make available to each State an amount that bears the same relationship to such funds as the total number of at-risk youth in the State bears to the total number of at-risk youth in the United States.

(d) State Plan.—

(1) Information.—To be eligible to receive an allotment under subsection (c), a State shall include, in the State plan to be submitted under section 714, information describing the allocation within the State of the funds made available through the allotment, and how the programs and activities described in subsection (b) will be carried out to meet the State goals and reach the State benchmarks.

(2) Limitation.—A State may not be required to include the information described in paragraph (1) in the State plan to be submitted under section 714 to be eligible to receive an allotment under section 712.

(e) Application.—To be eligible to receive a grant under paragraph (2) or (3)(A) of subsection (b) from a State to carry out programs in a substate area, an entity shall prepare and submit an application to the Governor of the State at such time, in such manner, and containing such information as the Governor may require. The Governor may establish criteria for reviewing such applications. Any such criteria shall, at a minimum, include the extent to which the local partnership described in section 728(a) (or, where established, the local workforce development board described in section 728(b)) for the substate area approves of such application.

KENNEDY AMENDMENTS NOS. 2640–2660

Mr. MOYNIHAN (for Mr. Kennedy) proposed 21 amendments to amendment No. 2280 proposed by Mr. Dole to the bill H.R. 4, supra, as follows:

Amendment No. 2640

At the end of section 716(f), insert the following:

(4) Displacement.—No funds provided under this title shall be used in a manner that would result in—

(A) the displacement of any currently employed worker (including partial displacement such as a reduction in wages, hours of nonovertime work, or employment benefits) or the impairment of an existing contract for services or collective bargaining agreement; or

(B) the employment or assignment of a participant to fill a position when—

(i) any other person is on layoff from the same or a substantially equivalent position; or

(ii) the employer has terminated the employment of any other employee or otherwise reduced its workforce in order to fill the vacancy so created with a participant subsidized under this title.

(5) Health and safety.—Health and safety standards established under Federal and State law otherwise applicable to working conditions of employees shall be equally applicable to working conditions of participants engaged in work activities pursuant to this title. Appropriate workers' compensation and tort claims protections shall be provided to participants on the same basis as such protections are provided to other individuals in the State in similar employment (as determined under regulations issued by the Secretary of Labor).

(6) Employment conditions.—Participants employed or assigned to work in positions subsidized under this title shall be provided benefits and working conditions at the same level and to the same extent as other employees working a similar length of time and doing the same type of work.

(7) Dispute resolution procedure.—The State shall establish and maintain (pursuant to regulations issued by the Secretary of Labor) a dispute resolution procedure for resolving complaints alleging violations of any of the prohibitions or requirements described in this subsection. Such procedure shall include an opportunity for a hearing and shall be completed not later than the 90th day after the date of the submission of a complaint, by which day the complainant shall be provided a written decision by the State. A decision of the State under such procedure, or a failure of a State to issue a decision within the 90-day period, may be appealed to the Secretary of Labor, who shall investigate the allegations contained in the complaint and make a determination not later than 60 days after the date of the appeal as to whether a violation of a prohibition or requirement of this subsection has occurred.

(8) Remedies.—

(A) In general.—Except as provided in subparagraphs (B) and (C), remedies that may be imposed under this paragraph for violations of the prohibitions and requirements described in this subsection shall be limited to—

(i) suspension or termination of payments under this title;

(ii) prohibition of placement of any participant, for an appropriate period of time, with an employer that has violated this subsection; and

(iii) appropriate equitable relief (other than back pay).

(B) Exceptions.—

(i) Repayment.—If the Secretary of Labor determines that a violation of paragraph (2) or (3) has occurred, the Secretary of Labor shall require the State or substate recipient of funds that has violated paragraph (2) or (3), respectively, to repay to the United States an amount equal to the amount expended in violation of paragraph (2) or (3), respectively.

(ii) Additional remedies.—In addition to the remedies available under subparagraph (A), remedies available under this paragraph for violations of paragraph (4) may include—

(I) reinstatement of the displaced employee to the position held by such employee prior to displacement;

(II) payment of lost wages and benefits of the employee; and

(III) reestablishment of other relevant terms, conditions, and privileges of employment of the employee.

(C) Other laws or contracts.—Nothing in this paragraph shall be construed to prohibit a complainant from pursuing a remedy authorized under another Federal, State, or local law or a contract or collective bargaining agreement for a violation of the prohibitions or requirements described in this subsection.

Amendment No. 2641

On page 337, strike lines 4 through 20 and insert the following:

(a) Activities.—From the sum of the funds made available to a State through an allotment received under section 712 and the funds made available under section 901(c)(1)(A) of the Social Security Act (42 U.S.C. 1101(c)(1)(A)) to carry out this title for a program year—

(1) a portion equal to 40 percent of such sum (which portion shall include the amount allotted to the State from funds made available under section 901(c)(1)(A) of the Social Security Act) shall be made available for workforce employment activities or activities described in section 716(a)(10);

(2) a portion equal to 25 percent of such sum shall be made available for workforce education activities; and

(3) a portion (referred to in this title as the "flex account") equal to 35 percent of such sum shall be made available for flexible workforce activities.

Amendment No. 2642

In section 759, strike subsections (b) through (e) and insert the following:

(b) State Use of Funds.—

(1) Core job corps activities.—The State shall use a portion of the funds made available to the State through an allotment received under subsection (c) to establish and operate Job Corps centers as described in chapter 2, if a center located in the State received assistance under part B of title IV of the Job Training Partnership Act for fiscal year 1996 and was not closed in accordance with section 755.

(2) Core work-based learning opportunities.—

(A) In general.—The State shall use a portion of the funds made available to the State through an allotment received under subsection (c) to make grants to eligible entities in substate areas, in accordance with the procedures described in subsection (e), to assist the substate areas in organizing summer jobs programs that provide work-based learning opportunities in the private and public sectors that are directly linked to year-round school-to-work activities in the substate areas.

(B) Limitation.—No funds provided under this subtitle shall be used to displace employed workers.

(3) Permissible activities.—The State may use a portion of the funds described in paragraph (1) to—

(A) make grants to eligible entities in substate areas, in accordance with the procedures described in subsection (e), to assist each such entity in carrying out alternative programs to assist out-of-school at-risk youth in participating in school-to-work activities in the substate area; and

(B) carry out other workforce development activities specifically for at-risk youth.

(c) Allotments.—

(1) In general.—The Secretary of Labor and the Secretary of Education, acting jointly on the advice of the Federal Partnership, shall allot to each State an amount equal to the total of—

(A) the amount made available to the State under paragraph (2); and

(B) the amounts made available to the State under subparagraphs (C), (D), and (E) of paragraph (3).

(2) Allotments based on fiscal year 1996 appropriations.—Using a portion of the funds appropriated under subsection (g) for a fiscal year, the Secretary of Labor and the Secretary of Education, acting jointly on the advice of the Federal Partnership, shall make available to each State the amount that Job Corps centers in the State expended for fiscal year 1996 under part B of title IV of the Job Training Partnership Act to carry out activities related to the direct operation of the centers, as determined under section 755(a)(2).

(3) Allotments based on populations.—

(A) Definitions.—As used in this paragraph:

(i) Individual in poverty.—The term "individual in poverty" means an individual who—

(I) is not less than age 18;

(II) is not more than age 64; and

(III) is a member of a family (of 1 or more members) with an income at or below the poverty line.

(ii) Poverty line.—The term "poverty line" means the poverty line (as defined by the Office of Management and Budget, and revised annually in accordance with section 673(2) of the Community Services Block Grant Act (42 U.S.C. 9902(2)) applicable to a family of the size involved, using the most recent available data provided by the Bureau of the Census, prior to the program year for which the allotment is made, and applying the definition of poverty used by the Bureau of the Census in compiling the 1990 decennial census.

(B) Total allotments.—The Secretary of Labor and the Secretary of Education, acting jointly on the advice of the Federal Partnership, shall use the remainder of the funds that are appropriated under subsection (g) for a fiscal year, and that are not made available under paragraph (2), to make amounts available under this paragraph.

(C) Unemployed individuals.—From funds equal to 33⅓ percent of such remainder, the Secretary of Labor and the Secretary of Education, acting jointly on the advice of the Federal Partnership, shall make available to each State an amount that bears the same relationship to such funds as the average number of unemployed individuals (as determined by the Secretary of Labor for the most recent 24-month period for which data are available, prior to the program year for which the allotment is made) in the State bears to the average number of unemployed individuals (as so determined) in the United States.

(D) Individuals in poverty.—From funds equal to 33⅓ percent of such remainder, the Secretary of Labor and the Secretary of Education, acting jointly on the advice of the Federal Partnership, shall make available to each State an amount that bears the same relationship to such funds as the total number of individuals in poverty in the State bears to the total number of individuals in poverty in the United States.

(E) At-risk youth.—From funds equal to 33⅓ percent of such remainder, the Secretary of Labor and the Secretary of Education, acting jointly on the advice of the Federal Partnership, shall make available to each State an amount that bears the same relationship to such funds as the total number of at-risk youth in the State bears to the total number of at-risk youth in the United States.

(d) State Plan.—

(1) Information.—To be eligible to receive an allotment under subsection (c), a State shall include, in the State plan to be submitted under section 714, information describing the allocation within the State of the funds made available through the allotment, and how the programs and activities described in subsection (b) will be carried out to meet the State goals and reach the State benchmarks.

(2) Limitation.—A State may not be required to include the information described in paragraph (1) in the State plan to be submitted under section 714 to be eligible to receive an allotment under section 712.

(e) Application.—To be eligible to receive a grant under paragraph (2) or (3)(A) of subsection (b) from a State to carry out programs in a substate area, an entity shall prepare and submit an application to the Governor of the State at such time, in such manner, and containing such information as the Governor may require. The Governor may establish criteria for reviewing such applications. Any such criteria shall, at a minimum, include the extent to which the local partnership described in section 728(a) (or, where established, the local workforce development board described in section 728(b)) for the substate area approves of such application.

Amendment No. 2643

On page 424, line 8, strike "$6,127,000,000" and insert "$8,100,000,000".

Amendment No. 2644

Beginning on page 366, strike line 24 and all that follows through page 367, line 24, and insert the following:

(e) Economic Development Activities.—

(1) In general.—In the case of a State that meets the requirements of section 728(c), the State may, subject to paragraph (2), use not more than 10 percent of the funds made available to the State under this subtitle through the flex account to supplement other funds provided by the State or private sector—

(A) to provide customized assessments of the skills of workers and an analysis of the skill needs of employers;

(B) to assist consortia of small- and medium-size employers in upgrading the skills of their workforces;

(C) to provide productivity and quality improvement training programs for the workforces of small- and medium-size employers;

(D) to provide recognition and use of voluntary industry-developed skills standards by employers, schools, and training institutions;

(E) to carry out training activities in companies that are developing modernization plans in conjunction with State industrial extension service offices; and

(F) to provide on-site, industry-specific training programs supportive of industrial and economic development;

through the statewide system.

(2) Conditions.—In order for a State to be eligible to use funds described in paragraph (1) to award a grant to provide services described in paragraph (1)—

(A) the State shall make available (directly or through donations from the affected employers or businesses) non-Federal contributions in an amount equal to not less than $1 for every $1 of Federal funds provided under the grant;

(B) the services are designed to result in an increase in the wages of the incumbent workers served; and

(C) the providers of the services are—

(i) eligible to provide services under the Higher Education Act of 1965 (20 U.S.C. 1001 et seq.); or

(ii) determined to be eligible, under procedures established by the Governor, to receive payment through vouchers as described in subsection (a)(9)(B)(i)(III).

Amendment No. 2645

On page 407, line 16, strike "the funds" and insert "not more than 10 percent of the funds".

Amendment No. 2646

Beginning on page 333, line 20, strike all through page 569, line 2, and insert the following:

734(b)(7), the Secretary of Labor and the Secretary of Education, acting jointly on the advice of the Federal Partnership—

(A) using funds equal to 60 percent of such reserved amount, shall make available to each State an amount that bears the same relationship to such funds as the total number of individuals who are not less than 15 and not more than 65 (as determined by the Federal Partnership using the most recent available data provided by the Bureau of the Census, prior to the program year for which the allotment is made) in the State bears to the total number of such individuals in all States;

(B) using funds equal to 10 percent of such reserved amount, shall make available to each State an amount that bears the same relationship to such funds as the total number of individuals in poverty in the State bears to the total number of individuals in poverty in all States;

(C) using funds equal to 10 percent of such reserved amount, shall make available to each State an amount that bears the same relationship to such funds as the average number of unemployed individuals (as determined by the Secretary of Labor for the most recent 24-month period for which data are available, prior to the program year for which the allotment is made) in the State bears to the average number of unemployed individuals (as so determined) in all States; and

(D) using funds equal to 20 percent of such reserved amount, shall make available to each State an amount that bears the same relationship to such funds as the average monthly number of adult recipients of assistance (as determined by the Secretary of Health and Human Services for the most recent 12-month period for which data are available, prior to the program year for which the allotment is made) in the State bears to the average monthly number of adult recipients of assistance (as so determined) in all States.

(c) ADJUSTMENTS.—

(1) DEFINITION.—As used in this subsection, the term "national average per capita payment", used with respect to a program year, means the amount obtained by dividing—

(A) the total amount allotted to all States under this section for the program year; by

(B) the total number of individuals who are not less than 15 and not more than 65 (as determined by the Federal Partnership using the most recent available data provided by the Bureau of the Census, prior to the program year for which the allotment is made) in all States.

(2) MINIMUM ALLOTMENT.—Except as provided in paragraph (3), no State with a State plan approved under section 714 for a program year shall receive an allotment under this section for the program year in an amount that is less than 0.5 percent of the amount reserved under section 734(b)(7) for the program year.

(3) LIMITATION.—No State that receives an increase in an allotment under this section for a program year as a result of the application of paragraph (2) shall receive an allotment under this section for the program year in an amount that is more than the product obtained by multiplying—

(A) the total number of individuals who are not less than 15 and not more than 65 (as determined by the Federal Partnership using the most recent available data provided by the Bureau of the Census, prior to the program year for which the allotment is made) in the State; and

(B) the product obtained by multiplying—

(i) 1.3; and

(ii) the national average per capita payment for the program year.

SEC. 713. STATE APPORTIONMENT BY ACTIVITY.

(a) ACTIVITIES.—From the sum of the funds made available to a State through an allotment received under section 712 and the funds made available under section 901(c)(1)(A) of the Social Security Act (42 U.S.C. 1101(c)(1)(A)) to carry out this title for a program year—

(1) a portion equal to 25 percent of such sum (which portion shall include the amount allotted to the State from funds made available under section 901(c)(1)(A) of the Social Security Act) shall be made available for workforce employment activities;

(2) a portion equal to 25 percent of such sum shall be made available for workforce education activities; and

(3) a portion (referred to in this title as the "flex account") equal to 50 percent of such sum shall be made available for flexible workforce activities.

(b) RECIPIENTS.—In making an allotment under section 712 to a State, the Secretary of Labor and the Secretary of Education, acting jointly, shall make a payment—

(1) to the Governor of the State for the portion described in subsection (a)(1), and such part of the flex account as the Governor may be eligible to receive, as determined under the State plan of the State submitted under section 714; and

(2) to the State educational agency of the State for the portion described in subsection (a)(2), and such part of the flex account as the State educational agency may be eligible to receive, as determined under the State plan of the State submitted under section 714.

SEC. 714. STATE PLANS.

(a) IN GENERAL.—For a State to be eligible to receive an allotment under section 712, the Governor of the State shall submit to the Federal Partnership, and obtain approval of, a single comprehensive State workforce development plan (referred to in this section as a "State plan"), outlining a 3-year strategy for the statewide system of the State.

(b) PARTS.—

(1) IN GENERAL.—The State plan shall contain 3 parts.

(2) STRATEGIC PLAN AND FLEXIBLE WORKFORCE ACTIVITIES.—The first part of the State plan shall describe a strategic plan for the statewide system, including the flexible workforce activities, and, if appropriate, economic development activities, that are designed to meet the State goals and reach the State benchmarks and are to be carried out with the allotment. The Governor shall develop the first part of the State plan, using procedures that are consistent with the procedures described in subsection (d).

(3) WORKFORCE EMPLOYMENT ACTIVITIES.—The second part of the State plan shall describe the workforce employment activities that are designed to meet the State goals and reach the State benchmarks and are to be carried out with the allotment. The Governor shall develop the second part of the State plan.

(4) WORKFORCE EDUCATION ACTIVITIES.—The third part of the State plan shall describe the workforce education activities that are designed to meet the State goals and reach the State benchmarks and are to be carried out with the allotment. The State educational agency of the State shall develop the third part of the State plan in consultation, where appropriate, with the State postsecondary education agency and with community colleges.

(c) CONTENTS OF THE PLAN.—The State plan shall include—

(1) with respect to the strategic plan for the statewide system—

(A) information describing how the State will identify the current and future workforce development needs of the industry sectors most important to the economic competitiveness of the State;

(B) information describing how the State will identify the current and future workforce development needs of all segments of the population of the State;

(C) information identifying the State goals and State benchmarks and how the goals and benchmarks will make the statewide system relevant and responsive to labor market and education needs at the local level;

(D) information describing how the State will coordinate workforce development activities to meet the State goals and reach the State benchmarks;

(E) information describing the allocation within the State of the funds made available through the flex account for the State, and how the flexible workforce activities, including school-to-work activities, to be carried out with such funds will be carried out to meet the State goals and reach the State benchmarks;

(F) information identifying how the State will obtain the active and continuous participation of business, industry, and labor in the development and continuous improvement of the statewide system;

(G) information identifying how any funds that a State receives under this subtitle will be leveraged with other public and private resources to maximize the effectiveness of such resources for all workforce development activities, and expand the participation of business, industry, labor, and individuals in the statewide system;

(H) information identifying how the workforce development activities to be carried out with funds received through the allotment will be coordinated with programs carried out by the Veterans' Employment and Training Service with funds received under title 38, United States Code, in order to meet the State goals and reach the State benchmarks related to veterans;

(I) information describing how the State will eliminate duplication in the administration and delivery of services under this title;

(J) information describing the process the State will use to independently evaluate and continuously improve the performance of the statewide system, on a yearly basis, including the development of specific performance indicators to measure progress toward meeting the State goals;

(K) an assurance that the funds made available under this subtitle will supplement and not supplant other public funds expended to provide workforce development activities;

(L) information identifying the steps that the State will take over the 3 years covered by the plan to establish common data collection and reporting requirements for workforce development activities and vocational rehabilitation program activities;

(M) with respect to economic development activities, information—

(i) describing the activities to be carried out with the funds made available under this subtitle;

(ii) describing how the activities will lead directly to increased earnings of nonmanagerial employees in the State; and

(iii) describing whether the labor organization, if any, representing the nonmanagerial employees supports the activities;

(N) the description referred to in subsection (d)(1); and

(O)(i) information demonstrating the support of individuals and entities described in subsection (d)(1) for the plan; or

(ii) in a case in which the Governor is unable to obtain the support of such individuals and entities as provided in subsection (d)(2), the comments referred to in subsection (d)(2)(B),

(2) with respect to workforce employment activities, information—

(A)(i) identifying and designating substate areas, including urban and rural areas, to which funds received through the allotment will be distributed, which areas shall, to the extent feasible, reflect local labor market areas; or

(ii) stating that the State will be treated as a substate area for purposes of the application of this subtitle, if the State receives an increase in an allotment under section 712 for a program year as a result of the application of section 712(c)(2); and

(B) describing the basic features of one-stop delivery of core services described in section 716(a)(2) in the State, including information regarding—

(i) the strategy of the State for developing fully operational one-stop delivery of core services described in section 716(a)(2);

(ii) the time frame for achieving the strategy;

(iii) the estimated cost for achieving the strategy;

(iv) the steps that the State will take over the 3 years covered by the plan to provide individuals with access to one-stop delivery of core services described in section 716(a)(2);

(v) the steps that the State will take over the 3 years covered by the plan to provide information through the one-stop delivery to individuals on the quality of workforce employment activities, workforce education activities, and vocational rehabilitation program activities, provided through the statewide system;

(vi) the steps that the State will take over the 3 years covered by the plan to link services provided through the one-stop delivery with services provided through State welfare agencies; and

(vii) in a case in which the State chooses to use vouchers to deliver workforce employment activities, the steps that the State will take over the 3 years covered by the plan to comply with the requirements in section 716(a)(9) and the information required in such section;

(C) identifying performance indicators that relate to the State goals, and to the State benchmarks, concerning workforce employment activities;

(D) describing the workforce employment activities to be carried out with funds received through the allotment;

(E) describing the steps that the State will take over the 3 years covered by the plan to establish a statewide comprehensive labor market information system described in section 773(c) that will be utilized by all the providers of one-stop delivery of core services described in section 716(a)(2), providers of other workforce employment activities, and providers of workforce education activities, in the State;

(F) describing the steps that the State will take over the 3 years covered by the plan to establish a job placement accountability system described in section 731(d);

(G) describing the process the State will use to approve all providers of workforce employment activities through the statewide system; and

(H)(i) describing the steps that the State will take to segregate the amount allotted to the State from funds made available under section 901(c)(1)(A) of the Social Security Act (42 U.S.C. 1101(c)(1)(A)) from the remainder of the portion described in section 713(a)(1); and

(ii) describing how the State will use the amount allotted to the State from funds made available under such section 901(c)(1)(A) to carry out the required activities described in clauses (ii) through (v) of section 716(a)(2)(B) and section 773;

(3) with respect to workforce education activities, information—

(A) describing how funds received through the allotment will be allocated among—

(i) secondary school vocational education, or postsecondary and adult vocational education, or both; and

(ii) adult education;

(B) identifying performance indicators that relate to the State goals, and to the State benchmarks, concerning workforce education activities;

(C) describing the workforce education activities that will be carried out with funds received through the allotment;

(D) describing how the State will address the adult education needs of the State;

(E) describing how the State will disaggregate data relating to at-risk youth in order to adequately measure the progress of at-risk youth toward accomplishing the results measured by the State goals, and the State benchmarks;

(F) describing how the State will adequately address the needs of both at-risk youth who are in school, and out-of-school youth, in alternative education programs that teach to the same challenging academic, occupational, and skill proficiencies as are provided for in-school youth;

(G) describing how the workforce education activities described in the State plan and the State allocation of funds received through the allotment for such activities are an integral part of comprehensive efforts of the State to improve education for all students and adults;

(H) describing how the State will annually evaluate the effectiveness of the State plan with respect to workforce education activities;

(I) describing how the State will address the professional development needs of the State with respect to workforce education activities;

(J) describing how the State will provide local educational agencies in the State with technical assistance; and

(K) describing how the State will assess the progress of the State in implementing student performance measures.

(d) Procedure for Development of Part of Plan Relating to Strategic Plan.—

(1) Description of development.—The part of the State plan relating to the strategic plan shall include a description of the manner in which—

(A) the Governor;

(B) the State educational agency;

(C) representatives of business and industry, including representatives of key industry sectors, and of small- and medium-size and large employers, in the State;

(D) representatives of labor and workers;

(E) local elected officials from throughout the State;

(F) the State agency officials responsible for vocational education;

(G) the State agency officials responsible for postsecondary education;

(H) the State agency officials responsible for adult education;

(I) the State agency officials responsible for vocational rehabilitation;

(J) such other State agency officials, including officials responsible for economic development and employment, as the Governor may designate;

(K) the representative of the Veterans' Employment and Training Service assigned to the State under section 4103 of title 38, United States Code; and

(L) other appropriate officials, including members of the State workforce development board described in section 715, if the State has established such a board;

collaborated in the development of such part of the plan.

(2) Failure to obtain support.—If, after a reasonable effort, the Governor is unable to obtain the support of the individuals and entities described in paragraph (1) for the strategic plan the Governor shall—

(A) provide such individuals and entities with copies of the strategic plan;

(B) allow such individuals and entities to submit to the Governor, not later than the end of the 30-day period beginning on the date on which the Governor provides such individuals and entities with copies of such plan under subparagraph (A), comments on such plan; and

(C) include any such comments in such plan.

(e) Approval.—The Secretary of Labor and the Secretary of Education, acting jointly on the advice of the Federal Partnership, shall approve a State plan if—

(1) the Federal Partnership determines that the plan contains the information described in subsection (c);

(2) the Federal Partnership determines that the State has prepared the plan in accordance with the requirements of this section, including the requirements relating to development of any part of the plan; and

(3) the State benchmarks for the State have been negotiated and approved in accordance with section 731(c).

(f) No Entitlement to a Service.—Nothing in this title shall be construed to provide any individual with an entitlement to a service provided under this title.

SEC. 715. STATE WORKFORCE DEVELOPMENT BOARDS.

(a) Establishment.—A Governor of a State that receives an allotment under section 712 may establish a State workforce development board—

(1) on which a majority of the members are representatives of business and industry;

(2) on which not less than 25 percent of the members shall be representatives of labor, workers, and community-based organizations;

(3) that shall include representatives of veterans;

(4) that shall include a representative of the State educational agency and a representative from the State agency responsible for vocational rehabilitation;

(5) that may include any other individual or entity that participates in the collaboration described in section 714(d)(1); and

(6) that may include any other individual or entity the Governor may designate.

(b) Chairperson.—The State workforce development board shall select a chairperson from among the members of the board who are representatives of business and industry.

(c) Functions.—The functions of the State workforce development board shall include—

(1) advising the Governor on the development of the statewide system, the State plan described in section 714, and the State goals and State benchmarks;

(2) assisting in the development of specific performance indicators to measure progress toward meeting the State goals and reaching the State benchmarks and providing guidance on how such progress may be improved;

(3) serving as a link between business, industry, labor, and the statewide system;

(4) assisting the Governor in preparing the annual report to the Federal Partnership regarding progress in reaching the State benchmarks, as described in section 731(a);

(5) receiving and commenting on the State plan developed under section 101 of the Rehabilitation Act of 1973 (29 U.S.C. 721);

(6) assisting the Governor in developing the statewide comprehensive labor market information system described in section 773(c) to provide information that will be utilized by all the providers of one-stop delivery of core services described in section 716(a)(2), providers of other workforce employment activities, and providers of workforce education activities, in the State; and

(7) assisting in the monitoring and continuous improvement of the performance of the statewide system, including evaluation of the effectiveness of workforce development activities funded under this title.

SEC. 716. USE OF FUNDS.

(a) Workforce Employment Activities.—

(1) In general.—Funds made available to a State under this subtitle to carry out workforce employment activities through a statewide system—

(A) shall be used to carry out the activities described in paragraphs (2), (3), and (4); and

(B) may be used to carry out the activities described in paragraphs (5), (6), (7), and (8), including providing activities described in paragraph (6) through vouchers described in paragraph (9).

(2) One-stop delivery of core services.—

(A) Access.—The State shall use a portion of the funds described in paragraph (1) to establish a means of providing access to the statewide system through core services described in subparagraph (B) available—

(i) through multiple, connected access points, linked electronically or otherwise;

(ii) through a network that assures participants that such core services will be available regardless of where the participants initially enter the statewide system;

(iii) at not less than 1 physical location in each substate area of the State; or

(iv) through some combination of the options described in clauses (i), (ii), and (iii).

(B) CORE SERVICES.—The core services referred to in subparagraph (A) shall, at a minimum, include—

(i) outreach, intake, and orientation to the information and other services available through one-stop delivery of core services described in this subparagraph;

(ii) initial assessment of skill levels, aptitudes, abilities, and supportive service needs;

(iii) job search and placement assistance and, where appropriate, career counseling;

(iv) customized screening and referral of qualified applicants to employment;

(v) provision of accurate information relating to local labor market conditions, including employment profiles of growth industries and occupations within a substate area, the educational and skills requirements of jobs in the industries and occupations, and the earnings potential of the jobs;

(vi) provision of accurate information relating to the quality and availability of other workforce employment activities, workforce education activities, and vocational rehabilitation program activities;

(vii) provision of information regarding how the substate area is performing on the State benchmarks;

(viii) provision of initial eligibility information on forms of public financial assistance that may be available in order to enable persons to participate in workforce employment activities, workforce education activities, or vocational rehabilitation program activities; and

(ix) referral to other appropriate workforce employment activities, workforce education activities, and vocational rehabilitation employment activities.

(3) LABOR MARKET INFORMATION SYSTEM.—The State shall use a portion of the funds described in paragraph (1) to establish a statewide comprehensive labor market information system described in section 773(c).

(4) JOB PLACEMENT ACCOUNTABILITY SYSTEM.—The State shall use a portion of the funds described in paragraph (1) to establish a job placement accountability system described in section 731(d).

(5) PERMISSIBLE ONE-STOP DELIVERY ACTIVITIES.—The State may provide, through one-stop delivery—

(A) co-location of services related to workforce development activities, such as unemployment insurance, vocational rehabilitation program activities, welfare assistance, veterans' employment services, or other public assistance;

(B) intensive services for participants who are unable to obtain employment through the core services described in paragraph (2)(B), as determined by the State; and

(C) dissemination to employers of information on activities carried out through the statewide system.

(6) OTHER PERMISSIBLE ACTIVITIES.—The State may use a portion of the funds described in paragraph (1) to provide services through the statewide system that may include—

(A) on-the-job training;

(B) occupational skills training;

(C) entrepreneurial training;

(D) training to develop work habits to help individuals obtain and retain employment;

(E) customized training conducted with a commitment by an employer or group of employers to employ an individual after successful completion of the training;

(F) rapid response assistance for dislocated workers;

(G) skill upgrading and retraining for persons not in the workforce;

(H) preemployment and work maturity skills training for youth;

(I) connecting activities that organize consortia of small- and medium-size businesses to provide work-based learning opportunities for youth participants in school-to-work programs;

(J) programs for adults that combine workplace training with related instruction;

(K) services to assist individuals in attaining certificates of mastery with respect to industry-based skill standards;

(L) case management services;

(M) supportive services, such as transportation and financial assistance, that enable individuals to participate in the statewide system;

(N) followup services for participants who are placed in unsubsidized employment; and

(O) an employment and training program described in section 6(d)(4) of the Food Stamp Act of 1977 (7 U.S.C. 2015(d)(4)).

(7) STAFF DEVELOPMENT AND TRAINING.—The State may use a portion of the funds described in paragraph (1) for the development and training of staff of providers of one-stop delivery of core services described in paragraph (2), including development and training relating to principles of quality management.

(8) INCENTIVE GRANT AWARDS.—The State may use a portion of the funds described in paragraph (1) to award incentive grants to substate areas that reach or exceed the State benchmarks established under section 731(c), with an emphasis on benchmarks established under section 731(c)(3). A substate area that receives such a grant may use the funds made available through the grant to carry out any workforce development activities authorized under this title.

(9) VOUCHERS.—

(A) IN GENERAL.—A State may deliver some or all of the workforce employment activities described in paragraph (6) that are provided under this subtitle through a system of vouchers administered through the one-stop delivery of core services described in paragraph (2) in the State.

(B) ELIGIBILITY REQUIREMENTS.—

(i) IN GENERAL.—A State that chooses to deliver the activities described in subparagraph (A) through vouchers shall indicate in the State plan described in section 714 the criteria that will be used to determine—

(I) which workforce employment activities described in paragraph (6) will be delivered through the voucher system;

(II) eligibility requirements for participants to receive the vouchers and the amount of funds that participants will be able to access through the voucher system; and

(III) which employment, training, and education providers are eligible to receive payment through the vouchers.

(ii) CONSIDERATIONS.—In establishing State criteria for service providers eligible to receive payment through the vouchers under clause (i)(III), the State shall take into account industry-recognized skills standards promoted by the National Skills Standards Board.

(C) ACCOUNTABILITY REQUIREMENTS.—A State that chooses to deliver the activities described in paragraph (6) through vouchers shall indicate in the State plan—

(i) information concerning how the State will utilize the statewide comprehensive labor market information system described in section 773(c) and the job placement accountability system established under section 731(d) to provide timely and accurate information to participants about the performance of eligible employment, training, and education providers;

(ii) other information about the performance of eligible providers of services that the State believes is necessary for participants receiving the vouchers to make informed career choices; and

(iii) the timeframe in which the information developed under clauses (i) and (ii) will be widely available through the one-stop delivery of core services described in paragraph (2) in the State.

(10) FUNDS FROM UNEMPLOYMENT TRUST FUND.—Funds made available to a Governor under section 901(c)(1)(A) of the Social Security Act (42 U.S.C. 1101(c)(1)(A)) for a program year shall only be available for workforce employment activities authorized under such section 901(c)(1)(A), which are—

(A) the administration of State unemployment compensation laws as provided in title III of the Social Security Act (including administration pursuant to agreements under any Federal unemployment compensation law);

(B) the establishment and maintenance of statewide workforce development systems, to the extent the systems are used to carry out activities described in section 773, or in any of clauses (ii) through (v) of section 716(a)(2)(B); and

(C) carrying out the activities described in sections 4103, 4103A, 4104, and 4104A of title 38, United States Code (relating to veterans' employment services).

(b) WORKFORCE EDUCATION ACTIVITIES.—The State educational agency shall use the funds made available to the State educational agency under this subtitle for workforce education activities to carry out, through the statewide system, activities that include—

(1) integrating academic and vocational education;

(2) linking secondary education (as determined under State law) and postsecondary education, including implementing tech-prep programs;

(3) providing career guidance and counseling for students at the earliest possible age, including the provision of career awareness, exploration, planning, and guidance information to students and their parents that is, to the extent possible, in a language and form that the students and their parents understand;

(4) providing literacy and basic education services for adults and out-of-school youth, including adults and out-of-school youth in correctional institutions;

(5) providing programs for adults and out-of-school youth to complete their secondary education;

(6) expanding, improving, and modernizing quality vocational education programs; and

(7) improving access to quality vocational education programs for at-risk youth.

(c) FISCAL REQUIREMENTS FOR WORKFORCE EDUCATION ACTIVITIES.—

(1) SUPPLEMENT NOT SUPPLANT.—Funds made available under this subtitle for workforce education activities shall supplement, and may not supplant, other public funds expended to carry out workforce education activities.

(2) MAINTENANCE OF EFFORT.—

(A) DETERMINATION.—No payments shall be made under this subtitle for any program year to a State for workforce education activities unless the Federal Partnership determines that the fiscal effort per student or the aggregate expenditures of such State for workforce education for the program year preceding the program year for which the determination is made, equaled or exceeded such effort or expenditures for workforce education for the second program year preceding the fiscal year for which the determination is made.

(B) WAIVER.—The Federal Partnership may waive the requirements of this section (with respect to not more than 5 percent of expenditures by any State educational agency) for 1 program year only, on making a determination that such waiver would be equitable due to exceptional or uncontrollable circumstances affecting the ability of the applicant to meet such requirements, such as a natural disaster or an unforeseen and precipitous decline in financial resources. No level of funding permitted under such a waiver may be used as the basis for computing the fiscal effort or aggregate expenditures required under this section for years subsequent to the year covered by such waiver. The fiscal effort or aggregate expenditures for the subsequent years shall be computed on the basis of the level of funding that would, but for such waiver, have been required.

(d) FLEXIBLE WORKFORCE ACTIVITIES.—

(1) CORE FLEXIBLE WORKFORCE ACTIVITIES.—The State shall use a portion of the funds made available to the State under this subtitle through the flex account to carry out school-to-work activities through the statewide system, except that any State that received a grant under subtitle B of title II of the School-to-Work Opportunities Act of 1994 (20 U.S.C. 6141 et seq.) shall use such portion to support the continued development of the statewide School-to-Work Opportunities system of the State through the continuation of activities that are carried out in accordance with the terms of such grant.

(2) PERMISSIBLE FLEXIBLE WORKFORCE ACTIVITIES.—The State may use a portion of the funds made available to the State under this subtitle through the flex account—

(A) to carry out workforce employment activities through the statewide system; and

(B) to carry out workforce education activities through the statewide system.

(e) ECONOMIC DEVELOPMENT ACTIVITIES.—In the case of a State that meets the requirements of section 728(c), the State may use a portion of the funds made available to the State under this subtitle through the flex account to supplement other funds provided by the State or private sector—

(1) to provide customized assessments of the skills of workers and an analysis of the skill needs of employers;

(2) to assist consortia of small- and medium-size employers in upgrading the skills of their workforces;

(3) to provide productivity and quality improvement training programs for the workforces of small- and medium-size employers;

(4) to provide recognition and use of voluntary industry-developed skills standards by employers, schools, and training institutions;

(5) to carry out training activities in companies that are developing modernization plans in conjunction with State industrial extension service offices; and

(6) to provide on-site, industry-specific training programs supportive of industrial and economic development;

through the statewide system.

(f) LIMITATIONS.—

(1) WAGES.—No funds provided under this subtitle shall be used to pay the wages of incumbent workers during their participation in economic development activities provided through the statewide system.

(2) RELOCATION.—No funds provided under this subtitle shall be used or proposed for use to encourage or induce the relocation, of a business or part of a business, that results in a loss of employment for any employee of such business at the original location.

(3) TRAINING AND ASSESSMENTS FOLLOWING RELOCATION.—No funds provided under this subtitle shall be used for customized or skill training, on-the-job training, or company specific assessments of job applicants or workers, for any business or part of a business, that has relocated, until 120 days after the date on which such business commences operations at the new location, if the relocation of such business or part of a business, results in a loss of employment for any worker of such business at the original location.

(g) LIMITATIONS ON PARTICIPANTS.—

(1) DIPLOMA OR EQUIVALENT.—

(A) IN GENERAL.—No individual may participate in workforce employment activities described in subparagraph (A), (B), (C), (E), (G), (J), or (K) of subsection (a)(6) until the individual has obtained a secondary school diploma or its recognized equivalent, or is enrolled in a program or course of study to obtain a secondary school diploma or its recognized equivalent.

(B) EXCEPTION.—Nothing in subparagraph (A) shall prevent participation in workforce employment activities described under subparagraph (A), (B), (C), (E), (G), (J), or (K) of subsection (a)(6) by individuals who, after testing and in the judgment of medical, psychiatric, academic, or other appropriate professionals, lack the requisite capacity to complete successfully a course of study that would lead to a secondary school diploma or its recognized equivalent.

(2) SERVICES.—

(A) REFERRAL.—If an individual who has not obtained a secondary school diploma or its recognized equivalent applies to participate in workforce employment activities described under subparagraph (A), (B), (C), (E), (G), (J), or (K) of subsection (a)(6), such individual shall be referred to State approved adult education services that provide instruction designed to help such individual obtain a secondary school diploma or its recognized equivalent.

(B) STATE PROVISION OF SERVICES.—Notwithstanding any other provision of this title, a State may use funds made available under section 713(a)(1) to provide State approved adult education services that provide instruction designed to help individuals obtain a secondary school diploma or its recognized equivalent, to individuals who—

(i) are seeking to participate in workforce employment activities described under subparagraph (A), (B), (C), (E), (G), (J), or (K) of subsection (a)(6); and

(ii) are otherwise unable to obtain such services.

SEC. 717. INDIAN WORKFORCE DEVELOPMENT ACTIVITIES.

(a) PURPOSE.—

(1) IN GENERAL.—The purpose of this section is to support workforce development activities for Indian and Native Hawaiian individuals in order—

(A) to develop more fully the academic, occupational, and literacy skills of such individuals;

(B) to make such individuals more competitive in the workforce; and

(C) to promote the economic and social development of Indian and Native Hawaiian communities in accordance with the goals and values of such communities.

(2) INDIAN POLICY.—All programs assisted under this section shall be administered in a manner consistent with the principles of the Indian Self-Determination and Education Assistance Act (25 U.S.C. 450 et seq.) and the government-to-government relationship between the Federal Government and Indian tribal governments.

(b) DEFINITIONS.—As used in this section:

(1) ALASKA NATIVE.—The term "Alaska Native" means a Native as such term is defined in section 3(b) of the Alaska Native Claims Settlement Act (43 U.S.C. 1602(b)).

(2) INDIAN, INDIAN TRIBE, AND TRIBAL ORGANIZATION.—The terms "Indian", "Indian tribe", and "tribal organization" have the same meanings given such terms in subsections (d), (e) and (l), respectively, of section 4 of the Indian Self-Determination and Education Assistance Act (25 U.S.C. 450b).

(3) INSTITUTION OF HIGHER EDUCATION.—The term "institution of higher education" has the meaning given the term in section 1201(a) of the Higher Education Act of 1965 (20 U.S.C. 1141(a)).

(4) NATIVE HAWAIIAN AND NATIVE HAWAIIAN ORGANIZATION.—The terms "Native Hawaiian" and "Native Hawaiian organization" have the same meanings given such terms in paragraphs (1) and (3), respectively, of section 9212 of the Native Hawaiian Education Act (20 U.S.C. 7912).

(5) TRIBALLY CONTROLLED COMMUNITY COLLEGE.—The term "tribally controlled community college" has the same meaning given such term in section 2(a)(4) of the Tribally Controlled Community College Assistance Act of 1978 (25 U.S.C. 1801(a)(4)).

(6) TRIBALLY CONTROLLED POSTSECONDARY VOCATIONAL INSTITUTION.—The term "tribally controlled postsecondary vocational institution" means an institution of higher education that—

(A) is formally controlled, or has been formally sanctioned or chartered, by the governing body of an Indian tribe or Indian tribes;

(B) offers a technical degree or certificate granting program;

(C) is governed by a board of directors or trustees, a majority of whom are Indians;

(D) demonstrates adherence to stated goals, a philosophy, or a plan of operation, that fosters individual Indian economic and self-sufficiency opportunity, including programs that are appropriate to stated tribal goals of developing individual entrepreneurships and self-sustaining economic infrastructures on reservations;

(E) has been in operation for at least 3 years;

(F) holds accreditation with or is a candidate for accreditation by a nationally recognized accrediting authority for postsecondary vocational education; and

(G) enrolls the full-time equivalent of not fewer than 100 students, of whom a majority are Indians.

(c) PROGRAM AUTHORIZED.—

(1) ASSISTANCE AUTHORIZED.—From amounts made available under section 734(b)(1), the Secretary of Labor and the Secretary of Education, acting jointly on the advice of the Federal Partnership, shall make grants to, or enter into contracts or cooperative agreements with, Indian tribes and tribal organizations, Alaska Native entities, tribally controlled community colleges, tribally controlled postsecondary vocational institutions, Indian-controlled organizations

serving Indians or Alaska Natives, and Native Hawaiian organizations to carry out the authorized activities described in subsection (d).

(2) FORMULA.—The Secretary of Labor and the Secretary of Education, acting jointly on the advice of the Federal Partnership, shall make grants to, or enter into contracts and cooperative agreements with, entities as described in paragraph (1) to carry out the activities described in paragraphs (2) and (3) of subsection (d) on the basis of a formula developed by the Federal Partnership in consultation with entities described in paragraph (1).

(d) AUTHORIZED ACTIVITIES.—

(1) IN GENERAL.—Funds made available under this section shall be used to carry out the activities described in paragraphs (2) and (3) that—

(A) are consistent with this section; and

(B) are necessary to meet the needs of Indians and Native Hawaiians preparing to enter, reenter, or retain unsubsidized employment.

(2) WORKFORCE DEVELOPMENT ACTIVITIES AND SUPPLEMENTAL SERVICES.—

(A) IN GENERAL.—Funds made available under this section shall be used for—

(i) comprehensive workforce development activities for Indians and Native Hawaiians;

(ii) supplemental services for Indian or Native Hawaiian youth on or near Indian reservations in Oklahoma, Alaska, or Hawaii; and

(iii) supplemental services to recipients of public assistance on or near Indian reservations or former reservation areas in Oklahoma or in Alaska.

(B) SPECIAL RULE.—Notwithstanding any other provision of this section, individuals who were eligible to participate in programs under section 401 of the Job Training Partnership Act (29 U.S.C. 1671) (as such section was in effect on the day before the date of enactment of this Act) shall be eligible to participate in an activity assisted under subparagraph (A)(i).

(3) VOCATIONAL EDUCATION, ADULT EDUCATION, AND LITERACY SERVICES.—Funds made available under this section shall be used for—

(A) workforce education activities conducted by entities described in subsection (c)(1); and

(B) the support of tribally controlled postsecondary vocational institutions in order to ensure continuing and expanded educational opportunities for Indian students.

(e) PROGRAM PLAN.—In order to receive a grant or enter into a contract or cooperative agreement under this section an entity described in subsection (c)(1) shall submit to the Federal Partnership a plan that describes a 3-year strategy for meeting the needs of Indian and Native Hawaiian individuals, as appropriate, in the area served by such entity. Such plan shall—

(1) be consistent with the purposes of this section;

(2) identify the population to be served;

(3) identify the education and employment needs of the population to be served and the manner in which the services to be provided will strengthen the ability of the individuals served to obtain or retain unsubsidized employment;

(4) describe the services to be provided and the manner in which such services are to be integrated with other appropriate services; and

(5) describe the goals and benchmarks to be used to assess the performance of entities in carrying out the activities assisted under this section.

(f) FURTHER CONSOLIDATION OF FUNDS.—Each entity receiving assistance under this section may consolidate such assistance with assistance received from related programs in accordance with the provisions of the Indian Employment, Training and Related Services Demonstration Act of 1992 (25 U.S.C. 3401 et seq.).

(g) NONDUPLICATIVE AND NONEXCLUSIVE SERVICES.—Nothing in this section shall be construed—

(1) to limit the eligibility of any entity described in subsection (c)(1) to participate in any program offered by a State or local entity under this title; or

(2) to preclude or discourage any agreement, between any entity described in subsection (c)(1) and any State or local entity, to facilitate the provision of services by such entity or to the population served by such entity.

(h) PARTNERSHIP PROVISIONS.—

(1) OFFICE ESTABLISHED.—There shall be established within the Federal Partnership an office to administer the activities assisted under this section.

(2) CONSULTATION REQUIRED.—

(A) IN GENERAL.—The Federal Partnership, through the office established under paragraph (1), shall develop regulations and policies for activities assisted under this section in consultation with tribal organizations and Native Hawaiian organizations. Such regulations and policies shall take into account the special circumstances under which such activities operate.

(B) ADMINISTRATIVE SUPPORT.—The Federal Partnership shall provide such administrative support to the office established under paragraph (1) as the Federal Partnership determines to be necessary to carry out the consultation required by subparagraph (A).

(3) TECHNICAL ASSISTANCE.—The Federal Partnership, through the office established under paragraph (1), is authorized to provide technical assistance to entities described in subsection (c)(1) that receive assistance under this section to enable such entities to improve the workforce development activities provided by such entities.

SEC. 718. GRANTS TO OUTLYING AREAS.

(a) GENERAL AUTHORITY.—Using funds made available under section 734(b)(2), the Secretary of Labor and the Secretary of Education, acting jointly on the advice of the Federal Partnership, shall make grants to outlying areas to carry out workforce development activities.

(b) APPLICATION.—The Federal Partnership shall issue regulations specifying the provisions of this title that shall apply to outlying areas that receive funds under this subtitle.

CHAPTER 2—LOCAL PROVISIONS

SEC. 721. LOCAL APPORTIONMENT BY ACTIVITY.

(a) WORKFORCE EMPLOYMENT ACTIVITIES.—

(1) IN GENERAL.—The sum of the funds made available to a State for any program year under paragraphs (1) and (3) of section 713(a) for workforce employment activities shall be made available to the Governor of such State for use in accordance with paragraph (2).

(2) DISTRIBUTION.—Of the sum described in paragraph (1), for a program year—

(A) 25 percent shall be reserved by the Governor to carry out workforce employment activities through the statewide system, of which not more than 20 percent of such 25 percent may be used for administrative expenses; and

(B) 75 percent shall be distributed by the Governor to local entities to carry out workforce employment activities through the statewide system, based on—

(i) such factors as the relative distribution among substate areas of individuals who are not less than 15 and not more than 65, individuals in poverty, unemployed individuals, and adult recipients of assistance, as determined using the definitions specified and the determinations described in section 712(b); and

(ii) such additional factors as the Governor (in consultation with local partnerships described in section 728(a) or, where established, local workforce development boards described in section 728(b)), determines to be necessary.

(b) WORKFORCE EDUCATION ACTIVITIES.—

(1) IN GENERAL.—The sum of the funds made available to a State for any program year under paragraphs (2) and (3) of section 713(a) for workforce education activities shall be made available to the State educational agency serving such State for use in accordance with paragraph (2).

(2) DISTRIBUTION.—Of the sum described in paragraph (1), for a program year—

(A) 20 percent shall be reserved by the State educational agency to carry out statewide workforce education activities through the statewide system, of which not more than 5 percent of such 20 percent may be used for administrative expenses; and

(B) 80 percent shall be distributed by the State educational agency to entities eligible for financial assistance under section 722, 723, or 724, to carry out workforce education activities through the statewide system.

(3) STATE ACTIVITIES.—Activities to be carried out under paragraph (2)(A) may include professional development, technical assistance, and program assessment activities.

(4) STATE DETERMINATIONS.—From the amount available to a State educational agency under paragraph (2)(B) for a program year, such agency shall determine the percentage of such amount that will be distributed in accordance with sections 722, 723, and 724 for such year for workforce education activities in such State in each of the following areas:

(A) Secondary school vocational education, or postsecondary and adult vocational education, or both; and

(B) Adult education.

(c) SPECIAL RULE.—Nothing in this subtitle shall be construed to prohibit any individual, entity, or agency in a State (other than the State educational agency) that is administering workforce education activities or setting education policies consistent with authority under State law for workforce education activities, on the day preceding the date of enactment of this Act from continuing to administer or set education policies consistent with authority under State law for such activities under this subtitle.

SEC. 722. DISTRIBUTION FOR SECONDARY SCHOOL VOCATIONAL EDUCATION.

(a) ALLOCATION.—Except as otherwise provided in this section and section 725, each State educational agency shall distribute the portion of the funds made available for any program year (from funds made available for the corresponding fiscal year, as determined under section 734(c)) by such agency for secondary school vocational education under section 721(b)(3)(A) to local educational agencies within the State as follows:

(1) SEVENTY PERCENT.—From 70 percent of such portion, each local educational agency shall be allocated an amount that bears the same relationship to such 70 percent as the amount such local educational agency was allocated under section 1124 of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 6333) for the preceding fiscal year

bears to the total amount received under such section by all local educational agencies in the State for such year.

(2) TWENTY PERCENT.—From 20 percent of such portion, each local educational agency shall be allocated an amount that bears the same relationship to such 20 percent as the number of students with disabilities who have individualized education programs under section 614(a)(5) of the Individuals with Disabilities Education Act (20 U.S.C. 1414(a)(5)) served by such local educational agency for the preceding fiscal year bears to the total number of such students served by all local educational agencies in the State for such year.

(3) TEN PERCENT.—From 10 percent of such portion, each local educational agency shall be allocated an amount that bears the same relationship to such 10 percent as the number of students enrolled in schools and adults enrolled in training programs under the jurisdiction of such local educational agency for the preceding fiscal year bears to the number of students enrolled in schools and adults enrolled in training programs under the jurisdiction of all local educational agencies in the State for such year.

(b) MINIMUM ALLOCATION.—

(1) IN GENERAL.—Except as provided in paragraph (2), no local educational agency shall receive an allocation under subsection (a) unless the amount allocated to such agency under subsection (a) is not less than $15,000. A local educational agency may enter into a consortium with other local educational agencies for purposes of meeting the minimum allocation requirement of this paragraph.

(2) WAIVER.—The State educational agency may waive the application of paragraph (1) in any case in which the local educational agency—

(A) is located in a rural, sparsely-populated area; and

(B) demonstrates that such agency is unable to enter into a consortium for purposes of providing services under this section.

(3) REDISTRIBUTION.—Any amounts that are not allocated by reason of paragraph (1) or (2) shall be redistributed to local educational agencies that meet the requirements of paragraph (1) or (2) in accordance with the provisions of this section.

(c) LIMITED JURISDICTION AGENCIES.—

(1) IN GENERAL.—In applying the provisions of subsection (a), no State educational agency receiving assistance under this subtitle shall allocate funds to a local educational agency that serves only elementary schools, but shall distribute such funds to the local educational agency or regional educational agency that provides secondary school services to secondary school students in the same attendance area.

(2) SPECIAL RULE.—The amount to be allocated under paragraph (1) to a local educational agency that has jurisdiction only over secondary schools shall be determined based on the number of students that entered such secondary schools in the previous year from the elementary schools involved.

(d) ALLOCATIONS TO AREA VOCATIONAL EDUCATION SCHOOLS AND EDUCATIONAL SERVICE AGENCIES.—

(1) IN GENERAL.—Each State educational agency shall distribute the portion of funds made available for any program year by such agency for secondary school vocational education under section 721(b)(3)(A) to the appropriate area vocational education school or educational service agency in any case in which—

(A) the area vocational education school or educational service agency, and the local educational agency concerned—

(i) have formed or will form a consortium for the purpose of receiving funds under this section; or

(ii) have entered into or will enter into a cooperative arrangement for such purpose; and

(B)(i) the area vocational education school or educational service agency serves an approximately equal or greater proportion of students who are individuals with disabilities or are low-income than the proportion of such students attending the secondary schools under the jurisdiction of all of the local educational agencies sending students to the area vocational education school or the educational service agency; or

(ii) the area vocational education school, educational service agency, or local educational agency demonstrates that the vocational education school or educational service agency is unable to meet the criterion described in clause (i) due to the lack of interest by students described in clause (i) in attending vocational education programs in that area vocational education school or educational service agency.

(2) ALLOCATION BASIS.—If an area vocational education school or educational service agency meets the requirements of paragraph (1), then—

(A) the amount that will otherwise be distributed to the local educational agency under this section shall be allocated to the area vocational education school, the educational service agency, and the local educational agency, based on each school's or agency's relative share of students described in paragraph (1)(B)(i) who are attending vocational education programs (based, if practicable, on the average enrollment for the prior 3 years); or

(B) such amount may be allocated on the basis of an agreement between the local educational agency and the area vocational education school or educational service agency.

(3) STATE DETERMINATION.—

(A) IN GENERAL.—For the purposes of this subsection, the State educational agency may determine the number of students who are low-income on the basis of—

(i) eligibility for—

(I) free or reduced-price meals under the National School Lunch Act (7 U.S.C. 1751 et seq.);

(II) assistance under a State program funded under part A of title IV of the Social Security Act;

(III) benefits under the Food Stamp Act of 1977 (7 U.S.C. 2011 et seq.); or

(IV) services under title I of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 6301 et seq.); and

(ii) another index of economic status, including an estimate of such index, if the State educational agency demonstrates to the satisfaction of the Federal Partnership that such index is a more representative means of determining such number.

(B) DATA.—If a State educational agency elects to use more than 1 factor described in subparagraph (A) for purposes of making the determination described in such subparagraph, the State educational agency shall ensure that the data used is not duplicative.

(4) APPEALS PROCEDURE.—The State educational agency shall establish an appeals procedure for resolution of any dispute arising between a local educational agency and an area vocational education school or an educational service agency with respect to the allocation procedures described in this section, including the decision of a local educational agency to leave a consortium.

(5) SPECIAL RULE.—Notwithstanding the provisions of paragraphs (1), (2), (3), and (4), any local educational agency receiving an allocation that is not sufficient to conduct a secondary school vocational education program of sufficient size, scope, and quality to be effective may—

(A) form a consortium or enter into a cooperative agreement with an area vocational education school or educational service agency offering secondary school vocational education programs of sufficient size, scope, and quality to be effective and that are accessible to students who are individuals with disabilities or are low-income, and are served by such local educational agency; and

(B) transfer such allocation to the area vocational education school or educational service agency.

(e) SPECIAL RULE.—Each State educational agency distributing funds under this section shall treat a secondary school funded by the Bureau of Indian Affairs within the State as if such school were a local educational agency within the State for the purpose of receiving a distribution under this section.

SEC. 723. DISTRIBUTION FOR POSTSECONDARY AND ADULT VOCATIONAL EDUCATION.

(a) ALLOCATION.—

(1) IN GENERAL.—Except as provided in subsection (b) and section 725, each State educational agency, using the portion of the funds made available for any program year by such agency for postsecondary and adult vocational education under section 721(b)(3)(A)—

(A) shall reserve funds to carry out subsection (d); and

(B) shall distribute the remainder to eligible institutions or consortia of the institutions within the State.

(2) FORMULA.—Each such eligible institution or consortium shall receive an amount for the program year (from funds made available for the corresponding fiscal year, as determined under section 734(c)) from such remainder bears the same relationship to such remainder as the number of individuals who are Pell Grant recipients or recipients of assistance from the Bureau of Indian Affairs and are enrolled in programs offered by such institution or consortium for the preceding fiscal year bears to the number of all such individuals who are enrolled in any such program within the State for such preceding year.

(3) CONSORTIUM REQUIREMENTS.—In order for a consortium of eligible institutions described in paragraph (1) to receive assistance pursuant to such paragraph such consortium shall operate joint projects that—

(A) provide services to all postsecondary institutions participating in the consortium; and

(B) are of sufficient size, scope, and quality to be effective.

(b) WAIVER FOR MORE EQUITABLE DISTRIBUTION.—The Federal Partnership may waive the application of subsection (a) in the case of any State educational agency that submits to the Federal Partnership an application for such a waiver that—

(1) demonstrates that the formula described in subsection (a) does not result in a distribution of funds to the institutions or consortia within the State that have the highest numbers of low-income individuals and that an alternative formula will result in such a distribution; and

(2) includes a proposal for an alternative formula that may include criteria relating

to the number of individuals attending the institutions or consortia within the State who—

(A) receive need-based postsecondary financial aid provided from public funds;

(B) are members of families receiving assistance under a State program funded under part A of title IV of the Social Security Act;

(C) are enrolled in postsecondary educational institutions that—

(i) are funded by the State;

(ii) do not charge tuition; and

(iii) serve only low-income students;

(D) are enrolled in programs serving low-income adults; or

(E) are Pell Grant recipients.

(c) MINIMUM AMOUNT.—

(1) IN GENERAL.—No distribution of funds provided to any institution or consortium for a program year under this section shall be for an amount that is less than $50,000.

(2) REDISTRIBUTION.—Any amounts that are not distributed by reason of paragraph (1) shall be redistributed to eligible institutions or consortia in accordance with the provisions of this section.

(d) SPECIAL RULE FOR CRIMINAL OFFENDERS.—Each State educational agency shall distribute the funds reserved under subsection (a)(1)(A) to 1 or more State corrections agencies to enable the State corrections agencies to administer vocational education programs for juvenile and adult criminal offenders in correctional institutions in the State, including correctional institutions operated by local authorities.

(e) DEFINITION.—For the purposes of this section—

(1) the term "eligible institution" means a postsecondary educational institution, a local educational agency serving adults, or an area vocational education school serving adults that offers or will offer a program that seeks to receive financial assistance under this section;

(2) the term "low-income", used with respect to a person, means a person who is determined under guidelines developed by the Federal Partnership to be low-income, using the most recent available data provided by the Bureau of the Census, prior to the determination; and

(3) the term "Pell Grant recipient" means a recipient of financial aid under subpart 1 of part A of title IV of the Higher Education Act of 1965 (20 U.S.C. 1070a et seq.).

SEC. 724. DISTRIBUTION FOR ADULT EDUCATION.

(a) IN GENERAL.—Except as provided in subsection (b)(3), from the amount made available by a State educational agency for adult education under section 721(b)(3)(B) for a program year, such agency shall award grants, on a competitive basis, to local educational agencies, correctional education agencies, community-based organizations of demonstrated effectiveness, volunteer literacy organizations, libraries, public or private nonprofit agencies, postsecondary educational institutions, public housing authorities, and other nonprofit institutions that have the ability to provide literacy services to adults and families, or consortia of agencies, organizations, or institutions described in this subsection, to enable such agencies, organizations, institutions, and consortia to establish or expand adult education programs.

(b) GRANT REQUIREMENTS.—

(1) ACCESS.—Each State educational agency making funds available for any program year for adult education under section 721(b)(3)(B) shall ensure that the entities described in subsection (a) will be provided direct and equitable access to all Federal funds provided under this section.

(2) CONSIDERATIONS.—In awarding grants under this section, the State educational agency shall consider—

(A) the past effectiveness of applicants in providing services (especially with respect to recruitment and retention of educationally disadvantaged adults and the learning gains demonstrated by such adults);

(B) the degree to which an applicant will coordinate and utilize other literacy and social services available in the community; and

(C) the commitment of the applicant to serve individuals in the community who are most in need of literacy services.

(3) CONSORTIA.—A State educational agency may award a grant under subsection (a) to a consortium that includes an entity described in subsection (a) and a for-profit agency, organization, or institution, if such agency, organization, or institution—

(A) can make a significant contribution to carrying out the purposes of this title; and

(B) enters into a contract with the entity described in subsection (a) for the purpose of establishing or expanding adult education programs.

(c) LOCAL ADMINISTRATIVE COSTS LIMITS.—

(1) IN GENERAL.—Except as provided in paragraph (2), of the funds provided under this section by a State educational agency to an agency, organization, institution, or consortium described in subsection (a), at least 95 percent shall be expended for provision of adult education instructional activities. The remainder shall be used for planning, administration, personnel development, and interagency coordination.

(2) SPECIAL RULE.—In cases where the cost limits described in paragraph (1) will be too restrictive to allow for adequate planning, administration, personnel development, and interagency coordination supported under this section, the State educational agency shall negotiate with the agency, organization, institution, or consortium described in subsection (a) in order to determine an adequate level of funds to be used for noninstructional purposes.

SEC. 725. SPECIAL RULE FOR MINIMAL ALLOCATION.

(a) GENERAL AUTHORITY.—For any program year for which a minimal amount is made available by a State educational agency for distribution under section 722 or 723 such agency may, notwithstanding the provisions of section 722 or 723, respectively, in order to make a more equitable distribution of funds for programs serving the highest numbers of low-income individuals (as defined in section 723(e)), distribute such minimal amount—

(1) on a competitive basis; or

(2) through any alternative method determined by the State educational agency.

(b) MINIMAL AMOUNT.—For purposes of this section, the term "minimal amount" means not more than 15 percent of the total amount made available by the State educational agency under section 721(b)(3)(A) for section 722 or 723, respectively, for such program year.

SEC. 726. REDISTRIBUTION.

(a) IN GENERAL.—In any program year that an entity receiving financial assistance under section 722 or 723 does not expend all of the amounts distributed to such entity for such year under section 722 or 723, respectively, such entity shall return any unexpended amounts to the State educational agency for distribution under section 722 or 723, respectively.

(b) REDISTRIBUTION OF AMOUNTS RETURNED LATE IN A PROGRAM YEAR.—In any program year in which amounts are returned to the State educational agency under subsection (a) for programs described in section 722 or 723 and the State educational agency is unable to redistribute such amounts according to section 722 or 723, respectively, in time for such amounts to be expended in such program year, the State educational agency shall retain such amounts for distribution in combination with amounts provided under such section for the following program year.

SEC. 727. LOCAL APPLICATION FOR WORKFORCE EDUCATION ACTIVITIES.

(a) IN GENERAL.—

(1) IN GENERAL.—Each eligible entity desiring financial assistance under this subtitle for workforce education activities shall submit an application to the State educational agency at such time, in such manner and accompanied by such information as such agency (in consultation with such other educational entities as the State educational agency determines to be appropriate) may require. Such application shall cover the same period of time as the period of time applicable to the State workforce development plan.

(2) DEFINITION.—For the purpose of this section the term "eligible entity" means an entity eligible for financial assistance under section 722, 723, or 724 from a State educational agency.

(b) CONTENTS.—Each application described in subsection (a) shall, at a minimum—

(1) describe how the workforce education activities required under section 716(b), and other workforce education activities, will be carried out with funds received under this subtitle;

(2) describe how the activities to be carried out relate to meeting the State goals, and reaching the State benchmarks, concerning workforce education activities;

(3) describe how the activities to be carried out are an integral part of the comprehensive efforts of the eligible entity to improve education for all students and adults;

(4) describe the process that will be used to independently evaluate and continuously improve the performance of the eligible entity; and

(5) describe how the eligible entity will coordinate the activities of the entity with the activities of the local workforce development board, if any, in the substate area.

SEC. 728. LOCAL PARTNERSHIPS, AGREEMENTS, AND WORKFORCE DEVELOPMENT BOARDS.

(a) LOCAL AGREEMENTS.—

(1) IN GENERAL.—After a Governor submits the State plan described in section 714 to the Federal Partnership, the Governor shall negotiate and enter into a local agreement regarding the workforce employment activities, school-to-work activities, and economic development activities (within a State that is eligible to carry out such activities, as described in subsection (c)) to be carried out in each substate area in the State with local partnerships (or, where established, local workforce development boards described in subsection (b)).

(2) LOCAL PARTNERSHIPS.—

(A) IN GENERAL.—A local partnership referred to in paragraph (1) shall be established by the local chief elected official, in accordance with subparagraphs (B) and (C), and shall consist of individuals representing business, industry, and labor, local secondary schools, local postsecondary education institutions, local adult education providers, local elected officials, rehabilitation agencies and organizations, community-based organizations, and veterans, within the appropriate substate area.

(B) MULTIPLE JURISDICTIONS.—In any case in which there are 2 or more units of general local government in the substate area involved, the chief elected official of each such unit shall appoint members of the local partnership in accordance with an agreement entered into by such chief elected officials. In the absence of such an agreement, such appointments shall be made by the Governor of the State involved from the individuals nominated or recommended by the chief elected officials.

(C) SELECTION OF BUSINESS AND INDUSTRY REPRESENTATIVES.—Individuals representing business and industry in the local partnership shall be appointed by the chief elected official from nominations submitted by business organizations in the substate area involved. Such individuals shall reasonably represent the industrial and demographic composition of the business community. Where possible, at least 50 percent of such business and industry representatives shall be representatives of small business.

(3) BUSINESS AND INDUSTRY INVOLVEMENT.—The business and industry representatives shall have a lead role in the design, management, and evaluation of the activities to be carried out in the substate area under the local agreement.

(4) CONTENTS.—

(A) STATE GOALS AND STATE BENCHMARKS.—Such an agreement shall include a description of the manner in which funds allocated to a substate area under this subtitle will be spent to meet the State goals and reach the State benchmarks in a manner that reflects local labor market conditions.

(B) COLLABORATION.—The agreement shall also include information that demonstrates the manner in which—

(i) the Governor; and

(ii) the local partnership (or, where established, the local workforce development board);

collaborated in reaching the agreement.

(5) FAILURE TO REACH AGREEMENT.—If, after a reasonable effort, the Governor is unable to enter into an agreement with the local partnership (or, where established, the local workforce development board), the Governor shall notify the partnership or board, as appropriate, and provide the partnership or board, as appropriate, with the opportunity to comment, not later than 30 days after the date of the notification, on the manner in which funds allocated to such substate area will be spent to meet the State goals and reach the State benchmarks.

(6) EXCEPTION.—A State that indicates in the State plan described in section 714 that the State will be treated as a substate area for purposes of the application of this subtitle shall not be subject to this subsection.

(b) LOCAL WORKFORCE DEVELOPMENT BOARDS.—

(1) IN GENERAL.—Each State may facilitate the establishment of local workforce development boards in each substate area to set policy and provide oversight over the workforce development activities in the substate area.

(2) MEMBERSHIP.—

(A) STATE CRITERIA.—The Governor shall establish criteria for use by local chief elected officials in each substate area in the selection of members of the local workforce development boards, in accordance with the requirements of subparagraph (B).

(B) REPRESENTATION REQUIREMENT.—Such criteria shall require, at a minimum, that a local workforce development board consist of—

(i) representatives of business and industry in the substate area, who shall constitute a majority of the board;

(ii) representatives of labor, workers, and community-based organizations, who shall constitute not less than 25 percent of the members of the board;

(iii) representatives of local secondary schools, postsecondary education institutions, and adult education providers;

(iv) representatives of veterans; and

(v) 1 or more individuals with disabilities, or their representatives.

(C) CHAIR.—Each local workforce development board shall select a chairperson from among the members of the board who are representatives of business and industry.

(3) CONFLICT OF INTEREST.—No member of a local workforce development board shall vote on a matter relating to the provision of services by the member (or any organization that the member directly represents) or vote on a matter that would provide direct financial benefit to such member or the immediate family of such member or engage in any other activity determined by the Governor to constitute a conflict of interest.

(4) FUNCTIONS.—The functions of the local workforce development board shall include—

(A) submitting to the Governor a single comprehensive 3-year strategic plan for workforce development activities in the substate area that includes information—

(i) identifying the workforce development needs of local industries, students, jobseekers, and workers;

(ii) identifying the workforce development activities to be carried out in the substate area with funds received through the allotment made to the State under section 712, to meet the State goals and reach the State benchmarks; and

(iii) identifying how the local workforce development board will obtain the active and continuous participation of business, industry, and labor in the development and continuous improvement of the workforce development activities carried out in the substate area;

(B) entering into local agreements with the Governor as described in subsection (a);

(C) overseeing the operations of the one-stop delivery of core services described in section 716(a)(2) in the substate area, including the responsibility to—

(i) designate local entities to operate the one-stop delivery in the substate area, consistent with the criteria referred to in section 716(a)(2); and

(ii) develop and approve the budgets and annual operating plans of the providers of the one-stop delivery; and

(D) submitting annual reports to the Governor on the progress being made in the substate area toward meeting the State goals and reaching the State benchmarks.

(5) CONSULTATION.—A local workforce development board that serves a substate area shall conduct the functions described in paragraph (4) in consultation with the chief elected officials in the substate area.

(c) ECONOMIC DEVELOPMENT ACTIVITIES.—A State shall be eligible to use the funds made available through the flex account for flexible workforce activities to carry out economic development activities if—

(1) the boards described in section 715 and subsection (b) are established in the State; or

(2) in the case of a State that indicates in the State plan described in section 714 that the State will be treated as a substate area for purposes of the application of this subtitle, the board described in section 715 is established in the State.

SEC. 729. CONSTRUCTION.

Nothing in this title shall be construed—

(1) to prohibit a local educational agency (or a consortium thereof) that receives assistance under section 722, from working with an eligible entity (or consortium thereof) that receives assistance under section 723, to carry out secondary school vocational education activities in accordance with this title; or

(2) to prohibit an eligible entity (or consortium thereof) that receives assistance under section 723, from working with a local educational agency (or consortium thereof) that receives assistance under section 722, to carry out postsecondary and adult vocational education activities in accordance with this title.

CHAPTER 3—ADMINISTRATION

SEC. 731. ACCOUNTABILITY.

(a) REPORT.—

(1) IN GENERAL.—Each State that receives an allotment under section 712 shall annually prepare and submit to the Federal Partnership, a report that states how the State is performing on State benchmarks specified in this section, which relate to workforce development activities carried out through the statewide system of the State. In preparing the report, the State may include information on such additional benchmarks as the State may establish to meet the State goals.

(2) CONSOLIDATED REPORT.—In lieu of submitting separate reports under paragraph (1) and section 409(a) of the Social Security Act, the State may prepare a consolidated report. Any consolidated report prepared under this paragraph shall contain the information described in paragraph (1) and subsections (a) through (h) of section 409 of the Social Security Act. The State shall submit any consolidated report prepared under this paragraph to the Federal Partnership, the Secretary of Agriculture, and the Secretary of Health and Human Services, on the dates specified in section 409(a) of the Social Security Act.

(b) GOALS.—

(1) MEANINGFUL EMPLOYMENT.—Each statewide system supported by an allotment under section 712 shall be designed to meet the goal of assisting participants in obtaining meaningful unsubsidized employment opportunities in the State.

(2) EDUCATION.—Each statewide system supported by an allotment under section 712 shall be designed to meet the goal of enhancing and developing more fully the academic, occupational, and literacy skills of all segments of the population of the State.

(c) BENCHMARKS.—

(1) MEANINGFUL EMPLOYMENT.—To be eligible to receive an allotment under section 712, a State shall develop, in accordance with paragraph (5), and identify in the State plan of the State, proposed quantifiable benchmarks to measure the statewide progress of the State toward meeting the goal described in subsection (b)(1), which shall include, at a minimum, measures of—

(A) placement in unsubsidized employment of participants;

(B) retention of the participants in such employment (12 months after completion of the participation); and

(C) increased earnings for the participants.

(2) EDUCATION.—To be eligible to receive an allotment under section 712, a State shall develop, in accordance with paragraph (5), and identify in the State plan of the State, proposed quantifiable benchmarks to measure the statewide progress of the State toward meeting the goal described in subsection (b)(2), which shall include, at a minimum, measures of—

(A) student mastery of academic knowledge and work readiness skills;

(B) student mastery of occupational and industry-recognized skills according to skill proficiencies for students in career preparation programs;

(C) placement in, retention in, and completion of secondary education (as determined under State law) and postsecondary education, and placement and retention in employment and in military service; and

(D) mastery of the literacy, knowledge, and skills adults need to be productive and responsible citizens and to become more actively involved in the education of their children.

(3) POPULATIONS.—To be eligible to receive an allotment under section 712, a State shall develop, in accordance with paragraph (5), and identify in the State plan of the State, proposed quantifiable benchmarks to measure progress toward meeting the goals described in subsection (b) for populations including, at a minimum—

(A) welfare recipients (including a benchmark for welfare recipients described in section 3(36)(B));

(B) individuals with disabilities;

(C) older workers;

(D) at-risk youth;

(E) dislocated workers; and

(F) veterans.

(4) SPECIAL RULE.—If a State has developed for all students in the State performance indicators, attainment levels, or assessments for skills according to challenging academic, occupational, or industry-recognized skill proficiencies, the State shall use such performance indicators, attainment levels, or assessments in measuring the progress of all students served under this title in attaining the skills.

(5) NEGOTIATIONS.—

(A) INITIAL DETERMINATION.—On receipt of a State plan submitted under section 714, the Federal Partnership shall, not later than 30 days after the date of the receipt, determine—

(i) how the proposed State benchmarks identified by the State in the State plan compare to the model benchmarks established by the Federal Partnership under section 772(b)(2);

(ii) how the proposed State benchmarks compare with State benchmarks proposed by other States in their State plans; and

(iii) whether the proposed State benchmarks, taken as a whole, are sufficient—

(I) to enable the State to meet the State goals; and

(II) to make the State eligible for an incentive grant under section 732(a).

(B) NOTIFICATION.—The Federal Partnership shall immediately notify the State of the determinations referred to in subparagraph (A). If the Federal Partnership determines that the proposed State benchmarks are not sufficient to make the State eligible for an incentive grant under section 732(a), the Federal Partnership shall provide the State with guidance on the steps the State may take to allow the State to become eligible for the grant.

(C) REVISION.—Not later than 30 days after the date of receipt of the notification referred to in subparagraph (B), the State may revise some or all of the State benchmarks identified in the State plan in order to become eligible for the incentive grant or provide reasons why the State benchmarks should be sufficient to make the State eligible for the incentive grant.

(D) DETERMINATION.—After reviewing any revised State benchmarks or information submitted by the State in accordance with subparagraph (C), the Federal Partnership shall make a determination on the eligibility of the State for the incentive grant, as described in paragraph (6), and provide advice to the Secretary of Labor and the Secretary of Education. The Secretary of Labor and the Secretary of Education, acting jointly on the advice of the Federal Partnership, may award a grant to the State under section 732(a).

(6) INCENTIVE GRANTS.—Each State that sets high benchmarks under paragraph (1), (2), or (3) and reaches or exceeds the benchmarks, as determined by the Federal Partnership, shall be eligible to receive an incentive grant under section 732(a).

(7) SANCTIONS.—A State that has failed to demonstrate sufficient progress toward reaching the State benchmarks established under this subsection for the 3 years covered by a State plan described in section 714, as determined by the Federal Partnership, may be subject to sanctions under section 732(b).

(d) JOB PLACEMENT ACCOUNTABILITY SYSTEM.—

(1) IN GENERAL.—Each State that receives an allotment under section 712 shall establish a job placement accountability system, which will provide a uniform set of data to track the progress of the State toward reaching the State benchmarks.

(2) DATA.—

(A) IN GENERAL.—In order to maintain data relating to the measures described in subsection (c)(1), each such State shall establish a job placement accountability system using quarterly wage records available through the unemployment insurance system. The State agency or entity within the State responsible for labor market information, as designated in section 773(c)(1)(B), in conjunction with the Commissioner of Labor Statistics, shall maintain the job placement accountability system and match information on participants served by the statewide systems of the State and other States with quarterly employment and earnings records.

(B) REIMBURSEMENT.—Each local entity that carries out workforce employment activities or workforce education activities and that receives funds under this subtitle shall provide information regarding the social security numbers of the participants served by the entity and such other information as the State may require to the State agency or entity within the State responsible for labor market information, as designated in section 773(c)(1)(B).

(C) CONFIDENTIALITY.—The State agency or entity within the State responsible for labor market information, as designated in section 773(c)(1)(B), shall protect the confidentiality of information obtained through the job placement accountability system through the use of recognized security procedures.

(e) INDIVIDUAL ACCOUNTABILITY.—Each State that receives an allotment under section 712 shall devise and implement procedures to provide, in a timely manner, information on participants in activities carried out through the statewide system who are participating as a condition of receiving welfare assistance. The procedures shall require that the State provide the information to the State and local agencies carrying out the programs through which the welfare assistance is provided, in a manner that ensures that the agencies can monitor compliance with the conditions regarding the receipt of the welfare assistance.

SEC. 732. INCENTIVES AND SANCTIONS.

(a) INCENTIVES.—

(1) IN GENERAL.—The Secretary of Labor and the Secretary of Education, acting jointly on the advice of the Federal Partnership, may award incentive grants of not more than $15,000,000 per program year to a State that—

(A) reaches or exceeds State benchmarks established under section 731(c), with an emphasis on the benchmarks established under section 731(c)(3), in accordance with section 731(c)(6); or

(B) demonstrates to the Federal Partnership that the State has made substantial reductions in the number of adult recipients of assistance, as defined in section 712(b)(1)(A), resulting from increased placement of such adult recipients in unsubsidized employment.

(2) USE OF FUNDS.—A State that receives such a grant may use the funds made available through the grant to carry out any workforce development activities authorized under this title.

(b) SANCTIONS.—

(1) FAILURE TO DEMONSTRATE SUFFICIENT PROGRESS.—If the Federal Partnership determines, after notice and an opportunity for a hearing, that a State has failed to demonstrate sufficient progress toward reaching the State benchmarks established under section 731(c) for the 3 years covered by a State plan described in section 714, the Federal Partnership shall provide advice to the Secretary of Labor and the Secretary of Education. The Secretary of Labor and the Secretary of Education, acting jointly on the advice of the Federal Partnership, may reduce the allotment of the State under section 712 by not more than 10 percent per program year for not more than 3 years. The Federal Partnership may determine that the failure of the State to demonstrate such progress is attributable to the workforce employment activities, workforce education activities, or flexible workforce activities, of the State and provide advice to the Secretary of Labor and the Secretary of Education. The Secretary of Labor and the Secretary of Education, acting jointly on the advice of the Federal Partnership, may decide to reduce only the portion of the allotment for such activities.

(2) EXPENDITURE CONTRARY TO TITLE.—If the Governor of a State determines that a local entity that carries out workforce employment activities in a substate area of the State has expended funds made available under this title in a manner contrary to the purposes of this title, and such expenditures do not constitute fraudulent activity, the Governor may deduct an amount equal to the funds from a subsequent program year allocation to the substate area.

(c) FUNDS RESULTING FROM REDUCED ALLOTMENTS.—The Secretary of Labor and the Secretary of Education, acting jointly on the advice of the Federal Partnership, may use an amount retained as a result of a reduction in an allotment made under subsection (b)(1) to award an incentive grant under subsection (a).

SEC. 733. UNEMPLOYMENT TRUST FUND.

(a) IN GENERAL.—Section 901(c) of the Social Security Act (42 U.S.C. 1101(c)) is amended—

(1) in paragraph (1)—

(A) in subparagraph (A)—

(i) by striking clause (ii) and inserting the following:

"(ii) the establishment and maintenance of statewide workforce development systems, to the extent the systems are used to carry out activities described in section 773, or in any of clauses (ii) through (v) of section 716(a)(2)(B), of the Workforce Development Act of 1995, and"; and

(ii) in clause (iii), by striking "carrying into effect section 4103" and "carrying out the activities described in sections 4103, 4103A, 4104, and 4104A"; and

(B) in subparagraph (B)—

(i) in the matter preceding clause (i), by striking "Department of Labor" and inserting "Department of Labor or the Workforce Development Partnership, as appropriate,"; and

(ii) by striking clause (iii) and inserting the following:

"(iii) the Workforce Development Act of 1995,"; and

(2) in the first sentence of paragraph (4), by striking "the total cost" and all that follows through "the President determines" and inserting "the total cost of administering the statewide workforce development systems, to the extent the systems are used to carry out activities described in section 773, or in any of clauses (ii) through (v) of section 716(a)(2)(B), of the Workforce Development Act of 1995, and of the necessary expenses of the Workforce Development Partnership for the performance of the functions of the partnership under such Act, as the President determines".

(b) GUAM; UNITED STATES VIRGIN ISLANDS.—From the total amount made available under section 901(c)(1)(A) of the Social Security Act (42 U.S.C. 1101(c)(1)(A)) (referred to in this section as the "total amount") for each fiscal year, the Secretary of Labor and the Secretary of Education, acting jointly, shall first allot to Guam and the United States Virgin Islands an amount that, in relation to the total amount for the fiscal year, is equal to the allotment percentage that each received of amounts available under section 6 of the Wagner-Peyser Act (29 U.S.C. 49e) in fiscal year 1983.

(c) STATES.—

(1) ALLOTMENTS.—

(A) IN GENERAL.—Subject to paragraphs (2) and (3), the Secretary of Labor and the Secretary of Education, acting jointly, shall (after making the allotments required by subsection (b)) allot the remainder of the total amount for each fiscal year among the States as follows:

(i) CIVILIAN LABOR FORCE.—Two-thirds of such remainder shall be allotted on the basis of the relative number of individuals in the civilian labor force in each State as compared to the total number of such individuals in all States.

(ii) UNEMPLOYED INDIVIDUALS.—One-third of such remainder shall be allotted on the basis of the relative number of unemployed individuals in each State as compared to the total number of such individuals in all States.

(B) CALCULATION.—For purposes of this paragraph, the number of individuals in the civilian labor force and the number of unemployed individuals shall be based on data for the most recent calendar year available, as determined by the Secretary of Labor and the Secretary of Education, acting jointly.

(2) MINIMUM PERCENTAGE.—No State allotment under this section for any fiscal year shall be a smaller percentage of the total amount for the fiscal year than 90 percent of the allotment percentage for the State for the fiscal year preceding the fiscal year for which the determination is made. For the purpose of this section, the Secretary of Labor and the Secretary of Education, acting jointly, shall determine the allotment percentage for each State for fiscal year 1984, which shall be the percentage that the State received of amounts available under section 6 of the Wagner-Peyser Act for fiscal year 1983. For the purpose of this section, for each succeeding fiscal year, the allotment percentage for each such State shall be the percentage that the State received of amounts available under section 6 of the Wagner-Peyser Act for the preceding fiscal year.

(3) MINIMUM ALLOTMENT.—For each fiscal year, no State shall receive a total allotment under paragraphs (1) and (2) that is less than 0.28 percent of the total amount for such fiscal year.

(4) ESTIMATES.—The Secretary of Labor and the Secretary of Education, acting jointly, shall, not later than March 15 of each fiscal year, provide preliminary planning estimates and shall, not later than May 15 of each fiscal year, provide final planning estimates, showing the projected allocation for each State for the following year.

(5) DEFINITION.—Notwithstanding section 703, as used in paragraphs (2) through (4), the term "State" means each of the several States of the United States, the District of Columbia, the Commonwealth of Puerto Rico, Guam, and United States Virgin Islands.

(d) EFFECTIVE DATE.—This section, and the amendments made by this section, shall take effect July 1, 1998.

SEC. 734. AUTHORIZATION OF APPROPRIATIONS.

(a) IN GENERAL.—There are authorized to be appropriated to carry out this title (other than subtitle C) $6,127,000,000 for each of fiscal years 1998 through 2001.

(b) RESERVATIONS.—Of the amount appropriated under subsection (a)—

(1) not more than 1.25 percent shall be reserved for carrying out section 717;

(2) not more than 0.2 percent shall be reserved for carrying out section 718;

(3) 4.3 percent shall be reserved for making incentive grants under section 732(a) and for the administration of this title;

(4) not more than 1.4 percent shall be reserved for carrying out section 773;

(5) 0.15 percent shall be reserved for carrying out sections 774 and 775 and the National Literacy Act of 1991 (20 U.S.C. 1201 note);

(6) not more than 6.7 percent shall be reserved for carrying out section 775A; and

(7) the remainder shall be reserved for making allotments under section 712.

(c) PROGRAM YEAR.—

(1) IN GENERAL.—Appropriations for any fiscal year for programs and activities under this title shall be available for obligation only on the basis of a program year. The program year shall begin on July 1 in the fiscal year for which the appropriation is made.

(2) ADMINISTRATION.—Funds obligated for any program year may be expended by each recipient during the program year and the 2 succeeding program years and no amount shall be deobligated on account of a rate of expenditure that is consistent with the provisions of the State plan specified in section 714 that relate to workforce employment activities.

SEC. 735. EFFECTIVE DATE.

This subtitle shall take effect July 1, 1998.

Subtitle C—Job Corps and Other Workforce Preparation Activities for At-Risk Youth

CHAPTER 1—GENERAL PROVISIONS

SEC. 741. PURPOSES.

The purposes of this subtitle are—

(1) to maintain a Job Corps for at-risk youth as part of statewide systems;

(2) to set forth standards and procedures for selecting individuals as enrollees in the Job Corps;

(3) to authorize the establishment of residential and nonresidential Job Corps centers in which enrollees will participate in intensive programs of workforce development activities;

(4) to prescribe various other powers, duties, and responsibilities incident to the operation and continuing development of the Job Corps; and

(5) to assist at-risk youth who need and can benefit from an unusually intensive program, operated in a group setting, to become more responsible, employable, and productive citizens.

SEC. 742. DEFINITIONS.

As used in this subtitle:

(1) AT-RISK YOUTH.—The term "at-risk youth" means an individual who—

(A) is not less than age 15 and not more than age 24;

(B) is low-income (as defined in section 723(e));

(C) is 1 or more of the following:

(i) Basic skills deficient.

(ii) A school dropout.

(iii) Homeless or a runaway.

(iv) Pregnant or parenting.

(v) Involved in the juvenile justice system.

(vi) An individual who requires additional education, training, or intensive counseling and related assistance, in order to secure and hold employment or participate successfully in regular schoolwork.

(2) ENROLLEE.—The term "enrollee" means an individual enrolled in the Job Corps.

(3) GOVERNOR.—The term "Governor" means the chief executive officer of a State.

(4) JOB CORPS.—The term "Job Corps" means the corps described in section 744.

(5) JOB CORPS CENTER.—The term "Job Corps center" means a center described in section 744.

SEC. 743. AUTHORITY OF GOVERNOR.

The duties and powers granted to a State by this subtitle shall be considered to be granted to the Governor of the State.

CHAPTER 2—JOB CORPS

SEC. 744. GENERAL AUTHORITY.

If a State receives an allotment under section 759, and a center located in the State received assistance under part B of title IV of the Job Training Partnership Act for fiscal year 1996 and was not closed in accordance with section 755, the State shall use a portion of the funds made available through the allotment to maintain the center, and carry out activities described in this subtitle for individuals enrolled in a Job Corps and assigned to the center.

SEC. 745. SCREENING AND SELECTION OF APPLICANTS.

(a) STANDARDS AND PROCEDURES.—

(1) IN GENERAL.—The State shall prescribe specific standards and procedures for the screening and selection of applicants for the Job Corps.

(2) IMPLEMENTATION.—To the extent practicable, the standards and procedures shall be implemented through arrangements with—

(A) one-stop career centers;

(B) agencies and organizations such as community action agencies, professional groups, and labor organizations; and

(C) agencies and individuals that have contact with youth over substantial periods of time and are able to offer reliable information about the needs and problems of the youth.

(3) CONSULTATION.—The standards and procedures shall provide for necessary consultation with individuals and organizations, including court, probation, parole, law enforcement, education, welfare, and medical authorities and advisers.

(b) SPECIAL LIMITATIONS.—No individual shall be selected as an enrollee unless the individual or organization implementing the standards and procedures determines that—

(1) there is a reasonable expectation that the individual can participate successfully in group situations and activities, is not likely to engage in behavior that would prevent other enrollees from receiving the benefit of the program or be incompatible with the maintenance of sound discipline and satisfactory relationships between the Job Corps center to which the individual might be assigned and surrounding communities; and

(2) the individual manifests a basic understanding of both the rules to which the individual will be subject and of the consequences of failure to observe the rules.

(c) INDIVIDUALS ELIGIBLE.—To be eligible to become an enrollee, an individual shall be an at-risk youth.

SEC. 746. ENROLLMENT AND ASSIGNMENT.

(a) RELATIONSHIP BETWEEN ENROLLMENT AND MILITARY OBLIGATIONS.—Enrollment in the Job Corps shall not relieve any individual of obligations under the Military Selective Service Act (50 U.S.C. App. 451 et seq.).

(b) ASSIGNMENT.—

(1) IN GENERAL.—Except as provided in paragraph (2), the State shall assign an enrollee to the Job Corps center within the State that is closest to the residence of the enrollee.

(2) AGREEMENTS WITH OTHER STATES.—The State may enter into agreements with 1 or more States to enroll individuals from the States in the Job Corps and assign the enrollees to Job Corps centers in the State.

SEC. 747. JOB CORPS CENTERS.

(a) DEVELOPMENT.—The State shall enter into an agreement with a Federal, State, or local agency, which may be a State board or agency that operates or wishes to develop an area vocational education school facility or residential vocational school, or with a private organization, for the establishment and operation of a Job Corps center.

(b) CHARACTER AND ACTIVITIES.—Job Corps centers may be residential or nonresidential in character, and shall be designed and operated so as to provide enrollees, in a well-supervised setting, with access to activities described in section 748.

(c) CIVILIAN CONSERVATION CENTERS.—The Job Corps centers may include Civilian Conservation Centers, located primarily in rural areas, which shall provide, in addition to other training and assistance, programs of work experience to conserve, develop, or manage public natural resources or public recreational areas or to develop community projects in the public interest.

(d) JOB CORPS OPERATORS.—To be eligible to receive funds under this chapter, an entity who entered into a contract with the Secretary of Labor that is in effect on the effective date of this section to carry out activities through a center under part B of title IV of the Job Training Partnership Act (as in effect on the day before the effective date of this section), shall enter into a contract with the State in which the center is located that contains provisions substantially similar to the provisions of the contract with the Secretary of Labor, as determined by the State.

SEC. 748. PROGRAM ACTIVITIES.

(a) ACTIVITIES PROVIDED THROUGH JOB CORPS CENTERS.—Each Job Corps center shall provide enrollees assigned to the center with access to activities described in section 716(a)(2)(B), and such other workforce development activities as may be appropriate to meet the needs of the enrollees, including providing work-based learning throughout the enrollment of the enrollees and assisting the enrollees in obtaining meaningful unsubsidized employment on completion of their enrollment.

(b) ARRANGEMENTS.—The State shall arrange for enrollees assigned to Job Corps centers in the State to receive workforce development activities through the statewide system, including workforce development activities provided through local public or private educational agencies, vocational educational institutions, or technical institutes.

(c) JOB PLACEMENT ACCOUNTABILITY.—Each Job Corps center located in a State shall be connected to the job placement accountability system of the State described in section 731(d).

SEC. 749. SUPPORT.

The State shall provide enrollees assigned to Job Corps centers in the State with such personal allowances as the State may determine to be necessary or appropriate to meet the needs of the enrollees.

SEC. 750. OPERATING PLAN.

To be eligible to operate a Job Corps center and receive assistance under section 759 for program year 1998 or any subsequent program year, an entity shall prepare and submit, to the Governor of the State in which the center is located, and obtain the approval of the Governor for, an operating plan that shall include, at a minimum, information indicating—

(1) in quantifiable terms, the extent to which the center will contribute to the achievement of the proposed State goals and State benchmarks identified in the State plan for the State submitted under section 714;

(2) the extent to which workforce employment activities and workforce education activities delivered through the Job Corps center are directly linked to the workforce development needs of the industry sectors most important to the economic competitiveness of the State; and

(3) an implementation strategy to ensure that all enrollees assigned to the Job Corps center will have access to services through the one-stop delivery of core services described in section 716(a)(2) by the State.

SEC. 751. STANDARDS OF CONDUCT.

(a) PROVISION AND ENFORCEMENT.—The State shall provide, and directors of Job Corps centers shall stringently enforce, standards of conduct within the centers. Such standards of conduct shall include provisions forbidding violence, drug abuse, and other criminal activity.

(b) DISCIPLINARY MEASURES.—To promote the proper moral and disciplinary conditions in the Job Corps, the directors of Job Corps centers shall take appropriate disciplinary measures against enrollees. If such a director determines that an enrollee has committed a violation of the standards of conduct, the director shall dismiss the enrollee from the Corps if the director determines that the retention of the enrollee in the Corps will jeopardize the enforcement of such standards or diminish the opportunities of other enrollees. If the director determines that an enrollee has engaged in an incident involving violence, drug abuse, or other criminal activity, the director shall immediately dismiss the enrollee from the Corps.

(c) APPEAL.—A disciplinary measure taken by a director under this section shall be subject to expeditious appeal in accordance with procedures established by the State.

SEC. 752. COMMUNITY PARTICIPATION.

The State shall encourage and cooperate in activities to establish a mutually beneficial relationship between Job Corps centers in the State and nearby communities. The activities may include the use of any local workforce development boards established in the State under section 728(b) to provide a mechanism for joint discussion of common problems and for planning programs of mutual interest.

SEC. 753. COUNSELING AND PLACEMENT.

The State shall ensure that enrollees assigned to Job Corps centers in the State receive counseling and job placement services, which shall be provided, to the maximum extent practicable, through the delivery of core services described in section 716(a)(2).

SEC. 754. LEASES AND SALES OF CENTERS.

(a) LEASES.—

(1) IN GENERAL.—The Secretary of Labor shall offer to enter into a lease with each State that has an approved State plan submitted under section 714 and in which 1 or more Job Corps centers are located.

(2) NOMINAL CONSIDERATION.—Under the terms of the lease, the Secretary of Labor shall lease the Job Corps centers in the State to the State in return for nominal consideration.

(3) INDEMNITY AGREEMENT.—To be eligible to lease such a center, a State shall enter into an agreement to hold harmless and indemnify the United States from any liability or claim for damages or injury to any person or property arising out of the lease.

(b) SALES.—Notwithstanding the Federal Property and Administrative Services Act of 1949 (40 U.S.C. 471 et seq.), the Secretary of Labor shall offer each State described in subsection (a)(1) the opportunity to purchase the Job Corps centers in the State in return for nominal consideration.

SEC. 755. CLOSURE OF JOB CORPS CENTERS.

(a) NATIONAL JOB CORPS AUDIT.—Not later than March 31, 1997, the Federal Partnership shall conduct an audit of the activities carried out under part B of title IV of the Job Training Partnership Act (29 U.S.C. 1691 et seq.), and submit to the appropriate committees of Congress a report containing the results of the audit, including information indicating—

(1) the amount of funds expended for fiscal year 1996 to carry out activities under such part, for each State and for the United States;

(2) for each Job Corps center funded under such part (referred to in this subtitle as a "Job Corps center"), the amount of funds expended for fiscal year 1996 under such part to carry out activities related to the direct operation of the center, including funds expended for student training, outreach or intake activities, meals and lodging, student allowances, medical care, placement or settlement activities, and administration;

(3) for each Job Corps center, the amount of funds expended for fiscal year 1996 under such part through contracts to carry out activities not related to the direct operation of the center, including funds expended for student travel, national outreach, screening, and placement services, national vocational training, and national and regional administrative costs;

(4) for each Job Corps center, the amount of funds expended for fiscal year 1996 under such part for facility construction, rehabilitation, and acquisition expenses; and

(5) the amount of funds required to be expended under such part to complete each new or proposed Job Corps center, and to rehabilitate and repair each existing Job Corps center, as of the date of the submission of the report.

(b) RECOMMENDATIONS OF NATIONAL BOARD.—

(1) Recommendations.—The National Board shall, based on the results of the audit described in subsection (a), make recommendations to the Secretary of Labor, including identifying 25 Job Corps centers to be closed by September 30, 1997.

(2) Considerations.—

(A) In general.—In determining whether to recommend that the Secretary of Labor close a Job Corps center, the National Board shall consider whether the center—

(i) has consistently received low performance measurement ratings under the Department of Labor or the Office of Inspector General Job Corps rating system;

(ii) is among the centers that have experienced the highest number of serious incidents of violence or criminal activity in the past 5 years;

(iii) is among the centers that require the largest funding for renovation or repair, as specified in the Department of Labor Job Corps Construction/Rehabilitation Funding Needs Survey, or for rehabilitation or repair, as reflected in the portion of the audit described in subsection (a)(5);

(iv) is among the centers for which the highest relative or absolute fiscal year 1996 expenditures were made, for any of the categories of expenditures described in paragraph (2), (3), or (4) of subsection (a), as reflected in the audit described in subsection (a);

(v) is among the centers with the least State and local support; or

(vi) is among the centers with the lowest rating on such additional criteria as the National Board may determine to be appropriate.

(B) Coverage of states and regions.—Notwithstanding subparagraph (A), the National Board shall not recommend that the Secretary of Labor close the only Job Corps center in a State or a region of the United States.

(C) Allowance for new job corps centers.—Notwithstanding any other provision of this section, if the planning or construction of a Job Corps center that received Federal funding for fiscal year 1994 or 1995 has not been completed by the date of enactment of this Act—

(i) the appropriate entity may complete the planning or construction and begin operation of the center; and

(ii) the National Board shall not evaluate the center under this title sooner than 3 years after the first date of operation of the center.

(3) Report.—Not later than June 30, 1997, the National Board shall submit a report to the Secretary of Labor, which shall contain a detailed statement of the findings and conclusions of the National Board resulting from the audit described in subsection (a) together with the recommendations described in paragraph (1).

(c) Closure.—The Secretary of Labor shall, after reviewing the report submitted under subsection (b)(3), close 25 Job Corps centers by September 30, 1997.

SEC. 756. INTERIM OPERATING PLANS FOR JOB CORPS CENTERS.

Part B of title IV of the Job Training Partnership Act (29 U.S.C. 1691 et seq.) is amended by inserting after section 439 the following section:

"SEC. 439A. OPERATING PLAN.

"(a) Submission of Plan.—To be eligible to operate a Job Corps center and receive assistance under this part for fiscal year 1997, an entity shall prepare and submit to the Secretary and the Governor of the State in which the center is located, and obtain the approval of the Secretary for, an operating plan that shall include, at a minimum, information indicating—

"(1) in quantifiable terms, the extent to which the center will contribute to the achievement of the proposed State goals and State benchmarks identified in the interim plan for the State submitted under section 763 of the Workforce Development Act of 1995;

"(2) the extent to which workforce employment activities and workforce education activities delivered through the Job Corps center are directly linked to the workforce development needs of the industry sectors most important to the economic competitiveness of the State; and

"(3) an implementation strategy to ensure that all enrollees assigned to the Job Corps center will have access to services through the one-stop delivery of core services described in section 716(a)(2) of the Workforce Development Act of 1995 by the State as identified in the interim plan.

"(b) Submission of Comments.—Not later than 30 days after receiving an operating plan described in subsection (a), the Governor of the State in which the center is located may submit comments on the plan to the Secretary.

"(c) Approval.—The Secretary shall not approve an operating plan described in subsection (a) for a center if the Secretary determines that the activities proposed to be carried out through the center are not sufficiently integrated with the activities to be carried out through the statewide system of the State in which the center is located.".

SEC. 757. EFFECTIVE DATE.

(a) In General.—Except as provided in subsection (b), this chapter shall take effect on July 1, 1998.

(b) Interim Provisions.—Sections 754 and 755, and the amendment made by section 756, shall take effect on the date of enactment of this Act.

CHAPTER 3—OTHER WORKFORCE PREPARATION ACTIVITIES FOR AT-RISK YOUTH

SEC. 759. WORKFORCE PREPARATION ACTIVITIES FOR AT-RISK YOUTH.

(a) In General.—For program year 1998 and each subsequent program year, the Secretary of Labor and the Secretary of Education, acting jointly on the advice of the Federal Partnership, shall make allotments under subsection (c) to States to assist the States in paying for the cost of carrying out workforce preparation activities for at-risk youth, as described in this section.

(b) State Use of Funds.—

(1) Core activities.—The State shall use a portion of the funds made available to the State through an allotment received under subsection (c) to establish and operate Job Corps centers as described in chapter 2, if a center located in the State received assistance under part B of title IV of the Job Training Partnership Act for fiscal year 1996 and was not closed in accordance with section 755.

(2) Permissible activities.—The State may use a portion of the funds described in paragraph (1) to—

(A) make grants to eligible entities, as described in subsection (e), to assist the entities in carrying out innovative programs to assist out-of-school at-risk youth in participating in school-to-work activities;

(B) make grants to eligible entities, as described in subsection (e), to assist the entities in providing work-based learning as a component of school-to-work activities, including summer jobs linked to year-round school-to-work programs; and

(C) carry out other workforce development activities specifically for at-risk youth.

(c) Allotments.—

(1) In general.—The Secretary of Labor and the Secretary of Education, acting jointly on the advice of the Federal Partnership, shall allot to each State an amount equal to the total of—

(A) the amount made available to the State under paragraph (2); and

(B) the amounts made available to the State under subparagraphs (C), (D), and (E) of paragraph (3).

(2) Allotments based on fiscal year 1996 appropriations.—Using a portion of the funds appropriated under subsection (g) for a fiscal year, the Secretary of Labor and the Secretary of Education, acting jointly on the advice of the Federal Partnership, shall make available to each State the amount that Job Corps centers in the State expended for fiscal year 1996 under part B of title IV of the Job Training Partnership Act to carry out activities related to the direct operation of the centers, as determined under section 755(a)(2).

(3) Allotments based on populations.—

(A) Definitions.—As used in this paragraph:

(i) Individual in poverty.—The term "individual in poverty" means an individual who—

(I) is not less than age 18;

(II) is not more than age 64; and

(III) is a member of a family (of 1 or more members) with an income at or below the poverty line.

(ii) Poverty line.—The term "poverty line" means the poverty line (as defined by the Office of Management and Budget, and revised annually in accordance with section 673(2) of the Community Services Block Grant Act (42 U.S.C. 9902(2)) applicable to a family of the size involved, using the most recent available data provided by the Bureau of the Census, prior to the program year for which the allotment is made, and applying the definition of poverty used by the Bureau of the Census in compiling the 1990 decennial census.

(B) Total allotments.—The Secretary of Labor and the Secretary of Education, acting jointly on the advice of the Federal Partnership, shall use the remainder of the funds that are appropriated under subsection (g) for a fiscal year, and that are not made available under paragraph (2), to make amounts available under this paragraph.

(C) Unemployed individuals.—From funds equal to 33⅓ percent of such remainder, the Secretary of Labor and the Secretary of Education, acting jointly on the advice of the Federal Partnership, shall make available to each State an amount that bears the same relationship to such funds as the average number of unemployed individuals (as determined by the Secretary of Labor for the most recent 24-month period for which data are available, prior to the program year for which the allotment is made) in the State bears to the average number of unemployed individuals (as so determined) in the United States.

(D) Individuals in poverty.—From funds equal to 33⅓ percent of such remainder, the Secretary of Labor and the Secretary of Education, acting jointly on the advice of the Federal Partnership, shall make available to each State an amount that bears the same relationship to such funds as the total number of individuals in poverty in the State bears to the total number of individuals in poverty in the United States.

(E) At-risk youth.—From funds equal to 33⅓ percent of such remainder, the Secretary of Labor and the Secretary of Education, acting jointly on the advice of the Federal Partnership, shall make available to each State an amount that bears the same relationship to such funds as the total number of at-risk youth in the State bears to the total number of at-risk youth in the United States.

(d) STATE PLAN.—

(1) INFORMATION.—To be eligible to receive an allotment under subsection (c), a State shall include, in the State plan to be submitted under section 714, information describing the allocation within the State of the funds made available through the allotment, and how the programs and activities described in subsection (b)(2) will be carried out to meet the State goals and reach the State benchmarks.

(2) LIMITATION.—A State may not be required to include the information described in paragraph (1) in the State plan to be submitted under section 714 to be eligible to receive an allotment under section 712.

(e) APPLICATION.—To be eligible to receive a grant under subparagraph (A) or (B) of subsection (b)(2) from a State, an entity shall prepare and submit to the Governor of the State an application at such time, in such manner, and containing such information as the Governor may require.

(f) WITHIN STATE DISTRIBUTION.—Of the funds allotted to a State under subsection (c)(3) for workforce preparation activities for at-risk youth for a program year—

(1) 15 percent shall be reserved by the Governor to carry out such activities through the statewide system; and

(2) 85 percent shall be distributed to local entities to carry out such activities through the statewide system.

(g) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to carry out this subtitle, $2,100,000,000 for each of fiscal years 1998 through 2001.

(h) EFFECTIVE DATE.—This chapter shall take effect on July 1, 1998.

Subtitle D—Transition Provisions

SEC. 761. WAIVERS.

(a) WAIVER AUTHORITY.—

(1) IN GENERAL.—Notwithstanding any other provision of Federal law, and except as provided in subsection (d), the Secretary may waive any requirement under any provision of law relating to a covered activity, or of any regulation issued under such a provision, for—

(A) a State that requests such a waiver and submits an application as described in subsection (b); or

(B) a local entity that requests such a waiver and complies with the requirements of subsection (c);

in order to assist the State or local entity in planning or developing a statewide system or workforce development activities to be carried out through the statewide system.

(2) TERM.—

(A) IN GENERAL.—Except as provided in subparagraph (B), each waiver approved pursuant to this section shall be for a period beginning on the date of the approval and ending on June 30, 1998.

(B) FAILURE TO SUBMIT INTERIM PLAN.—If a State receives a waiver under this section and fails to submit an interim plan under section 763 by June 30, 1997, the waiver shall be deemed to terminate on September 30, 1997. If a local entity receives a waiver under this section, and the State in which the local entity is located fails to submit an interim plan under section 763 by June 30, 1997, the waiver shall be deemed to terminate on September 30, 1997.

(b) STATE REQUEST FOR WAIVER.—

(1) IN GENERAL.—A State may submit to the Secretary a request for a waiver of 1 or more requirements referred to in subsection (a). The request may include a request for different waivers with respect to different areas within the State.

(2) APPLICATION.—To be eligible to receive a waiver described in subsection (a), a State shall submit an application to the Secretary at such time, in such manner, and containing such information as the Secretary may require, including information—

(A) identifying the requirement to be waived and the goal that the State (or the local agency applying to the State under subsection (c)) intends to achieve through the waiver;

(B) identifying, and describing the actions that the State will take to remove, similar State requirements;

(C) describing the activities to which the waiver will apply, including information on how the activities may be continued, or related to activities carried out, under the statewide system of the State;

(D) describing the number and type of persons to be affected by such waiver; and

(E) providing evidence of support for the waiver request by the State agencies or officials with jurisdiction over the requirement to be waived.

(c) LOCAL ENTITY REQUEST FOR WAIVER.—

(1) IN GENERAL.—A local entity that seeks a waiver of such a requirement shall submit to the State a request for the waiver and an application containing sufficient information to enable the State to comply with the requirements of subsection (b)(2). The State shall determine whether to submit a request and an application for a waiver to the Secretary, as provided in subsection (b).

(2) TIME LIMIT.—

(A) IN GENERAL.—The State shall make a determination concerning whether to submit the request and application for a waiver as described in paragraph (1) not later than 30 days after the date on which the State receives the application from the local entity.

(B) DIRECT SUBMISSION.—

(i) IN GENERAL.—If the State does not make a determination to submit or does not submit the request and application within the 30-day time period specified in subparagraph (A), the local entity may submit the request and application to the Secretary.

(ii) REQUIREMENTS.—In submitting such a request, the local entity shall obtain the agreement of the State involved to comply with the requirements of this section that would otherwise apply to a State submitting a request for a waiver. In reviewing an application submitted by a local entity, the Secretary shall comply with the requirements of this section that would otherwise apply to the Secretary with respect to review of such an application submitted by a State.

(d) WAIVERS NOT AUTHORIZED.—The Secretary may not waive any requirement of any provision referred to in subsection (a), or of any regulation issued under such provision, relating to—

(1) the allocation of funds to States, local entities, or individuals;

(2) public health or safety, civil rights, occupational safety and health, environmental protection, displacement of employees, or fraud and abuse;

(3) the eligibility of an individual for participation in a covered activity, except in a case in which the State or local entity can demonstrate that the individuals who would have been eligible to participate in such activity without the waiver will participate in a similar covered activity; or

(4) a required supplementation of funds by the State or a prohibition against the State supplanting such funds.

(e) ACTIVITIES.—Subject to subsection (d), the Secretary may approve a request for a waiver described in subsection (a) that would enable a State or local entity to—

(1) use the assistance that would otherwise have been used to carry out 2 or more covered activities (if the State or local entity were not using the assistance as described in this section)—

(A) to address the high priority needs of unemployed persons and at-risk youth in the appropriate State or community for workforce employment activities or workforce education activities;

(B) to improve efficiencies in the delivery of the covered activities; or

(C) in the case of overlapping or duplicative activities—

(i) by combining the covered activities and funding the combined activities; or

(ii) by eliminating 1 of the covered activities and increasing the funding to the remaining covered activity; and

(2) use the assistance that would otherwise have been used for administrative expenses relating to a covered activity (if the State or local entity were not using the assistance as described in this section) to pay for the cost of developing an interim State plan described in section 763 or a State plan described in section 714.

(f) APPROVAL OR DISAPPROVAL.—The Secretary shall approve or disapprove any request submitted pursuant to subsection (b) or (c), not later than 45 days after the date of the submission and shall issue a decision that shall include the reasons for approving or disapproving the request.

(g) FAILURE TO ACT.—If the Secretary fails to approve or disapprove the request within the 45-day period described in subsection (f), the request shall be deemed to be approved on the day after such period ends. If the Secretary subsequently determines that the waiver relates to a matter described in subsection (d) and issues a decision that includes the reasons for the determination, the waiver shall be deemed to terminate on the date of issuance of the decision.

(h) DEFINITION.—As used in this section:

(1) LOCAL ENTITY.—The term "local entity" means—

(A) a local educational agency, with respect to any act by a local agency or organization relating to a covered activity that is a workforce education activity; and

(B) the local public or private agency or organization responsible for carrying out the covered activity at issue, with respect to any act by a local agency or organization relating to any other covered activity.

(2) SECRETARY.—The term "Secretary" means—

(A) the Secretary of Labor, with respect to any act relating to a covered activity carried out by the Secretary of Labor;

(B) the Secretary of Education, with respect to any act relating to a covered activity carried out by the Secretary of Education; and

(C) the Secretary of Health and Human Services, with respect to any act relating to a covered activity carried out by the Secretary of Health and Human Services.

(3) STATE.—The term "State" means—

(A) a State educational agency, with respect to any act by a State entity relating to a covered activity that is a workforce education activity; and

(B) the Governor, with respect to any act by a State entity relating to any other covered activity.

(i) CONFORMING AMENDMENTS.—

(1) Section 501 of the School-to-Work Opportunities Act of 1994 (20 U.S.C. 6211) is amended—

(A) in subsection (a), by striking "sections 502 and 503" and inserting "section 502";

(B) in subsection (b)(2)(B)(ii)—

(i) by striking "section 502(a)(1)(C) or 503(a)(1)(C), as appropriate," and inserting "section 502(a)(1)(C)"; and

(ii) by striking "section 502 or 503, as appropriate," and inserting "section 502";

(C) in subsection (c), by striking "section 502 or 503" and inserting "section 502"; and

(D) by striking "Secretaries" each place the term appears and inserting "Secretary of Education".

(2) Section 502(b) of such Act (20 U.S.C. 6212(b)) is amended—

(A) in paragraph (4), by striking the semicolon and inserting "; and";

(B) in paragraph (5), by striking "; and" and inserting a period; and

(C) by striking paragraph (6).

(3) Section 503 of such Act (20 U.S.C. 6213) is repealed.

(4) Section 504 of such Act (20 U.S.C. 6214) is amended—

(A) in subsection (a)(2)(B), by striking clauses (i) and (ii) and inserting the following clauses:

"(i) the provisions of law listed in paragraphs (2) through (5) of section 502(b);

"(ii) the Job Training Partnership Act (29 U.S.C. 1501 et seq.); and

"(iii) the Carl D. Perkins Vocational and Applied Technology Education Act (20 U.S.C. 2301 et seq.)."; and

(B) in subsection (b), by striking "paragraphs (1) through (3), and paragraphs (5) and (6), of section 503(b)" and inserting "paragraphs (2) through (4) and paragraphs (6) and (7) of section 505(b)".

(5) Section 505(b) of such Act (20 U.S.C. 6215(b)) is amended to read as follows:

"(b) USE OF FUNDS.—A State may use, under the requirements of this Act, Federal funds that are made available to the State and combined under subsection (a) to carry out school-to-work activities, except that the provisions relating to—

"(1) the matters specified in section 502(c);

"(2) basic purposes or goals;

"(3) maintenance of effort;

"(4) distribution of funds;

"(5) eligibility of an individual for participation;

"(6) public health or safety, labor standards, civil rights, occupational safety and health, or environmental protection; or

"(7) prohibitions or restrictions relating to the construction of buildings or facilities;

that relate to the program through which the funds described in subsection (a)(2)(B) were made available, shall remain in effect with respect to the use of such funds.".

SEC. 762. FLEXIBILITY DEMONSTRATION PROGRAM.

(a) DEFINITION.—As used in this section:

(1) ELIGIBLE STATE.—The term "eligible State" means a State that—

(A)(i) has submitted an interim State plan under section 763;

(ii) has an executed Memorandum of Understanding with the Federal Government; or

(iii) is a designated "Ed-Flex Partnership State" under section 311(e) of the Goals 2000: Educate America Act (20 U.S.C. 5891(e)); and

(B) waives State statutory or regulatory requirements relating to workforce development activities while holding local entities within the State that are effected by such waivers accountable for the performance of the participants who are affected by such waivers.

(2) LOCAL ENTITY; SECRETARY; STATE.—The terms "local entity", "Secretary", and "State" have the meanings given the terms in section 761(h).

(b) DEMONSTRATION PROGRAM.—

(1) ESTABLISHMENT.—In addition to providing for the waivers described in section 761(a), the Secretary shall establish a workforce flexibility demonstration program under which the Secretary shall permit not more than 6 eligible States (or local entities within such States) to waive any statutory or regulatory requirement applicable to any covered activity described in section 761(a), other than the requirements described in section 761(d).

(2) SELECTION OF PARTICIPANT STATES.—In carrying out the program under paragraph (1), the Secretary shall select for participation in the program 3 eligible States that each have a population of not less than 3,500,000 individuals and 3 eligible States that each have a population of not more than 3,500,000 individuals, as determined in accordance with the most recent decennial census of the population as provided by the Bureau of the Census.

(3) APPLICATION.—

(A) SUBMISSION.—To be eligible to participate in the program established under paragraph (1), a State shall prepare and submit an application, in accordance with section 761(b)(2), that includes—

(i) a description of the process the eligible State will use to evaluate applications from local entities requesting waivers of—

(I) Federal statutory or regulatory requirements described in section 761(a); and

(II) State statutory or regulatory requirements relating to workforce development activities; and

(ii) a detailed description of the State statutory or regulatory requirements relating to workforce development activities that the State will waive.

(B) APPROVAL.—The Secretary may approve an application submitted under subparagraph (A) if the Secretary determines that such application demonstrates substantial promise of assisting the State and local entities within such State in carrying out comprehensive reform of workforce development activities and in otherwise meeting the purposes of this title.

(C) LOCAL ENTITY APPLICATIONS.—A State participating in the program established under paragraph (1) shall not approve an application by a local entity for a waiver under this subsection unless the State determines that such waiver will assist the local entity in reaching the goals of the local entity.

(4) MONITORING.—A State participating in the program established under paragraph (1) shall annually monitor the activities of local entities receiving waivers under this subsection and shall submit an annual report regarding such monitoring to the Secretary. The Secretary shall periodically review the performance of such States and shall terminate the waiver of a State under this subsection if the Secretary determines, after notice and opportunity for a hearing, that the performance of such State has been inadequate to a level that justifies discontinuation of such authority.

(5) REFERENCE.—Each eligible State participating in the program established under paragraph (1) shall be referred to as a "Work-Flex Partnership State".

SEC. 763. INTERIM STATE PLANS.

(a) IN GENERAL.—For a State or local entity in a State to use a waiver received under section 761 or 762 through June 30, 1998, and for a State to be eligible to submit a State plan described in section 714 for program year 1998, the Governor of the State shall submit an interim State plan to the Federal Partnership. The Governor shall submit the plan not later than June 30, 1997.

(b) REQUIREMENTS.—The interim State plan shall comply with the requirements applicable to State plans described in section 714.

(c) PROGRAM YEAR.—In submitting the interim State plan, the Governor shall indicate whether the plan is submitted—

(1) for review and approval for program year 1997; or

(2) solely for review.

(d) REVIEW.—In reviewing an interim State plan, the Secretary of Labor and the Secretary of Education, acting jointly on the advice of the Federal Partnership, may—

(1) in the case of a plan submitted for review and approval for program year 1997—

(A) approve the plan and permit the State to use a waiver as described in section 761 or 762 to carry out the plan; or

(B)(i) disapprove the plan and provide to the State reasons for the disapproval; and

(ii) direct the Federal Partnership to provide technical assistance to the State for developing an approvable plan to be submitted under section 714 for program year 1998; and

(2) in the case of a plan submitted solely for review, review the plan and provide to the State technical assistance for developing an approvable plan to be submitted under section 714 for program year 1998.

(e) EFFECT OF DISAPPROVAL.—Disapproval of an interim plan shall not affect the ability of a State to use a waiver as described in section 761 or 762 through June 30, 1998.

SEC. 764. APPLICATIONS AND PLANS UNDER COVERED ACTS.

Notwithstanding any other provision of law, no State or local entity shall be required to comply with any provision of a covered Act that would otherwise require the entity to submit an application or a plan to a Federal agency during fiscal year 1996 or 1997 for funding of a covered activity. In determining whether to provide funding to the State or local entity for the covered activity, the Secretary of Education, the Secretary of Labor, or the Secretary of Health and Human Services, as appropriate, shall consider the last application or plan, as appropriate, submitted by the entity for funding of the covered activity.

SEC. 765. INTERIM ADMINISTRATION OF SCHOOL-TO-WORK PROGRAMS.

(a) IN GENERAL.—Any provision of the School-to-Work Opportunities Act of 1994 (20 U.S.C. 6101 et seq.) that grants authority to the Secretary of Labor or the Secretary of Education shall be considered to grant the authority to the Federal Partnership.

(b) EFFECTIVE DATE.—Subsection (a) shall take effect on October 1, 1996.

SEC. 766. INTERIM AUTHORIZATIONS OF APPROPRIATIONS.

(a) OLDER AMERICAN COMMUNITY SERVICE EMPLOYMENT ACT.—Section 508(a)(1) of the Older American Community Service Employment Act (42 U.S.C. 3056f(a)(1)) is amended by striking "for fiscal years 1993, 1994, and 1995" and inserting "for each of fiscal years 1993 through 1998".

(b) CARL D. PERKINS VOCATIONAL AND APPLIED TECHNOLOGY EDUCATION ACT.—

(1) IN GENERAL.—Section 3(a) of the Carl D. Perkins Vocational and Applied Technology Education Act (20 U.S.C. 2302(a)) is amended by striking "for each of the fiscal years" and all that follows through "1995" and inserting "for each of fiscal years 1992 through 1998".

(2) RESEARCH.—Section 404(d) of such Act (20 U.S.C. 2404(d)) is amended by striking "for each of the fiscal years" and all that follows through "1995" and inserting "for each of fiscal years 1992 through 1998".

(c) ADULT EDUCATION ACT.—

(1) IN GENERAL.—Section 313(a) of the Adult Education Act (20 U.S.C. 1201b(a)) is amended by striking "for each of the fiscal years" and all that follows through "1995" and inserting "for each of fiscal years 1993 through 1998".

(2) STATE LITERACY RESOURCE CENTERS.—Section 356(k) of such Act (20 U.S.C. 1208aa(k)) is amended by striking "for each of the fiscal years 1994 and 1995" and inserting "for each of fiscal years 1994 and 1995".

(3) BUSINESS, INDUSTRY, LABOR, AND EDUCATION PARTNERSHIPS FOR WORKPLACE LITERACY.—Section 371(e)(1) of such Act (20 U.S.C. 1211(e)(1)) is amended by striking "for each of the fiscal years" and all that follows through "1995" and inserting "for each of fiscal years 1993 through 1998".

(4) NATIONAL INSTITUTE FOR LITERACY.—Section 384(n)(1) of such Act (20 U.S.C. 1213c(n)(1)) is amended by striking "for each of the fiscal years" and all that follows through "1996" and inserting "for each of fiscal years 1992 through 1995".

Subtitle E—National Activities

SEC. 771. FEDERAL PARTNERSHIP.

(a) ESTABLISHMENT.—There is established in the Department of Labor and the Department of Education a Workforce Development Partnership, under the joint control of the Secretary of Labor and the Secretary of Education.

(b) ADMINISTRATION.—Notwithstanding the Department of Education Organization Act (20 U.S.C. 3401 et seq.), the General Education Provisions Act (20 U.S.C. 1221 et seq.), the Act entitled "An Act To Create a Department of Labor", approved March 4, 1913 (29 U.S.C. 551 et seq.), and section 169 of the Job Training Partnership Act (29 U.S.C. 1579), the Secretary of Labor and the Secretary of Education, acting jointly, in accordance with the plan approved or determinations made by the President under section 776(c), shall provide for, and exercise final authority over, the effective and efficient administration of this title and the officers and employees of the Federal Partnership.

(c) RESPONSIBILITIES OF SECRETARY OF LABOR AND SECRETARY OF EDUCATION.—The Secretary of Labor and the Secretary of Education, working jointly through the Federal Partnership, shall—

(1) approve applications and plans under sections 714, 717, 718, and 763;

(2) award financial assistance under sections 712, 717, 718, 732(a), 759, and 774;

(3) approve State benchmarks in accordance with section 731(c); and

(4) apply sanctions described in section 732(b).

(d) WORKPLANS.—The Secretary of Labor and the Secretary of Education, acting jointly, shall prepare and submit the workplans described in sections 776(c) and 777(b).

(e) INFORMATION AND TECHNICAL ASSISTANCE RESPONSIBILITIES.—The Secretary of Labor and the Secretary of Education, acting jointly, shall, in appropriate cases, disseminate information and provide technical assistance to States on the best practices for establishing and carrying out activities through statewide systems, including model programs to provide structured work and learning experiences for welfare recipients.

SEC. 772. NATIONAL WORKFORCE DEVELOPMENT BOARD AND PERSONNEL.

(a) NATIONAL BOARD.—

(1) COMPOSITION.—The Federal Partnership shall be directed by a National Board that shall be composed of 13 individuals, including—

(A) 7 individuals who are representative of business and industry in the United States, appointed by the President by and with the advice and consent of the Senate;

(B) 2 individuals who are representative of labor and workers in the United States, appointed by the President by and with the advice and consent of the Senate;

(C) 2 individuals who are representative of education providers, 1 of whom is a State or local adult education provider and 1 of whom is a State or local vocational education provider, appointed by the President by and with the advice and consent of the Senate; and

(D) 2 Governors, representing different political parties, appointed by the President by and with the advice and consent of the Senate.

(2) TERMS.—Each member of the National Board shall serve for a term of 3 years, except that, as designated by the President—

(A) 5 of the members first appointed to the National Board shall serve for a term of 2 years;

(B) 4 of the members first appointed to the National Board shall serve for a term of 3 years; and

(C) 4 of the members first appointed to the National Board shall serve for a term of 4 years.

(3) VACANCIES.—Any vacancy in the National Board shall not affect the powers of the National Board, but shall be filled in the same manner as the original appointment. Any member appointed to fill such a vacancy shall serve for the remainder of the term for which the predecessor of such member was appointed.

(4) DUTIES AND POWERS OF THE NATIONAL BOARD.—

(A) OVERSIGHT.—Subject to section 771(b), the National Board shall oversee all activities of the Federal Partnership.

(B) RECOMMENDATIONS ABOUT IMPLEMENTATION.—If the Secretary of Labor and the Secretary of Education fail to reach agreement with respect to the implementation of their duties and responsibilities under this title, the National Board shall review the issues about which disagreement exists and make a recommendation to the President regarding a solution to the disagreement.

(5) CHAIRPERSON.—The position of Chairperson of the National Board shall rotate annually among the appointed members described in paragraph (1)(A).

(6) MEETINGS.—The National Board shall meet at the call of the Chairperson but not less often than 4 times during each calendar year. Seven members of the National Board shall constitute a quorum. All decisions of the National Board with respect to the exercise of the duties and powers of the National Board shall be made by a majority vote of the members of the National Board.

(7) COMPENSATION AND TRAVEL EXPENSES.—

(A) COMPENSATION.—In accordance with the plan approved or the determinations made by the President under section 776(c), each member of the National Board shall be compensated at a rate to be fixed by the President but not to exceed the daily equivalent of the maximum rate authorized for a position above GS–15 of the General Schedule under section 5108 of title 5, United States Code, for each day (including travel time) during which such member is engaged in the performance of the duties of the National Board.

(B) EXPENSES.—While away from their homes or regular places of business on the business of the National Board, members of such National Board shall be allowed travel expenses, including per diem in lieu of subsistence, at rates authorized for employees of agencies under subchapter I of chapter 57 of title 5, United States Code, for persons employed intermittently in the Government service.

(8) DATE OF APPOINTMENT.—The National Board shall be appointed not later than 120 days after the date of enactment of this Act.

(b) DUTIES AND POWERS OF THE FEDERAL PARTNERSHIP.—The Federal Partnership shall—

(1) oversee the development, maintenance, and continuous improvement of the nationwide integrated labor market information system described in section 773, and the relationship between such system and the job placement accountability system described in section 731(d);

(2) establish model benchmarks for each of the benchmarks referred to in paragraph (1), (2), or (3) of section 731(c), at achievable levels based on existing (as of the date of the establishment of the benchmarks) workforce development efforts in the States;

(3) negotiate State benchmarks with States in accordance with section 731(c);

(4) provide advice to the Secretary of Labor and the Secretary of Education regarding the review and approval of applications and plans described in section 771(c)(1) and the approval of financial assistance described in section 771(c)(2);

(5) receive and review reports described in section 731(a);

(6) prepare and submit to the appropriate committees of Congress an annual report on the absolute and relative performance of States toward reaching the State benchmarks;

(7) provide advice to the Secretary of Labor and the Secretary of Education regarding applying sanctions described in section 732(b);

(8) review all federally funded programs providing workforce development activities, other than programs carried out under this title, and submit recommendations to Congress on how the federally funded programs could be integrated into the statewide systems of the States, including recommendations on the development of common terminology for activities and services provided through the programs;

(9) prepare an annual plan for the nationwide integrated labor market information system, as described in section 773(b)(2); and

(10) perform the duties specified for the Federal Partnership in this title.

(c) DIRECTOR.—

(1) IN GENERAL.—There shall be in the Federal Partnership a Director, who shall be appointed by the President, by and with the advice and consent of the Senate.

(2) COMPENSATION.—The Director shall be compensated at the rate provided for level IV of the Executive Schedule under section 5315 of title 5, United States Code.

(3) DUTIES.—The Director shall make recommendations to the National Board regarding the activities described in subsection (b).

(4) DATE OF APPOINTMENT.—The Director shall be appointed not later than 120 days after the date of enactment of this Act.

(d) PERSONNEL.—

(1) APPOINTMENTS.—The Director may appoint and fix the compensation of such officers and employees as may be necessary to carry out the functions of the Federal Partnership. Except as otherwise provided by

law, such officers and employees shall be appointed in accordance with the civil service laws and their compensation fixed in accordance with title 5, United States Code.

(2) EXPERTS AND CONSULTANTS.—The Director may obtain the services of experts and consultants in accordance with section 3109 of title 5, United States Code, and compensate such experts and consultants for each day (including travel time) at rates not in excess of the rate of pay for level IV of the Executive Schedule under section 5315 of such title. The Director may pay experts and consultants who are serving away from their homes or regular place of business travel expenses and per diem in lieu of subsistence at rates authorized by sections 5702 and 5703 of such title for persons in Government service employed intermittently.

(3) DETAIL OF GOVERNMENT EMPLOYEES.—Any Federal Government employee may be detailed to the Federal Partnership without reimbursement, and such detail shall be without interruption or loss of civil service or privilege. The Secretary of Education and the Secretary of Labor shall detail a sufficient number of employees to the Federal Partnership for the period beginning October 1, 1996 and ending June 30, 1998 to carry out the functions of the Federal Partnership during such period.

(4) USE OF VOLUNTARY AND UNCOMPENSATED SERVICES.—Notwithstanding section 1342 of title 31, United States Code, the Secretary of Labor and the Secretary of Education are authorized to accept voluntary and uncompensated services in furtherance of the purposes of this title.

(e) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated for fiscal years 1996 and 1997 $500,000 to the National Board for the administration of the duties and responsibilities of the Federal Partnership under this title.

SEC. 773. LABOR MARKET INFORMATION.

(a) FEDERAL RESPONSIBILITIES.—The Federal Partnership, in accordance with the provisions of this section, shall oversee the development, maintenance, and continuous improvement of a nationwide integrated labor market information system that shall include—

(1) statistical data from cooperative statistical survey and projection programs and data from administrative reporting systems, that, taken together, shall enumerate, estimate, and project the supply and demand for labor at the substate, State, and national levels in a timely manner, including data on—

(A) the demographics, socioeconomic characteristics, and current employment status of the substate, State, and national populations (as of the date of the collection of the data), including self-employed, part-time, and seasonal workers;

(B) job vacancies, education and training requirements, skills, wages, benefits, working conditions, and industrial distribution, of occupations, as well as current and projected employment opportunities and trends by industry and occupation;

(C) the educational attainment, training, skills, skill levels, and occupations of the populations;

(D) information maintained in a longitudinal manner on the quarterly earnings, establishment and industry affiliation, and geographic location of employment for all individuals for whom the information is collected by the States; and

(E) the incidence, industrial and geographical location, and number of workers displaced by permanent layoffs and plant closings;

(2) State and substate area employment and consumer information (which shall be current, comprehensive, automated, accessible, easy to understand, and in a form useful for facilitating immediate employment, entry into education and training programs, and career exploration) on—

(A) job openings, locations, hiring requirements, and application procedures, including profiles of industries in the local labor market that describe the nature of work performed, employment requirements, and patterns in wages and benefits;

(B) jobseekers, including the education, training, and employment experience of the jobseekers; and

(C) the cost and effectiveness of providers of workforce employment activities, workforce education activities, and flexible workforce activities, including the percentage of program completion, acquisition of skills to meet industry-recognized skill standards, continued education, job placement, and earnings, by participants, and other information that may be useful in facilitating informed choices among providers by participants;

(3) technical standards for labor market information that will—

(A) ensure compatibility of the information and the ability to aggregate the information from substate areas to State and national levels;

(B) support standardization and aggregation of the data from administrative reporting systems;

(C) include—

(i) classification and coding systems for industries, occupations, skills, programs, and courses;

(ii) nationally standardized definitions of labor market terms, including terms related to State benchmarks established pursuant to section 731(c);

(iii) quality control mechanisms for the collection and analysis of labor market information; and

(iv) common schedules for collection and dissemination of labor market information; and

(D) eliminate gaps and duplication in statistical undertakings, with a high priority given to the systemization of wage surveys;

(4) an analysis of data and information described in paragraphs (1) and (2) for uses such as—

(A) national, State, and substate area economic policymaking;

(B) planning and evaluation of workforce development activities;

(C) the implementation of Federal policies, including the allocation of Federal funds to States and substate areas; and

(D) research on labor market dynamics;

(5) dissemination mechanisms for data and analysis, including mechanisms that may be standardized among the States; and

(6) programs of technical assistance for States and substate areas in the development, maintenance, utilization, and continuous improvement of the data, information, standards, analysis, and dissemination mechanisms, described in paragraphs (1) through (5).

(b) JOINT FEDERAL-STATE RESPONSIBILITIES.—

(1) IN GENERAL.—The nationwide integrated labor market information system shall be planned, administered, overseen, and evaluated through a cooperative governance structure involving the Federal Government and the States receiving financial assistance under this title.

(2) ANNUAL PLAN.—The Federal Partnership shall, with the assistance of the Bureau of Labor Statistics and other Federal agencies, where appropriate, prepare an annual plan that shall be the mechanism for achieving the cooperative Federal-State governance structure for the nationwide integrated labor market information system. The plan shall—

(A) establish goals for the development and improvement of a nationwide integrated labor market information system based on information needs for achieving economic growth and productivity, accountability, fund allocation equity, and an understanding of labor market characteristics and dynamics;

(B) describe the elements of the system, including—

(i) standards, definitions, formats, collection methodologies, and other necessary system elements, for use in collecting the data and information described in paragraphs (1) and (2) of subsection (a); and

(ii) assurances that—

(I) data will be sufficiently timely and detailed for uses including the uses described in subsection (a)(4);

(II) administrative records will be standardized to facilitate the aggregation of data from substate areas to State and national levels and to support the creation of new statistical series from program records; and

(III) paperwork and reporting requirements on employers and individuals will be reduced;

(C) recommend needed improvements in administrative reporting systems to be used for the nationwide integrated labor market information system;

(D) describe the current spending on integrated labor market information activities from all sources, assess the adequacy of the funds spent, and identify the specific budget needs of the Federal Government and States with respect to implementing and improving the nationwide integrated labor market information system;

(E) develop a budget for the nationwide integrated labor market information system that—

(i) accounts for all funds described in subparagraph (D) and any new funds made available pursuant to this title; and

(ii) describes the relative allotments to be made for—

(I) operating the cooperative statistical programs pursuant to subsection (a)(1);

(II) developing and providing employment and consumer information pursuant to subsection (a)(2);

(III) ensuring that technical standards are met pursuant to subsection (a)(3); and

(IV) providing the analysis, dissemination mechanisms, and technical assistance under paragraphs (4), (5), and (6) of subsection (a), and matching data;

(F) describe the involvement of States in developing the plan by holding formal consultations conducted in cooperation with representatives of the Governors of each State or the State workforce development board described in section 715, where appropriate, pursuant to a process established by the Federal Partnership; and

(G) provide for technical assistance to the States for the development of statewide comprehensive labor market information systems described in subsection (c), including assistance with the development of easy-to-use software and hardware, or uniform information displays.

For purposes of applying Office of Management and Budget Circular A-11 to determine persons eligible to participate in deliberations relating to budget issues for the development of the plan, the representatives of the Governors of each State and the State workforce development board described in subparagraph (F) shall be considered to be employees of the Department of Labor.

(c) STATE RESPONSIBILITIES.—

(1) DESIGNATION OF STATE AGENCY.—In order to receive Federal financial assistance under this title, the Governor of a State shall—

(A) establish an interagency process for the oversight of a statewide comprehensive labor market information system and for the participation of the State in the cooperative Federal-State governance structure for the nationwide integrated labor market information system; and

(B) designate a single State agency or entity within the State to be responsible for the management of the statewide comprehensive labor market information system.

(2) DUTIES.—In order to receive Federal financial assistance under this title, the State agency or entity within the State designated under paragraph (1)(B) shall—

(A) consult with employers and local workforce development boards described in section 728(b), where appropriate, about the labor market relevance of the data to be collected and displayed through the statewide comprehensive labor market information system;

(B) develop, maintain, and continuously improve the statewide comprehensive labor market information system, which shall—

(i) include all of the elements described in paragraphs (1), (2), (3), (4), (5), and (6) of subsection (a); and

(ii) provide the consumer information described in clauses (v) and (vi) of section 716(a)(2)(B) in a manner that shall be responsive to the needs of business, industry, workers, and jobseekers;

(C) ensure the performance of contract and grant responsibilities for data collection, analysis, and dissemination, through the statewide comprehensive labor market information system;

(D) conduct such other data collection, analysis, and dissemination activities to ensure that State and substate area labor market information is comprehensive;

(E) actively seek the participation of other State and local agencies, with particular attention to State education, economic development, human services, and welfare agencies, in data collection, analysis, and dissemination activities in order to ensure complementarity and compatibility among data;

(F) participate in the development of the national annual plan described in subsection (b)(2); and

(G) ensure that the matches required for the job placement accountability system by section 731(d)(2)(A) are made for the State and for other States.

(3) RULE OF CONSTRUCTION.—Nothing in this title shall be construed as limiting the ability of a State agency to conduct additional data collection, analysis, and dissemination activities with State funds or with Federal funds from sources other than this title.

(d) EFFECTIVE DATE.—This section shall take effect on July 1, 1998.

SEC. 774. NATIONAL CENTER FOR RESEARCH IN EDUCATION AND WORKFORCE DEVELOPMENT.

(a) GRANTS AUTHORIZED.—From amounts made available under section 734(b)(5), the Secretary of Labor and the Secretary of Education, acting jointly on the advice of the Federal Partnership, are authorized to award a grant, on a competitive basis, to an institution of higher education, public or private nonprofit organization or agency, or a consortium of such institutions, organizations, or agencies, to enable such institution, organization, agency, or consortium to establish a national center to carry out the activities described in subsection (b).

(b) AUTHORIZED ACTIVITIES.—Grant funds made available under this section shall be used by the national center assisted under subsection (a)—

(1) to increase the effectiveness and improve the implementation of workforce development programs, including conducting research and development and providing technical assistance with respect to—

(A) combining academic and vocational education;

(B) connecting classroom instruction with work-based learning;

(C) creating a continuum of educational programs that provide multiple exit points for employment, which may include changes or development of instructional materials or curriculum;

(D) establishing high quality support services for all students to ensure access to workforce development programs, educational success, and job placement assistance;

(E) developing new models for remediation of basic academic skills, which models shall incorporate appropriate instructional methods, rather than using rote and didactic methods;

(F) identifying ways to establish links among educational and job training programs at the State and local levels;

(G) developing new models for career guidance, career information, and counseling services;

(H) identifying economic and labor market changes that will affect workforce needs;

(I) developing model programs for the transition of members of the Armed Forces from military service to civilian employment;

(J) conducting preparation of teachers, counselors, administrators, and other professionals, who work with programs funded under this title; and

(K) obtaining information on practices in other countries that may be adapted for use in the United States;

(2) to provide assistance to States and local recipients of assistance under this title in developing and using systems of performance measures and standards for improvement of programs and services; and

(3) to maintain a clearinghouse that will provide data and information to Federal, State, and local organizations and agencies about the condition of statewide systems and programs funded under this title, which data and information shall be disseminated in a form that is useful to practitioners and policymakers.

(c) OTHER ACTIVITIES.—The Federal Partnership may request that the national center assisted under subsection (a) conduct activities not described in subsection (b), or study topics not described in subsection (b), as the Federal Partnership determines to be necessary to carry out this title.

(d) IDENTIFICATION OF CURRENT NEEDS.—The national center assisted under subsection (a) shall identify current needs (as of the date of the identification) for research and technical assistance through a variety of sources including a panel of Federal, State, and local level practitioners.

(e) SUMMARY REPORT.—The national center assisted under subsection (a) shall annually prepare and submit to the Federal Partnership and Congress a report summarizing the research findings obtained, and the results of development and technical assistance activities carried out, under this section.

(f) DEFINITION.—As used in this section, the term "institution of higher education" has the meaning given the term in section 1201(a) of the Higher Education Act of 1965 (20 U.S.C. 1141(a)).

(g) EFFECTIVE DATE.—This section shall take effect on July 1, 1998.

SEC. 775. NATIONAL ASSESSMENT OF VOCATIONAL EDUCATION PROGRAMS.

(a) IN GENERAL.—The Secretary of Education (referred to in this section as the "Secretary") shall conduct a national assessment of vocational education programs assisted under this title, through studies and analyses conducted independently through competitive awards.

(b) INDEPENDENT ADVISORY PANEL.—The Secretary shall appoint an independent advisory panel, consisting of vocational education administrators, educators, researchers, and representatives of business, industry, labor, career guidance and counseling professionals, and other relevant groups, to advise the Secretary on the implementation of such assessment, including the issues to be addressed and the methodology of the studies involved, and the findings and recommendations resulting from the assessment. The panel, in the discretion of the panel, may submit to Congress an independent analysis of the findings and recommendations resulting from the assessment. The Federal Advisory Committee Act (5 U.S.C. App.) shall not apply to the panel established under this subsection.

(c) CONTENTS.—The assessment required under subsection (a) shall include descriptions and evaluations of—

(1) the effect of this title on State and tribal administration of vocational education programs and on local vocational education practices, including the capacity of State, tribal, and local vocational education systems to address the purposes of this title;

(2) expenditures at the Federal, State, tribal, and local levels to address program improvement in vocational education, including the impact of Federal allocation requirements (such as within-State distribution formulas) on the delivery of services;

(3) preparation and qualifications of teachers of vocational and academic curricula in vocational education programs, as well as shortages of such teachers;

(4) participation in vocational education programs;

(5) academic and employment outcomes of vocational education, including analyses of—

(A) the effect of educational reform on vocational education;

(B) the extent and success of integration of academic and vocational curricula;

(C) the success of the school-to-work transition; and

(D) the degree to which vocational training is relevant to subsequent employment;

(6) employer involvement in, and satisfaction with, vocational education programs;

(7) the effect of benchmarks, performance measures, and other measures of accountability on the delivery of vocational education services; and

(8) the degree to which minority students are involved in vocational student organizations.

(d) CONSULTATION.—

(1) IN GENERAL.—The Secretary shall consult with the Committee on Economic and Educational Opportunities of the House of Representatives and the Committee on Labor and Human Resources of the Senate in

the design and implementation of the assessment required under subsection (a).

(2) Reports.—The Secretary shall submit to Congress—

(A) an interim report regarding the assessment on or before January 1, 2000; and

(B) a final report, summarizing all studies and analyses that relate to the assessment and that are completed after the assessment, on or before July 1, 2000.

(3) Prohibition.—Notwithstanding any other provision of law or regulation, the reports required by this subsection shall not be subject to any review outside of the Department of Education before their transmittal to Congress, but the President, the Secretary, and the independent advisory panel established under subsection (b) may make such additional recommendations to Congress with respect to the assessment as the President, Secretary, or panel determine to be appropriate.

(e) Effective Date.—This section shall take effect on July 1, 1998.

SEC. 775A. NATIONAL ACTIVITIES.

(a) Workforce Employment.—

(1) Grants.—From the amounts reserved under section 734(b)(6) for each fiscal year, an amount, not to exceed 75 percent of the amounts so reserved, shall be available to the Secretary of Labor for national activities that relate to workforce employment activities and that are appropriately administered at the national level, including awarding—

(A) discretionary grants to provide adjustment assistance to workers affected by major economic dislocations such as a closure, layoff, or realignment described in section 703(8)(B);

(B) discretionary grants to provide disaster relief employment assistance to areas that have suffered an emergency or major disaster;

(C) grants for programs to provide workforce employment activities for Indians;

(D) grants for programs to provide workforce employment activities for low-income migrant or seasonal farmworkers, as defined in section 2281(b) of the Food, Agriculture, Conservation, and Trade Act of 1990 (42 U.S.C. 5177a(b)); and

(E) grants for partnerships between the Secretary of Labor and national organizations possessing special expertise for developing, organizing, and administering workforce employment activities at the national, State, and local levels to enable such partnerships to carry out such development, organization, and administration.

(2) Additional activities.—From the amounts reserved under section 734(b)(6) for each fiscal year, an amount, not to exceed 15 percent of the amounts so reserved, shall be available to the Secretary of Labor for additional national activities that relate to workforce employment activities and that are appropriately administered at the national level, such as data collection, research and development, demonstration projects, dissemination, technical assistance, and evaluation activities, relating to workforce employment activities.

(b) Workforce Education.—From the amounts reserved under section 734(b)(6) for each fiscal year, an amount, not to exceed 10 percent of the amounts so reserved, shall be available to the Secretary of Education for national activities that relate to workforce education activities and that are appropriately administered at the national level, including—

(1) national activities relating to workforce education activities such as data collection, research and development, demonstration projects, dissemination, technical assistance, and evaluation activities, relating to workforce education activities; and

(2) workforce education activities that are provided to Indians and Native Hawaiians and consistent with the purposes of this title.

(c) Awards for Excellence.—The Secretary of Labor and the Secretary of Education, from the amounts reserved under section 734(b)(6) and not used in accordance with subsections (a) and (b) for each fiscal year, and through a peer review process, may make performance awards to 1 or more States that have—

(1) implemented exemplary workforce employment activities or workforce education activities;

(2) implemented exemplary systems of school-to-work activities; or

(3) implemented exemplary one-stop delivery, as described in section 716(a)(2)(A).

(d) Definitions.—As used in this section:

(1) Indian.—The term "Indian" has the same meaning given such term in section 4(d) of the Indian Self-Determination and Education Assistance Act (25 U.S.C. 450b(d)).

(2) Native hawaiian.—The term "Native Hawaiian" has the same meaning given such term in section 9212(1) of the Native Hawaiian Education Act (20 U.S.C. 7912(1)).

SEC. 776. TRANSFERS TO FEDERAL PARTNERSHIP.

(a) Definitions.—For purposes of this section, unless otherwise provided or indicated by the context—

(1) the term "Federal agency" has the meaning given to the term "agency" by section 551(1) of title 5, United States Code;

(2) the term "function" means any duty, obligation, power, authority, responsibility, right, privilege, activity, or program; and

(3) the term "office" includes any office, administration, agency, institute, unit, organizational entity, or component thereof.

(b) Transfer of Functions.—There are transferred to the appropriate Secretary in the Federal Partnership, in accordance with subsection (c), all functions that the Secretary of Labor or the Secretary of Education exercised before the effective date of this section (including all related functions of any officer or employee of the Department of Labor or the Department of Education) that relate to a covered activity and that are minimally necessary to carry out the functions of the Federal Partnership. The authority of a transferred employee to carry out a function that relates to a covered activity shall terminate on July 1, 1998.

(c) Transition Workplan.—

(1) In general.—Not later than 120 days after the date of enactment of this Act, the Secretary of Labor and the Secretary of Education shall prepare and submit to the National Board a proposed workplan as described in paragraph (2). The Secretary of Labor and the Secretary of Education shall also submit the plan to the President, the Committee on Economic and Educational Opportunities of the House of Representatives, and the Committee on Labor and Human Resources of the Senate for review and comment.

(2) Contents.—The proposed workplan shall include, at a minimum—

(A) an analysis of the functions that officers and employees of the Department of Labor and the Department of Education carry out (as of the date of the submission of the workplan) that relate to a covered activity;

(B) information on the levels of personnel and funding used to carry out the functions (as of such date);

(C) a determination of the functions described in subparagraph (A) that are minimally necessary to carry out the functions of the Federal Partnership;

(D) information on the levels of personnel and other resources that are minimally necessary to carry out the functions of the Federal Partnership;

(E) a determination of the manner in which the Secretary of Labor and the Secretary of Education will provide personnel and other resources of the Department of Labor and the Department of Education for the Federal Partnership;

(F) a determination of the appropriate Secretary to receive the personnel, resources, and related items to be transferred under this section, based on factors including increased efficiency and elimination of duplication of functions;

(G) a determination of the proposed organizational structure for the Federal Partnership; and

(H) a determination of the manner in which the Secretary of Labor and the Secretary of Education, acting jointly through the Federal Partnership, will carry out their duties and responsibilities under this title.

(3) Review by national board.—

(A) In general.—Not later than 45 days after the date of submission of the proposed workplan under paragraph (1), the National Board shall—

(i) review and concur with the workplan; or

(ii) reject the workplan and prepare and submit to the President a revised workplan that contains the analysis, information, and determinations described in paragraph (2).

(B) Functions transferred.—If the National Board concurs with the proposed workplan, the functions described in paragraph (2)(C), as determined in the workplan, shall be transferred under subsection (b).

(4) Review by the president.—

(A) In general.—Not later than 30 days after the date of submission of a revised workplan under paragraph (3)(A)(ii), the President shall—

(i) review and approve the workplan; or

(ii) reject the workplan and prepare an alternative workplan that contains the analysis, information, and determinations described in paragraph (2).

(B) Functions transferred.—If the President approves the revised workplan, or prepares the alternative workplan, the functions described in paragraph (2)(C), as determined in such revised or alternative workplan, shall be transferred under subsection (b).

(C) Special rule.—If the President takes no action on the revised workplan submitted under paragraph (3)(A)(ii) within the 30-day period described in subparagraph (A), the Secretary of Labor, the Secretary of Education, and the National Board may attempt to reach agreement on a compromise workplan. If the Secretary of Labor, the Secretary of Education, and the National Board reach such agreement, the functions described in paragraph (2)(C), as determined in such compromise workplan, shall be transferred under subsection (b). If, after an additional 15-day period, the Secretary of Labor, the Secretary of Education and the National Board are unable to reach such agreement, the revised workplan shall be deemed to be approved and shall take effect on the day after the end of such period. The functions described in paragraph (2)(C), as determined in the revised workplan, shall be transferred under subsection (b).

(5) DETERMINATION BY PRESIDENT.—

(A) IN GENERAL.—In the event that the Secretary of Labor and the Secretary of Education fail to reach agreement regarding, and submit, a proposed workplan described in paragraph (2), the President shall make the determinations described in paragraph (2)(C). The President shall delegate full responsibility for administration of this title to 1 of the 2 Secretaries. Such Secretary shall be considered to be the appropriate Secretary for purposes of this title and shall have authority to carry out any function that the Secretaries would otherwise be authorized to carry out jointly.

(B) TRANSFERS.—The functions described in paragraph (2)(C), as determined by the President under subparagraph (A), shall be transferred under subsection (b). All positions of personnel that relate to a covered activity and that, prior to the transfer, were within the Department headed by the other of the 2 Secretaries shall be separated from service as provided in subsection (i)(2)(A).

(d) DELEGATION AND ASSIGNMENT.—Except where otherwise expressly prohibited by law or otherwise provided by this section, the National Board may delegate any function transferred or granted to the Federal Partnership after the effective date of this section to such officers and employees of the Federal Partnership as the National Board may designate, and may authorize successive redelegations of such functions as may be necessary or appropriate. No delegation of functions by the National Board under this subsection or under any other provision of this section shall relieve such National Board of responsibility for the administration of such functions.

(e) REORGANIZATION.—The National Board may allocate or reallocate any function transferred or granted to the Federal Partnership after the effective date of this section among the officers of the Federal Partnership, and establish, consolidate, alter, or discontinue such organizational entities in the Federal Partnership as may be necessary or appropriate.

(f) RULES.—The Secretary of Labor and the Secretary of Education, acting jointly on the advice of the Federal Partnership, may prescribe, in accordance with the provisions of chapters 5 and 6 of title 5, United States Code, such rules and regulations as the Secretary of Labor and the Secretary of Education, acting jointly on the advice of the Federal Partnership, determine to be necessary or appropriate to administer and manage the functions of the Federal Partnership.

(g) TRANSFER AND ALLOCATIONS OF APPROPRIATIONS AND PERSONNEL.—

(1) IN GENERAL.—Except as otherwise provided in this section, the personnel employed in connection with, and the assets, liabilities, contracts, property, records, and unexpended balances of appropriations, authorizations, allocations, and other funds employed, used, held, arising from, available to, or to be made available in connection with the functions transferred by this section, subject to section 1531 of title 31, United States Code, shall be transferred to the appropriate Secretary in the Federal Partnership. Unexpended funds transferred pursuant to this subsection shall be used only to carry out the functions of the Federal Partnership.

(2) EXISTING FACILITIES AND OTHER FEDERAL RESOURCES.—Pursuant to paragraph (1), the Secretary of Labor and the Secretary of Education shall supply such office facilities, office supplies, support services, and related expenses as may be minimally necessary to carry out the functions of the Federal Partnership. None of the funds made available under this title may be used for the construction of office facilities for the Federal Partnership.

(h) INCIDENTAL TRANSFERS.—The Director of the Office of Management and Budget, at such time or times as the Director shall provide, may make such determinations as may be necessary with regard to the functions transferred by this section, and to make such additional incidental dispositions of personnel, assets, liabilities, grants, contracts, property, records, and unexpended balances of appropriations, authorizations, allocations, and other funds held, used, arising from, available to, or to be made available in connection with such functions, as may be necessary to carry out the provisions of this section. The Director of the Office of Management and Budget shall provide for the termination of the affairs of all entities terminated by this section and for such further measures and dispositions as may be necessary to effectuate the objectives of this section.

(i) EFFECT ON PERSONNEL.—

(1) TERMINATION OF CERTAIN POSITIONS.—Positions whose incumbents are appointed by the President, by and with the advice and consent of the Senate, the functions of which are transferred by this section, shall terminate on the effective date of this section.

(2) ACTIONS.—

(A) IN GENERAL.—The Secretary of Labor and the Secretary of Education shall take such actions as may be necessary, including reduction in force actions, consistent with sections 3502 and 3595 of title 5, United States Code, to ensure that the positions of personnel that relate to a covered activity and are not transferred under subsection (b) are separated from service.

(B) SCOPE.—The Secretary of Labor and the Secretary of Education shall take the actions described in subparagraph (A) with respect to not less than ⅓ of the positions of personnel that relate to a covered activity.

(j) SAVINGS PROVISIONS.—

(1) SUITS NOT AFFECTED.—The provisions of this section shall not affect suits commenced before the effective date of this section, and in all such suits, proceedings shall be had, appeals taken, and judgments rendered in the same manner and with the same effect as if this section had not been enacted.

(2) NONABATEMENT OF ACTIONS.—No suit, action, or other proceeding commenced by or against the Department of Labor or the Department of Education, or by or against any individual in the official capacity of such individual as an officer of the Department of Labor or the Department of Education, shall abate by reason of the enactment of this section.

(k) TRANSITION.—The National Board may utilize—

(1) the services of officers, employees, and other personnel of the Department of Labor or the Department of Education, other than personnel of the Federal Partnership, with respect to functions transferred to the Federal Partnership by this section; and

(2) funds appropriated to such functions; for such period of time as may reasonably be needed to facilitate the orderly implementation of this section.

(l) REFERENCES.—A reference in any other Federal law, Executive order, rule, regulation, or delegation of authority, or any document of or relating to—

(1) the Secretary of Labor or the Secretary of Education with regard to functions transferred under subsection (b), shall be deemed to refer to the Federal Partnership; and

(2) the Department of Labor or the Department of Education with regard to functions transferred under subsection (b), shall be deemed to refer to the Federal Partnership.

(m) ADDITIONAL CONFORMING AMENDMENTS.—

(1) RECOMMENDED LEGISLATION.—After consultation with the appropriate committees of Congress and the Director of the Office of Management and Budget, the Federal Partnership shall prepare and submit to Congress recommended legislation containing technical and conforming amendments to reflect the changes made by this section.

(2) SUBMISSION TO CONGRESS.—Not later than March 31, 1997, the Federal Partnership shall submit the recommended legislation referred to in paragraph (1).

(n) EFFECTIVE DATE.—

(1) IN GENERAL.—Except as provided in paragraphs (2) and (3), this section shall take effect on June 30, 1998.

(2) REGULATIONS AND CONFORMING AMENDMENTS.—Subsections (f) and (m) shall take effect on September 30, 1996.

(3) WORKPLAN.—Subsection (c) shall take effect on the date of enactment of this Act.

SEC. 777. TRANSFERS TO OTHER FEDERAL AGENCIES AND OFFICES.

(a) TRANSFER.—There are transferred to the appropriate receiving agency, in accordance with subsection (b), all functions that the Secretary of Labor, acting through the Employment and Training Administration, or the Secretary of Education, acting through the Office of Vocational and Adult Education, exercised before the effective date of this section (including all related functions of any officer or employee of the Employment and Training Administration or the Office of Vocational and Adult Education) that do not relate to a covered activity.

(b) DETERMINATIONS OF FUNCTIONS AND APPROPRIATE RECEIVING AGENCIES.—

(1) TRANSITION WORKPLAN.—Not later than 180 days after the date of enactment of this Act, the Secretary of Labor and the Secretary of Education shall prepare and submit to the President a proposed workplan that specifies the steps that the Secretaries will take, during the period ending on July 1, 1998, to carry out the transfer described in subsection (a).

(2) CONTENTS.—The proposed workplan shall include, at a minimum—

(A) a determination of the functions that officers and employees of the Employment and Training Administration and the Office of Vocational and Adult Education carry out (as of the date of the submission of the workplan) that do not relate to a covered activity; and

(B) a determination of the appropriate receiving agencies for the functions, based on factors including increased efficiency and elimination of duplication of functions.

(3) REVIEW.—

(A) IN GENERAL.—Not later than 45 days after the date of submission of the proposed workplan under paragraph (1), the President shall—

(i) review and approve the workplan and submit the workplan to the Committee on Economic and Educational Opportunities of the House of Representatives and the Committee on Labor and Human Resources of the Senate; or

(ii) reject the workplan, prepare an alternative workplan that contains the determinations described in paragraph (2), and submit the alternative workplan to the Committee on Economic and Educational Opportunities of the House of Representatives and the Committee on Labor and Human Resources of the Senate.

(B) FUNCTIONS TRANSFERRED.—If the President approves the proposed workplan, or prepares the alternative workplan, the functions described in paragraph (2)(A), as determined in such proposed or alternative workplan, shall be transferred under subsection (a) to the appropriate receiving agencies described in paragraph (2)(B), as determined in such proposed or alternative workplan.

(C) SPECIAL RULE.—If the President takes no action on the proposed workplan submitted under paragraph (1) within the 45-day period described in subparagraph (A), such workplan shall be deemed to be approved and shall take effect on the day after the end of such period. The functions described in paragraph (2)(A), as determined in the proposed workplan, shall be transferred under subsection (a) to the appropriate receiving agencies described in paragraph (2)(B), as determined in the proposed workplan.

(4) REPORT.—Not later than July 1, 1998, the Secretary of Education and the Secretary of Labor shall submit to the appropriate committees of Congress information on the transfers required by this section.

(c) APPLICATION OF AUTHORITIES.—

(1) IN GENERAL.—

(A) APPLICATION.—Subsection (a), and subsections (d) through (m), of section 776 (other than subsections (f), (g)(2), (i)(2), and (m)) shall apply to transfers under this section, in the same manner and to the same extent as the subsections apply to transfers under section 776.

(B) REGULATIONS AND CONFORMING AMENDMENTS.—Subsections (f) and (m) of section 776 shall apply to transfers under this section, in the same manner and to the same extent as the subsections apply to transfers under section 776.

(2) REFERENCES.—For purposes of the application of the subsections described in paragraph (1) (other than subsections (g)(2) and (i)(2) of section 776) to transfers under this section—

(A) references to the Federal Partnership shall be deemed to be references to the appropriate receiving agency, as determined in the approved or alternative workplan referred to in subsection (b)(3);

(B) references to the Secretary of Labor and the Secretary of Education, Director, or National Board shall be deemed to be references to the head of the appropriate receiving agency; and

(C) references to transfers in section 776 shall be deemed to include transfers under this section.

(3) ADMINISTRATION.—Unexpended funds transferred pursuant to this section shall be used only for the purposes for which the funds were originally authorized and appropriated.

(4) CONTINUING EFFECT OF LEGAL DOCUMENTS.—All orders, determinations, rules, regulations, permits, agreements, grants, contracts, certificates, licenses, registrations, privileges, and other administrative actions—

(A) that have been issued, made, granted, or allowed to become effective by the President, any Federal agency or official of a Federal agency, or by a court of competent jurisdiction, in the performance of functions that are transferred under this section; and

(B) that are in effect on the effective date of this section or were final before the effective date of this section and are to become effective on or after the effective date of this section;

shall continue in effect according to their terms until modified, terminated, superseded, set aside, or revoked in accordance with law by the President, the appropriate receiving agency or other authorized official, a court of competent jurisdiction, or by operation of law.

(5) PROCEEDINGS NOT AFFECTED.—

(A) IN GENERAL.—The provisions of this section shall not affect any proceedings, including notices of proposed rulemaking, or any application for any license, permit, certificate, or financial assistance pending before the Department of Labor or the Department of Education on the date this section takes effect, with respect to functions transferred by this section.

(B) CONTINUATION.—Such proceedings and applications shall be continued. Orders shall be issued in such proceedings, appeals shall be taken from the orders, and payments shall be made pursuant to such orders, as if this section had not been enacted, and orders issued in any such proceedings shall continue in effect until modified, terminated, superseded, or revoked by a duly authorized official, by a court of competent jurisdiction, or by operation of law.

(C) CONSTRUCTION.—Nothing in this paragraph shall be deemed to prohibit the discontinuance or modification of any such proceeding under the same terms and conditions and to the same extent that such proceeding could have been discontinued or modified if this section had not been enacted.

(6) ADMINISTRATIVE ACTIONS RELATING TO PROMULGATION OF REGULATIONS.—Any administrative action relating to the preparation or promulgation of a regulation by the Department of Labor or the Department of Education relating to a function transferred under this section may be continued by the appropriate receiving agency with the same effect as if this section had not been enacted.

(d) CONSTRUCTION.—Nothing in this section shall be construed to require the transfer of any function described in subsection (b)(2)(A) to the Federal Partnership.

(e) EFFECTIVE DATE.—

(1) IN GENERAL.—Except as provided in paragraphs (2) and (3), this section shall take effect on June 30, 1998.

(2) REGULATIONS AND CONFORMING AMENDMENTS.—Subsection (c)(1)(B) shall take effect on September 30, 1996.

(3) WORKPLAN.—Subsection (b) shall take effect on the date of enactment of this Act.

SEC. 778. ELIMINATION OF CERTAIN OFFICES.

(a) TERMINATION.—The Office of Vocational and Adult Education and the Employment and Training Administration shall terminate on July 1, 1998.

(b) OFFICE OF VOCATIONAL AND ADULT EDUCATION.—

(1) TITLE 5, UNITED STATES CODE.—Section 5315 of title 5, United States Code, is amended by striking "Assistant Secretaries of Education (10)" and inserting "Assistant Secretaries of Education (9)".

(2) DEPARTMENT OF EDUCATION ORGANIZATION ACT.—

(A) Section 202 of the Department of Education Organization Act (20 U.S.C. 3412) is amended—

(i) in subsection (b)(1)—

(I) by striking subparagraph (C); and

(II) by redesignating subparagraphs (D) through (F) as subparagraphs (C) through (E), respectively;

(ii) by striking subsection (h); and

(iii) by redesignating subsection (i) as subsection (h).

(B) Section 206 of such Act (20 U.S.C. 3416) is repealed.

(C) Section 402(c)(1) of the Improving America's Schools Act of 1994 (20 U.S.C. 9001(c)(1)) is amended by striking "established under" and all that follows and inserting a semicolon.

(3) GOALS 2000: EDUCATE AMERICA ACT.—Section 931(h)(3)(A) of the Goals 2000: Educate America Act (20 U.S.C. 6031(h)(3)(A)) is amended—

(A) by striking clause (iii); and

(B) by redesignating clauses (iv) and (v) as clauses (iii) and (iv), respectively.

(c) EMPLOYMENT AND TRAINING ADMINISTRATION.—

(1) TITLE 5, UNITED STATES CODE.—Section 5315 of title 5, United States Code, is amended by striking "Assistant Secretaries of Labor (10)" and inserting "Assistant Secretaries of Labor (9)".

(2) VETERANS' BENEFITS AND PROGRAMS IMPROVEMENT ACT OF 1988.—Section 402(d)(3) of the Veterans' Benefits and Programs Improvement Act of 1988 (29 U.S.C. 1721 note) is amended by striking "and under any other program administered by the Employment and Training Administration of the Department of Labor".

(3) TITLE 38, UNITED STATES CODE.—Section 4110(d) of title 38, United States Code, is amended—

(A) by striking paragraph (7); and

(B) by redesignating paragraphs (8) through (12) as paragraphs (7) through (11), respectively.

(4) NATIONAL AND COMMUNITY SERVICE ACT OF 1990.—The last sentence of section 162(b) of the National and Community Service Act of 1990 (42 U.S.C. 12622(b)) is amended by striking "or the Office of Job Training".

(d) UNITED STATES EMPLOYMENT SERVICE.—

(1) TITLE 5, UNITED STATES CODE.—Section 3327 of title 5, United States Code, is amended—

(A) in subsection (a), by striking "the employment offices of the United States Employment Service" and inserting "Governors"; and

(B) in subsection (b), by striking "of the United States Employment Service".

(2) TITLE 10, UNITED STATES CODE.—

(A) Section 1143a(d) of title 10, United States Code, is amended by striking paragraph (3).

(B) Section 2410k(b) of title 10, United States Code, is amended by striking ", and where appropriate the Interstate Job Bank (established by the United States Employment Service),".

(3) INTERNAL REVENUE CODE OF 1986.—Section 51 of the Internal Revenue Code of 1986 is amended by striking subsection (g).

(4) NATIONAL DEFENSE AUTHORIZATION ACT FOR FISCAL YEAR 1993.—Section 4468 of the National Defense Authorization Act for Fiscal Year 1993 (29 U.S.C. 1662d-1 note) is repealed.

(5) TITLE 38, UNITED STATES CODE.—Section 4110(d) of title 38, United States Code (as amended by subsection (c)(3)), is further amended—

(A) by striking paragraph (10); and

(B) by redesignating paragraph (11) as paragraph (10).

(6) TITLE 39, UNITED STATES CODE.—

(A) Section 3202(a)(1) of title 39, United States Code is amended—

(i) in subparagraph (D), by striking the semicolon and inserting "; and";

(ii) by striking subparagraph (E); and

(iii) by redesignating subparagraph (F) as subparagraph (E).

(B) Section 3203(b) of title 39, United States Code, is amended by striking "(1)(E), (2), and (3)" and inserting "(2) and (3)".

(C) Section 3206(b) of title 39, United States Code, is amended by striking "(1)(F)" and inserting "(1)(E)".

(7) NATIONAL AND COMMUNITY SERVICE ACT OF 1990.—Section 162(b) of the National and Community Service Act of 1990 (42 U.S.C. 12622(b)) (as amended by subsection (c)(4)) is further amended by striking the last sentence.

(e) REORGANIZATION PLANS.—Except with respect to functions transferred under section 777, the authority granted to the Employment and Training Administration, the Office of Vocational and Adult Education, or any unit of the Employment and Training Administration or the Office of Vocational and Adult Education by any reorganization plan shall terminate on July 1, 1998.

Subtitle F—Repeals of Employment and Training and Vocational and Adult Education Programs

SEC. 781. REPEALS.

(a) IMMEDIATE REPEALS.—The following provisions are repealed:

(1) Section 204 of the Immigration Reform and Control Act of 1986 (8 U.S.C. 1255a note).

(2) Title II of Public Law 95-250 (92 Stat. 172).

(3) The Displaced Homemakers Self-Sufficiency Assistance Act (29 U.S.C. 2301 et seq.).

(4) Section 211 of the Appalachian Regional Development Act of 1965 (40 U.S.C. App. 211).

(5) Subtitle C of title VII of the Stewart B. McKinney Homeless Assistance Act (42 U.S.C. 11441 et seq.).

(6) Section 5322 of title 49, United States Code.

(7) Subchapter I of chapter 421 of title 49, United States Code.

(b) SUBSEQUENT REPEALS.—The following provisions are repealed:

(1) Sections 235 and 236 of the Trade Act of 1974 (19 U.S.C. 2295 and 2296), and paragraphs (1) and (2) of section 250(d) of such Act (19 U.S.C. 2331(d)).

(2) The Adult Education Act (20 U.S.C. 1201 et seq.).

(3) The Carl D. Perkins Vocational and Applied Technology Education Act (20 U.S.C. 2301 et seq.).

(4) The School-to-Work Opportunities Act of 1994 (20 U.S.C. 6101 et seq.).

(5) The Wagner-Peyser Act (29 U.S.C. 49 et seq.).

(6) The Job Training Partnership Act (29 U.S.C. 1501 et seq.).

(7) Title V of the Older Americans Act of 1965 (42 U.S.C. 3056 et seq.).

(8) Title VII of the Stewart B. McKinney Homeless Assistance Act (42 U.S.C. 11421 et seq.), other than subtitle C of such title.

(c) EFFECTIVE DATES.—

(1) IMMEDIATE REPEALS.—The repeals made by subsection (a) shall take effect on the date of enactment of this Act.

(2) SUBSEQUENT REPEALS.—The repeals made by subsection (b) shall take effect on July 1, 1998.

SEC. 782. CONFORMING AMENDMENTS.

(a) IMMEDIATE REPEALS.—

(1) REFERENCES TO SECTION 204 OF THE IMMIGRATION REFORM AND CONTROL ACT OF 1986.—The table of contents for the Immigration Reform and Control Act of 1986 is amended by striking the item relating to section 204 of such Act.

(2) REFERENCES TO TITLE II OF PUBLIC LAW 95-250.—Section 103 of Public Law 95-250 (16 U.S.C. 791) is amended—

(A) by striking the second sentence of subsection (a); and

(B) by striking the second sentence of subsection (b).

(3) REFERENCES TO SUBTITLE C OF TITLE VII OF THE STEWART B. MCKINNEY HOMELESS ASSISTANCE ACT.—

(A) Section 762(a) of the Stewart B. McKinney Homeless Assistance Act (42 U.S.C. 11472(a)) is amended—

(i) by striking "each of the following programs" and inserting "the emergency community services homeless grant program established in section 751"; and

(ii) by striking "tribes:" and all that follows and inserting "tribes.".

(B) The table of contents of such Act is amended by striking the items relating to subtitle C of title VII of such Act.

(4) REFERENCES TO TITLE 49, UNITED STATES CODE.—

(A) Sections 5313(b)(1) and 5314(a)(1) of title 49, United States Code, are amended by striking "5317, and 5322" and inserting "and 5317".

(B) The table of contents for chapter 53 of title 49, United States Code, is amended by striking the item relating to section 5322.

(b) SUBSEQUENT REPEALS.—

(1) REFERENCES TO THE CARL D. PERKINS VOCATIONAL AND APPLIED TECHNOLOGY EDUCATION ACT.—

(A) Section 245A(h)(4)(C) of the Immigration and Nationality Act (8 U.S.C. 1255a(h)(4)(C)) is amended by striking "Vocational Education Act of 1963" and inserting "Workforce Development Act of 1995".

(B) The Goals 2000: Educate America Act (20 U.S.C. 5801 et seq.) is amended—

(i) in section 306 (20 U.S.C. 5886)—

(I) in subsection (c)(1)(A), by striking all beginning with " which process" through "Act" and inserting "which process shall include coordination with the benchmarks described in section 731(c)(2) of the Workforce Development Act of 1995"; and

(II) in subsection (l), by striking "Carl D. Perkins Vocational and Applied Technology Education Act" and inserting "Workforce Development Act of 1995"; and

(ii) in section 311(b) (20 U.S.C. 5891(b)), by striking paragraph (6).

(C) The Elementary and Secondary Education Act of 1965 (20 U.S.C. 6301 et seq.) is amended—

(i) in section 1114(b)(2)(C)(v) (20 U.S.C. 6314(b)(2)(C)(v)), by striking "Carl D. Perkins Vocational and Applied Technology Education Act" and inserting "Workforce Development Act of 1995";

(ii) in section 9115(b)(5) (20 U.S.C. 7815(b)(5)), by striking "Carl D. Perkins Vocational and Applied Technology Education Act" and inserting "Workforce Development Act of 1995";

(iii) in section 14302(a)(2) (20 U.S.C. 8852(a)(2))—

(I) by striking subparagraph (C); and

(II) by redesignating subparagraphs (D), (E), and (F) as subparagraphs (C), (D), and (E), respectively; and

(iv) in the matter preceding subparagraph (A) of section 14307(a)(1) (20 U.S.C. 8857(a)(1)), by striking "Carl D. Perkins Vocational and Applied Technology Education Act" and inserting "Workforce Development Act of 1995".

(D) Section 533(c)(4)(A) of the Equity in Educational Land-Grant Status Act of 1994 (7 U.S.C. 301 note) is amended by striking "(20 U.S.C. 2397h(3)" and inserting ", as such section was in effect on the day preceding the date of enactment of the Workforce Development Act of 1995".

(E) Section 563 of the Improving America's Schools Act of 1994 (20 U.S.C. 6301 note) is amended by striking "the date of enactment of an Act reauthorizing the Carl D. Perkins Vocational and Applied Technology Education Act (20 U.S.C. 2301 et seq.)" and inserting "July 1, 1998".

(F) Section 135(c)(3)(B) of the Internal Revenue Code of 1986 (26 U.S.C. 135(c)(3)(B)) is amended—

(i) by striking "subparagraph (C) or (D) of section 521(3) of the Carl D. Perkins Vocational Education Act" and inserting "subparagraph (C) or (D) of section 703(2) of the Workforce Development Act of 1995"; and

(ii) by striking "any State (as defined in section 521(27) of such Act)" and inserting "any State or outlying area (as the terms 'State' and 'outlying area' are defined in section 703 of such Act)".

(G) Section 101(a)(11)(A) of the Rehabilitation Act of 1973 (29 U.S.C. 721(a)(11)(A)) is amended by striking "Carl D. Perkins Vocational and Applied Technology Education Act (20 U.S.C. 2301 et seq.)" and inserting "Workforce Development Act of 1995".

(H) Section 214(c) of the Appalachian Regional Development Act of 1965 (40 U.S.C. App. 214(c)) is amended by striking "Carl D. Perkins Vocational Education Act" and inserting "Workforce Development Act of 1995".

(I) Section 104 of the Vocational Education Amendments of 1968 (82 Stat. 1091) is amended by striking "section 3 of the Carl D. Perkins Vocational Education Act" and inserting "the Workforce Development Act of 1995".

(2) REFERENCES TO THE ADULT EDUCATION ACT.—

(A) Subsection (b) of section 402 of the Refugee Education Assistance Act (8 U.S.C. 1522, note) is repealed.

(B) Paragraph (20) of section 3 of the Library Services and Construction Act (20 U.S.C. 351a(20)) is amended to read as follows:

"(20) The term 'educationally disadvantaged adult' means an individual who—

"(A) is age 16 or older, or beyond the age of compulsory school attendance under State law;

"(B) is not enrolled in secondary school;

"(C) demonstrates basic skills equivalent to or below that of students at the fifth grade level; or

"(D) has been placed in the lowest or beginning level of an adult education program when that program does not use grade level equivalencies as a measure of students' basic skills.".

(C)(i) Section 1202(c)(1) of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 6362(c)(1)) is amended by striking "Adult Education Act" and inserting "Workforce Development Act of 1995".

(ii) Section 1205(8)(B) of such Act (20 U.S.C. 6365(8)(B)) is amended by striking "Adult Education Act" and inserting "Workforce Development Act of 1995".

(iii) Section 1206(a)(1)(A) of such Act (20 U.S.C. 6366(a)(1)(A)) is amended by striking "an adult basic education program under the Adult Education Act" and inserting "adult education activities under the Workforce Development Act of 1995".

(iv) Section 3113(1) of such Act (20 U.S.C. 6813(1)) is amended by striking "section 312 of the Adult Education Act" and inserting "section 703 of the Workforce Development Act of 1995".

(v) Section 9161(2) of such Act (20 U.S.C. 7881(2)) is amended by striking "section 312(2) of the Adult Education Act" and inserting "section 703 of the Workforce Development Act of 1995".

(D) Section 203(b)(8) of the Older Americans Act (42 U.S.C. 3013(b)(8)) is amended by striking "Adult Education Act" and inserting "Workforce Development Act of 1995".

(3) RECOMMENDED LEGISLATION.—After consultation with the appropriate committees of Congress and the Director of the Office of Management and Budget, the Federal Partnership shall prepare and submit to Congress recommended legislation containing technical and conforming amendments to reflect the changes made by section 781(b).

(4) SUBMISSION TO CONGRESS.—Not later than March 31, 1997, the Federal Partnership shall submit the recommended legislation referred to under paragraph (3).

TITLE VIII—WORKFORCE DEVELOPMENT-RELATED ACTIVITIES

Subtitle A—Amendments to the Rehabilitation Act of 1973

SEC. 801. REFERENCES.

Except as otherwise expressly provided in this subtitle, whenever in this subtitle an amendment or repeal is expressed in terms of an amendment to, or repeal of, a section or other provision, the reference shall be considered to be made to a section or other provision of the Rehabilitation Act of 1973 (29 U.S.C. 701 et seq.).

SEC. 802. FINDINGS AND PURPOSES.

Section 2 (29 U.S.C. 701) is amended—

(1) in subsection (a)(4), by striking "the provision of individualized training, independent living services, educational and support services," and inserting "implementation of a statewide workforce development system that provides meaningful and effective participation for individuals with disabilities in workforce development activities and activities carried out through the vocational rehabilitation program established under title I, and through the provision of independent living services, support services,"; and

(2) in subsection (b)(1)(A), by inserting "statewide workforce development systems that include, as integral components," after "(A)".

SEC. 803. CONSOLIDATED REHABILITATION PLAN.

(a) IN GENERAL.—Section 6 (29 U.S.C. 705) is repealed.

(b) CONFORMING AMENDMENT.—The table of contents for the Act is amended by striking the item relating to section 6.

SEC. 804. DEFINITIONS.

Section 7 (29 U.S.C. 706) is amended by adding at the end the following new paragraphs:

"(36) The term 'statewide workforce development system' means a statewide system, as defined in section 703 of the Workforce Development Act of 1995.

"(37) The term 'workforce development activities' has the meaning given the term in section 703 of the Workforce Development Act of 1995.

"(38) The term 'workforce employment activities' means the activities described in paragraphs (2) through (8) of section 716(a) of the Workforce Development Act of 1995, including activities described in section 716(a)(6) of such Act provided through a voucher described in section 716(a)(9) of such Act.".

SEC. 805. ADMINISTRATION.

Section 12(a)(1) (29 U.S.C. 711(a)(1)) is amended by inserting ", including providing assistance to achieve the meaningful and effective participation by individuals with disabilities in the activities carried out through a statewide workforce development system" before the semicolon.

SEC. 806. REPORTS.

Section 13 (29 U.S.C. 712) is amended in the fourth sentence by striking "The data elements" and all that follows through "age," and inserting the following: "The information shall include all information that is required to be submitted in the report described in section 731(a) of the Workforce Development Act of 1995 and that pertains to the employment of individuals with disabilities, including information on age,".

SEC. 807. EVALUATION.

Section 14(a) (29 U.S.C. 713(a)) is amended in the third sentence by striking "to the extent feasible," and all that follows through the end of the sentence and inserting the following: "to the maximum extent appropriate, be consistent with the State benchmarks established under paragraphs (1) and (2) of section 731(c) of the Workforce Development Act of 1995. For purposes of this section, the Secretary may modify or supplement such benchmarks after consultation with the National Board established under section 772 of the Workforce Development Act of 1995, to the extent necessary to address unique considerations applicable to the participation of individuals with disabilities in the vocational rehabilitation program established under title I and activities carried out under other provisions of this Act.".

SEC. 808. DECLARATION OF POLICY.

Section 100(a) (29 U.S.C. 720(a)) is amended—

(1) in paragraph (1)—

(A) in subparagraph (E), by striking "; and" and inserting a semicolon;

(B) in subparagraph (F)—

(i) by inserting "workforce development activities and" before "vocational rehabilitation services"; and

(ii) by striking the period and inserting "; and"; and

(C) by adding at the end the following subparagraph:

"(G) linkages between the vocational rehabilitation program established under this title and other components of the statewide workforce development system are critical to ensure effective and meaningful participation by individuals with disabilities in workforce development activities."; and

(2) in paragraph (2)—

(A) by striking "a comprehensive" and inserting "statewide comprehensive"; and

(B) by striking "program of vocational rehabilitation that is designed" and inserting "programs of vocational rehabilitation, each of which is—

"(A) an integral component of a statewide workforce development system; and

"(B) designed".

SEC. 809. STATE PLANS.

(a) IN GENERAL.—Section 101(a) (29 U.S.C. 721(a)) is amended—

(1) in the first sentence, by striking ", or shall submit" and all that follows through "et seq.)" and inserting ", and shall submit the State plan on the same dates as the State submits the State plan described in section 714 of the Workforce Development Act of 1995 to the Federal Partnership established under section 771 of such Act";

(2) by inserting after the first sentence the following: "The State shall also submit the State plan for vocational rehabilitation services for review and comment to any State workforce development board established for the State under section 715 of the Workforce Development Act of 1995, which shall submit the comments on the State plan to the designated State unit.";

(3) by striking paragraphs (10), (12), (13), (15), (17), (19), (23), (27), (28), (30), (34), and (35);

(4) in paragraph (20), by striking "(20)" and inserting "(B)";

(5) by redesignating paragraphs (3), (4), (5), (6), (7), (8), (9), (14), (16), (18), (21), (22), (24), (25), (26), (29), (31), (32), (33), and (36) as paragraphs (4), (5), (6), (7), (8), (9), (10), (12), (13), (14), (15), (16), (17), (18), (19), (20), (21), (22), (23), and (24), respectively;

(6) in paragraph (1)(B)—

(A) by redesignating clauses (i), (ii), and (iii) as clauses (ii), (iii), and (iv), respectively; and

(B) by inserting before clause (ii) (as redesignated in subparagraph (A)) the following:

"(i) a State entity primarily responsible for implementing workforce employment activities through the statewide workforce development system of the State,";

(7) in paragraph (2)—

(A) in the matter preceding subparagraph (A), by striking "(1)(B)(i)" and inserting "(1)(B)(ii)"; and

(B) in subparagraph (B)(ii), by striking "(1)(B)(ii)" and inserting "(1)(B)(iii)";

(8) by inserting after paragraph (2) the following paragraph:

"(3) provide a plan for expanding and improving vocational rehabilitation services for individuals with disabilities on a statewide basis, including—

"(A) a statement of values and goals;

"(B) evidence of ongoing efforts to use outcome measures to make decisions about the effectiveness and future direction of the vocational rehabilitation program established under this title in the State; and

"(C) information on specific strategies for strengthening the program as an integral component of the statewide workforce development system established in the State, including specific innovative, state-of-the-art approaches for achieving sustained success in improving and expanding vocational rehabilitation services provided through the program, for all individuals with disabilities who seek employment, through plans, policies, and procedures that link the program with other components of the system, including plans, policies, and procedures relating to—

"(i) entering into cooperative agreements, between the designated State unit and appropriate entities responsible for carrying out the other components of the statewide workforce development system, which agreements may provide for—

"(I) provision of intercomponent staff training and technical assistance regarding the availability and benefits of, and eligibility standards for, vocational rehabilitation services, and regarding the provision of equal, effective, and meaningful participation by individuals with disabilities in workforce employment activities in the State through program accessibility, use of nondiscriminatory policies and procedures, and provision of reasonable accommodations, auxiliary aids and services, and rehabilitation technology, for individuals with disabilities;

"(II) use of information and financial management systems that link all components of the statewide workforce development system, that link the components to other electronic networks, and that relate to such subjects as labor market information, and information on job vacancies, skill qualifications, career planning, and workforce development activities;

"(III) use of customer service features such as common intake and referral procedures, customer data bases, resource information, and human service hotlines;

"(IV) establishment of cooperative efforts with employers to facilitate job placement and to develop and sustain working relationships with employers, trade associations, and labor organizations;

"(V) identification of staff roles and responsibilities and available resources for each entity that carries out a component of the statewide workforce development system with regard to paying for necessary services (consistent with State law); and

"(VI) specification of procedures for resolving disputes among such entities; and

"(ii) providing for the replication of such cooperative agreements at the local level between individual offices of the designated State unit and local entities carrying out activities through the statewide workforce development system;";

(9) in paragraph (6) (as redesignated in paragraph (5))—

(A) by striking subparagraph (A) and inserting the following:

"(A) contain the plans, policies, and methods to be followed in carrying out the State plan and in the administration and supervision of the plan, including—

"(i)(I) the results of a comprehensive, statewide assessment of the rehabilitation needs of individuals with disabilities (including individuals with severe disabilities, individuals with disabilities who are minorities, and individuals with disabilities who have been unserved, or underserved, by the vocational rehabilitation system) who are residing within the State; and

"(II) the response of the State to the assessment;

"(ii) a description of the method to be used to expand and improve services to individuals with the most severe disabilities, including individuals served under part C of title VI;

"(iii) with regard to community rehabilitation programs—

"(I) a description of the method to be used (such as a cooperative agreement) to utilize the programs to the maximum extent feasible; and

"(II) a description of the needs of the programs, including the community rehabilitation programs funded under the Act entitled "An Act to Create a Committee on Purchases of Blind-made Products, and for other purposes", approved June 25, 1938 (commonly known as the Wagner-O'Day Act; 41 U.S.C. 46 et seq.) and such programs funded by State use contracting programs; and

"(iv) an explanation of the methods by which the State will provide vocational rehabilitation services to all individuals with disabilities within the State who are eligible for such services, and, in the event that vocational rehabilitation services cannot be provided to all such eligible individuals with disabilities who apply for such services, information—

"(I) showing and providing the justification for the order to be followed in selecting individuals to whom vocational rehabilitation services will be provided (which order of selection for the provision of vocational rehabilitation services shall be determined on the basis of serving first the individuals with the most severe disabilities in accordance with criteria established by the State, and shall be consistent with priorities in such order of selection so determined, and outcome and service goals for serving individuals with disabilities, established in regulations prescribed by the Commissioner);

"(II) showing the outcomes and service goals, and the time within which the outcomes and service goals may be achieved, for the rehabilitation of individuals receiving such services; and

"(III) describing how individuals with disabilities who will not receive such services if such order is in effect will be referred to other components of the statewide workforce development system for access to services offered by the components;"; and

(B) by striking subparagraph (C) and inserting the following subparagraphs:

"(C) with regard to the statewide assessment of rehabilitation needs described in subparagraph (A)(i)—

"(i) provide that the State agency will make reports at such time, in such manner, and containing such information, as the Commissioner may require to carry out the functions of the Commissioner under this title, and comply with such provisions as are necessary to assure the correctness and verification of such reports; and

"(ii) provide that reports made under clause (i) will include information regarding individuals with disabilities and, if an order of selection described in subparagraph (A)(iv)(I) is in effect in the State, will separately include information regarding individuals with the most severe disabilities, on—

"(I) the number of such individuals who are evaluated and the number rehabilitated;

"(II) the costs of administration, counseling, provision of direct services, development of community rehabilitation programs, and other functions carried out under this Act; and

"(III) the utilization by such individuals of other programs pursuant to paragraph (11); and

"(D) describe—

"(i) how a broad range of rehabilitation technology services will be provided at each stage of the rehabilitation process;

"(ii) how a broad range of such rehabilitation technology services will be provided on a statewide basis; and

"(iii) the training that will be provided to vocational rehabilitation counselors, client assistance personnel, personnel of the providers of one-stop delivery of core services described in section 716(a)(2) of the Workforce Development Act of 1995, and other related services personnel;";

(10) in subparagraph (A) of paragraph (8) (as redesignated in paragraph (5))—

(A) in clause (i)(II), by striking ", based on projections" and all that follows through "relevant factors"; and

(B) by striking clauses (iii) and (iv) and inserting the following clauses:

"(iii) a description of the ways in which the system for evaluating the performance of rehabilitation counselors, coordinators, and other personnel used in the State facilitates the accomplishment of the purpose and policy of this title, including the policy of serving, among others, individuals with the most severe disabilities;

"(iv) provide satisfactory assurances that the system described in clause (iii) in no way impedes such accomplishment; and";

(11) in paragraph (9) (as redesignated in paragraph (5)) by striking "required—" and all that follows through "(B) prior" and inserting "required prior";

(12) in paragraph (10) (as redesignated in paragraph (5))—

(A) in subparagraph (B), by striking "written rehabilitation program" and inserting "employment plan"; and

(B) in subparagraph (C), by striking "plan in accordance with such program" and inserting "State plan in accordance with the employment plan";

(13) in paragraph (11)—

(A) in subparagraph (A), by striking "State's public" and all that follows and inserting "State programs that are not part of the statewide workforce development system of the State;"; and

(B) in subparagraph (C)—

(i) by striking "if appropriate—" and all that follows through "entering into" and inserting "if appropriate, entering into";

(ii) by redesignating subclauses (I), (II), and (III) as clauses (i), (ii), and (iii), respectively; and

(iii) by indenting the clauses and aligning the margins of the clauses with the margins of clause (ii) of subparagraph (A) of paragraph (8) (as redesignated in paragraph (5));

(14) in paragraph (14) (as redesignated in paragraph (5))—

(A) by striking "(14)" and inserting "(14)(A)"; and

(B) by inserting before the semicolon the following ", and, in the case of the designated State unit, will take actions to take such views into account that include providing timely notice, holding public hearings, preparing a summary of hearing comments, and documenting and disseminating information relating to the manner in which the comments will affect services; and";

(15) in paragraph (16) (as redesignated in paragraph (5)), by striking "referrals to other Federal and State programs" and inserting "referrals within the statewide workforce development system of the State to programs"; and

(16) in paragraph (17) (as redesignated in paragraph (5))—

(A) in subparagraph (B), by striking "written rehabilitation program" and inserting "employment plan"; and

(B) in subparagraph (C)—

(i) in clause (ii), by striking "; and" and inserting a semicolon;

(ii) in clause (iii), by striking the semicolon and inserting "; and"; and

(iii) by adding at the end the following clause:

"(iv) the manner in which students who are individuals with disabilities and who are not in special education programs can access and receive vocational rehabilitation services, where appropriate;".

(b) CONFORMING AMENDMENTS.—

(1) Section 7 (29 U.S.C. 706) is amended—

(A) in paragraph (3)(B)(ii), by striking "101(a)(1)(B)(i)" and inserting "101(a)(1)(B)(ii)"; and

(B) in paragraph (22)(A)(i)(II), by striking "101(a)(5)(A)" each place it appears and inserting "101(a)(6)(A)(iv)".

(2) Section 12(d) (29 U.S.C. 711(d)) is amended by striking "101(a)(5)(A)" and inserting "101(a)(6)(A)(iv)".

(3) Section 101(a) (29 U.S.C. 721(a)) is amended—

(A) in paragraph (1)(A), by striking "paragraph (4) of this subsection" and inserting "paragraph (5)";

(B) in paragraph (2)—

(i) in the matter preceding subparagraph (A), by striking "paragraph (1)(B)(i)" and inserting "paragraph (1)(B)(ii)"; and

(ii) in subparagraph (B)(i), by striking "paragraph (1)(B)(ii)" and inserting "paragraph (1)(B)(iii)";

(C) in paragraph (17) (as redesignated in subsection (a)(5)), by striking "paragraph (11)(C)(ii)" and inserting "paragraph (11)(C)";

(D) in paragraph (22) (as redesignated in subsection (a)(5)), by striking "paragraph (36)" and inserting "paragraph (24)"; and

(E) in subparagraph (C) of paragraph (24) (as redesignated in subsection (a)(5)), by striking "101(a)(1)(A)(i)" and inserting "paragraph (1)(A)(i)".

(4) Section 102 (29 U.S.C. 722) is amended—

(A) in subsection (a)(3), by striking "101(a)(24)" and inserting "101(a)(17)"; and

(B) in subsection (d)(2)(C)(ii)—

(i) in subclause (II), by striking "101(a)(36)" and inserting "101(a)(24)"; and

(ii) in subclause (III), by striking "101(a)(36)(C)(ii)" and inserting "101(a)(24)(C)(ii)".

(5) Section 105(a)(1) (29 U.S.C. 725(a)(1)) is amended by striking "101(a)(36)" and inserting "101(a)(24)".

(6) Section 107(a) (29 U.S.C. 727(a)) is amended—

(A) in paragraph (2)(F), by striking "101(a)(32)" and inserting "101(a)(22)";

(B) in paragraph (3)(A), by striking "101(a)(5)(A)" and inserting "101(a)(6)(A)(iv)"; and

(C) in paragraph (4), by striking "101(a)(35)" and inserting "101(a)(8)(A)(iii)".

(7) Section 111(a) (29 U.S.C. 731(a)) is amended—

(A) in paragraph (1), by striking "and development and implementation" and all that follows through "referred to in section 101(a)(34)(B)"; and

(B) in paragraph (2)(A), by striking "and such payments shall not be made in an amount which would result in a violation of the provisions of the State plan required by section 101(a)(17)".

(8) Section 124(a)(1)(A) (29 U.S.C. 744(a)(1)(A)) is amended by striking "(not including sums used in accordance with section 101(a)(34)(B))".

(9) Section 315(b)(2) (29 U.S.C. 777e(b)(2)) is amended by striking "101(a)(22)" and inserting "101(a)(16)".

(10) Section 635(b)(2) (29 U.S.C. 795n(b)(2)) is amended by striking "101(a)(5)" and inserting "101(a)(6)(A)(i)(I)".

(11) Section 802(h)(2)(B)(ii) (29 U.S.C. 797a(h)(2)(B)(ii)) is amended by striking "101(a)(5)(A)" and inserting "101(a)(6)(A)(iv)".

(12) Section 102(e)(23)(A) of the Technology-Related Assistance for Individuals With Disabilities Act of 1988 (29 U.S.C. 2212(e)(23)(A)) is amended by striking "section 101(a)(36) of the Rehabilitation Act of 1973 (29 U.S.C. 721(a)(36))" and inserting "section 101(a)(24) of the Rehabilitation Act of 1973 (29 U.S.C. 721(a)(24))".

SEC. 810. INDIVIDUALIZED EMPLOYMENT PLANS.

(a) IN GENERAL.—Section 102 (29 U.S.C. 722) is amended—

(1) by striking the section heading and inserting the following:

"SEC. 102. INDIVIDUALIZED EMPLOYMENT PLANS.";

(2) in subsection (a)(6), by striking "written rehabilitation program" and inserting "employment plan";

(3) in subsection (b)—

(A) in paragraph (1)(A)—

(i) in clause (i), by striking "written rehabilitation program" and inserting "employment plan"; and

(ii) in clause (ii), by striking "program" and inserting "plan";

(B) in paragraph (1)(B)—

(i) in the matter preceding clause (i), by striking "written rehabilitation program" and inserting "employment plan";

(ii) in clause (iv)—

(I) by striking subclause (I) and inserting the following:

"(I) include a statement of the specific vocational rehabilitation services to be provided (including, if appropriate, rehabilitation technology services and training in how to use such services) that includes specification of the public or private entity that will provide each such vocational rehabilitation service and the projected dates for the initiation and the anticipated duration of each such service; and";

(II) by striking subclause (II); and

(III) by redesignating subclause (III) as subclause (II); and

(iii) in clause (xi)(I), by striking "program" and inserting "plan";

(C) in paragraph (1)(C), by striking "written rehabilitation program and amendments to the program" and inserting "employment plan and amendments to the plan"; and

(D) in paragraph (2)—

(i) by striking "program" each place the term appears and inserting "plan"; and

(ii) by striking "written rehabilitation" each place the term appears and inserting "employment";

(4) in subsection (c)—

(A) in paragraph (1), by striking "written rehabilitation program" and inserting "employment plan"; and

(B) by striking "written program" each place the term appears and inserting "plan"; and

(5) in subsection (d)—

(A) in paragraph (5), by striking "written rehabilitation program" and inserting "employment plan"; and

(B) in paragraph (6)(A), by striking the second sentence.

(b) CONFORMING AMENDMENTS.—

(1) The table of contents for the Act is amended by striking the item relating to section 102 and inserting the following:

"Sec. 102. Individualized employment plans.".

(2) Paragraphs (22)(B) and (27)(B), and subparagraphs (B) and (C) of paragraph (34) of section 7 (29 U.S.C. 706), section 12(e)(1) (29 U.S.C. 711(e)(1)), section 501(e) (29 U.S.C. 791(e)), subparagraphs (C), (D), and (E) of section 635(b)(6) (29 U.S.C. 795n(b)(6) (C), (D), and (E)), section 802(g)(8)(B) (29 U.S.C. 797a(g)(8)(B)), and section 803(c)(2)(D) (29 U.S.C. 797b(c)(2)(D)) are amended by striking "written rehabilitation program" each place the term appears and inserting "employment plan".

(3) Section 7(22)(B)(i) (29 U.S.C. 706(22)(B)(i)) is amended by striking "rehabilitation program" and inserting "employment plan".

(4) Section 107(a)(3)(D) (29 U.S.C. 727(a)(3)(D)) is amended by striking "written rehabilitation programs" and inserting "employment plans".

(5) Section 101(b)(7)(A)(ii)(II) of the Technology-Related Assistance for Individuals With Disabilities Act of 1988 (29 U.S.C. 2211(b)(7)(A)(ii)(II)) is amended by striking "written rehabilitation program" and inserting "employment plan".

SEC. 811. SCOPE OF VOCATIONAL REHABILITATION SERVICES.

Section 103 (29 U.S.C. 723) is amended—

(1) in subsection (a)(4)—

(A) in subparagraph (B), by striking "surgery or";

(B) in subparagraph (D), by striking the comma at the end and inserting ", and";

(C) by striking subparagraph (E); and

(D) by redesignating subparagraph (F) as subparagraph (E); and

(2) in subsection (b)(1), by striking "the most severe".

SEC. 812. STATE REHABILITATION ADVISORY COUNCIL.

(a) IN GENERAL.—Section 105 (29 U.S.C. 725) is amended—

(1) in subsection (b)(1)(A)(vi), by inserting before the semicolon the following: "who, to the extent feasible, are members of any State workforce development board established for the State under section 715 of the Workforce Development Act of 1995"; and

(2) in subsection (c)—

(A) by redesignating paragraphs (3) through (7) as paragraphs (4) through (8), respectively;

(B) by inserting after paragraph (2) the following new paragraph:

"(3) advise the designated State agency and the designated State unit regarding strategies for ensuring that the vocational rehabilitation program established under this title becomes an integral part of the statewide workforce development system of the State;"; and

(C) in paragraph (6) (as redesignated in subparagraph (A))—

(i) by striking "6024), and" and inserting "6024),"; and

(ii) by striking the semicolon at the end and inserting the following: ", and any State workforce development board established for the State under section 715 of the Workforce Development Act of 1995;".

(b) CONFORMING AMENDMENT.—Subparagraph (B)(iv), and clauses (ii)(I) and (iii)(I) of subparagraph (C), of paragraph (24) (as redesignated in section 409(a)(5)) of section 101(a) (29 U.S.C. 721(a)) are amended by striking "105(c)(3)" and inserting "105(c)(4)".

SEC. 813. EVALUATION STANDARDS AND PERFORMANCE INDICATORS.

Section 106(a)(1) (29 U.S.C. 726(a)(1)) is amended—

(1) by striking "1994" and inserting "1996"; and

(2) by striking the period and inserting the following: "that shall, to the maximum extent appropriate, be consistent with the State benchmarks established under paragraphs (1) and (2) of section 731(c) of the Workforce Development Act of 1995. For purposes of this section, the Commissioner may modify or supplement such benchmarks, after consultation with the National Board established under section 772 of the Workforce Development Act of 1995, to the extent necessary to address unique considerations applicable to the participation of individuals with disabilities in the vocational rehabilitation program.".

SEC. 814. REPEALS.

(a) IN GENERAL.—Title I (29 U.S.C. 720 et seq.) is amended—

(1) by repealing part C; and

(2) by redesignating parts D and E as parts C and D, respectively.

(b) CONFORMING AMENDMENTS.—The table of contents for the Act is amended—

(1) by striking the items relating to part C of title I; and

(2) by striking the items relating to parts D and E of title I and inserting the following:

"PART C—AMERICAN INDIAN VOCATIONAL REHABILITATION SERVICES

"Sec. 130. Vocational rehabilitation services grants.

"PART D—VOCATIONAL REHABILITATION SERVICES CLIENT INFORMATION

"Sec. 140. Review of data collection and reporting system.

"Sec. 141. Exchange of data.".

SEC. 815. EFFECTIVE DATE.

(a) IN GENERAL.—Except as provided in subsection (b), the amendments made by this subtitle shall take effect on the date of enactment of this Act.

(b) STATEWIDE SYSTEM REQUIREMENTS.—The changes made in the Rehabilitation Act of 1973 (29 U.S.C. 701 et seq.) by the amendments made by this subtitle that relate to State benchmarks, or other components of a statewide system, shall take effect—

(1) in a State that submits and obtains approval of an interim plan under section 763 for program year 1997, on July 1, 1997; and

(2) in any other State, on July 1, 1998.

Subtitle B—Amendments to Immigration and Nationality Act

SEC. 821. PROHIBITION ON USE OF FUNDS FOR CERTAIN EMPLOYMENT ACTIVITIES.

Section 412(c)(1) of the Immigration and Nationality Act is amended by adding at the end the following new subparagraph:

"(D) Funds available under this paragraph may not be provided to States for workforce employment activities authorized and funded under the Workforce Development Act of 1995.".

Subtitle C—Amendments to the National Literacy Act of 1991

SEC. 831. NATIONAL INSTITUTE FOR LITERACY.

Section 102 of the National Literacy Act of 1991 (20 U.S.C. 1213c note) is amended to read as follows:

"SEC. 102. NATIONAL INSTITUTE FOR LITERACY.

"(a) ESTABLISHMENT.—

"(1) IN GENERAL.—There is established the National Institute for Literacy (in this section referred to as the 'Institute'). The Institute shall be administered by the National Board established under section 772 of the Workforce Development Act of 1995 (in this section referred to as the 'National Board'). The National Board may include in the Institute any research and development center, institute, or clearinghouse that the National Board determines is appropriately included in the Institute.

"(2) OFFICES.—The Institute shall have offices separate from the offices of the Department of Education or the Department of Labor.

"(3) RECOMMENDATIONS.—The National Board shall consider the recommendations of the National Institute Council established under subsection (d) in planning the goals of the Institute and in the implementation of any programs to achieve such goals. The daily operations of the Institute shall be carried out by the Director of the Institute appointed under subsection (g). If such Council's recommendations are not followed, the National Board shall provide a written explanation to such Council concerning actions the National Board has taken that includes the National Board's reasons for not following such Council's recommendations with respect to such actions. Such Council may also request a meeting with the National Board to discuss such Council's recommendations.

"(b) DUTIES.—

"(1) IN GENERAL.—The Institute is authorized, in order to improve the quality and accountability of the adult basic skills and literacy delivery system, to—

"(A) coordinate the support of research and development on literacy and basic skills education across Federal agencies and carry out basic and applied research and development on topics such as—

"(i) identifying effective models of basic skills and literacy education for adults and families that are essential to success in job training, work, the family, and the community;

"(ii) carrying out evaluations of the effectiveness of literacy and adult education programs and services, including those supported by this Act; and

"(iii) supporting the development of models at the State and local level of accountability systems that consist of goals, performance measures, benchmarks, and assessments that can be used to improve the quality of literacy and adult education services;

"(B) provide technical assistance, information, and other program improvement activities to national, State, and local organizations, such as—

"(i) providing information and training to State and local workforce development boards and one-stop centers concerning how literacy and basic skills services can be incorporated in a coordinated workforce development model;

"(ii) improving the capacity of national, State, and local public and private literacy and basic skills professional development and technical assistance organizations, such as the State Literacy Resource Centers established under section 103; and

"(iii) providing information on-line and in print to all literacy and basic skills programs about best practices, models of collaboration for effective workforce, family, English as a Second Language, and other literacy programs, and other informational and communication needs; and

"(C) work with the National Board, the Departments of Education, Labor, and Health and Human Services, and the Congress to ensure that they have the best information available on literacy and basic skills programs in formulating Federal policy around the issues of literacy, basic skills, and workforce development.

"(2) CONTRACTS, COOPERATIVE AGREEMENTS, AND GRANTS.—The Institute may enter into contracts or cooperative agreements with, or make grants to, individuals, public or private nonprofit institutions, agencies, organizations, or consortia of such institutions, agencies, or organizations to carry out the activities of the Institute. Such grants, contracts, or agreements shall be subject to the laws and regulations that generally apply to grants, contracts, or agreements entered into by Federal agencies.

"(c) LITERACY LEADERSHIP.—

"(1) FELLOWSHIPS.—The Institute is, in consultation with the Council, authorized to award fellowships, with such stipends and allowances that the Director considers necessary, to outstanding individuals pursuing careers in adult education or literacy in the areas of instruction, management, research, or innovation.

"(2) USE OF FELLOWSHIPS.—Fellowships awarded under this subsection shall be used, under the auspices of the Institute, to engage in research, education, training, technical assistance, or other activities to advance the field of adult education or literacy, including the training of volunteer literacy providers at the national, State, or local level.

"(3) DESIGNATION.—Individuals receiving fellowships pursuant to this subsection shall be known as "Literacy Leader Fellows".

"(d) NATIONAL INSTITUTE COUNCIL.—

"(1) IN GENERAL.—

"(A) ESTABLISHMENT.—There is established the National Institute Council (in this section referred to as the "Council"). The Council shall consist of 10 individuals appointed by the President with the advice and consent of the Senate from individuals who—

"(i) are not otherwise officers or employees of the Federal Government;

"(ii) are representative of entities or groups described in subparagraph (B); and

"(iii) are chosen from recommendations made to the President by individuals who represent such entities or groups.

"(B) ENTITIES OR GROUPS.—Entities or groups described in this subparagraph are—

"(i) literacy organizations and providers of literacy services, including—

"(I) providers of literacy services receiving assistance under this Act; and

"(II) nonprofit providers of literacy services;

"(ii) businesses that have demonstrated interest in literacy programs;

"(iii) literacy students;

"(iv) experts in the area of literacy research;

"(v) State and local governments; and

"(vi) organized labor.

"(2) DUTIES.—The Council shall—

"(A) make recommendations concerning the appointment of the Director and staff of the Institute;

"(B) provide independent advice on the operation of the Institute; and

"(C) receive reports from the National Board and the Director.

"(3) Except as otherwise provided, the Council established by this subsection shall be subject to the provisions of the Federal Advisory Committee Act.

"(4) APPOINTMENT.—

"(A) DURATION.—Each member of the Council shall be appointed for a term of 3 years. Any such member may be appointed for not more than 2 consecutive terms.

"(B) VACANCIES.—Any member appointed to fill a vacancy occurring before the expiration of the term for which the member's predecessor was appointed shall be appointed only for the remainder of that term. A member may serve after the expiration of that members' term until a successor has taken office. A vacancy in the Council shall be filled in the manner in which the original appointment was made. A vacancy in the Council shall not affect the powers of the Council.

"(5) QUORUM.—A majority of the members of the Council shall constitute a quorum but a lesser number may hold hearings. Any recommendation may be passed only by a majority of its members present.

"(6) ELECTION OF OFFICERS.—The Chairperson and Vice Chairperson of the Council shall be elected by the members. The term of office of the Chairperson and Vice Chairperson shall be 2 years.

"(7) MEETINGS.—The Council shall meet at the call of the Chairperson or a majority of its members.

"(e) GIFTS, BEQUESTS, AND DEVISES.—The Institute and the Council may accept (but not solicit), use, and dispose of gifts, bequests, or devises of services or property, both real and personal, for the purpose of aiding or facilitating the work of the Institute or the Council, respectively. Gifts, bequests, or devises of money and proceeds from sales of other property received as gifts, bequests, or devises shall be deposited in the Treasury and shall be available for disbursement upon order of the Institute or the Council, respectively.

"(f) MAILS.—The Council and the Institute may use the United States mails in the same manner and under the same conditions as other departments and agencies of the United States.

"(g) STAFF.—The National Board, after considering recommendations made by the Council, shall appoint and fix the pay of a Director of the Institute and staff of the Institute.

"(h) APPLICABILITY OF CERTAIN CIVIL SERVICE LAWS.—The Director of the Institute and staff of the Institute may be appointed without regard to the provisions of title 5, United States Code, governing appointments in the competitive service, and may be paid without regard to the provisions of chapter 51 and subchapter III of chapter 53 of that title relating to classification and General Schedule pay rates, except that an individual so appointed may not receive pay in excess of the annual rate of basic pay payable for GS–15 of the General Schedule.

"(i) EXPERTS AND CONSULTANTS.—The Council and the Institute may procure temporary and intermittent services under section 3109(b) of title 5, United States Code.

"(j) REPORT.—The Institute shall submit a report to the Congress biennially. Each report submitted under this subsection shall include—

"(1) a comprehensive and detailed description of the Institute's operations, activities, financial condition, and accomplishments in the field of literacy for such fiscal year;

"(2) a description of how plans for the operation of the Institute for the succeeding fiscal year will facilitate achievement of the goals of the Institute and the goals of the literacy programs within the National Board, Department of Education, the Department of Labor, and the Department of Health and Human Services; and

"(3) any additional minority, or dissenting views submitted by members of the Council.

"(k) FUNDING.—Any amounts appropriated to the National Board, the Secretary of Education, the Secretary of Labor, or the Secretary of Health and Human Services for purposes that the Institute is authorized to perform under this section may be provided to the Institute for such purposes.".

SEC. 832. STATE LITERACY RESOURCE CENTERS.

Section 103 of the National Literacy Act of 1991 is amended to read as follows:

"SEC. 103. STATE LITERACY RESOURCE CENTERS.

"(a) PURPOSE.—The purpose of this section is to establish a network of State or regional adult literacy resource centers to assist State and local public and private nonprofit efforts to eliminate illiteracy by—

"(1) stimulating the coordination of literacy services;

"(2) enhancing the capacity of State and local organizations to provide literacy services; and

"(3) serving as a reciprocal link between the National Institute for Literacy established under section 102 and service providers for the purpose of sharing information, data, research, and expertise and literacy resources.

"(b) ESTABLISHMENT.—From amounts appropriated pursuant to section 734(b)(5) of the Workforce Develop-

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AMENDMENT NO. 2647

At the end of section 716, add the following new subsection:

(h) ALL ASPECTS OF AN INDUSTRY.—

(1) DEFINITION.—As used in this subsection, the term "all aspects of an industry", used with respect to a participant, means all aspects of the industry or industry sector the participant is preparing to enter, including planning, management, finances, technical and production skills, underlying principles of technology, labor and community issues, health and safety issues, and environmental issues, related to such industry or industry sector.

(2) WORKFORCE EDUCATION ACTIVITIES AND SCHOOL-TO-WORK ACTIVITIES.—Each State that receives an allotment under section 712 shall ensure that the workforce education activities and school-to-work activities carried out with funds made available through the allotment provide strong experience in and understanding of all aspects of an industry relating to the career major of each participant in either type of activities.

(3) STATE PLAN REQUIREMENT.—To be eligible to receive an allotment under section 712, the State shall specify, in the portion of the State plan described in section 714(c)(3) (relating to workforce education activities), how the activities will provide participants with the experience and understanding described in paragraph (2).

(4) STATE BENCHMARKS.—In developing and identifying State benchmarks that measure student mastery of academic knowledge and work readiness skills under section 731(c)(2)(A), the State shall develop and identify State benchmarks that measure the understanding of all aspects of an industry by student participants.

AMENDMENT NO. 2648

On page 323, line 8, strike "under the direction of the National Board" and insert "under the joint direction of the Secretary of Labor and the Secretary of Education".

On page 469, lines 4 and 5, strike "The Federal Partnership shall be directed by" and insert "There shall be in the Federal Partnership".

On page 470, lines 20 and 21, strike "oversee all activities" and insert "provide advice to the Secretary of Labor and the Secretary of Education regarding all activities".

On page 476, line 19, strike "to the National Board".

On page 496, line 4, strike "to the National Board" and insert "to the President".

On page 496, lines 7 through 9, strike "the President, the Committee on Economic and Educational Opportunities of the House of Representatives," and insert "the Committee on Economic and Educational Opportunities of the House of Representatives".

Beginning on page 497, strike line 25 and all that follows through page 500, line 4, and insert the following:

(3) REVIEW.—

(A) IN GENERAL.—Not later than 45 days after the date of submission of the proposed workplan under paragraph (1), the President shall—

(i) review and approve the workplan; or

(ii) reject the workplan, prepare an alternative workplan that contains the analysis, information, and determinations described in paragraph (2), and submit the alternative workplan to the Committee on Economic and Educational Opportunities of the House of Representatives and the Committee on Labor and Human Resources of the Senate.

(B) FUNCTIONS TRANSFERRED.—If the President approves the proposed workplan, or prepares the alternative workplan, the functions described in paragraph (2)(C), as determined in such proposed or alternative workplan, shall be transferred under subsection (b).

(C) SPECIAL RULE.—If the President takes no action on the proposed workplan submitted under paragraph (1) within the 45-day period described in subparagraph (A), such workplan shall be deemed to be approved and shall take effect on the day after the end of such period. The functions described in paragraph (2)(C), as determined in the proposed workplan, shall be transferred under subsection (b).

(4) REPORT.—Not later than July 1, 1998, the Secretary of Education and the Secretary of Labor shall submit to the appropriate committees of Congress information on the transfers required by this section.

On page 501, line 5, strike "National Board" and insert "Secretary of Labor and Secretary of Education, acting jointly".

On page 501, lines 8 and 9, strike "National Board" and insert "Secretaries".

On page 501, lines 11 and 12, strike "National Board" and insert "Secretary of Labor and Secretary of Education".

On page 501, line 13, strike "National Board" and insert "Secretaries".

On page 501, line 15, strike "National Board" and insert "Secretary of Labor and Secretary of Education, acting jointly".

On page 505, line 9, strike "National Board" and insert "Secretary of Labor and Secretary of Education, acting jointly".

On page 511, lines 4 and 5, strike "Director, or National Board" and insert "or Director,".

On page 558, strike lines 15 through 18 and insert the following:

administered by the Secretary of Education (referred to in this section as the 'Secretary'). The Secretary may include in

On page 558, line 20, strike "National Board" and insert "Secretary".

On page 559, lines 1 and 2, strike "National Board" and insert "Secretary".

On page 559, lines 9 and 10, strike "National Board" and insert "Secretary".

On page 559, line 11, strike "National Board" and insert "Secretary".

On page 559, line 12, strike "National Board's" and insert "Secretary's".

On page 559, line 15, strike "National Board" and insert "Secretary".

On page 564, lines 19 and 20, strike "National Board" and insert "Secretary".

On page 566, line 18, strike "National Board" and insert "Secretary".

On page 567, line 22, strike "National Board,".

On page 568, lines 3 and 4, strike "the National Board,".

On page 569, line 3, strike "National Board" and insert "Secretary of Education (referred to in this section as the 'Secretary')".

On page 569, line 9, strike "National Board" and insert "Secretary".

On page 572, line 24, strike "National Board" and insert "Secretary".

On page 573, line 22, strike "National Board" and insert "Secretary".

On page 575, line 5, strike "National Board" and insert "Secretary".

On page 575, line 10, strike "National Board" and insert "Secretary".

On page 575, line 15, strike "National Board" and insert "Secretary".

AMENDMENT NO. 2649

At the end of section 716, add the following new subsection:

(h) NONTRADITIONAL OCCUPATIONS.—

(1) DEFINITION.—The term "nontraditional occupation", used with respect to women or men, refers to an occupation or field of work in which women or men, respectively, comprise less than 25 percent of the individuals employed in such occupation or field of work.

(2) WORK FORCE EMPLOYMENT ACTIVITIES.—Each State that receives an allotment under section 712 may, in carrying out work force employment activities with funds made available through the allotment, carry out—

(A) programs encouraging women and men to consider nontraditional occupations for women and men, respectively; and

(B) development and training relating to provision of effective services, including the provision of current information (as of the date of the provision) on high-wage, high-demand occupations, to individuals with multiple barriers to employment.

(3) WORK FORCE EDUCATION ACTIVITIES.—Each State that receives an allotment under section 712 shall ensure that the work force education activities carried out with funds made available through the allotment provide exposure to high-wage, high-skill careers.

(4) STATE BENCHMARKS.—In developing and identifying State benchmarks under section 731(c)(1), the State shall develop and identify State benchmarks that measure the understanding of all aspects of an industry by participants.

AMENDMENT NO. 2650

At the end of subtitle C, add the following:

SEC. 760. NONTRADITIONAL OCCUPATIONS.

(a) DEFINITION.—The term "nontraditional occupation", used with respect to women or men, refers to an occupation or field of work in which women or men, respectively, comprise less than 25 percent of the individuals employed in such occupation or field of work.

(b) JOB CORPS.—A State that receives funds through an allotment made under section 759(c)(2) shall ensure that enrollees assigned to Job Corps centers in the State receive career awareness activities relating to nontraditional occupations for women and men.

(c) PERMISSIBLE WORKFORCE PREPARATION ACTIVITIES.—A State that receives funds through an allotment made under section 759(c)(3) and uses the funds to assist entities in providing work-based learning as a component of school-to-work activities under section 759(b)(2)(B) shall ensure that the work-based learning includes career exploration programs and occupational skill training relating to nontraditional occupations for women and men.

AMENDMENT NO. 2651

On page 340, line 9, after "State" insert the following: ", including how the State will develop, adopt, or use industry-recognized skill standards, such as the skill standards endorsed by the National Skill Standards Board, to identify skill needs for current (as of the date of submission of the plan) and emerging occupations".

AMENDMENT NO. 2652

Beginning on page 349, strike line 6 and all that follows through page 351, line 20, and insert the following:

dent performance measures, including measures of academic and occupational skills at levels specified in challenging standards, such as the student performance standards certified by the National Education Standards and Improvement Council (and not disapproved by the National Education Goals Panel) and the skill standards endorsed by the National Skill Standards Board, that are developed, adopted, or used by the State.

(d) PROCEDURE FOR DEVELOPMENT OF PART OF PLAN RELATING TO STRATEGIC PLAN.—

(1) DESCRIPTION OF DEVELOPMENT.—The part of the State plan relating to the strategic plan shall include a description of the manner in which—

(A) the Governor;

(B) the State educational agency;

(C) representatives of business and industry, including representatives of key industry sectors, and of small- and medium-size and large employers, in the State;

(D) representatives of labor and workers;

(E) local elected officials from throughout the State;

(F) the State agency officials responsible for vocational education;

(G) the State agency officials responsible for postsecondary education;

(H) the State agency officials responsible for adult education;

(I) the State agency officials responsible for vocational rehabilitation;

(J) such other State agency officials, including officials responsible for economic development and employment, as the Governor may designate;

(K) the representative of the Veterans' Employment and Training Service assigned to the State under section 4103 of title 38, United States Code; and

(L) other appropriate officials, including members of the State workforce development board described in section 715, if the State has established such a board;

collaborated in the development of such part of the plan.

(2) FAILURE TO OBTAIN SUPPORT.—If, after a reasonable effort, the Governor is unable to obtain the support of the individuals and entities described in paragraph (1) for the strategic plan the Governor shall—

(A) provide such individuals and entities with copies of the strategic plan;

(B) allow such individuals and entities to submit to the Governor, not later than the end of the 30-day period beginning on the date on which the Governor provides such individuals and entities with copies of such plan under subparagraph (A), comments on such plan; and

(C) include any such comments in such plan.

(e) APPROVAL.—The Secretary of Labor and the Secretary of Education, acting jointly on the advice of the Federal Partnership, shall approve a State plan if—

(1) the Federal Partnership determines that the plan contains the information described in subsection (c);

(2) the Federal Partnership determines that the State has prepared the plan in accordance with the requirements of this section, including the requirements relating to development of any part of the plan;

(3) the Federal Partnership determines that the State, in preparing the plan, has described activities that will enable the State to meet the State benchmarks; and

(4) the State benchmarks for the State have

AMENDMENT NO. 2653

In section 714(c)(2)(E), strike "labor market information" and insert "labor market and occupational information (referred to in this Act as 'labor market information')".

AMENDMENT NO. 2654

Strike section 773 and insert the following:

SEC. 773. LABOR MARKET INFORMATION.

(a) FEDERAL RESPONSIBILITIES.—The Federal Partnership, in accordance with the provisions of this section, shall oversee the development, maintenance, and continuous improvement of a nationwide integrated labor market information system that shall include—

(1) statistical data from cooperative statistical survey and projection programs and data from administrative reporting systems, that, taken together, shall enumerate, estimate, and project the supply and demand for labor at the substate, State, and national levels in a timely manner, including data on—

(A) the demographics, socioeconomic characteristics, and current employment status of the substate, State, and national populations (as of the date of the collection of the data), including self-employed, part-time, and seasonal workers;

(B) job vacancies, education and training requirements, skills, wages, benefits, working conditions, and industrial distribution, of occupations, as well as current and projected employment opportunities and trends by industry and occupation;

(C) the educational attainment, training, skills, skill levels, and occupations of the populations;

(D) information maintained in a longitudinal manner on the quarterly earnings, establishment and industry affiliation, and geographic location of employment for all individuals for whom the information is collected by the States; and

(E) the incidence, industrial and geographical location, and number of workers displaced by permanent layoffs and plant closings;

(2) State and substate area employment and consumer information (which shall be current, comprehensive, automated, accessible, easy to understand, and in a form useful for facilitating immediate employment, entry into education and training programs, and career exploration) on—

(A) job openings, locations, hiring requirements, and application procedures, including profiles of industries in the local labor market that describe the nature of work performed, employment requirements, and patterns in wages and benefits;

(B) jobseekers, including the education, training, and employment experience of the jobseekers; and

(C) the cost and effectiveness of providers of workforce employment activities, workforce education activities, and flexible workforce activities, including the percentage of program completion, acquisition of skills to meet industry-recognized skill standards, continued education, job placement, and earnings, by participants, and other information that may be useful in facilitating informed choices among providers by participants;

(3) technical standards for labor market information that will—

(A) ensure compatibility of the information and the ability to aggregate the information from substate areas to State and national levels;

(B) support standardization and aggregation of the data from administrative reporting systems;

(C) include—

(i) classification and coding systems for industries, occupations, skills, programs, and courses;

(ii) nationally standardized definitions of labor market and occupational terms, including terms related to State benchmarks established pursuant to section 731(c);

(iii) quality control mechanisms for the collection and analysis of labor market information; and

(iv) common schedules for collection and dissemination of labor market information; and

(D) eliminate gaps and duplication in statistical undertakings, with a high priority given to the systemization of wage surveys;

(4) an analysis of data and information described in paragraphs (1) and (2) for uses such as—

(A) national, State, and substate area economic policymaking;

(B) planning and evaluation of workforce development activities;

(C) the implementation of Federal policies, including the allocation of Federal funds to States and substate areas; and

(D) research on labor market and occupational dynamics;

(5) dissemination mechanisms for data and analysis, including mechanisms that may be standardized among the States; and

(6) programs of technical assistance for States and substate areas in the development, maintenance, utilization, and continuous improvement of the data, information, standards, analysis, and dissemination mechanisms, described in paragraphs (1) through (5).

(b) JOINT FEDERAL-STATE RESPONSIBILITIES.—

(1) IN GENERAL.—The nationwide integrated labor market information system shall be

planned, administered, overseen, and evaluated through a cooperative governance structure involving the Federal Government and the States receiving financial assistance under this title.

(2) ANNUAL PLAN.—The Federal Partnership shall, with the assistance of the Bureau of Labor Statistics and other Federal agencies, where appropriate, prepare an annual plan that shall be the mechanism for achieving the cooperative Federal-State governance structure for the nationwide integrated labor market information system. The plan shall—

(A) establish goals for the development and improvement of a nationwide integrated labor market information system based on information needs for achieving economic growth and productivity, accountability, fund allocation equity, and an understanding of labor market and occupational characteristics and dynamics;

(B) describe the elements of the system, including—

(i) standards, definitions, formats, collection methodologies, and other necessary system elements, for use in collecting the data and information described in paragraphs (1) and (2) of subsection (a); and

(ii) assurances that—

(I) data will be sufficiently timely and detailed for uses including the uses described in subsection (a)(4);

(II) administrative records will be standardized to facilitate the aggregation of data from substate areas to State and national levels and to support the creation of new statistical series from program records; and

(III) paperwork and reporting requirements on employers and individuals will be reduced;

(C) recommend needed improvements in administrative reporting systems to be used for the nationwide integrated labor market information system;

(D) describe the current spending on integrated labor market information activities from all sources, assess the adequacy of the funds spent, and identify the specific budget needs of the Federal Government and States with respect to implementing and improving the nationwide integrated labor market information system;

(E) develop a budget for the nationwide integrated labor market information system that—

(i) accounts for all funds described in subparagraph (D) and any new funds made available pursuant to this title; and

(ii) describes the relative allotments to be made for—

(I) operating the cooperative statistical programs pursuant to subsection (a)(1);

(II) developing and providing employment and consumer information pursuant to subsection (a)(2);

(III) ensuring that technical standards are met pursuant to subsection (a)(3); and

(IV) providing the analysis, dissemination mechanisms, and technical assistance under paragraphs (4), (5), and (6) of subsection (a), and matching data;

(F) describe the involvement of States in developing the plan by holding formal consultations conducted in cooperation with representatives of the Governors of each State or the State workforce development board described in section 715, where appropriate, pursuant to a process established by the Federal Partnership; and

(G) provide for technical assistance to the States for the development of statewide comprehensive labor market information systems described in subsection (c), including assistance with the development of easy-to-use software and hardware, or uniform information displays.

For purposes of applying Office of Management and Budget Circular A-11 to determine persons eligible to participate in deliberations relating to budget issues for the development of the plan, the representatives of the Governors of each State and the State workforce development board described in subparagraph (F) shall be considered to be employees of the Department of Labor.

(c) STATE RESPONSIBILITIES.—

(1) DESIGNATION OF STATE AGENCY.—In order to receive Federal financial assistance under this title, the Governor of a State shall—

(A) establish an interagency process for the oversight of a statewide comprehensive labor market information system and for the participation of the State in the cooperative Federal-State governance structure for the nationwide integrated labor market information system; and

(B) designate a single State agency or entity within the State to be responsible for the management of the statewide comprehensive labor market information system.

(2) DUTIES.—In order to receive Federal financial assistance under this title, the State agency or entity within the State designated under paragraph (1)(B) shall—

(A) consult with employers and local workforce development boards described in section 728(b), where appropriate, about the labor market relevance of the data to be collected and displayed through the statewide comprehensive labor market information system;

(B) develop, maintain, and continuously improve the statewide comprehensive labor market information system, which shall—

(i) include all of the elements described in paragraphs (1), (2), (3), (4), (5), and (6) of subsection (a); and

(ii) provide the consumer information described in clauses (v) and (vi) of section 716(a)(2)(B) in a manner that shall be responsive to the needs of business, industry, workers, and jobseekers;

(C) ensure the performance of contract and grant responsibilities for data collection, analysis, and dissemination, through the statewide comprehensive labor market information system;

(D) conduct such other data collection, analysis, and dissemination activities to ensure that State and substate area labor market information is comprehensive;

(E) actively seek the participation of other State and local agencies, with particular attention to State education, economic development, human services, and welfare agencies, in data collection, analysis, and dissemination activities in order to ensure complementarity and compatibility among data;

(F) participate in the development of the national annual plan described in subsection (b)(2); and

(G) ensure that the matches required for the job placement accountability system by section 731(d)(2)(A) are made for the State and for other States.

(3) RULE OF CONSTRUCTION.—Nothing in this title shall be construed as limiting the ability of a State agency to conduct additional data collection, analysis, and dissemination activities with State funds or with Federal funds from sources other than this title.

(d) EFFECTIVE DATE.—This section shall take effect on July 1, 1998.

AMENDMENT NO. 2655

In section 101(a)(3)(C)(i)(II) of the Rehabilitation Act of 1973, as amended by section 809(a)(8), strike "labor market information" and insert "labor market and occupational information".

AMENDMENT NO. 2656

On page 465, strike lines 4 through 12.

AMENDMENT NO. 2657

On page 363, beginning with line 12, strike all through page 364, line 13, and insert the following:

(b) WORKFORCE EDUCATION ACTIVITIES.—The State educational agency shall use the funds made available to the State educational agency under this title for workforce education activities to carry out, through the statewide workforce development system, activities that include—

(1) ensuring that all students, including students who are members of special populations, have the opportunity to achieve to challenging State academic standards and industry-based skill standards;

(2) promoting the integration of academic and vocational education;

(3) supporting career majors in broad occupational clusters or industry sectors;

(4) effectively linking secondary education and postsecondary education, including implementing tech-prep programs;

(5) providing students with strong experience in, and understanding of, all aspects of the industry such students are preparing to enter;

(6) providing connecting activities that link each youth participating in workforce education activities under this subsection with an employer in an industry or occupation relating to the career of such youth;

(7) combining school-based and work-based instruction, including instruction in general workplace competencies;

(8) providing school-site and workplace mentoring;

(9) providing a planned program of job training and work experience that is coordinated with school-based learning;

(10) providing career guidance and counseling for students at the earliest possible age, including the provision of career awareness, career exploration, exposure to high-wage, high-skill careers, and guidance information, to students and their parents that is, to the extent possible, in a language and form that the students and their parents understand;

(11) expanding, improving, and modernizing quality vocational education programs;

(12) improving access to quality vocational education programs for at-risk youth;

(13) providing literacy and basic education services for adults and out-of-school youth, including adults and out-of-school youth in correctional institutions;

(14) providing programs for adults and out-of-school youth to complete their secondary education; or

(15) providing programs of family and work-place literacy.

AMENDMENT NO. 2658

Beginning on page 328, line 10, strike all through page 451, line 11, and insert the following:

ernor, in cooperation with the State educational agency and a local educational agency, that reflects, to the extent feasible, a local labor market in a State.

(31) TECH-PREP PROGRAM.—The term "tech-prep program" means a program of study that—

(A) combines at least 2 years of secondary education (as determined under State law) and 2 years of postsecondary education in a nonduplicative sequence;

(B) integrates academic and vocational instruction and utilizes worksite learning where appropriate;

(C) provides technical preparation in an area such as engineering technology, applied science, a mechanical, industrial, or practical art or trade, agriculture, a health occupation, business, or applied economics;

(D) builds student competence in mathematics, science, communications, economics, and workplace skills, through applied academics and integrated instruction in a coherent sequence of courses;

(E) leads to an associate degree or a certificate in a specific career field; and

(F) leads to placement in appropriate employment or further education.

(32) VETERAN.—The term "veteran" has the meaning given the term in section 101(2) of title 38, United States Code.

(33) VOCATIONAL EDUCATION.—The term "vocational education" means organized educational programs that—

(A) offer a sequence of courses that provide individuals with the academic knowledge and skills the individuals need to prepare for further education and careers in current or emerging employment sectors; and

(B) include competency-based applied learning that contributes to the academic knowledge, higher-order reasoning and problem-solving skills, work attitudes, general employability skills, and occupational-specific skills, of an individual.

(34) VOCATIONAL REHABILITATION PROGRAM.—The term "vocational rehabilitation program" means a program assisted under title I of the Rehabilitation Act of 1973 (29 U.S.C. 720 et seq.).

(35) WELFARE ASSISTANCE.—The term "welfare assistance" means—

(A) assistance provided under part A of title IV of the Social Security Act; and

(B) assistance provided under the Food Stamp Act of 1977 (7 U.S.C. 2011 et seq.).

(36) WELFARE RECIPIENT.—The term "welfare recipient" means—

(A) an individual who receives assistance under part A of title IV of the Social Security Act; and

(B) an individual who—

(i) is not an individual described in subparagraph (A); and

(ii) receives assistance under the Food Stamp Act of 1977.

(37) WORKFORCE DEVELOPMENT ACTIVITIES.—The term "workforce development activities" means workforce education activities, workforce employment activities, flexible workforce activities, and economic development activities (within a State that is eligible to carry out such activities).

(38) WORKFORCE EDUCATION ACTIVITIES.—The term "workforce education activities" means the activities described in section 716(b).

(39) WORKFORCE EMPLOYMENT ACTIVITIES.—The term "workforce employment activities" means the activities described in paragraphs (2) through (8) of section 716(a), including activities described in section 716(a)(6) provided through a voucher described in section 716(a)(9).

(40) WORKFORCE PREPARATION ACTIVITIES FOR AT-RISK YOUTH.—The term "workforce preparation activities for at-risk youth" means the activities described in section 759(b), carried out for at-risk youth.

Subtitle B—Statewide Workforce Development Systems

CHAPTER 1—PROVISIONS FOR STATES AND OTHER ENTITIES

SEC. 711. STATEWIDE WORKFORCE DEVELOPMENT SYSTEMS ESTABLISHED.

For program year 1998 and each subsequent program year, the Secretary of Labor and the Secretary of Education, acting jointly on the advice of the Federal Partnership, shall make allotments under section 712 to States to assist the States in paying for the cost of establishing and carrying out activities through statewide workforce development systems, in accordance with this subtitle.

SEC. 712. STATE ALLOTMENTS.

(a) IN GENERAL.—The Secretary of Labor and the Secretary of Education, acting jointly on the advice of the Federal Partnership, shall allot to each State with a State plan approved under section 714 an amount equal to the total of the amounts made available under subparagraphs (A), (B), (C), and (D) of subsection (b)(2), adjusted in accordance with subsection (c).

(b) ALLOTMENTS BASED ON POPULATIONS.—

(1) DEFINITIONS.—As used in this subsection:

(A) ADULT RECIPIENT OF ASSISTANCE.—The term "adult recipient of assistance" means a recipient of assistance under a State program funded under part A of title IV of the Social Security Act who is not a minor child (as defined in section 402(c)(1) of such Act).

(B) INDIVIDUAL IN POVERTY.—The term "individual in poverty" means an individual who—

(i) is not less than age 18;

(ii) is not more than age 64; and

(iii) is a member of a family (of 1 or more members) with an income at or below the poverty line.

(C) POVERTY LINE.—The term "poverty line" means the poverty line (as defined by the Office of Management and Budget, and revised annually in accordance with section 673(2) of the Community Services Block Grant Act (42 U.S.C. 9902(2)) applicable to a family of the size involved, using the most recent available data provided by the Bureau of the Census, prior to the program year for which the allotment is made, and applying the definition of poverty used by the Bureau of the Census in compiling the 1990 decennial census.

(2) CALCULATION.—Except as provided in subsection (c), from the amount reserved under section 734(b)(1), the Secretary of Labor and the Secretary of Education, acting jointly on the advice of the Federal Partnership—

(A) using funds equal to 60 percent of such reserved amount, shall make available to each State an amount that bears the same relationship to such funds as the total number of individuals who are not less than 15 and not more than 65 (as determined by the Federal Partnership using the most recent available data provided by the Bureau of the Census, prior to the program year for which the allotment is made) in the State bears to the total number of such individuals in all States;

(B) using funds equal to 10 percent of such reserved amount, shall make available to each State an amount that bears the same relationship to such funds as the total number of individuals in poverty in the State bears to the total number of individuals in poverty in all States;

(C) using funds equal to 10 percent of such reserved amount, shall make available to each State an amount that bears the same relationship to such funds as the average number of unemployed individuals (as determined by the Secretary of Labor for the most recent 24-month period for which data are available, prior to the program year for which the allotment is made) in the State bears to the average number of unemployed individuals (as so determined) in all States; and

(D) using funds equal to 20 percent of such reserved amount, shall make available to each State an amount that bears the same relationship to such funds as the average monthly number of adult recipients of assistance (as determined by the Secretary of Health and Human Services for the most recent 12-month period for which data are available, prior to the program year for which the allotment is made) in the State bears to the average monthly number of adult recipients of assistance (as so determined) in all States.

(c) ADJUSTMENTS.—

(1) DEFINITION.—As used in this subsection, the term "national average per capita payment", used with respect to a program year, means the amount obtained by dividing—

(A) the total amount allotted to all States under this section for the program year; by

(B) the total number of individuals who are not less than 15 and not more than 65 (as determined by the Federal Partnership using the most recent available data provided by the Bureau of the Census, prior to the program year for which the allotment is made) in all States.

(2) MINIMUM ALLOTMENT.—Except as provided in paragraph (3), no State with a State plan approved under section 714 for a program year shall receive an allotment under this section for the program year in an amount that is less than 0.5 percent of the amount reserved under section 734(b)(1) for the program year.

(3) LIMITATION.—No State that receives an increase in an allotment under this section for a program year as a result of the application of paragraph (2) shall receive an allotment under this section for the program year in an amount that is more than the product obtained by multiplying—

(A) the total number of individuals who are not less than 15 and not more than 65 (as determined by the Federal Partnership using the most recent available data provided by the Bureau of the Census, prior to the program year for which the allotment is made) in the State; and

(B) the product obtained by multiplying—

(i) 1.3; and

(ii) the national average per capita payment for the program year.

SEC. 713. STATE APPORTIONMENT BY ACTIVITY.

(a) ACTIVITIES.—From the sum of the funds made available to a State through an allotment received under section 712 and the funds made available under section 901(c)(1)(A) of the Social Security Act (42 U.S.C. 1101(c)(1)(A)) to carry out this title for a program year—

(1) a portion equal to 25 percent of such sum (which portion shall include the amount allotted to the State from funds made available under section 901(c)(1)(A) of the Social Security Act) shall be made available for workforce employment activities;

(2) a portion equal to 25 percent of such sum shall be made available for workforce education activities; and

(3) a portion (referred to in this title as the "flex account") equal to 50 percent of such sum shall be made available for flexible workforce activities.

(b) RECIPIENTS.—In making an allotment under section 712 to a State, the Secretary of

Labor and the Secretary of Education, acting jointly, shall make a payment—

(1) to the Governor of the State for the portion described in subsection (a)(1), and such part of the flex account as the Governor may be eligible to receive, as determined under the State plan of the State submitted under section 714; and

(2) to the State educational agency of the State for the portion described in subsection (a)(2), and such part of the flex account as the State educational agency may be eligible to receive, as determined under the State plan of the State submitted under section 714.

SEC. 714. STATE PLANS.

(a) IN GENERAL.—For a State to be eligible to receive an allotment under section 712, the Governor of the State shall submit to the Federal Partnership, and obtain approval of, a single comprehensive State workforce development plan (referred to in this section as a "State plan"), outlining a 3-year strategy for the statewide system of the State.

(b) PARTS.—

(1) IN GENERAL.—The State plan shall contain 3 parts.

(2) STRATEGIC PLAN AND FLEXIBLE WORKFORCE ACTIVITIES.—The first part of the State plan shall describe a strategic plan for the statewide system, including the flexible workforce activities, and, if appropriate, economic development activities, that are designed to meet the State goals and reach the State benchmarks and are to be carried out with the allotment. The Governor shall develop the first part of the State plan, using procedures that are consistent with the procedures described in subsection (d).

(3) WORKFORCE EMPLOYMENT ACTIVITIES.—The second part of the State plan shall describe the workforce employment activities that are designed to meet the State goals and reach the State benchmarks and are to be carried out with the allotment. The Governor shall develop the second part of the State plan.

(4) WORKFORCE EDUCATION ACTIVITIES.—The third part of the State plan shall describe the workforce education activities that are designed to meet the State goals and reach the State benchmarks and are to be carried out with the allotment. The State educational agency of the State shall develop the third part of the State plan in consultation, where appropriate, with the State postsecondary education agency and with community colleges.

(c) CONTENTS OF THE PLAN.—The State plan shall include—

(1) with respect to the strategic plan for the statewide system—

(A) information describing how the State will identify the current and future workforce development needs of the industry sectors most important to the economic competitiveness of the State;

(B) information describing how the State will identify the current and future workforce development needs of all segments of the population of the State;

(C) information identifying the State goals and State benchmarks and how the goals and benchmarks will make the statewide system relevant and responsive to labor market and education needs at the local level;

(D) information describing how the State will coordinate workforce development activities to meet the State goals and reach the State benchmarks;

(E) information describing the allocation within the State of the funds made available through the flex account for the State, and how the flexible workforce activities, including school-to-work activities, to be carried out with such funds will be carried out to meet the State goals and reach the State benchmarks;

(F) information identifying how the State will obtain the active and continuous participation of business, industry, and labor in the development and continuous improvement of the statewide system;

(G) information identifying how any funds that a State receives under this subtitle will be leveraged with other public and private resources to maximize the effectiveness of such resources for all workforce development activities, and expand the participation of business, industry, labor, and individuals in the statewide system;

(H) information identifying how the workforce development activities to be carried out with funds received through the allotment will be coordinated with programs carried out by the Veterans' Employment and Training Service with funds received under title 38, United States Code, in order to meet the State goals and reach the State benchmarks related to veterans;

(I) information describing how the State will eliminate duplication in the administration and delivery of services under this title;

(J) information describing the process the State will use to independently evaluate and continuously improve the performance of the statewide system, on a yearly basis, including the development of specific performance indicators to measure progress toward meeting the State goals;

(K) an assurance that the funds made available under this subtitle will supplement and not supplant other public funds expended to provide workforce development activities;

(L) information identifying the steps that the State will take over the 3 years covered by the plan to establish common data collection and reporting requirements for workforce development activities and vocational rehabilitation program activities;

(M) with respect to economic development activities, information—

(i) describing the activities to be carried out with the funds made available under this subtitle;

(ii) describing how the activities will lead directly to increased earnings of nonmanagerial employees in the State; and

(iii) describing whether the labor organization, if any, representing the nonmanagerial employees supports the activities;

(N) the description referred to in subsection (d)(1); and

(O)(i) information demonstrating the support of individuals and entities described in subsection (d)(1) for the plan; or

(ii) in a case in which the Governor is unable to obtain the support of such individuals and entities as provided in subsection (d)(2), the comments referred to in subsection (d)(2)(B).

(2) with respect to workforce employment activities, information—

(A)(i) identifying and designating substate areas, including urban and rural areas, to which funds received through the allotment will be distributed, which areas shall, to the extent feasible, reflect local labor market areas; or

(ii) stating that the State will be treated as a substate area for purposes of the application of this subtitle, if the State receives an increase in an allotment under section 712 for a program year as a result of the application of section 712(c)(2); and

(B) describing the basic features of one-stop delivery of core services described in section 716(a)(2) in the State, including information regarding—

(i) the strategy of the State for developing fully operational one-stop delivery of core services described in section 716(a)(2);

(ii) the time frame for achieving the strategy;

(iii) the estimated cost for achieving the strategy;

(iv) the steps that the State will take over the 3 years covered by the plan to provide individuals with access to one-stop delivery of core services described in section 716(a)(2);

(v) the steps that the State will take over the 3 years covered by the plan to provide information through the one-stop delivery to individuals on the quality of workforce employment activities, workforce education activities, and vocational rehabilitation program activities, provided through the statewide system;

(vi) the steps that the State will take over the 3 years covered by the plan to link services provided through the one-stop delivery with services provided through State welfare agencies; and

(vii) in a case in which the State chooses to use vouchers to deliver workforce employment activities, the steps that the State will take over the 3 years covered by the plan to comply with the requirements in section 716(a)(9) and the information required in such section;

(C) identifying performance indicators that relate to the State goals, and to the State benchmarks, concerning workforce employment activities;

(D) describing the workforce employment activities to be carried out with funds received through the allotment;

(E) describing the steps that the State will take over the 3 years covered by the plan to establish a statewide comprehensive labor market information system described in section 773(c) that will be utilized by all the providers of one-stop delivery of core services described in section 716(a)(2), providers of other workforce employment activities, and providers of workforce education activities, in the State;

(F) describing the steps that the State will take over the 3 years covered by the plan to establish a job placement accountability system described in section 731(d);

(G) describing the process the State will use to approve all providers of workforce employment activities through the statewide system; and

(H)(i) describing the steps that the State will take to segregate the amount allotted to the State from funds made available under section 901(c)(1)(A) of the Social Security Act (42 U.S.C. 1101(c)(1)(A)) from the remainder of the portion described in section 713(a)(1); and

(ii) describing how the State will use the amount allotted to the State from funds made available under such section 901(c)(1)(A) to carry out the required activities described in clauses (ii) through (v) of section 716(a)(2)(B) and section 773;

(3) with respect to workforce education activities, information—

(A) describing how funds received through the allotment will be allocated among—

(i) secondary school vocational education, or postsecondary and adult vocational education, or both; and

(ii) adult education;

(B) identifying performance indicators that relate to the State goals, and to the State benchmarks, concerning workforce education activities;

(C) describing the workforce education activities that will be carried out with funds received through the allotment;

(D) describing how the State will address the adult education needs of the State;

(E) describing how the State will disaggregate data relating to at-risk youth in order to adequately measure the progress of at-risk youth toward accomplishing the results measured by the State goals, and the State benchmarks;

(F) describing how the State will adequately address the needs of both at-risk youth who are in school, and out-of-school youth, in alternative education programs that teach to the same challenging academic, occupational, and skill proficiencies as are provided for in-school youth;

(G) describing how the workforce education activities described in the State plan and the State allocation of funds received through the allotment for such activities are an integral part of comprehensive efforts of the State to improve education for all students and adults;

(H) describing how the State will annually evaluate the effectiveness of the State plan with respect to workforce education activities;

(I) describing how the State will address the professional development needs of the State with respect to workforce education activities;

(J) describing how the State will provide local educational agencies in the State with technical assistance; and

(K) describing how the State will assess the progress of the State in implementing student performance measures.

(d) PROCEDURE FOR DEVELOPMENT OF PART OF PLAN RELATING TO STRATEGIC PLAN.—

(1) DESCRIPTION OF DEVELOPMENT.—The part of the State plan relating to the strategic plan shall include a description of the manner in which—

(A) the Governor;

(B) the State educational agency;

(C) representatives of business and industry, including representatives of key industry sectors, and of small- and medium-size and large employers, in the State;

(D) representatives of labor and workers;

(E) local elected officials from throughout the State;

(F) the State agency officials responsible for vocational education;

(G) the State agency officials responsible for postsecondary education;

(H) the State agency officials responsible for adult education;

(I) the State agency officials responsible for vocational rehabilitation;

(J) such other State agency officials, including officials responsible for economic development and employment, as the Governor may designate;

(K) the representative of the Veterans' Employment and Training Service assigned to the State under section 4103 of title 38, United States Code; and

(L) other appropriate officials, including members of the State workforce development board described in section 715, if the State has established such a board;

collaborated in the development of such part of the plan.

(2) FAILURE TO OBTAIN SUPPORT.—If, after a reasonable effort, the Governor is unable to obtain the support of the individuals and entities described in paragraph (1) for the strategic plan the Governor shall—

(A) provide such individuals and entities with copies of the strategic plan;

(B) allow such individuals and entities to submit to the Governor, not later than the end of the 30-day period beginning on the date on which the Governor provides such individuals and entities with copies of such plan under subparagraph (A), comments on such plan; and

(C) include any such comments in such plan.

(e) APPROVAL.—The Secretary of Labor and the Secretary of Education, acting jointly on the advice of the Federal Partnership, shall approve a State plan if—

(1) the Federal Partnership determines that the plan contains the information described in subsection (c);

(2) the Federal Partnership determines that the State has prepared the plan in accordance with the requirements of this section, including the requirements relating to development of any part of the plan; and

(3) the State benchmarks for the State have been negotiated and approved in accordance with section 731(c).

(f) NO ENTITLEMENT TO A SERVICE.—Nothing in this title shall be construed to provide any individual with an entitlement to a service provided under this title.

SEC. 715. STATE WORKFORCE DEVELOPMENT BOARDS.

(a) ESTABLISHMENT.—A Governor of a State that receives an allotment under section 712 may establish a State workforce development board—

(1) on which a majority of the members are representatives of business and industry;

(2) on which not less than 25 percent of the members shall be representatives of labor, workers, and community-based organizations;

(3) that shall include representatives of veterans;

(4) that shall include a representative of the State educational agency and a representative from the State agency responsible for vocational rehabilitation;

(5) that may include any other individual or entity that participates in the collaboration described in section 714(d)(1); and

(6) that may include any other individual or entity the Governor may designate.

(b) CHAIRPERSON.—The State workforce development board shall select a chairperson from among the members of the board who are representatives of business and industry.

(c) FUNCTIONS.—The functions of the State workforce development board shall include—

(1) advising the Governor on the development of the statewide system, the State plan described in section 714, and the State goals and State benchmarks;

(2) assisting in the development of specific performance indicators to measure progress toward meeting the State goals and reaching the State benchmarks and providing guidance on how such progress may be improved;

(3) serving as a link between business, industry, labor, and the statewide system;

(4) assisting the Governor in preparing the annual report to the Federal Partnership regarding progress in reaching the State benchmarks, as described in section 731(a);

(5) receiving and commenting on the State plan developed under section 101 of the Rehabilitation Act of 1973 (29 U.S.C. 721);

(6) assisting the Governor in developing the statewide comprehensive labor market information system described in section 773(c) to provide information that will be utilized by all the providers of one-stop delivery of core services described in section 716(a)(2), providers of other workforce employment activities, and providers of workforce education activities, in the State; and

(7) assisting in the monitoring and continuous improvement of the performance of the statewide system, including evaluation of the effectiveness of workforce development activities funded under this title.

SEC. 716. USE OF FUNDS.

(a) WORKFORCE EMPLOYMENT ACTIVITIES.—

(1) IN GENERAL.—Funds made available to a State under this subtitle to carry out workforce employment activities through a statewide system—

(A) shall be used to carry out the activities described in paragraphs (2), (3), and (4); and

(B) may be used to carry out the activities described in paragraphs (5), (6), (7), and (8), including providing activities described in paragraph (6) through vouchers described in paragraph (9).

(2) ONE-STOP DELIVERY OF CORE SERVICES.—

(A) ACCESS.—The State shall use a portion of the funds described in paragraph (1) to establish a means of providing access to the statewide system through core services described in subparagraph (B) available—

(i) through multiple, connected access points, linked electronically or otherwise;

(ii) through a network that assures participants that such core services will be available regardless of where the participants initially enter the statewide system;

(iii) at not less than 1 physical location in each substate area of the State; or

(iv) through some combination of the options described in clauses (i), (ii), and (iii).

(B) CORE SERVICES.—The core services referred to in subparagraph (A) shall, at a minimum, include—

(i) outreach, intake, and orientation to the information and other services available through one-stop delivery of core services described in this subparagraph;

(ii) initial assessment of skill levels, aptitudes, abilities, and supportive service needs;

(iii) job search and placement assistance and, where appropriate, career counseling;

(iv) customized screening and referral of qualified applicants to employment;

(v) provision of accurate information relating to local labor market conditions, including employment profiles of growth industries and occupations within a substate area, the educational and skills requirements of jobs in the industries and occupations, and the earnings potential of the jobs;

(vi) provision of accurate information relating to the quality and availability of other workforce employment activities, workforce education activities, and vocational rehabilitation program activities;

(vii) provision of information regarding how the substate area is performing on the State benchmarks;

(viii) provision of initial eligibility information on forms of public financial assistance that may be available in order to enable persons to participate in workforce employment activities, workforce education activities, or vocational rehabilitation program activities; and

(ix) referral to other appropriate workforce employment activities, workforce education activities, and vocational rehabilitation employment activities.

(3) LABOR MARKET INFORMATION SYSTEM.—The State shall use a portion of the funds described in paragraph (1) to establish a statewide comprehensive labor market information system described in section 773(c).

(4) JOB PLACEMENT ACCOUNTABILITY SYSTEM.—The State shall use a portion of the funds described in paragraph (1) to establish a job placement accountability system described in section 731(d).

(5) PERMISSIBLE ONE-STOP DELIVERY ACTIVITIES.—The State may provide, through one-stop delivery—

(A) co-location of services related to workforce development activities, such as unemployment insurance, vocational rehabilitation program activities, welfare assistance, veterans' employment services, or other public assistance;

(B) intensive services for participants who are unable to obtain employment through the core services described in paragraph (2)(B), as determined by the State; and

(C) dissemination to employers of information on activities carried out through the statewide system.

(6) OTHER PERMISSIBLE ACTIVITIES.—The State may use a portion of the funds described in paragraph (1) to provide services through the statewide system that may include—

(A) on-the-job training;

(B) occupational skills training;

(C) entrepreneurial training;

(D) training to develop work habits to help individuals obtain and retain employment;

(E) customized training conducted with a commitment by an employer or group of employers to employ an individual after successful completion of the training;

(F) rapid response assistance for dislocated workers;

(G) skill upgrading and retraining for persons not in the workforce;

(H) preemployment and work maturity skills training for youth;

(I) connecting activities that organize consortia of small- and medium-size businesses to provide work-based learning opportunities for youth participants in school-to-work programs;

(J) programs for adults that combine workplace training with related instruction;

(K) services to assist individuals in attaining certificates of mastery with respect to industry-based skill standards;

(L) case management services;

(M) supportive services, such as transportation and financial assistance, that enable individuals to participate in the statewide system;

(N) followup services for participants who are placed in unsubsidized employment; and

(O) an employment and training program described in section 6(d)(4) of the Food Stamp Act of 1977 (7 U.S.C. 2015(d)(4)).

(7) STAFF DEVELOPMENT AND TRAINING.—The State may use a portion of the funds described in paragraph (1) for the development and training of staff of providers of one-stop delivery of core services described in paragraph (2), including development and training relating to principles of quality management.

(8) INCENTIVE GRANT AWARDS.—The State may use a portion of the funds described in paragraph (1) to award incentive grants to substate areas that reach or exceed the State benchmarks established under section 731(c), with an emphasis on benchmarks established under section 731(c)(3). A substate area that receives such a grant may use the funds made available through the grant to carry out any workforce development activities authorized under this title.

(9) VOUCHERS.—

(A) IN GENERAL.—A State may deliver some or all of the workforce employment activities described in paragraph (6) that are provided under this subtitle through a system of vouchers administered through the one-stop delivery of core services described in paragraph (2) in the State.

(B) ELIGIBILITY REQUIREMENTS.—

(i) IN GENERAL.—A State that chooses to deliver the activities described in subparagraph (A) through vouchers shall indicate in the State plan described in section 714 the criteria that will be developed in cooperation with the State educational agency and used to determine—

(I) which workforce employment activities described in paragraph (6) will be delivered through the voucher system;

(II) eligibility requirements for participants to receive the vouchers and the amount of funds that participants will be able to access through the voucher system; and

(III) which employment, training, and education providers are eligible to receive payment through the vouchers.

(ii) CONSIDERATIONS.—In establishing State criteria for service providers eligible to receive payment through the vouchers under clause (i)(III), the State shall take into account industry-recognized skills standards promoted by the National Skills Standards Board.

(C) ACCOUNTABILITY REQUIREMENTS.—A State that chooses to deliver the activities described in paragraph (6) through vouchers shall indicate in the State plan—

(i) information concerning how the State will utilize the statewide comprehensive labor market information system described in section 773(c) and the job placement accountability system established under section 731(d) to provide timely and accurate information to participants about the performance of eligible employment, training, and education providers;

(ii) other information about the performance of eligible providers of services that the State believes is necessary for participants receiving the vouchers to make informed career choices; and

(iii) the timeframe in which the information developed under clauses (i) and (ii) will be widely available through the one-stop delivery of core services described in paragraph (2) in the State.

(10) FUNDS FROM UNEMPLOYMENT TRUST FUND.—Funds made available to a Governor under section 901(c)(1)(A) of the Social Security Act (42 U.S.C. 1101(c)(1)(A)) for a program year shall only be available for workforce employment activities authorized under such section 901(c)(1)(A), which are—

(A) the administration of State unemployment compensation laws as provided in title III of the Social Security Act (including administration pursuant to agreements under any Federal unemployment compensation law);

(B) the establishment and maintenance of statewide workforce development systems, to the extent the systems are used to carry out activities described in section 773, or in any of clauses (ii) through (v) of section 716(a)(2)(B); and

(C) carrying out the activities described in sections 4103, 4103A, 4104, and 4104A of title 38, United States Code (relating to veterans' employment services).

(b) WORKFORCE EDUCATION ACTIVITIES.—The State educational agency shall use the funds made available to the State educational agency under this subtitle for workforce education activities to carry out, through the statewide system, activities that include—

(1) integrating academic and vocational education;

(2) linking secondary education (as determined under State law) and postsecondary education, including implementing tech-prep programs;

(3) providing career guidance and counseling for students at the earliest possible age, including the provision of career awareness, exploration, planning, and guidance information to students and their parents that is, to the extent possible, in a language and form that the students and their parents understand;

(4) providing literacy and basic education services for adults and out-of-school youth, including adults and out-of-school youth in correctional institutions;

(5) providing programs for adults and out-of-school youth to complete their secondary education;

(6) expanding, improving, and modernizing quality vocational education programs; and

(7) improving access to quality vocational education programs for at-risk youth.

(c) FISCAL REQUIREMENTS FOR WORKFORCE EDUCATION ACTIVITIES.—

(1) SUPPLEMENT NOT SUPPLANT.—Funds made available under this subtitle for workforce education activities shall supplement, and may not supplant, other public funds expended to carry out workforce education activities.

(2) MAINTENANCE OF EFFORT.—

(A) DETERMINATION.—No payments shall be made under this subtitle for any program year to a State for workforce education activities unless the Federal Partnership determines that the fiscal effort per student or the aggregate expenditures of such State for workforce education for the program year preceding the program year for which the determination is made, equaled or exceeded such effort or expenditures for workforce education for the second program year preceding the fiscal year for which the determination is made.

(B) WAIVER.—The Federal Partnership may waive the requirements of this section (with respect to not more than 5 percent of expenditures by any State educational agency) for 1 program year only, on making a determination that such waiver would be equitable due to exceptional or uncontrollable circumstances affecting the ability of the applicant to meet such requirements, such as a natural disaster or an unforeseen and precipitous decline in financial resources. No level of funding permitted under such a waiver may be used as the basis for computing the fiscal effort or aggregate expenditures required under this section for years subsequent to the year covered by such waiver. The fiscal effort or aggregate expenditures for the subsequent years shall be computed on the basis of the level of funding that would, but for such waiver, have been required.

(d) FLEXIBLE WORKFORCE ACTIVITIES.—

(1) CORE FLEXIBLE WORKFORCE ACTIVITIES.—The State shall use a portion of the funds made available to the State under this subtitle through the flex account to carry out school-to-work activities through the statewide system, except that any State that received a grant under subtitle B of title II of the School-to-Work Opportunities Act of 1994 (20 U.S.C. 6141 et seq.) shall use such portion to support the continued development of the statewide School-to-Work Opportunities system of the State through the continuation of activities that are carried out in accordance with the terms of such grant.

(2) PERMISSIBLE FLEXIBLE WORKFORCE ACTIVITIES.—The State may use a portion of the funds made available to the State under this subtitle through the flex account—

(A) to carry out workforce employment activities through the statewide system; and

(B) to carry out workforce education activities through the statewide system.

(e) ECONOMIC DEVELOPMENT ACTIVITIES.—In the case of a State that meets the requirements of section 728(c), the State may use a portion of the funds made available to the

State under this subtitle through the flex account to supplement other funds provided by the State or private sector—

(1) to provide customized assessments of the skills of workers and an analysis of the skill needs of employers;

(2) to assist consortia of small- and medium-size employers in upgrading the skills of their workforces;

(3) to provide productivity and quality improvement training programs for the workforces of small- and medium-size employers;

(4) to provide recognition and use of voluntary industry-developed skills standards by employers, schools, and training institutions;

(5) to carry out training activities in companies that are developing modernization plans in conjunction with State industrial extension service offices; and

(6) to provide on-site, industry-specific training programs supportive of industrial and economic development;

through the statewide system.

(f) LIMITATIONS.—

(1) WAGES.—No funds provided under this subtitle shall be used to pay the wages of incumbent workers during their participation in economic development activities provided through the statewide system.

(2) RELOCATION.—No funds provided under this subtitle shall be used or proposed for use to encourage or induce the relocation, of a business or part of a business, that results in a loss of employment for any employee of such business at the original location.

(3) TRAINING AND ASSESSMENTS FOLLOWING RELOCATION.—No funds provided under this subtitle shall be used for customized or skill training, on-the-job training, or company specific assessments of job applicants or workers, for any business or part of a business, that has relocated, until 120 days after the date on which such business commences operations at the new location, if the relocation of such business or part of a business, results in a loss of employment for any worker of such business at the original location.

(g) LIMITATIONS ON PARTICIPANTS.—

(1) DIPLOMA OR EQUIVALENT.—

(A) IN GENERAL.—No individual may participate in workforce employment activities described in subparagraph (A), (B), (C), (E), (G), (J), or (K) of subsection (a)(6) until the individual has obtained a secondary school diploma or its recognized equivalent, or is enrolled in a program or course of study to obtain a secondary school diploma or its recognized equivalent.

(B) EXCEPTION.—Nothing in subparagraph (A) shall prevent participation in workforce employment activities described under subparagraph (A), (B), (C), (E), (G), (J), or (K) of subsection (a)(6) by individuals who, after testing and in the judgment of medical, psychiatric, academic, or other appropriate professionals, lack the requisite capacity to complete successfully a course of study that would lead to a secondary school diploma or its recognized equivalent.

(2) SERVICES.—

(A) REFERRAL.—If an individual who has not obtained a secondary school diploma or its recognized equivalent applies to participate in workforce employment activities described under subparagraph (A), (B), (C), (E), (G), (J), or (K) of subsection (a)(6), such individual shall be referred to State approved adult education services that provide instruction designed to help such individual obtain a secondary school diploma or its recognized equivalent.

(B) STATE PROVISION OF SERVICES.—Notwithstanding any other provision of this title, a State may use funds made available under section 713(a)(1) to provide State approved adult education services that provide instruction designed to help individuals obtain a secondary school diploma or its recognized equivalent, to individuals who—

(i) are seeking to participate in workforce employment activities described under subparagraph (A), (B), (C), (E), (G), (J), or (K) of subsection (a)(6); and

(ii) are otherwise unable to obtain such services.

SEC. 717. INDIAN WORKFORCE DEVELOPMENT ACTIVITIES.

(a) PURPOSE.—

(1) IN GENERAL.—The purpose of this section is to support workforce development activities for Indian and Native Hawaiian individuals in order—

(A) to develop more fully the academic, occupational, and literacy skills of such individuals;

(B) to make such individuals more competitive in the workforce; and

(C) to promote the economic and social development of Indian and Native Hawaiian communities in accordance with the goals and values of such communities.

(2) INDIAN POLICY.—All programs assisted under this section shall be administered in a manner consistent with the principles of the Indian Self-Determination and Education Assistance Act (25 U.S.C. 450 et seq.) and the government-to-government relationship between the Federal Government and Indian tribal governments.

(b) DEFINITIONS.—As used in this section:

(1) ALASKA NATIVE.—The term "Alaska Native" means a Native as such term is defined in section 3(b) of the Alaska Native Claims Settlement Act (43 U.S.C. 1602(b)).

(2) INDIAN, INDIAN TRIBE, AND TRIBAL ORGANIZATION.—The terms "Indian", "Indian tribe", and "tribal organization" have the same meanings given such terms in subsections (d), (e) and (l), respectively, of section 4 of the Indian Self-Determination and Education Assistance Act (25 U.S.C. 450b).

(3) INSTITUTION OF HIGHER EDUCATION.—The term "institution of higher education" has the meaning given the term in section 1201(a) of the Higher Education Act of 1965 (20 U.S.C. 1141(a)).

(4) NATIVE HAWAIIAN AND NATIVE HAWAIIAN ORGANIZATION.—The terms "Native Hawaiian" and "Native Hawaiian organization" have the same meanings given such terms in paragraphs (1) and (3), respectively, of section 9212 of the Native Hawaiian Education Act (20 U.S.C. 7912).

(5) TRIBALLY CONTROLLED COMMUNITY COLLEGE.—The term "tribally controlled community college" has the same meaning given such term in section 2(a)(4) of the Tribally Controlled Community College Assistance Act of 1978 (25 U.S.C. 1801(a)(4)).

(6) TRIBALLY CONTROLLED POSTSECONDARY VOCATIONAL INSTITUTION.—The term "tribally controlled postsecondary vocational institution" means an institution of higher education that—

(A) is formally controlled, or has been formally sanctioned or chartered, by the governing body of an Indian tribe or Indian tribes;

(B) offers a technical degree or certificate granting program;

(C) is governed by a board of directors or trustees, a majority of whom are Indians;

(D) demonstrates adherence to stated goals, a philosophy, or a plan of operation, that fosters individual Indian economic and self-sufficiency opportunity, including programs that are appropriate to stated tribal goals of developing individual entrepreneurships and self-sustaining economic infrastructures on reservations;

(E) has been in operation for at least 3 years;

(F) holds accreditation with or is a candidate for accreditation by a nationally recognized accrediting authority for postsecondary vocational education; and

(G) enrolls the full-time equivalent of not fewer than 100 students, of whom a majority are Indians.

(c) PROGRAM AUTHORIZED.—

(1) ASSISTANCE AUTHORIZED.—From amounts made available under section 734(b)(2), the Secretary of Labor and the Secretary of Education, acting jointly on the advice of the Federal Partnership, shall make grants to, or enter into contracts or cooperative agreements with, Indian tribes and tribal organizations, Alaska Native entities, tribally controlled community colleges, tribally controlled postsecondary vocational institutions, Indian-controlled organizations serving Indians or Alaska Natives, and Native Hawaiian organizations to carry out the authorized activities described in subsection (d).

(2) FORMULA.—The Secretary of Labor and the Secretary of Education, acting jointly on the advice of the Federal Partnership, shall make grants to, or enter into contracts and cooperative agreements with, entities as described in paragraph (1) to carry out the activities described in paragraphs (2) and (3) of subsection (d) on the basis of a formula developed by the Federal Partnership in consultation with entities described in paragraph (1).

(d) AUTHORIZED ACTIVITIES.—

(1) IN GENERAL.—Funds made available under this section shall be used to carry out the activities described in paragraphs (2) and (3) that—

(A) are consistent with this section; and

(B) are necessary to meet the needs of Indians and Native Hawaiians preparing to enter, reenter, or retain unsubsidized employment.

(2) WORKFORCE DEVELOPMENT ACTIVITIES AND SUPPLEMENTAL SERVICES.—

(A) IN GENERAL.—Funds made available under this section shall be used for—

(i) comprehensive workforce development activities for Indians and Native Hawaiians;

(ii) supplemental services for Indian or Native Hawaiian youth on or near Indian reservations in Oklahoma, Alaska, or Hawaii; and

(iii) supplemental services to recipients of public assistance on or near Indian reservations or former reservation areas in Oklahoma or in Alaska.

(B) SPECIAL RULE.—Notwithstanding any other provision of this section, individuals who were eligible to participate in programs under section 401 of the Job Training Partnership Act (29 U.S.C. 1671) (as such section was in effect on the day before the date of enactment of this Act) shall be eligible to participate in an activity assisted under subparagraph (A)(i).

(3) VOCATIONAL EDUCATION, ADULT EDUCATION, AND LITERACY SERVICES.—Funds made available under this section shall be used for—

(A) workforce education activities conducted by entities described in subsection (c)(1); and

(B) the support of tribally controlled postsecondary vocational institutions in order to ensure continuing and expanded educational opportunities for Indian students.

(e) PROGRAM PLAN.—In order to receive a grant or enter into a contract or cooperative agreement under this section an entity described in subsection (c)(1) shall submit to the Federal Partnership a plan that describes a 3-year strategy for meeting the needs of Indian and Native Hawaiian individuals, as appropriate, in the area served by such entity. Such plan shall—

(1) be consistent with the purposes of this section;

(2) identify the population to be served;

(3) identify the education and employment needs of the population to be served and the manner in which the services to be provided will strengthen the ability of the individuals served to obtain or retain unsubsidized employment;

(4) describe the services to be provided and the manner in which such services are to be integrated with other appropriate services; and

(5) describe the goals and benchmarks to be used to assess the performance of entities in carrying out the activities assisted under this section.

(f) FURTHER CONSOLIDATION OF FUNDS.—Each entity receiving assistance under this section may consolidate such assistance with assistance received from related programs in accordance with the provisions of the Indian Employment, Training and Related Services Demonstration Act of 1992 (25 U.S.C. 3401 et seq.).

(g) NONDUPLICATIVE AND NONEXCLUSIVE SERVICES.—Nothing in this section shall be construed—

(1) to limit the eligibility of any entity described in subsection (c)(1) to participate in any program offered by a State or local entity under this title; or

(2) to preclude or discourage any agreement, between any entity described in subsection (c)(1) and any State or local entity, to facilitate the provision of services by such entity or to the population served by such entity.

(h) PARTNERSHIP PROVISIONS.—

(1) OFFICE ESTABLISHED.—There shall be established within the Federal Partnership an office to administer the activities assisted under this section.

(2) CONSULTATION REQUIRED.—

(A) IN GENERAL.—The Federal Partnership, through the office established under paragraph (1), shall develop regulations and policies for activities assisted under this section in consultation with tribal organizations and Native Hawaiian organizations. Such regulations and policies shall take into account the special circumstances under which such activities operate.

(B) ADMINISTRATIVE SUPPORT.—The Federal Partnership shall provide such administrative support to the office established under paragraph (1) as the Federal Partnership determines to be necessary to carry out the consultation required by subparagraph (A).

(3) TECHNICAL ASSISTANCE.—The Federal Partnership, through the office established under paragraph (1), is authorized to provide technical assistance to entities described in subsection (c)(1) that receive assistance under this section to enable such entities to improve the workforce development activities provided by such entities.

SEC. 718. GRANTS TO OUTLYING AREAS.

(a) GENERAL AUTHORITY.—Using funds made available under section 734(b)(3), the Secretary of Labor and the Secretary of Education, acting jointly on the advice of the Federal Partnership, shall make grants to outlying areas to carry out workforce development activities.

(b) APPLICATION.—The Federal Partnership shall issue regulations specifying the provisions of this title that shall apply to outlying areas that receive funds under this subtitle.

CHAPTER 2—LOCAL PROVISIONS

SEC. 721. LOCAL APPORTIONMENT BY ACTIVITY.

(a) WORKFORCE EMPLOYMENT ACTIVITIES.—

(1) IN GENERAL.—The sum of the funds made available to a State for any program year under paragraphs (1) and (3) of section 713(a) for workforce employment activities shall be made available to the Governor of such State for use in accordance with paragraph (2).

(2) DISTRIBUTION.—Of the sum described in paragraph (1), for a program year—

(A) 25 percent shall be reserved by the Governor to carry out workforce employment activities through the statewide system, of which not more than 20 percent of such 25 percent may be used for administrative expenses; and

(B) 75 percent shall be distributed by the Governor to local entities to carry out workforce employment activities through the statewide system, based on—

(i) such factors as the relative distribution among substate areas of individuals who are not less than 15 and not more than 65, individuals in poverty, unemployed individuals, and adult recipients of assistance, as determined using the definitions specified and the determinations described in section 712(b); and

(ii) such additional factors as the Governor (in consultation with local partnerships described in section 728(a) or, where established, local workforce development boards described in section 728(b)), determines to be necessary.

(b) WORKFORCE EDUCATION ACTIVITIES.—

(1) IN GENERAL.—The sum of the funds made available to a State for any program year under paragraphs (2) and (3) of section 713(a) for workforce education activities shall be made available to the State educational agency serving such State for use in accordance with paragraph (2).

(2) DISTRIBUTION.—Of the sum described in paragraph (1), for a program year—

(A) 20 percent shall be reserved by the State educational agency to carry out statewide workforce education activities through the statewide system, of which not more than 5 percent of such 20 percent may be used for administrative expenses; and

(B) 80 percent shall be distributed by the State educational agency to entities eligible for financial assistance under section 722, 723, or 724, to carry out workforce education activities through the statewide system.

(3) STATE ACTIVITIES.—Activities to be carried out under paragraph (2)(A) may include professional development, technical assistance, and program assessment activities.

(4) STATE DETERMINATIONS.—From the amount available to a State educational agency under paragraph (2)(B) for a program year, such agency shall determine the percentage of such amount that will be distributed in accordance with sections 722, 723, and 724 for such year for workforce education activities in such State in each of the following areas:

(A) Secondary school vocational education, or postsecondary and adult vocational education, or both; and

(B) Adult education.

(c) SPECIAL RULE.—Nothing in this subtitle shall be construed to prohibit any individual, entity, or agency in a State (other than the State educational agency) that is administering workforce education activities or setting education policies consistent with authority under State law for workforce education activities, on the day preceding the date of enactment of this Act from continuing to administer or set education policies consistent with authority under State law for such activities under this subtitle.

SEC. 722. DISTRIBUTION FOR SECONDARY SCHOOL VOCATIONAL EDUCATION.

(a) ALLOCATION.—Except as otherwise provided in this section and section 725, each State educational agency shall distribute the portion of the funds made available for any program year (from funds made available for the corresponding fiscal year, as determined under section 734(c)) by such agency for secondary school vocational education under section 721(b)(3)(A) to local educational agencies within the State as follows:

(1) SEVENTY PERCENT.—From 70 percent of such portion, each local educational agency shall be allocated an amount that bears the same relationship to such 70 percent as the amount such local educational agency was allocated under section 1124 of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 6333) for the preceding fiscal year bears to the total amount received under such section by all local educational agencies in the State for such year.

(2) TWENTY PERCENT.—From 20 percent of such portion, each local educational agency shall be allocated an amount that bears the same relationship to such 20 percent as the number of students with disabilities who have individualized education programs under section 614(a)(5) of the Individuals With Disabilities Education Act (20 U.S.C. 1414(a)(5)) served by such local educational agency for the preceding fiscal year bears to the total number of such students served by all local educational agencies in the State for such year.

(3) TEN PERCENT.—From 10 percent of such portion, each local educational agency shall be allocated an amount that bears the same relationship to such 10 percent as the number of students enrolled in schools and adults enrolled in training programs under the jurisdiction of such local educational agency for the preceding fiscal year bears to the number of students enrolled in schools and adults enrolled in training programs under the jurisdiction of all local educational agencies in the State for such year.

(b) MINIMUM ALLOCATION.—

(1) IN GENERAL.—Except as provided in paragraph (2), no local educational agency shall receive an allocation under subsection (a) unless the amount allocated to such agency under subsection (a) is not less than $15,000. A local educational agency may enter into a consortium with other local educational agencies for purposes of meeting the minimum allocation requirement of this paragraph.

(2) WAIVER.—The State educational agency may waive the application of paragraph (1) in any case in which the local educational agency—

(A) is located in a rural, sparsely-populated area; and

(B) demonstrates that such agency is unable to enter into a consortium for purposes of providing services under this section.

(3) REDISTRIBUTION.—Any amounts that are not allocated by reason of paragraph (1) or (2) shall be redistributed to local educational agencies that meet the requirements of paragraph (1) or (2) in accordance with the provisions of this section.

(c) LIMITED JURISDICTION AGENCIES.—

(1) IN GENERAL.—In applying the provisions of subsection (a), no State educational agency receiving assistance under this subtitle

shall allocate funds to a local educational agency that serves only elementary schools, but shall distribute such funds to the local educational agency or regional educational agency that provides secondary school services to secondary school students in the same attendance area.

(2) SPECIAL RULE.—The amount to be allocated under paragraph (1) to a local educational agency that has jurisdiction only over secondary schools shall be determined based on the number of students that entered such secondary schools in the previous year from the elementary schools involved.

(d) ALLOCATIONS TO AREA VOCATIONAL EDUCATION SCHOOLS AND EDUCATIONAL SERVICE AGENCIES.—

(1) IN GENERAL.—Each State educational agency shall distribute the portion of funds made available for any program year by such agency for secondary school vocational education under section 721(b)(3)(A) to the appropriate area vocational education school or educational service agency in any case in which—

(A) the area vocational education school or educational service agency, and the local educational agency concerned—

(i) have formed or will form a consortium for the purpose of receiving funds under this section; or

(ii) have entered into or will enter into a cooperative arrangement for such purpose; and

(B)(i) the area vocational education school or educational service agency serves an approximately equal or greater proportion of students who are individuals with disabilities or are low-income than the proportion of such students attending the secondary schools under the jurisdiction of all of the local educational agencies sending students to the area vocational education school or the educational service agency; or

(ii) the area vocational education school, educational service agency, or local educational agency demonstrates that the vocational education school or educational service agency is unable to meet the criterion described in clause (i) due to the lack of interest by students described in clause (i) in attending vocational education programs in that area vocational education school or educational service agency.

(2) ALLOCATION BASIS.—If an area vocational education school or educational service agency meets the requirements of paragraph (1), then—

(A) the amount that will otherwise be distributed to the local educational agency under this section shall be allocated to the area vocational education school, the educational service agency, and the local educational agency, based on each school's or agency's relative share of students described in paragraph (1)(B)(i) who are attending vocational education programs (based, if practicable, on the average enrollment for the prior 3 years); or

(B) such amount may be allocated on the basis of an agreement between the local educational agency and the area vocational education school or educational service agency.

(3) STATE DETERMINATION.—

(A) IN GENERAL.—For the purposes of this subsection, the State educational agency may determine the number of students who are low-income on the basis of—

(i) eligibility for—

(I) free or reduced-price meals under the National School Lunch Act (7 U.S.C. 1751 et seq.);

(II) assistance under a State program funded under part A of title IV of the Social Security Act;

(III) benefits under the Food Stamp Act of 1977 (7 U.S.C. 2011 et seq.); or

(IV) services under title I of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 6301 et seq.); and

(ii) another index of economic status, including an estimate of such index, if the State educational agency demonstrates to the satisfaction of the Federal Partnership that such index is a more representative means of determining such number.

(B) DATA.—If a State educational agency elects to use more than 1 factor described in subparagraph (A) for purposes of making the determination described in such subparagraph, the State educational agency shall ensure that the data used is not duplicative.

(4) APPEALS PROCEDURE.—The State educational agency shall establish an appeals procedure for resolution of any dispute arising between a local educational agency and an area vocational education school or an educational service agency with respect to the allocation procedures described in this section, including the decision of a local educational agency to leave a consortium.

(5) SPECIAL RULE.—Notwithstanding the provisions of paragraphs (1), (2), (3), and (4), any local educational agency receiving an allocation that is not sufficient to conduct a secondary school vocational education program of sufficient size, scope, and quality to be effective may—

(A) form a consortium or enter into a cooperative agreement with an area vocational education school or educational service agency offering secondary school vocational education programs of sufficient size, scope, and quality to be effective and that are accessible to students who are individuals with disabilities or are low-income, and are served by such local educational agency; and

(B) transfer such allocation to the area vocational education school or educational service agency.

(e) SPECIAL RULE.—Each State educational agency distributing funds under this section shall treat a secondary school funded by the Bureau of Indian Affairs within the State as if such school were a local educational agency within the State for the purpose of receiving a distribution under this section.

SEC. 723. DISTRIBUTION FOR POSTSECONDARY AND ADULT VOCATIONAL EDUCATION.

(a) ALLOCATION.—

(1) IN GENERAL.—Except as provided in subsection (b) and section 725, each State educational agency, using the portion of the funds made available for any program year by such agency for postsecondary and adult vocational education under section 721(b)(3)(A)—

(A) shall reserve funds to carry out subsection (d); and

(B) shall distribute the remainder to eligible institutions or consortia of the institutions within the State.

(2) FORMULA.—Each such eligible institution or consortium shall receive an amount for the program year (from funds made available for the corresponding fiscal year, as determined under section 734(c)) from such remainder bears the same relationship to such remainder as the number of individuals who are Pell Grant recipients or recipients of assistance from the Bureau of Indian Affairs and are enrolled in programs offered by such institution or consortium for the preceding fiscal year bears to the number of all such individuals who are enrolled in any such program within the State for such preceding year.

(3) CONSORTIUM REQUIREMENTS.—In order for a consortium of eligible institutions described in paragraph (1) to receive assistance pursuant to such paragraph such consortium shall operate joint projects that—

(A) provide services to all postsecondary institutions participating in the consortium; and

(B) are of sufficient size, scope, and quality to be effective.

(b) WAIVER FOR MORE EQUITABLE DISTRIBUTION.—The Federal Partnership may waive the application of subsection (a) in the case of any State educational agency that submits to the Federal Partnership an application for such a waiver that—

(1) demonstrates that the formula described in subsection (a) does not result in a distribution of funds to the institutions or consortia within the State that have the highest numbers of low-income individuals and that an alternative formula will result in such a distribution; and

(2) includes a proposal for an alternative formula that may include criteria relating to the number of individuals attending the institutions or consortia within the State who—

(A) receive need-based postsecondary financial aid provided from public funds;

(B) are members of families receiving assistance under a State program funded under part A of title IV of the Social Security Act;

(C) are enrolled in postsecondary educational institutions that—

(i) are funded by the State;

(ii) do not charge tuition; and

(iii) serve only low-income students;

(D) are enrolled in programs serving low-income adults; or

(E) are Pell Grant recipients.

(c) MINIMUM AMOUNT.—

(1) IN GENERAL.—No distribution of funds provided to any institution or consortium for a program year under this section shall be for an amount that is less than $50,000.

(2) REDISTRIBUTION.—Any amounts that are not distributed by reason of paragraph (1) shall be redistributed to eligible institutions or consortia in accordance with the provisions of this section.

(d) SPECIAL RULE FOR CRIMINAL OFFENDERS.—Each State educational agency shall distribute the funds reserved under subsection (a)(1)(A) to 1 or more State corrections agencies to enable the State corrections agencies to administer vocational education programs for juvenile and adult criminal offenders in correctional institutions in the State, including correctional institutions operated by local authorities.

(e) DEFINITION.—For the purposes of this section—

(1) the term "eligible institution" means a postsecondary educational institution, a local educational agency serving adults, or an area vocational education school serving adults that offers or will offer a program that seeks to receive financial assistance under this section;

(2) the term "low-income", used with respect to a person, means a person who is determined under guidelines developed by the Federal Partnership to be low-income, using the most recent available data provided by the Bureau of the Census, prior to the determination; and

(3) the term "Pell Grant recipient" means a recipient of financial aid under subpart 1 of part A of title IV of the Higher Education Act of 1965 (20 U.S.C. 1070a et seq.).

SEC. 724. DISTRIBUTION FOR ADULT EDUCATION.

(a) IN GENERAL.—Except as provided in subsection (b)(3), from the amount made available by a State educational agency for adult education under section 721(b)(3)(B) for a program year, such agency shall award grants, on a competitive basis, to local educational agencies, correctional education agencies, community-based organizations of demonstrated effectiveness, volunteer literacy organizations, libraries, public or private nonprofit agencies, postsecondary educational institutions, public housing authorities, and other nonprofit institutions that have the ability to provide literacy services to adults and families, or consortia of agencies, organizations, or institutions described in this subsection, to enable such agencies, organizations, institutions, and consortia to establish or expand adult education programs.

(b) GRANT REQUIREMENTS.—

(1) ACCESS.—Each State educational agency making funds available for any program year for adult education under section 721(b)(3)(B) shall ensure that the entities described in subsection (a) will be provided direct and equitable access to all Federal funds provided under this section.

(2) CONSIDERATIONS.—In awarding grants under this section, the State educational agency shall consider—

(A) the past effectiveness of applicants in providing services (especially with respect to recruitment and retention of educationally disadvantaged adults and the learning gains demonstrated by such adults);

(B) the degree to which an applicant will coordinate and utilize other literacy and social services available in the community; and

(C) the commitment of the applicant to serve individuals in the community who are most in need of literacy services.

(3) CONSORTIA.—A State educational agency may award a grant under subsection (a) to a consortium that includes an entity described in subsection (a) and a for-profit agency, organization, or institution, if such agency, organization, or institution—

(A) can make a significant contribution to carrying out the purposes of this title; and

(B) enters into a contract with the entity described in subsection (a) for the purpose of establishing or expanding adult education programs.

(c) LOCAL ADMINISTRATIVE COSTS LIMITS.—

(1) IN GENERAL.—Except as provided in paragraph (2), of the funds provided under this section by a State educational agency to an agency, organization, institution, or consortium described in subsection (a), at least 95 percent shall be expended for provision of adult education instructional activities. The remainder shall be used for planning, administration, personnel development, and interagency coordination.

(2) SPECIAL RULE.—In cases where the cost limits described in paragraph (1) will be too restrictive to allow for adequate planning, administration, personnel development, and interagency coordination supported under this section, the State educational agency shall negotiate with the agency, organization, institution, or consortium described in subsection (a) in order to determine an adequate level of funds to be used for noninstructional purposes.

SEC. 725. SPECIAL RULE FOR MINIMAL ALLOCATION.

(a) GENERAL AUTHORITY.—For any program year for which a minimal amount is made available by a State educational agency for distribution under section 722 or 723 such agency may, notwithstanding the provisions of section 722 or 723, respectively, in order to make a more equitable distribution of funds for programs serving the highest numbers of low-income individuals (as defined in section 723(e)), distribute such minimal amount—

(1) on a competitive basis; or

(2) through any alternative method determined by the State educational agency.

(b) MINIMAL AMOUNT.—For purposes of this section, the term "minimal amount" means not more than 15 percent of the total amount made available by the State educational agency under section 721(b)(3)(A) for section 722 or 723, respectively, for such program year.

SEC. 726. REDISTRIBUTION.

(a) IN GENERAL.—In any program year that an entity receiving financial assistance under section 722 or 723 does not expend all of the amounts distributed to such entity for such year under section 722 or 723, respectively, such entity shall return any unexpended amounts to the State educational agency for distribution under section 722 or 723, respectively.

(b) REDISTRIBUTION OF AMOUNTS RETURNED LATE IN A PROGRAM YEAR.—In any program year in which amounts are returned to the State educational agency under subsection (a) for programs described in section 722 or 723 and the State educational agency is unable to redistribute such amounts according to section 722 or 723, respectively, in time for such amounts to be expended in such program year, the State educational agency shall retain such amounts for distribution in combination with amounts provided under such section for the following program year.

SEC. 727. LOCAL APPLICATION FOR WORKFORCE EDUCATION ACTIVITIES.

(a) IN GENERAL.—

(1) IN GENERAL.—Each eligible entity desiring financial assistance under this subtitle for workforce education activities shall submit an application to the State educational agency at such time, in such manner and accompanied by such information as such agency (in consultation with such other educational entities as the State educational agency determines to be appropriate) may require. Such application shall cover the same period of time as the period of time applicable to the State workforce development plan.

(2) DEFINITION.—For the purpose of this section the term "eligible entity" means an entity eligible for financial assistance under section 722, 723, or 724 from a State educational agency.

(b) CONTENTS.—Each application described in subsection (a) shall, at a minimum—

(1) describe how the workforce education activities required under section 716(b), and other workforce education activities, will be carried out with funds received under this subtitle;

(2) describe how the activities to be carried out relate to meeting the State goals, and reaching the State benchmarks, concerning workforce education activities;

(3) describe how the activities to be carried out are an integral part of the comprehensive efforts of the eligible entity to improve education for all students and adults;

(4) describe the process that will be used to independently evaluate and continuously improve the performance of the eligible entity; and

(5) describe how the eligible entity will coordinate the activities of the entity with the activities of the local workforce development board, if any, in the substate area.

SEC. 728. LOCAL PARTNERSHIPS, AGREEMENTS, AND WORKFORCE DEVELOPMENT BOARDS.

(a) LOCAL AGREEMENTS.—

(1) IN GENERAL.—After a Governor submits the State plan described in section 714 to the Federal Partnership, the Governor shall negotiate and enter into a local agreement regarding the workforce employment activities, school-to-work activities, and economic development activities (within a State that is eligible to carry out such activities, as described in subsection (c)) to be carried out in each substate area in the State with local partnerships (or, where established, local workforce development boards described in subsection (b)).

(2) LOCAL PARTNERSHIPS.—

(A) IN GENERAL.—A local partnership referred to in paragraph (1) shall be established by the local chief elected official, in accordance with subparagraphs (B) and (C), and shall consist of individuals representing business, industry, and labor, local secondary schools, local postsecondary education institutions, local adult education providers, local elected officials, rehabilitation agencies and organizations, community-based organizations, and veterans, within the appropriate substate area.

(B) MULTIPLE JURISDICTIONS.—In any case in which there are 2 or more units of general local government in the substate area involved, the chief elected official of each such unit shall appoint members of the local partnership in accordance with an agreement entered into by such chief elected officials. In the absence of such an agreement, such appointments shall be made by the Governor of the State involved from the individuals nominated or recommended by the chief elected officials.

(C) SELECTION OF BUSINESS AND INDUSTRY REPRESENTATIVES.—Individuals representing business and industry in the local partnership shall be appointed by the chief elected official from nominations submitted by business organizations in the substate area involved. Such individuals shall reasonably represent the industrial and demographic composition of the business community. Where possible, at least 50 percent of such business and industry representatives shall be representatives of small business.

(3) BUSINESS AND INDUSTRY INVOLVEMENT.—The business and industry representatives shall have a lead role in the design, management, and evaluation of the activities to be carried out in the substate area under the local agreement.

(4) CONTENTS.—

(A) STATE GOALS AND STATE BENCHMARKS.—Such an agreement shall include a description of the manner in which funds allocated to a substate area under this subtitle will be spent to meet the State goals and reach the State benchmarks in a manner that reflects local labor market conditions.

(B) COLLABORATION.—The agreement shall also include information that demonstrates the manner in which—

(i) the Governor; and

(ii) the local partnership (or, where established, the local workforce development board);

collaborated in reaching the agreement.

(5) FAILURE TO REACH AGREEMENT.—If, after a reasonable effort, the Governor is unable to enter into an agreement with the local partnership (or, where established, the local workforce development board), the Governor shall notify the partnership or board, as appropriate, and provide the partnership or board, as appropriate, with the opportunity to comment, not later than 30 days after the date of the notification, on the manner in which funds allocated to such substate area will be spent to meet the State goals and reach the State benchmarks.

(6) EXCEPTION.—A State that indicates in the State plan described in section 714 that

the State will be treated as a substate area for purposes of the application of this subtitle shall not be subject to this subsection.

(b) LOCAL WORKFORCE DEVELOPMENT BOARDS.—

(1) IN GENERAL.—Each State may facilitate the establishment of local workforce development boards in each substate area to set policy and provide oversight over the workforce development activities in the substate area.

(2) MEMBERSHIP.—

(A) STATE CRITERIA.—The Governor shall establish criteria for use by local chief elected officials in each substate area in the selection of members of the local workforce development boards, in accordance with the requirements of subparagraph (B).

(B) REPRESENTATION REQUIREMENT.—Such criteria shall require, at a minimum, that a local workforce development board consist of—

(i) representatives of business and industry in the substate area, who shall constitute a majority of the board;

(ii) representatives of labor, workers, and community-based organizations, who shall constitute not less than 25 percent of the members of the board;

(iii) representatives of local secondary schools, postsecondary education institutions, and adult education providers;

(iv) representatives of veterans; and

(v) 1 or more individuals with disabilities, or their representatives.

(C) CHAIR.—Each local workforce development board shall select a chairperson from among the members of the board who are representatives of business and industry.

(3) CONFLICT OF INTEREST.—No member of a local workforce development board shall vote on a matter relating to the provision of services by the member (or any organization that the member directly represents) or vote on a matter that would provide direct financial benefit to such member or the immediate family of such member or engage in any other activity determined by the Governor to constitute a conflict of interest.

(4) FUNCTIONS.—The functions of the local workforce development board shall include—

(A) submitting to the Governor a single comprehensive 3-year strategic plan for workforce development activities in the substate area that includes information—

(i) identifying the workforce development needs of local industries, students, jobseekers, and workers;

(ii) identifying the workforce development activities to be carried out in the substate area with funds received through the allotment made to the State under section 712, to meet the State goals and reach the State benchmarks; and

(iii) identifying how the local workforce development board will obtain the active and continuous participation of business, industry, and labor in the development and continuous improvement of the workforce development activities carried out in the substate area;

(B) entering into local agreements with the Governor as described in subsection (a);

(C) overseeing the operations of the one-stop delivery of core services described in section 716(a)(2) in the substate area, including the responsibility to—

(i) designate local entities to operate the one-stop delivery in the substate area, consistent with the criteria referred to in section 716(a)(2); and

(ii) develop and approve the budgets and annual operating plans of the providers of the one-stop delivery; and

(D) submitting annual reports to the Governor on the progress being made in the substate area toward meeting the State goals and reaching the State benchmarks.

(5) CONSULTATION.—A local workforce development board that serves a substate area shall conduct the functions described in paragraph (4) in consultation with the chief elected officials in the substate area.

(c) ECONOMIC DEVELOPMENT ACTIVITIES.—A State shall be eligible to use the funds made available through the flex account for flexible workforce activities to carry out economic development activities if—

(1) the boards described in section 715 and subsection (b) are established in the State; or

(2) in the case of a State that indicates in the State plan described in section 714 that the State will be treated as a substate area for purposes of the application of this subtitle, the board described in section 715 is established in the State.

SEC. 729. CONSTRUCTION.

Nothing in this title shall be construed—

(1) to prohibit a local educational agency (or a consortium thereof) that receives assistance under section 722, from working with an eligible entity (or consortium thereof) that receives assistance under section 723, to carry out secondary school vocational education activities in accordance with this title; or

(2) to prohibit an eligible entity (or consortium thereof) that receives assistance under section 723, from working with a local educational agency (or consortium thereof) that receives assistance under section 722, to carry out postsecondary and adult vocational education activities in accordance with this title.

CHAPTER 3—ADMINISTRATION

SEC. 731. ACCOUNTABILITY.

(a) REPORT.—

(1) IN GENERAL.—Each State that receives an allotment under section 712 shall annually prepare and submit to the Federal Partnership, a report that states how the State is performing on State benchmarks specified in this section, which relate to workforce development activities carried out through the statewide system of the State. In preparing the report, the State may include information on such additional benchmarks as the State may establish to meet the State goals.

(2) CONSOLIDATED REPORT.—In lieu of submitting separate reports under paragraph (1) and section 409(a) of the Social Security Act, the State may prepare a consolidated report. Any consolidated report prepared under this paragraph shall contain the information described in paragraph (1) and subsections (a) through (h) of section 409 of the Social Security Act. The State shall submit any consolidated report prepared under this paragraph to the Federal Partnership, the Secretary of Agriculture, and the Secretary of Health and Human Services, on the dates specified in section 409(a) of the Social Security Act.

(b) GOALS.—

(1) MEANINGFUL EMPLOYMENT.—Each statewide system supported by an allotment under section 712 shall be designed to meet the goal of assisting participants in obtaining meaningful unsubsidized employment opportunities in the State.

(2) EDUCATION.—Each statewide system supported by an allotment under section 712 shall be designed to meet the goal of enhancing and developing more fully the academic, occupational, and literacy skills of all segments of the population of the State.

(c) BENCHMARKS.—

(1) MEANINGFUL EMPLOYMENT.—To be eligible to receive an allotment under section 712, a State shall develop, in accordance with paragraph (5), and identify in the State plan of the State, proposed quantifiable benchmarks to measure the statewide progress of the State toward meeting the goal described in subsection (b)(1), which shall include, at a minimum, measures of—

(A) placement in unsubsidized employment of participants;

(B) retention of the participants in such employment (12 months after completion of the participation); and

(C) increased earnings for the participants.

(2) EDUCATION.—To be eligible to receive an allotment under section 712, a State shall develop, in accordance with paragraph (5), and identify in the State plan of the State, proposed quantifiable benchmarks to measure the statewide progress of the State toward meeting the goal described in subsection (b)(2), which shall include, at a minimum, measures of—

(A) student mastery of academic knowledge and work readiness skills;

(B) student mastery of occupational and industry-recognized skills according to skill proficiencies for students in career preparation programs;

(C) placement in, retention in, and completion of secondary education (as determined under State law) and postsecondary education, and placement and retention in employment and in military service; and

(D) mastery of the literacy, knowledge, and skills adults need to be productive and responsible citizens and to become more actively involved in the education of their children.

(3) POPULATIONS.—To be eligible to receive an allotment under section 712, a State shall develop, in accordance with paragraph (5), and identify in the State plan of the State, proposed quantifiable benchmarks to measure progress toward meeting the goals described in subsection (b) for populations including, at a minimum—

(A) welfare recipients (including a benchmark for welfare recipients described in section 3(36)(B));

(B) individuals with disabilities;

(C) older workers;

(D) at-risk youth;

(E) dislocated workers; and

(F) veterans.

(4) SPECIAL RULE.—If a State has developed for all students in the State performance indicators, attainment levels, or assessments for skills according to challenging academic, occupational, or industry-recognized skill proficiencies, the State shall use such performance indicators, attainment levels, or assessments in measuring the progress of all students served under this title in attaining the skills.

(5) NEGOTIATIONS.—

(A) INITIAL DETERMINATION.—On receipt of a State plan submitted under section 714, the Federal Partnership shall, not later than 30 days after the date of the receipt, determine—

(i) how the proposed State benchmarks identified by the State in the State plan compare to the model benchmarks established by the Federal Partnership under section 772(b)(2);

(ii) how the proposed State benchmarks compare with State benchmarks proposed by other States in their State plans; and

(iii) whether the proposed State benchmarks, taken as a whole, are sufficient—

(I) to enable the State to meet the State goals; and

(II) to make the State eligible for an incentive grant under section 732(a).

(B) Notification.—The Federal Partnership shall immediately notify the State of the determinations referred to in subparagraph (A). If the Federal Partnership determines that the proposed State benchmarks are not sufficient to make the State eligible for an incentive grant under section 732(a), the Federal Partnership shall provide the State with guidance on the steps the State may take to allow the State to become eligible for the grant.

(C) Revision.—Not later than 30 days after the date of receipt of the notification referred to in subparagraph (B), the State may revise some or all of the State benchmarks identified in the State plan in order to become eligible for the incentive grant or provide reasons why the State benchmarks should be sufficient to make the State eligible for the incentive grant.

(D) Determination.—After reviewing any revised State benchmarks or information submitted by the State in accordance with subparagraph (C), the Federal Partnership shall make a determination on the eligibility of the State for the incentive grant, as described in paragraph (6), and provide advice to the Secretary of Labor and the Secretary of Education. The Secretary of Labor and the Secretary of Education, acting jointly on the advice of the Federal Partnership, may award a grant to the State under section 732(a).

(6) Incentive grants.—Each State that sets high benchmarks under paragraph (1), (2), or (3) and reaches or exceeds the benchmarks, as determined by the Federal Partnership, shall be eligible to receive an incentive grant under section 732(a).

(7) Sanctions.—A State that has failed to demonstrate sufficient progress toward reaching the State benchmarks established under this subsection for the 3 years covered by a State plan described in section 714, as determined by the Federal Partnership, may be subject to sanctions under section 732(b).

(d) Job Placement Accountability System.—

(1) In general.—Each State that receives an allotment under section 712 shall establish a job placement accountability system, which will provide a uniform set of data to track the progress of the State toward reaching the State benchmarks.

(2) Data.—

(A) In general.—In order to maintain data relating to the measures described in subsection (c)(1), each such State shall establish a job placement accountability system using quarterly wage records available through the unemployment insurance system. The State agency or entity within the State responsible for labor market information, as designated in section 773(c)(1)(B), in conjunction with the Commissioner of Labor Statistics, shall maintain the job placement accountability system and match information on participants served by the statewide systems of the State and other States with quarterly employment and earnings records.

(B) Reimbursement.—Each local entity that carries out workforce employment activities or workforce education activities and that receives funds under this subtitle shall provide information regarding the social security numbers of the participants served by the entity and such other information as the State may require to the State agency or entity within the State responsible for labor market information, as designated in section 773(c)(1)(B).

(C) Confidentiality.—The State agency or entity within the State responsible for labor market information, as designated in section 773(c)(1)(B), shall protect the confidentiality of information obtained through the job placement accountability system through the use of recognized security procedures.

(e) Individual Accountability.—Each State that receives an allotment under section 712 shall devise and implement procedures to provide, in a timely manner, information on participants in activities carried out through the statewide system who are participating as a condition of receiving welfare assistance. The procedures shall require that the State provide the information to the State and local agencies carrying out the programs through which the welfare assistance is provided, in a manner that ensures that the agencies can monitor compliance with the conditions regarding the receipt of the welfare assistance.

SEC. 732. INCENTIVES AND SANCTIONS.

(a) Incentives.—

(1) In general.—The Secretary of Labor and the Secretary of Education, acting jointly on the advice of the Federal Partnership, may award incentive grants of not more than $15,000,000 per program year to a State that—

(A) reaches or exceeds State benchmarks established under section 731(c), with an emphasis on the benchmarks established under section 731(c)(3), in accordance with section 731(c)(6); or

(B) demonstrates to the Federal Partnership that the State has made substantial reductions in the number of adult recipients of assistance, as defined in section 712(b)(1)(A), resulting from increased placement of such adult recipients in unsubsidized employment.

(2) Use of funds.—A State that receives such a grant may use the funds made available through the grant to carry out any workforce development activities authorized under this title.

(b) Sanctions.—

(1) Failure to demonstrate sufficient progress.—If the Federal Partnership determines, after notice and an opportunity for a hearing, that a State has failed to demonstrate sufficient progress toward reaching the State benchmarks established under section 731(c) for the 3 years covered by a State plan described in section 714, the Federal Partnership shall provide advice to the Secretary of Labor and the Secretary of Education. The Secretary of Labor and the Secretary of Education, acting jointly on the advice of the Federal Partnership, may reduce the allotment of the State under section 712 by not more than 10 percent per program year for not more than 3 years. The Federal Partnership may determine that the failure of the State to demonstrate such progress is attributable to the workforce employment activities, workforce education activities, or flexible workforce activities, of the State and provide advice to the Secretary of Labor and the Secretary of Education. The Secretary of Labor and the Secretary of Education, acting jointly on the advice of the Federal Partnership, may decide to reduce only the portion of the allotment for such activities.

(2) Expenditure contrary to title.—If the Governor of a State determines that a local entity that carries out workforce employment activities in a substate area of the State has expended funds made available under this title in a manner contrary to the purposes of this title, and such expenditures do not constitute fraudulent activity, the Governor may deduct an amount equal to the funds from a subsequent program year allocation to the substate area.

(c) Funds Resulting From Reduced Allotments.—The Secretary of Labor and the Secretary of Education, acting jointly on the advice of the Federal Partnership, may use an amount retained as a result of a reduction in an allotment made under subsection (b)(1) to award an incentive grant under subsection (a).

SEC. 733. UNEMPLOYMENT TRUST FUND.

(a) In General.—Section 901(c) of the Social Security Act (42 U.S.C. 1101(c)) is amended—

(1) in paragraph (1)—

(A) in subparagraph (A)—

(i) by striking clause (ii) and inserting the following:

"(ii) the establishment and maintenance of statewide workforce development systems, to the extent the systems are used to carry out activities described in section 773, or in any of clauses (ii) through (v) of section 716(a)(2)(B), of the Workforce Development Act of 1995, and"; and

(ii) in clause (iii), by striking "carrying into effect section 4103" and "carrying out the activities described in sections 4103, 4103A, 4104, and 4104A"; and

(B) in subparagraph (B)—

(i) in the matter preceding clause (i), by striking "Department of Labor" and inserting "Department of Labor or the Workforce Development Partnership, as appropriate,"; and

(ii) by striking clause (iii) and inserting the following:

"(iii) the Workforce Development Act of 1995,"; and

(2) in the first sentence of paragraph (4), by striking "the total cost" and all that follows through "the President determines" and inserting "the total cost of administering the statewide workforce development systems, to the extent the systems are used to carry out activities described in section 773, or in any of clauses (ii) through (v) of section 716(a)(2)(B), of the Workforce Development Act of 1995, and of the necessary expenses of the Workforce Development Partnership for the performance of the functions of the partnership under such Act, as the President determines".

(b) Guam; United States Virgin Islands.—From the total amount made available under section 901(c)(1)(A) of the Social Security Act (42 U.S.C. 1101(c)(1)(A)) (referred to in this section as the "total amount") for each fiscal year, the Secretary of Labor and the Secretary of Education, acting jointly, shall first allot to Guam and the United States Virgin Islands an amount that, in relation to the total amount for the fiscal year, is equal to the allotment percentage that each received of amounts available under section 6 of the Wagner-Peyser Act (29 U.S.C. 49e) in fiscal year 1983.

(c) States.—

(1) Allotments.—

(A) In general.—Subject to paragraphs (2) and (3), the Secretary of Labor and the Secretary of Education, acting jointly, shall (after making the allotments required by subsection (b)) allot the remainder of the total amount for each fiscal year among the States as follows:

(i) Civilian labor force.—Two-thirds of such remainder shall be allotted on the basis of the relative number of individuals in the civilian labor force in each State as compared to the total number of such individuals in all States.

(ii) Unemployed individuals.—One-third of such remainder shall be allotted on the basis of the relative number of unemployed individuals in each State as compared to the total number of such individuals in all States.

(B) CALCULATION.—For purposes of this paragraph, the number of individuals in the civilian labor force and the number of unemployed individuals shall be based on data for the most recent calendar year available, as determined by the Secretary of Labor and the Secretary of Education, acting jointly.

(2) MINIMUM PERCENTAGE.—No State allotment under this section for any fiscal year shall be a smaller percentage of the total amount for the fiscal year than 90 percent of the allotment percentage for the State for the fiscal year preceding the fiscal year for which the determination is made. For the purpose of this section, the Secretary of Labor and the Secretary of Education, acting jointly, shall determine the allotment percentage for each State for fiscal year 1984, which shall be the percentage that the State received of amounts available under section 6 of the Wagner-Peyser Act for fiscal year 1983. For the purpose of this section, for each succeeding fiscal year, the allotment percentage for each such State shall be the percentage that the State received of amounts available under section 6 of the Wagner-Peyser Act for the preceding fiscal year.

(3) MINIMUM ALLOTMENT.—For each fiscal year, no State shall receive a total allotment under paragraphs (1) and (2) that is less than 0.28 percent of the total amount for such fiscal year.

(4) ESTIMATES.—The Secretary of Labor and the Secretary of Education, acting jointly, shall, not later than March 15 of each fiscal year, provide preliminary planning estimates and shall, not later than May 15 of each fiscal year, provide final planning estimates, showing the projected allocation for each State for the following year.

(5) DEFINITION.—Notwithstanding section 703, as used in paragraphs (2) through (4), the term "State" means each of the several States of the United States, the District of Columbia, the Commonwealth of Puerto Rico, Guam, and United States Virgin Islands.

(d) EFFECTIVE DATE.—This section, and the amendments made by this section, shall take effect July 1, 1998.

SEC. 734. AUTHORIZATION OF APPROPRIATIONS.

(a) IN GENERAL.—There are authorized to be appropriated to carry out this title (other than subtitle C) $6,127,000,000 for each of fiscal years 1998 through 2001.

(b) RESERVATIONS.—Of the amount appropriated under subsection (a)—

(1) 92.7 percent shall be reserved for making allotments under section 712;

(2) 1.25 percent shall be reserved for carrying out section 717;

(3) 0.2 percent shall be reserved for carrying out section 718;

(4) 4.3 percent shall be reserved for making incentive grants under section 732(a) and for the administration of this title;

(5) 1.4 percent shall be reserved for carrying out section 773; and

(6) 0.15 percent shall be reserved for carrying out sections 774 and 775 and the National Literacy Act of 1991 (20 U.S.C. 1201 note).

(c) PROGRAM YEAR.—

(1) IN GENERAL.—Appropriations for any fiscal year for programs and activities under this title shall be available for obligation only on the basis of a program year. The program year shall begin on July 1 in the fiscal year for which the appropriation is made.

(2) ADMINISTRATION.—Funds obligated for any program year may be expended by each recipient during the program year and the 2 succeeding program years and no amount shall be deobligated on account of a rate of expenditure that is consistent with the provisions of the State plan specified in section 714 that relate to workforce employment activities.

SEC. 735. EFFECTIVE DATE.

This subtitle shall take effect July 1, 1998.

Subtitle C—Job Corps and Other Workforce Preparation Activities for At-Risk Youth

CHAPTER 1—GENERAL PROVISIONS

SEC. 741. PURPOSES.

The purposes of this subtitle are—

(1) to maintain a Job Corps for at-risk youth as part of statewide systems;

(2) to set forth standards and procedures for selecting individuals as enrollees in the Job Corps;

(3) to authorize the establishment of residential and nonresidential Job Corps centers in which enrollees will participate in intensive programs of workforce development activities;

(4) to prescribe various other powers, duties, and responsibilities incident to the operation and continuing development of the Job Corps; and

(5) to assist at-risk youth who need and can benefit from an unusually intensive program, operated in a group setting, to become more responsible, employable, and productive citizens.

SEC. 742. DEFINITIONS.

As used in this subtitle:

(1) AT-RISK YOUTH.—The term "at-risk youth" means an individual who—

(A) is not less than age 15 and not more than age 24;

(B) is low-income (as defined in section 723(e));

(C) is 1 or more of the following:

(i) Basic skills deficient.

(ii) A school dropout.

(iii) Homeless or a runaway.

(iv) Pregnant or parenting.

(v) Involved in the juvenile justice system.

(vi) An individual who requires additional education, training, or intensive counseling and related assistance, in order to secure and hold employment or participate successfully in regular schoolwork.

(2) ENROLLEE.—The term "enrollee" means an individual enrolled in the Job Corps.

(3) GOVERNOR.—The term "Governor" means the chief executive officer of a State.

(4) JOB CORPS.—The term "Job Corps" means the corps described in section 744.

(5) JOB CORPS CENTER.—The term "Job Corps center" means a center described in section 744.

SEC. 743. AUTHORITY OF GOVERNOR.

The duties and powers granted to a State by this subtitle shall be considered to be granted to the Governor of the State.

CHAPTER 2—JOB CORPS

SEC. 744. GENERAL AUTHORITY.

If a State receives an allotment under section 759, and a center located in the State received assistance under part B of title IV of the Job Training Partnership Act for fiscal year 1996 and was not closed in accordance with section 755, the State shall use a portion of the funds made available through the allotment to maintain the center, and carry out activities described in this subtitle for individuals enrolled in a Job Corps and assigned to the center.

SEC. 745. SCREENING AND SELECTION OF APPLICANTS.

(a) STANDARDS AND PROCEDURES.—

(1) IN GENERAL.—The State shall prescribe specific standards and procedures for the screening and selection of applicants for the Job Corps.

(2) IMPLEMENTATION.—To the extent practicable, the standards and procedures shall be implemented through arrangements with—

(A) one-stop career centers;

(B) agencies and organizations such as community action agencies, professional groups, and labor organizations; and

(C) agencies and individuals that have contact with youth over substantial periods of time and are able to offer reliable information about the needs and problems of the youth.

(3) CONSULTATION.—The standards and procedures shall provide for necessary consultation with individuals and organizations, including court, probation, parole, law enforcement, education, welfare, and medical authorities and advisers.

(b) SPECIAL LIMITATIONS.—No individual shall be selected as an enrollee unless the individual or organization implementing the standards and procedures determines that—

(1) there is a reasonable expectation that the individual can participate successfully in group situations and activities, is not likely to engage in behavior that would prevent other enrollees from receiving the benefit of the program or be incompatible with the maintenance of sound discipline and satisfactory relationships between the Job Corps center to which the individual might be assigned and surrounding communities; and

(2) the individual manifests a basic understanding of both the rules to which the individual will be subject and of the consequences of failure to observe the rules.

(c) INDIVIDUALS ELIGIBLE.—To be eligible to become an enrollee, an individual shall be an at-risk youth.

SEC. 746. ENROLLMENT AND ASSIGNMENT.

(a) RELATIONSHIP BETWEEN ENROLLMENT AND MILITARY OBLIGATIONS.—Enrollment in the Job Corps shall not relieve any individual of obligations under the Military Selective Service Act (50 U.S.C. App. 451 et seq.).

(b) ASSIGNMENT.—

(1) IN GENERAL.—Except as provided in paragraph (2), the State shall assign an enrollee to the Job Corps center within the State that is closest to the residence of the enrollee.

(2) AGREEMENTS WITH OTHER STATES.—The State may enter into agreements with 1 or more States to enroll individuals from the States in the Job Corps and assign the enrollees to Job Corps centers in the State.

SEC. 747. JOB CORPS CENTERS.

(a) DEVELOPMENT.—The State shall enter into an agreement with a Federal, State, or local agency, which may be a State board or agency that operates or wishes to develop an area vocational education school facility or residential vocational school, or with a private organization, for the establishment and operation of a Job Corps center.

(b) CHARACTER AND ACTIVITIES.—Job Corps centers may be residential or nonresidential in character, and shall be designed and operated so as to provide enrollees, in a well-supervised setting, with access to activities described in section 748.

(c) CIVILIAN CONSERVATION CENTERS.—The Job Corps centers may include Civilian Conservation Centers, located primarily in rural areas, which shall provide, in addition to other training and assistance, programs of work experience to conserve, develop, or manage public natural resources or public recreational areas or to develop community projects in the public interest.

(d) JOB CORPS OPERATORS.—To be eligible to receive funds under this chapter, an entity who entered into a contract with the

Secretary of Labor that is in effect on the effective date of this section to carry out activities through a center under part B of title IV of the Job Training Partnership Act (as in effect on the day before the effective date of this section), shall enter into a contract with the State in which the center is located that contains provisions substantially similar to the provisions of the contract with the Secretary of Labor, as determined by the State.

SEC. 748. PROGRAM ACTIVITIES.

(a) ACTIVITIES PROVIDED THROUGH JOB CORPS CENTERS.—Each Job Corps center shall provide enrollees assigned to the center with access to activities described in section 716(a)(2)(B), and such other workforce development activities as may be appropriate to meet the needs of the enrollees, including providing work-based learning throughout the enrollment of the enrollees and assisting the enrollees in obtaining meaningful unsubsidized employment on completion of their enrollment.

(b) ARRANGEMENTS.—The State shall arrange for enrollees assigned to Job Corps centers in the State to receive workforce development activities through the statewide system, including workforce development activities provided through local public or private educational agencies, vocational educational institutions, or technical institutes.

(c) JOB PLACEMENT ACCOUNTABILITY.—Each Job Corps center located in a State shall be connected to the job placement accountability system of the State described in section 731(d).

SEC. 749. SUPPORT.

The State shall provide enrollees assigned to Job Corps centers in the State with such personal allowances as the State may determine to be necessary or appropriate to meet the needs of the enrollees.

SEC. 750. OPERATING PLAN.

To be eligible to operate a Job Corps center and receive assistance under section 759 for program year 1998 or any subsequent program year, an entity shall prepare and submit, to the Governor of the State in which the center is located, and obtain the approval of the Governor for, an operating plan that shall include, at a minimum, information indicating—

(1) in quantifiable terms, the extent to which the center will contribute to the achievement of the proposed State goals and State benchmarks identified in the State plan for the State submitted under section 714;

(2) the extent to which workforce employment activities and workforce education activities delivered through the Job Corps center are directly linked to the workforce development needs of the industry sectors most important to the economic competitiveness of the State; and

(3) an implementation strategy to ensure that all enrollees assigned to the Job Corps center will have access to services through the one-stop delivery of core services described in section 716(a)(2) by the State.

SEC. 751. STANDARDS OF CONDUCT.

(a) PROVISION AND ENFORCEMENT.—The State shall provide, and directors of Job Corps center shall stringently enforce, standards of conduct within the centers. Such standards of conduct shall include provisions forbidding violence, drug abuse, and other criminal activity.

(b) DISCIPLINARY MEASURES.—To promote the proper moral and disciplinary conditions in the Job Corps, the directors of Job Corps centers shall take appropriate disciplinary measures against enrollees. If such a director determines that an enrollee has committed a violation of the standards of conduct, the director shall dismiss the enrollee from the Corps if the director determines that the retention of the enrollee in the Corps will jeopardize the enforcement of such standards or diminish the opportunities of other enrollees. If the director determines that an enrollee has engaged in an incident involving violence, drug abuse, or other criminal activity, the director shall immediately dismiss the enrollee from the Corps.

(c) APPEAL.—A disciplinary measure taken by a director under this section shall be subject to expeditious appeal in accordance with procedures established by the State.

SEC. 752. COMMUNITY PARTICIPATION.

The State shall encourage and cooperate in activities to establish a mutually beneficial relationship between Job Corps centers in the State and nearby communities. The activities may include the use of any local workforce development boards established in the State under section 728(b) to provide a mechanism for joint discussion of common problems and for planning programs of mutual interest.

SEC. 753. COUNSELING AND PLACEMENT.

The State shall ensure that enrollees assigned to Job Corps centers in the State receive counseling and job placement services, which shall be provided, to the maximum extent practicable, through the delivery of core services described in section 716(a)(2).

SEC. 754. LEASES AND SALES OF CENTERS.

(a) LEASES.—

(1) IN GENERAL.—The Secretary of Labor shall offer to enter into a lease with each State that has an approved State plan submitted under section 714 and in which 1 or more Job Corps centers are located.

(2) NOMINAL CONSIDERATION.—Under the terms of the lease, the Secretary of Labor shall lease the Job Corps centers in the State to the State in return for nominal consideration.

(3) INDEMNITY AGREEMENT.—To be eligible to lease such a center, a State shall enter into an agreement to hold harmless and indemnify the United States from any liability or claim for damages or injury to any person or property arising out of the lease.

(b) SALES.—Notwithstanding the Federal Property and Administrative Services Act of 1949 (40 U.S.C. 471 et seq.), the Secretary of Labor shall offer each State described in subsection (a)(1) the opportunity to purchase the Job Corps centers in the State in return for nominal consideration.

SEC. 755. CLOSURE OF JOB CORPS CENTERS.

(a) NATIONAL JOB CORPS AUDIT.—Not later than March 31, 1997, the Federal Partnership shall conduct an audit of the activities carried out under part B of title IV of the Job Training Partnership Act (29 U.S.C. 1691 et seq.), and submit to the appropriate committees of Congress a report containing the results of the audit, including information indicating—

(1) the amount of funds expended for fiscal year 1996 to carry out activities under such part, for each State and for the United States;

(2) for each Job Corps center funded under such part (referred to in this subtitle as a "Job Corps center"), the amount of funds expended for fiscal year 1996 under such part to carry out activities related to the direct operation of the center, including funds expended for student training, outreach or intake activities, meals and lodging, student allowances, medical care, placement or settlement activities, and administration;

(3) for each Job Corps center, the amount of funds expended for fiscal year 1996 under such part through contracts to carry out activities not related to the direct operation of the center, including funds expended for student travel, national outreach, screening, and placement services, national vocational training, and national and regional administrative costs;

(4) for each Job Corps center, the amount of funds expended for fiscal year 1996 under such part for facility construction, rehabilitation, and acquisition expenses; and

(5) the amount of funds required to be expended under such part to complete each new or proposed Job Corps center, and to rehabilitate and repair each existing Job Corps center, as of the date of the submission of the report.

(b) RECOMMENDATIONS OF NATIONAL BOARD.—

(1) RECOMMENDATIONS.—The National Board shall, based on the results of the audit described in subsection (a), make recommendations to the Secretary of Labor, including identifying 25 Job Corps centers to be closed by September 30, 1997.

(2) CONSIDERATIONS.—

(A) IN GENERAL.—In determining whether to recommend that the Secretary of Labor close a Job Corps center, the National Board shall consider whether the center—

(i) has consistently received low performance measurement ratings under the Department of Labor or the Office of Inspector General Job Corps rating system;

(ii) is among the centers that have experienced the highest number of serious incidents of violence or criminal activity in the past 5 years;

(iii) is among the centers that require the largest funding for renovation or repair, as specified in the Department of Labor Job Corps Construction/Rehabilitation Funding Needs Survey, or for rehabilitation or repair, as reflected in the portion of the audit described in subsection (a)(5);

(iv) is among the centers for which the highest relative or absolute fiscal year 1996 expenditures were made, for any of the categories of expenditures described in paragraph (2), (3), or (4) of subsection (a), as reflected in the audit described in subsection (a);

(v) is among the centers with the least State and local support; or

(vi) is among the centers with the lowest rating on such additional criteria as the National Board may determine to be appropriate.

(B) COVERAGE OF STATES AND REGIONS.—Notwithstanding subparagraph (A), the National Board shall not recommend that the Secretary of Labor close the only Job Corps center in a State or a region of the United States.

(C) ALLOWANCE FOR NEW JOB CORPS CENTERS.—Notwithstanding any other provision of this section, if the planning or construction of a Job Corps center that received Federal funding for fiscal year 1994 or 1995 has not been completed by the date of enactment of this Act—

(i) the appropriate entity may complete the planning or construction and begin operation of the center; and

(ii) the National Board shall not evaluate the center under this title sooner than 3 years after the first date of operation of the center.

(3) REPORT.—Not later than June 30, 1997, the National Board shall submit a report to the Secretary of Labor, which shall contain a detailed statement of the findings and conclusions of the National Board resulting

from the audit described in subsection (a) together with the recommendations described in paragraph (1).

(c) CLOSURE.—The Secretary of Labor shall, after reviewing the report submitted under subsection (b)(3), close 25 Job Corps centers by September 30, 1997.

SEC. 756. INTERIM OPERATING PLANS FOR JOB CORPS CENTERS.

Part B of title IV of the Job Training Partnership Act (29 U.S.C. 1691 et seq.) is amended by inserting after section 439 the following section:

"SEC. 439A. OPERATING PLAN.

"(a) SUBMISSION OF PLAN.—To be eligible to operate a Job Corps center and receive assistance under this part for fiscal year 1997, an entity shall prepare and submit to the Secretary and the Governor of the State in which the center is located, and obtain the approval of the Secretary for, an operating plan that shall include, at a minimum, information indicating—

"(1) in quantifiable terms, the extent to which the center will contribute to the achievement of the proposed State goals and State benchmarks identified in the interim plan for the State submitted under section 763 of the Workforce Development Act of 1995;

"(2) the extent to which workforce employment activities and workforce education activities delivered through the Job Corps center are directly linked to the workforce development needs of the industry sectors most important to the economic competitiveness of the State; and

"(3) an implementation strategy to ensure that all enrollees assigned to the Job Corps center will have access to services through the one-stop delivery of core services described in section 716(a)(2) of the Workforce Development Act of 1995 by the State as identified in the interim plan.

"(b) SUBMISSION OF COMMENTS.—Not later than 30 days after receiving an operating plan described in subsection (a), the Governor of the State in which the center is located may submit comments on the plan to the Secretary.

"(c) APPROVAL.—The Secretary shall not approve an operating plan described in subsection (a) for a center if the Secretary determines that the activities proposed to be carried out through the center are not sufficiently integrated with the activities to be carried out through the statewide system of the State in which the center is located.".

SEC. 757. EFFECTIVE DATE.

(a) IN GENERAL.—Except as provided in subsection (b), this chapter shall take effect on July 1, 1998.

(b) INTERIM PROVISIONS.—Sections 754 and 755, and the amendment made by section 756, shall take effect on the date of enactment of this Act.

CHAPTER 3—OTHER WORKFORCE PREPARATION ACTIVITIES FOR AT-RISK YOUTH

SEC. 759. WORKFORCE PREPARATION ACTIVITIES FOR AT-RISK YOUTH.

(a) IN GENERAL.—For program year 1998 and each subsequent program year, the Secretary of Labor and the Secretary of Education, acting jointly on the advice of the Federal Partnership, shall make allotments under subsection (c) to States to assist the States in paying for the cost of carrying out workforce preparation activities for at-risk youth, as described in this section.

(b) STATE USE OF FUNDS.—

(1) CORE ACTIVITIES.—The State shall use a portion of the funds made available to the State through an allotment received under subsection (c) to establish and operate Job Corps centers as described in chapter 2, if a center located in the State received assistance under part B of title IV of the Job Training Partnership Act for fiscal year 1996 and was not closed in accordance with section 755.

(2) PERMISSIBLE ACTIVITIES.—The State may use a portion of the funds described in paragraph (1) to—

(A) make grants, in cooperation with the State educational agency, to eligible entities, as described in subsection (e), to assist the entities in carrying out innovative programs to assist out-of-school at-risk youth in participating in school-to-work activities;

(B) make grants, in cooperation with the State educational agency, to eligible entities, as described in subsection (e), to assist the entities in providing work-based learning as a component of school-to-work activities, including summer jobs linked to year-round school-to-work programs; and

(C) carry out, in cooperation with the State educational agency, other workforce development activities specifically for at-risk youth.

(c) ALLOTMENTS.—

(1) IN GENERAL.—The Secretary of Labor and the Secretary of Education, acting jointly on the advice of the Federal Partnership, shall allot to each State an amount equal to the total of—

(A) the amount made available to the State under paragraph (2); and

(B) the amounts made available to the State under subparagraphs (C), (D), and (E) of paragraph (3).

(2) ALLOTMENTS BASED ON FISCAL YEAR 1996 APPROPRIATIONS.—Using a portion of the funds appropriated under subsection (g) for a fiscal year, the Secretary of Labor and the Secretary of Education, acting jointly on the advice of the Federal Partnership, shall make available to each State the amount that Job Corps centers in the State expended for fiscal year 1996 under part B of title IV of the Job Training Partnership Act to carry out activities related to the direct operation of the centers, as determined under section 755(a)(2).

(3) ALLOTMENTS BASED ON POPULATIONS.—

(A) DEFINITIONS.—As used in this paragraph:

(i) INDIVIDUAL IN POVERTY.—The term "individual in poverty" means an individual who—

(I) is not less than age 18;

(II) is not more than age 64; and

(III) is a member of a family (of 1 or more members) with an income at or below the poverty line.

(ii) POVERTY LINE.—The term "poverty line" means the poverty line (as defined by the Office of Management and Budget, and revised annually in accordance with section 673(2) of the Community Services Block Grant Act (42 U.S.C. 9902(2)) applicable to a family of the size involved, using the most recent available data provided by the Bureau of the Census, prior to the program year for which the allotment is made, and applying the definition of poverty used by the Bureau of the Census in compiling the 1990 decennial census.

(B) TOTAL ALLOTMENTS.—The Secretary of Labor and the Secretary of Education, acting jointly on the advice of the Federal Partnership, shall use the remainder of the funds that are appropriated under subsection (g) for a fiscal year, and that are not made available under paragraph (2), to make amounts available under this paragraph.

(C) UNEMPLOYED INDIVIDUALS.—From funds equal to 33⅓ percent of such remainder, the Secretary of Labor and the Secretary of Education, acting jointly on the advice of the Federal Partnership, shall make available to each State an amount that bears the same relationship to such funds as the average number of unemployed individuals (as determined by the Secretary of Labor for the most recent 24-month period for which data are available, prior to the program year for which the allotment is made) in the State bears to the average number of unemployed individuals (as so determined) in the United States.

(D) INDIVIDUALS IN POVERTY.—From funds equal to 33⅓ percent of such remainder, the Secretary of Labor and the Secretary of Education, acting jointly on the advice of the Federal Partnership, shall make available to each State an amount that bears the same relationship to such funds as the total number of individuals in poverty in the State bears to the total number of individuals in poverty in the United States.

(E) AT-RISK YOUTH.—From funds equal to 33⅓ percent of such remainder, the Secretary of Labor and the Secretary of Education, acting jointly on the advice of the Federal Partnership, shall make available to each State an amount that bears the same relationship to such funds as the total number of at-risk youth in the State bears to the total number of at-risk youth in the United States.

(d) STATE PLAN.—

(1) INFORMATION.—To be eligible to receive an allotment under subsection (c), a State shall include, in the State plan to be submitted under section 714, information describing the allocation within the State of the funds made available through the allotment, and how the programs and activities described in subsection (b)(2) will be carried out to meet the State goals and reach the State benchmarks.

(2) LIMITATION.—A State may not be required to include the information described in paragraph (1) in the State plan to be submitted under section 714 to be eligible to receive an allotment under section 712.

(e) APPLICATION.—To be eligible to receive a grant under subparagraph (A) or (B) of subsection (b)(2) from a State, an entity shall prepare and submit to the Governor of the State an application at such time, in such manner, and containing such information as the Governor may require.

(f) WITHIN STATE DISTRIBUTION.—Of the funds allotted to a State under subsection (c)(3) for workforce preparation activities for at-risk youth for a program year—

(1) 15 percent shall be reserved by the Governor to carry out such activities through the statewide system; and

(2) 85 percent shall be distributed to local entities to carry out such activities through the statewide system.

(g) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to carry out this subtitle, $2,100,000,000 for each of fiscal years 1998 through 2001.

(h) EFFECTIVE DATE.—This chapter shall take effect on July 1, 1998.

Subtitle D—Transition Provisions

SEC. 761. WAIVERS.

(a) WAIVER AUTHORITY.—

(1) IN GENERAL.—Notwithstanding any other provision of Federal law, and except as provided in subsection (d), the Secretary may waive any requirement under any provision of law relating to a covered activity, or of any regulation issued under such a provision, for—

(A) a State that requests such a waiver and submits an application as described in subsection (b); or

(B) a local entity that requests such a waiver and complies with the requirements of subsection (c);

in order to assist the State or local entity in planning or developing a statewide system or workforce development activities to be carried out through the statewide system.

(2) TERM.—

(A) IN GENERAL.—Except as provided in subparagraph (B), each waiver approved pursuant to this section shall be for a period beginning on the date of the approval and ending on June 30, 1998.

(B) FAILURE TO SUBMIT INTERIM PLAN.—If a State receives a waiver under this section and fails to submit an interim plan under section 763 by June 30, 1997, the waiver shall be deemed to terminate on September 30, 1997. If a local entity receives a waiver under this section, and the State in which the local entity is located fails to submit an interim plan under section 763 by June 30, 1997, the waiver shall be deemed to terminate on September 30, 1997.

(b) STATE REQUEST FOR WAIVER.—

(1) IN GENERAL.—A State may submit to the Secretary a request for a waiver of 1 or more requirements referred to in subsection (a). The request may include a request for different waivers with respect to different areas within the State.

(2) APPLICATION.—To be eligible to receive a waiver described in subsection (a), a State shall submit an application to the Secretary at such time, in such manner, and containing such information as the Secretary may require, including information—

(A) identifying the requirement to be waived and the goal that the State (or the local agency applying to the State under subsection (c)) intends to achieve through the waiver;

(B) identifying, and describing the actions that the State will take to remove, similar State requirements;

(C) describing the activities to which the waiver will apply, including information on how the activities may be continued, or related to activities carried out, under the statewide system of the State;

(D) describing the number and type of persons to be affected by such waiver; and

(E) providing evidence of approval of the

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Beginning on page 341, line 7, strike all through page 406, line 13, and insert the following:

tion of business, industry, labor, and the education community in the development and continuous improvement of the statewide system;

(G) information identifying how any funds that a State receives under this subtitle will be leveraged with other public and private resources to maximize the effectiveness of such resources for all workforce development activities, and expand the participation of business, industry, labor, the education community, and individuals in the statewide system;

(H) information identifying how the workforce development activities to be carried out with funds received through the allotment will be coordinated with programs carried out by the Veterans' Employment and Training Service with funds received under title 38, United States Code, in order to meet the State goals and reach the State benchmarks related to veterans;

(I) information describing how the State will eliminate duplication in the administration and delivery of services under this title;

(J) information describing the process the State will use to independently evaluate and continuously improve the performance of the statewide system, on a yearly basis, including the development of specific performance indicators to measure progress toward meeting the State goals;

(K) an assurance that the funds made available under this subtitle will supplement and not supplant other public funds expended to provide workforce development activities;

(L) information identifying the steps that the State will take over the 3 years covered by the plan to establish common data collection and reporting requirements for workforce development activities and vocational rehabilitation program activities;

(M) with respect to economic development activities, information—

(i) describing the activities to be carried out with the funds made available under this subtitle;

(ii) describing how the activities will lead directly to increased earnings of nonmanagerial employees in the State; and

(iii) describing whether the labor organization, if any, representing the nonmanagerial employees supports the activities;

(N) the description referred to in subsection (d)(1); and

(O)(i) information demonstrating the support of individuals and entities described in subsection (d)(1) for the plan; or

(ii) in a case in which the Governor is unable to obtain the support of such individuals and entities as provided in subsection (d)(2), the comments referred to in subsection (d)(2)(B),

(2) with respect to workforce employment activities, information—

(A)(i) identifying and designating substate areas, including urban and rural areas, to which funds received through the allotment will be distributed, which areas shall, to the extent feasible, reflect local labor market areas; or

(ii) stating that the State will be treated as a substate area for purposes of the application of this subtitle, if the State receives an increase in an allotment under section 712 for a program year as a result of the application of section 712(c)(2); and

(B) describing the basic features of one-stop delivery of core services described in section 716(a)(2) in the State, including information regarding—

(i) the strategy of the State for developing fully operational one-stop delivery of core services described in section 716(a)(2);

(ii) the time frame for achieving the strategy;

(iii) the estimated cost for achieving the strategy;

(iv) the steps that the State will take over the 3 years covered by the plan to provide individuals with access to one-stop delivery of core services described in section 716(a)(2);

(v) the steps that the State will take over the 3 years covered by the plan to provide information through the one-stop delivery to individuals on the quality of workforce employment activities, workforce education activities, and vocational rehabilitation program activities, provided through the statewide system;

(vi) the steps that the State will take over the 3 years covered by the plan to link services provided through the one-stop delivery with services provided through State welfare agencies; and

(vii) in a case in which the State chooses to use vouchers to deliver workforce employment activities, the steps that the State will take over the 3 years covered by the plan to comply with the requirements in section 716(a)(9) and the information required in such section;

(C) identifying performance indicators that relate to the State goals, and to the State benchmarks, concerning workforce employment activities;

(D) describing the workforce employment activities to be carried out with funds received through the allotment;

(E) describing the steps that the State will take over the 3 years covered by the plan to establish a statewide comprehensive labor market information system described in section 773(c) that will be utilized by all the providers of one-stop delivery of core services described in section 716(a)(2), providers of other workforce employment activities, and providers of workforce education activities, in the State;

(F) describing the steps that the State will take over the 3 years covered by the plan to establish a job placement accountability system described in section 731(d);

(G) describing the process the State will use to approve all providers of workforce employment activities through the statewide system; and

(H)(i) describing the steps that the State will take to segregate the amount allotted to the State from funds made available under section 901(c)(1)(A) of the Social Security Act (42 U.S.C. 1101(c)(1)(A)) from the remainder of the portion described in section 713(a)(1); and

(ii) describing how the State will use the amount allotted to the State from funds made available under such section 901(c)(1)(A) to carry out the required activities described in clauses (ii) through (v) of section 716(a)(2)(B) and section 773;

(3) with respect to workforce education activities, information—

(A) describing how funds received through the allotment will be allocated among—

(i) secondary school vocational education, or postsecondary and adult vocational education, or both; and

(ii) adult education;

(B) identifying performance indicators that relate to the State goals, and to the State benchmarks, concerning workforce education activities;

(C) describing the workforce education activities that will be carried out with funds received through the allotment;

(D) describing how the State will address the adult education needs of the State;

(E) describing how the State will disaggregate data relating to at-risk youth in order to adequately measure the progress of at-risk youth toward accomplishing the results measured by the State goals, and the State benchmarks;

(F) describing how the State will adequately address the needs of both at-risk youth who are in school, and out-of-school youth, in alternative education programs that teach to the same challenging academic, occupational, and skill proficiencies as are provided for in-school youth;

(G) describing how the workforce education activities described in the State plan and the State allocation of funds received through the allotment for such activities are an integral part of comprehensive efforts of the State to improve education for all students and adults;

(H) describing how the State will annually evaluate the effectiveness of the State plan with respect to workforce education activities;

(I) describing how the State will address the professional development needs of the State with respect to workforce education activities;

(J) describing how the State will provide local educational agencies in the State with technical assistance; and

(K) describing how the State will assess the progress of the State in implementing student performance measures.

(d) PROCEDURE FOR DEVELOPMENT OF PART OF PLAN RELATING TO STRATEGIC PLAN.—

(1) DESCRIPTION OF DEVELOPMENT.—The part of the State plan relating to the strategic plan shall include a description of the manner in which—

(A) the Governor;

(B) the State educational agency;

(C) representatives of business and industry, including representatives of key industry sectors, and of small- and medium-size and large employers, in the State;

(D) representatives of labor and workers;

(E) local elected officials from throughout the State;

(F) the State agency officials responsible for vocational education;

(G) the State agency officials responsible for postsecondary education;

(H) the State agency officials responsible for adult education;

(I) the State agency officials responsible for vocational rehabilitation;

(J) such other State agency officials, including officials responsible for economic development and employment, as the Governor may designate;

(K) the representative of the Veterans' Employment and Training Service assigned to the State under section 4103 of title 38, United States Code; and

(L) other appropriate officials, including members of the State workforce development board described in section 715, if the State has established such a board;

collaborated in the development of such part of the plan.

(2) FAILURE TO OBTAIN SUPPORT.—If, after a reasonable effort, the Governor is unable to obtain the support of the individuals and entities described in paragraph (1) for the strategic plan the Governor shall—

(A) provide such individuals and entities with copies of the strategic plan;

(B) allow such individuals and entities to submit to the Governor, not later than the end of the 30-day period beginning on the date on which the Governor provides such individuals and entities with copies of such plan under subparagraph (A), comments on such plan; and

(C) include any such comments in such plan.

(e) APPROVAL.—The Secretary of Labor and the Secretary of Education, acting jointly on the advice of the Federal Partnership, shall approve a State plan if—

(1) the Federal Partnership determines that the plan contains the information described in subsection (c);

(2) the Federal Partnership determines that the State has prepared the plan in accordance with the requirements of this section, including the requirements relating to development of any part of the plan; and

(3) the State benchmarks for the State have been negotiated and approved in accordance with section 731(c).

(f) NO ENTITLEMENT TO A SERVICE.—Nothing in this title shall be construed to provide any individual with an entitlement to a service provided under this title.

SEC. 715. STATE WORKFORCE DEVELOPMENT BOARDS.

(a) ESTABLISHMENT.—A Governor of a State that receives an allotment under section 712 may establish a State workforce development board—

(1) on which a majority of the members are representatives of business and industry;

(2) on which not less than 25 percent of the members shall be representatives of labor, workers, and community-based organizations;

(3) that shall include representatives of veterans;

(4) that shall include a representative of the State educational agency and a representative from the State agency responsible for vocational rehabilitation;

(5) that may include any other individual or entity that participates in the collaboration described in section 714(d)(1); and

(6) that may include any other individual or entity the Governor may designate.

(b) CHAIRPERSON.—The State workforce development board shall select a chairperson from among the members of the board who are representatives of business and industry.

(c) FUNCTIONS.—The functions of the State workforce development board shall include—

(1) advising the Governor on the development of the statewide system, the State plan described in section 714, and the State goals and State benchmarks;

(2) assisting in the development of specific performance indicators to measure progress toward meeting the State goals and reaching the State benchmarks and providing guidance on how such progress may be improved;

(3) serving as a link between business, industry, labor, and the statewide system;

(4) assisting the Governor in preparing the annual report to the Federal Partnership regarding progress in reaching the State benchmarks, as described in section 731(a);

(5) receiving and commenting on the State plan developed under section 101 of the Rehabilitation Act of 1973 (29 U.S.C. 721);

(6) assisting the Governor in developing the statewide comprehensive labor market information system described in section 773(c) to provide information that will be utilized by all the providers of one-stop delivery of core services described in section 716(a)(2), providers of other workforce employment activities, and providers of workforce education activities, in the State; and

(7) assisting in the monitoring and continuous improvement of the performance of the statewide system, including evaluation of the effectiveness of workforce development activities funded under this title.

SEC. 716. USE OF FUNDS.

(a) WORKFORCE EMPLOYMENT ACTIVITIES.—

(1) IN GENERAL.—Funds made available to a State under this subtitle to carry out workforce employment activities through a statewide system—

(A) shall be used to carry out the activities described in paragraphs (2), (3), and (4); and

(B) may be used to carry out the activities described in paragraphs (5), (6), (7), and (8), including providing activities described in paragraph (6) through vouchers described in paragraph (9).

(2) ONE-STOP DELIVERY OF CORE SERVICES.—

(A) ACCESS.—The State shall use a portion of the funds described in paragraph (1) to establish a means of providing access to the statewide system through core services described in subparagraph (B) available—

(i) through multiple, connected access points, linked electronically or otherwise;

(ii) through a network that assures participants that such core services will be available regardless of where the participants initially enter the statewide system;

(iii) at not less than 1 physical location in each substate area of the State; or

(iv) through some combination of the options described in clauses (i), (ii), and (iii).

(B) CORE SERVICES.—The core services referred to in subparagraph (A) shall, at a minimum, include—

(i) outreach, intake, and orientation to the information and other services available through one-stop delivery of core services described in this subparagraph;

(ii) initial assessment of skill levels, aptitudes, abilities, and supportive service needs;

(iii) job search and placement assistance and, where appropriate, career counseling;

(iv) customized screening and referral of qualified applicants to employment;

(v) provision of accurate information relating to local labor market conditions, including employment profiles of growth industries and occupations within a substate area, the educational and skills requirements of jobs in the industries and occupations, and the earnings potential of the jobs;

(vi) provision of accurate information relating to the quality and availability of other workforce employment activities, workforce education activities, and vocational rehabilitation program activities;

(vii) provision of information regarding how the substate area is performing on the State benchmarks;

(viii) provision of initial eligibility information on forms of public financial assistance that may be available in order to enable persons to participate in workforce employment activities, workforce education activities, or vocational rehabilitation program activities; and

(ix) referral to other appropriate workforce employment activities, workforce education activities, and vocational rehabilitation employment activities.

(3) LABOR MARKET INFORMATION SYSTEM.—The State shall use a portion of the funds described in paragraph (1) to establish a statewide comprehensive labor market information system described in section 773(c).

(4) JOB PLACEMENT ACCOUNTABILITY SYSTEM.—The State shall use a portion of the funds described in paragraph (1) to establish a job placement accountability system described in section 731(d).

(5) PERMISSIBLE ONE-STOP DELIVERY ACTIVITIES.—The State may provide, through one-stop delivery—

(A) co-location of services related to workforce development activities, such as unemployment insurance, vocational rehabilitation program activities, welfare assistance, veterans' employment services, or other public assistance;

(B) intensive services for participants who are unable to obtain employment through the core services described in paragraph (2)(B), as determined by the State; and

(C) dissemination to employers of information on activities carried out through the statewide system.

(6) OTHER PERMISSIBLE ACTIVITIES.—The State may use a portion of the funds described in paragraph (1) to provide services through the statewide system that may include—

(A) on-the-job training;

(B) occupational skills training;

(C) entrepreneurial training;

(D) training to develop work habits to help individuals obtain and retain employment;

(E) customized training conducted with a commitment by an employer or group of employers to employ an individual after successful completion of the training;

(F) rapid response assistance for dislocated workers;

(G) skill upgrading and retraining for persons not in the workforce;

(H) preemployment and work maturity skills training for youth;

(I) connecting activities that organize consortia of small- and medium-size businesses to provide work-based learning opportunities for youth participants in school-to-work programs;

(J) programs for adults that combine workplace training with related instruction;

(K) services to assist individuals in attaining certificates of mastery with respect to industry-based skill standards;

(L) case management services;

(M) supportive services, such as transportation and financial assistance, that enable individuals to participate in the statewide system;

(N) followup services for participants who are placed in unsubsidized employment; and

(O) an employment and training program described in section 6(d)(4) of the Food Stamp Act of 1977 (7 U.S.C. 2015(d)(4)).

(7) STAFF DEVELOPMENT AND TRAINING.—The State may use a portion of the funds described in paragraph (1) for the development and training of staff of providers of one-stop delivery of core services described in paragraph (2), including development and training relating to principles of quality management.

(8) INCENTIVE GRANT AWARDS.—The State may use a portion of the funds described in paragraph (1) to award incentive grants to substate areas that reach or exceed the State benchmarks established under section 731(c), with an emphasis on benchmarks established under section 731(c)(3). A substate area that receives such a grant may use the funds made available through the grant to carry out any workforce development activities authorized under this title.

(9) VOUCHERS.—

(A) IN GENERAL.—A State may deliver some or all of the workforce employment activities described in paragraph (6) that are provided under this subtitle through a system of vouchers administered through the one-stop delivery of core services described in paragraph (2) in the State.

(B) ELIGIBILITY REQUIREMENTS.—

(i) IN GENERAL.—A State that chooses to deliver the activities described in subparagraph (A) through vouchers shall indicate in the State plan described in section 714 the criteria that will be used to determine—

(I) which workforce employment activities described in paragraph (6) will be delivered through the voucher system;

(II) eligibility requirements for participants to receive the vouchers and the amount of funds that participants will be able to access through the voucher system; and

(III) which employment, training, and education providers are eligible to receive payment through the vouchers.

(ii) CONSIDERATIONS.—In establishing State criteria for service providers eligible to receive payment through the vouchers under clause (i)(III), the State shall take into account industry-recognized skills standards promoted by the National Skills Standards Board.

(C) ACCOUNTABILITY REQUIREMENTS.—A State that chooses to deliver the activities described in paragraph (6) through vouchers shall indicate in the State plan—

(i) information concerning how the State will utilize the statewide comprehensive labor market information system described in section 773(c) and the job placement accountability system established under section 731(d) to provide timely and accurate information to participants about the performance of eligible employment, training, and education providers;

(ii) other information about the performance of eligible providers of services that the State believes is necessary for participants receiving the vouchers to make informed career choices; and

(iii) the timeframe in which the information developed under clauses (i) and (ii) will be widely available through the one-stop delivery of core services described in paragraph (2) in the State.

(10) FUNDS FROM UNEMPLOYMENT TRUST FUND.—Funds made available to a Governor under section 901(c)(1)(A) of the Social Security Act (42 U.S.C. 1101(c)(1)(A)) for a program year shall only be available for workforce employment activities authorized under such section 901(c)(1)(A), which are—

(A) the administration of State unemployment compensation laws as provided in title III of the Social Security Act (including administration pursuant to agreements under any Federal unemployment compensation law);

(B) the establishment and maintenance of statewide workforce development systems, to the extent the systems are used to carry out activities described in section 773, or in any of clauses (ii) through (v) of section 716(a)(2)(B); and

(C) carrying out the activities described in sections 4103, 4103A, 4104, and 4104A of title 38, United States Code (relating to veterans' employment services).

(b) WORKFORCE EDUCATION ACTIVITIES.—The State educational agency shall use the funds made available to the State educational agency under this subtitle for workforce education activities to carry out, through the statewide system, activities that include—

(1) integrating academic and vocational education;

(2) linking secondary education (as determined under State law) and postsecondary education, including implementing tech-prep programs;

(3) providing career guidance and counseling for students at the earliest possible age, including the provision of career awareness, exploration, planning, and guidance information to students and their parents that is, to the extent possible, in a language and form that the students and their parents understand;

(4) providing literacy and basic education services for adults and out-of-school youth, including adults and out-of-school youth in correctional institutions;

(5) providing programs for adults and out-of-school youth to complete their secondary education;

(6) expanding, improving, and modernizing quality vocational education programs; and

(7) improving access to quality vocational education programs for at-risk youth.

(c) FISCAL REQUIREMENTS FOR WORKFORCE EDUCATION ACTIVITIES.—

(1) SUPPLEMENT NOT SUPPLANT.—Funds made available under this subtitle for workforce education activities shall supplement, and may not supplant, other public funds expended to carry out workforce education activities.

(2) MAINTENANCE OF EFFORT.—

(A) DETERMINATION.—No payments shall be made under this subtitle for any program year to a State for workforce education activities unless the Federal Partnership determines that the fiscal effort per student or the aggregate expenditures of such State for workforce education for the program year preceding the program year for which the determination is made, equaled or exceeded such effort or expenditures for workforce education for the second program year preceding the fiscal year for which the determination is made.

(B) WAIVER.—The Federal Partnership may waive the requirements of this section (with respect to not more than 5 percent of expenditures by any State educational agency) for 1 program year only, on making a determination that such waiver would be equitable due to exceptional or uncontrollable circumstances affecting the ability of the applicant to meet such requirements, such as a natural disaster or an unforeseen and precipitous decline in financial resources. No level of funding permitted under such a waiver may be used as the basis for computing the fiscal effort or aggregate expenditures required under this section for years subsequent to the year covered by such waiver. The fiscal effort or aggregate expenditures for the subsequent years shall be computed on the basis of the level of funding that would, but for such waiver, have been required.

(d) FLEXIBLE WORKFORCE ACTIVITIES.—

(1) CORE FLEXIBLE WORKFORCE ACTIVITIES.—The State shall use a portion of the funds made available to the State under this subtitle through the flex account to carry out school-to-work activities through the statewide system, except that any State that received a grant under subtitle B of title II of the School-to-Work Opportunities Act of 1994 (20 U.S.C. 6141 et seq.) shall use such portion to support the continued development of the statewide School-to-Work Opportunities system of the State through the continuation of activities that are carried out in accordance with the terms of such grant.

(2) PERMISSIBLE FLEXIBLE WORKFORCE ACTIVITIES.—The State may use a portion of the funds made available to the State under this subtitle through the flex account—

(A) to carry out workforce employment activities through the statewide system; and

(B) to carry out workforce education activities through the statewide system.

(e) ECONOMIC DEVELOPMENT ACTIVITIES.—In the case of a State that meets the requirements of section 728(c), the State may use a portion of the funds made available to the State under this subtitle through the flex account to supplement other funds provided by the State or private sector—

(1) to provide customized assessments of the skills of workers and an analysis of the skill needs of employers;

(2) to assist consortia of small- and medium-size employers in upgrading the skills of their workforces;

(3) to provide productivity and quality improvement training programs for the workforces of small- and medium-size employers;

(4) to provide recognition and use of voluntary industry-developed skills standards by employers, schools, and training institutions;

(5) to carry out training activities in companies that are developing modernization plans in conjunction with State industrial extension service offices; and

(6) to provide on-site, industry-specific training programs supportive of industrial and economic development;

through the statewide system.

(f) LIMITATIONS.—

(1) WAGES.—No funds provided under this subtitle shall be used to pay the wages of incumbent workers during their participation in economic development activities provided through the statewide system.

(2) RELOCATION.—No funds provided under this subtitle shall be used or proposed for use to encourage or induce the relocation, of a business or part of a business, that results in a loss of employment for any employee of such business at the original location.

(3) TRAINING AND ASSESSMENTS FOLLOWING RELOCATION.—No funds provided under this subtitle shall be used for customized or skill training, on-the-job training, or company specific assessments of job applicants or workers, for any business or part of a business, that has relocated, until 120 days after the date on which such business commences operations at the new location, if the relocation of such business or part of a business, results in a loss of employment for any worker of such business at the original location.

(g) LIMITATIONS ON PARTICIPANTS.—

(1) DIPLOMA OR EQUIVALENT.—

(A) IN GENERAL.—No individual may participate in workforce employment activities described in subparagraph (A), (B), (C), (E), (G), (J), or (K) of subsection (a)(6) until the individual has obtained a secondary school diploma or its recognized equivalent, or is enrolled in a program or course of study to obtain a secondary school diploma or its recognized equivalent.

(B) EXCEPTION.—Nothing in subparagraph (A) shall prevent participation in workforce employment activities described under subparagraph (A), (B), (C), (E), (G), (J), or (K) of subsection (a)(6) by individuals who, after testing and in the judgment of medical, psychiatric, academic, or other appropriate professionals, lack the requisite capacity to complete successfully a course of study that would lead to a secondary school diploma or its recognized equivalent.

(2) SERVICES.—

(A) REFERRAL.—If an individual who has not obtained a secondary school diploma or its recognized equivalent applies to participate in workforce employment activities described under subparagraph (A), (B), (C), (E), (G), (J), or (K) of subsection (a)(6), such individual shall be referred to State approved adult education services that provide instruction designed to help such individual obtain a secondary school diploma or its recognized equivalent.

(B) STATE PROVISION OF SERVICES.—Notwithstanding any other provision of this title, a State may use funds made available under section 713(a)(1) to provide State approved adult education services that provide instruction designed to help individuals obtain a secondary school diploma or its recognized equivalent, to individuals who—

(i) are seeking to participate in workforce employment activities described under subparagraph (A), (B), (C), (E), (G), (J), or (K) of subsection (a)(6); and

(ii) are otherwise unable to obtain such services.

SEC. 717. INDIAN WORKFORCE DEVELOPMENT ACTIVITIES.

(a) PURPOSE.—

(1) IN GENERAL.—The purpose of this section is to support workforce development activities for Indian and Native Hawaiian individuals in order—

(A) to develop more fully the academic, occupational, and literacy skills of such individuals;

(B) to make such individuals more competitive in the workforce; and

(C) to promote the economic and social development of Indian and Native Hawaiian communities in accordance with the goals and values of such communities.

(2) INDIAN POLICY.—All programs assisted under this section shall be administered in a manner consistent with the principles of the Indian Self-Determination and Education Assistance Act (25 U.S.C. 450 et seq.) and the government-to-government relationship between the Federal Government and Indian tribal governments.

(b) DEFINITIONS.—As used in this section:

(1) ALASKA NATIVE.—The term "Alaska Native" means a Native as such term is defined in section 3(b) of the Alaska Native Claims Settlement Act (43 U.S.C. 1602(b)).

(2) INDIAN, INDIAN TRIBE, AND TRIBAL ORGANIZATION.—The terms "Indian", "Indian tribe", and "tribal organization" have the same meanings given such terms in subsections (d), (e) and (l), respectively, of section 4 of the Indian Self-Determination and Education Assistance Act (25 U.S.C. 450b).

(3) INSTITUTION OF HIGHER EDUCATION.—The term "institution of higher education" has the meaning given the term in section 1201(a) of the Higher Education Act of 1965 (20 U.S.C. 1141(a)).

(4) NATIVE HAWAIIAN AND NATIVE HAWAIIAN ORGANIZATION.—The terms "Native Hawaiian" and "Native Hawaiian organization" have the same meanings given such terms in paragraphs (1) and (3), respectively, of section 9212 of the Native Hawaiian Education Act (20 U.S.C. 7912).

(5) TRIBALLY CONTROLLED COMMUNITY COLLEGE.—The term "tribally controlled community college" has the same meaning given such term in section 2(a)(4) of the Tribally Controlled Community College Assistance Act of 1978 (25 U.S.C. 1801(a)(4)).

(6) TRIBALLY CONTROLLED POSTSECONDARY VOCATIONAL INSTITUTION.—The term "tribally controlled postsecondary vocational institution" means an institution of higher education that—

(A) is formally controlled, or has been formally sanctioned or chartered, by the governing body of an Indian tribe or Indian tribes;

(B) offers a technical degree or certificate granting program;

(C) is governed by a board of directors or trustees, a majority of whom are Indians;

(D) demonstrates adherence to stated goals, a philosophy, or a plan of operation, that fosters individual Indian economic and self-sufficiency opportunity, including programs that are appropriate to stated tribal goals of developing individual entrepreneurships and self-sustaining economic infrastructures on reservations;

(E) has been in operation for at least 3 years;

(F) holds accreditation with or is a candidate for accreditation by a nationally recognized accrediting authority for postsecondary vocational education; and

(G) enrolls the full-time equivalent of not fewer than 100 students, of whom a majority are Indians.

(c) PROGRAM AUTHORIZED.—

(1) ASSISTANCE AUTHORIZED.—From amounts made available under section 734(b)(2), the Secretary of Labor and the Secretary of Education, acting jointly on the advice of the Federal Partnership, shall make grants to, or enter into contracts or cooperative agreements with, Indian tribes and tribal organizations, Alaska Native entities, tribally controlled community colleges, tribally controlled postsecondary vocational institutions, Indian-controlled organizations serving Indians or Alaska Natives, and Native Hawaiian organizations to carry out the authorized activities described in subsection (d).

(2) FORMULA.—The Secretary of Labor and the Secretary of Education, acting jointly on the advice of the Federal Partnership, shall make grants to, or enter into contracts and cooperative agreements with, entities as described in paragraph (1) to carry out the activities described in paragraphs (2) and (3) of subsection (d) on the basis of a formula developed by the Federal Partnership in consultation with entities described in paragraph (1).

(d) AUTHORIZED ACTIVITIES.—

(1) IN GENERAL.—Funds made available under this section shall be used to carry out the activities described in paragraphs (2) and (3) that—

(A) are consistent with this section; and

(B) are necessary to meet the needs of Indians and Native Hawaiians preparing to enter, reenter, or retain unsubsidized employment.

(2) WORKFORCE DEVELOPMENT ACTIVITIES AND SUPPLEMENTAL SERVICES.—

(A) IN GENERAL.—Funds made available under this section shall be used for—

(i) comprehensive workforce development activities for Indians and Native Hawaiians;

(ii) supplemental services for Indian or Native Hawaiian youth on or near Indian reservations in Oklahoma, Alaska, or Hawaii; and

(iii) supplemental services to recipients of public assistance on or near Indian reservations or former reservation areas in Oklahoma or in Alaska.

(B) SPECIAL RULE.—Notwithstanding any other provision of this section, individuals who were eligible to participate in programs under section 401 of the Job Training Partnership Act (29 U.S.C. 1671) (as such section was in effect on the day before the date of enactment of this Act) shall be eligible to participate in an activity assisted under subparagraph (A)(i).

(3) VOCATIONAL EDUCATION, ADULT EDUCATION, AND LITERACY SERVICES.—Funds made available under this section shall be used for—

(A) workforce education activities conducted by entities described in subsection (c)(1); and

(B) the support of tribally controlled postsecondary vocational institutions in order to ensure continuing and expanded educational opportunities for Indian students.

(e) PROGRAM PLAN.—In order to receive a grant or enter into a contract or cooperative agreement under this section an entity described in subsection (c)(1) shall submit to the Federal Partnership a plan that describes a 3-year strategy for meeting the needs of Indian and Native Hawaiian individuals, as appropriate, in the area served by such entity. Such plan shall—

(1) be consistent with the purposes of this section;

(2) identify the population to be served;

(3) identify the education and employment needs of the population to be served and the manner in which the services to be provided will strengthen the ability of the individuals served to obtain or retain unsubsidized employment;

(4) describe the services to be provided and the manner in which such services are to be integrated with other appropriate services; and

(5) describe the goals and benchmarks to be used to assess the performance of entities in carrying out the activities assisted under this section.

(f) FURTHER CONSOLIDATION OF FUNDS.—Each entity receiving assistance under this section may consolidate such assistance with assistance received from related programs in accordance with the provisions of the Indian Employment, Training and Related Services Demonstration Act of 1992 (25 U.S.C. 3401 et seq.).

(g) NONDUPLICATIVE AND NONEXCLUSIVE SERVICES.—Nothing in this section shall be construed—

(1) to limit the eligibility of any entity described in subsection (c)(1) to participate in any program offered by a State or local entity under this title; or

(2) to preclude or discourage any agreement, between any entity described in subsection (c)(1) and any State or local entity, to facilitate the provision of services by such entity or to the population served by such entity.

(h) PARTNERSHIP PROVISIONS.—

(1) OFFICE ESTABLISHED.—There shall be established within the Federal Partnership an office to administer the activities assisted under this section.

(2) CONSULTATION REQUIRED.—

(A) IN GENERAL.—The Federal Partnership, through the office established under paragraph (1), shall develop regulations and policies for activities assisted under this section in consultation with tribal organizations and Native Hawaiian organizations. Such regulations and policies shall take into account the special circumstances under which such activities operate.

(B) ADMINISTRATIVE SUPPORT.—The Federal Partnership shall provide such administrative support to the office established under paragraph (1) as the Federal Partnership determines to be necessary to carry out the consultation required by subparagraph (A).

(3) TECHNICAL ASSISTANCE.—The Federal Partnership, through the office established under paragraph (1), is authorized to provide technical assistance to entities described in subsection (c)(1) that receive assistance under this section to enable such entities to improve the workforce development activities provided by such entities.

SEC. 718. GRANTS TO OUTLYING AREAS.

(a) GENERAL AUTHORITY.—Using funds made available under section 734(b)(3), the Secretary of Labor and the Secretary of Education, acting jointly on the advice of the Federal Partnership, shall make grants to outlying areas to carry out workforce development activities.

(b) APPLICATION.—The Federal Partnership shall issue regulations specifying the provisions of this title that shall apply to outlying areas that receive funds under this subtitle.

CHAPTER 2—LOCAL PROVISIONS

SEC. 721. LOCAL APPORTIONMENT BY ACTIVITY.

(a) WORKFORCE EMPLOYMENT ACTIVITIES.—

(1) IN GENERAL.—The sum of the funds made available to a State for any program year under paragraphs (1) and (3) of section 713(a) for workforce employment activities shall be made available to the Governor of such State for use in accordance with paragraph (2).

(2) DISTRIBUTION.—Of the sum described in paragraph (1), for a program year—

(A) 25 percent shall be reserved by the Governor to carry out workforce employment activities through the statewide system, of which not more than 20 percent of such 25 percent may be used for administrative expenses; and

(B) 75 percent shall be distributed by the Governor to local entities to carry out workforce employment activities through the statewide system, based on—

(i) such factors as the relative distribution among substate areas of individuals who are not less than 15 and not more than 65, individuals in poverty, unemployed individuals, and adult recipients of assistance, as determined using the definitions specified and the determinations described in section 712(b); and

(ii) such additional factors as the Governor (in consultation with local partnerships described in section 728(a) or, where established, local workforce development boards described in section 728(b)), determines to be necessary.

(b) WORKFORCE EDUCATION ACTIVITIES.—

(1) IN GENERAL.—The sum of the funds made available to a State for any program year under paragraphs (2) and (3) of section 713(a) for workforce education activities shall be made available to the State educational agency serving such State for use in accordance with paragraph (2).

(2) DISTRIBUTION.—Of the sum described in paragraph (1), for a program year—

(A) 20 percent shall be reserved by the State educational agency to carry out statewide workforce education activities through the statewide system, of which not more than 5 percent of such 20 percent may be used for administrative expenses; and

(B) 80 percent shall be distributed by the State educational agency to entities eligible for financial assistance under section 722, 723, or 724, to carry out workforce education activities through the statewide system.

(3) STATE ACTIVITIES.—Activities to be carried out under paragraph (2)(A) may include professional development, technical assistance, and program assessment activities.

(4) STATE DETERMINATIONS.—From the amount available to a State educational agency under paragraph (2)(B) for a program year, such agency shall determine the percentage of such amount that will be distributed in accordance with sections 722, 723, and 724 for such year for workforce education activities in such State in each of the following areas:

(A) Secondary school vocational education, or postsecondary and adult vocational education, or both; and

(B) Adult education.

(c) SPECIAL RULE.—Nothing in this subtitle shall be construed to prohibit any individual, entity, or agency in a State (other than the State educational agency) that is administering workforce education activities or setting education policies consistent with authority under State law for workforce education activities, on the day preceding the date of enactment of this Act from continuing to administer or set education policies consistent with authority under State law for such activities under this subtitle.

SEC. 722. DISTRIBUTION FOR SECONDARY SCHOOL VOCATIONAL EDUCATION.

(a) ALLOCATION.—Except as otherwise provided in this section and section 725, each State educational agency shall distribute the portion of the funds made available for any program year (from funds made available for the corresponding fiscal year, as determined under section 734(c)) by such agency for secondary school vocational education under section 721(b)(3)(A) to local educational agencies within the State as follows:

(1) SEVENTY PERCENT.—From 70 percent of such portion, each local educational agency shall be allocated an amount that bears the same relationship to such 70 percent as the amount such local educational agency was allocated under section 1124 of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 6333) for the preceding fiscal year bears to the total amount received under such section by all local educational agencies in the State for such year.

(2) TWENTY PERCENT.—From 20 percent of such portion, each local educational agency shall be allocated an amount that bears the same relationship to such 20 percent as the number of students with disabilities who have individualized education programs under section 614(a)(5) of the Individuals with Disabilities Education Act (20 U.S.C. 1414(a)(5)) served by such local educational agency for the preceding fiscal year bears to the total number of such students served by all local educational agencies in the State for such year.

(3) TEN PERCENT.—From 10 percent of such portion, each local educational agency shall be allocated an amount that bears the same relationship to such 10 percent as the number of students enrolled in schools and adults enrolled in training programs under the jurisdiction of such local educational agency for the preceding fiscal year bears to the number of students enrolled in schools and adults enrolled in training programs under the jurisdiction of all local educational agencies in the State for such year.

(b) MINIMUM ALLOCATION.—

(1) IN GENERAL.—Except as provided in paragraph (2), no local educational agency shall receive an allocation under subsection (a) unless the amount allocated to such agency under subsection (a) is not less than $15,000. A local educational agency may enter into a consortium with other local educational agencies for purposes of meeting the minimum allocation requirement of this paragraph.

(2) WAIVER.—The State educational agency may waive the application of paragraph (1) in any case in which the local educational agency—

(A) is located in a rural, sparsely-populated area; and

(B) demonstrates that such agency is unable to enter into a consortium for purposes of providing services under this section.

(3) REDISTRIBUTION.—Any amounts that are not allocated by reason of paragraph (1) or (2) shall be redistributed to local educational agencies that meet the requirements of paragraph (1) or (2) in accordance with the provisions of this section.

(c) LIMITED JURISDICTION AGENCIES.—

(1) IN GENERAL.—In applying the provisions of subsection (a), no State educational agency receiving assistance under this subtitle shall allocate funds to a local educational agency that serves only elementary schools, but shall distribute such funds to the local educational agency or regional educational agency that provides secondary school services to secondary school students in the same attendance area.

(2) SPECIAL RULE.—The amount to be allocated under paragraph (1) to a local educational agency that has jurisdiction only over secondary schools shall be determined based on the number of students that entered such secondary schools in the previous year from the elementary schools involved.

(d) ALLOCATIONS TO AREA VOCATIONAL EDUCATION SCHOOLS AND EDUCATIONAL SERVICE AGENCIES.—

(1) IN GENERAL.—Each State educational agency shall distribute the portion of funds made available for any program year by such agency for secondary school vocational education under section 721(b)(3)(A) to the appropriate area vocational education school or educational service agency in any case in which—

(A) the area vocational education school or educational service agency, and the local educational agency concerned—

(i) have formed or will form a consortium for the purpose of receiving funds under this section; or

(ii) have entered into or will enter into a cooperative arrangement for such purpose; and

(B)(i) the area vocational education school or educational service agency serves an approximately equal or greater proportion of students who are individuals with disabilities or are low-income than the proportion of such students attending the secondary schools under the jurisdiction of all of the local educational agencies sending students to the area vocational education school or the educational service agency; or

(ii) the area vocational education school, educational service agency, or local educational agency demonstrates that the vocational education school or educational service agency is unable to meet the criterion described in clause (i) due to the lack of interest by students described in clause (i) in attending vocational education programs in that area vocational education school or educational service agency.

(2) Allocation basis.—If an area vocational education school or educational service agency meets the requirements of paragraph (1), then—

(A) the amount that will otherwise be distributed to the local educational agency under this section shall be allocated to the area vocational education school, the educational service agency, and the local educational agency, based on each school's or agency's relative share of students described in paragraph (1)(B)(i) who are attending vocational education programs (based, if practicable, on the average enrollment for the prior 3 years); or

(B) such amount may be allocated on the basis of an agreement between the local educational agency and the area vocational education school or educational service agency.

(3) State determination.—

(A) In general.—For the purposes of this subsection, the State educational agency may determine the number of students who are low-income on the basis of—

(i) eligibility for—

(I) free or reduced-price meals under the National School Lunch Act (7 U.S.C. 1751 et seq.);

(II) assistance under a State program funded under part A of title IV of the Social Security Act;

(III) benefits under the Food Stamp Act of 1977 (7 U.S.C. 2011 et seq.); or

(IV) services under title I of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 6301 et seq.); and

(ii) another index of economic status, including an estimate of such index, if the State educational agency demonstrates to the satisfaction of the Federal Partnership that such index is a more representative means of determining such number.

(B) Data.—If a State educational agency elects to use more than 1 factor described in subparagraph (A) for purposes of making the determination described in such subparagraph, the State educational agency shall ensure that the data used is not duplicative.

(4) Appeals procedure.—The State educational agency shall establish an appeals procedure for resolution of any dispute arising between a local educational agency and an area vocational education school or an educational service agency with respect to the allocation procedures described in this section, including the decision of a local educational agency to leave a consortium.

(5) Special rule.—Notwithstanding the provisions of paragraphs (1), (2), (3), and (4), any local educational agency receiving an allocation that is not sufficient to conduct a secondary school vocational education program of sufficient size, scope, and quality to be effective may—

(A) form a consortium or enter into a cooperative agreement with an area vocational education school or educational service agency offering secondary school vocational education programs of sufficient size, scope, and quality to be effective and that are accessible to students who are individuals with disabilities or are low-income, and are served by such local educational agency; and

(B) transfer such allocation to the area vocational education school or educational service agency.

(e) Special Rule.—Each State educational agency distributing funds under this section shall treat a secondary school funded by the Bureau of Indian Affairs within the State as if such school were a local educational agency within the State for the purpose of receiving a distribution under this section.

SEC. 723. DISTRIBUTION FOR POSTSECONDARY AND ADULT VOCATIONAL EDUCATION.

(a) Allocation.—

(1) In general.—Except as provided in subsection (b) and section 725, each State educational agency, using the portion of the funds made available for any program year by such agency for postsecondary and adult vocational education under section 721(b)(3)(A)—

(A) shall reserve funds to carry out subsection (d); and

(B) shall distribute the remainder to eligible institutions or consortia of the institutions within the State.

(2) Formula.—Each such eligible institution or consortium shall receive an amount for the program year (from funds made available for the corresponding fiscal year, as determined under section 734(c)) from such remainder bears the same relationship to such remainder as the number of individuals who are Pell Grant recipients or recipients of assistance from the Bureau of Indian Affairs and are enrolled in programs offered by such institution or consortium for the preceding fiscal year bears to the number of all such individuals who are enrolled in any such program within the State for such preceding year.

(3) Consortium requirements.—In order for a consortium of eligible institutions described in paragraph (1) to receive assistance pursuant to such paragraph such consortium shall operate joint projects that—

(A) provide services to all postsecondary institutions participating in the consortium; and

(B) are of sufficient size, scope, and quality to be effective.

(b) Waiver for More Equitable Distribution.—The Federal Partnership may waive the application of subsection (a) in the case of any State educational agency that submits to the Federal Partnership an application for such a waiver that—

(1) demonstrates that the formula described in subsection (a) does not result in a distribution of funds to the institutions or consortia within the State that have the highest numbers of low-income individuals and that an alternative formula will result in such a distribution; and

(2) includes a proposal for an alternative formula that may include criteria relating to the number of individuals attending the institutions or consortia within the State who—

(A) receive need-based postsecondary financial aid provided from public funds;

(B) are members of families receiving assistance under a State program funded under part A of title IV of the Social Security Act;

(C) are enrolled in postsecondary educational institutions that—

(i) are funded by the State;

(ii) do not charge tuition; and

(iii) serve only low-income students;

(D) are enrolled in programs serving low-income adults; or

(E) are Pell Grant recipients.

(c) Minimum Amount.—

(1) In general.—No distribution of funds provided to any institution or consortium for a program year under this section shall be for an amount that is less than $50,000.

(2) Redistribution.—Any amounts that are not distributed by reason of paragraph (1) shall be redistributed to eligible institutions or consortia in accordance with the provisions of this section.

(d) Special Rule for Criminal Offenders.—Each State educational agency shall distribute the funds reserved under subsection (a)(1)(A) to 1 or more State corrections agencies to enable the State corrections agencies to administer vocational education programs for juvenile and adult criminal offenders in correctional institutions in the State, including correctional institutions operated by local authorities.

(e) Definition.—For the purposes of this section—

(1) the term "eligible institution" means a postsecondary educational institution, a local educational agency serving adults, or an area vocational education school serving adults that offers or will offer a program that seeks to receive financial assistance under this section;

(2) the term "low-income", used with respect to a person, means a person who is determined under guidelines developed by the Federal Partnership to be low-income, using the most recent available data provided by the Bureau of the Census, prior to the determination; and

(3) the term "Pell Grant recipient" means a recipient of financial aid under subpart 1 of part A of title IV of the Higher Education Act of 1965 (20 U.S.C. 1070a et seq.).

SEC. 724. DISTRIBUTION FOR ADULT EDUCATION.

(a) In General.—Except as provided in subsection (b)(3), from the amount made available by a State educational agency for adult education under section 721(b)(3)(B) for a program year, such agency shall award grants, on a competitive basis, to local educational agencies, correctional education agencies, community-based organizations of demonstrated effectiveness, volunteer literacy organizations, libraries, public or private nonprofit agencies, postsecondary educational institutions, public housing authorities, and other nonprofit institutions that have the ability to provide literacy services to adults and families, or consortia of agencies, organizations, or institutions described in this subsection, to enable such agencies, organizations, institutions, and consortia to establish or expand adult education programs.

(b) Grant Requirements.—

(1) Access.—Each State educational agency making funds available for any program year for adult education under section 721(b)(3)(B) shall ensure that the entities described in subsection (a) will be provided direct and equitable access to all Federal funds provided under this section.

(2) CONSIDERATIONS.—In awarding grants under this section, the State educational agency shall consider—

(A) the past effectiveness of applicants in providing services (especially with respect to recruitment and retention of educationally disadvantaged adults and the learning gains demonstrated by such adults);

(B) the degree to which an applicant will coordinate and utilize other literacy and social services available in the community; and

(C) the commitment of the applicant to serve individuals in the community who are most in need of literacy services.

(3) CONSORTIA.—A State educational agency may award a grant under subsection (a) to a consortium that includes an entity described in subsection (a) and a for-profit agency, organization, or institution, if such agency, organization, or institution—

(A) can make a significant contribution to carrying out the purposes of this title; and

(B) enters into a contract with the entity described in subsection (a) for the purpose of establishing or expanding adult education programs.

(c) LOCAL ADMINISTRATIVE COSTS LIMITS.—

(1) IN GENERAL.—Except as provided in paragraph (2), of the funds provided under this section by a State educational agency to an agency, organization, institution, or consortium described in subsection (a), at least 95 percent shall be expended for provision of adult education instructional activities. The remainder shall be used for planning, administration, personnel development, and interagency coordination.

(2) SPECIAL RULE.—In cases where the cost limits described in paragraph (1) will be too restrictive to allow for adequate planning, administration, personnel development, and interagency coordination supported under this section, the State educational agency shall negotiate with the agency, organization, institution, or consortium described in subsection (a) in order to determine an adequate level of funds to be used for noninstructional purposes.

SEC. 725. SPECIAL RULE FOR MINIMAL ALLOCATION.

(a) GENERAL AUTHORITY.—For any program year for which a minimal amount is made available by a State educational agency for distribution under section 722 or 723 such agency may, notwithstanding the provisions of section 722 or 723, respectively, in order to make a more equitable distribution of funds for programs serving the highest numbers of low-income individuals (as defined in section 723(e)), distribute such minimal amount—

(1) on a competitive basis; or

(2) through any alternative method determined by the State educational agency.

(b) MINIMAL AMOUNT.—For purposes of this section, the term "minimal amount" means not more than 15 percent of the total amount made available by the State educational agency under section 721(b)(3)(A) for section 722 or 723, respectively, for such program year.

SEC. 726. REDISTRIBUTION.

(a) IN GENERAL.—In any program year that an entity receiving financial assistance under section 722 or 723 does not expend all of the amounts distributed to such entity for such year under section 722 or 723, respectively, such entity shall return any unexpended amounts to the State educational agency for distribution under section 722 or 723, respectively.

(b) REDISTRIBUTION OF AMOUNTS RETURNED LATE IN A PROGRAM YEAR.—In any program year in which amounts are returned to the State educational agency under subsection (a) for programs described in section 722 or 723 and the State educational agency is unable to redistribute such amounts according to section 722 or 723, respectively, in time for such amounts to be expended in such program year, the State educational agency shall retain such amounts for distribution in combination with amounts provided under such section for the following program year.

SEC. 727. LOCAL APPLICATION FOR WORKFORCE EDUCATION ACTIVITIES.

(a) IN GENERAL.—

(1) IN GENERAL.—Each eligible entity desiring financial assistance under this subtitle for workforce education activities shall submit an application to the State educational agency at such time, in such manner and accompanied by such information as such agency (in consultation with such other educational entities as the State educational agency determines to be appropriate) may require. Such application shall cover the same period of time as the period of time applicable to the State workforce development plan.

(2) DEFINITION.—For the purpose of this section the term "eligible entity" means an entity eligible for financial assistance under section 722, 723, or 724 from a State educational agency.

(b) CONTENTS.—Each application described in subsection (a) shall, at a minimum—

(1) describe how the workforce education activities required under section 716(b), and other workforce education activities, will be carried out with funds received under this subtitle;

(2) describe how the activities to be carried out relate to meeting the State goals, and reaching the State benchmarks, concerning workforce education activities;

(3) describe how the activities to be carried out are an integral part of the comprehensive efforts of the eligible entity to improve education for all students and adults;

(4) describe the process that will be used to independently evaluate and continuously improve the performance of the eligible entity; and

(5) describe how the eligible entity will coordinate the activities of the entity with the activities of the local workforce development board, if any, in the substate area.

SEC. 728. LOCAL PARTNERSHIPS, AGREEMENTS, AND WORKFORCE DEVELOPMENT BOARDS.

(a) LOCAL AGREEMENTS.—

(1) IN GENERAL.—After a Governor submits the State plan described in section 714 to the Federal Partnership, the Governor shall negotiate and enter into a local agreement regarding the workforce employment activities, school-to-work activities, and economic development activities (within a State that is eligible to carry out such activities, as described in subsection (c)) to be carried out in each substate area in the State with local partnerships (or, where established, local workforce development boards described in subsection (b)).

(2) LOCAL PARTNERSHIPS.—

(A) IN GENERAL.—A local partnership referred to in paragraph (1) shall be established by the local chief elected official, in accordance with subparagraphs (B) and (C), and shall consist of individuals representing business, industry, and labor, local secondary schools (including individuals representing teachers), local postsecondary education institutions, local adult education providers, local elected officials, rehabilitation agencies and organizations, community-based organizations, and veterans, within the appropriate substate area.

(B) MULTIPLE JURISDICTIONS.—In any case in which there are 2 or more units of general local government in the substate area involved, the chief elected official of each such unit shall appoint members of the local partnership in accordance with an agreement entered into by such chief elected officials. In the absence of such an agreement, such appointments shall be made by the Governor of the State involved from the individuals nominated or recommended by the chief elected officials.

(C) SELECTION OF BUSINESS AND INDUSTRY REPRESENTATIVES.—Individuals representing business and industry in the local partnership shall be appointed by the chief elected official from nominations submitted by business organizations in the substate area involved. Such individuals shall reasonably represent the industrial and demographic composition of the business community. Where possible, at least 50 percent of such business and industry representatives shall be representatives of small business.

(3) BUSINESS AND INDUSTRY INVOLVEMENT.—The business and industry representatives shall have a lead role in the design, management, and evaluation of the activities to be carried out in the substate area under the local agreement.

(4) CONTENTS.—

(A) STATE GOALS AND STATE BENCHMARKS.—Such an agreement shall include a description of the manner in which funds allocated to a substate area under this subtitle will be spent to meet the State goals and reach the State benchmarks in a manner that reflects local labor market conditions.

(B) COLLABORATION.—The agreement shall also include information that demonstrates the manner in which—

(i) the Governor; and

(ii) the local partnership (or, where established, the local workforce development board);

collaborated in reaching the agreement.

(5) FAILURE TO REACH AGREEMENT.—If, after a reasonable effort, the Governor is unable to enter into an agreement with the local partnership (or, where established, the local workforce development board), the Governor shall notify the partnership or board, as appropriate, and provide the partnership or board, as appropriate, with the opportunity to comment, not later than 30 days after the date of the notification, on the manner in which funds allocated to such substate area will be spent to meet the State goals and reach the State benchmarks.

(6) EXCEPTION.—A State that indicates in the State plan described in section 714 that the State will be treated as a substate area for purposes of the application of this subtitle shall not be subject to this subsection.

(b) LOCAL WORKFORCE DEVELOPMENT BOARDS.—

(1) IN GENERAL.—Each State may facilitate the establishment of local workforce development boards in each substate area to set policy and provide oversight over the workforce development activities in the substate area.

(2) MEMBERSHIP.—

(A) STATE CRITERIA.—The Governor shall establish criteria for use by local chief elected officials in each substate area in the selection of members of the local workforce development boards, in accordance with the requirements of subparagraph (B).

(B) REPRESENTATION REQUIREMENT.—Such criteria shall require, at a minimum, that a local workforce development board consist of—

(i) representatives of business and industry in the substate area, who shall constitute a majority of the board;

(ii) representatives of labor, workers, and community-based organizations, who shall constitute not less than 25 percent of the members of the board;

(iii) representatives of local secondary schools, postsecondary education institutions, and adult education providers;

(iv) representatives of veterans; and

(v) 1 or more individuals with disabilities, or their representatives.

(C) CHAIR.—Each local workforce development board shall select a chairperson from among the members of the board who are representatives of business and industry.

(3) CONFLICT OF INTEREST.—No member of a local workforce development board shall vote on a matter relating to the provision of services by the member (or any organization that the member directly represents) or vote on a matter that would provide direct financial benefit to such member or the immediate family of such member or engage in any other activity determined by the Governor to constitute a conflict of interest.

(4) FUNCTIONS.—The functions of the local workforce development board shall include—

(A) submitting to the Governor a single comprehensive 3-year strategic plan for workforce development activities in the substate area that includes information—

(i) identifying the workforce development needs of local industries, students, jobseekers, and workers;

(ii) identifying the workforce development activities to be carried out in the substate area with funds received through the allotment made to the State under section 712, to meet the State goals and reach the State benchmarks; and

(iii) identifying how the local workforce development board will obtain the active and continuous participation of business, industry, labor, and the education community in the devel-

AMENDMENT NO. 2660

On page 489, line 18, insert "volunteers," after "teachers,".

KERRY AMENDMENT NO. 2661

Mr. MOYNIHAN (for Mr. KERRY) proposed an amendment to amendment No. 2280 proposed by Mr. DOLE to the bill H.R. 4, supra, as follows:

On page 124, beginning on line 16, strike all through page 133, line 18, and insert the following:

SEC. 201. LIMITED ELIGIBILITY OF NONCITIZENS FOR SSI BENEFITS.

Paragraph (1) of section 1614(a) (42 U.S.C. 1382c(a)) is amended—

(1) in subparagraph (B)(i), by striking "either" and all that follows through ", or" and inserting "(I) a citizen; (II) a noncitizen who is granted asylum under section 208 of the Immigration and Nationality Act or whose deportation has been withheld under section 243(h) of such Act for a period of not more than 5 years after the date of arrival into the United States; (III) a noncitizen who is admitted to the United States as a refugee under section 207 of such Act for not more than such 5-year period; (IV) a noncitizen, lawfully present in any State (or any territory or possession of the United States), who is a veteran (as defined in section 101 of title 38, United States Code) with a discharge characterized as an honorable discharge and not on account of alienage or who is the spouse or unmarried dependent child of such veteran; or (V) a noncitizen who has worked sufficient calendar quarters of coverage to be a fully insured individual for benefits under title II, or"; and

(2) by adding at the end the following new flush sentence:

"For purposes of subparagraph (B)(i)(IV), the determination of whether a noncitizen is lawfully present in the United States shall be made in accordance with regulations of the Attorney General. A noncitizen shall not be considered to be lawfully present in the United States for purposes of this title merely because the noncitizen may be considered to be permanently residing in the United States under color of law for purposes of any particular program.".

SEC. 202. DENIAL OF SSI BENEFITS FOR 10 YEARS TO INDIVIDUALS FOUND TO HAVE FRAUDULENTLY MISREPRESENTED RESIDENCE IN ORDER TO OBTAIN BENEFITS SIMULTANEOUSLY IN 2 OR MORE STATES.

Section 1614(a) (42 U.S.C. 1382c(a)) is amended by adding at the end the following new paragraph:

"(5) An individual shall not be considered an eligible individual for purposes of this title during the 10-year period beginning on the date the individual is convicted in Federal or State court of having made a fraudulent statement or representation with respect to the place of residence of the individual in order to receive assistance simultaneously from 2 or more States under programs that are funded under part A of title IV, title XIX, or the Food Stamp Act of 1977, or benefits in 2 or more States under the supplemental security income program under title XVI.".

SEC. 203. DENIAL OF SSI BENEFITS FOR FUGITIVE FELONS AND PROBATION AND PAROLE VIOLATORS.

(a) IN GENERAL.—Section 1611(e) (42 U.S.C. 1382(e)) is amended by adding at the end the following new paragraph:

"(6) A person shall not be an eligible individual or eligible spouse for purposes of this title with respect to any month if during such month the person is—

"(A) fleeing to avoid prosecution, or custody or confinement after conviction, under the laws of the place from which the person flees, for a crime, or an attempt to commit a crime, which is a felony under the laws of the place from which the person flees, or which, in the case of the State of New Jersey, is a high misdemeanor under the laws of such State; or

"(B) violating a condition of probation or parole imposed under Federal or State law.".

(b) EXCHANGE OF INFORMATION WITH LAW ENFORCEMENT AGENCIES.—Section 1631(e) (42 U.S.C. 1383(e)) is amended by inserting after paragraph (3) the following new paragraph:

"(4) Notwithstanding any other provision of law, the Commissioner shall furnish any Federal, State, or local law enforcement officer, upon the request of the officer, with the current address of any recipient of benefits under this title, if the officer furnishes the agency with the name of the recipient and notifies the agency that—

"(A) the recipient—

"(i) is fleeing to avoid prosecution, or custody or confinement after conviction, under the laws of the place from which the person flees, for a crime, or an attempt to commit a crime, which is a felony under the laws of the place from which the person flees, or which, in the case of the State of New Jersey, is a high misdemeanor under the laws of such State;

"(ii) is violating a condition of probation or parole imposed under Federal or State law; or

"(iii) has information that is necessary for the officer to conduct the officer's official duties; and

"(B) the location or apprehension of the recipient is within the officer's official duties.".

SEC. 204. EFFECTIVE DATES; APPLICATION TO CURRENT RECIPIENTS.

(a) SECTION 201.—

(1) IN GENERAL.—Except as provided in paragraphs (2) and (3), the amendments made by section 201 shall apply to applicants for benefits for months beginning on or after the date of the enactment of this Act, without regard to whether regulations have been issued to implement such amendments.

(2) APPLICATION TO CURRENT RECIPIENTS.—

(A) APPLICATION AND NOTICE.—Notwithstanding any other provision of law, in the case of an individual who is receiving supplemental security income benefits under title XVI of the Social Security Act as of the date of the enactment of this Act and whose eligibility for such benefits would terminate by reason of the amendments made by section 201, such amendments shall apply with respect to the benefits of such individual for months beginning on or after January 1, 1997, and the Commissioner of Social Security shall so notify the individual not later than 90 days after the date of the enactment of this Act.

(B) REAPPLICATION.—

(i) IN GENERAL.—Not later than 120 days after the date of the enactment of this Act, each individual notified pursuant to subparagraph (A) who desires to reapply for benefits under title XVI of the Social Security Act, as amended by this title, shall reapply to the Commissioner of Social Security.

(ii) DETERMINATION OF ELIGIBILITY.—Not later than 1 year after the date of the enactment of this Act, the Commissioner of Social Security shall determine the eligibility of each individual who reapplies for benefits under clause (i) pursuant to the procedures of such title.

(b) OTHER AMENDMENTS.—The amendments made by sections 202 and 203 shall take effect on the date of the enactment of this Act.

Subtitle B—Benefits for Disabled Children

SEC. 211. DEFINITION AND ELIGIBILITY RULES.

(a) DEFINITION OF CHILDHOOD DISABILITY.—Section 1614(a)(3) (42 U.S.C. 1382c(a)(3)) is amended—

KERRY AMENDMENT NO. 2662

Mr. MOYNIHAN (for Mr. KERRY) proposed an amendment to amendment No. 2280 proposed by Mr. DOLE to the bill H.R. 4, supra, as follows:

On page 122, between lines 11 and 12, insert:

SEC. 110. DEMONSTRATION PROJECTS FOR SCHOOL UTILIZATION.

(a) FINDINGS.—It is the goal of the United States that children grow to be self-sufficient citizens, that parents equip themselves to provide the best parental care and guidance to their children, and that welfare dependency, crime, and the deterioration of neighborhoods be eliminated. It will contribute to these goals to increase the level of parents' involvement in their children's school and other activities, to increase the amount of time parents spend with or in close proximity to their children, to increase the portion of the day and night when children are in a safe and healthy environment and not exposed to unfavorable influences, to increase the opportunities for children to participate in safe, healthy, and enjoyable extra-curricular and organized developmental and recreational activities, and to make more accessible the opportunities for parents, especially those dependent on public assistance, to increase and enhance their parenting and living skills. All of these contributions can be facilitated by establishing the neighborhood public school as a focal point for such activities and by extending the hours of the day in which its facilities are available for such activities.

(b) GRANTS.—The Secretary of Education (hereafter in this section referred to as the "Secretary") shall make demonstration grants as provided in subsection (c) to States to enable them to increase the number of hours during each day when existing public school facilities are available for use for the purposes set forth in subsection (d).

(c) SELECTION OF STATES.—The Secretary shall make grants to not more than 5 States for demonstration projects in accordance with this section. Each State shall select the number and location of schools based on the amount of funds it deems necessary for a school properly to achieve the goals of this program. The schools selected must have a significant percentage of students receiving benefits under part A of title IV of the Social Security Act. No more than 2 percent of the grant to any State shall be used for administrative expenses of any kind by any entity (except that none of the activities set forth in paragraphs (1) and (2) of subsection (d) shall be considered an administrative activity the expenses for which are limited by this subsection).

(d) USE OF FUNDS.—The grants made under subsection (b), in order that school facilities can be more fully utilized, shall be used to provide funding for, among other things—

(1) extending the length of the school day, expanding the scope of student programs offered before and after pre-existing school hours, enabling volunteers and parents or professionals paid from other sources to teach, tutor, coach, organize, advise, or monitor students before and after pre-existing school hours, and providing security, supplies, utilities, and janitorial services before and after pre-existing school hours for these programs,

(2) making the school facilities available for community and neighborhood clubs, civic associations and organizations, Boy and Girl Scouts and similar organizations, adult education classes, organized sports, parental education classes, and other educational, recreational, and social activities.

None of the funds provided under this section can be used to supplant funds already provided to a school facility for services, equipment, personnel, or utilities nor can funds be used to pay costs associated with operating school facilities during hours those facilities are already available for student or community use.

(e) APPLICATIONS.—

(1) IN GENERAL.—The Governor of each State desiring to conduct a demonstration project under this section shall prepare and submit to the Secretary an application in such manner and containing such information as the Secretary may require. The Secretary shall actively encourage States to submit such applications.

(2) APPROVAL.—The Secretary shall consider all applications received from States desiring to conduct demonstration projects under this section and shall approve such applications in a number of States to be determined by the Secretary (not to exceed 5), taking into account the overall funding levels available under this section.

(f) DURATION.—A demonstration project under this section shall be conducted for not more than 4 years plus an additional time period of up to 12 months for final evaluation and reporting. The Secretary may terminate a project if the Secretary determines that the State conducting the project is not in substantial compliance with the terms of the application approved by the Secretary under this section.

(g) EVALUATION PLAN.—

(1) STANDARDS.—Not later than 3 months after the date of the enactment of this section, the Secretary shall develop standards for evaluating the effectiveness of each demonstration project in contributing toward meeting the objectives set forth in subsection (a), which shall include the requirement that an independent expert entity selected by the Secretary provide an evaluation of all demonstration projects, which evaluations shall be included in the appropriate State's annual and final reports to the Secretary under subsection (h)(1).

(2) SUBMISSION OF PLAN.—Each State conducting a demonstration project under this section shall submit an evaluation plan (meeting the standards developed by the Secretary under paragraph (1)) to the Secretary not later than 90 days after the State is notified of the Secretary's approval for such project. A State shall not receive any Federal funds for the operation of the demonstration project until the Secretary approves such evaluation plan.

(h) REPORTS.—

(1) STATE.—A State that conducts a demonstration project under this section shall prepare and submit to the Secretary annual and final reports in accordance with the State's evaluation plan under subsection (g)(2) for such demonstration project.

(2) SECRETARY.—The Secretary shall prepare and submit to the Congress annual reports concerning each demonstration project under this Act.

(i) AUTHORIZATIONS.—

(1) GRANTS.—There are authorized to be appropriated for grants under subsection (b) for each of fiscal years 1996, 1997, 1998, 1999, and 2000, $10,000,000.

(2) ADMINISTRATION.—There are authorized to be appropriated $1,000,000 for each of fiscal years 1996, 1997, 1998, 1999, and 2000 for the administration of this section by the Secretary, including development of standards and evaluation of all demonstration projects by an independent expert entity under subsection (g)(1).

KERRY AMENDMENTS NOS. 2663–2664

Mr. MOYNIHAN (for Mr. KERRY) proposed two amendments to amendment No. 2280 proposed by Mr. DOLE to the bill H.R. 4, supra, as follows:

AMENDMENT NO. 2663

On page 122, between lines 11 and 12, insert:

SEC. 110. DEMONSTRATION PROJECTS FOR SCHOOL UTILIZATION.

(a) FINDINGS.—It is the goal of the United States that children grow to be self-sufficient citizens, that parents equip themselves to provide the best parental care and guidance to their children, and that welfare dependency, crime, and the deterioration of neighborhoods be eliminated. It will contribute to these goals to increase the level of parents' involvement in their children's school and other activities, to increase the amount of time parents spend with or in close proximity to their children, to increase the portion of the day and night when children are in a safe and healthy environment and not exposed to unfavorable influences, to increase the opportunities for children to participate in safe, healthy, and enjoyable extra-curricular and organized developmental and recreational activities, and to make more accessible the opportunities for parents, especially those dependent on public assistance, to increase and enhance their parenting and living skills. All of these contributions can be facilitated by establishing the neighborhood public school as a focal point for such activities and by extending the hours of the day in which its facilities are available for such activities.

(b) GRANTS.—The Secretary of Education (hereafter in this section referred to as the "Secretary") shall make demonstration grants as provided in subsection (c) to States to enable them to increase the number of hours during each day when existing public school facilities are available for use for the purposes set forth in subsection (d).

(c) SELECTION OF STATES.—The Secretary shall make grants to not more than 5 States for demonstration projects in accordance with this section. Each State shall select the number and location of schools based on the amount of funds it deems necessary for a school properly to achieve the goals of this program. The schools selected must have a significant percentage of students receiving benefits under part A of title IV of the Social Security Act. No more than 2 percent of the grant to any State shall be used for administrative expenses of any kind by any entity (except that none of the activities set forth in paragraphs (1) and (2) of subsection (d) shall be considered an administrative activity the expenses for which are limited by this subsection).

(d) USE OF FUNDS.—The grants made under subsection (b), in order that school facilities can be more fully utilized, shall be used to provide funding for, among other things—

(1) extending the length of the school day, expanding the scope of student programs offered before and after pre-existing school hours, enabling volunteers and parents or professionals paid from other sources to teach, tutor, coach, organize, advise, or monitor students before and after pre-existing school hours, and providing security, supplies, utilities, and janitorial services before and after pre-existing school hours for these programs,

(2) making the school facilities available for community and neighborhood clubs, civic associations and organizations, Boy and Girl Scouts and similar organizations, adult education classes, organized sports, parental education classes, and other educational, recreational, and social activities.

None of the funds provided under this section can be used to supplant funds already provided to a school facility for services, equipment, personnel, or utilities nor can funds be used to pay costs associated with operating school facilities during hours those facilities are already available for student or community use.

(e) APPLICATIONS.—

(1) IN GENERAL.—The Governor of each State desiring to conduct a demonstration project under this section shall prepare and submit to the Secretary an application in such manner and containing such information as the Secretary may require. The Secretary shall actively encourage States to submit such applications.

(2) APPROVAL.—The Secretary shall consider all applications received from States

desiring to conduct demonstration projects under this section and shall approve such applications in a number of States to be determined by the Secretary (not to exceed 5), taking into account the overall funding levels available under this section.

(f) DURATION.—A demonstration project under this section shall be conducted for not more than 4 years plus an additional time period of up to 12 months for final evaluation and reporting. The Secretary may terminate a project if the Secretary determines that the State conducting the project is not in substantial compliance with the terms of the application approved by the Secretary under this section.

(g) EVALUATION PLAN.—

(1) STANDARDS.—Not later than 3 months after the date of the enactment of this section, the Secretary shall develop standards for evaluating the effectiveness of each demonstration project in contributing toward meeting the objectives set forth in subsection (a), which shall include the requirement that an independent expert entity selected by the Secretary provide an evaluation of all demonstration projects, which evaluations shall be included in the appropriate State's annual and final reports to the Secretary under subsection (h)(1).

(2) SUBMISSION OF PLAN.—Each State conducting a demonstration project under this section shall submit an evaluation plan (meeting the standards developed by the Secretary under paragraph (1)) to the Secretary not later than 90 days after the State is notified of the Secretary's approval for such project. A State shall not receive any Federal funds for the operation of the demonstration project until the Secretary approves such evaluation plan.

(h) REPORTS.—

(1) STATE.—A State that conducts a demonstration project under this section shall prepare and submit to the Secretary annual and final reports in accordance with the State's evaluation plan under subsection (g)(2) for such demonstration project.

(2) SECRETARY.—The Secretary shall prepare and submit to the Congress annual reports concerning each demonstration project under this Act.

(i) AUTHORIZATIONS.—

(1) GRANTS.—There are authorized to be appropriated for grants under subsection (b) for each of fiscal years 1996, 1997, 1998, 1999, and 2000, $10,000,000.

(2) ADMINISTRATION.—There are authorized to be appropriated $1,000,000 for each of fiscal years 1996, 1997, 1998, 1999, and 2000 for the administration of this section by the Secretary, including development of standards and evaluation of all demonstration projects by an independent expert entity under subsection (g)(1).

SEC. 111. STUDY OF SCHOOLS WITH STUDENTS FAILING TO ENTER WORKFORCE.

(a) STUDY.—The Secretary of Education shall conduct a study to—

(1) determine which high schools have the highest proportion of students, both those who graduate and those who drop out before graduating, who never reach the workforce, and establish the reasons for such disproportionate failure, and

(2) measure the educational effectiveness of existing innovative educational mechanisms, including charter schools, extended school days, the community schools program, and child care programs, in increasing the proportion of a school's students who become a part of the workforce.

(b) REPORT.—The Secretary shall, not later than January 1, 1997, report to the Congress the results of the study conducted under subsection (a), including recommendations with respect to measures which prove effective in assisting schools in preparing students for the workforce.

(c) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated $7,000,000 to carry out the purposes of this section.

SEC. 112. SCHOOL CARE FOR CHILDREN OF INDIVIDUALS REQUIRED TO WORK.

Notwithstanding any other provision of, or amendment made by, this title, if a State requires an individual receiving assistance under a State program funded under part A of title IV to engage in work activities, the State shall provide adult-supervised care to each school-age child of the individual before and after school during the hours during which the individual is working and in transit between home and work. Such care shall be provided at the location where each child attends school. Comparable activities shall be provided during the same daily time periods for all days during which the individual is working but school is not in session.

SEC. 113. PARENTAL RESPONSIBILITY CONTRACTS.

(a) ASSESSMENT.—Notwithstanding any other provision of, or amendment made by, this title, each State to which a grant is made under section 403 of the Social Security Act shall provide that the State agency, through a case manager, shall make an initial assessment of the education level, parenting skills, and history of parenting activities and involvement of each parent who is applying for financial assistance under the plan.

(b) PARENTAL RESPONSIBILITY CONTRACTS.—On the basis of the assessment made under subsection (a) with respect to each parent applicant, the case manager, in consultation with the parent applicant (hereafter in this subsection referred to as the "client"), and, if possible, the client's spouse if one is present, shall develop a parental responsibility contract for the client, which meets the following requirements:

(1) Sets forth the obligations of the client, including all of the following the case manager believes are within the ability and capacity of the client, are not incompatible with the employment or school activities of the client, and are not inconsistent with each other in the client's case or with the well being of the client's children:

(A) Attend school, if necessary, and maintain certain grades and attendance.

(B) Keep school-age children of the client in school.

(C) Immunize children of the client.

(D) Attend parenting and money management classes.

(E) Participate in parent and teachers associations and other activities intended to involve parents in their children's school activities and in the affairs of their children's school.

(F) Attend school activities with their children where attendance or participation by both children and parents is appropriate.

(G) Undergo appropriate substance abuse treatment counseling.

(H) Any other appropriate activity, at the option of the State.

(2) Provides that the client shall accept any bona fide offer of unsubsidized full-time employment, unless the client has good cause for not doing so.

(c) PENALTIES FOR NONCOMPLIANCE WITH PARENTAL RESPONSIBILITY CONTRACT.—

(1) IN GENERAL.—Except as provided in paragraph (2), the following penalties shall apply:

(A) PROGRESSIVE REDUCTIONS IN ASSISTANCE FOR 1ST AND 2ND ACTS OF NON-COMPLIANCE.—The State plan shall provide that the amount of assistance otherwise payable under this part to a family that includes a client who, with respect to a parental responsibility contract signed by the client, commits an act of noncompliance without good cause, shall be reduced by—

(i) 33 percent for the 1st such act of noncompliance; or

(ii) 66 percent for the 2nd such act of noncompliance.

(B) DENIAL OF ASSISTANCE FOR 3RD AND SUBSEQUENT ACTS OF NONCOMPLIANCE.—The State shall provide that in the case of the 3rd or subsequent such act of noncompliance, the family of which the client is a member shall not thereafter be eligible for assistance under this part.

(C) LENGTH OF PENALTIES.—The penalty for an act of noncompliance shall not exceed the greater of—

(i) in the case of—

(I) the 1st act of noncompliance, 1 month,

(II) the 2nd act of noncompliance, 3 months, or

(III) the 3rd or subsequent act of noncompliance, 6 months; or

(ii) the period ending with the cessation of such act of noncompliance.

(D) DENIAL OF ASSISTANCE TO ADULTS REFUSING TO ACCEPT A BONA FIDE OFFER OF EMPLOYMENT.—The State plan shall provide that if an unemployed individual who has attained 18 years of age refuses to accept a bona fide offer of employment without good cause, such act of noncompliance shall be considered a 3rd or subsequent act of noncompliance.

(2) STATE FLEXIBILITY.—The State plan may provide for different penalties than those specified in paragraph (1).

SEC. 114. AMENDMENT TO GOALS 2000: EDUCATE AMERICA ACT.

Section 102 of the Goals 2000: Educate America Act (20 U.S.C. 5812) is amended by adding at the end the following new paragraph:

"(9) SELF-SUFFICIENCY.—By the year 2000, fewer Americans will need to rely on welfare benefits because—

"(A) schools will place greater emphasis on equipping all students to achieve economic self-sufficiency in adulthood, regardless of whether they pursue higher education;

"(B) schools will not compromise educational standards in order to graduate students who have not achieved the recognized educational competency levels applicable to high school graduates; and

"(C) schools will focus more attention and resources on ensuring that children from families who receive public assistance, or are at risk of needing public assistance, make expected scholastic progress throughout their elementary and secondary schooling or are provided with special assistance and directed to remedial programs and activities designed to return them to expected levels of progress."

AMENDMENT No. 2664

On page 122, between lines 11 and 12, insert:

SEC. 110. PARENTAL RESPONSIBILITY CONTRACTS.

(a) ASSESSMENT.—Notwithstanding any other provision of, or amendment made by, this title, each State to which a grant is made under section 403 of the Social Security Act shall provide that the State agency, through a case manager, shall make an initial assessment of the education level, parenting skills, and history of parenting activities and involvement of each parent who is applying for financial assistance under the plan.

(b) PARENTAL RESPONSIBILITY CONTRACTS.—On the basis of the assessment made under subsection (a) with respect to each parent applicant, the case manager, in consultation with the parent applicant (hereafter in this subsection referred to as the "client") and, if possible, the client's spouse if one is present, shall develop a parental responsibility contract for the client, which meets the following requirements:

(1) Sets forth the obligations of the client, including all of the following the case manager believes are within the ability and capacity of the client, are not incompatible with the employment or school activities of the client, and are not inconsistent with each other in the client's case or with the well being of the client's children:

(A) Attend school, if necessary, and maintain certain grades and attendance.

(B) Keep school-age children of the client in school.

(C) Immunize children of the client.

(D) Attend parenting and money management classes.

(E) Participate in parent and teacher associations and other activities intended to involve parents in their children's school activities and in the affairs of their children's school.

(F) Attend school activities with their children where attendance or participation by both children and parents is appropriate.

(G) Undergo appropriate substance abuse treatment counseling.

(H) Any other appropriate activity, at the option of the State.

(2) Provides that the client shall accept any bona fide offer of unsubsidized full-time employment, unless the client has good cause for not doing so.

(c) PENALTIES FOR NONCOMPLIANCE WITH PARENTAL RESPONSIBILITY CONTRACT.—

(1) IN GENERAL.—Except as provided in paragraph (2), the following penalties shall apply:

(A) PROGRESSIVE REDUCTIONS IN ASSISTANCE FOR 1ST AND 2ND ACTS OF NON-COMPLIANCE.—The State plan shall provide that the amount of assistance otherwise payable under this part to a family that includes a client who, with respect to a parental responsibility contract signed by the client, commits an act of noncompliance without good cause, shall be reduced by—

(i) 33 percent for the 1st such act of noncompliance; or

(ii) 66 percent for the 2nd such act of noncompliance.

(B) DENIAL OF ASSISTANCE FOR 3RD AND SUBSEQUENT ACTS OF NONCOMPLIANCE.—The State shall provide that in the case of the 3rd or subsequent such act of noncompliance, the family of which the client is a member shall not thereafter be eligible for assistance under this part.

(C) LENGTH OF PENALTIES.—The penalty for an act of noncompliance shall not exceed the greater of—

(i) in the case of—

(I) the 1st act of noncompliance, 1 month,

(II) the 2nd act of noncompliance, 3 months, or

(III) the 3rd or subsequent act of noncompliance, 6 months; or

(ii) the period ending with the cessation of such act of noncompliance.

(D) DENIAL OF ASSISTANCE TO ADULTS REFUSING TO ACCEPT A BONA FIDE OFFER OF EMPLOYMENT.—The State plan shall provide that if an unemployed individual who has attained 18 years of age refuses to accept a bona fide offer of employment without good cause, such act of noncompliance shall be considered a 3rd or subsequent act of noncompliance.

(2) STATE FLEXIBILITY.—The State plan may provide for different penalties than those specified in paragraph (1).

HARKIN AMENDMENT NO. 2665

Mr. MOYNIHAN (for Mr. HARKIN) proposed an amendment to amendment No. 2280 proposed by Mr. DOLE to the bill H.R. 4, supra, as follows:

Beginning on page 10, line 10, strike all through page 77, line 21, and insert the following:

(b) REDUCTION IN INDIVIDUAL TAX RATES.—Section 1 of the Internal Revenue Code of 1986 (relating to tax imposed) is amended by adding at the end the following new subsection:

"(i) ADJUSTMENTS IN TAX TABLES TO REFLECT REPEAL OF CERTAIN PROGRAMS.—

"(1) IN GENERAL.—Not later than December 15 of 1995, and each subsequent calendar year, the Secretary shall prescribe tables which shall apply in lieu of the tables contained in subsections (a), (b), (c), (d), and (e) (after the application of subsection (f)) with respect to taxable years beginning in the succeeding calendar year.

"(2) METHOD OF PRESCRIBING TABLES.—The tables under paragraph (1) shall be prescribed by reducing the rates of tax proportionately such that the resulting loss of revenue for such calendar year equals the estimated total expenditures for the fiscal year in which such calendar year begins for part A of title IV of the Social Security Act as proposed to be added by Senate amendment numbered 2280 (as in effect on September 8, 1995).

Beginning on page 83, line 16, strike through page 86, line 3.

Beginning on page 87, line 6, strike through page 120, line 8.

Beginning on page 122, line 12, strike through page 124, line 12.

BREAUX (AND OTHERS) AMENDMENTS NOS. 2666–2667

Mr. MOYNIHAN (for Mr. BREAUX, Mr. KENNEDY, Mr. PELL, and Mr. DASCHLE) proposed two amendments to amendment No. 2280 proposed by Mr. DOLE to the bill H.R. 4, supra, as follows:

AMENDMENT NO. 2666

In section 702(a)(8), strike "private sector leadership in designing" and insert "private sector leadership and the diverse and changing demands of employers and workers in designing".

In section 702(b)(1), insert before the semicolon the following: "and to respond more effectively to changing local labor markets".

In section 703(29), insert before the period the following: "and designed to ensure that local labor and education and training markets are responsive to the diverse and changing demands of employers and workers".

In section 716(a)(2)(B)(viii), strike "; and" and insert a semicolon.

In section 716(a)(2)(B)(ix), strike the period and insert "; and".

At the end of section 716(a)(2)(B), add the following:

(x) establishment of such system of individual skill grants as will enable dislocated workers who are unable to find new jobs through the core services described in clauses (i) through (ix), and who are unable to obtain other grant assistance (such as a Pell Grant), to learn new skills to find new jobs.

In section 716(a)(9), strike "provided under this subtitle" and insert "provided under this subtitle for persons age 18 or older who are unable to obtain other assistance (such as a Pell Grant)".

At the end of section 731(b), add the following new paragraph:

(3) RESPONSIVENESS TO MARKET DEMAND.—Each statewide system supported by an allotment under section 712 shall be designed to meet the goal of ensuring that the local labor and education and training markets in the State are responsive to the diverse and changing demands of employers and workers.

At the end of section 731(c), add the following:

(8) RESPONSIVENESS TO MARKET DEMAND.—To be eligible to receive an allotment under section 712, a State shall develop, in accordance with paragraph (5), and identify in the State plan of the State, proposed quantifiable benchmarks to measure the statewide progress of the State in meeting the goal described in subsection (b)(3).

In section 732(a)(1)(A), strike "; or" and insert a semicolon.

In section 732(a)(1)(B), strike the period and insert "; or".

At the end of section 732(a)(1), add the following:

(C) demonstrates to the Federal Partnership that the State has made a substantial increase in the number of dislocated workers placed in unsubsidized employment, the reemployment wage rates of the workers, or the speed of reemployment of the workers through the use of training vouchers or other continually improving systems that respond effectively to the diverse and changing demands of local employers and workers.

AMENDMENT NO. 2667

Beginning on page 345, strike line 14 and all that follows through page 370, line 19, and insert the following:

(vii) the steps the State will take over the 3 years covered by the plan to comply with the requirements specified in section 716(a)(3) relating to the provision of education and training services;

(C) identifying performance indicators that relate to the State goals, and to the State benchmarks, concerning workforce employment activities;

(D) describing the workforce employment activities to be carried out with funds received through the allotment;

(E) describing the steps that the State will take over the 3 years covered by the plan to establish a statewide comprehensive labor market information system described in section 773(c) that will be utilized by all the providers of one-stop delivery of core services described in section 716(a)(2), providers of other workforce employment activities, and providers of workforce education activities, in the State;

(F) describing the steps that the State will take over the 3 years covered by the plan to establish a job placement accountability system described in section 731(d);

(G) describing the process the State will use to approve all providers of workforce employment activities through the statewide system; and

(H)(i) describing the steps that the State will take to segregate the amount allotted to the State from funds made available under section 901(c)(1)(A) of the Social Security Act (42 U.S.C. 1101(c)(1)(A)) from the remainder of the portion described in section 713(a)(1); and

(ii) describing how the State will use the amount allotted to the State from funds made available under such section 901(c)(1)(A) to carry out the required activities described in clauses (ii) through (v) of section 716(a)(2)(B) and section 773;

(3) with respect to workforce education activities, information—

(A) describing how funds received through the allotment will be allocated among—

(i) secondary school vocational education, or postsecondary and adult vocational education, or both; and

(ii) adult education;

(B) identifying performance indicators that relate to the State goals, and to the State benchmarks, concerning workforce education activities;

(C) describing the workforce education activities that will be carried out with funds received through the allotment;

(D) describing how the State will address the adult education needs of the State;

(E) describing how the State will disaggregate data relating to at-risk youth in order to adequately measure the progress of at-risk youth toward accomplishing the results measured by the State goals, and the State benchmarks;

(F) describing how the State will adequately address the needs of both at-risk youth who are in school, and out-of-school youth, in alternative education programs that teach to the same challenging academic, occupational, and skill proficiencies as are provided for in-school youth;

(G) describing how the workforce education activities described in the State plan and the State allocation of funds received through the allotment for such activities are an integral part of comprehensive efforts of the State to improve education for all students and adults;

(H) describing how the State will annually evaluate the effectiveness of the State plan with respect to workforce education activities;

(I) describing how the State will address the professional development needs of the State with respect to workforce education activities;

(J) describing how the State will provide local educational agencies in the State with technical assistance; and

(K) describing how the State will assess the progress of the State in implementing student performance measures.

(d) PROCEDURE FOR DEVELOPMENT OF PART OF PLAN RELATING TO STRATEGIC PLAN.—

(1) DESCRIPTION OF DEVELOPMENT.—The part of the State plan relating to the strategic plan shall include a description of the manner in which—

(A) the Governor;

(B) the State educational agency;

(C) representatives of business and industry, including representatives of key industry sectors, and of small- and medium-size and large employers, in the State;

(D) representatives of labor and workers;

(E) local elected officials from throughout the State;

(F) the State agency officials responsible for vocational education;

(G) the State agency officials responsible for postsecondary education;

(H) the State agency officials responsible for adult education;

(I) the State agency officials responsible for vocational rehabilitation;

(J) such other State agency officials, including officials responsible for economic development and employment, as the Governor may designate;

(K) the representative of the Veterans' Employment and Training Service assigned to the State under section 4103 of title 38, United States Code; and

(L) other appropriate officials, including members of the State workforce development board described in section 715, if the State has established such a board;

collaborated in the development of such part of the plan.

(2) FAILURE TO OBTAIN SUPPORT.—If, after a reasonable effort, the Governor is unable to obtain the support of the individuals and entities described in paragraph (1) for the strategic plan the Governor shall—

(A) provide such individuals and entities with copies of the strategic plan;

(B) allow such individuals and entities to submit to the Governor, not later than the end of the 30-day period beginning on the date on which the Governor provides such individuals and entities with copies of such plan under subparagraph (A), comments on such plan; and

(C) include any such comments in such plan.

(e) APPROVAL.—The Secretary of Labor and the Secretary of Education, acting jointly on the advice of the Federal Partnership, shall approve a State plan if—

(1) the Federal Partnership determines that the plan contains the information described in subsection (c);

(2) the Federal Partnership determines that the State has prepared the plan in accordance with the requirements of this section, including the requirements relating to development of any part of the plan; and

(3) the State benchmarks for the State have been negotiated and approved in accordance with section 731(c).

(f) NO ENTITLEMENT TO A SERVICE.—Nothing in this title shall be construed to provide any individual with an entitlement to a service provided under this title.

SEC. 715. STATE WORKFORCE DEVELOPMENT BOARDS.

(a) ESTABLISHMENT.—A Governor of a State that receives an allotment under section 712 may establish a State workforce development board—

(1) on which a majority of the members are representatives of business and industry;

(2) on which not less than 25 percent of the members shall be representatives of labor, workers, and community-based organizations;

(3) that shall include representatives of veterans;

(4) that shall include a representative of the State educational agency and a representative from the State agency responsible for vocational rehabilitation;

(5) that may include any other individual or entity that participates in the collaboration described in section 714(d)(1); and

(6) that may include any other individual or entity the Governor may designate.

(b) CHAIRPERSON.—The State workforce development board shall select a chairperson from among the members of the board who are representatives of business and industry.

(c) FUNCTIONS.—The functions of the State workforce development board shall include—

(1) advising the Governor on the development of the statewide system, the State plan described in section 714, and the State goals and State benchmarks;

(2) assisting in the development of specific performance indicators to measure progress toward meeting the State goals and reaching the State benchmarks and providing guidance on how such progress may be improved;

(3) serving as a link between business, industry, labor, and the statewide system;

(4) assisting the Governor in preparing the annual report to the Federal Partnership regarding progress in reaching the State benchmarks, as described in section 731(a);

(5) receiving and commenting on the State plan developed under section 101 of the Rehabilitation Act of 1973 (29 U.S.C. 721);

(6) assisting the Governor in developing the statewide comprehensive labor market information system described in section 773(c) to provide information that will be utilized by all the providers of one-stop delivery of core services described in section 716(a)(2), providers of other workforce employment activities, and providers of workforce education activities, in the State; and

(7) assisting in the monitoring and continuous improvement of the performance of the statewide system, including evaluation of the effectiveness of workforce development activities funded under this title.

SEC. 716. USE OF FUNDS.

(a) WORKFORCE EMPLOYMENT ACTIVITIES.—

(1) IN GENERAL.—Funds made available to a State under this subtitle to carry out workforce employment activities through a statewide system—

(A) shall be used to carry out the activities described in paragraphs (2), (3), (4), and (5); and

(B) may be used to carry out the activities described in paragraphs (6), (7), (8), and (9).

(2) ONE-STOP DELIVERY OF CORE SERVICES.—

(A) ACCESS.—The State shall use a portion of the funds described in paragraph (1) to establish a means of providing access to the statewide system through core services described in subparagraph (B) available—

(i) through multiple, connected access points, linked electronically or otherwise;

(ii) through a network that assures participants that such core services will be available regardless of where the participants initially enter the statewide system;

(iii) at not less than 1 physical location in each substate area of the State; or

(iv) through some combination of the options described in clauses (i), (ii), and (iii).

(B) CORE SERVICES.—The core services referred to in subparagraph (A) shall, at a minimum, include—

(i) outreach, intake, and orientation to the information and other services available through one-stop delivery of core services described in this subparagraph;

(ii) initial assessment of skill levels, aptitudes, abilities, and supportive service needs;

(iii) job search and placement assistance and, where appropriate, career counseling;

(iv) customized screening and referral of qualified applicants to employment;

(v) provision of accurate information relating to local labor market conditions, including employment profiles of growth industries and occupations within a substate area, the educational and skills requirements of jobs in the industries and occupations, and the earnings potential of the jobs;

(vi) provision of accurate information relating to the quality and availability of other workforce employment activities, workforce education activities, and vocational rehabilitation program activities;

(vii) provision of information regarding how the substate area is performing on the State benchmarks;

(viii) provision of initial eligibility information on forms of public financial assistance that may be available in order to enable persons to participate in workforce employment activities, workforce education activities, or vocational rehabilitation program activities; and

(ix) referral to other appropriate workforce employment activities, workforce education activities, and vocational rehabilitation employment activities.

(3) EDUCATION AND TRAINING SERVICES.—

(A) IN GENERAL.—The State shall use a portion of the funds described in paragraph (1) to provide education and training services in accordance with this paragraph to adults, each of whom—

(i) is unable to obtain employment through core services described in paragraph (2)(B);

(ii) needs the education and training services in order to obtain employment, as determined through—

(I) an initial assessment under paragraph (2)(B)(ii); or

(II) a comprehensive and specialized assessment; and

(iii) is unable to obtain other grant assistance, such as a Pell Grant provided under title IV of the Higher Education Act of 1965 (20 U.S.C. 1070 et seq.), for such services.

(B) TYPES OF SERVICES.—Such education and training services may include the following:

(i) Occupational skills training, including training for nontraditional employment.

(ii) On-the-job training.

(iii) Services that combine workplace training with related instruction.

(iv) Skill upgrading and retraining.

(v) Entrepreneurial training.

(vi) Preemployment training to enhance basic workplace competencies, provided to individuals who are determined under guidelines developed by the Federal Partnership to be low-income.

(vii) Customized training conducted with a commitment by an employer or group of employers to employ an individual on successful completion of the training.

(C) USE OF VOUCHERS FOR DISLOCATED WORKERS.—

(i) IN GENERAL.—Except as provided in clauses (ii) and (iii), education and training services described in subparagraph (B) shall be provided to dislocated workers through a system of vouchers that is administered through one-stop delivery described in paragraph (2).

(ii) EXCEPTIONS.—Education and training services described in subparagraph (B) may be provided to dislocated workers in a substate area through a contract for services in lieu of a voucher if—

(I) the local partnership described in section 728(a), or local workforce development board described in section 728(b), for the substate area determines there are an insufficient number of eligible entities in the substate area to effectively provide the education and training services through a voucher system;

(II) the local partnership or local workforce development board determines that the eligible entities in the substate area are unable to effectively provide the education and training services to special participant populations; or

(III) the local partnership or local workforce development board decides that the education and training services shall be provided through a direct contract with a community-based organization serving special participant populations.

(iii) PROHIBITION ON PROVISION OF ON-THE-JOB TRAINING THROUGH VOUCHERS.—On-the-job training provided under this paragraph shall not be provided through a voucher system.

(D) ELIGIBILITY OF EDUCATION AND TRAINING SERVICE PROVIDERS.—

(i) ELIGIBILITY REQUIREMENTS.—An entity shall be eligible to provide the education and training services through a program carried out under this paragraph and receive funds from the portion described in subparagraph (A) through the receipt of vouchers if—

(I)(aa) the entity is eligible to carry out the program under title IV of the Higher Education Act of 1965; or

(bb) the entity is eligible to carry out the program under an alternative eligibility procedure established by the Governor of the State that includes criteria for minimum acceptable levels of performance; and

(II) the entity submits accurate performance-based information required pursuant to clause (ii), except that entities described in subclause (I)(aa) shall only be required to provide information for programs other than programs leading to a degree.

(ii) PERFORMANCE-BASED INFORMATION.—The State shall identify performance-based information that is to be submitted by an entity for the entity to be eligible to provide the services, and receive the funds, described in clause (i). Such information shall include information relating to—

(I) the percentage of students completing the programs, if any, through which the entity provides education and training services described in subparagraph (B), as of the date of the submission;

(II) the rates of licensure of graduates of the programs;

(III) the percentage of graduates of the programs meeting skill standards and certification requirements endorsed by the National Skill Standards Board established under the Goals 2000: Educate America Act;

(IV) the rates of placement and retention in employment, and earnings, of the graduates of the programs;

(V) the percentage of students in such a program who obtained employment in an occupation related to the program; and

(VI) the warranties or guarantees provided by such entity relating to the skill levels or employment to be attained by recipients of the education and training services provided by the entity under this paragraph.

(iii) ADMINISTRATION.—The Governor shall designate a State agency to collect, verify, and disseminate the performance-based information submitted pursuant to clause (ii).

(iv) ON-THE-JOB TRAINING EXCEPTION.—Entities shall not be subject to the requirements of clauses (i) through (iii) with respect to on-the-job training activities.

(4) LABOR MARKET INFORMATION SYSTEM.—The State shall use a portion of the funds described in paragraph (1) to establish a statewide comprehensive labor market information system described in section 773(c).

(5) JOB PLACEMENT ACCOUNTABILITY SYSTEM.—The State shall use a portion of the funds described in paragraph (1) to establish a job placement accountability system described in section 731(d).

(6) PERMISSIBLE ONE-STOP DELIVERY ACTIVITIES.—The State may provide, through one-stop delivery—

(A) co-location of services related to workforce development activities, such as unemployment insurance, vocational rehabilitation program activities, welfare assistance, veterans' employment services, or other public assistance;

(B) intensive services for participants who are unable to obtain employment through the core services described in paragraph (2)(B), as determined by the State; and

(C) dissemination to employers of information on activities carried out through the statewide system.

(7) OTHER PERMISSIBLE ACTIVITIES.—The State may use a portion of the funds described in paragraph (1) to provide services through the statewide system that may include—

(A) training to develop work habits to help individuals obtain and retain employment;

(B) rapid response assistance for dislocated workers;

(C) preemployment and work maturity skills training for youth;

(D) connecting activities that organize consortia of small- and medium-size businesses to provide work-based learning opportunities for youth participants in school-to-work programs;

(E) services to assist individuals in attaining certificates of mastery with respect to industry-based skill standards;

(F) case management services;

(G) supportive services, such as transportation and financial assistance, that enable individuals to participate in the statewide system;

(H) followup services for participants who are placed in unsubsidized employment; and

(I) an employment and training program described in section 6(d)(4) of the Food Stamp Act of 1977 (7 U.S.C. 2015(d)(4)).

(8) STAFF DEVELOPMENT AND TRAINING.—The State may use a portion of the funds described in paragraph (1) for the development and training of staff of providers of one-stop delivery of core services described in paragraph (2), including development and training relating to principles of quality management.

(9) INCENTIVE GRANT AWARDS.—The State may use a portion of the funds described in paragraph (1) to award incentive grants to substate areas that reach or exceed the State benchmarks established under section 731(c), with an emphasis on benchmarks established under section 731(c)(3). A substate area that receives such a grant may use the funds made available through the grant to carry out any workforce development activities authorized under this title.

(10) FUNDS FROM UNEMPLOYMENT TRUST FUND.—Funds made available to a Governor under section 901(c)(1)(A) of the Social Security Act (42 U.S.C. 1101(c)(1)(A)) for a program year shall only be available for workforce employment activities authorized under such section 901(c)(1)(A), which are—

(A) the administration of State unemployment compensation laws as provided in title III of the Social Security Act (including administration pursuant to agreements under any Federal unemployment compensation law);

(B) the establishment and maintenance of statewide workforce development systems, to the extent the systems are used to carry out activities described in section 773, or in any of clauses (ii) through (v) of section 716(a)(2)(B); and

(C) carrying out the activities described in sections 4103, 4103A, 4104, and 4104A of title 38, United States Code (relating to veterans' employment services).

(b) WORKFORCE EDUCATION ACTIVITIES.—The State educational agency shall use the funds made available to the State educational agency under this subtitle for workforce education activities to carry out, through the statewide system, activities that include—

(1) integrating academic and vocational education;

(2) linking secondary education (as determined under State law) and postsecondary education, including implementing tech-prep programs;

(3) providing career guidance and counseling for students at the earliest possible age,

including the provision of career awareness, exploration, planning, and guidance information to students and their parents that is, to the extent possible, in a language and form that the students and their parents understand;

(4) providing literacy and basic education services for adults and out-of-school youth, including adults and out-of-school youth in correctional institutions;

(5) providing programs for adults and out-of-school youth to complete their secondary education;

(6) expanding, improving, and modernizing quality vocational education programs; and

(7) improving access to quality vocational education programs for at-risk youth.

(c) Fiscal Requirements for Workforce Education Activities.—

(1) Supplement not supplant.—Funds made available under this subtitle for workforce education activities shall supplement, and may not supplant, other public funds expended to carry out workforce education activities.

(2) Maintenance of effort.—

(A) Determination.—No payments shall be made under this subtitle for any program year to a State for workforce education activities unless the Federal Partnership determines that the fiscal effort per student or the aggregate expenditures of such State for workforce education for the program year preceding the program year for which the determination is made, equaled or exceeded such effort or expenditures for workforce education for the second program year preceding the fiscal year for which the determination is made.

(B) Waiver.—The Federal Partnership may waive the requirements of this section (with respect to not more than 5 percent of expenditures by any State educational agency) for 1 program year only, on making a determination that such waiver would be equitable due to exceptional or uncontrollable circumstances affecting the ability of the applicant to meet such requirements, such as a natural disaster or an unforeseen and precipitous decline in financial resources. No level of funding permitted under such a waiver may be used as the basis for computing the fiscal effort or aggregate expenditures required under this section for years subsequent to the year covered by such waiver. The fiscal effort or aggregate expenditures for the subsequent years shall be computed on the basis of the level of funding that would, but for such waiver, have been required.

(d) Flexible Workforce Activities.—

(1) Core flexible workforce activities.—The State shall use a portion of the funds made available to the State under this subtitle through the flex account to carry out school-to-work activities through the statewide system, except that any State that received a grant under subtitle B of title II of the School-to-Work Opportunities Act of 1994 (20 U.S.C. 6141 et seq.) shall use such portion to support the continued development of the statewide School-to-Work Opportunities system of the State through the continuation of activities that are carried out in accordance with the terms of such grant.

(2) Permissible flexible workforce activities.—The State may use a portion of the funds made available to the State under this subtitle through the flex account—

(A) to carry out workforce employment activities through the statewide system; and

(B) to carry out workforce education activities through the statewide system.

(e) Economic Development Activities.—In the case of a State that meets the requirements of section 728(c), the State may use a portion of the funds made available to the State under this subtitle through the flex account to supplement other funds provided by the State or private sector—

(1) to provide customized assessments of the skills of workers and an analysis of the skill needs of employers;

(2) to assist consortia of small- and medium-size employers in upgrading the skills of their workforces;

(3) to provide productivity and quality improvement training programs for the workforces of small- and medium-size employers;

(4) to provide recognition and use of voluntary industry-developed skills standards by employers, schools, and training institutions;

(5) to carry out training activities in companies that are developing modernization plans in conjunction with State industrial extension service offices; and

(6) to provide on-site, industry-specific training programs supportive of industrial and economic development;

through the statewide system.

(f) Limitations.—

(1) Wages.—No funds provided under this subtitle shall be used to pay the wages of incumbent workers during their participation in economic development activities provided through the statewide system.

(2) Relocation.—No funds provided under this subtitle shall be used or proposed for use to encourage or induce the relocation, of a business or part of a business, that results in a loss of employment for any employee of such business at the original location.

(3) Training and assessments following relocation.—No funds provided under this subtitle shall be used for customized or skill training, on-the-job training, or company specific assessments of job applicants or workers, for any business or part of a business, that has relocated, until 120 days after the date on which such business commences operations at the new location, if the relocation of such business or part of a business, results in a loss of employment for any worker of such business at the original location.

(g) Limitations on Participants.—

(1) Diploma or equivalent.—

(A) In general.—No individual may participate in workforce employment activities described in subparagraph (A), (B), (C), (E), (G), (J), or (K) of subsection (a)(7) until the individual has obtained a secondary school diploma or its recognized equivalent, or is enrolled in a program or course of study to obtain a secondary school diploma or its recognized equivalent.

(B) Exception.—Nothing in subparagraph (A) shall prevent participation in workforce employment activities described under subparagraph (A), (B), (C), (E), (G), (J), or (K) of subsection (a)(7) by individuals who, after testing and in the judgment of medical, psychiatric, academic, or other appropriate professionals, lack the requisite capacity to complete successfully a course of study that would lead to a secondary school diploma or its recognized equivalent.

(2) Services.—

(A) Referral.—If an individual who has not obtained a secondary school diploma or its recognized equivalent applies to participate in workforce employment activities described under subparagraph (A), (B), (C), (E), (G), (J), or (K) of subsection (a)(7), such individual shall be referred to State approved adult education services that provide instruction designed to help such individual obtain a secondary school diploma or its recognized equivalent.

(B) State provision of services.—Notwithstanding any other provision of this title, a State may use funds made available under section 713(a)(1) to provide State approved adult education services that provide instruction designed to help individuals obtain a secondary school diploma or its recognized equivalent, to individuals who—

(i) are seeking to participate in workforce employment activities described under subparagraph (A), (B), (C), (E), (G), (J), or (K) of subsection (a)(7); and

(ii) are otherwise unable to obtain such services.

(h) Special Rule.—References in section 703(39), and section 7(38) of the Rehabilitation Act of 1973, to section 716(a)(8) shall be deemed to be references to section 716(a)(9).

MIKULSKI AMENDMENTS NOS. 2668–2669

Mr. MOYNIHAN (for Ms. Mikulski) proposed two amendments to amendment No. 2280 proposed by Mr. Dole to the bill H.R. 4, supra, as follows:

Amendment No. 2668

On page 520, strike lines 17 through 19 and insert the following:

(7) Title VII of the Stewart B. McKinney

Amendment No. 2669

On page 10, line 24, insert "in a way that does not encourage the break up of 2-parent families" after "minor children".

On page 12, between lines 22 and 23, insert the following:

"(G) Develop and implement, in cases where appropriate and beneficial to the child, a program that encourages participation of both parents in the parenting of the child or children and encourages two-parent families.

On page 17, line 22, strike "amount (if any) determined under subparagraph (B)" and insert "amount determined under subparagraphs (B) and (C)".

On page 18, between lines 15 and 16, insert the following:

"(C) Amount determined.—The amount determined under this subparagraph is the amount which bears the same ratio to the amount specified under section 413A(h) as the amount otherwise determined for such State under subparagraph (A) (without regard to the reduction determined under this subparagraph) bears to $16,795,323.

On page 18, line 16, strike "(C)" and insert "(D)".

On page 18, line 21, strike "subparagraph (B)" and insert "subparagraphs (B) and (C)".

On page 22, line 15, strike "and".

On page 22, line 17, strike the period and insert "; and".

On page 22, between lines 17 and 18, insert:

"(iii) grants to States under section 413A.

On page 42, between lines 21 and 22, insert the following:

"(f) Disregard of First $50 of Child Support.—A State to which a grant is made under section 403 shall, in determining the eligibility of a family for assistance under the State program funded under this part, disregard for any month the first $50 of any child support payments received by such family received in that month.

On page 50, line 5, strike the period and insert a semicolon.

On page 50, between lines 5 and 6, insert the following:

"except that if a State elects to deny benefits under this subsection the State shall certify to the Secretary that the State has established financial incentives to encourage recipients of assistance to marry. Such incentives must permit recipients who marry to retain benefits that are at least equal in value to the amount of the penalty imposed on other families under this subsection.".

On page 51, between lines 11 and 12 , insert the following new subsection:

"(e) PROHIBITION OF THE 100 HOUR RULE.—A State to which a grant is made under section 403 may not deny an individual eligibility for assistance under such grant solely on the basis of the number of hours worked by the spouse of the individual.

On page 51, line 12, strike "(e)" and insert "(f).

On page 69, between lines 22 and 23, insert the following:

"SEC. 413A. TRAINING AND EMPLOYMENT FOR NON-CUSTODIAL PARENTS.

"(a) IN GENERAL.—The Secretary shall make grants to States with applications approved under this section to conduct programs of training and employment opportunities for noncustodial parents in accordance with the requirements of this section.

"(b) APPLICATION.—

"(1) IN GENERAL.—Each State desiring to conduct a program under this section shall prepare and submit to the Secretary an application described in paragraph (2) at such time, in such manner, and containing such information as the Secretary may require.

"(2) APPLICATION DESCRIBED.—An application to conduct a program under this section shall—

"(A) describe the political subdivision or subdivisions, or other identifiable areas of the State where the program will be conducted;

"(B) describe the services that will be provided to participants, including the training, job readiness services, and employment opportunities that will be available, and indicate whether these will be provided through the program under this part or whether some or all of the activities under this subsection will be conducted as a separate program;

"(C) describe the supportive services that will be provided to enhance the participant's involvement in the program and ability to obtain employment and meet his or her child support obligations;

"(D) indicate whether the State will conduct a random assignment evaluation of the effects of the program on improved responsibility in meeting child support obligations; and

"(E) provide assurance that the State's program will comply with the requirements of this subsection.

"(c) ELIGIBILITY FOR PARTICIPATION IN THE PROGRAM.—The application described in subsection (b)(1) shall provide that a noncustodial parent will be eligible to commence participation in the program under this section if his or her child is receiving assistance under the State program funded under this part or if the noncustodial parent owes past-due child support which has been assigned to the State and is unemployed. Paternity must be established before a noncustodial father may enter the program, and the noncustodial parent must be cooperating in the establishment of a child support obligation and the entry of an award. If a parent who has been participating in the program ceases to be eligible therefore because the child with respect to whom the support obligation exists is no longer eligible for assistance under the State program funded under this part, the State must nonetheless allow the participant to complete the training or program activity.

"(d) NO GUARANTEE OF PARTICIPATION OR ACCESS TO SERVICES.—A State conducting a program under this section shall not be required—

"(1) to accept all applicants even though they meet the criteria of subsection (c); or

"(2) to provide the same training, services, or employment opportunities to all participants.

"(e) WAGES.—The State agency shall assure that wages will be paid for work performed by the participant and may provide for the payment of training stipends.

"(f) CHILD SUPPORT.—

"(1) GARNISHMENT.—The State agency shall garnish subsidized wages, or any stipends, paid in connection with a non-custodial parent's participation in the program under this section, and remit them to the State agency administering the State plan approved under part D for distribution as a child support collection in accordance with the provisions of that part.

"(2) CREDITING OF PAST DUE AMOUNTS.—The State may provide, if, with respect to an individual participating in the program under this section, it has jurisdiction over the child support obligation being enforced, that hours of participation in program activities may, or a reasonable basis, be credited to reduce amounts of past-due child support owed to such State agency by the individual.

"(g) MINIMUM PARTICIPATION RATE.—For purposes of determining the minimum participation rates for a fiscal year under section 404, an individual participating in the program under this section shall be included in the number determined under section 404(b)(1)(B)(i)(I) for purposes of determining the participation rate for 2-parent families under section 404(b)(2).

"(h) FUNDING.—The following amounts shall be available to make grants under this section:

"(1) $80,000,000 of the amount appropriated under section 403(a)(4) for fiscal year 1996.

"(2) $100,000,000 of the amount appropriated under section 403(a)(4) for fiscal year 1997.

"(3) $130,000,000 of the amount appropriated under section 403(a)(4) for fiscal year 1998.

"(4) $150,000,000 of the amount appropriated under section 403(a)(4) for fiscal year 1999.

"(5) $175,000,000 of the amount appropriated under section 403(a)(4) for fiscal year 2000.

On page 580, between lines 22 and 23, insert the following:

"(1) FOR ALL FAMILIES.—The State shall distribute the first $50 of such amount to the family.

On page 580, line 23, strike "(1)" and insert "(2)".

On page 581, line 5, strike "(2)" and insert "(3)".

On page 583, line 3, strike "(3)" and insert "(4)".

On page 641, between lines 11 and 12, insert the following:

SEC. 426. DURATION OF SUPPORT.

Section 466(a) (42 U.S.C. 666(a)), as amended by this Act, is amended—

(1) by inserting after paragraph (16) the following new paragraph:

"(17) Procedures under which the State—

"(A) requires a continuing support obligation by the noncustodial parent until at least the later of the date on which a child for whom a support obligation is owed reaches the age of 18, or graduates from or is no longer enrolled in secondary school or its equivalent, unless a child marries, joins the United States armed forces, or is otherwise emancipated under State law;

"(B)(i) provides that courts or administrative agencies with child support jurisdiction have the discretionary power, until the date on which the child involved reaches the age of 22, pursuant to criteria established by the State, to order child support, payable directly or indirectly (support may be paid directly to a postsecondary or vocational school or college) to a child, at least up to the age of 22 for a child enrolled full-time in an accredited postsecondary or vocational school or college and who is a student in good standing; and

"(ii) may, without application of the rebuttable presumption in section 467(b)(2), award support under this subsection in amounts that, in whole or in part, reflect the actual costs of post secondary education; and

"(C) provides for child support to continue beyond the child's age of majority provided the child is disabled, unable to be self-supportive, and the disability arose during the child's minority."; and

(2) by adding at the end the following new sentence: "Nothing in paragraph (17) shall preclude a State from imposing more extensive child support obligations or obligations of longer duration.".

On page 792, after line 22, add the following new title:

TITLE ___—CHILD CUSTODY REFORM

SEC. ___01. SHORT TITLE.

This title may be cited as the "Child Custody Reform Act of 1995".

SEC. ___02. REQUIREMENTS FOR EXCLUSIVE CONTINUING JURISDICTION MODIFICATION.

Section 1738A of title 28, United States Code, is amended—

(1) in subsection (d) to read as follows:

"(d)(1) Subject to paragraph (2) the jurisdiction of a court of a State that has made a child custody or visitation determination in accordance with this section continues exclusively as long as such State remains the residence of the child or of any contestant.

"(2) Continuing jurisdiction under paragraph (1) shall be subject to any applicable provision of law of the State that issued the initial child custody determination in accordance with this section, when such State law establishes limitations on continuing jurisdiction when a child is absent from such State.";

(2) in subsection (f)

(A) by redesignating paragraphs (1) and (2) as paragraphs (2) and (1), respectively and transferring paragraph (2) (as so redesignated) so as to appear after paragraph (1) (as so redesignated); and

(B) in paragraph (1) (as so redesignated), by inserting "pursuant to subsection (d)," after "the court of the other State no longer has jurisdiction,"; and

(3) in subsection (g), by inserting "or continuing jurisdiction" after "exercising jurisdiction".

SEC. ___03. ESTABLISHMENT OF NATIONAL CHILD CUSTODY REGISTRY.

Section 453 of the Social Security Act (42 U.S.C. 653) (as amended by section 916) is further amended by adding at the end the following new subsection:

"(p)(1) Not later than 1 year after the date of enactment of this subsection, the Secretary, in consultation with the Attorney General, shall conduct and conclude a study regarding the most practicable and efficient way to create a national child custody registry to carry out the purposes of paragraph (3). Pursuant to this study, and subject to the availability of appropriations, the Secretary shall create a national child custody registry and promulgate regulations necessary to implement such registry. The study and regulations shall include—

"(A) a determination concerning whether a new national database should be established or whether an existing network should be expanded in order to enable courts to identify child custody determinations made by, or proceedings filed before, any court of the United States, its territories or possessions;

"(B) measures to encourage and provide assistance to States to collect and organize the data necessary to carry out subparagraph (A);

"(C) if necessary, measures describing how the Secretary will work with the related and interested State agencies so that the database described in subparagraph (A) can be linked with appropriate State registries for the purpose of exchanging and comparing the child custody information contained therein;

"(D) the information that should be entered in the registry (such as the court of jurisdiction where a child custody proceeding has been filed or a child custody determination has been made, the name of the presiding officer of the court in which a child custody proceeding has been filed, the telephone number of such court, the names and social security numbers of the parties, the name, date of birth, and social security numbers of each child) to carry out the purposes of paragraph (3);

"(E) the standards necessary to ensure the standardization of data elements, updating of information, reimbursement, reports, safeguards for privacy and information security, and other such provisions as the Secretary determines appropriate;

"(F) measures to protect confidential information and privacy rights (including safeguards against the unauthorized use or disclosure of information) which ensure that—

"(i) no confidential information is entered into the registry;

"(ii) the information contained in the registry shall be available only to courts or law enforcement officers to carry out the purposes in paragraph (3); and

"(iii) no information is entered into the registry (or where information has previously been entered, that other necessary means will be taken) if there is a reason to believe that the information may result in physical harm to a person; and

"(G) an analysis of costs associated with the establishment of the child custody registry and the implementation of the proposed regulations.

"(2) As used in this subsection—

"(A) the term 'child custody determination' means a judgment, decree, or other order of a court providing for custody or visitation of a child, and includes permanent and temporary orders, and initial orders and modifications; and

"(B) the term 'custody proceeding'—

"(i) means a proceeding in which a custody determination is one of several issues, such as a proceeding for divorce or separation, as well as neglect, abuse, dependency, wardship, guardianship, termination of parental rights, adoption, protective action from domestic violence, and Hague Child Abduction Convention proceedings; and

"(ii) does not include a judgment, decree, or other order of a court made in a juvenile delinquency, or status offender proceeding.

"(3) The purposes of this subsection are to—

"(A) encourage and provide assistance to State and local jurisdictions to permit—

"(i) courts to identify child custody determinations made by, and proceedings in, other States, local jurisdictions, and countries;

"(ii) law enforcement officers to enforce child custody determinations and recover parentally abducted children consistent with State law and regulations;

"(B) avoid duplicative and or contradictory child custody or visitation determinations by assuring that courts have the information they need to—

"(i) give full faith and credit to the child custody or visitation determination made by a court of another State as required by section 1738A of title 28, United States Code; and

"(ii) refrain from exercising jurisdiction when another court is exercising jurisdiction consistent with section 1738A of title 28, United States Code.

"(4) There are authorized to be appropriated such sums as may be necessary to establish the child custody registry and implement the regulations pursuant to paragraph (1).".

SEC. __04. SENSE OF THE SENATE REGARDING SUPERVISED CHILD VISITATION CENTERS.

It is the sense of the Senate that local governments should take full advantage of the Local Crime Prevention Block Grant Program established under subtitle B of title III of the Violent Crime Control and Law Enforcement Act of 1994, to establish supervised visitation centers for children who have been removed from their parents and placed outside the home as a result of abuse or neglect or other risk of harm to such children, and for children whose parents are separated or divorced and the children are at risk because of physical or mental abuse or domestic violence.

KERREY AMENDMENT NO. 2670

Mr. MOYNIHAN (for Mr. KERREY) proposed an amendment to amendment No. 2280 proposed by Mr. DOLE to the bill H.R. 4, supra, as follows:

On page 229, strike lines 4 through 8 and insert the following:

"(2) ELECTION REVOCABLE.—A State that elects to participate in the program established under subsection (a) may subsequently reverse its election only once thereafter. Following such reversal, the State shall only be eligible to participate in the food stamp program in accordance with the other sections of this Act and shall not receive a block grant under this section.

DASCHLE (AND BINGAMAN) AMENDMENT NO. 2671

Mr. MOYNIHAN (for Mr. DASCHLE for himself and Mr. BINGAMAN) proposed an amendment to amendment No. 2280 proposed by Mr. DOLE to the bill H.R. 4, supra, as follows:

On page 26, before line 1, insert the following:

"(6) LOANS TO INDIAN TRIBES.—For purposes of this subsection, an Indian tribe with a tribal family assistance plan approved under section 414 shall be treated as a State, except that—

"(A) the Secretary may extend the time limitation under paragraph (4)(A);

"(B) the Secretary may waive the interest requirement under subparagraph (4)(B);

"(C) paragraph (4)(C) shall be applied by substituting 'tribal family assistance grant under section 414' for 'State family assistance grant under subsection (a)(2)'; and

"(D) paragraph (5) shall be applied without regard to subparagraph (B).

On page 26, strike lines 11 through 16, and insert the following:

"(2) ELIGIBLE INDIAN TRIBE.—For purposes of paragraph (1), the term 'eligible Indian tribe' means an Indian tribe or Alaska Native organization that—

"(A) conducted a job opportunities and basic skills training program in fiscal year 1995 under section 482(i) (as in effect during such fiscal year); and

"(B) is not receiving a tribal family assistance grant under section 414.

Beginning on page 63, line 14, strike all through page 68, line 21, and insert the following:

"(a) IN GENERAL.—

"(1) APPLICATION.—

"(A) IN GENERAL.—An Indian tribe may apply at any time to the Secretary (in such manner as the Secretary prescribes) to receive a family assistance grant.

"(B) 3-YEAR TRIBAL FAMILY ASSISTANCE PLAN.—

"(i) IN GENERAL.—As part of the application under subparagraph (A), the Indian tribe shall submit to the Secretary a 3-year tribal family assistance plan that—

"(I) outlines the Indian tribe's approach to providing welfare-related services for the 3-year period, consistent with the purposes of this section;

"(II) specifies whether the welfare-related services provided under the plan will be provided by the Indian tribe or through agreements, contracts, or compacts with intertribal consortia, States, or other entities;

"(III) identifies the population and service area or areas to be served by such plan;

"(IV) provides that a family receiving assistance under the plan may not receive duplicative assistance from other State or tribal programs funded under this part;

"(V) identifies the employment opportunities in or near the service area or areas of the Indian tribe and the manner in which the Indian tribe will cooperate and participate in enhancing such opportunities for recipients of assistance under the plan consistent with any applicable State standards; and

"(VI) applies the fiscal accountability provisions of section 5(f)(1) of the Indian Self-Determination and Education Assistance Act (25 U.S.C. 450c(f)(1)), relating to the submission of a single-agency audit report required by chapter 75 of title 31, United States Code. Nothing in this clause shall preclude an Indian tribe from entering into an agreement with a State under the tribal family assistance plan for providing services to individuals residing outside the tribe's jurisdiction or for providing services to non-tribal members residing within the tribe's jurisdiction. Any such agreement shall include an appropriate transfer of funds from the State to the tribe.

"(ii) APPROVAL.—The Secretary shall approve each tribal family assistance plan submitted in accordance with clause (i).

"(2) PARTICIPATION.—If a tribe chooses to apply and the application is approved, such tribe shall be entitled to a direct payment in the amount determined in accordance with the provisions of subsection (b) for each fiscal year beginning after such approval.

"(3) NO PARTICIPATION.—If a tribe chooses not to apply, the amount that would otherwise be available to such tribe for the fiscal year shall be payable to the State in which that tribe is located. Such State shall provide equitable access to services by recipients within that tribe's jurisdiction.

"(4) NO MATCH REQUIRED.—Indian tribes shall not be required to submit a monetary match to receive a payment under this section.

"(5) JOINT PROGRAMS.—An Indian tribe may also apply to the Secretary jointly with 1 or more such tribes to administer family assistance services as a consortium. The Secretary shall establish such terms and conditions for such consortium as are necessary.

"(b) PAYMENT AMOUNT.—

"(1) IN GENERAL.—From an amount equal to 3 percent of the amount specified under section 403(a)(4) for a fiscal year, the Secretary shall pay directly to each Indian tribe requesting a family assistance grant for such fiscal year an amount pursuant to an allocation formula determined by the Secretary based on the need for services and utilizing (if possible) data that is common to all Indian tribes.

"(2) AUTHORITY TO RESERVE CERTAIN AMOUNTS FOR ASSISTANCE.—An Indian tribe may reserve amounts paid to the Indian tribe under this part for any fiscal year for the purpose of providing, without fiscal year limitation, assistance under the program operated under this part.

"(c) VOLUNTARY TERMINATION.—An Indian tribe may voluntarily terminate receipt of a family assistance grant. The Indian tribe shall give the State and the Secretary notice of such decision 6 months prior to the date of termination. The amount under subsection (b) with respect to such grant for the fiscal year shall be payable to the State in which that tribe is located. Such State shall provide equitable access to services by recipients residing within that tribe's jurisdiction. If a voluntary termination of a grant occurs under this subsection, the tribe shall not be eligible to submit an application under this section before the 6th year following such termination.

"(d) MINIMUM WORK PARTICIPATION REQUIREMENTS AND TIME LIMITS.—The Secretary, with the participation of Indian tribes, shall establish for each Indian tribe receiving a grant under this section minimum work participation requirements, appropriate time limits for receipt of welfare-related services under such grant, and penalties against individuals—

"(1) consistent with the purposes of this section;

"(2) consistent with the economic conditions and resources available to each tribe; and

"(3) similar to comparable provisions in section 404(d).

"(e) EMERGENCY ASSISTANCE.—Nothing in this section shall preclude an Indian tribe from seeking emergency assistance from any Federal loan program or emergency fund.

"(f) MAINTENANCE OF EFFORT ASSISTANCE.—Nothing in this section shall preclude a State from providing maintenance of effort funds to Indian tribes located in such State.

"(g) ACCOUNTABILITY.—Nothing in this section shall be construed to limit the ability of the Secretary to maintain program funding accountability consistent with—

"(1) generally accepted accounting principles; and

"(2) the requirements of the Indian Self-Determination and Education Assistance Act (25 U.S.C. 450 et seq.).

"(h) TRIBAL PENALTIES.—For the purpose of ensuring the proper use of family assistance grants, the following provisions shall apply to an Indian tribe with an approved tribal assistance plan:

"(1) The provisions of subsections (a)(1), (a)(6), and (b) of section 407, in the same manner as such subsections apply to a State.

"(2) The provisions of section 407(a)(3), except that such subsection shall be applied by substituting 'the minimum requirements established under subsection (d) of section 414' for 'the minimum participation rates specified in section 404'.

"(i) DATA COLLECTION AND REPORTING.—For the purpose of ensuring uniformity in data collection, section 409 shall apply to an Indian tribe with an approved family assistance plan.

"(j) INFORMATION SHARING.—Each State and the Indian tribes located within its jurisdiction may share (in a manner that ensures confidentiality) eligibility and other information on residents in such State that would be helpful for determining eligibility for other Federal and State assistance programs.

On page 101, between lines 20 and 21, insert the following:

(j) AMENDMENT TO TITLE XIX.—Section 1903(u)(1)(D) (42 U.S.C. 1396b(u)(1)(D)) is amended by adding at the end the following new clause:

"(vi) In determining the amount of erroneous excess payments, there shall not be included any erroneous payments made by the State to the benefit of members of Indian families based on correctly processed information received or information not timely received from a tribe with a tribal family assistance plan approved under part A of title IV of the Social Security Act.".

On page 108, between lines 20 and 21, insert the following:

(i) Section 16(c)(3) of the Food Stamp Act (7 U.S.C. 2025(c)(3)) is amended by adding at the end the following new subparagraph:

"(C) Any errors resulting from State payments to Indian families based on correctly processed information received or information not timely received from a tribe with a tribal family assistance plan approved under part A of title IV of the Social Security Act.".

DASCHLE AMENDMENT NO. 2672

Mr. MOYNIHAN (for Mr. DASCHLE) proposed an amendment to amendment No. 2280 proposed by Mr. DOLE to the bill H.R. 4, supra, as follows:

Beginning on page 26, line 13, strike all through page 28, line 19, and insert the following:

"(d) CONTINGENCY FUND.—

"(1) ESTABLISHMENT.—There is hereby established in the Treasury of the United States a fund which shall be known as the 'Contingency Fund for State Welfare Programs' (hereafter in this section referred to as the 'Fund').

"(2) DEPOSITS INTO FUND.—Out of any money in the Treasury of the United States not otherwise appropriated, there are hereby appropriated for fiscal years 1996, 1997, 1998, 1999, 2000, 2001, and 2002 such sums as are necessary for payment to the Fund in a total amount not to exceed $5,000,000,000, of which not more than $4,000,000,000 shall be available during the first 5 fiscal years.

"(3) COMPUTATION OF GRANT.—

"(A) IN GENERAL.—Subject to subparagraph (B), the Secretary of the Treasury shall pay to each eligible State in a fiscal year an amount equal to the Federal medical assistance percentage for such State for such fiscal year (as defined in section 1905(b)) of so much of the expenditures by the State in such year under the State program funded under this part as exceed the historic State expenditures for such State.

"(B) LIMITATION.—The total amount paid to a State under subparagraph (A) for any fiscal year shall not exceed an amount equal to 20 percent of the annual amount determined for such State under the State program funded under this part (without regard to this subsection) for such fiscal year.

"(C) METHOD OF COMPUTATION, PAYMENT, AND RECONCILIATION.—

"(i) METHOD OF COMPUTATION.—The method of computing and paying such amounts shall be as follows:

"(I) The Secretary of Health and Human Services shall estimate the amount to be paid to the State for each quarter under the provisions of subparagraph (A), such estimate to be based on a report filed by the State containing its estimate of the total sum to be expended in such quarter and such other information as the Secretary may find necessary.

"(II) The Secretary of Health and Human Services shall then certify to the Secretary of the Treasury the amount so estimated by the Secretary of Health and Human Services.

"(ii) METHOD OF PAYMENT.—The Secretary of the Treasury shall thereupon, through the Fiscal Service of the Department of the Treasury and prior to audit or settlement by the General Accounting Office, pay to the State, at the time or times fixed by the Secretary of Health and Human Services, the amount so certified.

"(iii) METHOD OF RECONCILIATION.—If at the end of each fiscal year, the Secretary of Health and Human Services finds that a State which received amounts from the Fund in such fiscal year did not meet the maintenance of effort requirement under paragraph (5)(B) for such fiscal year, the Secretary shall reduce the State family assistance grant for such State for the succeeding fiscal year by such amounts.

"(4) USE OF GRANT.—

"(A) IN GENERAL.—An eligible State may use the grant—

"(i) in any manner that is reasonably calculated to accomplish the purpose of this part; or

"(ii) in any manner that such State used amounts received under part A or F of this title, as such parts were in effect before October 1, 1995.

"(B) REFUND OF UNUSED PORTION.—Any amount of a grant under this subsection not used during the fiscal year shall be returned to the Fund.

"(5) ELIGIBLE STATE.—

"(A) IN GENERAL.—For purposes of this subsection, a State is an eligible State with respect to a fiscal year, if such State—

"(i) has an average total unemployment rate or a children population in such State's food stamp program which exceeds such average total rate or population for fiscal year 1994; and

"(ii) has met the maintenance of effort requirement under subparagraph (B) for the State program funded under this part for the fiscal year.

"(B) MAINTENANCE OF EFFORT.—

"(i) IN GENERAL.—The maintenance of effort requirement for any State under this subparagraph for any fiscal year is the expenditure of an amount at least equal to 100 percent of the level of spending in FY 94.

"(ii) HISTORIC STATE EXPENDITURES.—For purposes of this subparagraph, the term 'historic State expenditures' means payments of cash assistance to recipients of aid to families with dependent children under the State plan under part A of title IV for fiscal year 1994, as in effect during such fiscal year.

"(iii) DETERMINING STATE EXPENDITURES.—For purposes of this subparagraph, State expenditures shall not include any expenditures from amounts made available by the Federal Government.

"(6) ANNUAL REPORTS.—The Secretary of the Treasury shall annually report to the Congress on the status of the Fund.

SANTORUM AMENDMENT NO. 2673

Mr. SANTORUM proposed an amendment to amendment No. 2280 proposed by Mr. DOLE to the bill H.R. 4, supra, as follows:

On page 200, between lines 11 and 12, insert:

"(4) IMPLEMENTATION OF ELECTRONIC BENEFIT TRANSFER SYSTEM.—

"(A) IN GENERAL.—A State to which a grant is made under this Act is encouraged to implement the electronic benefit transfer system for providing assistance under the State program funded under this Act and may use the grant for such purpose. In implementing the system, the State shall use an open, competitive

MCCONNELL AMENDMENTS NOS. 2674–2675

Mr. SANTORUM (for Mr. MCCONNELL) proposed two amendments to amendment No. 2280 proposed by Mr. DOLE to the bill H.R. 4, supra, as follows:

AMENDMENT NO. 2674

On page 270, after line 23, insert the following:

(3) REGULATIONS.—

(A) INTERIM REGULATIONS.—Not later than February 1, 1996, the Secretary shall issue interim regulations to implement—

(i) the amendments made by paragraphs (1), (3), and (4) of subsection (b); and

(ii) section 17(f)(3)(C) of the National School Lunch Act (42 U.S.C. 1766(f)(3)(C)).

(B) FINAL REGULATIONS.—Not later than August 1, 1996, the Secretary shall issue final regulations to implement the provisions of law referred to in subparagraph (A).

AMENDMENT NO. 2675

On page 268, strike lines 4 through 17 and insert the following:

"(I) IN GENERAL.—A State agency administering the school lunch program under this Act or the school breakfast program under the Child Nutrition Act of 1966 (42 U.S.C. 1771 et seq.) shall provide to approved family or group day care home sponsoring organizations a list of schools serving elementary school children in the State in which not less than ½ of the children enrolled are certified to receive free or reduced price meals. The State agency shall collect the data necessary to create the list annually and provide the list on a timely basis to any approved family or group day care home sponsoring organization that requests the list.

PACKWOOD AMENDMENT NO. 2676

Mr. SANTORUM (for Mr. PACKWOOD) proposed an amendment to amendment No. 2280 proposed by Mr. DOLE to the bill H.R. 4, supra, as follows:

On page 11 strike lines 5 through 22.

On page 11, line 23, insert the following:

(B) NONDISCRIMINATION AGAINST EMPLOYEES ADMINISTERING OR PROVIDING SERVICES.—

(i) PROHIBITION.—A religious organization with a contract described in subsection (a)(1)(A) shall not discriminate in employment on the basis of religion of an employee or prospective employee if such employee's primary responsibility is or would be administering or providing services under such contract.

(ii) QUALIFIED APPLICANTS.—If 2 or more prospective employees are qualified for a position administering or providing services under a contract described in subsection (a)(1)(A), nothing in this section shall prohibit a religious organization from employing a prospective employee who is already participating on a regular basis in other activities of the organization.

(C) PRESENT EMPLOYEES.—This paragraph shall not apply to employees of religious organizations with a contract described in subsection (a)(1)(A) if such employees are employed by such organization on the date of the enactment of this Act.

KENNEDY AMENDMENT NO. 2677

Mr. MOYNIHAN (for Mr. KENNEDY) proposed an amendment to amendment No. 2280 proposed by Mr. DOLE to the bill H.R. 4, supra, as follows:

At the appropriate place, insert the following new section:

SEC. ___. EXTENSION OF TRANSITIONAL MEDICAID BENEFITS.

(a) EXTENSION OF MEDICAID ENROLLMENT FOR FORMER TEMPORARY EMPLOYMENT ASSISTANCE RECIPIENTS FOR 1 ADDITIONAL YEAR.—

(1) IN GENERAL.—Section 1925(b)(1) (42 U.S.C. 1396r–6(b)(1)) is amended by striking the period at the end and inserting the following: ", and shall provide that the State shall offer to each such family the option of extending coverage under this subsection for an additional 2 succeeding 6-month periods in the same manner and under the same conditions as the option of extending coverage under this subsection for the first succeeding 6-month period.".

(2) CONFORMING AMENDMENTS.—

(A) IN GENERAL.—Section 1925 (42 U.S.C. 1396r–6) is amended—

(i) in subsection (b)—

(I) in the heading, by striking "EXTENSION" and inserting "EXTENSIONS";

(II) in the heading of paragraph (1), by striking "REQUIREMENT" and inserting "IN GENERAL";

(III) in paragraph (2)(B)(ii)—

(aa) in the heading, by striking "PERIOD" and inserting "PERIODS"; and

(bb) by striking "in the period" and inserting "in each of the 6-month periods";

(IV) in paragraph (3)(A), by striking "the 6-month period" and inserting "any 6-month period";

(V) in paragraph (4)(A), by striking "the extension period" and inserting "any extension period"; and

(VI) in paragraph (5)(D)(i), by striking "is a 3-month period" and all that follows and inserting the following: "is, with respect to a particular 6-month additional extension period provided under this subsection, a 3-month period beginning with the first or fourth month of such extension period."; and

(ii) by striking subsection (f).

(B) FAMILY SUPPORT ACT.—Section 303(f)(2) of the Family Support Act of 1988 (42 U.S.C. 602 note) is amended—

(i) by striking "(A)"; and

(ii) by striking subparagraphs (B) and (C).

(b) TRANSITIONAL ELIGIBILITY FOR MEDICAID.—Part A of title IV, as added by section 101(a) is amended by adding at the end the following new section:

"SEC. 417. TRANSITIONAL ELIGIBILITY FOR MEDICAID.

"Each needy child, and each relative with whom such a child is living (including the spouse of such relative), who becomes ineligible for temporary employment assistance as a result (wholly or partly) of the collection or increased collection of child or spousal support under part D of this title, and who has received such assistance in at least 3 of the 6 months immediately preceding the month in which such ineligibility begins, shall be deemed to be a recipient of temporary employment assistance for purposes of title XIX for an additional 4 calendar months beginning with the month in which such ineligibility begins.".

(c) EFFECTIVE DATE.—

(1) IN GENERAL.—Except as provided in paragraph (2), the amendments made by this section shall apply to calendar quarters beginning on or after October 1, 1996, without regard to whether final regulations to carry out such amendments have been promulgated by such date.

(2) WHEN STATE LEGISLATION IS REQUIRED.—In the case of a State plan for medical assistance under title XIX of the Social Security Act which the Secretary of Health and Human Services determines requires State legislation (other than legislation appropriating funds) in order for the plan to meet the additional requirements imposed by the amendments made by this section, the State plan shall not be regarded as failing to comply with the requirements of such title solely on the basis of its failure to meet these additional requirements before the first day of the first calendar quarter beginning after the close of the first regular session of the State legislature that begins after the date of the enactment of this Act. For purposes of the previous sentence, in the case of a State that has a 2-year legislative session, each year of such session shall be deemed to be a separate regular session of the State legislature.

TITLE ___—CORPORATE WELFARE REDUCTION

SEC. ___01. SHORT TITLE.

This title may be cited as the "Corporate Welfare Reduction Act of 1995".

SEC. ___02. FOREIGN OIL AND GAS INCOME.

(a) SPECIAL RULES FOR FOREIGN TAX CREDIT WITH RESPECT TO FOREIGN OIL AND GAS INCOME.—

(1) CERTAIN TAXES NOT CREDITABLE.—

(A) IN GENERAL.—Subsection (a) of section 907 of the Internal Revenue Code of 1986 (relating to reduction in amount allowed as foreign tax under section 901) is amended to read as follows:

"(a) CERTAIN TAXES NOT CREDITABLE.—

"(1) IN GENERAL.—For purposes of this subtitle, the term 'income, war profits, and excess profits taxes' shall not include—

"(A) any taxes which are paid or accrued to any foreign country with respect to foreign oil and gas income and which are not imposed under a generally applicable income tax law of such country, and

"(B) any taxes (not described in subparagraph (A)) which are paid or accrued to any foreign country with respect to foreign oil and gas income to the extent that the foreign law imposing such amount of tax is structured, or in fact operates, so that the amount of tax imposed with respect to foreign oil and gas income will generally be materially greater, over a reasonable period of time, than the amount generally imposed on income that is not foreign oil and gas income.

In computing the amount not treated as tax under subparagraph (B), such amount shall be treated as a deduction under the foreign law.

"(2) FOREIGN OIL AND GAS INCOME.—For purposes of this paragraph, the term 'foreign oil and gas income' means the amount of foreign oil and gas extraction income and foreign oil related income.

"(3) GENERALLY APPLICABLE INCOME TAX LAW.—For purposes of this paragraph, the term 'generally applicable income tax law' means any law of a foreign country imposing an income tax if such tax generally applies to all income from sources within such foreign country—

"(A) without regard to the residence or nationality of the person earning such income, and

"(B) in the case of any income earned by a corporation, partnership, or other entity, without regard to—

"(i) where such corporation, partnership, or other entity is organized, and

"(ii) the residence or nationality of the persons owning interests in such corporation, partnership, or entity."

(B) CONFORMING AMENDMENT.—Section 907 of such Code is amended by striking subsections (b), (c)(3), (c)(4), (c)(5), and (f).

(2) SEPARATE BASKETS FOR FOREIGN OIL AND GAS EXTRACTION INCOME AND FOREIGN OIL RELATED INCOME.—

(A) IN GENERAL.—Paragraph (1) of section 904(d) of such Code (relating to separate application of section with respect to certain categories of income) is amended by striking "and" at the end of subparagraph (H), by redesignating subparagraph (I) as subparagraph (K) and by inserting after subparagraph (H) the following new subparagraphs:

"(I) foreign oil and gas extraction income,

"(J) foreign oil related income, and".

(B) DEFINITIONS.—Paragraph (2) of section 904(d) of such Code is amended by redesignating subparagraphs (H) and (I) as subparagraphs (J) and (K), respectively, and by inserting after subparagraph (G) the following new subparagraphs:

"(H) FOREIGN OIL AND GAS EXTRACTION INCOME.—The term 'foreign oil and gas extraction income' has the meaning given such term by section 907(c)(1). Such term shall not include any dividend from a noncontrolled section 902 corporation.

"(I) FOREIGN OIL RELATED INCOME.—The term 'foreign oil related income' has the meaning given such term by section 907(c)(2). Such term shall not include any dividend from a noncontrolled section 902 corporation and any shipping income."

(C) CONFORMING AMENDMENT.—Clause (i) of section 904(d)(3)(F) of such Code is amended by striking "or (E)" and inserting "(E), (I), or (J)".

(3) EFFECTIVE DATE.—

(A) IN GENERAL.—Except as otherwise provided in this paragraph, the amendments made by this subsection shall apply to taxable years beginning after December 31, 1995.

(B) DISALLOWANCE RULE.—

(i) Section 907(a) of such Code (as amended by paragraph (1)) shall apply to taxes paid or accrued after December 31, 1995, in taxable years ending after such date.

(ii) In determining the amount of taxes deemed to be paid in a taxable year beginning after December 31, 1995, under section 902 or 960 of such Code, section 907(a) of such Code (as amended by paragraph (1)) shall apply to all taxes whether paid or accrued before, on, or after December 31, 1995.

(C) LOSS RULE.—Notwithstanding the amendments made by paragraph (1)(B), section 907(c)(4) of such Code shall continue to apply with respect to foreign oil and gas extraction losses for taxable years beginning before January 1, 1996.

(D) TRANSITIONAL RULES.—

(i) Any taxes paid or accrued in a taxable year beginning before January 1, 1996, with respect to income which was described in subparagraph (I) of section 904(d)(1) of such Code (as in effect on the day before the date of the enactment of this Act) shall be treated as taxes paid or accrued with respect to foreign oil and gas extraction income or foreign oil related income (as the case may be) to the extent such taxes were paid or accrued with respect to such type of income.

(ii) Any unused oil and gas extraction taxes which under section 907(f) of such Code (as so in effect) would have been allowed as a carryover to the taxpayer's first taxable year beginning after December 31, 1995 (determined without regard to the limitation of paragraph (2) of such section 907(f) for such first taxable year), shall be allowed as carryovers under section 904(c) of such Code in the same manner as if they were unused taxes under section 904(c) with respect to foreign oil and gas extraction income.

(b) ELIMINATION OF DEFERRAL FOR FOREIGN OIL AND GAS EXTRACTION INCOME.—

(1) GENERAL RULE.—Paragraph (1) of section 954(g) of the Internal Revenue Code of 1986 (defining foreign base company oil related income) is amended to read as follows:

"(1) IN GENERAL.—Except as otherwise provided in this subsection, the term 'foreign oil and gas income' means any income of a kind which would be taken into account in determining the amount of—

"(A) foreign oil and gas extraction income (as defined in section 907(c)(1)), or

"(B) foreign oil related income (as defined in section 907(c)(2))."

(2) CONFORMING AMENDMENTS.—

(A) Subsections (a)(5), (b)(4), (b)(5), and (b)(8) of section 954 of such Code are each amended by striking "base company oil related income" each place it appears (including in the heading of subsection (b)(8)) and inserting "oil and gas income".

(B) The subsection heading for subsection (g) of section 954 of such Code is amended by striking "FOREIGN BASE COMPANY OIL RELATED INCOME" and inserting "FOREIGN OIL AND GAS INCOME".

(C) Subparagraph (A) of section 954(g)(2) of such Code is amended by striking "foreign base company oil related income" and inserting "foreign oil and gas income".

(3) EFFECTIVE DATE.—The amendments made by this subsection shall apply to taxable years of foreign corporations beginning after December 31, 1995, and to taxable years of United States shareholders in which or with which such taxable years of foreign corporations end.

SEC. ___03. TRANSFER PRICING.

(a) AUTHORITY OF SECRETARY WHEN LEGAL LIMITS ON TRANSFER BY TAXPAYER.—Section 482 of the Internal Revenue Code of 1986 (relating to allocation of income and deductions among taxpayers) is amended by adding at the end the following: "The authority of the Secretary under this section shall not be limited by any restriction (by any law or agreement) on the ability of such interests, organizations, trades, or businesses to transfer or receive money or other property."

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to taxable years beginning after December 31, 1995.

SEC. ___04. ELIMINATION OF EXCLUSION FOR CITIZENS OR RESIDENTS OF UNITED STATES LIVING ABROAD.

Section 911 of the Internal Revenue Code of 1986 (relating to citizens or residents of the United States living abroad) is amended by redesignating subsection (f) as subsection (g) and by inserting after subsection (e) the following new subsection:

"(f) TERMINATION.—This section shall not apply to any taxable year beginning after December 31, 1995."

SEC. ___05. DISPOSITION OF STOCK IN DOMESTIC CORPORATIONS BY 10-PERCENT FOREIGN SHAREHOLDERS.

(a) GENERAL RULE.—Subpart D of part II of subchapter N of chapter 1 of the Internal Revenue Code of 1986 (relating to miscellaneous provisions) is amended by adding at the end thereof the following new section:

"SEC. 899. DISPOSITION OF STOCK IN DOMESTIC CORPORATIONS BY 10-PERCENT FOREIGN SHAREHOLDERS.

"(a) GENERAL RULE.—

"(1) TREATMENT AS EFFECTIVELY CONNECTED WITH UNITED STATES TRADE OR BUSINESS.—For purposes of this title, if any nonresident alien individual or foreign corporation is a 10-percent shareholder in any domestic corporation, any gain or loss of such individual or foreign corporation from the disposition of any stock in such domestic corporation shall be taken into account—

"(A) in the case of a nonresident alien individual, under section 871(b)(1), or

"(B) in the case of a foreign corporation, under section 882(a)(1),

as if the taxpayer were engaged during the taxable year in a trade or business within the United States through a permanent establishment in the United States and as if such gain or loss were effectively connected with such trade or business and attributable to such permanent establishment. Notwithstanding section 865, any such gain or loss shall be treated as from sources in the United States.

"(2) 26-PERCENT MINIMUM TAX ON NONRESIDENT ALIEN INDIVIDUALS.—

"(A) IN GENERAL.—In the case of any nonresident alien individual, the amount determined under section 55(b)(1)(A) shall not be less than 26 percent of the lesser of—

"(i) the individual's alternative minimum taxable income (as defined in section 55(b)(2)) for the taxable year, or

"(ii) the individual's net taxable stock gain for the taxable year.

"(B) NET TAXABLE STOCK GAIN.—For purposes of subparagraph (A), the term 'net taxable stock gain' means the excess of—

"(i) the aggregate gains for the taxable year from dispositions of stock in domestic corporations with respect to which such individual is a 10-percent shareholder, over

"(ii) the aggregate of the losses for the taxable year from dispositions of such stock.

"(C) COORDINATION WITH SECTION 897(a)(2).—Section 897(a)(2)(A) shall not apply to any nonresident alien individual for any taxable year for which such individual has a net taxable stock gain, but the amount of such net taxable stock gain shall be increased by the amount of such individual's net United States real property gain (as defined in section 897(a)(2)(B)) for such taxable year.

"(b) 10-PERCENT SHAREHOLDER.—

"(1) IN GENERAL.—For purposes of this section, the term '10-percent shareholder' means any person who at any time during the shorter of—

"(A) the period beginning on January 1, 1995, and ending on the date of the disposition, or

"(B) the 5-year period ending on the date of the disposition,

owned 10 percent or more (by vote or value) of the stock in the domestic corporation.

"(2) CONSTRUCTIVE OWNERSHIP.—

"(A) IN GENERAL.—Section 318(a) (relating to constructive ownership of stock) shall apply for purposes of paragraph (1).

"(B) MODIFICATIONS.—For purposes of subparagraph (A)—

“(i) paragraph (2)(C) of section 318(a) shall be applied by substituting ‘10 percent’ for ‘50 percent’, and

“(ii) paragraph (3)(C) of section 318(a) shall be applied—

“(I) by substituting ‘10 percent’ for ‘50 percent’, and

“(II) in any case where such paragraph would not apply but for subclause (I), by considering a corporation as owning the stock (other than stock in such corporation) owned by or for any shareholder of such corporation in that proportion which the value of the stock which such shareholder owns in such corporation bears to the value of all stock in such corporation.

“(3) TREATMENT OF STOCK HELD BY CERTAIN PARTNERSHIPS.—

“(A) IN GENERAL.—For purposes of this section, if—

“(i) a partnership is a 10-percent shareholder in any domestic corporation, and

“(ii) 10 percent or more of the capital or profits interests in such partnership is held (directly or indirectly) by nonresident alien individuals or foreign corporations,

each partner in such partnership who is not otherwise a 10-percent shareholder in such corporation shall, with respect to the stock in such corporation held by the partnership, be treated as a 10-percent shareholder in such corporation.

“(B) EXCEPTION.—

“(i) IN GENERAL.—Subparagraph (A) shall not apply with respect to stock in a domestic corporation held by any partnership if, at all times during the 5-year period ending on the date of the disposition involved—

“(I) the aggregate bases of the stock and securities in such domestic corporation held by such partnership were less than 25 percent of the partnership's net adjusted asset cost, and

“(II) the partnership did not own 50 percent or more (by vote or value) of the stock in such domestic corporation.

The Secretary may by regulations disregard any failure to meet the requirements of subclause (I) where the partnership normally met such requirements during such 5-year period.

“(ii) NET ADJUSTED ASSET COST.—For purposes of clause (i), the term ‘net adjusted asset cost’ means—

“(I) the aggregate bases of all of the assets of the partnership other than cash and cash items, reduced by

“(II) the portion of the liabilities of the partnership not allocable (on a proportionate basis) to assets excluded under subclause (I).

“(C) EXCEPTION NOT TO APPLY TO 50-PERCENT PARTNERS.—Subparagraph (B) shall not apply in the case of any partner owning (directly or indirectly) more than 50 percent of the capital or profits interests in the partnership at any time during the 5-year period ending on the date of the disposition.

“(D) SPECIAL RULES.—For purposes of subparagraphs (B) and (C)—

“(i) TREATMENT OF PREDECESSORS.—Any reference to a partnership or corporation shall be treated as including a reference to any predecessor thereof.

“(ii) PARTNERSHIP NOT IN EXISTENCE.—If any partnership was not in existence throughout the entire 5-year period ending on the date of the disposition, only the portion of such period during which the partnership (or any predecessor) was in existence shall be taken into account.

“(E) OTHER PASS-THRU ENTITIES; TIERED ENTITIES.—Rules similar to the rules of the preceding provisions of this paragraph shall also apply in the case of any pass-thru entity other than a partnership and in the case of tiered partnerships and other entities.

“(c) COORDINATION WITH NONRECOGNITION PROVISIONS; ETC.—

“(1) COORDINATION WITH NONRECOGNITION PROVISIONS.—

“(A) IN GENERAL.—Except as provided in subparagraph (B), any nonrecognition provision shall apply for purposes of this section to a transaction only in the case of—

“(i) an exchange of stock in a domestic corporation for other property the sale of which would be subject to taxation under this chapter, or

“(ii) a distribution with respect to which gain or loss would not be recognized under section 336 if the sale of the distributed property by the distributee would be subject to tax under this chapter.

“(B) REGULATIONS.—The Secretary shall prescribe regulations (which are necessary or appropriate to prevent the avoidance of Federal income taxes) providing—

“(i) the extent to which nonrecognition provisions shall, and shall not, apply for purposes of this section, and

“(ii) the extent to which—

“(I) transfers of property in a reorganization, and

“(II) changes in interests in, or distributions from, a partnership, trust, or estate,

shall be treated as sales of property at fair market value.

“(C) NONRECOGNITION PROVISION.—For purposes of this paragraph, the term ‘nonrecognition provision’ means any provision of this title for not recognizing gain or loss.

“(2) CERTAIN OTHER RULES MADE APPLICABLE.—For purposes of this section, rules similar to the rules of subsections (g) and (j) of section 897 shall apply.

“(d) CERTAIN INTEREST TREATED AS STOCK.—For purposes of this section—

“(1) any option or other right to acquire stock in a domestic corporation,

“(2) the conversion feature of any debt instrument issued by a domestic corporation, and

“(3) to the extent provided in regulations, any other interest in a domestic corporation other than an interest solely as creditor,

shall be treated as stock in such corporation.

“(e) TREATMENT OF CERTAIN GAIN AS A DIVIDEND.—In the case of any gain which would be subject to tax by reason of this section but for a treaty and which results from any distribution in liquidation or redemption, for purposes of this subtitle, such gain shall be treated as a dividend to the extent of the earnings and profits of the domestic corporation attributable to the stock. Rules similar to the rules of section 1248(c) (determined without regard to paragraph (2)(D) thereof) shall apply for purposes of the preceding sentence.

“(f) REGULATIONS.—The Secretary shall prescribe such regulations as may be appropriate to carry out the purposes of this section, including—

“(1) regulations coordinating the provisions of this section with the provisions of section 897, and

“(2) regulations aggregating stock held by a group of persons acting together.”

(b) WITHHOLDING OF TAX.—Subchapter A of chapter 3 of such Code is amended by adding at the end the following new section:

“SEC. 1447. WITHHOLDING OF TAX ON CERTAIN STOCK DISPOSITIONS.

“(a) GENERAL RULE.—Except as otherwise provided in this section, in the case of any disposition of stock in a domestic corporation by a foreign person who is a 10-percent shareholder in such corporation, the withholding agent shall deduct and withhold a tax equal to 10 percent of the amount realized on the disposition.

“(b) EXCEPTIONS.—

“(1) STOCK WHICH IS NOT REGULARLY TRADED.—In the case of a disposition of stock which is not regularly traded, a withholding agent shall not be required to deduct and withhold any amount under subsection (a) if—

“(A) the transferor furnishes to such withholding agent an affidavit by such transferor stating, under penalty of perjury, that section 899 does not apply to such disposition because—

“(i) the transferor is not a foreign person, or

“(ii) the transferor is not a 10-percent shareholder, and

“(B) such withholding agent does not know (or have reason to know) that such affidavit is not correct.

“(2) STOCK WHICH IS REGULARLY TRADED.—

“(A) IN GENERAL.—Except as provided in subparagraph (B), a withholding agent shall not be required to deduct and withhold any amount under subsection (a) with respect to any disposition of regularly traded stock if such withholding agent does not know (or have reason to know) that section 899 applies to such disposition.

“(B) SPECIAL RULE WHERE SUBSTANTIAL DISPOSITION.—If—

“(i) there is a disposition of regularly traded stock in a corporation, and

“(ii) the amount of stock involved in such disposition constitutes 1 percent or more (by vote or value) of the stock in such corporation,

subparagraph (A) shall not apply but paragraph (1) shall apply as if the disposition involved stock which was not regularly traded.

“(C) NOTIFICATION BY FOREIGN PERSON.—If section 899 applies to any disposition by a foreign person of regularly traded stock, such foreign person shall notify the withholding agent that section 899 applies to such disposition.

“(3) NONRECOGNITION TRANSACTIONS.—A withholding agent shall not be required to deduct and withhold any amount under subsection (a) in any case where gain or loss is not recognized by reason of section 899(c) (or the regulations prescribed under such section).

“(c) SPECIAL RULE WHERE NO WITHHOLDING.—If—

“(1) there is no amount deducted and withheld under this section with respect to any disposition to which section 899 applies, and

“(2) the foreign person does not pay the tax imposed by this subtitle to the extent attributable to such disposition on the date prescribed therefor,

for purposes of determining the amount of such tax, the foreign person's basis in the stock disposed of shall be treated as zero or such other amount as the Secretary may determine (and, for purposes of section 6501, the underpayment of such tax shall be treated as due to a willful attempt to evade such tax).

“(d) DEFINITIONS AND SPECIAL RULES.—For purposes of this section—

“(1) WITHHOLDING AGENT.—The term ‘withholding agent’ means—

“(A) the last United States person to have the control, receipt, custody, disposal, or payment of the amount realized on the disposition, or

“(B) if there is no such United States person, the person prescribed in regulations.

“(2) FOREIGN PERSON.—The term ‘foreign person’ means any person other than a United States person.

"(3) Regularly traded stock.—The term 'regularly traded stock' means any stock of a class which is regularly traded on an established securities market.

"(4) Authority to prescribe reduced amount.—At the request of the person making the disposition or the withholding agent, the Secretary may prescribe a reduced amount to be withheld under this section if the Secretary determines that to substitute such reduced amount will not jeopardize the collection of the tax imposed by section 871(b)(1) or 882(a)(1).

"(5) Other terms.—Except as provided in this section, terms used in this section shall have the same respective meanings as when used in section 899.

"(6) Certain rules made applicable.—Rules similar to the rules of section 1445(e) shall apply for purposes of this section.

"(e) Regulations.—The Secretary shall prescribe such regulations as may be appropriate to carry out the purposes of this section, including regulations coordinating the provisions of this section with the provisions of sections 1445 and 1446."

(c) Exception From Branch Profits Tax.—Subparagraph (C) of section 884(d)(2) of such Code is amended to read as follows:

"(C) gain treated as effectively connected with the conduct of a trade or business within the United States under—

"(i) section 897 in the case of the disposition of a United States real property interest described in section 897(c)(1)(A)(ii), or

"(ii) section 899,".

(d) Reports With Respect to Certain Distributions.—Paragraph (2) of section 6038B(a) of such Code (relating to notice of certain transfers to foreign person) is amended by striking "section 336" and inserting "section 302, 331, or 336".

(e) Clerical Amendments.—

(1) The table of sections for subpart D of part II of subchapter N of chapter 1 of such Code is amended by adding at the end the following new item:

"Sec. 899. Dispositions of stock in domestic corporations by 10-percent foreign shareholders."

(2) The table of sections for subchapter A of chapter 3 of such Code is amended by adding at the end the following new item:

"Sec. 1447. Withholding of tax on certain stock dispositions."

(f) Effective Date.—

(1) In general.—Except as otherwise provided in this subsection, the amendments made by this section shall apply to dispositions after the date of the enactment of this Act, except that section 1447 of such Code (as added by this section) shall not apply to any disposition before the date 6 months after the date of the enactment of this Act.

(2) Coordination with treaties.—

(A) In general.—Sections 899 (other than subsection (e) thereof) and 1447 of such Code (as added by this section) shall not apply to any disposition if such disposition is by a qualified resident of a foreign country and the application of such sections to such disposition would be contrary to any treaty between the United States and such foreign country which is in effect on the date of the enactment of this Act and at the time of such disposition.

(B) Qualified resident.—For purposes of subparagraph (A), the term "qualified resident" means any resident of the foreign country entitled to the benefits of the treaty referred to in subparagraph (A); except that such term shall not include a corporation unless such corporation is a qualified resident of such country (as defined in section 884(e)(4) of such Code).

SEC. ___06. PORTFOLIO DEBT.

(a) In General.—Section 871(h)(3) of the Internal Revenue Code of 1986 is amended to read as follows:

"(3) Portfolio interest to include only interest on government obligations.—The term 'portfolio interest' shall include only interest paid on an obligation issued by a governmental entity."

(b) Conforming Amendments.—

(1) Section 881(c)(3) of such Code is amended—

(A) in subparagraph (A), by adding "or" at the end, and

(B) by striking subparagraph (B) and redesignating subparagraph (C) as subparagraph (B).

(2) Section 881(c)(4) of such Code is amended—

(A) by striking "section 871(h)(4)" and inserting "section 871(h)(3) or (4)", and

(B) in the heading, by inserting "INTEREST ON NON-GOVERNMENT OBLIGATIONS OR" after "INCLUDE".

(c) Effective Date.—The amendments made by this section shall apply to interest received after December 31, 1995, with respect to obligations issued after such date.

SEC. ___07. SOURCE OF INCOME FROM CERTAIN SALES OF INVENTORY PROPERTY.

(a) General Rule.—Subsection (b) of section 865 of the Internal Revenue Code of 1986 (relating to exception for inventory property) is amended to read as follows:

"(b) Inventory Property.—

"(1) Income attributable to production activity.—In the case of income from the sale of inventory property produced (in whole or in part) by the taxpayer—

"(A) a portion (determined under regulations) of such income shall be allocated to production activity (and sourced in the United States or outside the United States depending on where such activity occurs), and

"(B) the remaining portion of such income shall be sourced under the other provisions of this section.

The regulations prescribed under subparagraph (A) shall provide that at least 50 percent of such income shall be allocated to production activities.

"(2) Sales income.—

"(A) United states residents.—Income from the sale of inventory property by a United States resident shall be sourced outside the United States if—

"(i) the property is sold for use, consumption, or disposition outside the United States and an office or another fixed place of business of the taxpayer outside the United States participated materially in the sale, and

"(ii) such sale is not (directly or indirectly) to an affiliate of the taxpayer.

"(B) Nonresident.—Income from the sale of inventory property by a nonresident shall be sourced in the United States if—

"(i) the taxpayer has an office or other fixed place of business in the United States, and

"(ii) such sale is through such office or other fixed place of business.

This subparagraph shall not apply if the requirements of clauses (i) and (ii) of subparagraph (A) are met with respect to such sale.

"(3) Coordination with treaties.—For purposes of paragraph (2)(A)(i), a United States resident shall not be treated as having an office or fixed place of business in a foreign country if a treaty prevents such country from imposing an income tax on the income."

(b) Effective Date.—The amendments made by this section shall apply to income from sales occurring after December 31, 1995.

SEC. ___08. ENHANCEMENT OF BENEFITS FOR FOREIGN SALES CORPORATIONS.

(a) In General.—Subsection (a) of section 923 of the Internal Revenue Code of 1986 is amended—

(1) in paragraph (2), by striking "32 percent" and inserting "34 percent", and

(2) in paragraph (3), by striking "16/23" and inserting "17/23".

(b) Special Rules Relating to Corporate Preference Items.—Paragraph (4) of section 291(a) of such Code is amended—

(1) in subparagraph (A), by striking "'30 percent' for '32 percent'" and inserting "'32 percent' for '34 percent'", and

(2) in subparagraph (B), by striking "'15/23' for '16/23'" and inserting "'16/23' for '17/23'".

(c) Effective Date.—The amendments made by this section shall apply to taxable years beginning after December 31, 1995.

D'AMATO AMENDMENT NO. 2678

Mr. SANTORUM (for Mr. D'Amato) proposed an amendment to amendment No. 2280 proposed by Mr. Dole to the bill H.R. 4, supra, as follows:

(1) Except as provided in paragraph (2) of this subsection, in order for an eligible State to receive funds pursuant to Title I of this Act after April 1, 1996, the State Shall enact legislation establishing a program fully conforming to the requirements of this Act by that date AND EFFECTIVE ON THE DATE OF DISCONTINUANCE OF THE STATE'S AFDC PROGRAM, IN ACCORDANCE WITH SECTION 112 OF THIS ACT.

(2) In the case of a State whose legislature meets biennially, and does not have a regular session scheduled in calendar year 1996, the requirement contained in paragraph (1) of this subsection shall be effective no later than the first day of the first calendar quarter beginning after the close of the first regular session of the State legislature that begins after the date of enactment of this Act.

KERRY AMENDMENT NO. 2679

Mr. MOYNIHAN (for Mr. Kerry) proposed an amendment to amendment No. 2280 proposed by Mr. Dole to the bill H.R. 4, supra, as follows:

On page 124, beginning on line 16, strike all through page 127, line 2.

On page 127, line 3, strike "**SEC. 202.**" and insert "**SEC. 201.**".

On page 128, line 14, strike "**SEC. 203.**" and insert "**SEC. 202.**".

On page 129, line 7, strike "**SEC. 204.**" and insert "**SEC. 203.**".

On page 129, beginning on line 9, strike all through line 12, and insert:

(a) In General.—Section 1611(e) (42 U.S.C. 1382(e)) is amended by adding at the end the following new paragraph:

On page 129, line 13, strike "(3)" and insert "(6)".

On page 131, line 6, strike "**SEC. 205.**" and insert "**SEC. 204.**".

On page 131, line 5, strike "Sections 201 and 202" and insert "Section 201".

On page 131, lines 7 and 8, strike "sections 201 and 202" and insert "section 201".

On page 131, line 21, strike "or 202".

On page 132, beginning on line 19, strike all through page 133, line 9.

On page 133, line 11, strike "sections 203 and 204" and insert "sections 202 and 203".

On page 133, lines 17 and 18, strike ", as amended by section 201(a),".

HARKIN AMENDMENT NO. 2680

Mr. MOYNIHAN (for Mr. HARKIN) proposed an amendment to amendment No. 2280 proposed by Mr. DOLE to the bill H.R. 4, supra, as follows:

At the appropriate place insert the following:

SEC. . SENSE OF THE SENATE REGARDING COMPETITIVE BIDDING FOR INFANT FORMULA.

(a) IN GENERAL.—The Senate finds that—

(1) the federal Supplemental Nutrition Program for Women, Infants and Children (WIC) is a proven success story, providing special nutrition and health assistance to at-risk pregnant women, infants and children;

(2) WIC has been shown to reduce the incidence of fetal death, low birthweight, infant mortality and anemia, to increase the nutritional and health status of pregnant women, infants and children and to improve the cognitive development of infants and children;

(3) research has shown that each dollar spent on WIC for pregnant women results in savings of $1.92 to $4.21 in Medicaid expenditures;

(4) because of funding limitations not all individuals eligible for WIC assistance are served by the program;

(5) infant formula is a significant item in the cost of WIC monthly food packages, amounting to approximately 26 percent of WIC food costs after subtracting manufacturer's rebates, but approximately 48 percent of food costs prior to applying rebates;

(6) rebates obtained through competitive bidding for infant formula have reduced the cost of infant formula for WIC participants by approximately $4.1 billion through the end of fiscal year 1994, allowing millions of additional pregnant women, infants and children to be served by WIC with the limited funds available;

(7) the Department of Agriculture has estimated that in fiscal year 1995 rebates obtained through competitive bidding for infant formula will total over $1 billion, which will enable WIC to serve approximately 1.6 million additional women, infants and children; and

(8) because of the very substantial cost savings involved, Congress enacted in 1989 legislation requiring that states administering the WIC program conduct competitive bidding for infant formula.

(b) SENSE OF THE SENATE.—It is the Sense of the Senate that any legislation enacted by Congress should not eliminate or in any way weaken the present competitive bidding requirements for the purchase of infant formula with respect to any program supported wholly or in part by federal funds.

AUTHORITY FOR COMMITTEE TO MEET

SUBCOMMITTEE ON TERRORISM, TECHNOLOGY, AND GOVERNMENT INFORMATION

Mr. GRASSLEY. Mr. President, I ask unanimous consent that the Subcommittee on Terrorism, Technology, and Government Information of the Committee on the Judiciary be authorized to meet during the session of the Senate on Friday, September 8, 1995, at 10 a.m. in SH-216 to hold a hearing on "The Ruby Ridge Incident."

The PRESIDING OFFICER. Without objection, it is so ordered.

IMPROVED RELATIONS BETWEEN TURKEY AND ARMENIA

Mr. SIMON. Mr. President, sometimes the good news that we get comes in small pieces that we hope portend better things to come.

The recent agreement between Turkey and Armenia for an air corridor is a small step toward improved relations between those two countries but, nevertheless, it is a positive development. It would be a mistake to exaggerate it, but it would be a mistake to ignore it.

I noticed that when Prime Minister Tansu Ciller visited Azerbaijan, she returned to Turkey by way of the corridor over Armenia and was the first high-ranking Turkish official to use the air corridor. While she traveled, she congratulated Armenian President Levon Ter-Petrossian on the victory of his party in the July 5th parliamentary elections in Turkey.

These concessions seems small, indeed, and they are small. But I hope they can result in improvements.

I recall, about 2 years ago, flying in a U.S. military plane to Armenia. The Turkish Government would not let us fly over Turkey to go to Armenia—strange conduct on the part of a government that has been helped in a substantial way over the years by the United States.

It was an action taken that was not so much adverse to the United States as adverse to Armenia.

In noting this step forward in better relations between Turkey and Armenia, it must also be noted with regret that Turkish President Suleyman Demirel refuses to use the corridor over Armenia.

I hope he can overcome his fears or his hatreds enough to do that one of these days.

And I hope the use of the air corridor over Armenia by the Turkish Prime Minister will be followed with more significant actions by Turkey and Armenia.

A TRIBUTE TO REBEKAH HARLESTON

• Mr. MCCONNELL. Mr. President, I rise here today to pay tribute to Rebekah M. Harleston, a pioneer in the field of documents librarians. Ms. Harleston died on October 14, 1994, after dedicating more than two decades of her life to public service. Her innovative work as a reference and government documents librarian has been widely recognized and appreciated, and today the public still reaps the benefits of her lasting contribution to this field.

Ms. Harleston was a powerful driving force behind improvements to the libraries of Kentucky and the Nation. She worked as a reference and government documents librarian within the University of Kentucky [UK] Library system from July 1, 1958 until her retirement on June 30, 1983. During her time at the University of Kentucky, the UK libraries became both the regional depository library for the Commonwealth of Kentucky and a United Nations depository library. She was a charter member of the Government Documents Round Table of the American Library Association and chaired the Kentucky Library Association's Government Documents Round Table. In addition, she collaborated with Carla Stoffle, currently dean of the University of Arizona libraries, in writing what was then considered the definitive book on depository libraries, "Administration of Government Documents Collections."

Mr. President, this woman's dedication and exemplary work are illustrated by the many fond recollections of her colleagues. They speak of her as an excellent teacher who mentored many documents librarians, and they recall her "infectious enthusiasm for government reference work." Her dedication and accomplishments as a professional are truly admirable.

As a public servant, Rebekah Harleston made lasting contributions to the state of Kentucky and the Nation. It is my honor to pay tribute today to this representative of Kentucky—a tireless, dedicated public servant, a woman to be emulated and admired.•

THEY PLAY TO LOSE

• Mr. SIMON. Mr. President, some weeks ago, I gave a lengthier than usual talk on the floor of the Senate about the growing problem of legalized gambling in the United States.

This is not a phenomenon only in the United States. The Jerusalem Post contained an article about the problem in Israel. The title of this article: "They play to lose."

The subhead is: "Compulsive gambling is a disease that gradually overwhelms one's life, Ruth Beker writes."

There is an unfavorable reference to the United States.

The article quotes a Dr. Yair Caspi as saying: "Together with an increase in use of alcohol and drugs, gambling is part of a general addictive phenomenon growing rapidly in Israel, trying to be little America."

I ask that the article be printed in the RECORD.

The article follows:

[From the Jerusalem Post, March 25, 1995]

THEY PLAY TO LOSE—COMPULSIVE GAMBLING IS A DISEASE THAT GRADUALLY OVERWHELMS ONE'S LIFE, RUTH BEKER WRITES

Gambling is a gate to dangerously false hope.

For Michael, 53, a compulsive gambler, it was sweet at the beginning, hell at the end, and many things in between.

Michael's sickness—for that's what it is—is rooted in the Holocaust.

When he was six months old, he was given to a Gentile family for safekeeping before his parents were sent to Bergen Belsen, where his mother died. "After the war [my father] found me and took me home. When I was eight he remarried. It was disastrous.

"My father and stepmother always punished me harshly for no reason. Once I spent three months in my room on bread and water. I was never allowed to play outside. My father forced me to wear a skullcap to school. This was very cruel as we lived in a Gentile neighborhood.

"My father and stepmother crushed my spirit and destroyed my willpower. I could not think for myself, make any decisions. My self-confidence was shot. I'm still afraid of my father and he's been dead for years."

Such a background, according to at least one expert in the field, is typical.

"A compulsive gambler is like someone who touches a hot stove, gets burned yet keeps coming back for more," explains Don Lavender, clinical coordinator at Arizona's Sierra Tucson Treatment Center for Psychological and Emotional Disorders. He was in Israel recently to give a one-week workshop at the new Herzliya Medical Center for Addictions at Beit Oren.

Gambling becomes the lover, the best friend, the only comfort as the sufferer runs from a pain he cannot deal with, Lavender explains.

"I didn't know I was addicted, but I knew something was wrong if I organized my whole day around gambling," Michael continues. "At first gambling was fun, a diversion. Then it became a habit I couldn't live without and finally an escape for all my problems. I spent my business money, my children's money, everyone's money.

"My wife knew nothing about my gambling. I was a great liar and came home with a thousand stories. I was clever at "combinations," the expertise of every gambler. I hid the truth brilliantly from everyone, including myself.

"I was in a trance, in a blackout when I played. Lost to the world. If the man next to me dropped dead I wouldn't look up. I wouldn't go to the bathroom.

"I could feel the adrenalin pumping in me while I was playing. I felt alive.

"You always lose. I didn't care. A compulsive gambler *plays*; it doesn't matter if he wins or loses. It has nothing to do with money.

"I know I have tons of anger in me and I can't let it go. I'm afraid to show my anger or any other emotion. I'm afraid to be myself.

"Nothing was sacred. I gambled everything away. If I had money to pay the bills, I gambled it away.

"Because gambling isn't physical like drugs or alcohol, it is hard for people to understand what a dangerous addiction it is," warns Michael. "It sneaks up on you.

"Win or lose, I kept playing. I couldn't stop. My business was ruined. I owed money everywhere. I couldn't sleep. Suicide seemed the only way to go. Gambling had gobbled up my life."

At that desperate point, Michael read about Penina Eldar's gambling disorder clinic. The treatment has been successful so far. "I can't ever gamble again, not even for a penny," he insists.

Eldar opened the Center for Compulsive Gambling in Jerusalem in 1991, and recently opened a branch in the Center for Alternative Medicine in Tel Aviv.

"The Jewish people are more vulnerable to this disorder than others because of their troubled history," Michael says. "The Holocaust had a lot to do with all this."

Dr. Yair Caspi, a lecturer in addiction at the Hebrew University Law School and the Tel Aviv School of Social Work, defines a compulsive gambler: "What place has gambling in his life? Does he think about it all the time? Is every vacation planned around it, whether the casino is in Turkey, Egypt or Rio?"

"Gambling gives you the same high you get from drugs. It's easy money. You don't have to work, you just play games," said Dr. Val Velkes, co-director with Dr. Pinhas Harris of the Herzliya Medical Center's addiction clinic.

"People here are addicted to Lotto, Hish Gad, Toto, all the state lottery games," says Harris. "Gambling is much more of a problem here than anyone wants to admit." He adds that Jews are big gamblers.

"The mania of gambling sweeping Israel is going to cause lots of problems," Penina Eldar warns.

"Eldar is former director of the department for the treatment of alcoholics at the Ministry of Labor and Social Affairs, and founded Alcoholics Anonymous 20 years ago.

"Now with credit and access cards you can phone around the world and bet on any sporting event you want, a dangerous and tempting situation for compulsive gamblers and people vulnerable in that direction," she warns.

Eldar began the gambling program four years ago, but despite extensive media attention and an advertising campaign, "of the 100 people who came to talk to me, only 50 decided on treatment."

"That in itself is no part of the problem. "It is very hard for a compulsive gambler to admit his sickness," she says. "Today we are treating 12 people in intensive treatment and 30 in group therapy. It is a commitment many are not ready to take."

"Eldar's method of treatment is more attractive than that used in Spain and France, where compulsive gamblers are kept in psychiatric wards. Eldar espouses rehabilitation and group and family therapy. The gambler seeking help gets 10 one-on-one sessions, 10 group meetings, two meetings with the family, and, if therapy is going well, monthly group sessions that continue "for as long as necessary, sometimes forever."

"Compulsive gambling disorder is a man's disease," Eldar explains, "though it is the wives and mothers who face the dire economic consequences." An alcoholic may drink only a bottle a day and still be an alcoholic, but a compulsive gambler spends all the family's money, leaving them physically and emotionally destitute, she says.

Playing cards with family or friends is okay, but stay away from gambling clubs, she warns. "It gets tricky when you start playing two to three times a week. Then it's only a matter of time." She says it can take five to seven years for gambling to develop into a compulsion.

"According to my statistics, 67,000 compulsive gamblers need treatment here, and there are between 50,000 and 200,000 gamblers at risk in Israel."

The hundreds of illegal casinos mushrooming all over Israel signify the breakdown of Israeli society, warns Dr. Yair Caspi.

"This wasn't here 20 years ago. Not the growing gambling phenomenon, nor the drugs or alcohol. It isn't that we weren't aware, it just wasn't here.

"Together with an increase in use of alcohol and drugs, gambling is part of a general addictive phenomenon growing rapidly in Israel, trying to be little America."

Caspi holds an opposing view to the widely accepted theory that addiction is caused by individual deficiency.

"Israel has lost its traditional Jewish value system. The '50s immigration from North Africa and Eastern Europe lost a value system from which they never recovered. Then Zionism and socialism and idealism were still strong and gave something back to replace it."

Religion, he says, has "reneged on its job."•

TRIBUTE TO WILLIAM S. CONN, JR.

Mr. McCONNELL. Mr. President, I rise today to pay tribute to William S. Conn Jr., a resident of Louisville, KY, who will soon retire from two decades of service as president of the Kentucky Hospital Association.

A native of Monticello, Mr. Conn began his career pursuits at Western Kentucky University where he received a degree in Business and Accounting. He then went on to receive his graduate degree in Hospital Administration from the University of Michigan.

After serving 7 years with the Kentucky Department of Mental Health, he became president and CEO of the Kentucky Hospital Association and the Kentucky Hospital Research & Education Foundation in 1975. His dedication to professional excellence took him one step further in 1980 when he became president and CEO of the Kentucky Hospital Service Corp., a wholly-owned, for-profit subsidiary of the Kentucky Hospital Association.

Mr. President, William Conn has given faithful service to his country and community. From 1954 to 1958 he served in the Medical Service Corps of the U.S. Navy. Throughout the years, William has invested both his time and creativity in community service. Mr. Conn is a former member of the U.S. Jaycees and is past president of the Fleming County Jaycees. He is currently a member of the Masonic Lodge and the American Society of Association Executives. He has also served as past president of the Kentucky Society of Association Executives.

His extensive service to his community and dedication to his field has earned Mr. Conn such admirable awards as the Distinguished Service Award from the Kentucky Hospital Association.

Administrator, community leader and friend—Mr. Conn's retirement is well deserved. His accomplishments over the past two decades are too extensive to capture in these few words. He is a respected and admired Kentuckian, and I appreciate this opportunity to honor his professional and community achievements today.

THE 22D ANNUAL GERMAN HERITAGE FESTIVAL

• Mr. BRADLEY. Mr. President, our country is a remarkable mosaic—a mixture of races, languages, ethnicities and religions—that grows increasingly diverse with each passing year. Nowhere is this incredible diversity more evident than in the State of New Jersey. In New Jersey, schoolchildren come from families that speak 120 different languages at home. These different languages are used in over 1.4 million homes in my State. I have always believed that one of the United States' greatest strengths is the diversity of the people that make up its citizenry and I am proud to call the attention of my colleagues to an event in New Jersey that celebrates the importance of the diversity that is a part of America's collective heritage.

On June 4, 1995, the Garden State Arts Center in Holmdel, NJ, began its 1995 Spring Heritage Festival Series. The Heritage Festival program salutes some of the different ethnic communities that contribute so greatly to New Jersey's diverse makeup. Highlighting old country customs and culture, the festival programs are an opportunity to express pride in the ethnic backgrounds that are a part of our collective heritage. Additionally, the Spring Heritage Festivals will contribute proceeds from their programs to the Garden State Arts Center's Cultural Center Fund which presents theater productions free-of-charge to New Jersey's school children, seniors and other deserving residents. The Heritage Festival thus not only pays tribute to the cultural influences from our past, it also makes a significant contribution to our present day cultural activities.

On Sunday, September 10, 1995, the Heritage Festival Series will celebrate the 22d Annual German Heritage Festival. Chaired by Ted Hierl, this year's event is a wonderful opportunity for the German-American community to share its colorful culture with New Jerseyans and people from surrounding States through folk dancing, singing, food, and craft and cultural displays. Ted Hierl, of the radio stations WTTM/Trenton and WJDM/Elizabeth will join Hansel Kronauer and Edith Prock, two of Germany's most popular entertainers as part of the evening's stage entertainment. The day promises to be full of fun, friendship and family.

On behalf of all New Jerseyans of German descent, I offer my congratulations on the 22d anniversary of the German Heritage Festival.•

CENTENNIAL CELEBRATION OF THE DETROIT HEBREW FREE LOAN ASSOCIATION

• Mr. LEVIN. Mr. President, I am proud to rise to congratulate the Hebrew Free Loan Association of Detroit on the celebration of 100 years of service to the Jewish community.

The Hebrew Free Loan Association of Detroit was founded in 1895 to provide loans to Jewish people in the Detroit metropolitan area. Over the last century, this revered institution has made loans without interest to assist people in small businesses, and other endeavors with a particular emphasis on aiding people to do productive work.

The Hebrew Free Loan Association has also provided aid to waves of immigrants and refugees arriving in the Detroit area. A critical part of its mission has been to assist these newcomers in getting their start in America and in bringing their relatives from the old country to join them. Many of our families in the Jewish community have benefited from such loans and have gone on to become successful and to help others. Remarkably, historically, more than 96 percent of the loans made have been repaid.

Mr. President, this is an organization with old and strong roots in Jewish tradition, the Detroit community, and in American values. On September 10, the Hebrew Free Loan Association of Detroit will celebrate its centennial. I know all of my colleagues in the Senate join me in congratulating its president, Paul Hack, its executive director Ruth Marcus, its officers and directors, and all of those whose efforts over the years have contributed to this American success story.•

TRIBUTE TO CORPORATE AIR

• Mr. BAUCUS. Mr. President, I rise today to honor a made in Montana business. Corporate Air of Billings, MT is a modern day success story. Founded in 1981 by Mike and Linda Overstreet, Corporate Air has grown to employ over 300 people and serve a national and international market.

Mike has been an ambassador for Montana and America. And Corporate Air has created new jobs both here and abroad. Today, they are leaders in an overseas market that appears limitless. That is what teamwork and Corporate Air is all about.

This company was years ahead of the industry in recognizing that freight hauling was a viable growth industry for the future. And they were also far ahead in recognizing and seizing the opportunity for expansion in Asia. Mike Overstreet accompanied me on two trade missions to Asia in order to look at exciting business opportunities.

That is why I was not surprised when Corporate Air was recently recognized with the Regional Airlines Teamwork Award by the Professional Pilots Association. This award is testament to teamwork and a can-do attitude that describes Montanans in general and the Overstreets in particular.

Corporate Air and Montana understand that teamwork can solve almost any problem, no matter how difficult. When founded in 1981, the economy in America and Montana was weak. Naysayers discounted the chances of a little Montana air service that did not carry passengers.

Well, they were wrong. Through organization, vision, and hard work, the Overstreets and Corporate Air not only made it but are national and international leaders.

Finally, Corporate Air is as committed to the Billings community as to success in business. They organized a successful Big Sky International Air Show, with an attendance of over 12,000 people, with the proceeds going to local charities.

That is just one example of how Corporate Air and the Overstreet family strive daily to give back to the community that helped them grow. Their children, Luke and Sara, and their three wonderful grandchildren represent generations of hardworking Montanans who will continue Mike and Linda's work.

To conclude, Mr. President, we in Montana are justifiably proud of this important award and Corporate Air's many contributions. The rest of America would do well to follow the example set by these innovative Montanans.•

REMARKS OF SENATOR HOWELL HEFLIN AT THE V-J. 50TH ANNIVERSARY COMMEMORATION SERVICE

• Mr. WARNER. Mr. President, I rise today to praise our colleague, Senator HOWELL HEFLIN. Senator HEFLIN served in the U.S. Marine Corps in World War II. He was wounded twice and decorated with the Silver Star. Senator HEFLIN is a strong supporter of America's military and has worked hard to ensure that the United States maintains its position as the leader of the free world.

Although his time on active duty is behind him, Senator HEFLIN remains a soldier at heart. On September 2, he attended the V-J 50th Anniversary Commemoration Service at Pearl Harbor. I would like to share the remarks he delivered with my colleagues.

For all of us in Congress who served in World War II, and for that matter, all World War II veterans, his words remind us of the faith we placed in God and our country. A faith that remains unshakable today.

I ask that Senator HEFLIN's remarks be printed in the RECORD.

The remarks follow:

V-J DAY 50TH ANNIVERSARY COMMEMORATION SERVICE

(By Senator Howell Heflin)

I was asked to read from the Book of Matthew, Chapter 5, verses 3-16. I have chosen to depart from the printed program and read from the Bible familiar to all troops and sailors during World War II—The King James Version:

Blessed are the poor in spirit: for theirs is the kingdom of heaven.

Blessed are they that mourn: for they shall be comforted.

Blessed are the meek: for they shall inherit the earth.

Blessed are they which do hunger and thirst after righteousness: for they shall be filled.

Blessed are the merciful: for they shall obtain mercy.

Blessed are the pure in heart: for they shall see God.

Blessed are the peacemakers: for they shall be called the children of God.

Blessed are they which are persecuted for righteousness sake: for theirs is the kingdom of heaven.

Blessed are ye, when men shall revile you, and persecute you, and shall say all manner of evil against you falsely, for my sake.

Rejoice, and be exceedingly glad: for great is your reward in heaven: for so persecuted they the prophets which were before you.

Ye are the salt of the earth: but if the salt have lost his savour, wherewith shall it be salted? It is thenceforth good for nothing, but to be cast out, and to be trodden under foot of men.

Ye are the light of the world. A city that is set on an hill cannot be hid.

Neither do men light a candle, and put it under a bushel, but on a candlestick; and it giveth light unto all that are in the house.

Let your light so shine before men, that they may see your good works, and glorify your Father, which is in heaven.

I have been asked to say a few words on behalf of the veterans of World War II.

In the early days of World War II, American Chaplain William Thomas Cummings was delivering a sermon to troops on Baatan when he uttered the words, "There are no atheists in foxholes." Those words quickly spread throughout the Pacific and shortly thereafter to wherever American troops were deployed. This truism symbolized the reliance of American service personnel on Almighty God as they served under the Stars and Strips.

On this 50th anniversary of the official end of World War II, I know that each surviving veteran of World War II gives thanks to our Supreme Deity for His decisive role in protecting us from the chains of totalitarianism, for the preservation of democratic values and for victory over our then-enemies as well as for life itself and many join me in thanking our Father in heaven for His redeeming grace of salvation.

At this time, I am reminded of the written words of Francis Scott Key which he penned as he watched the bombardment of Fort McHenry on the night of September 13–14, 1814, contained in the last stanza of the Star Spangled Banner. These words, which I paraphrase slightly, express our hope for our nation's future:

Blest with victory and peace, may this heaven-rescued land

Praise the power that hath made and preserved us as a nation!

Then defend it we must, may our cause always be just,

And this be our motto: "In God is our trust!"

And may this star-spangled banner continue to wave, O'er a land of the free, and a home of the brave!

On behalf of all veterans of World War II, our prayer is that there will never be World War III.•

WORK NOT WELFARE IN THE MORMON CHURCH

• Mr. SIMON. Mr. President, we are talking a great deal in the Senate these days about welfare reform. Recently, I had a chance to read an article by Ralph Hardy, a Mormon leader in the Washington, D.C. area, in the magazine American Enterprise published by the American Enterprise Institute.

It is titled, "Work not Welfare."

For a long time we have known that Mormons have been exceptional in not having their people on welfare. But this article goes into more detail than I had known.

If we try to get welfare reform without providing jobs for people, we will not have welfare reform.

It is interesting to note in the article, he says, "I quickly learned that the physical welfare of my charges was an important influence on their spiritual welfare." That is true in the religious sense and also in the non-religious sense.

I will have an amendment to try a WPA-type of demonstration in four different places in the country.

I hope it can pass.

The reality is there is simply no great demand for unskilled labor in the United States today, and most of the people on welfare fall in that category. If we were to do that, not only would we help the people more, as the Latter-Day Saints do, but we would be moving on other social problems.

We spend a great deal of time making speeches about crime and doing very little constructive about it. Show me an area with high unemployment, whether it is White, Black, or Hispanic, and I will show you an area of high crime.

I ask that the Ralph Hardy piece be printed in the RECORD and I urge my colleagues to read it.

The article follows:

WORK NOT WELFARE IN THE MORMON CHURCH

(By Ralph Hardy)

In 1996, the 9 million-member Church of Jesus Christ of Latter-Day Saints (popularly known as the Mormons) will commemorate the sixtieth year of its welfare program. It was in 1936, with the Great Depression sapping the strength and spirit of the nation, that our church's visionary president Heber Grant inaugurated the Church Welfare Program as "a system under which the curse of idleness would be done away with, the evils of a dole abolished, and independence, industry, thrift, and self-respect be once more established amongst our people. The aim of the church is to help the people to help themselves. Work is to be re-enthroned as the ruling principle of the lives of our church membership."

From this beginning, the Church of Jesus Christ of Latter-Day Saints developed a detailed system for social assistance that favors work instead of welfare. It has proven extremely practical and effective in helping vulnerable people. This I know from my own personal experiences.

In the late 1940s, when I was about eight years of age, my father roused me out of bed one early Saturday morning and announced that we were going to the stake (roughly analogous to a diocese) welfare farm. This was an exciting prospect; I had never visited a farm and I eagerly anticipated seeing many creatures of my imagination. However, when my father and I arrived at the enterprise on the far west side of Salt Lake City, I was surprised not only by the lack of farm animals but by the large machete I was given. There ended the fun. For the remainder of that Saturday my father and I, along with several other men and their sons, harvested heavy, dirty sugar beets by hand, throwing them into the back of a three-quarter-ton truck. After hefting those beets I never felt the same about sugar again. I did, however, acquire a healthy respect for the life of a farm boy.

Later, a few years after my family had moved to Washington, D.C., the assignment came again to work on the stake welfare farm. This time, however, I held no illusions. I braced myself to work in the intent heat and 95 percent humidity that only the Washington area can promise in July. Throughout that day, which still ranks as one of the hardest episodes of labor I can remember, my father and I toiled in the fields digging fence-post holes.

It was with a little sadness that I later learned that this stake welfare farm had been sold, with a large dairy farm on Maryland's Eastern Shore acquired in its place. When I returned to Washington after graduate school, I spent many more Saturdays cleaning barns and pouring cement at the dairy farm.

When I turned 12, I became a deacon in the church like other boys of my age. One of my first assignments was to visit about eight families in our local congregation on the first Sunday of every month. My purpose in going was to collect from these families a "fast offering"—a cash contribution from each household equal to the value of two meals skipped by that family on the first Sunday of the month, known as Fast Sunday. I traveled by bicycle, and at the end of the afternoon I would bring all the offerings back to the bishop at the meetinghouse. These contributions created a pool of funds for our bishop to use in providing assistance to needy families in our ward. Although I did not know who these families were, I knew that our wise bishop would put the funds to good use.

When I was 34, the leadership of the church asked me to serve as bishop of my ward. One of the key assignments I was given, like all other bishops in the Church of Jesus Christ of Latter-Day Saints, was to assume direct responsibility for the physical welfare of the nearly 600 members of the congregation. I quickly learned that the physical welfare of my charges was an important influence on their spiritual welfare.

The good people of my ward were from all walks of life. Some were reasonably affluent, many were not. More than a few, especially young families, struggled. One adult member of my ward was retarded and living alone. Another was severely overweight, without family or transportation, and virtually unemployable. Over the five years of my service I spent an enormous amount of time administering to the many needs of these people.

One day, after I had been bishop for only about four months, one of the very faithful men in my ward came to see me. He had been assigned as the "home teacher" to several families, and, as such, he visited these families faithfully each month on my behalf. This man said to me, "Bishop Hardy, I am concerned about one of my families. The husband is out of a job, and his spirit and self-confidence are broken." I knew the man's name at once, and was distressed that I had not been perceptive enough to detect that the family was in difficulty.

I immediately visited the man and his wife and confirmed that they were without the basic necessities of life. Their pantry was bare. All of their meager income went toward paying rent, now in arrears, and for gasoline so the man could search for work. And that search was not proving successful. That evening, I immediately called the very capable president of our ward's women's auxiliary, known in our church as the Relief Society, and asked her to also visit the home so that this family's immediate needs could be confidentially assessed. By noon the next day this was done. Counseling was begun, and a list of commodities and other necessities that this struggling family would need was compiled. By five o'clock in the evening, the Relief Society president and the wife in the family had driven to our regional bishops' storehouse facility and filled a large order of foodstuffs and other commodities to sustain that family of five for a period of time.

A few days later, by prearrangement with the husband, I contacted the man's older brother living in the southwest and inquired about the extended family's ability to be of assistance to their kin. To my joy I received a commitment from them to donate not only cash assistance to their brother but also a good used automobile to replace the family's old car, which was not worth fixing. Then I asked a capable young attorney in my ward to help me prevent the family from being evicted from their rented townhouse; he was able to work out a rent moratorium with the landlord. From the Fast Offering funds donated by members of my congregation I advanced a deposit of one month's rent so that the landlord would feel a sense of commitment. Also from Fast offering funds I made several direct payments to the electric utility and to several physicians, in order to free up the family's meager cash resources for other purposes.

As is the practice in our church, I asked the man and his wife if they would perform some church service to partially recompense for the assistance that they received. I asked the man if he would undertake a project to repaint one of the long hallway walls in our ward meetinghouse. This assignment was accepted and the work was performed over the course of several Saturdays.

A member of our ward who had been assigned to serve as an employment specialist then began turning over to this man every possible job lead. Before we could succeed at this, however, the man's own extended family found him employment in the Southwest. I still hear from him every Christmas and can report that he has been gainfully employed ever since his crisis, and is a productive member of our church and society.

At every turn the LDS church teaches the dignity of work and the importance of personal industry. Work is emphasized as a ruling principle in the lives of all of our believers. I learned this lesson as part of a religious congregation, through personal labor in the church welfare system, and through my participation in our system of financial and service offerings. Work is basic in the doctrine of our church, and the virtues of work—and the cursedness of idleness—are taught to Latter-Day Saints at a young age.

More generally, the members of our church are taught to be self-reliant. Coming in part from our pioneer traditions, the importance of self-reliance and personal independence receives great emphasis. Spencer W. Kimball, a recent church president, taught that:

> The responsibility for each person's social, emotional, spiritual, physical, or economic well-being rests first upon himself, second upon his family, and third upon the church if he is a faithful member thereof. No true Latter-Day Saint, while physically or emotionally able, will voluntarily shift the burden of his own or his family's well-being to someone else.

Our emphases on work and self-reliance lead directly to a third requirement in church teaching—that of provident living. This means we must train members, from youth, to live within their means; to avoid unnecessary debt; to adopt on a family basis the principle of the "storehouse," which encourages laying up a year's stock of food, commodities, and financial resources against a time when they may be needed.

These work- and independence-based principles inoculate most church members from serious problems of economic security. And where personal welfare problems do crop up, our vast system of temporary church assistance and guidance back toward work is able to ease most situations without any involvement by the government. This is not mere rhetoric. Last year within the United States alone, 35,207 of our unemployed members were placed in gainful employment through the church's employment centers. In addition, over 1,500 so-called "unemployable" persons were placed in jobs, with more than 85 percent still working at the same business over one year later.

I have seen the LDS church welfare assistance system in action. I learned its principles as a child; I taught them as a full-time missionary for the church as a young man overseas; I have administered the system at the grassroots level as a church bishop. This system works because it is focused on the self-worth of the individual, and because it is administered as a part of religious practice at the local level.

Ours is a program built on work, self-help, personal dignity, and redemption. I have seen it succeed. And I know that many of its principles could be applied to the world at large.•

TRIBUTE TO COL. ROBERT F. BEHLER

Mr. THURMOND. Mr. President, each of us has found cause to use the services of congressional liaison offices that have been set up by Government agencies to assist us in servicing our constituents and managing the affairs of the Nation. Almost without exception, the men and women who staff these offices are individuals who are competent, polite, and eager to serve. I rise today to pay tribute to a person who has met and exceeded those characteristics, the Chief of the U.S. Air Force Office of Senate Liaison, Col. Robert F. Behler.

Known, liked, and respected by Senators and staffers, Colonel Behler has spent the last 2 years representing the Air Force and striving to meet the needs of the Members of this Chamber. Always maintaining the highest degree of professionalism, Colonel Behler ensured that he and those under his direction responded to our queries quickly and completely. As the chairman of the Senate Armed Services Committee, I greatly appreciated the commitment that Colonel Behler and his staff made to their jobs and I hope that his successor will maintain the same sense of duty and responsibility.

Soon Colonel Behler will take command of the 9th Reconnaissance Wing at Beale Air Force Base, CA. This will certainly be an important and challenging assignment, but one I am confident he will quickly master and at which he will excel. I wish him the best of luck in his new assignment and in the remainder of his career.

THE BAD DEBT BOXSCORE

Mr. HELMS. Mr. President, as of the close of business yesterday, September 7, the Federal debt stood at $4,968,651,845,437.79. On a per capita basis, every man, woman, and child in America owes $18,861.09 as his or her share of that debt.

WELCOMING HIS HOLINESS THE DALAI LAMA

Mr. SANTORUM. Mr. President, I ask unanimous consent that the Senate proceed to the immediate consideration of Senate Resolution 169, submitted earlier today by Senator THOMAS.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

> A resolution (S. Res. 169) expressing the sense of Senate welcoming his holiness the Dalai Lama on his visit to the United States.

The Senate proceeded to consider the resolution.

Mr. THOMAS. Mr. President, I am today joined by the distinguished chairman of the Foreign Relations Committee Senator HELMS, the equally distinguished ranking minority member Senator PELL, and Senators MACK and D'AMATO to introduce a resolution welcoming the visit to the United States this week and next of His Holiness the Dalai Lama.

The story of the 14th Dalai Lama is one with which I believe we are all familiar. Exiled from his homeland along with over 100,000 of his fellow Tibetan citizens, repeatedly frustrated and rebuffed in his sincere efforts to resolve their differences with the Chinese Government, His Holiness has never wavered in his determination to bring freedom and the full panoply of human rights to his people. His commitment to nonviolence in pursuit of the goal, even in the face of consistent provocations, has never faltered and earned him the Nobel Peace Prize.

For 45 years since the forcible invasion and occupation of their country by the Chinese People's Liberation Army, Tibetans have been subjected to systematic abuses and human rights violations. Those 45 years have seen the deaths of tens of thousands of Tibetans, the destruction of thousands of their temples and monasteries, the imprisonment of their religious and political figures, the forced sinocization of their country, and the systematic destruction of traditional Tibetan culture.

Despite hollow Chinese declarations to the contrary, the present state of human rights in Tibet is deplorable. The Chinese Government continues to arrest and imprison Tibetans solely for their religious beliefs or for the peaceful expression of political dissent. Yesterday, the Subcommittee on East Asian and Pacific Affairs which I chair held a hearing on Tibet. Witnesses presented ample evidence of these continuing abuses; Mr. Gendun Rinchen, a former political prisoner in Tibet, very recently escaped across the Himalayas into India and flew here this week to provide us with firsthand testimony on the plight of the Tibetan people.

Mr. President, the resolution is fairly self-explanatory. It extends the welcome of the Senate to His Holiness the Dalai Lama, urges the President to meet with His Holiness and to encourage the Chinese Government to sit down at the negotiating table with the Tibetan Government-in-exile, and reminds the Tibetan people that as they move forward in their struggle the Congress and the American people stand with them.

In closing, I note that one of the central tenets of Tibetans' Buddhist belief is that life and its sufferings are transitory; this has allowed them to remain remarkably restrained since the invasion. I sincerely hope that sometime soon the Chinese Government will see fit to sit down with His Holiness and negotiate an end to the present unacceptable and untenable situation so that the Tibetan people no longer have to be patient in their suffering.

Mr. President, I urge the adoption of the resolution.

Mr. SANTORUM. Mr. President, I ask unanimous consent the resolution be considered and agreed to, the preamble be agreed to, the motion to reconsider be laid upon the table, and any statements related to the resolution appear at the appropriate place in the RECORD.

The PRESIDING OFFICER. Without objection, it is so ordered.

The resolution (S. Res. 169) was agreed to.

The preamble was agreed to.

The resolution, with its preamble, reads as follows:

Whereas historically Tibet has demonstrated those attributes which under international law constitute statehood: it has had a defined territory and a permanent population; it has been under the control of its own government; and it has engaged in, or had the capacity to engage in, formal relations with other states;

Whereas beginning in 1949 Tibet was forcibly and coercively invaded and occupied by the People's Republic of China;

Whereas under the principles of international law Tibet is an occupied country and its true representatives continue to be His Holiness the Dalai Lama and the Tibetan Government-in-exile, which the Congress has recognized on several occasions;

Whereas the Tibetan people are historically, territorially, and culturally distinct from the Chinese population in the People's Republic of China and were forcibly incorporated into the People's Republic of China;

Whereas the Tibetan people are entitled to the right of self-determination as recognized in 1961 by the United Nations General Assembly in Resolution No. 1723;

Whereas instead of being afforded that right they have been subjected to repressive actions on the part of the Government of the People's Republic of China, which have resulted in the deaths of countless Tibetans, the destruction of over 6,000 temples and monasteries as well as much of Tibet's unique cultural and spiritual patrimony, the fight of the Dalai Lama and over 100,000 Tibetans from their homeland, the established in Tibet by the Chinese of a consistent and well-documented pattern of human rights abuses including numerous violations of the United Nations Declaration on Human Rights, and the settlement of thousands of Chinese in Tibet in an effort to reduce Tibetans to being a minority in their own land; and

Whereas this September His Holiness the Dalai Lama will be making his first extended visit to Washington, DC, since 1993; Now, therefore, be it

Resolved, That the Senate—

(1) warmly welcomes His Holiness the Dalai Lama to the United States;

(2) urges the President to meet with His Holiness the Dalai Lama during his visit to discuss substantive issues of interest to our two respective governments, and to continue to encourage the Government of the People's Republic of China to meet with the Dala Lama or his representatives to discuss a solution to the present impasse in their relations; and

(3) urges His Holiness the Dalia Lama to remind the Tibetan people that, as they move forward in their struggle toward preserving their culture and regaining their freedom, the Congress and the American people stand with them.

APPOINTMENT OF CONFEREES—H.R. 1530

The PRESIDING OFFICER. The Chair will appoint conferees on H.R. 1530.

The PRESIDING OFFICER (Mr. SMITH) appointed Mr. THURMOND, Mr. WARNER, Mr. COHEN, Mr. MCCAIN, Mr. LOTT, Mr. COATS, Mr. SMITH, Mr. KEMPTHORNE, Mrs. HUTCHISON, Mr. INHOFE, Mr. SANTORUM, Mr. NUNN, Mr. EXON, Mr. LEVIN, Mr. KENNEDY, Mr. BINGAMAN, Mr. GLENN, Mr. BYRD, Mr. ROBB, Mr. LIEBERMAN, and Mr. BRYAN conferees on the part of the Senate.

UNANIMOUS-CONSENT AGREEMENT

Mr. SANTORUM. Mr. President, I ask unanimous consent following the third rollcall vote on Monday, the Senate resume consideration of the Feinstein amendment, No. 2469, there be 30 minutes to be equally divided between Senators HUTCHISON and FEINSTEIN, and that the vote occur on or in relation to that amendment following the conclusion or yielding back of time.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDERS FOR MONDAY, SEPTEMBER 11, 1995

Mr. SANTORUM. Mr. President, I ask unanimous consent that when the Senate completes its business today, it stand in recess until the hour of 10 a.m. on Monday, September 11, 1995, that following the prayer, the Journal of proceedings be deemed approved to date, the time for the two leaders be reserved for their use later in the day, and that the Senate then immediately resume consideration of H.R. 4, the welfare reform bill.

The PRESIDING OFFICER. Without objection, it is so ordered.

SCHEDULE

Mr. SANTORUM. For the information of all Senators, the Senate will resume consideration of the welfare reform bill on Monday. Under a previous consent agreement, a number of amendments will be debated throughout the day with a series of consecutive rollcall votes beginning at 5 p.m., therefore Senators should be aware that the first rollcall vote will begin at 5 p.m. Monday. Also, for the information of my colleagues, a large number of amendments have been offered to the bill, as stated by the Senator from New York, and will need to be disposed of before passage. Therefore, the majority leader has indicated that Senators should anticipate late night sessions next week in order to complete action on the welfare reform bill.

THE FAMILY SELF-SUFFICIENCY ACT

Mr. SANTORUM. Mr. President, I ask unanimous consent we resume consideration of the welfare reform bill, H.R. 4.

The PRESIDING OFFICER. Without objection, it is so ordered.

The Senate continued with the consideration of the bill.

AMENDMENT NO. 2678 TO AMENDMENT NO. 2280

Mr. SANTORUM. Mr. President, I send to the desk an amendment on behalf of the Senator from New York [Mr. D'AMATO]. I ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Pennsylvania [Mr. SANTORUM] for Mr. D'AMATO, proposes an amendment numbered 2678 to amendment No. 2280.

Mr. SANTORUM. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

(1) Except as provided in paragraph (2) of this subsection, in order for an eligible State to receive funds pursuant to title I of this

Act after April 1, 1996, the State shall enact legislation establishing a program fully conforming to the requirements of this Act by that date and effective on the date of discontinuance of the state's AFDC program, in accordance with section 112 of this act.

(2) In the case of a State whose legislature meets biennially, and does not have a regular session scheduled in calendar year 1996, the requirement contained in paragraph (1) of this subsection shall be effective no later than the first day of the first calendar quarter beginning after the close of the first regular session of the State legislature that begins after the date of enactment of this Act.

Mr. SANTORUM. I ask unanimous consent the amendment be set aside.

The PRESIDING OFFICER. Without objection, it is so ordered.

AMENDMENTS NOS. 2679 AND 2680 TO AMENDMENT NO. 2280

Mr. MOYNIHAN. Mr. President, I send to the desk an amendment on behalf of the Senator from Massachusetts [Mr. KERRY], and another for Mr. HARKIN, and ask for their immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from New York [Mr. MOYNIHAN] for Mr. KERRY, proposes an amendment numbered 2679 and, for Mr. HARKIN, an amendment numbered 2680 to amendment No. 2280.

Mr. MOYNIHAN. Mr. President, I ask unanimous consent that reading of the amendments be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendments are as follows:

AMENDMENT NO. 2679

(Purpose: To provide supplemental security income benefits to persons who are disabled by reason of drug or alcohol abuse, and for other purposes)

On page 124, beginning on line 16, strike all through page 127, line 2.

On page 127, line 3, strike "**SEC. 202.**" and insert "**SEC. 201.**"

On page 128, line 14, strike "**SEC. 203.**" and insert "**SEC. 202.**"

On page 129, line 7, strike "**SEC. 204.**" and insert "**SEC. 203.**".

On page 129, beginning on line 9, strike all through line 12, and insert:

(a) IN GENERAL.—Section 1611(e) (42 U.S.C. 1382(e)) is amended by adding at the end the following new paragraph:

On page 129, line 13, strike "(3)" and insert "(6)".

On page 131, line 6, strike "**SEC. 205.**" and insert "**SEC. 204.**".

On page 131, line 5, strike "Sections 201 and 202" and insert "Section 201".

On page 131, lines 7 and 8, strike "sections 201 and 202" and insert "section 201".

On page 131, line 21, strike "or 202".

On page 132, beginning on line 19, strike all through page 133, line 9.

On page 133, line 11, strike "sections 203 and 204" and insert "sections 202 and 203".

On page 133, lines 17 and 18, strike ", as amended by section 201(a),".

AMENDMENT NO. 2680

(Purpose: To assure continued taxpayer savings through competitive bidding in WIC)

At the appropriate place insert the following:

SEC. . SENSE OF THE SENATE REGARDING COMPETITIVE BIDDING FOR INFANT FORMULA.

(a) IN GENERAL.—The Senate finds that—

(1) the federal Supplemental Nutrition Program for Women, Infants and Children (WIC) is a proven success story, providing special nutrition and health assistance to at-risk pregnant women, infants and children;

(2) WIC has been shown to reduce the incidence of fetal death, low birthweight, infant mortality and anemia, to increase the nutritional and health status of pregnant women, infants and children and to improve the cognitive development of infants and children;

(3) research has shown that each dollar spent on WIC for pregnant women results in savings of $1.92 to $4.21 in Medicaid expenditures;

(4) because of funding limitations not all individuals eligible for WIC assistance are served by the program;

(5) infant formula is a significant item in the cost of WIC monthly food packages, amounting to approximately 26 percent of WIC food costs after subtracting manufacturer's rebates, but approximately 48 percent of food costs prior to applying rebates;

(6) rebates obtained through competitive bidding for infant formula have reduced the cost of infant formula for WIC participants by approximately $4.1 billion through the end of fiscal year 1994, allowing millions of additional pregnant women, infants and children to be served by WIC with the limited funds available;

(7) the Department of Agriculture has estimated that in fiscal year 1995 rebates obtained through competitive bidding for infant formula will total over $1 billion, which will enable WIC to serve approximately 1.6 million additional women, infants and children; and

(8) because of the very substantial cost savings involved, Congress enacted in 1989 legislation requiring that states administering the WIC program conduct competitive bidding for infant formula.

(b) SENSE OF THE SENATE.—It is the Sense of the Senate that any legislation enacted by Congress should not eliminate or in any way weaken the present competitive bidding requirements for the purchase of infant formula with respect to any program supported wholly or in part by federal funds.

Mr. MOYNIHAN. Mr. President, I ask the amendment be laid aside.

The PRESIDING OFFICER. Without objection, it is so ordered.

RECESS UNTIL 10 A.M., MONDAY, SEPTEMBER 11, 1995

Mr. SANTORUM. Mr. President, if there is no further business to come before the Senate, I now ask unanimous consent that the Senate stand in recess under the previous order.

There being no objection, the Senate, at 5:05 p.m., recessed until Monday, September 11, 1995, at 10 a.m.

NOMINATIONS

Executive nominations received by the Senate September 8, 1995:

STATE JUSTICE INSTITUTE

ROBERT NELSON BALDWIN, OF VIRGINIA, TO BE A MEMBER OF THE BOARD OF DIRECTORS OF THE STATE JUSTICE INSTITUTE FOR A TERM EXPIRING SEPTEMBER 17, 1998. (REAPPOINTMENT)

DEPARTMENT OF THE TREASURY

JEFFREY R. SHAFER, OF NEW JERSEY, TO BE AN UNDER SECRETARY OF THE TREASURY, VICE LAWRENCE H. SUMMERS.

DEPARTMENT OF HEALTH AND HUMAN SERVICES

MELISSA T. SKOLFIELD, OF LOUISIANA, TO BE AN ASSISTANT SECRETARY OF HEALTH AND HUMAN SERVICES, VICE AVIS LAVELLE.

IN THE NAVY

THE FOLLOWING-NAMED OFFICER FOR PROMOTION IN THE NAVY OF THE UNITED STATES TO THE GRADE INDICATED UNDER TITLE 10, UNITED STATES CODE, SECTION 624:

CIVIL ENGINEER CORPS

To be rear admiral

REAR ADM. (LH) DAVID J. NASH [redacted] U.S. NAVY.

THE FOLLOWING-NAMED SUPPLY CORPS OFFICERS, TO BE REAPPOINTED IN THE LINE OF THE U.S. NAVY, PURSUANT TO TITLE 10, UNITED STATES CODE, SECTIONS 531 AND 5582(A):

LINE

To be lieutenant (junior grade)

ALBERT M. CARDEN [redacted]
TODD R. MUNSON [redacted]

LINE

To be ensign

LEE P. SISCO [redacted]

THE FOLLOWING-NAMED CIVIL ENGINEER CORPS OFFICER, TO BE REAPPOINTED IN THE LINE OF THE U.S. NAVY, PURSUANT TO TITLE 10, UNITED STATES CODE, SECTIONS 531 AND 5582(A):

LINE

To be lieutenant (junior grade)

SEAN D. DONNELLY [redacted]

THE FOLLOWING-NAMED U.S. NAVAL RESERVE OFFICERS, TO BE APPOINTED IN THE LINE OF THE U.S. NAVY, PURSUANT TO TITLE 10, UNITED STATES CODE, SECTION 531:

LINE

To be lieutenant

MARK A. ADMIRAL [redacted]
KACY W. AINSWORTH [redacted]
TERRENCE R. ALLVORD [redacted]
DAVID L. AMISH [redacted]
SAUNDRA L. AMSDEN [redacted]
DAVID W. ANDREWS [redacted]
MARK G. ASTRELLA [redacted]
SUNG M. BAKER [redacted]
WILLIAM V. BANTA [redacted]
THEODORE E. BARNETT [redacted]
TERRY S. BARRETT [redacted]
ERIC J. BASU [redacted]
CHARLES E. BAXTER III [redacted]
ANDREW BELOBLOSKY [redacted]
SCOTT E. BERGSMA [redacted]
CHARLES S. BEST [redacted]
JAMES C. BETTY III [redacted]
RANDALL J. BIGGS [redacted]
CHARLES M. BILLY [redacted]
JAMES H. BLACK [redacted]
LISA I. BOARD [redacted]
JOSEPH D. BORGIA [redacted]
JON N. BRADY [redacted]
LAWRENCE C. BRAMAN [redacted]
RAYMOND J. BRENNAN, JR. [redacted]
HUGH P. BRIEN [redacted]
BRUCE W. BROSCH [redacted]
SCOTT R. BRUMMOND [redacted]
DAVID R. BUCHHOLZ [redacted]
JAMES G. BUCKLEY [redacted]
CHRISTOPHER D. BURTON [redacted]
JACQUELINE R. BUTLER [redacted]
RICHARD P. BYRNES, JR. [redacted]
TIMOTHY D. CARR [redacted]
MATTHEW W. CERO [redacted]
MICHAEL J. CHEETHAM [redacted]
SUNG W. CHOI [redacted]
LEDA M. CHONG [redacted]
SHANNON D. CHRISTOPHERSON [redacted]
DAVID A. CIMPRICH [redacted]
DAVID D. CLEMENT, JR. [redacted]
RANDALL D. CLENDENON [redacted]
JAMES P. CLINTON [redacted]
YVETTE COFRESIEILIND [redacted]
STEPHEN J. COMSTOCK [redacted]
GREGORY H. CONWAY [redacted]
MICHEL S. CONYAC [redacted]
GLENN C. COOPER [redacted]
ROBERT N. COOPER II [redacted]
MONSERRATE D. CORBETT [redacted]
BERNETTE A. CORBIN [redacted]
JERRY D. CORNETT, JR. [redacted]
WALTER J. COSTELLO [redacted]
DOUGLAS J. CRAGIN [redacted]
WILLIAM J. CRAWFORD [redacted]
WAYNE A. CROSS [redacted]
JUAN D. CUESTA [redacted]
DAVID P. CULLIGAN [redacted]
DONALD E. CZARAPATA [redacted]
FRANK J. CZOSEK [redacted]
ROBERT J. DAVID, JR. [redacted]
PATRICK A. DAY [redacted]

LA G. DE [redacted]
RANDALL R. DECKER [redacted]
CHRISTOPHER H. DELLOS [redacted]
BRAD S. DENNIS [redacted]
THOMAS A. DERMODY [redacted]
STEVEN R. DICKERSON [redacted]
MARK DIETTER [redacted]
ALAN A. DIGILIO [redacted]
WILLIAM J. DION [redacted]
MICHAEL J. DODICK [redacted]
RICHARD M. DOYLE [redacted]
LOWELL J. ELLIS [redacted]
JOHN P. ELSTAD [redacted]
ERIK E. ERWIN, 032–64–0827
PATRICK J. ETIENNE [redacted]
MARK J. EYRE [redacted]
GLENN D. FELDHUHN [redacted]
GREGORY P. FERNANDEZ [redacted]
KENNETH D. FILOR [redacted]
LISA M. FRANCHETTI [redacted]
CAROLYN S. FRANCIS [redacted]
RODNEY E. FREEMAN [redacted]
MICHAEL L. FULLER [redacted]
LAWRENCE F. GAUSE [redacted]
RAYMOND C. GAW [redacted]
JAMES A. GEARY [redacted]
CHRISTOPHER A. GILBERT [redacted]
TIMOTHY J. GILCHRIST [redacted]
CECILIA M. GONZALES [redacted]
ROBERT G. GRANT [redacted]
DE P. GRAVE [redacted]
ROBERT J. GRAY [redacted]
CONSTANCE M. GREENE [redacted]
JOHN L. GREER [redacted]
THOMAS B. GREWE [redacted]
RICHARD J. GRUENHAGEN [redacted]
RANCE HACKER [redacted]
ANDREW E. HAROLD, JR. [redacted]
RICHARD B. HENCKE [redacted]
BRIAN D. HENNESSY [redacted]
DAVID M. HESSEL [redacted]
DAVID A. HESTING [redacted]
GREGORY L. HICKS [redacted]
KYLE P. HIGGINS [redacted]
DARYL S. HORNE [redacted]
GREGORY W. HOWE [redacted]
JEFFREY Z. HUCKABEY [redacted]
DAVID C. HUGHES [redacted]
DEREK S. IKEHARA [redacted]
SCOTT D. IND [redacted]
RANDALL W. INGELS [redacted]
DESNEY W. ISZARD [redacted]
RICHARD J. JACKSTIS [redacted]
ANTHONY A. JOHNSON [redacted]
CLIFFORD T. JOHNSON [redacted]
EMERSON C. JOHNSON [redacted]
JOHN M. JONES [redacted]
MISTY A. JONESLONG [redacted]
BURKE R. KALTENBERGER [redacted]
TIMOTHY R. KAUNIKE [redacted]
CLIFFORD J. KEENEY [redacted]
BRIAN D. KELLY [redacted]
NINA R. KENMORE [redacted]
KAMERON K. KERNS [redacted]
MUHAMMAD M. KHAN [redacted]
ROBERT H. KNIGHT II [redacted]
SCOTT T. KORMIS [redacted]
KEN D. KOZEMCHAK [redacted]
ANDREW I. KRASNY [redacted]
LONN W. LARSON [redacted]
SHEILA A. LEE [redacted]
ANDREW Z. LE [redacted]
ANDREAS LEINZ [redacted]
TRENTON S. LENNARD [redacted]
TERRY F. LINDBERG [redacted]
EDWARD A. LIZAK, JR. [redacted]
VICTOR J. LOSCHINKOHL [redacted]
RANDALL L. LOTT [redacted]
ERIC M. MALONE [redacted]
JOHN P. MALONEY [redacted]
STUART K. MARSHALL [redacted]
DAVID J. MARTAK [redacted]
PETER H. MATSON [redacted]
MICHAEL J. MC CABE [redacted]
IAN F. MC CALLUM [redacted]
THOMAS F. MC CANN, JR. [redacted]
MICHAEL C. MC CASSEY [redacted]
CHRISTOPHER S. MC CONNELL [redacted]
THOMAS F. MC GRATH, [redacted]
DAVID G. MC KNEELY [redacted]
SCOTT S. MC QUILLEN [redacted]
KEVIN A. MC VADON [redacted]
FERMIN S. MENDEZ [redacted]
JACOB P. MERCIEZ [redacted]
GREGORY C. MERK [redacted]
JOHN A. MILLER [redacted]
RANDALL B. MILLER [redacted]
WILLIAM K. MIMS [redacted]
MICHAEL L. MOATS [redacted]
LINDSEY A. MOHLE [redacted]
ADAM J. MOORE [redacted]
JEFFREY W. MORTON [redacted]
JASON A. MOSER [redacted]
MITCHELL D. MUMMAW [redacted]
DEREK J. MURPHY [redacted]
TIMOTHY F. MURPHY, JR. [redacted]
ERIC V. NANARTOWICH [redacted]
ORLANDO E. NEGRON [redacted]
HENRY T. NILES, JR. [redacted]
DAVID H. NORMAN [redacted]
ROBERT R. OSTERHOUDT [redacted]
JAMIE R. OTTO [redacted]
LINDA D. OVERBY [redacted]
JOHN P. OVERTON [redacted]
TIMOTHY G. PAGE [redacted]
JOEL L. PAINE [redacted]
RACHEL H. PARDO [redacted]
BRADFORD T. PARKER [redacted]
HAROLD S. PARRISH [redacted]
JOHN E. PASCH III [redacted]
JAMES S. PATTERSON [redacted]
BRIAN K. PAUL [redacted]
ERIC A. PAYNE [redacted]
ROBERT S. PETERSON [redacted]
DAVID D. PHELPS [redacted]
RUSSEL H. PHELPS III [redacted]
ERIC R. PHIPPS [redacted]
DAVID P. PLATTE [redacted]
DALE W. POCKLINGTON [redacted]
JAMES W. POLJANEC [redacted]
JASON M. POST [redacted]
ANDREW K. POSTERT [redacted]
JANIE M. POWELL [redacted]
CHRISTOPHER L. PRATT [redacted]
GANDOLFO A. PRISINZANO [redacted]
MARK A. PROVITOLA [redacted]
JOHN A. PUCCIARELLI [redacted]
CHRISTOPHER M. RANKIN [redacted]
JOHN J. REESE [redacted]
DON A. REEVES, JR. [redacted]
ANDREW J. REINHART [redacted]
SCOTT J. REINHOLD [redacted]
MARY J. RIMMEL [redacted]
WILLIAM M. ROARK [redacted]
CHRISTOPHER L. ROSSING [redacted]
DARRELL G. RUBY [redacted]
PAUL RUCHLIN [redacted]
MARK B. RUDESILL [redacted]
MICHAEL S. RYAN [redacted]
BRIAN A. RYDELL [redacted]
ROMELDA C. SADIARIN [redacted]
DAVID W. SAMARA [redacted]
JON S. SCHACKMUTH [redacted]
MARK P. SCHENCK [redacted]
RODERICK SHANNON [redacted]
MICHAEL J.R. SHAUGHNESSY [redacted]
DENNIS P. SHELTON [redacted]
IVAN L. SHERMAN [redacted]
JAMES F. SHIELDS [redacted]
DAWN M. SHOOK [redacted]
MICHAEL L. SHUMBERGER [redacted]
KEVIN R. SIDENSTRICKER [redacted]
DONALD B. SIMMONS II [redacted]
GREGORY T. SIPPLE [redacted]
JAMES F. SKARBEK III [redacted]
JOHN C. SMAJDEK [redacted]
JODY C. SMITH [redacted]
CHERI A. SOLOMON [redacted]
WILLIAM R. SPEARMAN [redacted]
DOUGLAS H. STANFORD [redacted]
TAD F. STAPLETON [redacted]
LESLIE S. START [redacted]
RICHARD E. STEELE [redacted]
SCOTT P. STEFANSIC [redacted]
STEVEN R. STROBERGER [redacted]
SCOTT L. SULLIVAN [redacted]
ANDREW W. SWENSON [redacted]
DEREK L. TEACHOUT [redacted]
BRUCE J. THERIAULT [redacted]
DEBRA E. THOMPSON [redacted]
OTIS V. TOLBERT [redacted]
CHARLES J. TOLEDO [redacted]
NICHOLAS E. TRISKA [redacted]
MARK A. TUTHILL [redacted]
CHARON L. USTICK [redacted]
MICHAEL PETER VASKE [redacted]
STEPHEN J. VOGEL, JR. [redacted]
MARK D. WADDELL [redacted]
BERTRAM W. WAGNER [redacted]
BRIAN S. WAITE [redacted]
MICHAEL J. WEBER [redacted]
MICHAEL L. WIGGINS [redacted]
CARLTON B. WILSON [redacted]
JOHN H. WILTSE III [redacted]
STEPHEN M. WOOD [redacted]
GEORGE S. YATES [redacted]
MARK V. ZABOLOTNY [redacted]
BOYD T. ZBINDEN [redacted]
EDWARD C. ZEIGLER [redacted]

LINE

To be lieutenant (junior grade)

WILLIAM L. ANGERMANN [redacted]
DAVID A. ARNOVITZ [redacted]
ROBERT A. ARSENEAULT [redacted]
MARK O. BAILEY [redacted]
STEPHEN D. BARNETT [redacted]
JOEL A. BAUTISTA [redacted]
KIRK L. BECKETT [redacted]
JONATHAN K. BESCHLOSS [redacted]
STEPHEN R. BLASCH [redacted]
JAMES G. BOYLAND [redacted]
WILLIAM E. BUCKLEY [redacted]
ROSS S. BUDGE [redacted]
MATTHEW W. BURLINGAME [redacted]
ALEXANDER E. CARR [redacted]
JON C. CHEEK [redacted]
RICHARD S. CLARK, JR. [redacted]
WISDOM F. COLEMAN [redacted]
TIMOTHY M. COOPER [redacted]
CHRISTINE A. CORONADO [redacted]
B.P. COSTELLO, JR. [redacted]
JAMES D. COX [redacted]
ROBERT J. CROUCH [redacted]
MATTHEW J. CURRY [redacted]
EDGAR B. DAVIS [redacted]
MICHAEL P. DEGANUTTI [redacted]
TERENCE P. DERMODY [redacted]
LEONARD P. DILUDOVICO [redacted]
STEVEN J. DOHMAN [redacted]
MARK W. DOVER [redacted]
RICHARD S. DRAKE II [redacted]
FLOYD W. DUNN, JR. [redacted]
STEPHAN D. DUPOURQUE [redacted]
MICHAEL T. ECHOLS [redacted]
EDWARD R. FASSNACHT [redacted]
LISA D. FINKLEA [redacted]
BRADY FITZGERALD [redacted]
CHRISTOPHER P. FORDHAM [redacted]
DAVID R. FOSTER [redacted]
STEVEN D. FRANCIS [redacted]
MARC A. FRANZOS [redacted]
BRENT S. FREEMAN [redacted]
JOHN J. GALIK [redacted]
KEVIN M. GALLO [redacted]
DAVID M. GALLOWAY [redacted]
JEFFREY W. GARRISS [redacted]
MICHAEL J. GARVEY [redacted]
TODD R. GEERS [redacted]
LAWRENCE G. GETZ III [redacted]
KEVIN S. GILLAM [redacted]
KEVIN T. GRAF [redacted]
JULIE K. GRAHAM [redacted]
MATTHEW E. GREGOR [redacted]
DAVID K. HARDEN [redacted]
DAVID P. HARLEY [redacted]
JEFFREY S. HART [redacted]
DARREN S. HARVEY [redacted]
JON E. HAYDEL [redacted]
CHARLES J. HAYDEN III [redacted]
VIVIAN G. HENDERSON [redacted]
MARK D. HOLMES [redacted]
JENNIFER P. HORNE [redacted]
RUSS D. HORR [redacted]
KEITH J. HUGHES [redacted]
RODNEY J. HYRE [redacted]
HARUNA R. ISA [redacted]
THOMAS C. JAMES [redacted]
THOMAS J. JANKOWSKI [redacted]
ANDERSON JOHNSON III [redacted]
KENNETH A. JOHNSON, JR. [redacted]
STEPHEN C. JONES [redacted]
TIM A. JORDAN [redacted]
MARK A. JUNCO [redacted]
HALSEY D. KEATS [redacted]
WALLACE T. KESSLER [redacted]
ROCHUS S. KIRCHNER [redacted]
ANDREW C. KLAVON [redacted]
DONALD A. KNAUB [redacted]
PATRICK D. KREITZER [redacted]
SONYA LAUBSCHER [redacted]
MICHAEL T. LAVIGNE [redacted]
MARIE A. LEEDOM [redacted]
MICHAEL E. LEITER [redacted]
JEANPAUL G. LOVERA [redacted]
VINCENT M. LOWELL [redacted]
BRICE K. LUND [redacted]
RICHARD L. MARSHALL [redacted]
DUSTIN L. MARTIN [redacted]
MATTHEW J. MASON [redacted]
SEAN C. MAYBEE [redacted]
PAUL H. MC FARLAND [redacted]
GREGORY E. MC RAE [redacted]
CLAYTON W. MICHAELS [redacted]
JODY J. MILLER [redacted]
DENNIS J. MONAHAN [redacted]
BRIAN D. MORRILL [redacted]
JOHN M. MYERS [redacted]
NANCY A. NADEAU [redacted]
JOSHUA G. NEWSTEDER [redacted]
JAMES E. OGBURN [redacted]
JOSEPH R. OLSON [redacted]
VANESSA V. PADLA [redacted]
ERIC R. PERCIVAL [redacted]
THOMAS M. PERRY [redacted]
ROBERT E. POLING [redacted]
SABRA D. POLLER [redacted]
CLAUDIE A. PRESSLEY [redacted]
VICTORIA L. QUINN [redacted]
STEVE A. REYNA [redacted]
CHARLES E. RICH [redacted]
JAMES R. RIDGWAY III [redacted]
DENNIS R. RIEKE [redacted]
MATTHEW W. RISING [redacted]
JAMES W. ROBINSON, JR. [redacted]
THOMAS A. ROBSON [redacted]
MARK W. ROEMHILDT [redacted]
ANGELA W. ROGERS [redacted]
PATRICIA M. ROGERS [redacted]
PATRICK T. ROHAN [redacted]
LINDA L. ROUTSON [redacted]
FRANK J. RUBINO, JR. [redacted]
MICHAEL G. RYAN [redacted]
PAUL A. SADLER [redacted]
KEVIN R. SANDLIN [redacted]
DANIEL D. SANTOS [redacted]
KENNETH T. SCHLAG [redacted]
CHAD M. SCHNEIDER [redacted]
DOUGLAS L. SCOTT [redacted]
KEITH L. SELBY [redacted]
DAVID W. SHAW [redacted]
FRANK C. SHELLY [redacted]
JONATHAN D. SHERMAN [redacted]
SCOTT T. SHUMPERT [redacted]
WILLIE F. SIMS [redacted]

WALTER M. SLAUGHTER [redacted]
ANDREW F. SMITH [redacted]
RICHARD E. SMOAK [redacted]
LESLIE L. SPANHEIMER [redacted]
DANIEL K. STARK [redacted]
FORREST G. THOMPSON, JR [redacted]
JOHN J. TILL [redacted]
SCOTT K. TOPPEL [redacted]
FREDERICK J. TRAYERS II [redacted]
BRADLEY W. UPTON [redacted]
MARCUS L. VALLOT [redacted]
ERIC R. VOSLER [redacted]
JOSEPH K. WAIWAIOLE [redacted]
SCOTT M. WHEELER [redacted]
VINCENT D. WILLIS [redacted]
STANLEY G. WILSON III [redacted]
JEFFREY L. WIPPLINGER [redacted]
CHRISTOPHER S. WISEMAN [redacted]
TIMOTHY R. WORTHY [redacted]
KIRK R. WYMORE [redacted]
BURT J. YAROCH [redacted]
DAVID ZAK [redacted]
ELIZABETH F. ZARDESKASASHBY [redacted]

LINE

To be ensign

MICHAEL T. ADAMS [redacted]
PATRICK C. ANGLE [redacted]
WILLIAM S. BASS [redacted]
JASON B. BLITZ [redacted]
VICTOR A. BORDADORA [redacted]
MICHAEL J. CINQUE [redacted]
THOMAS M. COLEMAN [redacted]
ANTHONY C. CREGO [redacted]
SEAN A. DAVISON [redacted]
ZACHARY K. DUNHAM [redacted]
JAMES C. EVANS [redacted]
JOHN W. FOY [redacted]
SCOTT M. FRANZEN [redacted]
BRIAN K. FULLAN [redacted]
SAM R. GEIGER [redacted]
ERIC E. GEORGE [redacted]
BRIAN J. GRANGER [redacted]
JAMES M. GRIFFIN [redacted]
NED A. GRIFFITH [redacted]
ROBERT L. GUERIN [redacted]
GENE M. GUTTROMSON [redacted]
CRAIG A. HANSON [redacted]
SCOTT A. HARVEY [redacted]
MARK A. HILTON [redacted]
JEFFREY E. JONES [redacted]
ERIC J. KNIGHT [redacted]
MICHAEL W. KONDAS [redacted]
DEREK D. KRASSIN [redacted]
JOHN C. KWASNIEWSKI [redacted]
ANDY M. LEAL [redacted]
DAVID C. LEGLER [redacted]
MICHAEL J. LEONARD [redacted]
KENNETH L. MALPHURS [redacted]
RICHARD W. MEYER [redacted]
KEITH W. MIERTSCHIN [redacted]
LIEM Q. NGUYEN [redacted]
CARL J. OBERMEIER [redacted]
JOSEPH E. OSTIGUY [redacted]
ANDREI PERUMAL [redacted]
KENNETH S. RICCI [redacted]
JOHN C. ROBINSON [redacted]
RICHARD S. ROWE [redacted]
GREGORY P. SALLEE [redacted]
JAMES P. SHUNNEY [redacted]
WILLIAM E. SOLOMON III [redacted]
TROY P. SPILLMAN [redacted]
DINESH K. SURI [redacted]
MICHAEL R. TASKER [redacted]
RICHARD F. WEBB [redacted]
RUSSELL E. WOOD [redacted]
JAMES W. WOODWARD [redacted]
JAMES H. ZEIGLER [redacted]

THE FOLLOWING-NAMED U.S. NAVAL RESERVE OFFICERS, TO BE APPOINTED IN THE MEDICAL CORPS OF THE U.S. NAVY, PURSUANT TO TITLE 10, UNITED STATES CODE, SECTION 531:

MEDICAL CORPS

To be commander

DAVONNE S. LOUP [redacted]
ROBERT D. PUDER [redacted]

MEDICAL CORPS

To be lieutenant commander

GILBERT E. BOSWELL [redacted]
ROBERT J. CHAMBERLAIN [redacted]
SUSAN L. CHITTUM [redacted]
GERALD A. COHEN [redacted]
EDWARD N. COHILL [redacted]
JAMES M. CRAVEN [redacted]
CHRISTOPHER CULP [redacted]
TERRANCE K. EGLAND [redacted]
JAMES C. HORSPOOL [redacted]
CHRISTOPHER J. JENNINGS [redacted]
KEVIN D. MOORE [redacted]
VERNON D. MORGAN [redacted]
FRANCIS O'CONNOR [redacted]
RICHARD C. OSMAN [redacted]
NEIL R. SEELEY [redacted]
HARRY A. TAYLOR, III [redacted]
STEVEN M. TEMERLIN [redacted]
JOHN B. TOURTELOT [redacted]
JON T. UMLAUF [redacted]

MEDICAL CORPS

To be lieutenant

ABHIK K. BISWAS [redacted]
STEPHEN W. BURGHER [redacted]
DAVID W. CLINE [redacted]
DAVID J. DAMSTRA [redacted]
ANN G. EGLAND [redacted]
KEVIN J. KEMPF [redacted]
ANDREW E. KORTZ [redacted]
GREGORY J. KUNZ [redacted]
DANIEL F. NOLTKAMPER [redacted]
ERIC RASMUSSEN [redacted]
WARD L. REED III [redacted]
JAMIE C. STARK [redacted]
DAVID J. TANZER [redacted]
SHARON V. WARD [redacted]

THE FOLLOWING-NAMED LINE OFFICERS, TO BE REAPPOINTED IN THE SUPPLY CORPS OF THE U.S. NAVY, PURSUANT TO TITLE 10, UNITED STATES CODE, SECTIONS 531 AND 5582(B):

SUPPLY CORPS

To be lieutenant (junior grade)

WESLEY E. BEADLE IV [redacted]
CHRISTOPHER T. BECK [redacted]
DAVID W. BORUSHKO [redacted]
GUZMAN F. CHARON [redacted]
ANTHONY J. HATOK, JR. [redacted]
DON M. HODGDON [redacted]
DARRELL B. INGRAM [redacted]
STEVEN P. KACHILLA [redacted]
WILLIAM V. KRUG, JR. [redacted]
WILLIAM J. PARRISH [redacted]
JOSEPH O. REOST [redacted]
LUTHER K. TOWNSEND, JR [redacted]
CHRISTOPHER P. YORK [redacted]
KEVIN B. ZALETSKY [redacted]

SUPPLY CORPS

To be ensign

SCOTT E. ARMENTROUT [redacted]
PAUL B. BRYANT [redacted]
CHAD B. BURKE [redacted]

THE FOLLOWING-NAMED U.S. NAVAL RESERVE OFFICERS, TO BE APPOINTED IN THE SUPPLY CORPS OF THE U.S. NAVY, PURSUANT TO TITLE 10, UNITED STATES CODE, SECTION 531:

SUPPLY CORPS

To be lieutenant

PAUL D. ANTONIO [redacted]
TRACY L. ASKEW [redacted]
GEORGE D. BOWLING [redacted]
STEVEN L. CAMPBELL [redacted]
BRAD W. CRUMP [redacted]
SHANE P. DANIELS, JR [redacted]
JAMES T. FRIEL [redacted]
THOMAS J. GORMAN, JR. [redacted]
KEVIN L. JONES [redacted]

SUPPLY CORPS

To be lieutenant (junior grade)

MICHAEL G. TALLEY [redacted]

THE FOLLOWING-NAMED LINE OFFICERS, TO BE REAPPOINTED IN THE CIVIL ENGINEER CORPS OF THE U.S. NAVY, PURSUANT TO TITLE 10, UNITED STATES CODE, SECTIONS 531 AND 5582(B):

CIVIL ENGINEER CORPS

To be lieutenant

JAMES A. CHATFIELD I [redacted]
PAUL F. COTTER [redacted]
JOHN F. DORAN [redacted]
DAMON S. FETTERS [redacted]
JEFFREY D. HICKS [redacted]
KENNETH T. OGAWA [redacted]
KENNETH R. OSMUN [redacted]

CIVIL ENGINEER CORPS

To be lieutenant (junior grade)

JAMES B. BLANTON [redacted]
JAMES D. COLLIER [redacted]
THOMAS F. FULTON [redacted]

CIVIL ENGINEER CORPS

To be ensign

WILLIAM J. PIERCE [redacted]
ERIC D. VALERGA [redacted]
PHILLIP B. WINDUST [redacted]

THE FOLLOWING-NAMED U.S. NAVAL RESERVE OFFICERS, TO BE APPOINTED IN THE CIVIL ENGINEER CORPS OF THE U.S. NAVY, PURSUANT TO TITLE 10, UNITED STATES CODE, SECTION 531:

CIVIL ENGINEER CORPS

To be lieutenant

ERIC M. AABY [redacted]
MICHAEL J. ANGERINOS [redacted]
JON V. CYBULSKI [redacted]
MARK S. HOCHBERG [redacted]
ANDREW J. HOLLAND [redacted]
KEVIN L. HUTSELL [redacted]
JOHN A. KLIEM [redacted]
STEPHEN G. KRAMAR [redacted]
ERIC S. LEE [redacted]
JAMES PECOS [redacted]
DANIEL J. RAWN [redacted]
JOHN D. WHITE [redacted]
BARNEY S. WILLIAMS [redacted]
MICHAEL J. WILLIAMS [redacted]

CIVIL ENGINEER CORPS

To be lieutenant (junior grade)

JOHN W. CARSON III [redacted]
CHRISTOFER M. COLLINS [redacted]
CHRISTOPHER M. KNUDSEN [redacted]
MICHAEL H. SAMS [redacted]
ANDREW J. SCHULMAN [redacted]
ALEX D. STITES [redacted]

THE FOLLOWING-NAMED U.S. NAVAL RESERVE OFFICERS, TO BE APPOINTED IN THE JUDGE ADVOCATE GENERAL'S CORPS OF THE U.S. NAVY, PURSUANT TO TITLE 10, UNITED STATES CODE, SECTION 531:

JUDGE ADVOCATE GENERAL'S CORPS

To be lieutenant

MELANIE A. ANDREWS [redacted]
CONNIE J. BULLOCK [redacted]
JAMES R. CRISFIELD, JR [redacted]
PATRICIA M. KESSLER [redacted]
MATTHEW L. KRONISCH [redacted]
SCOTT J. LAURER [redacted]
STEVEN L. MILLER [redacted]
JOSEPH C. MISENTI, JR [redacted]
GREGORY P. NOONE [redacted]
LINWOOD R. SCHWARTZ [redacted]
MICHAEL D. SUTTON [redacted]
PAULA J. YOUNES [redacted]

THE FOLLOWING-NAMED U.S. NAVAL RESERVE OFFICERS, TO BE APPOINTED IN THE DENTAL CORPS OF THE U.S. NAVY, PURSUANT TO TITLE 10, UNITED STATES CODE, SECTION 531:

DENTAL CORPS

To be lieutenant commander

THOMAS L. DANOS [redacted]
VINCENT R. JONES [redacted]
RICHARD L. SZAL [redacted]

DENTAL CORPS

To be lieutenant

FELIX J. AGUTO [redacted]
SUSAN C. BON [redacted]
SIDNEY L. BOURGEOIS [redacted]
JEFFREY H. BRAIN [redacted]
RICK FREEDMAN [redacted]
PAUL E. GUTT [redacted]
HOLLY D. HATT [redacted]
STUART O. MILLER [redacted]
BRENT E. NEUBAUER [redacted]
MARGARET K. OROURKE [redacted]
JOSEPH F. PALERMO [redacted]
MARK F. ROBACK [redacted]
IVAN ROMAN [redacted]
CHRISTOPHER A. STEWART [redacted]
WILLIAM C. STOROE [redacted]
CURTIS M. WERKING [redacted]
PETER J. ZEHREN [redacted]

THE FOLLOWING-NAMED LINE OFFICERS, TO BE REAPPOINTED IN THE MEDICAL SERVICE CORPS OF THE U.S. NAVY, PURSUANT TO TITLE 10, UNITED STATES CODE, SECTION 531:

MEDICAL SERVICE CORPS

To be lieutenant

GUSTAVO GIERBER [redacted]
DOUGLAS G. HAWK [redacted]
TIMOTHY P. PADELFORD [redacted]
VERNON A. SANCHEZ [redacted]
ERIC S. SHERMAN [redacted]

MEDICAL SERVICE CORPS

To be ensign

MONIQUE M. GARCIA [redacted]

THE FOLLOWING-NAMED U.S. NAVAL RESERVE OFFICERS, TO BE APPOINTED IN THE MEDICAL SERVICE CORPS OF THE U.S. NAVY, PURSUANT TO TITLE 10, UNITED STATES CODE, SECTION 531:

MEDICAL SERVICE CORPS

To be lieutenant commander

ANNA H. STALCUP [redacted]
ALICE WHITLEY [redacted]

MEDICAL SERVICE CORPS

To be lieutenant

MARK J. BOURNE [redacted]
JOANNE M. CLEGG [redacted]
RAY V. COLLIER [redacted]
WALKER L. COMBS [redacted]
HUGH J. COX [redacted]
CATHI L. CULVER [redacted]
ROBERT C. DAVIS, JR. [redacted]

CHRISTOPHER A. FOSTER [redacted]
DUWAYNE S. GRIEPENTROG [redacted]
PAUL F. HARPER [redacted]
WILLIAM L. HOWL IV [redacted]
DAVID A. JANCO [redacted]
DALLAS R. JONES [redacted]
IVES C. JONES [redacted]
DAVID J. KATSULES [redacted]
RAKESH LALL [redacted]
RICHARD G. MARTIN [redacted]
PHILBROOK S. MASON, JR. [redacted]
SCOTT A. MC CLELLAN [redacted]
DWAYNE R. MEEKER [redacted]
COLETTE A. MICHALETZ [redacted]
CHERYL A. NAVARRO [redacted]
STANLEY P. NIEWEGLOWSKI [redacted]
SCOTT A. OLIVOLO [redacted]
MATTHEW M. RAGON [redacted]
MARK L. RAMSEY [redacted]
MICHAEL D. REDDIX [redacted]
STEPHEN T. RICHARDSON [redacted]
CHRISTINE C. RIVERA [redacted]
DANIEL J. ROSENBAUM [redacted]
STEPHANIE M. SIMON [redacted]
NORMAN L. SKURDAL [redacted]
GENE SWEETNAM [redacted]
MLADEN K. VRANJICAN [redacted]
RICKY A. WENNING [redacted]
RICHARD M. WHITMORE [redacted]
CHRISTOPHER J. WHITNEY [redacted]
KELLY A. WILLIAMS [redacted]
YANCY C. YORK [redacted]

MEDICAL SERVICE CORPS

To be lieutenant (junior grade)

APOSTOLOS ARVANITIS [redacted]
JEREMY T. BELL [redacted]
TONI Y. COOPER [redacted]
TONYA A. HALL [redacted]
DANIEL J. HARDT [redacted]
JYUNG M. JACKSON [redacted]
JAMES E. JANKOWSKI [redacted]
JOSEPH S. JOHN, JR. [redacted]
GAIL M. NORRIS [redacted]
RANDALL R. OWENS [redacted]
JAMES D. QUEENER [redacted]
MARK W. WERTZ [redacted]
SHARON E. WEST [redacted]
MARION J. WILLIAMS [redacted]

THE FOLLOWING-NAMED U.S. NAVAL RESERVE OFFICERS, TO BE APPOINTED IN THE NURSE CORPS OF THE U.S. NAVY, PURSUANT TO TITLE 10, UNITED STATES CODE, SECTION 531:

NURSE CORPS

To be lieutenant

MARIA E. AGUILA [redacted]
MARK C. ALBRECHT [redacted]
MARGARET S. BEAUBIEN [redacted]
NANCY L. BENNETT [redacted]
JULIA E. BOND [redacted]
MELISSA A. BRANFORD [redacted]
TANYA L. BROWN [redacted]
PATRICIA A. CICHMINSKI [redacted]
KEVIN J. COOLONG [redacted]
JEAN B. FREEMAN [redacted]
TAMMY L. FRITZ [redacted]
MELVERN E. JOHN [redacted]
JOHN P. JORGENSEN [redacted]
TONJIA L. KELSCH [redacted]
ANTHONY L. KINGSBERRY [redacted]
KARL R. KOENIG [redacted]
SHELLEY J. KOLLAR [redacted]
THOMAS F. LEONARD [redacted]
SYLVIA A. LYON [redacted]
CHERYL L. MAUZY [redacted]
JOHN P. MAYE [redacted]
CATHY M. MC CRARY [redacted]
MAUREEN C. MILLER [redacted]
LINDA MOY [redacted]
SHARON A. MULLANEY [redacted]
ELIZABETH A. MURTHA [redacted]
ANGELA S. NIMMO [redacted]
LORI K. OLIVER [redacted]
DON S. RAYMUNDO [redacted]
MARK A. RUCH [redacted]
HARRY F. SMITH III [redacted]
CONSTANCE E. STAMATERIS [redacted]
KARL D. STOUT, JR. [redacted]
KAREN A. STOVER [redacted]
AMY M. TARBAY [redacted]
WILLIAM L. TENHAAF [redacted]
DEBRA A. TERRELL [redacted]
ROBYN C. WARD [redacted]
PERRY J. WEIN [redacted]
MARY E. WHITE [redacted]
YVONNE R. WILLIAMS [redacted]
JULIE L. WISE [redacted]
ALICE A. ZENGEL [redacted]

NURSE CORPS

To be lieutenant (junior grade)

CASEY S. ADAMS [redacted]
MARIA AGUSTIN [redacted]
TERRY M. ANDERSON [redacted]
PAUL M. BARFKNECHT [redacted]
PATRICIA D. BREITWIESER [redacted]
TRACY L. BROMMEL [redacted]
JEFFREY L. BROWDER [redacted]
DIANE CASSIN [redacted]
LISA L. CASTRO [redacted]
NEWTON J. CHALKER [redacted]
KARLA D. CHRISTIANSON [redacted]
MAX C. CORMIER [redacted]
VALERIE A. COVINGTON [redacted]
MARTHA A. CUTSHALL [redacted]
MARYANN C. DESPOSITO [redacted]
RAMONA M. DOMEN [redacted]
PATRICIA J. GREER [redacted]
CHRISTOPHER M. HANSEN [redacted]
MARY KELLY [redacted]
PAMELA L. KULICH [redacted]
DENNIS LEW [redacted]
CAREY L. MAY [redacted]
JANET L. MCGLOIN [redacted]
ADRIENNE M. MITCHELL [redacted]
BETH A. MOVINSKY [redacted]
MICHAEL W. PIKE [redacted]
CHERYL E. RAY [redacted]
MARK R. REUILLARD [redacted]
LISA S. REYNOLDS [redacted]
LAURA B. ROSENTHALL [redacted]
THOMAS N. SANTA, JR. [redacted]
DARRYL C. SUDDUTH [redacted]
SAKAE A. SURALIE [redacted]
PATRICIA L. TAYLOR [redacted]
DEBORAH M. TERRIS [redacted]
SUSAN M. THUL [redacted]
ESCOBAR H. WILBON [redacted]
JENEVIEVE J. WILLIAMSON [redacted]

EXTENSIONS OF REMARKS

ON CONTINUED SUPPORT FOR THE DEFENSE DEPARTMENTS CIVIL-MILITARY COOPERATIVE PROGRAMS

HON. TIM JOHNSON

OF SOUTH DAKOTA

IN THE HOUSE OF REPRESENTATIVES

Friday, September 8, 1995

Mr. JOHNSON of South Dakota. Mr. Speaker, I rise today to express my strong support for continued funding for the Civil-Military Cooperative Action Program [CMCAP] of the Office of Reserve Affairs at the Department of Defense, and to voice my strong opposition to the level of funding included for this important office in the House version of the fiscal year 1996 Department of Defense appropriations bill. Thankfully, the Senate chose to fund this Office at a level significantly higher than the funding included in the House bill and I plan to urge my colleagues in conference to accept the level of funding adopted by the Senate.

CMCAP, which provides training opportunities for our military personnel and allocates surplus materials to States and local communities, was initially authorized by Congress in 1993 as a means of enhancing military readiness for the Reserves, while helping to address important domestic needs at the same time. As we continue downsizing and reorganizing our national defense, I cannot emphasize strongly enough the importance of appropriate reallocation of surplus materials which result from base closures both at home and abroad.

The benefit of civil-military program cooperation can be readily seen in native American communities around the country and in my State of South Dakota. This year $6 million in excess equipment was distributed to 136 native American communities in 26 States. In South Dakota, much needed medical and construction equipment was delivered to communities on and off Indian reservations, including Rapid City, Eagle Butte, Sisseton, McLaughlin, Ft. Thompson, Flandreau, Lower Brule, Pine Ridge, Pierre, and Rosebud.

Federal expenditures for social programs continue to exceed investments for economic growth in Indian country. I feel strongly that the role of the Federal Government must be to encourage tribal self-sufficiency at every opportunity. I believe the Federal Government must prioritize programs which develop infrastructure on reservations and enhance economic growth for tribal communities.

I have been contacted by tribal organizations in my State regarding a CMCAP project currently being developed to repair and refurbish substandard housing on the Oglala and Rosebud Sioux Indian reservations. The project, Operation Walking Shield, would also provide recreational fields for youth risk prevention programs, transport excess medical equipment and supplies to Indian health centers, and employ local labor to work with military personnel in this important community development effort. Without continued funding for civil-military programs, Operation Walking Shield and other such projects critical to economic development in Indian communities will likely not proceed.

As I stated previously, I plan to contact the House conferees and urge their acceptance of the Senate funding for the CMCAP. As we downsize our military, I feel strongly that adequate funding for the cooperative programs maintained by this Office is critical to ensuring that excess equipment and materials are distributed to communities in need as efficiently as possible.

HONORING 50TH ANNIVERSARY OF KAISER PERMANENTE MEDICAL CARE PROGRAM

HON. JAY KIM

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Friday, September 8, 1995

Mr. KIM. Mr. Speaker, I rise today to pay tribute to the Kaiser Permanente Medical Care Program on their 50th Anniversary.

Fifty years ago, as World War II came to an end and thousands of defense workers moved from the shipyards and steel mill operations of Henry J. Kaiser and found work in other areas, many asked that they be able to continue their membership in the pre-paid group practice health plan which had been established by Henry J. Kaiser and Dr. Sidney Garfield in California and Oregon.

As a result of community interest and need, the Kaiser Permanente Medical Care Program was opened to the public in 1945. In Southern California, the Kaiser Permanente Medical Care Program expanded from its initial site in Fontana, to the Los Angeles Harbor in 1950 and to metropolitan Los Angeles in 1951.

Once established in Southern California, the Kaiser Permanente Medical Care Program grew rapidly as more and more people were attracted to its integrated system, comprehensive benefits, high quality and affordability In the mid-1960s the Kaiser Permanente Medical Center Program was brought to Orange County and now provides quality health are to 190,000 people and employees in the Orange County region.

Now, after 50 years, the Southern California region of the Kaiser Permanente Medical Care Program now provides care to more than 2.1 million Southern California residents at 10 major medical centers and more than 90 medical office buildings, and is offered by more than 10,000 businesses between Bakersfield and San Diego.

Since its inception, Kaiser Permanente has become an acknowledged and respected leader in the provision of quality, affordable health care, as well as an innovator in clinical research and the delivery of care to large numbers of patients.

Relying on its founding principles of prepayment, comprehensive benefits, preventive care, group medical practice and integration of service and facilities, Kaiser Permanente has become a respected model for how affordable, high quality medical care can be provided.

After 50 years of providing care to the Southern California community, and having become the Nation's largest private health care provider with more than 6 million members in 16 States and the District of Columbia, it is indeed worthy to note the golden anniversary of the Kaiser Permanente Medical Care Program and its contributions to the health of our community and the Nation.

HONORING NINEL SEGAL

HON. GARY L. ACKERMAN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Friday, September 8, 1995

Mr. ACKERMAN. Mr. Speaker, a very special lady celebrated a very special birthday on September 3. She is Ninel Segal, an unpaid volunteer in the office of my friend and colleague, Congressman MICHAEL R. MCNULTY.

In the true American tradition, Ninel has devoted her life to helping people—as an educator and an administrator dedicated to securing employment for economically disadvantaged individuals in New York State's capital region.

Ninel has selflessly given her time and service to numerous organizations. She never fails to lend a helping hand when needed. A most charming person with a sharp intellect and a compassionate heart, she has an unusual capacity for bringing people together.

Mr. Speaker, on this happy occasion, it is my pleasure to ask all my colleagues in the House of Representatives to join me now in wishing Ninel Segal the happiest of birthdays—and many, many more to come.

HONORING SISTER MARY ANTIONETTE CAPPELLI

HON. ROSA L. DeLAURO

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Friday, September 8, 1995

Ms. DELAURO. Mr. Speaker, on Sunday, September 10, St. Brendan's School in New Haven, CT will pay tribute to the many accomplishments of Sister Mary Antoinette Cappelli, O.L.G. After 19 years as principal of St. Brendan's, Sister Mary will be leaving this month to begin her responsibilities as a counselor for the Sisters of Our Lady of the Garden.

● This "bullet" symbol identifies statements or insertions which are not spoken by a Member of the Senate on the floor.

Matter set in this typeface indicates words inserted or appended, rather than spoken, by a Member of the House on the floor.

As principal, Sister Mary devoted herself to bringing the best out of every student. As a result of her commitment to meeting the academic, social, and spiritual needs of her students, St. Brendan's quickly became a model of educational excellence nationwide. In 1990, St. Brendan's was selected as a Blue Ribbon School by the U.S. Department of Education for its academic excellence and commitment to parent involvement. St. Brendan's has received much praise over the years for its ability to meet the needs of a economically and racially diverse student body. I have had the pleasure of visiting St. Brendan's on several occasions, and have always been impressed by the infectious enthusiasm displayed by the staff and students. Sister Mary has created an atmosphere of caring and warmth that can be felt as soon as one enters the school.

Born and raised in Italy, Sister Mary first came to Connecticut in 1962. Before joining the staff of St. Brendan's she was instrumental in the opening of a Montessori School in Middletown and taught with distinction at Stonegate School in Durham. Sister Mary is a refreshing reminder of the difference that one educator can make in the life of a young student. For over three decades, she has captivated both students and their parents with her enthusiasm and commitment to excellence. She will always be remembered as an inspirational and well-loved role model by her students and faculty.

Mr. Speaker, I am proud to salute Sister Mary Antoinette Cappelli for her unshaking dedication to her school and her community. She leaves behind her a legacy of love that will never be forgotten.

IN HONOR OF HECTOR VALDES UPON HIS RETIREMENT FROM HUDSON COUNTY COMMUNITY COLLEGE AFTER 25 YEARS

HON. ROBERT MENENDEZ

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Friday, September 8, 1995

Mr. MENENDEZ. Mr. Speaker, I rise today to pay tribute to Hector C. Valdes Avellaneda. After 25 years at Hudson County Community College he is retiring from his position as assistant to the dean. Mr. Valdes is an exceptional person who has dedicated his talent and services to students for 37 years.

Hector Valdes received his bachelor of arts degree in accounting from the Professional School of Business and a B.A. in elementary teaching from the National School of Teachers in Matanzas, Cuba. He also attended Montclair State University and New York University from where he received a master of arts degree in education.

Mr. Valdes is another example of an immigrant success story. After being held as a political prisoner in Castro's jails, he immigrated to the United States in 1969. He worked hard and played by the rules and 5 years later he became a naturalized citizen. Very quickly, he began to make important contributions to his adopted land.

He began his teaching career working with students seeking their high school equivalency diplomas. Mr. Valdes later became a substitute teacher in the Union City school system. He went on to become a professor at Hudson County Community College and has risen through the ranks to serve in a variety of administrative positions. He served as an administrative assistant and was later appointed assistant to the dean.

Mr. Valdes helped develop and create academic programs to assist the large immigrant population living in Hudson county, because he realized that access to quality education is a key to success. The number of students who have benefited from his efforts is countless. Throughout his years at the college, he has been a wise counselor and advisor. Mr. Valdes will be sorely missed by his colleagues and students.

Hector Valdes's career is one of proud achievement and another example of the beautiful diversity of our Nation. His service to the community and student body of Hudson County Community College is second to none. Even though he is retiring he will always be remembered as a brilliant teacher and a true friend. Please join me in wishing Hector Valdes a happy retirement.

CONGRATULATING GUAM'S ATHLETES FOR EXCELLENCE, SEPTEMBER 8, 1995

HON. ROBERT A. UNDERWOOD

OF GUAM

IN THE HOUSE OF REPRESENTATIVES

Friday, September 8, 1995

Mr. UNDERWOOD. Mr. Speaker, as the saying goes, "the thrill of victory, the agony of defeat." In my home district of Guam, we have many noteworthy athletes who have thrilled us all.

In the recent South Pacific games, the people of Guam reached a new milestone. Our island competitors have earned more medals than ever before. So, I now rise to pay tribute to these athletes by placing their names in the CONGRESSIONAL RECORD.

In archery, our Team Guam hit the bull's eye with a bronze. In board sailing, Jon Iriarte and the Team Guam women sailed to bronze. In body building, Josephine Blas lifted to a bronze, Donnabelle Duque powered her way to a silver and Kenneth Rios and Roy Siongco jerked and cleaned to gold medals. In boxing, our Tana Meafou punched his way to the silver medal. In golf, Mae Quitugua, Josephine Calvo and Tessie Blair all drove, chipped and putted to the team bronze medals. In Karate Eleanor Minor chopped to two bronze medals. Robert Dacanay threw the competition for a silver, while Dean Aguon bowed and took two bronze medals. Joe Aguon also hit hard with a bronze. In surfing, our tag team of Mark Duenas, Joseph Voluptuary and Richard Napoleon rode to a bronze, while Rebecca Erin hung ten to a silver. Our swimmers, led by Derrick Bollinger crawled to gold three times, Clitia Clement floated to a bronze, while Patrick Sagas stroked his way to a gold and two silvers. In table tennis, our women's team of Debbie Feline, Donna Cents and Jug-Pa Lain paddled to a bronze. In ta won do, Sonny Chargualaf high kicked to a silver, Joe D. Q. Cruz did a round house to a bronze, while Lloyd Esteban made a sweep move to a bronze. In a triathlon, Tiffany Larschied surprised us all with her motor boat kicks and earned a bronze, while Triathlon Team of Larschied, Jay Donovan, Wil Yamamoto and Jeff Miller swam, ran and biked to another bronze. In weigh lifting, Manolito Molinos clean and jerked to a silver, while Edgar Molinos snatched to a bronze. In judo Atef Hussein picked up a gold and a silver, Walter Gray threw for a bronze. And finally, Marie Benito ran for a bronze in the women's marathon. Congratulations.

TRIBUTE TO CLARA K. MANGUS

HON. BILL ORTON

OF UTAH

IN THE HOUSE OF REPRESENTATIVES

Friday, September 8, 1995

Mr. ORTON. Mr. Speaker, today I would like to recognize a very special constituent of mine, Ms. Clara K. Mangus, who today celebrated her 105th birthday. Ms. Mangus, who immigrated to Carbon County, UT, from Greece when she was only 25, has been living independently until just a few months ago. The key to her longevity, claims Clara, is simple: hard work. Today Ms. Mangus was surrounded by much of her family, including her 7 children, 14 grandchildren, 27 great-grandchildren and 8 great-great-grandchildren. Again, I would like to wish Ms. Mangus a very happy birthday on this very special occasion.

HONORING ALBERT BARNES, JR.

HON. JAY KIM

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Friday, September 8, 1995

Mr. KIM. Mr. Speaker, I rise today to pay tribute to Mr. Albert Barnes, Jr. who on August 24, 1995, retired from United Parcel Service culminating a 28-year career.

Al began his UPS career as a delivery driver in Dayton, OH in 1967, quickly rising to become an on-car supervisor, and in 1972 a center manager. Through his commitment to customer service and his dedication to excellence Al was promoted to feeder manager, package division manager, and also hub division manager. In 1975 Al joined the Arizona district as a division manager. In February 1989 Al was named southeast California district manager. Al was charged with the planning, and construction of United Parcel Service's largest west coast air hub that opened in Ontario, CA in 1992. Al has served on a number of special assignments and was a member of the UPS part-time people support committee.

In addition to his busy schedule with UPS, Al has always made time to get involved with the community, and has been active with many organizations in the Inland Empire including the board of directors of the Boys and Girls Club.

Under his direction, the southeast California district has achieved a leading role as a well-respected corporate citizen in the community for its contributions to the betterment of the people of the Inland Empire.

I wish Al, and his wife Margaret, a long and enjoyable retirement together with their family: John, Mike, Ed, and Rebecca.

HONORING THE JEWISH WAR VETERANS ON ITS 100TH ANNIVERSARY

HON. GARY L. ACKERMAN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Friday, September 8, 1995

Mr. ACKERMAN. Mr. Speaker, I rise today to join with my constituents and members of the New York State Department of the Jewish War Veterans, and with American veterans everywhere, to celebrate with pride and admiration the 100th anniversary of the Jewish War Veterans.

Formed in the post-Civil War era to help counter obstacles faced by Jewish soldiers who fought in that war, the JWV not only serves to support the concerns of the many veterans who fought for their country, but also acts as a service agency to foster social action and concern among all our citizens.

The organization has been made both dynamic and effective through a succession of dedicated and highly competent leaders. It is because of such dedicated Americans that members and supporters of the JWV will gather on the evening of Sunday, October 1, 1995, to rejoice in a century of dedication and achievement.

Allow me to briefly note the accomplishments of some outstanding New Yorkers who have proudly served as JMV national commanders.

Benjamin H. Chasin entered the service in 1942, rose to the rank of captain, and received numerous awards while serving in the Pacific theater. After many years of service in the reserves, he retired as a lieutenant colonel in 1970. Concurrently he rose through the ranks of the JWV, and served as national commander from 1957–58.

Ralph Plofsky entered the service in 1942 and saw action with the 10th and 77th Division. After his discharge in 1945, he again served his country on active duty in Korea. Discharged as a captain of the infantry in 1951, Commander Plofsky joined the White Plains Post of the JWV and in 1964 was the first Korean war veteran to be elected national commander of the JWV or any other veterans organization.

Jerome D. Cohen got his first taste of the military at age 10, when he served as a drummer in the Sons of the JWV. At 17, he enlisted in the Navy; among his many assignments was his service for 3 years as coxswain on General MacArthur's whaleboat on the U.S.S. *Nashville*. He was involved in the war in Asia, was wounded and received several citations, including the Purple Heart. After separation from the service, he began a distinguished law career. At age 22, he was elected commander of the Cohen-Lehman Post of the JWV. Demonstrating outstanding leadership abilities, he quickly rose in the JWV ranks, and in 1971 was elected national commander.

Another such distinguished commander, Nathan M. Goldberg, served in the U.S. Navy as an enlisted man and officer. He was released with the rank of ensign. He readily became active in the Albany Post of the JWV, served as its post commander and became involved in the JWV on a national level, becoming national commander in 1978. While he has served in a number of community-oriented posts in Albany, he has had major impact in his tenure as president of the National Jewish Military Museum in Washington, DC.

The distinguished past National Commander Stanley W. Zwaik served in this office from 1982–83. Initially a resident of Jamaica, NY, Commander Zwaik entered the Armed Forces in 1941 and received his commission as a second lieutenant in the military police. He was active in the South Pacific, New Guinea, and the Philippines. At the close of the war, he joined the reserves and retired in 1964 with the rank of lieutenant colonel. It was in 1946 that he joined the JWV and soon became a county commander. As his leadership talents became widely recognized, he was elevated to a number of State and then national posts, resulting in his elevation to the post of national commander.

Edwin Goldwasser, national commander, 1986–87, first became involved with the JWV in 1961 in Spring Valley, NY. A most dynamic leader, he became post commander in 1967. He moved into active leadership positions in the JWV, first in New York State and eventually on the national level. Utilizing the prestige and impact of the JWV, Commander Goldwasser has undertaken many compassionate and humane projects on behalf of JWV causes, both in the United States and internationally. One such mission led him to the Vatican to assist in locating an Israeli MIA, Zachary Baumel.

It was to the great honor of the JWV that Vice President Albert Gore invited Past National Commander Warren S. Dolny to accompany him as part of the U.S. delegation to the ceremonies commemorating the 50th anniversary of the Warsaw Ghetto uprising. Commander Dolny was also honored to be invited by the White House to attend the signing of the Israel-PLO peace accords. In 1951, Warren Dolny was drafted into the Marines. After discharge with the rank of sergeant, he became a member of the Fred Hecht Post in Spring Valley, NY. His unique leadership capabilities were quickly recognized, and he was elected post commander. Rising steadily in the ranks of the JWV, Dolny filled a variety of county, State, and national posts, culminating in his election as national commander in 1992.

Mr. Speaker, all Americans can be justly proud that our country has produced such men as these commanders of the Jewish War Veterans. I ask all my colleagues in the House of Representatives to join me now in paying tribute to these outstanding patriots, and in congratulating the members of the Jewish War Veterans on the 100th anniversary of this marvelous organization.

HONORING THE SLIFKA FAMILY

HON. ROSA L. DeLAURO

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Friday, September 8, 1995

Ms. DELAURO. Mr. Speaker, on Sunday, September 10, 1995, many distinguished guests will gather in New Haven, CT, for the dedication of the Joseph Slifka Center for Jewish Life at Yale. This center, which commemorates and celebrates the vibrant history of Jewish life at the university, was made possible in part due to the generosity and vision of the Slifka Family. As a result of their magnanimous gift and the contributions of many other individuals, the Slifka Center will be a place for contemplation, historical study, and joyful exploration of the many facets of Jewish culture.

Joseph Slifka, who passed away 3 years ago, was a deeply caring and compassionate man who devoted himself to his family, his community, and his faith. A former real estate financier in Manhattan, Joseph Slifka always gave generously of his time and resources, including donations of modern art to museums in Jerusalem and New York. The Center for Jewish Life is a fitting tribute to a man who believed in the importance of tradition and the value of quiet reflection.

The creation of the Center for Jewish Life has, in all respects, been a labor of love, serving to knit together even more closely the Yale Jewish community. Indeed, the walls of the Slifka Center are inlaid with pieces of Jerusalem stone that have been carved with the names of those individuals whose tireless efforts helped make the center a reality. Designed and built in the spirit of inclusiveness, the Slifka Center welcomes all those who wish to explore and share their Jewish heritage. Both the Yale and New Haven communities will benefit greatly from the exciting social, cultural, religious, and educational programming that will soon be available at the center. In the words of Joseph Slifka's son, Alan, the Center for Jewish Life is "a true gift for God, for country, and for Yale." It is with great joy that I join Alan, his sister, Barbara, and his mother, Sylvia, for the ribbon-cutting ceremony this Sunday. I thank the university administration for their strong support, and the Hillel board of trustees and Rabbi James Ponet for their strong and devoted leadership. Thanks to their efforts, the dreams of individuals such as Joseph Slifka have been fulfilled.

TRIBUTE TO ELENA BASKIN

HON. SAM FARR

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Friday, September 8, 1995

Mr. FARR. Mr. Speaker, I rise today to pay tribute to Elena Baskin, a wonderful woman, a prominent philanthropist, and a dear friend and constituent of mine who passed away Monday morning. Her humble beginnings in Kishinev, Romania, where she was poor and often went hungry, ingrained in her the desire to share her good fortune with others. Mrs.

Baskin and her husband Jack Baskin have played a prominent role in the organization and funding of services for the elderly, the poor, women, children, education, and the arts. Her acts of kindness and giving will live on in the community and in the hearts of all who knew her.

Born Elena Djatschenko on December 1, 1925, she lived without plumbing or electricity. Mrs. Baskin's parents were Russian and her father worked as a typesetter. The family moved to Chernovitz, now part of Ukraine, in 1935, where they resided until the outbreak of war in the region. They fled to Germany where Mrs. Baskin worked as a secretary with the U.S. Army in Berlin. In 1948, she immigrated to the United States and began work at Stanford University in the Hoover Library. Elena subsequently married Paul Baran and had a son, Nicholas.

She graduated from Stanford in 1960 with a master's degree and taught Russian at Gunn High School in Palo Alto when she met Jack Baskin. They were married in 1976. Mr. Baskin became a successful developer, and Mr. and Mrs. Baskin went on to share their good fortune with others.

Mr. Baskin has said that perhaps his wife's proudest accomplishment was the founding of the Live Oak Senior Center in Santa Cruz. The center opened in 1977 and serves about 1,000 meals a day. She was also instrumental in establishing the Battered Women's Assistance Program, the Mondanaro-Baskin Center for Women and Children, the Schools Plus public schools matching-funds program and the Cabrillo College of Child Care Center. The Baskin name can be found on numerous buildings, endowments, programs, and contributions throughout the region.

For many years Mrs. Baskin served on the Santa Cruz County Seniors Commission and contributed to Stanford University and U.C. Santa Cruz, where a computer engineering center and student art studios proudly carry the Baskin name. Mr. and Mrs. Baskin were named Santa Cruz Chamber of Commerce Woman and Man of the Year in 1986. Mrs. Baskin remained active in her later years. Enthralled by ballroom dancing and ice skating, she also continued to skate and ice dance several times a week.

Mrs. Baskin was diagnosed with cancer just 3½ weeks before she passed away. She chose to refuse treatment, wishing quality time with her family, rather than quantity. She is survived by her husband, Jack Baskin of Santa Cruz; her mother, Valentina Djatschenko of Santa Cruz; her son, Nicholas Baran of Sandpoint, ID; two stepdaughters, Elaine Baskin of Palo Alto and Marianne Gabriel of Watsonville; two grandchildren; and four step grandchildren. While Mrs. Elena Baskin will be greatly missed by those who knew her, her acts will continue to be an inspiration to us all.

TRIBUTE TO OFFICER JOSEPH ALU AND DETECTIVE JIM O'HARA

HON. PETER DEUTSCH

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Friday, September 8, 1995

Mr. DEUTSCH. Mr. Speaker, today I pay tribute to two outstanding police officers, Officer Joseph Alu and Detective Jim O'Hara, whose heroism and sacrifice demonstrates a commitment far beyond the call of duty.

On July 25, Detective O'Hara and Officer Alu responded to a call that a man had taken two teen-age girls hostage. The officers, responding to the girls' screams for help, entered the bedroom where the man was holding the girls hostage. As they opened the door, the man detonated the bomb which scorched the gasoline soaked room, instantly killing both himself and the girls. The officers, trapped in the room when the bomb went off, survived, but suffered severe burns.

Both officers were airlifted to Jackson Memorial Hospital in Miami, the area's principal burn treatment center. Over one quarter of Officer Alu's body was covered with severe burns, and he was listed in critical condition. Detective O'Hara fared much worse.

Over 80 percent of Mr. O'Hara's body was covered with third degree burns, and he had a gunshot wound in his thigh. He is still in the hospital today and still in critical condition. His wife, who gave birth to their son just 6 days after the explosion, spends as much time at O'Hara's bedside as the hospital allows, and his entire family has held prayer vigils at the hospital.

However, Mr. Speaker, there was an even greater tragedy brought to light by this one incident. Because the officers were forced to retire, the Plantation Police Department would not cover their medical expenses. The policy, at the time of this accident, was that the department didn't pay the medical expenses of those who retired—even those who were forced to retire because of injuries suffered on the job. This is a policy which is not uncommon in many communities across the country. In light of this tragedy, Plantation changed its policy retroactively to include the two officers. It shouldn't take similar events to cause other communities to do the same.

We need legislation in this country which protects those who risk their lives everyday to fight the war on crime, or fight fires, or fight to save others lives. We need laws which protect our valiant men and women on the front lines. When they go down in the line of duty, we have an obligation to provide for their long-term care. These two officers risked everything when they tried to save the lives of two young girls from a madman, how can we ask others to do the same if we won't stand behind them?

HONORING MILTON S. HERSHEY

HON. JAY KIM

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Friday, September 8, 1995

Mr. KIM. Mr. Speaker, I rise today to pay tribute to Mr. Milton S. Hershey, a great American who today is being honored on a new 32-cent stamp.

Milton Hershey was the founder of the Milton Hershey School and what has become Hershey Foods Corporation. Hershey's business success allowed him to practice an extensive philanthropy. He and his wife, Catherine, established among other things, a school for orphan boys that today is known as the Milton Hershey School and provides a home and no-cost education for more than 1,100 disadvantaged boys and girls.

The legacy of Milton S. Hershey lives on through the work of some 7,000 alumni of the Milton Hershey School. These alumni are located throughout the world, as well as in my district—California's 41st Congressional District, and have gone on to successful careers in law, business, sports, and journalism to name but a few. It was these alumni who deserve credit for a successful letter writing campaign to the Citizen's Stamp Advisory Committee for the Milton S. Hershey stamp. The Hershey stamp marks the 50th anniversary of Hershey's death and the 86th anniversary of the Milton Hershey School.

Hershey joins an elite rank of Americans such as Jack London, Sinclair Lewis, Pearl Buck, and former U.S. Chief Justice Earl Warren in being honored with a postal stamp.

This distinctive occasion stands as a tribute to a truly wonderful and philanthropic American, and it is indeed worthy to note this achievement.

HONORING MARLENE POST

HON. GARY L. ACKERMAN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Friday, September 8, 1995

Mr. ACKERMAN. Mr. Speaker, I rise today to celebrate with the members of the Long Island Division of Israel Bonds as they gather at the Woodbury Jewish Center in Nassau County, NY, to honor Marlene Post as the recipient of the Jerusalem 3000 Award.

Marlene Post, the National President of Hadassah, emerged from college with a strong sense of dedication and social concern to begin a career as a nursing educator in a variety of health-care institutions. Today, she serves in an exemplary fashion on a number of advisory boards in the field, such as the New York State Commission for the Disabled; the Israel-based Association of Organizations of Persons With Disabilities, which she chairs; and the Israel Sport Center for the Disabled, where she is a national vice president.

Marlene Post has distinguished herself by providing more than 25 years of inspiring service to Hadassah. During her tenure as Hadassah's national treasurer, the organization raised over $80 million for its service program. Before that, Ms. Post served Hadassah in a variety of important positions: National Chairperson of Hadassah's Membership, Organization and Outreach Departments; National Chairperson of Young Judea, Hadassah's youth organization; and National Convention Chairperson in 1989 and 1990.

In addition, she has served as the chairperson of the Long Island Israel Bond campaign and currently serves on its advisory board.

Mr. Speaker, under her brilliant leadership in these various roles, Marlene Post has extended the services of Hadassah to thousands of needy individuals, and has helped Hadassah intensify its programs that serve our youth, as well as those dedicated to American and Israeli women's issues.

I ask my colleagues to join with me now in paying tribute to Marlene Post, and in thanking her for her many years of dedicated service.

IN HONOR OF SIMON KONOVER

HON. ROSA L. DeLAURO

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Friday, September 8, 1995

Ms. DELAURO. Mr. Speaker, today I have the pleasure of joining Israel Bonds and more than 80 other community leaders from Connecticut who have come to Washington to honor Simon Konover. Mr. Konover has been chosen to receive the New Life Award, an award given to Holocaust survivors. The New Life Award honors those who have built a new existence for themselves after having endured the tragedies of the Holocaust. A small statue of a silver fist grasping the flame of freedom, the New Life Award recognizes the indomitable human spirit of Holocaust survivors and remember the 6 million Jews who perished in Nazi labor camps. On this 50th anniversary year of the liberation of Europe, it is fitting that the award be presented to Simon Konover, who emerged from the dark shadows of his own Holocaust experience, to forge a bright future for himself, his family, and the Jewish people.

Simon Konover has dedicated his life to the cultural renewal of the Jewish people and the State of Israel. A tireless community servant and a good friend, I can think of no better person to receive Israel Bond's New Life Award. Simon, his wife Doris, and their four children reside in Hartford, where they attend Beth El Temple. Simon has volunteered much of his time toward the betterment of the Jewish community. Simon's tremendous motivation stems from his personal Holocaust experience.

A survivor of the labor camps in Poland and Siberia, who also fought in the battle of Stalingrad, Simon has championed numerous Jewish and civic causes. He is the past president of the Jewish Federation of Greater Hartford, the Greater Hartford Israel Bond Campaign, and the Connecticut Society of Yad Vashem, an honorary life member of the Greater Hartford Jewish Community and the Hebrew Home and Hospital. Simon held the national vice-chairmanship of the United Jewish Appeal in 1987–88, is an overseer at the Jewish Theological Seminary, a director of American Organization for Rehabilitation and Training for immigrants from Israel, and a member of the Israel Bond's President's Club. As a founder of the Holocaust museum, Simon raised and contributed a significant amount of money to complete this much needed historical archive for people from all over the world.

I would like to extend my warmest congratulations to Simon Konover for his endurance and his perseverance on behalf of the Jewish community and the people of Israel. This well deserved award could only be presented to a man like Simon Konover who has constantly worked to enhance the lives of the Jewish community and the people of Israel.

THE ARMY PUBLICATION CENTER IN BALTIMORE, MD

HON. ROBERT L. EHRLICH, JR.

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Friday, September 8, 1995

Mr. EHRLICH. Mr. Speaker, House Joint Resolution 102, the recommendation to disapprove of the BRAC list, places me—like many of my colleagues—in the difficult position of supporting an important process, which I respect, while disapproving the circumstances and final decision involving the closure of the Army Publications Center in Baltimore, MD. It is easy to understand why the concept of the BRAC Commission was designed to allow an independent body to render decisions that Congress must completely accept or reject. I echo many of my colleagues who have praised the BRAC process, while disapproving of closing specific bases. However, as a legislator that prefers to deal with the facts, let me make the following observations:

The Army Publications Center falls below the BRAC threshold and does not need the Commission's approval or disapproval for closure. Simply stated, the Publications Center did not belong on the BRAC list.

When it came time for voting, the Commission based its decision on the Army's erroneous justifications and inaccurate statements. The Army supplied the commissioners with misleading data which the Publication Center and I consistently refuted. In the end, the Army, so determined to close the Baltimore Center and consolidate operations to St. Louis, convinced enough commissioners this highly technological, extremely efficient center located in Middle River, MD, was in need of closure.

When my base realized it was slated for closure, the employees did not criticize or complain. Instead, they offered real solutions to achieve true savings for the Department of Defense while increasing military readiness. They Army, however, would not consider this commonsense approach of evaluating and consolidating all DOD publications centers.

Summarily, I reject the argument that the Baltimore Publications Center, winner of Vice President GORE's hammer award and the Army's communities of excellence award, is a base worthy of such closure. This superior center, with its hardworking employees, served our troops with pride during the Persian Gulf war. A center, such as the one located in Baltimore, should be judged on its merits, not Washington politics. So I find myself in the unenviable position of voting against this resolution, but with serious reservations and feelings of disappointment. Disappointments for the employees of the Baltimore Center that worked tirelessly for something they believed in and disappointment in a process where facts and individual merit should have carried the day.

TRIBUTE TO BOBBY MORAVEC

HON. PETER J. VISCLOSKY

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Friday, September 8, 1995

Mr. VISCLOSKY. Mr. Speaker, it is my great pleasure to rise today and call your attention to Bobby Moravec of Calumet Township, IN. Bobby's story serves as an inspiration to residents of Indiana's First Congressional District, as well as all Americans. This year, Bobby, who has Down's Syndrome, competed in the Special Olympic World Games against over 700 athletes from 143 countries around the world. Bobby succeeded in winning a bronze medal for the shot put and a fifth place ribbon for the softball throw. Bobby also placed sixth in the 50-meter race.

Bobby, a student at Merrillville High School, was nominated for the World Games, the largest sporting event in the world, by Laura Smith, treasurer for the Special Olympics group sponsored by the Northwest Indiana Special Education Co-op in Crown Point, IN. Because Bobby had won a gold medal in last year's Indiana State games, he was then chosen to advance to the World Games as an athlete on the 10-member Indiana track and field team.

Bobby has been active in the Regional Special Olympic games for 9 years and the State Special Olympic games for 5 years. He has earned four gold, six silver and one bronze medal for events ranging from the 50-meter race, the softball throw, basketball, the standing long jump, the shot put, and skiing.

Bobby trains 3 days a week at Merrillville High School. His vigorous training schedule includes a day of weight lifting, walking and running around the track, and practicing the shot put and softball throw. According to Bobby's parents, Ed and Marge Moravec, his coach, Maxine Urbanczyk of Merrillville, IN, was there at each training session to prepare him for the World Games. Ed and Marge add that she gave him encouragement when he needed it and praise when he deserved it. They say that the Special Olympics needs more coaches like Maxine.

When Bobby cannot be found in the training room, he may be participating in the other activities that he loves so much. Bobby may be fishing, playing on the Challenger softball and basketball team, or bowling. During football season, Bobby can be found at Andrean High School football games, where he has been the ball boy for the last 3 years.

Mr. Speaker, I ask that you and my other colleagues congratulate and commend Bobby for his hard work and dedication to succeed, not only in the Special Olympic World Games, but in his everyday life. In a world where success doesn't come easy, Bobby has proven to be an exception to the rule.

VIVIEN NORMAN RETIRES; AIDE TO FOUR CONGRESSMEN

HON. JAMES T. WALSH

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Friday, September 8, 1995

Mr. WALSH. Mr. Speaker, Vivien Norman, the mainstay of my district office in Auburn, NY, and my ear to ground in all of Cayuga County in upstate New York, is as much a part of the fabric of Cayuga County as any officeholder, past or present, any businessman or woman, any farmer or merchant, any industrialist, prison guard, or health care professional. In many of our minds, she is the person to call to confirm news, flesh out a rumor, recall details or to set up a meeting. In our hearts, she is intelligent, friendly, uniquely humorous, and eminently dependable.

She is retiring now, at a young but wise age. Her history in service to four Congressmen, including my father, William F. Walsh, is a story of helping people. I am as proud to have been associated with her as I am sad to see her go.

Because of her experience, I have been able to run an efficient office on the western border of my district from the very first day. Because of her local knowledge, I have had an intense education—of the area, its people, and its unique strengths and needs. I was able to hit the ground running in Auburn after reapportionment included about half the city of Auburn in my new district in 1992. Even in a confusing situation wherein three congressional districts were designated parts of the city, Vivien provided leadership for all of us, and never forgot that the needs of constituents come first.

My wife DeDe and I have found Vivien and her husband Paul Norman, also an active public servant over the years, to be genuinely caring people who are in their private lives every bit as civic-minded as they appear in public.

We will miss them. We wish them well in this new and exciting phase of their lives. And we hope that all the good Vivien has done for others comes back to her 100-fold.

MEAN-SPIRITED CAMPAIGNS

HON. ANDREW JACOBS, JR.

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Friday, September 8, 1995

Mr. JACOBS. Mr. Speaker, our colleague, the Honorable Richard Lugar, has, in the following Indianapolis Star article of late August 1995, stated a truth that badly needs stating in this late 20th Century political atmosphere of incivility.

Those candidates who denounce and demean bring about a deadly contest of hate. In so doing, they serve their country not well.

REPUBLICAN CAMPAIGNS MISGUIDED, LUGAR SAYS

HOOSIER DECLARES THAT COMPETITORS' EXPLOITATION OF VOTERS' EMOTIONS IS THE WRONG WAY TO GET TO THE WHITE HOUSE

(By Mary Beth Schneider)

Maybe it was the local crowd of die-hard supporters.

Maybe it was the natural result of six months on the campaign trail, honing his message and his delivery.

Maybe it was just that Sen. Richard G. Lugar, R-Ind., has heard one acid-tongued speech too many from some of his competitors for the Republican nomination for president.

Whatever the reason, Lugar came home to Indianapolis on Monday and delivered the kind of speech that his critics say he can't—sometimes funny, often fervent, and with a point aimed right at the hearts of voters who tell pollsters repeatedly that they are sick of attack-dog politics.

In no uncertain terms, Lugar rejected the exploitation of "wedge issues" that candidates like Sen. Phil Gramm, Pat Buchanan and Gov. Pete Wilson have found can boost their poll numbers.

"We do have a dogfight out there," Lugar said of the presidential campaign. But the battle, as he described it, seemed not just a fight for higher poll numbers for himself, but a fight for the soul of the Republican Party.

Speaking at a luncheon honoring an organization he helped form to boost the political careers and involvement of women, the Richard G. Lugar Excellence in Public Service Luncheon, Lugar described the typical GOP candidate forum for the several hundred Hoosiers.

One candidate, he said, boasts of being the most conservative, with a happy record of killing bills offered by "commies, socialists, radicals."

That diatribe, Lugar said, is topped by the next candidate, who says he is really the most conservative and brags, "You can't find anyone meaner or nastier."

These candidates—he didn't name them; he didn't have to—talk about immigration and affirmative action. Those are legitimate issues for debate, Lugar said, "but that's not their purpose in raising them."

EMOTIONS EXPLOITED

Candidates and anyone else who can read a poll know Americans are deeply worried that this country is on the wrong track; and some are making political hay by exploiting that fear and exacerbating division, he indicated.

He cited meatpacking workers in Iowa, who worry about their stagnant wages and are ripe for the pitch by some candidates that illegal immigrants are siphoning away the jobs and income.

Instead of discussing real problems and real solutions, discussions that inevitably involve boring and tedious complexities, those candidates call for walls on U.S. borders or a freeze on immigration, Lugar said.

"Raw meat," he said. "Raw emotion for people who sense the political system is not working well for them."

FIGHTING FOR WHAT'S RIGHT

He spoke with passion in favor of affirmative action—the type of affirmative action where someone works to open opportunities because that is right and not because it is the law.

Looking at the crowd there to honor this women's political network he had helped form, Lugar said some would suggest women shouldn't need or get a helping hand up in politics.

But it was right, Lugar indicated, to "jump-start" the opening of political opportunities for women.

He noted the minority scholarship program he began. "Isn't that affirmative action?

Yet, some Republican candidates boast of racing to the White House to dismantle affirmative action.

"What kind of a party, what kind of an idea is that?" Lugar said. "I tell you—that's the nature of this campaign."

STANDS UP FOR INCLUSION

It's a campaign that is "extremely misguided, mean-spirited and nasty," he said, but "some Republicans think that's the road to the White House."

Instead, Lugar said, it is the road to defeat.

Republicans should stand for an opportunity for all Americans to reach "the starting line of life" with better education, health care and inclusion in society.

"To solve problems, we must deal with them constructively," he said. "That is my campaign. . . . It has to be a constructive process that reaches out to all Americans."

THE EXCELLENT WORK OF ROFEH INTERNATIONAL

HON. BARNEY FRANK

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Friday, September 8, 1995

Mr. FRANK of Massachusetts. Mr. Speaker, for several years now I've had the very distinct honor of sharing with my colleagues a description of the excellent work done by ROFEH International, sponsored by the New England Chassidic Center, at Beacon Street in Brookline, MA. Both of these important institutions are led by Grand Rabbi Levi Horowitz, known reverently by many as the Bostoner Rebbe. In addition to maintaining a vibrant and important institution for Jewish worship, Rebbe Horowitz and his colleagues do excellent work in the field of health. The Rebbe himself is recognized as an authority in the field of medical ethics, and he and those who work with him do a great deal to help support first rate medical care and to make it widely available to people who would otherwise not be able to benefit from it. This year, on November 12, Rebbe Horowitz and many others will join in a dinner in which they celebrate the important work that they do, and honor those who have played a major role in that work.

Two men in particular will be honored for the work they have done through ROFEH to benefit others. The 1955 Man of the Year is Milton B. Gray, who has a long family relationship, and is a staunch supporter of the New England Chassidic Center.

Mr. Milton B. Gray was born in Fort Kent, ME, and moved to Dorchester, MA, at an early age, where he attended the Boston public schools, graduating from Boston English High. He attended Northeastern University for 1 year after which he enrolled at the Bentley School of Accounting, evening branch, graduating in 1941.

Mr. Milton B. Gray worked part time through junior high, school and college in a variety of endeavors, ranging from selling soda in the stands at Braves Field and Fenway Park, to employment at the firm of Morse and Nizel, CPA and with the U.S. Navy Department in Quincy, MA. In 1943, he enlisted in the U.S. Navy, and was assigned to the South Pacific. In 1948, he became a partner in the firm of Gray, Gray, and Gray, CPA.

Mr. Gray is a member of the Massachusetts Society of CPA; the American Society of CPA;

Life member of the Temple Emeth's board, and past president of their Parents Teachers Association; Life member Massachusetts Cystic Fibrosis Foundation and past board member. In 1970 he was instrumental in the organization of Chug Aliyah working with David Roizenblit, the Israeli shalliach, at that time.

Milton and Shirley Gray, originally from Bridgeport, CT have been married for 49 years and have three married children and nine grandchildren.

Joining Mr. Gray as an honoree is Dr. John E. Hall who will receive the coveted Harry Andler Memorial Award.

Dr. John E. Hall was born in Saskatoon, SK, Canada. He attended the University of Saskatchewan, McGill University, and received his F.R.C.S. from the Royal College of Surgeons, Canada; and his F.A.C.S. from the American College of Surgeons.

Dr. Hall is one of the world's leading orthopaedic surgeons. He is the former orthopaedic surgeon-in-chief, Children's Hospital, Boston, MA; Associate in Orthopaedics, Brigham and Women's Hospital in Boston, MA; associate in orthopaedics, New England Baptist Hospital, Boston, MA, Dr. Hall is professor of orthopaedic surgery, Harvard Medical School, Boston, MA.

Dr. Hall holds and has held such positions as associate surgery, University of Toronto; president of medical staff, Ontario Crippled Children's Center, Ontario; chairman, medical advisory board, Prosthetic Research and Development Unit, Ontario Crippled Children's Center, Ontario; appointed chief of division of orthopaedic surgery, Hospital for Sick Children, Toronto; and chief of clinical services, department of orthopaedic surgery, Children's Hospital Medical Center, Boston.

Dr. Hall is a member of the Canadian Orthopaedic Association; the Pediatric Orthopaedic Society; Examiner for the American Board of Orthopaedic Surgery; he is past president of the Pediatric Orthopaedic Society and of the Medical Staff, Children's Hospital, Boston, MA.

Dr. Hall is author and co-author of over 100 articles that have been published in leading medical journals and books.

Dr. Hall lives in Brookline, MA with his wife Frances and is a devoted father of 7 children.

Mr. Speaker, I am proud to share with my colleagues and the country the record of this excellent organization and the biographies of the two men they so justly honor.

"THE CASE OF CHINA VS. CHINA", AN ESSAY BY RYAN DAI

HON. PHILIP M. CRANE

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Friday, September 8, 1995

Mr. CRANE Mr. Speaker, a constituent of mine, Ryan Dai, recently took part in Faces of China, a national high school essay contest sponsored by Friends of Free China. Contestants were asked to write a 3,000 word essay on the theme "Should Taiwan be Admitted to the United Nations?" Ryan wrote an excellent essay entitled, "The Case of China vs. China" and was awarded a $1,500 scholarship to the college or university of his choice. The conclusions drawn from his fine work reflect my own opinions regarding the admittance of the Republic of China into the United Nations. This strong independent nation, the antithesis of the People's Republic of China has from its inception deviated from the Communist principles upon which its Red Brother resides. As a strong supporter of the ROC, I recommend this essay to my colleagues and congratulate Ryan Dai on his fine work.

THE CASE OF CHINA VS. CHINA

The United Nations Charter states that one of its main objectives is "to achieve international cooperation in solving international problems of an economic, social, cultural, or humanitarian character, and in promoting and encouraging respect for human rights and for fundamental freedoms for all without distinction as to race, sex, language, or religion."[1] Well, if this is the case, then the United Nations has not been living up to this promise. Ever since the General Assembly of the United Nations decided to replace the "China seat" in 1971 with a representative from the People's Republic of China (communist China), the Republic of China has been denied any participation in global activities held by the UN that benefit humanity. The motive behind this change was the United States' strategy of allying with communist China in order to curb the Soviet Union during the Cold War.[2] Not only that, but the UN passed this resolution to oversimplify the problem of having "two different Chinas." In reality, the decision to change representation has done nothing to solve this problem. Communist China has never taken control of the Republic of China. Without ever receiving help from communist China, the ROC has become a strong, independent nation with a thriving economy, a democratic government, and a bright future. Why is it that the UN could afford to have two representatives for Germany and another two for Korea? Despite being excluded from the UN, the Republic of China has of their own free will lived up to the standards the UN wishes to pursue.

In 1948, the United Nations passed the "Universal Declaration of Human Rights" and in 1966, the "International Covenant on Civil and Political Rights."[3] Both stress that every person has the right to partake in political, cultural, and economic activities. The ROC's government, much like the United States, unquestionably demonstrates these qualities. Dr. Sun Yat-sen, the founding father of the ROC, believed in "Three Principles of the People"—nationalism, democracy, and social well-being, which form the basis of the Republic of China's constitution.[4] The ROC has lifted martial law, certified new political parties, terminated censorship, and recently held its first free election (in 1991).[5] Unlike the People's Republic of China, which forbids any type of free election and strictly enforces censorship. How can it be possible to represent the ROC fairly with communist China taking charge at the UN? The two nations have entirely opposite view points on government. If given the chance to represent themselves in the UN, the ROC has the opportunity to show other countries that currently have political conflicts, the effectiveness of having a well-organized government that is just to everyone.

A prosperous economy certainly plays an important role in the development of any nation. Not only that, a gratifying economy enriches relationships with other countries as well. The Republic of China is no stranger to a thriving economy. Known as one of the "four little dragons" of Asia, the Republic of China is an economic powerhouse which holds the largest or second largest foreign exchange reserves in the world.[6] They are the United States' fifth largest trading nation and the thirteenth largest trading nation in the world.[7] The citizens of ROC alone have bought more than twice the amount of American goods than the People's Republic of China since January of 1994.[8] The ROC's strong economy and trade relations all add up to one thing—the stability of employment. This "little dragon" purchases more than $16 billion in U.S. exports and supports more than 300,000 American jobs each year.[9] The ROC has the opportunity to expand trade and help increase the prosperity of other countries if given the opportunity to participate in the UN.

Furthermore, the Republic of China has been lending a helping hand to the world community for the past thirty years. The island nation has sent more than 12,000 agricultural technicians to numerous countries.[10] These agricultural teams have helped developing countries progress in their agricultural base while introducing modern farming techniques.[11] The ROC has established the International Economic Cooperation Development Fund to share nation-building and technical experience to countries needing guidance in their economies. Training has been given by the ROC to almost 8,500 agricultural technicians and 44,000 agriculturists around the world.[12] Also, the ROC assisted the United States by donating $600,000 to help the people of the Midwest during the devastating Mississippi River flooding.[13] Unfortunately, the ROC has not been able to participate in UN sponsored organizations such as UNICEF, the World Bank, and the World Health Organization.[14] As a result, the Republic of China has not been able to further its aid to the global community. Granting the ROC a position in the UN opens the door to another willing participant who can help strengthen the UN's goal of assisting nations in crises.

Why the Republic of China has been denied membership to the United Nations seems so puzzling. The twenty-one million inhabitants of this nation have followed and stood by the standards of the UN for the past twenty-three years. Despite being excluded from the United Nations, the Republic of China has consummated many ambitions that have helped the world. From the nation's per capita income exceeding $10,000 (twenty-fifth in the world), and its determined will to create an orderly democratic society for its people, the Republic of China serves as an example to all nations what hard work and determination can accomplish.[15] The future withholds nothing but promise if the ROC is admitted into the United Nations. The twenty-one million people of the ROC have made some outstanding accomplishments just by themselves. Government spokesman for the Republic of China, Dr. Jason Hu commented, "The ROC does not want to keep its success to itself. We would be more than pleased to do our part in promoting the global economy by sharing our...experiences with other nations."[16] To the one hundred eighty-four member nations in the UN, it appears that having the Republic of China partake in the United Nations can do no harm but help reach the goal.

The ROC also wishes to obtain a seat in the UN to work on unification between the "two

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Footnotes at end of article.

Chinas" and resolve conflicts between the two nations, not to create a segregation. An obvious and reasonable approach to help resolve the ROC's representation conflict is to invite Red China to take seat at a table and discuss the problem. The two nations' reasons and statements on this situation hold no significance at this point, unless the two hold a formal discussion face to face with each other. A conference involving the ROC, the People's Republic of China, UN officials, and representatives from other nations serves only as a preparatory stepping stone in reaching some sort of compromise or plan of action. To reach a solution, an understanding between the ROC and Red China must be established, and this understanding cannot exist without solid communication. Red China must understand that "talk" does not necessarily mean "immediate action." The Republic of China has been ignored for too long. It is time for this nation to have a seat in the United Nations and regain its membership to the global community it once helped establish.

NOTES

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[1] Frederick F. Chien, *The Case for Participation of the Republic of China in the United Nations* (Taipei, Taiwan: Union Press Ltd., 1994), 8.

[2] Jason C. Hu, *Reality Check: The Republic of China of Taiwan belongs in the United Nations* (Taipei, Taiwan: China Art Printing Works, 1994), 1.

[3] Chien, 8–9.

[4] J.J. Nerbonne, *Taiwan: Guide to Taipei and All Taiwan* (New York, NY: IBD Ltd., 1985), 12.

[5] Don Feber, "Taiwan Deserves Better Than it Gets," *Boston Herald*, 24 January 1994, 21.

[6] Shaung Jeff Yao, "Taiwan Seeks Recognition for its Rise," *St. Louis Post-Dispatch*, 26 November 1993, 42.

[7] Shaung Jeff Yao, "Republic of China of Taiwan Deserves U.N. Membership," *Town Courier*, 16 July 1994, 23.

[8] Shaung Jeff Yao, "U.N. Call for Taiwan Overdue," *The Blade*, 30 August 1994, 4.

[9] Brett C. Lippencott, "Taiwan Deserves Better than Current Short Shrift from U.S.," *Star Tribune*, 25 August 1994, 10.

[10] Yao, "Taiwan Seeks Recognition for its Rise," 42.

[11] *Ibid.*

[12] *Ibid.*

[13] Shaung Jeff Yao, "Taiwan Has Come a Long Way, Deserves Seat in the U.N.," *The Capital Times*, 19 October 1994, 19.

[14] Yao, "U.N. Call for Taiwan Overdue," 4.

[15] William Rusher, "Taiwan's Right to a U.N. Return," *Washington Times*, 25 September 1993, 27.

[16] Feber, 21.

PERSONAL EXPLANATION

HON. CAROLYN B. MALONEY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Friday, September 8, 1995

Mrs. MALONEY. Mr. Speaker, this week I was privileged to attend the United Nations' Fourth World Conference on Women as a congressional observer. Consequently, I missed several votes. If I had been present, I would have voted as follows:

Roll Call No.:	*Vote*
636	No
637	Yes
638	No
639	Yes
640	Yes
641	Yes
642	No
643	Yes
644	Yes
645	Yes
646	No
647	No
648	Yes

SENATE—*Monday, September 11, 1995*

(Legislative day of Tuesday, September 5, 1995)

The Senate met at 10 a.m., on the expiration of the recess, and was called to order by the President pro tempore [Mr. THURMOND].

PRAYER

The Chaplain, Dr. Lloyd John Ogilvie, offered the following prayer:

The Word of the Lord is: "Be still and know that I am God; I will be exalted among the nations, I will be exalted in the earth!"—Psalm 46:11.

Let us pray:

Holy God, Your call to prayer startles us. Be still? We are wordsmiths and find it difficult to be still. Our craft is to talk and we are proud of our polished sentences and carefully worded paragraphs. Sometimes we forget to listen to Your voice before we speak. Now in the quiet of this time of prayer we realize how much we want You to be exalted among the nations, particularly this Nation You have called us to lead. Our deepest desire is to know what You desire; our lasting pleasure is to please You. Be exalted in our hearts: our goal is to glorify You. Be exalted in our minds: our purpose is to be bold and creative thinkers. Be exalted in this Senate as each Senator humbles himself and herself to speak the truth as You reveal it and listen to each other with patience and openness. Remind us again that the meaning of the Hebrew words "Be still" imply "let go, leave off, let up." We want to do that consistently today as we open the floodgates of our minds and hearts to receive the inflow of Your power and peace. In our Lord's name. Amen.

RECOGNITION OF THE ACTING MAJORITY LEADER

The PRESIDENT pro tempore. The able Senator from Iowa is recognized.

SCHEDULE

Mr. GRASSLEY. Mr. President, for the information of all Senators, the Senate will be immediately resuming the consideration of the welfare reform bill.

Under the consent agreement, which was reached on Friday, there will be three consecutive rollcall votes beginning at 5 p.m. today. A large number of amendments, as we know, are pending to H.R. 4. Therefore, additional rollcall votes are expected this evening on amendments to this welfare reform bill.

As a reminder to all Members, the voting sequence at 5 o'clock will be, first, the Dodd amendment regarding child care to be followed by the Kassebaum amendment regarding block grants, that to be followed by the Helms amendment on work requirements for food stamps.

The first vote will be 15 minutes in length with the remaining votes in sequence limited to 10 minutes each.

Mr. MOYNIHAN addressed the Chair.

The PRESIDENT pro tempore. The able Senator from New York is recognized.

Mr. MOYNIHAN. Mr. President, may I simply thank my distinguished friend and colleague for setting out the day's procedure, and call to the attention of those who might be listening that we have some 200 more amendments that were filed on Friday, and that if we are to dispose of them by Wednesday, as the majority leader has indicated would have to be done if we are going to get through with the year that ends in 3 weeks' time, we will have to hear from Senators about which amendments they wish to have called up and get time agreements for them as we have done today.

I see the distinguished Senator from Kansas has risen, and I look forward to her remarks.

RESERVATION OF LEADER TIME

The PRESIDING OFFICER (Mr. KYL). Under the previous order, leadership time is reserved.

FAMILY SELF-SUFFICIENCY ACT

The PRESIDING OFFICER. The Senate will now resume consideration of H.R. 4, which the clerk will report.

The legislative clerk read as follows:

A bill (H.R. 4) to restore the American family, reduce illegitimacy, control welfare spending, and reduce welfare dependence.

The Senate resumed consideration of the bill.

Pending:

Dole Modified Amendment No. 2280, of a perfecting nature.

Subsequently, the amendment was further modified.

Feinstein Modified Amendment No. 2469 (to Amendment No. 2280), to provide additional funding to States to accommodate any growth in the number of people in poverty.

Feinstein Amendment No. 2470 (to Amendment No. 2280), to impose a child support obligation on paternal grandparents in cases in which both parents are minors.

Moseley-Braun Amendment No. 2471 (to Amendment No. 2280), to require States to establish a voucher program for providing assistance to minor children in families that are eligible for but do not receive assistance.

Moseley-Braun Amendment No. 2472 (to Amendment No. 2280), to prohibit a State from imposing a time limit for assistance if the State has failed to provide work activity-related services to an adult individual in a family receiving assistance under the State program.

Moseley-Braun Amendment No. 2473 (to Amendment No. 2280), to modify the job opportunities to certain low-income individuals program.

Moseley-Braun Amendment No. 2474 (to Amendment No. 2280), to prohibit a State from reserving grant funds for use in subsequent fiscal years if the State has reduced the amount of assistance provided to families under the State program in the preceding fiscal year.

Feinstein Amendment No. 2478 (to Amendment No. 2280), to provide equal treatment for naturalized and native-born citizens.

Feinstein Amendment No. 2479 (to Amendment No. 2280), to provide for State and county demonstration programs.

Feingold Amendment No. 2480 (to Amendment No. 2280), to study the impact of amendments to the child and adult care food program on program participation and family day care licensing.

Feingold Amendment No. 2481 (to Amendment No. 2280), to provide for a demonstration project for the elimination of take-one-take-all requirement.

Bingaman Amendment No. 2483 (to Amendment No. 2280), to require the development of a strategic plan for a State family assistance program.

Bingaman Amendment No. 2484 (to Amendment No. 2280), to provide funding for State programs for the treatment of drug addiction and alcoholism and for the National Institute on Drug Abuse Research.

Bingaman Amendment No. 2485 (to Amendment No. 2280), to provide Indian vocational education grants.

Simon Amendment No. 2468 (to Amendment No. 2280), to provide grants for the establishment of community works progress programs.

Levin Amendment No. 2486 (to Amendment No. 2280). to require recipients of assistance under a State program funded under part A of title IV of the Social Security Act to participate in State mandated community service activities if they are not engaged in work after 6 months receiving benefits.

Breaux Amendment No. 2487 (to Amendment No. 2280), to maintain the welfare partnership between the States and the Federal Government.

Breaux Amendment No. 2488 (to Amendment No. 2280), to maintain the welfare partnership between the States and the Federal Government.

Breaux Amendment No. 2489 (to Amendment No. 2280), to improve services provided as workforce employment activities.

Breaux Amendment No. 2490 (to Amendment No. 2280), to strike provisions relating to workforce development and workforce preparation.

Rockefeller Modified Amendment No. 2491 (to Amendment No. 2280), to provide States with the option to exempt families residing

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● This "bullet" symbol identifies statements or insertions which are not spoken by a Member of the Senate on the floor.

in areas of high unemployment from the time limit.

Rockefeller Modified Amendment No. 2492 (to Amendment No. 2280), to provide for a State option to exempt certain individuals from the participation rate calculation and the time limit.

Snowe/Bradley Amendment No. 2493 (to Amendment No. 2280), to clarify provisions relating to the distribution to families of collected child support payments.

Snowe Amendment No. 2494 (to Amendment No. 2280), to clarify that the penalty provisions do not apply to certain single custodial parents in need of child care and to exempt certain single custodial parents in need of child care from the work requirements.

Pryor Amendment No. 2495 (to Amendment No. 2280), to modify the penalty provisions.

Bradley Amendment No. 2496 (to Amendment No. 2280), to modify the provisions regarding the State plan requirements.

Bradley Amendment No. 2497 (to Amendment No. 2280), to prohibit a State from shifting the costs of aid or assistance provided under the aid to families with dependent children or the JOBS programs to local governments.

Bradley Amendment No. 2498 (to Amendment No. 2280), to provide that existing civil rights laws shall not be preempted by this Act.

Bond Amendment No. 2499 (to Amendment No. 2280), to establish that States shall not be prohibited by the Federal Government from sanctioning welfare recipients who test positive for use of controlled substances.

Glenn Amendment No. 2500 (to Amendment No. 2280), to ensure that training for displace homemakers is included among workforce employment activities and workforce education activities for which funds may be used under this Act.

Grassley (for Pressler) Amendment No. 2501 (to Amendment No. 2280), to provide a State option to use an income tax intercept to collect overpayments in assistance under the State program funded under part A of title IV of the Social Security Act.

Grassley (for Cohen) Modified Amendment No. 2502 (to Amendment No. 2280), to ensure that programs are implemented consistent with the First Amendment.

Wellstone Amendment No. 2503 (to Amendment No. 2280), to prevent an increase in the number of hungry children in states that elect to participate in a food assistance block grant program.

Wellstone Amendment No. 2504 (to Amendment No. 2280), to prevent an increase in the number of hungry and homeless children in states that receive block grants for temporary assistance for needy families.

Wellstone Amendment No. 2505 (to Amendment No. 2280), to express the sense of the Senate regarding continuing medicaid coverage for individuals who lose eligibility for welfare benefits because of more earnings or hours of employment.

Wellstone Amendment No. 2506 (to Amendment No. 2280), to provide for an extension of transitional medicaid benefits.

Wellstone Amendment No. 2507 (to Amendment No. 2280), to exclude energy assistance payments for one-time costs of weatherization or repair or replacement of unsafe or inoperative heating devices from income under the food stamp program.

Simon Amendment No. 2509 (to Amendment No. 2280), to eliminate retroactive deeming requirements for those legal immigrants already in the United States.

Simon Amendment No. 2510 (to Amendment No. 2280), to maintain a national Job Corps program, carried out in partnership with States and communities.

Abraham/Lieberman Amendment No. 2511 (to Amendment No. 2280), to express the sense of the Senate that the Congress should adopt enterprise zone legislation in the 104th Congress.

Abraham Amendment No. 2512 (to Amendment No. 2280), to increase the block grant amount to States that reduce out-of-wedlock births.

Feinstein Amendment No. 2513 (to Amendment No. 2280), to limit deeming of income to cash and cash-like programs, and to retain SSI eligibility and exempt deeming of income requirements for victims of domestic violence.

Moynihan (for Lieberman) Amendment No. 2514 (to Amendment No. 2280), to establish a job placement performance bonus that provides an incentive for States to successfully place individuals in unsubsidized jobs.

Moynihan (for Lieberman) Amendment No. 2515 (to Amendment No. 2280), to establish a national clearinghouse on teenage pregnancy, set national goals for the reduction of out-of-wedlock and teenage pregnancies, and require States to establish a set-aside for teenage pregnancy prevention activities.

Hatch Amendment No. 2516 (to Amendment No. 2280), to establish a block grant program for the provision of child care services.

Hatch (for DeWine) Amendment No. 2517 (to Amendment No. 2280), to provide for quarterly reporting by banks with respect to common trust funds.

Hatch (for DeWine) Amendment No. 2518 (to Amendment No. 2280), to modify the method for calculating participation rates to more accurately reflect the total case load of families receiving assistance in the State.

Hatch (for DeWine) Amendment No. 2519 (to Amendment No. 2280), to provide for a rainy day contingency fund.

Hatch (for Burns) Amendment No. 2520 (to Amendment No. 2280), to establish procedures for the reduction of certain personnel in the Department of Health and Human Services.

Hatch (for Simpson) Amendment No. 2521 (to Amendment No. 2280), to ensure State eligibility and benefit restrictions for immigrants are no more restrictive than those of the Federal government.

Hatch (for Kassebaum) Amendment No. 2522 (to Amendment No. 2280), to modify provisions relating to funds for other child care programs.

Helms Amendment No. 2523 (to Amendment No. 2280), to require single, able-bodied individuals receiving food stamps to work at least 40 hours every 4 weeks.

Exon Amendment No. 2525 (to Amendment No. 2280), to prohibit the payment of certain Federal benefits to any person not lawfully present within the United States.

Shelby Amendment No. 2526 (to Amendment No. 2280), to amend the Internal Revenue Code of 1986 to provide a refundable credit for adoption expenses and to exclude from gross income employee and military adoption assistance benefits and withdrawals from IRAs for certain adoption expenses.

Shelby Amendment No. 2527 (to Amendment No. 2280), to improve provisions relating to the optional State food assistance block grant.

Moynihan (for Conrad/Lieberman) Amendment No. 2528 (to Amendment No. 2280), to provide that a State that provides assistance to unmarried teenage parents under the State program require such parents as a condition of receiving such assistance to live in an adult-supervised setting and attend high school or other equivalent training program.

Moynihan (for Conrad/Bradley) Amendment No. 2529 (to Amendment No. 2280), to provide States with the maximum flexibility by allowing States to elect to participate in the TAP and WAGE programs.

Moynihan (for Conrad) Amendment No. 2530 (to Amendment No. 2280), to provide that a State that provides assistance to unmarried teenage parents under the State program require such parents as a condition of receiving such assistance to live in an adult-supervised setting and attend high school or other equivalent training program.

Moynihan (for Conrad) Amendment No. 2531 (to Amendment No. 2280), to prevent States from receiving credit toward work participation rates for individual who leave the roles due to a time limit.

Moynihan (for Conrad) Amendment No. 2532 (to Amendment No. 2280), in the nature of a substitute.

Moynihan (for Levin) Amendment No. 2533 (to Amendment No. 2280), to improve the provisions relating to incentive grants.

Moynihan (for Pell) Amendment No. 2475 (to Amendment No. 2280), to clarify that each State must carry out activities through at least 1 Job Corps center.

Moynihan (for Dodd) Amendment No. 2534 (to Amendment No. 2280), to award national rapid response grants to address major economic dislocations.

Moynihan (for Dorgan) Amendment No. 2535 (to Amendment No. 2280), to express the sense of the Senate on legislative accountability for the unfunded mandates imposed by welfare reform legislative.

Moynihan (for Lieberman) Amendment No. 2536 (to Amendment No. 2280), to establish bonus payments for States that achieve reductions in out-of-wedlock pregnancies, establish a national clearinghouse on teenage pregnancy, set national goals for the reduction of out-of-wedlock and teenage pregnancies, and require States to establish a set-aside for teenage pregnancy prevention activities.

Moynihan (for Lieberman) Amendment No. 2537 (to Amendment No. 2280), to establish a national clearinghouse on teenage pregnancy, set national goals for the reduction of out-of-wedlock and teenage pregnancies, and require States to establish a set-aside for teenage pregnancy prevention activities.

Moynihan Amendment No. 2538 (to Amendment No. 2280), to strike the provisions repealing trade adjustment assistance.

Hatch (for Coats/Ashcroft) Amendment No. 2539 (to Amendment No. 2280), to provide a tax credit for charitable contributions to organizations providing poverty assistance.

Hatch (for McCain) Amendment No. 2540 (to Amendment No. 2280), to remove barriers to interracial and interethnic adoptions.

Hatch (for McCain) Amendment No. 2541 (to Amendment No. 2280), to provide that States are not required to comply with excessive data collection and reporting requirements unless the Federal Government provides sufficient funding to allow States to meet such excessive requirements.

Hatch (for McCain) Amendment No. 2542 (to Amendment No. 2280), to remove the maximum length of participation in the work supplementation or support program.

Hatch (for McCain) Amendment No. 2543 (to Amendment No. 2280), to make job readiness workshops a work activity.

Hatch (for McCain) Amendment No. 2544 (to Amendment No. 2280), to permit States to enter into a corrective action plan prior to the deduction of penalties from the block grant.

Harkin Amendment No. 2545 (to Amendment No. 2280), to require each family receiving assistance under the State program funded under part A of title IV of the Social Security Act to enter into a personal responsibility contract or a limited benefit plan.

Chafee Amendment No. 2546 (to Amendment No. 2280), to maintain the welfare partnership between the States and the Federal Government.

Chafee (for Cohen) Amendment No. 2547 (to Amendment No. 2280), to deny supplemental security income cash benefits by reason of disability to drug addicts and alcoholics, and to require beneficiaries with accompanying addiction to comply with appropriate treatment requirements as determined by the Commissioner.

Moynihan (for Kerrey) Amendment No. 2549 (to Amendment No. 2280), to allow a State to revoke an election to participate in the optional State food assistance block grant.

Moynihan (for Kohl) Amendment No. 2550 (to Amendment No. 2280), to exempt the elderly, disabled, and children from an optional State food assistance block grant.

Moynihan (for Kohl) Amendment No. 2551 (to Amendment No. 2280), to expand the food stamp employment and training program.

Moynihan (for Bryan) Amendment No. 2552 (to Amendment No. 2280), to provide that a recipient of welfare benefits under a means-tested program for which Federal funds are appropriated is not unjustly enriched as a result of defrauding another means-tested welfare or public assistance program.

Moynihan (for Bryan) Amendment No. 2553 (to Amendment No. 2280), to require a recipient of assistance based on need, funded in whole or in part by Federal funds, and the noncustodial parent to cooperate with paternity establishment and child support enforcement in order to maintain eligibility for such assistance.

Moynihan (for Bryan) Amendment No. 2554 (to Amendment No. 2280), to provide that State welfare and public assistance agencies can notify the Internal Revenue Service to intercept Federal income tax refunds to recapture over-payments of welfare or public assistance benefits.

Moynihan (for Bryan) Amendment No. 2555 (to Amendment No. 2280), to provide State welfare or public assistance agencies an option to determine eligibility of a household containing an ineligible individual under the Food Stamp program.

Hatfield Amendment No. 2467 (to Amendment No. 2280), to increase the participation of teacher, parents, and students in developing and improving workforce education activities.

Hatch (for Nickles) Amendment No. 2556 (to Amendment No. 2280), to require the transmission of quarterly wage reports in order to relay information to the State Director of New Hires to assist in locating absent parents.

Hatch (for Jeffords) Amendment No. 2557 (to Amendment No. 2280), to amend the definition of work activities to include vocational education training that does not exceed 24 months.

Hatch (for Jeffords) Amendment No. 2558 (to Amendment No 2280), to provide for the State distribution of funds for secondary school vocational education, postsecondary and adult vocational education, and adult education.

Hatch (for Kyl) Amendment No. 2559 (to Amendment No. 2280), to require the establishment of local workforce development boards.

Dodd Amendment No. 2560 (to Amendment No. 2280), to provide for the establishment of a supplemental child care grant program.

Ashcroft Amendment No. 2561 (to Amendment No. 2280), to replace the supplemental security income program for the disabled and blind with a block grant to the States.

Ashcroft Amendment No. 2562 (to Amendment No. 2280), to convert the food stamp program into a block grant program.

Graham (for Kennedy) Amendment No. 2563 (to Amendment No. 2280), to terminate sponsor responsibilities upon the date of naturalization of the immigrant.

Graham (for Kennedy) Amendment No. 2564 (to Amendment No. 2280), to grant the Attorney General flexibility in certain public assistance determinations for immigrants.

Graham Amendment No. 2565 (to Amendment No. 2280), to provide a formula for allocating funds that more accurately reflects the needs of States with children below the poverty line.

Graham Amendment No. 2566 (to Amendment No. 2280), to require each responsible Federal agency to determine whether there are sufficient appropriations to carry out the Federal intergovernmental mandates required by this Act, and to provide that the mandates will not be effective under certain conditions.

Graham Amendment No. 2567 (to Amendment No. 2280), to provide that the Secretary, in ranking States with respect to the success of their work programs, shall take into account the average number of minor children in families in the State that have incomes below the poverty line and the amount of funding provided each State for such families.

Graham Amendment No. 2568 (to Amendment No. 2280), to set national work participation rate goals and to provide that the Secretary shall adjust the goals for individual States based on the amount of Federal funding the State receives for minor children in families in the State that have incomes below the poverty line.

Graham Amendment No. 2569 (to Amendment No. 2280), to provide for the prospective application of the provisions of title V.

Dodd (for Leahy) Amendment No. 2570 (to Amendment No. 2280), to reduce fraud and trafficking in the Food Stamp program by providing incentives to States to implement Electronic Benefit Transfer systems.

Jeffords Amendment No. 2571 (to Amendment No. 2280), to modify the maintenance of effort provision.

Santorum (for Domenici) Amendment No. 2572 (to Amendment No. 2280), to improve the child support enforcement system by giving States better incentives to improve collections.

Santorum (for Domenici) Amendment No. 2573 (to Amendment No. 2280), to maintain the welfare partnership between the States and the Federal Government.

Santorum (for Domenici) Amendment No. 2574 (to Amendment No. 2280), to express the sense of the Senate regarding the inability of the noncustodial parent to pay child support.

Santorum (for Domenici) Amendment No. 2575 (to Amendment No. 2280), to allow States maximum flexibility in designing their Temporary Assistance programs.

Santorum (for Domenici) Amendment No. 2576 (to Amendment No. 2280), to create a national child custody database, and to clarify exclusive continuing jurisdiction provisions of the Parental Kidnapping Prevention Act.

Santorum (for D'Amato) Amendment No. 2577 (to Amendment No. 2280), to change the date for the determination of fiscal year 1994 expenditures.

Santorum (for D'Amato) Amendment No. 2578 (to Amendment No. 2280), relating to claims arising before effective dates.

Santorum (for D'Amato) Amendment No. 2579 (to Amendment No. 2280), terminating efforts to recover funds for prior fiscal years.

Santorum (for Grams) Amendment No. 2580 (to Amendment No. 2280), to limit vocational education activities counted as work.

Jeffords Amendment No. 2581 (to Amendment No. 2280), to strike the increase to the grant to reward States that reduce out-of-wedlock births.

Dodd (for Wellstone) Amendment No. 2582 (to Amendment No. 2280), to amend the Fair Labor Standards Act of 1938 to increase the minimum wage rate under such Act.

Dodd (for Wellstone) Amendment No. 2583 (to Amendment No. 2280), to exempt women and children who have been battered or subject to extreme cruelty from certain requirements of the bill.

Dodd (for Wellstone) Amendment No. 2584 (to Amendment No. 2280), to exempt women and children who have been battered or subjected to extreme cruelty from certain requirements of the bill.

Stevens Amendment No. 2585 (to Amendment No. 2280), of a technical nature.

Santorum (for Cohen) Amendment No. 2586 (to Amendment No. 2280), to modify the religious provider provision.

Santorum (for Specter) Amendment No. 2587 (to Amendment No. 2280), to maintain a national Job Corps program, carried out in partnership with States and communities.

Santorum (for Chafee) Amendment No. 2588 (to Amendment No. 2280), to require States to provide voucher assistance for children born to families receiving assistance.

Santorum (for McCain) Amendment No. 2589 (to Amendment No. 2280), to provide for child support enforcement agreements between the States and Indian tribes or tribal organizations.

Moynihan Amendment No. 2590 (to Amendment No. 2280), to provide that case record data submitted by the States be desegregated, and to provide funding for certain research, demonstration, and evaluation projects.

Moynihan (for Boxer) Amendment No. 2591 (to Amendment No. 2280), to provide for a child care maintenance of effort.

Moynihan (for Boxer) Amendment No. 2592 (to Amendment No. 2280), to provide that State authority to restrict benefits to noncitizens does not apply to foster care or adoption assistance programs.

Moynihan (for Boxer) Amendment No. 2593 (to Amendment No. 2280), expressing the sense of the Senate on restrictions on providing medical information by recipients of Federal aid.

Santorum (for Faircloth) Amendment No. 2594 (to Amendment No. 2280), to prohibit direct cash benefits for out of wedlock births to minors except under certain conditions.

Santorum (for Faircloth) Amendment No. 2595 (to Amendment No. 2280), to require the Secretary of Housing and Urban Development to submit a report regarding disqualification of illegal aliens from housing assistance programs.

Santorum (for Faircloth) Amendment No. 2596 (to Amendment No. 2280), to express the sense of the Congress regarding a work requirement for public housing residents.

Santorum (for Faircloth) Amendment No. 2597 (to Amendment No. 2280), to require ongoing State evaluations of activities carried out through statewide workforce development systems.

Santorum (for Faircloth) Amendment No. 2598 (to Amendment No. 2280), to provide for transferability of funds.

Santorum (for Faircloth) Amendment No. 2599 (to Amendment No. 2280), to provide for transferability of funds allotted for workforce preparation activities for at-risk youth.

Santorum (for Faircloth) Amendment No. 2600 (to Amendment No. 2280), to allow a State agency to make cash payments to certain individuals in lieu of food stamp allotments.

Santorum (for Faircloth) Amendment No. 2601 (to Amendment No. 2280), to integrate the temporary assistance to needy families with food stamp work rules.

Santorum (for Faircloth) Amendment No. 2602 (to Amendment No. 2280), to limit vocational education activities counted as work.

Santorum (for Faircloth) Amendment No. 2603 (to Amendment No. 2280), to deny assistance for out-of-wedlock births to minors.

Santorum (for Faircloth) Amendment No. 2604 (to Amendment No. 2280), to provide for no additional cash assistance for children born to families receiving assistance.

Santorum (for Faircloth) Amendment No. 2605 (to Amendment No. 2280), to deny assistance for out-of-wedlock births to minors.

Santorum (for Faircloth) Amendment No. 2606 (to Amendment No. 2280), to provide for provisions relating to paternity establishment and fraud.

Santorum (for Faircloth) Amendment No. 2607 (to Amendment No. 2280), to require State goals and a State plan for reducing illegitimacy.

Santorum (for Faircloth) Amendment No. 2608 (to Amendment No. 2280), to provide for an abstinence education program.

Santorum (for Faircloth) Amendment No. 2609 (to Amendment No. 2280), to prohibit teenage parents from living in the home of an adult relative or guardian who has a history of receiving assistance.

Moynihan Amendment No. 2610 (to Amendment No. 2280), to amend title 13, United States Code, to require that any data relating to the incidence of poverty produced or published by the Secretary of Commerce for subnational areas is corrected for differences in the cost of living in those areas.

Moynihan Amendment No. 2611 (to Amendment No. 2280), to correct imbalances in certain States in the Federal tax to Federal benefit ratio by reallocating the distribution of Federal spending.

Abraham/Lieberman Amendment No. 2476 (to Amendment No. 2280), to express the sense of the Senate that the Congress should adopt enterprise zone legislation in the 104th Congress.

Santorum (for Gramm) Amendment No. 2612 (to Amendment No. 2280), to limit the State option for work participation requirement exemptions to the first 12 months to which the requirement applies.

Santorum (for Gramm) Amendment No. 2613 (to Amendment No. 2280), to require that certain individuals who are not required to work are included in the participation rate calculation.

Santorum (for Gramm) Amendment No. 2614 (to Amendment No. 2280), to provide for increased penalties for failure to meet work requirements.

Santorum (for Gramm) Amendment No. 2615 (to Amendment No. 2280), to reduce the Federal welfare bureaucracy.

Santorum (for Gramm) Amendment No. 2616 (to Amendment No. 2280), to require paternity establishment as a condition of benefit receipt.

Santorum (for Gramm) Amendment No. 2617 (to Amendment No. 2280), to prohibit the use of Federal funds for legal challenges to welfare reform.

Moynihan Amendment No. 2618 (to Amendment No. 2280), to eliminate the requirement that HHS reduce full-time equivalent positions by specific percentages and retain requirements to evaluate the number of FTE positions required to carry out the activities under the bill and to take action to reduce the appropriate number of positions.

Moynihan (for Kennedy) Amendment No. 2619 (to Amendment No. 2280), to terminate sponsor responsibilities upon the date of naturalization of the immigrant.

Moynihan (for Kennedy) Amendment No. 2620 (to Amendment No. 2280), to grant the Attorney General flexibility in certain public assistance determinations for immigrants.

Moynihan (for Kennedy) Amendment No. 2621 (to Amendment No. 2280), to ensure that programs are implemented consistent with the First Amendment to the U.S. Constitution.

Moynihan (for Kennedy) Amendment No. 2622 (to Amendment No. 2280), to repeal food stamp provisions relating to children living at home and to reduce tax benefits for foreign corporations.

Moynihan (for Kennedy) Amendment No. 2623 (to Amendment No. 2280), to permit States to apply for waivers with respect to the 15 percent cap on hardship exemptions from the 5-year time limitation.

Moynihan (for Kennedy) Amendment No. 2624 (to Amendment No. 2280), to permit States to provide non-cash assistance to children ineligible for aid because of the 5-year time limitation.

Moynihan (for Kennedy) Amendment No. 2625 (to Amendment No. 2280), to require States to have in effect laws regarding duration of child support.

Moynihan (for Kennedy) Amendment No. 2626 (to Amendment No. 2280), to eliminate a repeal relating to the Trade Act of 1974.

Moynihan (for Kennedy) Amendment No. 2627 (to Amendment No. 2280), to improve provisions relating to the Trade Act of 1974.

Moynihan (for Kennedy) Amendment No. 2628 (to Amendment No. 2280), to improve provisions relating to the Wagner-Peyser Act.

Moynihan (for Kennedy) Amendment No. 2629 (to Amendment No. 2280), to improve provisions relating to the unemployment trust fund.

Moynihan (for Kennedy) Amendment No. 2630 (to Amendment No. 2280), to clarify that the responsibilities of the National Board are advisory.

Moynihan (for Kennedy) Amendment No. 2631 (to Amendment No. 2280), to improve provisions relating to workforce development activities and funds made available through the unemployment trust fund.

Moynihan (for Kennedy) Amendment No. 2632 (to Amendment No. 2280), to exclude employment and training programs under the Food Stamp Act of 1977 from the list of activities that may be provided as workforce employment activities.

Moynihan (for Kennedy) Amendment No. 2633 (to Amendment No. 2280), to provide for the State distribution of funds for secondary school vocational education, postsecondary and adult vocational education, and adult education.

Moynihan (for Kennedy) Amendment No. 2634 (to Amendment No. 2280), to establish a job placement performance bonus that provides an incentive for States to successfully place individuals in unsubsidized jobs.

Moynihan (for Kennedy) Amendment No. 2635 (to Amendment No. 2280), to require that 25 percent of the funds for workforce employment activities be expended to carry out such activities for dislocated workers.

Moynihan (for Kennedy) Amendment No. 2636 (to Amendment No. 2280), to establish a definition of a local workforce development board.

Moynihan (for Kennedy) Amendment No. 2637 (to Amendment No. 2280), to provide a conforming amendment with respect to local workforce development boards.

Moynihan (for Kennedy) Amendment No. 2638 (to Amendment No. 2280), to require the establishment of local workforce development boards.

Moynihan (for Kennedy) Amendment No. 2639 (to Amendment No. 2280), to clarify the role of the summer jobs program.

Moynihan (for Kennedy) Amendment No. 2640 (to Amendment No. 2280), to expand the provisions relating to the limitation of the use of funds under title VII.

Moynihan (for Kennedy) Amendment No. 2641 (to Amendment No. 2280), to improve the State apportionment of funds by activity.

Moynihan (for Kennedy) Amendment No. 2642 (to Amendment No. 2280), to clarify the role of the summer jobs program.

Moynihan (for Kennedy) Amendment No. 2643 (to Amendment No. 2280), to increase the authorization of appropriations for workforce development activities.

Moynihan (for Kennedy) Amendment No. 2644 (to Amendment No. 2280), to limit the percentage of the flex account funds that may be used for economic development activities.

Moynihan (for Kennedy) Amendment No. 2645 (to Amendment No. 2280), to make a conforming amendment regarding limiting the percentage of the flex account funds that may be used for economic development activities.

Moynihan (for Kennedy) Amendment No. 2646 (to Amendment No. 2280), to provide for national activities.

Moynihan (for Kennedy) Amendment No. 2647 (to Amendment No. 2280), to ensure that students have broad exposure to a wide range of knowledge on occupations and choices for skill training.

Moynihan (for Kennedy) Amendment No. 2648 (to Amendment No. 2280), to clarify the advisory nature of the responsibilities of the National Board.

Moynihan (for Kennedy) Amendment No. 2649 (to Amendment No. 2280), to provide both women and men with access to training in occupations or fields of work in which women or men comprise less than 25 percent of the individuals employed in such occupations or fields of work, with respect to workforce development activities.

Moynihan (for Kennedy) Amendment No. 2650 (to Amendment No. 2280), to provide both women and men with access to training in occupations or fields of work in which women or men comprise less than 25 percent of the individuals employed in such occupations or fields of work, with respect to workforce preparation activities for at-risk youth.

Moynihan (for Kennedy) Amendment No. 2651 (to Amendment No. 2280), to ensure that States reference existing academic and occupational standards in their State plans.

Moynihan (for Kennedy) Amendment No. 2652 (to Amendment No. 2280), to ensure that State plans describe activities that will enable States to meet their benchmarks.

Moynihan (for Kennedy) Amendment No. 2653 (to Amendment No. 2280), to clarify that the term "labor market information" refers to labor market and occupational information.

Moynihan (for Kennedy) Amendment No. 2654 (to Amendment No. 2280), to explicitly include occupational information in labor market information system provided under workforce employment activities.

Moynihan (for Kennedy) Amendment No. 2655 (to Amendment No. 2280), to provide a conforming amendment relating to labor market and occupational information.

Moynihan (for Kennedy) Amendment No. 2656 (to Amendment No. 2280), to maintain the administration of the school-to-work programs in the School-to-Work office.

Moynihan (for Kennedy) Amendment No. 2657 (to Amendment No. 2280), to make the list of workforce education activities for which funds may be used more consistent with the provisions of the amendments made by the Carl D. Perkins Vocational and Applied Technology Education Act Amendments of 1990, and the provisions of the School-to-Work Opportunities Act of 1994.

Moynihan (for Kennedy) Amendment No. 2658 (to Amendment No. 2280), to clarify the role of the State educational agency with respect to workforce education activities and at-risk youth.

Moynihan (for Kennedy) Amendment No. 2659 (to Amendment No. 2280), to include the participation and resources of the education community with that of business, industry, and labor in the development of statewide workforce development systems, local partnerships, and local workforce development boards.

Moynihan (for Kennedy) Amendment No. 2660 (to Amendment No. 2280), to include volunteers among those for whom the National Center for Research in Education and Workforce Development conducts research and development, and provide technical assistance.

Moynihan (for Kerry) Amendment No. 2661 (to Amendment No. 2280), to provide supplemental security income benefits to persons who are disabled by reason of drug or alcohol abuse.

Moynihan (for Kerry) Amendment No. 2662 (to Amendment No. 2280), to provide demonstration projects for using neighborhood schools as centers for beneficial activities for children and their parents in order to break the welfare cycle.

Moynihan (for Kerry) Amendment No. 2663 (to Amendment No. 2280), to provide demonstration projects for using neighborhood schools as centers for beneficial activities for children and their parents in order to break the welfare cycle.

Moynihan (for Kerry) Amendment No. 2664 (to Amendment No. 2280), to require applicants for assistance who are parents to enter into a Parental Responsibility Contract and perform satisfactorily under its terms as a condition of receipt of that assistance.

Moynihan (for Harkin) Amendment No. 2665 (to Amendment No. 2280), to reduce the income tax rate for individuals to equal the estimated cost of certain repealed programs.

Moynihan (for Kerry) Amendment No. 2666 (to Amendment No. 2280), to make the workforce development system more responsive to changing local labor markets.

Moynihan (for Breaux) Amendment No. 2667 (to Amendment No. 2280), to improve the services provided as workforce employment activities.

Moynihan (for Mikulski) Amendment No. 2668 (to Amendment No. 2280), to eliminate a repeal of title V of the Older American Act of 1965.

Moynihan (for Mikulski) Amendment No. 2669 (to Amendment No. 2280), to encourage 2-parent families.

Moynihan (for Kerrey) Amendment No. 2670 (to Amendment No. 2280), to allow a State to revoke an election to participate in optional State food assistance block grant.

Moynihan (for Daschle) Amendment No. 2671 (to Amendment No. 2280), to provide a 3 percent set aside for the funding of family assistance grants for Indians.

Moynihan (for Daschle) Amendment No. 2672 (to Amendment No. 2280), to provide for a contingency grant fund.

Santorum Amendment No. 2673 (to Amendment No. 2280), regarding implementation of electronic benefit transfer system.

Santorum (for McConnell) Amendment No. 2674 (to Amendment No. 2280), to timely rapid implementation of provisions relating to the child and adult care food program.

Santorum (for McConnell) Amendment No. 2675, to clarify the school data provision of the child and adult care food program.

Santorum (for Packwood) Amendment No. 2676, to strike the increase to the grant to reward States that reduce out-of-wedlock births.

Moynihan (for Kennedy) Amendment No. 2677 (to Amendment No. 2280), to provide for an extension of transitional medicaid benefits.

Santorum (for D'Amato) Amendment No. 2678 (to Amendment No. 2280), relating to the eligibility of States to receive funds.

Moynihan (for Kerry) Amendment No. 2679 (to Amendment No. 2280), to provide supplemental security income benefits to persons who are disabled by reason of drug or alcohol abuse.

Moynihan (for Harkin) Amendment No. 2680 (to Amendment No. 2280), to assure continued taxpayer savings through competitive bidding in WIC.

The PRESIDING OFFICER. Under the previous order, the Senator from Kansas, Mrs. KASSEBAUM, is recognized to offer an amendment.

AMENDMENT NO. 2522 TO AMENDMENT NO. 2280

Mrs. KASSEBAUM. Mr. President, I am happy to be able to start off by offering one of the 200 amendments that will be considered today. As we know, all these amendments were laid down before the close of business on Friday.

The amendment that I am offering and that I would like to discuss briefly this morning would restore provisions contained in the Child Care and Development Block Grant Amendments Act of 1995. This is the reauthorization of legislation that has been in law for 5 years. It was approved by the Committee on Labor and Human Resources by a unanimous vote on May 25.

While I am committed to ending the concept of welfare as an entitlement, I have some concerns about the legislation before us, the Work Opportunity Act, regarding changes that have been made to child care.

It seems to me that one of the most important considerations we have to undertake when we are considering welfare reform is how we handle child care. I think that all of us here in the Senate on both sides of the aisle regard our ability to structure welfare reform in an effective manner a top priority for the 104th Congress. We can talk about ending support for mothers who should be working, for families who should be working, but it is the children who become a crucial element. It is with the children that we have to be careful and must begin breaking the cycle of dependence that has occurred through years of being on welfare. It is the protection of the children that is the most important responsibility that we have.

Title VI of the welfare reform bill includes the reauthorization of the Child Care and Development Block Grant. It is called the CCDBG and it was enacted in 1990 with bipartisan support because Congress recognized there was a lack of adequate child care for many low-income working families. These just are not families on welfare. These are families that are in the work force, frequently with low-paying jobs, but who do not have the access to affordable, quality child care.

It was in that light that we felt it was very important to address this, with a sliding fee scale determined by the states, so that low-income families could be participants with some subsidies as they worked their way into better paying jobs.

I think this continues to be a nationwide problem. One of the primary goals of the CCDBG as it came out of committee is to ensure that there is a seamless system of child care where it counts the most at the point where the parent, child, and provider meet.

The provision that was in S. 850 that would have consolidated child care funds into one unified system is not included in the leadership welfare reform bill. The amendment I offer today restores that provision so that we will have one unified system of child care, one State plan, and one set of eligibility requirements.

I believe this only makes sense, Mr. President, as we are trying to consolidate and trying to work together to form a better system. Why continue to have two different child care systems—one under the child care and development block grant, and one under the welfare child care system? I think it makes sense to bring the two systems together in a unified approach.

My amendment does make one change to the original consolidation provision that was included in S. 850, the legislation that we approved out of committee, and that relates to the 15-percent set-aside for quality improvement activities. The set-aside will apply to the discretionary funds appropriated for the CCDBG, but will not apply to other child care services provided through the unified system.

We have tried to take into account some of the concerns of Governors who obviously would like to have a system that does not have too many requirements from Congress, and we have tried to do that. On the other hand, we believe that through the CCDBG there are some important requirements that have proven to be of benefit and to have created a successful child care approach in the States.

My amendment also strikes the provision in the welfare bill that would allow up to 30 percent of the funds to be transferred between the CCDBG and the cash assistance block grant. I oppose the transferability provision for two major reasons.

First, I am concerned that there is too little child care money available now. Funds transferred out of the CCDBG would not necessarily be used for child care, which would create an even bigger problem; the Governors could use it for other assistance such as cash benefits, which they might choose and which they may feel is important. But I feel strongly that these funds need to be targeted toward child care. If we fail in this, we are going to fail to reform welfare in ways that will be beneficial for years to come.

Second, the primary purpose of the CCDBG is to assist the working poor who contribute something toward child care through the sliding fee scale. Having this type of assistance available will become even more important as individuals make the transition from welfare to work. I think we all know that finding the right child care can be one of the most costly and stressful aspects for parents as they enter the work force. Not everyone is fortunate enough to have a grandparent or an extended family member who can help with child care. In fact, many today do not have relatives that can or will care for their children. And that becomes one of the most stressful problems that a mother faces when she goes to work in the morning, if she cannot be certain of some quality child care, or cannot count on child care that she feels comfortable with for her children.

Having this type of assistance available to those who are trying to work their way off welfare will become even more important as we stress the transition from welfare to work. Diverting CCDBG funds for other purposes diminishes a program which is badly needed by the working poor, and I believe it is unfair to penalize those who are struggling to provide for themselves and their families.

I hope that all of my colleagues can support the amendment I offer today, Mr. President, to consolidate child care into one unified system and to preserve the limited funds allocated to child care.

I yield the floor.

Mr. GRASSLEY. Mr. President, on a Monday morning, to focus on a very important amendment that the Senator from Kansas has offered, when we are going to have a very long week on this bill, is a sharp contrast from sometimes the easy subjects we are discussing on Friday afternoon when we adjourn for a weekend. To start out with the very basic issue of child care that Senator KASSEBAUM has brought up is really starting out with a heavy burden. The Senator from Kansas is always well prepared, and so we cannot find any fault with the preparation for her amendment, but we do take exception to the rationale behind the amendment and consequently cannot support it.

Behind the amendment I believe is an assumption that somehow if you are on welfare, or are low income, and it comes to the subject of getting up in the morning and going to work—and obviously if you are on welfare, there is a family involved, so there is a child that must be taken some place when you are on welfare—it assumes somehow that low-income people are different than other people; that when it comes to child care, they cannot do it; they cannot seek good child care, go through the business arrangements required, and on their own, without the help of the Federal Government or without the help of the State government, be able to provide for the care of a child while the mother and/or father are at work. It assumes that low-income people are not capable of this or assumes that they do not want to do it.

One of the things our reform proposal intends to do is to assume that whether people are low income or not, they are, first of all, concerned about their family; and, second, that they have the capacity to do what must be done for their family; that you just cannot assume because people are low income, somehow they do not have that ability.

Part of the basis for welfare reform is to enhance individual responsibility, detract from the dependency of the State that has been paramount to the system we have had historically and to start out with the assumption that low income people have the basic innate capabilities that other people have if given the opportunity.

Just recently, as I have said so many times on the floor of this body, our State of Iowa passed a welfare reform proposal that is going to enhance this individual responsibility. In fact, under our system, welfare recipients sign a contract with the State establishing certain points in the near future when they will take certain actions regarding the family, regarding seeking a job, regarding education, if that is necessary before a job, and eventually to getting a job so they work their way off welfare. Individual responsibility is the essence of that contract which the recipient signs with the State of Iowa.

There is a welfare recipient in my State who recently told a State legislator that the problem with the Iowa welfare reform was that we had gone from a system of no choices, where the State told her what to do, when to do it, and where to do it, to a system of choices in which she had to plan for her future, decide what opportunities to take and, in her words, "to be responsible."

For her being faced with choices was the hardest part of the reform, but I hope she recognizes, and us as well, that the hardest part of the reform is basic to whether or not things are going to be different under a new system. The issue comes down to whether we are going to assume the capabilities that all Americans have of making decisions and wanting to make decisions and set up an environment for those decisions to be made.

I think the amendment that has just been presented by the Senator from Kansas assumes that the welfare recipient might not be totally capable, or ought not to have the responsibility even, of making that decision.

The story I mentioned about the Iowa welfare recipient is true. I think it epitomizes what is wrong with the current system. And when we give States an opportunity to do better than what the Federal Government wants to do, we can move in the direction of changing our paternalistic system. It is promoting and even rewarding dependency.

There are many low-income American families who are struggling to make ends meet and be responsible without any public assistance. They take pride in their successes. And they have dignity for their efforts to be self-sufficient through employment. They get up every morning and they take their children to child care. They go to a job where they work all day. They pick up their children in the afternoon and go home.

That is what most American families do. That is what even most American families who are low income or "working poor" do without any concern by any bureaucracy. They just do it. When you lump in some of the other benefits that go with AFDC that may not have an immediate cash value, there are some people on welfare who are not too far below what low-income working people make over the course of a year.

And yet somehow with this amendment the assumption is that if you are on welfare and make *X* number of dollars, the State has all this responsibility to see that you have food on the table, child care, job training before you go to a job, and assistance in finding a job.

In contrast, if you have never been part of the welfare system and you have a job that does not pay very well, you get up in the morning, find your own job, take your kids to child care, pick them up at night. Additionally, you had to worry about your own training if there was training for that job, without any concern of a bureaucrat looking out for you.

Why the difference? One system breeds dependence. The other independence. We want to change that. We want people who are on welfare to assume responsibility and to move forward with life.

They should not somehow be segregated as different from other people without the capability of exercising a normal life.

Well, those families who work are faced with decisions on how to deal with their daily challenges, how to budget for their family's needs, what to do if their child care falls through for the day and how to plan for their future. In contrast, today's welfare system does not allow, expect, or encourage welfare recipients to make these normal, everyday decisions.

I think this legislation is about changing all that, ending business as usual for families, requiring recipients to take responsibility and learn to make decisions that most American families are faced with every day.

And, of course, one of those decisions is child care.

It is conceivable that a State may want to take a new approach of combining cash assistance and child care funding into a single grant to a family. The family then would make the decision on who to provide care for their children and the fair rate that they need to pay in a negotiated agreement with the providers.

That is what most American families do. The amendment before us by the Senator from Kansas would apply all of the child care development block grant standards to all child care funding, no matter what the source of the Federal dollars might be.

For instance, the amendment assumes payment to the provider would be guaranteed directly from the State. This would take away the premise of family responsibility and independence. This is what we need to change. We need a system where a State would be allowed to challenge public assistance recipients to be responsible and to make the child care decisions themselves as well as making the payments themselves.

We should not assume the worst about public assistance recipients, that they are incapable of making these decisions in the best interest of their children and family. If we really want an environment of State flexibility, we should be minimizing standards, not maximizing them. As we all know, the best welfare reform proposals have come from the State level, not from the Federal Government. So, if we maximize State flexibility to be creative with reforms, including child care, we do that by leaving these decisions to the States. So if we want to give States block grants and the flexibility that goes with it, rather than continue the rigid existing programs and regulations, then it seems to me that we have to limit prescriptive operating guidelines in our legislation.

As well intended as the Senator's amendment is, it is tied to the old way of doing business. It is tied to the philosophy that, first of all, when it comes to the families of AFDC recipients, everyone needs a bureaucrat looking out for them. It assumes that government knows better. It assumes that when government knows better, that of all governments, the Federal Government knows better. It assumes that parents, if low income and on a government program, know less about meeting the needs of their families than low-income families who are not on public assistance.

It assumes because you are low income that you have capabilities less than people who are middle income or higher income, and that is not true.

It segregates too many Americans into certain categories. We ought to be eliminating the categorization of Americans, the balkanization of our society. We ought to be working in this body to bring our country together, not to separate it.

We should be working in this body for eliminating any differences we can, particularly those differences that come because of Government involvement.

So, I hope that the amendment of the Senator from Kansas can be defeated. I yield the floor.

Mrs. KASSEBAUM addressed the Chair.

The PRESIDING OFFICER. The Senator from Kansas.

Mrs. KASSEBAUM. Mr. President, I wish to respond for a moment to the Senator from Iowa. I know that Senator GRASSLEY cares as much as I do about making sure that we can enact a welfare reform initiative and the importance of doing that. But I think I need to reiterate that the amendment I am offering deals with child care for low-income working families.

The child care and development Block Grant, which has been in law for 5 years, and is being reauthorized, has been included in this overall welfare reform package. It was designed to provide, as I said earlier, a sliding fee scale of support for low-income working families. It is not addressing the child care provisions for AFDC recipients. It does bring them together into a single system rather than a two-track system, but it is not Government bureaucracy so much as I would argue the need to continue that support for families that are moving off welfare.

Child care is very expensive. As I say, if you are not lucky enough to have some member of the family or a good neighbor or friend who is assisting with child care—sometimes those provisions and tradeoffs can be made; having a daughter and daughters-in-law who work, I know that sometimes it is possible, but many times it is not—child care can range as low as $60 to $80 per week to as high as $150 to $200 a week. That is a lot of money for families who are trying to enter the work force at very low-income levels, and that is why I feel strongly about not permitting transferability of funds out of the CCDBG account so that we can help those families in transition.

It seems to me that this is a very important part of this provision. I think we should be concerned about low-income families who do not have any support for child care versus the welfare family who would have total support for child care. For those just right over the line, it is difficult and it does not make a lot of sense. That is why I feel strongly about a sliding fee scale where recipients make a contribution to their child care and are given some Federal assistance based on their income as they are trying to break away from welfare assistance.

I think every State, including Iowa, has some concerns about how to help a population that has been very dependent on benefits over the years and how to make this transition without harming children. This is what I am trying to address by keeping intact the provisions of the child care and development block grant.

I yield the floor, Mr. President.

Mr. President, I call up my amendment, which is No. 2522.

The PRESIDING OFFICER. The clerk will report the amendment.

The legislative clerk read as follows:

The Senator from Kansas [Mrs. KASSEBAUM] proposes an amendment numbered 2522.

Mrs. KASSEBAUM. Mr. President, I ask unanimous consent that the reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

(The text of the amendment is printed in the Friday, September 8, 1995, edition of the RECORD.)

Mrs. KASSEBAUM. Mr. President, as has been indicated, this will be one of the amendments that will be voted on after 5 o'clock this afternoon.

Mr. President, I yield the floor.

Mr. GRASSLEY. Mr. President, I announce to Members of this body who have amendments that are pending—and I think under the rules all amendments must have been filed by last week—that several of those amendments have been reviewed and agreed to. If those amendments can be offered today, we would like to have the Members come and bring those amendments up, and those amendments will be accepted.

I and other managers of this legislation, throughout the course of the day, will be happy to handle those amendments if the Members are not able to do so or do not want to do so this morning, so that we can use this time before the votes at 5 o'clock this afternoon to expedite as many amendments as we can from our list of over 200.

Mr. President, I am going to take this opportunity to speak as in morning business. When somebody comes and wants the floor for work on welfare reform, I will yield it.

I ask unanimous consent to speak as in morning business.

The PRESIDING OFFICER. Without objection, it is so ordered. The Senator from Iowa is recognized.

DECLINES IN FUNDING FOR INTERNATIONAL NARCOTICS PROGRAMS

Mr. GRASSLEY. Mr. President, in the past several months, the international drug program has not fared very well in Congress. Funding for interdiction, law enforcement, and international efforts have declined steadily. In part this is the result of a failure by the administration to either present a serious strategy or to fight for it in any meaningful way. The President has been all but invisible and his drug czar, left without support, has been ineffective. The obvious consequence of this dereliction in tough budget times is an erosion of funding and support to other projects that have more defenders.

Unfortunately, the administration's indifference has reinforced the attitudes of some in Congress that the program is not worth fighting for, that nothing we do to combat drug use works, and so we should surrender. The result has been devastating for our international effort and for the morale and capabilities of our frontline forces.

It is a myth to believe that nothing we do to combat illegal drugs works. In fact, whenever we have consistently and seriously attacked the problem—and we have a history going back to the beginnings of this century—we have had considerable success in reducing drug use and reversing epidemics. The trouble comes in believing that we should only have to combat illegal drug use once.

The belief in some quarters seems to be that, unlike any other major social problem, we should have some magic formula that banishes the issue forever. This attitude seems peculiarly endemic to our counter drug efforts. Despite a long history, we have yet to solve the problem of murder, spouse abuse, incest, rape, or theft. One rarely hears the call, however, that because these problems persist we should give up trying to stop them or legalize them as a way out of solving our problem. Everyone recognizes that to seek such a solution would be irresponsible. Yet, when it comes to drugs, we seem to take a vacation from common sense.

We must also remind ourselves that our measure for success cannot be some simplistic formula. Too often, the standard that critics apply to the counter drug effort, to prove that nothing works, is to create an impossible standard of perfection by which to judge it. For some, if there is one gram of cocaine on the streets of America somewhere, or one trafficker left in Colombia, then our efforts are a bust. Such counsels of perfection are enemies of realistic approaches. It is a lot like arguing that because we beat the other team 28 to 17 we really lost because they managed to score. Like a football team, our effort must be continually renewed. You do not win the championship once and for all, you have to train for the next season. The struggle to control illegal drug production and trafficking does not simply end when the whistle blows. Nor can our efforts simply stop.

But let us look more closely at whether all our drug efforts are failures. In the mid-1980s, The American public made it quite clear to this body that stopping the flow of illegal drugs to the United States and ending the poisoning of millions of America's young people was a top priority. We got the message. In a series of legislative initiatives, we forced the administration to take the drug issue seriously. We created a drug czar to coordinate efforts. And we voted to increase funding across the board for counterdrug programs, from law enforcement to education and treatment.

Remember that those efforts came after almost two decades of tolerance of drug use and a major cocaine and crack epidemic. When we decided to act, we faced a massive addiction problem and a widespread acceptance of drugs as an alternate life style. Yet, look at what happened. In the space of a few years, less than a third of the time it took us to get into the mess we created, we reversed attitudes toward drug use, and cut causal use of drugs by 50 percent and cocaine use by over 70 percent. Working with our Latin America allies, we wrapped up the Medellin cartel—which critics said would never happen—and made significant inroads in stopping the flow of drugs to this country.

Now, we clearly did not eliminate either drug use or trafficking, but elimination was hardly the criteria for our programs nor the measure of success for evaluating them. It is also clear that we have more to do. But serious reflection on the issue shows that this is one of those problems for which continual effort is our only possible response. And our efforts pay dividends. While there is no ultimate victory parade, surrender is not an option—unless we are prepared to live with the consequences. Our past responses to public concern indicates that we are not.

But can we afford the price? The notion that we are spending an inordinate amount of money on fighting drug use is one of the arguments used to justify cuts in the program. Such criticism, however, only works in isolation. Looking at the context shows a different picture.

The total Federal budget is $1.5 trillion. Of that, the entire drug budget of the United States—for all drug-related law enforcement, treatment, education, and international programs—is less than 1 percent of the total. Of the money we allocate to the drug program—before present proposed cuts—we spend less than 4 percent of the total on international efforts. Even adding in all DOD detection, monitoring, and law enforcement support the total is only 8 percent of the Federal drug budget. Hardly significant sums.

Compared to what Americans spend on other activities, these sums are insignificant. We spend annually five times as much on beauty parlors and personal-care products than we spend on the total drug budget. At current wholesale prices, a mere 8 percent of the cocaine imported into the United States would more than cover the costs of our entire international counterdrug effort; and 20 percent would cover the costs of adding in DOD efforts.

Moreover, we cannot afford the annual the costs of not acting. At present levels, the annual costs of drug use—some $60 billion to industry, some $50 billion spent on drugs, and untold billions in the costs of crime, violence, and medical costs—dwarf our expenditures on counterdrug programs and create major social problems. Yet, critics argue than we spend too much. We could double our drug budget and still be spending only half of what we spend on legal services. It is simply not the case that we are spending too much.

The issue, however, is not just a question of throwing money, however small, at a problem, but of what we are getting for our investment. As I indicated, the returns are significant and if they had been achieved in other areas of public problems we would regard them as successes. Yet, we act as if a 50-percent overall reduction in drug use is a failure. We become frustrated because this is one of those problems that requires ongoing efforts not one-time quick fixes. If we forget this simple fact, we will find ourselves repeating history—of once again having to dig ourselves out of a major addiction problem. The signs that we are drifting in that direction are already there, we ignore them at the peril of our young people. We need to sustain the efforts that have proven themselves in the past. Success, however, is not a one-time thing. It requires both the moral leadership and the consistent message to our young people that illegal drug use is risky business.

In this regard, I intend to work with my Senate and House colleagues to restore realistic funding to our counterdrug efforts and to raise the priority. We cannot afford to return to disastrous policies of the 1970's that did so much harm. We cannot afford to ignore the continuing public concern over this issue. We cannot afford to spend less on our counterdrug programs, or expect less for our investment.

Mr. MOYNIHAN. Mr. President, I ask unanimous consent that I might proceed as in morning business to comment on the very able remarks of my friend and collaborator at this point from Iowa.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MOYNIHAN. I would like to share his concern about the state of the White House operation in this matter—the matter of drug interdiction and drug abuse—which was established by legislation in 1988. The then majority leader, ROBERT C. BYRD, created a task force which consisted of the Senator from Georgia, Mr. NUNN, and myself, and I think we had more than a little influence in the legislation that finally passed. I will take a moment of the Senate's time to speak about that legislation. We saw the problem as being twofold.

One was the reduction in the supply of drugs—most of which began as legal pharmaceutical products. They arrived from the onset of organic chemistry in German universities in the early 19th century.

You take this gradual escalation from opium to morphine to heroin. Heroin, Mr. President, is a trade name. You can find advertisements in the Yale Alumni News, if you wish, for heroin in 1910 or thereabouts. It was developed by the Bayer Co., that produced Bayer aspirin. Aspirin is a trade name. Heroin was tried out and tested on its employees and it made them feel heroisch in German, heroic.

Cocaine emerged from the same process, from the coca leaf to the synthesized product. Sigmund Freud's first publication "Uber Coca" described his use of cocaine as a means of treating morphine addiction, which did not succeed, and he became very much opposed to it.

These drugs were outlawed in 1915, if memory serves, by the Federal Government, and remain so. It is the last of the prohibition decrees of that era.

We thought in terms of supply and demand. If I can tell my friend a little story, I think it may be said that in the late 1960's we had a heroin epidemic in this country, very much so in this city. You could tell it by the incidence of robbery of small grocery stores and food outlets—small amounts of money needed by persons who are getting withdrawal symptoms from the lack of heroin.

It was so serious that—at this point I was Assistant to President Nixon for Urban Affairs—I was called to a meeting across the street, cater-cornered from the White House, by some of the most respected and responsible citizens in the city of Washington, who asked me if I would ask the President to garrison the Capitol. Such was the problem.

This particular flow of heroin originated in the opium fields in Turkey, made its way to Marseilles, where, in small simple laboratories, it was converted into heroin, thence smuggled into New York, more or less directly, and then around the country.

It seemed to me a curious thing. In 1969, as Assistant to the President for Urban Affairs, I thought the most important thing we had to deal with was welfare, which we are doing today, and next the heroin epidemic.

President Nixon, in August of that year, sent to the Congress a very wide-ranging proposal, the Family Assistance Plan, which would establish a guaranteed income and replace the welfare program altogether. It passed the House twice and never get out of the Finance Committee in the Senate.

That done, I left immediately for Turkey by way of India, which is still the largest source of illicit opium. I would not want to live in a world without morphine, not with my teeth. But it is still widely used properly as a medicine for medicinal purposes.

I went to Turkey, to Istanbul, and met with the Foreign Minister, representing the President of the United States. I said, we have an epidemic in our country and we have to stop it. That means we have to stop the production of opium in the province of Afyon. Opium is made from poppy seeds. Poppy seeds are part of the Turkish cuisine. They put poppy seeds on their bread.

This was not an easy thing to do. It is like someone arriving in Washington and telling our Secretary of State they had to stop growing corn in Iowa—sorry about that, you just have to stop. The Secretary of State will say, I see, of course.

Actually, they did not close them down; they just harvested them in a different way, called straw poppy. You could still extract the ingredients needed for pharmaceutical purposes, but without the paste which is derived by simply putting an incision on the stamen of the poppy plant, collecting the moisture which oozes out by fingers and wrapping it up in a leaf until it gradually became raw opium.

I then went to Paris where I found the American Embassy was not aware that anything was going on in Marseilles, much less going on in Washington. But they took my word for it and I met with the director of the Surete, their internal police, which has been there since the Napoleonic age.

These conversations went back and forth a number of times. Finally the French agreed, all right, they would close down the Marseilles operations, and the Turks agreed they would move to this new mode of harvest.

I was in a helicopter—I wonder if my friend from Iowa might hear this because it would help him—I was in a helicopter on my way up to Camp David and just back from Paris. The only other person present was the then Director of the Office of Management and Budget, George P. Shultz. I said to him, "George, I have good news, I think we are going to close down the French connection." This is what it became known as. He looked up from his papers and said, "Good," and then I said, a little deflated, "No, no, really. This is important. They are going to close it down. I have it from the head of the Surete in Paris." And he looked up and said "Good." Then, quite crestfallen, I said "I suppose"—he being an economist—"I suppose you think that so long as there is a demand there will be a supply?" He looked up at me and said, "You know, there is hope for you yet."

Of course in 3 to 4 years' time the Mexicans were providing heroin. Now it comes in from anywhere in the world, and will continue to do so.

That is why in our 1988 legislation, we said there will be two deputies in the newly created White House office—the Office of National Drug Control Policy. One would be the Deputy Director for Demand Reduction, who would seek a clinical device, a pharmaceutical block, an equivalent in one way or another in that general field of methadone treatment for heroin, who would learn the chemistry of this subject enough to have some treatment beyond the sort of psychiatric, psychological treatment available. The numbers would overwhelm us. We cannot cope.

President Bush made extraordinary, fine appointments. He appointed Dr. William Bennett as the head of the office. As the Deputy Director for Demand Reduction he appointed Dr. Herbert Kleber, a physician at the Yale Medical School, a research scientist, and exactly the man you would want for this.

Then after a while Bennett left, and Kleber also left. Kleber has gone to Columbia College of Physicians and Surgeons and is working at the New York Psychiatric Institute in this field.

Nobody succeeded him in a scientific role. There have been a number of persons in the job. I am sure they are good persons, but they are nothing like what we had in mind in the legislation.

Just 2 weeks ago, I tried to learn what had been the professional qualifications of the persons who had succeeded Dr. Kleber, and I found that in this office in the White House, they could not tell me. They did not know. This was not a long time back. It was 1988—well, 1990. They did not know their history 5 years back. They had no idea what the statute intended. They were not doing anything the statute contemplated.

So I actually thought I would put in legislation abolishing the position, on the grounds that if it was not going to do what it was intended to do by statute, why not just eliminate it?

I would like to think someone there is listening to what the Senator from

Iowa said, and what I said. I doubt it very much. I will introduce that measure, or insist on it. But I may try to offer it as an amendment somewhere along the line.

The main point is, we enacted a good statute which has been trivialized, a fact which I regret, but about which I can do very little.

Mr. President, I see no other Senators seeking recognition. The chairman of the Committee on Foreign Relations is on the floor. He may be seeking the floor.

Mr. President, I yield the floor.

Mr. HELMS addressed the Chair.

The PRESIDING OFFICER (Mr. CRAIG). The Senator from North Carolina.

THE FAMILY SELF-SUFFICIENCY ACT

The Senate continued with the consideration of the bill.

Mr. HELMS. Mr. President, the last thing I want to do is shorten any remarks that the distinguished Senator from New York wished to make. He is a fine orator and a good Senator and a good friend.

Let me ask a parliamentary inquiry, if I may. Is there a time limitation on each amendment this day?

The PRESIDING OFFICER. There is no time limitation on each amendment, but the Dodd amendment does have a 4-hour time limitation with a vote scheduled for 5 this evening, so debate on that particular amendment could begin no later than 1 o'clock.

Mr. HELMS. I see. So I will not be burdening the Senate if I take a few minutes longer than 5 or 10 minutes with my remarks, if no Senator is here to offer an amendment.

The PRESIDING OFFICER. I think the Senator may proceed.

Mr. HELMS. I thank the Chair.

AMENDMENT NO. 2523

Mr. HELMS. Mr. President, I call up amendment, No. 2523, and ask it be stated.

The PRESIDING OFFICER. The clerk will report.

The bill clerk read as follows:

> The Senator from North Carolina [Mr. HELMS] proposes an amendment numbered 2523.

Mr. HELMS. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

[The text of the amendment is printed in the Friday, September 8, 1995 edition of the RECORD.]

Mr. HELMS. Mr. President, I had the clerk read what I considered to be the most relevant part of the amendment. It has to do with people sitting around on their posteriors and doing no work at all—not wanting to do any work at all—yet drawing food stamps regularly and purchasing anything they want to purchase with them, regardless of the statute. I say this as a Senator who has been here for almost 23 years, as a Senator who has served as chairman of the Senate Agriculture Committee, during which time I did my best to crack down on the abuse of the Food Stamp Program.

I recall getting the inspectors general to conduct a pilot program in a number of States, and I specified that my State be first, the State of North Carolina. The inspectors went to cities like Fayetteville and Wilmington, Laurel Hill and Durham, Charlotte and High Point, Winston-Salem, Greensboro and Asheville. Everywhere they went, they found terrific fraud in the Food Stamp Program. That is the reason I am offering this amendment today.

Now, there are going to be Senators who will speak in opposition to it—including at least one who is a very close personal friend of mine, Mr. COCHRAN—as I understand it.

I intend to hold the floor until Senator COCHRAN can get here so that he can speak against my amendment, which I wish he would not do. But he does what he does in good conscience and I respect him for it.

Mr. President, I have seen the good intentions of Members of the Senate and the House of Representatives and others who have sponsored and advocated the Food Stamp Program. Instead, this program has moved rapidly into a multibillion dollar boondoggle with the American taxpayers footing the bill. I doubt there are very many citizens who, themselves, have not seen examples of exactly what I am talking about.

The Federal Food Stamp Program, over the past 3 decades, has clearly been a major contributor to the Federal debt which, I might add, Mr. President, will surpass the $5 trillion mark before the end of this year.

Mr. President, as an aside, I went into the Cloakroom not long ago and posed a little question to several Senators. I asked, "How many million in a trillion?" I received five different answers from Senators who participate in the fiscal policy of this country. If the Chair wants to know how many million in a trillion, I will tell him. There are a million million in a trillion. That gives you a perspective of what we are doing to the young people in allowing this debt to increase and increase and increase while efforts to enact a balanced budget amendment to the Constitution are filibustered.

I say that as a preface to my having offered an amendment to the Dole substitute amendment to H.R. 4, the Work Opportunities Act. If Congress truly expects to achieve meaningful welfare reform, Congress absolutely, in my judgment, must insist upon responsibility and common sense in the operation of the Federal Food Stamp Program. On many, many occasions, I urged the Agriculture Committee and the various witnesses and nominees who have come before the committee to reexamine their spending priorities when it comes to Federal nutrition programs.

I have pleaded, time and time again, that the Agriculture Committee decide, and decide now, whether the U.S. Department of Agriculture will be restored, as an entity, to its original purpose—that is to say, a department dedicated to America's farmers and agriculture—instead of the social services instrumentality that it has become during the past 30 years.

For the record, the USDA's 1995 feeding assistance and nutrition programs cost the American taxpayers an estimated $39 billion with more than 40 million Americans participating in the free food and free services program. That is for 1 year. The Food Stamp Program alone costs $27 billion of which $3 billion is squandered due to waste, abuse, and fraud—as I described earlier when inspectors went into my own State of North Carolina. And what is true in North Carolina is true in every State in the Union.

Mr. President, to put these figures into perspective, 62 percent of the entire USDA budget goes for food and consumer services with the Food Stamp Program comprising 42 percent of the entire budget. I wonder how many Americans realize that. It is easy to understand why the farmers I hear from are sick and tired of being shoved around by the Federal agency created to serve them.

I recall my years as chairman of the Ag Committee in the 1980's. I focused attention time and time again, on specific, precise identification of the waste and fraud found in the Food Stamp Program. I found a program in desperate need of repair—that was 10 years ago—because of the countless numbers of people willing to take advantage of a Federal Government handout—and they still are. The only difference is there are more of them today than there were then. I discovered then what Reader's Digest reported in its February, 1994 issue:

> . . . food stamps have become a second currency used to pay for drugs, prostitution, weapons, cars—even a house."

People have even bought homes. They have gone to houses of assignation, and the proprietors of such enterprises accept food stamps.

Unfortunately, the political climate today is the same as it has always been. Attempts to restructure Federal programs to meet the needs of the poor while trying to use wisely the money of the American taxpayers brings the same old cadre of people saying this is heartless and this is cruel. It is not. It is an attempt to straighten this Government out—one small facet of it, but one expensive facet nonetheless.

Those who support the status quo of maintaining unlimited resources for social programs without regard to the cost of these programs to the taxpayers of today, and tomorrow, have simply ignored two significant facts crucial to the welfare debate—and I would be derelict in my duty if I did not bring that up.

First, Congress—not some bureaucracy downtown—the U.S. House of Representatives and the U.S. Senate, is responsible for the expensive and costly social service programs and the resulting runaway debt. These programs may have been recommended from downtown, or by some politician who was thinking of the next election instead of the next generation, but the final, ultimate responsibility for the debt, for the creation of these foolish programs, lies right here where we work. We cannot put it on any President or any department or any bureaucrat. It was done right here.

Every day that the Senate has been in session, for more than 3 years, I have reported—maybe some Senators have noticed it—the most recently available exact total of the Federal debt down to the penny. For example, as of the close of business on Thursday, September 7, the exact total stood at $4,968,651,845,437.79. (On a per capita basis every man, woman and child owes $18,861.09.)

The second point, which naturally follows the first, is that Congress must restore fiscal responsibility and integrity to federal social service and welfare programs. Nobody else is going to do it. Nobody else can do it. If we do not do it, it will not be done, which brings me to the current discussion on precisely how the Federal Government is going to remedy the broken and irreparably destructive welfare system. I intentionally used the word "irreparably" because the current system built on a foundation of a government handout with nothing in return is beyond restoration. The concept is bad. It is bad for the taxpayer. It is bad for the personal morality of the lawmakers who permit it to happen, and in fact, encourage it to happen. And, it is bad for the recipient of welfare who is able to work but just will not work.

So that is why I am here this morning. We must instill into the welfare instrumentality and infrastructure the components of the underpinnings of what I like to call the Miracle of America. Can you imagine what laughter would have ensued if a little over 200 years ago at Philadelphia the Founding Fathers had been confronted with the suggestion that they pay people not to work—if somebody had suggested a Food Stamp Program? I think Thomas Jefferson would have rolled on the floor in protest.

We absolutely owe it to the people of America to do what we can—and do it now—to build an accountable work ethic, personal responsibility and common sense in public policy. If we do not do this, we fail in our duty.

So the pending amendment, which I have offered to the Dole substitute amendment, will require able-bodied individuals who receive food stamp benefits to work at least 40 hours every month—not every week, 40 hours every month—before they receive food stamp benefits. This amendment will save the American taxpayers $5.6 billion.

My amendment focuses on people who are able to work. I do not want anybody coming to the Senate floor moaning and groaning, "How about the sick and the infirm?" And do not try to tell me that there are not some kind of jobs available. It may not be the kind of jobs or the kind of work that these people want to do. The problem is they do not want to work.

The underlying substitute amendment simply does not go far enough in work requirements, as far as I am concerned. It allows recipients to receive benefits for an entire year while requiring that they work only 6 months.

This loophole—and I admire the author of the substitute—allows recipients to sit on their rear ends and do nothing and yet continue to receive those benefits that cost the taxpayers billions of dollars.

My pending amendment sets the parameters so that able-bodied citizens receiving food stamp benefits—and this includes approximately 2.5 million people—must work before he or she receives their monthly allotment of food stamp benefits. In the meantime, while earning their food assistance, recipients will have ample time to look for further permanent employment so that they can move altogether off of the welfare rolls.

One additional important fact: the pending amendment exempts children; it exempts their parents; it exempts the disabled; it exempts the elderly. The pending amendment focuses—as I stated before—on the 2.5 million able-bodied food stamp recipients.

In my judgment, Congress simply can no longer look the other way when it comes to restoring responsibility to the Federal nutrition and welfare programs. Congress can no longer allow unlimited tax dollars to be used on misguided, although well-intentioned, social programs. It is time to stop throwing taxpayers' money at pie-in-the-sky Federal programs instead of working to get to the root of the problem. This is one step toward reaching the root of the problem.

It goes without saying that I hope Senators will help accomplish this goal with their support of this amendment.

Mr. President, I understood the distinguished Senator, my friend from Mississippi, Mr. COCHRAN, was to be here about 11 or 11:15 so that he could speak in opposition to my amendment. I hope the Chair will recognize the Senator from Mississippi at such time as he may appear in the Chamber for that purpose.

I yield the floor.

Mr. THOMAS. Mr. President, I would like to speak in general terms about the bill that is before us, not particularly on the amendment offered by the Senator from North Carolina, but I will be brief and be happy to yield if Senator COCHRAN comes to the floor.

Mr. President, I, of course, have watched with great interest over the last week as we have talked about welfare, and much of it has been in great detail, as it should be. But I rise basically to support the Dole amendment. I rise to urge that we pass this bill. There will be changes. There should be changes. There should be great debates. There are differences of view. But those things can, indeed, be resolved.

The point is we have come to the time, the monumental time in which we can reform welfare—almost everyone says welfare needs to be reformed—and yet we go on and on in great detail and, indeed, risk the opportunity of passage of this bill.

So I rise to suggest to my colleagues that we need to move forward. We need to consider the amendments. We need to consider the ideas. Mostly, however, we need to be committed to taking this opportunity to passing welfare reform. It is a historic time. It is the first time in most of our memories when we have had an opportunity to really look at what are basically Great Society programs that have not been reviewed, have not been changed in a very long time, have not been questioned as to whether or not they are fulfilling the purpose for which they were devised, have not been measured in terms of their effectiveness, in terms of accomplishing that goal.

No one would oppose the idea that we need to help people who need help, but the purpose is to help them back into the workplace, back into the private sector so that they can help themselves.

Nobody would argue that making a career of welfare is a great thing to do. No one wants to do that. So we have for the first time an opportunity to make these measurements, and I certainly am encouraged that we are doing it.

I have to admit that we are somewhat discouraged in that this is not the first time this year we have entered into one of great debates when we have had people stand up on both sides of the aisle and say we certainly want a welfare bill, we want a nonpartisan bill, we want to move it, and then go into a very partisan posture of seeing that it does not move, of having 150 amendments that have to be treated.

So I hope, Mr. President, that we are prepared to complete this task and complete it in a responsible time, to complete welfare reform for the first time in many years.

We have to deal, of course, with the perverse incentives that are there, the incentives that encourage people to be locked into welfare, that encourage the idea of additional children while on welfare, that encourage the idea of one-parent families. These are things that no one agrees with, but these are in fact at least partially the results of things that we have been doing. In short, the system conflicts with the basic principles of this country in terms of equality and opportunity, and that is what we are seeking to do.

There is a need for a new approach. I have dealt with this, as most of us have, for a good long time, starting in the Wyoming Legislature when we had the same kinds of debates. But I am persuaded that this is one of those things—and there are many of them—in which the needs in Wyoming are quite different than the needs in New York or New Jersey or indeed in California, so that we do need to allow the States to be the laboratories in which we devise the best delivery plans we can.

That is partly what this is all about. The States know the kinds of programs. We have developed programs in Wyoming, nonpartisan programs, by the way, that are designed to bring people back into the workplace, and to a large extent they are working.

Workfare programs in Wyoming, known as Wyoming opportunity acts, were started by a Democratic Governor several years ago. They are very limited. They are only in two or three counties out of 23, and we have had difficulty getting waivers from the Federal Government to do those things. But they are a move in the right direction, and that is the kind of flexibility we do need.

Obviously, the Federal Government will have a role, setting a framework for the States, requiring work, encouraging child care, stressing personal responsibility, cracking down on fraud, but we need to give the States the flexibility to devise the plan that works there.

I urge that we move forward. Many of the things that are talked about as being partisan are really the great debates. There are differences of view. There is a substantial difference between the general philosophy of our friends on the other side of the aisle and this side of the aisle.

We have to resolve those. That is what it is all about. That is why we take votes. And that is why we have a process. I guess I am urging more than anything, however, that we collectively commit ourselves to completing this task, to accomplishing the reform of welfare.

The President in his initial entry into national public life said we are going to change welfare as we know it. Unfortunately, there has not been much activity from the White House—very little activity from the White House. This week's radio program however says let us keep politics out of the welfare bill. I am for that. Let us identify those issues that we need to talk about. There are differences. We can resolve them. We need to do that.

Unfortunately, the White House says, let us keep politics out of it; and then turns loose the Press Secretary and many others in the administration to come in in various areas.

So, Mr. President, I just believe strongly that the 1994 election and the continuing polling indicates a particular message; that is, Americans want action and they want something changed. They want reform. The American people do not want us to debate this in great detail and then leave it, walk away from it without some resolution. I think they indicated we are sincere and serious about breaking the cycle of welfare and giving the States flexibility.

Those are issues that almost no one can argue with. We certainly need to be concerned about the distribution formula, about the maintenance of effort in the States, about training. We had to do some of these things in our Senate legislature. We had perverse incentives. We found it was more attractive for a single mother to stay on welfare than to go off to a minimum-wage job and lose health benefits and lose child care. We had to change that.

So, Mr. President, I am very optimistic about our chances to do something that has not been done for a very long time. And I urge my fellow Members of the Senate to move forward, resolve these questions—they can be resolved; that is what the system is for—and produce a result this week.

Mr. President, I yield the floor.

Mr. LEAHY addressed the Chair.

The PRESIDING OFFICER. The Senator from Vermont.

Mr. LEAHY. Mr. President, what is the parliamentary situation?

The PRESIDING OFFICER. We have the Helms amendment currently pending.

Mr. LEAHY. Is there a time limit on that?

The PRESIDING OFFICER. There is no limit on the amendment per se. We have the Dodd amendment that does have a time limit of 4 hours, which would speak to commencing debate at around 1.

Mr. LEAHY. I thank the Chair. And I thank Senator MOYNIHAN and Senator HELMS. I had wondered about a time limit. I did not know whether one had been entered into. I wanted to make sure.

Mr. President, I would like to speak to a number of amendments to be offered: the one by the distinguished Senator from North Carolina, Senator HELMS, No. 2523; but also ones to be offered by Senator ASHCROFT, No. 2562; Senator SHELBY 2527; Senator MCCAIN, No. 2542.

I realize we will be voting on all of these, but I will oppose them, and I know of others who may. I want to lay out my reasoning. I would start with the amendment of the distinguished Senator from North Carolina, No. 2523.

I oppose it because I believe that instead of encouraging people to work, it actually punishes hard-working Americans and it also punishes pregnant women. I know that the distinguished Senator from Indiana, Senator LUGAR, chairman of the Agriculture Committee, which, of course, is the committee of jurisdiction over the food stamp program, strongly opposes the amendment of Senator HELMS. In this case both the chairman and I, as ranking Member, join in opposing it.

In doing that, I want to lay out some basic facts. I want to remind everybody here that over 80 percent of food stamp benefits go to families with children. Over 90 percent go to families with children, the elderly or disabled.

Keep in mind where this is going. The average food stamp benefit is around 76 cents per meal, per person. And if you read this amendment, and follow it to its logical conclusion, it says if you work hard for 15 years, pay your taxes for 15 years, abide by the law for 15 years, but your factory closes, and you are taking more than a month to find another job—maybe the main employer in the whole area closes—you cannot get food stamp assistance after that time.

And even though you put all this money into your taxes, though you paid for the program for 15 years, you are out. The amendment looks back 30 days. If a person has not worked in the last 30 days they are denied food stamps.

Well, we all remember the earthquake in California, and hurricanes in Florida—these disasters caused major disruptions to employment. Or think of an area where you have one primary employer, say a large factory, that closes—you are going to take a lot more than 30 days to find a job. But if you have not worked in those last 30 days, even though you are out actively trying to find a job, you are denied food stamps.

Incidentally, the amendment makes no exception for women who are pregnant with their first child. If their employer goes out of business, these pregnant women must find another job or work for free for the county or the State before they get any food assistance. I do not think it is fair for pregnant women, and it certainly is not going to help their unborn child.

Now, my understanding is that Senators LUGAR and COCHRAN agree with me that this amendment is not one to be supported, and it is not fair to hard-working Americans who play by the rules, the factory workers who are laid off and need some temporary food assistance. One of the reasons we have the food stamp program and why it is part of the safety net is because we cannot say, "Too bad, go get a job. Then we will give you food stamps." It is a time when they are out looking for a job and cannot get a job that they need the food stamps. Usually if you are able to get a decent job, you are not eligible for food stamps anyway and you do not need them.

I think hard-working Americans deserve a better break than that. They should, of course, try to find work. Everybody should. But they should not be punished because their factory moved or they went out of business or they had to lay off employees.

There are an awful lot of people who have paid the cost of the food stamp program, and of every other program the Federal Government has been involved in from the Department of Defense to agriculture. Those people are going to be affected by this.

Now, the amendment by Senator ASHCROFT, I oppose because of its affect on the elderly and disabled. Under the Ashcroft amendment, once anyone has received 24 months of assistance in their lifetime, they can no longer receive food stamps unless they are working. Elderly and disabled Americans may work very hard for decades and then become cut off from benefits by that amendment.

The amendment also denies States the right to make a decision, a decision that is offered in the bill by the distinguished majority leader, to choose whether to take a block grant or to participate in the food stamp program. Under Senator ASHCROFT's amendment States no longer have that option. It is a mandatory block grant. Senator DOLE's bill contains that option. And I agree with the handling of this by Senator DOLE—States should not be forced to take block grants.

The amendment also imposes on States, whether they want it or not, an unfair formula for providing funds.

The formula penalizes those States that are growth States, especially those in the Sun Belt. It penalizes those States that face recessions. And I think every one of us knows that recessions often hit individual States harder than the country as a whole, and that each one of us have seen times when our State may be hit by a recession when other States are not.

During the last recession, my home State of Vermont was one of the first States affected by the recession.

Vermont suffered significant job losses throughout the recession. Just when Vermont would most need its food assistance, the amendment would say, "Too bad. Have a hungry day."

I think States should at least have the ability to decide whether to take that block grant, and this Congress should not impose it.

So I urge my colleagues to vote against the Ashcroft amendment, since it takes away the State's right to decide, it hurts the elderly and disabled, and it hurts some States at the expense of others.

Now let me speak to the third amendment offered by the distinguished Senator from Alabama, Senator SHELBY. I strongly oppose this amendment. I believe it would lead to a huge increase in childhood hunger among low-income Americans. More and more children live in poverty in this country. But Senator SHELBY's amendment takes food assistance away from low-income families and provides it to higher-income families who may not need the assistance.

The bill of the distinguished majority leader, the Senator from Kansas, already makes huge cuts in food stamp funding, but under the Shelby amendment to the Dole bill, a lot of the funds that are left would be diverted to higher income families. That means low-income children go hungry.

Again, remember what I said earlier, 80 percent of food stamp benefits go to families with children; 90 percent go to families with children, the elderly or the disabled. But in this case, the money is actually diverted to higher-income families.

Under the current law, just to explain this, food stamp benefits are carefully targeted to the most needy Americans. Almost all the benefits go to those who live in poverty. But under the Shelby amendment, much of the food stamp money can be diverted to benefit higher-income families.

It also allows States to divert substantial portions of the block grant away from food assistance.

That, in my mind, is enough reason to defeat the amendment, but there is something even worse. The funds are diverted in a manner that reduces work programs. The one thing I think we all agree on is to try to get people back to work. I know I want—and this has been my position for years—to get participants off food stamps and into the work force. But this amendment allows diversion of funds away from work-related activities that help create jobs and help get people back to work. It is counterproductive.

The best way to get families back on their feet is to help them find a job. We should not reduce job-search efforts or job training.

Lastly, Mr. President, I oppose the amendment of the distinguished Senator from Arizona, Senator MCCAIN. The amendment would have some unusual, and I have to believe, unintended effects. Let us go back first to the bill of the majority leader. Under Senator DOLE's bill, food stamp assistance could be used to provide subsidies to private employers to hire food stamp recipients. It is called wage supplementation. It has to be done carefully, but if it is done carefully, it can be a very good idea. Under Senator DOLE's bill, corporations can use this Federal money to subsidize wages for up to 6 months. Then the employer has to decide, do you hire the person or let them go?

Senator MCCAIN's amendment allows for a permanent subsidy for jobs for private employers. It takes money away from others who need help getting off food stamps and into the work force. We have already cut back the amount of money substantially in food stamps. So I oppose that amendment also.

Mr. President, none of these issues are easy when it comes to food stamps. There are improvements that can be made to the program. We have made some substantial ones over the years. One improvement that I strongly support—in fact, I have written an amendment to do this—is to get us as quickly as possible on to an EBT Program, an electronic benefits transfer program. It would save tens of millions of dollars in just the cost of printing and handling food stamps. We tend to forget that there are millions and millions and millions of dollars that are spent just in printing these coupons, in collecting them and storing them, and even millions in carefully destroying them.

Electronic benefits transfer would use a credit-card type of system, with the computer ability to say, if you have 46 dollars' worth of benefits, you know exactly where the $46 was spent, whether it was spent at a legitimate grocery store or fraudulently spent elsewhere.

Electronic benefits transfer would help us catch those who defraud the program. There are people in all parts of this country who are using this program, which was designed to help hungry children, the poor, the elderly, and the disabled, to rip off the taxpayers. We have had instances of stores, tiny little stores, that are doing hundreds of thousands of dollars of business a month on food stamps. It is obvious they are not selling that. They are a front to cash in these food stamps.

Under my plan, with electronic benefits transfer, we could find those stores more easily. We could identify them much more quickly. We could give the U.S. attorney far more evidence for prosecution. And, frankly, Mr. President, those who are defrauding the program in this way should go to jail. They should be taken off the program, the store should be taken off the program, the person using the food stamps should be barred from the program, and the person should be prosecuted and sent to jail.

I hear a lot of talk about what might prove to be a deterrent and what might not. I found during my years as a prosecutor nothing proved a better deterrent than the knowledge if you committed a crime you are going to do the time. I found the best deterrent was not to say, "Oh, we have all these laws on the books, you potentially could get nailed for this." If people know they are not going to get caught, that does not make any difference.

I will give one example. I used to give to police officers at the police academy, when I was a prosecutor, a lecture. I said: You have two warehouses side by side, both filled with television sets. One is well lit and has an alarm system. It is going to notify the police immediately if there is a breakin. The other is down the street around the corner off the view of the main thoroughfare, has no lights around it, has an old lock and has no alarm system. Now, the penalty for breaking into those warehouses and stealing the television sets is exactly the same, whether you break into the one with the alarm system and well lit, or the one around the corner where nobody is going to see you and you get away with it. The law is exactly the same. The penalty is exactly the same. The answer, of course, is simple. You are going to break into the one where you think you will not get caught. The penalty was not the deterrent. The deterrent was that you might get caught, you might get prosecuted, you might go to jail. The same thing should be done with food stamp fraud.

If you are running a small store, some of which are about the size of our offices, and doing more food stamp business a month than a supermarket, and if you know you are going to go to jail, not just that you will be taken off the program and not allowed to sell, but you are going to go to jail if you do it, you are going to think twice about defrauding the program, especially if the Federal authorities have a new tool that gives the prosecution an ironclad ability to nail you. We must provide that tool.

We have to do that because there is one thing we have to remember: Those who commit fraud in the food stamp program are taking money from every American taxpayer, people who work very hard. Sometimes a husband and wife are holding down three jobs or four jobs between them just to pay the bills. They should not have to pay for those who are defrauding the system. For those of us who feel we should do something to help hungry children, it is also taking money away from them.

There are studies that show if we go to this, we could save $400 million over 10 years. Frankly, I would like to see us save even more, and I suspect we will.

It will not be just the paperwork where we will save money or the printing and collecting and distribution of paper coupons. We will save money by reducing fraud. I think the benefits will be enormous.

My amendment allows States the option to convert statewide to EBT. I sent a "Dear Colleague" letter Friday, before we went out, to all of the offices. I know each one of us eagerly awaits "Dear Colleague" letters so that we can read them before we do everything else. If there are any other Senators who just came back and have not had a chance, as I eagerly read all of yours, hopefully, they will read mine. This is a way to save money. I see the Senator from Mississippi.

I yield the floor.

Mr. COCHRAN. Mr. President, I regret that I must oppose the amendment of my good friend, the distinguished Senator from North Carolina. I agree with him that our public assistance programs ought to encourage work and not dependency. But it seems to me that this amendment affects the wrong people.

For example, individuals who have a long job history, but who are laid off when a factory closes, would be denied benefits under the amendment. This result concerns me. Individuals who have never been on the Food Stamp Program and who have always worked seem to me to be those whom this program ought to help—people who face a temporary setback.

In the case I have described, individuals who have been laid off when a factory closes may face high local unemployment conditions and may find it difficult to get a job.

A major goal of the Agriculture Committee was to preserve a safety net for people who have played by the rules and need a helping hand through hard times, while ending the free ride for those who have taken advantage of the system.

As a matter of fact, there are numerous provisions in the bill to promote work and to deny benefits to those who will not work even though they are able-bodied and could be working. For example, States will—for the first time—be able to permanently disqualify repeat violators of work rules under this bill.

Mr. President, we have worked to analyze a number of suggestions for reducing the costs of this program, for tightening the rules, and making true reform come to pass. We think this is a balanced and thoughtful approach that we are recommending to the Senate for its action. I hope the Senate will support the committee's effort.

Mr. LUGAR. Mr. President, our public assistance programs should encourage work, not dependency. The Senator from North Carolina and I agree on this. However, this amendment affects the wrong people.

It would deny food stamps to able-bodied 18- to 55-year-old persons without dependents unless they work at least part time. Many people who fit that description are not long-term food stamp recipients.

Individuals who have long job histories but who are laid off when a factory closes would be denied benefits under this amendment. This result should concern all of us. Individuals who have never been on the Food Stamp Program and who have always worked are exactly the kinds of people that the Food Stamp Program should help—people who face a temporary setback.

Individuals who have been laid off when a factory closes may face high local unemployment and may find it difficult to get a job. The case of the people I have described is not unusual. Over half of all food stamp recipients will only stay on for a matter of months, and they will most likely leave because their earnings increase.

A major goal of the Agriculture Committee was to preserve a safety net for people who have played by the rules and need a helping hand through hard times, while ending the free ride for those categories of recipients who have most taken advantage of the system. Under the leadership bill, able bodied, nonelderly adults without dependent children will have their benefits time limited if they are not in a job or employment program at least halftime. The time limit in the leadership bill prohibits the receipt of food stamps for those who were not working for 6 months out of a year. According to the Congressional Budget Office, approximately 700,000 people would be subject to this requirement in an average month. USDA's estimate is higher. However, under the leadership bill, the Secretary of Agriculture may waive this provision in areas with over 8-percent unemployment or if there are insufficient local jobs.

The amendment by the Senator from North Carolina does not contain any waiver language. In addition, AFDC block grant recipients who violate an AFDC work program requirement will be sanctioned under the Food Stamp Program. For an AFDC recipient who has been disqualified from food stamps due to an AFDC work violation, the food stamp disqualification continues until compliance even if the recipient loses AFDC eligibility.

Numerous other provisions in the bill promote work. For example, States will—for the first time—be able to permanently disqualify repeat violators of work rules.

Mr. President, I urge Senators to vote against this amendment.

Mr. HELMS. Mr. President, I will not consume very much more time. THAD COCHRAN knows of my respect for him. There is no Senator in this body for whom I have greater respect. But I have to say to him, as I say to the distinguished Senator from Vermont, I do not know which amendment they are talking about, but they are certainly not talking about the pending amendment by JESSE HELMS.

For example, both Senators have said and have voiced a lamentation that people who are temporarily out of work would be cut off of food stamps. Clearly, on page 2 of the amendment, it says, "For the purposes of paragraph (1), an individual may perform community service or work for a State or political subdivision of a State through a program established by a State or political subdivision."

Then, Mr. President, the distinguished Senator from Vermont mentioned people needing food stamps in earthquake situations—workers are needed for community service then more than ever. They should not be desirous of just sitting around while somebody cleans up the mess.

I, then, heard that we ought not to deny pregnant women food stamps. Mr. President, there are pregnant women all over this country working today. As long as they are able to work, they do. Some of them—who have worked in my office and at my television station before I lost my mind and ran for the Senate—worked until a few days before they went to the hospital. I am not saying that they ought to do that. But, to say that a pregnant woman should automatically get food stamps does not make sense. It is not fair to all the pregnant women who get up and go to work every day by the millions in this country.

Excluded from this amendment—let me repeat—excluded are children under 18, parents with dependents under 18, mentally or physically disabled, members of a household caring for incapacitated people, and people over 55 years of age.

Although many families with children receive some food stamp assistance, the overwhelming majority of them also receive aid from another Federal program, another costly Federal program—the AFDC. Welfare benefits are already given to these families.

Mr. President, we are supposed to be dedicated to working toward a balanced budget. The Heritage Foundation has estimated that 9 out of every 10 recipients will automatically drop off the roll if you require them to work under the pending amendment.

Also, according to the Congressional Budget Office, the pending Helms amendment will save $5.6 billion of the taxpayers' money over the next 7 years.

As for the role of the States, the Republican welfare bill removes a mountain of redtape and administrative costs are cut tenfold. In addition, the U.S. Department of Agriculture, in a report from 1986, states that enforcing strong work requirements will save $3 on welfare costs for every dollar the State invests in a work program.

Currently, there are 15 million State and local employees within 23,000 county and municipal governments. If absolutely nobody were to drop off the welfare rolls because of the Helms amendment—and this is next to impossible because of the Heritage Foundation estimate which I just stated—this amendment would increase the State and local employment rolls by only 3 percent, and then only for workers working one-fourth of the time.

Finally, it is easier for States to keep track of recipients when they sign up for work and benefits at the same time and place. Trying to keep track of recipients in private sector jobs while making sure that they are in fact working could be an administrative nightmare.

Therefore, I must respectfully decline to accept the criticism of the Helms amendment by my friend from Vermont and my friend from Mississippi.

Finally, Mr. President, I ask unanimous consent that the article of February 1994, from the Readers Digest to which I referred earlier, entitled "The Food Stamp Racket," be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

THE FOOD-STAMP RACKET

(By Daniel R. Levine)

Spyros Stanley was one of the wealthiest people in Charleston, W.Va. He owned a bar and practically every parking lot in the city. But, according to investigators, he had also purchased $23,000 worth of food stamps—for a fraction of their value—from welfare recipients and crack-cocaine dealers. Stanley was buying the stamps to purchase food for himself and his bar.

In Brooklyn, N.Y., J & D Meats, Inc., looked like a typical big-city wholesaler, bustling with delivery trucks, vans and forklifts. Its finances, however, were anything but typical. J & D's owners were illegally trading meat for food stamps. The wholesaler was converting the stamps to cash by depositing them into the bank account of a retail meat market it had once owned, but which was then out of business. In nine years, J & D Meats redeemed $82-million worth of food stamps at its bank.

In Hampton, Va., food stamps became Lazaro Sotolongo's road to riches. Penniless when he arrived from Cuba in 1980, Sotolongo set up a drug ring that sold crack for food stamps at 50 cents on the dollar. He converted the food stamps to cash by selling them to unscrupulous authorized retailers. Over three years he took in more than $8 million.

Says Constant Chevalier, Midwest regional inspector general of the U.S. Department of Agriculture (USDA):

"We've seen just about every type of fraud and abuse of the food-stamp program you could think of."

In 1968, 2.2 million Americans received food stamps at a cost of $173 million. Today, 27 million Americans are enrolled in a food-stamp program that costs taxpayers $24 billion a year.

Food stamps are available to anyone meeting certain eligibility requirements, including individuals whose monthly income is 30 percent above the poverty line. The eligibility requirements are so generous that a family of four earning $18,660 a year (and an individual earning $9,072) can qualify for limited benefits. Maximum benefits for a family of four with no income are $375 a month, while a family of eight can receive up to $676 a month. The value of the stamps is inflated to 103 percent of the cost of the government's basic nutrition plan. This three-percent boost costs $850 million each year.

Even when required by law, getting Congress to cut food-stamp benefits is nearly impossible. Benefits are indexed for food-price inflation once a year. But when food prices dropped 1.3 percent between 1991 and 1992, Congress blocked the law's automatic reduction in food-stamp benefits, throwing a potential savings of $330 million out the window.

At the same time President Clinton and Congress talk of reducing the federal deficit, food-stamp spending will increase by $3 billion over the next five years. Now is a good time to take a look at what years of skyrocketing spending have already produced.

Second Currency. Once a month, a large percentage of food-stamp recipients receive "authorization to participate" (ATP) cards in the mail that show their monthly allotment based on household size and income. They take these to a post office, bank or check-cashing store and exchange them for food stamps, which are used to buy food in authorized retail stores.

But it's when recipients trade the stamps for cash or drugs that the system breaks down. A typical fraud works this way: A drug dealer approaches a food-stamp recipient outside an issuance center and trades $50 worth of crack for $100 in food stamps. The dealer then sells the stamps to a dishonest authorized retailer for $75 in cash. The store then redeems the stamps at a bank for their full value. As a result food stamps have become a second currency used to pay for drugs, prostitution, weapons, cars—even a house. Says Cathy E. Krinick, a Virginia deputy commonwealth attorney, "Food stamps are more profitable than money."

In Camden, N.J., a USDA agent making an undercover investigation into food-stamp fraud received a startling offer in January 1991. Jack Ayboub, owner of a grocery store authorized to accept food stamps, had already received $6700 in coupons from the agent for $3300 in cash. Now Ayoub offered to trade a three-bedroom house for $30,000 in food stamps and another house every two months using the same scheme. After completing the first part of the deal, Ayoub was arrested by federal agents.

An art aficionado in Albuquerque, N.M., used food stamps to fund his collection. He also owned a general store authorized by the USDA to accept food stamps. But instead of milk or eggs, he gave customers cash at 30 to 50 cents on the dollar for their stamps. Then he redeemed them at the bank for their face value. With his profits, he bought $35,000 worth of stolen art.

Food stamps are also easily counterfeited. Dennie Lyons of New Orleans printed more than $127,000 worth of bogus stamps and tried to sell them around the country. When caught, he was sentenced to four years in prison, and his wife, Johnette, got five years' probation for aiding him. But it wasn't long before her phony food stamps were replaced by real ones—soon after her indictment, she was admitted to the food-stamp program.

Retailer Rip-Offs. Only stores authorized by the USDA's Food and Nutrition Service (FNS) can accept and redeem food stamps. But the procedures for receiving authorization are woefully inadequate. A retailer can receive certification merely by filling out an application and stating that staple foods account for over 50 percent of his sales. At the same time, however, there are some 175 FNS people assigned to monitor and investigate the activities of 213,000 authorized retailers, of which 3200 are estimated to be illegally exchanging stamps for cash.

The FNS is so outmatched that even official sanctions don't work. A USDA audit in 1992 found that there were "no effective procedures" to prevent disqualified retailers from continuing to accept and cash in food stamps. "The disqualification process is sorely lacking," says one regional inspector general.

Adds Craig L. Beauchamp, the USDA's assistant inspector general for investigations, "We are seeing more million-dollar-and-up frauds committed by retailers than we have ever seen before."

In Toledo, Ohio, grocer Michael Hebeka was convicted of fraud and permanently banned from the food-stamp program in 1984. Using falsified papers, he tricked officials into believing he had sold his Ashland Market to an employee. Soon the government reauthorized the store to accept food stamps, and Hebeka was back in business. When he was caught a second time in May 1991, he had already redeemed another $7.2 million in stamps.

In Los Angeles, two small grocery stores bought food stamps for half their face value in cash and redeemed them for their full value. Between 1989 and 1992, they cashed in stamps worth more than $20 million. For 16 months, one of the markets averaged $19,000 a day in food-stamp redemptions—even though it had only $10,000 in inventory.

In East St. Louis, Ill., Kenneth Coates, owner of Coates Market, paid as little as 65 cents on the dollar for foods stamps, which he cashed in for full value. Over a year and a half, he redeemed $1.3 million, enabling him to pay for his children's private schooling and have enough left over for $150,000 worth of stocks, at least five rental houses and a Mercedes-Benz. This wasn't the first time Coates Market had defrauded the food-stamp program. Ten years earlier, it had been disqualified for fraud—only to be readmitted after six months.

Bureaucratic Nightmare. After Medicaid, the food-stamp program is the most expensive in the federal welfare system, and one of the most poorly run. Even when the number of recipients has dropped, operating cost have gone up. In 1990 there were 600,000 fewer people on the rolls compared with 1981. But administrative costs soared from $1.1 billion to $2.5 billion. The bureaucracy has grown so unwieldy that mismanagement and inefficiency permeate the program.

Most welfare programs are jointly funded by state and federal governments. But food stamps are entirely funded and regulated by Washington, while state and local agencies are responsible for administering and distributing the coupons. Essentially, states run the day-to-day operation of a program in which they have little incentive to manage costs efficiently.

Mistakes are rife. In 1992, $1.7-billion worth of food stamps were overpaid or sent to ineligible people. The government has fined states that have high error totals, but the penalties are rarely taken seriously. During the past 11 years, $869 million in fines have been levied, and only $5 million collected.

With over $20 billion in federal food stamps circulating every year and little reason for the states to manage them effectively, it's no surprise that the program is easy pickings for crooks—even those "inside" the system.

In Detroit, the department of social services sent $26,000 in food stamps to Mae Duncan. But she didn't exist. The name was one of 26 invented by Patricia Allen, a 39-year-old social worker. Over a nine-year period, she collected more than $221,000 worth of food stamps. In Baton Rouge, La., two sisters who were social-service caseworkers issued $50,000 in food stamps to nonexistent recipients. And in St. Paul, Minn., nobody noticed when a state clerk pocketed $180,000 worth of returned food stamps in nine months.

Of the $24 billion taxpayers fork over for food stamps, nearly $2 billion is lost to fraud, waste and abuse. Says welfare and social-policy expert Charles Murray of the American Enterprise Institute, a Washington, D.C., think tank, "This is a program that for three decades has grown year after year, without any evidence that it should grow."

Clearly, radical reform is needed. Here's what can be done:

1. Tighten eligibility. Food stamps should be focused on helping the neediest Americans—those living at or below the poverty line. Lowering the income eligibility ceiling to that level (except for families with elderly and disabled members) would guarantee that taxpayer dollars are going to those who truly need assistance.

2. Cut excesses. Reducing benefits so that they reflect 100 percent, rather than 103 percent, of the government's basic food plan would save $850 million annually. And states with excessive error rates in administering food stamps should be forced to reimburse the federal government for the lost money. If incentives are put into place, taxpayers could be saved hundreds of millions of dollars each year, and recipients would be served more efficiently.

3. Crack down on criminals. Last August, Congress passed legislation introduced by Sen. Mitch McConnell (R., Ky.) toughening penalties against recipients and retailers convicted of food-stamp trafficking. This is a good start, but much more can be done. Recipients should be permanently barred from the program the first time they are caught trading food stamps for drugs, just as they are when they trade for weapons, ammunition or explosives. Now they are given two chances.

As for retailers, information they provide the FNS, such as sales-volume and coupon-redemption data, should be shared with federal law-enforcement officials. Currently, only other welfare agencies are allowed to see these numbers. Also, tougher standards should be imposed before retailers can be certified to redeem food stamps and after a store has been disqualified. Regular store visits and interviews with the owners should be the rule, not the exception. Some of the savings from the program should be used to hire much-needed additional FNS investigators.

Ultimately, however, it is up to Congress to control the rapid growth of food stamps. But over the program's 30-year history, Congress has rarely taken the bold steps necessary to rein in costs. Eliminating illicit trafficking and ensuring that food stamps reach only the neediest Americans in a cost-efficient manner should be a top national priority.

Mr. HELMS. I yield the floor. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. HELMS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HELMS. Mr. President, I ask for the yeas and nays on my amendment.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. HELMS. I thank the Chair. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. MOYNIHAN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. JEFFORDS). Without objection, it is so ordered.

Mr. MOYNIHAN. Mr. President, I am taking a moment to expand on the remarks I made toward the end of our debate on Friday concerning the amendment I offered, the Family Support Act of 1995, a measure which simply brought up to a new set of standards the Family Support Act of 1988.

We began in 1988 saying all States would have to have 20 percent of their eligible adult welfare recipients in work, job training, or job search by 1995.

It was understood that as we got the hang of this, as States learned to handle what was a new idea, welfare should be an interim measure, as people moved to independence and became self-supporting. We agreed to change a program that began as a widows' pension and is no longer such.

It was contemplated we would work our way up to higher levels of participation, and indeed in the Family Support Act of 1995 we move to 50 percent by the year 2001, add money to the JOBS program, make improvements to the child support system, and build on a program which we have begun to feel is working.

Dramatic improvement does not happen instantly when one passes legislation, not in an area like this, not in a situation where we have so many communities that have been reduced to an extraordinary incidence of dependence.

I mentioned on Friday that, in the city of Chicago, 46 percent of children were on welfare at some time in the course of the year 1993; in Detroit, 67 percent; in New York, 39; in Philadelphia, 57; San Diego, 30. These are massive problems.

It is not surprising that the first real reactions to the Family Support Act, the ones that were most innovative and effective, came in areas not necessarily rural, but not with the masses of poor who inhabit the great cities. Iowa is one of these areas with great significance.

On the floor a month ago, Monday, August 7, my good friend and comanager here, the Senator from Iowa, [Mr. GRASSLEY], said something very important. He said, ". . . my State of Iowa began the implementation of its program in October 1993. In the last 2 years, the number of AFDC employed recipients has increased from 18 percent of all welfare recipients to 34 percent—I believe now the highest of any of the States—as a percentage of welfare recipients who are working." If I may interpolate, I think that is correct. We had set 20 percent as the initial goal. Iowa went right by it to 38 percent, more than halfway to the goal of fifty percent we had contemplated in the Family Support Act of 1995 presented to the Finance Committee. That bill failed 12 to 8 in the Finance Committee and received 41 votes here on the Senate floor; 54 to 41, if I recall.

But that bill of 1988, which I say, once again, went out the Senate door 96 to 1, began to take hold. The program in Iowa that Senator GRASSLEY was talking about is the program created under the Family Support Act. Mr. President, the Federal Government pays at more than 60 percent of the program costs in the JOBS program. The Family Support Act of 1995, which we voted on Friday, would take it from 60 percent to a minimum of 70 percent for all expenditures, including administrative costs. States have not in the past drawn down the full amount available to them to implement the JOBS program—by increasing the Federal share, my bill would make possible the full implementation of the JOBS program.

I might just add as a preface to some of the other things I am going to say, Iowa passed a reform bill 2 years ago. Indeed, on that occasion, Mr. President, I put into the RECORD the Iowa Family Investment Program, for which basic approval under the JOBS program was requested in April 1993 and approved in August 1993. They received a waiver to raise the asset limit for applicants to $5,000 for recipients, exempt equity value of an automobile up to $3,000, adjust annual CPI by income deposited in an IDA account not to be counted as income, and so forth.

In Iowa, if you are out in the countryside and you do not have an automobile, you are not going to find a job. One of the debilitating things about welfare is that it has required its recipients not only to be paupers but to remain paupers. About 5 years ago a mother was discovered in a Middle Western State who had been saving, had saved some $12,000 to put her daughter through college, and was, in consequence, a criminal.

It just eviscerates the population involved, and not a small number of persons. To say again, in some cities it is the majority of all the children living in the city—67 percent of the children in Detroit, 57 percent of the children in Philadelphia.

On Friday, Senator HARKIN gave a very careful and thoughtful description of the program in Iowa, following on some of the remarks by his colleague. He said he wanted to bring to his colleagues' attention what has happened in Iowa "since we changed our welfare system." He said:

> We enacted a welfare reform program in October 1993, and almost 2 years later you can see what happened. Our total spending on welfare has dropped, and dropped dramatically since we had our welfare reform program.

Mr. President, what Iowa has been doing is exactly what the Family Support Act hoped States would do. And Senator HARKIN very properly said the program was enacted in October—that was following the approval from the Department of Health and Human Services in August. In Iowa, sixty-three percent of the JOBS funds are Federal moneys.

Iowa has every reason to be proud of its program. But is Iowa certain that the program will continue when the funds are discontinued? The JOBS program is abolished by both the Democratic bill, that we voted on earlier last week, and the Republican bill. We are taking something that has worked and decided, no, it has not worked fast enough. Or has not worked far enough? The proposal to undo this is the nearest thing to vandalism I can recall in 19 years in the Senate. We will regret it and we may return to it. Or we may, as in the case of the deinstitutionalization, forget what we did and wonder what this new, ominous, inexplicable problem of child poverty is?

I say again, a 5-year limit in a situation where 76 percent of the recipients are on AFDC for more than 5 years, will lead to a situation out of control, if it is not already. We will not begin to see the effects for about 5 years. Five years is a very long time in our memory. I have said over and over again, how quickly we forgot that we emptied out our mental institutions and did not build the community health centers that President Kennedy contemplated.

We will forget, perhaps, what we have done, what we did on the Senate floor in this September. And we are doing it in the face of the first really good evidence that the JOBS program is working. The Manpower Demonstration Research Corporation, last July, put out a report on the programs it had been following around the country, because we built evaluation into our studies. And the overwhelming evidence was that the Family Support Act was working. The most promising results involved a strategy that was tested in Atlanta, Riverside, and Grand Rapids, that emphasized rapid job entry. We learned something here.

Training? No, no. Get into a job situation, and you will learn the job. You will learn on the job if you can learn to get to the job.

The number of AFDC recipients dropped by 11 percentage points in those three. Employment rose by 8.1 percentage points. Expenditures dropped 22 percentage points, which was exactly what Senator HARKIN was describing. And the MDRC, which is a very careful organization, observed that the 22 percentage point drop in expenditures exceeds the savings achieved by experimentally evaluated programs in the last 15 years. We are finally beginning to understand this problem.

What we are dealing with here is the aftermath of an enormous increase in out-of-wedlock births. President George Bush was the first President to speak of this, and did so in a commencement note of 1992. President Clinton raised the issue in his State of the Union Address in 1994. Never before had Presidents touched on this subject. Never before have we debated it. We are doing so now, and as we must.

In the current issue of The Economist, Mr. President, a journal not necessarily read widely in the United States but certainly respected, this week's cover story, "The Disappearing Family," talks about the American experience, the awful experience. It includes a chart of the experience cf this country for which I find myself cited as the source. It is the first time The Economist looked to me for data. Indeed we find that in every country in northern Europe there has been extraordinary increase in the ratio of births to unmarried mothers in the last 30 years. A few Western industrialized countries have not seen an extraordinary increase. Italy's rise has not been as shocking as ours, and Switzerland has had a fairly modest increase. Japan's ratio was 1 percent in 1970, and is 1 percent today.

This is going to be a major subject of cross-cultural studies in the next century as we find ourselves asking what are the forces that make for the dissolution of the marriage unit in Western society that do not similarly affect Eastern societies?

Just last Friday, as I believe, the Christian Coalition had a large conference here in Washington, and a number of Senators spoke. Mr. Ralph Reed is their director. They heard a stirring comment from Mr. Alan Keyes who spoke to them. This was the Christian Coalition's annual conference here in Washington. He said:

> And we know the breakdown of the marriage-based, two-parent family is at the root of every problem, crime problem, poverty problem, deteriorating education, even the problem of entitlements, where we have backed away from the family system that ought to take care of the children and the elderly and try to turn that task over to a Government that cannot get it right.

You know, Mr. Keyes I believe is a candidate for the Republican Presidential nomination. He said:

> We are doing it wrong when we back away from the family system, and we have allowed the destruction of the family system because we are defining our freedom in a corrupt and a centrist way that destroys the loyalty and law and sense of obligation that is needed for

> family life. Now we know it is true, and I have a question for you then. If you know it is true, and you think it is right, then why on Earth would you sit back this time, when it matters more than anything else in this Nation that we put our No. 1 priority and put your seal of approval behind people who put it on the back burner and give it the backseat and only talk about it when they force them to? What is the matter with you?

He went on to say:

> The marriage-based family, the No. 1 priority of this Nation's life, nothing is more important, not the budget, not the deficit, not taxes, not the power of the Federal Government over the State government. We will rebuild our families or we will perish, and we know it.

Well, that is language that is perhaps more in the mode of bearing witness than of giving testimony. But it is a purposely legitimate setting and a purposely legitimate speaker saying something which I happen to think is entirely the case, and I think it is so important that we are talking about it. We used not to talk about it. We could not do it. We did not do it 30 years ago, or 20 years ago. We started to talk about it 10 years ago, and now we have reached it. We do not know what to do with very little evidence, no data. Only in the last Congress did I get a welfare indicators report established by statute, and in 2 years' time we get our first study. The idea is to match the economic report that was created by the Employment Act of 1946. We are getting there. Long before you get good answers, you have to ask good questions. I think we have begun to do that. I take heart from it.

I wish that my friend from Iowa would acknowledge that their success is success under a statute we passed in 1988, and it is well deserved. And we might do worse than to build on that success rather than dismantle the program. But there you are. That is a decision the Senate will make in good time.

I see my friend from North Dakota is on the floor. I understand he wishes to speak. In any event, Mr. President, I yield the floor.

Mr. GRASSLEY addressed the Chair.

The PRESIDING OFFICER. The Senator from Iowa is recognized.

Mr. GRASSLEY. Mr. President, just for a couple of minutes to respond to what the Senator from New York had to say, I would very readily admit that a certain amount of flexibility under the 1988 act gave States the opportunity to change their plan and come to Washington and request waivers. It gave us an opportunity for the political laboratories of our system of Government, our State legislatures, to try something new and to experiment. Most of those States participating have been very successful. I think my State of Iowa has been the most successful.

But I think that what we have seen is two phenomenon which dictates to me that we ought to move more aggressively toward flexibility to the States. The No. 1 thing is a dramatic increase in the number of people on welfare, 3.1 million now since the 1988 act went into effect. There was some leeway to States in that act that gave them an opportunity to make it possible for more people to get on welfare. I do not know whether that was intended or not, but it was an end result. So we have 3.1 million more people on welfare. The second phenomenon is that it is costing more money, and I think at a time when we thought we were passing an act that was going to save some money, that tells me, as I look back to my involvement with the 1988 Act, that I failed in making that judgment.

In the meantime, we have seen several States move dramatically forward, move people from welfare to work, save their taxpayers' money, and save the Federal taxpayers some money as well. And in that 7-year period of time, it has given me, and others of my colleagues, encouragement to have more faith in the States to do things even more dramatic and dynamic than they have done thus far under waivers.

I would suggest that if there is one reason that I wish to be able to move forward based upon the success of the Iowa legislature and their plan, it is the fact that, in my judgment, that Iowa would have gone much, much further in reforming welfare if they did not have to tailor a program that would meet the requirements of some obscure bureaucrat in the Department of HHS in order to get approval. So that is why Republicans have a bill that gives so much more authority to the States than ever before.

I will admit, in conclusion, that the stage was set for it by the 1988 Family Support Act; but it set a stage that tells us now that we can do even more than what we could do under the 1988 act and we ought to do it.

I yield the floor.

AMENDMENT NO. 2529

Mr. CONRAD. Mr. President, I would like to call up my amendment No. 2529.

The PRESIDING OFFICER. If there is no objection, that will become the pending question.

The Chair hears no objection.

Mr. CONRAD. I thank the Chair. I thank my colleague from New York for the opportunity to discuss my amendment.

Mr. President, the amendment that I offer I call a State flexibility amendment because it allows States to choose between the Dole AFDC and job training block grant and titles I and II of my own welfare reform plan, the WAGE Act, the Work and Gainful Employment Act, that I offered in May of this year. Titles I and II of the WAGE Act are based on four principles: First, work; second, protecting children; third, providing States flexibility; and fourth, preserving the family structure.

I believe those are the fundamental principles of any serious welfare reform effort. My plan provides unprecedented flexibility to States while providing a safety net for children and an automatic economic stabilizer for States.

Mr. President, I agree strongly with my colleagues that States should be given great flexibility to design and deliver welfare programs. My amendment expands this principle by giving States a choice between block grants, the pure block grant approach as contained in the Dole proposal, and my totally new approach to welfare that has a combination of a block grant and a temporary assistance program that includes an automatic economic stabilizer so that States are not put in a circumstance in which they may not be able to meet the needs of children in their States due to economic conditions or a natural calamity.

Under my amendment, States are given a chance to choose the block grant approach in the Dole bill or the WAGE approach contained in my bill for 4 years, after which the State could choose to continue its program or switch to the other approach. In other words, the amendment that I am offering today expands the choice of individual States. They can choose the Conrad approach that contains a block grant as well as a temporary assistance program or they can choose the pure block grant approach of the Dole program.

For the past month, my Republican colleagues have engaged in extensive and arduous discussions to work out a formula for States with high rates of population growth. While we may differ with the merits of the formula, the negotiations dealt with the most important issue confronting the Senate as we debate welfare reform, and that is economic uncertainty.

None of us in this room can predict the economic future. History has taught us that the business cycle is not predictable, natural disasters are not predictable, State growth patterns are not predictable, and economic performance may differ dramatically between the States.

Economic uncertainty must be at the forefront of this debate. It is precisely the fact of economic uncertainty that leads millions of people to welfare during times of crisis. Welfare programs, with all their flaws, provide the safety net that helps families survive plant closings, droughts, floods, layoffs, and other crises.

When I set out to develop a welfare reform plan, I told my staff that the word "entitlement" was banned from their vocabulary. The word "entitlement" sends all the wrong messages and underscores the devastating problems of our current system.

Unfortunately, in the current system, there are no incentives to work.

Welfare recipients learn quickly that work does not make them better off and that not working entitles them to a guaranteed monthly check. I think that is the reason the taxpayers have no respect for the welfare system as it currently exists. Our current welfare system violates American values of hard work and personal responsibility. We must reform the status quo and create a system that encourages work, self-sufficiency, and that strengthens family.

I believe my welfare reform plan meets those tests. It does not entitle people to a free ride. Instead, it demands responsibility and a personal commitment to become self-sufficient in return for a transitional welfare check.

Mr. President, when I go to my State and I talk to the people in every corner of North Dakota, they say to me, "We're not unwilling to help somebody that has hit hard times or somebody that is permanently disabled or somebody that for some reason has fallen into a circumstance where they need some help for a time. And we're even willing to help people permanently who are disabled. But, you know, we are not willing to be shelling out to pay for somebody who could work who refuses to work. That's not fair."

Mr. President, they are exactly right. Unfortunately, the debate between entitlements and block grants has missed the fundamental issue highlighted by these intense Republican negotiations over formula, and that is economic uncertainty. I agree that the notion of the no-responsibility entitlement philosophy of welfare needs fundamental change, but the automatic economic stabilization must be retained.

States will experience hard times and prosperous times in the coming years. We cannot predict the economic winners and losers. The only thing we can predict is that the future will look very different in 1996, 1997, and 1998 than it looks in 1995.

Under the amendment that I am offering today, if States choose my transitional aid and WAGE programs, States will have almost complete flexibility to design welfare programs. At the same time, the funding mechanism will provide an automatic stabilizer to assure that States and regions in economic downturns receive the necessary funds.

Under the State flexibility amendment that I am offering today, States would be allowed to choose, first, the Dole block grant, or second, the Conrad WAGE and transitional aid program. States would choose one approach for 4 years, after which the State could either keep the program they have chosen or switch to the other program.

Under either approach, States would receive their proportional share of funding, assuming all States were participating in the same program.

I would like to briefly describe the specifics of my WAGE and transitional aid program. There really are two elements here:

The WAGE Program which is a block grant for job training. The WAGE block grant gives States flexibility to provide job placement and supportive services to move individuals into jobs as quickly as possible. The WAGE block grant consolidates funding from five different current welfare programs.

The JOBS Program, emergency assistance, AFDC child care, transitional child care, and the administrative costs of AFDC.

Welfare would become what the American people want it to be, a temporary, employment-based program to move people into the work force. The States are given enormous flexibility under the WAGE block grant that is part of my overall proposal. States have complete flexibility to design employment programs. States may provide monetary incentives to case managers for successful job placements and retention, as well as to outsource job services and to use performance-based contracts. States determine eligibility criteria and participant requirements for the specific work and training programs. States have the option to require noncustodial parents with child support arrears to participate in WAGE. States can establish time limits of any duration that require individuals to work as a condition for benefits.

However, a State may not terminate participants from WAGE if the participants have played by the rules and complied with the requirements set forth in the WAGE plan.

States have the ability under the WAGE approach that I have introduced today to make the decisions on what the welfare reform program will be. We have heard the outcry that States ought to make these decisions. My approach allows States to make them within a certain broad framework. Self-sufficiency is the goal of my welfare reform plan. I am not interested in kicking kids into the streets with no support. If a parent is making a good-faith effort to get off welfare, as required by the State—and the State determines what is a good-faith effort, not the Federal Government—this parent should be encouraged to continue to strive for self-sufficiency.

States are given complete flexibility to determine the sanctions imposed on individuals who fail to comply with the State's program requirements. Again, it is not the Federal Government deciding, it is the States deciding. If a sanction results in the complete elimination of aid to a family, States must take measures to ensure the well-being of the children.

Mr. President, obviously there are certain requirements that are expected of the States. At the very minimum, States are required to administer a WAGE Program that promotes moving parents into private-sector employment. States must develop a wage employability plan with the recipient that indicates the requirements necessary to move off of welfare.

There is a personal contract that is entered into between the person seeking temporary assistance and the State. They line out a contract of what the recipient is going to do in return for what they receive.

The States must ensure that children are protected by making certain that the child care is available for WAGE participants. The funding mechanism is very simple. The WAGE block grant is a cap entitlement to States based on historical funding for emergency assistance, AFDC child care, transitional child care, and the administrative costs of AFDC. The WAGE block grant includes additional funding each year to put people to work and to ensure that child care is available. The WAGE block grant grows 3 percent a year. States receive incentive payments for moving individuals off welfare and into employment, as well as for improvements in the number of individuals combining work and welfare.

Mr. President, my plan is serious about work. Work rates in the WAGE Program are phased in, reaching 55 percent in fiscal year 2000. That is the highest participation rate of any welfare reform program that is before this body. States focus specifically on getting people into work with work preparation activities with a minimum of 20 hours a week. If the State decides they want to require more than that, that is their decision. Half of the participation rate must be met by individuals who are working. After 2 years individuals must be working in order to meet State participation rate requirements.

In addition to the block grant approach that replaces current jobs programs, we also have eliminated AFDC and, in its place, created a transitional aid program. The transitional aid program maintains a basic safety net for America's children and provides an automatic stabilizer for States. This is where my plan differs fundamentally from the Dole plan that is before us, because the Dole plan contains only a block grant approach. My plan contains a block grant approach for the jobs programs, but has in the temporary assistance program, which replaces AFDC, a continuation of the automatic stabilizer. Because, again, Mr. President, none of us can predict what the future holds.

If there are floods in Mississippi or a drought in North Dakota, or some kind of economic calamity in the State of Vermont, we do not think it makes sense just to have a flat amount of money going out there to deal with any kind of emergency. It does not make sense.

We ought to continue the automatic stabilizer that allows this country to function as the United States of America, not just as 50 separate States. Let the 50 individual States experiment with any kind of welfare program they want to create, yes, absolutely. We ought to have 50 States operating in that way. But, Mr. President, if there is an economic calamity, then this country ought to stand as one, all of the States standing together to help a sister State that may have experienced some incredible economic calamity or natural disaster. That is the strength of America. That is not something that ought to be abandoned.

The transitional aid program, as I have indicated, maintains that basic safety net for America's children. And for the States as well.

My plan fundamentally reforms welfare. It eliminates the Federal bureaucracy and overregulation that hampers State efforts to develop their own innovative welfare programs. The transitional aid program reduces the State plan to 14 elements, compared to the 45 in the current AFDC State plan. Instead of Federally mandated policies, States have the option to determine eligibility criteria, support and benefit levels and the form of those benefits, the treatment of earned and unearned income, the extent to which child support is disregarded when determining eligibility and benefits, the treatment of children's earnings, resource limits, restrictions imposed on eligibility for assistance for two-parent families.

And States have the ability to determine the requirements on recipients whether it be work, school attendance, or whatever. States have the ability to determine sanctions for individuals who fail to comply with State requirements. States determine the payment or denial of benefits to children born to individuals receiving assistance. And States decide the timeframes for achieving self-sufficiency.

Mr. President, for those on the other side of the aisle who say, "States ought to be the laboratory of experimentation in this country," I say, amen. Absolutely. Let us let the States experiment. Let us let all of the States have a chance to determine a welfare reform approach and see how it works. As the Senator from New York has said repeatedly, the only thing we can be certain about is that we do not know much about what works and what does not work. So let us give the States an opportunity to experiment. Let us let them have a chance to figure out what works and what does not work.

But, Mr. President, while we are doing that, while we are engaging in this great experiment, let us maintain the automatic stabilizer, let us maintain the underlying financing of a system that permits the United States to function as one country, that says if Iowa, for some reason, gets in special difficulty, that we are not going to just leave the children of Iowa out there on their own, that the other States of this Union will come together and help that State.

That makes sense, Mr. President.

My plan, with respect to temporary assistance, requires that a family meet the following criteria to be eligible for the transitional aid program: They must have a needy child that is defined by the State; they must comply with the WAGE employability plan; and they must cooperate and comply with paternity and child support measures.

While I have indicated that States have substantial flexibility in the design of their transitional aid program, there are minimal Federal requirements: They must serve all families with needy children uniformly—uniformly—as defined by the State; they must operate a WAGE Program; they must operate a child support enforcement program; they must maintain categorical Medicaid eligibility for the transitional assistance program and provide transitional Medicaid for at least 1 year. It could be longer at State option. And they must maintain assistance in some form to needy children and families in which the parent is complying fully with all WAGE and other requirements.

The State designs the program. The State decides what it is, but if people are complying with that program, people cannot be kicked off for some other reason.

Mr. President, under my plan, welfare remains a Federal-State partnership. States draw down Federal funds for the transitional aid program using the Medicaid matched rate. My plan gives States extensive flexibility to design these programs and to invest State funds toward these efforts. The Federal Government continues to finance the majority of program costs.

In conclusion, my amendment allows States a choice. States can choose between the Dole approach and my approach, a new welfare program that combines the flexibility of block grants with an automatic stabilizer funding mechanism to respond to economic uncertainty.

Since day one, the welfare debate has focused on devolution, how much authority should be turned over to the States. Every plan of either party expands State authority and lessens Federal oversight, and that is appropriate.

There are many State officials, however, that have expressed grave concern about ending the current funding mechanism and completely block granting welfare. The Dole plan will create 50 different safety nets across the country, some of which will hold strong and some of which will tear and dissolve when the vagaries of the market create economic downturns or in the face of a natural disaster. If States do not want to take this chance, we should allow them to choose the alternative approach I have presented in my amendment.

Mr. President, Americans are rightfully demanding welfare reform that focuses on work, personal responsibility, and accountability. My amendment focuses on the public's demands. It emphasizes work, it protects kids, it gives the States enormous flexibility.

Mr. President, I believe it is the right mix of allowing States the right to determine what welfare reform ought to look like while at the same time continuing the automatic stabilizer that has proved such an important part of our ability to function as the United States of America.

I ask support for this amendment to expand States' abilities to develop welfare programs to move parents toward self-sufficiency while protecting children.

I thank the Chair and yield the floor.

Mr. GRASSLEY addressed the Chair.

The PRESIDING OFFICER. The majority manager is recognized.

Mr. GRASSLEY. Mr. President, I have had a chance to sit with my friend from North Dakota as a member of the Senate Finance Committee where all this legislation on welfare reform comes from. I sense in him a true desire to work out compromises and solve some problems that he believes will result if we give too much leeway to the States.

I presume his legislation, where he gives the States a choice of continuing with a Federal program or adopting their own, is the ultimate of discretion. I do not know who can find any fault with that discretion; however, there are goals that we have on this side of the aisle other than just choice and discretion to the States.

One of those is the fact that we have a terribly bad budget problem from 30 years of irresponsible spending. Some of that irresponsible spending—not all of it, but some of it—is directly related to the fact that we have programs that we call entitlements. That means basically that whatever is going to be spent, if you qualify, it will be spent and there is not much congressional control over the amount of money to be spent.

So his program would continue that entitlement. The Republican bill would end the entitlement aspect.

Also, we on this side of the aisle with our bill save $70 billion. The Congressional Budget Office has put a cost on the Conrad amendment of $6.99 billion over the next 7 years.

Mr. CONRAD. Will the Senator yield for a question or a point on that?

Mr. GRASSLEY. Yes, I will.

Mr. CONRAD. The amendment that I am offering as an amendment to the Dole welfare reform plan would reduce the savings by $7 billion. So is it not correct to say that the total package would still achieve $63 billion of savings over the next 7 years? In other words, I do not think it is correct to compare a $70 billion savings under the Dole bill to a $7 billion cost under my plan.

The correct comparison is a $70 billion savings over 7 years under the Dole plan, $63 billion of savings under the Conrad plan.

Mr. GRASSLEY. I am reading from the CBO estimate which says that your bill will cost $7 billion over 7 years.

Mr. CONRAD. The Senator is absolutely correct, if I might say, the document from CBO—which I ask unanimous consent to have printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

PRELIMINARY ESTIMATE OF AMENDMENT PROVIDING STATE FLEXIBILITY TO PARTICIPATE IN THE TAP OR WAGE PROGRAMS (CONRAD), ESTIMATED RELATIVE TO S. 1120, THE WORK OPPORTUNITY ACT OF 1995

[By fiscal year, outlays in millions of dollars]

	1996	1997	1998	1999	2000	2001	2002	1996–2002 Total
Option to Participate in WAGE Program								
Family Support Payments:								
Budget Authority	−874	−1,184	−1,106	−987	−688	−825	−742	6,607
Outlays	−838	−1,190	−1,107	−987	−689	−828	−743	−6,583
Food Stamps:								
Budget Authority	−26	−75	−121	−183	−250	−308	−376	−1,339
Outlays	−26	−75	−121	−183	−250	−308	−376	−1,339
Medicaid:								
Budget Authority	25	68	68	128	153	137	126	722
Outlays	25	68	68	128	153	137	126	722
Earned Income Tax Credit:								
Budget Authority	0	0	1	4	10	21	34	71
Outlays	0	0	1	4	10	21	34	71
Wage Block Grant:								
Budget Authority	1,123	1,695	1,914	2,176	2,414	2,478	2,530	14,329
Outlays	1,111	1,678	1,885	2,149	2,383	2,449	2,504	14,159
Foster Care:								
Budget Authority	0	0	0	−3	−9	−12	−15	−39
Outlays	0	0	0	−3	−9	−12	−15	−39
Total, All Accounts:								
Budget Authority	247	502	776	1,135	1,430	1,491	1,557	7,138
Outlays	272	476	746	1,108	1,399	1,459	1,530	6,992

Basis of Estimate:

The amendment would allow states to choose whether to participate in the Temporary Assistance for Needy Families (TAP) Block Grant as described in Title 1 of S. 1120 of the Work and Gainful Employment Act (WAGE) Program described in this amendment. The WAGE program would maintain AFDC benefits as an entitlement, but grant states new flexibility to design their programs. A new capped entitlement block grant would be created which would combine AFDC administrative costs, Emergency Assistance, AFDC Child Care and Transitional Child Care. The block grant would require no state match and would grow at 3% a year. Additional funds would be added to the block grant that are equal to 1995 federal JOBS spending and that would grow at a fixed amount equal to $200 million in 1996, rising to $2,200 million in 2002. CBO assumes that two thirds of sales would opt to participate in the block grant program established under S. 1120 and one-third would opt to participate in the Wage program established by this amendment.

This estimate does not include AFDC benefit savings associated with provisions limiting eligibility of non-citizens to benefits. If these savings were included, the cost of the amendment would be reduced.

The estimate assumes that technical changes would be made in the amendment to ensure cost neutrality with an effective date later than 10/1/96. If technical changes were made to include At-Risk Child Care spending in the base amount of the WAGE Block Grant, the cost of this amendment would increase by $300 million per year for each year 1996–2002.

(Mr. FRIST assumed the chair.)

Mr. CONRAD. Mr. President, that document makes clear that my amendment would reduce the $70 billion of savings by $7 billion over 7 years to still achieve $63 billion of savings, but to give the States this added flexibility, which I think is critical.

Mr. GRASSLEY. Mr. President, while we are waiting to get that deciphered, I want to go on to another point that I wanted to make about the bill that is before us.

The Senator from North Dakota speaks about 55 percent of the people who would have to be working. That 55 percent seems higher than the 50 percent in the Republican plan, but it depends upon what group you talk about.

On the Republican plan, our goal and requirement is that 50 percent of everybody on welfare, the category of everybody on welfare, would have to be working.

In the bill of the Senator from North Dakota, he would have these categories of people exempted from the 55 percent rule: Parents of children under 12 weeks of age or, at the State's option, up to 1 year; individuals who are ill or incapacitated, as defined by the States; individuals needed in the home on a full-time basis to care for a disabled child or other household members; individuals over 60 years of age; individuals under age 16, other than teenage parents. I am not going to argue about the Senator's rationale for exempting certain populations.

So his goal is 55 percent of a group that has several exemptions in it as required to work. Whereas, in our bill, we have 50 percent of a whole, without exemption.

So for those reasons—the fact that it does not save as much money as our proposal saves, and the fact that it does not have as high a goal of people to work by the year 2000—we feel that this bill, even though it does give an option to the States of whether to choose the Federal entitlement or a program defined by the individual State, does not go far enough in eliminating a major problem with the welfare system of the last 40 or 50 years. That problem is the Federal entitlement. It seems to me the maintenance of a Federal entitlement is a litmus test of whether or not we are going to have business in welfare reform or whether or not we are going to have a completely new approach.

The plan offered by Senator DOLE is a completely new approach—no longer a Federal entitlement, no longer an environment in which there will be an encouragement for dependency; but instead a requirement where we are going to move more people from welfare to work.

I yield the floor.

Mr. CONRAD addressed the Chair.

The PRESIDING OFFICER. The Senator from North Dakota is recognized.

Mr. CONRAD. Mr. President, let me just say, with respect to the Republican plan, it is true that they have 50 percent of the total, but that total is a different total than the total I am talking about, because they take 15 percent of the caseload right off the top. They have 15 percent that are exempted right off the top. It is impossible to know whether the categories that we have exempted—that is, a mother with a child under 12 weeks, we think it is appropriate that the mother stay home with the child. If somebody is sick and disabled and cannot work, it is appropriate that they not be expected to work. They come at it a little different way. They take 15 percent off the top and say the provisions do not apply to them. We come at it by specifically categorizing those people who should not be expected to be part of the work force.

Mr. President, there is a larger issue of work here, as well, and that is, what is the fundamental complaint about welfare? The fundamental complaint is that we are not moving people to work. The Republican plan is sadly deficient with respect to that issue. According to the testimony we had by the Congressional Budget Office, in 44 of the 50 States, there will not be a work requirement because there is not sufficient funding for child care to get the people to work, and that 44 of the 50 States would be better off taking a 5-percent penalty than to have a work requirement. So if we want to talk about a work requirement, let us be honest about it.

The work requirement in the Republican plan is a hoax. It says it is tough on work, but they do not provide the funds necessary for people to actually go to work, because they do not have the child care. So people are not going to be going to work. And States will not have the work requirement because they are better off; rather than providing the child care necessary to get people to work, they will take the 5-percent penalty. That is CBO's analysis, not mine. CBO said that 44 of the 50 States will not have a work requirement under the Republican plan.

Mr. President, the proposal I am offering says we want to devolve power to the States. We want to give States the ability to experiment. We want to have a chance to have 50 different States have 50 different programs, and let us see what works. Absolutely, I am all for it. Sign me up. That is what my amendment does.

But my amendment also says there ought to be the economic stabilizer. I do not know if it has become an ideological question that you eliminate the role for the Federal Government just because it feels good—because rhetorically it feels good. I do not get it. Are we saying that if California has massive earthquakes, tough luck? Are we saying if North Dakota has a devastating drought, tough luck? Are we saying if Mississippi has massive flooding, tough luck, the United States is not in on the deal? I thought this was the United States of America. I thought this was a Union. That is the America I know.

So there is this idea that we are going to cut States adrift and they can do whatever. Here is the money and good luck, I hope things work out. But if you have a disaster—a natural disaster or an economic calamity—and kids get put on the street, tough luck. I do not think much of that plan.

I was in California and I saw a young woman on the street with two little kids—a middle-class woman, begging. I went up to her and I said, "How did you get on the streets of San Francisco begging with these two little kids?" I tell you, if you would have seen that woman, you would have seen a person that looks like she just came from the shopping center, grocery shopping with her two little kids. She was an attractive woman, nicely dressed, and the kids were nicely dressed. They were out on the streets begging. Why? Because her husband had taken a hike and her house had gotten foreclosed, and she was homeless with two little kids. Well, some of us believe that is not a circumstance that should be tolerated in America. That woman and those little kids ought to have a place to go.

The Republican plan says we are so locked into ideology, the Federal Government should not have a role in anything, and we are willing to take that chance. Well, I am not willing to take that chance. I think if some State suffers a disaster, the United States of America ought to stand together and protect the kids—at least the kids. That is the difference.

Mr. President, this is dramatic welfare reform that is being proposed in my amendment—dramatic. It is not the Federal Government deciding these programs; it is the States deciding. But if we get to the circumstance where there is a disaster and the State cannot meet the needs of the kids, then I think we live in a United States of America.

I yield the floor.

Mr. KENNEDY addressed the Chair.

The PRESIDING OFFICER. The Senator from Massachusetts is recognized.

AMENDMENT NO. 2560

The PRESIDING OFFICER. Under the previous order, the pending question is amendment 2560, and the time until 5 o'clock will be equally divided.

Mr. KENNEDY. Mr. President, I yield such time as I might use.

The struggle for decent child care is a daily fact of life that all working families understand, regardless of their income.

Some in Congress may want to ignore these realities, but a mother with young children who wants to work or go to school does not have that luxury.

Today and every day, millions of American families face impossible and heart-wrenching choices—between the jobs they need and the children they love—between putting food on the table and finding safe and affordable care for their children.

We have heard a lot about turning welfare into work—but precious little about who will care for the nearly 10 million children on AFDC while their parents meet the mandate to pursue job training or go to work. If we are serious about promoting work and strengthening families instead of punishing them, we must deal responsibly with the issue of child care.

Today—at long last—is our chance to do this long overdue reality check on the pending Republican welfare reform proposal.

Quality child care creates opportunity and increases productivity—not just for one generation, but for two. Child care is not about giving parents a blank check. It is about giving them a fair chance. Failing to make child care a centerpiece of welfare reform makes a mockery of any such reform. It will only pass the real life tragedy of dependency from one generation to the next.

Today, 21 million low-income children are eligible for Federal child care programs. Yet less than 7 percent of these children currently receive this essential support. Clearly more—not less—needs to be done.

But too many of our Republican colleagues seem content with simply slashing benefits, and will do so at any cost. If that is the plan—the Dole program fits the bill. But those who seek truly to promote work and strengthen families understand the need to remove real world barriers to self-sufficiency.

For many, even most, the greatest barrier to self-sufficiency is lack of child care. The Census Bureau found that 1 of 3 poor women not in the labor force identified child care as their greatest barrier to participation. One in five part-time workers said that they would work longer hours—if child care was available and affordable.

A GAO study of participants in 61 welfare-to-work programs in 38 States found that more than 60 percent of respondents reported that a lack of child care was their number one barrier to participation in the work force.

The National Research Council recently documented that mothers with safe and adequate child care arrangements were more than twice as likely to successfully complete a job training program.

The link between child care and self-sufficiency is well documented in report after report after report. The real question is—will the Senate act based on this mounting evidence.

We know that 60 percent of AFDC families have at least one preschool child. It is simple common sense that they would need child care assistance to enroll in job search, community service, or workfare activities. But while there have been loud calls for cutting benefits and ending welfare, there has been a deafening silence on the need for child care. It is time to break the silence and put together a realistic program—a program not based on rhetoric but on reality and results.

But when it comes to child care, the ever-evolving Dole bill continues to be fatally flawed. While we have now seen three modifications—one essential fact remains the same. The Dole bill does not dedicate a single dime to providing child care services to families on welfare. Behind Dole No. 1, Dole No. 2, and Dole No. 3—one reality remains clear—the primary goal is to reduce spending and not increase opportunity.

The Republicans may choose to call their bill the Work Opportunity Act—but this noble claim is nothing more than a hollow promise when you look at the fine print. Simply put, their numbers just do not add up. They know it and CBO has confirmed it. This bill is not welfare reform—it is welfare fraud.

Let us consider the facts.

As we prepare to move millions of American families into job search and workfare programs—the Dole bill repeals the child care programs targeted to these families.

That is outrageous. That is irresponsible. That is not a joke—it is a fraud. I ask—who will care for these children?

In 1988, by a vote of 96 to 1, the Senate passed and President Reagan signed into law a guarantee that child care would be provided to each and every AFDC family pursuing job training or education or participating in workfare programs to enable them to develop the skills necessary to secure private sector jobs.

That was not a radical idea then, and it should not be now. This is sound and sensible policy—adopted with strong bipartisan support. This policy appropriately acknowledged the critical link between child care and work. But in the Republican plan, this guarantee and the resources to make it real are gone, wiped out, taking with them the hopes and dreams of poor children and families in every State.

Some may say that these funds are not eliminated—just given to the Governors with greater flexibility to spend them as they see fit. I only wish it was that simple.

The Dole bill takes the funds for safety net benefits, job training, and child care—folds them into a single block grant—and freezes spending at the 1994 level through the turn of the century. As States feel the crunch of this dwindling Federal support, who will care for the children?

If you want to imagine the predicament the Republicans are putting the Governors in, just think about a family budget. Take the average family's annual budget—include food, rent, child care, and work expenses. Cut it back to what they spent last year. Tell them they get no increases for the next 5 years—regardless of inflation, sickness, fire, or other unforeseen disasters. Undoubtedly they will run into serious financial trouble.

That is exactly what is going to happen in State after State after State. Children and families are going to pay the price—and in the long run, so will the Nation.

The Dole bill professes to increase work participation rates by 131 percent over the next 5 years. That is an admirable goal, but who will be taking care of the children?

The Department of Health and Human Services estimates that States will have to spend $11 billion more over the next 5 years on child care to make this happen. Senator DOLE's plan budgets $12 billion less in real dollars.

All of us are for work—but this will not work. That is why some have called this plan the "mother of all unfunded mandates."

In Massachusetts alone, to meet the work requirement in the Dole bill, the State must increase participation from 10,000 to nearly 30,000 in 5 years. This means funding tens of thousands of new child care slots at a cost to the State of nearly $89 million in the year 2000 alone. The State is already falling behind as 4,000 families wait for the child care they need—without help from the Federal Government. Who will care for these children?

Forty-four States are projected to simply throw up their hands and ignore the work requirements in the Dole bill, according to the nonpartisan Congressional Budget Office. CBO believes States would rather accept the sanctions for failing to comply, than try to reach the goals without the resources needed to make it possible.

States are far better able to afford the 5-percent grant reduction than a 165-percent increase in child care needed to make the program work. Only a handful of States may even bother to comply with the work requirement. That does not sound like progress to me. It sounds like tough talk and no action. It may provide the savings needed for a tax cut for wealthy individuals and corporations—but it certainly will not change the welfare system. It may reduce the welfare rolls, but it will not increase the future prospects of millions of American children and their families.

In fact, it is more likely to produce homelessness than opportunity. It is more likely to leave children home alone than in quality child care programs that can give them a decent head start in life. Is that the direction we want to go? I do not think so and I hope my colleagues do not think so.

Now let us review the ways that the various Dole plans have sought to fill this child care gap.

First, the Dole bill and each of its modifications includes the child care and development block grant unanimously reported by the Labor Committee. But this grant program was created to provide child care services to low-income working families to help make ends meet. Low-income families spend nearly one-third of their income on child care and they are too often only one pay check away from falling onto welfare.

Low-income working families need this help too—and we must do a better job of making work pay. The average cost of a child in child care is almost $5,000 a year—yet the take home pay from a minimum wage job is stuck at $8,500 a year. This is not manageable and it is not acceptable.

States already have long waiting list of working families who are desperate for this assistance. For example, California has 255,000 on its waiting list, Texas has 36,000, Illinois has 20,000, New Jersey has 25,000, and Minnesota has 7,000, just to name a few. In many States, young children will graduate high school before their names reach the top of the child care waiting list.

If the resources provided for this program are diverted to filling the child care void for welfare families created by the Dole bill, it will surely jeopardize the livelihoods of the 750,000 working families who currently depend on this assistance.

Such an approach is callous and counterproductive. In Massachusetts, of mothers who left welfare for work and then returned to welfare, 35 percent cited child care problems as the reason. Additional support at this critical time could have made all the difference. But the Dole bill will pull the rug out from under these families, just as they are getting on their feet.

And despite the clear reality that this program was created for low-income working families, and that it falls far short of being able to meet the rapidly growing need for child care services for welfare families, the Dole bill allows governors to transfer 30 percent of these essential resources to other purposes.

At every turn, the Dole bill chips away at child care for poor families struggling to make a better life for themselves and their children. This simply adds insult to injury and makes a bad situation worse. I ask again, who will care for the children?

For all of these reasons, the original Dole bill was rightly called Home Alone. It freed parents to work, but did nothing about child care. It left children home alone. In the end, it would wind up forcing more families onto welfare than we help get off welfare. That's certainly not reform.

And then came the sequels.

Home Alone II—or as I call it—Home Alone by 2—sought to address the need for child care by exempting mothers with babies under the age of one from the work requirement.

But once you reached the age of one they said, you're old enough to care for yourself. You do not need child care. You are on your own. This may have been welcome news to the 10 percent of families on welfare with a child under the age of one. But it was a continuing nightmare for the mothers of preschoolers and school-aged children who had to face the choice of leaving their children home alone or losing their benefits and livelihood.

Home alone is not a joke or a Hollywood film. It is a real life tragedy for American families pressed to the wall. Just listen to the horror stories from families who have been put in this awful position—and have paid an unbelievable price.

Think about 6-year-old Jermaine James of Fairfax County and his 6-year-old friend Amanda, who were being cared for by his 8-year-old sister Tina. When a fire broke out in their apartment, Tina ran for help, inadvertently locking the younger children in the burning apartment. They died before the fire department could get to them. Sandra James and her husband needed two jobs to support their family and still could not afford child care. They tried to stagger their schedules but did not always succeed.

Think about 7-month-old Craig Pinner of San Francisco who drowned in the bathtub while his 9-year-old brother was trying to bathe him. His mother was working part time and participating in job training. She usually left the child with her family, but her car had broken down and she was no longer able to get them there. She was trying to find affordable child care but was unsuccessful.

Think about 4-year-old Anthony and 5-year-old Maurice Grant of Dade County. While home alone they climbed into the clothes dryer to look at a magazine in a hiding place, pulled the door closed, and tumbled and burned to death. Their mother was waiting for child care assistance and generally left the children with neighbors. But sometimes these arrangements fell through and she had to leave them home alone for just a few hours.

This did not happen in Hollywood—but in Virginia and Florida and California and elsewhere. We must do everything in our power to avoid putting families in this kind of a situation in the name of reform.

The most recent Dole modification prevents families with children under 5 from being sanctioned for not participating in the work program if they can not find child care. But 66 percent of families on welfare have a preschool child.

I believe our top priority and our primary strategy should be to assist families in securing the child care they need to enable them to work and achieve self-sufficiency. Is that not what real reform is all about?

Exemptions and other protections should be our fall-back plan and not our national policy. If we are serious about promoting work and protecting children, we need to find the money to provide the child care that is needed. Home alone should not become stay at home under the present system.

As States face the difficult task of trying to move millions of people from welfare to work, we should not only give them additional flexibility but the tools they need to get the job done. We should help States push for real change—not just in the ledger books but in the real lives of their citizens who depend on them. If States are forced to do more with less, children will pay the price. That is not fair and it is not smart.

Investments in children pay off—not just in their lives—but for society as a whole. That is why the business community has been so outspoken about the importance of early childhood development programs. They know that the work force of tomorrow is being cared for—or not—today. Children deserve more than custodial care. They need structure and positive individual attention. Above all, they need a safe place to learn and grow.

I am pleased to join Senators DODD, MOSELEY-BRAUN, MIKULSKI, MURRAY, KOHL, KERREY, JEFFORDS, and others in offering this important child care amendment. Its purpose is simple and straightforward—it seeks to provide the child care assistance necessary to make the Dole bill work. It is not an attempt to change the intent of the bill, but to put resources behind the rhetoric to ensure real results.

The amendment is not about building bureaucracy or creating new entitlements. It is about providing States with the funding they need to meet, rather than ignore, the Dole bill's work requirements. It ensures children will be cared for in safe and appropriate child care settings. And it continues much-needed support for working families, rather than pitting them against families seeking self-sufficiency. It is a realistic pro-work and pro-family proposal.

We are in a budgetary era where we have to make some very difficult choices. But if we avoid these choices, we are not representing the real needs of the American people. We are taking care of the special interests of corporate America, and removing these special interests from the debate. Well, it is high time to make them a part of the debate, and take advantage of the billions of dollars in misguided tax expenditures that are provided to large corporations across the country.

We have spent enormous amounts of time debating the need for a balanced budget, and all of its ramifications on domestic spending—yet we have refused to take a long, hard look at tax expenditures and loopholes, which work against the goal of a balanced budget on a trillion dollar scale.

We at least owe it to the American people to close these loopholes that are truly egregious. Corporate America and wealthy Americans with expensive tax lawyers have learned to navigate through them, but they do not represent good policy. They take away jobs for working families and those who want to work. And we can use those dollars to provide desperately needed child care.

At the present time, tax expenditures are not even reviewed on an annual basis.

When a tax loophole is approved, it is placed on the books and remains there unchallenged. It is no wonder that loopholes continue to grow and expand the budget deficit.

Over the next 7 years, these tax expenditures will eat up $4.5 trillion—$4.5 trillion. Many of these tax expenditures are necessary to spur investment in particular industries and goals, whether it is high technology, exporting, manufacturing, or achieving the American dream of buying a home.

The global economy within which we are now competing demands that we provide necessary tax incentives for investment in this country that will create new jobs for working families.

But it is time to take a closer look at corporate tax breaks. Often only the wealthiest can take advantage of them.

Primary examples of the tax expenditures that should be reviewed and thoroughly overhauled are the loopholes that United States and foreign-owned multinational corporations now use to minimize their U.S. taxes.

Companies are now taxed on their U.S.-generated income. They have a significant incentive to minimize the calculation of their U.S. income, and therefore their U.S. taxation—called transfer pricing. They shift income away from the United States and shift deductible expenses into the United States for tax purposes.

As this chart shows, the General Accounting Office has reported that, in 1991, 73 percent of foreign-based corporations doing business in the United States paid no Federal income taxes. And more than 60 percent of U.S.-based companies paid no U.S. income taxes. The number of large nontaxpaying firms has doubled in recent years.

IBM, for example, was fortunate enough to accumulate $25 billion in U.S. sales in 1987. That same year, its 1987 annual report stated that one-third of its worldwide profits were earned by its U.S. operations. Clearly, its U.S. operations were appeared profitable and successful. Yet, its tax return reported almost no U.S. earnings.

Multinational corporations should pay their fair share of taxes. They should be required to pay taxes on their U.S. share of worldwide sales, assets, and payroll.

This is not a new problem. To the contrary, we have been trying to close these types of loopholes for almost 20 years. We knew then, as we know now, that it was a loophole that necessitated action. The only difference now is that it is a much bigger problem, much more pervasive, and much more costly to the Federal Treasury.

Our current tax laws have the unacceptable consequence of allowing multinational corporations to lurk in foreign tax havens, hide behind foreign subsidiaries and corporate shells, suck income and profits out of the United States, and then thumbing their noses at Federal tax officials and State tax commissioners in every State.

Multinational corporations can also take advantage of the so-called title passage rule; $3.5 billion per year is lost because large multinational corporations sell U.S. goods abroad and avoid all U.S. taxes through some sleight of hand while the goods are on the high seas during the export process.

We have known about this serious loophole for some time. In fact, this loophole was closed by both the House and the Senate during deliberations on the Tax Reform Act of 1986. But for some reason it was dropped in conference.

As an example, a U.S. company makes a sale and ships the products from a U.S. port to a foreign country.

Under normal circumstances, the shipment would generate the payment of taxes to the United States. But under a special rule, that company passes title to the products on the high seas, and avoids all Federal taxes. On top of that, the company pays taxes on the products in the country to which they are being exported, and uses those taxes to claim tax credits against other U.S. taxes it may owe. It is a lose-lose proposition all the way around for the United States.

This provision applies only to multinational companies. It is of no use to domestic, smaller companies.

Some will suggest that closing such loopholes will hurt exports and prevent the expansion of our markets to create new jobs for the economy. But these are unnecessary loopholes that were never meant to be used in these ways. When these provisions originally became law, Congress had no idea of the loopholes being created.

Additional tax breaks for multinational corporations are available by setting up corporations that exist only on paper. They are called foreign sales corporations, and provide exporters with the opportunity to exempt 30 percent of their export income from U.S. taxation.

Many other similar loopholes exist, such as tax credits provided to U.S. companies for payments made to foreign countries, or tax deferrals for U.S. companies on income of foreign operations that is not repatriated to this country.

These tax breaks cost the U.S. Treasury billions of dollars each year.

And, of course, there are other types of corporate welfare:

The peanut program and other agricultural subsidies provide billions of dollars to large corporations, although the family farmer was the intended recipient. Senator SANTORUM has filed legislation to phase out the peanut program.

The excessive mining subsidies provided through an 1872 law have never been changed. Senator BUMPERS was on the floor last week discussing the fact that the Secretary of the Interior was forced to sell 110 acres of Federal land to a large corporation for $275—$2.50 an acre. Yet the land has more than $1 billion in mineral value.

The House Republicans capital gains tax cut now will add $31 billion to the already existing $57 billion capital gains subsidy that now exists.

The repeal of the alternative minimum tax will cost the U.S. Treasury almost $17 billion, and enable many wealthy corporations to reduce their taxes to zero by playing the loophole game.

The accelerated depreciation loophole was partially closed in 1986 and 1993, but still generates more than $100 billion in tax subsidies.

The billionaires' tax loophole allows super-wealthy individuals to renounce their U.S. citizenship and avoid U.S. taxes.

The bill before us seeks to balance the budget on the backs of poor children. Over the next 5 years, the Dole bill cuts $50 billion for programs and services targeted to children and families in the toughest of circumstances. Current spending on AFDC benefits and job training and child care for families on welfare represents less than 1.5 percent of the Federal budget. It is true that we need to reduce the deficit—but the pain should be more evenly distributed.

We need to make difficult choices to balance the budget. But when we are choosing between children and the wealthy individuals and corporations that have shrewd tax attorneys, the choice is clear. Children should prevail. Welfare reform should include reform of corporate welfare too.

The futures of 10 million children are in our hands—and Congress should not leave them home alone under welfare reform, when reform of corporate welfare can provide the resources necessary to do the right thing on child care.

Mr. President, we have had a good opportunity, I think, in the past few days to address the issue on welfare reform. Quite obviously, there is a very strong commitment on both sides of the aisle to move legislation that is going on to enhance employment and employment possibility and diminish welfare dependency for the citizens. No one really wants that more than those that are participating in that process and system.

We have also begun, really, the debate on a key element about how effective we can be, and that is the debate that we talked about briefly during the time when this issue was called up last week; more precisely, on Friday last, when Senator DODD introduced the amendment, which I welcomed the opportunity to cosponsor, which is before the Senate at this time.

It is entirely appropriate as we start this week and the Nation gives focus and attention to the U.S. Senate as to where we are going to end up on this debate, and where we are going to end up legislatively, to give full focus and thanks to a key element of this debate and of this legislation. That is, the availability in this legislation to provide for good, quality, decent child care for working families.

That is a key element. Republicans and Democrats alike understand that in the debate of last week, in the very brief exchange that I had with my colleague from Pennsylvania, Senator SANTORUM, who is a supporter of the legislation.

I went over after the discussion and reminded and talked with him about the legislation that he had introduced and worked for in the House of Representatives. A key element of that program was the child care program. I daresay, even as they went through the discussion earlier today with the Kassebaum amendment, talking about child care, it is something that reaches across both political spectrums, a recognition that if we are not going to have good quality child care we are not really going to have a meaningful welfare reform.

The idea of this legislation is to get people to work but not at the expense of the children in this country—not to be unduly harsh, punitive, to the children of this country.

I think we all understand the old adage that none of us had a chance to choose our parents. Children do not have a chance to make a judgment decision whether they will be born in poverty or to some degree of affluence. They have no control over it.

We want to make sure as we move ahead on this legislation that we are not going to get carried away with the punitive aspects of it and say that we are going to have a welfare reform, and as a result of it have a particularly harsh, devastating, unrealistic, and cruel impact on the children of this country.

One of the aspects that can be particularly cruel and harsh is separating children away from their parents in a way that denies those children, particularly at the early ages, from the kind of nurturing and care and affection and love as well as the food and resources and social services and health care, to ensure that they are going to have a good opportunity to be able to grow and to prosper.

We do not need much of a review and debate, Mr. President, on what is happening to children. The fact is an increasing number of children in our country are falling into poverty. We do not need to review again the importance of those early years, both the expectant mother, the various studies and reports and experiences which have taken place, the Beethoven project that was of such importance in terms of Chicago, that shows what happens when you provide expectant mothers with well-baby care, and also the newborn children with the kind of attention and support and nurturing as well as nutrition, and move them in helping them developing their various kinds of skills and talents, and what kind of results that they have in terms of their early years as compared to those that do not have those kinds of attention.

We do not need those additional kinds of studies. We have seen those studies. The evidence is out there both for the smallest of children, infants, as well as children in their earliest of years, moving on through their early teens.

We know what is really essential. We cannot guarantee if a child has healthy parents, if a child has good health care, if a child has given good nutrition, if the child is going to grow up without violence and surrounded by the other kinds of aspects which are so attendant to poverty, that that child is necessarily going to turn out to be an extraordinary success.

What we do know is that you deny that expectant mother the nutrition and the care. You deny those children the early kinds of intervention. You set those children, really, apart from the nurturing experience of their parents or loved ones. We know that the opportunities for those individuals to move ahead in the society in a constructive and positive way are significantly diminished.

I saw this morning a recognition by one of the Nation's publications where they were talking about the 100 companies that were family friendly. They were talking about again, the importance of one of the criteria being child care, and talking about the enormous changes that have taken place over the period of recent years, the economic realities where we went through in the 1980's and effectively required that they were going to have the mother enter the job market as well as the father, to make up for the needed resources to maintain a standard of living because of the freeze on wages and the freeze on employment opportunities.

We will have an opportunity to debate that at another time in terms of the increases in the minimum wage and what has happened in terms of the incomes of working families in this country and the earned-income tax credit.

All of this has demonstrated that with the restrictions on working families, with the limitations on income, the wives, the women in the families entered the job market in the period of the 1980's in order to try and maintain the joint income. We find now that opportunity does not exist in the 1990's with all kinds of attendant results which are putting additional kinds of pressures on the families.

One of the dramatic results from the mother entering the job market is that there has been an increasing number of children being left alone at home, the home alone concept, which I have referred to in the past, is something which is a reality in this country and in our society and in the workplace.

We have reviewed for the Senate earlier in this debate the number of children, the thousands, millions of children, who are left unattended during the course of the day, even at the time of the afternoon when they come back from school.

We have to ask ourselves, what are the results of these factors, and why we are all as a society surprised when we see this extraordinary behavior by children in our society, the youngest people, to think that this comes right out of the blue, it comes completely off the wall.

We have to ask ourselves what have been the circumstances and conditions that so many of these children grow up in, where basically they are left behind. The children are not the ones that have been left out. It has been too often, under too many circumstances, the parents that have left them behind. The children want to be included. It has been the actions of the parents that have left them behind.

That, Mr. President, is important to recognize as we begin the debate and have had the debate on the questions of welfare reform. We are trying to take people that are able bodied, that can work, and give them the opportunity to work and make sure they will be productive members of our society.

We have learned a very fundamental fact, Mr. President. It has been understood in city after city and community after community in State after State. That is, if you are expecting those individuals to take the jobs that they are going to need to have some kind of a training or some kind of skill, they are going to have to have day care. They will have to at least have the assurance that their children will have some degree of health care that is being provided for them in that employment. Those are things that are provided in the existing kind of program that we are altering and changing. Those were evidenced in the 1988 act. But what we are seeing now, rather than understanding that experience and rather than building on that experience, we are moving in an alternative and very different direction.

We have to ask ourselves whether this is serious, meaningful reform. Are we really going to be presenting to the American people a program that is going to move people off welfare if we are not going to provide child care for their children? Not only are we not going to provide the care, but are we also going to eliminate the existing care that is actually provided under the three different programs under the Finance Committee that provides $1 billion a year for some 700,000—some 643,000 children at the present time, that is being provided at the present time under the 1988 act? And also provided is 10 percent for 150,000 children at the present time.

Now, what has happened and where we are in this debate in the Senate as we go through this, as the Dole amendment has effectively eliminated the $1.1 billion—that is out, that is gone—what we are saying to the 643,000 children is, "That program will not be there. That program will not be there for those working mothers who today are able to benefit from that program." We are saying to them, "Tough luck for you. Tough luck for you. Because the program that is out there today that is providing child care for your child is gone under this program, effectively gone."

The $1 billion that was developed over here with the discretionary programs, with strong bipartisan support—Senator DODD, Senator HATCH, Senator KASSEBAUM, other members of our committee that had developed it some years ago—that provides $1 billion for 750,000 children, effectively one-third is being taken off that to be used for other purposes. That is a very, very dramatic emasculation of the existing child care programs.

Mr. President, if you look at what had been projected for child care over the period of time, over these future years, and look if we are going to conform with the recommendations that are included in the Dole proposal, we are basically saying half the people are going to have to work and of those able-bodied people who are going to have to work, half of those people are going to find child care on their own. How they are going to do it, we have not heard much of an explanation for it.

I wish they could come and talk to the parents in my own State of Massachusetts, who are on lists and have been on lists, and in scores of other States, where you have, 10,000, 20,000, 30,000 parents who are trying to get child care today. They say, "Somehow that will be done."

It is not being done in the cities. It is not being done in the States. But somehow Washington knows best. Remember that slogan? Washington knows best. Under the Dole proposal, Washington knows best. Half of the able-bodied people are going to be able to get it on their own. That is what Washington knows, in spite of the fact that you have scores of States that have tens of thousands not providing it at the local level, the local community. We ought to be able to learn something from what is happening at the local community.

We are constantly being told we ought to learn something from what is happening back home. I can tell you what is happening back home. Working mothers, particularly single heads of household—but not just single heads of households, working families that are making just above the minimum wage, making that $15,000, $20,000, $22,000, $24,000, $28,000 a year, are finding it extremely difficult to be able to get any kind of child care. Many of those families, depending on the size of the family, are living in poverty.

So, what are we finding out about what will be necessary? We are finding out what will be necessary from this chart here, over this period of time, under the projections of the Republican welfare program, under the total amounts of $16.8 billion that will be in this program, flat-funded over the period of time. Then we take the projections of what will be necessary, needed to provide child care for welfare recipients mandated under the Home Alone bill. HHS has estimated it will cost $11.2 billion of the 16.8. That leaves the other moneys available for all the other kinds of functions.

We may hear, during the course of the debate, "Well, Senator, you just don't get it. You just don't get it. What we are doing over here is, sure, we are canceling out the $1 billion that we have under the welfare program and we are giving maximum flexibility to a third of that other billion dollars under the discretionary to let the Governors—and we all know the Governors will do it. Therefore, your argument really does not hold a lot of water."

The answer to that is, 80 percent of the funding now that is provided here goes in the benefits of individuals. Let us have the testimony from those Governors who are going to do it, who say we are going to reduce the benefits, 80 percent of the benefits, not the child care, the benefits to individuals. When you look at what is happening in the States, you see that they are not doing it today. Why will we believe they will do it tomorrow when they are not doing it today? When you have all of these States that have these extraordinary lists for child care that are out there, they are not doing it today. They say, "You give us all of this money, this $16.8 billion, and you just relax back there, because we are going to do it."

When I hear from these Governors how we are going to take that $16 billion and we are going to spell that out, how we are going to really meet the child care needs, and what benefits they are going to cut for the people in their States—we have not heard it from one Governor, Democrat or Republican. Not one. But we are asked to take that on good faith. We are told that is what is going to happen. "You just don't understand, Senator. You give the Governors this $16 billion. They will know how to deal with this correctly. They know how to balance. They know how to choose." Yet, when they are using 80 percent of the current funds for benefits and they refuse to tell us about how they are going to use these kind of funds to take care of those children, I think it is important for someone to speak for children, for someone to say they are not going to be the ones who will be left out and left behind.

Mr. President, 10 million or 11 million of the 14 or 15 million Americans on welfare are children. And the principal debate is how we are going to get busy, in terms of how we are going to get their parents busy. All of us want to make sure that able-bodied people who can work ought to work and go to work. That is included in the program.

But what we are going to do is at what price to the children? Someone has to speak for the children, and this amendment does it. That is what this amendment is about.

When this issue was brought up earlier in terms of the majority leader, and I inquired of him last week about the issue of child care, he indicated that there was support on both sides of the aisle to try to address this issue. Later in the week the new legislation was introduced, the modified—this legislation "as further modified" was introduced. This is 791 pages. This is always interesting to me, having gone through the health care debate. Remember the times that we had all of our Republican colleagues who said, "Look at this bill. Look at this bill. How could we ever wind our way through this bill? Look, it is 1,300 pages."

You had 1,400 last week, one with the Dole and one with the modified. No one is squawking about that. No one is complaining about that.

Mr. President, 777 pages—we got the modified and we took a look at what was in the modification and all that was in the modification, what I call the Home Alone bill, all that was in the modification was to permit States, regarding mothers who had children up to 1—permit States, not mandate, not say to the States, "You cannot have the punitive aspects"—permit the States not to enforce the punitive aspects of this legislation and effectively cut off all the benefits if the child is under 1.

Then this issue was brought up again. It was said, look, we are still not adding child care. Effectively, what you are doing is taking about 10 percent of those we want to be able to work and effectively excluding them, if all the States are going to do it, and I expect we think they would, if we believed that mothers, primarily, with children under 1, should not be penalized for deciding to stay home and care for their child rather than to go to work.

So later in the week we have the other amendment, which is the third change that says we will permit them to exclude mothers who have children up to 5 years. That is 65 percent of the mothers on welfare. Do we understand? We are talking now about trying to reform the welfare program and we are saying effectively 65 percent of the people who are on welfare will not have to have the punitive provisions because they will not have to work because of the Snowe amendment. I mean, sometime people have to start to say what are we really debating here? What is this reform we are debating? All the measures that are being put in, I guess, are just being decided in some forum. We heard so much about the health care being decided behind closed doors. We have now three different positions by the leadership on this issue that have moved from taking, I think emasculating, the child care programs to one position to saying we will permit the States to exclude at least 10 percent. Those are the mothers with small children up to 1. And then later in the week for children up to 5, which is 65 percent of this—all being done under a request to be able to modify the amendment as amended.

Now we have to ask ourselves where are we? I want to say to our Republican friends, I applaud their initiative and I applaud their actions because, if this measure is going to go into force, that is going to at least provide some protection for those children. But the fact of the matter remains that it does not add a single dime to saying to those mothers that may have the opportunity to work and they can work, we are saying to those mothers we are providing child care for you so that you can get your training, you can get your education, you can make the job search, you can go out and begin the process of working yourself up through the economic ladder. We are challenging you to go out and work.

How are you going to be able to do that? There is only one way to do it, and that is to provide child care. The real welfare bill will provide work and child care. That is why this amendment is so important. It is effectively providing the child care funding that is necessary and has been projected as necessary for those working mothers. It will provide restoring the existing program, or funding, that exists under the Finance Committee, and provide the additional $6 billion to $5 billion, which is the existing child care funding lumped into the general block grant, and $6 billion in new money needed to make work requirements real.

That will be taken, hopefully, from what we call the corporate welfare. We have reduced it in this amendment by the savings, by the $50-odd billion in savings. So that is specific. But our desire, Senator DODD and myself, is that we take it from the corporate welfare.

You can say, what are these types of corporate welfare? We will have a chance to go into those in some detail. I can still remember where we were in the debate on corporate welfare when we had the billionaire's tax, which is $1.6 billion. Remember that here in the Senate of the United States? We came back with a small conference report a number of months ago. We went on for days before we could at least get a vote about whether we ought to close the billionaire tax loophole, which says effectively that you can make it big in the United States and then, if you become a Benedict Arnold and reject your citizenship and become an expatriate, you do not have to pay your taxes. That is the billionaire's tax loophole.

Some of us believe that they ought to pay their fair share, that anybody who has been here, has been a citizen and has been able to participate in the protections of freedom, independence, and liberty have some obligation, as greedy as they might be, and as desirous as they want to be of taking the money and running, we say we ought to close that loophole. That is $1.6 billion. That issue about trying to close that loophole passed overwhelmingly. I think it was 96 to 4 in the Senate.

Do you think we have that particular proposal included, that $1.6 billion, as a way of trying to offset the child care? Do you not think the American people say, OK, that is $1.6 billion. There is $1.6 billion of that money for child care. Let us see if we cannot find the rest of it. Of course, we can. There is a whole series of different proposals that have been referred to as the corporate welfare proposal—we hear a lot about welfare—which I think ought to be considered.

All this amendment says is that we will reduce the savings by $6 billion, but it follows on with this amendment to say, let us find the $6 billion out of the billions of dollars—$424 billion under the budget resolution—of tax expenditures. We ought to be able to squeeze those expenditures just like we are squeezing the earned-income tax credit that benefits working families that are making $26,000; just like we are squeezing the students in this country, sons and daughters of working families that are talented, creative, and have the intellectual ability in order to go ahead. And we are squeezing them by the in-school interest payments, which will mean, for every student that borrows, $3,000 to $4,000 additional a year. We are squeezing those students out of $32 billion in education funds. We are squeezing those students anywhere from $8 billion to $9 billion in different ways in education generally, under the instruction of the Human Resources Committee, out of all the money that we are spending in education. We are squeezing them out of $8 billion to $10 billion.

Out of $400 billion, we ought to be able to get $6 billion for child care, $1.6 billion right off the top. We voted 96 to 4 for it. Why do we not say, all right, there is $6 billion, let us take that right away and let us look at the other $400 billion and see if we cannot get $4 billion out of there to make it up and make sure that in a welfare reform program that requires work that we are going to provide the child care? Why do we abandon them? Why do we abandon the children? Why do we abandon working families? Why do we abandon workers who want to get off welfare and go ahead? Why do we say that corporate welfare is more important than the well-being of the children of this country, the 11 million of them that are the sons and daughters of welfare recipients?

Mr. President, I see my friend and colleague who is a principal sponsor on the floor now. I will not take additional time. But I will point out that on this chart where we are talking about a total of $11 billion, and we know that of this $11 billion, $5 billion can be paid for by discontinuing the existing—and these are the changes that have been made over in the House—additional one-third of the $60 billion. They want $30 billion more in the capital gains tax. That is on the table over there.

Some of these items are examples of corporate welfare: 5-year cost, $300 million; $18 billion shifting U.S. sales overseas—$18 billion. These are financial incentives to more jobs overseas and to make sure that the companies do not pay any taxes if they do so. That is a wonderful tax incentive. It seems that we ought to cut back a little bit on those measures.

I am mindful that we will not be able to get uniformity among all the Members on these different items. That is not the purpose of raising this chart here. But all we are saying, Mr. President, is that under the Dodd-Kennedy amendment, we will provide the necessary child care program, No. 1; that we have the $5 billion under the existing programs that are authorized and appropriated under the existing financing. So we have to make up the $6 billion. And under the Dodd bill, that $6 billion is made up on reducing the savings, and it is our position that we can find the $6 billion scattered across this range of corporate welfare starting with the billionaires' tax cut.

We are wide open to consider any suggestions from any of our colleagues as to how you package together that additional $6 billion. I would suggest that the first part include the billionaires' tax cut, but we are wide open to how that can be done.

Ultimately, if you say we cannot even do that, at least let us say that this measure deserves to be passed because with it being passed, we will provide child care for the children of this country. We will say to them, as all of us are wont of saying, that they are our future and they are our priority. They deserve the first priority. And rather than just saying it or speaking about this rhetorically, we will be doing something for the children of our future. That is what this amendment is about, and I believe it is the most important amendment we will have in this debate.

I ask unanimous consent that the examples of corporate welfare be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

Examples of corporate welfare—five year costs

Shifting U.S. Income Overseas (Transfer Pricing), $300 million; Shifting U.S. Sales Overseas (Title Passage), $18.3 billion; Creation of Phantom Sales Corporations, $7.5 billion; Billionaires' Loophole, $1.6 billion; Peanut Program Phase-Out, $264 million; Mining Subsidies for Major Corporations, $280 million; Capital Gains Tax Break, $57.4 billion; Repeal of Alternative Minimum Tax, $16.9 billion; Accelerated Depreciation of Buildings and Equipment, $115.1 billion; Market Promotion Program, $425 million.

Corporate welfare—five year costs

SHIFTING U.S. INCOME OVERSEAS—COST: $300 MILLION

Tax loophole allows multi-national corporations to avoid U.S. taxes by shifting income to foreign subsidiaries and shifting costs to U.S. facilities.

SHIFTING U.S. SALES OVERSEAS—COST: $18.3 BILLION

Tax loophole allows multi-national corporations to avoid U.S. taxes by passing title for exported goods on the high seas. Loophole was closed by both the House and the Senate during deliberations on the Tax Reform Act of 1986—but was dropped in conference.

As a result of this and other tax breaks for multi-nationals, 62% of U.S. multi-national firms pay no U.S. income taxes.

CREATION OF PHANTOM SALES CORPORATIONS—COST: $7.5 BILLION

Tax loophole allows exporting companies to set up phantom subsidiaries that exist only on paper and exempt up to 30% of their export income from U.S. taxation.

BILLIONAIRES' TAX LOOPHOLE—COST: $1.6 BILLION

Tax loophole allows billionaires to renounce their American citizenship to avoid millions of dollars in taxes on income and capital gains. Loophole applies to those with a minimum $600,000 in unrealized gains, which generally would necessitate a minimum $5 million net worth.

Finance Committee and full Senate closed loophole with 1995 legislative action, but it was re-opened in Conference.

Senate voted 96-4 on April 6, 1995 to close the loophole. It is still open.

Loophole allows an individual to enjoy all the benefits of the U.S., grow rich because of them, and then renounce citizenship to avoid taxes on the wealth generated in this country.

PEANUT PROGRAM PHASE OUT—COST: $264 MILLION

Program introduced during the Depression to assist struggling farmers by distributing poundage quotas to individuals to grow and sell peanuts. Less than a third of quota holders are farmers. Quotas are passed from generation to generation.

World market price for peanuts is $350 a ton, and American price is $678 a ton. Companies who use peanuts have moved plants to countries where peanuts are less expensive, costing U.S. jobs. Since 1990, peanut butter plants have closed in Virginia, Georgia, Alabama, Michigan, and New York.

MINING SUBSIDIES—COST: $280 MILLION

Originally signed by President Grant to encourage settlement of the West, the current mining law has allowed the extraction of over $200 billion in mineral reserves with minimal federal compensation. A company can "patent"—or buy—20-acre tracts of land at a price between $2.50 to $5.00 per acre. The land then becomes available for mining or any other use, with no royalties for the government.

Last week, Secretary of the Interior Bruce Babbitt was forced to sell 110 acres of federal land in Idaho for $275. The land was sold to a Danish company for $2.50 an acre, and reportedly contains $1 billion of minerals.

Last year, prior to a moratorium put in place, a Canadian firm paid $10,000 for federal land in Nevada. The land has mineral value of $10 billion.

If the law stands, approximately 140,000 acres of public lands containing more than $15 billion of publicly owned minerals will be given away. One of the largest involves the Jeritt Canyon Mine in Nevada. A South Africa company and FMC, a U.S. corporation, propose to pay $5,080 for land with an estimated mineral value of $1.1 billion.

CAPITAL GAINS TAX BREAK—COST: $57.4 BILLION

Capital gains tax break benefits the wealthiest 1% of the population. Legislation passed by the House as part of the Contract with America would expand this benefit by $31.9 billion.

REPEAL OF ALTERNATIVE MINIMUM TAX—COST: $16.9 BILLION

Alternative minimum tax was instituted in 1986 Tax Reform Act. Major corporations, despite massive profits in an expanding economy, were paying zero taxes because of their artful combination of tax loopholes. Examples include:

DuPont—Despite $3.8 billion pre-tax profit, no taxes were paid; Boeing—Despite U.S. profit of $2.3 billion, no taxes were paid; and General Dynamics—Despite $2 billion pre-tax profit, no taxes were paid.

ACCELERATED DEPRECIATION OF BUILDINGS AND EQUIPMENT—COST: $115.1 BILLION

Largest of all corporate tax loopholes are write-offs for accelerated depreciation of buildings and equipment.

Expanded as part of the 1981 Reagan tax plan, the tax break was curtailed in the 1986 Tax Reform Act and the 1993 reconciliation bill. Legislation passed by the House as part of the Contract with America would expand this benefit by $16.7 billion.

MARKET PROMOTION PROGRAM—COST: $425 MILLION

Market Promotion Program funds consumer-related promotions of products through advertising campaigns, trade shows, and commodity analyses on foreign markets.

In 1995, the Senate deleted funding, but the Conference Committee restored $85 million. The House has just increased 1996 funding for the Program by 25%.

Funds are used to subsidize large companies like Miller Beer, McDonald's, General Mills, and M&M/Mars. American taxpayers spent $29 million advertising Pillsbury Muffins abroad and $10 million on Sunkist oranges. One report has cited $100 million in expenditures for foreign-owned corporations.

House Majority Leader Armey: "I wonder about our commitment to deficit reduction if we cannot take Betty Crocker, Ronald McDonald, and the Pillsbury Doughboy off the dole."

Program should target its resources to smaller companies attempting to expand their markets, not large multinational corporations that hardly need public assistance.

Mr. KENNEDY. I yield the floor.

Mr. GRASSLEY. Mr. President, I yield myself such time as I might consume.

Before I speak about the amendment that the Senator from Massachusetts just discussed, I wish to settle an issue that I discussed with my friend from North Dakota on his amendment concerning just exactly what CBO says the cost of that amendment is.

I hope that there will not be any dispute on this point. The Conrad amendment costs money. He says it saves $63 billion. There is nothing in this amendment that he has before us that saves $63 billion. In fact, what he basically has done is add provisions to the Dole bill that cost $7 billion.

I have the CBO estimate in my hand, and it says right here, $6.992 billion is the cost over a 7-year period of time. So I hope that will put that to rest now as to the aspects of that amendment.

In regard to the amendment that is before us, the Dodd amendment, I wish to remind my colleagues that the Dole modification to the original bill S. 1120 regarding child care—offered on September 8, last week—prohibits States from sanctioning a single custodial parent if appropriate child care for a child age 5 and under is not available within a reasonable distance of the home or work site, or informal child care by a relative is unavailable or unsuitable, or appropriate and affordable formal child care arrangements are not available.

So there will not be any sanctioning of any parent with a child under age 5 if these sort of suitable arrangements are not readily available.

Let me point out that S. 1120, as introduced, provided and continues to provide two streams of funding for child care. I think we are getting the opinion from the other side that there is no concern whatsoever about provisions for child care. That simply is not so. And the original had provisions for child care. But to address some Members' concerns, that maybe it did not go far enough, those provisions I just stated were added.

In the original S. 1120, the current AFDC-related child care provisions, like IV–A child care, transitional child care, and at-risk child care, are included as part of the cash assistance block grant to the States. Funding for that is $16.8 billion for each year, fiscal year 1996 through fiscal year 2000.

The current child care and development block grant, the State dependent care planning and development grants, and child development associate credential scholarships are folded into a separate child care development block grant. Funding for these is authorized for fiscal year 1996 at $1 billion and such sums as necessary through the year 2000.

The Dodd amendment earmarks $1 billion of the cash assistance block grant for child care and provides an additional $5 billion to States for child care. Furthermore, it mandates that the child care provisions apply to children 12 and under, including prohibiting States from applying sanctions to those who do not fulfill their work requirements.

Now, it seems as if liberals refuse to recognize that the main cash assistance block grant and the child care and development block grant will not constitute the only funding source available to AFDC children. Other funding sources for child care include Head Start, title 20 and chapter 1.

While liberals attack the Work Opportunity Act of 1995 as somehow being a Home Alone bill, like we have no care whatsoever for children, they continue to ignore the fact that most of the JOBS participants did not report receiving child care funded by AFDC day care. In fact, according to the CRS, only 38 percent of all AFDC JOBS children age 5 and under reported receiving IV–A paid child care in fiscal year 1993.

The other side complains that the measures to sanction mothers who refuse to work are punitive because they may not be able to work due to a lack of available child care. However, this concern has been answered by the additional provisions offered on September 8 because the States will not sanction mothers that they determine cannot obtain appropriate child care. I hope we have addressed their concern satisfactorily.

Liberals claim that the Congressional Budget Office figures prove that S. 1120 will impose an unfunded mandate on the States concerning child care costs. The CBO estimates show additional costs of $280 million in fiscal year 1998, $830 million in fiscal year 1999, and $2.2 billion in fiscal year 2000.

However, the Congressional Budget Office estimates are based on the 1994 caseload level for all 5 years. The fiscal year 1994 caseload was at a historically high level due to the massive expansion of the rolls following the Family Support Act of 1988.

The Republican bill provides the mechanisms to give the States the flexibility that is needed in order to lower costs and improve the quality of child care. Our bill enables States to transfer up to 30 percent of the available funds between the child care block grant and the main cash assistance block grant. This transfer of funds will permit States to make the proper provisions for both low-income and welfare children so that funding is available as parents shift from welfare to work. The ability to transfer funds between block grants then gives States the maximum flexibility to target resources where they are needed.

We in Washington, DC, and the Congress of the United States, cannot expect to pour one mold here in Washington, DC, where we are going to solve all the child care problems or all the welfare problems as they exist in New York City or my State of Iowa in exactly the same way. We cannot expect a good use of the taxpayers' money to accomplish the most.

We have to wake up to the fact in this body and in this town that our population is so heterogeneous, our Nation so geographically vast, that it is impossible to make these very critical decisions in Washington, DC, that are going to solve the welfare problems the way they ought to be solved with the best use of the taxpayers' money moving people from welfare to work in the process.

Our bill gives States the flexibility to accomplish that. The reason that we give States the flexibility to do that is because so many of our States have shown the ability in their welfare reform legislation to move people from welfare to work and save the taxpayers money.

This legislation builds upon the success of several States, albeit under waiver from the Department of HHS, to experiment, to use new dynamic approaches to welfare reform. But they are doing it. And we observe that. We observe that States are going to do it better than we can. In fact, considering the fact that 3.1 million more people are on welfare now than in 1988, the last time Congress acted, it ought to prove to us dramatically that our efforts toward welfare reform have failed.

Now, in addition to what I said about the 30 percent that can be transferred between the block grants by the States—and that is a legitimate discretion to the States—our bill says that the States can determine the proportion of funds to be allocated for child care and the method of delivery. It could be cash, it could be vouchers, it could be reserved spaces in designated facilities. It gives to the States the method of delivery in the main cash assistance block grant, and the provision to improve the quality of care for children, enabling relatives and religious providers to care for children without onerous regulatory burdens. At the same time, we hope to be able to do it by lowering the cost of child care.

Our bill strengthens current law regarding parental choice by eliminating the registration requirements for relatives who serve as child care providers as a condition of receiving a subsidy from the block grant, and includes provisions requiring that referrals honor parental choice of child care providers. Our bill permits the States to provide vouchers to recipients so they can contract for child care by charitable, religious, and private organizations through a voucher system.

Our bill allows us to move beyond the point that Government is the answer to every problem and that only Government can solve our social problems. We have a number of examples that serve as a structure for charitable, religious and other private organizations, with a little help through a voucher system, that are able to help solve these problems in a much better way than the Government. We should not assume here in Washington that Government generally is the answer to every one of our problems. And when we assume that Government is an answer—obviously, through this legislation, we are not assuming that the Federal Government is the only answer to every problem, but that there is a role for State and local governments.

But an obvious step beyond that is not to assume that Government, and a Government program, is the answer, but that there are other organizations out there in our society—charitable, religious and private organizations—that can help, and maybe even do a better job of it than we in Government can do. So our bill does that.

Our bill also allows States to count welfare mothers as fulfilling work requirements by providing child care services for other welfare mothers. To the other side I say, it is legitimate maybe to think in terms of problems that might be created, that children need to be taken care of when mothers are working. But the answer to that problem might be in the very neighborhood of the welfare mother who wants to go to work by giving income to another welfare mother who wants to provide child care in the home. This will help them move from welfare to work, maybe to establish a very successful occupation and business they would not otherwise be able to start.

So neighbor helping neighbor is one answer to this problem, as well. You do not have to look just to some sophisticated organizations to provide child care. Give options to the families. Give neighbors an opportunity to help, particularly if that neighbor is somebody on welfare that wants to move to other sources of income. This gives that opportunity.

Now, under our bill, States can meet work participation rates without incurring major additional child care costs by moving recipients with older children off the rolls and into work.

According to the General Accounting Office, JOBS participants tend to be older and have older children than nonparticipants. The most recent data available from the Department of Health and Human Services indicates that for 39 percent of the AFDC families, the youngest child was 6 years old and over.

The Dodd amendment constrains State flexibility by eliminating $1 billion from the cash assistance block grant and making a decision here in Washington, DC. It earmarks it through congressional enactment for child care rather than leaving the decision to the States.

In addition, it appropriates $5 billion—that is in addition to the $1 billion I just spoke about—in Federal funds for child care grants over the next 5 years, even though the need for these funds has not been demonstrated.

Under the Republican bill, the child care block grant calls for such sums as are necessary in fiscal years 1997 through the year 2000. So if there is a need for increased funding, then funds can be appropriated through this provision rather than locking Congress into a decision to spend $5 billion right now.

The Dodd amendment effectively provides sufficient funding for every parent to have child care for children 12 and under and enforces the entitlement by eliminating the State's ability to sanction parents who choose not to work.

We assume that the States have the ability to make that decision, for children over 5 that they ought to have that right to make that decision. Our bill does that.

I yield the floor.

The PRESIDING OFFICER. Who yields time?

Mr. DODD addressed the Chair.

The PRESIDING OFFICER. The Senator from Connecticut.

Mr. DODD. Mr. President, do I control the time?

The PRESIDING OFFICER. Yes, you do.

Mr. DODD. Mr. President, I yield myself such time as I may consume. How much time remains? There is a voting time. Parliamentary inquiry, we do not have an allocation of time?

The PRESIDING OFFICER. There is a vote set at 5 o'clock, with the time divided equally. You have about 82 minutes.

Mr. DODD. I yield myself 10 minutes. If the Chair will notify me in 10 minutes. If I need more time, I will yield some. I will try to stick to this time constraint.

Let me quickly respond to my colleague from Iowa before he leaves the floor, if I may, on a point he has made on the earmark.

Senator HATCH of Utah has an amendment pending which deals with the earmark which I think is pretty much unanimously supported. That is, to earmark out of the $48 billion, $5 billion for child care. I strongly support it. I think most people do.

What we are talking about in the Dodd amendment is not only the Hatch amendment, the $5 billion, but an additional amendment that we would be putting into the Child Care Program. The reason we do that, I say to my colleague from Iowa, is, in effect, to try and really assist the Dole proposal so that it can be done, if we try to achieve the desired goal here, and that is to get as many people to work as possible.

Under the Dole welfare reform proposal, 25 percent of all people on welfare are required, under the law, to be at work within 2 years, and then 50 percent of all people on AFDC to be at work by the year 2000.

Mr. President, I have to be careful about numbers, but this is a report that was put together on the Republican leadership plan. I will tell you who put this together in a minute. It is an analysis of the projected numbers of people that would be required to be at work under the majority leader's bill.

There are several columns. It goes State by State. The first column is the "Projected number required in the year 2000 to participate in work under the Senate Republican leadership plan." Go over two columns and it is, "Projected number required to actually participate," with a number in between, "Projected number of leavers, combiners, and sanctioners that count toward participation."

I do not know what that means, except that it reduces the number. It must mean that people who otherwise would be exempt under the proposal, for one reason or another, because it reduces the first number by almost 50 percent.

If you take the first number, the projected number by the year 2000, it is in excess of 2 million people who would have to be at work by the year 2000.

In Tennessee, the number of people is 46,000. My State of Connecticut is 26,000. Iowa is 17,000. If you take the Tennessee number and the Connecticut number, as it is reduced down, the Tennessee number actually gets you down to 23,400. The Connecticut number reduces from 26,000 down to about 13,500. It is exactly in half. I do not know quite how that happened. Let us just accept that number, somewhere between 2 and 1 million. Fifty eight thousand will have to meet that criteria.

Maybe someone can explain that middle column to me at some point, what a leaver and combiner is that reduces that number.

The point is this. It is estimated that the number of child care slots that will be necessary to move these people from welfare to work is roughly increasing the number by 165 percent. If we do not do that, the States are going to be faced with penalties, a 5-percent penalty, 5 percent on the block grant the State would get.

As you calculate that, the 5-percent penalty is probably less than saddling the State with the cost. I will give you the numbers of what is estimated State by State. I will ask unanimous consent to print this in the RECORD.

The estimated cost State by State related to child care alone, beyond what we presently have in the bill, would require an expenditure in Connecticut of $48 million. In Iowa, it is $32 million; California, $652 million; in Tennessee, it is $84 million, and each State goes down.

I see my colleague from Utah. Utah is $14 million. This is what the States would have to come up with, we are told, in order to meet the child care requirements. Sixty-four percent of these people have children under the age of 5. You are either looking at reducing spending in other areas or coming up with a tax increase to meet that number. We are doing what Hatch proposed, and we are allocating of the $48 billion, $5 billion to child care.

We are going a step further by saying the demand is such you have to have a resource allocation to avoid putting States in the position of having to pay the penalty because you are not able to get there unless they come up with this kind of revenue increase, which I think is going to be difficult in many cases. Or they probably would opt for the penalty, given the lower cost of paying the penalty.

In the debate on welfare reform, we should not be in the business of trying to promote penalty payments or necessarily asking States to meet this criteria to come up with a tax increase on their own. What we are talking about is an allocating of existing resources under the block grant and additional resources to meet the demands.

The number is somewhat in debate, depending upon, like most things in this town, when you start talking beyond the $5 billion. Everyone admits beyond the $5 billion, you need more resources. We are told roughly it is close to $6 billion over 5 years. Others will say it is $3 or $4 billion, and we are roughly in that range. Depending upon what happens with the numbers I outlined to begin with on how many people are actually moved to welfare, if it is the 2 million or the 1 million, that number, that $6 or $3 billion would probably change somewhat. But clearly, we need some if we are going to make this work.

Again, I do not know anyone who disagrees with the notion that when you have young children—by the way, I applaud the majority leader's decision to take the exemption from 1 to 5 years. That is going to help, I believe. What it does too often is it gives people an excuse not to get from welfare to work. I appreciate trying to help out those families, but I believe our underlying goal ought to be, how do we move people from public assistance to work. Not giving them a reason not to, but rather, how do you achieve it, not just in economic terms, in dollars and cents. There is a societal benefit, in my view, that exceeds whatever dollars we invest or save here, that far exceeds the numbers that we benefit or costs us to do this.

The value of work, a family at work is so much more important in many ways than the budgetary implications. There is nothing that is more salutary for a family, a neighborhood, a community than work.

And so while I applaud the decision to exempt these families, and understand it, we ought to be doing everything we can not to create exemptions but to create opportunities for work. So while I fully understand and accept the concern about an additional $3 to $6 billion over 5 years, Mr. President—not 1 year; over 5 years—I happen to believe that is a good investment, if we stick to our common goal, and that is to do everything possible to make it possible for people on public assistance to get to work.

There are other elements as well, the job training and so forth, the health care elements, but one of them clearly is the child care question.

Again, you do not have to be on welfare to understand the child care question. As I said the other day, any family in this country with young children, regardless of their income, knows of the anxiety of child care, particularly if it is a single-parent family raising children or two-income earners out there. They worry about it every day, every week, every month, wondering about whether the child care will be there next week, is it good child care, is it safe—all of these questions that people worry about.

No one is necessarily going to have to get into the shoes of a welfare recipient to appreciate the feelings of a mother or parent that is going off to work and wants to know where those children are. I might add, Mr. President, that in fact not only is this going to help people get to work, but, based on what Senator HATCH and I did a few years ago on child care—by the way, we had the same qualities, standards, and so forth, incorporated as part of our block grant as are included here. We happen to believe that the child care settings are a lot better than some of the settings we would be talking about where some of these children would be.

There is another educational element here. Not every single case, but most of the child care programs, church-based and community-based programs, are pretty good programs. They have sliding scales and so forth to make it possible. All we are saying here is that to really make our welfare reform program work, to really make the Dole bill work, you have to have some feature to this that makes it possible for people to be able to leave their homes in the morning, knowing full well that their most important asset, the thing they care about the most, their children, are taken care of. They are not going to go out the door—and they will pay any price—particularly if they have infant children, and even 5, 5½ years of age, even though there are preschool programs, they will not leave those children unattended. They will go to jail or pay fines.

We ought to create an environment where it is inviting to go to work, not create obstacles. How do we take down the barriers? In any survey that I have read over the last 5, 6 years on welfare to work, if not the top reason, Mr. President, one of the top two or three reasons is the absence of child care. In fact, one of the problems is that in our urban areas, unlike suburban areas where you get more options of child care because there are a lot more people in the business of child care, in our urban settings, there is less of that. So the options available to people in our poorer areas—urban and particularly rural areas—is more difficult.

The problems in rural America and urban America are more difficult in trying to find child care settings for people. A lot of people are not in the business of child care, for obvious economic reasons. The pressures are great in the areas where we find the larger concentrations of people on public assistance, in our poor areas, and there is not the kind of availability.

What we are hoping to be able to do with this amendment—and I truly hope it is bipartisan—is bring everyone together on this one issue. Senator HATCH and I did that 5 years ago in our child care program. It really united a lot of people here around a common theme of trying to eliminate one of the major obstacles of going from welfare to work—to come up with a proposal that provides resources.

This is not an entitlement. It is not that somebody has a right to go into court and demand these resources. It is truly an assistance to the States that have good child care programs, that have flexibility, that we are asking to do a lot. This is a mandate, a Federal law that says, within 2 years, you have to have 25 percent and, by the year 2000, 50 percent have to be at work, or we penalize you 5 percent of your block grant.

Now, again, that is a mandate. All we are suggesting here is to make it possible for these States to achieve those goals and those numbers—whether it is the 2 million, Mr. President, or the 1 million. Again, I will try to sort out that number. It is somewhere in between here. Clearly, those are going to be difficult numbers to reach. In California, 358,000 people are going to have to find work slots. We know how difficult it is to find work for people. Here are 358,000 new jobs we are going to have to come up with in California. The number is 17,000 in Iowa, 102,000 in Michigan, 200,000 in New York, 104,000 in Ohio, and 46,000 new jobs in Tennessee in the next 2 years. We all know of the pressures of people being laid off, losing jobs, with downsizing and so forth. So as we try to create new jobs and requiring people to move into them, to make it possible and ease that burden of child care seems to me to be critically important.

One additional element. Again, I respect the 5-year-olds and less on the exemption. But if you have four children, and three of them are over 5 and one is under, you are exempted because you have one child under 5. So if you have three children—maybe 12, 13, and one is under 5—you fall into the exemption category.

We ought to be trying, as I say, not to create a situation where people say, "How do I avoid this and continue to collect public assistance?" But we ought to try to move people into that work category. Again, I respect the exemption and applaud it in some ways; I welcome it as an improvement here. What I really hope, Mr. President, is that we can come together here in the next few hours on this proposal. It is not draconian or radical. It is a simple enough idea. I think you build a much stronger base of support for the majority leader's bill with the result of the adoption of this. I think the President would welcome this, in terms of his signature. Also, I think it would really make it possible to reach the kind of numbers we are talking about here to be entering that work force, moving away from public assistance. And the tremendous value, beyond the dollars and cents we talk about, the value to those families and to those children, I think, does not show up on all these graphs and charts we talk about. It is hard to put a price tag on the value of somebody at home who has a job, and what it means to that family and neighborhoods and communities when people are working.

For those reasons, I urge adoption of the amendment. I thank our colleague from Vermont for cosponsoring the bill. We adopted unanimously in the Labor and Human Resources Committee a sense-of-the-Senate resolution which concludes by saying, "It is the sense of the Senate that the Federal Government has a responsibility to provide funding and leadership with respect to child care." That is in anticipation of this bill coming along. And as the distinguished occupant of the chair is a member of that committee, I appreciated his support of that resolution. I hope that he, along with others, will be supportive of the amendment pending.

I yield the floor.

The PRESIDING OFFICER. Who yields time?

Mr. KENNEDY. Mr. President, how much time remains on each side?

The PRESIDING OFFICER. There are 67 minutes on that side and 97 minutes to the Senator from Utah.

Mr. KENNEDY. I yield 10 minutes to the Senator from Washington.

Mrs. MURRAY. Mr. President, I began listening to this debate several weeks ago with the hope that some positive changes could be made to the current welfare system. Since then, I have spent weeks in my State talking with friends and parents and members of communities about this issue.

I must admit, as we continue this debate, I have mixed feelings. I still believe the Senate can achieve real welfare reform that works for families. But I have been disheartened by the Senate's rejection of the work-first amendment, because I believe that amendment reflected a workable, nonpartisan, solution-oriented approach to fixing the welfare system.

Now we are considering an amendment that goes to the very heart of the welfare debate: childcare services. Make no mistake about it, Mr. President: childcare is the key to successful welfare reform.

Mr. President, I bring a unique perspective to this debate on the Senate floor. I am a mother with school-age children. I have been a preschool teacher, dealing with kids from all economic classes. I have run parent education classes, counseling young parents to help them develop their skills as mothers and fathers in the modern world.

I can tell you what it's like to take a phone call from a young single mom at the end of her rope. She is burning the candle at both ends, trying to work, worrying all day long about her kids. For this parent, her paramount concern is childcare; she cannot focus on doing a good job without knowing her kids have adequate nourishment, supervision, and care during the day.

Fully 34 percent of current welfare recipients have identified access to childcare as the single barrier between them and reentering the work force.

To succeed in reforming welfare, we have to understand the everyday challenges of everyday parents. We have to speak their language, and know their issues. Only by knowing and understanding these challenges can we design a welfare reform proposal that truly gives struggling families a boost to economic stability. That, Mr. President, means we need to address childcare in this bill.

For the past 5 months I've been participating in a unique program called Walk-a-Mile. Some of my colleagues, including Senator SIMON, have also taken part. Walk-a-Mile started in Washington State as a collaborative effort between the University of Washington and the Northwest Resource Center for Children, Youth, and Families.

The program pairs a welfare recipient with an elected official, and the two speak frequently on the telephone about each others' experiences. I was lucky enough to be paired with June, a single mother of two from a Seattle suburb who survived an abusive relationship.

During her time on welfare, June attended school and earned a degree from evergreen State College. Her classroom time was frequently interrupted, however, because her 6-year-old son Jonathan suffers from attention-deficit disorder, a side effect of the abuse suffered in their previous home.

Since earning her degree, June was divided her time between looking for work and looking for childcare. She has been told by six different daycare providers that her son could not be cared for, because of his explosive and erratic behavior.

Her dilemma is a familiar one: in the absence of childcare, she cannot work; yet she is qualified, and eager, to work today.

How does this story related to the Dole bill? the pending legislation glosses over the childcare question, and leaves demand for childcare services unmet.

In 1994, there were 3,000 children on waiting lists for childcare in my State. Nearly 23,000 other kids received childcare services that would be eliminated under the Dole bill. That adds up to 26,000 children for whom childcare is thrown into question under this bill.

The Dole bill would compel my State to spend $88 million in childcare in order to meet its work requirements. At the same time however, we stand to lose over $500 million in Federal funding over the same period.

The bill cuts current services; it severely limits Federal funding; and forces my State to spend more of its own scarce money. Worse, it stands to create an expanded, unaddressed demand for childcare. This is a major unfunded mandate, and a major problem for Washington State.

Mr. President, this is not reform; this is reshuffling the chairs on the *Titanic*.

If we want to move people into the work force, we should do it. I think this is a very worthy and important goal. But we should be realistic about what that will take.

As a preschool teacher, and parent education counselor, I can tell you—based on firsthand experience—given the choice between work and kids, a parent with limited options will stay on welfare if it's the best childcare option, just for the security of her family.

This is why the Dodd-Kennedy amendment is so important. It addresses the need for childcare services, pure and simple.

It provides resources in a fiscally prudent, credible way through direct grants to States with only one purpose: to fund childcare needs created by new work requirements. Funding levels would be set according to CBO estimates of the childcare demands created by the underlying Dole bill.

What is the purpose of the amendment? It is not to give bureaucrats more money; it is not to place more regulations on States; the sole purpose is to move parents into the work force.

I believe this is not only appropriate, but necessary.

Think back to my Walk-a-Mile partner, June. For people like her, the Dodd-Kennedy amendment gives them peace of mind to invest themselves in education or training programs that will equip them to move into the work force, without worrying about whether their kids will be looked after during the day.

Mr. President, I know what worries parents, and I know what scares the kids. I've seen it firsthand, and I've studied it closely over the past 3 years.

We have a unique opportunity to do something concrete for real people in this bill. We can build a foundation for families. We can provide opportunity for children and their parents.

Mr. President, 78,000 children in my State live in poverty. Their parents struggle every day to make ends meet. How do we know one of those kids will not be the next Einstein, or the next Cal Ripken, or the next Bill Gates?

If we do not do our part to create a foundation to care for children and provide options for parents, our Nation stands to lose in the long run.

These are the fears of moms and their children. This is why moms get trapped in dependency, and why their kids look for their solutions on the streets. And unless we do something to remove these fears, we will not accomplish reform.

The Dodd-Kennedy amendment provides that foundation. The Senate must adopt this language, or something very close to it, if our reform effort is to succeed.

Mr. President, I urge my colleagues to look carefully at this language. It is fiscally smart, and I believe it will help welfare parents turn the corner.

I urge my colleagues to consult with their States. Do the math. Ask yourselves what happens to children under the Dole bill, in the absence of better childcare provisions.

Ask yourself whether the work requirements are realistic in the absence of strong childcare provisions. If you don't know the answer, talk to someone like June, my Walk-a-Mile partner, someone with real experience who understands life on the lower half of the economic ladder in this country.

If you do this, I believe you will have no choice but to reach the same conclusions I have: Moving welfare recipients into the work force can work, but only if we do it right. We simply must address critical childcare needs in this bill.

I yield the floor.

Mr. KENNEDY. Mr. President, how much time is on each side of this?

The PRESIDING OFFICER. The Senator from Connecticut has 58 minutes; the Senator from Utah has 96 minutes.

Mr. KENNEDY. Mr. President, I see both the Senator from Connecticut and Washington are here. We hoped to have an opportunity to debate this important measure with the leadership because it is, I think as I mentioned before, the most important amendment, I think, coming on welfare.

We welcome the opportunity to make presentations. The proponent of the amendment, Senator DODD, myself, Senator MURRAY and others on Friday outlined the amendment, and again today. We want to try and have a chance to enter into a debate on it.

Mr. President, I yield myself 4 minutes.

Mr. President, I ask to have printed in the RECORD a very excellent address on related matters provided as a keynote address to the 25th anniversary of the Campaign for Human Development by Cardinal Bernardin from Chicago.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

THE STORY OF THE CAMPAIGN FOR HUMAN DEVELOPMENT: THEOLOGICAL-HISTORICAL ROOTS

(Joseph Cardinal Bernardin)

I am delighted to serve as Honorary Chairman of this event and to welcome you to Chicago for the 25th anniversary celebration of the Campaign for Human Development. I thank Bishop Garland and Father Hacala for the kind invitation to speak at this gathering. This is the first address I have undertaken since my illness, so it is indeed good to be here with you!

It is fitting that we are gathered here because since the beginning, Chicago has been important to the Campaign and the Campaign has been important to Chicago. As you may know, Msgr. George Higgins of this Archdiocese wrote a Labor Day message in 1969 that pointed the way to the Campaign.

Auxiliary Bishop Michael Dempsey of Chicago was CHD's first spokesperson.

Msgr. Jack Egan organized the "Friends of CHD" in the mid-1970s and for decades has been an inspiration to the Campaign's work.

The great work of community organizing began in Chicago, and Chicago has many important networks and training centers.

CHD enjoys a rich tradition of support here, both in the form of active and enthusiastic participation by people in organizations and projects funded by CHD, and in the generous donations to the annual CHD collection. Again this past year, despite many other urgent and worthwhile requests for assistance, Catholics throughout the Archdiocese donated nearly three quarters of a million dollars.

An anniversary is a good time to reflect on the splendid accomplishments of the past and to look to the significant challenges of the future. This evening, I will highlight CHD's historical and theological roots and share some thoughts on its importance for the future.

In his labor Day message in 1969, Msgr. George Higgins urged the Catholic Church to make "a generous portion of its limited resources available for the development and self-determination of the poor and powerless." A the bishops' meeting that fall, the late Msgr. Geno Baroni continued to lay the groundwork for this initiative by urging the bishops to take up the plight of the poor in a new, significant way.

In response, the bishops resolved (a) to raise $50 million to assist self-help programs designed and operated by the poor and aimed at eliminating the causes of poverty; (b) to educate the more affluent about the root causes of poverty; and (c) to change attitudes about the plight of the poor. The bishops were inspired by Jesus' life and mission, by almost a century of Catholic social teaching, and by Pope Paul VI, who had called for determined efforts to "break the hellish circle of poverty" and to "eradicate the conditions which impose poverty and trap generation after generation in an agonizing cycle of dependency and despair."

As General Secretary of the National Conference of Catholic Bishops at the time, I was directly involved in this exciting endeavor. While enthusiasm among the bishops was high, details about how the crusade would be implemented had yet to be developed. As I have often noted, the bishops voted in this collection and left it to me and staff to work out the details! Despite the complexities involved in such an enormous undertaking, I was motivated by my strong belief that the idea behind what would become known as the Campaign for Human Development was "blessed from the beginning," and was eager to get it underway.

Even though we had to create a program, manage a national collection, and decide how to distribute millions of dollars in grants—all in only a few months—we were determined to make it a success. Thanks to a dedicated staff, and many others, some of whom are with us this evening, the Campaign did get off to a good start. Indeed, the first CHD collection was the most successful national Catholic collection ever taken up in the United States, raising $8 million. And we received a thousand requests for grants!

The Campaign for Human Development has a threefold mission of empowering the poor, educating people about poverty and justice issues, and building solidarity between the poor and non-poor, it is a remarkable expression of Catholic social teaching. CHD embraces the basic principles of that teaching: the God-given dignity, rights, and responsibilities of the human person; the call to community and participation in that community; the option for, and solidarity with, the poor.

CHD funds have helped organizations effectively address the larger issues of the community by promoting changes in detrimental laws and policies and by opening lines of communication with government, banking, business, and industry. According to a recent study sponsored by the Catholic University of America, CHD seed monies have generated billions of dollars' worth of resources for underprivileged communities. That same study indicates that CHD-funded projects currently benefit in some way fully half of the poor in the United States!

CHD-funded groups have helped to shape U.S. public policy and improved life for families and communities in many ways. They helped enact legislation to ban redlining, require mortgage information disclosure, and require reinvestment in communities. They helped enact federal standards that virtually eliminated "brown lung" disease in the textile industry. They helped pass the Family and Medical Leave Act and strengthen enforcement of child support.

However, more important than what CHD-funded groups have done is how they have done it. While some political leaders have lately begun to talk about "empowerment," CHD has made empowerment its very reason for existence. CHD has successfully promoted self-determination and participation for countless people.

One of my joys as Archbishop is meeting individuals who, thanks to CHD, now share more fully in decision-making processes that affect them. For example, just yesterday the following 1995 CHD grants for the Chicago area were announced at a press conference:

Chicago ACORN received $45,000 to fund the Chicago Parents Organizing Project's efforts to unite parents and young people to improve schools in low-income communities;

Chicago's Homeless on the Move for Equality received $30,000 to expand its operations to serve better the needs of the homeless in Chicago;

Illinois Fiesta Educativa of Chicago received $40,000 to fund educational programs and services to Latinos with disabilities; and

Chicago Metropolitan Sponsors, with which I have been personally involved, received $116,000 to address such social issues as crime, unemployment, and education in Chicago and surrounding suburbs.

Twenty-five years, nearly $250 million dollars, and 3,000 funded projects later, CHD remains a leader in community organizing and education about the impact of poverty, the social structures that perpetuate it, and ways to overcome it. CHD has consistently taught all of us about systemic injustice that limits people's ability to improve their lives. It has also changed attitudes among the poor by fostering self-esteem, self-confidence, and self-reliance, as well as encouraging a sense of hope about being able to address injustice effectively and create a better life for the poor. As CHD's "25th Anniversary Challenge" document notes, "CHD is an unusual combination of religious commitment, street-smart politics, commitment to structural change, and commitment to the development of the poor."

Pope John Paul II highlighted CHD's effectiveness when he was in Chicago in 1979, saying, "The projects assisted by the Campaign have helped to create a more human and just order, and they enable many people to achieve an increased measure of rightful self-reliance." In a recent letter to Cardinal Keeler, the President of our Episcopal Conference (for whose presence this evening I am very grateful), the Holy Father echoed similar sentiments of admiration and respect. And in their 1986 pastoral letter, "Economic Justice for All," the U.S. Catholic bishops underscored CHD's efforts, pointing out that: "Our experience with CHD confirms our judgment about the validity of self-help and empowerment of the poor. The Campaign * * * provides a model that we think sets a high standard for similar efforts."

Despite CHD's successes, tragically, poverty is more entrenched today than ever before in our nation's history. Indeed, reducing poverty today is even more daunting than a quarter-century ago because it is often exacerbated by other serious, societal problems that have increased significantly. Out-of-wedlock births, particularly among teens; inadequate housing, health care, education, and job opportunities; lack of community involvement; and most of all, the collapse of family structures—all are undermining our society and making it all the more difficult for people to escape from the grips of poverty. Moreover, senseless violence, rampant crime, drug abuse, and gang warfare dramatically and tragically diminish the quality of life in many communities.

As a result, our country is even more divided today between the "haves" and "have-nots." There is an increased concentration of wealth and political power alongside a growing feeling of powerlessness among many of our citizens. Rapidly developing technology, layoffs, diminishing health benefits and retirement security, and more part-time jobs offering little or no benefits have left the middle-class and working-poor very insecure and growing more resentful toward both government and the non-working poor who depend on society for aid and assistance.

Building solidarity between the "haves" and the "have-nots" is vital if we are to overcome poverty and the many other problems facing our society. So, even though the challenge of reducing poverty is greater today, the fact that one of CHD's greatest strengths is its ability to bridge the gaps—between the poor and the affluent, the powerful and the powerless, workers and management—will enhance its influence. However, as you and I know very well, it will require much more than "bridging the gaps."

Twenty-five years ago, Msgr. Baroni emphasized this point when he spoke to the U.S. bishops about the urgent need to address poverty, racism, and injustice in our nation. He pointed out that "something spiritual is lacking—the heart, the will, the desire on the part of affluent America to develop the goals and commitments necessary to end the hardships of poverty and racism in our midst."

Today, for example, there appears to be a great desire to address one dimension of poverty, namely, welfare reform. Unfortunately, the debate about such reform seems to spring not so much from an authentic concern for the poor as from pragmatic concerns about the federal budget deficit and taxpayers' pocketbooks. Now the federal budget and taxes are realities that must be dealt with, but they should not be resolved apart from a sincere and objective consideration of the common good of all citizens.

If we are to solve these problems, then, we must shift the discussion about welfare reform from a merely pragmatic or myopic concern to a more fully humane concern for all. To address poverty realistically and humanely involves more than appealing to people on an intellectual or a political level. It requires calling people to a real conversion of heart for the sake of the common good, which includes the well-being of the poor and needy. It means nurturing a new spirit in the Church and in our nation:

A new spirit of compassion, generosity, and love for "the least among us";

A new spirit that rejects the vicious rhetoric and the push for punitive measures that is so common today and instead encourages a new, determined approach to addressing the root causes of poverty;

A new spirit that challenges those who are not poor to disavow stereotypes of the poor and shatter myths that enable people to look down upon the indigent;

A new spirit that encourages an honest and informed consideration of issues in the light of human values and a moral commitment; and, ultimately;

A new spirit that trusts in God's grace to transform our hearts and to empower our communities and Church—from sin and evil to love and justice.

There is no doubt that welfare reform is an urgent national priority. No one should support policies that are wasteful or counterproductive, policies that perpetuate poverty and dependence. Rather, such reform should aim to enhance the lives and dignity of poor children and families and enable them to live productive lives. Saving money in the immediate future should not be the only criterion because such short-term savings lay the groundwork for greater difficulties and costs in the future. Remember also that welfare funds amount to only 1% of the national budget. Reforms that effectively punish the innocent children of unwed teenage mothers, wittingly or unwittingly promote abortion, or burden states to do more with less resources are not the answer.

The success of Campaign for Human Development clearly shows that combining personal responsibility and social responsibility is a potent catalyst for change, renewal, success, and hope for the future. Now is the time to demand a halt to the political rhetoric and posturing, which are fueled by individual interests and those of special interest groups. Now is the time for creative solutions and bold strategies that invest in human dignity and potential rather than scapegoat and punish the poor, further exacerbating the already dire situations many poor people face today. We know that true reform will not be easy, but we also know that poor people, with the right kind of assistance and opportunities, can make a better life for themselves and can contribute to the common good.

So, this evening, this weekend, and as we return home, let us renew our commitment to economic and social justice for all by continuing to engage people in their faith life and by encouraging them to put their faith into action. It we do, we can and will make a difference. I am convinced that CHD harbors a vast reservoir of untapped potential.

In a speech to students in South Africa, the late Senator Robert Kennedy, said, "Each time a man stands up for an ideal or acts to improve the lot of others or strikes out against injustice, he sends forth a tiny ripple of hope, and crossing each other from a million different centers of energy and daring, those ripples build a current that can sweep down the mightiest walls of oppression and resistance." (Senator Kennedy's widow, Ethel, is featured in CHD's current radio ads, and his daughter, Kerry, now serves on the USCC/CHD Committee.)

The Campaign for Human Development began as a ripple and has become a current cascading through lives and communities—bringing new opportunity in its wake. It is a sign of hope for the poor and for all Americans who seek justice. You, my friends, help to make that hope possible!

My dear sisters and brothers, let us thank God for the grace of the past quarter of a century. Let us also open ourselves to the inspiration and strength of the Holy Spirit so that we will be able to: change hearts; face the challenges and opportunities of the future; and nurture a new spirit of compassion and solidarity with the most vulnerable members of our society.

May God who has begun a good work among us bring it to fulfillment.

Mr. KENNEDY. Mr. President, let me quote from a few paragraphs of Cardinal Bernardin in his excellent address on August 25. "Today, for example, there appears to be a great desire to address one dimension"—he talks in the early part of the speech about the problems of poverty and welfare and the importance to eradicate, to break the hellish circles of poverty is to eradicate the conditions which impose poverty and trap generation after generation in an agonizing circle of dependency and despair. He could be talking about the whole welfare issue we are addressing here today.

> Today, for example, there appears to be a great desire to address one dimension of poverty, namely, welfare reform. Unfortunately, the debate about such reforms seems to spring not so much from authentic concern for the poor, as from pragmatic concern about the Federal budget deficit and taxpayers' pocketbooks. Now, the Federal budget and taxes are realities that must be dealt with, but they should not be resolved apart from a sincere and objective consideration of the common good of all citizens.
>
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He continues:

> There is no doubt that welfare reform is an urgent national priority. No one should support policies that are wasteful or counterproductive, policies that perpetuate poverty and dependence. Rather, such reform should aim to enhance the lives and dignity of poor children and families and enable them to live productive lives. Saving money in the immediate future should not be the only criterion because such short-term savings lay the groundwork for greater difficulties and costs in the future. Remember also that welfare funds amount to only 1 percent of the national budget. Reforms that effectively punish the innocent children of unwed teenage mothers, wittingly or unwittingly, promote abortion or burden States to do more with less resources are not the answer.

He then continues:

> The success of Campaign for Human Development clearly shows that combining personal responsibility and social responsibility is a potent catalyst for change, renewal, success, and hope for the future. Now is the time to demand a halt to the political rhetoric and posturing, which are fueled by individual interests and those of special interest groups. Now is the time for creative ons and bold strategies that invest in human dignity and potential rather than scapegoat and punish the poor, further exacerbating the already dire situations many poor people face today. We know that true reform will not be easy, but we also know that poor people, with the right kind of assistance and opportunities, can make a better life for themselves and can contribute to the common good.

The excellent address goes on.

Mr. President, I daresay I would like to believe, although obviously the Cardinal was not focusing on this amendment, that is really what this amendment is all about, investing in people; in the human dignity of, in this instance, needy children. He states it, I think, in a very eloquent, uplifting and inspiring way. But it seems to me it is right on target for this debate.

Mr. President, I will withhold the remainder of our time. We have a number of speakers who will be coming to the floor.

I suggest the absence of a quorum, with the time to be evenly divided.

The PRESIDING OFFICER. Without objection, it is so ordered.

The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. BREAUX. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BREAUX. Mr. President, I ask the distinguished manager of the amendment to yield to me 10 minutes.

Mr. KENNEDY. I yield 10 minutes to the Senator from Louisiana.

The PRESIDING OFFICER. The Senator from Louisiana is recognized.

Mr. BREAUX. I thank the Senator for yielding.

Mr. President and my colleagues, I take the floor to make comments in support of the Dodd-Kennedy amendment that is currently pending to the welfare reform bill. I do so with great enthusiasm because, like any effort, unless you have all the parts together you cannot accomplish the ultimate goal. In welfare reform there are a number of significant things that have to be done in order to pass a true reform bill. Congress cannot come on the floor, obviously, and pass a resolution that says welfare will be over with by the year 2000 and do nothing else. Any legislative effort that attacks this tremendous problem that we are facing as a nation has to be composed of a number of significant measures in order to bring these measures together to accomplish real reform. It is not easy. It is not going to be cheap. But it is absolutely essential that we do it.

One of the things that we as Democrats, and I think Republicans as well, agree on is that the welfare system as we know it today does not work very well for those who are on it, nor does it work very well for those who are paying for it. The system has generated generation after generation of people who are dependent on government help in order to survive. We in this Congress I think have an obligation to try to come up with a real reform bill that breaks that cycle. It is not going to be easy. I think it has to be bipartisan. We have to have our Republican colleagues join us when we have a good idea and I am willing to join them when they have a good idea. We do not have enough votes by ourselves to pass a welfare reform bill. We simply do not have a majority any longer. But I would suggest that they alone do not have enough votes to pass a bill that will be signed into law by this President unless we too are involved in helping to craft a measure that makes sense.

Some have argued that the Federal Government and the States have been trying to solve the welfare problem for years and it has not brought about any real solution. Therefore, we are just going to give the whole mess to the States and let the States handle it because they are more inventive and have better ideas about how to solve the problem. I would suggest that approach is simply too simplistic and it is not going to work.

This problem is big enough for both the Federal Government and the State governments working together to try to help solve this immense problem. I would suggest that State and local governments cannot solve it by themselves, and I would also suggest that the Federal Government cannot solve it by itself. Therefore, real reform has to be a coming together of the best ideas from the States and the Federal Government working together to provide money both from the State level and the Federal level in order to try to create sufficient funds to bring about real reform.

There are those who suggest that, no, that is not the answer. We are just going to send all of the problems to the States and let them solve it. I have said that type of an approach is sort of like those of us in Washington putting all the problems of welfare into a big box and mailing it off to the States and say, "Here. It is yours. You solve it." That is the block grant approach.

When those State representatives and State officials open that box they are going to find a lot of problems. They are not going to find enough money to help them solve those problems. Therefore, it is absolutely essential, in my opinion, that we forge a joint venture, a partnership with the States and the Federal Government, to help bring about the best ideas and the best solutions to this problem working in partnership.

The Federal Government should absolutely have to contribute money from the tax base that we have access to to help generate sufficient funds to solve the problems. But the States also have to participate.

There are some who would suggest that the States should have no maintenance of effort at all. The Federal Government will pay the whole bill. But we will let the States get off without having to contribute anything. I think that is the wrong approach.

Tomorrow, myself and others will be joining together to offer an amendment dealing with State maintenance of effort, to give the States an incentive to match Federal money to try to create a program that makes sense. I am absolutely convinced that if State officials, no matter how good and honest they are, know all the money in the program is going to be from Washington, they are less inclined to make the right decisions, to spend the money wisely, if they do not have to put up any of their own State dollars. Therefore, I think we have to urge them to participate, to maintain most of the effort they have made in the past and to join with us in a partnership arrangement to in fact solve this problem.

Let me talk specifically just for a moment about the Dodd-Kennedy amendment. I do not think that there is a social scientist or a housewife or an individual in this country, no matter what their profession, who can look at the welfare problem in this country and say that we can solve it without addressing the problem of child care. We cannot solve welfare problems in this country just by passing a law that says all mothers should go to work and do nothing about the mothers who have small children at home, maybe 1 or 2 or 3 years old. We cannot pretend that if they have to go to work without something being done to help them with their child care, that is a real solution to welfare. In fact, that is not only not a solution, it in fact is a greater problem than we have right now. The Republican proposal requires—as does ours—that by the year 2000, 50 percent of the people who are now on welfare have to be in work. The Republican proposal and the Democratic proposal are the same essentially on that issue. The difference is how we get people to that point. The Republican proposal does not provide any additional financial assistance to pay for child care. That is the real defect in that approach.

Our legislation, on the other hand, provides $9.5 billion in new funds over the next 7 years—which is more than paid for through spending cuts—to provide child care so people can go to work and we can have true reform.

If the Republican proposal is adopted without the Dodd-Kennedy amendment, we are passing the largest unfunded mandate on to the States in the history of this country. We would do this at a time when the ink is not yet dry on the unfunded mandate legislation that so many people took so much credit for adopting—which recently this Congress passed and we sent to the President—saying that we are not going to pass an unfunded mandate on to the backs of the States any longer. But this bill without the Dodd-Kennedy amendment is, in fact, a huge unfunded mandate because it tells the States, Louisiana, or Massachusetts, or Utah, or any State in the Union, that they have to pay for the child care to put half of the people on welfare to work by the year 2000. But they are not going to be able to reach that goal without raising an incredible amount of State taxes in order to pay for the child care.

I suggest that we ought to provide child care in partnership, the Federal Government and the States, and that is exactly what the Dodd-Kennedy amendment does.

Over the next 5 years, Health and Human Services says that about $11 billion would be needed to meet the child care requirements of the Dole bill. The Dodd-Kennedy amendment provides those funds. The Republican bill does not provide those funds.

I heard some suggest that the States will have more money because we will eliminate some of the red tape. How many times have we heard the argument that if you eliminate red tape, we will solve all the problems of Government? I have heard it time after time in the years that I have been in the Congress, both in this body and the other body that, well, if you eliminate red tape, the States would have enough money to do everything they have to do. That is a ridiculous notion. It is not true, and it is not factual.

This reform is going to cost us money in order to achieve the long-term results. I should point out that the long-term result will be financially beneficial to society. It will be beneficial to individuals. It will make them more responsible citizens, and it will teach them that there is no free lunch; that people have to work in order to be able to be successful in this country.

But again, it has to be a partnership. I know that my State of Louisiana cannot come up with the necessary funds to meet that 50-percent-work requirement in the year 2000. We are suffering, as many States are, from the lack of adequate funding for roads and hospitals and health care needs and all of the other needs that a State has to address.

I suggest that child care is not a high priority among the people who get paid to lobby around State legislative bodies. Therefore, unless we require some type of a financial partnership to help provide for child care for mothers who are going to be required to go to work, those moneys will not be provided at the State and local level.

The General Accounting Office recently released a research study which provided evidence of what I am saying I think in a very commonsense way. Their study, entitled Child Care Subsidies Increase the Likelihood That Low-Income Mothers Will Work, finds that among the factors which encourage low-income mothers to work, in fact, child care affordability is one of the decisive ones.

I think we should listen to the General Accounting Office, which certainly is a bipartisan and nonpolitical organization, and their recommendation that we simply cannot have real reform in welfare, that we will not be able to get mothers who have small children to go to work, unless there is an answer to the very difficult child care problem. I have occasion from time to time in my State of Louisiana to visit welfare offices, to talk with groups that are trying to reform the welfare system, and great progress is being made, but in every one of these institutions, in every one of the talks I have been able to engage in, availability of child care was raised as such an important ingredient in the solution to this particular problem.

Unless Congress acts in a forceful and affirmative way to guarantee child care funding will be available, I suggest that no matter how laudatory the other provisions of the bill happen to be, it will truly not be reform. What it will be is a major unfunded mandate on the backs of the States.

I do not think we can find a Governor who is going to say they want to have to put 50 percent of the people to work without any help from the Federal Government. This is an absolutely essential, critical amendment. Without it, the bill I think will be fundamentally flawed and one that should not be signed into law.

If we are going to do real reform, we have to recognize our responsibility in participating as a Federal Government along with the States and local governments to build the necessary funds to bring about a real reform bill.

I congratulate Senators DODD and KENNEDY and all others who have joined with them in helping to craft this amendment. They have worked long and hard and tirelessly over the years to see to it that adequate child care is part of any reform package that we will consider in this Congress. Without it, this bill will not be reform. It will be highly destructive and should not be signed. With it, it will go a long way to fundamental bipartisan reform legislation to which President Clinton should proudly affix his signature.

Mr. President, I yield the floor.

Mr. KENNEDY. Mr. President, how much time now remains on this side?

The PRESIDING OFFICER. Thirty-five minutes.

Mr. KENNEDY. For the proponents. And how much for the other side?

The PRESIDING OFFICER. And 91 minutes for the opponents.

Mr. KENNEDY. Mr. President, I yield myself 5 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

PREMIUMS UNDER REPUBLICAN MEDICARE PLAN

Mr. KENNEDY. Mr. President, the Republican secret plan for deep cuts in Medicare will finally be unveiled, we are told, this Thursday. Yet, only 4 days before the announcement, the Republican disinformation campaign about what their program will mean for senior citizens is still in high gear.

Before the 1994 election, the Republicans said they were not planning to cut Medicare at all, but their budget resolution provides for an unprecedented $270 billion in Medicare cuts. After the budget resolution was adopted, the Republicans said the cuts would not hurt senior citizens. That pledge was preposterous on its face since cuts of that magnitude would obviously have a substantial impact on millions of elderly Americans.

Now our Republican friends are beginning to reveal the true impact. Yesterday, on "Meet the Press," the Speaker of the House of Representatives stated that the Republican plan would require the part B premium for Medicare to be set at 31.5 percent of program costs. He claimed that this program would cost senior citizens an additional $7 a month. He also said that the premium increases under the Republican plan are not in any way unreasonable.

The facts are otherwise. According to the independent actuaries at the Health Care Finance Administration, if the premium is set at 31.5 percent of cost as the Republicans propose, the monthly premium will go up to $96 a month, an increase of $37 a month compared to current law, not $7. On an annual basis, seniors will have to pay an additional $442 in the year 2002, a premium of almost $1,200 a year, more than twice as much as they pay today. That is from the Health Care Finance Administration. Those are their estimates.

Over the life of the Republican plan, each senior citizen will have to pay an additional $1,750 in Medicare premiums. Each senior couple would pay $3,500 more. These numbers are approximate because they are based on current projected spending under Medicare part B. They will undoubtedly change somewhat when the full Republican plan is finally laid out to the American people. Estimates by the Congressional Budget Office may even be higher.

However, the basic point is clear. We are not talking about senior citizens paying a few dollars more for Medicare. Under the Republican plan, senior citizens will be asked to pay thousands of dollars more for Medicare in order to fund a Republican tax cut for wealthy Americans.

That additional burden is unreasonable and unfair, and I believe the American people will reject the Republican plan. I urge the Congress to do so as well.

Mr. President, these figures that I am quoting are the result of the Health Care Finance Administration and their actuaries from their evaluation of the Republican plan.

FAMILY SELF-SUFFICIENCY ACT

The Senate continued with the consideration of the bill.

Mr. HATCH addressed the Chair.

The PRESIDING OFFICER. The Senator from Utah.

Mr. HATCH. Mr. President, I have been listening to my colleague from Massachusetts very carefully, not only on the child care amendments but also on capital gains, on the so-called Republican amendment, and how Medicare is going to be so seriously hurt if the Republican approach is taken.

I do not think it is a Republican approach. It is a pro-American approach. Right now, I do not know of anybody who does not agree that Medicare is in serious financial condition and faces bankruptcy early in the next century.

As of next year it starts to go broke. By the year 2002 it will be broke, and 37 million Americans will be the losers. I do not know why we have to make this so partisan because I have to say the Democrats have basically been virtually in control of Congress for all of the last 40 years, every year that Medicare has been in existence. And here we are today with Medicare's financial crisis.

Now, rather than complaining about efforts to try to save it, it seems to me they ought to pitch in and help us. The fact is, if we do nothing but throw authorized dollars that are not there, it is not going to solve the underlining problem. And under the approach that the House Members are taking, Medicare is going to increase 6.4 percent each year. Not only increase 6.4 percent, but the average payment under Medicare is currently $4,800 a year per senior and that will increase to $6,700 by the year 2002.

Clearly, nobody is cutting Medicare. The 37 million-plus beneficiaries who currently are on Medicare will continue to be taken care of. And, the program will be there for the rest of us in the future. The American people understood this when they, for the first time in 40 years, put Republicans in control of the House of Representatives. The American people knew that if they kept business as usual by keeping Democrats in control—who believe the answer to everything is the Federal Government—then we would never solve Medicare's financial situation.

And Medicare is soon going to be broke if it is not fixed. And the Medicare trustees' April 3, 1995, report on part A, the Medicare Hospital Insurance trust fund, under the most likely scenario, would be bankrupt in 7 years by the year 2002. It will begin running a deficit as early as October 1 of next year. The average two-income couple retiring in 1995, according to the Trustees Report—and four of the six Trustees are Clinton appointees—will receive $117,000 more in Medicare benefits than they paid into the Trust Fund during their working lives. Now, I do not have any problem with that as long as we have a fiscally responsible approach to solving the problems. So Congress will save Medicare, not by cutting it, but by slowing its rate of growth. This is based not on rhetoric but on the Congressional Budget Office analysis.

The Budget resolution proposes to increase total Medicare spending from $181 billion in fiscal year 1995 to $276 billion in fiscal year 2002—an increase of $96 billion or 52 percent overall.

As I said, the Budget resolution proposes to increase the amount spent per beneficiary from $4,800 in fiscal year 1995 to $6,700 in fiscal year 2002. That is $1,900 per person on Medicare or a 40 percent increase over that 7-year period. Congress will increase spending over 7 years by $355 billion more than if it were held at its current level. That amount of increase is equal to twice the total amount that will be spent on Medicare this year.

Who is kidding whom? It is nice to get up and harangue about the fact that we have to restrain the growth of Medicare. It is not a cut; it is a reduction in growth. We cannot just assume that Medicare is going to continue to run off the charts at 10.4 percent every year. That is totally unrealistic. It would bankrupt Medicare and jeopardize the program for future generations.

That is why we experienced a change in congressional leadership in the last election. The American people, in despair, realized that the only way they will get this problem under control is to get more moderate to conservative leadership in the Congress. That is what they did in voting for Republicans the last time.

Spending, as I said, is going to increase by 6.4 percent each year for the next 7 years if the Republican budget resolution proposal is adopted. The slowed spending rate is designed to save Medicare—not to balance the budget or pay for tax cuts. If the budget were balanced today, Medicare would still be broke tomorrow. Medicare's trustees, three of whom are members of the Clinton Cabinet, have made this clear, but the President refuses to admit it. And so apparently do others here in the Senate.

Medicare reform is not related to Congress' promise of tax relief for America's middle class. Clinton's charge to the contrary is hypocritical. His own budget combines slow growth in Medicare spending with $110 billion in tax cuts. So who is kidding whom? Let us quit playing politics. Let us do what is right for Medicare and the American people. We have got to restrain the growth of this program and we have got to do it now. And that means, in part, some people are going to be means tested, and some of us are going to have to pay slightly more Part B premiums.

I think President Clinton and those who support him and who are playing politics with this are playing politics with our senior citizens' health. Rather than focus on Medicare's problems, you do not hear any solutions from these people who have controlled Congress for 40 years and who will control the White House for at least another 1½ years. You do not hear any solutions from them. Rather than focus on Medicare's problems, its impending bankruptcy, President Clinton seems to want to have us focus on politics and exaggerate spending differences between his and the Republican's plan.

When I hear that the Republicans want to hurt Medicare so they can fund their tax cuts for the wealthy, who is kidding whom? If you look at the Republican tax cuts, they primarily benefit the middle class. So let us not kid each other. And let us quit playing politics and start facing the facts and work together to solve this problem while, at the same time, developing prudent tax policy that encourages growth, economic development, and jobs enhancement rather than encouraging the growth of Federal spending.

A comparison of CBO's estimate of Congress' plan and the President's own estimation by the Office of Management and Budget of his plan shows the spending differences to be minuscule. Medicare spending will increase under both the President's and Congress' plan, assuming Congress will pass it.

Let us call it the Republican plan, if you want, because right now that is fair. However, there are going to be Democrats who support it who are as concerned about the future of Medicare as are Republicans who now know that reform is inevitable. It is apparent that Medicare spending cannot continue at current levels if the program is to survive for future generations of Americans.

And what is this rhetoric that cutting taxes is to take care of the wealthy? Proposed tax cuts are based on responsible reasons just as the Republican Medicare reform proposals are based.

And, in fact, President Clinton's current budget is closer to Congress' than it is to the first one he proposed just 4 months earlier. The Clinton budget would spend 7.4 percent more every year for the next 7 years. Congress would spend 6.4 percent.

(Mr. DEWINE assumed the chair.)

Mr. HATCH. Mr. President, also, according to the Senate Budget Committee, Federal benefits spending is going to grow by 6.4 percent. The difference between Congress' plan and the President's—1 percent—is well less than the difference between projected spending under current law—CBO says 9.98 percent—and the President's plan, a 1-percent difference. Yet, we hear this rhetoric that the Republicans are going to ruin Medicare and that they are going to take money away from the poor and give it to the rich. That is simply not true, and it is time for those who make those allegations to become more responsible and to stop misleading the American people.

True, the Republicans restrain the growth slightly more than the President's proposal, and I think there is a case, a very important case, to be made that is an appropriate thing to do.

The reform differences are crucial, however. Under Congress' budget, the problem is identified. Medicaid will be saved, and the budget will be balanced. That is the difference. The problem is identified, Medicare will be saved, and the budget will be balanced under the Republican approach. I should say, the Republican—with moderate/conservative Democrats—approach to solving the problem. Reform will mean Medicare is not only secure for the future but strengthened with more choices, less waste, and less abuse.

So I felt I had to make a few comments about this issue because of some of the comments made by several of my dear colleagues.

I would like to thank the distinguished Senator from Connecticut and the distinguished Senator from Massachusetts, both of whom are close and dear friends of mine, for their kind words about my involvement in the enactment of the child care development block grant. I do, indeed, consider this landmark legislation. I was proud to have played a role in its passage, and I have to say that working with my friends, the Senators from Connecticut and Massachusetts, as well as Senator MIKULSKI from Maryland, to accomplish this legislation was certainly one of the highlights of my last term in the Senate.

I agree with the thrust of the Senator's amendment in this case. I agree that we need more money for subsidized child care. I do not think anybody can disagree with that. The figures just show we need more money, not only to enable those on welfare to get off, but also to enable those who are working but have low income to stay off welfare.

I personally believe that child care is one of the key components to the reduction of welfare rolls in virtually every State. These points are well made, they are well taken, and I do not know many Senators in the Senate who would disagree with them. I have to say that if the distinguished Senators were suggesting the mere addition of funds to the CCDBG, the child care development block grant, or to the child care carve-out that I am suggesting in title I, I think it would be a pretty tempting proposition. But I have several reservations about this approach. I am going to keep an open mind as we debate it, but I still have several reservations.

First, it is a separate program, a new separate program established completely apart from title I. I believe we need to delineate funds for child care under the welfare program, and the reason we do is because if you just block grant them to the Governors, children do not vote and it becomes too easy to use those funds for other children's programs. That is a pretty wide array of programs, some of which may or may not benefit children and may or may not benefit them very much, if at all.

So I think we do need to delineate funds, but I do not believe the two efforts should be so completely separated that they cannot be effectively coordinated. I believe this is particularly important if we want to reduce the strain on the CCDBG, the child care development block grant, to provide child care for a welfare population at the expense of services for the working poor.

Second, one of the primary purposes of this block-grant approach is to simplify things for States. We want to spend less on bureaucracy at all levels and more on services at all levels. So I see no reason for a separate State application and a different format, which is what this amendment does. It just adds more bureaucracy, more Federal control, less money, less services, even though they are adding 6 billion new dollars.

Third, while I certainly appreciate what I take to be an effort of flexibility, I think subsection (e) is a little too flexible. Here I believe it is appropriate to specify that the use of funds are exclusively for child care services, not for a whole host of other child-care-related functions performed by States and localities.

Along this line, I would like to see some indication that parents will have a full array of child care options. My amendment, which we will take up later, states that "eligible providers" are centers, family-based or church-based.

Then, finally, there is the dreaded "M" word, and that is "money." As I stated earlier, I agree that an excellent case could be made for child care funding. In fact, I will be using similar arguments about the need for child care during my presentation on my amendment to split child care funding out from title I funding. I hope I can deliver my statement with as much passion as the Senator from Connecticut and the Senator from Massachusetts have done, because I wholeheartedly believe that we must enable parents to access safe, affordable child care.

The problem that I have with a quarter-billion-dollar add-on in the first year and a ballooning of that add-on to more than $3.7 billion in the year 2000 is that unless the Appropriations Committee has been holding out on us and has a money tree somewhere that can grow an additional $6 billion between now and the year 2000, I just do not think that it is very wise or even fair to authorize this money and pretend that it is going to materialize. Sitting on the Finance Committee, I have to tell you, the Finance Committee already has to come up with almost $600 billion in savings over the next 5 years.

I think an authorization should be realistic. It creates an expectation among the States, local governments, and potential recipients of this child care assistance, and we should not be promising that which we cannot deliver, and we cannot deliver at this time an additional $6 billion on top of the moneys that we have. I wish we could. If we could, I would certainly be in favor of doing it.

For those who work on these very crucial money committees, like the Finance Committee, I have to tell you, there are a lot of programs that are going to have to pay their fair share. I wish they could all be funded to the fullest degree. It is a lot more fun to spend money than it is to conserve, but there comes a time in everybody's life when they have to conserve, where they have to live within their means, where they have to try and balance budgets, and this is that time. We cannot continue on the way we are going.

It is not enough to believe child care is the right thing to do; we have to make it happen as well. I do have these problems, among others, with my friend's amendment today. It is a matter of great concern to me, because as everybody knows, I take a very strong and vital interest in child care and have from the beginning and would like to think I played a significant role in passing the Child Care Development Block Grant Act, which I think was long overdue.

I suggest to my colleagues who agree with both the Senator from Connecticut and me that child care is an essential component of this bill that they will have an opportunity later on in this debate to support a carve-out for child care within the title I block grant.

I have offered my amendment, and I will be bringing it up during the debate. I do believe that Senators will find that the Hatch child care amendment is more workable and more viable as an alternative in the overall context of this welfare reform bill.

That is not to disparage the efforts of my friends, because like I say, if the moneys were there, if we had a reasonable chance of getting those moneys, if we really go could go out and find them somewhere, certainly I would be very much in favor of trying to do that. But I am not in favor of creating an additional program to be run by HHS. The purpose of this is to block grant the funds to the States and let the States use less bureaucracy and get the moneys to the people who really need them—they claim they can do it better, and I have no doubt about that—than if we launder it through the HHS, this humongous bureaucracy bank that eats it up as fast as we launder it through.

I should say there are some differences between our amendments, and maybe I will speak on that later. I cannot find fault with anybody who feels deeply about this, arguing for this amendment. I know my friends from Massachusetts and Connecticut feel very deeply, as do I, about the whole issue of child care. We fought together on this floor for it, and we fought a very difficult battle, which was very costly to some of us. I would do it over again. But I also think we have to look at reality, too. I just plain do not want to start another separate child care program when we have one that is working very well right now, that we fought for and gave a lot for and have seen work well once it was enacted.

Mr. President, I feel so deeply about child care issues. I feel deeply about the single heads of household—primarily women, who do not know where to turn, who really cannot work because they worry about their children. I worry about latchkey children, who do not have anybody to supervise them at home. I worry about 6- and 7-year-olds watching over babies. These are all important points.

I think we should carve out and make it clear that we are going to protect these people who do not have votes right now, because over the years, as we have been concerned about our seniors—and rightly so—the bulk of the money is going to seniors because they vote, and the people who are being left out are children because they cannot vote. That is why I think we should have a carve-out so they have to use this money for child care and for the purposes of child care. But I do not think we should be sending messages that we have $6 billion when we do not. There is no real reason why we are going to have it.

Having said that, Mr. President, I suggest the absence of a quorum—I withhold that.

Mr. KENNEDY addressed the Chair.

The PRESIDING OFFICER. The Senator from Massachusetts is recognized.

Mr. KENNEDY. Mr. President, I yield myself 5 minutes. I know there are others of our colleagues who want to speak on this issue. I want to respond very briefly to some comments that my friend and colleague from Utah made with regard to the Medicare issue.

Of course, as the Senator from Utah knows, it is not part B of Medicare that is in trouble now, it is part A. That is the part of the Medicare system that needs focus and attention. The increase in the premiums that the Speaker has talked about and that is part of the Republican program is in the part B program. That is important to understand right at the outset.

We saw earlier in the year where the Republicans in the House of Representatives took $87 billion over ten years out of the Medicare part A trust fund in order to support their tax fund program. And still they continue to advocate for $245 billion in tax relief, while they are cutting Medicare $270 billion. So while Medicare part A is the part that is in difficulty, it is part B that we are going to have the increases in. But part B is not subject to bankruptcy, from a statutory point of view. That is important to understand. Again, it is part B where we are going to see the dramatic increases. Under the Republican plan, individuals will have to pay an additional $442 in the year 2002—a premium of almost $1,200 a year. These increases will cost individuals about $1,750 more in Medicare premiums over the life of the program, which means each senior couple will pay $3,500 more.

I just say, in response to my friend and colleague, that it does very little good, at least to the seniors in my State, to say, well, we are increasing the amounts which we are expending for you in terms of Medicare, but we are not increasing them to the extent to cover your health care needs, as we have in the past. And you are going to have to pay some $3,500 more. Maybe the seniors in Utah have a different reaction than the seniors in Massachusetts. People have paid into the Medicare system; they are working families. Two-thirds of them are making less than $17,000 a year, and $3,500 is a great deal of money for any family, any middle-income family and any retirees. And to say to the seniors, well, we are raising the expenditures on Medicare, but not the amount to cover the same range of health care services to the extent of $3,500 to the seniors in my State. They say that is a cut.

Here is the final point I will make with regard to the Medicare. First of all, we find that the statement the Speaker made with regard to a $7 a month increase in the part B premium is absolutely wrong. According to the Health Care Financing Administration, the monthly premium will go up to $96 a month in the year 2002, an increase of $37 a month, not $7 a month.

So it is important that seniors understand, as this debate takes place, what the facts are. There is going to be up to $37 a month increase, not $7 a month increase, in the year 2002 alone. And individuals will pay $1,750 more over the next 7 years of the program and couples will pay $3,500 more. So the argument that we will be raising the reimbursement falls flat to the seniors of my State that will be paying that much more—$3,500 more—over the next 7 years.

Finally, it is important in health care to understand what has been going on in Medicare over the last 10 years. The fact is that Medicare, per patient, has not increased as much as in the private sector. We understand that. The increases in Medicare for treatment has not increased as much as the cost for the treatment of those that are not in Medicare. The increase in the costs, therefore, are a result of the Congress not acting to hold costs down. And to say to our senior citizens that it is just too bad that you are paying more out of your pocket because we in Congress refuse to come to grips with the escalation of health care costs, I find to be an unsatisfactory way to approach this situation.

Mr. President, I daresay we will have more of a chance to deal with and discuss the Medicare issue. I think it is obviously an overarching, overriding issue, because it involves the social compact which is a part of Social Security. Social Security and Medicare are part of one single contract. We heard a great deal around here about how we are not going to cut Social Security, but somehow that promise did not, for some reason, extend to Medicare. And now we have seen at the beginning of that debate, which will continue over the period of these next few weeks, serious misrepresentations in terms of the costs for our seniors. That is a disservice to the debate and discussion which needs to take place.

So, Mr. President, finally, let me just say this regarding the Senator's comments on the child care proposal. As the Senator from Connecticut and I have stated during the course of this debate, the provisions in the child care and the discretionary program would not be law today if the Senator from Utah had not supported those provisions.

That was at a time when we had real renewed attention and focus on the issues of children. It was at a time we were debating the Family and Medical Leave Program on which my friend and colleague, the Senator from Connecticut, Senator DODD, was a leader up here, as well as on the child care program where, again, he, Senator HATCH, Senator KASSEBAUM, and others were the real leaders.

When he speaks and expresses his commitment and concern, all who have been a part of this whole process respect that.

The only point I make is that we are, in characterizing this amendment, as the Senator provides $1 billion for earmarking for the child care program in a way that it will work its way through the block grants to the States and through the State organization, we have accepted that same approach in terms of the Dodd-Kennedy increase in funding.

We are following identically the same kind of process. The difference is we will meet the responsibilities to the increased demand for child care, we think. We all respect the approach of the Senator from Utah that falls far short.

Mr. President, I see my friend here from Minnesota. I expect the Senator wants some time.

How much time remains?

The PRESIDING OFFICER. The Senator has 21 minutes and 22 seconds.

Mr. KENNEDY. I yield 6 minutes to the Senator from Minnesota.

Mr. WELLSTONE. I thank the Chair. I say to my colleague from Massachusetts that I will not use any of this time to talk about health care, but I do want to associate myself with his remarks. I think we really will have a nationally and historically significant debate about Medicare and health care policy soon which will be extremely important for this Nation.

I hope people throughout the country are very engaged in this debate.

Mr. President, I ask unanimous consent that I be included as an original cosponsor of the Kennedy-Dodd bill.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. WELLSTONE. Mr. President, this amendment would provide a direct spending grant to States of $11 billion over the next 5 years, which is precisely the amount that HHS estimates the child care would cost under the Dole bill.

I say to my colleague from Utah and I say to the rest of my colleagues, as well, that you cannot have real health care reform, as opposed to what I describe as reverse reform, which is what we have right now with the Dole bill, unless you have a commitment to family child care. This amendment really invests the necessary resources.

Mr. President, there have been any number of different studies in Minnesota, and I cite one study by the Greater Minneapolis Day Care Association in 1995. I am not even going to go through all the statistics because sometimes I think our discussion on the floor of the Senate becomes too cut and dried when we just focus on statistics.

The long and the short of the study is that there are many families, single-parent and two-parent families, that really are doing everything they can to get on their own two feet and be able to work. The problem is affordable child care.

In cases of a single-parent family—and when we talk about welfare families, we are talking in the main about a family with a woman as a single parent. I wish men would accept more responsibility. I know the Chair agrees with me 100 percent on that. In the case of a single-parent family welfare mom, quite often the pattern over a period of time is that a mother will move from welfare to workfare. But then what happens is the cost of child care is so prohibitively high or it is just so difficult to find the child care in the first place, or the child becomes sick for a week and the mother loses her job, you name it, that she has to then go back to welfare.

I am all for the welfare reform. Guess what? It is not just Senators that are for the welfare reform. The citizens that are most for real reform as opposed to something which is punitive and degrading are the welfare mothers themselves, the ones who all too many Senators have been bashing for the last week and a half.

Mr. President, this amendment is extremely important. If we want to have the reform, we have to invest the resources into affordable child care.

Mr. President, I noticed there is a provision now in the Dole bill which I think is interesting and I think it is relatively important, which essentially says, as I understand it, that if, in fact, the State does not allocate the money or does not have the resources for the affordable child care for the mother, then the mother would not be sanctioned by not taking a job and going into the work force.

That makes a lot of sense because these mothers, like all parents, are worried about their children.

By the way, Mr. President, if we have silly cutoffs like 1 year, it does not make any sense. I am a father of three children, a grandfather of two, going to be a grandfather of three in the next month or so, and I can tell you that a child at 1 year and 1 week is not exactly ready to clean the kitchen, do the housework, stay at home alone, et cetera.

The question is, What happens to these small children? The last thing in the world we want to do is punish children.

This commitment of some resources to child care goes some way toward making this real welfare reform as opposed to reformatory; that is to say, something which is punitive and puts children in jeopardy.

The second point I want to make, Mr. President, with this provision that is now in the Dole bill, is that as I see it, if this provision is taken seriously, what will happen is a lot of this is just going to be at a standstill because as a matter of fact without the commitment of resources for child care, and we did not have that commitment of resources in the Dole bill—this amendment attempts to invest those resources—a lot of mothers will be in a position back in our States of saying with the long waiting lists already for affordable child care, without the resources to be able to afford it, these are low-income women, they will be able to say we cannot go to work because we do not know what will happen to our children, there is no affordable child care for our children, in which case according to the provision in the bill they would not have to go into the work force.

There is some good news to that, because I do not think we should coerce a mother into going into the work force. Taking care of children at home is very important work, whether it is a mother or a father. Without the child care, she cannot do it.

On the other hand, then, the whole promise of this reform of enabling welfare mothers, sometimes welfare fathers, to be able to work becomes a promise that is never fulfilled. This amendment goes a long way toward enabling us to fulfill that promise.

The PRESIDING OFFICER. All time has expired.

Mr. KENNEDY. I yield 1 minute.

Mr. WELLSTONE. Mr. President, in a minute, I cannot even do justice to the point I will try to make.

What has cropped up in this debate I think is a very interesting argument, which is all too often some of my colleagues will say, well, look, if you have a family with an income of $35,000, maybe two parents, they are paying for child care, why should we talk about investment of resources for affordable child care for welfare mothers?

I do not know why we are paying off middle-income and moderate-income citizens versus low-income women. We should focus on what is good for the children.

The fact of the matter is our country has not made a commitment to affordable child care. It is a shame. This is a perfect example of where we could allocate some of the resources at the Federal level and decentralize it and let all the good things happen at the community level, at the neighborhood level —be it for low income, moderate income, middle income—with some sort of sliding fee scale.

That is really the direction we ought to go, not in the direction of not investing resources in child care and therefore putting mothers in a difficult position, and most important of all, punishing children.

This is a very important amendment which really kind of is a litmus test as to whether we are serious about reform as opposed to reformatory.

I yield the floor.

The PRESIDING OFFICER. Who yields time?

The Senator from Connecticut.

Mr. DODD. Mr. President, if I might, let me inquire how much time remains?

The PRESIDING OFFICER. The Senator from Connecticut has 14 minutes and 18 seconds.

Mr. DODD. On the side of the Senator from Connecticut.

The PRESIDING OFFICER. The Senator from Utah has 67 minutes and 22 seconds.

Mr. DODD. I would just inquire of my colleague from Utah if I might take 5 of his minutes? I am fearful he may not be on the floor, someone else may come over, and we will have run out of all of our time.

Mr. HATCH. I will be glad to yield 5 minutes to the Senator from Connecticut.

Should I say a few words first? Or I will be happy to wait.

Mr. DODD. No, go ahead.

The PRESIDING OFFICER. The Senator from Utah.

THE CAPITAL GAINS DEBATE

Mr. HATCH. Mr. President, it is not quite on this subject, but since my friend from Massachusetts raised the issue I thought I would just spend a few minutes on it because it is something that is near and dear to my heart and I think near and dear to, really, those of a pretty good majority of this body.

One of the worst perceptions about the capital gains debate is that only the rich are going to benefit from a capital gains rate reduction. My friend from Massachusetts implied that and implied that those of us who are for a capital gains rate reduction are basically taking care of our good old rich friends. I do not have many rich friends. I have to say that I was born in poverty, came up the hard way. I am one of the few in this body who learned a trade, went through a formal apprenticeship program, became a journeyman and worked in the building construction trade unions for 10 years, putting myself through high school. I had to work to get through high school, college and law school. So I do not think it is a matter of rich friends at all.

The fact of the matter is, nothing could be further from the truth with regard to capital gains. In fact, Americans at all economic levels will benefit from increased growth. President John F. Kennedy once said, basically while he was enacting a capital gains rate reduction which proved to be very efficacious for our country, "a rising tide of investment lifts all boats." President Kennedy supported a capital gains cut because thousands of middle-class Americans would benefit from it.

In 1992, 56 percent of Federal income tax returns claiming capital gains—56 percent of those returns claiming capital gains—were from taxpayers with incomes of $50,000 or less, and 83 percent came from taxpayers with incomes of less than $100,000. Almost all of them came from people who earned less than $100,000. But, again, keep in mind, 56 percent came from those who earned less than $50,000. Only the rich?

The preferential capital gains tax benefits every American who believes in the American dream, who is willing to take a risk for a long-term reward. Millions of American families that own farms or small businesses will benefit from the capital gains tax. Yes, in 1 year of their productive lives, a husband and wife may have a high income, in the year they sell their family farm or small business. But that is one reason these statistics can be so misleading. The capital gains differential is just as much about Main Street as it is Wall Street. This amendment rewards risk taking and sacrifice, and that is the right thing to do.

The opponents of the capital gains tax rate cut argue that it benefits mostly the wealthiest income groups. This assertion is based on deceptive statistics. The income figures used in these statistics include the taxpayer's entire income, which includes the capital gain. This makes the capital gains tax cut appear to be a tax cut for the rich.

A far more accurate picture results when only recurring or ordinary income is considered. Let me give an example. An elderly couple living in Cache County, UT, has been farming on land they owned for 40 years. The land was purchased for $50,000 in 1950. They decided to retire to St. George, UT, and thus, they sell their farm for $250,000 after farming it for 40 years, having paid $50,000 for it.

This couple has never reported more than $35,000 of gross income on their tax returns in their life, never more than $35,000 in any given year. But in the year of the sale of their farm, they report more than $200,000 of gross income. Are these people among the very wealthiest income earners of our Nation? Of course not.

The Department of the Treasury statistics show that this example is not just the exception, it is the rule. If capital gains are excluded from income, only about 5 percent of tax returns containing long-term capital gains have incomes of over $200,000. Only 5 percent.

A Treasury study covering 1985 shows that taxpayers with wage and salary income of less than $50,000 realized nearly one-half of all capital gains in 1985. In addition, three-quarters of all returns with capital gains were reported by taxpayers with wage and salary income of less than $50,000 in that year. So let us not kid anybody. Of course, those who are wealthy will benefit, but they generally put their moneys back into investments or into businesses, into creation of jobs and economic opportunity for others. So we should not begrudge the fact that they benefit as well.

But a huge, huge number of middle-class people benefit from capital gains rate reductions not just because they themselves have capital gains to pay taxes on, but because they benefit from the stimulation of the economy that occurs when money is rolled over and utilized in creating new jobs and new job opportunities.

A Joint Tax Committee analysis of the years 1979 to 1983 found that 44 percent of taxpayers reporting gains realized a gain in only 1 out of 5 years. This is the occasional investor, the home or business owner, who is realizing these gains. When we move beyond the class warfare rhetoric, we find that capital gains tax cuts help working Americans.

High capital gains taxes especially hurt elderly taxpayers. Capital gains for seniors average four to five times the size for capital gains for younger taxpayers. In fact, in any year more than 40 percent of taxpayers over the age of 60 pay capital gains taxes.

So, the fact of the matter is, it is deceptive to argue that capital gains benefit only the wealthy. They benefit everybody.

I believe if we cut capital gains, we will unleash some of the $8 trillion in this economy that is locked up in capital assets that people will not sell because they do not want to pay 28 to 39 percent in a capital gains tax. Once we unleash that—if we could just unleash 10 percent of that money, can you imagine what a stimulation and stimulus that would be to our economy?

Taxpayers are very sensitive to capital gains reductions. This is especially true for the most affluent Americans. As a result, Americans will realize many gains as soon as the rate changes. This will raise tax revenue, probably by an amount far above joint tax estimates.

Joint tax estimates are among the most conservative estimates you can have. I will not go into the details on this, but we can say in the last 30 years, every time capital gains rates have gone up, revenues to the Federal Government have gone down from selling capital assets. Every time capital gains rates have been dropped, or lowered, revenues to the Government have gone up. It just makes sense, especially when you realize there is $8 trillion locked up in capital assets that they will not sell, they will not trade, they will not move because of the high rate of taxation that we have today.

Let us lower that capital gains rate and benefit all Americans, but especially—especially—the middle class and those earning under $50,000 a year who will benefit greatly from it, and get some sense into this system so we push the better aspects of our system. Let us get rid of some of this demeaning rhetoric that literally cuts into the—really cuts against what are the real facts with regard to capital gains and capital gains rate reductions.

I am very strongly for a capital gains rate reduction because I think it will benefit virtually everybody in our society, the poor as well, because there will be more jobs and more economic opportunity than before the rates are cut.

Mr. President, I yield the floor.

THE FAMILY SELF-SUFFICIENCY ACT

The Senate continued with the consideration of the bill.

Mr. KENNEDY. Mr. President, will the Senator be good enough to yield 5 minutes?

Mr. HATCH. I will be happy to yield 5 minutes.

The PRESIDING OFFICER. The Senator from Massachusetts is recognized.

Mr. KENNEDY. I thank the Senator.

Mr. President, I just want to put in the RECORD some of the comments from some of the leading church and legislative and active groups that have been focusing on the welfare debate. I will include all of the statements in the RECORD. But I would like to refer at this time to individual sentences and comments that summarize their position.

One was from the National Council of the Churches of Christ in the USA. It said:

> The religious community is a major provider of center-based child care. Throughout the nation, millions of children are cared for every day in church-housed child care. Our churches have long waiting lists of parents seeking quality care for their children. We are not able to accommodate the demand because the resources to expand the supply are so scarce. We know this problem first hand, because the desperate parents are in our congregations, as are the overworked providers of child care services. Their facilities are in our buildings, and our congregations are enriched by the lively presence of their children.
>
> We believe that it is not responsible public policy to require parents to work without providing adequately for their children's safety and nurture while the parents are at their jobs. If the government is going to insist that mothers of young children leave them to go into the workplace, then the government must make it possible for the parents to do so in the confidence that their children are in a safe, wholesome environment. To do otherwise puts our children at risk and almost guarantees that parents, preoccupied with concern for the well-being of their youngsters, will not perform to the best of their ability.

That is an excellent statement of the National Council of the Churches of Christ.

The National Conference of State Legislatures:

> NCSL has been concerned about the lack of coordination of existing child care funding streams. We are interested in working with you to consolidate these funds. Child care is an essential component to support welfare recipients moving from welfare to work and is critical for low-income working families. Our experience suggests that a renewed commitment to work by welfare recipients will require additional child care funds above current levels.

That is the National Conference of State Legislatures; that is, Republicans and Democrats.

The American Public Welfare Association:

> Current proposals in the Senate do not create a separate state block grant for all child care programs. APWA supports a separate child care block grant, in the form of an entitlement to states, not as a discretionary spending program subject to annual funding reductions. States will not be able to move clients from welfare to work without adequate and flexible funding to provide essential child care services.

Catholic Charities:

> We are very concerned that the new work requirements and time limits for AFDC participation will leave children without adequate adult supervision while their parents are working or looking for work. The key to successful work programs is safe, affordable, quality day care for the children. The bill before the Senate does not guarantee or increase funding for day care to meet the increased need associated with the work requirements and time limits. Please, support amendments by Senators Hatch and Kennedy to guarantee adequate funding to keep children safe while their mothers try to earn enough to support them.

The Governor of Ohio:

> I would like to see the child care and family nutrition block grants converted into capped state entitlements. In the House bill, funding for these block grants is discretionary. Key child care programs currently are individual entitlements. The need for child care only will grow as welfare recipients move into the workforce.

The National Parent Teacher Association:

> The potential for success of welfare reform depends on former recipients becoming employed an being able to meet basic needs for shelter, food, health care and child care. Subsidized child care for low income working parents is crucial.

Every single organization that has responsibility and which has studied this is and which are out on the front lines on the issue of welfare reform has understood the importance of providing child care, and the Dodd-Kennedy amendment provides it.

Mr. President, I ask unanimous consent that these documents be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

NATIONAL COUNCIL OF THE CHURCHES OF CHRIST IN THE USA—STATEMENT ON THE IMPORTANCE OF CHILD CARE IN WELFARE REFORM

(By Mary Anderson Cooper, Associate Director, Washington Office, August 9, 1995)

As the Senate works to overhaul the nation's welfare system, we urge Senators to make the well-being of those who are impacted by that system their primary concern. As people of faith and religious commitment, we are called to stand with and seek justice for people who are poor. This is central to our religious traditions, sacred texts, and teachings. We are convinced, therefore, that welfare reform must not focus on eliminating programs but on eliminating poverty and the damage it inflicts on children (who are ⅔ of all welfare recipients), on their parents, and on the rest of society.

Further, we support the goal of helping families to leave welfare through employment, because we believe that those who are able to work have a right and a responsibility to do so. However, we also recognize that just finding a job will not necessarily mean either that a family should leave welfare or that its poverty will end. Since full-time jobs at minimum wage yield a family income that is below the poverty line, and since such jobs often do not provide health care benefits, employed people trying to leave welfare may still need some government subsidy in order to become self-supporting.

Key among the kinds of help such people need is child care. The Children's Defense Fund tells us that one in four mothers in their twenties who were out of the labor force in 1986 said they were not working because of child care problems (high cost, lack of availability, poor quality or location, lack of transportation, etc.). Among poor women, 34% said they were not working because of child care problems.

The Government Accounting Office tells us that increasing the supply of child care would raise the work participation rates of poor women from 29 to 44 percent. For near-poor women, the rates would rise from 43 to 57 percent. Thus, increasing the supply of safe, quality, affordable child care would help some women escape poverty while helping others avoid falling into it in the first place.

The religious community is a major provider of center-based child care. Throughout the nation, millions of children are cared for every day in church-housed child care. Our churches have long waiting lists of parents seeking quality care for their children. We are not able to accommodate the demand because the resources to expand the supply are so scarce. We know this problem first hand, because the desperate parents are in our congregations, as are the overworked providers of child care services. Their facilities are in our buildings, and our congregations are enriched by the lively presence of their children.

We believe that it is not responsible public policy to require parents to work without providing adequately for their children's safety and nurture while the parents are at their jobs. If the government is going to insist that mothers of young children leave them to go into the workplace, then the government must make it possible for the parents to do so in the confidence that their children are in a safe, wholesome environment. To do otherwise puts our children at risk and almost guarantees that parents, preoccupied with concern for the well-being of their youngsters, will not perform to the best of their ability.

The issue of child care has been nearly absent from the congressional debate on welfare reform. Consequently, we are particularly grateful to Senator Daschle for making child care a key feature of his legislation. We commend him for raising the visibility of this issue and look forward to working with him to assure that adequate provisions for child care are included in any welfare bill that is approved by the Congress.

NATIONAL CONFERENCE OF
STATE LEGISLATURES,
Washington, DC, May 16, 1995.
Hon. BOB PACKWOOD,
U.S. Senate, Russell Office Building, Washington, DC.

DEAR SENATOR PACKWOOD: We are writing to thank you for your public commitment to state flexibility as a principle in your welfare reform legislation. The National Conference of State Legislatures (NCSL) is especially pleased by your recognition of the critical role of state legislators in welfare reform and other programs that serve children and families. We appreciate your confidence in our ability to design programs that best serve the needs in our states and urge you to consider our views as you finalize your welfare reform legislation.

We are encouraged by your endorsement of providing more discretion to state decisionmakers and rejecting provisions that micromanage and limit state authority to determine eligibility. However, state legislators are concerned about several provisions under consideration that have the potential to limit state authority, shift major costs to the states and violate NCSL's policy on block grants. The balance of this letter specifies our concerns in six major areas. In summary, we urge you to reconsider the consolidation of open-ended entitlements for child protection services, work requirements in the cash assistance block grant, denial of benefits to legal immigrants, the absence of real protection for states to respond to economic change, the consolidation of child care funding, and timing to successfully implement revised programs.

I understand that you are still considering a block grant for child protection funds. State legislators believe that foster care maintenance and adoption assistance payments and administrative funding under Title IV-E must be maintained as an open-ended entitlement. Children in danger cannot be told that the government ran out of money to protect them. We must respond to those who turn to us as a last resort. The demand for these services has not been predicted well at the federal level. No one predicted the damage that HIV infection, crack cocaine and homelessness would do to children's security within their families. No one anticipated the resulting increase in state and federal costs. Courts will decide to remove children from unsafe homes and states must respond to these decisions. We urge you to reject the child protection block grant.

We are disappointed with the prescriptive work and participation requirements in H.R. 4. State legislators are interested in creating our own programs, not running a uniform program with federally-determined program details and fewer funds. We oppose federal micromanagement in the definition or type or work, the role of training, minimum number of hours a recipient must work, and participation rates. These are precisely the decisions each state should make based on local needs. We do support measurement of outcomes and performance data to ensure that program goals are being met.

NCSL strongly opposes the denial of benefits to legal immigrants. The federal government has sole jurisdiction over immigration policy and must bear the responsibility to serve the immigrants it allows to enter states and localities. The denial of benefits will shift the costs to state budgets. Eliminating benefits to noncitizens or deeming for unreasonably long periods will not eliminate the need, and state and local budgets and taxpayers will bear the burden. Denial of services to legal immigrants by states appears to violate both state and federal constitutional provisions. We continue to support making affidavits of support legally binding.

NCSL supports the development of a contingency fund to assist states to respond to changes in population and the economy rather than a loan fund. The absence of adequate protections for states with population growth, economic changes and disasters is a barrier to state support of a cash assistance block grant. We believe that a loan fund is not sufficient assurance of federal assistance. The federal government must participate as a partner in a fund that has a mechanism for budget adjustment so that states are not overly burdened by increased demand for services.

NCSL has been concerned about the lack of coordination of existing child care funding streams. We are interested in working with you to consolidate these funds. Child care is an essential component to support welfare recipients moving from welfare to work and is critical for low-income working families. Our experience suggests that a renewed commitment to work by welfare recipients will require additional child care funds above current levels. A consolidated child care fund should stand alone.

Finally, state legislators will need adequate transition time to successfully implement revised income security and related programs. States will have to modify their laws to comport with new federal legislation, restructure their administrative bureaucracies and revise their FY96 and FY97 budgets that have been enacted on the basis of current law and federal spending guarantees. We urge inclusion of a provision giving states no less than one year of transition time and consideration for additional time for states that meet biennially.

We look forward to working with you throughout this process. Please contact Sheri Steisel or Michael Bird in NCSL's Washington Office to further discuss our views.

Sincerely,

JANE L. CAMPBELL,
President, NCSL, Assistant House Minority Leader, Ohio.
JAMES J. LACK,
President-elect, NCSL, Senator, New York.

AMERICAN PUBLIC WELFARE ASSOCIATION

(By Gerald H. Miller, President, and A. Sidney Johnson III, Executive Director)

SERIOUS SHORTFALL IN CHILD CARE FUNDING

By increasing the number of participants required to work and maintaining child care funds at the FY 94 level, current welfare reform proposals in the Senate would significantly hinder states' efforts to move welfare recipients into the workforce. There is clear congressional intent to require states to meet higher participation rates, which cannot be met if child care is unavailable. CBO estimates, presented in testimony before the Senate Finance Committee, indicate that the child care needed to meet proposed participation rates, will cost approximately 5 times the current proposed allocation. Based on those estimates, states will face a serious child care funding crisis.

Current proposals in the Senate do not create a separate state block grant for all child care programs. APWA supports a separate child care block grant, in the form of an entitlement to states, not as a discretionary spending program subject to annual funding reductions. States will not be able to move clients from welfare to work without adequate and flexible funding to provide essential child care services.

ANALYSIS

The amount of money allocated for child care is not adequate given the work participation requirements in the bill. Welfare reform legislation, in outlining work provisions and requirements, should recognize and address both programatically and financially the distinct role of child care in clients' ability to obtain and retain employment. Child care is an essential component for successfully moving people to self-sufficiency. Moreover, no work program can succeed without a commitment to making quality child care available for recipients.

CATHOLIC CHARITIES, USA,
August 4, 1995.

DEAR SENATOR: As the Senate takes up welfare reform, we urge you to adopt provisions to strengthen families, protect children, and preserve the nation's commitment to fighting child poverty.

Across this country, 1,400 local agencies and institutions in the Catholic Charities network serve more than 10 million people annually. Last year alone, Catholic Charities USA helped more than 138,000 women, teenagers, and their families with crisis pregnancies. Because Catholic agencies run the full spectrum of services, from soup kitchens and shelters to transitional and permanent housing, they see families in all stages of problems as well as those who have escaped poverty and dependency.

This broad experience, along with our religious tradition which defends human life and human dignity, compels us to share our strong convictions about welfare reform.

The first principle in welfare reform must be, "Do no harm." Along with the U.S. Catholic Conference, the National Right-to-Life Committee, and other pro-life organizations, we have vigorously opposed child-exclusion provisions such as the "family cap" and denial of cash assistance for children born to teenage mothers or for whom paternity has not yet been legally established.

We are also convinced that the idea of rewarding states for reducing out-of-wedlock pregnancies is well-intentioned but dangerously light of the fact that the only state experiment in this regard, the New Jersey family cap, already has increased abortions without any significant reduction in births. The "illegitimacy ratio" may well encourage states to engage in similar experiments that would result in more abortions and more suffering.

We also support Senator Kent Conrad's amendment, which not only would require teen mothers to live under adult supervision and continue their education, but also would provide resources for "second-chance homes" to make that requirement a reality.

The second principle should be to protect children. We are very concerned that the new work requirements and time limits for AFDC participation will leave children without adequate adult supervision while their parents are working or looking for work. The key to successful work programs is safe, affordable, quality day care for the children. The bill before the Senate does not guarantee or increase funding for day care to meet the increased need associated with the work requirements and time limits. Please, support amendments by Senators Hatch and Kennedy to guarantee adequate funding to keep children safe while their mothers try to earn enough to support them.

The third principle should be to maintain the national safety net for children. We oppose block granting Food Stamps, even as a state option, because the Food Stamp program is the only national program available to feed poor children of all ages with working parents as well as those on welfare. On the whole, the Food Stamp program works well, ensuring that children in even the poorest families do not suffer from malnutrition.

We are encouraged by the fact that Senator Dole's bill does not seek to cut or erode federal support for child protection in the child welfare system. Proposals to block grant these essential protections are ill-advised and dangerous to children who are already abused, neglected, abandoned, and totally at the mercy of state child welfare systems. Federal rules and guarantees are essential to the safety of children.

The fourth principle should be fairness to all citizens. Certain proposals before the Senate would create a new category of "second-class citizenship," making immigrants ineligible for most federal programs, even after they become naturalized Americans. We urge you to reject this and other proposals that would leave legal immigrants without the possibility of assistance when they are in genuine need.

The fifth principle should be to maintain the national commitment to fighting child poverty. In exchange for federal dollars and broad flexibility, states should be expected to maintain at least their current level of support for poor children and their families. We understand that Senator Breaux will offer such an amendment on the Senate floor. Please give it your support.

In our Catholic teaching, all children, but especially poor and unborn children, have a special claim to the protection of society and government. Please vote for proposals that keep the federal government on their side.

Sincerely,

FRED KAMMER, SJ,
President.

STATE OF OHIO,
OFFICE OF THE GOVERNOR,
March 27, 1995.

Hon. BOB DOLE,
Majority Leader,
U.S. Senate, Washington, DC.

DEAR SENATOR DOLE: As you know, the House of Representatives has completed its consideration of welfare reform legislation. While I strongly support the decision made by the House to convert welfare programs into block grants, I am concerned that the House bill fails to provide states with the flexibility needed to set our own priorities and conduct innovative experiments to promote responsibility and self-sufficiency. Many of my fellow Republican Governors share a number of my concerns.

I was disappointed with the allocation formula established through the Temporary Family Assistance Block Grant. It is the position of the National Governors' Association that any formula should allow states to use either a three-year average or 1994 spending levels in determining base year allocations. While the House formula includes this choice, it then applies a 2.4-percent reduction factor to each state's allocation. The reduction factor leaves Ohio with a base year allocation of $700 million annually, which is lower than what we would have received using either formula without a reduction factor. Speaker Gingrich assured states he would support eliminating the reduction factor. We would like to work with you in the Senate to make this correction.

Although allowing each state to receive its most favorable allocation without a reduction factor requires funding for the block grant to be increased by approximately $200 million nationally, it is important to remember that states are making a significant financial sacrifice in supporting capped block grants. If states are disadvantaged in determining base year allocations, it becomes even more difficult to make the increased investments in work programs necessary to move individuals off welfare.

The House bill also does not include sufficient protections for states in the event of an economic downturn. If Congress replaces open-ended individual entitlements with capped state entitlements, states are placed in an extremely vulnerable position should the welfare-eligible population increase significantly. The state and federal governments should be partners in meeting the needs of expanded caseloads in recessions. The House bill contains a $1 billion rainy day fund designed to provide the states with short-term loans, repayable with interest in three years. A loan fund does not represent a partnership; instead it is a cost shift.

Ohio would be particularly disadvantaged in a recession due to aggressive steps already taken to reduce welfare caseloads. Today, 85,000 fewer Ohioans receive welfare than in 1992. States that have not been aggressive in reducing their welfare rolls will be better able to accommodate increased caseloads. Ohio's streamlined base makes it very difficult for us to absorb increased recessionary demands.

As part of our efforts to reduce welfare caseloads, Ohio has developed the strongest JOBS program in the nation. Ohio leads the nation with 33,911 recipients participating in JOBS. Only California comes close to matching Ohio's performance with 32,755 recipients enrolled in JOBS, and California has three times as many ADC recipients as Ohio. Our success with the JOBS program reflects a strong investment in training and education programs. Regardless of the extent of our investment, however, no work program can succeed without a commitment to making quality child care available for recipients. In Ohio, the state provides non-guaranteed day care to families with incomes up to 133 percent of the federal poverty level. The program currently has an average daily enrollment of 17,800. The State of Ohio is doing its part to provide child care to those in need. The federal government also must meet its responsibility.

I would like to see the child care and family nutrition block grants converted into capped state entitlements. In the House bill, funding for these block grants is discretionary. Key child care programs currently are individual entitlements. The need for child care only will grow as welfare recipients move into the workforce. My comfort level with the House package would increase significantly if states were guaranteed to receive a specified level of funding for child care and for child nutrition services for the next five years. That guarantee can only come through a capped state entitlement.

Excessive prescriptiveness is a problem throughout the House legislation. The bill's work requirements are a perfect example. The federal government mandates how many hours per week a federally defined percentage of cash assistance recipients must participate in federally prescribed work activities. In a true block grant, states would be free to choose how best to allocate resources to meet goals developed jointly by the federal and state governments. The record-keeping requirements in the House bill also are extraordinarily prescriptive. States remain concerned that our computer systems lack the capability to provide the information required by the House.

A true block grant should also give states the ability to determine their own program eligibility standards. The House legislation includes a number of specific eligibility restrictions. For example, cash benefits will be denied to unwed minor mothers and their children. Additional children born to mothers on welfare will be denied benefits. Decisions like these should be left to the states. By federally mandating these restrictions, the House is interfering with successful state reforms. For example, in Ohio we have developed a program designed to encourage minor mothers to remain in school. The LEAP (Learning, Earning, and Parenting) program supplements or reduces a teen mother's ADC cash grant based on her school attendance to teach her that there is a real value to completing her education. LEAP has led to a significant decrease in the drop-out rate for this vulnerable population. If the House prohibition on cash benefits remains in place, the LEAP program will have to be discontinued.

As the Senate begins to consider welfare legislation, I would be grateful for your assistance in addressing my concerns. Like many other Governors, I strongly support the broad outline of the House proposal, but it is important that these issues be resolved successfully. As a Governor, it will be up to me to implement welfare reforms in my State. I would like to work with you to ensure that block grants give the states the flexibility we need to implement innovative reforms designed to meet the specific needs of our communities. Without this flexibility, I cannot support this welfare reform package.

While Ohio watches federal welfare reform developments with tremendous interest, we have been actively pursuing a statewide reform agenda. I have enclosed a summary of Ohio's history of welfare reform innovation for your information.

Thank you for your personal consideration of my concerns.

Sincerely,
GEORGE V. VOINOVICH,
Governor.

NATIONAL PARENT TEACHER ASSOCIATION, NATIONAL ASSOCIATION OF ELEMENTARY SCHOOL PRINCIPALS, NATIONAL ASSOCIATION OF STATE BOARDS OF EDUCATION, NATIONAL ASSOCIATION OF STATE DIRECTORS OF SPECIAL EDUCATION, NATIONAL EDUCATION ASSOCIATION, AND THE COUNCIL OF CHIEF STATE SCHOOL OFFICERS,
March 20, 1995.

DEAR REPRESENTATIVE: The undersigned organizations, representing parents, educators, principals, and state policymakers, support improvements to the welfare system. We believe such reforms must address the fundamental quality child care needs of working as well as unemployed parents.

We have several concerns about the impact of H.R. 999 on the issues of access to and the quality of child care in this country:

The plan reduces funding even though programs already have long waiting lists of eligible families.

Welfare reform will increase the need for child care by requiring participation in training, education, or employment by mothers who currently take care of their children.

The potential for success of welfare reform depends on former recipients becoming employed and being able to meet basic needs for shelter, food, health care and child care. Subsidized child care for low income working parents is crucial.

Recent data show that quality in centers and daycare homes is low, especially for infants. Cutting funding for quality and eliminating standards would threaten to erode the quality of care even further.

We know that the quality of child care for all children has a significant impact on the ability of children to learn in the first few years of school. When children experience success in responsive, high quality programs, they learn essential skills and knowledge, and their parents learn to be confident partners with teachers and schools.

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Mr. KENNEDY. Finally, Mr. President, I would just mention what we are really talking about in terms of child care. We have talked about figures. We talked about statistics. We talked about flow lines. We talked about entitlements. What we are talking about is really the issue of children being home alone. This is not a joke or a big screen comedy. It is a real life tragedy for American families pressed to the wall. Just listen to the horror stories from families that have been put in this awful position—and paying an unbelievable price.

Think about 6-year-old Jermaine James of Fairfax County and his 6-year-old friend Amanda, who were being cared for by his 8-year-old sister Tina. When a fire broke out in their apartment, Tina ran for help, inadvertently locking the younger children in the burning apartment. They died before the fire department could get to them. Sandra James and her husband needed two jobs to support their family and still could not afford child care. They tried to stagger their schedules but did not always succeed.

Think about 7-month-old Craig Pinner of San Francisco who drowned in the bathtub while his 9-year-old brother was trying to bathe him. His mother was working part time and participating in job training. She usually left the children with her family, but her car had broken down and she was no longer able to get them there. She was trying to find affordable child care but was unsuccessful.

Think about 4-year-old Anthony and 5-year-old Maurice Grant of Dade County. While home alone, they climbed into the clothes dryer to look at a magazine in a hiding place, pulled the door closed, and tumbled and burned to death. Their mother was waiting for child care assistance and generally left the children with neighbors. But sometimes these arrangements fell through and she had to leave them home alone for just a few hours.

This did not happen in Hollywood—but in Virginia and Florida and California and elsewhere. We must do everything in our power to avoid putting families in this kind of a situation in the name of reform.

Mr. President, I will include in the RECORD, if my friend and colleague, Senator DODD, has not, the waiting lines that exist in the States at the present time.

The States face large unmet needs for child assistance, waiting lists, clothes, and the list goes on all the way—Alabama, 19,000 children; Alaska, 752 children; Arizona, 2,600 children; California, 250,000 children; Delaware, over 1,000 children; Florida, 19,000; Georgia, 21,000; Hawaii, 900 children are on the waiting list; Idaho, 1,000 children waiting; Illinois, 20,000 children waiting; Indiana, 7,900 on the waiting lists; Kansas, 1,270 on the waiting list, Kentucky, 10,000 on the waiting list; Louisiana, 4,600; Maine 3,000; Maryland, 4,000; Massachusetts 4,000 statewide waiting for child care for working poor families; Michigan, 12,000 last year; Minnesota, 7,000; Missouri, 6,500; Montana, 200 children; Nevada, 7,000; and the list goes on; New Jersey, 24,000; New Mexico, 6,300; New York, 23,000; North Carolina, 13,000; Pennsylvania, 7,700; Rhode Island, 972. The list goes on and on with Wisconsin, 6,800; West Virginia, 13,000.

Mr. President, the fact of the matter is that under this particular bill, the Dole bill, without the Dodd amendment, we will be requiring the States to have over 1 million new slots. They are not doing it today. They do not have the resources today. They do not have the money under the Dole program today to do it. The Dodd amendment will provide them with the resources to be able to meet that obligation, that obligation that is there in the States today and that will be created by this bill. That is what this amendment is all about and why it should be supported.

Mr. DODD addressed the Chair.

The PRESIDING OFFICER. The Senator from Connecticut.

Mr. DODD. Mr. President, let me pick up on the last point that the Senator from Massachusetts raised. He may have made it before I walked onto the floor. He pointed out the waiting lists that exist in the States for child care slots today, before we pass a welfare reform bill. There is just tremendous demand today. What we are talking about—this bill, of course—is taking anywhere from 1 to 2 million people and moving them over the next 5 years from welfare to work.

If we do not provide additional resources, then there will be increased pressure on existing dollars that go to those who are getting the child care today. It is worthwhile to point out that the people who get child care today under the child care development block grant, that Senator HATCH and I passed in 1990, are working poor. Those are people at work right now. That child care assistance makes it possible for them to stay in the work force and not slip into a public assistance category.

The fear that many of us have here, is that without some additional resources, as we move people who are on welfare today to work, the people out working today and staying at work, getting some of that assistance, those resources are going to have to be shifted in the State in order to accommodate the demands of this bill or face the penalties the bill imposes on the States if the States do not move the 25 to 50 percent of the welfare recipients on their rolls to work.

So you are going to have the almost bizarre effect of taking people who are doing what we are encouraging people to do, and that is stay at work, who are marginally making enough to stay off the welfare rolls and pushing those people back on the rolls as we accommodate the demands of the legislation to take people on the welfare rolls to work.

So it seems we ought not to be jeopardizing the small amount of funds we have today out there assisting those families presently at work.

Let me emphasize a couple of points here if I can. What we are talking about with this proposal is not an entitlement. This is a pool of resources. It does not entitle anyone to it. It merely makes the funds available to the States.

So there are those who have said they do not believe in an entitlement for child care. We might otherwise disagree about that, but this amendment does not create an entitlement. It merely says to Ohio, Connecticut, Massachusetts, divide it up based on the block grant and what it takes to make it work. Here are some additional resources to make it possible for you to meet the demand, the mandate, of the Federal law.

The mandate of the bill we are about to pass says to Ohio and Connecticut, you must move the following percentages of your welfare rolls to work. And what we are saying is rather than ask Ohio and Connecticut to pay a penalty because they did not meet that criteria because they could not come up with the resources to pay for the child care, here as a result of our mandate are some resources on the most critical issue facing any State with its welfare recipients: How do you take a parent that has infant children and no place to put them and get them to go to work?

Sixty percent of all welfare recipients have children age 5 and under, Mr. President. So it is unrealistic to assume those children are going to find some setting in the neighborhood or with a grandparent. Ideally that would be the best case, but realistically that is not going to happen in enough instances. So it is finding and affording child care that's the issue. The child care settings may vary—church-based programs, community-based programs. There is a wide variety of things the States have done creatively in the child-care setting area. I do not have any difficulty with that kind of flexibility at all. But here are resources.

In the absence of that, we are told that we are looking at an additional cost, above the amount set aside from the block grant, which is the $5 billion over 5 years. In fiscal year 2000, in the State of Ohio, the additional amount is $190 million, in the State of Pennsylvania—I see my colleague and friend from Pennsylvania here—$171 million; for Connecticut, $48 million; Massachusetts, $89 million. These are the numbers the States, it is estimated, will have to come up with. They can cut spending. It does not mean necessarily a mandate to raise taxes. But that is the pool they will have to come up with to provide for the child-care needs of the population that moves to work.

If we are mandating that—and we are; we are mandating work—why not provide the States with some help to do it? That is all we are saying here, a pool of money over 5 years, $6 billion.

Now, it is a lot of money. I know that. But if we all appreciate keeping our mind on the goal of getting people to work, then we ought to be trying to do this in a bipartisan way.

Mr. President, I am not exaggerating. If we get this amendment adopted or something like it—and I think on the issue of the formulas, which is, I think, a minor point—and a few other areas, you could pass this bill 95 to 5. We could have overwhelming, strong support coming out of here for a welfare reform bill, because I think all of us share the common goal of getting people from welfare to work.

Whether that is cost savings or an investment, the value of it, I think all of us appreciate, to the family, the neighborhood, the community, is tremendously enhanced. And if child care is one of the major obstacles to moving an individual to work, because they do not know where to put that child, then trying to find the way for them to do it, assist the States in that process ought not to be an ideological battle here. We have enough battles on that stuff. This ought not be one.

So I am urging in these next 40 minutes or so that are remaining that people take a good look at what this is. Understand, it is no entitlement, not a guarantee to anybody, merely assistance to these States to be able to achieve the goal as laid out in the majority leader's bill, and that is to get people to work.

People will tell you even with adequate child care, it is going to be hard. You talk about some pretty heavy numbers to move from welfare to work, and given the economy and downsizing and a lot of other things happening, good jobs, and so forth, are not expanding in our economy. We ought to be talking about that, I hope, one of these days, but nonetheless under the best of circumstances, it is going to be hard.

It seems to me we ought to be trying at least to make it possible to move those people to work and not have the kind of burden on the States that is laid out here with the particular costs associated with child care. And as I said in response to the point that was being made by the Senator from Massachusetts, we have already got people really trying hard to stay off the welfare rolls and stay at work. It would be a tragedy, in a way, to then have some of these people taking some of the resources they get, plowing them into this area and moving some of these people at work and trying to stay off welfare back on those rolls.

Mr. President, I thank my colleague from Utah, who was here, who allocated me about 5 or 10 minutes of his time to make this point. I am grateful to him for that.

At this point, I will yield the floor. We may have some additional Members who show up on this issue. But I urge my colleagues in these next remaining minutes here, this is a chance for us, Mr. President, to really put together a bipartisan bill on welfare reform. I honestly believe that if we could adopt this amendment, and a few other things, we would be looking at an overwhelming vote in favor of this welfare reform package.

That is how this body and this Congress ought to be functioning. People want us to come together. They do not want to see bickering and partisan battling. They would like us to find common ground. Here is a way for us to do it on an issue that most people really want to see us focus our attention on. Here is a chance to achieve that goal in the next 45 or 50 minutes. It means doing the right thing. It is truly doing the right thing in terms of welfare reform and eliminating a major obstacle that people face here of moving from the rolls of public assistance to the independence and self-reliance of work and helping them out with their kids. And those children's needs, as I said a moment ago, Mr. President, ought not to be the subject of a partisan debate here. We ought to be able to find the means by which we can assist the families to eliminate at least that question in their mind, assist the States as they move into this process in a way in which we can do it. Resource allocation is simple enough to accommodate.

I again urge my colleagues to take a good look at this and come to this floor, hopefully in the next 50 minutes, and cast a vote in favor of what I think would build a strong, strong vote of support in favor of the majority leader's welfare reform bill.

I yield the floor.

Mr. SANTORUM. Mr. President, may I inquire of the Chair of the time remaining on this side?

The PRESIDING OFFICER. The Senator from Pennsylvania has 50 minutes remaining. The Senator from Connecticut has 1 minute 42 seconds.

Mr. SANTORUM. Mr. President, I yield myself such time as I may consume.

I wanted to congratulate the Senator from Connecticut for his very persuasive case on behalf of the need for child care and making workfare or welfare to work.

I do not think anyone on this side of the aisle disagrees with the basic premise of his amendment, which is if we are going to have people go to work, then we are going to be in some need of child care for working women, single mothers. The question is, How much money are you willing to put up? What will be the impact?

Again, we go back to the start of a lot of these programs, the welfare programs back in the 1960's when they really mushroomed, and a lot of these programs were very well intentioned, but what happened? What were the consequences of these—I am careful not to use the word entitlement because I know the Senator from Connecticut says this is not an entitlement. I agree. It is not an entitlement. But there is enough money in his bill to fill all the day-care slots that are anticipated to be needed.

Well, it is not an entitlement, but it takes care of everyone who needs the service. So while you know it is sort of taking away with one hand, saying it is not an entitlement, it is giving with the other by giving all the money necessary anticipated to have the need. You can say it is not an entitlement, but it is, in fact, almost a guarantee of child care.

So, what are the consequences of this guarantee? And we talked about this in some dialog on Friday. And you know, I have some concerns about people on welfare getting a guarantee of sorts of child care where if someone who is a working mother gets no guarantee at all of having any kind of child-care support. In fact, as the Senator from Connecticut pointed out on numerous occasions, accurately, there is a shortage of day-care slots available for working mothers in this country.

So to suggest we should provide some sort of quasi-guarantee for those on welfare and not for those who are working mothers, I think, sets up a bad precedent, No. 1; and with the law of unintended consequence you may encourage welfare dependency, at least initially, in some cases.

There are several other points I want to make. One is the money. I know we sort of gloss over that around here. Mr. President, $6 billion is not a whole lot of money, at least if you sit on the Senate floor most days you would think $6 billion is not a lot of money. But it is a lot of money, and it is given the fact that if you look at what is being proposed in the Republican bill that we are now amending.

The Republican bill over the next 7 years will allow welfare to grow at 70 percent over the next 7 years—70 percent. Welfare programs will grow from the year 1995 to the year 2002, 70 percent. There will be an increase of 70 percent in these programs. And what we are saying now is that is not enough. We need another $6 billion more. Just so you understand, you say, well, how much was it going to grow if we did not cut it back, because this bill does have some reduction? Well, it would have grown at 77 percent. So we are taking a program that was supposed to grow over the next 7 years and grow by 77 percent; cut it back to 70 percent. There are those on the other side saying, that is too tough. We need to add another $6 billion more back to this fund of money.

If you are serious about day care, if you really think child care is that important, well then, I would suggest that you confine it to the 70-percent growth that is going to be experienced over the next 7 years, $6 billion to offset the money you want to spend, not another quasi-guarantee or almost entitlement for child care.

I just think you have to pass the straight-face test around here. If you really are serious about solving problems—I think we all are. We want to solve the problem of child care in this bill. And I think we have done some things with the Snowe amendment that goes a long way in doing so. So it is now in the Dole modified bill. I think we made a major step forward.

If you are serious about providing and funding more dollars, do not say we need to spend more. That is how we got to where we are today. This bill has to fit into a reconciliation package which, by the way, it does not right now. It does not right now. It is over what, I think, the Budget Committee wants to see in reductions in welfare. We are going to have to get more.

When we go to conference this bill is going to come back with less money, I suspect. The House bill was substantially under this bill. So it will be under this. The House bill had a 5-year year timeframe when they passed the bill. And on their 5-year timeframe they had welfare expenditures growing at 42 percent.

Now, that is at a slower rate than our 70 percent over 7 years. So you are going to see we are already going to have to pull back funds. And to suggest that we should come to the floor and we can get a compromise spending more money, that is how we got there and how we got to what the welfare system is. We have always done that, come to the floor and said, "OK. We will compromise and spend more." And everybody will be happy and pass a bill 96 to 1, passing a bill 96 to 1 that perpetuates the same thing—maybe makes everybody feel good, but it does not solve the problem. It does not solve the problem.

So what we are suggesting here is that you know, we are, and I think, continuing in a dialog. I know Senator HATCH has an amendment on day care that I think is a serious amendment. And we are trying to find some ground to make all of our Members, not just on the Democratic side, but I know myself and others, I know Senator JEFFORDS is going to speak here. We are concerned about the child care aspects of this.

I know Senator JEFFORDS supported the Snowe amendment which is now in the leader's bill. I know he would like to go further. And I know there are other Members who would like to go further. But we have to understand we have budget constraints.

This is not a stingy bill that we are dealing with. Welfare spending will grow by 70 percent over the next 7 years. That is not stingy. That is not uncaring. And to suggest that we can solve the problem and get everybody happy by spending another $6 billion—I suggest if we got that in there there would be another $6 billion to spend in another program.

I would also add that Republican Governors, almost every one of them—I know the majority leader has come here and said I think 29 of the 30 Republican Governors in the country have come out and supported the Dole substitute. They comprise roughly 80 percent of the welfare recipients. The Governors of those States have within those States 80 percent of the Nation's welfare recipients. And what they have almost unanimously said to us is "You give us the money you allocated under this bill and we can do the job. We can, in fact, put people to work."

You would think from the comments of some on the other side that we are going to require every mother who has a child under 5 to go to work. I would remind the Senators who are debating this amendment that when this bill goes into effect, the initial participation rates are only 30 percent. That means only 30 percent of all the welfare caseload has to be in a work program. It only goes up to a maximum of 50 percent. So the State always has discretion to take mothers with young children and not require them to work. In fact, many Governors have already told me that is exactly what they would do in most cases because of the cost, and because of the difficulty with day care.

But we provide that flexibility in the law. We already provide that. We already say they can adjust. And the Governors say they can do it. And if you look at some of the plans that have been tried under the 1988 act—I mentioned on several occasions the

Riverside, CA, example, where what we have seen is a 14-percent reduction in food stamps, a 20-some reduction—I do not have numbers in front of me—20-some percent reduction that goes out on AFDC, aid to families with dependent children, and a 25-percent reduction in caseload.

Now, that saves money. Why? Why do they save money? They require people to go to work. So you can save money to provide some of that work. And it was a successful program at a time when Riverside, CA, was experiencing a 9 percent-unemployment rate. So it is not that there are no jobs. There are no jobs. Well, there are jobs, if we do some things like the Dole bill does which allow you to fill some vacancies in cities and counties and local governments, State governments which you cannot under current law. If there is a vacancy in the State government or local government, you want to fill it with a welfare recipient, you can do it. You are not allowed to hire somebody who is a welfare recipient for an open position. Why? That is to protect the union membership at the State and local level. They do not want people on welfare to get some of those jobs. I think that is a crime. That would change under the Dole bill.

So I mean we are doing a lot of things that will encourage—will create more job opportunities which will cause savings as we have seen in examples in the past, where if you have a work requirement, the welfare rolls will go down. Ask Governor Thompson, Governor Engler, and ask others who have tried it. The caseload will go down. People will get to work because of the requirement that is there. And they will save money. And that money can be used to provide for support services for those who have to remain in the program and go to the work program. That is the whole basis behind what we are suggesting here.

I would suggest that what we have provided for again with the Governors, Republican Governors lining up behind this bill, is adequate to fund this program, to fund the child-care programs that are necessary. We have the flexibility of the States with the 50-percent work participation requirement to exempt certain difficult-to-place mothers with young children. I mean there is a lot of flexibility in this program to be able to deal with the problems. I think what we now have to do is make the fiscally responsible vote. Welfare has gotten itself in the problem it has because we have been reluctant in the face of harming children or these horrible things that are going to occur, if we do not provide all the money for everything, all these entitlements. If we do not provide all these entitlements children are going to suffer.

All I would suggest is we provided entitlements for 25 and 30 years. Children are suffering at historic levels. So if it was just money and entitlements there would be no suffering today. There are plenty of entitlements and plenty of suffering to go with it. So let me suggest that maybe what we need is instead of guaranteeing everybody child care, why do we not require work and say that we have to look to families and to other kinds of networks of support to look for child care, just like we have done in this country historically?

One of my real concerns—and this gets to be more of a philosophical concern, if we—as I know the Senator from Connecticut will say we are not guaranteeing, but we darn near are guaranteeing it—if you provide all the money for all the slots, if you do that, you run into the problem where the Government day-care option is the first resort; that getting Government support for that day care slot is now the first choice, not the last resort. The system as it works today works well. I know there are shortages of day care, but it works well in targeting the mothers who need day care the most. It works well in that you have to go through a very rigorous qualification procedure to be able to qualify for Government-assisted day care. That would probably not be the case if we fully funded all these day care slots.

Mr. DODD. Will my colleague yield?

Mr. SANTORUM. Yes, I will yield.

Mr. DODD. I note the point about the entitlement issue. I think my colleague from Pennsylvania mentioned over the next 7 years there would be a 70-percent increase. I believe it is flat. I do not think there is a penny more. This is $48 billion. It is for 7 years. There is no inflation factor built in. I think I am correct on that, but I stand corrected if I am wrong.

Mr. SANTORUM. The Senator is right, the AFDC dollars remain flat. When I talk about the 70-percent increase, I talk about all the means-tested entitlement programs included in this bill.

Mr. DODD. As far as the AFDC——

Mr. SANTORUM. The AFDC program is block granted at a flat level, the Senator is right. But, obviously, there are a lot of other support services and means-tested programs that will continue to grow.

The point I tried to make is that with respect to AFDC, you have the flexibility within that program the Governors desire, saying, in fact, they can save money and have money, because of the savings, available to support the work program.

In addition, you have a 50-percent work participation requirement which would give the States the flexibility to exclude a lot of the people that you mentioned who have young children or maybe multiple young children, from having to go to work and the work requirement. We do provide a lot of flexibility there. We think that flexibility goes a long way in solving the problem.

I am hopeful we can look at the past to see what the future holds. Looking at the past and seeing all the entitlements we put in place and seeing all the money that we spent trying to make sure nobody is harmed, what we have done is make sure that nobody has been helped. What we have not done is challenge people to do more, to move forward.

I believe this program, with the work requirement and the participation standards we have and the flexibility given to States, will do just that: challenge people to go out and work and find ways to provide for themselves and their families. I think, in the long run, that will be the best for everyone concerned.

At this time, I yield 5 minutes to the Senator from Vermont.

The PRESIDING OFFICER. The Senator from Vermont.

Mr. JEFFORDS. Mr. President, we all are having a hard time with this amendment and with this bill. We all want to see welfare reform. We all want to see child care provided, and, thus, I rise in support of this amendment because I think it will help us move in that direction.

We all agree that we want to see more welfare recipients in the work force. We all agree that the welfare cycle must be broken. I believe giving kids a good start through safe and healthy surroundings is essential to breaking the welfare cycle.

In order to become productive, self-sufficient members of society, kids need quality care from the very beginning of their lives, either from their parents, in the child care setting or elsewhere. And a quality education must be provided from the beginning of their lives. What we are talking about, though, are the resources that will be available and should be available.

We are all tied up with the problems of the deficit and the need to reduce the deficit. But there are things we must consider when we go about providing resources, that if we do not make resources available for those things that will break the cycle, for those things which will allow our young children to have the possibility of breaking out of the cycle, sort of give the parents of the children the ability to provide the child care necessary, then one important segment of breaking that cycle will not come about.

Let us take a look at the macro picture that we must have and what we have to deal with so that we can recognize what the savings are from improving the education of our society and, most importantly, from the beginning of life, in child care to be sure these young children have the opportunity to have the surroundings that will allow them to learn.

This chart gives us an idea of what we are losing now because we have serious educational problems in our country. One-half of a trillion dollars in GDP is lost per year because we fail to educate our people. The cost to our economy is more than $125 billion, in addition to lost revenues; $208 billion is lost from the result of the problems of welfare. So when we are talking about $1 billion a year or more to try and get enough money available for child care, to give to the children, weigh that against what is lost.

In addition to that, I will have an amendment that says, hey, we have a demand here, an important demand that says every person in training must have a GED, must have a high school equivalent education. There is not money for that either. So what we are going to be doing is either creating a huge mandate upon the States that is unfunded or going forward with expectations which will not be fulfilled.

Let us take a look at the relationship of education to productivity, what is happening to those who do not have a good education.

The only people who have increased their income over the past few years are professionals. This is over the last 20 years. In the last 20 years, the only people who have increased their standard of living is at the level of master's, doctorates, and professionals. Others have either stayed at the bachelor level or gone down. Then take a look at the comparison of what is earned by those who do not finish high school: $12,800 per family. That is incredibly low and is going down in the sense of percentage of income.

How do we break out of this? How do we provide those resources? It is stupid to cut back on those things which is going to increase your deficit. If we do not provide the amount of money that is necessary for child care, there is no chance that we are going to raise this level up, until you get to the area where you have a high enough standard of living to survive.

So what this amendment tries to do is to say, "Look, we are going to make sure that our children will have an opportunity to have the kind of income that will bring them out of the welfare cycle, to place them in a position where they can earn what is necessary, to get us out of the position of losing all this money we do with the welfare situation."

So when we talk in terms of $1 billion a year over the term of this, as compared to the $208 billion we are losing by the problems we have with welfare, it means we are just being, really, penny wise and pound foolish, and we must not do that.

I recognize that my time has expired. May I have an additional 2 minutes?

The PRESIDING OFFICER. The Senator is recognized for an additional 2 minutes.

Mr. JEFFORDS. So as we go forward with this welfare reform, let us keep in mind some things. I do not think there is a person here or the House who does not want welfare reform, including the White House. The question is, how do we reach a consensus?

That is not going to be easy, there is no question about it. We have some people at the extremes of the process from no welfare to all welfare. But what we have to do is to try and reach that middle ground. We have to make some areas where we can have a consensus, and certainly one of those ought to be the provision of child care.

There is not anyone in this body who does not believe there ought to be adequate child care. This amendment is the only thing which will bring us close to that. So, if we are going to have consensus on the issue of child care and if we really want to do what we are supposed to do here, and that is to break through the cycle of welfare, if we are going to give the children of those in the most desperate economic situations in this country the ability for them to have the education which is necessary, all the studies show if they do not get the early preschool education, they start out at a big disadvantage.

Let me just end up by saying one of my most unusual experiences when I came to the Senate was I had a group of CEO's come into my office when I was first elected to the Senate. John Akers was the head of the group, the Business Roundtable. I expected them all to say, "We need to get capital gains tax relief," blah, blah, blah. What happened? The first thing they said was, "We need to fully fund Head Start. We need to make sure there is preschool education for every one of our kids if we are ever going to get our society in a position where we can be economically sound." Just recently, this IBM president said at the NGA, "This Nation is in a crisis, and if we do not start the educational process we need, this Nation is not going to be the Nation it is today in the next century." I leave those words with you.

Here is an opportunity to make sure the young kids will have the opportunity to get out of the welfare cycle.

I yield the floor.

Ms. MIKULSKI. Mr. President, I am proud to be one of the co-sponsors of the Kennedy-Dodd child-care amendment to the Republican welfare reform bill. No issue more clearly defines the differences in this welfare debate than child care. Both sides have said that the goal of welfare must be to move people to work, but Democrats have maintained that it is not just about moving them to work, it is is about keeping them on the job.

We want to provide welfare recipients with the tools to stay on the job. What the facts prove time and time again is that the most necessary tool is child care for children. Child care is the No. 1 barrier keeping mothers out of the work force, and one in four mothers between the ages of 21 and 29 are not working today because of child care. Among welfare mothers, 34 percent are not working because of either inability to find reliable child care or inability to afford child care.

No single parent can look for or keep a job without child care, and single parents make up 88 percent of the AFDC caseload. Without child care, we will have no success in moving people to work and keeping them there.

But child care is costly, and the average middle-class family spends 9 percent of its income on child care. However, the average poor family spends almost 25 percent of its income on child care.

The Republican plan will leave four million children under the age of six home alone. Today, almost 650,000 of them receive child care with assistance that would be eliminated under the Dole plan. In fact, the plan would repeal the child care guarantee passed by the Senate in 1988.

If the States implement the proposed welfare reform plan, the need for child care will increase by more than 200 percent by the year 2000. States will need over $4 billion more a year. In Maryland, the unfunded mandate will amount to more than $1 million a week that Maryland taxpayers will pay to cover child care costs.

This child care policy proves that the Republican bill does not look at the day-to-day lives of real people. Welfare recipients who we send to work will not have high-paying jobs, and will not be able to afford child care.

Suppose a mother lives in suburban Maryland and decides to do the right thing. She gets an entry-level, minimum-wage job in the food service industry. With this job, she is making almost $9,000 a year, but gets no benefits. After taxes and Social Security, this mother takes home $175 a week, but her child care costs her $125 a week. How is she going to pay for rent, food, clothing, and transportation costs with only $50 left over a week?

Our Democratic Work First plan recognizes that child care is the vital link between leaving welfare and going to work. Our plan consolidates four current programs into one expanded child care block grant, eliminating duplicate paperwork and reporting requirements, and reducing bureaucratic structure.

This block grant will help provide child care for welfare recipients, those transitioning from welfare to work, and the working poor. Under our plan, a family of four making less than $15,000 a year will be eligible for child care.

On the other hand, the Republican plan forces States into an impossible position. Either the State does not provide child care and welfare reform fails, or they do provide child care by raising taxes and cutting other State programs.

States also can divert aid from the working poor to pay for welfare, but in doing so send a perverse incentive—if you go on welfare, you get help; if you go to work every day and barely make ends meet, you never get a break.

Welfare reform is about ending the cycle and the culture of poverty. Ending the cycle of poverty is an economic challenge, but Democrats are providing the tools to overcome this challenge. The Republicans have no plan.

Ending the culture of poverty is about personal responsibility. Democrats have proposed a tough plan based on tough love. It is a hand up, not a hand out. But Republicans have proposed a punitive plan based on tough luck. It aims for the mother, but hits the child.

This debate should be about ending welfare as a way of life, and making it a step to a better life. That means real work requirements, with the tools to get the job done. If we are to have a bipartisan framework for welfare reform, we must address the work challenge in a way that is real, and deals with people's day-to-day needs.

We must adopt the Kennedy-Dodd amendment and fix the Dole home alone child care policy.

THE NEED FOR CHILD CARE IN WELFARE REFORM

Mr. DORGAN. Mr. President, I think we can all agree on the fundamental goal of welfare reform. We must create a program that moves recipients from welfare to work to economic self-sufficiency as quickly as possible. We must help replace their welfare checks with paychecks.

One obvious way to transform a system which encourages dependency is to eliminate its inherent disincentives. How? Fundamentally, you must make support services—the cornerstone of long-term success in the workplace—more available to low-income people who want to work. The linchpin of successfully transitioning people from welfare to work is child care. And the bill before us today is woefully deficient in providing funding for child care services. In fact, the Dole bill does not guarantee that one cent of the block grant will be spent on child care.

That is why I strongly support the Dodd-Kennedy amendment. It recognizes that no welfare reform proposal can be successful without providing child-care services. And it is willing to invest in those services to ensure a successful outcome.

Most working families feel the pinch of child-care costs. Low-income families, which are often headed by single parents, feel the greatest pinch, spending a quarter of their income for child care. In North Dakota, it costs a family about $3,400 a year for child care. If a family is just scraping by at poverty level wages—$14,763 for a family of four—that's an awfully big chunk of your income going to pay for child care.

This situation is all too prevalent in our society. There are too many working poor families, and too many mothers trying to move from welfare to work who are forced back onto the welfare rolls because their child care is too expensive or unreliable.

While the Dole bill does contain child-care provisions, it falls far short of what is needed to help these families achieve true self-sufficiency and economic independence. It fails to guarantee child-care assistance to recipients who are moving to work, and most importantly, it fails to provide additional funding to meet the work requirements contained in the bill—it provides less than half of current child-care spending and doesn't even begin to address the increased need for child care created by the bill's work requirements. In short, it just doesn't put its money where its mouth is, and it is a recipe for disaster.

The ability to secure affordable child care is a decisive factor in determining whether low-income mothers can get off and stay off welfare. If we want to move parents with children off of the welfare rolls and into work, we must pass a welfare reform bill that will ensure that the 10 million children on AFDC will be cared for while their parents look for jobs and begin employment.

The Dodd-Kennedy amendment achieves that goal. To help welfare recipients get and keep a job, this amendment creates a direct spending grant to States with the funding levels set at HHS cost estimates of $11 billion over 5 years so that the child-care needs created by the Dole work requirements are met. This grant is fully paid for—by earmarking $5 billion from the title 1 block grant and by cuts in corporate welfare.

The amendment guarantees that no child will be left home alone while their parents are working, looking for work, or participating in an education or training program. And it ensures that families aren't punished for failing to participate in job training or work programs if child care is unavailable.

It also requires States to maintain current spending on child care—without requiring them to match additional child-care spending.

Perhaps most importantly, the Dodd-Kennedy amendment means that critical child-care services for low-income families will continue to be provided under the child care and development block grant.

Parents who are able to work must be given the tools to do so. A critical component of getting families off welfare—and keeping them off—is ensuring safe, adequate and affordable care for their children. The Dodd-Kennedy amendment does just that, and I hope that my colleagues will support it.

Mr. LEAHY. Mr. President, I am proud to be a co-sponsor of the Dodd-Kennedy child-care amendment to the Republican leader's welfare bill. This amendment backs up the work requirements in this bill with the child care assistance necessary to meet them.

Caring for our children is not an issue that affects only the poor—all working parents need child care. As we debate the issue of how we are going to change the dynamic of the welfare system, it is absolutely crucial that we do all we can to protect children.

We are trying to agree on the best way to get welfare parents, generally single mothers, into jobs and how to keep them there. A single mother should not be forced to choose between properly caring for her children and going to work. And if parents are not working, they cannot support their families. If my wife and I wanted to see a movie, but were unable to find a babysitter for our three children when they were young, then we did not see the movie. How can we expect parents to work when there is no one to care for their children? We need to be realistic in our effort to reform the welfare system.

Welfare reform is not only about adults—it is about children who live in poor families. These children are poor at no fault of their own and the U.S. Congress is punishing them by forcing their mothers out the door, leaving them home without a parent or babysitter.

If we are going to break the cycle of poverty and change the future of poor people in this country, children need to be at the top of our list of priorities. We need to guarantee that children will be cared for in healthy, safe, supportive environments that help them to develop and build their self-confidence. If we do this, if we help children get good child care, we can help parents keep their jobs, and then and only then, will their children learn the importance of working.

Watching their parents come home from work at night will allow children to see the self-confidence that results from bringing home a pay check and being self-supportive. If Congress denies low-income families the child care assistance they need to work, then kids will be left home alone. Do we want television to take over as the caregiver while parents are at work?

If we can give children some structure, a place where they can learn the skills and values they need to stay interested in school, perhaps they will work their way out of poverty and we can start breaking the demoralizing cycle of poverty that has affected millions of Americans.

Anyone who has ever sought child care knows that it can be difficult, stressful, and time consuming. For many families, child care is unavailable and unaffordable and those that lack the economic resources, the time, and information, have fewer options. In many small towns in Vermont, neighbors, friends, and family rely on each other to help out with each other's children. There is usually someone around who can watch the children for a few hours. But not every family lives in that kind of supportive environment. We all need to share the responsibility in meeting the needs of the children of this country. Children growing up in secure, supportive environments benefits us all.

The Republican leader's bill will make child care even more unaffordable for low-income families. As it is, working poor families spend 33 percent of their income on child care. In sharp contrast, middle-class families spend only 6 percent of their income on child care. A single mother of two living on welfare can probably expect to earn about $5 an hour once she is able to find a job. Child care will cost about $3 an hour or more for her two children which leaves her $2 an hour, at most, to live on and support her family—$2 an hour is not even enough to support one person.

In addition to child care, a single mother must then pay for transportation to work, clothes for herself and her children, rent, food, and medical costs depending on how much assistance she receives from food stamps and Medicaid. Nobody could cover those expenses on $2 an hour. Nobody. Welfare is the price our country pays to keep families, single mothers and their children, together. If this Congress fails to require States to guarantee child care, the consequences for many of these families, women and their children, will be tragic.

We must also remember that single mother's did not have their children alone. I certainly hope that strong child support enforcement will decrease the need for Federal assistance, and move single mothers and their families toward self-sufficiency. These efforts alone, however, may not be enough for some families.

Child-care assistance for low-income working parents and those working their way off of welfare is essential. I urge adoption of this amendment.

Mr. HARKIN. Mr. President, I rise in strong support of the pending amendment and commend Senators DODD and KENNEDY for addressing one of the most critical issues related to welfare reform.

Child care is the linchpin for achieving comprehensive welfare reform because parents must know that their children are supervised and safe in order to go to work. That is just common sense.

But the Dole amendment falls short here. First, it repeals the guarantee that child care must be provided in order for States to take welfare recipients out of the home and put them into the workplace.

Second, the Dole proposal mandates that parents work, but does not provide any additional support for child care. In fact, the plan repeals all existing child-care funding specifically for this purpose.

Mr. President, we all agree that welfare recipients must be required to work. However, if quality, affordable child care is not available parents will be faced with the unacceptable alternative of leaving children at home alone or in unsafe situations. That is really no choice at all.

I have often spoken about the success of the Iowa Family Investment Program. After 22 months, the Iowa welfare reform program is showing good results. More people are working, the caseload is declining and the cost of cash assistance is going down.

These results happened because the State has been investing in education, training, transportation, and, of course, child care.

I often meet with welfare recipients, caseworkers, and other in Iowa regarding welfare reform. The most common concern I hear is the need for child care and the need to provide more resources for this purpose. We must make sure that resources are available for child care or welfare reform will fail. This is a most fundamental issue.

The average annual cost per participant in Iowa's PROMISE JOBS program is $1,920, including $987 for child care. It is clear that child care is a critical part of moving welfare recipients into the work force.

Mr. President, I commend Senators DODD and KENNEDY for addressing the important issue of child care and welfare reform and urge adoption of the amendment.

Mr. SANTORUM. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. KENNEDY. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. KENNEDY. Mr. President, I ask unanimous consent that Senator HOLLINGS be added as a cosponsor.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. KENNEDY. I suggest the absence of a quorum.

The PRESIDING OFFICER. The Chair advises Senators that the Senator from Massachusetts has only 1 minute and 42 seconds, and the Senator from Pennsylvania has 14 minutes and 52 seconds. Therefore, there is insufficient time for the elapse of a quorum call.

Does the Senator from Pennsylvania yield time?

Mr. SANTORUM. Mr. President, I yield such time as I may consume. I want to go over this amendment again and discuss it specifically for Members who may be torn, as I think many are, in wanting to support work and see the potential need for day care.

Focusing on what the amendment does, we have heard a lot of discussion from the Senator from Connecticut and the Senator from Massachusetts of the concern for mothers with preschool children, that we cannot allow mothers who have children 1, 2, 3, 4, 5 years of age—and I have three children all under the age of 5 and I am keenly aware of the need for care for young children.

However, this amendment does not just pertain to young children. This provides funding so that every welfare parent with children under 12 years of age—12 and under, under 13—you can have an 11-year-old or 12-year-old and you still get a funded day care slot. That is what the amendment says. This is not just focused on children under 5.

We talk about being concerned for them. This is a much more expansive program. It is not just part-time child care, it is a full-time child care program. It is 12 and under, full time, not just for single moms, not just for single moms or dads who have children, but for married mothers and fathers who may be on welfare and have children. This is for two-parent households as well as single-parent households. That is what the amendment says.

You could have a situation where you have a 12-year-old child at home with two parents, and under this bill, you would get a full-time day care slot paid for by the Federal Government. Would that not be nice if every American who was working, the Government would pay your full-time child care, and you could not even have to work under this bill.

So you do not have to work. You can be married, have a 12-year-old at home, do not work, and the Government will pay your child care full time. That is what this amendment does.

Now, you hear a lot of compassion on the other side about the single mom with the 2-year-old, but you do not hear that this is another well-intended bill that focuses on the hard problem. And then when you realize this is a brandnew big-time expansive program, day care for everybody on welfare, whether you are married or not, whether you are working or not.

I do not think that is what is being sold here on the Senate floor. I think we have to look very carefully at what is in this amendment and how much money it costs—$6 billion, fully funded day care slots for all children of married and unmarried parents, single and married parents, up to 12 years of age. Not the preschool kids, but up to 12 years of age.

I think this is a real Pandora's box we have opened. This is not the amendment that is being talked about. This is a very broad, expansive program.

Mr. KENNEDY. Will the Senator yield?

Mr. SANTORUM. I am happy to yield to the Senator.

Mr. KENNEDY. Is the Senator familiar with how many parents are waiting for child care in the State of Pennsylvania?

Mr. SANTORUM. I think the number is around 9,000.

Mr. KENNEDY. Mr. President, 7,779 children now are on the child care waiting list in Pennsylvania, many are single parents, waiting to get off welfare or stay off welfare.

I am wondering, does the Senator believe that for those who want to work and can work, that there ought to at least be some help and assistance, either full or part time, as was included in the bill passed in 1988 and providing help and assistance for hundreds of thousands of families?

Mr. SANTORUM. If I can reclaim my time, I say the answer is yes. I think we do that in this bill. In the Dole modified bill, we believe there are ample dollars available. Within the AFDC block grant, there will be money available for child care.

You have the additional child care block grant, which is appropriated at $1 billion for this year and as necessary for future years. We will have this debate every year, Senator.

We are going to have a debate on the floor of the Senate over how much money we will provide in the appropriations process for people on welfare who need day care assistance. I may be back here with you, joining with you in having started this program in place and having seen the needs and heard from the Governors that we may need to appropriate more money in the years ahead. There is nothing that prohibits us from doing that.

But to lock in—you do not call it an entitlement, but it might as well be one—to lock in a program of $6 billion right now, not just again for young kids, for children under the age of 5, but for children up to the age of 12, for parents who are single and married, I think that just goes too far.

I hope that my colleagues will look at the expansiveness of this amendment, the cost of this amendment, and I think the unfairness of this amendment when juxtaposed to the working family in America.

We are telling the working family in America that, if you want to raise children, fine. But you are on your own. But if you go on welfare, even if you are married, we are going to provide a full-time government day-care slot for you. I think that goes too far.

I hope we will reject this amendment, that we will continue to work—as I know the Senator from Utah [Mr. HATCH] has talked about, and I know the Senator from Vermont and others who are looking at this issue will—we will continue to work to see what we can do to make sure that people are not disqualified from working because of the unavailability of day care. That is what the Snowe amendment——

Mr. KENNEDY. Will the Senator yield further?

Mr. SANTORUM. If I can finish—that is what the Senator's amendment does. It focuses in on the problem areas. It says, if you cannot find day care, and if you can show that day care is unavailable, whether it is just too costly, given the amount of money you receive on welfare, or it is not proximate to where you live, or whatever the case may be—and there is a laundry list of things that you can use to show the unavailability of day care—under the Snowe amendment that is included in the Dole package now, if you can show that day care is unavailable, you are exempted from the work requirements.

That is a very important measure. Because what that does is it says to the State—which, I remind you, has to have, when this program is finally phased in, half of the people in the program in the work program. Those people who cannot find day care remain in the denominator but not in the numerator. So they are part of the base of 100 percent, but they do not go toward the 50 percent you need for work participation. If you have a sufficient lack of day care, that is going to have a big effect on your ability to meet your 50 percent work participation standards.

We believe that will be adequate impetus, in fact more than adequate impetus, to get the States to provide day-care services that are necessary to get younger mothers, in particular, into the workplace. We think that kind of flexibility and dynamics are better than creating out of the box a fully funded entitlement—or guarantee, it is not an entitlement—guarantee that you are going to have day care if you are on welfare: You get day care if you have children under age 13 whether you are married or not, whether you are working or not. I just think that is too big of a loophole, too big of a grant. And I think it is an unwise move by the U.S. Senate.

Mr. KENNEDY. Is that what the Senator understands the Dodd amendment will do, provide day care for all children? The Senator just said that. Is that what the Senator understands it to do? You said it. Of course——

Mr. SANTORUM. If I can reclaim my time, I will be happy to answer the question. It says on page 4 of the amendment, eligible children are—

For purposes of this section, the term "eligible child" means an individual, who is less than 13 years of age and resides with a parent or parents who are working pursuant to a work requirement contained in section 404 of the Act.

So I think it is clear that those who are eligible are under 13 years of age, can be with a single parent or parents, which I assume means married.

Mr. KENNEDY. And what percent in the Dole proposal would be included under that requirement? What percent in the Dole proposal will not be so included?

As the Senator knows, half of those will be required to work in order for the States not to be penalized. They are going to have to find their child care outside of these requirements.

The Senator understands that?

Mr. SANTORUM. Right.

Mr. KENNEDY. When the Senator says this amendment is effectively saying to every parent that all children will receive child care, that is not a fair characterization of the amendment. I mean, I think that is what we ought to do—but that is one fact that the Senator is wrong on. And second, how does the Senator understand the discretionary block grant? Who is eligible for that?

Mr. SANTORUM. My understanding, if I can respond to the first point, is that the Senator from Connecticut has repeatedly said the formula was calculated based on fully funding every welfare parent who is required to work with children under 12. That includes single parents and married parents. So there will be parents who will not have to work because only one of them will be required to work that will, in fact, get day care. I think that is a little much.

Mr. KENNEDY. As the Senator knows, the Dole proposal requires that half of all families on welfare participate in the work program. HHS estimates that half of these families will find their own child care. The Dodd amendment is focused on those families that will need child care assistance in order to move from welfare to work.

So it is not all of those. It is those that they believe—50 percent of the adults that otherwise would need the child care under this proposal.

Let me just ask the Senator——

Mr. SANTORUM. If I can reclaim my time, the 50 percent participation standard means that 50 percent of the people in the welfare program are going to be required to be in a work program. The other 50 percent are not required to be in a work program and therefore the need for day care, I would assume—there would be no need for day care because they would not be in a work program.

So, what the Dodd amendment does is provide funding for those who have to work. That is my understanding.

Mr. KENNEDY. First of all, I am a strong supporter of the need for child care to move people off of welfare into work. But second, how does the Senator understand the block grant program? Who is eligible for the discretionary block grant program?

Mr. SANTORUM. Under the amendment of the Senator from Connecticut?

Mr. KENNEDY. No, just under the existing program, the $1 billion that is existing under the discretionary program. Who is eligible for that?

Mr. SANTORUM. Before I answer that question, how much time is there remaining?

The PRESIDING OFFICER. The Senator from Pennsylvania has 2 minutes 20 seconds. The Senator from Massachusetts has 1 minute 24 seconds.

Mr. KENNEDY. I think we have another 15 minutes.

Mr. SANTORUM. I will put a unanimous consent in, and then I will be happy to respond.

Mr. President, I ask unanimous consent the vote on or in relation to the Dodd amendment occur at 5:15 p.m. today, notwithstanding the previous order, with the time between now and 5:15 equally divided.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. SANTORUM. My understanding is, under the current proposal, that money is a block grant to the States with the States' discretion to provide those funds.

Mr. KENNEDY. The existing discretionary block grant program, who is participating in that program today? The program originally created by Senators DODD and HATCH.

Mr. SANTORUM. I do not know the answer to that.

Mr. KENNEDY. See, this is part of the problem, Mr. President, using these characterizations loosely. That program is targeted to low-income working families. It provides $1 billion and 700,000 families struggling to make ends meet and stay off welfare. It has been supported by Republicans and Democrats alike. The idea, under these proposals, is to assist those who are making the minimum wage, who still receive the $13,000 for the family and still cannot afford the child care they need to get by.

The Senator mentioned earlier that he is concerned about trying to provide some help and assistance to working poor families. I hope then he opposes diverting these essential resources away from working poor families as is encouraged by the Dole bill.

Mr. SANTORUM. Mr. President, if I can reclaim my time, I just think, within the existing AFDC block grant, there are funds available, that are currently available under the AFDC program, for child care. Those funds would continue to be available if the State should so desire to create a program to provide assistance for people on welfare in addition to the block grant funding. So what we do is provide State flexibility to be able to use those funds as the State sees fit, which is in keeping with what this side of the aisle was trying to do, which is for the States to be able to design, we believe, better programs than a Washington-based program.

Again, I think throughout this dialog we found that, in fact, this program is an expansive, new—I will not use the term "entitlement" because there is not an entitlement in the law—but it fully funds every slot that is necessary. I know that is not an entitlement because you cannot go in there and go to court and say I am entitled to this money. But the money is there. Anyone who has a child under the age of 13, one or two parents, will be able to get fully funded government day care, a full-time day-care slot.

Again, it is the option of first resort, not last resort. If you look at the money the Senator from Massachusetts was just talking about, the block grant funding, and he talks about how many working families are waiting for this assistance, it is not the option of first resort. You have to look at family and neighbors and friends. That, I would think, would still be—it is harder. But I think we have done enough to say that families are not important in this country or that fathers are not important in this country, to continue to provide money to replace existing social networks and just say the Government will do it. You do not need the father's money. You do not need a father around anymore. We will pay the father's money. That is what AFDC is for and all these other programs. You do not need grandparents or cousins. We will have a fully funded Government day care slot for you. We do not need family support. What does that mean? That is not necessary. We will continue to isolate you from your surroundings. I think that is harmful. I think guaranteeing something up front is harmful in the long run. It may sound good, but it will continue to destroy the fabric and culture of our society where we used to be interdependent. And because the Government is now coming in and doing everything for you, you have become this island unto yourself.

I think it is a very sad state in our communities. And we will only add to that with this program.

I hope we do not accept this amendment.

Mr. President, I reserve the remainder of my time.

Mr. KENNEDY. Mr. President, how much time remains? I see the leader on the floor.

The PRESIDING OFFICER (Mr. GRAMS). The Senator from Massachusetts has 9 minutes remaining.

Mr. KENNEDY. May I have 3 minutes?

Mr. President, I have listened to my friend and colleague from Pennsylvania. I listened to him describe the Dodd amendment. I have difficulty understanding his interpretation. There are 60 percent of welfare mothers today who have children 5 years of age or younger. Under the most recent modification, they would not be sanctioned for failure to participate in the work program. It is clearly better for parents to stay home than to leave their children home alone, but what about the great number of those individuals who want to work, would like to work, could work, will work, and are just looking for the opportunity and the child care they need to enable them to work. The Senator from Pennsylvania says, "Well, we are not going to be punitive to them." Well he is right, the most recent modification is better than the original bill, but it is not enough.

The final point that I want to mention again is what the National Council of Churches says with regard to this. I have read it. They believe we need increased access to child care. The National Conference of State Legislatures, bipartisan, believes that we need additional child care. The American Public Welfare Association thinks we need additional child care. The Catholic Charities talk about it. They think we need additional child care, and the list goes on. The National Parent-Teachers Association agrees.

These are groups that are operating programs for children every single day, talking with parents and listening to their concerns. They are on the frontlines, and this is what their conclusion is.

Our amendment will promote work and protect children. It will improve the lives and the livelihoods of millions of American families. That is why I think the amendment is needed.

I yield the remainder of my time.

Mr. DASCHLE. Mr. President, I will use my leadership time for whatever time I may consume to speak in behalf of the Dodd amendment.

Mr. President, let me begin by thanking the distinguished Senator from Massachusetts for his excellent comments and for the leadership that he has shown on this issue throughout this debate, and certainly the Senator from Connecticut, the senior Senator, Senator DODD, for his work in bringing us to this point this afternoon. His leadership and the effort that he has invested in this issue for many years is illustrative of the contribution that he has made on a number of issues relating to children. And this is perhaps the most important contribution of all.

As the distinguished Senator from Massachusetts has indicated, you simply cannot have welfare reform if you do not address the issue of child care adequately. There can be no doubt that it is the linchpin between welfare and work. Why? Because 60 percent of AFDC families have children under 6. Why? Because, in many cases, those same families cannot find adequate day care, cannot afford day care even if they can find it, and have great anxiety about leaving their children unattended.

I do not care whether it is one parent or two parents. If we want them to go out and work, if we want them to go out and get the skills necessary so they can work—time after time they have told us, and time after time virtually every social organization has indicated—you have to find a way to take care of their children. That is what this amendment does. It says in a meaningful way we are going to create a partnership. We are not going to tell you who to take your children to. We are not going to create some new governmental system to do it. We are simply going to give you the means by which you can find the best way to take care of your children.

This will affect every single welfare family. You have to have a child to be on welfare, period. You do not meet the definition if you do not have a child.

Child care enables mothers to go to work, to have the confidence to leave their home. Parents cannot accept their responsibilities as parents if they leave their children at home alone without any supervision, without any care, without any knowledge of what is going to happen to their children, especially at those early ages.

Let me address another point that was raised in this most recent colloquy. It is not just the child who is under the age of 4 or 5 and not yet ready to go to school that we ought to be concerned about. What happens to those children who are going to school, who come back in the mid to late afternoon to a home without a parent, without anybody to take care of them through the end of the day? What happens to them? What kind of supervision, what kind of care, what kind of nutrition, what kind of attention are they going to get? This amendment addresses that concern. It is not just a concern for those who are under the age of 6 and not able to go to school. We have to be equally as concerned with those children who come home in the afternoon and have no supervision, especially in those early ages.

Families below poverty spend almost 30 percent of their income on child care, Mr. President. Nonpoor families only spend about 7 percent of their income on child care. There is no secret why low-income families are not capable of addressing the need for child care in their own families.

Child care costs in the District of Columbia can run as high as $150 to $175 per week. The average monthly benefit for an AFDC recipient is less than $400. So we are asking many parents today to spend more in 1 month on child care alone than they receive in AFDC. Obviously, Mr. President, it is an incredible impediment for many people.

So what happens is that most people today are relegated to finding other ways of ensuring that their children are cared for. They depend on relatives who may or may not be reliable or informal arrangements that may or may not work on a daily basis. A job requires reliable child care, and often that is very hard to find.

So in many cases, Mr. President, parents are simply forced to make do. And all too often, unfortunately, they do not make do. All too often they are forced to rely on low-quality care.

We believe that quality child care is too important to child development to leave those children home alone or to make a way somehow on a day-to-day basis with relatives or families or people in the neighborhood to care for their children. Studies show that the first 3 years of life in some ways are the most critical of all. Quality care can clearly change the lives of children today. Quality care can truly give kids a head start. Quality care can relieve parental stress and give people the confidence they need to walk out of that door and go to their job, go on and achieve meaningful job skills, and do so with the knowledge that they can be a productive, cohesive, and successful family when the work is done.

Mr. President, that is all we are asking. Let us give families an opportunity to be families. Let us give them the opportunity to be strong families. Strength is defined in part by how strong the children are, by how nourished, how educated, how guided, how attended, and how cared for they are.

The Republican plan, frankly, is nonexistent in this regard. It is nice to have all the nice sounding rhetoric, but the fact is you have nothing if you do not put resources next to it. There are no resources in the Dole bill. It is estimated that the Dole bill in its current form is underfunded by almost $11 billion in the area of child care.

So there is no assurance that the children of single mothers will be adequately cared for. As the distinguished Senator from Massachusetts has said over and over, the Home Alone bill is not what this piece of legislation ought to be.

The modification made by the majority leader last week does not address this concern. In fact, it only exacerbates the problem. As the Senator from Pennsylvania has alluded to, the bill prohibits States from sanctioning mothers with children under 6. That may be good in some cases. But that is not the real issue. That does not help mothers become self-sufficient. It is a de facto exemption from the work requirement.

We do not want to exempt mothers, and we do not want to exempt States that do not provide the resources. We want States to provide the resources so that mothers will have the tools and the opportunities they are going to need.

Mr. President, the Dole bill in its current form will exempt 60 percent of those who are eligible for welfare today. Why? Because 60 percent of AFDC mothers have children under 6. As the Dole bill is written, it will exempt any mother among that 60 percent that cannot find or afford child care.

States already had to pay for day care. It was an unfunded mandate, but they were required to pay it or exempt mothers and take a 5-percent cut in the block grant. The likelihood now is even greater that the bill has virtually no value in terms of putting people to work or providing child care.

So that is why this amendment is so important. This amendment says a number of things. First of all, it says we cannot expect parents to walk out that door, achieve the desired goals of this bill—that people either acquire skills or acquire a job—if they have to leave their children at home alone.

Second, it provides the resources necessary to make this happen. We ensure, not only that States are going to establish the mechanisms by which to provide those services, but that States are going to have the resources to see that that happens.

Third, the Dodd-Kennedy amendment is tough on work but not on kids. We require able-bodied adults to work or to prepare for work. We ensure that when they do, we are going to enter into a partnership with them to see that their children are cared for. We guarantee that child care assistance is provided, and we do so not by exempting the mothers with children who cannot find day care, but by helping them find the child care they need to allow them to work in the first place.

It is very clear. The adoption of this amendment is the linchpin to welfare reform. We are not going to get it without child care. We are not going to get it without the level of resources required to provide meaningful child care. We are not going to get it simply by exempting mothers who have no other recourse but to stay at home because child care is not available.

There has been a lot of rhetoric in this debate. The most important thing we can do to change rhetoric to real action is to pass this amendment, to provide the resources, to provide the mechanisms, and, most importantly, to provide mothers the confidence that they can be a family when they come home from work at night. This investment in children is as important to kids as it is to mothers, as it is to the system itself. It deserves our support, and I hope Republicans will join us in the passage of it as we take up the vote momentarily.

I yield the floor.

The PRESIDING OFFICER. Is all time yielded back?

Mr. SANTORUM. Mr. President, what time is remaining on both sides?

The PRESIDING OFFICER. The Senator from Pennsylvania controls 5 minutes, 45 seconds.

Mr. SANTORUM. Their time has expired?

The PRESIDING OFFICER. Seven minutes and seven seconds on the minority side.

Does the Senator from Massachusetts yield back all of his time? Is that correct?

Mr. DODD. The Democratic leader just spoke. Does anybody on that side wish to be heard on this?

Mr. SANTORUM. I would like to recognize the Senator from Washington for 2 minutes.

The PRESIDING OFFICER. The Senator from Washington.

Mr. GORTON. Mr. President, I just want to say that the abstractions with which we deal with issues like this here are very different from the reality on the streets.

On my way back here from Seattle today, I read a long and fascinating article in the New York Times about the cultural differences among various kinds of gangs in the city of Los Angeles. The reporter reports on the particular ethos of black gangs, of Asian gangs, and of Hispanic gangs. In Los Angeles, the Spanish gangs account for most of the street murders, in the number of hundreds every year, but they do have a strong sense of family. And the principal part of the story is about a 15-year-old gang member with a 17-year-old girlfriend who has a 1-year-old child by this gang member.

If I may, I will share the last two paragraphs of that story with you, Mr. President.

> "He's always staying home now," Tanya said hopefully. "He doesn't want to miss nothing. He's saying, 'Can't you just leave the baby with me. I'll watch the baby and you go to school."
>
> Dreamer is still only school age—

He is 15.

> Tanya acknowledged, but the young family expects to be financially secure. Her mother receives Federal assistance to care for her through Aid to Families with Dependent Children. And now, Tanya said, she will also receive AFDC assistance to care for her own daughter, who is named Josefina.

So here we are subsidizing gangs and gang warfare in Los Angeles. That is why we need to pass this bill. That is why we need to deal with reality.

Mr. SANTORUM addressed the Chair.

The PRESIDING OFFICER. The Senator from Pennsylvania.

Mr. SANTORUM. I yield myself such time as I may consume.

In closing, I just want to remind Members what this amendment does. This is not an amendment targeted at preschool children, to provide single mothers support for preschool children. Children aged 12 and under are eligible for a full-time guaranteed day care slot under this proposal, under the Dodd amendment including two-parent families. Not just single mothers but two-parent families also qualify for a full-time day care slot. It also has a 100-percent maintenance-of-effort provision in this bill on the States.

This is a throwback to some of the ideas that we were debating for the past 2 decades. This is not in a new direction. This is not the direction we should take if we are going to reform the welfare system and get people back to work and get back to self-sufficiency.

I urge my colleagues to defeat the Dodd amendment.

I yield back the remainder of my time.

Mr. DODD addressed the Chair.

The PRESIDING OFFICER. The Senator from Connecticut.

Mr. DODD. Mr. President, very briefly, first of all, just in response to my friend from Pennsylvania, we say with regard to children that they should not be penalized if there are two parents. In fact, we ought to be encouraging that. And second, for after-school programs, it does not mean all-day child care, people in school. Obviously, it does not apply in those cases.

However, let me get back to the central point, Mr. President, if I can, in conclusion. We all want to see people move from welfare to work, and assist in that process. Every survey that has been done over the last decade has indicated that one of the major obstacles of people moving from welfare to work is the absence of child care.

Sixty percent of all AFDC recipients have children age 5 and under. If we are truly committed to moving people from welfare to work and we want to assist States in that process, we must provide adequate funds for child care. Because this bill mandates a 25-percent work requirement in 2 years, and 50 percent by the year 2000—we set that as a mandate in this bill—we should assist States in making that happen. All this amendment does is provide the assistance in a pool of money.

It is not an entitlement. It does not guarantee anybody anything. Merely on a proportional basis based on the block grant, it says to the States, "Here is a pool of money to assist you in providing those families that you are moving from welfare to work with child care."

Everyone knows that any effort to go from welfare to work, with infant children, that does not provide for child care will fail. And all of us do not want to see that happen.

So, Mr. President, I urge that we come together. This is an authorization—authorization. Money will have to be appropriated. If the numbers are less, then appropriate less. But let us not try to divide over this issue that has united us in the past. Let us see if we cannot here find some common ground.

I happen to believe, Mr. President, we would pass welfare reform 95–5 if we would adopt the Dodd amendment on child care. We could end the acrimony. We could have a good welfare reform bill. We could assist our States. And we could move people from welfare to work. Let us not miss this opportunity, for once, to come together in this Congress on an issue this critical and this important to the American public.

Mr. President, I yield back the remainder of my time, and I urge a "yes" vote on the amendment.

Mr. SANTORUM. Mr. President, I move to table the Dodd amendment and ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is now on the motion to table.

The clerk will call the roll.

The bill clerk called the roll.

Mr. LOTT. I announce that the Senator from Texas [Mr. GRAMM] and the Senator from Wyoming [Mr. SIMPSON] are necessarily absent.

I further announce that, if present and voting, the Senator from Wyoming [Mr. SIMPSON] would vote "yea."

The VICE PRESIDENT. Are there any other Senators in the Chamber desiring to vote?

The result was announced—yeas 50, nays 48, as follows:

[Rollcall Vote No. 406 Leg.]

YEAS—50

Abraham
Ashcroft
Bennett
Bond
Brown
Burns
Chafee
Coats
Cochran
Cohen
Coverdell
Craig
D'Amato
DeWine
Dole
Domenici
Faircloth
Frist
Gorton
Grams
Grassley
Gregg
Hatch
Hatfield
Helms
Hutchison
Inhofe
Kassebaum
Kempthorne
Kyl
Lott
Lugar
Mack
McCain
McConnell
Murkowski
Nickles
Packwood
Pressler
Roth
Santorum
Shelby
Smith
Snowe
Specter
Stevens
Thomas
Thompson
Thurmond
Warner

NAYS—48

Akaka
Baucus
Biden
Bingaman
Boxer
Bradley
Breaux
Bryan
Bumpers
Byrd
Campbell
Conrad
Daschle
Dodd
Dorgan
Exon
Feingold
Feinstein
Ford
Glenn
Graham
Harkin
Heflin
Hollings
Inouye
Jeffords
Johnston
Kennedy
Kerrey
Kerry
Kohl
Lautenberg
Leahy
Levin
Lieberman
Mikulski
Moseley-Braun
Moynihan
Murray
Nunn
Pell
Pryor
Reid
Robb
Rockefeller
Sarbanes
Simon
Wellstone

NOT VOTING—2

Gramm
Simpson

So the motion to lay on the table the amendment (No. 2560) was agreed to.

Mr. DOLE. Mr. President, I move to reconsider the vote.

Mr. SANTORUM. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The VICE PRESIDENT. The question recurs on the amendment of the Senator from Kansas [Mrs. KASSEBAUM].

There are 4 minutes of debate, evenly divided.

Mr. MOYNIHAN. Mr. President, may we have order.

The VICE PRESIDENT. The Senate will be in order.

The Senator from Kansas [Mrs. KASSEBAUM] is recognized.

AMENDMENT NO. 2522

Mrs. KASSEBAUM. Mr. President, first, I would like to ask for the yeas and nays on my amendment.

The VICE PRESIDENT. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

Mrs. KASSEBAUM. Mr. President, I will reiterate why I believe this amendment is important.

Mr. President, I, too, feel strongly about the importance of child care. In order to make our welfare reform effort successful, I could not support the measure that we just voted on because I felt it was an amount of money that could not be sustained and was not offset in a way that I felt would be successful.

The rationale for my amendment is briefly three parts. It creates a unified system of child care at the State level, with one State plan. It is not an effort to, in any way, intrude on the infringement of one committee over another. It is my idea that a consolidation of these efforts is important, and it provides one set of regulations, rather than a two-track system. So it does not transfer jurisdiction of the Senate Finance Committee child care program to the Senate Labor and Human Resources Committee. But it does set up a single system through which child care is handled. It prevents families from experiencing disruptions in their child care since their eligibility is no longer tied to specific program requirements, that is, AFDC. Instead, eligibility is based on a family's income, through a sliding fee scale that the State determines. As parents earn more, they make a greater contribution for child care assistance.

I feel it is very important that low-income families can be able to move off of welfare rolls and yet still be able to maintain some support for child care. It preserves the limited funding for child care for low-income working families, many of whom rely on this assistance to stay off of the welfare rolls. For example, for a family of two earning minimum wage, average yearly child care costs consume 47 percent of the household gross income. That is a significant amount, Mr. President. I believe families do need some support because it is the children that we do have to protect in this process.

I yield the floor.

Mr. DOLE. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. GRAMS). The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. DOLE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

The question is on agreeing to the amendment. The yeas and nays have been ordered. The clerk will call the roll.

The legislative clerk called the roll.

Mr. LOTT. I announce that the Senator from Texas [Mr. GRAMM] and the Senator from Wyoming [Mr. SIMPSON] are necessarily absent.

I further announce that, if present and voting, the Senator from Wyoming [Mr. SIMPSON] would vote "nay."

The PRESIDING OFFICER (Mr. FAIRCLOTH). Are there any other Senators in the Chamber desiring to vote?

The result was announced—yeas 76, nays 22, as follows:

[Rollcall Vote No. 407 Leg.]

YEAS—76

Abraham
Akaka
Baucus
Bennett
Biden
Bingaman
Bond
Boxer
Bradley
Breaux
Bryan
Bumpers
Burns
Byrd
Campbell
Chafee
Coats
Cochran
Cohen
Conrad
Craig
Daschle
DeWine
Dodd
Domenici
Dorgan
Exon
Feingold
Feinstein
Ford
Frist
Glenn
Gorton
Graham
Grams
Harkin
Hatch
Hatfield
Heflin
Helms
Hollings
Hutchison
Inouye
Jeffords
Johnston
Kassebaum
Kempthorne
Kennedy
Kerrey
Kerry
Kohl
Lautenberg
Leahy
Levin
Lieberman
Lugar
Mikulski
Moseley-Braun
Murkowski
Murray
Nunn
Pell
Pressler
Pryor
Reid
Robb
Rockefeller
Santorum
Sarbanes
Shelby
Simon
Snowe
Specter
Stevens
Warner
Wellstone

NAYS—22

Ashcroft
Brown
Coverdell
D'Amato
Dole
Faircloth
Grassley
Gregg
Inhofe
Kyl
Lott
Mack
McCain
McConnell
Moynihan
Nickles
Packwood
Roth
Smith
Thomas
Thompson
Thurmond

NOT VOTING—2

Gramm
Simpson

So the amendment (No. 2522) was agreed to.

Mr. SANTORUM. Mr. President, I move to reconsider the vote.

Mr. MOYNIHAN. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 2523

The PRESIDING OFFICER. The question—the Senate will please be in order.

The question is on the amendment No. 2523, offered by Senator HELMS. There are 4 minutes evenly divided. Who yields the time?

The distinguished Senator from North Carolina.

Mr. HELMS. Mr. President, I do not believe I can talk over the various discussions going on.

Mr. LEAHY. Mr. President, the Senate is not in order. The Senator is right. He is entitled to be heard.

The PRESIDING OFFICER. The Senate will please be in order.

Mr. FORD. The Chair can call names.

The PRESIDING OFFICER. The Chair recognizes the Senator from North Carolina.

Mr. HELMS. Mr. President, instead of making remarks, I have prepared a sheet that is on every Senator's desk that explains, or refutes in one or two cases, suggestions about what this amendment does or does not do.

Let me go down the list. First, the question and then the answer.

How much of the taxpayers' money will this amendment save?

CBO says it will save $5.68 billion over 7 years.

What are the work requirements under the Helms amendment? And by the way it is cosponsored by the distinguished occupant of the chair, Mr. FAIRCLOTH, and Mr. SMITH of New Hampshire, Mr. GRAMS of Minnesota, and Mr. SHELBY of Alabama. What are the work requirements under the Helms amendment?

Food stamp recipients must work a total of 40 hours over a 4-week period before receiving benefits.

Question. Are temporarily unemployed people denied food stamps?

No, community service will count as work.

Are work requirements in the Helms amendment stronger than in the Dole amendment? And, incidentally Senator DOLE supports the Helms amendment.

Yes. The Dole amendment allows recipients to receive food stamps for a full year and requires only 6 months of work to qualify.

Will pregnant women be denied food stamps?

No, there are millions of pregnant women who went to work this morning. But if and when they are unable to work they can and will get food stamps when qualified.

Will retired people be denied food stamps?

Of course not. Citizens over 55 are exempt from the work requirements.

How many individuals does the Helms amendment target?

It targets the 2.5 million able-bodied individuals who refuse to work.

Exempted by this amendment are children under 18, parents with children, parents with disabled dependents, mentally or physically unfit, and all who are over 55.

Mr. President, I reserve the remainder of my time.

The PRESIDING OFFICER. The time of the Senator has expired.

Who yields time?

Mr. LUGAR. Mr. President, I would like to speak in opposition.

The PRESIDING OFFICER. The Chair recognizes the Senator from Indiana.

Mr. LUGAR. Mr. President, the dilemma with the Helms amendment is very simple. That is in many communities throughout the country there are no volunteer programs. There are no work programs that people could take up. In some cases, there are no jobs.

Frankly, the problem is the amendment affects able-bodied people who are temporarily laid off, as people sometimes are in this country, during recessions or during closing of factories or economic change. It does not really give a very good opportunity for those people to qualify for food stamps.

USDA estimates 700,000 people would be affected. By and large, these are people, often with long work records, who temporarily have bad luck.

In my judgment, the amendment has the merit of trying to tighten up the food stamp situation but it does so at the expense of able-bodied Americans who should not be penalized.

I encourage the Senate to defeat the amendment.

Mr. LEAHY. Mr. President, it is true that this amendment by itself would save money. But you could also say that if we had an amendment that totally did away with the food stamp program that would save even more money.

Basically what this says is you could be somebody who has worked in the plant for 15 years, you paid your taxes, you are an upright citizen who paid for the programs and everything else, and if that factory, the largest employer in the area, should suddenly close, and you cannot find a job within 30 or 31 days later and if you are looking for food stamps you are not going to get them because you have not worked in the last 30 days. This is far too punitive. It is going to make it extremely difficult, as the senior Senator from Indiana said, for those who have been employed who because of a disaster or a plant closing or something else are out of a job. It goes much too far.

FOOD STAMP WORK AMENDMENT

Mr. SHELBY. Mr. President, I am pleased to join with Senators HELMS and FAIRCLOTH to offer this amendment to the welfare reform bill. This amendment is based on the simple notion that recipients of public assistance should give something in return for their benefits. To not require work for welfare, is to promote irresponsibility, which is ultimately harmful to the recipient.

This amendment is straightforward. It states that those recipients of food assistance, who are able-bodied, do not have any dependents, and are between the ages of 18 and 55, must work for an average of 40 hours per month in order to receive their food assistance.

Some critics might point out that the Dole amendment already has work requirements for Food Stamp recipients. However, those work requirements do not begin until 6 months after the person begins receiving food assistance. Workfare programs should resemble the private sector to the greatest extent possible, and I do not know of any business which pays its employees for 6 months before the employee ever begins working. Our work requirement is structured identically to private sector employment: wages—or benefits in this case—are paid after the service is rendered. This will promote personal responsibility and self-sufficiency.

Finally, one of the main benefits of work requirements is that they are a humane way of screening people off of welfare who do not belong on the rolls. Many people receiving benefits which are now free, will opt to pursue other options they currently have in the private sector if they are faced with even a minimal work requirement. If they have no such options, they will be able to continue to receive benefits in exchange for community service. However, CBO has estimated that this work requirement will save taxpayers $5.5 billion over 7 years, due to a decrease in the food stamp rolls of more than 1 million individuals. This will free up money to be used on people who are in genuine need, who have small children, and who have no employment options in the private sector.

Again, this amendment does not affect anyone with small children, or anyone who is disabled or elderly. It is carefully targeted at those who are the most likely to be able to move into the private sector.

Mr. President, this is a responsible amendment, and one I hope my colleagues will support.

Ms. MIKULSKI. Mr. President, I rise today to speak out against the amendment offered by the senior Senator from North Carolina.

Let me be clear. I am for reform of the Food Stamp Program. I am willing to toughen up work requirements. I am for elimination of fraud. That is why Democrats included reforms in our welfare reform.

We include increased civil and criminal forfeiture for grocers who violate the Food Stamp Act. We require stores to reapply for the Food Stamp Program so that we make sure that fraud is not taking place. We disqualify grocers who have already been disqualified from the WIC Program. We encourage States to use the electronic benefits transfer program and we allow them to require a picture ID. We require able-bodied people who are between 18 to 50 to work after a period.

The fight here is over food, not fraud. This amendment would say to workers in my State and States across this country that if you are a victim of a plant closing, you won't get any food stamps unless you go out and work. This amendment is tough on new mothers. Under this amendment, if you are about to have your first child and for some reason you lose your job, you are cut off from food stamps unless you work. Cut off at the most critical time in life for good nutrition. This amendment doesn't recognize that some areas are hit by high unemployment. This proposal fails to realize that we do have recessions.

In a time when we denounce mandates to the States, this is exactly what the proposal does—it mandates further costs. This amendment offers no funding to help these workers find work or create jobs. It is assumed that State and local governments can do this on their own. State and local governments will have to enforce these new Food Stamp requirements at the very time they are reinventing their welfare program.

Mr. President, I am for welfare reform including the Food Stamp Program. I am not for denying help to those who truly need it and that is what this amendment does. I urge my colleagues to vote this amendment down so we can get on to real reform.

The PRESIDING OFFICER. All time on the amendment has expired. The question is on agreeing to the amendment of the Senator from North Carolina. On this question, the yeas and nays have been ordered and the clerk will call the roll.

The legislative clerk called the roll.

Mr. LOTT. I announce that the Senator from Texas [Mr. GRAMM] and the Senator from Wyoming [Mr. SIMPSON] are necessarily absent.

I further announce that, if present and voting, the Senator from Wyoming [Mr. SIMPSON] would vote "yea."

The PRESIDING OFFICER. Are there any other Senators in the Chamber who desire to vote?

The result was announced—yeas 32, nays 66, as follows:

[Rollcall Vote No. 408 Leg.]

YEAS—32

Abraham
Brown
Coats
Coverdell
Craig
Dole
Faircloth
Frist
Gorton
Grams
Grassley
Gregg
Helms
Hutchison
Inhofe
Kempthorne
Kyl
Lott
Mack
McCain
McConnell
Murkowski
Nickles
Pressler
Roth
Santorum
Shelby
Smith
Stevens
Thompson
Thurmond
Warner

NAYS—66

Akaka
Ashcroft
Baucus
Bennett
Biden
Bingaman
Bond
Boxer
Bradley
Breaux
Bryan
Bumpers
Burns
Byrd
Campbell
Chafee
Cochran
Cohen
Conrad
D'Amato
Daschle
DeWine
Dodd
Domenici
Dorgan
Exon
Feingold
Feinstein
Ford
Glenn
Graham
Harkin
Hatch
Hatfield
Heflin
Hollings
Inouye
Jeffords
Johnston
Kassebaum
Kennedy
Kerrey
Kerry
Kohl
Lautenberg
Leahy
Levin
Lieberman
Lugar
Mikulski
Moseley-Braun
Moynihan
Murray
Nunn
Packwood
Pell
Pryor
Reid
Robb
Rockefeller
Sarbanes
Simon
Snowe
Specter
Thomas
Wellstone

NOT VOTING—2

Gramm
Simpson

So the amendment (No. 2523) was rejected.

Mr. DOLE. Mr. President, I move to reconsider the vote.

Mr. MOYNIHAN. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. DOLE. Mr. President, I will ask unanimous consent as to how we may proceed. It has been worked out and cleared by the Democrats. There will be no more votes tonight.

Unfortunately, we could not get anybody to offer an amendment, but we do have an agreement the Senator from California and the Senator from North Dakota will offer amendments and votes will occur tomorrow.

ORDERS FOR TUESDAY, SEPTEMBER 12, 1995

Mr. DOLE. Mr. President, I ask unanimous consent that when the Senate completes its business today, it stand in recess until 9 a.m. Tuesday, September 12, 1995, and the Senate immediately resume consideration of H.R. 4, the welfare bill.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DOLE. I ask unanimous consent that at 9 a.m. there be 10 minutes for debate on the pending Conrad amendment No. 2529, to be followed immediately by a vote on or in relation to the Conrad amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DOLE. I further ask that following disposition of the Conrad amendment, there be 4 minutes equally divided in the usual form on the Feinstein amendment No. 2469, to be followed immediately by a vote on or in relation to the Feinstein amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DOLE. I further ask that following disposition of the Feinstein amendment, Senator BREAUX be recognized to offer his amendment concerning maintenance of effort; that the time prior to 12:30 p.m. be equally divided in the usual form and a vote occur on or in relation to the Breaux amendment at 2:15 p.m. on Tuesday.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DOLE. Mr. President, let me indicate to my colleagues on both sides, I think there are a couple hundred amendments pending. We did not dispose of very many today. It is my understanding there are about 19 cleared on this side. And we hope we might be able to dispose of those this evening if they can be cleared on the other side. They are both Democratic and Republican amendments, and not controversial, as I understand it.

I have not seen the amendments myself. But I think we have indicated—at least I have indicated, and I think the Democratic leader, the distinguished Senator from South Dakota, Senator DASCHLE, agrees—we ought to complete action on this bill Thursday, that on Friday take up the State, Commerce, Justice appropriations bill, and either complete action on that Friday—the chairman would like it Friday or Saturday, that bill, because we do need to complete action on the remaining appropriations bills and go to conference and send them down to the President before October 1.

And so there is a lot of pressure on us to get the work done. We still have the six appropriations bills to do. Two or three will take some time. A couple of them may go rather quickly. So I would suggest that we have got a lot of work to do in a rather short time.

I know that some of my colleagues will have problems in the first week in October because of religious holidays. And we want to accommodate everybody, try to accommodate everybody, as we should. But hopefully we will have the appropriations bills done, so it will be easier to accommodate those who have particular concerns in that area.

So I would urge my colleagues to cooperate with the managers on each side so we can complete action on this bill on Thursday evening.

I will be sending a cloture motion to the desk. In fact, I will do it right now.

Ms. MOSELEY-BRAUN. Will the majority leader yield?

Mr. DOLE. I will be happy to yield to the Senator from Illinois.

Ms. MOSELEY-BRAUN. I have three pending amendments that I would be prepared to take up after the Breaux amendment has been disposed of, and if it is appropriate, if you would amend your unanimous-consent request to take up the three 4Moseley-Braun amendments thereafter.

Mr. MOYNIHAN. Did you want 1 hour?

Ms. MOSELEY-BRAUN. An hour would be sufficient.

Mr. DOLE. For each one?

Ms. MOSELEY-BRAUN. One hour for all three.

Mr. DOLE. I think now that we have two Democratic amendments pending, our hope would be that we take up the Ashcroft amendment, the Shelby amendment, and then the amendments of the Senator from Illinois, if that is satisfactory.

I do not know how much time they are going to take. So we would be on your amendments by about 4:30.

Ms. MOSELEY-BRAUN. Is there time on the Aschroft amendment?

Mr. DOLE. One hour on Ashcroft; 1 hour on Shelby; and 1 hour on yours, if that is satisfactory.

Mr. MOYNIHAN. Why do we not ask for that now?

Mr. GRAHAM addressed the Chair.

The PRESIDING OFFICER. The Chair recognizes the Senator from Florida.

Mr. GRAHAM. I would request, immediately after disposition of the amendments from the Senator from Illinois, an amendment offered by Senator BUMPERS and myself be the next Democratic amendment. And we have agreed to a time agreement of 2 hours equally divided.

Mr. DOLE. I want to first make certain we satisfy the Senator from Illinois.

Ms. MOSELEY-BRAUN. If I may, I would like an hour on my side on my three amendments. And if that would mean an hour—that would be 2 hours total on the three amendments that I have.

Mr. DOLE. OK. Let me just make this consent request, that following the disposition of the Breaux amendment—the vote will occur at 2:15—then we consider the Ashcroft amendment, 1 hour equally divided in reference to food stamps; followed by a Shelby amendment in reference to food stamps, 1 hour equally divided; followed by three amendments by the distinguished Senator from Illinois, Senator MOSELEY-BRAUN, 2 hours equally divided; followed by——

Mr. MOYNIHAN addressed the Chair.

The PRESIDING OFFICER. The Senator from New York.

Mr. MOYNIHAN. If the Senator from Florida would be understanding, I do not know that we could get a time agreement at this point. But in the sequence, he would come after the Senator from Illinois.

Mr. GRAHAM. I would modify my request for unanimous consent just to be in sequence after the Senator from Illinois and settle at a later date the question of time.

Mr. DOLE. I think the only point I would make—I am not certain we could do that. We do not want to get to one amendment at 5 o'clock tomorrow and be on it for the rest of the day.

If I could get consent, before I move to the Graham amendment, on the previous three amendments, Ashcroft, Shelby—no time agreements.

Mr. FORD. Reserving the right to object, Mr. President. And I say to my friend, the majority leader, there are some that are very involved, and the floor manager here understands that very well. We have not been able to check about the time limits on food stamps.

If we could do sequence, then work out the time agreements after that, I think that would be best. But as far as agreeing to a time as it relates to these amendments, it would be very difficult for us to do it at this time unless we could get all of those Senators that are involved and interested in the particular amendments that are going to be brought forward.

We are talking about basically six amendments here, and one of them you cannot give a time agreement on; one you have the time agreement for an hour on the three; but then that does not include time in opposition, so 2 hours. I would be put in a very untenable position to having to object.

I see the minority leader is here, the Democratic leader is here now.

I yield the floor.

Mr. MOYNIHAN. Mr. President, I suggest the absence of a quorum.

Mr. DOLE. That is OK.

Mr. President, I will just modify my request.

Mr. MOYNIHAN. I withdraw my request.

The PRESIDING OFFICER. The majority leader.

Mr. DOLE. Again, I must say we still have a couple hundred amendments pending. I do not want to get carried away that we are making progress if we take up four amendments, five.

Mr. FORD. They are major, though.

Mr. DOLE. I would ask the following sequence: Following disposition of the Breaux amendment, Senator ASHCROFT be recognized to offer an amendment on food stamps; following disposition of that amendment, we hope to get a time agreement, and that the Senator from Alabama, Senator SHELBY, be recognized to offer an amendment on food stamps; following disposition of that amendment, the distinguished Senator from Illinois, Senator MOSELEY-BRAUN, be recognized to offer three amendments with a 2-hour time agreement, 1 hour on each side; followed by the Graham-Bumpers amendment on formulas, as I understand it.

Mr. MOYNIHAN. That is right.

Mr. DOLE. Yes.

The PRESIDING OFFICER. Is there objection?

Mr. DOMENICI. Reserving the right to object. Might I ask the majority leader a question?

Mr. Majority Leader, there is no time agreement yet as to when this bill has to be disposed of, is there?

Mr. DOLE. No. But it is my hope, and I hope the hope of the Democratic leader, that we finish it Thursday. Otherwise, I think we will go the reconciliation route. We could be here on this for the next 3 weeks, and we have six appropriations bills to pass. We have got some people pressing for a recess in October. And we want to try to accommodate people, but sometimes we have to accommodate the work at hand. And there is a lot of work at hand.

For 49 hours we have been on this bill. It is a very important bill. But this will take us into tomorrow evening, even this agreement—one, two, five, six, seven, eight, nine amendments, which will get us to sometime tomorrow evening. That would still only leave 200 left. That may be progress; not in my book.

I will send a cloture motion to the desk.

First, I will yield the floor.

Mr. DASCHLE addressed the Chair.

The PRESIDING OFFICER. The Chair recognizes the minority leader.

Mr. DASCHLE. Mr. President, I share the view just expressed by the majority leader. I think we have made some progress. We have a long way to go. I know that some of the amendments that have been offered are duplicative amendments, so there is probably a much shorter list than 200.

I think we can make a real good-faith effort tomorrow and see if we cannot accommodate both sides in not having votes on all of these. I think if we can work with the managers and accept some of these amendments, it would be very helpful as well.

There are two other amendments, at least I will just put our colleagues on notice, on the Democratic side. I would like the Lieberman amendment and the Kennedy amendment having to do with work as our next two amendments, regardless of whether they are part of the unanimous-consent agreement or not. I think it would be helpful for Democrats on our side at least to know what the sequencing will be.

Mr. KENNEDY. Will the Senator yield?

Mr. DASCHLE. Yes.

Mr. KENNEDY. This is the amendment to strike the training aspects of the welfare proposal; basically, the Kassebaum training programs that deal with dislocated workers, the workers that would be covered under NAFTA, GATT, defense downsizing, corporate restructuring, environmental considerations, an amendment that would be used to strike those provisions from the Dole bill.

Mr. DOLE. Any time agreements?

Mr. KENNEDY. We would be glad to work out a reasonable time, and I will be glad to talk with others who are the cosponsors and Senator KASSEBAUM and make a recommendation to the leaders tomorrow and try to get that in prior to the time of the cloture vote.

Mr. DOLE. I will just say for my colleagues, we have two Republican amendments, and then we have three amendments from Senator CAROL MOSELEY-BRAUN and then the amendment of Senators GRAHAM and BUMPERS. I assume following that there would be a Republican amendment, and then we can accommodate.

Mr. DASCHLE. The next two Democratic amendments following those would be the two I just mentioned.

Mr. DOLE. I also want to say, as I indicated earlier, since the leader is on the floor, there are a number of amendments that have been cleared on this side, and if they can be cleared on the other side—I think there are a total of 19—that would be a sign of progress, too. As I understand, they are amendments from Republicans and Democrats. They are not controversial. They probably would not have been cleared. That would be a sign we are making progress, too.

The PRESIDING OFFICER. Is there objection to the majority leader's request?

Mr. DOMENICI. I wonder if the Senator will add Senator DOMENICI's amendment on family cap to the sequencing when he is finished.

Mr. DOLE. Following the Graham-Bumpers amendment, how much time?

Mr. DOMENICI. At least an hour on my side; maybe an hour on the other side.

Mr. DOLE. They may want to check that. I can seek agreement but not give a time agreement. I ask unanimous consent that Senator DOMENICI be sequenced in after Graham-Bumpers, but we cannot get an agreement on time.

The PRESIDING OFFICER. Is there objection to the request? Without objection, it is so ordered.

CLOTURE MOTION

Mr. DOLE. Mr. President, I send a cloture motion to the desk.

The PRESIDING OFFICER. The cloture motion having been presented under rule XXII, the Chair directs the clerk to read the motion.

The legislative clerk read as follows:

We, the undersigned Senators, in accordance with the provisions of rule XXII of the Standing Rules of the Senate, do hereby move to bring to a close debate on the Dole substitute amendment to H.R. 4, the welfare reform bill.

Bob Packwood, Hank Brown, Bob Dole, Paul D. Coverdell, Conrad Burns, Don Nickles, Trent Lott, Bill Roth, Rick Santorum, Ted Stevens, Pete V. Domenici, Robert F. Bennett, Mike DeWine, Slade Gorton, Larry Pressler, Craig Thomas, Rod Grams.

The PRESIDING OFFICER. The Chair recognizes the Senator from California.

FAMILY SELF-SUFFICIENCY ACT

The Senate continued with the consideration of the bill.

AMENDMENT NO. 2469

Mrs. FEINSTEIN. Mr. President, I thank you for the recognition, and I speak to amendment No. 2469, which was earlier offered, which has to do with the growth formula provided for in this bill.

I ask unanimous consent that Senator BOXER be added as a cosponsor to the legislation.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mrs. FEINSTEIN. Mr. President, let me try to be succinct as to how this amendment would change the Dole bill. Essentially what the Dole bill does, as drafted, is present a growth fund for the next 5 years of $877 million. It then submits a formula under which that growth fund is disbursed. The formula would provide funds only to 19 States. You cannot convince me that only 19 States are going to grow in terms of poor families in this Nation.

So what I have tried to do is come up with a fair formula that measures the growth of poor families. The House bill has a formula in it which measures the growth of people and then applies that to this bill. Ours is very similar to the House, with one distinction, and the distinction is that it would use the census data to count the increase in poor families to determine how the growth money is spent. The House uses the census data to count the increase in the general population. Then, the way in which the growth money is spent is simply: The percentage of growth is divided into the overall total growth. In that way, every State is accommodated, and the growth funds are distributed to each state proportionate to its share of the total growth.

Specifically, it would require the Secretary of Health and Human Services to publish every 2 years data relating to the incidence of poverty. The methodology employed mirrors title 13 of the United States Code, section 141(a) of the census statute, and as I have said, is the same as the House welfare reform bill. So people should know that what we are doing is simply following the way the census produces the material, under current law, and then empowering the Secretary of Health and Human Services to disburse funds according to the results of that data, and proportionate to each state's share of the total growth in poor people.

There is no additional cost associated with this amendment.

I would like to add that all States are being held harmless; in other words, no State's grant would be reduced if that State experiences a decline in poor population. According to the present population projections, four States are expected to experience an actual decline of population. They are Maine, Massachusetts, Connecticut, and Rhode Island. These States are all held harmless in this amendment.

If, of course, the projections prove wrong and those States do experience an increase, because no one can actually predict future growth, they will receive their fair share of the growth formula.

If I may, I would like to contrast this with the approach taken in the underlying bill. Eight hundred seventy-seven million dollars over 5 years is authorized in this bill to accommodate growth. As I said, only 19 States are funded with this growth formula. Under the Dole bill, the 19 States receive automatic additional funding, 2.5 percent of their 1996 grant, in each of fiscal years 1997 to 2000 if, one, their State's welfare spending is less than the national average level of State spending and, two, their rate of population growth is greater than the national average population growth.

For reasons which are unclear, certain States are deemed as qualifying if their level of State welfare spending per poor person is less than 35 percent of the national average level of State welfare spending per poor person in fiscal year 1996.

So Federal taxpayers are being asked to spend almost $1 billion over 5 years in the name of growth. But, in fact, the result is that States that, until now, have spent less than the average level of State spending in assisting their poor will now be subsidized by taxpayers from all 50 States. I think that is plain wrong. The State with the greatest growth—and that is California—is significantly disadvantaged because its funding is frozen for the next 5 years. I have distributed a letter with our proposal, with the Dole-Hutchison formula in it and with the difference. So there are three charts on everyone's desk tonight so everybody can look up their State.

Certainly, the 19 States recognized in the Dole bill—and I know Senator HUTCHISON will comment on this—will be cut back somewhat so that everybody could have a fair share of the growth fund based on the actual growth of poor people in their State as determined by the Bureau of the Census. What could be fairer than that? If in the census you achieve more people, the growth fund is there to give you your percent share of the total growth fund.

So I will yield the floor for the moment. I know Senator HUTCHISON would like to debate this.

The PRESIDING OFFICER. Who yields time?

Mrs. HUTCHISON. Mr. President, I will be managing the time on this amendment for our side. Mr. President, I want to lay out exactly what my amendment does, or my formula, the Dole-Hutchison formula, does. Senator SANTORUM is going to have to leave in 7 minutes, so I would like to ask him to speak for 2 or 3 minutes, and then I will lay out the parameters of the Dole-Hutchison formula so that everyone understands why it is the fairest formula.

Mr. SANTORUM. Mr. President, I thank the Senator from Texas for yielding.

As I discussed the other night, I want to congratulate the Senator from Texas for working diligently in coming up with this formula. It is a fair formula. On the surface, it sounds like the Feinstein formula is fair because it is based on growth in poverty population.

What the Feinstein formula ignores is how we got to the allocation in the first place. In other words, how did we get to today? It is based on not how many poor children there are in California, Pennsylvania, or New Mexico; it gets to the State today based on how much the State of California ponied up, as did the States of Texas and Pennsylvania. As a result, you have States like California—and Pennsylvania being another one and New York—who had large welfare contributions. They put up a substantial State match. As a result, they got more Federal dollars. If you put up more State money, you got more Federal money. So you had certain States who were more generous with their welfare—or more progressive, some would say—and put up more dollars.

Well, now the match is gone. There is no longer a match required under the Dole substitute, the bill we are going to pass. So to suggest that we should now take a formula based on what a State match was and apply that in the future, based on what the growth in the poverty population is, already gives those States that had high State matches an artificial advantage in the first place.

So what the Hutchison formula tries to do is say—starting at this inequity, because the Hutchison formula holds every State harmless and says that, from there on, we are going to have the States who get less per child under current law get more money over time to equal out what the Pennsylvanias and Californias and New Yorks get. So her growth formula targets the low-benefit States that are growing and allows them to catch up with these Federal dollars.

It is fair in the sense that these are block granted funds and there is no match required anymore. California does not want to spend a penny on this. They will not anymore because we have a 75 percent maintenance of effort. But California can reduce their contribution, which would be a lot more to their State budget than Mississippi's reduction in their welfare contribution. So they have a lot more flexibility under the current law. There is no match requirement except to the extent of the 75 percent maintenance of effort.

This is a fair way to make up the difference over a period of time. As Senator HUTCHISON will very articulately tell you, they are still at the short end of the stick because the per child expenditure for a child from California, New York, or Pennsylvania will still be less after 7 years than they will be in taxes, even though it is a block-granted formula. We try to make up this inequity. I congratulate her for her tenacity in dealing with this issue. This was the toughest issue to deal with. Any time you try to figure out how the money is allocated, you get all sorts of parochial interests that jump to the floor. She was able to stick in there and handle it and bring people together. It is one of the principal reasons this bill is on the floor and in shape to pass the Senate.

Mrs. HUTCHISON. Mr. President, I yield myself 6 minutes of our time. I want to start by thanking the Senator from Pennsylvania. I appreciate all of his efforts on this bill. He is one of the first people who understood the balance in the formula.

Mr. President, this formula is very carefully balanced. That is why it is fair. The challenge we had was to make a fair formula in a totally reformed welfare system with a 5-year block grant.

Now, here was the problem. You have high-welfare States that gain in the beginning because they are block granted for 5 years. These are States that have put more into their welfare spending and therefore have gotten more out. A State that has put more in has also gotten more Federal matching funds. Therefore, they have gotten more total AFDC dollars. Now, you have low-benefit States that have not put up as much money. My State is 35th in per capita income and may not have been able to put up as much. So they have gotten fewer Federal dollars.

In we come with welfare reform. Now we are going to lessen the State requirement. We will have no State requirement at all in the last 2 years of this 5-year plan. So we have to reform the formula as well, to keep the low-benefit States that are growing from being in a desperate situation. So the challenge was not to take from anyone, but to allow these low-benefit, high-growth States to be able to win in the end, so that they march toward parity.

If I can say one thing about this formula, it is that we have a goal of parity at some point in the future. I would like to be at parity today; so would Senator DOMENICI, so would Senator NICKLES, and so would Senator GRAMM. We would like to be at parity right now. But even after 5 years, our States will not be at parity. But we know that we have to make accommodations so that everyone can feel that they have gained something from welfare reform. So we are willing to move slowly toward parity, which should be the goal of this country—for every poor person to have the same basic general grant in welfare. My solution, the Dole-Hutchison formula, does exactly that.

Some have said that food stamps make up for inequity. This is not true. If you put AFDC and food stamps together, which gives you the fairest picture, even after 5 years with the Dole-Hutchison formula, here is what you have. The higher welfare States like California that are frozen still get more than their percent of the poverty population in Federal dollars at the end of 5 years. California will get 14.41 percent of the Federal dollars under my formula, whereas, they have 14.1 percent of the poverty population. So they will be getting $141 million more than their actual share of the poverty population. Because they are frozen at the higher level, they are going to be big winners in the beginning, and they will still not be losers at the end.

Hawaii, for instance, will have double its poverty population in Federal benefits. New York will have 9.94 percent of all the Federal AFDC dollars, whereas it has 7.6 percent of the poverty population. Massachusetts will get 1.99 percent of the Federal dollars, whereas, it has 1.7 percent of the poverty population. Michigan will get 4.16 percent of the dollars, whereas, it has 3.6 percent of the poverty population. Washington State will get 1.96 percent of the total Federal dollars whereas they have 1.5 percent of the poverty population.

Now, these are States that are going to be frozen at the higher levels. That is why these States win even though they are frozen. If you take their Federal dollars frozen plus their food stamps they still come out ahead of their poverty population percent.

Now, what is wrong with the Feinstein amendment? Let me say that the Feinstein amendment, she has done her homework. I admire the Senator from California very much. Here is what is wrong with this amendment. It redistributes the growth even to high-benefit States so they get a double advantage. They get a high Federal benefit in the beginning and they get the growth.

So what happens? They increase in poverty requirements, which are an incentive to even the high-welfare States to continue having growing poverty statistics.

The second thing that is wrong with the Feinstein amendment is parity will never be reached. We will never reach the goal in this country to have general parity across the Nation of all of the AFDC grants.

Let me give some examples of the difference between the Dole-Hutchison formula and what Senator FEINSTEIN's formula would do to the poor States.

California receives $1,016 per poor person now. Alabama receives $148 per poor person, and yet under the Feinstein amendment Alabama will lose $11 million more under her formula than they would get under mine because they will grow under mine because they are poor.

Arkansas, $137 per poor person as compared to $1,016 from California.

The PRESIDING OFFICER (Mr. SANTORUM). The 6 minutes of the Senator has expired.

Mrs. HUTCHISON. I ask unanimous consent to be extended 2 minutes.

The PRESIDING OFFICER. The Senator has 4 minutes remaining on her time.

Mrs. HUTCHISON. Mr. President, let me finish this thought, and I want to yield the floor to Senator DOMENICI for 2 minutes.

We have the poor States that will continue to lose under the Feinstein amendment.

The third thing that is wrong with the Feinstein amendment is that it directs the Secretary of Health and Human Services to determine poverty estimates by means of sampling, estimation, or any other method that the Secretary determines will produce reliable data.

Now, Mr. President, that is a hole as big as a Mack truck. Who knows what the formula might be? We just cannot live with that. We must have something that we can count on that will not be jiggered or changed over the years, to be considered fair.

Mr. President, I yield the floor, and I yield the Senator from New Mexico 2 minutes.

Mr. DOMENICI. Mr. President, thank you.

Senator HUTCHISON, let me just say we actually should call the new formula in the Dole amendment not the Dole-Hutchison but the Hutchison-Dole.

I commend the Senator also for the tremendous job done in trying to create parity and what I perceive to be fairness. I have great admiration for anybody that tries to get more for their State. Obviously, I admire the distinguished Senator from California for trying to get more for California.

Essentially, to just give an example, California and New York each start off with more Federal spending per poor person than New Mexico, Texas, Alabama, and Virginia combined. Let me put it one more time, just taking California. California starts off with more Federal spending per poor person than New Mexico, Texas, Alabama, and Virginia combined.

Now, if we are going to have a formula that perpetuates that disparity, then why would we from States like New Mexico, Texas, Alabama, Virginia, and many others, want to be part of this change in our Federal Government's approach to the welfare system? Why we would want to join and put our States and our poor people in a perpetual inferiority position—not a little bit, but a dramatic difference.

The Senator from Texas has stated the difference. We will never catch up. The distinguished Senator from Texas did not come up with a formula that would take from the rich States, the States that have harvested the program so well. We did not decide in our work together—I worked on it with you, the Senator from New Mexico worked with you—to take from them.

We just said do not continue to leave the poorer States in a perpetual state of disparity beyond any recognition. There will be a welfare program in New Mexico under this that will be one-third of that in New York. My State will lose $23 million. It is one of the hardest hit States. There are many more like it.

I say to the Senator from California, good luck on getting things for California but on this one, this formula will not work because it is not fair. I thank the Senator from Texas for yielding.

Mr. MOYNIHAN. Mr. President, the Dole substitute to H.R. 4 authorizes a supplemental appropriation of $878 million over fiscal years 1997 through 2000 to be allocated to certain States in addition to the funds they would receive under the temporary assistance for needy families block grant. States qualify for the supplemental funds if one, total population—not just poor population—growth in fiscal year 1996 is above the national average and State welfare expenditures per poor person are at or below 50 percent of the national average, or two, State welfare expenditures per poor person are at or below 35 percent of the national average, regardless of population growth.

States have a one-time opportunity to qualify in fiscal year 1997. If they do, they will receive a 2.5-percent increase in their block grant funding each year, 1997–2000, regardless of whether they continue to meet the eligibility standards in subsequent years. Likewise, States that fail to qualify in fiscal year 1997 are excluded from receiving any of the supplemental funds even if they were to quality later. The practical effect of the provision would be to boost cumulative funding in 19 so-called growth States—but not California—by 10.4 percent. The remaining 31 States, including New York, would be held harmless; their allocations under the main block grant would remain frozen through fiscal year 2000, Not surprisingly, fully two-thirds of the Senators who represent the winner States are Republicans.

Mr. President, there are major flaws with this provision that makes me wonder just how serious its proponents are. First, general population growth is not a reliable proxy for an increase in a State's share of the growth of poor people who qualify for welfare benefits. Many rapid-growth States attract new residents precisely because their economies are strong and work opportunities are good. It is entirely possible that a State experiencing rapid growth due to economic expansion could see its share of poor people decline. Conversely, a slow-growing Rustbelt State could see its share of total population decline but its share of poor people eligible for welfare increase.

The second problem is that supplemental fund will be made available only to those growth States whose State expenditures per poor person are at or below 50 percent of the national average. And then there is the curious provision that rewards nongrowth States if their State expenditures per poor person are at or below 35 percent of the national average.

State could have a large share of childless working or elderly poor. These individuals would dilute per capita welfare expenditures even though they would not be welfare recipients. More importantly, are now about to enter the business of rewarding States who will not spend their own resources on their own poor people? Are we going to start punishing States that do commit their own resources by reallocating scarce Federal funds away from them? I will have much more to say on this subject when we take up the formula amendment the senior Senator from Florida has offered. Suffice it to say at this point that I will not stand by and allow our Federal system to be wrecked in one fell swoop.

Senator FEINSTEIN's amendment is identical to the provision in the bill the House passed pertaining to supplemental block grant funds. Each State's annual share of the supplemental block grant, if any, would be proportionate to its share of the increase in the number of poor people nationwide. New York, theoretically, could be eligible for supplemental block grant funds.

The Feinstein amendment requires the Census Bureau to update and publish data relating to the incidence of poverty for each State, county, and local school district unit of government every 2 years, commencing in fiscal year 1996 and authorizes an annual appropriation of $1.5 million for this purpose.

Mr. President, I support the Feinstein amendment, but it does have two flaws. First, an increase in the number of poor people—while better than the proxy used in the underlying substitute—still is not a precise proxy for an increase in the number of poor people who would be welfare beneficiaries. Once again, low-income men and women without dependent children and the elderly poor, for instance, would not be AFDC recipients but would count in the population tallies that determine whether a State qualifies for the supplemental block grant. More importantly, while updating poverty data more frequently is a desirable public policy goal, which I support, statisticians are not confident yet that accurate subcounty counts are possible in any context other than the decennial census.

Collecting data more frequently typically will harm slow-growing States like New York when the data sets are plugged into allocation formulas. Exacerbating the problem is the fact that poverty data do not reflect regional or State-by-State differences in the cost of living. A family of our just above the poverty threshold living in New York City is demonstrably worse off than a family of four just below the threshold living in rural Mississippi. Research indicates that differences in the cost of living can be as great as 50 percent.

Each year, in collaboration with the Taubman Center for State and Local Government at the John F. Kennedy School of Government, I publish a document entitled "The Federal Budget and the States" that details the flow of funds for the previous fiscal year. Aficionados of the report know that I refer to it as the "Fisc." I send a copy to each Senator every summer and hope that my colleagues read it. At any rate, the most recent edition of the Fisc contains, for the second year, the "Friar/Leonard state cost of living index," which is named for its cocreators, my coauthors, Monica E. Friar, an indefatigable research assistant, and Professor Herman B. Leonard, academic dean of the teaching programs and Baker Professor of Public Finance at the Kennedy School. If we were to apply the Friar/Leonard index to subnational poverty statistics, we would find that New York's 1992 poverty rate jumps from the 18th highest rate nationwide to the 6th highest.

One of the amendments I offered last, Friday would require the Census Bureau to develop cost of living index values for each of the States—at a minimum, and at the sub-State level, if practicable—and apply those values to the national poverty threshold in determining the number of poor people for each State. The index value for the United States would be 100. A State such as New York might have a hypothetical index value of 106 while Mississippi might have an index value of 94. Applying the index values for the two States to the national poverty threshold would increase the income limit and hence the number of poor people in New York and decrease the income limit and the number of poor people in Mississippi.

Earlier this year, a National Academy of Sciences [NSA] panel of experts released a congresssionally commissioned study on redefining poverty. The report, edited by Constance F. Cirro and Robert T. Michael, is entitled "Measuring Poverty: A New Approach."

According to a Congressional Research Service reviews,

> The NAS panel (one member among the 12 member panel dissented with the majority recommendations) makes several recommendations which, if fully adopted, could dramatically alter the way poverty in the U.S. is measured, how Federal funds are allotted to States, and how eligibility for many Federal programs is determined. The recommended poverty measures would be based on more items in the family budget, would take major noncash benefits and taxes into account, and would be adjusted for regional differences in living costs.
>
> . . . Under current measures the share of the poor population living in each region in 1992 was: Northeast: 16.9%, Midwest: 21.7%, South: 40.0%, and West: 21.4%. Under the proposed new measure, the estimated share in each region would be: Northeast 18.9% Midwest: 20.2%, South: 36.4%, and West: 24.5%.

The CRS report, "Redefining Poverty in the United States: National Academy of Science Panel Recommendations," was written by Thomas P. Gabe.

Mr. President, despite the flaws I have just mentioned, the Feinstein amendment is enormously superior to the underlying provision, and I encourage my colleagues to support it.

Mrs. HUTCHISON. Mr. President, I yield 30 seconds to the senior Senator from Florida.

Mr. GRAHAM. Mr. President I ask unanimous consent to extend that 2 minutes.

The PRESIDING OFFICER. Is there objection?

Mrs. HUTCHISON. Mr. President, I think I only have——

Mr. SANTORUM. The Senator has 30 seconds remaining.

Mr. GRAHAM. This would be 90 seconds in addition.

Mrs. HUTCHISON. Mr. President, I ask unanimous consent that I get 4 more minutes because I have two other speakers.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DOMENICI. Might I ask the Senator from Florida if he would yield without losing any of the time for a unanimous consent request.

Mr. GRAHAM. I yield to the Senator from New Mexico.

AMENDMENT NO. 2575, AS MODIFIED

Mr. DOMENICI. Mr. President, I send an amendment to the desk and ask unanimous consent that it be modified. It is an amendment on my part to conform the amendment on the family cap to the Dole amendment as offered.

My previous amendment was in anticipation of the amendment. This just makes it conform with the Dole amendment. I ask that it be filed as such and take the place of my previously filed amendment.

The PRESIDING OFFICER. Is there objection to the modification?

Mrs. FEINSTEIN. Mr. President, I reserve the right to object.

Mr. President, I withdraw my reservation.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment will be so modified.

The amendment, as modified, is as follows:

Strike the matter inserted in lieu of the matter on page 49, line 20, through page 50, line 5, and insert the following:

"(c) STATE OPTION TO DENY ASSISTANCE FOR CHILDREN BORN TO FAMILIES RECEIVING ASSISTANCE.—At the option of the State to which a grant is made under section 403 may provide that the grant shall not be used to provide assistance for a minor child who is born to—

"(1) a recipient of assistance under the program funded under this part; or

"(2) an individual who received such benefits at any time during the 10-month period ending with the birth of the child.

AMENDMENT NO. 2469

Mr. GRAHAM. Mr. President, I rise just to put the Senate on notice that this is not the only alternative to the formula that we will have an opportunity to consider during the debate on the welfare reform bill.

There will be other amendments that will be offered by Senator BUMPERS, others, and myself tomorrow which go to the more fundamental issue.

That fundamental issue is that not only as the Presiding Officer has correctly pointed out have we changed the status quo by no longer requiring a local effort, and therefore continuing a formula whose numbers were predicated on that effort, is irrational.

We go beyond that. We impose new obligations on the States, particularly in the areas of child care and preparation for work. We are going to be requiring essentially the same obligation from each of the 50 States with enormously different amounts of Federal resources in order to reach those obligations. There are some States that will have to spend over 80 percent of their Federal money in order to meet the new Federal mandates. Other States can reach those Federal mandates with 40 percent or less of the Federal money.

So I suggest this is not just an issue of allocating money between Texas, California, New Mexico, Rhode Island, Florida, or the other States. It goes to the fundamental issue of: Can we achieve the result that this bill is intended to achieve, which is to assist people through appropriate State action to move from welfare dependency to the independence of work?

My suggestion is that we will not be able to achieve that objective, and therefore I urge the amendment as offered by my good friend, the Senator from California, be defeated and, frankly, that tomorrow we be prepared to engage in a very fundamental debate about how we are going to allocate resources that, in my opinion, is critical to whether this goal of welfare to work is attainable.

The PRESIDING OFFICER. Who yields time?

Mrs. HUTCHISON. Mr. President, I yield 30 seconds to the Senator from Arizona.

Mr. KYL. Mr. President, I oppose the amendment of the Senator from California.

I appreciate what she is trying to accomplish. But under her formula, as I calculate it, California would receive fully 20 percent of the supplemental amount already appropriated in the bill. Under the Hutchison formula, not a single State would lose any block grant funding but there is an adjustment for those particularly high growth States and States that are well below the national average on the receipt of Federal funds for welfare spending.

Everybody has a different formula which helps them. Senator FEINSTEIN is only trying to help her constituents.

But if we get bogged down in a welfare formula fight, there is a good possibility that welfare reform could be derailed in the Senate.

Realizing that, a group of Senators early on, under the leadership of Senator HUTCHISON, came up with a formula that, in a small way, begins to recognize the need to distribute welfare funds in a more equitable manner.

The point is this: States that are currently well below the national average in receipt of Federal funds and State welfare spending and States that will experience higher than average growth in population should receive a greater share of the "growth" formula. The Hutchison formula accomplishes this by giving States that meet these criteria a 2.5-percent increase per year in block grant funding starting in fiscal year 1997. Under this formula, no State loses any block grant funding and 17 States with particular needs get an increase. So, in States like Mississippi, where AFDC payments are the lowest in the Nation, a small stride will be made toward allocating funding in a way that treats poor children more equitably. And, in States like Arizona, where population growth is expected to be well above the national average over the next 5 years, a small movement toward equity in funding distribution is also achieved.

The Feinstein amendment, on the other hand, is based solely on increases in incidences of poverty. That will upset the balance that was achieved earlier on the funding formula.

It is based solely on increases in poverty—which can be a built-in incentive for States to keep people in poverty in order to receive increases in Federal funding.

It will reward States like California and New York, which already take a huge chunk of the Federal pot with even additional Federal dollars. Under the Feinstein amendment, 20 percent of the supplemental amount already appropriated in the bill will go to California. This is not fair.

Under the Feinstein amendment, California's spending per person in poverty will remain well above the national average while Arizona will continue to hover around the national average. And, under Feinstein, other States like Mississippi and Texas, will not even reach the national average in spending by the year 2000.

Under the Feinstein amendment, States that are poor and growing will continue to be poor and growing without the necessary 10.4 percent increase that the Hutchison formula would provide. California, which already receives three times more in Federal funding per poor child—$1,016 per child—than a child in Arizona—$361 per child—will receive a much larger increase than Arizona.

Since there will no longer be a Federal/State match required in welfare spending under the Dole welfare bill, there must be a movement toward equity in Federal welfare funding to the States. We cannot expend all of our resources in just a few States.

The Hutchison formula is a very fair formula and I urge my colleagues to reject the amendment of the Senator from California.

The PRESIDING OFFICER. Who yields time?

Mrs. HUTCHISON. Mr. President, I just want to say this formula would not have come about without Senator KYL and Senator MACK, who is the next speaker and I want to yield the remainder of my time tonight to Senator MACK from Florida.

The PRESIDING OFFICER. The Senator is recognized for 1 minute and 10 seconds.

Mr. MACK. Mr. President, the Hutchison formula has been inappropriately referred to as a "supplemental" grant to States. This is a misleading characterization of the additional moneys provided in this legislation. It implies that certain States have been able to negotiate a sort of slush fund or bonus for themselves unfairly.

In reality the Hutchison formula in the underlying legislation begins to chip away at historical inequities between States due to the Federal Government's present system of awarding AFDC moneys.

This debate is and should be about equity.

The Feinstein amendment not only undermines an honest attempt to provide some equity and parity between States but it does so in a way that in essence rewards States for increasing the number of people living in poverty each year.

This policy, Mr. President, runs counter to the welfare reform bill's goal of encouraging States to get people off welfare and into work. Any incentives that we create to reward States for reducing their welfare caseloads would be nullified by Senator FEINSTEIN's amendment.

The Hutchison formula provides funds for States which have been historically below the national average of Federal welfare spending and at the same time experiencing an above average population growth. These qualifiers appropriately identify those States with the most need and begins to move those States, albeit modestly, toward parity.

California currently receives $1,016 per person living in poverty compared to the $363 Florida receives per poor person living in poverty. Under the Hutchison formula, in the year 2000, Florida will still not reach parity with California—Florida will only be receiving about $400 per person living in poverty. Yet the Feinstein amendment will give California $160 million additional over the next 5 years.

Providing States like California with additional money, when they already receive more Federal dollars per recipient than almost any other State—does not mean equity to me. I urge my colleagues to support the underlying bill and vote against the Feinstein amendment.

I yield the floor.

The PRESIDING OFFICER. The time of the Senator has expired.

The Senator from California.

Mrs. FEINSTEIN. Mr. President, I would like to speak for as much time as I may use.

The PRESIDING OFFICER. The Senator is recognized. She has 8½ minutes remaining.

Mrs. FEINSTEIN. In deference to my opponents on this issue, and I very much respect them, there is really a difference in viewpoint here.

Let me explain where I am coming from. For more than a half a century, the way the Federal allocation has been determined has been based on a State determination of benefit level, so a State decides what its cost of living is, how much it needs to sustain a poor family, and sets that amount. And then the Federal Government matches that amount.

Suddenly, what is being said, as I hear it, is those States that had low benefit levels or what amounts to a very low maintenance of effort are now going to be rewarded with a growth fund. California's grant is $607 a month because California decided that the basic cost of living necessary for a family was at least that. And California would put up one half of it. If a State like Alabama, for example, decides that they only want to put up $164, then the Federal Government only matches a percentage of that amount.

Where the arguments made on the other side of the aisle do not ring true to me is only 19 States are benefited in the Dole bill with the growth fund. That means any other State that has growth is not going to get any money under this bill.

In the Feinstein amendment, 28 States have a net benefit over the language. Let me tell you which they are and what the additional annual amount is, over and above the Dole bill, by the fifth year.

Alaska, $2,029,000; California, $64,922,000; Delaware, $1,217,000; Hawaii, $2,840,000; Idaho, $289,000; Illinois, $9,062,000; Indiana, $6.627 million; Iowa, $2.164 million; Kansas, $3.381 million; Kentucky, $4.058 million; Maryland, $6.763 million; Michigan, $5.275 million; Minnesota, $5.816 million; Missouri, $4.058 million; Nebraska, $1.758 million; Nevada, $2.488 million, New Hampshire, $812,000, New Jersey, $5.545 million; New York, $1.217 million; North Dakota, $135,000. Ohio, $7.709 million; Oklahoma, $2.840 million; Oregon, $7.304 million; Pennsylvania, $5.004 million; Vermont, $271,000. State of Washington, $16.095 million; West Virginia, $541,000. Wisconsin, $6.492 million;

Mr. President, I ask unanimous consent the comparison tables be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

TABLE 1.—ESTIMATED ALLOCATIONS UNDER THE TEMPORARY ASSISTANCE FOR NEEDY FAMILIES BLOCK GRANT, WITH GRANT ADJUSTED IN FISCAL YEAR 1998 AND FISCAL YEAR 2000 FOR CHANGE IN POPULATION THE FEINSTEIN BILL

[Share of change in population is used as a proxy for share of change in the poverty population (dollars in thousands)]

State	1996	1997	1998	1999	2000	Dollar change: 1996–2000	Percentage change: 1996–2000
Alabama	$106,858	$108,297	$109,698	$111,189	$112,674	$5,816	5.44
Alaska	66,348	66,838	67,295	67,726	68,377	2,029	3.06
Arizona	230,462	232,881	235,383	237,941	240,606	10,144	4.40
Arkansas	59,900	60,604	61,351	62,163	62,875	2,976	4.97
California	3,685,571	3,700,973	3,716,869	3,733,403	3,750,492	64,922	1.76
Colorado	130,713	133,163	135,698	138,193	140,857	10,144	7.76
Connecticut	247,498	247,498	247,498	247,498	247,498	0	0.00
Delaware	30,239	30,546	30,807	31,125	31,457	1,217	4.03
District of Columbia	95,882	95,882	95,882	95,882	95,882	0	0.00
Florida	581,871	589,311	596,826	604,409	612,167	30,297	5.21
Georgia	359,139	362,691	366,395	370,162	374,017	14,878	4.14
Hawaii	94,964	95,607	96,289	97,031	97,805	2,840	2.99
Idaho	33,696	34,584	35,589	36,550	37,483	3,787	11.24
Illinois	583,219	585,485	587,699	590,010	592,281	9,062	1.55
Indiana	227,031	228,623	230,249	232,050	233,658	6,627	2.92
Iowa	133,938	134,459	134,948	135,513	136,102	2,164	1.62
Kansas	111,743	112,569	113,383	114,302	115,124	3,381	3.03
Kentucky	188,447	189,457	190,403	191,399	192,504	4,058	2.15
Louisiana	164,016	164,751	165,468	166,280	166,992	2,976	1.81
Maine	76,333	76,333	76,333	76,333	76,333	0	0.00
Maryland	246,947	248,693	250,418	252,065	253,710	6,763	2.74
Massachusetts	487,449	487,449	487,449	487,449	487,449	0	0.00
Michigan	806,641	808,049	809,417	810,774	811,915	5,275	0.65
Minnesota	287,137	288,546	290,040	291,468	292,953	5,816	2.03
Mississippi	87,038	87,559	88,111	88,711	89,337	2,299	2.64
Missouri	232,505	233,454	234,461	235,556	236,562	4,058	1.75
Montana	44,948	45,346	45,768	46,129	46,706	1,758	3.91
Nebraska	60,384	60,782	61,141	61,664	62,142	1,758	2.91
Nevada	35,964	37,495	38,993	40,688	42,186	6,222	17.30
New Hampshire	42,577	42,791	43,019	43,167	43,388	812	1.91

TABLE 1.—ESTIMATED ALLOCATIONS UNDER THE TEMPORARY ASSISTANCE FOR NEEDY FAMILIES BLOCK GRANT, WITH GRANT ADJUSTED IN FISCAL YEAR 1998 AND FISCAL YEAR 2000 FOR CHANGE IN POPULATION THE FEINSTEIN BILL—Continued

[Share of change in population is used as a proxy for share of change in the poverty population (dollars in thousands)]

State	1996	1997	1998	1999	2000	Dollar change: 1996–2000	Percentage change: 1996–2000
New Jersey	417,198	418,698	420,101	421,430	422,743	5,545	1.33
New Mexico	129,839	130,788	131,795	132,890	133,897	4,058	3.13
New York	2,308,405	2,308,986	2,309,604	2,309,487	2,309,622	1,217	0.05
North Carolina	347,837	350,991	354,210	357,580	361,092	13,255	3.81
North Dakota	25,978	26,009	25,978	26,077	25,113	135	0.52
Ohio	769,144	771,073	772,930	774,852	776,853	7,709	1.00
Oklahoma	166,123	166,736	167,385	168,190	168,964	2,840	1.71
Oregon	183,038	184,753	186,509	188,353	190,342	7,304	3.99
Pennsylvania	658,388	659,705	660,975	662,226	663,392	5,004	0.76
Rhode Island	92,633	92,633	92,633	92,633	92,633	0	0.0
South Carolina	103,291	104,607	105,941	107,326	108,836	5,545	5.37
South Dakota	23,019	23,264	23,524	23,708	24,101	1,082	4.70
Tennessee	205,981	208,063	210,209	212,476	214,772	8,791	4.27
Texas	507,442	516,873	526,435	536,672	546,800	39,359	7.76
Utah	83,847	85,133	85,560	88,079	89,663	5,816	6.94
Vermont	49,365	49,457	49,555	49,661	49,636	271	0.55
Virginia	175,260	178,015	180,812	183,625	186,486	11,226	6.41
Washington	432,328	436,033	439,963	444,039	448,423	16,095	3.72
West Virginia	119,017	119,140	119,269	119,411	119,558	541	0.45
Wisconsin	334,783	336,345	337,938	339,606	341,275	6,492	1.94
Wyoming	23,275	23,490	23,717	23,964	24,222	947	4.07
U.S. total	16,695,648	16,781,508	16,868,924	16,959,116	17,050,958	355,310	2.14
One-year, year-to-year change		85,860	87,416	90,192	91,842		
One-year amount over fiscal year 1996 grant	0	85,850	173,276	263,468	355,310		
Cumulative amount over fiscal year 1996 grant	0	85,860	259,136	522,604	877,914		

Source: Table prepared by The Congressional Research Service [CRS] Fiscal year 1996 allocations are based on the Federal share of expenditures for AFDC, EA, and Title IV–A child care plus the JOBS grant. Adjustments for poverty population assume no change in State poverty rates. Therefore, percentage increases are based on percentage increases in total State population. Change in State population are based on Census Bureau projections of the population for the States.

TABLE 2.—PROPOSED ALLOCATIONS TO THE STATES UNDER S. 1120, FISCAL YEARS 1996–2000 (THE DOLE BILL)

[Dollars in thousands]

State	Fiscal year—					Dollar change: 1996–2000	Percentage change: 1996–2000
	1996	1997	1998	1999	2000		
Alabama	$106,858	$109,530	$112,268	$115,075	$117,951	11,093	10.4
Alaska	66,348	66,348	66,348	66,348	66,348	0	0.0
Arizona	230,462	236,223	242,129	284,182	254,386	23,925	10.4
Arkansas	59,900	61,397	62,932	64,506	66,118	6,218	10.4
California	3,685,571	3,685,571	3,685,571	3,685,571	3,685,571	0	0.0
Colorado	130,713	133,981	137,330	140,764	144,283	13,570	10.4
Connecticut	247,498	247,498	247,498	247,498	247,498	0	0.0
Delaware	30,239	30,239	30,239	30,239	30,239	0	0.0
District of Columbia	95,882	95,882	95,882	95,882	95,882	0	0.0
Florida	581,871	596,417	611,328	626,611	642,276	60,406	10.4
Georgia	359,139	368,117	377,320	386,753	396,422	37,283	10.4
Hawaii	94,964	94,964	94,964	94,964	94,964	0	0.0
Idaho	33,696	34,538	35,402	36,287	37,194	3,498	10.4
Illinois	583,219	583,219	583,219	583,219	583,219	0	0.0
Indiana	227,031	227,031	227,031	227,031	227,031	0	0.0
Iowa	133,938	133,938	133,938	133,938	133,938	0	0.0
Kansas	111,743	111,743	111,743	111,743	111,743	0	0.0
Kentucky	188,447	188,447	188,447	188,447	188,447	0	0.0
Louisiana	164,016	168,117	172,320	176,628	181,043	17,027	10.4
Maine	76,333	76,333	76,333	76,333	76,333	0	0.0
Maryland	246,947	246,947	246,947	246,947	246,947	0	0.0
Massachusetts	487,449	487,449	487,449	487,449	487,449	0	0.0
Michigan	806,641	806,641	806,641	806,641	806,641	0.	0.0
Minnesota	287,137	287,137	287,137	287,137	287,137	0	0.0
Mississippi	87,038	89,214	91,444	93,730	96,074	9,036	10.4
Missouri	232,505	232,505	232,505	232,505	232,505	0	0.0
Montana	44,948	46,071	47,223	48,404	49,614	4,666	10.4
Nebraska	60,384	60,384	60,384	60,384	60,384	0	0.0
Nevada	35,964	36,863	37,785	38,729	39,698	3,734	10.4
New Hampshire	42,577	42,577	42,577	42,577	42,577	0	0.0
New Jersey	417,198	417,198	417,198	417,198	417,198	0	0.0
New Mexico	129,839	133,085	136,412	139,823	143,318	13,479	10.4
New York	2,308,405	2,308,405	2,308,405	2,308,405	2,308,405	0	0.0
North Carolina	347,837	356,533	365,446	374,582	383,947	36,110	10.4
North Dakota	25,978	25,978	25,978	25,978	25,978	0	0.0
Ohio	769,144	769,144	769,144	769,144	769,144	0	0.0
Oklahoma	166,123	166,123	166,123	166,123	166,123	0	0.0
Oregon	183,038	183,038	183,038	183,038	183,038	0	0.0
Pennsylvania	658,388	658,388	658,388	658,388	658,388	0	0.0
Rhode Island	92,633	92,633	92,633	92,633	92,633	0	0.0
South Carolina	103,291	105,873	108,520	111,233	114,014	10,723	10.4
South Dakota	23,019	23,594	23,594	24,184	24,184	1,165	5.1
Tennessee	205,981	211,130	216,409	221,819	227,364	21,383	10.4
Texas	507,442	520,128	533,131	546,459	560,121	52,679	10.4
Utah	83,847	85,943	88,092	90,294	92,551	8,704	10.4
Vermont	49,365	49,365	49,365	49,365	49,365	0	0.0
Virginia	175,260	179,641	184,132	188,735	193,454	18,194	10.4
Washington	432,328	432,328	432,328	432,328	432,328	0	0.0
West Virginia	119,017	119,017	119,017	119,017	119,017	0	0.0
Wisconsin	334,783	334,783	334,783	334,783	334,783	0	0.0
Wyoming	23,275	23,857	24,454	25,065	25,692	2,416	10.4
Totals	16,695,648	16,781,508	16,868,924	16,959,116	17,050,958		
Year-to-year change		85,860	87,416	90,192	91,842		
One year amount over fiscal year 1996 grant		85,860	173,276	263,468	355,310		
Cumulative amount over fiscal year 1996 grant		85,860	259,136	522,604	877,914		

Source: Estimates prepared by CRS based on financial data on AFDC and related programs from the Department of Health and Human Services [DHHS] and poverty and population data from the U.S. Census Bureau.

TABLE 3.—COMPARISON OF STATE ALLOCATIONS: PROPOSAL TO ADJUST THE GRANT EVERY TWO YEARS FOR CHANGES IN POPULATION COMPARED WITH S. 1120 (CHANGE FROM DOLE BILL WITH FEINSTEIN)

[Changes in population are used as a proxy for changes in poverty population in proposal (dollars in thousands)]

State	1996	1997	1998	1999	2000	Dollar change
Alabama	$0	−$1,232	−$2,570	−$3,886	−$5,277	−$5,277
Alaska	0	490	947	1,378	2,029	2,029
Arizona	0	−3,343	−6,745	−10,240	−13,781	−13,781
Arkansas	0	−793	−1,581	−2,342	−3,243	−3,243
California	0	15,402	31,298	47,832	64,992	64,922
Colorado	0	−818	−1,632	−2,571	−3,426	−3,426
Connecticut	0	0	0	0	0	0
Delaware	0	306	568	886	1,217	1,217
District of Columbia	0	0	0	0	0	0
Florida	0	−7,106	−14,502	−22,202	−30,109	−30,109
Georgia	0	−5,426	−10,925	−16,591	−22,405	−22,405
Hawaii	0	643	1,325	2,067	2,840	2,840
Idaho	0	46	187	263	289	289
Illinois	0	2,266	4,480	6,791	9,062	9,062
Indiana	0	1,592	3,218	5,019	6,627	6,627
Iowa	0	521	1,010	1,575	2,164	2,164
Kansas	0	827	1,641	2,559	3,381	3,381
Kentucky	0	1,010	1,956	2,953	4,058	4,058
Louisiana	0	−3,366	−6,852	−10,348	−14,051	−14,051
Maine	0	0	0	0	0	0
Maryland	0	1,745	3,471	5,118	6,763	6,763
Massachusetts	0	0	0	0	0	0
Michigan	0	1,409	2,776	4,134	5,275	5,275
Minnesota	0	1,409	2,903	4,330	5,816	5,816
Mississippi	0	−1,655	−3,334	−5,019	−6,736	−6,736
Missouri	0	949	1,956	3,051	4,058	4,058
Montana	0	−726	−1,455	−2,275	−2,908	−2,908
Nebraska	0	398	757	1,279	1,758	1,758
Nevada	0	632	1,208	1,959	2,488	2,488
New Hampshire	0	214	442	591	812	812
New Jersey	0	1,500	2,903	4,232	5,545	5,545
New Mexico	0	−2,297	−4,617	−6,932	−9,421	−9,421
New York	0	582	1,199	1,083	1,217	1,217
North Carolina	0	−5,542	−11,236	−17,002	−22,855	−22,855
North Dakota	0	31	0	98	135	135
Ohio	0	1,929	3,786	5,708	7,709	7,709
Oklahoma	0	612	1,262	2,067	2,840	2,840
Oregon	0	1,715	3,471	5,315	7,304	7,304
Pennsylvania	0	1,317	2,587	3,838	5,004	5,004
Rhode Island	0	0	0	0	0	0
South Carolina	0	−1,266	−2,579	−3,907	−5,178	−5,178
South Dakota	0	−331	−71	−476	−83	−83
Tennessee	0	−3,067	−6,200	−9,342	−12,592	−12,592
Texas	0	−3,255	−6,696	−9,787	−13,320	−13,320
Utah	0	−810	−1,531	−2,215	−2,889	−2,889
Vermont	0	92	189	295	271	271
Virginia	0	−1,626	−3,320	−5,110	−6,968	−6,968
Washington	0	3,705	7,635	11,712	16,095	16,095
West Virginia	0	122	252	394	541	541
Wisconsin	0	1,562	3,155	4,823	6,492	6,492
Wyoming	0	−368	−737	−1,101	−1,470	−1,470
Totals	0	0	0	0	0	0
Year-to-year change	0	0	0	0	0	
One year amount over fiscal year 1996 grant	0	0	0	0	0	
Cumulative amount over fiscal year 1996 grant		0	0	0	0	

Source: Estimates prepared by CRS based on financial data on AFDC and related programs from the Department of Health and Human Services (DHHS) and poverty and population data from the U.S. Census Bureau.

Mrs. FEINSTEIN. These tables show how 28 States would gain as a difference between what the Dole bill would give and what this amendment would provide. For the most part, many of these are States with a higher benefit level. These States have decided they were going to spend what they needed to spend to have a poor family be able to exist in their States. What I object to about the Dole bill is that a State is locked out because a State has had a high benefit level and a maintenance of effort and has been willing to provide for their people. Now, they are frozen out of the growth fund.

California, the biggest State, with the most poor people: there is nothing in the growth fund for California. And the reason that is being given is, well, you do not deserve any money because you fund half of $607 a month from California taxpayers to support poor people. So, because California and these 27 other States have had a higher maintenance of effort, and said we are going to fund poor people, suddenly they are left out of any growth fund. There is no hold harmless. They are left out. They are locked out, and that is what I object to in this language.

You can come to California, or any high cost-of-living State, and attempt to live. And it is very much tougher. This is the way the formula has been figured now for over a half century—based on a state match. The Hutchison formula is a stark change from that. But it is a penalty. And it says if you have funded your poor people in the past, as a State, you are now not going to figure into the growth formula.

So let me say another thing. The House of Representatives in its wisdom has passed a formula which is straight across the board based on growth in a State. The only difference in what they did and what I am suggesting we do is base it on growth of poor people. If a State wants to support their poor population, I think that is fine. If they do not, what we are saying, if the Hutchison language is accepted, is, therefore, the Federal Government should reward them for not doing it by providing a growth fund for them. And I frankly cannot agree as someone who has participated in local government helping make some of these decisions. I simply cannot agree that that is the fair way to do it.

So we have presented this. Again 28 States benefit, I have given the amounts. Twenty-two States lose money in this way.

But I believe it is fair. It is based on a census as ratified by the Secretary of Health and Human Services.

How much time do I have remaining?

The PRESIDING OFFICER. The Senator has 33 seconds remaining.

Mrs. FEINSTEIN. I yield my 33 seconds.

AMENDMENT NO. 2501

Mr. PRESSLER. Mr. President, last week I offered an amendment that is designed to give States greater authority to crackdown on welfare fraud.

This amendment would allow States to intercept Federal income tax refunds in order to recover overpayments of welfare benefits due to fraud or error.

This technique, called tax intercept, would be used as a measure of a last resort against former welfare recipients who defraud the system. Originally, welfare was designed as a transitional program to help people become self-sufficient. Many families find themselves in circumstances beyond their control and legitimately need temporary help. However, as we all know, far too many individuals abuse the system, making public assistance a way of life. This amendment is designed to crack down on the persistent fraud problems that plague our welfare system.

It is estimated that welfare overpayments represent about 4 percent of payments paid by AFDC, food stamp, and Medicaid programs. Many of these overpayments are due to deliberate fraud. This type of abuse is an insult both to hard-working taxpayers who struggle daily without Government assistance as well as families on welfare who play by the rules.

Currently, a similar tax intercept is reducing fraud successfully in the Food Stamp Program in 32 States. My amendment would create a similar model for AFDC. It is also designed to protect taxpayer privacy.

Just as important, my amendment would save States at least $250 million, enabling them to use the savings for those who truly need assistance. The most recent estimate of this proposal was done in 1992, when the United Council on Welfare Fraud estimated that States could save $49 million per year. If a similar analysis were done today, I expect the savings from my amendment would be even greater.

I am pleased this amendment will be accepted. It means getting tough on the cheats who abuse our welfare system.

I also ask unanimous consent that Senator BRYAN be added as an original cosponsor of my amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. PRESSLER. I thank my colleague for his cosponsorship and support and leadership in this area.

Mr. BRYAN. Mr. President, I am pleased to be joining with Senator PRESSLER as a cosponsor on this amendment to provide States the option to use the IRS Federal income tax refund intercept process to try to recapture AFDC-type benefit overpayments.

Some years ago, Congress provided for an IRS Federal income tax intercept process to be used to help retrieve child support payment arrearages. When an individual is in arrears on his or her child support payments, the IRS refund intercept allows the State to notify the IRS of the arrearage. If the individual is to receive a Federal income tax refund, the IRS can intercept the refund. Rather than having the tax refund go directly to the individual, the refund amount is intercepted and paid toward the child support arrearage.

As I know a number of my colleagues have also done in their home States, I have spent significant time this year visiting welfare offices in both northern and southern Nevada. During those visits, I spent a significant amount of time listening to welfare eligibility workers. It surprised me to learn from these eligibility workers that State welfare agencies did not have the authority to notify the IRS to intercept Federal income tax refunds to try to recapture benefit overpayments for AFDC-type cash assistance.

My experience in spending time with those who are actually involved in the welfare program, who administer it on a day-to-day basis, has been enormously helpful to me. They have helped explain some of the complexities in our welfare system, some of its inconsistencies and some of its frustrations that welfare workers experience when our best intended policies are hopelessly inconsistent, or when they find their hands tied because of some nonsensical rule that requires them to do certain things.

This is why I am particularly pleased to join on as an original cosponsor of the Pressler-Bryan amendment. This amendment provides an answer to one of those frustrations. When benefit overpayments are made in AFDC-type cash assistance programs under this bill, State welfare agencies will now have the IRS refund intercept process available to them.

Unfortunately, many times welfare recipients who receive benefit overpayments, and most frequently this occurs in the AFDC program, are able to walk away knowing they are not going to have to repay the benefit overage. Those individuals essentially have been unjustly enriched as a result of a fraudulent overpayment made to them. When they later qualify for a Federal income tax refund, the States are powerless to try to intercept that refund, and recapture the money rightfully due the State.

Under the amendment offered by the Senator from South Dakota and myself, we now add a new category to cover those individuals who have received benefit overpayment by reason of their fraud, or for whatever reason the circumstances led to the overpayment. Now States are empowered, through the IRS, to intercept any tax refund check that would otherwise be paid to that welfare recipient. And as the Senator from South Dakota has pointed out, the amount of savings to the taxpayers is enormous. This amendment makes a lot of sense. Expanding the IRS refund intercept process to AFDC-type benefit overpayments makes common sense, and allows all States greater flexibility in the administration of the welfare system.

I applaud the Senator for his leadership and associate myself with his comments on this important amendment. This is the kind of bipartisan work that I am delighted to participate in, and which can help make this welfare reform proposal workable for the States.

I thank my colleague. I yield the floor.

Mr. PRESSLER addressed the Chair.

The PRESIDING OFFICER. The Senator from South Dakota.

Mr. PRESSLER. If we could deal with this amendment, it has been cleared on both sides of the aisle. I ask unanimous consent that the Senate proceed to the consideration of amendment 2501.

The PRESIDING OFFICER. The clerk will report the amendment.

The assistant legislative clerk read as follows.

The Senator from South Dakota [Mr. PRESSLER] proposes an amendment numbered 2501.

Mr. PRESSLER. I ask unanimous consent that the amendment be considered as read.

The PRESIDING OFFICER. Without objection, it is so ordered.

(The text of the amendment is printed in the Friday, September 8, 1995, edition of the RECORD.)

Mr. PRESSLER. I urge adoption of the amendment.

The PRESIDING OFFICER. Is there further debate on the amendment? If not, the question is on agreeing to the amendment.

So the amendment (No. 2501) was agreed to.

Mr. PRESSLER. Mr. President, I move to reconsider the vote.

Mr. CHAFEE. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

MORNING BUSINESS

Mr. CHAFEE. Mr. President, I ask unanimous consent there now be a period for the transaction of morning business with Senators permitted to speak up to 15 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

THE BAD DEBT BOXSCORE

Mr. HELMS. Mr. President, it takes no rocket scientist to be aware that the U.S. Constitution forbids any President to spend even a dime of Federal tax money that has not first been authorized and appropriated by Congress—both the House of Representatives and the U.S. Senate.

So when a politician or an editor or a commentator pops off that "Reagan ran up the Federal debt" or that "Bush ran it up," bear in mind that the Founding Fathers, two centuries before the Reagan and Bush presidencies, made it very clear that it is the constitutional duty solely of Congress—a duty Congress cannot escape—to control Federal spending.

Thus, it is the fiscal irresponsibility of Congress that has created the incredible Federal debt which stood at $4,962,703,726,882.93 as of the close of business Friday, September 8. This outrageous debt—which will be passed on to our children and grandchildren—averages out to $18,838.51 for every man, woman, and child in America.

WELCOMING HIS HOLINESS THE DALAI LAMA TO WASHINGTON, DC

Mr. PELL. Mr. President, I welcome to Washington today one of the most honorable and respected leaders of our time, His Holiness the Dalai Lama.

His Holiness is a historical rarity, someone who has devoted his entire life to finding a peaceful solution to an overwhelmingly difficult political problem with an often belligerent foe. China invaded Tibet in 1949, under the banner of "peaceful liberation," but the presence of the People's Liberation Army in Tibet since then has been neither peaceful nor liberating. The Tibetan people continue to suffer repression under the too-often violent control of an outside power. But the Dalai Lama's response has been unswervingly one of seeking a peaceful solution to Tibet's conflict with China. His Holiness' courage and leadership is widely respected in Tibet and has assuredly prevented the Tibetans from staging a violent uprising or insurgency, the response that suppressed people without such moral leadership often take.

In accepting his Nobel Peace Prize in 1989, His Holiness showed the world how all-encompassing his call for peace and compassion was when he said he felt no "anger or hatred toward those who are responsible for the immense suffering of our people and the destruction of our land, homes, and culture. They too are human beings who struggle to find happiness and deserve our compassion." How rare in today's world—or in the history—to find a leader willing to see the human face of his or her enemies and to offer compassion in response to oppression. He argues not for retribution but for recognition that thoughtfulness and benevolence towards others is in every individual's self-interest, and ultimately is essential for relations in an increasingly interconnected world. His call for people to accept that we are a "global family" and recognize that actions we take to hurt each other or damage the world we live in—such as acts of war or pollution—ultimately harm us as well, is a model for global interaction at the end of the 20th century.

We can learn much from the teachings of this "simple monk." I urge my colleagues to meet him at a coffee the Foreign Relations Committee is hosting in his honor tomorrow afternoon. Come meet the leader whose moral courage and commitment to nonviolence has put him in the ranks of leaders like Martin Luther King, Jr. and Mohandas Ghandi. While His Holiness' visit to Washington is short, I hope his lessons will live on in the minds of us all.

THE RETIREMENT OF REAR ADM. JACK E. BUFFINGTON CEC, USN

Mr. LOTT. Mr. President, it has come to my attention that on Friday, September 15, 1995, Rear Adm. Jack E. Buffington, Civil Engineer Corps, U.S. Navy, will retire after 34 years of honorable and distinguished service.

Since September 1992 he has served as the commander, Naval Facilities Engineering Command, and chief of civil engineers. As the senior civil engineer in the Navy he was responsible for planning, design, and construction of naval facilities around the world. On Capitol Hill he is best known for his role in developing and executing the Navy's Military Construction Program. As such, he has testified before congressional committees and ensured that members and their staffs have fully understood the requirements of the Navy's construction program.

Previously he served as the commander, Pacific Division, Naval Facilities Engineering Command, and commander, Naval Construction Battalions, U.S. Pacific Fleet. Prior to that he was assigned as the director, Shore Activities Division for the Chief of Naval Operations. His public works assignments included duty at the New York Naval Shipyard; the Public Works Center, Subic Bay in the Philippines; the U.S. Naval Academy; and as commanding officer, Public Works Center, Norfolk, VA. Assignments managing Navy construction contracts in the field included duty in New Orleans, LA, and Bethesda, MD.

Rear Admiral Buffington is best known however for his devotion to the Seabees of the Naval Construction Force. His Seabee assignments included duty in Naval Mobile Construction Battalion 9 as company commander on Okinawa, on a detail in Alaska, and as officer in charge of a Seabee team in Vietnam. Later he served as executive officer, Naval Mobile Construction Battalion 4, deployed to Okinawa and Rota, Spain. The highlight of his career was probably his tour as commanding officer, Naval Mobile Construction Battalion 1, homeported in Gulfport, MS. Under his superb leadership NMCB 1 was awarded the Best of Type and the coveted Peltier Award as the top Seabee battalion in the Navy. He later went on to serve as commander, Naval Construction Battalions, U.S. Atlantic Fleet, where he was in charge of Seabees working in Europe, Africa, the Caribbean, and Central America. There is nothing in the Seabee world which Rear Admiral Buffington has not done, and done superbly. As a result he is affectionately known throughout the fleet as Seabee Jack Buffington.

Rear Admiral Buffington is a native of Westville, OK, and a graduate of the University of Arkansas where he received his bachelor of science degree in civil engineering. He later attended the Georgia Institute of Technology where he received his master of science in civil engineering. Rear Admiral Buffington is the son of Maxine Buffington and the late Ernest Buffington of Westville, OK. He is married to the former Robin Bush of Lakeland, FL. He and Robin have two daughters: Shawn who is married to Kurt Lohrmann, and Kelly, who is married to Brian Corey.

My State of Mississippi is home to one of the two remaining Seabee bases in this country. I know firsthand the important mission they perform with unparalleled professionalism. Under Jack Buffington's leadership, the Navy's Seabee legacy has grown and flourished. Mr. President, I take this opportunity to personally pay tribute to a superb naval officer, true gentleman, and a good friend, Rear Adm. Jack Buffington. As he begins the next phase of his life, I wish him fair winds, following seas, and godspeed in all of his endeavors.

MESSAGES FROM THE PRESIDENT

Messages from the President of the United States were communicated to the Senate by Mr. Thomas, one of his secretaries.

EXECUTIVE MESSAGES REFERRED

As in executive session the Presiding Officer laid before the Senate messages from the President of the United States submitting sundry nominations which were referred to the appropriate committees.

(The nominations received today are printed at the end of the Senate proceedings.)

EXECUTIVE AND OTHER COMMUNICATIONS

The following communications were laid before the Senate, together with accompanying papers, reports, and documents, which were referred as indicated:

EC–1404. A communication from the Assistant Secretary of State (Legislative Affairs), transmitting, pursuant to law, the report that a reward has been paid; to the Committee on Foreign Relations.

EC-1405. A communication from the Secretary of the Army and the Secretary of Agriculture, transmitting jointly, pursuant to law, notice of the intention of the Departments of the Army and Agriculture to interchange jurisdiction of civil works and national forest lands; to the Committee on Agriculture, Nutrition, and Forestry.

EC-1406. A communication from the Secretary of Agriculture, transmitting, a draft of proposed legislation entitled "The Animal and Plant Health Inspection Service Omnibus User Act of 1995"; to the Committee on Agriculture, Nutrition, and Forestry.

REPORTS OF COMMITTEE

The following report of committee was submitted:

By Mr. HATFIELD, from the Committee on Appropriations:

Special Report entitled "Revised Allocation to Subcommittees of Budget Totals from the Concurrent Resolution for Fiscal Year 1996" (Rept. No. 104–138).

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first and second time by unanimous consent, and referred as indicated:

By Mr. STEVENS (for himself and Mr. MURKOWSKI):

S. 1229. A bill entitled the "Native Alaskan Subsistence Whaling Provision"; to the Committee on Finance.

By Mr. MOYNIHAN:

S. 1230. A bill to amend section 1501, title 21, United States Code, to eliminate the position of Deputy Director of Demand Reduction within the Office of National Drug Control Policy; to the Committee on Labor and Human Resources.

By Mrs. BOXER:

S. 1231. A bill to designate the reservoir created by Trinity Dam in the Central Valley project, California, as "Trinity Lake", and for other purposes; to the Committee on Energy and Natural Resources.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. STEVENS (for himself and Mr. MURKOWSKI):

S. 1229. A bill entitled the "Native Alaskan Subsistence Whaling Provision"; to the Committee on Finance.

THE NATIVE ALASKAN SUBSISTENCE WHALING PROVISION ACT OF 1995

• Mr. STEVENS. Mr. President, today I am reintroducing legislation that Senator MURKOWSKI and I introduced last session that would provide tax relief to Alaska Native whaling captains to help ensure that they are able to continue their centuries-old tradition of subsistence whaling. This bill would amend section 170 of the Internal Revenue Code to provide a charitable deduction to those native captains who organize and support traditional native whaling activities for their communities. Since there was no revenue bill last year, this legislation did not go through. I hope that it can be considered in the reconciliation process this year.

Let me tell you why I think this legislation is important. For thousands of years the Inupiat and Siberian Yupik Eskimos from the coastal villages in northern and western Alaska have hunted the bowhead whale. The bowhead whale, and the activities related to the traditional subsistence hunt of the whale, are a vital part of the cultural and religious traditions of these Native Alaskan communities. The whale meat and muktuck, which is blubber and skin, from a successful hunt are distributed by the whaling captains to their communities to help ensure the survival of the village throughout the long winter months. In many instances, a successful hunt is the lifeline of these coastal villages.

By tradition, each whaling captain is required to pay all of the costs associated with the subsistence hunt out of his personal funds. This includes the cost of providing the boats, fuel, gear, weapons, ammunition, food, and special clothing for their crews, then storing the meat until it is used. The whaling captain incurs significant expenses in carrying out these activities—averaging $2,500 to $5,000 per captain per year. Even though the captain pays these expenses out of his personal funds, tradition dictates that the captain must donate a substantial portion of the whale to the village in order to help the community to survive. Each captain retains a portion for personal consumption, but does not benefit financially from the capture of the whale.

In recent years, native whaling captains have been treating their whaling expenses as a deduction against their personal Federal income tax because they donate the whale meat to their communities, and because their expenses have skyrocketed due to the increased cost of complying with Federal and international requirements for hunting bowhead whales. Unfortunately, the Internal Revenue Service [IRS] has ruled that the native whaling captains are not entitled to deduct these expenses as charitable contributions on their personal income tax returns. This has caused an extreme financial burden to the whaling captains, whose average annual household income is less than $45,000. Currently, five cases are in the appeals process.

The legislation that I am introducing today would amend section 170 of the Internal Revenue Code to allow Native Alaskan subsistence whaling captains to deduct their expenses for whaling activities for the community. It would apply retroactively to currently pending tax refund claims and tax years for which the statute of limitations has not expired.

I believe this deduction is necessary and justified for a number of reasons. First, the whaling captains donate their personal fund to support an activity that is of immeasurable cultural, religious, and subsistence importance to the Inupiat and Siberian Yupik communities. Second, if the donations of the whaling captain were made to the Inupiat Community of the North Slope [ICAS], Alaska Eskimo Whaling Commission [AEWC], or the communities' participating churches instead of directly in the form of food, gear, ammunition, and other essentials, they would be tax deductible. The ICAS, a federally recognized tribe, and the AEWC, a 501(c)(3) corporation, are the two organizations that are responsible for the preservation of Native Alaskan subsistence whaling. The effect of denying a tax deduction directly to the whaling captains penalizes these Native Alaskans from adhering to traditional religious and cultural requirements for the subsistence whale hunt.

I would note that the subsistence hunt is carefully regulated by the International Whaling Commission [IWC] and the U.S. Department of Commerce. Local regulation of the hunt is vested in the Alaska Eskimo Whaling Commission [AEWC] under a cooperative agreement with the National Oceanic and Atmospheric Administration. Acknowledging that whaling, more than any other activity, fundamentally underlies the total way of life of these communities, the IWC permits the Native communities to land up to 51 bowhead whales a year. The IWC has established this quota based on exhaustive documentation of the cultural and subsistence need of the whaling villages for each one of these whales.

The whaling community has a very good working relationship with these organizations, and provides the IWC and NOAA with annual detailed accounts of bowhead whale activity. The North Slope Borough of Alaska spends approximately $500,000 to $700,000 annually on bowhead whale and other Arctic marine research and programs in support of the IWC's efforts.

The legislation that I have introduced today will incur a very small revenue loss to the Treasury. The cost of this legislation based on the existence of 150 whaling captains is estimated at $230,000 per year. I expect the cost will be significantly less because not every captain outfits a crew each year.

I thank my colleagues for their attention and I welcome their support of this provision which will help to ensure that the native whaling captains can continue to carry the centuries-old traditional subsistence whaling hunt for the coastal villages of Alaska.

Mr. President, I ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1229

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. CHARITABLE CONTRIBUTION DEDUCTION FOR CERTAIN EXPENSES INCURRED IN SUPPORT OF NATIVE ALASKAN SUBSISTENCE WHALING.

(a) IN GENERAL.—Section 170 of the Internal Revenue Code of 1986 (relating to charitable, etc., contributions and gifts) is amended by redesignating subsection (m) as subsection (n) and by inserting after subsection (l) the following new subsection:

"(m) EXPENSES PAID BY CERTAIN WHALING CAPTAINS IN SUPPORT OF NATIVE ALASKAN SUBSISTENCE WHALING.—

"(1) IN GENERAL.—In the case of an individual who is recognized by the Alaska Eskimo Whaling Commission as a whaling captain charged with the responsibility of maintaining and carrying out sanctioned whaling activities and who engages in such activities during the taxable year, the amount described in paragraph (2) (to the extent such amount does not exceed $7,500 for the taxable year) shall be treated for purposes of this section as a charitable contribution.

"(2) AMOUNT DESCRIBED.—The amount described in this paragraph is the aggregate of the reasonable and necessary whaling expenses paid by the taxpayer during the taxable year in carrying out sanctioned whaling activities. For purposes of the preceding sentence, the term 'whaling expenses' includes expenses for—

"(A) the acquisition and maintenance of whaling boats, weapons, and gear used in sanctioned whaling activities,

"(B) the supplying of food for the crew and other provisions for carrying out such activities, and

"(C) storage and distribution of the catch from such activities.

"(3) SANCTIONED WHALING ACTIVITIES.—For purposes of this subsection, the term 'sanctioned whaling activities' means subsistence bowhead whale hunting activities conducted pursuant to the management plan of the Alaska Eskimo Whaling Commission.".

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall apply to all taxable years beginning before, on, or after the date of the enactment of this Act.●

By Mrs. BOXER:

S. 1231. A bill to designate the reservoir created by Trinity Dam in the Central Valley project, California, as "Trinity Lake," and for other purposes; to the Committee on Energy and Natural Resources.

THE TRINITY LAKE ACT OF 1995

● Mrs. BOXER. Mr. President, today I am introducing a bill which proposes to change the name of Clair Engle Lake in northern California to Trinity Lake. Clair Engle Lake is the largest body of recreational water in Trinity County. Every year, thousands of recreational users from all over California and the area come to the lake to fish, boat, hike, and camp.

Since the reservoir was created by the building of the Trinity Dam, local citizens have referred to the lake as Trinity Lake. This usage has been widely adopted by almost all of the general public as well as by Federal, State, and local officials. In fact, this widespread usage has become the cause of confusion for visitors and tourists, and has had a negative economic impact on the lake community.

My legislation would end this confusion by changing the name of the lake to what it is known as by residents of the area. My legislation is supported by the Trinity County Board of Supervisors as well as the Bureau of Reclamation. I also am pleased to be working with Representative WALLY HERGER who has introduced similar legislation in the House of Representatives.

Mr. President I ask unanimous consent that the text of the bill be printed in the RECORD.

S. 1231

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SEC. 1. DESIGNATION OF TRINITY LAKE.

(a) DESIGNATION.—The reservoir created by Trinity Dam in the Central Valley project, California, and designated as "Clair Engle Lake" by Public Law 88–662 (78 Stat. 1093) is redesignated as "Trinity Lake".

(b) REFERENCES.—Any reference in any law, regulation, document, record, map, or other paper of the United States to the reservoir referred to in subsection (a) shall be considered to be a reference to "Trinity Lake".

(c) CONFORMING AMENDMENT.—Public Law 88–662 (78 Stat. 1093) is repealed.●

ADDITIONAL COSPONSORS

S. 389

At the request of Mr. JOHNSTON, the name of the Senator from Hawaii [Mr. INOUYE] was added as a cosponsor of S. 389, a bill for the relief of Nguyen Quy An and his daughter, Nguyen Ngoc Kim Quy.

S. 650

At the request of Mr. SHELBY, the name of the Senator from Georgia [Mr. NUNN] was added as a cosponsor of S. 650, a bill to increase the amount of credit available to fuel local, regional, and national economic growth by reducing the regulatory burden imposed upon financial institutions, and for other purposes.

S. 896

At the request of Mr. CHAFEE, the name of the Senator from Maine [Mr. COHEN] was added as a cosponsor of S. 896, a bill to amend title XIX of the Social Security Act to make certain technical corrections relating to physicians' services, and for other purposes.

S. 953

At the request of Mr. CHAFEE, the names of the Senator from Iowa [Mr. GRASSLEY] and the Senator from Kansas [Mr. DOLE] were added as cosponsors of S. 953, a bill to require the Secretary of the Treasury to mint coins in commemoration of black revolutionary war patriots.

S. 963

At the request of Mr. BAUCUS, the names of the Senator from Florida [Mr. GRAHAM] and the Senator from Hawaii [Mr. INOUYE] were added as cosponsors of S. 963, a bill to amend the Medicare Program under title XVIII of the Social Security Act to improve rural health services, and for other purposes.

S. 969

At the request of Mr. BRADLEY, the name of the Seantor from Massachusetts [Mr. KENNEDY] was added as a cosponsor of S. 969, a bill to require that health plans provide coverage for a minimum hospital stay for a mother and child following the birth of the child, and for other purposes.

S. 986

At the request of Mr. D'AMATO, the name of the Senator from Arizona [Mr. KYL] was added as a cosponsor of S. 986, a bill to amend the Internal Revenue Code of 1986 to provide that the Federal income tax shall not apply to U.S. citizens who are killed in terroristic actions directed at the United States or to parents of children who are killed in those terroristic actions.

S. 1052

At the request of Mr. HATCH, the name of the Senator from New York [Mr. D'AMATO] was added as a cosponsor of S. 1052, a bill to amend the Internal Revenue Code of 1986 to make permanent the credit for clinical testing expenses for certain drugs for rare diseases or conditions and to provide for carryovers and carrybacks of unused credits.

S. 1165

At the request of Mr. HATCH, the name of the Senator from Michigan [Mr. ABRAHAM] was added as a cosponsor of S. 1165, a bill to amend the Internal Revenue Code of 1986 to allow a tax credit for adoption expenses and an exclusion for employer-povided adoption assistance.

SENATE RESOLUTION 146

At the request of Mr. JOHNSTON, the name of the Senator from Michigan [Mr. ABRAHAM] was added as a cosponsor of Senate Resolution 146, a resolution designating the week beginning November 19, 1995, and the week beginning on November 24, 1991, as "National Family Week," and for other purposes

AMENDMENT NO. 2468

At the request of Mr. SIMON, the names of the Senator from Nevada [Mr. REID] and the Senator from West Virginia [Mr. BYRD] were added as cosponsors of amendment No. 2468 proposed to H.R. 4, a bill to restore the American family, reduce illegitimacy, control welfare spending, and reduce welfare dependence.

AMENDMENT NO. 2469

At the request of Mrs. FEINSTEIN, the name of the Senator from California [Mrs. BOXER] was added as a cosponsor of amendment No. 2469 proposed to H.R. 4, a bill to restore the American family, reduce illegitimacy, control welfare spending, and reduce welfare dependence.

AMENDMENT NO. 2490

At the request of Mr. BREAUX, the names of the Senator from Montana [Mr. BAUCUS] and the Senator from West Virginia [Mr. ROCKEFELLER] were added as cosponsors of amendment No. 2490 proposed to H.R. 4, a bill to restore the American family, reduce illegitimacy, control welfare spending, and reduce welfare dependence.

AMENDMENT NO. 2501

At the request of Mr. PRESSLER, the name of the Senator from Nevada [Mr. BRYAN] was added as a cosponsor of amendment No. 2501 proposed to H.R. 4, a bill to restore the American family, reduce illegitimacy, control welfare spending, and reduce welfare dependence.

AMENDMENT NO. 2523

At the request of Mr. HELMS, the name of the Senator from New Hampshire [Mr. SMITH] was added as a cosponsor of amendment No. 2523 proposed to H.R. 4, a bill to restore the American family, reduce illegitimacy, control welfare spending, and reduce welfare dependence.

AMENDMENT NO. 2560

At the request of Mr. WELLSTONE, his name was added as a cosponsor of amendment No. 2560 proposed to H.R. 4, a bill to restore the American family, reduce illegitimacy, control welfare spending, and reduce welfare dependence.

At the request of Mr. KENNEDY, the name of the Senator from South Carolina [Mr. HOLLINGS] was added as a cosponsor of amendment No. 2560 proposed to H.R. 4, supra.

ADDITIONAL STATEMENTS

LEE ROY SELMON

• Mr. MACK. Mr. President, my good friend and colleague, the senior Senator from Florida, BOB GRAHAM, joins me today on this occasion to honor one of the greatest football players of all time, Lee Roy Selmon.

Lee Roy Selmon was born on October 20, 1954 in Eufaula, OK to Lucious and Jessie Selmon. He played football at Eufaula High School before earning a scholarship to the University of Oklahoma in 1972. He led the Sooners to the national championship while earning a number of post-season individual awards. He was selected to the All Big Eight Conference team his junior and senior years. He was also selected a Consensus All-American and won both the Outland and Lombardi trophies for best collegiate lineman.

In 1976, he became the first draft pick in the history of the Tampa Bay Buccaneers' organization. The Bucs selected Lee Roy not only for his outstanding football ability, but also for his extraordinary leadership and work ethic.

Lee Roy played each game with tremendous tenacity, both physically and mentally. Despite the fact that he was consistently being double and triple teamed throughout his illustrious 10-year career, he still registered an amazing 78½ sacks. His inspirational play was instrumental in guiding the Tampa Bay Buccaneers to their only NFC Championship game appearance in 1979. He went on to play in six consecutive Pro Bowls, earn three All-Pro selections and win the NFL Players Association's NFC Defensive Lineman of the Year Award.

Lee Roy's rare combination of strength, speed and agility transformed the way in which future players would play his position.

On July 29th of this year, Lee Roy was inducted into the Pro Football Hall of Fame. In doing so, he became the first Buccaneer to accomplish this feat. Lee Roy on his induction stated, "It's more than a dream come true because I never dreamt it. I'm very humbled by it and very thankful for it. I guess sometimes when you don't dream things yourself, then other people have bigger dreams for you."

Lee Roy's accomplishments are not limited to his play on the gridiron. Since his retirement in 1984, he has remained active in local community efforts.

Lee Roy has always approached his off the field endeavors with the same tenacity that characterized his play on the field. He was chosen one of America's Ten Outstanding Young Men by the United States Jaycees and selected Kiwanis Citizen of the Year for Florida's west coast.

Currently, Lee Roy serves as an associate athletic director at the University of South Florida, where he has been the driving force behind USF's efforts to field an intercollegiate football team.

Mr. President, it is an honor for us, as United States Senators from the great State of Florida, to recognize a man that is revered by many, respected by many more, and well-liked by all. Lee Roy Selmon; a hero in every sense of the word.•

TRIBUTE TO VALORIE J. WATKINS, REGIONAL DIRECTOR FOR SENATOR LARRY CRAIG

• Mr. CRAIG. Mr. President, I rise today to pay tribute to an outstanding staff member of mine, Valorie J. Watkins who has served diligently as my regional director in eastern Idaho over the last several years.

Valorie's tenure as a congressional staff member has been long and distinguished. She has worked in the U.S. Congress for close to 25 years but now moves on to another position as director of alumni relations at Idaho State University in Pocatello, ID.

I have enjoyed working with Valorie over the years. Her leadership, insightful recommendations, and attitude toward serving others have been indispensable to my responsibility of effectively serving the great people of the State of Idaho.

Valorie was born in Pocatello, ID. A long time resident of eastern Idaho, she graduated from Pocatello High School and received her degree from Idaho State University in 1966.

In 1966 as a bright-eyed and enthusiastic graduate of Idaho State University, she left Pocatello and boarded a plane for Washington, DC and arrived in our Nation's Capital without having yet obtained a job. She was quickly hired by the Democratic Congressman from Idaho, Compton White Jr. After Congressman White's defeat in 1966, she immediately came on board Republican Congressman George Hansen's staff. From 1967 to 1969 Valorie proved to be an outstanding staff member for the Congressman and excelled in this capacity. In 1969 she returned with her husband Bill to Pocatello and became a teacher in the local school system and was involved in local education issues.

In 1973, her knowledge and work experience helped her to land a position as district director with one of the great leaders of Idaho, my predecessor, Senator James A. McClure. In this capacity she came to be well respected and looked upon for advice by Senator McClure. She worked for Senator McClure until his retirement in 1991.

Valorie Watkins' work for the people of Idaho is earmarked by her astute ability to keep in close contact with constituents by being involved in her community. She served in many capacities over the years in Pocatello; she has done a immense amount of work with the Greater Pocatello Chamber of Commerce, serving on over eight committees, including serving as a member of the board of directors from 1993 to 1996. She has been heavily involved in the Soroptimist International of Pocatello, from which she received several awards and also served as its president from 1993 to 1994.

In the 16 county region of which she oversaw, Valorie has come to be well respected by many leaders on both sides of the political isle. Valorie has traveled throughout southeast Idaho to small communities like Preston, Montpelier, Soda Springs, and Malad and gained the respect of many Idahoans because of her help. Many leaders have sought her help and advice, including mayors, city councilman, county commissioners, educators and administrators, and Idaho State representatives. She is also well respected by many of the Federal Government agency heads in the area, and has worked closely with some of those individuals to resolve trying cases.

Whenever southeast Idahoans have sought help from my office with a problem with a Federal agency, they most likely have found it with Valorie Watkins. In a more memorable and recent incident, Valorie took the lead in my office's involvement with Tom Johansen, a Pocatello scrap metal dealer who was brought into the national spotlight when he unknowingly bought several thousand tons of sensitive nuclear hardware and blueprints from the Department of Energy at an auction. Valorie's involvement with the case and persistence played a part in forcing the DOE to provide an equitable resolution in what might have otherwise been a disaster for Mr. Johansen.

Valorie's service to the people of Idaho I believe can be summed up from an editorial written by the editor of the Preston Idaho Citizen, a local small town newspaper in eastern Idaho:

> Over the years while Valorie was an aid to Senator Jim McClure and to Senator Larry Craig, she has been a wonderful intermediary for just about anyone who had a challenge that concerned the Federal Government. She is one of the most personable persons that we know and we have been so grateful for her listening ear and her assistance in cases where there has been a need for contact with the Federal Government. Valorie Watkins is most approachable. . . . We see her move as a gain for Idaho State University and a loss for Senator Larry Craig!

And so, Mr. President, as Valorie brings to a close her long and productive career in service to the people of Idaho and this Nation, I wish her and her husband Bill nothing but the very best wishes for happiness and prosperity.●

APPOINTMENT BY THE VICE PRESIDENT

The PRESIDING OFFICER. The Chair, on behalf of the Vice President, pursuant to title 46, section 1295(b), of the United States Code, as amended by Public Law 101-595, appoints the following Senators to the Board of Visitors of the U.S. Merchant Marine Academy: the Senator from Louisiana [Mr. BREAUX], from the Committee on Commerce, Science, and Transportation; and the Senator from Hawaii [Mr. INOUYE], at large.

THE ROLE OF RELIGIOUS GROUPS IN CONTEMPORARY POLITICS

Mr. LOTT. Mr. President, yesterday morning, I had the pleasure of appearing on "Face the Nation," an always engaging experience. One of the subjects we covered in our wide-ranging questions and answers was the role of religious groups, in particular the Christian Coalition, in contemporary politics.

During the course of our discussion, I commented on the fact that the Republican Party welcomes the participation of people of all faiths, and I disagreed with those who see something ominous or irregular in what is sometimes called the religious right. These are, in fact, good people who are rightly concerned about the security of their homes, the safety of their children, and the future of family life in America.

Both parties need the participation of people like that. Moral and ethical concerns should not be the singular property of either party. That is what I was trying to convey in my comments concerning religious Americans and the Democratic Party. I meant to express the hope that our fellow citizens, whose religious beliefs lead them to advocate school prayer, engage in home-schooling, or oppose abortion, could feel equally at home on either side of the political fence.

I did not mean to imply, and I regret it if my comments suggested otherwise, that the Democratic Party is without religious members. That of course is not the case. Neither party has a monopoly on faith, although, judging from the results of the 1994 elections, the GOP does seem to have a better track record with miracles.

I want to assure my colleagues, as well as the national television viewing audience of "Face the Nation," that I have the greatest respect for the diversity of faith represented within both Republican and Democratic ranks. And I close with the observation that, during the next 2 months or so, as the Senate deals with the hardest, toughest issues of the day, both sides of the aisle here will need our share of prayers.

ORDERS FOR TUESDAY, SEPTEMBER 12, 1995

Mr. CHAFEE. Mr. President, I ask unanimous consent that when the Senate completes its business today, it stand in recess until the hour of 9 a.m. on Tuesday, September 12, 1995; that following the prayer, the Journal of proceedings be deemed approved to date, the time for the two leaders be reserved for their use later in the day, and the Senate immediately resume consideration of H.R. 4, the welfare reform bill.

I ask further unanimous consent that the Senate recess between the hours of 12:30 and 2:15 for the weekly policy conferences to meet.

The PRESIDING OFFICER. Without objection, it is so ordered.

PROGRAM

Mr. CHAFEE. Mr. President, for the information of all Senators, the Senate will resume consideration of the welfare reform bill tomorrow morning. Under a previous consent agreement, there will be a rollcall vote at approximately 9:10 tomorrow morning on or in relation to the Conrad amendment.

Following that vote and a 4-minute debate, there will be a rollcall vote on or in relation to the Feinstein amendment. All Senators can therefore expect two rollcall votes early tomorrow morning.

Following those votes, the Senate will begin debate on the Breaux amendment on maintenance of effort, with a vote to occur on that amendment at 2:15. Senators are also reminded that a cloture motion was filed this evening but in accordance with the consent agreement reached on Friday, that cloture vote will not occur prior to 6 p.m. this forthcoming Wednesday.

ORDER FOR RECESS UNTIL 9 A.M. TOMORROW

Mr. CHAFEE. If there is no further business to come before the Senate, I ask unanimous consent that the Senate stand in recess under the previous order following the remarks of Senator FEINSTEIN and Senator PRESSLER.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

UNITED STATES-CHINA RELATIONS: A RIVER TO CROSS

Mrs. FEINSTEIN. Mr. President, 2 weeks ago, I returned from a 6-day trip to China, during which time I spent more than 20 hours in meetings with top-level Chinese officials, including 4 hours with the President of the country, Jiang Zemin, Vice Premier Zhu Rongji, and senior Foreign Ministry officials.

We held wide-ranging discussions on a number of important issues in the United States-China relationship, including several issues which have caused the most serious strain between our two countries since relations were established in 1979.

I believe that these talks were informative and constructive for both sides. And I would like to share with my colleagues some of the major elements of those discussions and my observations as a result of this trip. I first met the President of China while I was mayor of San Francisco. In 1979, the first of my 9 years as mayor, I forged a sister city relationship with Shanghai, the first such relationship between an American and a Chinese city.

Jiang Zemin became mayor of Shanghai in 1985. And we became good friends as we negotiated agreements and overseas projects between our two cities. As partners in this endeavor, we vowed to shrink the vast Pacific Ocean that divides us into a small river across which communication, trade and an exchange of ideas could easily flow.

That was 10 years ago. Jiang Zemin is now President of China, and he leads a nation of 1.2 billion people. Over the last 20 years, I have visited China many times and spent a great deal of time studying its people, its culture, and its political dynamism. I have talked with China scholars and read avidly about this complicated country and its rich 5,000-year history.

Few nations rival China's strategic importance to the United States. China is the largest country in the world, one of the largest economies, one of only five declared nuclear powers, and a permanent member of the United Nations Security Council.

The cold war Soviet axis of power has dissolved in the last 5 years, and as Russia struggles with democracy and works to regain its military and economic stability, China's emerging presence will most certainly shape the balance of power in Asia and in the world.

I wrote to President Jiang on July 11 and expressed my deep concern about the state of United States-China relations. Issues that divide the United States and China today have increasingly prevented a productive exchange of views. And the detention of human rights activist Harry Wu, now an American citizen and resident in my State, had effectively blocked all lines of communication between our two countries.

In my letter, I offered to come to China to discuss the case of Mr. Wu and other matters. President Jiang wrote back and accepted, saying he would welcome my visit to Beijing. My husband and I left on August 17 for Beijing and Shanghai. We met privately with President Jiang for 2 hours and then were joined by Senator and Mrs. JOHNSTON for dinner with the President.

Our discussions with President Jiang were very frank and candid on matters pertaining to relations between our two countries, particularly the issues of Taiwan, the recent visit of Lee Teng-hui, and the detention of Harry Wu.

I delivered a message to President Jiang from President Clinton that he would be most appreciative of any assistance that the Chinese President could provide in the matter of Harry Wu, that Mr. Wu's release would remove an obstacle of communication between the United States and China, and that President Clinton looked forward to meeting with Jiang Zemin to chart a new and mutually beneficial course for Sino-American relations.

President Jiang sent an emissary to me on the morning of my departure from Shanghai with the message that Harry Wu would be released, quite possibly before I left China later that day, which did, in fact, happen just that way. As I left from the Shanghai airport, I saw the Air China flight that was being held for Harry Wu, who was right then on a flight from Wuhan, although I did not know it for sure at that time.

With the status of Mr. Wu resolved, the United States, and President Clinton in particular, now have a historic opportunity to chart the course of United States-China relations into the 21st century.

This will not be an easy road. China and the United States have many differences in culture, in our political systems, in our economic and legal structures. However, what many Americans may not understand is that today we also have many common interests. But the opportunity to bridge our differences and build on our common interests is wholly dependent upon dialogue, something sorely lacking at this time.

At this moment the United States and China have no ambassadors in each other's country, although I understand that this situation will now be partially remedied with the announcement that Ambassador Li Daoyu will soon return to Washington.

One example of the effect of a lack of diplomatic communication is the visit of Taiwanese President Lee Teng-hui to the United States in June. Although, as a U.S. Senator, I understood that there is no more important policy for China than the status of Taiwan as part of China, I and other Senators voted to allow the visit. I never heard from China that what we considered to be a personal visit by an alumnus of an American university would cause such a rift in our relations, and I was stunned by the intense reaction of the Chinese officials.

President Jiang told me that he learned of the decision to allow Lee Teng-hui's visit by reading it in a newspaper. The Chinese were, in turn, stunned by the insensitivity and lack of communication from the United States on what they saw as a major shift in policy toward their country, particularly since they were assured as late as mid-May that U.S. policy would be to refuse such a visit.

In an action that further convinced China that they were seeing an emboldened Taiwan, the day Lee Teng-hui left for the United States, Taiwan held joint military army, navy and air force exercises off the coast of China.

Also, Lee Teng-hui broached a Two Chinas Policy in a speech at Cornell, further inciting Beijing. And no one should think that Beijing did not take this seriously. All of this may have been avoided with consistent and frank dialogue between Beijing and Washington.

Reopening and strengthening diplomatic channels of communication is but one, albeit critical, step in building a new relationship with China. As important as what we seek from China in the way of human rights, open markets and Democratic reform is how we communicate ideals. Americans have a tendency to tell China what to do instead of trying to understand what China needs and how it is to China's interests to do some things. And it is time that we learned that this will not be the most effective method of encouraging change in China.

Much has changed in China since I first visited in 1979. People speak much more freely. Consumer goods from China and all over the world are available more than ever before. The standard of living is up. And privatization of formerly Government-controlled industries is taking hold. When I was there 2 years ago, only 8 percent of the industries were in private hands. Now 20 percent are either in joint venture or private hands, about 40 percent controlled by the central Government, and 40 percent in state cooperatives. A Western-style marketplace in the form of an economic democracy is, in fact, taking place.

The question we must ask ourselves is, Can an economic democracy exist long term without a social democracy following? I believe the answer to that is no. But make no mistake, China today is a Communist country. But by encouraging open markets and privatization of industries, we are exposing China to democracy in a much more effective manner than by calling for it on the front pages of our newspapers or by making threats we cannot afford to carry out.

The effects of China's move to a free market economy can already be felt in Chinese social life. Shanghai television, for example, has had programs that include a show similar to America's "All in the Family," which ran for 180 episodes, with the Chinese version of Archie Bunker, a stodgy Communist Party official, something I never thought I would see.

Also, there is a "60 Minutes" type Shanghai program that exposes Government institutions to questioning—unique in the context of China's long and complicated history.

I believe we will witness even greater changes in the next decade, which can bring China even closer to the West.

China's legal system and concept of individual rights is still primitive by western standards. I believe that the most consequential influence on the human rights situation in China will be the evolution of an independent judiciary and the development of a new set of civil and criminal laws.

Today in China, judges are not independent, either from individual or party persuasion, and there is no real criminal statute on the books to make it a crime to interfere with a judge. So this needs change.

China has asked for help in the evolution of its legal system. The development of due process of law, which in this country guarantees that no one can be picked up by the Government in the middle of the night and simply disappear, is something that is going to make a huge difference in China, and a new civil and criminal code could go a long way toward meaningful human rights advances.

While I was in China, the China daily front page carried articles saying that China welcomed help in evolving a new system of civil and criminal codes. This could go much further in securing major human rights advances, constitutionally and legally, than any rhetoric in this country.

Those in the West who care should utilize this opportunity in a sensitive way to bring many of the virtues of a western legal system to Chinese attention. I believe it is the most significant thing we can do long term.

There are those in this country, I believe, who are unconsciously pushing Sino-American relations into an adversarial position, reminiscent of the days of the Soviet Union. The world was, in a sense, much simpler then: Two major conflicting powers, with smaller nations lining up in each camp. This was good for weapons sales, it repressed many smaller national and ethnic rivalries which are now emerging in the form of civil wars, and it provided a clear role for China as a major geopolitical buffer.

Those days, however, are gone. China has emerged from these changes as a booming economy with the highest rate of economic growth in the world, gradually reducing centralized control of its economy and opening its doors to western entrepreneurship and thought.

All one has to do is contrast Russia today and China to see how centralized control in China has been gradually reduced, keeping stability, opening up entrepreneurship, creating an economic democracy and doing it in a much more successful way. So I believe that how America develops its relationship with China is critical for world peace and stability.

Ever since President Nixon traveled to China in 1972, the United States has maintained a one-China policy. It has been the foundation of Sino-American relations. That policy essentially says that there is only one China and Taiwan is part of China, and it recognizes the People's Republic of China as the sole legal Government of China.

This policy was stated in the 1972 Shanghai communique, the 1979 joint communique on the establishment of diplomatic relations, and the 1982 United States-China joint communique. The one-China policy was and is essential to United States-China relations. It remains essential today.

If China has any doubts about our commitment to this policy, our ability to conduct normal relations with China will be severely curtailed. For China, the question of Taiwan is an issue of sovereignty, and we must understand it as such.

Taiwan has developed well, even within these constraints and, in fact, Taiwan interests have the largest dollar amount of investment on mainland China. Communication has been established and a special across-the-straits initiative has been developed under the leadership of another friend and former Shanghai mayor, Wang DaoHan and Tang Shu Bei, former consul general in San Francisco.

The one-China policy has been beneficial for all three parties: China and the United States have been able to pursue a normal diplomatic relationship, while Taiwan has become economically strong and prosperous. Meanwhile, Taiwan and China have both encouraged the development of extensive economic and cultural ties across the Taiwan Straits.

There are many issues still to resolve with China, as we develop our relationship in the post-cold-war era. Consistent and open dialog is key.

President Jiang told me of an old Chinese proverb: When water flows, there will be a channel.

I truly believe that President Clinton now has the unique opportunity to craft a new course which can result in a stable and secure Asia, free of nuclear proliferation, a serious commitment to arms control, and one that sees China takes its rightful place as a leading nation at the world table.

I thank the Chair. I yield the floor.

Mr. PRESSLER addressed the Chair.

The PRESIDING OFFICER (Mr. SANTORUM). The Senator from South Dakota.

FCC/SPECTRUM/PUBLIC BROADCASTING REFORM

Mr. PRESSLER. Mr. President, as my colleagues know, as chairman of the Committee on Commerce, Science, and Transportation, I have made telecommunications policy reform my top priority for the 104th Congress. I am quite proud of the swift progress made to date, including the sweeping Senate passage of S. 652, the Telecommunications Communications Competition and Deregulation Act of 1995.

As I indicated before we left for the August recess, as significant and necessary as S. 652 is for our country's economic and social well-being in the 21st century, it is only one item in my overall plan for telecommunications policy reform.

Today, I would like to take a few minutes to briefly discuss two additional areas of telecommunications reform I intend to pursue through the remainder of the 104th Congress: Spectrum reform and public broadcasting reform.

Regarding spectrum policy reform, there was a recent essay by William Safire in the New York Times entitled "The Greatest Auction Ever. Get Top Dollar for the Spectrum."

Mr. President, I ask unanimous consent that William Safire's article be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the New York Times Mar. 16, 1995]

THE GREATEST AUCTION EVER

(By William Safire)

WASHINGTON.—They all laughed at the economist Milton Friedman when he suggested a generation ago that the Federal Government auction off broadcast licenses, instead of giving them away to political favorites.

The last laugh is his; last week, in the greatest auction in history, bidders for wireless places on a tiny fragment of the broadband spectrum committed nearly $8 billion to the U.S. Treasury.

And that's only the beginning of the taxpayer's bonanza in the sale of our valuable thin air.

Remember all the talk, eight years go, of high-definition television, the Japanese invention that was supposed to force us all to replace our 200 million TV sets? U.S. manufacturers, with antitrusters' blessing, formed a "Grand Alliance" to match the Japanese advance.

Along came an unexpected scientific breakthrough. We leapfrogged the analog (feh!) competition into the brave new digital world. This not only produces a knock-your-socks-off picture but expands each TV channel into five or six wireless channels for video, audio, computer data transmission, telephones and every form of communication short of mental telepathy.

Broadcasters smacked their lips at the bonanza. "Advanced television is not just about pretty pictures anymore," F.C.C. chairman Reed Hundt told Edmund Andrews of The Times, one of the few reporters on top of this story. "It's about the digitization of television and a huge range of new services."

It's as if one old oil well gave birth to six new gushers. Broadcasting lobbyists have descended on Congress and the F.C.C. to insure "flexibility"—that is, to exploit exclusively all the new technology, and to charge viewers for the "ancillary and supplementary" services.

Even if accompanied by payment of rent to the Government, the exclusive arrangement sought by broadcasters would be an outrageous taxpayer ripoff.

What is the digitized, divisible channel worth? Senate Commerce Committee Chairman Larry Pressler gave a hint in an op-ed piece last week, suggesting that noncommercial licensees had a huge hidden asset: "Public broadcasting stations could rent, sell or make use of the additional channels for other telecommunications and information services."

Based only on current uses, which are primitive, the market value of the VHF, UHF, cellular, broadband and narrowband spectrum ranges around $120 billion.

But in the near future, your television set will combine with your computers and telephone and fax machine into a single unit you can hang on the wall or fold up in your pocket. That's soon—possibly in the next Presidential term.

I've seen not-for-attribution estimates that the market value of the digitized spectrum in that onrushing era will be—hold your breath—a half-trillion dollars, give or take a hundred billion.

Before rushing into any giveaway, or any long-term exclusive rent-away, we need extended, wide-open, thoroughly debated hearings to make certain of three outcomes:

First, *we want a guarantee of spectrum competition.* The criterion to determine competition must be scrupulously economic, not jiggered by the Government to introduce sexual or racial or ethnic or ideological favoritism. An appeals court yesterday stayed the F.C.C. from holding auctions that favored minority fronts.

Next, *we want a holdback of certain rights.* For example, we can solve the campaign finance dilemma just like that by putting a right-of-way in the deed setting aside air time, online time and direct E-mail advertising for candidates, which could be used or traded or sold by them in election campaigns.

Finally, *we want top dollar for our public property.* That means a series of Friedman-style auctions. After the purchases, sophisticated risk-takers and their banking backers can enhance the value of their property at no cost to the taxpayer and with great benefit to the consumer.

Where should the spectrum-sale money go? Toward reduction of the crushing national debt. By recognizing our hidden asset of the spectrum, Americans can ride the wave of the future.

Mr. PRESSLER. Mr. President, a major priority for the 104th Congress involves giving American private enterprise a fuller and fairer chance. Right now, we just have too many rules and too many of them just do not make any sense. Remember, bad rules are not just expensive and foolish, they represent far more than a dead-weight loss for the economy; they are obstacles to progress.

One of the challenges we face today concerns channels that have been earmarked for advanced television. Not only has the FCC set aside a significant number of channels for the broadcast television industry, it has also placed severe restrictions on additional uses of those channels.

Mr. President, technologically speaking, these channels could be used to provide extensive new and competitive offerings, in addition to more TV. Due to advances in digital technology, they could be used for new mobile radio services, for wireless loops that could make the local telephone business more competitive, and for many other services as well.

Legally speaking, however, these channels currently are dedicated to one specific use: High-definition television, or HDTV. In effect, the Washington bureaucracy has defined and limited the future. The bureaucrats, not consumers of the marketplace, have decided what new technology will be offered, where it will be offered and how it will be offered. It is time to revisit these regulatory decisions. If broadcasting is the best and highest use of those channels, let the marketplace make that decision. Once the best use for these channels is determined, how should the licenses be allocated? Again, let the market decide. Consumer choice and preference will quickly choose who best deserves the licenses associated with the new channels.

I thus intend to work toward several changes in the FCC's advanced television broadcasting plan. All of these changes are geared toward unleashing creative powers, not smothering them with FCC rules. Therefore, our committee is considering allowing everyone—broadcasters including—to bid for the right to develop these channels. That bidding process can be carried out through spectrum auctions. At the same time, however, we want to guarantee the winning bidders have sufficient commercial and operational flexibility. In other words, they must be given the discretion to make what they think is the best use of those channels to meet consumer demand and increase consumer choice.

I will chair a Senate Commerce Committee hearing concerning this very topic tomorrow. Earlier this year several newspaper articles, including an excellent piece by William Safire, which I ask to be included in the RECORD following my remarks, characterized the FCC's HDTV plan as "a billion dollar giveaway."

At a July 27th Commerce Committee hearing, Henry Geller, former FCC General Counsel and NTIA Administrator, testified that giving broadcasters an additional six megahertz would be a "national scandal." A number of organizations across political lines recently have come out against giving free spectrum to the broadcast industry and support auctioning the advanced television spectrum. Not surprisingly, the television broadcast industry strongly opposes auctioning spectrum which the FCC proposes to give away to them for free.

But beyond the special interest arguments, let me tell you, Mr. President, why this proposal is especially important. It is important because it plays right into another major priority for the 104th Congress—stimulating economic growth.

The great thing about communications technology is that it is such a powerful catalyst for growth. Engineers and economists talk about communications as a leverage technology. Experts point out it is both demand-inducing and cost-reducing at the same time. That is, at the same time advances in communications technology make it possible to encourage consumption and investment, they also make it possible for businesses to keep costs in line. This keeps America competitive.

Mr. President, some of the best economists in the world work for the Japanese Government. They have actually quantified how communications fosters economic growth. Their calculations show that for every dollar we invest in communications, we get almost 3 dollars of growth. That is why telecommunications industries are so important.

You cannot improve and expand communications services, however, if the basic building blocks—like the radio spectrum—are locked up in some regulatory backwater. You cannot improve and expand communications services, if the people who develop innovative ideas are artificially denied the ability to move their product to market.

Getting more spectrum into the hands of more people with more and better ideas on how to use it is a critical objective. Beyond bringing new and exciting technologies to the consumer, it also is an excellent way in which to contribute toward the new jobs, new services, and new investment opportunities this country needs.

This leads to public broadcasting policy reform regarding spectrum.

Such a bold, forward looking approach on spectrum policy reform also creates an opportunity to reinvent and privatize public broadcasting. To borrow a phrase from my good friend, Vice President AL GORE, we need to reinvent the way we finance public broadcasting in this country.

Ever since President Johnson's administration and the heyday of the Great Society, we have relied on taxpayer funds, channeled through the Washington-based bureaucracy at the Corporation for Public Broadcasting. Over the past few decades, literally billions of dollars in appropriations have flowed through Washington back to the public broadcasting stations.

Federal funds successfully have built a nationwide public broadcasting system that enjoys wide support. Viewers such as myself help stations with annual membership dues and other contributions. Corporate underwriting contributes significant programming support. At the same time, Federal financing funneled through a Washington bureaucracy has created a public broadcasting system not necessarily in touch with most Americans. Today the public broadcasting system is mature. It now must be allowed to evolve.

Why? One very good reason is that with today's crushing national debt, all Federal spending must come under careful scrutiny. Unfortunately, when I first raised the issue of privatizing public broadcasting, no one in the public broadcasting establishment seemed to hear what I was saying. I was accused of trying to kill Big Bird and Barney.

Fortunately, public broadcasting is beginning to look at realistic options for survival in a budget deficit conscious world. I am encouraged by these efforts and look forward to working with my colleagues to ensure public broadcasting continues to serve public needs.

Should we reexamine the charter CPB was given in 1967? I think we should. As I mentioned earlier, today public broadcasting is a mature system. There are still some regions which are not served, but the vast majority of Americans receive one—if not several—public radio and television stations. Efforts to consolidate and increase efficiencies should be encouraged. At the same time, reaching under-served areas of our Nation must remain a primary objective of any reinvented public broadcasting system.

What about programming? Today's competitive marketplace has made the market failure rationale for public funding obsolete in some respects. Cable television network services including the Discovery Channel, the History Channel, Arts & Entertainment, the Disney Channel, Nickelodeon, and others provide quality, educational and artistic programming once thought only available on public television. At the same time, I believe most Americans want more quality children's and educational programming available over free TV. The great promise of broadcasting to educate and uplift our children and our citizens has not been realized. Too much violence and tawdry programming dominates the public's airwaves.

Children's and educational programming should be the primary, if not sole, focus of taxpayer support for public television programming. Public radio also should be helped to flourish.

At the same time, American taxpayers cannot afford to continue the inefficiencies in the current system. Because of historical accident, PBS and National Public Radio, for example, have separate distribution networks. I understand PBS actually has more audio capacity on its system than NPR. However, CPB has no power to make PBS and NPR consolidate and realize these efficiencies. Congress does. We should accept that responsibility and reinvent public broadcasting to provide a meaningful and quality legacy for our children.

We also need to provide public broadcasting with a baseline of support. An excellent model already exists for how a baseline of support can be continued in an industry while providing the flexibility necessary to allow the industry to evolve, improve its product, and expand its services. We have accomplished the kind of privatization of Federal functions I am talking about in other areas—with, for instance, the Federal Home Loan Mortgage Association, the Student Loan Marketing Association—Fannie Mae and Sallie Mae. We can and should do the same for public broadcasting.

We can accomplish the goals I have laid out by establishing a new privatized entity to provide public broadcasting baseline support. We can get the seed money necessary to carry out this initiative through the spectrum auction process. The fundamental goal should be to privatize the financing process and to empower broadcasters and public broadcasting organizations besides just those that exist in Washington—inside the Beltway.

This approach would pay a number of public policy dividends. It would provide public broadcasting with a financial baseline of support. That is, this year's, or next year's, financing would not be subject to the vagaries of the Washington appropriations process. That, in turn, would help stations plan. Among other things, public broadcasters would not have to continuously lobby Washington to get the support they need. They could bank on continued support. Not all the money for the initial capitalization, moreover, would have to come from Washington. The business community, foundations, and others would be encouraged to participate.

Financial experts currently are working out how much seed capital would be required. Indeed, I will chair a second Commerce Committee hearing this week in which we will take testimony from an investment banker at First Boston on how to move forward with this capitalization idea.

At the same time, and as a way of ensuring the continued success of public broadcasting, we need to change some of the restrictions on public broadcast stations. This can be controversial. Nobody wants to sanction unfair competition between tax-exempt public broadcasters and the private sector's commercial broadcasters. But there are safeguards that can be established.

One of the concepts that has been around for years is that of limited advertising. Numerous public broadcasting organizations in Europe already have commercials, clustered at natural program breaks. Limited advertising represents a significant source of revenue for public broadcast stations. It also represents a source of funds that may be preferable to the current situation in which companies basically produce and underwrite the programs run on public broadcasting. Advertising revenue tends to come without the content strings that program underwriting inevitably entails.

Privatization means relying more on private, individual effort, less on a Washington handout. It also ensures decisionmaking can take place at a level much closer to the particular consumer in the particular market. In any country as big and diverse as the United States, that is especially important. A one-size-fits-all approach virtually never works well in our society.

My thinking regarding public broadcasting is consistent with the approach this new Congress has taken in other areas. One of the cornerstones of most of the sound welfare reform proposals, for instance, is the concept of block grants and State and local decisionmaking. The thinking there is that local authorities are in the best position to manage these issues wisely, and Washington can assist them in addressing their State and local needs.

Privatizing public broadcast financing would accomplish much the same objective. It would cut the Washington umbilical cord—or should I say straitjacket—and vest decisionmaking—plus the money and resources needed—with the stations and people at the local level. It is they, after all, who provide the service to the American public.

Mr. President, the simple theme running through each of the reform ideas I have spoken of today is the fundamental principle that we do not want the Washington bureaucracy determining what is possible and what is going to be allowed.

Let me conclude with an excellent example of what telecommunications policy reform means at a practical level for my home State of South Dakota and other areas of the often forgotten West. I am referring to an article in Investor's Business Daily last August 31st. That is the new Wall Street Journal competitor, incidentally, which makes an effort to provide news, especially financial news, that is important to people out West.

The newspaper reported on a new communications technique that could revolutionize farming—a vitally important part of South Dakota's economy. It is called "site-specific" or "precision" farming.

Having grown up on a family farm, I find the technology fascinating. First, soil moisture and crop yield sensors are spotted in fields. These sensors can narrow acres and acres of land down to as little as 20 foot squares. These censors then interact with the new Global Positioning Satellite network. The system feeds information back to computers on the farm. This information give farmers the kind of precise information they need to target fertilizer, irrigation, and other services.

The approach radically reduces operating costs. It helps the environment by reducing leaching and stream runoff. It is the kind of smart farming we need in this country to maintain our global competitiveness. Mr. President, it is possible only because of the marriage of computers and communications.

Now, Mr. President, do you honestly believe the inside-the-Beltway crowd would ever have thought of this? I doubt it. It took innovative entrepreneurs to identify and fill a market need. What if the Washington bureaucracy had set up a system of rules that kept communications channels from being used for "site-specific" farming? Its promise and all that means to the farming sector and the American economy as a whole would never have been realized. I ask consent the "Investor's Business Daily" article be printed in the RECORD immediately following my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered. (See exhibit No. 1.)

Mr. PRESSLER. Americans are great and diverse thinkers. Unfortunately, not enough of that original thought and invention takes place in the big gray stone government buildings that sit around Washington. What we need to do is to try to unleash American ingenuity. At a minimum, we need to make sure we do not block it. I will continue to fight to make sure we do not—whether it is thought the comprehensive telecommunications reform bill, spectrum policy reform or public broadcasting reform.

In conclusion, Mr. President, let me say I think it is time that we fundamentally think about spectrum policy reform in this country. I think we must think about the taxpayers.

The Commerce Committee has been charged to raise $17 billion, give or take a few half billion. Indeed, we are told that we are supposed to round everything off to a half-billion dollars. So, having grown up cn a farm in South Dakota and being told to round things off, in my response to a half-billion dollars, that is quite a change from the kind of money that I usually think about in my life.

In any event, the new potential uses of the spectrum of the property of the American people—as William Safire says, they should be auctioned off. How else will we do it? The auction system has been used successfully for some of the earlier spectrum that we have auctioned off.

We now have this complicated matter where the broadcasters propose to migrate from the spectrum they are on, the analog, to the UHF and digital, and they say that at some point they will give back the original spectrum, although some say that when the time comes that will not happen.

What we are proposing here is not to take anything away from them, not to take anything that they feel they may have paid for in terms of licenses to stations. What we are proposing is merely to auction the new uses of the spectrum, and the American taxpayers have a great interest in this. It is billions of dollars.

I propose that we use a small portion of that to capitalize public broadcasting and to set up a privatized base, and they would then be cut free from annual appropriations. We could eliminate the headquarters, the Corporation for Public Broadcasting, and many of the stations will testify this week that they would like that approach. We could do that without spending any appropriated taxpayers' money.

So we need to have some innovative thinking. We also need to think about reinventing many areas. As Mr. Safire quotes in his article, he quotes me as saying in the public broadcast area there is much spectrum and many overlapping jurisdictions where the taxpayers could be saved a great deal of money.

I know that anyone who makes proposals along these lines will be criticized by both the broadcasters and some in the public broadcasting area. In fact, I am sure the broadcasters will strongly oppose—I know they are strongly opposed to what I am trying to do.

The people inside the beltway here in public broadcasting are strongly opposed. They are strongly opposed to changing anything.

The stations have formed a coalition, that they want to change, and they would like to see this. The people out in the country in public broadcasting would like to see the change.

So, Mr. President, we stand at a crossroads with this spectrum reform. It is something that sounds like Greek to the average citizen, but the average taxpayer has a great interest in it. We have a responsibility to stand up to special interests and to auction off those portions of the spectrum that will provide new uses and will provide billions of dollars for the taxpayers of this country.

It will provide the basis for the Commerce Committee's reconciliation responsibilities, and it will provide our country with a more innovative and a better future. I yield the floor.

EXHIBIT 1

PLOWS, PC'S, SATELLITE DISHES

(By Ira Breskin)

As computer power drops in price, a new way to farm called site-specific or precision farming is taking off.

Precision farming lets growers take into account the unique features of each field, without boosting cost much. Paycheck usually takes about a year.

"Farmers used to farm fields," said David Franzen, a soil expert at North Dakota State University in Fargo. "Now they farm locations in fields."

Within five years, about half the 150,000 major grain farmers in the Midwest will use the approach, says Harold Reetz, Midwest director of the Potash and Phosphate Institute.

About 10% to 15% do now, he says. Most started this year or last. Sugar beet growers also are strong proponents.

"Interest among farmers is stronger than we anticipated," Reetz said. "It helps us deal with the variability that is out there." Among these are big differences in soil found across a large farm.

The goal is to make the land more productive by using just the right amount of costly fertilizer and pesticide for each field or even part of a field down to a 20-foot section. These inputs now are blended to meet average regional conditions.

Fully outfitted farmers need high-tech yield monitors, crop moisture sensors and a satellite receiver, all mounted on a tractor. Personal computers and special analytical software usually is bought separately or provided by a consultant. Farmers also can buy special gear for applying field nutrients.

"The one thing that makes site-specific farming work is the computer processing power that is available today," said Steve Koep, marketing manager at privately held Ag Chem Equipment Co. in Minnesota, Minn. The company makes a 20-ton-capacity precision fertilizer applicator that costs about $250,000.

Site-specific farming "minimizes cost and maximizes production," said Ron Phillips, a spokesman for the Fertilizer Institute in Washington.

The environment also gains. By making better use of nutrients, farmers reduce leaching, runoff into streams and soil erosion. Pesticide use often is cut.

Most farm chemical suppliers back site-specific farming because it helps them provide value-added service, says Jim Egenreider, regulatory affairs director at the Agricultural Retailers Association in Washington.

"For (farm) cooperatives, it's a wash," said Cheryl Kohls, an agronomy equipment specialist with Conex-Land O'Lakes Services, a co-op in St. Paul, Minn.

Farmers may use less fertilizer in one area but more in another. And even if co-ops do sell fewer chemicals, many also supply soil testing and other services needed for precision farming.

About half the time, farmers get exacting field maps so they can receive the most precise results. Farmers use a plow-mounted device to record signals from an orbiting satellite, part of the Global Positioning System.

New "differential correction" signals have boosted precision farming. They unscramble and orient the GPS satellite signal to a known, fixed point, ensuring accuracy.

The receiver is used to map the field on a grid. Separately, crop yield and moisture data are taken from sensors on the tractor when farmers harvest crops. The field maps and crop data later are correlated on a PC.

Demand for GPS hardware is strong, says Colin Stewart, a sales rep for Satloc Inc. of Tempe, Ariz., a major supplier. The company's backlog now is four to six weeks.

Other data also may be matched up to the maps. In Britain, for instance, farmers can quickly assess weather conditions by retrieving recent photos of cloud formations taken by a weather satellite. The British Metrological Office offers these photos for a $750-a-year license fee and $7.50 a frame. Photos are shipped to PC's via phone lines.

Even without weather photos, farmers gain. By overlaying and analyzing crop and soil data from their fields, they can pinpoint where yields are falling short.

"Yield monitoring is like a report card," said Koep. "It tells you how you did."

Farmers can buy the receiver-yield monitor and analytical software for less than $8,500. The satellite signal runs about $500 a year.

Using the data to improve yields usually means hiring an expert who relies on still more high-tech equipment to correlate data and figure out why the yields are low. The experts analyze soil samples and field features, again using the satellite to get precision positions. They then offer prescription. Topography and location of drainage systems are taken into account.

Treatments are straightforward. Farmers vary the use of additives over a large field, seeking maximum efficiency.

They may rely on precision applicators with tracking equipment. But some, armed with the new data on their fields, will fall back on institution and their old application gear when putting this information to use.

RECESS UNTIL 9 A.M. TOMORROW

The PRESIDING OFFICER. Under the previous order, the Senate stands in recess until 9 a.m., Tuesday, September 12, 1995.

Thereupon, the Senate, at 8:18 p.m., recessed until Tuesday, September 12, 1995, at 9 a.m.

NOMINATIONS

Executive nominations received by the Senate September 11, 1995:

DEPARTMENT OF THE TREASURY

DAVID A. LIPTON, OF MASSACHUSETTS, TO BE A DEPUTY UNDER SECRETARY OF THE TREASURY, VICE JEFFREY RICHARD SHAFER.

STATE JUSTICE INSTITUTE

FLORENCE K. MURRAY, OF RHODE ISLAND, TO BE A MEMBER OF THE BOARD OF DIRECTORS OF THE STATE JUSTICE INSTITUTE FOR A TERM EXPIRING SEPTEMBER 17, 1998. (REAPPOINTMENT)

EXTENSIONS OF REMARKS

SENATE COMMITTEE MEETINGS

Title IV of Senate Resolution 4, agreed to by the Senate on February 4, 1977, calls for establishment of a system for a computerized schedule of all meetings and hearings of Senate committees, subcommittees, joint committees, and committees of conference. This title requires all such committees to notify the Office of the Senate Daily Digest—designated by the Rules Committee—of the time, place, and purpose of the meetings, when scheduled, and any cancellations or changes in the meetings as they occur.

As an additional procedure along with the computerization of this information, the Office of the Senate Daily Digest will prepare this information for printing in the Extensions of Remarks section of the CONGRESSIONAL RECORD on Monday and Wednesday of each week.

Meetings scheduled for Tuesday, September 12, 1995, may be found in the Daily Digest of today's RECORD.

MEETINGS SCHEDULED

SEPTEMBER 13

9:00 a.m.
Appropriations
Labor, Health and Human Services, and Education Subcommittee
Business meeting, to mark up H.R. 2127, making appropriations for the Departments of Labor, Health and Human Services, and Education, and related agencies for the fiscal year ending September 30, 1996.
SD-138

Indian Affairs
To hold hearings on the nomination of Paul M. Homan, of the District of Columbia, to be Special Trustee, Office of Special Trustee for American Indians, Department of the Interior.
SR-485

9:30 a.m.
Banking, Housing, and Urban Affairs
To hold hearings to examine the status and effectiveness of the sanctions on Iran.
SD-538

10:00 a.m.
Judiciary
To hold hearings to examine proposals to divide the ninth circuit court, including S. 956, to divide the ninth judicial circuit of the United States into two circuits.
SD-226

Select on Intelligence
To hold hearings to examine intelligence roles and missions.
SD-G50

10:30 a.m.
Appropriations
Agriculture, Rural Development, and Related Agencies Subcommittee
Business meeting, to mark up H.R. 1976, making appropriations for Agriculture, Rural Development, Food and Drug Administration, and Related Agencies programs for the fiscal year ending September 30, 1996.
SD-192

Conferees on H.R. 2020, making appropriations for the Treasury Department, the United States Postal Service, the Executive Office of the President, and certain Independent Agencies for the fiscal year ending September 30, 1996.
H-144, Capitol

2:00 p.m.
Appropriations
Business meeting, to mark up H.R. 2099, making appropriations for the Departments of Veterans Affairs, and Housing and Urban Development, and for sundry independent agencies, boards, commissions, corporations, and offices for the fiscal year ending September 30, 1996.
SD-192

Judiciary
Immigration Subcommittee
To hold hearings on legal immigration reform proposals.
SD-226

SEPTEMBER 14

9:30 a.m.
Commerce, Science, and Transportation
To hold hearings on public broadcasting reform.
SR-253

Energy and Natural Resources
To hold hearings on S. 1144, to reform and enhance the management of the National Park Service, S. 309, to reform the concession policies of the National Park Service, and S. 964, to amend the Land and Water Conservation Fund Act of 1965 with respect to fees for admission into units of the National Park System.
SD-366

Rules and Administration
Business meeting, to discuss Senate restaurant operations.
SR-301

10:00 a.m.
Foreign Relations
Near Eastern and South Asian Affairs Subcommittee
To hold hearings on missile proliferation in South Asia.
SD-419

Judiciary
Business meeting, to consider pending calendar business.
SD-226

2:00 p.m.
Foreign Relations
Near Eastern and South Asian Affairs Subcommittee
To continue hearings on missile proliferation in South Asia.
SD-419

Judiciary
Terrorism, Technology, and Government Information Subcommittee
To resume hearings on matters relating to the incident in Ruby Ridge, Idaho.
SD-G50

3:00 p.m.
Energy and Natural Resources
Energy Production and Regulation Subcommittee
To hold hearings on S. 1014, to improve the management of royalties from Federal and Outer Continental Shelf oil and gas leases, and S. 1012, to extend the time for construction of certain FEERC licensed hydro projects.
SD-366

SEPTEMBER 15

10:00 a.m.
Judiciary
Terrorism, Technology, and Government Information Subcommittee
To continue hearings on matters relating to the incident in Ruby Ridge, Idaho.
SD-G50

SEPTEMBER 18

3:00 p.m.
Armed Services
Business meeting, to consider recommendations which it will make to the Committee on the Budget with respect to spending reductions and revenue increases to meet reconciliation expenditures as imposed by H. Con. Res. 67, setting forth the Congressional Budget for the United States Government for fiscal years 1996, 1997, 1998, 1999, 2000, 2001, and 2002.
SR-222

SEPTEMBER 19

9:30 a.m.
Energy and Natural Resources
Business meeting, to consider pending calendar business.
SD-366

Veterans' Affairs
To hold joint hearings with the House Committee on Veterans' Affairs to review the legislative recommendations of the American Legion.
334 Cannon Building

10:00 a.m.
Commission on Security and Cooperation in Europe
To hold hearings to examine issues affecting U.S.-Turkish relations, including human rights and the Kurdish situation.
2172 Rayburn Building

SEPTEMBER 20

9:30 a.m.
Energy and Natural Resources
Business meeting, to consider pending calendar business.
SD-366

Labor and Human Resources
Business meeting, to consider recommendations which it will make to the Committee on the Budget with respect to spending reductions and revenue increases to meet reconciliation expenditures as imposed by H. Con. Res. 67, setting forth the Congressional Budget for the United States Government for fiscal years 1996, 1997, 1998, 1999, 2000, 2001, and 2002, to mark up

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● This "bullet" symbol identifies statements or insertions which are not spoken by a Member of the Senate on the floor.

Matter set in this typeface indicates words inserted or appended, rather than spoken, by a Member of the House on the floor.

H.R. 1180, to provide for health performance partnerships, and S. 1221, to authorize appropriations for the Legal Services Corporation, and to consider pending nominations.

SD-430

Indian Affairs

To hold oversight hearings on the implementation of Title III of the National Indian Forest Resources Management Act (P.L. 101-630).

SR-485

10:00 a.m.

Veterans' Affairs

Business meeting, to consider recommendations which it will make to the Committee on the Budget with respect to spending reductions and revenue increases to meet reconciliation expenditures as imposed by H. Con. Res. 67, setting forth the Congressional Budget for the United States Government for fiscal years 1996, 1997, 1998, 1999, 2000, 2001, and 2002, and to consider other pending business.

SR-418

SEPTEMBER 21

9:30 a.m.

Armed Services

To hold hearings on the nomination of Gen. John M. Shalikashvili, USA, for reappointment as Chairman of the Joint Chiefs of Staff.

SR-222

SEPTEMBER 26

9:30 a.m.

Commerce, Science, and Transportation

Oceans and Fisheries Subcommittee

To hold oversight hearings on the science of slow management and hatchery supplementation, focusing on the recovery of Snake River anadromous species.

SR-253

SEPTEMBER 27

9:30 a.m.

Energy and Natural Resources

Business meeting, to consider pending calendar business.

SD-366

OCTOBER 25

10:00 a.m.

Veterans' Affairs

To hold hearings to examine veterans' employment issues.

SR-418

SENATE—*Tuesday, September 12, 1995*

(Legislative day of Tuesday, September 5, 1995)

The Senate met at 9 a.m., on the expiration of the recess, and was called to order by the President pro tempore [Mr. THURMOND].

PRAYER

The Chaplain, Dr. Lloyd John Ogilvie, offered the following prayer:

Gracious God, You have called the men and women of this Senate to glorify You by being servant-leaders. This calling is shared by the officers of the Senate, the Senators' staffs, and all who enable the work done in this Chamber. Keep us focused on the liberating truth that we are here to serve You by serving our Nation. Our sole purpose is to accept Your absolute Lordship over our lives and give ourselves totally to the work of each day. Give us the enthusiasm that comes from knowing the high calling of serving in Government. Grant us the holy esteem of knowing that You seek to accomplish Your plans for America through the legislation of this Senate. Free us from secondary, self-serving goals. Help us to humble ourselves and ask how we may serve today. We know that happiness is not having things and getting recognition, but in serving in the great cause of implementing Your righteousness, justice, and mercy for every person and in every circumstance in this Nation. We take delight in the paradox of life: The more we give ourselves away, the more we can receive of Your love. In our Lord's name. Amen.

FAMILY SELF-SUFFICIENCY ACT

The PRESIDENT pro tempore. The clerk will report the pending business.

The assistant legislative clerk read as follows:

A bill (H.R. 4) to restore the American family, reduce illegitimacy, control welfare spending, and reduce welfare dependence.

The Senate resumed consideration of the bill.

Pending:

Dole modified amendment No. 2280, of a perfecting nature.

Feinstein modified amendment No. 2469 (to amendment No. 2280), to provide additional funding to States to accommodate any growth in the number of people in poverty.

Conrad-Bradley amendment No. 2529 (to amendment No. 2280), to provide States with the maximum flexibility by allowing States to elect to participate in the TAP and WAGE programs.

The PRESIDENT pro tempore. The distinguished Senator from North Dakota is recognized.

Mr. CONRAD. I thank the Chair. I inquire if the Conrad-Bradley amendment is the pending business?

The PRESIDING OFFICER (Mr. CAMPBELL). The Senator is correct.

AMENDMENT NO. 2529

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from New York [Mr. MOYNIHAN], for Mr. CONRAD, for himself and Mr. BRADLEY, proposes an amendment numbered 2529.

Mr. CONRAD. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

(The text of the amendment is printed in the Friday, September 8, 1995, edition of the RECORD.)

The PRESIDING OFFICER. The Senator from North Dakota is recognized.

Mr. CONRAD. Mr. President, the Conrad-Bradley amendment is based on the four principles of requiring work, protecting children, providing flexibility for States, and promoting the family structure. Our amendment fundamentally reforms the welfare system by allowing States to choose between the pure block grant approach of the Dole bill and a program that maintains a safety net for children, provides an automatic stabilizer for States, and includes the funding to pay for them.

None of us can predict the future. If there are floods in Mississippi, earthquakes in California, a drought in North Dakota, or some economic calamity in Colorado, a flat-funded block grant approach may not meet the need. We should retain the automatic stabilizer that allows a State to receive the help it requires. After all, this is the United States of America, not just 50 separate States.

Our amendment allows States to choose the Dole approach or the Conrad-Bradley option for 4 years. After that, the State may continue its program or switch to the other approach at their option. Our option provides States with complete flexibility to design work requirements, job training programs, to determine eligibility and sanctions. It allows States to set time limits of any duration for participants, provided that no participants are terminated if they comply with all State requirements.

The Conrad-Bradley amendment expands the State flexibility already included in the Dole bill. It uses States as laboratories to experiment, to find what is effective in welfare reform strategies. Although the States will have almost total flexibility to design their own welfare programs, they will do so without the risk that a natural disaster or economic collapse will prevent them from protecting children and families.

The Dole proposal before us already includes such an option for the food stamp program. If an option to choose between a pure block grant approach and a system that automatically adjusts for the need is appropriate for food stamps, I suggest we should provide the same option for the Dole AFDC block grant.

According to CBO, our amendment provides protection for children and States while saving $63 billion over 7 years, compared with the $70 billion of savings in the current version of the Dole bill. In other words, we reduce the overall savings in the Dole bill, which are currently $70 billion, by $7 billion over the 7 years, in order to protect children and protect the States—to preserve the automatic stabilizer mechanism.

Again, it is a State choice. They can choose the pure block grant approach of the Dole bill. They can choose that for 4 years. Or they can choose the approach in our bill, which represents the most dramatic welfare reform ever presented on the floor of the Senate.

Finally, the Conrad-Bradley amendment eliminates the need to struggle over State allocation formulas because it allows States to choose, to choose between the Dole block grant approach and a funding mechanism that automatically adjusts for State need and effort.

Proponents of the Dole bill say that we should let States experiment. We agree. That is precisely what we ought to do. Let us let the States go out and try various welfare reform strategies and see what works. That makes good sense. Let us give the States a chance to experiment. Let us give the States a chance to determine what works and what does not work. But let us maintain the automatic stabilizer to help States hit by natural disasters or economic calamities. Let us make certain they have the resources to meet the need that none of us can foresee. Let us make certain that we can protect children.

We are, after all, the United States of America, not the divided States of America. Let us remember our strength flows not only from our diversity, but from our union.

I thank the Chair and reserve the remainder of my time.

The PRESIDING OFFICER. Is there further debate on the amendment?

Mr. CONRAD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mrs. HUTCHISON. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mrs. HUTCHISON. Mr. President at the request of the Senator from Arkansas [Mr. BUMPERS], I ask unanimous consent that his name be added as a cosponsor of S. 978.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mrs. HUTCHISON. Mr. President, thank you.

I yield the floor.

I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. SANTORUM. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. SANTORUM. Mr. President, I ask for the yeas and nays on the Conrad amendment.

The PRESIDING OFFICER. Is there a sufficient second? There appears to be a sufficient second.

The yeas and nays were ordered.

The question is on agreeing to the amendment of the Senator from North Dakota [Mr. CONRAD]. The yeas and nays have been ordered. The clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. LOTT. I announce that the Senator from Mississippi [Mr. COCHRAN] and the Senator from Wyoming [Mr. SIMPSON] are necessarily absent.

I further announce that, if present and voting, the Senator from Wyoming [Mr. SIMPSON] would vote "nay."

The PRESIDING OFFICE. Are there any other Senators in the Chamber who desire to vote?

The result was announced—yeas 44, nays 54, as follows:

[Rollcall Vote No. 409 Leg.]

YEAS—44

Akaka
Biden
Bingaman
Boxer
Bradley
Breaux
Bryan
Bumpers
Byrd
Conrad
Daschle
Dodd
Dorgan
Exon
Feingold
Feinstein
Ford
Glenn
Graham
Harkin
Heflin
Hollings
Inouye
Johnston
Kennedy
Kerrey
Kerry
Lautenberg
Leahy
Levin
Lieberman
Mikulski
Moseley-Braun
Moynihan
Murray
Nunn
Pell
Pryor
Reid
Robb
Rockefeller
Sarbanes
Simon
Wellstone

NAYS—54

Abraham
Ashcroft
Baucus
Bennett
Bond
Brown
Burns
Campbell
Chafee
Coats
Cohen
Coverdell
Craig
D'Amato
DeWine
Dole
Domenici
Faircloth
Frist
Gorton
Gramm
Grams
Grassley
Gregg
Hatch
Hatfield
Helms
Hutchison
Inhofe
Jeffords
Kassebaum
Kempthorne
Kohl
Kyl
Lott
Lugar
Mack
McCain
McConnell
Murkowski
Nickles
Packwood
Pressler
Roth
Santorum
Shelby
Smith
Snowe
Specter
Stevens
Thomas
Thompson
Thurmond
Warner

NOT VOTING—2

Cochran
Simpson

So the amendment (No. 2529) was rejected.

Mr. KERREY. Mr. President, I move to reconsider the vote by which the amendment was rejected.

Mr. DASCHLE. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 2469, AS MODIFIED

The PRESIDING OFFICER. Under the previous order, the Senate will now resume consideration of Feinstein amendment No. 2469, on which there will be 4 minutes of debate equally divided, followed by a vote on or in relation to the amendment.

The Senator from California [Mrs. FEINSTEIN], is recognized.

Mr. MOYNIHAN. Mr. President, I respectfully suggest the Senate is not in order.

The PRESIDING OFFICER. Senators will take their conversations off the floor. The Senate will be in order. There will be 4 minutes of debate.

Mr. BYRD. Mr. President, may we have order? We need to know what we are voting on. We cannot hear.

The PRESIDING OFFICER. The Senate will be in order. The Chair advises Senators to take their conversations off the floor. The Senator from California is recognized.

Mr. BYRD. Mr. President, the Senate is still not in order. There are too many discussions going on toward the rear of the Chamber.

The PRESIDING OFFICER. Senators at the rear of the Chamber——

Mr. BYRD. And staff. I thank the Chair.

The PRESIDING OFFICER. The Senator from California.

Mrs. FEINSTEIN. Mr. President, I thank the Senator from West Virginia, because I believe this is a very important amendment.

Let me quickly sum up how my amendment, I believe, improves the underlying bill. In the Dole bill, 31 States have their funding frozen at fiscal year 1994 levels for the next 5 years. Funding is frozen despite very tough mandates to States which require a minimum work participation rate, which CBO says, as late as last night, only 10 to 15 States will be able to meet. Those States that cannot meet the minimum work participation rate will have a penalty of 5 percent with another 5 percent from the State, or a 10-percent cut in funds, and all but 19 States are locked out of the so-called growth formula.

So this is major. What I would like to say to my colleagues who represent the 31 States that are frozen out of the Dole bill is this: Not only will your State be required to meet that mandate, not only will your State receive no additional funding for child care or job training to meet the mandate, and even though your State will almost definitely experience an increase in poor population, your funding is frozen.

This bill, my amendment, takes the language of the House which says that the poor population of the State, as reflected by the census, will be used to determine the growth allocation. And, in fact, 27 States increase their funding under my amendment over the Dole bill.

Those charts have been distributed to you, and I urge, if you are one of those 27 States, that you vote for this amendment. The amendment is fair. It is as the House does it. It simply says the census determines the numbers and the money for growth is accommodated in that way.

I thank the Chair. I yield the floor.

The PRESIDING OFFICER. The Senator's time has expired. Is there further debate? The Senator from Texas [Mrs. HUTCHISON], is recognized.

Mrs. HUTCHISON. Mr. President, I urge my colleagues not to vote for this amendment.

Mr. MOYNIHAN. Mr. President, I must once again respectfully suggest the Senate is not in order. We cannot hear the Senator.

The PRESIDING OFFICER. The Chair asks that Senators withhold conversations. The Senator from Texas.

Mrs. HUTCHISON. Thank you, Mr. President.

Mr. President, it was very difficult to solve the formula issue when we decided we were going to reform welfare. The most fair formula is the underlying bill, the Dole-Hutchison formula. What it does is allow everyone to win at some point. No one loses what they have now. Yet, the low-benefit, high-growth States are not penalized in years 3, 4, and 5.

When we decided to block grant for 5 years, we had to look at the accommodation for the high-growth States where they had low benefits. That is because the high-benefit States get their windfall in the beginning. Whereas, California gets $1,016 per poor person grant. States like Alabama get $148. Mississippi gets $138, as compared to $1,000.

So the goal of our underlying bill is to reach parity slowly, without hurting the New Yorks, the Michigans, and the Californias, but bringing up the States that no longer have to have a State match and are very poor. So it is equitable and it is fair.

I ask my colleagues to look at the overall picture and understand that if we are going to have welfare reform, we must start with the new parameters, which are that the State match is going to be phased out. Yes, New York and California had big State matches and, therefore, got more Federal dollars. They are going to keep those Federal dollars, even as the State's match is phased out. But the low-benefit, high-growth States are going to get their help in the end. That is why this is a balance. That is why this is fair and why the low-benefit States are not going to have to pay in order for California to continue to grow.

We will never reach parity under the Feinstein amendment. There will never be fairness in the system as we go to the Federal dollars, without State matches. The only way that we can go toward the goal of parity and equality in this country is to stay with the underlying bill.

I hope you will vote against the Feinstein amendment and stick with the Dole-Hutchison formula, which is fair to everyone.

Mr. D'AMATO. Mr. President, I rise to oppose the amendment from the Senator from California.

The reason I oppose this amendment is because it does nothing to help us meet our real goal in this debate, which is the fundamental reform of a failed welfare system.

Instead it reopens a funding formula debate that pits State against State, and puts the whole endeavor of welfare reform in dire jeopardy.

Let me be clear that my State is one that would benefit from the adoption of the Feinstein amendment. There are elements of the Senator from California's amendment that I believe have merit, and I believe she has made some important points in the debate on her amendment.

Nevertheless, the practical effect of her amendment will be to reopen a battle that can only stand in the way of the enactment of this important welfare reform bill. I intend to vote against this amendment, and I encourage my colleagues to do the same.

The PRESIDING OFFICER. All time has expired.

Mrs. FEINSTEIN. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays are ordered.

The clerk will call the roll.

The legislative clerk called the roll.

Mr. LOTT. I announce that the Senator from Mississippi [Mr. COCHRAN] is necessarily absent.

The PRESIDING OFFICER (Mr. INHOFE). Are there any other Senators in the Chamber desiring to vote?

The result was announced—yeas 40, nays 59, as follows:

[Rollcall Vote No. 410 Leg.]

YEAS—40

Akaka
Biden
Boxer
Bradley
Bryan
Byrd
Coats
Conrad
Daschle
Dodd
Dorgan
Exon
Feingold
Feinstein
Ford
Glenn
Gorton
Harkin
Inouye
Kennedy
Kerrey
Kerry
Kohl
Lautenberg
Leahy
Levin
Lieberman
Lugar
McConnell
Mikulski
Moseley-Braun
Moynihan
Murray
Pell
Reid
Rockefeller
Sarbanes
Simon
Specter
Wellstone

NAYS—59

Abraham
Ashcroft
Baucus
Bennett
Bingaman
Bond
Breaux
Brown
Bumpers
Burns
Campbell
Chafee
Cohen
Coverdell
Craig
D'Amato
DeWine
Dole
Domenici
Faircloth
Frist
Graham
Gramm
Grams
Grassley
Gregg
Hatch
Hatfield
Heflin
Helms
Hollings
Hutchison
Inhofe
Jeffords
Johnston
Kassebaum
Kempthorne
Kyl
Lott
Mack
McCain
Murkowski
Nickles
Nunn
Packwood
Pressler
Pryor
Robb
Roth
Santorum
Shelby
Simpson
Smith
Snowe
Stevens
Thomas
Thompson
Thurmond
Warner

NOT VOTING—1

Cochran

So the amendment (No. 2469), as modified, was rejected.

Mr. SANTORUM. Mr. President, I move to reconsider the vote.

Mr. MOYNIHAN. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 2488

The PRESIDING OFFICER. Under a previous order, the Senate will now resume consideration of the Breaux amendment, No. 2488, with time until 12:30 to be equally divided between the sides, and a vote on or in relation to the amendment to occur at 2:15 p.m.

The Senator from Pennsylvania.

Mr. SANTORUM. Mr. President, I ask unanimous consent that the time be limited on the Ashcroft and Shelby amendments to 1 hour on each amendment, equally divided between the sides.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BREAUX addressed the Chair.

The PRESIDING OFFICER. The Senator from Louisiana.

Mr. BREAUX. Mr. President, the pending amendment is the so-called Breaux amendment?

The PRESIDING OFFICER. The Senator is correct.

Mr. BREAUX. I ask unanimous consent at this time that Senators JEFFORDS, KOHL, Snowe and BAUCUS be added as original cosponsors to the amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BREAUX. Mr. President, what we present today in this amendment is a bipartisan effort, which is the way that welfare reform has to be accomplished in this country. There is no way that we as Democrats can write the bill by ourselves. There is no way the Republicans, by themselves, could write a bill that will become law. This amendment recognizes that, and it is a bipartisan effort.

We have worked with distinguished Members of the other side, Republican colleagues, to craft this amendment to make it fair, to make it one that can receive bipartisan support and reach a majority. It may not be perfect, but I think it reflects the best thoughts of those of us who have been involved in this effort for a long period of time, and I ask that our colleagues give it their favorable consideration.

Let me just preface what my amendment does by mentioning, just for a moment, a little of the history of this effort to try to solve welfare in our country. It has always been a joint effort between the States and the Federal Government.

On average, the States generally contribute about 45 percent of the total welfare funds to welfare programs within their State borders and the Federal Government contributes the other 55 percent, on the other hand, of the welfare dollars going into various States.

It has always been a joint venture, if you will, a partnership, if you will, between the Federal Government and the States. For the first time in the 60-year history of this bill, the other body—our colleagues and friends in the House—has terminated that partnership. They have said that there is no longer any requirement that the States put up any money if they do not want to help solve this problem. They say they are for block grants, and that in their minds means that the Federal Government sends them all of the money and they have no obligation to put up anything. They say that the Federal Government will continue to give the same amount over the next 5 years even if some of the programs that they have developed in their State reduces the number of people on welfare.

That is right. Under the House proposal, the Federal Government would continue to send the States the same amount of money every year for welfare even though there are fewer people each year in that State that are on welfare. What kind of a partnership is that? That is giving the Federal Government all of the responsibility of raising all of the money, and giving the States the same amount of money each year, no matter what happens within those State borders.

I think the concept of block grants can be made to work sometimes, but it has to be a partnership. We all know that when you are spending somebody else's money, it is much easier to spend it in any way you want to spend it. All of the legislative bodies, if they think the money is coming from Washington, are less responsible, in my opinion, when it comes to spending those funds than if they have to raise it through the tax programs in their respective States.

We have all heard stories about block grant programs that have not worked at this very point in the sense of having States misuse block grants coming from the Federal Government. We heard the story about the Law Enforcement Assistance Administration block grants. Someone in one community was using the Federal money to buy a tank for the police chief. Why not? It is Federal money. They did not have to contribute to it. They thought it was a nice thing to do, and they did it. So the police chief got a tank.

The Wall Street Journal just recently reported how State auditors in one State discovered that the State squandered $8.3 million in Federal child care grants on such things as personal furniture and designer salt and pepper shakers. Robert Rector, of the Heritage Foundation, certainly not a Democratic organization by any stretch of the imagination, recently commented on this phenomenon by saying:

> If there's anything less frugal than a politician spending other people's money, it's one set of politicians with no accountability spending money raised by another set of politicians.

That is the point, Mr. President. That is the reason the Finance Committee considered this proposal, a proposal that said the Federal Government would continue to maintain our effort here in Washington in helping to solve welfare problems, that the State had no obligation to spend any of their money whatsoever. Therefore, I offered an amendment in the Finance Committee which required the States to maintain the same effort the Federal Government was maintaining; that if the States reduced by $5 the amount of money needed for welfare because of fewer welfare people, then the Federal Government would reduce our contribution by the same amount. That is why the amendment that is now before the Senate has been scored by the Congressional Budget Office to save $545 million over 7 years.

This is a bipartisan amendment that the Congressional Budget Office says will save $545 billion over the next 7 years. That is why I think that all of our colleagues who are interested in trying to save money on welfare reform would look with favor and support my amendment.

I want to point out on this first chart how the current system works, and why I think it makes sense. When you have a real partnership, with Federal and State funds both being used and contributed, you see here in the chart that about 9 million children of America get help and assistance under this program. You see, according to the blocks here, that we have five blocks with the representative Federal contribution and four blocks representing the State contribution to help 9 million kids. That is the current partnership. Without any State funds, under the House bill, if you say all right, the State does not have to put up anything, obviously, you are going to lose the blue boxes which represent the State contribution and instead of helping 9 million children get aid and assistance, you are now only helping 5 million.

What we are saying essentially by this amendment is that we want to maintain the partnership, we want to maintain the effort. We think what the House has proposed is absolutely unacceptable because it says that States should not have to contribute anything if they do not want to. That is not what real reform is all about.

The second chart that we have would also show something that I think is important. It shows that if you have the States willing to put up nothing, how it would affect the number of jobs that have been created over the past years. Right now, there are 630,000 job slots. These include work programs, education, training, and child care that are provided for through the Federal and State partnership.

If State spending were to be cut by 10 percent, which would be allowable under both the House and the Senate proposals, if they were cut by only 10 percent, you are talking about a cut down to 290,000 jobs being available, a dramatic reduction. If the States were to cut their contribution by only 20 percent, you would not have any jobs funded at all. We all know that without work, you are not going to have real reform. Welfare reform is about creating jobs. If you allow the States to do less than they have been doing, or nothing at all, you are going to obviously dramatically adversely affect the creation of jobs under the welfare reform bill. Therefore, this amendment is absolutely critical.

The third thing is that my amendment would enable both the Federal Government and the State governments to share the savings of welfare reform. One of the reasons we are trying to enact welfare is to save both the Federal Government and the State governments money. My amendment says that if the State government is going to reduce the amount of money they spend on welfare, so should the Federal Government. The House bill, in comparison, says: Look, if the States are going to spend a lot less because fewer people are on welfare, the Federal Government is still going to continue to give the same amount of money to the States. What kind of nonsense is that? If the State is getting $10 million from the Federal Government and reduces the number of people on welfare, under the House bill they still get the same amount of money from the Federal Government. There is no reduction. That does not make any sense whatsoever in times of tight budgetary restriction. If the State government can save money because of fewer people being on welfare, that is a good thing to happen. But the Federal Government should also say that we should also be able to reduce our contribution if the States have been able, through new inventive programs, to reduce the number of people on welfare.

Also, my amendment, which requires the States to continue to contribute 90 percent of their funding, would discourage the supplementing of existing State resources.

With the budget that we passed in the Congress, we made a clear statement that, "Federal funds should not supplant existing expenditures by other sources, both public and private," and that the "Federal interest in the program should be protected with adequate safeguards such as maintenance of effort provisions." My amendment would ensure that Federal dollars are not used to replace State welfare spending, which could be diverted to other uses like roads and bridges.

Mr. President, simply put, under the House-passed amendment on welfare reform, the States under this provision have no requirement to have any maintenance of effort, no requirement to participate financially in solving the welfare problem. If a State wants to say, "Well, we used to spend X amount of dollars on welfare programs. We want to take half of that, and we are going to use it for roads and bridges, or to buy furniture for State employees, or we are going to use it to pay for State raises for all of the State employees," Mr. President, under this amendment, the Federal Government still continues to contribute the same amount. The State is left off the hook for any real obligation to help solve the problem.

We are not going to be able to solve the problem just here in Washington. States are going to have to be involved, and they are going to have to be involved financially in order to see that the programs are handled properly, that there is a real interest in the program, and that adequate funding for the program is available. We all know that when you come to lobbying for scarce State funds that people on welfare, and children in particular, who are innocent victims, do not have a very strong lobby. People who build roads and bridges and highways do. So if a State all of a sudden sees the House-passed bill in front of them they are going to say, look at this pot of money. We are going to take all the money that we used to use for welfare, and we are going to build roads and bridges and give State pay raises because that is what gets you reelected.

I think that is wrong. Another thing that they could say is by reducing the amount of money they contribute to welfare programs, by reducing the income of a person, they are entitled to more food stamps because this is 100 percent federally funded. This is another unique way that the Federal Government is going to get stuck with the tab under the proposal in the House—let us just reduce the amount of money we give on welfare, and we know by doing that welfare recipients are going to get more in food stamps and, by golly, food stamps are paid for by the Federal Government 100 percent. Is this not a great way of getting rid of an obligation.

What that is going to do is cost the Federal Government and the taxpayers substantial amounts of money. That is one of the reasons CBO has scored my amendment as saving $545 million over the next 7 years. There is no other amendment pending that is going to produce those types of savings. It is very simple. As a State legislator, I know if I reduce my State's spending on a program for welfare recipients, they are just going to get more money in food stamps that are paid for by the Federal Government 100 percent. Is that not a great way to get out of my obligation and stick it to the Federal Government and stick it to the Federal taxpayers because they are going to have to pick up 100 percent of the tab for the cost of food stamps.

The only way we are going to solve this problem is with a real true partnership. My understanding of what the majority leader on the other side has offered is to say I think you have a point, BREAUX, and this zero contribution by the States is really insufficient. They have devised an amendment I think that says, well, we are going to require the States to pay up to 75 percent of what they have been spending and contribute 75 percent for the next 3 years. But then after that it disappears. If a 75 percent contribution is good for the first 3 years, why is it not good for the life of the program or 5 years? What is magical about having it for 36 months and then, poof, it disappears? If it is good for the first 3 years, it should be good for the years of the program.

The real critical point is this. And I am really trying to speak in a bipartisan fashion. If my colleagues on the Republican side of the aisle really think 75 percent is a reasonable contribution by the States—I think it is too low, but they think it is reasonable—does anyone who has been around here more than 6 weeks think if we go to the conference with the House with the requirement that the States put in 75 percent of what they have been spending and the House has a provision which requires zero, does anybody think we are going to come out with 75 percent? Of course not.

If you have been on a conference before, you know how these things are generally settled. You divide by 2. The difference between 0 and 75 is 37½ percent. And that is what likely is to come back from a conference when the House comes in with a zero requirement and the Senate comes in with a 75 percent requirement.

So I urge my colleagues who may think that my requirement requiring a 90 percent contribution by the States of what they have been spending is too high to recognize that this bill has to go to conference. If we are going to come out with anything near 75 percent, I suggest it is absolutely essential that we come in with a minimum of a 90 percent requirement, knowing that in the conference it is going to be conferenced out and you generally split the difference when you go to conference.

I think we can pass all the laudatory measures and resolutions we want saying that our conferees should stick with 75, and we know they are going to stick with 75, and they will argue for 75. That is good. That is fine. I have been on conferences time and time again, and I have been around here too long to know that is not what happens. The other body feels very strongly that there should be no contribution by the States. I think almost everybody in this body thinks there should be a contribution. If you think 75 percent is a fair amount, it is absolutely essential that we go to conference with a higher amount.

Let me also say, Mr. President, that the amendment I have offered has a great deal of support from people who believe in block grants in particular. I know that Gov. Tommy Thompson from Wisconsin, who has been quoted so often on welfare, has said that "welfare reform requires a cash investment up front. That investment eventually turns into savings."

I agree with that, but I am concerned you are not going to be able to get money out of State legislative bodies for welfare reform without this provision. If States are told they do not have to put up anything, many States will put up nothing. That is simply a fact of life. Therefore, a requirement that they contribute in this maintenance of effort is absolutely essential.

We can argue all we want about what is proper, 75 or 90, but I remind my colleagues when we go to conference we will be going to conference with a group of House Members who will feel very strongly that zero is the proper amount. If we are ever going to come out with something that maintains effort on the States at an appropriate and proper amount, then we absolutely are going to have to come in with an amount that is consistent with what I have in my amendment, and that is a 90 percent requirement. That allows the Federal Government to save substantial amounts of money—$545 million over 7 years as scored by CBO. It requires the States to participate in a partnership arrangement for the solving of this particular problem.

Mr. President, with those comments, I reserve the remainder of my time at this point.

The PRESIDING OFFICER. Who yields time?

Mr. BREAUX. Mr. President, I ask, how much time does the Senator desire?

Ms. SNOWE. Five minutes.

Mr. BREAUX. I will be happy to yield 5 minutes.

The PRESIDING OFFICER. The Senator from Maine is recognized.

Ms. SNOWE. I rise in support of the amendment that has been offered by the Senator from Louisiana [Mr. BREAUX], because I do think it is essential that we ensure a continued Federal-State partnership with respect to welfare programs, and certainly regarding the welfare reform we are attempting to make in the Congress today.

The amendment offered by the Senator from Louisiana underscores a very essential point, and I think it gets to the heart of what welfare reform is all about—that it is in fact a mutual cooperative effort between the Federal Government and the States to get Americans off welfare, so that they can pursue opportunities to self-sufficiency, personal responsibility, and discipline.

Since 1935, when title IV of the Social Security Act was adopted, welfare has always been a Federal-State partnership. And as we attempt to reengineer the welfare system in America today as we know it, I also think we should renew our commitment to that partnership. The bottom line is the States have a tremendous stake in the success and outcome of welfare reform.

At the same time, I think it is also essential that they have a financial commitment and a financial stake in this reform. Many States—and I think we all can understand this—will continue to extend their programs to the neediest, as they do today, but they are also facing the same antitax, antigovernment, antiexcessive spending sentiment that we are in the Senate and in the entire Congress.

These States at the same time also have balanced budget requirements and commitments. In fact, most States do throughout the country. So they will be facing competing demands and interests for money.

Under the legislation that is pending before the Senate with respect to welfare reform, there is no requirement that the States contribute what they have spent in the past with respect to welfare. That is a concern which I have and one I share with the Senator from Louisiana.

In the last 20 years, cash assistance by the States toward welfare has been reduced by 40 percent when you take into account inflation. That is 40 percent. I do not think there is any question, as we pursue welfare reform, that we are going to still make a commitment, probably as great as what we are making today, in order to ensure that those individuals who are on welfare will move toward self-sufficiency in the future.

As the Senator from Louisiana mentioned, Governor Thompson, who has had a very successful welfare reform program in the State of Wisconsin, had to make a commitment of fivefold toward job training and child care in order to make it a success. For every dollar they invested, they got $2 in return from benefits.

Now, the Breaux amendment says that if the States do not wish to make their commitment of 90 percent of their spending at the 1994 level toward welfare, they can reduce it, but at the same time the Federal share will be reduced as well, dollar for dollar. I do not think that is unfair. I think the Federal Government should share in the benefits and the success of the program as well as the savings because this should be a shared partnership. If we are able to save money, the Federal taxpayers should save it as well. We should stand to gain from the successes as well as the savings. So we are asking the States to spend 90 percent of what they spent at the 1994 level over 5 years.

I think it is essential there is a 5-year commitment toward the maintenance of effort. It is not that we are saying that we do not expect States to make a commitment, but there have been some States who made a greater commitment toward welfare in the past than others. It is not saying we do not trust the States. I do not think it is a question of trust. It is a question of shared responsibility and the question of fairness.

Without the requirement for a fiscal commitment by the States to at least spend 90 percent at the 1994 level toward welfare, some States may not keep their end of the deal. Now, welfare reform was not designed to get the States off the hook. We are trusting them immensely through the enormous flexibility that is being granted to them through the block grant program. They stand to gain enormously in terms of how they implement a welfare reform program that is tailored to their particular State and to their constituency.

And we think that they can do a better job than the Federal Government. But we also know that it is going to continue to require a commitment on their part in terms of contributions. And that is, as we were having this debate this week on the issue of child care, we know we are going to need a tremendous commitment toward child care. And that is why I was pleased that Senator DOLE included language that I and others proposed with respect to child care so that those families who have children of 5 years or under who demonstrated a need for child care and were unable to obtain it because of distance or affordability will not be sanctioned. And I think that is an important provision in the legislation.

But I also think that we have to ensure that the States will continue to make their commitment toward child care or job training or health care. And they will have the flexibility under this legislation to transfer from one to the other. But the fact of the matter is, they should make a maintenance of effort toward what they have contributed in the past, and we are asking them to provide 90 percent, which is less than what the Federal share would be, because the Federal Government would be required to pay 100 percent of their share of their contributions to the States at the 1994 funding level.

I think this is a very important principle to adopt, Mr. President, because combined Federal and State spending approximates more than $30 billion. The States contribute about 45 percent of the total amount of money spent in this country on welfare. That is 45 percent. So without the Breaux amendment, we risk having nearly half of what is now spent on welfare siphoned off to other programs. That may mean that we will not have the kind of commitment toward child care or job training or education programs that are absolutely essential and necessary if we are going to make welfare reform work.

We want the States to reduce the rolls, absolutely. But the question is how they reduce those rolls. We want to make sure they do it in a way that we reach the final goal of allowing welfare recipients to become independent and self-sufficient. That is the bottom line. Because that is in the best interest of this country. So I think it is important to have a maintenance-of-effort requirement in this legislation because we know that essentially the States cannot spend much less than what they are spending today on welfare and think that we are going to have a successful welfare reform program. I do not believe it can happen, as you can see, in the State of Wisconsin, when Governor Thompson made a fivefold commitment toward an increase in commitment toward education, job training and child care.

So I think that this is a very important amendment. And as I said——

Mr. BREAUX. Will the Senator yield for a question?

Ms. SNOWE. If States want to reduce their commitment, then the Federal share will be reduced as well. It is not preventing the States from reducing their share, but if they do, then we have a proportionate reduction of the Federal share as well.

I will be glad to yield.

Mr. BREAUX. I commend the Senator for her comments on this legislation. And I prefer calling it the Breaux-Snowe amendment and thank her for her contribution in that regard.

I wanted to—the Senator served in the other body, as I have. And the statement that some have said is that, "Well, you know, we really think that 75 percent is an appropriate amount. That is why we should pass a maintenance-of-effort requirement, and the States will have 75 percent, and then when we go to conference we will come back with 45 percent, and that will become law." And my concern is—and I ask the Senator to comment—the other body has a zero requirement for the States spending anything.

Does the Senator from Maine also have the same concern about what would happen in the conference if we start out and figure it with a substantially lower amount than the body of this amendment?

Ms. SNOWE. Yes, I share the Senator's concern in that regard because there is no maintenance of effort whatsoever.

The PRESIDING OFFICER. The Senator's time has expired.

Mr. BREAUX. I yield 2 additional minutes.

Ms. SNOWE. Thank you.

I share that concern because the House does not include any maintenance of effort, no percentage in that regard. So we go in, and we know there is going to be much less than that because of the House's position. So we are at 90 percent. We are going to come out with much less. And I think that is why this amendment is preferable in that regard. I think it is essential to have a 5-year commitment. If we go in with less than 5 years, we know we will probably, at best, probably get maybe 3 years. But I do think it is important that we have both the 90 percent and the 5 years to go with a strong position into the conference.

Mr. BREAUX. I thank the Senator.

Ms. SNOWE. I yield back the remainder of my time.

The PRESIDING OFFICER. Who yields time?

Mr. SANTORUM addressed the Chair.

The PRESIDING OFFICER. The Senator from Pennsylvania.

Mr. SANTORUM. Mr. President, I yield myself such time as I may consume.

The PRESIDING OFFICER. The Senator is recognized.

Mr. SANTORUM. Thank you, Mr. President. I hear great consternation of what is going to go on when this bill reaches conference. We have to vote for the Breaux amendment because of positioning, and we have to position ourselves at 90 percent so we can get something, because the House is at zero and we are at 90 percent. The Senator from Louisiana suggested we may get up to 45 percent. If we go in with 5 years, the House has nothing, we will get 2½ years.

I do not want to speak for the majority leader, but I think we would be willing to say that we will go with 45 percent and 2½ years, and we will stick to that in conference.

So if the Senator is concerned about what we are going to bargain, I think we are willing to make that commitment right here on the floor of the Senate. And I think the leader could come over and say that we will fight and stand firm on 45 percent and 2½ years. And if that is——

Mr. BREAUX. Will the Senator yield?

Mr. SANTORUM. We are willing to take that tough stand.

Mr. BREAUX. Now the Senator is arguing that 45 percent is the appropriate, proper amount?

Mr. SANTORUM. No. I was responding to what the Senator anticipates happening in conference. And I think we can save ourselves a lot of problems. I think what this shows is that this is not really an area of precision. I mean, we do not have a lot of precision here of what should be the maintenance of effort, whether it is 90, 75, or 50 percent.

It is really a question of philosophy as to whether you want to give the States the flexibility to be able to reap some rewards in managing their own program and whether you trust Governors and State legislatures. I think there is and has traditionally been at the Federal level a mistrust. I think that is unfortunate.

I will have comments later. But I see the Senator from Missouri, who was a Governor of the State of Missouri, and who was elected as Governor and Senator. I would be interested to hear from the Senator from Missouri as to whether those constituencies that elected him to both offices require him to do different things, whether he should feel differently as Governor and not care for the poor as Governor but care for the poor more as a Senator. I would be interested in whether there is that transformation as held in the State office as opposed to holding the Federal office, whether you care more about poor people as a Senator than you did as a Governor.

I would be happy to yield 10 minutes to the Senator from Missouri.

Mr. ASHCROFT addressed the Chair.

The PRESIDING OFFICER. The Senator from Missouri.

Mr. ASHCROFT. Thank you, Mr. President. I rise to question the public policy value of trying to lock States into spending 90 percent as much as the Federal Government has on a series of programs, many of which not only have failed, but have locked people into dependency and have locked people into poverty. I think there are very substantial and significant public policy reasons to say that we should allow the States the flexibility to correct the errors of the Federal Government rather than to pass legislation which would require State and local governments to persist in the errors of the Federal Government.

The Breaux amendment would require that there be a 90-percent maintenance of effort. And in my understanding of it, that means that we would require that States spend 90 percent of any block grant just as the Federal Government did, in other words, lock in an amount of spending. This could be a serious problem for States because, in some instances, it could actually require that States build the program to be a much bigger program than it now is. It might require States to go out and get far more people into the program than they now have.

Let me just give you one example that flows out of my experience as Governor, but really persists and has come as a part of the testimony that has been in the debate about welfare from my successor and from the people in his administration. As you know, I did not have the privilege of being succeeded by a Republican. So a Democrat is now Governor of our State. And so, I want you to know that these figures are not Republican figures or Democrat figures. They happen to be Democrat figures, but they came from an administration that followed mine.

Take one of the biggest welfare Programs of all. The most costly welfare program of all is the Medicaid Program. In the Medicaid program in my home State, the Medicaid director has said that if he could just have the money and not have all the Federal red tape, instead of serving 600,000 people with the money, he would be able to serve 900,000 people with that same amount of money, meaning that there are tremendous inefficiencies in the Federal program; that these inefficiencies, as a matter of fact, if they could be wiped out, would be more than a 10-percent benefit to the program. They could provide for a 50-percent increase in the population being served.

If we were to apply the Breaux amendment to that kind of a situation, what would happen? The Breaux amendment would require spending 90 percent of the money, which would mean that you would get 90 percent of the increased number of people that could be served absent the Federal regulations. That would, in a program like the Medicaid program in Missouri, automatically boost the program from a 600,000 population program to an 810,000 population program, because we would mandate that they spent 90 percent as much as they would now be spending, but do it in a context without the Federal regulations, which would allow for greater efficiencies.

Mr. BREAUX. Will the Senator yield for a question?

Mr. ASHCROFT. Yes.

Mr. BREAUX. Does the Senator realize the Republican amendment locks in the Federal contribution at 100 percent for 5 years? Even if the State is successful in reducing the amount of people on welfare, your amendment locks the Federal Government into spending 100 percent for 5 years. If it is improper to lock the State into spending 90 percent, why is it proper to require the Federal Government spend 100 percent, even though you have fewer people on welfare?

Mr. ASHCROFT. We would do so by ending the entitlement, and that provides an incentive to the States to reduce welfare, as opposed to the Breaux amendment which would provide a mandate, in many instances, to increase welfare.

Mr. BREAUX. If the Senator will yield further on that point, just to clarify. It is an important point. Under the Republican amendment, the Federal Government is locked into spending 100 percent no matter what the State does.

Mr. ASHCROFT. The Federal Government is locked into spending 100 percent by an amount determined by its expenditures last year, and then any savings that come out of that should inure to the States. The difference is under the block grant proposal. There would be a massive incentive for the States to save money and to reduce welfare rolls.

Under the Breaux amendment, which would require a 90-percent expenditure, instead of saving the money and devoting it to things that might be more needy, they would be required to spend it in the same way they had previously, which could result in the anomaly of increasing welfare substantially.

Let me just move away from the area of Medicaid, for instance. Food stamps are the second largest of all the welfare programs. The testimony from the Office of Inspector General and from the Food and Nutrition Service and the Department of Agriculture is there is about a 12-percent administrative cost in food stamps. There is about a 12-percent slippage when you consider trafficking in food stamps and fraud and mistakes and those kinds of things, or about 24 percent of the program—24 percent of the program—does not really get to needy folks. If you are to take that kind of a welfare program and send it back to the States with a 90-percent requirement that they keep spending the money for the same program, it is another case where they might have to increase the number of people on welfare.

Mr. President, I think what we have here is a classic situation: Are we here to reform the welfare system? Are we here to reduce welfare or are we here to increase welfare? In my State, the people of Missouri spell "reform" r-e-d-u-c-e. They believe they sent us here in the year 1994, last year, to do something about an epidemic of welfare which is pulling more and more people into the category of dependence and despair and fewer and fewer people into the category of independence and industry.

I think we have to ask ourselves the question: What is our purpose in reform? I think our purpose in reform ought to be giving States the incentive to move people off welfare and, yes, if there are surplus funds and they have been successful in doing that, let the States devote those funds to the benefit of the entire population.

Let me just raise another issue. The other issue is this: If States do get the number of people down on welfare—and, after all, we should be trying to get fewer people on welfare, not more. The index of a compassionate society, J.C. WATTS said, and he is profoundly correct on this, and the Chair, being from Oklahoma, knows Congressman WATTS well, the compassion of a society should not be how many people you can get on welfare, but a really compassionate society should have few people on welfare.

If you are required to keep spending lots and lots more money on welfare per capita than you have, if you have any inefficiencies now that are expressed in the program, if you have to spend more money per case, what does that do? If you have the case level down to 75 and you still have to spend at 90, you have to make that case much richer, you have to provide more benefit.

As you increase the benefit, what do you do? You attract people back into the system. The pernicious impact of the Breaux amendment would be to attract more people into welfare to the extent the States were able to reduce the welfare caseload and the administrative cost to a level below 90 percent.

We do not want to build a welfare system here; we want to make a welfare system that helps people out of welfare into work. We do not want to make the benefits richer so it makes it harder for people to move from welfare to work; we want this system to be designed to meet the needs of truly needy individuals but without a Federal mandate that might require the State of Missouri, for instance, if it were to be applied to Medicaid, to move from 600,000 people on welfare to 810,000 people on welfare, or, in the area of food stamps, if you could somehow get a good bit of that 24-percent slippage out of the system, that would require an increase in the benefits so that more people would be enticed into the system rather than fewer.

This is a fundamental point that if you are going to reduce the number of people on welfare and you require the amount of money to be maintained at a very high level, you have to make the benefit richer and richer and richer. And if you enrich the benefit while you are decreasing the population, then all of a sudden people will start seeing the benefit being richer again, and you will attract more people into the system.

We do not want to build into welfare reform. We do not want to sow the seeds of its own destruction. We do not want to build a structure and mechanism which will result in welfare being increased and grown.

I said the people of Missouri spell "welfare reform" r-e-d-u-c-e, and they do not want to grow welfare, they want to slow welfare, not because it is so much a question of how much money we are spending, it is a question of how many lives we are losing. We are losing generations of children.

Another point: There seems to be some question—and I am glad the Senator from Pennsylvania raised this with me—as to whether people at State capitals can be sensitive to the needs of the needy. It is as if somehow people can only be heard if they have needs in Washington, DC. I suppose it might be as a result of the history of this whole enterprise of welfare, if we could mislabel welfare as an enterprise. It might be that if we were to discuss the history, we could see why that question comes up, because there was a time in America's history when individuals who were needy were not well represented in politics.

Back in the fifties and sixties, there were laws that related to access to voting which kept a lot of people from voting. The civil rights movement was a response to that. And then the Supreme Court of the United States in the 1960's said, "We can't have rural communities have an improper impact on legislation because they do not have the population anymore." So there was a Supreme Court case called Baker versus Carr that provided for one man, one vote. And there is only one legislative body in the United States of America that does not represent one man, one vote. It is the U.S. Senate.

The PRESIDING OFFICER (Mr. KEMPTHORNE). The Senator's time has expired.

Mr. SANTORUM. I yield the Senator an additional 5 minutes.

Mr. ASHCROFT. Mr. President, this is the only body in America that is not equally represented by the people of this country. Every State capital has a specific, both in their senate and house of representatives, except for Nebraska, of course, which only has one house, every State capital has one man, one vote. People have access to the ballot box like never before. As a matter of fact, the civil rights laws of the third quarter of this century moved to guarantee access and moved to remove legal barriers from voting and political participation. But just this decade, the Congress of the United States moved to remove virtually any kind of barrier. As a matter of fact, there is a special privilege for people on welfare. They are automatically asked to register when they go on welfare.

There can be no argument that people in need are people who are disenfranchised in the United States. The idea that you have come to the Federal Government to be heard or to have an impact as a citizen is a bankrupt argument. It may have had currency at one time, but that currency has been substantially devalued by a change in the law, both the judicial law and the legislative law.

The people of this country are represented and can be heard in their State capitals. I submit that they will be heard there better than in Washington, DC. As a former Governor, I witnessed far more people visiting me in the State capital than visiting me here in Washington, because the only disenfranchisement that comes now is a disenfranchisement of distance. Frankly, I cannot name a single State for which Washington, DC, is a closer destination than their State capital. It is simply not the case. If we give States discretion about how to spend this money so we can have real reform, needy people can go to the State capital. Needy people know that if the State makes a mistake, it is easier to correct and more quickly corrected than it is if the country makes a mistake. Needy people know that if there is a mistake in 1 program out of 50, it is not nearly as bad as if it is a national mistake. Needy people know that to get legislation changed in Washington, DC, you have to fight your way through special interests and all kinds of power groups, politically. They know that at the State level individual voices are heard, and the voices of neighborhoods and communities are heard.

So I rise to oppose this amendment because I think it will hurt the people who are in need in this country. I rise to oppose this amendment because I think it is an amendment which is designed to institutionalize and guarantee the maintenance of the current system. It is incomprehensible to me, after the people spoke in 1994 as loudly as people spoke to me just last month when I was home, just incomprehensible to me that we would not want to really reform this system, that we would want to guarantee that the system is 90 percent the same as it is now. If a State can save enough money to go below that 90 percent, or devote that resource to additional education or additional ways of helping people pick themselves up and carry themselves out of poverty, we say: No dice, no; you have to be at least 90 percent as inefficient as the Federal Government, 90 percent as punitive as the Federal Government; you have to be at least 90 percent as unsuccessful as the Federal Government.

I think we need to turn these States loose. There is very little doubt in my mind that there are just ways that people will solve these problems. Ninety percent, I think, would lock in a spending level. Ninety percent would likely lock in, in some cases, an increase in the number of people on welfare. I cannot think of anything more tragic than the State to sweeten its system, to redesign its program, and as a result of the redesign of the program, end up sucking more people into a system which has already impoverished many and stolen the future of generations.

In some communities, like Detroit, 79 percent of all the children are born without fathers. We have an epidemic that is aided and abetted by this system, which is counterproductive. We should not institutionalize the status quo, and we must reject the Breaux amendment.

Mr. SANTORUM addressed the Chair.

The PRESIDING OFFICER. The Senator from Pennsylvania is recognized.

Mr. SANTORUM. Mr. President, I thank the Senator from Missouri for his insightful comments. I think he really speaks from the kind of experience that we need here in this Chamber, as somebody who served as a Governor and has managed a welfare program, who understands the dynamics in the State capitals and the likelihood of success of the Dole substitute.

I think his words of support and encouragement for the bill, as it is today, and particularly the maintenance of effort provisions, are important, and I want to congratulate him for not only his statement here, but the tremendous amount of work he has done on this legislation, to bring consensus to the Republican side of the aisle and move this matter forward. He has really been a standout on this issue. I thank him for his comments and for his work on this legislation.

The Senator from Vermont is here. I will yield the floor.

Mr. BREAUX. Mr. President, I yield myself 30 seconds just to make the comment that there clearly must be a grave amount of misunderstanding of what the Breaux amendment does.

The Breaux amendment allows the State to spend as much or as little as the State wants to spend. But it says that when a State spends 10 percent less than they are spending now, the Federal Government will also reduce our contribution. We on our side, in a bipartisan spirit, do not want to make the Federal Government spend 100 percent of what we are spending now for the next 5 years. If the State reduces their amount, the Federal Government should have the right to do that, as well. That is what the Breaux amendment is all about.

I yield at this time to the very distinguished Senator from Vermont, who has a long history of outstanding work in welfare reform and looking out for the needy. I yield 10 minutes to the Senator from Vermont.

Mr. JEFFORDS. Mr. President, I rise in support of the Breaux amendment. I listened to the very eloquent and excellent statement of the former Governor of Missouri, and there is no question in my mind that if all the Governors of this Nation were like the former Governor of Missouri, we might not need this amendment.

My memory goes back to the 1960's, when we started the welfare reform. It was because there were many areas of this Nation where the States dropped the ball with their responsibility on welfare, and the Federal Government came in to try to get some uniformity of standards in the ability to take care of the people of this country who were unable to take care of themselves or needed help in getting into a position where they could do so.

I point out that in the Breaux amendment here, we are dollar for dollar, not percentage. So you could eliminate all your State moneys and, in many cases, end up with plenty of Federal funds left, so you are only going down dollar for dollar. I think that is an important concession to those of us who want to see this; that is, not to go over the formula reduction, so if they go down 1 percent, we go down 1 percent. It is a modest proposal in that respect.

Second, the 90 percent is, I think, a reasonable figure to utilize. It does allow some drop in State effort, without losing Federal funds.

I would like to also emphasize how critically important this amendment is to some of us who want to reach a consensus on welfare reform. There are about three areas, to me, which make the difference on whether I will support the bill or not. This is one of them. It is critical in the length of time, as well as percentage. But we cannot reduce the participation of States as an important part of the welfare reform and make it important that they continue to participate in the financing of that.

Without a partnership provision like this, States could reduce their welfare expenditures to zero and use only Federal dollars for the entire costs. But with this amendment, States will have a continuing incentive to use their own resources in conjunction with Federal funds. Without, I foresee a major shift of the entire financial responsibility for welfare onto our already overburdened Federal budget. I see us returning to the problems we had before the advent of the Federal help.

Our efforts to reform the welfare system must not dismantle the current partnership by allowing this cost shift. We simply cannot afford it. Right now, the Federal Government funds only 55 percent of the total national welfare funding, while States contribute the remaining dollars, almost $14 billion in fiscal year 1994.

While the exact State-by-State ratio of State to Federal dollars spent on welfare varies by State, depending on available resources, both overall and individually, States make a major contribution. This should continue to be the case even after welfare reform. Welfare is a joint State/Federal responsibility that will not be there if there is not a monetary commitment.

While it is true that the leadership has incorporated a partial provision, an expectation of 75 percent effort from the States for the first 3 years of the bill, I believe that this provision for 90 percent for the full 5-year term of the bill is essential and critical to this bill being passed. Either we believe States have a responsibility to contribute State funds toward welfare or we do not. I do not think that responsibility somehow evaporates after the first 3 years.

Some may argue States rights against this provision. That States must be allowed to decide how much to spend and on whom to spend it. Some may argue States must be able to innovate in their delivery of benefits to save money.

I agree. I agree that States should be able to set their own funding levels, their own benefits, design their own programs, save money. As we know, perhaps too acutely right now, the appropriations process is a difficult one, requiring painstaking decisions. State budgets around the country are also under stress, some States may well decide that welfare is not a priority for them that it was in 1994, that they want to save money for welfare to use somewhere else in their budget.

I believe that when money is saved, and less is spent on welfare, both the State and Federal taxpayers should share in the savings. If the State share goes down, so should the Federal dollar, on a dollar for dollar basis.

The welfare partnership amendment has been called a maintenance of efforts provision. It is, in that it would encourage States to continue to contribute State dollars toward welfare costs. But it is not the same as many of the maintenance of effort provisions of the past that I think my colleagues are most familiar with.

Under the partnership, we ask that the States maintain a spending level of only 90 percent, not 100 percent, only 90 percent of their 1994 fiscal year expenditures on cash benefits, job education, and training and child care. Most maintenance of effort provisions require 100 percent effort or penalize with a total withdrawal of all Federal funds.

This partnership provision is much more reasonable. If a State chooses to go below the 90 percent of the fiscal year 1994 State funding levels, it will experience a dollar for dollar reduction in the Federal grant. For every dollar the State chooses not to spend, they will receive one less Federal dollar. Of course, the reduction does not even begin to occur until the State funding levels fall below 90 percent of the 1994 levels, and that is important to remember that baseline is there. If you create savings, if you were able to reduce your roles, then that baseline still is there.

In other words, assume that Vermont, through its innovative demonstration program, becomes so adapt at moving people off welfare to work that they save money. They do not need as much as they did in 1994 because the caseload is dramatically reduced.

So the State decides it can afford to spend less overall on welfare. Under this proposal, the first 10 percent of savings goes to the State alone. They we can reduce State spending by 10 percent without affecting their Federal grant. After that, as the savings grow, the Federal Government share will go dollar for dollar in that spending reduction, once it goes below 90 percent of the 1994 level. If it does not go below the 1994 level they can make the savings without the provision.

Without this provision, we, the Federal Government, will continue to send the same amount to States while they cut back their own expenditures.

However, I think that Vermont, like all other States, should continue in partnership with us for welfare spending. The States will be able to set levels of spending based on need. There is no financial cliff in this provision. No financial cliff as has been indicated by some. If you go one dollar below the 1994 levels you lose all your Federal funds. No, that is not the case. The reduction is gradual and proportionate to what the States set as need.

The States currently have some flexibility in setting their benefit levels. Under this bill, the flexibility will be enhanced and expanded. I believe that many of these State flexibility changes are positive, that State innovation should be encouraged and the Federal requirement should not be overly prescriptive.

The bill will allow States to experiment with benefit levels, benefits delivery and eligibility, and do all they want within the guidelines to be able to bring about savings.

Left to their own devices, States can probably show us here in Washington a thing or two about designing programs. I am sure they can. My own State of Vermont has been involved in a very interesting and successful demonstration project using a combination of sanctions and additional support services with its welfare population.

I also believe that States may well be able to save money as they innovate and become more efficient. As they save money and are able to reduce their State welfare spending by moving people off welfare into work, this amendment would allow the Federal Government to share in those State savings. This provision allows us to share in those provisions. I want to emphasize that.

Without it, States would no longer need to spend their State funds on welfare cash assistance, child care, education, and job training in order to receive Federal dollars. Regardless of State funding commitment, the Federal Government's funding stream will remain constant, frozen at the 1994 level.

Mr. President I want to remind my colleagues that it is those very numbers, the 1994 Federal funding levels, that were set in proportion to the amount spent by the States in 1994. To continue at those same Federal levels without a requirement that States also spend seems very dangerous to me.

Realistically, the entire responsibility for the welfare system would be shifted to the Federal Government. States would no longer have a financial incentive to use State dollars along with their Federal allocations. The incentives for making the system better would go away. If they wanted they could choose to narrow their welfare eligibility and reduce benefits and pay for it all with Federal dollars.

I guess this amendment is about several things. It is about savings for the Federal Government as well as the States after reform. It is about fairness. And it is about continuing shared responsibility for welfare. It is ironic that we talk of the devolution to the States, the importance of governance at the local level, we simultaneously make welfare a solely Federal responsibility.

I hope my colleagues will join me in supporting what I believe is one of the most critical amendments we will have here today. I yield the floor.

Mr. SANTORUM. Mr. President, I ask unanimous consent that prior to the vote on the Breaux amendment scheduled for 2:15 that each side be given 2 minutes to explain their bill.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. SANTORUM. Mr. President, I yield briefly 2 minutes to the Senator from Missouri.

Mr. ASHCROFT. I thank the Senator from Pennsylvania. The suggestion has been made that somehow the incentives for savings persist in this bill. I think it is pretty clear that once you get below 90 percent for every dollar you save, when you would otherwise have gotten $2 for having saved that dollar you only get $1 because the dollar you would save in regard to the Federal Government then is shared back to the Federal Government.

The question is, how much incentive do we want to put in this bill to reform welfare? I believe we want to put a substantial incentive in this bill to reform welfare. We want it reformed significantly.

I do not think the people want us tinkering around the edge with the program, but they want us to give States broad latitude and broad incentives.

My understanding of the Breaux amendment is it would reduce that incentive substantially. To the extent that the incentive for reform is reduced by having the States benefit less financially when there has been reform, I think we will get less reform.

I think the question is, do we want a lot of reform? Do we want major reform? Do we want sweeping reform? Or do we want reform that is incremental, and if there are incentives to additional reform they are diminished substantially.

In my judgment, we want to provide the maximum level of incentives which is what I believe the Dole bill does, and is the appropriate way for us to move in this manner.

Mr. SANTORUM. Mr. President, I want to thank the Senator from Missouri and add to that the Senator from Vermont said that there would be a sharing of the savings on the Federal Government side with the 90 percent maintenance of effort, and I remind the Senator in the Dole modified amendment that if you fall below 75 percent, every dollar you fall below is shared dollar for dollar from the Federal Government.

In other words, if the State drops below 75 percent, every dollar they spend less, the Federal Government has to give $1 less. So there is the same identical provision already in the Dole modified bill as in the Breaux amendment.

There are several points I could make on the Breaux amendment and they go beyond the philosophy that we are discussing here as to whether we should be requiring States to maintain effort.

I think one of the most important things is the drop in caseload that we have experienced in the last year. If you look at the numbers from the Department of Health and Human Services, what they show is that since May 1994 we have seen a drop from 14 million recipients on AFDC, to May 1995 a little under 13.5 million—a drop of over 525,000 recipients in the program.

The principal reason for the reduction is not based on the economy or anything; it is because we have seen States like Michigan and Wisconsin and others institute these work programs and change the welfare laws to reduce caseloads. Michigan has reduced their caseload by 30 percent in the past couple of years. What we are seeing is States that are doing exactly what this bill will facilitate other States to do, are reducing their caseloads. By reducing their caseloads, they are obviously saving money and they are putting more people to work.

However, if we stick those States with a 90-percent maintenance of effort, what you say to Michigan is, "OK, Michigan," or someone like Michigan, who after this bill passes enacts a program similar to Michigan's, "You can reduce your caseload by 30 percent but you cannot reduce your welfare expenditures by 30 percent; you still have to spend 90 percent of what you were spending now, based on 1994, not 1995," where, as I said, we have already seen a reduction. So you are basing it on last year's figure, which was a historically high figure, saying you have to maintain 90 percent of that even though you may drop your caseload under programs that are, today, as much as 30 or more percent reduced. So you are holding States, as the Senator from Missouri said, to spend money on people on welfare even though there may not be those people to spend it on. I think that is unwise.

As the Senator from Missouri said, it is an incentive not to reform. It is an incentive not to reform if you cannot save any money by reforming. One of the reasons you see welfare reform is, obviously, you want to get people to work and off welfare. But also you want to save taxpayers' dollars in the process. So this is a real disincentive.

If we were going to have a figure, 90 is much too high. It does not allow for innovation. It does not take into account innovations that we have seen in States today and the dramatic reductions in caseloads that we have seen in programs that I think are going to be more common after this legislation is passed. I think it is a step very damaging to reform. This is a back-door way of trying to keep the status quo in place, and I think it is a very dangerous addition to this bill.

I also would say, you have an interesting question about what is fair. You say maintain effort at 90 percent. That sounds fair to all States. Every State has to maintain their effort at 90 percent. That would be fair if every State had the same effort in the first place. But they do not. In fact, there are wide disparities as to what States' efforts are today.

For example, I pulled this out of the Wall Street Journal of August 21. It is from the House Ways and Means Committee. It says that if you have a State like Mississippi, that their average monthly AFDC payment per family is $120 per family. A State like Alaska's is $762 per family.

What we are saying in the Breaux amendment is, "Mississippi, you have to maintain 90 percent of $120; Alaska, you have to maintain 90 percent of $762." Is that fair? Is that fair to States like Alaska, which are now being given a block grant and, under the Dole formula, are not going to be growing as much? Why? Because the Hutchison growth formula targets low-benefit States. They will grow. Their maintenance of effort is 90 percent of the low number, but they will grow. States like California, which has a $568 per family contribution and Hawaii which has $653, Vermont, $548, those States with high-dollar contributions now will not participate in the growth fund. So you are locking them in at a high-participation rate and not giving them any more money.

I do not think that is a fair way to do it, and, in fact, it could even get worse because there are many people who are going to vote for the Breaux amendment who are also going to vote for the Graham amendment, the amendment of Senator GRAHAM from Florida, who will be offering his fair share amendment. That will completely eliminate all past relationship of how AFDC was distributed and make it purely on a per-person-in-poverty allocation. So the State match will be irrelevant under the Graham amendment.

So, what would happen, in fact, will happen if we adopt the Breaux amendment, and then, as again many who will vote for the Breaux amendment will vote for the Graham amendment, what will happen is there will be States like New York and Alaska and Hawaii and California that will be required to spend more money than the Federal Government will give them under the new formula. So their maintenance of effort will actually be higher than what they get on the Federal level. How is that fair?

We are saying you have to keep your contribution high and, oh, by the way, we are going to take ours and cut yours substantially from your current level. Those are kinds of games that you get into when you have a block grant and try to keep a maintenance-of-effort provision in a block grant proposal. It does not work.

Mr. BREAUX. Will the Senator yield?

Mr. SANTORUM. Sure, I will be happy to.

Mr. BREAUX. Back to the basic point I think the Senator is making, it is that somehow if the Breaux amendment passes States will not be able to reduce the amount of money they spend on welfare. That is absolutely and clearly incorrect. States are encouraged to spend less through reforms. We just say if they are spending less than 90 percent of what they spent the year before, the Federal Government will also reduce our contribution.

Does the Senator disagree that under the Republican proposal, you lock in the Federal contribution for 5 years? Even if the State has less people on welfare, saves money, the Federal Government is still required to spend 100 percent of what they spent in 1994?

Mr. SANTORUM. Yes. And the reason we lock in—reclaiming my time—the reason we lock in the number is because, as the Senator from Louisiana knows, if we did not block grant this program and did not reform this system and allowed what happened, for example, under the Daschle amendment, to occur, AFDC would continue to grow. In fact, the Federal commitment would be even greater in 5 to 7 years.

So the fact we lock it in now, many would say, because of inflation, is "a cut." We are in fact locking in. In fact, I think one of the biggest criticisms I have heard from the other side of the aisle is that what we are in fact locking in, that is not generous enough. We need to give more. In fact, we had an amendment there today to put in $7 billion more. We had an amendment from the Senator from Connecticut to put in $6 billion more for children. There is a barrage, and I assume it will continue, of amendments from your side of the aisle to say we should be spending more.

We are going to try to strike a balance. We do not want this program to continue to increase. We do not want to cut back the Federal share because we, too, believe in a partnership. But we will say, we will tell you, States, we will commit you to flat funding over the next 5 years. And what we want you to do is to be innovative. We will keep the dollars there to allow you to innovate and allow you to move forward. And the incentive, then, is for you to get more people off the program, to get more people into work, and, yes, save some State dollars.

We think those are powerful incentives, if we keep there the steady hand from the Federal level. So I think it is a fair compromise, in a sense, not to increase funding but to hold the level funding.

Mr. ASHCROFT. Will the Senator yield?

Mr. SANTORUM. I yield to the Senator from Missouri.

Mr. ASHCROFT. Mr. President, I think it is well known that States are paying disproportionate shares of the welfare benefits in their States. Some States pay 25 percent or 28 percent of the welfare benefit. Some States pay as much as 60 percent of the welfare benefit.

In the event that some States are paying 60 percent, if they save——

Mr. SANTORUM. The Senator from New York——

Mr. MOYNIHAN. Fifty.

Mr. ASHCROFT. Mr. President, 50 percent, pardon me. I stand corrected and thank the Senator from New York. Fifty.

Mr. MOYNIHAN. New York is 50.

Mr. ASHCROFT. New York is 50.

A State that pays 25 percent of its benefit is able, by paying that benefit, to attract 3 Federal dollars to the State. And, so, if they were to effect a savings and they only got to save the State's part and they had to give the Federal part back, by saving 25 cents for the State they could curtail the flow of $1 for the State; they would curtail the flow of 3 additional dollars to the State.

What I am trying to say is that a program which provides reductions, of course, savings—if it is just one for one—is a program which does not provide the same amount of incentives as if you get to keep the amount that is left in the block grant.

If it is a one-for-one savings, it is the same for all States. But we want to have States with an incentive to reform the program, and the larger the reward for reforming the program and reducing the roll, the larger the incentive. And it seems to me the incentive is larger under the Dole bill, which provides that you not only get to keep the State's share which you save, but you get to keep a dollar that reflects the State's share for every dollar you save in the Federal Government.

Mr. SANTORUM. Mr. President, I think the Senator from Missouri is right, that the Dole formula is fair. And it is also, I think, structured to create the incentive for States to reform their welfare system. Remember, if we are going to pass the Dole amendment, the States will then have the opportunity—I am confident that every State will take this opportunity because under this bill we block grant money to the States—they will have to at some point convene their legislature and with the Governor will have to develop their own welfare plan. I think it would be incumbent upon them, almost a requirement, that they do so because they would have block grant funds and would have to take some action to spend the dollars. So we would be forcing every legislature in the country to go forward and redesign their program.

What the Dole amendment does is say for the first 3 years you have to maintain 75 percent of effort. There is a lot of argument here about States racing to the bottom. You cannot race to the bottom, particularly if you are a high-dollar State, if you have to maintain 75 percent of your revenue. If we are going to make the State legislatures reform welfare, they are going to do it relatively quickly within the first year or two. So we will have the results.

To suggest that we need to stretch this to 5 years suggests that State legislatures are going to continually every year be reforming and cutting their welfare rolls. As we know, we do not do that. We do not do that here. The State legislatures do not reform welfare every year. They pass a welfare package, and, like this body, see how it works. It takes some time.

So I think a lot of this, whether we have 3 or 5 years, is really just a matter of making yourself feel comfortable in Washington. The real changes in welfare will occur in the first 1 or 2 years. I think that is the important thing to look at.

I want to talk a little bit more following up on the disparity among States. I think this is really an important and significant problem with this 90 percent basis of effort. One of the things that I had suggested—and we are not able to come to closure on this—is that it is not fair for New York and Pennsylvania. Pennsylvania spends per child, based on the State cash aid relating to this block grant, about $1,092 per child. That is ranked 17. Alaska is No. 1 with $3,182, and last is Mississippi with $107. So the disparity is just tremendous. To suggest that we are being fair hereby saying Mississippi has to maintain 90 percent of $107, and Alaska has to maintain 90 percent of $3,182, again does not reflect the reality of a block grant.

Eventually over time what this block grant is hoping to do, as the Senator from Texas, Senator HUTCHISON, suggested with her growth formula is to equalize the Federal contribution per child across this country. So a child in Alaska should not be paid more out of the Federal coffers than a child in Mississippi. I think that is sort of a nonsense thing. I think most of us, if we are going to go to this block grant, would like to see us achieve a program where the Federal payments per child would be the same. I do not see how we get there, in fact, I do not think we can get there, if we require States to maintain this high share of effort.

I am hopeful that we agree to this compromise that was in the Dole modified bill at 75 percent. It is a reasonable compromise. It puts the compromise in place for 3 years, which I think is the most crucial time when these State legislatures are enacting their programs, and it does not penalize a high-dollar State.

The compromise that I had even offered was to suggest that States like New York and Pennsylvania would not have to maintain 75 percent of their effort but they would only have to maintain 75 percent of what the average effort is among States. So, if you took all the States' contributions already and set an average, I think according to the gain per child average of State cash aid here, I would guess would be around—just looking at the numbers, the 25th State is Wyoming at $758. That is the median. I assume the average is somewhere close to that; to suggest that Alaska would have to maintain 75 percent of $758 instead of $3,182 and any State above the average would only have to maintain 75 percent of the average, I think is a fair burden to put on States given the fact that a lot of these States are going to be growing, or are big States and are not going to get any more money.

Any State below the national average, Maine being one, which is 26th, and Louisiana, which is 50th out of the 51 jurisdictions, Louisiana is at $155. I mean, I can understand why the Senator from Louisiana wants a 90 percent maintenance of effort for Louisiana. It is $155 per child in 1994. But I am in Pennsylvania. I have $1,092. You are saying that the State government of Pennsylvania has to maintain $900-plus in Pennsylvania but $130 in Louisiana. How is that fair when we are block granting the funds? We are not over the next 5 years giving Pennsylvania one additional dollar, and I might add Louisiana gets a big chunk of the growth fund because they are a low-dollar State. This is having your cake and eating it, too.

I think that is just too penalizing of larger States that have made substantial contributions to welfare. You are going to stick them with a program that maybe passes the administration. We have a new Governor in Pennsylvania, and the Governor, I know, is very aggressively pursuing a reform of the welfare system. And what we are going to do with Pennsylvania is lock them into high contributions of 1994 forever, that they have to continue if they want to continue to receive their Federal dollars. Remember, you say, "Well, if you reduce the amount of people on welfare, you lose dollar per dollar." Pennsylvania is not going to have any increase in Federal dollars. If Louisiana goes below 75 percent, they are still going to get an increase in Federal dollars because of the growth formula.

Mr. BREAUX. Will the Senator yield?

Mr. SANTORUM. I think it creates a lot of inequity in the system.

I am happy to yield.

Mr. BREAUX. The decision of what the States do is their decision taking into account the cost of living in the respective States. The cost of living in Louisiana is substantially less than in your State or New York. That is a State decision. But with the Senator's own amendment—the alternative does not in fact lock in the Federal Government at 100 percent. If it is inappropriate to lock in the States, why is it appropriate to lock in the Federal Government at 100 percent no matter how much the State reduces their caseload? Under your approach, the Federal Government continues to have to give 100 percent of what they are giving in 1994. If we are going to have savings, why should not the Federal Government share in the savings, which, according to the Congressional Budget Office, saves the Federal Government $545 billion?

Mr. SANTORUM. Because we would like to see some innovation occur at the State level. We believe if you lock in the Federal contribution and give the States the opportunity to actually save dollars, that is the key. When you say, "Well, the States can go ahead and reduce their dollars," but when they reduce their dollars, they lose Federal dollars. So in a sense they are a wash because, sure, they have spent $1 less of their money but they get $1 less. So they are pretty much held harmless.

I think that is not a great incentive to save money if in fact for every dollar you save you lose a dollar.

Mr. BREAUX. Why is it inappropriate? If the States can save a dollar, why should not the Federal Government save a dollar?

Mr. SANTORUM. The point that I am trying to make is that, in effect, when you consider the net amount of money spent by the State, it is not really saving any money because what they are doing is, when they reduce their dollar, they lose a Federal dollar. So they are at zero. So there is no incentive financially for them to go below the 90 percent.

That is why I am saying this is sort of a bad way of supporting high expenditures of welfare dollars. What we are trying to do is say, if you want to innovate, we want you to innovate. We are willing to put up money so we will encourage you to innovate. We will encourage you to do what Michigan has done—as the Senator from New York is fond of saying—under the current law, under the 1988 Family Support Act, to reduce your caseload, get people to work. And by coming up with these innovative solutions and getting people back into the work force, you will in fact benefit financially. Under the Breaux amendment, they will not benefit financially because for every dollar where they go below 90 percent, they will lose a Federal dollar. So they are at a zero position as far as benefits. I think that is a real impediment to the kind of innovation that we want to see on the State level.

Mr. President, I reserve the remainder of my time.

Ms. MIKULSKI. Mr. President, I rise today to speak in support of the amendment offered by the Senator from Louisiana.

This amendment is straight forward. It says to States, all States, if the Federal Government turns over a block of money to do as you please in welfare reform, we ask that you commit your own resources as well. That is a fair deal.

Welfare reform is a partnership. It isn't just a State problem and it isn't just a national problem. It's everybody's problem. Unfortunately not every State has viewed it that way over these past decades. Some States simply don't want to make a commitment. If this legislation passes without a requirement that the States maintain their commitment, I have no doubt some Governors and State governments will quickly cut their funding to real welfare reform at the very same time they are accepting Federal dollars.

Mr. President, what of those States that are sincere about welfare reform? What happens when the next recession hits? Will political pressures force them to fund other programs from current State welfare funding? There will be more people who will need assistance but at the same time many school budgets will be squeezed by that recession and they will be asking for some of these welfare dollars. In the next recession what if the crime rates increase? If the prison system needs more dollars where will these Governors get the money? And what about a race to the bottom? If one State cuts its spending on welfare will the neighboring State be forced to do the same? One State may decide it can attract new jobs and companies from another State by offering a business tax cut funded from State welfare dollars.

In my State of Maryland we have not received an overly generous Federal match when it comes to welfare funding. We are willing to do our part. What we do not want is to be forced into a race with another State that is more concerned about cutting benefits as a substitute for real welfare reform.

If we are serious about welfare reform then it is time we demand that the State governments as well as the Federal Government make a commitment. That commitment demands more than just different ideas, it demands both Federal and State resources and dollars.

Mr. BREAUX addressed the Chair.

The PRESIDING OFFICER. The Senator from Louisiana is recognized.

Mr. BREAUX. Mr. President, I yield to the distinguished ranking member of our Finance Committee, the Senator from New York, 8 minutes.

The PRESIDING OFFICER. The Senator from New York is recognized.

Mr. MOYNIHAN. I thank the Chair. I thank my friend from Pennsylvania for his very open and candid remarks.

I would like to approach this subject from a slightly different angle, which is to make the case that Federal initiatives have begun to show real results in moving persons from welfare to work. It took a little while for the 1988 legislation to take hold, but it did. What we put at risk at this point is giving up all that social learning, about 20 years really, that built up to the 1988 legislation and has followed on since.

The Senator from Louisiana mentioned it when in the Chamber he gave a clip from a Louisiana paper, in Baton Rouge, "Project Independence Trims Welfare Rolls Across State."

Just a few days ago, last week, we heard Senator HARKIN of Iowa describe the legislation that had been adopted for new pilot projects on welfare around Iowa, passed by Governor Branstad, now having 2 years of experience. "The number of people who work doubled, went up by almost 100 percent and the expenditures per case are also down by about 10 percent." And I point out once again that is the Family Support Act.

Now, in this morning's Washington Post, we have a very able essay by Judith Gueron, who is the head of the Manpower Development Research Corp., "A Way Out of the Welfare Bind." As I have said several times, research at MDRC was the basis of our 1988 legislation. Data we had. She makes a simple point that "Public opinion polls have identified three clear objectives for welfare reform: Putting recipients to work, protecting children from severe poverty, and controlling costs." And she makes the point that this triad involves conflicting goals at first glance. She then goes on to say that we seem to be learning how to resolve those conflicts.

I will read one statement, if I may.

> A recent study looked at three such programs in Atlanta, Grand Rapids, Mich., and Riverside, Calif. It found that the programs reduced the number of people on welfare by 16 percent, decreased welfare spending by 22 percent, and increased participants' earnings by 26 percent. Other data on the Riverside program showed that, over time, it saved almost $3 for every $1 it cost to run the program. This means that ultimately it would have cost the Government more—far more—had it not run the program.

Now, Mr. President, it is not at this point any longer politically correct to say that those programs began under the Family Support Act. They are programs under the job opportunities, basic services. I regret that you cannot say this. The Department of Health and Human Services would deny it. Silence is the response to the first success we have ever had with this incredibly defying, mystifying, sudden social problem. If we give up the maintenance of effort, we will give up the resources that made these programs possible.

Senator GRASSLEY has been talking about the wonders in Iowa, Senator HARKIN about the wonders in Iowa, Senator BREAUX about fine programs such as Project Independence in Louisiana. Atlanta, Grand Rapids, Riverside—real results. They are results from a secret program called the Family Support Act, the job opportunities, basic services.

I hope we do not do it, Mr. President. I hope we support the Senator from Louisiana. This is not a moment of which anybody can be particularly proud.

Let me be clear. If we put through time limits, we strip the Federal Government of responsibility, you will cut caseloads 10, 15 percent. There is always on the margin people who really do not—if the alternative was sufficiently unpleasant, they would leave. But you will not change the basic phenomenon of nonmarital births, out-of-wedlock births such that in the city of New Orleans, 47 percent of the children are on welfare at one point or another in the year. That is small compared to the city of Washington, but it is not small compared to the concern of the Senator from Louisiana. He cares about those children. They are his children. They are our children, too. And if we abandon the Federal maintenance, the Federal level of effort, we abandon those children.

Mr. President, I ask unanimous consent that the article in the Washington Post about the secret Government program that has done such wonders in Riverside and Grand Rapids and Atlanta be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Washington Post, Sept. 12, 1995]

A WAY OUT OF THE WELFARE BIND

(By Judith M. Gueron)

Much of this year's debate over welfare reform in Washington has focused on two broad issues: which level of government—state or federal—should be responsible for designing welfare programs, and how much money the federal government should be spending.

The debate has strayed from the more critical issue of how to create a welfare system that does what the public wants it to do. Numerous public opinion polls have identified three clear objectives for welfare reform: putting recipients to work, protecting their children from severe poverty and controlling costs.

Unfortunately, these goals are often in conflict—progress toward one or two often pulls us further from the others. And when the dust settles in Washington, real-life welfare administrators and staff in states, counties and cities will still face the fundamental question of how to balance this triad of conflicting public expectations.

Because welfare is such an emotional issue, it is a magnet for easy answers and inflated promises. But the reality is not so simple. Some say we should end welfare. That might indeed force many recipients to find jobs, but it could also cause increased suffering for children, who account for two-thirds of welfare recipients. Some parents on welfare face real obstacles to employment or can find only unstable or part-time jobs.

Others say we should put welfare recipients to work in community service jobs—workfare. This is a popular approach that seems to offer a way to reduce dependency and protect children. But, when done on a large scale, especially with single parents, this would likely cost substantially more than sending out welfare checks every month. To date, we haven't been willing to make the investment.

During the past two decades, reform efforts, shaped by the triad of public goals, have gradually defined a bargain between government and welfare recipients: The government provides income support and a range of services to help recipients prepare for and find jobs. Recipients must participate in these activities or have their checks reduced.

We now know conclusively that, when it is done right, the welfare-to-work approach offers a way out of the bind. Careful evaluations have shown that tough, adequately funded welfare-to-work programs can be four-fold winners: They can get parents off welfare and into jobs, support children (and, in some cases, make them better off), save money for taxpayers and make welfare more consistent with public values.

A recent study looked at three such programs, in Atlanta, Grand Rapids, Mich., and Riverside, Calif. It found that the programs reduced the number of people on welfare by 16 percent, decreased welfare spending by 22 percent and increased participants' earnings by 26 percent. Other data on the Riverside program showed that, over time, it saved almost $3 for every $1 it cost to run the program. This means that ultimately it would have cost the government more—far more—had it not run the program.

In order to achieve results of this magnitude, it is necessary to dramatically change the tone and message of welfare. When you walk in the door of a high-performance, employment-focused program, it is clear that you are there for one purpose—to get a job. Staff continually announce job openings and convey an upbeat message about the value of work and people's potential to succeed. You—and everyone else subject to the mandate—are required to search for a job, and if you don't find one, to participate in short-term education, training or community work experience.

You cannot just mark time; if you do not make progress in the education program, for example, the staff will insist that you look for a job. Attendance is tightly monitored, and recipients who miss activities without a good reason face swift penalties.

If welfare looked like this everywhere, we probably wouldn't be debating this issue again today.

Are these programs a panacea? No. We could do better. Although the Atlanta, Grand Rapids, and Riverside programs are not the only strong ones, most welfare offices around the country do not look like the one I just described.

In the past, the "bargain"—the mutual obligation of welfare recipients and government—has received broad support, but reformers have succumbed to the temptation to promise more than they have been willing to pay for. Broader change will require a substantial up-front investment of funds and serious, sustained efforts to change local welfare offices. This may seem mundane, but changing a law is only the first step toward changing reality.

It's possible that more radical approaches—such as time limits—will do an even better job. They should be tested. But given the public expectations, we cannot afford to base national policies on hope rather than knowledge. The risk of unintended consequences is too great.

States, in any case, are concluding that time limits do not alleviate the need for effective welfare-to-work programs. In a current study of states that are testing time-limit programs, we have found that state and local administrators are seeking to expand and strengthen activities meant to help recipients prepare for and find jobs before reaching the time limit. Otherwise, too many will "hit the cliff" and either require public jobs, which will cost more than welfare, or face a dramatic loss of income with unknown effects on families and children and, ultimately, public budgets.

Welfare-to-work programs are uniquely suited to meeting the public's demand for policies that promote work, protect children and control costs. But despite the demonstrated effectiveness of this approach, the proposals currently under debate in Washington may make it more difficult for states to build an employment-focused welfare system. Everyone claims to favor "work," but this is only talk unless there's an adequate initial investment and clear incentives for states to transform welfare while continuing to support children.

Many of the current proposals promise easy answers where none exist. In the past, welfare reform has generated much heat but little light. We are now starting to see some light. We should move toward it.

Mr. MOYNIHAN. Thanking the Chair and thanking my friend from Louisiana, I yield the floor.

Mr. BREAUX. Mr. President, I yield 5 minutes to the Senator from West Virginia.

Mr. MOYNIHAN. Mr. President, will the Senator yield for 10 seconds——

Mr. BREAUX. Absolutely.

Mr. MOYNIHAN. While I put on a button from Riverside, CA. It says, "Life Works If You Work." That is the spirit of these programs, and they are working. But we cannot talk about them, evidently.

I thank the Senator. I thank the Senator from West Virginia.

Mr. BREAUX. I yield to the Senator from West Virginia.

The PRESIDING OFFICER. The Senator from West Virginia is recognized for 5 minutes.

Mr. ROCKEFELLER. I thank the Chair.

I wish we could solve all of our problems with a button; it would make it a lot better.

What interests me about this amendment, Mr. President, in a sense, it may be the most important amendment we are making to this bill and yet it has such an awkward title, maintenance of effort, that vast numbers of folks who might be listening or watching do not know what we are talking about.

The Breaux amendment has to pass if welfare reform is going to work. It absolutely has to pass. A welfare reform bill with this name should free up States to do all kinds of things with new flexibility, without micromanagement from the Government. But welfare reform should not encourage States, or in fact even egg them on, to back out of their commitment to poor children. If you look around now at State legislatures, what is it they are discussing? Their woes with Medicaid and the temptation—believe me, if they are not required to participate in welfare reform, a number of them will not. They simply will not.

To me, the Breaux amendment is the answer. It very clearly says to the States, you keep your end of the bargain, and we at the Federal level are going to keep our end of the bargain, just as we have always done on both sides.

Again, speaking as a former Governor, I sincerely doubt that Governors who like the welfare reform bill before us just exactly the way it is without the Breaux amendment, for example, would ever propose that kind of a relationship in some of their dealings with local communities or counties in terms of matching grants.

In fact, that is part of what money is for, is to leverage more out of other people. You say, "Here is a certain amount. You put up some more, and together we can do this. But if you do not participate, we cannot." And it is human nature in State and local government, just as it is at any level.

The majority leader made some modifications to the Republican welfare package just before the recess. And one of them involves the claim that he added a maintenance-of-effort provision. It is not, in fact, that. It is very weak. And we can and must pass the Breaux amendment, in this Senator's judgment, and not accept the majority leader's modification.

In the first place, the majority leader's modification only lasts for 3 years. We are talking about a lot longer period than that before we come back to this subject in a major way. And it asks States to put 75 percent of a portion of their AFDC spending back in 1994 back into their future welfare reform system.

In fact, the Dole provision adds up to only asking all States to invest a grand total of $10 billion a year just for the first 3 years, with no basic matching requirement whatsoever for the last 2 years on this bill. So it is a fraud.

This leaves a gaping hole in the State's share, if compared to the current arrangement across the country. So $30 billion could and possibly will disappear from this country's safety net for families and children.

What is worse to me, almost more cynical, is the clever attempt in how a State's share is calculated under the Dole modification. The Dole bill would allow States to count, so to speak, State spending on a whole variety of programs simply mentioned in this bill but not pertinent.

For example, States would be able to get credit, essentially, for their spending on food stamps, SSI, other programs that help low-income people towards meeting their requirement. That means that money for programs not specifically directed to financing basic welfare for children could easily count towards the so-called maintenance of effort. Again, this is a flatout invitation for States to back out of keeping their basic historical responsibility to children.

And remember, two out of every three people that we are talking about in this country on welfare are children.

The PRESIDING OFFICER. The Senator's time has expired.

Mr. ROCKEFELLER. I hope urgently that colleagues on this side of the aisle, and as many colleagues as possible on the other side of the aisle, will support the very important Breaux amendment.

I thank the Chair.

The PRESIDING OFFICER. Who yields time?

Mr. GRASSLEY addressed the Chair.

The PRESIDING OFFICER. The Senator from Iowa is recognized.

Who yields time to the Senator from Iowa?

Mr. SANTORUM. I would be happy to yield 5 minutes to the Senator from Iowa.

Mr. GRASSLEY. Mr. President, because I do not want to speak on the amendment, I ask unanimous consent to use my 5 minutes to speak as in morning business.

The PRESIDING OFFICER. Is there objection?

Without objection, it is so ordered.

REINVENTING AMERICORPS

Mr. GRASSLEY. Mr. President, I had an opportunity to read in the New York Times this morning that the President has been making speeches around the country and particularly in response to action yesterday by one of our subcommittees of appropriations, because yesterday the National Service Corps was zeroed out by the subcommittee. And the statement that I do not like is referenced to the fact that we are just playing politics when a program like this is zeroed out. I hope I can stand before this body as a person who has criticized the National Service Corps or AmeriCorps with credibility and say that I can be watchful of how the taxpayers' dollars are spent without being accused of playing politics. Most of my colleagues would remember that during the Reagan and Bush years when we controlled the White House and even controlled this body during part of that period of time I was not afraid to find fault with my own Presidents—Republican Presidents—when this was a waste of taxpayers' dollars when it comes to expenditures for defense.

I think I have a consistent record of pointing out boondoggles, whether it be in defense or anything else. And I have raised the same concerns about AmeriCorps based upon the General Accounting Office saying that each position costs $26,650 and that that is about twice what the administration said that these would cost. And the poor AmeriCorps worker getting $13,000 out of that $26,000 for their remuneration so that much of the money is going to administrative overhead and bureaucratic waste. And I do not see, when we are trying to balance a budget, that we can justify a program that is going to have about 50 percent of its costs not going to the people that are supposed to benefit from that program. And so I have pointed out to the President the General Accounting Office statement. I wrote a letter to the President on August 29 of this year, more or less saying reinvent the program or it is going to be eliminated.

I have not heard a response from my letter to the President yet. I hope he will respond. But I have suggested that he needs to keep the costs of the program within what he said it would cost a couple years ago when it was invented, and that most of the benefits of it should go to the people that are doing the work, not to administrative overhead.

And I suggested reinventing it by doing these things. And I will just read from the letter six headlines of longer paragraphs that I have explaining exactly what I mean.

No. 1, limit the enormous overhead in the AmeriCorps program.

No. 2, ensure that the private sector contributes at least 50 percent to the cost of AmeriCorps. This was an important point that the President was making when the program started, that at least $1 or 50 percent of the total cost would come from the private sector; $1 of taxpayers' money leverages a dollar of private sector investment. I doubt if we would find fault with the program if it were to do that. Then I also suggested limiting rising program costs by not awarding AmeriCorps grants to Federal agencies. They say that they get match on this—if EPA has a program with an AmeriCorps worker, that whatever the EPA puts in is part of the match. Well, that is the taxpayers' match; that is not a private sector match.

I said funds must be targeted to assist young people in paying for college because some of the money is going to volunteers who will either drop out or not use the money to go to college.

Then I said to increase the bang for education bucks by making sure that the money is used for those who are going to go to higher education.

Finally, I suggested that if the President wants to reinvent the program, to tell us where in the VA budget, VA-HUD appropriations bill the money ought to come from because there is a lot of other money used. As Senator BOND said yesterday, the money was taken from AmeriCorps and put in the community development block grant program.

I am suggesting to the President that he needs to take into consideration—could I have 1 more minute, please?

Mr. SANTORUM. One additional minute.

Mr. GRASSLEY. I suggested to the President that he, according to this chart, consider the fact that he has 20,000 volunteers of AmeriCorps; and we have got 3.9 million Americans who volunteer. These are young people, volunteers who do not worry about getting paid anything for volunteerism.

A second thing that the President should consider is that for one AmeriCorps worker we can finance 18 low-income people to go to college with a PELL grant. Those are some alternatives that the President ought to think about as he has a news conference today to expose what he says is playing politics with his program.

When I make a suggestion to the President that he reinvent the program according to his own definition of how that program should be financed and operated, I mean reinvent it. Just do what the President of the United States said the program was going to cost and who it was going to benefit or it will be lost. I speak as a person who wants no playing of politics, but as a person who wants to make sure that the taxpayers' dollars are used well, whether it is in AmeriCorps or whether it is in a defense program.

Mr. NICKLES addressed the Chair.

The PRESIDING OFFICER (Mr. ASHCROFT). Who yields time to the Senator from Oklahoma?

Mr. SANTORUM. I yield 7 minutes to the Senator from Oklahoma.

Mr. NICKLES. Mr. President, first I would like to compliment my colleague and friend from Iowa for his work on AmeriCorps. I hope that the American people realize, according to the General Accounting Office, that the cost per beneficiary is $27,000. The Senator from Iowa has been very diligent in trying to awaken America to this enormously expensive program. It is a new program. I understand it is one of President Clinton's favorite programs, but it is enormously expensive—enormously expensive.

So I compliment my colleague from Iowa for bringing it to the attention of this country, and, hopefully, we can stop wasting taxpayers' money and maybe do a better job either through the student loan program or PELL grants and help lots of people go to school and obtain a college education instead of a few select receiving benefits in the $20,000-to-$30,000 category.

FAMILY SELF-SUFFICIENCY ACT

The Senate continued with the consideration of the bill.

AMENDMENT NO. 2488

Mr. NICKLES. Mr. President, I rise in opposition to the amendment of my friend and colleague from Louisiana, Senator BREAUX. I think if we adopt the so-called Breaux amendment, we are preserving welfare as we know it. President Clinton said we want to end welfare as we know it, and I happen to agree with that line. But if we maintain or if we adopt this maintenance of effort, as Senator BREAUX has proposed—he has two amendments, one at 100 percent and one at 90 percent—if we adopt either of those amendments, we are basically telling the States: "We don't care if you make significant welfare reductions, you have to keep spending the money anyway."

So, there is no incentive to have any reduction of welfare rolls; certainly, if you had the 100-percent maintenance of efforts. "States, no matter what you do, if you have significant reductions, you spend the money anyway." That is kind of like "in your face, big Government, we know best; Washington, DC is going to micromanage these programs anyway. Oh, yeah, we'll give money to a block grant, but if you have real success, you have to spend the money."

I think that is so counter to what we are trying to do that I just hope that our colleagues will not concur with this amendment. This is a very important amendment.

I just look at the State of Wisconsin. Currently, they are saving $16 million a month in State and Federal spending. Between January 1987 and December 1994, they experienced a 25-percent reduction in their AFDC caseload. My compliments to them. I wish more States would do more innovative things to reduce their welfare caseload.

This amendment of my colleague, Senator BREAUX, says, "States, even if you do that, if you have phenomenal success, you still have to spend the money. You have to spend as much money as you did," and the year that they picked, using the year of 1994, it was an all-time high for AFDC caseload.

Between May 1994 and May 1995, nationally there was a reduction of 520,000 recipients on AFDC. So, he happens to pick the highest caseload year as the base and then says, "States, you have to maintain a level at either 90 percent or 100 percent of that level. You have to spend the money. You can't enjoy the benefits and allow your constituents to maybe have more money for education, roads or highways, even if you reduce your welfare caseload." In other words, let us make sure we keep rolling out the State money.

I think that is a serious mistake. We will be voting on this, I believe, shortly after the policy luncheons. I urge my colleagues to vote no on the Breaux amendment.

I suggest the absence of a quorum.

The PRESIDING OFFICER. Who yields time?

Mr. SANTORUM. Mr. President, I ask unanimous consent that the time be equally charged to both sides.

The PRESIDING OFFICER. Without objection, it is so ordered. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. BREAUX. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BREAUX. I ask the Chair how much time is remaining for both sides.

The PRESIDING OFFICER. The Senator from Louisiana has 15 minutes; the Senator from Pennsylvania has 9 minutes.

Mr. BREAUX. Mr. President, I yield myself 3 minutes.

Mr. President, I take this time just to try and conclude what we are trying to do with my amendment.

We, in a bipartisan spirit, in joining with our Republican colleagues, offered an amendment that simply says States should be partners in welfare reform with the Federal Government; that the States should be required to help participate and help fund welfare reform; that it is not right, as the other body has done in their bill, to say the States have to put up nothing; that it becomes a 100-percent Federal burden and the Federal Government has to pay for the entire cost of welfare. That is what the bill that passed the other body says. It says there is no maintenance of effort on behalf of the States at all, and that is wrong.

I think that we, in this body, clearly feel that the States should have to participate financially in helping to solve these problems. It is like we said before, if you spend somebody else's money, you can be very careless in how you spend it. Therefore, if the States are required to participate and put up some of their money, I think we will all do a better job in crafting programs that, in fact, are truly welfare reform.

Our legislation says that the States should participate by putting up 90 percent of the money that they put up in 1994. The Federal Government will continue to put up 100 percent. If the States are able to reduce their caseload by welfare reform, we are very pleased with that. That is the goal. The Federal Government should participate in those savings as well as the States participate in those savings.

The Republican bill, on the other hand, says we are going to continue 100 percent Federal funding for 5 years, no matter how much the State government is going to be able to reduce the people on welfare, and that is wrong. If there are savings to be made by fewer people on welfare, then the Federal Government should benefit from those savings, as should the State benefit from those savings.

That is what the bill says. That is why my amendment is scored by the Congressional Budget Office to save $545 million in this program over the next 7 years. That is real savings. If you vote against the BREAUX amendment, you are saying, "I'm not interested in saving $545 million to the Federal Treasury. I do not care. It is not important."

Well, I think it is important. That is why we have tried to craft an amendment that is balanced, that, in effect, saves Federal dollars as well as it saves State dollars.

It is simply not correct to say under my amendment the States would not be able to spend less on welfare. Of course they can. We want them to spend less, but when they spend less, we want to be able to spend less as well. That is a true partnership that has been in existence for 60 years.

It is incredibly wrong, in my opinion, to say for the first time we are going to put all the burden on the Federal Government to pay for the cost of welfare reform. It has to be a partnership if it is going to work.

My amendment maintains that partnership and, at the same time, provides for real economic savings, savings to the Federal taxpayer to the tune of $545 million over 7 years. There is no doubt about that. It has been scored by CBO. We think it makes sense.

With that, I yield back the remainder of the time on the 3 minutes.

The PRESIDING OFFICER. Who yields time? The Senator from Pennsylvania.

Mr. SANTORUM. Mr. President, the Senator from Louisiana keeps bringing up the point about the Federal Government contributing 100 percent, not having the benefit of any savings. I just suggest to you that if what we want to accomplish here is savings in the welfare system, the 90-percent maintenance effort will do more to reduce those savings than anything we have seen produced.

The fact of the matter is, yes, his amendment may be scored as a reduction in Federal outlays. But I suggest, Mr. President, if you went back to the Congressional Budget Office and said, "What would be the increase in State spending as a result of this amendment," you would see that it would be more than offset in the reductions in Federal spending.

What does that mean? That means from the average taxpayer who does not care whether the money is being spent on the Federal level or State level, they are going to pay more for welfare.

That is the bottom line here. It is not how much the Federal Government saves, or how much the State government saves, or how much we spend and they spend, but how much the taxpayers spend on the program.

I think what your amendment will do is net result in higher welfare expenditures. Sure, they will have to pay more State taxes or more money to the State than the Federal if we equal them out dollar for dollar in taxes.

The fact of the matter is your amendment will cause States to spend even more money than what we save on the Federal side. I think that is clear. I think that is your concern.

Do not try to approach this amendment that we are somehow being nice to taxpayers. Taxpayers pay State taxes and Federal taxes. When you tell them they have to pay more on the States, more than we save on Federal, this is not a friendly taxpayers amendment. This will cost more money to the average taxpayers in America, not less.

Just because we save a few dollars, they will be more than made up by required increased expenditures on programs that are being dramatically reduced.

I have a table that shows from just 1993 to 1994, and I say to the Senator from Louisiana that we have even seen more reductions in welfare caseload from 1994 to this year because of other programs being put into effect.

I ask unanimous consent to have printed in the RECORD this table showing the change in the average number of AFDC recipients from 1993 to 1994.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

TABLE 1. CHANGE IN AVERAGE NUMBER OF AFDC RECIPIENTS: 1993–94

State	Number of people	Percentage change	Increase or decrease
Alabama	−7,685	−5.50	decrease.
Alaska	1,610	4.42	increase.
Arizona	4,270	2.17	increase.
Arkansas	−3,381	−4.65	decrease.
California	176,725	7.18	increase.
Colorado	−4,258	−3.45	decrease.
Connecticut	4,422	2.74	increase.
Delaware	−184	−0.66	decrease.
District of Columbia	7,247	10.86	increase.
Florida	−25,116	−3.62	decrease.
Georgia	−4,830	−1.21	decrease.
Guam	1,754	32.24	increase.
Hawaii	6,140	10.99	increase.
Idaho	1,875	8.80	increase.
Illinois	23,431	3.40	increase.
Indiana	5,217	2.47	increase.
Iowa	9,189	9.09	increase.
Kansas	−1,386	−1.57	decrease.
Kentucky	−16,800	−7.47	decrease.
Louisiana	−14,540	−5.53	decrease.
Maine	−3,114	−4.62	decrease.
Maryland	603	0.27	increase.
Massachusetts	−18,349	−5.64	decrease.
Michigan	−22,342	−3.25	decrease.
Minnesota	−4,479	−2.34	decrease.
Mississippi	−13,002	−7.57	decrease.
Missouri	1,989	0.76	increase.
Montana	256	0.74	increase.
Nebraska	−2,970	−6.16	decrease.
Nevada	2,487	7.06	increase.
New Hampshire	862	2.92	increase.
New Jersey	−13,974	−4.00	decrease.
New Mexico	6,856	7.19	increase.
New York	58,150	4.86	increase.
North Carolina	−2,167	−0.65	decrease.
North Dakota	−2,060	−11.12	decrease.
Ohio	−34,182	−4.76	decrease.
Oklahoma	−6,851	−4.96	decrease.
Oregon	−3,654	−3.10	decrease.
Pennsylvania	11,772	1.94	increase.
Puerto Rico	−7,539	−3.97	decrease.
Rhode Island	1,116	1.81	increase.
South Carolina	−6,932	−4.73	decrease.
South Dakota	−999	−4.97	decrease.
Tennessee	−11,186	−3.60	decrease.
Texas	5,882	0.75	increase.
Utah	−2,731	−5.19	decrease.
Vermont	−732	−2.56	decrease.
Virgin Islands	12	0.32	increase.
Virginia	277	0.14	increase.
Washington	3,458	1.20	increase.
West Virginia	−4,681	−3.93	decrease.
Wisconsin	−10,713	−4.52	decrease.
Wyoming	−1,884	−10.33	decrease.

Mr. SANTORUM. Mr. President, what it will show is that we have seen State after State—Alabama, Arkansas, Colorado, Delaware, Florida, Georgia, Kansas, Kentucky, Louisiana, Michigan—many States who have already reduced their caseload or are in the process through welfare of reducing it more, and the amendment of the Senator from Louisiana will make them spend as much money, although they have less on the caseload.

That just is not right. That penalizes States for doing exactly what they want them to do. I think it is a well-intentioned amendment. I understand the concern for the race to the bottom.

But the Dole, as modified, bill provides adequate safeguards to make sure that States are not going to eliminate their welfare expenditures. I think it does so in the context of encouraging welfare reform on the State level.

I reserve the remainder of my time. I suggest the absence of a quorum. I ask unanimous consent that the time be divided equally.

The PRESIDING OFFICER. Without objection, it is so ordered.

The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. BREAUX. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BREAUX. I yield myself 3 minutes.

We have had a lot of discussion as to the amendment that I propose which requires the State to participate and how it affects the States.

I mentioned a number of Governors who have spent a great deal of time on this effort, including the former chairman of the National Governors' Association, Governor Howard Dean of Vermont. I quote him:

> I support the concept of State maintenance of effort as envisioned by Senator BREAUX and other Senators. States should provide adequate levels of support for welfare programs to prevent a "race to the bottom."

The Governor of Colorado, Gov. Roy Romer:

> The Federal-State partnership is an essential component in a strategy designed to provide families with temporary assistance to help them achieve or regain their economic self-sufficiency. We are particularly concerned that if States reduce their commitment to these programs, then responsible States will become magnets for displaced welfare clients.

These Governors are recognizing that, yes, States ought to have to be required to participate in solving welfare problems, that we should not engage in a race to the bottom as could happen if we have no requirement that the States actively participate.

Equally as important, Mr. President, is the comment by the chairman of the U.S. Catholic Conference, the domestic policy chair, the Most Reverend John Ricard, auxiliary bishop of Baltimore who said:

> We urge you to pass genuine reform which strengthens families, encourages work, promotes responsibility, and protects vulnerable children, born and unborn, insisting that States maintain their current financial commitment in this area.

Catholic Charities President, Fred Kammer, said:

> In exchange for Federal dollars and broad flexibility, States should be expected to maintain at least their current level of support for poor children and their families.

Mr. President, I think it is very clear the distinguished Governors and other distinguished social experts in their field have recognized the importance of requiring States to continue to participate.

That is, in fact, what the Breaux amendment does. We do it and at the same time save the Federal Government $545 million over the next 7 years as estimated by the Congressional Budget Office. That partnership is absolutely essential. To say the States would not have a requirement to be able to be participants in this process I think is the wrong message.

I say under our amendment, States clearly would reduce the amount of money they spend, and after it is reduced by more than 10 percent, the Federal Government will be able to reduce our contribution so that there should be joint savings by people who pay Federal taxes, as well as by people who pay State taxes.

It is wrong to maintain 100 percent Federal requirement as the Republican position does even if there are reductions in the amount of people on welfare and any particular State.

Both sides should say the States have the flexibility to cut up to 10 percent under my amendment and still get 100 percent Federal funding. If they cut further than that, if they decide to spend more money on roads and bridges, well, then, the Federal Government ought to have the right to spend less, as well. If they do so because they reduce the number of people on welfare, we should benefit from those savings, as well.

That is what a true partnership is all about. That is what the Breaux amendment tries to accomplish. And I think it is important to know there is a bipartisan effort here. This is not a party difference, it is a question of how we achieve a mutual goal of true welfare reform.

I reserve the remainder of my time.

Mr. COHEN. Will the Senator yield?

Mr. BREAUX. Mr. President, I yield to the Senator from Maine. Does he wish to speak in support? What time does he require?

Mr. COHEN. Not more than 5 minutes.

Mr. BREAUX. I am happy to yield 5 minutes to the Senator.

The PRESIDING OFFICER. The Senator from Maine.

Mr. COHEN. Mr. President, I rise today in support of the Breaux maintenance of effort provision. While I want to let States step up to the plate and implement innovative welfare to work programs with the assistance of Federal Government—not interference—I believe a Federal-State partnership is a key part of successful welfare reform. Therefore, Congress must make a strong statement on the need for State investment in welfare.

We need to encourage States to provide their own funds as a condition of receiving the Federal block grant. Under current law, States have an incentive to spend their own money on AFDC and related programs. That incentive is the Federal match. Fourteen States receive one Federal dollar for each State dollar they invest. The rest of the States receive more than a dollar-for-dollar match.

Under Senator DOLE's maintenance provision, States can satisfy the requirement by spending money on any program which is modified or altered in any way by the Dole bill. This would mean State spending on food stamps, State foster care, Head Start, or even SSI State supplemental benefits would satisfy the requirement in the Dole amendment.

I support the Breaux amendment to require a State match, using a formula of a dollar for dollar to determine the Federal match for each welfare dollar a State spends. If a State reduces its spending below 90 percent of its 1994 spending on AFDC and related child care programs, administrative costs, and job training and education funds—for each dollar the State spends below that threshold, the Federal grant to the State will be reduced by $1.

This amendment is extremely important. It maintains an incentive for a State to spend its own resources to aid its own people. Understand, however, that the State match does not require a State to spend money. If a State is successful in trimming its caseload or cutting administrative costs, there is no requirement that it maintain its spending. But if a State is going to realize savings in the welfare program, I think the Federal Government should share in the savings, too.

Mr. President, I have listened to the debate with considerable care, and I must say I find myself in agreement with at least the very last point made by the Senator from Louisiana about the need to try to approach welfare reform on a bipartisan basis, because I do not think either Republicans or Democrats necessarily have the right solution. I have read a great deal by sociologists. I have listened to the commentators on television, those who are advocating change. There is a general consensus that we have to change the system, but there is no agreement on what those changes should be, and few are confidently predicting what the ultimate consequences of any reform are likely to be.

It seems to me that welfare recipients generally can be divided into three groups. On the one hand we have people who lose their jobs after working years and years and are temporarily in need of assistance and should have that assistance. There are those at the other end of the spectrum that I think we all recognize that, by virtue of some disability or some other handicap as such, they are unable to work and they deserve our support and not our scorn. Then there are those in the middle category, people whom we feel generally should be expected to work, who have been caught up in a cycle of welfare over decades, if not generations, even though they would seem able to work. We have to reform the system in order to encourage, if not require, these people to break the cycle by entering the workforce long-term.

So I have looked at the various proposals, and I come to the conclusion, after listening to my colleague from Louisiana, that there should be a maintenance of effort undertaken by the States. A couple of reasons lead me to that conclusion. On the one hand, I believe, as my colleague from Maine, Senator SNOWE, and also my colleague from Vermont indicated, there is a partnership between States and the Federal Government. The State is under no requirement to spend $1. The State does not have to spend anything if they do not want to. They can decide they do not want to take care of welfare recipients; that those who are out of work, either voluntarily or involuntarily, that is not their problem. But States that take this view should not expect to continue to receive the same amount of Federal welfare dollars.

Without a maintenance provision, some States may engage in a race to the bottom by setting their benefits low to discourage residents in States providing minimum benefits from moving to States with more generous benefits. This concern has been dismissed by opponents of this amendment but remember: For years, many conservatives have argued that welfare recipients moved from State to State to get generous benefits. In a recent survey done in Wisconsin, 20 percent of newly arrived Wisconsin welfare recipients admitted that they had moved to get a bigger check.

We must also address the vulnerability of the new block grant program to cost-shifting. Increasingly, we have seen States which excel in shifting recipients in the general assistance and AFDC programs into the SSI Program, a program funded entirely by Federal dollars. By shifting their cases to the SSI Program, the States can be big winners: States are able to recoup interim general assistance payments that they provide to the beneficiary, from the date of application for SSI to determination of SSI eligibility. Even more important, States will avoid future costs by shifting populations to a program entirely funded by the Federal Government. One State contracted with a for-profit corporation at a cost of $2.7 million to shift cases from the State's disability rolls to the SSI Program. The State enjoyed net savings of $27 million in 1992 because of this concentrated effort to more people to the SSI Program.

I predict that we will see additional cost-shifting onto the Food Stamp Program. Without a strong maintenance of effort provision, States who retain food stamps as a Federal program can do what other States are already doing—pay lower AFDC benefits. When that happens the Federal Treasury will bear the burden as the food stamp benefit increases because the cash benefit is low.

We must steer away from doing anything to encourage States to make unreasonable cuts in their welfare spending. We do not want Federal programs to become a magnet for new recipients who hope that the Federal Government will absorb reductions by the State. This increases budget costs for the Federal Government. Just as important, the results we hope to attain through reform of welfare have only a small chance of being realized because we have excused the States from shared fiscal responsibility.

For these and other reasons, Mr. President, I wanted to indicate I intend to support the Breaux amendment, and I yield the remainder of my time.

The PRESIDING OFFICER. The Senator from Pennsylvania.

Mr. SANTORUM. Mr. President, in the couple of minutes left before concluding our side of this debate, I just suggest this really boils down to whether you really want to see dramatic reform or not and whether you want to see dramatic savings in the welfare system. Because, if you require States to keep 90 percent of maintenance of effort, what you will do is create a disincentive in an approach that was supposed to be the maximum incentive to welfare reform; to get welfare savings for the taxpayer—to do both.

I think it is pretty clear this is sort of a moderating attempt to try to make welfare reform not as dramatic as it could be. I think that is unfortunate. I think what the public has demanded on the issue of welfare is that you cannot go too far in trying new things to get people off welfare, to get people on to work, to reduce the amount of expenditure that we have.

I remind all Senators that, even under the Republican plan as it exists today, welfare spending will go up 70 percent—70 percent—over the next 7 years. It was scheduled to go up 77 percent. We have it go up only 70 percent. That is hardly dramatic, but it is something. It is a start in the right direction, at least, because we believe even though the Federal expenditures on welfare will go up 70 percent, we believe State expenditures will come down and come down dramatically. We are willing to make that tradeoff because we believe ultimately the taxpayer is going to benefit more from this proposal because of lower State expenditures even though the Federal Government is going to maintain a relatively high level of expenditures.

I am hopeful we can look to the goals of this, the Dole substitute, which is dramatic, ingenious, inventive reform, to get people back to work, all at a savings of taxpayers' dollars on the Federal level and even more dramatically on the State level.

If this amendment is adopted, we will see less reform, less innovation, and more money spent overall on welfare. And that is not what the goal of this welfare reform debate should be.

I yield the remainder of my time.

The PRESIDING OFFICER. The Senator from Louisiana has 2 minutes 50 seconds left.

Mr. SANTORUM. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. BREAUX. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BREAUX. Mr. President, do I understand we have an agreement that there will be 4 minutes after we return?

The PRESIDING OFFICER. The Senator is correct.

Mr. BREAUX. Mr. President, has the Republican side yielded back their time?

The PRESIDING OFFICER. That is correct.

Mr. BREAUX. What do I have left? Do I have any?

The PRESIDING OFFICER. A minute and a half.

Mr. BREAUX. I would say, Mr. President, when we return after the party caucuses, we will be, of course, voting on this amendment. I think, from our perspective, this has been a real effort at trying to reach a bipartisan agreement. We have Republican cosponsors and we have Democratic cosponsors of this effort. It is an effort to try to achieve a partnership between the States and the Federal Government.

The States should be required to participate. The Federal Government is required to participate. When savings are achieved, which they will be, both sides should benefit from those savings. When States spend less money because they have fewer people on the welfare rolls, the Federal Government should have to contribute less money, not the same amount. That is why our amendment clearly is scored by the Congressional Budget Office as saving $545 million over the next 7 years. Those are important savings. Without my amendment, they will not be achieved.

I think this amendment continues the participation that we have had, allows the States to be inventive as to different types of programs they come up with, but requires them to participate. The Federal Government should not have to pay 100 percent of the cost of welfare. The States should participate, and jointly, together, we can produce a better result.

With that, Mr. President, I yield the remainder of our time.

RECESS

The PRESIDING OFFICER. Under the previous order, the hour of 12:30 p.m. having arrived, the Senate will stand in recess until the hour of 2:15 p.m.

Thereupon, at 12:30 p.m., the Senate recessed until 2:15 p.m.; whereupon, the Senate reassembled when called to order by the Presiding Officer (Mr. COATS).

FAMILY SELF-SUFFICIENCY ACT

The Senate continued with the consideration of the bill.

AMENDMENT NO. 2488

The PRESIDING OFFICER. There will now be 4 minutes of debate equally divided on the Breaux amendment No. 2488.

Who yields time?

Mr. SANTORUM addressed the Chair.

The PRESIDING OFFICER. The Senator from Pennsylvania.

Mr. SANTORUM. Mr. President, I think we had a good debate on the maintenance of effort provision. I think it boils down to simply this. If you want a welfare reform bill to come out of the Senate that is going to be an impetus for change, it is going to say to the States to go out there and be innovative and be able to reduce the welfare caseload, reduce the amount of State expenditures, and have the flexibility you need to do those without artificially holding States to the high level of maintenance of effort. I think the Dole 75 percent provision that is in there right now does that. It prohibits a race to the bottom. It gives States flexibility. It says be innovative. It saves money. And I think that is really what we want to accomplish. It is a prevention of the worst-case scenario which is no welfare spending from the States, and at the same time provides that amount of flexibility that is needed to go forward and do some dramatic changes in the welfare system. I think we have struck a very responsible compromise.

I think this amendment goes too far. This basically says we are going to continue to spend money. The Senator from Louisiana often says we are going to save money at the Federal level. Why should not the Federal Government save money? We may be saving money on the Federal level but we are spending a lot more taxpayers' money at the State level. The taxpayer overall under this amendment will lose even though the Federal Government is going to save a little money. It will spend a lot more in State resources. Again, it is an unfriendly taxpayer amendment and at the same time stifles innovation.

I urge the rejection of the amendment.

Mr. BREAUX. Mr. President, I will conclude my remarks by pointing out that for 6 years we have had a partnership between the Federal Government and the States. The House, when they took up welfare reform, said for the first time the States will have no obligation to do anything. They can spend zero dollars if they want. But the Federal Government has to continue to foot 100 percent of the bill. That is wrong.

My amendment says we are going to require the States to spend 90 percent of what they were spending and the Federal Government will spend 100 percent of what it was spending. But if the States are able to reduce what they spend below 90 percent, we will also reduce the Federal contribution. If they save a dollar, we will save a dollar. That is a true partnership. They can be as inventive as they want. We hope they are. We hope they save money. But when they save money and spend more than 10 percent less than they were spending last year, the Federal Government will also reduce our contribution.

The Congressional Budget Office looked at our amendment and the Congressional Budget Office said that it would save $545 billion over the next 7 years. Without my amendment being adopted, we will not see those savings implemented into law. Mr. President, $545 billion over 7 years is a significant amount of money. It maintains the partnership between the Federal Government and the States. Why should we in Washington send the money to the States if they are not going to participate? If we let the States get off the hook and we continue to send the money, that is not a true partnership and that will be contrary to the reforms that we are trying to reach. Anybody who has ever been to a conference around here knows the House has a zero requirement. If we go in with a 75 percent requirement, in all likelihood we are going to split the difference.

So if all of our Republican colleagues think 75 percent is a reasonable amount to come out of a conference, I would suggest it is absolutely essential that they vote for the Breaux amendment as it currently is drafted.

I yield the time.

Mr. SANTORUM. Mr. President, I move to table the Breaux amendment, and I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Pennsylvania to lay on the table the amendment of the Senator from Louisiana. On this question, the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. LOTT. I announce that the Senator from Mississippi [Mr. COCHRAN] is necessarily absent.

The VICE PRESIDENT. Are there any other Senators in the Chamber who desire to vote?

The result was announced—yeas 50, nays 49, as follows:

[Rollcall Vote No. 411 Leg.]

YEAS—50

Abraham
Ashcroft
Bennett
Bond
Brown
Burns
Campbell
Chafee
Coats
Coverdell
Craig
D'Amato
DeWine
Dole
Domenici
Faircloth
Frist
Gorton
Gramm
Grams
Grassley
Gregg
Hatch
Hatfield
Helms
Hutchison
Inhofe
Kassebaum
Kempthorne
Kyl
Lott
Lugar
Mack
McCain
McConnell
Murkowski
Nickles
Packwood
Pressler
Roth
Santorum
Shelby
Simpson
Smith
Specter
Stevens
Thomas
Thompson
Thurmond
Warner

NAYS—49

Akaka
Baucus
Biden
Bingaman
Boxer
Bradley
Breaux
Bryan
Bumpers
Byrd
Cohen
Conrad
Daschle
Dodd
Dorgan
Exon
Feingold
Feinstein
Ford
Glenn
Graham
Harkin
Heflin
Hollings
Inouye
Jeffords
Johnston
Kennedy
Kerrey
Kerry
Kohl
Lautenberg
Leahy
Levin
Lieberman
Mikulski
Moseley-Braun
Moynihan
Murray
Nunn
Pell
Pryor
Reid
Robb
Rockefeller
Sarbanes
Simon
Snowe
Wellstone

NOT VOTING—1

Cochran

So the motion to lay on the table was agreed to.

AMENDMENT NO. 2562

The VICE PRESIDENT. Under the previous order, the Senate will now consider amendment No. 2562, offered by the Senator from Missouri [Mr. ASHCROFT]. There will be 1 hour for debate equally divided.

The Senator from Missouri is recognized.

(Mr. COATS assumed the chair.)

Mr. ASHCROFT. Thank you, Mr. President. I yield myself 10 minutes, and I ask to be notified when the 10 minutes has expired.

Mr. President, we are debating this week a very important topic, and it is not the future of a series of governmental programs, not the role of the Federal Government in providing for a social safety net. We are not debating how much money we will save. What we are debating this week is nothing less than the lives of millions of American citizens.

The welfare program, as it is currently constituted, has entrapped millions of Americans and has robbed literally generations of their future. What we are debating is whether we will continue to subsidize the current system, which may feed the body, but it numbs the spirit. It is a system which traps people in a web of dependency, places them in a cycle of hopelessness and despair. It is a system which promises a way out, but punishes those who try to find the way out.

Today's welfare system is heartless and cruel; it is unfeeling, it is uncaring. Whatever we do, we must remember those facts, and we must remember the faces that are the portraits of suffering that have been drawn on the canvas of American history by our welfare system as it is now constituted.

Welfare's failure is evident in many programs. Nowhere is it more evident, though, than in the Food Stamp Program. Food stamps, part of the Great Society's war on poverty. Today, food stamps is the country's largest provider of food aid. It is also, arguably, the Nation's most extensive welfare program. Last year, the program tried to help more than one out of every 10 Americans at a cost of nearly $25 billion.

As the chart behind me illustrates, spending on food stamps has increased exponentially since becoming a national program in the early seventies, a quite dramatic and rapid increase. It has not been a function of population growth alone. This expansion is the result of fraud and abuse, compounded by oversight, as well as a variety of other factors.

This stack of papers in front of me on the desk to my left is a stack of the 900 pages of food stamp regulations that States are forced to comply with in trying to help individuals find their way to independence and out of the despair of the welfare trap.

It is important to note that we have tried to reform welfare on previous occasions and tried to reform food stamps, as well, in the process.

The last real attempt at reform was in 1988, and you do not have to have particularly strong analytic skills to see what has happened since 1988 in the food stamp program: The program has skyrocketed.

A 1995 General Accounting Office report, a 1995 GAO report, found through fraud and illegal trafficking in food stamps, the taxpayers lost as much as $2 billion a year. Mr. President, $2 billion a year is a lot of money. That would average out to $40 million per State. That is close to $800,000 a week, per State, all across this country.

Furthermore, despite GAO's conclusions that the resources allocated for monitoring retailers was grossly inadequate, in other words we have not had the kind of enforcement that GAO says might be appropriate, the Food and Consumer Service officials still uncovered 902 retailers involved in food stamp fraud last year alone. That is where food stamps, which are designed to help people with nutritional needs, are used to acquire any number of other things that are not part of the design for food stamps.

In February 1994, the Reader's Digest chronicled fraud and abuse in an article entitled the "Food Stamp Racquet." One example was Kenneth Coats, no relation to the occupant of the chair I am sure, but owner of Coats Market in East St. Louis. It seems Mr. Coats paid as little as 65 cents on the dollar for food stamps and then cashed them in at full value.

During a period of 18 months he redeemed $1.3 million, enabling him to pay for his children's private schooling, with enough left over for $150,000 in stocks, five rental houses and a Mercedes.

If that were not bad enough, Reader's Digest reported that this was not Mr.

Coats' first attempt at defrauding the American taxpayers. Ten years earlier his market was disqualified from participating in the Food Stamp Program because of fraud, though he was only disqualified for 6 months. Obviously, he was back in business. And at 65 cents, paying welfare recipients and cashing them in with the Government at obviously the face value, he made quite a bit of money.

Now, there are stories of food stamp fraud and abuse to be found in every State in the Nation. There is a lot to like about the Food Stamp Program but there are many ways in which this so-called ideal transitional benefit has been a problem. They are a stopgap measure. They serve the people. They serve children. They serve the elderly.

But there is a lot to dislike about the program which we have already discussed. It is because we want to change this system to help people and to empower States that I am today introducing this amendment.

Mr. President, we can do better. My amendment would fundamentally change food stamps. Instead of having a system run and administered by bureaucrats in Washington, my amendment would return responsibility for the Food Stamp Program to the States. It would do it with an important qualifier: It would do it still allowing funding for growth at the CBO projected levels for the next 5 years.

Unlike the present system, however, this block grant would give the States an incentive to improve the program's performance and efficiency. It would accomplish this by allowing any and all savings achieved by the States to be applied to help more people who are really in need.

This approach, if adopted, would have enormous advantages. One, it would allow States to spend available resources on the people who need food, rather than on feeding the bureaucracy. It would make it possible to reduce some of the costs. The highest administrative costs in welfare, 12 percent, are in the Food Stamp Program.

Second, it would allow the States to coordinate their efforts in assisting the needy. So much of the problem we have now is when we shift welfare burdens from one quadrant of the welfare equation to another.

The leadership's bill would maintain many of the complicated regulations which have frustrated State efforts to help individuals in need. I think we need to give States the flexibility to administrator need in accordance with the needs of the needy and the State rather than in accordance with the 900 pages of Federal regulations.

Third, a clean block grant to the States will work to end the fraud and abuse which have cost the taxpayers billions. I think this is so because when the State has a block grant and it reduces fraud and abuse, it gets to keep the money which has been involved in the fraud or abuse.

There will be a real incentive for the States to drive down the costs associated with fraud and abuse. It is true that the leadership bill in this measure has some incentives but they are not incentives which would thoroughly match the incentives of a block grant, the structural incentives of providing for savings and allowing the States to recoup the savings in their entirety.

Finally, States can provide individualized assistance. They know their welfare recipients' needs. They can coordinate thoroughly on their own terms their welfare programs.

We have real welfare reform. It is time for us to understand that reforming this, the largest of the welfare programs which touches more people than any others, should be a part of that reform.

We have heard a lot about devolution, that term that means we need to reduce the size and scope of the power of Washington. Well, we need to change the way in which Washington has affected the welfare system by stopping the arrogant assumption that Washington knows best, particularly in such a significant program. Every American has had an experience at some time or another with the abuses that are involved in food stamps. Federalism has one of its hallmarks of trusting Government close to the people. It is time for us to do that with the Food Stamp Program.

The PRESIDING OFFICER. The Senator from Missouri has spoken for 10 minutes. I believe he wanted to be notified.

Mr. ASHCROFT. I thank the Chair. I yield myself such additional time I may need to conclude my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ASHCROFT. A vote for this amendment is a clear and principled stand for the limits of the Federal power and the need for State control.

A vote against this amendment is also clear. It is a clear statement against the rights of people to control their own destinies, their own lives, in a way that is free from the intermeddling of nearly 1,000 pages of regulation, micromanaging what happens in States, interfering with their ability to meet the needs of their citizens.

We are in the midst of a long and substantial debate. It is a necessary debate on welfare. Passions are high. Rhetoric is high. Progress is slow. It is time for us to make real progress on a major welfare program.

Every so-called welfare reform for the past two generations has had a couple of things in common. They have resulted in more people being trapped in the web of dependency; and second, they have resulted in more bureaucracy. We need not rearrange the deck chairs on the welfare bureaucracy again. We need to make substantial changes. We cannot afford half measures. The poor cannot afford half measures.

We are about to fundamentally change AFDC. We are about to fundamentally change a number of other smaller welfare programs. It seems we are just happy to tinker around the margins with food stamps.

I believe food stamps are welfare. They are the largest—they serve more clients than any other welfare program. They provide an incentive to illegitimacy, just as AFDC does, by providing more payments with more children that are brought into this world while on welfare. They are a part and parcel of the welfare system which seeks to help but actually hurts.

I do not know how it is that block grants can make sense for everything else from AFDC to job training but not for food stamps.

Yet, given all this, the leadership bill makes involvement in the food stamp block grant optional while simultaneously creating a disincentive for individual States to choose to operate under the block grant.

By removing Federal entanglement, it is my hope we can begin to eliminate the fraud, cut down on waste, the high administrative costs, and make it possible for States to take action which helps move people from welfare to work.

If we succeed where others have failed, we must be bold and consistent. I do not think we need to wait 7 years to determine whether a food stamp block grant is desirable. Washington's one-size-fits-all system has not worked. Continuing a system that entraps people in dependency will do nothing more than to sow the seeds of future disaster.

I reserve the remainder of my time.

Mr. LEAHY. Mr. President, will the Senator from Indiana yield?

Mr. LUGAR. I am happy to yield to the distinguished Senator as much time as he requires.

Mr. LEAHY. Mr. President, I thank the distinguished manager and chairman.

I have listened to the speech of my distinguished colleague from Missouri, and if this indeed was simply a question of whether the States could make the decisions or not, it would be one thing, but it is not. In fact, it is quite the opposite. Under the bill of the distinguished Republican leader, the States have the right to make a decision—a decision to choose to take a block grant instead of food stamps, or to participate in the Food Stamp Program. The amendment, No. 2562, by the distinguished Senator from Missouri, removes that right.

I think, also, it removes an option available to many of the elderly and disabled. If somebody has received 24 months of assistance in their lifetime, then food stamps can no longer be made available unless they are working. We see where, if somebody has had assistance years before, worked many, many, many years before becoming disabled, they are told "You got your bite of the apple a long time ago." They lose their food assistance under this amendment. States no longer have the option, under this amendment, of choosing a block grant instead of food stamps, and participating in the Food Stamp Program.

The bill does impose on States, whether they want it or not, an unfair formula for providing funds. If you look at the formula, it penalizes growth States but also penalizes States that face recessions. During the last recession, when millions of people lost their jobs, they turned to food stamps to help feed their children. Under this amendment, when there is a recession, then benefits would be cut. Just when a temporarily out of luck family would need assistance, the amendment says, "Too bad, have a hungry day." For example, if you are an industrial State and large manufacturing plants suddenly close, that is when this could cut in. It seems, when fewer people need food stamps, the benefits increase again.

Let me give an example. In California a couple of years ago, there was a massive earthquake. Mr. President, 40 percent of all the food stamps issued in California were issued in L.A. County for that month. Basically, what we would say under this is we are going to allow the people who lost everything they had in L.A. County because of the earthquake to eat. But all the rest of the State is going to go hungry.

One of the things the Food Stamp Program is supposed to do is to help even out those kinds of peaks and valleys because the earthquake that occurs in California may be the hurricane that occurs in Florida or the recession that occurs in Illinois or the flood that occurs along the Mississippi or Missouri River.

So I think we should not eliminate the choice of whether States should decide to take the block grant. Congress should not impose that on them. There are a lot of decisions that Governors and legislators have to make, so I urge my colleagues to vote against the amendment. It removes the State"s right to decide, hurts the elderly and disabled, and hurts some States at the expense of the others.

I like the original Agriculture Committee bill written by Senator LUGAR. It gives the States plenty of flexibility. It does not abandon the Federal-State partnership.

We have worked for years, constantly, to improve aspects of the food stamp program. The bill I talked about before that I introduced, on electronics benefits transfer, will do that. We have tightened and limited eligibility. But in the only major power on Earth that can not only raise enough food to feed 250 million people but have food left over for export and for storage, I question whether we should tamper with the most basic program for feeding hungry people—the elderly, disabled, those temporarily out of a job.

There are those who rip off the system and we can nail them. We have laws to do that. But let us not say you are going to be removed. And let us not say this is something that encourages more babies. What are you going to say, that if we do not feed a hungry baby, if we cut off the food, that baby will suddenly go away? Are we saying do not have the baby, abort the child, or do something else? The fact of the matter is, a hungry child is a hungry child. That child does not make that decision to be hungry. That child does not make that decision to be born. Let us not think that child will go away if we simply cut the food stamps or any other benefits for them.

Mr. President, I thank the distinguished senior Senator from Indiana for his courtesy and I yield the floor.

The PRESIDING OFFICER (Mr. DEWINE). The Senator from Indiana is recognized.

PRIVILEGE OF THE FLOOR

Mr. LUGAR. Mr. President, I ask unanimous consent that an employee of the Congressional Research Service, Joe Richardson, be granted privilege of the floor during consideration of welfare reform legislation.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. LUGAR. Mr. President, I thank the distinguished Senator from Vermont for his thoughtful debating comments. He has offered leadership in the nutrition area throughout the entirety of the 19 years that I have served in this body.

Throughout that period of time, I have been deeply concerned about the Food Stamp Program for several reasons, and the distinguished Senator from Missouri has expanded on many of them. The Food Stamp Program, because it is a national program and an extraordinarily complex one dealing with myriad retail situations, has led to great fraud and abuse. That has been a concern of the Committee on Agriculture really throughout the entirety of the program. It has to be our concern today.

But I have also been deeply concerned about the Food Stamp Program because it is the basic safety net for nutrition for Americans. It is the stopper, in terms of people starving, in this country. We have known that. We have regretted its abuse on occasion, but we have cherished the thought that every American, in a country of abundance, would have a chance to eat. That is fundamental and that we must preserve.

The distinguished Senator from Missouri, the great Governor of his State, has been a fighter for the reinvigoration of federalism, and I share that idealism. As mayor of the city of Indianapolis, I was involved in the first wave of the new federalism with President Nixon. Program after program came to our city. We tried to demonstrate, I think with some success, that mayors and local officials, in addition to Governors and county officials, can handle most of the aspects of the internal workings of government in this United States best at the local level. Clearly, in the welfare reform debate we are now having, we are about to test out the proposition that we should give back to States and local governments authority to handle a great deal of difficult matters.

But in the case of the food stamp and nutrition programs, the House of Representatives and the Senate to date have said that there must be a safety net, basically, for eating, for nutrition—a safety net against starvation in this country. This is not an experimental situation in which, as the Senator from Missouri advocates, like it or not we send it back to the States and say to the Governors: "You are going to have to run it. You may not have asked for it. You may not wish to deal with it at all. But, by golly, you are going to have it and with exactly the same amount of money being spent now with a little bit of inflation rise per year. It does not matter whether the country is in recession or prosperity; it does not matter whether you have more people coming in. That is your tough luck. We are going to send it to you because we are tired of it and we do not want to spend any more money on it and we do not want to take the responsibility for it."

Mr. President, I believe that is an understandable attitude but, I hope, not the attitude the Senate winds up with today. Because, for many thousands of Americans, that is likely to be a disastrous decision and Senators really have to consider and weigh on their consciences today the proposition, which is a very fundamental one, before us.

As the Senator from Vermont pointed out, we are not doing this amendment as a favor to Governors. As a matter of fact, most have not requested this responsibility. Most of the Governors coming into our committee have not wanted the responsibility. To give some impression that Governors all over the country are eager to grasp all of this is totally erroneous.

There are some very able Governors who want to run it, and my judgment is that they will run it very well. But we have had a good number of Governors who have said we are inundated by people. We are inundated by the economic cycle. Yet, here we debate on this floor today the thought that, like it or not, the States will simply have the Food Stamp Program, or, as a matter of fact, they may not have much of a program at all.

The Governors may decide, in fact, to use the money for something else. If you happen to be a citizen of one of those States, you are out of luck. We have said thus far, Mr. President, that if you are an American, if you are here in this country and you are unemployed, you are disabled and you have problems, there is at least a safety net. And we have been proud that has been the case.

Let me just say that the Committee on Agriculture, long before we got into the welfare debate, was involved in reform of food stamp discussions this year. We are also involved in a very serious budget problem. We are going to have a reconciliation bill shortly. By September 22, we must report from our committee $48.4 billion of savings over a 7-year period of time.

Mr. President, we have identified $30 billion of savings in the nutrition programs and most of that in the Food Stamp Program. The Committee on Agriculture has been diligent because we have tried to both reform the program and make certain it was less expensive even while retaining the basic safety net of the program. The House of Representatives has done a similar job.

Mr. President, I will point out that the Republican leadership welfare proposal we are now debating, as does the House bill, does not block grant the Food Stamp Program but makes dramatic changes in its structure. It greatly expands the States' administrative flexibility and ability to implement welfare reform initiatives. By allowing States to operate a State-designed simplified food stamp program for cash welfare recipients and have more control over a host of regular program rules, States are given the option of taking the food stamp assistance as a block grant.

So, Mr. President, if I am in error—and there are a host of Governors out there who have been eager to get this program, they are going to have that option. They may be lined up at the door, but I have not seen the line. All I am saying is they have that option. If they do so, they must spend 80 percent of the money that the Federal Government is spending on food. The rest can be spent on employment and training programs and, up to 6 percent, on administration.

The citizens in their State will have to hope that those Governors and legislators, if they become involved in that decision—that is a very interesting question, Mr. President: What if there was a case in which State legislators allow the Governor alone to make such a decision? Should a decision as grave as this one be vested in a Governor to take an entire State off the Food Stamp Program irrevocably, a one-time decision from which there is no return without the legislature, without any check and balance within that State? Should the Governor, in fact, be prepared to terminate the program if that is his wish or her wish, as the case may be? Where is the democracy in that situation even while we are eager to shed this burden and move down the trail of devolution?

Let me say it is important that Senators know the reforms that were enacted by the Agriculture Committee and have been adopted by the leadership proposal. I cite not all of them but ones that I think are very important that Senators know are a part of this bill but would not be a part necessarily of any regime in any State that decided simply to block grant food stamps.

In this bill, we disqualify any adult who voluntarily quits a job or reduces work effort. We deny food stamps to able-bodied adults 18 to 50 without children who received food stamps for 6 months out of the previous 12 months without working or participating in a work program at least half time. Those are pretty stringent qualifications.

We ensure that food stamp benefits do not increase when a recipient's welfare benefits are reduced for failing to comply with other non-work-related welfare rules, such as the failure to get children immunized. States may also reduce food stamp allotments for up to 25 percent for failure to comply with other welfare programs rules. States may do that.

We allow in this bill States to disqualify an individual from food stamps for the period that they are disqualified from other public assistance programs for failure to perform an action required in the other program. For example, failure to comply with AFDC work requirements must trigger a food stamp disqualification. We establish mandatory minimum disqualification periods for violation of work rules, and States may adopt even longer disqualification periods and may permanently disqualify a recipient for a third violation of a work rule—permanently disqualify.

We give States control over the Food Stamp Program for households composed entirely of AFDC members as long as Federal costs do not increase. States choose their AFDC rules, food stamp rules, or a combination to develop one standardized set of rules. States may do all of this under this bill.

Mr. President, if this is the case, a Senator might ask, why the objection to simply letting States do it all? Why not make it permissive? Why spell it out in a Federal bill? We do so to preserve a national safety net.

The leadership bill before us now that we are debating is not a bill that is very permissive. This is a bill that saves $30 billion over 7 years. In almost every conceivable way, in the 106 pages which the Agriculture Committee put together, it tries to make certain that food stamp programs stay on the straight and narrow.

Perhaps State legislatures will want to replicate that. Perhaps legislatures want to borrow this intact and pass it as a State law. But if they do not, Mr. President, the Governor of that State is going to have a heck of a time administering food stamps. The provisions in the leadership bill come from a body of knowledge and experience over the years of how fraud and abuse occur, and it occurs in many, many ways, not easily discovered in a transition period of a few weeks during which time the States with or without enthusiasm take over the Food Stamp Program.

Mr. President, the overwhelming case for a rejection of this amendment finally comes back to the fact that none of us can foretell the future in a dynamic economy such as ours. We are a free country. Thank goodness. People can move from State to State, and they do so by the tens of millions every year.

Yet, Mr. President, we are in the process of about to lock in flat amounts to States for the duration of this experiment, an amount of money that will not be changed if that State has a huge number of new people coming into it for whatever reason.

Perhaps States may say, "Well, we will control that. We will simply abandon the Food Stamp Program. There is nothing attractive about our State. Why not let other States that have a food stamp program take care of persons who are disabled or suddenly unemployed, or infants and children or what have you? Why not let those States take care of them?"

Mr. President, people can pick and choose where to live by their migratory patterns in this country. Perhaps the idea of a safety net wherever it is, is not attractive to Senators or citizens. But I have not heard the case made on those grounds very frequently. And I would say furthermore that even if there were no changes in population in the country, clearly there are changes every year in the economic cycle.

In my home State of Indiana in 1982—I was reminded of this as we were discussing another food stamp amendment yesterday—in Kokomo, IN, in Anderson, in Muncie, Indiana where there were large concentrations of auto workers at a time of great recession, the unemployment reached, in each of those cities, 20 percent. I would just say that kind of unemployment is massive, and it is horrible to witness. The Food Stamp Program was very important to those cities, very important to our State. Whoever was Governor of Indiana could not have anticipated in 1979 and 1980 or even 1981 that there would be 20-percent unemployment in those localities. There was no way anyone could have been wise enough to have prophesied that. But the Governor of Indiana was mighty pleased that in fact there was a safety net for nutrition in our country and in the State of Indiana at that point and that he was not responsible at that moment for facing a whole apparatus for administering the Food Stamp Program.

Our Governor did not assert that he was wiser than everybody in the country; that he could do it better. He knew the problems better in Kokomo. Of course, he did. But that would not have made a whit of difference in terms of the nutrition needs of people who were suddenly and massively unemployed in ways that were not going to be remedied very rapidly.

Mr. President, it is simply reckless in a country of great dynamic changes of population and in the economic cycle to throw away the safety net; and that is the issue here.

The Senator from Missouri, in intellectual fairness, has presented very squarely that his amendment is the end of the Federal safety net, the end of the Federal Food Stamp Program, and there are many who will rejoice in that and say good riddance; we should never have started this humanitarian effort to begin with.

I am not one of them, Mr. President. I am hopeful a majority of Senators do not join in that point of view either. Of course, we must reform, and I have listed 6 of possibly 50 very sizable, tough reforms. Of course, we have to downsize and, of course, we have to economize. And we are doing it with a vengeance; $30 billion in 7 years for food stamp recipients, but, of course, we must have a safety net in a vast and complex country such as ours.

Mr. President, I yield and reserve the remainder of my time.

The PRESIDING OFFICER. Who yields time?

Mr. ASHCROFT addressed the Chair.

The PRESIDING OFFICER. The Senator from Missouri.

Mr. ASHCROFT. May I inquire as to the remaining time on both sides?

The PRESIDING OFFICER. The Senator from Missouri has 16 minutes and 55 seconds, the Senator from Indiana has 7 minutes and 18 seconds.

Mr. ASHCROFT. Mr. President, I yield so much time as I might consume.

The PRESIDING OFFICER. The Senator from Missouri.

Mr. ASHCROFT. The question we debate today is not whether or not there will be assistance to individuals who are in need. The question we debate today is whether or not that assistance will be delivered by State officials who are proximate to the problem or whether we are going to persist with a one-size-fits-all system in Washington, DC, which is characterized by the highest administrative costs of any welfare program, rampant fraud and abuse, and 900 pages of excessive Federal regulations. I have not proposed ending the ability of States to meet the needs of their people. I am proposing enhancing the ability of States to meet those needs.

The distinguished Senator from Vermont talked about the needs in the event of earthquakes, floods, or other natural disasters. And the distinguished Senator from Indiana, for whom I have great respect, talked about needs in times of recession. I believe those are needs, those are legitimate needs, those are times when people legitimately need assistance, and I believe that assistance can best be rendered if we ask those at the State level to effect those programs they can effect to provide delivery of the services.

I might point out that the proposed amendment does not diminish the funding available for food stamps. We took the CBO numbers, the projections under the Dole bill and said those would be the amount of the block grant.

This is not a debate over the amount of resources that will be available. This is a debate over whether that resource will continue to be delivered through a one-size-fits-all bureaucracy that has failed in Washington, DC, or whether we are going to empower States that have substantial ideas on what they can do to deliver this program.

Let me quote to you what Gerald Miller says, director of social services for Governor Engler in Michigan.

"Under a block grant," he said, "States could deliver services more cheaply and efficiently without cutting benefits." Miller contends that if the food stamp program remains unchanged, it will have to be cut to meet deficit reduction targets. If the food stamp program were to be made into a block grant," he said, "I don't know one Republican Governor who would cut benefits to one client.

The distinguished Senator from Indiana indicated that Republican Governors or Governors in general might not be in favor of these kinds of amendments. I am pleased to just say that I know of one Governor, Gov. Tommy Thompson, who is a leading Republican Governor and one of the leading proponents of welfare reform in the country. I have his letter dated September 11, 1995, which I will submit for the RECORD.

I ask unanimous consent that it be printed in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

STATE OF WISCONSIN,
September 11, 1995.

HON. JOHN ASHCROFT,
U.S. Senate, Senate Hart Building, Washington DC.

HON. RICHARD C. SHELBY,
U.S. Senate, Senate Hart Building, Washington DC.

DEAR SENATORS ASHCROFT AND SHELBY: As I know you both agree, the welfare reform bill currently being considered, S. 1120, is a dramatic improvement over current law. Each of you has submitted amendments to this bill which allow for still greater flexibility in the use of food stamps in the form of block grants. The purpose of this letter is to support your efforts in this regard.

Senator Ashcroft's amendment allows the maximum level of state flexibility while preserving the anticipated level of federal financial support envisioned in the leadership bill. Senator Shelby's amendment would also allow for generous state flexibility while at the same time reducing federal expenditures on food stamps through anticipated improvements in state efficiency in managing the program.

I heartily endorse both of your efforts to increase the level of flexibility allowed in the management of the food stamp program. In addition, the transferability of funds from the food stamp block grant to the AFDC block grant, which is common to both your bills, is of critical importance to states like Wisconsin. We anticipate spending more on work programs and supports to work, such as child care, and less on unrestricted benefits. Therefore, we need this funding flexibility.

We fully support both of your efforts to improve the leadership bill to allow for more effective administration of the food stamp block grant.

Sincerely,

TOMMY G. THOMPSON,
Governor.

Mr. ASHCROFT. It is addressed to the Honorable RICHARD C. SHELBY of this body and to me. It endorses the effort to increase the flexibility for States in the Food Stamp Program and the block grant program.

Now, reference has been made to the safety net for nutrition; that we need to help citizens who are in real need; we need to deliver and meet that need effectively.

Reference has been made to the potential—and I do not understand this—of an irrevocable, one-time decision by Governors to abandon food help to their citizens. I do not know of any Governor that has that kind of authority, and I do not know of any government anywhere in the United States that can make irrevocable decisions to abandon things.

The political process operates. People with needs know their way to the State capital. It is easier to get there than it is to the National Capital. Welfare recipients have the right to vote. This body and the U.S. Congress in the last session provided a special means of registering welfare recipients so that they would be given a right to vote, their voice would be heard, making their voice heard in a place close to them, the State capital, instead of demanding that they come to Washington to have their voice heard, and demanding that they find their way through 900 pages of Federal regulations appears to me to be an important thing.

Let me just additionally say it was indicated no one has the ability to know what the future holds if we were to have a block grant to the States. I can tell you what the future holds if we do not block grant this to the States.

The future holds the same kind of problems that we have had in the past with entitlement spending that continues to build the program. When the Federal program is an entitlement program, it is in the interest of the State to build the program. States administering the program without a financial stake in the program keep shifting people into the program; it brings money to the State automatically. It is part of the pernicious impact of this Federal system of welfare which has resulted in a growing portion of our population being dependent on Government rather than a shrinking portion of our population being dependent on Government.

It is a simple question. Do we want more welfare and less independence or do we want more independence and less welfare? The structure of the way we deliver benefits should not be designed to increase welfare as it is now. It should be designed to increase independence.

I believe the opportunity made available to the States of this country through a block grant so that States can formulate their own rules and they know they are operating within a limited amount of resources is exactly what we need. An entitlement system simply is absent the kind of incentive for reduction in the problem.

We need to reform welfare, not to grow it. People in my State, when they spell reform, spell it r-e-d-u-c-e, reduce. It is time for us to reduce welfare.

So with all due respect for my distinguished colleagues from Vermont and from Indiana, who have indicated that it is important to have an entitlement program that is open ended, I think it has the wrong structural incentives.

One last point that I would make. My respected and distinguished colleague from Vermont, Senator LEAHY, mentioned we could not consider this program to be an incentive for illegitimacy. I do not think it was designed to be an incentive for illegitimacy. But the fact of the matter is that the more children you have in the family, the bigger the benefits are. And in the context of a benefit that can be changed into cash with unfortunate and inappropriate ease, I think it is undeniable that we have simply exacerbated the problem.

Mr. President, I reserve the remainder of my time.

The PRESIDING OFFICER. Who yields time?

Mr. LUGAR addressed the Chair.

The PRESIDING OFFICER. The Senator from Indiana.

Mr. LUGAR. Mr. President, let me just indicate again that the welfare reform bill in front of the Senate is not one that is permissive. It talks about reform and reduction, as the distinguished Senator from Missouri has pointed out. All of the requirements that I mentioned in the reform of food stamps are clearly not permissive. They do not permit a program that is open-ended. Quite to the contrary, they demand a program that reduces expenses by $30 billion in 7 years of time, a program that is thoroughly conversant with fraud and abuse, as has been observed and will be discovered by States that attempt to run these complex programs. But, Mr. President, I have no quarrel with a Governor or a State that wishes to take over the Food Stamp Program. As a matter of fact, the bill in front of us permits that explicitly.

What I do think is inadvisable is for the Congress—or the Senate more particularly today—to simply say, whether you want the program or not, it is yours and you are going to have to deal with it, all of the regulations, all of the stipulations. And even if you are well motivated to serve those who are hungry, you are going to have to figure out from scratch how to do that and on a limited amount of money that will not increase whether the economic times change or the population changes. That I think, Mr. President, is ill-advised, and so do many others.

I ask unanimous consent to have printed in the RECORD, Mr. President, letters from the Food Marketing Institute, from the National-American Wholesale Grocers' Association, the National Cattlemen's Association, and the National Peanut Council, Inc., that back the current proposals in the welfare bill that is before us and would oppose block-granting food stamp programs.

There being no objection, the letters were ordered to be printed in the RECORD, as follows:

FOOD MARKETING INSTITUTE,
Washington, DC, July 11, 1995.

Hon. RICHARD G. LUGAR,
U.S. Senate, Washington, DC.

DEAR SENATOR LUGAR: The retail food industry full supports the efforts of this Congress to produce meaningful welfare reform that is simpler, more efficient and less costly than the current system. The food stamp program is one aspect of welfare reform that is of particular concern to our industry. We have been participating in this program for over twenty-five years and have long supported food stamps as an effective and efficient way of reducing hunger.

FMI supports the food stamp reforms approved by the Senate Agriculture Committee. The supermarket industry believes the Agriculture Committee bill allows state and local flexibility to create innovative programs while maintaining a system that guarantees allocated funding will be used for food assistance. Research has demonstrated that removing the link between program benefits and the actual purchase of food results in the deterioration of nutritional diets, especially for our children. Food assistance programs are different from other welfare programs—they are the basic safety net for those who cannot afford adequate diets. We are concerned that converting the federal nutrition program into a cash program would inadvertently result in eliminating the current food stamp program and the long-term effects would be disastrous.

As the most effective way to curb fraud and abuse, FMI supports the conversion of paper food stamps to a nationally uniform EBT system. Without a uniform national delivery system, there is potential for different sets of standards and operational procedures all of which would make it impossible to set up an effective central monitoring system to detect fraud and abuse. Continued access for recipients in rural communities and urban centers is critically important as we move to implement a nationwide EBT system. We support modifications to the Agriculture Committee bill to assure that all EBT systems are compatible and available to the smallest, local community stores. This will allow recipients to retain the freedom to shop at stores of their choice without overly restricting state flexibility. A uniform delivery system is the best way to reduce cost and make this important domestic feeding program even better and more efficient. Current law also prohibits the government from shifting EBT program cost to retailers who are licensed to accept food stamps which would in effect eliminate many from participating in the program. We would oppose any efforts to eliminate that protection.

FMI pledges to work with you to achieve meaningful welfare reform. However, we must not lose sight of the fact that cashing out the food stamp program would be a disaster for needy families and their communities all across America. This is why we support the approach taken by the Senate Agriculture Committee.

The Food Marketing Institute (FMI) is a nonprofit association conducting programs in research, education, industry relations and public affairs on behalf of its 1,500 members including their subsidiaries—food retailers and wholesalers and their customers in the United States and around the world. FMI's domestic member companies operate approximately 21,000 retail food stores with a combined annual sales volume of $220 billion—more than half of all grocery store sales in the United States. FMI's retail membership is composed of large multi-store chains, small regional firms and independent supermarkets. Its international membership includes 200 members from 60 countries.

Sincerely,

TIM HAMMONDS,
President and CEO.

THE FOOD DISTRIBUTORS ASSOCIATION,
September 12, 1995.

Hon. RICHARD LUGAR,
Chairman, Senate Committee on Agriculture, Nutrition, and Forestry, U.S. Senate, Washington, DC.

DEAR CHAIRMAN LUGAR: The National-American Wholesale Grocers' Association and the International Foodservice Distributors Association (NAWGA/IFDA) supports the reform of our welfare system, including the significant reforms your Committee has recommended for the Food Stamp Program. However, we do not believe "cashing-out" the Food Stamp Program falls under the rubric of reform. NAWGA/IFDA is an international trade association comprised of food distribution companies which primarily supply and service independent grocers and foodservice operations throughout the U.S. and Canada.

We understand that several amendments may be offered in the coming days which would effectively cash-out the Food Stamp Program. NAWGA/IFDA respectfully urges the rejection of these amendments.

There is no conclusive evidence that cashing-out the Food Stamp Program would improve the delivery of welfare benefits. In fact, cash-out demonstration projects conducted by the Department of Agriculture have shown a five to eighteen percent decline in food expenditures. Although attractive because of its administrative simplicity, we do not believe that such a system could effectively serve food stamp recipients.

Sincerely,

KEVIN BURKE,
Vice President, Government Affairs.

NATIONAL CATTLEMEN'S ASSOCIATION,
Washington, DC, February 14, 1995.

Hon. BILL EMERSON,
House of Representatives, Washington, DC.

DEAR MR. CHAIRMAN: I am writing to convey the National Cattlemen's Association's recent grassroots policy decisions on Welfare Reform and specifically block granting federal food-assistance funds (H.R. 4). The National Cattlemen's Association, which is the national spokesperson for all segments of the U.S. beef cattle industry representing 230,000 cattle producers throughout the country, supports welfare reform by providing increased control to local government. Cattle producers have long supported the Commodity Distribution Program and other food assistance programs, as a means of providing nutritious foods to those in need in a cost effective manner. We believe it is time however, to review these programs and make appropriate changes to increase their efficiency and effectiveness.

In addition to overall themes of increasing state flexibility balancing the budget, the National Cattlemen's Association supports the following provisions in any welfare reform legislation:

Money designated for food stamp recipients must be spent on food only.

A commodity purchase group should continue within USDA to assist states in increasing their volume purchasing power, thus saving states money.

A means must be established to purchase non-price supported commodities when an over-supply situation occurs.

Third party verification to assure contractual performance.

Adequate nutritional standards for school lunch programs.

The National Cattlemen's Association supports efforts to control federal spending and decrease the size of the federal government. We would very much like to work with you to make these goals a reality. For further information, please contact Beth Johnson or Chandler Keys in our Washington office (202) 347-0228.

Sincerely,

SHERI SPADER,
Chairman, Food Policy Committee.

NATIONAL PEANUT COUNCIL, INC.,
Alexandria, VA, December 9, 1994.

Hon. RICHARD G. LUGAR,
U.S. Senate, Washington, DC.

DEAR SENATOR LUGAR: We write to urge you in the strongest possible terms to oppose proposals, such as those included in the Pension Responsibility Act (PRA), to replace current federal food assistance programs with block grant funding. We oppose both the concept of block grant funding and the sharply reduced funding levels that have been proposed.

We oppose these proposals for the following reasons:

(1) The block grant approach fails to assure that federal dollars will go for their intended purposes. Under the PRA, large portions of federal funding for food assistance could be provided in cash. Specifically, the PRA would allow benefits previously provided as food stamp and WIC coupons to instead be provided as cash. Thus, states would be free to provide assistance that could be devoted to other non-food needs. This approach could not only have a serious deleterious effect on low-income children and families but also could effect adversely the entire food and agriculture economy. In addition, the block grant converts nutrition programs from entitlements into discretionary programs subject to annual appropriations. Thus, there is no guarantee that any federal dollars will be available for food assistance.

(2) The block grant approach is inherently insensitive to the poor when their needs are greatest. There is no mechanism in block grants to assure assistance will expand during a recession or when need arises (such as a natural disaster). At the very time that needs go up in one state and potentially down in another, the funding will be inflexible and thus inefficiently applied to those states.

(3) The PRA would likely end the school lunch program as we know it. By proscribing assistance paid for meals served to "middle income" children, the likely result of the PRA is that millions of school children and thousands of schools will abandon the current system that guarantees free and reduced price meals to low-income children. Far smaller cutbacks in this subsidy in 1981 resulted in a loss of about 2,000 schools and two million children (750,000 low-income) from the program.

(4) The block grant approach removes from food assistance any tie to nutritional standards. Once states are free to design any program they want, there will be no assurance that the federal dollars are being spent consistent with fundamental standards on diet and health.

The block grant approach, especially with reduced funding levels, will result in more children in this country going hungry. Most of the programs affected are child nutrition programs, and half of all the participants of the largest nutrition program affected (food stamps) are children.

The resulting tremendous increase in need cannot be met by private charities. These institutions have repeatedly documented that they cannot meet the demand currently placed upon them. Furthermore, we strenuously object to any policy that could have the effect of an exponential increase in the number of Americans who must feed their families through soup kitchen and bread lines. This is no way for the greatest nation in the world to care for its needy residents.

Finally, we suggest that a return to block grants ignores the history of why federal food assistance programs were established. The federal government stepped in because states were either unable or unwilling to meet the needs of our people.

The federal nutrition programs are an enormous success story, built with bipartisan support from Congress over many years. Study after study has documented the effectiveness of the very programs that proposals like the PRA would turn back to the states. These programs have been proven to enhance the health and education of our children, some saving money in the long run. They also can serve as effective organizing tools for crime prevention.

Initial estimates indicate the PRA could reduce food assistance funding by about ten percent ($4 to $5 billion a year) from the projected $40 billion FY 1996 food assistance funding level. Even this inadequate level would not be guaranteed since each year's funding would be subject to appropriations. There may be a need for the federal government to save money, but not feeding hungry children and their families is a poor place to start.

Sincerely,

DR. A. WAYNE LORD,
National Peanut Council Chairman, Southco Commodities.

AMENDMENT NO. 2562

Ms. MIKULSKI. Mr. President, I rise today to speak in opposition to the Ashcroft amendment on food stamps.

For the second straight day we are being asked to launch an attack on the Food Stamp Program. Once again I want to restate that Democrats support real reform of food stamps, not an effort to take food away from people. This amendment block-grants food stamps and in the process denies a safety net for kids. Once we turn this program into a block grant we end our commitment to feed all those children who fall victim to the next recession.

I am serious about reforming this program. I am pleased that Maryland has lead the country in introducing ways to cut down on fraud by going to an electronic system. Democrats have included reform of food stamps in our welfare reform bill. We included increased civil and criminal forfeiture for grocers who violate the Food Stamp Act. We tell stores that they must reapply for the Food Stamp Program so that we make sure that fraud is not happening. Retailers who have already been disqualified from the WIC Program are disqualified from food stamps. We encourage States to enact their own reforms including the use of an electronic card and a picture ID. Democrats don't stop there. We are willing to require able-bodied people to work.

Mr. President, the fight here is over food, not fraud. This amendment would take the current system and throw it out. After we eliminate the current system we then turn it over to State governments. There are no guarantees in this amendment that States will not create their own bureaucratic wasteland. No guarantees that money going for food won't be diverted to nonnutrition needs. If we block-grant food stamps, what guarantees U.S. taxpayers that the dollars going for food stamps won't be converted to fund other programs in the next recession? What guarantees do we have that these nutrition funds won't become a bailout fund for some politically vulnerable Governor?

Mr. President, I repeat, I am for welfare reform—all Democrats are. That is why we worked hard at a real reform bill. That bill includes reforms to the Food Stamp Program. This amendment replaces reform with regression. Regression back to a time when we did not commit our Nation to a goal of feeding hungry people. It is time we focused our attention back on reform. We can do that by voting down this amendment.

Mr. LUGAR. Mr. President, I reserve the remainder of my time, and I ask once again for clarification of how much time remains to the two sides.

The PRESIDING OFFICER. The Senator from Indiana has 5 minutes; the Senator from Missouri has 8 minutes 15 seconds.

Mr. LUGAR. I thank the Chair.

The PRESIDING OFFICER. Who yields time?

If no one yields time, the time will be deducted equally from both sides.

Mr. LUGAR addressed the Chair.

The PRESIDING OFFICER. The Senator from Indiana.

Mr. LUGAR. I yield myself as much time as I may require for a concluding statement. I see no other Senators wishing to speak on this subject on our side.

Mr. President, let me just state the case for retaining the welfare bill in front of us, the leadership bill, which permits block granting to States but does not demand it.

First of all, the mandatory block grant would subject poor children, families, and elderly people to serious risks during economic downturns.

Second, the formula for distributing funds would be inequitable and would penalize large numbers of States, especially those with expanding population.

Third, the Agriculture Committee, which I chair, would have to make deeper cuts in farm programs or the school lunch or other child nutrition programs because the amounts in the Ashcroft amendment are not as great a cut as the ones that we have already made. There is a discrepancy of over $3 billion as we calculate it.

Fourth, the amendment would likely lead to sharp reductions in food purchases and nutritional well-being and would injure the food and agricultural sectors of our economy.

Fifth, the bill denies food stamps to indigent, elderly, and disabled people who do not meet the work requirements.

Sixth, the amendment allows States to withdraw all State funds used to administer the Food Stamp Program and substitute Federal funds for them.

Seventh, the amendment would widen disparity among States and intensify a race to the bottom.

Eighth, Mr. President, it would weaken the safety net for children throughout the country.

And, finally, the amendment could increase fraud even though the desire, obviously, of the proponents is to limit fraud. There is no guarantee that States, starting from scratch in a complex program, would enjoy a situation of a greater fight against fraud than we experience in the Federal Government. Really, I think the evidence is to the contrary.

Mr. President, for all of these reasons, plus the obvious one, and that is a safety net of nutrition for Americans is vital and it should not be cast away in this amendment, I call for the defeat of the Ashcroft amendment and the retention of the safety net that we have currently.

I thank the Chair.

The PRESIDING OFFICER. Who yields time?

Mr. ASHCROFT. May I inquire of the Chair the time remaining?

The PRESIDING OFFICER. The Senator from Missouri has 7 minutes remaining. The Senator from Indiana has 1 minute 45 seconds.

Mr. ASHCROFT. I thank the Chair.

Mr. President, I am pleased to ask the Members of this body to vote in favor of endowing the States with the opportunity to substantially reform the welfare system, the single largest component of the welfare system, which touches almost 1 in every 10 Americans, and to do so by providing the resources to the States so that their legislatures and their Governors can make the resources available to truly needy individuals in a way that is far more efficient, is far less likely to consume additional resources. This is an idea which is welcomed by the States. Let me read from Governor Thompson's letter sent to my office.

> Senator Ashcroft's amendment allows the maximum level of state flexibility while preserving the anticipated level of federal financial support envisioned in the leadership bill. In addition, the transferability of funds from the food stamp block grant to the AFDC block grant, which is common, is of critical importance to States like Wisconsin.

Wisconsin, as you know, has been a leading State in welfare reform. One of the reasons it is important that we have the kind of transferability and that we put AFDC and food stamps both into block grants is that, if you leave one Federal program as an entitlement without any limit as to the spending involved and you put another Federal program into a block grant, States can shift people from one area to another, pushing people into one area and elevating the Federal responsibility in order to curtail the responsibility of the State.

This would distort the allocation of resources. It simply would not be appropriate. We need to have the discipline and the management tools necessary for these programs to be administered appropriately and honestly. You could understand that if the AFDC Program, which is a shared program between the State and the Federal Government were to be block granted, and you maintained an entitlement in food stamps, that it would lead States to shift people from the limited area of State assistance to the unlimited area of the entitlement.

The distinguished Senator from Indiana has indicated that they hope to have savings of a substantial amount as a result of reforms that have been added to the program. Of course, we have seen these reforms year after year and time after time. We had major food stamp legislation in 1981 and then in 1988 and several times it has been adjusted in this decade. We have also seen what the chart shows: That food stamp consumption goes up and up.

It is anticipated that food stamps will rise. Under the Dole bill, food stamp consumption is supposed to go up. SSI is supposed to go up. It is anticipated that AFDC will remain low. Surprise, surprise. The Dole bill, the leadership bill, provides that AFDC would be a block grant where the incentives would exist to keep the program down. And the anticipated rises here, frankly, by CBO are not rises that project any cost shifting, sending people from this category into these categories. That is not the reason for the rise, that is just another projection.

But if we make this a block grant program and it is limited and we say that these continue to be unlimited in entitlement programs, the natural tendency will be for States to start shifting clients from this client base over into these categories. As I suggested, these categories are likely to be increasing even further.

I believe that the people of this country have called upon us to reform welfare. To ignore the largest single welfare program in terms of people that it touches in this country and to say that it is off the table, and to call it some kind of a safety net, and to say we cannot trust local officials or State officials to be compassionate in the administration of these funds, and to say that we prefer the Federal bureaucracy, and that somehow there is greater compassion in this body and the Congress than there would be at State capitals, I think is to miss the point. The point should be that we should be focused on reforming the welfare system. We will not get great reform if we say to States, "Well, you can opt into a block grant but, on the other hand, if you do not opt into a block grant, we will let you continue in an entitlement program." "In an entitlement program" means you can continue to get money for all the people you can possibly find to qualify.

The incentives for cost reduction in that environment, the incentives for caseload are substantially lower than they would be in the setting of a block grant.

Not only would the incentives be substantially lower, but compliance costs, for complying with these 900 pages of regulations, still exist. You still find yourself in a system with about 24 percent friction in the system—the fraud, the abuse, the high administrative costs. It has been estimated that perhaps the leadership bill would take 90 pages out of the 900 pages of regulations. Some suggestion has been made, well, the States would not know how to come up to speed on this. After all, they could not do this in a couple weeks, they could not make this transition.

The truth of the matter is that States have had to administer this program covered over with the redtape of the Federal bureaucracy for years for the last quarter century. They know this program better than the Federal officials do. There are not that many food stamp employees in the country that are not State and local governmental employees, but they know what they are working under and they know how it is burdening the system and they know the additional costs. It is that additional cost that has caused them to say, if we could have this program as a block grant, we could serve people far more carefully and far better.

So I believe that our responsibility is a responsibility to really reform welfare. Our responsibility is a responsibility to avoid cost shifting. Our responsibility is a responsibility to recognize that we have been working with a failed system.

The PRESIDING OFFICER. The Chair advises the Senator his time has expired.

Mr. ASHCROFT. I urge the Members of this body to include, in real reform for welfare, reform of the biggest of the welfare programs, the Food Stamp Program.

The PRESIDING OFFICER. The Senator from Indiana.

Mr. LUGAR. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Does the Senator yield back all time?

Mr. LUGAR. Yes.

The PRESIDING OFFICER. All time is yielded back.

Mr. ASHCROFT. I ask unanimous consent that Senator GRAMM of Texas be added as a cosponsor of this amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

The Senator from Indiana.

Mr. LUGAR. Mr. President, I ask for the yeas and nays on the amendment.

The PRESIDING OFFICER. Is there a sufficient second?

There appears to be a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the amendment. The yeas and nays have been ordered. The clerk will call the roll.

The assistant legislative clerk called the roll.

The PRESIDING OFFICER (Mr. ASHCROFT). ARE THERE ANY OTHER SENATORS IN THE CHAMBER DESIRING TO VOTE?

The result was announced—yeas 36, nays 64, as follows:

[Rollcall Vote No. 412 Leg.]

YEAS—36

Abraham
Ashcroft
Bennett
Brown
Coats
Coverdell
Craig
DeWine
Dole
Faircloth
Frist
Gramm
Grams
Grassley
Gregg
Hatch
Helms
Inhofe
Kempthorne
Kyl
Lott
Mack
McCain
McConnell
Murkowski
Nickles
Packwood
Roth
Santorum
Shelby
Simpson
Smith
Stevens
Thomas
Thompson
Thurmond

NAYS—64

Akaka
Baucus
Biden
Bingaman
Bond
Boxer
Bradley
Breaux
Bryan
Bumpers
Burns
Byrd
Campbell
Chafee
Cochran
Cohen
Conrad
D'Amato
Daschle
Dodd
Domenici
Dorgan
Exon
Feingold
Feinstein
Ford
Glenn
Gorton
Graham
Harkin
Hatfield
Heflin
Hollings
Hutchison
Inouye
Jeffords
Johnston
Kassebaum
Kennedy
Kerrey
Kerry
Kohl
Lautenberg
Leahy
Levin
Lieberman
Lugar
Mikulski
Moseley-Braun
Moynihan
Murray
Nunn
Pell
Pressler
Pryor
Reid
Robb
Rockefeller
Sarbanes
Simon
Snowe
Specter
Warner
Wellstone

So the amendment (No. 2562) was rejected.

Mr. MOYNIHAN. Mr. President, I move to reconsider the vote.

Mr. FORD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 2527

The PRESIDING OFFICER. Under the previous order, the Senate will now resume consideration of the Shelby amendment, No. 2527.

Who yields time on the amendment? If neither side yields time, time will be subtracted equally from both sides.

Mr. MOYNIHAN. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. MOYNIHAN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MOYNIHAN. Mr. President, we must have order. This is a matter of consequence.

The PRESIDING OFFICER. The Senate will be in order.

Who yields time? The Senator from Alabama.

Mr. SHELBY. Mr. President, under a unanimous-consent agreement, I was slated to offer an amendment dealing with food stamps. I will not offer that amendment at this time. I ask unanimous consent I be allowed to withdraw the amendment.

The PRESIDING OFFICER. Without objection, it is so ordered. The amendment is withdrawn.

The amendment (No. 2527) was withdrawn.

The PRESIDING OFFICER. Under the previous order, the Senate will now resume consideration of three Moseley-Braun amendments, Nos. 2471, 2472, and 2473, on which there shall be a total of 2 hours of debate.

Who yields time?

Mr. MOYNIHAN. Mr. President, may I inquire of my friend from Illinois, has one of the amendments been accepted?

Ms. MOSELEY-BRAUN. No. There are three amendments. I would like a moment to consult with the Senator from New York. Therefore, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Ms. MOSELEY-BRAUN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

AMENDMENT NO. 2471

Ms. MOSELEY-BRAUN. Mr. President, I send an amendment to the desk which I now would like to have a vote on and discussion.

Essentially, this is the bottom-line child-protection amendment. It establishes a requirement that there be a voucher program for children, minor children, whose families would otherwise be eligible for assistance except for the time limit or other penalties, and where the parent has not complied with whatever the State rules are, the payment for that child's assistance could be made, if necessary, to a third party.

Mr. President, I ask my colleagues to take a good look at this amendment and to support it because, quite frankly, this amendment is one that can be supported by those who favor block grants and by those who oppose block grants. It also warrants support by those who favor State flexibility and by those who oppose State flexibility. This amendment speaks to maintaining a safety net for poor children.

This amendment essentially provides a floor below which no child in this United States will fall. Essentially, what it says is that children will not be penalized for the behavior of their parents. We have already had a lot of discussion in this forum about welfare reform, and the extent to which it affects the children. Quite frankly, the numbers make it very clear that out of the 14 million people in the United States who are currently receiving AFDC, 9 million of those people are children.

So essentially, if we penalize the majority, the children, for the behavior of their parents, I think we will have committed a great harm. It seems to me that our efforts to reform the welfare system should, at a minimum, do no harm to the children.

Mr. President, the United States, our country, has a child poverty rate of some 22 percent. That is one in five children who is poor. Our child poverty rate exceeds those of all the other industrialized nations. As we address the whole issue of poverty in the United States, and particularly child poverty, it seems to me that we ought to provide a minimum below which no child will fall, a minimum safety net that still allows the States to construct their own rules and requirements. A State can set up whatever kind of plan it wants to, at least within the parameters of the underlying legislation. A State will have the flexibility through the block grants to do as they will in terms of time limits, in terms of other requirements. But at a minimum, I think we should have consensus in this body that children caught in that situation will not be penalized for the failure of their parent to comply with the rule, whatever that State rule is, pertaining to welfare.

Mr. President, this amendment would ensure at a very minimum that every State will provide essential support through a voucher for poor children whose parents and families no longer qualify for assistance. The amendment would allow the use of block grant funds for this purpose. So in that regard, it will allow for the maintenance of the flexibility that is in the underlying legislation again for the protection of children.

Mr. President, I ask for my colleagues' support of this legislation. I am prepared, of course, to entertain any questions regarding this.

Specifically, Mr. President, I would like to point to the notion that, with regard to the underlying legislation, there is a 5-year time limitation in terms of public assistance. It is unlikely, quite frankly, but there is the possibility—hopefully, it will not happen all that often, but there is at least a prospect—that we will have 6-year-old children walking around with no subsistence, with no support, with no help at all.

If, indeed, their parents fail to comply with the time limit in this bill or any other limitation that may be proposed by this legislation or the State in developing their plan, again I think we have to be mindful and cognizant of the fact that as Americans we have an obligation to all the children and that we would want to ensure that, at a minimum, there be an opportunity for those children who are left out to be fed, to be housed, and to receive adequate care.

The child-voucher approach will allow payment to a third party for essential services provided to minor children.

Mr. President, that, in substance, is the child-voucher amendment. I have on previous occasions discussed this issue in depth, regarding the operation of the welfare program with regard to children and the operation of the underlying legislation.

There is little question but that there ought to be some minimal standard. I believe the child-voucher amendment allows that, and so again I would entertain any questions about this legislation and ask for its favorable consideration.

I would also point out, Mr. President, this amendment has been analyzed and the CBO analysis is, "The amendment would not alter block grant levels and therefore would have no direct impact on Federal spending."

The PRESIDING OFFICER. Who yields time?

Mr. LOTT. Mr. President, I observe the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. LOTT. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. LOTT. Mr. President, could I inquire about how the time is being divided at this moment?

The PRESIDING OFFICER. The Senator from Illinois has 48 minutes and 10 seconds remaining, and the opposition has 58 minutes and 52 seconds remaining.

Mr. LOTT. Mr. President, for the sake of time being treated fairly, if we do go back into a quorum, I ask unanimous consent that the time be equally divided on both sides.

Ms. MOSELEY-BRAUN. I think I am going to object to that.

I would say to my colleague, I am prepared to talk about this further.

Mr. LOTT. Fine.

Ms. MOSELEY-BRAUN. My own view was that I thought the opposition, if there is opposition—I hope there will not be opposition; it seems to me on this amendment we should reach consensus about it. But in the event there is opposition, I hope that the opposition would express itself in this period and would actually engage in dialogue about the importance of having again this child-voucher approach or some bottom-line protection for children. It seems to me to be an important enough subject to talk about it as opposed to just going into a quorum call.

Mr. LOTT. Mr. President, if the distinguished Senator from Illinois will yield, that would be fine, if the Senator is prepared to speak further. And I am sure we will have some comment in opposition or some further discussion. But I just did not want us to be in quorum call with the time being counted just against this side. If the Senator would like to speak, that will resolve the problem, and then I am sure we will begin to ask questions and have dialogue.

Ms. MOSELEY-BRAUN. All right, I will continue then.

The PRESIDING OFFICER. The Senator from Illinois.

Ms. MOSELEY-BRAUN. I thank the Chair.

Mr. President, a lot of what I have to say about this particular amendment is in reiteration of what I said the other day. And, again, I would call my colleagues' attention to the significance of having a bottom-line protection for children. If anything, this amendment says that we will do no harm by the children; that in order to get the conduct of the 4.6 million adults who are receiving public assistance, we will not hurt the 9 million children who may be caught up and not understand all the rules.

The children are not responsible for their parents not going to work. The children are not responsible for their parents not complying with the family cap. The children are not responsible for their parents not abiding by the rules. The children have no way of fighting back or even challenging a State's decision to construct a program in one way or the other.

In light of the fact that what we are doing with this reform effort is setting up 50 different assistance systems—that is essentially what is going on—by devolving from the national program under the Social Security Act for public assistance, we are allowing the States to craft their own programs, and so a child living in one State or another may well wind up really the victim, if you will, of an accident of geography.

It seems to me that at a minimum we ought to be able to say, as part of our national commitment as Americans, we are not going to allow a child to go homeless; we are not going to allow a child to go hungry; we are not going to allow a child in any State to be subject to the vicissitudes of misfortune, or, alternatively, to an accident of geography, and that we will provide a minimal safety net under which children can be cared for.

This issue is actually one of the more troubling aspects of this whole debate—the question of what about the children, what do we do about the children in the final analysis.

Earlier in the debate about welfare reform, the question was raised by some: Well, what happens if the parents do not comply with the rules? Then what do you do with the children? The suggestion was even made by some that you put them in orphanages.

We do not yet have the orphanages. We do not yet have any alternatives for these babies who may well be left homeless and hungry, with no subsistence at all if their parents get cut off of welfare.

I raised the issue with my colleagues the other day about the notion that while it is being touted as a new approach to public assistance, really this is an old approach; what we are doing here has happened before in this country.

I put into the RECORD this article from the Chicago History magazine called "Friendless Foundlings and Homeless Half Orphans," and it talked about the situation in our country before we had a national safety net for children, what happened there.

What we found was that, depending on the State of residence, depending on where the child lived, the different States responded to the issue of dependent children in different ways. And, in many instances, the children were left to their own devices—sleeping in the streets, in some instances, a parent—and that is where the term "homeless half orphan," which I never heard before I read this article, came from. The women in some instances could not support them and would take to the doors of a church or orphanage and just leave them there for the winter so as to provide their babies with some way to live when times were really hard.

I do not think we want to go back to that in this country. As a matter of fact, I am certain of it. And I do not sense frankly that even the architects of this bill want to go move this country backward. The architects of this legislation, however, have often said, well, we are just going to take our chances because the States are going to do no harm to the children. States will not leave the children homeless and hungry, and the States will not make decisions, the Governors will not make decisions that will hurt the children any more than we in the Senate would want to hurt the children.

And I am prepared reluctantly to take the gamble that we all will take with the passage of this legislation, that that is the case. But I have to raise the question whether or not, as a national community, we are willing to take that gamble on the backs of the children, whether or not we are willing to take that gamble without regard at all to any protection for them, any bottom line for them.

Would it not be in our own interests as a national community, all of us, because we are all residents of various States, residents of the State that sent us here in the first instance, we are residents of local governments as well, but would not it make sense for us to have some bottom level below which no child—no child—will be jeopardized? That is the only question. Are we prepared to take a loser-risk-all kind of gamble, or are we willing to say with regard to the basics of subsistence issues for children—food, clothing, care, shelter—with regard to health, with regard to those very basic things, we are going to provide some level of support?

That is what this child voucher amendment does. It says to the States, you are free to do what you want to do in terms of constructing the parameters and the operation and the system for your program. You are absolutely free to do that. But at a minimum, you have got to provide that if a child winds up with nothing because that child's parent does not comply with the rules or does not fit into the program, that that child in the final analysis will be entitled to a voucher, the voucher is not for any adults, it is for that child, that 6-year-old, that 7-year-old, that 4-year-old even, that that child will be entitled to a voucher. Vouchers would go to a third party and it might well be an orphanage or might be somebody in the community or it might be some other system that the State establishes. We are not telling the States how to do this.

We are just telling them that there has to be this bottom-line protection and that they have an obligation to try to work out some system so that children will not fall below the level of care and subsistence that as a national community we believe is appropriate. We do not want to get to the point—and I do have the picture; I do not know if it is still here—that was demonstrated graphically in the article that talked about what we had in this country before we had a national safety net, a national commitment to safety for the children. We do not want to wind up with children sleeping in the streets and fending for themselves. This is actually a picture. This picture is not made up. And this is in the United States of America, let me point out. This is not some foreign country, although we do, frankly, have pictures of foreign countries that do not have a child safety net and the situation of their children is dire in 1995. But this particular picture here which I would call the Chair's attention to, this is a fascinating article.

And if the Chair gets an opportunity, because I know, Mr. President, that you have a great interest in this subject, this article was written regarding turn-of-the-century America and the situation regarding child welfare in this country. This picture here was taken in Illinois, I say, in my own State, circa 1889. This is 1889.

> Until the reform efforts of the late 19th century, the public largely ignored the plight of destitute children. Barefoot children wandering about the streets, boys selling newspapers, and "street arabs" sleeping on top of each other for warmth, were among the realities that forced charities to undertake measures to protect orphaned and abandoned children.

Again, I cannot imagine anybody in this Chamber wanting to go back to this type of child poverty. I do not think anybody wants to get to this again. But the only way we can keep this from happening this happening in this country is to provide for a basic safety net. And that is exactly what the child voucher amendment does.

Mr. President, one of the other issues in terms of the analysis of S. 1120, the underlying legislation, that I thought ought to command and compel our attention are the issues of the number of children that might be kicked off, if you will, because their families did not comply with the rules, either the time limit or the family cap or whatever.

The estimates are that if the bill—I will quote—if the bill were fully implemented, the States would not be able to use Federal funds to support some 3.9 million children because those children are in families that have received AFDC for longer than 5 years. This analysis takes into account that 15 percent of the entire caseload will be exempt from the 5-year limit. If the States were to impose a 24-month time limit instead of a 60-month time limit, 9 million children would be denied assistance.

Now, Mr. President, those are not my numbers. Those are the numbers from HHS. And I think those are numbers that all of the authors of S. 1120, the authors of this plan, recognize to be true. This is not made up. And so the question becomes for all of us—do we really want to take the chance that some 3.9 million children will be left to be street urchins and left to their own devices because of the time limit operation in the bill? Or more to the point, if we change the time limit and impose some other requirements—or worse yet, the States could impose a time after 24 months—if that were to happen, as many as 9 million children would be denied assistance altogether? I, for one, do not believe that is a chance that any of the Members of this body want to take.

Certainly we have some philosophical disagreements about this legislation. There are disagreements about the many constituent parts of it. But on this, Mr. President, I believe there can be no disagreement that the children are deserving of our absolute commitment, and the children are deserving of some protection, and, in passing this legislation, we will provide a minimal level of protection. And I have proposed that the way we do that is to state for the record that the States should be required to establish a child voucher program so that those children would be eligible for assistance such as food, care, and shelter.

Mr. President, I yield the floor.

Mr. SANTORUM addressed the Chair.

The PRESIDING OFFICER. The Senator from Pennsylvania.

Mr. SANTORUM. Mr. President, I yield myself such time as I may consume. I would like to say that this amendment, which is similar in nature to what Senator DASCHLE had offered in his substitute, really does violate the whole principle of ending welfare as we know it. What this amendment does is continue the entitlement to welfare benefits albeit in a different form. It is not cash, it is vouchers, still an entitlement, Federal dollars to families on welfare in perpetuity. There is no time limit. So this will, in effect, end the time limit.

Now, if we are serious—I would say that the President when he offered his bill a year ago in June, although he had some loopholes, he did have a time limit. And he did, after 5 years, under some circumstances, not many, unfortunately, but some circumstances actually end welfare in the sense that the cash assistance, voucher—no further entitlement under AFDC would be continued. And to suggest that if we provide in an entitlement just for children and not for the mother that somehow the children are going to get this money and the mother or father, whoever the custodial parent, is not going to get this—I do not know many 3-years-olds who fend for themselves. The money is going to go to the parents and it is going to be a support.

Now, I would say, under the Dole modified bill, we do continue to support that family with Medicaid, with food stamps, with housing if the family qualified for housing. About 25 percent of families on AFDC qualify for Federal housing assistance, whether it is section 8 or public housing. So all of those benefits continue. And all we are doing is saying, after 5 years, after we have given you intensive training under this bill—we believe there will be intensive worker training or retraining if necessary, 3 years of work opportunity—at some point the Federal contract with the family who is in need ends. And what we are going to say is we will continue to provide food and medical care and other things if you chose not to go to work.

But at some point we are going to say we are not going to continue to provide assistance in the form of cash, or in the case of the Senator from Illinois's amendment, a voucher, which is the equivalent of cash to provide for other services that cash would be used for.

So to me this is just a backdoor attempt to continue the welfare entitlement in perpetuity. And if you understand the whole motivation, the reason the President in such dramatic fashion in 1992 stood squarely behind the idea of ending welfare as we know it, that whole concept of ending welfare as we know it was based on a time limit, a 5-year time limit on welfare. You cannot end welfare if you continue welfare, and this continues welfare. If we adopt this amendment, anyone who stands here and says, "We are ending welfare as we know it" is not telling the truth, because you continue the entitlement. It is very important that this amendment, although I understand and respect the Senator from Illinois and her desire to protect children, I suggest that you can go to cities across this country and find pictures of children in, unfortunately, the same situation today. Usually, they may not even be out on the street, because in many of these neighborhoods, they certainly would not be safe out on the street because of the violence and the degradation that we have seen in the communities that they live in.

We go back to the whole point that we are here today, and the whole point we are here today is the current system is failing the very children it is attempting to help. To suggest we are going to help children by continuing dependency, by continuing the welfare system, in a sense, with this entitlement stretching on in perpetuity, I think, just belies the fact that the system is failing.

I appreciate her concern for children, and I think everyone here who stands behind the Dole bill has that same concern for children. We honestly believe, and I think rightfully believe, that ending the entitlement to welfare, requiring work, moving people off a system which says, "We are going to maintain you in poverty," to a system that says, "We are going to move you out of poverty," that is a dynamic, time-certain system, is the way to really change the dynamics for the poor in America today and for the children in America today.

It is a philosophical difference. Many times I go back home and I have town meetings. People at my town meetings say, "Why don't you folks just work it out? You are always playing politics down here. Why don't you folks come together?"

I say to the Senator from Illinois, we did come together on one of her amendments. She was to offer three. One of the amendments we accepted. We accepted her amendment on a demonstration project, called JOLI, $25 million. We understand that that system is experiencing some success, so we agreed to accept one of her three amendments.

The other two we have very different policy differences. This is not politics. They are fundamental differences of opinion as to whether welfare is working with a system of endless entitlement, or whether we need, as the President has stated, to put some certainty of time, some commitment to the individual that welfare will be there to help for a discrete period of time to intensively try to turn someone's life around with the expectation and requirement that at some point you will move off and the social contract between the Government, whether it is the State or whether the State, hopefully under the Ashcroft provision of the Dole amendment, moves it to the private sector and has a private entity more involved in provision of welfare, whatever the case may be, we believe that that dynamic process is so possible under this amendment, that is so different than what we have seen in the past, that I am hopeful that we can defeat this amendment, keep that time-limit provision in place and move forward with this bill.

Ms. MOSELEY-BRAUN addressed the Chair.

The PRESIDING OFFICER. The Senator from Illinois.

Ms. MOSELEY-BRAUN. Mr. President, first, I want to thank the Senator from Pennsylvania. He is correct, the job training demonstration amendment has been accepted, and I am delighted to have been able to work with him in a bipartisan fashion.

Second, I say to him that this is not a back door around the time limit. If anything—and I want to make this point because I think it is very important to our colleagues' analysis of the child voucher amendment—if anything, this amendment is no more and no less than an insurance policy for the children.

We know there is going to be a time limit. That is written in the legislation. We know there are going to be work requirements. There may well be a family cap. We know all these things are happening, but there are so many uncertainties in this legislation, not the least of which is whether or not the parents will be able to find jobs after 5 years.

The Congressional Budget Office estimated that only 10 to 15 States could potentially meet the fiscal year 2000 work participation requirements in this legislation. They go on to say that because the bill provides States with significant flexibility to set policies that may affect caseloads, the estimate contains a high degree of uncertainty.

To the extent that there is uncertainty here, are we really prepared to say we are going to make 6-, 7-, and 8-year-olds pay for any failure of our analysis? Are we going to make them pay for the sins of their parents? Are we going to make them pay for our failure to adequately put together a system that addresses the issues that go to poverty?

The Senator from Pennsylvania, when he starts talking about this issue, starts talking about crime and violence in the communities. There are a lot of issues involved in this whole question of welfare. But I say to my colleagues once again, welfare does not stand alone in a vacuum. It is only a response to a larger issue, which is poverty, child poverty.

Our Nation has tried different approaches to the issue of dealing with child poverty and destitute children, and now we are about to try another one. We are about to try the "ending of welfare as we know it." Well, Mr. President, it is just like anything else. We all know, for example, that we are going to die, but most of us have the sense to go ahead and get an insurance policy anyway.

The fact of the matter is that this is going to change. Will we have an insurance policy for children? I submit that we should. I hope that my colleagues will agree with me, and I urge your support for the child voucher amendment.

I ask for the yeas and nays.

Mr. President, before I do, Senator LIEBERMAN has requested to be added as a cosponsor on the child voucher amendment. I ask unanimous consent that he be added as a cosponsor.

The PRESIDING OFFICER. Without objection, it is so ordered.

Is there a sufficient second?

There appears to be a sufficient second.

The yeas and nays were ordered.

Ms. MOSELEY-BRAUN addressed the Chair.

The PRESIDING OFFICER. The Senator from Illinois.

Ms. MOSELEY-BRAUN. Also, Mr. President, I ask unanimous consent that Senators MURRAY and MIKULSKI be added as cosponsors to the child voucher amendment.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

Ms. MOSELEY-BRAUN. And I ask for the yeas and nays.

The PRESIDING OFFICER. The yeas and nays have been ordered on the child voucher amendment.

Ms. MOSELEY-BRAUN. Mr. President, I understand we will stack the votes on these amendments; therefore, I want to move on to the second amendment in this series and get that resolved as well.

Mr. DOLE. Mr. President, I ask unanimous consent to speak out of order.

The PRESIDING OFFICER. Without objection, it is so ordered.

The majority leader.

THE WAR ON DRUGS

Mr. DOLE. Mr. President, earlier today, the Department of Health and Human Services released the results of its 1994 National Household Survey on Drug Abuse. According to the survey, marijuana use among teenagers has nearly doubled since 1992, after 13 straight years of decline.

This troubling fact confirms what we already know: Today, our children are smoking more dope, smoking and snorting more cocaine, and smoking and shooting up more heroin than at any time in recent memory.

Unfortunately, while drug use has gone up during the past 2½ years, the Clinton administration has sat on the sidelines, transforming the war on drugs into a full-scale retreat.

The President has abandoned the moral bully pulpit, cut the staff at the drug Czar's office by nearly 80 percent, and appointed a surgeon general who believes the best way to fight illegal drugs is to legalize them. He has presided over an administration that has de-emphasized the interdiction effort, allowed the number of Federal drug prosecutions to decline, and overseen a source-country effort that the General Accounting Office describes as badly managed and poorly coordinated.

Mr. President, illegal drug use declined throughout the 1980's and early 1990's, so we know how to turn this dangerous problem around. It means sending a clear and unmistakable cultural message that drug use is wrong, stupid, and life-threatening. It means beefing up our interdiction and drug enforcement efforts. It means strengthening our work in the source countries by making clear that good relations with the United States require serious efforts to stop drug exports.

And, yes, it means leadership at the top, starting with the President of the United States.

Today's survey is yet another warning for America. We must renew our commitment to the war on drugs, with or without President Clinton as an ally.

I yield the floor.

FAMILY SELF-SUFFICIENCY ACT

The Senate continued with the consideration of the bill.

AMENDMENT NO. 2472

The PRESIDING OFFICER. Amendment 2472 is now pending.

Ms. MOSELEY-BRAUN. Mr. President, this is kind of an interesting place to pick up, following the child voucher amendment. This, again, is separate and distinct from that. If anything, the child voucher amendment really is the most important in terms of the children.

This next amendment goes to the adults. What do we do about the parents? In that regard, as we know the underlying legislation calls for States to provide work experience, assistance in finding employment and other work preparation activities, section 402(A)(2) of the bill.

One of the uncertainties in the legislation, uncertainties that CBO spoke to, that many of the speakers on this issue have noted, is that the States have not yet geared up to do this. Only a few will be ready to move forward.

We have the example of Wisconsin. I understand in a couple of counties there they have already moved to a work assistance kind of program, an initiative. Other States have tried it. Under the Family Support Act, those kinds of work-training experiments and initiatives are encouraged.

The point is that a lot of States have not yet moved to that. The question is whether or not the States will actually do so, whether they will actually move to employment training, work preparation, work experience, assistance in finding employment for individuals. Again, the CBO estimates that there is not enough funding in the bill to do that.

This legislation says that the State should not just kick somebody off of assistance—this is as to the adults, not the children, as to the adults—the States should not kick the adults off unless they have provided work assistance.

Now, HHS has estimated that under the leadership plan, some 2.9 million people would be required to participate in a work plan under the plan. That is fine. The point is that in terms of the number of dollars to meet that participation rate there is not enough, it is also estimated we need 161 percent more dollars than presently provided in the legislation.

Clearly, there is a dissonance, a gap in the interesting goal and our intent to provide work and job training assistance and our dollars that will flow to do so. We do not know how that will come out. It creates a great uncertainty.

It seems to me that, again, as a bottom line—as to the adults—we ought to make it clear that States should not just kick people off without providing them with some assistance.

I encourage my colleagues to take a good look at this. Again, we have the numbers from CBO regarding whether or not their respective States will be able to meet the work requirements and not have a penalty. Most of the States will not. It is estimated only 10 to 15 States already are geared up sufficiently to provide the kind of work assistance that the bill, the underlying legislation, calls for.

All this amendment says is that States must provide those services in terms of job assistance and the like if they are going to cut people off at a time certain, whether it is 5 years, 2 years, 1 year, 6 months, or whatever the time limit is.

Again, this State responsibility amendment, if anything, goes to providing the parents with some comfort level that in the event there are no jobs in their area, in the event the State has not been able to get them into some kind of gainful employment, that they will not thereby lose their ability to feed themselves and to provide for their children.

I point out, Mr. President, also that this amendment only requires that the States deliver the services to those recipients that the State decides need to have those services. That is not to say they have to provide everybody with job training. The State can make decisions as to who has to go into job training or receive education.

We are not fooling with States' flexibility with this amendment. What we are saying in those instances, and there are instances where either there are no jobs or the State has not been able to figure out a way to get people transported to where the jobs are located, or, alternatively, the individual has been trained for a job but the job does not exist any longer, in the event that happens, they will not be denied assistance.

I think Mr. President, given the fact we have huge dissonances in our economy, again, this is a response to poverty this amendment is needed. It is not the answer to it but it is a start.

The answer to poverty, which is where the Senator from Pennsylvania and I are most in agreement, the answer to resolving poverty is to look at the underlying economic issues and to create an environment in which jobs get created, that people can go to and earn a sufficient living to support their families. That ought to be our objective, and I think that will be our objective as we take up these issues.

As we talk about what is our interim response to poverty, if welfare is that response, we ought to make certain that we do not wind up just throwing people over the edge of the Earth because we have failed to actually address the fundamental issue of economic dislocations.

Mr. President, I do not know if you were in committee—I know the Senator from Pennsylvania was there—the other day when we were talking about this. In my own State, there are areas of my State where there is 1 percent private employment. One percent private employment.

Mr. President, that is not a recession or depression. That is economic meltdown. If an individual lives in an area where there is 1 percent private employment, then the question becomes where, pray tell, are they going to work?

This chart shows areas of high unemployment in the city of Chicago specifically, but I was in southern Illinois just this weekend and the single biggest complaint and cry I heard there was about the huge unemployment and dislocations caused by closing of the coal mines. We had not gotten to the point of economic development there, to provide people with alternatives to working in the mines. In areas of the city of Chicago, there is a community with 72.3 percent poverty rate. Unemployment is 43.4 percent. Given the way we count unemployment numbers, that is only counting the people that have been in the job search for the last 6 months, so a lot of the people in this category have given up looking, so the numbers are even higher.

These numbers, Mr. President, again, these numbers in certain segments are even higher. Again, I point to what I thought was the most stunning, stunning example, and that was the area that had 1 percent private employment.

Until we figure out how to get capital into those communities, until we figure out how to get jobs created in those communities, we will have to do something. I dare say the States will have to come up with transportation initiatives to move people out of their neighborhoods to neighborhoods where the jobs are or figure out some public service; they will have to work through these plans.

That is the whole import of this devolution of welfare, sending it to the States, is tell them, "You go figure this out."

As we do that, the question becomes, what about these individuals that get caught up and for whom there are no options? I dare say, Mr. President, we have an obligation to see to it that these individuals—and, again, every State has them, I have numbers even for the Presiding Officer's State—but as we go through this experiment, I do not think we have the luxury of being generous with the suffering of others, and that we want to really, really put ourselves in a position where people who want to work but cannot find work wind up with absolutely nothing and with no help from their State in helping them to do better and to do for themselves and to provide for themselves and their families.

With that, Mr. President, I ask for the yeas and nays on the second State responsibility amendment.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

Mr. HATCH. Mr. President, the Senator from Illinois knows how much I appreciate her efforts and how much she tries to do good here on the floor. Certainly, what she is talking about here is something that is very alluring and very tempting, if you do not care where the moneys are coming from, if you do not really care about trying to reach a position whereby we live within our means.

Under the Moseley-Braun amendment that is currently being debated, it prohibits the States from imposing a time limit if the States fail to provide job-related services, that is work experience, work preparation activities. So, if the State fails to do that, then the State cannot impose a time limit on how long a person has to get to work.

The things that can be said for this amendment, it seems to me, are that a State should not be able to cut recipients off without providing them training to become self-sufficient. And the second point would be the States will not be willing to spend money on recipients that need extensive services. At least that is the argument.

But when you look at the other side of the argument, that is, when you have to stop and think is this the right thing to do if we want to get spending under control, if we want to have a true welfare reform, if we want everybody on a equal level, if we want a level playing field and everybody understands the rules and lives within them, then you have to look at the fact that this, some believe, and I am one of them, is a back-door attempt at continuing the entitlement.

Let us be honest about it. Entitlement programs have been eating the budget alive. They go on and on, up and up, without any controls, no ceilings, no lids, no nothing. Gradually, demand always outstrips supply when you make something free. That is just the way it is. It is human nature. People take advantage. And this would really allow an entitlement program to continue.

Second, it would create a new entitlement which requires States to provide services. One of the reasons we are doing this welfare reform bill is to try to end these escalating entitlement programs, to get spending under control, face our problems, but face them within an authorization process that says this is the limit to where we are going, we are not going to go beyond that. We are going to be fair, we are going to try to take care of people—we do not want anybody to be without a work life experience, we do not want to have people without appropriate training—but this is what we are going to spend this year. If we find that does not cut it, does not make it, we can always increase the authorization and appropriation to take care of it. But we do not need to create new entitlement programs which are programs that go on regardless of what Congress says. They keep going up and up and up as people take advantage of them.

The third point is this opens the States up to lawsuits from recipients who claim they do not get the type of training they want, rather than the type of training the State thinks they need. So any time a recipient or potential recipient feels he or she is not getting what they want, even though the State is providing job training and other forms of training and education, they can turn around and sue the State and say, "I am not getting what I want," and the State finds itself embroiled in litigation.

Ms. MOSELEY-BRAUN. Will the Senator yield?

Mr. HATCH. That is not the way it should work.

Ms. MOSELEY-BRAUN. Will the Senator from Utah yield?

Mr. HATCH. I will be happy to yield.

Ms. MOSELEY-BRAUN. This section of the bill, 402 of the legislation, refers to the State and the definition of the eligible State. It would be my understanding of the operation of law that here, this would not confer standing upon an individual to sue. This section of the bill relates to the State's obligations vis-a-vis its development of its plan. So this is not calling on the States to do anything but abide by its own plan. It would not, however, confer standing on an individual to sue with regard to enforcement of that plan.

Mr. HATCH. As I read it, it does; it is the failure of the State to provide work-related activity. The amendment reads:

The limitation described in paragraph (1) shall not apply to a family receiving assistance under this part if the State fails to provide the work experience, assistance in finding employment, and other work preparation activities and support services described in [this] section.

I contend that does give a right to sue to recipients.

Ms. MOSELEY-BRAUN. Again, this section amends lines 13 through 18 on page 25 of the bill which relates to State planning. Again, without debating——

Mr. HATCH. No, according to this amendment, it amends page 40 between lines 16 and 17.

Ms. MOSELEY-BRAUN. I am sorry, that is correct.

Mr. HATCH. If I go to page 40, amending section requirements and limitations and put this in between lines 16 and 17, the Senator provides for an entitlement. It seems to me the Senator provides for a means whereby people can bring litigation if they do not get their way. That just is not the way we can run the business here.

We have to presume that when we provide these funds, the States are going to utilize them properly and they are going to provide job training or work-related programs that work. What you do is make it another entitlement, which is what is eating our country alive.

Ms. MOSELEY-BRAUN. No, sir—will the Senator yield?

Mr. HATCH. Sure.

Ms. MOSELEY-BRAUN. Again, on page 43, lines 16 to 17, those sections refer to the development of the State plan, and the amendment says the limitation described in paragraph (1) shall not apply to a family if the State fails to provide work experience, assistance in finding employment, and other work preparation activities, support services described in section 402(a)(1)(A)(ii).

Again, the issue of standing is a different one. Whether we argue—we can debate the issue on the entitlement, whether or not this creates an entitlement. But on the issue of standing, I think for the record it is really important to make clear this is not allowing and it is not the intent of this sponsor to allow an individual cause of action, right of action under this section. It only goes to the development of the State's plan and administration of the plan.

Mr. HATCH. If you look at the way it is written, it certainly does. Frankly, that is one of the reasons—only one of the reasons—I think the amendment is inadvisable, even though I have to acknowledge I appreciate what the distinguished Senator is trying to do. But we just plain—I think the big argument is, this is another entitlement that continues to go on and on and escalate on and on, and to which there is no lid, there is no cap. It is a never-ending type thing that just puts us into even more of a budgetary difficulty than we have been in before.

All of us want to help people who do not have the training. We know the way to get people off welfare is to get them trained; give them job training, give them the education, the vocational education and other things that will help them to become self-supporting, self-sufficient citizens.

But we want to get away from the entitlement approach, which just allows people to make ingenious arguments that they should have something that really the State has not provided or does not think it is advisable to provide. I do believe, if you read this carefully, it is subject to litigation.

But be that as it may, the fourth reason I would give as to why we really should not support this amendment is that this is similar to the Daschle bill, in that it says there is a time limit, but there are so many exemptions that there is not really a time limit.

The major exemption is this. It creates a loophole. Those who are deemed by the State as work ready can insist on going through job training and other services in order to avoid work in the private sector. That is one of the things that this amendment will do. And there are people who take advantage after advantage after advantage of the job training and other services, rather than having to go get a job in the private sector and work every day and do what they should do, support themselves and/or their families if they have a family.

Again, I have to say that I know what the distinguished Senator is doing. I know her heart is right. I know she is trying to do what is right. But it is a difference in philosophy.

We have had 60 years now of entitlement programs that have been eating the American public, the taxpayers, alive and not doing the job. They are not doing the job. In fact, they are doing a lousy job, and they are eating us alive, they are ruining the country. And now we are going to add another entitlement to this when we write a bill that literally will get job training and other related services to the people as they need it. And we have the States develop and administer these programs. The States are in a better position to do it than the Federal Government.

Just look at what entitlements have meant. We are talking about just AFDC spending. They are not all entitlements. From 1947 to 1995, in current dollars, we have gone since 1947 in AFDC spending from $106 million—that is current dollars—to $18 billion. And we are worse off today than we were then. That is a 17,000-percent increase, a lot of which is driven by the entitlement nature of a number of these programs.

If you use constant dollars, constant 1995 dollars, it would go from $697 million in 1947 to $18 billion. That is a 2,500-percent increase.

So, if you take current dollars, it is a 17,000-percent increase; constant dollars, based on 1995, would be a 2,500-percent increase.

Of course, the source of this is the Congressional Research Service of June 1995. It shows how these programs tend to run away if we do not write language in that requires the States to live within their means. In this particular case, this language would not require the States to live within their means. As a matter of fact, it allows the States and it allows the individuals to continue to run wild as we have in the past without any sense or protection to the taxpayers.

Everybody knows that in my whole career, 19 years here, I have worked hard for on-the-job training, the Job Corps, the whole bit. We now have over 150 job training programs in this country. Every time we turn around, we create another one. A lot of them are entitlements.

This welfare bill should try to consolidate some of these to reduce the entitlement nature of our legislative process and reduce the burden on the taxpayers. Frankly, we are a lot better off facing the music every year and having the States have to face the music within certain caps, albeit sometimes entitlement caps but nevertheless caps, and go on from there.

I encourage our fellow Senators to not vote for this amendment because I think it just continues business as usual. I have to admit it is well-intentioned but naturally it is bad. I commend my friend for her good intentions. But it still undermines the basic thrust of what we are trying to do here, getting spending under control while being compassionate, reasonable, and decent for people who need to get off welfare rolls and get on to the work rolls.

We think the exemption and the back-door loophole here really undermines what we are trying to do.

So I encourage folks to vote against this amendment as much as I appreciate and respect my friend from Illinois.

Can I just say one other thing about it? This amendment does not amend the State plan provisions. The State plan provisions are found in section 402. This amends section 405 following the minor child exemption and the hardship exemption.

So, as such, it is an entitlement, and, as such, it gives the right of litigation that would not otherwise be, that I talked about that lets the individuals second-guess the State. I know in some of the States there are lawsuits by recipients that do not get the type of training that they want rather than what the State thinks they should have. I think those are important points.

It is for the totality of those reasons why we should vote this amendment down.

I yield the floor.

The PRESIDING OFFICER (Mr. ABRAHAM). Who yields time?

Ms. MOSELEY-BRAUN. Mr. President, it is pretty clear certainly that it is a very difficult thing to argue with the chairman of the Judiciary Committee, a man for whom I have the highest regard and affection. And, quite frankly, I do not know if I would want to, but at this point I am going to have to respectfully disagree with my senior colleague, the chairman of the Judiciary Committee. As a lawyer I am reading the same language also.

Again, to the Senator from Utah, just on this point, I will make it and move on because there are other larger points to be made about this amendment.

Section 405 of the legislation referred to the State requirement, the State plan, and the time limitation. All that this amendment does is to call on the States to do what it says it is going to do in the plans. It does not create a private right of action. We could argue that until the cows come home and probably put everybody else to sleep who may be listening to this debate. But rather than do that, I would like to go on. But I did want to make the point that it is this Senator's intention and this Senator's reading of the law that it does not create a private right of action.

To move on, I think it is interesting to note that a lot of the debate and a lot of the argument against this amendment that I am hearing has to do with the word "entitlement" and what is an entitlement and what is not. I find a very curious kind of logic underlying the opposition which says we have failed to address and resolve the issue of poverty and employability of people. Therefore, we are going to give up. We are going to say we are out of the business. We are going to give it to the States, cap the amount of money they can spend on this stuff, and it is their problem. That, it seems to me, really kind of begs the question in terms of what are we going to do.

Assuming for a moment that the State plan has a job and work requirement, I do not think anybody here would argue that people who can work should work, that people who have the ability to go to work ought to do that, and that States ought to require them to do that. I do not think there is much argument there.

But assuming for a moment the State plan calls for work assistance and the State does not give that work assistance and then after whatever the time limit is—right now it is 5 years in the bill, and it may, not too long before this legislative process is over, change—but assuming for a moment that the time limit is met and the individual has gotten nothing, the State has not done what it is supposed to do under its own plan, that person then is not only denied subsistence but, more to the point, that individual's children are denied subsistence.

I mean let us talk about who the object is here. We have 5 million adults. Paint a picture of the people on welfare in poverty in this country. Again, we have the numbers here regarding poverty in the United States. It is a number about which none of us should be proud. But in any event, we have some 14 million recipients, people on the welfare program, and 14.2 million give or take. Of that 14.2 million people, 9.6 million are children.

So we are going to construct all of this stuff to get to the parents, that the parents have to go to work, which, again, we are not arguing about that. But we are not going to give them any help.

The State plan says they should go to work and the States are going to help them. We just might not do that, and it would risk these 9 million children. You talk about putting the cart before the horse. You are hurting potentially—we do not know this to be the case. I hope, frankly, the most optimistic projection turns out to be true. I hope that every State plan works, and I hope that every State is able to find people jobs, and I hope that parents who are right now drug addicted, irresponsible, and ripping off the taxpayers turn around, straighten up, and fly right, do the right thing, and take care of their own children. That is what we all hope for.

But the question is, are we really going to allow for all those 10 million babies to be jeopardized, to be left with the potential of no subsistence at all because of the sense of the parents, or, worse yet, for the sense of the State in not helping the States, which the State says it wants to do?

That is what these two amendments are about. I mean, these are different amendments. That is kind of where it is.

Are we going to jeopardize the children? I think the bottom line is that we could have a consensus that children will not be hurt.

I point out that in fiscal year 1992—I think this is an important point—42 percent of the youngest children in these welfare families were under the age of 3.

So I would say to my colleague, if you are not going to support enforcing work training for their parents, at a minimum support an insurance policy for the kids; an insurance policy for children so that, worse come to worse, if all else fails, the State does not provide assistance for the work training or the family cap gets violated, the mother keeps having babies, whatever situation happens, at a minimum we have a safety net for children.

Now, is that an entitlement? Well, you may want to call it that, but it seems to me that one of the issues for our time is whether or not as a national community we have an obligation to provide for destitute children. We do not have the orphanages for them. We do not have the private sector options for them. We really do not have any mechanisms in place. It seems to me that we have an obligation at a very minimum to provide those children with some options and, on the other hand, with regard to their parents, to provide the parents with some job training.

I submit to my colleagues, let us separate out—as we try to get at the 5 million parents, let us not jeopardize the 10 million kids.

And with that, I again yield to the Senator from Utah.

Mr. HATCH addressed the Chair.

The PRESIDING OFFICER. Who yields time?

Mr. HATCH. I yield to myself such time as I need.

The PRESIDING OFFICER. The Senator from Utah.

Mr. HATCH. Mr. President, again, the major issue here is this is another entitlement program. I do not think the American people realize how many entitlement programs we have in the Federal Government as we exist right now. I am going to talk generally, and I think these figures are pretty accurate.

Today, in the Federal Government, there are approximately 410 entitlement programs—410. The bottom 400 will total about $50 billion in spending. They are relatively small programs. Most of them are under $10 billion each, although to me that is a fairly substantial program. But the bottom 400 are costing us $50 billion and going up every year.

The top four entitlement programs currently in our country today—these are programs that automatically go up no matter what the Congress does. Year after year after year, this Congress basically has not been able to restrain the growth of spending. The top four entitlement programs are as of fiscal year 1994, to make that clear, No. 1, Social Security. Social Security in 1994 cost us around $333 billion, and it is going up and everybody knows it. It is going up dramatically, and everybody knows it.

No. 2 is Medicare. When we first enacted it, those who argued for Medicare said it would be a relatively small cost. If I recall correctly, it was somewhere between $10 and $20 billion a year. It is now up to $177 billion a year as of 1994. Of course, it is more this year, in fiscal year 1995.

So Social Security is $333 billion. Medicare in 1994 was $177 billion. Medicaid, which also was supposed to be a relatively low figure, to take care of people who really need help, who were low-income people, low-income seniors as well, and some who are persons with disabilities, now costs us, in 1994, $96 billion.

Other retirement programs are entitlement programs costing us $65 billion as of 1994. These big four, plus interest, will be about $900 billion in 1995.

The point I am making is that about 400 programs cost us about $50 billion. These four will cost us $900 billion. And as you all know, they are going up.

Take Medicare. Medicare, at $177 billion last year, if we keep going the way we are going, will be off the charts by the year 2002. We are trying to restrain the growth, not cut Medicare, but restrain the growth from its current 10.4 percent approximately a year down to about 6.4 percent—above the rate of inflation, by the way. And already, because we have announced we are trying to restrain the growth of that entitlement program, some of the hospitals and others are trying to find ways of restraining the growth, just because we are saying it has to be done. Can you imagine if we pass legislation that says it has to be done? They are going to have to live within the 6.4, which is about 2½ percent above the inflation rate.

Some of our colleagues on the other side want the 10.4 to keep going on, which will eat this country alive. And I am going to make that point. And it is true of all of these big four entitlement programs. Let me just make the point. The big four entitlements, plus interest, were——

Ms. MOSELEY-BRAUN. Will the Senator yield?

Mr. HATCH. They were and they will be if we do not pass the balanced budget——

Ms. MOSELEY-BRAUN. Will the Senator yield just for 1 second?

Mr. HATCH. Sure.

Ms. MOSELEY-BRAUN. Is it not the case AFDC is not one of the top, one of big four entitlements?

Mr. HATCH. It is not. Neither will the Senator's amendment be, but it still is an entitlement program, and we need to stop doing entitlements. Let me make my point.

Ms. MOSELEY-BRAUN. Will the Senator yield? The Senator is including Social Security and Medicare and Medicaid.

Mr. HATCH. Including all entitlement programs to make this point, because it makes the point that we have to face the music someday. We cannot just keep entitling our runaway budget.

Now, we are going to continue Social Security the way it is. I do not think anybody here is going to change it. We are trying to make some changes in Medicare, maybe Medicaid. And I do not know of any changes in the retirement programs. But there is an effort to try to restrain the growth of runaway spending.

One of the reasons it has run away is an entitlement program—now, true, this would be one of the less than $10 billion programs, although it would rapidly escalate as an entitlement program. I just make this one point. I am just trying to make this point on how entitlements are eating us alive and why as a principle we want to stop making things legislative entitlements.

The big four entitlement programs, plus interest, were 25 percent of total spending back in 1965—25 percent of total Federal spending. By 1975, they were 36 percent of total Federal spending. By fiscal year 1985, they were 47 percent of total Federal spending, going up every year. By fiscal year 1995—this is just the big four, just the big four—Social Security, Medicaid, Medicare, and retirement—they will be almost 60 percent of the total Federal budget. And by fiscal year 2005, these entitlement programs will be almost 70 percent, not counting the 400 smaller entitlement programs that automatically will be going up themselves unless we put a lid on it and say we are not going to go the entitlement route anymore.

We know that Social Security is going to keep going up the way it is. We know that Medicare is going to go up dramatically even if we are successful in restraining the growth from 10.4 percent down to about 6.2, 6.4 percent—above inflation, by the way, is that figure. We know Medicaid is going to keep going up, and we know other retirement programs are going to keep going up. In fact, the 400 programs will keep going up unless we put some restraint of growth and unless we stop the entitlement nature of these programs and face the authorization and appropriations process every year as good legislators should.

I wanted to make that point because as sincere as the distinguished Senator from Illinois is, and I know she is, and as compassionate as she is—and I feel the same way—I think the bill has better language to take care of these problems with less problems than will arise if we enact her amendment. And the principle of stopping these entitlement programs to the extent we can ought to be observed.

That is why I suggest we have just got to bite the bullet around here and we have to do what is right. I have also made the point that there are other reasons why the amendment is one that should not be supported. The main reason is it is another entitlement program.

I understand we differ on whether it entitles recipients to bring litigation. But be that as it may, there is no time limit, no real time limit in this amendment because those who are deemed by the State as work ready will be able to insist on going to job training rather than taking a job. Then they can avoid working in the private sector, something we want to stop. We want people who are ready and able to work; to work. And that is what this bill is going to try to get done. I think it makes a valiant and very intelligent attempt to do so. And it should not be changed into another entitlement program.

I yield the floor.

Ms. MOSELEY-BRAUN addressed the Chair.

The PRESIDING OFFICER. The Senator from Illinois.

Ms. MOSELEY-BRAUN. Thank you, Mr. President.

The Senator from Utah and I find ourselves singing from the same choir book sometimes and other times singing on different pages. But certainly with regard to our need to balance our budget and get our fiscal house in order, he and I could not be more in agreement.

We were on this floor together during the debate on the balanced budget amendment, both of us supporting moving in the direction of a balanced budget. But how one gets to a balanced budget, gets on a glidepath to some fiscal integrity—and fiscal integrity is as important as getting there. So the question becomes, what are our priorities and how will we approach the difficult issues as we are trying to get our fiscal house in order? How are we going to approach that task?

Let me suggest that we not do it on the backs of children and that we not target and single out poor people for our exercise in newfound frugality and our exercise in fiscal right thinking. The fact of the matter is—and let us talk about the numbers for a minute because it is very important. In the first instance, AFDC is not one of the big four entitlements. Those big four entitlements will be the topic of many upcoming floor discussions. I served as a member of the bipartisan commission on taxes and on entitlement and tax reform, and, yes, we have some serious and thorny issues to deal with. But AFDC is not one of those big four entitlements.

Indeed, in 1969, Aid to Families With Dependent Children took up some 3.1 percent of our Federal budget. In 1994 it had declined. I know this is counterintuitive. This does not comport with what the talk shows will tell you. But the reality is that the numbers showed it had declined to 1.1 percent of the budget. The fact of the matter is that over time the amount of AFDC payments have not kept up with inflation and have declined some 47 percent in the last 25 years.

And let me give you another fact that may sound counterintuitive. In 1993, the total cost-benefits, plus administration, Federal and State—Federal and State; this is everybody—the total cost was $25.24 billion, which is an amount equivalent to 1.8 percent of Federal Government outlays. That is total, State and Federal. The Federal Government's share of AFDC costs came to $13.79 billion in 1993, or 0.98 percent of total Federal outlays.

So what we are talking about is less than 1 percent of total Federal outlays that can have a devastating, devastating effect on the almost 10 million children in this country who receive assistance.

Again, my colleagues have argued that our efforts so far have not worked. And indeed, if anything, one of the more distressing and depressing charts—and I do not think I have a large version of this, Mr. President—but this one talks about the percentage of low-income children lifted out of poverty. It has got Sweden, 79.7 percent; Germany, 66.7 percent; the Netherlands, 73 percent; France 78.2 percent; the United Kingdom 73.5 percent; Australia, 45.1 percent; Canada 40.8 percent; United States, 8.5 percent, under 10 percent.

We have done less with our wealth and the efforts that have been started to try to fix this situation and to address poverty and have barely gotten underway before we got into the debate about "getting rid of welfare as we know it." Here we are in a situation of saying, well, we have not come up with a magic potion or the silver bullet to deal with the issue of poverty, and so we are going to junk our commitment altogether.

All these amendments say—it does not say we are going to spend more money. In fact, the legislation has a ceiling on the amount of money that will be spent in this area. It does not say that anybody is entitled to stay on forever. In fact, if anything—again, the issue here—the legislation is time limited, may well have family caps, and it may have other kinds of limitation that the States will develop. All these amendments say is that when all is said and done, no child in these United States will be allowed to go without food, without shelter, without subsistence.

And it also then says, that is after the 10 million people, almost 10 million children, on assistance, receiving assistance, as to their 5 million parents, it says no parent will be kicked off for failing to meet a work requirement if the State has not lived by its own words in terms of supporting work.

I yield to the distinguished Senator from New York, Senator MOYNIHAN.

Mr. MOYNIHAN addressed the Chair.

The PRESIDING OFFICER. The Senator from New York.

Mr. MOYNIHAN. I rise with the most emphatic support of the amendment of the distinguished, learned Senator from Illinois, who brings to us the central subject of this legislation, which is children and what will happen to them under the provisions we are discussing.

I have two charts which I would like to suggest involves the central issue of the number of families that would be affected by a 5-year time limit. This is the work of the Urban Institute, established almost 30 years ago when it was thought we would address these issues at a time when they were—Franklin Roosevelt might have said it—"a cloud no bigger than a man's hand," that would come into the situation we are today of the number of families who would lose their benefits, who would see a 5-year time limit reach them.

In the year 2001, a total of 1.4 million families; make it almost 2 million, 2.5 million children. In 2002, 1.65; make that 3 million children.

This is the Urban Institute, Mr. President. This is not a political document. It is not one that is even touched by the necessary differences and tensions between the executive branch and the legislative branch. This is the Urban Institute, under William Gorham, with whom I worked on the task force that produced the Economic Opportunity Act of 1965. Bill Gorham and I worked together. He never stopped working at this. He has created an institute of impeccable standards. No one will ever say that we have got the most perfect measuring systems, but we have peer review, we have measures of degrees of confidence in data. And the numbers are overwhelming.

In the year 2003, 1.8 million families; 2004, 1.9 million; 2005, 1.96 million—call it 2 million families, and call that 5 million children. The 2 million is an estimate; the 1.96 is exact. I am making a round number. Five million children with no provision for their support, with their support in some sense illegal—certainly not contemplated, certainly not desired by this legislation. Are we to believe that my friend from Utah, who is as compassionate and understanding a man, a member of our congregation 19 years ago on this subject—this is what has happened. And this is why it would happen and where it would happen. The numbers are startling.

The proportion of children receiving AFDC—I would like to bring this around so my friend can see it. My friend from Illinois has seen it in the past. This is what we are dealing with. Thirty years ago when the OEO legislation was adopted, when the Urban Institute was established, we were talking about numbers so small that you could say let them be done by church, let them be done by localities, let them be done by municipalities.

In Baltimore, MD, in the course of a year, 56 percent of all children receive AFDC. At any given moment, 43 percent are receiving it.

In Detroit, MI, in the course of a year, 67 percent, numbers that we have not contemplated. This is a time of continued economic prosperity, in the aftermath of a half-century in which we basically have managed the business cycle. We have had pockets of unemployment, but unemployment ranged at very comfortable levels. The level of employment is high.

In Los Angeles, 38 percent, Los Angeles, the setting of all those grand houses, remarkable neighborhoods, 38 percent.

Philadelphia, I do wish my friend from Pennsylvania were here so I could say to him, in Philadelphia, 57 percent of the children are on AFDC at some point during the course of a year.

In my own city of New York, 39 percent; New Orleans, 47 percent; Milwaukee, 53 percent; Memphis, 45 percent; Cleveland, 66 percent. These numbers overwhelm a social system. It cannot handle it.

Should we have ever gotten to this point? I do not say we should have. Should we have done more? Yes, we should have. Have we done some things? Yes, we have. We have certainly committed the Federal Government to this issue.

I was reading this morning the statement in the Washington Post by Judith Gueron, president of Manpower Development Research Corp., as the Senator from Illinois well knows. She was saying, "Look, we are learning to do these things." She talked about Riverside, talked about Atlanta, talked about Grand Rapids, Family Support Act, jobs programs, working, getting hold, finally getting it.

The Senator will remember the director from Riverside, CA, where President Bush visited 3 years ago. There was a button: "Life works if you work," getting the sense that welfare offices should be employment offices. If only people had been a little more gracious to Frances Perkins, and if only Frances Perkins had been a little less willing to accommodate whatever President Roosevelt seemed to need at the time, the AFDC Program would be in the Department of Labor. The Social Security Act, with its retirement benefits, unemployment insurance, dependent children was to be in the Department of Labor, but there was the suspicion of labor, and such, and the underestimate of Mrs. Perkins' enormous ability. She said, "All right, we will have an independent agency." Had it not been, right now, when you walk into a welfare office, you would be in a U.S. Employment Service office, but it did not happen. But it is happening again.

The Daschle bill contemplated the first thing you do when you arrive at the welfare office is, how are we going to get you a job? But right now, not to see the enormity of this problem, the dimension of this problem, to think we can turn it back, cut it back and turn it back without huge costs to children is baffling to me.

I thank God the Senator from Illinois is here. I hope she will be heard, and if she is not, pray God for the children.

Mr. President, I yield the floor.

The PRESIDING OFFICER. Who yields time?

Mr. HATCH. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Ms. MOSELEY-BRAUN. Mr. President, I ask unanimous consent that the order for the quorum call be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

Ms. MOSELEY-BRAUN. Mr. President, since we have additional time left over, I would like to engage the Senator from New York, who is a world renowned expert in this area. He has spoken to the fundamental issues of, again, how we respond to poverty and, how it is necessary to take this conversation away from the hot buttons and the catchwords and talk a little bit about the demographic data that really underlie the reality of what we are doing here.

There is a social issue and an issue of policy and an issue, really, of the kind of country we are going to have.

So I raise with my colleague, who has studied these data, this issue, just this graph. I know he has seen this before.

Mr. MOYNIHAN. Yes.

Ms. MOSELEY-BRAUN. Percentage of low-income children lifted out of poverty. Our country, America, does so much worse, less well than others.

The PRESIDING OFFICER. Time has expired.

Ms. MOSELEY-BRAUN. Mr. President, I ask unanimous consent for 5 minutes and that Senator MOYNIHAN might respond to the question.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

Ms. MOSELEY-BRAUN. Mr. President, in the Senator's view, will the pending legislation resolve the disparity between the United States response to poverty vis-a-vis the other industrialized nations in the world?

Mr. MOYNIHAN. Mr. President, to respond to my friend from Illinois, I can only offer a judgment of a better part of a lifetime dealing with these matters, that it would make it hugely worse. We would be off that chart. We would be an anomaly among the developed nations of the world. We would be an object of disdain and disbelief. I can say no more.

I yield the floor.

Ms. MOSELEY-BRAUN. I thank the Senator very much. I will say a little more in response to that. We have an opportunity to provide a bottom line below which no child in America will be allowed to fall. I, therefore, ask my colleagues' support for the pending child voucher amendment, as well as the worker responsibility amendment.

Mr. HATCH addressed the Chair.

The PRESIDING OFFICER. The Senator from Utah.

Mr. HATCH. Mr. President, I have listened to my friend from New York. I do not think there is anybody on this floor who has a greater background and knowledge in this area. So, naturally, I am very concerned about the statistics and facts that he has brought forward.

So I appreciate the efforts made by the distinguished Senator from Illinois. I would never ignore her remarks or those of my friend from New York, who, like I say, has as much knowledge and background in this area. We have to strengthen our budget and move toward a balanced budget, or no amount of money is going to be worth anything, because we will monetize the debt and, in the end, the dollar will go to zero. That is where we are headed if we do not do some intelligent things now.

These are tough choices. I believe that the approach Senator DOLE is taking is about as good a one as we can take at this time. I wish we could do more. The fact is that we have to find the dollars and be able to do more. We cannot lose sight of the fact that we are working toward a balanced budget.

I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Ms. MOSELEY-BRAUN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Ms. MOSELEY-BRAUN. I ask unanimous consent that the pending amendment be temporarily laid aside.

The PRESIDING OFFICER. Without objection, it is so ordered.

AMENDMENT NO. 2473

Ms. MOSELEY-BRAUN. I ask unanimous consent that we proceed to the consideration of amendment No. 2473.

The PRESIDING OFFICER. Is there objection?

Without objection, it is so ordered.

Ms. MOSELEY-BRAUN. Mr. President, I understand that this amendment has been accepted by the other side.

I urge its adoption.

The PRESIDING OFFICER. Without objection, the amendment is agreed to.

So the amendment (No. 2473) was agreed to.

Ms. MOSELEY-BRAUN. I move to reconsider the vote.

Mr. MOYNIHAN. I move to lay that on the table.

The motion to lay on the table was agreed to.

Ms. MOSELEY-BRAUN. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. GRAHAM. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. GRAMS). Without objection, it is so ordered.

Mr. GRAHAM. Mr. President, what is the current parliamentary status of the Senate?

The PRESIDING OFFICER. Amendments numbered 2471 and 2472 are currently pending, and all time for debate on those amendments has expired.

Mr. GRAHAM. Mr. President, is there unanimous consent for time for disposition of subsequent amendments?

The PRESIDING OFFICER. Under regular order, time has expired on these two amendments. The next amendment is the Graham-Bumpers amendment, and there is no time limit on that amendment.

Mr. GRAHAM. Thank you, Mr. President.

Mr. President, I ask unanimous consent that the two pending amendments be set aside for the purposes of considering amendment No. 2565.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. GRAHAM. Thank you, Mr. President.

AMENDMENT NO. 2565

Mr. GRAHAM. Mr. President, amendment No. 2565 has been sent to the desk pursuant to the filing requirement of last week.

Mr. President, this evening with my colleague Senator BUMPERS, we rise to offer an amendment to the pending amendment of Senator DOLE which would dramatically affect the fairness of the funding allocations to the States under this legislation. We describe our amendment as the children's fair share amendment.

Our approach is simple. We believe that the funding to the individual States, and therefore to their children, should be needs based. As a result of our formula, States would receive funding based on the number of poor children within that State in the particular year in which they received funding.

There are two modifications to that basic principle: that funds should be allocated where poor children are in the year of distribution. Recognizing the fact that this legislation imposes some very serious mandates on States, particularly in areas of preparing persons for work, and to be able to meet specific numerical goals for the percentage of welfare beneficiaries who are employed, we believe that there is a minimum amount of funds required for any State in order to meet those obligations. Therefore, we provide that no State will receive less than either 0.6 percent of the national allocation, or twice the actual amount of that State's 1994 expenditure level, whichever is less. That will assure that all States will have a basic amount of funds in order to discharge their responsibility.

The second principal modification from the pure principle of allocating funds where poor children are located is that all States, except those covered by the small State allocation, will be subject to a transitional period by which their increases in funding in any year would be limited to no more than 50-percent of what they had received in fiscal year 1994 for fiscal year 1996, or no more than a 50-percent increase in fiscal year 1997 over what they received in 1996 and so forth. The purpose of this is to provide for a 4-year transition period in order to get to the goal of parity for all poor children in America.

The savings from this allocation of increased ceiling would exceed that for the small State minimum allocation. The net effect of these adjustments would be reallocated among the States which receive less than their 1994 actual expenditure.

Any formula allocation should be guided by some underlying principles and policy justifications. One fundamental principle of the Federal Government allocating money to its citizens through the States should be fairness—fairness to America's children, fairness to the States, and fairness to the Nation.

There is another principle which should be applicable in this legislation; that is, will the distribution of funds allow the fundamental objective of the legislation to be attained? The objective of this legislation is to facilitate the movement of welfare beneficiaries from dependency to independence through work. Will the funds as allocated to the 50 States, and available to them in order to meet that objective, be equitable? If we are going to a block grant, welfare we must be very careful that these principles, particularly the principle of fairness, fairness to children, is met.

The General Accounting Office noted in its report of February 1995 entitled "Block Grants: Characteristics, Experience, and Lessons Learned," that "because initial funding allocations used in current block grants were based on prior categorical grants, they were not necessarily equitable."

Senator BUMPERS and I propose a funding formula that would clearly meet the following principles: block grant funding should reflect need or the number of persons in the individual States who require assistance. The principle No. 1 of a block grant program should be to reflect need or the number of persons in the individual States requiring assistance.

A second principle of block grants should be that a State's access to Federal funding should increase if the number of persons in need of assistance increases and decrease if the number of persons requiring assistance declines.

Third, States should not be permanently disadvantaged based upon policy choices and circumstances which were prevalent in years prior to the block grant.

And fourth, if requirements and penalties and public ridicule are to be imposed upon States, as I envisage will be the case with the bill of Senator DOLE, then fairness dictates that all States have an equitable and reasonable chance of reaching those goals.

If I might comment about public ridicule, one of the provisions in the original version of this legislation—and I believe that it is retained in the modified version—is that there will be periodic evaluations of how the 50 States are conducting their business under a reformed welfare.

States will be ranked assumedly from 1 to 50 as to how well they are doing in terms of achieving the objectives of moving people from dependence to independence. Yet, we are going to be saying to some States you start this process, as with Mississippi, with $331 per year per poor child in your State, another State will start this process with $3,248 per poor child per year. And yet we are going to publish a report analogous to an Associated Press rating of football teams how well each State did in meeting the directives, the mandates, the goals of this legislation. It would be as if one State was able to field a fully professional team and another State had to find a group of junior high school beginners to play this game. Yet, they are both going to be subject to the same evaluation. That is the public ridicule I suggest is going to be a consequence of this inequitable funding formula.

The test by which States should be evaluated would seem reasonable. In sharp contrast, the amendment as offered by Senator DOLE fails to meet any and every test of fairness of a block grant. In fact, the formula used in the Dole amendment would perpetuate the inequities of the status quo.

What are some of the problems with the amendment that is before us as offered by Senator DOLE? The authors of the leadership proposal have failed to learn the lessons cited by the General Accounting Office and other experts who have examined block grants. They have chosen to distribute welfare funds to States well into the future based on fiscal year 1994 allocations.

Ironically, in the name of change and in the name of reform, we are locking in past inequities in distribution of Federal funds. We are repackaging them as block grants. We are punting welfare to the States and failing to take into account future population or economic changes among the States and failing to give the States an opportunity within a reasonable period of time to achieve parity and equity in the treatment of the poor children within those States.

By allocating future spending on the basis of 1994 allocation, the Dole bill fails to distribute money based on any measure of current or future need. It fails to account for population growth and economic changes. It would permanently disadvantage States well into the future based on choices and circumstances made in the past. And it would unfairly impose penalties on States. The Dole allocation is essentially based on the status quo.

How was the status quo arrived at? How did we end up with a system in which one State gets $3,248 per year per poor child and another State gets $331?

The answer is that we had a system which had as one of its principal objectives to encourage those States that were able, capable and willing to invest substantial amounts of funds in their cash assistance to welfare beneficiary programs. Since we are in a nation which, unfortunately, has huge disparities in capability as well as in political will from State to State, we have ended up with huge disparities in terms of Federal funds for poor children. The basic formula has been that for every dollar a State would put up, there would be a Federal match.

For the most affluent States, the matching rate is 50-50—a dollar from the State draws down a dollar from the Federal Government. For States that are less affluent, they have a somewhat richer matching rate, going all the way up to the poorest State being able to get 83 Federal dollars for every 17 State dollars. And based on that formula we have ended up with a situation as it was in 1994 and as it is almost proposed to be continued into the indefinite future.

One other modification has been made to that, however, Mr. President, and that is that a group of some 19 States which had the characteristics of either growing at a rate faster than the Nation as a whole—and there are some 17 States that met that standard—or States which were more than 35 percent below the average of the Nation in terms of funds per poor individual received a bonus and that bonus is 2.5 percent growth beginning in the third year of this 5-year plan.

So beginning in the third year, if you have been receiving $100 million, you got $102.5 million, and a similar 2.5-percent adjustment in the fourth and the fifth year. That adjustment distributes approximately $800 to $900 million over the 5-year period, concentrated in the third, fourth and fifth year of the 5-year period.

The status quo plan, the plan that is based on funds as they were distributed in 1994, will distribute approximately $85 billion over that same 5-year period. So the amount of funds that are intended to represent poverty and growth are a pittance compared to the enormous amount of money that is going to be invested in continuing the status quo as it was in 1994.

The consequence of this allocation is this map that is called "Children's Fair Share Allocations." The States in red on this map benefit by using a formula based on status quo and the modest adjustment which I have indicated. The

States in yellow are the loser States in that allocation and, conversely, would benefit if the funds were distributed on the basis of where poor children in America live.

Mr. President, the current proposal before us, the formula of Senator DOLE, would result in extreme disparity between States in Federal funding for poor children. For example, Mississippi would receive $331 per child in 1996 compared to an affluent northeastern State's $2,036 per poor child.

Let me repeat that. Mississippi, $331; an affluent Northeast State, $2,036; an affluent far Northwestern State, $3,248.

In effect, those affluent States would receive six times or more funding per poor child than the poor State of Mississippi. Even under the formula of Senator DOLE, Massachusetts—another affluent Northeastern State—would receive $2,177 per poor child. If you combine the per child total from five other States—you combine the amount that a poor child in Alabama, in Arkansas, in Louisiana, in South Carolina, and in Texas, if you combine what those children would receive in a year—that total would not equal what a poor child, a single poor child in Massachusetts would get in a single year.

To state it another way, the Federal Government effectively values poor children of that affluent State five times more than it does the children of Alabama, Arkansas, Louisiana, South Carolina, and Texas. There is no justification for poor children to be treated with less or more value by the Federal Government depending on the State in which they happen to live.

The proponents of the Dole formula will argue that some States will qualify for the 2.5 percent adjustment in the bill to address these disparities. However, a sizable number of States that are not treated fairly under the current system would receive zero remedy from the limited, inadequate 2.5 percent adjustment feature. Those States which would get zero remedy from the 2.5 percent adjustment include Kentucky, Oklahoma, Indiana, Illinois, Missouri, Nebraska, West Virginia, Kansas, and North Dakota. All of those States are well below average Federal funding per poor child, yet would get no benefit from the proposed remedy.

Moreover, even for those who do qualify, the adjustment is marginal and may fail to treat all poor children equally. Let me use as an example again Mississippi. How long will it take under the 2.5 percent formula for Mississippi to come up to the average of the country in terms of funds available per poor child? Will it take 10 years, will it take 20 years, 30 years, 40 years, 50 years, 60 years, 70, 80, 90? No. It will take 100 years for Mississippi to go from its current $331 per poor child to reach the average of the Nation at 2.5 percent a year.

How long will it take for Mississippi to reach the level of an affluent Northeastern State? It happens to come out historically and somewhat ironically that it will take 206 years for Mississippi to reach the same level as the affluent Northeastern State. That happens, Mr. President, to be the same number of years looking backward to the signing of the U.S. Constitution. So Mississippi could look forward to all of the generations and all of the historical changes that have occurred since this great Nation was established. All of that would have to elapse again before Mississippi, under this formula, would reach the parity of an affluent Northeastern State.

In contrast, the amendment as offered by Senator BUMPERS and myself would eliminate these disparities in less than 4 years. Mr. President, if we are going to have a serious debate, let us have a debate over how many years should we allow ourselves to eliminate this unfairness. Is 4 years too hurried a time for equality? Is 100 years adequate time to achieve the equality? I believe that we ought to have as a principle that all poor children in America have equal value and that we should move as expeditiously as possible to put that principle into our law.

These disparities in State-to-State funding have real consequences on the lives of children. These are not just accounting or statistical issues. These 5 and 6 and more to 1 disparities have in the past and will continue to have real human consequences. The State of Washington, for example, received $2,340 per poor child in 1994, $2,340 compared to $393 per poor child in South Carolina, almost a 600 percent difference.

Should we be surprised that there are tremendous outcome differences? The State of Washington's children rank seventh and sixth in rankings of infant mortality and percentage of children in poverty. The State of Washington's children ranked 12th overall in the children's well-being index as established by the Casey Foundation. Meanwhile, South Carolina with one-sixth the funding per poor child ranks 48th among the States in infant mortality, 45th in the percentage of children in poverty, and ranks 46th in the children's well-being index.

It will be the height of irony, if not hypocrisy, to change our welfare system and not address this cruel disparity. When people ask, is the welfare system broken? the answer is almost universally, yes. And what is one of the key elements of a broken system? It is the fact that we have tolerated for too long a system that has resulted in these extreme disparities in the treatment of children and the consequence on the children in their ability to grow up healthy, strong, educable, and productive citizens.

But these are not the end of the list of adverse consequences of the amendment as offered by Senator DOLE in terms of how to allocate funds. Locking in historical spending will also lock into place inefficiencies of the status quo, the very status quo that we are supposedly reforming in this legislation. In 1994, the national average monthly administrative expense per welfare case was $53.42—$53.42. New York and New Jersey, however, had administrative costs exceeding $100 per welfare case, almost twice the national average, eight times the average of West Virginia, which administered its program for $13.24 per welfare case. Those States with higher administrative costs in fiscal year 1994 would receive block grant amounts reflecting their higher fiscal year 1994 costs for the next 5 years, whether or not those costs are justified.

This formula fails to take into account demographic and economic accounts. Initial disparities locked in by the Dole approach would actually intensify as a result of the different rates of anticipated population growth through the end of the decade. Between 1995 and the year 2000, 10 States are projected by the U.S. Census Bureau to grow by at least 8 percent. Eight States are projected to grow less than 1 percent or experience a population decline. Among the fastest growing 25 States, the top half, 17 of those growth States would receive initial welfare allocations below the national per poor child average. Seventeen of the twenty-five fastest growing States start this process at below the national average.

Thirty Senators, including the Senators from Texas and both Senators from my State, raised this issue in a May 23 letter to the Finance Committee chairman, in which we stated: "Block grant funding would be locked in, in spite of rapidly changing patterns of need. This disconnect between need and funding would produce devastating results over a 5-year period."

Proponents of the Dole formula would argue that some States will qualify for the 2.5 percent annual adjustments beginning in the third year to address population growth. However, six growing States—Washington, Alaska, Hawaii, Oregon, California, and Delaware—all fail to qualify for the adjustment despite projected above-average population growth.

Moreover, even with the 2.5 percent adjustment, Texas would only receive $445 per poor child in the year 2000, and 27 percent of the $1,600 per poor child in Connecticut, which that State would receive despite the fact that its population is projected to decline between 1995 and the year 2000.

So a State whose population is going up, a State which entered this process as one of the lowest in terms of funds for poor children, would be even further disadvantaged, while a State which entered the process at a relatively high level with a declining population of poor children would be further advantaged.

Another difficulty with the legislation before us, Mr. President, is that under the proposal, States that receive less than their fair share of funding per poor child are most likely to be penalized with a 5-percent reduction in their funding for failure to meet the bill's work requirement. To meet the work standards in the bill, States would be mandated to spend large chunks of their Federal funds for job training and for child care.

According to estimates by the Department of Health and Human Services, the additional cost of the work program and the associated child care needs would absorb more than $8 out of $10 of Federal allocations to Mississippi, Louisiana, Tennessee, and Texas; that over 80 percent of the Federal funds from those States would go to meet the new Federal mandates in work requirements and child care.

But, again, we see wide disparities. In California, New York, Oregon, and Wisconsin, less than 4 out of 10 Federal welfare dollars would be subject to the Federal mandates under this bill; that is, those States would be able to meet the same mandates by using less than 40 percent of their Federal money, while the poor States would have to use over 80 percent of their Federal funds in order to come into compliance.

Washington would tell the States that they have to spend block grants on job training and child care or face 5-percent penalties for failure to meet the work requirements. For States facing sanctions, the States would receive vastly different amounts of support to reach a common goal. That, Mr. President, is patently unfair.

I might add that some of the States that are treated the most unfairly under this bill are represented by Senators on both sides of the aisle who joined in that letter to the chairman of the Finance Committee.

If I could just put this in the context of my State and in the context of what it is going to mean in the lives of real children, in my State, a family on aid to families with dependent children, which is typically composed of a single female and two children, receives $303 per month; $303 is their current allocation. Fifty-five percent of that comes from the Federal Government; 45 percent, State funds. That means that Federal funds represent approximately $168 or $169 of the $303 that is being required.

Under the proposal, 63 percent of the Federal money in my State of Florida would be required to meet the mandates of job training and child care; 63 percent would be required, which means, Mr. President, that less than 40 percent of that $168 is going to continue to be available to meet the economic needs of children.

It is that 40 percent, plus the $135 that comes from the State, that buys the clothing, that pays the light bill, that pays the rent, that provides whatever transportation costs, that meets their health care needs that are not covered by Medicaid. Think in your own life experiences of meeting all of those needs on $303 a month. You would also qualify for $304 a month in food stamps to cover your food budget. But think of what it would mean to live at that level and then to see your $303 monthly stipend reduced to $198, which is what is going to happen with the mandates on child care and on work training, and that assumes that the State will continue to maintain its current level of effort.

Just a few hours ago, we defeated an amendment that would have required a maintenance-of-State effort. So that is speculative as to whether, in the case of my State or any other State, there will be a continued maintenance of effort, which would keep the level of monthly support at the $198 level, not the $303 level which is currently available.

Another factor, Mr. President, is that a wrong decision made today is not a decision likely to be reversed. The history is that once a funding formula is adopted, there will be great difficulty, if not impossibility, of future change. Example after example can be cited of block grants which are being allocated today because of funding decisions in the past, often decisions which are historic and irrelevant to needs today.

The General Accounting Office notes that, for instance, under the maternal child health block grant, funds continue to be distributed primarily on the basis of funds received in the fiscal year 1981 under the previous categorical program. A program in 1995 is distributing funds based on a preexistent categorical program of 1981.

I am concerned that our successors would be looking back from the perspective of the year 2015 wondering why we are distributing a significant amount of Federal funds for block grants to States to meet the needs of poor children based on a categorical program of 1981.

The General Accounting Office proceeds by saying:

> Only when the funding exceeds the amounts appropriated in fiscal year 1983 are additional funds allocated in proportion to the number of persons under the age 18 that are in poverty. We found that economic and demographic changes are not adequately reflected in the current allocation resulting in problems of equity.

As Ronald Reagan might have said: Deja vu, there we go again.

Mr. President, I want to conclude with two final comments. One looks forward and one looks back. The debate that we are having today foreshadows a much larger debate that we are likely to have on Medicaid. More than $4 of every $10 that Washington sends State governments are Medicaid dollars. This is the program that provides medical assistance to the poor, elderly, disabled, and poor children and their families. Medicaid is nearly five times larger in terms of its Federal role than welfare; $81 billion were distributed last year as opposed to $17 billion distributed in welfare reform.

We are already hearing that if the policy is adopted of using essentially the status quo as the basis of distributing welfare funds, that that will establish the precedent for how we should distribute Medicaid funds; that by locking in past spending patterns and inequities in this program, we are setting the precedent for the much larger Medicaid Program.

Again, remember my previous point: Block grants, once established, have proven to be highly resistant to subsequent change.

Finally, Mr. President, to look back. I say this with sadness but also with candor. This Congress has been faced over the past several years with a number of major challenges.

Examples: In the early eighties, we were faced with the challenge of reforming our financial institutions. A number of pieces of legislation were adopted with that as their intention. Unfortunately, less than a decade later, we were back passing further legislation to deal with it with the calamity of our financial institutions which have largely been occasioned by our earlier actions.

In 1986, we passed what was supposed to be major tax reform, intended to simplify the Internal Revenue Code. Today, there is so much public dismay at the complexity of the Internal Revenue Code that we are talking about a complete repeal of the income tax and the substitution of a consumption tax, or a flat tax, or some other basic new approach to domestic revenue procurement.

In the mid-1980's, we passed a catastrophic health care bill that was intended to deal with some of the inadequacies in Medicare. Within less than 2 years, we repealed the bill that we passed, and now we are back looking at Medicare reform again, but no longer looking at legislation to fill the gaps of the program, but rather to add new gaping holes to Medicare and new expense to the beneficiaries.

Mr. President, I suggest that all of those past precedents have something in common; that is, we allowed the theory of how things were going to work to get ahead of common sense and practicality as to how things would work. We, I fear, are about to make the same mistake again.

I will state, with no doubt of the correctness of history in this statement, that a plan which is as fundamentally unfair in the distribution of funds as this which is before us today—a plan which so fundamentally mistreats two-thirds of the States of this Nation, in terms of their ability to achieve the goal of facilitating the movement of welfare-dependent individuals to the independence of work, that a plan that has those kinds of imperfections embedded in its basic allocation of funds to achieve its purpose, will fail. And we will be subjected to more public animosity toward this institution for failure to have carried out our task in a craftsmanlike manner.

The public will continue to be outraged at what it sees as the abuse of people who are living on a public system without contributing to the betterment of the public. We will continue to see poor children start their lives with the extreme disparities that exist today. We will see this institution held in even more public disrespect because of our inability to deal intelligently, thoughtfully, rationally, with an important national chapter. We are dealing here with fundamental fairness. The proposal before us fails to meet that standard.

Senator BUMPERS and I, joined by our other colleague, the Senator from Nevada, have provided to the Senate an alternative which will meet the goal of treating poor children in America as they should be treated—each with equal worth and dignity.

I urge the adoption of the children's fair share amendment.

Thank you, Mr. President.

Mr. MOYNIHAN. Mr. President, it was our informal understanding—we have no time agreement—that we would alternate from one side of the aisle to the other.

Mr. BUMPERS. I have no problem with that. I think the Senator from Texas wishes to speak.

Mrs. HUTCHISON. Mr. President, I would be happy to let Senator BUMPERS proceed. I do not mind waiting. I am going to be here anyway.

Mr. BUMPERS. Does the Senator from New York wish to speak at this time?

Mr. MOYNIHAN. No. The Senator from New York is awaiting with great expectation the remarks of the Senator from Arkansas.

Mr. BUMPERS. I am immensely flattered, Mr. President.

Mr. President, when I first came to the Senate we had some great people here: Hubert Humphrey, Abe Ribicoff, Jacob Javits, John Pastore, Scoop Jackson, Ed Muskie—truly great men, great Senators who believed in the theory of enlightened self-interest, who believed in governing.

Hubert Humphrey used to make a great speech, and he said, "This will never be a great place for any of us to live until it is a good place for all of us to live." I agree totally with that statement. As I think of those words and the author, I cannot help but wonder what Hubert Humphrey would think about a bill that said, "If you are rich and affluent, we will make you more affluent; and if you are poor, we will punish you and make sure those in poverty stay in poverty."

Well, even the people in the U.S. Senate would take strong exception to that if they believed that was our philosophy or that was what we were about to do.

Mr. President, that is exactly what this bill does. Senator GRAHAM has covered just about everything that needs to be covered. As Mo Udall used to say, "Everything that needs to be said has been said, but everybody has not said it." So while I know that much of what I have to say will be repetitious of what my good friend, and the real author of this amendment, the Senator from Florida, has said, it bears repeating to make sure that all the Senators understand what they are voting on.

In 1994, the AFDC formula allowed the following: If the States want to add more money to their AFDC program, the Federal Government will match it dollar for dollar. So what is the result? The result is the same as it has been for years under this formula. The "haves," the affluent States, put more money into AFDC, so they get more money. If they add $100 per child per year, the Federal Government gives them another $100. That whole concept is flawed, totally, fatally flawed, because what it says is, "If you are wealthy, we will make you wealthier, and if you are poor, we will make you poorer."

(Ms. SNOWE assumed the Chair.)

Mr. BUMPERS. Madam President, everybody knows that this amendment is a fair proposition. What Senator GRAHAM and I are suggesting is that we divide all the money in the pot by the number of poor children in the country and we allocate it to the States based on the number of poor children each State has. For example, if we had 10 million poor children in the country, we would divide the total pot of money by 10 million and that amount would be paid to each State for every poor child in that State.

Madam President, the problem Senator GRAHAM and I are trying to solve is a result of the formula we've used for the AFDC Program since its inception. Under that formula, the more affluent States have, over a period of years, received the lion's share of the Federal money because they were able to put more State money in the program, and we were matching it.

On the face of it, we should applaud States that have tried to improve and do better for themselves. But we should not penalize those who are not affluent and who could not put more money in.

Think about this for a moment. I want Members to think about this. I have good friends in this body from States who make off like bandits under the Dole bill.

Just take the State of Rhode Island. We have two fine Senators, my dear friends from Rhode Island, but I do not believe either Senator from Rhode Island would say they believe that a poor child in Rhode Island is worth $2,244 a year, but a poor child in my home State of Arkansas is worth only $394. What in the name of all that is good and holy are we thinking about here?

All my life I have had to say I come from a poor State. I hate to say that. But I have always believed that being upfront and candid about your own plight is good for the soul and good for understanding.

I cannot believe that we are about to pass a bill that allows New York, for example, to get $2,036 for every single poor child on AFDC, and my State $394. They get five times more than my State. If this were State money I would not squawk. But it is not. It is Federal money out of the U.S. Treasury, and we are saying that if you come from an affluent State which has been able to put more and more into the program, and we have matched it more and more as you put more in, you will benefit permanently. We are looking at a gross inequity and we are ratifying it. We are institutionalizing it for all time to come. States like New York, the home of my very good friend and ranking Member on the Finance Committee, will always do very well under the Dole formula.

The Dole formula claims to correct these inequities over time. For example, if my home State of Arkansas goes below 35 percent of the national average for concentration of poverty, the Dole formula provides a little honey pot from which the State can get a 2.5-percent bonus. How that warms the cockles of my heart.

If my State gets that 2.5-percent bonus it will only take us 84 years to reach the national average. And it will only take us 177 years to catch up to New York. If I thought I would live to see that, I might favor it. Unhappily, I will not be around.

Sometimes as I get steamed up making these speeches on the floor I get to thinking, am I living in a loony bin? Is this actually going on? Is it happening? And often the answer is yes.

If you want to take all this Federal money and give it to every poor child in America on an equal basis under the proposition that a poor child in Mississippi, Alabama, Texas, North Dakota is worth as much as a poor child anywhere, count me in. And then if the State wants to enrich that, let them.

They have a right to do that, even though, Madam President, school districts all over America are being ordered by the Federal courts to equalize their school expenditures among the poor districts as well to bring them up to par with the more affluent districts.

If you come from an affluent school district in my State you get voice, glee club, debate. You get field trips, you get everything, because the people in that district are more affluent and the more affluent they are, the more advantages and opportunities they want their children to have. So they vote for higher taxes to support those programs.

Then you take some poor school in the Mississippi Delta. I do not care how hard they try. I do not care how much they stretch out. I do not care how much they sacrifice. They can never, never reach the affluence of the more prosperous school districts. So the courts are saying nowadays, you cannot do that anymore, you have to equalize these State funds.

This bill says that in the very first year, a State has to get 25 percent of the people on the rolls into the work force. I am going to say women, rather than people, because the adults in this program are almost exclusively single mothers with children. I do not say this to be sexist. I say it because that is the way it is.

This bill says to each State, New York and Arkansas alike, that during the first year, 25 percent of these women must enter the work force, and, if they do not, we are going to penalize them by reducing the amount of their block grant. By how much? Up to 5 percent.

I want you to think about the lunacy of that provision. They say: Get these women into the work force. But there is not enough money in the bill for child care, even if there were jobs available and women wanting to take them. There is not enough money in this bill to provide the kind of child care you would have to have to even come close to getting 25 percent of these women into the work force.

I do not want to stray too far afield, but the Senator from New York was quoted in the paper the other day with a magnificent statement. Ten years from now, more and more thousands of children are going to be sleeping on the grates in this country. This bill is a veritable assault on the children of this country. I wonder where some of these people who purport to have these great family values and Christian beliefs are when we are debating things like this? Why do they not sense the inequities of this? Why do they not understand that millions of children who have little chance now are going to have much less chance in the future when this bill becomes law?

You think about West Virginia, with an administrative cost of $13.34 per caseload per year. I am sorry the senior Senator or junior Senator from West Virginia are not here to hear me laud and commend their State for their very low administrative costs in the present AFDC Program. I did not get a chance to check it in my State, but I know our average is in that vicinity. The national average is $56, and in some States it is as high as $106. Under this bill we are rewarding those States with high administrative costs. We are rewarding States that have a $106 administrative expense and punishing the State of West Virginia for being good stewards over the administration of their funds.

Madam President, every year for 5 years—you have to get 25 percent of the women off the rolls the first year, the next year you have to have 5 percent more, the next year 5 percent more, until, in 5 years, 50 percent of these people are off the rolls. On a point that is not relevant to this amendment, I submit to you that 20 percent of the people on AFDC today are incapable of either finding or holding a job. What happens to them?

One morning one of my sons came home. I have to tell you, all my children are pretty liberal when it comes to poor people. They have good values. I am immensely proud of every one of them. My son, who practices law downtown in Washington, DC, said, "Dad, I wish you would go with me in the morning. Our firm is in charge of feeding the homeless people in the morning."

"Where?"

"A project called SOME, So Others May Eat. I think it will be good for your soul."

It was nearing Christmas. My daughter, who was in school in New York, was home for Christmas. We all went. The temperature was 28 degrees, and 400 men and 2 women were standing outside waiting for the dining room to open. So I flipped pancakes for 3 hours—the best day's work I ever did. Then I went around, just like I would at a political rally, talking to these men. "Where do you come from?"

I found that one-third of them had jobs. About a third of them had a drug habit. And a third of them were essentially dysfunctional, they could not hold a job. And being dysfunctional is not peculiar to men, it is also true of women, and a lot of women on AFDC today cannot and will never take, or be able to hold, a job. What happens to them? If the goal is to get everybody off the rolls, how on Earth are you going to do it?

Senator GRAHAM made a very salient point a moment ago about some States trying to meet their mandates. They have nothing left after they meet the mandates. I think he said in Florida, 63 percent of the funds that Florida will get will go to meet the mandates and what is left will go out in AFDC grants. In my State it is almost 80 percent, which means when we meet the mandates of this bill, we will have $40 a year per child to hand out.

The most cruel among us may say, "Well, you have food stamps on top of that." Food stamps will not pay the electric bill. Food stamps will not pay for a child's medical care, for housing, or for his clothing. I cannot believe how callous and indifferent we are to the least among us.

I started off mentioning de Tocqueville. I never tire of talking about him. He talked about enlightened self-interest. That is a very simple proposition that has governed my entire life. The principles I learned in Sunday school in the Methodist Church and the principle of enlightened self-interest that I learned from reading "Democracy In America" have governed my life, and that is where my values come from.

And what does it mean? It means that when some poor soul is reaching for the first rung on the ladder and you are on the top rung, you do not step on his hands. You reach down and take his hand and you pull him up. You pull him up because it makes him a better citizen, it makes the country a better country, and it makes me a better person.

How could anybody quarrel with those three principles, all of which are unassailable? So that is what is wrong with this bill. We are reaching out and giving a hand to some and we are stepping on the hands of millions who did not have a dog's chance to begin with and will have even less.

Madam President, I could not vote for this bill. I will never vote for a bill that includes so many things I deplore in this country. I might also say I would hate to have to go home and explain to my folks why I voted for a bill that uses their tax dollars and sends back to them only $394 for each poor child at the same time it sends the State of California $1,716. You can use all the sophistry in the world. You can use every kind of convoluted argument in the world to try to defend this. It is indefensible.

So, Madam President, I am honored to join my good friends and colleagues, Senator GRAHAM and Senator BRYAN, in trying to bring some sense and sanity to this bill. There are a lot of things about this bill I do not like. I would have a very difficult time voting for this bill even if this amendment was agreed to. I am not terribly worried about that.

But, for the life of me, when you look at that map and you see the States that are helped and the States that are hurt under this amendment—which simply says divide the pot of money by the number of poor children in this country and send it out to them on a per capita basis—you cannot improve on that. So I am hoping when the rollcall is up on this amendment, people will look at that chart and realize we are not talking about State money; we are talking about Federal taxpayers' money. We are distributing it in the most unkind, most unfair way I can imagine.

I yield the floor.

ORDERS FOR WEDNESDAY, SEPTEMBER 12, 1995

Mrs. HUTCHISON. Madam President, I ask unanimous consent that when the Senate completes its business today, it stand in recess until 9 a.m. on Wednesday, September 13, 1995.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mrs. HUTCHISON. I further ask unanimous consent that at 9 a.m. the Senate resume consideration of H.R. 4, the welfare bill, and there be 10 minutes for debate on the Moseley-Braun amendment No. 2471, to be followed by a vote on or in relation to the Moseley-Braun amendment No. 2471.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mrs. HUTCHISON. I further ask unanimous consent that following the disposition of the Moseley-Braun amendment, the Senate proceed to 4 minutes for debate, equally divided in the usual form, on the second amendment, No. 2472, to be followed by a vote on or in relation to that amendment, with that rollcall vote limited to 10 minutes in length.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mrs. HUTCHISON. I further ask unanimous consent that following the disposition of the second Moseley-Braun amendment, there be 20 minutes for debate, equally divided in the usual form, on the Graham amendment No. 2565, to be followed by a vote on or in relation to that amendment, with that rollcall vote limited to 10 minutes in length.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mrs. HUTCHISON. I further ask unanimous consent that following the disposition of the Graham amendment, there be 10 minutes for debate, to be equally divided between Senators DOMENICI and GRAMM on the Domenici amendment No. 2575, to be followed by a vote on or in relation to that amendment, and the rollcall vote be limited to 10 minutes in length.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mrs. HUTCHISON. I further ask unanimous consent that the same parameters as outlined regarding the Domenici amendment apply with respect to debate time in the usual form, voting option, and length of rollcall votes to the following additional amendments: Daschle, No. 2672; Daschle, No. 2671; DeWine, No. 2518; Mikulski, No. 2668; Faircloth, No. 2608; and Boxer, No. 2592.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mrs. HUTCHISON. Madam President, no further votes will be held tonight because of these unanimous consents, and Members are reminded there will be 10 rollcall votes beginning at 9:10 a.m. with a few minutes in between each vote.

The PRESIDING OFFICER. Without objection, it is so ordered.

FAMILY SELF-SUFFICIENCY ACT

The Senate continued with the consideration of the bill.

The PRESIDING OFFICER. The Senator from Texas.

AMENDMENT NO. 2565

Mrs. HUTCHISON. Madam President, I want to talk about the underlying formula, the Dole-Hutchison formula that is in this bill. The key to our formula is balance. When we looked at the monumental problem of welfare reform, the main goal we had was to keep the reform in the bill but not penalize any State too much. So what we did was take the high-payment States, the high-welfare States, and we froze them. That is a big gain in the beginning for those States because we felt that we could not go to a State like New York or California and say next year you are getting a cut. So we freeze them for 5 years.

When you are talking about a 5-year block grant, you have to be very careful. You have to be careful about year 1, but years 3, 4 and 5 are just as important, especially if you are a growth State. And, if you are a low-benefit growth State, you do not have the margin of error that would allow you to absorb growth with a very low benefit in the outyears.

So we took this problem, and we said how can we do a 5-year block grant so we can plan for the budget, so that we can balance our budget responsibly without hurting any State too much? That is what the Dole-Hutchison formula does. It leaves the high benefit States whole. They never lose anything that they had in 1994 and beyond. No State loses anything they had from 1994 on. But we took $887 million and we allocated that for low-benefit high-growth States so that in the outyears, 3, 4, and 5, we knew what the budget would be but we allowed them a modest growth. It is modest. It is 2.5 percent per year for a low-benefit high-growth State.

So our goal is to slowly reach parity. It is slower than many of us would like to see because many States start very low like the Senator from Arkansas who was just speaking. He is one of the States that is going to grow slowly. But, if you put food stamp and AFDC together—and they do go together—most States will eventually reach parity. But they will do it gradually. They will do it without hurting any other States.

What is wrong with the Graham amendment? We have heard Senator GRAHAM and Senator BUMPERS talk about the merits of their formula. If I were the dictator, I would say sure, let us start next year, and let us say everybody is going to be equal in America. What is the problem with that? The problem is this is the United States of America. We have 50 States that have to come together to make collegial decisions. We have to do it in a responsible way so that one State is not such a big loser that it could put that State in severe financial straits from which they really could not recover. That is what is wrong with the Graham-Bumpers amendment.

It is totally fair. There is no question about it. But if you do totally fair on paper and do not take into account that someone has to pay for this, then it is just what you have—something on paper because it will never be a collegial decision that is fair enough that all of us could feel in good conscience that we could adopt it.

Mr. SANTORUM. Mr. President, will the Senator yield for a question?

Mrs. HUTCHISON. Yes.

Mr. SANTORUM. The Senator is saying this is totally fair. I think she is right given this abstract when you say start all over. But as you know, in the bill, I think what we propose is a modification by the leader to the substitute. There is going to be an 80-percent maintenance of effort provision in all 5 years of this bill which means that these States, like New York and California that have high maintenance efforts, are going to require that they continue to contribute 80 percent of the 1994 funding level. If we are going to require 80-percent maintenance of effort, how could there conceivably be a situation where New York, for example, where we are going to require New York with their maintenance of effort provision to actually contribute more on the State level than the Federal Government will under the Graham formula? Could that be a result?

Mrs. HUTCHISON. That is correct. That could be a result. That is exactly correct. You see, there is another point here. When we are talking about the underlying bill, we are talking about redistributing $887 million over a 5-year period. So we are holding everyone harmless. Every State is held harmless. And the low-benefit, high-growth States that need that extra help are going to divide the $887 million. But the Graham-Bumpers amendment does not redistribute $887 million. It redistributes $17 billion. It takes the entire pot of $17 billion, and it says, OK, we are going to put it on a 5-year plan, and at the end of 5 years every person in America is going to have the same amount. When you do that, someone has to pay.

Let us look at what happens. New York loses $4.6 billion. In a $17 billion redistribution, one State loses $4.6 billion to pay for the redistribution to the other States. California is the biggest loser. California would lose $5.4 billion.

So really you are talking about almost half of the entire amount—actually more than half the amount of the entire amount—which is going to come out of two States.

Madam President, we are a country. There is no State that can stand to lose that kind of money and make it.

So that is why it is very important that we look at realism. What do you think is going to happen if this amendment passes? If this amendment passes, there is no welfare reform. The bill comes down. It is over.

So I ask my colleagues as they are looking at this amendment, which I would love to vote for, and 35 States come out better. But the price when the pound of flesh comes straight out of the heart is too high. And I think if we are not serious about welfare reform that we can go blithely along and say, "Oh, sure. Let California sink into the Pacific. Let New York go into the Hudson River. And, sure. We will have welfare reform that everybody can live with." Well, everybody except New York and California, and anyone who has a conscience. It is like the child who is going after the big bubbles. When the child gets the bubbles the child finds that there is only air in its place.

So the difference between the two bills is really the difference in whether we have welfare reform or not.

Let me say that I sympathize with Florida, and I sympathize with Arkansas. The biggest winner in the Graham amendment is Texas. The biggest single winner of any State in the entire Union is my home State of Texas. We gain over $1 billion. But I did not come here to get a big windfall for Texas when I know that if I went for that beautiful bubble what would happen is we would go back to welfare as we know it, which no one in good conscience can say is right for this country.

We must persevere to have welfare reform. All of us must give a little. And the underlying Hutchison-Dole formula does give Florida growth. We worked very hard to make sure that the 19 States that have—actually, it is 20 States—that have low benefits and high growth do not suffer to such a great extent that they would be in jeopardy. And I do sympathize with Florida. Florida is like Texas. We have illegal immigration that costs our States dearly. There is no question about it.

However, the Graham-Bumpers amendment is not the answer if we care about welfare reform. If we care about welfare reform, we will all give a little so that there is a fairness in the system, and we will all win a lot because the people of America will have welfare reform that is going to allow States to have time limits for able-bodied recipients to have welfare, that is going to provide for child care and job training. But it is going to require work for welfare for able-bodied recipients, and it is going to have caps on spending in welfare so that the hard-working American family will know that someone is not staying on welfare generation after generation having things that the hard-working family is not able to buy for its own children. No longer is that going to be tolerated in this country.

That is what welfare reform does, if we are all willing to give a little for everyone to win. That is why the underlying formula is balanced. It is why no one is completely happy with it and why it is easily subject to attack. But I worked very hard with many other Senators who were concerned about the original Finance Committee bill to try to come up with something that was fair to everyone—not everyone's total liking but fair so that no one would go home saying they did not get something. They either get welfare reform that is good for every taxpaying family in this country, and they get either a benefit in the beginning if they are a big welfare State, or a benefit toward the end if they are a low-benefit, high-growth State.

I think we have accommodated the needs of every State in a reasonable manner, and that is the bottom line. It is balance. It is fairness. It, above all, is keeping the goal of welfare reform so that everyone knows that it is not going to be welfare as we know it. It is not going to be business as usual. It is going to be better for every American if we can persevere and do the right thing.

I thank the Chair. I yield the floor.

Mr. MOYNIHAN addressed the Chair.

The PRESIDING OFFICER. The Senator from New York.

Mr. MOYNIHAN. I note that the Senator from Texas has to be elsewhere in a moment, but if she could stay just for a moment I would like to suggest that something exceptional has happened tonight. It may be something that Benjamin Disraeli wrote turns out to be wrong, and this is a new thought to me. But I was going to read a passage from Coningsby published in 1870 when the young Coningsby is having breakfast with the old duke, and the old duke says:

> In a couple of years or so you will enter the world; it is a different thing to what you read about. It is a masquerade; a motley, sparkling multitude in which you may mark all forms and colours, and listen to all sentiments and opinions; but where all you see and hear has only one object, plunder.

Now, I think that the Senator from Texas, having said it is clearly the case that she is going to oppose a proposal in which the chief beneficiary in the first instance and on a superficial level perhaps would be the State of Texas, leads me to raise the question: Did Disraeli get it right or was it invariably a rule, or is there a Hutchison exception?

In any event, I thank her for her remarks and do observe if this measure would cost the State of California $5.4 billion and the State of New York $4.6 billion, it hardly would be a promising addition to the legislation, the underlying bill before us.

I would like to talk just a little bit about this subject, Madam President. We are talking about Federalism here. We are talking about some of the complexities, some of which have grown too complex over time. But the first point I would like to make is this: The disparities in AFDC benefits and Federal contributions, sharing contributions, how do they arise? The Senator from Texas happens to be right about them. They arise primarily for one reason which is very little understood and possibly never will be understood, that AFDC is not an entitlement to individuals; it is an entitlement to State governments for a Federal matching share of what the State governments choose to spend on the program.

This goes back to the 1935 Social Security Act. It has been varied somewhat from time to time. But the essential fact is that the States are left to design their own programs or have no program.

It would surprise many today to know that you do not have to have an unemployment insurance program. You do not have to have aid to dependent children or, as it later was, Aid to Families with Dependent Children. If you do, you are guaranteed a Federal match. States may choose to set generous eligibility thresholds and benefit levels, or they may choose not to. If they opt for a larger social safety net, they pay for it. But they also qualify for more matching Federal funds. The incentive is optional but intentional.

Now, that Federal match from the beginning—the beginnings are in the Great Depression—was heavily skewed toward States in the South and West. It is only beginning to be better understood that it was part of a policy of the New Deal, although it comes from New York: a President from New York State, a Secretary of Labor from New York State.

The object of the New Deal was to move resources away from cities such as New York, Wall Street as it would be termed, to the South and West, the Tennessee Valley, for the great water projects to reclaim the arid West. In this particular program, the formula, the matching rate, is borrowed from the Hill-Burton formula which came into effect just after World War II—Lister Hill of Alabama. The formula was used to allocate funding for a great hospital construction program. Our esteemed former colleague, Senator Russell Long of Louisiana, informed me that the Hill-Burton formula is the South's revenge for losing the Civil War.

What it does, Madam President, it writes algebra into our statutes. The States receive a Federal match that is determined by the square of their per capita incomes so that the relative difference in those incomes becomes exaggerated. And so it is such that until very recently some States in the South received an 83 percent match from the Federal Government, other States such as New York, California, and I do believe Maine—we will check that in a moment—get 50 percent; 50 percent is the minimum. Actually, Maine's current Federal match rate is about 63 percent.

It now goes from 50 percent to 79 percent. One of the first proposals I made when I came to the Senate 19 years ago when this was just beginning to be so patently inequitable, simply because costs of living were so different, I said, if we were going to have algebra in our statutes, instead of the square of the difference, why not the square root?

Well, I did not get much support for the idea. But one did begin to study the differences in tax capacity, the differences in costs of living. It makes astounding differences. If you just take that fixed poverty level, you will find you underestimate the true cost-of-living equivalent of the poverty level in a State such as mine by about 30 percent.

A word, if I may about per capita income. In virtually every debate we have on this floor or in committee about the States' relative fiscal capacity, we use per capita income as the proxy. Per capita income is a proxy, but not the only one. States such as Texas, for instance, that are endowed with natural resources may impose a severance tax when those minerals and natural gas and crude oil are severed from the ground. A severance tax is a wonderful way to raise revenue because the end user, usually out of State, ultimately pays it. I would note that Texas does not have a personal income tax. Perhaps one is not needed. After all, the State can export much of its tax burden out of State.

The Advisory Commission on Intergovernmental Relations [ACIR] has looked into this. This is the ACIR established under President Eisenhower in 1959, a nonpartisan, professional group. In 1982, the Advisory Council on Intergovernmental Relations with its long history of research, adopted the following resolution.

It said:

> The Commission finds that the use of a single index, resident per capita income, to measure fiscal capacity seriously misrepresents the actual ability of many governments to raise revenue. Because states tax a wide range of economic activities other than the income of their residents, the per capita income measure fails to account for sources of revenue to which income is only related in part. This misrepresentation results in the systematic over and understatement of the ability of many states to raise revenue. In addition, the recent evidence suggests that per capita income has deteriorated as a measure of capacity.
>
> Therefore, the Commission recommends that the federal government utilize a fiscal capacity index, such as the Representative Tax System measure, which more fully reflects the wide diversity of revenue sources which states currently use. * * *

Another problem with viewing income as a proxy for wealth is that it fails to consider differences in the cost of living which, as I said a moment ago, can be quite large. Residents of New York and Connecticut make more than do their neighbors in Mississippi and Alabama. But they need to spend more, too.

The other side of the equation is poverty. We have a national poverty threshold adjusted only by family size and composition. I think we would all agree if you just looked at the simple numbers, the richest people on Earth live in Alaska. Well, no, they do not. They have to pay so much more for what they consume as against the persons in the lower 48, they are probably, relatively speaking, not as well off.

The point about the problem we are dealing with right now is that, for example, a family of four just above the poverty threshold living in New York City is demonstrably worse off than a family of four just below the threshold in rural Mississippi.

Each year for the last 19 years I put out a compilation of the flow of funds between the Federal Government and the 50 States entitled "The Federal Budget and the States." Here, I will display the report for you for the purposes of the Senate.

More recently, the Taubman Center for State and Local Government at the John F. Kennedy School at Harvard has begun computing the actual numbers. I write an introduction. They have come up with an index to subnational poverty statistics. That is, Professor Herman B. Leonard, who is academic dean of the teaching programs, and Baker Professor of Public Finance, and Monica Friar, who is his associate in this matter.

And we just look at the "Friar/Leonard State cost-of-living index," as it is known, we find that—again I use my own State because I have been working at it—New York's poverty rate jumps from the 18th highest in the Nation to the sixth highest. It is no longer the case of the Mississippi Delta. It is no longer the case that poverty is more prevalent in the high plains. It is no longer the case that it is Appalachia. The sixth highest poverty rate in the Nation is in New York State once you adjust for the cost of living, which is obviously what poverty is all about. What does it get you with what you have?

Earlier this year, a National Academy of Sciences [NAS] panel of experts released a congressionally commissioned study on redefining poverty. The study, edited by Constance F. Citro and Robert T. Michael, is entitled "Measuring Poverty: A New Approach." According to a Congressional Research Service review of the NAS report:

> The NAS panel (one member among the 12 member panel dissented with the majority recommendations) makes several recommendations which, if fully adopted, could dramatically alter the way poverty in the U.S. is measured, how Federal funds are allotted to States, and how eligibility for many Federal programs is determined. The recommended poverty measure would be based on more items in the family budget, would take major noncash benefits and taxes into account, and would be adjusted for regional differences in living costs.
>
> * * * Under the current measure the share of the poor population living in each region in 1992 was: Northeast: 16.9 percent, Midwest: 21.7 percent, South: 40.0 percent, and West: 21.4 percent. Under the proposed new measure, the estimated share in each region would be: Northeast: 18.9 percent, Midwest: 20.2 percent, South: 36.4 percent, and West: 24.5 percent.

But getting back to Hill-Burton, the fact is that this benefit formula, called the Federal Medical Assistance Percentage, has always been designed to bring more Federal funds to Southern States than to Northern ones. And again, when we talk about these matters, we cannot seem to get past talk about per capita income as a measure of a State's relative capacity.

It is not, Madam President, as I showed just a moment ago. Per capita income disguises the large effects of cost of living.

Madam President, the point here is that we have a set of Federal outlays which have corresponded to two things. First, they have helped compensate States with low per capita income way in the back; 83 percent to Mississippi, but only 50 percent to California, the Federal match. But also, the outlays reflect State spending. And the States that would be injured in this matter are just those States who of their own choice have chosen to provide a higher level of provision for dependent mothers and children.

Per capita disparities exist in the block grant allocations because States are different—vastly different—in their willingness to spend their own money on their own poor people.

Now, if at the moment we end the Federal entitlement, turn this matter back to the States, where it had been indeed as a widow's pension in the early years, in the 1930's, going back to the Depression era, what we shall have done is penalize everything we would have thought to be admirable in American public life. And by admirable we would think of provision for children in a world in which they are so extraordinarily exposed to the dissolution of family and the onset of enormous levels of dependency such as were never seen in the 1930's and we now find ourselves baffled by and troubled by in the 1990's.

Let us take the analysis a bit further. ACIR does marvelous work and issues clearly written reports that too few of us in this Chamber read. Over the years, ACIR has developed and refined a really important index. They now have a measure of State revenue capacity and tax effort, without wishing to make any complaints of one kind or another. Here we go back to 1975, and we bring ourselves back up to

1991. And we look at New York. New York is the black dots. Its tax capacity goes down. And it goes up a bit, then comes down a bit. Just about average for the Nation. It was below average and now at 103. The State of Florida has stayed about average all along, and right now, 1991, its tax capacity is 103 too. The two States—New York and Florida—they are identical. They have the same per capita tax capacity.

But New York, with an older tradition, has a tax effort of 156 as against the national norm of 100. And Florida has a tax effort, rising a bit of late, nothing dramatic, just as we decline a bit, of 86. New York has twice the tax effort of Florida. It is a public choice. Some States will value public goods more than private goods and others private goods more than public goods. Some have higher capacity. Some have less. But the disparities are nothing such as they were thought to be in years past. But if the Senator from Florida wants to know why there are State-by-State funding disparities under the block grant, he need look no further than this chart.

Now, under the logic of the amendment offered by the senior Senator from Florida, we will reward his State's behavior by giving it an additional $1.7 billion over the next three years while we punish New York by taking away $2.7 billion of its block grant; $4.6 billion over the life of the bill.

The practical effect of the Graham amendment is to reallocate money from high tax effort States—States that are willing to spend their own resources on their own poor people—to low tax effort States—States that, for whatever reason, are not willing to make those investments. Even though most of the less generous States benefit from the Hill-Burton formula and States like New York do not. This certainly does not comport with my notion of Federalism.

I suppose the response is that we are talking about Federal funds. Well, why limit ourselves to a discussion of Federal welfare funds? Why not consider all other Federal funds? Perhaps we should block grant NASA spending and allocate the dollars to each State on a per capita basis. Perhaps we should block grant farm price supports. Perhaps, even, defense spending. Why not? Given the prevailing opinion regarding the competence of Washington, maybe New York would be better off if it were to receive block-granted defense funds allocated on a per capita basis. After all, I am sure that New Yorkers are more aware than distant DoD bureaucrats which points along our boundary with Canada are most susceptible to invasion.

Mr. President, I suggest that, in keeping with the spirit of the Graham amendment, we extend it to cover all Federal spending. Let us smooth out the disparities that exist in the per capita allocation of all Federal dollars. Now, if we consider all Federal spending, we discover that it amounts to $5,095 per person in Florida. In New York, the total is a less munificent $4,973. Perhaps the senior Senator from Florida would be amenable to an effort to reallocate some of the Federal funds that flow to his State so that the disadvantage New York suffers can be ameliorated.

Let us extend the analysis and consider not just spending received, but taxes paid, as well. Between fiscal years 1981 and 1994, on a cumulative basis, if New York's percentage share of allocable Federal spending had been equal to its share of taxes paid, the State would have received an additional $142.3 billion. Florida, on the other hand, would have received $38.5 billion less. I think notions of fairness and equity have been turned on their head here.

The same may be said for regions. In the Northeast you find a big imbalance, a shortfall in the balance of payments with the Federal Government. In the South you find a big surplus. In the Midwest, an even bigger shortfall than the Northeast. The greatest—Illinois now ranks 49th in its balance of payments with the Federal Government. The real concentration of balance of payments deficits is in that old Midwest industrial area. And the West is a benefactor, always has been, for a variety of reasons of which defense outlays are probably the most important. This is a zero-sum situation. Combining the regions, we find that the Northeast-Midwest balance of payments deficit totals $690 billion. And that is the exact windfall the South and West have enjoyed over the past 14 years.

Mr. President, the senior Senator from Texas often refers to "people who pull the wagon" and "people who ride in the wagon." Well, we have States that pull the wagon and States that go along for the ride. Make no mistake. I am no fan of the block grant. But I must strenuously resist any attempt to raid my State of $4.6 billion, to decrease an allocation derived in large measure from New York's willingness to "put its money where its mouth is," particularly when the "raiders" represent States that are unwilling to spend their own resources on their own poor people.

Mr. President, in June 1990, during consideration of the housing bill, the senior Senator from Texas—then the junior Senator—offered an amendment to reallocate community development block grants [CDBG's] on the basis of population. I said during the course of that debate, we put at risk the principle of federalism if we ever begin to insist on this floor that any activity which has a disproportionate impact on one State or region as against another cannot be accepted. This floor saw the terrible divisions on regionalism that led to the most awful trauma of our national existence, which we still have not overcome, still not put behind us—the Civil War.

There is a desk on this floor where a man was clubbed insensible, beaten insensible, over regional issues.

All our intelligence says: Respond to need and be thoughtful and be accommodating and try to see that there is some rough balance. I spoke earlier of our having documented the imbalance and that we live with it. So might my colleagues from Sunbelt States.

Mr. President, I was not sure this bill could get any worse. But after the votes on the Feinstein and Breaux amendments earlier today, it has. The race is on. We have dismantled the entitlement status of the AFDC program. States no longer have an incentive to spend their own money on their own poor. Now, we have no real requirement that they spend their own money, either.

The race to which I refer is the race to the bottom. An article in last Wednesday's Washington Post sums up nicely the brave new world we are about to enter. The article, by Barbara Vobejda, is entitled States Worry Generosity May Be Magnet for Welfare Migrants. Taxpayers and State legislators and Governors are determined to prevent their States from becoming welfare magnets. Set your benefits as low as possible to encourage current welfare recipients to move out and discourage welfare migrants from moving in.

The article reports that many welfare recipients now receive one-way bus tickets from their caseworkers out of the States in which they reside. Perhaps, under the proposed block grant, that will become the biggest welfare expenditure: one-way bus tickets out.

Mr. President, I find it interesting and revealing that those Members whose States spend the least on their own poor people clamor the loudest for a more "equitable" distribution of the Federal block grant and resist most vociferously any attempt to impose a serious State maintenance of effort.

In 1981, George Will wrote a column about the anti-Washington sentiment pervasive in public-land States in the West. He pointed out that residents of these States were the beneficiaries of considerable Federal largesse, particularly in the form of water and power subsidies. But these beneficiaries were budget cutters—somebody else's budget, that is—through and through. Borrowing a line from that eminent American historian Bernard DeVoto, he entitled his column Get Out and Give Us More Money. Does that line not wonderfully capture the mentality that has crossed the hundredth meridian heading East and has percolated up from the South? Get out and give us more money. That is the wretched state of debate on this wretched bill.

The Senator from Nevada is here, and the Senator from New York is on the other side. We have been alternating one side of the aisle to the other, although the different sides do not represent different views on this amendment. Mr. President, I yield to the Senator from Nevada.

I wonder if my friend from New York—I believe the Senator from Nevada has been here for an hour and a half and has a rather brief statement and then the Senator from New York, my distinguished friend, will follow.

Mr. D'AMATO. Sure.

Mr. BRYAN addressed the Chair.

The PRESIDING OFFICER (Mr. ASHCROFT). The Senator from Nevada.

Mr. BRYAN. Mr. President, let me preface my comments by thanking the ranking member for his courtesy in acknowledging that the Senator from Nevada has been on the floor and to acknowledge the courtesy of his colleague and our friend, the junior Senator from New York.

Mr. President, I ask unanimous consent that Senators Bob KERREY and HOLLINGS be added as cosponsors to the Graham amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BRYAN. Mr. President, I would like to preface my comments by commending my colleague and friend, the senior Senator from Florida, on what was truly a very thoughtful and very enlightening presentation, in terms of his efforts in developing the formula, the rationale and the cause for which he speaks, and that is to provide some sense of equity and fairness predicated on the basic proposition that children everywhere, irrespective of the States from which they come, are entitled to receive a fair and equitable allocation of Federal tax dollars providing for their benefit.

I enjoy, as I know all of my colleagues do, the erudition that is continually demonstrated on the floor by the senior Senator from New York in explaining the theoretical underpinning and the origin of this very complicated formula that we presently work with.

I say with great respect and deference to him that whatever the merit in its origin that formula may have had certainly can have no continuing validity when the very basis upon which we are changing the law converts an entitlement program to a block grant program that has a cap attached to it with a very, very minimal margin to accommodate the growth of States such as my own and others, whose Senators I am sure will speak in behalf of this amendment, of 2.5 percent a year.

So I come to the floor this evening to strongly endorse and to support the Graham amendment, the children's fair share allocation proposal. This amendment will, in my judgment, ensure a more equitable Federal funding formula based on the number of children in poverty in each State with a small State minimum. The bill before us severely penalizes high-growth States by relying on 1994 funding levels for fiscal year 1996 and into future years.

I make it clear at the outset, Mr. President, that there is no defender of the current welfare system. It serves neither the taxpayer nor the recipient. I want to identify myself as an advocate for change. The welfare system in America has failed and we ought to change it in rather substantial ways.

But in doing so, we should ensure that there is equity in allocating Federal funds to States—Nevada and others—that will have serious welfare problems compounded by the enactment of this piece of legislation.

The Republican welfare proposal uses a block grant approach as a replacement for the current system. As a former Governor, I very much understand the attraction of block grants for Governors in their States. Quite often, block grants can be a better approach. I, for one, as a former Governor, recognize that there are circumstances in which increased flexibility would have been immensely helpful in dealing with the problems of my State, which may very well have differed from the problems of the State of the distinguished occupant of the chair and of the prime sponsor of this amendment, all of whom have served as chief executives of their respective States.

But the notion that somehow block grants are a utopian answer to every problem we have with the current welfare system is, in my opinion, disingenuous, and this is particularly true when high-growth States, such as my own, will be left with much, much less resources to deal with the problem of an expanding population.

If States are deprived of the funding necessary to do the job, all of the block grant flexibility in the world will not matter a single whit because States will not be able to do the job, let alone do it better.

Earlier this year, I joined with nearly 30 of my colleagues on both sides of the aisle in writing to the majority leader to request his support for a bipartisan effort to address the funding formula in an equitable way. Although the Dole bill includes Senator HUTCHISON's Federal funding formula proposal, it is still, in my judgment, a grossly inadequate approach which penalizes high-growth States.

The Republican leader's proposal hurts high-growth States like Nevada by capping Federal funding at the fiscal year 1994 level. High-growth States like Nevada will receive less funding at the very time that their population is exploding. Nevada is one of 19 States under the Dole-Hutchison Federal funding formula proposal which would be eligible to receive a very modest 2.5 percent annual adjustment to Federal funding in the second and subsequent years of the block grant authorization.

But, Mr. President, this adjustment does not come even remotely close to offsetting the damage caused to my State by reason of the fiscal year 1994 funding cap. Nevada is the fastest growing State in America. I invite my colleagues' attention to this chart. It is dramatic. Beyond the comprehension of those of us who have lived in Nevada, as I have, for more than a half a century, if you look at the preceding decade, 1984 to 1994, Nevada's population has grown by 59.1 percent.

If you look at the next fastest State in percentage of growth, that of Arizona, 33.7 percent. When I talk about the horrendous impact and consequences of this formula, I am not speaking in the abstract, I am speaking in the specific, and it will be devastating.

Nevada's population is projected to increase from 1995 to the year 2000 by nearly another 15 percent from approximately 1.47 million to approximately 1.69 million. Again, Nevada leads the Nation in projected population growth for the remaining years of this decade.

Nevada's AFDC caseload increased 8 percent from fiscal year 1993 to fiscal year 1994, the sixth highest increase in the country. The national average was only a 1.4 percent increase. And from fiscal year 1992 to 1994, Nevada's welfare expenditures increased by nearly 22 percent, the fourth highest increase in the country, compared to the national average of only 4 percent.

In the 5 years from 1989 to 1994, Nevada experienced a 35.7 percent increase in the number of children under the age of 18 years, the highest increase of any State in the country. Again, by comparison, the national average is 6.1 percent.

Under the Republican welfare proposal, fast growing States like Nevada will suffer a devastating impact. We cannot expect yesterday's funding levels are going to come anywhere near meeting the needs of Nevada citizens in the years ahead.

Under the Dole-Hutchison formula, Nevada would receive $36 million in fiscal year 1996. Nevada is already in the year of its implementation behind its projected needs. For Nevada, a 2.5 percent growth increase over the preceding year's block grant does not come close to meeting its welfare assistance needs.

As a consequence, Nevada's State treasury and its taxpayers are placed at risk of having to increase the difference occasioned by the cap imposed in this formula.

The children's fair share plan funding formula takes into consideration the substantial population growth projections. It does this by allocating Federal funds to States, based very simply on the number of children who are in poverty in each State.

Mr. President, what could be more fair than to base the allocation on the number of children in poverty in each of the respective States?

Basing welfare allocations on the number of poor children served puts the emphasis on where the priorities should be in this welfare debate, and that is on vulnerable, impoverished children throughout this Nation, irrespective of where they may live.

Traditionally, the main goal of welfare cash assistance programs like AFDC has been to children who are impoverished, have a minimum standard of living. The need to meet that goal continues.

The National Center for Children in Poverty reports that children under the age of 6 living in poverty in America has increased in the 5-year period from 1987 to 1992 by 1 million—from 5 million to 6 million. In the 20-year period from 1972 to 1992, the number of our children living in poverty nearly doubled. This, Mr. President, is a most disturbing trend and one that shows little chance of abeyance.

None of us want poor children in this country to be unable to count on having a meal to eat and a place to sleep. If we cannot continue the current entitlement status for the cash assistance program, we must provide States sufficient funding on an equitable basis.

Nevada, each month, draws thousands of people from surrounding

States who come hoping to find jobs. In my own hometown of Las Vegas, 6,000 to 7,000 people each month move into the greater metropolitan area of Las Vegas. This population influx also brings a rapidly increasing number of children. Tragically and unfortunately, many of those children are children in poverty.

The 1995 Kids Count Data Book found that in 1992, Nevada had 6.4 percent of its children in extreme poverty, that they lived in families whose income was below 50 percent of the national poverty level. Additionally, 25 percent of Nevada's children lived in poor and near-poor families.

Rapid growth States, like Nevada, have always been hurt in receiving their appropriate share of Federal funds. Population increases and increases in Federal funds have rarely gone hand-in-hand because of many reasons. Maybe because the Federal Government was not efficient enough to make the sufficient adjustments.

But it is particularly unfair to hold a rapidly growing State, like Nevada, to its 1994 Federal funding level as a baseline for future welfare assistance funding. But this will happen, unless the Graham amendment is adopted.

Think about the absurdity, for a moment, of using population figures from 1994 as the baseline for all future welfare assistance funding increases. From day one, under the Dole bill, Nevada's children in poverty are punished. Under the Dole proposal, Nevada would receive $36 million each year from 1996 through 1998. Under the children's fair share plan, Nevada could receive up to $72 million a year. But understand that the basic overall amount spent on welfare is not the issue here. In my opinion, it is the formula used to allocate that amount.

States like New York and California do better under the Dole bill. Fast-growing States like Nevada are seriously damaged.

The Hutchison "dynamic growth" proposal serves Nevada children no better. Once again, Nevada would be held, in 1996, to its 1994 level of $36 million. In 1997, Nevada would get $1 million more for a total of $37 million. In 1998, Nevada would get an additional $1 million more, again for a total of $38 million. Yes, it is a funding increase. No, it is not based on meeting Nevada's population growth nor its needs.

I genuinely want to achieve a fair and bipartisan solution to this critical issue. The children's fair share proposal, in my judgment, provides that solution. If your State has a high number of children in poverty, your State receives a higher amount of Federal funding. If your State has fewer children in poverty, your State receives a lesser amount of Federal funding. The Federal funding follows the need. What could be fairer than that?

Again, I urge my colleagues to think about the impoverished children in America. Let us work together to ensure that those children, regardless of where they are living, are going to be provided adequate care on an equal basis. They depend upon us to care for them. We must not let them down.

Mr. President, I yield the floor.

Mr. NICKLES addressed the Chair.

The PRESIDING OFFICER. The Senator from Oklahoma.

Mr. NICKLES. Mr. President, we have had an excellent debate. I know my colleague from New York wishes to address this amendment, as well.

I wish to compliment the parties on both sides of this debate. I think it has been an excellent debate. I note that my friend and colleague from New Mexico is here. He has an amendment. The majority leader has indicated to us that he would like to dispose of that tonight. My guess is that it is a very important amendment dealing with family caps. We will have some good debate on that, as well.

I urge my colleagues to try and conclude debate on the Graham-Bumpers amendment as soon as possible so we can go on to debate the Domenici amendment.

Mr. D'AMATO addressed the Chair.

The PRESIDING OFFICER. The Senator from New York is recognized.

Mr. D'AMATO. Mr. President, I rise to oppose this amendment. I rise to oppose it on a number of grounds and bases.

First of all, Mr. President, I support welfare reform. We need welfare reform. We need sweeping reform. We need workfare. But reform cannot come solely at the expense of New York, or New York and California, or at the expense of New York, California, and Pennsylvania, or at the expense of any of those to whom this amendment does grievous harm. We are not just talking about States; we are talking about harm to the families, to the children that this amendment will devastate.

This amendment is not about reform. It is not about welfare formulas that make sense. It is about taking money from poor children in certain States. In many cases, these are the States that have done the most to help poor people. And now to penalize them as a result of that and to shift those dollars, without regard to the level of resources the States are willing to commit on their own, but simply to say that we are going to grab more money, we are going to enrich certain States. That's wrong and unacceptable. I am going to point out specifically some of those areas that cause concern.

We have tried to be fair in accommodating the concerns of the Senator from Florida. This bill contains an $877 million supplemental growth formula that will benefit Florida and 18 other States anticipating population growth over the life of this bill. And that is fair and that is reasonable. They are going to have additional growth. Let us take care of that.

Under the Dole-Hutchison formula, the State of Florida will receive $150 million more, over the next 5 years, than they would have received under the Finance Committee's initial proposal. But let me tell you, the amendment that is before us now, the amendment of the Senator from Florida, is fundamentally unfair. Let me tell you what the real impact of this amendment would be.

No. 1, the amendment would reallocate more than $2 billion from 14 States; 14 States would lose $2 billion, causing a half-million families to lose welfare benefits. That is not welfare reform. If we want to kill any chance of welfare reform, then adopt this amendment. Indeed maybe that is the basis and the genesis of this amendment—to kill reform. New York would lose $749 million in fiscal year 1996 alone. Let me tell you what it would be over 5 years, Mr. President: $4.5 billion.

That is just simply wrong. It is mean spirited, and we have not even accounted for the State of California. They have people. They have children. They have needs. They have been meeting those needs.

The loss there would be well over $5 billion. Those two States alone, 20 million people in New York and 30 million in California—50 million people—would account for three-quarters of the funds that were redistributed.

That is not what welfare reform should be about. Fairness, yes. But not this kind of attempt to enrich oneself at the expense of others. That is not what this country is about.

When there is a disaster, we all pitch in. We do not say, "What is the population of your State?" We are there. If there is an earthquake, a fire, floods, devastation, we are there.

If it costs $6 billion, $8 billion, $9 billion to help the State of California, we do it. If it cost $4 billion or $5 billion to help a State, and the State was Florida, we were there. The Senators from New York did not say, "Well we did not get that portion. We did not get that kind of disaster relief."

That is what Federalism is about. I did not think it was about looking at how we can enrich certain states, and then throwing in a bunch of additional States so that we can get votes. That is what this bill is about. There are more than a dozen States, 15 I believe, that are rewarded arbitrarily—nothing to do with need per se; just worked into the formula so we can get more money to get more votes. Supposedly this way we will get 30 votes because we have given each of these 15 States more money.

Is that the way we will run this country? Is that what this legislative body has become?

By the way, I have seen these kinds of amendments in the past. They are wrong. I do not care whether they come from the Republican side or the Democratic side.

Today, there was an amendment offered by one of my colleagues. It could have given New York more money. I voted against it. It would have disadvantaged other States.

This is not about trying to be one up on somebody else. That may not be what is intended, but that is what this amendment is. It is one-upmanship.

We can play that role. It does not take a great genius to figure out a formula, and we could come up with such a formula, that would enrich maybe 33 States and disadvantage some others. I do not think that is what we want to be about—arbitrarily rewarding some States.

Let me just make several points, and I am not going to take a great deal more time, but I am going to say if one were to look at this chart which comes from the incredible work of the Northeast-Midwest Coalition, under the stewardship of the senior Senator from New York, Senator MOYNIHAN, who for years and years and years has been a leader in talking about inequities affecting our region. Want to see some inequities? I will show you an inequity. If we want to look at what tax efforts are and take a look at the Northeast and Midwest from 1981 to 1994 over a 14-year period of time, you will see there is a $690 billion inequity relating to Federal allocable dollars spent in our region.

If we want to change things around, if we want to get into who gets more money, then look at the tax efforts, look at the taxes paid by our respective citizens and our respective States and the amount of money that we get back. We would be pretty well enriched.

Let me tell you again, in this work, Senator MOYNIHAN has been a pioneer in this effort. He has talked about this issue over the years, but it bears repetition right here.

If we are going to get into the business of crafting formulas to enrich our particular State, fine. But it is a nasty business, and it destroys what Federalism is about.

Why, then, we think we have an argument. Between fiscal year 1981 and 1994 on a cumulative basis, if New York's percentage of fair, allocable Federal spending is equal to the Federal share of taxes paid, the State of New York would have received an additional $142 billion. Where is our money? We want $142 billion.

I did not know we were going to get into this business of saying, "Oh, no, we sent $142 billion down, more than what we got back." That is what this kind of amendment is doing. It is mischief-making.

Take a look at the State of Florida. On the other hand, if we had said, "You get as much as you put in," the State of Florida would have received $38.5 billion less. In other words, it has done better. It got $38.5 billion more than it sent down to Washington.

Not bad. But now we are going to find a way to get more money for the State of Florida. Where do we take it from? We take it from New York, its taxpayers and, more importantly, the poor kids, the poor children, the poor families. That is absolutely wrong. It is not acceptable.

Now, as I have said, we want meaningful welfare reform. And, by the way, reasonable people can disagree on the basis of reform. My distinguished colleague and I agree that there has to be welfare reform. We may not agree on every part of this, but I tell you one thing: We all recognize when formulas or propositions—whether they come from the Republican side or the Democratic side—are basically not fair.

You do not just enrich States so that you can get Senators from those States, so you can say, "Look, under my formula I will get the $20 million a year more with no rational basis."

By the way, that is another concern, and I will speak to that when I get 2 minutes tomorrow morning, whereby if you have an 80 percent maintenance of effort, and if the Graham amendment were enacted, New York would be forced to contribute $500 million in welfare spending than would get in its grant from the Federal Government. Incredible.

We had better protect our citizens. If there are areas where the formulas are inequitable and we can make them work better, we should attempt to do that, and we have attempted to do that. But we should not get into the business of advancing one's own interest for one's own State at the expense of another. I do not think that is what we should be about. I do not think that is what this debate should be about.

I have to say there is a tremendous imbalance here, $690 billion over 14 years, if we look at how much our region paid and how much it got back.

I want to thank my senior colleague and Senator, the distinguished Senator from New York, Senator MOYNIHAN, who has made possible the gathering of so much of this information that we could present tonight.

Mr. DOMENICI. Would the Senator from New York yield for a clarification.

Mr. D'AMATO. Certainly.

Mr. DOMENICI. You mentioned under the 80 percent maintenance of effort, New York would lose $500 million. I think what you meant, Senator, was if this amendment passes.

Mr. D'AMATO. Exactly. I thank my colleague.

Under this amendment, if this amendment were adopted—the irony would be that it would wind up that we would have to spend $1.84 billion and we would only be getting $1.32 billion from the Federal side. In other words, New York would have to contribute roughly $500 million more than it would receive from the Federal Government if Senator GRAHAM's amendment were to pass.

It would be devastating. We are not talking about devastating to a State, or to some organization, some institution. We are talking about over 300,000 families that would be impacted—people, live human beings, who, in most cases, would have tremendous problems.

We are trying to find out how to mainstream them. Mainstreaming is one thing. Workfare is one thing, and I support it wholeheartedly. But to impose a radical reallocation of dollars that will deny shelter or a meal to people in my state is not what welfare reform should be about.

Again, I want to thank Senator DOMENICI for pointing out what the impact of this amendment would be, and I certainly want to add my support to the efforts of Senator MOYNIHAN, my distinguished colleague, the senior Senator from New York, in his opposition, to this amendment.

I yield the floor.

The PRESIDING OFFICER. The Senator from New York.

Mr. MOYNIHAN. Mr. President, may I simply thank my distinguished friend and colleague for the forcefulness with which he has made an unmistakably accurate point.

I thank him for his generous personal references.

The PRESIDING OFFICER. The Senator from Oklahoma.

Mr. NICKLES. Mr. President, I thank both our colleagues from New York for their statements. I note the Senator from Florida, Senator GRAHAM, wishes to make a statement. I will just mention to my colleague, Senator DOMENICI, has an important amendment he is prepared to discuss. And we have several other amendments we are supposed to, basically, debate tonight and hopefully have for consideration and vote tomorrow.

So it is my hope we can conclude Senator GRAHAM's debate with this amendment, take up Senator DOMENICI's amendment, and then I know Senator DASCHLE has two amendments, Senator DEWINE has an amendment, Senator MIKULSKI, Senator FAIRCLOTH, and Senator BOXER, that we would also like to discuss this evening and have ready for a vote tomorrow.

We still have a lot of work to do tonight and it is my hope maybe we can move forward with this debate as expeditiously as possible.

The PRESIDING OFFICER. The Senator from Florida.

Mr. GRAHAM. Mr. President, if no one seeks recognition to speak on the amendment, I would like to make a few comments in closing, recognizing that there is some time reserved tomorrow morning for final comments on this matter.

My comments this evening will be, first, to express my appreciation to all of the Senators who have participated in the debate on this amendment on both sides of the aisle and on both sides of this issue. I recognize that, whenever you are attempting to allocate not only a zero sum, a fixed amount of money, but what actually is a declining amount of money because of the decision to freeze 1994 allocations in place until the year 2000 with no adjustment for inflation, no adjustment for demographic changes, no adjustment for economic changes, you are dealing with, effectively, a declining amount of dollars to attempt to allocate. That makes the issues of fairness even more difficult, but I suggest even more urgent.

I would like to respond to some of the comments that were made. Before doing so, Mr. President, I send to the desk a series of tables and other materials which were referenced in my comments, or comments of Senator BUMPERS or Senator BRYAN, in behalf of this amendment. I ask unanimous consent they be printed in the RECORD at the conclusion of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. GRAHAM. Mr. President, the junior Senator from New York, Senator D'AMATO, said he opposed this amendment because it had no relationship to need, that it was arbitrary and capricious. That is exactly the point. What is more related to need than to allocate funds for poor children based on where poor children are in the year you are going to distribute the money?

What this amendment states is that the fundamental basis for allocating funds will be where poor children are in the year of distribution. If the State of Missouri represents 3 percent of the poor children in America in 1996, it will get 3 percent of the money. If it represents 2.9 percent of the poor children in 1997, it will get 2.9 percent of the money. That, to me, is a principle which is fundamentally as fair and straightforward as the reputation is of Missouri for a State that wants you to "show me" why you are proposing to do what you are proposing to do.

There has been a theme through some of the comments that have been made that we are holding the world constant, and therefore we can continue to hold constant the way in which we have distributed money in the past for the support of poor children. The fact is, we are engaged in reform—some people would say in revolution—of the welfare system. Could it be more paradoxical that we are fundamentally changing the objectives of the system, the structure and administration of the system, the relationship of the States, the Federal Government, and the individuals affected, yet we are going to continue to distribute the Federal money, 99 percent of it, based on the old allocation formula? I think that belies our real commitment to reform.

What are some of the changes in this revolution in welfare? Those changes include massive new mandates to the States to undertake job training and preparation, including placement services where necessary, transportation services, and child care services for those persons who are trying to collect up the necessary personal capabilities to become independent, employed persons in our society.

Those mandates have very serious implications to the States. The State of Texas is going to have to spend 84 percent of the Federal money that it will receive under this program in order to meet those mandates. Yet we are going to continue to distribute money to the State of Texas as if those mandates did not exist because, in fact, those mandates did not exist when this basis of allocation of funds was developed.

We are going to distribute, over the next 5 years, $85 billion of Federal money—this is not State money, this is not money to which any locality has a particular claim, this is money that belonged to all the people of the United States and is paid by all the people of the United States—we are going to distribute $85 billion to a status quo program, how things were in 1994. We are going to distribute a shade less than $900 million based on a formula which will commence 3 years from now, that will provide an increase to a handful of States based on growth and extreme poverty in terms of how far they fall below the national average in their support for poor children.

It has been suggested that there is an unfairness in this adjustment, that we are overly imposing on some States. Let me just look at this chart. The garnet bar represents what is in the amendment that is the basis of this legislation, the Dole proposal. The gold bar represents the modification in funding if the Graham-Bumpers amendment were adopted. Let us just look at New York and Arkansas. Under the Dole bill, New York will receive over $2,000 per poor child in 1996—over $2,000. Arkansas will receive less than $400 per poor child.

If this amendment, that has been described as overreaching and unfair, is adopted, what will happen? What will happen is that in 1996, New York will have approximately $1,400 for every poor child, and Arkansas, that egregious, greedy State of Arkansas, will jump up to approximately $550 per poor child. That is what happens when greed takes over the system and Arkansas begins to move somewhat toward parity.

It will take another 3 years before Arkansas finally reaches New York in parity. Under the proposal that is in the current bill, it will take Arkansas 177 years—177 years before Arkansas would be in parity with New York, under the bill as proposed by the majority leader. Yet we are being accused of being overreaching.

It has been suggested that our amendment is inappropriate because of the maintenance of effort provision that was in this bill. When we wrote this amendment there was zero maintenance of effort in this bill. The maintenance of effort—that is what will be required of States in order to be eligible to participate—has been a work-in-progress over the last several weeks.

We submit this, what we think is the fundamentally appropriate manner in which to allocate $85 billion of Federal funds over the next 5 years for poor children, which is the radical idea. Let us put the money where the poor children are. When the Senate in its wisdom adopts this amendment, then we will come back and look at the issue of what that says in terms of appropriate modifications to a maintenance-of-effort provision.

It has been suggested that there is some Machiavellian plot here, that we are trying to defeat welfare reform. I want to state in the strongest possible terms that I am a strong supporter of welfare reform. My State has two of the most successful welfare work projects in the country.

I spent a day recently working at the project in Pensacola which has put almost 600 people into productive work, which will have half of the welfare population of Pensacola involved in a transition program in the next few months, which already has approximately 25 to 30 percent involved, is serious about the business, and has learned what it is going to take in order to be successful.

So I take second place to no one in my commitment to seeing that there is real welfare reform. But I would suggest that, first, in terms of what is in the interest of the vast number of States in America as seen on this map where all of the States in yellow will be better equipped to meet their responsibilities when the money is distributed based on where poor children are, that we have a better chance of achieving real welfare reform under that allocation of funds than under one which continues to impoverish a large number of States in America.

I believe that on this Senate floor it is going to be difficult—it must be difficult for many Senators who are here tonight; they can read the charts; they know what the implications of this are to their State—to vote for a bill, even one which has many provisions that they support which contains at its heart, at its core, such a cancerous unfairness in terms of how the Federal money will be distributed in terms of where the poor children, the poor children in their State, the poor children in America, live.

Finally, in terms of, is this a plot to sink welfare reform? In my judgment, this is not the plot. The plot is there, Mr. President. It is there in the bill as authored by the majority leader. And it is there because there are not the resources available in that formula, in that bill, in order to meet the objective of having 25 percent of the welfare beneficiaries in meaningful employment in 1996 and 50 percent in meaningful employment in the year 2000.

That is not Senator GRAHAM's assessment. That is, among others, the assessment of the Congressional Budget Office, which has estimated that upwards of 40-plus States will not be able to meet the work requirements in the legislation offered by the majority leader, in large part because they do not have the resources to pay for those things that will be necessary to prepare people for work, including the appropriate child care for their dependent children while they are preparing themselves to work and during those initial weeks of employment.

So there may be a plot here to sink welfare reform and to show that, in fact, it is unattainable, but that plot is contained in the legislation which is the underlying proposal of the majority leader, not in this proposal, which in fact would give all States an equal opportunity to use their creativity, imagination, and unleash what the presiding officer as a former Governor and I as a former Governor know to be the energy of States to meet a very serious national problem at the local level.

So, Mr. President, I urge the close attention of all of my colleagues to the implication of this amendment and urge tomorrow, when this is before us for a vote, their favorable consideration.

Thank you, Mr. President.

STATE-BY-STATE WELFARE ALLOCATIONS

Senate Finance Committee Compared with Dole Work Opportunity Act and Graham/Bumpers Children's Fair Share (fiscal years in millions of dollars)

State	Senate Finance—1996–1998	Dole work opportunity act			Graham/Bumpers children's fair share		
		1996	1997	1998	1996	1997	1998
Alabama	107	107	110	112	160	240	258
Alaska	66	66	66	66	100	100	100
Arizona	230	230	236	242	256	256	256
Arkansas	60	60	61	63	90	135	150
California	3,686	3,686	3,686	3,686	2,881	2,565	2,495
Colorado	131	131	134	137	149	149	149
Connecticut	247	247	247	247	200	179	174
Delaware	30	30	30	30	60	60	60
District of Columbia	96	96	96	96	100	100	100
Florida	582	582	596	611	873	997	997
Georgia	359	359	368	377	450	450	450
Hawaii	95	95	95	95	100	100	100
Idaho	34	34	34	35	67	69	69
Illinois	583	583	583	583	780	780	780
Indiana	227	227	227	227	316	316	316
Iowa	134	134	134	134	121	110	107
Kansas	112	112	112	112	132	132	132
Kentucky	188	188	188	188	283	294	294
Louisiana	164	164	168	172	246	369	403
Maine	76	76	76	76	100	100	100
Maryland	247	247	247	247	218	198	193
Massachusetts	487	487	487	487	311	269	260
Michigan	807	807	807	807	739	669	654
Minnesota	287	287	287	287	265	240	235
Mississippi	87	87	89	91	131	196	224
Missouri	233	233	233	233	309	309	309
Montana	45	45	46	47	90	90	90
Nebraska	60	60	60	60	100	100	100
Nevada	36	36	37	38	72	72	72
New Hampshire	43	43	43	43	85	85	85
New Jersey	417	417	417	417	404	368	360
New Mexico	130	130	133	136	143	143	143
New York	2,308	2,308	2,308	2,308	1,559	1,361	1,317
North Carolina	348	348	357	365	394	394	394
North Dakota	26	26	26	26	52	52	52
Ohio	769	769	769	769	738	672	657
Oklahoma	166	166	166	166	246	246	246
Oregon	183	183	183	183	168	152	149
Pennsylvania	658	658	658	658	652	595	583
Rhode Island	93	93	93	93	100	100	100
South Carolina	103	103	106	109	155	232	253
South Dakota	23	23	24	24	46	46	46
Tennessee	206	206	211	216	309	348	348
Texas	507	507	520	533	761	1,141	1,232
Utah	84	86	88	88	105	105	105
Vermont	49	49	49	49	99	99	99
Virginia	175	175	180	184	242	242	242
Washington	432	432	432	432	260	223	215
West Virginia	119	119	119	119	150	150	150
Wisconsin	335	335	335	335	280	251	245
Wyoming	23	23	24	24	47	47	47
United States	16,696	16,696	16,781	16,869	16,696	16,696	16,696

STATE WELFARE ALLOCATION PER CHILD IN POVERTY

Senate Finance Committee Compared with Dole Work Opportunity Act and Graham/Bumpers Children's Fair Share (dollars per child in poverty per fiscal year)

State	Senate finance 1996–1998	Dole work opportunity act			Graham/Bumpers children's fair share		
		1996	1997	1998	1996	1997	1998
Alabama	408	408	418	429	612	919	988
Alaska	3,248	3,248	3,248	3,248	4,903	4,903	4,903
Arizona	1,045	1,045	1,072	1,098	1,162	1,162	1,162
Arkansas	375	375	384	394	563	844	934
California	1,716	1,716	1,716	1,716	1,341	1,194	1,162
Colorado	1,019	1,019	1,045	1,071	1,162	1,162	1,162
Connecticut	1,650	1,650	1,650	1,650	1,335	1,192	1,162
Delaware	590	590	590	590	1,181	1,181	1,181
District of Columbia	4,222	4,222	4,222	4,222	4,411	4,411	4,411
Florida	678	678	695	713	1,017	1,162	1,162
Georgia	927	927	950	973	1,162	1,162	1,162
Hawaii	2,135	2,135	2,135	2,135	2,252	2,252	2,252
Idaho	564	564	578	592	1,128	1,154	1,154
Illinois	869	869	869	869	1,162	1,162	1,162
Indiana	834	834	834	834	1,162	1,162	1,162
Iowa	1,459	1,459	1,459	1,459	1,314	1,189	1,162

STATE WELFARE ALLOCATION PER CHILD IN POVERTY—Continued

Senate Finance Committee Compared with Dole Work Opportunity Act and Graham/Bumpers Children's Fair Share (dollars per child in poverty per fiscal year)

State	Senate finance	Dole work opportunity act			Graham/Bumpers children's fair share		
	1996–1998	1996	1997	1998	1996	1997	1998
Kansas	981	981	981	981	1,162	1,162	1,162
Kentucky	745	745	745	745	1,117	1,162	1,162
Louisiana	390	390	400	410	586	878	959
Maine	1,193	1,193	1,193	1,193	1,566	1,566	1,566
Maryland	1,490	1,490	1,490	1,490	1,318	1,189	1,162
Massachusetts	2,177	2,177	2,177	2,177	1,390	1,202	1,162
Michigan	1,432	1,432	1,432	1,432	1,312	1,188	1,162
Minnesota	1,419	1,419	1,419	1,419	1,310	1,188	1,162
Mississippi	331	331	340	348	497	746	852
Missouri	873	873	873	873	1,162	1,162	1,162
Montana	1,015	1,015	1,040	1,066	2,030	2,030	2,030
Nebraska	895	895	895	895	1,485	1,485	1,485
Nevada	671	671	688	705	1,342	1,342	1,342
New Hampshire	1,430	1,430	1,430	1,430	2,860	2,860	2,860
New Jersey	1,345	1,345	1,345	1,345	1,303	1,187	1,162
New Mexico	1,053	1,053	1,079	1,106	1,162	1,162	1,162
New York	2,036	2,036	2,036	2,036	1,375	1,200	1,162
North Carolina	1,026	1,026	1,052	1,078	1,162	1,162	1,162
North Dakota	1,027	1,027	1,027	1,027	2,054	2,054	2,054
Ohio	1,360	1,360	1,360	1,360	1,304	1,187	1,162
Oklahoma	785	785	785	785	1,162	1,162	1,162
Oregon	1,428	1,428	1,428	1,428	1,311	1,188	1,162
Pennsylvania	1,312	1,312	1,312	1,312	1,299	1,186	1,162
Rhode Island	2,244	2,244	2,244	2,244	2,427	2,427	2,427
South Carolina	393	393	403	413	590	885	964
South Dakota	691	691	708	726	1,381	1,381	1,381
Tennessee	688	688	705	723	1,032	1,162	1,162
Texas	405	405	415	425	607	911	982
Utah	924	924	947	971	1,162	1,162	1,162
Vermont	2,275	2,275	2,275	2,275	4,550	4,550	4,550
Virginia	840	840	861	883	1,162	1,162	1,162
Washington	2,340	2,340	2,340	2,340	1,407	1,205	1,162
West Virginia	920	920	920	920	1,162	1,162	1,162
Wisconsin	1,589	1,589	1,589	1,589	1,328	1,191	1,162
Wyoming	1,261	1,261	1,292	1,325	2,522	2,522	2,522
United States	1,162	1,162	1,168	1,173	1,162	1,162	1,162

SENATE FINANCE COMMITTEE PROPOSAL WITH DYNAMIC GROWTH FORMULA ANALYSIS OF HOW LONG IT WILL TAKE FOR PARITY

State	Years it would take to reach national average at 2.5% per year	Years it would take for State to get to New York's level of funding at 2.5% per year	Years it would take for State to get to Pennsylvania's level of funding at 2.5% per year
Alabama	74	159	89
Arizona	4	38	10
Arkansas	84	177	100
Colorado	6	40	11
Delaware	39	98	49
Florida	29	80	37
Georgia	10	48	17
Idaho	42	104	53
Illinois	13	54	20
Indiana	16	58	23
Kansas	7	43	14
Kentucky	22	69	30
Louisiana	79	169	94
Mississippi	100	206	118
Missouri	13	53	20
Montana	6	40	12
Nebraska	12	51	19
Nevada	29	81	38
New Mexico	4	37	10
North Carolina	5	39	11
North Dakota	5	39	11
Oklahoma	19	64	27
South Carolina	78	167	93
South Dakota	27	78	36
Tennessee	28	78	36
Texas	75	161	90
Utah	10	48	17
Virginia	15	57	22
West Virginia	11	49	17

TABLE 2.—THE ADDITIONAL COST OF THE WORK PROGRAM AND ASSOCIATED CHILD CARE UNDER THE AMENDED SENATE REPUBLICAN LEADERSHIP PLAN (ASSUMING THE NATIONAL AVERAGE COST PER WORK PARTICIPANT AND ASSOCIATED CHILD CARE SLOT IN FISCAL YEAR 2000)

[In miilions of dollars]

	Estimated additional operating cost of the work program to meet FY 2000 participation rate required in the Senate Republican leadership plan	Estimated additional cost for related child care in the FY 2000 Senate Republican leadership plan	Estimated additional operating cost of the work program plus related child care in the FY 2000 Senate Republican leadership plan	Estimated total operating cost of the work program and related child care in the FY 2000 as a percent of the block grant	Estimated additional operating cost of the work program plus related child care FY 1996–2002 Senate Republican leadership plan
Alabama	$16	$27	$43	59	$140
Alaska	5	9	15	36	47
Arizona	26	46	72	46	231
Arkansas	9	15	24	59	78
California	328	566	894	39	2,827
Colorado	16	28	45	50	144
Connecticut	24	42	66	43	213
Delaware	4	7	11	58	35
District of Columbia	10	18	29	48	90
Florida	92	159	252	63	816
Georgia	53	92	145	59	467
Hawaii	9	15	24	40	75
Idaho	3	6	9	41	29
Illinois	96	167	263	73	843
Indiana	29	51	80	57	257
Iowa	16	27	43	52	138
Kansas	12	21	33	48	105
Kentucky	30	52	82	70	266
Louisiana	31	54	85	82	276
Maine	10	17	27	57	87
Maryland	32	55	86	56	276
Massachusetts	45	77	122	40	395
Michigan	94	162	255	51	823

TABLE 2.—THE ADDITIONAL COST OF THE WORK PROGRAM AND ASSOCIATED CHILD CARE UNDER THE AMENDED SENATE REPUBLICAN LEADERSHIP PLAN (ASSUMING THE NATIONAL AVERAGE COST PER WORK PARTICIPANT AND ASSOCIATED CHILD CARE SLOT IN FISCAL YEAR 2000)—Continued

[In millions of dollars]

	Estimated additional operating cost of the work program to meet FY 2000 participation rate required in the Senate Republican leadership plan	Estimated additional cost for related child care in the FY 2000 Senate Republican leadership plan	Estimated additional operating cost of the work program plus related child care in the FY 2000 Senate Republican leadership plan	Estimated total operating cost of the work program and related child care in the FY 2000 as a percent of the block grant	Estimated additional operating cost of the work program plus related child care FY 1996–2002 Senate Republican leadership plan
Minnesota	26	45	71	40	230
Mississippi	19	33	53	88	173
Missouri	37	64	101	70	323
Montana	5	9	14	45	44
Nebraska	5	9	15	39	48
Nevada	5	8	13	54	43
New Hampshire	5	8	13	48	41
New Jersey	48	82	130	50	417
New Mexico	13	23	36	40	115
New York	182	315	497	35	1,590
North Carolina	49	84	133	56	428
North Dakota	3	4	7	43	22
Ohio	96	165	261	55	845
Oklahoma	19	32	51	50	164
Oregon	16	27	43	38	140
Pennsylvania	86	148	234	57	750
Rhode Island	9	16	26	45	82
South Carolina	17	29	46	65	150
South Dakota	3	4	7	46	22
Tennessee	42	73	115	82	370
Texas	107	184	291	84	930
Utah	7	12	19	33	62
Vermont	4	7	11	37	37
Virginia	27	47	74	62	237
Washington	41	70	111	41	355
West Virginia	16	28	45	61	143
Wisconsin	29	51	80	39	260
Wyoming	2	4	6	40	21
Total	1,911	3,300	5,211	49	16,700

HHS/ASPE analysis. State work and child care costs are based on national averages. This analysis assumes that there will be no operating cost in the work program for those combining work and welfare, those sanctioned and those leaving welfare for work. Likewise, the analysis assumes no cost of related child care for those leaving welfare for work and those sanctioned.

GRAHAM-BUMPERS CHILDREN'S FAIR SHARE AMENDMENT

Principles: A formula based on fairness should be guided by the following principles:

(1) Block grant funding should reflect need or the number of persons in the individual states who need assistance;

(2) A state's access to federal funding should increase if the number of people in need of assistance increases;

(3) States should not be permanently disadvantaged based upon their policy choices and circumstances in 1994; and

(4) If requirements and penalties are to be imposed on states, fairness dictates that all states have an equitable and reasonable chance of reaching those goals.

S. 1120 fails to meet each and every test of fairness.

GRAHAM-BUMPERS CHILDREN'S FAIR SHARE PROPOSAL

The Graham-Bumpers Children's Fair Share proposal allocates funding based on the number of poor children in each state. In sharp contrast to S. 1120, the Graham-Bumpers amendment meets all the principles of an improved and much more equitable formula allocation.

The amendments is needs-based, adjusts for population and demographic changes, treats all poor children equitably, does not permanently disadvantage states based on previous year's spending in a system that is being dismantled, and allows all states a more equitable chance at achieving the work requirements in S. 1120. The Graham-Bumpers Children's Fair Share measure would establish a fair, equitable and level playing field for poor children in America, regardless of where they live.

Disparities in funding would be narrowed in the short-run and eliminated over time—in sharp contrast to S. 1120.

Children's Fair Share Allocation Formula: The Children's Fair Share formula would allocate funding based on a three-year average of the number of children in poverty. This information would come from the Bureau of the Census in its annual estimate through sampling data. With the latest data available, the Secretary would determine the state-by-state allocations and publish the data in the Federal Register on January 15 of every year.

Small State Minimum Allocation: For any State whose allocation was less than 0.6%, the minimum allocation would be set at the lesser of 0.6% of the total allocation or twice the actual FY 1994 expenditure level.

Allocation Increase Ceiling: For all states except those covered by the small state minimum allocation, the amount of the allocation would be restricted to increase not more than 50% over FY 1994 expenditure levels in the first year and to 50% increases for every subsequent year.

Final Adjustment to Minimize Adverse Impact: The savings from the "allocation increase ceiling" would exceed that for "small state minimum allocation". The net effect of these adjustments would be reallocated among the states who receive less than their FY 1994 actual expenditures.

Implications for the Medicaid Debate: The importance of a fair funding formula to states cannot be overstated.

With similar proposals to change the Medicaid program expected later this year, how these block grants are allocated among the states is absolutely critical. More than four out of every 10 dollars that Washington sends to state governments are Medicaid dollars. Medicaid is nearly five times bigger than the federal role in welfare: $81 billion a year versus $17 billion. If Congress "reforms" welfare by locking in past spending patterns and inequities, that would set a dangerous precedent for Medicaid.

THE UNFAIRNESS AND INEQUITY CAUSED BY THE S. 1120 FORMULA

Under S. 1120, most states will receive a block grant amount frozen at fiscal year 1994 levels through fiscal year 2000. Past inequities would be locked into place and future demographic or economic changes would not be adjusted for by S. 1120's funding formula.

A small number of states would qualify for an extremely limited 2.5% annual adjustment in the second and subsequent years of the block grant authorization. To qualify, states must meet either of two tests:

Federal spending per poor person in the state must be below the national average and population growth in the state is above the national average; or,

Federal spending per poor person in the state in fiscal year 1994 is below 35% of the national average.

S. 1120 Exacerbates and Makes Permanent Enormous Disparities: A formula based largely on shares of 1994 federal spending would result in large disparities between states in federal funding per poor child. For example, under S. 1120, Mississippi would receive $331 per poor child per year while New York would receive $2,036 or over six times more per poor child than Mississippi. Massachusetts would receive $2,177 or at least five times more per poor child than the states of Alabama, Arkansas, Louisiana, South Carolina and Texas. There is no justification for poor children to be treated with less or more value by the federal government.

Proponents of the bill will argue that some states will qualify for 2.5% annual adjustments to address this disparity. However, the bill fails to provide aid to nine states (Kentucky, Oklahoma, Indiana, Illinois, Missouri, Nebraska, West Virginia, Kansas and North Dakota) with below average federal funding per poor child.

Moreover, even for those who do qualify, the adjustment is glacial and may fail to ever achieve parity. For example, it is estimated that it will take Mississippi over 50 years to reach parity.

No Policy Justification: There is no justification for allocating future federal funds based on 1994 state spending. The needs of states in the future, both in terms of demographic and economic changes, will have no bearing on spending in 1994. States should not be permanently disadvantaged based upon their policy choices and circumstances in 1994.

Penalizes Efficiency: Basing all future funding on 1994 spending locks in historical inequities and inefficiencies. In 1994, the national average monthly administrative expense per case was $53.42, but New York and New Jersey had costs, respectively, of $106.68 and $105.26, almost eight times as high as West Virginia's cost of $13.34. Those states with higher administrative costs in fiscal year 1994 would receive block grant amounts reflecting their higher fiscal year 1994 costs for the next five years.

Fails to Account for Population Growth: Initial disparities would be further exacerbated by different rates of population growth. Between 1995–2000, ten states are projected to grow at least 8% while eight are projected to grow less than 1% or experience a population decline. Among the 25 states projected to have higher population growth, 17 would receive initial allocations below the national average.

The initial disparities locked in by the Dole approach would actually intensify as a result of these different rates of anticipated population growth through the end of the decade.

Proponents of the bill will argue that some states will qualify for 2.5% annual adjustments to address this disparity. However, the bill fails to provide six states (Washington, Alaska, Hawaii, Oregon, California and Delaware) with projected above-average population growth with aid.

Loser States Double Disadvantaged: States that receive less than their fair share of funding per poor child are the least likely to meet the work requirements under S. 1120, which leads to further funding sanctions. The additional cost of the work program and associated child care in S. 1120 would take up virtually all of the funding for those receiving less than the national average funding per poor child.

The additional costs to Mississippi, Louisiana, Tennessee and Texas are estimated to exceed 80% of federal funding to those states in the year 2000 compared to less than 40% of the cost in states such as California and New York, Oregon and Wisconsin. Ironically, those states receiving less than their fair share of funding will most likely fail to meet the work requirements, and thus, be subject to the 5% penalty in S. 1120.

Growth States Often Double Disadvantaged: Most growth states will be double disadvantaged. While population growth will fail to be adequately accounted for in the federal funding formula, growth states will have rapidly increasing numbers of people needed to meet the participation requirements. States such as Arizona, Arkansas, Florida, Hawaii, Oklahoma, Tennessee and Texas will need to have three or four times the number of people participating in work program by 2000 than they do in 1994, despite no or very little increasing in funding over the period.

Block Grant Formula Are "Forever": If the Dole formula is adopted, we are creating something that will be difficult, if not impossible, to change for a very long time. Example after example can be cited of block grants that are being allocated today based on funding levels to states over a decade ago.

No Lesson Learned: The General Accounting Office in a report issued in February 1995 report entitled "Block Grants Characteristics, Experience and Lessons Learned" wrote, ". . .because initial funding allocations [used in current block grants] were based on prior categorical grants, they were not necessarily equitable." The Dole approach would once again fail to address these concerns.

WESTERN GOVERNORS' ASSOCIATION: RESOLUTION 95–001, PASSED UNANIMOUSLY ON JUNE 25, 1995

In formulating the block grant proposals for welfare and Medicaid the Western Governors' Association strongly urges Congress to account for [these] realities in order to implement block grant funding in an equitable fashion:

(1) State population levels are growing at different rates, and differences must be recognized in any block grant formula.

(2) States have different benefit levels for both welfare and Medicaid and the block grant should not reward states that have been operating less efficiently and penalize states that have been operating more efficiently.

(3) The need for welfare and Medicaid are related to the business cycle, and the federal government should offer assistance to states during down cycles that is timely and responsive.

After selecting a block grant approach, the next logical question is, "How should the block grant be divided among the states?" The compromise reached by your committee was to prorate funds based on historical patterns. In a static world, that would be a perfect solution. However, as you know, Texas has been and will likely continue to be a high growth state. In the interest of fairness, I would urge you to add a significant growth factor to the block grant that is tied to population needs.—Gov. George W. Bush of Texas, April 25, 1995.

This debate is about fairness and real change versus the status quo . . . . Incredibly, the "new and improved" formulas approved by the U.S. House do nothing to address the migration of people within the United States and, in fact, simply set arbitrary spending patterns in stone for the foreseeable future.—Comptroller John Sharp of Texas, April 25, 1995.

It seems to me any welfare proposal should have a basic principle to treat all poor children equitably, and not favor any state's children at the expense of another's. . . . If Congress is going to radically redesign its welfare laws and block grant the money to the states, it needs to allocate that money fairly. States shouldn't be penalized in 1996, or rewarded for that matter, for spending practices of previous years in a system being discarded. That borders on the absurd and it contradicts the very intent of Congress doing away with the system and all of its inherent flaws.—Gov. Lawton Chiles of Florida, May 1, 1995.

If it's done strictly on prevous year's experience, that is going to disproportionately punish the Southern States. . . . Distributing the funds based on the percentage of population in poverty, with some consideration of the state's tax base would be much more equitable.—Gwen Williams, Medicaid Commissioner for Alabama (quoted on May 22, 1995).

A poor child in Michigan would get twice as much as a child in my state. That's not right. It's not fair. . . . Let's make equal protection of children the foundation for reform.—Gov. Lawton Chiles of Florida, May 11, 1995.

When a lump sum distribution is made to the states, what fraction of the total should each state receive? The best approach is to base each state's share on the proportion of that nation's poor who reside in the state. A much less desirable approach is currently favored by the Republican leadership in Congress and is reflected in the House bill. This approach would block-grant funds based on current federal spending, rewarding the states that currently spend the most, instead of assisting those with the greatest need.—Dr. John C. Goodman (Goldwater Institute, paper dated July 1995).

If federal block grants to the states are based on current federal outlays, the effect will be to permanently entrench failed welfare policies in some states. . . . Equally important, the philosophically inclined among us. . . . should wonder why the Congress would enact a block grant system which rewards and continues profligate spending at the expense of states which have done far better at keeping costs down.—Gov. Fife Symington of Arizona, April 26, 1995.

Block grant funding would be locked in, in spite of rapidly changing patterns of need. This dissonance between need and funding would produce devastating results over a five year period.—Sen. Kay Bailey Hutchison and 39 other senators (in a letter to Sens. Robert Packwood and Daniel Patrick Moynihan on May 23, 1995).

Under the [Maternal Child Health Block Grant], funds continue to be distributed primarily on the basis of funds received in fiscal year 1981 under the previous categorical programs. . . . We found that economic and demographic changes are not adequately reflected in the current allocation, resulting in problems of equity.—General Accounting Office, February 1995.

Mr. PRYOR. Mr. President, I wish to add my voice to the debate over the amendment to redistribute the limited funds in this block grant based on the number of poor children in each State.

First let me say that I am pleased by the bipartisan nature of this amendment. There are many areas in the debate where both Democrats and Republicans can agree. We all agree that the current system does not work. It does not put people to work. It does not give States enough flexibility to craft a system that will keep them working. We can agree on what is wrong with the current system. What is much more difficult is finding some common ground on the best way to fix it.

President Clinton called on Congress to end welfare as we know it. Yet here we are building a new system on the rotting foundations of a system that we all agree has failed.

Mr. President, welfare reform should be about protecting children and putting their parents to work. This bill is a step in the right direction, but it uses a formula to distribute block grant funds that fails to give States the resources they need to accomplish these goals. The children's fair share amendment gives States with high populations of poor children the resources they need to serve those children. It bases the funds a State receives on the number of needy people the State will be asked to serve. It is fair.

In Arkansas, 25 percent of children live in poverty. One in every four children in my State lives below the poverty line.

Under the formula in this bill, Arkansas would get $375 per poor child, while the national average is over $1,000 and some States receive over $2,000 per poor child. This block grant is to be used for cash benefits, but it also pays for work programs and for child care so parents who find work can afford to keep working. It pays for administrative costs. Arkansas needs to pay a program director and to buy pens and paper just like every other state. Why should the Federal Government pay over $2,000 for each poor child in New York and Massachusetts and less than $400 per child in Arkansas and South Carolina?

I support this amendment, but I recognize that it still leaves large disparities in spending per poor child between States. Under this amendment, spending in Arkansas per poor child will rise from $375 to $563. In Massachusetts it will fall from $1,761 to $1,341. In New York, it will fall from $2,036 to $1,375. States that are getting more money per poor child now will still get more money per poor child should this amendment pass. This formula doesn't call for complete equity, but it does move us a little closer to a distribution of Federal funds that is fair.

This debate is not about benefit levels. We should not lock States into the policy decisions they made in years past. I applaud States that can afford to spend more money on welfare. But, the Federal Government has a responsibility to treat children equally, regardless of where they live.

This formula is based on what is really at the heart of the debate on welfare reform—poor children. And I urge my colleagues to join me in supporting it.

Mr. NICKLES. Mr. President, I thank the Senator from Florida as well as the Senator from Arkansas for their eloquent debate and the Senator from New York for giving the counter view. I think we have had excellent debate on this amendment. I know my friend and colleague from New Mexico, Senator DOMENICI, has an amendment that he wishes to discuss.

If no one else wishes to speak on the Graham amendment, Mr. President, I hope that we will have debate on the Domenici amendment, and I ask my other colleagues who have requested time to discuss their amendments tonight. Senator DOMENICI has mentioned that he will not be on the floor too long on this amendment. Other Senators that have amendments listed in the unanimous-consent order, if they wish to debate those tonight, I hope they will come to the floor in the near future.

Mr. MOYNIHAN. Mr. President, might I add that, if they think they wish not to do so, they would let us know.

Several Senators addressed the Chair.

Mr. BUMPERS. Mr. President, I wonder if the distinguished floor manager would yield for a question. We are going to vote tomorrow, as I understand it. We are going to stack the votes on these amendments. I just wondered if there had been any kind of consent agreement about allowing the proponents and opponents 2 or 3 minutes before each vote to sort of recapitulate the amendment.

Mr. NICKLES. Mr. President, to respond to our colleague from Arkansas, part of the unanimous-consent agreement would allow 10 minutes of debate to be equally divided between the Senators on this amendment, and actually on the Graham amendment there will be 20 minutes equally divided.

Mr. DOMENICI addressed the Chair.

The PRESIDING OFFICER (Mr. SMITH). The Senator from New Mexico is recognized.

AMENDMENT NO. 2575

Mr. DOMENICI. Mr. President, I call up my printed amendment No. 2575 and ask for its consideration.

The PRESIDING OFFICER. Without objection, that will be the pending question.

Mr. DOMENICI. Mr. President, I ask unanimous consent that Senators MOYNIHAN, NUNN, BREAUX, and KASSEBAUM be added as original cosponsors of the Domenici amendment on a family cap.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DOMENICI. Mr. President, this is a very serious issue. I do not think we are going to take a lot of time tonight because I think the issue has been thoroughly discussed in various meetings, in conferences, and in caucuses, and clearly among various groups in our country, pro-life groups, pro-choice groups, proabortion groups, welfare reform groups, and so on.

So I am probably only going to take 15 or 20 minutes at the most. I do not want anyone to think that brevity has anything to do with the seriousness of this issue.

I want to talk a little bit about what I am trying to do and give the Senate my best perception of why I think it is the best thing we can do in a welfare reform bill that is attempting to experiment, innovate, and send a program that has failed back to the States so that they might consider handling it differently and tailoring it to the needs of their States within the amount of money that is going to be allowed in whatever formula we end up adopting.

So, as currently amended, the bill in front of us contains a provision requiring States to impose a so-called family cap. This provision says that, if a mother has a child while on welfare, the State cannot increase cash benefits to that mother for that child.

I want to stress that what we are saying to the States is, even if you consider it to be the best thing to do, and even if you have some evidence that, working within a proposal that provides additional cash benefits, you might prevent more teenagers from having children or welfare mothers from having children, you cannot do it because, while we are busy here saying let us send these programs to the States, we are busy in this bill saying, but we know best, the U.S. Congress knows best.

The Governors came to us and said, let us run the programs. We have now said, Governors, you have to run it with State legislators. We voted that in recently.

So out in the country Republicans have been acknowledging that we want to send programs closer to home where those who are close to the people can carry out the laws as they see them best for their people.

Why do we decide then, with all of that excellent rhetoric about sending programs closer to home, to Governors and legislators, why do we think we are so wise that we say with reference to one of the most serious problems around—teenage pregnancies and welfare mothers that have children—we know the way to fix that is to say if you are a welfare mother and have a child, the State cannot give you any cash assistance? Mr. President, I am not wise enough to know whether they should or whether they should not.

So my amendment is a very simple amendment. In fact, I think I could call it after one of the most distinguished Republican Governors around, for I could call it the Engler amendment. It happens that he is not a Senator, so we are going to call it the Domenici-Moynihan amendment. It could be the Engler amendment, Governor Engler, because he said without any question, testifying before the Budget Committee, which I happen to chair, that "conservative strings are no better than liberal strings." Got it? He said, "Conservative strings are no better than liberal strings."

For what was he arguing? He was arguing for his State to have the authority to determine whether there should be a family cap or not and that they ought to be able to put a plan together on a yearly basis. They do not even have to get that plan on for 5 years. We are sending them a 5-year State entitlement, I say to my friend from New York. Each year they are going to get for 5 years a State entitlement.

What Governor Engler was saying is, let us every year decide on a plan to use that money in the best interests of those who need welfare assistance. And, mind you, everyone should know that the Senator from New Mexico is here arguing about this aspect of a growing disagreement in the Senate, but I want welfare reform. And I want it to be a 5-year program, not a program that people can have forever. And we are on the road to doing that. It should not have been a lifestyle. It should have been a stopover point to get some assistance and training and get on with trying to do for yourself.

So make no bones about that. That is what I want. And I believe the States are apt to do a better job than we have done. Why? Because I think they can experiment and innovate, and, frankly, I cannot understand, since that is the basis of all of this, why in the world we would say that to them, but when it comes to one of the most serious problems with reference to society today—unwed mothers and teenage pregnancies—we know best. We know best. And we think in our wisdom that if we say no cash benefits, I say to the distinguished Senator from New Hampshire in the chair, that somehow or another it will reduce the number of children born to teenagers or mothers who happen to be on welfare. And there is no empirical evidence that that is true.

Mr. MOYNIHAN. None.

Mr. DOMENICI. None. There is a bit, a smattering of evidence that came out of the State of New Jersey because they tried this, and that smattering of evidence was soon refuted by an in-depth study by Rutgers University which ended up suggesting that probably it had no effect at all with reference to the numbers of pregnancies. As a matter of fact, I do not know why it took so long and two studies, one they did at the State level and one by Rutgers.

Can we really believe, with the problems teenagers are having and the societal mixup that they find themselves in, that cash benefits are going to keep them from getting pregnant? I cannot believe it. Frankly, there is no evidence of that.

Let me tell you, there is a smattering of evidence—not a lot, I say to my friend from New York, but a little bit—that abortions have increased, that abortions have increased.

Frankly, that is not too illogical either. If one is going to stand up and argue that by denying $284 or $320, just that notion out there will keep them from getting pregnant and having babies out of wedlock or as welfare mothers, why would it not be logical to assume that if they are pregnant somebody would say, "You are not going to get any help. Why don't you have an abortion."

If one might work, the other might work. I do not want the second one. I do not want to be for a welfare program that I have to vote for and have on my conscience that I was part of a program to do some good and at the same time said to teenagers, "Maybe you ought to get an abortion." I do not want to vote for that.

So some people ask me: Why do you offer this amendment? After all, the bill before us says there can be some noncash—there can be; it is permissive—some noncash benefits that can be provided. Well, I want them to be able to provide noncash benefits, but I want them to be able to provide cash benefits, not mandatory but that they can.

Now, Mr. President, from what I can tell, clearly we do not know what we are talking about in terms of impact when we say, tell the States what to do and tell them not to give one penny to a welfare mother, teenager or otherwise, who has another child, when we stand up and say, we do not want any more teenage pregnancies, we do not want any more welfare mothers who have another child, and then to say, and if we just do not give them any money, it will all stop.

Frankly, that is the state of the debate we are in, as I see it. I would almost think that we would have been within our rights to say they have to continue to support them. But I do not choose to do that.

My amendment is very simple and very neutral. If Governor Engler, who has designed one of the best welfare programs in America—and, incidentally, one of the best Medicaid block grant programs on waivers and otherwise—if he chooses to say I have a program and I want some cash benefits to the second child of one of these situations that we really pray to God would not be around, but if he says I would like to try that for 2 or 3 years, why should we say no? Why should we say no? Under the guise of what authority, what wisdom, what prerogative other than we know best and it might sound good? It might sound good to say we are not going to let them have any cash. That may really resonate out there very well. But I am not sure in the end that we would not be better off, since we are trying a program for 5 years and giving an entitlement, to decide that conservative strings are no better than liberal strings, to quote the distinguished Governor, Governor Engler, from the State of Michigan.

I know my friend—and he is my friend. I just saw him arrive in the Chamber. The first time he started sitting at committee hearings I sat right by him in Banking, and I have great respect for him—and I just happen on this one to disagree. I think we are going to have to vote on it, and then obviously the House has different opinions yet from what we have.

I wish to just once again say that in New Jersey, the State that pioneered the family cap, originally claimed through officials that there was a reduction in out-of-wedlock births. Subsequent studies from Rutgers University indicates that that cap had no significant effect on birth rates among welfare mothers. More ominously, in May, New Jersey's welfare officials announced that the abortion rate actually increased 3.6 percent in 8 months after the New Jersey statutes barred additional payments to women on welfare.

Now, I am not vouching for these statistics. That is a small percentage and a short period of time. But it surely points up, Mr. President and fellow Senators, that we really do not know. If we really do not know, it would seem to me we ought to err on the side of giving the Governors and legislatures who have to otherwise put the program together this option.

If they want to put the family caps on, let them vote it in. If they do not want to, let them have a plan that provides otherwise. And it would seem to me that we will end up having done a far better job under the circumstances for the poor people in this country, poor in many ways, not only poor financially but poor of spirit, clearly, though many of them do not like the situation they are in.

We ought to continue pushing for job training and employment opportunities and employment because that will build a better society for them and that spirit that is so down might be lifted up and they might have a chance.

Now, I urge that my colleagues resist putting strings back into this block grant. And, finally, I point out there is no budgetary impact, no budgetary savings attributed to the family cap provision. So I am not here arguing for more money. I am merely arguing that with whatever money the States get, let them be able to pass judgment on this aspect of their program, which is very, very difficult for us to comprehend in terms of the human aspects of it.

And I hope I am not, by doing this, causing this bill any harm, this welfare bill, because anybody that listened to me here tonight knows I want to try this welfare reform. And I think there is room for the Domenici-Moynihan amendment as a part of this program as we send it back to the States to see if we cannot do better than the last 2 or 3 years.

I yield the floor.

Mr. MOYNIHAN addressed the Chair.

The PRESIDING OFFICER. The Senator from New York.

Mr. MOYNIHAN. I could not have stated this case more emphatically, with more clarity and more charity than the Senator from New Mexico. We are talking about children who do not have any control over when they come into the world or in what circumstances.

I would want to make one point. It need not be made in the Senate Chamber, but just for the record. There is a notion that somehow welfare families are large. They are not. They are smaller than the average, husband-and-wife family. The average number of children is 1.9. They begin too early. They begin without the arrangements that need to accompany, ought to accompany, the beginning of a family, a stable husband-wife relationship. Children born to these single women in poverty do poorly the rest of their lives, by and large. We know so little about why all this has happened.

There are efforts abroad to change this culture of dependency, to get the mothers on welfare off the rolls and into work. We have heard one Senator after another describing the programs in place in their States—Iowa, California, Georgia, Michigan—under the Family Support Act, in which States do what they think best and experiment.

But do not put the lives of children at risk in this way. Or at least do not do it because the Federal Government says you have to. That would be unpardonable. I fear that we are making a grave mistake by prohibiting benefits to children born into welfare families, but if it is to be done, far better that the Federal Government not impose the requirement upon States which do not desire it. Therefore I very much hope that this amendment is approved tomorrow. I have every confidence that it will be. Ask any of us—any of us—ask what if one of our children was in this situation? That could happen. We know what we would say. These other children are our children, too.

I hope that the Senator's amendment will be adopted when it is debated tomorrow morning. And, again, I note that there will be 10 minutes equally divided at that time. I thank the Chair.

I see the Senator from North Carolina is on the floor. He has an amendment, as I believe.

Mr. FAIRCLOTH addressed the Chair.

The PRESIDING OFFICER. The Senator from North Carolina.

Mr. FAIRCLOTH. I do rise in opposition to the amendment offered by my friend and colleague from New Mexico. I do strongly disagree with the approach we have taken on welfare. And I strongly believe that it has been a total failure and it is time we do something about it.

We have to do something firm and strong. I have been saying, ever since Congress began to debate the issue of welfare reform, that unless we address illegitimacy, which is the root cause of welfare dependency, we will not truly reform welfare. Only by taking away the perverse cash incentive to have children out of wedlock can we hope to slow the increase in out-of-wedlock births and ultimately end welfare dependency.

I am pleased that the bill before us today has been strict, since it was reported out of the Finance Committee, by the inclusion of a family cap provision. This prohibits the use of Federal funds to give higher welfare benefits to women who have more children while already receiving welfare. This is a sensible, commonsense step towards encouraging personal responsibility on the part of welfare recipients. And it is time that they accept personal responsibility. It would establish the principle that it is irresponsible for unmarried women, already on welfare, to have additional children and to expect the taxpayers to pay for them.

Middle-class American families who want to have children plan, prepare, and save money because they understand the serious responsibility involved in bringing children into this world. I think it is grossly unfair to ask these same people to send their hard-earned tax dollars—and tax dollars are earned—to support the reckless, irresponsible behavior of a woman who has children out of wedlock, continues to have them, and is expecting the American taxpayers to pay for them. It is time they become responsible.

The State of New Jersey is the only State in the Nation which has instituted a family cap policy denying an increase in cash welfare benefits to mothers who have additional children while already receiving welfare benefits. The evidence now available from New Jersey, I say to the Senator from New Mexico, as of this morning, shows that the family cap resulted in a decline in births to women on aid to families with dependent children by a 10-percent drop, but did not result in any significant increase—0.2 percent maybe—in the abortion rate.

Information presented yesterday in Washington by Rudy Meyers of the New Jersey Department of Human Services indicates that in the 16 months after the cap was initiated, there was a 10-percent decrease in the rate of out-of-wedlock births. Clearly, the family cap was responsible for this significant decline.

Critics claim that the policy has not caused a reduction in the number of illegitimate births. They claim that there is merely a delay in welfare mothers reporting births to the welfare office. This is not the case. Under the family cap, AFDC mothers still have a strong financial incentive to notify the welfare bureaucracy of any additional births. The family cap limits only AFDC benefits. They still receive increased food stamps and Medicaid benefits for each additional child born. So AFDC mothers still have a monetary incentive to notify the welfare bureaucracy of an additional child.

There has been concern that the family cap would reduce out-of-wedlock births by increasing abortions. However, the current data from New Jersey indicates that it did not result in any significant increase in the rate of abortions among these women, but did result in fewer children being conceived.

The New Jersey family cap was based on the principle that the welfare system should reward responsible rather than irresponsible behavior. Few expected the modest limits on benefits to result in a significant drop in births to welfare mothers.

The fact that New Jersey's limited experiment has surprisingly caused a drop in illegitimate births and hence in welfare dependency, merely enhances the case for the policy that is now in this welfare bill.

Nevertheless, it is clear that this country must begin to address the crisis of illegitimacy. Today, over one-third of all American children are born out of wedlock.

According to Senator MOYNIHAN, the illegitimate birth rate will reach 50 percent by 2003, if not much sooner. The rise of illegitimacy and the collapse of marriage has a devastating effect on children and society. Even President Clinton has declared that the collapse of the family is a major factor driving up America's crime rate.

Halting the rapid rise of illegitimacy must be the paramount goal of welfare reform. It is essential that any welfare reform legislation enacted by Congress send out a loud and very clear message that society does not condone the growth of out-of-wedlock childbearing and that taxpayers will not continue to open-endedly fund subsidies for illegitimacy which has characterized welfare in the past. The New Jersey family cap policy shows that welfare mothers will respond to this message.

I support such a policy at the Federal level, and I strongly urge my colleagues to vote against the pending amendment.

Mr. President, I yield the floor.

Mr. NICKLES addressed the Chair.

The PRESIDING OFFICER. The Senator from Oklahoma.

Mr. NICKLES. Mr. President, with some reluctance, I rise in opposition to the amendment of my friend and colleague, Senator DOMENICI. First, let me make sure everyone is clear in what we have in the Dole amendment. The Dole language does not tie the hands of Governors to spend their own dollars. They can give cash benefits using their own money. If the states want to give additional cash assistance to welfare recipients who have additional children while on welfare, they could do so. In addition, the state can even use Federal dollars to provide vouchers or noncash assistance. So I think maybe there might have been some understanding as to what is actually in the proposal before us.

The Dole amendment says that there will be no additional Federal cash benefits given to welfare mothers if they have additional children. In other words, we want to take the financial cash incentive away from welfare mothers for having additional children.

Senator FAIRCLOTH mentioned, I think, the only real experiment we have had on the family cap is in New Jersey. Let us just look at the New Jersey experiment. I am not an expert on this case, but there has been significant homework done on New Jersey in a recent report by the Heritage Foundation: "The Impact of New Jersey's Family Cap on Out-of-Wedlock Births and Abortions."

First, let me mention, I compliment my friend and colleague from North Carolina, Senator FAIRCLOTH, because he has mentioned repeatedly that illegitimacy and out-of-wedlock births are a big part of our welfare problem, and he is right.

I want to compliment my friend and colleague from New Mexico, because he also decried the facts of family breakup and the fact that so many kids are born out of wedlock. I happen to agree with him. It is a staggering statistic when you find out that over one-third of America's babies today are born in a single-parent home. They do not have the luxury of having a father and a mother. Those kids, those newborn babies are starting life at a significant disadvantage. The probability that they end up in welfare, the probability that they end up in crime or some other environment is much, much greater than those babies who are fortunate enough to be born into a family with both a father and a mother.

So we need to reduce the incidence of children born out of wedlock. I do not think there is any doubt and I do not think anyone would contest that fact. If one looks at the crime statistics clearly that is true.

Would we make a difference if we say under this legislation we are going to take away the cash incentive for welfare mothers who have additional children? New Jersey tried it. What have been the results? I will read from the Heritage Foundation's report. It is dated September 6, 1995:

> New Jersey is the only State in the Nation that instituted a family cap policy: denying an increase in cash welfare benefits to mothers having additional children while already receiving welfare. The evidence currently available from New Jersey indicates that the family cap has resulted in a decline in births to women on AFDC but not an increase in the abortion rate.

I will highlight a couple of other points that are in the report. It says:

> The cap appears to have caused an average decrease of 134 births per month, or 10 percent.

So it has reduced the number of children born to welfare mothers.

Has that caused a corresponding increase in abortion? I happen to agree with my colleague from New Mexico, I do not want that to happen. I think that would be a terrible result if it does.

I will read from the report:

> There has been a concern that family cap in national welfare reform legislation would reduce out-of-wedlock births by increasing abortions. However, the data currently available from New Jersey indicate that while the establishment of the family cap was followed by a clear and significant decrease in the number of births to welfare mothers, it did not result in any significant increase in the rate of abortions among these women.

I will just read one additional line:

> The difference between pre- and post-cap abortion rate is extremely small and not statistically significant. Overall, the available data indicate the family cap did not cause an increase in either the abortion rate or the number of abortions.

Again, I am not an expert in that. I do have confidence in the Heritage Foundation. I think they are a very reputable group. I read portions of this study into the RECORD for my colleagues' information.

Again, let me repeat what we have in the underlying Dole bill. It says that no Federal cash benefits would be given to welfare mothers if they have additional children. It does not prohibit States from giving additional cash if they want to do so with their own money. The States can do so if they want to do it.

States are given a block grant. With that Federal money, they can use some of that money to provide noncash benefits. Maybe those benefits would be in the form of food supplements, maybe in the form of additional medical care, maybe in the form of day care assistance, whatever. The State would have the option to do what they want with the vouchers but not cash; in other words, trying to take the additional cash incentive out of welfare.

I think the Dole compromise is a good one. Again, I want to compliment my friend and colleague from North Carolina and also Senator DOLE for this provision and compliment as well my friend and colleague from New Mexico, because I understand his sincerity, I understand his conviction about not wanting to increase the number of abortions, and I appreciate that. But I hope, in the final analysis, that his amendment will not be agreed to.

Mr. DOMENICI addressed the Chair.

The PRESIDING OFFICER. The Senator from New Mexico is recognized.

Mr. DOMENICI. Mr. President, might I ask Senator NICKLES, who I assume is managing the bill, does he know whether the other amendments that people were going to offer are ready?

Mr. NICKLES. Mr. President, I will just respond to my colleague, I know Senator DEWINE wishes to discuss his amendment. He also wishes to discuss the amendment of the Senator from New Mexico briefly. I am not sure if Senator FAIRCLOTH wanted to discuss his amendment tonight.

Mr. FAIRCLOTH. Yes, I do.

Mr. NICKLES. And I think Senator DASCHLE has two amendments, and he may wish to discuss his briefly as well.

The PRESIDING OFFICER. The Senator from New Mexico.

Mr. DOMENICI. Mr. President, I yield myself 4 minutes. I do not want to exceed that.

The PRESIDING OFFICER. Time is not controlled.

Mr. DOMENICI. I understand, but will the Chair advise me of that so I will not waste too much time?

The PRESIDING OFFICER. The Chair will do so.

Mr. DOMENICI. Mr. President, just so we make it clear, the Senator from New Mexico is not telling anybody, any State, any program or putting together a State program, any legislator, individually or collectively anywhere in America that they have to continue cash benefits to a mother who is on welfare who has another child.

All I am suggesting is that while we are busy structuring a new program, we ought to take advice from people like Governor Engler, who has led the way in terms of Medicaid reform at the local level, and welfare reform, when he suggests that we ought to leave this up to the States.

So all I am doing is adding to the voucher system—substituting for that voucher system a permissive payment of cash benefits by the States, if they choose that as part of their plan, and if they think that is better in the overall prevention and assistance to welfare mothers who have another child.

I believe the argument is on the side of prudence, on the side of using some rationale. Let us give the program a chance to work, and let us not dictate up here, as we are prone to do when we do not know the results.

I have great confidence in the Heritage Foundation. But I have in my hands the summary of a study done by Rutgers University. I believe it is right, and I believe it is the official study on the State of New Jersey. It was a controlled case study, Mr. President, whereby for a period from August of 1993 through July of 1994, 2,999 AFDC mothers that were subject to the family cap were evaluated, and the percentage of birth rate was 6.9 percent. And the AFDC mothers not subject to a family cap was 1,429, and the difference was two-tenths of 1 percent, which is not sufficient for any conclusion to be drawn.

Frankly, I am not surprised at that. But I think it clearly points out that there is some serious doubt about its efficacy with reference to this aspect of the results of the program. I am merely saying, once again, why not give the States a chance? I would assume that New Jersey tried this and some other States want to try it—that is, putting the family cap on. I would assume that if it is so right, and so right for our country, and for the taxpayers, that most States would try it. I just would like to give them the option to do otherwise, if they choose.

I also want to point out that this amendment is supported by the National Council of Bishops, the National Conference of State Legislators, the U.S. Catholic Conference, the National Governors Association, the Women's Defense League Fund, and many others, conservative and liberal. I believe this is not a conservative or liberal issue. This is an issue of how are we going to be most wise and prudent as we deliver up for use this block grant money in an area that is strewn with heartache and problems and misery and waste. I believe this is a better way.

I yield the floor.

Mr. DEWINE addressed the Chair.

The PRESIDING OFFICER. The Senator from Ohio is recognized.

Mr. DEWINE. Mr. President, I rise in strong support of Senator DOMENICI's amendment. I think, as we debate welfare reform tonight and as we debate the amendment of my friend from New Mexico, we need to step back a little bit from this whole welfare debate. We are a number of days into this now. It is rather late in the evening. But I think we need to look at this from the big picture.

Mr. President, one of the main reasons that we are on the floor tonight debating meaningful, true welfare reform is because our current welfare system simply does not work. We have decades of experience. We have decades of experience and examples of what does not work. Quite frankly, what we do not know is what does work. We are just now, in the last several years, beginning to see more experimentation at the State level. And while some of the early returns are in, frankly, it is still very difficult to see what works and what does not work.

I support this bill because I believe that all wisdom does not reside in this Capitol Building, in this U.S. Senate, in the House of Representatives. And I am convinced that the only way we are going to genuinely reform welfare is to allow the States to truly be the laboratories of democracy, and to allow them to experiment, and to make it so that no longer will they have to come, hat in hand, on bended knee, to a bureaucrat in Washington, DC, to see whether they can get a waiver or an exemption, or if they can try something different—something that might even work, Mr. President. That is the background by which I approach this amendment.

Both sides of this particular debate on this amendment, I think, would agree—and do agree—about the tremendous problem, the tragedy that we have in this country today with the growing rate of illegitimacy. Senator MOYNIHAN, who was on the floor a few minutes ago speaking in favor of the Domenici amendment, is probably the foremost experiment in the country on this issue. He forecast, long before anyone else understood, the importance and significance of what the trend lines really meant.

The tragedy today, Mr. President, is that in some of our major cities, two out of every three births are, in fact, illegitimate. On the national average, we are approaching one out of three. None of us know what the long-term consequences of this will be. But neither do we know what to do about it. We have heard already, just in the short amount of time we have debated this tonight, several different studies that have been cited. I will cite one in a moment. But the fact is that we do not have enough years of experience in New Jersey, or in any other State, to know what effect this family cap has. Does it increase abortions? Does it, in fact, cut down on the illegitimacy rate, without increasing abortions? We have two studies, with contradictory results. The jury—as we used to say when I was a county prosecutor in Greene County—is still out, deliberating. We do not know.

What kind of arrogance is it for this Congress and this Senate—I use the word "arrogance"—how arrogant would we be—when we do not know what works and what does not work, when we really do not know how to get at the issue of illegitimacy, certainly not from the Government's point of view, if the Government can do anything about it—to then turn around and tell every State in the Union that this is what you have to do; we now know best. And to put it on maybe a partisan point of view, now that this side of the aisle is in control, we do not like your mandates, but we like our mandates. Arrogance.

I have been on this floor before talking about things where I thought there should be Federal mandates and where I thought there should be uniformity. But I did so only when I felt, at least, the evidence was overwhelming that we knew what worked and what did not work and the statistics just did not lie. In this case, we do not know what the statistics show. We just do not know.

So this is one U.S. Senator who is not going to take a chance that this action by this body of telling every single State of the Union what they have to do—I am not going to take the chance that it might just increase abortions, or it might not work at all. It might not have any impact. So I am voting with my friend and colleague from New Mexico, and I think it is proper, as he has very well stated, to restate what his amendment does.

It does not tell any of the States what to do. A State can impose a cap. A State can impose a very tough cap if they want to. They can impose a cap as New Jersey has.

However, under Senator DOMENICI's amendment, we would simply say we are not going to tell you that you have to do that.

Mr. President, I ask unanimous consent to be added as a cosponsor to the amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DEWINE. Let me close by reading from an article of the Sunday, July 2, 1995, Baltimore Sun. This references the Rutgers study that my friend from New Mexico has already mentioned.

Let me directly quote from the article. "A recent Rutgers University study indicates that New Jersey's family cap has had no impact on welfare mothers."

Later on in the story, this quote appears, again reading from the same article: "However, the 4 percent increase in the abortion rate occurred over a relatively short period of time."

So the article points out you still cannot tell what the statistics really mean.

I think we should err on the side of States. I think we should err on the side of caution. I think we should err on the side of allowing the States to truly be the laboratories of democracy.

I am convinced that this is the only way that we are going to in any way begin to deal with our welfare problem. Nobody knows all the answers. We have suspicions about what we think might work.

In this bill, Mr. President, we should encourage more creativity, more diversity, more taking of chances. Quite frankly, trying to run welfare from this body and the other body and the bureaucrats in Washington, DC, has not worked. We ought to try something else, and support for the Domenici amendment really, when you strip everything else away, is a statement that we want to turn this responsibility and the creativity, opportunities, back to the individual States.

I thank the Chair. I yield the floor.

Mr. DOMENICI. Mr. President, might I thank my good friend for his eloquent statement and for his support of the amendment. I yield the floor.

AMENDMENT NO. 2672

Mr. DASCHLE. Mr. President, I ask unanimous consent to call up amendment No. 2672.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DASCHLE. Mr. President, I know that other Senators are waiting to offer amendments and so I will not take a long period of time, but I want to talk about two amendments on which I hope we could find some resolution prior to the time of final passage.

The first has to do with the need for a State contingency fund. As I have talked to our Governors, Republican and Democratic alike, the concern they have expressed to me with unanimity is the issue of what happens when circumstances beyond their control affect their own situation within the State.

Perhaps the most illustrative example of their concern occurred earlier this decade during the recession that began in the late 1980's and went into the early 1990's. During that time, the AFDC caseload grew by 1 million families. That represented, Mr. President, a 26 percent increase in the level of AFDC cases with which States had to contend.

The level of monthly benefits increased by $337 million. That was a 22 percent increase. The cumulative increase in the total benefit payments was $7.1 billion during the 36-month period between 1990 and 1992.

Unfortunately, under the pending legislation, the Dole bill, there is no opportunity for States to deal with circumstances like that. The Dole bill does provide a loan fund of $1.7 billion from which States can borrow to deal with contingencies of this kind. But if the level of monthly benefits rose $337 million, as it did in the early 90's, that would amount to only 5 months of benefits. In a 36 month recession like the one in the early 90's, you would have 31 months of recession for which States would have absolutely no resources at all.

Unfortunately, many Members are very concerned about the consequences of a situation like that. States could be facing economic downturns, dramatically increased unemployment levels, natural disasters, plant closings—that is why there has to be a realization that States themselves cannot be required to shoulder this entire burden. We have to ensure that families in similar circumstances, regardless of where they may be, will receive some assistance.

What I am offering tonight with this amendment is a couple of things. First of all, we would change the amendment from a loan to a grant. We simply recognize that in cases like this, a loan may not provide States with the help they truly need.

So the grant, something I understand Governors on both sides of the aisle feel they need, is much more prudent and much more practical in responding to the circumstances we know will be faced by States at some point in the future.

The difference between this amendment and what is currently found in the Dole bill is that in our amendment, we recognize that States cannot be held 100 percent accountable for circumstances beyond their control, not only circumstances like natural disasters but the circumstances that come once they borrow the money.

What happens if States are unable to repay a loan within the 3-year-period of time? Certainly in many recessions circumstances would not allow a State with very limited resources—that would be especially true in a State like South Dakota, where resources are not available—to repay the loan with interest in the period of time required.

So this recognizes, Mr. President, that there has to be a partnership. We recognize that because of recessions, huge natural disasters, or other unanticipated circumstances, no matter what level of funding we provide to States for welfare in the future, there are going to be times when that level of funding simply is not going to be enough to cope with the extraordinary circumstances that these States may have to deal with.

We require that States maintain at least a minimal effort—the level they spent in 1994—if they are going to be eligible for the contingency fund. In other words, they have to make a good-faith effort to deal with their own set of circumstances.

So, in essence, this is simply attempting to deal with the problem in a much more meaningful way. We recognize the need for a partnership. We recognize the responsibility of the Federal Government and States to work together to ensure that we do not exacerbate the problem when we get into an unforeseen situation of some kind. We recognize that, in many cases, smaller States in particular simply are not going to have the means by which to borrow the money and pay it back with interest in a very short timeframe.

So this assists States in a much more meaningful way. I hope our colleagues recognize the need and recognize that, as Governors and State legislators have talked to us about their biggest concern regarding the transition that we will be undertaking as a result of the passage of this legislation, should it pass—the biggest concern they have is how they are going to cope with unforeseen circumstances, and how they are going to deal with all of the financial and economic ramifications of this plan when, in cases of dire need such as a recession, they do not have the resources or the ability to deal with them.

So, this is a realistic approach to trying to deal with the problem in a better way, and I hope our colleagues see fit to support it tomorrow. I will have a lot more to say about it prior to the time we vote. I will return to this issue tomorrow morning.

Mr. President, on the other amendment, I now ask unanimous consent that amendment No. 2672 be set aside and we call up amendment No. 2671. I am reading the top of my note here.

The PRESIDING OFFICER. The Chair advises the Senator that amendment No. 2672 is the pending question.

Mr. DASCHLE. I ask that be laid aside and we call up amendment No. 2671.

The PRESIDING OFFICER. Without objection, it is so ordered.

AMENDMENT NO. 2671

Mr. DASCHLE. Mr. President, with regard to this amendment, let me simply say there is a realization, I think on both sides of the aisle, that we have a special relationship with our tribal governments, and that special relationship requires a special arrangement as situations like this are addressed. It is very important that we recognize the issue of tribal sovereignty, and also the need for tribes to take responsibility for addressing the serious problems that they face, both socially and economically.

The Dole bill would require that funding be provided to tribes out of the allocation given to each State. This amendment simply says we are going to set aside 3 percent of the resources allocated nationally before the money is given to the States. The allotment formula for distributing money from the set-aside would be determined by the Secretary, but it would be based on the need for services and on data common to all tribes, to the extent that is possible.

We also allow tribes to borrow from the contingency loan fund. Tribes would be able to borrow up to 10 percent of their grant allocation, and the Secretary may waive the interest requirement or extend the time repayment period at times when circumstances would warrant.

I do not know that there is any place in the country more deserving and more in need of special attention than reservations. The poverty rate for Indian children on reservations is three times the national average, 60.3 percent. Per capita U.S. income is about $14,420. Per capita income on the reservations is a mere $4,478. Mr. President, 36 percent of Indian children under 6 live in homes today without even a telephone. In South Dakota, over half of all Indian children live in poverty. Mr. President, 63.8 percent of all children on AFDC in South Dakota are Native American.

Shannon County, the location of Pine Ridge Reservation, is the poorest county in the country. Todd County, the location of the Rosebud Reservation, is the fourth poorest county in the country.

Unemployment on reservations is four to seven times the national average. In South Dakota, unemployment rates on the reservations range from 29 percent to 89 percent. There are a lot of reasons for that, no different in South Dakota, perhaps, than other States. But the barriers to work are there. Serious problems that we have to address, problems having to do with the lack of skills, the lack of education—these are problems that I hope we can begin to resolve much more effectively with meaningful welfare reform.

States have been running these programs for many years; tribes have not. In many places tribes have attempted to work with States to create an infrastructure for running these programs. Frankly, in many places it does not exist yet. This is something in which tribes will need to invest. Tribal programs run on a smaller level and, this will take some overhead. Additionally, we have not always had a proportionate level of assistance from the private sector. Less than one-tenth of 1 percent of Combined Federal Campaign contributions go to Indian programs. Less than two-tenths of 1 percent of foundation grant money goes to support tribal human services.

So, Mr. President, we need to ensure that we get an adequate level of assistance from States and the Federal Government. And I am not talking necessarily about only resources. We are talking about an infrastructure. We are talking about ways with which to make the money that we already spend work better, providing job skills and providing good education, providing help, providing a workfare opportunity. Certainly there is a need for that.

There is ample precedent in current law for earmarking funds for native Americans. I believe a set-aside under this legislation is appropriate.

We need to set this money aside for tribal governments. The Federal Government has a trust responsibility to assure appropriate funding. I believe this amendment will do it.

I yield the floor.

Mr. NICKLES. Mr. President, I appreciate my friend and colleague, Senator DASCHLE, for sending his two amendments. I know Senator DEWINE has an amendment. Let me make a couple of brief comments concerning both Daschle amendments.

One concerning the 3-percent set aside for Indian tribes—I might mention that for Indian welfare programs under the Dole bill we have a provision but it would be allocated strictly on the ratio of AFDC numbers. I am not sure exactly what the number is. I think it is something like not 3 percent but more like 1.7 percent. I will have that figure more accurately in the morning. So we are talking about a lot of money.

I will certainly concur with the gist of my colleague's amendment, that we have a lot of Indian welfare programs that are not working. I am not sure that money is necessarily the answer. My State happens to have more Indian population than any State in the Nation. I have seen a lot of Indian welfare programs that have not worked, again not necessarily because of a lack of money. But I will try to have those facts and statistics for tomorrow for debate.

Also, I would like to make a brief comment concerning the first amendment. That is the amendment calling for setting aside and appropriating money for contingency funds, that contingency fund being in the form of a grant, not in the form of a loan. Under the Dole provision, we have over $1 billion set aside for loans that the States could borrow from but they would have to pay it back within 3 years. Under the Daschle amendment it would appropriate $5 billion over 7 years for a contingency fund that says to States, if you have a higher unemployment rate than you did in 1994, you could qualify, and, if you have more children receiving food stamps than you did in 1994, you could qualify, and, if you are spending at least as much money as you are spending in 1994. In other words, a 100-percent maintenance of effort. Then you could qualify.

So it is kind of an idea that here is more money for more welfare. I do not see that as reform. I understand the States might have some problem.

It was also said that there would be distributed in the same formula that we do with Medicaid, match their rates; therefore, for every dollar they spent the State would spend three. They would have an additional dollar grant from the Federal Government, almost an incentive for the State to spend more money on welfare. I am afraid that might increase our dependency on welfare, and maintain welfare as a life cycle, not reverse it. Many of us are trying to reverse that. We are trying to break the welfare cycle, and reduce welfare dependency.

Mr. President, I know my friend and colleague from Ohio is supposed to preside over the floor, and I also know that he has an amendment that he wishes to discuss briefly. Looking at the list, I also see that Senator FAIRCLOTH is on the floor and he has an amendment. I believe Senator BOXER has an amendment; all of which we are trying to have discussed this evening so we can have them voted on tomorrow.

So I will yield the floor in anticipation of the Senator from Ohio who will bring up his amendment.

Mr. DEWINE addressed the Chair.

The PRESIDING OFFICER. The Senator from Ohio is recognized.

Mr. DEWINE. Mr. President, I inquire of the Chair what the pending business is.

The PRESIDING OFFICER. When the Senator from Ohio calls his amendment up, it will be the pending business.

Mr. DEWINE. Thank you, Mr. President.

AMENDMENT NO. 2518

Mr. DEWINE. Mr. President, I call up my amendment No. 2518, the caseload diversion amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

The clerk will report the amendment.

The bill clerk read as follows:

The Senator from Ohio [Mr. DEWINE] proposes an amendment numbered 2518.

Mr. DEWINE. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

(The text of the amendment is printed in the Friday, September 8, 1995, edition of the RECORD.)

Mr. DEWINE. Mr. President, I ask unanimous consent to add the name of Senator KOHL as a cosponsor of this amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DEWINE. Mr. President, the purpose of our amendment was to make sure the States tackle the underlying problem of the welfare system. Too often, welfare ends up being quicksand for people—quicksand instead of a ladder of opportunity. The underlying legislation before us will help change this by creating a real work requirement that will help boost welfare clients into the economic mainstream of work and opportunity.

Mr. President, we need to help people get off of welfare. One very important way we can do this is by helping them avoid getting on welfare in the first place. That brings me to the specific proposal contained in my amendment.

This amendment will give States credit for making real reductions in their welfare caseload—not illusory reductions based on ordinary regular turnover, nor, for that matter, reductions based on changes in the eligibility requirements. No. What we are talking about is real reduction in caseload.

Let me cite a statistic, Mr. President. Since 1988, over 14 million Americans have left the AFDC rolls. That is the good news. Now for the bad news. Over the same period there has not been a reduction in the welfare caseload. In fact, there has been a 30 percent increase in the net welfare caseload. More people are coming on welfare every day than are getting off.

So it is clear that our problem is not just a problem of getting people off welfare. We also have to slow the rate of those going on welfare.

We have to make sure, Mr. President, that we keep our eye on the ball, and the ball in this case is keeping people out of the culture of welfare dependency and off welfare.

Under the bill, States will have to meet a very specific work requirement, and that is good. But I think this policy will have an unintended side effect—a side effect that none of us will want. It is a side effect I believe my amendment will cure.

Mr. President, if there is a work requirement, States obviously have an incentive to meet that requirement. If States face the threat of losing Federal funding for failing to meet the work requirement, they could easily fall into the trap of judging their welfare policies solely by the criterion of whether or not they help meet the specific work requirement.

What we have to remember is that the work requirement is not an end in and of itself. Our goal rather is to break the cycle of welfare dependency. We have found that helping people before they ever get on AFDC—through job training, job search assistance, rent subsidies, transportation assistance, and other similar measures—all of these things are cheaper to do. There are cheaper ways of doing this than simply waiting for the person to fall off the economic cliff and become a full-fledged welfare client.

One positive measure, Mr. President, some States have taken, a measure that we should encourage, is remedial action, early intervention to help people before they go on the welfare rolls. In the health care field we call this prevention. In welfare, as in health care, it is both cost effective and the right thing to do.

Mr. President, the last thing we want to do in welfare reform is to discourage this kind of prevention program. Just the contrary. We in this Congress through this bill should try to encourage the States to do this. But under the current bill, as currently written, States are given no incentive to make these efforts to help people. If anything, there is a disincentive.

If a State makes an active, aggressive, successful effort to help people stay off welfare, then the really tough welfare cases will make up an increasing larger and larger portion of the remaining welfare caseload. That will in turn make the work requirement every year tougher and tougher to meet.

Under the bill, as currently written, without my amendment, there is an incentive to wait to help people—to wait until they are on welfare. Then the States can take action, get them off welfare, and get credit for getting people off welfare.

Mr. President, if the States divert people from the welfare system, keep them off, stop them from ever going on by helping them, the people who stay on welfare will tend to be more hard-to-reach welfare clients. And that will make it more difficult for the States to meet the work requirement.

That really is exactly the opposite, Mr. President, of what we should be trying to do. My amendment would eliminate this purely perverse incentive.

My amendment would give States credit, credit toward meeting the work requirement if they take steps to help before they go on welfare—and, in doing so, keep those people from falling into the welfare trap.

Helping citizens stay off welfare is just as important as making welfare clients work, and just as important as getting people off welfare. Indeed, the reason we want to make welfare clients work, of course, in the first place is to help them off of welfare. But—there is a very important provision in my amendment—we cannot allow this new incentive for caseload reduction to become an incentive for the States to ignore poverty, and to ignore the problem.

Under my amendment, a State will not—let me repeat—will not get credit toward fulfilling the work requirement if that State reduces the caseload by changing the eligibility standard. They get no credit for that. A State will get credit toward a work requirement by reducing caseloads through prevention and early intervention programs that help people stay off welfare in the first place.

Ignoring the problem of poverty will not make it go away. Arbitrarily kicking people off of relief is not a solution to welfare dependency. States should not—let me repeat—not get credit under the work requirement of this bill for changing their eligibility requirements.

Welfare reform block grants are designed to give States the flexibility they need to meet their responsibilities. They must not become an opportunity for the States to ignore their responsibilities. States need to be rewarded for solving problems. Giving States credit for real reductions in caseload will provide this reward.

I believe my amendment will yield another benefit. It will enable the States to target their resources on the most difficult welfare cases, the at-risk people who need very intensive training and counseling if they are ever, ever going to get off welfare.

It will not do us any good as a society to pat ourselves on the back because people are leaving AFDC if at the very same time an even greater number of people are getting on the welfare rolls and if the ones getting on are an even tougher group to help than the ones who are getting off.

The American people demand a much more fundamental and far-reaching solution. They demand real reductions in the number of people who need welfare. Two States, Mr. President, Wisconsin and Utah, have really led the way with the kind of prevention programs that I have been talking about. Other States, including my home State of Ohio, are starting to implement this type of program, a prevention program, to help people before they literally drop off the cliff and go down into the abyss of welfare, some of them never ever to climb out. As part of this welfare reform legislation, I believe we have to encourage States to take this type of remedial action, to take this type of action that will in fact make a difference in people's lives.

Reducing the number of people who need welfare in this country is going to be a very tough task, but it is absolutely necessary that we do it. The issue must be faced. I believe it will be faced with all the creativity at the disposal of the 50 States, the 50 laboratories of democracy.

How are States going to do it? There are probably as many ways of doing it as there are States. There is no single best answer. That is the key reason why we need to give the States flexibility to experiment.

In Wisconsin, for example, the Work First Program, with its tough work requirement, has reduced applications to the welfare system. That is a promising approach, reducing the number of out-of-wedlock births and getting rid of the disincentives to marriage.

The bottom line is simply this: We have to solve the problem and not ignore it. States should be encouraged to take action and to take action early to keep people off welfare, to help them before they drop down into that welfare pit.

This is the compassionate thing to do. It is also the cost-effective thing to do. That is why I am urging the adoption of this amendment.

I thank the Chair.

The PRESIDING OFFICER. Who seeks recognition?

Mr. NICKLES. Mr. President, I believe the Senator from North Carolina will be next in line according to the unanimous-consent agreement.

AMENDMENT NO. 2608

Mr. FAIRCLOTH addressed the Chair.

The PRESIDING OFFICER. The Senator from North Carolina is recognized.

Mr. FAIRCLOTH. I call up my amendment 2608.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from North Carolina [Mr. FAIRCLOTH] proposes an amendment numbered 2608.

Mr. FAIRCLOTH. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

(The text of the amendment is printed in the Friday, September 8, 1995, edition of the RECORD.)

Mr. FAIRCLOTH. I thank the Chair. I rise to offer an amendment to provide funding for abstinence education.

It is a sad fact that our society is being destroyed by soaring out-of-wedlock birth rates. As Senator MOYNIHAN has pointed out, in areas of some cities, illegitimacy rates are approaching 80 percent. President Clinton has warned us of the close link between family collapse and crime, and he has warned us of the link between welfare and illegitimacy.

What we need is a policy which promotes responsible parenthood, a policy which says to our children: Do not have a child until you are married; do not have a child until you and your husband have enough education, work experience, and will be able to support that child yourself and not expect the taxpayers and the Federal Government to do so; do not have a child until you are old enough and mature enough to be the best parent you are capable of being.

What my amendment would do is take a tiny portion of the enormous amount of money that this bill spends on job training programs and put it toward a program which would actively and deliberately educate children to abstain from premarital sex.

Most liberal welfare programs funded by the Congress through the years have tried to pick up the pieces after the child has already been born, and they have failed miserably. Does it not make common sense to prevent out-of-wedlock births from occurring in the first place, those that taxpayers are expected to support?

The fact is abstinence education programs work. This is a proven fact. Imagine if we saw nationwide the success we have seen in Atlanta with abstinence education—a real miracle. In Atlanta, abstinence education has reduced sexual activity among young teenagers by over 75 percent. The program in Atlanta is called Preventing Sexual Involvement, and it is specifically targeted to inner-city children. The results have been a reason for optimism and a new belief in what we can do to change this whole sad subject of illegitimacy and social decay in our inner cities.

The bottom line is that only 1 percent of the inner-city girls who participated in the program became sexually active compared to 15 percent of the same girls, the same communities not involved in the program. This kind of result, multiplied nationwide, literally could turn the country around, and that is not an exaggeration. It does work.

Senator after Senator has come to the floor and talked about the shame and failure of our welfare programs. Time and time again we hear everyone agree that welfare is broken. This is an opportunity and a chance to literally turn the issue around and vote to discourage the activities which have caused the problem.

As currently written, the Dole bill will spend over $35 billion in the next 5 years on job training and vocational education, but not one single penny to promote abstinence education. We will spend a fortune trying to reduce welfare dependency, but not one penny trying to prevent the out-of-wedlock births that cause welfare dependency in the first place.

Again, the amendment that I have is simple. It provides $200 million per year for abstinence education. That amounts to about 3 cents out of every dollar that this bill will spend on job training and vocational education. We take that 3 cents and spend it on abstinence.

We have all talked about the crisis of illegitimacy and the collapse of the family. Here is an opportunity to do something about it with this small amount of money that could make a difference, that could turn the problem around.

Mr. President, I ask for the yeas and nays on my amendment in accordance with the previous order.

The PRESIDING OFFICER. Is there a sufficient second?

There appears to be a sufficient second.

The yeas and nays were ordered.

Mr. NICKLES addressed the Chair.

The PRESIDING OFFICER. The Senator from Oklahoma.

Mr. NICKLES. Mr. President, I appreciate the Senator from North Carolina for his amendment and also for his bringing it at this late hour, as well as the Presiding Officer of the Senate for his offering his amendment. I congratulate both Senators for the work they are doing and compliment them for their initiatives.

I believe that the last amendment that will be discussed tonight in the Senate is the amendment to be offered by the Senator from California, Senator BOXER.

Mrs. BOXER addressed the Chair.

The PRESIDING OFFICER (Mr. DEWINE). The Senator from California.

AMENDMENT NO. 2592

Mrs. BOXER. Mr. President, I ask unanimous consent that the pending amendment be laid aside and we take up amendment No. 2592.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mrs. BOXER. Thank you very much, Mr. President.

I hope we will have bipartisan support for this amendment. Right now in the Dole bill we keep a separate federally means-tested program for abused, neglected and abandoned children. The title IV–E foster care system provides a refuge for children in abusive families, and the Dole bill continues this Federal policy. And I strongly agree with that. I am glad we do not put that into a block grant and leave these kids to fend for themselves because, Mr. President, I know how much you care about kids. If we have to get a child out of an abusive home situation, we want to give a little assistance to the foster family or the adopting parents.

Now, there is one group of children left out in the cold in the current Dole bill. And that is legal immigrant children who have been brought into this country completely in accordance with all the laws. Unfortunately, the way that the bill is now drawn, they would be ineligible for Federal foster care and adoption assistance. Now, we know that the Dole bill restricts benefits to legal immigrants, and there are certain exemptions to that. Such things as immunizations, emergency medical care, and emergency disaster relief are exempted. I believe we should exempt foster care and adoption assistance.

Now, Mr. President, we know that children are placed into foster care because a judge determines that there is a serious risk of the child being hurt in the current home. So I know that my colleagues on both sides of the aisle do not want to single out legal immigrant children and say that we are going to walk away from them. Under the current bill—and I hope it is just an oversight, Mr. President—legal immigrant children would be made ineligible for title IV–E foster care or adoption assistance due to the fact that there is no exemption for it.

We know that title IV–E foster care and adoption assistance helps at-risk children get placed in the homes where they will be safe from abuse and neglect. The adoption assistance is used to help families pay for special needs that the children have. The payments assist adopting families meet the cost incurred due to their new child's physical or emotional disability. Often, the child's disability is a direct result of abuse. Title IV–E foster care assistance helps pay for a child's room and board whether it is in a group home or a family.

So, to sum up the point of my amendment, what we are saying is, those of us who support my amendment, we are very pleased that the Dole bill does keep a separate program for foster care and adoption assistance but we need to make sure it goes to these legal immigrant children.

Mr. President, in the interest of time, let me say this to you. Just because we do not have the money available for these legal immigrant children who are abused and neglected and sometimes abandoned does not mean the problem will go away. I think you and I know what will happen. We both come from local government. And the local people who are compassionate, the local governments, will move in. And that could be a very large unfunded mandate. For example, in Los Angeles, Los Angeles County there are an estimated 1,500 legal immigrant children currently in their system. And if they had to pick up the tab for all of those children, it would be very, very difficult. And you would find that, I am sure in your cities as well. So, again, I hope there will be strong bipartisan support to correct what I hope was a legislative oversight.

I feel very strongly the Senate should show its support for protecting abused and neglected children by supporting this amendment. And I think we ought to think about it. A lot of our parents were legal immigrants. And a lot of the people we know today are legal immigrants who waited in line, were very patient, and came to this country. It seems to me since Senator DOLE did find in his heart his other exemptions such as the ones I have mentioned—emergency medical services, emergency disaster relief, school lunch, and child nutrition—I hope this was just an oversight. And that these young children would be able to go into a foster home, be adopted by a loving family and that those families could get the benefit of the program that all other families get when they adopt children or take children into foster homes.

I do not know, Mr. President, if it is necessary to ask for the yeas and nays now.

I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There appears to be a sufficient second.

The yeas and nays were ordered.

Mrs. BOXER. Thank you very much, Mr. President.

In the interest of time, I will see you in the morning and have another 5 minutes to explain this amendment.

I yield floor.

AMENDMENT NO. 2542

Mr. MCCAIN. Mr. President, the welfare reform bill imposes upon the States a 6-month time limitation for any individual to participate in a food stamp work supplementation program. This amendment would replace the 6-month limit with a 1-year limit. It would continue to allow an extension of this time limitation at the discretion of the Secretary.

Arizona's current cash-out of food stamps under its EMPOWER welfare program allows individuals to participate in subsidized employment for 9-months with an option for a 3-month extension. There is no reason that the State should have to make another special request to the Secretary in order to maintain this policy. This amendment would allow States with such policies to continue their programs without disruption.

Ideally, I would prefer that the States be able to plan their work supplementation programs without being constrained by requirements imposed by the Federal Government. The States know best how to structure their programs to help their citizens become employable. Thus, my preference would be to eliminate the time limitation altogether.

However, I recognize that many of my colleagues are insisting upon a time limitation for individuals under the program, and I am pleased that we were able to come to an agreement that meets the needs of Arizona and other States that wish to pursue similar policies. In the future, I plan to revisit this issue to allow States maximum flexibility to plan their work supplementation programs.

Mr. President, a primary objective of this bill is to encourage the States to innovate. The best way to achieve this is to get out of their way. We should not impose requirements limiting the States' flexibility unless there is a compelling reason to do so. This amendment will give States additional leeway to innovate in their work supplementation programs and will thereby help them achieve their employment objectives.

Mrs. HUTCHISON addressed the Chair.

The PRESIDING OFFICER. The Senator from Texas.

AMENDMENTS NOS. 2511, 2674, 2675, 2574, 2585, 2555, 2570, 2480

Mrs. HUTCHISON. I ask unanimous consent to call up and adopt the following amendments, en bloc. These amendments have been cleared by both the majority and the Democratic managers of the bill.

I further ask consent that any statements accompanying these amendments be inserted at the appropriate place as if read. Those amendments are as follows: Abraham amendment No. 2511; McConnell amendments Nos. 2674 and 2675; Domenici amendment No. 2574; Stevens amendment No. 2585; Bryan amendment No. 2555; Leahy amendment No. 2570; and Feingold amendment No. 2480.

The PRESIDING OFFICER. Is there objection?

Without objection, it is so ordered.

So, the amendments Nos. 2511, 2674, 2675, 2574, 2585, 2555, 2570, and 2480, en bloc, were agreed to.

Mrs. HUTCHISON. I move to reconsider the vote by which the amendments were agreed to, en bloc, and I move to lay that motion on the table.

So, the motion to lay on the table was agreed to.

AMENDMENT NO. 2511

Mr. ABRAHAM. Mr. President, I rise today to offer a sense-of-the-Senate resolution, amendment No. 2511. This resolution would state our commitment to passing enterprise zone legislation in this session of Congress. I believe this commitment is crucial because, as we debate welfare reform, we also must find ways to create the jobs necessary to rescue people from the welfare trap.

Enterprise zones are a crucial part of our effort to help poor people in this country. Too many Americans far too long have been trapped in lives of desperation. They have been left without the support of their communities, without meaningful lives and without hope of good jobs and economic advancement.

Many of our urban centers in particular are saddled with high levels of poverty, high rates of welfare dependency, high crime rates, poor schools and joblessness. Indeed, Mr. President, half of the people who reside in our distressed urban areas live below the poverty line.

All of these factors add to the sense of hopelessness in distressed areas. All of them have been made worse by ill-conceived Federal policies, including taxes that discourage investment, regulations that punish innovation and a welfare system that punishes work and fosters dependency.

One step toward restoring hope to our distressed areas, Mr. President, is the welfare reform measure we are debating today. But, as we work to end welfare as we know it, we must give careful thought to what we want to have replace it. We must institute policies that will further our fundamental goal of providing Americans with the opportunity to get off of welfare and into decent jobs.

This requires pro-growth policies that will spawn greater economic activity and job creation. This requires enterprise zones.

The concept of enterprise zones has been with us for some time. Former Congressman Jack Kemp introduced legislation on the subject in 1978. The Senate has endorsed and enacted the concept in one form or another over the years.

We have endorsed the concept because it is clear that enterprise zones will spur investment, entrepreneurship, public spirit and the development of skills necessary for participation in our market economy.

To give credit where it is due, President Clinton has instituted an enterprise zone program in an attempt to help distressed areas.

The Clinton plan sets up nine empowerment zones in which businesses qualify for an employment tax credit and an increase in expending, and 95 enterprise communities that qualify for $280 million social services block grants.

But the plan in my judgment provides for no significant tax incentives to spur investment entrepreneurship and job creation. And its social services block grants are based on the failed notion that Government can help create jobs and prosperity in America's inner cities.

We have spent over $5 trillion on social services, and our distressed areas have only grown worse. Why? Because Government cannot create wealth. The best it can do is unleash our citizens' drive and initiative to succeed in the market economy.

The last time we freed up capital and the entrepreneurial spirit minority business—and the American economy—greatly benefitted. Under Ronald Reagan's progrowth policies, from 1982 to 1987 the number of black-owned firms increased by nearly 38 percent to a total of 425,000. During the same period Hispanic-owned firms surged by 83 percent, according to the Wall Street Journal. Economically distressed areas contain disproportionate numbers of minorities. Thus these figures show an undeniable increase in economic opportunity in those areas.

Unfortunately, in 1986 the capital gains tax rate was increased by 65 percent. And that huge increase brought us 4 straight years in which Americans started fewer businesses each year than the year before. The result, of course, was less job creation and less economic opportunity, particularly among minorities in our distressed areas.

To reverse this dynamic, Senator LIEBERMAN and I have coauthored the Enhanced Enterprise Zone Act of 1995. This act contains provisions, called for in the sense-of-the-Senate resolution, designed to help distressed areas.

It provides Federal tax incentives that expand access to capital, increase the formation and expansion of small businesses and promote commercial revitalization.

It includes regulatory reforms that allow localities to petition Federal agencies for waivers or modifications of regulations to improve job creation, community development and economic revitalization.

It includes home ownership incentives and grants to encourage resident management and ownership of public housing.

Finally, it includes a school reform pilot project to provide low income parents with options for improved elementary and secondary schooling in the designated zones.

The bill recognizes that private enterprise, not Government, is the source of economic and social development.

We know the program will work because 35 States and the District of Columbia already have enterprise zones that have produced over 663,000 new jobs and $40 billion in capital investment. And the concept has been endorsed by the National Governors' Association, the Conference of Black Mayors, the Council of Black State Legislators and the U.S. Conference of Mayors.

Taken together, these incentives for investment, entrepreneurship, home ownership and skill development will bring the economies in distressed areas back to life. They will encourage full participation in our market economy and public interest in the local neighborhood. The result will be economic growth and, more important, new jobs.

It is my hope that a positive vote on this resolution will put this Senate on record in favor of creating jobs and opportunity. The sense-of-the-Senate resolution I, with Senator LIEBERMAN, am proposing will in my view spur us to enact legislation to strengthen enterprise zones. In this way it will increase the chances for people in distressed areas to get off of welfare and into decent jobs. Strengthened enterprise zones will add to the hopes of our people, the vitality of our cities and the proper functioning of our economy.

I urge your support for this resolution.

Mr. President, I ask unanimous consent that an excellent article on the Abraham-Lieberman enterprise zone bill by Mr. Stuart Anderson of the Alexis de Tacqueville Institution appear in the RECORD following my remarks.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Connecticut Post, Sept. 10, 1995]

LIEBERMAN BILL TAKES RIGHT APPROACH TO HELPING OUR CITIES

(By Stuart Anderson)

"Poverty is the open-mouthed, relentless hell which yawns beneath civilized society." Henry George wrote these words in 1879 and they remain true today. Unfortunately, many of the techniques we have tried to alleviate suffering and break the cycle of poverty have fallen far short of their goals. These programs—the core of the Great Society—not only have failed to revitalize cities, they have likely made the situation worse.

A new, more comprehensive approach is needed to renew the blighted portions of America's cities. Past programs have relied on cash payments to the poor, government job training, and even government-provided jobs. The key, however, is to create wealth in the inner city, and to understand that wealth cannot be created by government but only by the private sector.

This understanding of wealth creation is at the core of a promising new bill introduced by Connecticut U.S. Sen. Joseph I. Lieberman and Sen. Spencer Abraham, R-Mich. The Enhanced Enterprise Zone Act of 1995 would establish a host of incentives and reforms that would be added to those Congress approved in the nine Empowerment Zones and 95 Enterprise Communities in 1993. That legislation got bogged down in details and without reform cannot achieve the goals that so many of us have for improving life in the inner cities.

The reforms in Abraham and Lieberman's bill fall into three categories: tax incentives, regulatory reform and educational initiatives.

First, on tax incentives, the bill would establish a zero capital gains rate on the sale of any qualified investment held five years or longer in the zone. It would allow additional income deductions to purchase qualified stock in companies located in an enterprise zone. The bill would double what small business owners in these zones could expense and would provide a limited tax credit for renovations of low-income properties. These are the types of incentives to encourage entrepreneurs to plant roots for the long haul.

Second, the senators realize that regulations, not just high tax burdens, inhibit job creation in the inner city. The bill would allow local governments to request waivers and modifications of environmental and other regulations that a mayor finds to be counterproductive and hindering job growth. Federal agencies could disapprove requests at their discretion but powerful political pressure could be brought to bear on the bureaucracy that might create fascinating experiments at the local level. Another reform of federal regulations, based upon Jack Kemp from his stay at the federal Department of Housing and Urban Development, would provide both incentives and grants for homeownership and resident management of public housing, vacant and foreclosed properties, and financially-distressed properties.

Third, the bill recognizes that lack of educational opportunity can subject children to a life without a real economic future. The legislation therefore would create in the nine Empowerment Zones, two supplemental empowerment zones, and in Washington, D.C., a pilot school choice program. This would allow parents with a low income to send their children to public or private schools of their choosing. Such parents would receive a certificate that could be used to pay a portion of tuition and transportation costs for elementary and high school children.

Already the debate over affirmative action has grown divisive, especially because many African-Americans believe that what few opportunities are available in the inner cities will be snatched away from them by changed federal policies or new court rulings. But as the Democratic Leadership Council's Progressive Policy Institute report on affirmative action notes, "For blacks trapped at the bottom of the economic pyramid, the main obstacle is not vestigial discrimination but the breakdown of critical social and public institutions, chiefly family and schools. Can anyone doubt that dramatically lifting their academic and occupational skills would have a greater impact on their life prospects than maintaining preferences that mostly benefit middle-class blacks, Hispanics, and women?

Let's get beyond the divisiveness of affirmative action, which courts are already ruling to be unconstitutional. Instead, we should look toward constructive solutions that are more appropriately premised on a commitment to limited government, personal responsibility, and a free market economy. The tax incentives, regulatory reform, and school choice initiatives in the Abraham-Lieberman bill will help unleash the power of countless individuals. And while in the past we have ignored this truism at our peril, it should be remembered that only individuals and businesses, not governments, can create the wealth that will lift people out of poverty.

Mr. LIEBERMAN. Mr. President, I am pleased to join with the Senator from Michigan in proposing this important statement of Senate support for an enhanced enterprise zone effort.

From the time I came to the Senate in 1989, I have been proud to work with people like Jack Kemp in advocating enterprise zones for America's troubled neighborhoods. He has been a true visionary, not only on the subject of enterprise zones, but on the whole question of what America must do to redeem the promise of economic opportunity for all Americans.

We made progress on the road toward empowering poor Americans and revitalizing impoverished communities in 1993 when we passed legislation creating empowerment zones and enterprise communities in more than 100 neighborhoods across this country. While a handful of empowerment zones received fairly substantial incentives through the 1993 legislation the enterprise zones received very little in the way of incentives. Still, when all is said and done, enactment of this legislation was a fundamental change in urban policy. It was a recognition that Government did not have all the answers to the ills of poverty in this country. It recognized that American businesses can and must play a role in revitalizing poor neighborhoods. Indeed, American business involvement is essential if we are to break the cycle of poverty, drug abuse, illiteracy, and unemployment.

The 1993 breakthrough was a good start but it did not go far enough. That is why I have joined with the Senator from Michigan in announcing an Enhanced Enterprise Zone Act of 1995. The sense-of-the-Senate we are considering today recognizes the need for this Senate to consider an enhanced enterprise zone package.

I urge my colleagues to support this amendment.

MORNING BUSINESS

Mrs. HUTCHISON. I ask unanimous consent that there now be a period for the transaction of morning business with Senators permitted to speak for up to 5 minutes each.

The PRESIDING OFFICER. Without objection, it is so ordered.

TREATMENT OF MUNICIPAL BONDS UNDER S. 722, THE UNLIMITED SAVINGS ALLOWANCE TAX ACT

Mr. DOMENICI. Mr. President, I have noted in recent weeks commentary from some analysts and in some publications that the proposals for treatment of municipal bond interest in the USA tax plan which I have coauthored with Senator NUNN would possibly, severely penalize participants in the municipal bond market. As I have explicitly stated before, it is not, repeat not, the intention of this Senator that participants in the municipal bond markets—whether investors, issuers, or other people—be penalized by the USA tax concept.

In my judgment, the questions raised by analysts about reducing the savings deduction by the amount of tax-exempt income can be resolved when the actual writing of tax reform legislation occurs in the future. It is my intention during those deliberations to make sure that municipal bonds retain a preference.

It is important to recognize that if the USA tax plan were to be enacted it would include significant incentives for savings and investment—the unlimited savings allowance—which defers Federal income taxes on any income saved or invested. As individuals change their behavior to save and invest more, the national savings pool will increase. In addition, the USA tax removes the bias for companies to use debt financing instead of equity financing. More companies may choose equity financing. These changes in the business Tax Code may lower the demand for borrowing. Increasing the savings pool will lower interest rates and the cost of capital. Lower interest rates will benefit all Americans who have to borrow. Since States and municipalities are big borrowers because they issue large quantities of bonds, lower interest rates should significantly benefit them, separate and apart from the specific USA tax provisions dealing with the tax treatment of municipal bonds.

I hope that this statement clarifies matters for participants in the municipal bond market who may fear that either the USA tax plan would penalize them, or will make issuance of municipal bonds for legitimate governmental purpose more expensive in the future. Neither of those outcomes is the intent of this Senator and I will do all I can to insure that neither occurs.

Mr. NUNN. Mr. President, I would like to join my good friend from New Mexico in trying to alleviate the fears of those concerned about the USA tax proposal's treatment of municipal bonds. In crafting our proposal, we explicitly elected to retain a preference for investments in municipal bonds, and we did so primarily to preserve the ability of State and local governments to obtain capital for needed infrastructure improvements. It was never our intention to undermine our country's municipal bond market.

As Senator DOMENICI pointed out, some analysts believe the manner in which our proposal is crafted could erode substantially the current tax preference for municipal bond investments. Others, including an editorial at the Bond buyer, take a much more optimistic view and equate our proposal as being far too generous in its treatment of municipal bonds. I believe the truth falls somewhere in between these two analyses.

In the USA proposal, we have essentially equalized the tax treatment of all investments, including those investments in municipal bonds. All investments under the USA proposal are tax-deferred. However, the USA proposal makes an important distinction about the tax treatment of the returns from these investments. The returns from investments other than municipal bonds would not be tax exempt unless the returns are reinvested in their entirety. On the other hand, returns from municipal bonds would be tax exempt and could be spent or reinvested without future income tax consequences. I believe this is an equitable outcome regarding the tax treatment of municipal bonds. If another approach, consistent with the overall goals of the USA proposal, especially revenue neutrality, can be found in this area, I am more than willing to consider such proposals.

Mr. President, before yielding the floor, I would like to raise a final point. I find it very interesting about the absence of any concern about the elimination of any, I repeat any, preference for municipal bonds under either the flat tax or the national sales tax proposals. I do not mind the criticism of our proposal. Constructive criticism is useful and can work to improve our proposal, but it would be refreshing to have an informed, factual comparison of all the tax replacement proposals and their tax treatment of municipal bonds, rather than a Chicken Little approach often evident today.

MATCHING AWARDS FOR EDUCATION GRANTS TO AMERICORPS GRADUATES

Mr. PELL. Mr. President, I want to share with my colleagues an extremely exciting and momentous development in regard to the AmeriCorps Program. Today, eight of Rhode Island's colleges and universities are announcing that they have each agreed to match the $4,725 education grant for every Rhode Island AmeriCorps participant who successfully completes AmeriCorps service and attends one of the participating Rhode Island institutions. As a result of this commitment, the education benefit for successful AmeriCorps participation will be at least $9,450.

As one of the first proponents of national service and of linking successful completion of service to an education benefit, I believe this is a remarkable and praiseworthy commitment to the concept of community service.

I take special pride in commending each of those institutions for this superb commitment. They include: the University of Rhode Island, the Community College of Rhode Island, Brown University, Bryant College, Johnson and Wales University, Salve Regina University, the Rhode Island School of Design, and Providence College. I might add that several other institutions in Rhode Island are currently exploring this idea, and the number may well grow.

I also want to pay special tribute to Mr. Lawrence Fish, chief executive officer of Citizens Financial Group in Providence, RI, who, as chair of the Rhode Island Commission on National Service, spearheaded the effort that resulted in this truly historic achievement.

FEDERAL EXPRESS HUB AT SUBIC BAY

Mr. PRESSLER. Mr. President, I rise today to congratulate Federal Express Corp. on the opening last week of its new cargo hub at Subic Bay in the Philippines. This is a very favorable development for consumers of shipping services on both sides of the Pacific.

As many will remember, Federal Express had intended that its Subic Bay hub be fully operational in July. Unfortunately, even though the United States/Japan bilateral aviation agreement clearly authorized Federal Express to do so, the Government of Japan refused to permit Federal Express to operate several flights from Japan which were integral to its hub operation. In late July, Japan reversed its position and thereby enabled the Subic Bay hub, the cornerstone of Federal Express' intra-Asian network, to become fully operational.

As a result of the Subic Bay hub operation, consumers will be able to rely on expanded intra-Asian and trans-Pacific service. However, consumer choice will not be the only benefit. A recent article from the Journal of Commerce predicts this expanded service will come at a reduced cost to consumers. One economist estimates the price of intra-Asian shipping may drop by as much as 25 percent as a result of competition from Federal Express' intra-Asian network. I am confident the Federal Express experience in Subic Bay will again prove U.S. air carriers can compete effectively in any international market they have a chance to serve.

With respect to the widespread benefits of the Subic Bay hub, the Journal of Commerce article points out a very interesting irony. By violating the United States/Japan bilateral aviation agreement, the Government of Japan tried to prevent the Subic Bay hub from opening. Yet, Japanese companies are among the first flocking to the Subic Bay area to set up operations so they can benefit from Federal Express' superior air delivery services. For example, the Japan International Development Organization is planning a 450-acre industrial park in the area which will serve as a research and manufacturing center for 10 Japanese companies.

I ask unanimous consent that the article from the Journal of Commerce to which I have referred be printed in the RECORD at the end of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. PRESSLER. Mr. President, on several occasions during the pendency of the United States/Japan cargo aviation dispute I cautioned that the economic stakes in that dispute were very significant. A recent study by the Boeing Co. emphasizes the critical importance of our firm stand during that dispute.

Boeing Company's recently released annual world cargo forecast predicts the highest air freight market growth over the next 20 years will occur on Asian routes. Moreover, the study found international express delivery service grew 25 percent last year and it predicts the market will grow 18 percent a year for the next 20 years. That is why it was of critical importance that we safeguarded Federal Express' beyond rights. Now, Federal Express is well-positioned to earn its fair share of expanding Pacific rim business opportunities.

Later this month in Tokyo, our negotiators will attempt to secure a United States/Japan open skies agreement on cargo. I hope these talks result in the fullest liberalization of cargo shipping rights possible. I am confident our cargo carriers can effectively compete with their Japanese counterparts if protectionist regulations are eliminated and market forces are allowed to work.

EXHIBIT 1

[From the Journal of Commerce, Aug. 31, 1995]

FEDEX HUB TO GIVE LIFT TO SHIPPERS, PHILIPPINES

(By William Armbruster and P.T. Bangsberg)

Subic Bay, once the jumping off point for the U.S. military's cold war efforts in Asia, becomes key to Federal Express Corp.'s expansion plans on Monday, providing a major boost for the company, the local Philippine economy and both Asian and North American shippers.

AsiaOne, FedEx's intra-Asian network, opens its new Asia hub Sept. 4 at the former naval base. The operation, which nearly sparked a trade war with Japan, is shaking up the Asian market, making both regional and trans-Pacific shipments easier, quicker and cheaper while spurring foreign investment in the Philippines.

"It's really going to expand opportunities for investment in the Philippines," said Levi Richardson, director of the U.S.-Philippine Business Committee in Washington.

AsiaOne, FedEx's intra-Asia network, "will make the Philippines very attractive as a regional hub for other companies," Mr. Richardson said. "A lot of small and medium companies are looking at countries with a good infrastructure. FedEx's investment is going to provide them an opportunity to grow their business."

Joseph Schwieterman, a transportation economist at DePaul University in Chicago, said the new FedEx service will lead to intense price competition.

"I think you're going to see the price of intra-Asia shipments drop as much as 25% as competition heats up," he said, adding that AsiaOne also will provide overnight service on some routes for the first time.

Much of the foreign investment thus far at Subic Bay, a former U.S. naval base, has come from Taiwanese companies, such as Acer Inc., ranked the world's seventh-largest brand name personal computer vendor in 1994 by International Data Corp. in Framingham, Mass.

"The new FedEx service will be a great benefit for us by cutting lead time inbound and speeding shipments outbound," said Kenny Wang, manager at Acer Information Products (Philippines) Inc.

"Having a direct flight into Subic from Taipei will cut the time for delivery of components to one or two days from two or three days when routed via Manila, and 10 days by sea," Mr. Wang told The Journal of Commerce.

Cliff Deeds, a FedEx spokesman, said the carrier will have a single cutoff time for pickups in the Asian markets served by the new network, whereas shippers in the past faced different cutoffs depending on where they were shipping their goods. For those in Penang, a high-tech manufacturing center off the northwest coast, they might have a 1 p.m. deadline for shipments to Seoul, but a 2 p.m. cutoff for packages going to Taipei.

Under the new FedEx network, the cutoff in Singapore will be 4 p.m., for example, but at Subic Bay, it will be 10 p.m., Mr. Deeds said.

"I see FedEx being instrumental in bringing Asian markets closer to the U.S.," said Raul Rabe, the Philippines' ambassador to the United States.

The Subic Bay flights, connecting 11 Asian business centers, will hook up with the carrier's expanded trans-Pacific operation. Acer's Mr. Wang said he looks forward to the new flight starting Sept. 4 from Osaka to Oakland, Calif., where FedEx has a regional hub serving Silicon Valley. "We've been promised one-day service on that run," he said.

Subic is Acer's first manufacturing site outside Taiwan. It has earmarked $35 million over the next two years for expansion, with officials expecting to double capacity of its existing complex to 200,000 units by next year.

Acer will also add a global repair center at Subic "to take advantage of the abundant availability of high-quality local engineering talent," said Managing Director Harvey Chang.

TEXAS INSTRUMENTS GREETS MOVE

Larry Horton, manager of logistics carrier management for Texas Instruments, welcomed the new FedEx operation. "It will give us a lot more cargo flights," he said. "We used to have to rely on commercial carriers for intra-Asia shipments."

The semiconductor manufacturer has a large operation in the Philippine city of Baguio and hopes FedEx will set up a small feeder service linking it with Subic Bay, he said, adding that the new hub will enable the company to feed its plants in Taiwan, Malaysia and Singapore.

"It should help us. Cycle time should be improved. Inventory reduction should take place," Mr. Horton said.

ANOTHER MEMPHIS

Joseph C. McCarty, FedEx's vice president for Asia, told a conference in Washington this summer that the Subic Bay operation will do for the Philippines what the carrier's main hub in Memphis has done for that city, where more than 100 companies have set up manufacturing operations to take advantage of the carrier's overnight network.

Japanese companies are starting to move in. The Japan International Development Organization is planning a 450-acre industrial park that will serve as a research and manufacturing center for 10 Japanese companies.

Subic, meanwhile, is promoting itself as an alternative printing and distribution center in Asia, a field now dominated by Hong Kong and Singapore.

Eric Montandon, manager at New Age Publications in Subic, said the new FedEx service could help his firm. New Age is essentially a printer, but also distributes newsletters, advertising and other material within the region.

"We were spun off and set up at Subic in anticipation of good air connections," he told The Journal of Commerce. "We need the overnight service to Southeast Asia FedEx is now promising."

Current movement to Singapore can be two or even four days, he said.

DHL Worldwide Express plans to set up its own intra-Asia hub later this fall in Manila, but has had difficulty putting all the pieces together. Nonetheless, spokesman Dave Fonkalsrud said its traffic within the region was up 48% in the first half of this year, reflecting the tremendous potential in the world's fastest-growing area.

THE BAD DEBT BOXSCORE

Mr. HELMS. Mr. President, on that evening in 1972 when I first was elected to the Senate, I made a commitment that I would never fail to see a young person, or a group of young people, who wanted to see me.

It has proved enormously beneficial to me because I have been inspired by the estimated 60,000 young people with whom I have visited during the nearly 23 years I have been in the Senate.

Mr. President, most of them have been concerned about the enormity of the Federal debt that Congress has run up for the coming generations to pay. The young people and I almost always discuss the fact that under the U.S. Constitution, no President can spend a dime of Federal money that has not first been authorized and appropriated by both the House and Senate of the United States.

That is why I began making these daily reports to the Senate on February 22, 1992. I wanted to make a matter of daily record of the precise size of the Federal debt which as of yesterday, Monday, September 11, stood at $4,962,944,077,933.57 or $18,839.42 for every man, woman, and child in America on a per capita basis.

MICKELSON WETLAND MEMORIAL

Mr. PRESSLER. Mr. President, nearly 2½ years have passed since South

Dakota Gov. George S. Mickelson and eight distinguished South Dakota businessmen were killed tragically when their small aircraft crashed near Dubuque, IA. During this time, South Dakotans have grieved together over the loss of the crash victims. They are greatly missed.

Dealing with the loss of these prominent citizens has not been easy. Yet, the people of South Dakota have been strong. They have channeled their sorrow into great displays of respect and affection for the crash victims. Memorials have been built, statues erected, scholarships funded, and schools renamed—all in honor of the nine who perished in the fiery crash. I am proud of South Dakotans.

Last Saturday, September 9, a marsh near Estelline, SD, was dedicated in memory of Governor Mickelson, an avid geese hunter. Commissioned to paint an image of the Mickelson Wetland Memorial, Mark Anderson, a South Dakota wildlife artist, created a poignant image of the late Governor and the marsh. These tributes are powerful. They are reminders of the admiration and respect South Dakotans hold for the crash victims. They are reminders of the lives—not the deaths—of nine fellow South Dakotans. They are reminders of how their lives gave our lives and our State meaning and fulfillment.

Kevin Woster of the Sioux Falls, SD, Argus Leader, recently wrote an article describing the painting Mark Anderson completed of the wetland memorial. I ask unanimous consent that this article be printed in the RECORD at the conclusion of my remarks. It is unfortunate that my schedule prevented my wife Harriet and me from being at last Saturday's dedication. Our thoughts and prayers certainly were with Linda Mickelson and the families and friends of George Mickelson on that special day. The dedication of the marsh and Mark Anderson's work are a fitting tribute to a great South Dakotan who dedicated his life to a State and a people he loved.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Sioux Falls, SD, Argus Leader, Sept. 9, 1995]

MICKELSON MARSH'S DEDICATION TODAY

(By Kevin Woster)

Sioux Falls wildlife artist Mark Anderson will leave his mark today on dedication ceremonies for a wetland memorial to the late Gov. George Mickelson.

Anderson, 37, was commissioned by Mickelson friends to do a painting of the wetland, including an image of Mickelson.

The painting shows the marsh 3 miles west of Estelline with a flock of Canada geese hovering above the water.

That was the easy part for Anderson, who has been painting wildlife for 15 years. But he struggled with Mickelson's image.

"It was really challenging, because this was the first time I ever attempted a portrait," the self-taught artist said.

"And I wanted this one to be right."

It turned out it wasn't right the first time around. When Anderson showed the painting to Mickelson's wife, Linda, and son, Mark, they thought the marsh and geese were perfect.

But the image of Mickelson wasn't quite right.

"You hate to tell somebody that, but I was honest with him and so was Mom," Mark Mickelson said.

"He didn't have a very good print of Dad to work with in the first place."

So Linda Mickelson provided photographs that helped Anderson more clearly capture her husband. And he finally produced an almost-ghostly image of the late governor wearing a baseball cap that reads "Top Gov."

Mickelson wore the hat at his annual governor's hunt and other outdoor events.

"When I brought it back, Mark said, 'That's Dad.' And I knew I had it," Anderson said.

Mark Mickelson agreed.

"He nailed it the second time. It's quite a tribute to a wildlife artist to do such a good job on a portrait."

A small version of the painting is included in the brochure for today's dedication.

And the Mickelson Wetland Memorial Committee paid for 175 prints, which will be signed by Anderson and given to major donors to the wetland project.

Committee members gave the original painting to Linda Mickelson, Friday night.

Mark Mickelson said the painting reflects the essence of the memorial.

"He captured the spirit of the marsh," mark Mickelson said.

"And he captured the spirit of Dad's friends, who really were the impetus behind the project."

DEPARTMENT OF DEFENSE AUTHORIZATION ACT FOR FISCAL YEAR 1996

The text of the bill (S. 1124) bill to authorize appropriations for fiscal year 1996 for military activities of the Department of Defense, to prescribe personnel strengths for such fiscal year for the Armed Forces, and for other purposes, as passed by the Senate on September 6, 1995, is as follows:

S. 1124

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Department of Defense Authorization Act for Fiscal Year 1996".

SEC. 2. TABLE OF CONTENTS.

The table of contents for this Act is as follows:

Sec. 1. Short title.
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Sec. 101. Army.
Sec. 102. Navy and Marine Corps.
Sec. 103. Air Force.
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TITLE I—PROCUREMENT

Subtitle A—Authorization of Appropriations

SEC. 101. ARMY.

Funds are hereby authorized to be appropriated for fiscal year 1996 for procurement for the Army as follows:

(1) For aircraft, $1,396,451,000.

(2) For missiles, $894,430,000.

(3) For weapons and tracked combat vehicles, $1,547,964,000.

(4) For ammunition, $1,120,115,000.

(5) For other procurement, $2,771,101,000.

SEC. 102. NAVY AND MARINE CORPS.

(a) NAVY.—Funds are hereby authorized to be appropriated for fiscal year 1996 for procurement for the Navy as follows:

(1) For aircraft, $4,916,588,000.

(2) For weapons, including missiles and torpedoes, $1,771,421,000.

(3) For shipbuilding and conversion, $7,111,935,000.

(4) For other procurement, $2,471,861,000.

(b) MARINE CORPS.—Funds are hereby authorized to be appropriated for fiscal year 1996 for procurement for the Marine Corps in the amount of $683,416,000.

SEC. 103. AIR FORCE.

Funds are hereby authorized to be appropriated for fiscal year 1996 for procurement for the Air Force as follows:

(1) For aircraft, $6,318,586,000.

(2) For missiles, $3,597,499,000.

(3) For other procurement, $6,546,001,000.

SEC. 104. DEFENSE-WIDE ACTIVITIES.

Funds are hereby authorized to be appropriated for fiscal year 1996 for Defense-wide procurement in the amount of $2,118,324,000.

SEC. 105. RESERVE COMPONENTS.

Funds are hereby authorized to be appropriated for fiscal year 1996 for procurement of aircraft, vehicles, communications equipment, and other equipment for the reserve components of the Armed Forces as follows:

(1) For the Army National Guard, $209,400,000.

(2) For the Air National Guard, $137,000,000.

(3) For the Army Reserve, $62,000,000.

(4) For the Naval Reserve, $74,000,000.

(5) For the Air Force Reserve, $240,000,000.

(6) For the Marine Corps Reserve, $55,000,000.

SEC. 106. DEFENSE INSPECTOR GENERAL.

Funds are hereby authorized to be appropriated for fiscal year 1996 for procurement for the Inspector General of the Department of Defense in the amount of $1,000,000.

SEC. 107. CHEMICAL DEMILITARIZATION PROGRAM.

There is hereby authorized to be appropriated for fiscal year 1996 the amount of $671,698,000 for—

(1) the destruction of lethal chemical weapons and munitions in accordance with section 1412 of the Department of Defense Authorization Act, 1986 (50 U.S.C. 1521); and

(2) the destruction of chemical warfare material of the United States that is not covered by section 1412 of such Act.

SEC. 108. DEFENSE HEALTH PROGRAM.

Funds are hereby authorized to be appropriated for fiscal year 1996 for the Department of Defense for procurement for carrying out health care programs, projects, and activities of the Department of Defense in the total amount of $288,033,000.

Subtitle B—Army Programs

SEC. 111. AH-64D LONGBOW APACHE ATTACK HELICOPTER.

The Secretary of the Army may, in accordance with section 2306b of title 10, United States Code, enter into multiyear procurement contracts for procurement of AH-64D Longbow Apache attack helicopters.

SEC. 112. OH-58D AHIP SCOUT HELICOPTER.

The prohibition in section 133(a)(2) of the National Defense Authorization Act for Fiscal Years 1990 and 1991 (Public Law 101-189; 103 Stat. 1383) does not apply to the obligation of funds in amounts not to exceed $125,000,000 for the procurement of not more than 20 OH-58D AHIP Scout aircraft from funds appropriated for fiscal year 1996 pursuant to section 101.

SEC. 113. HYDRA 70 ROCKET.

(a) LIMITATION.—Funds appropriated or otherwise made available for the Department of Defense for fiscal year 1996 may not be obligated to procure Hydra 70 rockets until the Secretary of the Army submits to Congress a document that contains the certifications described in subsection (b)(1) together with a discussion of the matter described in subsection (b)(2).

(b) CONTENT OF SUBMISSION.—(1) A document submitted under subsection (a) satisfies the certification requirements of that subsection if it contains the certifications of the Secretary that—

(A) the specific technical cause of Hydra 70 Rocket failures has been identified;

(B) the technical corrections necessary for eliminating premature detonations of such rockets have been validated;

(C) the total cost of making the necessary corrections on all Hydra 70 rockets that are in the Army inventory or are being procured under any contract in effect on the date of the enactment of this Act does not exceed the amount equal to 15 percent of the nonrecurring costs that would be incurred by the Army for acquisition of improved rockets, including commercially developed nondevelopmental systems, to replace the Hydra 70 rockets; and

(D) a nondevelopmental composite rocket system has been fully reviewed for, or has received operational and platform certifications for, full qualification of an alternative composite rocket motor and propellant.

(2) The document shall also contain a discussion of whether the existence of the system referred to in the certification under paragraph (1)(D) will result in—

(A) early and continued availability of training rockets to meet the requirements of the Army for such rockets; and

(B) the attainment of competition in future procurements of training rockets to meet such requirements.

(c) WAIVER AUTHORITY.—The Secretary of Defense may waive the requirement in subsection (a) for the Secretary to submit the document described in that subsection before procuring Hydra 70 rockets if the Secretary determines that a delay in procuring the rockets pending compliance with the requirement would result in a significant risk to the national security of the United States. Any such waiver may not take effect until the Secretary submits to Congress a notification of that determination together with the reasons for the determination.

SEC. 114. REPORT ON AH-64D ENGINE UPGRADES.

No later than February 1, 1996, the Secretary of the Army shall submit to Congress a report on plans to procure T700-701C engine upgrade kits for Army AH-64D helicopters. The report shall include—

(1) a plan to provide for the upgrade of all Army AH-64D helicopters with T700-701C engine kits commencing in fiscal year 1996.

(2) detailed timeline and funding requirements for the engine upgrade program described in paragraph (1).

Subtitle C—Navy Programs

SEC. 121. SEAWOLF AND NEW ATTACK SUBMARINE PROGRAMS.

(a) FUNDING.—(1) Of the amount authorized to be appropriated under section 102(a)(3)—

(A) $1,507,477,000 shall be available for the final Seawolf attack submarine (SSN-23); and

(B) $814,498,000 shall be available for design and advance procurement in fiscal year 1996 for the lead submarine and the second submarine under the New Attack Submarine program, of which—

(i) $10,000,000 shall be available only for participation of Newport News Shipbuilding in the New Attack Submarine design; and

(ii) $100,000,000 shall be available only for advance procurement and design of the second submarine under the New Attack Submarine program.

(2) Of amounts authorized under any provision of law to be appropriated for procurement for the Navy for fiscal year 1997 for shipbuilding and conversion, $802,000,000 shall be available for design and advance procurement in fiscal year 1997 for the lead submarine and the second submarine under the New Attack Submarine program, of which—

(A) $75,000,000 shall be available only for participation by Newport News Shipbuilding in the New Attack Submarine design; and

(B) $427,000,000 shall be available only for advance procurement and design of the second submarine under the New Attack Submarine program.

(3) Of the amount authorized to be appropriated under section 201(2), $455,398,000 shall be available for research, development, test, and evaluation for the New Attack Submarine program.

(b) COMPETITION REQUIRED.—Funds referred to in subsection (c) may not be obligated until the Secretary of the Navy certifies in writing to the Committee on Armed Services of the Senate and the Committee on National Security of the House of Representatives that—

(1) the Secretary has restructured the New Attack Submarine program in accordance with this section so as to provide for—

(A) procurement of the lead vessel under the New Attack Submarine program from the Electric Boat Division beginning in fiscal year 1998, if the price offered by Electric Boat Division is determined by the Secretary as being fair and reasonable;

(B) procurement of the second vessel under the New Attack Submarine program from Newport News Shipbuilding beginning in fiscal year 1999, if the price offered by Newport News Shipbuilding is determined by the Secretary as being fair and reasonable; and

(C) procurement of other vessels under the New Attack Submarine program under one or more contracts that are entered into after competition between potential competitors (as defined in subsection (i)) in which the Secretary shall solicit competitive proposals and award the contract or contracts on the basis of price; and

(2) the Secretary has directed, as set forth in detail in such certification, that no action prohibited in subsection (d) will be taken to impair the design, engineering, construction, and maintenance competencies of either Electric Boat Division or Newport News Shipbuilding to construct the New Attack Submarine.

(c) COVERED FUNDS.—The funds referred to in subsection (b) are as follows:

(1) Funds available to the Navy for any fiscal year after fiscal year 1995 for procurement of the final Seawolf attack submarine (SSN-23) pursuant to this Act or any Act enacted after the date of the enactment of this Act.

(2) Funds available to the Navy for any such fiscal year for research, development, test, and evaluation or for procurement (including design and advance procurement) for the New Attack Submarine program pursuant to this Act or any Act enacted after the date of the enactment of this Act.

(d) LIMITATION ON CERTAIN ACTIONS.—In order to ensure that Electric Boat Division and Newport News Shipbuilding retain the technical competencies to construct the New Attack Submarine, the following actions are prohibited:

(1) A termination of or failure to extend, except by reason of a breach of contract by the contractor or an insufficiency of appropriations—

(A) the existing Planning Yard contract for the Trident class submarines; or

(B) the existing Planning Yard contract for the SSN-688 Los Angeles class submarines.

(2) A termination of any existing Lead Design Yard contract for the SSN-21 Seawolf class submarines or for the SSN-688 Los Angeles class submarines, except by reason of a

breach of contract by the contractor or an insufficiency of appropriations.

(3) A failure of, or refusal by, the Department of the Navy to permit both Electric Boat Division and Newport News Shipbuilding to have access to sufficient information concerning the design of the New Attack Submarine to ensure that each is capable of constructing the New Attack Submarine.

(e) LIMITATION ON EXPENDITURE OF FUNDS FOR SEAWOLF PROGRAM.—Of the funds referred to in subsection (c)(1)—

(1) not more than $700,000,000 may be expended in fiscal year 1996;

(2) not more than an additional $200,000,000 may be expended in fiscal year 1997;

(3) not more than an additional $200,000,000 may be expended in fiscal year 1998; and

(4) not more than an additional $407,477,000 may be expended in fiscal year 1999.

(f) LIMITATION ON EXPENDITURE OF FUNDS FOR NEW ATTACK SUBMARINE PROGRAM.—Funds referred to in subsection (c)(2) that are available for the lead and second vessels under the New Attack Submarine program may not be expended during fiscal year 1996 for the lead vessel under that program (other than for class design) unless funds are obligated or expended during such fiscal year for a contract in support of procurement of the second vessel under the program.

(g) REPORTS REQUIRED.—Not later than November 1, 1995, and every six months thereafter through November 1, 1998, the Secretary of the Navy shall submit to the Committee on Armed Services of the Senate and the Committee on National Security of the House of Representatives a report setting forth the obligations and expenditures of funds for—

(1) the procurement of the final Seawolf attack submarine (SSN–23); and

(2) research, development, test, and evaluation or for procurement (including design and advance procurement) for the lead and second vessels under the New Attack Submarine program.

(h) REFERENCES TO CONTRACTORS.—For purposes of this section—

(1) the contractor referred to as "Electric Boat Division" is General Dynamics Corporation Electric Boat Division; and

(2) the contractor referred to as "Newport News Shipbuilding" is Newport News Shipbuilding and Drydock Company.

(i) DEFINITIONS.—In this section:

(1) The term "potential competitor" means any source to which the Secretary of the Navy has awarded, within 10 years before the date of the enactment of this Act, a contract or contracts to construct one or more nuclear attack submarines.

(2) The term "New Attack Submarine" means any submarine planned or programmed by the Navy as a class of submarines the lead ship of which is planned by the Navy, as of the date of the enactment of this Act, for procurement in fiscal year 1998.

SEC. 122. REPEAL OF PROHIBITION ON BACKFIT OF TRIDENT SUBMARINES.

Section 124 of the National Defense Authorization Act for Fiscal Year 1995 (Public Law 103–337; 108 Stat. 2683) is repealed.

SEC. 123. ARLEIGH BURKE CLASS DESTROYER PROGRAM.

(a) FIRST INCREMENT FUNDING.—Of the amount authorized to be appropriated under section 102(a)(3), $650,000,000 shall be available in accordance with section 7315 of title 10, United States Code (as added by section 124), as the first increment of funding for two Arleigh Burke class destroyers.

(b) FINAL INCREMENT FUNDING.—It is the sense of Congress that the Secretary of the Navy should plan for and request the final increment of funding for the two destroyers for fiscal year 1997 in accordance with section 7315 of title 10, United States Code (as added by section 124).

SEC. 124. SPLIT FUNDING FOR CONSTRUCTION OF NAVAL VESSELS.

(a) IN GENERAL.—Chapter 633 of title 10, United States Code is amended by adding at the end the following:

"§ 7315. Planning for funding construction

"(a) PLANNING FOR SPLIT FUNDING.—The Secretary of Defense may provide in the future-years defense program for split funding of construction of new naval vessels satisfying the requirements of subsection (d).

"(b) SPLIT FUNDING REQUESTS.—In the case of construction of a new naval vessel satisfying the requirements of subsection (d), the Secretary of the Navy shall—

"(1) determine the total amount that is necessary for construction of the vessel, including an allowance for future inflation; and

"(2) request funding for construction of the vessel in two substantially equal increments.

"(c) CONTRACT AUTHORIZED UPON FUNDING OF FIRST INCREMENT.—(1) The Secretary of the Navy may enter into a contract for the construction of a new naval vessel upon appropriation of a first increment of funding for construction of the vessel.

"(2) A contract entered into in accordance with paragraph (1) shall include a liquidated damages clause for any termination of the contract for the convenience of the Government that occurs before the remainder of the amount necessary for full funding of the contract is appropriated.

"(d) APPLICABILITY.—This section applies to construction of a naval vessel—

"(1) that is in a class of vessels for which the design is mature and there is sufficient construction experience for the costs of construction to be well understood and predictable; and

"(2) for which—

"(A) provision is made in the future-years defense program; or

"(B) the Chairman of the Joint Chiefs of Staff, in consultation with the Secretary of the Navy, has otherwise determined that there is a valid military requirement.".

(b) CLERICAL AMENDMENT.—The table of sections at the beginning of chapter 633 of such title is amended by adding at the end the following:

"7315. Planning for funding construction.".

SEC. 125. SEAWOLF SUBMARINE PROGRAM.

(a) LIMITATION OF COSTS.—Except as provided in subsection (b), the total amount obligated or expended for procurement of the SSN–21, SSN–22, and SSN–23 Seawolf class submarines may not exceed $7,223,659,000.

(b) AUTOMATIC INCREASE OF LIMITATION AMOUNT.—The amount of the limitation set forth in subsection (a) is increased after fiscal year 1995 by the following amounts:

(1) The amounts of outfitting costs and post-delivery costs incurred for the submarines referred to in such subsection.

(2) The amounts of increases in costs attributable to economic inflation after fiscal year 1995.

(3) The amounts of increases in costs attributable to compliance with changes in Federal, State, or local laws enacted after fiscal year 1995.

SEC. 126. CRASH ATTENUATING SEATS ACQUISITION PROGRAM.

(a) PROGRAM AUTHORIZED.—The Secretary of the Navy may establish a program to procure for, and install in, H–53E military transport helicopters commercially developed, energy absorbing, crash attenuating seats that the Secretary determines are consistent with military specifications for seats for such helicopters.

(b) FUNDING.—To the extent provided in appropriations Acts, of the unobligated balance of amounts appropriated for the Legacy Resource Management Program pursuant to the authorization of appropriations in section 301(5) of the National Defense Authorization Act for Fiscal Year 1995 (Public Law 103–337; 108 Stat. 2706), not more than $10,000,000 shall be available to the Secretary of the Navy, by transfer to the appropriate accounts, for carrying out the program authorized in subsection (a).

Subtitle D—Other Programs

SEC. 131. TIER II PREDATOR UNMANNED AERIAL VEHICLE PROGRAM.

Funds appropriated or otherwise made available for the Department of Defense for fiscal year 1996 for procurement or for research, development, test, and evaluation may not be obligated or expended for the Tier II Predator unmanned aerial vehicle program.

SEC. 132. PIONEER UNMANNED AERIAL VEHICLE PROGRAM.

Not more than ⅙ of the amount appropriated pursuant to this Act for the activities and operations of the Unmanned Aerial Vehicle Joint Program Office (UAV–JPO), and none of the unobligated balances of funds appropriated for fiscal years before fiscal year 1996 for the activities and operations of such office, may be obligated until the Secretary of the Navy certifies to the Committee on Armed Services of the Senate and the Committee on National Security of the House of Representatives that the nine Pioneer Unmanned Aerial Vehicle systems have been equipped with the Common Automatic Landing and Recovery System (CARS).

SEC. 133. JOINT PRIMARY AIRCRAFT TRAINING SYSTEM PROGRAM.

Of the amount authorized to be appropriated under section 103(1), $54,968,000 shall be available for the Joint Primary Aircraft Training System program for procurement of up to eight aircraft.

TITLE II—RESEARCH, DEVELOPMENT, TEST, AND EVALUATION

Subtitle A—Authorization of Appropriations

SEC. 201. AUTHORIZATION OF APPROPRIATIONS.

Funds are hereby authorized to be appropriated for fiscal year 1996 for the use of the Department of Defense for research, development, test, and evaluation as follows:

(1) For the Army, $4,845,097,000.

(2) For the Navy, $8,624,230,000.

(3) For the Air Force, $13,087,389,000.

(4) For Defense-wide activities, $9,533,148,000, of which—

(A) $239,341,000 is authorized for the activities of the Director, Test and Evaluation;

(B) $22,587,000 is authorized for the Director of Operational Test and Evaluation; and

(C) $475,470,000 is authorized for Other Theater Missile Defense, of which up to $25,000,000 may be made available for the operation of the Battlefield Integration Center.

SEC. 202. AMOUNT FOR BASIC RESEARCH AND EXPLORATORY DEVELOPMENT.

(a) FISCAL YEAR 1996.—Of the amounts authorized to be appropriated by section 201, $4,076,580,000 shall be available for basic research and exploratory development projects.

(b) BASIC RESEARCH AND EXPLORATORY DEVELOPMENT DEFINED.—For purposes of this section, the term "basic research and exploratory development" means work funded in program elements for defense research and development under Department of Defense category 6.1 or 6.2.

Subtitle B—Program Requirements, Restrictions, and Limitations

SEC. 211. A/F117X LONG-RANGE, MEDIUM ATTACK AIRCRAFT.

Of the amount authorized to be appropriated by section 201(2) for the Joint Advanced Strike Technology program—

(1) $25,000,000 shall be available for the conduct, during fiscal year 1996, of a 6-month program definition phase for the A/F117X, an F-117 fighter aircraft modified for use by the Navy as a long-range, medium attack aircraft; and

(2) $150,000,000 shall be available for engineering and manufacturing development of the A/F117X aircraft, except that none of such amount may be obligated until the Secretary of the Navy, after considering the results of the program definition phase, approves proceeding into engineering and manufacturing development of the A/F117X aircraft.

SEC. 212. NAVY MINE COUNTERMEASURES PROGRAM.

Section 216(a) of the National Defense, Authorization Act for Fiscal Years 1992 and 1993 (Public Law 102-190; 105 Stat. 1317) is amended—

(1) by striking out "Director, Defense Research and Engineering" and inserting in lieu thereof "Under Secretary of Defense for Acquisition and Technology"; and

(2) by striking out "fiscal years 1995 through 1999" and inserting in lieu thereof "fiscal years 1997 through 1999".

SEC. 213. MARINE CORPS SHORE FIRE SUPPORT.

Of the amount appropriated pursuant to section 201(2) for the Tomahawk Baseline Improvement Program, not more than 50 percent of that amount may be obligated until the Secretary of the Navy certifies to the Committee on Armed Services of the Senate and the Committee on National Security of the House of Representatives that the Secretary has structured, and planned for full funding of, a program leading to a live-fire test of an Army Extended Range Multiple Launch Rocket from an Army Multiple Launch Rocket Launcher on a Navy ship before October 1, 1997.

SEC. 214. SPACE AND MISSILE TRACKING SYSTEM PROGRAM.

(a) DEVELOPMENT AND DEPLOYMENT PLAN.—The Secretary of the Air Force shall structure the development schedule for the Space and Missile Tracking System so as to achieve a first launch of a user operation evaluation system (UOES) satellite in fiscal year 2001, and to attain initial operational capability (IOC) of a full constellation of user operation evaluation systems and objective system satellites in fiscal year 2003.

(b) MANAGEMENT OVERSIGHT.—In exercising the responsibility for the Space and Missile Tracking System program, the Secretary of the Air Force shall first obtain the concurrence of the Director of the Ballistic Missile Defense Organization before implementing any decision that would have any of the following results regarding the program:

(1) A reduction in funds available for obligation or expenditure for the program for a fiscal year below the amount specifically authorized and appropriated for the program for that fiscal year.

(2) An increase in the total program cost.

(3) A delay in a previously established development or deployment schedule.

(4) A modification in the performance parameters or specifications.

(c) AUTHORIZATION.—Of the amount authorized to be appropriated under section 201(3) for fiscal year 1996, $249,824,000 shall be available for the Space and Missile Tracking System (SMTS) program.

SEC. 215. PRECISION GUIDED MUNITIONS.

(a) ANALYSIS REQUIRED.—The Secretary of Defense shall perform an analysis of the full range of precision guided munitions in production and in research, development, test, and evaluation in order to determine the following:

(1) The numbers and types of precision guided munitions that are needed to provide a complementary capability against each target class.

(2) The feasibility of carrying out joint development and procurement of additional munition types by more than one of the Armed Forces.

(3) The feasibility of integrating a particular precision guided munition on multiple service platforms.

(4) The economy and effectiveness of continuing acquisition of—

(A) interim precision guided munitions; or

(B) precision guided munitions that, as a result of being procured in decreasing numbers to meet decreasing quantity requirements, have increased in cost per unit by more than 50 percent over the cost per unit for such munitions as of December 1, 1991.

(b) REPORT.—(1) Not later than February 1, 1996, the Secretary shall submit to Congress a report on the findings and other results of the analysis.

(2) The report shall include a detailed discussion of the process by which the Department of Defense—

(A) approves the development of new precision guided munitions;

(B) avoids duplication and redundancy in the precision guided munitions programs of the Army, Navy, Air Force, and Marine Corps;

(C) ensures rationality in the relationship between the funding plans for precision guided munitions modernization for fiscal years following fiscal year 1996 and the costs of such modernization for those fiscal years; and

(D) identifies by name and function each person responsible for approving each new precision guided munition for initial low-rate production.

(c) FUNDING LIMITATION.—Funds authorized to be appropriated by this Act may not be expended for research, development, test, and evaluation or procurement of interim precision guided munitions until the Secretary of Defense submits the report under subsection (b).

(d) INTERIM PRECISION GUIDED MUNITION DEFINED.—For purposes of paragraph (1), a precision guided munition is an interim precision guided munition if the munition is being procured in fiscal year 1996, but funding is not proposed for additional procurement of the munition in the fiscal years after fiscal year 1996 in the future years defense program submitted to Congress in 1995 under section 221(a) of title 10, United States Code.

SEC. 216. DEFENSE NUCLEAR AGENCY PROGRAMS.

(a) AGENCY FUNDING.—Of the amounts authorized to be appropriated to the Department of Defense in section 201, $252,900,000 shall be available for the Defense Nuclear Agency.

(b) TUNNEL CHARACTERIZATION AND NEUTRALIZATION PROGRAM.—Of the amount available under subsection (a), $3,000,000 shall be available for a tunnel characterization and neutralization program to be managed by the Defense Nuclear Agency as part of the counterproliferation activities of the Department of Defense.

(c) LONG-TERM RADIATION TOLERANT MICROELECTRONICS PROGRAM.—(1) Of the amount available under subsection (a), $6,000,000 shall be available for the establishment of a long-term radiation tolerant microelectronics program to be managed by the Defense Nuclear Agency for the purposes of—

(A) providing for the development of affordable and effective hardening technologies and for incorporation of such technologies into systems;

(B) sustaining the supporting industrial base; and

(C) ensuring that a use of a nuclear weapon in regional threat scenarios does not interrupt or defeat the continued operability of systems of the Armed Forces exposed to the combined effects of radiation emitted by the weapon.

(2) Not later than 120 days after the date of the enactment of this Act, the Secretary of Defense shall submit to Congress a report on how the long-term radiation tolerant microelectronics program is to be conducted and funded in the fiscal years after fiscal year 1996 that are covered by the future-years defense program submitted to Congress in 1995.

SEC. 217. COUNTERPROLIFERATION SUPPORT PROGRAM.

(a) FUNDING.—Of the funds authorized to be appropriated to the Department of Defense under section 201(4), $144,500,000 shall be available for the Counterproliferation Support Program, of which—

(1) $30,000,000 shall be available for a tactical antisatellite technologies program; and

(2) $6,300,000 shall be available for research and development of technologies for Special Operations Command (SOCOM) counterproliferation activities.

(b) ADDITIONAL AUTHORITY TO TRANSFER AUTHORIZATIONS.—(1) In addition to the transfer authority provided in section 1003, upon determination by the Secretary of Defense that such action is necessary in the national interest, the Secretary may transfer amounts of authorizations made available to the Department of Defense in this division for fiscal year 1996 to counterproliferation programs, projects, and activities identified as areas for progress by the Counterproliferation Program Review Committee established by section 1605 of the National Defense Authorization Act for Fiscal Year 1994 (Public Law 103-160). Amounts of authorizations so transferred shall be merged with and be available for the same purposes as the authorization to which transferred.

(2) The total amount of authorizations that the Secretary may transfer under the authority of this subsection may not exceed $50,000,000.

(3) The authority provided by this subsection to transfer authorizations—

(A) may only be used to provide authority for items that have a higher priority than the items from which authority is transferred; and

(B) may not be used to provide authority for an item that has been denied authorization by Congress.

(4) A transfer made from one account to another under the authority of this subsection shall be deemed to increase the amount authorized for the account to which the amount is transferred by an amount equal to the amount transferred.

(5) The Secretary of Defense shall promptly notify Congress of transfers made under the authority of this subsection.

SEC. 218. NONLETHAL WEAPONS PROGRAM.

(a) Establishment of Program Office.—The Secretary of Defense shall establish in the Office of the Under Secretary of Defense for Acquisition and Technology a Program Office for Nonlethal Systems and Technologies to conduct research, development, testing, and evaluation of nonlethal weapons applicable to forces engaged in both traditional and nontraditional military operations.

(b) Funding.—Of the amount authorized to be appropriated under section 201(4), $37,200,000 shall be available for the Program Office for Nonlethal Systems and Technologies.

SEC. 219. FEDERALLY FUNDED RESEARCH AND DEVELOPMENT CENTERS.

(a) Centers Covered.—Funds appropriated or otherwise made available for the Department of Defense for fiscal year 1996 pursuant to an authorization of appropriations in section 201 may be obligated to procure work from a federally funded research and development center only in the case of a center named in the report required by subsection (b) and, in the case of such a center, only in an amount not in excess of the amount of the proposed funding level set forth for that center in such report.

(b) Report on Allocations for Centers.—(1) Not later than 30 days after the date of the enactment of this Act, the Secretary of Defense shall submit to the Committee on Armed Services of the Senate and the Committee on National Security of the House of Representatives a report containing—

(A) the name of each federally funded research and development center from which work is proposed to be procured for the Department of Defense for fiscal year 1996; and

(B) for each such center, the proposed funding level and the estimated personnel level for fiscal year 1996.

(2) The total of the proposed funding levels set forth in the report for all federally funded research and development centers may not exceed the amount set forth in subsection (d).

(c) Limitation Pending Submission of Report.—No funds appropriated or otherwise made available for the Department of Defense for fiscal year 1996 may be obligated to procure work from a federally funded research and development center until the Secretary of Defense submits the report required by subsection (b).

(d) Funding.—Of the amounts authorized to be appropriated by section 201, not more than a total of $1,162,650,000 may be obligated to procure services from the federally funded research and development centers named in the report required by subsection (b).

(e) Authority To Waive Funding Limitation.—The Secretary of Defense may waive the limitation regarding the maximum funding amount that applies under subsection (a) to a federally funded research and development center. Whenever the Secretary proposes to make such a waiver, the Secretary shall submit to the Committee on Armed Services of the Senate and the Committee on National Security of the House of Representatives notice of the proposed waiver and the reasons for the waiver. The waiver may then be made only after the end of the 60-day period that begins on the date on which the notice is submitted to those committees, unless the Secretary determines that it is essential to the national security that funds be obligated for work at that center in excess of that limitation before the end of such period and notifies the Committee on Armed Services of the Senate and the Committee on National Security of the House of Representatives of that determination and the reasons for the determination.

(f) Undistributed Reduction.—The total amount authorized to be appropriated for research, development, test, and evaluation in section 201 is hereby reduced by $90,000,000.

SEC. 220. STATES ELIGIBLE FOR ASSISTANCE UNDER DEFENSE EXPERIMENTAL PROGRAM TO STIMULATE COMPETITIVE RESEARCH.

Subparagraph (A) of section 257(d)(2) of the National Defense Authorization Act for Fiscal Year 1995 (Public Law 103–337; 108 Stat. 2705; 10 U.S.C. 2358 note) is amended to read as follows:

"(A) the amount of all Department of Defense obligations for science and engineering research and development that were in effect with institutions of higher education in the State for the fiscal year preceding the fiscal year for which the designation is effective or for the last fiscal year for which statistics are available is less than the amount determined by multiplying 60 percent times 1/50 of the total amount of all Department of Defense obligations for science and engineering research and development that were in effect with institutions of higher education in the United States for such preceding or last fiscal year, as the case may be (to be determined in consultation with the Secretary of Defense);".

SEC. 221. NATIONAL DEFENSE TECHNOLOGY AND INDUSTRIAL BASE, DEFENSE REINVESTMENT, AND CONVERSION.

(a) Repeal of Certain Authorities and Requirements.—Chapter 148 of title 10, United States Code, is amended—

(1) in section 2491—

(A) by striking out paragraphs (12), (13), (14), and (15); and

(B) by redesignating paragraph (16) as paragraph (12);

(2) in section 2501—

(A) by striking out subsection (b); and

(B) by redesignating subsection (c) as subsection (b); and

(3) by striking out sections 2512, 2513, 2516, 2520, 2523, and 2524.

(b) Criteria for Selection of Defense Advanced Manufacturing Technology Partnerships.—Subsection (d) of section 2522 of such title is amended to read as follows:

"(d) Selection Criteria.—The criteria for the selection of proposed partnerships for establishment under this section shall be the criteria specified in section 2511(f) of this title.".

(c) Conforming Amendments.—(1) Section 2516(b) of such title is amended—

(A) by inserting "and" at the end of paragraph (2);

(B) by striking out "; and" at the end of paragraph (3) and inserting in lieu thereof a period; and

(C) by striking out paragraph (4).

(2) Section 2524 of such title is amended—

(A) in subsection (a), by striking out "and the defense reinvestment, diversification, and conversion program objectives set forth in section 2501(b) of this title"; and

(B) in subsection (f), by striking out "and the reinvestment, diversification, and conversion program objectives set forth in section 2501(b) of this title".

(d) Clerical Amendments.—(1) The table of sections at the beginning of subchapter III of chapter 148 of title 10, United States Code, is amended by striking out the items relating to sections 2512, 2513, 2516, and 2520.

(2) The table of sections at the beginning of subchapter IV of such chapter is amended by striking out the items relating to sections 2523 and 2524.

SEC. 222. REVISIONS OF MANUFACTURING SCIENCE AND TECHNOLOGY PROGRAM.

(a) Participation of DoD Laboratories in Establishment of Program.—Subsection (a) of section 2525 of title 10, United States Code, is amended by inserting after the first sentence the following: "The Secretary shall use the manufacturing science and technology joint planning process of the directors of the Department of Defense laboratories in establishing the program.".

(b) Participation of Equipment Manufacturers in Projects.—Subsection (c) of such section is amended—

(1) by inserting "(1)" after "(c) Execution.—"; and

(2) by adding at the end the following:

"(2) The Secretary shall seek, to the extent practicable, the participation of manufacturers of manufacturing equipment in the projects under the program.".

SEC. 223. PREPAREDNESS OF THE DEPARTMENT OF DEFENSE TO RESPOND TO MILITARY AND CIVIL DEFENSE EMERGENCIES RESULTING FROM A CHEMICAL, BIOLOGICAL, RADIOLOGICAL, OR NUCLEAR ATTACK.

(a) Report.—Not later than February 28, 1996, the Secretary of Defense and the Secretary of Energy, in consultation with the Director of the Federal Emergency Management Agency, shall jointly submit to Congress a report on the plans and programs of the Department of Defense to prepare for and respond to military and civil defense emergencies resulting from a chemical, biological, radiological, or nuclear attack on the United States.

(b) Content of Report.—The report shall contain the following:

(1) A discussion of—

(A) the consequences of an attack for which the Department of Defense has a responsibility to provide a primary response; and

(B) the plans and programs for preparing for and providing that response.

(2) A discussion of—

(A) the consequences of an attack for which the Department of Defense has a responsibility to provide a supporting response; and

(B) the plans and programs for preparing for and providing that response.

(3) Any actions and recommended legislation that the Secretary considers necessary for improving the preparedness of the Department of Defense to respond effectively to the consequences of a chemical, biological, radiological, or nuclear attack on the United States.

SEC. 224. JOINT SEISMIC PROGRAM AND GLOBAL SEISMIC NETWORK.

To the extent provided in appropriations Acts, $9,500,000 of the unobligated balance of funds available to the Air Force for research, development, test, and evaluation for fiscal year 1995 shall be available for continuation of the Joint Seismic Program and Global Seismic Network.

SEC. 225. DEPRESSED ALTITUDE GUIDED GUN ROUND SYSTEM.

Of the amount authorized to be appropriated under section 201(1), $5,000,000 is authorized to be appropriated for continued development of the depressed altitude guided gun round system.

SEC. 226. ARMY ECHELON ABOVE CORPS COMMUNICATIONS.

Of the amount authorized to be appropriated under section 201(3), $40,000,000 is hereby transferred to the authorization of appropriations under section 101(5) for procurement of communications equipment for Army echelons above corps.

SEC. 227. TESTING OF THEATER MISSILE DEFENSE INTERCEPTORS.

(a) The Secretary of Defense may not approve a theater missile defense interceptor program proceeding beyond the low-rate initial production acquisition stage until the Secretary certifies to the congressional defense committees that such program has successfully completed initial operational test and evaluation, and is found to be a suitable and effective system.

(b) In order to be certified under subsection (a) as having been successfully completed, the initial operational test and evaluation conducted with respect to an interceptor program must have included flight tests—

(1) that were conducted with multiple interceptors and multiple targets in the presence of realistic countermeasures; and

(2) the results of which demonstrate the achievement by the interceptors of the baseline performance thresholds.

(c) For purposes of this section, the baseline performance thresholds with respect to a program are the weapons systems performance thresholds specified in the baseline description for the system established (pursuant to section 2435(a)(1) of title 10, United States Code) before the program entered the engineering and manufacturing development stage.

(d) The number of flight tests described in subsection (b) that are required in order to make the certification under subsection (a) shall be a number determined by the Director of Operational Test and Evaluation to be sufficient for the purposes of this section.

(e) The Secretary may augment flight testing to demonstrate weapons system performance goals for purposes of the certification under subsection (a) through the use of modeling and simulation that is validated by ground and flight testing.

(f) The Director of Operational Test and Evaluation and Ballistic Missile Defense Organization shall include in their annual reports to Congress plans to adequately test theater missile defense interceptor programs throughout the acquisition process. As these theater missile defense systems progress through the acquisition process, the Director of Operational Test and Evaluation and Ballistic Missile Defense Organization shall include in their annual reports to Congress an assessment of how these programs satisfy planned test objectives.

Subtitle C—Missile Defense

SEC. 231. SHORT TITLE.

This subtitle may be cited as the "Missile Defense Act of 1995".

SEC. 232. FINDINGS.

Congress makes the following findings:

(1) The threat that is posed to the national security of the United States by the proliferation of ballistic and cruise missiles is significant and growing, both quantitatively and qualitatively.

(2) The deployment of effective Theater Missile Defense systems can deny potential adversaries the option of escalating a conflict by threatening or attacking United States forces, coalition partners of the United States, or allies of the United States with ballistic missiles armed with weapons of mass destruction to offset the operational and technical advantages of the United States and its coalition partners and allies.

(3) The intelligence community of the United States has estimated that (A) the missile proliferation trend is toward longer range and more sophisticated ballistic missiles, (B) North Korea may deploy an intercontinental ballistic missile capable of reaching Alaska or beyond within 5 years, and (C) although a new indigenously developed ballistic missile threat to the continental United States is not forecast within the next 10 years there is a danger that determined countries will acquire intercontinental ballistic missiles in the near future and with little warning by means other than indigenous development.

(4) The deployment by the United States and its allies of effective defenses against ballistic missiles of all ranges, as well as against cruise missiles, can reduce the incentives for countries to acquire such missiles or to augment existing missile capabilities.

(5) The Cold War distinction between strategic ballistic missiles and nonstrategic ballistic missiles and, therefore, the ABM Treaty's distinction between strategic defense and nonstrategic defense, has changed because of technological advancements and should be reviewed.

(6) The concept of mutual assured destruction, which was one of the major philosophical rationales for the ABM Treaty, is now questionable as a basis for stability in a multipolar world in which the United States and the states of the former Soviet Union are seeking to normalize relations and eliminate Cold War attitudes and arrangements.

(7) Theater and national missile defenses can contribute to the maintenance of stability as missile threats proliferate and as the United States and the former Soviet Union significantly reduce the number of strategic nuclear forces in their respective inventories.

(8) Although technology control regimes and other forms of international arms control can contribute to nonproliferation, such measures alone are inadequate for dealing with missile proliferation, and should not be viewed as alternatives to missile defenses and other active and passive defenses.

(9) Due to limitations in the ABM Treaty which preclude deployment of more than 100 ground-based ABM interceptors at a single site, the United States is currently prohibited from deploying a national missile defense system capable of defending the continental United States, Alaska, and Hawaii against even the most limited ballistic missile attacks.

SEC. 233. MISSILE DEFENSE POLICY.

It is the policy of the United States to—

(1) deploy as soon as possible affordable and operationally effective theater missile defenses capable of countering existing and emerging theater ballistic missiles;

(2)(A) develop for deployment a multiple-site national missile defense system that: (i) is affordable and operationally effective against limited, accidental, and unauthorized ballistic missile attacks on the territory of the United States, and (ii) can be augmented over time as the threat changes to provide a layered defense against limited, accidental, or unauthorized ballistic missile threats;

(B) initiate negotiations with the Russian Federation as necessary to provide for the national missile defense systems specified in section 235; and

(C) consider, if those negotiations fail, the option of withdrawing from the ABM Treaty in accordance with the provisions of Article XV of the Treaty, subject to consultations between the President and the Senate;

(3) ensure congressional review, prior to a decision to deploy the system developed for deployment under paragraph (2), of: (A) the affordability and operational effectiveness of such a system; (B) the threat to be countered by such a system; and (C) ABM Treaty considerations with respect to such a system.

(4) improve existing cruise missile defenses and deploy as soon as practical defenses that are affordable and operationally effective against advanced cruise missiles;

(5) pursue a focused research and development program to provide follow-on ballistic missile defense options;

(6) employ streamlined acquisition procedures to lower the cost and accelerate the pace of developing and deploying theater missile defenses, cruise missile defenses, and national missile defenses;

(7) seek a cooperative transition to a regime that does not feature mutual assured destruction and an offense-only form of deterrence as the basis for strategic stability; and

(8) carry out the policies, programs, and requirements of subtitle C of title II of this Act through processes specified within, or consistent with, the ABM Treaty, which anticipates the need and provides the means for amendment to the Treaty.

SEC. 234. THEATER MISSILE DEFENSE ARCHITECTURE.

(a) ESTABLISHMENT OF CORE PROGRAM.—To implement the policy established in section 233, the Secretary of Defense shall establish a top priority core theater missile defense program consisting of the following systems:

(1) The Patriot PAC-3 system, with a first unit equipped (FUE) in fiscal year 1998.

(2) The Navy Lower Tier (Area) system, with a user operational evaluation system (UOES) capability in fiscal year 1997 and an initial operational capability (IOC) in fiscal year 1999.

(3) The Theater High-Altitude Area Defense (THAAD) system, with a user operational evaluation system (UOES) capability in fiscal year 1997 and an initial operational capability (IOC) no later than fiscal year 2002.

(4) The Navy Upper Tier (Theater Wide) system, with a user operational evaluation system (UOES) capability in fiscal year 1999 and an initial operational capability (IOC) in fiscal year 2001.

(b) INTEROPERABILITY AND SUPPORT OF CORE SYSTEMS.—To maximize effectiveness and flexibility, the Secretary of Defense shall ensure that core theater missile defense systems are interoperable and fully capable of exploiting external sensor and battle management support from systems such as the Navy's Cooperative Engagement Capability (CEC), the Army's Battlefield Integration Center (BIC), air and space-based sensors including, in particular, the Space and Missile Tracking System (SMTS).

(c) TERMINATION OF PROGRAMS.—The Secretary of Defense shall terminate the Boost Phase Interceptor (BPI) program.

(d) FOLLOW-ON SYSTEMS.—(1) The Secretary of Defense shall develop an affordable development plan for follow-on theater missile defense systems which leverages existing systems, technologies, and programs, and focuses investments to satisfy military requirements not met by the core program.

(2) Before adding new theater missile defense systems to the core program from among the follow-on activities, the Secretary of Defense shall submit to the congressional defense committees a report describing—

(A) the requirements for the program and the specific threats to be countered;

(B) how the new program will relate to, support, and leverage off existing core programs;

(C) the planned acquisition strategy; and

(D) a preliminary estimate of total program cost and budgetary impact.

(e) REPORT.—(1) Not later than the date on which the President submits the budget for fiscal year 1997 under section 1105 of title 31, United States Code, the Secretary of Defense shall submit to the congressional defense committees a report detailing the Secretary's plans for implementing the guidance specified in this section.

(2) For each deployment date for each system described in subsection (a), the report required by paragraph (1) of this subsection shall include the funding required for research, development, testing, evaluation, and deployment for each fiscal year beginning with fiscal year 1997 through the end of the fiscal year in which deployment is projected under subsection (a).

SEC. 235. NATIONAL MISSILE DEFENSE SYSTEM ARCHITECTURE.

(a) IN GENERAL.—To implement the policy established in section 233, the Secretary of Defense shall develop an affordable and operationally effective national missile defense system to counter a limited, accidental, or unauthorized ballistic missile attack, and which is capable of attaining initial operational capability (IOC) by the end of 2003. Such system shall include the following:

(1) Ground-based interceptors capable of being deployed at multiple sites, the locations and numbers of which are to be determined so as to optimize the defensive coverage of the continental United States, Alaska, and Hawaii against limited, accidental, or unauthorized ballistic missile attacks.

(2) Fixed ground-based radars and space-based sensors, including the Space and Missile Tracking system, the mix, siting and numbers of which are to be determined so as to optimize sensor support and minimize total system cost.

(3) Battle management, command, control, and communications (BM/C3).

(b) INTERIM OPERATIONAL CAPABILITY.—To provide a hedge against the emergence of near-term ballistic missile threats against the United States and to support the development and deployment of the objective system specified in subsection (a), the Secretary of Defense shall develop an interim national missile defense plan that would give the United States the ability to field a limited operational capability by the end of 1999 if required by the threat. In developing this plan the Secretary shall make use of—

(1) developmental, or user operational evaluation system (UOES) interceptors, radars, and battle management, command, control, and communications (BM/C3), to the extent that such use directly supports, and does not significantly increase the cost of, the objective system specified in subsection (a);

(2) one or more of the sites that will be used as deployment locations for the objective system specified in subsection (a);

(3) upgraded early warning radars; and

(4) space-based sensors.

(c) USE OF STREAMLINED ACQUISITION PROCEDURES.—The Secretary of Defense shall prescribe and use streamlined acquisition procedures to—

(1) reduce the cost and increase the efficiency of developing the national missile defense system specified in subsection (a); and

(2) ensure that any interim national missile defense capabilities developed pursuant to subsection (b) are operationally effective and on a path to fulfill the technical requirements and schedule of the objective system.

(d) ADDITIONAL COST SAVING MEASURES.—In addition to the procedures prescribed pursuant to subsection (c), the Secretary of Defense shall employ cost saving measures that do not decrease the operational effectiveness of the systems specified in subsections (a) and (b), and which do not pose unacceptable technical risk. The cost saving measures should include the following:

(1) The use of existing facilities and infrastructure.

(2) The use, where appropriate, of existing or upgraded systems and technologies, except that Minuteman boosters may not be used as part of a National Missile Defense architecture.

(3) Development of systems and components that do not rely on a large and permanent infrastructure and are easily transported, emplaced, and moved.

(e) REPORT ON PLAN FOR DEPLOYMENT.—Not later than the date on which the President submits the budget for fiscal year 1997 under section 1105 of title 31, United States Code, the Secretary of Defense shall submit to the congressional defense committees a report containing the following matters:

(1) The Secretary's plan for carrying out this section.

(2) For each deployment date in subsections (a) and (b), the report shall include the funding required for research, development, testing, evaluation, and deployment for each fiscal year beginning with fiscal year 1997 through the end of the fiscal year in which deployment is projected under subsection (a) or (b). The report shall also describe the specific threat to be countered and provide the Secretary's assessment as to whether deployment is affordable and operationally effective.

(3) An analysis of options for supplementing or modifying the national missile defense architecture specified in subsection (a) before attaining initial operational capability, or evolving such architecture in a building block manner after attaining initial operational capability, to improve the cost-effectiveness or the operational effectiveness of such system by adding one or a combination of the following:

(A) Additional ground-based interceptors at existing or new sites.

(B) Sea-based missile defense systems.

(C) Space-based kinetic energy interceptors.

(D) Space-based directed energy systems.

SEC. 236. CRUISE MISSILE DEFENSE INITIATIVE.

(a) IN GENERAL.—The Secretary of Defense shall undertake an initiative to coordinate and strengthen the cruise missile defense programs, projects, and activities of the military departments, the Advanced Research Projects Agency and the Ballistic Missile Defense Organization to ensure that the United States develops and deploys affordable and operationally effective defenses against existing and future cruise missile threats.

(b) ACTIONS OF THE SECRETARY OF DEFENSE.—In carrying out subsection (a), the Secretary of Defense shall ensure that—

(1) to the extent practicable, the ballistic missile defense and cruise missile defense efforts of the Department of Defense are coordinated and mutually reinforcing;

(2) existing air defense systems are adequately upgraded to provide an affordable and operationally effective defense against existing and near-term cruise missile threats; and

(3) the Department of Defense undertakes a high priority and well coordinated technology development program to support the future deployment of systems that are affordable and operationally effective against advanced cruise missiles, including cruise missiles with low observable features.

(c) IMPLEMENTATION PLAN.—Not later than the date on which the President submits the budget for fiscal year 1997 under section 1105 of title 31, United States Code, the Secretary of Defense shall submit to the congressional defense committees a detailed plan, in unclassified and classified forms, as necessary, for carrying out this section. The plan shall include an assessment of—

(1) the systems that currently have cruise missile defense capabilities, and existing programs to improve these capabilities;

(2) the technologies that could be deployed in the near- to mid-term to provide significant advances over existing cruise missile defense capabilities, and the investments that would be required to ready the technologies for deployment;

(3) the cost and operational tradeoffs, if any, between upgrading existing air and missile defense systems and accelerating follow-on systems with significantly improved capabilities against advanced cruise missiles; and

(4) the organizational and management changes that would strengthen and further coordinate the cruise missile defense efforts of the Department of Defense, including the disadvantages, if any, of implementing such changes.

SEC. 237. POLICY REGARDING THE ABM TREATY.

(a) Congress makes the following findings:

(1) Article XIII of the ABM Treaty envisions "possible changes in the strategic situation which have a bearing on the provisions of this treaty".

(2) Articles XIII and XIV of the ABM Treaty establish means for the Parties to amend the Treaty, and the Parties have employed these means to amend the Treaty.

(3) Article XV of the ABM Treaty establishes the means for a party to withdraw from the Treaty, upon 6 months notice, "if it decides that extraordinary events related to the subject matter of this treaty have jeopardized its supreme interests".

(4) The policies, programs, and requirements of subtitle C of title II of this Act can be accomplished through processes specified within, or consistent with, the ABM Treaty, which anticipates the need and provides the means for amendment to the Treaty.

(b) SENSE OF CONGRESS.—In light of the findings and policies provided in this subtitle, it is the sense of Congress that—

(1) Given the fundamental responsibility of the Government of the United States to protect the security of the United States, the increasingly serious threat posed to the United States by the proliferation of weapons of mass destruction and ballistic missile technology, and the effect this threat could have on the options of the United States to act in a time of crisis—

(A) it is in the vital national security interest of the United States to defend itself from the threat of a limited, accidental, or unauthorized ballistic missile attack, whatever its source; and

(B) the deployment of a national missile defense system, in accord with section 233, to protect the territory of the United States against a limited, accidental, or unauthorized missile attack can strengthen strategic stability and deterrence; and

(2)(A) the Senate should undertake a comprehensive review of the continuing value and validity of the ABM Treaty with the intent of providing additional policy guidance on the future of the ABM Treaty during the second session of the One Hundred Fourth Congress; and

(B) upon completion of the review, the Committee on Foreign Relations, in consultation with the Committee on Armed

Services and other appropriate committees, should report its findings to the Senate.

SEC. 238. PROHIBITION ON FUNDS TO IMPLEMENT AN INTERNATIONAL AGREEMENT CONCERNING THEATER MISSILE DEFENSE SYSTEMS.

(a) FINDINGS.—Congress makes the following findings:

(1) Section 234 of the National Defense Authorization Act for Fiscal Year 1994 provides that the ABM Treaty does not apply to or limit research, development, testing, or deployment of missile defense systems, system upgrades, or system components that are designed to counter modern theater ballistic missiles, regardless of the capabilities of such missiles, unless those systems, system upgrades, or system components are tested against or have demonstrated capabilities to counter modern strategic ballistic missiles.

(2) Section 232 of the National Defense Authorization Act for Fiscal Year 1995 provides that the United States shall not be bound by any international agreement that would substantially modify the ABM Treaty unless the agreement is entered into pursuant to the treaty making power of the President under the Constitution.

(3) the demarcation standard described in subsection (b)(1) is based upon current technology.

(b) SENSE OF CONGRESS.—It is the sense of Congress that—

(1) unless a missile defense system, system upgrade, or system component, including one that exploits data from space-based or other external sensors, is flight tested against a ballistic missile target that exceeds a range of 3,500 kilometers or a velocity of 5 kilometers per second, such missile defense system, system upgrade, or system component has not been tested in an ABM mode nor deemed to have been given capabilities to counter strategic ballistic missiles, and

(2) any international agreement that would limit the research, development, testing, or deployment of missile defense systems, system upgrades, or system components that are designed to counter modern theater ballistic missiles in a manner that would be more restrictive than the criteria in paragraph (1) should be entered into only pursuant to the treaty making powers of the President under the Constitution.

(c) PROHIBITION ON FUNDING.—Funds appropriated or otherwise made available to the Department of Defense for fiscal year 1996 may not be obligated or expended to implement an agreement with any of the independent states of the former Soviet Union entered into after January 1, 1995 that would establish a demarcation between theater missile defense systems and anti-ballistic missile systems for purposes of the ABM Treaty or that would restrict the performance, operation, or deployment of United States theater missile defense systems except: (1) to the extent provided in an Act enacted subsequent to this Act; (2) to implement that portion of any such agreement that implements the criteria in subsection (b)(1); or (3) to implement any such agreement that is entered into pursuant to the treaty making power of the President under the Constitution.

SEC. 239. BALLISTIC MISSILE DEFENSE PROGRAM ELEMENTS.

(a) ELEMENTS SPECIFIED.—In the budget justification materials submitted to Congress in support of the Department of Defense budget for any fiscal year after fiscal year 1996 (as submitted in the budget of the President under section 1105(a) of title 31, United States Code), the amount requested for activities of the Ballistic Missile Defense Organization shall be set forth in accordance with the following program elements:

(1) The Patriot system.

(2) The Navy Lower Tier (Area) system.

(3) The Theater High-Altitude Area Defense (THAAD) system.

(4) The Navy Upper Tier (Theater Wide) system.

(5) Other Theater Missile Defense Activities.

(6) National Missile Defense.

(7) Follow-On and Support Technologies.

(b) TREATMENT OF NON-CORE TMD IN OTHER THEATER MISSILE DEFENSE ACTIVITIES ELEMENT.—Funding for theater missile defense programs, projects, and activities, other than core theater missile defense programs, shall be covered in the "Other Theater Missile Defense Activities" program element.

(c) TREATMENT OF CORE THEATER MISSILE DEFENSE PROGRAMS.—Funding for core theater missile defense programs specified in section 234, shall be covered in individual, dedicated program elements and shall be available only for activities covered by those program elements.

(d) BM/C3I PROGRAMS.—Funding for programs, projects, and activities involving battle management, command, control, communications, and intelligence (BM/C3I) shall be covered in the "Other Theater Missile Defense Activities" program element or the "National Missile Defense" program element, as determined on the basis of the primary objectives involved.

(e) MANAGEMENT AND SUPPORT.—Each program element shall include requests for the amounts necessary for the management and support of the programs, projects, and activities contained in that program element.

SEC. 240. ABM TREATY DEFINED.

For purposes of this subtitle, the term "ABM Treaty" means the Treaty Between the United States of America and the Union of Soviet Socialist Republics on the Limitation of Anti-Ballistic Missiles, signed at Moscow on May 26, 1972, and includes the Protocols to that Treaty, signed at Moscow on July 3, 1974.

SEC. 241. REPEAL OF MISSILE DEFENSE PROVISIONS.

The following provisions of law are repealed:

(1) The Missile Defense Act of 1991 (part C of title II of Public Law 102–190; 10 U.S.C. 2431 note).

(2) Section 237 of the National Defense Authorization Act for Fiscal Year 1994 (Public Law 103–160).

(3) Section 242 of the National Defense Authorization Act for Fiscal Year 1994 (Public Law 103–160).

(4) Section 222 of the Department of Defense Authorization Act, 1986 (Public Law 99–145; 99 Stat. 613; 10 U.S.C. 2431 note).

(5) Section 225 of the Department of Defense Authorization Act, 1986 (Public Law 99–145; 99 Stat. 614).

(6) Section 226 of the National Defense Authorization Act for Fiscal Years 1988 and 1989 (Public Law 100–180; 101 Stat. 1057; 10 U.S.C. 2431 note).

(7) Section 8123 of the Department of Defense Appropriations Act, 1989 (Public Law 100–463; 102 Stat. 2270–40).

(8) Section 8133 of the Department of Defense Appropriations Act, 1992 (Public Law 102–172; 105 Stat. 1211).

(9) Section 234 of the National Defense Authorization Act for Fiscal Year 1994 (Public Law 103–160; 107 Stat. 1595; 10 U.S.C. 2431 note).

(10) Section 235 of the National Defense Authorization Act for Fiscal Year 1995 (Public Law 103–337; 108 Stat. 2701; 10 U.S.C. 221 note).

SEC. 242. SENSE OF SENATE ON THE DIRECTOR OF OPERATIONAL TEST AND EVALUATION.

(a) FINDINGS.—The Senate makes the following findings:

(1) The Office of the Director of Operational Test and Evaluation of the Department of Defense was created by Congress to provide an independent validation and verification on the suitability and effectiveness of new weapons, and to ensure that the United States military departments acquire weapons that are proven in an operational environment before they are produced and used in combat.

(2) The office is currently making significant contributions to the process by which the Department of Defense acquires new weapons by providing vital insights on operational weapons tests to be used in this acquisition process.

(3) The office provides vital services to Congress in providing an independent certification on the performance of new weapons that have been operationally tested.

(4) A provision of H.R. 1530, an Act entitled "An Act to authorize appropriations for fiscal year 1996 for military activities of the Department of Defense, for military construction, and for defense activities of the Department of Energy, to prescribe personnel strengths for such fiscal year for the Armed Forces, and for other purposes", agreed to by the House of Representatives on June 15, 1995, contains a provision that could substantially diminish the authority and responsibilities of the office and perhaps cause the elimination of the office and its functions.

(b) SENSE OF THE SENATE.—It is the sense of the Senate that—

(1) the authority and responsibilities of the Office of the Director of Operational Test and Evaluation of the Department of Defense should not be diminished or eliminated; and

(2) the conferees on H.R. 1530, an Act entitled "An Act to authorize appropriations for fiscal year 1996 for military activities of the Department of Defense, for military construction, and for defense activities of the Department of Energy, to prescribe personnel strengths for such fiscal year for the Armed Forces, and for other purposes" should not propose to Congress a conference report on that Act that would either diminish or eliminate the Office of the Director of Operational Test and Evaluation or its functions.

SEC. 243. BALLISTIC MISSILE DEFENSE TECHNOLOGY CENTER.

(a) ESTABLISHMENT.—The Director of the Ballistic Missile Defense Organization shall establish a Ballistic Missile Defense Technology Center within the Space and Strategic Defense Command of the Army.

(b) MISSION.—The missions of the Center are as follows:

(1) To maximize common application of ballistic missile defense component technology programs, target test programs, functional analysis and phenomenology investigations.

(2) To store data from the missile defense technology programs of the Armed Forces using computer facilities of the Missile Defense Data Center.

(c) TECHNOLOGY PROGRAM COORDINATION WITH CENTER.—The Secretary of Defense, acting through the Director of the Ballistic Missile Defense Organization, shall require the head of each element or activity of the

Department of Defense beginning a new missile defense program referred to in subsection (b)(1) to first coordinate the program with the Ballistic Missile Defense Technology Center in order to prevent duplication of effort.

TITLE III—OPERATION AND MAINTENANCE

Subtitle A—Authorization of Appropriations

SEC. 301. OPERATION AND MAINTENANCE FUNDING.

Funds are hereby authorized to be appropriated for fiscal year 1996 for the use of the Armed Forces and other activities and agencies of the Department of Defense for expenses, not otherwise provided for, for operation and maintenance, in amounts as follows:

(1) For the Army, $18,073,206,000.

(2) For the Navy, $21,343,960,000.

(3) For the Marine Corps, $2,405,711,000.

(4) For the Air Force, $18,224,893,000.

(5) For Defense-wide activities, $10,021,162,000.

(6) For the Army Reserve, $1,062,591,000.

(7) For the Naval Reserve, $840,842,000.

(8) For the Marine Corps Reserve, $90,283,000.

(9) For the Air Force Reserve, $1,482,947,000.

(10) For the Army National Guard, $2,304,108,000.

(11) For the Air National Guard, $2,734,221,000.

(12) For the Defense Inspector General, $138,226,000.

(13) For the United States Court of Appeals for the Armed Forces, $6,521,000.

(14) For Environmental Restoration, Defense, $1,601,800,000.

(15) For Drug Interdiction and Counter-drug Activities, Defense-wide, $680,432,000.

(16) For Medical Programs, Defense, $9,943,825,000.

(17) For support for the 1996 Summer Olympics, $15,000,000.

(18) For Cooperative Threat Reduction programs, $365,000,000.

(19) For Overseas Humanitarian, Disaster, and Civic Aid programs, $60,000,000.

The amount authorized to be appropriated by section 301(5) is hereby reduced by $40,000,000.

SEC. 302. WORKING CAPITAL FUNDS.

Funds are hereby authorized to be appropriated for fiscal year 1996 for the use of the Armed Forces and other activities and agencies of the Department of Defense for providing capital for working capital and revolving funds in amounts as follows:

(1) For the Defense Business Operations Fund, $878,700,000.

(2) For the National Defense Sealift Fund, $1,084,220,000.

SEC. 303. ARMED FORCES RETIREMENT HOME.

(a) AUTHORIZATION OF APPROPRIATIONS TO TRUST FUND.—There is hereby authorized to be appropriated to the Armed Forces Retirement Home Trust Fund the sum of $45,000,000, to remain available until expended.

(b) AUTHORIZATION OF APPROPRIATIONS FROM TRUST FUND.—There is hereby authorized to be appropriated for fiscal year 1996 from the Armed Forces Retirement Home Trust Fund the sum of $59,120,000 for the operation of the Armed Forces Retirement Home, including the United States Soldiers' and Airmen's Home and the Naval Home.

SEC. 304. TRANSFER FROM NATIONAL DEFENSE STOCKPILE TRANSACTION FUND.

(a) TRANSFER AUTHORITY.—To the extent provided in appropriations Acts, not more than $150,000,000 is authorized to be transferred from the National Defense Stockpile Transaction Fund to operation and maintenance accounts for fiscal year 1996 in amounts as follows:

(1) For the Army, $50,000,000.

(2) For the Navy, $50,000,000.

(3) For the Air Force, $50,000,000.

(b) TREATMENT OF TRANSFERS.—Amounts transferred under this section—

(1) shall be merged with, and be available for the same purposes and the same period as, the amounts in the accounts to which transferred; and

(2) may not be expended for an item that has been denied authorization of appropriations by Congress.

(c) RELATIONSHIP TO OTHER TRANSFER AUTHORITY.—The transfer authority provided in this section is in addition to the transfer authority provided in section 1001.

SEC. 305. INCREASE IN FUNDING FOR THE CIVIL AIR PATROL.

(a) INCREASE.—(1) The amount of funds authorized to be appropriated by this Act for operation and maintenance of the Air Force for the Civil Air Patrol Corporation is hereby increased by $5,000,000.

(2) The amount authorized to be appropriated for operation and maintenance for the Civil Air Patrol Corporation under paragraph (1) is in addition to any other funds authorized to be appropriated under this Act for that purpose.

(b) OFFSETTING REDUCTION.—The amount authorized to be appropriated under this Act for Air Force support of the Civil Air Patrol is hereby reduced by $2,900,000. The amount of the reduction shall be allocated among funds authorized to be appropriated for Air Force personnel supporting the Civil Air Patrol and for Air Force operation and maintenance support for the Civil Air Patrol.

Subtitle B—Depot-Level Maintenance and Repair

SEC. 311. POLICY REGARDING PERFORMANCE OF DEPOT-LEVEL MAINTENANCE AND REPAIR FOR THE DEPARTMENT OF DEFENSE.

(a) REQUIREMENT FOR POLICY.—Not later than March 31, 1996, the Secretary of Defense shall develop and report to the Committee on Armed Services of the Senate and the Committee on National Security of the House of Representatives a comprehensive policy on the performance of depot-level maintenance and repair for the Department of Defense.

(b) PRIMARY OBJECTIVE OF POLICY.—In developing the policy, it shall be the primary objective of the Secretary to ensure a ready and controlled source of technical competence and repair and maintenance capabilities necessary for national security across a full range of current and projected training and operational requirements, including requirements in peacetime, contingency operations, mobilization, and other emergencies.

(c) CONTENT OF POLICY.—The policy shall—

(1) define, in terms of the requirements of the Department of Defense for performance of maintenance and repair, the purpose for having public depots for performing those functions;

(2) provide for performance of core depot-level maintenance and repair capabilities in facilities owned and operated by the United States;

(3) provide for the core capabilities to include sufficient skilled personnel, equipment, and facilities to achieve the objective set forth in subsection (b);

(4) address environmental liability;

(5) in the case of depot-level maintenance and repair workloads in excess of the workload required to be performed by Department of Defense depots, provide for competition for those workloads between public and private entities when there is sufficient potential for realizing cost savings based on adequate private sector competition and technical capabilities;

(6) provide for selection on the basis of merit whenever the workload of a Department of Defense depot is changed;

(7) provide transition provisions appropriate for persons in the Department of Defense depot-level workforce; and

(8) address issues concerning exchange of technical data between the Federal Government and the private sector, environmental liability, efficient and effective performance of depot functions, and adverse effects of the policy on the Federal Government work force.

(d) CONSIDERATION.—In developing the policy, the Secretary shall take into consideration the capabilities of the public depots and the capabilities of businesses in the private sector to perform the maintenance and repair work required by the Department of Defense.

(e) REPEAL OF 60/40 REQUIREMENT AND REQUIREMENT RELATING TO COMPETITION.—(1) Sections 2466 and 2469 of title 10, United States Code, are repealed.

(2) The table of sections at the beginning of chapter 146 of such title is amended by striking out the items relating to sections 2466 and 2469.

(3) The amendments made by paragraphs (1) and (2) shall take effect on the date (after the date of the enactment of this Act) on which legislation is enacted that contains a provision that specifically states one of the following:

(A) "The policy on the performance of depot-level maintenance and repair for the Department of Defense that was submitted by the Secretary of Defense to the Committee on Armed Services of the Senate and the Committee on National Security of the House of Representatives pursuant to section 311 of the National Defense Authorization Act for Fiscal Year 1996 is approved."; or

(B) "The policy on the performance of depot-level maintenance and repair for the Department of Defense that was submitted by the Secretary of Defense to the Committee on Armed Services of the Senate and the Committee on National Security of the House of Representatives pursuant to section 311 of the National Defense Authorization Act for Fiscal Year 1996 is approved with the following modifications:" (with the modifications being stated in matter appearing after the colon).

(f) REVIEW BY THE GENERAL ACCOUNTING OFFICE.—(1) The Secretary shall make available to the Comptroller General of the United States all information used by the Department in developing the policy under subsections (a) through (d) of this section.

(2) Not later than 45 days after the Secretary submits to Congress the report required by subsection (a), the Comptroller General shall transmit to Congress a report containing a detailed analysis of the Secretary's proposed policy as reported under subsection (a).

SEC. 312. EXTENSION OF AUTHORITY FOR AVIATION DEPOTS AND NAVAL SHIPYARDS TO ENGAGE IN DEFENSE-RELATED PRODUCTION AND SERVICES.

Section 1425(e) of the National Defense Authorization Act for Fiscal Year 1991 (Public Law 101-510; 104 Stat. 1684), as amended by section 370(b) of Public Law 103-160 (107 Stat. 1634) and section 386(b) of Public Law 103-337

(108 Stat. 2742), is further amended by striking out "September 30, 1995" and inserting in lieu thereof "September 30, 1996".

Subtitle C—Environmental Provisions

SEC. 321. REVISION OF REQUIREMENTS FOR AGREEMENTS FOR SERVICES UNDER ENVIRONMENTAL RESTORATION PROGRAM.

(a) REQUIREMENTS.—(1) Section 2701(d) of title 10, United States Code, is amended to read as follows:

"(d) SERVICES OF OTHER AGENCIES.—

"(1) IN GENERAL.—Subject to paragraph (2), the Secretary may enter into agreements on a reimbursable or other basis with any other Federal agency, or with any State or local government agency, to obtain the services of the agency to assist the Secretary in carrying out any of the Secretary's responsibilities under this section. Services which may be obtained under this subsection include the identification, investigation, and cleanup of any off-site contamination resulting from the release of a hazardous substance or waste at a facility under the Secretary's jurisdiction.

"(2) LIMITATION ON REIMBURSABLE AGREEMENTS.—An agreement with an agency under paragraph (1) may provide for reimbursement of the agency only for technical or scientific services obtained from the agency.".

(2)(A) Except as provided in subparagraph (B), the total amount of funds available for reimbursements under agreements entered into under section 2710(d) of title 10, United States Code, as amended by paragraph (1), in fiscal year 1996 may not exceed $5,000,000.

(B) The Secretary of Defense may pay in fiscal year 1996 an amount for reimbursements under agreements referred to in subparagraph (A) in excess of the amount specified in that subparagraph for that fiscal year if—

(i) the Secretary certifies to Congress that the payment of the amount under this subparagraph is essential for the management of the Defense Environmental Restoration Program under chapter 160 of title 10, United States Code; and

(ii) a period of 60 days has expired after the date on which the certification is received by Congress.

(b) REPORT ON SERVICES OBTAINED.—The Secretary of Defense shall include in the report submitted to Congress with respect to fiscal year 1998 under section 2706(a) of title 10, United States Code, information on the services, if any, obtained by the Secretary during fiscal year 1996 pursuant to each agreement on a reimbursable basis entered into with a State or local government agency under section 2701(d) of title 10, United States Code, as amended by subsection (a). The information shall include a description of the services obtained under each agreement and the amount of the reimbursement provided for the services.

SEC. 322. DISCHARGES FROM VESSELS OF THE ARMED FORCES.

(a) PURPOSES.—The purposes of this section are to—

(1) enhance the operational flexibility of vessels of the Armed Forces domestically and internationally;

(2) stimulate the development of innovative vessel pollution control technology; and

(3) advance the development by the United States Navy of environmentally sound ships.

(b) UNIFORM NATIONAL DISCHARGE STANDARDS DEVELOPMENT.—Section 312 of the Federal Water Pollution Control Act (33 U.S.C. 1322) is amended by adding at the end the following:

"(n) UNIFORM NATIONAL DISCHARGE STANDARDS FOR VESSELS OF THE ARMED FORCES.—

"(1) APPLICABILITY.—This subsection shall apply to vessels of the Armed Forces and discharges, other than sewage, incidental to the normal operation of a vessel of the Armed Forces, unless the Secretary of Defense finds that compliance with this subsection would not be in the national security interests of the United States.

"(2) DETERMINATION OF DISCHARGES REQUIRED TO BE CONTROLLED BY MARINE POLLUTION CONTROL DEVICES.—

"(A) IN GENERAL.—The Administrator and the Secretary of Defense, after consultation with the Secretary of the department in which the Coast Guard is operating, the Secretary of Commerce, and interested States, shall jointly determine the discharges incidental to the normal operation of a vessel of the Armed Forces for which it is reasonable and practicable to require use of a marine pollution control device to mitigate adverse impacts on the marine environment. Notwithstanding subsection (a)(1) of section 553 of title 5, United States Code, the Administrator and the Secretary of Defense shall promulgate the determinations in accordance with the section.

"(B) CONSIDERATIONS.—In making a determination under subparagraph (A), the Administrator and the Secretary of Defense shall take into consideration—

"(i) the nature of the discharge;

"(ii) the environmental effects of the discharge;

"(iii) the practicability of using the marine pollution control device;

"(iv) the effect that installation or use of the marine pollution control device would have on the operation or operational capability of the vessel;

"(v) applicable United States law;

"(vi) applicable international standards; and

"(vii) the economic costs of the installation and use of the marine pollution control device.

"(3) PERFORMANCE STANDARDS FOR MARINE POLLUTION CONTROL DEVICES.—

"(A) IN GENERAL.—For each discharge for which a marine pollution control device is determined to be required under paragraph (2), the Administrator and the Secretary of Defense, in consultation with the Secretary of the department in which the Coast Guard is operating, the Secretary of State, the Secretary of Commerce, other interested Federal agencies, and interested States, shall jointly promulgate Federal standards of performance for each marine pollution control device required with respect to the discharge. Notwithstanding subsection (a)(1) of section 553 of title 5, United States Code, the Administrator and the Secretary of Defense shall promulgate the standards in accordance with the section.

"(B) CONSIDERATIONS.—In promulgating standards under this paragraph, the Administrator and the Secretary of Defense shall take into consideration the matters set forth in paragraph (2)(B).

"(C) CLASSES, TYPES, AND SIZES OF VESSELS.—The standards promulgated under this paragraph may—

"(i) distinguish among classes, types, and sizes of vessels;

"(ii) distinguish between new and existing vessels; and

"(iii) provide for a waiver of the applicability of the standards as necessary or appropriate to a particular class, type, age, or size of vessel.

"(4) REGULATIONS FOR USE OF MARINE POLLUTION CONTROL DEVICES.—The Secretary of Defense, after consultation with the Administrator and the Secretary of the department in which the Coast Guard is operating, shall promulgate such regulations governing the design, construction, installation, and use of marine pollution control devices on board vessels of the Armed Forces as are necessary to achieve the standards promulgated under paragraph (3).

"(5) DEADLINES; EFFECTIVE DATE.—

"(A) DETERMINATIONS.—The Administrator and the Secretary of Defense shall—

"(i) make the initial determinations under paragraph (2) not later than 2 years after the date of enactment of this subsection; and

"(ii) every 5 years—

"(I) review the determinations; and

"(II) if necessary, revise the determinations based on significant new information.

"(B) STANDARDS.—The Administrator and the Secretary of Defense shall—

"(i) promulgate standards of performance for a marine pollution control device under paragraph (3) not later than 2 years after the date of a determination under paragraph (2) that the marine pollution control device is required; and

"(ii) every 5 years—

"(I) review the standards; and

"(II) if necessary, revise the standards, consistent with paragraph (3)(B) and based on significant new information.

"(C) REGULATIONS.—The Secretary of Defense shall promulgate regulations with respect to a marine pollution control device under paragraph (4) as soon as practicable after the Administrator and the Secretary of Defense promulgate standards with respect to the device under paragraph (3), but not later than 1 year after the Administrator and the Secretary of Defense promulgate the standards. The regulations promulgated by the Secretary of Defense under paragraph (4) shall become effective upon promulgation unless another effective date is specified in the regulations.

"(D) PETITION FOR REVIEW.—The Governor of any State may submit a petition requesting that the Secretary of Defense and the Administrator review a determination under paragraph (2) or a standard under paragraph (3), if there is significant new information, not considered previously, that could reasonably result in a change to the particular determination or standard after consideration of the matters set forth in paragraph (2)(B). The petition shall be accompanied by the scientific and technical information on which the petition is based. The Administrator and the Secretary of Defense shall grant or deny the petition not later than 2 years after the date of receipt of the petition.

"(6) EFFECT ON OTHER LAWS.—

"(A) PROHIBITION ON REGULATION BY STATES OR POLITICAL SUBDIVISIONS OF STATES.—Beginning on the effective date of—

"(i) a determination under paragraph (2) that it is not reasonable and practicable to require use of a marine pollution control device regarding a particular discharge incidental to the normal operation of a vessel of the Armed Forces; or

"(ii) regulations promulgated by the Secretary of Defense under paragraph (4);

except as provided in paragraph (7), neither a State nor a political subdivision of a State may adopt or enforce any statute or regulation of the State or political subdivision with respect to the discharge or the design, construction, installation, or use of any marine pollution control device required to control the discharge.

"(B) FEDERAL LAWS.—This subsection shall not affect the application of section 311 to discharges incidental to the normal operation of a vessel.

"(7) ESTABLISHMENT OF STATE NO-DISCHARGE ZONES.—

"(A) STATE PROHIBITION.—

"(i) IN GENERAL.—After the effective date of—

"(I) a determination under paragraph (2) that it is not reasonable and practicable to require use of a marine pollution control device regarding a particular discharge incidental to the normal operation of a vessel of the Armed Forces; or

"(II) regulations promulgated by the Secretary of Defense under paragraph (4);

if a State determines that the protection and enhancement of the quality of some or all of the waters within the State require greater environmental protection, the State may prohibit 1 or more discharges incidental to the normal operation of a vessel, whether treated or not treated, into the waters. No prohibition shall apply until the Administrator makes the determinations described in subclauses (II) and (III) of subparagraph (B)(i).

"(ii) DOCUMENTATION.—To the extent that a prohibition under this paragraph would apply to vessels of the Armed Forces and not to other types of vessels, the State shall document the technical or environmental basis for the distinction.

"(B) PROHIBITION BY THE ADMINISTRATOR.—

"(i) IN GENERAL.—Upon application of a State, the Administrator shall by regulation prohibit the discharge from a vessel of 1 or more discharges incidental to the normal operation of a vessel, whether treated or not treated, into the waters covered by the application if the Administrator determines that—

"(I) the protection and enhancement of the quality of the specified waters within the State require a prohibition of the discharge into the waters;

"(II) adequate facilities for the safe and sanitary removal of the discharge incidental to the normal operation of a vessel are reasonably available for the waters to which the prohibition would apply; and

"(III) the prohibition will not have the effect of discriminating against a vessel of the Armed Forces by reason of the ownership or operation by the Federal Government, or the military function, of the vessel.

"(ii) APPROVAL OR DISAPPROVAL.—The Administrator shall approve or disapprove an application submitted under clause (i) not later than 90 days after the date on which the application is submitted to the Administrator. Notwithstanding clause (i)(II), the Administrator shall not disapprove an application for the sole reason that there are not adequate facilities to remove any discharge incidental to the normal operation of a vessel from vessels of the Armed Forces.

"(C) APPLICABILITY TO FOREIGN FLAGGED VESSELS.—A prohibition under this paragraph—

"(i) shall not impose any design, construction, manning, or equipment standard on a foreign flagged vessel engaged in innocent passage unless the prohibition implements a generally accepted international rule or standard; and

"(ii) that relates to the prevention, reduction, and control of pollution shall not apply to a foreign flagged vessel engaged in transit passage unless the prohibition implements an applicable international regulation regarding the discharge of oil, oily waste, or any other noxious substance into the waters.

"(8) PROHIBITION RELATING TO VESSELS OF THE ARMED FORCES.—After the effective date of the regulations promulgated by the Secretary of Defense under paragraph (4), it shall be unlawful for any vessel of the Armed Forces subject to the regulations to—

"(A) operate in the navigable waters of the United States or the waters of the contiguous zone, if the vessel is not equipped with any required marine pollution control device meeting standards established under this subsection; or

"(B) discharge overboard any discharge incidental to the normal operation of a vessel in waters with respect to which a prohibition on the discharge has been established under paragraph (7).

"(9) ENFORCEMENT.—This subsection shall be enforceable, as provided in subsections (j) and (k), against any agency of the United States responsible for vessels of the Armed Forces notwithstanding any immunity asserted by the agency.".

(c) CONFORMING AMENDMENTS.—

(1) DEFINITIONS.—Section 312(a) of the Federal Water Pollution Control Act (33 U.S.C. 1322(a)) is amended—

(A) in paragraph (8)—

(i) by striking "or"; and

(ii) by inserting "or agency of the United States" after "association,";

(B) in paragraph (11), by striking the period at the end and inserting a semicolon; and

(C) by adding at the end the following:

"(12) 'discharge incidental to the normal operation of a vessel'—

"(A) means a discharge, including—

"(i) graywater, bilge water, cooling water, weather deck runoff, ballast water, oil water separator effluent, and any other pollutant discharge from the operation of a marine propulsion system, shipboard maneuvering system, crew habitability system, or installed major equipment, such as an aircraft carrier elevator or a catapult, or from a protective, preservative, or absorptive application to the hull of the vessel; and

"(ii) a discharge in connection with the testing, maintenance, and repair of a system described in clause (i) whenever the vessel is waterborne; and

"(B) does not include—

"(i) a discharge of rubbish, trash, garbage, or other such material discharged overboard;

"(ii) an air emission resulting from the operation of a vessel propulsion system, motor driven equipment, or incinerator; or

"(iii) a discharge that is not covered by part 122.3 of title 40, Code of Federal Regulations (as in effect on the date of enactment of subsection (n));

"(13) 'marine pollution control device' means any equipment or management practice, for installation or use on board a vessel of the Armed Forces, that is—

"(A) designed to receive, retain, treat, control, or discharge a discharge incidental to the normal operation of a vessel; and

"(B) determined by the Administrator and the Secretary of Defense to be the most effective equipment or management practice to reduce the environmental impacts of the discharge consistent with the considerations set forth in subsection (n)(2)(B); and

"(14) 'vessel of the Armed Forces' means—

"(A) any vessel owned or operated by the Department of Defense, other than a time or voyage chartered vessel; and

"(B) any vessel owned or operated by the Department of Transportation that is designated by the Secretary of the department in which the Coast Guard is operating as a vessel equivalent to a vessel described in subparagraph (A).".

(2) ENFORCEMENT.—The first sentence of section 312(j) of the Federal Water Pollution Control Act (33 U.S.C. 1322(j)) is amended—

(A) by striking "of this section or" and inserting a comma; and

(B) by striking "of this section shall" and inserting ", or subsection (n)(8) shall".

(3) OTHER DEFINITIONS.—Subparagraph (A) of the second sentence of section 502(6) of the Federal Water Pollution Control Act (33 U.S.C. 1362(6)) is amended by striking "'sewage from vessels'" and inserting "sewage from vessels or a discharge incidental to the normal operation of a vessel of the Armed Forces".

(d) COOPERATION IN STANDARDS DEVELOPMENT.—The Administrator of the Environmental Protection Agency and the Secretary of Defense may, by mutual agreement, with or without reimbursement, provide for the use of information, reports, personnel, or other resources of the Environmental Protection Agency or the Department of Defense to carry out section 312(n) of the Federal Water Pollution Control Act (as added by subsection (b)), including the use of the resources to—

(1) determine—

(A) the nature and environmental effect of discharges incidental to the normal operation of a vessel of the Armed Forces;

(B) the practicability of using marine pollution control devices on vessels of the Armed Forces; and

(C) the effect that installation or use of marine pollution control devices on vessels of the Armed Forces would have on the operation or operational capability of the vessels; and

(2) establish performance standards for marine pollution control devices on vessels of the Armed Forces.

SEC. 323. REVISION OF AUTHORITIES RELATING TO RESTORATION ADVISORY BOARDS.

(a) REGULATIONS.—Paragraph (2) of subsection (d) of section 2705 of title 10, United States Code, is amended to read as follows:

"(2)(A) The Secretary shall prescribe regulations regarding the establishment of restoration advisory boards pursuant to this subsection.

"(B) The regulations shall set forth the following matters:

"(i) The functions of the boards.

"(ii) Funding for the boards.

"(iii) Accountability of the boards for expenditures of funds.

"(iv) The routine administrative expenses that may be paid pursuant to paragraph (3).

"(C) The issuance of regulations under subparagraph (A) shall not be a precondition to the establishment of restoration advisory boards under this subsection.".

(b) FUNDING FOR ADMINISTRATIVE EXPENSES.—Paragraph (3) of such subsection is amended to read as follows:

"(3) The Secretary may authorize the commander of an installation to pay routine administrative expenses of a restoration advisory board established for that installation. Such payments shall be made from funds available under subsection (g).".

(c) TECHNICAL ASSISTANCE.—Such section is further amended by striking out subsection (e) and inserting in lieu thereof the following new subsection (e):

"(e) TECHNICAL ASSISTANCE.—(1) The Secretary may authorize the commander of an installation, upon the request of the technical review committee or restoration advisory board for the installation, to obtain for the committee or advisory board, as the case may be, from private sector sources technical assistance for interpreting scientific and engineering issues with regard to the nature of environmental hazards at the installation and the restoration activities proposed for or conducted at the installation. The commander of an installation shall use funds made available under subsection (g) for obtaining assistance under this paragraph.

"(2) The commander of an installation may obtain technical assistance under paragraph (1) for a technical review committee or restoration advisory board only if—

"(A) the technical review committee or restoration advisory board demonstrates that the Federal, State, and local agencies responsible for overseeing environmental restoration at the installation, and available Department of Defense personnel, do not have the technical expertise necessary for achieving the objective for which the technical assistance is to be obtained;

"(B) the technical assistance is likely to contribute to the efficiency, effectiveness, or timeliness of environmental restoration activities at the installation; and

"(C) the technical assistance is likely to contribute to community acceptance of environmental restoration activities at the installation.".

(d) Funding.—(1) Such section is further amended by adding at the end the following:

"(g) Funding.—The Secretary shall, to the extent provided in appropriations Acts, make funds available under subsections (d)(3) and (e)(1) using funds in the following accounts:

"(1) In the case of a military installation not approved for closure pursuant to a base closure law, the Defense Environmental Restoration Account established under section 2703(a) of this title.

"(2) In the case of an installation approved for closure pursuant to such a law, the Department of Defense Base Closure Account 1990 established under section 2906(a) of the Defense Base Closure and Realignment Act of 1990 (part A of title XXIX of Public Law 101–510; 10 U.S.C. 2687 note).".

(2)(A) Subject to subparagraph (B), the total amount of funds made available under section 2705(g) of title 10, United States Code, as added by paragraph (1), for fiscal year 1996 may not exceed $4,000,000.

(B) Amounts may not be made available under subsection (g) of such section 2705 after March 1, 1996, unless the Secretary of Defense prescribes the regulations required under subsection (d) of such section, as amended by subsection (a).

(e) Definition.—Such section is further amended by adding at the end the following:

"(h) Definition.—In this section, the term 'base closure law' means the following:

"(1) Title II of the Defense Authorization Amendments and Base Closure and Realignment Act (Public Law 100–526; 10 U.S.C. 2687 note).

"(2) The Defense Base Closure and Realignment Act of 1990 (part A of title XXIX of Public Law 101–510; 10 U.S.C. 2687 note).

"(3) Section 2687 of this title.".

(f) Reports on Activities of Technical Review Committees and Restoration Advisory Boards.—Section 2706(a)(2) of title 10, United States Code, is amended by adding at the end the following:

"(J) A statement of the activities, if any, of the technical review committee or restoration advisory board established for the installation under section 2705 of this title during the preceding fiscal year.".

Subtitle D—Civilian Employees

SEC. 331. MINIMUM NUMBER OF MILITARY RESERVE TECHNICIANS.

For each of fiscal years 1996 and 1997, the minimum number of personnel employed as military reserve technicians (as defined in section 8401(30) of title 5, United States Code) for reserve components as of the last day of such fiscal year shall be as follows:

(1) For the Army National Guard, 25,750.

(2) For the Army Reserve, 7,000.

(3) For the Air National Guard, 23,250.

(4) For the Air Force Reserve, 10,000.

SEC. 332. EXEMPTION OF DEPARTMENT OF DEFENSE FROM PERSONNEL CEILINGS FOR CIVILIAN PERSONNEL.

Section 129 of title 10, United States Code, is amended—

(1) in subsection (a), by striking out "man-year constraint or limitation" and inserting in lieu thereof "constraint or limitation in terms of man years, end strength, full-time equivalent (FTE) employees, or maximum number of employees"; and

(2) in subsection (b)(2), by striking out "any end-strength" and inserting in lieu thereof "any constraint or limitation in terms of man years, end strength, full-time equivalent (FTE) employees, or maximum number of employees".

SEC. 333. WEARING OF UNIFORM BY NATIONAL GUARD TECHNICIANS.

(a) Requirement.—Section 709(b) of title 32, United States Code, is amended to read as follows:

"(b) Except as prescribed by the Secretary concerned, a technician employed under subsection (a) shall, while so employed—

"(1) be a member of the National Guard;

"(2) hold the military grade specified by the Secretary concerned for that position; and

"(3) wear the uniform appropriate for the member's grade and component of the armed forces while performing duties as a technician.".

(b) Uniform Allowances for Officers.—Section 417 of title 37, United States Code, is amended by adding at the end the following:

"(d)(1) For purposes of sections 415 and 416 of this title, a period for which an officer of an armed force, while employed as a National Guard technician, is required to wear a uniform under section 709(b) of title 32 shall be treated as a period of active duty (other than for training).

"(2) A uniform allowance may not be paid, and uniforms may not be furnished, to an officer under section 1593 of title 10 or section 5901 of title 5 for a period of employment referred to in paragraph (1) for which an officer is paid a uniform allowance under section 415 or 416 of this title.".

(c) Clothing or Allowances for Enlisted Members.—Section 418 of title 37, United States Code, is amended—

(1) by inserting "(a)" before "The President"; and

(2) by adding at the end the following:

"(b) In determining the quantity and kind of clothing or allowances to be furnished pursuant to regulations prescribed under this section to persons employed as National Guard technicians under section 709 of title 32, the President shall take into account the requirement under subsection (b) of such section for such persons to wear a uniform.

"(c) A uniform allowance may not be paid, and uniforms may not be furnished, under section 1593 of title 10 or section 5901 of title 5 to a person referred to in subsection (b) for a period of employment referred to in that subsection for which a uniform allowance is paid under section 415 or 416 of this title.".

SEC. 334. EXTENSION OF TEMPORARY AUTHORITY TO PAY CIVILIAN EMPLOYEES WITH RESPECT TO THE EVACUATION FROM GUANTANAMO, CUBA.

(a) Extension for 120 Days.—The authority provided in section 103 of Public Law 104–6 (109 Stat.79) shall be effective until the end of January 31, 1996.

(b) Monthly Report.—On the first day of each month, the Secretary of the Navy shall transmit to the Committee on Armed Services of the Senate and the Committee on National Security of the House of Representatives a report regarding the employees being paid pursuant to section 103 of Public Law 104–6. The report shall include the number of the employees, their positions of employment, the number and location of the employees' dependents, and the actions that the Secretary is taking to eliminate the conditions making the payments necessary.

SEC. 335. SHARING OF PERSONNEL OF DEPARTMENT OF DEFENSE DOMESTIC DEPENDENT SCHOOLS AND DEFENSE DEPENDENTS' EDUCATION SYSTEM.

Section 2164(e) of title 10, United States Code, is amended by adding at the end the following:

"(4)(A) The Secretary may, without regard to the provisions of any law relating to the number, classification, or compensation of employees—

"(i) transfer civilian employees in schools established under this section to schools in the defense dependents' education system in order to provide the services referred to in subparagraph (B) to such system; and

"(ii) transfer employees in such system to such schools in order to provide such services to such schools.

"(B) The services referred to in subparagraph (A) are the following:

"(i) Administrative services.

"(ii) Logistical services.

"(iii) Personnel services.

"(iv) Such other services as the Secretary considers appropriate.

"(C) Transfers under this paragraph shall extend for such periods as the Secretary considers appropriate. The Secretary shall provide appropriate compensation for employees so transferred.

"(D) The Secretary may provide that the transfer of any employee under this paragraph occur without reimbursement of the school or system concerned.

"(E) In this paragraph, the term 'defense dependents' education system' means the program established and operated under section 1402(a) of the Defense Dependents' Education Act of 1978 (20 U.S.C. 921(a)).".

SEC. 336. REVISION OF AUTHORITY FOR APPOINTMENTS OF INVOLUNTARILY SEPARATED MILITARY RESERVE TECHNICIANS.

(a) Revision of Authority.—Section 3329 of title 5, United States Code, as added by section 544 of the National Defense Authorization Act for Fiscal Year 1993 (Public Law 102–484; 106 Stat. 2415), is amended—

(1) in subsection (b), by striking out "be offered" and inserting in lieu thereof "be provided placement consideration in a position described in subsection (c) through a priority placement program of the Department of Defense"; and

(2) by striking out subsection (c) and inserting in lieu thereof the following new subsection (c):

"(c)(1) The position to be offered a former military technician under subsection (b) shall be a position—

"(A) in either the competitive service or the excepted service;

"(B) within the Department of Defense; and

"(C) in which the person is qualified to serve, taking into consideration whether the employee in that position is required to be a member of a reserve component of the armed forces as a condition of employment.

"(2) To the maximum extent practicable, the position shall also be in a pay grade or other pay classification sufficient to ensure that the rate of basic pay of the former military technician, upon appointment to the position, is not less than the rate of basic pay last received by the former military technician for technician service before separation.".

(b) TECHNICAL AND CLERICAL AMENDMENTS.—(1) The section 3329 of title 5, United States Code, that was added by section 4431 of the National Defense Authorization Act for Fiscal Year 1993 (Public Law 102-484; 106 Stat. 2719) is redesignated as section 3330 of such title.

(2) The table of sections at the beginning of chapter 33 of such title is amended by striking out the item relating to section 3329, as added by section 4431(b) of such Act (106 Stat. 2720), and inserting in lieu thereof the following new item:

"3330. Government-wide list of vacant positions.".

SEC. 337. COST OF CONTINUING HEALTH INSURANCE COVERAGE FOR EMPLOYEES VOLUNTARILY SEPARATED FROM POSITIONS TO BE ELIMINATED IN A REDUCTION IN FORCE.

Section 8905a(d)(4) of title 5, United States Code, is amended—

(1) in subparagraph (A)—

(A) by striking out "from a position" and inserting in lieu thereof "or voluntary separation from a surplus position"; and

(B) by striking out "force—" and inserting in lieu thereof "force or a closure or realignment of a military installation pursuant to a base closure law—"; and

(2) by adding at the end the following new subparagraph:

"(C) In this paragraph:

"(i) The term 'surplus position' means a position that, as determined under regulations prescribed by the Secretary of Defense, is identified during planning for a reduction in force as being no longer required and is designated for elimination during the reduction in force.

"(ii) The term 'base closure law' means the following:

"(I) Section 2687 of title 10.

"(II) Title II of the Defense Authorization Amendments and Base Closure and Realignment Act (Public Law 100-526; 10 U.S.C. 2687 note).

"(III) The Defense Base Closure and Realignment Act of 1990 (part A of title XXIX of Public Law 101-510; 10 U.S.C. 2687 note).

"(iii) The term 'military installation'—

"(I) in the case of an installation covered by section 2687 of title 10, has the meaning given such term in subsection (e)(1) of such section;

"(II) in the case of an installation covered by the Act referred to in subclause (II) of clause (ii), has the meaning given such term in section 209(6) of such Act;

"(III) in the case of an installation covered by the Act referred to in subclause (III) of that clause, has the meaning given such term in section 2910(4) of such Act.".

SEC. 338. ELIMINATION OF 120-DAY LIMITATION ON DETAILS OF CERTAIN EMPLOYEES.

Subsection (b) of section 3341 of title 5, United States Code, is amended—

(1) by inserting "(1)" after "(b)"; and

(2) by adding at the end the following:

"(2) Details of employees of the Department of Defense under subsection (a) of this section may be made only by written order of the Secretary of the military department concerned (or by the Secretary of Defense, in the case of an employee of the Department of Defense who is not an employee of a military department) or a designee of the Secretary. Paragraph (1) does not apply to the Department of Defense.".

SEC. 339. REPEAL OF REQUIREMENT FOR PART-TIME CAREER OPPORTUNITY EMPLOYMENT REPORTS.

Section 3407 of title 5, United States Code, is amended by adding at the end the following:

"(c) This section does not apply to the Department of Defense.".

SEC. 340. AUTHORITY OF CIVILIAN EMPLOYEES OF DEPARTMENT OF DEFENSE TO PARTICIPATE VOLUNTARILY IN REDUCTIONS IN FORCE.

Section 3502 of title 5, United States Code, is amended by adding at the end the following:

"(f)(1) The Secretary of Defense or the Secretary of a military department may—

"(A) release in a reduction in force an employee who volunteers for the release even though the employee is not otherwise subject to release in the reduction in force under the criteria applicable under the other provisions of this section; and

"(B) for each employee voluntarily released in the reduction in force under subparagraph (A), retain an employee who would otherwise be released in the reduction in force under such criteria.

"(2) A voluntary release of an employee in a reduction in force pursuant to paragraph (1) shall be treated as an involuntary release in the reduction in force.

"(3) The regulations prescribed under this section shall incorporate the authority provided in this subsection.

"(4) The authority under paragraph (1) may not be exercised after September 30, 1996.".

SEC. 341. AUTHORITY TO PAY SEVERANCE PAYMENTS IN LUMP SUMS.

Section 5595 of title 5, United States Code, is amended by adding at the end the following:

"(i)(1) In the case of an employee of the Department of Defense who is entitled to severance pay under this section, the Secretary of Defense or the Secretary of the military department concerned may, upon application by the employee, pay the total amount of the severance pay to the employee in one lump sum.

"(2)(A) If an employee paid severance pay in a lump sum under this subsection is reemployed by the Government of the United States or the government of the District of Columbia at such time that, had the employee been paid severance pay in regular pay periods under subsection (b), the payments of such pay would have been discontinued under subsection (d) upon such reemployment, the employee shall refund to the Department of Defense (for the military department that formerly employed the employee, if applicable) an amount equal to the amount of severance pay to which the employee was entitled under this section that would not have been paid to the employee under subsection (d) by reason of such reemployment.

"(B) The period of service represented by an amount of severance pay refunded by an employee under subparagraph (A) shall be considered service for which severance pay has not been received by the employee under this section.

"(C) Amounts refunded to an agency under this paragraph shall be credited to the appropriation available for the pay of employees of the agency for the fiscal year in which received. Amounts so credited shall be merged with, and shall be available for the same purposes and the same period as, the other funds in that appropriation.

"(3) This subsection applies with respect to severance payable under this section for separations taking effect on or after the date of the enactment of the National Defense Authorization Act for Fiscal Year 1996 and before October 1, 1999.".

SEC. 342. HOLIDAYS FOR EMPLOYEES WHOSE BASIC WORKWEEK IS OTHER THAN MONDAY THROUGH FRIDAY.

Section 6103(b) of title 5, United States Code, is amended—

(1) in paragraph (2), by striking out "Instead" and inserting in lieu thereof "Except as provided in paragraph (3), instead"; and

(2) by adding at the end the following:

"(3)(A) In the case of an employee of a military department or any other employee of the Department of Defense, subject to the discretion of the Secretary concerned, instead of a holiday that occurs on a regular weekly non-workday of an employee whose basic workweek is other than Monday through Friday, the legal holiday for the employee is—

"(i) the workday of the employee immediately before the regular weekly non-workday; or

"(ii) if the holiday occurs on a regular weekly non-workday administratively scheduled for the employee instead of Sunday, the next immediately following workday of the employee.

"(B) For purposes of subparagraph (A), the term 'Secretary concerned' has the meaning given that term in subparagraphs (A), (B), and (C) of section 101(a)(9) of title 10 and includes the Secretary of Defense with respect to an employee of the Department of Defense who is not an employee of a military department.".

SEC. 343. COVERAGE OF NONAPPROPRIATED FUND EMPLOYEES UNDER AUTHORITY FOR FLEXIBLE AND COMPRESSED WORK SCHEDULES.

Paragraph (2) of section 6121 of title 5, United States Code, is amended to read as follows:

"(2) 'employee' has the meaning given the term in subsection (a) of section 2105 of this title, except that such term also includes an employee described in subsection (c) of that section;".

Subtitle E—Defense Financial Management

SEC. 351. FINANCIAL MANAGEMENT TRAINING.

(a) LIMITATION.—Funds authorized by this Act to be appropriated for the Department of Defense may not be obligated for a capital lease for the establishment of a Department of Defense financial management training center before the date that is 90 days after the date on which the Secretary of Defense submits, in accordance with subsection (b), a certification of the need for such a center and a report on financial management training for Department of Defense personnel.

(b) CERTIFICATION AND REPORT.—(1) Before obligating funds for a Department of Defense financial management training center, the Secretary of Defense shall—

(A) certify to the Committee on Armed Services of the Senate and the Committee on National Security of the House of Representatives the need for such a center; and

(B) submit to such committees, with the certification, a report on financial management training for Department of Defense personnel.

(2) Any report under paragraph (1) shall contain the following:

(A) The Secretary's analysis of the requirements for providing financial management training for employees of the Department of Defense.

(B) The alternatives considered by the Secretary for meeting those requirements.

(C) A detailed plan for meeting those requirements.

(D) A financial analysis of the estimated short-term and long-term costs of carrying out the plan.

(E) If, after the analysis referred to in subparagraph (A) and after considering alternatives as described in subparagraph (B), the Secretary determines to meet the requirements through a financial management training center—

(i) the determination of the Secretary regarding the location for the university; and

(ii) a description of the process used by the Secretary for selecting that location.

SEC. 352. LIMITATION ON OPENING OF NEW CENTERS FOR DEFENSE FINANCE AND ACCOUNTING SERVICE.

(a) LIMITATION.—During fiscal year 1996, the Secretary of Defense may not establish any center for the Defense Finance and Accounting Service that is not operating on the date of the enactment of this Act.

(b) EXCEPTION.—If the Secretary submits to Congress not later than March 31, 1996, a report containing a discussion of the need for establishing a new center prohibited by subsection (a), the prohibition in such subsection shall not apply to the center effective 30 days after the date on which Congress receives the report.

(c) REEXAMINATION OF NEED REQUIRED.—Before submitting a report regarding a new center that the Secretary planned before the date of the enactment of this Act to establish on or after that date, the Secretary shall reconsider the need for establishing that center.

Subtitle F—Miscellaneous Assistance

SEC. 361. DEPARTMENT OF DEFENSE FUNDING FOR NATIONAL GUARD PARTICIPATION IN JOINT DISASTER AND EMERGENCY ASSISTANCE EXERCISES.

Section 503(a) of title 32, United States Code, is amended—

(1) by inserting "(1)" after "(a)"; and

(2) by adding at the end the following:

"(2) Paragraph (1) includes authority to provide for participation of the National Guard in conjunction with the Army or the Air Force, or both, in joint exercises for instruction to prepare the National Guard for response to civil emergencies and disasters.".

SEC. 362. OFFICE OF CIVIL-MILITARY PROGRAMS.

None of the funds authorized to be appropriated by this or any other Act may be obligated or expended for the Office of Civil-Military Programs within the Office of the Assistant Secretary of Defense for Reserve Affairs.

SEC. 363. REVISION OF AUTHORITY FOR CIVIL-MILITARY COOPERATIVE ACTION PROGRAM.

(a) RESERVE COMPONENTS TO BE USED FOR COOPERATIVE ACTION.—Section 410 of title 10, United States Code, is amended in the second sentence of subsection (a) by inserting "of the reserve components and of the combat support and combat service support elements of the regular components" after "resources".

(b) PROGRAM OBJECTIVES.—Subsection (b) of such section is amended by striking out paragraphs (1), (2), (3), (4), (5), and (6) and inserting in lieu thereof the following:

"(1) To enhance individual and unit training and morale in the armed forces.

"(2) To encourage cooperation between civilian and military sectors of society.".

(c) REGULATIONS.—Subsection (d) of such section is amended by striking out paragraphs (5) and (6) and inserting in lieu thereof the following:

"(5) Procedures to ensure that Department of Defense resources are not applied exclusively to the program.

"(6) A requirement that a commander of a unit of the armed forces involved in providing assistance certify that the assistance is consistent with the military missions of the unit.".

SEC. 364. OFFICE OF HUMANITARIAN AND REFUGEE AFFAIRS.

None of the funds authorized to be appropriated by this or any other Act may be obligated or expended for the Office of Humanitarian and Refugee Affairs within the Office of the Assistant Secretary of Defense for Special Operations and Low Intensity Conflict.

SEC. 365. OVERSEAS HUMANITARIAN, DISASTER, AND CIVIC AID PROGRAMS.

(a) GAO REPORT.—Not later than December 15, 1995, the Comptroller General of the United States shall provide to the congressional defense committees a report on—

(1) existing funding mechanisms available to cover the costs associated with the Overseas Humanitarian, Disaster, and Civic Assistance activities through funds provided to the Department of State or the Agency for International Development, and

(2) if such mechanisms do not exist, actions necessary to institute such mechanisms, including any changes in existing law or regulations.

Subtitle G—Operation of Morale, Welfare, and Recreation Activities

SEC. 371. DISPOSITION OF EXCESS MORALE, WELFARE, AND RECREATION FUNDS.

Section 2219 of title 10, United States Code, is amended—

(1) in the first sentence, by striking out "a military department" and inserting in lieu thereof "an armed force";

(2) in the second sentence—

(A) by striking out ", department-wide"; and

(B) by striking out "of the military department" and inserting in lieu thereof "for that armed force"; and

(3) by adding at the end the following: "This section does not apply to the Coast Guard.".

SEC. 372. ELIMINATION OF CERTAIN RESTRICTIONS ON PURCHASES AND SALES OF ITEMS BY EXCHANGE STORES AND OTHER MORALE, WELFARE, AND RECREATION FACILITIES.

(a) RESTRICTIONS ELIMINATED.—(1) Subchapter II of chapter 134 of title 10, United States Code, is amended by adding at the end the following new section:

"§ 2255. Military exchange stores and other morale, welfare, and recreation facilities: sale of items

"(a) AUTHORITY.—The MWR retail facilities may sell items in accordance with regulations prescribed by the Secretary of Defense.

"(b) CERTAIN RESTRICTIONS PROHIBITED.—The regulations may not include any of the following restrictions on the sale of items:

"(1) A restriction on the prices of items offered for sale, including any requirement to establish prices on the basis of a specific relationship between the prices charged for the merchandise and the cost of the merchandise to the MWR retail facilities concerned.

"(2) A restriction on price of purchase of an item.

"(3) A restriction on the categories of items that may be offered for sale.

"(4) A restriction on the size of items that may be offered for sale.

"(5) A restriction on the basis of—

"(A) whether the item was manufactured, produced, or mined in the United States; or

"(B) the extent to which the merchandise contains components or materials manufactured, produced, or mined in the United States.

"(c) MWR RETAIL FACILITY DEFINED.—In this section, the term 'MWR retail facilities' means exchange stores and other revenue generating facilities operated by nonappropriated fund activities of the Department of Defense for the morale, welfare, and recreation of members of the armed forces.".

(2) The table of sections at the beginning of subchapter II of chapter 134 of such title is amended by adding at the end the following:

"2255. Military exchange stores and other morale, welfare, and recreation facilities: sale of items.".

(b) REPORT.—Not later than June 1, 1996, the Secretary of Defense shall submit to the Committee on Armed Services of the Senate and the Committee on National Security of the House of Representatives a report that identifies each restriction in effect immediately before the date of the enactment of this Act that is terminated or made inapplicable by section 2255 of title 10, United States Code (as added by subsection (a)), to exchange stores and other revenue generating facilities operated by nonappropriated fund activities of the Department of Defense for the morale, welfare, and recreation of members of the Armed Forces.

SEC. 373. REPEAL OF REQUIREMENT TO CONVERT SHIPS' STORES TO NONAPPROPRIATED FUND INSTRUMENTALITIES.

(a) REPEAL.—Section 371 of the National Defense Authorization Act for Fiscal Year 1994 (Public Law 103–160; 107 Stat. 1634; 10 U.S.C. 7604 note) is amended by striking out subsections (a), (b), and (d).

(b) REPEAL OF RELATED CODIFIED PROVISIONS.—Section 7604 of title 10, United States Code, is amended—

(1) in subsection (a), by striking out "(a) IN GENERAL.—"; and

(2) by striking out subsections (b) and (c).

Subtitle H—Other Matters

SEC. 381. NATIONAL DEFENSE SEALIFT FUND: AVAILABILITY FOR THE NATIONAL DEFENSE RESERVE FLEET.

Section 2218 of title 10, United States Code is amended—

(1) in subsection (c)(1)—

(A) by striking out "and" at the end of subparagraph (C);

(B) by striking out the period at the end of subparagraph (D) and inserting in lieu thereof "; and"; and

(C) by adding at the end the following:

"(E) expenses of the National Defense Reserve Fleet, as established by section 11 of the Merchant Ship Sales Act of 1946 (50 U.S.C. App. 1744)."; and

(2) in subsection (i), by striking out "Nothing" and inserting in lieu thereof "Except as provided in subsection (c)(1)(E), nothing".

SEC. 382. AVAILABILITY OF RECOVERED LOSSES RESULTING FROM CONTRACTOR FRAUD.

(a) DEPARTMENT OF DEFENSE TO RECEIVE 3 PERCENT.—Subchapter I of chapter 134 of title 10, United States Code, is amended by adding at the end the following new section:

"§ 2250. Recoveries of losses and expenses resulting from contractor fraud

"(a) RETENTION OF PART OF RECOVERY.—(1) Notwithstanding any other provision of law, a portion of the amount recovered by the Government in a fiscal year for losses and expenses incurred by the Department of Defense as a result of contractor fraud at military installations shall be credited to appropriations accounts of the Department of Defense for that fiscal year in accordance with allocations made pursuant to subsection (b).

"(2) The total amount credited to appropriations accounts for a fiscal year pursuant to paragraph (1) shall be the lesser of—

"(A) the amount equal to three percent of the amount referred to in such paragraph that is recovered in that fiscal year; or

"(B) $500,000.

"(b) ALLOCATION OF RECOVERED FUNDS.—The Secretary of Defense shall allocate amounts recovered in a contractor fraud case through the Secretary of the military department concerned to each installation that incurred a loss or expense as a result of the fraud.

"(c) USE BY MILITARY DEPARTMENTS.—The Secretary of a military department receiving an allocation under subsection (b) in a fiscal year with respect to a contractor fraud case—

"(1) shall credit (for use by each installation concerned) the amount equal to the costs incurred by the military department in carrying out or supporting an investigation or litigation of the contractor fraud case to appropriations accounts of the department for such fiscal year that are used for paying the costs of carrying out or supporting investigations or litigation of contractor fraud cases; and

"(2) may credit to any appropriation account of the department for that fiscal year (for use by each installation concerned) the amount, if any, that exceeds the amount credited to appropriations accounts under paragraph (1).

"(d) RECOVERIES INCLUDED.—(1) Subject to paragraph (2)(B), subsection (a) applies to amounts recovered in civil or administrative actions (including settlements) as actual damages, restitution, and investigative costs.

"(2) Subsection (a) does not apply to—

"(A) criminal fines, forfeitures, civil penalties, and damages in excess of actual damages; or

"(B) recoveries of losses or expenses incurred by working-capital funds managed through the Defense Business Operations Fund.".

(b) CLERICAL AMENDMENT.—The table of sections at the beginning of subchapter I of such chapter is amended by adding at the end the following:

"2248. Recoveries of losses and expenses resulting from contractor fraud.".

SEC. 383. PERMANENT AUTHORITY FOR USE OF PROCEEDS FROM THE SALE OF CERTAIN LOST, ABANDONED, OR UNCLAIMED PROPERTY.

(a) PERMANENT AUTHORITY.—Section 2575 of title 10 is amended—

(1) by striking out subsection (b) and inserting in lieu thereof the following:

"(b)(1) In the case of property found on a military installation, the proceeds from the sale of the property under this section shall be credited to the operation and maintenance account of that installation and used—

"(A) to reimburse the installation for any costs incurred by the installation to collect, transport, store, protect, or sell the property; and

"(B) if all such costs are reimbursed, to support morale, welfare, and recreation activities under the jurisdiction of the armed forces conducted for the comfort, pleasure, contentment, or physical or mental improvement of members of the armed forces at that installation.

"(2) The net proceeds from the sale of other property under this section shall be covered into the Treasury as miscellaneous receipts."; and

(2) by adding at the end the following:

"(d)(1) The owner (or heirs, next of kin, or legal representative of the owner) of personal property the proceeds of which are credited to a military installation under subsection (b)(1) may file a claim with the Secretary of Defense for the amount equal to the proceeds (less costs referred to in subparagraph (A) of such subsection). Amounts to pay the claim shall be drawn from the morale, welfare, and recreation account for the installation that received the proceeds.

"(2) The owner (or heirs, next of kin, or legal representative of the owner) may file a claim with the General Accounting Office for proceeds covered into the Treasury under subsection (b)(2).

"(3) Unless a claim is filed under this subsection within 5 years after the date of the disposal of the property to which the claim relates, the claim may not be considered by a court, the Secretary of Defense (in the case of a claim filed under paragraph (1)), or the General Accounting Office (in the case of a claim filed under paragraph (2)).".

(b) REPEAL OF AUTHORITY FOR DEMONSTRATION PROGRAM.—Section 343 of the National Defense Authorization Act for Fiscal Years 1992 and 1993 (Public Law 102-190; 105 Stat. 1343) is repealed.

SEC. 384. SALE OF MILITARY CLOTHING AND SUBSISTENCE AND OTHER SUPPLIES OF THE NAVY AND MARINE CORPS.

(a) IN GENERAL.—Chapter 651 of title 10, United States Code, is amended by adding at the end the following new section:

"§ 7606. Subsistence and other supplies: members of armed forces; veterans; executive or military departments and employees; prices

"(a) The Secretary of the Navy shall procure and sell, for cash or credit—

"(1) articles designated by the Secretary to members of the Navy and Marine Corps; and

"(2) items of individual clothing and equipment to members of the Navy and Marine Corps, under such restrictions as the Secretary may prescribe.

An account of sales on credit shall be kept and the amount due reported to the Secretary. Except for articles and items acquired through the use of working capital funds under section 2208 of this title, sales of articles shall be at cost, and sales of individual clothing and equipment shall be at average current prices, including overhead, as determined by the Secretary.

"(b) The Secretary shall sell subsistence supplies to members of other armed forces at the prices at which like property is sold to members of the Navy and Marine Corps.

"(c) The Secretary may sell serviceable supplies, other than subsistence supplies, to members of other armed forces for the buyers' use in the service. The prices at which the supplies are sold shall be the same prices at which like property is sold to members of the Navy and Marine Corps.

"(d) A person who has been discharged honorably or under honorable conditions from the Army, Navy, Air Force or Marine Corps and who is receiving care and medical treatment from the Public Health Service or the Department of Veterans Affairs may buy subsistence supplies and other supplies, except articles of uniform, at the prices at which like property is sold to members of the Navy and Marine Corps.

"(e) Under such conditions as the Secretary may prescribe, exterior articles of uniform may be sold to a person who has been discharged from the Navy or Marine Corps honorably or under honorable conditions, at the prices at which like articles are sold to members of the Navy or Marine Corps. This subsection does not modify sections 772 or 773 of this title.

"(f) Payment for subsistence supplies sold under this section shall be made in cash.

"(g)(1) The Secretary may provide for the procurement and sale of stores designated by the Secretary to such civilian officers and employees of the United States, and such other persons, as the Secretary considers proper—

"(A) at military installations outside the United States; and

"(B) subject to paragraph (2), at military installations inside the United States where the Secretary determines that it is impracticable for those civilian officers, employees, and persons to obtain such stores from commercial enterprises without impairing the efficient operation of military activities.

"(2) Sales to civilian officers and employees inside the United States may be made under paragraph (1) only to those residing within military installations.

"(h) Appropriations for subsistence of the Navy or Marine Corps may be applied to the purchase of subsistence supplies for sale to members of the Navy and Marine Corps on active duty for the use of themselves and their families.".

(b) CLERICAL AMENDMENT.—The table of sections at the beginning of chapter 651 of such title is amended by adding at the end the following:

"7606. Subsistence and other supplies: members of armed forces; veterans; executive or military departments and employees; prices.".

SEC. 385. CONVERSION OF CIVILIAN MARKSMANSHIP PROGRAM TO NONAPPROPRIATED FUND INSTRUMENTALITY AND ACTIVITIES UNDER PROGRAM.

(a) CONVERSION.—Section 4307 of title 10, United States Code, is amended to read as follows:

"§ 4307. Promotion of rifle practice and firearms safety: administration

"(a) NONAPPROPRIATED FUND INSTRUMENTALITY.—On and after October 1, 1995, the Civilian Marksmanship Program shall be operated as a nonappropriated fund instrumentality of the United States within the Department of Defense for the benefit of members of the armed forces and for the promotion of rifle practice and firearms safety among civilians.

"(b) ADVISORY COMMITTEE.—(1) The Civilian Marksmanship Program shall be under the general supervision of an Advisory Committee for the Promotion of Rifle Practice and Firearms Safety, which shall replace the National Board for the Promotion of Rifle Practice. The Advisory Committee shall be appointed by the Secretary of the Army.

"(2) Members of the Advisory Committee shall serve without compensation, except that members shall be allowed travel expenses, including per diem in lieu of subsistence, at rates authorized for employees of agencies under subchapter I of chapter 57 of title 5, while away from their homes or regular places of business in the performance of Advisory Committee services.

"(c) DIRECTOR.—The Secretary of the Army shall appoint a person to serve as Director of the Civilian Marksmanship Program.

"(d) FUNDING.—(1) The Advisory Committee and the Director may solicit, accept, hold, use, and dispose of, in furtherance of the activities of the Civilian Marksmanship Program, donations of money, property, and services received by gift, devise, bequest, or otherwise. Donations may be accepted notwithstanding any legal restrictions otherwise arising from procurement relationships of the donors with the United States.

"(2) All amounts collected under the Civilian Marksmanship Program, including the proceeds from the sale of arms, ammunition, targets, and other supplies and appliances under section 4308 of this title, shall be credited to the Civilian Marksmanship Program and shall be available to carry out the Civilian Marksmanship Program. Amounts collected by, and available to, the National Board for the Promotion of Rifle Practice before the date of the enactment of this section from sales programs and from fees in connection with competitions sponsored by that Board shall be transferred to the nonappropriated funds account established for the Civilian Marksmanship Program and shall be available to carry out the Civilian Marksmanship Program.

"(3) Funds held on behalf of the Civilian Marksmanship Program shall not be construed to be Government or public funds or appropriated funds and shall not be available to support other nonappropriated fund instrumentalities of the Department of Defense. Expenditures on behalf of the Civilian Marksmanship Program, including compensation and benefits for civilian employees, may not exceed $5,000,000 during any fiscal year. The approval of the Advisory Committee shall be required for any expenditure in excess of $50,000. Notwithstanding any other provision of law, funds held on behalf of the Civilian Marksmanship Program shall remain available until expended.

"(e) INAPPLICABILITY OF ADVISORY COMMITTEE ACT.—The Federal Advisory Committee Act (5 U.S.C. App.) does not apply to the Advisory Committee.

"(f) DEFINITIONS.—In this section and sections 4308 through 4313 of this title:

"(1) The term 'Civilian Marksmanship Program' means the rifle practice and firearms safety program carried out under section 4308 of this title and includes the National Matches and small-arms firing schools referred to in section 4312 of this title.

"(2) The term 'Advisory Committee' means the Advisory Committee for the Promotion of Rifle Practice and Firearms Safety.

"(3) The term 'Director' means the Director of the Civilian Marksmanship Program.".

(b) ACTIVITIES.—Section 4308 of such title is amended to read as follows:

"§ 4308. Promotion of rifle practice and firearms safety: activities

"(a) INSTRUCTION, SAFETY, AND COMPETITION PROGRAMS.—(1) The Civilian Marksmanship Program shall provide for—

"(A) the operation and maintenance of indoor and outdoor rifle ranges and their accessories and appliances;

"(B) the instruction of citizens of the United States in marksmanship, and the employment of necessary instructors for that purpose;

"(C) the promotion of safe and responsible practice in the use of rifled arms and the maintenance and management of matches or competitions in the use of those arms; and

"(D) the award to competitors of trophies, prizes, badges, and other insignia.

"(2) In carrying out this subsection, the Civilian Marksmanship Program shall give priority to activities that benefit firearms safety training and competition for youth and reach as many youth participants as possible.

"(3) Before a person may participate in any activity sponsored or supported by the Civilian Marksmanship Program under this subsection, the person shall be required to certify that the person has not violated any Federal or State firearms laws.

"(b) SALE AND ISSUANCE OF ARMS AND AMMUNITION.—(1) The Civilian Marksmanship Program may issue, without cost, the arms, ammunition (including caliber .22 and caliber .30 ammunition), targets, and other supplies and appliances necessary for activities conducted under subsection (a). Issuance shall be made only to gun clubs under the direction of the Director of the program that provide training in the use of rifled arms to youth, the Junior Reserve Officers' Training Corps, the Boy Scouts of America, 4-H Clubs, Future Farmers of America, and other youth-oriented organizations for training and competition.

"(2) The Director of the Civilian Marksmanship Program may sell at fair market value caliber .30 rifles and accoutrements, caliber .22 rifles, and air rifles, and ammunition for such rifles, to gun clubs that are under the direction of the Director and provide training in the use of rifled arms. In lieu of sales, the Director may loan such rifles to such gun clubs.

"(3) The Director of the Civilian Marksmanship Program may sell at fair market value small arms, ammunition, targets, and other supplies and appliances necessary for target practice to citizens of the United States over 18 years of age who are members of a gun club under the direction of the Director.

"(4) Before conveying any weapon or ammunition to a person, whether by sale or lease, the Director shall provide for a criminal records check of the person with appropriate Federal and State law enforcement agencies.

"(c) OTHER AUTHORITIES.—The Director shall provide for—

"(1) the procurement of necessary supplies, appliances, trophies, prizes, badges, and other insignia, clerical and other services, and labor to carry out the Civilian Marksmanship Program; and

"(2) the transportation of employees, instructors, and civilians to give or to receive instruction or to assist or engage in practice in the use of rifled arms, and the transportation and subsistence, or an allowance instead of subsistence, of members of teams authorized by the Advisory Committee to participate in matches or competitions in the use of rifled arms.

"(d) FEES.—The Director, in consultation with the Advisory Committee, may impose reasonable fees for persons and gun clubs participating in any program or competition conducted under the Civilian Marksmanship Program for the promotion of rifle practice and firearms safety among civilians.

"(e) RECEIPT OF EXCESS ARMS AND AMMUNITION.—(1) The Secretary of the Army shall reserve for the Civilian Marksmanship Program all remaining M–1 Garand rifles, accoutrements, and ammunition for such rifles, still held by the Army. After the date of the enactment of the National Defense Authorization Act for Fiscal Year 1996, the Secretary of the Army shall cease demilitarization of remaining M–1 Garand rifles in the Army inventory unless such rifles are determined to be irreparable.

"(2) Transfers under this subsection shall be made without cost to the Civilian Marksmanship Program, except for the costs of transportation for the transferred small arms and ammunition.

"(f) PARTICIPATION CONDITIONS.—(1) All participants in the Civilian Marksmanship Program and activities sponsored or supported by the Advisory Committee shall be required, as a condition of participation, to sign affidavits stating that—

"(A) they have never been convicted of a firearms violation under State or Federal law; and

"(B) they are not members of any organization which advocates the violent overthrow of the United States Government.

"(2) Any person found to have violated this subsection shall be ineligible to participate in the Civilian Marksmanship Program and future activities.".

(c) PARTICIPATION OF MEMBERS OF THE ARMED FORCES IN INSTRUCTION AND COMPETITION.—Section 4310 of such title is amended to read as follows:

"§ 4310. Rifle instruction and competitions: participation of members

"The commander of a major command of the armed forces may pay the personnel costs and travel and per diem expenses of members of an active or reserve component of the armed forces who participate in a competition sponsored by the Civilian Marksmanship Program or who provide instruction or other services in support of the Civilian Marksmanship Program.".

(d) CONFORMING AMENDMENTS.—(1) Section 4312(a) of such title is amended by striking out "as prescribed by the Secretary of the Army" and inserting in lieu thereof "as part of the Civilian Marksmanship Program".

(2) Section 4313 of such title is amended—

(A) in subsection (a), by striking out "Secretary of the Army" both places it appears and inserting in lieu thereof "Advisory Committee"; and

(B) in subsection (b), by striking out "Appropriated funds available for the Civilian Marksmanship Program (as defined in section 4308(e) of this title) may" and inserting in lieu thereof "Nonappropriated funds available to the Civilian Marksmanship Program shall".

(e) CLERICAL AMENDMENTS.—The table of sections at the beginning of chapter 401 of such title is amended by striking out the items relating to sections 4307, 4308, 4309, and 4310 and inserting in lieu thereof the following new items:

"4307. Promotion of rifle practice and firearms safety: administration.
"4308. Promotion of rifle practice and firearms safety: activities.
"4309. Rifle ranges: availability for use by members and civilians.
"4310. Rifle instruction and competitions: participation of members.".

(f) EFFECTIVE DATE.—The amendments made by this section shall take effect on October 1, 1995.

SEC. 386. REPORT ON EFFORTS TO CONTRACT OUT CERTAIN FUNCTIONS OF DEPARTMENT OF DEFENSE.

Not later than March 1, 1996, the Secretary of Defense shall submit to Congress a report describing the advantages and disadvantages of using contractor personnel, rather than civilian employees of the Department of Defense, to perform functions of the Department that are not essential to the warfighting mission of the Armed Forces. The report shall specify all legislative and regulatory impediments to contracting those functions for private performance.

SEC. 387. IMPACT AID.

(a) SPECIAL RULE FOR 1994 PAYMENTS.—The Secretary of Education shall not consider any payment to a local educational agency by the Department of Defense, that is available to such agency for current expenditures and used for capital expenses, as funds available to such agency for purposes of making a determination for fiscal year 1994 under section 3(d)(2)(B)(i) of the Act of September 30, 1950 (Public Law 874, 81st Congress) (as such Act was in effect on September 30, 1994).

(b) PAYMENTS FOR ELIGIBLE FEDERALLY CONNECTED CHILDREN.—Subsection (f) of section 8003 of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 7703) is amended—

(1) in paragraph (2)—

(A) in the matter preceding clause (i) of subparagraph (A), by striking "only if such agency" and inserting "if such agency is eligible for a supplementary payment in accordance with subparagraph (B) or such agency"; and

(B) by adding at the end the following new subparagraph:

"(C) A local educational agency shall only be eligible to receive additional assistance under this subsection if the Secretary determines that—

"(i) such agency is exercising due diligence in availing itself of State and other financial assistance; and

"(ii) the eligibility of such agency under State law for State aid with respect to the free public education of children described in subsection (a)(1) and the amount of such aid are determined on a basis no less favorable to such agency than the basis used in determining the eligibility of local educational agencies for State aid, and the amount of such aid, with respect to the free public education of other children in the State."; and

(2) in paragraph (3)—

(A) in subparagraph (A)—

(i) in the matter preceding clause (i), by inserting "(other than any amount received under paragraph (2)(B))" after "subsection";

(ii) in subclause (I) of clause (i), by striking "or the average per-pupil expenditure of all the States";

(iii) by amending clause (ii) to read as follows:

"(ii) The Secretary shall next multiply the amount determined under clause (i) by the total number of students in average daily attendance at the schools of the local educational agency."; and

(iv) by amending clause (iii) to read as follows:

"(iii) The Secretary shall next subtract from the amount determined under clause (ii) all funds available to the local educational agency for current expenditures, but shall not so subtract funds provided—

"(I) under this Act; or

"(II) by any department or agency of the Federal Government (other than the Department) that are used for capital expenses."; and

(B) by amending subparagraph (B) to read as follows:

"(B) SPECIAL RULE.—With respect to payments under this subsection for a fiscal year for a local educational agency described in clause (ii) or (iii) of paragraph (2)(A), the maximum amount of payments under this subsection shall be equal to—

"(i) the product of—

"(I) the average per-pupil expenditure in all States multiplied by 0.7, except that such amount may not exceed 125 percent of the average per-pupil expenditure in all local educational agencies in the State; multiplied by

"(II) the number of students described in subparagraph (A) or (B) of subsection (a)(1) for such agency; minus

"(ii) the amount of payments such agency receives under subsections (b) and (d) for such year.".

(c) CURRENT YEAR DATA.—Paragraph (4) of section 8003(f) of such Act (20 U.S.C. 7703(f)) is amended to read as follows:

"(4) CURRENT YEAR DATA.—For purposes of providing assistance under this subsection the Secretary—

"(A) shall use student and revenue data from the fiscal year for which the local educational agency is applying for assistance under this subsection; and

"(B) shall derive the per pupil expenditure amount for such year for the local educational agency's comparable school districts by increasing or decreasing the per pupil expenditure data for the second fiscal year preceding the fiscal year for which the determination is made by the same percentage increase or decrease reflected between the per pupil expenditure data for the fourth fiscal year preceding the fiscal year for which the determination is made and the per pupil expenditure data for such second year.".

SEC. 388. FUNDING FOR TROOPS TO TEACHERS PROGRAM AND TROOPS TO COPS PROGRAM.

(a) FUNDING.—Of the amount authorized to be appropriated under section 431—

(1) $42,000,000 shall be available for the Troops-to-Teachers program; and

(2) $10,000,000 shall be available for the Troops-to-Cops program.

(b) DEFINITION.—In this section:

(1) The term "Troops-to-Cops program" means the program of assistance to separated members and former members of the Armed Forces to obtain employment with law enforcement agencies established, or carried out, under section 1152 of title 10, United States Code.

(2) The term "Troops-to-Teachers program" means the program of assistance to separated members of the Armed Forces to obtain certification and employment as teachers or employment as teachers' aides established under section 1151 of such title.

SEC. 389. AUTHORIZING THE AMOUNTS REQUESTED IN THE BUDGET FOR JUNIOR ROTC.

(a) There is hereby authorized to be appropriated $12,295,000 to fully fund the budget request for the Junior Reserve Officer Training Corps programs of the Army, Navy, Air Force, and Marine Corps. Such amount is in addition to the amount otherwise available for such programs under section 301.

(b) The amount authorized to be appropriated by section 101(4) is hereby reduced by $12,295,000.

SEC. 390. REPORT ON PRIVATE PERFORMANCE OF CERTAIN FUNCTIONS PERFORMED BY MILITARY AIRCRAFT.

(a) REPORT REQUIRED.—Not later than May 1, 1996, the Secretary of Defense shall submit to Congress a report on the feasibility, including the costs and benefits, of using private sources for satisfying, in whole or in part, the requirements of the Department of Defense for VIP transportation by air, airlift for other personnel and for cargo, in-flight refueling of aircraft, and performance of such other military aircraft functions as the Secretary considers appropriate to discuss in the report.

(b) CONTENT OF REPORT.—The report shall include a discussion of the following:

(1) Contracting for the performance of the functions referred to in subsection (a).

(2) Converting to private ownership and operation the Department of Defense VIP air fleets, personnel and cargo aircraft, and in-flight refueling aircraft, and other Department of Defense aircraft.

(3) The wartime requirements for the various VIP and transport fleets.

(4) The assumptions used in the cost-benefit analysis.

(5) The effect on military personnel and facilities of using private sources, as described in paragraphs (1) and (2), for the purposes described in subsection (a).

SEC. 391. ALLEGANY BALLISTICS LABORATORY.

Of the amount authorized to be appropriated under section 301(2), $2,000,000 shall be available for the Allegany Ballistics Laboratory for essential safety functions.

SEC. 392. ENCOURAGEMENT OF USE OF LEASING AUTHORITY.

(a) IN GENERAL.—(1) Chapter 137 of title 10, United States Code, is amended by inserting after section 2316 the following new section:

"§ 2317. Equipment Leasing

"The Secretary of Defense is authorized to use leasing in the acquisition of commercial vehicles when such leasing is practicable and efficient.".

(2) The table of sections at the beginning of such chapter is amended by adding at the end the following new item:

"2317. Equipment leasing.".

(b) REPORT.—Not later than 90 days after the date of enactment of this Act, the Secretary of Defense shall submit a report to the congressional defense committees setting forth changes in legislation that would be required to facilitate the use of leases by the Department of Defense in the acquisition of equipment.

(c) PILOT PROGRAM.—The Secretary of the Army may conduct a pilot program for leasing of commercial utility cargo vehicles as follows:

(1) Existing commercial utility cargo vehicles may be traded in for credit against new replacement commercial utility cargo vehicle lease costs;

(2) Quantities of commercial utility cargo vehicles to be traded in and their value to be credited shall be subject to negotiation between the parties;

(3) New commercial utility cargo vehicle lease agreements may be executed with or without options to purchase at the end of each lease period;

(4) New commercial utility cargo vehicle lease periods may not exceed five years;

(5) Such leasing pilot program shall consist of replacing no more than forty percent of the validated requirement for commercial utility cargo vehicles , but may include an option or options for the remaining validated requirement which may be executed subject to the requirements of subsection (c)(7);

(6) The Army shall enter into such pilot program only if the Secretary—

(A) awards such program in accordance with the provisions of section 2304 of title 10, United States Code;

(B) has notified the congressional defense committees of his plans to execute the pilot program;

(C) has provided a report detailing the expected savings in operating and support costs from retiring older commercial utility cargo vehicles compared to the expected costs of leasing newer commercial utility cargo vehicles; and

(D) has allowed 30 calendar days to elapse after such notification.

(7) One year after the date of execution of an initial leasing contract, the Secretary of the Army shall submit a report setting forth the status of the pilot program. Such report

shall be based upon at least six months of operating experience. The Secretary may exercise an option or options for subsequent commercial utility cargo vehicles only after he has allowed 60 calendar days to elapse after submitting this report.

(8) EXPIRATION OF AUTHORITY.—No lease of commercial utility cargo vehicles may be entered into under the pilot program after September 30, 2000.

TITLE IV—MILITARY PERSONNEL AUTHORIZATIONS

Subtitle A—Active Forces

SEC. 401. END STRENGTHS FOR ACTIVE FORCES.

(a) FISCAL YEAR 1996.—The Armed Forces are authorized strengths for active duty personnel as of September 30, 1996, as follows:

(1) The Army, 495,000, of which not more than 81,300 may be commissioned officers.

(2) The Navy, 428,340, of which not more than 58,870 may be commissioned officers.

(3) The Marine Corps, 174,000, of which not more than 17,978 may be commissioned officers.

(4) The Air Force, 388,200, of which not more than 75,928 may be commissioned officers.

(b) FISCAL YEAR 1997.—The Armed Forces are authorized strengths for active duty personnel as of September 30, 1997, as follows:

(1) The Army, 495,000, of which not more than 80,312 may be commissioned officers.

(2) The Navy, 409,740, of which not more than 56,615 may be commissioned officers.

(3) The Marine Corps, 174,000, of which not more than 17,978 may be commissioned officers.

(4) The Air Force, 385,400, of which not more than 76,494 may be commissioned officers.

SEC. 402. TEMPORARY VARIATION IN DOPMA AUTHORIZED END STRENGTH LIMITATIONS FOR ACTIVE DUTY AIR FORCE AND NAVY OFFICERS IN CERTAIN GRADES.

(a) AIR FORCE OFFICERS.—(1) In the administration of the limitation under section 523(a)(1) of title 10, United States Code, for fiscal years 1996 and 1997, the numbers applicable to officers of the Air Force serving on active duty in the grades of major, lieutenant colonel, and colonel shall be the numbers set forth for that fiscal year in paragraph (2) (rather than the numbers determined in accordance with the table in that section).

(2) The numbers referred to in paragraph (1) are as follows:

Fiscal year:	Number of officers who may be serving on active duty in the grade of:		
	Major	Lieutenant colonel	Colonel
1996	15,566	9,876	3,609
1997	15,645	9,913	3,627

(b) NAVY OFFICERS.—(1) In the administration of the limitation under section 523(a)(2) of title 10, United States Code, for fiscal years 1996 and 1997, the numbers applicable to officers of the Navy serving on active duty in the grades of lieutenant commander, commander, and captain shall be the numbers set forth for that fiscal year in paragraph (2) (rather than the numbers determined in accordance with the table in that section).

(2) The numbers referred to in paragraph (1) are as follows:

Fiscal year:	Number of officers who may be serving on active duty in the grade of:		
	Lieutenant commander	Commander	Captain
1996	11,924	7,390	3,234
1997	11,732	7,297	3,188

SEC. 403. CERTAIN GENERAL AND FLAG OFFICERS AWAITING RETIREMENT NOT TO BE COUNTED.

(a) DISTRIBUTION OF OFFICERS ON ACTIVE DUTY IN GENERAL AND FLAG OFFICER GRADES.—Section 525 of title 10, United States Code, is amended by adding at the end the following:

"(d) An officer continuing to hold the grade of general or admiral under section 601(b)(4) of this title after relief from the position of Chairman of the Joint Chiefs of Staff, Chief of Staff of the Army, Chief of Naval Operations, Chief of Staff of the Air Force, or Commandant of the Marine Corps shall not be counted for purposes of this section.".

(b) NUMBER OF OFFICERS ON ACTIVE DUTY IN GRADE OF GENERAL OR ADMIRAL.—Section 528(b) of title 10, United States Code, is amended—

(1) by inserting "(1)" after "(b)"; and

(2) by adding at the end the following:

"(2) An officer continuing to hold the grade of general or admiral under section 601(b)(4) of this title after relief from the position of Chairman of the Joint Chiefs of Staff, Chief of Staff of the Army, Chief of Naval Operations, Chief of Staff of the Air Force, or Commandant of the Marine Corps shall not be counted for purposes of this section.".

Subtitle B—Reserve Forces

SEC. 411. END STRENGTHS FOR SELECTED RESERVE.

(a) FISCAL YEAR 1996.—The Armed Forces are authorized strengths for Selected Reserve personnel of the reserve components as of September 30, 1996, as follows:

(1) The Army National Guard of the United States, 373,000.

(2) The Army Reserve, 230,000.

(3) The Naval Reserve, 98,894.

(4) The Marine Corps Reserve, 42,274.

(5) The Air National Guard of the United States, 112,707.

(6) The Air Force Reserve, 73,969.

(7) The Coast Guard Reserve, 8,000.

(b) FISCAL YEAR 1997.—The Armed Forces are authorized strengths for Selected Reserve personnel of the reserve components as of September 30, 1997, as follows:

(1) The Army National Guard of the United States, 367,000.

(2) The Army Reserve, 215,000.

(3) The Naval Reserve, 96,694.

(4) The Marine Corps Reserve, 42,682.

(5) The Air National Guard of the United States, 107,151.

(6) The Air Force Reserve, 73,160.

(7) The Coast Guard Reserve, 8,000.

(c) WAIVER AUTHORITY.—The Secretary of Defense may vary the end strength authorized by subsection (a) or subsection (b) by not more than 2 percent.

(d) ADJUSTMENTS.—The end strengths prescribed by subsection (a) or (b) for the Selected Reserve of any reserve component for a fiscal year shall be proportionately reduced by—

(1) the total authorized strength of units organized to serve as units of the Selected Reserve of such component which are on active duty (other than for training) at the end of the fiscal year, and

(2) the total number of individual members not in units organized to serve as units of the Selected Reserve of such component who are on active duty (other than for training or for unsatisfactory participation in training) without their consent at the end of the fiscal year.

Whenever such units or such individual members are released from active duty during any fiscal year, the end strength prescribed for such fiscal year for the Selected Reserve of such reserve component shall be proportionately increased by the total authorized strengths of such units and by the total number of such individual members.

SEC. 412. END STRENGTHS FOR RESERVES ON ACTIVE DUTY IN SUPPORT OF THE RESERVES.

(a) FISCAL YEAR 1996.—Within the end strengths prescribed in section 411(a), the reserve components of the Armed Forces are authorized, as of September 30, 1996, the following number of Reserves to be serving on full-time active duty or, in the case of members of the National Guard, full-time National Guard duty for the purpose of organizing, administering, recruiting, instructing, or training the reserve components:

(1) The Army National Guard of the United States, 23,390.

(2) The Army Reserve, 11,575.

(3) The Naval Reserve, 17,587.

(4) The Marine Corps Reserve, 2,559.

(5) The Air National Guard of the United States, 10,066.

(6) The Air Force Reserve, 628.

(b) FISCAL YEAR 1997.—Within the end strengths prescribed in section 411(b), the reserve components of the Armed Forces are authorized, as of September 30, 1997, the following number of Reserves to be serving on full-time active duty or, in the case of members of the National Guard, full-time National Guard duty for the purpose of organizing, administering, recruiting, instructing, or training the reserve components:

(1) The Army National Guard of the United States, 23,040.

(2) The Army Reserve, 11,550.

(3) The Naval Reserve, 17,171.

(4) The Marine Corps Reserve, 2,976.

(5) The Air National Guard of the United States, 9,824.

(6) The Air Force Reserve, 625.

SEC. 413. INCREASE IN NUMBER OF MEMBERS IN CERTAIN GRADES AUTHORIZED TO SERVE ON ACTIVE DUTY IN SUPPORT OF THE RESERVES.

(a) OFFICERS.—The table at the end of section 12011(a) of title 10, United States Code, is amended to read as follows:

"Grade	Army	Navy	Air Force	Marine Corps
Major or Lieutenant Commander	3,219	1,071	643	140
Lieutenant Colonel or Commander	1,524	520	672	90
Colonel or Navy Captain	412	188	274	30".

(b) SENIOR ENLISTED MEMBERS.—The table at the end of section 12012(a) of such title is amended to read as follows:

"Grade	Army	Navy	Air Force	Marine Corps
E–9	603	202	366	20
E–8	2,585	429	890	94".

SEC. 414. RESERVES ON ACTIVE DUTY IN SUPPORT OF COOPERATIVE THREAT REDUCTION PROGRAMS NOT TO BE COUNTED.

Section 115(d) of title 10, United States Code, is amended by adding at the end the following:

"(8) Members of the Selected Reserve of the Ready Reserve on active duty for more that 180 days to support programs described in section 1203(b) of the Cooperative Threat Reduction Act of 1993 (title XII of Public Law 103–160; 107 Stat. 1778; 22 U.S.C. 5952(b)).".

SEC. 415. RESERVES ON ACTIVE DUTY FOR MILITARY-TO-MILITARY CONTACTS AND COMPARABLE ACTIVITIES NOT TO BE COUNTED.

Section 168 of title 10, United States Code, is amended—

(1) by redesignating subsection (f) as subsection (g); and

(2) by inserting after subsection (e) the following new subsection (f):

"(f) Active Duty End Strengths.—(1) A member of a reserve component referred to in paragraph (2) shall not be counted for purposes of the following personnel strength limitations:

"(A) The end strength for active-duty personnel authorized pursuant to section 115(a)(1) of this title for the fiscal year in which the member carries out the activities referred to in paragraph (2).

"(B) The authorized daily average for members in pay grades E–8 and E–9 under section 517 of this title for the calendar year in which the member carries out such activities.

"(C) The authorized strengths for commissioned officers under section 523 of this title for the fiscal year in which the member carries out such activities.

"(2) A member of a reserve component referred to in paragraph (1) is any member on active duty under an order to active duty for 180 days or more who is engaged in activities authorized under this section.".

Subtitle C—Military Training Student Loads

SEC. 421. AUTHORIZATION OF TRAINING STUDENT LOADS.

(a) Fiscal Year 1996.—For fiscal year 1996, the Armed Forces are authorized average military training student loads as follows:

(1) The Army, 75,013.

(2) The Navy, 44,238.

(3) The Marine Corps, 26,095.

(4) The Air Force, 33,232.

(b) Fiscal Year 1997.—For fiscal year 1997, the Armed Forces are authorized average military training student loads as follows:

(1) The Army, 79,275.

(2) The Navy, 44,121.

(3) The Marine Corps, 27,255.

(4) The Air Force, 35,522.

(c) Scope.—The average military training student load authorized for an armed force for a fiscal year under subsection (a) or (b) applies to the active and reserve components of that armed force for that fiscal year.

(d) Adjustments.—The average military training student load authorized for a fiscal year in subsection (a) or (b) shall be adjusted consistent with the end strengths authorized for that fiscal year in subtitles A and B. The Secretary of Defense shall prescribe the manner in which such adjustments shall be apportioned.

Subtitle D—Authorization of Appropriations

SEC. 431. AUTHORIZATION OF APPROPRIATIONS FOR MILITARY PERSONNEL.

There is hereby authorized to be appropriated to the Department of Defense for military personnel for fiscal year 1996 a total of $68,896,863,000. The authorization in the preceding sentence supersedes any other authorization of appropriations (definite or indefinite) for such purpose for fiscal year 1996.

TITLE V—MILITARY PERSONNEL POLICY

Subtitle A—Officer Personnel Policy

SEC. 501. JOINT OFFICER MANAGEMENT.

(a) Critical Joint Duty Assignment Positions.—Section 661(d)(2)(A) of title 10, United States Code, is amended by striking out "1,000" and inserting in lieu thereof "500".

(b) Additional Qualifying Joint Service.—Section 664 of such title is amended by adding at the end the following:

"(i) Joint Duty Credit for Certain Joint Task Force Assignments.—(1) The Secretary of Defense, in consultation with the Chairman of the Joint Chiefs of Staff, may credit an officer with having completed a full tour of duty in a joint duty assignment upon the officer's completion of service described in paragraph (2) or may grant credit for such service for purposes of determining the cumulative service of the officer in joint duty assignments. The credit for such service may be granted without regard to the length of the service (except as provided in regulations pursuant to subparagraphs (A) and (B) of paragraph (4)) and without regard to whether the assignment in which the service was performed is a joint duty assignment as defined in regulations pursuant to section 668 of this title.

"(2) Service performed by an officer in a temporary assignment on a joint task force or a multinational force headquarters staff may be considered for credit under paragraph (1) if—

"(A) the Secretary of Defense determines that the service in that assignment provided significant experience in joint matters;

"(B) any portion of the service in that assignment was performed on or after the date of the enactment of the National Defense Authorization Act for Fiscal Year 1996; and

"(C) the officer is recommended for such credit by the Chief of Staff of the Army (for an officer in the Army), the Chief of Naval Operations (for an officer in the Navy), the Chief of Staff of the Air Force (for an officer in the Air Force), or the Commandant of the Marine Corps (for an officer in the Marine Corps).

"(3) Credit shall be granted under paragraph (1) on a case-by-case basis.

"(4) The Secretary of Defense shall prescribe uniform criteria for determining whether to grant an officer credit under paragraph (1). The criteria shall include the following:

"(A) For an officer to be credited as having completed a full tour of duty in a joint duty assignment, the officer accumulated at least 24 months of service in a temporary assignment referred to in paragraph (2).

"(B) For an officer to be credited with service in a joint duty assignment for purposes of determining cumulative service in joint duty assignments, the officer accumulated at least 30 consecutive days of service or 60 days of total service in a temporary assignment referred to in paragraph (2).

"(C) The service was performed in support of a mission that was directed by the President or was assigned by the President to United States forces in the joint task force or multinational force involved.

"(D) The joint task force or multinational force involved was constituted or designated by the Secretary of Defense, by a commander of a combatant command or of another force, or by a multinational or United Nations command authority.

"(E) The joint task force or multinational force involved conducted military combat or combat-related operations or military operations other than war in a unified action under joint, multinational, or United Nations command and control.

"(5) Officers for whom joint duty credit is granted pursuant to this subsection shall not be taken into account for the purposes of section 661(d)(1) of this title, subsections (a)(3) and (b) of section 662 of this title, section 664(a) of this title, or paragraph (7), (8), (9), (11), or (12) of section 667 of this title.

"(6) In the case of an officer credited with having completed a full tour of duty in a joint duty assignment pursuant to this subsection, the Secretary of Defense may waive the requirement in paragraph (1)(B) of section 661(c) of this title that the tour of duty in a joint duty assignment be performed after the officer completes a program of education referred to in paragraph (1)(A) of that section.".

(c) Information in Annual Report.—Section 667 of such title is amended—

(1) by redesignating paragraph (18) as paragraph (19); and

(2) by inserting after paragraph (17) the following new paragraph (18):

"(18) The number of officers granted credit for service in joint duty assignments under section 664(i) of this title and—

"(A) of those officers—

"(i) the number of officers credited with having completed a tour of duty in a joint duty assignment; and

"(ii) the number of officers granted credit for purposes of determining cumulative service in joint duty assignments; and

"(B) the identity of each operation for which an officer has been granted credit pursuant to section 664(i) of this title and a brief description of the mission of the operation.".

(d) General and Flag Officer Exemption From Waiver Limits.—Section 661(c)(3)(D) of such title is amended by inserting ", other than for general or flag officers," in the third sentence after "during any fiscal year".

(e) Length of Second Joint Tour.—Section 664 of such title is amended—

(1) in subsection (e)(2), by inserting after subparagraph (B) the following:

"(C) Service described in subsection (f)(6), except that no more than 10 percent of all joint duty assignments shown on the list published pursuant to section 668(b)(2)(A) of this title may be so excluded in any year."; and

(2) in subsection (f)—

(A) by striking out "or" at the end of paragraph (4);

(B) by striking out the period at the end of paragraph (5) and inserting in lieu thereof "; or"; and

(C) by adding at the end the following:

"(6) a second joint duty assignment that is less than the period required under subsection (a), but not less than 2 years, without regard to whether a waiver was granted for such assignment under subsection (b).".

SEC. 502. REVISION OF SERVICE OBLIGATION FOR GRADUATES OF THE SERVICE ACADEMIES.

(a) Military Academy.—Section 4348(a)(2)(B) of such title is amended by striking out "six years" and inserting in lieu thereof "five years".

(b) Naval Academy.—Section 6959(a)(2)(B) of such title is amended by striking out "six years" and inserting in lieu thereof "five years".

(c) Air Force Academy.—Section 9348(a)(2)(B) of such title is amended by striking out "six years" and inserting in lieu thereof "five years".

(d) Requirement for Review and Report.—Not later than April 1, 1996, the Secretary of Defense shall—

(1) review the effects that each of various periods of obligated active duty service for

graduates of the United States Military Academy, the United States Naval Academy, and the United States Air Force Academy would have on the number and quality of the eligible and qualified applicants seeking appointment to such academies; and

(2) submit to the Committee on Armed Services of the Senate and the Committee on National Security of the House of Representatives a report on the Secretary's findings together with any recommended legislation regarding the minimum periods of obligated active duty service for graduates of the United States Military Academy, the United States Naval Academy, and the United States Air Force Academy.

(e) EFFECTIVE DATE.—(1) The amendments made by this section shall apply to persons who are first admitted to military service academies after December 31, 1991.

(2) Section 511(e) of the National Defense Authorization Act for Fiscal Years 1990 and 1991 (Public Law 101–189; 103 Stat. 1439; 10 U.S.C. 2114 note) is amended—

(A) by striking out "amendments made by this section" and inserting in lieu thereof "amendment made by subsection (a)"; and

(B) by striking out "or one of the service academies".

SEC. 503. QUALIFICATIONS FOR APPOINTMENT AS SURGEON GENERAL OF AN ARMED FORCE.

(a) SURGEON GENERAL OF THE ARMY.—Section 3036 of title 10, United States Code, is amended—

(1) in subsection (b), by inserting after the third sentence the following: "The Surgeon General shall be appointed as prescribed in subsection (f)."; and

(2) by adding at the end the following new subsection (f):

"(f) The President shall appoint the Surgeon General from among commissioned officers in any corps of the Army Medical Department who are educationally and professionally qualified to furnish health care to other persons, including doctors of medicine, dentistry, and osteopathy, nurses, and clinical psychologists.".

(b) SURGEON GENERAL OF THE NAVY.—Section 5137 of title 10, United States Code, is amended—

(1) in the first sentence of subsection (a), by striking out "in the Medical Corps" and inserting in lieu thereof "who are educationally and professionally qualified to furnish health care to other persons, including doctors of medicine, dentistry, and osteopathy, nurses, and clinical psychologists"; and

(2) in subsection (b), by striking out "in the Medical Corps" and inserting in lieu thereof "who is qualified to be the Chief of the Bureau of Medicine and Surgery".

(c) SURGEON GENERAL OF THE AIR FORCE.—The first sentence of section 8036 of title 10, United States Code, is amended by striking out "designated as medical officers under section 8067(a) of this title" and inserting in lieu thereof "educationally and professionally qualified to furnish health care to other persons, including doctors of medicine, dentistry, and osteopathy, nurses, and clinical psychologists".

SEC. 504. DEPUTY JUDGE ADVOCATE GENERAL OF THE AIR FORCE.

(a) TENURE AND GRADE OF DEPUTY JUDGE ADVOCATE GENERAL.—Section 8037(d)(1) of such title is amended—

(1) by striking out "two years" in the second sentence and inserting in lieu thereof "four years", and

(2) by striking out the last sentence and inserting in lieu thereof the following: "An officer appointed as Deputy Judge Advocate General who holds a lower regular grade shall be appointed in the regular grade of major general.".

(b) SAVINGS PROVISION.—The amendments made by this section shall not apply to a person serving pursuant to appointment in the position of Deputy Judge Advocate General of the Air Force while such person is serving the term for which the person was appointed to such position before the date of the enactment of this Act and any extension of such term.

SEC. 505. RETIRING GENERAL AND FLAG OFFICERS: APPLICABILITY OF UNIFORM CRITERIA AND PROCEDURES FOR RETIRING IN HIGHEST GRADE IN WHICH SERVED.

(a) APPLICABILITY OF TIME-IN-GRADE REQUIREMENTS.—Section 1370 of title 10, United States Code, is amended—

(1) in subsection (a)(2)(A), by striking out "and below lieutenant general or vice admiral"; and

(2) in the first sentence of subsection (d)(2)(B), as added by section 1641 of the Reserve Officer Personnel Management Act (title XVI of Public Law 103–337; 108 Stat. 2968), by striking out "and below lieutenant general or vice admiral".

(b) RETIREMENT IN HIGHEST GRADE UPON CERTIFICATION OF SATISFACTORY SERVICE.—Section 1370(c) of title 10, United States Code, is amended—

(1) by striking out "Upon retirement an officer" and inserting in lieu thereof "An officer"; and

(2) by striking out "may, in the discretion" and all that follows and inserting in lieu thereof "may be retired in the higher grade under subsection (a) only after the Secretary of Defense certifies in writing to the President and the Senate that the officer served on active duty satisfactorily in that grade. The 3-year time-in-grade requirement in paragraph (2)(A) of subsection (a) may not be reduced or waived under such subsection in the case of such an officer while the officer is under investigation for alleged misconduct or while disposition of an adverse personnel action is pending against the officer for alleged misconduct.".

(c) CONFORMING AMENDMENTS.—Sections 3962(a), 5034, and 8962(a) of title 10, United States Code, are repealed.

(d) TECHNICAL AND CLERICAL AMENDMENTS.—(1) Sections 3962(b) and 8962(b) of such title are amended by striking out "(b) Upon" and inserting in lieu thereof "Upon".

(2) The table of sections at the beginning of chapter 505 of such title is amended by striking out the item relating to section 5034.

(e) EFFECTIVE DATE FOR AMENDMENTS TO PROVISION TAKING EFFECT IN 1996.—The amendment made by subsection (a)(2) shall take effect on October 1, 1996, immediately after subsection (d) of section 1370 of title 10, United States Code, takes effect under section 1691(b)(1) of the Reserve Officer Personnel Management Act (108 Stat. 3026).

SEC. 506. EXTENSION OF CERTAIN RESERVE OFFICER MANAGEMENT AUTHORITIES.

(a) GRADE DETERMINATION AUTHORITY FOR CERTAIN RESERVE MEDICAL OFFICERS.—Section 3359(b) and 8359(b) of title 10, United States Code, are each amended by striking out "September 30, 1995" and inserting in lieu thereof "September 30, 1996".

(b) PROMOTION AUTHORITY FOR CERTAIN RESERVE OFFICERS SERVING ON ACTIVE DUTY.—Sections 3380(d) and 8380(d) of title 10, United States Code, are each amended by striking out "September 30, 1995" and inserting in lieu thereof "September 30, 1996".

(c) YEARS OF SERVICE FOR MANDATORY TRANSFER TO THE RETIRED RESERVE.—Section 1016(d) of the Department of Defense Authorization Act, 1984 (10 U.S.C. 3360) is amended by striking out "September 30, 1995" and inserting in lieu thereof "September 30, 1996".

SEC. 507. RESTRICTIONS ON WEARING INSIGNIA FOR HIGHER GRADE BEFORE PROMOTION.

(a) ACTIVE-DUTY LIST.—(1) Subchapter II of chapter 36 of title 10, United States Code, is amended by inserting after section 624 the following:

"§ 624a. Restrictions on frocking

"(a) RESTRICTIONS.—An officer may not be frocked to a grade unless—

"(1) the Senate has confirmed by advice and consent a nomination of the officer for promotion to that grade; and

"(2) the officer is serving in, or has been ordered to, a position for which that grade is authorized.

"(b) BENEFITS NOT TO ACCRUE.—(1) An officer frocked to a grade may not, on the basis of the frocking—

"(A) be paid the rate of pay provided for an officer in that grade having the same number of years of service as the frocked officer; or

"(B) assume any legal authority associated with that grade.

"(2) The period for which an officer is frocked to a grade may not be taken into account for any of the following purposes:

"(A) Seniority in that grade.

"(B) Time of service in that grade.

"(c) NUMBERS OF ACTIVE-DUTY LIST OFFICERS FROCKED TO GRADE O–7.—The number of officers on the active-duty list who are authorized by frocking to wear the insignia for the grade of brigadier general or, in the Navy, rear admiral (lower half) may not exceed 35.

"(d) NUMBERS OF ACTIVE-DUTY LIST OFFICERS FROCKED TO GRADES O–4, O–5, AND O–6.—The number of officers of an armed force on the active-duty list who are authorized by frocking to wear the insignia for a grade to which a limitation on total number applies under section 523(a) of this title for a fiscal year may not exceed one percent of the total number provided for the officers in that grade in that armed force in the administration of the limitation under such section 523(a) for such fiscal year.

"(e) DEFINITION.—In this section, the term 'frock', with respect to an officer, means to authorize the officer to wear the insignia of a higher grade before being promoted to that grade.".

(2) The table of sections at the beginning of subchapter II of chapter 36 of such title is amended by inserting after the item relating to section 624 the following:

"624a. Restrictions on frocking.".

(b) TEMPORARY VARIATION OF LIMITATIONS ON NUMBERS OF FROCKED OFFICERS.—(1) In the administration of section 624a(c) of title 10, United States Code (as added by subsection (a)), for fiscal years 1996 and 1997, the maximum number applicable to officers on the active-duty list who are authorized by frocking to wear the insignia for the grade of brigadier general or, in the Navy, rear admiral (lower half) is as follows:

(A) During fiscal year 1996, 75 officers.

(B) During fiscal year 1997, 55 officers.

(2) In the administration of section 624a(d) of title 10, United States Code (as added by subsection (a)), for fiscal year 1996, the percent limitation applied under that section shall be two percent instead of one percent.

(c) DEFINITION.—In this section, the term 'frock', with respect to an officer, means to authorize the officer to wear the insignia of a higher grade before being promoted to that grade.

SEC. 508. DIRECTOR OF ADMISSIONS, UNITED STATES MILITARY ACADEMY: RETIREMENT FOR YEARS OF SERVICE.

(a) AUTHORITY TO DIRECT RETIREMENT.—Section 3920 of title 10, United States Code, is amended to read as follows:

"§ 3920. More than thirty years: permanent professors and the Director of Admissions of United States Military Academy

"(a) AUTHORITY TO DIRECT RETIREMENT.—The Secretary of the Army may retire any of the personnel of the United States Military Academy described in subsection (b) who has more than 30 years of service as a commissioned officer.

"(b) APPLICABILITY.—The authority under subsection (a) may be exercised in the case of the following personnel:

"(1) A permanent professor.

"(2) The Director of Admissions.".

(b) CLERICAL AMENDMENT.—The item relating to such section in the table of sections at the beginning of chapter 367 of such title is amended to read as follows:

"3920. More than thirty years: permanent professors and the Director of Admissions of United States Military Academy.".

Subtitle B—Matters Relating to Reserve Components

SEC. 511. MOBILIZATION INCOME INSURANCE PROGRAM FOR MEMBERS OF READY RESERVE.

(a) ESTABLISHMENT OF PROGRAM.—(1) Subtitle E of title 10, United States Code, is amended by inserting after chapter 1213 the following new chapter:

"CHAPTER 1214—READY RESERVE INCOME INSURANCE

"Sec.
"12521. Definitions.
"12522. Establishment of insurance program.
"12523. Risk insured.
"12524. Enrollment and election of benefits.
"12525. Benefit amounts.
"12526. Premiums.
"12527. Payment of premiums.
"12528. Department of Defense Ready Reserve Income Insurance Fund.
"12529. Board of Actuaries.
"12530. Payment of benefits.
"12531. Purchase of insurance.
"12532. Termination for nonpayment of premiums; forfeiture.

"§ 12521. Definitions

"In this chapter:

"(1) The term 'insurance program' means the Department of Defense Ready Reserve Income Insurance Program established under section 12522 of this title.

"(2) The term 'covered service' means active duty performed by a member of a reserve component under an order to active duty for a period of more than 30 days which specifies that the member's service—

"(A) is in support of an operational mission for which members of the reserve components have been ordered to active duty without their consent; or

"(B) is in support of forces activated during a period of war declared by Congress or a period of national emergency declared by the President or Congress.

"(3) The term 'insured member' means a member of the Ready Reserve who is enrolled for coverage under the insurance program in accordance with section 12524 of this title.

"(4) The term 'Secretary' means the Secretary of Defense.

"(5) The term 'Department' means the Department of Defense.

"(6) The term 'Board of Actuaries' means the Department of Defense Education Benefits Board of Actuaries referred to in section 2006(e)(1) of this title.

"(7) The term 'Fund' means the Department of Defense Ready Reserve Income Insurance Fund established by section 12528(a) of this title.

"§ 12522. Establishment of insurance program

"(a) ESTABLISHMENT.—The Secretary shall establish for members of the Ready Reserve an insurance program to be known as the 'Department of Defense Ready Reserve Income Insurance Program'.

"(b) ADMINISTRATION.—The insurance program shall be administered by the Secretary. The Secretary may prescribe in regulations such rules, procedures, and policies as the Secretary considers necessary or appropriate to carry out the insurance program.

"§ 12523. Risk insured

"(a) IN GENERAL.—The insurance program shall insure members of the Ready Reserve against the risk of being ordered into covered service.

"(b) ENTITLEMENT TO BENEFITS.—(1) An insured member ordered into covered service shall be entitled to payment of a benefit for each month (and fraction thereof) of covered service that exceeds 30 days of covered service, except that no member may be paid under the insurance program for more than 12 months of covered service served during any period of 18 consecutive months.

"(2) Payment shall be based solely on the insured status of a member and on the period of covered service served by the member. Proof of loss of income or of expenses incurred as a result of covered service may not be required.

"§ 12524. Enrollment and election of benefits

"(a) ENROLLMENT.—(1) Except as provided in subsection (f), upon first becoming a member of the Ready Reserve, a member shall be automatically enrolled for coverage under the insurance program. An automatic enrollment of a member shall be void if within 30 days after first becoming a member of the Ready Reserve the member declines insurance under the program in accordance with the regulations prescribed by the Secretary.

"(2) Promptly after the insurance program is established, the Secretary shall offer to members of the reserve components who are then members of the Ready Reserve (other than members ineligible under subsection (f)) an opportunity to enroll for coverage under the insurance program. A member who fails to enroll within 30 days after being offered the opportunity shall be considered as having declined to be insured under the program.

"(3) A member of the Ready Reserve ineligible to enroll under subsection (f) shall be afforded an opportunity to enroll upon being released from active duty if the member has not previously had the opportunity to be enrolled under paragraph (1) or (2). A member who fails to enroll within 30 days after being afforded that opportunity shall be considered as having declined to be insured under the program.

"(b) ELECTION OF BENEFIT AMOUNT.—The amount of a member's monthly benefit under an enrollment shall be the basic benefit under subsection (a) of section 12525 of this title unless the member elects a different benefit under subsection (b) of such section within 30 days after first becoming a member of the Ready Reserve or within 30 days after being offered the opportunity to enroll, as the case may be.

"(c) ELECTIONS IRREVOCABLE.—(1) An election to decline insurance pursuant to paragraph (1) or (2) of subsection (a) is irrevocable.

"(2) Subject to subsection (d), the amount of coverage may not be changed after enrollment.

"(d) ELECTION TO TERMINATE.—A member may terminate an enrollment at any time.

"(e) INFORMATION TO BE FURNISHED.—The Secretary shall ensure that members referred to in subsection (a) are given a written explanation of the insurance program and are advised that they have the right to decline to be insured and, if not declined, to elect coverage for a reduced benefit or an enhanced benefit under subsection (b).

"(f) MEMBERS INELIGIBLE TO ENROLL.—Members of the Ready Reserve serving on active duty (or full-time National Guard duty) are not eligible to enroll for coverage under the insurance program. The Secretary may define any additional category of members of the Ready Reserve to be excluded from eligibility to purchase insurance under this chapter.

"§ 12525. Benefit amounts

"(a) BASIC BENEFIT.—The basic benefit for an insured member under the insurance program is $1,000 per month (as adjusted under subsection (d)).

"(b) REDUCED AND ENHANCED BENEFITS.—Under the regulations prescribed by the Secretary, a person enrolled for coverage under the insurance program may elect—

"(1) a reduced coverage benefit equal to one-half the amount of the basic benefit; or

"(2) an enhanced benefit in the amount of $1,500, $2,000, $2,500, $3,000, $3,500, $4,000, $4,500, or $5,000 per month (as adjusted under subsection (d)).

"(c) AMOUNT FOR PARTIAL MONTH.—The amount of insurance payable to an insured member for any period of covered service that is less than one month shall be determined by multiplying 1/30 of the monthly benefit rate for the member by the number of days of the covered service served by the member during such period.

"(d) ADJUSTMENT OF AMOUNTS.—(1) The Secretary shall determine annually the effect of inflation on benefits and shall adjust the amounts set forth in subsections (a) and (b)(2) to maintain the constant dollar value of the benefit.

"(2) If the amount of a benefit as adjusted under paragraph (1) is not evenly divisible by $10, the amount shall be rounded to the nearest multiple of $10, except that an amount evenly divisible by $5 but not by $10 shall be rounded to the next lower amount that is evenly divisible by $10.

"§ 12526. Premiums

"(a) ESTABLISHMENT OF RATES.—(1) The Secretary, in consultation with the Board of Actuaries, shall prescribe the premium rates for insurance under the insurance program.

"(2) The Secretary shall prescribe a fixed premium rate for each $1,000 of monthly insurance benefit. The premium amount shall be equal to the share of the cost attributable to insuring the member and shall be the same for all members of the Ready Reserve who are insured under the insurance program for the same benefit amount. The Secretary shall prescribe the rate on the basis of the best available estimate of risk and financial exposure, levels of subscription by members, and other relevant factors.

"(b) LEVEL PREMIUMS.—The premium rate prescribed for the first year of insurance coverage of an insured member shall be continued without change for subsequent years of insurance coverage, except that the Secretary, after consultation with the Board of Actuaries, may adjust the premium rate in order to fund inflation-adjusted benefit increases on an actuarially sound basis.

"§ 12527. Payment of premiums

"(a) Methods of Payment.—(1) The monthly premium for coverage of a member under the insurance program shall be deducted and withheld from the insured member's basic pay for inactive duty training each month.

"(2) An insured member who does not receive pay on a monthly basis shall pay the Secretary directly the premium amount applicable for the level of benefits for which the member is insured.

"(b) Advance Pay for Premium.—The Secretary concerned may advance to an insured member the amount equal to the first insurance premium payment due under this chapter. The advance may be paid out of appropriations for military pay. An advance to a member shall be collected from the member either by deducting and withholding the amount from basic pay payable for the member or by collecting it from the member directly. No disbursing or certifying officer shall be responsible for any loss resulting from an advance under this subsection.

"(c) Premiums To Be Deposited in Fund.—Premium amounts deducted and withheld from the basic pay of insured members and premium amounts paid directly to the Secretary shall be credited to the Fund.

"§ 12528. Department of Defense Ready Reserve Income Insurance Fund

"(a) Establishment.—There is established on the books of the Treasury a fund to be known as the 'Department of Defense Ready Reserve Income Insurance Fund', which shall be administered by the Secretary of the Treasury. The Fund shall be used for the accumulation of funds in order to finance the liabilities of the insurance program on an actuarially sound basis.

"(b) Assets of Fund.—There shall be deposited into the Fund the following:

"(1) Premiums paid under section 12527 of this title.

"(2) Any amount appropriated to the Fund.

"(3) Any return on investment of the assets of the Fund.

"(c) Availability.—Amounts in the Fund shall be available for paying insurance benefits under the insurance program.

"(d) Investment of Assets of Fund.—The Secretary of the Treasury shall invest such portion of the Fund as is not in the judgment of the Secretary of Defense required to meet current liabilities. Such investments shall be in public debt securities with maturities suitable to the needs of the Fund, as determined by the Secretary of Defense, and bearing interest at rates determined by the Secretary of the Treasury, taking into consideration current market yields on outstanding marketable obligations of the United States of comparable maturities. The income on such investments shall be credited to the Fund.

"(e) Annual Accounting.—At the beginning of each fiscal year, the Secretary, in consultation with the Board of Actuaries and the Secretary of the Treasury, shall determine the following:

"(1) The projected amount of the premiums to be collected, investment earnings to be received, and any transfers or appropriations to be made for the Fund for that fiscal year.

"(2) The amount for that fiscal year of any cumulative unfunded liability (including any negative amount or any gain to the Fund) resulting from payments of benefits.

"(3) The amount for that fiscal year (including any negative amount) of any cumulative actuarial gain or loss to the Fund.

"§ 12529. Board of Actuaries

"(a) Actuarial Responsibility.—The Board of Actuaries shall have the actuarial responsibility for the insurance program.

"(b) Valuations and Premium Recommendations.—The Board of Actuaries shall carry out periodic actuarial valuations of the benefits under the insurance program and determine a premium rate methodology for the Secretary to use in setting premium rates for the insurance program. The Board shall conduct the first valuation and determine a premium rate methodology not later than six months after the insurance program is established.

"(c) Effects of Changed Benefits.—If at the time of any actuarial valuation under subsection (b) there has been a change in benefits under the insurance program that has been made since the last such valuation and such change in benefits increases or decreases the present value of amounts payable from the Fund, the Board of Actuaries shall determine a premium rate methodology, and recommend to the Secretary a premium schedule, for the liquidation of any liability (or actuarial gain to the Fund) resulting from such change and any previous such changes so that the present value of the sum of the scheduled premium payments (or reduction in payments that would otherwise be made) equals the cumulative increase (or decrease) in the present value of such benefits.

"(d) Actuarial Gains or Losses.—If at the time of any such valuation the Board of Actuaries determines that there has been an actuarial gain or loss to the Fund as a result of changes in actuarial assumptions since the last valuation or as a result of any differences, between actual and expected experience since the last valuation, the Board shall recommend to the Secretary a premium rate schedule for the amortization of the cumulative gain or loss to the Fund resulting from such changes in assumptions and any previous such changes in assumptions or from the differences in actual and expected experience, respectively, through an increase or decrease in the payments that would otherwise be made to the Fund.

"(e) Insufficient Assets.—If at any time liabilities of the Fund exceed assets of the Fund as a result of members of the Ready Reserve being ordered to active duty as described in section 12521(2) of this title, and funds are unavailable to pay benefits completely, the Secretary shall request the President to submit to Congress a request for a special appropriation to cover the unfunded liability. If appropriations are not made to cover an unfunded liability in any fiscal year, the Secretary shall reduce the amount of the benefits paid under the insurance program to a total amount that does not exceed the assets of the Fund expected to accrue by the end of such fiscal year. Benefits that cannot be paid because of such a reduction shall be deferred and may be paid only after and to the extent that additional funds become available.

"(f) Definition of Present Value.—The Board of Actuaries shall define the term 'present value' for purposes of this subsection.

"§ 12530. Payment of benefits

"(a) Commencement of Payment.—An insured member who serves in excess of 30 days of covered service shall be paid the amount to which such member is entitled on a monthly basis beginning not later than one month after the 30th day of covered service.

"(b) Method of Payment.—The Secretary shall prescribe in the regulations the manner in which payments shall be made to the member or to a person designated in accordance with subsection (c).

"(c) Designated Recipients.—(1) A member may designate in writing another person (including a spouse, parent, or other person with an insurable interest, as determined in accordance with the regulations prescribed by the Secretary) to receive payments of insurance benefits under the insurance program.

"(2) A member may direct that payments of insurance benefits for a person designated under paragraph (1) be deposited with a bank or other financial institution to the credit of the designated person.

"(d) Recipients in Event of Death of Insured Member.—Any insurance payable under the insurance program on account of a deceased member's period of covered service shall be paid, upon the establishment of a valid claim, to the beneficiary or beneficiaries which the deceased member designated in writing. If no such designation has been made, the amount shall be payable in accordance with the laws of the State of the member's domicile.

"§ 12531. Purchase of insurance

"(a) Purchase Authorized.—The Secretary may, instead of or in addition to underwriting the insurance program through the Fund, purchase from one or more insurance companies a policy or policies of group insurance in order to provide the benefits required under this chapter. The Secretary may waive any requirement for full and open competition in order to purchase an insurance policy under this subsection.

"(b) Eligible Insurers.—In order to be eligible to sell insurance to the Secretary for purposes of subsection (a), an insurance company shall—

"(1) be licensed to issue insurance in each of the 50 States and in the District of Columbia; and

"(2) as of the most recent December 31 for which information is available to the Secretary, have in effect at least one percent of the total amount of insurance that all such insurance companies have in effect in the United States.

"(c) Administrative Provisions.—(1) An insurance company that issues a policy for purposes of subsection (a) shall establish an administrative office at a place and under a name designated by the Secretary.

"(2) For the purposes of carrying out this chapter, the Secretary may use the facilities and services of any insurance company issuing any policy for purposes of subsection (a), may designate one such company as the representative of the other companies for such purposes, and may contract to pay a reasonable fee to the designated company for its services.

"(d) Reinsurance.—The Secretary shall arrange with each insurance company issuing any policy for purposes of subsection (a) to reinsure, under conditions approved by the Secretary, portions of the total amount of the insurance under such policy or policies with such other insurance companies (which meet qualifying criteria prescribed by the Secretary) as may elect to participate in such reinsurance.

"(e) Termination.—The Secretary may at any time terminate any policy purchased under this section.

"§ 12532. Termination for nonpayment of premiums; forfeiture

"(a) Termination for Nonpayment.—The coverage of a member under the insurance program shall terminate without prior notice upon a failure of the member to make required monthly payments of premiums for two consecutive months. The Secretary may provide in the regulations for reinstatement of insurance coverage terminated under this subsection.

"(b) FORFEITURE.—Any person convicted of mutiny, treason, spying, or desertion, or who refuses to perform service in the armed forces or refuses to wear the uniform of any of the armed forces shall forfeit all rights to insurance under this chapter.".

(2) The tables of chapters at the beginning of subtitle E, and at the beginning of part II of subtitle E, of title 10, United States Code, are amended by inserting after the item relating to chapter 1213 the following new item:

"1214. Ready Reserve Income Insurance .... 12521".

(b) EFFECTIVE DATE.—The insurance program provided for in chapter 1214 of title 10, United States Code, as added by subsection (a), and the requirement for deductions and contributions for that program shall take effect on September 30, 1996, or on any earlier date declared by the Secretary and published in the Federal Register.

SEC. 512. ELIGIBILITY OF DENTISTS TO RECEIVE ASSISTANCE UNDER THE FINANCIAL ASSISTANCE PROGRAM FOR HEALTH CARE PROFESSIONALS IN RESERVE COMPONENTS.

Section 16201(b) of title 10, United States Code, is amended—

(1) by striking out "(b) PHYSICIANS IN CRITICAL SPECIALTIES.—" and inserting in lieu thereof "(b) PHYSICIANS AND DENTISTS IN CRITICAL SPECIALTIES.—";

(2) in paragraph (1)—

(A) by inserting "or dental school" in subparagraph (A) after "medical school";

(B) by inserting "or as a dental officer" in subparagraph (B) after "medical officer"; and

(C) by striking out "physicians in a medical specialty designated" and inserting in lieu thereof "physicians or dentists in a medical specialty or dental specialty, respectively, that is designated"; and

(3) in paragraph (2)(B), by inserting "or dental officer" after "medical officer".

SEC. 513. LEAVE FOR MEMBERS OF RESERVE COMPONENTS PERFORMING PUBLIC SAFETY DUTY.

(a) ELECTION OF LEAVE TO BE CHARGED.—Subsection (b) of section 6323 of title 5, United States Code, is amended by adding at the end the following: "Upon the request of an employee, the period for which an employee is absent to perform service described in paragraph (2) may be charged to the employee's accrued annual leave or to compensatory time available to the employee instead of being charged as leave to which the employee is entitled under this subsection. The period of absence may not be charged to sick leave.".

(b) PAY FOR PERIOD OF ABSENCE.—Section 5519 of such title is amended by striking out "entitled to leave" and inserting in lieu thereof "granted military leave".

Subtitle C—Uniform Code of Military Justice

SEC. 521. REFERENCES TO UNIFORM CODE OF MILITARY JUSTICE.

Except as otherwise expressly provided, whenever in this subtitle an amendment or repeal is expressed in terms of an amendment to, or repeal of, a section or other provision, the reference shall be considered to be made to a section or other provision of chapter 47 of title 10, United States Code (the Uniform Code of Military Justice).

SEC. 522. DEFINITIONS.

Section 801 (article 1) is amended by inserting after paragraph (14) the following new paragraphs:

"(15) The term 'classified information' means any information or material that has been determined by an official of the United States pursuant to law, an Executive order, or regulation to require protection against unauthorized disclosure for reasons of national security, and any restricted data, as defined in section 11(y) of the Atomic Energy Act of 1954 (42 U.S.C. 2014(y)).

"(16) The term 'national security' means the national defense and foreign relations of the United States.".

SEC. 523. ARTICLE 32 INVESTIGATIONS.

Section 832 (article 32) is amended—

(1) by redesignating subsection (d) as subsection (e); and

(2) by inserting after subsection (c) the following new subsection (d):

"(d) If evidence adduced in an investigation under this article indicates that the accused committed an uncharged offense, the investigating officer is authorized to investigate the subject matter of such offense without the accused having first been charged with the offense. If the accused was present at such investigation, was informed of the nature of each uncharged offense investigated, and was afforded the opportunities for representation, cross-examination, and presentation prescribed in subsection (b), no further investigation of such offense or offenses is necessary under this article.".

SEC. 524. REFUSAL TO TESTIFY BEFORE COURT-MARTIAL.

Section 847(b) (article 47(b)) is amended—

(1) by inserting "indictment or" in the first sentence after "shall be tried on"; and

(2) in the second sentence, by striking out "shall be" and all that follows and inserting in lieu thereof "shall be fined or imprisoned, or both, at the court's discretion.".

SEC. 525. COMMITMENT OF ACCUSED TO TREATMENT FACILITY BY REASON OF LACK OF MENTAL CAPACITY OR MENTAL RESPONSIBILITY.

(a) APPLICABLE PROCEDURES.—(1) Chapter 47 is amended by inserting after section 850a (article 50a) the following:

"§ 850b. Art. 50b. Lack of mental capacity or mental responsibility: commitment of accused for examination and treatment

"(a) PERSONS INCOMPETENT TO STAND TRIAL.—(1) In the case of a person determined under this chapter to be presently suffering from a mental disease or defect rendering the person mentally incompetent to the extent that the person is unable to understand the nature of the proceedings against that person or to conduct or cooperate intelligently in the defense of the case, the general court-martial convening authority for that person shall commit the person to the custody of the Attorney General.

"(2) The Attorney General shall take action in accordance with section 4241(d) of title 18.

"(3) If at the end of the period for hospitalization provided for in section 4241(d) of title 18, it is determined that the committed person's mental condition has not so improved as to permit the trial to proceed, action shall be taken in accordance with section 4246 of such title.

"(4)(A) When the director of a facility in which a person is hospitalized pursuant to paragraph (2) determines that the person has recovered to such an extent that the person is able to understand the nature of the proceedings against the person and to conduct or cooperate intelligently in the defense of the case, the director shall promptly transmit a notification of that determination to the Attorney General and to the general court-martial convening authority for the person. The director shall send a copy of the notification to the person's counsel.

"(B) Upon receipt of a notification, the general court-martial convening authority shall promptly take custody of the person unless the person covered by the notification is no longer subject to this chapter. If the person is no longer subject to this chapter, the Attorney General shall take any action within the authority of the Attorney General that the Attorney General considers appropriate regarding the person.

"(C) The director of the facility may retain custody of the person for not more than 30 days after transmitting the notifications required by subparagraph (A).

"(5) In the application of section 4246 of title 18 to a case under this subsection, references to the court that ordered the commitment of a person, and to the clerk of such court, shall be deemed to refer to the general court-martial convening authority for that person. However, if the person is no longer subject to this chapter at a time relevant to the application of such section to the person, the United States district court for the district where the person is hospitalized or otherwise may be found shall be considered as the court that ordered the commitment of the person.

"(b) PERSONS FOUND NOT GUILTY BY REASON OF LACK OF MENTAL RESPONSIBILITY.—(1) If a person is found by a court-martial not guilty only by reason of lack of mental responsibility, the person shall be committed to a suitable facility until the person is eligible for release in accordance with this section.

"(2) The court-martial shall conduct a hearing on the mental condition in accordance with subsection (c) of section 4243 of title 18. Subsections (b) and (d) of that section shall apply with respect to the hearing.

"(3) A report of the results of the hearing shall be made to the general court-martial convening authority for the person.

"(4) If the court-martial fails to find by the standard specified in subsection (d) of section 4243 of title 18 that the person's release would not create a substantial risk of bodily injury to another person or serious damage of property of another due to a present mental disease or defect—

"(A) the general court-martial convening authority may commit the person to the custody of the Attorney General; and

"(B) the Attorney General shall take action in accordance with subsection (e) of section 4243 of title 18.

"(5) Subsections (f), (g), and (h) of section 4243 of title 18 shall apply in the case of a person hospitalized pursuant to paragraph (4)(B), except that the United States district court for the district where the person is hospitalized shall be considered as the court that ordered the person's commitment.

"(c) GENERAL PROVISIONS.—(1) Except as otherwise provided in this subsection and subsection (d)(1), the provisions of section 4247 of title 18 apply in the administration of this section.

"(2) In the application of section 4247(d) of title 18 to hearings conducted by a court-martial under this section or by (or by order of) a general court-martial convening authority under this section, the reference in that section to section 3006A of such title does not apply.

"(d) APPLICABILITY.—(1) The provisions of chapter 313 of title 18 referred to in this section apply according to the provisions of this section notwithstanding section 4247(j) of title 18.

"(2) If the status of a person as described in section 802 of this title (article 2) terminates while the person is, pursuant to this section, in the custody of the Attorney General, hospitalized, or on conditional release under a prescribed regimen of medical, psychiatric, or psychological care or treatment, the provisions of this section establishing requirements and procedures regarding a person no longer subject to this chapter shall continue to apply to that person notwithstanding the change of status.".

(2) The table of sections at the beginning of subchapter VII of such chapter is amended by inserting after the item relating to section 850a (article 50a) the following:

"850b. 50b. Lack of mental capacity or mental responsibility: commitment of accused for examination and treatment.".

(b) CONFORMING AMENDMENT.—Section 802 of title 10, United States Code (article 2 of the Uniform Code of Military Justice), is amended by adding at the end the following:

"(e) The provisions of this section are subject to section 850b(d)(2) of this title (article 50b(d)(2)).".

(c) EFFECTIVE DATE.—Section 850b of title 10, United States Code (article 50b of the Uniform Code of Military Justice), as added by subsection (a), shall take effect 180 days after the date of the enactment of this Act and shall apply with respect to charges referred to courts-martial on or after that effective date.

SEC. 526. FORFEITURE OF PAY AND ALLOWANCES AND REDUCTION IN GRADE.

(a) EFFECTIVE DATE OF PUNISHMENTS.—Section 857(a) (article 57(a)) is amended to read as follows:

"(a)(1) Any forfeiture of pay, forfeiture of allowances, or reduction in grade included in a sentence of a court-martial takes effect on the earlier of—

"(A) the date that is 14 days after the date on which the sentence is adjudged; or

"(B) the date on which the sentence is approved by the convening authority.

"(2) On application by an accused, the convening authority may defer any forfeiture of pay, forfeiture of allowances, or reduction in grade that would otherwise become effective under paragraph (1)(A) until the date on which the sentence is approved by the convening authority. The deferment may be rescinded at any time by the convening authority.

"(3) A forfeiture of pay or allowances shall be collected from pay accruing on and after the date on which the sentence takes effect under paragraph (1). Periods during which a sentence to forfeiture of pay or forfeiture of allowances is suspended or deferred shall be excluded in computing the duration of the forfeiture.

"(4) In this subsection, the term 'convening authority', with respect to a sentence of a court-martial, means any person authorized to act on the sentence under section 860 of this title (article 60).".

(b) EFFECT OF PUNITIVE SEPARATION OR CONFINEMENT FOR ONE YEAR OR MORE.—(1) Subchapter VIII is amended by inserting after section 858a (article 58a) the following new section (article):

"§ 858b. Art. 58b. Sentences: forfeiture of pay and allowances

"(a) A sentence adjudged by a court-martial that includes confinement for one year or more, death, dishonorable discharge, bad-conduct discharge, or dismissal shall result in the forfeiture of all pay and allowances due that member during any period of confinement or parole. The forfeiture required by this section shall take effect on the date determined under section 857(a) of this title (article 57(a)) and may be deferred in accordance with that section.

"(b) In a case involving an accused who has dependents, the convening authority or other person acting under section 860 of this title (article 60) may waive any or all of the forfeitures of pay and allowances required by subsection (a) for a period not to exceed six months. Any amount of pay or allowances that, except for a waiver under this subsection, would be forfeited shall be paid, as the convening authority or other person taking action directs, to the dependents of the accused.

"(c) If the sentence of a member who forfeits pay and allowances under subsection (a) is set aside or disapproved or, as finally approved, does not provide for a punishment referred to in subsection (a), the member shall be paid the pay and allowances which the member would have been paid, except for the forfeiture, for the period during which the forfeiture was in effect.".

(2) CLERICAL AMENDMENT.—The table of sections at the beginning of subchapter VIII of such chapter is amended by adding at the end the following new item:

"858b. 58b. Sentences: forfeiture of pay and allowances.".

(c) APPLICABILITY.—The amendments made by this section shall apply to a case in which a sentence is adjudged by a court-martial on or after the first day of the first month that begins at least 30 days after the date of the enactment of this Act.

SEC. 527. DEFERMENT OF CONFINEMENT.

Section 857 (article 57) is amended by striking out subsection (e) and inserting in lieu thereof the following:

"(e)(1) When an accused in the custody of a State or foreign country is returned temporarily to military authorities for trial by court-martial and is later returned to that State or foreign country under the authority of a mutual agreement or treaty, the convening authority of the court-martial may defer the service of the sentence to confinement without the consent of the accused. The deferment shall terminate when the accused is released permanently to military authorities by the State or foreign country having custody of the accused.

"(2) In this subsection, the term 'State' includes the District of Columbia and any commonwealth, territory, or possession of the United States.

"(f) While a review of a case under section 867(a)(2) of this title (article 67(a)(2)) is pending, the Secretary concerned or, when designated by the Secretary, an Under Secretary, an Assistant Secretary, the Judge Advocate General, or a commanding officer may defer further service of a sentence to confinement which has been ordered executed in such case.".

SEC. 528. SUBMISSION OF MATTERS TO THE CONVENING AUTHORITY FOR CONSIDERATION.

Section 860(b)(1) (article 60(b)(1)) is amended by inserting after the first sentence the following: "Any such submission shall be in writing.".

SEC. 529. PROCEEDINGS IN REVISION.

Section 860(e)(2) (article 60(e)(2)) is amended by striking out the first sentence and inserting in lieu thereof the following: "A proceeding in revision may be ordered before authentication of the record of trial in order to correct a clerical mistake in a judgment, order, or other part of the record or any error in the record arising from oversight or omission.".

SEC. 530. APPEAL BY THE UNITED STATES.

Section 862(a)(1) (article 62(a)(1)) is amended to read as follows:

"(a)(1)(A) In a trial by court-martial in which a military judge presides and in which a punitive discharge may be adjudged, the United States may appeal the following:

"(i) An order or ruling of the military judge which terminates the proceedings with respect to a charge or specification.

"(ii) An order or ruling which excludes evidence that is substantial proof of a fact material in the proceeding.

"(iii) An order or ruling which directs the disclosure of classified information.

"(iv) An order or ruling which imposes sanctions for nondisclosure of classified information.

"(v) A refusal of the military judge to issue a protective order sought by the United States to prevent the disclosure of classified information.

"(vi) A refusal by the military judge to enforce an order described in clause (v) that has previously been issued by appropriate authority.

"(B) The United States may not appeal an order or ruling that is or that amounts to, a finding of not guilty with respect to the charge or specification.".

SEC. 531. FLIGHT FROM APPREHENSION.

(a) IN GENERAL.—Section 895 (article 95) is amended to read as follows:

"§ 895. Art. 95. Resistance, flight, breach of arrest, and escape

"Any person subject to this chapter who—

"(1) resists apprehension;

"(2) flees from apprehension;

"(3) breaks arrest; or

"(4) escapes from custody or confinement; shall be punished as a court-martial may direct.".

(b) CLERICAL AMENDMENT.—The item relating to section 895 (article 95) in the table of sections at the beginning of subchapter X is amended to read as follows:

"895. Art. 95. Resistance, flight, breach of arrest, and escape.".

SEC. 532. CARNAL KNOWLEDGE.

(a) GENDER NEUTRALITY.—Subsection (b) of section 920 (article 120) is amended to read as follows:

"(b) Any person subject to this chapter who, under circumstances not amounting to rape, commits an act of sexual intercourse with a person—

"(1) who is not that person's spouse; and

"(2) who has not attained the age of sixteen years;

is guilty of carnal knowledge and shall be punished as a court-martial may direct.".

(b) MISTAKE OF FACT.—Such section (article) is further amended by adding at the end the following new subsection:

"(d)(1) In a prosecution under subsection (b), it is an affirmative defense that—

"(A) the person with whom the accused committed the act of sexual intercourse had at the time of the alleged offense attained the age of twelve years; and

"(B) the accused reasonably believed that that person had at the time of the alleged offense attained the age of sixteen years.

"(2) The accused has the burden of proving a defense under paragraph (1) by a preponderance of the evidence.".

SEC. 533. TIME AFTER ACCESSION FOR INITIAL INSTRUCTION IN THE UNIFORM CODE OF MILITARY JUSTICE.

Section 937(a)(1) (article 137(a)(1)) is amended by striking out "within six days" and inserting in lieu thereof "within fourteen days".

SEC. 534. TECHNICAL AMENDMENT.

Section 866(f) (article 66(f)) is amended by striking out "Courts of Military Review" both places it appears and inserting in lieu thereof "Courts of Criminal Appeals".

SEC. 535. PERMANENT AUTHORITY CONCERNING TEMPORARY VACANCIES ON THE COURT OF APPEALS FOR THE ARMED FORCES.

Section 1301 of the National Defense Authorization Act for Fiscal Years 1990 and 1991 (Public Law 101–189; 103 Stat. 1569; 10 U.S.C. 942 note) is amended by striking out subsection (i).

SEC. 536. ADVISORY PANEL ON UCMJ JURISDICTION OVER CIVILIANS ACCOMPANYING THE ARMED FORCES IN TIME OF ARMED CONFLICT.

(a) ESTABLISHMENT.—Not later than December 15, 1996, the Secretary of Defense and the Attorney General shall jointly establish an advisory panel to review and make recommendations on jurisdiction over civilians accompanying the Armed Forces in time of armed conflict.

(b) MEMBERSHIP.—The panel shall be composed of at least 5 individuals, including experts in military law, international law, and federal civilian criminal law. In making appointments to the panel, the Secretary and the Attorney General shall ensure that the members of the panel reflect diverse experiences in the conduct of prosecution and defense functions.

(c) DUTIES.—The panel shall—

(1) review historical experiences and current practices concerning the employment, training, discipline, and functions of civilians accompanying the Armed Forces in the field;

(2) make specific recommendations (in accordance with subsection (d)) concerning—

(A) establishing court-martial jurisdiction over civilians accompanying the Armed Forces in the field during time of armed conflict not involving a war declared by Congress;

(B) revisions to the jurisdiction of the Article III courts over such persons; and

(C) establishment of Article I courts to exercise jurisdiction over such persons; and

(3) make such additional recommendations (in accordance with subsection (d)) as the panel considers appropriate as a result of the review.

(d) REPORT.—(1) Not later than December 15, 1996, the advisory panel shall transmit a report on the findings and recommendations of the panel to the Secretary of Defense and the Attorney General.

(2) Not later than January 15, 1997, the Secretary of Defense and the Attorney General shall jointly transmit the report of the advisory panel to Congress. The Secretary and the Attorney General may include in the transmittal any joint comments on the report that they consider appropriate, and either such official may include in the transmittal any separate comments on the report that such official considers appropriate.

(e) DEFINITIONS.—In this section:

(1) The term "Article I court" means a court established under Article I of the Constitution.

(2) The term "Article III court" means a court established under Article III of the Constitution.

(f) TERMINATION OF PANEL.—The panel shall terminate 30 days after the date of submission of the report to the Secretary of Defense and the Attorney General under subsection (d).

Subtitle D—Decorations and Awards

SEC. 541. AWARD OF PURPLE HEART TO CERTAIN FORMER PRISONERS OF WAR.

(a) AUTHORITY TO MAKE AWARD.—The President may award the Purple Heart to a person who, while serving in the Armed Forces of the United States before April 25, 1962—

(1) was taken prisoner or held captive—

(A) in an action against an enemy of the United States;

(B) in military operations involving conflict with an opposing foreign force;

(C) during service with friendly forces engaged in an armed conflict against an opposing armed force in which the United States was not a belligerent party;

(D) as the result of an action of any such enemy or opposing armed force; or

(E) as the result of an act of any foreign hostile force; and

(2) was wounded while being taken prisoner or held captive.

(b) STANDARDS.—An award of the Purple Heart may be made under subsection (a) only in accordance with the standards in effect on the date of the enactment of this Act for the award of the Purple Heart to a member of the Armed Forces who, on or after April 25, 1962, has been taken prisoner and held captive under circumstances described in that subsection.

(c) EXCEPTION FOR AIDING THE ENEMY.—An award of a Purple Heart may not be made under this section to any person convicted by a court of competent jurisdiction of rendering assistance to any enemy of the United States.

(d) COVERED WOUNDS.—A wound determined by the Secretary of Veterans Affairs as being a service-connected injury arising from being taken prisoner or held captive under circumstances described in subsection (a) satisfies the condition set forth in paragraph (2) of that subsection.

(e) RELATIONSHIP TO OTHER AUTHORITY TO AWARD THE PURPLE HEART.—The authority under this section is in addition to any other authority of the President to award the Purple Heart.

SEC. 542. MERITORIOUS AND VALOROUS SERVICE DURING VIETNAM ERA: REVIEW AND AWARDS.

(a) FINDINGS.—Congress makes the following findings:

(1) The Ia Drang Valley (Pleiku) campaign, carried out by the Armed Forces of the United States in the Ia Drang Valley of Vietnam from October 23, 1965, to November 26, 1965, is illustrative of the many battles which pitted forces of the United States against North Vietnamese Army regulars and Viet Cong in vicious fighting in which many members of the Armed Forces displayed extraordinary heroism, sacrifice, and bravery which has not yet been officially recognized through award of appropriate decorations.

(2) Accounts of these battles published since the war ended authoritatively document repeated acts of extraordinary heroism, sacrifice, and bravery on the part of many members of the Armed Forces who were engaged in these battles, many of whom have never been officially recognized for those acts.

(3) In some of the battles United States military units suffered substantial losses, in some cases a majority of the strength of the units.

(4) The incidence of heavy casualties throughout the war inhibited the timely collection of comprehensive and detailed information to support recommendations for awards for the acts of heroism, sacrifice, and bravery performed.

(5) Requests to the Secretaries of the military departments for review of award recommendations for those acts have been denied because of restrictions in law and regulations that require timely filing of recommendations and documented justification.

(6) Acts of heroism, sacrifice, and bravery performed in combat by members of the Armed Forces of the United States deserve appropriate and timely recognition by the people of the United States.

(7) It is appropriate to recognize military personnel for acts of extraordinary heroism, sacrifice, or bravery that are belatedly, but properly, documented by persons who witnessed those acts.

(b) WAIVER OF RESTRICTIONS ON AWARDS.—(1) Notwithstanding any other provision of law, the Secretary of Defense or the Secretary of the military department concerned may award or upgrade a decoration to any person for an act, an achievement, or service that the person performed in a campaign while serving on active duty during the Vietnam era.

(2) Paragraph (1) applies to any decoration (including any device in lieu of a decoration) that, during or after the Vietnam era and before the date of the enactment of this Act, was authorized by law or under regulations of the Department of Defense or the military department concerned to be awarded to a person for an act, an achievement, or service performed by that person while serving on active duty.

(c) REVIEW OF AWARD RECOMMENDATIONS.—(1) The Secretary of each military department shall review all recommendations for awards for acts, achievements, or service described in subsection (b)(1) that have been received by the Secretary during the period of the review.

(2) The Secretaries shall begin the review within 30 days after the date of the enactment of this Act and shall complete the review within one year after such date.

(3) The Secretary may use the same process for carrying out the review as the Secretary uses for reviewing other recommendations for awarding decorations to members of the armed force or armed forces under the Secretary's jurisdiction for acts, achievements, or service.

(4)(A) Upon completing the review, the Secretary shall submit a report on the review to the Committee on Armed Services of the Senate and the Committee on National Security of the House of Representatives.

(B) The report shall contain the following information on each recommendation for award reviewed:

(i) A summary of the recommendation.

(ii) The findings resulting from the review.

(iii) The final action taken on the recommendation.

(d) DEFINITIONS.—In this section:

(1) The term "Vietnam era" has the meaning given that term in section 101(29) of title 38, United States Code.

(2) The term "active duty" has the meaning given such term in section 101(d)(1) of title 10, United States Code.

SEC. 543. MILITARY INTELLIGENCE PERSONNEL PREVENTED BY SECRECY FROM BEING CONSIDERED FOR DECORATIONS AND AWARDS.

(a) WAIVER ON RESTRICTIONS OF AWARDS.—(1) Notwithstanding any other provision of law, the President, the Secretary of Defense, or the Secretary of the military department concerned may award a decoration to any person for an act, achievement, or service that the person performed in carrying out military intelligence duties during the period January 1, 1940, through December 31, 1990.

(2) Paragraph (1) applies to any decoration (including any device in lieu of a decoration) that, during or after the period described in paragraph (1) and before the date of the enactment of this Act, was authorized by law or under the regulations of the Department of Defense or the military department concerned to be awarded to a person for an act, achievement, or service performed by that person while serving on active duty.

(b) Review of Award Recommendations.—(1) The Secretary of each military department shall review all recommendations for awards of decorations for acts, achievements, or service described in subsection (a)(1) that have been received by the Secretary during the period of the review.

(2) The Secretary shall begin the review within 30 days after the date of the enactment of this Act and shall complete the review within one year after such date.

(3) The Secretary may use the same process for carrying out the review as the Secretary uses for reviewing other recommendations for awarding decorations to members of the armed force or armed forces under the Secretary's jurisdiction for acts, achievements, or service.

(4) The Secretary may reject a recommendation if the Secretary determines that there is a justifiable basis for concluding that the recommendation is specious.

(5) The Secretary shall take reasonable actions to publicize widely the opportunity to recommend awards of decorations under this section.

(6)(A) Upon completing the review, the Secretary shall submit a report on the review to the Committee on Armed Services of the Senate and the Committee on National Security of the House of Representatives.

(B) The report shall contain the following information on each recommendation for an award reviewed:

(i) A summary of the recommendation.

(ii) The findings resulting from the review.

(iii) The final action taken on the recommendation.

(iv) Administrative or legislative recommendations to improve award procedures with respect to military intelligence personnel.

(c) Definition.—In this section, the term "active duty" has the meaning given such term in section 101(d)(1) of title 10, United States Code.

SEC. 544. REVIEW REGARDING AWARDS OF DISTINGUISHED-SERVICE CROSS TO ASIAN-AMERICANS AND PACIFIC ISLANDERS FOR CERTAIN WORLD WAR II SERVICE.

(a) Review Required.—The Secretary of the Army shall—

(1) review the records relating to the award of the Distinguished-Service Cross to Asian-Americans and Native American Pacific Islanders for service as members of the Army during World War II in order to determine whether the award should be upgraded to the Medal of Honor; and

(2) submit to the President a recommendation that the President award a Medal of Honor to each such person for whom the Secretary determines an upgrade to be appropriate.

(b) Waiver of Time Limitations.—The President is authorized to award a Medal of Honor to any person referred to in subsection (a) in accordance with a recommendation of the Secretary of the Army submitted under that subsection. The following restrictions do not apply in the case of any such person:

(1) Sections 3744 and 8744 of title 10, United States Code.

(2) Any regulation or other administrative restriction on—

(A) the time for awarding a Medal of Honor; or

(B) the awarding of a Medal of Honor for service for which a Distinguished-Service Cross has been awarded.

(c) Definitions.—In this section:

(1) The term "Native American Pacific Islander" means a Native Hawaiian and any other Native American Pacific Islander within the meaning of the Native American Programs Act of 1974 (42 U.S.C. 2991 et seq.).

(2) The term "World War II" has the meaning given that term in section 101(8) of title 38, United States Code.

Subtitle E—Other Matters

SEC. 551. DETERMINATION OF WHEREABOUTS AND STATUS OF MISSING PERSONS.

(a) Purpose.—The purpose of this section is to ensure that any member of the Armed Forces is accounted for by the United States (by the return of such person alive, by the return of the remains of such person, or by the decision that credible evidence exists to support another determination of the status of such person) and, as a general rule, is not declared dead solely because of the passage of time.

(b) In General.—(1) Part II of subtitle A of title 10, United States Code, is amended by inserting after chapter 75 the following new chapter:

"CHAPTER 76—MISSING PERSONS

"Sec.
"1501. System for accounting for missing persons.
"1502. Missing persons: initial report.
"1503. Actions of Secretary concerned; initial board inquiry.
"1504. Subsequent board of inquiry.
"1505. Further review.
"1506. Personnel files.
"1507. Recommendation of status of death.
"1508. Return alive of person declared missing or dead.
"1509. Effect on State law.
"1510. Definitions.

"§ 1501. System for accounting for missing persons

"(a) Office for Missing Personnel.—(1) The Secretary of Defense shall establish within the Office of the Secretary of Defense an office to have responsibility for Department of Defense policy relating to missing persons. Subject to the authority, direction, and control of the Secretary of Defense, the responsibilities of the office shall include—

"(A) policy, control, and oversight within the Department of Defense of the entire process for investigation and recovery related to missing persons; and

"(B) coordination for the Department of Defense with other departments and agencies of the United States on all matters concerning missing persons.

"(2) In carrying out the responsibilities of the office established under this subsection, the head of the office shall coordinate the efforts of that office with those of other departments and agencies and other elements of the Department of Defense for such purposes and shall be responsible for the coordination for such purposes within the Department of Defense among the military departments, the Joint Staff, and the commanders of the combatant commands.

"(3) The office shall establish policies, which shall apply uniformly throughout the Department of Defense, for personnel recovery.

"(4) The office shall establish procedures to be followed by Department of Defense boards of inquiry, and by officials reviewing the reports of such boards, under this chapter.

"(b) Search and Rescue.—Notwithstanding subsection (a), responsibility for search and rescue policies within the Department of Defense shall be established by the Assistant Secretary of Defense for Special Operations and Low Intensity Conflict.

"(c) Uniform DoD Procedures.—(1) The Secretary of Defense shall prescribe procedures, to apply uniformly throughout the Department of Defense, for—

"(A) the determination of the status of persons described in subsection (e); and

"(B) for the systematic, comprehensive, and timely collection, analysis, review, dissemination, and periodic update of information related to such persons.

"(2) Such procedures may provide for the delegation by the Secretary of Defense of any responsibility of the Secretary under this chapter to the Secretary of a military department.

"(3) Such procedures shall be prescribed in a single directive applicable to all elements of the Department of Defense, other than the elements carrying out activities relating to search and rescue.

"(4) As part of such procedures, the Secretary may provide for the extension, on a case by-case basis, of any time limit specified in section 1503 or 1504 of this title. Any such extension may not be for a period in excess of the period with respect to which the extension is provided. Subsequent extensions may be provided on the same basis.

"(d) Coast Guard.—(1) The Secretary of Transportation shall designate an officer of the Department of Transportation to have responsibility within the Department of Transportation for matters relating to missing persons who are Coast Guard personnel.

"(2) The Secretary of Transportation shall prescribe procedures for the determination of the status of persons described in subsection (e) who are personnel of the Coast Guard and for the collection, analysis, review, and update of information on such persons. To the maximum extent practicable, the procedures prescribed under this paragraph shall be similar to the procedures prescribed by the Secretary of Defense under subsection (c).

"(e) Covered Persons.—Section 1502 of this title applies in the case of any member of the armed forces on active duty who becomes involuntarily absent as a result of a hostile action, or under circumstances suggesting that the involuntary absence is a result of a hostile action, and whose status is undetermined or who is unaccounted for.

"(f) Primary Next of Kin.—The individual who is primary next of kin of any person prescribed in subsection (e) may for purposes of this chapter designate another individual to act on behalf of that individual as primary next of kin. The Secretary concerned shall treat an individual so designated as if the individual designated were the primary next of kin for purposes of this chapter. A designation under this subsection may be revoked at any time by the person who made the designation.

"(g) Termination of Applicability of Procedures When Missing Person Is Accounted For.—The provisions of this chapter relating to boards of inquiry and to the actions by the Secretary concerned on the reports of those boards shall cease to apply in the case of a missing person upon the person becoming accounted for or otherwise being determined to be in a status other than missing.

"§ 1502. Missing persons: initial report

"(a) Preliminary Assessment and Recommendation by Commander.—After receiving information that the whereabouts or status of a person described in section 1501(e) of this title is uncertain and that the absence of the person may be involuntary, the commander of the unit, facility, or area to or in which the person is assigned shall make a preliminary assessment of the circumstances. If, as a result of that assessment, the commander concludes that the person is missing, the commander shall—

"(1) recommend that the person be placed in a missing status; and

"(2) transmit that recommendation to the Secretary of Defense or the Secretary having jurisdiction over the missing person in accordance with procedures prescribed under section 1501 of this title.

"(b) Forwarding of Records.—The commander making the initial assessment shall (in accordance with procedures prescribed under section 1501 of this title) safeguard and forward for official use any information relating to the whereabouts or status of a missing person that result from the preliminary assessment or from actions taken to locate the person.

"§ 1503. Actions of Secretary concerned; initial board inquiry

"(a) Determination By Secretary.—(1) Upon receiving a recommendation on the status of a person under section 1502(a)(2) of this title, the Secretary receiving the recommendation shall review the recommendation.

"(2) After reviewing the recommendation on the status of a person, the Secretary shall—

"(A) make a determination whether the person shall be declared missing; or

"(B) if the Secretary determines that a status other than missing may be warranted for the person, appoint a board under this section to carry out an inquiry into the whereabouts or status of the person.

"(b) Inquiries Involving More Than One Missing Person.—If it appears to the Secretary who appoints a board under this section that the absence or missing status of two or more persons is factually related, the Secretary may appoint a single board under this section to conduct the inquiry into the whereabouts or status of such persons.

"(c) Composition.—(1) A board appointed under this section to inquire into the whereabouts or status of a person shall consist of at least one military officer who has experience with and understanding of military operations or activities similar to the operation or activity in which the person disappeared.

"(2) An individual may be appointed as a member of a board under this section only if the individual has a security clearance that affords the individual access to all information relating to the whereabouts and status of the missing persons covered by the inquiry.

"(3) The Secretary who appoints a board under this subsection shall, for purposes of providing legal counsel to the board, assign to the board a judge advocate, or appoint to the board an attorney, who has expertise in the law relating to missing persons, the determination of death of such persons, and the rights of family members and dependents of such persons.

"(d) Duties of Board.—A board appointed to conduct an inquiry into the whereabouts or status of a missing person under this section shall—

"(1) collect, develop, and investigate all facts and evidence relating to the disappearance, whereabouts, or status of the person;

"(2) collect appropriate documentation of the facts and evidence covered by the investigation;

"(3) analyze the facts and evidence, make findings based on that analysis, and draw conclusions as to the current whereabouts and status of the person; and

"(4) with respect to each person covered by the inquiry, recommend to the Secretary who appointed the board that—

"(A) the person be placed in a missing status; or

"(B) the person be declared to have deserted, to be absent without leave, or to be dead.

"(e) Board Proceedings.—During the proceedings of an inquiry under this section, a board shall—

"(1) collect, record, and safeguard all facts, documents, statements, photographs, tapes, messages, maps, sketches, reports, and other information (whether classified or unclassified) relating to the whereabouts or status of each person covered by the inquiry;

"(2) gather information relating to actions taken to find the person, including any evidence of the whereabouts or status of the person arising from such actions; and

"(3) maintain a record of its proceedings.

"(f) Access to Proceedings.—The proceedings of a board during an inquiry under this section shall be closed to the public (including, with respect to the person covered by the inquiry, the primary next of kin, other members of the immediate family, and any other previously designated person of the person).

"(g) Recommendation on Status of Missing Persons.—(1) Upon completion of its inquiry, a board appointed under this section shall make a recommendation to the Secretary who appointed the board as to the appropriate determination of the current whereabouts or status of each person whose whereabouts and status were covered by the inquiry.

"(2)(A) A board may not recommend under paragraph (1) that a person be declared dead unless the board determines that the evidence before it established conclusive proof of the death of the person.

"(B) In this paragraph, the term 'conclusive proof of death' means credible evidence establishing that death is the only credible explanation for the absence of the person.

"(h) Report.—(1) A board appointed under this section shall submit to the Secretary who appointed the board a report on the inquiry carried out by the board. The report shall include—

"(A) a discussion of the facts and evidence considered by the board in the inquiry;

"(B) the recommendation of the board under subsection (g) with respect to each person covered by the report; and

"(C) disclosure of whether classified documents and information were reviewed by the board or were otherwise used by the board in forming recommendations under subparagraph (B).

"(2) A board shall submit a report under this subsection with respect to the inquiry carried out by the board not later than 30 days after the date of the appointment of the board to carry out the inquiry.

"(3) A report submitted under this subsection with respect to a missing person may not be made public until one year after the date on which the report is submitted, and not without the approval of the primary next of kin of the person.

"(i) Determination by Secretary.—(1) Not later than 30 days after the receipt of a report from a board under subsection (j), the Secretary receiving the report shall review the report.

"(2) In reviewing a report under paragraph (1) the Secretary shall determine whether or not the report is complete and free of administrative error. If the Secretary determines that the report is incomplete, or that the report is not free of administrative error, the Secretary may return the report to the board for further action on the report by the board.

"(3) Upon a determination by the Secretary that a report reviewed under this subsection is complete and free of administrative error, the Secretary shall make a determination concerning the status of each person covered by the report, including whether the person shall—

"(A) be declared missing;

"(B) be declared to have deserted;

"(C) be declared to be absent without leave; or

"(D) be declared to be dead.

"(j) Report to Family Members and Other Interested Persons.—Not later than 30 days after the date on which the Secretary concerned makes a determination of the status of a person under subsection (a)(2) or (i), the Secretary shall take reasonable actions to—

"(1) provide to the primary next of kin, the other members of the immediate family, and any other previously designated person of the person—

"(A) an unclassified summary of the unit commander's report with respect to the person under section 1502(a) of this title; and

"(B) if a board was appointed to carry out an inquiry into the person under this section, the report of the board (including the names of the members of the board) under subsection (h); and

"(2) inform each individual referred to in paragraph (1) that the United States will conduct a subsequent inquiry into the whereabouts or status of the person on or about one year after the date of the first official notice of the disappearance of the person, unless information becomes available sooner that may result in a change in status of the person.

"(k) Treatment of Determination.—Any determination of the status of a missing person under subsection (a)(2) or (i) shall be treated as the determination of the status of the person by all departments and agencies of the United States.

"§ 1504. Subsequent board of inquiry

"(a) Additional Board.—If information that may result in a change of status of a person covered by a determination under subsection (a)(2) or (i) of section 1503 of this title becomes available within one year after the date of the transmission of a report with respect to the person under section 1502(a)(2) of this title, the Secretary concerned shall appoint a board under this section to conduct an inquiry into the information.

"(b) Date of Appointment.—The Secretary concerned shall appoint a board under this section to conduct an inquiry into the whereabouts and status of a missing person on or about one year after the date of the transmission of a report concerning the person under section 1502(a)(2) of this title.

"(c) Combined Inquiries.—If it appears to the Secretary concerned that the absence or status of two or more persons is factually related, the Secretary may appoint one board under this section to conduct the inquiry into the whereabouts or status of such persons.

"(d) COMPOSITION.—(1) Subject to paragraphs (2) and (3), a board appointed under this section shall consist of not less than three officers having the grade of major or lieutenant commander or above.

"(2) The Secretary concerned shall designate one member of a board appointed under this section as president of the board. The president of the board shall have a security clearance that affords the president access to all information relating to the whereabouts and status of each person covered by the inquiry.

"(3) One member of each board appointed under this subsection shall be an individual who—

"(A) has a occupational specialty similar to that of one or more of the persons covered by the inquiry; and

"(B) has an understanding of and expertise in the type of official activities that one or more such persons were engaged in at the time such person or persons disappeared.

"(4) The Secretary who appoints a board under this subsection shall, for purposes of providing legal counsel to the board, assign to the board a judge advocate, or appoint to the board an attorney, who has expertise in the law relating to missing persons, the determination of death of such persons, and the rights of family members and dependents of such persons.

"(e) DUTIES OF BOARD.—A board appointed under this section to conduct an inquiry into the whereabouts or status of a person shall—

"(1) review the report with respect to the person transmitted under section 1502(a)(2) of this title, and the report, if any, submitted under subsection (h) of section 1503 of this title by the board appointed to conduct inquiry into the status of the person under such section 1503;

"(2) collect and evaluate any document, fact, or other evidence with respect to the whereabouts or status of the person that has become available since the determination of the status of the person under section 1503 of this title;

"(3) draw conclusions as to the whereabouts or status of the person;

"(4) determine on the basis of the activities under paragraphs (1) and (2) whether the status of the person should be continued or changed; and

"(5) submit to the Secretary concerned a report describing the findings and conclusions of the board, together with a recommendation for a determination by the Secretary concerning the whereabouts or status of the person.

"(f) ATTENDANCE OF FAMILY MEMBERS AND CERTAIN OTHER INTERESTED PERSONS AT PROCEEDINGS.—(1) With respect to any person covered by a inquiry under this section, the primary next of kin, other members of the immediate family, and any other previously designated person of the person may attend the proceedings of the board during the inquiry.

"(2) The Secretary concerned shall take reasonable actions to notify each individual referred to in paragraph (1) of the opportunity to attend the proceedings of a board. Such notice shall be provided not less than 60 days before the first meeting of the board.

"(3) An individual who receives notice under paragraph (2) shall notify the Secretary of the intent, if any, of that individual to attend the proceedings of the board not later than 21 days after the date on which the individual receives the notice.

"(4) Each individual who notifies the Secretary under paragraph (3) of the individual's intent to attend the proceedings of the board—

"(A) in the case of a individual who is the primary next of kin or other member of the immediate family of a missing person whose status is a subject of the inquiry and whose receipt of the pay or allowances (including allotments) of the person could be reduced or terminated as a result of a revision in the status of the person, may attend the proceedings of the board with private counsel;

"(B) shall have access to the personnel file of the missing person, to unclassified reports, if any, of the board appointed under section 1503 of this title to conduct the inquiry into the whereabouts and status of the person, and to any other unclassified information or documents relating to the whereabouts and status of the person;

"(C) shall be afforded the opportunity to present information at the proceedings of the board that such individual considers to be relevant to those proceedings; and

"(D) subject to paragraph (5), shall be given the opportunity to submit in writing an objection to any recommendation of the board under subsection (h) as to the status of the missing person.

"(5)(A) Individuals who wish to file objections under paragraph (4)(D) to any recommendation of the board shall—

"(i) submit a letter of intent to the president of the board not later than 2 days after the date on which the recommendations are made; and

"(ii) submit to the president of the board the objections in writing not later than 15 days after the date on which the recommendations are made.

"(B) The president of a board shall include any objections to a recommendation of the board that are submitted to the president of the board under subparagraph (A) in the report of the board containing the recommendation under subsection (h).

"(6) An individual referred to in paragraph (1) who attends the proceedings of a board under this subsection shall not be entitled to reimbursement by the United States for any costs (including travel, lodging, meals, local transportation, legal fees, transcription costs, witness expenses, and other expenses) incurred by that individual in attending such proceedings.

"(g) AVAILABILITY OF INFORMATION TO BOARDS.—(1) In conducting proceedings in an inquiry under this section, a board may secure directly from any department or agency of the United States any information that the board considers necessary in order to conduct the proceedings.

"(2) Upon written request from the president of a board, the head of a department or agency of the United States shall release information covered by the request to the board. In releasing such information, the head of the department or agency shall—

"(A) declassify to an appropriate degree classified information; or

"(B) release the information in a manner not requiring the removal of markings indicating the classified nature of the information.

"(3)(A) If a request for information under paragraph (2) covers classified information that cannot be declassified, cannot be removed before release from the information covered by the request, or cannot be summarized in a manner that prevents the release of classified information, the classified information shall be made available only to the president of the board making the request.

"(B) The president of a board shall close to persons who do not have appropriate security clearances the proceeding of the board at which classified information is discussed. Participants at a proceeding of a board at which classified information is discussed shall comply with all applicable laws and regulations relating to the disclosure of classified information. The Secretary concerned shall assist the president of a board in ensuring that classified information is not compromised through board proceedings.

"(h) RECOMMENDATION ON STATUS.—(1) Upon completion of an inquiry under this subsection, a board shall make a recommendation as to the current whereabouts or status of each missing person covered by the inquiry.

"(2) A board may not recommend under paragraph (1) that a person be declared dead unless—

"(A) proof of death is established by the board; or

"(B) in making the recommendation, the board complies with section 1507 of this title.

"(i) REPORT.—A board appointed under this section shall submit to the Secretary concerned a report on the inquiry carried out by the board, together with the evidence considered by the board during the inquiry. The report may include a classified annex.

"(j) ACTIONS BY SECRETARY CONCERNED.—(1) Not later than 30 days after the receipt of a report from a board under subsection (i), the Secretary shall review—

"(A) the report; and

"(B) the objections, if any, to the report submitted to the president of the board under subsection (f)(5).

"(2) In reviewing a report under paragraph (1) (including the objections described in subparagraph (B) of that paragraph), the Secretary concerned shall determine whether or not the report is complete and free of administrative error. If the Secretary determines that the report is incomplete, or that the report is not free of administrative error, the Secretary may return the report to the board for further action on the report by the board.

"(3) Upon a determination by the Secretary that a report reviewed under this subsection is complete and free of administrative error, the Secretary shall make a determination concerning the status of each person covered by the report.

"(k) REPORT TO FAMILY MEMBERS AND OTHER INTERESTED PERSONS.—Not later than 60 days after the date on which the Secretary concerned makes a determination with respect to a missing person under subsection (j), the Secretary shall—

"(1) provide an unclassified summary of the report reviewed by the Secretary in making the determination to the primary next of kin, the other members of the immediate family, and any other previously designated person of the person; and

"(2) in the case of a person who continues to be in a missing status, inform each individual referred to in paragraph (1) that the United States will conduct subsequent inquiries into the whereabouts or status of the person upon obtaining credible information that may result in a change in the status of the person.

"(l) TREATMENT OF DETERMINATION.—Any determination of the status of a missing person under subsection (j) shall supersede the determination of the status of the person under section 1503 of this title and shall be treated as the determination of the status of the person by all departments and agencies of the United States.

"§ 1505. Further review

"(a) SUBSEQUENT REVIEW.—(1) The Secretary concerned shall conduct subsequent inquiries into the whereabouts or status of any person determined by the Secretary under section 1504 of this title to be in a missing status.

"(2) The Secretary concerned shall appoint a board to conduct an inquiry with respect to a person under this subsection upon obtaining credible information that may result in a change of status of the person.

"(b) CONDUCT OF PROCEEDINGS.—The appointment of, and activities before, a board appointed under this section shall be governed by the provisions of section 1504 of this title with respect to a board appointed under that section.

"§ 1506. Personnel files

"(a) INFORMATION IN FILES.—Except as provided in subsections (b), (c), and (d), the Secretary of the department having jurisdiction over a missing person at the time of the person's disappearance shall, to the maximum extent practicable, ensure that the personnel file of the person contains all information in the possession of the United States relating to the disappearance and whereabouts or status of the person.

"(b) CLASSIFIED INFORMATION.—(1) The Secretary concerned may withhold classified information from a personnel file under this section.

"(2) If the Secretary concerned withholds classified information from a personnel file, the Secretary shall ensure that the file contains the following:

"(A) A notice that the withheld information exists.

"(B) A notice of the date of the most recent review of the classification of the withheld information.

"(c) PROTECTION OF PRIVACY.—The Secretary concerned shall maintain personnel files under this section, and shall permit disclosure of or access to such files, in accordance with the provisions of section 552a of title 5 and with other applicable laws and regulations pertaining to the privacy of the persons covered by the files.

"(d) PRIVILEGED INFORMATION.—The Secretary concerned shall withhold reports obtained as privileged information from the personnel files under this section. If the Secretary withholds a report from a personnel file under this subsection, the Secretary shall ensure that the file contains a notice that the withheld information exists.

"(e) WRONGFUL WITHHOLDING.—Except as otherwise provided by law, any person who knowingly and willfully withholds from the personnel file of a missing person any information relating to the disappearance or whereabouts or status of a missing person shall be fined as provided in title 18 or imprisoned not more than one year, or both.

"(f) AVAILABILITY OF INFORMATION.—The Secretary concerned shall, upon request, make available the contents of the personnel file of a missing person to the primary next of kin, the other members of the immediate family, or any other previously designated person of the person.

"§ 1507. Recommendation of status of death

"(a) REQUIREMENTS RELATING TO RECOMMENDATION.—A board appointed under section 1504 or 1505 of this title may not recommend that a person be declared dead unless—

"(1) credible evidence exists to suggest that the person is dead;

"(2) the United States possesses no credible evidence that suggests that the person is alive;

"(3) representatives of the United States have made a complete search of the area where the person was last seen (unless, after making a good faith effort to obtain access to such area, such representatives are not granted such access); and

"(4) representatives of the United States have examined the records of the government or entity having control over the area where the person was last seen (unless, after making a good faith effort to obtain access to such records, such representatives are not granted such access).

"(b) SUBMITTAL OF INFORMATION ON DEATH.—If a board appointed under section 1504 or 1505 of this title makes a recommendation that a missing person be declared dead, the board shall, to the maximum extent practicable, include in the report of the board with respect to the person under such section the following:

"(1) A detailed description of the location where the death occurred.

"(2) A statement of the date on which the death occurred.

"(3) A description of the location of the body, if recovered.

"(4) If the body has been recovered and is not identifiable through visual means, a certification by a practitioner of an appropriate forensic science that the body recovered is that of the missing person.

"§ 1508. Return alive of person declared missing or dead

"(a) PAY AND ALLOWANCES.—Any person (except for a person subsequently determined to have been absent without leave or a deserter) in a missing status or declared dead under the Missing Persons Act of 1942 (56 Stat. 143) or chapter 10 of title 37 or by a board appointed under this chapter who is found alive and returned to the control of the United States shall be paid for the full time of the absence of the person while given that status or declared dead under the law and regulations relating to the pay and allowances of persons returning from a missing status.

"(b) EFFECT ON GRATUITIES PAID AS A RESULT OF STATUS.—Subsection (a) shall not be interpreted to invalidate or otherwise affect the receipt by any person of a death gratuity or other payment from the United States on behalf of a person referred to in subsection (a) before the date of the enactment of this chapter.

"§ 1509. Effect on State law

"Nothing in this chapter shall be construed to invalidate or limit the power of any State court or administrative entity, or the power of any court or administrative entity of any political subdivision thereof, to find or declare a person dead for purposes of such State or political subdivision.

"§ 1510. Definitions

"In this chapter:

"(1) The term 'missing person' means a member of the armed forces on active duty who is in a missing status.

"(2) The term 'missing status' means the status of a missing person who is determined to be absent in a category of—

"(A) missing;

"(B) missing in action;

"(C) interned in a foreign country;

"(D) captured;

"(E) beleaguered;

"(F) besieged; or

"(G) detained.

"(3) The term 'accounted for', with respect to a person in a missing status, means that—

"(A) the person is returned to United States control alive;

"(B) the remains of the person are identified by competent authority; or

"(C) credible evidence exists to support another determination of the person's status.

"(4) The term 'primary next of kin', in the case of a missing person, means the individual authorized to direct disposition of the remains of the person under section 1482(c) of this title.

"(5) The term 'member of the immediate family', in the case of a missing person, means the following:

"(A) The spouse of the person.

"(B) A natural child, adopted child, step child, or illegitimate child (if acknowledged by the person or parenthood has been established by a court of competent jurisdiction) of the person, except that if such child has not attained the age of 18 years, the term means a surviving parent or legal guardian of such child.

"(C) A biological parent of the person, unless legal custody of the person by the parent has been previously terminated by reason of a court decree or otherwise under law and not restored.

"(D) A brother or sister of the person, if such brother or sister has attained the age of 18 years.

"(E) Any other blood relative or adoptive relative of the person, if such relative was given sole legal custody of the person by a court decree or otherwise under law before the person attained the age of 18 years and such custody was not subsequently terminated before that time.

"(6) The term 'previously designated person', in the case of a missing person, means an individual designated by the person under section 655 of this title for purposes of this chapter.

"(7) The term 'classified information' means any information determined as such under applicable laws and regulations of the United States.

"(8) The term 'State' includes the District of Columbia, the Commonwealth of Puerto Rico, and any territory or possession of the United States.

"(9) The term 'Secretary concerned' includes the Secretary of Transportation with respect to the Coast Guard when it is not operating as a service in the Department of the Navy.

"(10) The term 'armed forces' includes Coast Guard personnel operating in conjunction with, in support of, or under the command of a unified combatant command (as that term is used in section 6 of this title).".

(2) The tables of chapters at the beginning of subtitle A, and at the beginning of part II of subtitle A, of title 10, United States Code, are amended by inserting after the item relating to chapter 75 the following new item:

"76. Missing Persons .... 1501".

(c) CONFORMING AMENDMENTS.—Chapter 10 of title 37, United States Code, is amended as follows:

(1) Section 555 is amended—

(A) in subsection (a), by striking out "when a member" and inserting in lieu thereof "except as provided in subsection (d), when a member"; and

(B) by adding at the end the following new subsection:

"(d) This section does not apply in a case to which section 1502 of title 10 applies.".

(2) Section 552 is amended—

(A) in subsection (a), by striking out "for all purposes," in the second sentence of the matter following paragraph (2) and all that follows through the end of the sentence and inserting in lieu thereof "for all purposes.";

(B) in subsection (b), by inserting "or under chapter 76 of title 10" before the period at the end; and

(C) in subsection (e), by inserting "or under chapter 76 of title 10" after "section

555 of this title" after "section 555 of this title".

(3) Section 553 is amended—

(A) in subsection (f), by striking out "the date the Secretary concerned receives evidence that" and inserting in lieu thereof "the date on which, in a case covered by section 555 of this title, the Secretary concerned receives evidence, or, in a case covered by chapter 76 of title 10, the Secretary concerned determines pursuant to that chapter that"; and

(B) in subsection (g), by inserting "or under chapter 76 of title 10" after section 555 of this title".

(4) Section 556 is amended—

(A) in subsection (a), by inserting after paragraph (7) the following: "Paragraphs (1), (5), (6), and (7) shall only apply with respect to a case to which section 555 of this title applies.";

(B) in subsection (b), by inserting ", in a case to which section 555 of this title applies," after "When the Secretary concerned"; and

(C) In subsection (h)—

(i) in the first sentence, by striking out "status" and inserting in lieu thereof "pay"; and

(ii) in the second sentence, by inserting "in a case to which section 555 of this title applies" after "under this section".

(d) DESIGNATION OF INDIVIDUALS HAVING INTEREST IN STATUS OF SERVICE MEMBERS.—(1) Chapter 37 of title 10, United States Code, is amended by adding at the end the following new section:

"§655. Designation of persons having interest in status of a missing member

"(a) The Secretary concerned shall, upon the enlistment or appointment of a person in the armed forces, require that the person specify in writing the person or persons, if any, other than that person's primary next of kin or immediate family, to whom information on the whereabouts or status of the member shall be provided if such whereabouts or status are investigated under chapter 76 of this title. The Secretary shall periodically, and whenever the member is deployed as part of a contingency operation or in other circumstances specified by the Secretary, require that such designation be reconfirmed, or modified, by the member.

"(b) The Secretary concerned shall, upon the request of a member, permit the member to revise the person or persons specified by the member under subsection (a) at any time. Any such revision shall be in writing.".

(2) The table of sections at the beginning of such chapter is amended by adding at the end the following new item:

"655. Designation of persons having interest in status of a missing member.".

(e) ACCOUNTING FOR CIVILIAN EMPLOYEE AND CONTRACTORS OF THE UNITED STATES.—(1) The Secretary of State shall carry out a comprehensive study of the Missing Persons Act of 1942 (56 Stat. 143), and any other laws and regulations establishing procedures for the accounting for of civilian employees of the United States or contractors of the United States who serve with or accompany the Armed Forces in the field. The purpose of the study is to determine the means, if any, by which such procedures may be improved.

(2) The Secretary of State shall carry out the study required under paragraph (1) in consultation with the Secretary of Defense, the Secretary of Transportation, the Director of Central Intelligence, and the heads of such other departments and agencies of the Federal Government as the President shall designate for that purpose.

(3) In carrying out the study, the Secretary of State shall examine the procedures undertaken when a civilian employee referred to in paragraph (1) becomes involuntarily absent as a result of a hostile action, or under circumstances suggesting that the involuntary absence is a result of a hostile action, and whose status is undetermined or who is unaccounted for, including procedures for—

(A) search and rescue for the employee;

(B) determining the status of the employee;

(C) reviewing and changing the status of the employee;

(D) determining the rights and benefits accorded to the family of the employee; and

(E) maintaining and providing appropriate access to the records of the employee and the investigation into the status of the employee.

(4) Not later than one year after the date of the enactment of this Act, the Secretary of State shall submit to the Committee on Armed Services of the Senate and the Committee on National Security of the House of Representatives a report on the study carried out by the Secretary under this subsection. The report shall include the recommendations, if any, of the Secretary for legislation to improve the procedures covered by the study.

SEC. 552. SERVICE NOT CREDITABLE FOR PERIODS OF UNAVAILABILITY OR INCAPACITY DUE TO MISCONDUCT.

(a) ENLISTED SERVICE CREDIT.—Section 972 of title 10, United States Code, is amended—

(1) by striking out paragraphs (3) and (4) and inserting in lieu thereof the following:

"(3) is confined by military or civilian authorities for more than one day in connection with a trial, whether before, during, or after the trial; or"; and

(2) by redesignating paragraph (5) paragraph (4).

(b) OFFICER SERVICE CREDIT.—Chapter 49 of title 10, United States Code, is amended by inserting after section 972 the following new section:

"§972a. Officers: service not creditable

"(a) IN GENERAL.—Except as provided in subsection (b), an officer of an armed force may not receive credit for service in the armed forces for any purpose for a period for which the officer—

"(1) deserts;

"(2) is absent from the officer's organization, station, or duty for more than one day without proper authority, as determined by competent authority;

"(3) is confined by military or civilian authorities for more than one day in connection with a trial, whether before, during, or after the trial; or

"(4) is unable for more than one day, as determined by competent authority, to perform the officer's duties because of intemperate use of drugs or alcoholic liquor, or because of disease or injury resulting from the officer's misconduct.

"(b) INAPPLICABILITY TO COMPUTATION OF BASIC PAY.—Subsection (a) does not apply to a determination of the amount of basic pay of the officer under section 205 of title 37.".

(c) ARMY COMPUTATION OF YEARS OF SERVICE.—Section 3926 of title 10, United States Code, is amended by adding at the end the following new subsection:

"(e) A period for which service credit is denied under section 972a(a) of this title may not be counted for purposes of computing years of service under this section.".

(d) NAVY COMPUTATION OF YEARS OF SERVICE.—Chapter 571 of title 10, United States Code, is amended by inserting after section 6327 the following new section:

"§6328. Computation of years of service: service not creditable

"(a) ENLISTED MEMBERS.—Years of service computed under this chapter may not include a period of unavailability or incapacity to perform duties that is required under section 972 of this title to be made up by performance of service for an additional period.

"(b) OFFICERS.—A period for which service credit is denied under section 972a(a) of this title may not be counted for purposes of computing years of service under this chapter.".

(e) AIR FORCE COMPUTATION OF YEARS OF SERVICE.—Section 8926 of title 10, United States Code, is amended by adding at the end the following new subsection:

"(d) A period for which service credit is denied under section 972a(a) of this title may not be counted for purposes of computing years of service under this section.".

(f) CLERICAL AMENDMENTS.—(1) The table of sections at the beginning of chapter 49 of title 10, United States Code, is amended by inserting after the item relating to section 972 the following:

"972a. Officers: service not creditable.".

(2) The table of sections at the beginning of chapter 571 of title 10, United States Code, is amended by inserting after the item relating to section 6327 the following new item:

"6328. Computation of years of service: service not creditable.".

(g) EFFECTIVE DATE AND APPLICABILITY.—The amendments made by this section shall take effect on October 1, 1995, and shall apply to occurrences on or after that date of unavailability or incapacity to perform duties as described in section 972 or 972a of title 10, United States Code, as the case may be.

SEC. 553. SEPARATION IN CASES INVOLVING EXTENDED CONFINEMENT.

(a) SEPARATION.—(1)(A) Chapter 59 of title 10, United States Code, is amended by adding at the end the following:

"§1178. Persons under confinement for one year or more

"Except as otherwise provided in regulations prescribed by the Secretary of Defense, a person sentenced by a court-martial to a period of confinement for one year or more may be separated from the person's armed force at any time after the sentence to confinement has become final under chapter 47 of this title and the person has served in confinement for a period of one year.".

(B) The table of sections at the beginning of chapter 59 of such title is amended by inserting at the end thereof the following new item:

"1178. Persons under confinement for one year or more.".

(2)(A) Chapter 1221 of title 10, United States Code, is amended by adding at the end the following:

"§12687. Persons under confinement for one year or more

"Except as otherwise provided in regulations prescribed by the Secretary of Defense, a Reserve sentenced by a court-martial to a period of confinement for one year or more may be separated from the person's armed force at any time after the sentence to confinement has become final under chapter 47 of this title and the person has served in confinement for a period of one year.".

(B) The table of sections at the beginning of chapter 1221 of such title is amended by inserting at the end thereof the following new item:

"12687. Persons under confinement for one year or more.".

(b) DROP FROM ROLLS.—(1) Section 1161(b) of title 10, United States Code, is amended by striking out "or (2)" and inserting in lieu thereof "(2) who may be separated under section 1178 of this title by reason of a sentence to confinement adjudged by a court-martial, or (3)".

(2) Section 12684 of such title is amended—

(A) by striking out "or" at the end of paragraph (1);

(B) by redesignating paragraph (2) as paragraph (3); and

(C) by inserting after paragraph (1) the following new paragraph (2):

"(2) who may be separated under section 12687 of this title by reason of a sentence to confinement adjudged by a court-martial; or".

SEC. 554. DURATION OF FIELD TRAINING OR PRACTICE CRUISE REQUIRED UNDER THE SENIOR RESERVE OFFICERS' TRAINING CORPS PROGRAM.

Section 2104(b)(6)(A)(ii) of title 10, United States Code, is amended by striking out "not less than six weeks' duration" and inserting in lieu thereof "a duration".

SEC. 555. CORRECTION OF MILITARY RECORDS.

(a) REVIEW OF PROCEDURES.—The Secretary of each military department shall review the system and procedures used by the Secretary in the exercise of authority under section 1552 of title 10, United States Code, in order to identify potential improvements that could be made in the process for correcting military records to ensure fairness, equity, and, consistent with appropriate service to applicants, maximum efficiency.

(b) ISSUES REVIEWED.—In conducting the review, the Secretary shall consider the following issues:

(1) The composition of the board for correction of military records and of the support staff for the board.

(2) Timeliness of final action.

(3) Independence of deliberations by the civilian board for the correction of military records.

(4) The authority of the Secretary to modify the recommendations of the board.

(5) Burden of proof and other evidentiary standards.

(6) Alternative methods for correcting military records.

(c) REPORT.—(1) Not later than April 1, 1996, the Secretary of each military department shall submit a report on the results of the Secretary's review under this section to the Secretary of Defense. The report shall contain the recommendations of the Secretary of the military department for improving the process for correcting military records in order to achieve the objectives referred to in subsection (a).

(2) The Secretary of Defense shall immediately transmit a copy of the report to the Committee on Armed Services of the Senate and the Committee on National Security of the House of Representatives.

SEC. 556. LIMITATION ON REDUCTIONS IN MEDICAL PERSONNEL.

(a) LIMITATION ON REDUCTIONS.—Unless the Secretary of Defense makes the certification described in subsection (b) for a fiscal year, the Secretary may not reduce the number of medical personnel of the Department of Defense—

(1) in fiscal year 1996, to a number that is less than—

(A) 95 percent of the number of such personnel at the end of fiscal year 1994; or

(B) 90 percent of the number of such personnel at the end of fiscal year 1993; and

(2) in any fiscal year beginning after September 30, 1996, to a number that is less than—

(A) 95 percent of the number of such personnel at the end of the immediately preceding fiscal year; or

(B) 90 percent of the number of such personnel at the end of the third fiscal year preceding the fiscal year.

(b) CERTIFICATION.—The Secretary may make a reduction described in subsection (a) if the Secretary certifies to Congress that—

(1) the number of medical personnel of the Department that in being reduced in excess to the current and projected needs of the military departments; and

(2) such reduction will not result in an increase in the cost of health care services provided under the Civilian Health and Medical Program of the Uniformed Services.

(c) REPORT ON PLANNED REDUCTIONS.—Not later than March 1, 1996, the Assistant Secretary of Defense having responsibility for health affairs, in consultation with the Surgeon General of the Army, the Surgeon General of the Navy, and the Surgeon General of the Air Force, shall submit to the congressional defense committees a plan for the reduction of the number of medical personnel of the Department of Defense over the 5-year period beginning on October 1, 1996.

(d) REPEAL OF OBSOLETE PROVISIONS OF LAW.—(1) Section 711 of the National Defense Authorization Act for Fiscal Year 1991 (10 U.S.C. 115 note) is repealed.

(2) Section 718 of the National Defense Authorization Act for Fiscal Years 1992 and 1993 (Public Law 102–190; 105 Stat. 1404; 10 U.S.C. 115 note) is amended by striking out subsection (b).

(3) Section 518 of the National Defense Authorization Act for Fiscal Year 1993 (Public Law 102–484; 106 Stat. 2407) is repealed.

(e) DEFINITION.—For purposes of this section, the term "medical personnel" has the meaning given such term in section 115a(g)(2) of title 10, United States Code, except that such term includes civilian personnel of the Department of Defense assigned to military medical facilities.

SEC. 557. REPEAL OF REQUIREMENT FOR ATHLETIC DIRECTOR AND NONAPPROPRIATED FUND ACCOUNT FOR THE ATHLETICS PROGRAMS AT THE SERVICE ACADEMIES.

(a) UNITED STATES MILITARY ACADEMY.—(1) Section 4357 of title 10, United States Code, is repealed.

(2) The table of sections at the beginning of chapter 403 of such title is amended by striking out the item relating to section 4357.

(b) UNITED STATES NAVAL ACADEMY.—Section 556 of the National Defense Authorization Act for Fiscal Year 1995 (Public Law 103–337; 108 Stat. 2774) is amended by striking out subsections (b), (d), and (e).

(c) UNITED STATES AIR FORCE ACADEMY.—(1) Section 9356 of title 10, United States Code, is repealed.

(2) The table of sections at the beginning of chapter 903 of such title is amended by striking out the item relating to section 9356.

SEC. 558. PROHIBITION ON USE OF FUNDS FOR SERVICE ACADEMY PREPARATORY SCHOOL TEST PROGRAM.

Notwithstanding any other provision of law, none of the funds authorized to be appropriated by this Act, or otherwise made available, to the Department of Defense may be obligated to carry out a test program for determining the cost effectiveness of transferring to the private sector the mission of operating one or more preparatory schools for the United States Military Academy, the United States Naval Academy, and the United States Air Force Academy.

SEC. 559. CENTRALIZED JUDICIAL REVIEW OF DEPARTMENT OF DEFENSE PERSONNEL ACTIONS.

(a) ESTABLISHMENT.—The Secretary of Defense and the Attorney General shall jointly establish an advisory panel on centralized review of Department of Defense administrative personnel actions.

(b) MEMBERSHIP.—(1) The panel shall be composed of five members appointed as follows:

(A) One member appointed by the Chief Justice of the United States.

(B) Three members appointed by the Secretary of Defense.

(C) One member appointed by the Attorney General.

(2) The Secretary of Defense shall designate one of the members appointed under paragraph (1)(B) to serve as chairman of the panel.

(3) All members shall be appointed not later than 30 days after the date of the enactment of this Act.

(4) The panel shall meet at the call of the chairman. The panel shall hold its first meeting not later than 30 days after the date on which all members have been appointed.

(c) DUTIES.—The panel shall review, and provide findings and recommendations in accordance with subsection (d) regarding, the following matters:

(1) Whether the existing practices with regard to judicial review of administrative personnel actions of the Department of Defense are appropriate and adequate.

(2) Whether a centralized judicial review of administrative personnel actions should be established.

(3) Whether the United States Court of Appeals for the Armed Forces should conduct such reviews.

(d) REPORT.—(1) Not later than December 15, 1996, the panel shall submit a report on the findings and recommendations of the panel to the Secretary of Defense and the Attorney General.

(2) Not later than January 1, 1997, the Secretary of Defense and the Attorney General shall jointly transmit the panel's report to Congress. The Secretary and the Attorney General may include in the transmittal any joint comments on the report that they consider appropriate, and either such official may include in the transmittal any separate comments on the report that such official considers appropriate.

(e) TERMINATION OF PANEL.—The panel shall terminate 30 days after the date of submission of the report to the Secretary of Defense and the Attorney General under subsection (d).

SEC. 560. DELAY IN REORGANIZATION OF ARMY ROTC REGIONAL HEADQUARTERS STRUCTURE.

(a) DELAY.—The Secretary of the Army may not take any action to reorganize the regional headquarters and basic camp structure of the Reserve Officers Training Corps program of the Army until six months after the date on which the report required by subsection (d) is submitted.

(b) COST-BENEFIT ANALYSIS.—The Secretary of the Army shall conduct a comparative cost-benefit analysis of various options for the reorganization of the regional headquarters and basic camp structure of the Army ROTC program. As part of such analysis, the Secretary shall measure each reorganization option considered against a common set of criteria.

(c) SELECTION OF REORGANIZATION OPTION FOR IMPLEMENTATION.—Based on the findings resulting from the cost-benefit analysis under subsection (b) and such other factors as the Secretary considers appropriate, the Secretary shall select one reorganization option for implementation. The Secretary may select an option for implementation only if the Secretary finds that the cost-benefit analysis and other factors considered clearly demonstrate that such option, better than any other option considered—

(1) provides the structure to meet projected mission requirements;

(2) achieves the most significant personnel and cost savings;

(3) uses existing basic and advanced camp facilities to the maximum extent possible;

(4) minimizes additional military construction costs; and

(5) makes maximum use of the reserve components to support basic and advanced camp operations, thereby minimizing the effect of those operations on active duty units.

(d) Report.—Not later than 60 days after the date of the enactment of this Act, the Secretary of the Army shall submit to the Committee on Armed Services of the Senate and the Committee on National Security of the House of Representatives a report describing the reorganization option selected under subsection (c). The report shall include the results of the cost-benefit analysis under subsection (b) and a detailed rationale for the reorganization option selected.

TITLE VI—COMPENSATION AND OTHER PERSONNEL BENEFITS

Subtitle A—Pay and Allowances

SEC. 601. MILITARY PAY RAISE FOR FISCAL YEAR 1996.

(a) Waiver of Section 1009 Adjustment.—Any adjustment required by section 1009 of title 37, United States Code, in elements of compensation of members of the uniformed services to become effective during fiscal year 1996 shall not be made.

(b) Increase in Basic Pay and BAS.—Effective on January 1, 1996, the rates of basic pay and basic allowance for subsistence of members of the uniformed services are increased by 2.4 percent.

(c) Increase in BAQ.—Effective on January 1, 1996, the rates of basic allowance for quarters of members of the uniformed services are increased by 5.2 percent.

SEC. 602. ELECTION OF BASIC ALLOWANCE FOR QUARTERS INSTEAD OF ASSIGNMENT TO INADEQUATE QUARTERS.

(a) Election Authorized.—Section 403(b) of title 37, United States Code, is amended—

(1) by inserting "(1)" after "(b)";

(2) by designating the second sentence as paragraph (2) and, as so designated, by striking out "However, subject" and inserting in lieu thereof "Subject"; and

(3) by adding at the end the following:

"(3) A member without dependents who is in pay grade E-6 and who is assigned to quarters of the United States that do not meet the minimum adequacy standards established by the Department of Defense for members in such pay grade, or to a housing facility under the jurisdiction of a uniformed service that does not meet such standards, may elect not to occupy such quarters or facility and instead to receive the basic allowance for quarters prescribed for his pay grade by this section.".

(b) Effective Date.—The amendments made by this section shall take effect on July 1, 1996.

SEC. 603. PAYMENT OF BASIC ALLOWANCE FOR QUARTERS TO MEMBERS OF THE UNIFORMED SERVICES IN PAY GRADE E-6 WHO ARE ASSIGNED TO SEA DUTY.

(a) Payment Authorized.—Section 403(c)(2) of title 37, United States Code, is amended—

(1) in the first sentence, by striking out "E-7" and inserting in lieu thereof "E-6"; and

(2) in the second sentence, by striking out "E-6" and inserting in lieu thereof "E-5".

(b) Effective Date.—The amendments made by this section shall take effect on July 1, 1996.

SEC. 604. LIMITATION ON REDUCTION OF VARIABLE HOUSING ALLOWANCE FOR CERTAIN MEMBERS.

(a) Limitation on Reduction in VHA.—Subsection (c)(3) of section 403a of title 37, United States Code, is amended by adding at the end the following new sentence: "However, on and after January 1, 1996, the monthly amount of a variable housing allowance under this section for a member of a uniformed service with respect to an area may not be reduced so long as the member retains uninterrupted eligibility to receive a variable housing allowance within that area and the member's certified housing costs are not reduced, as indicated by certifications provided by the member under subsection (b)(4).".

(b) Effect on Total Amount Available for VHA.—Subsection (d)(3) of such section is amended by inserting after the first sentence the following new sentence: "In addition, the total amount determined under paragraph (1) shall be adjusted to ensure that sufficient amounts are available to allow payment of any additional amounts of variable housing allowance necessary as a result of the requirements of the second sentence of subsection (c)(3).".

(c) Report on Implementation.—Not later than June 1, 1996, the Secretary of Defense shall submit to Congress a report describing the procedures to be used to implement the amendments made by this section and the costs of such amendments.

SEC. 605. CLARIFICATION OF LIMITATION ON ELIGIBILITY FOR FAMILY SEPARATION ALLOWANCE.

Section 427(b)(4) of title 37, United States Code, is amended by inserting "paragraph (1)(A) of" after "not entitled to an allowance under" in the first sentence.

Subtitle B—Bonuses and Special and Incentive Pays

SEC. 611. EXTENSION OF CERTAIN BONUSES FOR RESERVE FORCES.

(a) Selected Reserve Reenlistment Bonus.—Section 308b(f) of title 37, United States Code, is amended by striking out "September 30, 1996" and inserting in lieu thereof "September 30, 1997".

(b) Selected Reserve Enlistment Bonus.—Section 308c(e) of title 37, United States Code, is amended by striking out "September 30, 1996" and inserting in lieu thereof "September 30, 1997".

(c) Selected Reserve Affiliation Bonus.—Section 308e(e) of title 37, United States Code, is amended by striking out "September 30, 1996" and inserting in lieu thereof "September 30, 1997".

(d) Ready Reserve Enlistment and Reenlistment Bonus.—Section 308h(g) of title 37, United States Code, is amended by striking out "September 30, 1996" and inserting in lieu thereof "September 30, 1997".

(e) Prior Service Enlistment Bonus.—Section 308i(i) of title 37, United States Code, is amended by striking out "September 30, 1996" and inserting in lieu thereof "September 30, 1997".

SEC. 612. EXTENSION OF CERTAIN BONUSES AND SPECIAL PAY FOR NURSE OFFICER CANDIDATES, REGISTERED NURSES, AND NURSE ANESTHETISTS.

(a) Nurse Officer Candidate Accession Program.—Section 2130a(a)(1) of title 10, United States Code, is amended by striking out "September 30, 1996" and inserting in lieu thereof "September 30, 1997".

(b) Accession Bonus for Registered Nurses.—Section 302d(a)(1) of title 37, United States Code, is amended by striking out "September 30, 1996" and inserting in lieu thereof "September 30, 1997".

(c) Incentive Special Pay for Nurse Anesthetists.—Section 302e(a)(1) of title 37, United States Code, is amended by striking out "September 30, 1996" and inserting in lieu thereof "September 30, 1997".

SEC. 613. EXTENSION OF AUTHORITY RELATING TO PAYMENT OF OTHER BONUSES AND SPECIAL PAYS.

(a) Aviation Officer Retention Bonus.—Section 301b(a) of title 37, United States Code, is amended by striking out "September 30, 1996," and inserting in lieu thereof "September 30, 1997".

(b) Reenlistment Bonus for Active Members.—Section 308(g) of title 37, United States Code, is amended by striking out "September 30, 1996" and inserting in lieu thereof "September 30, 1997".

(c) Enlistment Bonuses for Critical Skills.—Sections 308a(c) and 308f(c) of title 37, United States Code, are each amended by striking out "September 30, 1996" and inserting in lieu thereof "September 30, 1997".

(d) Special Pay for Enlisted Members of the Selected Reserve Assigned to Certain High Priority Units.—Section 308d(c) of title 37, United States Code, is amended by striking out "September 30, 1996" and inserting in lieu thereof "September 30, 1997".

(e) Repayment of Education Loans for Certain Health Professionals Who Serve in the Selected Reserve.—Section 16302(d) of title 10, United States Code, is amended by striking out "October 1, 1996" and inserting in lieu thereof "October 1, 1997".

(f) Special Pay for Critically Short Wartime Health Specialists in the Selected Reserves.—Section 613(d) of the National Defense Authorization Act, Fiscal Year 1989 (37 U.S.C. 302 note) is amended by striking out "September 30, 1996" and inserting in lieu thereof "September 30, 1997".

(g) Special Pay for Nuclear Qualified Officers Extending Period of Active Service.—Section 312(e) of title 37, United States Code, is amended by striking out "September 30, 1996" and inserting in lieu thereof "September 30, 1997".

(h) Nuclear Career Accession Bonus.—Section 312b(c) of title 37, United States Code, is amended by striking out "September 30, 1996" and inserting in lieu thereof "September 30, 1997".

(i) Nuclear Career Annual Incentive Bonus.—Section 312c(d) of title 37, United States Code, is amended by striking out "October 1, 1996" and inserting in lieu thereof "October 1, 1997".

SEC. 614. HAZARDOUS DUTY INCENTIVE PAY FOR WARRANT OFFICERS AND ENLISTED MEMBERS SERVING AS AIR WEAPONS CONTROLLERS.

Section 301 of title 37, United States Code, is amended—

(1) in subsection (a)(11), by striking out "an officer (other than a warrant officer)" and inserting in lieu thereof "a member of a uniformed service"; and

(2) in subsection (c)(2)—

(A) by striking out "an officer" each place it appears and inserting in lieu thereof "a member";

(B) in subparagraph (A), by striking out the table and inserting in lieu thereof the following:

"Pay grade	Years of service as an air weapons controller						
	2 or less	Over 2	Over 3	Over 4	Over 6	Over 8	Over 10
"O–7 and above	$200	$200	$200	$200	$200	$200	$200
"O–6	225	250	300	325	350	350	350
"O–5	200	250	300	325	350	350	350
"O–4	175	225	275	300	350	350	350
"O–3	125	156	188	206	350	350	350
"O–2	125	156	188	206	250	300	300
"O–1	125	156	188	206	250	250	250
"W–4	200	225	275	300	325	325	325
"W–3	175	225	275	300	325	325	325
"W–2	150	200	250	275	325	325	325
"W–1	100	125	150	175	325	325	325
"E–9	200	225	250	275	300	300	300
"E–8	200	225	250	275	300	300	300
"E–7	175	200	225	250	275	275	275
"E–6	156	175	200	225	250	250	250
"E–5	125	156	175	188	200	200	200
"E–4 and below	125	156	175	188	200	200	200

	Over 12	Over 14	Over 16	Over 18	Over 20	Over 22	Over 24	Over 25
"O–7 and above	$200	$200	$200	$200	$200	$200	$200	$110
"O–6	350	350	350	350	300	250	250	225
"O–5	350	350	350	350	300	250	250	225
"O–4	350	350	350	350	300	250	250	225
"O–3	350	350	350	300	275	250	225	200
"O–2	300	300	300	275	245	210	200	180
"O–1	250	250	250	245	210	200	180	150
"W–4	325	325	325	325	276	250	225	200
"W–3	325	325	325	325	325	250	225	200
"W–2	325	325	325	325	275	250	225	200
"W–1	325	325	325	325	275	250	225	200
"E–9	300	300	300	300	275	230	200	200
"E–8	300	300	300	300	265	230	200	200
"E–7	300	300	300	300	265	230	200	200
"E–6	300	300	300	300	265	230	200	200
"E–5	250	250	250	250	225	200	175	150
"E–4 and below	200	200	200	200	175	150	125	125";

and

(C) in subparagraph (B), by striking out "the officer" each place it appears and inserting in lieu thereof "the member".

SEC. 615. AVIATION CAREER INCENTIVE PAY.

(a) YEARS OF OPERATIONAL FLYING DUTIES REQUIRED.—Paragraph (4) of section 301a(a) of title 37, United States Code, is amended in the first sentence by striking out "9" and inserting in lieu thereof "8".

(b) EXERCISE OF WAIVER AUTHORITY.—Paragraph (5) of such section is amended by inserting after the second sentence the following new sentence: "The Secretary concerned may not delegate the authority in the preceding sentence to permit the payment of incentive pay under this subsection.".

SEC. 616. CLARIFICATION OF AUTHORITY TO PROVIDE SPECIAL PAY FOR NURSES.

Section 302c(d)(1) of title 37, United States Code, is amended—

(1) by striking out "or an officer" and inserting in lieu thereof "an officer"; and

(2) by inserting before the semicolon the following: ", an officer of the Nurse Corps of the Army or Navy, or an officer of the Air Force designated as a nurse".

SEC. 617. CONTINUOUS ENTITLEMENT TO CAREER SEA PAY FOR CREW MEMBERS OF SHIPS DESIGNATED AS TENDERS.

Section 305a(d)(1) of title 37, United States Code, is amended by striking out subparagraph (A) and inserting in lieu thereof the following:

"(A) while permanently or temporarily assigned to a ship, ship-based staff, or ship-based aviation unit and—

"(i) while serving on a ship the primary mission of which is accomplished while under way;

"(ii) while serving as a member of the off-crew of a two-crewed submarine; or

"(iii) while serving as a member of a tender-class ship (with the hull classification of submarine or destroyer); or".

SEC. 618. INCREASE IN MAXIMUM RATE OF SPECIAL DUTY ASSIGNMENT PAY FOR ENLISTED MEMBERS SERVING AS RECRUITERS.

(a) SPECIAL MAXIMUM RATE FOR RECRUITERS.—Section 307(a) of title 37, United States Code, is amended by adding at the end the following new sentence: "In the case of a member who is serving as a military recruiter and is eligible for special duty assignment pay under this subsection by reason of such duty, the Secretary concerned may increase the monthly rate of special duty assignment pay for the member to not more than $375.".

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall take effect on January 1, 1996.

Subtitle C—Travel and Transportation Allowances

SEC. 621. CALCULATION ON BASIS OF MILEAGE TABLES OF SECRETARY OF DEFENSE: REPEAL OF REQUIREMENT.

Section 404(d)(1)(A) of title 37, United States Code, is amended by striking out ", based on distances established over the shortest usually traveled route, under mileage tables prepared under the direction of the Secretary of Defense".

SEC. 622. DEPARTURE ALLOWANCES.

(a) ELIGIBILITY WHEN EVACUATION AUTHORIZED BUT NOT ORDERED.—Section 405a(a) of title 37, United States Code, is amended by striking out "ordered" each place it appears and inserting in lieu thereof "authorized or ordered".

(b) EFFECTIVE DATE AND APPLICABILITY.—The amendment made by subsection (a) shall take effect on October 1, 1995, and shall apply to persons authorized or ordered to depart as described in section 405a(a) of title 37, United States Code, on or after such date.

SEC. 623. DISLOCATION ALLOWANCE FOR MOVES RESULTING FROM A BASE CLOSURE OR REALIGNMENT.

Section 407(a) of title 37, United States Code, is amended by—

(1) by striking out "or" at the end of paragraph (3);

(2) by striking out the period at the end of paragraph (4) and inserting in lieu thereof "; or"; and

(3) by adding at the end the following:

"(5) the member is ordered to move in connection with the closure or realignment of a military installation and, as a result, the member's dependents actually move or, in the case of a member without dependents, the member actually moves.".

SEC. 624. TRANSPORTATION OF NONDEPENDENT CHILD FROM SPONSOR'S STATION OVERSEAS AFTER LOSS OF DEPENDENT STATUS WHILE OVERSEAS.

Section 406(h)(1) of title 37, United States Code, is amended by striking out the last sentence and inserting in lieu thereof the following new sentence: "If a member receives for an unmarried child of the member transportation in kind to the member's station outside the United States or in Hawaii or Alaska, reimbursement therefor, or a monetary allowance in place thereof and, while the member is serving at that station, the child ceases to be a dependent of the member by reason of ceasing to satisfy an age requirement in section 401(a)(2) of this title or ceasing to be enrolled in an institution of higher education as described in subparagraph (C) of such section, the child shall be treated as a dependent of the member for purposes of this subsection.".

Subtitle D—Commissaries and Nonappropriated Fund Instrumentalities

SEC. 631. USE OF COMMISSARY STORES BY MEMBERS OF THE READY RESERVE.

(a) PERIOD OF USE.—Section 1063 of title 10, United States Code, is amended—

(1) in subsection (a)(1)—

(A) by inserting "for a period of one year on the same basis as members on active duty" before the period at the end of the first sentence; and

(B) by striking out the second sentence;

(2) by striking out subsection (b); and

(3) by redesignating subsection (c) as subsection (b).

(b) CONFORMING AND CLERICAL AMENDMENTS.—(1) The heading for such section is amended to read as follows:

"§ 1063. Commissary stores: use by members of the Ready Reserve".

(2) The item relating to such section in the table of sections at the beginning of chapter 54 of title 10, United State Code, is amended to read as follows:

"1063. Commissary stores: use by members of the Ready Reserve.".

SEC. 632. USE OF COMMISSARY STORES BY RETIRED RESERVES UNDER AGE 60 AND THEIR SURVIVORS.

(a) ELIGIBILITY.—Section 1064 of title 10, United States Code, is amended to read as follows:

"§ 1064. Commissary stores: use by retired Reserves under age 60 and their survivors

"(a) RETIRED RESERVES UNDER AGE 60.—Members of the reserve components under 60 years of age who, but for age, would be eligible for retired pay under chapter 1223 of this title (or under chapter 67 of this title as in effect before December 1, 1994) shall be authorized to use commissary stores of the Department of Defense on the same basis as members and former members of the armed forces who have retired entitled to retired or retainer pay under chapter 367, 571, or 867 of this title.

"(b) SURVIVORS.—If a person authorized to use commissary stores under subsection (a) dies before attaining 60 years of age, the surviving dependents of the deceased person shall be authorized to use commissary stores of the Department of Defense on the same basis as the surviving dependents of persons who die after being retired entitled to retired or retainer pay under chapter 367, 571, or 867 of this title.

"(c) USE SUBJECT TO REGULATIONS.—Use of commissary stores under this section is subject to regulations prescribed by the Secretary of Defense.".

(b) CLERICAL AMENDMENT.—The item relating to such section in the table of sections at the beginning of chapter 54 of title 10, United States Code, is amended to read as follows:

"1064. Commissary stores: use by retired Reserves under age 60 and their survivors.".

SEC. 633. USE OF MORALE, WELFARE, AND RECREATION FACILITIES BY MEMBERS OF RESERVE COMPONENTS AND DEPENDENTS: CLARIFICATION OF ENTITLEMENT.

Section 1065 of title 10, United States Code, is amended to read as follows:

"§ 1065. Use of certain morale, welfare, and recreation facilities by members of reserve components and dependents

"(a) MEMBERS OF THE SELECTED RESERVE.—Members of the Selected Reserve in good standing (as determined by the Secretary concerned) shall be permitted to use MWR retail facilities on the same basis as members on active duty.

"(b) MEMBERS OF READY RESERVE NOT IN SELECTED RESERVE.—Subject to such regulations as the Secretary of Defense may prescribe, members of the Ready Reserve (other than members of the Selected Reserve) may be permitted to use MWR retail facilities on the same basis as members serving on active duty.

"(c) RETIREES UNDER AGE 60.—Members of the reserve components under 60 years of age who, but for age, would be eligible for retired pay under chapter 1223 of this title (or under chapter 67 of this title as in effect before December 1, 1994) shall be permitted to use MWR retail facilities on the same basis as members and former members of the armed forces who have retired entitled to retired or retainer pay under chapter 367, 571, or 867 of this title.

"(d) DEPENDENTS.—(1) Dependents of members referred to in subsection (a) shall be permitted to use MWR retail facilities on the same basis as dependents of members on active duty.

"(2) Dependents of members referred to in subsection (c) shall be permitted to use MWR retail facilities on the same basis as dependents of members and former members of the armed forces who have retired entitled to retired or retainer pay under chapter 367, 571, or 867 of this title.

"(e) MWR RETAIL FACILITY DEFINED.—In this section, the term 'MWR retail facilities' means exchange stores and other revenue generating facilities operated by nonappropriated fund activities of the Department of Defense for the morale, welfare, and recreation of members of the armed forces.".

Subtitle E—Other Matters

SEC. 641. COST-OF-LIVING INCREASES FOR RETIRED PAY.

(a) MODIFICATION OF DELAYS.—Clause (ii) of section 1401a(b)(2)(B) of title 10, United States Code, is amended—

(1) by striking out "1994, 1995, 1996, or 1997" and inserting in lieu thereof "1994 or 1995"; and

(2) by striking out "September" and inserting in lieu thereof "March".

(b) CONFORMING AMENDMENT.—The captions for such section 1401a(2)(B) and for clause (ii) of such section are amended by striking out "THROUGH 1998" and inserting in lieu thereof "THROUGH 1996".

(c) REPEAL OF SUPERSEDED PROVISION.—Section 8114A of Public Law 103–335 (108 Stat. 2648) is repealed.

SEC. 642. ELIGIBILITY FOR RETIRED PAY FOR NON-REGULAR SERVICE DENIED FOR MEMBERS RECEIVING CERTAIN SENTENCES IN COURTS-MARTIAL.

Section 12731 of title 10, United States Code, is amended—

(1) by redesignating subsections (d), (e), and (f) as subsections (e), (f), and (g), respectively; and

(2) by inserting after subsection (c) the following new subsection:

"(d) A person who is convicted of an offense under the Uniform Code of Military Justice (chapter 47 of this title), and whose executed sentence includes death, a dishonorable discharge, a bad conduct discharge, or (in the case of an officer) a dismissal is not eligible for retired pay under this chapter.".

SEC. 643. RECOUPMENT OF ADMINISTRATIVE EXPENSES IN GARNISHMENT ACTIONS.

(a) IN GENERAL.—Subsection (j) of section 5520a of title 5, United States Code, is amended by striking out paragraph (2) and inserting in lieu thereof the following new paragraph (2):

"(2) Such regulations shall provide that an agency's administrative costs in executing legal process to which the agency is subject under this section shall be deducted from the amount withheld from the pay of the employee concerned pursuant to the legal process.".

(b) INVOLUNTARY ALLOTMENTS OF PAY OF MEMBERS OF THE UNIFORMED SERVICES.—Subsection (k) of such section is amended—

(1) by redesignating paragraph (3) as paragraph (4); and

(2) by inserting after paragraph (2) the following new paragraph (3):

"(3) Regulations under this subsection may also provide that the administrative costs in establishing and maintaining an involuntary allotment be deducted from the amount withheld from the pay of the member of the uniformed services concerned pursuant to such regulations.".

(c) DISPOSITION OF AMOUNTS WITHHELD FOR ADMINISTRATIVE EXPENSES.—Such section is further amended by adding at the end the following:

"(l) The amount of an agency's administrative costs deducted under regulations prescribed pursuant to subsection (j)(2) or (k)(2) shall be credited to the appropriation, fund, or account from which such administrative costs were paid.".

SEC. 644. AUTOMATIC MAXIMUM COVERAGE UNDER SERVICEMEN'S GROUP LIFE INSURANCE.

Section 1967 of title 38, United States Code, is amended—

(1) in subsections (a) and (c), by striking out "$100,000" each place it appears and inserting in lieu thereof in each instance "$200,000";

(2) by striking out subsection (e); and

(3) by redesignating subsection (f) as subsection (e).

SEC. 645. TERMINATION OF SERVICEMEN'S GROUP LIFE INSURANCE FOR MEMBERS OF THE READY RESERVE WHO FAIL TO PAY PREMIUMS.

Section 1968(a)(4) of title 38, United States Code, is amended—

(1) by striking out the period at the end of subparagraph (C) and inserting in lieu thereof a semicolon; and

(2) by adding at the end the following:

"except that, if the member fails to make a direct remittance of a premium for the insurance to the Secretary when required to do so, the insurance shall cease with respect to the member 120 days after the date on which the Secretary transmits a notification of the termination by mail addressed to the member at the member's last known address, unless the Secretary accepts from the member full payment of the premiums in arrears within such 120-day period.".

SEC. 646. REPORT ON EXTENDING TO JUNIOR NONCOMMISSIONED OFFICERS PRIVILEGES PROVIDED FOR SENIOR NONCOMMISSIONED OFFICERS.

(a) REPORT REQUIRED.—Not later than February 1, 1996, the Secretary of Defense shall submit to Congress a report containing the determinations of the Secretary regarding whether, in order to improve the working conditions of noncommissioned officers in pay grades E–5 and E–6, any of the privileges afforded noncommissioned officers in any of the pay grades above E–6 should be extended to noncommissioned officers in pay grades E–5 and E–6.

(b) SPECIFIC RECOMMENDATION REGARDING ELECTION OF BAS.—The Secretary shall include in the report a determination on whether noncommissioned officers in pay grades E–5 and E–6 should be afforded the same privilege as noncommissioned officers in pay grades above E–6 to elect to mess separately and receive the basic allowance for subsistence.

(c) ADDITIONAL MATTERS.—The report shall also contain a discussion of the following matters:

(1) The potential costs of extending additional privileges to noncommissioned officers in pay grades E–5 and E–6.

(2) The effects on readiness that would result from extending the additional privileges.

(3) The options for extending the privileges on an incremental basis over an extended period.

(d) RECOMMENDED LEGISLATION.—The Secretary shall include in the report any recommended legislation that the Secretary considers necessary in order to authorize extension of a privilege as determined appropriate under subsection (a).

SEC. 647. PAYMENT TO SURVIVORS OF DECEASED MEMBERS OF THE UNIFORMED SERVICES FOR ALL LEAVE ACCRUED.

(a) INAPPLICABILITY OF 60-DAY LIMITATION.—Section 501(d) of title 37, United States Code, is amended—

(1) in paragraph (1), by striking out the third sentence; and

(2) by striking out paragraph (2) and inserting in lieu thereof the following:

"(2) The limitations in the second sentence of subsection (b)(3), subsection (f), and the second sentence of subsection (g) shall not apply with respect to a payment made under this subsection.".

(b) CONFORMING AMENDMENT.—Section 501(f) of such title is amended by striking out ", (d)," in the first sentence.

SEC. 648. ANNUITIES FOR CERTAIN MILITARY SURVIVING SPOUSES.

(a) STUDY REQUIRED.—(1) The Secretary of Defense shall conduct a study to determine the quantitative results (described in subsection (b)) of enactment and exercise of authority for the Secretary of the military department concerned to pay an annuity to the qualified surviving spouse of each member of the Armed Forces who—

(A) died before March 21, 1974, and was entitled to retired or retainer pay on the date of death; or

(B) was a member of a reserve component of the Armed Forces during the period beginning on September 21, 1972, and ending on October 1, 1978, and at the time of his death would have been entitled to retired pay under chapter 67 of title 10, United States Code (as in effect before December 1, 1994), but for the fact that he was under 60 years of age.

(2) A qualified surviving spouse for purposes of paragraph (1) is a surviving spouse who has not remarried and who is not eligible for an annuity under section 4 of Public Law 92-425 (10 U.S.C. 1448 note).

(b) REQUIRED DETERMINATIONS.—By means of the study required under subsection (a), the Secretary shall determine the following matters:

(1) The number of unremarried surviving spouses of deceased members and deceased former members of the Armed Forces referred to in subparagraph (A) of subsection (a)(1) who would be eligible for an annuity under authority described in such subsection.

(2) The number of unremarried surviving spouses of deceased members and deceased former members of reserve components of the Armed Forces referred to in subparagraph (B) of subsection (a)(1) who would be eligible for an annuity under authority described in such subsection.

(3) The number of persons in each group of unremarried former spouses described in paragraphs (1) and (2) who are receiving a widow's insurance benefit or a widower's insurance benefit under title II of the Social Security Act on the basis of employment of a deceased member or deceased former member referred to in subsection (a)(1).

(c) REPORT.—(1) Not later than March 1, 1996, the Secretary of Defense shall submit to the Committee on Armed Services of the Senate and the Committee on National Security of the House of Representatives a report on the results of the study.

(2) The Secretary shall include in the report a recommendation on the amount of the annuity that should be authorized to be paid under any authority described in subsection (a)(1) together with a recommendation on whether the annuity should be adjusted annually to offset increases in the cost of living.

SEC. 649. TRANSITIONAL COMPENSATION FOR DEPENDENTS OF MEMBERS OF THE ARMED FORCES SEPARATED FOR DEPENDENT ABUSE.

(a) CLARIFICATION OF ENTITLEMENT.—Section 1059(d) of title 10, United States Code, is amended by striking out "of a separation from active duty as" in the first sentence.

(b) EFFECTIVE DATE FOR PROGRAM AUTHORITY.—Section 554(b)(1) of the National Defense Authorization Act for Fiscal Year 1994 (107 Stat. 1666; 10 U.S.C. 1059 note) is amended by striking out "the date of the enactment of this Act—" and inserting in lieu thereof "April 1, 1994—".

TITLE VII—HEALTH CARE

Subtitle A—Health Care Services

SEC. 701. MEDICAL CARE FOR SURVIVING DEPENDENTS OF RETIRED RESERVES WHO DIE BEFORE AGE 60.

Section 1076(b) of title 10, United States Code, is amended—

(1) in clause (2)—

(A) by striking out "death (A) would" and inserting in lieu thereof "death would"; and

(B) by striking out ", and (B) had elected to participate in the Survivor Benefit Plan established under subchapter II of chapter 73 of this title"; and

(2) in the second sentence, by striking out "without regard to subclause (B) of such clause".

SEC. 702. DENTAL INSURANCE FOR MEMBERS OF THE SELECTED RESERVE.

(a) PROGRAM AUTHORIZATION.—(1) Chapter 55 of title 10, United States Code, is amended by inserting after section 1076a the following new section:

"§ 1076b. Selected Reserve dental insurance

"(a) AUTHORITY TO ESTABLISH PLAN.—The Secretary of Defense shall establish a dental insurance plan for members of the Selected Reserve of the Ready Reserve. The plan shall provide for voluntary enrollment and for premium sharing between the Department of Defense and the members enrolled in the plan. The plan shall be administered under regulations prescribed by the Secretary of Defense.

"(b) PREMIUM SHARING.—(1) A member enrolling in the dental insurance plan shall pay a share of the premium charged for the insurance coverage. The member's share may not exceed $25 per month.

"(2) The Secretary of Defense may reduce the monthly premium required to be paid by enlisted members under paragraph (1) if the Secretary determines that the reduction is appropriate in order to assist enlisted members to participate in the dental insurance plan.

"(3) A member's share of the premium for coverage by the dental insurance plan shall be deducted and withheld from the basic pay payable to the member for inactive duty training and from the basic pay payable to the member for active duty.

"(4) The Secretary of Defense shall pay the portion of the premium charged for coverage of a member under the dental insurance plan that exceeds the amount paid by the member.

"(c) BENEFITS AVAILABLE UNDER THE PLAN.—The dental insurance plan shall provide benefits for basic dental care and treatment, including diagnostic services, preventative services, basic restorative services, and emergency oral examinations.

"(d) TERMINATION OF COVERAGE.—The coverage of a member by the dental insurance plan shall terminate on the last day of the month in which the member is discharged, transfers to the Individual Ready Reserve, Standby Reserve, or Retired Reserve, or is ordered to active duty for a period of more than 30 days.".

(2) The table of sections at the beginning of such chapter is amended by inserting after the item relating to section 1076a the following:

"1076b. Selected Reserve dental insurance.".

(b) AUTHORIZATION OF APPROPRIATIONS.—Of the funds authorized to be appropriated under section 301(16), $9,000,000 shall be available to pay the Department of Defense share of the premium required for members covered by the dental insurance plan established pursuant to section 1076b of title 10, United States Code, as added by subsection (a).

SEC. 703. MODIFICATION OF REQUIREMENTS REGARDING ROUTINE PHYSICAL EXAMINATIONS AND IMMUNIZATIONS UNDER CHAMPUS.

Section 1079(a) of title 10, United States Code, is amended by striking out paragraph (2) and inserting in lieu thereof the following new paragraph:

"(2) consistent with such regulations as the Secretary of Defense may prescribe regarding the content of health promotion and disease prevention visits, the schedule of pap smears and mammograms, and the types and schedule of immunizations—

"(A) for dependents under six years of age, both health promotion and disease prevention visits and immunizations may be provided; and

"(B) for dependents six years of age or older, health promotion and disease prevention visits may be provided in connection with immunizations or with diagnostic or preventive pap smears and mammograms;".

SEC. 704. PERMANENT AUTHORITY TO CARRY OUT SPECIALIZED TREATMENT FACILITY PROGRAM.

Section 1105 of title 10, United States Code, is amended by striking out subsection (h).

SEC. 705. WAIVER OF MEDICARE PART B LATE ENROLLMENT PENALTY AND ESTABLISHMENT OF SPECIAL ENROLLMENT PERIOD FOR CERTAIN MILITARY RETIREES AND DEPENDENTS.

Section 1837 of the Social Security Act (42 U.S.C. 1395p) is amended by adding at the end the following new subsection:

"(j)(1) The Secretary shall make special provisions for the enrollment of an individual who is a covered beneficiary under chapter 55 of title 10, United States Code, and who is affected adversely by the closure of a military medical treatment facility of the Department of Defense pursuant to a closure or realignment of a military installation.

"(2) The special enrollment provisions required by paragraph (1) shall be established in regulations issued by the Secretary. The regulations shall—

"(A) identify individuals covered by paragraph (1) in accordance with regulations providing for such identification that are prescribed by the Secretary of Defense;

"(B) provide for a special enrollment period of at least 90 days to be scheduled at some time proximate to the date on which the military medical treatment facility involved is scheduled to be closed; and

"(C) provide that, with respect to individuals who enroll pursuant to paragraph (1), the increase in premiums under section

1839(b) due to late enrollment under this part shall not apply.

"(3) For purposes of this subsection—

"(A) the term 'covered beneficiary' has the meaning given such term in section 1072(5) of title 10, United States Code;

"(B) the term 'military medical treatment facility' means a facility of a uniformed service referred to in section 1074(a) of title 10, United States Code, in which health care is provided; and

"(C) the terms 'military installation' and 'realignment' have the meanings given such terms—

"(i) in section 209 of the Defense Authorization Amendments and Base Closure and Realignment Act (10 U.S.C. 2687 note), in the case of a closure or realignment under title II of such Act;

"(ii) in section 2910 of the Defense Base Closure and Realignment Act of 1990 (title XXIX of Public Law 101-510; 10 U.S.C. 2687 note), in the case of a closure or realignment under such Act; or

"(iii) in subsection (e) of section 2687 of title 10, United States Code, in the case of a closure or realignment under such section.".

Subtitle B—TRICARE Program

SEC. 711. DEFINITION OF TRICARE PROGRAM AND OTHER TERMS.

In this subtitle:

(1) The term "TRICARE program" means the managed health care program that is established by the Secretary of Defense under the authority of chapter 55 of title 10, United States Code, principally section 1097 of such title, and includes the competitive selection of contractors to financially underwrite the delivery of health care services under the Civilian Health and Medical Program of the Uniformed Services.

(2) The term "covered beneficiary" means a beneficiary under chapter 55 of title 10, United States Code, including a beneficiary under section 1074(a) of such title.

(3) The term "Uniformed Services Treatment Facility" means a facility deemed to be a facility of the uniformed services by virtue of section 911(a) of the Military Construction Authorization Act, 1982 (42 U.S.C. 248c(a)).

(4) The term "administering Secretaries" has the meaning given such term in section 1072(3) of title 10, United States Code.

SEC. 712. PROVISION OF TRICARE UNIFORM BENEFITS BY UNIFORMED SERVICES TREATMENT FACILITIES.

(a) REQUIREMENT.—Subject to subsection (b), upon the implementation of the TRICARE program in the catchment area served by a Uniformed Services Treatment Facility, the facility shall provide to the covered beneficiaries enrolled in a health care plan of such facility the same health care benefits (subject to the same conditions and limitations) as are available to covered beneficiaries in that area under the TRICARE program.

(b) EFFECT ON CURRENT ENROLLEES.—(1) A covered beneficiary who has been continuously enrolled on and after October 1, 1995, in a health care plan offered by a Uniformed Services Treatment Facility pursuant to a contract between the Secretary of Defense and the facility may elect to continue to receive health care benefits in accordance with the plan instead of benefits in accordance with subsection (a).

(2) The Uniform Services Treatment Facility concerned shall continue to provide benefits to a covered beneficiary in accordance with an election of benefits by that beneficiary under paragraph (1). The requirement to do so shall terminate on the effective date of any contract between the Secretary of Defense and the facility that—

(A) is entered into on or after the date of the election; and

(B) requires the health care plan offered by the facility for covered beneficiaries to provide health care benefits in accordance with subsection (a).

SEC. 713. SENSE OF SENATE ON ACCESS OF MEDICARE ELIGIBLE BENEFICIARIES OF CHAMPUS TO HEALTH CARE UNDER TRICARE.

It is the sense of the Senate—

(1) that the Secretary of Defense should develop a program to ensure that covered beneficiaries who are eligible for medicare under title XVIII of the Social Security Act (42 U.S.C. 1395 et seq.) and who reside in a region in which the TRICARE program has been implemented have adequate access to health care services after the implementation of the TRICARE program in that region; and

(2) to support strongly, as a means of ensuring such access, the reimbursement of the Department of Defense by the Secretary of Health and Human Services for health care services provided such beneficiaries at the medical treatment facilities of the Department of Defense.

SEC. 714. PILOT PROGRAM OF INDIVIDUALIZED RESIDENTIAL MENTAL HEALTH SERVICES.

(a) PROGRAM REQUIRED.—During fiscal year 1996, the Secretary of Defense, in consultation with the other administering Secretaries, shall carry out a pilot program for providing wraparound services to covered beneficiaries who are children in need of mental health services. The Secretary shall carry out the pilot program in one region in which the TRICARE program has been implemented as of the beginning of such fiscal year.

(b) WRAPAROUND SERVICES DEFINED.—For purposes of this section, wraparound services are individualized mental health services that a provider provides, principally in a residential setting but also with follow-up services, in return for payment on a case rate basis. For payment of the case rate for a patient, the provider incurs the risk that it will be necessary for the provider to provide the patient with additional mental health services intermittently or on a longer term basis after completion of the services provided on a residential basis under a treatment plan.

(c) PILOT PROGRAM AGREEMENT.—Under the pilot program the Secretary of Defense shall enter into an agreement with a provider of mental health services that requires the provider—

(1) to provide wraparound services to covered beneficiaries referred to in subsection (a);

(2) to continue to provide such services to each beneficiary as needed during the period of the agreement even if the patient relocates outside the TRICARE program region involved (but inside the United States) during that period; and

(3) to accept as payment for such services an amount not in excess of the amount of the standard CHAMPUS residential treatment clinic benefit payable with respect to the covered beneficiary concerned (as determined in accordance with section 8.1 of chapter 3 of volume II of the CHAMPUS policy manual).

(d) REPORT.—Not later than March 1, 1997, the Secretary of Defense shall submit to the Committee on Armed Services of the Senate and the Committee on National Security of the House of Representatives a report on the program carried out under this section. The report shall contain—

(1) an assessment of the effectiveness of the program; and

(2) the Secretary's views regarding whether the program should be implemented in all regions where the TRICARE program is carried out.

Subtitle C—Uniformed Services Treatment Facilities

SEC. 721. DELAY OF TERMINATION OF STATUS OF CERTAIN FACILITIES AS UNIFORMED SERVICES TREATMENT FACILITIES.

Section 1252(e) of the Department of Defense Authorization Act, 1984 (42 U.S.C. 248d(e)) is amended by striking out "December 31, 1996" in the first sentence and inserting in lieu thereof "September 30, 1997".

SEC. 722. APPLICABILITY OF FEDERAL ACQUISITION REGULATION TO PARTICIPATION AGREEMENTS WITH UNIFORMED SERVICES TREATMENT FACILITIES.

Section 718(c) of the National Defense Authorization Act for Fiscal Year 1991 (Public Law 101-510; 104 Stat. 1587) is amended—

(1) in the second sentence of paragraph (1), by striking out "A participation agreement" and inserting in lieu thereof "Except as provided in paragraph (4), a participation agreement";

(2) by redesignating paragraph (4) as paragraph (5); and

(3) by inserting after paragraph (3) the following new paragraph:

"(4) APPLICABILITY OF FEDERAL ACQUISITION REGULATION.—On and after the date of enactment of the National Defense Authorization Act for Fiscal Year 1996, the Federal Acquisition Regulation issued pursuant to section 25(c) of the Office of Federal Procurement Policy Act (41 U.S.C. 421(c)) shall apply to any action to modify an existing participation agreement and to any action by the Secretary of Defense and a Uniformed Services Treatment Facility to enter into a new participation agreement.".

SEC. 723. APPLICABILITY OF CHAMPUS PAYMENT RULES IN CERTAIN CASES.

Section 1074 of title 10, United States Code, is amended by adding at the end the following:

"(d)(1) The Secretary of Defense, after consultation with the other administering Secretaries, may by regulation require a private CHAMPUS provider to apply the CHAMPUS payment rules (subject to any modifications considered appropriate by the Secretary) in imposing charges for health care that the provider provides outside the catchment area of a Uniformed Services Treatment Facility to a member of the uniformed services who is enrolled in a health care plan of the Uniformed Services Treatment Facility.

"(2) In this subsection:

"(A) The term 'private CHAMPUS provider' means a private facility or health care provider that is a health care provider under the Civilian Health and Medical Program of the Uniformed Services.

"(B) The term 'CHAMPUS payment rules' means the payment rules referred to in subsection (c).

"(C) The term 'Uniformed Services Treatment Facility' means a facility deemed to be a facility of the uniformed services under section 911(a) of the Military Construction Authorization Act, 1982 (42 U.S.C. 248c(a)).".

Subtitle D—Other Changes to Existing Laws Regarding Health Care Management

SEC. 731. INVESTMENT INCENTIVE FOR MANAGED HEALTH CARE IN MEDICAL TREATMENT FACILITIES.

(a) AVAILABILITY OF 3 PERCENT OF APPROPRIATIONS FOR TWO FISCAL YEARS.—Chapter

55 of title 10, United States Code, is amended by inserting after section 1071 the following new section:

"§ 1071a. Availability of appropriations

"Of the total amount authorized to be appropriated for a fiscal year for programs and activities carried out under this chapter, the amount equal to three percent of such total amount is authorized to be appropriated to remain available until the end of the following fiscal year.".

(b) CLERICAL AMENDMENT.—The table of sections at the beginning of chapter 55 of title 10, United States Code, is amended by inserting after the item relating to section 1071 the following:

"1071a. Availability of appropriations.".

SEC. 732. REVISION AND CODIFICATION OF LIMITATIONS ON PHYSICIAN PAYMENTS UNDER CHAMPUS.

(a) IN GENERAL.—Section 1079(h) of title 10, United States Code, is amended to read as follows:

"(h)(1) Subject to paragraph (2), payment for a charge for services by an individual health care professional (or other noninstitutional health care provider) for which a claim is submitted under a plan contracted for under subsection (a) shall be limited to the lesser of—

"(A) the amount equivalent to the 80th percentile of billed charges, as determined by the Secretary of Defense in consultation with the other administering Secretaries, for similar services in the same locality during a 12-month base period that the Secretary shall define and may adjust as frequently as the Secretary considers appropriate; or

"(B) the amount payable for charges for such services (or similar services) under title XVIII of the Social Security Act (42 U.S.C. 1395 et seq.) as determined in accordance with the reimbursement rules applicable to payments for medical and other health services under that title.

"(2) The amount to be paid to an individual health care professional (or other noninstitutional health care provider) shall be determined under regulations prescribed by the Secretary of Defense in consultation with the other administering Secretaries. Such regulations—

"(A) may provide for such exceptions from the limitation on payments set forth in paragraph (1) as the Secretary determines necessary to ensure that covered beneficiaries have adequate access to health care services, including payment of amounts greater than the amounts otherwise payable under that paragraph when enrollees in managed care programs obtain covered emergency services from nonparticipating providers; and

"(B) shall establish limitations (similar to those established under title XVIII of the Social Security Act) on beneficiary liability for charges of an individual health care professional (or other noninstitutional health care provider).".

(b) TRANSITION.—In prescribing regulations under paragraph (2) of section 1079(h) of title 10, United States Code, as amended by subsection (a), the Secretary of Defense shall provide—

(1) for a period of transition between the payment methodology in effect under section 1079(h) of such title, as such section was in effect on the day before the date of the enactment of this Act, and the payment methodology under section 1079(h) of such title, as so amended; and

(2) that the amount payable under such section 1079(h), as so amended, for a charge for a service under a claim submitted during the period may not be less than 85 percent of the maximum amount that was payable under such section 1079(h), in effect on the day before the date of the enactment of this Act, for charges for the same service during the 1-year period (or a period of other duration that the Secretary considers appropriate) ending on the day before such date.

SEC. 733. PERSONAL SERVICES CONTRACTS FOR MEDICAL TREATMENT FACILITIES OF THE COAST GUARD.

(a) CONTRACTING AUTHORITY.—Section 1091(a) of title 10, United States Code, is amended—

(1) by inserting after "Secretary of Defense" the following: ", with respect to medical treatment facilities of the Department of Defense, and the Secretary of Transportation, with respect to medical treatment facilities of the Coast Guard when the Coast Guard is not operating as a service in the Navy,"; and

(2) by striking out "medical treatment facilities of the Department of Defense" and inserting in lieu thereof "such facilities".

(b) RATIFICATION OF EXISTING CONTRACTS.—Any exercise of authority under section 1091 of title 10, United States Code, to enter into a personal services contract on behalf of the Coast Guard before the effective date of the amendments made by subsection (a) is hereby ratified.

(c) EFFECTIVE DATE.—The amendments made by subsection (a) shall take effect on the earlier of the date of the enactment of this Act or October 1, 1995.

SEC. 734. DISCLOSURE OF INFORMATION IN MEDICARE AND MEDICAID COVERAGE DATA BANK TO IMPROVE COLLECTION FROM RESPONSIBLE PARTIES FOR HEALTH CARE SERVICES FURNISHED UNDER CHAMPUS.

(a) PURPOSE OF DATA BANK.—Subsection (a) of section 1144 of the Social Security Act (42 U.S.C. 1320b-14) is amended—

(1) by striking out "and" at the end of the paragraph (1);

(2) by striking out the period at the end of paragraph (2) and inserting in lieu thereof ", and"; and

(3) by adding at the end the following:

"(3) assist in the identification of, and collection from, third parties responsible for the reimbursement of the costs incurred by the United States for health care services furnished to individuals who are covered beneficiaries under chapter 55 of title 10, United States Code, upon request by the administering Secretaries.".

(b) AUTHORITY TO DISCLOSE INFORMATION.—Subsection (b)(2) of such section is amended—

(1) by striking out "and" at the end of subparagraph (A);

(2) by striking out the period at the end of subparagraph (B) and inserting in lieu thereof ", and"; and

(3) by adding at the end the following:

"(C) (subject to the restriction in subsection (c)(7) of this section) to disclose any other information in the Data Bank to the administering Secretaries for purposes described in subsection (a)(3) of this section.".

(c) DEFINITION.—Subsection (f) of such section is amended by adding at the end the following:

"(5) ADMINISTERING SECRETARIES.—The term 'administering Secretaries' shall have the meaning given to such term by section 1072(3) of title 10, United States Code.".

Subtitle E—Other Matters

SEC. 741. TRISERVICE NURSING RESEARCH.

(a) PROGRAM AUTHORIZED.—Chapter 104 of title 10, United States Code, is amended by adding at the end the following:

"§ 2116. Research on the furnishing of care and services by nurses of the armed forces

"(a) PROGRAM AUTHORIZED.—The Board of Regents of the University may establish at the University a program of research on the furnishing of care and services by nurses in the Armed Forces (hereafter in this section referred to as 'military nursing research'). A program carried out under this section shall be known as the 'TriService Nursing Research Program'.

"(b) TRISERVICE RESEARCH GROUP.—(1) The TriService Nursing Research Program shall be administered by a TriService Nursing Research Group composed of Army, Navy, and Air Force nurses who are involved in military nursing research and are designated by the Secretary concerned to serve as members of the group.

"(2) The TriService Nursing Research Group shall—

"(A) develop for the Department of Defense recommended guidelines for requesting, reviewing, and funding proposed military nursing research projects; and

"(B) make available to Army, Navy, and Air Force nurses and Department of Defense officials concerned with military nursing research—

"(i) information about nursing research projects that are being developed or carried out in the Army, Navy, and Air Force; and

"(ii) expertise and information beneficial to the encouragement of meaningful nursing research.

"(c) RESEARCH TOPICS.—For purposes of this section, military nursing research includes research on the following issues:

"(1) Issues regarding how to improve the results of nursing care and services provided in the armed forces in time of peace.

"(2) Issues regarding how to improve the results of nursing care and services provided in the armed forces in time of war.

"(3) Issues regarding how to prevent complications associated with battle injuries.

"(4) Issues regarding how to prevent complications associated with the transporting of patients in the military medical evacuation system.

"(5) Issues regarding how to improve methods of training nursing personnel.

"(6) Clinical nursing issues, including such issues as prevention and treatment of child abuse and spouse abuse.

"(7) Women's health issues.

"(8) Wellness issues.

"(9) Preventive medicine issues.

"(10) Home care management issues.

"(11) Case management issues.".

(b) CLERICAL AMENDMENT.—The table of sections at the beginning of chapter 104 of such title is amended by adding at the end the following:

"2116. Research on the furnishing of care and services by nurses of the armed forces.".

SEC. 742. FISHER HOUSE TRUST FUNDS.

(a) ESTABLISHMENT.—(1) Chapter 131 of title 10, United States Code, is amended by adding at the end the following:

"§ 2221. Fisher House trust funds

"(a) ESTABLISHMENT.—The following trust funds are established on the books of the Treasury:

"(1) The Fisher House Trust Fund, Department of the Army.

"(2) The Fisher House Trust Fund, Department of the Air Force.

"(b) INVESTMENT.—Funds in the trust funds may be invested in securities of the United States. Earnings and gains realized from the investment of funds in a trust fund shall be credited to the trust fund.

"(c) USE OF FUNDS.—(1) Amounts in the Fisher House Trust Fund, Department of the Army, that are attributable to earnings or gains realized from investments shall be available for operation and maintenance of Fisher houses that are located in proximity to medical treatment facilities of the Army.

"(2) Amounts in the Fisher House Trust Fund, Department of the Air Force, that are attributable to earnings or gains realized from investments shall be available for operation and maintenance of Fisher houses that are located in proximity to medical treatment facilities of the Air Force.

"(3) The use of funds under this section is subject to the requirements of section 1321(b)(2) of title 31.

"(d) FISHER HOUSES DEFINED.—For purposes of this section, Fisher houses are housing facilities that are located in proximity to medical treatment facilities of the Army or Air Force and are available for residential use on a temporary basis by patients at such facilities, members of the family of such patients, and others providing the equivalent of familial support for such patients.".

(2) The table of sections at the beginning of such chapter is amended by adding at the end the following:

"2221. Fisher House trust funds.".

(b) CORPUS OF TRUST FUNDS.—(1) The Secretary of the Treasury shall—

(A) close the accounts established with the funds that were required by section 8019 of Public Law 102-172 (105 Stat. 1175) and section 9023 of Public Law 102-396 (106 Stat. 1905) to be transferred to an appropriated trust fund; and

(B) transfer the amounts in such accounts to the Fisher House Trust Fund, Department of the Army, established by subsection (a)(1) of section 2221 of title 10, United States Code, as added by subsection (a).

(2) The Secretary of the Air Force shall transfer to the Fisher House Trust Fund, Department of the Air Force, established by subsection (a)(2) of section 2221 of title 10, United States Code (as added by section (a)), all amounts in the accounts for Air Force installations and other facilities that, as of the date of the enactment of this Act, are available for operation and maintenance of Fisher houses (as defined in subsection (c) of such section 2221).

(c) CONFORMING AMENDMENTS.—Section 1321 of title 31, United States Code, is amended—

(1) by adding at the end of subsection (a) the following:

"(92) Fisher House Trust Fund, Department of the Army.

"(93) Fisher House Trust Fund, Department of the Air Force."; and

(2) in subsection (b)—

(A) by inserting "(1)" after "(b)";

(B) in the second sentence, by striking out "Amounts accruing to these funds (except to the trust fund 'Armed Forces Retirement Home Trust Fund')" and inserting in lieu thereof "Except as provided in paragraph (2), amounts accruing to these funds";

(C) by striking out the third sentence; and

(D) by adding at the end the following:

"(2) Expenditures from the following trust funds shall be made only under annual appropriations and only if the appropriations are specifically authorized by law:

"(A) Armed Forces Retirement Home Trust Fund.

"(B) Fisher House Trust Fund, Department of the Army.

"(C) Fisher House Trust Fund, Department of the Air Force.".

(d) REPEAL OF SUPERSEDED PROVISIONS.—The following provisions of law are repealed:

(1) Section 8019 of Public Law 102-172 (105 Stat. 1175).

(2) Section 9023 of Public Law 102-396 (106 Stat. 1905).

(3) Section 8019 of Public Law 103-139 (107 Stat. 1441).

(4) Section 8017 of Public Law 103-335 (108 Stat. 2620; 10 U.S.C. 1074 note).

SEC. 743. APPLICABILITY OF LIMITATION ON PRICES OF PHARMACEUTICALS PROCURED FOR COAST GUARD.

Section 8126(b) of title 38, United States Code, is amended by adding at the end the following:

"(4) The Coast Guard.".

SEC. 744. REPORT ON EFFECT OF CLOSURE OF FITZSIMONS ARMY MEDICAL CENTER, COLORADO, ON PROVISION OF CARE TO MILITARY PERSONNEL AND DEPENDENTS EXPERIENCING HEALTH DIFFICULTIES ASSOCIATED WITH PERSIAN GULF SYNDROME.

Not later than 90 days after the date of the enactment of this Act, the Secretary of Defense shall submit to Congress a report that—

(1) assesses the effects of the closure of Fitzsimons Army Medical Center, Colorado, on the capability of the Department of Defense to provide appropriate and adequate health care to members and former members of the Armed Forces and their dependents who suffer from undiagnosed illnesses (or combination of illnesses) as a result of service in the Armed Forces in the Southwest Asia theater of operations during the Persian Gulf War; and

(2) describes the plans of the Secretary of Defense and the Secretary of the Army to ensure that adequate and appropriate health care is available to such members, former members, and their dependents for such illnesses.

TITLE VIII—ACQUISITION POLICY, ACQUISITION MANAGEMENT, AND RELATED MATTERS

Subtitle A—Acquisition Reform

SEC. 801. WAIVERS FROM CANCELLATION OF FUNDS.

Notwithstanding section 1552(a) of title 31, United States Code, funds appropriated for any fiscal year after fiscal year 1995 that are administratively reserved or committed for satellite on-orbit incentive fees shall remain available for obligation and expenditure until the fee is earned, but only if and to the extent that section 1512 of title 31, United States Code, the Impoundment Control Act (2 U.S.C. 681 et seq.), and other applicable provisions of law are complied with in the reservation and commitment of funds for that purpose

SEC. 802. PROCUREMENT NOTICE POSTING THRESHOLDS AND SUBCONTRACTS FOR OCEAN TRANSPORTATION SERVICES.

(a) PROCUREMENT NOTICE POSTING THRESHOLDS.—Section 18(a)(1)(B) of the Office of Federal Procurement Policy Act (41 U.S.C. 416(a)(1)(B)) is amended—

(1) by striking out "subsection (f)—" and all that follows through the end of the subparagraph and inserting in lieu thereof "subsection (b); and"; and

(2) by inserting after "property or services" the following: for a price expected to exceed $10,000, but not to exceed $25,000,".

(b) SUBCONTRACTS FOR OCEAN TRANSPORTATION SERVICES.—Notwithstanding any other provision of law, neither section 901(b) of the Merchant Marine Act, 1936 (46 U.S.C. 1241(b)) nor section 2631 of title 10, United States Code, shall be included prior to May 1, 1996 on any list promulgated under section 34(b) of the Office of Federal Procurement Policy Act (41 U.S.C. 430(b)).

SEC. 803. PROMPT RESOLUTION OF AUDIT RECOMMENDATIONS.

Section 6009 of the Federal Acquisition Streamlining Act of 1994 (Public Law 103-355; 108 Stat. 3367, October 14, 1994) is amended to read as follows:

"SEC. 6009. PROMPT MANAGEMENT DECISIONS AND IMPLEMENTATION OF AUDIT RECOMMENDATIONS.

"(a) MANAGEMENT DECISIONS.—(1) The head of a Federal agency shall make management decisions on all findings and recommendations set forth in an audit report of the inspector general of the agency within a maximum of six months after the issuance of the report.

"(2) The head of a Federal agency shall make management decisions on all findings and recommendations set forth in an audit report of any auditor from outside the Federal Government within a maximum of six months after the date on which the head of the agency receives the report.

"(b) COMPLETIONS OF ACTIONS.—The head of a Federal agency shall complete final action on each management decision required with regard to a recommendation in an inspector general's report under subsection (a)(1) within 12 months after the date of the inspector general's report. If the head of the agency fails to complete final action with regard to a management decision within the 12-month period, the inspector general concerned shall identify the matter in each of the inspector general's semiannual reports pursuant to section 5(a)(3) of the Inspector General Act of 1978 (5 U.S.C. App.) until final action on the management decision is completed.".

SEC. 804. TEST PROGRAM FOR NEGOTIATION OF COMPREHENSIVE SUBCONTRACTING PLANS.

(a) REVISION OF AUTHORITY.—Subsection (a) of section 834 of National Defense Authorization Act for Fiscal Years 1990 and 1991 (15 U.S.C. 637 note) is amended by striking out paragraph (1) and inserting in lieu thereof the following:

"(1) The Secretary of Defense shall establish a test program under which contracting activities in the military departments and the Defense Agencies are authorized to undertake one or more demonstration projects to determine whether the negotiation and administration of comprehensive subcontracting plans will reduce administrative burdens on contractors while enhancing opportunities provided under Department of Defense contracts for small business concerns and small business concerns owned and controlled by socially and economically disadvantaged individuals. In selecting the contracting activities to undertake demonstration projects, the Secretary shall take such action as is necessary to ensure that a broad range of the supplies and services acquired by the Department of Defense are included in the test program.".

(b) COVERED CONTRACTORS.—Subsection (b) of such section is amended by striking out paragraph (3) and inserting in lieu thereof the following:

"(3) A Department of Defense contractor referred to in paragraph (1) is, with respect to a comprehensive subcontracting plan negotiated in any fiscal year, a business concern that, during the immediately preceding fiscal year, furnished the Department of Defense with supplies or services (including professional services, research and development services, and construction services) pursuant to at least three Department of Defense contracts having an aggregate value of at least $5,000,000.".

(c) TECHNICAL AMENDMENTS.—Such section is amended—

(1) by striking out subsection (g); and

(2) by redesignating subsection (h) as subsection (g).

SEC. 805. NAVAL SALVAGE FACILITIES.

Chapter 637 of title 10, United States Code, is amended to read as follows:

"CHAPTER 637—SALVAGE FACILITIES

"Sec.
"7361. Authority to provide for necessary salvage facilities.
"7362. Acquisition and transfer of vessels and equipment.
"7363. Settlement of claims.
"7364. Disposition of receipts.

"§ 7361. Authority to provide for necessary salvage facilities

"(a) AUTHORITY.—The Secretary of the Navy may contract or otherwise provide for necessary salvage facilities for public and private vessels.

"(b) COORDINATION WITH SECRETARY OF TRANSPORTATION.—The Secretary shall submit to the Secretary of Transportation for comment each proposed salvage contract that affects the interests of the Department of Transportation.

"(c) LIMITATION.—The Secretary of the Navy may enter into a contract under subsection (a) only if the Secretary determines that available commercial salvage facilities are inadequate to meet the Navy's requirements and provides public notice of the intent to enter into such a contract.

"§ 7362. Acquisition and transfer of vessels and equipment

"(a) AUTHORITY.—The Secretary of the Navy may acquire or transfer such vessels and equipment for operation by private salvage companies as the Secretary considers necessary.

"(b) AGREEMENT ON USE.—A private recipient of any salvage vessel or gear shall agree in writing that such vessel or gear will be used to support organized offshore salvage facilities for as many years as the Secretary shall consider appropriate.

"§ 7363. Settlement of claims

"The Secretary of the Navy, or the Secretary's designee, may settle and receive payment for any claim by the United States for salvage services rendered by the Department of the Navy.

"§ 7364. Disposition of receipts

"Amounts received under this chapter shall be credited to appropriations for maintaining naval salvage facilities. However, any amount received in excess of naval salvage costs incurred by the Navy in that fiscal year shall be deposited into the general fund of the Treasury.".

SEC. 806. AUTHORITY TO DELEGATE CONTRACTING AUTHORITY.

(a) REPEAL OF DUPLICATIVE AUTHORITY AND RESTRICTION.—Section 2356 of title 10, United States Code, is repealed.

(b) CLERICAL AMENDMENT.—The table of sections at the beginning of chapter 139 of title 10, United States Code, is amended by striking out the item relating to section 2356.

SEC. 807. COORDINATION AND COMMUNICATION OF DEFENSE RESEARCH ACTIVITIES.

Section 2364 of title 10, United States Code, is amended—

(1) in subsection (b)(5), by striking out "milestone O, milestone I, and milestone II" and inserting in lieu thereof "acquisition program"; and

(2) in subsection (c), by striking out paragraphs (2), (3), and (4) and inserting in lieu thereof the following:

"(2) The term 'acquisition program decision' has the meaning prescribed by the Secretary of Defense in regulations.".

SEC. 808. PROCUREMENT OF ITEMS FOR EXPERIMENTAL OR TEST PURPOSES.

Section 2373(b) of title 10, United States Code, is amended by inserting "only" after "applies".

SEC. 809. QUALITY CONTROL IN PROCUREMENTS OF CRITICAL AIRCRAFT AND SHIP SPARE PARTS.

(a) REPEAL.—Section 2383 of title 10, United States Code, is repealed.

(b) CLERICAL AMENDMENT.—The table of sections at the beginning of chapter 141 of such title is amended by striking out the item relating to section 2383.

SEC. 810. USE OF FUNDS FOR ACQUISITION OF DESIGNS, PROCESSES, TECHNICAL DATA, AND COMPUTER SOFTWARE.

Section 2386(3) of title 10, United States Code, is amended to read as follows:

"(3) Design and process data, technical data, and computer software.".

SEC. 811. INDEPENDENT COST ESTIMATES FOR MAJOR DEFENSE ACQUISITION PROGRAMS.

Section 2434(b)(1)(A) of title 10, United States Code, is amended to read as follows:

"(A) be prepared—

"(i) by an office or other entity that is not under the supervision, direction, or control of the military department, Defense Agency, or other component of the Department of Defense that is directly responsible for carrying out the development or acquisition of the program; or

"(ii) if the decision authority for the program has been delegated to an official of a military department, Defense Agency, or other component of the Department of Defense, by an office or other entity that is not directly responsible for carrying out the development or acquisition of the program; and".

SEC. 812. FEES FOR CERTAIN TESTING SERVICES.

Section 2539b(c) of title 10, United States Code, is amended by inserting "and indirect" after "recoup the direct".

SEC. 813. CONSTRUCTION, REPAIR, ALTERATION, FURNISHING, AND EQUIPPING OF NAVAL VESSELS.

(a) INAPPLICABILITY OF CERTAIN LAWS.—Chapter 633 of title 10, United States Code, is amended by inserting after section 7297 the following:

"§ 7299. Contracts: applicability of Walsh-Healey Act

"Each contract for the construction, alteration, furnishing, or equipping of a naval vessel is subject to the Walsh-Healey Act (41 U.S.C. 35 et seq.) unless the President determines that this requirement is not in the interest of national defense.".

(b) CLERICAL AMENDMENT.—The table of sections at the beginning of such chapter is amended by inserting after the item relating to section 7297 the following:

"7299. Contracts: applicability of Walsh-Healey Act.".

SEC. 814. CIVIL RESERVE AIR FLEET.

Section 9512 of title 10, United States Code, is amended by striking out "full Civil Reserve Air Fleet" both places it appears in subsections (b)(2) and (e) and inserting in lieu thereof "Civil Reserve Air Fleet".

SEC. 815. COST AND PRICING DATA.

(a) ARMED SERVICES PROCUREMENTS.—Section 2306a(d)(2)(A)(i) of title 10, United States Code, is amended by striking out "and the procurement is not covered by an exception in subsection (b)," and inserting in lieu thereof "and the offeror or contractor requests to be exempted from the requirement for submission of cost or pricing data pursuant to this subsection,".

(b) CIVILIAN AGENCY PROCUREMENTS.—Section 304A(d)(2)(A)(i) of the Federal Property and Administrative Services Act of 1949 (41 U.S.C. 254b(d)(2)(A)(i)) is amended by striking out "and the procurement is not covered by an exception in subsection (b)," and inserting in lieu thereof "and the offeror or contractor requests to be exempted from the requirement for submission of cost or pricing data pursuant to this subsection,".

SEC. 816. PROCUREMENT NOTICE TECHNICAL AMENDMENTS.

Section 18(c)(1)(E) of the Office of Federal Procurement Policy Act (41 U.S.C. 416(c)(1)(E)) is amended by inserting after "requirements contract" the following: ", a task order contract, or a delivery order contract".

SEC. 817. REPEAL OF DUPLICATIVE AUTHORITY FOR SIMPLIFIED ACQUISITION PURCHASES.

Section 31 of the Office of Federal Procurement Policy Act (41 U.S.C. 427) is amended—

(1) by striking out subsections (a), (b), and (c);

(2) by redesignating subsections (d), (e), and (f) as (a), (b), and (c), respectively;

(3) in subsection (b), as so redesignated, by striking out "provided in the Federal Acquisition Regulation pursuant to this section" each place it appears and inserting in lieu thereof "contained in the Federal Acquisition Regulation"; and

(4) by adding at the end the following:

"(d) PROCEDURES DEFINED.—The simplified acquisition procedures referred to in this section are the simplified acquisition procedures that are provided in the Federal Acquisition Regulation pursuant to section 2304(g) of title 10, United States Code, and section 303(g) of the Federal Property and Administrative Services Act of 1949 (41 U.S.C. 253(g)).".

SEC. 818. MICRO-PURCHASES WITHOUT COMPETITIVE QUOTATIONS.

Section 32(d) of the Office of Federal Procurement Policy Act (41 U.S.C. 428) is amended by striking out "the contracting officer" and inserting in lieu thereof "an employee of an executive agency or a member of the Armed Forces of the United States authorized to do so".

SEC. 819. RESTRICTION ON REIMBURSEMENT OF COSTS.

(a) None of the funds authorized to be appropriated in this Act for fiscal year 1996 may be obligated for payment on new contracts on which allowable costs charged to the Government include payments for individual compensation (including bonuses and other incentives) at a rate in excess of $250,000.

(b) It is the sense of the Senate that the Congress should consider extending the restriction described in section (a) permanently.

Subtitle B—Other Matters

SEC. 821. PROCUREMENT TECHNICAL ASSISTANCE PROGRAMS.

(a) FUNDING.—Of the amount authorized to be appropriated under section 301(5), $12,000,000 shall be available for carrying out the provisions of chapter 142 of title 10, United States Code.

(b) SPECIFIC PROGRAMS.—Of the amounts made available pursuant to subsection (a), $600,000 shall be available for fiscal year 1996 for the purpose of carrying out programs sponsored by eligible entities referred to in subparagraph (D) of section 2411(1) of title 10, United States Code, that provide procurement technical assistance in distressed areas referred to in subparagraph (B) of section 2411(2) of such title. If there is an insufficient number of satisfactory proposals for cooperative agreements in such distressed areas to allow effective use of the funds made available in accordance with this subsection in such areas, the funds shall be allocated among the Defense Contract Administration Services regions in accordance with section 2415 of such title.

SEC. 822. TREATMENT OF DEPARTMENT OF DEFENSE CABLE TELEVISION FRANCHISE AGREEMENTS.

For purposes of part 49 of the Federal Acquisition Regulation, a cable television franchise agreement of the Department of Defense shall be considered a contract for telecommunications services.

SEC. 823. PRESERVATION OF AMMUNITION INDUSTRIAL BASE.

(a) REVIEW OF AMMUNITION PROCUREMENT AND MANAGEMENT PROGRAMS.—(1) Not later than 30 days after the date of the enactment of this Act, the Secretary of Defense shall commence a review of the ammunition procurement and management programs of the Department of Defense, including the planning for, budgeting for, administration, and carrying out of such programs.

(2) The review under paragraph (1) shall include an assessment of the following matters:

(A) The practicability and desirability of using centralized procurement practices to procure all ammunition required by the Armed Forces.

(B) The capability of the ammunition production facilities of the United States to meet the ammunition requirements of the Armed Forces.

(C) The practicability and desirability of privatizing such ammunition production facilities.

(D) The practicability and desirability of using integrated budget planning among the Armed Forces for the procurement of ammunition.

(E) The practicability and desirability of establishing an advocate within the Department of Defense for ammunition industrial base matters who shall be responsible for—

(i) establishing the quantity and price of ammunition procured by the Armed Forces; and

(ii) establishing and implementing policy to ensure the continuing viability of the ammunition industrial base in the United States.

(F) The practicability and desirability of providing information on the ammunition procurement practices of the Armed Forces to Congress through a single source.

(b) REPORT.—Not later than April 1, 1996, the Secretary shall submit to the congressional defense committees a report containing the following:

(1) The results of the review carried out under subsection (a).

(2) A discussion of the methodologies used in carrying out the review.

(3) An assessment of various methods of ensuring the continuing viability of the ammunition industrial base of the United States.

(4) Recommendations of means (including legislation) of implementing such methods in order to ensure such viability.

TITLE IX—DEPARTMENT OF DEFENSE ORGANIZATION AND MANAGEMENT

SEC. 901. REDESIGNATION OF THE POSITION OF ASSISTANT TO THE SECRETARY OF DEFENSE FOR ATOMIC ENERGY.

(a) IN GENERAL.—(1) Section 142 of title 10, United States Code, is amended—

(A) by striking out the section heading and inserting in lieu thereof the following:

"§ 142. Assistant to the Secretary of Defense for Nuclear and Chemical and Biological Defense Programs";

(B) in subsection (a), by striking out "Assistant to the Secretary of Defense for Atomic Energy" and inserting in lieu thereof "Assistant to the Secretary of Defense for Nuclear and Chemical and Biological Defense Programs"; and

(C) by striking out subsection (b) and inserting in lieu thereof the following:

"(b) The Assistant to the Secretary shall—

"(1) advise the Secretary of Defense on nuclear energy, nuclear weapons, and chemical and biological defense;

"(2) serve as the Staff Director of the Nuclear Weapons Council established by section 179 of this title; and

"(3) perform such additional duties as the Secretary may prescribe.".

(2) The table of sections at the beginning of chapter 4 of such title is amended by striking out the item relating to section 142 and inserting in lieu thereof the following:

"142. Assistant to the Secretary of Defense for Nuclear and Chemical and Biological Defense Programs.".

(b) CONFORMING AMENDMENTS.—(1) Section 179(c)(2) of title 10, United States Code, is amended by striking out "The Assistant to the Secretary of Defense for Atomic Energy" and inserting in lieu thereof "The Assistant to the Secretary of Defense for Nuclear and Chemical and Biological Defense Programs.".

(2) Section 5316 of title 5, United States Code, is amended by striking out "The Assistant to the Secretary of Defense for Atomic Energy, Department of Defense." and inserting in lieu thereof the following:

"Assistant to the Secretary of Defense for Nuclear and Chemical and Biological Defense Programs, Department of Defense.".

TITLE X—GENERAL PROVISIONS

Subtitle A—Financial Matters

SEC. 1001. TRANSFER AUTHORITY.

(a) AUTHORITY TO TRANSFER AUTHORIZATIONS.—(1) Upon determination by the Secretary of Defense that such action is necessary in the national interest, the Secretary may transfer amounts of authorizations made available to the Department of Defense in this division for fiscal year 1996 between any such authorizations for that fiscal year (or any subdivisions thereof). Amounts of authorizations so transferred shall be merged with and be available for the same purposes as the authorization to which transferred.

(2) The total amount of authorizations that the Secretary of Defense may transfer under the authority of this section may not exceed $2,000,000,000.

(b) LIMITATIONS.—The authority provided by this section to transfer authorizations—

(1) may only be used to provide authority for items that have a higher priority than the items from which authority is transferred; and

(2) may not be used to provide authority for an item that has been denied authorization by Congress.

(c) EFFECT ON AUTHORIZATION AMOUNTS.—A transfer made from one account to another under the authority of this section shall be deemed to increase the amount authorized for the account to which the amount is transferred by an amount equal to the amount transferred.

(d) NOTICE TO CONGRESS.—The Secretary shall promptly notify Congress of each transfer made under subsection (a).

SEC. 1002. DISBURSING AND CERTIFYING OFFICIALS.

(a) DISBURSING OFFICIALS.—(1) Section 3321(c) of title 31, United States Code, is amended by striking out paragraph (2) and inserting in lieu thereof the following:

"(2) The Department of Defense.".

(2) Section 2773 of title 10, United States Code, is amended—

(A) in subsection (a)—

(i) by striking out "With the approval of the Secretary of a military department when the Secretary considers it necessary, a disbursing official of the military department" and inserting in lieu thereof "Subject to paragraph (3), a disbursing official of the Department of Defense"; and

(ii) by adding at the end the following new paragraph:

"(3) A disbursing official may make a designation under paragraph (1) only with the approval of the Secretary of Defense or, in the case of a disbursing official of a military department, the Secretary of that military department."; and

(B) in subsection (b)(1), by striking out "any military department" and inserting in lieu thereof "the Department of Defense".

(b) DESIGNATION OF MEMBERS OF THE ARMED FORCES TO HAVE AUTHORITY TO CERTIFY VOUCHERS.—Section 3325(b) of title 31, United States Code, is amended to read as follows:

"(b) In addition to officers and employees referred to in subsection (a)(1)(B) of this section as having authorization to certify vouchers, members of the armed forces under the jurisdiction of the Secretary of Defense may certify vouchers when authorized, in writing, by the Secretary to do so.".

(c) CONFORMING AMENDMENTS.—(1) Section 1012 of title 37, United States Code, is amended by striking out "Secretary concerned" both places it appears and inserting in lieu thereof "Secretary of Defense".

(2) Section 1007(a) of title 37, United States Code, is amended by striking out "Secretary concerned" and inserting in lieu thereof "Secretary of Defense, or upon the denial of relief of an officer pursuant to section 3527 of title 31".

(3)(A) Section 7863 of title 10, United States Code, is amended—

(i) in the first sentence, by striking out "disbursements of public moneys or" and "the money was paid or"; and

(ii) in the second sentence, by striking out "disbursement or".

(B)(i) The heading of such section is amended to read as follows:

"§ 7863. Disposal of public stores by order of commanding officer".

(ii) The item relating to such section in the table of sections at the beginning of chapter 661 of such title is amended to read as follows:

"7863. Disposal of public stores by order of commanding officer.".

(4) Section 3527(b)(1) of title 31, United States Code, is amended—

(A) by striking out "a disbursing official of the armed forces" and inserting in lieu thereof "an official of the armed forces referred to in subsection (a)";

(B) by striking out "records," and inserting in lieu thereof "records, or a payment described in section 3528(a)(4)(A) of this title,";

(C) by redesignating subparagraphs (A), (B), and (C) as clauses (i), (ii), and (iii), and realigning such clauses four ems from the left margin;

(D) by inserting before clause (i), as redesignated by subparagraph (C), the following:

"(A) in the case of a physical loss or deficiency—";

(E) in clause (iii), as redesignated by subparagraph (C), by striking out the period at the end and inserting in lieu thereof "; or"; and

(F) by adding at the end the following:

"(B) in the case of a payment described in section 3528(a)(4)(A) of this title, the Secretary of Defense or the appropriate Secretary of the military department of the Department of Defense, after taking a diligent collection action, finds that the criteria of section 3528(b)(1) of this title are satisfied.".

SEC. 1003. DEFENSE MODERNIZATION ACCOUNT.

(a) Establishment and Use.—(1) Chapter 131 of title 10, United States Code, is amended by adding at the end the following:

"§ 2221. Defense Modernization Account

"(a) Establishment.—There is established in the Treasury a special account to be known as the 'Defense Modernization Account'.

"(b) Credits to Account.—(1) Under regulations prescribed by the Secretary of Defense, and upon a determination by the Secretary concerned of the availability and source of excess funds as described in subparagraph (A) or (B), the Secretary may transfer to the Defense Modernization Account during any fiscal year—

"(A) any amount of unexpired funds available to the Secretary for procurements that, as a result of economies, efficiencies, and other savings achieved in the procurements, are excess to the funding requirements of the procurements; and

"(B) any amount of unexpired funds available to the Secretary for support of installations and facilities that, as a result of economies, efficiencies, and other savings, are excess to the funding requirements for support of installations and facilities.

"(2) Funds referred to in paragraph (1) may not be transferred to the Defense Modernization Account by a Secretary concerned if—

"(A) the funds are necessary for programs, projects, and activities that, as determined by the Secretary, have a higher priority than the purposes for which the funds would be available if transferred to that account; or

"(B) the balance of funds in the account, after transfer of funds to the account would exceed $1,000,000,000.

"(3) Amounts credited to the Defense Modernization Account shall remain available for transfer until the end of the third fiscal year that follows the fiscal year in which the amounts are credited to the account.

"(4) The period of availability of funds for expenditure provided for in sections 1551 and 1552 of title 31 shall not be extended by transfer into the Defense Modernization Account.

"(c) Attribution of Funds.—The funds transferred to the Defense Modernization Account by a military department, Defense Agency, or other element of the Department of Defense shall be available in accordance with subsections (f) and (g) only for that military department, Defense Agency, or element.

"(d) Use of Funds.—Funds available from the Defense Modernization Account pursuant to subsection (f) or (g) may be used only for the following purposes:

"(1) For increasing, subject to subsection (e), the quantity of items and services procured under a procurement program in order to achieve a more efficient production or delivery rate.

"(2) For research, development, test and evaluation and procurement necessary for modernization of an existing system or of a system being procured under an ongoing procurement program.

"(e) Limitations.—(1) Funds from the Defense Modernization Account may not be used to increase the quantity of an item or services procured under a particular procurement program to the extent that doing so would—

"(A) result in procurement of a total quantity of items or services in excess of—

"(i) a specific limitation provided in law on the quantity of the items or services that may be procured; or

"(ii) the requirement for the items or services as approved by the Joint Requirements Oversight Council and reported to Congress by the Secretary of Defense; or

"(B) result in an obligation or expenditure of funds in excess of a specific limitation provided in law on the amount that may be obligated or expended, respectively, for the procurement program.

"(2) Funds from the Defense Modernization Account may not be used for a purpose or program for which Congress has not authorized appropriations.

"(3) Funds may not be transferred from the Defense Modernization Account in any year for the purpose of—

"(A) making any expenditure for which there is no corresponding obligation; or

"(B) making any expenditure that would satisfy an unliquidated or unrecorded obligation arising in a prior fiscal year.

"(f) Transfer of Funds.—(1) Funds in the Defense Modernization Account may be transferred in any fiscal year to appropriations available for use for purposes set forth in subsection (d).

"(2) Before funds in the Defense Modernization Account are transferred under paragraph (1), the Secretary concerned shall transmit to the congressional defense committees a notification of the amount and purpose of the proposed transfer.

"(3) The total amount of the transfers from the Defense Modernization Account may not exceed $500,000,000 in any fiscal year.

"(g) Availability of Funds for Appropriation.—Funds in the Defense Modernization Account may be appropriated for purposes set forth in subsection (d) to the extent provided in Acts authorizing appropriations for the Department of the Defense.

"(h) Secretary To Act Through Comptroller.—In exercising authority under this section, the Secretary of Defense shall act through the Under Secretary of Defense (Comptroller), who shall be authorized to implement this section through the issuance of any necessary regulations, policies, and procedures after consultation with the General Counsel and Inspector General of the Department of Defense.

"(i) Quarterly Report.—Not later than 15 days after the end of each calendar quarter, the Secretary of Defense shall submit to the appropriate committees of Congress a report setting forth the amount and source of each credit to the Defense Modernization Account during the quarter and the amount and purpose of each transfer from the account during the quarter.

"(j) Definitions.—In this section:

"(1) The term 'Secretary concerned' includes the Secretary of Defense.

"(2) The term 'unexpired funds' means funds appropriated for a definite period that remain available for obligation.

"(3) The term 'congressional defense committees' means—

"(A) the Committees on Armed Services and Appropriations of the Senate; and

"(B) the Committees on National Security and Appropriations of the House of Representatives.

"(4) The term 'appropriate committees of Congress' means—

"(A) the congressional defense committees;

"(B) the Committee on Governmental Affairs of the Senate; and

"(C) the Committee on Government Reform and Oversight of the House of Representatives.

"(k) Inapplicability to Coast Guard.—This section does not apply to the Coast Guard when it is not operating as a service in the Navy.".

(2) The table of sections at the beginning of chapter 131 of such title is amended by adding at the end the following:

"2221. Defense Modernization Account.".

(b) Effective Date.—Section 2221 of title 10, United States Code (as added by subsection (a)), shall take effect on October 1, 1995, and shall apply only to funds appropriated for fiscal years beginning on or after that date.

(c) Expiration of Authority and Account.—(1) The authority under section 2221(b) of title 10, United States Code (as added by subsection (a)), to transfer funds into the Defense Modernization Account shall terminate on October 1, 2003.

(2) Three years after the termination of transfer authority under paragraph (1), the Defense Modernization Account shall be closed and the remaining balance in the account shall be canceled and thereafter shall not be available for any purpose.

(3)(A) The Comptroller General of the United States shall conduct two reviews of the administration of the Defense Modernization Account. In each review, the Comptroller General shall assess the operations and benefits of the account.

(B) Not later than March 1, 2000, the Comptroller General shall—

(i) complete the first review; and

(ii) submit to the appropriate committees of Congress an initial report on the administration and benefits of the Defense Modernization Account.

(C) Not later than March 1, 2003, the Comptroller General shall—

(i) complete the second review; and

(ii) submit to the appropriate committees of Congress a final report on the administration and benefits of the Defense Modernization Account.

(D) Each report shall include any recommended legislation regarding the account that the Comptroller General considers appropriate.

(E) In this paragraph, the term "appropriate committees of Congress" has the meaning given such term in section 2221(j)(4) of title 10, United States Code, as added by subsection (a).

SEC. 1004. AUTHORIZATION OF PRIOR EMERGENCY SUPPLEMENTAL APPROPRIATIONS FOR FISCAL YEAR 1995.

(a) Adjustment to Previous Authorizations.—Amounts authorized to be appropriated to the Department of Defense for fiscal year 1995 in the National Defense Authorization Act for Fiscal Year 1995 (Public Law 103–337) are hereby adjusted, with respect to any such authorized amount, by the amount by which appropriations pursuant to such authorization were increased (by a supplemental appropriation) or decreased (by a rescission), or both, in title I of the Emergency Supplemental Appropriations and Rescissions for the Department of Defense to Preserve and Enhance Military Readiness Act of 1995 (Public Law 104–6).

(b) New Authorization.—The appropriation provided in section 104 of such Act is hereby authorized.

SEC. 1005. LIMITATION ON USE OF AUTHORITY TO PAY FOR EMERGENCY AND EXTRAORDINARY EXPENSES.

Section 127 of title 10, United States Code, is amended—

(1) by redesignating subsection (c) as subsection (d); and

(2) by inserting after subsection (b) the following new subsection (c):

"(c)(1) Funds may not be obligated or expended in an amount in excess of $500,000 under the authority of subsection (a) or (b) until the Secretary of Defense has notified the Committees on Armed Services and Appropriations of the Senate and the Committees on National Security and Appropriations of the House of Representatives of the intent to obligate or expend the funds, and—

"(A) in the case of an obligation or expenditure in excess of $1,000,000, 15 days have elapsed since the date of the notification; or

"(B) in the case of an obligation or expenditure in excess of $500,000, but not in excess of $1,000,000, 5 days have elapsed since the date of the notification.

"(2) Subparagraph (A) or (B) of paragraph (1) shall not apply to an obligation or expenditure of funds otherwise covered by such subparagraph if the Secretary of Defense determines that the national security objectives of the United States will be compromised by the application of the subparagraph to the obligation or expenditure. If the Secretary makes a determination with respect to an expenditure under the preceding sentence, the Secretary shall notify the committees referred to in paragraph (1) not later than the later of—

"(A) 30 days after the date of the expenditure; or

"(B) the date on which the activity for which the expenditure is made is completed.

"(3) A notification under this subsection shall include the amount to be obligated or expended, as the case may be, and the purpose of the obligation or expenditure.".

SEC. 1006. TRANSFER AUTHORITY REGARDING FUNDS AVAILABLE FOR FOREIGN CURRENCY FLUCTUATIONS.

(a) TRANSFERS TO MILITARY PERSONNEL ACCOUNTS AUTHORIZED.—Section 2779 of title 10, United States Code, is amended by adding at the end the following:

"(c) TRANSFERS TO MILITARY PERSONNEL ACCOUNTS.—(1) The Secretary of Defense may transfer funds to military personnel appropriations for a fiscal year out of funds available to the Department of Defense for that fiscal year under the appropriation 'Foreign Currency Fluctuations, Defense'.

"(2) This subsection applies with respect to appropriations for fiscal years beginning after September 30, 1995.".

(b) REVISION AND CODIFICATION OF AUTHORITY FOR TRANSFERS TO FOREIGN CURRENCY FLUCTUATIONS ACCOUNT.—Section 2779 of such title, as amended by subsection (a), is further amended by adding at the end the following:

"(d) TRANSFERS TO FOREIGN CURRENCY FLUCTUATIONS ACCOUNT.—(1) The Secretary of Defense may transfer to the appropriation 'Foreign Currency Fluctuations, Defense' unobligated amounts of funds appropriated for operation and maintenance and unobligated amounts of funds appropriated for military personnel.

"(2) Any transfer from an appropriation under paragraph (1) shall be made not later than the end of the second fiscal year following the fiscal year for which the appropriation is provided.

"(3) Any transfer made pursuant to the authority provided in this subsection shall be limited so that the amount in the appropriation 'Foreign Currency Fluctuations, Defense' does not exceed $970,000,000 at the time such transfer is made.

"(4) This subsection applies with respect to appropriations for fiscal years beginning after September 30, 1995.".

(c) CONDITIONS OF AVAILABILITY FOR TRANSFERRED FUNDS.—Section 2779 of such title, as amended by subsection (b), is further amended by adding at the end the following:

"(e) CONDITIONS OF AVAILABILITY FOR TRANSFERRED FUNDS.—Amounts transferred under subsection (c) or (d) shall be merged with and be available for the same purposes and for the same period as the appropriations to which transferred.".

(d) CONFORMING AND TECHNICAL AMENDMENTS.—(1) Section 767A of Public Law 96–527 (94 Stat. 3093) is repealed.

(2) Section 791 of the Department of Defense Appropriation Act, 1983 (enacted in section 101(c) of Public Law 97–377; 96 Stat. 1865) is repealed.

(3) Section 2779 of title 10, United States Code, is amended—

(A) in subsection (a), by striking out "(a)(1)" and inserting in lieu thereof "(a) TRANSFERS BACK TO FOREIGN CURRENCY FLUCTUATIONS APPROPRIATION.—(1) "; and

(B) in subsection (b), by striking out "(b)(1)" and inserting in lieu thereof "(b) FUNDING FOR LOSSES IN MILITARY CONSTRUCTION AND FAMILY HOUSING.—(1)".

SEC. 1007. REPORT ON BUDGET SUBMISSION REGARDING RESERVE COMPONENTS.

(a) SPECIAL REPORT.—The Secretary of Defense shall submit to the congressional defense committees, at the same time that the President submits the budget for fiscal year 1997 under section 1105(a) of title 31, United States Code, a special report on funding for the reserve components of the Armed Forces.

(b) CONTENT.—The report shall contain the following:

(1) The actions taken by the Department of Defense to enhance the Army National Guard, the Air National Guard, and each of the other reserve components.

(2) A separate listing, with respect to the Army National Guard, the Air National Guard, and each of the other reserve components, of each of the following:

(A) The specific amount requested for each major weapon system.

(B) The specific amount requested for each item of equipment.

(C) The specific amount requested for each military construction project, together with the location of each such project.

(3) If the total amount reported in accordance with paragraph (2) is less than $1,080,000,000, an additional separate listing described in paragraph (2) in a total amount equal to $1,080,000,000.

Subtitle B—Naval Vessels

SEC. 1011. IOWA CLASS BATTLESHIPS.

(a) RETURN TO NAVAL VESSEL REGISTER.—The Secretary of the Navy shall list on the Naval Vessel Register, and maintain on such register, at least two of the Iowa class battleships that were stricken from the register in February 1995.

(b) SELECTION OF SHIPS.—The Secretary shall select for listing on the register under subsection (a) the Iowa class battleships that are in the best material condition. In determining which battleships are in the best material condition, the Secretary shall take into consideration the findings of the Board of Inspection and Survey of the Navy, the extent to which each battleship has been modernized during the last period of active service of the battleship, and the military utility of each battleship after the modernization.

(c) SUPPORT.—The Secretary shall retain the existing logistical support necessary for support of at least two operational Iowa class battleships in active service, including technical manuals, repair and replacement parts, and ordnance.

(d) REPLACEMENT CAPABILITY.—The requirements of this section shall cease to be effective 60 days after the Secretary certifies in writing to the Committee on Armed Services of the Senate and the Committee on National Security of the House of Representatives that the Navy has within the fleet an operational surface fire support capability that equals or exceeds the fire support capability that the Iowa class battleships listed on the Naval Vessel Register pursuant to subsection (a) would, if in active service, be able to provide for Marine Corps amphibious assaults and operations ashore.

SEC. 1012. TRANSFER OF NAVAL VESSELS TO CERTAIN FOREIGN COUNTRIES.

(a) AUTHORITY.—The Secretary of the Navy is authorized to transfer—

(1) to the Government of Bahrain the Oliver Hazard Perry class guided missile frigate Jack Williams (FFG 24);

(2) to the Government of Egypt the Oliver Hazard Perry class frigates Duncan (FFG 10) and Copeland (FFG 25);

(3) to the Government of Oman the Oliver Hazard Perry class guided missile frigate Mahlon S. Tisdale (FFG 27);

(4) to the Government of Turkey the Oliver Hazard Perry class frigates Clifton Sprague (FFG 16), Antrim (FFG 20), and Flatley (FFG 21); and

(5) to the Government of the United Arab Emirates the Oliver Hazard Perry class guided missile frigate Gallery (FFG 26).

(b) FORMS OF TRANSFER.—(1) A transfer under paragraph (1), (2), (3), or (4) of subsection (a) shall be on a grant basis under section 516 of the Foreign Assistance Act of 1961 (22 U.S.C. 2321j).

(2) A transfer under paragraph (5) of subsection (a) shall be on a lease basis under section 61 of the Arms Export Control Act (22 U.S.C. 2796).

(c) COSTS OF TRANSFERS.—Any expense incurred by the United States in connection with a transfer authorized by subsection (a) shall be charged to the recipient.

(d) EXPIRATION OF AUTHORITY.—The authority to transfer a vessel under subsection (a) shall expire at the end of the 2-year period beginning on the date of the enactment of this Act, except that a lease entered into during that period under subsection (b)(2) may be renewed.

SEC. 1013. NAMING AMPHIBIOUS SHIPS.

(a) FINDINGS.—The Senate finds that:

(1) This year is the fiftieth anniversary of the battle of Iwo Jima, one of the great victories in all of the Marine Corps' illustrious history.

(2) The Navy has recently retired the ship that honored that battle, the U.S.S. IWO JIMA (LPH–2), the first ship in a class of amphibious assault ships.

(3) This Act authorizes the LHD–7, the final ship of the Wasp class of amphibious assault ships that will replace the Iwo Jima class of ships.

(4) The Navy is planning to start building a new class of amphibious transport docks, now called the LPD–17 class. This Act also authorizes funds that will lead to procurement of these vessels.

(5) There has been some confusion in the rationale behind naming new naval vessels with traditional naming conventions frequently violated.

(6) Although there have been good and sufficient reasons to depart from naming conventions in the past, the rationale for such departures has not always been clear.

(b) SENSE OF THE SENATE.—In light of these findings, expressed in subsection (a), it is the sense of the Senate that the Secretary of the Navy should:

(1) Name the LHD–7 the U.S.S. IWO JIMA.

(2) Name the LPD–17 and all future ships of the LPD–17 class after famous Marine Corps battles or famous Marine Corps heroes.

Subtitle C—Counter-Drug Activities

SEC. 1021. REVISION AND CLARIFICATION OF AUTHORITY FOR FEDERAL SUPPORT OF DRUG INTERDICTION AND COUNTER-DRUG ACTIVITIES OF THE NATIONAL GUARD.

(a) FUNDING ASSISTANCE.—Subsection (a) of section 112 of title 32, United States Code, is amended—

(1) by striking out "submits a plan to the Secretary under subsection (b)" in the matter above paragraph (1) and inserting in lieu thereof "submits to the Secretary a State drug interdiction and counter-drug activities plan satisfying the requirements of subsection (c)";

(2) by redesignating paragraph (2) as paragraph (3); and

(3) by striking out paragraph (1) and inserting in lieu thereof the following:

"(1) the pay, allowances, clothing, subsistence, gratuities, travel, and related expenses, as authorized by State law, of personnel of the National Guard of that State used, while not in Federal service, for the purpose of drug interdiction and counter-drug activities;

"(2) the operation and maintenance of the equipment and facilities of the National Guard of that State used for the purpose of drug interdiction and counter-drug activities; and".

(b) USE OF PERSONNEL PERFORMING FULL-TIME NATIONAL GUARD DUTY.—Section 112 of such title is amended—

(1) by striking out subsection (e);

(2) by redesignating subsections (b), (c), (d), and (f) as subsections (c), (d), (f), and (g), respectively; and

(3) by inserting after subsection (a) the following new subsection (b):

"(b) USE OF PERSONNEL PERFORMING FULL TIME NATIONAL GUARD DUTY.—(1) Subject to subsection (e), personnel of the National Guard of a State may be ordered to perform full-time National Guard duty under section 502(f) of this title for the purpose of carrying out drug interdiction and counter-drug activities.

"(2) Under regulations prescribed by the Secretary of Defense, the Governor of a State may, in accordance with the State drug interdiction and counter-drug activities plan referred to in subsection (c), request that personnel of the National Guard of the State be ordered to perform full-time National Guard duty under section 502(f) of this title for the purpose of carrying out drug interdiction and counter-drug activities.".

(c) STATE PLAN.—Subsection (c) of such section, as redesignated by subsection (b)(2), is amended—

(1) in the matter above paragraph (1), by striking out "A plan" and inserting in lieu thereof "A State drug interdiction and counter-drug activities plan";

(2) by striking out "and" at the end of paragraph (2); and

(3) in paragraph (3)—

(A) by striking out "annual training" and inserting in lieu thereof "training";

(B) by striking out the period at the end and inserting in lieu thereof a semicolon; and

(C) by adding at the end the following:

"(4) include a certification by the Attorney General of the State (or, in the case of a State with no position of Attorney General, a civilian official of the State equivalent to a State attorney general) that the use of the National Guard of the State for the activities proposed under the plan is authorized by, and is consistent with, State law; and

"(5) certify that the Governor of the State or a civilian law enforcement official of the State designated by the Governor has determined that any activities included in the plan that are carried out in conjunction with Federal law enforcement agencies serve a State law enforcement purpose.".

(d) EXAMINATION OF STATE PLAN.—Subsection (d) of such section, as redesignated by subsection (b)(2), is amended—

(1) in paragraph (1)—

(A) by inserting after "Before funds are provided to the Governor of a State under this section" the following: "and before members of the National Guard of that State are ordered to full-time National Guard duty as authorized in subsection (b)(1)"; and

(B) by striking out "subsection (b)" and inserting in lieu thereof "subsection (c)"; and

(2) in paragraph (3)—

(A) by striking out "subsection (b)" in subparagraph (A) and inserting in lieu thereof "subsection (c)"; and

(B) by striking out subparagraph (B) and inserting in lieu thereof the following:

"(B) pursuant to the plan submitted for a previous fiscal year, funds were provided to the State in accordance with subsection (a) or personnel of the National Guard of the State were ordered to perform full-time National Guard duty in accordance with subsection (b).".

(e) END STRENGTH LIMITATION.—Such section is amended by inserting after subsection (d), as redesignated by subsection (b)(2), the following new subsection (e):

"(e) END STRENGTH LIMITATION.—(1) Except as provided in paragraph (2), at the end of a fiscal year there may not be more than 4000 members of the National Guard—

"(A) on full-time National Guard duty under section 502(f) of this title to perform drug interdiction or counter-drug activities pursuant to an order to duty for a period of more than 180 days; or

"(B) on duty under State authority to perform drug interdiction or counter-drug activities pursuant to an order to duty for a period of more than 180 days with State pay and allowances being reimbursed with funds provided under subsection (a)(1).

"(2) The Secretary of Defense may increase the end strength authorized under paragraph (1) by not more than 20 percent for any fiscal year if the Secretary determines that such an increase is necessary in the national security interests of the United States.".

(f) DEFINITIONS.—Subsection (g) of such section, as redesignated by subsection (b)(2), is amended by striking out paragraph (1) and inserting in lieu thereof the following:

"(1) The term 'drug interdiction and counter-drug activities', with respect to the National Guard of a State, means the use of National Guard personnel in drug interdiction and counter-drug law enforcement activities authorized by the law of the State and requested by the Governor of the State.".

SEC. 1022. NATIONAL DRUG INTELLIGENCE CENTER.

(a) LIMITATION ON USE OF FUNDS.—Except as provided in subsection (b), funds appropriated or otherwise made available for the Department of Defense pursuant to this or any other Act may not be obligated or expended for the National Drug Intelligence Center, Johnstown, Pennsylvania.

(b) EXCEPTION.—If the Attorney General operates the National Drug Intelligence Center using funds available for the Department of Justice, the Secretary of Defense may continue to provide Department of Defense intelligence personnel to support intelligence activities at the Center. The number of such personnel providing support to the Center after the date of the enactment of this Act may not exceed the number of the Department of Defense intelligence personnel who are supporting intelligence activities at the Center on the day before such date.

SEC. 1023. ASSISTANCE TO CUSTOMS SERVICE.

(a) NONINTRUSIVE INSPECTION SYSTEMS.—The Secretary of Defense shall, using funds available pursuant to subsection (b), either—

(1) procure nonintrusive inspection systems and transfer the systems to the United States Customs Service; or

(2) transfer the funds to the Secretary of the Treasury for use to procure nonintrusive inspection systems for the United States Customs Service.

(b) FUNDING.—Of the amounts authorized to be appropriated under section 301(15), $25,000,000 shall be available for carrying out subsection (a).

Subtitle D—Department of Defense Education Programs

SEC. 1031. CONTINUATION OF THE UNIFORMED SERVICES UNIVERSITY OF THE HEALTH SCIENCES.

(a) POLICY.—Congress reaffirms—

(1) the prohibition set forth in subsection (a) of section 922 of the National Defense Authorization Act for Fiscal Year 1995 (Public Law 103–337; 108 Stat. 2829; 10 U.S.C. 2112 note) regarding closure of the Uniformed Services University of the Health Sciences; and

(2) the expression of the sense of Congress set forth in subsection (b) of such section regarding the budgetary commitment to continuation of the university.

(b) PERSONNEL STRENGTH.—During the 5-year period beginning on October 1, 1995, the personnel staffing levels for the Uniformed Services University of the Health Services may not be reduced below the personnel staffing levels for the university as of October 1, 1993.

SEC. 1032. ADDITIONAL GRADUATE SCHOOLS AND PROGRAMS AT THE UNIFORMED SERVICES UNIVERSITY OF THE HEALTH SCIENCES.

Section 2113 of title 10, United States Code, is amended by striking out subsection (h) and inserting in lieu thereof the following:

"(h) The Board may establish the following educational programs:

"(1) Postdoctoral, postgraduate, and technological institutes.

"(2) A graduate school of nursing.

"(3) Other schools or programs that the Board determines necessary in order to operate the University in a cost-effective manner.".

SEC. 1033. FUNDING FOR BASIC ADULT EDUCATION PROGRAMS FOR MILITARY PERSONNEL AND DEPENDENTS OUTSIDE THE UNITED STATES.

Of the amounts authorized to be appropriated pursuant to section 301, $600,000 shall be available to carry out adult education programs, consistent with the Adult Education Act (20 U.S.C. 1201 et seq.), for—

(1) members of the Armed Forces who are serving in locations that are outside the

United States and not described in subsection (b) of such section 313; and

(2) the dependents of such members.

SEC. 1034. SCOPE OF EDUCATION PROGRAMS OF COMMUNITY COLLEGE OF THE AIR FORCE.

Section 9315(a)(1) of title 10, United States Code, is amended by striking out "for enlisted members of the armed forces" and inserting in lieu thereof "for enlisted members of the Air Force".

SEC. 1035. DATE FOR ANNUAL REPORT ON SELECTED RESERVE EDUCATIONAL ASSISTANCE PROGRAM.

Section 16137 of title 10, United States Code, is amended by striking out "December 15 of each year" and inserting in lieu thereof "March 1 of each year".

SEC. 1036. ESTABLISHMENT OF JUNIOR R.O.T.C. UNITS IN INDIAN RESERVATION SCHOOLS.

It is the sense of Congress that the Secretary of Defense should ensure that secondary educational institutions on Indian reservations are afforded a full opportunity along with other secondary educational institutions to be selected as locations for establishment of new Junior Reserve Officers' Training Corps units.

Subtitle E—Cooperative Threat Reduction With States of the Former Soviet Union

SEC. 1041. COOPERATIVE THREAT REDUCTION PROGRAMS DEFINED.

For purposes of this subtitle, Cooperative Threat Reduction programs are the programs described in section 1203(b) of the Cooperative Threat Reduction Act of 1993 (title XII of Public Law 103–160; 107 Stat. 1778; 22 U.S.C. 5952(b)).

SEC. 1042. FUNDING MATTERS.

(a) LIMITATION.—Funds authorized to be appropriated under section 301(18) may not be obligated for any program established primarily to assist nuclear weapons scientists in States of the former Soviet Union until 30 days after the date on which the Secretary of Defense certifies in writing to Congress that the funds to be obligated will not be used to contribute to the modernization of the strategic nuclear forces of such States or for research, development, or production of weapons of mass destruction.

(b) REIMBURSEMENT OF PAY ACCOUNTS.—Funds authorized to be appropriated under section 301(18) may be transferred to military personnel accounts for reimbursement of those accounts for the pay and allowances paid to reserve component personnel for service while engaged in any activity under a Cooperative Threat Reduction program.

SEC. 1043. LIMITATION RELATING TO OFFENSIVE BIOLOGICAL WARFARE PROGRAM OF RUSSIA.

(a) FINDINGS.—Congress makes the following findings:

(1) Even though the President of Russia and other senior leaders of the Russian government have committed Russia to comply with the Biological Weapons Convention, a June 1995 United States Government report asserts that official United States concern remains about the Russian biological warfare program.

(2) In reviewing the President's budget request for fiscal year 1996 for Cooperative Threat Reduction, and consistent with the finding in section 1207(a)(5) of the National Defense Authorization Act for Fiscal Year 1995 (Public Law 103–337; 108 Stat. 2884), the Senate has taken into consideration the questions and concerns about Russia's biological warfare program and Russia's compliance with the obligations under the Biological Weapons Convention.

(b) LIMITATION ON USE OF FUNDS FOR COOPERATIVE THREAT REDUCTION.—Of the amount available under section 301(18) for Cooperative Threat Reduction programs, $50,000,000 shall be reserved and not obligated until the President certifies to Congress that Russia is in compliance with the obligations under the Biological Weapons Convention.

SEC. 1044. LIMITATION ON USE OF FUNDS FOR COOPERATIVE THREAT REDUCTION.

(a) LIMITATION.—Of the funds appropriated or otherwise made available for fiscal year 1996 under the heading "FORMER SOVIET UNION THREAT REDUCTION" for dismantlement and destruction of chemical weapons, not more than $52,000,000 may be obligated or expended for that purpose until the President certifies to Congress the following:

(1) That the United States and Russia have completed a joint laboratory study evaluating the proposal of Russia to neutralize its chemical weapons and the United States agrees with the proposal.

(2) That Russia is in the process of preparing, with the assistance of the United States (if necessary), a comprehensive plan to manage the dismantlement and destruction of the Russia chemical weapons stockpile.

(3) That the United States and Russia are committed to resolving outstanding issues under the 1989 Wyoming Memorandum of Understanding and the 1990 Bilateral Destruction Agreement.

(b) DEFINITIONS.—In this section:

(1) The term "1989 Wyoming Memorandum of Understanding" means the Memorandum of Understanding between the Government of the United States of America and the Government of the Union of Soviet Socialist Republics Regarding a Bilateral Verification Experiment and Data Exchange Related to Prohibition on Chemical Weapons, signed at Jackson Hole, Wyoming, on September 23, 1989.

(2) The term "1990 Bilateral Destruction Agreement" means the Agreement between the United States of America and the Union of Soviet Socialist Republics on destruction and non-production of chemical weapons and on measures to facilitate the multilateral convention on banning chemical weapons signed on June 1, 1990.

Subtitle F—Matters Relating to Other Nations

SEC. 1051. COOPERATIVE RESEARCH AND DEVELOPMENT AGREEMENTS WITH NATO ORGANIZATIONS.

Section 2350b(e) of title 10, United States Code, is amended—

(1) in paragraph (1), by inserting "or a NATO organization" after "a participant (other than the United States)"; and

(2) in paragraph (2), by inserting "or a NATO organization" after "a cooperative project".

SEC. 1052. NATIONAL SECURITY IMPLICATIONS OF UNITED STATES EXPORT CONTROL POLICY.

(a) FINDINGS.—Congress makes the following findings:

(1) Export controls remain an important element of the national security policy of the United States.

(2) It is in the national interest that United States export control policy prevent the transfer, to potential adversaries or combatants of the United States, of technology that threatens the national security or defense of the United States.

(3) It is in the national interest that the United States monitor aggressively the export of technology in order to prevent its diversion to potential adversaries or combatants of the United States.

(4) The Department of Defense relies increasingly on commercial and dual-use technologies, products, and processes to support United States military capabilities and economic strength.

(5) The Department of Defense evaluates license applications for the export of commodities whose export is controlled for national security reasons if such commodities are exported to certain countries, but the Department does not evaluate license applications for the export of such commodities if such commodities are exported to other countries.

(b) SENSE OF CONGRESS.—It is the sense of Congress that—

(1) the maintenance of the military advantage of the United States depends on effective export controls on dual-use items and technologies that are critical to the military capabilities of the Armed Forces;

(2) the Government should identify the dual-use items and technologies that are critical to the military capabilities of the Armed Forces, including the military use made of such items and technologies, and should reevaluate the export control policy of the United States in light of such identification; and

(3) the Government should utilize unilateral export controls on dual-use items and technologies that are critical to the military capabilities of the Armed Forces (regardless of the availability of such items or technologies overseas) with respect to the countries that—

(A) pose a threat to the national security interests of the United States; and

(B) are not members in good standing of bilateral or multilateral agreements to which the United States is a party on the use of such items and technologies.

(c) REPORT REQUIRED.—(1) Not later than December 1, 1995, the Secretary of Defense shall submit to the Committees on Armed Services and on Foreign Relations of the Senate and the Committees on National Security and on International Relations of the House of Representatives a report on the effect of the export control policy of the United States on the national security interests of the United States.

(2) The report shall include the following:

(A) A list setting forth each country determined to be a rogue nation or potential adversary or combatant of the United States.

(B) For each country so listed, a list of—

(i) the categories of items that should be prohibited for export to the country;

(ii) the categories of items that should be exported to the country only under an individual license with conditions; and

(iii) the categories of items that may be exported to the country under a general distribution license.

(C) For each category of items listed under clauses (ii) and (iii) of subparagraph (B)—

(i) a statement whether export controls on the category of items are to be imposed under a multilateral international agreement or a unilateral decision of the United States; and

(ii) a justification for the decision not to prohibit the export of the items to the country.

(D) A description of United States policy on sharing satellite imagery that has military significance and a discussion of the criteria for determining the imagery that has that significance.

(E) A description of the relationship between United States policy on the export of space launch vehicle technology and the Missile Technology Control Regime.

(F) An assessment of United States efforts to support the inclusion of additional countries in the Missile Technology Control Regime.

(G) An assessment of the on-going efforts made by potential participant countries in the Missile Technology Control Regime to meet the guidelines established by the Missile Technology Control Regime.

(H) A brief discussion of the history of the space launch vehicle programs of other countries, including a discussion of the military origins and purposes of such programs and the current level of military involvement in such programs.

(3) The Secretary shall submit the report in unclassified form but may include a classified annex.

(4) In this subsection, the term "Missile Technology Control Regime" means the policy statement between the United States , the United Kingdom, the Federal Republic of Germany, France, Italy, Canada, and Japan, announced on April 16, 1987, to restrict sensitive missile-relevant transfers based on the Missile Technology Control Regime Annex, and any amendments thereto.

(d) DEPARTMENT OF DEFENSE REVIEW OF EXPORT LICENSES FOR CERTAIN BIOLOGICAL PATHOGENS.—(1) Notwithstanding any other provision of law, the Secretary of Defense shall, in consultation with appropriate elements of the intelligence community, review each application that is submitted to the Secretary of Commerce for an individual validated license for the export of a class 2, class 3, or class 4 biological pathogen to a country known or suspected to have an offensive biological weapons program. The purpose of the review is to determine if the export of the pathogen pursuant to the license would be contrary to the national security interests of the United States.

(2) The Secretary of Defense, in consultation with the Secretary of State and the intelligence community, shall periodically inform the Secretary of Commerce as to the countries known or suspected to have an offensive biological weapons program.

(3) In order to facilitate the review of an application for an export license by appropriate elements of the intelligence committee under paragraph (1), the Secretary of Defense shall submit a copy of the application to such appropriate elements.

(4) The Secretary of Defense shall carry out the review of an application under this subsection not later than 30 days after the date on which the Secretary of Commerce forwards a copy of the application to the Secretary of Defense for review.

(5) Upon completion of the review of an application for an export license under this subsection, the Secretary of Defense shall notify the Secretary of Commerce if the export of a biological pathogen pursuant to the license would be contrary to the national security interests of the United States.

(6) Notwithstanding any other provision of law, upon receipt of a notification with respect to an application for an export license under paragraph (5), the Secretary of Commerce shall deny the application.

(7) In this subsection:

(A) The term "class 2, class 3, or class 4 biological pathogen" means any biological pathogen characterized as a class 2, class 3, or class 4 biological pathogen by the Centers for Disease Control.

(B) The term "intelligence community" has the meaning given such term in section 3(4) of the National Security Act of 1947 (50 U.S.C. 401a(4).

SEC. 1053. DEFENSE EXPORT LOAN GUARANTEES.

(a) ESTABLISHMENT OF PROGRAM.—(1) Chapter 148 of title 10, United States Code, is amended by adding at the end the following new subchapter:

"SUBCHAPTER VI—DEFENSE EXPORT LOAN GUARANTEES

"Sec.
"2540. Establishment of loan guarantee program.
"2540a. Transferability.
"2540b. Limitations.
"2540c. Fees charged and collected.
"2540d. Definitions.

"§ 2540. Establishment of loan guarantee program

"(a) ESTABLISHMENT.—In order to meet the national security objectives in section 2501(a) of this title, the Secretary of Defense shall establish a program under which the Secretary may issue guarantees assuring a lender against losses of principal or interest, or both principal and interest, arising out of the financing of the sale or long-term lease of defense articles, defense services, or design and construction services to a country referred to in subsection (b).

"(b) COVERED COUNTRIES.—The authority under subsection (a) applies with respect to the following countries:

"(1) A member nation of the North Atlantic Treaty Organization (NATO).

"(2) A country designated as of March 31, 1995, as a major non-NATO ally pursuant to section 2350a(i)(3) of this title.

"(3) A country in Central Europe that, as determined by the Secretary of State—

"(A) has changed its form of national government from a nondemocratic form of government to a democratic form of government since October 1, 1989; or

"(B) is in the processing of changing its form of national government from a nondemocratic form of government to a democratic form of government.

"(4) A noncommunist country that was a member nation of the Asia Pacific Economic Cooperation (APEC) as of October 31, 1993.

"(c) AUTHORITY SUBJECT TO PROVISIONS OF APPROPRIATIONS.—The Secretary may guarantee a loan under this subchapter only as provided in appropriations Acts.

"§ 2540a. Transferability

"A guarantee issued under this subchapter shall be fully and freely transferable.

"§ 2540b. Limitations

"(a) TERMS AND CONDITIONS OF LOAN GUARANTEES.—In issuing a guarantee under this subchapter for a medium-term or long-term loan, the Secretary may not offer terms and conditions more beneficial than those that would be provided to the recipient by the Export-Import Bank of the United States under similar circumstances in conjunction with the provision of guarantees for nondefense articles and services.

"(b) LOSSES ARISING FROM FRAUD OR MISREPRESENTATION.—No payment may be made under a guarantee issued under this subchapter for a loss arising out of fraud or misrepresentation for which the party seeking payment is responsible.

"(c) NO RIGHT OF ACCELERATION.—The Secretary of Defense may not accelerate any guaranteed loan or increment, and may not pay any amount, in respect of a guarantee issued under this subchapter, other than in accordance with the original payment terms of the loan.

"§ 2540c. Fees charged and collected

"(a) IN GENERAL.—The Secretary of Defense shall charge a fee (known as 'exposure fee') for each guarantee issued under this subchapter.

"(b) AMOUNT.—To the extent that the cost of the loan guarantees under this subchapter is not otherwise provided for in appropriations Acts, the fee imposed under this section with respect to a loan guarantee shall be fixed in an amount determined by the Secretary to be sufficient to meet potential liabilities of the United States under the loan guarantee.

"(c) PAYMENT TERMS.—The fee for each guarantee shall become due as the guarantee is issued. In the case of a guarantee for a loan which is disbursed incrementally, and for which the guarantee is correspondingly issued incrementally as portions of the loan are disbursed, the fee shall be paid incrementally in proportion to the amount of the guarantee that is issued.

"§ 2540d. Definitions

"In this subchapter:

"(1) The terms 'defense article', 'defense services', and 'design and construction services' have the meanings given those terms in section 47 of the Arms Export Control Act (22 U.S.C. 2794).

"(2) The term 'cost', with respect to a loan guarantee, has the meaning given that term in section 502 of the Congressional Budget and Impoundment Control Act of 1974 (2 U.S.C. 661a).".

(2) The table of subchapters at the beginning of such chapter is amended by adding at the end the following new item:

"VI. Defense Export Loan Guarantees .... 2540".

(b) REPORT.—(1) Not later than two years after the date of the enactment of this Act, the President shall submit to Congress a report on the loan guarantee program established pursuant to section 2540 of title 10, United States Code, as added by subsection (a).

(2) The report shall include—

(A) an analysis of the costs and benefits of the loan guarantee program; and

(B) any recommendations for modification of the program that the President considers appropriate, including—

(i) any recommended addition to the list of countries for which a guarantee may be issued under the program; and

(ii) any proposed legislation necessary to authorize a recommended modification.

SEC. 1054. LANDMINE CLEARING ASSISTANCE PROGRAM.

(a) REVISION OF AUTHORITY.—Section 1413 of the National Defense Authorization Act for Fiscal Year 1995 (Public Law 103-337; 108 Stat. 2913; 10 U.S.C. 401 note) is amended by adding at the end the following:

"(f) SPECIAL REQUIREMENTS FOR FISCAL YEAR 1996.—Funds available for fiscal year 1996 for the program under subsection (a) may not be obligated for involvement of members of the Armed Forces in an activity under the program until the date that is 30 days after the date on which the Secretary of Defense certifies to Congress, in writing, that the involvement of such personnel in the activity satisfies military training requirements for such personnel.

"(g) TERMINATION OF AUTHORITY.—The Secretary of Defense may not provide assistance under subsection (a) after September 30, 1996.".

(b) REVISION OF DEFINITION OF LANDMINE.—Section 1423(d)(3) of the National Defense Authorization Act for Fiscal Year 1994 (Public Law 103-160; 107 Stat. 1831) is amended by striking out "by remote control or".

(c) FISCAL YEAR 1996 FUNDING.—Of the amount authorized to be appropriated by section 301 for Overseas Humanitarian, Disaster, and Civic Aid (OHDACA) programs of the Department of Defense, not more than $20,000,000 shall be available for the program of assistance under section 1413 of the National Defense Authorization Act for Fiscal Year 1995 (Public Law 103–337; 108 Stat. 2913; 10 U.S.C. 401 note).

SEC. 1055. STRATEGIC COOPERATION BETWEEN THE UNITED STATES AND ISRAEL.

(a) FINDINGS.—Congress makes the following findings:

(1) The President and Congress have repeatedly declared the long-standing United States commitment to maintaining the qualitative superiority of the Israel Defense Forces over any combination of potential adversaries.

(2) Congress continues to recognize the many benefits to the United States from its strategic relationship with Israel, including that of enhanced regional stability and technical cooperation.

(3) Despite the historic peace effort in which Israel and its neighbors are engaged, Israel continues to face severe potential threats to its national security that are compounded by terrorism and by the proliferation of weapons of mass destruction and ballistic missiles.

(4) Congress supports enhanced United States cooperation with Israel in all fields and, especially, in finding new ways to deter or counter mutual threats.

(b) SENSE OF CONGRESS.—It is the sense of Congress that—

(1) the President should ensure that any conventional defense system or technology offered by the United States for sale to any member nation of the North Atlantic Treaty Organization (NATO) or to any major non-NATO ally is concurrently made available for purchase by Israel unless the President determines that it would not be in the national security interests of the United States to do so; and

(2) the President should make available to Israel, within existing technology transfer laws, regulations, and policies, advanced United States technology necessary for achieving continued progress in cooperative United States-Israel research and development of theater missile defenses.

SEC. 1056. SUPPORT SERVICES FOR THE NAVY AT THE PORT OF HAIFA, ISRAEL.

It is the sense of Congress that the Secretary of the Navy should promptly undertake such actions as are necessary—

(1) to improve the services available to the Navy at the Port of Haifa, Israel; and

(2) to ensure that the continuing increase in commercial activities at the Port of Haifa does not adversely affect the availability to the Navy of the services required by the Navy at the port.

SEC. 1057. PROHIBITION ON ASSISTANCE TO TERRORIST COUNTRIES.

(a) PROHIBITION.—Subchapter I of chapter 134 of title 10, United States Code, is amended by adding at the end the following:

"§ 2249a. Prohibition on assistance to terrorist countries

"(a) PROHIBITION.—Funds available to the Department of Defense may not be obligated or expended to provide financial assistance to—

"(1) any country with respect to which the Secretary of State has made a determination under section 6(j)(1)(A) of the Export Administration Act of 1979 (50 App. 2405(j));

"(2) any country identified in the latest report submitted to Congress under section 140 of the Foreign Relations Authorization Act, Fiscal Years 1988 and 1989 (22 U.S.C. 2656f), as providing significant support for international terrorism; or

"(3) any other country that, as determined by the President—

"(A) grants sanctuary from prosecution to any individual or group that has committed an act of international terrorism; or

"(B) otherwise supports international terrorism.

"(b) WAIVER.—(1) The President may waive the application of subsection (a) to a country if the President determines that it is in the national security interests of the United States to do so or that the waiver should be granted for humanitarian reasons.

"(2) The President shall—

"(A) notify the Committees on Armed Services and Foreign Relations of the Senate and the Committees on National Security and on International Relations of the House of Representatives at least 15 days before the waiver takes effect; and

"(B) publish a notice of the waiver in the Federal Register.

"(c) DEFINITION.—In this section, the term 'international terrorism' has the meaning given that term in section 140(d) of the Foreign Relations Authorization Act, Fiscal Years 1988 and 1989 (22 U.S.C. 2656f(d)).".

(b) CLERICAL AMENDMENT.—The table of sections at the beginning of subchapter I of such chapter is amended by adding at the end the following:

"2249a. Prohibition on assistance to terrorist countries.".

SEC. 1058. INTERNATIONAL MILITARY EDUCATION AND TRAINING.

(a) SENSE OF CONGRESS.—It is the sense of Congress that—

(1) it is in the national security interest of the United States to promote military professionalism (including an understanding of and respect for the proper role of the military in a civilian-led democratic society), the effective management of defense resources, the recognition of internationally recognized human rights, and an effective military justice system within the armed forces of allies of the United States and of countries friendly to the United States;

(2) it is in the national security interest of the United States to foster rapport, understanding, and cooperation between the Armed Forces of the United States and the armed forces of allies of the United States and of countries friendly to the United States;

(3) the international military education and training program is a low-cost method of promoting military professionalism within the armed forces of allies of the United States and of countries friendly to the United States and fostering better relations between the Armed Forces of the United States and those armed forces;

(4) the dissolution of the Soviet Union and the Warsaw Pact alliance and the spread of democracy in the Western Hemisphere have created an opportunity to promote the military professionalism of the armed forces of the affected nations;

(5) funding for the international military education and training program of the United States has decreased dramatically in recent years;

(6) the decrease in funding for the international military education and training program has resulted in a major decrease in the participation of personnel from Asia, Latin America, and Africa in the program;

(7) the Chairman of the Joint Chiefs of Staff and the commanders in chief of the regional combatant commands have consistently testified before congressional committees that the international military education and training program fosters cooperation with and improves military management, civilian control over the military forces, and respect for human rights within foreign military forces; and

(8) the delegation by the President to the Secretary of Defense of authority to perform functions relating to the international military education and training program is appropriate and should be continued.

(b) ACTIVITIES AUTHORIZED.—(1) Part I of subtitle A of title 10, United States Code, is amended by adding at the end the following:

"CHAPTER 23—CONTACTS UNDER PROGRAMS IN SUPPORT OF FOREIGN MILITARY FORCES

"Sec.
"461. Military-to-military contacts and comparable activities.
"462. International military education and training.

"§ 462. International military education and training

"(a) PROGRAM AUTHORITY.—Subject to the provisions of chapter 5 of part II of the Foreign Assistance Act of 1961 (22 U.S.C. 2347 et seq.), the Secretary of Defense, upon the recommendation of a commander of a combatant command, or, with respect to a geographic area or areas not within the area of responsibility of a commander of a combatant command, upon the recommendation of the Chairman of the Joint Chiefs of Staff, may pay a portion of the costs of providing international military education and training to military personnel of foreign countries and to civilian personnel of foreign countries who perform national defense functions.

"(b) RELATIONSHIP TO OTHER FUNDING.—Any amount provided pursuant to subsection (a) shall be in addition to amounts otherwise available for international military education and training for that fiscal year.".

(2) Section 168 of title 10, United States Code, is redesignated as section 461, is transferred to chapter 23 (as added by paragraph (1)), and is inserted after the table of sections at the beginning of such chapter.

(3)(A) The tables of chapters at the beginning of subtitle A of such title and the beginning of part I of such subtitle are amended by inserting after the item relating to chapter 22 the following:

"23. Contacts Under Programs in Support of Foreign Military Forces .... 461".

(B) The table of sections at the beginning of chapter 6 of title 10, United States Code, is amended by striking out the item relating to section 168.

(c) FISCAL YEAR 1996 FUNDING.—Of the amount authorized to be appropriated under section 301(5), $20,000,000 shall be available to the Secretary of Defense for the purposes of carrying out activities under section 462 of title 10, United States Code, as added by subsection (b).

(d) RELATIONSHIP TO AUTHORITY OF SECRETARY OF STATE.—Nothing in this section or section 462 of title 10, United States Code (as added by subsection (b)(1)), shall impair the authority or ability of the Secretary of State to coordinate policy regarding international military education and training programs.

SEC. 1059. REPEAL OF LIMITATION REGARDING AMERICAN DIPLOMATIC FACILITIES IN GERMANY.

Section 1432 of the National Defense Authorization Act for Fiscal Year 1994 (Public Law 103–160; 107 Stat. 1833) is repealed.

SEC. 1060. IMPLEMENTATION OF ARMS CONTROL AGREEMENTS.

(a) FUNDING.—Of the amounts authorized to be appropriated under sections 102, 103, 104, 201, and 301, $228,900,000 shall be available for implementing arms control agreements to which the United States is a party.

(b) LIMITATION.—(1) Except as provided in paragraph (2), none of the funds authorized to be appropriated under subsection (a) for the costs of implementing an arms control agreement may be used to reimburse expenses incurred by any other party to the agreement for which, without regard to any executive agreement or any policy not part of an arms control agreement—

(A) the other party is responsible under the terms of the arms control agreement; and

(B) the United States has no responsibility under the agreement.

(2) The limitation in paragraph (1) does not apply to a use of funds to fulfill a policy of the United States to reimburse expenses incurred by another party to an arms control agreement if—

(A) the policy does not modify any obligation imposed by the arms control agreement;

(B) the President—

(i) issued or approved the policy before the date of the enactment of this Act; or

(ii) has entered into an agreement on the policy with the government of another country or has approved an agreement on the policy entered into by an official of the United States and the government of another country; and

(C) the President has notified the congressional defense committees, the Committee on Foreign Relations of the Senate, and the Committee on International Relations of the House of Representatives of the policy or the policy agreement (as the case may be), in writing, at least 30 days before the date on which the President issued or approved the policy or has entered into or approved the policy agreement.

(c) DEFINITIONS.—In this section:

(1) The term "arms control agreement" means an arms control treaty or other form of international arms control agreement.

(2) The term "executive agreement" is an international agreement entered into by the President that is not authorized by statute or approved by the Senate under Article II, section 2, clause 2 of the Constitution.

SEC. 1061. SENSE OF CONGRESS ON LIMITING THE PLACING OF UNITED STATES FORCES UNDER UNITED NATIONS COMMAND OR CONTROL.

(a) FINDINGS.—Congress finds that—

(1) the President has made United Nations peace operations a major component of the foreign and security policies of the United States;

(2) the President has committed United States military personnel under United Nations operational control to missions in Haiti, Croatia, and Macedonia that could endanger those personnel;

(3) the President has committed the United States to deploy as many as 25,000 military personnel to Bosnia-Herzegovina as peacekeepers under United Nations command and control in the event that the parties to that conflict reach a peace agreement;

(4) although the President has insisted that he will retain command of United States forces at all times, in the past this has meant administrative control of United States forces only, while operational control has been ceded to United Nations commanders, some of whom were foreign nationals;

(5) the experience of United States forces participating in combined United States-United Nations operations in Somalia, and in combined United Nations-NATO operations in the former Yugoslavia, demonstrate that prerequisites for effective military operations such as unity of command and clarity of mission have not been met by United Nations command and control arrangements; and

(6) despite the many deficiencies in the conduct of United Nations peace operations, there may be occasions when it is in the national security interests of the United States to participate in such operations.

(b) POLICY.—It is the sense of Congress that—

(1) the President should consult closely with Congress regarding any United Nations peace operation that could involve United States combat forces, and that such consultations should continue throughout the duration of such activities;

(2) the President should consult with Congress prior to a vote within the United Nations Security Council on any resolution which would authorize, extend, or revise the mandates for such activities;

(3) in view of the complexity of United Nations peace operations and the difficulty of achieving unity of command and expeditious decisionmaking, the United States should participate in such operations only when it is clearly in the national security interest to do so;

(4) United States combat forces should be under the operational control of qualified commanders and should have clear and effective command and control arrangements and rules of engagement (which do not restrict their self-defense in any way) and clear and unambiguous mission statements; and

(5) none of the Armed Forces of the United States should be under the operational control of foreign nationals in United Nations peace enforcement operations except in the most extraordinary circumstances.

(c) DEFINITIONS.—For purposes of this section—

(1) the term "United Nations peace enforcement operations" means any international peace enforcement or similar activity that is authorized by the United Nations Security Council under chapter VII of the Charter of the United Nations; and

(2) the term "United Nations peace operations" means any international peacekeeping, peacemaking, peace enforcement, or similar activity that is authorized by the United Nations Security Council under chapter VI or VII of the Charter of the United Nations.

SEC. 1062. SENSE OF SENATE ON PROTECTION OF UNITED STATES FROM BALLISTIC MISSILE ATTACK.

(a) FINDINGS.—The Senate makes the following findings:

(1) The proliferation of weapons of mass destruction and ballistic missiles presents a threat to the entire World.

(2) This threat was recognized by Secretary of Defense William J. Perry in February 1995 in the Annual Report to the President and the Congress which states that "[b]eyond the five declared nuclear weapons states, at least 20 other nations have acquired or are attempting to acquire weapons of mass destruction—nuclear, biological, or chemical weapons—and the means to deliver them. In fact, in most areas where United States forces could potentially be engaged on a large scale, many of the most likely adversaries already possess chemical and biological weapons. Moreover, some of these same states appear determined to acquire nuclear weapons.".

(3) At a summit in Moscow in May 1995, President Clinton and President Yeltsin commented on this threat in a Joint Statement which recognizes ". . . the threat posed by worldwide proliferation of missiles and missile technology and the necessity of counteracting this threat . . .".

(4) At least 25 countries may be developing weapons of mass destruction and the delivery systems for such weapons.

(5) At least 24 countries have chemical weapons programs in various stages of research and development.

(6) Approximately 10 countries are believed to have biological weapons programs in various stages of development.

(7) At least 10 countries are reportedly interested in the development of nuclear weapons.

(8) Several countries recognize that weapons of mass destruction and missiles increase their ability to deter, coerce, or otherwise threaten the United States. Saddam Hussein recognized this when he stated, on May 8, 1990, that "[o]ur missiles cannot reach Washington. If they could reach Washington, we would strike it if the need arose.".

(9) International regimes like the Non-Proliferation Treaty, the Biological Weapons Convention, and the Missile Technology Control Regime, while effective, cannot by themselves halt the spread of weapons and technology. On January 10, 1995, Director of Central Intelligence, James Woolsey, said with regard to Russia that " . . . we are particularly concerned with the safety of nuclear, chemical, and biological materials as well as highly enriched uranium or plutonium, although I want to stress that this is a global problem. For example, highly enriched uranium was recently stolen from South Africa, and last month Czech authorities recovered three kilograms of 87.8 percent-enriched HEU in the Czech Republic—the largest seizure of near-weapons grade material to date outside the Former Soviet Union.".

(10) The possession of weapons of mass destruction and missiles by developing countries threatens our friends, allies, and forces abroad and will ultimately threaten the United States directly. On August 11, 1994, Deputy Secretary of Defense John Deutch said that "[i]f the North Koreans field the Taepo Dong 2 missile, Guam, Alaska, and parts of Hawaii would potentially be at risk.".

(11) The end of the Cold War has changed the strategic environment facing and between the United States and Russia. That the Clinton Administration believes the environment to have changed was made clear by Secretary of Defense William J. Perry on September 20, 1994, when he stated that "[w]e now have the opportunity to create a new relationship, based not on MAD, not on Mutual Assured Destruction, but rather on another acronym, MAS, or Mutual Assured Safety.".

(12) The United States and Russia have the opportunity to create a relationship based on trust rather than fear.

(b) SENSE OF SENATE.—It is the sense of the Senate that all Americans should be protected from accidental, intentional, or limited ballistic missile attack. It is the further sense of the Senate that front-line troops of the United States Armed Forces should be protected from missile attacks.

(c) FUNDING FOR CORPS SAM AND BOOST-PHASE INTERCEPTOR PROGRAMS.—

(1) Notwithstanding any other provision in this Act, of the funds authorized to be appropriated by section 201(4), $35,000,000 shall be available for the Corps SAM/MEADS program.

(2) With a portion of the funds authorized in paragraph (1) for the Corps SAM/MEADS

program, the Secretary of Defense shall conduct a study to determine whether a Theater Missile Defense system derived from Patriot technologies could fulfill the Corps SAM/MEADS requirements at a lower estimated life-cycle cost than is estimated for the cost of the United States portion of the Corps SAM/MEADS program.

(3) The Secretary shall provide a report on the study required under paragraph (2) to the congressional defense committees not later than March 1, 1996.

(4) Of the funds authorized to be appropriated by section 201(4), not more than $3,403,413,000 shall be available for missile defense programs within the Ballistic Missile Defense Organization.

(d) Obligation of Funds.—Of the amounts referred to in section (c)(1), $10,000,000 may not be obligated until the report referred to in subsection (c)(2) is submitted to the congressional defense committees.

SEC. 1063. IRAN AND IRAQ ARMS NONPROLIFERATION.

(a) Sanctions Against Transfers of Persons.—Section 1604(a) of the Iran-Iraq Arms Non-Proliferation Act of 1992 (title XVI of Public Law 102–484; 50 U.S.C. 1701 note) is amended by inserting "to acquire chemical, biological, or nuclear weapons or" before "to acquire".

(b) Sanctions Against Transfers of Foreign Countries.—Section 1605(a) of such Act is amended by inserting "to acquire chemical, biological, or nuclear weapons or" before "to acquire".

(c) Clarification of United States Assistance.—Subparagraph (A) of section 1608(7) of such Act is amended to read as follows:

"(A) any assistance under the Foreign Assistance Act of 1961 (22 U.S.C. 2151 et seq.), other than urgent humanitarian assistance or medicine;".

SEC. 1064. REPORTS ON ARMS EXPORT CONTROL AND MILITARY ASSISTANCE.

(a) Reports by Secretary of State.—Not later than 180 days after the date of the enactment of this Act and every year thereafter until 1998, the Secretary of State shall submit to Congress a report setting forth—

(1) an organizational plan to include those firms on the Department of State licensing watch-lists that—

(A) engage in the exportation of potentially sensitive or dual-use technologies; and

(B) have been identified or tracked by similar systems maintained by the Department of Defense, Department of Commerce, or the United States Customs Service; and

(2) further measures to be taken to strengthen United States export-control mechanisms.

(b) Reports by Inspector General.—(1) Not later than 180 days after the date of the enactment of this Act and 1 year thereafter, the Inspector General of the Department of State and the Foreign Service shall submit to Congress a report on the evaluation by the Inspector General of the effectiveness of the watch-list screening process at the Department of State during the preceding year. The report shall be submitted in both a classified and unclassified version.

(2) Each report under paragraph (1) shall—

(A) set forth the number of licenses granted to parties on the watch-list;

(B) set forth the number of end-use checks performed by the Department;

(C) assess the screening process used by the Department in granting a license when an applicant is on a watch-list; and

(D) assess the extent to which the watch-list contains all relevant information and parties required by statute or regulation.

(c) Annual Military Assistance Report.—The Foreign Assistance Act of 1961 (22 U.S.C. 2151 et seq.) is amended by inserting after section 654 the following new section:

"SEC. 655 ANNUAL MILITARY ASSISTANCE REPORT.

"(a) In General.—Not later than February 1 of 1996 and 1997, the President shall transmit to Congress an annual report for the fiscal year ending the previous September 30, showing the aggregate dollar value and quantity of defense articles (including excess defense articles) and defense services, and of military education and training, furnished by the United States to each foreign country and international organization, by category, specifying whether they were furnished by grant under chapter 2 or chapter 5 of part II of this Act or by sale under chapter 2 of the Arms Control Export Control Act or authorized by commercial sale license under section 38 of that Act.

"(b) Additional Contents of Reports.—Each report shall also include the total amount of military items of non-United States manufacture being imported into the United States. The report should contain the country of origin, the type of item being imported, and the total amount of items.".

Subtitle G—Repeal of Certain Reporting Requirements

SEC. 1071. REPORTS REQUIRED BY TITLE 10, UNITED STATES CODE.

(a) Annual Report on Relocation Assistance Programs.—Section 1056 of title 10, United States Code, is amended—

(1) by striking out subsection (f); and

(2) by redesignating subsection (g) as subsection (f).

(b) Notice of Salary Increases for Foreign National Employees.—Section 1584 of such title is amended—

(1) by striking out subsection (b); and

(2) in subsection (a), by striking out "(a) Waiver of Employment Restrictions for Certain Personnel.—".

(c) Notice of Involuntary Reductions of Civilian Positions.—Section 1597 of such title is amended by striking out subsection (e).

(d) Notification of Requirement for Award of Contracts To Comply With Cooperative Agreements.—Section 2350b(d) of such title is amended—

(1) by striking out paragraph (1);

(2) by redesignating paragraphs (2) and (3) as paragraphs (1) and (2), respectively; and

(3) in paragraph (1), as so redesignated, by striking out "shall also notify" and inserting in lieu thereof "shall notify".

(e) Notice Regarding Contracts Performed for Periods Exceeding 10 Years.—(1) Section 2352 of such title is repealed.

(2) The table of sections at the beginning of chapter 139 of such title is amended by striking out the item relating to section 2352.

(f) Annual Report on Biological Defense Research Program.—(1) Section 2370 of such title is repealed.

(2) The table of sections at the beginning of chapter 139 of such title is amended by striking out the item relating to section 2370.

(g) Annual Report on Military Base Reuse Studies and Planning Assistance.—Section 2391 of such title is amended—

(1) by striking out subsection (c); and

(2) by redesignating subsections (d) and (e) as subsections (c) and (d), respectively.

(h) Compilation of Reports Filed by Employees or Former Employees of Defense Contractors.—Section 2397 of such title is amended—

(1) by striking out subsection (e); and

(2) by redesignating subsection (f) as subsection (e).

(i) Report on Low-Rate Production Under Naval Vessel and Military Satellite Programs.—Section 2400(c) of such title is amended—

(1) by striking out paragraph (2); and

(2) in paragraph (1)—

(A) by striking out "(1)"; and

(B) by redesignating clauses (A) and (B) as clauses (1) and (2), respectively.

(j) Report on Waivers of Prohibition on Employment of Felons.—Section 2408(a)(3) of such title is amended by striking out the second sentence.

(k) Report on Determination Not To Debar for Fraudulent Use of Labels.—Section 2410f(a) of such title is amended by striking out the second sentence.

(l) Annual Report on Waivers of Prohibition Relating to Secondary Arab Boycott.—Section 2410i(c) of such title is amended by striking out the second sentence.

(m) Report on Adjustment of Amounts Defining Major Defense Acquisition Programs.—Section 2430(b) of such title is amended by striking out the second sentence.

(n) Budget Documents on Weapons Development and Procurement Schedules.—(1) Section 2431 of such title is repealed.

(2) The table of sections at the beginning of chapter 144 of such title is amended by striking out the item relating to section 2431.

(o) Notice of Waiver of Limitation on Performance of Depot-Level Maintenance.—Section 2466(c) of such title is amended by striking out "and notifies Congress regarding the reasons for the waiver".

(p) Annual Report on Information on Foreign-Controlled Contractors.—Section 2537 of such title is amended—

(1) by striking out subsection (b); and

(2) by redesignating subsection (c) as subsection (b).

(q) Annual Report on Real Property Transactions.—Section 2662 of such title is amended—

(1) by striking out subsection (b); and

(2) by redesignating subsections (c), (d), (e), and (f) as subsections (b), (c), (d), and (e), respectively.

(r) Notifications and Reports on Architectural and Engineering Services and Construction Design.—Section 2807 of such title is amended—

(1) by striking out subsections (b) and (c); and

(2) by redesignating subsection (d) as subsection (c).

(s) Report on Construction Projects for Environmental Response Actions.—Section 2810 of such title is amended—

(1) in subsection (a), by striking out "Subject to subsection (b), the Secretary" and inserting in lieu thereof "The Secretary";

(2) by striking out subsection (b); and

(3) by redesignating subsection (c) as subsection (b).

(t) Notice of Military Construction Contracts on Guam.—Section 2864(b) of such title is amended by striking out "after the 21-day period" and all that follows through the period at the end and inserting in lieu thereof a period.

(u) Annual Report on Energy Savings at Military Installations.—Section 2865 of such title is amended by striking out subsection (f).

SEC. 1072. REPORTS REQUIRED BY TITLE 37, UNITED STATES CODE, AND RELATED PROVISIONS OF DEFENSE AUTHORIZATION ACTS.

(a) Annual Report on Travel and Transportation Allowances for Dependents.—Section 406 of title 37, United States Code, is amended by striking out subsection (i).

(b) REPORT ON ANNUAL REVIEW OF PAY AND ALLOWANCES.—Section 1008(a) of such title is amended by striking out the second sentence.

(c) REPORT ON QUADRENNIAL REVIEW OF ADJUSTMENTS IN COMPENSATION.—Section 1009(f) of such title is amended by striking out "of this title," and all that follows through the period at the end and inserting in lieu thereof "of this title.".

(d) PUBLIC LAW 101-189 REQUIREMENT FOR REPORT REGARDING SPECIAL PAY FOR ARMY, NAVY, AND AIR FORCE PSYCHOLOGISTS.—Section 704 of the National Defense Authorization Act for Fiscal Years 1990 and 1991 (Public Law 101-189; 103 Stat. 1471; 37 U.S.C. 302c note) is amended by striking out subsection (d).

(e) PUBLIC LAW 101-510 REQUIREMENT FOR REPORT REGARDING SPECIAL PAY FOR NURSE ANESTHETISTS.—Section 614 of the National Defense Authorization Act for Fiscal Year 1991 (Public Law 101-510; 104 Stat. 1577; 37 U.S.C. 302e note) is amended by striking out subsection (c).

SEC. 1073. REPORTS REQUIRED BY OTHER DEFENSE AUTHORIZATION AND APPROPRIATIONS ACTS.

(a) PUBLIC LAW 98-94 REQUIREMENT FOR ANNUAL REPORT ON CHAMPUS AND USTF MEDICAL CARE.—Section 1252 of the Department of Defense Authorization Act, 1984 (Public Law 98-94; 42 U.S.C. 248d) is amended by striking out subsection (d).

(b) PUBLIC LAW 99-661 REQUIREMENT FOR REPORT ON FUNDING FOR NICARAGUAN DEMOCRATIC RESISTANCE.—Section 1351 of the National Defense Authorization Act for Fiscal Year 1987 (Public Law 99-661; 100 Stat. 3995; 10 U.S.C. 114 note) is amended—

(1) by striking out subsection (b); and

(2) in subsection (a), by striking out "(a) LIMITATION.—".

(c) PUBLIC LAW 100-180 REQUIREMENT FOR SELECTED ACQUISITION REPORTS FOR ATB, ACM, AND ATA PROGRAMS.—Section 127 of the National Defense Authorization Act for Fiscal Years 1988 and 1989 (10 U.S.C. 2432 note) is repealed.

(d) PUBLIC LAW 101-189 REQUIREMENT FOR NOTIFICATION OF CLOSURE OF MILITARY CHILD DEVELOPMENT CENTERS.—Section 1505(f) of the National Defense Authorization Act for Fiscal Years 1990 and 1991 (Public Law 101-189; 103 Stat. 1594; 10 U.S.C. 113 note) is amended by striking out paragraph (3).

(e) PUBLIC LAW 101-510 REQUIREMENT FOR ANNUAL REPORT ON OVERSEAS MILITARY FACILITY INVESTMENT RECOVERY ACCOUNT.—Section 2921 of the Military Construction Authorization Act for Fiscal Year 1991 (division B of Public Law 101-510; 10 U.S.C. 2687 note) is amended—

(1) by striking out subsection (f); and

(2) by redesignating subsections (g) and (h) as subsections (f) and (g), respectively.

(f) PUBLIC LAW 102-190 REQUIREMENT FOR SCIENCE, MATHEMATICS, AND ENGINEERING EDUCATION MASTER PLAN.—Section 829 of the National Defense Authorization Act for Fiscal Years 1992 and 1993 (Public Law 102-190; 105 Stat. 1444; 10 U.S.C. 2192 note) is repealed.

(g) PUBLIC LAW 102-484 REQUIREMENT FOR REPORT RELATING TO USE OF CLASS I OZONE-DEPLETING SUBSTANCES IN MILITARY PROCUREMENTS.—Section 326(a) of the National Defense Authorization Act for Fiscal Year 1993 (Public Law 102-484; 106 Stat. 2368; 10 U.S.C. 301 note) is amended by striking out paragraphs (4) and (5).

(h) PUBLIC LAW 103-139 REQUIREMENT FOR REPORT REGARDING HEATING FACILITY MODERNIZATION AT KAISERSLAUTERN.—Section 8008 of the Department of Defense Appropriations Act, 1994 (Public Law 103-139; 107 Stat. 1438), is amended by inserting "but without regard to the notification requirement in subsection (b)(2) of such section," after "section 2690 of title 10, United States Code,".

SEC. 1074. REPORTS REQUIRED BY OTHER NATIONAL SECURITY LAWS.

(a) ARMS EXPORT CONTROL ACT REQUIREMENT FOR QUARTERLY REPORT ON PRICE AND AVAILABILITY ESTIMATES.—Section 28 of the Arms Export Control Act (22 U.S.C. 2768) is repealed.

(b) NATIONAL SECURITY AGENCY ACT OF 1959 REQUIREMENT FOR ANNUAL REPORT ON NSA EXECUTIVE PERSONNEL.—Section 12(a) of the National Security Agency Act of 1959 (50 U.S.C. 402 note) is amended by striking out paragraph (5).

(c) PUBLIC LAW 85-804 REQUIREMENT FOR REPORT ON OMISSION OF CONTRACT CLAUSE UNDER SPECIAL NATIONAL DEFENSE CONTRACTING AUTHORITY.—Section 3(b) of the Act of August 28, 1958 (50 U.S.C. 1433(b)), is amended by striking out the matter following paragraph (2).

SEC. 1075. REPORTS REQUIRED BY OTHER PROVISIONS OF THE UNITED STATES CODE.

Section 1352(f) of title 31, United States Code, is amended—

(1) by inserting "(1)" after "(f)";

(2) by striking out the second sentence; and

(3) by adding at the end the following:

"(2) Subsections (a)(6) and (d) do not apply to the Department of Defense.".

SEC. 1076. REPORTS REQUIRED BY OTHER PROVISIONS OF LAW.

(a) PANAMA CANAL ACT OF 1979 REQUIREMENT FOR ANNUAL REPORT REGARDING UNITED STATES TREATY RIGHTS AND OBLIGATIONS.—Section 3301 of the Panama Canal Act of 1979 (22 U.S.C. 3871) is repealed.

(b) PUBLIC LAW 91-611 REQUIREMENT FOR ANNUAL REPORT ON WATER RESOURCES PROJECT AGREEMENTS.—Section 221 of the Flood Control Act of 1970 (42 U.S.C. 1962d-5b) is amended—

(1) by striking out subsection (e); and

(2) by redesignating subsection (f) as subsection (e).

(c) PUBLIC LAW 94-587 REQUIREMENT FOR ANNUAL REPORT ON CONSTRUCTION OF TENNESSEE-TOMBIGBEE WATERWAY.—Section 185 of the Water Resources Development Act of 1976 (Public Law 94-587; 33 U.S.C. 544c) is amended by striking out the second sentence.

(d) PUBLIC LAW 100-333 REQUIREMENT FOR ANNUAL REPORT ON MONITORING OF NAVY HOME PORT WATERS.—Section 7 of the Organotin Antifouling Paint Control Act of 1988 (Public Law 100-333; 33 U.S.C. 2406) is amended—

(1) by striking out subsection (d); and

(2) by redesignating subsections (e) and (f) as subsections (d) and (e), respectively.

SEC. 1077. REPORTS REQUIRED BY JOINT COMMITTEE ON PRINTING.

Requirements for submission of the following reports imposed in the exercise of authority under section 103 of title 44, United States Code, do not apply to the Department of Defense:

(1) A notice of intent to apply new printing processes.

(2) A report on equipment acquisition or transfer.

(3) A printing plant report.

(4) A report on stored equipment.

(5) A report on jobs which exceed Joint Committee on Printing duplicating limitations.

(6) A notice of intent to contract for printing services.

(7) Research and development plans.

(8) A report on commercial printing.

(9) A report on collator acquisition.

(10) An annual plant inventory.

(11) An annual map or chart plant report.

(12) A report on activation or moving a printing plant.

(13) An equipment installation notice.

(14) A report on excess equipment.

Subtitle H—Other Matters

SEC. 1081. GLOBAL POSITIONING SYSTEM.

The Secretary of Defense shall turn off the selective availability feature of the global positioning system by May 1, 1996, unless the Secretary submits to the Committee on Armed Services of the Senate and the Committee on National Security of the House of Representatives a plan that—

(1) provides for development and acquisition of—

(A) effective capabilities to deny hostile military forces the ability to use the global positioning system without hindering the ability of United States military forces and civil users to exploit the system; and

(B) global positioning system receivers and other techniques for weapons and weapon systems that provide substantially improved resistance to jamming and other forms of electronic interference or disruption; and

(2) includes a specific date by which the Secretary of Defense intends to complete the acquisition of the capabilities described in paragraph (1).

SEC. 1082. LIMITATION ON RETIREMENT OR DISMANTLEMENT OF STRATEGIC NUCLEAR DELIVERY SYSTEMS.

(a) SENSE OF CONGRESS.—It is the sense of Congress that, unless and until the START II Treaty enters into force, the Secretary of Defense should not take any action to retire or dismantle, or to prepare to retire or dismantle, any of the following strategic nuclear delivery systems:

(1) B-52H bomber aircraft.

(2) Trident ballistic missile submarines.

(3) Minuteman III intercontinental ballistic missiles.

(4) Peacekeeper intercontinental ballistic missiles.

(b) LIMITATION ON USE OF FUNDS.—Funds available to the Department of Defense may not be obligated or expended during fiscal year 1996 for retiring or dismantling, or for preparing to retire or dismantle, any of the strategic nuclear delivery systems specified in subsection (a).

SEC. 1083. NATIONAL GUARD CIVILIAN YOUTH OPPORTUNITIES PILOT PROGRAM.

Section 1091(a) of the National Defense Authorization Act for Fiscal Year 1993 (Public Law 102-484; 32 U.S.C. 501 note) is amended by striking out "through 1995" and inserting in lieu thereof "through 1997".

SEC. 1084. REPORT ON DEPARTMENT OF DEFENSE BOARDS AND COMMISSIONS.

(a) REPORT ON BOARDS AND COMMISSIONS RECEIVING DEPARTMENT SUPPORT.—Not later than April 1, 1996, the Secretary of Defense shall submit to the Committee on Armed Services of the Senate and the Committee on National Security of the House of Representatives a report containing the following:

(1) A list of the boards and commissions described in subsection (b) that received support (including funds, equipment, materiel, or other assets, or personnel) from the Department of Defense in last full fiscal year preceding the date of the report.

(2) A list of the boards and commissions referred to in paragraph (1) that are determined by the Secretary to merit continued support from the Department.

(3) A description, for each board and commission listed under paragraph (2), of—

(A) the purpose of the board or commission;

(B) the nature and cost of the support provided by the Department to the board or commission in the last full fiscal year preceding the date of the report;

(C) the nature and duration of the support that the Secretary proposes to provide to the board or commission;

(D) the anticipated cost to the Department of providing such support; and

(E) a justification of the determination that the board or commission merits the support of the Department.

(4) A list of the boards and commissions referred to in paragraph (1) that are determined by the Secretary not to merit continued support from the Department.

(5) A description, for each board and commission listed under paragraph (4), of—

(A) the purpose of the board or commission;

(B) the nature and cost of the support provided by the Department to the board or commission in the last full fiscal year preceding the date of the report; and

(C) a justification of the determination that the board or commission does not merit the support of the Department.

(b) COVERED BOARDS.—Subsection (a)(1) applies to the boards and commissions, including boards and commissions authorized by law, operating within or for the Department of Defense that—

(1) provide only policy-making assistance or advisory services for the Department; or

(2) carry out activities that are not routine activities, on-going activities, or activities necessary to the routine, on-going operations of the Department.

SEC. 1085. REVISION OF AUTHORITY FOR PROVIDING ARMY SUPPORT FOR THE NATIONAL SCIENCE CENTER FOR COMMUNICATIONS AND ELECTRONICS.

(a) PURPOSE.—Subsection (b)(2) of section 1459 of the Department of Defense Authorization Act, 1986 (Public Law 99–145; 99 Stat. 763) is amended by striking out "to make available" and all that follows and inserting in lieu thereof "to provide for the management, operation, and maintenance of those areas in the national science center that are designated for use by the Army and to provide incidental support for the operation of general use areas of the center.".

(b) AUTHORITY FOR SUPPORT.—Subsection (c) of such section is amended to read a follows:

"(c) NATIONAL SCIENCE CENTER.—(1) The Secretary may manage, operate, and maintain facilities at the center under terms and conditions prescribed by the Secretary for the purpose of conducting educational outreach programs in accordance with chapter 111 of title 10, United States Code.

"(2) The Foundation, or NSC Discovery Center, Incorporated, shall submit to the Secretary for review and approval all matters pertaining to the acquisition, design, renovation, equipping, and furnishing of the center, including all plans, specifications, contracts, sites, and materials for the center.".

(c) AUTHORITY FOR ACCEPTANCE OF GIFTS AND FUNDRAISING.—Subsection (d) of such section is amended to read as follows:

"(d) GIFTS AND FUNDRAISING.—(1) Subject to paragraph (3), the Secretary may accept a conditional donation of money or property that is made for the benefit of, or in connection with, the center.

"(2) Notwithstanding any other provision of law, the Secretary may endorse, promote, and assist the efforts of the Foundation and NSC Discovery Center, Incorporated, to obtain—

"(A) funds for the management, operation, and maintenance of the center; and

"(B) donations of exhibits, equipment, and other property for use in the center.

"(3) The Secretary may not accept a donation under this subsection that is made subject to—

"(A) any condition that is inconsistent with an applicable law or regulation; or

"(B) except to the extent provided in appropriations Acts, any condition that would necessitate an expenditure of appropriated funds.

"(4) The Secretary shall prescribe in regulations the criteria to be used in determining whether to accept a donation. The Secretary shall include criteria to ensure that acceptance of a donation does not establish an unfavorable appearance regarding the fairness and objectivity with which the Secretary or any other officer or employee of the Department of Defense performs official responsibilities and does not compromise or appear to compromise the integrity of a Government program or any official involved in that program.".

(d) AUTHORIZED USES.—Such section is amended—

(1) by striking out subsection (f);

(2) by redesignating subsection (g) as subsection (f); and

(3) in subsection (f), as redesignated by paragraph (2), by inserting "areas designated for Army use in" after "The Secretary may make".

(e) ALTERNATIVE OF ADDITIONAL DEVELOPMENT AND MANAGEMENT.—Such section, as amended by subsection (d), is further amended by adding at the end the following:

"(g) ALTERNATIVE OR ADDITIONAL DEVELOPMENT AND MANAGEMENT OF THE CENTER.—(1) The Secretary may enter into an agreement with NSC Discovery Center, Incorporated, a nonprofit corporation of the State of Georgia, to develop, manage, and maintain a national science center under this section. In entering into an agreement with NSC Discovery Center, Incorporated, the Secretary may agree to any term or condition to which the Secretary is authorized under this section to agree for purposes of entering into an agreement with the Foundation.

"(2) The Secretary may exercise the authority under paragraph (1) in addition to, or instead of, exercising the authority provided under this section to enter into an agreement with the Foundation.".

SEC. 1086. AUTHORITY TO SUSPEND OR TERMINATE COLLECTION ACTIONS AGAINST DECEASED MEMBERS.

Section 3711 of title 31, United States Code, is amended by adding at the end the following:

"(g)(1) The Secretary of Defense may suspend or terminate an action by the Department of Defense under this section to collect a claim against the estate of a person who died while serving on active duty as a member of the armed forces if the Secretary determines that, under the circumstances applicable with respect to the deceased person, it is appropriate to do so.

"(2) For purposes of this subsection, the terms 'armed forces' and 'active duty' have the meanings given such terms in section 101 of title 10.".

SEC. 1087. DAMAGE OR LOSS TO PERSONAL PROPERTY DUE TO EMERGENCY EVACUATION OR EXTRAORDINARY CIRCUMSTANCES.

(a) SETTLEMENT OF CLAIMS OF PERSONNEL.—Section 3721(b)(1) of title 31, United States Code, is amended by inserting after the first sentence the following: "If, however, the claim arose from an emergency evacuation or from extraordinary circumstances, the amount settled and paid under the authority of the preceding sentence may exceed $40,000, but may not exceed $100,000.".

(b) RETROACTIVE EFFECTIVE DATE.—The amendment made by subsection (a) shall take effect as of June 1, 1991, and shall apply with respect to claims arising on or after that date.

SEC. 1088. CHECK CASHING AND EXCHANGE TRANSACTIONS FOR DEPENDENTS OF UNITED STATES GOVERNMENT PERSONNEL.

(a) AUTHORITY TO CARRY OUT TRANSACTIONS.—Subsection (b) of section 3342 of title 31, United States Code, is amended—

(1) by redesignating paragraphs (3), (4), and (5) as paragraphs (4), (5), and (6), respectively; and

(2) by inserting after paragraph (2) the following new paragraph:

"(3) a dependent of personnel of the Government, but only—

"(A) at a United States installation at which adequate banking facilities are not available; and

"(B) in the case of negotiation of negotiable instruments, if the dependent's sponsor authorizes, in writing, the presentation of negotiable instruments to the disbursing official for negotiation.".

(b) PAY OFFSET.—Subsection (c) of such section is amended—

(1) by redesignating paragraph (3) as paragraph (4); and

(2) by inserting after paragraph (2) the following new paragraph (3):

"(3) The amount of any deficiency resulting from cashing a check for a dependent under subsection (b)(3), including any charges assessed against the disbursing official by a financial institution for insufficient funds to pay the check, may be offset from the pay of the dependent's sponsor.".

(c) DEFINITIONS.—Such section is further amended by adding at the end the following:

"(e) The Secretary of Defense shall define in regulations the terms 'dependent' and 'sponsor' for the purposes of this section. In the regulations, the term 'dependent', with respect to a member of a uniformed service, shall have the meaning given that term in section 401 of title 37.".

SEC. 1089. TRAVEL OF DISABLED VETERANS ON MILITARY AIRCRAFT.

(a) LIMITED ENTITLEMENT.—Chapter 157 of title 10, United States Code, is amended by inserting after section 2641 the following new section:

"§ 2641a. Travel of disabled veterans on military aircraft

"(a) LIMITED ENTITLEMENT.—A veteran entitled under laws administered by the Secretary of Veterans Affairs to receive compensation for a service-connected disability rated as total by the Secretary is entitled, in the same manner and to the same extent as retired members of the armed forces, to transportation (on a space-available basis) on unscheduled military flights within the continental United States and on scheduled overseas flights operated by the Military Airlift Command.

"(b) DEFINITIONS.—In this section, the terms 'veteran', 'compensation', and 'service-connected' have the meanings given such terms in section 101 of title 38.".

(b) CLERICAL AMENDMENT.—The table of sections, at the beginning of such chapter, is amended by inserting after the item relating to section 2641 the following new item:

"2641a. Travel of disabled veterans on military aircraft.".

SEC. 1090. TRANSPORTATION OF CRIPPLED CHILDREN IN PACIFIC RIM REGION TO HAWAII FOR MEDICAL CARE.

(a) TRANSPORTATION AUTHORIZED.—Chapter 157 of title 10, United States Code, is amended by adding at the end the following new section:

"§ 2643. Transportation of crippled children in Pacific Rim region to Hawaii for medical care

"(a) TRANSPORTATION AUTHORIZED.—Subject to subsection (c), the Secretary of Defense may provide persons eligible under subsection (b) with round trip transportation in an aircraft of the Department of Defense, on a space-available basis, between an airport in the Pacific Rim region and the State of Hawaii. No charge may be imposed for transportation provided under this section.

"(b) PERSONS COVERED.—Persons eligible to be provided transportation under this section are as follows:

"(1) A child under 18 years of age who (A) resides in the Pacific Rim region, (B) is a crippled child in need of specialized medical care for the child's condition as a crippled child, which may include any associated or related condition, (C) upon arrival in Hawaii, is to be admitted to receive such medical care, at no cost to the patient, at a medical facility in Honolulu, Hawaii, that specializes in providing such medical care, and (D) is unable to afford the costs of transportation to Hawaii.

"(2) One adult attendant accompanying a child transported under this section.

"(c) CONDITIONS.—The Secretary may provide transportation under subsection (a) only if the Secretary determines that—

"(1) it is not inconsistent with the foreign policy of the United States to do so;

"(2) the transportation is for humanitarian purposes;

"(3) the health of the child to be transported is sufficient for the child to endure safely the stress of travel for the necessary distance in the Department of Defense aircraft involved;

"(4) all authorizations, permits, and other documents necessary for admission of the child at the medical treatment facility referred to in subsection (b)(1)(C) are in order;

"(5) all necessary passports and visas necessary for departure from the residences of the persons to be transported and from the airport of departure, for entry into the United States, for reentry into the country of departure, and for return to the persons' residences are in proper order; and

"(6) arrangements have been made to ensure that—

"(A) the persons to be transported will board the aircraft on the schedule established by the Secretary; and

"(B) the persons—

"(i) will be met and escorted to the medical treatment facility by appropriate personnel of the facility upon the arrival of the aircraft in Hawaii; and

"(ii) will be returned to the airport in Hawaii for transportation (on the schedule established by the Secretary) back to the country of departure.".

(b) CLERICAL AMENDMENT.—The table of sections at the beginning of such chapter is amended by adding at the end the following new item:

"2643. Transportation of crippled children in Pacific Rim region to Hawaii for medical care.".

SEC. 1091. STUDENT INFORMATION FOR RECRUITING PURPOSES.

(a) SENSE OF SENATE.—It is the sense of the Senate that—

(1) educational institutions, including secondary schools, should not have a policy of denying, or otherwise effectively preventing, the Secretary of Defense from obtaining for military recruiting purposes—

(A) entry to any campus or access to students on any campus equal to that of other employers; or

(B) access to directory information pertaining to students (other than in a case in which an objection has been raised as described in paragraph (2));

(2) an educational institution that releases directory information should—

(A) give public notice of the categories of such information to be released; and

(B) allow a reasonable period after such notice has been given for a student or (in the case of an individual younger than 18 years of age) a parent to inform the institution that any or all of such information should not be released without obtaining prior consent from the student or the parent, as the case may be; and

(3) the Secretary of Defense should prescribe regulations that contain procedures for determining if and when an educational institution has denied or prevented access to students or information as described in paragraph (1).

(b) DEFINITIONS.—In this section:

(1) The term "directory information" means, with respect to a student, the student's name, address, telephone listing, date and place of birth, level of education, degrees received, and (if available) the most recent previous educational program enrolled in by the student.

(2) The term "student" means an individual enrolled in any program of education who is 17 years of age or older.

SEC. 1092. STATE RECOGNITION OF MILITARY ADVANCE MEDICAL DIRECTIVES.

(a) IN GENERAL.—(1) Chapter 53 of title 10, United States Code, is amended by inserting after section 1044b the following new section:

"§ 1044c. Advance medical directives of armed forces personnel and dependents: requirement for recognition by States

"(a) INSTRUMENTS TO BE GIVEN LEGAL EFFECT WITHOUT REGARD TO STATE LAW.—An advance medical directive executed by a person eligible for legal assistance—

"(1) is exempt from any requirement of form, substance, formality, or recording that is provided for advance medical directives under the laws of a State; and

"(2) shall be given the same legal effect as an advance medical directive prepared and executed in accordance with the laws of the State concerned.

"(b) ADVANCE MEDICAL DIRECTIVES COVERED.—For purposes of this section, an advance medical directive is any written declaration that—

"(1) sets forth directions regarding the provision, withdrawal, or withholding of life-prolonging procedures, including hydration and sustenance, for the declarant whenever the declarant has a terminal physical condition or is in a persistent vegetative state; or

"(2) authorizes another person to make health care decisions for the declarant, under circumstances stated in the declaration, whenever the declarant is incapable of making informed health care decisions.

"(c) STATEMENT TO BE INCLUDED.—(1) Under regulations prescribed by the Secretary concerned, each advance medical directive prepared by an attorney authorized to provide legal assistance shall contain a statement that sets forth the provisions of subsection (a).

"(2) Paragraph (1) shall not be construed to make inapplicable the provisions of subsection (a) to an advance medical directive that does not include a statement described in that paragraph.

"(d) STATES NOT RECOGNIZING ADVANCE MEDICAL DIRECTIVES.—Subsection (a) does not make an advance medical directive enforceable in a State that does not otherwise recognize and enforce advance medical directives under the laws of the State.

"(e) DEFINITIONS.—In this section:

"(1) The term 'State' includes the District of Columbia, the Commonwealth of Puerto Rico, and a possession of the United States.

"(2) The term 'person eligible for legal assistance' means a person who is eligible for legal assistance under section 1044 of this title.

"(3) The term 'legal assistance' means legal services authorized under section 1044 of this title.".

(2) The table of sections at the beginning of such chapter is amended by inserting after the item relating to section 1044b the following:

"1044c. Advance medical directives of armed forces personnel and dependents: requirement for recognition by States.".

(b) EFFECTIVE DATE.—Section 1044c of title 10, United States Code, shall take effect on the date of the enactment of this Act and shall apply to advance medical directives referred to in such section that are executed before, on, or after that date.

SEC. 1093. REPORT ON PERSONNEL REQUIREMENTS FOR CONTROL OF TRANSFER OF CERTAIN WEAPONS.

Not later than 30 days after the date of the enactment of this Act, the Secretary of Defense and the Secretary of Energy shall submit to the committees of Congress referred to in subsection (c) of section 1154 of the National Defense Authorization Act for Fiscal Year 1994 (Public Law 103-160; 107 Stat. 1761) the report required under subsection (a) of that section. The Secretary of Defense and the Secretary of Energy shall include with the report an explanation of the failure of such Secretaries to submit the report in accordance with such subsection (a) and with all other previous requirements for the submittal of the report.

SEC. 1094. SENSE OF SENATE REGARDING ETHICS COMMITTEE INVESTIGATION.

(a) The Senate finds that—

(1) the Senate Select Committee on Ethics has a thirty-one year tradition of handling investigations of official misconduct in a bipartisan, fair and professional manner;

(2) the Ethics Committee, to ensure fairness to all parties in any investigation, must conduct its responsibilities strictly according to established procedure and free from outside interference;

(3) the rights of all parties to bring an ethics complaint against a member, officer, or employee of the Senate are protected by the official rules and precedents of the Senate and the Ethics Committee;

(4) any Senator responding to a complaint before the Ethics Committee deserves a fair and non-partisan hearing according to the rules of the Ethics Committee;

(5) the rights of all parties in an investigation—both the individuals who bring a complaint or testify against a Senator, and any Senator charged with an ethics violation—can only be protected by strict adherence to the established rules and procedures of the ethics process;

(6) the integrity of the Senate and the integrity of the Ethics Committee rest on the continued adherence to precedents and rules, derived from the Constitution; and,

(7) the Senate as a whole has never intervened in any ongoing Senate Ethics Committee investigation, and has considered matters before that Committee only after the Committee has submitted a report and recommendations to the Senate;

(b) Therefore, it is the Sense of the Senate that the Select Committee on Ethics should not, in the case of Senator Robert Packwood of Oregon, deviate from its customary and standard procedure, and should, prior to the Senate's final resolution of the case, follow whatever procedures it deems necessary and appropriate to provide a full and complete public record of the relevant evidence in this case.

SEC. 1095. SENSE OF SENATE REGARDING FEDERAL SPENDING.

It is the sense of the Senate that in pursuit of a balanced Federal budget, Congress should exercise fiscal restraint, particularly in authorizing spending not requested by the Executive Branch and in proposing new programs.

SEC. 1096. ASSOCIATE DIRECTOR OF CENTRAL INTELLIGENCE FOR MILITARY SUPPORT.

Section 102 of the National Security Act of 1947 (50 U.S.C. 403) is amended by adding at the end the following:

"(e) In the event that neither the Director nor Deputy Director of Central Intelligence is a commissioned officer of the Armed Forces, a commissioned officer of the Armed Forces appointed to the position of Associate Director of Central Intelligence for Military Support, while serving in such position, shall not be counted against the numbers and percentages of commissioned officers of the rank and grade of such officer authorized for the armed force of which such officer is a member.".

SEC. 1097. REVIEW OF NATIONAL POLICY ON PROTECTING THE NATIONAL INFORMATION INFRASTRUCTURE AGAINST STRATEGIC ATTACKS.

Not later than 120 days after the date of the enactment of this Act, the President shall submit to Congress a report setting forth the following:

(1) The national policy and architecture governing the plans for establishing procedures, capabilities, systems, and processes necessary to perform indications, warning, and assessment functions regarding strategic attacks by foreign nations, groups, or individuals, or any other entity against the national information infrastructure.

(2) The future of the National Communications System (NCS), which has performed the central role in ensuring national security and emergency preparedness communications for essential United States Government and private sector users, including, specifically, a discussion of—

(A) whether there is a Federal interest in expanding or modernizing the National Communications System in light of the changing strategic national security environment and the revolution in information technologies; and

(B) the best use of the National Communications System and the assets and experience it represents as an integral part of a larger national strategy to protect the United States against a strategic attack on the national information infrastructure.

SEC. 1098. JUDICIAL ASSISTANCE TO THE INTERNATIONAL TRIBUNAL FOR YUGOSLAVIA AND TO THE INTERNATIONAL TRIBUNAL FOR RWANDA.

(a) SURRENDER OF PERSONS.—

(1) APPLICATION OF UNITED STATES EXTRADITION LAWS.—Except as provided in paragraphs (2) and (3), the provisions of chapter 209 of title 18, United States Code, relating to the extradition of persons to a foreign country pursuant to a treaty or convention for extradition between the United States and a foreign government, shall apply in the same manner and extent to the surrender of persons, including United States citizens, to—

(A) the International Tribunal for Yugoslavia, pursuant to the Agreement Between the United States and the International Tribunal for Yugoslavia; and

(B) the International Tribunal for Rwanda, pursuant to the Agreement Between the United States and the International Tribunal for Rwanda.

(2) EVIDENCE ON HEARINGS.—For purposes of applying section 3190 of title 18, United States Code, in accordance with paragraph (1), the certification referred to in the section may be made by the principal diplomatic or consular officer of the United States resident in such foreign countries where the International Tribunal for Yugoslavia or the International Tribunal for Rwanda may be permanently or temporarily situated.

(3) PAYMENT OF FEES AND COSTS.—(A) The provisions of the Agreement Between the United States and the International Tribunal for Yugoslavia and of the Agreement Between the United States and the International Tribunal for Rwanda shall apply in lieu of the provisions of section 3195 of title 18, United States Code, with respect to the payment of expenses arising from the surrender by the United States of a person to the International Tribunal for Yugoslavia or the International Tribunal for Rwanda, respectively, or from any proceedings in the United States relating to such surrender.

(B) The authority of subparagraph (A) may be exercised only to the extent and in the amounts provided in advance in appropriations Acts.

(4) NONAPPLICABILITY OF THE FEDERAL RULES.—The Federal Rules of Evidence and the Federal Rules of Criminal Procedure do not apply to proceedings for the surrender of persons to the International Tribunal for Yugoslavia or the International Tribunal for Rwanda.

(b) ASSISTANCE TO FOREIGN AND INTERNATIONAL TRIBUNALS AND TO LITIGANTS BEFORE SUCH TRIBUNALS.—Section 1782(a) of title 28, United States Code, is amended by inserting in the first sentence after "foreign or international tribunal" the following: ", including criminal investigations conducted prior to formal accusation".

(c) DEFINITIONS.—As used in this section:

(1) INTERNATIONAL TRIBUNAL FOR YUGOSLAVIA.—The term "International Tribunal for Yugoslavia" means the International Tribunal for the Prosecution of Persons Responsible for Serious Violations of International Humanitarian Law in the Territory of the Former Yugoslavia, as established by United Nations Security Council Resolution 827 of May 25, 1993.

(2) INTERNATIONAL TRIBUNAL FOR RWANDA.—The term "International Tribunal for Rwanda" means the International Tribunal for the Prosecution of Persons Responsible for Genocide and Other Serious Violations of International Humanitarian Law Committed in the Territory of Rwanda and Rwandan Citizens Responsible for Genocide and Other Such Violations Committed in the Territory of Neighboring States, as established by United Nations Security Council Resolution 955 of November 8, 1994.

(3) AGREEMENT BETWEEN THE UNITED STATES AND THE INTERNATIONAL TRIBUNAL FOR YUGOSLAVIA.—The term "Agreement Between the United States and the International Tribunal for Yugoslavia" means the Agreement on Surrender of Persons Between the Government of the United States and the International Tribunal for the Prosecution of Persons Responsible for Serious Violations of International Law in the Territory of the Former Yugoslavia, signed at The Hague, October 5, 1994.

(4) AGREEMENT BETWEEN THE UNITED STATES AND THE INTERNATIONAL TRIBUNAL FOR RWANDA.—The term "Agreement between the United States and the International Tribunal for Rwanda" means the Agreement on Surrender of Persons Between the Government of the United States and the International Tribunal for the Prosecution of Persons Responsible for Genocide and Other Serious Violations of International Humanitarian Law Committed in the Territory of Rwanda and Rwandan Citizens Responsible for Genocide and Other Such Violations Committed in the Territory of Neighboring States, signed at The Hague, January 24, 1995.

SEC. 1099. LANDMINE USE MORATORIUM.

(a) FINDINGS.—The Congress makes the following findings:

(1) On September 26, 1994, the President declared that it is a goal of the United States to eventually eliminate antipersonnel landmines.

(2) On December 15, 1994, the United Nations General Assembly adopted a resolution sponsored by the United States which called for international efforts to eliminate antipersonnel landmines.

(3) According to the Department of State, there are an estimated 80,000,000 to 110,000,000 unexploded landmines in 62 countries.

(4) Antipersonnel landmines are routinely used against civilian populations and kill and maim an estimated 70 people each day, or 26,000 people each year.

(5) The Secretary of State has noted that landmines are "slow-motion weapons of mass destruction".

(6) There are hundreds of varieties of antipersonnel landmines, from a simple type available at a cost of only two dollars to the more complex self-destructing type, and all landmines of whatever variety kill and maim civilians, as well as combatants, indiscriminately.

(b) CONVENTIONAL WEAPONS CONVENTION REVIEW.—It is the sense of Congress that, at the United Nations conference to review the 1980 Conventional Weapons Convention, including Protocol II on landmines, that is to be held from September 25 to October 13, 1995, the President should actively support proposals to modify Protocol II that would implement as rapidly as possible the United States goal of eventually eliminating antipersonnel landmines.

(c) MORATORIUM ON USE OF ANTIPERSONNEL LANDMINES.—

(1) UNITED STATES MORATORIUM.—(A) For a period of one year beginning three years after the date of the enactment of this Act, the United States shall not use antipersonnel landmines except along internationally recognized national borders or in demilitarized zones within a perimeter marked area that is monitored by military personnel and protected by adequate means to ensure the exclusion of civilians.

(B) If the President determines, before the end of the period of the United States moratorium under subparagraph (A), that the governments of other nations are implementing moratoria on use of antipersonnel landmines similar to the United States moratorium, the President may extend the period of the United States moratorium for such additional period as the President considers appropriate.

(2) OTHER NATIONS.—It is the sense of Congress that the President should actively encourage the governments of other nations to join the United States in solving the global landmine crisis by implementing moratoria on use of antipersonnel landmines similar to the United States moratorium as a step toward the elimination of antipersonnel landmines.

(d) ANTIPERSONNEL LANDMINE EXPORTS.—It is the sense of Congress that, consistent with the United States moratorium on exports of antipersonnel landmines and in order to further discourage the global proliferation of antipersonnel landmines, the United States Government should not sell, license for export, or otherwise transfer defense articles and services to any foreign government which, as determined by the President, sells, exports, or otherwise transfers antipersonnel landmines.

(e) DEFINITIONS.—

For purposes of this Act:

(1) ANTIPERSONNEL LANDMINE.—The term "antipersonnel landmine" means any munition placed under, on, or near the ground or other surface area, delivered by artillery, rocket, mortar, or similar means, or dropped from an aircraft and which is designed, constructed, or adapted to be detonated or exploded by the presence, proximity, or contact of a person.

(2) 1980 CONVENTIONAL WEAPONS CONVENTION.—The term "1980 Conventional Weapons Convention" means the Convention on Prohibitions or Restrictions on the Use of Certain Conventional Weapons Which May Be Deemed To Be Excessively Injurious or To Have Indiscriminate Effects, together with the protocols relating thereto, done at Geneva on October 10, 1980.

SEC. 1099A. EXTENSION OF PILOT OUTREACH PROGRAM.

Section 1045(d) of the National Defense Authorization Act for Fiscal Year 1993 is amended by striking out "three" and inserting "five" in lieu thereof.

SEC. 1099B. SENSE OF SENATE ON MIDWAY ISLANDS.

(a) FINDINGS.—The Senate makes the following findings:

(1) September 2, 1995, marks the 50th anniversary of the United States victory over Japan in World War II.

(2) The Battle of Midway proved to be the turning point in the war in the Pacific, as United States Navy forces inflicted such severe losses on the Imperial Japanese Navy during the battle that the Imperial Japanese Navy never again took the offensive against United States or allied forces.

(3) During the Battle of Midway, an outnumbered force of the United States Navy, consisting of 29 ships and other units of the Armed Forces under the command of Admiral Nimitz and Admiral Spruance, out-maneuvered and out-fought 350 ships of the Imperial Japanese Navy.

(4) It is in the public interest to erect a memorial to the Battle of Midway that is suitable to express the enduring gratitude of the American people for victory in the battle and to inspire future generations of Americans with the heroism and sacrifice of the members of the Armed Forces who achieved that victory.

(b) SENSE OF SENATE.—It is the sense of the Senate that—

(1) the Midway Islands and the surrounding seas deserve to be memorialized;

(2) the historic structures related to the Battle of Midway should be maintained, in accordance with the National Historic Preservation Act, and subject to the availability of appropriations for that purpose.

(3) appropriate access to the Midway Islands by survivors of the Battle of Midway, their families, and other visitors should be provided in a manner that ensures the public health and safety on the Midway Islands and the conservation and natural resources of those islands in accordance with existing Federal law.

SEC. 1099C. STUDY ON CHEMICAL WEAPONS STOCKPILE.

(a) STUDY.—(1) The Secretary of Defense shall conduct a study to assess the risk associated with the transportation of the unitary stockpile, any portion of the stockpile to include drained agents from munitions and munitions, from one location to another within the continental United States. Also, the Secretary shall include a study of the assistance available to communities in the vicinity if the Department of Defense facilities co-located with continuing chemical stockpile and chemical demilitarization operations which facilities are subject to closure, realignment, or reutilization.

(2) The review shall include an analysis of—

(A) the results of the physical and chemical integrity report conducted by the Army on existing stockpile;

(B) a determination of the viability of transportation of any portion of the stockpile, to include drained agent from munitions and the munitions;

(C) the safety, cost-effectiveness, and public acceptability of transporting the stockpile, in its current configuration, or in alternative configurations;

(D) the economic effects of closure, realignment, or reutilization of the facilities referred to in paragraph (1) on the communities referred to in that paragraph; and

(E) the unique problems that such communities face with respect to the reuse of such facilities as a result of the operations referred to in paragraph (1).

(b) REPORT.—Not later than 90 days after the date of the enactment of this Act, the Secretary shall submit to Congress a report on the study carried out under subsection (a). The report shall include recommendations of the Secretary on methods for ensuring the expeditious and cost-effective transfer or lease of facilities referred to in paragraph (1) of subsection (a) to communities referred to in paragraph (1) for reuse by such communities.

SEC. 1099D. DESIGNATION OF NATIONAL MARITIME CENTER.

(a) DESIGNATION OF NATIONAL MARITIME CENTER.—The NAUTICUS building, located at one Waterside Drive, Norfolk, Virginia, shall be known and designated as the "National Maritime Center".

(b) REFERENCE TO NATIONAL MARITIME CENTER.—Any reference in a law, map, regulation, document, paper, or other record of the United States to the building referred to in subsection (a) shall be deemed to be a reference to the "National Maritime Center".

SEC. 1099E. OPERATIONAL SUPPORT AIRLIFT AIRCRAFT FLEET.

(a) SUBMITTAL OF JCS REPORT ON AIRCRAFT.—Not later than February 1, 1996, the Secretary of Defense shall submit to Congress the report on aircraft designated as Operational Support Airlift Aircraft that is currently in preparation by the Joint Chiefs of Staff.

(b) CONTENT OF REPORT.—(1) The report shall contain findings and recommendations regarding the following:

(A) Modernization and safety requirements for the Operational Support Airlift Aircraft fleet.

(B) Standardization plans and requirements of that fleet.

(C) The disposition of aircraft considered excess to that fleet in light of the requirements set forth under subparagraph (A).

(D) The need for helicopter support in the National Capital Region.

(E) The acceptable uses of helicopter support in the National Capital Region.

(2) In preparing the report, the Joint Chiefs of Staff shall take into account the recommendation of the Commission on Roles and Missions of the Armed Forces to reduce the size of the Operational Support Airlift Aircraft fleet.

(c) REGULATIONS.—(1) Upon completion of the report referred to in subsection (a), the Secretary shall prescribe regulations, consistent with the findings and recommendations set forth in the report, for the operation, maintenance, disposition, and use of aircraft designated as Operational Support Airlift Aircraft.

(2) The regulations shall, to the maximum extent practicable, provide for, and encourage the use of, commercial airlines in lieu of the use of aircraft designated as Operational Support Airlift Aircraft.

(3) The regulations shall apply uniformly throughout the Department of Defense.

(4) The regulations should not require exclusive use of the aircraft designated as Operational Support Airlift Aircraft for any particular class of government personnel.

(d) REDUCTIONS IN FLYING HOURS.—(1) The Secretary shall ensure that the number of hours flown in fiscal year 1996 by aircraft designated as Operational Support Airlift Aircraft does not exceed the number equal to 85 percent of the number of hours flown in fiscal year 1995 by such aircraft.

(2) The Secretary should ensure that the number of hours flown in fiscal year 1996 for helicopter support in the National Capital Region does not exceed the number equal to 85 percent of the number of hours flown in fiscal year 1995 for such helicopter support.

(e) RESTRICTION ON AVAILABILITY OF FUNDS.—Of the funds authorized to be appropriated under title III for the operation and use of aircraft designated as Operational Support Airlift Aircraft, not more than 50 percent of such funds shall be available for that purpose until the submittal of the report referred to in subsection (a).

SEC. 1099F. SENSE OF THE SENATE ON CHEMICAL WEAPONS CONVENTION AND START II TREATY RATIFICATION.

(a) FINDINGS.—The Senate makes the following findings:

(1) Proliferation of chemical or nuclear weapons materials poses a danger to United States national security, and the threat or use of such materials by terrorists would directly threaten United States citizens at home and abroad.

(2) The Chemical Weapons Convention negotiated and signed by President Bush would make it more difficult for would-be proliferators, including terrorists, to acquire or use chemical weapons, if ratified and fully implemented as signed, by all signatories.

(3) The START II Treaty negotiated and signed by President Bush would help reduce the danger of potential proliferators, including terrorists, acquiring nuclear warheads and materials, and would contribute to United States-Russian bilateral efforts to secure and dismantle nuclear warheads, if ratified and fully implemented as signed by both parties.

(4) It is in the national security interest of the United States to take effective steps to make it harder for proliferators or would-be terrorists to obtain chemical or nuclear materials for use in weapons.

(5) The President has urged prompt Senate action on, and advice and consent to ratification of, the START II Treaty and the Chemical Weapons Convention.

(6) The Chairman of the Joint Chiefs of Staff has testified to Congress that ratification and full implementation of both treaties by all parties is in the United States national interest, and has strongly urged prompt Senate advice and consent to their ratification.

(b) Sense of the Senate.—It is the sense of the Senate that the United States and all other parties to the START II and Chemical Weapons Convention should promptly ratify and fully implement, as negotiated, both treaties.

TITLE XI—TECHNICAL AND CLERICAL AMENDMENTS

SEC. 1101. AMENDMENTS RELATED TO RESERVE OFFICER PERSONNEL MANAGEMENT ACT.

(a) Public Law 103-337.—The Reserve Officer Personnel Management Act (title XVI of the National Defense Authorization Act for Fiscal Year 1995 (Public Law 103-337)) is amended as follows:

(1) Section 1624 (108 Stat. 2961) is amended—

(A) by striking out "641" and all that follows through "(2)" and inserting in lieu thereof "620 is amended"; and

(B) by redesignating as subsection (d) the subsection added by the amendment made by that section.

(2) Section 1625 (108 Stat. 2962) is amended by striking out "Section 689" and inserting in lieu thereof "Section 12320".

(3) Section 1626(1) (108 Stat. 2962) is amended by striking out "(W-5)" in the second quoted matter therein and inserting in lieu thereof ", W-5,".

(4) Section 1627 (108 Stat. 2962) is amended by striking out "Section 1005(b)" and inserting in lieu thereof "Section 12645(b)".

(5) Section 1631 (108 Stat. 2964) is amended—

(A) in subsection (a), by striking out "Section 510" and inserting in lieu thereof "Section 12102"; and

(B) in subsection (b), by striking out "Section 591" and inserting in lieu thereof "Section 12201".

(6) Section 1632 (108 Stat. 2965) is amended by striking out "Section 593(a)" and inserting in lieu thereof "Section 12203(a)".

(7) Section 1635(a) (108 Stat. 2968) is amended by striking out "section 1291" and inserting in lieu thereof "section 1691(b)".

(8) Section 1671 (108 Stat. 3013) is amended—

(A) in subsection (b)(3), by striking out "512, and 517" and inserting in lieu thereof "and 512"; and

(B) in subsection (c)(2), by striking out the comma after "861" in the first quoted matter therein.

(9) Section 1684(b) (108 Stat. 3024) is amended by striking out "section 14110(d)" and inserting in lieu thereof "section 14111(c)".

(b) Subtitle E of Title 10.—Subtitle E of title 10, United States Code, is amended as follows:

(1) The tables of chapters preceding part I and at the beginning of part IV are amended by striking out "Repayments" in the item relating to chapter 1609 and inserting in lieu thereof "Repayment Programs".

(2)(A) The heading for section 10103 is amended to read as follows:

"§ 10103. Basic policy for order into Federal service".

(B) The item relating to section 10103 in the table of sections at the beginning of chapter 1003 is amended to read as follows:

"10103. Basic policy for order into Federal service.".

(3) The table of sections at the beginning of chapter 1005 is amended by striking out the third word in the item relating to section 10142.

(4) The table of sections at the beginning of chapter 1007 is amended—

(A) by striking out the third word in the item relating to section 10205; and

(B) by capitalizing the initial letter of the sixth word in the item relating to section 10211.

(5) The table of sections at the beginning of chapter 1011 is amended by inserting "Sec." at the top of the column of section numbers.

(6) Section 10507 is amended—

(A) by striking out "section 124402(b)" and inserting in lieu thereof "section 12402(b)"; and

(B) by striking out "Air Forces" and inserting in lieu thereof "Air Force".

(7)(A) Section 10508 is repealed.

(B) The table of sections at the beginning of chapter 1011 is amended by striking out the item relating to section 10508.

(8) Section 10542 is amended by striking out subsection (d).

(9) Section 12004(a) is amended by striking out "active-status" and inserting in lieu thereof "active status".

(10) Section 12012 is amended by inserting "**the**" in the section heading before the penultimate word.

(11)(A) The heading for section 12201 is amended to read as follows:

"§ 12201. Reserve officers: qualifications for appointment".

(B) The item relating to section 12201 in the table of sections at the beginning of chapter 1205 is amended to read as follows:

"12201. Reserve officers: qualifications for appointment.".

(12) The heading for section 12209 is amended to read as follows:

"§ 12209. Officer candidates: enlisted Reserves".

(13) The heading for section 12210 is amended to read as follows:

"§ 12210. Attending Physician to the Congress: reserve grade while so serving".

(14) Section 12213(a) is amended by striking out "section 593" and inserting in lieu thereof "section 12203".

(15) The table of sections at the beginning of chapter 1207 is amended by striking out "promotions" in the item relating to section 12243 and inserting in lieu thereof "promotion".

(16) The table of sections at the beginning of chapter 1209 is amended—

(A) in the item relating to section 12304, by striking out the colon and inserting in lieu thereof a semicolon; and

(B) in the item relating to section 12308, by striking out the second, third, and fourth words.

(17) Section 12307 is amended by striking out "Ready Reserve" in the second sentence and inserting in lieu thereof "Retired Reserve".

(18) The heading of section 12401 is amended by striking out the seventh word.

(19) Section 12407(b) is amended—

(A) by striking out "of those jurisdictions" and inserting in lieu thereof "State"; and

(B) by striking out "jurisdictions" and inserting in lieu thereof "States"

(20) Section 12731(f) is amended by striking out "the date of the enactment of this subsection" and inserting in lieu thereof "October 5, 1994,".

(21) Section 12731a(c)(3) is amended by inserting a comma after "Defense Conversion".

(22) Section 14003 is amended by inserting "**lists**" in the section heading immediately before the colon.

(23) The table of sections at the beginning of chapter 1403 is amended by striking out "selection board" in the item relating to section 14105 and inserting in lieu thereof "promotion board".

(24) The table of sections at the beginning of chapter 1405 is amended—

(A) in the item relating to section 14307, by striking out "Numbers" and inserting in lieu thereof "Number";

(B) in the item relating to section 14309, by striking out the colon and inserting in lieu thereof a semicolon; and

(C) in the item relating to section 14314, by capitalizing the initial letter of the antepenultimate word.

(25) Section 14315(a) is amended by striking out "a Reserve officer" and inserting in lieu thereof "a reserve officer".

(26) 14317(e) is amended—

(A) by inserting "Officers Ordered to Active Duty in Time of War or National Emergency.—" after "(e)"; and

(B) by striking out "section 10213 or 644" and inserting in lieu thereof "section 123 or 10213".

(27) The table of sections at the beginning of chapter 1407 is amended—

(A) in the item relating to section 14506, by inserting "reserve" after "Marine Corps and"; and

(B) in the item relating to section 14507, by inserting "reserve" after "Removal from the"; and

(C) in the item relating to section 14509, by inserting "in grades" after "reserve officers".

(28) Section 14501(a) is amended by inserting "Officers Below the Grade of Colonel or Navy Captain.—" after "(a)".

(29) The heading for section 14506 is amended by inserting a comma after "**Air Force**".

(30) Section 14508 is amended by striking out "this" after "from an active status under" in subsections (c) and (d).

(31) Section 14515 is amended by striking out "inactive status" and inserting in lieu thereof "inactive-status".

(32) Section 14903(b) is amended by striking out "chapter" and inserting in lieu thereof "title".

(33) The table of sections at the beginning of chapter 1606 is amended in the item relating to section 16133 by striking out "limitations" and inserting in lieu thereof "limitation".

(34) Section 16132(c) is amended by striking out "section" and inserting in lieu thereof "sections".

(35) Section 16135(b)(1)(A) is amended by striking out "section 2131(a)" and inserting in lieu thereof "sections 16131(a)".

(36) Section 18236(b)(1) is amended by striking out "section 2233(e)" and inserting in lieu thereof "section 18233(e)".

(37) Section 18237 is amended—

(A) in subsection (a), by striking out "section 2233(a)(1)" and inserting in lieu thereof "section 18233(a)(1)"; and

(B) in subsection (b), by striking out "section 2233(a)" and inserting in lieu thereof "section 18233(a)".

(c) Other Provisions of Title 10.—Effective as of December 1, 1994 (except as otherwise expressly provided), and as if included as amendments made by the Reserve Officer Personnel Management Act (title XVI of Public Law 103–360) as originally enacted, title 10, United States Code, is amended as follows:

(1) Section 101(d)(6)(B)(i) is amended by striking out "section 175" and inserting in lieu thereof "section 10301".

(2) Section 114(b) is amended by striking out "chapter 133" and inserting in lieu thereof "chapter 1803".

(3) Section 115(d) is amended—

(A) in paragraph (1), by striking out "section 673" and inserting in lieu thereof "section 12302";

(B) in paragraph (2), by striking out "section 673b" and inserting in lieu thereof "section 12304"; and

(C) in paragraph (3), by striking out "section 3500 or 8500" and inserting in lieu thereof "section 12406".

(4) Section 123(a) is amended—

(A) by striking out "281, 592, 1002, 1005, 1006, 1007, 1374, 3217, 3218, 3219, 3220,", "5414, 5457, 5458,", and "8217, 8218, 8219,"; and

(B) by striking out "and 8855" and inserting in lieu thereof "8855, 10214, 12003, 12004, 12005, 12007, 12202, 12213, 12642, 12645, 12646, 12647, 12771, 12772, and 12773".

(5) Section 582(1) is amended by striking out "section 672(d)" in subparagraph (B) and "section 673b" in subparagraph (D) and inserting in lieu thereof "section 12301(d)" and "section 12304", respectively.

(6) Section 641(1)(B) is amended by striking out "10501" and inserting in lieu thereof "10502, 10505, 10506(a), 10506(b), 10507".

(7) The table of sections at the beginning of chapter 39 is amended by striking out the items relating to sections 687 and 690.

(8) Sections 1053(a)(1), 1064, and 1065(a) are amended by striking out "chapter 67" and inserting in lieu thereof "chapter 1223".

(9) Section 1063(a)(1) is amended by striking out "section 1332(a)(2)" and inserting in lieu thereof "section 12732(a)(2)".

(10) Section 1074b(b)(2) is amended by striking out "section 673c" and inserting in lieu thereof "section 12305".

(11) Section 1076(b)(2)(A) is amended by striking out "before the effective date of the Reserve Officer Personnel Management Act" and inserting in lieu thereof "before December 1, 1994".

(12) Section 1176(b) is amended by striking out "section 1332" in the matter preceding paragraph (1) and in paragraph (2) and inserting in lieu thereof "section 12732".

(13) Section 1208(b) is amended by striking out "section 1333" and inserting in lieu thereof "section 12733".

(14) Section 1209 is amended by striking out "section 1332", "section 1335", and "chapter 71" and inserting in lieu thereof "section 12732", "section 12735", and "section 12739", respectively.

(15) Section 1407 is amended—

(A) in subsection (c)(1) and (d)(1), by striking out "section 1331" and inserting in lieu thereof "section 12731"; and

(B) in the heading for paragraph (1) of subsection (d), by striking out "CHAPTER 67" and inserting in lieu thereof "CHAPTER 1223".

(16) Section 1408(a)(5) is amended by striking out "section 1331" and inserting in lieu thereof "section 12731"

(17) Section 1431(a)(1) is amended by striking out "section 1376(a)" and inserting in lieu thereof "section 12774(a)".

(18) Section 1463(a)(2) is amended by striking out "chapter 67" and inserting in lieu thereof "chapter 1223".

(19) Section 1482(f)(2) is amended by inserting "section" before "12731 of this title".

(20) The table of sections at the beginning of chapter 533 is amended by striking out the item relating to section 5454.

(21) Section 2006(b)(1) is amended by striking out "chapter 106 of this title" and inserting in lieu thereof "chapter 1606 of this title".

(22) Section 2121(c) is amended by striking out "section 3353, 5600, or 8353" and inserting in lieu thereof "section 12207", effective on the effective date specified in section 1691(b)(1) of Public Law 103–337.

(23) Section 2130a(b)(3) is amended by striking out "section 591" and inserting in lieu thereof "section 12201".

(24) The table of sections at the beginning of chapter 337 is amended by striking out the items relating to sections 3351 and 3352.

(25) Sections 3850, 6389(c), 6391(c), and 8850 are amended by striking out "section 1332" and inserting in lieu thereof "section 12732".

(26) Section 5600 is repealed, effective on the effective date specified in section 1691(b)(1) of Public Law 103–337.

(27) Section 5892 is amended by striking out "section 5457 or section 5458" and inserting in lieu thereof "section 12004 or section 12005".

(28) Section 6410(a) is amended by striking out "section 1005" and inserting in lieu thereof "section 12645".

(29) The table of sections at the beginning of chapter 837 is amended by striking out the items relating to section 8351 and 8352.

(30) Section 8360(b) is amended by striking out "section 1002" and inserting in lieu thereof "section 12642".

(31) Section 8380 is amended by striking out "section 524" in subsections (a) and (b) and inserting in lieu thereof "section 12011".

(32) Sections 8819(a), 8846(a), and 8846(b) are amended by striking out "sections 1005 and 1006" and inserting in lieu thereof "sections 12645 and 12646".

(33) Section 8819 is amended by striking out "section 1005" and "section 1006" and inserting in lieu thereof "section 12645" and "section 12646", respectively.

(d) CROSS REFERENCES IN OTHER DEFENSE LAWS.—

(1) Section 337(b) of the National Defense Authorization Act for Fiscal Year 1995 (Public Law 103–337; 108 Stat. 2717) is amended by inserting before the period at the end the following: "or who after November 30, 1994, transferred to the Retired Reserve under section 10154(2) of title 10, United States Code, without having completed the years of service required under section 12731(a)(2) of such title for eligibility for retired pay under chapter 1223 of such title".

(2) Section 525 of the National Defense Authorization Act for Fiscal Years 1992 and 1993 (P.L. 102–190, 105 Stat. 1363) is amended by striking out "section 690" and inserting in lieu thereof "section 12321".

(3) Subtitle B of title XLIV of the National Defense Authorization Act for Fiscal Year 1993 (P.L. 102–484; 10 U.S.C. 12681 note) is amended—

(A) in section 4415, by striking out "section 1331a" and inserting in lieu thereof "section 12731a";

(B) in subsection 4416—

(i) in subsection (a), by striking out "section 1331" and inserting in lieu thereof "section 12731";

(ii) in subsection (b)—

(I) by inserting "or section 12732" in paragraph (1) after "under that section"; and

(II) by inserting "or 12731(a)" in paragraph (2) after "section 1331(a)";

(iii) in subsection (e)(2), by striking out "section 1332" and inserting in lieu thereof "section 12732"; and

(iv) in subsection (g), by striking out "section 1331a" and inserting in lieu thereof "section 12731a"; and

(C) in section 4418—

(i) in subsection (a), by striking out "section 1332" and inserting in lieu thereof "section 12732"; and

(ii) in subsection (b)(1)(A), by striking out "section 1333" and inserting in lieu thereof "section 12733".

(4) Title 37, United States Code, is amended—

(A) in section 302f(b), by striking out "section 673c of title 10" in paragraphs (2) and (3)(A) and inserting in lieu thereof "section 12305 of title 10"; and

(B) in section 433(a), by striking out "section 687 of title 10" and inserting in lieu thereof "section 12319 of title 10".

(e) CROSS REFERENCES IN OTHER LAWS.—

(1) Title 14, United States Code, is amended—

(A) in section 705(f), by striking out "600 of title 10" and inserting in lieu thereof "12209 of title 10"; and

(B) in section 741(c), by striking out "section 1006 of title 10" and inserting in lieu thereof "section 12646 of title 10".

(2) Title 38, United States Code, is amended—

(A) in section 3011(d)(3), by striking out "section 672, 673, 673b, 674, or 675 of title 10" and inserting in lieu thereof "section 12301, 12302, 12304, 12306, or 12307 of title 10";

(B) in sections 3012(b)(1)(B)(iii) and 3701(b)(5)(B), by striking out "section 268(b) of title 10" and inserting in lieu thereof "section 10143(a) of title 10";

(C) in section 3501(a)(3)(C), by striking out "section 511(d) of title 10" and inserting in lieu thereof "section 12103(d) of title 10"; and

(D) in section 4211(4)(C), by striking out "section 672 (a), (d), or (g), 673, or 673b of title 10" and inserting in lieu thereof "section 12301 (a), (d), or (g), 12302, or 12304 of title 10".

(3) Section 702(a)(1) of the Soldiers' and Sailors' Civil Relief Act of 1940 (50 U.S.C. App. 592(a)(1)) is amended—

(A) by striking out "section 672 (a) or (g), 673, 673b, 674, 675, or 688 of title 10" and inserting in lieu thereof "section 688, 12301(a), 12301(g), 12302, 12304, 12306, or 12307 of title 10"; and

(B) by striking out "section 672(d) of such title" and inserting in lieu thereof "section 12301(d) of such title".

(4) Section 463A of the Higher Education Act of 1965 (20 U.S.C. 1087cc–1) is amended in subsection (a)(10) by striking out "(10 U.S.C. 2172)" and inserting in lieu thereof "(10 U.S.C. 16302)".

(5) Section 179 of the National and Community Service Act of 1990 (42 U.S.C. 12639) is amended in subsection (a)(2)(C) by striking out "section 216(a) of title 5" and inserting in lieu thereof "section 10101 of title 10".

(f) EFFECTIVE DATES.—

(1) Section 1636 of the Reserve Officer Personnel Management Act shall take effect on the date of the enactment of this Act.

(2) The amendments made by sections 1672(a), 1673(a) (with respect to chapters 541 and 549), 1673(b)(2), 1673(b)(4), 1674(a), and 1674(b)(7) shall take effect on the effective date specified in section 1691(b)(1) of the Reserve Officer Personnel Management Act (notwithstanding section 1691(a) of such Act).

(3) The amendments made by this section shall take effect as if included in the Reserve Officer Personnel Management Act as enacted on October 5, 1994.

SEC. 1102. AMENDMENTS RELATED TO FEDERAL ACQUISITION STREAMLINING ACT OF 1994.

(a) PUBLIC LAW 103–355.—Effective as of October 13, 1994, and as if included therein as enacted, the Federal Acquisition Streamlining Act of 1994 (Public Law 103–355; 108 Stat. 3243 et seq.) is amended as follows:

(1) Section 1202(a) (108 Stat. 3274) is amended by striking out the closing quotation marks and second period at the end of paragraph (2)(B) of the subsection inserted by the amendment made by that section.

(2) Section 1251(b) (108 Stat. 3284) is amended by striking out "Office of Federal Procurement Policy Act" and inserting in lieu thereof "Federal Property and Administrative Services Act of 1949".

(3) Section 2051(e) (108 Stat. 3304) is amended by striking out the closing quotation marks and second period at the end of subsection (f)(3) in the matter inserted by the amendment made by that section.

(4) Section 2101(a)(6)(B)(ii) (108 Stat. 3308) is amended by replacing "regulation" with "regulations" in the first quoted matter.

(5) The heading of section 2352(b) (108 Stat. 3322) is amended by striking out "PROCEDURES TO SMALL BUSINESS GOVERNMENT CONTRACTORS.—" and inserting in lieu thereof "PROCEDURES.—".

(6) Section 3022 (108 Stat. 3333) is amended by striking out "each place" and all that follows through the end of the section and inserting in lieu thereof "in paragraph (1) and ", rent," after "sell" in paragraph (2).".

(7) Section 5092(b) (108 Stat. 3362) is amended by inserting "of paragraph (2)" after "second sentence".

(8) Section 6005(a) (108 Stat. 3364) is amended by striking out the closing quotation marks and second period at the end of subsection (e)(2) of the matter inserted by the amendment made by that section.

(9) Section 10005(f)(4) (108 Stat. 3409) is amended in the second matter in quotation marks by striking out "'SEC. 5. This Act" and inserting in lieu thereof "'SEC. 7. This title".

(b) TITLE 10, UNITED STATES CODE.—Title 10, United States Code, is amended as follows:

(1) Section 2220(b) is amended by striking out "the date of the enactment of the Federal Acquisition Streamlining Act of 1994" and inserting in lieu thereof "October 13, 1994".

(2)(A) The section 2247 added by section 7202(a)(1) of Public Law 103–355 (108 Stat. 3379) is redesignated as section 2249.

(B) The item relating to that section in the table of sections at the beginning of subchapter I of chapter 134 is revised to conform to the redesignation made by subparagraph (A).

(3) Section 2302(3)(K) is amended by adding a period at the end.

(4) Section 2304(h) is amended by striking out paragraph (1) and inserting in lieu thereof the following:

"(1) The Walsh-Healey Act (41 U.S.C. 35 et seq.).".

(5)(A) The section 2304a added by section 848(a)(1) of Public Law 103–160 (107 Stat. 1724) is redesignated as section 2304e.

(B) The item relating to that section in the table of sections at the beginning of chapter 137 is revised to conform to the redesignation made by subparagraph (A).

(6) Section 2306a is amended—

(A) in subsection (d)(2)(A)(ii), by inserting "to" after "The information referred";

(B) in subsection (e)(4)(B)(ii), by striking out the second comma after "parties"; and

(C) in subsection (i)(3), by inserting "(41 U.S.C. 403(12))" before the period at the end.

(7) Section 2323 is amended—

(A) in subsection (a)(1)(C), by inserting a closing parenthesis after "1135d–5(3))" and after "1059c(b)(1))";

(B) in subsection (a)(3), by inserting a closing parenthesis after "421(c))";

(C) in subsection (b), by inserting "(1)" after "AMOUNT.—"; and

(D) in subsection (i)(3), by adding at the end a subparagraph (D) identical to the subparagraph (D) set forth in the amendment made by section 811(e) of Public Law 103–160 (107 Stat. 1702).

(8) Section 2324 is amended—

(A) in subsection (e)(2)(C)—

(i) by striking out "awarding the contract" at the end of the first sentence; and

(ii) by striking out "title III" and all that follows through "Act)" and inserting in lieu thereof "the Buy American Act (41 U.S.C. 10b–1)"; and

(B) in subsection (h)(2), by inserting "the head of the agency or" after "in the case of any contract if".

(9) Section 2350b is amended—

(A) in subsection (c)(1)—

(i) by striking out "specifically—" and inserting in lieu thereof "specifically prescribes—"; and

(ii) by striking out "prescribe" in each of subparagraphs (A), (B), (C), and (D); and

(B) in subsection (d)(1), by striking out "subcontract to be" and inserting in lieu thereof "subcontract be".

(10) Section 2356(a) is amended by striking out "2354, or 2355" and inserting "or 2354".

(11) Section 2372(i)(1) is amended by striking out "section 2324(m)" and inserting in lieu thereof "section 2324(l)".

(12) Section 2384(b) is amended—

(A) in paragraph (2)—

(i) by striking "items, as" and inserting in lieu thereof "items (as"; and

(ii) by inserting a closing parenthesis after "403(12))"; and

(B) in paragraph (3), by inserting a closing parenthesis after "403(11))".

(13) Section 2397(a)(1) is amended—

(A) by inserting "as defined in section 4(11) of the Office of Federal Procurement Policy Act (41 U.S.C. 403(11))" after "threshold"; and

(B) by striking out "section 4(12) of the Office of Federal Procurement Policy Act" and inserting in lieu thereof "section 4(12) of such Act".

(14) Section 2397b(f) is amended by inserting a period at the end of paragraph (2)(B)(iii).

(15) Section 2400(a)(5) is amended by striking out "the preceding sentence" and inserting in lieu thereof "this paragraph".

(16) Section 2405 is amended—

(A) in paragraphs (1) and (2) of subsection (a), by striking out "the date of the enactment of the Federal Acquisition Streamlining Act of 1994" and inserting in lieu thereof "October 13, 1994"; and

(B) in subsection (c)(3)—

(i) by striking out "the later of—" and all that follows through "(B)"; and

(ii) by redesignating clauses (i), (ii), and (iii) as subparagraphs (A), (B), and (C), respectively, and realigning those subparagraphs accordingly.

(17) Section 2410d(b) is amended by striking out paragraph (3).

(18) Section 2424(c) is amended—

(A) by inserting "EXCEPTION FOR SOFT DRINKS.—" after "(c)"; and

(B) by striking out "drink" the first and third places it appears in the second sentence and inserting in lieu thereof "beverage".

(19) Section 2431 is amended—

(A) in subsection (b)—

(i) by striking out "Any report" in the first sentence and inserting in lieu thereof "Any documents"; and

(ii) by striking out "the report" in paragraph (3) and inserting in lieu thereof "the documents"; and

(B) in subsection (c), by striking "reporting" and inserting in lieu thereof "documentation".

(20) Section 2533(a) is amended by striking out "title III of the Act" and all that follows through "such Act" and inserting in lieu thereof "the Buy American Act (41 U.S.C. 10a)) whether application of such Act".

(21) Section 2662(b) is amended by striking out "small purchase threshold" and inserting in lieu thereof "simplified acquisition threshold".

(22) Section 2701(i)(1) is amended—

(A) by striking out "Act of August 24, 1935 (40 U.S.C. 270a–270d), commonly referred to as the 'Miller Act'," and inserting in lieu thereof "Miller Act (40 U.S.C. 270a et seq.)"; and

(B) by striking out "such Act of August 24, 1935" and inserting in lieu thereof "the Miller Act".

(c) SMALL BUSINESS ACT.—The Small Business Act (15 U.S.C. 632 et seq.) is amended as follows:

(1) Section 8(d) (15 U.S.C. 637(d)) is amended—

(A) in paragraph (1), by striking out the second comma after "small business concerns" the first place it appears; and

(B) in paragraph (6)(C), by striking out "and small business concerns owned and controlled by the socially and economically disadvantaged individuals" and inserting in lieu thereof ", small business concerns owned and controlled by socially and economically disadvantaged individuals, and small business concerns owned and controlled by women".

(2) Section 8(f) (15 U.S.C. 637(f)) is amended by inserting "and" after the semicolon at the end of paragraph (5).

(3) Section 15(g)(2) (15 U.S.C. 644(g)(2)) is amended by striking out the second comma after the first appearance of "small business concerns".

(d) TITLE 31, UNITED STATES CODE.—Section 3551 of title 31, United States Code, is amended—

(1) by striking out "subchapter—" and inserting in lieu thereof "subchapter:"; and

(2) in paragraph (2), by striking out "or proposed contract" and inserting in lieu thereof "or a solicitation or other request for offers".

(e) FEDERAL PROPERTY AND ADMINISTRATIVE SERVICES ACT OF 1949.—The Federal Property and Administrative Services Act of 1949 is amended as follows:

(1) The table of contents in section 1 (40 U.S.C. 471 prec.) is amended—

(A) by striking out the item relating to section 104;

(B) by striking out the item relating to section 201 and inserting in lieu thereof the following:

"Sec. 201. Procurements, warehousing, and related activities.";

(C) by inserting after the item relating to section 315 the following new item:

"Sec. 316. Merit-based award of grants for research and development.";

(D) by striking out the item relating to section 603 and inserting in lieu thereof the following:

"Sec. 603. Authorizations for appropriations and transfer authority."; and

(E) by inserting after the item relating to section 605 the following new item:

"Sec. 606. Sex discrimination.".

(2) Section 111(b)(3) (40 U.S.C. 759(b)(3)) is amended by striking out the second period at the end of the third sentence.

(3) Section 111(f)(9) (40 U.S.C. 759(f)(9)) is amended in subparagraph (B) by striking out "or proposed contract" and inserting in lieu thereof "or a solicitation or other request for offers".

(4) The heading for paragraph (1) of section 304A(c) is amended by changing each letter that is capitalized (other than the first letter of the first word) to lower case.

(5) The heading for section 314A (41 U.S.C. 41 U.S.C. 264a) is amended to read as follows:

"SEC. 314A. DEFINITIONS RELATING TO PROCUREMENT OF COMMERCIAL ITEMS.".

(6) The heading for section 316 (41 U.S.C. 266) is amended by inserting at the end a period.

(f) WALSH-HEALEY ACT.—

(1) The Walsh-Healey Act (41 U.S.C. 35 et seq.) is amended—

(A) by transferring the second section 11 (as added by section 7201(4) of Public Law 103–355) so as to appear after section 10; and

(B) by redesignating the three sections following such section 11 (as so transferred) as sections 12, 13, and 14.

(2) Such Act is further amended in section 10(c) by striking out the comma after "'locality'".

(g) ANTI-KICKBACK ACT OF 1986.—Section 7 of the Anti-Kickback Act of 1986 (41 U.S.C. 57) is amended by striking out the second period at the end of subsection (d).

(h) OFFICE OF FEDERAL PROCUREMENT POLICY ACT.—The Office of Federal Procurement Policy Act (41 U.S.C. 401 et seq.) is amended as follows:

(1) Section 6 (41 U.S.C. 405) is amended by transferring paragraph (12) of subsection (d) (as such paragraph was redesignated by section 5091(2) of the Federal Acquisition Streamlining Act of 1994 (P.L. 103–355; 108 Stat. 3361) to the end of that subsection.

(2) Section 18(b) (41 U.S.C. 416(b)) is amended by inserting "and" after the semicolon at the end of paragraph (5).

(3) Section 26(f)(3) (41 U.S.C. 422(f)(3) is amended in the first sentence by striking out "Not later than 180 days after the date of enactment of this section, the Administrator" and inserting in lieu thereof "The Administrator".

(i) OTHER LAWS.—

(1) The National Defense Authorization Act for Fiscal Year 1994 (Public Law 103–160) is amended as follows:

(A) Section 126(c) (107 Stat. 1567) is amended by striking out "section 2401 of title 10, United States Code, or section 9081 of the Department of Defense Appropriations Act, 1990 (10 U.S.C. 2401 note)." and inserting in lieu thereof "section 2401 or 2401a of title 10, United States Code.".

(B) Section 127 (107 Stat. 1568) is amended—

(i) in subsection (a), by striking out "section 2401 of title 10, United States Code, or section 9081 of the Department of Defense Appropriations Act, 1990 (10 U.S.C. 2401 note)." and inserting in lieu thereof "section 2401 or 2401a of title 10, United States Code."; and

(ii) in subsection (e), by striking out "section 9081 of the Department of Defense Appropriations Act, 1990 (10 U.S.C. 2401 note)." and inserting in lieu thereof "section 2401a of title 10, United States Code.".

(2) The National Defense Authorization Act for Fiscal Years 1990 and 1991 (Public Law 101–189) is amended by striking out section 824.

(3) The National Defense Authorization Act for Fiscal Years 1988 and 1989 (Public Law 100–180) is amended by striking out section 825 (10 U.S.C. 2432 note).

(4) Section 3737(g) of the Revised Statutes (41 U.S.C. 15(g)) is amended by striking out "rights of obligations" and inserting in lieu thereof "rights or obligations".

(5) The section of the Revised Statutes (41 U.S.C. 22) amended by section 6004 of Public Law 103–355 (108 Stat. 3364) is amended by striking out "No member" and inserting in lieu thereof "SEC. 3741. No Member".

(6) Section 5152(a)(1) of the Drug-Free Workplace Act of 1988 (41 U.S.C. 701(a)(1)) is amended by striking out "as defined in section 4 of the Office of Federal Procurement Policy Act (41 U.S.C. 403)" and inserting in lieu thereof "(as defined in section 4(12) of such Act (41 U.S.C. 403(12)))".

SEC. 1103. AMENDMENTS TO REFLECT NAME CHANGE OF COMMITTEE ON ARMED SERVICES OF THE HOUSE OF REPRESENTATIVES.

(a) TITLE 10, UNITED STATES CODE.—Title 10, United States Code, is amended as follows:

(1) Sections 503(b)(5), 520a(d), 526(d)(1), 619a(h)(2), 806a(b), 838(b)(7), 946(c)(1)(A), 1098(b)(2), 2313(b)(4), 2361(c)(1), 2371(h), 2391(c), 2430(b), 2432(b)(3)(B), 2432(c)(2), 2432(h)(1), 2667(d)(3), 2672a(b), 2687(b)(1), 2891(a), 4342(g), 7307(b)(1)(A), and 9342(g) are amended by striking out "Committees on Armed Services of the Senate and House of Representatives" and inserting in lieu thereof "Committee on Armed Services of the Senate and the Committee on National Security of the House of Representatives".

(2) Sections 178(c)(1)(A), 942(e)(5), 2350f(c), 2864(b), 7426(e), 7431(a), 7431(b)(1), 7431(c), 7438(b), 12302(b), 18235(a), and 18236(a) are amended by striking out "Committees on Armed Services of the Senate and the House of Representatives" and inserting in lieu thereof "Committee on Armed Services of the Senate and the Committee on National Security of the House of Representatives".

(3) Section 113(j)(1) is amended by striking out "Committees on Armed Services and Committees on Appropriations of the Senate and" and inserting in lieu thereof "Committee on Armed Services and the Committee on Appropriations of the Senate and the Committee on National Security and the Committee on Appropriations of the".

(4) Section 119(g) is amended by striking out paragraphs (1) and (2) and inserting in lieu thereof the following:

"(1) the Committee on Armed Services and the Committee on Appropriations, and the Defense Subcommittee of the Committee on Appropriations, of the Senate; and

"(2) the Committee on National Security and the Committee on Appropriations, and the National Security Subcommittee of the Committee on Appropriations, of the House of Representatives.".

(5) Section 127(c) is amended by striking out "Committees on Armed Services and Appropriations of the Senate and" and inserting in lieu thereof "Committee on Armed Services and the Committee on Appropriations of the Senate and the Committee on National Security and the Committee on Appropriations of".

(6) Section 135(e) is amended—

(A) by inserting "(1)" after "(e)";

(B) by striking out "the Committees on Armed Services and the Committees on Appropriations of the Senate and House of Representatives are each" and inserting in lieu thereof "each congressional committee specified in paragraph (2) is"; and

(C) by adding at the end the following:

"(2) The committees referred to in paragraph (1) are—

"(A) the Committee on Armed Services and the Committee on Appropriations of the Senate; and

"(B) the Committee on National Security and the Committee on Appropriations of the House of Representatives.".

(7) Section 179(e) is amended by striking out "to the Committees on Armed Services and Appropriations of the Senate and" and inserting in lieu thereof "to the Committee on Armed Services and the Committee on Appropriations of the Senate and the Committee on National Security and the Committee on Appropriations of the".

(8) Sections 401(d) and 402(d) are amended by striking out "submit to the" and all that follows through "Foreign Affairs" and inserting in lieu thereof "submit to the Committee on Armed Services and the Committee on Foreign Relations of the Senate and the Committee on National Security and the Committee on International Relations".

(9) Sections 1584(b), 2367(d)(2), and 2464(b)(3)(A) are amended by striking out "the Committees on Armed Services and the Committees on Appropriations of the Senate and" and inserting in lieu thereof "the Committee on Armed Services and the Committee on Appropriations of the Senate and the Committee on National Security and the Committee on Appropriations of the".

(10) Sections 2306b(g), 2801(c)(4), and 18233a(a)(1) are amended by striking out "the Committees on Armed Services and on Appropriations of the Senate and" and inserting in lieu thereof "the Committee on Armed Services and the Committee on Appropriations of the Senate and the Committee on National Security and the Committee on Appropriations of the".

(11) Section 1599(e)(2) is amended—

(A) in subparagraph (A), by striking out "The Committees on Armed Services and Appropriations" and inserting in lieu thereof "The Committee on National Security, the Committee on Appropriations,"; and

(B) in subparagraph (B), by striking out "The Committees on Armed Services and Appropriations" and inserting in lieu thereof "The Committee on Armed Services, the Committee on Appropriations,".

(12) Sections 1605(c), 4355(a)(3), 6968(a)(3), and 9355(a)(3) are amended by striking out "Armed Services" and inserting in lieu thereof "National Security".

(13) Section 1060(d) is amended by striking out "Committee on Armed Services and the Committee on Foreign Affairs" and inserting in lieu thereof "Committee on National Security and the Committee on International Relations".

(14) Section 2215 is amended—

(A) by inserting "(a) CERTIFICATION REQUIRED.—" at the beginning of the text of the section;

(B) by striking out "to the Committees" and all that follows through "House of Representatives" and inserting in lieu thereof "to the congressional committees specified in subsection (b)"; and

(C) by adding at the end the following:

"(b) CONGRESSIONAL COMMITTEES.—The committees referred to in subsection (a) are—

"(1) the Committee on Armed Services and the Committee on Appropriations of the Senate; and

"(2) the Committee on National Security and the Committee on Appropriations of the House of Representatives.".

(15) Section 2218 is amended—

(A) in subsection (j), by striking out "the Committees on Armed Services and on Appropriations of the Senate and the House of Representatives" and inserting in lieu thereof "the congressional defense committees"; and

(B) by adding at the end of subsection (k) the following new paragraph:

"(4) The term 'congressional defense committees' means—

"(A) the Committee on Armed Services and the Committee on Appropriations of the Senate; and

"(B) the Committee on National Security and the Committee on Appropriations of the House of Representatives.".

(16) Section 2342(b) is amended—

(A) in the matter preceding paragraph (1), by striking out "section—" and inserting in lieu thereof "section unless—";

(B) in paragraph (1), by striking out "unless"; and

(C) in paragraph (2), by striking out "notifies the" and all that follows through "House of Representatives" and inserting in lieu thereof "the Secretary submits to the Committee on Armed Services and the Committee on Foreign Relations of the Senate and the Committee on National Security and the Committee on International Relations of the House of Representatives notice of the intended designation".

(17) Section 2350a(f)(2) is amended by striking out "submit to the Committees" and all that follows through "House of Representatives" and inserting in lieu thereof "submit to the Committee on Armed Services and the Committee on Foreign Relations of the Senate and the Committee on National Security and the Committee on International Relations of the House of Representatives".

(18) Section 2366 is amended—

(A) in subsection (d), by striking out "the Committees on Armed Services and on Appropriations of the Senate and House of Representatives" and inserting in lieu thereof "the congressional defense committees"; and

(B) by adding at the end of subsection (e) the following new paragraph:

"(7) The term 'congressional defense committees' means—

"(A) the Committee on Armed Services and the Committee on Appropriations of the Senate; and

"(B) the Committee on National Security and the Committee on Appropriations of the House of Representatives.".

(19) Section 2399(h)(2) is amended by striking out "means" and all the follows and inserting in lieu thereof the following: "means—

"(A) the Committee on Armed Services and the Committee on Appropriations of the Senate; and

"(B) the Committee on National Security and the Committee on Appropriations of the House of Representatives.".

(20) Section 2401(b)(1) is amended—

(A) in subparagraph (B), by striking out "the Committees on Armed Services and on Appropriations of the Senate and" and inserting in lieu thereof "the Committee on Armed Services and the Committee on Appropriations of the Senate and the Committee on National Security and the Committees on Appropriations of the"; and

(B) in subparagraph (C), by striking out "the Committees on Armed Services and on Appropriations of the Senate and House of Representatives" and inserting in lieu thereof "those committees".

(21) Section 2403(e) is amended—

(A) by inserting "(1)" before "Before making";

(B) by striking out "shall notify the Committees on Armed Services and on Appropriations of the Senate and House of Representatives" and inserting in lieu thereof "shall submit to the congressional committees specified in paragraph (2) notice"; and

(C) by adding at the end the following new paragraph:

"(2) The committees referred to in paragraph (1) are—

"(A) the Committee on Armed Services and the Committee on Appropriations of the Senate; and

"(B) the Committee on National Security and the Committee on Appropriations of the House of Representatives.".

(22) Section 2515(d) is amended—

(A) by striking out "REPORTING" and all that follows through "same time" and inserting in lieu thereof "ANNUAL REPORT.—(1) The Secretary of Defense shall submit to the congressional committees specified in paragraph (2) an annual report on the activities of the Office. The report shall be submitted each year at the same time"; and

(B) by adding at the end the following new paragraph:

"(2) The committees referred to in paragraph (1) are—

"(A) the Committee on Armed Services and the Committee on Appropriations of the Senate; and

"(B) the Committee on National Security and the Committee on Appropriations of the House of Representatives.".

(23) Section 2551 is amended—

(A) in subsection (e)(1), by striking out "the Committees on Armed Services" and all that follows through "House of Representatives" and inserting in lieu thereof "the Committee on Armed Services and the Committee on Foreign Relations of the Senate and the Committee on National Security and the Committee on International Relations of the House of Representatives"; and

(B) in subsection (f)—

(i) by inserting "(1)" before "In any case";

(ii) by striking out "Committees on Appropriations" and all that follows through "House of Representatives" the second place it appears and inserting in lieu thereof "congressional committees specified in paragraph (2)"; and

(iii) by adding at the end the following:

"(2) The committees referred to in paragraph (1) are—

"(A) the Committee on Armed Services, the Committee on Foreign Relations, and the Committee on Appropriations of the Senate; and

"(B) the Committee on National Security, the Committee on International Relations, and the Committee on Appropriations of the House of Representatives.".

(24) Section 2662 is amended—

(A) in subsection (a)—

(i) in the matter preceding paragraph (1), by striking out "the Committees on Armed Services of the Senate and House of Representatives" and inserting in lieu thereof "the Committee on Armed Services of the Senate and the Committee on National Security of the House of Representatives"; and

(ii) in the matter following paragraph (6), by striking out "to be submitted to the Committees on Armed Services of the Senate and House of Representatives";

(B) in subsection (b), by striking out "shall report annually to the Committees on Armed Services of the Senate and the House of Representatives" and inserting in lieu thereof "shall submit annually to the congressional committees named in subsection (a) a report";

(C) in subsection (e), by striking out "the Committees on Armed Services of the Senate and the House of Representatives" and inserting in lieu thereof "the congressional committees named in subsection (a)"; and

(D) in subsection (f), by striking out "the Committees on Armed Services of the Senate and the House of Representatives shall" and inserting in lieu thereof "the congressional committees named in subsection (a) shall".

(25) Section 2674(a) is amended—

(A) in paragraph (2), by striking out "Committees on Armed Services of the Senate and the House of Representatives, the Committee on Environment and Public Works of the Senate, and the Committee on Public Works and Transportation of the House of Representatives" and inserting in lieu thereof "congressional committees specified in paragraph (3)"; and

(B) by adding at the end the following new paragraph:

"(3) The committees referred to in paragraph (1) are—

"(A) the Committee on Armed Services and the Committee on Environment and Public Works of the Senate; and

"(B) the Committee on National Security and the Committee on Transportation and Infrastructure of the House of Representatives.".

(26) Section 2813(c) is amended by striking out "Committees on Armed Services and the Committees on Appropriations of the Senate and House of Representatives" and inserting in lieu thereof "appropriate committees of Congress".

(27) Sections 2825(b)(1) and 2832(b)(2) are amended by striking out "Committees on Armed Services and the Committees on Appropriations of the Senate and of the House of Representatives" and inserting in lieu thereof "appropriate committees of Congress".

(28) Section 2865(e)(2) and 2866(c)(2) are amended by striking out "Committees on Armed Services and Appropriations of the Senate and House of Representatives" and inserting in lieu thereof "appropriate committees of Congress".

(29)(A) Section 7434 of such title is amended to read as follows:

"§ 7434. Annual report to congressional committees

"Not later than October 31 of each year, the Secretary shall submit to the Committee on Armed Services of the Senate and the Committee on National Security of the House of Representatives a report on the production from the naval petroleum reserves during the preceding calendar year.".

(B) The item relating to such section in the table of contents at the beginning of chapter 641 is amended to read as follows:

"7434. Annual report to congressional committees.".

(b) TITLE 37, UNITED STATES CODE.—Title 37, United States Code, is amended—

(1) in sections 301b(i)(2) and 406(i), by striking out "Committees on Armed Services of the Senate and House of Representatives" and inserting in lieu thereof "Committee on Armed Services of the Senate and the Committee on National Security of the House of Representatives"; and

(2) in section 431(d), by striking out "Armed Services" the first place it appears and inserting in lieu thereof "National Security".

(c) ANNUAL DEFENSE AUTHORIZATION ACTS.—

(1) The National Defense Authorization Act for Fiscal Year 1994 (Public Law 103–160) is amended in sections 2922(b) and 2925(b) (10 U.S.C. 2687 note) by striking out "Committees on Armed Services of the Senate and House of Representatives" and inserting in lieu thereof "Committee on Armed Services of the Senate and the Committee on National Security of the House of Representatives".

(2) The National Defense Authorization Act for Fiscal Year 1993 (Public Law 102–484) is amended—

(A) in section 326(a)(5) (10 U.S.C. 2301 note) and section 1304(a) (10 U.S.C. 113 note), by striking out "Committees on Armed Services of the Senate and House of Representatives" and inserting in lieu thereof "Committee on Armed Services of the Senate and the Committee on National Security of the House of Representatives"; and

(B) in section 1505(e)(2)(B) (22 U.S.C. 5859a), by striking out "the Committee on Armed Services, the Committee on Appropriations, the Committee on Foreign Affairs, and the Committee on Energy and Commerce" and inserting in lieu thereof "the Committee on National Security, the Committee on Appropriations, the Committee on International Relations, and the Committee on Commerce".

(3) Section 1097(a)(1) of the National Defense Authorization Act for Fiscal Years 1992 and 1993 (Public Law 102–190; 22 U.S.C. 2751 note) is amended by striking out "the Committees on Armed Services and Foreign Affairs" and inserting in lieu thereof "the Committee on National Security and the Committee on International Relations".

(4) The National Defense Authorization Act for Fiscal Year 1991 (P.L. 101–510) is amended as follows:

(A) Section 402(a) and section 1208(b)(3) (10 U.S.C. 1701 note) are amended by striking out "Committees on Armed Services of the Senate and the House of Representatives" and inserting in lieu thereof "Committee on Armed Services of the Senate and the Committee on National Security of the House of Representatives".

(B) Section 1403(a) (50 U.S.C. 404b(a)) is amended—

(i) by striking out "the Committees on" and all that follows through "each year" and inserting in lieu thereof "the Committee on Armed Services, the Committee on Appropriations, and the Select Committee on Intelligence of the Senate and the Committee on National Security, the Committee on Appropriations, and the Permanent Select Committee on Intelligence of the House of Representatives each year".

(C) Section 1457(a) (50 U.S.C. 404c(a)) is amended by striking out "the Committees on Armed Services and on Foreign Affairs of the House of Representatives and the Committees on Armed Services and" and inserting in lieu thereof "the Committee on National Security and the Committee on International Relations of the House of Representatives and the Committee on Armed Services and the Committee on".

(D) Section 2921 (10 U.S.C. 2687 note) is amended—

(i) in subsection (e)(3)(A), by striking out "the Committee on Armed Services, the Committee on Appropriations, and the Defense Subcommittees" and inserting in lieu thereof "the Committee on National Security, the Committee on Appropriations, and the National Security Subcommittee"; and

(ii) in subsection (g)(2), by striking out "the Committees on Armed Services of the Senate and House of Representatives" and inserting in lieu thereof "the Committee on Armed Services of the Senate and the Committee on National Security of the House of Representatives".

(5) Section 613(h)(1) of the National Defense Authorization Act, Fiscal Year 1989 (Public Law 100–456; 37 U.S.C. 302 note), is amended by striking out "the Committees on Armed Services of the Senate and the House of Representatives" and inserting in lieu thereof "the Committee on Armed Services of the Senate and the Committee on National Security of the House of Representatives".

(6) Section 1412 of the Department of Defense Authorization Act, 1986 (Public Law 99–145; 50 U.S.C. 1521), is amended in subsections (b)(4) and (k)(2), by striking out "Committees on Armed Services of the Senate and House of Representatives" and inserting in lieu thereof "Committee on Armed Services of the Senate and the Committee on National Security of the House of Representatives".

(7) Section 1002(d) of the Department of Defense Authorization Act, 1985 (Public Law 98–525; 22 U.S.C. 1928 note), is amended by striking out "the Committees on Armed Services of the Senate and the House of Representatives" and inserting in lieu thereof "the Committee on Armed Services of the Senate, the Committee on National Security of the House of Representatives".

(8) Section 1252 of the Department of Defense Authorization Act, 1984 (42 U.S.C. 248d), is amended—

(A) in subsection (d), by striking out "Committees on Appropriations and on Armed Services of the Senate and the House of Representatives" and inserting in lieu thereof "Committee on Appropriations and the Committee on Armed Services of the Senate and the Committee on Appropriations and the Committee on National Security of the House of Representatives"; and

(B) in subsection (e), by striking out "Committees on Appropriations and on Armed Services of the Senate and the House of Representatives" and inserting in lieu thereof "congressional committees specified in subsection (d)".

(d) BASE CLOSURE LAW.—The Defense Base Closure and Realignment Act of 1990 (part A of title XXIX of Public Law 101–510; 10 U.S.C. 2687 note) is amended as follows:

(1) Sections 2902(e)(2)(B)(ii) and 2908(b) are amended by striking out "Armed Services" the first place it appears and inserting in lieu thereof "National Security".

(2) Section 2910(2) is amended by striking out "the Committees on Armed Services and the Committees on Appropriations of the Senate and of the House of Representatives" and inserting in lieu thereof "the Committee on Armed Services and the Committee on Appropriations of the Senate and the Committee on National Security and the Committee on Appropriations of the House of Representatives".

(e) NATIONAL DEFENSE STOCKPILE.—The Strategic and Critical Materials Stock Piling Act is amended—

(1) in section 6(d) (50 U.S.C. 98e(d))—

(A) in paragraph (1), by striking out "Committees on Armed Services of the Senate and House of Representatives" and inserting in lieu thereof "Committee on Armed Services of the Senate and the Committee on National Security of the House of Representatives"; and

(B) in paragraph (2), by striking out "the Committees on Armed Services of the Senate and House of Representatives" and inserting in lieu thereof "such congressional committees"; and

(2) in section 7(b) (50 U.S.C. 98f(b)), by striking out "Committees on Armed Services of the Senate and House of Representatives" and inserting in lieu thereof "Committee on Armed Services of the Senate and the Committee on National Security of the House of Representatives".

(f) OTHER DEFENSE-RELATED PROVISIONS.—

(1) Section 8125(g)(2) of the Department of Defense Appropriations Act, 1989 (Public Law 100–463; 10 U.S.C. 113 note), is amended by striking out "Committees on Appropriations and Armed Services of the Senate and House of Representatives" and inserting in lieu thereof "Committee on Appropriations and the Committees on Armed Services of the Senate and the Committee on Appropriations and the Committees on National Security of the House of Representatives".

(2) Section 1505(f)(3) of the Military Child Care Act of 1989 (title XV of Public Law 101–189; 10 U.S.C. 113 note) is amended by striking out "Committees on Armed Services of the Senate and House of Representatives" and inserting in lieu thereof "Committee on Armed Services of the Senate and the Committee on National Security of the House of Representatives".

(3) Section 9047A of the Department of Defense Appropriations Act, 1993 (Public Law 102–396; 10 U.S.C. 2687 note), is amended by striking out "the Committees on Appropriations and Armed Services of the House of Representatives and the Senate" and inserting in lieu thereof "the Committee on Appropriations and the Committee on Armed Services of the Senate and the Committee on Appropriations and the Committee on National Security of the House of Representatives".

(4) Section 3059(c)(1) of the Defense Drug Interdiction Assistance Act (subtitle A of title III of Public Law 99–570; 10 U.S.C. 9441 note) is amended by striking out "Committees on Appropriations and on Armed Services of the Senate and the House of Representatives" and inserting in lieu thereof "Committee on Armed Services and the Committee on Appropriations of the Senate and the Committee on National Security and the Committee on Appropriations of the House of Representatives".

(5) Section 7606(b) of the Anti-Drug Abuse Act of 1988 (Public Law 100–690; 10 U.S.C. 9441 note) is amended by striking out "Committees on Appropriations and the Committee on Armed Services of the Senate and the House of Representatives" and inserting in lieu thereof "Committee on Armed Services and the Committee on Appropriations of the Senate and the Committee on National Security and the Committee on Appropriations of the House of Representatives".

(6) Section 104(d)(5) of the National Security Act of 1947 (50 U.S.C. 403–4(d)(5)) is amended by striking out "Committees on Armed Services of the Senate and House of Representatives" and inserting in lieu thereof "Committee on Armed Services of the Senate and the Committee on National Security of the House of Representatives".

(7) Section 8 of the Inspector General Act of 1978 (5 U.S.C. App.) is amended—

(A) in subsection (b)(3), by striking out "Committees on Armed Services and Government Operations" and inserting in lieu thereof "Committee on National Security and the Committee on Government Reform and Oversight";

(B) in subsection (b)(4), by striking out "Committees on Armed Services and Governmental Affairs of the Senate and the

Committees on Armed Services and Government Operations of the House of Representatives" and inserting in lieu thereof "congressional committees specified in paragraph (3)";

(C) in subsection (f)(1), by striking out "Committees on Armed Services and Government Operations" and inserting in lieu thereof "Committee on National Security and the Committee on Government Reform and Oversight"; and

(D) in subsection (f)(2), by striking out "Committees on Armed Services and Governmental Affairs of the Senate and the Committees on Armed Services and Government Operations of the House of Representatives" and inserting in lieu thereof "congressional committees specified in paragraph (1)".

(8) Section 204(h)(3) of the Federal Property and Administrative Services Act of 1949 (40 U.S.C. 485(h)(3)) is amended by striking out "Committees on Armed Services of the Senate and of the House of Representatives" and inserting in lieu thereof "Committee on Armed Services of the Senate and the Committee on National Security of the House of Representatives".

SEC. 1104. MISCELLANEOUS AMENDMENTS TO TITLE 10, UNITED STATES CODE.

(a) SUBTITLE A.—Subtitle A of title 10, United States Code, is amended as follows:

(1) Section 113(i)(2)(B) is amended by striking out "the five years covered" and all that follows through "section 114(g)" and inserting in lieu thereof "the period covered by the future-years defense program submitted to Congress during that year pursuant to section 221".

(2) Section 136(c) is amended by striking out "Comptroller" and inserting in lieu thereof "Under Secretary of Defense (Comptroller)".

(3) Section 227(3)(D) is amended by striking out "for".

(4) Effective October 1, 1995, section 526 is amended—

(A) in subsection (a), by striking out paragraphs (1), (2), and (3) and inserting in lieu thereof the following:

"(1) For the Army, 302.

"(2) For the Navy, 216.

"(3) For the Air Force, 279.";

(B) by striking out subsection (b);

(C) by redesignating subsections (c), (d), and (e) as subsections (b), (c), and (d);

(D) in subsection (b), as so redesignated, by striking out "that are applicable on and after October 1, 1995"; and

(E) in paragraph (2)(B) of subsection (c), as redesignated by subparagraph (C), is amended—

(i) by striking out "the" after "in the";

(ii) by inserting "to" after "reserve component, or"; and

(iii) by inserting "than" after "in a grade other".

(5) Effective October 1, 1995, section 528(a) is amended by striking out "after September 30, 1995,"

(6) Section 573(a)(2) is amended by striking out "active duty list" and inserting in lieu thereof "active-duty list".

(7) Section 661(d)(2) is amended—

(A) in subparagraph (B), by striking out "Until January 1, 1994" and all that follows through "each position so designated" and inserting in lieu thereof "Each position designated by the Secretary under subparagraph (A)";

(B) in subparagraph (C), by striking out "the second sentence of"; and

(C) by striking out subparagraph (D).

(8) Section 706(c)(1) is amended by striking out "section 4301 of title 38" and inserting in lieu thereof "chapter 43 of title 38".

(9) Section 1059 is amended by striking out "subsection (j)" in subsections (c)(2) and (g)(3) and inserting in lieu thereof "subsection (k)".

(10) Section 1060a(f)(2)(B) is amended by striking out "(as defined in section 101(a)(22) of the Immigration and Nationality Act (8 U.S.C. 1101(a)(22)))" and inserting in lieu thereof ", as determined in accordance with the Immigration and Nationality Act (8 U.S.C. 1101 et seq.)".

(11) Section 1151 is amended—

(A) in subsection (b), by striking out "(20 U.S.C. 2701 et seq.)" in paragraphs (2)(A) and (3)(A) and inserting in lieu thereof "(20 U.S.C. 6301 et seq.)"; and

(B) in subsection (e)(1)(B), by striking out "not later than one year after the date of the enactment of the National Defense Authorization Act for Fiscal Year 1995" and inserting in lieu thereof "not later than October 5, 1995".

(12) Section 1152(g)(2) is amended by striking out "not later than 180 days after the date of the enactment of the National Defense Authorization Act for Fiscal Year 1995" and inserting in lieu thereof "not later than April 3, 1994,".

(13) Section 1177(b)(2) is amended by striking out "provison of law" and inserting in lieu thereof "provision of law".

(14) The heading for chapter 67 is amended by striking out "**NONREGULAR**" and inserting in lieu thereof "**NON-REGULAR**".

(15) Section 1598(a)(2)(A) is amended by striking out "2701" and inserting in lieu thereof "6301".

(16) Section 1745(a) is amended by striking out "section 4107(d)" both places it appears and inserting in lieu thereof "section 4107(b)".

(17) Section 1746(a) is amended—

(A) by striking out "(1)" before "The Secretary of Defense"; and

(B) by redesignating subparagraphs (A) and (B) as paragraphs (1) and (2), respectively.

(18) Section 2006(b)(2)(B)(ii) is amended by striking out "section 1412 of such title" and inserting in lieu thereof "section 3012 of such title".

(19) Section 2011(a) is amended by striking out "TO" and inserting in lieu thereof "To".

(20) Section 2194(e) is amended by striking out "(20 U.S.C. 2891(12))" and inserting in lieu thereof "(20 U.S.C. 8801)".

(21) Sections 2217(b) and 2220(a)(2) are amended by striking out "Comptroller of the Department of Defense" and inserting in lieu thereof "Under Secretary of Defense (Comptroller)".

(22) Section 2401(c)(2) is amended by striking out "pursuant to" and all that follows through "September 24, 1983,".

(23) Section 2410f(b) is amended by striking out "For purposes of" and inserting in lieu thereof "In".

(24) Section 2410j(a)(2)(A) is amended by striking out "2701" and inserting in lieu thereof "6301".

(25) Section 2457(e) is amended by striking out "title III of the Act of March 3, 1933 (41 U.S.C. 10a)," and inserting in lieu thereof "the Buy American Act (41 U.S.C. 10a)".

(26) Section 2465(b)(3) is amended by striking out "under contract" and all that follows through the period and inserting in lieu thereof "under contract on September 24, 1983.".

(27) Section 2471(b) is amended—

(A) in paragraph (2), by inserting "by" after "as determined"; and

(B) in paragraph (3), by inserting "of" after "arising out".

(28) Section 2524(e)(4)(B) is amended by inserting a comma before "with respect to".

(29) The heading of section 2525 is amended by capitalizing the initial letter of the second, fourth, and fifth words.

(30) Chapter 152 is amended by striking out the table of subchapters at the beginning and the headings for subchapters I and II.

(31) Section 2534(c) is amended by capitalizing the initial letter of the third and fourth words of the subsection heading.

(32) Section 2705(d)(2) is amended by striking out "the date of the enactment of this section" and inserting in lieu thereof "October 5, 1994".

(33) The table of sections at the beginning of subchapter I of chapter 169 is amended by adding a period at the end of the item relating to section 2811.

(b) OTHER SUBTITLES.—Subtitles B, C, and D of title 10, United States Code, are amended as follows:

(1) Sections 3022(a)(1), 5025(a)(1), and 8022(a)(1) are amended by striking out "Comptroller of the Department of Defense" and inserting in lieu thereof "Under Secretary of Defense (Comptroller)".

(2) Section 6241 is amended by inserting "or" at the end of paragraph (2).

(3) Section 6333(a) is amended by striking out the first period after "section 1405" in formula C in the table under the column designated "Column 2".

(4) The item relating to section 7428 in the table of sections at the beginning of chapter 641 is amended by striking out "Agreement" and inserting in lieu thereof "Agreements".

(5) The item relating to section 7577 in the table of sections at the beginning of chapter 649 is amended by striking out "Officers" and inserting in lieu thereof "officers".

(6) The center heading for part IV in the table of chapters at the beginning of subtitle D is amended by inserting a comma after "SUPPLY".

SEC. 1105. MISCELLANEOUS AMENDMENTS TO ANNUAL DEFENSE AUTHORIZATION ACTS.

(a) PUBLIC LAW 103-337.—Effective as of October 5, 1994, and as if included therein as enacted, the National Defense Authorization Act for Fiscal Year 1995 (Public Law 103-337) is amended as follows:

(1) Section 322(1) (108 Stat. 2711) is amended by striking out "SERVICE" in both sets of quoted matter and inserting in lieu thereof "SERVICES".

(2) Section 531(g)(2) (108 Stat. 2758) is amended by inserting "item relating to section 1034 in the" after "The".

(3) Section 541(c)(1) is amended—

(A) in subparagraph (B), by inserting a comma after "chief warrant officer"; and

(B) in the matter after subparagraph (C), by striking out "this".

(4) Section 721(f)(2) (108 Stat. 2806) is amended by striking out "revaluated" and inserting in lieu thereof "reevaluated".

(5) Section 722(d)(2) (108 Stat. 2808) is amended by striking out "National Academy of Science" and inserting in lieu thereof "National Academy of Sciences".

(6) Section 904(d) (108 Stat. 2827) is amended by striking out "subsection (c)" the first place it appears and inserting in lieu thereof "subsection (b)".

(7) Section 1202 (108 Stat. 2882) is amended—

(A) by striking out "(title XII of Public Law 103-60" and inserting in lieu thereof "(title XII of Public Law 103-160"; and

(B) in paragraph (2), by inserting "in the first sentence" before "and inserting in lieu thereof".

(8) Section 1312(a)(2) (108 Stat. 2894) is amended by striking out "adding at the end" and inserting in lieu thereof "inserting after the item relating to section 123a".

(9) Section 2813(c) (108 Stat. 3055) is amended by striking out "above paragraph (1)" both places it appears and inserting in lieu thereof "preceding subparagraph (A)".

(b) PUBLIC LAW 103–160.—The National Defense Authorization Act for Fiscal Year 1994 (Public Law 103–160) is amended in section 1603(d) (22 U.S.C. 2751 note)—

(1) in the matter preceding paragraph (1), by striking out the second comma after "Not later than April 30 of each year";

(2) in paragraph (4), by striking out "contributes" and inserting in lieu thereof "contribute"; and

(3) in paragraph (5), by striking out "is" and inserting in lieu thereof "are".

(c) PUBLIC LAW 102–484.—The National Defense Authorization Act for Fiscal Year 1993 (Public Law 102–484) is amended as follows:

(1) Section 326(a)(5) (106 Stat. 2370; 10 U.S.C. 2301 note) is amended by inserting "report" after "each".

(2) Section 4403(a) (10 U.S.C. 1293 note) is amended by striking out "through 1995" and inserting in lieu thereof "through fiscal year 1999".

(d) PUBLIC LAW 102–190.—Section 1097(d) of the National Defense Authorization Act for Fiscal Years 1992 and 1993 (Public Law 102–190; 105 Stat. 1490) is amended by striking out "the Federal Republic of Germany, France" and inserting in lieu thereof "France, Germany".

SEC. 1106. MISCELLANEOUS AMENDMENTS TO FEDERAL ACQUISITION LAWS.

(a) OFFICE OF FEDERAL PROCUREMENT POLICY ACT.—The Office of Federal Procurement Policy Act (41 U.S.C. 401 et seq.) is amended as follows:

(1) Section 6(b) (41 U.S.C. 405(b)) is amended by striking out the second comma after "under subsection (a)" in the first sentence.

(2) Section 18(a) (41 U.S.C. 416(a)) is amended in paragraph (1)(B) by striking out "described in subsection (f)" and inserting in lieu thereof "described in subsection (b)".

(3) Section 25(b)(2) (41 U.S.C. 421(b)(2)) is amended by striking out "Under Secretary of Defense for Acquisition" and inserting in lieu thereof "Under Secretary of Defense for Acquisition and Technology".

(b) OTHER LAWS.—

(1) Section 11(2) of the Inspector General Act of 1978 (5 U.S.C. App.) is amended by striking out the second comma after "Community Service".

(2) Section 908(e) of the Defense Acquisition Improvement Act of 1986 (10 U.S.C. 2326 note) is amended by striking out "section 2325(g)" and inserting in lieu thereof "section 2326(g)".

(3) Effective as of August 9, 1989, and as if included therein as enacted, Public Law 101–73 is amended in section 501(b)(1)(A) (103 Stat. 393) by striking out "be," and inserting in lieu thereof "be;" in the second quoted matter therein.

(4) Section 3732(a) of the Revised Statutes (41 U.S.C. 11(a)) is amended by striking out the second comma after "quarters".

(5) Section 2 of the Contract Disputes Act of 1978 (41 U.S.C. 601) is amended in paragraphs (3), (5), (6), and (7), by striking out "The" and inserting in lieu thereof "the".

(6) Section 13 of the Contract Disputes Act of 1978 (41 U.S.C. 612) is amended—

(A) in subsection (a), by striking out "section 1302 of the Act of July 27, 1956, (70 Stat. 694, as amended; 31 U.S.C. 724a)" and inserting in lieu thereof "section 1304 of title 31, United States Code"; and

(B) in subsection (c), by striking out "section 1302 of the Act of July 27, 1956, (70 Stat. 694, as amended; 31 U.S.C. 724a)" and inserting in lieu thereof "section 1304 of title 31, United States Code,".

SEC. 1107. MISCELLANEOUS AMENDMENTS TO OTHER LAWS.

(a) OFFICER PERSONNEL ACT OF 1947.—Section 437 of the Officer Personnel Act of 1947 is repealed.

(b) TITLE 5, UNITED STATES CODE.—Title 5, United States Code, is amended—

(1) in section 8171—

(A) in subsection (a), by striking out "903(3)" and inserting in lieu thereof "903(a)";

(B) in subsection (c)(1), by inserting "section" before "39(b)"; and

(C) in subsection (d), by striking out "(33 U.S.C. 18 and 21, respectively)" and inserting in lieu thereof "(33 U.S.C. 918 and 921)";

(2) in sections 8172 and 8173, by striking out "(33 U.S.C. 2(2))" and inserting in lieu thereof "(33 U.S.C. 902(2))"; and

(3) in section 8339(d)(7), by striking out "Court of Military Appeals" and inserting in lieu thereof "Court of Appeals for the Armed Forces".

(c) PUBLIC LAW 90–485.—Effective as of August 13, 1968, and as if included therein as originally enacted, section 1(6) of Public Law 90–485 (82 Stat. 753) is amended—

(1) by striking out the close quotation marks after the end of clause (4) of the matter inserted by the amendment made by that section; and

(2) by adding close quotation marks at the end.

(d) TITLE 37, UNITED STATES CODE.—Section 406(b)(1)(E) of title 37, United States Code, is amended by striking out "of this paragraph".

(e) BASE CLOSURE ACT.—Section 2910 of the Defense Base Closure and Realignment Act of 1990 (part A of title XXIX of Public Law 101–510; 10 U.S.C. 2687 note) is amended—

(1) by redesignating the second paragraph (10), as added by section 2(b) of the Base Closure Community Redevelopment and Homeless Assistance Act of 1994 (Public Law 103–421; 108 Stat. 4352), as paragraph (11); and

(2) in paragraph (11), as so redesignated, by striking out "section 501(h)(4)" and "11411(h)(4)" and inserting in lieu thereof "501(i)(4)" and "11411(i)(4)", respectively.

(f) PUBLIC LAW 103–421.—Section 2(e)(5) of Public Law 103–421 (108 Stat. 4354) is amended—

(1) by striking out "(A)" after "(5)"; and

(2) by striking out "clause" in subparagraph (B)(iv) and inserting in lieu thereof "clauses".

SEC. 1108. COORDINATION WITH OTHER AMENDMENTS.

For purposes of applying amendments made by provisions of this Act other than provisions of this title, this title shall be treated as having been enacted immediately before the other provisions of this Act.

MILITARY CONSTRUCTION AUTHORIZATION ACT FOR FISCAL YEAR 1996

The text of the bill (S. 1125) to authorize appropriations for fiscal year 1996 for military construction, and for other purposes, as passed by the Senate on September 6, 1995, is as follows:

S. 1125

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SEC. 2001. SHORT TITLE.

This Act may be cited as the "Military Construction Authorization Act for Fiscal Year 1996".

SEC. 2002. TABLE OF CONTENTS.

The table of contents for the Act is as follows:

Sec. 2001. Short title.
Sec. 2002. Table of contents.

TITLE XXI—ARMY

Sec. 2101. Authorized Army construction and land acquisition projects.
Sec. 2102. Family housing.
Sec. 2103. Improvements to military family housing units.
Sec. 2104. Authorization of appropriations, Army.
Sec. 2105. Reduction in amounts authorized to be appropriated for fiscal year 1992 military construction projects.

TITLE XXII—NAVY

Sec. 2201. Authorized Navy construction and land acquisition projects.
Sec. 2202. Family housing.
Sec. 2203. Improvements to military family housing units.
Sec. 2204. Authorization of appropriations, Navy.
Sec. 2205. Revision of fiscal year 1995 authorization of appropriations to clarify availability of funds for Large Anechoic Chamber, Patuxent River Naval Warfare Center, Maryland.
Sec. 2206. Authority to carry out land acquisition project, Norfolk Naval Base, Virginia.
Sec. 2207. Acquisition of land, Henderson Hall, Arlington, Virginia.

TITLE XXIII—AIR FORCE

Sec. 2301. Authorized Air Force construction and land acquisition projects.
Sec. 2302. Family housing.
Sec. 2303. Improvements to military family housing units.
Sec. 2304. Authorization of appropriations, Air Force.
Sec. 2305. Reduction in amounts authorized to be appropriated for fiscal year 1992 military construction projects.

TITLE XXIV—DEFENSE AGENCIES

Sec. 2401. Authorized Defense Agencies construction and land acquisition projects.
Sec. 2402. Military housing private investment.
Sec. 2403. Improvements to military family housing units.
Sec. 2404. Energy conservation projects.
Sec. 2405. Authorization of appropriations, Defense Agencies.
Sec. 2406. Modification of authority to carry out fiscal year 1995 projects.
Sec. 2407. Reduction in amounts authorized to be appropriated for prior year military construction projects.

TITLE XXV—NORTH ATLANTIC TREATY ORGANIZATION INFRASTRUCTURE

Sec. 2501. Authorized NATO construction and land acquisition projects.
Sec. 2502. Authorization of appropriations, NATO.

TITLE XXVI—GUARD AND RESERVE FORCES FACILITIES

Sec. 2601. Authorized Guard and Reserve construction and land acquisition projects.

Sec. 2602. Reduction in amount authorized to be appropriated for fiscal year 1994 Air National Guard projects.

TITLE XXVII—EXPIRATION AND EXTENSION OF AUTHORIZATIONS

Sec. 2701. Expiration of authorizations and amounts required to be specified by law.
Sec. 2702. Extension of authorizations of certain fiscal year 1993 projects.
Sec. 2703. Extension of authorizations of certain fiscal year 1992 projects.
Sec. 2704. Effective date.

TITLE XXVIII—GENERAL PROVISIONS

Subtitle A—Military Construction Program and Military Family Housing Changes

Sec. 2801. Special threshold for unspecified minor construction projects to correct life, health, or safety deficiencies.
Sec. 2802. Clarification of scope of unspecified minor construction authority.
Sec. 2803. Temporary waiver of net floor area limitation for family housing acquired in lieu of construction.
Sec. 2804. Reestablishment of authority to waive net floor area limitation on acquisition by purchase of certain military family housing.
Sec. 2805. Temporary waiver of limitations on space by pay grade for military family housing units.
Sec. 2806. Increase in number of family housing units subject to foreign country maximum lease amount.
Sec. 2807. Expansion of authority for limited partnerships for development of military family housing.
Sec. 2808. Clarification of scope of report requirement on cost increases under contracts for military family housing construction.
Sec. 2809. Authority to convey damaged or deteriorated military family housing.
Sec. 2810. Energy and water conservation savings for the Department of Defense.
Sec. 2811. Alternative authority for construction and improvement of military housing.
Sec. 2812. Permanent authority to enter into leases of land for special operations activities.
Sec. 2813. Authority to use funds for certain educational purposes.

Subtitle B—Defense Base Closure and Realignment

Sec. 2821. In-kind consideration for leases at installations to be closed or realigned.
Sec. 2822. Clarification of authority regarding contracts for community services at installations being closed.
Sec. 2823. Clarification of funding for environmental restoration at installations approved for closure or realignment in 1995.
Sec. 2824. Authority to lease property requiring environmental remediation at installations approved for closure.
Sec. 2825. Final funding for Defense Base Closure and Realignment Commission.
Sec. 2826. Improvement of base closure and realignment process.
Sec. 2827. Exercise of authority delegated by the Administrator of General Services.
Sec. 2828. Lease back of property disposed from installations approved for closure or realignment.
Sec. 2829. Proceeds of leases at installations approved for closure or realignment.
Sec. 2830. Consolidation of disposal of property and facilities at Fort Holabird, Maryland.
Sec. 2830A. Land conveyance, property underlying Cummins Apartment Complex, Fort Holabird, Maryland.
Sec. 2830B. Interim leases of property approved for closure or realignment.
Sec. 2830C. Sense of the Congress regarding Fitzsimons Army Medical Center, Colorado.

Subtitle C—Land Conveyances

Sec. 2831. Land acquisition or exchange, Shaw Air Force Base, South Carolina.
Sec. 2832. Authority for Port Authority of State of Mississippi to use certain Navy property in Gulfport, Mississippi.
Sec. 2833. Conveyance of resource recovery facility, Fort Dix, New Jersey.
Sec. 2834. Conveyance of water and wastewater treatment plants, Fort Gordon, Georgia.
Sec. 2835. Conveyance of water treatment plant, Fort Pickett, Virginia.
Sec. 2836. Conveyance of electric power distribution system, Fort Irwin, California.
Sec. 2837. Land exchange, Fort Lewis, Washington.
Sec. 2838. Land conveyance, Naval Surface Warfare Center, Memphis, Tennessee.
Sec. 2839. Land conveyance, Radar Bomb Scoring Site, Forsyth, Montana.
Sec. 2840. Land conveyance, Radar Bomb Scoring Site, Powell, Wyoming.
Sec. 2841. Report on disposal of property, Fort Ord Military Complex, California.
Sec. 2842. Land conveyance, Navy property, Fort Sheridan, Illinois.
Sec. 2843. Land conveyance, Army Reserve property, Fort Sheridan, Illinois.
Sec. 2844. Land conveyance, Naval Communications Station, Stockton, California.
Sec. 2845. Land conveyance, William Langer Jewel Bearing Plant, Rolla, North Dakota.
Sec. 2846. Land exchange, United States Army Reserve Center, Gainesville, Georgia.

Subtitle D—Transfer of Jurisdiction and Establishment of Midewin National Tallgrass Prairie

Sec. 2851. Short title.
Sec. 2852. Definitions.
Sec. 2853. Establishment of Midewin National Tallgrass Prairie.
Sec. 2854. Transfer of management responsibilities and jurisdiction over Arsenal.
Sec. 2855. Disposal for industrial parks, a county landfill, and a national veterans cemetery and to the Administrator of General Services.
Sec. 2856. Continuation of responsibility and liability of the Secretary of the Army for environmental cleanup.
Sec. 2857. Degree of environmental cleanup.

Subtitle E—Other Matters

Sec. 2861. Department of Defense laboratory revitalization demonstration program.
Sec. 2862. Prohibition on joint civil aviation use of Miramar Naval Air Station, California.
Sec. 2863. Report on agreement relating to conveyance of land, Fort Belvoir, Virginia.
Sec. 2864. Residual value report.
Sec. 2865. Renovation of the Pentagon Reservation.

SEC. 2001. SHORT TITLE.

This division may be cited as the "Military Construction Authorization Act for Fiscal Year 1996".

TITLE XXI—ARMY

SEC. 2101. AUTHORIZED ARMY CONSTRUCTION AND LAND ACQUISITION PROJECTS.

(a) INSIDE THE UNITED STATES.—Using amounts appropriated pursuant to the authorization of appropriations in section 2104(a)(1), the Secretary of the Army may acquire real property and carry out military construction projects for the installations and locations inside the United States, and in the amounts, set forth in the following table:

Army: Inside the United States

State	Installation or Location	Amount
Arizona	Fort Huachuca	$16,000,000
California	Fort Irwin	$15,500,000
	Presidio of San Francisco	$3,000,000
Colorado	Fort Carson	$10,850,000
District of Columbia	Fort McNair	$13,500,000
	Walter Reed Army Medical Center	$4,300,000
Georgia	Fort Benning	$37,900,000
	Fort Gordon	$5,750,000
	Fort Stewart	$8,400,000
Hawaii	Schofield Barracks	$35,000,000
Kansas	Fort Riley	$15,300,000
Kentucky	Fort Campbell	$10,000,000
	Fort Knox	$5,600,000
New York	Watervliet Arsenal	$680,000

Army: Inside the United States—Continued

State	Installation or Location	Amount
North Carolina	Fort Bragg	$29,700,000
Oklahoma	Fort Sill	$6,300,000
South Carolina	Naval Weapons Station, Charleston	$25,700,000
	Fort Jackson	$32,000,000
Texas	Fort Hood	$32,500,000
	Fort Bliss	$48,000,000
Virginia	Fort Eustis	$16,400,000
Washington	Fort Lewis	$32,100,000
CONUS Classified	Classified Location	$1,900,000

(b) OUTSIDE THE UNITED STATES.—Using amount appropriated pursuant to the authorization of appropriations in section 2104(a)(2), the Secretary of the Army may acquire real property and carry out military construction projects for the installations and locations outside of the United States, and in the amounts, set forth in the following table:

Army: Outside the United States

Country	Installation or Location	Amount
Korea	Camp Casey	$4,150,000
	Camp Hovey	$13,500,000
	Camp Pelham	$5,600,000
	Camp Stanley	$6,800,000
	Yongsan	$4,500,000
Overseas Classified	Classified Location	$48,000,000
Worldwide	Host Nation Support	$20,000,000

SEC. 2102. FAMILY HOUSING.

(a) CONSTRUCTION AND ACQUISITION.—Using amounts appropriated pursuant to the authorization of appropriations in section 2104(a)(5)(A), the Secretary of the Army may construct or acquire family housing units (including land acquisition) at the installations, for the purposes, and in the amounts set forth in the following table:

Army: Family Housing

State	Installations	Purpose	Amount
Alaska	Fort Wainwright	Whole neighborhood revitalization.	$7,300,000
New Mexico	White Sands Missile Range	Whole neighborhood revitalization.	$3,400,000
New York	United States Military Academy, West Point	119 Units	$16,500,000
Washington	Fort Lewis	84 Units	$10,800,000

(b) PLANNING AND DESIGN.—Using amounts appropriated pursuant to the authorization of appropriations in section 2104(a)(5)(A), the Secretary of the Army may carry out architectural and engineering services and construction design activities with respect to the construction or improvement of family housing units in an amount not to exceed $2,340,000.

SEC. 2103. IMPROVEMENTS TO MILITARY FAMILY HOUSING UNITS.

Subject to section 2825 of title 10, United States Code, and using amounts appropriated pursuant to the authorization of appropriations in sections 2104(a)(5)(A), the Secretary of the Army may improve existing military family housing units in an amount not to exceed $26,212,000.

SEC. 2104. AUTHORIZATION OF APPROPRIATIONS, ARMY.

(a) IN GENERAL.—Funds are hereby authorized to be appropriated for fiscal years beginning after September 30, 1995, for military construction, land acquisition, and military family housing functions of the Department of the Army in the total amount of $2,033,858,000 as follows:

(1) For military construction projects inside the United States authorized by section 2101(a), $406,380,000.

(2) For military construction projects outside the United States authorized by section 2101(b), $102,550,000.

(3) For unspecified minor construction projects authorized by section 2805 of title 10, United States Code, $9,000,000.

(4) For architectural and engineering service and construction design under section 2807 of title 10, United States Code, $36,194,000.

(5) For military family housing functions:

(A) For construction and acquisition, planning and design, and improvement of military family housing and facilities, $66,552,000.

(B) For support of military family housing (including the functions described in section 2833 of title 10, United States Code), $1,337,596,000.

(6) For the Homeowners Assistance Program as authorized by section 2832 of title 10, United States Code, $75,586,000, to remain available until expended.

(b) LIMITATION ON TOTAL COST OF CONSTRUCTION PROJECTS.—Notwithstanding the cost variations authorized by section 2853 of title 10, United States Code, and any other cost variation authorized by law, the total cost of all projects carried out under section 2101 of this Act may not exceed the total amount authorized to be appropriated under paragraphs (1) and (2) of subsection (a).

SEC. 2105. REDUCTION IN AMOUNTS AUTHORIZED TO BE APPROPRIATED FOR FISCAL YEAR 1992 MILITARY CONSTRUCTION PROJECTS.

Section 2105(a) of the Military Construction Authorization Act for Fiscal Year 1992 (division B of Public Law 102–190; 105 Stat. 1511), as amended by section 2105(b)(2)(A) of the Military Construction Authorization Act for Fiscal Year 1994 (division B of Public Law 103–160; 107 Stat. 1859), is further amended in the matter preceding paragraph (1) by striking out "$2,571,974,000" and insert in lieu thereof "$2,565,729,000".

TITLE XXII—NAVY

SEC. 2201. AUTHORIZED NAVY CONSTRUCTION AND LAND ACQUISITION PROJECTS

(a) INSIDE THE UNITED STATES.—Using amounts appropriated pursuant to the authorization of appropriations in section 2204(a)(1), the Secretary of the Navy may acquire real property and carry out military construction projects for the installations and locations inside the United States, and in the amounts, set forth in the following table:

Navy: Inside the United States

State	Installation or Location	Amount
California	Camp Pendleton Marine Corps Base	$27,584,000
	China Lake Naval Air Warfare Center Weapons Division	$3,700,000
	Lemoore Naval Air Station	$7,600,000
	North Island Naval Air Station	$99,150,000
	Point Mugu Naval Air Warfare Center Weapons Division	$1,300,000
	San Diego Naval Command, Control, and Ocean Surveillance Center	$3,170,000
	San Diego Naval Station	$19,960,000
	Twentynine Palms Marine Corps Air-Ground Combat Center	$2,490,000
Florida	Eglin Air Force Base, Naval School Explosive Ordnance Disposal	$16,150,000
	Pensacola Naval Technical Training Center, Corry Station	$2,565,000

Navy: Inside the United States—Continued

State	Installation or Location	Amount
Georgia	Kings Bay Strategic Weapons Facility, Atlantic	$2,450,000
Hawaii	Honolulu Naval Computer and Telecommunications Area, Master Station Eastern Pacific	$1,980,000
	Pearl Harbor Intelligence Center Pacific	$2,200,000
	Pearl Harbor Naval Submarine Base	$22,500,000
Illinois	Great Lakes Naval Training Center	$12,440,000
Maryland	United States Naval Academy	$3,600,000
New Jersey	Lakehurst Naval Air Warfare Center Aircraft Division	$1,700,000
North Carolina	Camp LeJeune Marine Corps Base	$59,300,000
	Cherry Point Marine Corps Air Station	$11,430,000
	New River Marine Corps Air Station	$14,650,000
South Carolina	Beaufort Marine Corps Air Station	$15,000,000
Virginia	Henderson Hall, Arlington	$1,900,000
	Norfolk Naval Station	$10,580,000
	Portsmouth Naval Hospital	$9,500,000
	Quantico Marine Corps Combat Development Command	$3,500,000
	Williamsburg Fleet and Industrial Supply Center	$8,390,000
	Yorktown Naval Weapons Station	$1,300,000
Washington	Bremerton Puget Sound Naval Shipyard	$19,870,000
	Keyport Naval Undersea Warfare Center Division	$5,300,000
West Virginia	Naval Security Group Detachment, Sugar Grove	$7,200,000
CONUS Classified	Classified location	$1,200,000

(b) OUTSIDE THE UNITED STATES.—Using amounts appropriated pursuant to the authorization of appropriations in section 2204(a)(2), the Secretary of the Navy may acquire real property and carry out military construction projects for the installations and locations outside the United States, and in the amounts, set forth in the following table:

Navy: Outside the United States

Country	Installation or Location	Amount
Guam	Guam Navy Public Works Center	$16,180,000
	Naval Computer and Telecommunications Area, Master Station Western Pacific	$2,250,000
Italy	Naples Naval Support Activity	$24,950,000
	Sigonella Naval Air Station	$12,170,000
Puerto Rico	Roosevelt Roads Naval Station	$11,500,000
	Sabana Seca Naval Security Group Activity	$2,200,000

SEC. 2202. FAMILY HOUSING.

(a) CONSTRUCTION AND ACQUISITION.—Using amounts appropriated pursuant to the authorization of appropriations in section 2204(a)(6)(A), the Secretary of the Navy may construct or acquire family housing units (including land acquisition) at the installations, for the purposes, and in the amounts set forth in the following table:

Navy: Family Housing

State/Country	Installation	Purpose	Amount
California	Camp Pendleton Marine Corps Base	69 units	$10,000,000
	Camp Pendleton Marine Corps Base	Community Center	$1,438,000
	Camp Pendleton Marine Corps Base	Housing Office	$707,000
	Lemoore Naval Air Station	240 units	$34,900,000
	Point Mugu Pacific Missile Test Center	Housing Office	$1,020,000
	San Diego Public Works Center	346 units	$49,310,000
Hawaii	Oahu Naval Complex	252 units	$48,400,000
Maryland	Patuxent River Naval Air Test Center	Warehouse	$890,000
	United States Naval Academy	Housing Office	$800,000
North Carolina	Cherry Point Marine Corps Air Station	Community Center	$1,003,000
Pennsylvania	Mechanicsburg Navy Ships Parts Control Center	Housing Office	$300,000
Puerto Rico	Roosevelt Roads Naval Station	Housing Office	$710,000
Virginia	Dahlgren Naval Surface Warfare Center	Housing Office	$520,000
	Norfolk Public Works Center	320 units	$42,500,000
	Norfolk Public Works Center	Housing Office	$1,390,000
Washington	Bangor Naval Submarine Base	141 units	$4,890,000
West Virginia	Naval Security Group Detachment, Sugar Grove	23 units	$3,590,000

(b) PLANNING AND DESIGN.—Using amounts appropriated pursuant to the authorization of appropriation in section 2204(a)(6)(A), the Secretary of the Navy may carry out architectural and engineering services and construction design activities with respect to the construction or improvement of military family housing units in an amount not to exceed $24,390,000.

SEC. 2203. IMPROVEMENTS TO MILITARY FAMILY HOUSING UNITS.

Subject to section 2825 of title 10, United States Code, and using amounts appropriated pursuant to the authorization of appropriations in section 2204(a)(6)(A), the Secretary of the Navy may improve existing military family housing units in an amount not to exceed $259,489,000.

SEC. 2204. AUTHORIZATION OF APPROPRIATIONS, NAVY.

(a) IN GENERAL.—Funds are hereby authorized to be appropriated for fiscal years beginning after September 30, 1995, for military construction, land acquisition, and military family housing functions of the Department of the Navy in the total amount of $2,077,459,000 as follows:

(1) For military construction projects inside the United States authorized by section 2201(a), $399,659,000.

(2) For military construction projects outside the United States authorized by section 2201(b), $69,250,000.

(3) For the military construction project at Newport Naval War College, Rhode Island, authorized by section 2201(a) of the Military Construction Authorization Act for Fiscal Year 1995 (division B of Public Law 103–337; 108 Stat. 3031), $18,000,000.

(4) For unspecified minor construction projects authorized by section 2805 of title 10, United States Code, $7,200,000.

(5) For architectural and engineering services and construction design under section 2807 of title 10, United States Code, $48,774,000.

(6) For military family housing functions:

(A) For construction and acquisition, planning and design, and improvement of military family housing and facilities, $486,247,000.

(B) For support of military housing (including functions described in section 2833 of title 10, United States Code), $1,048,329,000.

(b) LIMITATION ON TOTAL COST OF CONSTRUCTION PROJECTS.—Notwithstanding the cost variations authorized by section 2853 of title 10, United States Code, and any other cost variation authorized by law, the total cost of all projects carried out under section 2201 of this Act may not exceed the total amount authorized to be appropriated under paragraphs (1) and (2) of subsection (a).

SEC. 2205. REVISION OF FISCAL YEAR 1995 AUTHORIZATION OF APPROPRIATIONS TO CLARIFY AVAILABILITY OF FUNDS FOR LARGE ANECHOIC CHAMBER, PATUXENT RIVER NAVAL WARFARE CENTER, MARYLAND.

Section 2204(a) of the Military Construction Authorization Act for Fiscal Year 1995 (division B of Public Law 103-337; 108 Stat. 3033) is amended—

(1) in the matter preceding paragraph (1), by striking out "$1,591,824,000" and inserting in lieu thereof "$1,601,824,000" and

(2) in paragraph (1), by striking out "$309,070,000" and inserting in lieu thereof "$319,070,000".

SEC. 2206. AUTHORITY TO CARRY OUT LAND ACQUISITION PROJECT, NORFOLK NAVAL BASE, VIRGINIA.

(a) AUTHORIZATION.—The table in section 2201(a) of the Military Construction Authorization Act for Fiscal Year 1993 (division B of Public Law 102-484; 106 Stat. 2589) is amended—

(1) in the item relating to Damneck, Fleet Combat Training Center, Virginia, by striking out "$19,427,000" in the amount column and inserting in lieu thereof "$14,927,000"; and

(2) by inserting after the item relating to Norfolk, Naval Air Station, Virginia, the following new item:

	Norfolk, Naval Base	$4,500,000

(b) EXTENSION OF PROJECT AUTHORIZATION.—Notwithstanding section 2701(a) of the Military Construction Authorization Act for Fiscal Year 1993 (106 Stat. 2602), the authorization for the project for Norfolk Naval Base, Virginia, as provided in section 2201(a) of that Act, as amended by subsection (a), shall remain in effect until October 1, 1996, or the date of the enactment of an Act authorizing funds for military construction for fiscal year 1997, whichever is later.

SEC. 2207. ACQUISITION OF LAND, HENDERSON HALL, ARLINGTON, VIRGINIA.

(a) AUTHORITY TO ACQUIRE.—Using funds available under section 2201(a), the Secretary of the Navy may acquire all right, title, and interest of any party in and to a parcel of real property, including an abandoned mausoleum, consisting of approximately 0.75 acres and located in Arlington, Virginia, the site of Henderson Hall.

(b) DEMOLITION OF MAUSOLEUM.—Using funds available under section 2201(a), the Secretary may—

(1) demolish the mausoleum located on the parcel acquired under subsection (a); and

(2) provide for the removal and disposition in an appropriate manner of the remains contained in the mausoleum.

(c) AUTHORITY TO DESIGN PUBLIC WORKS FACILITY.—Using funds available under section 2201(a), the Secretary may obtain architectural and engineering services and construction design for a warehouse and office facility for the Marine Corps to be constructed on the property acquired under subsection (a).

(d) DESCRIPTION OF PROPERTY.—The exact acreage and legal description of the real property authorized to be acquired under subsection (a) shall be determined by a survey that is satisfactory to the Secretary. The cost of the survey shall be borne by the Secretary.

(e) ADDITIONAL TERMS AND CONDITIONS.—The Secretary may require such additional terms and conditions in connection with the acquisition under subsection (a) as the Secretary considers appropriate to protect the interests of the United States.

TITLE XXIII—AIR FORCE

SEC. 2301. AUTHORIZED AIR FORCE CONSTRUCTION AND LAND ACQUISITION PROJECTS.

(a) INSIDE THE UNITED STATES.—Using amounts appropriated pursuant to the authorization of appropriations in section 2304(a)(1), the Secretary of the Air Force may acquire real property and carry out military construction projects for the installations and locations inside the United States, and in the amounts, set forth in the following table:

Air Force: Inside the United States

State	Installation or Location	Amount
Alabama	Maxwell Air Force Base	$5,200,000
Alaska	Eielson Air Force Base	$7,850,000
	Elmendorf Air Force Base	$9,100,000
	Tin City Long Range Radar Site	$2,500,000
Arizona	Davis Monthan Air Force Base	$4,800,000
	Luke Air Force Base	$5,200,000
Arkansas	Little Rock Air Force Base	$2,500,000
California	Beale Air Force Base	$7,500,000
	Edwards Air Force Base	$33,800,000
	Travis Air Force Base	$26,700,000
	Vandenberg Air Force Base	$6,000,000
Colorado	Buckley Air National Guard Base	$5,500,000
	Peterson Air Force Base	$4,390,000
	United States Air Force Academy	$9,150,000
Delaware	Dover Air Force Base	$5,500,000
District of Columbia	Bolling Air Force Base	$12,100,000
Florida	Cape Canaveral Air Force Station	$1,600,000
	Eglin Air Force Base	$14,500,000
	Tyndall Air Force Base	$1,200,000
Georgia	Moody Air Force Base	$25,190,000
	Robins Air Force Base	$17,900,000
Hawaii	Hickam Air Force Base	$10,700,000
Idaho	Mountain Home Air Force Base	$25,350,000
Illinois	Scott Air Force Base	$12,700,000
Kansas	McConnell Air Force Base	$9,450,000
Louisiana	Barksdale Air Force Base	$2,500,000
Maryland	Andrews Air Force Base	$12,886,000
Mississippi	Columbus Air Force Base	$1,150,000
	Keesler Air Force Base	$6,500,000
Missouri	Whiteman Air Force Base	$24,600,000
Nevada	Nellis Air Force Base	$20,050,000
New Jersey	McGuire Air Force Base	$16,500,000
New Mexico	Cannon Air Force Base	$10,420,000
	Holloman Air Force Base	$6,000,000
	Kirtland Air Force Base	$9,156,000
North Carolina	Pope Air Force Base	$8,250,000
	Seymour Johnson Air Force Base	$830,000
North Dakota	Grand Forks Air Force Base	$14,800,000
	Minot Air Force Base	$1,550,000
Ohio	Wright-Patterson Air Force Base	$4,100,000
Oklahoma	Altus Air Force Base	$4,800,000
	Tinker Air Force Base	$16,500,000
South Carolina	Charleston Air Force Base	$12,500,000
	Shaw Air Force Base	$1,300,000
South Dakota	Ellsworth Air Force Base	$7,800,000
Tennessee	Arnold Air Force Base	$5,000,000
Texas	Dyess Air Force Base	$5,400,000
	Kelly Air Force Base	$3,244,000
	Laughlin Air Force Base	$1,400,000
	Randolph Air Force Base	$3,100,000
	Reese Air Force Base	$1,200,000
	Sheppard Air Force Base	$1,500,000

Air Force: Inside the United States—Continued

State	Installation or Location	Amount
Utah	Hill Air Force Base	$12,600,000
Virginia	Langley Air Force Base	$1,000,000
Washington	Fairchild Air Force Base	$7,500,000
	McChord Air Force Base	$9,900,000
Wyoming	F.E. Warren Air Force Base	$9,000,000
CONUS Classified	Classified Location	$700,000

(b) OUTSIDE THE UNITED STATES.—Using amounts appropriated pursuant to the authorization of appropriations in section 2304(a)(2), the Secretary of the Air Force may acquire real property and carry out military construction projects for the installations and locations outside the United States, and in the amounts, set forth in the following table:

Air Force: Outside the United States

Country	Installation or Location	Amount
Germany	Spangdahlem Air Base	$8,380,000
	Vogelweh Annex	$2,600,000
Greece	Araxos Radio Relay Site	$1,950,000
Italy	Aviano Air Base	$2,350,000
	Ghedi Radio Relay Site	$1,450,000
Turkey	Ankara Air Station	$7,000,000
	Incirlik Air Base	$4,500,000
United Kingdom	Royal Air Force Lakenheath	$1,820,000
	Royal Air Force Mildenhall	$2,250,000
Outside the United States	Classified Location—Outside the United States	$17,100,000

SEC. 2302. FAMILY HOUSING.

(a) CONSTRUCTION AND ACQUISITION.—Using amounts appropriated pursuant to the authorization of appropriations in section 2304(a)(5)(A), the Secretary of the Air Force may construct or acquire family housing units (including land acquisition) at the installations, for the purposes, and in the amounts set forth in the following table:

Air Force: Family Housing

State/Country	Installation	Purpose	Amount
Alaska	Elmendorf Air Force Base	Housing Office/Maintenance Facility.	$3,000,000
Arizona	Davis Monthan Air Force Base	80 units	$9,498,000
Arkansas	Little Rock Air Force Base	Replace 1 General Officer Quarters.	$210,000
California	Beale Air Force Base	Family Housing Office	$842,000
	Edwards Air Force Base	67 units	$11,350,000
	Vandenberg Air Force Base	Family Housing Office	$900,000
	Vandenberg Air Force Base	143 units	$20,200,000
Colorado	Peterson Air Force Base	Family Housing Office	$570,000
District of Columbia	Bolling Air Force Base	32 units	$4,100,000
Florida	Eglin Air Force Base	Family Housing Office	$500,000
	Eglin Auxiliary Field 9	Family Housing Office/Maintenance Facility.	$880,000
	MacDill Air Force Base	Family Housing Office	$646,000
	Patrick Air Force Base	70 units	$7,947,000
	Tyndall Air Force Base	52 units	$5,500,000
Georgia	Moody Air Force Base	2 Officer and 1 General Officer Quarters.	$513,000
	Robins Air Force Base	83 units	$9,800,000
Idaho	Mountain Home Air Force Base	Housing Management Facility.	$844,000
Kansas	McConnell Air Force Base	39 units	$5,193,000
Louisiana	Barksdale Air Force Base	62 units	$10,299,000
Massachusetts	Hanscom Air Force Base	32 units	$5,200,000
Mississippi	Keesler Air Force Base	98 units	$9,300,000
Missouri	Whiteman Air Force Base	72 units	$9,948,000
Nevada	Nellis Air Force Base	6 units	$1,357,000
	Nellis Air Force Base	57 units	$6,000,000
New Mexico	Holloman Air Force Base	1 General Officer Quarters	$225,000
	Kirtland Air Force Base	105 units	$11,000,000
North Carolina	Pope Air Force Base	104 units	$9,984,000
	Seymour Johnson Air Force Base	1 General Officer Quarters	$204,000
Ohio	Wright-Patterson Air Force Base	66 units	$5,900,000
South Carolina	Shaw Air Force Base	Housing Maintenance Facility.	$715,000
Texas	Dyess Air Force Base	Housing Maintenance Facility.	$580,000
	Lackland Air Force Base	67 units	$6,200,000
	Sheppard Air Force Base	Family Housing Office	$500,000
	Sheppard Air Force Base	Housing Maintenance Facility.	$600,000
Washington	McChord Air Force Base	50 units	$9,504,000
Guam	Andersen Air Force Base	Family Housing Office	$1,700,000
Turkey	Incirlik Air Base	150 units	$10,146,000

(b) PLANNING AND DESIGN.—Using amounts appropriated pursuant to the authorization of appropriations in section 2304(a)(5)(A), the Secretary of the Air Force may carry out architectural and engineering services and construction design activities with respect to the construction or improvement of military family housing units in an amount not to exceed $9,039,000.

SEC. 2303. IMPROVEMENTS TO MILITARY FAMILY HOUSING UNITS.

Subject to section 2825 of title 10, United States Code, and using amounts appropriated pursuant to the authorization of appropriations in section 2304(a)(5)(A), the Secretary of the Air Force may improve existing military family housing units in an amount not to exceed $97,071,000.

SEC. 2304. AUTHORIZATION OF APPROPRIATIONS, AIR FORCE.

(a) IN GENERAL.—Funds are hereby authorized to be appropriated for fiscal years beginning after September 30, 1995, for military construction, land acquisition, and military family housing functions of the Department of the Air Force in the total amount of $1,740,704,000 as follows:

(1) For military construction projects inside the United States authorized by section 2301(a), $510,116,000.

(2) For military construction projects outside the United States authorized by section 2301(b), $49,400,000.

(3) For unspecified minor construction projects authorized by section 2805 of title 10, United States Code, $9,030,000.

(4) For architectural and engineering services and construction design under section 2807 of title 10, United States Code, $34,980,000.

(5) For military housing functions:

(A) For construction and acquisition, planning and design, and improvement of military family housing and facilities, $287,965,000.

(B) For support of military family housing (including the functions described in section 2833 of title 10, United States Code), $849,213,000.

(b) LIMITATION ON TOTAL COST OF CONSTRUCTION PROJECTS.—Notwithstanding the cost variations authorized by section 2853 of title 10, United States Code, and any other cost variation authorized by law, the total cost of all projects carried out under section 2301 of this Act may not exceed the total amount authorized to be appropriated under paragraphs (1) and (2) of subsection (a).

SEC. 2305. REDUCTION IN AMOUNTS AUTHORIZED TO BE APPROPRIATED FOR FISCAL YEAR 1992 MILITARY CONSTRUCTION PROJECTS.

Section 2305(a) of the Military Construction Authorization Act for Fiscal Year 1992 (division B of Public Law 102–190; 105 Stat. 1525), as amended by section 2308(a)(2)(A) of the Military Construction Authorization Act for Fiscal Year 1993 (division B of Public Law 102–484; 106 Stat. 2598) and by section 2305(a)(3)(A) of the Military Construction Authorization Act for Fiscal Year 1994 (division B of Public Law 103–160; 107 Stat. 1871), is further amended in the matter preceding paragraph (1) by striking out "$2,033,833,000" and inserting in lieu thereof "$2,017,828,000".

TITLE XXIV—DEFENSE AGENCIES

SEC. 2401. AUTHORIZED DEFENSE AGENCIES CONSTRUCTION AND LAND ACQUISITION PROJECTS.

(a) INSIDE THE UNITED STATES.—Using amounts appropriated pursuant to section 2405(a)(1), the Secretary of Defense may acquire real property and carry out military construction projects for the installations and locations inside the United States, and in the amounts, set forth in the following table:

Defense Agencies: Inside the United States

Agency	Installation Or Location	Amount
Ballistic Missile Defense Organization:	Fort Bliss, Texas	$13,600,000
Defense Finance & Accounting Service:	Columbus Center, Ohio	$72,403,000
Defense Intelligence Agency:	Bolling Air Force Base, District of Columbia	$1,743,000
Defense Logistics Agency:	Defense Distribution Anniston, Alabama	$3,550,000
	Defense Distribution Stockton, California	$15,000,000
	Defense Fuel Supply Center, Point Mugu, California	$750,000
	Defense Fuel Supply Center, Dover Air Force Base, Delaware	$15,554,000
	Defense Fuel Supply Center, Eglin Air Force Base, Florida	$2,400,000
	Defense Fuel Supply Center, Barksdale Air Force Base, Louisiana	$13,100,000
	Defense Fuel Supply Center, McGuire Air Force Base, New Jersey	$12,000,000
	Defense Distribution Depot, New Cumberland, Pennsylvania	$4,600,000
	Defense Distribution Depot, Norfolk, Virginia	$10,400,000
Defense Mapping Agency:	Defense Mapping Agency Aerospace Center, Missouri	$40,300,000
Defense Medical Facility Office:	Maxwell Air Force Base, Alabama	$10,000,000
	Luke Air Force Base, Arizona	$8,100,000
	Fort Irwin, California	$6,900,000
	Marine Corps Base, Camp Pendleton, California	$1,700,000
	Vandenberg Air Force Base, California	$5,700,000
	Dover Air Force Base, Delaware	$4,400,000
	Fort Benning, Georgia	$5,600,000
	Barksdale Air Force Base, Louisiana	$4,100,000
	Bethesda Naval Hospital, Maryland	$1,300,000
	Walter Reed Army Institute of Research, Maryland	$1,550,000
	Fort Hood, Texas	$5,500,000
	Lackland Air Force Base, Texas	$6,100,000
	Reese Air Force Base, Texas	$1,000,000
	Northwest Naval Security Group Activity, Virginia	$4,300,000
National Security Agency:	Fort Meade, Maryland	$18,733,000
Office of the Secretary of Defense:	Classified Location Inside the United States	$11,500,000
Department of Defense Dependents Schools:	Maxwell Air Force Base, Alabama	$5,479,000
	Fort Benning, Georgia	$1,116,000
	Fort Jackson, South Carolina	$576,000
Special Operations Command:	Marine Corps Air Station, Camp Pendleton, California	$5,200,000
	Eglin Air Force Base, Florida	$2,400,000
	Eglin Auxiliary Field 9, Florida	$14,150,000
	Fort Bragg, North Carolina	$9,400,000
	Olmstead Field, Harrisburg International Airport, Pennsylvania	$1,643,000
	Damneck, Virginia	$4,500,000
	Naval Amphibious Base, Little Creek, Virginia	$6,100,000

(b) OUTSIDE THE UNITED STATES.—Using amounts appropriated pursuant to section 2405(a)(2), the Secretary of Defense may acquire real property and carry out military construction projects for the installations and locations outside the United States, and in the amounts, set forth in the following table:

Defense Agencies: Outside the United States

Agency	Installation or Location	Amount
Defense Logistics Agency:	Defense Fuel Support Point, Roosevelt Roads, Puerto Rico	$6,200,000
	Defense Fuel Supply Center, Rota, Spain	$7,400,000
Defense Medical Facility Office:	Naval Support Activity, Naples, Italy	$5,000,000
Department of Defense Dependents Schools:	Ramstein Air Force Base, Germany	$19,205,000
	Naval Air Station, Sigonella, Italy	$7,595,000
National Security Agency:		

Defense Agencies: Outside the United States—Continued

Agency	Installation or Location	Amount
	Menwith Hill Station, United Kingdom	$677,000
Special Operations Command:	Naval Station, Guam	$8,800,000

SEC. 2402. MILITARY HOUSING PRIVATE INVESTMENT.

(a) AVAILABILITY OF FUNDS FOR INVESTMENT.—Of the amount authorized to be appropriated pursuant to section 2405(a)(11)(A) of this Act, $22,000,000 shall be available for crediting to the Department of Defense Housing Improvement Fund established by section 2883 of title 10, United States Code (as added by section 2811 of this Act).

(b) USE OF FUNDS.—Notwithstanding section 2883(c)(2) of title 10, United States Code (as so added), the Secretary of Defense may use funds credited to the Department of Defense Housing Improvement Fund under subsection (a) to carry out any activities authorized by subchapter IV of chapter 169 of such title (as so added).

SEC. 2403. IMPROVEMENTS TO MILITARY FAMILY HOUSING UNITS.

Subject to section 2825 of title 10, United States Code, and using amounts appropriated pursuant to the authorization of appropriation in section 2405(a)(11)(A), the Secretary of Defense may improve existing military family housing units in an amount not to exceed $3,772,000.

SEC. 2404. ENERGY CONSERVATION PROJECTS.

Using amounts appropriated pursuant to the authorization of appropriations in section 2405(a)(9), the Secretary of Defense may carry out energy conservation projects under section 2865 of title 10, United States Code.

SEC. 2405. AUTHORIZATION OF APPROPRIATIONS, DEFENSE AGENCIES.

(a) IN GENERAL.—Funds are hereby authorized to be appropriated for fiscal years beginning after September 30, 1995, for military construction, land acquisition, and military family housing functions of the Department of Defense (other than the military departments), in the total amount of $4,493,583,000 as follows:

(1) For military construction projects inside the United States authorized by section 2401(a), $317,444,000.

(2) For military construction projects outside the United States authorized by section 2401(b), $54,877,000.

(3) For military construction projects at Portsmouth Naval Hospital, Virginia, authorized by section 2401(a) of the Military Construction Authorization Act for Fiscal Years 1990 and 1991 (division B of Public Law 101–189; 103 Stat. 1640), $47,900,000.

(4) For military construction projects at Elmendorf Air Force Base, Alaska, hospital replacement, authorized by section 2401(a) of the Military Construction Authorization Act for Fiscal Year 1993 (division B of Public Law 102–484; 106 Stat. 2599), $28,100,000.

(5) For military construction projects at Walter Reed Army Institute of Research, Maryland, authorized by section 2401(a) of the Military Construction Authorization Act for Fiscal Year 1993 (division B of Public Law 102–484; 106 Stat. 2599), $27,000,000.

(6) For unspecified minor construction projects under section 2805 of title 10, United States Code, $23,007,000.

(7) For contingency construction projects of the Secretary of Defense under section 2804 of title 10, United States Code, $11,037,000.

(8) For architectural and engineering services and construction design under section 2807 of title 10, United States Code, $68,837,000.

(9) For energy conservation projects authorized by section 2404, $50,000,000.

(10) For base closure and realignment activities as authorized by the Defense Base Closure and Realignment Act of 1990 (part A of title XXIX of Public Law 101–510; 10 U.S.C. 2687 note), $3,799,192,000.

(11) For military family housing functions:

(A) For construction and acquisition and improvement of military family housing and facilities, $25,772,000.

(B) For support of military housing (including functions described in section 2833 of title 10, United States Code), $30,467,000, of which not more than $24,874,000 may be obligated or expended for the leasing of military family housing units worldwide.

(b) LIMITATION OF TOTAL COST OF CONSTRUCTION PROJECTS.—Notwithstanding the cost variation authorized by section 2853 of title 10, United States Code, and any other cost variations authorized by law, the total cost of all projects carried out under section 2401 of this Act may not exceed—

(1) the total amount authorized to be appropriated under paragraphs (1) and (2) of subsection (a); and

(2) $35,003,000 (the balance of the amount authorized under section 2401(a) for the construction of the Defense Finance and Accounting Service, Columbus Center, Ohio).

SEC. 2406. MODIFICATION OF AUTHORITY TO CARRY OUT FISCAL YEAR 1995 PROJECTS.

The table in section 2401 of the Military Construction Authorization Act for Fiscal Year 1995 (division B of the Public Law 103–337; 108 Stat. 3040) is amended—

(1) in the item relating to Pine Bluff Arsenal, Arkansas, by striking out "$3,000,000" in the amount column and inserting in lieu thereof "$97,000,000"; and

(2) in the item relating to Umatilla Army Depot, Oregon, by striking out "$12,000,000" in the amount column and inserting in lieu thereof "$179,000,000".

SEC. 2407. REDUCTION IN AMOUNTS AUTHORIZED TO BE APPROPRIATED FOR PRIOR YEAR MILITARY CONSTRUCTION PROJECTS.

(a) FISCAL YEAR 1991 AUTHORIZATIONS.—Section 2405(a) of the Military Construction Authorization Act for Fiscal Year 1991 (division B of Public Law 101–510; 104 Stat. 1779), as amended by section 2409(b)(1) of the Military Construction Authorization Act for Fiscal Year 1992 (division B of Public Law 102–190; 105 Stat. 1991), is further amended in the matter preceding paragraph (1) by striking out "$1,644,478,000" and inserting in lieu thereof "$1,641,244,000".

(b) FISCAL YEAR 1992 AUTHORIZATIONS.—Section 2404(a) of the Military Construction Authorization Act for Fiscal Year 1992 (105 Stat. 1531), as amended by section 2404(b)(1)(A) of the Military Construction Authorization Act for Fiscal Year 1994 (division B of Public Law 103–160; 107 Stat. 1877), is further amended in the matter preceding paragraph (1) by striking out "$1,665,440,000" and inserting in lieu thereof "$1,658,640,000".

(c) FISCAL YEAR 1993 AUTHORIZATIONS.—Section 2403(a) of the Military Construction Authorization Act for Fiscal Year 1993 (division B of Public Law 102–484; 106 Stat. 2600) is amended in the matter preceding paragraph (1) by striking out "$2,567,146,000" and inserting in lieu thereof "$2,558,556,000".

TITLE XXV—NORTH ATLANTIC TREATY ORGANIZATION INFRASTRUCTURE

SEC. 2501. AUTHORIZED NATO CONSTRUCTION AND LAND ACQUISITION PROJECTS.

The Secretary of Defense may make contributions for the North Atlantic Treaty Organization Infrastructure Program as provided in section 2806 of title 10, United States Code, in an amount not to exceed the sum of the amount authorized to be appropriated for this purpose in section 2502 and the amount collected from the North Atlantic Treaty Organization as a result of construction previously financed by the United States.

SEC. 2502. AUTHORIZATION OF APPROPRIATIONS, NATO.

Funds are hereby authorized to be appropriated for fiscal years beginning after September 30, 1995, for contributions by the Secretary of Defense under section 2806 of title 10, United States Code, for the share of the United States of the cost of projects for the North Atlantic Treaty Organization Infrastructure Program, as authorized by section 2501, in the amount of $179,000,000.

TITLE XXVI—GUARD AND RESERVE FORCES FACILITIES

SEC. 2601. AUTHORIZED GUARD AND RESERVE CONSTRUCTION AND LAND ACQUISITION PROJECTS.

There are authorized to be appropriated for fiscal years beginning after September 30, 1995, for the costs of acquisition, architectural and engineering services, and construction of facilities for the Guard and Reserve Forces, and for contributions therefore, under chapter 133 of title 10, United State Code (including the cost of acquisition of land for those facilities), the following amounts:

(1) For the Department of the Army—

(A) for the Army National Guard of the United States, $148,589,000; and

(B) for the Army Reserve, $79,895,000.

(2) For the Department of the Navy, for the Naval and Marine Corps Reserve, $7,920,000.

(3) For the Department of the Air Force—

(A) for the Air National Guard of the United States, $167,503,000; and

(B) for the Air Force Reserve, $35,132,000.

SEC. 2602. REDUCTION IN AMOUNT AUTHORIZED TO BE APPROPRIATED FOR FISCAL YEAR 1994 AIR NATIONAL GUARD PROJECTS.

Section 2601(3)(A) of the Military Construction Authorization Act for Fiscal Year 1994 (division B of Public Law 103–160; 107 Stat. 1878) is amended by striking out "$236,341,000" and inserting in lieu thereof "$229,641,000".

TITLE XXVII—EXPIRATION AND EXTENSION OF AUTHORIZATIONS

SEC. 2701. EXPIRATION OF AUTHORIZATIONS AND AMOUNTS REQUIRED TO BE SPECIFIED BY LAW.

(a) EXPIRATION OF AUTHORIZATIONS AFTER THREE YEARS.—Except as provided in subsection (b), all authorizations contained in titles XXI through XXVI for military construction projects, land acquisition, family housing projects and facilities, and contributions to the North Atlantic Treaty Organization Infrastructure program (and authorizations of appropriations therefore) shall expire on the later of—

(1) October 1, 1998; or

(2) the date of the enactment of an Act authorizing funds for military construction for fiscal year 1999.

(b) EXCEPTION.—Subsection (a) shall not apply to authorizations for military construction projects, land acquisition, family housing projects and facilities, and contributions to the North Atlantic Treaty Organization Infrastructure program (and authorizations of appropriations therefor), for which appropriated funds have been obligated before the later of—

(1) October 1, 1998; or

(2) the date of the enactment of an Act authorizing funds for fiscal year 1999 for military construction projects, land acquisition, family housing projects and facilities, or contributions to the North Atlantic Treaty Organization Infrastructure program.

SEC. 2702. EXTENSION OF AUTHORIZATIONS OF CERTAIN FISCAL YEAR 1993 PROJECTS.

(a) EXTENSIONS.—Notwithstanding section 2701 of the Military Construction Authorization Act for Fiscal Year 1993 (division B of Public Law 102–484; 106 Stat. 2602), authorizations for the projects set forth in the tables in subsection (b), as provided in section 2101, 2102, 2103, or 2106 of that Act, shall remain in effect until October 1, 1996, or the date of the enactment of an Act authorizing funds for military construction for fiscal year 1997, whichever is later.

(b) TABLES.—The tables referred to in subsection (a) are as follows:

Army: Extension of 1993 Project Authorizations

State	Installation or Location	Project	Amount
Arkansas	Pine Bluff Arsenal	Ammunition Demilitarization Support Facility.	$15,000,000
Hawaii	Schofield Barracks	Add/Alter Sewage Treatment Plant.	$17,500,000
Virginia	Fort Picket	Family Housing (26 units)	$2,300,000

Navy: Extension of 1993 Project Authorizations

State	Installation or Location	Project	Amount
California	Camp Pendleton Marine Corps Base	Sewage Treatment Plant Modifications.	$19,740,000
Maryland	Patuxent River Naval Warfare Center	Large Anechoic Chamber, Phase I.	$60,990,000
Mississippi	Meridian Naval Air Station	Child Development Center	$1,100,000

Air Force: Extension of 1993 Project Authorizations

State	Installation or Location	Project	Amount
Arkansas	Little Rock Air Force Base	Fire Training Facility	$710,000
District of Columbia	Bolling Air Force Base	Civil Engineer Complex	$9,400,000
Mississippi	Keesler Air Force Base	Alter Student Dormitory	$3,100,000
Nebraska	Offut Air Force Base	Fire Training Facility	$840,000
North Carolina	Pope Air Force Base	Construct Bridge Road and Utilities.	$4,000,000
	Pope Air Force Base	Munitions Storage Complex	$4,300,000
South Carolina	Shaw Air Force Base	Fire Training Facility	$680,000
Virginia	Langley Air Force Base	Base Engineer Complex	$5,300,000
Guam	Andersen Air Base	Landfill	$10,000,000
Portugal	Lajes Field	Water Wells	$865,000
	Lajes Field	Fire Training Facility	$950,000

Army Reserve: Extension of 1993 Project Authorizations

State	Installation or Location	Project	Amount
West Virginia	Bluefield	United States Army Reserve Center.	$1,921,000
	Clarksburg	United States Army Reserve Center.	$5,358,000
	Grantville	United States Army Reserve Center.	$2,785,000
	Jane Lew	United States Army Reserve Center.	$1,566,000
	Lewisburg	United States Army Reserve Center.	$1,631,000
	Weirton	United States Army Reserve Center.	$3,481,000

Army National Guard: Extension of 1993 Project Authorizations

State	Installation or Location	Project	Amount
Alabama	Tuscaloosa	Armory	$2,273,000
	Union Springs	Armory	$813,000
California	Los Alamitos Armed Forces Reserve Center	Fuel Facility	$1,553,000
New Jersey	Fort Dix	State Headquarters	$4,750,000
Oregon	La Grande	Organizational Maintenance Shop.	$1,220,000
	La Grande	Armory Addition	$3,049,000
Rhode Island	North Kingston	Add/Alter Armory	$3,330,000

SEC. 2703. EXTENSION OF AUTHORIZATIONS OF CERTAIN FISCAL YEAR 1992 PROJECTS.

(a) EXTENSIONS.—Notwithstanding section 2701 of the Military Construction Authorization Act for Fiscal Year 1992 (division B of Public Law 102–190; 105 Stat. 1535), authorizations for the projects set forth in the tables in subsection (b), as provided in section 2101 or 2601 of that Act, and extended by section 2702 of the Military Construction Authorization Act for Fiscal Year 1995 (division B of Public Law 103–337; 108 Stat. 3047), shall remain in effect until October 1, 1996, or the date of the enactment of an Act authorizing funds for military construction for fiscal year 1997, whichever is later.

(b) TABLES.—The tables referred to in subsection (a) are as follows:

Army: Extension of 1992 Project Authorizations

State	Installation or Location	Project	Amount
Oregon	Umatilla Army Depot	Ammunition Demilitarization Support Facility.	$3,600,000
	Umatilla Army Depot	Ammunition Demilitarization Utilities.	$7,500,000

Army National Guard: Extension of 1992 Project Authorization

State	Installation or Location	Project	Amount
Ohio	Toledo	Armory	$3,183,000

Army Reserve: Extension of 1992 Project Authorization

State	Installation or Location	Project	Amount
Tennessee	Jackson	Joint Training Facility	$1,537,000

SEC. 2704. EFFECTIVE DATE.

Titles XXI, XXII, XXIII, XXIV, XXV, and XXVI shall take effect on the later of—

(1) October 1, 1995; or

(2) the date of the enactment of this Act.

TITLE XXVIII—GENERAL PROVISIONS

Subtitle A—Military Construction Program and Military Family Housing Changes

SEC. 2801. SPECIAL THRESHOLD FOR UNSPECIFIED MINOR CONSTRUCTION PROJECTS TO CORRECT LIFE, HEALTH, OR SAFETY DEFICIENCIES.

(a) SPECIAL THRESHOLD.—Section 2805 of title 10, United States Code, is amended—

(1) in subsection (a)(1), by adding at the end the following new sentence: "However, if the military construction project is intended solely to correct a life-, health-, or safety-threatening deficiency, a minor military construction project may have an approved cost equal to or less than $3,000,000."; and

(2) in subsection (c)(1), by striking out "not more than $300,000." and inserting in lieu thereof "not more than—

"(A) $1,000,000, in the case of an unspecified military construction project intended solely to correct a life-, health-, or safety-threatening deficiency; or

"(B) $300,000, in the case of other unspecified military construction projects.".

(b) TECHNICAL AMENDMENT.—Section 2861(b)(6) of such title is amended by striking out "section 2805(a)(2)" and inserting in lieu thereof "section 2805(a)(1)".

SEC. 2802. CLARIFICATION OF SCOPE OF UNSPECIFIED MINOR CONSTRUCTION AUTHORITY.

Section 2805(a)(1) of title 10, United States Code, as amended by section 2801 of this Act, is further amended by striking out "(1) that is for a single undertaking at a military installation, and (2)" in the second sentence.

SEC. 2803. TEMPORARY WAIVER OF NET FLOOR AREA LIMITATION FOR FAMILY HOUSING ACQUIRED IN LIEU OF CONSTRUCTION.

Section 2824(c) of title 10, United States Code, is amended by adding at the end the following sentence: "The limitation set forth in the preceding sentence does not apply to family housing units acquired under this section during the 5-year period beginning on the date of the enactment of the National Defense Authorization Act for Fiscal Year 1996.".

SEC. 2804. REESTABLISHMENT OF AUTHORITY TO WAIVE NET FLOOR AREA LIMITATION ON ACQUISITION BY PURCHASE OF CERTAIN MILITARY FAMILY HOUSING.

(a) REESTABLISHMENT.—Section 2826(e) of title 10, United States Code, is amended by striking out the second sentence.

(b) APPLICABILITY.—The Secretary concerned may exercise the authority provided in section 2826(e) of title 10, United States Code, as amended by subsection (a), on or after the date of the enactment of this Act.

(c) DEFINITION.—In this section, the term "Secretary concerned" has the meaning given such term in section 101(a)(9) of title 10, United States Code, and includes the meaning given such term in section 2801(b)(3) of such title.

SEC. 2805. TEMPORARY WAIVER OF LIMITATIONS ON SPACE BY PAY GRADE FOR MILITARY FAMILY HOUSING UNITS.

Section 2826 of title 10, United States Code, as amended by section 2804 of this Act, is further amended by adding at the end the following:

"(i)(1) This section does not apply to the construction, acquisition, or improvement of military family housing units during the 5-year period beginning on October 1, 1995.

"(2) The total number of military family housing units constructed, acquired, or improved during any fiscal year in the period referred to in paragraph (1) shall be the total number of such units authorized by law for that fiscal year.".

SEC. 2806. INCREASE IN NUMBER OF FAMILY HOUSING UNITS SUBJECT TO FOREIGN COUNTRY MAXIMUM LEASE AMOUNT.

(a) INCREASE IN NUMBER.—(1) Paragraph (1) of section 2828(e) of title 10, United States Code, is amended by striking out "300 units" in the first sentence and inserting in lieu thereof "450 units".

(2) Paragraph (2) of such section is amended by striking out "300 units" and inserting in lieu thereof "450 units".

(b) WAIVER FOR UNITS FOR INCUMBENTS OF SPECIAL POSITIONS AND OTHER PERSONNEL.—Paragraph (1) of such section is further amended by striking out "220 such units" in the second sentence and inserting in lieu thereof "350 such units".

SEC. 2807. EXPANSION OF AUTHORITY FOR LIMITED PARTNERSHIPS FOR DEVELOPMENT OF MILITARY FAMILY HOUSING.

(a) PARTICIPATION OF OTHER MILITARY DEPARTMENTS.—(1) Subsection (a)(1) of section 2837 of title 10, United States Code, is amended by striking out "of the naval service" and inserting in lieu thereof "of the Army, Navy, Air Force, and Marine Corps".

(2) Subsection (b)(1) of such section is amended by striking out "of the naval service" and inserting in lieu thereof "of the military department under the jurisdiction of such Secretary".

(b) ADMINISTRATION.—(1) Such subsection (a)(1) is further amended by striking out "the Secretary of the Navy" in the first sentence and inserting in lieu thereof "the Secretary of a military department".

(2) Subsection (c)(2) of such section is amended by striking out "the Secretary shall" in the first sentence and inserting in lieu thereof "the Secretary of the military department concerned shall".

(3) Subsection (f) of such section is amended by striking out "the Secretary carries out" and inserting in lieu thereof "the Secretary of a military department carries out".

(4) Subsection (g) of such section is amended by striking out "Secretary," and inserting in lieu thereof "Secretary of a military department,".

(c) ACCOUNT.—Subsection (d) of such section is amended to read as follows:

"(d) ACCOUNT.—(1) There is hereby established on the books of the Treasury an account to be known as the 'Defense Housing Investment Account'.

"(2) There shall be deposited into the account—

"(A) such funds as may be authorized for and appropriated to the account;

"(B) any proceeds received by the Secretary of a military department from the repayment of investments or profits on investments of the Secretary under subsection (a); and

"(C) any unobligated balances which remain in the Navy Housing Investment Account as of the date of the enactment of the National Defense Authorization Act for Fiscal Year 1996.

"(3) From such amounts as is provided in advance in appropriation Acts, funds in the account shall be available to the Secretaries of the military departments in amounts determined by the Secretary of Defense for contracts, investments, and expenses necessary for the implementation of this section.

"(4) The Secretary of a military department may not enter into a contract in connection with a limited partnership under subsection (a) or a collateral incentive agreement under subsection (b) unless a sufficient amount of the unobligated balance of the funds in the account is available to the Secretary, as of the time the contract is entered into, to satisfy the total obligations to be incurred by the United States under the contract.".

(d) TERMINATION OF NAVY HOUSING INVESTMENT BOARD.—Such section is further amended—

(1) by striking out subsection (e); and

(2) in subsection (h)—

(A) by striking out "(1)"; and

(B) by striking out paragraph (2).

(e) EXTENSION OF AUTHORITY.—Subsection (h) of such section, as amended by subsection (d) of this section, is further amended by striking out "September 30, 1999" and inserting in lieu thereof "September 30, 2000".

(f) CONFORMING AMENDMENT.—Subsection (g) of such section is further amended by striking out "NAVY" in the subsection caption.

SEC. 2808. CLARIFICATION OF SCOPE OF REPORT REQUIREMENT ON COST INCREASES UNDER CONTRACTS FOR MILITARY FAMILY HOUSING CONSTRUCTION.

Subsection (d) of section 2853 of title 10, United States Code, is amended to read as follows:

"(d) The limitation on cost increases in subsection (a) does not apply to—

"(1) the settlement of a contractor claim under a contract; or

"(2) a within-scope modification to a contract, but only if—

"(A) the increase in cost is approved by the Secretary concerned; and

"(B) the Secretary concerned promptly submits written notification of the facts relating to the proposed increase in cost to the appropriate committees of Congress.".

SEC. 2809. AUTHORITY TO CONVEY DAMAGED OR DETERIORATED MILITARY FAMILY HOUSING.

(a) AUTHORITY.—(1) Subchapter III of chapter 169 of title 10, United States Code, is amended by inserting after section 2854 the following new section:

"§ 2854a. Conveyance of damaged or deteriorated military family housing; use of proceeds

"(a) AUTHORITY TO CONVEY.—(1) Subject to paragraph (3), the Secretary concerned may convey any family housing facility, including family housing facilities located in the United States and family housing facilities located outside the United States, that, due to damage or deterioration, is in a condition that is uneconomical to repair. Any conveyance of a family housing facility under this section may include a conveyance of the real property associated with the facility conveyed.

"(2) The authority of this section does not apply to family housing facilities located at military installations approved for closure under a base closure law or family housing facilities located at installation outside the United States at which the Secretary of Defense terminates operations.

"(3) The aggregate total value of the family housing facilities conveyed by the Department of Defense under the authority in this subsection in any fiscal year may not exceed $5,000,000.

"(4) For purposes of this subsection, a family housing facility is in a condition that is uneconomical to repair if the cost of the necessary repairs for the facility would exceed the amount equal to 70 percent of the cost of constructing a family housing facility to replace such facility.

"(b) CONSIDERATION.—(1) As consideration for the conveyance of a family housing facility under subsection (a), the person to whom the facility is conveyed shall pay the United States an amount equal to the fair market value of the facility conveyed, including any real property conveyed along with the facility.

"(2) The Secretary concerned shall determine the fair market value of any family housing facility and associated real property that is conveyed under subsection (a). Such determinations shall be final.

"(c) NOTICE AND WAIT REQUIREMENTS.—The Secretary concerned may not enter into an agreement to convey a family housing facility under this section until—

"(1) the Secretary submits to the appropriate committees of Congress, in writing, a justification for the conveyance under the agreement, including—

"(A) an estimate of the consideration to be provided the United States under the agreement;

"(B) an estimate of the cost of repairing the family housing facility to be conveyed; and

"(C) an estimate of the cost of replacing the family housing facility to be conveyed; and

"(2) a period of 21 calendar days has elapsed after the date on which the justification is received by the committees.

"(d) INAPPLICABILITY OF CERTAIN PROPERTY DISPOSAL LAWS.—The following provisions of law do not apply to the conveyance of a family housing facility under this section:

"(1) The provisions of the Federal Property and Administrative Services Act of 1949 (40 U.S.C. 471 et seq.).

"(2) The provisions of the Stewart B. McKinney Homeless Assistance Act (42 U.S.C. 11301 et seq.).

"(e) USE OF PROCEEDS.—(1) The proceeds of any conveyance of a family housing facility under this section shall be credited to the Department of Defense Military Housing Improvement Fund established under section 2883 of this title and available for the purposes described in paragraph (2).

"(2) The proceeds of a conveyance of a family housing facility under this section may be used for the following purposes:

"(A) To construct family housing units to replace the family housing facility conveyed under this section, but only to the extent that the number of units constructed with such proceeds does not exceed the number of units of military family housing of the facility conveyed.

"(B) To repair or restore existing military family housing.

"(C) To reimburse the Secretary concerned for the costs incurred by the Secretary in conveying the family housing facility.

"(3) Notwithstanding section 2883(c) of this title, proceeds in the account under this subsection shall be available under paragraph (1) for purposes described in paragraph (2) without any further appropriation.

"(f) DESCRIPTION OF PROPERTY.—The exact acreage and legal description of any family housing facility conveyed under this section, including any real property associated with such facility, shall be determined by such means as the Secretary concerned considers satisfactory, including by survey in the case of real property.

"(g) ADDITIONAL TERMS AND CONDITIONS.—The Secretary concerned may require such additional terms and conditions in connection with the conveyance of family housing facilities under this section as the Secretary considers appropriate to protect the interests of the United States.".

(2) The table of sections at the beginning of such subchapter is amended by inserting after the item relating to section 2854 the following new item:

"Sec. 2854a. Conveyance of damaged or deteriorated military family housing; use of proceeds.".

(b) CONFORMING AMENDMENT.—Section 204(h) of the Federal Property and Administrative Services Act 1949 (40 U.S.C. 485(h)) is amended—

(1) by redesignating paragraph (4) as paragraph (5); and

(2) by inserting after paragraph (3) the following new paragraph (4):

"(4) This subsection does not apply to family housing facilities covered by section 2854a of title 10, United States Code.".

SEC. 2810. ENERGY AND WATER CONSERVATION SAVINGS FOR THE DEPARTMENT OF DEFENSE.

(a) INCLUSION OF WATER EFFICIENT MAINTENANCE IN ENERGY PERFORMANCE PLAN.—Paragraph (3) of section 2865(a) of title 10, United States Code, is amended by striking out "energy efficient maintenance" and inserting in lieu thereof "energy efficient maintenance or water efficient maintenance".

(b) SCOPE OF TERM.—Paragraph (4) of such section is amended—

(1) in the matter preceding subparagraph (A), by striking out "'energy efficient maintenance'" and inserting in lieu thereof "'energy efficient maintenance or water efficient maintenance'";

(2) in subparagraph (A), by striking out "systems or industrial processes," in the matter preceding clause (i) and inserting in lieu thereof "systems, industrial processes, or water efficiency applications,"; and

(3) in subparagraph (B), by inserting "or water cost savings" before the period at the end.

SEC. 2811. ALTERNATIVE AUTHORITY FOR CONSTRUCTION AND IMPROVEMENT OF MILITARY HOUSING.

(a) ALTERNATIVE AUTHORITY TO CONSTRUCT AND IMPROVE MILITARY HOUSING.—(1) Chapter 169 of title 10, United States Code, is amended by adding at the end the following:

"SUBCHAPTER IV—ALTERNATIVE AUTHORITY FOR ACQUISITION AND IMPROVEMENT OF MILITARY HOUSING

"Sec.
"2871. Definitions.
"2872. General authority.
"2873. Direct loans and loan guarantees.
"2874. Leasing of housing to be constructed.
"2875. Investments in nongovernmental entities.
"2876. Rental guarantees.
"2877. Differential lease payments.
"2878. Conveyance or lease of existing property and facilities.
"2879. Interim leases.
"2880. Unit size and type.
"2881. Support facilities.
"2882. Assignment of members of the armed forces to housing units.
"2883. Department of Defense Housing Improvement Fund.
"2884. Reports.
"2885. Expiration of authority.

"§ 2871. Definitions

"In this subchapter:

"(1) The term 'base closure law' means the following:

"(A) Section 2687 of this title.

"(B) Title II of the Defense Authorization Amendments and Base Closure and Realignment Act (Public Law 100-526; 10 U.S.C. 2687 note).

"(C) The Defense Base Closure and Realignment Act of 1990 (part A of title XXIX of Public Law 101-510; 10 U.S.C. 2687 note).

"(2) The term 'Secretary concerned' includes the Secretary of Defense.

"(3) The term 'support facilities' means facilities relating to military housing units, including child care centers, day care centers, community centers, housing offices, maintenance complexes, dining facilities, unit offices, fitness centers, parks, and other similar facilities for the support of military housing.

"§ 2872. General authority

"In addition to any other authority provided under this chapter for the acquisition, construction, or improvement of military family housing or military unaccompanied housing, the Secretary concerned may exercise any authority or any combination of authorities provided under this subchapter in order to provide for the acquisition, construction, improvement, or rehabilitation by private persons of the following:

"(1) Family housing units on or near military installations within the United States and its territories and possessions.

"(2) Unaccompanied housing units on or near such military installations.

"§ 2873. Direct loans and loan guarantees

"(a) Direct Loans.—(1) Subject to subsection (c), the Secretary concerned may make direct loans to persons in the private sector in order to provide funds to such persons for the acquisition, construction, improvement, or rehabilitation of housing units that the Secretary determines are suitable for use as military family housing or as military unaccompanied housing.

"(2) The Secretary concerned shall establish such terms and conditions with respect to loans made under this subsection as the Secretary considers appropriate to protect the interests of the United States, including the period and frequency for repayment of such loans and the obligations of the obligors on such loans upon default.

"(b) Loan Guarantees.—(1) Subject to subsection (c), the Secretary concerned may guarantee a loan made to any person in the private sector if the proceeds of the loan are to be used by the person to acquire, construct, improve, or rehabilitate housing units that the Secretary determines are suitable for use as military family housing or as military unaccompanied housing.

"(2) The amount of a guarantee on a loan that may be provided under paragraph (1) may not exceed the amount equal to the lesser of—

"(A) the amount equal to 80 percent of the value of the project; or

"(B) the amount of the outstanding principal of the loan.

"(3) The Secretary concerned shall establish such terms and conditions with respect to guarantees of loans under this subsection as the Secretary considers appropriate to protect the interests of the United States, including the rights and obligations of obligors of such loans and the rights and obligations of the United States with respect to such guarantees.

"(c) Limitation on Direct Loan and Guarantee Authority.—Direct loans and loan guarantees may be made under this section only to the extent that appropriations of budget authority to cover their cost (as defined in section 502(5) of the Federal Credit Reform Act of 1990 (2 U.S.C. 661a(5)) are made in advance, or authority is otherwise provided in appropriations Acts. If such appropriation or other authority is provided, there may be established a financing account (as defined in section 502(7) of such Act (2 U.S.C. 661a(7)) which shall be available for the disbursement of direct loans or payment of claims for payment on loan guarantees under this section and for all other cash flows to and from the Government as a result of direct loans and guarantees made under this section.

"§ 2874. Leasing of housing to be constructed

"(a) Build and Lease Authorized.—The Secretary concerned may enter into contracts for the lease of family housing units or unaccompanied housing units to be constructed, improved, or rehabilitated under this subchapter.

"(b) Lease Terms.—A contract under this section may be for any period that the Secretary concerned determines appropriate.

"§ 2875. Investments in nongovernmental entities

"(a) Investments Authorized.—The Secretary concerned may make investments in nongovernmental entities carrying out projects for the acquisition, construction, improvement, or rehabilitation of housing units suitable for use as military family housing or as military unaccompanied housing.

"(b) Forms of Investment.—An investment under this section may take the form of a direct investment by the United States, an acquisition of a limited partnership interest by the United States, a purchase of stock or other equity instruments by the United States, a purchase of bonds or other debt instruments by the United States, or any combination of such forms of investment.

"(c) Limitation on Value of Investment.—(1) The cash amount of an investment under this section in a nongovernmental entity may not exceed an amount equal to 35 percent of the capital cost (as determined by the Secretary concerned) of the project or projects that the entity proposes to carry out under this section with the investment.

"(2) If the Secretary concerned conveys land or facilities to a nongovernmental entity as all or part of an investment in the entity under this section, the total value of the investment by the Secretary under this section may not exceed an amount equal to 45 percent of the capital cost (as determined by the Secretary) of the project or projects that the entity proposes to carry out under this section with the investment.

"(3) In this subsection, the term 'capital cost', with respect to a project for the acquisition, construction, improvement, or rehabilitation of housing, means the total amount of the costs included in the basis of the housing for Federal income tax purposes.

"(d) Collateral Incentive Agreements.—The Secretary concerned may enter into collateral incentive agreements with nongovernmental entities in which the Secretary makes an investment under this section to ensure that a suitable preference will be afforded members of the armed forces in the lease or purchase, as the case may be, of a reasonable number of the housing units covered by the investment.

"§ 2876. Rental guarantees

"The Secretary concerned may enter into agreements with private persons that acquire, construct, improve, or rehabilitate family housing units or unaccompanied housing units under this subchapter in order to assure—

"(1) the occupancy of such units at levels specified in the agreements; or

"(2) rental income derived from rental of such units at levels specified in the agreements.

"§ 2877. Differential lease payments

"The Secretary concerned, pursuant to an agreement entered into by the Secretary and a private lessor of family housing or unaccompanied housing to members of the armed forces, may pay the lessor an amount in addition to the rental payments for the housing made by the members as the Secretary determines appropriate to encourage the lessor to make the housing available to members of the armed forces as family housing or as unaccompanied housing.

"§ 2878. Conveyance or lease of existing property and facilities

"(a) Conveyance or Lease Authorized.—The Secretary concerned may convey or lease property or facilities (including support facilities) to private persons for purposes of using the proceeds of such conveyance or lease to carry out activities under this subchapter.

"(b) Inapplicability to Property at Installation Approved for Closure.—The authority of this section does not apply to property or facilities located on or near a military installation approved for closure under a base closure law.

"(c) Terms and Conditions.—(1) The conveyance or lease of property or facilities under this section shall be for such consideration and upon such terms and conditions as the Secretary concerned considers appropriate for the purposes of this subchapter and to protect the interests of the United States.

"(2) As part or all of the consideration for a conveyance or lease under this section, the purchaser or lessor (as the case may be) may enter into an agreement with the Secretary to ensure that a suitable preference will be afforded members of the armed forces in the lease or sublease of a reasonable number of the housing units covered by the conveyance or lease, as the case may be, or in the lease of other suitable housing units made available by the purchaser or lessee.

"(d) Inapplicability of Certain Property Management Laws.—The conveyance or lease of property or facilities under this section shall not be subject to the following provisions of law:

"(1) Section 2667 of this title.

"(2) The Federal Property and Administrative Services Act of 1949 (40 U.S.C. 471 et seq.).

"(3) Section 321 of the Act of June 30, 1932 (commonly known as the Economy Act) (47 Stat. 412, chapter 314; 40 U.S.C. 303b).

"(4) The Stewart B. McKinney Homeless Assistance Act (42 U.S.C. 11301 et seq.).

"§ 2879. Interim leases

"Pending completion of a project to acquire, construct, improve, or rehabilitate family housing units or unaccompanied housing units under this subchapter, the Secretary concerned may provide for the interim lease of such units of the project as are complete. The term of a lease under this section may not extend beyond the date of the completion of the project concerned.

"§ 2880. Unit size and type

"(a) Conformity With Similar Housing Units in Locale.—The Secretary concerned shall ensure that the room patterns and floor areas of family housing units and unaccompanied housing units acquired, constructed, improved, or rehabilitated under this subchapter are generally comparable to the room patterns and floor areas of similar housing units in the locality concerned.

"(b) Inapplicability of Limitations on Space by Pay Grade.—(1) Section 2826 of this title does not apply to family housing units acquired, constructed, improved, or rehabilitated under this subchapter.

"(2) The regulations prescribed under section 2856 of this title do not apply to unaccompanied housing units acquired, constructed, improved, or rehabilitated under this subchapter.

"§ 2881. Support facilities

"Any project for the acquisition, construction, improvement, or rehabilitation of family housing units or unaccompanied housing units under this subchapter may include the acquisition, construction, or improvement of support facilities for the housing units concerned.

"§ 2882. Assignment of members of the armed forces to housing units

"(a) In General.—The Secretary concerned may assign members of the armed forces to housing units acquired, constructed, improved, or rehabilitated under this subchapter.

"(b) EFFECT OF CERTAIN ASSIGNMENTS ON ENTITLEMENT TO HOUSING ALLOWANCES.—(1) Except as provided in paragraph (2), housing referred to in subsection (a) shall be considered as quarters of the United States or a housing facility under the jurisdiction of a uniformed service for purposes of section 403(b) of title 37.

"(2) A member of the armed forces who is assigned in accordance with subsection (a) to a housing unit not owned or leased by the United States shall be entitled to a basic allowance for quarters under section 403 of title 37 and, if in a high housing cost area, a variable housing allowance under section 403a of that title.

"(c) LEASE PAYMENTS THROUGH PAY ALLOTMENTS.—The Secretary concerned may require members of the armed forces who lease housing in housing units acquired, constructed, improved, or rehabilitated under this subchapter to make lease payments for such housing pursuant to allotments of the pay of such members under section 701 of title 37.

"§ 2883. Department of Defense Housing Improvement Fund

"(a) ESTABLISHMENT.—There is hereby established on the books of the Treasury an account to be known as the Department of Defense Housing Improvement Fund (in this section referred to as the 'Fund'). The Secretary of Defense shall administer the Fund as a single account.

"(b) CREDITS TO FUND.—There shall be credited to the Fund the following:

"(1) Funds appropriated to the Fund.

"(2) Any funds that the Secretary of Defense may, to the extent provided in appropriations Acts, transfer to the Fund from funds appropriated to the Department of Defense for family housing, except that such funds may be transferred only after the Secretary of Defense transmits written notice of, and justification for, such transfer to the appropriate committees of Congress.

"(3) Any funds that the Secretary of Defense may, to the extent provided in appropriations Acts, transfer to the Fund from funds appropriated to the Department of Defense for military unaccompanied housing or for the operation and maintenance of military unaccompanied housing, except that such funds may be transferred only after the Secretary of Defense transmits written notice of, and justification for, such transfer to the appropriate committees of Congress.

"(4) Proceeds from the conveyance or lease of property or facilities under section 2878 of this title.

"(5) Income from any activities under this subchapter, including interest on loans made under section 2873 of this title, income and gains realized from investments under section 2875 of this title, and any return of capital invested as part of such investments.

"(c) USE OF FUNDS.—(1) To the extent provided in appropriations Acts and except as provided in paragraphs (2) and (3), the Secretary of Defense may use amounts in the Fund to carry out activities under this subchapter (including activities required in connection with the planning, execution, and administration of contracts or agreements entered into under the authority of this subchapter) and may transfer funds to the Secretaries of the military departments to permit such Secretaries to carry out such activities.

"(2)(A) Funds in the fund that are derived from appropriations or transfers of funds for military family housing, or from income from activities under this subchapter with respect to such housing, may be used in accordance with paragraph (1) only to carry out activities under this subchapter with respect to military family housing.

"(B) Funds in the fund that are derived from appropriations or transfers of funds for military unaccompanied housing, or from income from activities under this subchapter with respect to such housing, may be used in accordance with paragraph (1) only to carry out activities under this subchapter with respect to military unaccompanied housing.

"(3) The Secretary may not enter into a contract or agreement to carry out activities under this subchapter unless the Fund contains sufficient amounts, as of the time the contract or agreement is entered into, to satisfy the total obligations to be incurred by the United States under the contract or agreement.

"(d) LIMITATION ON AMOUNT OF BUDGET AUTHORITY.—The total value in budget authority of all contracts, agreements, and investments undertaken using the authorities provided in this subchapter shall not exceed $1,000,000,000.

"§ 2884. Reports

"(a) PROJECT REPORTS.—The Secretary of Defense shall transmit to the appropriate committees of Congress a report on each contract or agreement for a project for the acquisition, construction, improvement, or rehabilitation of family housing units or unaccompanied housing units that the Secretary proposes to solicit under this subchapter. The report shall describe the project and the intended method of participation of the United States in the project and provide a justification of such method of participation.

"(b) ANNUAL REPORTS.—The Secretary of Defense shall include each year in the materials that the Secretary submits to Congress in support of the budget submitted by the President pursuant to section 1105 of title 31 the following:

"(1) A report on the expenditures and receipts during the preceding fiscal year from the Department of Defense Housing Improvement Fund established under section 2883 of this title.

"(2) A methodology for evaluating the extent and effectiveness of the use of the authorities under this subchapter during such preceding fiscal year.

"(3) A description of the objectives of the Department of Defense for providing military family housing and military unaccompanied housing for members of the armed forces.

"§ 2885. Expiration of authority

"The authority to enter into a transaction under this subchapter shall expire 5 years after the date of the enactment of the National Defense Authorization Act for Fiscal Year 1996.".

(2) The table of subchapters at the beginning of such chapter is amended by inserting after the item relating to subchapter III the following new item:

"IV. Alternative Authority for Acquisition and Improvement of Military Housing .... 2870".

(b) FINAL REPORT.—Not later than March 1, 2000, the Secretary of Defense shall submit to the congressional defense committees a report on the use by the Secretary of Defense and the Secretaries of the military departments of the authorities provided by subchapter IV of chapter 169 of title 10, United States Code, as added by subsection (a). The report shall assess the effectiveness of such authority in providing for the construction and improvement of military family housing and military unaccompanied housing.

(c) CROSS REFERENCE AMENDMENT.—(1) Chapter 169 of title 10, United States Code, is further amended by inserting after section 2822 the following new section:

"§ 2822a. Additional authority relating to military housing

"For additional authority regarding the acquisition, construction, or improvement of military family housing and military unaccompanied housing, see subchapter IV of this chapter.".

(2) The table of sections at the beginning of subchapter II of such chapter is amended by inserting after the item relating to section 2822 the following new item:

"2822a. Additional authority relating to military housing.".

SEC. 2812. PERMANENT AUTHORITY TO ENTER INTO LEASES OF LAND FOR SPECIAL OPERATIONS ACTIVITIES.

(a) PERMANENT AUTHORITY.—Section 2680 of title 10, United States Code, is amended by striking out subsection (d).

(b) REPORTING REQUIREMENT.—Such section is further amended by adding at the end the following new subsection (d):

"(d) REPORTS.—Not later than March 1 of each year, the Secretary of Defense shall submit to the Committee on the Armed Services of the Senate and the Committee on National Security of the House of Representatives a report that—

"(1) identifies each leasehold interest acquired during the previous fiscal year under subsection (a); and

"(2) contains a discussion of each project for the construction or modification of facilities carried out pursuant to subsection (c) during such fiscal year.".

SEC. 2813. AUTHORITY TO USE FUNDS FOR CERTAIN EDUCATIONAL PURPOSES.

Section 2008 of title 10, United States Code, is amended by striking out "section 10" and all that follows through the period at the end and inserting in lieu thereof "construction, as defined in section 8013(3) of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 7713(3)), or to carry out section 8008 of such Act (20 U.S.C. 7708), relating to impact aid.".

Subtitle B—Defense Base Closure and Realignment

SEC. 2821. IN-KIND CONSIDERATION FOR LEASES AT INSTALLATIONS TO BE CLOSED OR REALIGNED.

Section 2667(f) of title 10, United States Code, is amended by adding at the end the following:

"(4) The Secretary concerned may accept under subsection (b)(5) services of a lessee for an entire installation to be closed or realigned under a base closure law, or for any part of such installation, without regard to the requirement in subsection (b)(5) that a substantial part of the installation be leased.".

SEC. 2822. CLARIFICATION OF AUTHORITY REGARDING CONTRACTS FOR COMMUNITY SERVICES AT INSTALLATIONS BEING CLOSED.

(a) 1988 LAW.—Section 204(b)(8)(A) of the Defense Authorization Amendments and Base Closure and Realignment Act (Public Law 100-526; 10 U.S.C. 2687 note) is amended—

(1) by striking out "may contract" and inserting in lieu thereof "may enter into agreements (including contracts, cooperative agreements, or other arrangements)"; and

(2) by adding at the end the following new sentence: "An agreement under the authority in the preceding sentence may provide for the reimbursement of the local government concerned by the Secretary for the cost

of any services provided under the agreement by that government.".

(b) 1990 LAW.—Section 2905(b)(8)(A) of the Defense Base Closure and Realignment Act of 1990 (part A of title XXIX of Public Law 101-510; 10 U.S.C. 2687 note) is amended—

(1) by striking out "may contract" and inserting in lieu thereof "may enter into agreements (including contracts, cooperative agreements, or other arrangements)"; and

(2) by adding at the end the following new sentence: "An agreement under the authority in the preceding sentence may provide for the reimbursement of the local government concerned by the Secretary for the cost of any services provided under the agreement by that government.".

SEC. 2823. CLARIFICATION OF FUNDING FOR ENVIRONMENTAL RESTORATION AT INSTALLATIONS APPROVED FOR CLOSURE OR REALIGNMENT IN 1995.

Subsection (e) of section 2906 of the Defense Base Closure and Realignment Act of 1990 (part A of title XXIX of Public Law 101-510; 10 U.S.C. 2687 note) is amended to read as follows:

"(e) ACCOUNT EXCLUSIVE SOURCE OF FUNDS FOR ENVIRONMENTAL RESTORATION PROJECTS.—(1) Except for funds deposited into the Account under subsection (a), and except as provided in paragraph (2), funds appropriated to the Department of Defense may not be used for purposes described in section 2905(a)(1)(C). The prohibition in this subsection shall expire upon the termination of the Secretary's authority to carry out a closure or realignment under this part.

"(2) Funds in the Defense Environmental Restoration Account established under section 2703(a) of title 10, United States Code, may be used in fiscal year 1996 for environmental restoration at installations approved for closure or realignment under this part in 1995.".

SEC. 2824. AUTHORITY TO LEASE PROPERTY REQUIRING ENVIRONMENTAL REMEDIATION AT INSTALLATIONS APPROVED FOR CLOSURE.

Section 120(h)(3) of the Comprehensive Environmental Response Compensation and Liability Act of 1980 (42 U.S.C. 9620(h)(3)) is amended in the matter following subparagraph (C)—

(1) by striking out the first sentence; and

(2) by adding at the end, flush to the paragraph margin, the following:

"The requirements of subparagraph (B) shall not apply in any case in which the person or entity to whom the real property is transferred is a potentially responsible party with respect to such property.

"The requirements of subparagraph (B) shall not apply in any case in which the transfer of the property occurs or has occurred by means of a lease, without regard to whether the lessee has agreed to purchase the property or whether the duration of the lease is longer than 55 years. In the case of a lease entered into after September 30, 1995, with respect to real property located at an installation approved for closure or realignment under a base closure law, the agency leasing the property, in consultation with the Administrator, shall determine before leasing the property that the property is suitable for lease, that the uses contemplated for the lease are consistent with protection of human health and the environment, and that there are adequate assurances that the United States will take all remedial action referred to in subparagraph (B) that has not been taken on the date of the lease.".

SEC. 2825. FINAL FUNDING FOR DEFENSE BASE CLOSURE AND REALIGNMENT COMMISSION.

Section 2902(k) of the Defense Base Closure and Realignment Act of 1990 (part A of title XXIX of Public Law 101-510; 10 U.S.C. 2687 note) is amended by adding at the end the following:

"(3)(A) The Secretary may transfer from the account referred to in subparagraph (B) such unobligated funds in that account as may be necessary for the Commission to carry out its duties under this part during October, November, and December 1995. Funds transferred under the preceding sentence shall remain available until December 31, 1995.

"(B) The account referred to in subparagraph (A) is the Department of Defense Base Closure Account established under section 207(a) of the Defense Authorization Amendments and Base Closure and Realignment Act (Public Law 100-526; 10 U.S.C. 2687 note).".

SEC. 2826. IMPROVEMENT OF BASE CLOSURE AND REALIGNMENT PROCESS.

(a) APPLICABILITY.—Subparagraph (A) of section 2905(b)(7) of the Defense Base Closure and Realignment Act of 1990 (part A of title XXIX of Public Law 101-510; 10 U.S.C. 2687 note) is amended by striking out "Determinations of the use to assist the homeless of buildings and property located at installations approved for closure under this part" and inserting in lieu thereof "Procedures for the disposal of buildings and property located at installations approved for closure or realignment under this part".

(b) REDEVELOPMENT AUTHORITIES.—Subparagraph (B) of such section is amended by adding at the end the following:

"(iii) The chief executive officer of the State in which an installation covered by this paragraph is located may assist in resolving any disputes among citizens or groups of citizens as to the individuals and groups constituting the redevelopment authority for the installation.".

(c) AGREEMENTS UNDER REDEVELOPMENT PLANS.—Subparagraph (F)(ii)(I) of such section is amended in the second sentence by striking out "the approval of the redevelopment plan by the Secretary of Housing and Urban Development under subparagraph (H) or (J)" and inserting in lieu thereof "the decision regarding the disposal of the buildings and property covered by the agreements by the Secretary of Defense under subparagraph (K) or (L)".

(d) REVISION OF REDEVELOPMENT PLANS.—Subparagraph (I) of such section is amended by inserting "the Secretary of Defense and" before "the Secretary of Housing and Urban Development" each place it appears.

(e) DISPOSAL OF BUILDINGS AND PROPERTY.—(1) Subparagraph (K) of such section is amended to read as follows:

"(K)(i) Upon receipt of a notice under subparagraph (H)(iv) or (J)(ii) of the determination of the Secretary of Housing and Urban Development that a redevelopment plan for an installation meets the requirements set forth in subparagraph (H)(i), the Secretary of Defense shall dispose of the buildings and property at the installation.

"(ii) For purposes of carrying out an environmental assessment of the closure or realignment of an installation, the Secretary shall treat the redevelopment plan for the installation (including the aspects of the plan providing for disposal to State or local governments, representatives of the homeless, and other interested parties) as part of the proposed Federal action for the installation.

"(iii) The Secretary shall dispose of buildings and property under clause (i) in accordance with the record of decision or other decision document prepared by the Secretary in accordance with the National Environmental Policy Act of 1969 (42 U.S.C. 4331 et seq.) In preparing the record of decision or other decision document, the Secretary shall give substantial deference to the redevelopment plan concerned.

"(iv) The disposal under clause (i) of buildings and property to assist the homeless shall be without consideration.

"(v) In the case of a request for a conveyance under clause (i) of buildings and property for public benefit under section 203(k) of the Federal Property and Administrative Services Act of 1949 (40 U.S.C. 484(k)) and subchapter II of chapter 471 of title 49, United States Code, the applicant and use proposed in the request shall be determined to be eligible for the public benefit conveyance under the eligibility criteria set forth in such section or such subchapter. The determination of such eligibility should be made before the redevelopment plan concerned under subparagraph (G) ".

(2) Subparagraph (L) of such section is amended by striking out clauses (iii) and (iv) and inserting in lieu thereof the following new clauses (iii) and (iv):

"(iii) Not later than 90 days after the date of the receipt of a revised plan for an installation under subparagraph (J), the Secretary of Housing and Urban Development shall—

"(I) notify the Secretary of Defense and the redevelopment authority concerned of the buildings and property at an installation under clause (i)(IV) that the Secretary of Housing and Urban Development determines are suitable for use to assist the homeless; and

"(II) notify the Secretary of Defense of the extent to which the revised plan meets the criteria set forth in subparagraph (H)(i).

"(iv)(I) Upon notice from the Secretary of Housing and Urban Development with respect to an installation under clause (iii), the Secretary of Defense shall, after consultation with the Secretary of Housing and Urban Development and redevelopment authority concerned, dispose of buildings and property at the installation.

"(II) For purposes of carrying out an environmental assessment of the closure or realignment of an installation, the Secretary shall treat the redevelopment plan for the installation (including the aspects of the plan providing for disposal to State or local governments, representatives of the homeless, and other interested parties) as part of the proposed Federal action for the installation.

"(III) The Secretary shall dispose of buildings and property under subclause (I) in accordance with the record of decision or other decision document prepared by the Secretary in accordance with the National Environmental Policy Act of 1969 (42 U.S.C. 4331 et seq.) In preparing the record of decision or other decision document, the Secretary shall give deference to the redevelopment plan concerned.

"(IV) The disposal under subclause (I) of buildings and property to assist the homeless shall be without consideration.

"(V) In the case of a request for a conveyance under clause (i) of buildings and property for public benefit under section 203(k) of the Federal Property and Administrative Services Act of 1949 (40 U.S.C. 484(k)) and subchapter II of chapter 471 of title 49, United States Code, the applicant and use proposed in the request shall be determined to be eligible for the public benefit conveyance under the eligibility criteria set forth in such section or such subchapter. The determination of such eligibility should be made before the redevelopment plan concerned under subparagraph (G) ".

(f) CONFORMING AMENDMENT.—Subparagraph (M)(i) of such section is amended by inserting "or (L)" after "subparagraph (K)".

(g) CLARIFICATION OF PARTICIPANTS IN PROCESS.—Such section is further amended by adding at the end the following:

"(P) For purposes of this paragraph, the term 'other interested parties', in the case of an installation, includes any parties eligible for the conveyance of property of the installation under section 203(k) of the Federal Property and Administrative Services Act of 1949 (40 U.S.C. 484(k)) or subchapter II of chapter 471 of title 49, United States Code, whether or not the parties assist the homeless.".

(h) TECHNICAL AMENDMENTS.—Section 2910 of such Act is amended—

(1) by designating the paragraph (10) added by section 2(b) of the Base Closure Community Redevelopment and Homeless Assistance Act of 1994 (Public Law 103–421; 108 Stat. 4352) as paragraph (11); and

(2) in such paragraph, as so designated, by striking out "section 501(h)(4) of the Stewart B. McKinney Homeless Assistance Act (42 U.S.C. 11411(h)(4))" and inserting in lieu thereof "section 501(i)(4) of the Stewart B. McKinney Homeless Assistance Act (42 U.S.C. 11411(i)(4))".

SEC. 2827. EXERCISE OF AUTHORITY DELEGATED BY THE ADMINISTRATOR OF GENERAL SERVICES.

Section 2905(b)(2) of the Defense Base Closure and Realignment Act of 1990 (part A of title XXIX of Public Law 101–510; 10 U.S.C. 2687 note) is amended—

(1) in subparagraph (A)—

(A) by striking out "Subject to subparagraph (C)" in the matter preceding clause (i) and inserting in lieu thereof "Subject to subparagraph (B)"; and

(B) by striking out "in effect on the date of the enactment of this Act" each place it appears in clauses (i) and (ii);

(2) by striking out subparagraphs (B) and (C) and inserting in lieu thereof the following new subparagraph (B):

"(B) The Secretary may, with the concurrence of the Administrator of General Services—

"(i) prescribe general policies and methods for utilizing excess property and disposing of surplus property pursuant to the authority delegated under paragraph (1); and

"(ii) issue regulations relating to such policies and methods which regulations supersede the regulations referred to in subparagraph (A) with respect to that authority."; and

(3) by redesignating subparagraphs (D) and (E) as subparagraphs (C) and (D), respectively.

SEC. 2828. LEASE BACK OF PROPERTY DISPOSED FROM INSTALLATIONS APPROVED FOR CLOSURE OR REALIGNMENT.

(a) AUTHORITY.—Section 2905(b)(4) of the Defense Base Closure and Realignment Act of 1990 (part A of title XXIX of Public Law 101–510; 10 U.S.C. 2687 note) is amended—

(1) by redesignating subparagraphs (C), (D), and (E) as subparagraphs (D), (E), and (F), respectively; and

(2) by inserting after subparagraph (B) the following new subparagraph (C):

"(C)(i) The Secretary may transfer real property at an installation approved for closure or realignment under this part (including property at an installation approved for realignment which property will be retained by the Department of Defense or another Federal agency after realignment) to the redevelopment authority for the installation if the redevelopment authority agrees to lease, directly upon transfer, all or a significant portion of the property transferred under this subparagraph to the Secretary or to the head of another department or agency of the Federal Government. Subparagraph (B) shall apply to a transfer under this subparagraph.

"(ii) A lease under clause (i) shall be for a term of not to exceed 50 years, but may provide for options for renewal or extension of the term by the department or agency concerned.

"(iii) A lease under clause (i) may not require rental payments by the United States.

"(iv) A lease under clause (i) shall include a provision specifying that if the department or agency concerned ceases requiring the use of the leased property before the expiration of the term of the lease, the remainder of the lease term may, upon approval by the redevelopment authority concerned, be satisfied by the same or another department or agency of the Federal Government using the property for a use similar to the use under the lease.".

(b) USE OF FUNDS TO IMPROVE LEASED PROPERTY.—Notwithstanding any other provision of law, a department or agency of the Federal Government that enters into a lease of property under section 2905(b)(4)(C) of the such Act, as amended by subsection (a), may use funds appropriated or otherwise available to the department or agency for such purpose to improve the leased property.

SEC. 2829. PROCEEDS OF LEASES AT INSTALLATIONS APPROVED FOR CLOSURE OR REALIGNMENT.

(a) INTERIM LEASES.—Section 2667(d) of title 10, United States Code, is amended—

(1) in paragraph (1)(A)—

(A) by striking out "and" at the end of clause (i);

(B) by striking out the period at the end of clause (ii) and inserting in lieu thereof "; and"; and

(C) by adding at the end the following:

"(iii) money rentals referred to in paragraph (5)."; and

(2) by adding at the end the following:

"(5) Money rentals received by the United States under subsection (f) shall be deposited in the Department of Defense Base Closure Account 1990 established under section 2906(a) of the Defense Base Closure and Realignment Act of 1990 (part A of title XXIX of Public Law 101–510; 10 U.S.C. 2687 note).".

(b) DEPOSIT IN 1990 ACCOUNT.—Section 2906(a)(2) of the Defense Base Closure and Realignment Act of 1990 (part A of title XXIX of Public Law 101–510; 10 U.S.C. 2687 note) is amended—

(1) in subparagraph (C)—

(A) by striking out "transfer or disposal" and inserting in lieu thereof "transfer, lease, or other disposal"; and

(B) by striking out "and" at the end;

(2) in subparagraph (D)—

(A) by striking out "transfer or disposal" and inserting in lieu thereof "transfer, lease, or other disposal"; and

(B) by striking out the period at the end and inserting in lieu thereof "; and"; and

(3) by adding at the end the following:

"(E) money rentals received by the United States under section 2667(f) of title 10, United States Code.".

SEC. 2830. CONSOLIDATION OF DISPOSAL OF PROPERTY AND FACILITIES AT FORT HOLABIRD, MARYLAND.

(a) CONSOLIDATION.—Notwithstanding any other provision of law, the Secretary of Defense shall dispose of the property and facilities at Fort Holabird, Maryland, described in subsection (b) in accordance with subparagraph (2)(e) of the Base Closure Community Redevelopment and Homeless Assistance Act of 1994 (P.L. 103–421), treating the property described in subsection (b) as if the CEO of the State had submitted a timely request to the Secretary of Defense under subparagraph (2)(e)(1)(B)(ii) of the Base Closure Community Redevelopment and Homeless Assistance Act of 1994 (P.L. 103–421).

(b) COVERED PROPERTY AND FACILITIES.—Subsection (a) applies to the following property and facilities at Fort Holabird, Maryland:

(1) Property and facilities that were approved for closure or realignment under the 1988 base closure law that are not disposed of as of the date of the enactment of this Act, including buildings 305 and 306 and the parking lots and other property associated with such buildings.

(2) Property and facilities that are approved for closure or realignment under the 1990 base closure law in 1995.

(c) USE OF SURVEYS AND OTHER EVALUATIONS OF PROPERTY.—In carrying out the disposal of the property and facilities referred to in subsection (b)(1), the Secretary shall utilize any surveys and other evaluations of such property and facilities that are prepared by the Corps of Engineers before the date of the enactment of this Act as part of the process for the disposal of such property and facilities under the 1988 base closure law.

(d) DEFINITIONS.—In this section:

(1) The term "1988 base closure law" means title II of the Defense Authorization Amendments and Base Closure and Realignment Act (Public Law 100–526; 10 U.S.C. 2687 note).

(2) The term "1990 base closure law" means the Defense Base Closure and Realignment Act of 1990 (part A of title XXIX of Public Law 101–510; 10 U.S.C. 2687 note).

SEC. 2830A. LAND CONVEYANCE, PROPERTY UNDERLYING CUMMINS APARTMENT COMPLEX, FORT HOLABIRD, MARYLAND.

(a) CONVEYANCE AUTHORIZED.—Notwithstanding any other provision of law, the Secretary of the Army may convey to the existing owner of the improvements thereon all right, title, and interest of the United States in and to a parcel of real property underlying the Cummins Apartment Complex at Fort Holabird, Maryland, consisting of approximately 6 acres and any interest the United States may have in the improvements thereon.

(b) CONSIDERATION.—As consideration for the conveyance under subsection (a), the owner of the improvements referred to in that subsection shall provide compensation to the United States in an amount equal to the fair market value (as determined by the Secretary) of the property interest to be conveyed.

(c) DESCRIPTION OF PROPERTY.—The exact acreage and legal description of the real property to be conveyed under subsection (a) shall be determined by a survey that is satisfactory to the Secretary.

(d) ADDITIONAL TERMS AND CONDITIONS.—The Secretary may require such additional terms and conditions in connection with the conveyance under subsection (a) as the Secretary considers appropriate to protect the interests of the United States.

SEC. 2830B. INTERIM LEASES OF PROPERTY APPROVED FOR CLOSURE OR REALIGNMENT.

Section 2667(f) of title 10, United States Code, is amended by adding at the end the following:

"(4)(A) Notwithstanding the National Environmental Policy Act of 1969 (42 U.S.C. 4321 et seq.), the scope of any environmental impact analysis necessary to support an interim lease of property under this subsection shall be limited to the environmental consequences of activities authorized under the proposed lease and the cumulative impacts of other past, present, and reasonably foreseeable future actions during the period of the proposed lease.

"(B) Interim leases entered into under this subsection shall be deemed not to prejudice the final property disposal decision, even if final property disposal may be delayed until completion of the interim lease term. An interim lease under this subsection shall not be entered into without prior consultation with the redevelopment authority concerned.

"(C) The provisions of subparagraphs (A) and (B) shall not apply to an interim lease under this subsection if authorized activities under the lease would—

"(i) significantly effect the quality of the human environment; or

"(ii) irreversibly alter the environment in a way that would preclude any reasonable disposal alternative of the property concerned.".

SEC. 2830C. SENSE OF THE CONGRESS REGARDING FITZSIMONS ARMY MEDICAL CENTER, COLORADO.

(a) FINDINGS.—The Congress finds that—

(1) Fitzsimons Army Medical Center in Aurora, Colorado has been recommended for closure in 1995 under the Defense Base Closure and Realignment Act of 1990;

(2) The University of Colorado Health Sciences Center and the University of Colorado Hospital Authority are in urgent need of space to maintain their ability to deliver health care to meet the growing demand for their services;

(3) Reuse of the Fitzsimons facility at the earliest opportunity would provide significant benefit to the cities of Aurora and Denver; and

(4) Reuse of the Fitzsimons facility by the local community ensures that the property is fully utilized by providing a benefit to the community.

(b) SENSE OF CONGRESS.—Therefore, it is the sense of Congress that upon acceptance of the Base Closure list:

(1) The Federal screening process for all military installations, including Fitzsimons Army Medical Center should be accomplished at the earliest opportunity;

(2) To the extent possible, the Secretary of the military departments should consider on an expedited basis transferring appropriate facilities to Local Redevelopment Authorities while still operational to ensure continuity of use to all parties concerned, in particular, the Secretary of the Army should consider an expedited transfer of Fitzsimons Army Medical Center because of significant preparations underway by the Local Redevelopment Authority;

(3) The Secretaries should not enter into leases with Local Redevelopment Authorities until the Secretary concerned has established that the lease falls within the categorical exclusions established by the Military Departments pursuant to the National Environmental Policy Act (42 U.S.C. 4321 et seq.);

(4) This section is in no way intended to circumvent the decisions of the 1995 BRAC or other applicable laws.

(c) REPORT.—180 days after the enactment of this Act the Secretary of the Army shall provide a report to the appropriate committees of the Congress on the Fitzsimons Army Medical Center that covers:

(1) The results of the Federal screening process for Fitzsimons and any actions that have been taken to expedite the review;

(2) Any impediments raised during the Federal screening process to the transfer or lease of Fitzsimons Army Medical Center;

(3) Any actions taken by the Secretary of the Army to lease the Fitzsimons Army Medical Center to the local redevelopment authority;

(4) The results of any environmental reviews under the National Environmental Policy Act in which such a lease would fall into the categorical exclusions established by the Secretary of the Army; and

(5) The results of the environmental baseline survey and a finding of suitability or nonsuitability.

Subtitle C—Land Conveyances

SEC. 2831. LAND ACQUISITION OR EXCHANGE, SHAW AIR FORCE BASE, SOUTH CAROLINA.

(a) LAND ACQUISITION.—The Secretary of the Air Force may, by means of an exchange of property, acceptance as a gift, or other means that does not require the use of appropriated funds, acquire all right, title, and interest in and to a parcel of real property (together with any improvements thereon) consisting of approximately 1,100 acres that is located adjacent to the eastern end of Shaw Air Force Base, South Carolina, and extends to Stamey Livestock Road in Sumter County, South Carolina.

(b) ACQUISITION THROUGH EXCHANGE OF LANDS.—For purposes of acquiring the real property described in subsection (a) by means of an exchange of lands, the Secretary may convey all right, title, and interest of the United States in and to a parcel of real property in the possession of the Air Force if—

(1) the Secretary determines that the land exchange is in the best interests of the Air Force; and

(2) the fair market value of the Air Force parcel to be conveyed does not exceed the fair market value of the parcel to be acquired.

(c) REVERSION OF GIFT CONVEYANCE.—If the Secretary acquires the real property described in subsection (a) by way of gift, the Secretary may accept in the deed of conveyance terms or conditions requiring that the land be reconveyed to the donor, or the donor's heirs, if Shaw Air Force Base ceases operations and is closed.

(d) DETERMINATIONS OF FAIR MARKET VALUE.—The Secretary shall determine the fair market value of the parcels of real property to be acquired pursuant to subsection (a) or acquired and conveyed pursuant to subsection (b). Such determinations shall be final.

(e) DESCRIPTIONS OF PROPERTY.—The exact acreage and legal descriptions of the parcels of real property to be acquired pursuant to subsection (a) or acquired and conveyed pursuant to subsection (b) shall be determined by surveys that are satisfactory to the Secretary.

(f) ADDITIONAL TERMS AND CONDITIONS.—The Secretary may require such additional terms and conditions in connection with the acquisition under subsection (a) or the acquisition and conveyance under subsection (b) as the Secretary considers appropriate to protect the interests of the United States.

SEC. 2832. AUTHORITY FOR PORT AUTHORITY OF STATE OF MISSISSIPPI TO USE CERTAIN NAVY PROPERTY IN GULFPORT, MISSISSIPPI.

(a) JOINT USE AGREEMENT AUTHORIZED.—The Secretary of the Navy may enter into an agreement with the Port Authority of the State of Mississippi (in this section referred to as the "Port Authority"), under which the Port Authority may use up to 50 acres of real property and associated facilities located at the Naval Construction Battalion Center, Gulfport, Mississippi (in this section referred to as the "Center").

(b) TERM OF AGREEMENT.—The agreement authorized under subsection (a) may be for an initial period of not more than 15 years. Under the agreement, the Secretary shall provide the Port Authority with an option to extend the agreement for 3 additional periods of 5 years each and for such additional periods as the Secretary and the Port Authority mutually agree.

(c) RESTRICTIONS ON USE.—The agreement authorized under subsection (a) shall require the Port Authority—

(1) to suspend operations at the Center in the event that Navy contingency operations are conducted at the Center; and

(2) to use the property covered by the agreement in a manner consistent with the Navy operations at the Center.

(d) CONSIDERATION.—(1) As consideration for the use of the property covered by the agreement under subsection (a), the Port Authority shall pay to the Navy an amount equal to the fair market rental value of the property, as determined by the Secretary taking into consideration the nature and extent of the Port Authority's use of the property.

(2) The Secretary may include a provision in the agreement requiring the Port Authority—

(A) to pay the Navy an amount (as determined by the Secretary) to cover the costs of replacing at the Center any facilities vacated by the Navy on account of the agreement or to construct suitable replacement facilities for the Navy; and

(B) to pay the Navy an amount (as determined by the Secretary) for the costs of relocating Navy operations from the vacated facilities to the replacement facilities.

(e) CONGRESSIONAL NOTIFICATION.—The Secretary may not enter into the agreement authorized by subsection (a) until the end of the 21-day period beginning on the date on which the Secretary submits to Congress a report containing an explanation of the terms of the proposed agreement and a description of the consideration that the Secretary expects to receive under the agreement.

(f) USE OF PAYMENT.—(1) The Secretary may use amounts received under subsection (d)(1) to pay for general supervision, administration, and overhead expenses and for improvement, maintenance, repair, construction, or restoration of facilities at the Center or of the roads and railways serving the Center.

(2) The Secretary may use amounts received under subsection (d)(2) to pay for constructing new facilities, or making modifications to existing facilities, that are necessary to replace facilities vacated by the Navy on account of the agreement under subsection (a) and for relocating operations of the Navy from the vacated facilities to replacement facilities.

(g) CONSTRUCTION BY PORT AUTHORITY.—The Secretary may authorize the Port Authority to demolish existing facilities located on the property covered by the agreement under subsection (a) and, consistent with the restriction provided under subsection (c)(2), construct new facilities on the property for the joint use of the Port Authority and the Navy.

(h) Additional Terms and Conditions.—The Secretary may require such additional terms and conditions in connection with the agreement authorized under subsection (a) as the Secretary considers appropriate to protect the interests of the United States.

SEC. 2833. CONVEYANCE OF RESOURCE RECOVERY FACILITY, FORT DIX, NEW JERSEY.

(a) Authority To Convey.—The Secretary of the Army may convey to Burlington County, New Jersey (in this section referred to as the "County"), without consideration, all right, title, and interest of the United States in and to a parcel of real property at Fort Dix, New Jersey, consisting of approximately two acres and containing a resource recovery facility known as the Fort Dix resource recovery facility.

(b) Related Easements.—The Secretary may grant to the County any easement that is necessary for access to and operation of the resource recovery facility conveyed under subsection (a).

(c) Requirement Relating to Conveyance.—The Secretary may not carry out the conveyance of the resource recovery facility authorized in subsection (a) unless the County agrees to accept the facility in its existing condition at the time of conveyance.

(d) Conditions on Conveyance.—The conveyance of the resource recovery facility authorized by subsection (a) is subject to the following conditions:

(1) That the County provide refuse service and steam service to Fort Dix, New Jersey, at the rate mutually agreed upon by the Secretary and the County and approved by the appropriate Federal or State regulatory authority.

(2) That the County comply with all applicable environmental laws and regulations (including any permit or license requirements) relating to the resource recovery facility.

(3) That, consistent with its ownership of the resource recovery facility conveyed, the County assume full responsibility for operation, maintenance, and repair of the facility and for compliance of the facility with all applicable regulatory requirements.

(4) That the County not commence any expansion of the resource recovery facility without approval of such expansion by the Secretary.

(e) Description of the Property.—The exact legal description of the real property to be conveyed under subsection (a), including the resource recovery facility conveyed therewith, and any easements granted under subsection (b), shall be determined by a survey and by other means satisfactory to the Secretary. The cost of any survey or other services performed at the direction of the Secretary under the authority in the preceding sentence shall be borne by the County.

(f) Additional Terms and Conditions.—The Secretary may require such additional terms and conditions in connection with the conveyance under subsection (a) and the grant of any easement under subsection (b) as the Secretary considers appropriate to protect the interests of the United States.

SEC. 2834. CONVEYANCE OF WATER AND WASTEWATER TREATMENT PLANTS, FORT GORDON, GEORGIA.

(a) Authority To Convey.—The Secretary of the Army may convey to the City of Augusta, Georgia (in this section referred to as the "City"), without consideration, all right, title, and interest of the United States in and to two parcels of real property located at Fort Gordon, Georgia, consisting of approximately seven acres each. The parcels are improved with a water filtration plant, a water distribution system with storage tanks, a sewage treatment plant, and a sewage collection system.

(b) Related Easements.—The Secretary may grant to the City any easement that is necessary for access to the real property conveyed under subsection (a) and operation of the conveyed facilities.

(c) Requirement Relating to Conveyance.—The Secretary may not carry out the conveyance of the water and wastewater treatment plants and water and wastewater distribution and collection systems authorized in subsection (a) unless the City agrees to accept the plants and systems in their existing condition at the time of conveyance.

(d) Conditions on Conveyance.—The conveyance authorized by subsection (a) is subject to the following conditions:

(1) That the City provide water and sewer service to Fort Gordon, Georgia, at a rate mutually agreed upon by the Secretary and the City and approved by the appropriate Federal or State regulatory authority.

(2) That the City comply with all applicable environmental laws and regulations (including any permit or license requirements) relating to the water and wastewater treatment plants and water and wastewater distribution and collection systems conveyed under that subsection.

(3) That, consistent with its ownership of the water and wastewater treatment plants and water and wastewater distribution and collection systems conveyed, the City assume full responsibility for operation, maintenance, and repair of the plants and water and systems conveyed under that subsection and for compliance of the plants and systems with all applicable regulatory requirements.

(4) That the City not commence any expansion of the water or wastewater treatment plant or water or wastewater distribution or collection system conveyed under that subsection without approval of such expansion by the Secretary.

(e) Description of Property.—The exact legal description of the real property to be conveyed under subsection (a), including the water and wastewater treatment plants and water and wastewater distribution and collection systems conveyed therewith, and of any easements granted under subsection (b), shall be determined by a survey and by other means satisfactory to the Secretary. The cost of any survey or other services performed at the direction of the Secretary under the authority in the preceding sentence shall be borne by the City.

(f) Additional Terms and Conditions.—The Secretary may require such additional terms and conditions in connection with the conveyance under subsection (a) and the grant of any easement under subsection (b) as the Secretary considers appropriate to protect the interests of the United States.

SEC. 2835. CONVEYANCE OF WATER TREATMENT PLANT, FORT PICKETT, VIRGINIA.

(a) Authority To Convey.—(1) The Secretary of the Army may convey to the Town of Blackstone, Virginia (in this section referred to as the "Town"), without consideration, all right, title, and interest of the United States in and to the property described in paragraph (2).

(2) The property referred to in paragraph (1) is the following property located at Fort Pickett, Virginia:

(A) A parcel of real property consisting of approximately 10 acres, including a reservoir and improvements thereon, the site of the Fort Pickett water treatment plant.

(B) Any equipment, fixtures, structures, or other improvements (including any water transmission lines, water distribution and service lines, fire hydrants, water pumping stations, and other improvements) not located on the parcel described in subparagraph (A) that are jointly identified by the Secretary and the Town as owned and utilized by the Federal Government in order to provide water to and distribute water at Fort Pickett.

(b) Related Easements.—The Secretary may grant to the Town the following easements relating to the conveyance of the property authorized by subsection (a):

(1) Such easements, if any, as the Secretary and the Town jointly determine are necessary in order to provide access to the water distribution system referred to in paragraph (2) of such subsection for maintenance, safety, and other purposes.

(2) Such easements, if any, as the Secretary and the Town jointly determine are necessary in order to provide access to the finished water lines from the system to the Town.

(3) Such rights of way appurtenant, if any, as the Secretary and the Town jointly determine are necessary in order to satisfy requirements imposed by any Federal, State, or municipal agency relating to the maintenance of a buffer zone around the water distribution system.

(c) Water Rights.—The Secretary shall grant to the Town as part of the conveyance under subsection (a) all right, title, and interest of the United States in and to any water of the Nottoway River, Virginia, that is connected with the reservoir referred to in paragraph (2)(A) of such subsection.

(d) Requirements Relating to Conveyance.—(1) The Secretary may not carry out the conveyance of the water distribution system authorized under subsection (a) unless the Town agrees to accept the system in its existing condition at the time of the conveyance.

(2) The Secretary shall complete any environmental removal or remediation required under the Comprehensive Environmental Response, Compensation, and Liability Act of 1980 (42 U.S.C. 9601 et seq.) with respect to the system to be conveyed under this section before carrying out the conveyance.

(e) Conditions.—The conveyance authorized in subsection (a) shall be subject to the following conditions:

(1) That the Town reserve for provision to Fort Pickett, and provide to Fort Pickett on demand, not less than 1,500,000 million gallons per day of treated water from the water distribution system.

(2) That the Town provide water to and distribute water at Fort Pickett at a rate that is no less favorable than the rate that the Town would charge a public or private entity similar to Fort Pickett for the provision and distribution of water.

(3) That the Town maintain and operate the water distribution system in compliance with all applicable Federal and State environmental laws and regulations (including any permit and license requirements).

(f) Description of Property.—The exact legal description of the property to be conveyed under subsection (a), of any easements granted under subsection (b), and of any water rights granted under subsection (c) shall be determined by a survey and other means satisfactory to the Secretary. The cost of any survey or other services performed at the direction of the Secretary under the authority in the preceding sentence shall be borne by the Town.

(g) Additional Terms and Conditions.—The Secretary may require such additional terms and conditions in connection with the conveyance authorized under subsection (a), the easements granted under subsection (b), and the water rights granted under subsection (c) that the Secretary considers appropriate to protect the interests of the United States.

SEC. 2836. CONVEYANCE OF ELECTRIC POWER DISTRIBUTION SYSTEM, FORT IRWIN, CALIFORNIA.

(a) AUTHORITY TO CONVEY.—(1) The Secretary of the Army may convey to the Southern California Edison Company, California (in this section referred to as the "Company"), without consideration, all right, title, and interest of the United States in and to the electric power distribution system described in subsection (b).

(2) The Secretary may not convey any real property under the authority in paragraph (1).

(b) COVERED SYSTEM.—The electric power distribution system referred to in subsection (a) is the electric power distribution system located at Fort Irwin, California, and includes the equipment, fixtures, structures, and other improvements (including approximately 115 miles of electrical distribution lines, poles, switches, reclosers, transformers, regulators, switchgears, and service lines) that the Federal Government utilizes to provide electric power at Fort Irwin.

(c) RELATED EASEMENTS.—The Secretary may grant to the Company any easement that is necessary for access to and operation of the electric power distribution system conveyed under subsection (a).

(d) REQUIREMENT RELATING TO CONVEYANCE.—The Secretary may not carry out the conveyance of the electric power distribution system authorized in subsection (a) unless the Company agrees to accept that system in its existing condition at the time of the conveyance.

(e) CONDITIONS ON CONVEYANCE.—The conveyance authorized by subsection (a) is subject to the following conditions:

(1) That the Company provide electric power to Fort Irwin, California, at a rate mutually agreed upon by the Secretary and the Company and approved by the appropriate Federal or State regulatory authority.

(2) That the Company comply with all applicable environmental laws and regulations (including any permit or license requirements) relating to the electric power distribution system.

(3) That, consistent with its ownership of the electric power distribution system conveyed, the Company assume full responsibility for operation, maintenance, and repair of the system and for compliance of the system with all applicable regulatory requirements.

(4) That the Company not commence any expansion of the electric power distribution system without approval of such expansion by the Secretary.

(f) DESCRIPTION OF PROPERTY.—The exact legal description of the electric power distribution system to be conveyed pursuant to subsection (a), including any easement granted under subsection (b), shall be determined by a survey and by other means satisfactory to the Secretary. The cost of any survey or other services performed at the direction of the Secretary pursuant to the authority in the preceding sentence shall be borne by the Company.

(g) ADDITIONAL TERMS AND CONDITIONS.—The Secretary may require such additional terms and conditions in connection with the conveyance under subsection (a) and the grant of any easement under subsection (b) as the Secretary considers appropriate to protect the interests of the United States.

SEC. 2837. LAND EXCHANGE, FORT LEWIS, WASHINGTON.

(a) IN GENERAL.—(1) The Secretary of the Army may convey to the Weyerhaeuser Real Estate Company, Washington (in this section referred to as the "Company"), all right, title, and interest of the United States in and to the parcels of real property described in paragraph (2).

(2) The authority in paragraph (1) applies to the following parcels of real property located on the Fort Lewis Military Reservation, Washington:

(A) An unimproved portion of Tract 1000 (formerly being in the DuPont-Steilacoom Road), consisting of approximately 1.23 acres.

(B) Tract 26E, consisting of approximately 0.03 acres.

(b) CONSIDERATION.—As consideration for the conveyance authorized by subsection (a), the Company shall—

(1) convey (or acquire and then convey) to the United States all right, title, and interest in and to a parcel of real property consisting of approximately 0.39 acres, together with improvements thereon, located within the boundaries of Fort Lewis Military Reservation;

(2) construct an access road from Pendleton Street to the DuPont Recreation Area and a walkway path through DuPont Recreation Area;

(3) construct as improvements to the recreation area a parking lot, storm drains, perimeter fencing, restroom facilities, and initial grading of the DuPont baseball fields; and

(4) provide such other consideration as may be necessary (as determined by the Secretary) to ensure that the fair market value of the consideration provided by the Company under this subsection is not less than the fair market value of the parcels of real property conveyed under subsection (a).

(c) DETERMINATIONS OF FAIR MARKET VALUE.—The determinations of the Secretary regarding the fair market value of the real property to be conveyed pursuant to subsections (a) and (b), and of any other consideration provided by the Company under subsection (b), shall be final.

(d) TREATMENT OF OTHER INTERESTS IN PARCELS TO BE CONVEYED.—The Secretary may enter into an agreement with the appropriate officials of Pierce County, Washington, which provides for—

(1) Pierce County to release the existing reversionary interest of Pierce County in the parcels of real property to be conveyed by the United States under subsection (a); and

(2) the United States, in exchange for the release, to convey or grant to Pierce County an interest in the parcel of real property conveyed to the United States under subsection (b)(1) that is similar in effect (as to that parcel) to the reversionary interest released by Pierce County under paragraph (1).

(e) DESCRIPTION OF PROPERTY.—The exact acreages and legal descriptions of the parcels of real property to be conveyed under subsections (a) and (b) shall be determined by surveys satisfactory to the Secretary. The cost of such surveys shall be borne by the Company.

(f) ADDITIONAL TERMS AND CONDITIONS.—The Secretary may require any additional terms and conditions in connection with the conveyances under this section that the Secretary considers appropriate to protect the interest of the United States.

SEC. 2838. LAND CONVEYANCE, NAVAL SURFACE WARFARE CENTER, MEMPHIS, TENNESSEE.

(a) AUTHORITY TO CONVEY.—The Secretary of the Navy may convey to the Memphis and Shelby County Port Commission, Memphis, Tennessee (in this section referred to as the "Port"), all right, title, and interest of the United States in and to a parcel of real property (including any improvements thereon) consisting of approximately 26 acres that is located at the Carderock Division, Naval Surface Warfare Center, Memphis Detachment, Presidents Island, Memphis, Tennessee.

(b) CONSIDERATION.—As consideration for the conveyance of real property under subsection (a), the Port shall—

(1) grant to the United States a restrictive easement in and to a parcel of real property consisting of approximately 100 acres that is adjacent to the Memphis Detachment, Presidents Island, Memphis, Tennessee; and

(2) if the fair market value of the easement granted under paragraph (1) exceeds the fair market value of the real property conveyed under subsection (a), provide the United States such additional consideration as the Secretary and the Port jointly determine appropriate so that the value of the consideration received by the United States under this subsection is equal to or greater than the fair market value of the real property conveyed under subsection (a).

(c) CONDITION OF CONVEYANCE.—The conveyance authorized by subsection (a) shall be carried out in accordance with the provisions of the Land Exchange Agreement between the United States of America and the Memphis and Shelby County Port Commission, Memphis, Tennessee.

(d) DETERMINATION OF FAIR MARKET VALUE.—The Secretary shall determine the fair market value of the real property to be conveyed under subsection (a) and of the easement to be granted under subsection (b)(1). Such determinations shall be final.

(e) USE OF PROCEEDS.—The Secretary shall deposit any proceeds received under subsection (b)(2) as consideration for the conveyance of real property authorized under subsection (a) in the special account established pursuant to section 204(h) of the Federal Property and Administrative Services Act of 1949 (40 U.S.C. 485(h)).

(f) DESCRIPTION OF PROPERTY.—The exact acreage and legal description of the real property to be conveyed under subsection (a) and the easement to be granted under subsection (b)(1) shall be determined by surveys satisfactory to the Secretary. The cost of the surveys shall be borne by the Port.

(g) ADDITIONAL TERMS AND CONDITIONS.—The Secretary may require such additional terms and conditions in connection with the conveyance authorized by subsection (a) and the easement granted under subsection (b)(1) as the Secretary considers appropriate to protect the interests of the United States.

SEC. 2839. LAND CONVEYANCE, RADAR BOMB SCORING SITE, FORSYTH, MONTANA.

(a) AUTHORITY TO CONVEY.—The Secretary of the Air Force may convey, without consideration, to the City of Forsyth, Montana (in this section referred to as the "City"), all right, title, and interest of the United States in and to the parcel of property (including any improvements thereon) consisting of approximately 58 acres located in Forsyth, Montana, which has served as a support complex and recreational facilities for the Radar Bomb Scoring Site, Forsyth, Montana.

(b) CONDITION OF CONVEYANCE.—The conveyance under subsection (a) shall be subject to the condition that the City—

(1) utilize the property and recreational facilities conveyed under that subsection for housing and recreation purposes; or

(2) enter into an agreement with an appropriate public or private entity to lease such

property and facilities to that entity for such purposes.

(c) REVERSION.—If the Secretary determines at any time that the property conveyed under subsection (a) is not being utilized in accordance with paragraph (1) or paragraph (2) of subsection (b), all right, title, and interest in and to the conveyed property, including any improvements thereon, shall revert to the United States and the United States shall have the right of immediate entry onto the property.

(d) DESCRIPTION OF PROPERTY.—The exact acreage and legal description of the property conveyed under this section shall be determined by a survey satisfactory to the Secretary. The cost of such survey shall be borne by the City.

(e) ADDITIONAL TERMS AND CONDITIONS.—The Secretary may require such additional terms and conditions in connection with the conveyance under this section as the Secretary determines appropriate to protect the interests of the United States.

SEC. 2840. LAND CONVEYANCE, RADAR BOMB SCORING SITE, POWELL, WYOMING.

(a) AUTHORITY TO CONVEY.—The Secretary of the Air Force may convey, without consideration, to the Northwest College Board of Trustees (in this section referred to as the "Board"), all right, title, and interest of the United States in and to a parcel of real property (including any improvements thereon) consisting of approximately 24 acres located in Powell, Wyoming, which has served as the location of a support complex, recreational facilities, and housing facilities for the Radar Bomb Scoring Site, Powell, Wyoming.

(b) CONDITION OF CONVEYANCE.—The conveyance authorized under subsection (a) shall be subject to the condition that the Board use the property conveyed under that subsection for housing and recreation purposes and for such other purposes as the Secretary and the Board jointly determine appropriate.

(c) REVERSIONARY INTEREST.—During the 5-year period beginning on the date that the Secretary makes the conveyance authorized under subsection (a), if the Secretary determines that the conveyed property is not being used in accordance with subsection (b), all right, title, and interest in and to the conveyed property, including any improvements thereon, shall revert to the United States and the United States shall have the right of immediate entry onto the property.

(d) DESCRIPTION OF PROPERTY.—The exact acreage and legal description of the property conveyed under this section shall be determined by a survey satisfactory to the Secretary. The cost of the survey shall be borne by the Board.

(e) ADDITIONAL TERMS AND CONDITIONS.—The Secretary may require such additional terms and conditions in connection with the conveyance under this section as the Secretary considers appropriate to protect the interests of the United States.

SEC. 2841. REPORT ON DISPOSAL OF PROPERTY, FORT ORD MILITARY COMPLEX, CALIFORNIA.

Not later than 60 days after the date of the enactment of this Act, the Secretary of Defense shall submit to Congress a report describing the plans of the Secretary for the disposal of a parcel of real property consisting of approximately 477 acres at the former Fort Ord Military Complex, California, including the Black Horse Golf Course, the Bayonet Golf Course, and a portion of the Hayes Housing Facility.

SEC. 2842. LAND CONVEYANCE, NAVY PROPERTY, FORT SHERIDAN, ILLINOIS.

(a) AUTHORITY TO CONVEY.—Subject to subsections (b) and (l), the Secretary of the Navy may convey to any transferee selected under subsection (i) all right, title, and interest of the United States in and to a parcel of real property (including any improvements thereon) at Fort Sheridan, Illinois, consisting of approximately 182 acres and comprising the Navy housing areas at Fort Sheridan.

(b) REQUIREMENT FOR FEDERAL SCREENING OF PROPERTY.—The Secretary may not carry out the conveyance of property authorized by subsection (a) unless the Secretary determines that no department or agency of the Federal Government will accept the transfer of the property.

(c) CONSIDERATION.—(1) As consideration for the conveyance under subsection (a), the transferee selected under subsection (i) shall—

(A) convey to the United States a parcel of real property that meets the requirements of subsection (d);

(B) design for and construct on the property conveyed under subparagraph (A) such housing facilities (including support facilities and infrastructure) to replace the housing facilities conveyed pursuant to the authority in subsection (a) as the Secretary considers appropriate;

(C) pay the cost of relocating Navy personnel residing in the housing facilities located on the real property conveyed pursuant to the authority in subsection (a) to the housing facilities constructed under subparagraph (B);

(D) provide for the education of dependents of such personnel under subsection (e); and

(E) carry out such activities for the maintenance and improvement of the facilities constructed under subparagraph (B) as the Secretary and the transferee jointly determine appropriate.

(2) The Secretary shall ensure that the fair market value of the consideration provided by the transferee under paragraph (1) is not less than the fair market value of the property interest conveyed by the Secretary under subsection (a).

(d) REQUIREMENTS RELATING TO PROPERTY TO BE CONVEYED TO UNITED STATES.—The property interest conveyed to the United States under subsection (c)(1)(A) by the transferee selected under subsection (i) shall—

(1) be located not more than 25 miles from the Great Lakes Naval Training Center, Illinois;

(2) be located in a neighborhood or area having social and economic conditions similar to the social and economic conditions of the area in which Fort Sheridan is located; and

(3) be acceptable to the Secretary.

(e) EDUCATION OF DEPENDENTS OF NAVY PERSONNEL.—In providing for the education of dependents of Navy personnel under subsection (c)(1)(D), the transferee selected under subsection (i) shall ensure that such dependents may enroll at the schools of one or more school districts in the vicinity of the real property conveyed to the United States under subsection (c)(1)(A) which schools and districts—

(1) meet such standards for schools and schools districts as the Secretary shall establish; and

(2) will continue to meet such standards after the enrollment of such dependents regardless of the receipt by such school districts of Federal impact aid.

(f) INTERIM RELOCATION OF NAVY PERSONNEL.—Pending completion of the construction of all the housing facilities proposed to be constructed under subsection (c)(1)(B) by the transferee selected under subsection (i), the Secretary may relocate Navy personnel residing in housing facilities located on the property to be conveyed pursuant to the authority in subsection (a) to the housing facilities that have been constructed by the transferee under such subsection (c)(1)(B).

(g) APPLICABILITY OF CERTAIN AGREEMENTS.—The property conveyed by the Secretary pursuant to the authority in subsection (a) shall be subject to the Memorandum of Understanding concerning the Transfer of Certain Properties at Fort Sheridan, Illinois, dated August 8, 1991, between the Department of the Army and the Department of the Navy.

(h) DETERMINATION OF FAIR MARKET VALUE.—The Secretary shall determine the fair market value of the real property interest to be conveyed under subsection (a) and of the consideration to be provided under subsection (c)(1). Such determination shall be final.

(i) SELECTION OF TRANSFEREE.—(1) The Secretary shall use competitive procedures for the selection of a transferee under subsection (a).

(2) In evaluating the offers of prospective transferees, the Secretary shall—

(A) consider the technical sufficiency of the offers and the adequacy of the offers in meeting the requirements for consideration set forth in subsection (c)(1); and

(B) consult with the communities and jurisdictions in the vicinity of Fort Sheridan (including the City of Lake Forest, the City of Highwood, and the City of Highland Park and the County of Lake) in order to determine the most appropriate use of the property to be conveyed.

(j) DESCRIPTIONS OF PROPERTY.—The exact acreage and legal descriptions of the real property to be conveyed by the Secretary under subsection (a) and the real property to be conveyed under subsection (c)(1)(A) shall be determined by surveys satisfactory to the Secretary. The cost of such surveys shall be borne by the transferee selected under subsection (i).

(k) ADDITIONAL TERMS AND CONDITIONS.—The Secretary may require such additional terms and conditions in connection with the conveyances under this section as the Secretary considers appropriate to protect the interests of the United States.

SEC. 2843. LAND CONVEYANCE, ARMY RESERVE PROPERTY, FORT SHERIDAN, ILLINOIS.

(a) AUTHORITY TO CONVEY.—Subject to subsection (b), the Secretary of the Army may convey to any transferee selected under subsection (g) all right, title, and interest of the United States in and to a parcel of real property (including improvements thereon) at Fort Sheridan, Illinois, consisting of approximately 114 acres and comprising an Army Reserve area.

(b) REQUIREMENT FOR FEDERAL SCREENING OF PROPERTY.—The Secretary may not carry out the conveyance of property authorized by subsection (a) unless the Secretary determines that no department or agency of the Federal Government will accept the transfer of the property.

(c) CONSIDERATION.—(1) As consideration for the conveyance under subsection (a), the transferee selected under subsection (g) shall—

(A) convey to the United States a parcel of real property that meets the requirements of subsection (d);

(B) design for and construct on the property conveyed under subparagraph (A) such facilities (including support facilities and infrastructure) to replace the facilities conveyed pursuant to the authority in subsection (a) as the Secretary considers appropriate; and

(C) pay the cost of relocating Army personnel in the facilities located on the real property conveyed pursuant to the authority in subsection (a) to the facilities constructed under subparagraph (B).

(2) The Secretary shall ensure that the fair market value of the consideration provided by the transferee under paragraph (1) is not less than the fair market value of the real property conveyed by the Secretary under subsection (a).

(d) Requirements Relating to Property To Be Conveyed to United States.—The real property conveyed to the United States under subsection (c)(1)(A) by the transferee selected under subsection (g) shall—

(1) be located not more than 25 miles from Fort Sheridan;

(2) be located in a neighborhood or area having social and economic conditions similar to the social and economic conditions of the area in which Fort Sheridan is located; and

(3) be acceptable to the Secretary.

(e) Interim Relocation of Army Personnel.—Pending completion of the construction of all the facilities proposed to be constructed under subsection (c)(1)(B) by the transferee selected under subsection (g), the Secretary may relocate Army personnel in the facilities located on the property to be conveyed pursuant to the authority in subsection (a) to the facilities that have been constructed by the transferee under such subsection (c)(1)(B).

(f) Determination of Fair Market Value.—The Secretary shall determine the fair market value of the real property to be conveyed under subsection (a) and of the consideration to be provided under subsection (c)(1). Such determination shall be final.

(g) Selection of Transferee.—(1) The Secretary shall use competitive procedures for the selection of a transferee under subsection (a).

(2) In evaluating the offers of prospective transferees, the Secretary shall—

(A) consider the technical sufficiency of the offers and the adequacy of the offers in meeting the requirements for consideration set forth in subsection (c)(1); and

(B) consult with the communities and jurisdictions in the vicinity of Fort Sheridan (including the City of Lake Forest, the City of Highwood, and the City of Highland Park and the County of Lake) in order to determine the most appropriate use of the property to be conveyed.

(h) Descriptions of Property.—The exact acreage and legal descriptions of the real property to be conveyed by the Secretary under subsection (a) and the real property to be conveyed under subsection (c)(1)(A) shall be determined by surveys satisfactory to the Secretary. The cost of such surveys shall be borne by the transferee selected under subsection (g).

(i) Additional Terms and Conditions.—The Secretary may require such additional terms and conditions in connection with the conveyances under this section as the Secretary considers appropriate to protect the interests of the United States.

SEC. 2844. LAND CONVEYANCE, NAVAL COMMUNICATIONS STATION, STOCKTON, CALIFORNIA.

(a) Authority to Convey.—The Secretary of the Navy may, upon the concurrence of the Administrator of General Services and the Secretary of Housing and Urban Development, convey to the Port of Stockton (in this section referred to as the "Port"), all right, title, and interest of the United States in and to a parcel of real property, including any improvements thereon, consisting of approximately 1,450 acres at the Naval Communication Station, Stockton, California.

(b) Interim Lease.—Until such time as the real property described in subsection (a) is conveyed by deed, the Secretary may lease the property, along with improvements thereon, to the Port under terms and conditions satisfactory to the Secretary.

(c) Consideration.—The conveyance may be as a public benefit conveyance for port development as defined in section 203 of the Federal Property and Administrative Services Act of 1949 (40 U.S.C. 484), as amended, provided the Port satisfies the criteria in section 203 and such regulations as the Administrator of General Services may prescribe to implement that section. Should the Port fail to qualify for a public benefit conveyance and still desire to acquire the property, then the Port shall, as consideration for the conveyance, pay to the United States an amount equal to the fair market value of the property to be conveyed, as determined by the Secretary.

(d) Federal Lease of Conveyed Property.—Notwithstanding any other provision of law, as a condition for transfer of this property under subparagraph (a), the Secretary may require that the Port agree to lease all or a part of the property currently under Federal use at the time of conveyance to the United States for use by the Department of Defense or any other Federal agency under the same terms and conditions now presently in force. Such terms and conditions will continue to include payment (to the Port) for maintenance of facilities leased to the Federal Government. Such maintenance of the Federal premises shall be to the reasonable satisfaction of the United States, or as required by all applicable Federal, State and local laws and ordinances.

(e) Description of Property.—The exact acreage and legal description of the property to be conveyed under subsection (a) shall be determined by a survey satisfactory to the Secretary. The cost of such survey shall be borne by Port

(f) Additional Terms.—The Secretary may require such additional terms and conditions in connection with the conveyance under subsection (a) or the lease under subsection (b) as the Secretary considers appropriate to protect the interests of the United States.

(g) Environmental Quality of Property.—Any contract for sale, deed, or other transfer of real property under this section shall be carried out in compliance with section 120(h) of the CERCLA (42 U.S.C. 9620(h)) and other environmental laws.

SEC. 2845. LAND CONVEYANCE, WILLIAM LANGER JEWEL BEARING PLANT, ROLLA, NORTH DAKOTA.

(a) Authority to Convey.—The Administrator of General Services may convey, without consideration, to the Job Development Authority of the City of Rolla, North Dakota (in this section referred to as the "Authority"), all right, title, and interest of the United States in and to a parcel of real property, with improvements thereon and all associated personal property, consisting of approximately 9.77 acres and comprising the William Langer Jewel Bearing Plant in Rolla, North Dakota.

(b) Condition of Conveyance.—The conveyance authorized under subsection (a) shall be subject to the condition that the Authority—

(1) use the real and personal property and improvements conveyed under that subsection for economic development relating to the jewel bearing plant;

(2) enter into an agreement with an appropriate public or private entity or person to lease such property and improvements to that entity or person for such economic development; or

(3) enter into an agreement with an appropriate public or private entity or person to sell such property and improvements to that entity or person for such economic development.

(c) Preference for Domestic Disposal of Jewel Bearings.—(1) In offering to enter into agreements pursuant to any provision of law for the disposal of jewel bearings from the National Defense Stockpile, the President shall give a right of first refusal on all such offers to the Authority or to the appropriate public or private entity or person with which the Authority enters into an agreement under subsection (b).

(2) For the purposes of this section, the term "National Defense Stockpile" means the stockpile provided for in section 4 of the Strategic and Critical Materials Stock Piling Act (50 U.S.C. 98(c)).

(d) Availability of Funds for Maintenance and Conveyance of Plant.—Notwithstanding any other provision of law, funds available in fiscal year 1995 for the maintenance of the William Langer Jewel Bearing Plant in Public Law 103–335 shall be available for the maintenance of that plant in fiscal year 1996, pending conveyance, and for the conveyance of that plant under this section.

(e) Description of Property.—The exact acreage and legal description of the property conveyed under this section shall be determined by a survey satisfactory to the Administrator. The cost of such survey shall be borne by the Administrator.

(f) Additional Terms and Conditions.—The Administrator may require such additional terms and conditions in connection with the conveyance under this section as the Administrator determines appropriate to protect the interests of the United States.

SEC. 2846. LAND EXCHANGE, UNITED STATES ARMY RESERVE CENTER, GAINESVILLE, GEORGIA.

(a) In General.—The Secretary of the Army may convey to the City of Gainesville, Georgia (in this section referred to as the "City"), all right, title, and interest of the United States in and to a parcel of real property (together with any improvements thereon) consisting of approximately 4.2 acres located on Shallowford Road, in the City of Gainesville, Georgia.

(b) Consideration.—As consideration for the conveyance authorized by subsection (a), the city shall—

(1) convey to the United States all right, title, and interest in and to a parcel of real property consisting of approximately 8 acres of land, acceptable to the Secretary, in the Atlas Industrial Park, Gainesville, Georgia;

(2) design and construct on such real property suitable replacement facilities in accordance with the requirements of the Secretary, for the training activities of the United States Army Reserve;

(3) fund and perform any environmental and cultural resource studies, analysis, documentation that may be required in connection with the land exchange and construction considered by this section;

(4) reimburse the Secretary for the costs of relocating the United States Army Reserve

units from the real property to be conveyed under subsection (a) to the replacement facilities to be constructed by the City under subsection (b)(2). The Secretary shall deposit such funds in the same account used to pay for the relocation;

(5) pay to the United States an amount as may be necessary to ensure that the fair market value of the consideration provided by the City under this subsection is not less than fair market value of the parcel of real property conveyed under subsection (a); and

(6) assume all environmental liability under the Comprehensive Environmental Response, Compensation, and Liability Act (42 U.S.C. 9620(h)) for the real property to be conveyed under subsection (b)(1).

(c) Determination of Fair Market Value.—The determination of the Secretary regarding the fair market value of the real property to be conveyed pursuant to subsection (a), and of any other consideration provided by the City under subsection (b), shall be final.

(d) Description of Property.—The exact acreage and legal description of the parcels of real property to be conveyed under subsections (a) and (b) shall be determined by surveys satisfactory to the Secretary. The cost of such surveys shall be borne by the City.

(e) Additional Terms and Conditions.—The Secretary may require any additional terms and conditions in connection with the conveyances under this section that the Secretary considers appropriate to protect the interest of the United States.

Subtitle D—Transfer of Jurisdiction and Establishment of Midewin National Tallgrass Prairie

SEC. 2851. SHORT TITLE.

This subtitle may be cited as the "Illinois Land Conservation Act of 1995".

SEC. 2852. DEFINITIONS.

As used in this subtitle:

(1) The term "Administrator" means the Administrator of the Environmental Protection Agency.

(2) The term "agricultural purposes" means, with respect to land, the use of land for row crops, pasture, hay, or grazing.

(3) The term "Arsenal" means the Joliet Army Ammunition Plant located in the State of Illinois.

(4) The term "Arsenal Land Use Concept" refers to the proposals that were developed and unanimously approved on April 8, 1994, by the Joliet Arsenal Citizen Planning Commission.

(5) The term "CERCLA" means the Comprehensive Environmental Response, Compensation, and Liability Act of 1980 (42 U.S.C. 9601 et seq.).

(6) The term "Defense Environmental Restoration Program" means the Defense Environmental Restoration Program established under section 2701 of title 10, United States Code.

(7) The term "environmental law" means all applicable Federal, State, and local laws, regulations, and requirements related to the protection of human health, natural and cultural resources, or the environment, including—

(A) CERCLA;

(B) the Solid Waste Disposal Act (42 U.S.C. 6901 et seq.);

(C) the Federal Water Pollution Control Act (commonly known as the "Clean Water Act"; 33 U.S.C. 1251 et seq.);

(D) the Clean Air Act (42 U.S.C. 7401 et seq.);

(E) the Federal Insecticide, Fungicide, and Rodenticide Act (7 U.S.C. 136 et seq.);

(F) the Toxic Substances Control Act (15 U.S.C. 2601 et seq.); and

(G) title XIV of the Public Health Service Act (commonly known as the "Safe Drinking Water Act") (42 U.S.C. 300f et seq.).

(8) The term "hazardous substance" has the meaning given the term in section 101(14) of CERCLA (42 U.S.C. 9601(14)).

(9) The term "MNP" means the Midewin National Tallgrass Prairie established under section 2853 and managed as part of the National Forest System.

(10) The term "national cemetery" means a cemetery that is part of the National Cemetery System under chapter 24 of title 38, United States Code.

(11) The term "person" has the meaning given the term in section 101(21) of CERCLA (42 U.S.C. 9601(21)).

(12) The term "pollutant or contaminant" has the meaning given the term in section 101(33) of CERCLA (42 U.S.C. 9601(33)).

(13) The term "release" has the meaning given the term in section 101(22) of CERCLA (42 U.S.C. 9601(22)).

(14) The term "response" has the meaning given the term in section 101(25) of CERCLA (42 U.S.C. 9601(25)).

(15) The term "Secretary" means the Secretary of Agriculture.

SEC. 2853. ESTABLISHMENT OF MIDEWIN NATIONAL TALLGRASS PRAIRIE.

(a) Establishment.—On the date of the initial transfer of jurisdiction of portions of the Arsenal to the Secretary under section 2854(a)(1), the Secretary shall establish the MNP described in subsection (b).

(b) Description.—The MNP shall consist of all portions of the Arsenal transferred to the Secretary under this subtitle.

(c) Administration.—The Secretary shall manage the MNP as a part of the National Forest System in accordance with this subtitle and the laws, rules, and regulations pertaining to the National Forests, except that the Bankhead-Jones Farm Tenant Act (7 U.S.C. 1000 et seq.) shall not apply to the MNP.

(d) Land Acquisition Funds.—Notwithstanding section 7 of the Land and Water Conservation Fund Act of 1965 (16 U.S.C. 460l-9), money appropriated from the land and water conservation fund established under section 2 of that Act (16 U.S.C. 460l-5) may be used for acquisition of lands and interests in land for inclusion in the MNP.

(e) Land and Resource Management Plan.—The Secretary shall develop a land and resource management plan for the MNP, after consulting with the Illinois Department of Conservation and local governments adjacent to the MNP and providing an opportunity for public comment.

(f) Pre-Plan Management.—In order to expedite the administration and public use of the MNP, the Secretary may, prior to the development of a land and resource management plan for the MNP under subsection (e), manage the MNP for the purposes described in subsection (g).

(g) Purposes of MNP.—In establishing the MNP, the Secretary shall—

(1) conserve and enhance populations and habitats of fish, wildlife, and plants, including populations of grassland birds, raptors, passerines, and marsh and water birds;

(2) restore and enhance, where practicable, habitats for species listed as threatened or endangered, or proposed to be listed, under section 4 of the Endangered Species Act of 1973 (16 U.S.C. 1533);

(3) provide fish- and wildlife-oriented public uses at levels compatible with the conservation, enhancement, and restoration of native wildlife and plants and the habitats of native wildlife and plants;

(4) provide opportunities for scientific research;

(5) provide opportunities for environmental and land use education;

(6) manage the land and water resources of the MNP in a manner that will conserve and enhance the natural diversity of native fish, wildlife, and plants;

(7) conserve and enhance the quality of aquatic habitat; and

(8) provide for public recreation insofar as the recreation is compatible with paragraphs (1) through (7).

(h) Prohibition Against the Construction of New Through Roads.—(1) Subject to paragraph (2), no new construction of a highway, public road, or part of the interstate system, whether Federal, State, or local, shall be permitted through or across any portion of the MNP.

(2) This subsection does not preclude—

(A) construction and maintenance of roads for use within the MNP;

(B) the granting of authorizations for utility rights-of-way under applicable Federal, State, or local law;

(C) necessary access by the Secretary of the Army for purposes of restoration and cleanup as provided in this subtitle;

(D) such other access as is necessary.

(i) Agricultural Leases and Special Use Authorizations.—(1) If, at the time of transfer of jurisdiction under section 2854(a), there exists a lease issued by the Secretary of the Army, Secretary of Defense, or an employee of the Secretary of the Army or the Secretary of Defense, for agricultural purposes on the land transferred, the Secretary, on the transfer of jurisdiction, shall issue a special use authorization. Subject to paragraph (3), the terms of the special use authorization shall be identical in substance to the lease, including terms prescribing the expiration date and any payments owed to the United States. On issuance of the special use authorization, the lease shall become void.

(2) The Secretary may issue a special use authorization to a person for use of the MNP for agricultural purposes. The special use authorization shall require payment of a rental fee, in advance, that is based on the fair market value of the use allowed. Fair market value shall be determined by appraisal or a competitive bidding process. Subject to paragraph (3), the special use authorization shall include such terms and conditions as the Secretary considers appropriate.

(3) No special use authorization shall be issued under this subsection that has a term extending beyond the date that is 20 years after the date of enactment of this Act, unless the special use authorization is issued primarily for purposes related to—

(A) erosion control;

(B) provision for food and habitat for fish and wildlife; or

(C) resource management activities consistent with the purposes of the MNP.

(j) Treatment of Rental Fees.—Funds received under a special use authorization issued under subsection (i) shall be subject to distribution to the State of Illinois and affected counties in accordance with the Act of May 23, 1908 (35 Stat. 260, chapter 192; 16 U.S.C. 500) and section 13 of the Act of March 1, 1911 (36 Stat. 963, chapter 186; 16 U.S.C. 500). All funds not distributed under such Acts shall be credited to an MNP Rental Fee Account, to be maintained by the Secretary of the Treasury. Amounts in the Account shall remain available until expended, without fiscal year limitation. The Secretary may use funds in the Account to carry out prairie-improvement work. Any funds in the account that the Secretary determines to be in excess of the cost of doing prairie-improvement work shall be transferred, on the determination, to miscellaneous receipts, Forest Service Fund, as a National Forest receipt for the fiscal year in which the transfer is made.

(k) USER FEES.—The Secretary may charge reasonable fees for the admission, occupancy, and use of the MNP and may prescribe a fee schedule providing for a reduction or a waiver of fees for a person engaged in an activity authorized by the Secretary, including volunteer services, research, or education. The Secretary shall permit admission, occupancy, and use of the MNP at no charge for a person possessing a valid Golden Eagle Passport or Golden Age Passport.

(l) SALVAGE OF IMPROVEMENTS.—The Secretary may sell for salvage value any facility or improvement that is transferred to the Secretary under this subtitle.

(m) TREATMENT OF USER FEES AND SALVAGE RECEIPTS.—Funds collected under subsections (k) and (l) shall be credited to a Midewin National Tallgrass Prairie Restoration Fund, to be maintained by the Secretary of the Treasury. Amounts in the Fund shall remain available, subject to appropriation, without fiscal year limitation. The Secretary may use amounts in the Fund for restoration and administration of the MNP, including construction of a visitor and education center, restoration of ecosystems, construction of recreational facilities (such as trails), construction of administrative offices, and operation and maintenance of the MNP.

(n) COOPERATION WITH STATES, LOCAL GOVERNMENTS, AND OTHER ENTITIES.—In the management of the MNP, the Secretary shall, to the extent practicable, cooperate with affected appropriate Federal, State, and local governmental agencies, private organizations, and corporations. The cooperation may include entering a cooperative agreement or exercising authority under the Cooperative Forestry Assistance Act of 1978 (16 U.S.C. 2101 et seq.) or the Forest and Rangeland Renewable Resources Research Act of 1978 (16 U.S.C. 1641 et seq.). The purpose of the cooperation may include public education, land and resource protection, or cooperative management among government, corporate, and private landowners in a manner that is consistent with this subtitle.

SEC. 2854. TRANSFER OF MANAGEMENT RESPONSIBILITIES AND JURISDICTION OVER ARSENAL.

(a) PHASED TRANSFER OF JURISDICTION.—(1) Not later than 180 days after the date of the enactment of this Act, the Secretary of the Army may transfer to the Secretary of Agriculture those portions of the Arsenal property identified for transfer to the Secretary of Agriculture under subsection (c), and may transfer to the Secretary of Veterans Affairs those portions identified for transfer to the Secretary of Veterans Affairs under section 2855(a). In the case of the Arsenal property to be transferred to the Secretary of Agriculture, the Secretary of the Army shall transfer to the Secretary of Agriculture only those portions for which the Secretary of the Army and the Administrator concur in finding that no further action is required under any environmental law and that have been eliminated from the areas to be further studied pursuant to the Defense Environmental Restoration Program for the Arsenal. Not later than 120 days after the date of the enactment of this Act, the Secretary of the Army and the Administrator shall provide to the Secretary—

(A) all documentation that exists on the date the documentation is provided that supports the finding; and

(B) all information that exists on the date the information is provided that relates to the environmental conditions of the portions of the Arsenal to be transferred to the Secretary under this paragraph.

(2)(A) The Secretary of the Army may transfer to the Secretary of Agriculture any portion of the property generally identified in subsection (c) and not transferred pursuant to paragraph (1) when the Secretary of the Army and the Administrator concur in finding that no further action is required at that portion of property under any environmental law and that the portion has been eliminated from the areas to be further studied pursuant to the Defense Environmental Restoration Program for the Arsenal.

(B) Not later than 60 days before a transfer under this paragraph, the Secretary of the Army and the Administrator shall provide to the Secretary—

(i) all documentation that exists on the date the documentation is provided that supports the finding; and

(ii) all information that exists on the date the information is provided that relates to the environmental conditions of the portions of the Arsenal to be transferred to the Secretary under this paragraph.

(C) Transfer of jurisdiction under this paragraph may be accomplished on a parcel-by-parcel basis.

(b) TRANSFER WITHOUT REIMBURSEMENT.—The Secretary of the Army may transfer the area constituting the MNP to the Secretary without reimbursement.

(c) IDENTIFICATION OF PORTIONS FOR TRANSFER FOR MNP.—The lands to be transferred to the Secretary under subsection (a) shall be identified in an agreement between the Secretary of the Army and the Secretary. All the real property and improvements comprising the Arsenal, except for lands and facilities described in subsection (g) or designated for transfer or disposal to parties other than the Secretary under section 2855, shall be transferred to the Secretary.

(d) SECURITY MEASURES.—The Secretary, the Secretary of the Army, and the Secretary of Veterans Affairs, shall each provide and maintain physical and other security measures on such portion of the Arsenal as is under the administrative jurisdiction of the respective Secretary. The security measures (which may include fences and natural barriers) shall include measures to prevent members of the public from gaining unauthorized access to such portions of the Arsenal as are under the administrative jurisdiction of each respective Secretary and that may endanger health or safety.

(e) COOPERATIVE AGREEMENTS.—The Secretary, the Secretary of the Army, and the Administrator individually and collectively may enter into a cooperative agreement or a memoranda of understanding among each other, with another affected Federal agency, State or local government, private organization, or corporation to carry out the purposes described in section 2853(g).

(f) INTERIM ACTIVITIES OF THE SECRETARY.—Prior to transfer and subject to such reasonable terms and conditions as the Secretary of the Army may prescribe, the Secretary may enter on the Arsenal property for purposes related to planning, resource inventory, fish and wildlife habitat manipulation (which may include prescribed burning), and other such activities consistent with the purposes for which the MNP is established.

(g) PROPERTY USED FOR ENVIRONMENTAL CLEANUP.—(1) The Secretary of the Army shall retain jurisdiction, authority, and control over real property at the Arsenal that is used for—

(A) water treatment;

(B) the treatment, storage, or disposal of a hazardous substance, pollutant or contaminant, hazardous material, or petroleum product or a derivative of the product;

(C) purposes related to a response at the Arsenal; and

(D) actions required at the Arsenal under an environmental law to remediate contamination or conditions of noncompliance with an environmental law.

(2) In the case of a conflict between management of the property by the Secretary and a response or other action required under an environmental law, or necessary to remediate a petroleum product or a derivative of the product, the response or other action shall take priority.

(3)(A) All costs of necessary surveys for the transfer of jurisdiction of a property to a Federal agency under this subtitle shall be borne by the agency to which the property is transferred.

(B) The Secretary of the Army shall bear the costs of any surveys necessary for the transfer of land to a non-Federal agency under section 2855.

SEC. 2855. DISPOSAL FOR INDUSTRIAL PARKS, A COUNTY LANDFILL, AND A NATIONAL VETERANS CEMETERY AND TO THE ADMINISTRATOR OF GENERAL SERVICES.

(a) NATIONAL VETERANS CEMETERY.—The Secretary of the Army may convey to the Department of Veterans Affairs, without compensation, an area of real property to be used for a national cemetery, as authorized under section 2337 of the Military Construction Authorization Act, 1988 and 1989 (division B of Public Law 100–180; 101 Stat. 1225), consisting of approximately 910 acres, the approximate legal description of which includes part of sections 30 and 31 Jackson Township, T. 34 N. R. 10 E., and including part of sections 25 and 36 Channahon Township, T. 34 N. R. 9 E., Will County, Illinois, as depicted on the Arsenal Land Use Concept.

(b) COUNTY OF WILL LANDFILL.—(1) Subject to paragraphs (2) through (6), the Secretary of the Army may convey an area of real property to Will County, Illinois, without compensation, to be used for a landfill by the County, consisting of approximately 425 acres of the Arsenal, the approximate legal description of which includes part of sections 8 and 17, Florence Township, T. 33 N. R. 10 E., Will County, Illinois, as depicted in the Arsenal Land Use Concept.

(2) Additional acreage shall be added to the landfill described in paragraph (1) as is necessary to reasonably accommodate needs for the disposal of refuse and other materials from the restoration and cleanup of the Arsenal property.

(3) Use of the landfill described in paragraph (1) or additional acreage under paragraph (2) by any agency of the Federal Government shall be at no cost to the Federal Government.

(4) The Secretary of the Army may require such additional terms and conditions in connection with a conveyance under this subsection as the Secretary of the Army considers appropriate to protect the interests of the United States.

(5) Any conveyance of real property under this subsection shall contain a reversionary interest that provides that the property

shall revert to the Secretary of Agriculture for inclusion in the MNP if the property is not operated as a landfill.

(6) Liability for environmental conditions at or related to the landfill described in paragraph (1) resulting from activities occurring at the landfill after the date of enactment of this Act and before a revision under paragraph (5) shall be borne by Will County.

(c) VILLAGE OF ELWOOD INDUSTRIAL PARK.—The Secretary of the Army may convey an area of real property to the Village of Elwood, Illinois, to be used for an industrial park, consisting of approximately 1,900 acres of the Arsenal, the approximate legal description of which includes part of section 30, Jackson Township, T. 34 N. R. 10 E., and sections or part of sections 24, 25, 26, 35, and 36 Channahon Township, T. 34 N. R. 9 E., Will County, Illinois, as depicted on the Arsenal Land Use Concept. The conveyance shall be at fair market value, as determined in accordance with Federal appraisal standards and procedures. Any funds received by the Village of Elwood from the sale or other transfer of the property, or portions of the property, less any costs expended for improvements on the property, shall be remitted to the Secretary of the Army.

(d) CITY OF WILMINGTON INDUSTRIAL PARK.—The Secretary of the Army may convey an area of real property to the City of Wilmington, Illinois, to be used for an industrial park, consisting of approximately 1,100 acres of the Arsenal, the approximate legal description of which includes part of sections 16, 17, and 18 Florence Township, T. 33 N. R. 10 E., Will County, Illinois, as depicted on the Arsenal Land Use Concept. The conveyance shall be at fair market value, as determined in accordance with Federal appraisal standards and procedures. Any funds received by the City of Wilmington from the sale or other transfer of the property, or portions of the property, less any costs expended for improvements on the property, shall be remitted to the Secretary of the Army.

(e) OPTIONAL ADDITIONAL AREAS.—(1) Not later than 180 days after the construction and installation of any remedial design approved by the Administrator and required for any lands described in paragraph (2), the Administrator shall provide to the Secretary all information existing on the date the information is provided regarding the implementation of the remedy, including information regarding the effectiveness of the remedy. Not later than 180 days after the Administrator provides the information to the Secretary, the Secretary of the Army shall offer the Secretary the option of accepting a conveyance of the areas described in paragraph (2), without reimbursement, to be added to the MNP subject to the terms and conditions, including the limitations on liability, contained in this subtitle. If the Secretary declines the offer, the property may be disposed of as the Secretary of the Army would ordinarily dispose of the property under applicable provisions of law. The conveyance of property under this paragraph may be accomplished on a parcel-by-parcel basis.

(2)(A) The areas on the Arsenal Land Use Concept that may be conveyed under paragraph (1) are—

(i) manufacturing area, study area 1, southern ash pile;

(ii) study area 2, explosive burning ground;

(iii) study area 3, flashing-grounds;

(iv) study area 4, lead azide area;

(v) study area 10, toluene tank farms;

(vi) study area 11, landfill;

(vii) study area 12, sellite manufacturing area;

(viii) study area 14, former pond area;

(ix) study area 15, sewage treatment plant;

(x) study area L1, load assemble packing area, group 61;

(xi) study area L2, explosive burning ground;

(xii) study area L3, demolition area;

(xiii) study area L4, landfill area;

(xiv) study area L5, salvage yard;

(xv) study area L7, group 1;

(xvi) study area L8, group 2;

(xvii) study area L9, group 3;

(xviii) study area L10, group 3A;

(xix) study area L12, Doyle Lake;

(xx) study area L14, group 4;

(xxi) study area L15, group 5;

(xxii) study area L18, group 8;

(xxiii) study area L19, group 9;

(xxiv) study area L20, group 20;

(xxv) study area L22, group 25;

(xxvi) study area L23, group 27;

(xxvii) study area L25, group 62;

(xxviii) study area L31, extraction pits;

(xxix) study area L33, PVC area;

(xxx) study area L34, former burning area; and

(xxxi) study area L35, fill area.

(B) The areas referred to in subparagraph (A) shall include all associated inventoried buildings and structures as identified in the Joliet Army Ammunition Plant Plantwide Building and Structures Report and the contaminate study sites for both the manufacturing and load assembly and packing sides of the Joliet Arsenal as shown in the Dames and Moore Final Report, Phase 2 Remedial Investigation Manufacturing (MFG) Area Joliet Army Ammunition Plant Joliet, Illinois (May 30, 1993. Contract No. DAAA15-90-D-0015 task order No. 6 prepared for: United States Army Environmental Center).

(C) Notwithstanding subparagraphs (A) and (B), the landfill and national cemetery described in paragraphs (3) and (4) shall not be subject to paragraph (1).

SEC. 2856. CONTINUATION OF RESPONSIBILITY AND LIABILITY OF THE SECRETARY OF THE ARMY FOR ENVIRONMENTAL CLEANUP.

(a) RESPONSIBILITY.—The Secretary of the Army shall retain the responsibility to complete any remedial, response, or other restoration actions required under any environmental law in order to carry out a transfer of property under section 2854 before carrying out the transfer of the property under that section.

(b) LIABILITY FOR ARSENAL.—(1) The Secretary of the Army shall retain any obligation or other liability at the Arsenal that the Secretary had under CERCLA and other environmental laws. Following transfer of a portion of the Arsenal under this subtitle, the Secretary of the Army shall be accorded any easement or access to the property that may be reasonably required to carry out the obligation or satisfy the liability.

(2) The Secretary of Agriculture shall not be responsible for the cost of any remedial, response, or other restoration action required under any environmental law for a matter that is related directly or indirectly to an activity of the Secretary of the Army, or a party acting under the authority of the Secretary of the Army, in connection with the Defense Environmental Restoration Program, at or related to the Arsenal, including—

(A) the costs or performance of responses required under CERCLA;

(B) the costs, penalties, or fines related to noncompliance with an environmental law at or related to the Arsenal or related to the presence, release, or threat of release of a, hazardous substance, pollutant or contaminant, hazardous waste, or hazardous material of any kind at or related to the Arsenal, including contamination resulting from migration of a hazardous substance, pollutant or contaminant, a hazardous material, or a petroleum product or a derivative of the product disposed during an activity of the Secretary of the Army; and

(C) the costs of an action necessary to remedy noncompliance or another problem specified in subparagraph (B).

(c) PAYMENT OF RESPONSE COSTS.—A Federal agency that had or has operations at the Arsenal resulting in the release or threatened release of a hazardous substance or pollutant or contaminant shall pay the cost of a related response and shall pay the costs of a related action to remediate petroleum products or the derivatives of the products, including motor oil and aviation fuel.

(d) CONSULTATION.—The Secretary shall consult with the Secretary of the Army with respect to the management by the Secretary of real property included in the MNP subject to a response or other action at the Arsenal being carried out by or under the authority of the Secretary of the Army under any environmental law. The Secretary shall consult with the Secretary of the Army prior to undertaking an activity on the MNP that may disturb the property to ensure that the activity shall not exacerbate contamination problems or interfere with performance by the Secretary of the Army of a response at the property.

SEC. 2857. DEGREE OF ENVIRONMENTAL CLEANUP.

(a) IN GENERAL.—Nothing in this subtitle shall restrict or lessen the degree of cleanup at the Arsenal required to be carried out under any environmental law.

(b) RESPONSE.—The establishment of the MNP shall not restrict or lessen in any way a response or degree of cleanup required under CERCLA or other environmental law, or a response required under any environmental law to remediate petroleum products or the derivatives of the products, including motor oil and aviation fuel, required to be carried out by the Secretary of the Army at the Arsenal or surrounding areas.

(c) ENVIRONMENTAL QUALITY OF PROPERTY.—Any contract for sale, deed, or other transfer of real property under section 2855 shall be carried out in compliance with section 120(h) of the CERCLA (42 U.S.C. 9620(h)) and other environmental laws.

Subtitle E—Other Matters

SEC. 2861. DEPARTMENT OF DEFENSE LABORATORY REVITALIZATION DEMONSTRATION PROGRAM.

(a) PROGRAM REQUIRED.—The Secretary of Defense shall carry out a program for the revitalization of Department of Defense laboratories to be known as the "Department of Defense Laboratory Revitalization Demonstration Program". Under the program the Secretary may carry out minor military construction projects in accordance with subsection (b) and other applicable law to improve Department of Defense laboratories covered by the program.

(b) INCREASED MAXIMUM AMOUNTS APPLICABLE TO MINOR CONSTRUCTION PROJECTS.—For purpose of any military construction project carried out under the program—

(1) the amount provided in the second sentence of subsection (a)(1) of section 2805 of title 10, United States Code (as amended by section 2801 of this Act), shall be deemed to be $3,000,000;

(2) the amount provided in subsection (b)(1) of such section shall be deemed to be $1,500,000; and

(3) the amount provided in subsection (c)(1)(B) of such section, as so amended, shall be deemed to be $1,000,000.

(c) PROGRAM REQUIREMENTS.—(1) Not later than 30 days before commencing the program, the Secretary shall—

(A) designate the Department of Defense laboratories at which construction may be carried out under the program; and

(B) establish procedures for the review and approval of requests from such laboratories to carry out such construction.

(2) The laboratories designated under paragraph (1)(A) may not include Department of Defense laboratories that are contractor owned.

(3) The Secretary shall notify Congress of the laboratories designated under paragraph (1)(A).

(d) REPORT.—Not later than September 30, 1998, the Secretary shall submit to Congress a report on the program. The report shall include the Secretary's conclusions and recommendations regarding the desirability of extending the authority set forth in subsection (b) to cover all Department of Defense laboratories.

(e) EXCLUSIVITY OF PROGRAM.—Nothing in this section may be construed to limit any other authority provided by law for any military construction project at a Department of Defense laboratory covered by the program.

(f) DEFINITIONS.—In this section:

(1) The term "laboratory" includes—

(A) a research, engineering, and development center;

(B) a test and evaluation activity owned, funded, and operated by the Federal Government through the Department of Defense; and

(C) a supporting facility of a laboratory.

(2) The term "supporting facility", with respect to a laboratory, means any building or structure that is used in support of research, development, test, and evaluation at the laboratory.

(g) EXPIRATION OF AUTHORITY.—The Secretary may not commence a construction project under the program after September 30, 1999.

SEC. 2862. PROHIBITION ON JOINT CIVIL AVIATION USE OF MIRAMAR NAVAL AIR STATION, CALIFORNIA.

The Secretary of the Navy may not enter into any agreement that provides for or permits civil aircraft to use regularly Miramar Naval Air Station, California.

SEC. 2863. REPORT ON AGREEMENT RELATING TO CONVEYANCE OF LAND, FORT BELVOIR, VIRGINIA.

Not later than 60 days after the date of the enactment of this Act, the Secretary of the Army shall submit to the Committee on Armed Services of the Senate and the Committee on National Security of the House of Representatives a report on the status of negotiations for the agreement required under subsection (b) of section 2821 of the Military Construction Authorization Act for Fiscal Years 1990 and 1991 (division B of Public Law 101–189; 103 Stat. 1658) in connection with the land conveyance authorized under subsection (a) of that section. The report shall assess the likelihood that the negotiations will lead to an agreement and describe the alternative uses, if any, for the land referred to in such subsection (a) that have been identified by the Secretary.

SEC. 2864. RESIDUAL VALUE REPORT.

(a) The Secretary of Defense, in coordination with the Director of the Office of Management and Budget (OMB), shall submit to the congressional defense committees status reports on the results of residual value negotiations between the United States and Germany, within 30 days of the receipt of such reports to the OMB.

(b) The reports shall include the following information:

(1) The estimated residual value of United States capital value and improvements to facilities in Germany that the United States has turned over to Germany.

(2) The actual value obtained by the United States for each facility or installation turned over to the Government of Germany.

(3) The reason(s) for any difference between the estimated and actual value obtained.

SEC. 2865. RENOVATION OF THE PENTAGON RESERVATION.

The Secretary of Defense shall take such action as is necessary to reduce the total cost of the renovation of the Pentagon Reservation to not more than $1,118,000,000.

DEPARTMENT OF ENERGY NATIONAL SECURITY ACT FOR FISCAL YEAR 1996

The text of the bill (S. 1126) to authorize appropriations for fiscal year 1996 for defense activities of the Department of Energy, and for other purposes, as passed by the Senate on September 6, 1995, is as follows:

S. 1126

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SEC. 3001. SHORT TITLE.

This Act may be cited as the "Department of Energy National Security Act for Fiscal Year 1996".

SEC. 3002. TABLE OF CONTENTS.

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Sec. 3401. Authorized uses of stockpile funds.
Sec. 3402. Disposal of obsolete and excess materials contained in the National Defense Stockpile.
Sec. 3403. Disposal of chromite and manganese ores and chromium ferro and manganese metal electrolytic.
Sec. 3404. Restrictions on disposal of manganese ferro.
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TITLE XXXV—PANAMA CANAL COMMISSION

Sec. 3501. Short title.

Sec. 3502. Authorization of expenditures.

TITLE XXXI—DEPARTMENT OF ENERGY NATIONAL SECURITY PROGRAMS

Subtitle A—National Security Programs Authorizations

SEC. 3101. WEAPONS ACTIVITIES.

(a) STOCKPILE STEWARDSHIP.—Subject to subsection (d), funds are hereby authorized to be appropriated to the Department of Energy for fiscal year 1996 for stockpile stewardship in carrying out weapons activities necessary for national security programs in the amount of $1,624,080,000, to be allocated as follows:

(1) For core stockpile stewardship, $1,386,613,000, to be allocated as follows:

(A) For operation and maintenance, $1,305,308,000.

(B) For plant projects (including maintenance, restoration, planning, construction, acquisition, modification of facilities, and the continuation of projects authorized in prior years, and land acquisition related thereto), $81,305,000, to be allocated as follows: Project 96–D–102, stockpile stewardship facilities revitalization, Phase VI, various locations, $2,520,000.

Project 96–D–103, Atlas, Los Alamos National Laboratory, Los Alamos, New Mexico, $8,400,000.

Project 96–D–104, processing and environmental technology laboratory (PETL), Sandia National Laboratories, Albuquerque, New Mexico, $1,800,000.

Project 96–D–105, contained firing facility addition, Lawrence Livermore National Laboratory, Livermore, California, $6,600,000.

Project 95–D–102, Chemical and Metallurgy Research Building upgrades, Los Alamos National Laboratory, New Mexico, $9,940,000.

Project 94–D–102, nuclear weapons research, development, and testing facilities revitalization, Phase V, various locations, $12,200,000.

Project 93–D–102, Nevada support facility, North Las Vegas, Nevada, $15,650,000.

Project 90–D–102, nuclear weapons research, development, and testing facilities revitalization, Phase III, various locations, $6,200,000.

Project 88–D–106, nuclear weapons research, development, and testing facilities revitalization, Phase II, various locations, $17,995,000.

(2) For inertial fusion, $230,667,000, to be allocated as follows:

(A) For operation and maintenance, $193,267,000.

(B) For the following plant project (including maintenance, restoration, planning, construction, acquisition, modification of facilities, and land acquisition related thereto), $37,400,000:

Project 96–D–111, national ignition facility, location to be determined.

(3) For Marshall Islands activities and Nevada Test Site dose reconstruction, $6,800,000.

(b) STOCKPILE MANAGEMENT.—Subject to subsection (d), funds are hereby authorized to be appropriated to the Department of Energy for fiscal year 1996 for stockpile management in carrying out weapons activities necessary for national security programs in the amount of $2,035,483,000, to be allocated as follows:

(1) For operation and maintenance, $1,911,858,000.

(2) For plant projects (including maintenance, restoration, planning, construction, acquisition, modification of facilities, and the continuation of projects authorized in prior years, and land acquisition related thereto), $123,625,000, to be allocated as follows:

Project GPD–121, general plant projects, various locations, $10,000,000.

Project 96–D–122, sewage treatment quality upgrade (STQU), Pantex Plant, Amarillo, Texas, $600,000.

Project 96–D–123, retrofit heating, ventilation, and air conditioning and chillers for ozone protection, Y–12 Plant, Oak Ridge, Tennessee, $3,100,000.

Project 96–D–125, Washington measurements operations facility, Andrews Air Force Base, Camp Springs, Maryland, $900,000.

Project 96–D–126, tritium loading line modifications, Savannah River Site, South Carolina, $12,200,000.

Project 95–D–122, sanitary sewer upgrade, Y–12 Plant, Oak Ridge, Tennessee, $6,300,000.

Project 94–D–124, hydrogen fluoride supply system, Y–12 Plant, Oak Ridge, Tennessee, $8,700,000.

Project 94–D–125, upgrade life safety, Kansas City Plant, Kansas City, Missouri, $5,500,000.

Project 94–D–127, emergency notification system, Pantex Plant, Amarillo, Texas, $2,000,000.

Project 94–D–128, environmental safety and health analytical laboratory, Pantex Plant, Amarillo, Texas, $4,000,000.

Project 93–D–122, life safety upgrades, Y–12 Plant, Oak Ridge, Tennessee, $7,200,000.

Project 93–D–123, complex-21, various locations, $41,065,000.

Project 88–D–122, facilities capability assurance program, various locations, $8,660,000.

Project 88–D–123, security enhancements, Pantex Plant, Amarillo, Texas, $13,400,000.

(c) PROGRAM DIRECTION.—Subject to subsection (d), funds are hereby authorized to be appropriated to the Department of Energy for fiscal year 1996 for program direction in carrying out weapons activities necessary for national security programs in the amount of $118,000,000.

(d) ADJUSTMENTS.—The total amount authorized to be appropriated pursuant to this section is the sum of the amounts authorized to be appropriated in subsections (a) through (c) reduced by the sum of—

(1) $25,000,000, for savings resulting from procurement reform; and

(2) $86,344,000, for use of prior year balances.

SEC. 3102. ENVIRONMENTAL RESTORATION AND WASTE MANAGEMENT.

(a) CORRECTIVE ACTIVITIES.—Subject to subsection (i), funds are hereby authorized to be appropriated to the Department of Energy for fiscal year 1996 for corrective activities in carrying out environmental restoration and waste management activities necessary for national security programs in the amount of $3,406,000, all of which shall be available for the following plant project (including maintenance, restoration, planning, construction, acquisition, modification of facilities, and land acquisition related thereto):

Project 90–D–103, environment, safety and health improvements, weapons research and development complex, Los Alamos National Laboratory, Los Alamos, New Mexico.

(b) ENVIRONMENTAL RESTORATION.—Subject to subsection (i), funds are hereby authorized to be appropriated to the Department of Energy for fiscal year 1996 for environmental restoration for operating expenses in carrying out environmental restoration and waste management activities necessary for national security programs in the amount of $1,550,926,000.

(c) WASTE MANAGEMENT.—Subject to subsection (i), funds are hereby authorized to be appropriated to the Department of Energy for fiscal year 1996 for waste management in carrying out environmental restoration and waste management activities necessary for national security programs in the amount of $2,386,596,000, to be allocated as follows:

(1) For operation and maintenance, $2,151,266,000.

(2) For plant projects (including maintenance, restoration, planning, construction, acquisition, modification of facilities, and the continuation of projects authorized in prior years, and land acquisition related thereto), $235,330,000, to be allocated as follows:

Project GPD–171, general plant projects, various locations, $15,728,000.

Project 96–D–400, replace industrial waste piping, Kansas City Plant, Kansas City, Missouri, $200,000.

Project 96–D–401, comprehensive treatment and management plan immobilization of miscellaneous wastes, Rocky Flats Environmental Technology Site, Golden, Colorado, $1,400,000.

Project 96–D–402, comprehensive treatment and management plan building 374/774 sludge immobilization, Rocky Flats Environmental Technology Site, Golden, Colorado, $1,500,000.

Project 96–D–403, tank farm service upgrades, Savannah River, South Carolina, $3,315,000.

Project 96–D–405, T-plant secondary containment and leak detection upgrades, Richland, Washington, $2,100,000.

Project 96–D–406, K-Basin operations program, Richland, Washington, $41,000,000.

Project 96–D–409, advanced mixed waste treatment facility, Idaho National Engineering Laboratory, Idaho, $5,000,000.

Project 96–D–410, specific manufacturing characterization facility assessment and upgrade, Idaho National Engineering Laboratory, Idaho, $2,000,000.

Project 95–D–402, install permanent electrical service, Waste Isolation Pilot Plant, New Mexico, $4,314,000.

Project 95–D–405, industrial landfill V and construction/demolition landfill VII, Y–12 Plant, Oak Ridge, Tennessee, $4,600,000.

Project 95–D–406, road 5–01 reconstruction, area 5, Nevada Test Site, Nevada, $1,023,000.

Project 94–D–400, high explosive wastewater treatment system, Los Alamos National Laboratory, Los Alamos, New Mexico, $4,445,000.

Project 94–D–402, liquid waste treatment system, Nevada Test Site, Nevada, $282,000.

Project 94–D–404, Melton Valley storage tanks capacity increase, Oak Ridge National Laboratory, Oak Ridge, Tennessee, $11,000,000.

Project 94–D–407, initial tank retrieval systems, Richland, Washington, $9,400,000.

Project 94–D–411, solid waste operations complex project, Richland, Washington, $5,500,000.

Project 94–D–417, intermediate-level and low-activity waste vaults, Savannah River, South Carolina, $2,704,000.

Project 93–D–178, building 374 liquid waste treatment facility, Rocky Flats Plant, Golden, Colorado, $3,900,000.

Project 93–D–182, replacement of cross-site transfer system, Richland, Washington, $19,795,000.

Project 93–D–183, multi-tank waste storage facility, Richland, Washington, $31,000,000.

Project 93–D–187, high-level waste removal from filled waste tanks, Savannah River, South Carolina, $34,700,000.

Project 92–D–171, mixed waste receiving and storage facility, Los Alamos National Laboratory, Los Alamos, New Mexico, $1,105,000.

Project 92–D–188, waste management environmental, safety and health (ES&H) and compliance activities, various locations, $1,100,000.

Project 90–D–172, aging waste transfer lines, Richland, Washington, $2,000,000.

Project 90–D–177, RWMC transuranic (TRU) waste characterization and storage facility, Idaho National Engineering Laboratory, Idaho, $1,428,000.

Project 90–D–178, TSA retrieval containment building, Idaho National Engineering Laboratory, Idaho, $2,606,000.

Project 89–D–173, tank farm ventilation upgrade, Richland, Washington, $800,000.

Project 89–D–174, replacement high-level waste evaporator, Savannah River, South Carolina, $11,500,000.

Project 86–D–103, decontamination and waste treatment facility, Lawrence Livermore National Laboratory, California, $8,885,000.

Project 83–D–148, nonradioactive hazardous waste management, Savannah River, South Carolina, $1,000,000.

(d) TECHNOLOGY DEVELOPMENT.—Subject to subsection (i), funds are hereby authorized to be appropriated to the Department of Energy for fiscal year 1996 for technology development in carrying out environmental restoration and waste management activities necessary for national security programs in the amount of $505,510,000.

(e) TRANSPORTATION MANAGEMENT.—Subject to subsection (i), funds are hereby authorized to be appropriated to the Department of Energy for fiscal year 1996 for transportation management in carrying out environmental restoration and waste management activities necessary for national security programs in the amount of $16,158,000.

(f) NUCLEAR MATERIALS AND FACILITIES STABILIZATION.—Subject to subsection (i), funds are hereby authorized to be appropriated to the Department of Energy for fiscal year 1996 for nuclear materials and facilities stabilization in carrying out environmental restoration and waste management activities necessary for national security programs in the amount of $1,596,028,000, to be allocated as follows:

(1) For operation and maintenance, $1,463,384,000.

(2) For plant projects (including maintenance, restoration, planning, construction, acquisition, modification of facilities, and the continuation of projects authorized in prior years, and land acquisition related thereto), $132,644,000, to be allocated as follows:

Project GPD–171, general plant projects, various locations, $14,724,000.

Project 96–D–458, site drainage control, Mound Plant, Miamisburg, Ohio, $885,000.

Project 96–D–461, electrical distribution upgrade, Idaho National Engineering Laboratory, Idaho, $1,539,000.

Project 96–D–462, health physics instrument laboratory, Idaho National Engineering Laboratory, Idaho, $1,126,000.

Project 96–D–463, central facilities craft shop, Idaho National Engineering Laboratory, Idaho, $724,000.

Project 96–D–464, electrical and utility systems upgrade, Idaho Chemical Processing Plant, Idaho National Engineering Laboratory, Idaho, $4,952,000.

Project 96–D–465, 200 area sanitary sewer system, Richland, Washington, $1,800,000.

Project 96–D–470, environmental monitoring laboratory, Savannah River Site, Aiken, South Carolina, $3,500,000.

Project 96–D–471, chlorofluorocarbon heating, ventilation, and air conditioning and chiller retrofit, Savannah River Site, Aiken, South Carolina, $1,500,000.

Project 96–D–472, plant engineering and design, Savannah River Site, Aiken, South Carolina, $4,000,000.

Project 96–D–473, health physics site support facility, Savannah River Site, Aiken, South Carolina, $2,000,000.

Project 96–D–474, dry fuel storage facility, Idaho National Engineering Laboratory, Idaho, $15,000,000.

Project 96–D–475, high level waste volume reduction demonstration (pentaborane), Idaho National Engineering Laboratory, Idaho, $5,000,000.

Project 95–D–155, upgrade site road infrastructure, Savannah River, South Carolina, $2,900,000.

Project 95–D–156, radio trunking system, Savannah River, South Carolina, $10,000,000.

Project 95–D–454, 324 facility compliance/renovation, Richland, Washington, $3,500,000.

Project 95–D–456, security facilities upgrade, Idaho Chemical Processing Plant, Idaho National Engineering Laboratory, Idaho, $8,382,000.

Project 94–D–122, underground storage tanks, Rocky Flats, Golden, Colorado, $5,000,000.

Project 94–D–401, emergency response facility, Idaho National Engineering Laboratory, Idaho, $5,074,000.

Project 94–D–412, 300 area process sewer piping system upgrade, Richland, Washington, $1,000,000.

Project 94–D–415, medical facilities, Idaho National Engineering Laboratory, Idaho, $3,601,000.

Project 94–D–451, infrastructure replacement, Rocky Flats Plant, Golden, Colorado, $2,940,000.

Project 93–D–147, domestic water system upgrade, Phase I and II, Savannah River, South Carolina, $7,130,000.

Project 93–D–172, electrical upgrade, Idaho National Engineering Laboratory, Idaho, $124,000.

Project 92–D–123, plant fire/security alarms system replacement, Rocky Flats Plant, Golden, Colorado, $9,560,000.

Project 92–D–125, master safeguards and security agreement/materials surveillance task force security upgrades, Rocky Flats Plant, Golden, Colorado, $7,000,000.

Project 92–D–181, fire and life safety improvements, Idaho National Engineering Laboratory, Idaho, $6,883,000.

Project 91–D–127, criticality alarm and production annunciation utility replacement, Rocky Flats Plant, Golden, Colorado, $2,800,000.

(g) COMPLIANCE AND PROGRAM COORDINATION.—Subject to subsection (i), funds are hereby authorized to be appropriated to the Department of Energy for fiscal year 1996 for compliance and program coordination in carrying out environmental restoration and waste management activities necessary for national security programs in the amount of $81,251,000, to be allocated as follows:

(1) For operation and maintenance, $66,251,000.

(2) For the following plant project (including maintenance, restoration, planning, construction, acquisition, modification of facilities, and land acquisition related thereto), $15,000,000:

Project 95–E–600, hazardous materials training center, Richland, Washington.

(h) ANALYSIS, EDUCATION, AND RISK MANAGEMENT.—Subject to subsection (i), funds are hereby authorized to be appropriated to the Department of Energy for fiscal year 1996 for analysis, education, and risk management in carrying out environmental restoration and waste management activities necessary for national security programs in the amount of $80,022,000.

(i) ADJUSTMENTS.—The total amount authorized to be appropriated pursuant to this section is the sum of the amounts specified in subsections (a) through (h) reduced by the sum of—

(1) $276,942,000, for use of prior year balances; and

(2) $37,000,000 for recovery of overpayment to the Savannah River Pension Fund.

SEC. 3103. OTHER DEFENSE ACTIVITIES.

(a) OTHER DEFENSE ACTIVITIES.—Subject to subsection (b), funds are hereby authorized to be appropriated to the Department of Energy for fiscal year 1996 for other defense activities in carrying out programs necessary for national security in the amount of $1,408,162,000, to be allocated as follows:

(1) For verification and control technology, $430,842,000, to be allocated as follows:

(A) For nonproliferation and verification research and development, $226,142,000.

(B) For arms control, $162,364,000.

(C) For intelligence, $42,336,000.

(2) For nuclear safeguards and security, $83,395,000.

(3) For security investigations, $25,000,000.

(4) For security evaluations, $14,707,000.

(5) For the Office of Nuclear Safety, $15,050,000.

(6) For worker and community transition, $100,000,000.

(7) For fissile materials disposition, $70,000,000.

(8) For naval reactors development, $682,168,000, to be allocated as follows:

(A) For operation and infrastructure, $659,168,000.

(B) For plant projects (including maintenance, restoration, planning, construction, acquisition, modification of facilities, and the continuation of projects authorized in prior years, and land acquisition related thereto), $23,000,000, to be allocated as follows:

Project 95–D–200, laboratory systems and hot cell upgrades, various locations, $11,300,000.

Project 95–D–201, advanced test reactor radioactive waste system upgrades, Idaho National Engineering Laboratory, Idaho, $4,800,000.

Project 93–D–200, engineering services facilities, Knolls Atomic Power Laboratory, Niskayuna, New York, $3,900,000.

Project 90–N–102, expended core facility dry cell project, Naval Reactors Facility, Idaho, $3,000,000.

(b) ADJUSTMENT.—The total amount that may be appropriated pursuant to this section is the total amount authorized to be appropriated in subsection (a) reduced by $13,000,000, for use of prior year balances.

SEC. 3104. DEFENSE NUCLEAR WASTE DISPOSAL.

Funds are hereby authorized to be appropriated to the Department of Energy for fiscal year 1996 for payment to the Nuclear Waste Fund established in section 302(c) of the Nuclear Waste Policy Act of 1982 (42 U.S.C. 10222(c)) in the amount of $198,400,000.

SEC. 3105. PAYMENT OF PENALTIES ASSESSED AGAINST ROCKY FLATS SITE.

The Secretary of Energy may pay to the Hazardous Substance Superfund established under section 9507 of the Internal Revenue Code of 1986 (26 U.S.C. 9507), from funds appropriated to the Department of Energy for environmental restoration and waste management activities pursuant to section 3102, stipulated civil penalties in the amount of $350,000 assessed under the Comprehensive Environmental Response, Compensation, and Liability Act of 1980 (42 U.S.C. 9601 et seq.) against the Rocky Flats Site, Golden, Colorado.

SEC. 3106. STANDARDIZATION OF ETHICS AND REPORTING REQUIREMENTS AFFECTING THE DEPARTMENT OF ENERGY WITH GOVERNMENT-WIDE STANDARDS.

(a) REPEALS.—(1) Part A of title VI of the Department of Energy Organization Act and its catchline (42 U.S.C. 7211, 7212, and 7218) are repealed.

(2) Section 308 of the Energy Research and Development Administration Appropriation Authorization Act for Fiscal Year 1977 (42 U.S.C. 5816a) is repealed.

(3) Section 522 of the Energy Policy and Conservation Act (42 U.S.C. 6392) is repealed.

(b) CONFORMING AMENDMENTS.—(1) The table of contents for the Department of Energy Organization Act is amended by striking out the items relating to part A of title VI including sections 601 through 603.

(2) The table of contents for the Energy Policy and Conservation Act is amended by striking out the matter relating to section 522.

SEC. 3107. CERTAIN ENVIRONMENTAL RESTORATION REQUIREMENTS.

It is the sense of Congress that:

(1) No individual acting within the scope of that individual's employment with a Federal agency or department shall be personally subject to civil or criminal sanctions, for any failure to comply with an environmental cleanup requirement under the Solid Waste Disposal Act or the Comprehensive Environmental Response, Compensation, and Liability Act or an analogous requirement under comparable Federal, State, or local laws, whether the failure to comply is due to lack of funds requested or appropriated to carry out such requirement. Federal and State enforcement authorities shall refrain from enforcement action in such circumstances.

(2) If appropriations by the Congress for fiscal year 1996 or any subsequent fiscal year are insufficient to fund any such environmental cleanup requirements, the committees of Congress with jurisdiction shall examine the issue, elicit the views of Federal agencies, affected States, and the public, and consider appropriate statutory amendments to address personal criminal liability, and any related issues pertaining to potential liability of any Federal agency or department or its contractors.

SEC. 3108. AMENDING THE HYDRONUCLEAR PROVISIONS OF THIS ACT.

Notwithstanding any other provision of this Act, the provision dealing with hydronuclear experiments is qualified in the following respect:

"(c) LIMITATIONS.—Nothing in this Act shall be construed as an authorization to conduct hydronuclear tests. Furthermore, nothing in this Act shall be construed as amending or repealing the requirements of section 507 of Public Law 102–377.".

Subtitle B—Recurring General Provisions

SEC. 3121. REPROGRAMMING.

(a) IN GENERAL.—Until the Secretary of Energy submits to the congressional defense committees the report referred to in subsection (b) and a period of 30 days has elapsed after the date on which such committees receive the report, the Secretary may not use amounts appropriated pursuant to this title for any program—

(1) in amounts that exceed, in a fiscal year—

(A) 110 percent of the amount authorized for that program by this title; or

(B) $1,000,000 more than the amount authorized for that program by this title; or

(2) which has not been presented to, or requested of, Congress.

(b) REPORT.—(1) The report referred to in subsection (a) is a report containing a full and complete statement of the action proposed to be taken and the facts and circumstances relied upon in support of such proposed action.

(2) In the computation of the 30-day period under subsection (a), there shall be excluded any day on which either House of Congress is not in session because of an adjournment of more than 3 days to a day certain.

(c) LIMITATIONS.—(1) In no event may the total amount of funds obligated pursuant to this title exceed the total amount authorized to be appropriated by this title.

(2) Funds appropriated pursuant to this title may not be used for an item for which Congress has specifically denied funds.

SEC. 3122. LIMITS ON GENERAL PLANT PROJECTS.

(a) IN GENERAL.—The Secretary of Energy may carry out any construction project under the general plant projects authorized by this title if the total estimated cost of the construction project does not exceed $2,000,000.

(b) REPORT TO CONGRESS.—If, at any time during the construction of any general plant project authorized by this title, the estimated cost of the project is revised because of unforeseen cost variations and the revised cost of the project exceeds $2,000,000, the Secretary shall immediately furnish a complete report to the congressional defense committees explaining the reasons for the cost variation.

SEC. 3123. LIMITS ON CONSTRUCTION PROJECTS.

(a) IN GENERAL.—(1) Except as provided in paragraph (2), construction on a construction project may not be started or additional obligations incurred in connection with the project above the total estimated cost, whenever the current estimated cost of the construction project, which is authorized by sections 3101, 3102, and 3103, or which is in support of national security programs of the Department of Energy and was authorized by any previous Act, exceeds by more than 25 percent the higher of—

(A) the amount authorized for the project; or

(B) the amount of the total estimated cost for the project as shown in the most recent budget justification data submitted to Congress.

(2) An action described in paragraph (1) may be taken if—

(A) the Secretary of Energy has submitted to the congressional defense committees a report on the actions and the circumstances making such action necessary; and

(B) a period of 30 days has elapsed after the date on which the report is received by the committees.

(3) In the computation of the 30-day period under paragraph (2), there shall be excluded any day on which either House of Congress is not in session because of an adjournment of more than 3 days to a day certain.

(b) EXCEPTION.—Subsection (a) shall not apply to any construction project which has a current estimated cost of less than $5,000,000.

SEC. 3124. FUND TRANSFER AUTHORITY.

(a) TRANSFER TO OTHER FEDERAL AGENCIES.—The Secretary of Energy may transfer funds authorized to be appropriated to the Department of Energy pursuant to this title to other Federal agencies for the performance of work for which the funds were authorized. Funds so transferred may be merged with and be available for the same purposes and for the same period as the authorizations of the Federal agency to which the amounts are transferred.

(b) TRANSFER WITHIN DEPARTMENT OF ENERGY; LIMITATIONS.—(1) Subject to paragraph (2), the Secretary of Energy may transfer funds authorized to be appropriated to the Department of Energy pursuant to this title between any such authorizations. Amounts of authorizations so transferred may be merged with and be available for the same purposes and for the same period as the authorization to which the amounts are transferred.

(2) Not more than 5 percent of any such authorization may be transferred between authorizations under paragraph (1). No such authorization may be increased or decreased by more than 5 percent by a transfer under such paragraph.

(3) The authority provided by this section to transfer authorizations—

(A) may only be used to provide funds for items relating to weapons activities necessary for national security programs that have a higher priority than the items from which the funds are transferred; and

(B) may not be used to provide authority for an item that has been denied funds by Congress.

(c) NOTICE TO CONGRESS.—The Secretary of Energy shall promptly notify the Committee on Armed Services of the Senate and the Committee on National Security of the House of Representatives of any transfer of funds to or from authorizations under this title.

SEC. 3125. AUTHORITY FOR CONCEPTUAL AND CONSTRUCTION DESIGN.

(a) REQUIREMENT FOR CONCEPTUAL DESIGN.—(1) Subject to paragraph (2) and except as provided in paragraph (3), before submitting to Congress a request for funds for a construction project that is in support of a national security program of the Department of Energy, the Secretary of Energy shall complete a conceptual design for that project.

(2) If the estimated cost of completing a conceptual design for a construction project exceeds $3,000,000, the Secretary shall submit to Congress a request for funds for the conceptual design before submitting a request for funds for the construction project.

(3) The requirement in paragraph (1) does not apply to a request for funds—

(A) for a construction project the total estimated cost of which is less than $2,000,000; or

(B) for emergency planning, design, and construction activities under section 3126.

(b) AUTHORITY FOR CONSTRUCTION DESIGN.—(1) Within the amounts authorized by this title, the Secretary of Energy may carry out construction design (including architectural and engineering services) in connection with any proposed construction project if the total estimated cost for such design does not exceed $600,000.

(2) If the total estimated cost for construction design in connection with any construction project exceeds $600,000, funds for such design must be specifically authorized by law.

SEC. 3126. AUTHORITY FOR EMERGENCY PLANNING, DESIGN, AND CONSTRUCTION ACTIVITIES.

(a) AUTHORITY.—The Secretary of Energy may use any funds available to the Department of Energy pursuant to an authorization in this title, including funds authorized to be appropriated under sections 3101, 3102, and 3103 for advance planning and construction design, to perform planning, design, and construction activities for any Department of Energy national security program construction project that, as determined by the Secretary, must proceed expeditiously in order to protect public health and safety, meet the needs of national defense, or to protect property.

(b) LIMITATION.—The Secretary may not exercise the authority under subsection (a) in the case of any construction project until the Secretary has submitted to the congressional defense committees a report on the activities that the Secretary intends to carry out under this section and the circumstances making such activities necessary.

(c) SPECIFIC AUTHORITY.—The requirement of section 3125(b)(2) does not apply to emergency planning, design, and construction activities conducted under this section.

(d) REPORT.—The Secretary of Energy shall report to the congressional defense committees any exercise of authority under this section.

SEC. 3127. FUNDS AVAILABLE FOR ALL NATIONAL SECURITY PROGRAMS OF THE DEPARTMENT OF ENERGY.

Subject to the provisions of appropriations Acts and section 3121 of this title, amounts appropriated pursuant to this title for management and support activities and for general plant projects are available for use, when necessary, in connection with all national security programs of the Department of Energy.

SEC. 3128. AVAILABILITY OF FUNDS.

When so specified in an appropriation Act, amounts appropriated for operating expenses, plant projects, and capital equipment may remain available until expended.

Subtitle C—Program Authorizations, Restrictions, and Limitations

SEC. 3131. TRITIUM PRODUCTION.

(a) TRITIUM PRODUCTION.—Of the funds authorized to be appropriated to the Department of Energy under section 3101, not more than $50,000,000 shall be available to conduct an assessment of alternative means of ensuring that the tritium production of the Department of Energy is adequate to meet the tritium requirements of the Department of Defense. The assessment shall include an assessment of various types of reactors and an accelerator.

(b) LOCATION OF NEW TRITIUM PRODUCTION FACILITY.—The Secretary of Energy shall locate the new tritium production facility of the Department of Energy at the Savannah River Site, South Carolina.

(c) TRITIUM TARGETS.—Of the funds authorized to be appropriated to the Department of Energy under section 3101, not more than $5,000,000 shall be available for the Idaho National Engineering Laboratory for the test and development of nuclear reactor tritium targets for the various types of reactors to be assessed by the Department under subsection (a).

SEC. 3132. FISSILE MATERIALS DISPOSITION.

Of the funds authorized to be appropriated to the Department of Energy for fiscal year 1996 under section 3103(a)(7), $70,000,000 shall be available only for purposes of completing the evaluation of, and commencing implementation of, the interim- and long-term storage and disposition of fissile materials (including plutonium, highly enriched uranium, and other fissile materials) that are excess to the national security needs of the United States, of which $10,000,000 shall be available for plutonium resource assessment on a competitive basis by an appropriate university consortium.

SEC. 3133. TRITIUM RECYCLING.

(a) IN GENERAL.—Except as provided in subsection (b), the following activities shall be carried out at the Savannah River Site, South Carolina:

(1) All tritium recycling for weapons, including tritium refitting.

(2) All activities regarding tritium formerly carried out at the Mound Plant, Ohio.

(b) EXCEPTION.—The following activities may be carried out at the Los Alamos National Laboratory, New Mexico:

(1) Research on tritium.

(2) Work on tritium in support of the defense inertial confinement fusion program.

(3) Provision of technical assistance to the Savannah River Site regarding the weapons surveillance program.

SEC. 3134. MANUFACTURING INFRASTRUCTURE FOR REFABRICATION AND CERTIFICATION OF ENDURING NUCLEAR WEAPONS STOCKPILE.

(a) MANUFACTURING PROGRAM.—The Secretary of Energy shall carry out a program for purposes of establishing within the Government a manufacturing infrastructure that has the following capabilities as specified in the Nuclear Posture Review:

(1) To develop a stockpile surveillance engineering base.

(2) To refabricate and certify weapon components and types in the enduring nuclear weapons stockpile, as necessary.

(3) To design, fabricate, and certify new nuclear warheads, as necessary.

(4) To support nuclear weapons.

(5) To supply sufficient tritium in support of nuclear weapons to ensure an upload hedge in the event circumstances require.

(b) REQUIRED CAPABILITIES.—The manufacturing infrastructure established under the program under subsection (a) shall include the following capabilities (modernized to attain the objectives referred to in that subsection):

(1) The weapons assembly capabilities of the Pantex Plant.

(2) The weapon secondary fabrication capabilities of the Y-12 Plant, Oak Ridge, Tennessee.

(3) The tritium production and recycling capabilities of the Savannah River Site.

(4) A weapon primary pit refabrication/manufacturing and reuse facility capability at Savannah River Site (if required for national security purposes).

(5) The non-nuclear component capabilities of the Kansas City Plant.

(c) NUCLEAR POSTURE REVIEW.—For purposes of subsection (a), the term "Nuclear Posture Review" means the Department of Defense Nuclear Posture Review as contained in the Report of the Secretary of Defense to the President and the Congress dated February 19, 1995, or subsequent such reports.

(d) FUNDING.—Of the funds authorized to be appropriated under section 3101(b), $143,000,000 shall be available for carrying out the program required under this section, of which—

(1) $35,000,000 shall be available for activities at the Pantex Plant;

(2) $30,000,000 shall be available for activities at the Y-12 Plant, Oak Ridge, Tennessee;

(3) $35,000,000 shall be available for activities at the Savannah River Site; and

(4) $43,000,000 shall be available for activities at the Kansas City Plant.

SEC. 3135. HYDRONUCLEAR EXPERIMENTS.

Of the funds authorized to be appropriated to the Department of Energy under section 3101, $50,000,000 shall be available for preparation for the commencement of a program of hydronuclear experiments at the nuclear weapons design laboratories at the Nevada Test Site which program shall be for the purpose of maintaining confidence in the reliability and safety of the enduring nuclear weapons stockpile.

SEC. 3136. FELLOWSHIP PROGRAM FOR DEVELOPMENT OF SKILLS CRITICAL TO THE DEPARTMENT OF ENERGY NUCLEAR WEAPONS COMPLEX.

(a) IN GENERAL.—The Secretary of Energy shall conduct a fellowship program for the development of skills critical to the ongoing mission of the Department of Energy nuclear weapons complex. Under the fellowship program, the Secretary shall—

(1) provide educational assistance and research assistance to eligible individuals to facilitate the development by such individuals of skills critical to maintaining the ongoing mission of the Department of Energy nuclear weapons complex;

(2) employ eligible individuals at the facilities described in subsection (c) in order to facilitate the development of such skills by these individuals; or

(3) provide eligible individuals with the assistance and the employment.

(b) ELIGIBLE INDIVIDUALS.—Individuals eligible for participation in the fellowship program are the following:

(1) Students pursuing graduate degrees in fields of science or engineering that are related to nuclear weapons engineering or to the science and technology base of the Department of Energy.

(2) Individuals engaged in postdoctoral studies in such fields.

(c) COVERED FACILITIES.—The Secretary shall carry out the fellowship program at or in connection with the following facilities:

(1) The Kansas City Plant, Kansas City, Missouri.

(2) The Pantex Plant, Amarillo, Texas.

(3) The Y-12 Plant, Oak Ridge, Tennessee.

(4) The Savannah River Site, Aiken, South Carolina.

(d) ADMINISTRATION.—The Secretary shall carry out the fellowship program at a facility referred to in subsection (c) through the stockpile manager of the facility.

(e) ALLOCATION OF FUNDS.—The Secretary shall, in consultation with the Assistant Secretary of Energy for Defense Programs, allocate funds available for the fellowship program under subsection (f) among the facilities referred to in subsection (c). The Secretary shall make the allocation after evaluating an assessment by the weapons program director of each such facility of the personnel and critical skills necessary at the facility for carrying out the ongoing mission of the facility.

(f) FUNDING.—Of the funds authorized to be appropriated to the Department of Energy for fiscal year 1996 under section 3101(b), $10,000,000 may be used for the purpose of carrying out the fellowship program under this section.

SEC. 3137. EDUCATION PROGRAM FOR DEVELOPMENT OF PERSONNEL CRITICAL TO THE DEPARTMENT OF ENERGY NUCLEAR WEAPONS COMPLEX.

(a) IN GENERAL.—The Secretary of Energy shall conduct an education program to ensure the long-term supply of personnel having skills critical to the ongoing mission of the Department of Energy nuclear weapons complex. Under the program, the Secretary shall provide—

(1) education programs designed to encourage and assist students in study in the fields of math, science, and engineering that are critical to maintaining the nuclear weapons complex;

(2) programs that enhance the teaching skills of teachers who teach students in such fields; and

(3) education programs that increase the scientific understanding of the general public in areas of importance to the nuclear weapons complex and to the Department of Energy national laboratories.

(b) FUNDING.—Of the funds authorized to be appropriated to the Department of Energy for fiscal year 1996 under section 3101(a), $10,000,000 may be used for the purpose of carrying out the education program under this section.

SEC. 3138. LIMITATION ON USE OF FUNDS FOR CERTAIN RESEARCH AND DEVELOPMENT PURPOSES.

Funds appropriated or otherwise made available to the Department of Energy for fiscal year 1996 under section 3101 may be obligated and expended for activities under the Department of Energy Laboratory Directed Research and Development Program or under Department of Energy technology transfer programs only if such activities support the national security mission of the Department.

SEC. 3139. PROCESSING OF HIGH LEVEL NUCLEAR WASTE AND SPENT NUCLEAR FUEL RODS.

(a) ELECTROMETALLURGICAL PROCESSING ACTIVITIES.—Of the amount authorized to be appropriated to the Department of Energy under section 3102, not more than $2,500,000 shall be available for electrometallurgical processing activities at the Idaho National Engineering Laboratory.

(b) PROCESSING OF SPENT NUCLEAR FUEL RODS AT SAVANNAH RIVER SITE.—Of the amount authorized to be appropriated to the Department of Energy under section 3102, $30,000,000 shall be available for operating and maintenance activities at the Savannah River Site, which amount shall be available for the development at the canyon facilities at the site of technological methods (including plutonium processing and reprocessing) of separating, reducing, isolating, and storing the spent nuclear fuel rods that are sent to the site from other Department of Energy facilities and from foreign facilities.

(c) PROCESSING OF SPENT NUCLEAR FUEL RODS AT IDAHO NATIONAL ENGINEERING LABORATORY.—Of the amount authorized to be appropriated to the Department of Energy under section 3102, $15,000,000 shall be available for operating and maintenance activities at the Idaho National Engineering Laboratory, which amount shall be available for the development of technological methods of processing the spent nuclear fuel rods that will be sent to the laboratory from other Department of Energy facilities.

(d) SPENT NUCLEAR FUEL DEFINED.—In this section, the term "spent nuclear fuel" has the meaning given such term in section 2(23) of the Nuclear Waste Policy Act of 1982 (42 U.S.C. 10101(23)).

SEC. 3140. DEPARTMENT OF ENERGY DECLASSIFICATION PRODUCTIVITY INITIATIVE.

Of the funds authorized to be appropriated to the Department of Energy under section 3103, $3,000,000 shall be available for the Declassification Productivity Initiative of the Department of Energy.

SEC. 3141. AUTHORITY TO REPROGRAM FUNDS FOR DISPOSITION OF CERTAIN SPENT NUCLEAR FUEL.

(a) AUTHORITY TO REPROGRAM.—Notwithstanding any other provision of law and subject to subsection (b), the Secretary of Energy may reprogram funds available to the Department of Energy for fiscal year 1996 under section 3101(b) or 3102(b) to make such funds available for use for storage pool treatment and stabilization or for canning and storage in connection with the disposition of spent nuclear fuel in the Democratic People's Republic of Korea, which treatment and stabilization or canning and storage is—

(1) necessary in order to meet International Atomic Energy Agency safeguard standards with respect to the disposition of spent nuclear fuel; and

(2) conducted in fulfillment of the Nuclear Framework Agreement between the United States and the Democratic People's Republic of Korea dated October 21, 1994.

(b) LIMITATION.—The total amount that the Secretary may reprogram under the authority in subsection (a) may not exceed $5,000,000.

(c) DEFINITION.—In this section, the term "spent nuclear fuel" has the meaning given such term in section 2(23) of the Nuclear Waste Policy Act of 1982 (42 U.S.C. 10101(23)).

SEC. 3142. PROTECTION OF WORKERS AT NUCLEAR WEAPONS FACILITIES.

Of the funds authorized to be appropriated to the Department of Energy under section 3102, $10,000,000 shall be available to carry out activities authorized under section 3131 of the National Defense Authorization Act for Fiscal Years 1992 and 1993 (Public Law 102–190; 105 Stat. 1571; 42 U.S.C. 7274d), relating to worker protection at nuclear weapons facilities.

Subtitle D—Review of Department of Energy National Security Programs

SEC. 3151. REVIEW OF DEPARTMENT OF ENERGY NATIONAL SECURITY PROGRAMS.

(a) REPORT.—Not later than March 15, 1996, the Secretary of Defense shall, in consultation with the Secretary of Energy, submit to the congressional defense committees a report on the national security programs of the Department of Energy.

(b) CONTENTS OF REPORT.—The report shall include an assessment of the following:

(1) The effectiveness of the Department of Energy in maintaining the safety and reliability of the enduring nuclear weapons stockpile.

(2) The management by the Department of the nuclear weapons complex, including—

(A) a comparison of the Department of Energy's implementation of applicable environmental, health, and safety requirements with the implementation of similar requirements by the Department of Defense; and

(B) a comparison of the costs and benefits of the national security research and development programs of the Department of Energy with the costs and benefits of similar programs sponsored by the Department of Defense.

(3) The fulfillment of the requirements established for the Department of Energy in the Nuclear Posture Review.

(c) DEFINITION.—In this section, the term "Nuclear Posture Review" means the Department of Defense Nuclear Posture Review as contained in the Report of the Secretary of Defense to the President and the Congress dated February 19, 1995, or in subsequent such reports.

Subtitle E—Other Matters

SEC. 3161. RESPONSIBILITY FOR DEFENSE PROGRAMS EMERGENCY RESPONSE PROGRAM.

The Office of Military Applications under the Assistant Secretary of Energy for Defense Programs shall retain responsibility for the Defense Programs Emergency Response Program within the Department of Energy.

SEC. 3162. REQUIREMENTS FOR DEPARTMENT OF ENERGY WEAPONS ACTIVITIES BUDGETS FOR FISCAL YEARS AFTER FISCAL YEAR 1996.

(a) IN GENERAL.—The weapons activities budget of the Department of Energy shall be developed in accordance with the Nuclear Posture Review, the Post Nuclear Posture Review Stockpile Memorandum currently under development, and the programmatic and technical requirements associated with the review and memorandum.

(b) REQUIRED DETAIL.—The Secretary of Energy shall include in the materials that the Secretary submits to Congress in support of the budget for a fiscal year submitted by the President pursuant to section 1105 of title 31, United States Code, a long-term program plan, and a near-term program plan, for the certification and stewardship of the enduring nuclear weapons stockpile.

(c) DEFINITION.—In this section, the term "Nuclear Posture Review" means the Department of Defense Nuclear Posture Review as contained in the Report of the Secretary of Defense to the President and the Congress dated February 19, 1995, or in subsequent such reports.

SEC. 3163. REPORT ON PROPOSED PURCHASES OF TRITIUM FROM FOREIGN SUPPLIERS.

(a) REQUIREMENT.—Not later than May 30, 1997, the President shall submit to the congressional defense committees a report on any plans of the President to purchase from foreign suppliers tritium to be used for purposes of the nuclear weapons stockpile of the United States.

(b) FORM OF REPORT.—The report shall be submitted in unclassified form, but may contain a classified annex.

SEC. 3164. REPORT ON HYDRONUCLEAR TESTING.

(a) REPORT.—The Secretary of Energy shall direct the joint preparation by the Lawrence Livermore National Laboratory and the Los Alamos National Laboratory of a report on the advantages and disadvantages for the safety and reliability of the enduring nuclear weapons stockpile of permitting alternative limits to the current limits on the explosive yield of hydronuclear tests. The report shall address the following explosive yield limits:

(1) 4 pounds (TNT equivalent).

(2) 400 pounds (TNT equivalent).

(3) 4,000 pounds (TNT equivalent).

(4) 40,000 pounds (TNT equivalent).

(b) FUNDING.—The Secretary shall make available funds authorized to be appropriated to the Department of Energy under section 3101 for preparation of the report required under subsection (a).

SEC. 3165. PLAN FOR THE CERTIFICATION AND STEWARDSHIP OF THE ENDURING NUCLEAR WEAPONS STOCKPILE.

(a) REQUIREMENT.—Not later than March 15, 1996, and every March 15 thereafter, the Secretary of Energy shall submit to the Secretary of Defense a plan for maintaining the enduring nuclear weapons stockpile.

(b) PLAN ELEMENTS.—Each plan under subsection (a) shall set forth the following:

(1) The numbers of weapons (including active weapons and inactive weapons) for each type of weapon in the enduring nuclear weapons stockpile.

(2) The expected design lifetime of each weapon system type, the current age of each weapon system type, and any plans (including the analytical basis for such plans) for lifetime extensions of a weapon system type.

(3) An estimate of the lifetime of the nuclear and non-nuclear components of the

weapons (including active weapons and inactive weapons) in the enduring nuclear weapons stockpile, and any plans (including the analytical basis for such plans) for lifetime extensions of such components.

(4) A schedule of the modifications, if any, required for each weapon type (including active weapons and inactive weapons) in the enduring nuclear weapons stockpile, and the cost of such modifications.

(5) The process to be used in recertifying the safety, reliability, and performance of each weapon type (including active weapons and inactive weapons) in the enduring nuclear weapons stockpile.

(6) The manufacturing infrastructure required to maintain the nuclear weapons stockpile stewardship management program.

SEC. 3166. APPLICABILITY OF ATOMIC ENERGY COMMUNITY ACT OF 1955 TO LOS ALAMOS, NEW MEXICO.

(a) DATE OF TRANSFER OF UTILITIES.—Section 72 of the Atomic Energy Community Act of 1955 (42 U.S.C. 2372) is amended by striking out "not later than five years after the date it is included within this Act" and inserting in lieu thereof "not later than June 30, 1998".

(b) DATE OF TRANSFER OF MUNICIPAL INSTALLATIONS.—Section 83 of such Act (42 U.S.C. 2383) is amended by striking out "not later than five years after the date it is included within this Act" and inserting in lieu thereof "not later than June 30, 1998".

(c) RECOMMENDATION FOR FURTHER ASSISTANCE PAYMENTS.—Section 91 of such Act (42 U.S.C. 2391) is amended—

(1) by striking out ", and the Los Alamos School Board;" and all that follows through "county of Los Alamos, New Mexico" and inserting in lieu thereof "; or not later than June 30, 1996, in the case of the Los Alamos School Board and the county of Los Alamos, New Mexico"; and

(2) by adding at the end the following new sentence: "If the recommendation under the preceding sentence regarding the Los Alamos School Board or the county of Los Alamos, New Mexico, indicates a need for further assistance for the school board or the county, as the case may be, after June 30, 1997, the recommendation shall include a report and plan describing the actions required to eliminate the need for further assistance for the school board or the county, including a proposal for legislative action to carry out the plan.".

(d) CONTRACT TO MAKE PAYMENTS.—Section 94 of such Act (42 U.S.C. 2394) is amended—

(1) by striking out "June 30, 1996" each place it appears in the proviso in the first sentence and inserting in lieu thereof "June 30, 1997"; and

(2) by striking out "July 1, 1996" in the second sentence and inserting in lieu thereof "July 1, 1997".

SEC. 3167. SENSE OF SENATE ON NEGOTIATIONS REGARDING SHIPMENTS OF SPENT NUCLEAR FUEL FROM NAVAL REACTORS.

(a) SENSE OF THE SENATE.—It is the sense of the Senate that the Secretary of Defense, the Secretary of Energy, and the Governor of the State of Idaho should continue good faith negotiations for the purpose of reaching an agreement on the issue of shipments of spent nuclear fuel from naval reactors.

(b) REPORT.—(1) Not later than September 15, 1995, the Secretary of Defense shall submit to the Committee on Armed Services of the Senate and the Committee on National Security of the House of Representatives a written report on the status or outcome of the negotiations urged under subsection (a).

(2) The report shall include the following matters:

(A) If an agreement is reached, the terms of the agreement, including the dates on which shipments of spent nuclear fuel from naval reactors will resume.

(B) If an agreement is not reached—

(i) the Secretary's evaluation of the issues remaining to be resolved before an agreement can be reached;

(ii) the likelihood that an agreement will be reached before October 1, 1995; and

(iii) the steps that must be taken regarding the shipment of spent nuclear fuel from naval reactors to ensure that the Navy can meet the national security requirements of the United States.

TITLE XXXII—DEFENSE NUCLEAR FACILITIES SAFETY BOARD

SEC. 3201. AUTHORIZATION.

There are authorized to be appropriated for fiscal year 1996, $17,000,000 for the operation of the Defense Nuclear Facilities Safety Board under chapter 21 of the Atomic Energy Act of 1954 (42 U.S.C. 2286 et seq.).

TITLE XXXIII—NAVAL PETROLEUM RESERVES

SEC. 3301. SALE OF NAVAL PETROLEUM RESERVE NUMBERED 1 (ELK HILLS).

(a) SALE OF ELK HILLS UNIT REQUIRED.—(1) Chapter 641 of title 10, United States Code, is amended by inserting after section 7421 the following new section:

"§ 7421a. Sale of Naval Petroleum Reserve Numbered 1 (Elk Hills)

"(a) SALE REQUIRED.—(1) Notwithstanding any other provision of this chapter other than section 7431(a)(2) of this title, the Secretary shall sell all right, title, and interest of the United States in and to lands owned or controlled by the United States inside Naval Petroleum Reserve Numbered 1, commonly referred to as the Elk Hills Unit, located in Kern County, California, and established by Executive order of the President, dated September 2, 1912. Subject to subsection (j), within one year after the effective date, the Secretary shall enter into one or more contracts for the sale of all of the interest of the United States in the reserve.

"(2) In this section:

"(A) The term 'reserve' means Naval Petroleum Reserve Numbered 1.

"(B) The term 'unit plan contract' means the unit plan contract between equity owners of the lands within the boundaries of Naval Petroleum Reserve Numbered 1 entered into on June 19, 1944.

"(C) The term 'effective date' means the date of the enactment of the National Defense Authorization Act for Fiscal Year 1996.

"(b) EQUITY FINALIZATION.—(1) Not later than three months after the effective date, the Secretary shall finalize equity interests of the known oil and gas zones in Naval Petroleum Reserve Numbered 1 in the manner provided by this subsection.

"(2) The Secretary shall retain the services of an independent petroleum engineer, mutually acceptable to the equity owners, who shall prepare a recommendation on final equity figures. The Secretary may accept the recommendation of the independent petroleum engineer for final equity in each known oil and gas zone and establish final equity interest in the Naval Petroleum Reserve Numbered 1 in accordance with such recommendation, or the Secretary may use such other method to establish final equity interest in the reserve as the Secretary considers appropriate.

"(3) If, on the effective date, there is an ongoing equity redetermination dispute between the equity owners under section 9(b) of the unit plan contract, such dispute shall be resolved in the manner provided in the unit plan contract within five months after the effective date. Such resolution shall be considered final for all purposes under this section.

"(c) TIMING AND ADMINISTRATION OF SALE.—(1) Not later than two months after the effective date, the Secretary shall publish a notice of intent to sell the Naval Petroleum Reserve Numbered 1. The Secretary shall make all technical, geological, and financial information relevant to the sale of the reserve available to all interested and qualified buyers upon request. The Secretary, in consultation with the Administrator of General Services, shall ensure that the sale process is fair and open to all interested and qualified parties.

"(2)(A) Not later than two months after the effective date, the Secretary shall retain the services of five independent experts in the valuation of oil and gas fields to conduct separate assessments, in a manner consistent with commercial practices, of the value of the interest of the United States in Naval Petroleum Reserve Numbered 1. In making their assessments, the independent experts shall consider (among other factors) all equipment and facilities to be included in the sale, the estimated quantity of petroleum and natural gas in the reserve, and the net present value of the anticipated revenue stream that the Secretary and the Director of the Office of Management and Budget jointly determine the Treasury would receive from the reserve if the reserve were not sold, adjusted for any anticipated increases in tax revenues that would result if the reserve were sold. The independent experts shall complete their assessments within six months after the effective date.

"(B) The independent experts shall also determine and submit to the Secretary the estimated total amount of the cost of any environmental restoration and remediation necessary at the reserve. The Secretary shall report the estimate to the Director of the Office of Management and Budget, the Secretary of the Treasury, and Congress.

"(C) The Secretary, in consultation with the Director of the Office of Management and Budget, shall set the minimum acceptable price for the reserve. The Secretary may not set the minimum acceptable price below the average of three of the assessments (after excluding the high and low assessments) made under subparagraph (A).

"(3) Not later than two months after the effective date, the Secretary shall retain the services of an investment banker to independently administer, in a manner consistent with commercial practices and in a manner that maximizes sale proceeds to the Government, the sale of Naval Petroleum Reserve Numbered 1 under this section. Notwithstanding section 7433(b) of this title, costs and fees of retaining the investment banker shall be paid out of the proceeds of the sale of the reserve.

"(4)(A) Not later than six months after the effective date, the investment banker serving as the sales administrator under paragraph (3) shall complete a draft contract or contracts for the sale of Naval Petroleum Reserve Numbered 1, which shall accompany the invitation for bids and describe the terms and provisions of the sale of the interest of the United States in the reserve.

"(B) The draft contract or contracts shall identify—

"(i) all equipment and facilities to be included in the sale; and "(ii) any potential claim or liability (including liability for environmental restoration and remediation), and the extent of any such claim or liability, for which the United States is responsible under subsection (d).

"(C) The draft contract or contracts, including the terms and provisions of the sale of the interest of the United States in the reserve, shall be subject to review and approval by the Secretary, the Secretary of the Treasury, and the Director of the Office of Management and Budget. Each of those officials shall complete the review of, and approve or disapprove, the draft contract or contracts not later than seven months after the effective date.

"(5) Not later than seven months after the effective date, the Secretary shall publish an invitation for bids for the purchase of the reserve.

"(6) Not later than 10 months after the effective date, the Secretary shall identify the highest responsible offer or offers for purchase of the interest of the United States in Naval Petroleum Reserve Numbered 1 that, in total, meet or exceed the minimum acceptable price determined under paragraph (2).

"(7) The Secretary shall take such action immediately after the effective date as is necessary to obtain from an independent petroleum engineer within six months after that date a certification regarding the quantity of the content of the reserve. The Secretary shall use the certification in support of the preparation of the invitation for bids.

"(d) FUTURE LIABILITIES.—The United States shall hold harmless and fully indemnify the purchaser or purchasers (as the case may be) of the interest of the United States in Naval Petroleum Reserve Numbered 1 from and against any claim or liability as a result of ownership in the reserve by the United States, including any claim referred to in subsection (e).

"(e) TREATMENT OF STATE OF CALIFORNIA CLAIM.—After the costs incurred in the conduct of the sale of Naval Petroleum Reserve Numbered 1 under this section are deducted, seven percent of the remaining proceeds from the sale of the reserve shall be reserved in a contingent fund in the Treasury (for a period not to exceed 10 years after the effective date) for payment to the State of California in the event that, and to the extent that, the claims of the State against the United States regarding production and proceeds of sale from Naval Petroleum Reserve Numbered 1 are resolved in favor of the State by a court of competent jurisdiction. Funds in the contingent fund shall be available for paying any such claim to the extent provided in appropriation Acts. After final disposition of the claims, any unobligated balance in the contingent fund shall be credited to the general fund of the Treasury.

"(f) MAINTAINING ELK HILLS UNIT PRODUCTION.—Until the sale of Naval Petroleum Reserve Numbered 1 is completed under this section, the Secretary shall continue to produce the reserve at the maximum daily oil or gas rate from a reservoir, which will permit maximum economic development of the reservoir consistent with sound oil field engineering practices in accordance with section 3 of the unit plan contract. The definition of maximum efficient rate in section 7420(6) of this title shall not apply to the reserve.

"(g) EFFECT ON EXISTING CONTRACTS.—(1) In the case of any contract, in effect on the effective date, for the purchase of production from any part of the United States' share of Naval Petroleum Reserve Numbered 1, the sale of the interest of the United States in the reserve shall be subject to the contract for a period of three months after the closing date of the sale or until termination of the contract, whichever occurs first. The term of any contract entered into after the effective date for the purchase of such production shall not exceed the anticipated closing date for the sale of the reserve.

"(2) The Secretary shall exercise the termination procedures provided in the contract between the United States and Bechtel Petroleum Operation, Inc., Contract Number DE-AC01-85FE60520 so that the contract terminates not later than the date of closing of the sale of Naval Petroleum Reserve Numbered 1 under subsection (c).

"(3) The Secretary shall exercise the termination procedures provided in the unit plan contract so that the unit plan contract terminates not later than the date of closing of the sale of reserve.

"(h) EFFECT ON ANTITRUST LAWS.—Nothing in this section shall be construed to alter the application of the antitrust laws of the United States to the purchaser or purchasers (as the case may be) of Naval Petroleum Reserve Numbered 1 or to the lands in the reserve subject to sale under this section upon the completion of the sale.

"(i) PRESERVATION OF PRIVATE RIGHT, TITLE, AND INTEREST.—Nothing in this section shall be construed to adversely affect the ownership interest of any other entity having any right, title, and interest in and to lands within the boundaries of Naval Petroleum Reserve Numbered 1 and which are subject to the unit plan contract.

"(j) NOTICE TO CONGRESS.—(1) Subject to paragraph (2), the Secretary may not enter into any contract for the sale of the reserve until the end of the 31-day period beginning on the date on which the Secretary notifies the Committee on Armed Services of the Senate and the Committee on National Security and the Committee on Commerce of the House of Representatives of the conditions of the proposed sale.

"(2) If the Secretary receives only one offer for purchase of the reserve or any subcomponent thereof, the Secretary may not enter into a contract for the sale of the reserve unless—

"(A) the Secretary submits to Congress a notification of the receipt of only one offer together with the conditions of the proposed sale of the reserve or parcel to the offeror; and

"(B) a joint resolution of approval described in subsection (k) is enacted within 45 days after the date of the notification.

"(k) JOINT RESOLUTION OF APPROVAL.—(1) For the purpose of paragraph (2)(B) of subsection (j), 'joint resolution of approval' means only a joint resolution that is introduced after the date on which the notification referred to in that paragraph is received by Congress, and—

"(A) that does not have a preamble;

"(B) the matter after the resolving clause of which reads only as follows: 'That Congress approves the proposed sale of Naval Petroleum Reserve Numbered 1 reported in the notification submitted to Congress by the Secretary of Energy on __________.' (the blank space being filled in with the appropriate date); and

"(C) the title of which is as follows: 'Joint resolution approving the sale of Naval Petroleum Reserve Numbered 1'.

"(2) A resolution described in paragraph (1) introduced in the House of Representatives shall be referred to the Committee on National Security of the House of Representatives. A resolution described in paragraph (1) introduced in the Senate shall be referred to the Committee on Armed Services of the Senate. Such a resolution may not be reported before the 8th day after its introduction.

"(3) If the committee to which is referred a resolution described in paragraph (1) has not reported such resolution (or an identical resolution) at the end of 15 calendar days after its introduction, such committee shall be deemed to be discharged from further consideration of such resolution and such resolution shall be placed on the appropriate calendar of the House involved.

"(4)(A) When the committee to which a resolution is referred has reported, or has been deemed to be discharged (under paragraph (3)) from further consideration of, a resolution described in paragraph (1), it is at any time thereafter in order (even though a previous motion to the same effect has been disagreed to) for any Member of the respective House to move to proceed to the consideration of the resolution, and all points of order against the resolution (and against consideration of the resolution) are waived. The motion is highly privileged in the House of Representatives and is privileged in the Senate and is not debatable. The motion is not subject to amendment, or to a motion to postpone, or to a motion to proceed to the consideration of other business. A motion to reconsider the vote by which the motion is agreed to or disagreed to shall not be in order. If a motion to proceed to the consideration of the resolution is agreed to, the resolution shall remain the unfinished business of the respective House until disposed of.

"(B) Debate on the resolution, and on all debatable motions and appeals in connection therewith, shall be limited to not more than 10 hours, which shall be divided equally between those favoring and those opposing the resolution. A motion further to limit debate is in order and not debatable. An amendment to, or a motion to postpone, or a motion to proceed to the consideration of other business, or a motion to recommit the resolution is not in order. A motion to reconsider the vote by which the resolution is agreed to or disagreed to is not in order.

"(C) Immediately following the conclusion of the debate on a resolution described in paragraph (2), and a single quorum call at the conclusion of the debate if requested in accordance with the rules of the appropriate House, the vote on final passage of the resolution shall occur.

"(D) Appeals from the decisions of the Chair relating to the application of the rules of the Senate or the House of Representatives, as the case may be, to the procedure relating to a resolution described in paragraph (1) shall be decided without debate.

"(5) If, before the passage by one House of a resolution of that House described in paragraph (1), that House receives from the other House a resolution described in paragraph (1), then the following procedures shall apply:

"(A) The resolution of the other House shall not be referred to a committee.

"(B) With respect to a resolution described in paragraph (2) of the House receiving the resolution—

"(i) the procedure in that House shall be the same as if no resolution had been received from the other House; but

"(ii) the vote on final passage shall be on the resolution of the other House.

"(6) This subsection is enacted by Congress—

"(A) as an exercise of the rulemaking power of the Senate and House of Representatives, respectively, and as such it is deemed a part of the rules of each House, respectively, but applicable only with respect to the procedure to be followed in that House in the case of a resolution described in paragraph (1), and it supersedes other rules only to the extent that it is inconsistent with such rules; and

"(B) with full recognition of the constitutional right of either House to change the rules (so far as relating to the procedure of that House) at any time, in the same manner, and to the same extent as in the case of any other rule of that House.

"(l) NONCOMPLIANCE WITH DEADLINES.—If, at any time during the one-year period beginning on the effective date, the Secretary determines that the actions necessary to complete the sale of the reserve within that period are not being taken or timely completed, the Secretary shall transmit to the Committee on Armed Services of the Senate and the Committees on National Security and on Commerce of the House of Representatives a notification of that determination together with a plan setting forth the actions that will be taken to ensure that the sale of the reserve will be completed within that period. The Secretary shall consult with the Director of the Office of Management and Budget in preparing the plan for submission to the committees.

"(m) OVERSIGHT.—The Comptroller General shall monitor the actions of the Secretary relating to the sale of the reserve and report to the Committee on Armed Services of the Senate and the Committee on National security of the House of Representatives any findings on such actions that the Comptroller General considers appropriate to report to such committees.

"(n) ACQUISITION OF SERVICES.—The Secretary may enter into contracts for the acquisition of services required under this section under the authority of paragraph (7) of section 303(c) of the Federal Property and Administrative Services Act of 1949 (41 U.S.C. 253(c)), except that the notification required under subparagraph (B) of such paragraph for each contract shall be submitted to Congress not less than 7 days before the award of the contract.

"(o) RECONSIDERATION OF PROCESS OF SALE.—(1) If during the course of the sale of the reserve the Secretary of Energy and the Director of the Office of Management and Budget jointly determine that—

"(A) the sale is proceeding in a manner inconsistent with achievement of a sale price that reflects the full value of the reserve, or

"(B) a course of action other than the immediate sale of the reserve is in the best interests of the United States,

the Secretary shall submit a notification of the determination to the Committee on Armed Services of the Senate and the Committees on National Security and on Commerce of the House of Representatives.

"(2) After the Secretary submits a notification under paragraph (1), the Secretary may not complete the sale the reserve under this section unless there is enacted a joint resolution—

"(A) that is introduced after the date on which the notification is received by the committees referred to in such paragraph;

"(B) that does not have a preamble;

"(C) the matter after the resolving clause of which reads only as follows: 'That the Secretary of Energy shall proceed with activities to sell Naval Petroleum Reserve Numbered 1 in accordance with section 7421a of title 10, United States Code, notwithstanding the determination set forth in the notification submitted to Congress by the Secretary of Energy on ________.' (the blank space being filled in with the appropriate date); and

"(D) the title of which is as follows: 'Joint resolution approving continuation of actions to sell Naval Petroleum Reserve Numbered 1'.

"(3) Subsection (k), except for paragraph (1) of such subsection, shall apply to the joint resolution described in paragraph (2).".

(2) The table of sections at the beginning of such chapter is amended by inserting after the item relating to section 7421 the following new item:

"7421a. Sale of Naval Petroleum Reserve Numbered 1 (Elk Hills).".

(b) AUTHORIZATION OF APPROPRIATIONS.—Funds are authorized to be appropriated for fiscal year 1996 for carrying out section 7421a of title 10, United States Code (as added by subsection (a)), in the total amount of $7,000,000.

SEC. 3302. FUTURE OF NAVAL PETROLEUM RESERVES (OTHER THAN NAVAL PETROLEUM RESERVE NUMBERED 1).

(a) STUDY OF FUTURE OF PETROLEUM RESERVES.—(1) The Secretary of Energy shall conduct a study to determine which of the following options, or combination of options, would maximize the value of the naval petroleum reserves to or for the United States:

(A) Transfer of all or a part of the naval petroleum reserves to the jurisdiction of the Department of the Interior for leasing in accordance with the Mineral Leasing Act (30 U.S.C. 181 et seq.) and surface management in accordance with the Federal Land Policy and Management Act (43 U.S.C. 1701 et seq.).

(B) Lease of the naval petroleum reserves consistent with the provisions of such Acts.

(C) Sale of the interest of the United States in the naval petroleum reserves.

(2) The Secretary shall retain such independent consultants as the Secretary considers appropriate to conduct the study.

(3) An examination of the value to be derived by the United States from the transfer, lease, or sale of the naval petroleum reserves under paragraph (1) shall include an assessment and estimate, in a manner consistent with customary property valuation practices in the oil industry, of the fair market value of the interest of the United States in the naval petroleum reserves.

(4) Not later than December 31, 1995, the Secretary shall submit to Congress and make available to the public a report describing the results of the study and containing such recommendations as the Secretary considers appropriate to implement the option, or combination of options, identified in the study that would maximize the value of the naval petroleum reserves to or for the United States.

(b) IMPLEMENTATION OF RECOMMENDATIONS.—Not earlier than 31 days after submitting to Congress the report required under subsection (a)(4), and not later than December 31, 1996, the Secretary shall carry out the recommendations contained in the report.

(c) NAVAL PETROLEUM RESERVES DEFINED.—For purposes of this section, the term "naval petroleum reserves" has the meaning given that term in section 7420(2) of title 10, United States Code, except that such term does not include Naval Petroleum Reserve Numbered 1.

TITLE XXXIV—NATIONAL DEFENSE STOCKPILE

SEC. 3401. AUTHORIZED USES OF STOCKPILE FUNDS.

(a) OBLIGATIONS AUTHORIZED.—During fiscal year 1996, the National Defense Stockpile Manager may obligate up to $77,100,000 of the funds in the National Defense Stockpile Transaction Fund established under subsection (a) of section 9 of the Strategic and Critical Materials Stock Piling Act (50 U.S.C. 98h) for the authorized uses of such funds under subsection (b)(2) of such section.

(b) ADDITIONAL OBLIGATIONS.—The National Defense Stockpile Manager may obligate amounts in excess of the amount specified in subsection (a) if the National Defense Stockpile Manager notifies Congress that extraordinary or emergency conditions necessitate the additional obligations. The National Defense Stockpile Manager may make the additional obligations described in the notification after the end of the 45-day period beginning on the date Congress receives the notification.

(c) LIMITATIONS.—The authorities provided by this section shall be subject to such limitations as may be provided in appropriations Acts.

SEC. 3402. DISPOSAL OF OBSOLETE AND EXCESS MATERIALS CONTAINED IN THE NATIONAL DEFENSE STOCKPILE.

(a) DISPOSAL AUTHORIZED.—Subject to the conditions specified in subsection (b), the President may dispose of obsolete and excess materials currently contained in the National Defense Stockpile in order to modernize the stockpile. The materials subject to disposal under this subsection and the quantity of each material authorized to be disposed of by the President are set forth in the following table:

Authorized Stockpile Disposals

Material for disposal	Quantity
Aluminum	62,881 short tons
Aluminum Oxide, Abrasive Grade	2,456 short tons
Antimony	34 short tons
Bauxite, Metallurgical Grade, Jamaican	321,083 long dry tons
Bauxite, Refractory	53,788 long dry tons
Beryllium, Copper Master Alloy	7,387 short tons
Beryllium, Metal	300 short tons
Chromite, Chemical Grade Ore	34,709 short dry tons
Chromite, Metallurgical Grade Ore	580,700 short dry tons
Chromite, Refractory Grade Ore	159,282, short dry tons
Chromium, Ferro Group	712,362 short tons
Chromium Metal	2,971 short tons
Cobalt	27,868,181 pounds of contained cobalt

Authorized Stockpile Disposals—Continued

Material for disposal	Quantity
Columbium Group	2,871,194 pounds of contained columbium
Diamond, Bort	61,542 carats
Diamond Stones	3,030,087 carats
Fluorspar, Acid Grade	28,047 short dry tons
Germanium Metal	53,200 kilograms
Graphite, Natural, Ceylon Lump	5,492 short tons
Iodine	871 pounds
Indium	50,205 troy ounces
Jewel bearings	30,237,764 pieces
Manganese, Ferro, High Carbon	230,481 short tons
Manganese, Ferro, Medium Carbon	19,752 short tons
Manganese, Ferro, Silicon	202 short tons
Mica, Muscovite Block, Stained and Better	325,896 pounds
Mica, Phlogopite Block	130,745 pounds
Morphine, Sulfate & Analgesic, Refined	5,679 pounds of anhydrous morphine alkaloid
Nickel	887 short tons
Platinum	252,641 troy ounces
Palladium	1,064,601 troy ounces
Rubber, Natural	25,138 long tons
Rutile	257 short dry tons
Talc, Block & Lump	2 short tons
Tantalum, Carbide Powder	28,688 pounds of contained tantalum
Tantalum, Minerals	2,575,234 pounds of contained tantalum
Tantalum, Oxide	163,691 pounds of contained tantalum
Thorium Nitrate	551,687 pounds
Tin	1,077 metric tons
Titanium Sponge	24,830 short tons
Tungsten Group	82,312,516 pounds of contained tungsten
Vegetable Tannin, Chestnut	15 long tons
Zirconium	15,991 short dry tons

(b) CONDITIONS ON DISPOSAL.—The authority of the President under subsection (a) to dispose of materials stored in the stockpile may not be used unless and until the Secretary of Defense certifies to Congress that the disposal of such materials will not adversely affect the capability of the National Defense Stockpile to supply the strategic and critical materials necessary to meet the needs of the United States during a period of national emergency that requires a significant level of mobilization of the economy of the United States, including any reconstitution of the military and industrial capabilities necessary to meet the planning assumptions used by the Secretary of Defense under section 14(b) of the Strategic and Critical Materials Stock Piling Act (50 U.S.C. 98h-5(b)).

(c) RELATIONSHIP TO OTHER DISPOSAL AUTHORITY.—The disposal authority provided in subsection (a) is in addition to any other disposal authority provided by law.

SEC. 3403. DISPOSAL OF CHROMITE AND MANGANESE ORES AND CHROMIUM FERRO AND MANGANESE METAL ELECTROLYTIC.

(a) DOMESTIC UPGRADING.—In offering to enter into agreements pursuant to any provision of law for the disposal from the National Defense Stockpile of chromite and manganese ores of metallurgical grade or chromium ferro and manganese metal electrolytic, the President shall give a right of first refusal on all such offers to domestic ferroalloy upgraders.

(b) DOMESTIC FERROALLOY UPGRADER DEFINED.—For purposes of this section, the term "domestic ferroalloy upgrader" means a company or other business entity that, as determined by the President—

(1) is engaged in operations to upgrade chromite or manganese ores of metallurgical grade or chromium ferro and manganese metal electrolytic; and

(2) conducts a significant level of its research, development, engineering, and upgrading operations in the United States.

SEC. 3404. RESTRICTIONS ON DISPOSAL OF MANGANESE FERRO.

(a) DISPOSAL OF LOWER GRADE MATERIAL FIRST.—The President may not dispose of high carbon manganese ferro in the National Defense Stockpile that meets the National Defense Stockpile classification of Grade One, Specification 30(a), as revised on May 22, 1992, until completing the disposal of all manganese ferro in the National Defense Stockpile that does not meet such classification. The President may not reclassify manganese ferro in the National Defense Stockpile after the date of the enactment of this Act.

(b) REQUIREMENT FOR REMELTING BY DOMESTIC FERROALLOY PRODUCERS.—Manganese ferro in the National Defense Stockpile that does not meet the classification specified in subsection (a) may be sold only for remelting by a domestic ferroalloy producer.

(c) DOMESTIC FERROALLOY PRODUCER DEFINED.—For purposes of this section, the term "domestic ferroalloy producer" means a company or other business entity that, as determined by the President—

(1) is engaged in operations to upgrade manganese ores of metallurgical grade or manganese ferro; and

(2) conducts a significant level of its research, development, engineering, and upgrading operations in the United States.

SEC. 3405. EXCESS DEFENSE-RELATED MATERIALS: TRANSFER TO STOCKPILE AND DISPOSAL.

(a) TRANSFER AND DISPOSAL.—The Strategic and Critical Materials Stock Piling Act (50 U.S.C. 98 et seq.) is amended by adding at the end the following:

"EXCESS DEFENSE-RELATED MATERIALS: TRANSFER TO STOCKPILE AND DISPOSAL

"SEC. 17. (a) The Secretary of Energy, in consultation with the Secretary of Defense, shall transfer to the stockpile for disposal in accordance with this Act uncontaminated materials that are in the inventory of Department of Energy materials for production of defense-related items, are excess to the requirements of the department for that purpose, and are suitable for transfer to the stockpile and disposal through the stockpile.

"(b) The Secretary of Defense shall determine whether materials are suitable for transfer to the stockpile under this section, are suitable for disposal through the stockpile, and are uncontaminated.".

(b) CONFORMING AMENDMENT.—Section 4(a) of such Act (50 U.S.C. 98c(a)) is amended by adding at the end the following:

"(10) Materials transferred to the stockpile under section 17.".

TITLE XXXV—PANAMA CANAL COMMISSION

SEC. 3501. SHORT TITLE.

This title may be cited as the "Panama Canal Commission Authorization Act for Fiscal Year 1996".

SEC. 3502. AUTHORIZATION OF EXPENDITURES.

(a) IN GENERAL.—Subject to subsection (b), the Panama Canal Commission is authorized to make such expenditures within the limits of funds and borrowing authority available to it in accordance with law, and to make such contracts and commitments without regard to fiscal year limitations, as may be necessary under the Panama Canal Act of 1979 (22 U.S.C. 3601 et seq.) for the operation, maintenance, and improvement of the Panama Canal for fiscal year 1996.

(b) LIMITATIONS.—For fiscal year 1996, the Panama Canal Commission may expend from funds in the Panama Canal Revolving Fund not more than $50,741,000 for administrative expenses, of which not more than—

(1) $15,000 may be used for official reception and representation expenses of the Supervisory Board of the Commission;

(2) $10,000 may be used for official reception and representation expenses of the Secretary of the Commission; and

(3) $45,000 may be used for official reception and representation expenses of the Administrator of the Commission.

(c) REPLACEMENT VEHICLES.—Funds available to the Panama Canal Commission shall be available for the purchase of not to exceed 38 passenger motor vehicles (including large heavy-duty vehicles to be used to transport Commission personnel across the isthmus of Panama) at a cost per vehicle of not more than $19,500. A vehicle may be purchased with such funds only as necessary to replace another passenger motor vehicle of the Commission.

EXECUTIVE AND OTHER COMMUNICATIONS

The following communications were laid before the Senate, together with accompanying papers, reports, and documents, which were referred as indicated:

EC–1407. A communication from the Chairman of the Board of Governors of the Federal Reserve System, transmitting, pursuant to law, the report on retail fees and services of depository institutions; to the Committee on Banking, Housing, and Urban Affairs.

EC–1408. A communication from the Chairman of the Board of Governors of the Federal Reserve System, transmitting, pursuant to law, the report on the profitability of credit card operations of depository institutions; to the Committee on Banking, Housing, and Urban Affairs.

EC–1409. A communication from the Secretary of Housing and Urban Development, transmitting, pursuant to law, the report under the Multifamily Property Disposition Reform Act of 1994; to the Committee on Banking, Housing, and Urban Affairs.

EC–1410. A communication from the Executive Director of the Thrift Depositor Protection Oversight Board, transmitting, pursuant to law, a report relative to savings associations; to the Committee on Banking, Housing, and Urban Affairs.

EC–1411. A communication from the Chairman of the Board of the National Credit Union Administration, transmitting, pursuant to law, the annual report for fiscal year 1994; to the Committee on Banking, Housing, and Urban Affairs.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. GRAMM, from the Committee on Appropriations, with amendments:

H.R. 2076. A bill making appropriations for the Department of Commerce, Justice, and State, the Judiciary, and related agencies for the fiscal year ending September 30, 1996, and for other purposes (Rept. No. 104–139).

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first and second time by unanimous consent, and referred as indicated:

By Mr. D'AMATO:

S. 1232. A bill to amend the Internal Revenue Code of 1986 to exclude length of service awards to volunteers performing fire fighting or prevention services, emergency medical services, or ambulance services from the limitations applicable to certain deferred compensation plans, and for other purposes; to the Committee on Finance.

By Ms. MIKULSKI:

S. 1233. A bill to assure equitable coverage and treatment of emergency services under health plans; to the Committee on Labor and Human Resources.

By Mr. HARKIN:

S. 1234. A bill to reduce delinquencies and to improve debt-collection activities Government wide and for other purposes; to the Committee on Finance.

SUBMISSION OF CONCURRENT AND SENATE RESOLUTIONS

The following concurrent resolutions and Senate resolutions were read, and referred (or acted upon), as indicated:

By Mr. DOLE:

S. Res. 170. A resolution to appoint various Chairmen for the 104th Congress; considered and agreed to.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. D'AMATO:

S. 1232. A bill to amend the Internal Revenue Code of 1986 to exclude length of service awards to volunteers performing fire fighting or prevention services, emergency medical services, or ambulance services from the limitations applicable to certain deferred compensation plans, and for other purposes; to the Committee on Finance.

VOLUNTEER FIREFIGHTERS LEGISLATION

• Mr. D'AMATO. Mr. President, today I am introducing legislation to exclude Length of Service Award Programs [LOSAP's] for volunteers performing firefighting or prevention services, emergency medical services, or ambulance services from section 457 of the Internal Revenue Code. In addition, the legislation would exempt LOSAP's from FICA and Medicare taxation. This corrective legislation would support the vital role that volunteer firefighters and rescue personnel play in small towns and rural areas across America.

I am very proud to say that I am a volunteer firefighter, and have been for about 30 years. And I was never more proud than to witness the efforts of the 1,500 or so volunteers who vigorously fought the recent fire we had on Long Island. There are approximately 150,000 volunteer firefighters in about 37 States who receive nominal awards, averaging $250 per year, under LOSAP's from their governmental or tax-exempt fire districts. Volunteers earn awards under a LOSAP, on the basis of years of service, while performing volunteer services. However, not until after retiring from volunteer service are volunteers actually disbursed cash from the LOSAP's. There are similar award programs for volunteers performing other emergency medical services, such as rescue personnel and ambulance drivers.

These nonqualified plans are covered under Internal Revenue Code section 457. Participants in these plans normally report for tax purposes any compensation deferred and any income attributable to the amounts when it is actually received, similar to qualified pension plans. Under section 457, one requirement to delay taxation is to limit such deferred amounts to a percentage of compensation paid. Generally, most volunteer firefighters and rescue personnel receive no regular pay, or only nominal amounts to cover expenses. Section 457 is in the code to prevent governmental and tax-exempt entities from setting aside excessive amounts of tax-deferred income for highly compensated employees, while at the same time being able to avoid the nondiscrimination rules that are applicable to qualified plans. Volunteers are far from being highly compensated, so the legislation does not undermine this policy.

However, applying the current limitations, on the amounts set aside as LOSAP's for retirement, may result in a tax liability for volunteers with zero or minimal pay at the time the amounts vest with the volunteer. This could result even though it may be years before the volunteer will actually receive any funds.

This proposal would provide that the LOSAP's are excluded from the provisions of section 457. The result would be deferral of taxation until the LOSAP awards are paid. It would also exempt the amounts awarded under LOSAP's from FICA and Medicare payroll taxes. The latter provision is similar to other payroll tax exclusions permitted in the tax law, such as exempting Peace Corps allowances paid to volunteers, as well as other plans established by the Government for deferral of compensation.

Mr. President, the proposal would foster volunteerism in the United States. This is especially important because in many parts of the country it is not economically or geographically feasible to provide fire protection and emergency medical services through paid career personnel.

I urge my colleagues to support this sensible legislation.

Mr. President, I ask unanimous consent that the text of my bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1232

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. TREATMENT OF LENGTH OF SERVICE AWARDS TO VOLUNTEERS PERFORMING FIRE FIGHTING OR PREVENTION SERVICES, EMERGENCY MEDICAL SERVICES, OR AMBULANCE SERVICES.

(a) IN GENERAL.—Paragraph (11) of section 457(e) of the Internal Revenue Code of 1986 (relating to deferred compensation plans of State and local governments and tax-exempt organizations) is amended to read as follows:

"(11) CERTAIN PLANS EXCLUDED.—

"(A) IN GENERAL.—The following plans shall be treated as not providing for the deferral of compensation:

"(i) Any bona fide vacation leave, sick leave, compensatory time, severance pay, disability pay, or death benefit plan.

"(ii) Any plan paying solely length of service awards to bona fide volunteers (or their beneficiaries) on account of qualified services performed by such volunteers.

"(B) SPECIAL RULES APPLICABLE TO LENGTH OF SERVICE AWARD PLANS.—An individual shall be treated as a bona fide volunteer for purposes of subparagraph (A)(ii) if the only compensation received by such individual for performing qualified services is in the form of—

"(i) reimbursement for (or a reasonable allowance for) reasonable expenses incurred in the performance of such services, or

"(ii) reasonable benefits (including length of service awards), and nominal fees for such services, customarily paid by eligible employers in connection with the performance of such services by volunteers.

"(C) QUALIFIED SERVICES.—For purposes of this paragraph, the term 'qualified services' means fire fighting and prevention services, emergency medical services, and ambulance services."

(b) EXEMPTION FROM SOCIAL SECURITY TAXES.—(1) Subsection (i) of section 3121 of such Code is amended by adding at the end the following new paragraph:

"(6) VOLUNTEERS PERFORMING FIRE AND MEDICAL SERVICES.—For purposes of this chapter, the term 'wages' shall not include—

"(A) any amount deferred under a plan described in section 457(e)(11)(A)(ii) and maintained by an eligible employer (as defined in section 457(e)(1)), and

"(B) any payment from such a plan."

(2) Section 209 of the Social Security Act is amended by adding at the end the following new subsection:

(2) Section 209 of the Social Security Act is amended by adding at the end the following new subsection:

"(1) For purposes of this title, the term 'wages' shall not include—

"(1) any amount deferred under a plan described in section 457(e)(11)(A)(ii) of the Internal Revenue Code of 1986 and maintained by an eligible employer (as defined in section 457(e)(1) of such Code), and

"(2) any payment from such a plan."

(c) EFFECTIVE DATE.—

(1) SUBSECTION (a).—The amendment made by subsection (a) shall apply to taxable years beginning after the date of the enactment of this Act.

(2) SUBSECTION (b).—The amendments made by subsection (b) shall apply to remuneration paid after the date of the enactment of this Act.•

By Ms. MIKULSKI:

S. 1233. A bill to assure equitable coverage and treatment of emergency services under health plans; to the Committee on Labor and Human Resources.

THE ACCESS TO EMERGENCY MEDICAL SERVICES ACT OF 1995

• Ms. MIKULSKI. Mr. President, today, I am introducing the Access to Emergency Medical Services Act of 1995. This bill prohibits health plans from denying coverage and payment for emergency room visits.

Currently, payment for emergency room services may be denied because a patient does not have pre-authorization for treatment; the diagnosis after reaching the emergency room determined the condition was not an emergency; or the health plan may not have a contract with the hospital rendering the emergency service. Denial of payment places a significant burden on the patient, who now has higher health care costs and is more cautious about seeking medical treatment. This is a significant health risk. A patient thinks twice about going to an emergency room and receiving emergency medical treatment for conditions that really pose a serious health problem.

Federal law requires physicians and hospitals to render emergency services immediately for an injury or sudden illness. The law also requires that emergency services not be delayed until the health insurance status of a patient has been determined. However, too often patients are not receiving treatment until their health plan has given authorization for services. This bill would prohibit health plans from denying coverage and payment for services because of a lack of authorization from the health plan. The bill also requires health plans to pay emergency physicians and hospital emergency departments for emergency services rendered in compliance with Federal law.

Most importantly, the Access to Emergency Medical Services Act provides a uniform definition of emergency. This definition would base payment upon a patient's symptoms and not upon the doctor's diagnosis. Therefore, health plans could not deny coverage and payment for medical services after a diagnosis is given. The State of Maryland has established a uniform definition of emergency, as have Virginia and Arkansas. The Maryland law giving a uniform definition of emergency was enacted in 1993. Since the enactment of the bill, complaints to the Maryland Insurance Administration have decreased by 90 percent. In addition, patients are able to have urgent symptoms treated in the emergency rooms without any problems regarding pre-authorization from the health plan. There has not been a denial of coverage or payment for services even if the final diagnosis is different from the symptoms.

The Maryland law has proven to be cost-effective to patients and to the health plans. Providing a uniform definition of emergency allows persons to be treated for their symptoms even if the final diagnosis determines the medical problem causing the symptoms was not an emergency. This policy is able to prevent much more serious health problems. By not denying coverage and prohibiting persons from receiving treatment in the emergency department, more serious illnesses are prevented or detected sooner. This will allow for medical treatment for existing conditions that prevent the onset of a life threatening illness for which a person may have to be hospitalized. Let me give an example. A person has chest pains but believes he is having a heart attack. The emergency room diagnosis determines that the person is not having a heart attack. However, if the person had not received treatment for the chest pains, he could have later had a heart attack requiring hospital admission. The cost for treatment in the emergency department is less than if the person had to be admitted to the hospital for any length of time. The Access to Emergency Medical Services Act of 1995 saves money for patients and for health plans.

Health plans that deny emergency care coverage are taking a deadly toll on American families. We, as lawmakers, have an obligation to protect our constituents and end this very real problem. I urge my colleagues to support the Access to Emergency Medical Service Act of 1995.•

ADDITIONAL COSPONSORS

S. 256

At the request of Mr. DOLE, the name of the Senator from Alaska [Mr. STEVENS] was added as a cosponsor of S. 256, a bill to amend title 10, United States Code, to establish procedures for determining the status of certain missing members of the Armed Forces and certain civilians, and for other purposes.

S. 483

At the request of Mr. HATCH, the name of the Senator from Michigan [Mr. ABRAHAM] was added as a cosponsor of S. 483, a bill to amend the provisions of title 17, United States Code, with respect to the duration of copyright, and for other purposes.

S. 581

At the request of Mr. FAIRCLOTH, the name of the Senator from Virginia [Mr. WARNER] was added as a cosponsor of S. 581, a bill to amend the National Labor Relations Act and the Railway Labor Act to repeal those provisions of Federal law that require employees to pay union dues or fees as a condition of employment, and for other purposes.

S. 852

At the request of Mr. DOMENICI, the name of the Senator from Oklahoma [Mr. INHOFE] was added as a cosponsor of S. 852, a bill to provide for uniform management of livestock grazing on Federal land, and for other purposes.

S. 978

At the request of Mrs. HUTCHISON, the name of the Senator from Arkansas [Mr. BUMPERS] was added as a cosponsor of S. 978, a bill to facilitate contributions to charitable organizations by codifying certain exemptions from the Federal securities laws, to clarify the inapplicability of antitrust laws to charitable gift annuities, and for other purposes.

S. 1037

At the request of Mr. FORD, the name of the Senator from Oklahoma [Mr. INHOFE] was added as a cosponsor of S. 1037, a bill to amend title 49, United States Code, to provide that the requirement that U.S. Government travel be on U.S. carriers excludes travel on any aircraft that is not owned or leased, and operated, by a U.S. person.

S. 1086

At the request of Mr. DOLE, the names of the Senator from Mississippi [Mr. COCHRAN] and the Senator from Arizona [Mr. KYL] were added as cosponsors of S. 1086, a bill to amend the Internal Revenue Code of 1986 to allow a family-owned business exclusion from the gross estate subject to estate tax, and for other purposes.

AMENDMENT NO. 2471

At the request of Ms. MOSELEY-BRAUN the names of the Senator from Connecticut [Mr. LIEBERMAN], the Senator from Washington [Mrs. MURRAY], and the Senator from Maryland [Ms. MIKULSKI] were added as cosponsors of amendment No. 2471 proposed to H.R. 4, a bill to restore the American family, reduce illegitimacy, control welfare spending, and reduce welfare dependence.

AMENDMENT NO. 2488

At the request of Mr. BREAUX the names of the Senator from Vermont [Mr. JEFFORDS], the Senator from Wisconsin [Mr. KOHL], the Senator from Maine [Ms. SNOWE], and the Senator from Montana [Mr. BAUCUS] were added as cosponsors of amendment No. 2488 proposed to H.R. 4, a bill to restore the American family, reduce illegitimacy, control welfare spending, and reduce welfare dependence.

AMENDMENT NO. 2490

At the request of Mr. BREAUX the name of the Senator from Illinois [Mr. SIMON] was added as a cosponsor of amendment No. 2490 proposed to H.R. 4, a bill to restore the American family, reduce illegitimacy, control welfare spending, and reduce welfare dependence.

AMENDMENT NO. 2511

At the request of Mr. ABRAHAM the name of the Senator from Ohio [Mr. DEWINE] was added as a cosponsor of amendment No. 2511 proposed to H.R. 4, a bill to restore the American family, reduce illegitimacy, control welfare spending, and reduce welfare dependence.

AMENDMENT NO. 2518

At the request of Mr. DEWINE the name of the Senator from Wisconsin [Mr. KOHL] was added as a cosponsor of amendment No. 2518 proposed to H.R. 4, a bill to restore the American family, reduce illegitimacy, control welfare spending, and reduce welfare dependence.

AMENDMENT NO. 2562

At the request of Mr. ASHCROFT the name of the Senator from Texas [Mr. GRAMM] was added as a cosponsor of amendment No. 2562 proposed to H.R. 4, a bill to restore the American family, reduce illegitimacy, control welfare spending, and reduce welfare dependence.

AMENDMENT NO. 2565

At the request of Mr. BRYAN the names of the Senator from Nebraska [Mr. KERREY], and the Senator from South Carolina [Mr. HOLLINGS] were added as cosponsors of amendment No. 2565 proposed to H.R. 4, a bill to restore the American family, reduce illegitimacy, control welfare spending, and reduce welfare dependence.

AMENDMENT NO. 2575

At the request of Mr. DOMENICI the names of the Senator from New York [Mr. MOYNIHAN], the Senator from Georgia [Mr. NUNN], the Senator from Louisiana [Mr. BREAUX], and the Senator from Kansas [Mrs. KASSEBAUM] were added as cosponsors of amendment No. 2575 proposed to H.R. 4, a bill to restore the American family, reduce illegitimacy, control welfare spending, and reduce welfare dependence.

AMENDMENT NO. 2671

At the request of Mr. DASCHLE the name of the Senator from North Dakota [Mr. DORGAN] was added as a cosponsor of amendment No. 2671 proposed to H.R. 4, a bill to restore the American family, reduce illegitimacy, control welfare spending, and reduce welfare dependence.

SENATE RESOLUTION 170—TO APPOINT VARIOUS CHAIRMEN FOR THE 104TH CONGRESS

Mr. DOLE submitted the following resolution, which was considered and agreed to:

S. RES. 170

Resolved, That the following Senators are named Chairmen of the following committees for the 104th Congress, or until their successors are appointed: William Roth, of Delaware, Finance Committee; Ted Stevens, of Alaska, Government Affairs Committee; and John Warner, of Virginia, Rules and Administration Committee.

NOTICES OF HEARINGS

COMMITTEE ON SMALL BUSINESS

Mr. BOND. Mr. President, I wish to announce that the Committee on Small Business will hold a hearing regarding "Tax Issues Impacting Small Business" on Tuesday, September 19, 1995, at 2:30 p.m., in room 428A of the Russell Senate Office Building.

For further information, please contact Noreen Bracken at 224–5175.

COMMITTEE ON INDIAN AFFAIRS

Mr. MCCAIN. Mr. President, I would like to announce that the Senate Committee on Indian Affairs will hold a markup and an oversight hearing on Wednesday, September 20, 1995, beginning at 9:30 a.m., in room 485 of the Russell Senate Office Building. The purpose of the markup is to consider the nomination of Paul M. Homan to be special trustee in the Office of the Special Trustee for American Indians in the Department of the Interior. The purpose of the oversight hearing is to consider the implementation of title III, Public Law 101–630, the National Indian Forest Resources Management Act.

Those wishing additional information should contact the Committee on Indian Affairs at 224–2251.

COMMITTEE ON SMALL BUSINESS

Mr. BOND. Mr. President, I wish to announce that the Committee on Small Business will hold a hearing regarding "Tax Issues Impacting Small Business" on Wednesday, September 20, 1995, at 2:30 p.m., in room 428A of the Russell Senate Office Building.

For further information, please contact Noreen Bracken at 224–5175.

AUTHORITY FOR COMMITTEES TO MEET

COMMITTEE ON COMMERCE, SCIENCE, AND TRANSPORTATION

Mr. SANTORUM. Mr. President, I ask unanimous consent that the Committee on Commerce, Science, and Transportation be allowed to meet during the Tuesday, September 12, 1995, session of the Senate for the purpose of conducting a hearing on spectrum policy reform.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON ENERGY AND NATURAL RESOURCES

Mr. SANTORUM. Mr. President, I ask unanimous consent that the Committee on Energy and Natural Resources be granted permission to meet during the session of the Senate on Tuesday, September 12, 1995, for purposes of conducting a full committee hearing which is scheduled to begin at 9:30 a.m. The purpose of this hearing is to receive testimony on H.R. 1266, to provide for the exchange of lands within Admiralty Island National Monument, known as the "Greens Creek Land Exchange Act of 1995."

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON THE JUDICIARY

Mr. SANTORUM. Mr. President, I ask unanimous consent that the Committee on the Judiciary be authorized to meet during the session of the Senate on September 12, 1995, at 10 a.m. to hold a hearing on religious liberty.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON LABOR AND HUMAN RESOURCES

Mr. SANTORUM. Mr. President, I ask unanimous consent that the Committee on Labor and Human Resources be authorized to meet for a hearing on S. 969, the Newborns' and Mothers' Health Protection Act of 1995, during the session of the Senate on Tuesday, September 12, 1995, at 9:30 a.m.

The PRESIDING OFFICER. Without objection, it is so ordered.

SUBCOMMITTEE ON TERRORISM, TECHNOLOGY, AND GOVERNMENT INFORMATION

Mr. SANTORUM. Mr. President, I ask unanimous consent that the Subcommittee on Terrorism, Technology, and Government Information of the Committee on the Judiciary, be authorized to hold a hearing during the session of the Senate on September 12, 1995, at 2 p.m. to consider the Ruby Ridge incident.

The PRESIDING OFFICER. Without objection, it is so ordered.

ADDITIONAL STATEMENTS

BUDGET SCOREKEEPING REPORT

• Mr. **DOMENICI**. Mr. President, I hereby submit to the Senate the budget scorekeeping report prepared by the Congressional Budget Office under section 308(b) and in aid of section 311 of the Congressional Budget Act of 1974, as amended. This report meets the requirements for Senate scorekeeping of section 5 of Senate Concurrent Resolution 32, the first concurrent resolution on the budget for 1986.

This report shows the effects of congressional action on the budget through September 8, 1995. The estimates of budget authority, outlays, and revenues, which are consistent with the technical and economic assumptions of the concurrent resolution on the budget (H. Con. Res. 218), show that current level spending is below the budget resolution by $20.9 billion in budget authority and $2.0 billion in outlays. Current level is $0.5 billion over the revenue floor in 1995 and below by $9.5 billion over the 5 years 1995–99. The current estimate of the deficit for purposes of calculating the maximum deficit amount is $237.4 billion, $3.7 billion below the maximum deficit amount for 1995 of $241 billion.

Since my last report, dated August 8, 1995, there has been no action to change the current level of budget authority, outlays, or revenues.

This submission also includes my first report for fiscal year 1996.

The material follows:

U.S. CONGRESS,
CONGRESSIONAL BUDGET OFFICE,
Washington, DC, September 11, 1995.

Hon. PETE DOMENICI,
Chairman, Committee on the Budget, U.S. Senate, Washington, DC.

DEAR MR. CHAIRMAN: The attached report for fiscal year 1995 shows the effects of Congressional action on the 1995 budget and is current through September 8, 1995. The estimates of budget authority, outlays and revenues are consistent with the technical and economic assumptions of the 1995 Concurrent Resolution on the Budget (H. Con. Res. 218). This report is submitted under Section 308(b) and in aid of Section 311 of the Congressional Budget Act, as amended, and meet the requirements of Senate scorekeeping of Section 5 of S. Con. Res. 32, the 1986 First Concurrent Resolution on the Budget.

Since my last report, dated August 7, 1995, there has been no action to change the current level of budget authority, outlays, or revenues.

Sincerely,

JAMES L. BLUM
(for June E. O'Neill, Director).

THE CURRENT LEVEL REPORT FOR THE U.S. SENATE, FISCAL YEAR 1995, 104TH CONGRESS, 1ST SESSION, AS OF CLOSE OF BUSINESS SEPTEMBER 8, 1995

[In billions of dollars]

	Budget resolution (H. Con. Res. 218) [1]	Current level [2]	Current level over/under resolution
ON-BUDGET			
Budget authority	1,238.7	1,217.8	−20.0
Outlays	1,217.6	1,215.6	−2.0
Revenues:			
1995	977.7	978.2	0.5
1995–99	5,415.2	5,405.7	−9.5
Deficit	241.0	237.4	−3.7
Debt subject to limit	4,965.1	4,853.3	−111.8
OFF-BUDGET			
Social Security outlays:			
1995	287.6	287.5	−0.1
1995–99	1,562.6	1,562.6	(3)
Social Security revenues:			
1995	360.5	360.3	−0.2
1995–99	1,998.4	1,998.2	−0.2

[1] Reflects revised allocation under section 9(g) of H. Con. Res. 64 for the Deficit Neutral reserve fund.

[2] Current level represents the estimated revenues and direct spending effects of all legislation that Congress has enacted or sent to the President for his approval. In addition, full-year funding estimates under current law are included for entitlement and mandatory programs requiring annual appropriations even if the appropriations have not been made. The current level of debt subject to limit reflects the latest U.S. Treasury information on public debt transactions.

(3) Less than $50 million.

THE ON-BUDGET CURRENT LEVEL REPORT FOR THE U.S. SENATE, 104TH CONGRESS, 1ST SESSION, SENATE SUPPORING DETAIL FOR FISCAL YEAR 1995 AS OF CLOSE OF BUSINESS SEPTEMBER 8, 1995

[In millions of dollars]

	Budget authority	Outlays	Revenues
ENACTED IN PREVIOUS SESSIONS			
Revenues			978,466
Permanents and other spending legislation	750,307	706,236	
Appropriation legislation	738,096	757,783	
Offsetting receipts	−250,027	−250,027	
Total previously enacted	1,238,376	1,213,992	978,466
ENACTED THIS SESSION			
1995 Rescissions and Department of Defense Emergency Supplementals Act (P.L. 104–6)	−3,386	−1,008	
Self-Employed Health Insurance Act (P.L. 104–7)			−248
1995 Rescissions and Emergency Supplementals for Disaster Assistance Act (P.L. 104–19)	−15,286	−590	
Total enacted this session	−18,672	−1,598	−248
ENTITLEMENTS AND MANDATORIES			
Budget resolution baseline estimates of appropriated entitlements other mandatory programs not yet enacted	−1,896	3,180	
Total current level [1]	1,217,807	1,215,574	978,218
Total budget resolution	1,238,744	1,217,605	977,700
Amount remaining:			
Under budget resolution	20,937	2,031	
Over budget resolution			518

[1] In accordance with the Budget Enforcement Act, the total does not include $7,716 million in budget authority and $7,958 million in outlays in funding for emergencies that have been designated as such by the President and the Congress, and $741 million in budget authority and $852 million in outlays for emergencies that would be available only upon an official budget request from the President designating the entire amount requested as an emergency requirement.

U.S. CONGRESS,
CONGRESSIONAL BUDGET OFFICE,
Washington, DC, September 11, 1995.

Hon. PETE DOMENICI,
Chairman, Committee on the Budget, U.S. Senate, Washington, DC.

DEAR MR. CHAIRMAN: The attached report, my first for fiscal year 1996, shows the effects of Congressional action on the 1996 budget and is current through September 8, 1995. The estimates of budget authority, outlays and revenues are consistent with the technical and economic assumptions of the 1996 Concurrent Resolution on the Budget (H. Con. Res. 67). This report is submitted under Section 308(b) and in aid of Section 311 of the Congressional Budget Act, as amended.

Sincerely,

JAMES L. BLUM,
(For June E. O'Neill, Director).

THE CURRENT LEVEL REPORT FOR THE U.S. SENATE, FISCAL YEAR 1996, 104TH CONGRESS, 1ST SESSION, AS OF CLOSE OF BUSINESS SEPTEMBER 8, 1995

[In billions of dollars]

	Budget resolution (H. Con. Res. 67)	Current level [1]	Current level over/under resolution
ON-BUDGET			
Budget authority	1,285.5	815.1	−470.4
Outlays	1,288.1	1,005.0	−283.1
Revenues:			
1996	1,042.5	1,042.5	(2)
1996–2000	5,691.5	5,690.8	−0.7
Deficit	245.6	−37.5	−283.1
Debt subject to limit	5,210.7	4,846.5	−364.2
OFF-BUDGET			
Social Security outlays:			
1996	299.4	299.4	0.0
1996–2000	1,626.5	1,626.5	0.0
Social Security revenues:			
1996	374.7	374.7	0.0
1996–2000	2,061.0	2,061.0	0.0

[1] Current level represents the estimated revenue and direct spending effects of all legislation that Congress has enacted or sent to the President for his approval. In addition, full-year funding estimates under current law are included for entitlement and mandatory programs requiring annual appropriations even if the appropriations have not been made. The current level of debt subject to limit reflects the latest U.S. Treasury information on public debt transactions.

[2] Less than $50 million.

THE ON-BUDGET CURRENT LEVEL REPORT FOR THE U.S. SENATE, 104TH CONGRESS, 1ST SESSION, SENATE SUPPORTING DETAIL FOR FISCAL YEAR 1996, AS OF CLOSE OF BUSINESS SEPTEMBER 8, 1995

[In millions of dollars]

	Budget authority	Outlays	Revenues
ENACTED THIS SESSION			
Revenues			1,042,557
Permanents and other spending legislation	830,272	798.924	
Appropriation legislation	0	242,052	
Offseting receipts	−200,017	−200,017	
Total previously enacted	630,254	840,958	1,042,557
ENACTED IN PREVIOUS SESSIONS			
1995 Rescissions and Department of Defense Emergency Supplementals Act (P.L. 104–6)	−100	−885	
Self-Employed Health Insurance Act (P.L. 104–7)	−18	−18	−101
1995 Rescissions and Emergency Supplemental for Disaster Assistance Act (P.L. 104–19)	22	−3,149	
Total enacted this session	−96	−4,053	−101
ENTITLEMENTS AND MANDATORIES			
Budget resolution baseline estimates of appropriated entitlements other mandatory programs not yet enacted	184,908	168,049	
Total current Level [1]	815,066	1,004,954	1,042,456
Total budget resolution	1,285,500	1,288,100	1,042,500
Amount remaining:			
Under budget resolution	470,434	283,146	44
Over budget resolution			

[1] In accordance with the Budget Enforcement Act, the total does not include $3,275 million in budget authority and $1,504 million in outlays for funding for emergencies that have been designated as such by the President and the Congress.•

THE IMPORTANCE OF AN INDEPENDENT U.S. INFORMATION AGENCY

• Mr. HEFLIN. Mr. President, I firmly support the continuation of a strong, independent U.S. Information Agency. The USIA serves a vital purpose in telling America's story to the rest of the world. It serves the critical function of advancing public diplomacy, broadcasting through its radios and Worldnet, enabling educational and cultural exchange programs, distributing information, and promoting a sense of shared cultural values. These programs not only serve our national security interests. They also provide direct economic benefits and foster a climate where American businesses can develop overseas markets, producing jobs, and providing wages for American workers.

We must remember the important distinctions between the official type of diplomacy conducted by our State Department and what is known as public diplomacy. The State Department conducts a quiet, often secret, dialog between countries with an emphasis placed on accommodation, negotiation, and compromise. These are all important, since they nurture relationships between countries to achieve broader goals. Public diplomacy such as that conducted by USIA seeks to foster direct economic relationships, engages in democratic institution-building, and encourages mutual understanding and a shared sense of values.

A classic illustration of the parallel nature of the two types of diplomacy occurred during the period when martial law was declared in Poland. At a time when private organizations, including the AFL–CIO, were engaged in a massive effort to assist the Polish trade union Solidarnosc, the Reagan administration was taking steps to ease economic sanctions that had been imposed on the Jaruzelski government. Because of the arms-length distance between the government and the private sector, both could pursue their goals. This was true also in Russia, South Africa, the Philippines, and Chile. If this bill passes without the Lieberman amendment, such distance will disappear, and this type of dual diplomacy will prove impossible. If USIA is folded into the State Department, its public diplomacy functions will be severely diminished, particularly in areas where democracy needs them the most in order to survive.

Another major reason for my support of a continued independent USIA stems from its programs of exchanges for emerging foreign and American political leaders. Over the years, these programs have brought young local and Federal officials to America for a first-hand look at our Government and how it works. More than 30 current heads of state had their first exposure to the people and institutions of the United States through the USIA Exchange Program. Hundreds of cabinet ministers, mayors, governors, and Members of Parliament around the world formed their first opinions of America by coming here and meeting people where they work and live.

Hundreds of other leading political figures both here and abroad have gained valuable international experience through USIA's support for programs like that of the American Council of Young Political Leaders. Twenty-five Members of Congress and countless State and local officials around the Nation are alumni of these programs. All will testify to the positive impact of these programs.

The USIA's rule of law program is an example of its efforts in assisting developing democracies worldwide. This particular program has been actively engaged in the area of judicial reform in Romania, perhaps once the most oppressive of the former Communist regimes. Through the posting of American judges at the Ministry of Justice for long-term projects, programs to strengthen the Magistrates' Training Institute, and ongoing support for the newly founded Magistrates' Training Association, USIA has established itself as a leader in assisting Romania in its attempts to establish an independent judiciary. American judges and academics have traveled to Romania under the auspices of USIA's Fulbright Program and have been posted to law schools throughout the country to teach and develop curricula and to work with the judiciary on numerous issues of importance. Romanian judges have also visited the United States under the Agency's International Visitor Program for 30-day observation and consultation trips to witness first hand the American judiciary and to gather information to assist in their judicial reform efforts.

The USIA also supports such projects as the American People Ambassador Program, a program of people to people international. This program arranges face-to-face professional, scientific, technical, and community exchanges between Americans and their counterparts around the world. Each one explores a different topic, but all share the personal exchange of information, ideas, goals, and experiences with leading public and provide sector citizens of foreign countries.

One such program in my State is the torch of Birmingham Award Program, which seeks to honor Russian companies and those in the Newly Independent States who are succeeding despite difficult economic conditions. In September, over 400 Russian business and government leaders will be coming to Birmingham to participate in this event. They will represent every imaginable segment of the Russian economy, and will network with leading Alabama business, political, and community leaders. The USIA and its resources are essential to organizations like the American People Ambassador Program which operate exchanges around the world.

All of us are keenly aware of the budgetary constraints we face. But we must not be short sighted by eliminating investments in our Nation's future and security. Who can say whether or not educational and cultural exchange programs will be maintained if they are placed in a department with a significantly different mission, set of priorities, and official purpose?

The world remains just as dangerous as it has ever been. new threats have replaced some of those which ended with the cold war. But they are just as real and threatening to international peace and stability. The world looks to us for leadership—leadership with a strong voice. I applaud Senator LIEBERMAN's efforts to ensure that America continues to have that strong voice through an independent USIA, and look forward to working with him on this issue when the State Department reauthorization bill is again brought before the Senate.•

THE INCREASING AND IMPORTANT ROLE OF PRIVATE TRAINING FACILITIES IN WORK FORCE TRAINING

• Mr. GORTON. Mr. President, today I bring to the attention of my colleagues an industry that is growing almost unnoticed in this country, an industry that demonstrates the ability of the private sector to meet the challenges posed by our expanding and technologically advanced economy. I am speaking of the hundreds of private professional firms across the Nation that provide job training to American workers. Since the early 1980's, a new breed of high-quality private sector training providers have proliferated in response to the need of business and industry for highly skilled workers. This is especially true of providers who train people who train people in the information-technology sector of the American economy.

Each year, American employers wisely spend billions of dollars to train and educate their employees. This training enhances the skills of those workers and often enables them to assume new, more challenging positions. The training market in information technology alone—which is one of the fastest growing and most promising sectors of our economy—totaled $2 billion in 1994, and almost all of this need was met with private sector resources. Private professional firms have developed extensive programs and nationwide networks to serve the huge and growing needs of large and small businesses in this field. Many of these firms, although often small enterprises, work in partnerships with large employers who demand that they provide only the highest quality training and who require that they teach skills that conform to industry-based benchmarks and standards.

Today, training providers, which include both public education institutions and private training companies, are using skill standards as benchmarks to develop their courses and to prepare professional workers for exams that will certify them as qualified to perform certain high-skill jobs. Skill standards in this context are not rigid definitions of "jobs," but rather a large comprehensive set of well articulated, competency-based skill statements that are industry driven and nationally recognized. By reflecting the true and detailed needs of the workplace, and by being used in the hiring, promotion, and training of the work force, these become de facto standards at the national level, and they transcend national borders as do businesses in today's global economy. In short, private sector training providers in the information-technology field reflect developments in the marketplace and prepare individuals to handle the jobs of the future.

According to Training magazine, U.S. organizations with 100 employees or more spent $48 billion on training in 1993, and it is likely that the total increased in 1994 and will again in 1995. Employers are recognizing the need to train the individuals they hire in order to keep pace with rapidly evolving technology and to remain competitive in the global economy. Nowhere is training more important than in the information-technology industries, where technological innovations and product upgrades that require new or enhanced skills are coming to market everyday.

Within the information-technology industry it is clear that private sector training providers are one of the main resources to turn to for training. for example, most of the large American software companies use what is known as a leveraged training mode, wherein independent training providers develop courses that teach individuals how to operate the application or systems of a given software company. In turn, the software company will denote the training provider as one that is authorized to award certification in the operation or maintenance of that company's products. This is just one of many examples of how corporations and smaller businesses are using the resources of private training providers.

Whether individuals are updating their skills to improve performance on the job or are unemployed and seeking new skills, by completing training and receiving an industry recognized credential they are improving their own career prospects as well as keeping the American work force competitive.

These training centers must meet the demands of industry and of the market that will eventually employ their students; therefore they must provide only the highest quality training. And while the information-technology market demands quality, it also demands more and more qualified individuals each year. For example, the software and computing industry grew at an annual rate of over 28 percent between 1980 and 1992, while the GDP for that time averaged 2.4-percent growth. Not only is the number of jobs in this field increasing, but those jobs pay wages that are significantly higher than wages in many other industries. In addition, given that the information-technology companies have no geographic-specific resource requirements, they contribute to the economy of virtually every State in the country.

Mr. President, it is quite apparent that the individuals with high-technology skills are in great demand throughout the Nation, and it is apparent that the demand will only increase. Private training providers have been rising to this challenge, and they have done so with entrepreneurial vigor and a commitment to quality. As the number of people in need of training increases, and as the number of people that organizations intend to train outstrips their capability to train them in house, private sector providers of training services will become an ever more important part of the American economy.

It has been my pleasure today to recognize and share with my colleagues the merits of this growing American industry.•

UNLV'S WOMEN'S SOFTBALL TEAM

• Mr. BRYAN. Mr. President, I rise today to recognize the achievements of the women's softball team at the University of Nevada-Las Vegas. This outstanding group of women and their coaching staff have set a standard of excellence in 1995 which is worthy of merit.

The team results for the 1995 season are the best in the history of the university. UNLV softball finished their season ranked fourth in the Nation by both a USA Today poll and the NCAA. This is the second straight year that the Rebels have finished in the top five. They were the champions of various regional conferences and tournaments as well.

Individual players also received special awards for their performances on the field. Five of the women were voted All-Americans, and others were selected for special recognition teams. Individual players were recognized by the Big West Conference for their athletic talent in their respective positions.

Off the field, the players also achieved academically; six of the women were named Scholar-Athletes by UNLV, and four were given the same honor by the Big West Conference. The women's softball coach, Shan McDonald, was selected Big West Conference Coach of the Year; she is assisted by Carol Spanks and Jenny Conden.

The team will be honored at a tea hosted by UNLV President Carol Harter on Sunday, September 17 at 2 p.m. in the Tam Alumni Center. I am pleased to congratulate the women's softball team for their outstanding accomplishments in the 1995 season.•

PBS' "THE AMERICAN PROMISE" AND THE WOMEN SELF-EMPLOYMENT PROJECT

• Ms. MOSELEY-BRAUN. Mr. President, I call on all my colleagues to congratulate the producers of the new PBS documentary, "The American Promise."

"The American Promise" chronicles the fact that grassroots democracy is still alive and well in this country.

I am particularly pleased that the producers have chosen to highlight the Chicago Women Self-Employment Project [WSEP] which acts as a lending circle for microenterprises. This highly successful program helps women through rotating access to capital.

Specifically designed to provide access to capital for low and moderate income women in America's cities, WSEP has helped thousands. In addition to its revolving loan fund, responsible for short-term loans of $100 to $25,000, WSEP provides entrepreneurial training and technical assistance. The training has proven indispensable as many participants come to WSEP with little or no formal business background.

WSEP participates as an intermediary in the Small Business Administration's [SBA] Microloan Program. By doing so, it receives loan funds to be re-lent to micro-businesses. In addition, it receives SBA grants to provide technical assistance to its borrowers.

The results have been impressive. WSEP has helped start over 500 businesses. Of these, over 85 percent are still operating. Time and time again WSEP has proven that access to capital and access to training is a formula for success.

More important than the numbers, however, is the impact WSEP has had on women's lives. In one case, a woman who used to live on oatmeal and barter for her rent now designs and sells upscale jewelry in Chicago, New York and St. Louis.

Everyday WSEP makes a difference in the lives of its participants. But that's only part of the story. Because WSEP stimulates private investment in America's cities, local economies benefit. As program participants succeed, they give back to the program, and back to the community. Often, this comes in the form of new jobs. As many as 20 percent of WSEP businesses report hiring additional paid employees. This, at a time when some urban neighborhoods have less than 1 percent private sector employment.

The United States Senate is currently poised to make widespread changes in our welfare system. As we examine reform and what does and does not work, I think we could all benefit by studying the WSEP example. It is a program that gets results. The project has been so successful, I invited organizers to serve on my welfare reform advisory panel and authored an amendment which made permanent the Job Opportunities for Low Income individuals [JOLI] program. JOLI helps create job opportunities for welfare recipients and low income individuals by giving federal grants to private non-profit corporations to make investments in local business enterprises that will result in the creation of new jobs. SEP is positive proof that JOLI works.

The Women Self-Employment Project's approach is distinctly grassroots success story. There is an old saying, give a man a fish, and he can eat for a day, teach a man to fish and he can eat for a lifetime. WSEP provides the fishing pole and the training. It makes success and self sufficiency possible.

The American Promise reminds us that positive efforts are not only possible, but successful. In so doing, it provides a beacon of hope for us all.●

APPOINTMENT OF VARIOUS CHAIRMEN FOR THE 104TH CONGRESS

Mrs. HUTCHISON. Mr. President, I ask unanimous consent that the Senate proceed to the immediate consideration of Senate Resolution 170, submitted earlier today by the majority leader, Senator DOLE.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

A resolution (S. Res. 170) to appoint various chairmen for the 104th Congress.

The PRESIDING OFFICER. Is there objection to the immediate consideration of the resolution?

There being no objection, the Senate proceeded to consider the resolution.

Mrs. HUTCHISON. Mr. President, I ask unanimous consent that the resolution be considered and agreed to; that the motion to reconsider be laid upon the table; and that any statements relating to the resolution appear at the appropriate place in the RECORD.

The PRESIDING OFFICER. Without objection, it is so ordered.

So the resolution (S. Res. 170) was agreed to, as follows:

S. RES. 170

Resolved, That the following Senators are named Chairmen of the following committees for the 104th Congress, or until their successors are appointed: William Roth, of Delaware, Finance Committee; Ted Stevens, of Alaska, Government Affairs Committee; and John Warner, of Virginia, Rules and Administration Committee.

ORDERS FOR WEDNESDAY, SEPTEMBER 13, 1995

Mrs. HUTCHISON. Mr. President, I ask unanimous consent that when the Senate completes its business today, it stand in recess until the hour of 9 a.m. on Wednesday, September 13, 1995; that following the prayer, the Journal of proceedings be deemed approved to date, the time for the two leaders be reserved for their use later in the day, and the Senate then immediately resume consideration of H.R. 4, the welfare reform bill, as under the previous order.

I further ask unanimous consent that an additional 10 minutes of debate be allotted tomorrow on the Domenici amendment No. 2575, with that time equally divided between Senator DOLE and Senator DASCHLE, or their designees.

The PRESIDING OFFICER. Without objection, it is so ordered.

PROGRAM

Mrs. HUTCHISON. Mr. President, for the information of all Senators, the Senate will resume consideration of the welfare reform bill tomorrow morning. Under a previous consent agreement, there will be a rollcall vote at 9:10 a.m. on or in relation to the Moseley-Braun amendment No. 2471. Following that vote, there will be a lengthy series of rollcall votes on amendments with a minimal amount of debate time between each vote. All Members, therefore, can expect a large number of rollcall votes during Wednesday's session of the Senate beginning at 9:10 a.m.

RECESS UNTIL 9 A.M. TOMORROW

Mrs. HUTCHISON. Mr. President, if there is no further business to come before the Senate, I now ask unanimous consent that the Senate stand in recess under the previous order.

There being no objection, the Senate, at 10:21 p.m., recessed until Wednesday, September 13, 1995, at 9 a.m.

HOUSE OF REPRESENTATIVES—*Tuesday, September 12, 1995*

The House met at 10:30 a.m. and was called to order by the Speaker pro tempore [Mr. SHAYS].

DESIGNATION OF SPEAKER PRO TEMPORE

The SPEAKER pro tempore laid before the House the following communication from the Speaker:

WASHINGTON, DC,
September 12, 1995.

I hereby designate the Honorable CHRISTOPHER SHAYS to act as Speaker pro tempore on this day.

NEWT GINGRICH,
Speaker of the House of Representatives.

MORNING BUSINESS

The SPEAKER pro tempore. Pursuant to the order of the House of May 12, 1995, the Chair will now recognize Members from lists submitted by the majority and minority leaders for morning hour debates. The Chair will alternate recognition between the parties, with each party limited to not to exceed 30 minutes, and each Member except the majority and minority leader limited to not to exceed 5 minutes.

The Chair recognizes the gentleman from Guam [Mr. UNDERWOOD] for 5 minutes.

RESTITUTION FOR GUAM

Mr. UNDERWOOD. Mr. Speaker, I had the privilege of attending ceremonies in Honolulu about 10 days ago marking V-J Day and the end of the war in the Pacific.

I was moved by the expressions of gratitude to our veterans who fought in the war in the Pacific, many of whom did not return home, and countless many who were injured and who bear the scars of war today. We certainly owe them a debt of gratitude.

I want to take this opportunity to call attention to the story of an American community occupied by the enemy during this war, and the brutality visited upon these Aemricans. Guam was attacked simultaneously with the attack on Pearl Harbor, and Guam was subsequently occupied by the enemy, an occupation that lasted 32 months, from December 10, 1941, to July 21, 1944. Guam was the only American community occupied—some may note that the Aleutian Islands were also occupied, but the Native Alaskans and the military evacuated these islands prior to the start of hostilities. Not since the War of 1812 have American civilians been subjected to an enemy occupation.

The occupation of Guam was made more brutal because of the loyalty of the people of Guam to the United States. This was a time of severe hardship and scarcity of food. This was a time when our people were placed into forced labor to work in rice paddies, to build fortifications for the enemy, and to clear a field by hand for a future airfield. This was a time when many suffered the brutality of beatings, and some were executed by beheading. This was a time when our people, in the closing weeks before liberation, were forced to march to internment camps in southern Guam to await their fate. And this was a time of atrocities, of villagers being rounded up into caves where they were killed by grenades and machinegun fire.

With this kind of war experience, it is not likely that the people of Guam will ever forget the occupation. But it seems that this Nation has forgotten the people of Guam. It certainly seemed that way after World War II when the Treaty of Peace with Japan was signed by the United States, absolving Japan of any war reparations. It certainly seemed that Guam was forgotten by the United States Congress in 1948 and again in 1962 when legislation was passed to allow for some compensation to the victims of World War II, but not the victims who were on Guam.

Mr. Speaker, I have introduced legislation, H.R. 2041, the Guam War Restitution Act, to address the claims of the people of Guam for the wartime atrocities that we endured. My bill would allow compensation for forced march, forced labor, internment, injury, and death for those who suffered during the occupation.

The amounts authorized for these injuries are modest, and are in line with amounts paid in 1948 to other Americans who were authorized to receive compensation.

It is important, 51 years after the liberation of Guam and 50 years after the end of the war, to bring closure to this issue. This issue is not going to fade away. Federal amnesia about Guam's occupation and the injustice of the way compensation was handled is not going to work. We remember, and we will not forget.

To those who may question why we are coming to Congress for compensation, let me point out two things. First, the Treaty of Peace with Japan takes away our recourse to seek compensation directly from Japan. Second, war claims were paid to other Americans by successive acts of Congress beginning in 1943, and as I mentioned earlier, in corrective legislation in 1948 and 1962 that did not include Guam.

To those who may argue that it should be Japan, not the American taxpayer that pays this bill, let me assure you that we agree. The Federal Government had every opportunity to seize Japanese assets after the war in payment of claims. Furthermore, my bill includes a funding mechanism that would not cost the American taxpayer a dime—Congress may choose to impose a fee on the sale of United States military equipment to Japan. After all, the national security and our security arrangements with Japan in Asia were often cited as the reasons to forgive Japan of any war reparations.

I hope that my colleagues would support H.R. 2041, the Guam War Restitution Act. I hope that we can put closure to this issue. I noted that much publicity was given to the Japanese apology for World War II. Who will apologize for the mishandling of Guam war reparations? Who in Congress will take responsibility for the Treaty with Japan signing away Guam's rights, and who in Congress will apologize for the oversight in not including Guam in war claims legislation in the past? Who now will stand up for what is right and do what is right for the American citizens of Guam who endured a brutal occupation?

MEDICAL SAVINGS ACCOUNTS

The SPEAKER pro tempore. Under the Speaker's announced policy of May 12, 1995, the gentleman from Nebraska [Mr. CHRISTENSEN] is recognized during morning business for 5 minutes.

Mr. CHRISTENSEN. Mr. Speaker, despite liberal attempts to hide the truth, the word is out.

The American people have learned that our precious Medicare system is going broke.

It is clear that unless important actions are taken, Medicare will be belly-up in the year 2002.

We are not going to let that happen. We are going to save Medicare and strengthen it—giving our seniors more options and more choices.

One option we should give seniors is a Medical Savings Account.

A Medicare MSA would allow seniors to join a private heath plan that would pay all expenses above a set level, and allow seniors to deposit their Medicare

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☐ This symbol represents the time of day during the House proceedings, e.g., ☐ 1407 is 2:07 p.m.

Matter set in this typeface indicates words inserted or appended, rather than spoken, by a Member of the House on the floor.

dollars in a personal medical savings account to be used to pay expenses below that level.

At the end of the year, seniors choosing this option could withdraw any unspent money left in the MSA or buy insurance coverage for prescription drugs or allow the money to grow with interest to pay future medical bills. It is their choice.

Let us hope the liberals choose to abandon their Medi-scare tactics and join us in saving Medicare by giving seniors more choices like Medical Savings Accounts.

NUCLEAR BOMBING IN THE SOUTH PACIFIC ISLANDS

The SPEAKER pro tempore. Under the Speaker's announced policy of May 12, 1995, the gentleman from American Samoa [Mr. FALEOMAVAEGA] is recognized during morning business for 5 minutes.

Mr. FALEOMAVAEGA. Mr. Speaker, about 150 years ago, by show of military force with guns, bullets and cannons, the Government of France incorporated into a colony a group of Polynesian islands currently known as French Polynesia, with its current capital in the town of Papeete and the main island called the island of Tahiti.

Mr. Speaker, these Polynesian islands were popularized by the famous historical novel that was written by Mr. Hall and Mr. Nordoff in the early 1930's, and later, a couple of very famous films were based on this novel. They are currently known as the Mutiny on the Bounty. As you well know, it was a historical fact that a British Naval captain by the name of Captain Bly was assigned to go to these islands in the South Pacific to bring back a certain fruit called the bread fruit so that it could be transferred to the Caribbean to feed the slaves, as it was part of the British empire at that time.

Mr. Speaker, these islands are currently in tremendous turmoil, as has been witnessed by the American people and throughout the world, of what has happened in the eve of the recent decision made by President Chirac in June that the Government of France was going to resume nuclear testing in the South Pacific. And the proposed plan by President Chirac was that for the 8-month period, once each month the Government of France was going to explode one nuclear bomb each up to the equivalent of 10 times the power of the bomb that we dropped in Hiroshima 50 years ago.

Mr. Speaker, I am sad to say that this new testing program began a couple of days ago and as a result of that, riots broke out in the city of Papeete. The main airport was closed and the island of Tahiti was at a standstill.

Now the tremendous uproar, Mr. Speaker. Everybody is pointing fingers at everybody. President Chirac recently, by the media, is pointing fingers at Australia and New Zealand and other countries for causing all these riots to occur. New Zealand and Australia are saying, no, Mr. Chirac, you are to blame for this thing that has happened now to the people of Papeete and the French Polynesians.

Mr. Speaker, I don't know if the American people are aware of the fact that this is the same situation that occurred in the early 1960's when our Government also exploded some of the most powerful nuclear bombs the world has ever witnessed in the islands of Micronesia.

I recall in 1954 we exploded what was known as the bravo shot, in which we exploded the first hydrogen bomb that was 50 megatons, and let me explain this to the American people and to my colleagues. The power of this bomb that we exploded on the island of Bikini was 1,000 times more powerful than the bomb that we dropped in Hiroshima. As a result of that bomb, 300 men, women and children on the islands of Rongelap and Utirik just playing on the ocean floor, not even knowing exactly what was happening, and the sad part of this legacy and the story in our own country, Mr. Speaker, our officials knew that the winds had shifted but they did not stop the detonation of that bomb. And as a result of that, as a result of that, these people were directly impacted by nuclear contamination because of what we did to them.

Mr. Speaker, to this day, these people are still suffering, still suffering from radioactive contamination, having the highest rates of cancer, leukemia. You can call it what you may, but these people are still suffering and no amount of money our Government could ever give these people will bring them back to normal health.

Mr. Speaker, this is the same problem the people of the Pacific have been fighting for years, and by our own admission, by our own admission, in 1963 we said, hey, we better not do this any more, it is hurting the environment. We conducted some serious atmospheric tests in Micronesia, underground, on the ground, under the reefs. We have done it and we found out that ecologically it was not suitable, and this is the reason why we did these tests now underground in the State of Nevada.

Mr. Speaker, we advised our friends from France, you cannot do this in the atolls of these islands in the Pacific Ocean. The Pacific Ocean is not a stagnant pool. It is an ocean that constantly moves, like what we call the Humboldt Current, and by doing this, our good friend, President DeGaulle, said, no, we are going to do it.

So for the past 20 years, the Government of France has exploded over 240 nuclear bombs on these islands in French Polynesia, mainly on these two atolls known as the Moruroa and the Fangataufa atolls.

Mr. Speaker, on Moruroa atoll, the Government of France has exploded over 163 nuclear bombs; and 8 more nuclear bombs, Mr. Speaker, that atoll is going to collapse, and when that contamination comes out of that atoll, it is not just the 200,000 French Polynesians that are going to be affected by it, but the whole Pacific Ocean.

Mr. Speaker, somehow we have taken a very passive view of the seriousness of the situation, and Mr. Speaker, I ask my colleagues and the American people, something has got to be done. President Chirac has got to get the message. What he is doing is wrong. It is morally wrong and it is time that we stop this madness.

RECESS

The SPEAKER pro tempore. There being no further requests for morning business, pursuant to clause 12, rule I, the House will stand in recess until 12 noon.

Accordingly (at 10 o'clock and 44 minutes a.m.) the House stood in recess until 12 noon.

AFTER RECESS

The recess having expired, the House was called to order by the Speaker pro tempore (Mr. SHAYS) at 12 noon.

□ 1200

PRAYER

The SPEAKER pro tempore. The Reverend Dr. Ronald F. Christian, Office of the Bishop, Evangelical Lutheran Church in America, Washington, DC, offered the following prayer:

The eyes of all look to You, O Lord, and You give them meat in due season. You open Your hand and satisfy the desire of every living thing.

Almighty God, the psalmist's recognition of his dependence upon You reminds us all of our constant need for Your grace and mercy.

So, we pray to You, O God, for daily bread and that all our needs will be met by Your gracious care.

We pray to You, O God, for health of body and strength of mind, so that all our efforts will serve Your will and thereby give aid to our neighbor who is in want.

We pray to You, O God, that the work of our hands and the decisions we render will make life better for those around us and for whom we must take some responsibility.

We pray to You, O God, that we will allow our souls to be fed by Your grace, so that we will always be more caring toward another's misfortune than accepting of glory for our own accomplishments.

And, we pray, that we may always live and demonstrate Your mercy in our family, in our workplace, and in our community, and in our Nation.

Indeed, the eyes of us all look to You, O Lord. Give us, we pray, our food in due season. Open Your hand, and satisfy our needs. Amen.

THE JOURNAL

The SPEAKER pro tempore. (Mr. SHAYS). The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Pursuant to clause 1, rule I, the Journal stands approved.

PLEDGE OF ALLEGIANCE

The SPEAKER pro tempore. Will the gentlewoman from Connecticut [Mrs. KENNELLY] come forward and lead the House in the Pledge of Allegiance.

Mrs. KENNELLY led the Pledge of Allegiance as follows:

> I pledge allegiance to the Flag of the United States of America, and to the Republic for which it stands, one nation under God, indivisible, with liberty and justice for all.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Lundregan, one of its clerks, announced that the Senate had passed with an amendment, in which the concurrence of the House is requested, a bill of the House of the following title:

> H.R. 2126. An act making appropriations for the Department of Defense for the fiscal year ending September 30, 1996, and for other purposes.

The message also announced that the Senate insists upon its amendment to the bill (H.R. 2126) "An Act making appropriations for the Department of Defense for the fiscal year ending September 30, 1996, and for other purposes," requests a conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. STEVENS, Mr. COCHRAN, Mr. SPECTER, Mr. DOMENICI, Mr. GRAMM, Mr. BOND, Mr. MCCONNELL, Mr. MACK, Mr. SHELBY, Mr. HATFIELD, Mr. INOUYE, Mr. HOLLINGS, Mr. JOHNSTON, Mr. BYRD, Mr. LEAHY, Mr. BUMPERS, Mr. LAUTENBERG, and Mr. HARKIN, to be the conferees on the part of the Senate.

The message also announced that pursuant to section 1295(b) of title 46, United States Code, as amended by Public Law 101-595, the Chair, on behalf of the Vice President, appoints Mr. BREAUX, from the Committee on Commerce, Science, and Transportation, and Mr. INOUYE, at large, to the Board of Visitors of the United States Merchant Marine Academy.

DEATH OF FORMER CONGRESSMAN JAMIE WHITTEN

(Mr. BEVILL asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. BEVILL. Mr. Speaker, on behalf of the Democratic leadership and the Mississippi congressional delegation, it is my sad duty to report the death of our former colleague, Jamie Whitten, on Saturday in Oxford, Mississippi.

As you know, Jamie was the dean of the House of Representatives until his retirement last year, after 53 years in the House. He had the longest record of service of any Member in the history of our country.

Jamie served as chairman of the House Appropriations Committee for 13 years and as chairman of the Agriculture Appropriations Subcommittee for more than 40 years. He had a tremendous influence on the Nation's agricultural policy and was known as the Permanent Secretary of Agriculture.

He was sitting in this Chamber when President Franklin D. Roosevelt gave his "Day of Infamy" speech following the bombing of Pearl Harbor in 1941. For more than half a century, Jamie faithfully and effectively served his Mississippi constituents and his country. His record was a remarkable achievement which will probably never be broken.

Jamie and his wife Rebecca were totally dedicated to public service and especially devoted to their beloved home State of Mississippi. Our Nation has lost one of its most loyal and effective leaders, but Jamie's contributions will always be remembered.

IN HONOR OF FORMER CONGRESSMAN JAMIE WHITTEN

(Mr. BOEHNER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. BOEHNER. Mr. Speaker, I too join with our colleagues on the Democrat side of the aisle on behalf of Republicans in the House to mourn the death of our good friend, Jamie Whitten.

Mr. Speaker, Jamie did serve in the House for some 53 years and was an example to all of the Members of this House on both sides of the aisle about how to be a statesman. His influence in agricultural policy over those 53 years was, without question, substantial. And without question, for 53 years, Mr. Whitten had the most influence over agricultural policy in this country. Today, we mourn his death and say prayers for him and his family.

SUPPORT STUDENT AID, SUPPORT OUR FUTURE

(Mrs. KENNELLY asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Mrs. KENNELLY. Mr. Speaker, education of our young people of America is the best chance for a bright future for our great Nation. However, in these tough economic times many families cannot afford to send their children to postsecondary school. The rising cost of education and proposals to cut funding for students loans will only close the doors of colleges and universities to many fine young people indeed.

The current proposal to eliminate the in-school interest subsidy for Stafford Loans is a dramatic turn in education policy. Last year alone over four million students benefited from in-school interest subsidies. This interest subsidy is essential to ensuring choice and access for higher education. The main goal of the Higher Education Act of 1965 was to reduce financial barriers to access and choice in postsecondary education. Subsidized loans have always had a role in achieving this goal.

Money should not be the determining factor for who attends colleges and universities. Let's support student aid, let's support our future.

JUDGE ITO: MOST OUT OF TOUCH JUDICIAL BUREAUCRAT

(Mr. COBLE asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. COBLE. Mr. Speaker, much has been said about the O.J. Simpson trial, but little has been said about the manner in which Judge Ito has presided. It has reminded many observers of a circus rather than a courtroom. This is inexcusable.

Mr. Speaker, this presents yet another example of a judge oblivious to the significance of taxpayers' resources. The Simpson trial has been extremely costly to the taxpayers and should have been concluded months ago.

I am not suggesting that the rights of all parties should not be protected and preserved. I am not suggesting that parties to litigation should be forced to compromise. I am suggesting, however, that a trial should proceed in a timely fashion, and it is the judge's duty to assure this conclusion.

Judge Ito deserves no high marks for his performance and I nominate him as 1995's most out of touch judicial bureaucrat who obviously has no appreciation for cost effectiveness at the courthouse.

FBI MUST ANSWER FOR RUBY RIDGE

(Mr. TRAFICANT asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. TRAFICANT. Mr. Speaker, this ordeal at Ruby Ridge continues to amaze me. FBI sniper Lon Horiuchi, who shot and killed Vicki Weaver, unarmed holding her infant child, now says he will not testify at congressional hearings because the lawyers for Lon Horiuchi say they do not like the questions that will be answered.

Mr. Speaker, what is going on here? No American should be deprived life, liberty, and pursuit of property. Where was the Miranda? Where was the due process? Where were the arraignments?

Now the FBI is saying these are great mistakes. These are not just great mistakes. I say there was murder on Ruby Ridge. The FBI has to answer for those murders and for the power and arrogance of the Federal Government that trampled over citizens, then called them mistakes and will not testify because they do not like the questions.

Shame Congress. Take the Government back.

SUPPORT H.R. 1594 AND RESTORE SECURITY TO OUR PENSION SYSTEM

(Mr. DELAY asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. DELAY. Mr. Speaker, today, we take up legislation on the floor to protect the pensions of millions of Americans.

President Clinton has directed that all government pension plans invest in fiscally risky but politically correct investments.

He has done so for the obvious reason for helping his misguided left-wing agenda.

But let me ask a very direct question: What is more important, political correctness or pension security?

In my mind, we need to insure that the Pension Benefit Guaranty Corporation invests with only one interest: keeping the pension system secure.

If some Americans want to risk their money in politically correct investments, that is their decision. But it should not be by direction of the President, and it should not be done with the pensions of Americans who rely on them for their livelihoods.

Mr. Speaker, the President should keep his hands off these pensions. I urge my colleagues to support H.R. 1594, which will reverse the Clinton Executive order, and restore security to our pension system.

WE MUST INVEST IN OUR YOUNG PEOPLE

(Mr. UNDERWOOD asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. UNDERWOOD. Mr. Speaker, while the cost of a college education is rapidly increasing, some Members on the other side of the aisle would like to cut student loan funding. The majority's plans would significantly raise the cost of student loans by changing the way loan interest is calculated, capping Pell Grants, and eliminating the Direct Student Loan Program.

Mr. Speaker, many American families will find that they have been priced out of a college education by these changes and many students will find that the assistance they were depending on is simply not going to be there.

The new leadership once championed giving every student a PC. I will do one better. How about giving every student an opportunity for a college degree so that they can use that PC, rather than just play solitaire? We invest in roads, bridges, and infrastructure. We must also invest in our young people.

CONGRESS MUST STOP THE RAIDING OF AMERICA'S PENSION FUNDS

(Mr. BALLENGER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. BALLENGER. Mr. Speaker, while the Republican-led Congress continues on the path to becoming the most successful Congress in history, the Clinton administration continues to come up with new and interesting ways of robbing Peter to pay for liberal social programs for Paul. The latest effort by the administration has come in the form of ETI's.

Mr. Speaker, ETI stands for "economically targeted investment" and is designed to promote the investment of private pension funds into liberal social projects. ETI's are a disaster for working men and women who want their retirement savings to be invested wisely. Once again, the liberals believe that they know what is best for the American people and they intend to force that belief on us all in any way they can.

Today, the House will debate legislation to combat this destructive and intrusive plan. The working people of America are counting on our help to stop this senseless raiding of their pensions.

CHIRAC, CHIRAC, WHAT HAVE YOU DONE?

(Mr. FALEOMAVAEGA asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. FALEOMAVAEGA. Mr. Speaker, as I said earlier to my colleagues and to the American people, the French Government has already exploded 164 nuclear bombs in the atmosphere and under the Mururoa Atoll in French Polynesia, in the South Pacific.

Mr. Speaker, first French officials said the tremendous amount of nuclear contamination contained in this atoll should be contained for 1,000 years. Now, these same French officials are saying it may be 100 years.

Mr. Speaker, the consensus now among the scientists is that Mururoa Atoll will collapse within 10 to 50 years. Mr. Speaker, the contamination contained in this atoll is equivalent to several Chernobyls in the Ukraine.

Mr. Speaker, I was arrested for 16 hours on the Greenpeace ship the *Rainbow Warrior II*, and I wrote these verses to describe the crisis in the South Pacific:

You appear in a cloud, like a flash from the West that blinds our vision. From Tahiti Nui, from the Tuamotus, Mangareva, Tubuai, Bora-Bora, Raiatea, Huahine, Tahaa, NukuHiva, Tureia, Mururoa and Fangataufa.
Like poisoned fish that float aimlessly from fissured reefs, death moves slowly toward the people from the sun until it is too late.
Chirac, Chirac, what have you done?

STOP THE CLINTON PENSION GRAB

(Mr. JONES asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. JONES. Mr. Speaker, investment of pension funds into economically targeted investments, or ETI's, is another questionable plan advocated by the Clinton administration to get its hands on more of the citizens' hard-earned money. This policy would divert pension funds away from financially sound investments into politically correct investments.

The Democrats have absolutely no plan to save Medicare from bankruptcy and now the administration wants to jeopardize the hard-earned pensions of millions of American seniors and at the American people's financial expense, $1 million for the clearinghouse to promote these risky, low-return investments.

Mr. Speaker, it seems the administration is more interested in putting high-priced programs first and the welfare of America's retirees second. We must stop the Clinton pension grab by passing the Pension Protection Act of 1995.

REPUBLICAN CUTS IN EDUCATION

(Mr. HILLIARD asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. HILLIARD. Mr. Speaker, Republicans in Congress seem to enjoy destruction more than they do creation. They have attacked our Nation's children and young adults.

Republicans in Congress have slashed education more than $36 billion. And why? To pay for the monstrous tax breaks that they have proposed for their wealthiest supporters. By slashing our education budgets, our kids will have more overcrowded classrooms, fewer computers, and fewer teachers.

The Republican plans will cut Head Start by 45,000 kids by 1996. They will cut $23 million from the Safe and Drug-Free Schools Program and, ultimately, deny many millions of students access to college education by cutting back on direct student loans and the Pell Grant Program.

Mr. Speaker, we know the Republicans do not care about the Nation's children and we also know they do not care about public education. After all, most of their kids are in private schools anyway.

NEW MAJORITY BRINGING RESPONSIBLE GOVERNMENT TO WASHINGTON

(Mr. CHAMBLISS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. CHAMBLISS. Mr. Speaker, my children are in public schools and my wife teaches public school.

Mr. Speaker, this week the new majority of this body will unveil its plan for reforming the Medicare system—a plan that is long overdue for a system that will soon pay out more than it takes in.

Meanwhile the President and Members of the other side of the aisle crisscross the country with their deficit spending, big government message. Over the years they failed the American people by not giving them a responsible Government that operates within its means.

Now that the new majority is about the business of bringing to Washington responsible Government, the other side has resorted to generational warfare, scaring seniors into believing they are the targets of our balanced budget when in fact they are not.

Our message is simple: We are committed to Medicare's continued viability for the future of seniors and our children. We are committed to positive changes that will balance our budget and encourage individual responsibility—the same goals of any American family.

CONGRESS MUST CLOSE THE BILLIONAIRE'S TAX LOOPHOLE

(Mr. WARD asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. WARD. Mr. Speaker, I rise today once again to address an issue that this Congress has yet to face, that is the issue of billionaire expatriates.

Mr. Speaker, on numerous occasions the majority has refused permanently to close a tax loophole which enables billionaires to renounce their U.S. citizenship in order to avoid paying taxes.

To add insult to injury, the Washington Post reported yesterday that the State Department, has received an application from the country of Belize to open a diplomatic post in Sarasota, FL, exclusively for the convenience of billionaire expatriate Kenneth Dart, whose family happens to live in Sarasota. The arrangement would allow Mr. Dart to continue to avoid paying U.S. taxes, while living with his family in the United States.

Mr. Speaker, I have sent a letter to Secretary Christopher urging him to deny the permission to open this office. Mr. Speaker, we must close this loophole.

ATTACKS VERSUS IDEAS

(Mrs. SEASTRAND asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Mrs. SEASTRAND. Mr. Speaker, we, the new majority, understand what some pro-big government groups do not: A smaller Federal Government is a better Federal Government.

In the words of Barry Goldwater, "A government big enough to give you everything is big enough to take it all away."

Mr. Speaker, I discovered while traveling in my district the past month that when liberals run out of ideas of their own to offer the American people, they panic with baseless attacks. But while big labor bosses were running attack ads on television against me, I was meeting with many of their rank and file to let them know about how working families will benefit by balancing the budget, by cutting Government spending, and giving working people tax relief.

While the so-called national environmental groups were polluting the environment on the airwaves with fear, I was speaking to my constituents about the common sense we are putting in environmental law that will give us local control.

While the AARP mailed misinformation regarding Medicare, I was discussing with seniors and my other constituents how we intend to protect and preserve Medicare.

Well, Mr. Speaker, if big government special interests were not attacking us, I might be worried we were not doing our job.

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WHERE IS THE REPUBLICAN PLAN ON MEDICARE?

(Mr. PALLONE asked and was given permission to address the House for 1 minute.)

Mr. PALLONE. Mr. Speaker, yesterday myself and the gentleman from New Jersey [Mr. TORRICELLI] held a second forum in New Jersey on the issue of Medicare, and many senior citizens were seriously concerned about how the severe Republican cuts to Medicare will affect them. Unfortunately, it is difficult to answer that question definitively since we only know what the press has leaked on the subject.

I would like to know where the Republican plan is. It is after Labor Day. We still do not have it. Are we going to have any time to review it even before we vote in a few weeks?

How can the Members of Congress be expected to vote on the largest Medicare reduction in history and fully represent their constituent interests when the Republicans still have no plan?

When the Republicans finally release their Medicare plans, they should allow a significant period of time to analyze the specifics. I do not think that is too much to ask on such an important issue.

The Republicans have been reluctant to release their plan because they fear the wrath of senior citizens. They seem to be opting for the stealth approach by cutting $270 billion, the largest cut in the history of Medicare without letting the public know the details.

CUTS IN EDUCATION ENDANGER OUR FUTURE

(Mrs. CLAYTON asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Mrs. CLAYTON. Mr. Speaker, this Saturday, September 16, in Rocky Mount, NC, I am hosting a youth summit.

More than 800 young people have already confirmed that they will attend. They care about the future.

These young people are encouraged by past success stories and support for their positive and productive attitudes.

Unfortunately, this Congress has given these young people little to be hopeful for.

Thousands of Pell grants will be eliminated, the cost of student loans will skyrocket, there will be less funding for Head Start and Healthy start, Goals 2000 will be eliminated, title I will be cut, the Safe and Drug Free Schools Program will be cut and summer jobs are eliminated.

The young people who will join me on Saturday are not those who images dominate our perceptions. They are not violent. They are not involved in drug sales. They are the majority.

What will I say to these young people? Instead of a bright future, Congress now offers you a bleak future.

This blind march to a balanced budget has taken us down the wrong path. I wonder where it is taking our youth?

Mr. Speaker, I ask you, what should we say to our youth? What is their future?

Mr. Speaker, this is no way to encourage our future.

THE ASSAULT ON IMPORTANT EDUCATIONAL PROGRAMS

(Mr. BROWN of Ohio asked and was given permission to address the House for 1 minute.)

Mr. BROWN of Ohio. Mr. Speaker, today I rise to voice my dismay at the ongoing assault taking place on some of the most important educational programs in this country. Student loans are under attack by Republican budget cutters who want to give the wealthy a huge tax break.

The Republican plan cuts $10 billion in the Stafford Loan Program over the next 7 years. These cuts will add an additional $3,100 to undergraduate costs and $9,400 to graduate students.

The Republicans want to knock 157,000 students out of the Perkins Loan Program, denying these low- and middle-income students these loans; 280,000 students will lose Pell grants. Prevention programs such as the Safe and Drug Free Schools Program, will be cut by 60 percent. Even programs like Head Start will not be safe from the Republican budget ax.

Why these cuts, Mr. Speaker? The simple answer to that is Republicans are making these cuts to give tax breaks to the wealthiest people in this country. Giving tax breaks to $200,000 incomes is wrong, Mr. Speaker, while cutting education.

BALANCING THE BUDGET ON THE BACKS OF OUR YOUTH

(Mrs. LOWEY asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Mrs. LOWEY. Mr. Speaker, the Republican leadership says it is cutting student aid by more than $10 billion in order to shrink the deficit. What are the priorities of this Congress? Education is an investment that we must protect.

Yesterday, I talked to students from Purchase College and Manhattanville College. Michael Henry is a 22-year-old Purchase College student from Forest Hills, NY. He works two jobs while in school. He drives a truck during the graveyard shift so he can attend classes during the day. I do not know when Michael sleeps. He is studying economics and hopes to start his own business. Without Federal financial aid, Michael said that he would not be able to attend college. What does this budget do? It threatens to rob us of the contribution of a bright, talented young person like Michael. It jeopardizes the dreams of a future entrepreneur who could contribute enormously to society.

We need to shrink the deficit. We can not keep paying billions in interest payments on the debt. But we can lower the deficit without cutting education and robbing deserving young people of the chance to earn a decent living.

A college education is an economic necessity. Let us not balance the budget on the backs of our Nation's deserving youth.

LEGISLATIVE ASSAULT ON OUR CITIES

(Miss COLLINS of Michigan asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Miss COLLINS of Michigan. Mr. Speaker, I rise this morning to express my deep felt concern for the future of our cities. The U.S. Conference of Mayors recently surveyed 145 of their member officials and found that 80 to 96 percent reported proposed congressional cuts in appropriations will have a negative impact on their cities and residents, their economies, economic development activities, human investment efforts, youth development, basic transportation needs, job creation and efforts to reduce homelessness. And of course, we all realize that at least some of the moneys saved through these planned cuts is intended to be used to finance a tax break for the wealthy.

To make matters, worse, these same city officials say they do not believe the business community, nonprofit organizations, charities, religious institutions, foundations or State governments will be able to make up the difference.

If you feel it is more important to give an unneeded tax break to the wealthy at the expense of the economies of our cities, city economic development activities, city human investment efforts, youth development, basic transportation needs, job creation efforts, and reducing homelessness, then I ask that you re-examine your priorities; that you forget about this ill-conceived tax break for the wealthy; and that you recommit to supporting these important needs of our cities and those who live in our cities.

THE DEVASTATING EFFECTS OF HUGE MEDICARE CUTS

(Ms. WOOLSEY asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Ms. WOOLSEY. Mr. Speaker, throughout the month of August, senior citizens, working families, and health care providers told me the majority's huge Medicare cuts would have devastating effects on them.

Local hospitals in my district, which are already the most efficient in the Nation, said they would be forced to cut back crucial services or possibly close. In fact, one hospital administrator said, "They would just mail the keys in." And, outraged seniors, looking at $3,600 more in out-of-pocket expenses under the Gingrich Medicare plan, told me that they just could not afford any additional medical expenses.

Why? They repeatedly asked me would the majority make these huge cuts in Medicare?

And, I told them, over and over again, that the majority was taking an axe to Medicare, instead of a scalpel, for one reason, and for one reason only; to pay for one of the most outrageous, counterproductive, and unfair tax give-aways in American history.

THE VALUE OF STUDENT AID PROGRAMS

(Mr. POSHARD asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. POSHARD. Mr. Speaker, when I graduated from high school in 1962, I grew up on a small family farm, and my folks did not have the money to send me to college. I went in the U.S. Army, and I spent 3 years, and when I got out, I enrolled in Southern Illinois University, and my Government really enrolled with me.

I was able to go there on the GI Bill. I was able to get a job on campus working in the physical plant through the student work and financial aid program. The National Student Defense loans at that time helped my young striving family to get by.

These were all really important programs for working-class families' children who needed a college education, and we need to keep those programs alive today.

It is not a matter in this country of whether we need to balance the budget and bring down the deficit. We brought down the deficit from $291 to $160 billion this year. In 3 years, under the President's budget, we are going to continue to bring down the deficit.

The question is whether we need to finance a huge tax cut and offset these programs more than what we have to, and that is the debate in this House.

MEDICARE: UNSPECIFIED FUTURE CUTS

(Ms. DeLAURO asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Ms. DeLAURO. Mr. Speaker, Republicans are cooking the books on their Medicare plan, but it is America's seniors who are getting burned.

On Sunday, Speaker GINGRICH stated that the Republican Medicare cuts would mean only $7 in increased monthly premiums for Medicare recipients. But, the Republican-controlled Congressional Budget Office disagrees with the Speaker's new math. In fact, the CBO says that seniors will pay $56.50 more each month, not the $7 the Speaker claims.

But, my colleagues on the other side of the aisle have developed a new accounting device called unspecified future cuts. Unspecified future cuts means that Republicans can claim $80 billion in savings, without telling the American people where that money is coming from.

It is time for the Republican leadership to stop playing games and to come clean with the American people about its plan to cut $270 billion from Medicare to pay for a tax cut to the wealthy.

COMMUNICATION FROM THE CHAIRMAN OF THE DEMOCRATIC CAUCUS

The SPEAKER pro tempore (Mr. SHAYS) laid before the House the following communication from the Honorable VIC FAZIO, chairman of the Democratic Caucus:

DEMOCRATIC CAUCUS,
HOUSE OF REPRESENTATIVES,
September 5, 1995.

Hon. NEWT GINGRICH,
Speaker, House of Representatives, Washington, DC.

DEAR MR. SPEAKER: This is to inform you that Representative W.J. (BILLY) TAUZIN is no longer a member of the Democratic Caucus.

Sincerely,
VIC FAZIO,
Chairman.

COMMUNICATION FROM THE SPEAKER OF THE HOUSE

The SPEAKER pro tempore laid before the House the following communication from the Speaker of the House of Representatives:

THE SPEAKER'S ROOMS,
HOUSE OF REPRESENTATIVES,
Washington, DC, September 6, 1995.

Hon. THOMAS J. BLILEY, Jr.,
Chairman, Committee on Commerce, Rayburn House Office Building, Washington, DC.

DEAR MR. CHAIRMAN: This is to advise you that Representative W.J. (BILLY) TAUZIN'S election to the Committee on Commerce has been automatically vacated pursuant to clause 6(b) of rule X, effective today.

Sincerely,
NEWT GINGRICH.

COMMUNICATION FROM THE SPEAKER OF THE HOUSE

The SPEAKER pro tempore laid before the House the following communication from the Speaker of the House of Representatives:

THE SPEAKER'S ROOMS,
HOUSE OF REPRESENTATIVES,
Washington, DC, September 6, 1995.

Hon. DON YOUNG,
Chairman, Committee on Resources, Longworth House Office Building, Washington, DC.

DEAR MR. CHAIRMAN: This is to advise you that Representative W.J. (BILLY) TAUZIN'S election to the Committee on Resources has been automatically vacated pursuant to clause 6(b) of rule X, effective today.

Sincerely,
NEWT GINGRICH.

ELECTION OF MEMBER TO COMMITTEE ON COMMERCE AND COMMITTEE ON RESOURCES

Mr. BOEHNER. Mr. Speaker, pursuant to direction of the Republican Conference, I call up a privileged resolution (H. Res. 217) and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 217

Resolved, That the following named Member be, and he is hereby, elected to the following standing committees of the House of Representatives:

Committee on Commerce: Mr. Tauzin of Louisiana, to rank following Mr. Moorhead of California.

Committee on Resources: Mr. Tauzin of Louisiana, to rank following Mr. Young of Alaska.

The resolution was agreed to.

A motion to reconsider was laid on the table.

COMMUNICATION FROM THE CLERK OF THE HOUSE

The SPEAKER pro tempore laid before the House the following from the Clerk of the House of Representatives:

OFFICE OF THE CLERK,
HOUSE OF REPRESENTATIVES,
Washington, DC, September 12, 1995.

Hon. NEWT GINGRICH,
The Speaker, House of Representatives, Washington, DC.

DEAR MR. SPEAKER: Pursuant to the permission granted in clause 5 of rule III of the Rules of the U.S. House of Representatives, I have the honor to transmit a sealed envelope received from the White House on Friday, September 8, 1995 at 4:05 p.m. and said to contain a message from the President whereby he transmits a revised deferral of budgetary resources for the International Security Assistance program.

With warm regards,
ROBIN H. CARLE,
Clerk,
U.S. House of Representatives.

REVISED DEFERRAL OF BUDGETARY RESOURCES—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. NO. 104–114)

The SPEAKER pro tempore laid before the House the following message from the President of the United States; which was read and, together with the accompanying papers, without objection, referred to the Committee on Appropriations and ordered to be printed:

To the Congress of the United States:

In accordance with the Congressional Budget and Impoundment Control Act of 1974, I herewith report one revised deferral of budgetary resources, totaling $1.2 billion.

The deferral affects the International Security Assistance program.

WILLIAM J. CLINTON.

THE WHITE HOUSE, *September 8, 1995.*

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore. Pursuant to the provisions of clause 5, rule I, the Chair announces that he will postpone further proceedings today on the motion to suspend the rules under which a recorded vote or the yeas and nays are ordered or on which a vote is objected to under clause 4 of rule XV.

Such rollcall vote, if postponed, will be taken later in the day.

PERMISSION FOR CERTAIN COMMITTEES AND THEIR SUBCOMMITTEES TO SIT TODAY DURING 5-MINUTE RULE

Mrs. MEYERS of Kansas. Mr. Speaker, I ask unanimous consent that the following committees and their subcommittees be permitted to sit today while the House is meeting in the Committee of the Whole House under the 5-minute rule:

The Committee on Commerce, the Committee on Government Reform and Oversight, the Committee on the Judiciary, the Committee on Resources, the Committee on Science, and the Permanent Select Committee on Intelligence.

It is my understanding that the minority has been consulted and that there is no objection to these requests.

The SPEAKER pro tempore. Is there objection to the request of the gentlewoman from Kansas?

There was no objection.

SMALL BUSINESS CREDIT EFFICIENCY ACT OF 1995

Mrs. MEYERS of Kansas. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 2150) to amend the Small Business Act and the Small Business Investment Act of 1958 to reduce the cost to the Federal Government of guaranteeing certain loans and debentures, and for other purposes, as amended.

The Clerk read as follows:

H.R. 2150

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Small Business Credit Efficiency Act of 1995".

SEC. 2. FEE FOR LOAN GUARANTEES SOLD ON SECONDARY MARKET.

Section 5(g)(4)(A) of the Small Business Act (15 U.S.C. 634(g)(4)(A)) is amended by striking "$^{4}/_{10}$ of one percent" and inserting "one-half of 1 percent".

SEC. 3. GENERAL BUSINESS LOANS.

(a) REDUCED LEVEL OF PARTICIPATION IN GUARANTEED LOANS.—Section 7(a)(2) of the Small Business Act (15 U.S.C. 636(a)(2)) is amended to read as follows:

"(2) LEVEL OF PARTICIPATION IN GUARANTEED LOANS.—

"(A) IN GENERAL.—In agreements to participate in loans on a deferred basis under this subsection, such participation by the Administration shall be—

"(i) equal to 80 percent of the balance of the financing outstanding at the time of disbursement if such financing is less than or equal to $100,000; and

"(ii) equal to 75 percent of the balance of the financing outstanding at the time of disbursement if such financing is greater than $100,000.

"(B) REDUCED PARTICIPATION.—The guarantee percentage specified by subparagraph (A) for any loan may be reduced upon the request of the participating lender. The Administration shall not use the percent of guarantee requested as a criterion for establishing priorities in approving guarantee requests.

"(C) INTEREST RATE UNDER PREFERRED LENDERS PROGRAM.—The maximum interest rate for a loan guaranteed under the Preferred Lenders Program shall not exceed the maximum interest rate, as determined by the Administration, which is made applicable to other loan guarantees under this subsection.

"(D) PREFERRED LENDERS PROGRAM DEFINED.—In this paragraph, the term 'Preferred Lenders Program' means a program under which a written agreement between the lender and the Administration delegates to the lender—

"(i) complete authority to make and close loans with a guarantee from the Administration without obtaining the prior specific approval of the Administration; and

"(ii) authority to service and liquidate such loans.".

"(b) GUARANTEE FEES.—Section 7(a)(18) of the Small Business Act (15 U.S.C. 636(a)(18)) is amended to read as follows:

"(18) GUARANTEE FEES.—

"(A) GENERAL FEE.—For any loan or financing made under this subsection other than a loan repayable in a period of one year or less, the Administration shall collect a guarantee fee equal to—

"(i) 2 percent of the gross amount of any loan guaranteed under this subsection of an amount less than $250,000;

"(ii) 2.5 percent of the gross amount of any loan guaranteed under this subsection of an amount equal to or greater than $250,000 and less than $500,000; or

"(iii) 3 percent of the gross amount of any loan guaranteed under this subsection of an amount equal to or greater than $500,000.

Such fee shall be payable by the participating lending institution and may be charged to the borrower.

"(B) ADDITIONAL FEE TO OFFSET COST.—

"(i) IN GENERAL.—In addition to the guarantee fee to be collected under subparagraph (A), the Administration shall collect a fee for loans guaranteed under this subsection (other than loans for which a guarantee fee may be collected under section 5(g)(4)(A)) in an amount equal to not more than four-tenths of 1 percent per year of the outstanding principal portion of such loan guaranteed by the Administration.

"(ii) USE.—Fees collected under clause (i) shall be used solely to offset the cost (as defined by section 502(5) of the Congressional Budget Act of 1974) of guaranteeing loans under this subsection.

"(iii) PAYMENT.—Fees collected under clause (i) shall be payable by the participating lending institution and shall not be charged to the borrower.".

(c) REPEAL OF PROVISIONS ALLOWING RETENTION OF GUARANTEE FEES BY LENDERS.—Section 7(a)(19) of the Small Business Act (15 U.S.C. 636(a)(19)) is amended—

(1) in subparagraph (B)—

(A) by striking "shall (i) develop" and inserting "shall develop"; and

(B) by striking ", and (ii)" and all that follows before the period at the end; and

(2) by striking subparagraph (C).

SEC. 4. MODIFICATION TO DEVELOPMENT COMPANY DEBENTURE PROGRAM.

(A) MAXIMUM LOAN AMOUNT.—Section 502(2) of the Small Business Investment Act of 1958 (15 U.S.C. 696(2)) is amended to read as follows:

"(2) Loans made by the Administration under this section shall be limited to $1,250,000 for each such identifiable small business concern.".

(b) FEE TO OFFSET COST.—Section 503(b)(3) of the Small Business Investment Act of 1958 (15 U.S.C. 697(b)(3)) is amended by inserting before the semicolon the following: "and includes a one-eighth of 1 percent fee which shall be paid to the Administration and which shall be used solely to offset the cost (as defined by section 502(5) of the Congressional Budget Act of 1974) of guaranteeing the debenture.".

The SPEAKER pro tempore. Pursuant to the rule, the gentlewoman from Kansas [Mrs. MEYERS] will be recognized for 20 minutes, and the gentleman from Illinois [Mr. POSHARD] will be recognized for 20 minutes.

The Chair recognizes the gentlewoman from Kansas [Mrs. MEYERS].

Mrs. MEYERS of Kansas. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise in strong support of H.R. 2150, the Small Business Credit Efficiency Act of 1995. H.R. 2150 is a simple piece of legislation. The purpose of the bill is to adjust the fees and guarantee levels of the loan programs found in section 7(a) of the Small Business Act and section 503 of the Small Business Investment Act of 1958 thereby lowering the credit subsidy rate and the cost of both programs.

H.R. 2150 accomplishes this through a few basic changes:

For the section 7(a) program it increases the annual fee charged to the lenders who sell the guaranteed portion of their 7(a) loans on the secondary market from 0.4 percent of the outstanding principal balance of the guaranteed portion to 0.5 percent. The bill also establishes a 0.4 percent annual fee on the outstanding principal of all 7(a) guaranteed loans that are not sold into the secondary market.

H.R. 2150 will also reduce and simplify the amount of guarantee offered through the 7(a) program. The guarantee percentage will now be no more than 80 percent of any loan up to $100,000 and no more than 75 percent of any loan above $100,000.

This will significantly simplify the current system where loans under $155,000 are guaranteed up to 90 percent; loans over $155,000 are guaranteed up to 85 percent; and loans from preferred lenders are guaranteed at 70 percent.

Finally, H.R. 2150 increases the guarantee fees charged on guaranteed loans. The current fee is 2 percent of the guaranteed portion of all loans. The fees will now increase to 2 percent of the gross amount of any loan below $250,000; 2.5 percent of any loan between $250,000 and $500,000; and 3 percent of any loan above $500,000. H.R. 2150 also ends the practice of allowing lenders to keep one-half of the guarantee fees on certain loans.

In the section 504 development company program H.R. 2150 will increase the total loan amount available from $750,000 to $1,250,000 and add a one-eighth of 1 percent fee to the cost of all loans made by a Certified Development Company under this program. This fee is to be passed on directly to the Small Business Administration to eliminate the subsidy rate.

Mr. Speaker, the changes proposed in H.R. 2150 are estimated to lower the credit subsidy rate for the 7(a) program to 1.06 percent. CBO estimates that these changes will result in only $327 million in outlays over the next 5 years, instead of $582 million a decrease of $255 million. Those figures are based on appropriations that would fully fund these programs, and in fact, the actual outlays will probably be less.

Let me give my colleagues some more concrete figures—at the House-passed 1996 appropriations level of $104.5 million the Small Business Administration will be able to guarantee $9.8 billion in 7(a) loans. This is an additional $2 billion in loan guarantees for $110.6 million fewer than fiscal year 1995, and $85.2 million below the President's budget request.

The changes also lower the subsidy rate on the 504 development company program to zero. This means this program will operate without the need for any appropriated funds. The 504 program already functions in a nearly privatized state and the committee has decided to go the final distance. This change represents an $8 million savings over the 1995 appropriation. So in fiscal year 1996 the 504 program will be able to offer $2.6 billion in loan guarantees for zero appropriated dollars.

In sum, H.R. 2150 will allow us to provide $12.5 billion in loan guarantees for small business in fiscal year 1996; $3.3 billion more in total assistance for $118.6 million less in appropriations.

Mr. Speaker, these changes come in the face of growing demand for small business credit assistance through the SBA's section 7(a) and section 504 loan programs.

As the number of persons who enter our Nation's economy as small business owners increases, the availability of credit continues to fall short. Our committee's hearings have regularly pinpointed overregulation of the banking industry as one of the root causes of this shortage. However, despite the administration's attempts at reducing and easing banking regulation the demand for the services of the SBA's loan programs continue to rise.

Over the years there have been numerous supplemental appropriations for the 7(a) and 504 business loan programs. The most recent occurred in 1993 when the SBA received a $175 million appropriation that nearly doubled the 1993 appropriation for the 7(a) loan program.

However, the committee recognizes that supplemental appropriations and liberal use of the taxpayer's dollars are things of the past. Fiscal responsibility dictates that we reduce the credit subsidy rate of the section 7(a) program and the section 504 program in order to enable the Small Business Administration to meet the needs of our Nation's small businesses and operate at a minimal cost to the taxpayer.

Mr. Speaker, H.R. 2150 meets both those goals. I urge my colleagues to support this bill, the small business men and women it will help, and the fiscally responsible fashion in which it helps them.

□ 1240

Mr. POSHARD. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise today in support of H.R. 2150, the Small Business Credit Efficiency Act, because I believe it will allow the Small Business Administration to better meet the loan demands of our country's growing small business community. This bill passed the Small Business Committee by voice vote last month, because the committee recognizes the importance of providing small business owners and entrepreneurs the opportunity to create jobs and spur economic growth in many areas of America which are facing challenging and often difficult economic times.

The SBA's 7(a) and 504 loan programs demonstrate the importance of the SBA in providing financial assistance to our small business community. In my congressional district, located in central and southern Illinois, the multitude of successes these two loan programs have had can be seen throughout many of our rural towns and local business districts. From the construction company in Marion, IL to the Greenhouse Nursery in Sullivan, the SBA has provided important opportunities to hundreds of my constituents through its loan program services.

As Congress works to balance the Federal budget, it is important we make Government work better and smarter for the people it serves, and that is what I believe we are doing here today. By adjusting the guarantee levels and fees for 7 (a) and 504 loans, we make these SBA programs available to a greater number of potential borrowers. In addition, we reduce the amount of appropriations needed to fund SBA loan guarantees by a total of $255 million over 2 years, while still maintaining the attractiveness of the SBA's many loan programs to the small business and financial communities.

In closing, I want to thank the gentlewoman from Kansas [Mrs. MEYERS] for her leadership in bringing this important legislation before the Small Business Committee. Thanks should also go to the ranking Democrat member, the gentleman from New York [Mr. LAFALCE] for his work on this bill. I strongly believe the changes we are making in these two important loan programs will allow Congress and the SBA to meet the needs of our small business owners more effectively and responsibly.

Mr. Speaker, I yield 4 minutes to the gentlewoman from North Carolina [Mrs. CLAYTON].

Mrs. CLAYTON. Mr. Speaker, I rise, with some reluctance, in support of this bill. My reluctance grows out of the fact that, because this measure is on the Suspension Calendar, the ranking minority member, Mr. LAFALCE, will not be able to offer a perfecting amendment. His amendment was cooperatively withdrawn to allow time for a hearing on it, so that the markup of the bill could proceed. Just before the recess, the full committee marked up H.R. 2150, the Small Business Credit Efficiency Act of 1995.

At that time, Mr. LAFALCE introduced an amendment that would restore to 90 percent the amount of a guarantee on financing for 1 year or less under the Small Business Administration's Export Working Capital Guarantee Program. The SBA 7(a) Program is designed to provide greater access to capital for the small business. It is the startup and expansion for primary loan guarantee program for those small businesses seeking commercial loans of $750,000 or less. Without the SBA loans many smaller businesses would not have an opportunity. Minorities and women are prime b eneficiaries of this loan guarantee program, as well as small exporters. The program has grown over the last 5 years. For fiscal year 1995, the SBA is expected to handle some 56,000 loans, totaling $7.8 billion. the SBA serves as a facilitator and guarantees a percentage of a loan a small business might arrange with a commercial lending insitution.

The bill, H.R. 2150, is designed to increase the leverage of Government dollars against private dollars and to reduce the subsidy rate for the 7(a) program to approximately 1 percent. This is accomplished in several ways, by increasing the fees for loans sold; by reducing the guarantee on loans; by changing the guarantee fee on loans; by repealing the provision that allows lenders to retain half the fee on small and rural loans; and by other methods. This bill is important, and I support it. But, I also supported the LaFalce amendment because I believe it was consistent with the thrust and spirit of H.R. 2150, while at the same time insuring that the goals of the 7(a) program are met. The LaFalce amendment was about a policy with which financial institutions, the Government and participants alike have become familiar and support.

Considerable resources have been committed over the past year by both SBA and the Ex-Im Bank in an effort to make the program work. Much of that effort will be lost with an abrupt, unnecessary change at this point. The Export Working Capital Guarantee Program is vital to women, minorities including small exporters. We should keep it working. Nonetheless, Mr. Speaker, I urge my colleagues to support this bill.

Mr. POSHARD. Mr. Speaker, I yield 4 minutes to the gentleman from Texas [Mr. BENTSEN].

Mr. BENTSEN. Mr. Speaker, I rise in strong support of this bill, and I want to thank Chairman MEYERS and ranking member LAFALCE for their work in drafting this legislation. This bill will help meet the growing demand for small business capital, while reducing the cost to the taxpayers.

Since 1992, the demand for the Small Business Administrations 7(a) and 504 Loan Guaranty Programs has increased considerably, and the SBA has experienced difficulty in meeting this demand. The SBA requested that legislation be enacted to decrease the credit subsidy rate of the 7(a) Loan Guaranty Program, and the 504 Equipment Lease Program. The Small Business Committee has responded quickly by drafting the bill we have before us today.

The legislation will reduce the taxpayer subsidy necessary to fund the loan loss reserve by $253 million in both fiscal years 1996 and 1997. Rather than rely on annual appropriations, the 7(a) and the 504 Loan Guaranty Programs will generate income from lender and borrower fees similar to the private market.

This will eliminate the chronic quarterly funding shortfalls that have plagued the programs in recent years, particularly the 7(a) program. This bill adjusts the guaranty levels and fees of the 7(a) and 504 Loan Programs in order to reduce the SBA's loan subsidy rate.

This is an important first step in restructuring the SBA Loan Guaranty Program to increase the pool of capital available for small business. By ultimately eliminating the taxpayer subsidy and making these programs self-sufficient, we should also be able to increase that pool and thus capital infusion into America's small businesses. This legislation will result in an increase in the amount guaranty, and thus capital.

I urge the committee to raise and eventually lift the loan guaranty cap once it can be determined that the programs are truly self financing and creditworthy.

This transformation would result in a fannie-mae-like small business guaranty entity resulting in an increased secondary market, and thus greater capital, allowing more businesses to grow and create new jobs.

What the 7(a) and 504 programs are about is not the lending of capital, but the lending of credit in order to raise capital for those companies which cannot otherwise obtain such credit or afford the cost due to size. This is a good program because it provides for a hand up, not a hand out.

By removing the taxpayer subsidy, providing for self generating loan loss reserve with strong creditworthiness, and lifting the cap, we can safely expand the pool of capital. I pledge to work with my chair, Mrs. MEYERS, and ranking member, Mr. LAFALCE, to further address this issue in the SBA reauthorization bill and put us on the path toward a privatized, secondary market corporation to raise capital to fund the growth of America's small businesses.

Mrs. MEYERS of Kansas. Mr. Speaker, I yield such time as he may consume to the gentleman from Massachusetts [Mr. TORKILDSEN], who is chairman of the Subcommittee on Government Programs of the Committee on Small Business.

Mr. TORKILDSEN. Mr. Speaker, I thank the gentlewoman from Kansas [Mrs. MEYERS] for yielding this time to me. I want to applaud the effort of the gentlewoman from Kansas, the chairman of the full committee, for the great work she has done in getting this bill to the floor today.

Mr. Speaker, we are looking at reauthorizing the 7(a) program, and many people will understand the importance of it, but, just to reiterate, the 7(a) program is the principal, certainly not the only, but the principal, lending program, or guarantee program, of the Small Business Administration. This year, because we are looking at the very important objective of balancing the budget, we have to look at all areas for reducing spending. Under the leadership of the gentlewoman from Kansas [Mrs. MEYERS], we are going to see the subsidy rate reduced from 2.73 percent to 1.06, a very substantial reduction, and, because of that, we are going to see an additional $2 billion being lent, although the amount that taxpayers are going to contribute to this is going to be less than half what it is right now. That is a very substantial savings for the taxpayers. It is also a very substantial increase in loans that are going to be made.

Because of this revised 7(a) program, another issue that was brought up was the nature of whether or not to change the guaranteed percentage for the Exim, for foreign assistance or export loans. Currently that is 90 percent. Under this bill that will be reduced to 75 percent and the reason for loans over $100,000. And the reason for that is we wanted some consistency. Under the old program, depending on what one used their loan program for, they might have a different guarantee percentage than over a different loan. We thought that was unfair. We thought that individuals who are seeking to create jobs in the United States should be able to see a consistent guarantee percentage whether they use that loan for exports or for other purposes that are going to create jobs in the United States. Because of that consistency, and also because of that slight reduction in the amount of loan being guaranteed through, we are able to offer more loans to more people and, again, at less cost to the taxpayers.

So, Mr. Speaker, this bill, I think, is a win-win situation. It is a win for Americans as taxpayers. It is a win for Americans as people who want to work and create jobs. So, I hope the bill is suspended, the rules are suspended, and the bill is passed. It is a terrific bill, and it deserves the support of Members.

Mr. POSHARD. Mr. Speaker, I yield such time as he may consume to the gentleman from New York [Mr. LAFALCE], the ranking Democrat member of the Committee on Small Business.

Mr. LAFALCE. Mr. Speaker, I rise in support of this legislation, the Small Business Credit Efficiency Act of 1995, and I ask unanimous consent to revise and extend my remarks.

Mr. Speaker, this legislation addresses a very important need—to stretch very few Federal dollars being provided to the Small Business Administration, or SBA, to carry out the loan guarantee programs it administers.

SBA's budget in the current fiscal year apparently will be sufficient to permit the Agency to meet loan requests for both 7(a) loan guarantees and for development company financings during the remainder of this month. Previously, we thought the programs would run out of funding before the end of the year, however, the Agency has administratively reduced 7(a) loan eligibility by capping the maximum amount of a loan which the Agency will guarantee by less than one-half of the statutory amount and, more recently, by prohibiting the use of loan proceeds to repay existing indebtedness. These actions have reduced demand substantially.

This bill would stretch the reduced amount of funding for the 7(a) program beginning in fiscal year 1996 by reducing the cost of delivering the financial assistance. This would be done by reducing the percentage of loss which the SBA would agree to pay in the event of default on a 7(a) loan, and also by charging more fees to the borrower and to the lender.

I do not favor either of these changes. I believe that these changes will result in some small firms being unable to obtain financing. I also believe that the added cost of debt service on new borrowers may cause some of them to default and lose their businesses and their savings.

But, under the budget levels Congress has adopted, we do not have any choice.

The bill also slightly stretches funding for the 504 or development company loan program by slightly increasing the fees. These increases are minimal, however, and most importantly will make the program self supporting.

We cannot assert this about the changes being proposed for 7(a) loans. We have a very difficult decision to make. Either we can increase fees and decrease Federal reimbursements, or we can continue the current program and only be able to approve some 30 percent of the loan applications we receive.

Thus, with reluctance, I support this bill, including its provisions which substantially increase fees under the 7(a) program, while at the same time reducing the Government guarantee.

I must point out, however, one change which I believe is a serious mistake. The bill reduces the maximum Government guarantee to between 75 and 80 percent, depending upon the size of the loan. I accept the necessity to do this except as to working capital loans for export purposes. I believe these loans need a 90 percent guarantee, and we could provide it at minimal cost.

SBA has historically offered loan programs to finance exports, but the programs have been little used. Several years ago, SBA and the Export-Import Bank decided to rework their loan programs to make them more useful.

They did so and only last year Congress approved this agreement and statutorily authorized SBA to issue guarantees for 90 percent of the loan amount, whereas other loans would be made at slightly lower rates. I would note that there was no dissent to this proposal. In fact, the Members applauded it as it would encourage exports.

As a result, beginning with the start of this fiscal year, SBA began guaranteeing up to $750,000 at 90 percent and Eximbank began providing 90 percent guarantees on larger amounts.

The results have been promising. Even though the year is not over, SBA has already approved 132 export working capital loans worth $44.3 million, an amount double last year's level.

I believe that it is a bad mistake to remove the Federal incentive, that is, the existing higher guarantee rate, for companies needing to finance export contracts.

Last week the Small Business Committee held a hearing on this precise question. The witnesses were unanimous in stressing the benefits and advisability of continuing these export loans at the 90 percent rate.

But the bill takes the opposite approach and provides no exception for export loans. I believe this is a serious mistake and we will come to realize this when program usage seriously declines, along with a concomitant decline in exporting by small business.

Nonetheless, I support this bill as being the best we can do under the circumstances. I hope that we will soon recognize that we can and must do more to support small business, and that this anticipated recognition will result in a change in our legislative priorities.

□ 1300

Mrs. MEYERS of Kansas. Mr. Speaker, I yield myself 1 minute.

Mr. Speaker, I would just like to say in response to the gentleman from New York [Mr. LAFALCE] that I have appreciated very much the cooperation of the minority on this bill, and particularly of the gentleman from New York [Mr. LAFALCE] and the gentleman from Illinois [Mr. POSHARD].

Mr. Speaker, I philosophically do not think the Government should guarantee small business loans as high as 90 percent, but I did not want to make that determination in committee. We did have a hearing on this, with two of our subcommittees meeting together, and there was not a consensus in there that we should depart from the 80 percent and 75 percent that we have in the bill. So I am very, very pleased. I am sorry about the concern the gentleman expressed, but I am very pleased for his support for the bill.

GENERAL LEAVE

Mrs. MEYERS of Kansas. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks on H.R. 2150, as amended.

The SPEAKER pro tempore. Is there objection to the request of the gentlewoman from Kansas?

There was no objection.

Mr. POSHARD. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

Mrs. MEYERS of Kansas. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

The SPEAKER pro tempore (Mr. SHAYS). The question is on the motion offered by the gentlewoman from Kansas [Mrs. MEYERS] that the House suspend the rules and pass the bill, H.R. 2150, as amended.

The question was taken.

Mr. POSHARD. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Pursuant to clause 5, rule I, and the Chair's prior announcement, further proceedings on this motion will be postponed.

The point of no quorum is considered withdrawn.

PROVIDING FOR CONSIDERATION OF H.R. 1594, RESTRICTIONS ON PROMOTION BY GOVERNMENT OF USE OF EMPLOYEE BENEFIT PLANS OF ECONOMICALLY TARGETED INVESTMENTS

Mr. LINDER. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 215 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 215

Resolved, That at any time after the adoption of this resolution the Speaker may, pursuant to clause 1(b) of rule XXIII, declare the House resolved into the Committee of the Whole House on the State of the Union for consideration of the bill (H.R. 1594) to place restrictions on the promotion by the Department of Labor and other Federal agencies and instrumentalities of economically targeted investments in connection with employee benefit plans. The first reading of the bill shall be dispensed with. General debate shall be confined to the bill and shall not exceed two hours equally divided and controlled by the chairman and ranking minority member of the Committee on Economic and Educational Opportunities. After general debate the bill shall be considered for amendment under the five-minute rule. It shall be in order to consider as an original bill for the purpose of amendment under the five-minute rule the amendment in the nature of a substitute recommended by the Committee on Economic and Educational Opportunities now printed in the bill. Each section of the committee amendment in the nature of a substitute shall be considered as read. At the conclusion of consideration of the bill for amendment the Committee shall rise and report the bill to the House with such amendments as may have been adopted. Any Member may demand a separate vote in the House on any amendment adopted in the Committee of the Whole to the bill or to the committee amendment in the nature of a substitute. The previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit with or without instructions.

The SPEAKER pro tempore. The gentleman from Georgia [Mr. LINDER] is recognized for 1 hour.

Mr. LINDER. Mr. Speaker, for the purpose of debate only, I yield the customary 30 minutes to the gentleman from Ohio [Mr. HALL], pending which I yield myself such time as I may consume. During consideration of this resolution, all time yielded is for the purpose of debate only.

Mr. Speaker, House Resolution 215 is a completely open rule providing for the consideration of H.R. 1594, the Pension Protection Act. This rule provides for 2 hours of general debate divided equally between the chairman and ranking minority member of the Committee on Economic and Educational Opportunities, after which any Member will have the opportunity to offer an amendment to the bill under the 5-minute rule. It shall be in order to consider as an original bill for amendment under the 5-minute rule the amendment in the nature of a substitute recommended by the Committee on Economic and Educational Opportunities, and each section shall be considered as read. The rule also provides one motion to recommit, with or without instructions, as is the right of the minority.

I am pleased this bill will be considered under an open rule, and I believe that 2 hours of general debate and an open amending process will assure that the legislation in question undergoes thorough deliberation in the House. The rule makes every effort to engender open debate and assures all Members the opportunity to modify this legislation on the House floor.

House Resolution 215 allows for the consideration of H.R. 1594, legislation that will prohibit Federal agencies from encouraging private pension plans to invest in economically targeted investments. This bill also benefits the American taxpayers by saving over $½ million by appropriately abolishing the clearinghouse hired by the Labor Department to encourage investments in ETI ventures.

While ERISA requirements state that a fiduciary must manage funds solely for the benefit of the plan's participants, Interpretive Bulletin 94-1 sanctions the administration's gambling of trillions of dollars in pension assets in exchange for incidental social welfare benefits. The promotion of these political investments is truly government irresponsibility at its worst.

As a cosponsor of this legislation, I have long believed that the ETI plan is among the worst ideas to come out of the Clinton administration. Studies done on targeted social investments demonstrate that they are extremely risky and yield much lower returns than conventional pension investments. We guarded seniors from socialized health care last year; we will work to save Medicare in the coming months; and I look forward today to safeguarding their pensions with the passage of H.R. 1594.

Mr. Speaker, this legislation will assure that the pensions of millions of Americans will be managed solely for the exclusive purpose of providing benefits to pension participants. H.R. 1594 was favorably reported out of the Committee on Economic and Educational Opportunities, as was the open rule by the Rules Committee. I urge my colleagues to support this open rule, so that we may proceed with consideration of this important legislation.

Mr. Speaker, for the RECORD I include the following material:

THE AMENDMENT PROCESS UNDER SPECIAL RULES REPORTED BY THE RULES COMMITTEE,[1] 103D CONGRESS V. 104TH CONGRESS

[As of September 8, 1995]

Rule type	103d Congress		104th Congress	
	Number of rules	Percent of total	Number of rules	Percent of total
Open/Modified-open[2]	46	44	43	73
Modified Closed[3]	49	47	14	24
Closed[4]	9	9	2	3
Totals:	104	100	59	100

[1] This table applies only to rules which provide for the original consideration of bills, joint resolutions or budget resolutions and which provide for an amendment process. It does not apply to special rules which only waive points of order against appropriations bills which are already privileged and are considered under an open amendment process under House rules.

[2] An open rule is one under which any Member may offer a germane amendment under the five-minute rule. A modified open rule is one under which any Member may offer a germane amendment under the five-minute rule subject only to an overall time limit on the amendment process and/or a requirement that the amendment be preprinted in the Congressional Record.

[3] A modified closed rule is one under which the Rules Committee limits the amendments that may be offered only to those amendments designated in the special rule or the Rules Committee report to accompany it, or which preclude amendments to a particular portion of a bill, even though the rest of the bill may be completely open to amendment.

[4] A closed rule is one under which no amendments may be offered (other than amendments recommended by the committee in reporting the bill).

SPECIAL RULES REPORTED BY THE RULES COMMITTEE, 104TH CONGRESS

[As of September 8, 1995]

H. Res. No. (Date rept.)	Rule type	Bill No.	Subject	Disposition of rule
H. Res. 38 (1/18/95)	0	H.R. 5	Unfunded Mandate Reform	A: 350–71 (1/19/95).
H. Res. 44 (1/24/95)	MC	H. Con. Res. 17	Social Security	A: 255–172 (1/25/95).
		H.J. Res. 1	Balanced Budget Amdt	
H. Res. 51 (1/31/95)	0	H.R. 101	Land Transfer, Taos Pueblo Indians	A: voice vote (2/1/95).
H. Res. 52 (1/31/95)	0	H.R. 400	Land Exchange, Arctic Nat'l. Park and Preserve	A: voice vote (2/1/95).
H. Res. 53 (1/31/95)	0	H.R. 440	Land Conveyance, Butte County, Calif	A: voice vote (2/1/95).
H. Res. 55 (2/1/95)	0	H.R. 2	Line Item Veto	A: voice vote (2/2/95).
H. Res. 60 (2/6/95)	0	H.R. 665	Victim Restitution	A: voice vote (2/7/95).
H. Res. 61 (2/6/95)	0	H.R. 666	Exclusionary Rule Reform	A: voice vote (2/7/95).
H. Res. 63 (2/8/95)	MO	H.R. 667	Violent Criminal Incarceration	A: voice vote (2/9/95).
H. Res. 69 (2/9/95)	0	H.R. 668	Criminal Alien Deportation	A: voice vote (2/10/95).
H. Res. 79 (2/10/95)	MO	H.R. 728	Law Enforcement Block Grants	A: voice vote (2/13/95).
H. Res. 83 (2/13/95)	MO	H.R. 7	National Security Revitalization	PQ: 229–100; A: 227–127 (2/15/95).
H. Res. 88 (2/16/95)	MC	H.R. 831	Health Insurance Deductibility	PQ: 230–191; A: 229–188 (2/21/95).
H. Res. 91 (2/21/95)	0	H.R. 830	Paperwork Reduction Act	A: voice vote (2/22/95).
H. Res. 92 (2/21/95)	MC	H.R. 889	Defense Supplemental	A: 282–144 (2/22/95).
H. Res. 93 (2/22/95)	MO	H.R. 450	Regulatory Transition Act	A: 252–175 (2/23/95).
H. Res. 96 (2/24/95)	MO	H.R. 1022	Risk Assessment	A: 253–165 (2/27/95).
H. Res. 100 (2/27/95)	0	H.R. 926	Regulatory Reform and Relief Act	A: voice vote (2/28/95).
H. Res. 101 (2/28/95)	MO	H.R. 925	Private Property Protection Act	A: 271–151 (3/2/95)
H. Res. 103 (3/3/95)	MO	H.R. 1058	Securities Litigation Reform	
H. Res. 104 (3/3/95)	MO	H.R. 988	Attorney Accountability Act	A: voice vote (3/6/95)
H. Res. 105 (3/6/95)	MO			A: 257–155 (3/7/95)
H. Res. 108 (3/7/95)	Debate	H.R. 956	Product Liability Reform	A: voice vote (3/8/95)
H. Res. 109 (3/8/95)	MC			PQ: 234–191 A: 247–181 (3/9/95)
H. Res. 115 (3/14/95)	MO	H.R. 1159	Making Emergency Supp. Approps.	A: 242–190 (3/15/95)
H. Res. 116 (3/15/95)	MC	H.J. Res. 73	Term Limits Const. Amdt	A: voice vote (3/28/95)
H. Res. 117 (3/16/95)	Debate	H.R. 4	Personal Responsibility Act of 1995	A: voice vote (3/21/95)
H. Res. 119 (3/21/95)	MC			A: 217–211 (3/22/95)
H. Res. 125 (4/3/95)	0	H.R. 1271	Family Privacy Protection Act	A: 423–1 (4/4/95)
H. Res. 126 (4/3/95)	0	H.R. 660	Older Persons Housing Act	A: voice vote (4/6/95)
H. Res. 128 (4/4/95)	MC	H.R. 1215	Contract With America Tax Relief Act of 1995	A: 228–204 (4/5/95)
H. Res. 130 (4/5/95)	MC	H.R. 483	Medicare Select Expansion	A: 253–172 (4/6/95)
H. Res. 136 (5/1/95)	0	H.R. 655	Hydrogen Future Act of 1995	A: voice vote (5/2/95)
H. Res. 139 (5/3/95)	0	H.R. 1361	Coast Guard Auth. FY 1996	A: voice vote (5/9/95)
H. Res. 140 (5/9/95)	0	H.R. 961	Clean Water Amendments	A: 414–4 (5/10/95)
H. Res. 144 (5/11/95)	0	H.R. 535	Fish Hatchery—Arkansas	A: voice vote (5/15/95)
H. Res. 145 (5/11/95)	0	H.R. 584	Fish Hatchery—Iowa	A: voice vote (5/15/95)
H. Res. 146 (5/11/95)	0	H.R. 614	Fish Hatchery—Minnesota	A: voice vote (5/15/95)
H. Res. 149 (5/16/95)	MC	H. Con. Res. 67	Budget Resolution FY 1996	PQ: 252–170 A: 255–168 (5/17/95)
H. Res. 155 (5/22/95)	MO	H.R. 1561	American Overseas Interests Act	A: 233–176 (5/23/95)
H. Res. 164 (6/8/95)	MC	H.R. 1530	Nat. Defense Auth. FY 1996	PQ: 225–191 A: 233–183 (6/13/95)
H. Res. 167 (6/15/95)	0	H.R. 1817	MilCon Appropriations FY 1996	PQ: 223–180 A: 245–155 (6/16/95)
H. Res. 169 (6/19/95)	MC	H.R. 1854	Leg. Branch Approps. FY 1996	PQ: 232–196 A: 236–191 (6/20/95)
H. Res. 170 (6/20/95)	0	H.R. 1868	For. Ops. Approps. FY 1996	PQ: 221–178 A: 217–175 (6/22/95)
H. Res. 171 (6/22/95)	0	H.R. 1905	Energy & Water Approps. FY 1996	A: voice vote (7/12/95)
H. Res. 173 (6/27/95)	C	H.J. Res. 79	Flag Constitutional Amendment	PQ: 258–170 A: 271–152 (6/28/95)
H. Res. 176 (6/28/95)	MC	H.R. 1944	Emer. Supp. Approps.	PQ: 236–194 A: 234–192 (6/29/95)
H. Res. 185 (7/11/95)	0	H.R. 1977	Interior Approps. FY 1996	PQ: 235–193 D: 192–238 (7/12/95)
H. Res. 187 (7/12/95)	0	H.R. 1977	Interior Approps. FY 1996 #2	PQ: 230–194 A: 229–195 (7/13/95)
H. Res. 188 (7/12/95)	0	H.R. 1976	Agriculture Approps. FY 1996	PQ: 242–185 A: voice vote (7/18/95)
H. Res. 190 (7/17/95)	0	H.R. 2020	Treasury/Postal Approps. FY 1996	PQ: 232–192 A: voice vote (7/18/95)
H. Res. 193 (7/19/95)	C	H.J. Res. 96	Disapproval of MFN to China	A: voice vote (7/20/95)
H. Res. 194 (7/19/95)	0	H.R. 2002	Transportation Approps. FY 1996	PQ: 217–202 (7/21/95)
H. Res. 197 (7/21/95)	0	H.R. 70	Exports of Alaskan Crude Oil	A: voice vote (7/24/95)
H. Res. 198 (7/21/95)	0	H.R. 2076	Commerce, State Approps. FY 1996	A: voice vote (7/25/95)
H. Res. 201 (7/25/95)	0	H.R. 2099	VA/HUD Approps. FY 1996	A: 230–189 (7/25/95)
H. Res. 204 (7/28/95)	MC	S. 21	Terminating U.S. Arms Embargo on Bosnia	A: voice vote (8/1/95)
H. Res. 205 (7/28/95)	0	H.R. 2126	Defense Approps. FY 1996	A: 409–1 (7/31/95)
H. Res. 207 (8/1/95)	MC	H.R. 1555	Communications Act of 1995	A: 225–156 (8/2/95)
H. Res. 208 (8/1/95)	0	H.R. 2127	Labor, HHS Approps. FY 1996	A: 323–104 (8/2/95)
H. Res. 215 (9/7/95)	0	H.R. 1594	Economically Targeted Investments	
H. Res. 216 (9/7/95)	MO	H.R. 1655	Intelligence Authorization FY 1996	

Codes: O-open rule; MO-modified open rule; MC-modified closed rule; C-closed rule; A-adoption vote; D-defeated; PQ-previous question vote. Source: Notices of Action Taken, Committee on Rules, 104th Congress.

Mr. LINDER. Mr. Speaker, I reserve the balance of my time.

Mr. HALL of Ohio. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I would like to commend my colleague from Georgia, Mr. LINDER, as well as my colleagues on the other side of the aisle for bringing this resolution to the floor.

House Resolution 215 is an open rule which will allow full and fair debate on H.R. 1594, a resolution placing restrictions on economically targeted investments in connection with employee benefit plans.

As my colleague from Georgia has ably described, this rule provides 2 hours of general debate, equally divided and controlled by the chairman and ranking minority member of the Committee on Economic and Educational Opportunities.

Under this rule, germane amendments will be allowed under the 5-minute rule, the normal amending process in the House. All Members, on both sides of the aisle, will have the opportunity to offer amendments. I am pleased that the Rules Committee was able to report this rule without opposition in a voice vote and I plan to support it.

Though I support the rule, I want to express opposition to the bill.

This bill is a solution to a problem which does not exist.

This bill overturns the Labor Department's Interpretive Bulletin 94–1, which restates laws and policies regarding economically targeted investments for private pension plans. These kinds of investments might result in creating jobs, increasing housing, or encouraging small businesses.

The policies contained in this bulletin were developed under the previous Republican administrations and were continued by the current Democratic administration.

This bulletin does not in any way affect existing legal requirements for placing priority on an investment's risk and rate of return. It does, however, say, that given comparable investments, pension managers can consider other benefits. I think that is common sense.

In testimony on this bill before the Economic and Educational Opportunities Committee in June, a witness representing the pension community stated this legislation is not necessary.

This legislation could make pension managers overly cautious about investments that produce collateral benefits. If this happens, we will undoubtedly see fewer pension investments creating American jobs. Some fear this could make worse the dangerous trend of pension funds being invested overseas instead of creating benefits here in the United States.

A number of Democratic amendments were offered in committee to improve this bill but they were defeated.

Mr. Speaker, I urge adoption of this open rule which will permit full debate on this bill and allow Members to make additional attempts to amend it.

Mr. Speaker, I yield 3 minutes to the gentleman from California [Mr. MARTINEZ].

Mr. MARTINEZ. Mr. Speaker, I rise in support of this open rule, although I will argue against the bill. I certainly appreciate that fact that this rule allows for a more extensive debate of the issues which have been brought out as this bill has progress through this House over the past several months. I believe the debate is important to those who feel that there is an inherent danger in economically targeted investments, and will put forth arguments to prove that with information that I believe is skewed. Their arguments seem to be based on assumptions that are questionable at best. Mr. SAXTON declared that investments in ETI's would cost each American pensioner $43,298 over 30 years.

Well, I have had those numbers analyzed and found that they are based on economic assumptions that would mean that every pensioner in the country would amass $2,075,000 in their pension plan under such an assumption, that a loss of $43,298 would represent a loss of 2 percent over that time, or less than the amount those same pensioners will be charged for their Medicare premiums under some of the current Republican proposals being floated.

Of course, I also learned that the rate of return on regular, approved investments would have to be 12 percent over the same 30 years—which is the rosiest forecast I have ever seen from an economist. One of the economists cited in the JEC report has written to Mr. SAXTON and stated, and I quote:

> I applaud your focusing of attention on U.S. pension plan management—we simply cannot afford to do otherwise, as a Nation of rapidly aging Americans. But I disagree with your proposal to prohibit the U.S. Labor Department pension experts from thinking about or discussing so-called economically targeted investments.

Mr. Speaker, I enter into the RECORD the letter from economist Olivia S. Mitchell, of the Wharton School of the University of Pennsylvania, as well as a response to the JEC report.

THE WARTON SCHOOL OF THE
UNIVERSITY OF PENNSYLVANIA,
Philadelphia, PA, September 11, 1995.

Congressman JIM SAXTON,
House of Representatives, Washington, DC.

DEAR CONGRESSMAN SAXTON: I am the author of one of the three studies cited in a Joint Economic Committee discussion regarding your bill before the U.S. House tomorrow, in which you propose to curtail discussion and analysis of so-called "economically targeted investments" by the U.S. Department of Labor.

I applaud your focusing of attention on U.S. pension plan management—we simply cannot afford to do otherwise, as a nation of rapidly aging Americans. But I disagree with your proposal to prohibit the U.S. Labor Department pension experts from thinking about or discussing so-called economically targeted investments.

If two investment options are equivalent in terms of risk and return, and a manager must select one, a variety of other assessments will necessarily enter the decision. As researchers and policymakers, we need more analysis of how these other factors influence decision-making, and what their downstream implications are. In order to remain competitive domestically and internationally, we simply cannot prohibit discussion of, and research on, a vitally important question in the pension arena.

Thank you for your kind consideration.

Sincerely yours,

OLIVIA S. MITCHELL.

RESPONSE TO THE "SUBSTANTIVE REPORT" OF THE JEC ON ECONOMICALLY TARGETED INVESTMENTS

("Through the Looking Glass with Representative Saxton")

In an irresponsible attempt to unnecessarily frighten current and future pensioners, the "economists" at the Joint Economic Committee have concocted an incredible scenario about the potential impact of pension fund investment in Economically Targeted Investments (ETIs). The JBC report concludes that a hypothetical, across the board, investment by pension funds of 5% of their assets in ETIs, would sacrifice nearly $45,000 per participant over 30 years, and would leave the pension system $2.3 trillion underfunded. The assumptions underlying these conclusions are severely flawed.

If pension funds did what the JEC assumes, that is, year after year select investments that did not produce competitive, market rates of return, they would be violating the fiduciary requirements of ERISA, as delineated in the Interpretive Bulletin on ETIs that is at issue.

Even if one assumes that pension funds ignored the Interpretive Bulletin and the law and did as Representative Saxton suggests, the JEC report demonstrates how radically inflated the numbers have to get to show any "harm." According to Representative Saxton's arithmetic, the total asset pool of pension funds in 30 years will be $107.7 trillion. Approximately 50 million participants holding assets of $107.7 trillion works out to approximately $2,075,000 per participant for retirement. And the 2% shortfall he predicts for funds invested in ETIs will result in the average pensioner having to scrape by on a mere $2,031,000.

The analysis assumes that pension funds will, on average, earn 12.1% on their investments over the next thirty years and that ETI investments will, on a risk adjusted basis, underperform these by about 2%, or earn about 10%. There are many problems with these assumptions:

A 12% return annually for 30 years on all of the assets of pension funds is not only beyond the wildest fantasies of any investment manager, but any investment manager claiming such returns, or even the 10% suggested for ETIs, over 30 years, would be laughed out of the business. Assuming such returns for funding purposes, in fact, would be in violation of the recently passed Retirement Protection Act of 1993.

It is possible that we could see sustained yields of up to 12% in the capital markets for thirty years. However, at the real rates of investment returns of the last thirty years, this implies about 8% inflation over the same period. If this occurs, a few dollars in ETIs will be the least of pensioners worries. Perhaps Mr. Saxton knows something we don't about the consequences of the Republican Party's economic policies.

In the absence of such inflation, if pension funds' assets were to grow by 12% annually over 30 years, they would own virtually all financial assets in the economy. This may come as a surprise to investors like Warren Buffett.

The assumed 200 basis point underperformances of funds invested in ETIs (a 10% return as versus a 12% return on investments) is based on studies that are either misapplied or have severve flaws, such as inadequate controls and time frames, marginal results, and obsolete or limited data.

Mr. HALL of Ohio. Mr. Speaker, I yield back the balance of my time.

Mr. LINDER. Mr. Speaker, I yield back the balance of my time, and I move the previous question on the resolution.

The previous question was ordered.

The resolution was agreed to.

A motion to reconsider was laid on the table.

□ 1315

POSTPONING VOTES ON AMENDMENTS DURING CONSIDERATION OF H.R. 1594, RESTRICTIONS ON PROMOTION BY GOVERNMENT OF USE OF EMPLOYEE BENEFIT PLANS OF ECONOMICALLY TARGETED INVESTMENTS

Mr. FAWELL. Mr. Speaker, I ask unanimous consent that during consideration of H.R. 1594 pursuant to House Resolution 215 the Chairman of the Committee of the Whole may postpone until a time during further consideration in the Committee of the Whole a request for a recorded vote on any amendment, and that the Chairman of the Committee of the Whole may reduce to not less than 5 minutes the time for voting by electronic device on any postponed question that immediately follows another vote by electronic device without intervening business, provided that the time for voting by electronic device on the first in any series of questions shall be not less than 15 minutes.

The SPEAKER pro tempore (Mr. SHAYS). Is there any objection to the request of the gentleman from Illinois [Mr. FAWELL]?

There was no objection.

RESTRICTIONS ON PROMOTION BY GOVERNMENT OF USE OF EMPLOYEE BENEFIT PLANS OF ECONOMICALLY TARGETED INVESTMENTS

The SPEAKER pro tempore. Pursuant to House Resolution 215 and rule XXIII, the Chair declares the House in the Committee of the Whole on the State of the Union for the consideration of the bill, H.R. 1594.

□ 1316

IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 1594) to place restrictions on the promotion by the Department of Labor and other Federal agencies and instrumentalities of economically targeted investments in connection with employee benefit plans, with Mr. EMERSON in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. Pursuant to the rule, the bill is considered as having been read the first time.

Under the rule, the gentleman from Illinois [Mr. FAWELL] and the gentleman from California [Mr. MARTINEZ] will each be recognized for 1 hour.

The Chair recognizes the gentleman from Illinois [Mr. FAWELL].

Mr. FAWELL. Mr. Chairman, I yield 5 minutes to the gentleman from Pennsylvania [Mr. GOODLING], chairman of the Committee on Economic and Educational Opportunities.

Mr. GOODLING. Mr. Chairman, I thank the subcommittee chairman for yielding time to me. The gentleman from Illinois [Mr. FAWELL] probably has forgotten more about ERISA than the rest of us in the Chamber know collectively about it.

Mr. Chairman, as we open the debate on H.R. 1594, which was ordered reported in a bipartisan vote by the Committee on Economic and Educational Opportunities on July 20, let me make very clear what is at stake and what the bill does and does not do.

At stake is whether the Department of Labor will continue to act as the Nation's pension watchdog, to ensure the safety of the $3.5 trillion backing the pensions and employee benefits of America's workers and private pensioners. Or, will the Department's role as guardian of those pension assets be undermined by this administration's actions to promote particular investments—investments that may be both risky and tainted by conflict of interest.

Economically targeted investments, or ETI's, is the euphemism used to describe these investments in Interpretative Bulletin 91–1 issued by the Department last June. The interpretive bulletin is but one element of the administration's many-pronged approach to promote particular investments within this ETI classification.

This bill is an attempt to protect workers and their pensions from the overzealous and misguided promotion of ETI's. First, the bill renders the interpretive bulletin null and void and declares that the landmark Federal pension law known as ERISA is to be interpreted and enforced without regard to it. The Secretary of Labor is also prohibited from issuing any other rule, regulation, or interpretive bulletin which promotes or otherwise encourages ETI's as a specified class of investments.

Second, the Department of Labor is directed to terminate the $1.2 million taxpayer financed clearinghouse through which the Department intends to promote particular ETI's. Further, the bill prohibits any agency from abusing the powers by establishing a future clearinghouse or database which lists particular ETI's.

Third, the bill states that it is the sense of the Congress that it is inappropriate for the Department of Labor, as the principal enforcer of ERISA's fiduciary standards, to take any action to promote or otherwise encourage economically targeted investments.

The bill takes us back to where we stood before the Clinton administration issued the bulletin and maintains the fiduciary standards under ERISA which have stood the test of time over the 21 years since its enactment, and which are not in need of repair.

By issuing the bulletin, the Department calls into question the framework within which employee benefit plan fiduciaries make their investment decisions. While the interpretive bulletin includes the gratuitous statement that "the fiduciary standards applicable to ETI's are no different than the standards applicable to plan investments generally", the real purpose of the bulletin is the promotion of investments that "may require a longer time to generate significant investment returns, may be less liquid and may not have as much readily available information on their risks and returns as other asset categories."

Could a better definition of a relatively risk investment be constructed? It is precisely this more risky type of investment that the Department cloaks in its broader and ambiguous definition of an ETI. In fact, it is unclear exactly what an ETI is under the Department's own interpretation. For example, in response to committee questions, the Assistant Secretary for Pension and Welfare Benefits stated that "the bulletin defines ETI's in terms of the process by which an investment is chosen * * * [even though] there is no specific process * * * necessary to trigger the 'selection criteria'." In addition, the Assistant Secretary stated that "ETIs are defined in terms of the reasons for which they are chosen," even though fiduciaries "may not articulate that collateral benefits were a reason for selecting" such investments. These contradictory and confusing statements are reason enough for rendering the interpretive bulletin null and void.

The bulletin's definition that ETIs are "investments selected for the economic benefits they create * * *" raises another question as to the intended scope of this new rule. Arguably, every investment can be asserted to create an economic benefit, since that is the very nature of investment capital. Indeed, if ETI's do not include all investments then which ones?

Clearly, they include the less liquid and more risky ones mentioned in the bulletin. Incredibly, it is these more risky investments that the Department now considers worthy of special promotion.

Furthermore, the public expression by Department officials that certain ETI's need to be encouraged seems to be based on the premise, disputed by the Congressional Budget Office, that the market does not work. Apparently, the administration believes pension managers are not investing an optimal amount of pensioners' money in ETI's. Those who are retired and those who will retire. But what is optimal, or enough? The various actions taken by the administration in this area has created confusion within the investment community and the general public. The Department has even had to deny that the Clinton administration intends to mandate that private pensions invest a certain percentage of their assets in ETI's. The millions of pension investors and private pensioners deserve better from the Nation's pension watchdog. By voiding the interpretive bulletin, the bill removes a serious element of confusion and reinforces the preeminence of the time-tested fiduciary standards under ERISA.

If the interpretive bulletin is a somewhat subtle means to promote ETI's, the Department of Labor's creation of a so-called ETI clearinghouse is much more direct. The Department, as Secretary of Labor Robert Reich has testified, fully intends to showcase ETI's for both public and private plan investment purposes. Here the Department has clearly deviated from its role as the chief enforcers of ERISA's prudence, exclusive benefit, and other fiduciary standards to become the chief promoter and apologist for social investments selected by a securities firm handpicked by the Department's chief ERISA enforcement officer. What are pensioners and the public supposed to conclude about such conduct by the administration?

Would it not be safe to assume that the Department would run into at least the appearance of conflict by instigating and funding a clearinghouse listing specific ETI transactions? Is it not also foreseeable that a plan which invested in an ETI listed by the clearinghouse might raise as a defense the argument that the Department had endorsed the investment notwithstanding any disclaimer to the contrary by the clearinghouse? Finally, might not the clearinghouse operators be influenced to list particular investments based on the fees paid by a participating financial intermediary? Of course, the answer in each case is "yes". The most troubling aspect, however, is that Department officials were aware of these red flags, which were raised by the ERISA Advisory Council before the beginning of the promotion campaign, yet they ignored them in their desire to showcase and promote ETI's.

Will the ETI's listed by the clearinghouse be prudent and appropriate investments for particular plans? The Department has responded to our committee that the clearinghouse is not intended to function as a guarantor of the fiduciary suitability of an investment, even though it is the responsibility of the clearinghouse to develop criteria and methods for evaluating particular investments. We have asked the administration for their criteria, but both the Congress and pension investors remain in the dark. What is the criteria and what special interests will benefit?

Understandably the investing public remains confused. As a result, departmental officials have already been forced to take steps to inform the public that investments listed by the clearinghouse will not have prior approval by the Department.

The bill before us is the perfect antidote to this source of public confusion and scandal in-the-making. The bill terminates the clearinghouse and prevents this or any future administration from resurrecting any similarly imprudent device. According to CBO, the taxpayer also comes out ahead by over one-half of a million dollars.

Clearly, the Department's actions involving ETI's are not a model for reinventing government. Taxpayer funds can be better spent on protecting pensioners' assets by enforcing ERISA, rather than on ETI speechmaking, promotion tours, and clearinghouses.

When the time comes, I urge my colleagues to vote for the passage of the bill unamended. By voting "yes", you will be saying that the ERISA fiduciary standards which have served to well protect our Nation's pensioners for over 20 years should continue without the interference of misguided interpretive bulletins, clearinghouses, and other promotions of ETI's.

On the other hand, if you vote "no", let it be understood that in the name of "Big Government Knows Best" you will allow the Clinton administration and future administrations to transform the "Nation's Pension Watchdog" into a lapdog and huckster for special interests and the latest politically targeted investment. In this case, pensioners will suffer, the capital markets will be undermined, and the entire voluntary private pension system will be put at risk.

I urge you to vote "yes" on the passage of H.R. 1594 to ensure the continuance of a sound private pension system which is free from political interference.

I would ask Members to vote for this legislation unamended.

Mr. MARTINEZ. Mr. Chairman, I yield 5 minutes to the gentleman from Missouri [Mr. CLAY], the ranking member of the Committee on Economic and Educational Opportunities.

Mr. CLAY. Mr. Chairman, I thank the gentleman for yielding time to me.

Mr. Chairman, I rise in opposition to this so-called Pension Protection Act. It has nothing to do with retirement protection, but rather attempts to address a nonexistent problem.

If this bill were a movie, the committee substitute, the original Saxton bill, and the hysteria generated by the Republican leadership about economically targeted investments, would be a comedy, featuring dumb, dumber, and dumb-agoguery—cousins of the famous three stooges.

This whole effort to eliminate ETI's is driven by pure, unadulterated demagoguery. It is a solution in search of a problem. More than that, if a problem did exist, it would be the worst possible solution. This bill would create enormous and completely unnecessary havoc in Federal pension policy.

By now you may have read the "Dear Colleague" circulated by my committee colleagues, Representatives BILL GOODLING and HARRIS FAWELL. It reminded me of what communicating must have been like in the Tower of Babel. Many of their groundless, incoherent charges will be repeated here today.

I am sure you had no idea that the Nation's pensions were in such grave jeopardy!

Without offering any shred of evidence, they accuse the Clinton administration of all sorts of dishonest, deceitful behavior, including trying to use private pensions to fund "its liberal social agenda."

My colleagues throw around terms like "social investing" and "politically targeted investments" without ever saying that they are or offering a single example of either involving private pension plan investments.

Their Dear Colleague letter reflects a lack of knowledge of what ETI's are and what the Labor Department policy has been for 15 years.

In addition, the bill's sponsor presents a study showing, with breathtaking precision, that the administration's ETI policy will cost the typical pensioner $43,298—not $43,297 and not $43,299, but $43,298. Fantastic. And you would have thought that "the finest CPA's money can buy" would have gotten the figure to an even $44,000.

Mr. Chairman, clearly, there is more to this bill than Republican concerns about ETI's. Labor Department policy prohibits the wild-eyed, irresponsible so-called social investing that has our Republican colleagues hyperventilating. If they are really concerned about the safety of the Nation's pensions, why have they just voted to slash the budget of the Nation's pension watchdog, the Labor Department's Pension and Welfare Benefits Administration.

Mr. Chairman, all the Labor Department has ruled is to permit private pension funds to make investments that produce benefits to American communities as long as the interests of the pension beneficiaries come first and risk and return are not sacrificed.

The Labor Department's only sin was in interpreting the pension law consistent with past Republican administrations.

H.R. 1594 is dangerous public policy. The chilling effect created by this bill could effectively stop pension funds from considering the collateral benefits of investments.

This bill is a complete waste of the House's time.

It's dumb. Passage by this body would be dumber. Vote "No" on H.R. 1594.

Mr. FAWELL. Mr. Chairman, I yield myself 7 minutes.

Mr. Chairman, for the past 20 years, the Employment Retirement Income Security Act, known, as ERISA, has protected the financial security of America's retirees, and during that time the Department of Labor has served as a guardian of ERISA's private pension investment standards, and that is known as the prudent man rule. Now, however, the Department has, in my view, threatened to abdicate its role as the Nation's pension watchdog by promoting and, indeed, hyping a peculiar and particular class of investments called economically targeted investments, or ETI's.

ETI's are investments in an array of socially beneficial projects, such as low-income housing construction, for instance, rather than those selected exclusively to provide a financially sound return for pensioners, as required under the prudent man rule.

□ 1330

In June 1994, as has been indicated, the Department issued what was called an interpretive bulletin which just plain promotes pension plan investment in these ETI's. Under this new policy, and it is that in my view, advanced by this bulletin, private pension plans may seek out an investment specifically for the benefits it creates for persons other than the plan's participants and beneficiaries.

Current pension law, on the other hand, mandates that private pension plans should invest and manage their assets for the exclusive benefit of the participants, the pensioners and their beneficiaries.

Thus, the Department, by contrast, would emphasize and promote and hype social programs and projects instead of protecting the best interests of the pensioners, as we see it.

In addition, in September 1994, the Department awarded the contract to Hamilton Security Advisory Services to come up with a clearinghouse. This clearinghouse obviously, because it will collect information and also promote ETI's, will become and can become an instrument for promoting and pressuring plans to invest in certain investments that are promoted and, of course, favored by the department. No mandates here, but the message is pretty clear from the regulator.

Moreover, the list of approved investment that the clearinghouse will produce will include imprudent investments, since the department has imposed no requirement that a project be a prudent investment under the ERISA law before it is placed upon the list.

At the Employer-Employee Relations Subcommittee's June 15 hearing, David Ball, Assistant Secretary of Labor for Pension and Welfare Benefits Administration under President Bush, testified, and I quote:

> It has been the Department's longstanding position that nonfinancial factors or incidental benefits cannot be allowed to take precedence, and I want to emphasize that word, precedence over providing retirement income to participants and beneficiaries.

That is not to say that there are not incidental benefits, obviously, in any particular investment. "The department, however, has strayed from this position, and by means of the Interpretive Bulletin and the clearinghouse is putting," and these are Mr. Ball's words, "inappropriate pressure on investment managers and subjecting them to political and social demands to invest in economically targeted investments."

H.R. 1594, as amended and reported by the committee, basically says three things:

First, it is inappropriate for the department, as the principal enforcer of private pension investment standards, to promote and hawk and hype special classes of investments. That is not your business.

Second, the bulletin is made null and void, not other bulletins, not other regs, but that bulletin.

Third, the legislation specifically prohibits the department from operating a special clearinghouse for ETI's. Thus, this bill, the Saxton bill, simply states that private pension investment law under ERISA should return to what it was before the ill-advised bulletin of June 1994 and the clearinghouse were foisted upon the employee benefits community. It is based, I believe, upon the obvious, if there is an economically targeted investment and it can be just as sound an investment as other private pension investments, which the department contends, then special promoting of ETI's by the department is not necessary, since the market will obviously direct investment capital to the ETI's without governmental cheerleading if they meet the standards of ERISA. You do not have to go out there and hype it up.

> The department concedes in the bulletin that investments in ETI's require a longer time to generate significant investment returns, are less liquid, and require more expertise to evaluate. In short, ETI's are a more risky investment.

Others will speak to that.

Why, then, is the department straying so from its proper role as an investment watchdog and regulator and instead becoming a promoter? Because, like Willy Sutton, they know private pension funds are where the money is, and having the regulators promote ETI's is one way for politicians to get their hands on private pension funds to support social programs. But they overlook the fact that the $3.5 trillion of private pension funds in America is not the Government's money. It is retirement money of American's workers. It is marked in trust for their golden years. They are not tax funds, nor are we dealing with Social Security contributions of employers and employees, which, unfortunately, have long ago been hog-tied by Congress to be invested only in Government bonds.

It is not like Social Security, where we have to invest everything in Government bonds, which is lunacy. No, private pension funds are voluntarily contributed across America by employers and employees in various sums under many different pension plans out of a lifetime of hard-earned wages, and the last thing America's private pension funds need is social tinkering by the bureaucrats at the Department of Labor. Government should be told in no uncertain terms, "Keep your hands off private pensions," and that is precisely what the Saxton bill does.

Mr. MARTINEZ. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I rise in total opposition to this unnecessary bill—which is both an intrusion into the duty of the Department of Labor to provide guidance under the Employee Retirement Income Security Act and a blatant attempt to manage the investment policies of America's pension plans.

The level of paranoia evidenced by the flurry of "Dear Colleagues" and so-called economic updates issued by the bill's author is unprecedented. The Secretary of Labor sent out an interpretive bulletin because the Advisory Committee appointed by President Bush advised him to do so. Presidents Reagan and Bush supported economically targeted investments, both in public statements and in administrative actions that relaxed rules that were barriers to pension programs taking advantage of these investments.

Yet, the leadership has attacked this issue on the basis that agencies should not advocate.

Every agency should advocate for the policies set by the President and the Congress, and for what they believe to be in the best interests of the public.

Just as the Surgeon General should champion the ideas of safe sex and prevention of drug abuse, the Department of Labor is supposed to advocate for jobs and job creation. This is their responsibility and their duty.

Nobody objected when agency secretaries of Presidents Bush and Reagan advocated the interests of their agencies.

Maybe because those agency secretaries advocated for one segment of society, political insiders, that it was deemed appropriate.

But, now that President Clinton's appointees are advocating for the other segment of society, some of our friends on the other side of the aisle do not like it.

Whether good or bad, some in this House are seeking to derail any proposals advocated by the administration—even those that have been advocated by the Republicans who served during the 1980's. This is politics, pure and simple, and spiteful politics at that.

This does nothing to advance the interests of those we were elected to serve—rather it gets in the way of what is best for our people, and economically targeted investments can be if the prudent-made rule governs. And the bulletin makes that abundantly clear.

Economically targeted investments are good investments, if they are made in strict accord with the interpretive bulletin issued by Secretary Reich.

Because the investment manager must first find that the risk and return of the E.T.I. are at least equal to that of an alternative investment, the interests of the beneficiaries of the pension plan, are fully protected.

The prudent-man rule still governs—all that is addressed by this bulletin, is an acknowledgment of the law that the Labor Department has consistently held since the enactment of ERISA in 1974.

The investment manager can, if she or he so chooses, invest in a vehicle that will help the community—through better infrastructure, more housing, or more jobs.

What kinds of investments are we talking about?

Well, the definition of economically targeted investments, as found in this bill, "Is an investment that is selected for the economic benefit it creates, in addition to the investment return to the employee benefit plan investors." I want to reiterate that the economic benefit is in addition to the investment return to the employee benefit plan.

Clearly, the Labor Department is confirming something that is has always held—from the administration of Gerald Ford, when the ERISA law was signed, to the present day. There is a two-step process involved here.

First, the investment risk and return must be assessed.

Once it has been determined that the risk and probable return are equal to that probable for alternative investments, investment managers may consider the economic benefits of one investment as well as the other.

The proponents of this bill say that ETI's are inherently bad investments. If that is so, then they would not fulfill the primary requirement of the interpretive bulletin—that the risk return be at least equal to an alternative investment, and no investment manager would select an investment that clearly violated the prudent-man rule embodied in the law.

I believe, as my fried from Illinois has said, that we should let the market roar and stay out of the way of investment managers.

If they act prudently under the law, they will not choose bad investments. But, if their analysis is that two alternatives carry the same risk and would reap an equal return, then they should be the ones who determine whether or not to consider the collateral benefits offered by a particular strategy. That is not the province of the Congress.

But, under this bill, that is exactly what the proponents would have us do—interfere in the market and in the investment strategies of people who know what they are doing. Let me give you an example.

In California, a public pension plan has consistently earned its beneficiaries an investment return of 19 percent or more, and has been responsible for the creation of over 3,000 new housing units since 1992. A major international union has, for more than 30 years, operated a public-private partnership creating over 5,500 construction trades jobs and over 15,000 jobs in all industries, while financing the construction of 35,000 residential units and 3.2 million square feet of commercial real estate.

Over the next 5 years, it is expected that this pension trust, working with the Federal Government and local partners, will create an additional 12,000 housing units in 30 cities across the country.

In all of this activity, the rate of return to the beneficiaries has been at least equal to the general performance of the market.

A northeastern State's public retirement system, investing through a semi-public venture, has provided over $17.7 million in investment in 55 companies, creating over 5,000 jobs, receiving an average rate of return of 16 percent.

All of this while generating nearly $10 million in additional tax revenues for the State.

Now, I don't know about you, but these sound like good investments to me—the kind that we should be encouraging—yet, some of our friends in this Congress are proposing interference with this process, simply because they believe there will be some mad rush by pension investors to gamble pension funds; untrue. Prudence will still govern. That doesn't change with the bulletin.

This bill would counteract and interfere with the decisions of the knowledgeable and conservative—let me repeat—the knowledgeable and conservative—investment advisors who run these pension plans and who made the investment decisions that gave those excellent results that I just cited.

I have contended since its introduction that this legislation is a solution looking for a problem. I see no reason why anyone should support it, except as lemmings they would follow their leader.

Mr. Chairman, I reserve the balance of my time.

Mr. FAWELL. Mr. Chairman, I yield 6 minutes to the gentleman from New Jersey, Mr. JIM SAXTON, who has been a real tiger and who has seen the problems which are before us.

Mr. SAXTON. Mr. Chairman, let me first commend the gentleman for his tireless efforts in bringing this bill to the floor. It is certainly something worthy of debate today. Let me say at the outset that while I certainly acknowledge and respect the differences we have in terms of the differences with our Democrat friends on this issue, this debate is certainly one that is worthy of taking place, and certainly is not, as one of the previous speakers mentioned, a waste of time.

This debate is about workers' savings, workers' savings for their retirement years. It is about $3.5 trillion in savings that more than 36 million American workers put aside each day in the hope that it will be there, in the belief it will be there when they retire. That 36 million, I might remind the gentleman from the other side of the aisle, there are 80,000 of those 36 million in each of our districts, and they are counting on us to do the right thing. It is about factory workers, factory workers who sit in the lunchroom each day and talk about their plans for retirement and their retirement fund.

□ 1345

It is about a clerk in a department store who goes home and talks with his or her spouse in the evening about what they are going to do when they retire and about their retirement fund. It is about the parcel delivery person who works hard all day and hustles around town in that little brown truck, and goes home at night to think about what he or she is going to do with his or her retirement fund when the time comes.

And it is about the Clinton administration's plans to enter into an investment scheme which will severely erode the pension funds of these people. They are our friends and our constituents, and we have a duty here today to vote to protect their pension funds.

A waste of time? I do not think so. As a matter of fact, I think it would be a good use of time for Secretary Reich to write each of my 80,000 worker constituents a letter and say, "We have put into place policy that could cost your pension fund as much as, yes, $43,200-some-odd dollars," whatever the number is. I think that would be a good use of time for Secretary Reich to do that.

They call it, here in Washington, DC, ETI's. That is a fancy beltway term. It means the use of Americans' retirement savings to make some risky social investments, causing pension funds to fail or earn less. We do not claim they earn less. Your Secretary of the Treasury claims they earn less.

As a matter of fact, Alicia Munnell from the Department of the Treasury says that pension funds that invest in ETI's historically earned 2 percent less than pension funds that have not invested in these risky social investments. That means, according to our calculations, based on her assumptions and her figures, that over 10 years these pension funds would lose $90 billion and over 20 years $520 billion, and over 30 years $2.2 trillion in losses. Tell the factory worker, tell the clerk in the department store, tell the folks that hustle around delivering parcels that this is what it means to their pension funds.

On an individual basis, look what it means to the individual as we project into the out years. We see a real gap, a difference between what they would have earned on their returns if they had been invested correctly and what they will if they are invested under Secretary Reich's plan.

Yes, at the end of 30 years the worker who is now 35 years old and retires when he is 65 years old would have $43,000-plus less, a loss, in his pension fund or her pension fund because of this foolishness that is being carried out by the Clinton administration and the Secretary of the Treasury. Experience proves that the Clinton administration is on the wrong track, and I believe that we should stand together to look at some of those experiences as to why this is wrong.

For example, the Kansas Public Employees Retirement System, known as

KPERS, has lost over $390 million in that State due to social investing. KPERS lost $65 million in one investment alone, the Home Savings Association. When that company went bankrupt, due to political pressure KPERS went further and invested an additional $8 million in a local company, Christopher Steel. That company is now abandoned and the investment is a complete loss.

Similar disasters have been seen all over the country, including in States like Connecticut, Alaska, Missouri, and Minnesota, and others that we could go on and name. In Arkansas in 1985 President Clinton signed into law language which said this: "The State of Arkansas shall seek to invest not less than 5 percent nor more than 10 percent of their portfolio in socially related investments."

This was a target that was intended to mandate the investment of these funds, not to permit it. As I say to my friends on the other side of the aisle, ERISA clearly states that pension funds must be invested solely and exclusively for the exclusive purpose of providing benefits to the participants and the beneficiaries. It says nothing about social investments.

This is precisely why ERISA does not say fiduciaries must make decisions primarily. It does not say primarily in the interest or almost entirely to provide benefits for participants and beneficiaries. It says solely and exclusively. I am at a loss to know what parts of the words "solely and exclusively" the Clinton Labor Department does not understand.

Mr. MARTINEZ. Mr. Chairman, I yield 3 minutes to the gentleman from Texas, Mr. GENE GREEN.

Mr. GENE GREEN of Texas. Mr. Chairman, I thank my colleague on the committee for yielding me some time.

Mr. Chairman, I rise in opposition to H.R. 1594. I would like to ask the gentleman from New Jersey [Mr. SAXTON] some questions.

This bill comes at a time whose time has not come. The bill attacks something that is not existent. It is a straw man—or a straw person in inside-the-Beltway language—that is created by the Joint Economic Committee and talks about force. In fact, I just got this report today that in its conclusion it says by forcing pension fund managers.

Nowhere in the Department of Labor do they force pension fund managers to do anything. This bill was created to create a political issue and nothing else. H.R. 1594 repeals an Interpretive Bulletin that pension managers consider collateral benefits where the risk and return otherwise meet the prudent standard.

Last year the Department of Labor issued Interpretive Bulletin 94-1 stating that it was permissible for a pension fund to invest in economically targeted investments under limited conditions. This bulletin made it clear that a pension fund may consider ETI's only if the risk adjusted return was comparable to alternative investments. The pension fund could not invest in ETI's if the return were less or the risk greater than comparable alternatives. There is absolutely no force and no mandates in ETI's. That is what makes this committee report from the Joint Economic Committee not worth the paper it is printed on. If an investment meets the prudent standard, what is wrong with using American pension fund assets to invest in America and in American jobs?

This bulletin goes back to the Reagan administration. It is not something that President Clinton has created. The Department of Labor's position on ETI's is not new. Interpretive Bulletin 94-1 simply restates the Department's position for over 20 years spanning both Republican and Democratic administrations. In fact, the recommendation to issue the interpretive bulletin on ETI's was originally proposed by the ERISA Advisory Council, appointed by President Bush's administration.

In a letter to Congressman SAXTON, Ronald D. Watson, a member and later chairman of the ERISA Advisory Council, states:

> The conclusion that ETI's can have a place in pension portfolios was reached by a cautious and instinctively conservative group of advisers under a Republican administration. It is being promoted by a Democratic administration which happens to agree with the conclusions.

The effects of H.R. 1594 would be devastating on pension managers. It clearly discourages and may effectively forbid consideration of collateral benefits by U.S. pension managers. To avoid potential liability, pension plans would be reluctant to invest in American investments that have collateral benefits, even though they may have competitive risk adjusted returns and otherwise meet the standards of ERISA. The result would be increased pension plan investments in foreign investments that is already increasing.

In addition, this bill is one-sided, saying the Department of Labor must not encourage or promote ETI's. The bill is obviously an attempt to silence the Department of Labor. We need to make if they are going to be silenced on everything instead of just one thing.

Let us put partisan politics aside. It is irresponsible for Congress to discourage investment in America. I would rather them build housing in the United States than build housing overseas at the comparable investment.

Mr. FAWELL. Mr. Chairman, I yield 4 minutes to the gentlewoman from Kansas [Mrs. MEYERS].

Mrs. MEYERS of Kansas. Mr. Chairman, I rise in support of H.R. 1594, and I hope we pass this legislation today. We need to protect our American workers' pension funds, and that is exactly what this bill does.

Right now American workers have more than $3.5 trillion in private pension funds, and some view these savings as one way to fund various Government-favored programs. This kind of thinking led to disaster for a number of pension plans in the 1980's.

In my State of Kansas, the Kansas Public Employees Retirement System, known as KPERS, suffered gigantic losses resulting from an ill-fated program launched in the name of economic development in 1985. Back then some Kansas officials thought pension fund assets would be an ideal source of funds for stimulating economic development—the same notion currently being promoted by the administration and the Department of Labor. The idea caught on, and as a result, KPERS loaned $467 million to more than 100 companies from its cash assets in a direct placement loan program aimed at stimulating the Kansas economy.

The investments made in the 1980's by KPERS would now be labeled as "economically targeted" and would probably get on the Labor Department's new clearinghouse list. This is why I believe we must stop the administration's efforts to impose a socially motivated criteria in deciding where to invest pension funds.

The loans made by KPERS to stimulate economic development have resulted in losses of more than $138 million, which has been written off, and total losses could reach $260 million, the estimated loss in 1991 when the Kansas Legislature began an investigation of these investments. KPERS is still involved in lawsuits as a result of the huge losses suffered by the pension funds in their attempt to direct investment to economic development. I do not want to see this happen across the country, and we must pass this bill to ensure that pension fund managers will continue their prudent investment practices.

The irony here is that under current law, pension fund investment managers can already invest in anything which they believe will provide a good return to beneficiaries. Referred to as the "prudent man rule," current law requires that pension fund managers act with "the care, skill, prudence, and diligence * * * that a prudent man acting in a like capacity and familiar with such matters would use * * *".

If a good investment opportunity presents itself, a pension fund manager can commit funds to it. If it is a prudent investment which is likely to produce a good return for pension beneficiaries, a fund manager can invest in it now—without any direction by the Department of Labor or the White House.

Based on our Kansas experience, the action by the Clinton administration to direct pension funds to "economically targeted investments" is unwise at best. This legislation simply erases the administration's ability to direct pension fund investments. It does not discourage pension fund manager's from making investments in housing, infrastructure, or any other entity which is likely to benefit plan participants. But it does not encourage them either.

Current law has served us well in this area. History has shown that we begin to lose pension dollars, or experience diminished returns, when we try to make "politically correct" investments with our American worker's money. Support 1594.

Let us protect our Nation's pension funds. Support this legislation.

□ 1400

Mr. MARTINEZ. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I just want to take this minute to read something to the Members here and for the public's general consumption. I want to read something that was said by the President at a public meeting.

> One of the values we are tying hardest to save in this country is self-reliance, taking care of our own. And what better example could there be than 15 building and construction trade unions taking one-half billion dollars of their hard-earned pension funds and investing that money to create more jobs for workers? This country will owe you all a debt of gratitude, and with initiatives like yours, we can rebuild America.

That was President Reagan before the Building Trades Association.

Mr. MARTINEZ. Mr. Chairman, I yield 3 minutes to the gentleman from North Dakota [Mr. POMEROY].

Mr. POMEROY. Mr. Chairman, as a Member of this body, all too often, I have seen debates involve pressing problems and yet no real solutions, no meaningful answers. I am dumbfounded at this debate today, because we are dealing with no meaningful problem, and certainly just a sham of a solution.

Mr. Chairman, I have 3 minutes left, and I would yield to any Member of the majority side in support of this bill that can show me in the interpretive bulletin where the language is that would diminish in any way, in any way, once scintilla, one little bit, the standards of risk or standards of return that would jeopardize the pension funds in the way that have been outlined.

Mr. FAWELL. Mr. Chairman, will the gentleman yield?

Mr. POMEROY. I yield to the gentleman from Illinois.

Mr. FAWELL. Mr. Chairman, now that the gentleman has asked, the definition of ETI's, which is the first time to my knowledge that ETI's have ever been legally defined in any of the regulations or in the law, states: Are defined as investments selected for economic benefits they create, in addition to investment return to the employee benefit investor.

Now, what my colleagues are doing here is hyping something that is not a part of the prudent man rule at all. That is, investments returns aside from those that will come to the participants and to the beneficiaries of the trust.

I do not mean to say that there cannot be incidental benefits to any investment, but you do not spend millions of dollars, as the DOL is concerned, coming up with a new definition and going out and hyping and promoting it and hawking it.

Mr. POMEROY. Reclaiming my time, I want to respond to the gentleman before my time lapses. I respect you and your work in ERISA, but I believe your answer is dead wrong.

First, the standards of risk and return; the prudent person standards must be met before any other collateral considerations can be considered. And far from being a new standard, the interpretive bulletin is merely an attempt to codify what had been individually granted advisory opinions over the past 15 years tracking administrations of both parties.

Mr. Chairman, the gentleman from Illinois [Mr. FAWELL] cannot show where in the text of the interpretive bulletin the standards have been relaxed. I used to serve on an investment board for the State of North Dakota. This is material I have worked with and that is why I resent so strongly the misinterpretations and mischaracterizations of the investment bulletin.

I will vote with my colleagues on the other side of the aisle this afternoon, as I sit here and listen to the debate, if they can show me where in the text we are doing anything relative to the prudent person standards, the guardians of risk and return, that has been pointed out. It cannot be done. This is nothing but legislation regarding a made-up problem.

Mr. FAWELL. Mr. Chairman, yield myself 30 seconds.

Mr. Chairman, referring to the interpretive bulletin, which to my knowledge was the very first time that there was an official interpretation of the prudent man rule, they take sections 403 and 404 and they say: Here, we are going to interpret that. And they interpret the ETI to mean that the very first thing that an investor ought to do is to look for the socially correct or politically correct investments.

Mr. Chairman, that is a new and novel policy; and then to spend millions of dollars to go out and hawk and hype that. That is not a watchdog, that is a courier.

Mr. MARTINEZ. Mr. Chairman, I yield 5 minutes to the gentleman from Ohio [Mr. TRAFICANT].

Mr. TRAFICANT. Mr. Chairman, out of the approximate 4.6 trillion dollars' worth of U.S. pension funds to be invested, a maximum, they stretch at $30 billion, has been placed toward these ETI's; less than 1 percent.

The current law states that pension plans cannot invest in these ETI's if, No. 1, the return is less, or No. 2, the risk is greater than other investment alternatives. So the law is clear.

Second of all, Ronald Reagan made a statement. He said, "It is time to get Government back to the old-fashioned way." He said, "Let private money rebuild America; not the taxpayers."

Ronald Reagan is further quoted as having stated exactly that Government money need not be invested in areas where private money can find a home and make a profit. And pension plan investment, where it can return profit to those in that pension, should be encouraged.

Mr. Chairman, I have listened to the debate and I think I have looked at many of the conservative issues that come out of this Congress. I have an amendment for this bill. The amendment is right to the point. America needs at least 4 million housing units to satisfy the needs of America's housing. All investment plans in housing are averaging anywhere from 15 to 30 percent greater than the yield of their expectations.

The Traficant amendment says: Nothing in this act shall be construed as prohibiting the Department of Labor from issuing advisory opinions regarding the legality of investments in the construction or renovation of affordable housing units.

I think we are going too far here if we, in fact, send out a signal that someone could be in violation of ERISA if they call and someone in the Department of Labor gives them information about housing. This makes no sense to me.

The Traficant amendment ensures there will be first-time home buyer homes available. I am not talking about financing the mortgages, taking a risk on the finance side of it. I am talking about making the investment in housing opportunities for American people.

What are we basically saying to this major marketplace in America, construction jobs? Hey, go ahead and build the condominium in Mexico. There is a real shot for you. Go over to Europe and the new European economy and make investments over there.

The California Public Employee Retirement System funneled $375 million into the construction of over 3,000 homes. Their return is 20 percent. New York City Employees Retirement System invested in the construction of 15,000 affordable housing units; return, 30 percent. AFL–CIO's Housing Investment Trust pools the funds of more than $1.1 billion from 380 pension plans. The trust would rank first or second in America in its return if it were a publicly traded fixed-income fund.

Employees all over America, their money helping not only their employees and the pensioners, but also those who still pay into those pension funds from the active work force.

I do not understand the hype, but let me say this: I think I know where the leadership is coming from on the other side and it makes sense to ensure that private pension plans are not endangered by social service types of agendas.

But when you have a legitimate American need and private money can serve that need, on the same risk factor that is existing now, let me say this to the other side. Ronald Reagan made sense on this issue. If the smart application of pension money in America can be used to rebuild America, while stabilizing pension plans, any Congress that challenges that concept, in my opinion, is not progressive but takes us a step back.

Mr. Chairman, I am not going to argue all of these issues. The Traficant amendment will be very straightforward. If someone calls the Department of Labor, they will be able to give an advisory opinion on housing.

Mr. FAWELL. Mr. Chairman, I yield 4 minutes to the gentleman from California [Mr. COX].

Mr. COX of California. Mr. Chairman, I want quickly to agree with the gentleman from Ohio [Mr. TRAFICANT] on the other side of the aisle. It is true. Ronald Reagan did make sense on this issue. I worked for Ronald Reagan in the White House and I know very well that no one believed more passionately in the free enterprise system and the private sector than did Ronald Reagan.

Ronald Reagan, unlike Robert Reich, understood the difference between government and free enterprise. Ronald Reagan did not have much difficulty answering the question, "Should the Government direct private pension funds in their investments?" The answer, of course, is no.

Private pension funds represent at least $3.5 trillion in assets in America today. That is more than double the entire Federal budget. A lot of people would like to get their hands on this money for political purposes.

In 1988, Jesse Jackson put it in his Presidential campaign platform. He wanted to have the Federal Government help with the investment of private pension funds by helping to steer them into politically correct investments.

Mr. Chairman, at a time when we are trying to reduce the size and scope of Federal Government, the liberal big spenders are obviously beside themselves. Where are they going to get the money they need to control life in America? What better place than private pension funds? There is so much money there, after all. It is double the amount than we have got in the whole Federal budget.

The whole idea behind ETI's, [Economically Targeted Investments] is that investments can be made with social goals, not economic goals in mind. That is the purpose of Robert Reich's infamous Bulletin 94-1 issued last year carrying out the campaign platform of Jesse Jackson in 1988.

It affects pension plans of all kinds, union pension funds, company pension plans, any private pension plan.

What it does is stand the law on its head. Let me quote from ERISA, the existing law that protects our private pension investments.

ERISA says pension fund managers must act, "solely in the interest of participants and beneficiaries." That is what the law says. "Solely in the interest of participants and beneficiaries."

"The exclusive purpose of providing benefits to participants and their beneficiaries." That is how pension fund managers must invest. "With the exclusive purpose of providing benefits to participants and their beneficiaries."

If one is trying to channel money to politically correct causes, is that not violating the law, the taking into account of another criterion? What Robert Reich has said in his bulletin is we can take something else into account.

All else being equal, he says fallaciously, you can take into account the social utility of the investments. Who determines this? Not the marketplace any longer. That is what Ronald Reagan thought should happen. The marketplace would determine what is a socially useful investment.

No, instead Robert Reich will help you determine this by putting together a list. And the Labor Department, at taxpayer expense, is going to have a list of Economically Targeted Investments. That is where we are going to encourage private pension money to go.

There is no element of coercion in this when the Federal Government investments your taxpayer money in a whole system of putting together a list of politically correct investments, and then puts out an order directing people to pay more attention to this issue, as Investors Business Daily told us Robert Reich did 1 month after issuing Bulletin 94-1? Of course not.

Stealing the hard-earned after-tax savings of working Americans for social experiments is taxation. Unfair and unwarranted taxation to be sure, but another tax grab.

Mr. Chairman, ETI stands for an "Extra Tax on Individuals." Let us not permit it.

Mr. MARTINEZ. Mr. Chairman, I yield 3 minutes to the gentleman from Ohio [Mr. SAWYER], my colleague on the committee.

Mr. SAWYER. Mr. Chairman, I appreciate the opportunity to rise today in strong opposition to this measure. Quite literally, as the gentleman from North Dakota [Mr. POMEROY] mentioned, this bill is a solution desperately thrashing about in search of a problem.

Mr. Chairman, there are problems we face with retirements. As a Nation we face a tremendous challenge, that of planning for the retirement of the postwar generation that has come to be known as the Baby Boomers. Ensuring the soundness of pension funds is a critical component of that effort.

Mr. Chairman, I am among the very first, at the leading edge of that population cohort and I recognize that a fundamental problem is that the boom generation is one that can broadly be characterized as one that has simply not learned to save.

As an age cohort, many have instead spent much of their disposal income elevating a notion of a minimal standard of living through current consumption, while simultaneously limiting their ability to secure it into the future.

We agree, all of us, that it has been important to encourage working Americans to save for their retirement and to encourage employers to set up sound and reliable retirement systems that will be liquid when they are needed, that include matching employer contributions.

□ 1415

Unfortunately, this bill does absolutely nothing to elevate that goal or either goal. In fact, this bill potentially puts into question a wide range of existing pension plan benefits. This bill would repeal a Department of Labor interpretive bulletin, ordered by the Bush administration Labor Department in response to private sector inquiry. The bulletin simply clarifies past interpretations of the ERISA Act with respect to many kinds of investments, including those which may add ancillary benefits to the broader economy.

In essence, the bulletin does not make any new rulings nor does it advocate for pension plan investment in ETI's or any other kind of specific investment. However, by repealing the bulletin, we leave the potential vacuum of ambiguity and potential confusion regarding pension plan investments and past rulings which may risk unnecessary litigation. All this uncertainty undermines the ability of pension plan managers to make the best investments for future retiress.

More importantly, what we really should be doing is debating realistic strategies for ensuring the stability of and encouraging participation in sound pension plans. I am eager to work toward that goal.

Unfortunately, the bill does nothing along those lines. I would ask my colleagues on the other side if they would find it important to encourage that the fiduciary standards applicable to the ETI's be no different than the standards applicable to plan investments generally. If they, in fact, would agree with that, then they cannot disagree with the fundamental content of this ruling, which, in fact, calls upon investors to do precisely that. It is the same standards only with greater clarity that we have been working with for a long time, and I urge my colleagues to vote against it so that we can more on to the addressing real challenges of preparing for the next century.

Mr. FAWELL. Mr. Chairman, I yield 3½ minutes to the gentleman from Michigan [Mr. KNOLLENBERG].

Mr. KNOLLENBERG. Mr. Chairman, I rise in strong support of H.R. 1594, the Pension Protection Act of 1995. Let me start out by commending the gentleman from New Jersey [Mr. SAXTON] for his work on this important bill.

The reason we are here today is because President Clinton's Department of Labor has abdicated its responsibility as the Nation's pension watchdog. Last June, Secretary Reich issued an interpretative bulletin that allows pension managers to invest private pension funds in risky social ventures. He likes to call them ETI's, or economically targeted investments. I prefer to call them PTI's—politically targeted investments.

ETI's are chosen for the social benefits they generate to third parties instead of their safety and financial return to pensioners. Simply put, ETI's are nothing more than a code word for pork barrel projects in urban areas.

Secretary Reich has argued that his interpretative bulletin was needed to clarify the intent of ERISA because of confusion in the pension investment community. In reality, the intent of ERISA's investment standards have been understood by pension managers for over 20 years. They are very simple and very clear: When investing private pension funds, a pension manager's sole responsibility is to focus on the interest of his plan's participants and beneficiaries. Pension managers have avoided ETI's, it is because they are bad investments—not because they were confused by ERISA.

If ETI's were sound, pension managers would invest in them regardless of their so-called social benefits. It's that simple. Secretary Reich's promotion of ETI's leads me to the conclusion that either the Clinton administration doesn't believe in the free market, or it understands that these investments are too risky and ERISA's standards must be altered. If these investments were prudent investments, the free market, the pension managers, would already be there.

The President's advisors know that ETI's are risky. In fact, Alicia Munnel, a current Assistant Secretary of the Treasury in the Clinton administration, their economist at Federal Reserve Bank, Boston, stated in 1983 that ETI's earn between 2 and 5 percent less than traditional pension fund investments. Now that may not sound like a big difference, but the numbers add up over time. For example, if just 5 percent of the Nation's private pension funds are invested in ETI's, pensioners would lose $90 billion in retirement income over 10 years, $520 billion in 20 years, and $2.3 trillion in 30 years. This translates into over $43,000 in direct losses to the average pensioner. I don't know about you, but I sure would be upset if the manager of my private pension decided to follow the lead of President Clinton.

Given the track record of ETI's, an interesting question comes to mind, why is the Clinton administration promoting these high-risk social investments? The answer is simple. Finding revenue for the President's social agenda is obviously more important to the Department of Labor than protecting the retirement income of millions of Americans. This is outrageous.

The Clinton administration's pension grab reminds me of the story of Willy Sutton. Willy Sutton, a famous bank robber when asked why do you rob banks, responded, "because that's where the money is." Faced with a Republican Congress committed to balancing the budget, President Clinton knows that he can't get money for his pie-in-the-sky-liberal programs, so he is going where the money is—private pension funds. Promoting ETIs may be good politics for a President who needs the support of big labor and inner city mayors to win reelection, but it's bad public policy.

This scheme has been tried before and the results have been devastating. Confronted with the need to cut spending and balance their budgets, several States have tapped into the pension funds of State employees to finance development projects. For example, the State of Connecticut invested $25 million worth of State pension funds in Colt Manufacturing. Just 3 years later, Colt filed for bankruptcy and the State's pensioners saw their hopes of profit vanish. It is unlikely that they will ever see their money again. This is not the government's money at stake, it is the retirement funds of American workers.

H.R. 1594 stops the Clinton administration's stealth attack on private pensions. Under this bill, fiduciaries will still be able to invest in ETIs, as long as these investments are safe and generate good returns. BUt they won't have legal cover for bad investments that were made at the bequest of labor bosses and inner city politicians.

The promotion of ETIs is nothing less than embodying political correctness as public policy. It is simply wrong for the Congress to do anything other than reaffirm the commitment of pension managers to seek the highest possible return on the investment of the retirement income of American workers and pensioners. To do any less would seriously undermine the confidence in pension investors. We cannot and should not give a green light to the irresponsible allocation of the finances of retirees. To do so would be a breach of our fiduciary responsibility to the American people.

Mr. Chairman, I urge my colleagues to support H.R. 1594 and stop the Clinton administration's pension grab before it is too late.

Do not compare pension assets with entrepreneurial capital.

Mr. MARTINEZ. Mr. Chairman, I yield 6 minutes to my colleague, the gentleman from New York [Mr. OWENS], a member of the Committee on Economic and Educational Opportunities.

Mr. OWENS. Mr. Chairman, I thank the gentleman for yielding time to me.

Mr. MARTINEZ. Mr. Chairman, will the gentleman yield?

Mr. OWENS. I yield to the gentleman from California.

Mr. MARTINEZ. Mr. Chairman, in response to the last speaker, the President is not going to make a decision on that investment. The Department of Labor is not going to make a decision on that investment. The investors will make the decision on that investment. The managers, the fiduciary managers, will make that decision, and they will do it based on the prudent man rule.

This is just a smokescreen, trying to make out that there is some big plot by the President to capture somebody's money and invest it in a foolish scheme. That is the farthest thing from the truth.

The interpretive bulletin makes that very clear.

Mr. OWENS. Mr. Chairman, I rise in strong opposition to this legislation.

There is a lesson in democracy which the taxpayers and the voters should look closely at here. Democracy is a deliberative, long-term process. You start with a great communicator like Ronald Reagan. Nobody is confused about what Ronald Reagan meant when he said pension funds should be invested in America to make jobs for people in America. He was talking particularly about the construction industry people, but there are numerous other situations where pension funds invested in America make jobs for Americans. They also create other benefits for Americans. At the same time, they are subject to the same standards as any other investments.

Over and over again, every document produced by the Federal Government, by Secretary Reich, everything says assuming everything else is equal, you must make certain first of all the standards are met. We have on the one hand Ronald Reagan initiating the idea, picked up by a number of other people, including Jesse Jackson. That does not make it any more radical if Ronald Reagan said it first. Certainly, it is respectable and acceptable. George

Bush goes further and creates a clearinghouse. He institutionalizes it a few steps further. Secretary Reich is only carrying it further and putting out a booklet that helps clarify a few things.

We have this deliberative process on the one hand, and on the other hand you have hysteria and panic being generated by a wolfpack that needs a rabbit to chase, and they have invented this one for reasons I am not quite certain of. But I suspect those reasons are to create an investment environment which is safe for some truly risky investments, for some overseas investments which are more risky and do not bear benefits for Americans.

What happened in the savings-and-loan situation? Americans are out of at least $250 billion. The taxpayers have had to cough up at least $250 billion, and that is a conservative estimate, as a result of investments made by the savings-and-loan industry. Where were these people who are now generating this hysteria? Were any of these investments made by the savings-and-loans associations which resulted in $250 billion worth of losses to the American people? Where they ETI's?

If you find 1 percent for ETI's, I assure you you will have to do a lot of miraculous searching. Most of them were usual marketplace investments, applying the usual standards, no economically targeted investments. There is a target for the wolfpack to go chase.

You know, the hysteria of their argument sort of rises up from the page. You know, you can feel the sweat and saliva. Goebbels would be very proud of the kind of hysteria generated by the written statements made about this menace to America of economically targeted investments. Where were they when the real menace was there via the savings-and-loans' waste that has led to $250 billion in losses of American taxpayer's money? Where were they when that was happening?

In an effort to create an issue where none exists, these Republican supporters of this measure are stretching the truth, to say the least.

One particularly bad example of this is a letter the gentleman from New Jersey [Mr. SAXTON] sent in May to a number of corporate chief executives. The letter is fully of inflammatory language and baseless allegations. The full letter appears in the minority views. I urge that all my colleagues take a look at *that letter. The letter says more about what is going on here than most of what we will hear on the floor today.*

The Council of Institutional Investors wrote the rhetoric in the letter of the gentleman from New Jersey [Mr. SAXTON], "Smacks of the pension equivalent of McCarthy era scare tactics." I agree. The letter, of course, repeats the big lie ETI's are unduly risky or pose a threat to fiscal safety, never mind ERISA has always provided that, in order to be permissible under the law, ETI's must be prudent investments in terms of risk and return.

IB–94 reaffirms the Department of Labor's longstanding position that ETI's are only permissible if they provide the plan with a competitive risk-adjusted rate of return.

In his letter, the gentleman from New Jersey [Mr. SAXTON] also claims, without any support, "A number of companies and pension investors have felt subtle pressure from the Administration," to invest in ETI's.

In addition, the letter includes specious charges the Department of Labor engaged in "coercive behavior, intimidation and other nefarious schemes." The letter even refers to a Clinton quota roof. One of the most egregious falsehoods is the alleged plan of the Clinton administration to establish "compulsory ETI quotas." It is important to reiterate that IB–94–1 does not mandate ETI's nor does it in any way authorize investments in ETI's at a concessionary rate.

In fact, the Clinton administration is on record in opposition to mandated ETI's, including testimony before this committee and testimony before Vice Chairman SAXTON's Joint Economic Committee.

More recently, in another irresponsible attempt to unnecessarily frighten the current and future pensioners, the so-called economists at the Joint Economic Committee have concocted an incredible scenario about the potential impact of pension funds on ETI's. They issued a report claiming the Labor Department ETI investments possibly will cost pensioners $43,000 over 30 years. No self-respecting mathematician, sophomore with arithmetic, would accept those assumptions made in that report.

Mr. FAWELL. Mr. Chairman, I yield 4 minutes to the gentleman from Rockford, IL [Mr. MANZULLO].

Mr. MANZULLO. Mr. Chairman, I thank my good friend, and he is my good friend, the vice chairman of the Joint Economic Committee, the gentleman from New Jersey [Mr. SAXTON], for his tremendous work on this timely and important legislation.

Mr. SAXTON. Mr. Chairman, will the gentleman yield?

Mr. MANZULLO. I yield to the gentleman from New Jersey.

Mr. SAXTON. I just want to state for the record the previous speaker was in error in stating that George Bush, when he was President, created a clearinghouse for the purposes of promoting economically targeted investments. The fact of the matter is he did not. It was created pursuant to the election of Bill Clinton and the appointment of Robert Reich, and never under the Bush administration.

Mr. MANZULLO. Mr. Chairman, the Clinton administration is trying to allow $3.7 trillion in pension money to be used for risky investments as opposed to sound investments. This means the hard-earned pension money deposited by present and future pensioners is going to be used by politicians to fund pet projects that are very risky.

The Clinton administration wants American workers to bankroll its liberal social agenda. It is risky social investing by any other name, and whenever it has been tried before, it has delivered consistently substandard returns.

The American workers are being asked to exchange investments in blue chips for poker chips and thus jeopardize their entire retirement.

□ 1430

Just take a look at the ETI track record in the public pension system. In 1993 the State of Connecticut lost $25 million from pension funds in risky investments. The Kansas public employees retirement system tried to use its funds for ETI's. It lost hundreds of millions of dollars so far. In Pennsylvania $70 million in public school employees' and State employees' retirement funds were sunk into an instate Volkswagen plant which lost 57 percent of its value in 14 years. In Missouri an ETI adventure, and it is an adventure, lost $5 million in retirement savings, and in the State of Arkansas, where President Clinton in 1985 signed a bill with a quota that between 5 and 10 percent of all pension funds must go on to ETI's, the Arkansas State auditor, Julia Hughes Jones, openly defied the Governor and said these are risky ventures, risky ventures indeed, building a sorority house on a campus with money that belongs to the teachers and the public workers of the State of Arkansas.

Mr. Chairman, the investment opportunities in this country are guided by something called sound and prudent investment, not a Federal crap game, and that is exactly what the President is trying to do. He is trying to find all kinds of moneys, wherever they are, and put our American workers' pensions, our future pensions, at risk.

Now, if we are not trying to change the standard by our bill, if we are simply saying, "Use the prudent-man rule," then the Democrats, our colleagues, should agree with this bill, they should vote yes for it, because this bill simply says under all circumstances whatsoever the prudent-man rule of investing will be done, and, therefore, we need a clear and definitive statement, we need legislation that protects the American workers in this country, that says once and for all our dollars will be invested only in sound, prudent investments and not in gambling investments.

Mr. MARTINEZ. Mr. Chairman, I yield for 4 minutes to the gentlewoman from Connecticut [Ms. DELAURO].

Ms. DELAURO. Mr. Chairman, I rise in strong opposition to this unnecessary and ill-conceived bill. We face serious issues regarding national retirement policy. But today, we are not considering ways to strengthen private pensions or how to ensure a secure retirement for our Nation's seniors. Instead, we are wasting time and energy on a bill to address a problem that does not exist.

Investment by pension fund managers in Economically Targeted Investments, or ETI's, is not the problem. This bill is a smokescreen. It is simply a way for Republican Members, quite frankly, to divert attention away from the real issues facing seniors, like Republican plans to make $270 billion in cuts to Medicare, and it is not going to work.

Much attention has been focused on the Labor Department's interpretive bulletin issued in June 1994. This bulletin sought to answer a question asked for over 15 years by many pension fund managers.

These fund managers asked if they could consider factors in addition, I repeat in addition to the return to the plan when choosing among alternative investments. The Labor Department answered as it always has: pension fund investments must be based on the return to the plan. Only if the returns of different investments are comparable can fund managers give weight to other factors. So that investment, first, must pass muster; risk and return characteristics are first and foremost. The Labor Department's interpretive bulletin simply clarifies this policy in response to questions from pension fund managers. It does not, I repeat it does not, require investment in ETI's.

The bill before us today is a needless attack on ETIs. But that is not all. It is much worse. It would prohibit the Labor Department from even providing information about ETIs. It is a gag rule. The Department would not even be permitted to answer questions from well-intentioned pension fund managers seeking to comply with the law.

What will a fund manager do if he or she might be subject to a lawsuit for considering an investment's additional economic benefits and cannot consult the Labor Department in any way? That fund manager will steer funds away from many of the investments our country most needs to make—investments in our infrastructure, in our cities, and to provide badly-needed jobs.

Worse, this bill encourages pension plan managers to invest in foreign countries instead of the United States. It defies common sense to advocate policies that make it easier for pension plans to invest in Europe over America. Already, American pension funds are seeking to increase foreign investments.

Mr. Chairman, this bill amounts to a full employment plan for pension lawyers, that is what it is about. This Congress should be encouraging small business start ups, and investments in infrastructure and considering ways to make our senior's retirements more secure. This bill will do none of those things and amounts to a diversionary tactic to distract the American people from the hundreds of billions of dollars in Medicare cuts proposed by the Republicans, I urge its defeat.

Mr. FAWELL. Mr. Chairman, I yield 3 minutes to the gentleman from Delaware [Mr. CASTLE], the former Governor of the State of Delaware.

Mr. CASTLE. Mr. Chairman, I thank the gentleman from Illinois [Mr. FAWELL], whose knowledge about ERISA is indeed encyclopedic, for yielding this time to me, and the gentleman from New Jersey, who sponsored this piece of legislation, and my feelings may not be as strong as some in this room, but I have a real-life experience that I would just like to relate to my colleagues.

I rise in very strong support of H.R. 1594 because our Nation's retirees' and our senior citizens' hard-earned pensions must not and cannot be jeopardized by the Department of Labor's promotion of riskier, politically targeted investments that do not take into account our Nation's laws governing the safety of our retirees' pension investments.

Now I probably did not know a lot about this issue, and, when I became Governor in 1985 of the State of Delaware, I received a call from Mr. Ernst Danneman, who had heard word that I was sort of interested in economically targeted investments, and I was. I had it in my mind that we could help with mortgages to the poor, that we could help keep jobs in the State of Delaware, that there were a number of things that we could perhaps do if we were able to use some of that money, and clearly it was a source of money at a time when we did not have a lot, and he came into my office, and he said, "MIKE, I'm not a politician," and it turns out he is a registered declined, does not give to political campaigns, never been involved in politics at all. He has run a business, and he ran our pension board. He was the man who was the head of the Board of Pension Trustees in the State of Delaware. And he said:

> I've heard what you are thinking about in economically targeted investments, and I want to tell you it is absolutely wrong. It is the most difficult job in the world to manage pension funds correctly, to compete with other managed funds out there, to be able to return the top dollar to the individuals who should benefit from the top dollar, which is the retirees and the employees that will one day be the retirees.

He said, "You should not consider this under any circumstance," and he proved to me by showing examples that there are States and there are corporations which have tried to do this and it has not worked particularly well.

I took that to task, and for 8 years we never thought about it at all. We let our Board of Pension Trustees run our pension plan. We had, I think, two of those years the highest return of any public pension plan in the entire United States of America, all because we allowed these individuals to do it, and that money did regenerate into our economy because of course our retirees and eventually those who were to retire were able to receive funds.

So, it worked extraordinarily well. It was a lesson well learned.

I called Mr. Danneman yesterday—I had not spoken to him in probably over a year or two—to talk to him about this saying I would like to present this story on the floor, and he said, "MIKE, absolutely," and he said a couple of things. He said, "One, the Board of Pension Trustees—and it doesn't make any difference if it is private or public, I might add—has a fiduciary duty to return as much money as possible." Then he said, "Investing dollars is a single-minded effort. You can't cure the world's problems on the side." I think that is a very weighty statement. He pointed out the social investing does not do as well, and I realize that this has it in some protection such as a prudent-man rule, and we are supported to be able to return an investment, but even in the private sector there can be pressure from a chairman who has a wrong concept, pressure from a board that has a wrong concept, perhaps somebody will read about what the Department of Labor is doing, and I really honestly believe that we should do everything in our power to keep the Department of Labor and Government out of our pension plans and let them run it correctly.

Mr. MARTINEZ. Mr. Chairman, I yield 5 minutes, 30 seconds to the gentleman from Montana [Mr. WILLIAMS], a member of the Committee on Economic and Educational Opportunities, and I ask him to yield to the gentleman from North Dakota [Mr. POMEROY] for 30 seconds.

Mr. WILLIAMS. Mr. Chairman, I yield to the gentleman from North Dakota [Mr. POMEROY].

Mr. POMEREOY. Mr. Chairman, ever so briefly, from the I.B. issue let me read to my colleagues:

The fiduciary standards applicable to ETI's are no different than the standards applicable to planned investments generally.

I agree with everything the gentleman from Delaware just said about the importance, the critical nature, of fiduciary standards. It is just absolutely incorrect to characterize the I.B. as changing this fiduciary standard. It is not there.

Mr. WILLIAMS. Mr. Chairman, my colleagues, I was chairman of this subcommittee for a number of years in the House, so I recall with some precision the history of ETI's, economically targeted investments.

I remember that former President Ronald Reagan advocated the changes. He, in fact, actually advocated regulations that facilitated the use of ETI's, and I believe the entirety of the former President's statement has been made by someone who preceded me, so I do not want to restate the former President's entire position, but let me just remind my colleagues of this: Former President Reagan, in advocating regulations to create these ETI's, said this:

> We have over in the Labor Department made some good definite changes in regulations. Those changes are going to free up billions of dollars in pension funds that can now be invested in home mortgages.

President Reagan's Labor Secretary back then, a fellow named Raymond Donovan, said, and I am quoting,

> I tried to emphasize the importance of increased investments in home mortgages. More mortgage money and thus more construction, more jobs, a healthier economy; those are the goals of this administration that will benefit this country greatly in the months ahead.

And then later, following President Reagan, came good former President George Bush, and George Bush's Labor Secretary, as my colleagues will recall, was Elizabeth Dole, Secretary Dole, and she wrote to then Housing Secretary Jack Kemp that the Labor Department has worked with the building and construction trade unions to structure a program that allowed investment in housing construction, and under the Bush administration those investments with pension funds were encouraged.

Now along comes our next President, and he has suggested economically targeted investments through his Labor Secretary, Robert Reich. But now we have a new Congress, and a new Congress, if I may say, with an ideological bent to the far right, and so they are noticing that Labor Secretary Reich in a fairly recent speech said we are not only going to have these ETI's, as we have had them in the past, but we really ought to be trying to do some economic good in inner cities, Indian reservations, other places in this country that are not only economically in trouble, but, because they have economic despair, they are socially in trouble.

□ 1445

It was that hint from Secretary Reich that perhaps we ought to worry about people who have social difficulties that seems to have triggered this new Congress with their ideological bent to try to stop these ETI's, because now they say oh, they are not economically targeted investments, they are socially targeted investments.

Nothing, since I have been in this House this year, so unmasks the new ideological fervor of the new majority than this bill. This bill is making a mountain out of a molehill. This bill is really a gnat buzzing around a nonproblem. But, when you are so definitely ideological as to rise up on your hind legs and resist any indication whatsoever that money might be used in a way that might help society take care of some of its social ills as well as its economic ills, then this type of a bill is the result. It is either that, or this new Congress is trying to embarrass the Clinton administration, a Democratic administration that is simply following the policies that were put in place, correctly, by two previous Republican administrations. Or, maybe the new majority is just trying to change the subject, which seems lately to have fallen on Medicare and the cuts that come in Medicare.

So, Mr. Chairman, we are spending an entire day in this busy time of the year on a bill discussing whether or not the Clinton administration is trying to invest money in a way that will improve not only the economic climate in America, but the social climate as well.

Mr. FAWELL. Mr. Chairman, I yield 30 seconds to the gentleman from New Jersey [Mr. SAXTON].

Mr. SAXTON. Mr. Chairman, I would just point out very quickly that as the last speaker indicated, ETI's have been around for quite some time in the context of an investor, a pension fund manager coming to the Department of Labor during the Bush or Clinton administration and requesting an advisory opinion on an ETI. What is different in this administration is that $1 million has been spent to create a group to promote ETI's; people have traveled around the country making speeches promoting ETI's, and in fact, people who are here to regulate pension funds and pension fund managers have knocked on people's doors and said gee, we think as regulators it would be a great idea for you to do ETI's. That, Mr. Chairman, is very, very different.

Mr. FAWELL. Mr. Chairman, I yield 3 minutes to the gentleman from Colorado [Mr. HEFLEY].

Mr. HEFLEY. Mr. Chairman, I would just like to respond also to my friend from Montana [Mr. WILLIAMS] for just a moment. The gentleman acted like with the advent of the new Congress that ideology just was born in this House of Representatives. I might point out to him that the previous Congress was run by the ideological left, and I might say the ideological far left. So I am sure that any change that has occurred in this Congress must make him feel like we have moved to the far right.

I hope we have moved to the right. I hope we are not where we were a year ago. I do not think maybe we are as far out of step with the American public as his statements would seem to indicate.

Mr. Chairman, I have listened to the debate so far, and I have heard the numbers and the studies used, but I think the real issue here is this: The Clinton administration is not getting the money they want for their social welfare agenda. so they are attempting to force investors, in this case pension fund investors, to do the job. The American people are tired of writing checks for big government programs and projects that do not work.

The desire of the Republican-controlled 104th Congress to give the American people a balanced budget has significantly cut and will significantly cut, I hope, the funding for many of the Clinton administration's welfare state programs. This bill simply prohibits the Department of Labor or any other Federal agency from encouraging private pension funds from investing their recipients' hard-earned retirement moneys into investments that produce benefits for the larger community as the goal, even if it might be unwise investment policy. Who decides what the community benefits are? The taxpayers, or some bureaucrat down at the Labor Department?

Mr. Chairman, this is Socialism 101. This whole concept flies in the face of the mandate set by the American people last November that they do not want big government interfering in decisions that are none of big government's business. If this legislation is not enacted, we are essentially missing the point. We want pension fund investors to make money for their funds. This is the first criteria. I urge a yes vote on H.R. 1594.

Mr. MARTINEZ. Mr. Chairman, I yield 6 minutes to the gentleman from New York [Mr. ENGEL], my colleague from the committee.

Mr. WILLIAMS. Mr. Chairman, will the gentleman yield?

Mr. ENGEL. I yield to the gentleman from Montana.

Mr. WILLIAMS. Mr. Chairman, I thank the gentleman.

Mr. Chairman, I just want to respond to my friends and colleagues on the other side. If you have any doubt about the ideological fervor that is driving this legislation, listen to the words: Welfare state, and: The last Congress was the ideological left. I mean, come on. This is laughable. Only the ideological right would think that the last Congress, which could not pass Endangered Species, could not pass Clean Water, and passed the Clinton budget by one mere vote, was on the ideological left. It is clearly the far right that is driving a bill like this. This bill is utter, absolute nonsense, and is propelled by the far right.

Mr. ENGEL. Mr. Chairman, reclaiming my time, let me just say that our colleague from the other side of the aisle referred to those of us who oppose this legislation as being in favor of Socialism 101. Let me say that I think what we are hearing from much of the other side of the aisle, frankly, is Mean Spiritedness 101.

Mr. Chairman, we have been hearing this all Congress and I am sorry to say that this just seems to be part of the pattern on the Committee on Economic and Educational Opportunities. We have seen an anti-working people, anti-labor agenda from day one, from the start of this new Congress, from eliminating the word "Labor" from the old Committee on Education and Labor to refusing to consider a hike in the minimum wage, talking in fact about eliminating the minimum wage, talking about eliminating Davis-Bacon to protect working people, giving them a prevailing wage that has been in effect 60 years, was put in by Republicans 60 years ago, and now this new Congress wants to eliminate it.

They want to eliminate OSHA protections for working people in this country to make sure that American workers have safety in the workplace. They want to eliminate those regulations. We just passed legislation slashing the National Labor Relations Board, which monitors unfair labor practices. They want to eliminate that. So this does not surprise me. This is a pattern on the Republican side of being against working men and women of America, quite frankly.

While I have a lot of affection for some of the individuals who are sincerely pushing this bill, I think they are dead wrong on this bill. This so-called Pension protection Act is a contradiction in terms. It certainly does not protect pensions and it is bad legislation, and it would wreak havoc in Federal pension policy.

H.R. 1594 is a partisan bill. It is in search of a problem, and I think it should be soundly defeated. I do not know what it is. Perhaps it is an effort by our friends on the other side of the aisle to provide cover for their efforts to slash Medicare, but they have seized an opportunity to accuse the Clinton administration of an alleged pension grab. As far as I am concerned, they are baseless efforts. It is sad, and it is an upsetting departure from the bipartisanship that has traditionally prevailed on pension issues.

The collateral benefits of ETI's play a key role in stimulating local economic growth and stability and help to strengthen communities. Through ETI's, jobs are created, affordable housing is built for low and moderate income families, and infrastructure is modernized. ETI's benefit society without adversely affecting the rates of risk and return of private pension plans.

Now this policy, as has been mentioned by many of our colleagues, has enjoyed nearly unanimous support since the Reagan administration. The Labor Department under the Bush administration stated that ETI's, which target the local economy, are beneficial and should be preserved. So you have the Reagan administration supporting this, the Bush administration supporting this, and now that the Clinton administration supports it, some of our friends on the other side of the aisle see a golden opportunity to bash the President.

This is a continuation of policies that have prevailed on both Democratic and Republican administrations. So as far as I am concerned, it is a continuation, an it ought to be continued, because it is beneficial. Now, some of my friends want to turn back this progress and instead create chaos in the pension community.

This bill would only lead to confusion in the law and excess money spent on needless litigation rather than benefits. Responsible pension fund managers who make sound investments with apparently forbidden collateral benefits could now be liable if this bill passes.

The fear of litigation would also make it safer for a pension manager to select investments in foreign countries rather than in the United States. The percentage of foreign investments by U.S. pension funds has steadily increased over the last 6 years. If this trend continues, more American jobs will be lost. This bill will result in pension fund managers choosing foreign investments instead of domestic investments. Domestic investments create American jobs, and we would avoid any implication that the collateral benefits of the investment were even considered.

At a time when we should be creating jobs and improving the standards of the American workers, our Republican friends have decided to engage in pure politics in the consideration of this bill. Accusing the administration of stealing pension funds from workers is not only false, it is downright irresponsible.

It is obvious from the introduction of this that our friends on the other side of the aisle are far more concerned with bashing Democrats and the President than promoting policy that is beneficial. The Secretary of Labor has stated that this bill would have a significant adverse effect on America's private sector funds, investments that are critical to the retirement income security of workers and retirees. So I do not think we ought to threaten private pension funds.

Instead of focusing on the security, health and welfare of working Americans, our friends have decided to eliminate ETI's, cut Medicare, cut education and training programs in order to play politics.

Mr. Chairman, I urge defeat of the so-called Pension Protection Act so that we can truly help the American worker.

Mr. FAWELL. Mr. Chairman, I yield 3 minutes to the gentleman from Texas [Mr. STOCKMAN].

Mr. STOCKMAN. Mr. Chairman, in "Alice in Wonderland" they say it is curiouser and curiouser. Our friends on the other side are saying $3.5 trillion is a gnat. Yes, I confess, I am a conservative. I think $3 trillion is a lot of money.

Somehow, I think stealing it from working people is wrong. That is what it is. They stole everything out of the Social Security, and now they are wanting to steal it out of another big pie. They see this $3.5 trillion. We have a social agenda, and we are going to use this money for our purposes. That is exactly what it is; it is stealing people's money. Nothing, nothing else matters in this Congress but to steal money.

This is people's pension money. Keep your hands off of people's retirement, keep your hands off the pension.

□ 1500

Mr. MARTINEZ. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, nobody is stealing anybody's money. Like I said before, the investment managers are going to make those decisions. They are going to make them in consultation with other people that have the expertise to know what they are doing. They have been doing it all along. This is rhetoric being tossed around on the floor here to create the illusion that Clinton is doing something wrong. The administration is doing what they should do, and the Department of Labor is doing what they should do.

Mr. Chairman, I yield 4 minutes to the gentlewoman from California [Ms. WOOLSEY].

Ms. WOOLSEY. Mr. Chairman, H.R. 1594 is a totally unnecessary bill.

Can someone tell me how does this bill protect pensions? Not by providing funds for the Department of Labor's pension and welfare benefits administration, that's for sure. In fact, this bill cuts funds for this office, which does protect workers' pensions against underfunding and fraud.

You may hear that this bill protects pensions by prohibiting the Department of Labor from promoting economically targeted investments, or ETI's. But how do ETI's place pensions at risk?

After all, we already have a law on the books, the Employment Retirement Income Security Act, better known as ERISA, that requires pension plan investors to act solely in the interest of their beneficiaries when making investment decisions. So if a pension fund does choose to invest in an ETI, it must put the financial interests of the pension beneficiaries first.

And, I ask, what's wrong with investing American workers' money in America's infrastructure; America's jobs; and America's economy. Since when is America a bad investment?

If this bill passes something very real will happen. Pension funds that have invested in local economic growth and in our communities will begin investing overseas. Because H.R. 1594 prohibits the Department of Labor from providing information on ETI's, and rescinds the bulletin which provides guidelines on ETI investments, it will be safer for pension funds to invest overseas, where there will be absolutely no confusion about the legality of the investment.

Every day, Mr. Chairman, American workers invest their time and skills for a better America. ETI's give them another opportunity to invest in this Nation. ETI's are safe American investments. Let's not pass H.R. 1594 and send American workers' pension funds overseas.

Mr. FAWELL. Mr. Chairman, I yield 3 minutes to the gentleman from Arizona [Mr. SALMON].

Mr. SALMON. Mr. Chairman, today we will be voting on the future of $3½ trillion in private pension money that will finance the retirement of millions of working Americans.

Pension funds have been protected from politics and pet projects since 1974 when fund managers were bound by law to look only at the economic return on their clients' investments. However, Secretary Reich and the Clinton administration now have other plans for this money.

The Clinton administration believes that it has found a way to divert a chunk of pension money into social projects that the American people would not support or fund with taxpayer dollars. They are doing this by allowing and encouraging fund managers to put their investor dollars into economically targeted investments—investments that are targeted solely for their social agenda.

Aside from being liberal social engineering, this scheme might sound reasonable, right? Well, what Secretary Reich is not telling the American people who depend on pensions, is that these ETI's are far riskier than traditional investments, and that the administration policy is a clear violation of the spirit of the laws set up to protect America's private pension system.

Pork-barrel spending on liberal social projects is bad enough in today's tough budgetary times. But, to do it behind the backs of the American people, with the money they have saved for their own future is just plain wrong.

We have an opportunity today to stop this raid of private pension funds, and to protect the retirement future of our Nation's workers.

I commend the gentleman from New Jersey [Mr. SAXTON] for his leadership on this issue, I strongly support H.R. 1594, and urge passage of this important bill.

Mr. MARTINEZ. Mr. Chairman, I yield 4 minutes to the gentleman from Illinois [Mr. GUTIERREZ].

Mr. GUTIERREZ. Mr. Chairman, I rise today in strong opposition to this bill.

But, this bill does one good thing.

This one piece of legislation shows bluntly and blatantly where this country is heading under the Gingrich Republicans.

Some people say that there is no difference between the Republicans and Democrats. Well, these pages of legislation show that there is a huge gulf between the two parties.

And, the Republicans wish to create an even bigger gulf between Americans of different economic means.

Look at this bill.

They talk about targeted investments—and cite examples like public housing.

They define these as "investments that are selected for the economic benefits they create" and—these are their words—"may be more accurately described as politically targeted investments."

You want to talk about targeted investments?

Fine. But, let me ask you:

What do you think happened last week during debate on the B-2 bomber?

The vote on the B-2 had as much to do with local jobs and economies as it did with national defense.

I even received a letter from something called the B-2 Industrial Base Team. They weren't concerned with just the defense-related merits of the B-2. They talked about the economic benefits. They wrote that the "conclusion of the (B-2) will have a severe impact on our industry in (your district)", it would mean "the loss of high technology jobs."

Now, there are many decent Members on both sides of the aisle who voted for the B-2, and may have done so for these kinds of economic reasons. And that's their right.

But, if you voted to continue the B-2, and if you are planning to vote to cancel ETI's, please realize that the economic benefits of the B-2 are the same kind of collateral effects that you think is so terrible when it occurs in the form of public housing or public infrastructure.

Let's not forget the fact that today we are talking about private pension plans—not public money.

And a time when public money is clearly drying up—isn't this all the more reason to give average Americans the chance to fight crime, to educate our children, to house and feed our families if they so choose? I believe it is.

Furthermore, I am deeply upset by the tone of the rhetoric surrounding this bill, and the suggestion that every time the Federal Government sends a dollar outside of D.C., it ends up on the streets of our inner-cities.

I've seen lots of streets in my community in Chicago. And they aren't exactly paved with gold. In some cases, they aren't even paved.

So, where does the money go?

Let's pick—oh, completely at random—Cobb County, GA for instance.

Now, part of Cobb County lies in the 6th District of Georgia, a district that is represented by Congressman NEWT GINGRICH.

And while the Speaker and his troops rally against these kinds of targeted investments, guess how many dollars are targeted to flow into Cobb County—already one of the Nation's wealthiest counties?

Well, in one recent fiscal year, close to $3½ billion in federally funded projects.

So if you want to talk about targeted investments, the Speaker better draw a big bull's-eye around his district as well.

Finally, I am glad we are debating this bill because it shows that the Republicans never had a Contract With America. Nope. They had a contract with some of America.

They had a contract with the part of America that can afford to dole out the campaign contributions to make sure Government works for them, while other Americans confront gangs and drug dealers in the lobbies of their public housing complexes.

As this bill proves, the Gingrich Republicans not only take the pork and the perks for their districts, they send the pain and poverty somewhere else.

That is what this bill is all about.

Mr. FAWELL. Mr. Chairman, I yield 3 minutes to the gentleman from North Carolina [Mr. BALLENGER].

Mr. BALLENGER. Mr. Chairman, I thank Mr. FAWELL, chairman of the subcommittee of jurisdiction, for yielding time to me and would also like to express to him my appreciation and that of my constituents for all of his hard work on pension issues.

In my opinion, this issue is fairly simple. The Federal Government should not engage in the business of encouraging a specific type of investment which jeopardizes pensions of Americans. Economically targeted investments, or ETI's are social investments in which the social good or benefit of the investment is considered more important than the financial benefit created for the pension participant. In other words, the Clinton administration wants to risk the retirement funds of workers to promote its own liberal social agenda. H.R. 1594 would void this practice. If one is concerned about the security of America's retirees, this investment principle is unacceptable.

As we know, the Employee Retirement Income Security Act [ERISA] is the statute which protects the investment interests of retirees. Under the act, the Department of Labor is to act as the guardian of pensions. ERISA requires that private pension funds be invested for the sole financial benefit of plan participants and beneficiaries. The Department, through its promotion of ETI's, strays from the fiduciary standards mandated through

ERISA and abdicates its role as the entity charged with private pension guardianship.

This debate is not about the worth of social investing; it's about the failure of the Clinton administration to execute its duty and responsibility under the law to protect the retirement funds of millions of Americans. Investments are never a sure thing; however, social investing offers, traditionally, a higher risk with lower returns.

It's already a well-known fact that Americans do not save adequately for retirement. This fact has been confirmed by recent articles in several well-respected financial journals. Why, then, should we permit the Clinton administration to compound the problem by undermining the investments of those Americans who have put money away for retirement? There is $3.5 trillion invested in private pension plans in the United States. When Americans set money aside for retirement, the least they should be able to expect is that the pension managers will follow ERISA fiduciary standards and make wise investments with financial performance as the sole criterion. We must ensure that this trust is not misplaced.

I urge all of my colleagues to support H.R. 1594, legislation aimed at protecting America's private pensions by prohibiting the Department of Labor from promoting economically targeted investments. Join me in rescuing the retirement fund of all Americans from the politically correct, but financially destructive designs of Bill Clinton and Robert Reich. After all, can you claim to stand for the American worker and at the same time advocate a risky investment strategy that undermines his or her retirement funds?

Mr. FAWELL. Mr. Chairman, I yield 3 minutes to the gentleman from Florida [Mr. WELDON], a Congressman and also a doctor.

Mr. WELDON of Florida. Mr. Chairman, I thank the subcommittee Chair for recognizing me, and I thank him for the opportunity to speak out on this issue.

Mr. Chairman, I went home to my district in August, like most of us did, and, hopefully like most of us, I very much enjoyed going back home. I not only enjoyed going back home to enjoy the beautiful beaches and weather of the space coast area of Florida, as well as the environment there, but I also very much enjoyed going back so I could hear from my constituents as to what I need to be doing up here in Washington. Indeed, I frequently find that I get some very, very good advice and very good input when I go back home, and this time was no exception.

I went up to Kennedy Space Center to speak to the employees up there who have concerns about what is going to be happening in the future with NASA and what are the job prospects there. But I had a very, very pleasant surprise when I was up there at Kennedy. I was at the Orbital Processing Facility, the place where they take those shuttles and get them ready for the next flight.

There are a lot of union employees there at the OFF, and I got some questions about the NASA budget and what is going to be happening in the future. But I also got a lot of questions from those union guys about Economically Targeted Investments, how they did not want their union pension funds being exploited for political purposes by the Clinton administration. They had a lot of concern about their hard-earned dollars being protected.

I was very much pleased to be able to say that the gentleman from Illinois [Mr. FAWELL], the subcommittee Chair, has a piece of legislation that will protect their hard-earned dollars, to make sure that when they are ready to retire, that the money is there for them, and that those funds have not been siphoned off for political purposes; that their hard-earned money has not been invested by the quiche-Chardonnay liberal crowd into what they think is the best thing to be done with their money, but that their money has been invested in the place where it should be, a place where their hard-earned dollars will be protected for the future of themselves and their families.

Therefore, I rise in very, very strong support of this piece of legislation.

□ 1515

Mr. MARTINEZ. Mr. Chairman, I yield myself such time as I may consume.

I keep hearing over and over again, the words force, forced use of this money. I keep hearing that these pension plans that one of my colleagues from the other side related to have had such a dismal failure. But the instances he was citing were all State pension plans that are not covered or subject to ERISA, which are null and void as far as this debate is concerned, but he used it anyway.

It seems to me that over and over again they are convincing themselves and have convinced themselves of something that just is not so. If we look at the interpretive bulletin, and as I related to it in the committee meeting when this bill was being heard in committee, and read portions of the bill over and over again or the interpretive bulletin that is, where the fiduciary responsibility is not deleted, where the prudent man rule is consistent in the interpretive bulletin about that fiduciary relationship. I guess the hangup comes when some people read something and interpret it so literally, that they do not understand the realities of life.

An example, Mr. Chairman: Shall discharge his duty with respect to the plan solely in the interest of participants and beneficiaries. That is all well and good for the person that is managing. That has not changed at all. That person managing will still have to do that. But the thing that is overlooked here is the fact there is no investment made by anybody that does not have beneficial return to both parties, the person receiving and the person investing.

There is no investment that has ever been made by any of these pension funds that has not materialized a benefit to the person that used that pension fund, whether to create jobs or to bring a return or to lower a bond rating of a particular factory, which was done in one instance, and collateral investments have been made and have proved to be very successful as long as the managers are allowed to do their job.

This bill will not. What it will give rise to is anybody that wants to disagree with any investment made by those particular managers, it will give rise to a suit brought about by somebody disgruntled about the kind of investment they will make. The encouraging of investments is a wonderful thing to be done because some people that are making these investments maybe have not thought of some types of investments that would return them even a greater return than what they have been used to investing in, and that should be a great boon to the people depending on this money for their pensions and the return on the money that is invested for their pensions. I think if Social Security had done this a long time ago, we would give a better return to the beneficiaries of Social Security, but it has not.

Mr. GENE GREEN of Texas. Mr. Chairman, will the gentleman yield?

Mr. MARTINEZ. I yield to the gentleman from Texas.

Mr. GENE GREEN of Texas. Mr. Chairman, I just heard the earlier speaker talk about the quiche and chardonnay crowd. Mr. Chairman, and my colleague from California, I represent the beer and barbecue crowd, and they are concerned about their pensions.

I want to get this straight because I have heard today about how they are concerned about the pensions of those working folks. These are the same folks that are cutting job training, they want to abolish the minimum wage, they want to cut education funding, and now they are going to encourage pension plans to invest overseas so they will transfer those jobs overseas; is that correct?

Mr. MARTINEZ. Mr. Chairman, I would say that is correct.

Mr. GENE GREEN of Texas. Lord help us, I hope they do not get to privatize the space program; they will be building it in Taiwan.

Mr. MARTINEZ. Mr. Chairman, reclaiming my time, that is exactly what has happened. The pension fund money is being invested overseas rather than creating jobs here. Somebody on the other side of the water is getting the benefit of those jobs where we and our people, in such dire circumstances, should be getting the benefit of it.

Mr. Chairman, I reserve the balance of my time.

Mr. FAWELL. Mr. Chairman, I yield myself such time as I may consume to attempt to, perhaps, reply to some of the, I think, rather outlandish comments that are now being made.

This legislation has in no way altered the basic ERISA law. And it certainly, insofar as domestic investments are concerned or foreign investments are concerned, absolutely no change has been made whatsoever. I think that is so very important to point out.

Mr. Chairman, I would also like to point out that the Committee on Investment of Employee Benefit Assets, and these are the professionals who are out there in the field, in fact, the entities that are a part of this particular committee represent 164 corporate pension plan sponsors totaling close to $1 trillion. They support his legislation.

Why do responsible people, and I think we are basically responsible people, why are we supporting this? It does not take a rocket scientist to understand this legislation. It simply is saying to the Clinton administration that you should stop, because you have an obligation of trust as the watchdog for proper investments, you should stop hyping and promoting building clearinghouses, which has never been done before, at a cost of millions of dollars, and doing everything possible short of mandating. Of course, they are not about to do that, they are smart enough not to; but, obviously, that is down the line. The President did it in Arkansas, put a quota. He will not put a quota here. But, look, why should we have all this hyping, all this promoting for a certain class of investments?

Now, Mr. Chairman, it has been mentioned many times with ETI's that they have not been called that in the past. They were never defined until the Clinton administration came along and defined them. Obviously, individuals, whether it is Mr. Reagan who was talking about a specific housing mode of investment, or others will make those kinds of queries. But never before has the Department of Labor gone out and said we are going to take a special class of investments and we are going to push them. We will try to convince the people who make these decisions, the fiduciaries and the managers of these plans.

We are the regulators. We walk into their office and say, how many ETI's do you have? Now, that is the fox guarding the chicken coop. They are supposed to be the watchdog, they are not supposed to be out there hyping.

Mr. Chairman, I suppose one could say we could have a clearinghouse showing junk bonds that could really sell. That is a nice special class of investment. One can make a lot of money in junk bonds, but most managers of pension plans do not invest in junk bonds. Why? Because there is the prudent man rule that has made it very, very clear that it is a sound conservative determination that they must make, and their sole purpose is to protect. And it goes back to common law, English law, that you protect the trust. The trustee's job is to protect the beneficiaries of the trust, whoever they may be, the worker, the pensioner or their children. And nobody is going to come in there and try to fiddle and tinker with it, and we have social tinkering now at a mass scale. That is the difference.

Mr. Reagan never suggested that. Mr. Kemp never suggested that. Mr. Reich suggested that, he is from Harvard and his elite views. And he was smart enough to know you cannot just push it across with a mandate. But, as I said in my opening comments, this is like Willie Sutton; they know where the money is. There is $3.5 trillion. Most public pensions are not in very good condition. Look at all your States, your teacher pension funds and so forth and so on. Thank goodness we were smart enough in Congress to have a thrift pension that basically is under the same kinds of requirements as in ERISA.

Now, maybe we should volunteer to have our pensions utilized for socially correct or politically correct investments, but that is what we are talking about here. We are simply suggesting that we should go back to the status quo. We do not need a clearinghouse run by some private entity that is in the securities business, basically, to try to peddle the concept of economically targeted investments. It just is not necessary. That is going way out.

When the interpretive bulletin came out in June of last year, people looked at it and gulped. For the first time, at least as far as I know, legally speaking, it was written what an economically targeted investment actually is. And I have read that definition, and right away it says investments selected for economic benefits they create in addition to what goes to the beneficiaries. Hey, what are we centering on? What are we interested in? We are interested in those economic benefits that we can get for third parties.

Now, Mr. Chairman, I agree with the gentleman from California that there is not an investment ever made that there are not incidental benefits. But we do not make an investment for the incidental benefits, and that is what the Department of Labor is doing. And I do not think we would want to let them do that when we think of our trust. If that is some right wing conservative nutty idea, then I plead guilty. But I think we should look long and hard at what has been done here and hopefully not spend too much time criticizing on ideologies. I think it is a good sound provision.

I think what the gentleman from New Jersey [Mr. SAXTON] has done, has nipped in the bud the concepts that Mr. Reich wants to inflict upon the laboring people of this country. I know that Government's record is lousy, lousy, lousy when we look at the Social Security fund. And the rule is what, from Congress on high. We say we can only invest for instance in Government bonds. What type of a pension plan is that? What type of a fiduciary would say that? Only Congress would say that. How we are going to let Congress start monkeying around.

Mr. Chairman, I reserve the balance of my time.

Mr. MARTINEZ. Mr. Chairman, I yield myself the balance of my time.

Mr. Chairman, let me try to sum up here.

If we read the interpretive bulletin, it says those requirements of the prudent man rule shall prevail. The interpretive bulletin has not changed in law, contrary to what the gentleman from Illinois [Mr. FAWELL] says. What he just reiterated a minute ago about ridiculous statements, there is nothing more ridiculous than saying that all the pension investors agree with this bill. The Pension Rights Center is a group representing millions of pension beneficiaries with over $1 trillion in assets, and they oppose H.R. 1594. More than that, Mr. SAXTON was written a letter by the Council of Institutional Investors in which the first paragraph, describing $800 billion on behalf of beneficiaries, was a very polite paragraph. But they get down to the nitty-gritty of it in the important paragraph, and it says, unfortunately, we believe H.R. 1594 may unwittingly create precisely the kind of encroachments on ERISA's critical investment standards it is thought to prevent by creating exactly the kind of political pressure you indicate is inappropriate.

The legislation imposes special constraints on some types of investments not politically favored by supporters of the bill.

□ 1530

Mr. FAWELL. Mr. Chairman, yield 4½ minutes to the esteemed gentleman from New Jersey [Mr. SAXTON], the basic creator of this legislation.

Mr. SAXTON. Mr. Chairman, I thank the gentleman for yielding time to me.

First let me say that the gentleman from Texas, Mr. STEVE STOCKMAN, has been a tremendous help on this bill. His name should have appeared as a cosponsor, and did not through some oversight. But I want to thank him and make known that he has been a tremendous help on the bill.

Let me just say, Mr. Chairman, that this bill does three things: It negates the interpretive bulletin that has been talked about so much here today; it does away with the clearinghouse that was created by the Clinton-Reich effort; and it stops other Federal spending on efforts to move forward with this flawed concept. In other words, it returns the situation to the status that it enjoyed exactly during the Bush and Reagan administrations. Nothing has been changed with the law, nothing has been changed with the administration. It just rolls back what was done by Secretary Reich and President Clinton.

We have heard a lot about issues that have very little to do with this bill today. We have heard about the flow of capital to foreign countries, which we will talk a little bit more about later. We have heard about political motives. We have heard about cutting job training and other programs. My goodness, we even heard about the B-2. These issues have little, if anything, to do with the substance of what this administration has done.

There are two issues that are of importance in this entire debate. One is, what does it do to the rate of return on investments made with private pension moneys, the moneys of America's workers? The rate of return is something we all need to pay a great deal of attention to. It is our responsibility, if the overwhelming weight of evidence shows clearly that the rate of return significantly diminished in those pension funds that engage in ETI's.

Alicia Munnell, who is with the Department of Labor and has been nominated to be a member of the Council of Economic Advisers in the administration, concludes that a 2-percentage point difference will be felt by pension funds that invest in ETI's. Olivia Mitchell of the Wharton School concludes exactly the same thing. Some academics that dealt in the world of finance, Mar & Nofziger-Lowe, conclude that as much as 210 basis points or 2.1 percent less in returns can be expected in ETI's, so there is no debate, in my opinion at least, about the effect in investing in these socially risk investments.

The other issue is whether or not this increases risk. I think it was best summed up in a recent article in Business Week by Alina Burgh, President Clinton's top pension regulator, when she admitted "The ambitious nature of this project is difficult because it is a radical notion."

It is a radical notion, as it is pursued by this administration. That is why I think, without exception, Members of this House should vote to say, "Stop and look at this situation, roll back the interpretive bulletin." The pension community backs our bill. The Committee of Investment and Employee Benefits Assets, people who know and deal in these issues every day, and which represents 164 corporate pension plan sponsors who are responsible for investing and management of $900 million in ERISA-governed pension assets on behalf of 12 million participants, back this bill.

The Association of Private Pension Funds and Welfare Plans, the APPWP, say, "We share Representative SAXTON's opinion and yours"—this is addressed to Mr. FAWELL—"that ERISA's fiduciary standards will not be interpreted in a manner that will allow the value of benefits of plan participants and beneficiaries to be jeopardized."

We do not want to jeopardize other people's money. They have saved it for their retirement: The factory worker, the clerk in the department store, the person that delivers parcels. All these folks are concerned, and we should be as well. Vote to support this bill.

Mr. STARK. Mr. Chairman, I believe most people on both sides of the aisle know why we are spending the time of the House on this issue. This is nothing more than a cynical maneuver by the Republicans to give themselves some cover with the elderly for the massive cuts they are planning to make in Medicare and Medicaid.

We have heard the Republicans charge that the Clinton administration is raiding private pensions to fund the liberal social welfare programs that were rejected by the voters last November. And we have heard how the valiant Republicans are going to come charging in on their white horses to slay this misty Clinton dragon by passing H.R. 1594 and rescue the fair elderly from this dreadful attack on their pensions.

But we all know what is really going on. The Republicans are, as we speak, making plans for massive cuts in Medicare and Medicaid that will cause extensive harm to millions of senior citizens, both in their pocketbooks and in the quality of their health care.

Let me tell you a little bit about what the Republicans have in store for the elderly. The House Republicans' budget resolution would require us to cut $270 billion out of the Medicare program over the next 7 years. This is a huge cut—the program would be 25 percent smaller in 2002 under this plan than it would be under current law.

What this means for the elderly is that Medicare premiums and deductibles will go up, while benefits will go down. The Republican cuts will reduce seniors' access to health care and require new co-payments for services such as lab tests, home health care, and skilled nursing facilities.

On average, Social Security recipients will pay $3,500 more out of their own pockets for medical care over the next 7 years if the Republican Medicare proposals are passed. In the year 2002 alone, average costs for each senior will rise by $1,060. Seniors in my area of California would pay $1,466 more on average for health care by 2002—or a total increase of $4,783 over the next 7 years.

Seniors on Medicare have an average income of about $18,000 apiece—how can they possible pay more than $1,000 more per person for their medical care? About 83 percent of Medicare benefits go to seniors with income below $25,000. Medicare cuts of the size proposed represent a massive tax hike on middle and lower income seniors.

Lower-income seniors, especially those fortunate enough to need extended nursing home care, will be hit again by the additional huge cuts proposed in the Medicaid program. Almost two-thirds of Medicaid spending goes to senior citizens, largely for seniors in nursing homes who have already used up their own resources to pay for medical care. Turning Medicaid into a block grant program, as some Republicans have proposed, and cutting it by as much as $182 billion over the next 7 years will make it impossible to continue current levels of support for low-income seniors—at a time when needs will be rising dramatically because of Medicare cuts. A costly extended illness can happen to anyone—and these cuts would remove the Medicaid safety net for seniors who need extended nursing care.

We still don't have the full details of the Republicans' plans to cut Medicaid and Medicare. The proposals we've seen so far don't generate enough savings to meet their budget targets, but they are bad enough. For example, in the Supplementary Medical Insurance (Part B) part of Medicare—which is financially sound and does not require cuts to maintain its solvency—the Republicans may be planning to double the deductible that Medicare patients have to pay before Medicare reimburses them for their doctors' bills. And then after doubling the deductible, they plan to index it—just to make sure it goes up every year thereafter. At the same time, the Republicans plan to increase the premiums that Medicare enrollees must pay. And if that isn't enough, they may also want to make patients pay a higher share of costs of laboratory services, home health care services, and skilled nursing facilities.

And so the bottom line is, Medicare patients will be paying more up front for their coverage, and when they get sick and actually use medical services they'll pay more for that too. And if they use up all their resources and still need nursing home care, the Medicaid program will no longer be there to provide a safety net.

Now you understand why the Republicans need some protection, some way of conjuring seniors into believing that the Republicans are protecting their retirements, even as they eviscerate the Medicare and Medicaid programs. Today's charade is part of that effort.

The Republican bill under consideration focuses on a minor Labor Department regulation which lets pension fund managers consider ancillary benefits when making investment decisions. These are known as Economically Targeted Investments, or ETI's.

For decades, there has been strong bi-partisan support for requiring pension funds to seek the best possible financial returns for the sake of their beneficiaries. The Employee Retirement Income Security Act [ERISA] imposes that fiduciary duty on managers on the Nation's private pension plan assets of $4.5 trillion.

Early on, however, pension managers raised the question whether, in choosing between two investments with equally promising financial prospects, they could favor the investment with collateral benefits to their group or community, such as whether an investment creates jobs in the local community or stimulates small business development or even whether to pass up an investment because the money would go abroad. In a series of letters to pension funds seeking clarification on this issue, the Department of Labor made two points. First, investments failing to make competitive returns could not be chosen. But, second, among investments with competitive returns, pension managers would not violate their fiduciary responsibility by giving consideration to collateral benefits.

This interpretation of ERISA is nonpartisan. It originated more than 20 years ago and has been endorsed by the Carter, Reagan, Bush and Clinton administrations. However, it was not widely known, even among pension professionals, since it only existed in a series of individual letters. Following a recommendation by the Bush administration's outside advisors on ERISA, the Labor Department put out an interpretive bulletin last year which restated the guidelines issued not only by Democratic administrations but also by the Reagan and Bush administrations.

In response, the Republicans began accusing the Clinton administration of plotting to hijack America's pension assets to fund its liberal social agenda. As time has passed, their claims have grown wilder. Last week, Congressman SAXTON, the chief sponsor of H.R. 1594, issued a preposterous study. First, it claims that the interpretive bulletins issued June 23, 1994 was a stealthy response to the Republican takeover of Congress in January 1995.

No less absurdly, it claims that ETI's would reduce pension assets by an average of $43,000 per beneficiary over a 30-year span. That phony calculation comes from, first, assuming the pension funds consistently sacrifice 2 percent a year in financial returns on ETI's, blatantly against the law; and second, that pension funds will grown 12 percent per year for 30 years reaching $2,075,000 per recipient. Because of ETI's, there would be only $2,032,000 apiece.

In fact, just as in health care and Social Security, the Clinton administration is working to defend the elderly:

The policy to permit economically targeted investments does not cost the elderly one red cent in pension benefits, since the rules require that the risks and returns of ETI's must be the same as for other investments.

The current interpretation of the law is identical to the policy adopted under previous Presidents, including both President Reagan and President Bush.

The ERISA rules require that all investments have competitive rates of return and risk but only permit the additional consideration of collateral benefits.

The legislation proposed by Vice Chairman SAXTON is not just a solution in search of a nonproblem, it is pernicious. It would create a thought police for pension fund managers. In effect, the Saxton bill says to fund managers: "Don't let us catch you considering anything in your investment decision that may benefit your country or your fellow citizens. If we catch you thinking about anything but the fund's bottom line, you're in trouble."

What else does the vice chairman's bill say to pension managers?

It says you can protect yourself by putting your funds in Wall Street but don't even think about putting them in a small business in your own community.

It says you can invest in a multinational firm that plans to close factories and ship jobs abroad, but don't even think about investing in an American company to help create jobs here.

It says you can invest in a foreign company that will compete with the United States but don't even think about using your funds to help an American company compete.

It is ironic that Representative SAXTON would sponsor a bill to eviscerate the ETI regulations when his own State of New Jersey has two very effective ETI programs.

In New Jersey, the State Investment Council directs the investment of about $34 billion of assets for the State public employees pension funds. The following is a statement of the council's policy:

> The Council has determined that investing for the benefit of fund beneficiaries need not exclude investments in New Jersey or those which advance other social goals. In 1984 the Council codified a list of Social Investment rules for the State Division of Investment that includes reviewing all reasonable investment proposals presented by New Jersey corporations and giving preference to New Jersey investments if other terms are equal.

Is the vice chairman going to go back to New Jersey this weekend and demand that the State pension funds be prohibited from giving preference to New Jersey investments if other terms are equal?

There is another program the council initiated in 1986:

> Under the program, the Division determines a market rate for mortgages once a month and creates an open window to buy identical New Jersey mortgages from banks at this rate. In fiscal year 1992, one million dollars of New Jersey mortgages were purchased. The open window can prevent temporary capital gaps from developing if New Jersey suffers a temporary shortage of secondary mortgage funds.

Is the vice chairman going to go home this weekend and demand that the State pension funds stop buying New Jersey mortgages and only purchase mortgages from other States?

Mr. Speaker, in summary, there is no truth, not even a kernel, to the Republican charges—the ERISA rules are very clear that ETI's are permissible only when they do not involve any sacrifice of return to plan beneficiaries. The interpretive bulletin on ETI's is no threat to private pension funds—Ronald Reagan didn't think so when he was President and nonpartisan experts do not think so today.

But the Republicans, who are desperate for any cover to protect themselves from the growing wrath of the seniors, have latched on to this bulletin and have shamelessly invented whatever distortion necessary to create an imaginary threat to private pension plans—a wispy dragon which they will slay by passing H.R. 1594.

Responsible Members of Congress should have no part of this charade. If the Republicans want to make billions of dollars in cuts in Medicare and Medicaid, they should do it in the open without diversions or smokescreens and they should accept the responsibility. I urge you to vote against H.R. 1594.

Mr. PETRI. Mr. Chairman, I rise in support of this legislation to defend our Nation's pension plans from the liberal social agenda of the Clinton administration.

With the Republicans in control of the Congress, the Clinton administration has had a difficult time funding its liberal programs.

As a way around this, the President's Department of Labor has been encouraging pension fund managers to invest in politically correct projects.

In effect, the President is using America's savings as his own piggy bank, and in doing so, he is putting his political goals ahead of protecting our Nation's pensioners.

This policy puts $3.8 trillion of private pension plan assets at risk.

Should we have Government bureaucrats picking which investments are better than others?

I don't think so.

This bill is intended to put an end to this backdoor money grab.

However, there is a related but equally important issue.

Pension plans now contain more than half of our economy's investment capital.

Since fund managers have a responsibility to invest their holdings prudently, they tend to be extremely risk-adverse and invest only in large, well established companies.

With their fiduciary responsibilities in mind, fund managers are understandably reluctant to invest in growth companies and venture markets.

These markets are comprised to small companies, whose success is vital to our Nation's economy.

While these markets are riskier, their rate of return generally out performs other investments.

However, as a result of risk-averse fund management, I doubt that there will be enough capital channeled to these economically important investments.

We have to try to enable fund managers with fiduciary responsibilities to invest a portion of their assets in these riskier ventures.

There should be ways to do this while safeguarding our Nation's pension plans.

Of course, this is different than investing in ETI's.

Investments in venture markets are focused on economic benefits, while ETI's are focused on social and political goals.

Mr. PACKARD. Mr. Chairman, today we take up economically targeted investments [ETI's]. Those who support ETI's represent they are safe, prudent ways to encourage investments in low-income housing, infrastructure, and business.

However, nothing could be further from the truth. ETI's are simply a backdoor for the Clinton administration to finance liberal social programs, and for the Department of Labor to sneak around laws that direct pension fund managers to invest solely for the financial benefit of plan participants.

This pursuit of ETI's is frightening. It is dangerous to the security of private pension savings. The overriding concern for pension investors must be fiscal soundness not liberal, social programs that could cost a 35-year-old worker $43,298 in pension income by the time he or she retires at the age of 65.

Mr. Speaker, as a cosponsor of H.R. 1594, I strongly urge all of my colleagues to support this measure, restoring law and fiscal responsibility within the Department of Labor.

The CHAIRMAN. All time for general debate has expired.

The committee amendment in the nature of a substitute printed in the bill shall be considered under the 5-minute rule by sections, and pursuant to the rule, each section shall be considered as having been read.

Pursuant to the order of the House of today, the Chairman of the Committee of the Whole may postpone until a time during further consideration in the Committee of the Whole a request for a recorded vote on any amendment made in order by the resolution. The Chairman of the Committee of the Whole may reduce to not less than 5 minutes the time for voting by electronic device on any postponed question that immediately follows another vote by electronic device without intervening business, provided that the time for voting by electronic device on the first in any series of questions shall not be less than 15 minutes.

The Clerk will designate section 1.

The text of section 1 is as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SENSE OF THE CONGRESS.

It is the sense of the Congress that it is inappropriate for the Department of Labor, as the principal enforcer of fiduciary standards in connection with employee pension benefit plans and employee welfare benefit plans (as defined in paragraphs (1) and (2) of section 3 of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1002 (1), (2))), to take any action to promote or otherwise encourage economically targeted investments.

Mr. FAWELL. Mr. Chairman, I ask unanimous consent that the remainder of the committee amendment in the nature of a substitute be printed in the RECORD and open to amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from Illinois?

There was no objection.

The text of the remainder of the committee amendment in the nature of a substitute is as follows:

SEC. 2. PROHIBITIONS ON DEPARTMENT OF LABOR REGARDING ECONOMICALLY TARGETED INVESTMENTS.

(a) IN GENERAL.—Interpretive Bulletin 94-1, issued by the Secretary of Labor on June 23, 1994 (59 Fed. Reg. 32606; 29 C.F.R. 2509.94-1), is null and void and shall have no force or effect. The provisions of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1001 et seq.) shall be interpreted and enforced without regard to such Interpretive Bulletin.

(b) RESTRICTIONS ON DEPARTMENT OF LABOR REGULATIONS.—The Secretary of Labor may not issue any rule, regulation, or interpretive bulletin which promotes or otherwise encourages economically targeted investments as a specified class of investments.

(c) RESTRICTIONS OF ACTIVITIES OF THE DEPARTMENT OF LABOR.—No officer or employee of the Department of Labor may travel, lecture, or otherwise expend resources available to such Department for the purpose of promoting, directly or indirectly, economically targeted investments.

(d) ECONOMICALLY TARGETED INVESTMENT DEFINED.—For purposes of this section, the term "economically targeted investment" has the meaning given such term in Interpretive Bulletin 94-1, as issued by the Secretary of Labor on June 23, 1994 (59 Fed. Reg. 32606; 29 C.F.R. 2509.94-1).

SEC. 3. PROHIBITION ON FEDERAL AGENCIES AGAINST ESTABLISHING OR MAINTAINING ANY CLEARINGHOUSE OR OTHER DATABASE RELATING TO ECONOMICALLY TARGETED INVESTMENTS.

(a) IN GENERAL.—Part 5 of subtitle B of title I of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1131 et seq.) is amended by adding at the end the following new section:

"PROHIBITION ON FEDERAL AGENCIES AGAINST ESTABLISHING OR MAINTAINING ANY CLEARINGHOUSE OR OTHER DATABASE RELATING TO ECONOMICALLY TARGETED INVESTMENTS

"SEC. 516. (a) IN GENERAL.—No agency or instrumentality of the Federal Government may establish or maintain, or contract with (or otherwise provide assistance to) any other party to establish or maintain, any clearinghouse, database, or other listing—

"(1) for the purpose of making available to employee benefit plans information on economically targeted investments,

"(2) for the purpose of encouraging, or providing assistance to, employee benefit plans or any other party related to an employee benefit plan to undertake or evaluate economically targeted investments, or

"(3) for the purpose of identifying economically targeted investments with respect to which such agency or instrumentality will withhold from undertaking enforcement actions relating to employee benefit plans under any otherwise applicable authority of such agency or instrumentality.

"(b) ECONOMICALLY TARGETED INVESTMENT DEFINED.—For purposes of this section, the term 'economically targeted investment' has the meaning given such term in Interpretive Bulletin 94-1, as issued by the Secretary on June 23, 1994 (59 Fed. Reg. 32606; 29 C.F.R. 2509.94-1).".

(b) CLERICAL AMENDMENT.—The table of contents in section 1 of such Act is amended by inserting at the end of the items relating to part 5 of subtitle B of title I the following new item:

"Sec. 516. Prohibition on Federal agencies against establishing or maintaining any clearinghouse or other database relating to economically targeted investments.".

SEC. 4. TERMINATION OF CONTRACTS.

The head of each agency and instrumentality of the Government of the United States shall immediately take such actions as are necessary and appropriate to terminate any contract or other arrangement entered into by such agency or instrumentality which is in violation of the requirements of the provisions of this Act or the amendments made thereby.

SEC. 5. EFFECTIVE DATE.

The preceding provisions of this Act (and the amendments made thereby) shall take effect on the date of the enactment of this Act.

The CHAIRMAN. Are there amendments to the bill?

AMENDMENT OFFERED BY MR. GENE GREEN OF TEXAS

Mr. GENE GREEN of Texas. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. GENE GREEN of Texas: Insert after section 4 the following new section (redesignating section 5 as section 6):

SEC. 5. PROTECTION OF DOMESTIC INVESTMENTS.

Nothing in this Act shall be construed as prohibiting the investment by an employee benefit plan (within the meaning of paragraph (3) of section 3 of the Employee Retirement Income Security Act of 1974) in domestic investments, as distinguished from foreign investments.

Mr. GENE GREEN of Texas. Mr. Chairman, as we heard earlier in the debate on H.R. 1594, this is a bill that is unneeded, because there have been no mandates, but this amendment, if we are going to pass an unneeded bill, would make sure for those investment managers that it is clarified.

The amendment that we are considering seeks to accomplish one simple action. This amendment ensures that domestic investments are not prohibited under H.R. 1594. It ensures that American pension managers will not be afraid to invest in America and in American jobs. The amendment was read and it is in the RECORD, so all we are saying is that nothing in this amendment shall be construed as prohibiting the investment by an employee benefit plan in domestic investments, as distinguished from foreign investments.

Mr. Chairman, I am vested in a private pension plan. I am sure when I am 65 it is not going to provide as much as I would like, but I am one of those people who invested in it. And I do not want them to take chances with my money. I want to make sure they maximize the investment so I have as much as I can when I am 65.

However, I also want to make sure and I want them to have the encouragement to invest in the United States, instead of going overseas. My concern in this bill, if given a choice with the same risk, if this bill passes, someone who is a prudent investment manager may say, "I can get 15 percent in building houses somewhere overseas and maybe 15 percent in the city of Houston," they will go overseas because of the restrictions of this bill. I want to make sure that that is not the question. I want them to build those houses in Houston, TX, or Cleveland, OH, or anywhere else if the risk is the same as going overseas. That is why we need to adopt this amendment.

H.R. 1594 repeals an interpretive bulletin that says that pension managers may consider collateral benefits where the risk and return otherwise meet the prudent standard. In doing so, H.R. 1594 clearly discourages and may effectively forbid the consideration of collateral benefits by U.S. fund managers.

In fact, this bill, if read the way it could be interpreted, could ban pension fund investments in mortgage pools, such as those guaranteed by the Federal National Mortgage Association, holding the trustees legally liable if they authorize such investments, so we would hope they would encourage investments in mortgages in the United States.

To avoid that potential liability, pension plans may be reluctant to invest in these American investments that have collateral benefits. Everything has a collateral benefit, Mr. Chairman. When the State of Connecticut, and I notice the other side did not mention that, invested in a firearms industry, because that is a major job producer in Connecticut, I am glad they did; but I notice in their talking and discussing about it, they did not talk about that investment. They talked about some other investments that did not pan out.

I wish I could say that every investment all of us individually or as fund managers invested in was good. Some pay a higher percentage because they have a higher risk. That is what we want, is to take a little higher risk, but for higher benefits for those of us who are the ones who are going to benefit from it.

For 20 years pension fund managers have been building up solid portfolios in these economically targeted investments that diversify their holdings and provide a competitive rate of return. They create those jobs locally and incur no unusual investment risk. My amendment provides once and for all that nothing in H.R. 1594 prohibits that employee benefit plan from investing domestically.

As it is, pension plans have been increasingly investing overseas, and as Members will see from this chart, U.S. pension funds are increasing from 3.7 percent in 1989 to 8 percent in 1994. It is projected to go to 12 percent foreign investment in 1999.

What I do not want us to do is to encourage that by passing this bill. That is roughly $800 billion of our money that is being invested overseas when it could be invested here at the same rate of return. Let us make it clear, if this bill is enacted, a pension fund manager, faced with two choices of equivalent investment, one in the United States and one abroad, the safe course would be to invest abroad, because of 1594. Let us correct that by passing this amendment.

The failure of this amendment today would only encourage litigation, cost more for those of us who are vested in these pension plans, and call into question whether we are going to invest in creating American jobs in our country. This bill would throw a legal shadow over a decision to invest in a hometown or State, but would not affect a pension fund if it is doing the same thing in foreign securities or foreign countries. It is irresponsible for this Congress to talk about Social Security when Social Security cannot invest in anything but Government bonds.

If we want to do it, let the majority come up and say "We are going to do that," but let us invest our pension fund in our country at a competitive rate. Let us keep American investment here at home. Let us vote yes to create more jobs, and vote for the Green amendment.

Mr. FAWELL. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I feel like President Reagan when he said, "Now, there you go again." There is absolutely nothing in this legislation that proscribes collateral benefits one bit. There is nothing in this bill that prevents pension plans from investing domestically or in foreign investments, nothing whatsoever. ETI's are still left standing, assuming, of course, as the folks on the other side of the aisle have consistently said, that the prudent man rule lives. Certainly the prudent man rule does live.

There is only one question that is ever asked of an investment under the prudent man rule and under the ERISA laws. That is, is that something that is a solid investment for the people who are the beneficiaries of that trust fund? A lot of housing, for instance, programs are quite acceptable, obviously, under ERISA. The whole concept of this fantastically successful program, which has raised $3.5 trillion for the workers of America, is that the Federal Government is not micromanaging and dictating where the investments have to go.

This legislation obviously, coming along somehow heralding and trumpeting the fact that collateral benefits are something that are in some way proscribed, says "Well, we are going to have to amend the prudent man rule. We are going to have to start now having Congress mandate where the investments will go."

There is not a person here who is not, of course, deeply in favor of investments from pension plans all over America going into domestic investments, and obviously, that is occurring. That is where most of them go, obviously. However, is there any one of us who is going to say, "You cannot invest globally?" Do we want to start saying, "We are going to direct you," the fiduciaries, "where you are going to invest?" If we just give a little bit of thought about that, I do not think any one of us wants to believe that that is what we would want to do.

□ 1545

Remember, this bill simply is putting us back to where we have always been in America, but without that clearinghouse and without the interpretive bulletin of June 1994. Otherwise, it is exactly the same with the proscription in this bill that says to the Department of Labor, do not go out hyping and promoting in regard to a special class of investments called ETI's. It makes it very, very clear that you can have advisory opinions about specific investments. If someone wants to write to the Department of Labor and ask in their opinion is this a good investment, the Department of Labor can give that opinion.

But this is an absolutely unnecessary amendment and it can only do harm, because here it comes, folks, the avalanche of people in Congress who know how best to direct the fiduciaries of America as to where their funds shall go. We will unfurl the flag that we are doing it for domestic purposes because of the fact that I suppose some evil people sneak out a global investment. Heavens, how terrible that would be.

This amendment is an absolutely terrible one. We just have not given the thought to it that we should. In effect, you are amending the prudent man rule.

Obviously that should not be done.

Mr. TRAFICANT. Mr. Chairman, I move to strike the last word.

Mr. Chairman, we are talking about perception here. Does the Congress of the United States want the perception to exist that we want to make sure, if you look at the words, that nothing in this bill shall be construed to prohibit pension plans from investing in domestic as opposed to foreign investments? That is the substance of the Green amendment. It makes no significant change in the ultimate goals of the legislative initiative.

But do we want the American investment community thinking, my God, if we are going to make a call to the Department of Labor, we could be in some way violating the law, and we better be careful about trying to develop some understanding about the legal consequences of, in fact, investing these pension funds in America?

We are talking about perception. To me, this is unbelievable. ERISA, as consistently interpreted by Department of Labor and the courts, allows pension plans to consider the collateral economic benefits of a potential investment, provided that potential investment has a comparable risk-adjusted return to other potential investments and is otherwise consistent.

This bill, then, would call into question the ability of pension plans to consider collateral benefits. As a result, pension plans may be reluctant to invest in domestic investments that have collateral domestic economic benefits, even though they may have competitive risk-adjusted returns that otherwise meet standards of ERISA.

In any regard, the result because of perception could be increased pension plan investment in foreign investments. Is that the goal we are after here?

I am not an attorney. All I know is this: U.S. pension plan funds increased from 3.7 percent in 1989 overseas to 8 percent in 1994. They are projected to hit over 12 percent in 1999. What is the goal of America's private pension plan money here?

Is the Congress of the United States saying we do not want the perception that you can invest in domestic activities even though the risk is no greater?

The Green amendment does not in fact turn back the clock on your legislation.

Mr. FAWELL. Mr. Chairman, will the gentleman yield?

Mr. TRAFICANT. I am not going to yield at this point.

I have listened to this entire debate. I do not take offense with the sponsor of the legislation. I think anybody that is trying to ensure that we do not have a social program agenda with private pension plans, that makes sense to me, but we are beginning to debate perceptions and we are going to start chasing the American pension plan dollars overseas. It has increased fourfold over the last 5 years.

My God, here we are cutting money in this country. We are saying we cannot be the parent for all, we cannot provide all the money in America, and I am agreeing with some of that conservative logic. But what I do not agree with is where the private sector should be incentivized to invest in markets in America where their chances of success are fair and reasonable. That leveraged incentivized sort of government programming makes sense to me.

To oppose this Green amendment is simply like saying, "Look, we take a tarnished look at what the Democrats are trying to do to this bill." The Democrats are going to oppose your bill. Democrats believe if it is not broke, do not fix it.

Now, maybe there are some people in the Department of Labor who are going too far, and maybe there will be some social agenda over there that does not meet what the approval of decent investments, but let me tell you something. When you look at the savings and loan debacle, you were not looking at economically targeted investment types of abuse, you were looking at the money abuse of those pension funds. They were putting them in their friends' accounts. They were swinging with the money.

Now what do I know? I am just a sheriff, in my former public life here, and all I am saying is, look, any perception that will lend to more offshore investment of America's pension funds to me is a no-brainer here. You should be accepting the Green amendment and should not be arguing it.

The CHAIRMAN pro tempore (Mr. McINNIS). The time of the gentleman from Ohio [Mr. TRAFICANT] has expired.

(By unanimous consent, Mr. TRAFICANT was allowed to proceed for 1 additional minute.)

Mr. TRAFICANT. Mr. Chairman, I am glad to yield to the gentleman from Illinois [Mr. FAWELL], the distinguished subcommittee chair whom I respect very much, if he still wants to engage me in some debate here.

Mr. FAWELL. Mr. Chairman, I only wanted to point out that all of those industrial figures to which the gentleman made reference to, of course, that all has occurred and it has got nothing to do with this legislation.

Second, I want to emphasize the fact that there is no prohibition in our legislation as to collateral benefits. That is to say, an investment is not deemed to be violative of the prudent man rule just because there are some incidental benefits that come from an investment. Indeed, every investment does have that. All that the prudent man rule says is that you shall concentrate upon the very first order of business.

The CHAIRMAN pro tempore. The time of the gentleman from Ohio [Mr. TRAFICANT] has again expired.

(By unanimous consent, Mr. TRAFICANT was allowed to proceed for 2 additional minutes.)

Mr. TRAFICANT. Mr. Chairman, I would like to respond to that.

Mr. FAWELL. If the gentleman would yield further, all we are trying to do is change that emphasis. We are not changing the substantive law. And once we start getting into the point of suggesting that, for instance, investments in infrastructure, nothing herein contained should be deemed to make that illegal, then the implication is, the negative implication is that others, for instance, do not rate as high and the implication also is that you do not even have to follow the prudent man rule in order to be able to have a domestic——

Mr. TRAFICANT. Reclaiming my time so I can respond a little bit. I have great admiration and respect for the gentleman from Illinois [Mr. FAWELL].

I do not think you on the House floor want to in any way promote pension funds going overseas. I know you do not want to do that. I am concerned about the perception that is what is coming out of the Congress of the United States of America. Unless you disagree with this, and unless I need a shrink on this legislation, I want to just ask a question: Is in fact the sponsor, the gentleman from Texas, Mr. GENE GREEN, saying that all he wants to do is ensure that this bill does prohibit pension plans from investing in domestic as opposed to foreign? That is the substance of this amendment. We are making it into something other than what it really is.

I do not want anybody to frivolously and flippantly mess around with my pension account or my constituents'. But, by God, when there is a reasonable investment with the same collateral risk and rewards in America, I do want the U.S. pension plans to find the domestic market, period. I will say that on the floor.

Here is what I am saying to the gentleman. We are projecting in the next 5 years to exactly triple U.S. pension plan investment overseas. Is that what the Members of the Congress of the United States want? I am beginning to believe it is, because I cannot see jobs, I cannot see investment, I see 4 million housing units, rental units needed, people trying to find first-time homes, and we are going to give the perception, stay away from domestic investment. And if you call Department of Labor, watch you do not get in trouble. Beam me up.

Mr. SAXTON. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I would say to the subcommittee chairman, the gentleman from Illinois [Mr. FAWELL], do not be so distraught over this amendment because whether it passes or not, it has no effect, because the bill does not do what the proponents claim that the perception is.

I would just like to make the observation that the opponents of this bill are very clearly anxious to avoid the key issue, the underperformance of ETI's. That is what this bill is all about, and this amendment has nothing whatsoever to do with the issues that are of concern to those of us who have worked so hard for a year to get this bill in the place that it is today.

All of the amendments from the other side, those to come, seem destined to distract attention away from the fact that ETI assets offer lower yields and more risk. That is what this is all about. The bill has nothing whatsoever to do with foreign investment or domestic investment.

Would anybody who is watching this debate think that those of us on this side of the aisle would be foolish enough to restrict domestic investment? Do they think that you would be foolish enough to read the language and really think that is true? It is fallacious, and your amendment is fallacious, as well, and you know it.

Frankly, I am a little bit surprised that we are having this debate here today. Let me talk a little bit about how fallacious your amendment is. The amendment starts with the assumption that an ETI investment and alternative investments offer exactly, that is your words, the same risk-adjusted return.

I would suspect that you would agree with me that at some point you cannot determine what is exactly the same rate of return and exactly the same risk. The Nobel laureate James M. Buchanan, in his book "Cost and Choices," makes that very point. There is no such thing in the world of economics as exactly the same rate of return and exactly the same risk, so this amendment on its face begins with an assumption that is not possible, according to the learned James Buchanan.

I would also point out that your argument is fallacious for another reason, and that is that the charts we have before us talk about the outflow of capital beginning in 1989 and continuing into years beyond 1995. Why, this bill was not even thought of until 1994. Yet beginning in 1989, 5 full years earlier than the bill was conceived, you claim that somehow the perception was created 5 years before the bill was conceived that made all this happen.

Mr. Chairman, it is an attempt to confuse. This amendment has nothing to do whatsoever with the main issues that we are talking about here today, the protection of the rate of return and the minimization of risk in private pension plans.

□ 1600

I would make one other point, and that is that as I look at these charts, 1989 and 1990 were certainly watershed years. We had the largest tax increase that year in the history of our country. Then we had another one that trumped it in 1993, making it more difficult to do business in this country, making it more difficult, with the votes of all of my colleagues over there, to make a profit in this country.

My, it is not strange that pension fund managers would invest off shore. Is it not strange? So I say to the gentleman on the other side of the aisle, he is not fooling anyone. This has nothing to do with the substance of the bill. The bill does not speak to this in any way. The bill does not restrict domestic investment in any way. No one would be foolish enough to advance such a notion, except perhaps the author of this amendment.

So I guess I would plead with the gentleman from the other side of the aisle, please, let us get on with the business of the day. If the gentleman wants to talk about whether or not the rate of return in ETI's is less, it is 2 percent less or 3 percent less or whatever it is, or how much it hurts private pension plans, that is fine. We can talk about that. That is what this bill is about.

Or if the gentleman wants to talk about how much additional risk is created by virtue of investing in socially motivated risky investments, we can talk about that.

Mr. Chairman, this amendment has nothing to do with the substance of this bill whatsoever. It is an attempt, and I think a poorly disguised attempt, to cloud the issue.

Ms. VELÁZQUEZ. Mr. Chairman, I move to strike the requisite number of words.

I rise in strong support of the Green amendment to H.R. 1594.

This amendment simply states that nothing in this bill will prevent pension plan funds from investing in domestic ventures. Frankly, I can't see why anyone would oppose an amendment that simply reaffirms our commitment to job creation in this country.

Our country is quickly becoming a two-class society, and the No. 1 cause of this, is the lack of job creation. As companies in our communities close down and relocate in search of lower wages, what will take their place? At best we are replacing these good-paying blue collar jobs with minimum-wage, part-time positions. We are just not creating enough good-paying jobs in the United States. Every effort must be made to encourage economic growth in our struggling communities across this country. Mr. GREEN's amendment simply wants to make sure that we continue this commitment.

How can my colleagues expect districts like mine, which are in desperate need of a viable economic base, to develop good paying jobs if we are not willing to make a minimal commitment to domestic investment. If we continue to favor investment abroad over investment in our country because of cheap labor and lower costs, communities like mine will slide further down the list of priorities, receiving less and less. As domestic investment dwindles, pension funds will use their limited resources more and more in the suburbs, and will continue to shortchange our cities.

In my own district there is potential for growth through a variety of business opportunities. But if we are not willing to encourage domestic investments, we may be sacrificing the next Microsoft or Motorola, before it even gets started.

I call on my colleagues to support this amendment. What type of message would we be sending to investors across this country if we are not willing to adopt a simple amendment that encourages domestic investment. I yield back the balance of my time.

Mr. GENE GREEN of Texas. Mr. Chairman, will the gentlewoman yield?

Ms. VELÁZQUEZ. I yield to the gentleman from Texas.

Mr. GENE GREEN of Texas. Mr. Chairman, let me address some of the concerns that the gentlewoman from New York [Ms. VELÁZQUEZ] has raised and the other side has raised.

Mr. Chairman, they talk about the amendment, but let me read it for the Members of the House who may not be on the floor who are watching this.

> Nothing in this Act shall be construed as prohibiting the investment by an employee benefit plan, within the meaning of paragraph 3 of the ERISA, in domestic investments as distinguished for foreign investments.

I do not understand why they are so worked up in opposing it, unless that is their concern. Granted, they are stretching to pass this bill. They are stretching to say that people invested foreign because of the 1990 tax bill. I did not read their lips in 1990, and I hope I did not this year. But by stretching to oppose this amendment, by using that, all we are saying is that when you are comparing apples to apples, let us do it domestically. That is all this amendment asks for.

Mr. Chairman, my colleagues can come up with any other interpretation. Frankly, I do not understand why they are opposing the amendment, but I appreciate the support of the gentlewoman from New York [Ms. VELÁZQUEZ].

Mr. GOODLING. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, now we are seeing one of those tragedies unveiled on the floor of the House that happens so many times. If my colleagues want to hoodwink the American public, if they want to confuse the American public, if they want to confuse their fellow colleagues, just say that we are going to send money overseas or we are going to invest overseas or we are going to send business overseas, and everybody and their brother in the country will rise up in righteous indignation.

Mr. Chairman, the fact is that this bill has nothing to do whatsoever with whether any more investment is sent overseas is or is not sent overseas. It has nothing to do with that whatsoever.

A socially poor investment overseas is just as bad as a socially risky investment in the United States, and particularly when we are talking about somebody else's money. We are not talking about our money. We are talking about Federal Government money. We are talking about a retiree's money. We are talking about the money of someone who is going to retire.

Mr. Chairman, let us not confuse the issue with somehow or other believing that this legislation will increase or decrease any investment overseas. It has nothing to do with that.

Mr. CLAY. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, the sponsor of the bill indicated that the purpose of this legislation is concerned with underperformance of ETIs. The majority cited in their report that they were concerned about higher risk and lower return from social investing by public pension funds.

The GAO has said that the risk for social investment, if that is what we want to refer to it as, for ETI's, is no greater than the risk for other investments. We have got to keep in mind, it is very important for us to note, that the public pension funds that they are referring to are not required to take the substantial protections that we require of the private pension funds under ERISA. So that is no argument as to why we should do anything with ETI, and especially to encourage investments in overseas places.

Mr. Chairman, I support this very important clarifying amendment that is offered by the gentleman from Texas, Mr. GENE GREEN. This amendment will ensure that the bill will not further the already startling trend of overseas investments of our U.S. pension funds.

Why are we affirmatively discouraging investments in America? ERISA, as consistently interpreted by the Department of Labor and the courts, allows pension plan managers to consider the collateral economic benefits of a potential investment, provided, first, that the potential investment has a comparable risk-adjusted return to other potential investments, and second, that it is otherwise consistent with the standards of ERISA.

This is all that the Labor Department's interpretative bulletin says. Nonetheless, the original version of H.R. 1594 effectively forbids any consideration of collateral benefits. The Fawell substitutes before us now only modestly improves its predecessor and it calls into serious question the ability of pension to consider collateral benefits. The partisan hysteria surrendering the bill only adds to its chilling effect.

Mr. Chairman, as a result of this bill, pension plan managers would be very reluctant to make investments that bear collateral domestic benefits. To placate the underlying spirit of this cynical and partisan bill, the so-called prudent man likely will avoid otherwise attractive and lawful domestic investments like the plague. Any prudent man reading this legislation knows that pension managers will direct greater investment overseas, in turn, endangering more American jobs.

Mr. Chairman, I urge my colleagues to support the Green amendment.

Mr. KNOLLENBERG. Mr. Chairman, I move to strike the requisite number of words.

Mr. SAXTON. Mr. Chairman, will the gentleman yield?

Mr. KNOLLENBERG. I yield to the gentleman from New Jersey.

Mr. SAXTON. Mr. Chairman, I would like to address this matter of the GAO report that the previous speaker alluded to. As everyone knows, there are dozens of examples of ETI's that can be studied and reported on. The GAO happened to select the seven best ETI's that were available for them to report on.

Even given the dismal record of ETI's, it is conceivable that in a few cases that there can be five cases which can be expected to match market returns, and that was the case with the seven examples that were studied.

When the remainder of ETI's are studied, the performance of ETI's is not so rosy, and the pattern we have been talking about all afternoon comes right back. Returns are down and risk is up. Because of the limited data set, the GAO report even acknowledges and they say this in their report: "These results cannot be generalized to other pension plans."

Mr. Chairman, I thank the gentleman for yielding.

Mr. KNOLLENBERG. Mr. Chairman, I yield back the balance of my time.

Mr. BROWN of Ohio. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise in strong support of the Green amendment and in strong support of American jobs. Let me understand this bill the way that it is written now. Pension funds collected from American workers are often invested in American corporations doing business abroad or foreign corporations in other countries.

These pension dollars, these pension fund dollars, are attracted to low wages in other countries, are attracted oftentimes to weak environmental laws in other countries and nonexistent worker safety laws in those countries.

These dollars taken from American workers are invested in these companies, American or foreign companies, doing business abroad because they see great profits in these businesses doing business in Mexico, or doing business in Taiwan, or doing business in low-wage countries.

Mr. Chairman, the problem with that is that the end of that, the complete circle, is that those companies, often American companies doing business in other countries, manufacturing in other countries, those businesses then taken those same jobs from American workers.

I have money taken out of my wages into a pension; that money is invested in another country, often an American business or foreign business; that comes back and takes my job away.

Some pension fund managers, as the gentleman from Texas [Mr. GENE GREEN] asserts, would like to consider that issue; that if we are going to invest in pension funds around the world, that that money not come back and steal American jobs. I do not know how in this Chamber my friends on the other side of the aisle can explain to American workers that we sent their money overseas so that it could come back and take our jobs.

The interesting thing, I have heard my friends on the other side of the aisle, many of them, not so much the ones in this debate, rail about the evils of NAFTA, which I agreed with them on; the evils of GATT, the evils of extending NAFTA to Chile; the evils of the Mexican bail out. They were right about that.

Now they want to allow these pension dollars to go abroad and be invested in companies doing business in countries where they do not pay very much, where they have weakened environmental laws and nonexistent labor laws and it comes back and steals Americans jobs.

You cannot have it both ways. If you think those trade agreements are bad, as most of them have been, they you do not want our pension dollars subsidizing jobs in other countries so they can come back and take our jobs as American workers.

I say to my colleagues to go back to their district this weekend and explain to them, if they vote "no" on the Green amendment, and explain to them how they said go ahead and invest my pension dollars in enterprises in other lands that turned around and took my job.

Mr. Chairman, I do not think that my colleagues want do to that. I ask for a "yes" vote on the Green amendment.

Mr. GENE GREEN of Texas. Mr. Chairman, will the gentleman yield?

Mr. BROWN of Ohio. I yield to the gentleman from Texas.

Mr. GENE GREEN of Texas. Mr. Chairman, we talked about the concern about investing overseas and the opposition to the amendment. I have a hard time figuring out why they will not just accept it.

□ 1615

But granted, investment overseas would cause, in this amendment, if we do not take this amendment, it may increase it.

Let me talk about, in the National Journal in June of this year, they talked about the challenge to pension fund trustees, and let me just quote, "The congressional Republicans, by turning ETI's into an ideological issue, are casting a chill over pension fund investments that could strengthen the homegrown economies of the States, cities and towns the pensioners grew up in and, indeed, that they continue to depend on for their broader, long-term security".

Mr. BROWN of Ohio. Pensions, under the gentleman's amendment, pension fund managers are going to be able to have leeway to make these decisions? Correct?

Mr. GENE GREEN of Texas. We are not changing that by this amendment. I am concerned the whole bill may cause pension fund managers to say, "We do not want to invest in riskier investment in inner-city Cleveland or inner-city Houston, but we can invest in inner-city Lebanon. Maybe we ought to build housing in Lebanon, not inner-city Houston, because we can get a greater return over there." I do not want to scare those pension fund managers off from U.S. investments by this bill. I am concerned by seeing some of the letters that raise concerns about this bill.

Again, the article was in the National Journal saying just what the gentleman's argument was. We have workers here who pay into a pension. We do not want any mandates on ETI's, and I would be up here like a lot of Members opposing it if they said, "No, we want you to put it back into the inner-city investments that are shaky." If those investments pay a decent rate of return for their risk, then why should they not?

Mr. MARTINEZ. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I guess what it really boils down to is some of my friends on the other side of the aisle prefer foreign investments with these pension funds rather than investments here in America.

I heard earlier the idea hoodwink, and social.

I guess they have a problem with social. It must translate to them as communism anytime you try to do some social good in our country. But as far as hoodwinking, they are the ones trying to hoodwink the American people.

The fact is the investments have been going overseas and abroad in recent years simply because people are afraid to make those kinds of decisions of investments here because of some run-in with the Federal Government and the ERISA, but let me tell you the other side has taken a twist on an old song that used to go something like this, for those of you that are old enough to remember it, "Eliminate the negative, accentuate the positive." What they have done is elaborate he negative as to not accentuate the positive.

Let me give you an example of the collateral kind of investment that was made in a company that you all are very well aware of here in the United States. A pension plan purchased a block of stock in a corporation, thereby increased its cash flow and its cash position, and the equity in that company, and that allowed the company to borrow funds at a lower rate so they could expand the factory and create more jobs. You wonder who that company was? That was General Motors, and what is good enough for General Motors is good enough for America, I have always said, and good enough for me.

When you talk about, and continue to be talked about on the other side, about investing in underperforming investments, let me tell you now, even with the interpretive bulletin, even with the law as it is now, that would be breaking the law if they did it knowingly. The trouble with any investment you make, you never know how it is going to turn out. You investigate it and hope it will do the best it possibly can for the beneficiaries. Something can always go wrong.

Wake up and open your eyes. We are living in a depressed economy in this country. There are places in this country right now that are living in depression-like conditions. These places need relief. They need investment here in the United States that will return profit here in the United States, not send it abroad.

Mr. GENE GREEN of Texas. Mr. Chairman, will the gentleman yield?

Mr. MARTINEZ. I yield to the gentleman from Texas.

Mr. GENE GREEN of Texas. Mr. Chairman, I thank my colleague, the gentleman from California, not only for his leadership on this bill, but also for yielding to me, and again for the benefit of the Members, let me again read the amendment for the Members who have not had a chance to look at it: "Nothing in this act shall be construed as prohibiting the investment by employee benefit plans within the meaning of paragraph 3 of section 3 of the ERISA in domestic investments as distinguished from foreign investments."

Let me also go to read the infamous, I guess, 94.1 interpretive bulletin: The fiduciary standards applicable to ETI's are no different than the applicable to plan investments generally. "Therefore, if the above requirements are met, the selection of the ETI or the engaging in an investment course of action intended to result in the selection of an ETI will not violate it." We are talking about the same investment standards, and again, for the people, who are trying to pass this bill, Mr. Chairman, to say that they are not encouraging overseas investments, again, why should they not accept the amendment if they are more concerned about investing again in Lebanon, PA, than in Lebanon, the country?

Mr. DORNAN. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman and my colleagues, this argument that overseas pension investment is going to drain capital from the United States reflects, I believe, a fundamental lack of understanding about economics. In fact, in 1994, the last year for which we have pension data, the net flow of capital into the United States amounted to about $150 billion.

It is very misleading to argue that the international investments of pension funds drain capital from the United States when the facts show a large capital inflow to our U.S. economy. The pension data cited creates the impression that capital is being drained from the United States when the official data clearly shows the big picture is one of a net investment in the United States.

Mr. SAXTON. Mr. Chairman, will the gentleman yield?

Mr. DORNAN. I yield to the gentleman from New Jersey.

Mr. SAXTON. Mr. Chairman, I would like to thank the gentleman from California for bringing up this very important point. As a matter of fact, as the gentleman from California well knows, this publication, called "Economic Indicators," which is put out by the Council of Economic Advisors, who, incidentally, are appointed by the President, and prepared for the Joint Economic Committee, verifies that exact fact. As a matter of fact, it is kind of interesting to look at the history, and these charts give just the opposite impression.

This year, as the gentleman pointed out, $151 billion more in capital flowed into this country from pension funds and other sources than flowed out, $150 billion net income to us.

Let me just go back and give you some perspective on this. In 1990, it was $92 billion more flowed into the country than out; in 1991, it was down to $7 billion more flowed in than flowed out; and then we began to rebuild the next year, it was $61 billion; the next year, $99 billion; and this year, $150 billion more came across our borders, coming in, than went out.

Again, the proponents of these charts for this amendment are once again trying to confuse this situation by saying more capital, and these charts certainly give the impression that you are saying more capital is flowing out than flowing in; quite the opposite is, in fact, the case.

Mrs. MINK of Hawaii. Mr. Chairman, I move to strike the requisite number of words.

Mr. GENE GREEN of Texas. Mr. Chairman, will the gentlewoman yield?

Mrs. MINK of Hawaii. I yield to the gentleman from Texas.

Mr. GENE GREEN of Texas. To my colleague from Hawaii, I thank the gentlewoman for yielding.

The issue just came up, and I am glad it was brought up, concerning the amount of investment in our country as compared to the amount of outflow in investment. I share the concern.

The United States is the greatest country in the world to invest in, and that is why people will come here. But why should we discourage our own investment managers or pension managers to go overseas?

We might want to consider, it was announced today or yesterday, the investment in the Rockefeller Center by some foreign nationals who are now deciding it was not such a great investment, but I agree, we have a great investment climate here. Why should we not have American workers creating their own American jobs instead of encouraging, by not adopting this amendment, what may be happening in this bill?

Again, I urge an "aye" vote on the Green amendment.

Mrs. MINK of Hawaii. Mr. Chairman, reclaiming my time, I would like to say that there is such a disparity in the arguments that have been made on the legislation that is pending, and for that reason I rise in strong support of the Green amendment, with the hope that it will clarify some of the arguments that have been made with respect to this bill. I rise in strong opposition to H.R. 1594, because I think it erroneously interprets the bulletin that is referred to as 94–1.

The supporters of this legislation contend that the bulletin IB–94–1 that the Labor Department issued promotes these economically targeted investments at the expense of the pension beneficiaries, and as the gentleman from Texas [Mr. GENE GREEN] said, with the possible interpretation that the moneys could go to foreign investments rather than investing in the future of our own country. The interpretive bulletin issued by the Labor Department says nothing of the kind. It does not change the fiduciary responsibility one iota, and therefore it seems to me that this legislation is entirely unwarranted and unnecessary. The interpretive bulletin put out by the Labor Department does not change the primary fiduciary responsibility, which is to assure the safety of the investments of these pension funds.

What it does say is that in looking toward the investments that are permitted, that the trustees and so forth who are making these decisions ought to consider the additional benefit that could be accrued to communities if investments were placed in the communities with reference to housing projects and projects of that kind.

Further, contrary to what has been said on the floor this afternoon by the supporters of this legislation, the Labor Department bulletin 94–1 does not supplant ERISA at all. The bulletin does not put the goal of promoting and encouraging the application of ERISA to these economically targeted investments above the fiduciary's first commitment to the participants and the beneficiaries of the benefit plan.

So it seems to me that the bulletin has to be looked at in the context in which it exists over previous administrations and over this administration, and I believe you will see that it fully complies with the intent and the spirit an the letter of the law as expressed in ERISA. Fundamentally, what this disagreement seems to be between the Republicans and the Democrats on our side is whether these pension funds should be invested at all in projects that are located in our communities that could upgrade the infrastructure, meet some of the pressing needs of various aspects of our communities, and in that context, the Green amendment is vital, and it should be adopted, because what it says is that in the investments that are made of our pension funds, we ought to pay attention to the needs of this country, of the domestic needs of this country, and in doing so I believe it also goes to the heart of our objection to this pending legislation, and that is to negate the importance of economically targeted investments which have an ancillary social benefit to our communities.

These investments that are being made in our communities are economically targeted and without any jeopardy whatsoever to the employees, to the pension plans, to their annuities, and afford no additional risk. So it seems to me we are debating a piece of legislation here that makes an egregious accusation against this administration, nullifies the policies of two previous administrations and does tremendous social harm and disadvantage to our local communities.

For that reason, I support the Green amendment and urge that H.R. 1594 be defeated.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Texas, Mr. GENE GREEN.

The question was taken; and the Chairman announced that the noes appeared to have it.

RECORDED VOTE

Mr. GENE GREEN of Texas. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were ayes 192, noes 217, not voting 25, as follows:

[Roll No. 649]

AYES—192

Abercrombie
Andrews
Baesler
Baldacci
Barcia
Barrett (WI)
Becerra
Beilenson
Bentsen
Berman
Bevill
Bishop
Bonior
Borski
Boucher
Brewster
Browder
Brown (CA)
Brown (FL)
Brown (OH)
Bryant (TX)
Cardin
Chapman
Clay
Clayton
Clement
Clyburn
Coleman
Collins (IL)
Collins (MI)
Condit
Conyers
Costello
Coyne
Cramer
Danner
DeFazio
DeLauro
Dellums
Deutsch
Diaz-Balart
Dicks
Dingell
Dixon
Doggett
Dooley
Doyle
Duncan
Edwards
Engel
Ensign
Eshoo
Evans
Farr
Fattah
Fazio
Filner
Flake
Foglietta
Forbes
Fox
Frank (MA)
Frost
Gejdenson
Gephardt
Geren
Gibbons
Gonzalez
Gordon
Green
Gutierrez
Hamilton
Harman
Hastings (FL)
Hayes
Hefner
Hilliard
Hinchey
Holden
Hoyer
Jackson-Lee
Jacobs
Johnson (SD)
Johnson, E. B.
Johnston
Kanjorski
Kaptur
Kennedy (MA)
Kennedy (RI)
Kennelly
Kildee
Kingston
Kleczka
Klink
LaFalce
Levin
Lewis (GA)
Lincoln
Lofgren
Lowey
Luther
Maloney
Manton
Markey
Martinez
Mascara
Matsui
McCarthy
McHale
McKinney
McNulty
Meehan
Meek
Mfume
Miller (CA)
Mineta
Minge
Mink
Montgomery
Murtha
Nadler
Neal
Neumann
Ney
Oberstar
Obey
Olver
Ortiz
Orton
Owens
Pallone
Pastor
Payne (NJ)
Payne (VA)
Pelosi
Peterson (FL)
Peterson (MN)
Pickett
Pomeroy
Poshard
Rahall
Rangel
Reed
Richardson
Riggs
Rivers
Roemer
Ros-Lehtinen
Rose
Roybal-Allard
Sabo
Sanders
Sawyer
Schroeder
Schumer
Scott
Serrano
Skaggs
Skelton
Slaughter
Smith (NJ)
Spratt
Stark
Stenholm
Stokes
Studds
Stupak
Tanner
Tauzin
Taylor (MS)
Tejeda
Thompson
Thornton
Thurman
Torres
Towns
Traficant
Velazquez
Vento
Visclosky
Volkmer
Ward
Waters
Watt (NC)
Waxman
Weldon (PA)
Wilson
Wise
Woolsey
Wyden
Wynn
Yates

NOES—217

Allard
Archer
Armey
Bachus
Baker (CA)
Baker (LA)
Ballenger
Barr
Barrett (NE)
Bartlett
Barton
Bass
Bateman
Bereuter
Bilbray
Bilirakis
Bliley
Blute
Boehlert
Boehner
Bonilla
Bono
Brownback
Bryant (TN)
Bunn
Bunning
Burr
Burton
Callahan
Calvert
Camp
Canady
Castle
Chabot
Chambliss
Chenoweth
Christensen
Chrysler
Clinger
Coble
Collins (GA)
Combest
Cooley
Cox
Crane
Crapo
Cremeans
Cubin
Cunningham
Davis
Deal
DeLay
Dickey
Doolittle
Dornan
Dreier
Dunn
Ehlers
Ehrlich
Emerson
English
Everett
Ewing
Fawell
Fields (TX)
Flanagan
Foley
Fowler
Franks (CT)
Franks (NJ)
Frelinghuysen
Frisa
Funderburk
Gallegly
Ganske
Gekas
Gilchrest
Gillmor
Gilman
Goodlatte
Goodling
Goss
Graham
Greenwood
Gunderson
Gutknecht
Hall (TX)
Hancock
Hansen
Hastert
Hastings (WA)
Hayworth
Hefley
Heineman
Herger
Hilleary
Hobson
Hoekstra
Hoke
Horn
Hostettler
Houghton
Hunter
Hutchinson
Hyde
Inglis
Istook
Johnson (CT)
Johnson, Sam
Jones
Kasich
Kelly
Kim
King
Klug
Knollenberg
Kolbe
LaHood
Largent
Latham
LaTourette
Laughlin
Lazio
Leach
Lewis (CA)
Lewis (KY)
Lightfoot
Linder
Livingston
LoBiondo
Longley
Lucas
Manzullo
Martini
McCollum
McCrery
McDade
McHugh
McInnis
McIntosh
McKeon
Metcalf
Meyers
Mica
Miller (FL)
Molinari
Moorhead
Moran
Morella
Myers
Myrick
Nethercutt
Norwood
Nussle
Oxley
Packard
Paxon
Petri
Pombo
Porter
Portman
Pryce
Quillen
Quinn
Radanovich
Ramstad
Regula
Roberts
Rogers
Rohrabacher
Roth
Roukema
Royce
Salmon
Sanford
Saxton
Scarborough
Schaefer
Schiff
Seastrand
Sensenbrenner
Shadegg
Shaw
Shays
Shuster
Skeen
Smith (MI)
Smith (TX)
Smith (WA)
Solomon
Souder
Spence
Stearns
Stockman
Stump
Talent
Tate
Taylor (NC)
Thomas
Thornberry
Tiahrt
Torkildsen
Upton
Vucanovich
Walker
Walsh
Wamp
Watts (OK)
Weldon (FL)
Weller
White
Whitfield
Wicker
Young (AK)
Young (FL)
Zeliff
Zimmer

NOT VOTING—25

Ackerman
Buyer
Coburn
de la Garza
Durbin
Fields (LA)
Ford
Furse
Hall (OH)
Jefferson
Lantos
Lipinski
McDermott
Menendez
Moakley
Mollohan
Parker
Reynolds
Rush
Sisisky
Torricelli
Tucker
Waldholtz
Williams
Wolf

☐ 1651

Mr. STOCKMAN and Mr. MANZULLO changed their vote from "aye" to "no."

Mr. KINGSTON and Mr. MURTHA changed their vote from "no" to "aye."

So the amendment was rejected.

The result of the vote was announced as above recorded.

AMENDMENT OFFERED BY MR. PAYNE OF NEW JERSEY

Mr. PAYNE of New Jersey. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. PAYNE of New Jersey: Insert after section 4 the following new section (redesignating section 5 as section 6):

SEC. 5. PROTECTION OF INVESTMENTS IN INFRASTRUCTURE IMPROVEMENTS

Nothing in this Act shall be construed as prohibiting the investment by an employee benefit plan (within the meaning of paragraph (3) of section 3 of the Employee Retirement Income Security Act of 1974) in infrastructure improvements.

Mr. PAYNE of New Jersey. Mr. Chairman, I have an amendment at the desk. Mr. Chairman, today we are here to target the working people in this country again, this time in the ability of the pension funds to make investments that take collateral benefits into consideration when plan fiduciaries are making investment decisions with pension contributions.

Economically targeted investments are any investments or assets that earn competitive risk-adjusted rates of return while also producing collateral benefits such as infrastructure revitalization, economic development, and job creation. To be sure, these components are integrally linked, because when there are jobs available, more money circulates back into the economy and stimulates economic growth.

My amendment simply states that employee benefit plans cannot be prohibited from considering infrastructure improvement and revitalization as part of their investment decisions.

I have sat here on many occasions this session listening to many of my colleagues talk about getting Government out of the lives of the people and today we are sitting here considering a bill that would immobilize the investment decisions of many pension plans. We also hear on one hand proclamations from the majority that individuals must be more personally responsible, but then on the other hand we remove the incentives that promote personal responsibility like job creation, and that's what 1594 does.

My amendment today would free the hands of plan fiduciaries because they would be allowed to consider infrastructure improvement as part of their decisionmaking process.

By providing billions of dollars for investment in American companies and infrastructure, ETI's serves as an economic catalyst while still offering competitive investment returns to pension plan participants and retirees.

Since I know everyone here is interested in the long-term economic health of our Nation and its retirement system, I urge my colleagues to support my amendment.

□ 1700

Mr. SAXTON. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I would just like once again to make the observation that the opponents of this bill seem to be very anxious to avoid the key issue, and that issue is the underperformance of economically targeted investments. All of the amendments from the other side seem designed to distract attention away from the fact that ETI assets offer lower yields and more risk than normal investments. Thus, ETI's are especially inappropriate for pension investment.

Once again, I believe the amendment of my friend from New Jersey [Mr. PAYNE] is totally unnecessary. There is nothing whatsoever in the bill that prohibits or in any way inhibits pension fund managers from investing their funds for the purposes stated in the gentleman's amendment. Therefore, I think the amendment is unnecessary and I believe intended to cloud the issue.

To the issue of ETI's and their underperformance, I would point once again to four studies done to demonstrate this quite conclusively. The first one was done by Alicia Munnell, an employee of the Department of Labor nominated to the Council of Economic Advisors by the President, who concludes in a study and report that she has done that there is a differential of about a negative two points, 2 percentage points in the rate of return, on ETI's. Olivia Mitchell of the Wharton School comes to exactly the same conclusion, that ETI's underperform by about 2 percentage points. Marr, Nofsinger, and Low has a study showing it is worse than that, that ETI's underperform by 2.1 percent.

So in the interest of moving this process forward, and in the interest of protecting the rates of return for private pension participants and in the interest of keeping risk low, I would suggest that this amendment is unnecessary and that all Members should vote no.

Mr. MARTINEZ. Mr. Chairman, I rise in support of the Payne amendment.

Mr. Chairman, I will not take 5 minutes. I will try to be very brief because it is the same old thing. Collateral benefits, if you took the strictest interpretation of the fiduciary relationship, a pension manager would not be able to invest in collateral investments.

Under this law, it puts even a greater cloud to that kind of investment, not necessarily abroad, but here. The fact is that these are good investments. I cited earlier the case of GM. That was a collateral investment that returned not only to the company itself, but benefit to the employees of that company and especially those that it created jobs for, and it created certainly a great benefit to the beneficiaries of the pension fund.

That had to be approved by the Department of Labor and was approved by the Department of Labor, and not under Clinton's administration. But you keep bringing up this idea that somehow or another the Clinton administration is doing something different than what previous administrations have done, and therefore a need for this.

I think there are two things that have the other side hung up. The word "social," social programs, that somehow some of them equate to something nefarious or something that is not good, because it equates to socialism or something else, because it benefits somebody in a depressed neighborhood or such. That is the farthest thing from the truth.

The other thing is this idea of the fiduciary relationship or fiduciary responsibility that says the funds must be invested only for the benefit of the pension fund or the beneficiaries of that pension fund. If you really think about that for an instance, that is just taking it a little bit too literally. The fact is there is no investment made anywhere, anyplace, that somebody who is receiving the benefit of that investment does not receive a benefit, sometimes very great benefits, as in the case of GM.

I think the Payne amendment, trying to protect those kinds of collateral economic investments, is a very good one that is necessary to continue the kinds of work that have been successful, not the examples of the ones that have been unsuccessful. So many of the instances where they have been unsuccessful, the people actually violated the law in doing it, and still the law was there to try to protect against it and it did not. There is nothing in life that is so guaranteed that there is not going to be something that goes wrong once in a while. But you take a few instances and elaborate that to the greatest extent you possibly can to make the case you wanted to make for something totally unjustified, and in this case this is the case with this bill. I recommend the acceptance of the Payne amendment. At least it makes the bill a little more practical in regard to collateral investments.

Mr. PAYNE of New Jersey. Mr. Chairman, will the gentleman yield?

Mr. MARTINEZ. I yield to the gentleman from New Jersey.

Mr. PAYNE of New Jersey. Mr. Chairman, the gentleman is absolutely right. The plan fiduciaries cannot even consider the investment also unless all things are equal. That is what makes this so scary. 1594 leaves a lot of ambiguity about the ability of plan fiduciaries to make these kinds of investments. I only seek to clarify, so that infrastructure improvements can be considered. ETIs are still subject to the prudent man standard as they have always been. So I would urge once again that my colleagues support this amendment.

Mr. GOODLING. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, first of all I want to emphasize again the bill does not prohibit pension plans investment in ETIs of any kind. So it does not matter what it is. The bill does not prevent you from investing in those ETIs.

However, if you accept this amendment, then you create a negative implication for all other ETIs that we do not mention in the law. So every other ETI not mentioned in the law then becomes suspect. So if we are going to effectively prohibit any promotion of ETIs, either directly or by inference, then the bill cannot include specific reference to any particular type of plan investment.

The bill does not change the legal status of ETIs, so pension plans can continue to invest in infrastructure improvements if they want to, but it surely is inappropriate for Congress to be passing judgment on any particular type of pension plan investment. ERISA clearly and properly leaves it to the plan manager and the fiduciaries to determine whether an investment is prudent for that plan.

So let us not have a negative impact on ETIs simply because we single one out. Let us make very sure that we do not get in the business of determining as a Congress what are good or what are bad investments. That is up to the manager, as I indicated, and the fiduciaries, to determine, not us.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New Jersey [Mr. PAYNE].

The amendment was rejected.

AMENDMENT OFFERED BY MR. TRAFICANT

Mr. TRAFICANT. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. TRAFICANT: Page 6, insert after line 2 the following (and redesignate section 5 as section 6 accordingly):

SEC. 5. AUTHORITY OF DEPARTMENT OF LABOR WITH RESPECT TO INVESTMENTS IN THE CONSTRUCTION OR RENOVATION OF AFFORDABLE HOUSING UNITS.

Nothing in this Act (or the amendments made thereby) shall be construed as prohibiting the Department of Labor from issuing advisory opinions regarding the legality of investments in the construction or renovation of affordable housing units.

Mr. TRAFICANT. Mr. Chairman, I am not standing on the floor today saying the Republicans want to ship pension plan investment overseas, nor am I standing on the floor today saying that the Republicans want to send jobs overseas. These previous amendments talked about specific activities, such as nothing in the bill shall be construed as prohibiting pension plans from investment in infrastructure improvements.

The Traficant amendment does not in fact deal with a provision of the bill that would prohibit pension plan investment in housing. But I would like to have the attention of the other side of the aisle. My amendment deals with an advisory opinion on housing being given to someone who may invest or want to invest in the housing in the United States of America.

Let me say this: We need 4 million rental units minimum just to meet demand. I am not talking simply about low income housing here. I am talking about affordable housing, first-time home buyers. And the Traficant amendment says nothing in this act shall be construed as prohibiting the Department of Labor from issuing advisory opinions.

It does not say that investors have to invest in American housing or not. But it says nothing in the bill shall be construed as prohibiting the Department of Labor from interacting with a reasonable concern from some pension account who may want to invest in American housing.

Now, look, that is a significant difference here. I voted to roll back regulations in this country that have overburdened our economy and shipped jobs overseas. I think we have gone too far when a dog urinates in a parking lot and that it is deemed a wetland. But mine does not deal with the issue of investing in housing; it does deal with who has more information than the Department of Labor on, in fact, American domestic housing needs?

If a pension plan out there wants to make an investment in housing, in a development in Dallas, in a condominium for senior citizens in Colorado, and they want information, nothing in this bill should be construed as in fact prohibiting the Department of Labor from giving them an opinion relative to that concern.

This is a reasonable amendment here, unless the Congress of the United States is saying look, do not worry about housing, the Congress of the United States and taxpayers are going to take care of housing. I am talking about a specific need. I am talking about an advisory opinion. I am not talking about a limitation that the bill speaks to on housing.

My amendment is not ill-intended. I do not think that we can afford to have fiduciaries guessing if they will get sued each time they are interested in investing in constructing housing in this country.

This is a reasonable amendment, and let me say this: The California Public Employees Retirement System funneled $375 million into construction of 32 first-time home buyer homes. The yields have already exceeded 20 percent return more than originally anticipated. The New York City Employees Retirement System invested in the construction of 15,000 affordable housing units. It is enjoying a return nearly 30 percent higher than its fixed income portfolio.

Housing investment trusts of AFL-CIO, $1.1 billion from 380 pension plans. If this trust was in fact publicly traded as a fixed income fund, it would rank as either No. 1 or No. 2 in the United States of America.

Folks, the taxpayer cannot afford all this housing. Mine deals with an advisory opinion to take some of the nebulous gray area out of some investment planner who would in fact call the Department of Labor seeking information.

Now, I think this is a reasonable amendment. It does not require a whole lot of animosity here or fanfare.

Mr. Chairman, I would ask for this reasonable amendment to be approved.

Mr. SAXTON. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I would just make the observation that the opponents of the bill seem to be very anxious to avoid the key issue, the underperformance of ETIs. All of the amendments from the other side seem to be destined to distract attention away from the fact that ETI assets offer lower yields and more risk than normal investments; thus, ETIs are especially inappropriate for pension fund investments.

The bill as it stands does not in any way prohibit the Department of Labor from issuing advisory opinions.

☐ 1715

Nor does it prohibit the Department of Labor, nor did it discourage domestic investment, nor did it encourage foreign investment, nor does it do any of the other things that these amendments purport that it does. This is just an attempt to divert attention away from the key issues. Those are the underperformance of ETIs and the additional risks posed by ETIs. I ask all Members to vote against this amendment.

Mr. FAWELL. Mr. Chairman, I move to strike the last word in opposition to the amendment.

If I can have the attention of my good friend from Ohio, I know that there is no better man in this Congress when he jumps on an issue to articulate his views. I think it is important that we make it clear that in the report language there is a statement that I think addresses precisely the point that the gentleman is understandably bringing forth. That is, and I quote: Nothing in the bill is intended to affect the ability of the DOL to issue advisory opinions, information letters, typical releases, prohibited transaction exemptions, or other pronouncements interpreting and applying ERISA fiduciary responsibility rules—and this is the important part—to particular factual situations or exempting specific transactions from the prohibited transaction provisions.

We did not want it understood that when we were objecting to a specification of a broad class of investments, which is what ETI's are, that this did not mean that when someone, as for instance Jack Kemp, when he made the request to Secretary Dole for a specific advisory opinion, that is quite possible. We have made it, I think, very, very clear in the report language that it is possible. I would hope on that basis the gentleman would withdraw his amendment, because I think you can rest assured that in a circumstance where a specific investor wants to find out where his particular investment stands in the viewpoint of the DOL, he can get that advisory opinion.

Mr. TRAFICANT. Mr. Chairman, will the gentleman yield?

Mr. FAWELL. Mr. Chairman, I yield to the gentleman from Ohio.

Mr. TRAFICANT. Mr. Chairman, the gentleman is not opposed to advisory opinions, but the legislative debate here today dealt with offshore investment of pension plan money, dealt with infrastructure; and the legislative history can be construed in many, many different ways.

I think ETI's applied to housing at times can be a little bit partisan here. Housing may not necessarily be an economically targeted investment in this country. I believe that it should be not in the report language but it should be part and parcel to the bill itself that treats such investment with such return on its merit.

Mr. FAWELL. Mr. Chairman, reclaiming my time, I would hope the gentleman would not do that, because, again, now he has in statutory form all the negative implications to others who might be seeking letters of opinion.

We want to make it very clear that any time someone has an economically targeted investment, and they believe that the adjusted returns are sufficient to justify that, and if there is any question, and a lot of your fiduciaries will have those questions, that they feel free that they can propound these requests for advisory opinions.

I think the amendment has the unfortunate consequence of putting in jeopardy all of those others unless we start specifying for every one. It has always been a power of the Department of Labor to issue specific advisory opinions. In fact, when President Reagan first spoke on the subject, it was on housing. It was a request for a specific opinion from the Department of Labor, which he was able to get. And we have made it clear that that is not being altered, should not be altered at all.

So I think there could be unintended consequences here, when it is, let us say, in other areas, in infrastructure or whatever, because they do not have specific statutory language, then you raise that negative implication.

Mr. TRAFICANT. Mr. Chairman, if the gentleman will continue to yield, taking that argument, if I were to accept that argument, why do we not just have, and I could rework my amendment to say that on the advisory opinion listed on a broad base in the report language that it shall be in fact incorporated in the text of the bill and take away such dubious nature and vagueness that would be involved and leave it not with just housing then but to satisfy some of the concerns people may have on this side? Take your report language that you say speaks to that intent and take that report language on the basis of our dialog here and incorporate it into the form of an amendment that in fact puts it into the text of the bill, not just the report language. If the gentleman will do that, I will withdraw my amendment, resubmit it in its general form, which would in fact incorporate the gentleman's report language into the text of the bill.

Mr. FAWELL. Well, all I can say is that the report language is one thing. It is full and complete, and the gentleman is talking about a major lifting of language and inserting it in the bill.

I do not think I could agree to that, but I can assure that what the gentleman are thinking about, individual factual opinions on a specific investment that is what we are talking about.

The CHAIRMAN. The time of the gentleman from Illinois [Mr. FAWELL] has expired.

(By unanimous consent, Mr. FAWELL was allowed to proceed for 1 additional minute.)

Mr. FAWELL. Mr. Chairman, we do not want this construed to mean that there can be just generalized opinions. So I think it is something that ought to remain in the report language. And I repeat, I think if what the gentleman has is centered only upon housing, then all other ETI's would, I think, have a negative intention.

Mr. TRAFICANT. Mr. Chairman, if the gentleman will continue to yield, what I was saying is it would incorporate his language in the report language, not with its specificity towards housing but its general nature into the text of the bill. See, this side of the aisle is believing that if what the gentleman is saying cannot be affirmed by putting into the bill, then how strong is the intent of it listed in the report language?

So if in fact the bill itself would clarify that which is in the report language, what would be the major hurdle for us to handle? I can understand the gentleman saying housing would give the negative impact on something else or vice versa. But if we are saying the general intention of his report language being incorporated into the bill, how would it affect the gentleman's intentions?

Mr. MARTINEZ. Mr. Chairman, I move to strike the requisite number of words, and I rise in support of the amendment.

Well, there is the crux of the whole thing, and no one said it better than the distinguished gentleman from Illinois. He said report language is one thing, law is another. Report language has no force in law but law does prevail. If we go to section 2, paragraphs B and C, we will see where those two paragraphs actually preclude the Department of Labor from doing its job, of giving a definition on a particular project. They combine the two, and especially paragraph C, no officer or employee of the Department of Labor may travel, lecture or otherwise expend resources available to the Department for the purposes of promoting—and get this, because this is the key—directly or indirectly economically targeted investments.

So if a person writes in or calls or wants to find out about a targeted investment or something that might be considered a targeted investment, if they were to give an interpretation, somebody in the Department could take this language and make the definition: Well, I am directly and indirectly advising this person on it, so somebody could construe it is promoting that targeted investment.

The bill is badly written. Now, they may have wanted in that paragraph C to restrict them from traveling and lecturing and otherwise expending resources, but I doubt very much that they really wanted to handcuff them from being able to give an opinion on a particular project, but that is what they do, in effect. That has been the crux of the whole thing.

Mr. Chairman, the legislative bulletin did nothing like that except make it clear to people what they would be getting into and what were the definitions of the law. I would support it for all the reasons that the gentleman from Ohio has stated: the tremendous need for housing in this country. The fact is that most real estate investments wisely done, wisely built are great money makers.

I know a lot of people in this Congress itself that have made investments towards retirement in real estate. I certainly have because I know it is a serious return on your money. Regardless, under this legislation the way it is written now, they will not be allowed to make those kinds of investments or at least interpret for an individual whether that investment would be a legitimate investment or not.

That is why I think it is paramount we adopt at least the amendment of the gentleman from Ohio.

Mr. TRAFICANT. Mr. Chairman, I ask unanimous consent to withdraw the pending amendment.

The CHAIRMAN. Is there objection to the request of the gentleman from Ohio?

Mr. FAWELL. Reserving the right to object, Mr. Chairman, I am not quite sure what is happening here.

Mr. TRAFICANT. Mr. Chairman, will the gentleman yield?

Mr. FAWELL. I yield to the gentleman from Ohio.

Mr. TRAFICANT. Mr. Chairman, I plan to offer an amendment in its general form that would say nothing in the act shall be construed as prohibiting the Department of Labor from issuing advisory opinions regarding the legality of investments, period. That would in fact incorporate the intent of the report language into the text of the bill showing that we are concerned about one specific aspect which may, in fact, limit another. I am prepared to withdraw on the strength of the gentleman's intent and would simply reinforce his report language into the bill in general terms.

Mr. FAWELL. I object, Mr. Chairman.

The CHAIRMAN. Objection is heard.

PARLIAMENTARY INQUIRY

Mr. TRAFICANT. Mr. Chairman, I have a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. TRAFICANT. Mr. Chairman, is this an open rule or is it not?

The CHAIRMAN. It is.

Mr. TRAFICANT. Mr. Chairman, after this vote is evidently taken, I can reoffer another amendment, or is that precluded by some aspect of the rule?

The CHAIRMAN. An amendment otherwise in order may be offered.

Mr. TRAFICANT. Mr. Chairman, I ask unanimous consent, again, to withdraw the pending amendment.

The CHAIRMAN. Is there objection to the request of the gentleman from Ohio?

There was no objection.

The CHAIRMAN. The amendment is withdrawn.

□ 1730

AMENDMENT OFFERED BY MR. TRAFICANT

Mr. TRAFICANT. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

> Amendment offered by Mr. TRAFICANT: Page 6, insert after line 2 the following (and redesignate section 5 as section 6 accordingly);
>
> **SEC. 5. AUTHORITY OF DEPARTMENT OF LABOR WITH RESPECT TO INVESTMENTS.**
>
> Nothing in this Act (or the amendments made thereby) shall be construed as prohibiting the Department of Labor from issuing advisory opinions regarding the legality of investments.

Mr. TRAFICANT. I would like to explain this, Mr. Chairman, because I believe the gentleman only has a partial draft.

Mr. Chairman, there are two discussions here on the House floor occurring simultaneously. The Democrats are saying that we do not trust the intent of the legislative initiative. The Democrats are saying that the bill is not needed if we look at the law. The Republicans are saying, "We have handled your intentions. We have no intent to screw anybody, give anybody the shaft, but we are taking care of that in the report language."

We agree that we do not want to ship money overseas, we agree that we do not want to prohibit investments in infrastructure, we agree that we do not want to, in fact, stop with at least giving advisory opinions on some of these things. But if we, in fact, highlight one, then the myriad of others brings an evil connotation, that Darth Vader is going to come in and take away our freedom.

What this amendment says is this takes the intent of the legislation that is listed in some report language and puts that general intent right into the text of the bill and clarifies it. It says,

> Authority of the Department of Labor with respect to investments: Nothing in this act shall be construed as prohibiting the Department of Labor from issuing advisory opinions regarding the legality of investments.

If that is what I have heard the gentleman state, then this basically reinforces the intent of the report language.

I would like to have the attention of the majority side here, because I think I am talking to Peoria, IL. I think we can come to some understanding on this. If what the gentleman from Illinois was saying is: Look, we have no problem with your amendment, TRAFICANT, the only thing is it is already listed, because you are dealing with advisory opinions, and we are not trying to kill advisory opinions; but we do not want to highlight housing, because if we say yes to housing it will give the connotation that all these other things are in fact prohibited or they cannot give opinions on them, because they are not listed.

Therefore, what we do is, in general terms, take the intent of your report language, put it in the bill, so if somebody wants to call the Department of Labor about infrastructure investments, they are going to get an advisory opinion. If they want to call about American versus foreign investment or want some materials, they can get an opinion.

My amendment deals with the advisory opinion of the Department of Labor. My amendment attempts to, in fact, incorporate the text of the bill. My amendment clarifies, rather than leaves open a vague or nebulous connotation on either side, depending on what partisan flag people are flying here.

Mr. FAWELL. Mr. Chairman, will the gentleman yield?

Mr. TRAFICANT. I yield to the gentleman from Illinois.

Mr. FAWELL. Mr. Chairman, this is a good example, I think, of people trying to, in good faith, have an understanding. The ERISA law is very arcane. It is important to understand that the DOL does issue advisory opinions, but they do not issue advisory opinions that can tell a fiduciary that the particular transaction is or is not legal. They do not give an opinion on the legality. The fiduciary will have personal liability, if indeed it turns out that a particular investment did not meet the various standards of the prudent man rule and all the case law that goes with it. So that what the gentleman is setting forth here is not what is in the report language.

The report language was very carefully drawn to be able to continue the opinions which over the years the Department of Labor does give in reference to prohibited transactions, in matters such as that. However, I repeat, it is not so easy that they can just simply say, "Mr. TRAFICANT, in regard to your particular private pension plan and your desired investment over here, we can tell you it is legal or it is not legal."

Therefore, I cannot agree to this amendment. I wish we could have gotten together sooner.

Mr. TRAFICANT. Reclaiming my time, I think what is bothering the gentleman is the words, "the legality of investments." Is that the gentleman's concern?

Mr. FAWELL. Certainly in regard to the word "legality."

The CHAIRMAN. The time of the gentleman from Ohio [Mr. TRAFICANT] has expired.

(By unanimous consent, Mr. TRAFICANT was allowed to proceed for 2 additional minutes.)

Mr. TRAFICANT. Mr. Chairman, nothing in this act shall be construed as prohibiting the Department of Labor from issuing advisory opinions regarding investments.

Mr. FAWELL. Unfortunately, and I do not mean to be troublesome here, if the gentleman will continue to yield.

Mr. TRAFICANT. Reclaiming my time, I am going to ask a direct question: What would the intent of the Traficant amendment be that is germane, that would be so much different from the intent of the gentleman's report language? Could the gentleman specify?

Mr. FAWELL. The report language is very careful to refer to those kinds of activities by the Department of Labor in regard to technical releases, prohibited transactions, exemptions, in any number of areas. I cannot say that I am such an expert on the subject that I can fully give an explanation.

Mr. TRAFICANT. Reclaiming my time, though, with the gentleman's report language in its specificity, would not, in fact, the specificity of the report language completely delineate the intent of incorporating this general amendment into the text of the bill, to establish the gentleman's intent? How in God's name, after the report language is listed in the bill, could this general type of an amendment dealing with intent be so impacted?

Mr. MARTINEZ. Mr. Chairman, will the gentleman yield?

Mr. TRAFICANT. I yield to the gentleman from California.

Mr. MARTINEZ. Mr. Chairman, it would seem to me that the intent here is not to have that part of the report language play any effect on what the Department of Labor does, because I know the gentleman from Illinois [Mr. FAWELL] has been here long enough to understand that the report language does not carry any force in law, but that the law prevails over what is written in the report language.

That being the case, we have opened Pandora's box to the Department of Labor being able to issue these opinions and legislative bulletins to individuals who request them on what the status of an investment is that they would make, whether it would be in keeping with the fiduciary relationship that they have or not, and that is what they are trying to prohibit in this whole piece of legislation. What the gentleman has done is asked them to put their money where their mouth is, and they will not do it.

Mr. TRAFICANT. Yes.

Mr. MARTINEZ. Mr. Chairman, I move to strike the requisite number of words.

As I was saying, the gentleman has asked them to put their money where their mouth is and they have refused to do it, which shows the clear intent of this legislation and why this legislation is not necessary. They are going to do it because they have the votes, but it is not necessarily going to be right.

Mr. TRAFICANT. Mr. Chairman, will the gentleman yield?

Mr. MARTINEZ. I yield to the gentleman from Ohio.

Mr. TRAFICANT. Mr. Chairman, to our distinguished ranking member, if, in fact, the Traficant amendment removes the legality of, and leaving it general, would not the general aspect of the Traficant amendment in the bill be further clarified and fortified by the support language of the report?

Mr. MARTINEZ. What the gentleman has done in essence in his amendment is negated the need for my neutrality amendment which I was going to offer later, and my amendment would allow the Department of Labor to offer these interpretations and opinions, which is their duty and responsibility.

What the gentleman actually has done is summed it up in a more clear way so it would be more universal to all of the problems that arise when people are trying to make these kinds of decisions, but do not want to be in violation of any law or in violation of ERISA. What the gentleman has done, what they have tried to do in their legislation, created the inability of the Department of Labor to promote or to actually go out and try to push, as they say they would do, which I do not believe, but the gentleman has prevented them from doing that in this legislation. But he has still allowed them to carry out their duties, their functions, and their responsibilities.

Mr. TRAFICANT. If the gentleman will continue to yield, the managers of the bill said "Look, we are not against this advisory opinion on housing, but if we specify housing, bang, you are going to give a connotation to this everything else." Now you come back and say "Look, you are changing the tone of this by the inclusion of the words 'advisory opinion on the legality of.'" If, in fact, "the legality of" is removed, would it not, in fact, give the general focus and intent of the bill's report language clarified in the text of the bill and then fortified by the support language of the report? In other words, what I am saying is I can understand the gentleman's position on "the legality of," and it does deal now with the specific set of legal parameters. That I can understand.

However, with that removed, even though that is not the pending amendment, I cannot in any form or fashion understand a continued debate on this issue.

Mr. MARTINEZ. Taking back my time, Mr. Chairman, what I think the gentleman has done is accomplished a great deal in his amendment. I am not sure that they will accept it, but the fact is that if we do this, without that specific legality language in there, we eliminate a whole lot of problems for a whole lot of people, including them. The thing is that I still believe that this legislation is erroneous in its concept, in its assumptions, and they have taken in a few isolated instances where there have been pension funds invested improperly and tried to run that into a whole new concept and find problems with the interpretive bulletin.

If they find problems with that, this is something that allows the Department of Labor to do what they intended to do with the interpretive bulletin but still allows them do it in a way that makes them happy, with the department remaining neutral in its promotion of ETI's.

Mr. FAWELL. Mr. Chairman, I rise to oppose the amendment. I am not sure just what it is now.

Mr. Chairman, as it is right now, I gather we are saying that nothing in the act shall be construed as prohibiting the Department of Labor from issuing advisory opinions. That is obviously so wide open, or advisory opinions regarding the legality of investments, and I am not sure which one it is, but I gather it is the latter regarding the legality of investments. That is a power that the DOL does not have right now.

I would not want to accept it at this point. It may be that down the road we could work out some language. If the gentleman took that off, then we just open it up to any advisory opinion that might be involved. I think that I cannot accept what is before me right now. I would regretfully have to oppose the amendment. I would hope we could have a meeting of the minds. I do not think that it is necessary when we have specific factual situations. There is a pretty well-recognized route whereby the DOL has this ability to get informational letters, technical releases, prohibited transactions, exemptions. But I am not going to wade around in that law at this hour of the day here on the floor, when I say to the gentleman from Ohio, who is a good friend of mine, I just would not want to try to do it right now.

I will say to him, I will do everything I can to see that his concerns are taken care of if he feels that that report language is not sufficient, if and when it does come into a conference committee, but this is not the right time. I do not feel, based on my knowledge of all of the aspects of that terribly arcane statute known as ERISA, that I would want to just say at this point that I could accept this amendment.

Mr. TRAFICANT. Mr. Chairman, will the gentleman yield?

Mr. FAWELL. I yield to the gentleman from Ohio.

Mr. TRAFICANT. Mr. Chairman, I ask unanimous consent that the amendment be withdrawn.

The CHAIRMAN. Is there objection to the request of the gentleman from Ohio?

There was no objection.

AMENDMENT OFFERED BY MR. TRAFICANT

Mr. TRAFICANT. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. TRAFICANT: Nothing in this act is intended to affect the ability of the Department of Labor to issue advisory opinions, information letters, technical releases, prohibited transactions, exemptions, or other pronouncements interpreting and applying ERISA's fiduciary responsibility rules to particular factual situations, or exempting specific transactions from the prohibited transaction provisions of ERISA (pursuant to 29 U.S.C. §§1106, 1108).

Mr. TRAFICANT. Mr. Chairman, I have a report, together with minority and additional views. I want to read the language.

Mr. FAWELL. Mr. Chairman, will the gentleman yield?

Mr. TRAFICANT. I yield to the gentleman from Illinois.

Mr. FAWELL. Mr. Chairman, I gather this is a direct copy of the language to which I made reference.

Mr. TRAFICANT. Word for word. It would be incorporated into the text of the bill.

Mr. FAWELL. We can accept that, Mr. Chairman.

Mr. TRAFICANT. I thank the gentleman.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Ohio [Mr. TRAFICANT].

The amendment was agreed to.

□ 1745

AMENDMENT OFFERED BY MR. HINCHEY

Mr. HINCHEY. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. HINCHEY: Insert after section 4 the following new section (redesignating section 5 as section 6):

SECTION 5. PROTECTION OF DOMESTIC INVESTMENTS.

Nothing in this Act shall be construed as prohibiting the investment by an employee benefit plan (within the meaning of paragraph (3) of section 3 of the Employee Retirement Income Security Act of 1974) in domestic investments, as distinguished from foreign investments. The Secretary of Labor shall take such actions as are necessary to encourage domestic investments by pension plans to the extent that such investments are in conformity with the requirements of the Employee Retirement Income Security Act of 1974.

Mr. FAWELL. Mr. Chairman, I reserve a point of order. We have no copy of this amendment and I have no knowledge of what the contents are.

The CHAIRMAN. The gentleman reserves a point of order.

Mr. HINCHEY. Mr. Chairman, this country has a major problem. It has a major domestic investment deficit. The domestic investment deficit has been established to be as high as $1 trillion a year. That is the primary reason why we are seeing a decline in the standard of living of the American people, why we are seeing a decline in job opportunities, and why we are seeing a decline in the purchasing power of American working men and women. The investment deficit needs to be corrected. Unfortunately this Congress is going to the opposite direction. The majority party in the House of Representatives, not content with slashing and burning every domestic investment program that this country has, exacerbating the economic difficulties of the Nation, they are not content with that, now what they want to do by this bill is to place in jeopardy every investment trustee who would consider making an investment in a domestic program that has some positive social consequences.

Already the problem of investment in these pension plans is causing us difficulty in that it is siphoning funds that ought to be invested here in the United States to be invested outside of our country overseas.

We have heard some talk about ETI's. The ETI's, targeted investment, amount to only about $30 billion. Juxtaposed against that is the fact we have $150 billion out of pension funds invested overseas now. If the bill in chief passes without the proper amendments, that problem is going to be made immeasurably worse. We will see pension trustees fearful of being challenged on their investments here in this country, domestic investments that have positive social consequences. I am talking about things like housing, first home mortgage buyers, medical clinics, basic infrastructure. They will be cowed by the language in the bill in chief from making those kinds of investments and they will find it much easier to target those investments overseas where they are not so constrained by the language in this bill.

What I am seeking to do here basically is to take the language in the amendment that was offered by the gentleman from Texas, Mr. GENE GREEN, some time ago and modify that amendment to say as follows:

The Secretary of Labor shall take such actions as are necessary to encourage domestic investments by pension plans to the extent that such investments are in conformity with the requirements of the Employee Retirement Income Security Act of 1974.

The language in this amendment is perfectly consistent with the provisions of ERISA, perfectly in tune with the protections that are enshrined in the law currently with ERISA.

We have been told that there is nothing in the bill that prevents these kind of ETI investments currently being made, that the bill does not prevent that. I am skeptical about that and I think that that skepticism was reflected by a large number of the Members of this House by a vote that was had here earlier this afternoon.

Nevertheless, whether or not that is the intention, unquestionably that is the effect. The effect of this bill, if it passes, the bill in chief, will be to send a message to every pension trustee, telling them that if they want to invest in their home community, if they want to put money into housing in their town, if they want to put money into improving the water supply distribution system in their community, if they want to improve the sewage treatment plant and clean up the water supplies in their area, if they want to provide medical facilities for the people in their towns, in their communities, they had better think twice about doing it because those investments are socially sound and they have positive social value. This bill, the bill in chief, would impinge upon their ability to do that and it would have the effect of taking that money and investing it overseas.

If it is true, as the sponsors of the bill have told us, that they have no intention of siphoning money that ought to be invested domestically and having that money invested overseas, if it is true that what they have said, that they have no intention of taking money from these targeted investments in needed domestic improvements, if that is true, if they do not want to make it difficult to do that, then what I am trying to do is make it easier for them. All they have to do is accept this language, and the language here in the amendment is perfectly consistent with all the safety provisions in ERISA and I think consistent with what I have heard from some of the people on the other side of the aisle.

Mr. SAXTON. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I would once again make the observation that the opponents of the bill are extremely anxious to avoid the real issues here and, of course, those issues are the underperformance of ETI's. ETI's simply do not have the kind of return that pension plans that invest in non-ETI's have. This administration has people residing in it who are in responsible places who know these issues, who claim that, as we do, that the ETI-type investments generally promote or have associated with them rates of return that are approximately 2 percent less than non-ETI types of pension fund investments. So all of the amendments from the other side to date have been designed to detract attention away from the fact that ETI assets offer lower yields and more risk than normal investments. Thus ETI's are especially inappropriate for pension fund investments.

I hesitate, but I guess somebody ought to point out here that in addition to that, the major thrust of our bill is to take away from the Department of Labor the authority, or the position that they are currently in, to advocate for any type of investment. That is what the clearinghouse is all about. It is set up to advocate for a special class of investments. This amendment would advocate for another special class of investments.

Let me just point out that I think any responsible pension fund manager in the United States of America, given two investments that look like they are approximately of equal caliber, one being domestic and one being foreign, I would certainly hope that any responsible person finding themselves in that position, with American workers' money entrusted to them, would make the domestic investment. But we are certainly not going to accept an investment that once again puts in the lap of the Department of Labor the responsibility of advocating for this new special type of investment.

Let me point out also that it is also the responsibility of the pension fund manager, pursuant to the ERISA law, to act solely and completely in the best interest of the participants in the pension plan. Most pension fund investors, as you have seen by your own charts and by your own data that you have brought out, from time to time find it necessary to diversify and on some occasions they make investments in foreign types of investments that happen to have a rate of return that they believe is in the best interest of the participants in the plan.

So it is not in the purview of the Department of Labor to intervene in these instances. It is in the purview of the responsibility of the pension fund manager to make those kinds of decisions. That is part of the free enterprise system and it is not for Secretary Reich or his employees or anybody else to meddle in those types of decisions. Your amendment, sir, gives Secretary Reich not only the right but the responsibility to carry out those kinds of incentives.

The second point I would like to make with regard to the position that you present has to do with the net flow of capital into and out of the United States. I pointed this out before. This publication which is put out by Council of Economic Advisors called Economic Indicators points out very clearly that there is a net flow of $151 billion in the most recent year reported, 1994, into the United States of America. It has been so increasingly over the last 5 or 6 years, bottoming out with only $7 billion in 1991 and once again we are back up to $151 billion.

So the fact of the matter is that the net flow of assets, of capital assets, is into the United States, not out of the United States as the gentleman would try to confuse some members of the public by bringing forth this amendment.

I think that once again these amendments are a series of amendments which are designed to divert attention away from the real issues here. The real issues are in keeping with the intent and the literal language of the ERISA law which requires pension fund managers to act solely and completely for the best benefit of the participants in the pension plan. The underperformance of ETI's by virtue of a full 2 percent and the additional risk posed by ETI's and the decisions thereby made by pension fund managers with regard to ETI's are certainly not in keeping with the spirit or the letter of the law.

Mr. MARTINEZ. Mr. Chairman, I rise in support of the amendment.

The gentleman who just spoke would like Members to believe that all ETI's are bad investments. That is not true. We have illustrated and we have given examples of ETI's that are very successful and very profitable for the pension beneficiaries.

The gentleman is saying over and over again that that is the issue. That is not the issue, because the real issue is whether or not those that were bad investments were advisable under the law or permissible under the law. They were neither permissible nor advisable under the law, and that has not changed in anything done by the interpretive bulletin, but he chooses to ignore that and keep coming back to the same rhetoric.

The fact is that the majority here wants to mismanage the Department of Labor. In fact in this new Congress they want to mismanage every part of the Government, including the administrative branch, and we will probably next get into the judicial branch. I do not think that is the answer.

The gentleman from New York [Mr. HINCHEY] is to be commended for his amendment, and I will tell why. I would have offered a stronger amendment. I would have offered an amendment that says that no American worker's pension fund that he earned here in the United States could be invested in any foreign investment because, as earlier was said by the gentleman from Ohio [Mr. BROWN], those dollars go abroad in investments there that create products that come back to steal our markets, and to create jobs and economy over there to rob people of jobs here.

I would have said the gentleman's amendment is a very weak amendment really, because my amendment would have said no American pension dollars from American workers could be expended anywhere else, in any foreign country; it had to be expended here for investment here, to realize our economic benefit rather than that of someone abroad.

Mr. HINCHEY. Mr. Chairman, will the gentleman yield?

Mr. MARTINEZ. I yield to the gentleman from New York.

Mr. HINCHEY. Mr. Chairman, I would just like to point out to the ranking minority member something that he knows, and that of course is that we knew that a stronger amendment would not stand any chance of passage or being accepted by the other side of the aisle. It was our hope that this amendment, as moderate as it is, and as in keeping with ERISA as it is and all the protections and provisions of ERISA as it is, would be accepted. But they are apparently so zealous in their desire to prevent pension funds from being invested in domestic programs, so desirous of seeing that money, if it has to go overseas rather than being invested here in this country, that they are even opposing this very moderate amendment.

□ 1800

Mr. MARTINEZ. Reclaiming my time, I agree with the gentleman that this is a reasonable amendment as it is offered, but there have been several reasonable amendments that have been offered; none of them accepted. The intent of this legislation should be clear to everyone.

Mr. KNOLLENBERG. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I have been sitting here, obviously, as many of us have, listening to the debate and there seems to be a recurring theme that comes from the other side of the aisle.

I do not challenge their honesty and integrity about bringing forth the argument. I have heard the words used over there "hung up" or "ambiguous." There is an ambiguity about what we are saying. There is a misunderstanding.

Mr. Chairman, I have misunderstood some of the direction over here as well, but there is one thing that we have to keep coming back to. This is repetitious. You have heard it before. Nothing like singing the same thing over and over. But the Saxton bill does not prohibit investing in ETI's. There is no prohibition or language or sentence or phrase that refers to that.

The only thing that I can tell my colleagues, though, is that the DOL, the Department of Labor interpretive bulletin does promote investments in ETI's and that is where I think the hangup or the problem is.

If my colleagues want some proof of the fact that they are promoting it, think about this for just a little bit. They are spending, the administration is spending $1 million to establish a clearinghouse to produce, I heard, a variety of things. I heard a list, which is probably is. But it is a somewhat sanctioned grouping of names of investments that are satisfactory, all of which happen to be ETI's. That is No. 1.

No. 2, they are sending the Assistant Secretary around who is actively promoting and I understand spending 10 percent of her time promoting ETI's. That is proactive.

No. 3, there has been talk, and not just talk, but indications of inappropriate pressure that have been put on the pension managers.

Let me tell my colleagues something about pension managers. They are not blocks of wood. They do assess, they analyze, they scrutinize, they weigh, and look at what is best for their pension beneficiaries. It might be an investment in Lebanon, IN, or Lebanon, PA, or it may be overseas, but it may be in the heart of their own hometown. They look at all sides of the equation; not just one.

Mr. Chairman, I remind my colleagues that one of the reasons that ETI's do have to be scrutinized more closely is because the Department of Labor itself has acknowledged, my friends on the other side of the aisle want to call them social investments. Fine, but these ETI's, I will call them ETI's, I have called them PTI's, politically targeted investments, but the ETI's are less liquid. They require more expertise to evaluate. They require a longer period of time to generate significant investment returns.

Mr. Chairman, I am not a pension investment manager. I think I am average in terms of those kinds of things. But if those were the words that I read, it would have a great deal of impact on what I would do in terms of investing, even as an individual. And pension mangers, as I say, are not blocks of wood. They do weigh all of this.

The problem of this bill is that it addresses the promotion of ETI's. And, frankly, that is something that is very contrary to its charge as the Nation's pension watchdog. So, I am just suggesting that if there is some confusion or misunderstanding, it has to be, I believe, over that very issue. That the Saxton bill does not preclude investment in any of those arenas, any of those areas.

Mr. HINCHEY. Mr. Chairman, will the gentleman yield?

Mr. KNOLLENBERG. I yield to the gentleman from New York.

Mr. HINCHEY. Mr. Chairman, I am glad that the gentleman from Michigan [Mr. KNOLLENBERG] is attempting to clear that up for us, because that is exactly what we are trying to do here.

It has been said, for example, that these ETI's are bad investments. As a matter of fact, ETI's in California and New York are actually performing better than the market. So, they can be very, very profitable investments indeed.

But we are not trying to force anyone into anything. We are not trying to say that anyone should go into an ETI or anything of that nature. All this amendment says is to the extent that it is possible, the Secretary of Labor shall take whatever action he deems necessary, consistent with the protections and provisions of ERISA, to try to ensure that these funds are invested domestically; that they are invested here in this country and the needs of this country, so that we can create jobs for our people and increase their standards of living and increase their buying power, which has been shrinking for the better part of 20 years. That is all this amendment says. Just invest the money here in this country domestically.

Mr. KNOLLENBERG. Mr. Chairman, reclaiming my time, those are good, solid suggestions about what you want to do, but here is what bothers me a great deal.

The CHAIRMAN (Mr. EMERSON). The time of the gentleman from Michigan [Mr. KNOLLENBERG] has expired.

(By unanimous consent, Mr. KNOLLENBERG was allowed to proceed for 2 additional minutes.)

Mr. KNOLLENBERG. Mr. Chairman, I want to look at this aspect of it since, in the judgment of the gentleman from New York [Mr. HINCHEY], the Department of Labor's directive does not preclude investment in ETI's, and since the bill of the gentleman from New Jersey [Mr. SAXTON] does not preclude or prohibit or in any way challenge the investment in ETI's, why is there any need for an amendment?

Mr. HINCHEY. Mr. Chairman, if the gentleman would continue to yield, I think it is very clear. We want the investment trustees to have as much latitude as possible to act in the context of their lights in the best interests of the people they represent in their pension system.

We want them to do it insofar as it is consistent with all the protections and provisions in the law in a way that is going to promote economic growth and development in this country, because that too is in the best interest of the pensioners, potential pensioners, the investors in that pension system.

To the extent that we can grow this economy and marshal our investment in ways that produce growth and create income, we are benefiting everyone in the economy. That is what we are trying to do with this amendment, because it is not clear in the bill that that would be allowed.

Contrarily, if I may, the bill indicates that the trustees, if they do that in a way that is socially just, they will be imperiled.

Mr. KNOLLENBERG. Mr. Chairman, reclaiming my time, we do not need the amendment, because we have not precluded investment in any domestic activity.

The CHAIRMAN. Does the gentleman from Illinois [Mr. FAWELL] insist upon his point of order? He had reserved a point of order.

Mr. FAWELL. Mr. Chairman, I withdraw my reservation of a point of order on the amendment.

Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise, briefly, in opposition to the amendment. There is just one point that I think I can add that might be of help. It seems to me that we have come full circle now. We have legislation which was introduced which basically was aimed at proscribing the Department of Labor from being able to go out and promote and hype, spend millions of dollars toward being able to have a clearinghouse, et cetera, et cetera, to encourage ETI's.

We did not outlaw ETI's, but we simply said that they are a part of the investment area, but nobody has to do it, especially the entity which is the regulator and is supposed to be the watchdog for proper investments. That is not appropriate for the Department of Labor to be doing that.

Mr. Chairman, now what do we get here? We now say that the Secretary of Labor shall take such actions as are necessary, anything in his discretion, to encourage domestic investments, which means obviously of course ETI's, which may have the main emphasis of social investments. And he can, if it is in his discretion, it could be with affirmative action, it could be goals, timetables, it could be quotas, the whole shooting match.

Well, I will give the gentleman from New York [Mr. HINCHEY] credit. I do not want to take up a whole lot of time, but to me, the gentleman has surpassed the basic problem that this bill is here to try to rectify. Mr. Chairman, I think that it is not a very good amendment and should be defeated.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York [Mr. HINCHEY].

The question was taken; and the Chairman announced that the noes appeared to have it.

Mr. HINCHEY. Mr. Chairman, I demand a recorded vote, and pending that, I make the point of order that a quorum is not present.

The CHAIRMAN. Pursuant to the order of the House of today, further proceedings on the amendment offered by the gentleman from New York [Mr. HINCHEY] will be postponed.

The point of no quorum is considered withdrawn.

The CHAIRMAN. Are there further amendments?

AMENDMENT IN THE NATURE OF A SUBSTITUTE OFFERED BY MR. MARTINEZ

Mr. MARTINEZ. Mr. Chairman, I offer an amendment in the nature of a substitute.

The Clerk read as follows:

Amendment in the nature of a substitute offered by Mr. MARTINEZ: Strike all after the enacting clause and insert the following:

SECTION 1. SENSE OF THE CONGRESS.

It is the sense of the Congress that the Department of Labor, as the principal enforcer of fiduciary standards in connection with employee pension benefit plans and employee welfare benefit plans (as defined in paragraphs (1) and (2) of section 3 of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1002(1), (2))), should remain neutral regarding economically targeted investments.

SEC. 2. PROHIBITIONS ON DEPARTMENT OF LABOR REGARDING ECONOMICALLY TARGETED INVESTMENTS.

(a) IN GENERAL.—Interpretive Bulletin 94–1, issued by the Secretary of Labor on June 23, 1994 (59 Fed. Reg. 32606; 29 C.F.R. 2509.94–1), shall be interpreted so as to neither advocate nor discourage economically targeted investments.

(b) RESTRICTIONS ON DEPARTMENT OF LABOR REGULATIONS.—The Secretary of Labor may not issue any rule, regulation, or interpretive bulletin which promotes or otherwise encourages, or which discourages, economically targeted investments as a specified class of investments.

(c) RESTRICTIONS ON ACTIVITIES OF THE DEPARTMENT OF LABOR.—No officer or employee of the Department of Labor may travel, lecture, or otherwise expend resources available to such Department for the purpose of promoting or discouraging, directly or indirectly, economically targeted investments.

(d) CONTINUED AUTHORITY OF SECRETARY.—Nothing in this section shall be construed to preclude the Secretary of Labor from offering advice in response to requests as to the appropriateness under the Employee Retirement Income Security Act of 1974 of particular investments or investment strategies.

(e) ECONOMICALLY TARGETED INVESTMENT DEFINED.—For purposes of this section, the term ''economically targeted investment'' has the meaning given such term in Interpretive Bulletin 94–1, as issued by the Secretary of Labor on June 23, 1994 (59 Fed. Reg. 32606; 29 C.F.R. 2509.94–1).

SEC. 3. EFFECTIVE DATE.

The preceding provisions of this Act shall take effect on the date of the enactment of this Act.

Mr. MARTINEZ (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. MARTINEZ. Mr. Chairman, my amendment is an amendment in the nature of a substitute to the bill and is designed to achieve complete neutrality on the part of the Department of Labor, much as the bill that we are considering now says it claims to do or claims that it wants to do.

Mr. Chairman, my bill clearly states that the interpretive bulletin is not to be interpreted as either encouraging or discouraging investments in ETI's. Further, it prevents the Department from taking a position either in favor of ETI's or against them as a matter of investment strategy.

It does preserve the requirement that the Department of Labor respond to specific inquiries from investment managers and employee benefit plans with respect to any investment strategy, solely in order to ensure that the opinions of legality under ERISA may continue to be rendered as they have been since ERISA was first implemented a generation ago.

Finally, my amendment in the nature of a substitute prohibits expenditures by the Department of Labor which are made with the purpose of either discouraging or encouraging investments in ETI's.

Mr. Chairman, I urge the adoption of this amendment, because it truly is a neutrality amendment; one that answers any of the reasons given for the bill in the first place. Yet, my amendment has the benefit of ensuring that the investment community is able to take whatever action it deems necessary with respect to investment strategies.

Under the bill as brought to the floor today, I am advised that this is not the case. The bill we are presented with will result in litigation by any party disgruntled with any investment for the sole reason that the investment can have a collateral benefit.

My amendment ensures that the investment manager is the one who considers the investment, not an outsider, and that the investment manager is not subject to "Monday morning quarterbacking" with respect to those decisions.

Mr. Chairman, I offer this amendment in the hopes that it would be accepted. I do not fool myself. I am fully prepared for what will ensue.

Mr. SAXON. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, once again we have another in a series of amendments that is intended to divert attention from the underlying issue under consideration here, and that is the underperformance of ETI.

Mr. Chairman, ETI's historically have been shown to produce rates of return that are approximately 2 percent less than other good pension fund investments, and that is at a substantially higher risk.

I further oppose this amendment because in my opinion the substitute amendment's attempt to ensure DOL neutrality is unnecessary, since the bill simply makes clear that the law is as it was before the Department of Labor's decision to promote ETI's took place.

Under the bill as it currently stands, we negate the interpretive bulletin that Secretary Reich issued more than a year ago, which is the subject of a great deal of debate and has been ever since. We do away with the clearinghouse that was set up to promote economically targeted investments, because we believe that for the most part they are investments that should be viewed with a great deal of skepticism.

Third, we stop the sending of any Federal moneys to encourage ETI's through the Department of Labor or any other Federal department.

Mr. Chairman, this amendment is totally unnecessary, and I believe is intended to divert attention away from the real issues, which are the economics of how pension funds are invested.

The CHAIRMAN. The question is on the amendment in the nature of a substitute offered by the gentleman from California [Mr. MARTINEZ].

The amendment in the nature of a substitute was rejected.

AMENDMENT IN THE NATURE OF A SUBSTITUTE OFFERED BY MR. ANDREWS

Mr. ANDREWS. Mr. Chairman, I offer an amendment in the nature of a substitute.

The Clerk read as follows:

Amendment in the nature of a substitute offered by Mr. ANDREWS: Strike all after the enacting clause and insert the following:

SECTION 1. SENATE OF THE CONGRESS.

It is the sense of the Congress that the Department of Labor should apply the same fiduciary standards to economically targeted investments (as defined in Interpretive Bulletin 94-1, issued by the Secretary of Labor on June 23, 1994 (59 Fed. Reg. 32606, 29 C.F.R. 2509.94-1)) as are applicable to investments by pension plans generally under the Employee Retirement Income Security Act of 1974.

SEC. 2. EFFECT OF INTERPRETIVE BULLETIN 94-1.

Interpretive Bulletin 94-1 (referred to in section 1) shall be null and void to the extend it is construed to authorize investments which are in violation of the Employee Retirement Income Security Act of 1974.

SEC. 3. PROHIBITION ON FEDERAL AGENCIES AGAINST ESTABLISHING OR MAINTAINING ANY CLEARINGHOUSE OR OTHER DATABASE RELATING TO ECONOMICALLY TARGETED INVESTMENTS.

(a) IN GENERAL.—Part 5 of subtitle B of title I of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1131 et seq.) is amended by adding at the end the following new section:

"PROHIBITION ON FEDERAL AGENCIES AGAINST ESTABLISHING OR MAINTAINING ANY CLEARINGHOUSE OR OTHER DATABASE RELATING TO ECONOMICALLY TARGETED INVESTMENTS

"SEC. 516. (a) IN GENERAL.—No agency or instrumentality of the Federal Government may establish or maintain, or contract with (or otherwise provide assistance to) any other party to establish or maintain, any clearinghouse, database, or other listing—

"(1) for the purpose of making available to employee benefit plans information on economically targeted investments,

"(2) for the purpose of encouraging, or providing assistance to, employee benefit plans or any other party related to an employee benefit plan to undertake or evaluate economically targeted investments, or

"(3) for the purpose of identifying economically targeted investments with respect to which such agency or instrumentality will withhold from undertaking enforcement actions relating to employee benefit plans under any otherwise applicable authority of such agency or instrumentality.

"(b) ECONOMICALLY TARGETED INVESTMENT DEFINED.—For purposes of this section, the term 'economically targeted investment' has the meaning given such term in Interpretive Bulletin 94-1, as issued by the Secretary on June 23, 1994 (59 Fed. Reg. 32606; 29 C.F.R. 2509.94-01).".

(b) CLERICAL AMENDMENT.—The table of contents in section 1 of such Act is amended by inserting at the end of the items relating to part 5 of subtitle B of title I the following new item.

"Sec. 516. Prohibition on Federal agencies against establishing or maintaining any clearinghouse or other database relating to economically targeted investments.".

SEC. 4. TERMINATION OF CONTRACTS.

The head of each agency and instrumentality of the Government of the United States shall immediately take such actions as are necessary and appropriate to terminate any contract or other arrangement entered into by such agency or instrumentality which is in violation of the requirements of the provisions of this Act or the amendments made thereby.

SEC. 5. EFFECTIVE DATE.

The preceding provisions of this Act (and the amendments made thereby) shall take effect on the date of the enactment of this Act.

Mr. ANDREWS (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

Mr. FAWELL. Mr. Chairman, I reserve a point of order on the amendment. I am not aware of just what this amendment is all about.

The CHAIRMAN. The gentleman from Illinois [Mr. FAWELL] reserves a point of order on the amendment.

The gentleman from New Jersey [Mr. ANDREWS] is recognized for 5 minutes.

□ 1815

Mr. ANDREWS. Mr. Chairman, there are some severe problems with America's pension system as we meet here tonight. There are employees of private companies and pensioners of private companies who are legitimately worried that they may not have a pension someday because of the failure of many American businesses and the extent to which the Private Pension Guarantee Benefit Corporation is thinly capitalized. There is a very real risk if we do not do something about that problem that many Americans may not have the pension check on which they depended. There are Americans who used to work for governments or school districts or who work for government or school districts today who are legitimately worried about their pensions because it has become the practice of some governments at the State and local level around America to borrow from that pension fund or not put enough in in order to meet short-term budgetary or political objectives. That is a real problem that deserves our attention.

Tonight as we consider this legislation, however, neither of those problems receives any attention, and instead I rather think that we are looking at a bill that in good faith presents a solution in search of a problem by talking about economically targeted investments. Nevertheless, my friends on the majority side have raised some real and viable questions about economically targeted investments or ETI's. My substitute amendment attempts to address each of those legitimate points and place the Secretary of Labor exactly where he belongs, with respect to economically targeted investments or any kind of decision by pension fund managers. It places the Secretary of Labor out of the picture because the Secretary of Labor, absent his regulatory duties under ERISA, has no business, none, meddling in the decisions of pension managers across the country.

We have heard that people are concerned about spending a million dollars of taxpayer money on a clearinghouse to deal with the ETI's. So I am concerned about that. So my substitute abolishes the clearinghouse and permits the expenditure of nothing on it.

We have heard that people are concerned about this bill or the pronouncements of the Secretary of Labor creating a standard of review other than the traditional prudent man standard for ETI's. I am concerned about that, too. So my amendment expressly provides that the prudent man rule will remain the only measure under which investments will be evaluated under the ERISA law. It says the prudent man standard and only the prudent man standard.

Here is the difference between my substitute and the bill that is before us: My substitute says that the Secretary of Labor shall not promote ETI's, but neither shall detract from ETI's. My amendment says the Secretary of Labor shall not promote investments in U.S. savings bonds nor shall be detract from investments in U.S. savings bonds or the stock of IBM or any other potential investment. My amendment says that the Secretary of Labor has no rightful place meddling in the investment decisions of our pension funds.

My amendment, I would think, in many ways is a quintessential conservative amendment in that it says the Federal Government simply has on place injecting itself in the decisions of investment managers of the pension funds of our country.

So to summarize, Mr. Chairman, wish that we had brought to the floor tonight legislation that would address the underfunding of the Private Benefit Guarantee Corporation, the Pension Benefit Guarantee Corporation that put the pensions of many Americans at risk. I wish we had brought to the floor tonight an amendment I offered in committee that would have provided public employees with the right of review if their Governor and the State legislature decides to play budget fiscal politics with their pension and make it subject to some review under ERISA.

The CHAIRMAN. The time of the gentleman from New Jersey has expired.

(By unanimous consent, Mr. ANDREWS was allowed to proceed for 2 additional minutes.)

Mr. ANDREWS. We have not addressed either of those issues. Instead we brought forward this proposal, and I read its intent as a wholesome and good-faith one that says that the Secretary of Labor has no business meddling in the investment decisions of investment managers. I agree. So what we simply say is that he should be neutral with respect to all such investments and stay out.

We hear the proponents of this bill saying that we should not spend $1 million of taxpayers' money on a clearinghouse. I agree. So my substitute strikes the authority to do that.

The difference between my amendment and the pending bill is simply this: I say that we should not take a position at all on ETI's, that the position of the Secretary of Labor ought to be that is a decision that the investment fund managers ought to make under the prudent man and only under the prudent man rule.

The CHAIRMAN. The gentleman from Illinois reserved a point of order. Does he insist on it?

Mr. FAWELL. No; I do not reserve the point of order.

Mr. SAXTON. Mr. Chairman, I move to strike the last word. I would like to thank my colleague from New Jersey for a very clear statement as to say how he feels about the current situation.

As I was saying, Mr. Chairman, I would like to commend the gentleman from New Jersey for his very articulate recognition of the situation, and I might say that although we cannot accept his amendment, he does move in the right direction, and we appreciate the fact that for the first time we have an amendment that at least recognizes that there is a problem with the way the Department of Labor is doing business.

I wish that we could accept the gentleman's amendment. However, he simply does not go far enough. What we are trying to do with the bill as it stands is to go back to the situation that existed during the Carter years and the Reagan years and the Bush years, where essentially what the gentleman has suggested occurred, and that was that the Department of Labor did not take a position relative to the ETI's unless they were requested to do so by somebody, some pension fund manager who wanted the Department of Labor's interpretation as to the appropriateness of an investment. So we negate the interpretive bulletin. We do away with the clearinghouse, and we stop the expenditure of any Federal moneys to in any way promote ETI's.

The gentleman's amendment, while it is certainly well thought out, according to the information I have here, expresses the sense of Congress that it is inappropriate for the Department of Labor to promote ETI's and that is nice. However, we prefer to have this carry the effect of law, and that is what the bill, as it currently stands, does.

In addition to that, the gentleman's amendment also renders the interpretive bulletin null and void, but he weakens that statement by saying only to the extent that is construed to violate ERISA. I am not quite sure at this hour how to interpret exactly what that does or what it is intended to do, so I think the bill, as it currently stands, is absolutely clear. It goes to the points that the gentleman made in his very articulate explanation of his amendment. It negates the interpretive bulletin. It does away with the clearinghouse, as it currently stands, and it stops the expenditures of money to advocate for a particular class of investment.

Mr. GOODLING. Mr. Chairman, will the gentleman yield?

Mr. SAXTON. I yield to the gentleman from Pennsylvania, the chairman of the full committee.

Mr. GOODLING. Mr. Chairman, my major concern with this substitute is the point the gentleman mentioned. 94–1 shall be null and void to the extent it is construed in violation of ERISA. My fear is that, and I have many, many wonderful attorney friends but they are all very busy at the present time, my fear is that we are going to give them much more business than they can ever handle, and it may be a long, long time until we go through the court process to find out what is construed in violation of ERISA means, and that would be my major concern with the substitute.

Mr. CLAY. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise in support of this amendment.

Mr. Chairman, I support this amendment.

This is the amendment that my Republican colleagues should have reported out of the committee had the leadership not been determined to placate the sponsor of the bill, and to satisfy their own desire to demagog on this issue.

Democrats and Republicans who want to continue the tradition of bipartisan pension policy should support this amendment.

From the moment that the sponsor of the bill surfaced with his legislation, the Republican leadership of the Opportunities Committee knew full well that the original Saxton bill would have been an absolute disaster. It basically dropped a nuclear bomb on 15 years of bipartisan pension policy.

Unfortunately, Representative FAWELL was allowed to make only modest improvements in the original bill. If the Saxton bill is a hydrogen bomb, obliterating everything in its path, the Fawell bill is a neutron bomb. It leaves standing all past Labor Department administrative opinions on ETI's, but obliterates every other mention of the term. It keeps intact the vague, overbroad GAG order on Labor Department personnel. It repeals interpretive bulletin 94-1, even though everyone agrees that bulletin simply restates 15 years of bipartisan interpretation of ERISA.

The purpose of the Andrews amendment is to take the committee Republicans at their word that their overriding objective is to require the Labor Department to acknowledge the prudent man rule and to remain neutral on ETI's. This bears repeating: Mr. ANDREWS has taken our colleagues at their word about their intended goal.

The Andrews amendment gives them neutrality. As long as ERISA is satisfied, ETI's are to rise or fall on their own merits. No help from the Labor Department. No promotion of ETI's. No clearinghouse.

The Andrews amendment establishes as the overarching policy that the Labor Department is to apply ERISA's strict fiduciary standards to ETI's in the same manner that they are applied to plan investment generally. ERISA comes first. Beneficiaries come first. The application of the prudent man rules comes first.

If you support the fiduciary standards of ERISA.

If you support the prudent man rule.

If you support giving private sector pension managers the maximum flexibility allowed under ERISA to consider investments, free of any political pressure, then support the Andrews amendment.

Mr. ANDREWS. Mr. Chairman, will the gentleman yield?

Mr. CLAY. I yield to the gentleman from New Jersey.

Mr. ANDREWS. Mr. Chairman, I would like to respond, if I could, to the two points raised about concern about the substitute.

First of all, with respect to whether or not the substitute prohibits the Secretary of Labor from promoting ETI's or simply declares that to be the sense of the Congress, in fact, the amendment does prohibit, in section 3, specifically prohibits the Secretary of Labor from entering into any contract or taking any step which does so. So it is simply not a sense of Congress.

Second, with respect to the chairman's concern about creating employment for attorneys, which is a truly valid concern, I would suggest that that really is something, with all due respect, it is a red herring for this reason: My amendment says that if the bulletin is construed to be null and void because it violates ERISA, my understanding is that an investment which runs afoul of the prudent man standard is, in fact, a violation of ERISA as ERISA has been interpreted. So, therefore, this incorporates by reference the prudent man standard that is applied, for years, since 1974, the year ERISA was first enacted. I believe, should litigation be brought to interpret this section, it would be quickly resolved, and it would be very clearly resolved that to the extent that this interpretive bulletin authorizes or permits an investment decision outside the scope of the prudent man rule, it is illegal and not permitted.

Mr. CLAY. Mr. Chairman, this amendment establishes the over- arching policy that the Labor Department is to apply ERISA's strict fiduciary standards to ETI's in the same manner they are applied to plan investments generally.

ERISA comes first. Beneficiaries come first. The application of the prudent man rule comes first. If you support the fiduciary standards of ERISA, if you support the prudent man rule, if you support giving private sector pension managers maximum flexibility allowed under ERISA, free of any political pressure, then you have to support the Andrews amendment, and I urge my colleagues to do just that.

Mr. FAWELL. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise to oppose the amendment. I think it is a move in the right direction, I believe, in the short chance I have had to review it. It is woefully weak in regard to a very important element, and that is proscribing the right of the Department of Labor to continue to promote and hype in regard to ETI's.

What we had in section 1 were where we clearly said this is inappropriate, that language is gone, and as I read even insofar as section 3 and section 2 of the amendment. The prohibitions against promotion, et cetera, are gone.

The amendment certainly renders this very confusing interpretive bulletin null and void, but as has been indicated by several, only to the extent it is construed to violate ERISA. Our bill really did not live or die on that basis or even make that claim. What we said is the interpretive bulletin is a very outlandish effort to start promoting what the Department of Labor set forth as a definition of ETI's, and it was that to which we made, of course, major objection. To introduce this language about whether it does or does not violate ERISA, I agree with the statement made by Chairman GOODLING, we will have a lot of lawyers arguing how many angels can dance on the end of a pin as a result of that.

I think that although this is a movement in the right direction, we have a very clear bill that has to go through an awful lot of rigorous examination, and for that reason, with the utmost respect for the gentleman who has proffered this amendment, I certainly must oppose it.

□ 1830

Mr. ANDREWS. Mr. Chairman, will the gentleman yield?

Mr. FAWELL. I yield to the gentleman from New Jersey.

Mr. ANDREWS. Mr. Chairman, I hear that my friend, the gentleman from Illinois [Mr. FAWELL], is making two objections. I would like to try to meet them.

With respect to the effect of Interpretive Bulletin 94-1, in the appropriate procedural manner, Mr. Chairman, I would offer to change that section to say the following:

Interpretive Bulletin 94-1 referred to in section 1 shall be null and void, period, because that is the intent of this section.

Second, with respect to the gentleman's concern about the——

Mr. FAWELL. Reclaiming my time, if I may say, "Except to the extent——"

Mr. ANDREWS. Well, why do we not strike that? I would offer to strike it.

Second, let me say this to the gentleman, that to the extent that he is concerned about a prohibition against the promotion of ETI's by the Government, let me just read to him section 3. It will be section 516(a).

> No agency or instrumentality of the Federal Government may establish, or maintain, or contract with or otherwise provide assistance to any other party to establish or maintain any clearinghouse data base or any other listing, sub 2, for the purpose of encouraging or providing assistance to employee benefit plans or any other part relating to an employee benefit plan to undertake or evaluate economically targeted investments.

That seems pretty clear to me is a prohibition against promotion. I would be curious if the gentleman can explain to me why it is not.

Mr. FAWELL. As I have indicated, first of all in section 1 the gentleman has entirely removed the very clear statement that any promotion is inappropriate on behalf of the Department of Labor.

In reference to the other sections of the bill, frankly the gentleman had here a complete new bill of seven or, eight pages, and I have not had the chance to go fully through it, but I have noted that at least statements where we have said that we had proscriptions in regard to promotion, it seemed to me the gentleman had left those out. In fact in section 2 I am informed that those proscriptions have been pretty well deleted.

Mr. ANDREWS. If the gentleman would yield, that is certainly not our intent, not my understanding. I do not know of any broader proscription we could include.

Mr. FAWELL. It does appear in section 2 that is the case. I am not absolutely sure in regard to section 3, but we have an excellent bill. It is too bad something like this was not introduced in committee. The gentleman is a member of the committee, and we certainly would have considered it, but nevertheless I have a great deal of respect for the gentleman, and I know he put some work into it. I appreciate that.

The CHAIRMAN. The question is on the amendment in the nature of a substitute offered by the gentleman from New Jersey [Mr. ANDREWS].

The question was taken; and the Chairman announced that the noes appeared to have it.

RECORDED VOTE

Mr. ANDREWS. Mr. Chairman, I demand a recorded vote.

The CHAIRMAN. Pursuant to the order of the House of today, further proceedings on the amendment in the nature of a substitute offered by the gentleman from New Jersey [Mr. ANDREWS] will be postponed.

The point of no quorum is considered withdrawn.

SEQUENTIAL VOTES POSTPONED IN COMMITTEE OF THE WHOLE

The CHAIRMAN. Pursuant to the order of the House of today, proceedings will now resume on those amendments on which further proceedings were postponed in the following order: the amendment offered by the gentleman from New York [Mr. HINCHEY]; the amendment in the nature of a substitute offered by [Mr. ANDREWS].

AMENDMENT OFFERED BY MR. HINCHEY

The CHAIRMAN. The pending business is the demand for a recorded vote on the amendment offered by the gentleman from New York [Mr. HINCHEY] on which further proceedings were postponed and on which the noes prevailed by voice vote.

The Clerk will designate the amendment.

The Clerk designated the amendment.

RECORDED VOTE

The CHAIRMAN. A recorded vote has been demanded.

A recorded vote was ordered.

The CHAIRMAN. This will be a 15-minute vote followed by a possible 5-minute vote.

The vote was taken by electronic device, and there were—ayes 179, noes 234, now voting 21, as follows:

[Roll No. 650]

AYES—179

Andrews
Baesler
Baldacci
Barcia
Barrett (WI)
Becerra
Beilenson
Bentsen
Berman
Bevill
Bishop
Bonior
Borski
Boucher
Browder
Brown (CA)
Brown (FL)
Brown (OH)
Bryant (TX)
Cardin
Chapman
Clay
Clayton
Clement
Clyburn
Coleman
Collins (IL)
Collins (MI)
Condit
Conyers
Costello
Coyne
Cramer
Danner
de la Garza
DeFazio
DeLauro
Dellums
Deutsch
Diaz-Balart
Dicks
Dingell
Dixon
Doggett
Dooley
Doyle
Edwards
Engel
Eshoo
Evans
Farr
Fields (LA)
Filner
Flake
Foglietta
Forbes
Ford
Fox
Frank (MA)
Frost
Furse
Gejdenson
Gephardt
Gibbons
Gonzalez
Gordon
Green
Gutierrez
Hall (OH)
Hamilton
Harman
Hastings (FL)
Hefner
Hinchey
Holden
Hoyer
Jackson-Lee
Jacobs
Johnson (SD)
Johnson, E. B.
Johnston
Kanjorski
Kaptur
Kennedy (MA)
Kennedy (RI)
Kennelly
Kildee
Kleczka
Klink
LaFalce
Levin
Lewis (GA)
Lincoln
Lipinski
Lofgren
Lowey
Luther
Maloney
Manton
Markey
Martinez
Mascara
Matsui
McCarthy
McDermott
McHale
McKinney
McNulty
Meehan
Meek
Mfume
Miller (CA)
Mineta
Minge
Mink
Moran
Murtha
Nadler
Neal
Oberstar
Obey
Olver
Ortiz
Orton
Owens
Pallone
Pastor
Payne (NJ)
Payne (VA)
Peterson (FL)
Peterson (MN)
Pomeroy
Poshard
Rahall
Rangel
Reed
Richardson
Rivers
Roemer
Ros-Lehtinen
Rose
Roybal-Allard
Rush
Sabo
Sanders
Sawyer
Schroeder
Schumer
Scott
Serrano
Skaggs
Skelton
Slaughter
Spratt
Stark
Stokes
Studds
Stupak
Tanner
Tejeda
Thompson
Thornton
Thurman
Torres
Towns
Traficant
Velazquez
Vento
Visclosky
Volkmer
Ward
Waters
Watt (NC)
Waxman
Wise
Woolsey
Wyden
Wynn
Yates

NOES—234

Allard
Archer
Armey
Bachus
Baker (CA)
Baker (LA)
Ballenger
Barr
Barrett (NE)
Bartlett
Barton
Bass
Bateman
Bereuter
Bilbray
Bilirakis
Bliley
Blute
Boehlert
Bonilla
Bono
Brewster
Brownback
Bryant (TN)
Bunn
Bunning
Burr
Burton
Buyer
Callahan
Calvert
Camp
Canady
Castle
Chabot
Chambliss
Chenoweth
Christensen
Chrysler
Clinger
Coble
Coburn
Collins (GA)
Combest
Cooley
Cox
Crane
Crapo
Cremeans
Cubin
Cunningham
Davis
Deal
DeLay
Dickey
Doolittle
Dornan
Dreier
Duncan
Dunn
Ehlers
Ehrlich
Emerson
English
Ensign
Everett
Ewing
Fawell
Fields (TX)
Flanagan
Foley
Fowler
Franks (CT)
Franks (NJ)
Frelinghuysen
Frisa
Funderburk
Gallegly
Ganske
Gekas
Geren
Gilchrest
Gillmor
Gilman
Goodlatte
Goodling
Goss
Graham
Greenwood
Gunderson
Gutknecht
Hall (TX)
Hancock
Hansen
Hastert
Hastings (WA)
Hayes
Hayworth
Hefley
Heineman
Herger
Hilleary
Hobson
Hoekstra
Hoke
Horn
Hostettler
Houghton
Hunter
Hutchinson
Hyde
Inglis
Istook
Johnson (CT)
Johnson, Sam
Jones
Kasich
Kelly
Kim
King
Kingston
Klug
Knollenberg
Kolbe
LaHood
Largent
Latham
LaTourette
Laughlin
Lazio
Leach
Lewis (CA)
Lewis (KY)
Lightfoot
Linder
Livingston
LoBiondo
Longley
Lucas
Manzullo
Martini
McCollum
McCrery
McDade
McHugh
McInnis
McIntosh
McKeon
Metcalf
Meyers
Mica
Miller (FL)
Molinari
Montgomery
Moorhead
Morella
Myers
Myrick
Nethercutt
Neumann
Ney
Norwood
Nussle
Oxley
Packard
Paxon
Petri
Pickett
Pombo
Porter
Portman
Pryce
Quillen
Quinn
Radanovich
Ramstad
Regula
Riggs
Roberts
Rogers
Rohrabacher
Roth
Roukema
Royce
Salmon
Sanford
Saxton
Scarborough
Schaefer
Schiff
Seastrand
Sensenbrenner
Shadegg
Shaw
Shays
Shuster
Skeen
Smith (MI)
Smith (NJ)
Smith (TX)
Smith (WA)
Solomon
Souder
Spence
Stearns
Stenholm
Stockman
Stump
Talent
Tate
Tauzin
Taylor (MS)
Taylor (NC)
Thomas
Thornberry
Tiahrt
Torkildsen
Upton
Vucanovich
Walker
Walsh
Wamp
Watts (OK)
Weldon (FL)
Weller
White
Whitfield
Wicker
Wilson
Wolf
Young (AK)
Young (FL)
Zeliff
Zimmer

NOT VOTING—21

Abercrombie
Ackerman
Boehner
Durbin
Fattah
Fazio
Hilliard
Jefferson
Lantos
Menendez
Moakley
Mollohan
Parker
Pelosi
Reynolds
Sisisky
Torricelli
Tucker
Waldholtz
Weldon (PA)
Williams

☐ 1855

So the amendment was rejected.

The result of the vote was announced as above recorded.

AMENDMENT IN THE NATURE OF A SUBSTITUTE OFFERED BY MR. ANDREWS

The CHAIRMAN. The pending business is the demand for a recorded vote on the amendment in the nature of a substitute offered by the gentleman from New Jersey [Mr. ANDREWS] on which further proceedings were postponed and on which the noes prevailed by voice vote.

The Clerk will designate the amendment in the nature of a substitute.

The Clerk designated the amendment in the nature of a substitute.

RECORDED VOTE

The CHAIRMAN. A recorded vote has been demanded.

A recorded vote was ordered.

The CHAIRMAN. This is a 5-minute vote.

The vote was taken by electronic device, and there were—ayes 178, noes 232, not voting 24, as follows:

[Roll No. 651]

AYES—178

Andrews
Baesler
Baldacci
Barcia
Barrett (WI)
Becerra
Beilenson
Bentsen
Berman
Bevill
Bishop
Bonior
Borski
Boucher
Brewster
Browder
Brown (CA)
Brown (FL)
Brown (OH)
Bryant (TX)
Cardin
Chapman
Clay
Clayton
Clement
Clyburn
Coleman
Collins (IL)
Collins (MI)
Condit
Conyers
Costello
Coyne
Cramer
Danner
de la Garza
DeFazio
DeLauro
Dellums
Deutsch
Diaz-Balart
Dicks
Dingell
Dixon
Doggett
Dooley
Doyle
Edwards
Engel
Eshoo
Evans
Farr
Fazio
Fields (LA)
Filner
Flake
Foglietta
Forbes
Ford
Frank (MA)
Frost
Furse
Gejdenson
Gephardt
Gibbons
Gonzalez
Gordon
Green
Gutierrez
Hall (OH)
Hamilton
Harman
Hastings (FL)
Hefner
Hinchey
Holden
Hoyer
Jackson-Lee
Jacobs
Johnson (SD)
Johnson, E. B.
Johnston
Kanjorski
Kaptur
Kennedy (MA)
Kennedy (RI)
Kennelly
Kildee
Kingston
Kleczka
Klink
LaFalce
Levin
Lewis (GA)
Lincoln
Lipinski
Lofgren
Lowey
Luther
Maloney
Manton
Markey
Martinez
Mascara
Matsui
McCarthy
McDermott
McHale
McKinney
McNulty
Meehan
Meek
Mfume
Miller (CA)
Mineta
Minge
Montgomery
Murtha
Nadler
Neal
Oberstar
Obey
Olver
Ortiz
Orton
Owens
Pallone
Pastor
Payne (NJ)
Payne (VA)
Peterson (FL)
Peterson (MN)
Pickett
Pomeroy
Poshard
Rangel
Reed
Richardson
Rivers
Roemer
Ros-Lehtinen
Rose
Roybal-Allard
Rush
Sabo
Sanders
Sawyer
Schroeder
Schumer
Scott
Serrano
Skaggs
Skelton
Slaughter
Stark
Stokes
Studds
Stupak
Tanner
Tejeda
Thompson
Thornton
Thurman
Torres
Towns
Vento
Visclosky
Volkmer
Ward
Waters
Watt (NC)
Waxman
Wilson
Wise
Woolsey
Wyden
Wynn
Yates

NOES—232

Allard
Archer
Armey
Bachus
Baker (CA)
Baker (LA)
Ballenger
Barr
Barrett (NE)
Bartlett
Barton
Bass
Bereuter
Bilbray
Bilirakis
Bliley
Blute
Boehlert
Bonilla
Bono
Brownback
Bryant (TN)
Bunning
Burr
Burton
Buyer
Callahan
Calvert
Camp
Canady
Castle
Chabot
Chambliss
Chenoweth
Christensen
Chrysler
Coble
Coburn
Collins (GA)
Combest
Cooley
Cox
Crane
Crapo
Cremeans
Cubin
Cunningham
Davis
Deal
DeLay
Dickey
Doolittle
Dornan
Dreier
Duncan
Dunn
Ehlers
Ehrlich
Emerson
English
Ensign
Everett
Ewing
Fawell
Fields (TX)
Flanagan
Foley
Fowler
Fox
Franks (CT)
Franks (NJ)
Frelinghuysen
Frisa
Funderburk
Gallegly
Ganske
Gekas
Geren
Gilchrest
Gillmor
Gilman
Goodlatte
Goodling
Goss
Graham
Greenwood
Gunderson
Gutknecht
Hall (TX)
Hancock
Hansen
Hastert
Hastings (WA)
Hayes
Hayworth
Hefley
Heineman
Hilleary
Hobson
Hoekstra
Hoke
Horn
Hostettler
Houghton
Hunter
Hutchinson
Hyde
Inglis
Istook
Johnson (CT)
Johnson, Sam
Jones
Kasich
Kelly
Kim
King
Klug
Knollenberg
Kolbe
LaHood
Largent
Latham
LaTourette
Laughlin
Lazio
Leach
Lewis (CA)
Lewis (KY)
Lightfoot
Linder
Livingston
LoBiondo
Longley
Lucas
Manzullo
Martini
McCollum
McCrery
McDade
McHugh
McInnis
McIntosh
McKeon
Metcalf
Meyers
Mica
Miller (FL)
Mink
Molinari
Moorhead
Moran
Morella
Myers
Myrick
Nethercutt
Neumann
Ney
Norwood
Nussle
Oxley
Packard
Paxon
Petri
Pombo
Porter
Portman
Pryce
Quillen
Quinn
Radanovich
Rahall
Ramstad
Regula
Riggs
Roberts
Rogers
Rohrabacher
Roth
Roukema
Royce
Salmon
Sanford
Saxton
Scarborough
Schaefer
Schiff
Seastrand
Sensenbrenner
Shadegg
Shaw
Shays
Shuster
Skeen
Smith (MI)
Smith (NJ)
Smith (TX)
Smith (WA)
Solomon
Souder
Spence
Spratt
Stearns
Stenholm
Stockman
Stump
Talent
Tate
Tauzin
Taylor (MS)
Taylor (NC)
Thomas
Thornberry
Tiahrt
Torkildsen
Traficant
Upton
Velazquez
Vucanovich
Walker
Walsh
Wamp
Watts (OK)
Weldon (FL)
Weller
White
Whitfield
Wicker
Wolf
Young (AK)
Young (FL)
Zeliff
Zimmer

NOT VOTING—24

Abercrombie
Ackerman
Bateman
Boehner
Bunn
Clinger
Durbin
Fattah
Herger
Hilliard
Jefferson
Lantos
Menendez
Moakley
Mollohan
Parker
Pelosi
Reynolds
Sisisky
Torricelli
Tucker
Waldholtz
Weldon (PA)
Williams

☐ 1904

Mr. WISE changed his vote from "no" to "aye."

So the amendment in the nature of a substitute was rejected.

The result of the vote was announced as above recorded.

PERSONAL EXPLANATION

Mr. ABERCROMBIE. Mr. Chairman, during rollcall vote Nos. 650, 651 on H.R. 1594 I was unavoidably detained. Had I been present I would have voted "aye" on both.

The CHAIRMAN. The question is on the committee amendment in the nature of a substitute, as amended.

The committee amendment in the nature of a substitute, as amended, was agreed to.

The CHAIRMAN. Under the rule, the Committee rises.

Accordingly the Committee rose; and the Speaker pro tempore (Mr. DICKEY) having assumed the Chair, Mr. EMERSON, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 1594) to place restrictions on the promotion by the Department of Labor and other Federal agencies and instrumentalities of economically targeted investments in connection with employee benefit plans, pursuant to House Resolution 215, he reported the bill back to the House with an amendment adopted by the Committee of the Whole.

The SPEAKER pro tempore. Under the rule, the previous question is ordered.

Is a separate vote demanded on the amendment to the committee amendment in the nature of a substitute? If not, the question is on the committee amendment in the nature of a substitute.

The committee amendment in the nature of a substitute was agreed to.

The SPEAKER pro tempore. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

The SPEAKER pro tempore. The question is on the passage of the bill.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

RECORDED VOTE

Mr. FAWELL. Mr. Speaker, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—yeas 239, nays 179, not voting 16, as follows:

[Roll No. 652]

AYES—239

Allard
Archer
Armey
Bachus
Baker (CA)
Baker (LA)
Ballenger
Barr
Barrett (NE)
Bartlett
Barton
Bass
Bateman
Bereuter
Bilbray
Bilirakis
Bliley
Blute
Boehlert
Boehner
Bonilla
Bono
Brownback
Bryant (TN)
Bunn
Bunning
Burr
Burton
Buyer
Callahan
Calvert
Camp
Canady
Castle
Chabot
Chambliss
Chenoweth
Christensen
Chrysler
Clinger
Coble
Coburn
Collins (GA)
Combest
Cooley
Cox
Crane
Crapo
Cremeans
Cubin
Cunningham
Davis
Deal
DeLay
Dickey
Doolittle
Dornan
Dreier
Duncan
Dunn
Ehlers
Ehrlich
Emerson
English
Ensign
Everett
Ewing
Fawell
Fields (TX)
Flanagan
Foley
Fowler
Fox
Franks (CT)
Franks (NJ)
Frelinghuysen
Frisa
Funderburk
Gallegly
Ganske
Gekas
Geren
Gilchrest
Gillmor
Gilman
Goodlatte
Goodling
Goss
Graham
Greenwood

Gunderson
Gutknecht
Hall (TX)
Hancock
Hansen
Hastert
Hastings (WA)
Hayes
Hayworth
Hefley
Heineman
Herger
Hilleary
Hobson
Hoekstra
Hoke
Horn
Hostettler
Houghton
Hunter
Hutchinson
Hyde
Inglis
Istook
Johnson (CT)
Johnson (SD)
Johnson, Sam
Jones
Kasich
Kelly
Kim
King
Kingston
Klug
Knollenberg
Kolbe
LaHood
Largent
Latham
LaTourette
Laughlin
Lazio
Leach
Lewis (CA)
Lewis (KY)
Lightfoot
Linder
Livingston
LoBiondo
Longley
Lucas
Manzullo
Martini
McCollum
McCrery
McHugh
McInnis
McIntosh
McKeon
Metcalf
Meyers
Mica
Miller (FL)
Molinari
Montgomery
Moorhead
Morella
Myers
Myrick
Nethercutt
Neumann
Ney
Norwood
Nussle
Oxley
Packard
Paxon
Petri
Pickett
Pombo
Porter
Portman
Pryce
Quillen
Quinn
Radanovich
Ramstad
Reed
Regula
Riggs
Roberts
Rogers
Rohrabacher
Roth
Roukema
Royce
Salmon
Sanford
Saxton
Scarborough
Schaefer
Schiff
Seastrand
Sensenbrenner
Shadegg
Shaw
Shays
Shuster
Skeen
Skelton
Smith (MI)
Smith (NJ)
Smith (TX)
Smith (WA)
Solomon
Souder
Spence
Stearns
Stenholm
Stockman
Stump
Talent
Tanner
Tate
Tauzin
Taylor (MS)
Taylor (NC)
Thomas
Thornberry
Tiahrt
Torkildsen
Traficant
Upton
Vucanovich
Walker
Walsh
Wamp
Watts (OK)
Weldon (FL)
Weldon (PA)
Weller
White
Whitfield
Wicker
Wolf
Young (AK)
Young (FL)
Zeliff
Zimmer

NOES—179

Abercrombie
Andrews
Baesler
Baldacci
Barcia
Barrett (WI)
Becerra
Beilenson
Bentsen
Berman
Bevill
Bishop
Bonior
Borski
Boucher
Brewster
Browder
Brown (CA)
Brown (FL)
Brown (OH)
Bryant (TX)
Cardin
Chapman
Clay
Clayton
Clement
Clyburn
Coleman
Collins (IL)
Collins (MI)
Condit
Conyers
Costello
Coyne
Cramer
Danner
de la Garza
DeFazio
DeLauro
Dellums
Deutsch
Diaz-Balart
Dicks
Dingell
Dixon
Doggett
Dooley
Doyle
Edwards
Engel
Eshoo
Evans
Farr
Fazio
Fields (LA)
Filner
Flake
Foglietta
Forbes
Ford
Frank (MA)
Frost
Furse
Gejdenson
Gephardt
Gibbons
Gonzalez
Gordon
Green
Gutierrez
Hall (OH)
Hamilton
Harman
Hastings (FL)
Hefner
Hilliard
Hinchey
Holden
Hoyer
Jackson-Lee
Jacobs
Johnson, E. B.
Johnston
Kanjorski
Kaptur
Kennedy (MA)
Kennedy (RI)
Kennelly
Kildee
Kleczka
Klink
LaFalce
Levin
Lewis (GA)
Lincoln
Lipinski
Lofgren
Lowey
Luther
Maloney
Manton
Markey
Martinez
Mascara
Matsui
McCarthy
McDade
McDermott
McHale
McKinney
McNulty
Meehan
Meek
Mfume
Miller (CA)
Mineta
Minge
Mink
Moran
Murtha
Neal
Oberstar
Obey
Olver
Ortiz
Orton
Owens
Pallone
Pastor
Payne (NJ)
Payne (VA)
Pelosi
Peterson (FL)
Peterson (MN)
Pomeroy
Poshard
Rahall
Rangel
Richardson
Rivers
Roemer
Ros-Lehtinen
Rose
Roybal-Allard
Rush
Sabo
Sanders
Sawyer
Schroeder
Schumer
Scott
Serrano
Skaggs
Slaughter
Spratt
Stark
Stokes
Studds
Stupak
Tejeda
Thompson
Thornton
Thurman
Torres
Towns
Velázquez
Vento
Visclosky
Volkmer
Ward
Waters
Watt (NC)
Waxman
Wilson
Wise
Woolsey
Wyden
Wynn
Yates

NOT VOTING—16

Ackerman
Durbin
Fattah
Jefferson
Lantos
Menendez
Moakley
Mollohan
Nadler
Parker
Reynolds
Sisisky
Torricelli
Tucker
Waldholtz
Williams

□ 1925

Mr. **DOOLEY** changed his vote from "aye" to "no."

So the bill was passed.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

SMALL BUSINESS CREDIT EFFICIENCY ACT OF 1995

The SPEAKER pro tempore (Mr. DICKEY). The pending business is the question of suspending the rules and passing the bill, H.R. 2150, as amended.

The Clerk read the title of the bill.

The SPEAKER pro tempore. The question is on the motion offered by the gentlewoman from Kansas [Mrs. MEYERS] that the House suspend the rules and pass the bill, H.R. 2150, as amended.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

Mr. **POSHARD**. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The vote was taken by electronic device, and there were—yeas 405, nays 0, not voting 29, as follows:

[Roll No. 653]

YEAS—405

Abercrombie
Allard
Andrews
Archer
Armey
Bachus
Baker (CA)
Baker (LA)
Baldacci
Ballenger
Barcia
Barr
Barrett (NE)
Barrett (WI)
Bartlett
Barton
Bass
Bateman
Becerra
Beilenson
Bentsen
Bereuter
Berman
Bevill
Bilbray
Bilirakis
Bishop
Bliley
Blute
Boehlert
Boehner
Bonilla
Bonior
Bono
Borski
Boucher
Brewster
Browder
Brown (CA)
Brown (FL)
Brown (OH)
Brownback
Bryant (TN)
Bryant (TX)
Bunn
Bunning
Burr
Burton
Buyer
Callahan
Calvert
Camp
Canady
Cardin
Castle
Chabot
Chambliss
Chapman
Chenoweth
Christensen
Chrysler
Clay
Clayton
Clement
Clinger
Clyburn
Coble
Coburn
Coleman
Collins (IL)
Collins (MI)
Combest
Condit
Conyers
Cooley
Costello
Cox
Coyne
Cramer
Crane
Crapo
Cremeans
Cubin
Cunningham
Danner
Davis
de la Garza
Deal
DeFazio
DeLauro
DeLay
Dellums
Deutsch
Diaz-Balart
Dickey
Dicks
Dingell
Dixon
Doggett
Dooley
Doolittle
Dornan
Doyle
Dreier
Duncan
Dunn
Ehlers
Ehrlich
Emerson
Engel
English
Ensign
Eshoo
Evans
Everett
Ewing
Farr
Fawell
Fazio
Fields (LA)
Fields (TX)
Filner
Flake
Flanagan
Foglietta
Foley
Forbes
Ford
Fowler
Fox
Frank (MA)
Franks (CT)
Franks (NJ)
Frelinghuysen
Frisa
Frost
Funderburk
Gallegly
Ganske
Gejdenson
Gekas
Gephardt
Geren
Gibbons
Gilchrest
Gillmor
Gilman
Gonzalez
Goodlatte
Goodling
Gordon
Goss
Graham
Green
Greenwood
Gunderson
Gutierrez
Gutknecht
Hall (OH)
Hall (TX)
Hamilton
Hancock
Hansen
Harman
Hastert
Hastings (FL)
Hastings (WA)
Hayes
Hayworth
Hefley
Hefner
Heineman
Herger
Hilleary
Hilliard
Hinchey
Hobson
Hoekstra
Hoke
Holden
Horn
Hostettler
Houghton
Hoyer
Hunter
Hutchinson
Hyde
Inglis
Istook
Jackson-Lee
Jacobs
Johnson (CT)
Johnson (SD)
Johnson, E. B.
Johnson, Sam
Johnston
Jones
Kanjorski
Kaptur
Kasich
Kelly
Kennedy (MA)
Kennedy (RI)
Kennelly
Kildee
Kim
King
Kingston
Kleczka
Klink
Klug
Knollenberg
Kolbe
LaFalce
LaHood
Largent
Latham
LaTourette
Laughlin
Lazio
Leach
Levin
Lewis (CA)
Lewis (GA)
Lewis (KY)
Lightfoot
Lincoln
Linder
Lipinski
LoBiondo
Lofgren
Longley
Lowey
Lucas
Luther
Maloney
Manton
Manzullo
Markey
Martinez
Martini
Mascara
Matsui
McCarthy
McCollum
McCrery
McDermott
McHale
McHugh
McInnis
McIntosh
McKeon
McKinney
McNulty
Meehan
Meek
Metcalf
Meyers
Mfume
Mica
Miller (FL)
Mineta
Minge
Mink
Molinari
Montgomery
Moorhead
Moran
Morella
Myers
Myrick
Neal
Nethercutt
Neumann
Ney
Norwood
Nussle
Oberstar
Obey
Olver
Ortiz
Orton
Owens
Oxley
Packard
Pallone
Pastor
Paxon
Payne (NJ)
Payne (VA)
Pelosi
Peterson (FL)
Peterson (MN)
Petri
Pickett
Pombo
Pomeroy
Porter
Portman
Poshard
Pryce
Quillen
Quinn
Rahall
Ramstad
Rangel
Reed
Regula
Richardson
Riggs
Rivers
Roberts
Roemer
Rogers
Rohrabacher
Rose
Roth
Roybal-Allard
Royce
Rush
Sabo
Salmon
Sanders
Sanford
Sawyer
Saxton
Scarborough
Schaefer
Schiff
Schroeder
Schumer
Scott
Seastrand
Sensenbrenner
Serrano
Shadegg
Shaw
Shays
Shuster
Skaggs
Skeen
Skelton
Slaughter
Smith (MI)
Smith (NJ)
Smith (TX)
Smith (WA)
Solomon
Souder
Spence
Spratt
Stark
Stearns
Stenholm
Stockman
Stokes
Studds
Stump
Stupak
Talent
Tanner
Tate
Tauzin

Taylor (MS)
Taylor (NC)
Tejeda
Thomas
Thompson
Thornberry
Thornton
Thurman
Tiahrt
Torkildsen
Torres
Towns
Traficant
Upton
Velazquez
Vento
Visclosky
Vucanovich
Walker
Walsh
Wamp
Ward
Waters
Watt (NC)
Watts (OK)
Waxman
Weldon (FL)
Weldon (PA)
Weller
White
Whitfield
Wicker
Wilson
Wise
Wolf
Woolsey
Wyden
Wynn
Young (AK)
Young (FL)
Zeliff
Zimmer

NOT VOTING—29

Ackerman
Baesler
Collins (GA)
Durbin
Edwards
Fattah
Furse
Jefferson
Lantos
Livingston
McDade
Menendez
Miller (CA)
Moakley
Mollohan
Murtha
Nadler
Parker
Radanovich
Reynolds
Ros-Lehtinen
Roukema
Sisisky
Torricelli
Tucker
Volkmer
Waldholtz
Williams
Yates

□ 1945

So (two-thirds having voted in favor thereof) the rules were suspended and the bill, as amended, was passed.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mrs. MEYERS of Kansas. Mr. Speaker, on behalf of the gentleman from Illinois [Mr. FAWELL], I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks on H.R. 1594, to place restrictions on the promotion by the Department of Labor and other Federal agencies and instrumentalities of economically targeted investments in connection with employee benefit plans.

The SPEAKER pro tempore (Mr. DICKEY). Is there objection to the request of the gentlewoman from Kansas?

There was no objection.

SMALL BUSINESS LENDING ENHANCEMENT ACT OF 1995

Mrs. MEYERS of Kansas. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the Senate bill (S. 895) to amend the Small Business Act to reduce the level of participation by the Small Business Administration in certain loans guaranteed by the administration, and for other purposes, and ask for its immediate consideration in the House.

The Clerk read the title of the Senate bill.

The SPEAKER pro tempore. Is there objection to the request of the gentlewoman from Kansas?

There was no objection.

The Clerk read the Senate bill, as follows:

S. 895

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Small Business Lending Enhancement Act of 1995".

SEC. 2. REDUCED LEVEL OF PARTICIPATION IN GUARANTEED LOANS.

Section 7(a)(2) of the Small Business Act (15 U.S.C. 636(a)(2)) is amended to read as follows:

"(2) LEVEL OF PARTICIPATION IN GUARANTEED LOANS.—

"(A) IN GENERAL.—Except as provided in subparagraph (B), in an agreement to participate in a loan on a deferred basis under this subsection (including a loan made under the Preferred Lenders Program), such participation by the Administration shall be equal to—

"(i) 75 percent of the balance of the financing outstanding at the time of disbursement of the loan, if such balance exceeds $100,000; or

"(ii) 80 percent of the balance of the financing outstanding at the time of disbursement of the loan, if such balance is less than or equal to $100,000.

"(B) REDUCED PARTICIPATION UPON REQUEST.—

"(i) IN GENERAL.—The guarantee percentage specified by subparagraph (A) for any loan under this subsection may be reduced upon the request of the participating lender.

"(ii) PROHIBITION.—The Administration shall not use the guarantee percentage requested by a participating lender under clause (i) as a criterion for establishing priorities in approving loan guarantee requests under this subsection.

"(C) INTEREST RATE UNDER PREFERRED LENDERS PROGRAM.—

"(i) IN GENERAL.—The maximum interest rate for a loan guaranteed under the Preferred Lenders Program shall not exceed the maximum interest rate, as determined by the Administration, applicable to other loans guaranteed under this subsection.

"(ii) PREFERRED LENDERS PROGRAM DEFINED.—For purposes of this subparagraph, the term 'Preferred Lenders Program' means any program established by the Administrator, as authorized under the proviso in section 5(b)(7), under which a written agreement between the lender and the Administration delegates to the lender—

"(I) complete authority to make and close loans with a guarantee from the Administration without obtaining the prior specific approval of the Administration; and

"(II) authority to service and liquidate such loans.".

SEC. 3. GUARANTEE FEES.

(a) AMOUNT OF FEES.—Section 7(a)(18) of the Small Business Act (15 U.S.C. 636(a)(18)) is amended to read as follows:

"(18) GUARANTEE FEES.—

"(A) IN GENERAL.—With respect to each loan guaranteed under this subsection (other than a loan that is repayable in 1 year or less), the Administration shall collect a guarantee fee, which shall be payable by the participating lender and may be charged to the borrower, in an amount equal to the sum of—

"(i) 2.5 percent of the amount of the deferred participation share of the loan that is less than or equal to $250,000;

"(ii) if the deferred participation share of the loan exceeds $250,000, 3 percent of the difference between—

"(I) $500,000 or the total deferred participation share of the loan, whichever is less; and

"(II) $250,000; and

"(iii) if the deferred participation share of the loan exceeds $500,000, 3.5 percent of the difference between—

"(I) $750,000 or the total deferred participation share of the loan, whichever is less; and

"(II) $500,000.

"(B) EXCEPTION FOR CERTAIN LOANS.—Notwithstanding subparagraph (A), if the total deferred participation share of a loan guaranteed under this subsection is less than or equal to $80,000, the guarantee fee collected under subparagraph (A) shall be in an amount equal to 2 percent of the total deferred participation share of the loan.

"(C) DISCRETIONARY INCREASE.—Notwithstanding subparagraphs (A) and (B), during the 90-day period beginning on the first day of any fiscal year, the Administration may increase the guarantee fee collected under this paragraph by an amount not to exceed 0.375 percent of the total deferred participation share of the loan, if the Administration—

"(i) determines that such action is necessary to meet projected borrower demand for loans under this subsection during that fiscal year, based on the subsidy cost of the loan program under this subsection and amounts provided in advance for such program in appropriations Acts; and

"(ii) not less than 15 days prior to imposing any such increase, notifies the Committees on Small Business of the Senate and the House of Representatives of the determination made under clause (i).".

(b) REPEAL OF PROVISIONS ALLOWING RETENTION OF FEES BY LENDERS.—Section 7(a)(19) of the Small business Act (15 U.S.C. 636(a)(19)) is amended—

(1) in subparagraph (B)—

(A) by striking "shall (i) develop" and inserting "shall develop"; and

(B) by striking ", and (ii)" and all that follows through the end of the subparagraph and inserting a period; and

(2) by striking subparagraph (C).

SEC. 4. ESTABLISHMENT OF ANNUAL FEE.

(a) IN GENERAL.—Section 7(a) of the Small Business Act (15 U.S.C. 636(a)) is amended by adding at the end the following new paragraph:

"(23) ANNUAL FEE.—

"(A) IN GENERAL.—With respect to each loan guaranteed under this subsection, the Administration shall, in accordance with such terms and procedures as the Administration shall establish by regulation, assess and collect an annual fee in an amount equal to 0.5 percent of the outstanding balance of the deferred participation share of the loan.

"(B) PAYER.—The annual fee assessed under subparagraph (A) shall be payable by the participating lender and shall not be charged to the borrower.".

(b) CONFORMING AMENDMENT.—Section 5(g)(4)(A) of the Small Business Act (15 U.S.C. 634(g)(4)(A)) is amended—

(1) by striking the first sentence and inserting the following: "The Administration may collect a fee for any loan guarantee sold into the secondary market under subsection (f) in an amount equal to not more than 50 percent of the portion of the sale price that exceeds 110 percent of the outstanding principal amount of the portion of the loan guaranteed by the Administration."; and

(2) by striking "fees" each place such term appears and inserting "fee".

SEC. 5. NOTIFICATION REQUIREMENT.

(a) IN GENERAL.—Section 7(a) of the Small Business Act (15 U.S.C. 636(a)) is amended by adding at the end the following new paragraph:

"(24) NOTIFICATION REQUIREMENT.—The Administration shall notify the Committees on Small Business of the Senate and the House of Representatives not later than 15 days before making any significant policy or administrative change affecting the operation of the loan program under this subsection.".

SEC. 6. DEVELOPMENT COMPANY DEBENTURES.

Section 503(b) of the Small Business Investment Act of 1958 (15 U.S.C. 697(b)) is amended—

(1) in paragraph (5), by striking "and" at the end;

(2) in paragraph (6), by striking the period at the end and inserting "; and"; and

(3) by adding at the end the following new paragraph:

"(7) with respect to each loan made from the proceeds of such debenture, the Administration—

"(A) assess and collects a fee, which shall be payable by the borrower, in an amount equal to 0.0625 percent per year of the outstanding balance of the loan; and

"(B) uses the proceeds of such fee to offset the cost (as such term is defined in section 502 of the Federal Credit Reform Act of 1990) to the Administration of making guarantees under subsection (a).".

SEC. 7. PILOT PREFERRED SURETY BOND GUARANTEE PROGRAM EXTENSION.

Section 207 of the Small Business Administration Reauthorization and Amendment Act of 1988 (15 U.S.C. 694b note) is amended by striking "September 30, 1995" and inserting "September 30, 1997".

MOTION OFFERED BY MRS. MEYERS OF KANSAS

Mrs. MEYERS of Kansas. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mrs. MEYERS of Kansas moves to strike out all after the enacting clause of the Senate bill, S. 895, and insert the text of H.R. 2150 as passed the House.

The motion was agreed to.

The Senate bill was ordered to be read a third time, was read the third time, and passed.

The title of the Senate bill was amended so as to read: "A bill to amend the Small Business Act and the Small Business Investment Act of 1958 to reduce the cost to the Federal Government of guaranteeing certain loans and debentures, and for other purposes."

A motion to reconsider was laid on the table.

A similar House bill (H.R. 2150) was laid on the table.

APPOINTMENT OF CONFEREES

Mrs. MEYERS of Kansas. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mrs. MEYERS of Kansas moves that the House insist on its amendment to the Senate bill, S. 895, and request a conference with the Senate thereon.

The motion was agreed to.

The SPEAKER pro tempore. Without objection, the Chair appoints the following conferees:

Mrs. MEYERS of Kansas; and Messrs. TORKILDSEN, LONGLEY, LAFALCE, and POSHARD.

There was no objection.

PERMISSION FOR SUNDRY COMMITTEES AND THEIR SUBCOMMITTEES TO SIT TOMORROW, WEDNESDAY, SEPTEMBER 13, 1995, DURING THE 5-MINUTE RULE

Mr. GOSS. Mr. Speaker, I ask unanimous consent that the following committees and their subcommittees be permitted to sit tomorrow while the House is meeting in the Committee of the Whole House under the 5-minute rule: The Committee on Commerce, the Committee on International Relations, the Committee on the Judiciary, the Committee on Resources, and the Committee on Small Business.

It is my understanding that the minority has been consulted and that there is no objection to these requests.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Florida?

There was no objection.

REPORT ON RESOLUTION PROVIDING FOR CONSIDERATION OF H.R. 1162, DEFICIT REDUCTION LOCK BOX ACT OF 1995

Mr. GOSS, from the Committee on Rules, submitted a privileged report (Rept. No. 104–243) on the resolution (H. Res. 218) providing for consideration of the bill (H.R. 1162) to establish a deficit reduction trust fund and provide for the downward adjustment of discretionary spending limits in appropriation bills, which was referred to the House Calendar and ordered to be printed.

REPORT ON RESOLUTION PROVIDING FOR CONSIDERATION OF H.R. 1670, FEDERAL ACQUISITION REFORM ACT OF 1995

Mr. GOSS, from the Committee on Rules, submitted a privileged report (Rept. No. 104–244) on the resolution (H. Res. 219) providing for the consideration of the bill (H.R. 1670) to revise and streamline the acquisition laws of the Federal Government, to reorganize the mechanisms for resolving Federal procurement disputes, and for other purposes, which was referred to the House Calendar and ordered to be printed.

PROVIDING FOR CONSIDERATION OF H.R. 1655, INTELLIGENCE AUTHORIZATION ACT, 1996

Mr. GOSS. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 216 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 216

Resolved, That at any time after the adoption of this resolution the Speaker may, pursuant to clause 1(b) of rule XXIII, declare the House resolved into the Committee of the Whole House on the state of the Union for consideration of the bill (H.R. 1655) to authorize appropriations for fiscal year 1996 for intelligence and intelligence-related activities of the United States Government, the Community Management Account, and the Central Intelligence Agency Retirement and Disability System, and for other purposes. The first reading of the bill shall be dispensed with. Points of order against consideration of the bill for failure to comply with section 302(f), 308(a), or 401(b) of the Congressional Budget Act of 1974 are waived. General debate shall be confined to the bill and shall not exceed one hour equally divided and controlled by the chairman and ranking minority member of the Permanent Select Committee on Intelligence. After general debate the bill shall be considered for amendment under the five-minute rule. It shall be in order to consider as an original bill for the purpose of amendment under the five-minute rule the amendment in the nature of a substitute recommended by the Permanent Select Committee on Intelligence now printed in the bill, modified by the amendment recommended by the Committee on Government Reform and Oversight now printed in the bill and by an amendment striking title VII. The committee amendment in the nature of a substitute, as modified, shall be considered by title rather than by section. The first section and each title shall be considered as read. Points of order against the committee amendment in the nature of a substitute, as modified, for failure to comply with clause 7 of rule XVI, clause 5(a) of rule XXI, or section 302(f) or section 401(b) of the Congressional Budget Act of 1974 are waived. No amendment to the committee amendment in the nature of a substitute, as modified, shall be in order unless printed in the portion of the Congressional Record designated for that purpose in clause 6 of rule XXIII. At the conclusion of consideration of the bill for amendment the Committee shall rise and report the bill to the House with such amendments as may have been adopted. Any Member may demand a separate vote in the House on any amendment adopted in the Committee of the Whole to the bill or to the committee amendment in the nature of a substitute, as modified. The previous question shall be considered as ordered on the bill and amendments thereto to final passage wihtout intervening motion except one motion to recommit with or without instructions.

The SPEAKER pro tempore. The gentleman from Florida [Mr. GOSS] is recognized for 1 hour.

Mr. GOSS. Mr. Speaker, for the purpose of debate only, I yield the customary 30 minutes to the distinguished gentleman from California [Mr. BEILENSON], pending which I yield myself such time as I may consume. During consideration of this resolution, all time yielded is for the purpose of debate only.

Mr. Speaker, House Resolution 216 provides for the consideration of H.R. 1655, the Intelligence Authorization Act for Fiscal Year 1996. The Rules Committee met last week to grant this rule, which was requested jointly by the chairman of the committee, Mr. COMBEST, and the ranking member, Mr. DICKS. As has been customary in the Intelligence Committee, of which I am proud to be a new member, bipartisan cooperation was apparent in the rule request. I am pleased that our Rules Committee was able to grant the committee's reasonable request by providing an open amendment process while injecting a small point of caution for the sensitivity of the subject matter by including a preprinting requirement.

Mr. Speaker, this rule provides 1 hour of general debate equally divided and controlled by the chairman and ranking member of the Permanent Select Committee on Intelligence. The rule waives sections 302(f), 308(a) and 401(b) of the Budget Act against consideration of the bill, waivers that are all related to the issue of new entitlement authority. Our committee is most appreciative of the detailed and comprehensive explanation the Intelligence Committee provided to us in support of these waiver requests. Section 305 of the bill allows a spouse who fully cooperates in a Federal investigation of his wife or her husband to receive spousal benefits upon a determination by the Attorney General that the spouse has fully cooperated with the Government's investigation and prosecution of national security offenses. Section 601 makes a technical correction to clarify that a retired military officer who is appointed as Director or Deputy Director of Central Intelligence can receive pay at the appropriate level of the Executive schedule. Although we technically have new entitlements, in both cases we are talking about very small amounts of money. In fact, the Budget Committee, which generally plays "budget cop" in instances where Budget Act waivers are requested, has reviewed these requests without complaint.

This rule makes in order as an original bill for the purpose of amendment the Intelligence Committee's amendment in the nature of a substitute now printed in the bill, as modified by the Government Reform and Oversight Committee amendment striking section 505 now printed in the bill and by an amendment striking title VII.

Although we generally try to avoid self-executing amendments such as this, this change in the reported bill reflected a compromise agreement worked out among the committees of jurisdiction. There was legitimate concern in the Government Reform and Oversight Committee about the provision the Intelligence Committee had included in section 505, waiving the 2 percent retirement annuity reduction that NSA employees normally incur when expecting early retirement. This is a pilot program at NSA that raised concerns among our colleagues on the Government Reform Committee and we respect their conclusion that it should not be included in this bill. The second matter deleted from the bill by this rule is title VII, which addressed a consolidation issue within the State Department. This provision had raised some red flags with the Committee on International Relations, and hence agreement was reached to remove it. All in all, I am proud of the level of communication and cooperation among all the committees in agreeing to this consensus product.

Mr. Speaker, this rule provides that the committee amendment in the nature of a substitute, as modified, shall be considered by title with the first section and each title considered as read. The rule also waives clause 7 of rule 17 prohibiting nongermane amendments against the committee substitute as modified. In addition, the rule waives clause 5(a) of rule 21 prohibiting appropriations in a legislative bill against the committee substitute as modified. And, as I discussed earlier, the rule waives section 302(f) and section 401(b) against the committee substitute as modified for the same reasons that made the waivers necessary for consideration of the bill.

In addition, the rule requires that all amendments be preprinted in the CONGRESSIONAL RECORD, an important provision to assist the committee in protecting the security of classified matters contained within this bill, while protecting the rights of Members by guaranteeing an open amendment process. Finally, the rule provides one motion to recommit with or without instructions.

Mr. Speaker, I know my friend from California, Mr. BEILENSON, who served his country admirably as chairman of the Intelligence Committee, understands the important of this subject matter. The paradox of the intelligence business is that successes, by their very nature, go unremarked and often unknown to most people. That is because intelligence success stories generally prevent bad things from happening. So the public picture presented of intelligence is generally skewed toward the negative, the problems, the times when things go wrong and the sensational.

Clearly, the Ames case and the recent flareup over Guatemala provide two examples of this phenomenon. It is the duty of the members of the select committee, and today of all Members of this House, to see the whole picture and ensure that our intelligence community has the necessary resources and oversight to fulfill its mission. As Members know, there are currently several comprehensive reviews being undertaken to assess the roles and capabilities of our intelligence services. I am privileged to be working on two of those efforts: IC 21, led by Chairman COMBEST, and the Aspin Commission, now led by Harold Brown. It is necessary to reassess where we are and where we want to be in world events, and then to determine what type of information is needed and how to best ensure that such information is available. In the meantime, I believe H.R. 1655 offers a responsible level of funding for intelligence activities, while setting appropriate priorities for how that money should be spent. As I have grown fond of saying to those who believe the end of the cold war provides a good time to slash funding for intelligence, it hardly makes sense to turn off the radar just as you are sailing the ship of State into the fog, in unfamiliar waters, without a reliable chart. I urge my colleagues to support this rule and the bill.

The Speaker, I include material from the Committee on Rules for the RECORD, as follows:

THE AMENDMENT PROCESS UNDER SPECIAL RULES REPORTED BY THE RULES COMMITTEE,[1] 103D CONGRESS V. 104TH CONGRESS

[As of September 12, 1995]

Rule type	103d Congress		104th Congress	
	Number of rules	Percent of total	Number of rules	Percent of total
Open/Modified-open [2]	46	44	43	73
Modified Closed [3]	49	47	14	24
Closed [4]	9	9	2	3
Total	104	100	59	100

[1] This table applies only to rules which provide for the original consideration of bills, joint resolutions or budget resolutions and which provide for an amendment process. It does not apply to special rules which only waive points of order against appropriations bills which are already privileged and are considered under an open amendment process under House rules.

[2] An open rule is one under which any Member may offer a germane amendment under the five-minute rule. A modified open rule is one under which any Member may offer a germane amendment under the five-minute rule subject only to an overall time limit on the amendment process and/or a requirement that the amendment be preprinted in the Congressional Record.

[3] A modified closed rule is one under which the Rules Committee limits the amendments that may be offered only to those amendments designated in the special rule or the Rules Committee report to accompany it, or which preclude amendments to a particular portion of a bill, even though the rest of the bill may be completely open to amendment.

[4] A closed rule is one under which no amendments may be offered (other than amendments recommended by the committee in reporting the bill).

SPECIAL RULES REPORTED BY THE RULES COMMITTEE, 104TH CONGRESS

[As of September 12, 1995]

H. Res. No. (Date rept.)	Rule type	Bill No.	Subject	Disposition of rule
H. Res. 38 (1/18/95)	O	H.R. 5	Unfunded Mandate Reform	A: 350–71 (1/19/95)
H. Res. 44 (1/24/95)	MC	H. Con. Res. 17 H.J. Res. 1	Social Security Balanced Budget Amdt	A: 255–172 (1/25/95)

SPECIAL RULES REPORTED BY THE RULES COMMITTEE, 104TH CONGRESS—Continued

[As of September 12, 1995]

H. Res. No. (Date rept.)	Rule type	Bill No.	Subject	Disposition of rule
H. Res. 51 (1/31/95)	O	H.R. 101	Land Transfer, Taos Pueblo Indians	A: voice vote (2/1/95)
H. Res. 52 (1/31/95)	O	H.R. 400	Land Exchange, Arctic Nat'l. Park and Preserve	A: voice vote (2/1/95)
H. Res. 53 (1/31/95)	O	H.R. 440	Land Conveyance, Butte County, Calif	A: voice vote (2/1/95)
H. Res. 55 (2/1/95)	O	H.R. 2	Line Item Veto	A: voice vote (2/2/95)
H. Res. 60 (2/6/95)	O	H.R. 665	Victim Restitution	A: voice vote (2/7/95)
H. Res. 61 (2/6/95)	O	H.R. 666	Exclusionary Rule Reform	A: voice vote (2/7/95)
H. Res. 63 (2/8/95)	MO	H.R. 667	Violent Criminal Incarceration	A: voice vote (2/9/95)
H. Res. 69 (2/9/95)	O	H.R. 668	Criminal Alien Deportation	A: voice vote (2/10/95)
H. Res. 79 (2/10/95)	MO	H.R. 728	Law Enforcement Block Grants	A: voice vote (2/13/95)
H. Res. 83 (2/13/95)	MO	H.R. 7	National Security Revitalization	PQ: 229–100; A: 227–127 (2/15/95)
H. Res. 88 (2/16/95)	MC	H.R. 831	Health Insurance Deductibility	PQ: 230–191; A: 229–188 (2/21/95)
H. Res. 91 (2/21/95)	O	H.R. 830	Paperwork Reduction Act	A: voice vote (2/22/95)
H. Res. 92 (2/21/95)	MC	H.R. 889	Defense Supplemental	A: 282–144 (2/22/95)
H. Res. 93 (2/22/95)	MO	H.R. 450	Regulatory Transition Act	A: 252–175 (2/23/95)
H. Res. 96 (2/24/95)	MO	H.R. 1022	Risk Assessment	A: 253–165 (2/27/95)
H. Res. 100 (2/27/95)	O	H.R. 926	Regulatory Reform and Relief Act	A: voice vote (2/28/95)
H. Res. 101 (2/28/95)	MO	H.R. 925	Private Property Protection Act	A: 271–151 (3/2/95)
H. Res. 103 (3/3/95)	MO	H.R. 1058	Securities Litigation Reform	
H. Res. 104 (3/3/95)	MO	H.R. 988	Attorney Accountability Act	A: voice vote (3/6/95)
H. Res. 105 (3/6/95)	MO			A: 257–155 (3/7/95)
H. Res. 108 (3/7/95)	Debate	H.R. 956	Product Liability Reform	A: voice vote (3/8/95)
H. Res. 109 (3/8/95)	MC			PQ: 234–191 A: 247–181 (3/9/95)
H. Res. 115 (3/14/95)	MO	H.R. 1159	Making Emergency Supp. Approps.	A: 242–190 (3/15/95)
H. Res. 116 (3/15/95)	MC	H.J. Res. 73	Term Limits Const. Amdt	A: voice vote (3/28/95)
H. Res. 117 (3/16/95)	Debate	H.R. 4	Personal Responsibility Act of 1995	A: voice vote (3/21/95)
H. Res. 119 (3/21/95)	MC			A: 217–211 (3/22/95)
H. Res. 125 (4/3/95)	O	H.R. 1271	Family Privacy Protection Act	A: 423–1 (4/4/95)
H. Res. 126 (4/3/95)	O	H.R. 660	Older Persons Housing Act	A: voice vote (4/6/95)
H. Res. 128 (4/4/95)	MC	H.R. 1215	Contract With America Tax Relief Act of 1995	A: 228–204 (4/5/95)
H. Res. 130 (4/5/95)	MC	H.R. 483	Medicare Select Expansion	A: 253–172 (4/6/95)
H. Res. 136 (5/1/95)	O	H.R. 655	Hydrogen Future Act of 1995	A: voice vote (5/2/95)
H. Res. 139 (5/3/95)	O	H.R. 1361	Coast Guard Auth. FY 1996	A: voice vote (5/9/95)
H. Res. 140 (5/9/95)	O	H.R. 961	Clean Water Amendments	A: 414–4 (5/10/95)
H. Res. 144 (5/11/95)	O	H.R. 535	Fish Hatchery—Arkansas	A: voice vote (5/15/95)
H. Res. 145 (5/11/95)	O	H.R. 584	Fish Hatchery—Iowa	A: voice vote (5/15/95)
H. Res. 146 (5/11/95)	O	H.R. 614	Fish Hatchery—Minnesota	A: voice vote (5/15/95)
H. Res. 149 (5/16/95)	MC	H. Con. Res. 67	Budget Resolution FY 1996	PQ: 252–170 A: 255–168 (5/17/95)
H. Res. 155 (5/22/95)	MO	H.R. 1561	American Overseas Interests Act	A: 233–176 (5/23/95)
H. Res. 164 (6/8/95)	MC	H.R. 1530	Nat. Defense Auth. FY 1996	PQ: 225–191 A: 233–183 (6/13/95)
H. Res. 167 (6/15/95)	O	H.R. 1817	MilCon Appropriations FY 1996	PQ: 223–180 A: 245–155 (6/16/95)
H. Res. 169 (6/19/95)	MC	H.R. 1854	Leg. Branch Approps. FY 1996	PQ: 232–196 A: 236–191 (6/20/95)
H. Res. 170 (6/20/95)	O	H.R. 1868	For. Ops. Approps. FY 1996	PQ: 221–178 A: 217–175 (6/22/95)
H. Res. 171 (6/22/95)	O	H.R. 1905	Energy & Water Approps. FY 1996	A: voice vote (7/12/95)
H. Res. 173 (6/27/95)	C	H.J. Res. 79	Flag Constitutional Amendment	PQ: 258–170 A: 271–152 (6/28/95)
H. Res. 176 (6/28/95)	MC	H.R. 1944	Emer. Supp. Approps.	PQ: 236–194 A: 234–192 (6/29/95)
H. Res. 185 (7/11/95)	O	H.R. 1977	Interior Approps. FY 1996	PQ: 235–193 D: 192–238 (7/12/95)
H. Res. 187 (7/12/95)	O	H.R. 1977	Interior Approps. FY 1996 #2	PQ: 230–194 A: 229–195 (7/13/95)
H. Res. 188 (7/12/95)	O	H.R. 1976	Agriculture Approps. FY 1996	PQ: 242–185 A: voice vote (7/18/95)
H. Res. 190 (7/17/95)	O	H.R. 2020	Treasury/Postal Approps. FY 1996	PQ: 232–192 A: voice vote (7/18/95)
H. Res. 193 (7/19/95)	C	H.J. Res. 96	Disapproval of MFN to China	A: voice vote (7/20/95)
H. Res. 194 (7/19/95)	O	H.R. 2002	Transportation Approps. FY 1996	PQ: 217–202 (7/21/95)
H. Res. 197 (7/21/95)	O	H.R. 70	Exports of Alaskan Crude Oil	A: voice vote (7/24/95)
H. Res. 198 (7/21/95)	O	H.R. 2076	Commerce, State Approps. FY 1996	A: voice vote (7/25/95)
H. Res. 201 (7/25/95)	O	H.R. 2099	VA/HUD Approps. FY 1996	A: 230–189 (7/25/95)
H. Res. 204 (7/28/95)	MC	S. 21	Terminating U.S. Arms Embargo on Bosnia	A: voice vote (8/1/95)
H. Res. 205 (7/28/95)	O	H.R. 2126	Defense Approps. FY 1996	A: 409–1 (7/31/95)
H. Res. 207 (8/1/95)	MC	H.R. 1555	Communications Act of 1995	A: 255–156 (8/2/95)
H. Res. 208 (8/1/95)	O	H.R. 2127	Labor, HHS Approps. FY 1996	A: 323–104 (8/2/95)
H. Res. 215 (9/7/95)	O	H.R. 1594	Economically Targeted Investments	A: voice vote (9/12/95)
H. Res. 216 (9/7/95)	MO	H.R. 1655	Intelligence Authorization FY 1996	

Codes: O-open rule; MO-modified open rule; MC-modified closed rule; C-closed rule; A-adoption vote; D-defeated; PQ-previous question vote. Source: Notices of Action Taken, Committee on Rules, 104th Congress.

Mr. GOSS. Mr. Speaker, I reserve the balance of my time.

Mr. BEILENSON. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I would like to take a moment to commend our friend the gentleman from Florida for his good work on the Permanent Select Committee on Intelligence and on intelligence legislation, and to point out to our colleagues that we should feel fortunate in having him on the Permanent Select Committee on Intelligence because of his wide experience in the intelligence community before he became a Member of the Congress.

Mr. Speaker, we support this modified open rule for the consideration of the Intelligence Authorization Act for fiscal year 1996. Our only concern about the rule is the preprinting requirement which the gentleman from Florida [Mr. GOSS] just recently outlined, which we are not convinced is necessary in this instance.

The chairman of the Permanent Select Committee on intelligence, the distinguished and most able gentleman from Texas [Mr. COMBEST], testified that having the opportunity to review amendments, some of which might involve sensitive matters, would be helpful to the committee in avoiding the disclosure of classified information.

I hasten to add that those of us who were in the majority in recent past years are aware of the fact that we granted the same type of request for the consideration of the last year's intelligence authorization bill, although not for any earlier ones. Nonetheless, evidently none of the anticipated amendments this year are sensitive, and in fact the two that were filed do not deal with any classified or sensitive matter.

Since the intelligence authorization bill is not particularly controversial this year, we argued in the Committee on Rules that, especially given the fact that objections of other committees to several provisions in the bill had been resolved before our committee met, the preprinting requirement was not needed this year. Nonetheless, it is in there and it is certainly okay and we can certainly live with it.

We felt that while perhaps easing the work of the Permanent Select Committee on Intelligence, it could end up being a hindrance to other Members, shutting them out of the debate when they discovered, too late, that amendments they would like to offer were not permitted.

The gentleman from Florida [Mr. GOSS] has explained several waivers the rule provides. There was no objection to those waivers from the minority on the Permanent Select Committee on Intelligence and we do not oppose them. They are perfectly reasonable waivers.

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Mr. Speaker, we are also concerned about several provisions of the bill itself, which obviously will be debated and voted on tomorrow.

The minority on the Permanent Select Committee on Intelligence outlined its views on them in Minority and Additional Views, which we commend to our colleagues for their attention.

Those views point out the controversy about the way the committee handles certain National Reconnaissance Office, NRO, activities. Because of their classified status, those problems cannot be discussed in detail, but Members should be aware that the chairman described those changes as the only major departure in the bill from the administration's request for the National Foreign Intelligence Program.

The minority on the Permanent Select Committee on Intelligence expressed the hope that the reservations about the NRO will be addressed in the conference on this legislation with the Senate.

We are also concerned about the limit the committee placed on spending for the prospect of carrying out the President's Executive order of April 17 of this year that prescribes a uniform system for classifying and declassifying national security information.

The President has properly recognized the need to ensure that Americans know more about the activities of their Government when it is possible to make that information public. As the minority wrote, and I quote them, "* * * we believe that a carefully prescribed system for declassifying those documents which remain classified for no other reason than inertia is long overdue."

The debate in the Permanent Select Committee on Intelligence over the cost of compliance with the Executive order will not, we hope, delay the implementation of that Executive order.

Lastly, the committee agreed to continuation of the Environmental Task Force, which has been successful in making environmental information derived from intelligence more accessible to the general public and to the scientific community.

We are, however, concerned about the level of funding for the task force; the $5 million in the bill is disappointing. We would have preferred something closer to the $17.6 million requested by the President.

The work of the task force, which was established in 1993, has been very impressive. I commend to my colleagues the information in the Minority Views that describe some of the outstanding accomplishments associated with it.

This initiative is another way to bring the information that is collected by intelligence assets, and that is proper to share, to policymakers and to scientists. It promises to help us better understand the consequences of long-term environmental change, and to help us better manage crisis situations involving natural and ecological disasters.

There is no doubt that the information will benefit science and the environment for the well-being of all of our citizens, and we hope that the committee will be able to provide the task force with more funding in the future.

Mr. Speaker, this is an important bill that recognizes the significant challenges that the U.S. intelligence community continues to face in adapting to the new post-cold-war world.

We have a new Director of Central Intelligence who, we hope, will be able to reinforce the intelligence community's proficiencies and continue the reexamination of the overall roles of the intelligence agencies. Obviously, the intelligence community has been struggling in the past few years and needs to define its mission carefully, and properly size itself for the future.

The Permanent Select Committee on Intelligence has recommended a modest increase in the intelligence budget, which some Members will welcome and others decry. Obviously, there are different perspectives on what the level of spending should be; especially now, with the cuts in domestic spending, we will hear strong arguments that this is not the time for increases in the intelligence budget.

But, we all want to ensure that the United States maintains the ability to provide timely and reliable intelligence to its policymakers and military commanders, and we commend the new chairman of the Permanent Select Committee on Intelligence, the gentleman from Texas [Mr. COMBEST], and the ranking member, the gentleman from Washington [Mr. DICKS], for their cooperation and excellent work in developing this year's intelligence budget.

Despite the demise of the Soviet Union, the world remains an unpredictable and dangerous place; we have only to pick up our morning newspapers or listen to a newscast to be aware of that. There is a need for effective intelligence, especially in light of the worldwide reduction of U.S. military spending and personnel.

The intelligence community should continue to be encouraged to review their operations, discarding those that are no longer necessary and strengthening those that remain important. We except that we shall hear arguments over whether the intelligence community had been adequately realigned to deal with new international realities. The appropriate missions of an intelligence agency will always be a controversial and most appropriate subject in a nation founded on democratic principles.

The debate on these issues will continue, and we appreciate the majority's recognition of the importance of the discussions of those controversial issues by providing for this modified open rule.

In closing, I again congratulate the gentleman from Texas [Mr. COMBEST], the chairman of the committee, and the gentleman from Washington [Mr. DICKS], ranking minority member, for bringing this bill to the floor today and their excellent work in general in leading this important committee.

Mr. Speaker, to repeat, we support this rule. We urge its adoption, so that we may proceed first thing tomorrow with consideration of the intelligence authorization bill.

Mr. Speaker, I reserve the balance of my time.

Mr. GOSS. Mr. Speaker, I thank the gentleman from California for his personally kind remarks and I assure him he has won my admiration, and the admiration of all colleagues, for his steady hand at the helm of oversight and intelligence for so many years.

And it is my honor to yield such time as he may consume to the gentleman from Texas [Mr. COMBEST], the distinguished chairman of the Permament Select Committee on Intelligence.

Mr. COMBEST. Mr. Speaker, I rise to thank the gentleman from Florida [Mr. GOSS], my friend and very able colleague on the Permanent Select Committee on Intelligence, and the gentleman from California [Mr. BEILENSON], the continuing very able and former member and chairman of the Permanent Select Committee on Intelligence, for their support of the rule.

Mr. Speaker, we think it is a good rule. We think it is one which will give us the opportunity to have full and open debate, and yet protect any classified material problems that we might have in open debate on the floor of the House. I would certainly commend it to my colleagues and urge its passage and thank the committee very much for its assistance in crafting a rule that was so strongly supported by the Permanent Select Committee on Intelligence.

Mr. BEILENSON. Mr. Speaker, I yield back the balance of my time.

Mr. GOSS. Mr. Speaker, I yield back the balance of my time and I move the previous question on the resolution.

The previous question was ordered.

The SPEAKER pro tempore. The question is on the resolution.

The resolution was agreed to.

A motion to reconsider was laid upon the table.

CONSEQUENCES OF THE REPUBLICAN'S FUNDING CUTS ON EDUCATION

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New Jersey [Mr. PALLONE] is recognized for 5 minutes.

Mr. PALLONE. Mr. Speaker, I am here tonight because I think it is imperative that the American public in general and the people of New Jersey specifically, understand the details and consequences of the Republican's plan to slash funding for Federal student assistance programs. Indeed, while I support efforts to balance the Federal budget, I believe attempting to do so by restricting the average citizen's access to institutions of higher education is unequivocally a step in the wrong direction.

I have to day, Mr. Speaker, that I am perplexed at the logic behind the cuts the Republicans have already approved. Like so many of my colleagues on both sides of the aisle, I benefited from student assistance programs when I was in college. But unlike my Republican colleagues, I think it is grossly unfair for my generation to call for an end to student assistance programs after we used them to get to where we are today.

Mr. Speaker, I would like to use Rutgers University as an example of the negative impact of the Republican proposals. As a former student of Rutgers Law School who now represents the main campus of Rutgers University in Congress, I am deeply troubled about the impact these cuts will have on the 6,500 plus low-income and middle-class New Jersey students who used them to secure a Rutgers education.

As part of the 1996 Education appropriations bill, Republicans have eliminated all capital contributions for Perkins loans, which are designed to specifically assist low-income students and received $158 million in fiscal year 1995. If finalized, such a cut would have a dramatic impact on the more than 3,100 low-income Rutgers students who are provided with nearly $5 million in Perkins loans this year.

The bill also attacks Pell grants, limiting the maximum award to $2,400 and eliminating assistance to students who qualify for grants of less than $600. This cut would prevent some 7,000 students at Rutgers, and some 360,000 of their cohorts at universities across the Nation, from receiving Federal education assistance.

The Republican assault on education, moreover, is hardly contained entirely within the fiscal year 1996 appropriations bill. Looming on the horizon is an attack on the interest subsidy on Federal direct subsidized Stafford loans as part of the reconciliation bill. One scenario is a complete elimination of the interest subsidy for graduate students. But with a targeted student loan reduction of a staggering $10.2 billion over 7 years, it seems likely the Republicans will not reach their goal without raiding undergraduate Stafford loans as well.

Elimination of this Federal subsidy could increase the average undergraduate student's indebtedness by as much as 20 or even 30 percent. For those who wish to go on to graduate schools, the increase could be as much as 40 percent with monthly payments on a 10-year plan rising to a whopping $753 per graduate student.

With the Department of Education projecting that 89 percent of the jobs being created in the United States will require post-secondary training, the Republican inclusion of student assistance programs in the fiscal year 1996 budget belies their claim that the legislation is what's best for the American economy. Attempting to foster economic growth by limiting the very means which serves as its engine is, pure and simple, bad public policy.

Mr. Speaker, the Federal Government recently began experimenting with a direct university loan program instead of the traditional bank loan subsidized with Federal dollars.

In addition to the upcoming dissection of Federal interest subsidies, there is also likely to be a Republican attempt to terminate the direct loan program where the university is substituted for a bank lender. This approach to dispersing student loans not only saves the taxpayers billions of dollars, but cuts through redtape at a much more rapid pace than the old bank system, thereby allowing schools to process more applications in a shorter time period. In its first year of implementation at Rutgers, the direct loan program enabled the schools' financial aid office to process loans for 15,295 students with term bills being credited to their accounts immediately by the week those term bills were due. The year before the implementation of direct funding, the schools' financial aid office processed only 3,283 loans during the same period.

This expedited process made excess funds available earlier for over 12,000 Rutgers students, and thousands on campuses across the country, facilitating their ability to buy books, pay rent, and keep on top of other school related expenses.

Thus, as the issues I outlined illustrate, the Republican attack on education moves higher education closer to being yet another Republican designed luxury for the wealthy. I think I speak for all of us when I say that our presence here tonight should be mistaken for nothing less than our determination to prevent access to higher education from moving out of the realm of Government priorities and into the realm of privileges for the few.

Mr. Speaker, those of us who benefited from student loan programs, those of us who were able to get an education, undergraduate, graduate, or professional school, realize how important it is to have these Government programs. It is very unfair for those of us who are now in Congress to be advocating these student loan programs or grant assistance programs should be terminated or cut back, particularly at a time when this country faces such competition from abroad and we know that higher education is a very valuable tool for those who want to go out and be successful and get a job in this very competitive world.

THE FUTURE OF AMERICAN EDUCATION

The SPEAKER pro tempore. Under the Speaker's announced policy of May 12, 1995, the gentlewoman from Connecticut [Ms. DeLauro] is recognized for 60 minutes as the designee of the minority leader.

Ms. DeLAURO. Mr. Speaker, I am really very proud to join with several of my colleagues tonight to engage in a discussion, in a dialogue, about an issue that really is near and dear to the hearts of, I think just about all Americans, and that is the whole issue of education and the education of children and what the future of this country is all about.

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I am the daughter of immigrant parents who, quite frankly, could only dare to dream that someday their daughter would sit in the House of Representatives. My father came to this country as an immigrant, and my mom worked in a dress shop in the old sweatshops, if you will, for most of her life in order to provide me the opportunity to be able to go to school.

I can remember going to that dress shop to meet her every day after school, and I would complain because, as all kids, I wanted to be outside. I did not want to be in a noisy place, and it was dirty. I remember those women, though. I remember them with their backs bent over their sewing machines just trying to pump out the dresses as quickly as they could so that they could provide for their family.

My mother would say to me when I would complain, "Take the opportunity for an education so you don't have to do this." Now, that is my mother's story, which is multiplied thousand and thousands of times around this country and this body that we all serve in here.

The fact is that that is what the American dream is about. It is being able to provide your kids with the future and have them have opportunities that you may not have had or to have the same opportunities.

What we are looking at in the House and what myself and my colleagues want to talk about a little bit tonight is, as this House of Representatives embarks on a process over the next few weeks, we are going to urge people to really pay very careful attention to the Republican proposals that are, in fact, going to slash education funding, slash that opportunity that so many of us were given to be able to go to school, to get an education, to expand our horizon, and they are going to slash that education funding by making incredibly devastating cuts in Federal student aid, education and training programs and the total elimination of the very cost-effective direct lending program. These are very shortsighted cuts. They are going to shut that door. It is going to close the educational opportunities for working families in this country.

So many of us have this opportunity through the use of student loans. These cuts not only jeopardize our Nation's economic competitiveness but they destroy the hopes and the dreams of working families who struggle to build a better future for their families, for their kids, and, quite frankly, what is most disturbing about the cuts in education is that they are going to finance, I mean, this is the worst of all possible reasons, to make cuts in such a vital part of what our lives are all about, they are going to cut these education programs in order to finance a tax cut, a tax break for this country's wealthiest individuals, folks who have the opportunity.

This is the United States of America. Part of that American dream is to do well, to be able to have the wherewithal to have the good life. That we all understand. But folks at that upper end of the spectrum have the wherewithal to send their kids to school; they can do it, and they do not need help that working, middle-class families do in order to be able to make sure that their kids can get those interest-deferred student loans.

The whole budget debate is about priorities, about the deep cuts in education programs. These cuts, I will tell you, speak volumes about misplaced priorities; more than priorities, misplaced values.

We are trying to once again instill values in people in this country and in our youngsters to understand the value of education and of respect and of working hard and responsibility. Those are all the values that people like my colleagues have been taught, that I have been taught, that we often lament that maybe are not there in today's society.

But if we are going to look at what kinds of things we are doing here and where we place our values, how can we not place our values on education and making sure that our kids' futures are secure? So that the cuts speak volumes about misplaced values and priorities of the Gingrich revolution.

Let me just tell you about Connecticut. The Republican cuts translate into a loss of approximately $325 billion in education and training funds over the next 10 years. Cuts in student aid and specifically reductions or the elimination of the in-school interest subsidy could mean 43,000 students from Connecticut would pay more for a college education, and by eliminating the interest-deferred Stafford loans, Republicans will add $5,200 to the cost of an education for the average college student in Connecticut.

I have got to say $5,200 may not be very much to the gentleman from Georgia [Mr. GINGRICH], but I will tell you that it is a heck of a lot of money, and it is plenty to the 15,000 working families that rely on this subsidy in my district.

According to the Department of Education, my district alone, the Third Congressional District in Connecticut, will lose $9 billion in student support provided through the in-school interest subsidy.

That increase will devastate families like the Baxter family of West Haven, CT, a family that is struggling to put their children through college. This is the Baxter family right here in this photograph. I met Gail Baxter this spring at a student loan forum that I organized, and Gail told me that she was very, very worried about what cuts in the student loan program would mean for her and for her kids. It is no wonder she is worried. Gail is a single mother who has, this fall, four children in college. That means four college tuitions to pay.

The Republican plan would cost Gail Baxter and her family approximately $20,000 more this year, and it is all to pay for a tax cut for the wealthy.

So if you want to take a look at what that bottom line is, the Baxters will pay $20,000 more so that the wealthiest 1 percent of Americans can pay $20,000 less. Where is the equity in that? Where is it? It is not. You cannot find it. It defies logic.

It is not just parents who are worried. Students understand that the GOP cuts will be devastating to their futures.

Let me tell you about one more individual in my district, and then I want to invite my colleagues to join this debate.

Recently I met with students from Quinnipiac College in Hamden, CT. They organized a letter writing campaign expressing their opposition to cuts in Federal student aid.

Let me just give one example from Laurel Drum of Quinnipiac College. She writes, "Recently reports suggest you are considering the biggest cuts in the history of student aid," and, in fact, that is right, "the biggest cuts in the history of student aid, and while I applaud congressional efforts for responsible deficit reduction, cuts in student aid just do not make sense. Student aid actually saves taxpayers money by stimulating economic growth, expanding the tax base and increasing productivity. That is why every major opinion poll shows strong support for student aid programs."

Let me just say that I am so proud of the efforts and the determination of my constituents in their ardent opposition to the cuts in education spending. They want Congress to continue vital Federal support for higher education, because they understand, quite frankly, they probably should understand as well as, and Members of Congress should understand this as well as every working family in this country, that education is the cornerstone of economic security. They get it, and what they are saying to us is, "We elected you," and we have to get it, if we truly want to be people here who represent the interests of those good, hard-working, responsible people who send us here on their behalf.

I would like to now really get my colleagues involved in this, and I yield to the gentlewoman from North Carolina [Mrs. CLAYTON] to talk about her perspective on this issue.

Mrs. CLAYTON. I thank the gentlewoman from Connecticut and thank her for the opportunity to participate in this special discussion about education.

I want to share parts of a letter with the Members of the House that I received in August from 22 young people from the town of Edenton, NC, in my congressional district. These young people are either in high school or are recent graduates who at the time were participating in the summer jobs program.

They write, "Congresswoman CLAYTON: During the school year we all thought how dreadful the summer would be without a job, to do nothing, nothing to do, nowhere to go. Then we received a letter that told us that we would be able to have a summer job this summer. For many for us," they wrote, "this meant an opportunity to gain money to spend on school clothes and shoes that would not have been without this job. However, as the time went on, we began to see that the jobs we held were not only for some money but an opportunity gain some valuable work experience, job skills to help career choices and develop our self-esteem, responsibility and maturity."

As I read, I thought, clearly, they are demonstrating the maturity they gained. I continue to read, "This program," they wrote, "is a good thing for society to have because with the limited number of jobs for young people in this area, we all would have been on streets this summer with nothing to do." Then they asked the compelling question: "We understand that it must take a great deal of money and manpower to keep a program like this going, but if it benefits young people, is not it worth it even if it costs some money?" They concluded, "If this program closed down, there would be no hope for society today. We would like to think you are not giving up on us before you give us an opportunity to have a fair chance."

Mr. Speaker, I am inserting at this point in the RECORD the entire letter from these young people.

The letter referred to follows:

AUGUST 3, 1995.

To our Honorable Congressional Leaders:

We are the twenty-two participants in Chowan county with the Job Training and Partnership Act's Summer Youth Employment and Training Program (SYETP). We chose to write to our North Carolina and United States Congress men and women to let you know how beneficial this program has been in all our lives. We chose to write as a collective group rather than as individuals to show you that we are in agreement with our ideas, and with hopes that our voices in a collective harmony will ring louder than one voice in the wind. We hope that you will consider our words with the sincerity with which they were written, and magnitude of our problem.

We are all students or recent graduates of John A. Holmes High School in Edenton, NC which is the county seat of Chowan county. During the school year we all thought of how dreadful the summer would be with no job, nothing to do, and no where to go. Then we received a letter from the Albemarle Commission that told us we would be able to have a job this summer. For many of us this meant an opportunity to gain money to spend on school clothes and shoes for the next year that we wouldn't have had without this job. However, as the time went on, and with the help of our counselor and supervisors we began to see that the jobs we held were not only sources of money but an opportunity to gain valuable work experience, job skills, help with career choices, and develop higher self-esteem, responsibility, and maturity. This program is a good thing for society to have today, because with the limited number of jobs for young people in this area we all would have just been out on the street this summer. During our six weeks in SYETP we have gained valuable lessons that help us at home and at school.

Our group is composed of a lot of different people with different personalities and dreams, but we all share the fact that this summer the SYETP has helped us all a great deal. We understand that it must take a great deal of money and manpower to keep a program like this going, but if it benefits the young people isn't it worth it? Please remember that we are the future! Programs like the Summer Youth Employment and Training Program help give us the skills to begin to prepare ourselves for the future that we will one day control. If you all are looking for the answer to a lot of the problems concerning young people, it lies in programs like this one. If this program closes down, we believe that there is no hope for society today. It would be like giving up on us before we have even been given a fair chance. If you want to help the small town of Edenton, or the other counties in North Carolina, or even the entire United States of America then do us youth a favor. . . Keep the program open for other people to experience. For many of us this has been our second or even third year, and we want it to be available for our brothers and sisters. However, for most of us this was just our first year in the program and our first work experience, please do not let it be our last. We need the JTPA Summer Youth Employment and Training Program.

Sincerely,

CHOWAN COUNTY SYETP
PARTICIPANTS,
TOMEKA L. WARD,
Counselor.

I could be no more eloquent and forceful than these 22 students who wrote this letter to me from Edenton, NC, in my district, the irrationality of these cuts and how it will impact young people in the opportunity for education. It makes no sense, Mr. Speaker.

The Labor-Education bill which passed just recently demonstrates this senselessness. Rather than promoting education, that bill is, indeed, an obstruction to education. Half of the cuts, some $4.5 billion, come from education; 60,000 disadvantaged children who need a little help at the beginning of their lives really will not get that help at all. They will get no help.

Head Start is now being cut $137 million, abandoning some 180,000 children nationwide and some more than 4,000 young children in my congressional district in North Carolina.

Healthy Start will be cut by 52 percent, exposing infants and children at the very dawn of their lives to the perils of infant mortality and other threats. Thousands of needy schoolchildren during their most important education and formative years will go without this vital support.

Title I will be cut $1.1 billion, denying critical basic and advanced skill training for more than 1.1 million children nationwide and some 20,400 students just in North Carolina.

Drug-Free Schools is cut by 59 percent. This program is currently serving 129 school districts; in other words, they are serving 100 percent of all the schoolchildren. This program is designed to fight what, to fight crime, fight violence, fight drugs, keep drugs away from students in our schools.

What did we do? What does the Republican majority want to do? To gut this program. Yet they say they believe in young people.

Goals 2000 is completely eliminated—381 school districts in North Carolina will be denied this program and the advantages of it.

Vocational education, cut by some 27 percent, thousands of those schoolchildren willing to work who have found hope, now a mountain of hopelessness, will not be able to work. Why? Because the school-to-work program is cut by 22 percent.

□ 2030

And, the summer jobs program is eliminated altogether. Some 9,000 young people in North Carolina will be put out of work for 1996 and some 61,000 will be out of work in our State by the year 2002. And, sadly, Mr. Speaker, that includes the 22 young people who wrote me who rejoice in thanking us for the opportunity to mature and provide for the educational opportunities this year. They, too, will be out of those jobs.

See, the privilege of an education belongs to all in America. But, the Labor-HHS-Education bill, with the stroke of a pen, takes that privilege away for thousands of people.

This Saturday, in Rocky Mount, NC, I am hosting a youth summit. More than 800 young people have already confirmed that they will attend. What will I say to these young people?

This blind march to a balanced budget, without considering the merits of programs, is taking us down the wrong path. I wonder where it is taking our young people?

More important, Mr. Speaker, I think we ought to be about supporting education for our young people rather than a big tax break for the wealthy. America needs a future, and young people are our future.

I thank the gentlewoman from Connecticut [Ms. DELAURO] for allowing me to participate in this very important discussion on education.

Ms. DELAURO. Mr. Speaker, I thank the gentlewoman from North Carolina [Mrs. CLAYTON], who I think has really touched on what we need to be centered on, and that is what is happening overall to our children. I think that there is terrible great fear in our society today about what is overall, whether it is education or whether it is health, what is going to be the future of our kids, and I think that there is a lot of insecurity amongst parents and families today about that whole issue and that this—only these cuts reinforce the fact that we are fearful that our kids do not have a future. I thank the gentlewoman for her comments, and what I would like to do is ask the gentleman from Maine [Mr. BALDACCI] to give us a little bit of some of his thoughts on this area.

Mr. BALDACCI. I thank the gentlewoman from Connecticut [Ms. DELAURO].

I spent some time this afternoon in my office talking with a young man from my State of Maine. His name is Patrick, and he is a sophomore at Georgetown. He is studying international economics. He is very bright, articulate, and thoughtful. He happens to also come from a working-class family and is able to attend Georgetown with the help of federally funded student financial aid. I know that without that financial aid Patrick, and indeed a majority of Maine students, would not be able to afford higher education.

We all know how expensive college education is. Public and private schools have been forced to raise their tuition to meet expenses, putting a college education even further out of reach for many students. Topping that, by cutting financial aid, it is a recipe for disaster.

Mr. Speaker, what is critical about student financial aid, that it provides access to higher education. It does not make anybody smarter or more skilled, but it does give people the ability to go on to school to broaden their minds and learn new and necessary skills.

In my State a few years ago they had a conference on aspirations because we had so many dropouts and that it was not good for our society and our heritage to have those kinds of situations throughout Maine, and we wanted to raise young people's aspirations to go on to higher education, because it was better for them, it was better for the community, the State, and the country. We really worked hard to turn that dropout rate around.

In our State there are 33,000 young people who need to involve themselves with a guaranteed student loan. Before I came to Congress, we only had enough resources in our State for 18,000 of those young people; 15,000 young people had to get higher-interest loans in order to go to school. So, not only did we have a dropout-rate problem, not only did we want them to go on, but we did not even have the resources to assist in making sure that they had those opportunities.

Now, coming to Washington and seeing that the rug is going to be pulled from underneath them, it is going to turn that situation in reverse, and every single study that has ever been done on aspirations, any study that has been done on defense jobs that have been displaced, any study that has ever been done on laid-off shipyard workers or mill workers, it is education is the key, and, if you remove this opportunity and this bridge for students to reach out and gain their dreams in their future, it not only hurts them, but I submit it hurts the State and also the country.

Ms. DELAURO. The gentleman's comments are about hopes, and dreams, and aspirations, which is really what it is all about, and, you know, just in one other areas I have just got to mention we have had a program for the last 2 or 3 years called a school to work, school to career. These are youngsters who are not going to go on to a 4-year liberal arts college, and that is probably the majority of our kids today, that is the circumstance they find themselves in, and we have not, as a nation, focused in on what to say to them that we really do value, that you want to go from school to work. We want to help you do that. And what we are turning around and saying is forget it, you know. Your hopes, and dreams, and aspirations really do not mean very much in the scheme of things, and we have got other fish to fry. We have got other folks to take care of, and it is a heck of a letdown to kids, and I think that you just capture what, you know, people's feelings are.

Mr. BALDACCI. I appreciate your comments because, when you talk about your family and coming over, I had seven brothers and sisters, and we were very much engaged into going to school and going to higher education because that was the key to our futures and our success, and I appreciate what you are doing also.

Ms. DELAURO. I thank the gentleman very much, and let us get the gentlewoman from California [Ms. WOOLSEY] engaged in this conversation and get some of her thoughts and comments on what has been said in some other areas.

Ms. WOOLSEY. Well, first of all, I thank my colleague from Connecticut for organizing this special order and giving us the opportunity to speak about the most important priority this country should have, and that is education.

Mr. Speaker, it is really hard for me to believe that it was just last year when I convinced this body to approve a landmark resolution which put us on our way to making our schools the best in the world.

Yes, it's true.

Last year, the House approved my resolution which called on Congress to increase our investment in education by 1 percent a year, until the education budget accounts for 10 percent of the budget in 2002.

At the time, I said that the resolution would send a clear message to those who decide how our Federal dollars are spent, the appropriators, that this Congress was serious about improving education.

Well, guess what, folks? Times have changed. We've got a new majority in Congress, and, instead of going forward, we're going backwards. Fast.

The new Republican majority in the House blatantly ignored the pledge we made last year to our children's education, and passed one of the worst bills I have ever seen—the Labor, HHS, and Education appropriations bill.

This bill cuts: Head Start, Chapter One, Safe and Drug-Free Schools, Goals 2000, School-to-Work, vocational and adult education, and college aid.

In all, this bill cuts education by 13 percent in 1 year alone. Thirteen percent.

I repeat, that is the wrong direction, and that's not the way we are supposed to be taking care of our children.

You see, I believe, as do my colleagues here tonight, that our Nation's greatest, greatest responsibility is to provide a quality education for everybody in this country.

I believe this because education is absolutely central to solving the problems facing our Nation.

When we strengthen education, we prepare our children and workers for jobs that pay a livable wage.

When we strengthen education, we get people off welfare and, for heaven's sake, we prevent people from having to go on welfare in the first place.

When we strengthen education, we actually prevent crime and violence in our communities.

And, when we strengthen education, we increase respect for our health, our environment, and for each other.

Speaking of welfare, Mr. Speaker, having been a single working mother on welfare 28 years ago, I am absolutely certain that, if it had not been for the fact that I was educated—I had 2 years of college—I would not have been able to work myself off welfare to the degree that I did, and have the successes that came to me, nor would I be a Member of the House of Representatives today. That is why, for the life of me, I cannot understand why the new majority wants to cut and gut our education system. In fact, if they do not stop, there is going to be a triple feature playing down at our theaters in the very near future, and that is going to be called, "Dumb and Dumber, Sick and Sicker, and Poor and Poorer," and let me tell you it is not going to be a bargain matinee.

Mr. Speaker, it is time to stop this assault on education. It is time to make our Nation's No. 1 special interest our children and not the fat cats and lobbyists in Washington.

Ms. DELAURO. Amen. Thank you very, very much, and what we need to do is one more time introduce that 1 percent until the education is 10 percent of what our budget is about. That is when we really will be doing the job we were sent here to do, to make sure there is a future for our kids.

I would like to ask my colleague now from Texas, Mr. GENE GREEN, to talk about, I think, a recent experience he had with kids and to let us hear his story.

Mr. GENE GREEN of Texas. Mr. Speaker, I thank my colleague from Connecticut for requesting this hour this evening for us and to share her time with us.

Yesterday I had the opportunity in Houston, because I am proud to serve on what is now called the Economic and Educational Opportunities Committee, Education and Labor Committee last session, because, no matter what problems we deal with in our country, education is the answer, and yesterday I had the opportunity to visit an elementary school in Houston, Franklin Elementary, and the sixth-grade class provided me appropriately the front page in green, a booklet, and I will go into that in a few minutes, but yesterday the kids are back in school around the country. After Labor Day they go back, but in Texas we had our children back in school for about 3 weeks, and every year young people across the country venture out to buy new notebooks, pencils, backpacks and the same excitement about going back to school mounts inside of them again. But, Mr. Speaker, this year is a little different. Yes, school has started again, but Congress is welcoming students back with less funding for this year than they did last year. Programs hit hardest include basic math and reading services, efforts to promote safe and drug-free schools, resources for State and local officials to implement higher standards, and education technology. Cuts in these vital programs will cause irreparable harm to students in my community and particularly across the country.

It may shock some of you that the lion's share of cuts in Federal aid to education are in elementary and secondary education, but it is true. We will be spending $4.5 billion less in 1996—almost 20 percent of the total Federal aid to schools—than we did in

1995! At the very same time, local, State, and nationwide enrollment trends are up. In fact, the Houston Independent School District, where Franklin Elementary is reports a 2.2-percent enrollment increase or 4,462 more students in 1995 than in 1994. And, the Aldine Independent School District where my wife teaches reports a 3.2-percent enrollment increase or 1,375 more student in 1995 than in 1994. We are having more students, but they are having less money in each of these school districts.

On top of these steep cuts, my home State of Texas stands to lose all the money we won last year under the Elementary and Secondary Education Reauthorization Act. I supported the package last year through Congress largely because we changed the funding formula, and I know Connecticut was kind of caught in the middle on that, but for high-growth States like Texas, and Arizona, and New Mexico, and Florida, the reauthorization of chapter 1 funding actually provided additional funds for our students.

□ 2045

In the updated formula, it took into account these population increases in Texas and high growth States. But in order to gain the support of the Northeastern States, what we did was in conference committee we agreed and said the new funding formula would go into effect for new money, and the spending levels, only the amount above the 1995 spending level, would go in under the new formula.

Unfortunately, for every child in these United States, the 1996 appropriation is not increasing. In fact, it is decreasing. In Texas we are going to lose in chapter I alone $97 million. Texas has about 10.5 percent of the Nation's poor children, but about we receive only 4.5 percent of the chapter I money. This inequity for Texas children can only worsen in the future unless we change it and the U.S. Senate changes it.

These education cuts are not what we are hearing as shared sacrifice. Education will suffer a staggering 18 percent cut. By comparison, agriculture spending is cut by 9 percent, transportation by 7 percent, and the Department of Defense by .3 percent. Cuts in Federal Aid to Education will adversely affect every working family and further diminish the quality of life of thousands of American communities. State and local governments will not be able to make up that difference without raising taxes or shortchanging our children's future.

I know the value of good education. I as a youngster growing up in Northside Houston, in the district I am honored to represent, our hope for a better life was better education. That is even more important today in 1995 than it was in 1965 when I was a student in Jeff Davis High School in Houston and we received our first Federal funding.

Yesterday I participated in a press conference with the Department of Education in which Franklin Elementary was recognized by the Department of Education for their vast improvement in our Texas achievement scores, the test that is required around the country. Different States have different achievement tests.

Franklin Elementary moved from the 35 to the 59 percentile to the 75 to the 89 percentile, and that is in a school that 98 percent of those children are qualified for school reduced or free lunch. The reason Franklin Elementary improved was because of renewed commitment by the students, by the teachers, and by the faculty.

A representative from the Department of Education and I had the opportunity to tour an innovative fourth grade team teaching classroom, and we actually sat down and read to a classroom. I do that often times. I have already done it three times this year. We sit down and read a great book and talk with the children in the lunchroom about their school and their pride in their school that a year or two years ago they did not have.

Federal funding is used in that school for computers, for additional counselors, for chapter I, and yet they are not going to have that because of the cuts. The students and teachers were willing to make that commitment by staying late during the week and coming in on Saturdays. Teachers came in without extra pay on Saturday because they knew the commitment from the community. They participated in workshops that would not be there if the Federal Government did not continue that commitment.

Let me share with you some of the letters that I received yesterday from some of the students. Let me share a letter from a young man, Michael Gonzalez. His statement is:

> Thank you for the free and reduced lunch program. It helped us a lot because my mom has a lot of bills to pay.

Again, this is a school that 90 percent of those children qualify for it.

Another letter, from Mario Silva. Mario says:

> Thank you for giving us free lunches and for making the school look better every year. You have done a good job on fixing the school. You have brought our school from bad to good. We hope to do even better this year.

They hope to do even better than the 89 percentile, yet we are cutting the funding for Franklin Elementary.

Mr. Speaker, I hope we can find common ground on education, because I am committed that education is a key to the stronger future for America. I hope our colleagues on both sides of the aisle will stop balancing the budget on the backs of these children, particularly the ones that I was with at Franklin Elementary School in Houston yesterday.

Ms. DELAURO. I thank my colleague. It is I guess actually true, out of the mouths of babes, all of us have had that wonderful experience of reading to youngsters in classrooms, and I think the gentleman shares the same feeling. You walk out of the classroom and you feel you really have accomplished something, that you are not just taking up space, that in fact you really have tried to give something back when you watch those youngsters with their eyes so high and just absorbing all of that. And to think some of that could really be gone. A point you have made, which I think is a very important one and I think people are going to understand this very quickly, is that if Federal dollars are taken away, you have one or two things happening: Either the State has to pick them up in some way, which deals with increases in taxes, or the services go. In both instances, it is a hardship. Certainly if the services go and some of the programs go, it is more than a hardship. It is really, if you will, eating our young.

I love that booklet. I think that is terrific. Those kinds of things you keep right by your desk in your office to remind you why you are here. That is terrific.

Mr. GENE GREEN of Texas. It reminds us why we are actually here working for the students that are actually working. As we talk this evening, they are working to make sure they do better. They are the ones going to be standing on this floor 10 to 15 years from now.

Ms. DELAURO. If we give them that opportunity, and that youngster said "we want to do better next year," that is what this body has got to do, is to do better on this issue.

I would like to ask my colleague from New Jersey, Mr. ANDREWS, to give us your views, but also how can these kinds of cuts in this area, in your view, be justified? How do we justify this?

Mr. ANDREWS. I would like to thank my friend from Connecticut, Congresswoman DELAURO, for giving us this chance to talk about this. Let me say for the RECORD, because I know we hear all the political rhetoric from the other side, let me say for the record, we understand you cannot solve problems simply by throwing money at them in public education. We are not saying that.

Many of us would disagree as to how to do it, but many of us understand the imperative of getting our Government's fiscal house in order and balancing our budget. But in all the numbers and the political rhetoric thrown around, what you have given us tonight is an opportunity to talk about people.

I want to talk, Mr. Speaker, tonight about some of the people who are affected by the issues we are talking about. Many of us sense in all of our districts a tremendous sense of frustration that people have about government. They go to work 50, 60, 70 hours a week. if they are fortunate enough to have two adults in the family, the two adults barely see each other, five minutes in the morning before they leave for work, 15 minutes in the evening after the chores are done, after the children are put to bed, before they go to sleep. All the things that they would do during the week they do on Saturday, if they do not work on Saturday at their third job, and they see their children for 3 hours a week at a soccer game or 2 hours a week to take them to Girl Scouts or something like that.

People wake up in the middle of the night and look at their husband or wife, if they are fortunate enough to have one, and say what are we doing this for? And we are handing over 30, 40, sometimes 50 percent of our income in taxes to government at all levels, when you add up the State, Federal and local.

Now, many of those individuals I talk about, Mr. Speaker, are saying what do we get from the Federal Government for 30 or 40 or 45 percent of our income? What are we getting in return for that?

Well, Mr. Speaker, the programs we are talking about tonight are programs where middle-class people get something in return for their tax dollar. Let me offer you a couple specific examples.

The daughter of a family where the mother is a paralegal and the father is a real estate salesman, if that little girl has a reading problem, whether she goes to public school or Catholic school or in many cases Christian or private schools, she gets help with her remedial reading teacher, someone who comes in and tutors her on how to read from the Federal Government. That is being cut, the reading teacher for the little girl from that family.

The teenager of a mom who is a single woman who works as a nurse, and her son wants to get special training to be an auto mechanic when he graduates from high school, so in addition to his regular high school curriculum of history and math and English and physical education, he gets special vocational education on how to fix a car or truck engine through Federal vocational money. That is being cut and taken away.

The daughter of a family where the father is a public employee and the mother is a paralegal, who wants to go to a private university in a State like mine, a Princeton or Rider or Drew University, $25,000 a year to go there, the way she goes to school is this way: First of all, she works in the summer and on weekends and at night. Well, work-study money that would help her get a job when she is in school is being cut.

Her parents take a home equity loan on what little equity they may have in their house. They better hope they have a lot more, because the student loan she would get to make up the difference is being cut in the following ways: First of all, it is not clear what we are saying to her, because our Republican friends have not been explicit yet. See, they want to keep this under wraps as long as possible, because, Mr. Speaker, when middle-class America finds out what is hidden under this shell they are not going to like it very much. But here is what we think is hidden under the shell.

They are going to say to that young woman, once you graduate and you have got $50,000 in debt and you get your first job, if you are lucky enough to get a first job, that pays $18,000 a year right out of college, you got to start to pay your loan back right away. No deferment until you get a job. The first week after you get your diploma you have got to start to pay your loan back, whether you have a job or not. Forget about your car payment, your auto insurance, your rent, your grocery bills, your health insurance. You got to pay your loan back right away. That is being cut.

Or better yet, let us say the young women wants to go to graduate school because many of our people are finding out today a Bachelor's Degree is not enough, you have to have a MBA, a Master's in social work, some advanced degree. Apparently one of the proposals is that she will have to pay interest while she is in school.

Now, think about this, Mr. Speaker: She graduates from undergraduate, a $50,000 debt, and now she has got to go to graduate school and it costs $25,000 a year to go to that in many places, and she is working as a teaching assistant or a waitress or doing whatever she can to make ends meet. Now we say you have to pay interest while you are in school too. Or you can defer it, a great gift from Uncle Sam, meaning your debt will go up by 25 percent, and instead of owing $100,000 at the end of your years in school, you will owe $125,000. That is being cut.

Finally, the father in that family, say he is one of those unfortunate shipyard workers that our friend from Maine talked about or he is one of the workers at a Federal military installation, gets laid off in the latest round of base closures. They are happening from California to Maine, all over the country. And what that family decides is that one of them would like to go back to school and learn how to be a computer repair person or a person who works a blood testing machine at a hospital, and it takes money to do that, $5,000, $6,000, $7,000 to go back in the middle of your life, when you are 45, 47, 51 years old, and try to learn a new skill in a job market that says you are too old to start all over again, but not old enough to retire.

That is being cut. So if you want to talk about where the cuts are in this bill, they go almost from cradle to grave. The reading teacher for the kid in the first grade, cut. The auto mechanic class for the 16-year-old, cut. The student loan for the person who is smart enough to go to the finest school, cut, because she has to start to pay her loan back the first day when she graduates. We did not have to do that, as my friend, the gentleman from New Jersey [Mr. PALLONE], pointed out, but she will.

The graduate school student who wants to go on and do something has to pay interest in school. Finally the dad or mom in that family, the latest person to get a pink slip in the unending hemorrhage of pink slips in this economy today, tries to go to school to learn a skill, that gets cut.

Mr. Speaker, I know there have to be cuts in the budget and specifically cuts in education, I understand that. But imagine how angry our constituents were when they picked up the newspaper last week and read the following story. The Secretary of Interior of this country, under duress and protest, signed a deed conveying $1 billion worth of mineral rights owned by the people of the United States of America, signed a legal document giving those 1 billion dollars' worth of public assets to a Danish mining company for the sum of $265, under a law passed here in 1872.

Mr. Speaker, I want to balance the Federal budget. I understand there are ways education could be cut to balance the Federal budget. I may disagree with some of my Democratic colleagues as to how to do that. But all of us ought to understand that in an environment where we are saying to that kid, no reading teacher, no shop teacher to teach auto mechanics, got to pay your loan back the day after you graduate from school, too bad you have to let the interest accumulate, and dad, you lost your job, you need retraining, too bad, look in the want ads, that is what we are saying in this budget. And we are giving away 1 billion dollars' worth of public assets to a foreign company because the majority would not change a law that was passed in 1872?

□ 2100

That is the priorities we have in this body today. It is wrong. And you have given us a chance tonight to talk about that. Let us do more than talk about it, though. Let us vote this way. Let us convey this message to the American people, and let us hope they remember in November 1996, what is going on.

Ms. DELAURO. I thank you. You really have said it all. In addition to reading the paper about giving away our land and at what price and what we are cutting, there are numerous other examples.

When you take a look at just repealing the alternate minimum tax, which was not requested, was not asked for, put in by Ronald Reagan so the richest corporations in this country could pay the 20 percent rate, repealing that, giving the biggest, giving the richest corporations in this Nation, and we want to have them have a tax break so that they can invest and do this, but taking away all tax obligation to the richest corporations in this country. And then you say to folks who are every day playing by the rules, who are doing three or four jobs, parents, my parents, Congressman WARD's parents, MAJOR OWENS' parents, all of the folks who are here today, they are willing to work those three or four jobs to give their kids the opportunity. But when they are working three or four jobs and then you deny them the opportunity, that is why they are angry.

Mr. ANDREWS. Let me just say one more thing. My mother did not graduate from college. My father did not graduate from high school. But they sure were smart enough to know that something is amiss in a country's priorities when we cannot afford to help pay for reading teachers for children in schools across this country we can afford to guarantee $30 billion of debt of the Government of Mexico. There is something very wrong with what is going on here.

Ms. DELAURO. There is another issue which I hope my friend from Kentucky will mention, is to provide an exclusion from taxes for billionaires, an issue on which he has really been a leading fighter to close that loophole so that those folks who are billionaires can pay their fair share of taxes. Let me have my colleague from Kentucky [Mr. WARD] share his own life experience with us on this issue of education and student loans.

Mr. WARD. I thank the gentlewoman from Connecticut very much. I appreciate this opportunity to participate in her discussion on this very, very important issue.

I am a fellow who would not be here but for student loans. It was a situation when I was in college that I worked full time. My parents were able to help but just some. In order to get the tuition paid, I had to take out loans.

If I had to face some of the challenges that we have heard about tonight, if I had to face immediate repayment, I would not have been able, I would not have been able to succeed and to get through the University of Louisville.

What we have here is a situation where maybe some who did have those opportunities, as we have heard from the gentleman from New Jersey, many, many of us here in this Chamber had the opportunity to get some help with student loans and grants and other kinds of assistance. But it seems that there are some of us who want to pull the ladder up behind them.

Of course this goes across the whole range of things, whether it is a GI loan that got people their first house or the GI bill that got them through school or other sorts of small government assistance, small assistance that made the difference, because none of us tonight is talking about the Government paying the whole way. None of us is talking about throwing money at a problem. Each of us is talking about government helping to bridge the gap, to make the difference, to do that little bit extra that can help, that can mean the difference between success and failure.

There is no question when you look at the barometers of success and the indicators of what opportunities someone will have in our society, the one thing on which there is total agreement is that important part of the makeup of a person who succeeds is education.

What really surprises me and grates on me is that the very issue that we have talked about, people taking care of themselves, people taking responsibility for themselves, is left out of this discussion. It is these very people who have gotten themselves into a position of getting into college, of going through college, of making that commitment of work and sacrifice who are going to be affected by this.

So as one who had the opportunity, who spent 10 years paying back his loans, I can only say I cannot be part, I cannot imagine being part of an institution that says to everyone else, we are pulling up the ladders because we have got ours.

With that I thank the gentlewoman for allowing me this opportunity to participate in this special order.

Ms. DELAURO. I thank my colleague very, very much. I just want to, before I introduce my colleague from New York, MAJOR OWENS, just mention a couple of things.

One of the things that is going to be eliminated here is something called the direct loan program. And really by targeting the extinction of that initiative, what we are seeing is the Republican leadership in this House throwing away about $6.8 million in taxpayer savings.

We ought to be trying to take a look at expanding a new streamlined approach to processing student loans. What we have tried to do here, and the program is working, is to take the bank out of this equation and, with the institution and the family working together, thereby making it more affordable to deal with the loan, what we should not be doing is limiting the growth of such a direct loan program or totally eliminating it after 1 year.

There is just one other program that I want to mention, and that is the national service program, AmeriCorps. We often fault young people today when we say to them, you have got advantages, you do not give anything back, that you are taking only, that it is the me generation, you are focused, self-centered on yourself, give something back to your communities.

My God, the national service program is exactly what was tailor made to say to young people, you commit to doing things in your community, helping in your community, providing a real service, not make-work, not a no-show, but providing a real service and taking an interest in your community. We will provide you and your family with some assistance in order for you to have an education.

The Republicans want to totally eliminate AmeriCorps, national service, and the 4 million new service opportunities in the next 4 years alone.

I would like to bring into the conversation someone who has spent a long time warring about a number of these issues and trying to expand opportunity for young people. That is my colleague from New York, Mr. OWENS.

Mr. OWENS. Mr. Speaker, I thank the gentlewoman from Connecticut for this special order.

I associate myself with the remarks of my previous colleagues and will try not to be repetitive. I have served on the education committee for the whole 13 years that I have been in Congress. H.G. Wells said that civilization is a race between education and catastrophe. That may not be the exact quote but that is the gist of it. Catastrophe has stared us in the face as we go forward with these reckless cuts that have been proposed by the Republican majority in this House.

Speaker GINGRICH says his objective is to remake America. And in this process of remaking, this behavior has become very reckless. Education, which is the cement, the glue, the adhesive which helps to hold our society together, is being destroyed. We have proceeded step by step, starting with Ronald Reagan who offered the report or commissioned the report called "A Nation at Risk" and moving from that to George Bush, "America 2000," and moving from that to President Clinton's "Goals 2000," all of which had some continuity. We were moving in the right direction.

Suddenly the Republican majority proposes to wreck all of that. Instead of remaking America, we are going to destroy America because we do not recognize the critical role of education. These cuts are very mean, they are very extreme. They are very dangerous.

The Republican majority in the House of course proposes to wipe out the Department of Education totally. Only the Senate prevailed and has slowed the process down, but they are still moving with legislation to wipe out the Department of Education; a modern society in this complex world of ours would not have some central direction from a Department of Education.

A Department of Education at the Federal level plays a small role compared to the role played by centralized departments of education in other industrialized societies, but that is a very key role. It is a critical catalytic role. Only about 7 percent of the total budget spent for education is Federal money. But it is key in terms of stimulating, in terms of pushing for reform, and it is all very well packaged in "Goals 2000," in title I and Head Start. It is all very well packaged, but they have taken a sledge hammer to it all, and they are destroying it all in the process. In the process they will destroy the country.

We cannot have a society able to compete in this very complex and competitive industrialized world of ours, a global economy, without having great emphasis on education. I applaud President Clinton's proposal to make education a priority. When he laid out his 10-year budget proposal, education receives increases in that budget of $47 billion over the 10-year period. Similar to the Congressional Black Caucus before where we increased over a 7-year period the education budget by 25 percent. Education deserves the priority. it has to have a priority. Not only should we not have these cuts, we should be moving forward with increases.

The civilization of New York City once boasted of having free universities. The city universities were free without tuition when I moved there in 1958. We do not have that any longer. But we are instead going rapidly backwards where not only do we have free universities but even with all of the aid that is offered by the State and the city and the aid available from the Federal Government, with it being cut so drastically and forcing tuition costs up, large numbers of people in New York City who want to go to college will not be able to go to college in New York City.

These same city universities compete with Ivy League schools in terms of the number of Nobel Prize winners. Nobel Prize winners have come out of these city universities. The numbers of Ph.D.s that have come out of our city universities are as great as the Ivy League schools when you take a look at it and add it all up. So all of this is being wrecked when they say they are going to remake America. What they are doing is destroying America.

Unfortunately, the powerful juggernaut approach that is being taken here will wreck education right across the country. it is most unfortunate. American voters, taxpayers should rally to stop the destruction of our civilization, and the first place that we should focus on is to stop the cuts in education.

Ms. DELAURO. I thank my colleague, Mr. Speaker. My colleague has spent a lifetime and his professional lifetime in this body focused in on this area of being part of the education committee.

It is truly hard to believe sometimes that we would wreck education, which is, as we know, the key to the future, to the success of this Nation, to the success of individuals. Each succeeding generation has wanted to pass on increased opportunities in this area. We are finding ourselves in the position, I think, parents are finding themselves in the position today where they are saying that their kids are not going to have the same kinds of opportunities that they had.

Chief among those opportunities are the opportunities to increase their ability through education, whether it is higher education or whether it is vocational education, but a route in which we allow people to aspire and to dream, if you will.

I am really proud to stand with my colleagues here tonight in staunch opposition to the Republican leadership's plan to shut the door on educational opportunity to America's working families. Speaker GINGRICH likes to portray the Republican budget as part of a revolution. There is nothing new here. This is, it is not the least bit revolutionary. It is nothing new, and it is not revolutionary. It is, quite honestly, the same old trickle down economics of old, which is that you provide a tax break for the wealthiest in our Nation, and that is paid for by limiting the opportunities of working middle-class families in this country.

□ 2115

I started this hour by telling my own story, which is about my folks and their beginnings. My dad is an immigrant; my mother working in the old sweatshops and her admonition to me which was: Take the opportunity for an education, so that you will not have to do this.

That is essentially what we are denying to parents today; their ability to help and provide their kids with a future. That is wrong. That is something all of us here tonight are going to oppose and we hope that the American public will join us in that opposition.

Mr. Speaker, let me thank my colleagues for participating in this conversation tonight.

ISSUES OF IMPORT TO AMERICA

The SPEAKER pro tempore. Under the Speaker's announced policy of May 12, 1995, the gentlewoman from Idaho [Mrs. CHENOWETH] is recognized for 60 minutes as the designee of the majority leader.

Mrs. CHENOWETH. Mr. Speaker, I have three items that I wish to speak with you on and address tonight.

The first item that I very briefly would like to address are comments on the Endangered Species Act reform. I do want to say that I did attend all 12 of the task force hearings on the Endangered Species Act Task Force, from one end of this country to another, and what I heard from the American people was very, very clear.

No. 1, I heard that the current Endangered Species Act is not working for people or for wildlife.

No. 2, I heard that we need reform that does not trample on States' rights.

No. 3, I heard from the American people, thousands of them, that we need reform that offers incentives to landowners, not punitive measures by a government that has grown too large and too prosperous at the expense of private property owners.

We heard that we need a bill that does not increase our regulation, but decreases it in the Endangered Species Act. We also heard that we need a bill that compensates landowners immediately for any taking under any authority designated by Congress under the Endangered Species Act.

Mr. Speaker, for the record, I will work toward these goals. I will work very hard toward these goals, as we debate the Endangered Species Act reform. It is critical that people are put in this equation of the endangered species, because truly, the American producer, if the trend continues, will be the endangered species.

I want to thank you, Mr. Speaker, for this time, because I want to speak on my second issue. I want to speak about the nature of power and the threat posed to our freedoms when those in power act against the law.

Nearly 70 years ago Justice Louis Brandeis, in the U.S. Supreme Court in his opinion in a case involving Olmstead, observed that decency, security and liberty alike demand that government officials shall be subjected to the same rules of conduct that are the commands to the citizens. He said that if the government becomes a lawbreaker, it breeds contempt for the law.

Mr. Speaker, I am saddened tonight to say that I am convinced at this time that our Government finds itself in the dangerous position about which Justice Brandelis warned us back in 1928. Tonight in the two issues that I will be discussing, two very, very different issues, it will show a set of circumstances that brings the Justice's warning to mind.

Although the individual cases could not be more different, they both indicate a shared contempt at this time among some of our highest ranking public officials in our land for the very laws of our land.

Mr. Speaker, one of my highest priorities when I was elected to the U.S. Congress was to pass legislation to salvage the dead, dying, burned, diseased, infected, and windblown timber that is now rotting on our forest floors, in Idaho and throughout the Northwest.

Yet I and my colleagues have been thwarted at nearly every turn by the Clinton administration as we have tried to enact tough legislation that will salvage the burned timber and put our loggers back to work, as we restore our forests to a healthy condition.

Let me share some history with you on why timber salvage legislation is so important for our Western States and how our efforts in the House to pass legislation has been turned on their head by President Clinton and his administration.

Last year, in the Northwest alone, we had 67,000 fires, which devastated millions of acres of Federal forested lands. The fires burned 8 billion board feet of timber and that is enough to construct 542,000 homes and provide 1½ million jobs.

Nearly 9 years of drought in the West, along with insect infestation, disease, and irresponsible Federal management of our western forests, culminated in catastrophic wildfires last summer in the Western States of Idaho, Oregon, Washington, Montana, and northern California.

Thirty-five human lives were lost in the fires. Countless animals were savagely burned and destroyed and more than 4 million acres of Federal forest land burned with over $1 billion being spent to fight the fires.

When President Theodore Roosevelt established the National Forest System, he made it very clear in his writings that the uses for these lands would be very careful utilization, which was essential for our Nation.

The President stated that the forests are for the use of the people under proper restrictions; grazing privileges, timber cutting, haying, and other similar privileges. In addition, the mission of the Federal land management agencies, as directed by Congress, is to meet the diverse needs of the people, not the grizzly bear, not the wolf, not the marmot, but the people, by advocating a conservation ethic in promoting the health, productivity, diversity, and the beauty of the forests and associated lands, listening to people and responding to their diverse needs in making decisions and protecting and managing the National Forests and grasslands to best demonstrate the sustainability of the multiple use management concept. Theodore Roosevelt, the father of the concept of the Forest Service.

The wildfires in the Western States were sparked by nature, but the intensity of these fires could have been prevented with good stewardship in our forests, good fire suppression techniques by the Forest Service and the Bureau of Land Management, and good overall management by these agencies.

After the fires of last summer, Members of Congress from the Western States requested swift action of the administration to log the burned timber. Time was of the essence as burned timber loses its value rapidly and can cause environmental damage to riparian areas, watersheds, erosion control, streams and spawning habitats in our rivers and streams.

The administration shuffled its feet while we lost these valuable national resources, but there was no action from the administration. I came to Congress ready to pass legislation to move that timber into mills, put loggers back to work, and restore economic health along with my other colleagues from the West, to these devastated communities.

When I arrived in Washington, I was pleased to find that other like-minded colleagues who believe that immediate removal of this salvage timer, as required in the Multiple Use-Sustained Use Act, the Resource Planning Act, and the National Forest Management Planning Act, which is already required and we were not making new law, and the return to well-established forest health practices, was a priority.

The situation was so extreme that hearings on the emergency salvage situation were held within a month of the start of the new Congress, in spite of the heavy load that we had with the Contract With America.

Together, many of us in the House with heavily forested districts forged the basis for legislation which was included in the fiscal year 1995 Emergency Supplemental Appropriations and Rescissions bill.

This language set very clear goals for the administration to remove dead and dying timber. However, the administration snubbed our goals of renewing our forests and putting money back into our local economies and the Treasury, and the President vetoed our rescission bill, H.R. 1159 on June 7, 1995.

In his veto message the President expressed his opposition to the timber salvage proposition of the bill, and I quote the President's words that said that, "They would override existing environmental laws in an effort to increase timber salvage." He said, "I urge the Congress to delete this language and separately to work with my administration on an initiative to increase timber salvage and improve forest health."

When is this man going to learn what a real contradiction is? That is it.

I find it interesting that the President, Mr. Clinton, paid lip service to forest health, when his land management agencies have essentially abdicated their responsibilities toward managing our forests for multiple use. The fires could have been prevented if the agencies were managing the forests properly.

During the post-veto negotiations with the White House, several changes were made to accede to administration demands. These changes prompted a June 29, 1995, letter from President Clinton to Speaker GINGRICH on reinforcing and reenacting the timber salvage provision. The President stated, in his own letter signed in his hand, that said to Speaker GINGRICH, "I want to make it clear that my administration will carry out the program of timber salvage with its full resources and a strong commitment to achieving the goals of the program."

I would like to enter this letter for the RECORD, and I will do that, Mr. Speaker, at the conclusion of my remarks.

The President's words remain a mystery to me, because, Mr. Speaker, they have not shown in any instance to be carrying out the very legislative goals that he agreed to.

After passage of the rescission bill, the President then issued, after he got everything or much of what he wanted from this Congress, then the President reversed himself. After signing this into law, he issued a memo to the land management agencies on August 1 in which he stated, "I do not support every provision of the rescission bill, and most particularly the provisions concerning timber salvage."

Mr. Speaker, I would like to enter this into the RECORD also.

I find this statement to be incredibly egregious, after the President held up our legislative process on timber salvage through his veto. Days, weeks, and months were lost trying to negotiate this bill with him and the value of the burned timber declined.

But this is only the beginning of the administration's outrageous actions on this issue. Shortly after the August 1 memo, the Secretaries of Agriculture, Interior, Commerce, and the Administrator of the EPA, under the President's direction, entered into a memorandum of agreement. I will enter this memorandum of agreement into the RECORD, Mr. Speaker.

This memorandum of agreement outlines a bureaucratic process that is nothing more than a smoke screen to prevent the agencies from harvesting timber. It is a heartbreaker for those of us who wanted to break through the administrative paralysis that has encompassed this country for the last number of years.

Mr. Speaker, let me make it very clear, the rescissions bill did not tell the administration to create a new bureaucracy. We did not tell the administration that they could take their time to get the timber out.

□ 2130

Let me tell you what this lawmaking body, the U.S. Congress, did say very clearly. We said expedite salvage timber immediately, that this was an emergency. The President of the United States is sworn to enforce the law. In fact, in article 2, section 3, as the President puts his hand on the Bible and swears an oath to his new duties and his new office, in article 2, section 3, he stated that he will faithfully take care that all of the laws of the land are faithfully executed. That is what the President of the United States pledged to when he became President.

Our Constitution does not give the President the choice of determining which laws he wants to faithfully execute. In fact, I remind you, Mr. Speaker, that he signed this law into law with his own hand.

I would like to take just a few moments to highlight some of the language from the rescission bill and show just how the President is knowingly circumventing law. The rescissions bill states that upon completion of timber salvage sales, the preparation, advertisement, offering and award of such contracts shall be performed notwithstanding any other provisions of law, including a law under the authority of which any judicial order may be outstanding on or after the date of the enactment of this act. This is what the President signed into law.

The language of the memorandum of understanding states that the parties will agree to comply with previously existing environmental laws except where expressly prohibited by Public Law 104–19, notably in the area of administrative appeals and judicial review. This is a blatant disregard of the law. Clearly, the legislation says to undertake additional salvage notwithstanding any other provision of law. The administration has created arbitrary requirements that do not exist in an effort to slow this process down.

Second example: The law that we passed that was signed into law by the President states that there shall be expedited procedures for emergency salvage timber sales and lays out very clearly the sales documentation. Yet the language in the memorandum of understanding is contrary once again. It states that the parties agree, and now this is the Government agencies agreeing among themselves; this never came to the Congress, but the parties agree, the agencies of the Federal Government agree to adhere to the standards and guidelines of applicable forest plans and land use plans and their amendments and related conservation strategies, including but not limited to, the western forest health initiative and those standards and guidelines adopted as part of the President's forest plan for the Pacific Northwest, PACFISH, INFISH and the red-cockaded woodpecker, long-term strategy, as well as the goals, objectives and guidelines contained in the Marine Fisheries Service biological opinion on the Snake River Basin land resource management plans through the interagency team approach agreed to in the May 31, 1995, agreement on streamlining consultation procedures.

Mr. Speaker, that is not emergency salvage procedures. That is not streamlining procedures.

The President's forest practice, PACFISH, INFISH and the National Marine Fisheries Services' biological opinion are nothing more than staff opinion. Yet the agencies have put these initiatives above the law passed by this Congress, signed by the President of the United States, and I tell you, Mr. Speaker, that is outrageous.

The memorandum of understanding or agreement expands the authority of the Environmental Protection Agency, the Fish and Wildlife Service and the National Marine Fisheries Service far beyond their congressionally mandated current authority. It is time we held the administration accountable for violations we have seen as it relates to timber salvage and the blatant abuse of a President who, without care, discharges the oath of office that he took. This President is doing everything in his power to tear down the rural economies that have been built in this great Nation and in the West.

Mr. Speaker, lest anyone cast any doubt, there is a war on the West. This is only one of the battles that we will fight, but we will fight. I can tell you, Mr. Speaker, the West was not settled by wimps and faint-hearted people, and we will not give it up easily.

This Representative from Idaho will not back down until I am secure in knowing that my President and my Government are upholding the Constitution of the United States.

Mr. Speaker, I now would like to turn to another example of how some agencies of the Federal Government have become law breakers. The consequences of this incident have been not merely economic but actually resulted in three deaths. There has been another casualty as well in the tragic incidents at Ruby Ridge: public confidence in several of our Federal agencies we depend on to enforce laws and administer justice. I am speaking, of course, Mr. Speaker, of the ongoing investigation into the Government's ill-fated siege directed against the Weaver family at Ruby Ridge, ID, in my district, which is the first district in Idaho, which I represent.

I am encouraged that the Senate and this Congress is finally beginning to review this matter. However, it is unfortunate that it has now taken 3 years for us to get to this point. I am saddened that we will never be able to restore a mother and her son who were unjustly ripped away from a family. Moreover, we will never be able to ignore the fact that the Weavers were unfairly and tragically targeted because of their religious beliefs, and we will never be able to end the grief and the lack of justice the Weavers have experienced in the 3 years since their tragic loss. But I believe that some good can result from this, and as out of the ashes, we will always have hope that the Phoenix will rise. We must be able to hope that this tragedy will yield a courage and a will from this Congress to take a hard stand by recommending that there be severe punishment for those who have wronged not only the Weaver family but this country and our confidence in our law enforcement agencies.

We as a Congress must have the courage and the will to set down a hard-line rule so that this never again happens to another family in the United States of America, the land of the free, the home of the brave, and it used to be the hope and the light of the world. We want to see America there again.

Since the beginning of the siege on the home of Randy and Vicki Weaver, I have closely followed the developments that have occurred in the 3 years after that. I have spent a considerable time studying the details of the events surrounding Ruby Ridge, including spending time at the trial and speaking with people who were there and who were directly involved. Some have said that what happened at Ruby Ridge was merely the result of minor oversights made by a few Federal officials in one incident involving an individual whose religious beliefs are generally misunderstood and spurned by society.

Some have even suggested that this was merely a case of using venom against venom and should not be receiving the attention it is getting and are questioning the wisdom of even holding the hearings. Nothing could be further from the truth.

I commend my senior Senator, Senator LARRY CRAIG, and Senator SPECTER for their participation, for their study and the time that they have given to this incident in the Senate hearings. I am very proud of the search for truth by the Senate and also by the Congress.

What I have observed, though, as I have kept track of the developments of Ruby Ridge and this incident, has deeply concerned me even to the point that what has been uncovered is, in part, what motivated me to run for Congress. In fact, the issues that have arisen because of Ruby Ridge involve basic principles that govern this Nation.

I believe that the result of the congressional investigations into Ruby Ridge will have significant ramifications on how our people view our Government and how Federal law enforcements will respond to the constitutional rights of citizens in the future, because this incident involved several law enforcement agencies ranging all the way from BATF, the U.S. marshals office, the Federal Bureau of Investigation, the Army, the National Guard, the U.S. district attorney's office, and on and on, and includes actions from the most basic field agents to heads of departments in the administration. It allows us to take a close look at the principles and rules our law enforcement agencies are governing themselves by.

In essence, Ruby Ridge is not only the seminal incident that created citizen distrust and citizen questioning of our law enforcement agencies, but it has become the litmus test on the Government, on how it will treat the most basic rights of individuals.

I do think that there are many, many wonderful and hardworking individuals in law enforcement who are doing a fine job keeping the peace and of pursuing real criminals. However, I also believe that lately there are some rogues in law enforcement as well who are dictating policy.

I have attended the hearings that are ongoing in the Senate, the other body, and I believe that so far these hearings have revealed very interesting facts, and the Senators are doing an excellent job of getting to the heart of the matter.

Last week, I, along with a lot of the American public, viewed the Randy Weaver testimony and Mr. Weaver's description of how agents from the U.S. Federal Marshals Service for 16 months had executed an intensive reconnoitering surveillance, as they call it, of his home, that included hundreds of hours of filming the everyday proceedings of his family with the satellite-powered cameras, which included plans to kidnap his daughter Sarah, which included plans and the execution of setting up command centers in the homes of neighbors and sending many undercover agents posing as supporters to the Weavers' home, enjoying their openness, their friendliness and their hospitality.

The committee listened to Mr. Weaver as he explained how never once not once did a U.S. marshal come to his home and identify himself as a Federal agent desiring for Mr. Weaver to come down from the mountain and appear in court. Never once did any agent discuss complying with the simple terms that Mr. Weaver requested before surrendering: that his home and his family be protected and that certain officials that had offended him apologize. What a small thing to ask for to keep the peace.

It is our responsibility as Federal elected officials and the responsibility of Federal agents to maintain the peace and tranquility of this country. This kind of action did not further the peace and tranquility of this country, Mr. Speaker.

In fact, the only terms the agents would allow him, offered in messages that were given through neighbors instead of directly by the agents, was that Mr. Weaver admit his guilt, without any trial or due process. Instead of negotiating, the U.S. Marshal's Service initiated military like reconnaissance missions to determine what would be the best way to invade the Weaver home. U.S. marshals on one of these missions excited the family dog by throwing rocks at it, drawing the attention of the family who thought that the dog might be responding to one of the many wild animals in the area.

The committee listened, rivited, to Mr. Weaver's agonizing depiction of how he made the most regrettable decision of his life when he sent his 14-year-old son Sammy down the road with a rifle to see what the dog was barking at, and how those agents shot a young boy's dog at his feet, and how a Federal marshal, dressed in a terrifying paramilitary uniform, jumped out of the bushes and yelled to Sammy, halt, and how these events led to a gun battle that ended with the tragic death of the young boy, Sammy, barely 14 years old, barely weighing 80 pounds, shot first in the arm and then twice in the back. The last words his father heard him say were, "I am coming home, Dad."

Mr. Weaver and his wife, Vicki, no longer caring if they were fired at, went down the hill to retrieve the small body of their son.

We listened as Mr. Weaver narrated the events of the following day: of how, in the dead silence of late afternoon, and without any warning or even an announcement of the presence of the FBI, as he was attempting to enter the shed where the body of his slain son lay, he was shot in the back without warning by a trained sniper from the FBI hostage rescue team, a group that is trained by the military for crises that involve international terrorists.

□ 2145

Mr. Speaker, I hardly think that Randy Weaver was an international terrorist. We were mortified, as we listened, to hear how the FBI sniper fired again, this time into the Weavers' home, striking Vicki, the wife, in the head. This mother was holding nothing more dangerous than her 10-month-old baby. The bullet struck her face. The human shrapnel struck Sara in the face. The mother was killed instantly, and Sara was wounded, and the Pershing bullet entered into a family friend, Kevin Harris, severely wounding him.

Mr. Weaver recounted how he and what was left of his family—in their home and not some military compound—were surrounded for almost 2 weeks by an army of over 400, complete with tanks, and helicopters, personnel, armored personnel carriers, et cetera. They had to keep clear of the windows and stay low to the ground for fear of being shot. In the meantime, the Government made little or no attempt to negotiate with the Weavers. The agents did, however, torment the family by broadcasting morbid messages over loud speakers to Vicki Weaver, who lay dead under the family's kitchen table.

The Federal agents tunnelled under Mr. Weaver's house and his home, and they sent a tank-like robot up to the house with a phone placed on one arm, and a shotgun mounted on the other with commands to Mr. Weaver to come out, pick up the phone, and negotiate with him. When Mr. Weaver saw the shotgun mounted on the robot, of course, as any American would or anyone in their right mind would do, he declined to pick up the phone.

Mr. Weaver found out later that the FBI was considering measures to inject CS gas into the home, or placing explosives to blow out the walls of the home.

These are all the documents that are now in the court documents.

This vast array of Government force was brought to bear against a small, but loving, Idaho family, the Randy Weaver family, and, although the family owned several legal firearms, they were owned legally, as were the rounds that Randy Weaver had stored there. They were legal.

After the initial exchange of shots with U.S. Marshals, the Weavers never even aimed or fired their guns at anyone. Those initial shots were those shots that were fired at the Y when Sammy Weaver was shot in the back. Kevin Harris responded not knowing who was shooting the small boy who went down right in front of him. That was all the shots that were fired by anyone who lived in the Weaver home.

However, the U.S. Marshals' office and the U.S. Marshals called the Federal Bureau of Investigation stating that they were taking hundreds and hundreds of rounds of ammunition from the Weavers. I hardly think so. A grieving mother and father who went down to the Y, picked up the dead body of their 80-pound son was not firing hundreds of rounds at the marshals.

We grieve at the death of Vicki and Sammy Weaver, and we grieve at the death of Marshal Deacon, but, as I listened to these frightening details of the Government siege on the Weaver home which began well before the shootout, it became very clear to me that one of the elemental freedoms of this country that it is founded upon had been violated in the very worst way. It is a tenant basic to our democracy, characterized well by patriots in the 1760's that simply states "a man's house is his castle; and while he is quiet, he is well guarded as a prince in castle." This is an idea that has its roots as early as the Magna Carta of 1215. William Pitt eloquently expressed this concept in stating: "The poorest man may in his cottage bid defiance to all the forces of the Crown. It may be frail, its roof may shake, the wind may blow through it, the storm may enter, but the King of England cannot enter, all his force dares not cross the threshold of the ruined tenement."

Can anyone find a better metaphor to describe what happened at Ruby Ridge than that statement?

And also, at a Boston Town Hall meeting in 1772, it was stated that without the Bill of Rights "officers may under the colour of law and cloak of general warrant break through the sacred rights of the domicil, ransack men's houses, destroy their securities, carry of their property, and with little danger to themselves commit the most horrid murders."

This was 1772 that this quote came out of a Boston town meeting.

Ladies and gentlemen, our Founding Fathers understood that, unless we respect what is in the Bill of Rights and the protections afforded to us in the U.S. Constitution, that someday we will be living through what we are having to live through today.

In fact, revolutionaries such as Patrick Henry and others, used the Crown's regular practice of aggressive search and seizures as a battle cry for the addition of our Bill of Rights. It was Patrick Henry who said that without those rights added to the Constitution "the officer of Congress may come upon you now, fortified with all the terrors of paramount federal authority. Excisemen may come in multitudes; for the limitations of their numbers no man knows."

Ladies and gentlemen, these words were spoken by Patrick Henry. Again I challenge anyone to come up with a more accurate description of the gross excessive force used on Ruby Ridge than that.

For several hours the committee listened to the testimony of Randy Weaver, and the blatant infringements on his and his family's rights, the tragic loss of life that occurred as a result, and the year and half of imprisonment—all because he had been inaccurately characterized as a terrible threat to society on a web of fabricated charges, some stemming out of the mere fact that he had a newly purchased pickup sitting in his front yard, that he had a TV dish, and that, surely because of all these things, maybe he could have been involved in some bank robberies when all Randy Weaver and his family wanted was to be left alone, and, for refusing to come down from his home because he was afraid, because he had been told by a Federal judge that he would lose everything he possessed, including his property and his children, over his children he chose to stay with his family.

But what I found amazing and even admirable about Randy Weaver, even though I do not agree with his political views, is that despite all the unjust actions directed toward his family, he sat before the Senate Committee and the country and admitted his mistakes.

"If I could do it over again," he stated, "I would never have sold those sawed-off shotguns, and I would have come down that mountain and gone to court." He even apologized for any actions or words that have harmed anyone. He said this despite the fact that a jury of his peers had found conclusive evidence that he was deemed to be innocent of selling those weapons because that jury of his peers determined that he had been entrapped by the Bureau of Alcohol, Tobacco and Firearms.

I believe that anyone could understand why he would not want to come down from the mountain to face law enforcement officers when the first time he was arrested, he was bushwacked by several BATF agents posing as stranded motorists, and his wife, who was not even charged with anything, was thrown face first into the snow and hand-cuffed.

Moreover, the judge incorrectly threatened—the Federal judge, the Federal magistrate, incorrectly threatened Mr. Weaver that, if he lost his case, he would have to pay the court's cost, and that would mean losing everything that he owned.

What was even more astounding about Mr. Weaver's testimony, was that this man, who was deemed by the Government to have a "propensity for violence," and considered "dangerous to society," in his final words before the committee expressed his respect and affection to those Senators for allowing him to tell them his story. He even left with them his hope and trust that justice would occur for the wrongful deaths of his wife and son.

I ask you, Mr. Speaker, does this sound like a man who is an enemy to society? Mr. Weaver faced the court of public opinion. Some of the informants used by the BATF were shielded, and their voices were disguised. Mr. Weaver's 19-year-old daughter and Mr. Weaver himself faced the hard truth of having to recount what happened to them. They were not shielded; they were not protected. They stood before the Senate and the American people and told their story.

The truth of the matter is that whatever acts Randy Weaver has committed against society, he has paid for them. I say "acts," because in this country, we are judged by how we act, not how we think. Mr. Weaver has more than paid his debt to society—our attention must now be turned to the actions of Government officials.

I do want to say that many of us would have stood beside the rights that Mr. Weaver and all Americans have. I disagree politically. We even disagree in our religious foundations. Two people could not have disagreed more than Gerry Spence and this Congressman, and yet in spite of our political and religious differences, we both stand up, as did many people in this Nation, for the protection of everybody's rights of life, liberty, and the pursuit of happiness.

What I have seen so far of the response of Federal officials to their actions before, during, and since the Ruby Ridge incident has been in stark contrast to the humble admission by Randy Weaver. In fact, it has been disturbing.

The first duty of any public institution is to maintain the public trust. In a situation in which the public trust was betrayed, the leaders of these institutions responded by attempting to protect themselves and their colleagues rather than acting to protect the public trust.

Instead of conducting a thorough investigation of the abuses that were committed by agents, and immediately disciplining them for their subpar performance, the Justice Department went about finding ways to whitewash the situation.

The FBI is now on their third investigation.

Officials seemed more determined than ever to portray Mr. Weaver as a religious zealot who belonged in the company of real criminals that had committed repulsive crimes, and when a jury found no basis whatsoever for all of the charges against Randy Weaver with the exception of failure to appear in court, the Justice Department decided to spin the story another way, by initiating another still un-released report admitting to a few sloppy "oversights," and even some violations of the Constitution, but resulted in the mere censuring of a few agents.

What was even more a "slap in the face" of justice was the promotion of Larry Potts to the second highest position in the FBI; this man who was in part responsible for issuing the unconstitutional "shoot on sight" rules of engagement. Those rules of engagement translated as death warrants for Vicki Weaver.

Only now, after 3 long years, and public outcry, is the Justice Department beginning to investigate possible criminal actions of Federal agents.

The Justice Department has even settled monetarily with the Weavers—emphasizing that by doing so, the Department was not admitting any injustice. As far as I know, the Government has not even publicly apologized to the Weaver family.

Last Thursday and Friday, as the Committee began to hear the BATF's version of the story, I was outraged again to see BATF officials in a complete show of arrogance.

They refuse to acknowledge any error or wrongdoing by any of their agents who carried out the original investigation and fabrication of charges against Randy Weaver.

□ 2200

The Director of the BATF, John Magaw in his testimony stated that he was "convinced that the BATF's agents conduct was lawful and proper in every respect." He said this despite the fact that the Committee had before them numerous pieces of evidence that prove that the Weaver investigation was poorly conducted and unfairly maligned Mr. Weaver.

The purpose of the BATF's investigation of Mr. Weaver was not to stop a suspected law-breaker at all. The purpose of the investigation was to try to trick Mr. Weaver into breaking the law so that the agency could then force Mr. Weaver to become a spy for the agency.

This scenario is like some sort of paranoid movie script. Unfortunately, it really happened.

All of the information about supposed criminal intentions by Randy Weaver originated solely from an undercover informant whose real name we still do not know. This man pretended to be Mr. Weaver's friend for 3 years as he worked to set this elaborate trap on a law-abiding man.

This mysterious informant had testified at the trial that he assumed his pay would be based on whether or not there would be a conviction. In other words, he would be paid on how well he would be able to coerce someone into committing a crime. That is called "entrapment," and is against the law.

After the BATF succeeded in getting Mr. Weaver to illegally saw off two shotguns, the agency needed to convince the U.S. Attorney to press charges.

In letters to the Federal prosecutor, BATF agent Byerly communicated several untruth's, pure hearsay, and clear embellishments of real events about Mr. Weaver.

Without substantiating evidence, Agent Byerly portrayed a dangerous criminal, a kind of Nazi "Rambo" monster that made U.S. Marshals and the FBI believe that it was necessary to unleash a massive show of force on Ruby Ridge.

My question is, How can the Director of BATF "review" these details of the investigation, and determine that the actions of his agents were "lawful" and "proper in every respect?"

I am reminded of the war crimes cases that followed World War II, and which helped establish certain important legal principals.

One case involved Japanese Gen. Tomayuki Yamashita. He was tried and sentenced to death for failing to properly discharge his duty by permitting the members of his command to commit atrocities against Americans and Filipinos during the final year of the war.

Fifty years ago, Yamashita's direct command and control over the individual actions of his soldiers was far less than what leaders have now—in this age of satellite communications, fax machines and jet airplanes.

Writing of the incident in the Harvard Law Review, Leonard Boudin observed that "The serious question confronting all citizens, however, is whether the ultimate responsibility lies * * * with the highest civilian authorities. * * * While presumably horrified at the details of such individual atrocities * * * they certainly are aware of creating a general environment in which those atrocities become inevitable."

I am concerned that the leadership of these agencies may be responsible for creating a general environment in which an incident such as this became inevitable.

What I found equally troubling was Director Magaw rejecting the verdict of a Jury of Citizens who had found Mr. Weaver innocent of weapons charges because he was entrapped.

Mr. Magaw instead chose to disregard most of the arguments presented in a court of law, and create a new version of the details to suggest that the Jury was incorrect in its verdict.

It was Thomas Jefferson who said "I consider trial by jury as the only anchor ever yet imagined by man by which a government can be held to the principles of its Constitution."

With that statement in mind, what happens when the Government ignores the decision of jury?

This is the type of arrogant and unchecked behavior by Government agencies that concerns Americans, and contributes greatly to the sense of fear and distrust that many Americans have of their Government.

Moreover, it portrays a bad image for those who work in our Government whose service is exemplary and upstanding. I strongly believe words by Attorney Gerry Spence in his book about Ruby Ridge, "From Freedom to Slavery," in which he attests that "the ultimate enemy of any people is not the angry hate groups that fester within, but a government itself that has lost its respect for the individual."

Mr. Weaver has quoted his father, who said that the Government and society is like a garden—sometimes a garden grows some weeds, and those weeds need to be plucked, or they will choke the garden. With that in mind, I stand on the floor of this House of Representatives and strongly urge our government to put their courage in the sticking place and pluck some of those weeds.

I call for the firing of Agent Herb Byerly. His deceitful tactics created the ideal atmosphere for a deadly and unnecessary conflict. I call for the complete firing of Larry Potts, and any others who contributed to the development of death warrants for the Weaver family.

I think FBI Director Freeh should, himself seriously consider stepping down as director. His decision to promote Larry Potts to the 2nd highest position in the FBI calls his judgment into question.

What is even more deplorable was his willingness to protect and defend Mr. Potts and his indefensible actions, simply because Mr. Potts was his close friend.

I call for the firing and prosecution of HRT sniper Lon Horiuchi—for firing a weapon into a man's home knowing that children were in that home. Some may say that he was simply following orders.

Have we not learned from the past war crimes trials that unlawful orders from superiors do not act as a shield for unlawful actions by those following those orders?

I call for a thorough investigation into the actions of all the Government agents involved in Ruby Ridge—from top to bottom—to see what prosecutions need to occur. Many of these agents are still entrusted with the enforcement of our laws today.

Some will call these stern recommendations "overreacting," but I believe they are not. What happened at Ruby Ridge is far reaching in scope. It exposes some very ugly attitudes that are currently inherent in law enforcement. These elements must be quickly and forcefully expelled to prevent them from growing more abusive, and to also return the faith of a somewhat agitated people to its Government. In my opinion, the best way to prevent future Government abuses is to make those who have committed such abuses accountable for their actions.

In closing, I would invoke the words of Justice Brandeis in their entirety * * *

> The greatest dangers to liberty lurk in insidious encroachment by men of zeal, well-meaning but without understanding. Decency, security and liberty alike demand that Government officials shall be subject to the same rules of conduct that are commands to the citizen.
>
> In a government of laws, existence of the government will be imperiled if it fails to observe the law scrupulously. Our Government is the potent, the omnipresent teacher. For good or for ill, it teaches the whole people by its example. Crime is contagious. If the government becomes a law-breaker, it breeds contempt for law; it invites every man to become a law unto himself; it invites anarchy. To declare that in the administration of the criminal law the end justifies the means—to declare that the government may commit crimes in order to secure the conviction of a private criminal—would bring terrible retribution.

The Ruby Ridge tragedy is worth our attention. Our form of Government is the greatest on earth. I believe that, if we as a Congress act decisively in this matter, this will be a golden opportunity for the people of this country to witness once again that the system our founding father established works—and that no one, including a government official, can live and act above the law and expect to get away with it.

Mr. Speaker, I include for the RECORD the items referred to earlier.

Department of Agriculture, Forest Service, Department of the Interior, Bureau of Land Management, Department of Commerce, National Marine Fisheries Service, Department of the Interior, Fish and Wildlife Service, Environmental Protection Agency.

Date: August 18, 1995.

Subject: Salvage Sale Provisions of P.L. 104-19

To: Regional Foresters, USDA Forest Service,

State Directors, USDI Bureau of Land Management,

Regional Directors, USDI Fish and Wildlife Service,

Regional Directors, USDC National Marine Fisheries Service,

Regional Administrators, Environmental Protection Agency.

On July 27, 1995 the President signed the Rescission Act (Public Law 104-19, Enclosure 1) which contains provisions for an emergency salvage timber sale program as well as for "Option 9" and "318" sales. The salvage provisions of the Act, which are the subject of this letter, are intended to expedite salvage timber sales in order to achieve, to the maximum extent feasible, a salvage sale volume above the programmed level to reduce the backlogged volume of salvage timber. The authorities provided by P.L. 104-19 are in effect until December 31, 1996.

President Clinton has directed the Secretaries of Agriculture, the Interior, and Commerce, the Administrator of the Environmental Protection Agency, and the heads of other appropriate agencies to move forward to implement the timber salvage provisions of P.L. 104-19 in an expeditious and environmentally-sound manner, in accordance with the President's Pacific Northwest Forest Plan, other existing forest and land management policies and plans, and existing environmental laws, except those procedural actions expressly prohibited by Public Law 104-19 (Enclosure 2). Consistent with the President's direction, an interagency Memorandum of Agreement (MOA) on timber salvage has been developed (Enclosure 3). The undersigned Agency heads attest that they understand the direction in the MOA and will fully comply with that direction.

The purpose of the MOA is to reaffirm the commitment of the signatory parties to continue their compliance with the requirements of existing environmental law while carrying out the objectives of the timber salvage related activities authorized by P.L. 104-19. In fulfilling this commitment, the parties intend to build upon on-going efforts to streamline procedures for environmental analysis and interagency consultation and cooperation. Interagency collaboration is vital to achieving this purpose. Working together, we have an opportunity to show our professionalism and meet the challenge before us. We expect you to work cooperatively to give this high priority program your very best effort.

Enclosure 4 provides clarification and direction for those portions of the MOA that are not self-explanatory or that require follow-up actions. Additionally, Forest Service/Bureau of land Management monitoring guidance, which includes involvement of other agencies, is provided for your use (Enclosure 5).

Separate guidance will be provided for other items not covered by the MOA and items needing additional detailed explanation. Separate direction also will be sent regarding the Option 9 and "318" sales provisions of P.L. 104-19.

(Signed) Jack Ward Thomas
for Jack Ward Thomas,
Chief, Forest Service, Department of Agriculture.

(Signed) John G. Rogers
for Mollie Beattie,
Director, Fish and Wildlife Service, Department of the Interior.

(Signed) Richard E. Sanderson
for Steven A. Herman,
Assistant Administrator for Enforcement and Compliance Assurance, Environmental Protection Agency.

(Signed) Nancy K. Hayes
for Mike Dombeck,
Director, Bureau of Land Management, Department of the Interior.

(Signed) Gary Matlock
for Rolland Schmitten,
Director, National Marine Fisheries Service, Department of Commerce.

Enclosure 1

Emergency Salvage Timber Sale Program

(Text of Section 2001 of Public Law 104-19)

SEC. 2001.

(a) Definitions.—For purposes of this section:

(1) The term "appropriate committees of Congress" means the Committee on Resources, the Committee on Agriculture, and the Committee on Appropriations of the House of Representatives and the Committee on Energy and Natural Resources, the Committee on Agriculture, Nutrition, and Forestry, and the Committee on Appropriations of the Senate.

(2) The term "emergency period" means the period beginning on the date of the enactment of this section and ending on September 30, 1997.

(3) The term "salvage timber sale" means a timber sale for which an important reason for entry includes the removal of disease—or insect-infested trees, dead, damaged, or down trees, or trees affected by fire or imminently susceptible to fire or insect attack. Such term also includes the removal of associated trees or trees lacking the characteristics of a healthy and viable ecosystem for the purpose of ecosystem improvement or rehabilitation, except that any such sale must include an identifiable salvage component of trees described in the first sentence.

(4) The term "Secretary concerned" means—

(A) the Secretary of Agriculture, with respect to lands within the National Forest System; and

(B) the Secretary of the Interior, with respect to Federal lands under the jurisdiction of the Bureau of Land Management.

(b) Completion of Salvage Timber Sales.—

(1) Salvage timber sales.—Using the expedited procedures provided in subsection (c), the Secretary concerned shall prepare, advertise, offer, and award contracts during the emergency period for salvage timber sales from Federal lands described in subsection (1)(4). During the emergency period, the Secretary concerned is to achieve, to the maximum extent feasible, a salvage timber sale volume level above the programmed level to reduce the backlogged volume of salvage timber. The preparation, advertisement, offering, and awarding of such contracts shall be performed utilizing subsection (c) and notwithstanding any other provision of law, including a law under the authority of which any judicial order may be outstanding on or after the date of the enactment of this Act.

(2) Use of salvage sale funds.—To conduct salvage timber sales under this subsection, the Secretary concerned may use salvage sale funds otherwise available to the Secretary concerned.

(3) Sales in preparation.—Any salvage timber sale in preparation on the date of the enactment of this Act shall be subject to the provisions of this section.

(c) Expedited Procedures for Emergency Salvage Timber Sales.—

(1) Sale documentation.—

(A) Preparation.—For each salvage timber sale conducted under subsection (b), the Secretary concerned shall prepare a document that combines an environmental assessment under section 102(2) of the National Environmental Policy Act of 1969 (42 U.S.C. 4332(2)) (including regulations implementing such section) and a biological evaluation under section 7(a)(2) of the Endangered Species Act of 1973 (16 U.S.C. 1536(a)(2)) and other applicable Federal law and implementing regulations. A document embodying decisions relating to salvage timber sales proposed under authority of this section shall, at the sole discretion of the Secretary concerned and to the extent the Secretary concerned considers appropriate and feasible, consider the environmental effects of the salvage timber sale and the effect, if any, on threatened or endangered species, and to the extent the Secretary concerned, at his sole discretion, considers appropriate and feasible, be consistent with any standards and guidelines from the management plans applicable to the National Forest or Bureau of Land Management District on which the salvage timber sale occurs.

(B) Use of existing materials.—In lieu of preparing a new document under this paragraph, the Secretary concerned may use a document prepared pursuant to the National Environmental Policy Act of 1969 (42 U.S.C. 4321 et seq.) before the date of the enactment of this Act, a biological evaluation written before such date, or information collected for such a document or evaluation if the document, evaluation, or information applies to the Federal lands covered by the proposed sale.

(C) Scope and content.—The scope and content of the documentation and information prepared, considered, and relied on under this paragraph is at the sole discretion of the Secretary concerned.

(2) Reporting requirements.—Not later than August 30, 1995, the Secretary concerned shall submit a report to the appropriate committees of Congress on the implementation of this section. The report shall be updated and resubmitted to the appropriate committees of Congress every six months thereafter until the completion of all salvage timber sales conducted under subsection (b). Each report shall contain the following:

(A) The volume of salvage timber sales sold and harvested, as of the date of the report, for each National Forest and each district of the Bureau of Land Management.

(B) The available salvage volume contained in each National Forest and each district of the Bureau of Land Management.

(C) A plan and schedule for an enhanced salvage timber sale program for fiscal years 1995, 1996, and 1997 using the authority provided by this section for salvage timber sales.

(D) A description of any needed resources and personnel, including personnel reassignments, required to conduct an enhanced salvage timber sale program through fiscal year 1997.

(E) A statement of the intentions of the Secretary concerned with respect to the salvage timber sale volume levels specified in the joint explanatory statement of managers accompanying the conference report on H.R. 1158, House Report 104-124.

(3) Advancement of sales authorized.—The Secretary concerned may begin salvage timber sales under subsection (b) intended for a subsequent fiscal year before the start of such fiscal year if the Secretary concerned determines that performance of such salvage timber sales will not interfere with salvage timber sales intended for a preceding fiscal year.

(4) Decisions.—The Secretary concerned shall design and select the specific salvage timber sales to be offered under subsection (b) on the basis of the analysis contained in the document or documents prepared pursuant to paragraph (1) to achieve, to the maximum extent feasible, a salvage timber sale volume level above the program level.

(5) Sale preparation.—

(A) Use of available authorities.—The Secretary concerned shall make use of all available authority, including the employment of private contractors and the use of expedited fire contracting procedures, to prepare and advertise salvage timber sales under subsection (b).

(B) Exemptions.—The preparation, solicitation, and award of salvage timber sales under subsection (b) shall be exempt from—

(i) the requirements of the Competition in Contracting Act (41 U.S.C. 253 et seq.) and the implementing regulations in the Federal Acquisition Regulation issued pursuant to section 25(c) of the Office of Federal Procurement Policy Act (41 U.S.C. 421(c)) and any departmental acquisition regulations; and

(ii) the notice and publication requirements in section 18 of such Act (41 U.S.C. 416) and 8(e) of the Small Business Act (15 U.S.C. 637(e)) and the implementing regulations in the Federal Acquisition Regulations and any departmental acquisition regulations.

(C) Incentive payment recipients; report.—The provisions of section 3(d)(1) of the Federal Workforce Restructuring Act of 1994 (Public Law 103-226; 5 U.S.C. 5597 note) shall not apply to any former employee of the Secretary concerned who received a voluntary separation incentive payment authorized by such Act and accepts employment pursuant to this paragraph. The Director of the Office of Personnel Management and the Secretary concerned shall provide a summary report to the appropriate committee of Congress, the Committee on Government Reform and Oversight of the House of Representatives, and the Committee on Governmental Affairs of the Senate regarding the number of incentive payment recipients who were rehired, their terms of reemployment, their job classifications, and an explanation, in the judgment of the agencies involved of how such reemployment without repayment of the incentive payments received is consistent with the original waiver provisions of such Act. This report shall not be conducted in a manner that would delay the rehiring of any former employees under this paragraph, or affect the normal confidentiality of Federal employees.

(6) Cost considerations.—Salvage timber sales undertaken pursuant to this section shall not be precluded because the costs of such activities are likely to exceed the revenues derived from such activities.

(7) Effect of salvage sales.—The Secretary concerned shall not substitute salvage timber sales conducted under subsection (b) for planned non-salvage timber sales.

(8) Reforestation of salvage timber sale parcels.—The Secretary concerned shall plan and implement reforestation of each parcel of land harvested under a salvage timber sale conducted under subsection (b) as expeditiously as possible after completion of the harvest on the parcel, but in no case later than any applicable restocking period required by law or regulation.

(9) Effect on judicial decisions.—The Secretary concerned may conduct salvage timber sales under subsection (b) notwithstanding any decision, restraining order, or injunction issued by a United States court before the date of the enactment of this section.

(d) Direction to Complete Timber Sales on Lands Covered by Option 9.—Notwithstanding any other law (including a law under the authority of which any judicial order may be outstanding on or after the date of enactment of this Act), the Secretary concerned shall expeditiously prepare, offer, and award timber sale contracts on Federal lands described in the "Record of Decision for Amendments to Forest Service and Bureau of Land Management Planning Documents Within the Range of the Northern Spotted Owl", signed by the Secretary of the Interior and the Secretary of Agriculture on April 13, 1994. The Secretary concerned may conduct timber sales under this subsection notwithstanding any decision, restraining order, or injunction issued by a United States court before the date of the enactment of this section. The issuance of any regulation pursuant to section 4(d) of the Endangered Species Act of 1973 (16 U.S.C. 1533(d)) to ease or reduce restrictions on non-Federal lands within the range of the northern spotted owl shall be deemed to satisfy the requirements of section 102(2)(C) of the National Environmental Policy Act of 1969 (42 U.S.C. 4332(2)(C)), given the analysis included in the Final Supplemental Impact Statement on the Management of the Habitat for Late Successional and Old Growth Forest Related Species Within the Range of the Northern Spotted Owl, prepared by the Secretary of Agriculture and the Secretary of the Interior in 1994, which is, or may be, incorporated by reference in the administrative record of any such regulation. The issuance of any such regulation pursuant to section 4(d) of the Endangered Species Act of 1973 (16 U.S.C. 1533(d)) shall not require the preparation of an environmental impact statement under section 102(2)(C) of the National Environmental Policy Act of 1969 (42 U.S.C. 4332(2)(C)).

(e) Administrative Review.—Salvage timber sales conducted under subsection (b), timber sales conducted under subsection (d), and any decision of the Secretary concerned in connection with such sales, shall not be subject to administrative review.

(f) Judicial Review.—

(1) Place and time of filing.—A salvage timber sale to be conducted under subsection (b), and a timber sale to be conducted under subsection (d), shall be subject to judicial review only in the United States district court for the district in which the affected Federal lands are located. Any challenge to such sale must be filed in such district court within 15 days after the date of initial advertisement of the challenged sale. The Secretary concerned may not agree to, and a court may not grant, a waiver of the requirements of this paragraph.

(2) Effect of filing on agency action.—For 45 days after the date of the filing of a challenge to a salvage timber sale to be conducted under subsection (b) or a timber sale to be conducted under subsection (d), the Secretary concerned shall take no action to award the challenged sale.

(3) Prohibition on restraining orders, preliminary injunctions, and relief pending review.—No restraining order, preliminary injunction, or injunction pending appeal shall be issued by any court of the United States with respect to any decision to prepare, advertise, offer, award, or operate a salvage timber sale pursuant to subsection (b) or any decision to prepare, advertise, offer, award, or operate a timber sale pursuant to subsection (d). Section 705 of title 5, United States Code, shall not apply to any challenge to such a sale.

(4) Standard of review.—The courts shall have authority to enjoin permanently, order modification of, or void an individual salvage timber sale if it is determined by a review of the record that the decision to prepare, advertise, offer, award, or operate such sale was arbitrary and capricious or otherwise not in accordance with applicable law (other than those laws specified in subsection (i)).

(5) Time for decision.—Civil actions filed under this subsection shall be assigned for hearing at the earliest possible date. The court shall render its final decision relative to any challenge within 45 days from the date such challenge is brought, unless the court determines that a longer period of time is required to satisfy the requirement of the Untied States Constitution. In order to reach a decision within 45 days, the district court may assign all or part of any such case or cases to one or more Special Masters, for prompt review and recommendations to the court.

(6) Procedures.—Notwithstanding any other provision of law, the court may set rules governing the procedures of any proceeding brought under this subsection which set page limits on briefs and time limits on filing briefs and motions and other actions which are shorter than the limits specified in the Federal rules of civil or appellate procedure.

(7) Appeal.—Any appeal from the final decision of a district court in an action brought pursuant to this subsection shall be filed not later than 30 days after the date of decision.

(g) Exclusion of Certain Federal Lands.—

(1) Exclusion.—The Secretary concerned may not select, authorize, or undertake any salvage timber sale under subsection (b) with respect to lands described in paragraph (2).

(2) Description of excluded lands.—The lands referred to in paragraph (1) are as follows:

(A) Any area on Federal lands included in the National Wilderness Preservation System.

(B) Any roadless area on Federal lands designated by Congress for wilderness study in Colorado or Montana.

(C) Any roadless area on Federal lands recommended by the Forest Service or Bureau of Land Management for wilderness designation in its most recent land management plan in effect as of the date of the enactment of this Act.

(D) Any area on Federal lands on which timber harvesting for any purpose is prohibited by statute.

(h) RULEMAKING.—The Secretary concerned is not required to issue formal rules under section 553 of title 5, United States Code, to implement this section or carry out the authorities provided by this section.

(i) EFFECT ON OTHER LAWS.—The documents and procedures required by this section for the preparation, advertisement, offering, awarding, and operation of any salvage timber sale subject to subsection (b) and any timber sale under subsection (d) shall be deemed to satisfy the requirements of the following applicable Federal laws (and regulations implementing such laws):

(1) The Forest and Rangeland Renewable Resources Planning Act of 1974 (16 U.S.C. 1600 et seq.).

(2) The Federal Land Policy and Management Act of 1976 (43 U.S.C. 1701 et seq.).

(3) The National Environmental Policy Act of 1969 (42 U.S.C. 4321 et seq.).

(4) The Endangered Species Act of 1973 (16 U.S.C. 1531 et seq.).

(5) The National Forest Management Act of 1976 (16 U.S.C. 472a et seq.).

(6) The Multiple-Use Sustained-Yield Act of 1960 (16 U.S.C. 528 et seq.).

(7) Any compact, executive agreement, convention, treaty, and international agreement, and implementing legislation related thereto.

(8) All other applicable Federal environmental and natural resource laws.

(j) EXPIRATION DATE.—The authority provided by subsections (b) and (d) shall expire on December 31, 1996. The terms and conditions of this section shall continue in effect with respect to salvage timber sale contracts offered under subsection (b) and timber sale contracts offered under subsection (d) until the completion of performance of the contracts.

(k) AWARD AND RELEASE OF PREVIOUSLY OFFERED AND UNAWARDED TIMBER SALE CONTRACTS.—

(1) AWARD AND RELEASE REQUIRED.—Notwithstanding any other provision of law, within 45 days after the date of the enactment of this Act, the Secretary concerned shall act to award, release, and permit to be completed in fiscal years 1995 and 1996, with no change in originally advertised terms, volumes, and bid prices, all timber sale contracts offered or awarded before that date in any unit of the National Forest System or district of the Bureau of Land Management subject to section 318 of Public Law 101–121 (103 Stat. 745). The return of the bid bond of the high bidder shall not alter the responsibility of the Secretary concerned to comply with this paragraph.

(2) THREATENED OR ENDANGERED BIRD SPECIES.—No sale unit shall be released or completed under this subsection if any threatened or endangered bird species is known to be nesting within the acreage that is the subject of the sale unit.

(3) ALTERNATIVE OFFER IN CASE OF DELAY.—If for any reason a sale cannot be released and completed under the terms of this subsection within 45 days after the date of the enactment of this Act, the Secretary concerned shall provide the purchaser an equal volume of timber, of like kind and value, which shall be subject to the terms of the original contract and shall not count against current allowable sale quantities.

(l) EFFECT ON PLANS, POLICIES, AND ACTIVITIES.—Compliance with this section shall not require or permit any administrative action, including revisions, amendment, consultation, supplementation, or other action, in or for any land management plan, standard, guideline, policy, regional guide, or multiforest plan because of implementation or impacts, site-specific or cumulative, or activities authorized or required by this section, except that any such administrative action with respect to salvage timber sales is permitted to the extent necessary, at the sole discretion of the Secretary concerned, to meet the salvage timber sale goal specified in subsection (b)(1) of this section or to reflect the effects of the salvage program. The Secretary concerned shall not rely on salvage timber sales as the basis for administrative action limiting other multiple use activities nor be required to offer a particular salvage timber sale. No project decision shall be required to be halted or delayed by such documents or guidance, implementation, or impacts.

Now, therefore, the parties agree to:

1. Comply with previously existing environmental laws except where expressly prohibited by Public Law 104–19, notably in the areas of administrative appeals and judicial review. In particular, the parties agree to implement salvage sales under Public Law 104–19 with the same substantive environmental protection as provided by otherwise applicable environmental laws and in accordance with the provisions of this MOA.

2. Achieve to the maximum extent feasible a salvage timber sale volume level above the programmed level in accordance with Public Law 104–19 within a framework of maintaining forest health and ecosystem management. Adhere to the standards and guidelines in applicable Forest Plans and Land Use Plans and their amendments and related conservation strategies including, but not limited to, the Western Forest Health Initiative and those standards and guidelines adopted as part of the President's Forest Plan for the Pacific Northeast, PACFISH, INFISH, Red Cockaded Woodpecker Long-Term Strategy, as well as the goals, objectives, and guidelines contained in the NMFS biological opinion on Snake River Basin Land Resource Management Plans (LRMPs), through the interagency team approach agreed to in the May 31, 1995 agreement on streamlining consultation procedures. The agencies will direct their level one and two teams to apply to goals, objectives, and guidelines contained in the NMFS biological opinion on the Snake River Basin LRMPs as the teams deem appropriate to protect the anadromous fish habitat resource.

3. Involve the public early in the process so that there is opportunity to provide input into the development of salvage sales, particularly in recognition of the importance of public involvement given the prohibition to administrative appeals contained in Public Law 104–19. Maintain and promote collaboration with other Federal, Tribal, State and local partners.

4. Reiterate their commitments to work together from the beginning of the process, particularly in salvage sale design, building on existing joint memoranda that streamline consultation procedures under Section 7 of ESA including the following two agreements, other applicable agreements, and improvements thereon:

The May 31, 1995, agreement on streamlining consultation procedures under section 7 of the ESA, between Forest Service Regional Foresters of Regions 1, 4, 5, and 6; Bureau of Land Management State Directors for Oregon/Washington, Idaho, and California; Fish and Wildlife Service Regional Director; and National Marine Fisheries Service Regional Directors.

The March 8, 1995, agreement on consultation time lines and process streamlining for Forest Health Projects, between the Chief of the Forest Service, Director of the Bureau of Land Management, Director of the National Marine Fisheries Service, and Director of the Fish and Wildlife Service.

The March 8, 1995, agreement as it applies to consultation time lines and processes streamlining will be revised to apply nationwide.

5. Ensure that personnel from their respective agencies work cooperatively and professionally to implement faithfully the objectives of Public Law 104–19 and Executive Branch direction in a timely manner. In the event that disagreements cannot be resolved at the regional level (Level 3) of the process, a panel consisting of appropriate representatives of the Forest Service, Bureau of Land Management, National Marine Fisheries Service, Fish and Wildlife Service, and EPA, will review the evidence and make a binding decision within 14 days of notice of the disagreement.

6. Agree to conduct project analyses and interagency coordination consistent with NEPA and ESA (as set forth in paragraph 4 of this MOA) in a combined joint environmental assessment (EA) and biological evaluation (BE) called for in Public Law 104–19, except where it is more timely to use existing documents. There will be a scoping period, as described in agency guidelines, during the preparation of all salvage projects. Sales that would currently fall within a categorical exclusion promulgated by the Forest Service or Bureau of Land Management in their NEPA procedures will require no documentation absent extraordinary circumstances. For sales that the Secretary determines, in his discretion, ordinarily should require an EA under the land management agencies' NEPA procedures, agencies will prepare the combined EA/BE, including a determination of affect under ESA and circulate the analysis for 20 days of public review and comment. For sales that the Secretary determines, in his discretion, ordinarily should require an EIS under the land management agencies' NEPA procedures, the combined EA/BE will include analysis consistent with section 102(2)(c) of NEPA and will be circulated for 30 days of public review and comment. The decision maker will respond to substantive comments on the EA/BE, but will not be required to recirculate a final EA/BE.

7. Develop and use a process which will facilitate interagency review of proposed salvage sale programs on a regional scale, thus allowing other agencies to identify broad-scale issues and help set priorities for allocation of their resources.

8. Include mitigation needs identified in the environmental assessment in timber sales design to the extent possible within existing authority. As appropriate, funds will be used for mitigation work not included in the timber area.

9. Measure performance of all parties' and individuals' efforts involved in the development and implementation of timber prepared pursuant to this MOA based upon the combined achievement of the goals set forth in this MOA.

10. Monitor and evaluate timber sale objectives and mitigation requirements as an integral part of salvage sales and the salvage

program as prescribed in Forest Plans, Land Use Plans and agency direction. Public and stakeholder involvement in monitoring and evaluation will be encouraged. There will be a national salvage program review involving regions and States with significant activity under this Act.

11. Recognize and use the definition of salvage timber sale as contained in Public Law 104–19, which is a timber sale "for which an important reason for entry includes the removal of disease or insect-infested trees, dead, damaged, or down trees, or trees affected by fire or imminently susceptible to fire or insect attack." This definition allows for treating associated trees or trees lacking the characteristics of a healthy and viable ecosystems for the purpose of ecosystem improvement or rehabilitation as long as a viable salvage component exists. While this definition provides necessary flexibility to meet salvage objectives, care must be taken to avoid abuse by including trees or areas not consistent with current environmental laws and existing standards and guidelines as set forth in this MOA.

This Memorandum of Agreement is intended only to improve the internal management of the Federal Government and does not create any right or benefit, substantive or procedural, enforceable at law or equity by a party against the United States, its agencies or instrumentalities, its officers or employees, or any other person.

The undersigned Agency heads attest that they understand the direction in this Memorandum of Agreement and will fully comply with that direction.

James R. Lyons, Under Secretary, Natural Resources and Environment, Department of Agriculture.

Robert P. Davison for George T. Frampton, Jr., Assistant Secretary, Fish and Wildlife and Parks, Department of the Interior.

Katherine W. Kimball for Douglas K. Hall, Assistant Secretary for Oceans and Atmosphere, Department of Commerce.

Robert L. Armstrong, Assistant Secretary for Land and Minerals Management, Department of the Interior.

Steven A. Herman, Assistant Administrator for Enforcement and Compliance Assurance, Environmental Protection Agency.

Jack Ward Thomas, Chief, Forest Service, Department of Agriculture.

John G. Rogers for Mollie Beattie, Director, Fish and Wildlife Service, Department of the Interior.

Rolland Schmitten, Director, National Marine Fisheries Service, Department of Commerce.

Mike Dombeck, Director, Bureau of Land Management, Department of the Interior.

GUIDANCE CONCERNING ITEMS IN THE MEMORANDUM OF AGREEMENT ON TIMBER SALVAGE RELATED ACTIVITIES UNDER PUBLIC LAW 104–19

Item 1. Comply with previously existing environmental laws, except where expressly prohibited by P.L. 104–19. The Act expressly prohibits administrative appeals (Section 2001(e), and it limits judicial review (Section 2001(f)).

Item 2. P.L. 104–19 does not include specific volume targets for salvage timber sales. However, it does contain the following direction:

"During the emergency period, the Secretary concerned is to achieve, to the maximum extent feasible, a salvage timber sale volume level above the programmed level to reduce the backlogged volume of salvage timber." (Section 2001(b))

Section 2001(c)(2) of P.L. 104–19 is a reporting requirement. No later than August 30, 1995, the Secretary concerned is required to report to the appropriate committees of Congress on implementation of the salvage provisions of the Act, and to update and resubmit the report every six months thereafter until completion of all salvage timber sales covered by the Act. As required by Section 2001(c)(2), these reports will include a plan and schedule for an enhanced salvage timber sale program by National Forest and BLM District for fiscal years 1995, 1996, and 1997 using the authority provided by the Act.

The teams referred to in Item 2 of the MOA are the interagency teams established to implement the streamlined Section 7 consultation process in northwestern states under the Endangered Species Act, pursuant to the interagency agreements referenced in Item 4 of the MOA. The explanation of Item 4, below, describes the team process and its expansion nationwide.

The reference in Item 2 to the National Marine Fisheries Service (NMFS) biological opinion of March 1, 1995, on the Snake River Basin Land and Resource Management Plans is made specifically to clarify that the interagency consultation teams in the Snake River Basin will deal with implementation of the goals, objectives and guidelines contained in that biological opinion as related to the anadromous fish habitat resource.

Item 3. Due to the abbreviated time frames it is important to have public involvement early in the process and continuing through the review of the document developed. You should also promote collaboration with other federal, Tribal, State and local partners as appropriate. An interagency communication plan is being finalized and will be sent separately.

Item 4. Consistent with the President's direction and Items 1 and 2 of the MOA, agencies will work together to design salvage sales so as to avoid or minimize adverse effects to threatened or endangered species, and no salvage sale will be offered if it would be likely to jeopardize the continued existence of a listed or proposed species, or if it would be likely to result in the destruction or adverse modification of designated or proposed critical habitat. The March 8, 1995 interagency agreement signed by the heads of the FS, BLM, FWS and NMFS provides direction for streamlining interagency consultations under the Endangered Species Act for forest health and salvage timber projects on National Forest System and BLM lands in several western states. Key elements of this streamlined process are:

Use an interagency team approach to facilitate early input to the NEPA process concerning species proposed or listed as threatened or endangered, as well as proposed or designated critical habitat, under the Endangered Species Act.

Informal or formal consultation/conferencing, if needed, will occur concurrently with project development so that consultation is completed within the NEPA timeframes.

The MOA states that the consultation/conferencing timelines and processes described in the March 8 agreement will be expanded to apply nationwide. Regional and State Office agency leaders who are not covered by the agreements mentioned below should meet on a regional basis as soon as possible to implement this direction. A copy of the March 8 agreement, plus an interagency letter explaining the streamlined process in more detail, will be sent under separate cover to each Regional/State office not already covered by that agreement.

The MOA provides that the agencies will build upon existing joint memoranda, applicable agreements, and improvements thereon that streamline the consultation/conferencing process. This means:

The interagency agreement of April 6, 1995, between the FS and FWS for implementing the streamlined consultation process on National Forest System lands in Montana will continue to apply.

The interagency agreement of May 31, 1995, among the FS, BLM, FWS and NMFS for consultation/conferencing on actions involving National Forest System and BLM administrative units in Washington, Oregon, California, and portions of Idaho and Montana, as identified in that agreement, will continue to apply.

The April 6 and May 31 agreements can be used as examples, but need not be duplicated by other Regions/States if a different approach will accomplish the timelines and streamlined process called for in the March 8 agreement. You are expected to establish and use an interagency team process to facilitate information flow, emphasize early input into project design to avoid or minimize adverse effects to listed or proposed species and designated or proposed critical habitat, and ensure timely resolution of any disagreements that may arise. See the descriptions for Items 5 and 6, below, for additional clarification.

Item 5. It is imperative that the agencies work cooperatively to implement the objectives of P.L. 104–19 and the MOA in a timely manner. This includes promptly resolving any disagreements that may arise.

Interagency coordination, especially early in project planning, will be crucial to avoiding or minimizing disagreements. It is expected that most disagreements will be resolved by technical specialists at the field level. Any issues which cannot be resolved will be promptly elevated to the next appropriate level for resolution. An interagency, tiered process will be used for resolving disagreements, beginning at the field level and moving up through decision-makers until the issue is resolved. The MOA specifies that in the event that an issue cannot be resolved at the region/state level, a national issue resolution panel consisting of appropriate representatives from the FS, BLM, FWS, NMFS, and EPA, will review information provided and make a binding decision within 14 days of a request by the interagency regional/state level.

For example, it is expected that EPA specialists will work with the National Forest or BLM interdisciplinary planning team for a project to quickly identify and resolve any issues that might arise concerning compliance with the Clean Water Act, NEPA, or other environmental laws involving EPA input. If an issue cannot be resolved at this level, it will be promptly elevated to the Forest Supervisor or District Manager and the appropriate EPA counterpart for joint resolution. If they are unable to agree, they would jointly elevate the issue to the Regional Forester or State Director and the EPA Regional Administrator for resolution. In the effort to reach agreement, it is expected that the "line officers" will seek input from regional/state technical specialists concerning the particular issue. The national issue resolution panel will address an issue if it cannot be resolved at the regional/state level.

The April 6 and May 31, 1995, interagency agreements on streamling consultations for

Forest Service and BLM projects in northwest states establish tiers of interagnecy teams to coordinate on projects and resolve issues involving the Endangered Species Act. These existing teams and the issue resolution process will continue to apply. If a regional/state team cannot resolve an issue, the team will elevate it to the national issue resolution panel. Although the existing team process in the northwestern states was formed to deal with consultation issues, it is expected that the "Level 2" and higher teams established through the April 6 and May 31, 1995 agreements will work with EPA to resolve issues that do not involve Endangered Species Act implementation and cannot be resolved at the Interdisciplinary team level.

Item 6. The action agency is responsible for completing the combined environmental assessment (EA) and biological evaluation (BE) for each salvage timber sale, as required by Section 2001(c)(1) of P.L. 104–19. The combined EA/BE will indicate that the project is being carried out under a different authority than a normal salvage sale. The only exception to preparing a combined EA/BE will be for those situations in which using existing documents will be more timely (e.g. an EIS is almost final).

The MOA provides clarification regarding scoping and other public involvement. Public and agency comments received on the combined EA/Be will be evaluated and a response to substantive comments will be provided in an appendix to the EA/BE. The decision document will reflect the public and agency input as appropriate.

The normal agency procedure for documenting a decision (e.g. preparation of a Decision Notice by the Forest Service and a Record of Decision for the Bureau of Land Management) will be used and the public will be informed of the decision following normal agency procedures. The decision document will include:

A statement explaining that pursuant to Subsection 2001(e), the salvage sale is not subject to administrative review.

A statement indicating that under the provisions of Subsection 2001(i) of P.L. 104–19, the documents and procedures required for preparation, advertisement, offering, awarding, and operation of the salvage timber sale are deemed to satisfy the requirements of applicable environmental laws as listed in 2001(i).

An explanation of the expedited judicial review process provided for in Subsection 2001(f) of P.L. 104–19.

All anticipated environmental effects and mitigation and monitoring requirements will be disclosed in the EA. This includes an analysis of effects on listed, proposed and sensitive species, and proposed or designated critical habitat, for all alternatives analyzed. The EA/BE should be no longer than necessary to adequately address the issues. A Finding of No Significant Impact (FONSI) will not be required.

To implement the MOA direction for interagency coordination and compliance with the Endangered Species Act, all of the required elements of a biological assessment (BA), as described in 50 CFR Part 402, must be included in the appropriate section of the combined EA/BE for the preferred or selected alternative. These elements can be included in appropriate sections of the EA/BE or can be attached as a separate section. For the purposes of Public Law 104–14, the BE shall meet the requirements of a BA. The action agency and the consulting agency will mutually agree on the BE prior to the EA/BE being issued for public comment.

If the project is determined to have no effect on listed or proposed species or designated or proposed critical habitat, consultation or conferencing is not required and the EA/BE should so indicate.

If the interagency consultation team agrees with the determination that the project may affect but is not likely to adversely affect listed species, or is not likely to result in destruction or adverse modification of designated or proposed critical habitat, informal consultation will occur using the streamlined process per Item 4 of the MOA. The letter of concurrence from the consulting agency will be discussed and incorporated by reference in the decision document for the project.

If the project is determined to be likely to adversely affect listed species, or likely to jeopardize a species proposed for listing, or likely to result in destruction or adverse modification of designated or proposed critical habitat, the consulting agency will provide a biological opinion or conference report using the streamlined consultation process. The results of the biological opinion or conference report will be discussed and incorporated by reference in the decision document.

To summarize the process:

1. Scoping and interdisciplinary and interagency teams will determine the issues to be addressed in the combined EA/BE.

2. The completed EA/BE will be sent to the public for review. The action agency and the consulting agency will mutually agree on the BE prior to the EA/BE being issued for public comment.

3. Public comment received will be analyzed and the response documented in an appendix to the EA/BE prior to completion of the decision document.

4. The decision document will reflect public input as appropriate. In those instances when a letter of concurrence, a biological opinion, or a conference report is needed from a consulting agency, it will be discussed and incorporated by reference in the decision document.

Item 7. Region/State agency heads will work together to develop a process to facilitate interagency review of the proposed salvage sale program on a regional or state scale, as appropriate. This process will provide an opportunity for identification of broad issues. It should include an understanding of priorities in relation to projects other than salvage timber sales (e.g. grazing permits, green timber sales) which involve interagency action. This is intended to allow interagency coordination to occur on highest priorities first and to facilitate allocations of staff and time accordingly.

Item 8. Self-explanatory

Item 9. Self-explanatory

Item 10. In addition to the requirements of the Act, it is important for us to monitor our actions to ensure ourselves and the public that we are carrying out the salvage program in an environentally sound manner and that the requirements identified in the decision document are being met. Monitoring guidance has been developed for your use (see Enclosure 5).

Item 11. Self-explanatory

MONITORING

In addition to the requirements of P.L. 104–19, it is important for us to monitor our actions to assure ourselves and the public that we are doing the right things for the right reasons, that we are doing what we said we would do, and that the effects are what we predicted. Below are some thoughts and actions that each Forest Service Region/BLM State should consider in developing a monitoring plan that is responsive to your sales and situation.

Public Trust and Involvement

There will be lots of scrutiny and interest;

We need to build trust and credibility;

Do the right thing for the right reason;

If we say we will do it, do it;

Involve other Agencies, states, Tribes, the public and interest groups.

Key Agency Messages

Monitoring and Evaluation are key and vital aspects in implementing a successful stewardship salvage program.

Monitoring and Evaluation are central to an adaptive management approach which is a cornerstone for ecosystem management.

Existing Direction

There is existing direction on monitoring in the agencies directive system which identify and explain the three types of monitoring and requirements for monitoring.

Follow Standards and Guidelines in existing Forest Plans and Resource Management Plans, as amended, and including any biological opinions issued on such plans or amendments.

Other Considerations

A key for success is monitoring what is appropriate and feasible, not the world. Monitoring programs must be designed to address specific questions, and clearly identify who is responsible for implementation.

Monitoring should be hierarchical: every project will have implementation monitoring;

Forests and BLM Districts will develop a well designed sampling scheme for effectiveness monitoring;

Observation and documentation by anyone in the sale area is helpful for implementing the monitoring. A key person will be the Sale Administrator who will likely be the first to observe problems.

Any problems should be immediately documented, activities suspended (if needed) and appropriate changes made to the sale contract.

Monitor and document successes as well as problems and areas needing improvement.

There must be a clear focus on oversight and accountability.

Line Officers will be held accountable.

Regions/BLM States and Forests/BLM Districts should schedule project reviews to sample the activities of salvage sales and their effects; encourage public involvement.

The WO will conduct salvage program reviews of every Region/BLM State having significant activity under P.L. 104–19.

CONGRESS OF THE UNITED STATES,
HOUSE OF REPRESENTATIVES,
Washington, DC, June 30, 1995.

Hon. DAN GLICKMAN,
Secretary, Department of Agriculture,
Washington, DC.

DEAR DAN: We are gratified that leaders in the House of Representatives and Administration representatives worked out the remaining concerns regarding HR 1944 and are pleased with the bill's solid passage by the House. We are writing to follow up on the letter you sent the Speaker last night regarding the Forest Service salvage sale program.

Both of us spoke with Assistant Secretary Jim Lyons and received the commitment of your Department and the Forest Service to offer a minimum of 4.5 billion board feet of salvage timber during the emergency period, which begins on the date of enactment and expires December 31, 1996. Any personnel resources needed to get the added volume are provided in Section 2001 by granting the Forest Service additional contracting authority and lifting restrictions that could impede the Service's ability to hire adequate personnel. As opportunities arise for more salvage volume, you can utilize the expanded authority to increase expectations.

If you move quickly to implement this new salvage timber policy, there is no reason the 4.5 billion board foot target could not be met. The President has stated that the Administration will carry out this program with its full resources and a strong commitment to achieving the goals of the program. We urge you to utilize the flexibility we have provided to produce the maximum feasible salvage timber volume available in our national forests.

As you know, included in the emergency timber sale program is a requirement for you to report on the Department's progress in implementing the new policy. We look forward to your first progress report and working together to achieve the timber salvage objectives of the program set forth under HR 1944.

Sincerely,

CHARLES H. TAYLOR,
Member of Congress.
NORM D. DICKS,
Member of Congress.

U.S. DEPARTMENT OF AGRICULTURE,
NATURAL RESOURCES & ENVIRONMENT
U.S. DEPARTMENT OF THE INTERIOR,
LAND AND MINERALS MANAGEMENT
August 22, 1995.

[Memorandum]

To: Jack Ward Thomas, Chief, Forest Service; and Elaine Zielinski, Oregon State Director, Bureau of Land Management.

From: — —. for James R. Lyons, Under Secretary of Agriculture, Natural Resources and Environment; and — —. for Mike Dornbeck, Director, Bureau of Land Management.

Subject: Section 2001(k) of the 1995 Rescission Act.

Section 2001(k) of the 1995 Rescissions Act (Public Law 101-121) directs the Secretaries to award, release, and permit to be completed the remaining section 318 timber sales. Several parties have urged us to interpret section 2001(k) as applying to all timber contracts offered in the geographic area described in section 318 of the Fiscal Year 1990 Interior and Related Agencies Appropriations Act, in addition to the few remaining timber sales that were offered subject to section 318. The language of section 2001(k) is clear on its face, and applies only to the remaining section 318 timber sales.

The section 318 sales have a turbulent history, having been fiercely debated by Congress, by the press, by public advisory boards, and before the Supreme Court. It is this well-known and discrete set of sales, the sales offered in Fiscal Year 1990 under the procedures establishes in section 318(b)–(j) of Public Law 101–121, which Congress refers to in section 2001(k) of the 1995 Rescissions Act as "subject to section 318."

We have been involved in the debate over the federal forests in the Pacific Northwest for a long time, as have members of Congress. Our understanding of the section 2001(k) release of timber sales "subject to section 318" is informed by that experience. Unlike timber sales before or after, the section 318 sales were developed based on specific ecological criteria developed by Congress and were provided limited judicial review. The Supreme Court approved section 318's limitation of judicial review, and about 4 billion board feet of timber was sold subject to section 318. The award or release of the few remaining 318 sales, totaling approximately 300 million board feet, has been delayed due to litigation, consultation based on the listing of the marbled murreiet, and other events. Congress used section 318 as its model in drafting section 2001 of the 1995 Rescission Act, and included the provisions of section 2001(k) to require resolution of the few remaining section 318 sales.

The Executive Branch, particularly the Forest Service, was involved in all stages of the development of section 2001, providing technical information and, later, in the negotiation of changes to provisions that concerned the Administration. It was the remaining section 318 sales that the Administration viewed as being affected by section 2001(k) at the time the bill was signed by the President. It was the remaining section 318 sales that were the basis of the April 27, 1995, Forest Service effects statement on the proposed legislation that was transmitted to Congress and was then used by members of Congress in their floor statements and debates. The specific sale contracts that section 201(k) addresses are only the sales offered under the unique procedures of section 318(b)–(j). The interpretation of section 2001(k) as applying to timber sales throughout Washington and Oregon, and to timber sales that were not developed subject to the ecological and procedural criteria provided in section 318(b)–(j), is wholly inconsistent with the history of the section 318 sales issue.

In the 1995 Rescission Act, Congress seeks to end the delays in the remaining section 318 sales and to expedite implementation of the President's Northwest Forest Plan which was designed with the section 318 sale program in mind. We must read the law in a manner that makes sense of the entire Act, including direction to expeditiously implement the President's Northwest Forest Plan, and in a manner that avoids reading section 2001(k) so expansively as to generate windfall profits at the expense of the public and the environment. We must faithfully implement the law as enacted by Congress while acting with full consideration for the environmental significance of the remaining section 318 timber sales and the fact that section 2001 reduces the usual public policy protections that would otherwise guide our implementation. For these reasons, any ambiguities in the language of section 2001(k) is intended to apply only to those remaining timber sales developed and offered subject to section 318(b)–(j) of the Fiscal Year 1990 Interior and Related Agencies Appropriations Act, as directly addressed in section 2001(k)(1).

U.S. DEPARTMENT OF AGRICULTURE,
NATURAL RESOURCES & ENVIRONMENT
U.S. DEPARTMENT OF THE INTERIOR,
LAND AND MINERALS MANAGEMENT
August 23, 1995.

[Memorandum]

To: Jack Ward Thomas, Chief, Forest Service; and Elaine Zielinski, Oregon State Director, Bureau of Land Management.

From: — —. for James R. Lyons, Under Secretary of Agriculture, Natural Resources and Environment; and — —. for Mike Dombeck, Acting Director, Bureau of Land Management.

Subject: Additional Direction on Section 2001(k) of the 1995 Rescission Act.

Yesterday we issued direction relating to section 318 sales which are affected by section 2001(k)(1) of the 1995 Rescission Act (P.L. 104–19). The purpose of this memorandum is to set forth the administration's interpretation of the other subsections of 2001(k).

As we stated yesterday, "We must read the law in a manner that makes sense of the entire Act, including direction to expeditiously implement the President's Northwest Forest Plan, and in a manner that avoids reading section 2001(k) so expansively as to generate windfall profits at the expense of the public and the environment." In support of these principles, we will act to award, release, and permit to be completed, subject to the exclusionary provisions of 2001(k), all remaining section 318 timber sale contracts which are currently being delayed. Those sales are:

1. Sales for which apparent high bidders have been identified, but the sales have not yet been awarded to the high bidder, except that these sales will contain all previously mutually agreed upon changes to the original terms;
2. Sales for which apparent high bidders have been identified and the sale awarded, but where the contract has not yet been executed by the high bidder, except that these sales will contain all previously mutually agreed upon changes to the original terms;
3. Sales for which the apparent high bidder has been identified, but the bid bond was returned before award of the contract.

Sales which have been awarded and executed will not be modified or altered to the originally advertised terms, volumes, and bid prices.

Section 2001(k)(2) provides that sales subject to section 2001(k)(1) shall not be released or completed "if any threatened or endangered bird species is known to be nesting" within the sale unit. Although the phrase "threatened or endangered bird species" certainly includes northern spotted owls, Congress' primary attention was focused on the impact of the remaining Section 318 sales on the marbled murrelet. This direction will outline the criteria used to determine whether any marbled murrelets are "known to be nesting" within the remaining section 318 sale units that are subject to section 2001(k).

Congress did not define the phrase "any threatened or endangered bird species is known to be nesting." Therefore, the implementing agencies must interpret this phrase in accordance with general principles of law. In interpreting this phrase, we choose to be guided by the best scientific information available. We have consulted with agency experts and they have provided us with the following information. The marbled murrelet is a rapidly-disappearing sea bird that uses old-growth forest areas only for nesting and breeding, or for activities that are in support of nesting and breeding. The remainder of its life is spent on the ocean. Murrelets are believed to have a high nesting site fidelity, that is, adult murrelets return to the same tree stands year after year to nest. Therefore, if a stand of forest that murrelets use for nesting is cut, they probably will not continue to reproduce. Murrelets do not construct typical bird nests (they lay their eggs on broad branches of older trees or in trees with deformations) and they hide from predators during nesting, which makes detection of nesting activity difficult. Indeed, the first marbled murrelet nest was not discovered until 1974, and there are very few identified nests to this day.

The consequence of adopting an interpretation of "known to be nesting" that requires "physical" detection of nesting activity is potentially quite dire for the entire marbled murrelet population and for related conservation efforts, including the President's Forest Plan. The remaining Forest Service Section 318 sales encompass ten to twenty percent of the known nesting sites for the marbled murrelet.

We believe that there is a more rational interpretation of the phrase "known to be nesting" that is based upon the best scientific information available about the murrelets. Because of its highly secretive behavior and lack of typical nesting behavior, our agency experts inform us that actual detection of a nest is not the only, or the exclusive, reliable indicator of nesting. The Pacific Seabird Group—a group composed of federal, state, private and academic biologists—developed a reliable scientific protocol for determining the existence of murrelet nesting activities. This protocol is designed to determine more than mere "presence" of murrelets. Surveys based on this protocol provide the best scientifically valid information, available within the 45 days provided by Congress, on whether murrelets are known to be nesting in these units. Based on the protocol's scientific analysis, we conclude that the protocol's criteria should be utilized in evaluating whether Section 318 sales are subject to section 2001(k)(2).

Application of the protocol's criteria to determine whether murrelets are "known to be nesting" in a particular area is the way to provide for meaningful implementation of subsection 2001(k)(2) given the needs of this species. Again, agency experts inform us that murrelets do not "nest" or "reside," that is, nest or breed, in a way that permits of typical nest detection, yet their nesting and breeding behavior is just as critically dependent on availability of nesting habitat as any other species. In order to comply with the directive to withhold sales where the murrelet is nesting, the scientifically valid approach is to utilize the criteria in the protocol. There simply is no other practical or biologically justifiable method for identifying murrelet nesting, or for insuring that our actions will not be likely to jeopardize the continued existence of the murrelet.

We are informed that within the 45 days allowed by Congress, the Forest Service is completing a second year of surveys for murrelets. Sale purchasers are being provided with the survey data sheets and asked for their comments. As an example of how the process has been used on a particular forest, purchasers questioned the validity of 12 of the units in the Siuslaw National Forest. Forest Services biologists reviewed all applicant comments, conducted additional surveys of 4 of the sales and determined that the data was sufficient for another 4 sales. A purchaser hired a surveyor for the remaining 4 sales, which confirmed the Forest Service's findings. Additionally, government agencies are reviewing all surveys data, verifying all "questionable" determinations and continue to confirm the strength of all survey determinations.

In subsection 2001(k)(3), Congress included a provision for alternative timber for the remaining Section 318 sales that are not released within the 45-day timeframe specified in Subsection (k)(1). This provision applies to any sale which "for any reason" cannot be released within the 45-day period. This provision is therefore applicable to sales or units of sales that are not released under Subsection (k)(2).

In accordance with the standards and guidelines for the President's Northwest Plan, and within the limits of available personnel and appropriated funds, we will assess the availability of alternative volume.

House,

Washington, DC, June 29, 1995.

Hon. NEWT GINGRICH,
Speaker of the House of Representatives,
Washington, DC.

DEAR MR. SPEAKER: I am pleased to be able to address myself to the question of the Emergency Salvage Timber Sale Program in H.R. 1944. I want to make it clear that my Administration will carry out this program with its full resources and a strong commitment to achieving the goals of the program.

I do appreciate the changes that the Congress has made to provide the Administration with the flexibility and authority to carry this program out in a manner that conforms to our existing environmental laws and standards. These changes are also important to preserve our ability to implement the current forest plans and their standards and to protect other natural resources.

The agencies responsible for this program will, under my direction, carry the program out to achieve the timber sales volume goals in the legislation to the fullest possible extent. The financial resources to do that are already available through the timber salvage sale fund.

I would hope that by working together we could achieve a full array of forest health, timber salvage and environmental objectives appropriate for such a program.

Sincerely,

Clinton.

THE WHITE HOUSE,
Washington, DC, August 1, 1995.

[Memorandum]

For: The Secretary of Interior, The Secretary of Agriculture, The Secretary of Commerce, and The Administrator, Environmental Protection Agency.

Subject: Implementing Timber-Related Provisions to Public Law 104–19.

On July 27th, I signed the rescission bill (Public Law 104–19), which provides much-needed supplemental funds for disaster relief and other programs. It also makes necessary cuts in spending, important to the overall budget plan, while protecting key investments in education and training, the environment, and other priorities.

While I am pleased that we were able to work with the Congress to produce this piece of legislation, I do not support every provision, most particularly the provision concerning timber salvage. In fact, I am concerned that the timber salvage provisions may even lead to litigation that could slow down our forest management program. Nonetheless, changes made prior to enactment of Public Law 104–19 preserve our ability to implement the current forest plans' standards and guidelines, and provides sufficient discretion for the Administration to protect other resources such as clean water and fisheries.

With these changes, I intend to carry out the objectives of the relevant timber-related activities authorized by Public Law 104–19. I am also firmly committed to doing so in ways that, to the maximum extent allowed, follow our current environmental laws and programs. Public Law 104–19 gives us the discretion to apply current environmental standards to the timber salvage program, and we will do so. With this in mind, I am directing each of you, and the heads of other appropriate agencies, to move forward expeditiously to implement these timber-related provisions in an environmentally sound manner, in accordance with my Pacific Northwest Forest Plan, other existing forest and land management policies and plans, and existing environmental laws, except those procedural actions expressly prohibited by Public Law 104–19.

I am optimistic that our actions will be effective, in large part, due to the progress the agencies have already made to accelerate dramatically the process for complying with our existing legal responsibilities to protect the environment. To ensure this effective coordination, I am directing that you enter into a Memorandum of Agreement by August 7, 1995, to make explicit the new streamlining procedures, coordination, and consultation actions that I have previously directed you to develop and that you have implemented under existing environmental laws. I expect that you will continue to adhere to these procedures and actions as we fulfill the objectives of Public Law 104–19.

WILLIAM J. CLINTON.

The SPEAKER pro tempore (Mr. METCALF). The Chair would like to thank the gentlewoman from Idaho [Mrs. CHENOWETH] for one of the great speeches from the House of Representatives.

INJUSTICES IN REDISTRICTING

The SPEAKER pro tempore. Under the Speaker's announced policy of May 12, 1995, the gentlewoman from Georgia [Ms. MCKINNEY] is recognized for 60 minutes as the designee of the minority leader.

Ms. MCKINNEY. Mr. Speaker, I want to express my concerns about the words of the gentlewoman from Idaho, and to say to her and to the American people that I share her love for the institutions of this country, and I wish that tonight I had a better story to tell than the story that she just told. But, unfortunately, I think we are going to have to endure another 60 minutes of another tragedy. Let us hope that it does not become a tragedy.

On my way back from Atlanta today, I thought about what an honor it is for me to represent the good people of the 11th Congressional District of Georgia, and what I am going through right now I sincerely hope no other Member of Congress has to endure. Unfortunately, I fear that others will.

So tomorrow I have requested that other Members of Congress who are impacted come and, at about this hour, also tell their stories of what it is like to fight the fiercest political fight there is, and that is the battle for redistricting.

The first question that I pose this evening is, is redistricting about shape or shade? I have got some maps here. This is a map of Illinois' Sixth District, which has gone unchallenged despite its irregular shape. It is a district that has a supermajority of white constituents at 95 percent. This district has gone unchallenged.

I have another map of Texas' Sixth District, which is of irregular shape, which also has a supermajority of white constituents at 91 percent. This district has gone through a similar court battle as has been experienced by the 11th Congressional District, and this district has been declared constitutional.

Finally, there is Georgia's 11th Congressional District, not of grossly irregular shape, not the monstrosity that it has been called, consisting of a supermajority that is 64 percent black. However, this district was both challenged and, unfortunately, found unconstitutional.

□ 2215

I am forced to conclude that the redistricting battle that the Supreme Court has embarked this Nation upon is one about shade and not shape.

The battle in Georgia, as of today, has just been landed in the courts. That is because the Georgia Legislature was caught in an impasse.

One of the questions I pose is, was the redistricting impasse in the Georgia Legislature about Democrats and Republicans?

Now, I have a newspaper article here from the Metro Courier, which is published in the city of Atlanta, GA. The headline reads, "Committee Okays One Black District. Plan Offers Little Representation for Blacks."

In this article, it reads,

> Political analysts project that as black voters are shifted from Georgia's other two solidly black districts to simply black-influenced districts, Georgia's political landscape becomes more favorable to white Democratic candidates. Chairman of the legislative black caucus, reapportionment task force, Senator David Scott of Atlanta, said the map was a long way from being acceptable and suggested that Democrats could be due for some bad press in the black community.

He goes on to say, "I do not think white Democrats want this label around their neck that they are dismantling black congressional seats," Scott told reporters.

The head of the Democratic Party in the State of Georgia, our Democratic Governor, was reported in the Atlanta newspaper: Miller staying out of redistricting fray.

Sensing that something bad might, indeed, be coming down the pike, I thought I would write a note to the Democratic leadership of the State of Georgia. We do have a Democratic Governor, a Democratic Lieutenant Governor, and a Democratic speaker of the house. And the title of my statement is, "Ain't I a Democrat, too?" And I am going to read this statement.

It says:

> In this 75th year of the passage of the 19th Amendment giving America's women the right to vote, it is important to note the important role that women played in the abolitionist movement to free black people and the deep impression that so Sojourner Truth made on her audience when she spoke before men and women who had gathered at a suffrage convention. When Sojourner rose to speak, there was tension in the air. Nobody knew what she was going to say. And for a brief moment some in the audience began to boo and hiss. But determined to be heard, Sojourner raised her voice and began:
>
> "What is all this talk about women need to be helped into carriages and lifted over ditches and have the best place everywhere? Nobody ever helped me into carriages or over puddles or gives me the best place, and ain't I a woman?"
>
> When she concluded, she left amid a standing ovation. So Sojourner Truth had impressed upon them that, though she was black and never really was able to share the niceties of life, she was still a woman.

I entered office in 1989. When I ran I had a D behind my name. All I knew growing up was a Democratic Party. In the legislature, I worked alongside other Democrats who led our State. I thought we shared important values. I took my constituents seriously. I took my party seriously. And I have been in the trenches of the Democratic Party ever since, organizing, registering, and sounding the message of Democratic values.

One day I was asked by Jesse Jackson, when was the last time you registered anyone to vote? And since then, I have been busy registering; everywhere I go I try to register people to vote, knowing that every person I register, black or white, will vote for the Democratic Party.

I have argued with the Democratic Party, State and national, about maintaining its commitment to grassroots organizing. I have asked the party to look at its unified campaign strategy. And most important of all, I have delivered votes to the Democratic Party. I have delivered votes in the State of Georgia that have benefited members of the State Democratic Party.

And when I do my job in Washington and cooperate with the Democratic leadership of the U.S. Congress and with the Democratic values and work to further Democratic interests. I do not make a distinction between black Democratic interests and white Democratic interests. I speak on behalf of poor people both black and white who want to work in a decent work place, receive a decent wage, come home to decent housing, and enjoy a protected environment.

I speak on behalf of working people who want opportunities to advance, who want quality education for their kids and who expect Government services that work. I speak on behalf of senior citizens both black and white who have given to this country and entered into their own Contract With America. And I speak on behalf of America's women who, despite 75 years of the vote, have only just begun to take their seats at the table where policy is made.

When I cast my vote in Washington in the U.S. House of Representatives, my vote counts the same as everyone else's. I did not change parties. I did not visit with the Republican National Committee. I never considered switching parties. I just continue to sweat for the Democratic Party.

I tried to recruit candidates to run in 1994 and in 1996. I have taken Leon Panetta to Georgia so that the chair of our State Democratic Party could have a personal meeting. I have made recommendations to the State party. I have committed to help raise money for the State party. I have met with the new executive director of our State party and even recently visited the party's office. And the last time I looked, the Governor of the State of Georgia is a Democrat. The Lieutenant Governor of the State of Georgia is a Democrat. The Speaker of the House is a Democrat. Well, ain't I a Democrat, too?

I must conclude that the redistricting impasse cannot possibly be about Democrats and Republicans. What kind of Representative have I been since I have been in Congress? I have tried to the best of my ability to be a voice for my constituents, not just one group of my constituents but all of my constituents.

I was elected as the people's candidate and sometimes I joke about it. I used to say, and sometimes I still say, I was a candidate that nobody wanted. I did not have big name people behind me. I did not have big money people behind me. All I had were the people of the 11th Congressional District.

The theme of my campaign was warriors do not wear medals, they wear scars. The people who supported me in my campaign where our State's warriors. The people who wake up early every morning, the people who go to bed late at night, the people who give and give and give and give and give and continue to give even more, and all that they ask in return is that they have a better community. And all that they ask is that their Government treat them right.

I do not have a fancy background. My mother is a nurse. My father is a policeman. He later became a member of the Georgia Legislature. But I am just an ordinary person. I come from common stock. And so it is not often that people like me can grace the halls of the U.S. Congress. The politics that I have learned to practice are not go along to get along but to come to Washington to take care of serious business and to speak on behalf of people who have been left out.

I have done my job. I am doing my job. I am giving hope to people in the 11th Congressional District in Georgia. Hope, though, in a listless people is sometimes viewed as a dangerous thing.

I have made a difference in the lives of my constituents, and somehow I cannot help but believe that that difference contributes to the problems that some Georgians may have with me.

What could have been the intent of the Democratic leadership of the State of Georgia? Was it to dilute black voting strength?

I have a document here entitled "General Assembly Held Hostage:" Just at the beginning of the special session that was called for the purpose of redrawing congressional districts, 17 State House districts were targeted by the plaintiffs who had successfully challenged the 11th Congressional District. Five State Senate districts were targeted. Some of the targeted representatives, State Representative Tyrone Brooks, State Representative Henry Howard, State Representative Carl Von Epps, State Representative Eugene Tillman, targeted Senators, State Senator Dianne Harvey Johnson, State Senator Robert Brown, State Senator Nadine Thomas, State Senator Steve Henson, State Senator Charles Walker.

□ 2230

What could have been the purpose of targeting black State legislative districts that had not been challenged in the courts? What could have been the purpose of targeting black State legislative districts that had not been found unconstitutional?

State Senator Donzella James gathered her thoughts, and she composed a piece called the Redistricting Hoax. I will read some excerpts:

> Georgia legislators convened a special session of the General Assembly to take up the issue of reconfiguring Georgia's congressional and State district lines. This effort is a result of what many have come to view as Supreme Court double talk. Specifically, Supreme Court Justice Clarence Thomas from Pinpoint, Georgia, in a five to four vote cast the pivotal vote mandating the congressional districting question is unconstitutional.

□ 2230

> The decision not only results in new interpretations for defining redistricting, but also prohibits consideration of race as a predominant factor in formulating district lines.
>
> Although the Court's decision is seen by many as a major set back, these current events do not necessarily affect the integrity of Sections 2 and 5 of the Voting Rights Act. By Governor Miller signing a proclamation for State legislators to reconvene in August to readdress political boundaries in Georgia's court-challenged Eleventh District, the Georgia legislative leadership seized the opportunity to have both legislative House and Senate seats included in the redistricting cauldron. This undertaking forced us to shelve the Constitution for a short-term quick-fix remedy.
>
> The zeal to dilute African-American voting strength appears to be motivated by the need to bring about racial polarization. The pending outcome of these efforts may indeed result in the establishment of case law, hereby, congressional seats currently occupied by African-American in Louisiana, North Carolina, Florida and Texas, will be greatly impacted by the deliberations of the Georgia State Legislature.

She goes on to say,

> In this episode of political gamesmanship, Republicans attempted to play the white Democrats against the black Democrats by promising both sides their support in addressing their redistricting concerns.
>
> Further, the struggle within the Democratic Party between competing political interests was transformed into one involving race. The eagerness on the part of the white Democrats to "Republican proof" their districts blinded them to their overall goal. That is, to foster equal and inclusive representation for all of the people of Georgia.
>
> Self-serving individuals on all sides of the debate practiced deceitful game playing and clever trickery and have made a mockery of the reapportionment mandate. The Georgia General Assembly may come to regret this entire ordeal. A number of questions will have been answered concerning our legislative process. For example, was the court order legislative undertaking a hoax? And if so, could this be a needless waste of the taxpayers' money and will the lawyers laugh all the way to the bank?
>
> My fear is that when it is all over and done, will the redistricting issue be remembered as racial rights versus civil wrongs?

Well, feeling that something unsavory was happening, certain members of the Georgia legislative Black Caucus decided to compose a letter and send it to Deval Patrick, Assistant Attorney General, Civil Rights Division, U.S. Department of Justice. I am going to read the letter.

> DEAR MR. PATRICK, I am submitting this comment urging you to object to the reapportionment plans passed by the Georgia General Assembly in its special session in 1995. These plans were enacted by the State of Georgia with a racially discriminatory purpose and will have a retrogressive effect on black voters throughout the State.
>
> The plans for the State Senate and State House also violate section 2 of the Voting Rights Act, because those plans dilute black voting strength. In carrying out these redistrictings, the State legislature specifically aimed their sights at legislative districts with majority black voting populations. The decision by the legislature, therefore, was targeted at black voters with the intent to reduce the black voting strength throughout the State.
>
> The legislature undertook this action even though there had been no court decision invalidating our existing plans, nor had there even been a lawsuit challenging any of the districts.
>
> The context in which these new plans were drawn is also important to understand. The special session in which these new reapportionment plans were enacted was called to address also the reapportionment of the congressional districts pursuant to the decision in Johnson v. Miller.
>
> The white leadership in our legislature forced the assembly to address legislative reapportionment first and then proceed to congressional reapportionment.
>
> In exchange for cooperation in legislative reapportionment, the leadership promised to work with the black Members of the legislature on congressional reapportionment. The leadership, therefore, used legislative reapportionment as a stick and forced legislators to make concessions they would otherwise not have made.
>
> The enclosed statistics show the degree of retrogression and discrimination. For all of these reasons, we urge you to object.
>
> Please call us so that we can provide further details.
>
> Sincerely,

It was signed by several Members of the Georgia legislative Black Caucus.

I have information that was compiled by Representative George Brown of Augusta that was circulated by Representative LaNett Stanley, which cites the district number, the black population of those districts in 1992, and how those districts were dismantled in 1995.

All told, the Georgia legislative Black Caucus voted to dismantle, along with the rest of the Democratic leadership, voted to dismantle nine majority black districts in the House and two in the Senate.

I also have a list of all of the districts that were changed in the course of this. Out of 56 Senate seats, 46 were changed. Out of 180 House seats, 69 were changed.

And I have the story of one incumbent black State representative whose district I helped to draw in 1992, Reverend Tillman. His district was 60 percent black as drawn in 1992. It was reduced in this special session from 60 percent to 30 percent, roughly.

He says that they told him that if he voted for this plan that dismantled all of these districts, that they would increase his percentage. They would not kick him out of office. They would at least give him a fighting chance up to 40 percent. So, he voted for the plan and his district was increased to 40 percent. But what was lost? What was lost?

Reverend Tillman used to represent three counties in Georgia: Liberty County, McIntosh County, and Glynn County. And I will never forget the day that the reapportionment committee held its hearing down in Savannah, GA, back in 1991 or so. A gentleman from Liberty County rose to speak to his elected government from the State of Georgia and he said, "I come from a county named Liberty, but they still treat us like slaves."

That gentleman got his district in 1992. That gentleman got representation in 1992. That gentleman might loose his representation in 1996. That gentleman might loose his representation in 1996. And furthermore, if Reverend Tillman wins in the district that the legislature drew, that gentleman would not have Representative Tillman as his representative.

What else could have driven this process? Was it protecting big business? Well, in a news release that State Senator Donzella James released September 6, she implicates kaolin interests in driving a redistricting.

Kaolin is a white clay in Georgia. In fact, there is so much of it in Georgia, that seven counties in Georgia have most of the world's reserves. And those seven counties in Georgia just happen to be in the 11th Congressional District of Georgia.

> State Senator Donzella James expressed concern today that Georgia's kaolin companies are exerting undue influence on the State's redistricting process. As legislators slowly hammer out a new congressional map, Senator James is increasingly convinced that kaolin interests in Washington, Jefferson, and Glascock Counties have issued a veto threat over any congressional map which puts them in the Eleventh District represented by Democratic Congresswoman Cynthia McKinney.
>
> Ms. McKinney first drew the ire of the kaolin companies when she questioned industry practices which exploit poor landowners and force them off their property.

She goes on to elaborate.

And then, of course, it became clear to me, and so I issued my own press release after hearing so many rumors in the State capitol under the gold dome.

Representative McKinney Says: Kaolin Lobbyists Responsible for Redistricting Impasse at State Capitol

> Kaolin industry lobbyists are preventing State legislators from reaching agreement on a new congressional map, according to Eleventh District Congresswoman Cynthia McKinney.
>
> House and Senate conferees are apparently deadlocked over the desire to protect two majority black districts, while at the same time keeping the kaolin counties of Washington, Jefferson, and Glascock out of McKinney's Eleventh District. Some legislators are suggesting that the kaolin industry has served notice to key State officials that the kaolin belt is not to be included in the Eleventh.
>
> At present, conferees are looking for ways to move black voters from Fulton county, the City of Atlanta, into the newly reconfigured Eleventh District, in order to maintain its black majority. However, McKinney and others are pointing out that there is no need to go into Fulton County, if the new Eleventh District includes Washington, Jefferson and Glascock Counties.

Now, I have some maps here. I have a map of the State of Georgia and this is one of the plans that was put on the table. There were so many plans. People were drawing plans left and right. But this is Washington, Glascock, and Jefferson Counties. This is the Eleventh Congressional District and it has got a little finger that goes into Fulton.

I have got a blowup of that finger. That is the finger that goes into Fulton. Now, you do not have to go into Fulton County to get the finger; just put the counties in the district.

And then another map surfaced which had everything just about right. It had the Second Congressional District close to where it needed to be to protect the Democratic incumbent in the Second Congressional District. It had the necessary attributes that the Congressperson there thought were necessary in order to protect that incumbency; had the Eleventh Congressional District where the Georgia Legislative Black Caucus had said they wanted that number, which was 50 percent, which is neither a majority black nor majority white, just fair.

But, with that finger into Fulton, something happens. Washington County, which is the headquarters of the Kaolin industry, is omitted from the map.

□ 2245

Because you have got that finger into Fulton, what you end up doing is gutting the Fifth District. Now, we cannot do that. There is enough population in the State of Georgia to get the numbers right to protect the Democratic incumbents without encroaching upon other districts. There was no need to encroach upon the Fifth District.

I have got a couple of newspaper articles here, Atlanta Journal Constitution, September 7, 1993, "Bring in the Feds to Probe Kaolin." Atlanta Journal Constitution, October 1, 1993,

> McKinney takes on Kaolin Industry. Her nosing around has infuriated the industry. One Kaolin executive in Sandersville, home to several Kaolin plants,

that is Washington County,

> suggested in a letter to a local newspaper that McKinney's district be dismantled.

"King Kaolin's political prisoner?" This is from the Atlanta Constitution, Wednesday, June 22, 1994.

> At first glance, U.S. Representative Cynthia McKinney's suggestion that a Warner Robbins resident has been turned into a political prisoner seems rash. "This is the American gulag, and Robert Watkins is one of its victims," she said, comparing the handling of the case to the infamous justice of the prison system of the former Soviet Union. Surely, McKinney was exaggerating. But a close look at the Watkins case suggests he may well be imprisoned for political reasons. McKinney is right to ask the Justice Department to investigate. Given the financial and political power of the Kaolin Industry in her district, McKinney is brave to look into the strange case of Robert Watkins. The Justice Department should immediately investigate the prison sentence of the man who dared to challenge King Kaolin in middle Georgia."

Finally, in the Atlanta Journal Constitution, October 22, 1993,

> This should not be Cynthia McKinney's fight, but Georgia's politicians are so afraid of the Kaolin Companies, they don't dare raise a peep.

The title of this story is "Taking on King Kaolin."

The conclusion of the article is,

> So McKinney now is trying to get the U.S. Justice Department to look into the problems. Politically, that may not be a very smart move on her part because Kaolin money will try to unseat her. But then again, who knows, maybe McKinney will prove that a woman with a backbone can succeed in a State run by men with weak knees.

Could the redistricting impasse have just been caught up in opportunities, political opportunities for favorite sons? Well, there was a plan called the DeLoach plan. That was one of the first plans on the map, on the board, and it just so happened to have been drawn by my former Democratic opponent, the gentleman who organized the lawsuit. His plan was renamed and revised a little bit and passed the Georgia State Senate. In that plan, the Second Congressional District is down from 52 percent to 35 percent, Fifth Congressional District down from 59 percent to 52 percent, the 11th Congressional District down from 60 percent to 39 percent; in other words, goodbye, CYNTHIA MCKINNEY.

Women can get hurt in this redistricting fight. Women win more seats that are opened up by redistricting, and we have got women who are affected by the current redistricting fights across this country: CYNTHIA MCKINNEY, the gentlewoman from Florida, Ms. BROWN, the gentlewoman from Texas, Ms. EDDIE BERNICE JOHNSON, the gentlewoman from Texas, Ms. JACKSON-LEE, the gentlewoman from New York, Ms. VELÁZQUEZ. Those districts have been targeted. Other women in delegations are affected, the North Carolina delegation, Florida delegation, New York delegation, Illinois delegation. Bottom line on this redistricting is not just a racial issue.

What is the predicament in which blacks find themselves in Georgia? My father has been in the Georgia legislature for 23 years, a long time. He put out a paper entitled "Billy's Dream." He says,

> "I had a dream last night. I saw very clearly a group of white men gathered around a table, and they were plotting the future of black people in the South for the next century. I was surprised that I recognized all of them. They were all involved in the attempt to overturn the Voting Rights Act. This distinguished group had been stunned by the Georgia legislative Black Caucus at hearings before the Georgia reapportionment committee. The Caucus had shown unusual preparedness in its opposition to dismantling of majority black districts. In stinging testimony, the assertions of plaintiffs' attorney were proven to be untrue. The Caucus brought down from the University of Virginia a constitutional and civil rights law expert in Dr. Pamela Carlin, attorney Robert McDuff from Mississippi, Selwyn Carter of the Southern regional council, who serves as the Georgia legislative technical assistant on the Voting Rights Act. This emergency meeting was called because what was thought to be a routine turning back of the clock had gone awry. The blacks would not march back to slavery with their hats in their hands. Like their forefathers before them, after such discussion, it was decided that the State would issue an unheard of order demanding that the State appear before the court and present maps and testimony with only 1 week's notice, 1 week of having been in the special session, and the threat of having the judges, the same judges who found the 11th District unconstitutional, draw the district was supposed to scare the members of the Georgia legislative Black Caucus. That is why you have those State legislative districts held hostage, a brilliant threat to throw panic into the Caucus, because the Caucus isn't really a player in this chess game. Black citizens are only pawns to be sacrificed in a fight between the major parties. The Democrats have three Members serving in Congress, but they do not count, because they are black. So the plan is to banish the black congressmen and spread the black citizens, who vote 95-percent Democratic, among other districts, a devious plan that can only work if the Republicans remain aloof and allow it to happen.

He goes on to say,

> Conisder winning a judicial case when the prosecution and the defense are all of one accord. The poor defendant is left up a creek, and that is where black citizens find themselves at this time. The Black Caucus, although not a player at the table, must turn to the tactics of Dr. Martin Luther King, and that is to play the moral card, appeal to the decency of the American people, not to turn

back the clock and expel black elected officials from policymaking positions.

That was just a dream.

I know that there are people around this country, indeed, people around the world, who are looking at what happens to Georgia's 11th Congressional District, and I also know that as the Representative for the 11th Congressional District I do not stand alone. We have many supporters.

Our supporters that have filed friendly briefs in the court are the Congressional Black Caucus, the Democratic National Committee, the Democratic Congressional Campaign Committee, which has been of invaluable assistance to us, the State of Texas, the National voting Rights Institute, Mexican-American Legal Defense Educational Fund, National Asian Pacific American Legal Consortium, the NAACP, National Organization for Women, National Organization for Women Legal Defense Fund, National Urban League, People for the American Way, Women's Legal Defense Fund.

Other Members of Congress, I hope they do not have to go through what we are experiencing in Georgia, but we have quite a few who might be affected by the Georgia decision and the Georgia result: The gentleman from North Carolina [Mr. WATT], the gentleman from Louisiana [Mr. FIELDS], the gentlewoman from Florida [Ms. BROWN], the gentleman from Illinois [Mr. GUTIERREZ], the gentleman from Mississippi [Mr. THOMPSON], the gentlewoman from New York [Ms. VELÁZQUEZ], the gentlewoman from Texas [Ms. JACKSON-LEE] and the gentlewoman from Texas [Ms. EDDIE BERNICE JOHNSON].

I received an e-mail from a woman to a friend of mine, forwarded to me on my computer. The date of the e-mail is Friday, June 30, and the subject is, "Wow, I would hate to be in Cynthia's shoes. Simma, I am back from South Africa 10 days earlier than expected." This is not from a black American woman. "How ironic that my return from a country where black citizens are finding new strength in the legislative process, I walk into a country where the intent of creating a colorblind society is to eliminate any possible chance for equal representation. Adding to my confusion is the battle over affirmative action. I hope other countries are not looking to us for civil rights leadership."

This is not the first time this has happened in America's history. It has not happened yet. I am going to fight like the dickens to make sure it does not happen.

I have here the CONGRESSIONAL RECORD, and this is a CONGRESSIONAL RECORD from 1901. The Speaker is Representative George White, who was the last African-American Member of Congress to serve. He served from the State of North Carolina. North Carolina ended it; North Carolina is beginning it.

Upon his exit from Congress, he spoke, "Now, Mr. Chairman, before concluding my remarks, I want to submit a brief recipe for the solution of the so-called American Negro problem." He asks no special favors but simply demands that he be given the same chance for existence, for earning livelihood, for raising himself on the scales of manhood and womanhood that are accorded to kindred nationalities. Treat him as a man. Go into his home, learn of his social conditions, learn of cares, his troubles, his hopes for the future. Gain his confidence and open the doors of industry to him. This, Mr. Chairman, is perhaps the Negro's temporary farewell to the American Congress, but let me say, Phoenix-like, he will rise up someday and come again. These parting words are in behalf of an outraged, heart-broken, bruised and bleeding, but God-fearing people, faithful, industrious, loyal people, rising people full of potential force. Sir, I am pleading for the life of a human being. The only apology that I have to make for the earnestness with which I have spoken is that I am pleading for the life, the liberty, the future happiness and manhood, suffrage for one-eighth of the entire population of the United States.

I do not want to have to give that farewell speech and lead what might be an unending procession of African-Americans, women and people of color out of the U.S. Congress.

I want to take the opportunity to commend the Members of the Georgia legislative Black Caucus, State Senator Diane Harvey Johnson, chairwoman of the Georgia legislative Black Caucus, State Senator David Scott, who was the task force Chair, the reapportionment task force Chair, fought untiringly to protect the three Democratic incumbents of the Georgia congressional delegation, representative Calvin Smyre, served as House negotiator, State Representative David Lucas, served on the House Conference Committee, State Senator Charles Walker, served on the Senate Conference Committee.

Finally, I have a poem. State Senator Donzella James has distributed this poem in the days when time was winding down and people's hearts were very heavy because the fight was about to leave the legislature and proceed to another level, another level of uncertainty.

□ 2300

Mr. Speaker, the title of the poem is "Don't Quit." It goes:

When things go wrong, as they sometimes will
When the road you're trudging seems all uphill
When funds are low and debts are high
And you want to smile, but you have to sigh
When care is pressing you down a bit
Rest if you must, but don't you quit.
Life is queer with its twists and turns
As every one of us sometimes learns
And many a person turns about
When he might have won had they stuck it out
Don't give up though the pace seems slow
You may succeed with another blow.
Often the struggler has given up
When he might have captured the victor's cup
and she learned too late
when the night came down
How close was the crown.
Success is failure turned inside out
So stick to the fight when you're hardest hit,
It's when things seem worst that you must not quit.

I know that the good people of the State of Georgia are not going to quit in this fight for representation. I also know that the eyes of America are watching as Georgia goes through this process, and I have faith and hope that at the end of this process everyone in the State of Georgia will have been accorded what we only all ask, and that is a fair shake.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to:

Ms. MCKINNEY (at the request of Mr. GEPHARDT), for Friday, September 8, on account of business in the district.

Mr. SISISKY (at the request of Mr. GEPHARDT), for today and the balance of the week, on account of medical reasons.

Mr. TUCKER (at the request of Mr. GEPHARDT), for today and the balance of the week, on account of official business.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mr. GENE GREEN of Texas) to revise and extend their remarks and include extraneous material:)

Mr. PALLONE, for 5 minutes, today.

Ms. KAPTUR, for 5 minutes, today.

Mrs. COLLINS of Illinois, for 5 minutes, today.

(The following Members (at the request of Mr. COMBEST) to revise and extend their remarks and include extraneous material:)

Mr. GOODLING, for 5 minutes, on September 13.

Mr. MCKEON, for 5 minutes, today.

Mr. RIGGS, for 5 minutes, today.

Mr. HUTCHINSON, for 5 minutes, today.

Mr. HOEKSTRA, for 5 minutes, today.

Mr. KINGSTON, for 5 minutes, today.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

(The following Members (at the request of Mr. GENE GREEN of Texas) and to include extraneous matter:)

Mr. FOGLIETTA.
Mr. DELLUMS in two instances.
Mrs. COLLINS of Illinois in two instances.
Mr. WAXMAN.
Mr. STARK in two instances.
Mrs. MALONEY.
Mr. UNDERWOOD.
Mr. MURTHA.
Mr. MANTON.
Mr. BONIOR.
Mr. BORSKI.

(The following Members (at the request of Mr. COMBEST) and to include extraneous matter:)

Mr. FORBES.
Mr. BAKER of California.
Mr. LAZIO of New York.
Mr. HYDE.
Mr. GALLEGLY.
Mrs. SEASTRAND.
Mr. SMITH of New Jersey.
Mr. NUSSLE.
Mr. HOUGHTON.
Mr. HANSEN.
Mr. GILMAN in two instances.
Mr. BROWNBACK.

(The following Members (at the request of Ms. MCKINNEY) and to include extraneous matter:)

Mr. MORAN.
Mr. MICA.
Mrs. MINK of Hawaii.
Mrs. MORELLA.
Mr. PASTOR.
Mr. PETERSON of Florida.

SENATE BILLS REFERRED

A bill of the Senate of the following title was taken from the Speaker's table and, under the rule, referred as follows:

S. 790. An act to provide for the modification or elimination of Federal reporting requirements; to the Committee on Government Reform and Oversight.

ADJOURNMENT

Ms. MCKINNEY. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 11 o'clock and 2 minutes p.m.), the House adjourned until tomorrow, Wednesday, September 13, 1995, at 10 a.m.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1418. A letter from the Auditor, District of Columbia, transmitting a copy of the report entitled: "Audit of the District of Columbia Lottery and Charitable Games Control Board for Fiscal Year 1994," pursuant to D.C. Code, section 47-119(c); to the Committee on Government Reform and Oversight.

1419. A letter from the Secretary, Department of Health and Human Services, transmitting the eighth annual report of the Department's Council on Alzheimer's Disease delineating revisions to previous research plans and progress made in research sponsored by the Federal Government, pursuant to Public Law 99-660, section 912(2) (100 Stat. 3805); to the Committee on Commerce.

1420. A letter from the Acting Director, Defense Security Assistance Agency, transmitting notification concerning a project arrangement [PA] with Australia (Transmittal No. 11-95), pursuant to 22 U.S.C. 2767(f); to the Committee on International Relations.

1421. A letter from the Assistant Legal Adviser for Treaty Affairs, Department of State, transmitting copies of international agreements, other than treaties, entered into by the United States, pursuant to 1 U.S.C. 112b(a); to the Committee on International Relations.

1422. A letter from the Senior Deputy Assistant Administrator (Bureau for Legislative and Public Affairs) Agency for International Development, transmitting a report on economic conditions prevailing in Turkey that may affect its ability to meet its international debt obligations and to stabilize its economy, pursuant to 22 U.S.C. 2346 note; to the Committee on International Relations.

1423. A letter from the Administrator, General Services Administration, transmitting a copy of a report of building project survey for Oklahoma City, OK, and executive summary of the Oklahoma City security assessment, pursuant to 40 U.S.C. 606(a); to the Committee on Transportation and Infrastructure.

1424. A letter from the Chairman, National Transportation Safety Board, transmitting a copy of the Board's budget request for fiscal year 1997, pursuant to 49 U.S.C. app. 1903(b)(7); jointly, to the Committee on Appropriations and Transportation and Infrastructure.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. GOSS: Committee on Rules. House Resolution 218. Resolution providing for consideration of the bill (H.R. 1162) to establish a deficit reduction trust fund and provide for the downward adjustment of discretionary spending limits in appropriation bills (Rept. 104-243). Referred to the House Calendar.

Mr. MCINNIS: Committee on Rules. House Resolution 219. Resolution providing for the consideration of the bill (H.R. 1670) to revise and streamline the acquisition laws of the Federal Government, to reorganize the mechanisms for resolving Federal procurement disputes, and for other purposes (Rept. 104-244). Referred to the House Calendar.

REPORTED BILLS SEQUENTIALLY REFERRED

Under clause 5 of rule X, bills and reports were delivered to the Clerk for printing, and bills referred as follows:

H.R. 1670. Referred to the Committee on Small Business for a period ending not later than September 12, 1995, for consideration of such portions of sections 101(d) and 102(b) of the bill as fall within the jurisdiction of that committee pursuant to clause 1(o), rule X.

SUBSEQUENT ACTION ON A REPORTED BILL SEQUENTIALLY REFERRED

Under clause 5 of rule X the following action was taken by the Speaker:

H.R. 1670. The Committee on Small Business discharged.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. HYDE:

H.R. 2297. A bill to codify without substantive change laws related to transportation and to improve the United States Code; to the Committee on the Judiciary.

By Mr. BEREUTER:

H.R. 2298. A bill to amend the Agricultural Act of 1949 to clarify the prevented planting rule for the calculation of crop acreage bases; to the Committee on Agriculture.

H.R. 2299. A bill to amend the Clean Air Act to require that motorcycles be defined as having a curb mass less than or equal to 1,749 pounds; to the Committee on Commerce.

By Mr. BEREUTER (for himself, Mrs. JOHNSON of Connecticut, and Mr. KOLBE):

H.R. 2300. A bill to improve the efficiency and coordination of the Federal Government's export promotion activities; to the Committee on International Relations, and in addition to the Committee on Banking and Financial Services, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

By Mr. DUNCAN:

H.R. 2301. A bill to designate an enclosed area of the Oak Ridge National Laboratory in Oak Ridge, TN as the "Marilyn Lloyd Environmental, Life, and Social Sciences Complex"; to the Committee on Science.

By Mr. GALLEGLY:

H.R. 2302. A bill to amend the Federal Power Act to provide for the delegation of dam safety authority to State government; to the Committee on Commerce.

By Mrs. LOWEY:

H.R. 2303. A bill to amend title XIX of the Social Security Act to require as a condition of receiving payments under such title for the costs of administering its Medicaid plan that each State include on the enrollment card provided to beneficiaries under the plan a photograph of the beneficiary, and for other purposes; to the Committee on Commerce.

By Mrs. MINK of Hawaii:

H.R. 2304. A bill to amend section 105 of the Housing and Community Development Act of 1974 to extend the authority for communities to use community development block grant assistance for direct homeownership assistance; to the Committee on Banking and Financial Services.

By Mr. MORAN:

H.R. 2305. A bill to designate the U.S. Courthouse for the Eastern District of Virginia in Alexandria, VA, as the "Albert V. Bryan United States Courthouse"; to the Committee on Transportation and Infrastructure.

By Mrs. MORELLA (for herself, Mr. MORAN, Mr. DAVIS, Mr. WOLF, Mr. FROST, Mr. ACKERMAN, Mr. WELDON of Pennsylvania, Mr. PETRI, Ms. NORTON, and Mr. MCCRERY):

H.R. 2306. A bill to amend title 5, United States Code, to provide additional investment funds for the Thrift Savings Plan, and to make the percentage limitations on individual contributions to such plan more consistent with the dollar amount limitation on elective deferrals; to the Committee on Government Reform and Oversight.

By Mr. ROBERTS:

H.R. 2307. A bill to amend the Federal Election Campaign Act of 1971 to further restrict contributions to candidates by multicandidate political committees, limit and require full disclosure of attempts to influence Federal elections through soft money and independent expenditures, correct inequities resulting from personal financing of campaigns, strengthen the role of political parties, and contain the cost of political campaigns; to the Committee on House Oversight.

H.R. 2308. A bill to abolish the franking privilege for the House of Representatives and to provide for use of approved forms of postage and postage meters for official mail of the House of Representatives; to the Committee on House Oversight, and in addition to the Committee on Government Reform and Oversight, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

By Mr. ROYCE:

H.R. 2309. A bill to define the circumstances under which earthquake insurance requirements may be imposed by the Federal Home Loan Mortgage Corporation on a specifically targeted State or area; to the Committee on Banking and Financial Services.

By Mr. SERRANO (for himself, and Mr. Frazer):

H.R. 2310. A bill to award a congressional gold medal to Francis Albert Sinatra; to the Committee on Banking and Financial Services.

By Mr. SERRANO:

H.R. 2311. A bill to waive certain prohibitions with respect to nationals of Cuba coming to the United States to play organized professional baseball; to the Committee on International Relations, and in addition to the Committee on the Judiciary, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

By Ms. SLAUGHTER (for herself, and Mr. Rangel):

H.R. 2312. A bill to amend the Social Security Act to provide for annual distribution of Social Security account statements to all beneficiaries and to improve the information made available in such statements; to the Committee on Ways and Means, and in addition to the Committee on Commerce, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

By Mr. SMITH of New Jersey:

H.R. 2313. A bill to authorize the Secretary of Veterans Affairs to expand the scope of services provided to veterans in Vet Centers; to the Committee on Veterans' Affairs.

By Mr. SPRATT:

H.R. 2314. A bill to facilitate the conducting of a demonstration project to improve the personnel management policies and practices affecting the acquisition work force of the Department of Defense; to the Committee on National Security, and in addition to the Committee on Government Reform and Oversight, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

By Mr. STARK:

H.R. 2315. A bill to amend the Internal Revenue Code of 1986 to repeal certain tax subsidies related to energy and natural resources; to the Committee on Ways and Means.

By Mr. STARK (for himself and Mr. Houghton):

H.R. 2316. A bill to amend the Internal Revenue Code of 1986 to impose an excise tax on amounts of private excess benefits from certain charitable organizations, and for other purposes; to the Committee on Ways and Means.

By Ms. WATERS:

H.R. 2317. A bill to define the circumstances under which earthquake insurance requirements may be imposed by the Federal Home Loan Mortgage Corporation on a specifically targeted State or area; to the Committee on Banking and Financial Services.

By Mr. BOEHNER:

H. Res. 217. Resolution electing Representative Tauzin of Louisiana to the Committees on Commerce and Resources; considered and agreed to.

By Ms. WOOLSEY (for herself, Mr. Yates, Mr. McDermott, Mr. Frost, Ms. Pelosi, Mr. Frank of Massachusetts, Mr. Filner, Mr. Ward, Mr. Beilenson, Mr. Underwood, Mr. Clyburn, Mr. Hilliard, Ms. Velazquez, Mr. Schumer, Mr. Porter, Mrs. Morella, Mr. Dellums, Ms. Furse, Mr. Flake, Mr. Nadler, Mr. Gene Green of Texas, Mr. Ackerman, Ms. Eshoo, Ms. Jackson-Lee, Mr. Torres, Ms. Harman, Ms. DeLauro, and Ms. Waters):

H. Res. 220. Resolution expressing the sense of the House of Representatives that the Senate should ratify the Convention on the Elimination of All Forms of Discrimination Against Women; to the Committee on International Relations.

ADDITIONAL SPONSORS

Under clause 4 of rule XXII, sponsors were added to public bills and resolutions as follows:

H.R. 44: Mr. Petri, Mr. Miller of Florida, and Mr. Kleczka.

H.R. 60: Mr. Bliley.

H.R. 325: Mr. Waxman.

H.R. 357: Ms. Norton.

H.R. 390: Mr. Thornberry.

H.R. 436: Mr. English of Pennsylvania and Mr. Lewis of Kentucky.

H.R. 444: Mr. Thompson.

H.R. 463: Mr. Luther.

H.R. 528: Mr. Parker, Mr. Gordon, Mr. Kanjorski, and Mr. Ackerman.

H.R. 615: Mr. Rogers.

H.R. 739: Mr. Dornan, Mr. Blute, and Mr. Bliley.

H.R. 743: Ms. Pryce, Mr. Bachus, Mr. Barr, Mr. Spence, Mr. LaHood, and Mr. Manzullo.

H.R. 789: Mr. Kasich, Mr. Hastings of Washington, Ms. Dunn of Washington, Mr. Cunningham, Mr. Porter, and Mr. Metcalf.

H.R. 866: Mr. Olver.

H.R. 899: Mr. Dornan.

H.R. 952: Mr. Goodling and Mr. Pomeroy.

H.R. 972: Mr. Hinchey, Ms. Dunn of Washington, and Mr. Saxton.

H.R. 994: Mr. Bono, Mr. Lucas, Mr. Saxton, Mr. Bartlett of Maryland, Mr. Pickett, and Mr. Underwood.

H.R. 1005: Mrs. Meyers of Kansas.

H.R. 1007: Mrs. Chenoweth.

H.R. 1010: Mr. Hoke.

H.R. 1021: Mr. Torres.

H.R. 1023: Mr. Spence and Mr. Kanjorski.

H.R. 1073: Mr. Hall of Ohio, Mr. Dixon, and Ms. Danner.

H.R. 1074: Mr. Sabo and Mr. Hall of Ohio.

H.R. 1078: Mr. Rohrabacher.

H.R. 1083: Mr. Quinn, Mr. Cunningham, Mr. Dornan, Mr. Fox, and Mr. Hutchinson.

H.R. 1162: Mr. Hayworth.

H.R. 1202: Mr. Frank of Massachusetts and Mr. Peterson of Florida.

H.R. 1299: Mrs. Meyers of Kansas.

H.R. 1339: Ms. DeLauro.

H.R. 1404: Ms. DeLauro, Mr. Dornan, Mr. Gibbons, Ms. Molinari, Mr. Olver, and Ms. Eddie Bernice Johnson of Texas.

H.R. 1501: Mr. Chambliss.

H.R. 1560: Mr. Obey.

H.R. 1656: Mr. Gejdenson.

H.R. 1744: Mr. Burton of Indiana, Mr. Ganske, and Mr. Norwood.

H.R. 1756: Mr. Stockman, Mr. Chambliss, Mr. Baker of Louisiana, and Mrs. Cubin.

H.R. 1767: Mr. Oberstar.

H.R. 1802: Mr. Hutchinson, Mr. Kim, and Mr. Goodlatte.

H.R. 1818: Mr. Oxley, Mr. Kingston, Mr. Barr, Mr. Deal of Georgia, Mr. Shays, Mr. Scarborough, Mr. Paxon, Mr. Whitfield, Mr. Doolittle, Mr. Smith of Michigan, and Mr. Brownback.

H.R. 1821: Mr. Torres, Mr. Cramer, and Mrs. Seastrand.

H.R. 1846: Mr. Ackerman, Mr. Johnston of Florida, Ms. Roybal-Allard, and Mr. Torricelli.

H.R. 1856: Ms. Pryce, Mr. Laughlin, Mr. Vento, Mr. Wilson, Mr. Forbes, Mr. Hayworth, Mr. Scarborough, Mr. Bryant of Tennessee, Mr. Foley, Mr. Bilirakis, Mr. Klug, Mr. Allard, and Mr. Baker of California.

H.R. 1866: Mr. Porter, Mr. Parker, and Ms. Woolsey.

H.R. 1872: Mr. Williams, Mr. Foley, Mr. Olver, Mr. Sanders, Mr. Nadler, Mr. Gutierrez, Mr. Stark, Mr. Hoyer, Mr. Filner, Mr. Owens, Ms. Waters, Mr. Bentsen, Ms. McKinney, Mr. Borski, Mrs. Lowey, Mr. Lazio of New York, Mr. Dellums, Mr. Brown of California, Mr. Durbin, Ms. Woolsey, Mr. Johnston of Florida, Mr. Rangel, Mr. Wynn, Mr. DeFazio, Mr. Tucker, Mr. Ward, Mr. Dixon, Mrs. Maloney, Mr. Flanagan, Mr. Lewis of Georgia, Ms. Roybal-Allard, Mr. Coleman, Mrs. Meek of Florida, Mr. Evans, Ms. Velázquez, Mr. Gene Green of Texas, Mr. Beilenson, Mr. Shays, Ms. Lofgren, Mr. Lantos, Mr. Frost, Mr. Fox, Mr. Fazio of California, Mr. Sabo, and Mr. Fattah.

H.R. 1883: Mr. Bliley.

H.R. 1893: Mr. Engel, Mr. Forbes, and Mr. Rohrabacher.

H.R. 1932: Mr. Forbes, Mr. Hostettler, Mr. Flanagan, and Mr. Solomon.

H.R. 1963: Mr. Schiff.

H.R. 1982: Mr. Luther.

H.R. 2000: Ms. Velázquez.

H.R. 2006: Mr. Holden, Mr. Hansen, and Mr. Gilchrest.

H.R. 2007: Mr. Holden, Mr. Hansen, Mr. Cramer, and Mr. Gilchrest.

H.R. 2010: Mr. Hoke.

H.R. 2119: Ms. Danner, Ms. Rivers, Mrs. Kelly, Mr. Pastor, Mr. Sanders, and Mr. Gilman.

H.R. 2132: Mr. Frost, Mr. Pete Geren of Texas, Mr. Manton, and Mr. Gene Green of Texas.

H.R. 2137: Mr. GUTKNECHT and Ms. LOFGREN.

H.R. 2138: Mr. INGLIS of South Carolina.

H.R. 2152: Mr. DEUTSCH, Mr. GEKAS, Mr. KLUG, Mr. COLLINS of Georgia, and Mr. HUTCHINSON.

H.R. 2164: Mr. JOHNSTON of Florida.

H.R. 2181: Mr. ACKERMAN, Mr. CLAY, Mr. FROST, and Mr. JOHNSTON of Florida.

H.R. 2189: Mr. LAUGHLIN, Mr. ABERCROMBIE, Mr. POMEROY, and Mr. SCOTT.

H.R. 2190: Mr. RIGGS.

H.R. 2200: Mr. CREMEANS, Mr. TALENT, Mr. PICKETT, Mr. KNOLLENBERG, Mr. SOUDER, Ms. DANNER, Mr. LEVIN, Mr. STUMP, Mr. KILDEE, Mr. CONYERS, Mr. BURR, Mr. ISTOOK, Mr. SOLOMON, Mr. BARCIA of Michigan, Mr. BRYANT of Tennessee, Miss COLLINS of Michigan, Mr. CRAMER, Mr. DINGELL, Mr. TRAFICANT, Mr. OWENS, Mr. BURTON of Indiana, Mr. WALKER, Ms. KAPTUR, Mr. CHRYSLER, Mr. HUTCHINSON, Mr. BOEHNER, Mr. REGULA, and Mr. HUNTER.

H. Con. Res. 80: Mr. MILLER of California, Mr. YATES, Mr. KILDEE, Ms. PELOSI, Mr. DELLUMS, Mr. MATSUI, Mr. FRAZER, and Mr. CONYERS.

AMENDMENTS

Under clause 6 of rule XXIII, proposed amendments were submitted as follows:

H.R. 1162

OFFERED BY: MR. FROST

AMENDMENT NO. 1: In section 707(b), strike "after the date this bill was engrossed by the House of Representatives and".

H.R. 1162

OFFERED BY: MR. GOSS

AMENDMENT NO. 2: Page 2, line 6, strike "ACCOUNT" and insert "LEDGER".

Page 2, line 7, strike "Establishment of Account" and insert "Ledger".

Page 2, line 10, strike "ACCOUNT" and insert "LEDGER".

Page 2, line 11, strike "Establishment of Account" and insert "Ledger".

Page 2, lines 11 and 12, strike "There" and all that follows through "Account." on line 13, and insert the following: "The Director of the Congressional Budget Office (hereinafter in this section referred to as the 'Director') shall maintain a ledger to be known as the 'Deficit Reduction Lock-box Ledger'.".

Page 2, line 14, strike "Account" and insert "Ledger" and strike "subaccounts" and insert "entries".

Page 2, line 16, strike "subaccount" and insert "entry" and strike "entries" and insert "parts".

Page 3, strike lines 1 through 3 and insert the following:

"(b) COMPONENTS OF LEDGER.—Each component in an entry shall consist only of amounts credited to it under subsection (c). No entry of a negative amount shall be made.

Page 3, line 4, strike "Account" and insert "Ledger".

Page 3, lines 5 and 6, strike "of the Congressional Budget Office (hereinafter in this section referred to as the 'Director')".

Page 3, line 9, strike "subaccount" and insert "entry".

Page 4, line 2, strike the comma and insert a period and strike lines 3 and 4.

Page 4, before line 5, add the following new paragraph:

"(3) CALCULATION OF LOCK-BOX SAVINGS IN SENATE.—For purposes of calculating under this section the net amounts of reductions in new budget authority and in outlays resulting from amendments agreed to by the Senate on an appropriation bill, the amendments reported to the Senate by its Committee on Appropriations shall be considered to be part of the original text of the bill.

Page 4, between lines 13 and 14, strike "account" and insert "ledger".

Page 5, lines 9 and 10, strike ", as calculated by the Director of the Congressional Budget Office, and" and insert a period, and on line 11 strike "the" and insert "The".

Page 5, line 19, strike "Director of the Congressional Budget Office" and insert "chairman of the Committee on Appropriations of each House".

Page 6, line 3, strike "ACCOUNT" and insert "LEDGER".

Page 6, line 7, strike "account" and insert "ledger", and on line 8, strike "subaccount" and insert "entry".

Page 6, strike line 9 and all that follows through page 7, line 7, and insert the following new section:

SEC. 6. DOWNWARD ADJUSTMENT OF DISCRETIONARY SPENDING LIMITS.

The discretionary spending limits for new budget authority and outlays for any fiscal year set forth in section 601(a)(2) of the Congressional Budget Act of 1974, as adjusted in strict conformance with section 251 of the Balanced Budget and Emergency Deficit Control Act of 1985, shall be reduced by the amounts set forth in the final regular appropriation bill for that fiscal year or joint resolution making continuing appropriations through the end of that fiscal year. Those amounts shall be the sums of the Joint House-Senate Lock-box Balances for that fiscal year, as calculated under section 602(a)(5) of the Congressional Budget Act of 1974. That bill or joint resolution shall contain the following statement of law: "As required by section 6 of the Deficit Reduction Lock-box Act of 1995, for fiscal year [insert appropriate fiscal year], the adjusted discretionary spending limit for new budget authority shall be reduced by $ [insert appropriate amount of reduction] and the adjusted discretionary limit for outlays shall be reduced by $ [insert appropriate amount of reduction]." Notwithstanding section 904(c) of the Congressional Budget Act of 1974, section 306 of that Act as it applies to this statement shall be waived. This adjustment shall be reflected in reports under sections 254(g) and 254(h) of the Balanced Budget and Emergency Deficit Control Act of 1985.

Page 7, lines 14 and 15, strike "the date this bill was engrossed by the House of Representatives" and insert "August 4, 1995".

Page 8, lines 5 and 6, strike "the date this bill was engrossed by the House of Representatives" and insert "August 4, 1995".

H.R. 1162

OFFERED BY: MRS. MEEK OF FLORIDA

AMENDMENT NO. 3: At the end, add the following new section:

SEC. 8. PROHIBITION ON THE USE OF SAVINGS TO OFFSET DEFICIT INCREASES RESULTING FROM DIRECT SPENDING OR RECEIPTS LEGISLATION.

Reductions in outlays and reductions in discretionary spending limits specified in section 601(a)(2) of the Congressional Budget Act of 1974 resulting from the implementation of this Act shall not be taken into account for purposes of section 252 of the Balanced Budget and Emergency Deficit Control Act of 1985.

H.R. 1655

OFFERED BY: MR. COMBEST

AMENDMENT NO. 3: Page 7, line 9, strike "other".

Page 7, line 10, insert "identified in section 904" after "law".

Page 7, line 13, insert "and reports to Congress in accordance with section 903" after "determines".

Page 7, line 15, insert "related to the activities giving rise to the sanction" after "investigation".

Page 7, line 16, insert "related to the activities giving rise to the sanction" after "method".

Page 7, beginning on line 16, strike "The President" and all that follows through line 18, and insert the following: "Any such stay shall be effective for a period of time specified by the President, which period may not exceed 120 days, unless such period is extended in accordance with section 902.".

Page 7, after line 18, insert the following:

"EXTENSION OF STAY

"SEC. 902. Whenever the President determines and reports to Congress in accordance with section 903 that a stay of sanctions pursuant to section 901 has not afforded sufficient time to obviate the risk to an ongoing criminal investigation or to an intelligence source or method that gave rise to the stay, he may extend such stay for a period of time specified by the President, which period may not exceed 120 days. The authority of this section may be used to extend the period of a stay pursuant to section 901 for successive periods of not more than 120 days each.

Page 7, strike line 19 and all that follows through line 6 on page 8, and insert the following:

"REPORTS

"SEC. 903. Reports to Congress pursuant to sections 901 and 902 shall be submitted in a timely fashion upon determinations under this title. Such reports shall be submitted to the Committee on International Relations of the House of Representatives and the Committee on Foreign Relations of the Senate. With respect to determinations relating to intelligence sources and methods, reports shall also be submitted to the Permanent Select Committee on Intelligence of the House of Representatives and the Select Committee on Intelligence of the Senate. With respect to determinations relating to ongoing criminal investigations, reports shall also be submitted to the Committees on the Judiciary of the House of Representatives and the Senate.

"LAWS SUBJECT TO STAY

"SEC. 904. The President may use the authority of sections 901 and 902 to stay the imposition of an economic, cultural, diplomatic, or other sanction or related action by the United States Government concerning a foreign country, organization, or person otherwise required to be imposed by the Chemical and Biological Weapons Control and Warfare Elimination Act of 1991 (title III of Public Law 102–182); the Nuclear Proliferation Prevention Act of 1994 (title VIII of Public Law 103–236); title XVII of the National Defense Authorization Act for Fiscal Year 1991 (Public Law 101–510) (relating to the nonproliferation of missile technology); the Iran-Iraq Arms Nonproliferation Act of 1992 (title XVI of Public Law 102–484); and section 573 of the Foreign Operations, Export Financing Related Programs Appropriations Act, 1994 (Public Law 103–87), section 563 of the Foreign Operations, Export Financing Related Programs Appropriations Act, 1995 (Public Law 103–306), and comparable provisions within annual appropriations Acts.

"APPLICATION

"SEC. 905. This title shall cease to be effective on the date which is three years after the date of the enactment of this title.".

Page 8, after line 9 and before line 10, amend the matter proposed to be inserted to read as follows:

"TITLE IX—APPLICATION OF SANCTIONS LAWS TO INTELLIGENCE ACTIVITIES

"Sec. 901. Stay of sanctions.
"Sec. 902. Extension of stay.
"Sec. 903. Reports.
"Sec. 904. Laws subject to stay.
"Sec. 905. Application.".

H.R. 1655

OFFERED BY: MR. FRANK OF MASSACHUSETTS

AMENDMENT NO. 4: Page 5, after line 22, insert the following:

SEC. 105. REDUCTION IN AUTHORIZATIONS.

(a) IN GENERAL.—Except as provided in subsection (b), the aggregate amount authorized to be appropriated by this Act, including the amounts specified in the classified Schedule of Authorizations referred to in section 102, is reduced by three percent.

(b) EXCEPTION.—Subsection (a) does not apply to amounts authorized to be appropriated by section 201 for the Central Intelligence Agency Retirement and Disability Fund.

(c) TRANSFER AND REPROGRAMMING AUTHORITY.—(1) The President, in consultation with the Director of Central Intelligence and the Secretary of Defense, may apply the reduction required by subsection (a) by transferring amounts among the accounts or reprogramming amounts within an account, as specified in the classified Schedule of Authorizations referred to in section 102, so long as the aggregate reduction in the amount authorized to be appropriated by this Act equals three percent.

(2) Before carrying out paragraph (1), the President shall submit a notification to the Permanent Select Committee on Intelligence of the House of Representatives and the Select Committee on Intelligence of the Senate, which notification shall include the reasons for each proposed transfer or reprogramming.

H.R. 1655

OFFERED BY: MR. FRANK OF MASSACHUSETTS

AMENDMENT NO. 5: Page 10, after line 17, insert the following:

SEC. 308. DISCLOSURE OF ANNUAL INTELLIGENCE BUDGET.

As of October 1, 1995, and for fiscal year 1996, and in each year thereafter, the aggregate amounts requested and authorized for, and spent on, intelligence and intelligence-related activities shall be disclosed to the public in an appropriate manner.

H.R. 1670

OFFERED BY: MRS. COLLINS OF ILLINOIS

AMENDMENT NO. 1: Strike out sections 101, 102, 103, and 106 and insert in lieu of section 101 the following:

SEC. 101. COMPETITION PROVISIONS.

(a) CONFERENCE BEFORE SUBMISSION OF BIDS OR PROPOSALS.—(1) Section 2305(a) of title 10, United States Code, is amended by adding at the end the following paragraph:

"(6) To the extent practicable, for each procurement of property or services by an agency, the head of the agency shall provide for a conference on the procurement to be held for anyone interested in submitting a bid or proposal in response to the solicitation for the procurement. The purpose of the conference shall be to inform potential bidders and offerors of the needs of the agency and the qualifications considered necessary by the agency to compete successfully in the procurement.".

(2) Section 303A of the Federal Property and Administrative Services Act of 1949 (41 U.S.C. 253a) is amended by adding at the end the following new subsection:

"(f) To the extent practicable, for each procurement of property or services by an agency, an executive agency shall provide for a conference on the procurement to be held for anyone interested in submitting a bid or proposal in response to the solicitation for the procurement. The purpose of the conference shall be to inform potential bidders and offerors of the needs of the executive agency and the qualifications considered necessary by the executive agency to compete successfully in the procurement.".

"(b) DESCRIPTION OF SOURCE SELECTION PLAN IN SOLICITATION.—(1) Section 2305(a) of title 10, United States Code, is further amended in paragraph (2)—

(A) by striking out "and" after the semicolon at the end of subparagraph (A);

(B) by striking out the period at the end of subparagraph (B) and inserting in lieu thereof "; and"; and

(C) by adding at the end the following new subparagraph:

"(C) a description, in as much detail as is practicable, of the source selection plan of the agency, or a notice that such plan is available upon request.".

(2) Section 303A of the Federal Property and Administrative Services Act of 1949 (41 U.S.C. 253a) is further amended in subsection (b)—

(A) by striking out "and" after the semicolon at the end of paragraph (1);

(B) by striking out the period at the end of paragraph (2) and inserting in lieu thereof "; and"; and

(C) by adding at the end the following new paragraph:

"(3) a description, in as much detail as is practicable, of the source selection plan of the executive agency, or a notice that such plan is available upon request.".

(c) DISCUSSIONS NOT NECESSARY WITH EVERY OFFEROR.—(1) Section 2305(b)(4)(A)(i) of title 10, United States Code, is amended by inserting before the semicolon the following: "and provided that discussions need not be conducted with an offeror merely to permit that offeror to submit a technically acceptable revised proposal".

(2) Section 303B(d)(1)(A) of the Federal Property and Administrative Services Act of 1949 (41 U.S.C. 253b) is amended by inserting before the semicolon the following: "and provided that discussions need not be conducted with an offeror merely to permit that offeror to submit a technically acceptable revised proposal".

(d) PRELIMINARY ASSESSMENTS OF COMPETITIVE PROPOSALS.—(1) Section 2305(b)(2) of title 10, United States Code, is amended by adding at the end the following: "With respect to competitive proposals, the head of the agency may make a preliminary assessment of a proposal received, rather than a complete evaluation of the proposal, and may eliminate the proposal from further consideration if the head of the agency determines the proposal has no chance for contract award.".

(2) Section 303B(b) of the Federal Property and Administrative Services Act of 1949 (41 U.S.C. 253b(b)) is amended by adding at the end the following: "With respect to competitive proposals, the head of the agency may make a preliminary assessment of a proposal received, rather than a complete evaluation of the proposal, and may eliminate the proposal from further consideration if the head of the agency determines the proposal has no chance for contract award.".

(e) FEDERAL ACQUISITION REGULATION.—The Federal Acquisition Regulation shall be revised to reflect the amendments made by subsections (a), (b), (c), and (d).

H.R. 1670

OFFERED BY: MR. DAVIS

AMENDMENT NO. 2: Add at the end of title I (page 36, after line 9) the following new section:

SEC. 107. TWO-PHASE SELECTION PROCEDURES.

(a) Armed Services Acquisitions.—(1) Chapter 137 of title 10, United States Code, is amended by inserting after section 2305 the following new section:

"§ 2305a. Two-phase selection procedures

"(a) AUTHORIZATION.—Unless the traditional acquisition approach of design-bid-build is used or another acquisition procedure authorized by law is used, the head of an agency shall use the two-phase selection procedures authorized in this section for entering into a contract for the design and construction of a public building, facility, or work when a determination is made under subsection (b) that the procedures are appropriate for use. The two-phase selection procedures authorized in this section may also be used for entering into a contract for the acquisition of property or services other than construction services when such a determination is made.

"(b) CRITERIA FOR USE.—A contracting officer shall make a determination whether two-phase selection procedures are appropriate for use for entering into a contract for the design and construction of a public building, facility, or work when the contracting officer anticipates that three or more offers will be received for such contract, design work must be performed before an offeror can develop a price or cost proposal for such contract, the offeror will incur a substantial amount of expense in preparing the offer. and the contracting officer has considered information such as the following:

"(1) The extent to which the project requirements have been adequately defined.

"(2) The time constraints for delivery of the project.

"(3) The capability and experience of potential contractors.

"(4) The suitability of the project for use of the two-phase selection procedures.

"(5) The capability of the agency to manage the two-phase selection process.

"(6) Other criteria established by the agency.

"(c) PROCEDURES DESCRIBED.—Two-phase selection procedures consist of the following:

"(1) the agency develops, either in-house or by contract, a scope of work statement for inclusion in the solicitation that defines the project and provides prospective offerors with sufficient information regarding the Government's requirements (which may include criteria and preliminary design, budget parameters, and schedule or delivery requirements) to enable the offerors to submit proposals which meet the Government's needs. When the two-phase selection procedure is used for design and construction of a public building, facility, or work and the agency contracts for development of the scope of work statement, the agency shall contract for architectural/engineering services as defined by and in accordance with the Brooks Architect-Engineers Act (40 U.S.C. 541 et seq.).

"(2) the contracting officer solicits phase-one proposals that—

"(A) include information on the offeror's—

"(i) technical approach; and

"(ii) technical qualifications; and

"(B) do not include—

"(i) detailed design information; or

"(ii) cost or price information.

"(3) The evaluation factors to be used in evaluating phase-one proposals are stated in the solicitation and include specialized experience and technical competence, capability to perform, past performance of the offeror's team (including the architect-engineer and construction members of the team if the project is for the construction of a public building, facility, or work) and other appropriate factors, except that cost-related or price-related evaluation factors are not permitted. Each solicitation establishes the relative importance assigned to the evaluation factors and subfactors that must be considered in the evaluation of phase-one proposals. The agency evaluates phase-one proposals on the basis of the phase-one evaluation factors set forth in the solicitation.

"(4) The contracting officer selects as the most highly qualified the number of offerors specified in the solicitation to provide the property or services under the contract and requests the selected offerors to submit phase-two competitive proposals that include technical proposals and cost or price information. Each solicitation establishes with respect to phase two—

"(A) the technical submission for the proposal, including design concepts or proposed solutions to requirements addressed within the scope of work (or both), and

"(B) the evaluation factors and subfactors, including cost or price, that must be considered in the evaluations of proposals in accordance with section 2305(b)(4) of this title.

The contracting officer separately evaluates the submissions described in subparagraphs (A) and (B).

"(5) The agency awards the contract in accordance with section 2305(b)(4) of this title.

"(d) Solicitation To State Number of Offerors To Be Selected for Phase Two Requests for Competitive Proposals.—A solicitation issued pursuant to the procedures described in subsection (c) shall state the maximum number of offerors that are to be selected to submit competitive proposals pursuant to subsection (c)(4). The maximum number specified in the solicitation shall not exceed 5 unless the agency determines with respect to an individual solicitation that a specified number greater than 5 is in the Government's interest and is consistent with the purposes and objectives of the two-phase selection process.

"(e) Stipends Authorized.—The head of an agency is authorized to provide a stipend to competitors that are selected to submit phase-two proposals and that submit proposals that meet the requirements of the solicitation but are not selected for the award.

"(f) Requirement for Guidance and Regulations.—The Federal Acquisition Regulatory Council, established by section 25(a) of the Office of Federal Procurement Policy Act (41 U.S.C. 421(a)), shall provide guidance and promulgate regulations—

"(1) regarding the factors that may be considered in determining whether the two-phase contracting procedures authorized by subsection (a) are appropriate for use in individual contracting situations;

"(2) regarding the factors that may be used in selecting contractors;

"(3) providing for a uniform approach to be used Government-wide; and

"(4) regarding criteria to be used in determining whether the payment of a stipend is appropriate and for determining the amount of the stipend.".

(2) The table of sections at the beginning of chapter 137 of such title is amended by adding after the item relating to section 2305 the following new item:

"2305a. Two-phase selection procedures.".

(b) Civilian Agency Acquisitions.—(1) Title III of the Federal Property and Administrative Services Act of 1949 (41 U.S.C. 251 et seq.) is amended by inserting after section 303L the following new section:

"(a) Authoriization.—Unless the 'traditional' acquisition approach of design-bid-build is used or another acquisition procedure authorized by law is used, the head of an executive agency shall use the two-phase selection procedures authorized in this section for entering into a contract for the design and construction of a public building, facility, or work when a determination is made under subsection (b) that the procedures are appropriate for use. The two-phase selection procedures authorized in this section may also be used for entering into a contract for the acquisition of property or services other than construction services when such a determination is made.

"(b) Criteria for Use.—A contracting officer shall make a determination whether two-phase selection procedures are appropriate for use for entering into a contract for the design and construction of a public building, facility, or work when the contracting officer anticipates that three or more offers will be received for such contract, design work must be performed before an offeror can develop a price or cost proposal for such contract, the offeror will incur a substantial amount of expense in preparing the offer, and the contracting officer has considered information such as the following:

"(1) The extent to which the project requirements have been adequately defined.

"(2) The time constraints for delivery of the project.

"(3) The capability and experience of potential contractors.

"(4) The suitability of the project for use of the two-phase selection procedures.

"(5) The capability of the agency to manage the two-phase selection process.

"(6) Other criteria established by the agency.

"(c) Procedures Described.—Two-phase selection procedures consist of the following:

"(1) The agency develops, either in-house or by contract, a scope of work statement for inclusion in the solicitation that defines the project and provides prospective offerors with sufficient information regarding the Government's requirements (which may including criteria and preliminary design, budget parameters, and schedule or delivery requirements) to enable the offerors to submit proposals which meet the Government's needs. When the two-phase selection procedure is used for design and construction of a public building, facility, or work and the agency contracts for development of the scope of work statement, the agency shall contract for architectural/engineering services as defined by and in accordance with the Brooks Architect-Engineers Act (40 U.S.C. 541 et seq.).

"(2) The contracting officer solicits phase-one proposals that—

"(A) include information on the offeror's—

"(i) technical approach; and

"(ii) technical qualifications; and

"(B) do not include—

"(i) detailed design information; or

"(ii) cost or price information.

"(3) The evaluation factors to be used in evaluating phase-one proposals are stated in the solicitation and include specialized experience and technical competence, capability to perform, past performance of the offeror's team (including the architect-engineer and construction members of the team if the project is for the construction of a public building, facility, or work) and other appropriate factors, except that cost-related or price-related evaluation factors are not permitted. Each solicitation establishes the relative importance assigned to the evaluation factors and subfactors that must be considered in the evaluation of phase-one proposals. The agency evaluates phase-one proposals on the basis of the phase-one evaluation factors set forth in the solicitation.

"(4) The contracting officer selects as the most highly qualified the number of offerors specified in the solicitation to provide the property or services under the contract and requests the selected offerors to submit phase-two competitive proposals that include technical proposals and cost or price information. Each solicitation establishes with respect to phase two—

"(A) the technical submission for the proposal, including design concepts or proposed solutions to requirements addressed within the scope of work (or both), and

"(B) the evaluation factors and subfactors, including cost or price, that must be considered in the evaluations of proposals in accordance with section 303B(d).

The contracting officer separately evaluates the submissions described in subparagraphs (A) and (B).

"(5) The agency awards the contract in accordance with section 303B of this title.

"(d) Solicitation To State Number of Offerors To Be Selected for Phase Two Requests for Competitive Proposals.—A solicitation issued pursuant to the procedures described in subsection (c) shall state the maximum number of offerors that are to be selected to submit competitive proposals pursuant to subsection (c)(4). The maximum number specified in the solicitation shall not exceed 5 unless the agency determines with respect to an individual solicitation that specified number greater than 5 is in the Government's interest and is consistent with the purposes and objectives of the two-phase selection process.

"(e) Stipends Authorized.—The head of an executive agency is authorized to provide a stipend to competitors that are selected to submit phase-two proposals and that submit proposals that meet the requirements of the solicitations but are not selected for the award.

"(f) Requirement for Guidance and Regulations.—The Federal Acquisition Regulatory Council, established by section 25(a) of the Office of Federal Procurement Policy Act (41 U.S.C. 421(a)), shall provide guidance and promulgate regulations—

"(1) regarding the factors that may be considered in determining whether the two-phase contracting procedures authorized by subsection (a) are appropriate for use in individual contracting situations;

"(2) regarding the factors that may be used in selecting contractors;

"(3) providing for a uniform approach to be used Government-wide; and

"(4) regarding criteria to be used in determining whether the payment of a stipend is appropriate and for determining the amount of the stipend.".

(2) The table of sections at the beginning of such Act is amended by inserting after the items relating to section 303L the following new items:

"Sec. 303M. Two-phase selection procedures.".

H.R. 1670

Offered By: Mrs. Maloney

Amendment No. 3: Strike out section 304 (relating to international competitiveness).

H.R. 1670

Offered By: Mrs. Maloney

Amendment No. 4: Strike out section 202 (page 43, line 15, through page 45, line 19).

H.R. 1670

OFFERED BY: MRS. MALONEY

AMENDMENT NO. 5: Page 43, strike out lines 15 and 16 and insert in lieu thereof the following:

SEC. 202. APPLICATION OF SIMPLIFIED PROCEDURES TO COMMERCIAL OFF-THE-SHELF ITEMS.

Page 43, line 22, and page 44, line 18, insert after "commercial" the following: "off-the-shelf".

Page 44, strike out the closing quotation marks and period at the end of line 11 and insert after such line the following:

"(5) In this subsection, the term 'commercial off-the-shelf item' means an item that—

"(A) is an item described in section 4(12)(A) of the Office of Federal Procurement Policy Act (41 U.S.C. 403(12)(A));

"(B) is sold in substantial quantities in the commercial marketplace; and

"(C) is offered to the Government, without modification, in the same form in which it is sold in the commercial marketplace.".

Page 45, strike out the closing quotation marks and period at the end of line 7 and insert after such line the following:

"(6) In this subsection, the term 'commercial off-the-shelf item' means an item that—

"(A) is an item described in section 4(12)(A) of the Office of Federal Procurement Policy Act (41 U.S.C. 403(12)(A));

"(B) is sold in substantial quantities in the commercial marketplace; and

"(C) is offered to the Government, without modification, in the same form in which it is sold in the commercial marketplace.".

EXTENSIONS OF REMARKS

COMMUNITY DEVELOPMENT BLOCK GRANT DIRECT HOME OWNERSHIP ASSISTANCE EXTENSION ACT

HON. PATSY T. MINK

OF HAWAII

IN THE HOUSE OF REPRESENTATIVES

Tuesday, September 12, 1995

Mrs. MINK of Hawaii. Mr. Speaker, the Community Development Block Grant [CDBG] Direct Home Ownership Assistance Program will expire at the end of the current fiscal year, leaving numerous communities nationwide at a great loss. For this reason, I have introduced the CDBG Direct Home Ownership Assistance Extension Act which would prolong the duration of this program another year, to end in fiscal year 1996.

The National Affordable Housing Act [NAHA] in 1990 amended CDBG legislation to remove direct home ownership assistance from the public service category and establish it as a separate entity. A sunset clause in the NAHA legislation would have terminated the program on October 1, 1993; however, due to apparent need for the program, the 1992 Housing and Community Development Act further extended the provision through October 1, 1994. The 1992 legislation also authorized the Secretary of Housing and Urban Development [HUD] to extend the program 1 additional year through fiscal year 1995, which he did on September 30, 1994.

Program extension is even more crucial at this point, months after HUD released its national home ownership strategy in partnership with groups including the American Bankers Association and Federal National Mortgage Corp. The strategy aims to increase the national home ownership rate to 67.5 from 64 percent in 5 years—adding up to 8 million new families to home ownership rolls in the United States by end of the year 2000—without adding new Government spending. Direct home ownership assistance is an ideal component of this strategy.

Direct home ownership assistance is crucial for my State of Hawaii as a whole, considering that its rate of home ownership is a mere 53.5 percent. The median price of an existing home in the United States in 1994 registered at $109,000, while the median price for an Oahu home was $360,000.

Unique circumstances surround the County of Kauai in my district, which continues to recover from devastating effects of Hurricane Iniki, 1992. The Kauai County Housing Agency has been planning to put all $140,000 of its fiscal year 1995 CDBG funds into direct home ownership assistance and desperately needs this program to continue. The single-family house price for Kauai County in September 1994 was $311,632. In addition, as defined by HUD, 44 percent of Kauai's resident households are considered to fall below 80 percent of the median income level. These factors present a significant proportion of Kauai's families with only bleak possibilities at home ownership.

Despite Kauai's high-housing prices and low-income levels, the desire for home ownership still remains notable. According to the county, 66 percent of the households who will eventually move from their current place of residence wish to become homeowners. However, 17 percent of these households have less than $5,000 for down payment purposes. Many families in Kauai County are presented with little or no opportunity to achieve the American dream. Direct home ownership assistance would help at least some of these families.

On the national level, according to HUD's latest CDBG performance reports—compiled for the 1992 program year—143 communities used approximately $18.2 million for 247 activities under direct home ownership assistance—which is available for all States. Municipalities which have benefited substantially from the program in fiscal year 1995 include Boston, $1.6 million; Cambridge, $237,811; and Springfield, MA, $920,400; Kansas City, MO, $2.4 million; Johnson City, TN, $240,225; and Lakeland, FL, $135,000.

Direct home ownership assistance is a valuable program that increases user flexibility without contributing more to CDBG costs. It provides needy communities with an alternative to housing assistance under HOME investment partnership grants. Many communities, such as Kauai, have incorporated this program into 1995 CDBG plans and would be forced to extensively reporgram funds should this program expire.

I strongly urge my colleagues to support the CDBG Direct Homeownership Assistance Extension Act.

THE REPUBLICANS' CUTS IN STUDENT LOANS AND EDUCATION

HON. CARDISS COLLINS

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, September 12, 1995

Mrs. COLLINS of Illinois. Mr. Speaker, this week, all across the 7th Congressional District in Illinois, children, teenagers and young people are beginning their new school year and buckling down for a year of hard work and study.

Unfortunately, the GOP budget proposals will be randomly expelling young people from education programs across the Chicago metropolitan area. Frankly, I'd like to make the Republicans supporting these proposals sit in the corner with a dunce cap on their heads or give them an F for unfairness.

It is evidently to the majority of Americans across the country that spending Federal funds on education is a smart investment. Despite widespread support for funding for education, the Republicans are slashing education funding to dangerously low levels. In Illinois' 7th Congressional District, these cuts will hit especially hard and will cause thousands of students to lose access to critical educational opportunities and services.

From pre-school through graduate school, all students are targets of the Gingrich-Republican's budget cuts. The Republicans are proposing cutting a whopping $45 billion from education programs over the next 7 years, plus eliminating the U.S. Department of Education, to pay for tax breaks for the wealthiest 1 percent of Americans.

For young children, these cuts will eliminate nearly 50,000 Head Start children from the successful and popular Head Start Program. Ms. Sherry West, a former Head Start parent and mother of four children from the 7th Congressional District, visited Washington, DC last month to describe exactly how devastating these cuts will be.

The Republicans in the House of Representatives have already voted to eliminate the Federal school lunch program that has guaranteed needy children a decent meal since they were established by Harry Truman in 1946. Instead, the Gingrich-Republicans want to establish a block grant with no guarantee that hungry children will be fed during a recession or other economic downturn and no requirements that nutritional standards be met. When I visited the Henry Suder Elementary School in my District earlier this year, I saw how directly these cuts will impact 488 of the school's 501 students who participate in the Federal nutrition program.

The Summer Youth Employment program that provided more than 10,000 young people in Chicago summer jobs and an opportunity to learn useful job skills last year is also eliminated completely. Funding for children with disabilities is cut by 64 percent leaving many of these children without the resources that are needed to help them face their extraordinary obstacles and challenges.

In Chicago alone, education services will be eliminated for more than 25,000 students and cause as many as 1,000 teachers to be laid off. The city of Chicago will lose more than $41 million for special and vocational education, dropout prevention, job training, school building repairs, drug free school programs and numerous other educational programs.

Cuts for higher education will also be devastating. Currently, the vast majority of students in my congressional district can only afford to attend college or graduate school by taking out enormous loans that they must pay back for a decade after finishing school.

Now, with a decrease of $520 million in the Pell Grant Program, $156 million in the Federal Perkins Loans Program and more than $700 million in total student financial assistance, even fewer of my constituents will be

● This "bullet" symbol identifies statements or insertions which are not spoken by a Member of the Senate on the floor.

Matter set in this typeface indicates words inserted or appended, rather than spoken, by a Member of the House on the floor.

able to afford to attend college. The cost of student loans is expected to increase by $2,000 for undergraduate students and between $6,000 and $38,000 for graduate students under the Republicans' plan. This is not just pocket change to most young people and will prevent many of them from getting a college degree.

The students in my District have some advice for the Republicans—stop acting like a schoolyard bully and start making smart investments in America's future by funding education opportunities for everyone.

A DEDICATION IN HONOR OF MRS. RUTH WILLIAMS

HON. RONALD V. DELLUMS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, September 12, 1995

Mr. DELLUMS. Mr. Speaker, I rise to join the California Legislature, city and county of San Francisco, the outstanding citizens of the Bay View Hunters Point district and the constituents of the Ninth California Congressional District to honor the later Mrs. Ruth Williams at a dedication and commemoration ceremony held September 9, 1995.

The 1888 historic landmark and the city's oldest structure of its kind, the Bayview Opera House, will be dedicated as the Bayview Opera House Ruth Williams Memorial Theater as a tribute to her pioneering achievements. She played a central role in preventing the untimely demolition of the building during the 1960's. As a result of obtaining funds to redesign and renovate the structure, Mrs. Williams introduced the community to their first contemporary theater. She produced, directed, and performed in 37 theatrical and musicals. As a founder of the Bayview Repertory Theater Company, she effectively utilized theater to heal and enrich the lives of everyone around her.

In 1971, I had the good fortune to share the same platform with Mrs. Williams at a ground breaking ceremony. She delivered a powerful oratory to motivate and inspire others even though the day before her husband, George, was stricken with a stroke.

Mrs. Williams' 30 years of community activism, as a champion for civil and human rights in California, is visible in the neighborhood that she and her family resided. The Jackie Robinson Gardens Apartments, a 3,500 unit for low- to moderate-income housing complex which included the first single family homes in Hunters Point, is a testament to her commitment. She successfully operated a family planning clinic for two decades, providing teen and young adult counseling in sex education, teen pregnancy, drug and alcohol abuse. Mrs. Williams produced the first televised Northern California High Blood Pressure Telethon raising over $50,000 for community education on the effect of high blood pressure on the African-American community.

The Bayview Opera House Ruth Williams Memorial Theatre is a beacon to all those who had the privilege to work with her and to the present and future generations who will know of her dedication, devotion, and commitment for the betterment of humankind.

TRIBUTE TO DOROTHY PELL SAVAGE

HON. MICHAEL P. FORBES

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, September 12, 1995

Mr. FORBES. Mr. Speaker, I rise today to pay tribute to the memory of an outstanding Long Islander, Dorothy Pell Savage. Mrs. Savage, who was the founder and chairwoman of the board of East End Hospice, an agency that provides in-home care for the terminally ill, died on July 30, 1995, at the age of 75, after a 6-month struggle with breast cancer. Mrs. Savage's selfless work in the health care field gave dignity back to almost 800 terminally ill Long Islanders by allowing them to live out the remainder of their days at home surrounded by their family and friends instead of being alone and isolated in a sterile hospital room.

Mrs. Savage was born on November 3, 1919, in Garden City. She grew up in Manhattan and attended the Spence School there. She went on to become a successful businesswoman, first as a manager at the Lord & Taylor and Depinna department store branches in Eastchester, NY, and later as the owner of a women's clothing shop in Scarsdale, NY.

She married Hugh Savage in 1939. When Mr. Savage became ill in the mid-1980's, she cared for him at home until his death in 1986. After his death she decided to turn the tragedy around by founding East End Hospice with the help of a few good friends.

Today, the agency has over 200 volunteers and in its 8-year history the hospice has cared for almost 800 people on both the north and south forks of Long Island.

Mrs. Savage is survived by her two sons, Tracy and Hugh, and her nine grandchildren.

Although Mrs. Savage is no longer with us physically, her legacy and dedication to eastern Long Island will live on through the volunteers of East End Hospice.

Mr. Speaker, I ask you to join me in extending my heartfelt sympathy and prayers to her family and friends. She will be missed.

SALUTE TO THE CITY OF CARPINTERIA

HON. ELTON GALLEGLY

OF CALIFORNIA

HON. ANDREA H. SEASTRAND

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, September 12, 1995

Mr. GALLEGLY. Mr. Speaker, we rise today to honor a city we both represent that is celebrating its 30th anniversary of incorporation later this month.

On September 21, 1965, a group of people living in what is now Carpinteria, CA, voted 895 to 635 to become the fifth incorporated city in Santa Barbara County and the 306th city in the State.

Since that time, the city has grown in population from 6,500 to more than 14,500, while retaining the small-town character and friendliness that prompted many residents to settle there in the first place.

In the city's first 30 years, its residents have maintained a viable and vital city government, provided a high level of police protection, effectively applied planning and land use standards, constructed public facilities that benefit both residents and visitors, revitalized the downtown area, provided recreation and social services and—along with the rest of southern California—dealt with more than their share of natural disasters.

Over the years, the residents of Carpinteria have also enjoyed their fair share of milestones: from the opening of the first—rented—city hall with two full-time employees on November 1, 1965, to the establishment of the city police department 2 years later to the city's purchasing and moving into its own city hall in 1975.

Mr. Speaker, the proud residents of Carpinteria have planned an extensive, 4-day celebration of all that they have achieved over the past 30 years to coincide with this happy anniversary. We are grateful to be able to introduce these remarks on the city's behalf and to remind our colleagues that there is a very special place in southern California home to some very special people and that place is called Carpinteria.

SALUTE TO THE PHILADELPHIA COMMISSION ON HUMAN RELATIONS AND THE HONORABLE GILBERT F. CASELLAS

HON. THOMAS M. FOGLIETTA

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, September 12, 1995

Mr. FOGLIETTA. Mr. Speaker, I rise to salute the Philadelphia Commission on Human Relations [PCHR] as it celebrates the 50th anniversary of the founding of the United Nations, and honors the Honorable Gilbert F. Casellas, Chairman, U.S. Equal Employment Opportunity Commission, at their 26th annual Human Rights Awards luncheon on October 27, 1995.

This Nation was founded on the principles of a democratic self-government, independence, and religious freedom. A free and tolerant society was envisioned, one offering harmony, opportunity and understanding to those who had long been persecuted. Philadelphia is observing Human Relations Month to increase public awareness of laws prohibiting discrimination and to promote intergroup harmony and understanding among communities.

The Philadelphia Commission on Human Relations is gathering on October 27, 1995, to convene its 26th annual Human Rights Awards luncheon to publicly recognize and thank individuals who have made outstanding contributions in promoting intergroup harmony and understanding.

I am proud of the accomplishments and contributions of the Philadelphia Commission on Human Relations, and I join with the Philadelphia community in congratulating the commission, Gil Casellas, and all the individuals being honored by the commission on this important day.

TRAGEDIES IN CHECHNYA

HON. CHRISTOPHER H. SMITH

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, September 12, 1995

Mr. SMITH of New Jersey. Mr. Speaker, while this House was in recess, the world learned of a tragic loss. Fred Cuny, disaster relief expert, pioneer in modern humanitarian assistance, and American citizen, is now presumed by his family to have been murdered in Chechnya. He had vanished there some 5 months ago, along with a Russian translator, Galena Oleinik, and two Red Cross doctors, Andrei Sereda and Sergei Makarov, who had come with him. Their deaths are all the more tragic because they were in Chechnya not to help one side or another, but to assess the needs of innocent refugees, Chechen and Russian, driven from their homes by the conflict.

The facts of this tragedy are not entirely clear. According to information received by the Cuny family, it appears that Fred Cuny and his associates were killed by a group of Chechens, but there is evidence that Russian authorities in Chechnya may have had a hand in the killings. During the course of an investigation into his death, the Cuny family took written and spoken testimony that Russian intelligence operatives had spread disinformation about the group, alleging that Cuny's team was anti-Chechen and associated with the Russian secret service. Whether this effort was intended to discredit the team, or had more sinister motives, is immaterial. If true, it is an example of the callous disregard Russia has shown toward the fat of noncombatants in Chechnya, including those who are trying to alleviate human suffering.

Mr. Speaker, Fred Cuny cared passionately about human rights. After his first visit to Chechnya, he wrote an article entitled "Killing Chechnya" for the New York Review of Books, in which he documented the indiscriminate bombing and shelling of residential areas by the Russian Army, a barrage that left both Chechen and Russian civilians dead by the thousands and homeless by the tens of thousands. Just before he departed for his fateful second trip, he met with the staff of the Commission on Security and Cooperation in Europe, of which I have the honor to serve as chairman, recounting the willful disregard for human life that he had found in Chechnya. His words from that meeting about the innocent civilians caught up in the fighting—"they're dying like flies"—were marked by both frustration and compassion. I would add also that Fred Cuny also testified before the Commission earlier with regard to his humanitarian efforts in the former Yugoslavia and the human suffering in that corner of Europe.

Fred Cuny's concern for human rights abuses carried him all over the world, often at the behest of his country's political and military leaders, who many times—most recently, during and after the gulf war, and in the former Yugoslavia—employed him as a consultant. The company he founded, Intertect Relief and Reconstruction Agency, was devoted to finding solutions to humanitarian disaster—solutions that set a new precedent for excellence and long-range planning in the field of disaster relief. He saved tens of thousands of lives, traveling to some of the most dangerous corners of the world, often at enormous personal risk.

Mr. Speaker, I have spoken out strongly against the brutality of the war in Chechnya, and its corrosive and potentially destructive effect upon the prospect of Russian democracy. I have joined with the international community in calling for a cease-fire in Chechnya. One month ago, that call was answered. The efforts of the Russians and Chechens in establishing and holding to a cease-fire agreement should not be overlooked. But neither should the murders of Fred Cuny and his team, and neither should Russian and Chechen responsibility for the killings, if any exists.

In his compassion, courage, and ingenuity, Fred Cuny embodied so much that we hold valuable in the American spirit. But the deaths of that relief team remind us that the horrors against which he had spent his life fighting—the slaughter of innocent civilians, the deprivation of even the most basic human rights, such as food and shelter, from an entire town, the persecution of humanitarian workers—are the tools of those who would rule by repression, force, and fear.

Mr. Speaker, I offer my condolences to the Cuny family, and to the families of those who died with him. I hope that Fred Cuny will be remembered for his good work, immense courage, and for his honorable death. And, I call on both sides, Chechen and Russian, to use the current cease-fire to expose and bring to justice those responsible for this reprehensible act.

TRIBUTE TO THE AMERICAN AUTOMOBILE ASSOCIATION SCHOOL SAFETY PATROLS

HON. JOHN L. MICA

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, September 12, 1995

Mr. MICA. Mr. Speaker, I would like to take this opportunity to acknowledge the American Automobile Association's School Safety Patrols. The 1995–96 school year marks the 75th anniversary of the AAA/School Safety Patrol partnership. Over the years, the safety patrol—which annually safeguards the lives of millions of young boys and girls—has become almost as recognizable to motorists as the stop sign. The presence of a safety patrol member wearing the familiar orange Sam Browne belt, which circles the waist and crosses over the shoulder, is a nationally accepted traffic indicator alerting motorists to drive carefully, for school children are in the area.

Motorists will find safety patrol members in 76 percent of the communities across the country. AAA clubs across the United States and Canada sponsor the 500,000 member safety patrol program in 50,000 schools.

AAA clubs supply the training materials, belts, badges and everything needed to organize and operate a school safety patrol program, as well as recognition activities.

Serving as patrols helps children develop a sense of responsibility at an early age. They're on duty early every morning of the school year and after the school day is over, sacrificing their play time. Throughout the day they remind their fellow students of safety rules and see that they cross the street only when it is safe to do so.

Over the years, the program has spurred worldwide interest, and youngsters in many foreign lands have joined in the effort to improve traffic safety for school children.

The national pedestrian death rate per 100,000 children under 10 years of age is dropping steadily—from 10.4 in 1935 to 3.0 in 1986, a 71-percent decline—and continues to decline. By 1993, the death rate for pedestrians under 10 was 1.4 per 100,000, down 65 percent from 1975. Not only are fewer young pedestrians being killed, but the percentage of those deaths in relation to total pedestrian fatalities also is declining. Some factors in the drop in child pedestrian deaths include increased public and media attention on traffic and child-safety issues, more students being bused to and from school, and improved emergency-medical services.

During its long and distinguished history, the School Safety Patrol has saved many lives. Last year, for instance, seven safety patrol members were honored for their heroics.

Drivers can and need to help protect our most precious resource by recognizing school zones—and the familiar orange Sam Browne belt worn by the School Safety Patrol—as a warning to slow down and look for children crossing the road.

I ask my colleagues to join me today and salute the contributions of the thousands of safety patrols kids everywhere.

Thank you, Mr. Speaker, for allowing me the distinct pleasure of recognizing the 75th anniversary of the AAA School Safety Patrol partnership.

CODIFICATION OF RECENT LAWS TO BE INCLUDED IN TITLE 49, UNITED STATES CODE, TRANSPORTATION

HON. HENRY J. HYDE

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, September 12, 1995

Mr. HYDE. Mr. Speaker, today I am introducing a bill to codify without substantive change recent laws related to transportation not included in title 49 and to make technical and conforming amendments to the United States Code. This bill was prepared by the Office of the Law Revision Counsel of the House of Representatives under its statutory duty—2 U.S.C. 285b—to prepare and submit periodically revisions of positive law titles of the Code to keep those titles current.

This bill makes no change in the substance of existing law. Anyone interested in obtaining a copy of the bill should contact the Judiciary Committee document clerk in room B–29 of the Cannon House Office Building. The telephone number is 225–0408. In addition, a section-by-section summary—containing reviser's notes—of the bill may be obtained through Edward F. Willett, Jr., Law Revision Counsel, U.S. House of Representatives, H2–304 Ford

House Office Building, Washington, DC, 20515–6711.

Persons wishing to comment on the bill should submit those comments to the law revision counsel no later than October 12, 1995.

SALUTING THE "THREE AMIGOS" FROM THE SEVENTH CONGRESSIONAL DISTRICT DRAFTED TO THE NBA

HON. CARDISS COLLINS

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, September 12, 1995

Mrs. COLLINS of Illinois. Mr. Speaker, I rise today to commend the accomplishments of three outstanding student athletes from the seventh Congressional District of Illinois; Michael Finley, Sherrell Ford, and Donnie Boyce of Maywood, IL. Recently, these three students were drafted into the National Basketball Association [NBA].

When these three young men attended Proviso East High School in Maywood, IL, they were often together and were nicknamed the "three amigos," after the movie with the same name. As high school seniors, they were the leaders of the 1991 Proviso East Pirates basketball team that won the Class AA State Champion. While Michael, Sherrell, and Donnie were at the helm, the Pirates won the first of two back-to-back State championships.

After high school, Michael Finley went on to play small forward at the University of Wisconsin and was recently drafted in the first round by the NBA's Phoenix Suns. Sherrell Ford played forward for the University of Illinois-Chicago Flames and was the first round draft pick of the Seattle Supersonics. Donnie Boyce was a guard on the University of Colorado's basketball team and was drafted in the second round by the Atlanta Hawks. Donnie succeeded despite the fact that he was recovering from a broken leg.

Mr. Speaker, these three young men possess outstanding talent and have been highly successful student athletes. As the Representative of the congressional district that produced Isaiah Thomas and is home to Michael Jordan, I am looking forward to a bright future for Maywood's "three amigos" and wish them lots of success.

IN RECOGNITION OF MS. URSULA F. SHERMAN

HON. RONALD V. DELLUMS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, September 12, 1995

Mr. DELLUMS. Mr. Speaker, I rise to join the Berkeley-Richmond Jewish Community [JCC] to honor Ms. Ursula F. Sherman at the First Annual Cultural Arts Tribute held September 10, 1995.

Ms. Sherman is a founder and founding board member of the Berkeley-Richmond Jewish Community Center, which serves as one of California's most active centers of Jewish life. She is a past president and current active board member of the JCC. She has played a central role in promoting Jewish cultural activities at the center. Ms. Sherman is also cofounder of Berkeley-Oakland Support Service [BOSS] which provides shelter, transitional housing, job counseling, and other social services to thousands of the East Bay's homeless. She serves as a current board member of BOSS.

Ms. Sherman also serves as president of the board of "A Traveling Jewish Theater," a nationally renowned innovative theater company. She is a board member and former president of the Jewish Arts Community of the Bay [JACOB], an association of board members of the Jewish Federation of the Greater East Bay and is trustee of the Northern California American Jewish Congress. Previously, she served as a board member and chair of the Religious School Committee of Berkeley's Congregation Beth El.

A Berkeley resident for many years, Ms. Sherman has devoted her life to improve and enrich the lives of everyone around her. Her commitment to community building and social justice is deeply impressive and worthy of commendation.

FIRE DEPARTMENT ANNIVERSARY

HON. MICHAEL P. FORBES

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, September 12, 1995

Mr. FORBES. Mr. Speaker, I rise today to pay tribute and to congratulate the Nesconset Fire Department for 60 years of dedicated service to the people of Nesconset, St. James, Ronkonkoma, and Smithtown. The residents of the Nesconset Fire District are fortunate to have such a well-trained and devoted fire department. The Nesconset Fire Department worked hard to establish itself as one of the best departments in New York and has achieved an impeccable record.

The success of the fire department is a direct result of the dedicated and effective management displayed by its members. Under the leadership of Chairman Nalio D'Orzaio the fire department has continued to play an active role in the life of the Smithtown community. This leadership umbrella extends to the other members of the board of fire commissioners, Frank Bernabeo, Vincent Puelo, James Goelz, and James Trube as well as the loyalty and hard work exemplified by Chief Officer Greg Anderson, First Assistant Andrew Normandeau, Second Assistant Neil Zanfardino and Third Assistant Thomas Guerriere. The Nesconset Fire Department consists of more than 123 volunteer firefighters, containing no career employees, offering further evidence of their passion and commitment to the community they serve.

On Saturday, September 17, 1995, the Nesconset Fire Department celebrates its 60th anniversary with a parade, marking the culmination of a long, proud history by recognizing and honoring the efforts of those who have sacrificed and served the department and community. Therefore Mr. Speaker, it is with great pride that I ask the rest of the House to join me in congratulating the fire department on achieving this milestone. This is a much deserved tribute and I wish them all the best on their day of recognition and glory. They give of themselves because of the love and pride they share for their community, and we applaud their extraordinary service and efforts. These courageous individuals have truly earned this recognition. May they continue to serve their community for many years to come.

HONORING BENNETT A. LANDMAN

HON. BILL BAKER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, September 12, 1995

Mr. BAKER of California. Mr. Speaker, recently Bennett A. Landman, an outstanding student at Orinda High School in my home district in California, won a signal honor. Bennett was awarded second place in the physics and astronomy category in the senior division at the 1995 California State Science Fair.

Bennett's project, titled "Chaotic Cards," investigated the path of a falling card and its relation to chaos. This innovative project ultimately determined that the interaction of the surface of the card and the air when it resists torque is a source of chaos in the fall of the card.

The sophistication of this project was matched by the creativity that inspired it. Bennett deserves high praise for the discipline and energy he brought to this endeavor. Innovation and commitment have been the hallmarks of America's scientific achievements throughout the years, and these same qualities are evident in Bennett's fine work.

It is a pleasure for me to recognize Bennett Landman, and to wish him well in all his future efforts. He is a credit to his family, his school, and to California.

TRIBUTE TO HISPANIC HERTIAGE MONTH

HON. RICK LAZIO

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, September 12, 1995

Mr. LAZIO of New York. Mr. Speaker, today marks the commencement of Hispanic Heritage Month.

From as early as the 1400's, people of Hispanic descent have contributed to the benefit of our national mosaic. In 1492 Spain was the only country that would support a visionary Genoese explorer's quest in finding a sea route to India. As a result of Queen Isabella's courageous backing of Christopher Columbus, America was discovered.

Since then, the Hispanic-American community has infused a rich cultural, ethical, and intellectual flavor into our melting pot. Men like Everette Alvarez who, as a brave young Navy pilot, became the first American prisoner of the Vietnam war. For 8 long years he painstakingly endured all of the mental and physical anguish that the North Vietnamese could inflict, and survived as a hero.

Women like Jovita Mireles Gonzales, an historian and folklorist who was one of the first people write in English about the Mexican-American culture. As a folklorist, she became the first Mexican-American president of the Texas Folklore Society.

And men like Dr. Luiz Alvarez, a physicist who developed a radar beam that could guide an airplane to landing under impossible visual circumstances. This innovation gave the United States of America a great advantage during World War II. As a pioneer in the world of high-energy physics, Dr. Alvarez achieved the highest goal in his field in 1968 by becoming the sole recipient of the Nobel Prize.

Today, Hispanics continue to contribute to the fabric of our community. On Long Island, I would like to acknowledge four residents of my constituency who are truly leaders among the Hispanic community and have flourished in their fields: Mr. Angel M. Rivera for his excellence in youth services; Miss Alexandra Feliciano for her outstanding academic leadership; Mr. Hector D. LaSalle for his contributions to the legal profession; and Dr. Dennis Da Silva for his dedicated activities in the medical field and community.

The list of achievements is endless. For that reason it is of utmost importance to honor the rich contributions of Hispanic-Americans in our society. I proudly applaud their efforts. Mr. Speaker, it is with great pleasure that I commemorate Hispanic Heritage Month.

THE GREEN REVENUE PATH

HON. FORTNEY PETE STARK

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, September 12, 1995

Mr. STARK. Mr. Speaker, as we consider changes to the Tax Code, I hope that we can consider bills to discourage pollution and the depletion of scarce natural resources.

I've long proposed these kinds of tax changes, and I am today introducing the first in a series of such tax bills—a bill which will eliminate various subsidies designed to encourage the consumption of polluting materials and the destruction of scarce natural resources.

I would like to enter in the RECORD at this point an excellent op ed on this subject which appeared in the September 10 Washington Post entitled, "The Green Revenue Path." Over the coming months, I plan to introduce other bills to advance the ideas contained in this article.

THE GREEN REVENUE PATH—FOR HEALTHY GROWTH, WASHINGTON SHOULD TAX RESOURCES, NOT LABOR

(By Ted Halstead and Jonathan Rowe)

For all the talk of radical tax reform in Washington, there's a basic question that the politicians and experts have somehow missed. The leading proposals, whether Democratic or Republican, are justified by what they wouldn't tax—capital gains, interest income, etc.—not by what they would tax. Purporting to encourage savings and investment, these proposals would all tend to shift the burden of taxation in one way or another from income onto work—that is, onto the folks who, in Sen. Phil Gramm's apt phrase, "pull the wagon."

There's a better way, one that doesn't penalize the things—work and enterprise—that America needs most. Instead of taxing the creation of wealth, the government ought to tax the depletion of it. The federal government should be moving toward elimination of payroll and income taxes and toward taxation of the use of finite natural resources and the pollution that results. Instead of using taxes simply to raise revenues, the government could raise revenue in a way that helps reduce the need for both government and taxes.

This idea of resource-based taxation is quite different from President Clinton's BTU tax proposal in 1993 that was mainly a new tax on top of the existing income tax structure. By contrast, we're talking about replacing the income and payroll taxes on the middle class with taxes on the use of finite resources such as oil and coal, on pollution and on virgin materials that end up in the trash. The federal income tax would be restored to what it was in the early 20th century—a kind of excise tax on only the very richest Americans (a historical fact that the Democratic party seems to have collectively forgotten).

Such a tax shift would provide a big boost for jobs and for America's ability to compete in the world.

First, eliminating income or payroll taxes for most of the middle class would cut the cost of labor in America without reducing wages. The real "job killer" of the current tax system is not the tax on capital gains, as Republicans claim. Much more debilitating for employment in America is the payroll tax, which slaps a big penalty on small businesses for the heinous act of hiring a worker. Resource-based taxes provide a practical way to reduce that penalty.

Second, a shift to resource taxes would push our whole economy toward more efficiency. A few pioneering companies have already shown the economic gains that are waiting to be tapped, as Joseph J. Romm demonstrates in his book "Lean and Clean Management." Boeing, for example, installed efficient new lighting that has cut electricity use for that purpose by 90 percent. West Bend Mutual Insurance, in West Bend, Wis., cut total energy use almost in half with a new office building designed to conserve resources.

Since conservation technologies and practices employ many more people than does the use of virgin resources, more jobs would result. Many of those new jobs would be in recycling, which would boom because virgin materials would no longer have the subsidies they enjoy under current tax laws. This, in turn, could help bring manufacturing jobs back to the inner cities, which could become the new supply depot of recycled raw materials, the equivalent of the mouth of the mines, that companies seek to be near.

Third, resource-based taxes would help solve our environmental problems by reducing the need for cumbersome, top-down regulation. Boeing's manager of conservation, Lawrence Friedman, has noted that if every company in America adopted the lighting efficiencies that Boeing did, "it would reduce air pollution as much as if one-third of the cars on the road today never left the garage." In other words, a resource tax system would make tax avoidance both legal and socially desirable. As individuals and corporations sought to cut their tax bills, the environment would become cleaner and the economy more efficient—and regulators less necessary.

This is not a pipe dream. We have completed the first draft of a resource tax proposal for the state of California, and found that the state could abolish virtually all existing state and local taxes, and raise the same amount of revenue from resource use and pollution instead. A shift of that scale is not feasible at the federal level. However, a reasonable tax on resource use and pollution—which would keep the price of gasoline within the levels paid by Europeans and Japanese—would make it possible to eliminate the federal income tax entirely for families making up to $75,000 a year, and for individuals earning up to $40,000. Part or all of that money could be used to abolish payroll taxes at the lower wage levels, and to buffer low-income Americans from the impact of the tax.

So why not? Some will warn that the United States would lose competitive position, but the opposite is more likely. With incentives to become lean and efficient in the use of resources, American companies would actually gain a competitive edge. Convinced of this, major international corporations in Sweden, such, including IKEA and Electrolux, are supporting a move toward resource taxes there, and the European Community is moving in this direction as well. Moreover, Prof. Lawrence Goulder of Stanford has shown how a resource tax could be levied on the energy content of key imports, keeping the playing field level for American producers paying such taxes.

Another objection will be raised by technological utopians, who say there's no such thing as "finite" natural resources, because the infinite ingenuity of people will always find substitutes for any resources that run out. If that's true, then resource-based taxation would buy more time for such new technologies to arise; it would also create price incentives that would hasten the development process. This would help bring about exactly what Newt Gingrich says he wants: a Third Wave economy, which Alvin Toffler describes as based on "processes and products that are miserly in their energy requirements."

Resource-base taxation is a proposal designed for where the economy is going, rather than where it has been.

PROGRESS IN THE BATTLE AGAINST DRUGS IN LATIN AMERICA

HON. BENJAMIN A. GILMAN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, September 12, 1995

Mr. GILMAN. Mr. Speaker, the deadly Cali drug cartel is on the run today like never before. The Colombian National Police to their enormous credit, and at great sacrifice in lost lives of many of its finest police officers, have long and courageously battled this scourge. In recent weeks they have successfully captured or brought about the surrender of many of the key drug kingpins, and others associated with the deadly Cali cartel. Now the judicial process in Colombia hopefully will serve to provide these same unsavory figures with prompt trials and the appropriate jail time, commensurate with the enormity of their deadly crimes, especially against our young.

In Peru, President Fujimori has started his second term with a strong democratic mandate. He is publicly committed to crushing the narco-traffickers, as he successfully battled the Shining Path terrorists. The results have also been impressive from Peru's air interdiction efforts on coca paste headed for Colombia. Today, there are more and more drug trafficking flights refueling in Brazil in order to avoid detection by these aggressive Peruvian efforts, as they make their way into Colombia with their deadly cargo.

These and other developments in the Andean region and nearby, give all us guarded hope that we can expect even more of these courageous and impressive results, aimed at the drug cartels and their deadly cargo. This issue is a major foreign policy concern of mine and others like Mayor Giuliani in New York City, who know full well that this scourge of narcotics must be aggressively fought abroad, before these drugs hit our streets, and infect our cities and schools.

All of these recent developments in Latin America present a challenge and a tremendous opportunity for U.S. international drug policy and interests in the region. It is an opportunity we cannot afford to miss to help reduce the level of deadly drugs coming into the United States.

We all know that once these deadly drugs reach our streets, we suffer billions of dollars in related crime, incarceration, health care, lost worker productivity, and other social ills and costs. Vice President Gore recently put the annual cost to the United States from illicit drug use at $67 billion. While that figure is very conservative, as a cost analysis, it clearly points out the critical need for our Nation to stay focused on this important subject, especially from a foreign policy perspective. We must also provide the necessary resources abroad, as well as here at home, which are needed to fight this epidemic which costs our society so much, in dollars and lives, each and every day.

Now more than ever, we must keep the pressure on the illicit drug trade and the drug cartels and we must work cooperatively with all concerned nations around the globe against this scourge. Nothing less will suffice for the benefit of our youth and the future of our Nation and the source and transit countries as well.

History clearly demonstrates that those nations which facilitate this illicit trade, also pay a deadly price in the corruption, violence, and inevitable local drug abuse so often associated with this scourge.

SIR GARY F. BELSKY, GRAND CHANCELLOR OF THE PENNSYLVANIA KNIGHTS OF PYTHIAS

HON. ROBERT A. BORSKI

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, September 12, 1995

Mr. BORSKI. Mr. Speaker, I rise today to honor Sir Gary F. Belsky, who will be honored by the Pennsylvania Knights of Pythias on September 16, 1995.

Mr. Speaker, the Order Knights of Pythias, to which Sir Gary Belsky gives his time and talent, was founded in Washington, DC in 1864. Established during the Civil War, it was hoped the Knights of Pythias might help to heal the wounds and allay the hatred of the war's conflict.

Since 1972 Gary has dedicated his life to the service of others through the three cornerstones of Pythianism, which are: Friendship, charity, and benevolence. Gary has diligently served as chancellor commander, financial secretary, and treasurer of Barbarossa Lodge #133. Gary Belsky is only the second man of Barbarossa to ever be awarded with the honorable "Sam Ospow Award." This is just one of the many awards attributed to Gary's dedication and service.

The United States has had the honor of having Gary serve in the military and Air National Guard. Gary successfully owned and maintained shoe stores throughout the Philadelphia area, and is presently managing a women's shoe store in Elkins Park, PA. Gary still finds time to be a successful bowler and a family man. He is an active citizen in his community and is dedicated to the principles of his religion.

All of this, plus many other contributions, led his peers to select Sir Gary Belsky as the grand chancellor of 10,000 members of the Pennsylvania Knights of Pythias.

On September 16, the Barbarossa Lodge #133 of the Knights of Pythias will honor Gary Belsky for his service. I join the Barbarossa Lodge and all of Gary's friends in tribute to him.

MALONEY HONORS NEIGHBORS R US

HON. CAROLYN B. MALONEY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, September 12, 1995

Mrs. MALONEY. Mr. Speaker, I rise today to bring to the attention of my colleagues the achievements of Neighbors R Us, an extraordinary community group which has won a great battle for preserving a great neighborhood.

Last year, when Toys R Us announced its intention to open a superstore on the corner of 80th and Third Avenue, it was greeted with dismay by those of us who live in the neighborhood. We feared that this store would negatively impact the residential character of the community. We feared that it would endanger access to the nursing home across the street. We feared that it would cause severe traffic problems throughout the whole neighborhood.

Mr. Speaker, the difference between a good neighborhood and a great neighborhood is that when a great neighborhood is threatened, it draws together and rises to the challenge. And that is just what happened. Hundreds of residents from all walks of life gave selflessly of their time and created one extraordinary community group—Neighbors R Us.

Neighbors R Us spent countless hours gathering the information to show that Toys R Us was exploiting a local loophole in its efforts to open a store tens of thousands of square feet larger than the zoning restrictions would have allowed. But despite having justice on their side, there were many who felt that Neighbors R Us' efforts were doomed from the beginning. They were fighting the system; they were Davids battling a corporate Toys R Us Goliath.

But Neighbors R Us refused to listen to these naysayers. United, they continued to lobby the board of standards and appeals to do the right thing and preserve the community. They organized meetings; they held vigils; they wrote letters and made phone calls; in short, they gave new meaning to the words "community activism."

And they won.

Mr. Speaker, many individuals played critical roles in Neighbors R Us' well-deserved victory, so to single anyone out would be wrong. Because this was a victory that was truly shared by every member of the community. Certainly, the residents surrounding 80th Street have much reason to celebrate. But I believe that this issue has broader implications. It is a victory for the entire community and for every community in New York because it sends a message that residents' voices deserve to be heard.

It is true that Toys R Us may appeal the board of standards and appeals decision in court. But having worked with Neighbors R Us for well over a year on this issue, I am confident that they will ultimately prevail. Because they have proven that when a community is unified, there is no limit to what it can achieve.

So I ask my colleagues to join me in saluting Neighbors R Us for their extraordinary efforts on behalf of a truly great community.

CONGRATULATING GUAM'S ATHLETES FOR EXCELLENCE

HON. ROBERT A. UNDERWOOD

OF GUAM

IN THE HOUSE OF REPRESENTATIVES

Tuesday, September 12, 1995

Mr. UNDERWOOD. Mr. Speaker, when Guam's Special Olympics athletes compete, there is only the thrill of victory; the agony came earlier. So it is with great honor that I announce to you and the rest of our colleagues, in my home district of Guam, we have many noteworthy athletes who have thrilled us all.

In the recent Special Olympic Games held in the State of Connecticut, the people of Guam reached a new milestone. The island had more special athletes compete in this event than ever before. I now rise to pay tribute to these victorious athletes by placing their names in the CONGRESSIONAL RECORD.

In bowling, our Team Guam hit strikes, as Marion Molinos and David Bascon took bronzes in the unified doubles and silvers in the unified team competition. The marks improved further as Rosaline Unpingco and George Gabriel took gold in unified doubles and silver as competitors in unified team. Finally, it was Vernamarie Quinata and Bernadette Colet who worked to a fourth place finish in women's doubles. In addition, Vernamarie also fought to sixth place in women's singles while Bernadette got the gold.

On the athletic team, Kristopher San Nicolas threw for a silver in the softball throw and gained a bronze for the 100-meter race in walking. Edwin Bartolome won a bronze in the men's pentathlon. Patrick Blas was awarded the bronze in the 50-meter run and a ribbon in the shotput. Raymond Duenas walked his way to a bronze in the 15-meter walk and swam to a ribbon in the 25-meter freestyle. Melvin Muna was awarded ribbons for both the 25 and 50-meter freestyle in addition to a gold in the 25-meter backstroke. John Hammond got silver medals in the 25-meter freestyle and backstroke. James Francisco participated in the opening ceremonies but, due to a family emergency, could not compete in any athletic events.

So, to all the coaches, Marianne Cepeda, Rick Vasquez, Rich Fisher, Patty Blas, Rose Cruz, Vickie Loughran, and Troy Lizama, I commend you for a job well done. To the head of the delegation, Karen Biggs and the executive director Carole Piercy, who showed the Guam family just how much they cared, I want you to know that you are also very special. Finally, I congratulate all of Guam's athletes who competed in the games. Although they did not all earn medals, they are all Guam's heroes.

FRANKLIN BOROUGH FIRE DEPARTMENT CELEBRATES 100TH ANNIVERSARY

HON. JOHN P. MURTHA

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, September 12, 1995

Mr. MURTHA. Mr. Speaker, one of the remarkable stories of the last 19th century was the rebuilding of Johnstown, PA after the Great Flood of 1889. The Johnstown Flood destroyed the city and much has been written about this disaster. But most of these stories stop at the death and destruction caused by the raging waters; they don't talk about the rebuilding efforts that made Johnstown a bustling, growing steel community in the years after the flood.

Although it was the turbulent waters which caused the initial devastation during the flood, the fires which came afterwards completed the destruction. As the Johnstown area rebuilt over the next few years, residents realized they needed protection against the potential damage that fires could pose. In 1895, seven residents of Franklin Borough located just east of the downtown Johnstown area, decided to form a department to protect the borough and provide emergency services to the people of the area. One hundred years later, the Franklin Borough Fire Department is still going strong.

The Johnstown area has endured two major floods and severe economic downturns over the past 100 years. But the Franklin Borough Fire Department has continued to protect the residents of the area during good times and bad. From the days when seven residents founded the department, the Franklin Borough Fire Department has developed into a modern, efficient fire and rescue operation, handling emergencies from rescues to disposing of hazardous materials. The department is still the hub of Franklin Borough, and many of the activities in Franklin Borough revolve around it.

I'd like to congratulate the Franklin Borough Fire Department on its 100th anniversary. I join the people of the borough in wishing them well as they start on their second century of protecting the people of the area.

ENVIRONMENTAL TAX REFORM ACT OF 1995

HON. FORTNEY PETE STARK

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, September 12, 1995

Mr. STARK. Mr. Speaker, today, I am introducing the first in a series of bills to discourage pollution and resource depletion through the elimination of corporate energy and resource subsidies.

The first bill in this series is simple. It repeals 11 incentives in the corporate Tax Code to produce various polluting energy supplies and consume various nonrenewable minerals. The revenue raised by repealing these corporate provisions is approximately $14.5 billion over 5 years.

Through powerful lobbying, polluters have carved out special treatment in the Tax Code. These tax breaks or loopholes do nothing but undermine the public good. Not only is the Government subsidizing environmental degradation, but average citizens must make up for the lost revenue by paying higher taxes or suffering under the burden of increased national debt. These tax loopholes function as a reverse Robin Hood, taking from the average worker and giving to the polluting businesses.

Fundamentally, these tax subsidies lock-in old technologies, such as coal-fired electricity, which make it harder for new, cleaner, more efficient technologies like solar or wind energy to take hold and complete. Furthermore, subsidizing the extraction of virgin minerals from the earth makes recycling and source reduction less competitive.

Currently, these polluting tax subsidies cost taxpayers close to $2.2 billion per year. This figure is expected to total a $14.5 billion Treasury loss over the next 5 years. The mining and oil corporations are two industries which are rewarded with special tax breaks for polluting activities.

First, the mining industry enjoys tax subsidies for mining toxic substances such as lead, mercury, and asbestos. These subsidies can exceed the value of the owners' investment in the mine. Furthermore, tax subsidies conflict directly with Federal environmental policies. The Tax Code subsidizes the mining of lead, asbestos, and mercury, while the Government spends millions to eradicate these highly toxic substance from our environment.

The second major industry cradled by tax subsidies is the oil and gas industry, which enjoys the most elaborate targeted tax treatment available to any industry. For example, investors can write off passive losses from oil and gas investments but not from investments in other industries. Oil and gas companies are allowed to write off many of their capital costs immediately, and many can take deductions for so-called percentage depletion—which has no connection with actual expenses or depletion. The purpose of these tax subsidizes is to encourage domestic oil and gas production and consumption.

Having provided these subsidies, Congress has recognized that it is not in the national interest to encourage oil and gas consumption. But rather than repealing the oil and gas tax breaks, it has instead provided additional, conflicting subsidies for alternative fuels and conservation. To make matters even more confusing, one of the largest alternative fuel subsidies is for gasohol, which some argue may use almost as much fuel to produce as it ostensibly saves. In total, the conflicting tax breaks for oil, gas and energy are estimated to cost $19 billion over the next 5 years.

The U.S. Treasury studies have repeatedly found that extractive and polluting industries such as coal mining, petroleum, natural gas, and hardrock mining already have lower effective rates than other industries. In a time when there are no guarantees of Government support for the poor, the young, or the disabled, one might ask whether there should be guarantees of Government support for businesses, particularly those that degrade our natural environment and threaten our health. It is time to end these tax breaks.

REMEMBERING OUR POW'S AND MIA'S

HON. BENJAMIN A. GILMAN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, September 12, 1995

Mr. GILMAN. Mr. Speaker, September 15 is National POW–MIA Recognition Day, a day when our veteran's posts, our schools, our libraries, and our mass media can remind all Americans of our courageous servicemen whose fates are still undetermined from our Nation's past wars.

Candidate Clinton told the POW–MIA family groups and veteran organizations that he would never lift the trade embargo or normalize relations with the Communist government of Vietnam until the fate of thousands of POW's and MIA's from the Vietnam war was resolved. President Clinton, against the advice of the American Legion, the National League of Families, the National Alliance of Families, and other veteran and family organizations has gone back on his word. His rationale for doing was that the Vietnamese Government was cooperating with our efforts to account for our men.

Regretably, besides some access to old crash sites that were, on many prior occasions, fully investigated by Vietnamese, Soviet, and Chinese personnel years ago, the Vietnamese Government has done next to nothing to attempt to account for hundreds of Americans. The government of Vietnam continues to withhold from our investigators access to prison records and military reports that were written at the time of the shoot downs and captures. The meticulous Communist recordkeepers tell us that the books were "eaten by worms, damaged by weather, or hold sensitive national security information."

For this reason I introduced House Joint Resolution 89, legislation that will prevent the State Department from expending any funds for an Embassy in Vietnam.

It is my sincere hope that the administration's normalization of trade and relations with Vietnam eventually pays dividends and that next year there will not be any need for an MIA–POW Recognition Day. Unfortunately, if Hanoi's past track record is any indication of what we should expect by way of cooperation, then there is little hope of learning much more about our missing servicemen.

Accordingly, on this solemn day, we reaffirm our commitment to continue our struggle to resolve all of the many remaining cases of our Nation's POW–MIA's.

SMALL BUSINESS CREDIT EFFICIENCY ACT OF 1995

HON. DOUGLAS "PETE" PETERSON

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, September 12, 1995

Mr. PETERSON of Florida. Mr. Speaker, today I rise in support of H.R. 2150, the Small Business Credit Efficiency Act of 1995. This bipartisan legislation will strengthen the 7(a) and 504 programs within the Small Business Administration at a time when small businesses are increasingly seeking access to capital. At the same time, H.R. 2150 recognizes the fiscal crisis our Government is facing and seeks to lower the cost of these invaluable programs for the Government and the taxpayer.

As a small businessman, I know firsthand the difficulties small business men and women across the country face in securing financing and capital through the private sector. SBA's loan programs are aimed at filling this unserved niche and allowing the bedrock of our economy—our Nation's small businesses—to grow.

Mr. Speaker, there is an emerging consensus that we must balance the Federal budget, a belief I have held since first elected to Congress. All outyear forecasts, however, presume continued economic growth. Furthermore, the past decade has demonstrated that new job growth is coming almost exclusively from small businesses. Therefore, if we are to have any hopes of continued economic expansion and long-term fiscal stability, we in this Congress must support our Nation's small businesses and provide them with the tools they need to survive. That is the mission of SBA and that is exactly what these loan programs do.

Recently the 7(a) program has fallen victim to its own success. The growth in demand for guaranteed loans does not come without a price and our limited annual subsidy rate is predicted to fall short of covering this demand. This bill will lower the subsidy rate, thereby reducing the cost to the Government, while at the same time accommodating this increased demand for guaranteed loans.

Mr. Speaker, I urge my colleagues to support this much-needed legislation which will benefit the Federal Government by lowering the subsidy rate, benefit our small businesses by increasing access to capital, and benefit our Nation by spurring continued economic growth.

THE ALBERT V. BRYAN COURTHOUSE

HON. JAMES P. MORAN

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, September 12, 1995

Mr. MORAN. Mr. Speaker, I am pleased to introduce legislation today naming the new Eastern District Federal Courthouse at Courthouse Square South and Jamieson Avenue South in Alexandria, the Albert V. Bryan Courthouse.

Appointed to the U.S. District Court in 1947 by President Truman and promoted in 1961 to the Appeals Court by President Kennedy, Judge Bryan is best known for his 1958 order that four black students be enrolled in Arlington's all-white Stratford Junior High School. Implementation of this order produced the first day of school desegregation in Virginia history.

Judge Bryan was also a member of the judicial panel that ordered the desegregation of public schools in Prince Edward County during the height of Virginia's massive resistance to integration. The Prince Edward case later became part of the Supreme Court's historic 1954 decision in Brown versus Board of Education.

In his 37 years on the Federal bench, Judge Bryan built a record as a legal conservative and a strict constructionist. He was renown for his fairness, firmness, and thoroughness. Of the 322 opinions written as a circuit judge and the 18 opinions written as a district judge, he was reversed in only 4 cases, a record few can equal. His colleagues knew him as a courtly, conservative Virginia gentleman whose personal style was low key, modest and polite, often with a dry wit.

According to his son, U.S. District Judge Albert V. Bryan Jr., Judge Bryan, Sr. thought of the court as a jewel of the Constitution. Following through on the jewel metaphor, the Washington Post editorial marking the death of Judge Bryan, stated that: "those who knew the senior Judge Bryan might well add that this appraisal came from a expert who valued that gem and protected it with integrity and eloquence."

With great reverence and pride, I am pleased to introduce legislation today to honor and commemorate this distinguished Alexandria jurist.

TRIBUTE TO PHYLLIS KASSOFF

HON. THOMAS J. MANTON

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, September 12, 1995

Mr. MANTON. Mr. Speaker, I rise today to join Temple Torah in honoring Phyllis Kassoff. Since 1961, Ms. Kassoff has demonstrated her leadership skills and talents through her work at the Temple Torah and beyond.

Phyllis Kassoff's guidance has been reflected in her participation in a number of causes in her temple and community. Some of these include, Torah Fund chairperson and co-cultural vice president for the Sisterhood and Ms. Kassoff currently is co-president. In addition, she aided in the establishment of the first PTA of the Hebrew School at the Temple and was designated its first corresponding secretary. She participated with her extended family in funding an Israel Educational Scholarship for underprivileged children, and a Relaxation Glen for Israeli soldiers and their families.

After 14 years, Phyllis went back to college where she received the high honor of being elected to Kappa Delta Pi from Queens College where she graduated with a degree in Early Childhood Education and a Masters in Child Education. She went on to teach in the New York City School System where she headed counseling services at a federally-funded private on-the-job training program. Phyllis Kassoff's family is also and important part of her life; her husband Edwin Kassoff, children Mitchell and Robert, and grandchildren Sarah, Johathan, Jaclyn, and Adam.

Phyllis' hobbies are reflected in the some of the groups she participates in including the National Judicial College Choral Club and the Israeli Folk Dancing group at Temple Torah. In addition, she enjoys travel and photography. Currently, she is the recording secretary for the Temple.

Within the last 3 years, Phyllis, along with her brother and sister, graciously donated the computer and computer area at the Law School at Bar Slau University in Tel Aviv, as well as the Ner Tamid in the synagogue library area, a portion of the builder's wall in the lobby as well as the computer room and necessary equipment in memory of their parents. In addition, they funded the construction of a road leading into the park where athletes run with the torch to Jerusalem to mark the beginning of Chanukah holiday celebrations.

Phyllis Kassoff illustrates the importance of family, community and religion in all aspects of our lives. I know my colleagues join me in paying tribute to Phyllis Kassoff and wish her well in her future endeavors.

GOLDEN HEAL-A-MIND

HON. HENRY A. WAXMAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, September 12, 1995

Mr. WAXMAN. Mr. Speaker, I ask my colleagues to join me in honoring Nat and Barbara Winters on the occasion of their receipt of the "Golden Heal-a-Mind" Award.

This award to Nat and Barbara Winters is also a symbol of recognition of Gateways Hospital, one of the oldest and most respected mental health treatment centers in the country.

Nat and Barbara Winters are paragons of achievement, compassion, and commitment. They suffered the unimaginable pain of the loss of their daughter 8 years ago. This tragedy created a bond between them and all others for whom illness has brought great suffering.

The Winters are principal supporters of the city of Hope, Cedars-Sinai Heart Family, the John Wayne Cancer Research Organization, and numerous other health organizations. Nat Winter, a director of Congregation Mogen David, has also worked hard on behalf of the Jewish community.

I hope my colleagues will join me in congratulating Nat and Barbara Winters for receiving the "Golden Heal-a-Mind" Award and for their years of selfless dedication to our community. I wish the Winters, their children and grandchildren every happiness this honor can bestow.

A BILL TO IMPOSE AN EXCISE TAX ON AMOUNTS OF PRIVATE EXCESS BENEFITS FROM CHARITABLE ORGANIZATIONS

HON. AMO HOUGHTON

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, September 12, 1995

Mr. HOUGHTON. Mr. Speaker, I am pleased to join my colleague, the gentleman from California [Mr. STARK] in introducing the Exempt Organization Reform Act of 1995. This is an important piece of bipartisan legisaltion that would help solve a problem that we have attempted to address a number of times in the past. Basically, the issue is one of private inurement involving tax-exempt organizations, where the organization's insiders are using the charity's asserts for their own personal benefit. The problem is how to handle abuses in that area, short of revoking the tax-exempt status of the organization. At the present time, the only tool normally available to the Internal Revenue Service, in private inurement situations is revocation. Revocation is often too severe and does not punish the illegal acts of the insider. Intermediate sanctions are needed to prevent organization insiders from using a charity's assets for their own personal benefit.

In the 103d Congress, the Oversight Subcommittee and the full Ways and Means Committee made a number of attempts to address the issue. Most recently, a bipartisan proposal was suggested by Ways and Means members as part of the GATT implementation legislation. Unfortunately, it was not included in the final conference report by the House and Senate. Both in the past and currently, the Treasury and IRS have continued to urge that legislation be enacted to fix this problem.

The bill would include provisions to: First, extend the current law prohibition on private inurement applicable to charities to social welfare organizations (section 501(c)(4) organizations), second, provide for intermediate sanctions in the form of penalty excise taxes where the organization engages in an excess benefit transaction; as well as imposing dollar sanctions on certain disqualified individuals—for example, insiders—who improperly benefit from such a transaction, and third, require reporting of excise tax penalties imposed so that contributors can make an independent judgment on supporting the organization, and provide for public availability of annual reports.

These changes are designed to solve the current problems resulting from the lack of a range of enforcement tools. This legislation will also improve the ability of contributors to scrutinize the activities of organizations they support.

We welcome the support of our colleagues in cosponsoring this important legislation.

HONORING RITA DI MARTINO

HON. ED PASTOR

OF ARIZONA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, September 12, 1995

Mr. PASTOR. Mr. Speaker, I would like to salute today a very special and esteemed member of this Nation's Hispanic community, Rita Di Martino. True leaders are the pillars that hold our communities together. They are our source of hope and inspiration. The Nation's Hispanic community is blessed by the presence of many of these heroes, many recognized, many not. Among these leaders, the name Rita Di Martino stands out as a symbol of courage, commitment, and selfless devotion to improving the educational and economic opportunities for Hispanics. Through example she has instilled in her community the importance of active political and civic participation and responsibility. Most importantly, she has led by principles of excellence and sincerity of spirit.

Di Martino's professional career has been impressive. A native New Yorker, she began her career in the mid-70s at the New York State Department of Commerce. In 1979, Di Martino joined AT&T as managing director for the Caribbean and Central America as well as in public affairs and public relations. Since 1989, she has held the position of director of Federal Government affairs, where she assists in establishing and developing AT&T's relations with the administration, Congress, and State governments. Throughout the years, she has become AT&T's most valuable advisor in issue dealing with Hispanic affairs and multicultural issues in general.

In addition to her responsibilities at AT&T, Di Martino is a member of the Council of Foreign Relations and the Conference Board; serves on the Executive Committee of the National Council of La Raza; is the Vice-Chair of the Congressional Hispanic Caucus; the National Hispanic Corporate Council; the Cuban American National Council; the National Association of Latino Elected and Appointed Officials; the U.S. Senate Republic Task Force; and is a Presidential Appointee to the USO World Board of Governors. In 1982, Di Martino was appointed by President Reagan as U.S. Ambassador to the UNICEF Executive Board. As head of the U.S. Delegation, she represented the interest of the U.S. and influenced policy regarding the relationship between the U.S. and UNICEF.

Rita Di Martino has also been a pioneer of women's rights. She has been a first in many places where women, especially Hispanics, had not been able to conquer the barriers imposed by society. Recently, the Mexican American Women's National Association [MANA] established the Rita Di Martino Scholarship in Communication in recognition of her many accomplishments. The scholarship will be given to Hispanic women that excel in their professions and at the same time have a strong commitment for the betterment of their communities.

I ask my colleagues to join me in honoring a remarkable woman and a true leader. Individuals like her serve as true role models for our future generations.

THE FEDERAL THRIFT SAVINGS PLAN ENHANCEMENT ACT OF 1995

HON. CONSTANCE A. MORELLA

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Tuesday, September 12, 1995

Mrs. MORELLA. Mr. Speaker, today I am introducing the Federal Thrift Savings Plan Enhancement Act of 1995. The bill will authorize the addition of a Small Capitalization Stock Index Investment Fund and International Stock Index Fund to the investments available under the Federal Thrift Savings Plan (TSP). These stock funds will be linked to the Wilshire 4500, Wilshire 5000 index minus the 500 stocks held in the S&P 500 index, and the Morgan Stanley EAFE Indices, respectively.

By adding these two funds to the Federal employees' retirement investment portfolios, it potentially will increase their investment earnings for retirement. The bill would also empower Federal workers to take more active and personal responsibility for their retirement. This is a theme that the private sector has embraced with much success, and its integration into the Federal culture has considerable value.

The addition of the two funds would cost taxpayers nothing, because the contributions to the funds would come from the discretionary income of Federal workers. At the same time, it would give Federal workers retirement investment options that are increasingly being made available to their private sector counterparts.

In offering this bill, I envision a more flexible and attractive investment policy that will provide prudent and tested investments suitable for accumulating enough funds for a long and happy retirement. If there is one major goal in introducing this bill, it is to increase the likelihood of a quality retirement life.

The current Federal TSP has three investment funds: the Government Securities Investment Fund (G Fund); the Common Stock Index Investment Fund (C Fund); and the Fixed Income Investment Fund (F Fund). These funds are passive investments, tracking a broad index, and do not have a negative effect on the budget. By linking the Small Capitalization Stock Index Investment Fund with the Common Stock Investment Fund, the legislation would open up virtually the entire U.S. Stock Market to the TSP. Likewise, by adding the International Stock Index Investment Fund, it would allow Federal workers to capitalize on approximately 58 percent of the world market.

Over the past decade, capitalizing on these two investment opportunities would have increased the earnings of participants. In fact, the Wilshire 4500 has outperformed the S&P 500 in 12 out of the last 20 years, while generally moving in the same direction as the S&P 500. At the same time, the EAFE has also outperformed the S&P 500 in 11 out of the past 20 years. Over these two decades, adding these two funds to an equally distributed TSP would have produced the highest annual return of 12.8 percent with a 10.4 percent standard deviation.

The addition of these two funds does not come without risk. These funds are more volatile than the C Fund, which currently is the most volatile fund in the TSP. However, experts have noted that the right amount of diversification can actually negate investment risk. For instance, when an EAFE index fund investment is added to a C Fund investment, the volatility of the combined investment actually decreases.

The bill also includes a provision that would allow Federal workers to increase the amount they can contribute to the TSP, without altering the current matching formula. My goal is to provide Federal workers the flexibility to increase their contribution levels to the maximum allowed by IRS laws. The Federal workers in my district as well as across the country overwhelmingly support this provision. Many see it as an opportunity to offset potential changes to the retirement system. Support for the increase was also echoed by Vincent Sombrotto, president of the National Association of Letter Carriers [NALC] at a hearing held last year. Mr. Sombrotto stated that "Letter carriers throughout the Nation understand the great importance of saving for their retirement. In fact, they would like to do more to ensure their financial security." He further stated that delegates at the NALC Biennial Convention supported legislation to allow both FERS and CSRS employees to contribute more to the Federal TSP.

There is also another benefit to increasing the contribution limit. By increasing the money going into funds, this could increase the available investment capital for the Nation's economy. If this becomes the case, this is clearly a "win-win" situation for the country and Federal workers.

There, however, is the potential that this provision could impact the revenue base since employee contributions are tax deferred. I have asked the Joint Committee on Taxation to perform an analysis outlining any potential negative impact to the revenue base. I am committed to an increase, but not at the expense of the revenue base. Therefore, the actual amount of the percentage increase will depend upon the Joint Tax Committee's analysis. This will allow the cosponsors of the bill to support it with a clear fiscal conscience.

As I introduce this bill, I hope that we can help others view their retirement years as a new beginning by providing the framework to get there.

EXEMPT ORGANIZATION REFORM ACT OF 1995

HON. FORTNEY PETE STARK

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, September 12, 1995

Mr. STARK. Mr. Speaker, today my colleague, Mr. AMO HOUGHTON, and I will introduce the Exempt Organization Reform Act of 1995. This bill reforms three provisions of exempt organization law. The bill would first create a category of transactions that would be considered self-dealing because of insiders involved in a transfer of 501(c)(3) or 501(c)(4) organization assets; second, clarify that private inurement prohibitions apply to 501(c)(4) organizations; and third, impose intermediate sanctions on both private inurement and self-dealing transactions.

Section 501(c)(3) of the Internal Revenue Code exempts from Federal income tax religious, charitable, educational and certain other organizations that meet statutory and regulatory requirements. A primary requirement for tax-exempt organizations is that the organization's net earnings may not inure to the benefit of any private shareholder or individual, and the organization may not be organized or operated for the benefit of private rather than public interests.

Under current law, the only sanction available to the IRS to combat private inurement is revocation of the organization's exempt status. Revoking an organization's tax exemption is a severe penalty, which in many cases penalizes the wrong parties—the intended beneficiaries of its charitable work and the local community—while leaving untouched the insiders or other private parties who benefited from the diversion of the organization's assets and/or income. The IRS rarely imposes this sanction.

Since 1950, Congress has been concerned with problems of self-dealing between private foundations and insiders, and as recently as 1993 and 1994, the House Ways and Means Subcommittee on Oversight held public hearings that focused on compliance by public charities with the private inurement and private benefit prohibitions. Evidence presented at the oversight hearings documented numerous abuses of these prohibitions by a number of public charities. At the Oversight hearings, the IRS established a need for a wider range of enforcement tools—sanctions that do not require revocation of exempt status for violations of the private inurement and private benefit prohibitions.

Problems of insiders inappropriately benefiting from a tax exempt entity are all too common among nonprofit entities. The following examples illustrate transactions in which individuals have enriched themselves at the public's expense while nonprofit organizations have been looted.

An exempt 501(c)(3) health care organization operated a clinic at which the chief executive officer received total compensation in excess of $1 million. In addition, the organization made substantial payments for his personal expenses. The organization had sold its charitable assets and was purchasing physicians' private medical practices, often at more than fair market value.

An exempt University gave its president a significant compensation package, including salary, deferred compensation, expense accounts and loans—many of which were noninterest bearing. He also received the use of an expensive residence whose maintenance costs, including maid service, were paid by the University.

A public charity provided assistance to the poor. A principal officer of the organization, along with relatives, used its funds to pay for personal expenses such as leasing of vehicles, educational expenses, vacations, home improvements, and rental of resort property.

An exempt organization headed by a television evangelist raised large sums of money through fraudulent or misleading fundraising. Only a small part of the funds raised was used for charitable purposes. The organization paid the personal expenses of the officers and controlling individuals.

Television evangelist Pat Robertson, chairman of Christian Broadcasting Network [CBN], and his son Timothy, turned a $150,000 investment into stock worth $90 million by the 1992 sale to the public of cable TV stock they had originally bought from CBN.

This story is complicated, with twists and turns that often exist in self-dealing and private inurement cases. A cable TV programming company, The Family Channel, was started in 1977 as a division of the nonprofit CBN and was financed with charitable donations of viewers. CBN wanted to sell the Family Channel in 1989, partly because the Family Channel was so lucrative that it jeopardized the tax exempt status of the CBN—IRS rules require charities to receive their revenues more from charitable activities than from business activities. The Family Channel reportedly generated $17.5 million in just 9 months of 1989.

For the purchase in 1990, Pat and Tim Robertson formed a for-profit company, the International Family Entertainment, Inc., [IFE] with a minority shareholder and bought the Family Channel. The Robertsons put up $150,000—2.22 cents a share—and the minority shareholder put up $22 million.

IFE/Family Channel went public at $15 a share in 1992, and the Robertsons' $150,000 investment became worth $90 million. They retained 69-percent control of IFE/Family Channel. The Family Channel continues to be a cash cow. Pat Robertson's 1992 salary and bonus from IFE/Family Channel amounted to $390,611. His son Tim received $465,731 in 1992 alone. All the while, Robertson remains chairman of the nonprofit CBN that created the lucrative family channel.

The 1993 and 1994 Oversight hearings established the need for sanctions that fall short of revocation of exempt status for violations of private inurement and private benefit prohibitions. The health care bills reported in 1994 by the House Ways and Means and Senate Finance Committees both incorporated provisions on intermediate sanctions. The bipartisan effort in this area has been demonstrated time and time again—in hearings, in committee reports, and in proposed legislation. When unable to pass intermediate sanction legislation during health reform last year, a provision on intermediate sanctions was offered in the Ways and Means Committee's GATT bill, however it was not accepted by the Senate Finance Committee.

The evidence of abuse in this area is compelling. We should move quickly to pass this legislation before insiders take further advantage of organization's tax exempt status.

EXPLANATION OF BILL: PRESENT LAW

Under the Internal Revenue Code (the "Code"), a tax-exempt charitable organization described in section 501(c)(3) must be organized and operated exclusively for a charitable, religious, educational, scientific, or other exempt purpose specified in that section, and no part of the organization's net earnings may inure to the benefit of any private shareholder or individual. Organizations described in section 501(c)(3) are classified as either private foundations or public charities. Organizations described in section 501(c)(4) also must be operated on a non-profit basis, although there is no specific statutory rule prohibiting the net earnings of such an organization from inuring the benefit of shareholder or individual.

Under the Code, penalty excise taxes may be imposed on private foundations, their managers, and certain disqualified persons for engaging in certain prohibited transactions (such as so-called "self-dealing" and "taxable expenditure" transactions, see sections 4941 and 4945). In addition, under present law, penalty excise taxes may be imposed when a public charity makes an improper political expenditure (section 4955). However, the Code generally does not provide for the imposition of penalty excise taxes in cases where a public charity (or section 501(c)(4) organization) engages in a transaction that results in private inurement. In such cases, the only sanction that may be imposed under the Code is revocation of the organization's tax-exempt status.

I. EXCISE TAX ON EXCESS BENEFIT TRANSACTIONS

A. The bill would amend the Code to impose penalty excise taxes equal to 25 percent of the excess benefit as an intermediate sanction in cases where a public charity described in section 501(c)(3) (such as a hospital) or organization described in section 501(c)(4) such as an HMO) engages in a "self-dealing" transaction with certain disqualified persons. In the case where an organizational manager knows of such a transaction, an additional tax equal to 10 percent of the excess benefit may be imposed upon the organizational manager.

B. For purposes of the bill, "excess benefit transaction" generally means any transaction in which an economic benefit is provided by an applicable tax-exempt organization to or for the use of any disqualified person if the economic benefit provided exceeds the value of the consideration. The term "excess benefit" includes loans and certain private inurement.

C. Under the bill, "excess benefit" also includes the lending of money or other extension of credit between an applicable tax-exempt organization and disqualified person.

D. "Disqualified persons" would de defined under the bill as any person who was an organization manager at any time during the five-year period prior to the self-dealing transaction at issue, as well as certain family members and 35-percent owned entities. The term "organization manager" means any officer, director, or trustee of a public charity or social welfare organization (or any individual having powers or responsibilities similar to those of officers, directors, or trustees).

E. The bill would provide for a two-tiered penalty excise tax structure, similar to the excess tax penalty provisions applicable under present law to prohibited transactions by private foundations and political expenditures by public charities. Under the bill, an initial tax equal to 25 percent of the amount involved would be imposed on a disqualified person who participates in a self-dealing transaction. Organization managers who participate in self-dealing transactions, knowing that the transaction constitutes self-dealing, would be subject to a tax equal to 10 percent of the amount involved (subject to a maximum amount of tax of $10,000), unless such participation was not willful and was due to reasonable cause.

F. Additionally, second-tier taxes would apply under the bill if the self-dealing transaction is not "corrected," meaning undoing the transaction to the extent possible, but at least insuring that the organization is in a financial position not worse than that in which it would be if the disqualified person were dealing under the highest fiduciary standards. If a self-dealing transaction is not corrected within a specified time period (generally ending 90 days after the IRS mails a notice of deficiency), then the disqualified person would be subject to a tax equal to 200 percent of the amount involved. Any organization manager refusing to agree to correction would be subject to tax equal to 50 percent of the amount involved (subject to a maximum amount of tax of $10,000). Under the bill, if more than one person is liable for a first-tier or second-tier tax with respect to any one self-dealing transaction, then all such persons would be jointly and severally liable for the tax.

II. REPORTING OF CERTAIN EXCISE TAXES

A. Specified organizations would be required to report respective amounts of taxes paid by the organization concerning lobbying and political expenditures during the taxable year as specified in the bill.

III. EXEMPT ORGANIZATIONS REQUIRED TO PROVIDE COPY OF RETURN

A. During the three-year period beginning on the filing date, applicable organizations must make available for inspection during regular business hours a copy of their annual return. If the request is made in person, the return must be provided immediately. If the request is made in some other fashion, the organization must produce the document within 30 days.

B. Advertisements or solicitations used by applicable organizations must contain an express statement that the organization's annual return is available upon request. Penalties for failing to disclose this information are doubled.

IV. CERTAIN ORGANIZATIONS REQUIRED TO DISCLOSE NONEXEMPT STATUS

A. If the organization advertises or solicits as a nonprofit organization and the organization is not designated by the IRS as tax exempt, the advertisement or solicitation must contain an express statement indicating such.

B. If the organization fails to meet the disclosure requirement with respect to advertising or solicitation, the organization would be required to pay $1,000 for each day that it fails to disclose (not to exceed $10,000 per year unless the organization intentionally disregards the requirement).

V. INCREASE IN PENALTIES ON EXEMPT ORGANIZATIONS FOR FAILURE TO FILE COMPLETE AND TIMELY ANNUAL RETURNS

A. Penalties for organizations that fail to file their return or who file incomplete returns is increased.

EUROPEAN WHEAT GLUTEN EXPORTS TO THE UNITED STATES

HON. SAM BROWNBACK

OF KANSAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, September 12, 1995

Mr. BROWNBACK. Mr. Speaker, our American wheat farmers and producers of vital wheat gluten are in dire danger of falling victim to what could become a virtual monopoly of European wheat gluten exports to the U.S.

Currently, because of existing European tariff and subsidy programs, which are being used unfairly, increasing imports of vital wheat gluten are being dumped in the U.S. at prices below the cost of production. USDA reports that European wheat gluten production will double in the next several years. In combination with predatory pricing, this could destroy our gluten producers. Wheat gluten supplies will become so large and prices so low that the effect would be the inevitable erosion of the U.S. high protein wheat industry.

Mr. Speaker, this must not be allowed to happen.

Today I call on the Clinton administration to help stop this unfair practice that could prove devastating to American farmers. I call on Ambassador Kantor and Secretary Glickman to take action now to negotiate a resolution to this issue.

IN RECOGNITION OF MOBILE CONSTRUCTION BATTALION 2

HON. JAMES V. HANSEN

OF UTAH

IN THE HOUSE OF REPRESENTATIVES

Tuesday, September 12, 1995

Mr. HANSEN. Mr. Speaker, and colleagues, I rise today to pay tribute to a special group of America's unsung heroes—the U.S. Navy Seabees. In particular, I want to tell you the story of one such group of these heroes and the tremendous service they provided our Nation over 40 years ago.

The story of USN Mobile Construction Battalion 2, stationed at Port Hueneme and Cubi Point, began in the spring of 1952. Commanding officer Comdr. Charles C. Compton, and the 12 officers and 464 men of MCB 2, sailed for the Philippines aboard the U.S.S. *Menard* [APA–201] on June 9. The job of the battalion, and their colleagues of MCB's 3 and 5, was to carve a new naval air facility out of the hilly peninsula, called Cubi Point, adjacent to the Subic Bay Naval Station.

Over the next years, the men of MCB 2, clad in traditional Seabee greens or rubberized suits to fend off the relentless summer rains, constructed one of our Nation's most important strategic airfields. The battalion completed several enormous projects including the removal of the top 90 feet of Mount Muritan, a rock mountain which blocked the approach to the future airfield. Major construction projects, including a large and remote ammunition storage facility, a tank farm built on top of a swamp, a new water system, and the Camayan Point-Cubi Point road, tested the skills, dedication, and versatility of the Seabees. In all, millions of cubic yards of earth were moved, reservoirs providing over 2.5 million gallons of water were built, and a new naval air facility was born.

The facilities these unsung heroes built would serve our Nation and her allies well for the next 40 years. The story of MCB 2 and Cubi Point is repeated each year by Seabee units around the world. Never knowing what they would be doing next, the men of Mobile Construction Battalion 2 remained confident in their ability to go anywhere at anytime and build anything asked of them, for they were the Navy's "Fighting Seabees."

SENATE—*Wednesday, September 13, 1995*

(Legislative day of Tuesday, September 5, 1995)

The Senate met at 9 a.m., on the expiration of the recess, and was called to order by the President pro tempore [Mr. THURMOND].

The PRESIDENT pro tempore. Today's prayer will be offered by guest chaplain, Pastor Richard Laue, Calvary Bible Church, Burbank, CA.

PRAYER

The Reverend Richard Laue, pastor of Calvary Bible Church, Burbank, CA, offered the following prayer.

Our Sovereign God, we bow our heads, we open our hearts that our lives as well as our lips might give You praise. We worship You, we love You, we honor You for the abundant blessings and immeasurable grace that You have poured out upon us as a nation. We thank You today for the Senate of these United States of America. We pray that You might open the windows of Heaven and pour out upon these our governmental leaders that You have chosen, wisdom and knowledge that they might lead us in the direction You have established.

May every soul from coast to coast and border to border be subject to the governing authorities that rule over us, because we know there is no authority, except what You have established. Remind us, Lord, that those who ever resist the authority resist the ordinance of the Almighty God, and those who resist will bring judgment upon themselves. We have learned from experience that rulers are not a terror to good works and obedient living, but to evil in the world. Remind us frequently that rebellion and anarchy bring judgment.

Remind the citizenry and the leadership of this Nation that when we "sow the wind, we shall reap the whirlwind." Burn into our thinking and our decisionmaking that text of Scripture, "Be not deceived for God is not mocked for whatsoever a man (or a nation) soweth, that shall he also reap"—Galatians 6:7.

Help us to encourage the weak, lift up the fallen, and heal the wounds in our Nation. We pray that the blessing and the benediction of Almighty God might rest upon the Senate of these United States of America. To God be the glory. Amen.

FAMILY SELF-SUFFICIENCY ACT

The PRESIDENT pro tempore. The clerk will report the pending bill.

The assistant legislative clerk read as follows:

A bill (H.R. 4) to restore the American family, reduce illegitimacy, control welfare spending, and reduce welfare dependence.

The Senate resumed consideration of the bill.

Pending:

Dole modified amendment No. 2280, of a perfecting nature.

Moseley-Braun amendment No. 2471 (to amendment No. 2280), to require States to establish a voucher program for providing assistance to minor children in families that are eligible for but do not receive assistance.

Moseley-Braun amendment No. 2472 (to amendment No. 2280), to prohibit a State from imposing a time limit for assistance if the State has failed to provide work activity-related services to an adult individual in a family receiving assistance under the State program.

Graham/Bumpers amendment No. 2565 (to amendment No. 2280), to provide a formula for allocating funds that more accurately reflects the needs of States with children below the poverty line.

Domenici modified amendment No. 2575 (to amendment No. 2280), to strike the mandatory family cap.

Daschle amendment No. 2672 (to amendment No. 2280), to provide for the establishment of a Contingency Fund for State Welfare Programs.

Daschle amendment No. 2671 (to amendment No. 2280), to provide a 3-percent set aside for the funding of family assistance grants for Indians.

DeWine amendment No. 2518 (to amendment No. 2280), to modify the method for calculating participation rates to more accurately reflect the total case load of families receiving assistance in the State.

Faircloth amendment No. 2608 (to amendment No. 2280), to provide for an abstinence education program.

Boxer amendment No. 2592 (to amendment No. 2280), to provide that State authority to restrict benefits to noncitizens does not apply to foster care or adoption assistance programs.

Ms. MOSELEY-BRAUN addressed the Chair.

The PRESIDENT pro tempore. The Senator from Illinois is recognized.

AMENDMENT NO. 2471

Ms. MOSELEY-BRAUN. Mr. President under the previous order, there is to be a final 10 minutes of debate on two pending amendments which I offered. The vote is to occur at 9:10 this morning. Therefore, in light of the fact that we have about 7 minutes left, I will be very brief and succinct in describing the two amendments.

At the outset, I would like to submit for the RECORD an article in the Washington Post yesterday by Judith Gueron, which talks about the way out of the welfare bind. There is one line in particular that I call to the attention of my colleagues, and the Senator from Pennsylvania, who is on the floor and working this legislation. She talks about time limits and she concludes that they should be tested. Then she goes on to say:

> But given the public expectations, we cannot afford to base national policies on hope rather than knowledge. The risk of unintended consequences is too great.

Now, the point of these amendments is to at least provide us with some security against unintended consequences. I believe the two amendments pending will go to the heart of the debate about welfare reform. Are we, as a national community, going to maintain a national commitment to poor children, or are we going to gamble with the future of millions of children?

I remind my colleagues, in the discussion that we have had that there are some 14 million AFDC welfare recipients; 5 million of those people are adults, but 9.6 million—almost 10 million of them—are children. Work is important and certainly we all support work for adults. But it is the children who have been forgotten, I think, in this debate and who are the unintended targets of this debate and who will suffer if there are any unintended consequences of our policymaking.

Some 60 percent of the children of the AFDC recipients are children under the age of 6. So the first amendment suggests, or asserts, really, that these 9 million children, 60 percent of whom are under the age of 6, are too precious to take a gamble that the States will construct programs that will, in fact, work, and that we, therefore, make a national commitment by allowing for the child vouchers. We can make a commitment that we will not allow children to go hungry or to become homeless; nor will we allow a child to become subject to the vicissitudes of misfortune or accidents of geography. As a nation with a $7 trillion economy and $1.5 trillion Federal budget, I believe that we can provide a minimum safety net for poor children.

This amendment provides for that safety net by requiring the States to provide vouchers for poor children who live in families that may be ineligible or kicked off, or somehow or another not eligible for assistance because of rental circumstances.

This amendment seeks to hold the child harmless, to protect the child even from the behavior of their parents. If anything, Mr. President, it seems to me that we ought to provide some basic level of protection for these children for whom all of our decision-making will have grave and dramatic impact.

The second amendment goes to the parents. Essentially, it says that of those 5 million parents who are being called on to work in this welfare reform, as to those individuals—parenthetically, all of us agree that anybody who can work should work—but the State, in the legislation, is required to set forth a work plan for those individuals that they deem needed. But if the State does not live up to its part of the bargain, that State does not provide jobs assistance, job training, does not follow its own plan—not a plan we are imposing from Washington, but if the State does not do what it needs to do with regard to job training and placement of the adult, then this amendment says that the State should not eliminate assistance for those individuals who they have themselves failed.

Again, I want to bring to the attention the second part of the article called "A Way Out of the Welfare Bind." She says:

> States, in any case, are concluding that time limits do not alleviate the need for effective welfare-to-work programs. In a current study of states that are testing time-limit programs, we have found that state and local administrators are seeking to expand and strengthen activities meant to help recipients prepare for and find jobs before reaching the time limit. Otherwise, too many will "hit the cliff" and either require public jobs, which will cost more than welfare, or face dramatic loss of income with unknown effects on families and children and, ultimately, public budgets.

That goes to the heart of the debate here, that in the event there are unintended consequences of our decision-making, we should assure that the unintended consequences do not impact the children—again, 60 percent of whom are under the age of 6, or alternatively, that people are not penalized for circumstances beyond their control.

I ask unanimous consent that the Washington Post article be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

A WAY OUT OF THE WELFARE BIND

(By Judith M. Gueron)

Much of this year's debate over welfare reform in Washington has focused on two broad issues: which level of government—state or federal—should be responsible for designing welfare programs, and how much money the federal government should be spending.

The debate has strayed from the more critical issue of how to create a welfare system that does what the public wants it to do. Numerous public opinion polls have identified three clear objectives for welfare reform: putting recipients to work, protecting their children from severe poverty and controlling costs.

Unfortunately, these goals are often in conflict—progress toward one or two often pulls us further from the others. And when the dust settles in Washington, real-life welfare administrators and staff in states, counties and cities will still face the fundamental question of how to balance this triad of conflicting public expectations.

Because welfare is such an emotional issue, it is a magnet for easy answers and inflated promises. But the reality is not so simple. Some say we should end welfare. That might indeed force many recipients to find jobs, but it could also cause increased suffering for children, who account for two-thirds of welfare recipients. Some parents on welfare face real obstacles to employment or can find only unstable or part-time jobs.

Others say we should put welfare recipients to work in community service jobs—workfare. This is a popular approach that seems to offer a way to reduce dependency and protect children. But, when done on a large scale, especially with single parents, this would likely cost substantially more than sending out welfare checks every month. To date, we haven't been willing to make the investment.

During the past two decades, reform efforts, shaped by the triad of public goals, have gradually defined a bargain between government and welfare recipients: The government provides income support and a range of services to help recipients prepare for and find jobs. Recipients must participate in these activities or have their checks reduced.

We now know conclusively that, when it is done right, the welfare-to-work approach offers a way out of the bind. Careful evaluations have shown that tough, adequately funded welfare-to-work programs can be four-fold winners: They can get parents off welfare and into jobs, support children (and, in some cases, make them better off), save money for taxpayers and make welfare more consistent with public values.

A recent study looked at three such programs in Atlanta, Grand Rapids, Mich., and Riverside, Calif. It found that the programs reduced the number of people on welfare by 16 percent, decreased welfare spending by 22 percent and increased participants' earnings by 26 percent. Other data on the Riverside program showed that, over time, it saved almost $3 for every $1 it cost to run the program. This means that ultimately it would have cost the government more—far more—had it not run the program.

In order to achieve results of this magnitude, it is necessary to dramatically change the tone and message of welfare. When you walk in the door of a high-performance, employment-focused program, it is clear that you are there for one purpose—to get a job. Staff continually announce job openings and convey an upbeat message about the value of work and people's potential to succeed. You—and everybody else subject to the mandate—are required to search for a job, and if you don't find one, to participate in short-term education, training or community work experience.

You cannot just mark time; if you do not make progress in the education program, for example, the staff will insist that you look for a job. Attendance is tightly monitored, and recipients who miss activities without a good reason face swift penalties.

If welfare looked like this everywhere, we probably wouldn't be debating this issue again today.

Are these programs a panacea? No. We could do better. Although the Atlanta, Grand Rapids, and Riverside programs are not the only strong ones, most welfare offices around the country do not look like the one I just described.

In the past, the "bargain"—the mutual obligation of welfare recipients and government—has received broad support, but reformers have succumbed to the temptation to promise more than they have been willing to pay for. Broader change will require a substantial up-front investment of funds and serious, sustained efforts to change local welfare offices. This may seem mundane, but changing a law is only the first step toward changing reality.

It's possible that more radical approaches—such as time limits—will do an even better job. They should be tested. But given the public expectations, we cannot afford to base national policies on hope rather than knowledge. The risk of unintended consequences is too great.

States, in any case, are concluding that time limits do not alleviate the need for effective welfare-to-work programs. In a current study of states that are testing time-limit programs, we have found that state and local administrators are seeking to expand and strengthen activities meant to help recipients prepare for and find jobs before reaching the time limit. Otherwise, too many will "hit the cliff" and either require public jobs, which will cost more than welfare, or face a dramatic loss of income with unknown effects on families and children and, ultimately, public budgets.

Welfare-to-work programs are uniquely suited to meeting the public's demand for policies that promote work, protect children and control costs. But despite the demonstrated effectiveness of this approach, the proposals currently under debate in Washington may make it more difficult for states to build an employment-focused welfare system. Everyone claims to favor "work," but this is only talk unless there's an adequate initial investment and clear incentives for states to transform welfare while continuing to support children.

Many of the current proposals promise easy answers where none exist. In the past, welfare reform has generated much heat but little light. We are now starting to see some light. We should move toward it.

Ms. MOSELEY-BRAUN. I see my time has expired. I yield the floor.

Mr. SANTORUM addressed the Chair.

The PRESIDING OFFICER (Mrs. HUTCHISON). The Senator from Pennsylvania.

Mr. SANTORUM. Madam President, I think the Senator from Illinois hit the nail right on the head in talking about the issue of unintended consequences. How can we risk to do this, to put a time limit on people on welfare? I wish we would have had that same discussion back when we instituted all these welfare programs in the sixties, because when we did that we had absolutely no idea what was going to happen. We had no idea of the unintended consequences. We had no idea that the harm that has been caused by all of these programs, the dependency that exists in this country because of these programs, had we thought about these unintended consequences, we may have not have done that, but we did it anyway, without any proof that what we were passing was going to be beneficial to the American citizens. We had no proof at all. In fact, in the thirties when these were initially realized they were replacements for private charity systems that were networks of charities that are all over the country.

We said, no, the Government will take more responsibility. Franklin Roosevelt warned us about the subtle narcotic being delivered to the masses on welfare. We ignored a lot of the naysayers out there at the time, saying big Government programs and unlimited welfare were going to be a real problem for this country, were going to be a disintegration of community, family, and the support that we have seen in communities. We ignored all that and just plowed ahead.

Now we are saying, "Oh my goodness, we cannot change that because we do not know what will happen." Well, we changed it in the 1930's and the 1960's without knowing what would happen. We found out what has happened, and it is a big problem.

To suggest now we cannot find some moderation, we are not talking about pulling the Government out of welfare, we are talking about putting a limit on the amount of assistance that we are going to give people, and changing the system from one of a maintenance and dependency system to one that is a dynamic transitional system.

I think that is a good middle ground that we have established with this piece of legislation.

What the amendment of the Senator from Illinois will do is perpetuate a system of dependency, of maintenance of poverty. I think it hopefully will be rejected by the Senate.

I yield back the remainder of my time.

The PRESIDING OFFICER. The question is on agreeing to amendment numbered 2471. The yeas and nays have been ordered.

The clerk will call the roll.

The assistant legislative clerk called the roll.

The PRESIDING OFFICER (Mr. THOMPSON). Are there any other Senators in the Chamber desiring to vote?

The result was announced—yeas 42, nays 58, as follows:

[Rollcall Vote No. 413 Leg.]

YEAS—42

Akaka
Biden
Bingaman
Boxer
Bradley
Breaux
Bryan
Bumpers
Byrd
Conrad
Daschle
Dodd
Dorgan
Exon
Feingold
Feinstein
Ford
Glenn
Heflin
Hollings
Inouye
Johnston
Kennedy
Kerrey
Kerry
Lautenberg
Leahy
Levin
Lieberman
Mikulski
Moseley-Braun
Moynihan
Murray
Pell
Pryor
Reid
Robb
Rockefeller
Sarbanes
Simon
Specter
Wellstone

NAYS—58

Abraham
Ashcroft
Baucus
Bennett
Bond
Brown
Burns
Campbell
Chafee
Coats
Cochran
Cohen
Coverdell
Craig
D'Amato
DeWine
Dole
Domenici
Faircloth
Frist
Gorton
Graham
Gramm
Grams
Grassley
Gregg
Harkin
Hatch
Hatfield
Helms
Hutchison
Inhofe
Jeffords
Kassebaum
Kempthorne
Kohl
Kyl
Lott
Lugar
Mack
McCain
McConnell
Murkowski
Nickles
Nunn
Packwood
Pressler
Roth
Santorum
Shelby
Simpson
Smith
Snowe
Stevens
Thomas
Thompson
Thurmond
Warner

So the amendment (No. 2471) was rejected.

Mr. MOYNIHAN. Mr. President, 42 votes. A good vote. I move to reconsider.

Mr. NICKLES. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 2472

The PRESIDING OFFICER. Under the previous order, there will now be 4 minutes debate equally divided on the second Moseley-Braun amendment numbered 2472, to be followed by a vote on or in relation to the amendment.

Who yields time?

Mr. MOYNIHAN. Mr. President, I believe the time has been agreed to, 4 minutes.

The PRESIDING OFFICER. The Senator from Illinois.

Ms. MOSELEY-BRAUN. Mr. President, the second amendment has been explained at length.

Mr. BYRD. Mr. President, may we have order in the Senate?

The PRESIDING OFFICER. The Senate will be in order.

Mr. BYRD. Mr. President, I would like to be able to vote intelligently on this amendment. I hope the Senate will give its attention to Members who are attempting to explain briefly these amendments. I hope the Chair will insist on order in the Senate, and I for one will applaud the Chair for the effort.

The PRESIDING OFFICER. The Senate will be in order.

Mr. MOYNIHAN. The Chair can name names if that becomes necessary.

The PRESIDING OFFICER. Will Senators take their conversations off the floor.

The Senator from Illinois.

Ms. MOSELEY-BRAUN. I thank the Chair very much. I will be brief.

Essentially, the second amendment also deals with unintended consequences. But unlike the amendment that applied, or was directed at almost 10 million children who are presently on welfare, this one applies, or is directed, to the approximately 5 million adults who are recipients under the various programs in the States.

Essentially, what it says is that the State will do what it says it is going to do. It is intended to address the issue of unintended consequences where a State has not provided job assistance, where the economy in the State has pockets of high unemployment, where a recession occurs or plants leave and individuals cannot work because there are no jobs. Then the State will not in that situation throw an individual off of welfare who wants to work, who needs to work, who wants to support their family and has no other way of providing for their children.

I had introduced earlier an article out of the Washington Post regarding welfare-to-work programs. Certainly, we all agree that anybody who can work should work. There is no debate, I think, about that. But in the event there are no jobs, in the event there is high unemployment, in the event there is some economic downturn over which an individual has no control, the question is, are we prepared to accept the consequences, the unintended consequences of an able-bodied person who wants to work, who is unable to work, being unable to provide anything for their children.

Many States are such as my own. In Illinois, 64 percent of the caseload resides in one county. In that instance, it seems to me that a State should be called on to do what the State says it is going to do. This is not imposing anything on the States other than the States have imposed on themselves. This, it seems to me, is a reasonable moderation of our approach in turning this issue over to the States, letting the States create their plan. It simply says the State will do what the State says it will do in regard to job assistance.

The PRESIDING OFFICER. The Senator's 2 minutes have expired.

Mr. NICKLES. Mr. President, I rise in opposition to this amendment. In my opinion, this amendment really is a back-door effort to have a continued entitlement. This creates a new entitlement which requires the States to provide services. It tries to get around the idea of having a time limit, a limitation on welfare.

I remember President Clinton's statement that we want to end welfare as we know it. This amendment basically is an effort to exempt the 5-year time limit to keep an open-ended entitlement. This opens up States also to lawsuits from recipients who do not get the type of training they want rather than what the State thinks they need.

I might mention we had a similar type provision that was earlier defeated.

Mr. President, I hope that my colleagues would vote "no" on this amendment. I yield back the remainder of our time.

The PRESIDING OFFICER. The question is on agreeing to the amendment. The yeas and nays have been ordered. The clerk will call the roll.

The assistant legislative clerk called the roll.

The PRESIDING OFFICER (Mr. CAMPBELL). Are there any other Senators in the Chamber who desire to vote?

The result was announced—yeas 40, nays 60, as follows:

[Rollcall Vote No. 414 Leg.]

YEAS—40

Akaka
Bingaman
Boxer
Bradley
Breaux
Bryan
Bumpers
Conrad
Daschle
Dodd
Dorgan
Exon
Feingold
Feinstein
Ford
Glenn
Graham
Harkin
Heflin
Hollings
Inouye
Johnston
Kennedy
Kerrey
Kerry
Lautenberg
Leahy
Levin
Lieberman
Mikulski
Moseley-Braun
Moynihan
Murray
Pell
Pryor
Robb
Rockefeller
Sarbanes
Simon
Wellstone

NAYS—60

Abraham
Ashcroft
Baucus
Bennett
Biden
Bond
Brown
Burns
Byrd
Campbell
Chafee
Coats
Cochran
Cohen
Coverdell
Craig
D'Amato
DeWine
Dole
Domenici
Faircloth
Frist
Gorton
Gramm
Grams
Grassley
Gregg
Hatch
Hatfield
Helms
Hutchison
Inhofe
Jeffords
Kassebaum
Kempthorne
Kohl
Kyl
Lott
Lugar
Mack
McCain
McConnell
Murkowski
Nickles
Nunn
Packwood
Pressler
Reid
Roth
Santorum
Shelby
Simpson
Smith
Snowe
Specter
Stevens
Thomas
Thompson
Thurmond
Warner

So the amendment (No. 2472) was rejected.

Mr. MOYNIHAN. Mr. President, I move to reconsider the vote by which the amendment was rejected.

Mr. SANTORUM. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 2565

The PRESIDING OFFICER. Under the previous order, there will now be 20 minutes for debate equally divided on the Graham amendment No. 2565, to be followed by a vote on or in relation to the amendment.

Mr. GRAHAM. Mr. President, I yield 2 minutes to the Senator from Nebraska, Senator KERREY.

The PRESIDING OFFICER. The Senator from Nebraska [Mr. KERREY] is recognized for 2 minutes.

Mr. KERREY. Mr. President, under the Dole bill, we are fundamentally changing the covenants of welfare. It seems to me and other supporters of this amendment that we should be fundamentally changing the way we design our formulas. Instead, under the Dole bill, we continue to use a formula that is based upon an older system.

Instead, what the Graham-Bumpers amendment does is provides a formula that is based on fairness and guided by three principles: First, that the block grant should be based on need; second, the funding level should respond to changes in the poverty level; and third, the States should not be permanently disadvantaged based upon their policy choices and circumstances made in 1994.

Mr. President, the Graham-Bumpers children's fair share proposal meets the test that I have just described by allocating funding based upon the number of poor children in each State, a formula just for changes in the population of children in poverty, so it does not lock States into an outdated funding level.

I point out to my colleagues something I suspect they already know, and that is, child poverty has enormous economic costs. It has huge human costs as well. Low-income children are twice as likely to suffer from stunted growth, twice as likely as other children to die from birth defects, and three times more likely to die from all causes combined.

It has been estimated that there are $36 to $177 billion in lower productivity coming from the American economy as a consequence of child poverty. It has enormous future costs as well. There is a University of Michigan study that those children under age 5 who experience at least 1 year of poverty have significantly lower IQ scores. If we are going to change our welfare system to a block grant, we need to change our funding formula to address child poverty. I cannot imagine—except for States that lose money, and some will under this formula. Unless your States lose money, I do not know how you can do anything other than to support this amendment.

The PRESIDING OFFICER. Does the Senator yield back his time?

Mr. KERREY. I yield back my time.

The PRESIDING OFFICER. Who yields time? The Senator from Texas [Mrs. HUTCHISON] is recognized.

Mrs. HUTCHISON. Mr. President, I yield 4 minutes from our 10 minutes to the Senator from Pennsylvania.

The PRESIDING OFFICER. The Senator from Pennsylvania [Mr. SANTORUM] is recognized for 4 minutes.

Mr. SANTORUM. Mr. President, I thank the Senator from Texas. I find it interesting that the Senator from Nebraska is standing up here arguing for this amendment. It is very magnanimous of him. I know originally his State gains. I am not too sure he is aware that after 5 years, the State of Nebraska goes from $100 million down to $23 million, which is actually less money than they are getting now under the current formula. They will get less money.

The Senator from Nevada spoke on this amendment yesterday. They will get less money under this formula. There is no hold harmless here.

You should look at the formula not just in the first year, but over 5 years. Your numbers come down. Nevada is one. Actually, your maintenance of effort in Nebraska and Nevada, under the 80 percent maintenance-of-effort provision, will be required to pay more than what the Federal share will be, because you will be required to maintain 80 percent, but your number is going to come down below that.

Look at the numbers over the 5 years and you will see States like California, Connecticut, Hawaii, Maryland, Massachusetts, Nebraska, Nevada, New Jersey, New York, Rhode Island, and Washington all will have higher maintenance-of-effort requirements than Federal contributions under the Graham amendment.

Throw away parochialism. This is bad public policy. We are going to say on the floor of the Senate that we are going to make you pay more than what the Federal share will be to your States. That is wrong.

Hawaii is one of the big losers. I see the Senator from Hawaii here. They are going to have to pay more out of their own State coffers than will come from the Federal Government over a period of time. Some of these States get a little bump at the beginning, but what you do not see is they do not hold the small States harmless, and, over time, their number comes down and comes down dramatically.

In fact, if you look at the States that lose over time—I will go through them quickly—other than the States I just mentioned, because all the States I mentioned lose over time. In addition to those States, you have Alaska, Delaware, Maine, Michigan, Minnesota, Montana, New Hampshire, North Dakota, Oregon, Pennsylvania, Vermont. I mentioned Washington State before. You may think you are getting a boost under this, because if you look at it in the first year, you do, but with a lot of those States, over time their allocation, according to the formula, goes down.

So do not look at the first year and be suckered into a vote in favor of this amendment because you get a little bump at the start. Over time, the big winners—and I give a lot of credit to the Senator from Texas for standing up—Florida and Texas are the two big States that are going to be the big, big winners under this and the rest of the other States, particularly the small States in the West, the Midwest, and Northeast, are going to get hammered over the next 5 years.

Again, throw parochialism aside. To suggest that we are going to make 12 States maintain a higher effort of State dollars than we will give them Federal dollars is wrong. It is absolutely wrong, I do not care where you come from. That is what this amendment does. It is misguided, it is unfair, not just to the States involved, but I think unfair to children in general.

I yield back the remainder of my time.

The PRESIDING OFFICER. Who yields time? The Senator from Florida.

Mr. GRAHAM. Mr. President, I yield 2 minutes to the Senator from Arkansas.

The PRESIDING OFFICER. The Senator from Arkansas [Mr. BUMPERS] is recognized for 2 minutes.

Mr. BUMPERS. Mr. President, let me start by asking the Senator from Pennsylvania, before he leaves the floor, if he thinks this country is fair to the children, when the District of Columbia, under this bill, is going to get $4,222 per child, and the State of Arkansas is going to get $390.

Do you know why a child in the District of Columbia is worth $4,200, 11 times more than the child in Arkansas? Because for years, the Federal Government says whatever you put in, we will match it. So they have matched it over the years. And now we are institutionalizing a gross inequity.

What we are saying in this bill is, if you happen to come from a poor State, no matter how hard you try, no matter how much money you did your very best to put in AFDC, you could not match Pennsylvania, New York, Massachusetts. Those States made a monumental effort, and we should congratulate them for it. But to say now 1994 is the be-all and end-all, whatever you contributed in 1994 is what you are going to get forever?

In short, if you are poor, you stay poor. If you are affluent, you stay affluent. There are Governors in this country—the Republicans got a lot of Governorships last year, and I guarantee you that a lot of them have already cut their contribution. No matter, it is 1994 that counts.

I cannot believe we are doing this. I could not vote for this bill in 100 years with this formula in it. How will I go home and tell the people of my State that a child in New York is worth $2,200 and their poor children are worth $400, or a child in the District of Columbia is worth $4,200 and our children worth $400?

The PRESIDING OFFICER. The time of the Senator has expired.

Who yields time?

Mrs. HUTCHISON. Mr. President, I yield 2 minutes to the Senator from California.

Mrs. FEINSTEIN. Mr. President, I thank the Senator from Texas. I rise to oppose this Graham-Bumpers formula. I must say—and I say it respectfully—this formula is sudden death for California. It will cost California about $1 billion. It is enormous in its impact.

There is no fiscal year in which California comes close to what is offered in the Dole bill, and I think the Dole bill formula is bad for California. So that is why I say this is sudden death.

Frankly, I respect the Senator from Arkansas very much, but how a formula can be justified, which essentially says we will reward States who do very little for their poor people and we will seriously disadvantage States that are willing to do more for their poor people, I have a hard time understanding that logic.

This is a Government that has practiced devolution. This is a Government that has said more and more that it is the responsibility of the State. Yet, in this bill, they seek to punish those who have a high maintenance of effort.

For California, over the 5-year period, this bill will cost $1 billion. The impact is enormous. There is no amendment that has been proposed that has a greater negative impact on the State of California than does this.

I thank the Senator and yield the floor.

Mr. GRAHAM. Mr. President, how much time remains?

The PRESIDING OFFICER. The Senator from Florida has 6 minutes.

Mr. GRAHAM. We will reserve our 6 minutes to close.

Mrs. HUTCHISON. Mr. President, I yield 2 minutes to the senior Senator from New York.

Mr. MOYNIHAN. I thank my friend from Texas.

Mr. President, last evening, we debated this matter in greater length. I took the liberty to go over the historical provision of the entitlement by States to a matching share of their expenditures on children. From the first, it has been a formula designed to move more Federal funds to the South and West, out of the North and East. The ratio is determined by the square of the difference between the State's per capita income and national per capita income. States have received as much as an 83 percent Federal match. New York and California get the lowest Federal match rate: 50 percent.

We have since recalculated our poverty data to account for cost of living. Mr. President, may I make this point? Adjusted for the CPI, New York State has the sixth highest incidence of poverty in the country. Florida has the 20th highest. Arkansas has the 19th highest. New York is a poorer State than Arkansas. A new idea, I grant; new data, I assert. But truth as well.

This amendment would cost California $5.4 billion and New York $4.6 billion. Not because we have had an advantage in the Federal formula. To the contrary. It is because we have had a civic policy that has sought caring for children to be a higher priority than perhaps some others have done, or we felt we had the capacity, even in the face of the data that suggests we have not.

This is an elemental injustice. I am openly conflicted. If this amendment passes, the bill dies. But in the first instance, I will remain loyal to the principle of the last 60 years.

My time has expired. I thank the Senator from Texas.

Mrs. HUTCHISON. Mr. President, I yield 2 minutes to the junior Senator from New York.

The PRESIDING OFFICER. The junior Senator from New York [Mr. D'AMATO] is recognized.

Mr. D'AMATO. Mr. President, I thank my colleague from Texas and the distinguished senior Senator from New York, who are opposing this amendment.

This amendment is not about welfare reform. It is about pitting region against region, about enriching certain States at the expense of others, about taking money from States which have made an effort to deal with the plight of poor children and poor adults and just identifying 15 States and saying we are going to give you more money so we can buy your votes. That is wrong.

Let me tell you what it does to our State of New York. It costs us, as Senator MOYNIHAN has indicated, $4.5 billion over 5 years. It will cost us nearly $1 billion in the first year alone.

Let us talk about maintenance of effort. Senator SANTORUM has spoken to it. We have to maintain an effort at 80 percent. Under this amendment, the State of New York will spend $600 million a year more than it gets from the Federal side. Let us talk about rich and poor, about poverty, and what people are worth and are not worth, as it relates to the Northeast and Midwest. We sent $690 billion more in taxes to Washington than we received in the past 14 years. I thank my distinguished colleague, the senior Senator from New York, because under his stewardship, the coalition put these numbers together.

Let us talk about the State of New York. In the last 14 years, during the same period of time, we sent $142.3 billion more to Washington in taxes than we have received in what we call "allocable spending." Let us look at the State of Florida. They have gotten back from Washington $38.5 billion more during that same period of time than they sent down to Washington in taxes. Now we see nothing other than a raid on New York, and its poor children in particular. Maybe what we should do is discuss an amendment to reallocate some of the Federal funds that flow to States such as Florida to give relief to those disadvantaged States in the Northeast and Midwest—New York, Pennsylvania and others—that already get less than their fair share of Federal allocable spending. Instead we have before us an amendment that would transfer more money to Florida at the expense of poor children in New York.

So I urge defeat of this amendment. It is a bad amendment.

The PRESIDING OFFICER. The Senator from Florida has 6 minutes remaining.

Mrs. HUTCHISON. Has our time expired?

The PRESIDING OFFICER. Yes.

Mr. GRAHAM. Mr. President, to close on this amendment, we have heard a lot about the phrase that "we want to change welfare as we have known it" and that it is a failed system. There are many citations as to what those failures are. If one of the objectives of the welfare system was, as the senior Senator from New York has stated, to move resources from the Northeast to the South and West, we will add that as an additional failure of the welfare system.

How can you say that a system has accomplished that objective of assisting the poorest States in America when Texas receives one-fifth the amount of funds for its poor children as does New York and when Arkansas receives one-eleventh of the funds per poor child as does the District of Columbia? Another example of the failed system.

Assume that we were to start this process with a blank piece of paper. Assume we had never distributed Federal money for the purposes of assisting poor children and assisting the guardians—particularly the single, female heads of households—of those poor children to get off welfare and on to work and thus independence. How would we go about allocating the money?

First, I think we want to allocate it in a manner that would, in fact, make the system work, that would provide a sufficient amount of resources into each of the communities of America to allow the kinds of training programs and child care to be functional, to accomplish the objective of moving from dependence to independence through work.

Second, we want to have elemental fairness in how those funds are distributed. That is the essence of the amendment that is before us today, Mr. President.

This amendment follows the simple principle, take the total number of poor children in America—they are America's poor children. They are not Florida's poor children or California's poor children, they are America's poor children. The funds will come from all Americans through the Federal Treasury. Take the number of poor children in the country, divide that into the funds we have available, approximately $17 billion a year, and distribute the money wherever the poor children are. That seems to me to be an imminently reasonable approach and a fair approach in terms of achieving the objective.

The amendment that has been offered by Senator DOLE would distribute 99 percent of the Federal dollars to the status quo. However, the money which was distributed in 1994 will be distributed in the year 2000, without regard to any changes. There can be a depression in Colorado, you can have enormous growth in Arizona, you can have a depopulated Michigan, and yet you will get the same money in the year 2000 that you got in the year 1994. That does not sound like a fair, reasonable plan, or a plan which will accomplish the objective of this legislation.

Much has been made by the Senator from Pennsylvania about maintenance of effort. Frankly, maintenance of effort has been a moving target throughout this debate. We had no maintenance of effort when we started this debate. We defeated an amendment yesterday to require a continuation of maintenance of effort. Whatever final position we take on this formula, obviously, we will have to readdress the issue of maintenance of effort.

Mr. President, I believe there are a number of considerations that Members of this Senate ought to take into account as they decide whether to vote on this amendment. First, the Dole amendment does not respond to economic or demographic changes. Second, the Dole amendment rewards inefficiency. New York State spends over $100 per welfare case for administration. West Virginia spends $13. Yet, those inefficiencies are going to be rewarded in that New York State will get a higher proportion of the money, in part because it has been more inefficient in utilizing the funds available.

The mandates that we are imposing, heavy mandates in training and in child care, will be much more difficult to meet in a State like Texas, where 84 percent of the money Texas gets from the Federal Government will have to be spent to meet the mandates of training and child care. In Mississippi, 88 percent of the money will have to be used, whereas in more affluent States, less than 40 percent of their Federal funds will be required in order to meet these mandates.

Much has been said about the fact, Mr. President, that we are going to be moving toward parity under the Dole amendment, that eventually we will get to the goal that all children will be fairly and equally treated. How long will that trail take? Let me give some examples.

How long will it take from today, using the Dole formula, for the State of Alabama's poor children to have the same worth in terms of the distribution of Federal funds as do the poor children of the rest of America? Mr. President, 74 years is how long it will take Alabama; Delaware, 39 years; Louisiana, 79 years; Idaho, 42 years; Mississippi, 100 years before the poor children of Mississippi reach the average of the Nation; Florida, 29; Nevada, 29; Illinois, 13; South Carolina, 78 years before South Carolina's poor children reach the average of the Nation in terms of the distribution of the Nation's resources for poor children; South Dakota, 27 years; Texas, 75 years.

How, in 1995, do we support a formula which has that degree of inequity and unfairness, and the fundamental undermining of the ability of this legislation to achieve its intended result, to change welfare as we have known it by giving people a chance, a chance to move from dependency to independence through work.

I urge the adoption of this amendment.

Mr. BUMPERS. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to amendment No. 2565, offered by the Senator from Florida [Mr. GRAHAM].

The yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

The PRESIDING OFFICER. Are there any other Senators in the Chamber desiring to vote?

The result was announced—yeas 34, nays 66, as follows:

[Rollcall Vote No. 415 Leg.]

YEAS—34

Akaka
Baucus
Biden
Bingaman
Breaux
Bryan
Bumpers
Byrd
Coats
Conrad
Daschle
Dorgan
Exon
Ford
Graham
Gregg
Heflin
Hollings
Inouye
Jeffords
Johnston
Kerrey
Leahy
Lugar
Mack
McConnell
Moseley-Braun
Nunn
Pell
Pryor
Reid
Robb
Rockefeller
Simon

NAYS—66

Abraham
Ashcroft
Bennett
Bond
Boxer
Bradley
Brown
Burns
Campbell
Chafee
Cochran
Cohen
Coverdell
Craig
D'Amato
DeWine
Dodd
Dole
Domenici
Faircloth
Feingold
Feinstein
Frist
Glenn
Gorton
Gramm
Grams
Grassley
Harkin
Hatch
Hatfield
Helms
Hutchison
Inhofe
Kassebaum
Kempthorne
Kennedy
Kerry
Kohl
Kyl
Lautenberg
Levin
Lieberman
Lott
McCain
Mikulski
Moynihan
Murkowski
Murray
Nickles
Packwood
Pressler
Roth
Santorum
Sarbanes
Shelby
Simpson
Smith
Snowe
Specter
Stevens
Thomas
Thompson
Thurmond
Warner
Wellstone

So the amendment (No. 2565) was rejected.

Mr. MOYNIHAN. Mr. President, I move to reconsider the vote by which the amendment was rejected.

Mr. NICKLES. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 2575

The PRESIDING OFFICER. Under the previous order there will now be 20 minutes of debate equally divided on the Domenici amendment, No. 2575, to be followed by a vote on or in relation to the amendment.

The time will be divided four ways—5 minutes each to Senators DOMENICI, GRAMM, DASCHLE, and DOLE.

POSTPONEMENT OF VOTE ON AMENDMENTS NOS. 2672 AND 2608

Mr. DOLE. Mr. President, I have a consent agreement that has been cleared by the Democratic leader, Senator DASCHLE.

I ask unanimous consent that the debate time and the rollcall vote scheduled with respect to the Daschle amendment, No. 2672, and the Faircloth amendment, No. 2608, be postponed to reoccur at a time to be determined by the majority leader after consultation with the Democratic leader.

The PRESIDING OFFICER. Without objection, it is so ordered.

AMENDMENT NO. 2575

The PRESIDING OFFICER. Who yields time?

Mr. BRADLEY addressed the Chair.

Mr. DOMENICI. Regular order, Mr. President. What is the regular order?

The PRESIDING OFFICER. The regular order is the consideration of the Domenici amendment with 5 minutes to each to be allocated to Senators DOMENICI, DASCHLE, GRAMM, and DOLE.

Mr. MOYNIHAN. Mr. President, it was my understanding that there was to be 20 minutes equally divided.

The PRESIDING OFFICER. The Senator is correct. It totals 20 minutes divided four ways.

Mr. DOMENICI addressed the Chair.

The PRESIDING OFFICER. The Senator from New Mexico, [Mr. DOMENICI], is recognized.

Mr. DOMENICI. Mr. President, Senator MOYNIHAN, on the minority side, and I have decided that I will control 10 minutes with him using part of that. That means there are 10 minutes under the control of Senator DOLE, 5 minutes, and Senator GRAMM, 5 minutes.

Mr. President, I am going to speak for 2 minutes, and if you will tell me when I have used the 2 minutes I would appreciate it.

First, I ask unanimous consent that Senator SPECTER be added as a cosponsor.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DOMENICI. Mr. President, Governor Engler testified before the Budget Committee that conservative strings to block grants were no better than liberal strings to block grants. A man saying that was not just an ordinary Governor but a Governor who is advocating no strings on the block grants in welfare. He said leave this issue that is before us—the family cap—up to the States. Give them the option to decide amongst a myriad of approaches to the very difficult problem of welfare teenagers and welfare mothers having children. He said let us experiment in the great democratic tradition in the sovereign States, and we are apt to do a better job.

What I propose is very simple. It mandates nothing. So nobody should think I am mandating that there be no family cap. I am merely saying each State in its plan decides this issue for itself. If they want a cap, they can have a cap. If they want to decide to try something different, they try something different.

It seems to me that is in the best tradition of what Republicans and conservative Democrats have been saying when they say send these programs to the States so they can manage them properly and let those who are closest to the grassroots—the State legislatures and Governors—decide how to do it.

There is nothing complicated about it. Again, I do not mandate anything. What my amendment says is the States can do it however they want with reference to the family cap or using cash payments for children who are part of a welfare situation where there is already one child, another one is born, and the States can decide how to handle that. We do not have all the wisdom here in Washington. That is the issue.

The PRESIDING OFFICER. The Senator's time has expired.

Mr. DOMENICI. I yield 2 minutes to Senator BRADLEY.

The PRESIDING OFFICER. The Senator from New Jersey is recognized.

Mr. BRADLEY. Mr. President, I rise in support of the Domenici amendment.

New Jersey is the only State that has actually implemented a family cap. It took effect almost 2 years ago as part of a comprehensive reform of welfare which combines such disincentives as the family cap along with strong positive incentives for welfare recipients to work, and to marry. Almost from the day the family cap took effect we have been bombarded with people declaring absolutely that it works, and absolutely that it does not work. We have heard that there is a 1-percent reduction in birth rates to parents on welfare. We have also then, based on an evaluation by Rutgers, heard that there was no difference in births. We heard there was an increase in abortions. Then we heard that there was but it was not statistically significant. Never have such dramatic conclusions be drawn from such shaky and preliminary numbers.

Let me simply reiterate that from New Jersey's perspective—what everyone involved in the program has said—it is an experiment. I repeat, it is an experiment. We only have a year of data. We know only that a total of 1,500 fewer children were born to welfare recipients than over the previous 12 months. But births overall are down, and a difference of 1,500 births does not mean at all much compared to 125,000 total births in the State in the same period. At the same time, we penalize 6,000 families on welfare in which children were born.

Is the tradeoff of 6,000 children denied benefits worth the 1,500 hypothetical children whose mothers thought twice before becoming pregnant, or, on the other hand, who had abortions? I do not know. Will these numbers change? Will the message sink in? I do not know.

The basic point is that it is an experiment. We have inconclusive data.

We should not mandate something when we do not know what we are doing. States should be able to experiment.

The PRESIDING OFFICER. The Senator's time has expired.

Who yields time?

Mr. DOLE addressed the Chair.

The PRESIDING OFFICER. The majority leader is recognized to speak for 5 minutes.

Mr. DOLE. Mr. President, I have the greatest respect for the Senator from New Mexico, but I rise in opposition to his amendment.

So let me tell you that we have been trying to craft a bill here and maintain a balance to get enough people on board to pass a very strong welfare reform bill. And I believe we are on the verge of accomplishing that. In fact, I hope we can do it by tomorrow. In fact, we need to do it by tomorrow.

I understand precisely what the Domenici amendment does. It simply strikes a provision in our bill that prohibits additional cash to children born to families receiving assistance.

I know the Catholic bishops feel very strongly about this, and the Catholic charities, because they deal with a lot of these families. They understand some of the problems.

As I have suggested, I think our bill has structured the right balance on the important issue of out-of-wedlock births.

I am committed to supporting a provision in our bill which allows States to provide vouchers in lieu of cash assistance. We think that goes a step in the direction that we think the bishops and others who support the Domenici amendment want to go.

Under this provision, I believe the children in need will be provided support. They are going to have vouchers, not going to have cash but vouchers, and the important thing is that these vouchers may be used for goods and services to provide for the care of the children involved. In addition, we all know that other forms of Federal and State aid remain available.

This has been one of the most difficult issues. The family cap and whether you have cash payments for teenage moms are probably the two most difficult issues we have faced, two of the most difficult issues we have faced in putting a welfare reform package together.

I understand the concerns that Senator DOMENICI expressed. I have talked with the Catholic bishops. They have been in my office. I have talked with Catholic Charities. They have been in my office. But I have talked to others who feel just as strongly on the other side. I also have talked with the Governors, and they do not want any strings. They do not want conservative or liberal strings. But they know in some cases they are going to have strings. I do not know of any objection by the Governors with reference to the family cap. I think they would accept that. They may not like it, but they would accept it. So I would hope that we also give flexibility in the family cap provision. If we do not deal with out-of-wedlock births, then we are really not dealing with welfare reform.

We have had a number of Governors—12 States—who have currently received waivers from the Federal Government to experiment with some version of the family cap. However, our proposal also maintains considerable flexibility for these States and addresses the crisis of out-of-wedlock births.

The crisis in our country must be faced. Thirty percent of America's children today are born out of wedlock. And many believe we, at the Federal level, must send a clear signal. We believe the underlying proposal which is identical to the one agreed to by the House does just that. We are going to be in conference in any event.

Let me emphasize again that we have tried to keep everybody together in this proposal. I am not certain what happens if this Domenici amendment is adopted. We will still have an opportunity in conference. But we have crafted a very careful bill here to respond to the needs of many. Unlike the situation of single teenage mothers in poverty, this provision mostly affects families.

It seems to many of us the time has come when these families must face more directly whether they are ready to care for the children they bring into the world. That is the reason for the family cap.

So somebody has to make some decision out there—the families themselves, the parents, the mother. We believe the family cap will certainly encourage someone to make that decision and that if you continue cash payments, there is no restraint at all.

I yield back the remainder of my time.

The PRESIDING OFFICER. Who yields time?

Mr. GRAMM addressed the Chair.

The PRESIDING OFFICER. The Senator from Texas [Mr. GRAMM], is recognized.

Mr. GRAMM. Mr. President, I yield myself 3 minutes.

Mr. President, it is hard for me to take this argument about States rights seriously when Senator DOMENICI has another amendment, amendment 2573, that mandates how much States pay on welfare. So let us make it clear. This is not an issue about flexibility. This is not an issue about strings. This is an issue about reform.

The Domenici amendment preserves the status quo. And what is the status quo? The status quo is that one out of every three babies born in America today is born out of wedlock. The status quo is if we continue to give people more and more money to have more and more children on welfare, by the end of this century illegitimacy will be the norm and not the exception in America. No great civilization has ever risen that was not built on strong families. No great civilization has ever survived the destruction of its families, and I fear the United States of America will not be the first.

Under existing law, States can do exactly what Senator DOMENICI's amendment allows them to do. What his amendment will do is perpetuate a system which subsidizes illegitimacy, which gives cash bonuses to people who have more and more people on welfare.

The compromise we have hammered out helps children. It provides vouchers. It provides them the ability to take care of them. But it does not provide cash incentives for people to have children that they cannot support.

What a great paradox it is that while families across America are pulling the wagon, both husband and wife working every day to save enough money to have a baby, they are paying taxes to support programs like this one which is subsidizing people to have babies that they cannot support.

I think if we are going to deal with welfare reform, if we are going to have a bill worthy of the name, we have to defeat this amendment.

I do not know what is going to happen on this amendment. Obviously, I am concerned about it. It breaks the deal that we have negotiated. It basically eliminates the glue that held a compromise together.

I am very concerned about the fate of welfare reform if this amendment is adopted. In the end, whether we have to do it in conference or whether it is not done, I am not going to support a bill that does not deal with illegitimacy. There is no way you can solve the welfare problem and not deal with illegitimacy. It is the basic cause of the problem, and I think we are running away from it with this amendment. I hope my colleagues will oppose it.

This is a crisis in America. It is a crisis that has got to be dealt with. I think to assume that the problem is simply going to go away is a bad mistake. Then he opposes even a modest limitation on the use of Federal funds turned over to the States.

My position is different. Do not tell the States how to spend their own money but set a few basic moral principles for the use of Federal funds. I believe that Federal funds should not subsidize illegitimacy.

This amendment is a complete reversal of the agreement we reached on this bill. It is time we take our commitment seriously and defeat this amendment.

I yield back the remainder of my time.

The PRESIDING OFFICER. Who yields time?

Mr. DOMENICI. Mr. President, how much time do I have?

The PRESIDING OFFICER. The Senator from New Mexico has 1 minute.

Mr. DOMENICI. If we pool the 10, how much do we have left?

The PRESIDING OFFICER. Under the previous agreement, Senator MOYNIHAN has 5 minutes given to him by Senator DASCHLE, and Senator NICKLES has one-half yielded by Senator DOLE.

Mr. DOMENICI. I yield—how much time does the Senator want to use?

Mr. MOYNIHAN. Two minutes.

Mr. DOMENICI. Two minutes to Senator MOYNIHAN.

The PRESIDING OFFICER. Senator MOYNIHAN is recognized for 2 minutes.

Mr. MOYNIHAN. Mr. President, in the current issue of the Economist, the cover story is "The Disappearing Family," and it speaks of the problem of out-of-wedlock births. It says of this Senator that I have taken this problem seriously for 30 years. It quotes an earlier statement that "a community without fathers asks for and gets chaos."

I am not new to this subject, and I am very much opposed to a family cap of any kind. This is not the way to deal with this baffling and profoundly serious subject. When my friend from Texas cites the projections of where we will be at the end of the century, those, sir, are my projections. It has been a field I have worked in as he has worked in his field. But the dictum of the Catholic Charities is that the first principle in welfare reform must be "do no harm."

These children have not asked to be conceived, and they have not asked to come into the world. We have an elemental responsibility to them. And so I hope, regarding the most fundamentally moral issue we will face on this floor, that we will not have the State deny benefits to children because of the mistakes, or what else you will say, of their parents.

Mr. President, I yield back my time.

Mr. DOMENICI. I yield Senator BREAUX 2 minutes.

Mr. BREAUX. I thank my colleague.

Mr. President, I rise in strong support of the Domenici amendment. There is no disagreement in this body by either Republicans or Democrats on the question of illegitimacy. We oppose it very strongly and are looking for ways to help curtail it in this country. My State has the second highest illegitimacy rate in the country; 40 percent of all children born are illegitimate.

The question is, how do you solve it? Do you solve it by punishing the children or do you solve it by requiring work requirements for the parents, by requiring them to live under adult supervision, by requiring them to take work training, by requiring them to live in a family setting? I suggest that the way to do it is by those types of requirements. Do not penalize the child.

The current bill says absolutely a new child that is born will get no help.

That is a mandate. It says, well, the States have the option if they want to give a voucher they can. They do not have to. The Domenici bill changes that and the Domenici bill says that, if a child is born, we are going to look at that child as an innocent victim. And that is the proper approach. States that have had mandatory caps have not seen illegitimacy birth rates go down. But they have seen abortion rates go up. I do not think that is what this Senate wants to stand for. I urge the strong support of the Domenici amendment.

Mr. MOYNIHAN. Could I say that the Senator from New York is a cosponsor, and on both sides there is support.

Mr. BREAUX. The Domenici-Moynihan amendment. And I have strong support for it.

Mr. NICKLES addressed the Chair.

The PRESIDING OFFICER. The Senator from Oklahoma is recognized.

Mr. NICKLES. Mr. President, everyone I heard speak on this issue said illegitimacy is a very serious problem. There is no question that it is. Illegitimacy has been exploding in this country, and, as a result, we have increased crime, we have increased welfare.

We need to break that cycle. The present system is we subsidize illegitimacy, the more children born out of wedlock the more Federal money they received. That is the present system. A lot of us think that is wrong. This bill says that there will be no additional under the Dole bill—not the Domenici amendment, the Dole bill says we are not going to give additional Federal cash payments for welfare families if they have additional children.

It does not say the States. If the States are really adamant and say they want to help and do it in the form of cash, they can use their own money. The bill allows them to give noncash benefits, so they can take some of the block grant money and use noncash benefits in the form of vouchers and give. But we do not want to have cash incentives for additional children born out of wedlock. So I think Senator DOLE has a good provision, and it is with regret that I oppose my friend and colleague, Senator DOMENICI's amendment.

One final comment. I heard New Jersey mentioned. The Heritage Foundation did a report. I will capsulize.

New Jersey is the only State in the Nation that instituted a family cap policy, denying an increase in cash welfare benefits to mothers who have additional children while already receiving welfare. The evidence currently available from New Jersey indicates that a family cap has resulted in a decline in births to women on AFDC, but not an increase in the abortion rate.

Mr. President, I reserve the balance of our time.

The PRESIDING OFFICER. All time of the Senator from Oklahoma has expired.

The only Senator that still controls time is the Senator from New York, who has 2 minutes remaining.

Mr. DOMENICI. Mr. President, I had previously arranged to make sure that Senator CHAFEE spoke.

Mr. MOYNIHAN. Yes. I ask the Chair, how much time is remaining?

The PRESIDING OFFICER. The Senator from New York has 2 minutes remaining.

Mr. MOYNIHAN. I will be happy to yield.

Mr. DOMENICI. Because of some of the things that were said, I need to have at least a minute.

Mr. MOYNIHAN. I ask that 1 minute be yielded to the Senator from New Mexico and the other minute to the Senator from Rhode Island.

Mr. CHAFEE addressed the Chair.

The PRESIDING OFFICER. The Senator from Rhode Island is recognized for 1 minute.

Mr. CHAFEE. Mr. President, I support the Domenici amendment. There has been a lot of talk about inconsistency and about flexibility. I think that applies on both sides. None of us have been totally consistent. But with regard to this, the whole thrust of this bill is meant to be for flexibility. And with a mandatory family cap, as is suggested by the opponents of this bill, certainly that is not in keeping with flexibility.

Now, the suggestion is that, "Do not worry. There are no cash payments provided in this bill, but vouchers are provided." That is not quite accurate. The underlying bill does not provide for vouchers. It says vouchers may be provided.

I would also point out that this is a nightmare of administration when you are dealing with vouchers for children. So it seems to me, as has been pointed out here, under the underlying bill, the people that suffer under this proposal to get at illegitimacy as the target, the people that suffer are the children. I just do not think that is the way to proceed. As has been pointed out by the Senator from New Jersey, there is no definiteness about the family cap having reduced illegitimacy.

I want to thank the Senator for the time.

Mr. DOMENICI addressed the Chair.

The PRESIDING OFFICER. The Senator from New Mexico is recognized for 1 minute.

Mr. DOMENICI. I want to say to all my friends, especially some of the Republicans who talked about breaking an agreement, I do not break agreements. I was not part of any agreement. I was not in attendance. I had one meeting where we went over the whole bill. But I was not there. If I were there, I would have said I did not agree. And so I am bringing my disagreement here to the floor to let you decide.

Frankly, I am absolutely convinced the New Jersey experience is meaningless with reference to whether or not there will be less welfare mothers having children if there is a family cap. The study I see says that there is no evidence that it has succeeded. If there is evidence of that, there is equally as good evidence that abortions have increased. I do not believe either one.

But my argument is, why make a mistake? Why not let the Governors and the States decide as they put a big plan together. Let them do innovative things to make this system work better. Do we really know that if we say no cash for second children of a welfare mother, that the others are going to stop having children? I mean, I do not believe that. And if you believe that—I do not want to make it so mundane—but you believe in the tooth fairy. It just is not going to happen.

I think we ought to adopt this and go to conference. We have a good bill. And I, frankly, am trying my best to be helpful in this bill. And to say I am inconsistent—most Senators are for maintenance of effort—that is the inconsistency; I am for maintenance of effort.

The PRESIDING OFFICER. All time has expired.

The question occurs on amendment No. 2575.

Mr. MOYNIHAN. I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There appears to be a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk called the roll.

The PRESIDING OFFICER (Mr. KEMPTHORNE). Are there any other Senators in the Chamber desiring to vote?

The result was announced—yeas 66, nays 34, as follows:

[Rollcall Vote No. 416 Leg.]

YEAS—66

Abraham
Akaka
Baucus
Bennett
Biden
Bingaman
Bond
Boxer
Bradley
Breaux
Bryan
Bumpers
Byrd
Chafee
Cohen
Conrad
D'Amato
Daschle
DeWine
Dodd
Domenici
Dorgan
Exon
Feingold
Feinstein
Ford
Glenn
Gorton
Graham
Harkin
Hatch
Hatfield
Heflin
Hollings
Inouye
Jeffords
Johnston
Kassebaum
Kennedy
Kerrey
Kerry
Kohl
Lautenberg
Leahy
Levin
Lieberman
Lugar
Mikulski
Moseley-Braun
Moynihan
Murray
Nunn
Packwood
Pell
Pryor
Reid
Robb
Rockefeller
Roth
Sarbanes
Simon
Simpson
Snowe
Specter
Stevens
Wellstone

NAYS—34

Ashcroft
Brown
Burns
Campbell
Coats
Cochran
Coverdell
Craig
Dole
Faircloth
Frist
Gramm
Grams
Grassley
Gregg
Helms
Hutchison
Inhofe

Kempthorne
Kyl
Lott
Mack
McCain
McConnell
Murkowski
Nickles
Pressler
Santorum
Shelby
Smith
Thomas
Thompson
Thurmond
Warner

So the amendment (No. 2575), as modified, was agreed to.

Mr. DASCHLE. Mr. President, I move to reconsider the vote, and to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 2671

The PRESIDING OFFICER. Under the previous order, there will be 10 minutes debate, equally divided, on the Daschle amendment No. 2671, to be followed by a vote on or in relation to that amendment.

Who yields time?

Mr. DASCHLE. Mr. President, I will take 3 minutes of my time and then yield 1 minute to the Senator from Hawaii, Mr. INOUYE, and 1 minute to the Senator from New Mexico, Senator BINGAMAN.

Mr. President, I offer this amendment in the hope that we can find some resolution to what we all understand to be a very serious problem on reservations. My amendment would simply change the funding mechanism in the bill to ensure that adequate funding is provided to tribes across the country. It would establish a 3 percent national set-aside, and tribal grants would be allotted from the set-aside based on a formula to be determined by the Secretary. Tribes, in both the pending legislation as well as in this amendment, would receive direct funding from the Federal Government to administer their own programs.

The difference between the pending bill and our amendment is that, under the pending legislation, tribes would receive money based on the amount the State spent on them in fiscal year 1994. The State grant would be reduced by the amount of the tribal grant. Under our amendment, tribes would be allocated funds directly from the national set-aside. The funding for the tribes would be taken out of that 3 percent set-aside, even before the money is allocated to the States.

So it is simply a different mechanism for ensuring that funds are allocated in an appropriate way. Why 3 percent? Mr. President, the poverty rate for Indian children on reservations is 60.3 percent—three times the national average. I know that the percentage of the AFDC population that is represented by native Americans is less than 3 percent, but the problems tribes face are far greater than that statistic would dictate.

Clearly, when you have a poverty rate of 60 percent, we have to do more than what at first glance might appear to be necessary. Per capita income in the United States is $14,000. Per capita income on the reservations is $4,000. Unemployment rates range, in South Dakota, from 29 percent all the way up to 89 percent. Nationwide, unemployment on reservations is four to seven times the national average.

So we face some extraordinary circumstances on the reservations, Mr. President, and there is very little infrastructure in existence to address these problems today. We need reform. We need to recognize that reform has to mean more than just resources. We need the mechanism and infrastructure to create new opportunities to provide the services that are so needed on reservations today. For all these reasons, tribes deserve the 3 percent. I hope that the amendment will be supported.

I yield a minute to the distinguished Senator from New Mexico.

Mr. BINGAMAN. Mr. President, I appreciate the chance to speak on behalf of the Daschle amendment. I do think it is very important that we try, as we are going through this legislation, to assist Indian tribes in pueblos around the country in helping their own people.

We talk a lot about empowerment. Here is a chance for us to do just that. At the same time that we are talking about empowering people, we are in fact cutting funds for Indian education, cutting funds for tribal justice programs, for housing operations, for tribal law enforcement, tribal social services, and a number of other vital programs.

We should not shortchange the Indian children of this country and their families in this bill. The Daschle amendment helps to ensure that we do not do that. I very much urge my colleagues to support the Daschle amendment.

I yield the floor.

Mr. DASCHLE. Mr. President, how much time do I have remaining?

The PRESIDING OFFICER. The Democratic leader has 1 minute 18 seconds.

Mr. DASCHLE. I yield that to the distinguished Senator from Hawaii.

Mr. INOUYE. Mr. President, as we prepare to vote on this measure, we should remind ourselves that, first, Indians are sovereign. Second, there is a unique relationship existing between Indian nations and the Federal Government of the United States, a trust relationship. There is no special relationship existing between States and Indian country. The Constitution sets forth this relationship. The Supreme Court has upheld it on numerous occasions.

I support the Daschle amendment. I hope we will continue to maintain the unique relationship that exists between Indians and the Federal Government.

Mr. NICKLES. Mr. President, I yield the Senator from Arizona 3 minutes.

Mr. McCAIN. Mr. President, as the Senator from South Dakota points out, there are more poor Indians in America than reflected in the national average. The Senator's amendment calls for a 3-percent set-aside, even in States where there is no Indian population. I began this process several months ago, working with Senator DOLE and the Finance Committee, in attempting to achieve some way of providing native Americans with direct block grants to pay for their welfare programs.

As part of the bill, no off-the-top lump sum is dedicated for tribes. Indeed, the Dole bill targets Federal funding on a tribe-by-tribe basis, scaled to the actual need, supported by the fiscal year 1994 data, not some overall national estimate of need of 3 percent or 2 percent.

Mr. President, I have worked very hard with the Finance Committee in crafting a compromise that will provide direct welfare block grants to the Indian tribes, separate from the States. In response to that, Mr. President, I have received from Indian tribes all over the country, including from the National Indian Child Welfare Association, complete satisfaction with the compromise that was worked out with Senator DOLE.

If Senator DASCHLE can, in the name of politics, get Senators from West Virginia, Ohio, Illinois, and other States that have no Indian population to support this, fine. But I would like to point out to the Senator from South Dakota that he voted against an amendment by Senator DOMENICI that was going so restore 200-some million dollars in draconian cuts that are going to triple and destroy the social programs in his State and in my State. I hope that he will devote some of his efforts to restoring those draconian measures which have brought 300 tribal leaders to the Nation's Capital in the most vociferous process I have ever seen in my 13 years in Congress.

Mr. President, I support the Dole part of the bill which provides direct welfare block grants to Indian tribes, which the Indian tribes themselves support.

Mr. NICKLES. Mr. President, I wish to compliment Senator McCAIN as chairman of the Indian Affairs Committee. I think he has provided a very valuable service because he does put some good language in this bill.

The bill that we have before us—not the amendment, the bill we have before us—allows direct funding to Indian tribes based on actual AFDC population.

Now, Indian AFDC population I heard is 1.3 percent, and I heard somebody say it is 1.7 percent of the population. Why would it be right to say they should receive 3 percent of the funding set aside? I think that is arbitrary. I also think it is maybe double what they are now receiving.

Indian tribes should be able to receive the block grant and be able to manage that, but it should be based on the population receiving AFDC payments. It should not be some arbitrary figure that is pulled out of the sky.

I compliment Senator McCAIN for the language he has inserted in the bill. I urge my colleagues to vote no on the Daschle amendment because I think it sets up an arbitrary level that happens to be about double what the current Indian population of AFDC is, and that is not called for.

I do not think it is a good way to manage our welfare program. I think Senator DOLE has good language in the bill. Hopefully, it will be sustained.

I urge my colleagues to vote no on the Daschle amendment.

I yield to the Senator from Rhode Island the remainder of our time.

The PRESIDING OFFICER. The Senator has 1 minute 20 seconds.

Mr. CHAFEE. My query is this, to the distinguished sponsor of the amendment. It seems to me that, as I understand it, Indians make up 1.5 percent of the AFDC caseload. There are different figures given here, but I heard no figure more than 2 percent.

Therefore, it is hard to understand why 3 percent should be set aside for this group that makes up 1.5 or 2 percent—whatever it is—of the caseload.

I would appreciate if the distinguished Senator could give us some help on that.

Mr. DASCHLE. Mr. President, I will use whatever time I may consume out of leader time to respond.

Mr. President, the point I made in the short remarks that I have just completed is that the circumstances affecting Indian tribes are vastly different than those affecting any other cross-section of the population.

We have unemployment rates in South Dakota close to 90 percent. Indian tribes nationwide have unemployment rates of up to seven times what they are for the rest of the population. Not only are we dealing with an extremely high level of unemployment, there is also little infrastructure to deliver social services on many reservations. Clearly, we have circumstances on many reservations that is far different from other areas.

That is really what we are trying to do, to recognize the extraordinary difficulties that we face in a very concentrated area: Reservations where there are really no resources; reservations where there is no employment. We cannot locate businesses on reservations today.

We are simply saying that if we are going to do this right, if we are going to allow tribes to do this right, we should allocate a 3 percent set-aside for tribes to allow them to begin solving these problems.

Other requirements of the welfare bill before the Senate are required on the reservation. They have to work. Workfare is going to be an essential part of the requirement for the tribes, as it is for everybody else.

Clearly, given the problems, given the requirements, and given the circumstances, I think this is the nominal amount of effort that we ought to put forth to do this job right.

Mr. NICKLES. Mr. President, how much time remains?

The PRESIDING OFFICER. The Senator has 35 seconds.

Mr. NICKLES. Mr. President, I do not doubt—as a matter of fact, I think I know probably almost as well as anybody on this floor—that we have very significant problems in the Indian community. Welfare is part of it. It may be part of the problem.

I am not sure that doubling the money going into AFDC for Indian tribes will solve that problem. It would provide greater cash assistance, no doubt. But I do not think that is necessarily right.

If they have 1.5 percent of the population, we will say they get 3 percent of the money—that is not going to make their problems go away. If I really thought that would make their problems go away, I might support the amendment.

We have lots and lots of problems on reservations and in the Indian community, but I do not think just by increasing cash payments, that that is a solution. I think the solution is in the Dole bill.

I urge our colleagues to vote no on the Daschle amendment.

Mr. DASCHLE. I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question now occurs on agreeing to the Daschle amendment No. 2671.

The yeas and nays have been ordered. The clerk will call the roll.

The assistant legislative clerk called the roll.

The PRESIDING OFFICER. Are there any other Senators in the Chamber desiring to vote?

The result was announced—yeas 38, nays 62, as follows:

[Rollcall Vote No. 417 Leg.]

YEAS—38

Akaka
Baucus
Biden
Bingaman
Boxer
Bradley
Breaux
Burns
Byrd
Campbell
Conrad
Daschle
Dodd
Domenici
Dorgan
Exon
Feingold
Feinstein
Ford
Graham
Harkin
Inouye
Johnston
Kennedy
Kerrey
Kerry
Kohl
Leahy
Mikulski
Moseley-Braun
Moynihan
Murray
Pell
Pressler
Pryor
Sarbanes
Simon
Wellstone

NAYS—62

Abraham
Ashcroft
Bennett
Bond
Brown
Bryan
Bumpers
Chafee
Coats
Cochran
Cohen
Coverdell
Craig
D'Amato
DeWine
Dole
Faircloth
Frist
Glenn
Gorton
Gramm
Grams
Grassley
Gregg
Hatch
Hatfield
Heflin
Helms
Hollings
Hutchison
Inhofe
Jeffords
Kassebaum
Kempthorne
Kyl
Lautenberg
Levin
Lieberman
Lott
Lugar
Mack
McCain
McConnell
Murkowski
Nickles
Nunn
Packwood
Reid
Robb
Rockefeller
Roth
Santorum
Shelby
Simpson
Smith
Snowe
Specter
Stevens
Thomas
Thompson
Thurmond
Warner

So the amendment (No. 2671) was rejected.

Mr. MOYNIHAN. Mr. President, I move to reconsider the vote by which the amendment was rejected.

Mr. NICKLES. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 2518

The PRESIDING OFFICER. Under the previous order, there will now be 10 minutes of debate equally divided on the DeWine amendment, No. 2518, to be followed by a vote on or in relation to the amendment.

Mr. DEWINE addressed the Chair.

The PRESIDING OFFICER. The Senator from Ohio is recognized.

Mr. DEWINE. Mr. President, I yield myself such time as I may consume.

Mr. President, the amendment which Senator KOHL and I have proposed really is a very simple one. It encourages States to work to keep people off of welfare before they ever go on welfare.

I think this is not only the right thing to do from a humanitarian point of view but it is also the most cost effective thing to do. In fact, we have seen several States make great progress with their programs to do this—Utah, Wisconsin, and there are many other States that are now just starting this type of a program.

I believe that without this amendment the underlying bill would have the unintended consequence and resolve of discouraging States from this type of early intervention. And I think everyone agrees we should be encouraging States to do so.

Our amendment would give States credit toward their work requirement for reducing their caseload by helping people before they ever go on welfare.

As I said, Mr. President, I think it is a very simple amendment. But I think it is an amendment that will in fact make a difference and will in fact encourage the States to do what everyone agrees needs to be done; that is, keep people from getting on welfare.

I might add, Mr. President, that it does not give the States credit toward their work requirement if, in fact, the reduction in caseload is achieved merely by changing the requirements for being on welfare. These have to be actually meaningful reductions that are achieved in other ways. Of course, one of the ways to achieve those is, in fact, by having that very, very early intervention.

Mr. NICKLES. Mr. President, I wish to compliment the Senator from Ohio, Senator DEWINE, who explained this amendment last night. We reviewed the amendment. We have no objection to it.

Mr. MOYNIHAN. Mr. President, as one who dearly loves Federal regulations imposed on States in minute, indecipherable detail, I accept this amendment with great gusto.

The PRESIDING OFFICER. Do all Senators yield the time?

Mr. DEWINE. I yield the time.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment (No. 2518) was agreed to.

Mr. NICKLES. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. MOYNIHAN. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 2668

The PRESIDING OFFICER. Under the previous order, there will now be 10 minutes of debate on the Mikulski amendment, No. 2668, to be followed by a vote on or in relation to the amendment.

Who yields time?

Ms. MIKULSKI addressed the Chair.

The PRESIDING OFFICER. The Senator from Maryland.

Ms. MIKULSKI. Mr. President, I yield myself 3 minutes on this amendment, and then I will yield to the Senator from Iowa.

I also ask unanimous consent that Senator WELLSTONE be a cosponsor of the amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

Ms. MIKULSKI. Mr. President, I correct myself. I yield myself 3 minutes, and then I will yield to the Senator from Iowa [Mr. GRASSLEY], 2 minutes.

Mr. President, today I rise to save the Senior Community Service Employment Program of title V of the Older Americans Act.

I do this to preserve over 100,000 senior citizen jobs. Title V provides part-time, minimum wage employment, and community service to low-income workers as well as training for placement in unsubsidized employment.

Its participants provide millions of dollars of community service at on-the-job sites making a critical difference in care centers, hospitals, senior centers, libraries, and so on.

The Dole substitute now before us repeals the Senior Community Service Employment Program. My amendment strikes this repeal. It saves the Senior Community Service Employment Program of title V of the Older Americans Act.

If title V is not removed from the welfare reform bill, it will be repealed, along with 100 Federal job training programs, and rolled into a block grant. This will have a devastating consequence on these older workers. It serves directly in the communities across the Nation that benefits from these.

My amendment is supported by senior organizations across this country, including AARP, the National Council of Senior Citizens, and others.

Mr. President, there are so many good reasons to support the Senior Community Service Employment Program. Title V is our country's only work force development program designed to maximize the productive contributions of a rapidly growing older population. It does this through training, retraining, and community service.

We should leave title V in the Older Americans Act. It does not belong in welfare reform, and it does not belong in the reform of the job training bills.

Title V is primarily operated by private nonprofit national aging organizations. This is not big bureaucracy.

It is a critical part of that Older Americans Act and has consistently exceeded all goals established by Congress and the Department of Labor, surpassing a 20 percent placement goal for the past 6 years and achieving a record of 135 percent in the last year.

Title V, this Senior Community Service Employment Program, provides a positive return on taxpayer investment, returning $1.47 for every $1 invested. It is means tested, and it also serves the oldest and the poorest in our society; 40 percent are minorities, 70 percent are women, 30 percent are over the age of 70, 81 percent are age 60 and older, and 9 percent have disabilities.

Surely they deserve to have their own protection.

Title V ensures national responsiveness to local needs by directly involving participants in meeting critical human needs in their communities, from child and elder care to public safety and environmental preservation.

Title V has demonstrated high standards of performance and fiscal accountability unique to Government programs.

Less than 15 percent of funding is spent on administrative costs.

Title V historically has enjoyed strong public support because it is based on the principles of personal responsibility, lifelong learning, and service to community.

I urge your support for my amendment.

Is the Chair tapping?

The PRESIDING OFFICER. The Senator's time has expired.

Ms. MIKULSKI. I did not hear the tap, but having heard the tap I now yield 2 minutes to the Senator from Iowa, a supporter of my amendment.

The PRESIDING OFFICER (Mr. ASHCROFT). The Senator from Iowa is recognized for 2 minutes.

Mr. GRASSLEY. I support Senator MIKULSKI's amendment because there are a unique group of older Americans who will not be properly served by Senator KASSEBAUM's new program, as well-intentioned as it is.

Title V provides community service employment. In my State of Iowa, the program provided a total of 402,480 hours of service just in this year.

These workers serve in public schools, child care centers, city museums and parks, as child care workers, library aides, kitchen workers; they work for Head Start, YMCA, YWCA, the Alzheimer's Association, the Salvation Army, the Easter Seal Society, and the American Red Cross.

They work in activities that support as well the other Older Americans Act programs like senior centers, congregate meal sites, and home-delivered meals.

I think this is a good use of taxpayers' money because it leverages private funds and other public funds. Senator KASSEBAUM's bill will not lead to programs providing such employment.

The Senator's legislation will help individuals find gainful private sector employment, and there is nothing wrong with that. That is a proper focus. But it is not a focus which is going to assist the kind of individuals currently enrolled in title V programs—people 55 years and older, less than 115 percent of poverty. We are talking about low-income older Americans. Thirty percent of these workers are over 70 years of age. Eighty-one percent are over 60 years of age. They will not benefit from the training programs and education programs that would be established under Senator KASSEBAUM's bill. Title V provides subsidized employment in community service jobs for workers who are highly unlikely to be the focus of programs under Senator KASSEBAUM's bill.

The PRESIDING OFFICER. The Senator's time has expired.

Mr. LEVIN. Mr. President, I am pleased to speak today as a supporter of the amendment of my friend from Maryland. Her proposal would remove the Senior Community Service Employment Program, or title V, from this bill. This amendment is important for several reasons: First, the Title V Program is not job training and should not be considered as part of this block grant; second, it fills an important role within the Older Americans Act; and third, it effectively serves a population that is difficult to reach with traditional job training programs.

The State of Michigan has had a long and successful relationship with this program. Thousands of people participate in it each year. These individuals work in hundreds of different occupations. The unifying factor in all this work is that older workers are contributing to their communities. In most cases, they are coming out of retirement to reenter the labor force.

I have received hundreds of constituent letters asking me to support this provision. In explaining their involvement with the Title V Program, almost all the participants mention "giving something back to the community." It is imperative that Congress capitalize on this feeling. Now more than ever we need to hold onto and support our sense of communities and this can be done by following the examples set by our elders. In many communities, title V programs provide the link between senior citizens and the younger generations. The SCSEP gives older workers an opportunity to become engaged with their neighbors in a direct and meaningful way.

Many of my colleagues know of the emphasis I place on community service. Usually, however, when we talk about this issue, our concern is about mobilizing young people to become involved. By contrast, the Title V Program is in operation. Its participants are active in communities now. If we repeal the Title V Program, many of these positions will be eliminated. One study estimates that 30,000 to 45,000 positions will be eliminated by 1998. This will deprive neighborhoods and towns of one of their most valuable resources.

Removing title V from this bill will provide us with the opportunity to discuss the reauthorization of the Older Americans Act in its entirety. I am aware that the Aging Subcommittee of the Labor and Human Resources Committee has already begun hearings on this issue. I look forward to seeing the recommendations that they produce on the act as a whole. I thank the Senator from Maryland for her leadership on this issue and I urge my colleagues to support the amendment.

Mr. SARBANES. Mr. President, I am pleased to join my colleague from Maryland, Senator MIKULSKI, in offering this amendment to save title V of the Older Americans Act. As you are aware, title V authorizes the Senior Community Service Employment Program [SCSEP] which provides senior citizens valuable opportunities to serve their communities by contributing their valuable insight and experience.

As a strong supporter and past cosponsor of the Older Americans Act, it is my view that the future of the SCSEP should be determined during the reauthorization of the Older Americans Act, and should not be considered as part of the welfare reform debate. This successful employment program which serves our Nation's senior citizen is not part of the welfare system and does not belong in this bill.

The SCSEP is one the most important programs authorized under the Older Americans Act which have been successful in the organization and delivery of support services for senior citizens. For almost 30 years this program has offered low-income persons aged 55 or older part-time paid community service assignments with the goal of eventually obtaining unsubsidized jobs.

The only work force development program specifically designed to maximize the potential of senior citizens, the SCSEP has consistently exceeded placement goals established by Congress and the Department of Labor. This clearly illustrates what I have always believed—older Americans want to contribute. They want to work, to volunteer, to participate in their community. It is critical that we recognize this interest and tap the valuable wisdom, insight, and experience that senior citizens bring to all aspects of life.

There are several successful SCSEP programs here in Maryland, one of which serves my home community of Wicomico County. The Senior AIDES Program—in cooperation with State employment offices, community colleges, and other federally funded employment and training programs—helps seniors get the skills necessary to become part of the work force.

Let me share with you one of the program's many success stories. Sarah Maxfield of Salisbury finished high school, got married, and raised a family. She had the occasional odd job or part-time work, but never really worked full-time until she had to go back to work to support herself. At age 57, she entered the Senior AIDES Program in Wicomico County. While receiving training in office skills, she also worked with the volunteer office delivering meals to elderly shut-ins.

In September 1994, after having received training, she was placed in a subsidized job at Shore Up, Inc., a local community action agency. Shore Up was so impressed with her that I am pleased to report that she was subsequently hired full time.

Mr. President, by including the SCSEP in the job training block grant portion of this welfare bill, the program will be forced to compete with other, unrelated programs for a limited amount of funding. The end result will be fewer seniors working and fewer communities benefiting from the contributions of these older Americans.

One of the central recommendations of the recent 1995 White House Conference on Aging with respect to seniors in the work force was to make available educational programs to provide skilled trained, job counseling, and job placement for older men and women. This enhances senior citizens' ability to stay in or rejoin the work force or to prepare them for second careers.

In my view, Mr. President, it is clear that the proper legislative vehicle for consideration of this important program is not a welfare reform bill. The SCSEP deserves to be debated fully as part of the reauthorization of the Older Americans Act and I urge my colleagues to support this amendment.

Mr. PRYOR. Mr. President, I rise today in support of the amendment proposed by my colleague from Maryland concerning the Senior Community Service Employment Program, also known as the title V program. This amendment would remove title V from the job training block grant contained in the welfare reform bill we are considering.

Mr. President, this program is unique among employment programs. It serves people whose needs are not met by the more traditional job programs. The program also has a unique character which I believe would be destroyed by the block grant approach.

Title V serves seniors who are often difficult to reach. The individuals who participate in this program have very low incomes, and often they have little or no formal job experience. Most participants are over 65, many are widows, and any job experience they have may have occurred decades ago. These individuals need this program because it is the safety net separating them from extreme poverty and welfare dependency.

Title V also differs from other job training programs because of its unique nature as a community service program. The jobs occupied by title V participants are in organizations which serve other seniors, children, and the community at large. Organizations which sponsor title V enrollees are those which are most likely to feel the pain of budget cuts and economic downturns, and they simply could not get the job done without the help of the title V program.

Mr. President, if the job training block grant includes title V, the losses will be felt throughout our social fabric. Who will lose? Well, first of all, the individuals who participate in title V will lose. By the time the block grant is fully implemented in 1998, between 30,000 and 45,000 older people will be given pink slips. Do we really want to tell 45,000 poor people, most of whom are aged 65 and older, that they can no longer work to supplement their meager income? Do we want to tell these proud people that we would rather have them on welfare?

Communities will also lose under this block grant. There will be money lost from local economies as we squeeze more people into poverty. Local communities across America will also lose vital human services which are made possible through title V—services like tutoring of disadvantaged children and meals for the poor. In this social climate, these are services we cannot do without.

Another big loser will be government. We will lose tax revenue from people who are no longer employed. We will also lose because the title V participants who are forced out of jobs will be forced to go onto the welfare rolls, causing us to spend more money on the very programs in which we are trying to find savings. Mr. President, this just does not make sense to me.

I want my colleagues to understand that I am not standing before you saying that this program should not be changed in any way. I acknowledge that the time has come to subject title V to a thorough examination. As you know, concerns have been raised about this program, and these are concerns which deserve to be addressed. There also comes a time in every program when it is appropriate to take a few steps back, take stock of where we are, and make whatever changes are necessary to ensure that the program is fulfilling its central mission. But Mr. President, the last thing we need to be doing is combining this program with other employment programs with which it has very little in common.

Let us act decisively today to save this program—for the sake of our local communities and the many organizations which benefit from the program, and most of all, for the sake of the tens of thousands of older people who participate in title V. Over the years, this worthwhile program has freed countless senior citizens from a prison whose bars are poverty, dependency, isolation, poor self-confidence, and lack of experience. Let us not slam the doors shut on them.

Ms. MIKULSKI. Mr. President, today, I rise to save the Senior Community Service Employment Program—title V of the Older Americans Act—and preserve over 100,000 senior citizens' jobs.

Title V provides part-time, minimum wage employment in community services to low-income older workers, as well as training for placement in unsubsidized employment.

Its participants provide millions of hours of community service work at their on-the-job sites, making a critical difference at day care centers, hospitals, senior centers, libraries, and so on.

The Dole substitute now before us repeals the Senior Community Service Employment Program.

My amendment strikes this repeal and saves the Senior Community Service Employment Program, title V of the Older Americans Act.

If title V is not removed from the welfare reform bill, it will be repealed along with over 100 Federal job training programs and rolled into a block grant.

This will have devastating consequences on over 100,000 low-income older workers it serves directly, and the many communities across the Nation that benefit from these workers' job activities.

My amendment is supported by senior organizations across this country including the American Association of Retired Persons, Green Thumb, the National Council of Senior Citizens, National Council of Black Aged, National Council on Aging, and the Urban League.

The purpose of title V is to assure resources reach low-income older workers.

The special needs of low-income seniors are often ignored or neglected by other employment and training programs: Seniors with limited education; seniors with outmoded work skills; seniors with limited English-speaking ability; and seniors with a long-term detachment from the workforce, such as widows.

The purpose of having a separate title V of the Older Americans Act is to assure that funds are actually used to serve low-income persons 55 and older.

Title V merges two important concepts: Community service employment for seniors who would otherwise have a difficult time locating employment in the private sector, and the delivery of services in their communities.

Eliminating title V places seniors at-risk on winding up on welfare.

Title V enables low-income seniors to be economically self-sufficient, rather than depend upon welfare.

How ironic as we debate the welfare reform bill, that the result of repealing title V could swell the welfare rolls for seniors. Many title V participants are now self-sufficient. If this program is repealed and seniors lose their community service employment positions, these seniors may be forced to accept SSI, Medicaid, food stamps, and housing assistance.

Title V seniors would rather have a hand-up not a hand-out.

There are 10 good reasons to support the Senior Community Service Employment Program.

First, title V is our country's only work force development program designed to maximize the productive contributions of a radidly growing older population through training, retraining, and community service.

Second, title V is primarily operated by private, nonprofit national aging organizations that are customer-focused, mission driven, and experienced in serving older, low-income people.

Third, title V is a critical part of the Older Americans Act, balancing the dual goals of community service and employment and training for low-income seniors.

Fourth, title V has consistently exceeded all goals established by Congress and the Department of Labor, surpassing the 20 percent placement goal for the past 6 years and achieving a record 135 percent of goal in 1993–94.

Fifth, title V provides a positive return on taxpayer investment, returning $1.47 for every $1 invested.

Sixth, title V is a means-tested program, serving Americans age 55+ with income at or below 125 percent of the poverty level, or $9,200 for a family of one.

Seventh, title V serves the oldest and poorest in our society, and those most in need—39 percent are minorities; 72 percent are women; 32 percent are age 70 and older; 81 percent are age 60 and older; 9 percent have disabilities.

Eighth, title V ensures national responsiveness to local needs by directly involving participants in meeting critical human needs in their communities, from child and elder care to public safety and environmental preservation.

Ninth, title V has demonstrated high standards of performance and fiscal accountability unique to Government programs. Less than 15 percent of funding is spent on administrative costs.

Tenth, title V historically has enjoyed strong public support because it is based on the principles of personal responsibility, lifelong learning, and service to community.

I urge your support for my amendment.

Mrs. KASSEBAUM addressed the Chair.

The PRESIDING OFFICER. Who yields time in opposition?

The Senator from Kansas.

Mrs. KASSEBAUM. How much time do I have, 5 minutes?

The PRESIDING OFFICER. Five minutes.

Mrs. KASSEBAUM. I yield myself 3 minutes and would yield the rest of the time to the Senator from New Hampshire [Mr. GREGG].

I know how much the Senator from Maryland cares about older workers, as does the Senator from Iowa [Mr. GRASSLEY]. But I must oppose the Senator's amendment to remove the Senior Community Service Employment Program from the job training consolidation bill, which has been incorporated into the legislation before us, for the following reasons.

First, older workers are already protected in the bill. Each State must meet benchmarks that show how well they are providing jobs for needy older workers. Their funds may be cut if they do not do an adequate job.

Second, successful grassroots programs like Green Thumb—and it has been a very successful program in Kansas—will be able to continue. This does not mean that that program is going to end. It simply means that it will be part of the training initiatives in the State, and its voice will be heard at that level. Older workers will have a very strong voice with Governors, and States will hear that voice when they develop their statewide training system. I have no doubt but that such strong programs will prevail.

Third, older workers will be better served under the current bill because we will eliminate the middleman. Right now, most of the older worker funds go to 10 national contractors. The Senator from Maryland mentioned that fact. Let me just say, Mr. President, something I think it is important for my colleagues to recognize. The GAO will soon release a report showing that there is a great deal of waste in these national contracts, overhead that will be eliminated if the funds go directly to the States.

For example, the GAO found that one contractor spent about 24 percent of its contract on administrative expenses, well above the amount that is currently permitted. Over $2 million was spent on personnel and $1 million was spent on fringe benefits. None of these funds went to older workers. It is an important group to reach, and I think the Senator from Iowa made that point. But I strongly feel there is a better way in which to deal with this. This training program is just one of 90 programs we have consolidated into a single system that will hold States accountable.

Finally, and I think this is an exceptionally important point to take into account, if we make an exception for this program, other programs will want out as well, and we will only perpetuate a system of duplication and overlap.

I must oppose the motion to strike. I would like to yield the remainder of the time to Senator GREGG, who cares a great deal also about the Older Americans Act. He is the ranking member of the Labor and Human Resources Subcommittee dealing with this issue.

The PRESIDING OFFICER. The Senator from New Hampshire.

Mr. GREGG. I thank the Senator from Kansas. I wish to associate myself with her remarks. The point she is making is that it is not a question of whether or not the money will be spent on senior citizens' jobs programs. Under the proposal of the Senator from Kansas, the same amount will be spent on senior citizens' jobs programs as will be spent as it is presently structured. It is a question of whether or not those dollars actually get to senior citizens or whether they stay here in Washington and are administered by a group of unrepresentative, in my opinion, or at least by people who have not competed for the grants and that receive the grants.

There are nine organizations that receive funds under this proposal. They receive them without competition. They simply are earmarked funds. These organizations, GAO tells us, are spending more than the law allows them to spend on administrative costs. Of the $320 million that is supposed to go to help senior citizens with jobs, $64 million of that $320 million is presently going to administration.

The proposal Senator KASSEBAUM has brought forward and which is included in this bill would allow that full $320 million to go back to the States. We would no longer see that money skimmed off here in Washington for the purposes of lunches and funding large buildings that are leased or driving around the city or coming up here and lobbying us. Rather, it would go back to the States and the States would have the ability through their councils on aging to administer these programs and as a result the dollars would actually flow to the seniors who need the jobs, which is the basic bottom-line goal here.

So if you want to vote against what basically amounts to a designated program where nine organizations benefit and put the money instead into the seniors' hands where the seniors can benefit, you will stay with the Kassebaum approach in this bill.

Ms. MIKULSKI. Mr. President, I ask for the yeas and nays on this amendment.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and yeas were ordered.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Maryland. The yeas and nays have been ordered. The clerk will call the roll.

The legislative clerk called the roll.

The PRESIDING OFFICER. Are there any other Senators in the Chamber who desire to vote?

The result was announced—yeas 55, nays 45, as follows:

[Rollcall Vote No. 418 Leg.]

YEAS—55

Akaka
Baucus
Biden
Bingaman
Boxer
Bradley
Breaux
Bryan
Bumpers
Byrd
Campbell
Cohen
Conrad
Craig
Daschle
Dodd
Dorgan
Exon
Feingold
Feinstein
Ford
Glenn
Graham
Grassley
Harkin
Hatfield
Heflin
Hollings
Inouye
Johnston
Kempthorne
Kennedy
Kerrey
Kerry
Kohl
Lautenberg
Leahy
Levin
Lieberman
Mikulski
Moseley-Braun
Moynihan
Murray
Nunn
Pell
Pressler
Pryor
Reid
Robb
Rockefeller
Sarbanes
Simon
Snowe
Specter
Wellstone

NAYS—45

Abraham
Ashcroft
Bennett
Bond
Brown
Burns
Chafee
Coats
Cochran
Coverdell
D'Amato
DeWine
Dole
Domenici
Faircloth
Frist
Gorton
Gramm
Grams
Gregg
Hatch
Helms
Hutchison
Inhofe
Jeffords
Kassebaum
Kyl
Lott
Lugar
Mack
McCain
McConnell
Murkowski
Nickles
Packwood
Roth
Santorum
Shelby
Simpson
Smith
Stevens
Thomas
Thompson
Thurmond
Warner

So the amendment (No. 2668) was agreed to.

Ms. MIKULSKI. Mr. President, I move to reconsider the vote.

Mr. FORD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 2592

The PRESIDING OFFICER. Under the previous order, there will now be 10 minutes, equally divided, on the Boxer amendment No. 2592, to be followed by a vote on or in relation to the amendment.

Mr. MOYNIHAN. Mr. President, may I ask that the Senator from Massachusetts be recognized for a unanimous-consent request?

The PRESIDING OFFICER. Yes. The Senator from Massachusetts is recognized.

PRIVILEGE OF THE FLOOR

Mr. KENNEDY. Mr. President, I ask unanimous consent that the privilege of the floor be granted to Omer Waddles, a legislative fellow in my office, during the consideration of H.R. 4.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MOYNIHAN. Mr. President, I suggest the absence——

The PRESIDING OFFICER. Will the Senator withhold that request?

Mr. MOYNIHAN. Yes.

Mr. CHAFEE. Mr. President, is this the last amendment that time has been reserved for?

The PRESIDING OFFICER. The Senator is correct.

Mr. CHAFEE. I notice there was a Faircloth amendment intervening. Is that withdrawn?

Mr. SANTORUM. It was temporarily set aside.

Mr. CHAFEE. So following the Boxer amendment, we will then go to other amendments that are called up. Is there any time agreement following the Boxer amendment?

The PRESIDING OFFICER. The floor is open and other Senators may call up their amendments.

The PRESIDING OFFICER. Who yields time?

Mr. SANTORUM. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. CHAFEE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. CHAFEE. Mr. President, I ask unanimous consent that the Boxer amendment be temporarily laid aside so that I might proceed with a modification to the underlying Dole amendment.

The PRESIDING OFFICER. Is there objection?

Without objection, it is so ordered.

AMENDMENT NO. 2280, AS FURTHER MODIFIED

Mr. CHAFEE. Mr. President, I send a modification of Senator DOLE's amendment to the desk.

The PRESIDING OFFICER. The Senator has that right.

Without objection, the amendment is so modified.

The modification is as follows:

On page 23, beginning on line 7, strike all through page 24, line 18, and insert the following:

"(5) WELFARE PARTNERSHIP.—

"(A) IN GENERAL.—The amount of the grant otherwise determined under paragraph (1) for fiscal year 1997, 1998, 1999, or 2000 shall be reduced by the amount by which State expenditures under the State program funded under this part for the preceding fiscal year is less than 80 percent of historic State expenditures.

"(B) HISTORIC STATE EXPENDITURES.—For purposes of this paragraph—

"(i) IN GENERAL.—The term 'historic State expenditures' means expenditures by a State under parts A and F of title IV for fiscal year 1994, as in effect during such fiscal year.

"(ii) HOLD HARMLESS.—In no event shall the historic State expenditures applicable to any fiscal year exceed the amount which bears the same ratio to the amount determined under clause (i) as—

"(I) the grant amount otherwise determined under paragraph (1) for the preceding fiscal year (without regard to section 407), bears to

"(II) the total amount of Federal payments to the State under section 403 for fiscal year 1994 (as in effect during such fiscal year).

"(C) DETERMINATION OF STATE EXPENDITURES FOR PRECEDING FISCAL YEAR.—

"(i) IN GENERAL.—For purposes of this paragraph, the expenditures of a State under the State program funded under this part for a preceding fiscal year shall be equal to the sum of the State's expenditures under the program in the preceding fiscal year for—

"(I) cash assistance;

"(II) child care assistance;

"(III) education, job training, and work;

"(IV) administrative costs; and

"(V) any other use of funds allowable under section 403(b)(1).

"(ii) TRANSFERS FROM OTHER STATE AND LOCAL PROGRAMS.—In determining State expenditures under clause (i), such expenditures shall not include funding supplanted by transfers from other State and local programs.

"(D) EXCLUSION OF FEDERAL AMOUNTS.—For purposes of this paragraph, State expenditures shall not include any expenditures from amounts made available by the Federal Government.".

Mr. MOYNIHAN. What does the modification do?

Mr. CHAFEE. Mr. President, it provides that there shall be a maintenance of effort at the 80 percent level, with the tight definitions that we have previously been discussing.

Furthermore, it provides that should there be the effort below 80 percent, then the reduction will be a dollar-for-dollar reduction between the State funds and Federal funds.

Mr. President, this is an amendment that we have discussed, I believe broadly, that has been cleared by both sides.

Senator DOLE is a supporter of this amendment on this side. Mr. President, I am glad that the amendment is acceptable. I want to thank everybody for this. I especially thank the senior Senator from New Mexico, Senator DOMENICI, for his outstanding work. He was key in the whole effort. Indeed, it was he who suggested to the majority leader that we have the 80 percent maintenance of effort.

This gets us through a difficult spot. We have been tied up on the 90-percent, 75-percent maintenance of effort. This is a compromise that has been worked out.

I know the distinguished Senator from Louisiana has been very, very active in this area, and I am happy to hear any comments he might have.

Mr. BREAUX. I will be brief, Mr. President.

We attempted, as our colleagues know, to offer an amendment that would require that States to maintain an effort of 90 percent of what they were doing in 1994 in order to assure that the States and the Federal Government had a true partnership in this effort.

That amendment lost by only one vote. I think this effort of the Senator from Rhode Island, Senator CHAFEE, is a good effort. It is a big improvement over the current bill that is before the Senate. It is not 90 percent, but it does at least maintain an 80-percent effort on behalf of the States. That is better than the current underlying bill.

The concern I have—and I ask the Senator to comment on this—is that the other body has no maintenance of effort at all in their bill and ultimately we will have to go to conference with the other body. I am concerned about the ability that the Senate will have to come out with a figure that is reasonable.

I wonder if the Senator from Rhode Island could comment on whether there would be united support for the Senator's effort on behalf of his Republican colleagues, and could he shed light on what he thinks may or may not happen as a result of a conference?

I conclude by saying I do congratulate him in this effort and I think it is a step in the right direction. Could he comment on what is likely to occur?

Mr. CHAFEE. Mr. President, first, I want to start off by commending the Senator from Louisiana because but for his amendment yesterday on the 90 percent, I do not think we would have reached the compromise that we have on the 80-percent maintenance-of-effort level.

The Senator is exactly right in pointing out that the House is at zero. All I can say is, obviously I cannot guarantee what will come out of the conference. Nobody can. All I can assure him is that speaking for this Senator, who I presume will be a conferee, plus the other Republican Senators who I presume will be conferees, including the majority leader, all have indicated that they are strongly in support of this effort and this percentage.

Now, I do not think we expect that this percentage is what will emerge from the conference. But it is going to be a lot better than zero, I can assure everybody of that.

Mr. BREAUX. I thank the Senator.

Mr. CHAFEE. Obviously, I hope that it would be the 75-percent level, but I see the distinguished ranking member of the committee, and we have all been through conference many times and all we can say is we will do our best.

Mr. MOYNIHAN. Mr. President, I simply would like to be recorded as saying the best of the Senator from Rhode Island is very good, indeed, semper fi, in my view.

I will be on that conference. I do not know to what consequence, but I will be there applauding.

Mr. CHAFEE. Mr. President, the mere presence of the Senator from New York at the conference is a big plus to our side.

Again, I want to thank him for his support of this amendment and thank the distinguished Senator from Louisiana for everything he has done, including previous to today as I mentioned before.

Mr. President, the amendment has been adopted. I want to thank all.

The PRESIDING OFFICER. The amendment was a modification of the amendment which was modified by unanimous consent.

Mr. GRAHAM. Mr. President, I asked for a copy of the amendment, and it was not available, so would the Senator from Rhode Island yield for two questions relative to the amendment?

Mr. CHAFEE. I yield.

Mr. GRAHAM. I am familiar with the amendment we voted on yesterday offered by the Senator from Louisiana as it relates to what categories a State can allocate funds which will count towards the 80-percent maintenance-of-effort requirement.

Could the Senator indicate if there are any variations from the amendment of the Senator from Louisiana? And, if so, what are those variations?

Mr. CHAFEE. It is my understanding this gets a little bit arcane, and I am not trying to avoid the Senator's question in any fashion. We can safely say, basically the same as the amendment of the Senator from Louisiana. That is, the Senator is talking about—it is the title I block grants which fits into the definitions.

Mr. GRAHAM. There had been concern about the definition under the original 75-percent maintenance of effort that it would have allowed, for instance, a State's contribution to Medicaid and Head Start programs to count toward maintenance of effort.

Mr. CHAFEE. I want to assure the Senator, because I was disturbed by that provision likewise, that there cannot be that kind—a contribution to Medicaid does not count. It has to be basically the AFDC existing categories. It cannot be something for food stamps or Medicaid or an automobile or something like that.

Mr. GRAHAM. The second question: We had earlier debate about what happens if a State's allocation of Federal funds declines, what occurs to that State's continuing maintenance of effort?

For instance, there is a very high probability that many States are going to end up being sanctioned under this bill because they will have such a limited amount of Federal funds that they would be unable to meet the work requirements and therefore would become subject to the 5-percent sanction, reduction.

If that were to occur, what, if any, effect under your amendment will that reduction in Federal funds, for whatever reason, have on their maintenance-of-effort obligation?

Mr. CHAFEE. If the Senator can hold for a moment.

I know if the State goes down in its contribution, as I previously mentioned, then the Federal goes down dollar for dollar if the State should go below the 80 percent.

If your question is, what happens if the Federal goes down, under a sanction, for example—if I might get the answer to that.

If they are sanctioned, the answer is, I am informed, if they are sanctioned, the State still has to do its 80 percent. In other words, you cannot be so-called punished and be relieved of a burden at the same time, which is my understanding of the existing law today.

Mr. GRAHAM. Are there any instances in which, if the Federal funds are reduced below what they were in the base year 1994, that there would be adjustment to the maintenance of effort?

Mr. CHAFEE. I am not sure I understand.

Mr. GRAHAM. If for any reason—sanction or for other reason—sufficient that we do not appropriate the full $17 billion in the year 2000 and States get less than is currently projected, if for that or any other reason—sanction, political, economic, or otherwise—Federal funds should fall below the 1994 level, does your amendment provide for any adjustment to the maintenance-of-effort provision?

Mr. CHAFEE. We do not address that, nor did the Breaux amendment address it.

The question really is, should the Federal Government not make its appropriation, for the 1994 level, in the year 1998, or, as you said, 2000—we do not address that here. But I cannot believe that, with 100 Senators, all representing States here, that they are going to permit their State in some way to be punished, or lack funds, or have to continue their effort at 80 percent when the Federal Government does not do its matching share. But we do not specifically address that problem. We address the sanction problem.

Mr. GRAHAM. I wish I could be as sanguine as the Senator from Rhode Island. Having seen how many Senators voted to punish the poor children on an earlier vote, I cannot be so sanguine.

Mr. BREAUX. Will the Senator yield on that point?

When we altered the 90-percent maintenance of effort, it was based on 90 percent of what the State received. So if the State received less from the Federal Government because of cutbacks or whatever reason, they would have a 90-percent requirement, to spend 90 percent of the funds that they had received. Take that into consideration.

Mr. GRAHAM. Am I correct—this is a question of the Senator from Rhode Island—this 80 percent is based on what was received in 1994? The Senator from Louisiana explained that in his amendment the 90 percent was 90 percent of the Federal funds in the year of receipt. So if in 1998 a State received $100 million, it would have a required maintenance of effort of $90 million.

I understand under the amendment of the Senator from Rhode Island—or am I correct that the 80 percent is 80 percent of what the State's required effort was in 1994? Is that correct?

Mr. CHAFEE. Our bill—I cannot speak for the Breaux amendment because I am not familiar with that particular portion. Under our bill, the 80 percent is related to 80 percent of what the State paid in 1994.

Mr. GRAHAM. And that would be constant over the 5-year period, without regard to changes in the levels of Federal support?

Mr. CHAFEE. That is right.

Mr. GRAHAM. Thank you, Mr. President.

Mr. CHAFEE. I ask the Chair now the parliamentary situation.

I urge the adoption of the modification. Has that taken place?

The PRESIDING OFFICER. The modification has been made in the amendment, made by unanimous consent.

The pending question will be the Boxer amendment. There has been time reserved of 10 minutes, equally divided.

Mr. CHAFEE. Mr. President, I thank everybody for their help in this, and particularly I want to thank the majority leader, the distinguished ranking member of the Finance Committee, and others who have been very, very helpful on this. And of course the Senator from Louisiana. The Senator from Florida had some excellent questions.

Mr. SANTORUM addressed the Chair.

The PRESIDING OFFICER. The Senator from Pennsylvania.

UNANIMOUS CONSENT AGREEMENT—AMENDMENT NO. 2592

Mr. SANTORUM. Mr. President, I ask unanimous consent that debate time and the rollcall vote scheduled with respect to the Boxer amendment No. 2592 be postponed to occur at a time later today, before the cloture vote, to be determined by the majority leader after consultation with the Democratic leader.

Mrs. BOXER. Reserving the right to object, Mr. President. I shall not object. I support it. I just want to use this time to thank Senator SIMPSON, the majority leader's staff, Senator SANTORUM, and Senator NICKLES. We are working out some technical changes that will assure that this amendment does what we all want it to do. I just wanted to put that on the record. I look forward to the vote later in the day.

It has been set aside. I am not objecting.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. SANTORUM. Mr. President, we do not have any unanimous consent to work from at this point. We will take up, at this point, the Coats amendment.

Mr. COATS addressed the Chair.

The PRESIDING OFFICER. The Senator from Indiana.

AMENDMENT NO. 2539

Mr. COATS. Mr. President, I call up amendment No. 2539 and ask for its immediate consideration.

The PRESIDING OFFICER. Without objection, that will be the pending question.

Mr. COATS. Mr. President, I think it is easy for us to be overly consumed by some of the details of this welfare debate, arguing numbers and formulas—portions of the legislation that are all important but can tend to mire us down and take our attention away from some of the broader implications of the debate we have been engaged in for the past several days. A great deal is at stake here, and I think we need to remind ourselves that this is the case.

If we as a Nation accept the existence of a permanent underclass, we will become a very different Nation indeed. Social and economic mobility has always been part of our national creed. It has been an outgrowth of our belief in equality. If we abandon that goal for millions of our citizens, through either indifference or through despair, giving up, we will do a number of, I think, socially very disadvantageous things. We will divide class from class. We will foster a future of suspicion and of resentment. And, while this may be a temptation to accept, I believe it is something we as a nation cannot accept.

On the left, it seems there are those who are so accustomed to the status quo that the best they can offer is some kind of maintenance of a permanent underclass as wards of the State, providing cash benefits to, hopefully, anesthetize some of their suffering, food stamps to relieve their hunger. But all hope for social and economic advancement seems to be set aside or abandoned.

On the right, it seems that there are some who simply want to wash their hands of all of this, who view the underclass as beyond our help and beyond any degree of sympathy or empathy. The only realistic response, they suspect, is probably more police and more prisons to deal with the tragic consequences of this breakdown in civil society.

The effect, I believe, of both of these approaches is to accept that poverty is permanent; that the underclass is going to be a fixture of urban life to be fed, feared, and forgotten. In doing so, we will condemn, in our minds, a whole class of Americans to be either wards or inmates. And I believe the American ideal will be diminished in that process.

I understand those temptations. The problems we face seem so intractable. Those who listened to Senator MOYNIHAN's initial discussion on the welfare bill last week had to understand both the brilliance and the sobering nature of that debate. We face a crisis, he said, and he outlined in graphic detail a crisis of illegitimacy that threatens not just the well-being of the children but the existence of our social order.

To quote Charles Murray, he said, "Once in a while the sky is really falling." And I believe, in this instance, as Senator MOYNIHAN has pointed out to us, that the sky is falling and that our Nation faces a crisis of a proportion that we have seldom faced before.

I also understand that any reform that we undertake, particularly any radical reform that we undertake of the system, is undertaken with a degree of uncertainty. Senator MOYNIHAN has reminded us of the law of unintended consequences.

Nathan Glazer has talked about "the limits of social policy," arguing that whatever great actions we undertake today involve such an increase in complexity that we act generally with less knowledge than we would like to have even if with more than we once had.

But I think we also need to understand that there is another law at work. That would be the "law of unacceptable suffering." Because as the cost of our welfare system mounts the human cost mounts, the risk of change is diminished, and I believe there is a point beyond which inaction becomes complicity. I think we have reached that point. I think this is a principle that ought to organize and direct our debate, to try to find a source of hope so that we will not have an endless class of underrepresented, underprivileged citizens with which we have nothing to offer—hope that our divisions, class divisions, that appear to be so intractable in our society are not permanent and hope that suffering will not be endless.

Mr. President, I think one source of that hope is found in devolution of power to the State. I know there is disagreement on that. But I think there is a compelling logic to the proposal. States are closer to the problems. Generally, State solutions are more acceptable to their public, and they are more flexible. We do not have a one-size-fits-all Federal mandate. Federal officials do not have a monopoly on compassion. I think that belies the lack of accomplishment over the last few decades.

So I support the devolution as an element of the Republican reform. But I believe also there are limits to the approach of devolution. The fact is most States have already engaged in some flexibility experiments and some devolution, some welfare experiments through devolution. Some reforms have been in place for years, and while the results show some good results there are several cases that have been good. Often progress is marginal, and sometimes incremental.

I do not offer this as a criticism. I offer it as a caution. Devolution I believe is necessary. But I do not believe it is all sufficient because, as we all know, State officials are fully capable of repeating the same mistakes as Federal officials, and State welfare bureaucracies can be just as strong and just as wrong as Federal programs.

So I think the limitations of devolution come down to this: The problem with welfare for the last 30 years is not the level of government at which money has been spent. Our difficulty is more than procedural. It is substantive. We need to make fundamental choices on the direction that our system is going, not just about its funding mechanisms.

Mr. President, I think a second source of hope is found in the strengthened work requirements of the legislation that we have been discussing. Requiring work for welfare makes entry-level jobs more attractive and discourages many from entering the welfare system in the first place. I think it is also an expression of our values as a nation. Work, as we know, is the evidence of an internal discipline. It orders and directs or lives. I believe no child should be without the moral example of a parent who is employed, if at all possible.

So I support this element of welfare reform. But, as we all know, work requirements are expensive. They are often difficult to enforce. They represent the problem of what to do with the mothers of young children. Again, while not arguing that they are useless but that their effect is limited, they should be supported but they should not be oversold.

I think a third source of hope is the removal of incentives to fail. We have been discussing that in detail today with these amendments. I think it is a mistake for Government to pay cash for a 14-year-old girl on the condition that they have children out of wedlock and never marry the father. We cannot justify, Mr. President, public policy that penalize marriage and provide illegitimacy its economic lifeline. I think Government violates its most fundamental responsibilities when it tempts people into self-destructive behavior.

So I support the elements in the Republican plan. But the destructive incentives in our welfare system are only part of the problem. The decline of marriage, the rise of illegitimacy are rooted clearly in broader cultural trends that affect everyone, rich and poor. Without a welfare system, these trends would still exist and still threaten our society.

Let me repeat that statement. Without a welfare system, the trends of illegitimacy, the decline of marriage, would still exist and still threaten at the rate of their growth, and would still threaten our society.

James Q. Wilson recently authored and article called "Culture, Incentives in the Underclass." He accepts the figure that less than 15 percent of rising illegitimacy between 1960 and 1974 was due to increased Government benefits. "Some significant part of what is popularly called the 'underclass problem'" he argues, "exists not simply because members of this group face perverse incentives but because they have been habituated in ways that weaken their self-control and their concern for others."

In other words, I think what Wilson was trying to say is that the basic problem lies in the realm of values and character, and those values are shaped, particularly in early childhood, by certain cultural standards. "I do not wish," Wilson adds, "to deny the importance of incentives such as jobs, penalties, or opportunities, but I do wish to call attention to the fact that people facing the same incentives often behave in characteristically different ways because they have been habituated to do so."

People are not purely economic beings analyzing costs and benefits. We are moral beings. We make choices that reflect our values. Incentives are not irrelevant but it is ultimately our beliefs and habits I think that determine our future.

So I support these measures: Devolution, work requirements, changing incentives. Each one should be part of the package that the Senate passes. But even if they were all adopted in the form that I would like I believe that our problems and our divisions would still persist.

It is important to work at the margins because those margins are broad. A 15 percent reduction in illegitimacy would be a dramatic and positive social change. A similar increase in work participation could be labeled a major victory. But I would suggest, Mr. President, that our greatest single problem lies beyond the changes that we are debating in this welfare discussion. That problem I would suggest is a breakdown in the institutions that direct and have humanized our lives throughout history, institutions of family, institutions of neighborhood, community associations, charities, and religious-based groups.

Sociologists call this the "civil society." They talk about "mediating structures." They say that these institutions build "social capital" and "positive externalities." But this point I think can be reduced to some simple facts.

A child will never find an adequate substitute for a father who loves him or her. The mantle of government, the assistance of government, will never replace the warm hand of a neighbor. The directions of a government bureaucrat will never replace the counsel of a friend. Any society is a cold, lonely, and confusing place without the warmth of family, community, and faith.

So it is interesting that this is precisely the reason that Nathan Glazer warns of the "unintended consequences" in social policy. "Aside from these problems of expectations, cost, competency and limitations of knowledge," he argues, "there is the simple reality that every piece of social policy substitutes for some traditional arrangement, a new arrangement in which public authorities take over, at least in part, the role of the family, of the ethnic and neighborhood group, of voluntary associations [of the church]. In doing so, social policy weakens the position of these traditional agents and further encourages needy people to depend on the government for help rather than on the traditional structures," according to Glazer, and I agree with him. I believe this concern is real, and I think it ought to reorient our thinking and our efforts. Our central goal in this debate ought to be to try to find a way to respect and reinvigorate these traditional structures—families, schools and neighborhoods, voluntary associations—that provide training in citizenship and pass on morality and civility to future generations.

Listen again to James Wilson. I quote.

> Today we expect "government programs" to accomplish what families, villages and churches once accomplished. This expectation leads to disappointment, if not frustration. Government programs, whether aimed at farmers, professors or welfare mothers, tend to produce dependence, not self-reliance. If this is true, then our policy ought to be to identify, evaluate and encourage those local private efforts that seem to do the best job at reducing drug abuse, inducing people to marry, persuading parents, especially fathers, to take responsibility for their children and exercising informal social control over neighborhood streets.

Mr. President, I believe we should adopt this approach because the alternative, centralized bureaucratic control, has failed. And because, second, the proposal of strict devolution has, as I indicated earlier, limitations. But I think there is a third reason we ought to adopt this approach, and I think that is the most central reason, that is because this is the only hopeful approach that we face.

These institutions—family, neighborhood, schools, church, charitable organizations, voluntary associations—do not just feed and house the body but reach in and touch the soul. They have the power to transform individuals and the power to renew our society. There is no other alternative that offers and holds out such promise.

So I believe we ought to ask one question of every social policy passed to every level of government, and that question is: Does it work through these mediating, traditional, historical institutions, does it work through families, neighborhoods, or religious or community organizations, or does it simply replace them?

Our primary objective should not be to substitute bureaucrats from Washington with bureaucrats from Columbus or Sacramento or Bismarck. It should be to encourage and support private and religious, neighborhood-based, nonreligious efforts without corrupting them with intrusive governmental rules. Our goal should not only be to redistribute power within government but to spread power beyond government.

This I believe, Mr. President, is the next step in the welfare debate, the next stage of reform, the next frontier of compassion in America. Accepting this priority would focus our attention on possibly three areas: Emphasizing the role of family and particularly the role of fathers and mentors where fathers are not present in the lives of children; rebuilding community institutions; and promoting private charities and religious institutions in the work of compassion.

The next stage of welfare reform has to start with the family. The abandonment of children mainly by fathers is not a lifestyle choice. It is a form of adult behavior with disastrous consequences for children, for communities, for society as a whole. When young boys are deprived of a model of responsible male behavior, they become prone to violence and sexual aggression. Sociologists will prove to you over and over again these are irrefutable facts. When young girls are placed in the same situation, they are far more likely to have children out of wedlock. There is a growing consensus that families are not expendable and fathers are not optional.

The next step in welfare reform will reestablish a preference for marriage at the center of social policy in America. Wilson again observes that:

> Of all the institutions through which people may pass—schools, employers, the military—marriage has the largest effect. For every race and at every age, married men live longer than unmarried men and have lower rates of homicide, suicide, accidents and mental illness. Crime rates are lower for married men and incomes are higher. Infant mortality rates are higher for unmarried than for married women, whether black or white, and these differences cannot be explained by differences in income or availability of medical care. So substantial is this difference that an unmarried woman with a college education is more likely to have her infant die than is a married woman with less than a high school diploma.

An astounding statement.

Now, for those of us who have been married for a long time—and I just celebrated my 30th wedding anniversary—there are probably moments and days when that does not quite ring true.

Mr. MOYNIHAN. Will the Senator yield for a question?

Mr. COATS. I will be happy to yield.

Mr. MOYNIHAN. I heard him say he just celebrated his 30th wedding anniversary. Can I not assume that Mrs. Coats is also celebrating?

Mr. COATS. Mrs. Coats would be delighted and will be delighted when I explain what the Senator from New York has said about her. She was a child bride, and I was privileged to marry her. And she has retained the vibrancy of her youth. I claim no credit for that. She has done that in spite of her husband.

As Wilson has said, there are some great advantages to the institution of marriage; and I think that has been proven out over time, actually from the beginning of time.

As I said, while there may be moments that each of us can point to where we might question that fact, it is undeniable in terms of the statistics that are now in relative to life expectancy, rates of homicide, suicide, accidents, and mental illness. And as a nation, it ought to be our policy to promote that and not have policies in place, although maybe well intended, that often serve as a disincentive.

I also think that the next stage of welfare reform should find new ways of rebuilding economic and educational infrastructure, spreading ownership, housing, assets, educational opportunities. Successful businesses, active churches, effective schools, and strong neighborhoods have always been the backbone of community. To the extent that we can once again, through policy, where appropriate—in many places it is not appropriate and not effective—to the extent that we can emphasize and nurture this rebuilding, this renewal, we should do so.

We should also, I believe, focus our attention and resources on private charities and religious institutions, and that is the reason Senator ASHCROFT and I rise today to offer this amendment. We offer it primarily for discussion purposes, but we believe that a debate should, if it has not already, begin relative to the role of these institutions in dealing with some of our social problems.

We suggest that a charity tax credit, which we introduced last Friday, can answer some very important questions, the most important of which is how can we get resources into the hands of these private and religious institutions where individuals are actually being transformed, renewed, and provided both external as well as internal help, and how can we do this without either undermining their work with our Federal and State and governmental restrictions or offending the first amendment.

We think this amendment accomplishes that purpose. We respond by offering a $500-per-person tax credit for charitable contributions to poverty alleviating, poverty preventing, poverty relief organizations. We also require that individuals volunteer their time as well as donate their money to qualify for the credit, because we think it is necessary to do more than simply write a check.

We think there are a couple very important things that can be accomplished by personal involvement: First, the obvious connection that comes with bringing together those that are seeking to provide assistance with those that need the assistance and the benefits that flow both ways from that effort. But, second, it is an accountability factor, a factor that allows individuals to see how their money is being used and to ensure that the agency, the church, the association, the group that is utilizing the dollars that are contributed, that they are utilized in the most effective and most efficient way.

We would like to take a small portion of welfare spending in America—estimates are that roughly about 8 percent of what total welfare spending is in terms of what the reduction in revenue to the Federal Treasury would be through the charity tax credit—and give it through the Tax Code to private institutions that provide individuals with hope, with dignity, help and independence.

We do not eliminate the public safety net, but we want to focus attention on resources where we think they will make a substantial difference.

Second, we would like to utilize this in a way of promoting an ethic of giving in America. Because when individuals make these contributions to effective charities, it is a form of involvement beyond writing a check to the Federal Government. It encourages a new definition of citizenship and responsibility, one in which men and women examine and support the programs in their own communities.

Marvin Olasky has written about all this. He comments:

> Within a few miles of Capitol Hill there are several places that we could visit today which solve social problems more effectively and efficiently than any measure we will pass in this welfare debate.

I took him up on that challenge, and one of the organizations I visited was a shelter operated by the Gospel Mission, just within the shadow of the Capitol, about 5 blocks from here, that takes homeless, hopelessly drug-addicted men off the streets and literally has transformed them into responsible, productive citizens. Their rehabilitation rate is 66 percent over a 1-year period of time.

The same program, or something similar to that program, is run by the Federal Government, called the John Young Center. I drive by it every evening on my way home from work. That center has been in and out of the newspapers. Drugs are regularly dealt. And it has been a place of despair, not a place of hope. They claim a rehabilitation rate of 10 percent. They spend 20 times the amount of the Gospel Mission.

Now, we ought to be visiting these institutions and asking ourselves the question, what are they doing at the Gospel Mission that they are not doing at the Federal center? Or, conversely, what are they doing at the Federal center that is not being done—that we ought to avoid doing elsewhere?

This is just one example, one example of examples that exist in almost every community in America, where because of frustration with a government-run program, with a government attempt, citizens have undertaken, either through religious charities, faith-based or not, religious-based, Big Sisters, Salvation Army, the medical volunteers, the local Matthew 25 clinic that exists in Fort Wayne, IN, where medical doctors volunteer their time to the poor—they exist everywhere, but not to the degree to which it is making a substantial difference in the macrosense in our Nation.

So Senator ASHCROFT and I are trying to highlight these organizations, show how they provide a measure of hope, how they can renew lives, renew communities and, hopefully, nurture them through acquainting our citizens with their work and giving them the means with which to contribute to them.

Robert Woodson said, for virtually every social program we face today, somewhere a community group has found the solution that works.

I believe, Mr. President, this is the greatest source of hope in this welfare debate. And the primary reason why I am not pessimistic is—because it is easy to be pessimistic—that many of these groups, as Woodson points out, are faith-based, not a particular faith, not a particular denomination. In some, the faith is contrary to my own faith, but they gain their authority and their success by serving their neighbors as a form of service to their God. And their ministry includes an element of spiritual challenge and moral transformation.

Government should not view this as a problem to be overcome, but as a resource that we ought to welcome with open arms because, in serving the poor, we ought to look at religious efforts as allies and not rejected as rivals to our program. That power of religious values and social change can no longer be ignored. It is one of the common denominators of a successful compass.

Let me wrap up here by quoting from Robert Woodson again. Bill Raspberry wrote a fascinating article on this some time ago in the Washington Post.

Woodson said:

> People, including me, would check out the successful social programs—I'm talking about the neighborhood-based healers who manage to turn people around—and we would report on such things as size, funding, leadership, technique.

He said:

> Only recently has it crystallized for me that the one thing virtually all these programs had in common was a leader with a strong element of spirituality. . . .

He said:

> We don't yet have the scales to weight the ability some people have to supply meaning [in other people's lives]—to provide the spiritual element I'm talking about.

He said:

> I don't know how the details might work themselves out, but I know it makes as much sense to empower those who have the spiritual wherewithal to turn lives around as to empower those whose only qualification is credentials.

Mr. President, the failure of our current approach has resulted among Americans in "compassion fatigue." That is understandable, but that is not healthy for our society. Compassion for the poor is a valuable part of the American tradition, and it is also a central part of our moral tradition. At the very deepest level, we show compassion for others because we are all equally dependent upon the compassion of our Maker.

But a renewal of compassion will ultimately be frustrated if we act on a definition of that virtue which has failed. The problem we face is not only that welfare is too expensive, which it is; the problem is that it is too stingy with the things that matter the most—responsibility, moral values, human dignity and the warmth of community.

This Nation, I suggest, Mr. President, requires a new definition of compassion, a definition which mobilizes the resources of civil society to reach our deepest needs. This is going to be a challenge to our creativity. Our response, I suggest, will determine much more about the American experiment and the limits that we place on its promise.

So the amendment that Senator ASHCROFT and I are offering is simply a step, a suggestion, a step toward providing a way to expand that compassion in America, to enlist our citizens in the act of citizenship, and to go beyond government to return to those institutions which historically, traditionally, and effectively have mediated some of our deepest social concerns—the family, the neighborhood, the schools, charitable organizations, religious and nonreligous voluntary associations.

I hope that we can move beyond the details of the welfare debate. Much of this will be discussions for future days. But I hope that this amendment we are offering at least offers a start and this debate in which we are engaging will take us to the place where we can step back and take a broader view of the problems we face and a more creative view of the solutions to address those problems.

Mr. President, with that I yield the floor.

Mr. MOYNIHAN addressed the Chair.

The PRESIDING OFFICER. The Senator from New York.

Mr. MOYNIHAN. Mr. President, I am going to have to be away from the floor for awhile now, but I want to say that the remarks of the Senator from Indiana are the most compelling and thoughtful and, in a certain sense, I hope, perfecting of any I have heard in 19 years on this floor debating this subject. I can scarce summon the language to express my admiration.

I acknowledge the persuasion that comes from citing dear friends of 40 years and more, such as Nathan Glazer and James Q. Wilson, with whom I have been associated. But the growing perception of the nature of our problem—I could have wished this debate had never taken place in the Senate.

The proposal to disengage the Federal Government from the care of dependent children is not something I can welcome. The address of the Senator from Indiana almost makes it worthwhile.

The other evening, Monday evening, at the American Enterprise Institute, Robert Fogel of the University of Chicago presented a superb historical perspective on the cycles of moral and religious awakening that have taken place in the United States since the 1740's, such as during the American Revolution, when we came to judge that the British Government was not sufficient ethically and morally as an institution. Abolition, slavery, temperance—we have had this experience before, and it may be we are beginning it again, because what the Senator says is so very clear that in the end, these are issues of community, issues of relationships, issues of moral understandings and persuasion.

I have said that however much we may be taking a retrograde measure with respect to a Government program, for the first time ever, we are beginning to talk about the problems of family structure. President Bush began this in an address at Notre Dame in 1992. President Clinton brought it up in a State of the Union Message when he rather casually cited projections which had been made in our office about where we may be heading. This week's issue of the the Economist discusses it as a worldwide phenomenon but uses the United States as the most advanced and desperate case.

I just will make one final caveat if you like, caution if you will. We are finally asking the right questions. I do not think we have answers. None will assert this more with greater conviction than such as Nathan Glazer or James Q. Wilson. Wilson gave the Walter Wriston lecture at the Manhattan Institute in New York City last November entitled "From Welfare Reform to Character Development." His new book is on character.

He has this passage. He says:

> Moreover, it is fathers whose behavior we most want to change, and nobody has explained how cutting off welfare to mothers will make biological fathers act like real fathers. We are told that ending AFDC will reduce illegitimacy, but we don't know that. It is, at best, an informed guess. Some people produced illegitimate children in large numbers long before welfare existed and others in similar circumstances now produce none, even though welfare has become quite generous.

We have to accept that. We will not get the right answers until we ask the right questions, but we are not there yet.

Without going into detail, we do have some early returns on a program of counseling and education with respect to teenage births, and we find no effect; a very intensive effort now 4 years in place with nothing to show. But that is all right, the effort has begun. Eight years ago, it would not have come.

So I just want to express my admiration and my thanks to the eloquent, persuasive Senator from Indiana.

Mr. President, I see the Senator from Missouri has risen. I yield the floor.

Mr. ASHCROFT addressed the Chair.

The PRESIDING OFFICER. The Senator from Missouri.

Mr. ASHCROFT. Mr. President, I want to join the senior Senator from New York in commending the Senator from Indiana for an outstanding, insightful, and dispassionate analysis of a very, very difficult problem. Too often in this Chamber, we view this problem as a financial problem or a governmental problem or a bureaucratic problem. But I think the Senator from Indiana has clearly alerted us to the fact that this is a problem for individuals, and it is a problem for families, and it is a problem for our culture.

I believe the measure which he and I are proposing is a measure which takes into account our understanding that we do not believe that government is the complete answer to the challenges we face. As a matter of fact, the Senator from Indiana has noted with clarity that there are many, many efforts by government which have been attended by only modest success, if it can be described as success at all.

When those enterprises are compared with the efforts that have been made by a number of private groups, including faith-based organizations, it is clear that the success rate, sort of the change rate, the therapy rate, the healing rate in those organizations is dramatically higher.

I was pleased to have the opportunity to cooperate with him to try to think of ways we could address our problems that go, as he puts it, ingeniously beyond government.

So often, it is in the role and nature of government to establish the minimums: If you do not follow these rules or these regulations, you end up in jail. You have to pay this much or you have to do this much in order to remain free. Government does not really call us to our highest and best, frequently. That job is the job of other institutions.

In order for us to solve this very substantial challenge, the critical challenge and a crisis in terms of our human resources, we are going to have to do more than minimums, the kind of thing government frequently deals with. We are going to have to get into the arena of maximums, and we have to find ways of calling on people to be at their highest and their best, rather than just participating in the fundamental threshold of what it takes to be a member of the club we call our society.

So beyond government, to expect to do more than government would do, to try to elicit responses from individuals who literally accept responsibility for helping in this circumstance, we have come up with this idea to provide incentives for individuals to invest their resources and themselves in private charitable enterprises which have a track record of doing what we have failed to do so miserably in our welfare program.

None of us have to recount the failure of the welfare program. We know that there are more people in poverty now than there were when we started the war on poverty. We know that the number of children in poverty is a higher percentage than it was when we started this assault on poverty by government. We can only conclude that the prisoners of the war, the POW's of the war on poverty, have been the children of America, the future of this great country.

What can we do to try to break this cycle of dependency, to slow the problem instead of grow the problem, because it occurs to me that as we have sought to remedy this situation, to bring therapy to this wound through government, we have exacerbated the problem; the hemorrhage has increased rather than been stemmed.

Perhaps it is instructive for us to look into our past to find out what might be helpful to us in the future.

Our current crisis in the cities is not singular, not unique, not something that never happened before. We have had crises in our cities before. Scholars have studied them, and they can point to ways in which we might remediate them. And Professor Marvin Olasky, from Texas, has written eloquently, and Gertrude Himmelfarb has written, as well, about the same crisis that, 100 years ago, gripped American cities. One of the interesting things about those crises is that they were attended by a social outpouring, a civic commitment to deal with the problem.

The distinguished junior Senator from Illinois, yesterday, had a picture on the floor of the Senate. It showed youths huddled against a building, semi-clothed, barefooted, sleeping one upon the other, in Chicago 100 years ago. It was a tragedy then, and what is happening to our young people is a tragedy now. She had several suggestions that we could remedy the tragedy with governmental guarantees today. It is interesting to me that the tragedy was not remedied 100 years ago with governmental guarantees—and I am not against Government and against having the right kind of safety net and the right kind of transitional welfare; but when welfare moves from being transitional to vocational, and the Government becomes the keeper of the poor, and as the keeper of the poor, the Government keeps people poor, we have missed part of the equation.

One hundred years ago, a substantial component of the equation was simply that citizens cared, and they volunteered and worked with one another compassionately to meet the needs. We need to signal, state, and we need to, as the Government, develop an understanding in this culture, in our communities, in our cities across this country that we cannot get this job done and expect and want people to participate as volunteers.

There are interesting data that in the crisis of 100 years ago in New York, there were two volunteers for every needy person. We have substituted Government for volunteers, and now we have 200 needy people for every social worker. That is just not a problem with the numerics, because 200-to-1 is an incredible load. It is also a problem with the character, not just the quantity. I am not impugning the character of social workers. They are wonderful people that are devoting their lives. But it is different to be administered to by a paid social worker than by an individual who says, "I love you and this community enough to accept responsibility, and I want to be part of improving your lot. I want to help you move from where you are to a place that is closer to where I am. I want to help you elevate yourself from dependency to industry, from despair to hope."

We need to do what can be done to send a strong signal that we want the desperate and needy of America to be a part of the devoted aspiration and contribution of our communities and cities and citizens. This modest proposal says to people that if you will give to charitable organizations that meet the needs of the needy, you will get your normal tax break. But if, in addition to giving your money, you will also get involved—and the Senator from Indiana said it very clearly, that we want the extra impact of citizen involvement, but we want the extra accountability of citizen involvement, citizens who do not just write a check as a means of shedding the consciousness and excusing themselves from the challenge, but we want citizens who want the check as a way of propelling themselves into the challenge, to meet the challenge.

So if you will contribute to these charitable organizations and you will match your contribution with an hour a week, on the average, through the year—50 hours—we will say as a Government that we honor this, that we respect it, and we want to encourage this, we want to teach this as a value and virtue in American life, and we care for each other to the extent—to use the phrase of the Senator from Indiana—that we go beyond Government and that we get into the involvement, one with another, and we have an interface between those in need and those who can meet the need. That would carry us forward.

It is with that in mind that we have raised this proposal for debate in the U.S. Senate. I believe that I could stand here and go through a litany of these kinds of nongovernmental organizations, and I have pages of them and their examples and success rates and their success stories. The Senator from Indiana has appropriately indicated that they operated about one-twentieth of the cost that normally attends the governmental function.

I could talk about the experience of certain Governors, like Governor Engler, who has a program that is successful. He says the reason is that because he has been able to get the Lutheran Services to be a party to it, because they care at a different level. There is a different character about the helping hand of a volunteer than there is about the heavy hand of Government. He says that the reason the program works is that this caring, loving, helping hand is available 24 hours a day, 7 days a week. He says that in order to get certain of the Government programs to work, he has to ask people to have their problems between 9 in the morning and 5 in the afternoon, Monday through Friday. The truth of the matter is that needs arise in ways that require caring and help and healing, rather than bureaucracy.

So it is with this in mind that we have suggested to this U.S. Senate for its consideration, as it ponders what we do to meet the challenges of lives that are in despair, that we would consider making a statement that we want to revalue the work of volunteers. We want to say to individuals: Do not just write a check, but make a contribution with your life. And that could help us on the track to the solution that helped when, 100 years ago, volunteers overwhelmed the problems and began to move us on a track toward recovery.

While we are continuing in a mode of intensifying the problem, we need to be switching to a mode of mitigating the challenge. I think we can do that by encouraging the citizens to be the caring hand of the community and doing it in a way that expresses the care that healthy communities must have in order to be surviving communities.

I commend the Senator from Indiana for his outstanding statement of the opportunity for us to move beyond Government. I think we should take the small steps that are available to us and ultimately take larger steps to make sure that we move beyond Government so that we get into the category of success and remediation and we avoid what we have experienced to date, which is despair and aggravation of the problem.

I am grateful to the Senator and I thank him.

Mr. COATS. Will the Senator yield?

Mr. ASHCROFT. Yes.

Mr. COATS. Mr. President, I ask whether or not the Senator from Connecticut is here to offer an amendment. Senator Ashcroft and I intend to withdraw our amendment. But if there are others who want to speak on it, we obviously would encourage that. I have gotten some indication that the Senator from Pennsylvania wishes to speak on it. At the appropriate time, we will withdraw that.

Before I yield, let me commend my colleague for his articulate, passionate statement on behalf of a concept that I believe is critical to the future of this country, something that we must embody, embrace, and something that we must advance if we are to address this crisis that exists in our society.

He brings his experience as a Governor. He has had the opportunity that many of us have not had in dealing with this on a day-to-day basis from an executive position and as someone who was charged with the responsibility of carrying out policy instead of just making policy. He brings the experience of someone with a deep heritage of service to others, and his commitment to this concept is commendable.

I want to thank him not just for his support but for his initiation and his leadership on this effort. We have been going along parallel tracks and discovered that we were attempting to advance the same ideas, so we merged our efforts.

His thoughts about involving individuals as volunteers, as well as just the writing of a check for the tax credit, was instrumental to this package. His work and efforts and writings and speaking about it have been very, very important to this.

I thank him and I want to tell him what a privilege it is to go forward together and hopefully have others join us as we attempt to address this next stage in the welfare debate.

I thank the Senator from Missouri.

Mr. ASHCROFT. I thank the Senator from Indiana. I yield the floor.

Mr. SANTORUM. I thank the Senator from Connecticut for his patience. I know the Senator has an amendment to follow this. My understanding is this is an amendment we can accept on this side of the aisle. I will not make him wait unduly.

I wanted to speak on this issue because, like the Senator from Missouri and the Senator from Indiana, I, too, had a piece of legislation I introduced that provided a tax credit for charities that do work for the poor. It is a tax credit for people who give to charities, who do work for the poor.

I, too, like the Senator from Indiana, see this as the next logical step in the devolution of welfare. We had an experiment in the 1960's that tried welfare as a grand social scheme that, in fact, should be a national problem solved on a national level by national bureaucrats and national policy. I think what we have seen is that has been a dangerous and, in fact, a very destructive way of approaching this problem.

What is being offered here on the floor is, in my opinion, sort of a stepping-stone to what the final solution should be to solving the welfare problem. What we are doing here is a block grant back to the States, saying we need States to have more flexibility. We need to get it back down to the local level.

What Senator COATS, Senator ASHCROFT, and I have put forward is really this next logical step, which is why do we have the Government directly involved in setting policy on poverty at all? Why do we not enable, empower the people who are most concerned about the people who are poor, and that is people in their community, family members, neighbors, and people living down the street?

Those we have found over time are the most effective poverty-fighting tools that we have in our society—people who actually care about their neighbors and their friends and their family members.

What we need to do is take all this money that gets channeled through Washington and instead of having it channeled through here, take that money and directly send it to the nonprofit churches, in many cases, or community organizations that are directly involved on the front line of solving the issue of poverty in the communities.

I know the Senator from Indiana represents large cities like Indianapolis that have communities in them in those cities where there are no jobs, there is no nothing, there is no institution left. The only thing left is a church that holds the whole community together.

Why would it not be proper for those people who are paying taxes in that community to be able to take a tax credit to help that church which has dedicated their mission to helping people in poverty, instead of sending their tax dollars here so we can pay a bunch of people to tell them how to run their lives?

Get people who actually care about that next-door neighbor, who know the young girl who got pregnant and has to raise that child in a destructive home environment who lives next door. Get people who know their names, who care about them not because they are a number in the computer but because they are the next-door neighbor they have known for years.

That is what this is all about. This is not a devolution in the sense we are throwing away a responsibility and giving it to somebody else. What we are suggesting is there are logical people to handle these problems and it is not us. It is people who truly care.

What the Coats amendment, the Ashcroft, and my amendment would have done is just to take a small portion of the money that we spend on welfare and have that money be used to directly support communities.

The question here is not whether or not we should address the issue of poverty. It is who is best able to deal with the issue of poverty. Go home and ask folks as I have, and talk to people who are in the welfare system or who are poor, who are working poor, and ask them where they have gotten the most help. Is it from the person who sits behind the computer who has a caseload of hundreds, who processes paper and checks, or is it the minister or the person at the local soup kitchen, or whatever the case, or neighborhood food banks? Are those the people who actually care, who actually work to make it work for the people who are poor? That is really the fundamental issue here.

I was not on the floor at the time the Senator from Indiana gave his remarks, but I am looking forward to reading them in the RECORD because of the very high praise from the Senator from New York on his comments.

I can only imagine the passion that I know the Senator from Indiana has on this issue, the care and concern he has for making sure that we develop a system here in Washington that truly is caring, not caretaking; that is truly people oriented, humane in the very sense of human involvement with other human beings whose problems are not just something that we pay to maintain, but work to solve.

That is the fundamental, I think, logical next step and I am confident, when we address this welfare issue again, that we will see an increased support for this kind of amendment and for this approach to deal with the problem.

I am hopeful, whether we do it in the tax bill this time or whether its day is a little into the future, we are laying the groundwork now for something that I think will be—I believe this amendment is the most significant amendment that has been offered on the floor. I know it will be withdrawn because it is a tax matter and subject to points of order and all the problems, but I think this amendment is the most significant amendment about getting people involved in the communities to help their neighbors.

One of the great things about America is our relationships with our neighbors and our sense of community. The Federal Government has systematically, through welfare programs, said it is not our responsibility to care for our neighbor anymore; you pay taxes, you have Federal benefits, they will take care of them.

Well, folks, that may be nice and compassionate on the surface, but what it does is separate you from the people you live next to, and you no longer feel you are responsible for your neighbor. You feel that it is not a community anymore, that we are a set of separate kingdoms who pay our tributes to the lords and the lords will take care of everybody. That does not work. That is not America.

What we need to get back to is the whole concept that we are in this together, that we should be a community, that we do have a responsibility for our neighbors, and that we want you to be actively involved in participating, in making sure that your neighbors, as well as the other people in your communities are not in poverty and are living in dignity.

That is what this amendment does. I congratulate the Senator from Indiana for his stewardship on this issue. I only wish I could be here to vote for it, but I understand the need to withdraw the amendment.

Mr. LIEBERMAN. I thank the Chair. I do want to introduce an amendment following Senator COATS, but I have listened to the debate and I do want to say a few words of support because I think my colleagues are onto something here.

The human want, the human despair, the human suffering that is the welfare crisis that we are attempting to address in this debate was not caused by government.

There are many ways, I think we feel, in which government has facilitated or enabled the problem to become worse. The problem begins with people who have problems. And it will not end until those people are helped by their neighbors, by their communities, by a wide array of institutions.

What I am saying is, and I think this amendment gets to this, is that government has not, itself, created the problem, although it may have exacerbated it. In the same sense, government alone will not solve the problem. We are going to need community groups, charitable groups, people finding strength within themselves. This amendment recognizes that and tries to create, in the way that we do this in America, tries to create a motivation through the tax system for people to get personally involved, once again, in greater numbers—many are now, obviously, but to be involved in greater numbers—helping their neighbors, their poor neighbors, work themselves out of poverty. So I think there is something here.

There is something here, also, in the fact that this well-intentioned program that started in the 1930's, Aid to Families With Dependent Children—in that sense, the contemplation of Congress was to help the children of widows—has become so large that in some measure it has sent a message to a lot of very well-intentioned, good-natured Americans that the poverty of their neighbors is not their concern.

In some ways we have become so good at governmentalizing our community responsibility that we have sent a message that individuals have less need to be responsible for those among us who are poor. This amendment cuts, also, at that conclusion and says to all of us we all have a part to play as we used to before government became so big and communities became so big.

I believe that these problems of babies born to mothers who are teenagers, unmarried—a cycle, generation after generation of welfare dependency—are so deep that it will take both government and private philanthropic, charitable, and religious institutions to make it ultimately better. But the very important point that this amendment makes is that Government cannot do it alone. And I congratulate my friends for introducing the amendment and making that point.

Finally, I say this. I also think they have made an important statement here in making it clear that religious organizations, faith-based organizations, should be eligible for this credit for participation in poverty assistance programs because those organizations, as I have seen in cities and poor areas throughout Connecticut, often have the greatest motivation, the greatest success rate in dealing with problems of poverty. When we bring it down to the individuals who are the beneficiaries of this program, I have yet to find a government program that could do a better job than a religious organization at instilling in the individual that necessary sense of self-worth which is the precondition to any genuine and hopeful effort to make that person's life better—based, of course, on the insight that my friend and colleague from Indiana referred to generally, which is that if you begin to see yourself as a child of God, and in that sense appreciate your value, then you are going to be better able to go ahead and remake your life in a way that testifies to that insight.

I know this amendment is going to be withdrawn. I do think the Senator from Indiana, the Senator from Missouri, and the Senator from Pennsylvania made a very important point here. I hope we can come back to it. I hope we will have the opportunity to come back to it, to try to truly not only make government more efficient in dealing with poverty, but to tap the truly powerful good nature of the American people that is out there and, I think, ready to be tapped to help those of their neighbors who are poorer in money and in hope and in opportunity than they are.

I thank the Chair and yield the floor.

The PRESIDING OFFICER. The Senator from Pennsylvania.

Mr. SANTORUM. Mr. President, I congratulate the Senator from Connecticut for his excellent comments and apologize to him for jumping ahead of him. I did not realize he was rising to speak on the Coats amendment. Had I known that, I would have let him go forward. I thought he was just standing for his amendment. So I apologize for that, and I appreciate very much his comments and his support of this concept. The Senator hit the nail on the head very, very well, and I appreciate his support.

I congratulate, again, the Senator from Indiana for offering this amendment.

The PRESIDING OFFICER. The Senator from Indiana.

Mr. COATS. Mr. President, I offer my sincere thanks to both the Senator from Pennsylvania and the Senator from Connecticut for their warm words of support for a concept that I think we all endorse and believe in. I, like the Senator from Connecticut, hope that we have initiated what will be, in the end, a historic debate about how we can effectively reach out and help those Americans who, in many instances through no fault of their own, find themselves in desperate circumstances, but do it in a way that is effective. There is compassion beyond government, and I think we are beginning to discuss and tap into what that is.

Because the amendment the Senator from Missouri and I have offered is subject to points of order, because it is a tax matter not directly relevant to this bill, because there needs to be more discussion and more foundation laid, in a moment I am going to ask unanimous consent to withdraw the amendment.

I think this has been a substantive discussion of an extremely important item that I hope will be brought back up for further debate and will become a integral part of the next tax debate on how we allocate resources of citizens of this Nation, how we allocate those in a way that makes a difference in people's lives and gives us the sense that our work is not in vain and that the check we write is truly making a difference, not only in our neighbors' lives but in society.

We look forward to that extended debate, and we look forward to the day when we can leave the amendment on the floor and bring it to a vote before the Senate. This is not the appropriate time to do that.

Therefore, I ask unanimous consent the amendment that is currently pending be withdrawn.

The PRESIDING OFFICER (Mr. GRAMS). Without objection, it is so ordered.

The amendment (No. 2539) was withdrawn.

The PRESIDING OFFICER. The Senator from Connecticut.

AMENDMENT NO. 2514, AS MODIFIED

Mr. LIEBERMAN. Mr. President, I ask the amendment I filed at the desk, amendment No. 2514, be called up.

The PRESIDING OFFICER. Without objection, the amendment is now pending.

Mr. LIEBERMAN. Mr. President, I ask unanimous consent a modification of the amendment that I send to the desk at this time be accepted.

The PRESIDING OFFICER. Is there objection to the modification?

Without objection, the amendment is so modified.

The amendment (No. 2514), as modified is as follows:

On page 17, line 8, insert ", for each of fiscal years 1998 and 1999, the amount of the State's job placement performance bonus determined under subsection (f)(1) for the fiscal year," after "State family assistance grant for the fiscal year".

On page 17, line 22, insert ", the applicable percent specified under subsection (f)(2)(B)(ii) for such fiscal year," after "subparagraph (B)".

On page 29, between lines 15 and 16, insert:

"(f) JOB PLACEMENT PERFORMANCE BONUS.—

"(1) IN GENERAL.—The job placement performance bonus determined with respect to a State and a fiscal year is an amount equal to the amount of the State's allocation of the job placement performance fund determined in accordance with the formula developed under paragraph (2).

"(2) ALLOCATION FORMULA; BONUS FUND.—

"(A) ALLOCATION FORMULA.—

"(i) IN GENERAL.—Not later than September 30, 1996, the Secretary of Health and Human Services shall develop and publish in the Federal Register a formula for allocating amounts in the job placement performance bonus fund to States based on the number of families that received assistance under a State program funded under this part in the preceding fiscal year that became ineligible for assistance under the State program as a result of unsubsidized employment during such year.

"(ii) FACTORS TO CONSIDER.—In developing the allocation formula under clause (i), the Secretary shall—

"(I) provide a greater financial bonus for individuals in families described in clause (i) who remain employed for greater periods of time or are at greater risk of long-term welfare dependency; and

"(II) take into account the unemployment conditions of each State or geographic area.

"(B) JOB PLACEMENT PERFORMANCE BONUS FUND.—

"(i) IN GENERAL.—The amount in the job placement performance bonus fund for a fiscal year shall be an amount equal to the applicable percentage of the amount appropriated under section 403(a)(2)(A) for such fiscal year.

"(ii) APPLICABLE PERCENTAGE.—For purposes of clause (i)(I), the applicable percentage shall be determined in accordance with the following table:

"For fiscal year:	*The applicable percentage is:*
1998	3
1999	4

On page 29, line 16, strike "(f)" and insert "(g)".

On page 66, line 13, insert "and a preliminary assessment of the job placement performance bonus established under section 403(f)" before the end period.

On page 77, in the matter inserted between lines 21 and 22 (as inserted on page 19 of the modification of September 8, 1995), strike "(C) An increase in the percentage of families receiving assistance under this part that earn an income." and insert "(C) An increase in the number of families that received assistance under a State program funded under this part in the preceding fiscal year that became ineligible for assistance under the State program as a result of unsubsidized employment during such year.".

Mr. LIEBERMAN. As indicated, I submitted the amendment on behalf of my colleague from Connecticut, Senator DODD, and the Senator from Georgia, Mr. NUNN.

PRIVILEGE OF THE FLOOR

Mr. LIEBERMAN. Mr. President, I ask unanimous consent that Cindy Baldwin, who is a presidential management intern fellow in my office this year, be granted the privilege of the floor for the remainder of the debate on welfare reform.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. LIEBERMAN. Mr. President, there is a happy story to be told in this amendment. I appreciate the fact we have come to a bipartisan agreement here on going forward with this amendment. This amendment, I think, goes to the heart of both bills, which is work, which is taking the welfare program and changing it from a kind of income maintenance program to a work opportunity, work creation, work realization program, hopefully, and definitely in the context of the private sector.

Mr. President, there are a lot of different ways, as I have spoken before on this floor, in this debate that the current welfare system is not working and does not reflect the best values of our country. Obviously, the extent to which it has helped to enable the breakdown of families, the birth of babies to teenaged young women without fathers in the house, and despair and hopelessness for the kids is profoundly troubling and has catastrophic implications for our society. But I believe that at the heart of the American people's hopes in this welfare reform debate is the question of work. In fact, a recent Wall Street Journal-NBC poll found that 62 percent of the respondents believe that work is the most important goal of welfare reform compared to 19 percent who considered reducing out-of-wedlock births as most critical. I do not mean to diminish the importance of the second goal because I think in terms of the long-term impact on the welfare rolls it is critical.

But just to suggest that the most profound way in which this system has digressed from the commonly held values and beliefs of the American people is the extent to which welfare does not encourage work, the extent to which it has discouraged work, the extent to which it frustrates and infuriates so many of the American people who feel that they are out there working hard every day paying taxes, and they fear and believe that too many of their tax dollars are going to support a system, this welfare system, that does not adequately encourage, force the people on it to get up, to go out and go to work.

Maybe that is why, as we look at the two basic underlying proposals that have been made here on each side of the aisle, that the word "work" appears in the titles that their sponsors have given them. Senator DOLE's proposal is, as I understand it, entitled "The Work Opportunity Act." Senator DASCHLE's proposal, which was heard as a substitute earlier and defeated, is called the Work First Act, and that is for the reasons that I have stated. The goal here is to cut the welfare rolls, to get people to work, and to create opportunity.

As these two proposals have come along, I think we have seen some ways in which they are quite similar and ways in which they digress that have caused some concern among some of us. It is interesting and important to note similarities because sometimes in this kind of debate, they get missed. Both proposals, Senator DOLE's and Senator DASCHLE's, set essentially the same goal when it comes to work—maybe some slight difference in wording—but that 50 percent of the people on welfare, the families, the potential income earners, be in jobs by the year 2000. It is a goal that is common to both bills. But the way we get there is different, and that is what has concerned some of us as we have watched the debate go forward.

In Senator DOLE's bill there is a 5-percent penalty at the end if you do not achieve the 50-percent placement of people in jobs. In Senator DASCHLE's bill, a different approach is taken. You might call it the carrot as opposed to the stick. And the carrot here is to say that we have to focus in and hold the States to a standard, and an important standard, which is the placement of welfare recipients in unsubsidized jobs, which is to say private sector jobs. We have some ideas looking at the experience about how to do that and where to do it, and our experience suggests building onto some of the cases and grants and programs that have been carried out under the Family Support Act of 1988, that the best thing to do is to not spend too much time at this business of training, although training is often necessary, but to focus on getting welfare recipients out there into a job, and then working with them and training them to make sure that they carry out that job well and that they do so in the context of the work that they are actually performing.

Senator DASCHLE's proposal, as I said, used the carrot, and it said that what we are going to measure every year is what percentage of people on welfare in a given State have been placed into private sector jobs. It is not enough to gauge how many are in training programs, because we have done this before. And people can spend a lot of time in training programs with nowhere to go, all dressed up and no job to take, or no job that they are willing to take.

This proposal, creating the personal empowerment contract, is somewhat like Senator DOLE's bill, which basically says when people sign up for welfare they have to sign a contract, and it has mutual responsibility—no more blank check. You get a welfare check. It is not even called a welfare check anymore; it is a temporary employment assistance check, and one of the things you have to continue to do to get that check is to go out and work, accept any job that is offered, understanding that that is better than being on welfare, and that it is putting you on the first step of a ladder in the private sector job market that can take you up and up to self-sufficiency.

So in Senator DASCHLE's proposal, a bonus was given to the States, an incentive beginning in 1998, creating a pool of 3 percent of the overall block grant authorized under Senator DOLE's underlying legislation; $16.8 billion a year in that block grant; 3 percent of that money in 1998, 4 percent in 1999, 5 percent in 2000, put into an incentive pool to be distributed to the States based on their success in getting people off the welfare, not into training programs, not into public works programs or those subsidized jobs, although those can be good sometimes, too, but into private sector jobs.

We think that would be not only an important incentive to change the orientation in terms of the beneficiaries of welfare, the welfare recipients, but we think it would be a very healthy way to shake up the welfare bureaucracy back home in the States, to create incentives that are different from today's.

Too often in today's welfare system the incentives encourage States and administrators and caseworkers alike to make income maintenance—not job placement—their primary mission—income maintenance, write out the check, process the application, get the check to the recipient. That becomes the focus of the system, not stopping the writing of the checks, getting the recipient off of welfare and getting them out into an income earning job.

The State administrators and caseworkers too often now are sent the message that it really does not matter whether or not they go the extra mile and spend the extra money to remove a recipient from welfare and into a private sector job. That is what this job placement bonus is all about. It sends a message to the States that, if they, their administrators, their case workers, go the extra mile to put somebody from welfare into a private sector job, that it will pay, that the State will receive more money, a job placement bonus, a simple yet critical tool to change the incentives in the welfare office back home from income maintenance to job placement. A bonus can, and I believe will, turn the welfare office into an employment office, which is what it ought to be.

Mr. President, so we had these two different visions, and I was prepared to offer a separate amendment to incorporate the job bonus provisions of Senator DASCHLE's proposal into the underlying bill. We have had the opportunity to reason together. We have had some very good conversations with Senator ROTH, whose modifications to Senator DOLE's underlying bill I will describe in a minute, and I think we have come up with a superb compromise which I hope people on both sides of the aisle can support.

Senator ROTH amended the underlying proposal consistent with the work that I have been privileged to be involved in with him, in his time as chairman of the Governmental Affairs Committee and ranking minority member before, to try to not only create programs but to create standards by which we can judge those programs as any business would do and to reward those who perform better under the programs we have created.

So in Senator ROTH's amendment, and provisions included in the underlying Dole bill, a 5-percent bonus pool is created in the year 2000 which would reward the States, for instance, in proportion to the reductions that they had achieved in the length of time families were receiving welfare payments, or the increases in the number of welfare families receiving child support. In other words, how many deadbeat dads had been shaken and awakened and finally were carrying out their responsibilities.

So here is the agreement I believe we have, and I am very grateful for it. It is carried out in the modification to my amendment, Mr. President, which I have sent to the desk.

Under this modification, in 1998, pursuant to the Work First proposal, there would be created a pool equal to 3 percent of the national block grant of $16.8 billion which would be contributed to the States based on their success in getting people off welfare and into a private, a real private sector job.

In 1998, that would begin with 3 percent. In 1999, the pool would go to 4 percent. And in the year 2000, Senator ROTH's provisions remain to create a 5-percent pool that would be distributed to the States based on five factors, four of which were in Senator ROTH's initial proposal, and the fifth would be the one that I have referred to which would be a measure of the extent to which the States have placed welfare recipients in private sector jobs.

I think this is a superb agreement. It makes both approaches better. I think it strengthens the underlying proposal by Senator DOLE. And more than the question of which side of the aisle it may have come from, or which proposal it strengthens, it puts teeth into the aim that I think all of us have, which is to get people off welfare and back to work, to save the taxpayers' money that we are now spending on a program that has created such dependency and despair, and to raise up the hopes and sense of opportunity for those who have been condemned to that life of despair on welfare.

So I thank Senator ROTH and his staff particularly, Senator DOLE and the leadership on the Republican side, and all those who have worked with us on this side. This proposal, I take some pride in noting, for a job-placement bonus emerges from work that has been done by the Democratic Leadership Council Progressive Policy Institute aimed at creating the right incentives in this system to get people off welfare and to work. I am privileged to be the chair of that group, now having succeeded my friend and colleague, the Senator from Louisiana, who I also see in the Chamber and who I am privileged to say has been a cosponsor of this amendment with me and Senator CONRAD, Senator NUNN, and Senator DODD.

Mr. President, I thank the Chair and my colleagues for their interest in this amendment and for what I hope will be unanimous support. I yield the floor.

Mr. BREAUX. Will the Senator yield? I commend the Senator for structuring and offering remarks on this amendment.

I think it is important that when we do real welfare reform we do it not just to penalize States that fail to meet certain targets and goals but actually have an incentive to do something positive instead of something negative. Instead of from Washington punishing States, if you will, that do not meet the goals, we try to get them to accomplish and meet those targets by incentives and bonuses and extra awards if, in fact, they are able to meet the targets that we set.

Frankly, I think that is a far more efficient and far more appropriate method of trying to get States to meet the goals than to try to penalize them. I think this is in keeping with the partnership concept. This is not Big Brother demanding the States do something all of the time but to really say we hope they can meet these goals and, if they do, they are going to be rewarded and not just operate with a heavy hand by penalizing States that for various reasons cannot meet the goals we set.

So I commend the Senator for recognizing this very important fact in offering what I think is a major contribution to improving the welfare reform bill.

Mr. LIEBERMAN. I thank my friend and colleague from Louisiana. I thank him for all his work on this amendment. He gets right to the point, which I do want to just stress again, which is that our concern was the underlying bill by providing a 5-percent penalty at the end, at 2000, if States did not achieve the 50-percent reduction in welfare recipients to work, would be creating a situation where there might be an incentive not to comply.

In other words, complying will cost some money, getting 50 percent of the welfare recipients to work will cost some money and if there is no incentive, no provision, no way that the States by good behavior can get that money, they were going to be left with a series of choices which were not going to be very good. They would either have to raise State and local taxes, deny assistance to needy families to get money, or create a situation where kids would be left at home because there was not adequate funds for child care for people to try to get off welfare and go to work.

So we were worried that the alternative would be that they would start out making, unfortunately, the rational conclusion that maybe it was better not to try to reach the goal of 50-percent welfare to work, give up the 5 percent as part of the penalty because that would actually cost them less than what they needed to meet the goal.

We think that putting these proposals together in this amendment now creates a positive incentive along the way—1998, 1999, 2000—among States to have them compete, if you will, to have a greater part of that pool we are creating to see which State can place more people into private sector jobs and therefore receive more money. Again, I thank my friend from Louisiana, and I yield the floor.

Mr. President, if there is no further debate, it had been my understanding that this was acceptable on both sides.

As I said before, I really want to stress, with some sense of gratitude, the support that Senator ROTH has given in putting this together, I gather, agreed to by leadership on the Republican side, and I sure hope this is part of a sense of compromise but also honing our purposes and coming together in ways that will allow us to achieve a strong bipartisan majority in favor of true welfare reform.

I urge adoption of the amendment.

Mr. CONRAD. Mr. President, I am pleased to rise as a cosponsor of the Lieberman-Breaux-Conrad amendment. I am also pleased that we have been able to reach a compromise with Senator ROTH on this issue.

Mr. President, the funding for work in the Republican bill is woefully insufficient. When the Finance Committee considered welfare reform, the Congressional Budget Office told me that funding in the Republican bill was so insufficient, that only 6 States would have a work program. CBO said States were more likely to take the 5 percent penalty in the bill than put welfare recipients to work.

Now, after the Dole bill has undergone several modifications, CBO says that only 10 to 15 States will have resources sufficient to meet the work requirements under the bill. Seventy to eighty percent of the States will simply not operate the kind of work program advocated by the bill.

The risk that most States will not even have a work program makes the Lieberman-Breaux-Conrad amendment extremely important.

Our amendment establishes a bonus fund under the block grant for States that move people into unsubsidized, private sector jobs. Our compromise with Senator ROTH dramatically improves the incentives for States to operate meaningful work programs, even in the face of woefully insufficient resources.

It is important to remember that many welfare recipients are difficult to employ and require more significant assistance in order to become employable. Sixty-three percent of long-term welfare recipients—those on the rolls more than 5 years—lack a high school diploma. Fifty percent of long-term welfare recipients had no work experience in the year before the entered the welfare system.

Mr. President, I do not want to leave anyone with the impression that our amendment is a panacea. It is not. Nor does our amendment fix the significant problems in the Republican bill. Even with our amendment, States will not have the resources to move long-term welfare dependents into the private sector work force. However, the amendment I offering with Senators LIEBERMAN, BREAUX, NUNN, and DODD does provide a critical incentive for States to get people into real jobs and off the welfare rolls. It is a small, but important step toward improving the bill before us.

I urge my colleagues to support the amendment, and again thank Senator ROTH for his willingness to work with us in reaching a bipartisan compromise.

Mr. ROTH. Mr. President, I am pleased Senator LIEBERMAN proposed his performance standards amendment and that we have been able to collaborate on this important initiative. I also want to thank Senator HATFIELD for his interest in this issue and for his support.

Mr. President, the last time Congress passed major welfare legislation was in 1988 to create the job opportunities and basic skills training [JOBS] program. The intent of this legislation was to move families from welfare to work. Since then, Federal and State governments have spent almost $8 billion on this program alone. This does not include JTPA or a variety of other employment and training programs.

GAO has issued a number of reports on the JOBS Program. One need not read past the title of a recent statement by GAO before the Committee on Labor and Human Resources which states, "AFDC Training Program Spends Billions, But Not Well Focused on Employment." GAO testified, "Today, more than 5 years after JOBS was implemented, we do not know what progress has been made in helping poor families become employed and avoid long-term welfare dependence."

After spending $8 billion on this program, what has the program achieved for the taxpayers or the welfare recipients? GAO does not know. The Department of Health and Human Services does not know. The existing AFDC quality control system cannot tell us. We simply do not know.

Over the years, Congress has created a confused and confusing system which rewards idleness and punishes work. The goal of employment has been lost in an excessive bureaucracy. Education and training have been separated from employment when a job is the real education and training program people need. That is a system which makes sense only in a Lewis Carroll story.

Mr. President, by now, it is generally well known that the Republican welfare reform bill eliminates the JOBS Program and gives the power to the States to design their own work solutions. However, we have also taken an additional step to ensure that we will know whether the States are effective in moving toward the goal of reducing dependency by incorporating performance standards into the legislation. Senator LIEBERMAN's ideas and support strengthen this proposal.

These performance standards are consistent with the quality assurance system already being discussed among the States. The National Association of Human Services Quality Control Directors has stated that, "with the numerous welfare reform waivers being implemented across the Nation, one essential component is the provision of performance outcome measurements."

The idea of establishing performance standards is not new. In the Family Support Act of 1988, Congress required the Secretary of Health and Human Services to develop and transmit to Congress a proposal for measuring State progress. Those recommendations are nearly 4 years overdue. Much of the testimony during the welfare hearings held since March supported the idea of outcome-based performance standards. I do not believe we need to wait any longer to implement that which we called for 7 years ago. Earlier this year, the quality control directors helped develop eight specific outcome-based measurements. These measurements were developed by State officials from Delaware, Illinois, California, Oregon, Kentucky, Georgia, Massachusetts, Minnesota, Virginia, and West Virginia. The measurements included in the Republican bill are consistent with those recommended standards.

Let me also point out there are inherent benefits to be realized in whatever progress the States make toward these performance measurements.

Block grants should not mean simply giving money to the States and turning our backs on what they do with it. The purpose of public assistance is to help families temporarily in need to return to financial independence. Establishing performance standards will help us hold the States accountable for this $16 billion program.

Properly understood, welfare reform is about reforming how Government works. Under the present system, no one is accountable for results. In 1993, Congress took an important step toward outcome-based performance through the Government Performance and Results Act. For the welfare system and for other governmental programs as well, block grants to the States are another important step in reform.

This next step in welfare reform may well become a giant leap in reinventing Government. In the future, Government funds will no longer be simply distributed to provide a good or service. By instituting a quality assurance system based on performance standards, the American people will know whether their hard-earned dollars worked as intended. Over the past 30 years, we have spent $5.4 trillion on our longest war, the war on poverty. Now is the time, before another 30 years go by, to establish a system which will tell us whether the goals we have set are being achieved. Performance standards will enable us to do exactly that and we will not need the miles of regulations and thousands of bureaucrats which now drive the system.

Again, I want to recognize and thank Senator LIEBERMAN and Senator HATFIELD for their efforts on this legislation. I want to also express my deep appreciation to Senator DOLE for including my amendment in the Republican substitute. We have taken a bold and important step in changing the way Government works.

Mr. HARKIN. Mr. President, the only way to permanently reduce the welfare rolls is to put welfare recipients to work in unsubsidized, private sector jobs with the skills to remain self-sufficient. It is impossible for a welfare recipient to become economically self-sufficient if that individual is not earning a paycheck.

Throughout this debate I have urged my colleagues to use common sense in finding a solution to the perplexing problem of welfare dependency. The Lieberman Work Bonus amendment makes good sense.

The amendment sets aside a small portion of the block grant to provide bonuses to States that have been successful in placing recipients in unsubsidized, private sector jobs. But getting a job is not enough; welfare recipients must keep those jobs. So this amendment provides an additional bonus for job retention.

I urge my colleagues to support this amendment which will enable more welfare recipients get the jobs they need to get off of welfare and become self-sufficient.

Mr. President, an analysis by the Congressional Budget Office estimates that 30 to 35 States will not meet the work rates established in the Dole amendment. Given that reality, States may be tempted to cut corners and find a quick fix rather than seek long-term solutions. What may work in the short term will not achieve the lasting change we seek.

Last December, Iowa's Governor, Terry Branstad, told me at a hearing that we need to make "up front investments" to achieve "long-term results." Iowa has been making these investments and is achieving success. We have much more to do, but it is clear that the trends are moving in the right direction. The welfare rolls are declining, more welfare recipients are working, and costs for AFDC are down.

I believe that part of the reason Iowa is achieving such good results is that welfare recipients have incentives to take jobs. They are able to keep more of what they earn and are encouraged to save part of the paychecks to deal with future emergencies.

Other States have also secured waivers to increase work incentives and are having similar results. I believe we should encourage Iowa and these other States to stay the course that is showing such promising results.

The title of the Dole bill is the "Work Opportunity Act." We need to make it clear that the opportunity to work is not in some dead-end, make-work Government job, but in a job that provides a paycheck.

The set-aside is a modest amount, but provides a powerful incentive for States to duplicate successful job placement programs like that in Riverside, CA. Or, of course, follow Iowa's lead on welfare reform.

I know I sound like a broken record but once again I am going to talk briefly about the Iowa Family Investment Program. One of the greatest successes of this new program is that more welfare recipients are working.

The welfare reform program took effect on October 1, 1993. At the time 18 percent of welfare recipients were working and earning income. The number of people has been increasing and is now 32.6 percent.

This is just the number of people who are working and earning income. It does not include the welfare recipients who are attending education and training programs or who are performing community service or are engaged in other worthwhile activities—32.6 percent of Iowa welfare recipients are working and earning the paycheck that is critical to moving them off the welfare rolls and keeping them off.

This amendment rewards States for doing that very thing. As I said earlier, it just makes sense. Without such an incentive, I am concerned that States may take the short course.

This amendment does not penalize any State, but merely provides an incentive for putting people to work in real jobs that earn real paychecks.

In closing, I ask unanimous consent that a recent editorial from the Des Moines Register be printed in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

[From the Des Moines Register, Sept. 2, 1995]

WORKING WHILE ON WELFARE

Iowa's innovative welfare-reform program continues to look good.

Just under two years ago, Iowa's Aid to Families with Dependent Children program was converted to a new Family Investment Program with the intent of moving more people off welfare and into jobs. That for years has been the intent of the AFDC welfare plan, which has had some success. But the Iowa plan changed the ground rules, allowing welfare families to keep more of their assets and their earnings to increase incentives to get a job.

In July 1993, 18 percent of Iowa AFDC family heads held jobs. The reform plan began three months later. By July 1994, 31 percent had jobs. By July of this year, the proportion had risen to 32.6 percent—nearly twice the level of two years earlier.

That 32.6 percent gives Iowa the highest ratio of working welfare recipients in the nation.

The reform plan contains a carrot-and-stick approach. Under both the old and new plans, workers' welfare benefits decreased as earned income increased, but under the new plan it decreases at a slower rate, meaning total income is higher. Also, under the new plan, recipients can have higher assets and still receive help—which encourages saving.

The stick: Recipients can lose benefits if they don't sign a contract to get a job or job training, or if they sign but don't live up to the contract's provisions. That has happened to more than 1,000 former recipients. They still get food stamps and medical care, and public health officials check on the children. But no more cash grants.

Iowa is setting an example the nation would be wise to follow.

Mr. GRASSLEY addressed the Chair.

The PRESIDING OFFICER. The Senator from Iowa.

Mr. GRASSLEY. We do accept the amendment on this side of the aisle.

The PRESIDING OFFICER. Is there further debate on the amendment? If not, the question then is on agreeing to the amendment.

So the amendment (No. 2514), as modified, was agreed to.

Mr. GRASSLEY. Mr. President, I move to reconsider the vote.

Mr. BREAUX. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 2603

Mr. FAIRCLOTH addressed the Chair.

The PRESIDING OFFICER. The Senator from North Carolina.

Mr. FAIRCLOTH. I call up my amendment 2603.

The PRESIDING OFFICER. The amendment 2603 is now pending.

The Senator from North Carolina may proceed.

Mr. FAIRCLOTH. I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

(The text of the amendment is printed in the Friday, September 8, 1995, edition of the RECORD.)

Mr. FAIRCLOTH. Mr. President, I ask unanimous consent that Senator HELMS be added as a cosponsor on this amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. FAIRCLOTH. Mr. President, before coming to the Senate I spent 45 years in the private sector meeting a payroll as a businessman and a farmer. Every year I watched as the Congress went into session and adjourned, leaving it more difficult for working taxpayers to make ends meet because of the out-of-control Government spending programs that have put our country on the path of fiscal disaster.

Of all the spending programs implemented by the Federal Government, none has been a bigger failure than those programs collectively known as welfare. President Johnson's war on poverty was launched with good intentions, but it has been a miserable failure—a disaster. And in many ways it has made the plight of the poor worse instead of better. The current welfare system has become a national disaster.

A simple commonsense principle—that we have failed to heed—has gotten our Nation and the poor into the present fix: You get more of what you pay for. And for the past 30 years the Federal Government has subsidized and thus promoted self-destructive behavior like illegitimacy and family disintegration. Almost one in three American children is born out-of-wedlock. In some communities the out-of-wedlock birth rate is almost 80 percent.

What is needed is a dramatic change—a reversal of the trends and programs of the last 30 years, and not another failed Federal Government program, like the Family Support Act of 1988, which perpetuates the problem of welfare dependency and increased them.

I know from first-hand experience that if you have a problem with your business you have to do something about it immediately.

If you tinker around the edges and do not address the problem you will be out of business. Unfortunately, far too few of my colleagues have had the benefit of that sort of business experience. For many here in the Senate, there is no problem that can not be fixed with another Federal spending program and another appropriation of tax dollars.

Mr. President, these people may mean well and they may think that they're being humane, but the way to solve a problem is to address the root cause. And the root cause of the tragedy of welfare dependency is illegitimacy, the rise in out-of-wedlock births. Only by seeking to curb the rise in out-of-wedlock births can we possibly hope to reform welfare.

The findings of the Dole bill state clearly:

> The increase in the number of children receiving public assistance is closely related to the increase in births to unmarried women.

It goes on to say:

> Children born out-of-wedlock are 3 times more likely to be on welfare when they grow up.
>
> Among single-parent families, nearly half of the mothers who never married received AFDC while only one-fifth of divorced mothers received AFDC.

This is all from the Dole bill.

> Young women 17 and under who give birth outside marriage are more likely to go on welfare and to spend more years on welfare once enrolled.

That is why I have consistently urged the leadership to include provisions like those in the House-passed bill which take away the current cash incentives for teenage mothers to have children out-of-wedlock.

And that is simply what it is—a cash incentive to encourage teenage women to have children out of wedlock.

Currently, 40 percent of AFDC recipients are never-married women, and never-married women are most likely to remain on welfare for 10 years or more. Only by taking away the perverse cash incentive to have children out-of-wedlock can we hope to slow the increase in out-of-wedlock births, and ultimately end welfare dependency. We must take away the cash incentive.

Middle-class American families who want to have children have to plan, prepare, and save money because they understand the serious responsibility involved in bringing children into the world. It is unfair to ask these same people to send their hard-earned tax dollars to support the reckless irresponsible behavior of a woman who has children out of wedlock and continues to have them, expecting the American taxpayers to pay for them, as we have done for the last 35 years.

I do not believe that the Federal Government should ever have been in the business of saying to a 15- or 16-year-old girl, "If and only if you have a child out of wedlock we will send you a check in the mail every month to arrive on the third day of the month." This is what we say to them. "If you have a child out of wedlock, we will send you a check every month."

The Federal Government should not be in the business of subsidizing illegitimacy.

I believe that there should be a clear restriction on the use of Federal funds to provide cash to unmarried teenage mothers. We should provide in-kind aid or aid through supervised group homes. The mother as well as the baby she is having need supervision. But we should not use Federal tax dollars to send checks in the mail to unmarried teen mothers. Any State government that believes in its heart that the best way to assist teenage mothers in the State is to send that mother a check in the mail should use State funds and not Federal funds.

The House-passed legislation contained a clear restriction on the use of Federal funds to give cash welfare to unmarried teen mothers. States are perfectly free to use their own money for that purpose. But not Federal tax dollars.

I believe the House provision is correct. However, there has been a lot of concern expressed that this policy is overly directive. Therefore, in the amendment I have introduced, I have attempted to strike an even greater balance between the need to combat illegitimacy and the need for State flexibility.

My amendment takes the restriction on the use of Federal funds to give cash to unmarried teen mothers and adds what has become known as an "opt-out."

Under this amendment, Federal funds cannot be used to give to minor mothers. But the State legislature wants to come into session and overturn Federal policy, it is free to do so.

Under this amendment, if the State legislature wants to come into session and overturn the Federal policy, they are free to do so.

States cannot continue the failed policies of the past by doing nothing. They cannot just ignore the issue of teen illegitimacy and hope it will float away. Any State which wishes to use Federal tax dollars to give cash welfare to unwed mothers must go into session and enact a law to do so. Therefore they will be responsible to the voters in that State that sent them to the State legislature.

Thus, the amendment does not mandate a specific solution. But it will generate careful State consideration of the issue. This amendment does not prohibit State governments from using Federal funds for cash aid to unmarried teenagers. But it forces them to consider very carefully what they are doing before they continue to do so. It forces States to think cautiously and deliberately before they choose to continue a policy which has caused so much damage in the past.

If enacted, my amendment will generate the needed debate at the State level on teenage pregnancy.

Mr. President, I ask for the yeas and nays on my amendment.

The PRESIDING OFFICER. Is there a sufficient second?

There appears to be a sufficient second.

The yeas and nays were ordered.

Mr. FAIRCLOTH. I yield the floor.

The PRESIDING OFFICER. Is there further debate on the amendment?

Mr. GRASSLEY addressed the Chair.

The PRESIDING OFFICER. The Senator from Iowa.

Mr. GRASSLEY. Mr. President, the simple answer to the issue that is before us, very well stated by the Senator from North Carolina, is that the morals around us will change when the morals within us change. That is going to be a slow process. That does not make any less important the issue that is before us.

The Senator from North Carolina has very well stated a proposition, and he probably feels he has a very good solution, a legislative solution, to the ills that he has adequately stated.

So I do not disagree with the pronouncements and description of the problem. I do disagree with the legislative solution. So I have to take exception to the approach by the Senator from North Carolina, because it is a very difficult issue.

I have given it a great deal of thought, and I believe it is important that it is being discussed. A lot of people would just as soon not discuss it. Even a lot of people within this body would just as soon not discuss it.

Last year, we heard it very eloquently stated by Bill Bennett, our former Secretary of Education, in his raising the concern that the cost to the society of moral decline since the 1960's has been very devastating. He published, as you recall, what he referred to as the "index of leading cultural indicators," a compilation which attempted to demonstrate a data base analysis of cultural issues. It was a statistical portrait from 1960 to the present of the moral social behavior conditions of our modern American society.

It was in the Wall Street Journal that he wrote about quantifying America's decline. He cited some of the statistics from the index. While social spending in the United States since 1960 increased dramatically, the social indicators during the same period showed overwhelming declines. For example, Dr. Bennett says that in the last 30 years, while there has been more than a fivefold increase in social spending at all levels of government, there has been a 650-percent increase in violent crime, a 419-percent increase in illegitimate births, a quadrupling of divorce rates, a tripling of the percentage of children living in single-parent homes, more than a 200-percent increase in the teenage suicide rate, and a drop of almost 80 points in the SAT scores.

He said that perhaps more than anything else, America's cultural decline is evidence of a shift in the public's attitude and beliefs. Our society now places less value than before on what we owe to others as a matter of moral obligation, less value on sacrifice as a moral good, less value on social conformity and respectability, and less value on correctness and restraint in matters of physical pleasure and sexuality.

He also stated the good news is that what has been self-inflicted can be self-corrected. So I think Bill Bennett, in stating a crisis situation in American society, has not stated that there is no hope. In fact, very correctly he believes that it is within us as a society and individuals within our society to correct this situation.

The Senator from North Carolina has described a situation within the welfare system that contributes somewhat to this that needs to be dealt with. The only question is, should it be dealt with at the State level through the State legislatures, or should it be dealt with by those of us in Congress?

I say that the States have proven in many areas of welfare reform that they are better equipped to deal with those issues than we are.

So in the devaluation of traditional views, we have seen a reciprocal increase in self-destructive behavior. This self-destructive behavior in turn manifests itself in our communities, in our families, and it leads to an increase in destructive forces for our entire Nation. And it has costs with it.

We are talking about societal costs of illicit sexual relations. You know them better than I do: The sexually transmitted diseases; teen pregnancies that cut short bright futures; abortion; broken hearts; broken homes, not to mention the financial costs to individuals, families, communities and, again, our entire Nation.

William Raspberry addressed this concern in a Washington Post article. He remarked that:

> To a striking degree, the problems we worry most about—teenage pregnancy, fatherless households, AIDS and other sexually transmitted diseases, dropping out of school, infant mortality, even aspects of poverty—are the consequences of inappropriate sexual behavior.

He goes on to say:

> The hip response is to redouble AIDS research, establish birth control clinics in nurseries and schools, distribute condoms and clean needles, in general to teach kids what to do in the back seat of a car.

He also goes on to say:

> It is all very well to try to save people from disastrous consequences of their behavior, but,

he emphasizes,

> doesn't it make sense to try to discourage some of the behavior in the first place? A part of the message must be directed not just at the awful consequences but at the deadly behavior itself.

I sense what the Senator from North Carolina is saying is that at the very least, we should not give financial incentive to this sort of behavior through the welfare system which comes from the taxpayers of America. The fact is, the sexual liberation movement of the sixties demonstrated itself to be a socially and morally bankrupt one. The once-accepted practices are perceived by the mainstream as an abject failure.

We would not have this welfare reform issue before us if that was not true. It is time that our social institutions and our Nation as a whole return to the teachings of the moral obligations: Self-sacrifice, social conformity, and abstinence. They are truly virtues to be upheld, and society appreciates them.

Those who teach otherwise will have an increasingly hard sell to a growingly skeptical mainstream, and that is true or we would not even have this welfare issue before us.

Here is some of the specific research on the consequences of being born out of wedlock or living in a single-parent home. These children have specific health risks, substantially higher risks of being born at very low or moderately low birth rates. There are specific educational risks as well. They are more likely to experience low verbal cognitive attainment. They are three times more likely to fail and repeat a year in grade school than are children from intact, two-parent homes. They are almost four times more likely to be expelled or suspended from school. Children of teenage single parents have lower educational aspirations and a greater likelihood of becoming teenage parents themselves.

As I read this research, as we point to what is wrong—and you have all heard it—it is very obvious why welfare reform is an issue. Not only are there health risks and educational risks, but there are also social risks. And welfare reform is seen as a way of reducing those social risks. Being born out of wedlock significantly reduces the chances of a child growing up to have an intact marriage. These same children are three times more likely to be on welfare when they grow up.

They are also more likely to be poor. While only 9 percent of the married-couple families with children under 18 have income below the poverty level, 46 percent of the female-headed households with children under 18 have income below the national poverty level. That is the feminization of poverty. In single-parent families, where they have had a divorce, the woman is most apt to immediately be into poverty. The husband is not as likely to be. And then these risks are out there for the children as well. But there is as much risk for the young mother as well. The younger the mother, the less likely she is to finish high school. If she has children before finishing high school, she is more likely to receive welfare assistance for a longer period of time.

In fact, the Centers for Disease Control has estimated that between 1985 and 1990, the public cost of births to teenage mothers under the Aid to Families with Dependent Children Program, the Food Stamp Program, and the Medicaid Program was $120 billion.

Apart from the obvious consequences on the children, who have greater health problems and lower educational aspirations, and the cost to the young mother, who is less likely to gain independence, we have to look at the consequences for society as well. That is what I believe the Senator from North Carolina is looking at.

We have seen a dramatic rise in crime. Apart from reforming welfare, dealing with crime seems to be the highest thing on the priority list of our constituents.

According to the Bureau of Census, of those youth held for criminal offenses within the State juvenile justice system, only 29.8 percent lived primarily in a home with both parents. In contrast to these incarcerated youth, 73.9 percent of the 62.8 million children in the Nation's resident population were living with both parents.

So, Mr. President, in the face of all this evidence, is it not ridiculous to deny the need to return to sanity? The breakdown of the family and its results for our society are indeed overwhelming. The only issue becomes answering the question: Who should call for the return to sanity? The Senator from North Carolina says it should be the Congress of the United States and the Federal Government. I say it should be the State's responsibility—not in isolation and not without a track record of their success, because we have seen the Federal Government fail at welfare reform, as we have seen the number of people on welfare go up 3.1 million since the last welfare reform bill was passed 7 years ago.

In the meantime, we have seen State after State—albeit having to suffer some sort of waiver from the Federal Government to get what they want—still succeed at moving people from welfare to work, and save the taxpayers' money. I guess that gives me the confidence that I would expect my State of Iowa and I would also expect the State of North Carolina to solve the teenage pregnancy problem, the problem of illegitimacy. And if one of the ways they want to do that is discouraging it by denying additional cash benefits to mothers under age 18, then they ought to have the right to do it. If they see some other way of doing it, then that other approach ought to be tolerated by those of us in Washington, DC, who ought to readily admit a track record that proves we do not have an answer to every social problem by an enactment of Congress and an appropriation of the Congress of the United States.

So I agree that out-of-wedlock births, and all of its consequences, are destroying our society. Where we disagree is that I believe we should allow States to address the crisis. Personally, I believe the States should try many creative approaches to try to address this crisis in our Nation. I think States should look at the reform in the no-fault divorce laws that passed in the fifties and sixties. Unfortunately, I have to admit to my colleagues, as well as to my constituents in Iowa, that I made a great big mistake back in the late sixties when I supported no-fault divorce as a member of the State legislature. I hope the State legislatures will look at changing those laws to make the decision to marry a more serious one and the decision to divorce a more circumspect one.

I also think the States should look at changes in their approach to dealing with the problems of out-of-wedlock births. They need to experiment with new ideas to see how to discourage people from having children before they are ready to care for them, and they need to see what works with teenagers, what works with those who are older. The illegitimacy problem is not just one for teenage mothers. We hear a lot about discouraging young people from getting pregnant. But States also need to experiment with how to discourage young men from fathering children before they are ready to provide for them.

Changing laws alone will not change behavior, but it is a first step. In order to address these kinds of social problems, every institution in society must take this problem as a very personal problem. That means every church, every synagogue, every mosque, must work together with their congregations to bring their message of morality and purity to the people in their area. Every community group needs to urge abstinence as the only sure way to avoid disease and pregnancy. This is truly a crisis requiring immediate action at every level.

So I join my colleagues in raising the banner of awareness. However, I cannot join my colleague from North Carolina in mandating a specific requirement. I believe the States will address this issue and will address it as successfully in this area as they have on a lot of other welfare reform issues that are before us.

I yield the floor.

Mr. MOYNIHAN. Mr. President, I rise to speak to the amendment of my friend from North Carolina and speak in opposition to a well-intended but, it seems to me, very badly conceived approach to a problem which we all acknowledge.

Earlier today, I had the occasion to congratulate the Senators from Indiana and Missouri for their hugely insightful and able remarks. I refer particularly to those of the Senator from Indiana on the precedent of what do we do about civil society and about the breakup in those primal relationships that seem to be so essential to any society, and have always been assumed to be, but which seem to be disappearing in ours.

And not only in ours, Mr. President. I remark that in the current issue of the Economist, the subject is "The Disappearing Family." But simply to read a passage, it says:

> A father is not just a cash cow. Daniel Patrick Moynihan, a Democratic Senator who has taken these problems seriously for 30 years, says that a community without fathers asks for and gets chaos. As an American, he has been able to see that chaos for some time, but it is now visible elsewhere. There are neighborhoods in Britain where more than two-thirds of homes with children lack fathers. Some of Paris' wilder banlieues are not that different.

The Economist article contains a bar chart which is entitled "Fewer Golden Rings, Births to Unmarried Mothers as a Percentage of Total," which shows the extraordinary growth from 1960 in Iceland, Sweden, Denmark, France, Britain, the United States, Canada, Australia, Germany, Holland, Spain, and Switzerland. There was no growth at all in Japan.

There is a descending order of the present ratios, from Iceland, at about 55 percent. Iceland, Sweden, Denmark, France, Britain, the United States—with Britain and France ahead of the United States—and Canada, just after the United States. Australia, Germany, Holland—smaller ratios in those areas.

We are not alone in this, nor have we ignored the subject. It was perhaps not widely noticed, but a year ago in Public Law 103-322, signed by the President on September 13, 1994, an anticrime measure, the now majority leader Senator DOLE and I sponsored a sense-of-the-Senate regarding a study of out-of-wedlock births.

It said simply:

> It is the sense of the Senate that—(1) the Secretary of Health and Human Services, in consultation with the National Center for Health Statistics, should prepare an analysis of the causes of the increase in out-of-wedlock births, and determine whether there is any historical precedent for such increase, as well as any equivalent among foreign nations, and (2) the Secretary of Health and Human Services should report to Congress within 12 months after the date of the enactment of this Act on the Secretary's analysis of the out-of-wedlock problem and its causes, as well as possible remedial measures that could be taken.

I can report, sir, that report is ready now and will be released shortly. It is a first effort, and I hope it will not be the last.

At length, the U.S. Government—the U.S. Congress, this Senate, the Presidency—is finally beginning to acknowledge this problem. I have mentioned before President Bush's commencement address at Notre Dame in 1992, and President Clinton's 1994 State of the Union address, where the subject is raised. But it cannot be too emphatically stated that we know very little of the ideology, origins, the modes by which it takes place.

I have here a draft of the new report by the Department of Health and Human Services. You can see, Mr. President, and I hope the Secretary of Health and Human Services might be listening, "The sense of the Senate asks for a study of out-of-wedlock births."

The report does, indeed, say "out of wedlock." But when it gets into the text, it refers to "nonmarital," thus defining down the problem; from the term "illegitimacy" to "out of wedlock" to "nonmarital," to—I do not know what the next euphemism will be.

But they do make the simple point that changes in behavior, some of these changes in reproductive biology, have led to an extraordinary number of out-of-wedlock births. In 1992, about 1,250,000—1¼ million illegitimate births. About 1 in 10 unmarried women age 15 to 44 become pregnant each year—about 1 in 10.

I have just offered to the Senate a datum which should shock anyone. One in ten unmarried women become pregnant each year. The vast majority of these pregnancies are unintended and, in 1991, nearly half ended in induced abortion—obviously a condition we should not ever desire nor should we allow to continue if we can change it.

But again, I have to say that there does not now exist any understanding of how we might do this. I welcome the onset of inquiry. This is not beyond the reach of social science, anthropology, biology. But it is only just beginning to be recognized in our country as in other countries. The Economist reports the neighborhoods in Britain are not unlike those in, say Washington, DC, and in Paris. It is a new social condition, a new social issue.

But earlier I cited James Q. Wilson, in a splendid essay, a lecture which he gave, the Walter Wriston Lecture, at the Manhattan Institute in New York City, November 17, 1994, entitled, "From Welfare Reform To Character Development." I think that is what the Senator from North Carolina is talking about, from welfare reform to character development. And he should be. He is to be congratulated for doing it.

But Wilson says, about the subject—how do you break the cycle of dependency?

> Nobody knows how to do this on a large scale. The debate that has begun about welfare reform is in large measure based on untested assumptions, ideological posturing, and perverse priorities. We are told by some that worker training and job placement will reduce the welfare rolls, but we know that worker training and job placement have so far had at best very modest effects on welfare rolls.

I say that standing here with a button from the JOBS program in Riverside, CA, that says, "Life Works If You Work." But we know the effects of these programs are modest.

Wilson goes on:

> And few advocates of worker training tell us what happens to children of mothers who are induced or compelled to work other than to assure us that somebody will supply day care. We are told by others that a mandatory work requirement, whether or not it leads to more mothers working, will end the cycle of dependency. We don't know that it will.

That is James Q. Wilson. "We don't know that." I continue:

> Moreover, it is fathers whose behavior we most want to change, and nobody has explained how cutting off welfare to mothers will make biological fathers act like real fathers. We are told that ending AFDC will reduce illegitimacy, but we don't know that; * * *

I repeat James Q. Wilson, "We are told that ending AFDC will reduce illegitimacy but we don't know that."

> * * * it is, at best, an informed guess. Some people produced illegitimate children in large numbers long before welfare existed and others in similar circumstances now produce none even though welfare has become quite generous.

I plead to the Senate, first, do no harm.

Catholic Charities addressed this plea to us earlier this day, asking that there not be a family cap.

The first principle in welfare reform must be do no harm, the ancient adage of Hippocrates in his essay "Epidemics." It is not the Hippocratic oath, and we are dealing with an epidemic here. We must heed that ancient Greek: First, do no harm.

I can say that there is one major research project in operation right now—has been for more than 4 years—it involves very intensive counseling and education offered to teens to prevent teen pregnancy.

I would prefer not to give the actual name of the operation because you do not want to interfere with it by stating ahead of time what its findings are, what is happening. But I can tell you that after 4 years the control group, there is no difference in outcome between the experimental group which was given the intensive counseling and training and the control group which received no such special services.

This still baffles us. It is still beyond our reach. Not beyond our grasp. I will use that image. It is beyond our reach, not beyond our grasp. We are trying. We are beginning to learn. But at this point, to deny benefits to children who have no means of controlling the way they come into the world or the circumstances in which they find themselves, would be an act of—irresponsible policy? I hesitate to use that word. It would be an act of—cruelty? I hesitate to use that word as well. Not intended; the unintended consequences of social policy are almost invariably the larger and more important ones.

So I hope, with expression of great appreciation to the Senator who has raised the subject, thanking him for raising it, I hope we will not take this radical step into the unknown at just the moment when we are beginning to engage the Nation's analytic and social capacities with the issue.

I yield the floor.

The PRESIDING OFFICER. The Senator from Texas.

Mr. GRAMM. Mr. President, let me begin by responding to our dear and learned colleague from New York, who undoubtedly has spent more time and energy studying this problem than any other Member of the U.S. Senate. I would like to begin with his application of the Hippocratic oath to welfare reform.

Mr. MOYNIHAN. Hippocrates on "Epidemics."

Mr. GRAMM. Let me say this. I think we are preaching the oath too late. We now have a system where 40 million Americans are receiving some means-tested program broadly defined as welfare. We have a program that does a great deal of harm and that, if left in place, in my opinion will do far greater harm than it has done.

In the mid-1960's, when the current approach to this problem really took hold with the Great Society, we were looking at something less than 10 percent of all babies born in America being born out of wedlock. Today, one out of every three babies born in America is born out of wedlock. So I think, quite frankly, that while the advice "first do no harm" is good advice when you do not know what you are doing, the point is we have in place a program that does a great deal of harm. And probably no part of that program is more destructive than the part of the program that provides cash bonuses to people who have children on welfare or children who qualify for welfare.

Our dear colleague, Senator DOMENICI, in the closing remarks he made in debate on an earlier amendment, said if you believe that denying people more and more money to have more and more children on welfare is going to reduce the birth rate of people on welfare, you believe in the tooth fairy.

Mr. President, let me say that no human behavior in the history of this planet is better documented than the principle that if you pay people to do something they are going to do it, and they are going to do more of it than if you did not pay them. If we know anything about the behavior of the human being, it is that human behavior is clearly affected by the environment in which the human operates, by the set of rewards and penalties that exist. And clearly, the rewards in the current welfare system are all bad from the point of view of producing behavior that we do not want. Let me just give you a few of them.

Any 16-year-old girl in our bigger cities can escape from her mother, can get cash and voucher benefits equal to $14,000 of earnings a year, can get housing subsidies, food stamps, and AFDC by doing one thing—by getting pregnant.

Does anybody believe that giving that child $14,000 worth of free benefits in return for getting pregnant is not creating behavior that would not exist in the absence of that money? Does anybody really believe that, if we did not give people more and more money to have more and more children on welfare, that people would be having the number of children that they are having? I do not believe it.

I was having a discussion with my mother the other day on this subject, which I think is always good advice to someone who is engaged in public policy today. My mother's thesis on this subject was basically that the problem with welfare is that people today, young people, are not as proud as people were in her generation. I responded by trying to explain to my mother that I am not positive that is the case. I think the world faced by young people today is very different than the world my 82-year-old mother faced when she was growing up. I tried to explain to my mother that if we had the kind of welfare benefits we have today when she had two little children and was working in a cotton mill that she would have taken welfare. My mother said, "I would not have taken it. I would starve to death before I would take it."

I said, "Well, mother. Everybody you would have known would have been taking it. There would have been no stigma in taking it. People would have made fun of you for not taking it."

To which my mother responded, "I would not take it, and if you ever say I would take it, I will go on television and denounce it."

My mother is tough. Maybe she would not have taken it. But the point is that no logical person can doubt that the availability of these cash incentives to have babies, to have babies out of wedlock, is not impacting behavior. Am I claiming that it is the only incentive that is there? Am I claiming that by eliminating these cash payments that we would eliminate illegitimacy? No. But I do not think any rational person can argue that we would not have less of it if we did stop paying people for acting irresponsible.

We had an earlier amendment that was adopted which killed the provision in this bill that I thought was very important. We had spent months working out a compromise that said we are not going to give people on welfare more and more money to have more and more children. I thought it was an important provision. Senator DOMENICI earlier offered an amendment which killed that provision, and basically preserved the status quo, a status quo where now one-third of all the children born in the country are born out of wedlock.

I do not have any doubt based on that vote that Senator FAIRCLOTH's amendment is not going to be adopted. But I believe that this is a very important amendment.

So my purpose in the remaining moments is twofold: First of all, I want to say to our dear colleague from North Carolina that no Member of the Senate has had a more profound impact on welfare reform than the junior Senator from North Carolina, LAUCH FAIRCLOTH. Had it not been for his persistence and his leadership there would be no pay for performance provision in this bill and we would not have a mandatory work requirement where people who refuse to work and are able-bodied lose their check. Had it not been for his persistent leadership, we would still be, even under this bill, inviting people to come to America with their hand out to go on welfare rather than their sleeves being rolled up to go to work.

Thanks to his leadership and his commitment, we did have a provision in the bill until today that denied additional cash payments to people who have more and more children on welfare.

So I want to first thank him for his leadership. And I am convinced that ultimately we are going to reform welfare, and I share with Senator FAIRCLOTH the commitment that I do not want to just reform welfare because it costs $384 billion a year when you add up all the State and the Federal payments. I want to reform welfare because we are hurting the very people we are trying to help.

The great paradox is that people who really oppose welfare reform, as the President does—and, despite all of his rhetoric, one thing is very, very clear; that is, Bill Clinton wants to preserve welfare as we know it. But one of the things that it is clear to me is that we have to redo this system because we are hurting the very people that we are trying to help. Our programs have driven fathers out of the household. They have made mothers dependent. They have denied people access to the American dream. They have changed people's behavior. Our social safety net has turned into a hammock. And it has changed the way people behave. As they have turned more and more toward government to take care of them, they have turned less and less to develop self-reliance. They have turned less and less to their family and to their faith, and I have no doubt that their life has been diminished.

Those who are for dramatic reform in welfare stand on the high ground morally in this debate. Those who defend the status quo, in my opinion, are defending a system that may serve some political interest. But it does not serve the interest of the people in this country who are poor because it is a system that keeps them poor, it is a system that expands their numbers, it is a system that diminishes their lives, and it is a system that diminishes our great country. And I want to change it.

The final point I want to make is this is a modest amendment that the Senator from North Carolina has proposed. What his amendment says is simply this: No Federal funds for cash welfare aid to unmarried mothers under the age of 18 with a State opt-out provision. What does that mean?

What Senator FAIRCLOTH is saying is that, if his amendment is adopted, if a child 16 years old is having a baby or has had a baby, nothing in his amendment would prevent the State from giving her assistance through her own mother, nothing in this amendment would prohibit giving her assistance under adult supervision, and nothing in this amendment would prevent giving her food or shelter or clothing. But what the amendment would not do is to create a cash incentive for people to have babies on welfare.

That is what the amendment does. In addition, if a State does not want to abide by the Faircloth amendment, and it wants to provide cash, the State legislature must pass a bill and the Governor of the State must sign it taking themselves out of the program.

A lot of people oppose this because they know there are a lot of States where politicians might want to get out of the program but people do not want to vote to get out of the program.

So this preserves State option. It simply requires that affirmative action by the State to be exempt.

I want to repeat in closing that I am alarmed about a country, our country, where one out of every three babies in America is born out of wedlock. No great civilization has ever risen that was not built on strong families. No great civilization has ever survived the destruction of its families, and I fear we are not going to be the first. So I fully understand that this is an area where you could study it endlessly. And I generally agree with the Hippocratic principle: First, do not harm. But the point is we have already done harm. We have put in place a program that unless we change it is ultimately going to kill our Nation, and I wish to undo it. Given the harm that is being done by the current welfare system, it is time to venture some change.

Finally, I totally and absolutely reject the thesis that there is no demonstration that people do more of something if you give them money to do it. All of recorded history makes it very clear that if you pay somebody to do something, they are going to do more of it than if you do not pay them.

I just remind my colleagues that the first welfare reform measure in America was in Jamestown, and what happened is that Capt. John Smith had seen the colony break down as they had adopted a system, basically a socialistic system where people were given the fruits of society's labor based on an allocation rather than based on their effort. As far as I am aware, the first welfare reform principle in the history of America was when Capt. John Smith said those who do not work shall not eat.

I believe those kinds of reforms have an effect, and the incredible point that seems to be missed by so many is that these kinds of reforms are humane reforms. People cannot be happy when they are kept dependent. There is something wrong in a free society when people are not providing their own way. The only real happiness that comes, the only real fulfillment that comes is from individual achievement. And if we want to unleash the energy and the ability which is hidden in so many millions of Americans who are trapped on this welfare system and unleash that talent and ability to serve them and to serve the country, we have got to reform this welfare system, and I feel very strongly that this is a very important amendment.

A concluding point. I am very disappointed about the adoption of the Domenici amendment. It undoes a delicate bill that we had put together. I want to say to my colleagues, assuming that we do not mandate some new benefit which would be totally unacceptable and induce me to vote against this bill, I plan to vote for this bill on final passage. I intend to vote to take it to conference with the House.

However, when we come back to the Senate with a bill, I am not going to vote for a welfare reform bill that does not deal with illegitimacy. We cannot deal with the welfare problem we face, we cannot change this destructive system unless we deal with illegitimacy. And so I am committed to the principle that when this bill comes back from conference, we have provisions which end cash incentives to people to have more and more children on welfare. I think that is essential.

I wish to congratulate our colleague from North Carolina for his leadership on this amendment and on this bill. I am very proud to support it. I do not have any doubt about the fact that we are probably going to get about 25 votes, but I believe this is the right thing to do. And I am also confident that this century will not end before the Faircloth amendment will be the law of the land. I have no doubt about the fact that while Congress is perfectly content to let a rotten welfare system fester, the American people are not content. They are going to continue to demand that we make these changes. They are going to give us a Congress and a President who are committed to them, and when they do we are going to make these changes and some of us will remember Senator FAIRCLOTH's leadership. Hopefully he will be here providing it when the day comes that this amendment will be successful, and I am confident that it will.

I congratulate him on his leadership.

Mr. WELLSTONE addressed the Chair.

The PRESIDING OFFICER. The Senator from Minnesota.

Mr. WELLSTONE. I thank the Chair.

Mr. President, I actually came to the floor to introduce an amendment that I will get to later on that I think will be important to colleagues on both sides of the aisle to make sure that in situations where you have violence within a home we give States the room to give single parents, usually women, an exemption from some of the requirements if that is the only alternative to make sure that they are safe. We do not want to force women back into very dangerous homes.

Mr. President, I was listening to my colleague from Texas, and I just have to respond. Let me come back to some unpleasant facts which I think are important because we ought to be making policy on as solid a basis of information as possible.

First, actually, I kind of did my own survey in Minnesota, which, I say to my colleagues, was really startling.

I try to go to a school about every 2½ weeks during the school year, and I was in an inner-city high school, South High in Minneapolis. And actually a young woman about age 16 asked me—I guess she heard about action in the House—she said to me, "Are you in favor of denying welfare benefits to a young woman or girl under 18 years of age if she has a child?"

I said, "Well, I will answer that question but first let me ask you and let me ask all of you who are here in this assembly"—there were about 300 or 400 students. I did not editorialize. In fact, I tried to actually stack it in the other direction. I said that many Representatives in the House of Representatives have said, look, when a youngster, a young woman knows that she can get on welfare and have welfare assistance, this is what encourages out-of-wedlock births. And people are very serious about dealing with this problem, as I think all of us are in this Chamber.

Then I said, "How many of you would agree?" No one.

Mr. President, we are talking all about these young people. Has anybody asked them about what the causes are?

The question is, why do children have children? But has anybody asked any of these young people? I do not think this amendment is connected to that reality at all.

Then I went to a suburban high school in White Bear Lake, and I asked the students the same question, expecting a very different response. Then I went to two other suburban communities. Then I went to about three other schools in small towns. Cross my heart and hope to die on the floor of the Senate, never more than about 5 percent of the student bodies, the assemblies, agreed. In fact, I found these students were kind of yelling at me, not out of anger but they were saying, "Are you people crazy? This is why you think young people are having children? This is why you think there are births out of wedlock? These are our friends. We know what goes on. Nobody is thinking about welfare. Nobody knows what it is. Nobody is thinking, 'Well, if I get pregnant, then I do not have to worry because I get AFDC and I can move out of my home'."

I heard all sorts of other reasons given that you might agree or disagree with. But I want to tell you, talk about a disconnect. The very people that we say we are concerned about, the very people in whose name we pass this legislation, allegedly for whose benefit we pass this legislation, say, "Are you crazy? This has nothing to do with this problem," which is a serious problem. That is my first point.

Please remember that. Now, maybe other Senators in here in the Chamber have gone out and met with lots of young people and have asked them. And if you have received a very different response, please tell me. But I have made it my business to spend a lot of time with a lot of young people, inner city, suburban, small town, rural, and that is not what they say. It does not make any sense to them at all.

Maybe we ought to listen to them. Maybe we ought to ask them. Maybe we ought to know more. That is my first point.

My second point—and I will do this briefly, I say to my colleague from New York—I am sorry the Senator from Texas has left the Chamber. I always feel uncomfortable, because you try to have debates—people give a speech and then they are gone, and you feel like you are attacking someone behind their back. I am not making an attack. I put it more in the form of questions.

The problem with the analysis about this—about all of these mothers who are having all of these children—and this is a terrible crisis in our country—is again—and I have heard the Senator from New York say this over and over again, the typical family is one woman, two children. Seventy-five percent of the AFDC families have two children, one parent. That is what it is. What are we doing perpetuating the same stereotype? In the last 20 years it has not gone up. We do not have larger families.

As to this economic rationality argument that it is the money that causes young people to have children, there is no evidence of that at all. As for this argument, I think—and I would have to defer to my learned colleague from New York—but I think that if you look around the country, State by State, I do not think there is any direct correlation between level of benefits and number of children. Is there? I mean in some States——

Mr. MOYNIHAN. If the Senator would yield for a question. I think he would find in the main the correlation is inverse. The lower the benefit, the higher the ratio.

Mr. WELLSTONE. Well, that is what I thought my colleague would say.

Mr. MOYNIHAN. Not absolute.

Mr. WELLSTONE. Right. Let us just say—let us just understand this, there is somewhat of an inverse relationship around the country between level of benefits and number of children per family. Those States which have the lower level of benefits tend to have the families with the larger number of children. Now, what does that do to the argument of my colleague from Texas about how it is the dollars that cause all of this? Well, he is not here. But you know, for the record, as we say.

Finally, Mr. President, as to this whole argument that—as I listened to my colleague conclude—that really what this debate is about is a difference between those who take the moral high ground and push through these changes, versus those who, I guess the flip side of the coin is those who do not take the moral high ground.

On that note, I just would like to suggest two final points. One, I said it once before on the floor, as I listen to some of my colleagues talk about welfare, I get the impression that they are trying to make the argument that welfare causes poverty, that food stamps cause people to not have enough money to purchase food. It is like they mix up the independent and dependent variables. It is like arguing Social Security causes people to get old.

People become eligible for welfare because they are poor. Or quite often you have two parents, and then there is a divorce and then the woman is on her own with children, and she looks for some support for herself and her children. And 9 million or so of the 15 million are children.

So, frankly, this argument that this is the high moral ground—I think when all is said and done, ultimately what it amounts to is taking food out of the mouths of children. That is no high moral ground position.

I am sorry my colleague from Texas is not here. Maybe he will come back. This whole business of somehow the welfare programs cause the poverty is ridiculous—we expanded food stamps and we did not expand hunger. I said this before on the floor of the Senate, but let us be clear about our history. Richard Nixon, a Republican, established Federal standards for food stamps because in the mid and late 1960's there were the Hunger USA, CBS and Field Foundation studies and pictures of children with distended bellies and malnutrition and hunger in America.

And so we expanded the Food Stamp Program. And now we do not have the scurvy and now we do not have the rickets and now we do not have all the hunger and malnutrition. But somehow, according to my colleague from Texas, these programs have brought about all this damage to low-income people, to poor people, mainly, I am sorry to say, women and children.

It is really quite a preposterous argument.

Mr. President, there is a difference between reform and reverse reform. And it is absolutely a great idea to enable a mother or a father to be able to move from welfare to workfare, a good job, decent wage, affordable child care. That is not what this has been about. So I would not want to let my colleague get away with his argument about a high moral ground. I see no high moral ground in punishing children. I see no high moral ground in taking food out of the mouths of hungry children. I see no high moral ground in essentially targeting those people who are the most vulnerable, with the least amount of political clout and making them the scapegoats.

And you know what, by way of conclusion? The sad thing is that I sometimes think that part of this agenda is to essentially say to those people in our country who feel all the squeeze, middle-income people, working people, if we just bash the welfare mothers and do this and do that and make these cuts and those cuts, then the middle class will do well economically. There is no connection whatsoever.

My colleague from Texas—and I promise my other colleagues on the floor, this is my last point—keeps putting apples and oranges together. And I heard $170 billion or some figure like that being quoted as money spent on welfare. I do not know exactly what he is talking about. Is he talking about aid to families with dependent children? That is what we are debating. I guess he added food stamps. He probably had to add Medicaid to get there.

If he is talking about Medicaid, everybody understands that well over 60 percent of Medicaid is not welfare mothers, it is elderly people. Some are our parents and grandparents who at the end of their lives, because of catastrophic expenses, lost all their resources and now, because they are poor, they are eligible for Medicaid and nursing homes.

And God knows what else he lumped into this figure. So let us be accurate about this as we make these decisions.

I yield the floor.

Mr. BREAUX addressed the Chair.

The PRESIDING OFFICER. The Senator from Louisiana.

Mr. BREAUX. Mr. President, I listened to the argument for the amendment's adoption by the Senator from North Carolina.

I am sorry he is not here because I really did want to ask him questions on the amendment.

And at the risk of being a policy nerd, which I think I would hate to be called—I never want to have anyone use that term and apply it to me—however, I do have some questions in reading the amendment that I do not know how I am going to get an answer to unless the author is here or somebody who could respond to the author's intent.

As I read the amendment that was published in the RECORD by the Senator from North Carolina, it said, "A State may not use any part of the grant that they get to provide cash benefits for a child born out of wedlock to an individual who has not attained 18 years of age."

There is an exception to that prohibition, which is my question, "except that prohibition shall not apply to vouchers which are provided in lieu of cash benefits and which may be used only to pay for particular goods and services specified by the State and suitable for the care of the child that is involved."

I happen to think vouchers may be a good idea. But I do not know whether the author of the amendment is requiring vouchers or not requiring vouchers.

The bigger point that I would want to make in this argument is that, No. 1, the Senate has already spoken to this question. By a vote of, I think, 66-34, we adopted the Domenici amendment which addressed this question. And the Domenici amendment essentially said that a State may deny additional cash benefits for an additional child for a mother who has that additional child regardless of her age, whether she is 18 years old or 22 years old or what have you; that it would be a State decision to affirmatively deny additional assistance to that mother.

My whole concern about this attack on the question of illegitimacy is that they are missing the target. They are, in fact, using a sledgehammer approach, but they are using a sledgehammer to hit the wrong person.

You do not solve the problem of illegitimacy by penalizing the child. The child did not make a decision to be born. The child did not ask to be a child that is born into this world. Therefore, when you penalize the child, you are not penalizing the right person.

The reason why I think that the Work First proposal that we had put together made so much sense is that we said that the teen mother, or any mother who has a child, is going to have to be responsible for having that child. They are going to have to live in a family environment with their parent, if there is one, or they are going to have to live in an adult-supervised home to get adult supervision in carrying out their responsibilities. They are going to have to sign a contract to go to work. They are going to have to start looking for a job. They are going to have to start receiving training.

I suggest that is a far better way to address the question of illegitimacy, which is a rampant problem in this country. My State has the second-highest illegitimacy rate in the United States. Forty-some percent of the children born in Louisiana are illegitimate. That is something I think is a disaster already. It is not something waiting to happen.

The question is, How do we solve that problem? Do we penalize the child? Do we say to the mother, "There are not going to be any more funds to take care of the child"? Who does that hurt? It does not help the mother, it does not educate the mother, it does not train the mother, it does not teach the mother responsibility. It gives her less money, and less money for what? The child that did not ask to be born.

There are potential mothers, women who are pregnant, when faced with that decision take the easy way out and decide to have an abortion. That is why all the Catholic Conferences, which feel so strongly about this, have said very eloquently they oppose this type of sledgehammer approach, because many pregnant ladies faced with that choice will decide to have an abortion because they know there will not be enough money to take care of the child when it is born.

That is a very cruel proposition to a young potential mother faced with a pregnancy, many times in uncertain conditions, even if that child is wanted in the first place.

Therefore, I am very strongly opposed to any efforts in trying to attack the question of illegitimacy that goes after the child. Go after the mother. Find the father, because for every child that is born, there is a father somewhere, in many cases shirking their responsibility and running away from their responsibility.

So put provisions in the bill to go after the deadbeat father who is not recognizing his responsibility. Say to the mother having that child that "You are going to have to do something different. You are going to have to live in an adult-supervised home," or "You are going to have to live in your parents' home," or "You are going to have to sign a contract to go to work; you are going to have to enter into an agreement in order to get the training that you are going to be able to be employable."

Do everything you possibly can to the mother and the father who are responsible for the child, but heaven's sake, do not penalize the child who did not ask to be born. That is why I am so very concerned that we say there is going to be no more money for an additional child.

My goodness, we are hurting the child, not the mother, not the father who we may not even know where he is. We should be exercising greater authority to try and find the people responsible for the child and do things to them, for them, with them that educate them to be better parents.

I come from a State, as I said, that has the second-highest illegitimacy rate in the United States of America. I am not proud of that. I want to find a solution to that. I dare suggest this is not a solution. It is a sledgehammer approach, and we are using the sledgehammer to beat the child, and that is not right.

I am glad the Senator from North Carolina is here, because I kind of like the idea of vouchers, and we talked about vouchers. I guarantee you, there are some teenage mothers who, when they do get extra cash assistance, may not use that cash assistance for the benefit of the child. They may use that cash assistance in the most despicable way. They may use it to buy things which are not necessary. They may use it to feed an alcohol abuse problem or a drug problem, because we are giving them cash for that extra child. I recognize that, and I am a little concerned about that, but I want to make sure we protect the child.

The Senator in part of his amendment says that as an exception for vouchers to those mothers who have an additional child, that the vouchers would not be prohibited.

The question is, I guess, there is no requirement that a voucher be issued. In other words, if that mother has an additional child, maybe the extra amount that they would normally be entitled to would be $50. Would there be a requirement in the Senator's mind that the extra money be then given to the mother in a voucher that could only be used to buy things for that child? Or does his exception in the bill have nothing to do with the requirement of a voucher?

Given the choice—I want the Senator to respond if he can—but given the choice of saying to a mother that there is going to be no additional cash assistance and there is going to be no voucher either, I would prefer giving her the cash assistance in the hopes that because of the training and the requirements to live in an adult-supervised home or live with her parent or live with greater supervision, the money will, in fact, be used for the child. But if there is a requirement that they get a voucher to be used only for that child, I think that has some potential possibilities here.

So if anybody can respond to my question, my specific question is, does the Senator's amendment require that an additional child would receive at least a voucher in order to pay for the cost of having that additional child or not? Will the Senator comment on that?

Mr. FAIRCLOTH. Mr. President, in response to the Senator from Louisiana, yes, the State has the option to give a voucher, and it says very clearly here that in lieu of cash benefits, which may be used only to pay for particular goods and services specified by the State, suitable for the care of the child involved. So the State has the option to supply these vouchers for things that would be used especially for the needs of the child, not cutting those off.

Mr. BREAUX. I thank the Senator for that response. That is one of the questions I was trying to have answered. The problem I have is, under the Senator's amendment, a State—I certainly hope no State would ever do it—but under this amendment, it certainly could be possible, the State could say to that mother—more importantly, in my mind, to that child—that we are not going to give any additional assistance for your benefits, for your needs, nor are we going to give any vouchers for your needs to survive.

I think that is something we, as officials who are responsible for raising the money for welfare reform, asking taxpaying citizens throughout this country to pay their taxes to try and solve this problem, that we have a responsibility to see that those funds are used properly and appropriately.

One thing that I think is proper, appropriate and necessary is that we guarantee that the child is taken care of. I am concerned, in fact, I think now very clearly that under the Senator's amendment, that that is not guaranteed. The needs of the child will not be guaranteed either by a cash payment, which is very clear would be prohibited, or by the guarantee of a voucher for that child. I find that to be unacceptable.

I want to do—and I will say it again—everything we can to ensure that the parent who had that child is made to be responsible, is made to find a job, enter job training, sign a contract to go to work, live in an adult-supervised home, live with a parent, find the father somewhere, no matter where he may be or what he may be doing, and say, "You have a responsibility, and that is to the child."

It is unacceptable to me to say that we, as Federal officials, are going to use tax dollars to try and reform this system and yet not guarantee that the child will be taken care of. That is a major defect.

The Domenici amendment scares me in the sense that it clearly says that a State may deny any additional cash assistance to the child if a State so chooses to do so. I think that is less onerous than the amendment of the Senator from North Carolina.

So I hope that this amendment will be rejected.

I think that is a proper course.

AMENDMENT NO. 2592, AS MODIFIED

Mrs. BOXER. I have a number of unanimous-consent requests that I think would clear up the proceedings. First, I am going to ask unanimous consent that we return to the consideration of the Boxer amendment.

The PRESIDING OFFICER. Is there objection?

Without objection, it is so ordered.

Mrs. BOXER. Second, I ask that the Senate proceed to my modified amendment, which I cleared with the majority leader and Members on the other side, which is already at the desk.

I ask that my amendment be so modified.

The PRESIDING OFFICER. The Senator has that right.

The amendment is so modified.

The amendment (No. 2592), as modified, is as follows:

On page 302, line 4, strike "and".

On page 302, line 5, strike the end period and insert "; and".

On page 302, between lines 5 and 6, insert:

(3) payments for foster care and adoption assistance under part E of title IV of the Social Security Act for a child who would, in the absence of this section, be eligible to have such payments made on the child's behalf under such part, but only if the foster or adoptive parent or parents of such child are not noncitizens described in subsection (a).

Mrs. BOXER. I ask that I may speak for not to exceed 3 minutes on my amendment and that, after that, that will conclude all debate and that a vote on the Boxer amendment would occur immediately following a vote on Senator FAIRCLOTH's amendment without any intervening action or debate between the two.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mrs. BOXER. Mr. President, it has been a long time coming, this amendment, because we have had to work together on both sides of the aisle to make sure that everyone was comfortable with the amendment. I want to explain that modified amendment.

My colleagues, in the Dole bill there is a restriction on benefits to new legal immigrants for the first 5 years they are in this country. In other words, they are completely legal, but the Dole bill says they can get no Federal means-tested benefits.

However, there are exemptions from these restrictions in the Dole bill on certain benefits, such as emergency medical care and immunizations.

The one exemption that is not in the Dole bill is an exemption for foster care and adoption assistance programs. What that really means, in plain English, Mr. President, is that if a legal immigrant child, a child who is here completely legally, is abused or neglected, and the court says that child must be protected, unless we do this fix that I have in this amendment, that child would not be eligible for the title IV-E foster care or adoption assistance program.

What we did on both sides of the aisle is work with the language to ensure that those children would be treated exactly like citizen children if they are in a situation where they are abused or neglected in that 5-year period.

It is important to note that Federal funding goes to the adopting families and the foster families under rules that govern that program and certification requirements that are set by the State.

But the fact is, if we do not pass the Boxer amendment, then kids who are brutalized in families may well continue to be brutalized because there is really not enough funds to help them get adopted or go into foster homes, or the burden could fall entirely on the State or the locality.

So I am very pleased that Senators from the other side worked with me on this, that their staffs worked with me on it most diligently, and that we have reached an agreement. I am sure that none of us would want to abandon a child who was brutalized because we made an oversight.

Mr. President, I am finished with my remarks. I hope we will pass this amendment with a strong bipartisan vote. I want to thank Senator MOYNIHAN of New York for helping me with this amendment and, again, the Senators on the other side, Senator NICKLES, and Senator SANTORUM, who helped me work out the details of this amendment.

I yield the time back and look forward to a very positive vote on this amendment immediately following the vote on the Faircloth amendment.

I yield the floor.

The PRESIDING OFFICER (Mr. GREGG). Under the previous order, the vote will be delayed.

VOTE ON AMENDMENT NO. 2603

The PRESIDING OFFICER. Is there further debate on the Faircloth amendment? If not, the question is on agreeing to the amendment.

The yeas and nays have been ordered. The clerk will call the roll.

The assistant legislative clerk called the roll.

The PRESIDING OFFICER (Mr. THOMAS). Are there any other Senators in the Chamber desiring to vote?

The result was announced—yeas 24, nays 76, as follows:

[Rollcall Vote No. 419 Leg.]

YEAS—24

Abraham
Ashcroft
Brown
Byrd
Cochran
Craig
Faircloth
Frist
Gramm
Grams
Helms
Hutchison
Inhofe
Kempthorne
Kyl
Lott
McCain
McConnell
Nickles
Santorum
Shelby
Smith
Thompson
Thurmond

NAYS—76

Akaka
Baucus
Bennett
Biden
Bingaman
Bond
Boxer
Bradley
Breaux
Bryan
Bumpers
Burns
Campbell
Chafee
Coats
Cohen
Conrad
Coverdell
D'Amato
Daschle
DeWine
Dodd
Dole
Domenici
Dorgan
Exon
Feingold
Feinstein
Ford
Glenn
Gorton
Graham
Grassley
Gregg
Harkin
Hatch
Hatfield
Heflin
Hollings
Inouye
Jeffords
Johnston
Kassebaum
Kennedy
Kerrey
Kerry
Kohl
Lautenberg
Leahy
Levin
Lieberman
Lugar
Mack
Mikulski
Moseley-Braun
Moynihan
Murkowski
Murray
Nunn
Packwood
Pell
Pressler
Pryor
Reid
Robb
Rockefeller
Roth
Sarbanes
Simon
Simpson
Snowe
Specter
Stevens
Thomas
Warner
Wellstone

So the amendment (No. 2603) was rejected.

VOTE ON AMENDMENT NO. 2592, AS MODIFIED

The PRESIDING OFFICER. Under the previous order, the question occurs on amendment No. 2592, as modified.

Mr. FORD. May we have order, Mr. President?

The PRESIDING OFFICER. The Senate will come to order. The Senate will come to order.

The question is on agreeing to the Boxer amendment, as modified. The yeas and nays have been ordered.

The clerk will call the roll.

The legislative clerk called the roll.

The result was announced, yeas 100, nays 0, as follows:

[Rollcall Vote No. 420 Leg.]

YEAS—100

Abraham
Akaka
Ashcroft
Baucus
Bennett
Biden
Bingaman
Bond
Boxer
Bradley
Breaux
Brown
Bryan
Bumpers
Burns
Byrd
Campbell
Chafee
Coats
Cochran
Cohen
Conrad
Coverdell
Craig
D'Amato
Daschle
DeWine
Dodd
Dole
Domenici
Dorgan
Exon
Faircloth
Feingold
Feinstein
Ford
Frist
Glenn
Gorton
Graham
Gramm
Grams
Grassley
Gregg
Harkin
Hatch
Hatfield
Heflin
Helms
Hollings
Hutchison
Inhofe
Inouye
Jeffords
Johnston
Kassebaum
Kempthorne
Kennedy
Kerrey
Kerry
Kohl
Kyl
Lautenberg
Leahy
Levin
Lieberman
Lott
Lugar
Mack
McCain
McConnell
Mikulski
Moseley-Braun
Moynihan
Murkowski
Murray
Nickles
Nunn
Packwood
Pell
Pressler
Pryor
Reid
Robb
Rockefeller
Roth
Santorum
Sarbanes
Shelby
Simon
Simpson
Smith
Snowe
Specter
Stevens
Thomas
Thompson
Thurmond
Warner
Wellstone

So, the amendment (No. 2592), as modified, was agreed to.

Mr. GRASSLEY. I move to reconsider the vote.

Mrs. BOXER. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. GRASSLEY addressed the Chair.

The PRESIDING OFFICER (Mr. THOMPSON). The Senator from Iowa.

Mr. GRASSLEY. I take the floor to ask unanimous consent for our majority leader.

I ask unanimous consent that the cloture vote scheduled to occur this evening be postponed to occur at any time to be determined by the majority leader after consultation with the Democratic leader.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. GRASSLEY. Mr. President, under our order of doing business here—we just finished a Democratic amendment; the Boxer amendment—it would now be our desire to go to the amendment by the Senator from Maine.

Mr. COHEN addressed the Chair.

The PRESIDING OFFICER. The Senator from Maine.

AMENDMENT NO. 2586

Mr. COHEN. Mr. President, I ask unanimous consent to proceed to amendment No. 2586.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ASHCROFT. Mr. President, reserving the right to object. A point of order. The amendment of the Senator from Maine seeks to strike the proposal in two separate places, and, as a result, I believe it is out of order.

The PRESIDING OFFICER. The amendment has yet to be called up. The point of order would not lie until the amendment is called up.

The clerk will report.

The legislative clerk read as follows:

The Senator from Maine [Mr. COHEN] proposes an amendment numbered 2586. In section 102(c) of the amendment, insert "so long as the programs are implemented consistent with the Establishment Clause of the United States Constitution" after "subsection (a)(2)."

In section 102(d)(2) of the amendment, strike subparagraph (B), and redesignate subparagraph (C) as subparagraph (B).

Mr. COHEN addressed the Chair.

The PRESIDING OFFICER. The Senator from Maine.

Mr. COHEN. Mr. President, as was just read by the clerk, there are two portions to this amendment.

The first part of the amendment would provide that religious organizations may participate in our welfare program, which we want them to do, so long as they comply with the establishment clause of the Constitution. We want to encourage churches and other religious organizations to become actively involved in our welfare process. We want them to do so, however, consistent with the first amendment.

That amendment requires the Government to navigate a very narrow channel when it provides funding to religious organizations. On the one hand, we have the free exercise clause, which prohibits a government from being overtly hostile to religious institutions or organizations. Then on the other hand we have the establishment clause, which limits the extent to which the Government can actually sponsor religious activities.

The intersection of these two separate constitutional commands, I think, is implicated by section 102 of the welfare reform bill, which allows the States to contract with religious organizations to provide welfare services. This provision protects religious organizations from religious-based discrimination. And I think the authors ought to be commended. We, as I said before, want to encourage religious organizations to participate in welfare programs.

But, in my judgment, the bill in its current form does too little to restrain religious organizations from using Federal funds to promote a religious message. My amendment would, I believe, remedy this defect. It would ensure that States have the flexibility to implement welfare programs in a manner consistent with the religion clauses of the first amendment so we neither prohibit nor promote. And that is the balance that has to be struck.

The first part of this amendment simply says that we want to encourage the States to contract with religious institutions or organizations to provide welfare services, but we want to do so consistent with the establishment clause. Now, I think there would be very little debate, indeed any division, with respect to this particular language.

The second part of the amendment—and Mr. President, I will ask for a division of the amendment before the point of order is raised. I ask my amendment be divided into two parts.

The PRESIDING OFFICER. The Senator has a right to have the amendment divided. It is divided.

Mr. COHEN. Mr. President, the second part of the amendment is intended to make it easier for the States to comply with its constitutional duties. The bill currently prohibits the States from requiring religious organizations to establish separate corporate entities to administer welfare programs. My amendment would strike the Federal mandate.

Mr. President, under the bill as drafted, there is a prohibition under part 102(d)(2). It says that neither the Federal Government nor a State shall require a religious organization (A) to alter its internal government—we certainly do not want that—or (B) to form a separate nonprofit corporation to receive and administer the assistance funded under a program described in this subsection solely on the basis that it is a religious organization.

Essentially what is done by the bill language is to impose a Federal mandate upon the States saying neither the Federal Government nor any State can, in fact, require a religious organization to form a separate nonprofit corporation in order to receive funds under this act.

Now, Mr. President, over the years the Supreme Court has had to pass upon a variety of cases and they must be examined on an individual basis. In some circumstances, the courts have ruled that the religious organization administering Federal funds is so—the words they use are—"permeated with a sectarian influence" that their receipt of Government funding violates the first amendment.

What I want to do is to encourage religious organizations to become involved in our welfare system. But if we leave the language in the bill, it is going to actually have the reverse effect. It is going to discourage churches from getting contracts to help in our welfare system because the State is going to be precluded from asking the religious organizations to set up a separate, nonprofit corporation to receive the money and administer the programs outside an atmosphere that is permeated with religious overtones.

If the bill stands as currently written, it is going to have just the opposite effect its authors desire. States are not going to want to walk into a lawsuit by the ACLU or any other group that will challenge the program as being violative of the first amendment. So the whole purpose in our trying to encourage religious organizations to participate in welfare programs is going to be defeated. The threat of a lawsuit will discourage States from including religious organizations in their welfare programs.

So the purpose that I have in mind is to strike part (B), which would prohibit the Federal Government or the State from requiring a religious organization to set up a separate nonprofit corporation.

It may not be necessary for a religious organization to set up a separate entity in each and every occasion. The State might decide that this particular religious organization is structured in such a way that it is not permeated with sectarian overtones, as such. A State may decide "we do not have to require a nonprofit corporation here." But the bill says, under no circumstances can the Federal Government or any State require that one be set up.

So I suggest to my colleagues that we are, in fact, engaged in a self-defeating process. We are going to encourage churches and other religious organizations to become involved in the welfare system, but we are going to use language which will, in fact, serve as a disincentive for States to contract with them.

Mr. President, I hope, following the debate, that we will have an opportunity to vote seriatim; first on part 1, on which I think there should be no disagreement, and then on part 2 of the amendment, which would strike the Federal mandate that prohibits any State from choosing to require a religious organization in receipt of Federal funds to form a separate nonprofit corporation.

I think that it is in the best interest of those who want to encourage religious institutions and organizations to become involved to agree to the amendment. Obviously, there is some disagreement on that issue.

I yield the floor at this time.

Mr. CHAFEE. I wonder if the Senator will yield for a question.

Mr. COHEN. I yield.

Mr. CHAFEE. Under the proposal of the distinguished Senator from Maine, if in our State we were nervous about the constitutionality of dealing with the church directly without this religious corporation, then under the Senator's amendment, the State could ensure itself it was on safe ground by requiring that there be such a corporation, and then when the State dealt with it, they would know that they were absolutely safe from lawsuits and all the problems that possibly could arise.

Mr. COHEN. The Senator is correct. What my amendment would do would be to allow the State to decide, in looking at a particular organization—they look at the circumstances, they look at the environment, they look at the entire structure—to say, "We are satisfied that there is no need to set up a separate nonprofit corporation to administer these funds and, therefore, we are not making that requirement for this particular organization."

On the other hand, they may see an organization is so structured that it is, in fact, permeated with sectarianism, as such, and the language of the Supreme Court rulings require that a separate nonprofit corporation be established before the organization can receive Federal funds.

If we do not strike this particular section, it seems to me what the State is going to do is to protect itself, to not deal with that particular organization and, therefore, we will not achieve the very goal we are trying to do: to get more churches and religious institutions involved in our welfare system.

I suggest to my colleague that if we leave that language as it is currently written, it will be very self-defeating and the State will be reluctant to engage in contracting out with religious organizations.

Mr. CHAFEE. Just one more question of the Senator. It seems to me what the Senator is proposing is giving the States flexibility; the State does not have to require it but could.

Mr. COHEN. It could.

Mr. CHAFEE. So, therefore, if the whole goal of this bill, often reiterated, is greater flexibility to the States, that this is what the Senator's amendment does. And if the State does not choose to require a nonprofit corporation, then that is the State's business.

Mr. COHEN. The Senator is entirely correct. Let me quote briefly from the case Bowen versus Kendrick, decided in 1988. We have Chief Justice Rehnquist, and Justices Kennedy, Scalia, White and O'Connor in a 5 to 4 decision. The language is:

> We have always been careful to ensure that direct Government aid to religiously affiliated institutions does not have the primary effect of advancing religion. One way in which direct Government aid might have that effect is if aid flows to institutions that are "pervasively sectarian."
>
> We have invalidated an aid program on the grounds that there was a "substantial" risk that the aid to these religious institutions would, knowingly or unknowingly, result in religious indoctrination.

The Court also noted that whether an organization has "explicit corporate ties to a particular religious faith and by-laws or policies that prohibit any deviation from religious doctrine" is a "factor relevant to the determination of whether an institution is 'pervasively sectarian.'"

So the Court is saying that it is going to look at the circumstances individually and make a determination. If you bar a State from requiring a separate corporate entity to be formed, what you are doing is sending forth a very chilling message: "If you undertake to contract out with a church or religious organization under these circumstances, you are going to invite a constitutional challenge." Therefore, I would imagine the Governor of a State would say, "Let's just not contract out with this particular religious organization. We'll avoid the problem. We don't need any more lawsuits. We don't need to be in the Supreme Court."

I say to my friend, the best way we ensure to get the churches and religious organizations into our welfare system is to strike the language that would mandate that no State could ever require, under any circumstances, the formation of a separate nonprofit corporation.

Mr. CHAFEE. I was interested in that Supreme Court case the Senator quoted. Was that Judge Scalia who joined in that opinion?

Mr. COHEN. Judge Scalia did join in the opinion. It was written by Chief Justice Rehnquist and joined by Justice Kennedy, Justice Scalia, Justice White and Justice O'Connor.

Mr. CHAFEE. I do not think Justice Scalia is looked upon as a dangerous liberal on that Court.

Mr. COHEN. If I could add one other factor. We have Rosenberger versus University of Virginia, a case decided just last spring. Justice O'Connor, who cast the fifth and deciding vote, wrote a separate concurrence. Here is some straightforward language from her opinion:

> There exists an axiom in the history and precedent of the Establishment Clause, public funds may not be used to endorse a religious message.

That is what the Court is looking for, whether public funds are being used to endorse a religious message. If a State finds that a religious organization is not structured in such a fashion, that it is not, in fact, promoting religion either directly or indirectly, then there is not a problem. But if a State is persuaded that an organization is so permeated with a sectarian influence, then it is going to require that a separate corporation handle the funds. It seems to me that we ought to give the States that flexibility, and if you do not give them that flexibility, it means they are not going to contract out with religious organizations.

Mr. CHAFEE. I could well see the situation where in our State, for example, the attorney general might advise the Governor, "Don't get into these kind of contracts."

As it exists now, you have no option but to deal with the church because the bill, as I understand it is written, forbids these nonprofit corporations from being set up.

Mr. COHEN. It prohibits either the Federal Government or the State from requiring a religious organization to form a separate nonprofit corporation to receive and administer the funds.

Mr. CHAFEE. So you could get a situation where the attorney general advises the Governor, "Don't make that kind of a deal because we are going to end up in court, so just forget it."

Mr. COHEN. That is right.

Mr. CHAFEE. The Senator's point is a good one. If we are trying to encourage the churches to come into this, use their facilities which they have available for day care and other forms of assistance, I think the Senator's amendment makes a lot of sense.

Mr. COHEN. I thank the Senator.

Mr. ASHCROFT. Will the Senator yield?

Mr. MOYNIHAN addressed the Chair.

Mr. MOYNIHAN. I am sorry. I wanted to speak. The Senator was on the floor.

Mr. COHEN. I yield the floor.

The PRESIDING OFFICER (Ms. SNOWE). The Senator from Missouri.

Mr. ASHCROFT. Madam President, I ask if the Senator from Maine will yield for a question?

Mr. COHEN. Yes.

Mr. ASHCROFT. I heard the Senator from Rhode Island ask him if a State were allowed to require the formation of a separate corporate entity, that would guarantee the State immunity from suit based on grounds of the infraction of the first amendment. Is that the Senator's position?

Mr. COHEN. I think what the Senator from Rhode Island was saying is, if the State, in looking at the situation, comes to the conclusion that requiring a separate nonprofit corporation will insulate the State against a lawsuit for violating the first amendment, that the State would be willing to contract with the religious organization to provide welfare services. My amendment gives the State flexibility to make that judgment rather than issuing a mandate. I know that the Senator from Missouri is concerned, and I appreciate his concern.

Mr. ASHCROFT. I want to know if the position of the Senator from Maine is that by virtue of requiring the formation of one or another, that you have a determination about whether or not something violates the first amendment.

Mr. COHEN. No. The answer to that directly is no.

Mr. ASHCROFT. So the Senator from Maine does not allege that this provision would provide any guarantee. I thought I misunderstood. I thought I heard the Senator from Maine tell the Senator from Rhode Island that such a guarantee would be in effect.

Mr. COHEN. If I said that, I misspoke, because there is no guarantee under any of these cases. You can always end up in court. I think what the Senator from Rhode Island was saying is that the likelihood of a challenge on the basis of the Establishment Clause is less likely by virtue of setting up such a corporation.

You minimize the challenge by creating a separate corporate entity that is not going to be so heavily influenced or permeated with sectarianism that the court is going to prohibit it from receiving government funding. But each case is decided on an individual basis. As we have discussed, it is not the language of the bill, but it is the structure of the organization, that is scrutinized on an individual basis to determine whether or not that organization is permeated with religious overtones.

Mr. ASHCROFT. Who makes that decision?

Mr. COHEN. Ultimately, only the court.

Mr. ASHCROFT. So it is up to the court to decide——

Mr. COHEN. Yes.

Mr. ASHCROFT. Whether an organization is so permeated with sectarian purpose as to be ineligible to participate in a governmental purpose.

Mr. COHEN. That is right.

Mr. ASHCROFT. It is the position of the Senator from Maine that that was decided in Bowen versus Kendrick, and a long line of cases?

Mr. COHEN. Exactly right.

Mr. ASHCROFT. I thank the Senator.

Mr. MOYNIHAN. Madam President, I rise in fervent support of the proposal by the Senator from Maine. It seems to me to anticipate difficulties which can be readily resolved if they are in fact anticipated. It is clear that the Senate understood what it was doing and indeed provided additional language to resolve issues that might arise.

I do not want, in any way, to complicate matters, but I would like to state that it is a matter of record—or so I believe—that the establishment clause has come into play in areas such as the ones we are dealing with only quite recently—only in the 20th century. I believe it was not until the 20th century that the Court held that public aid to religious schools was unconstitutional. Indeed, I think it may only be in the second half of the 20th century.

I note for the first—the longest—century of the Constitution, it was assumed otherwise. President Grant, contemplating running for a third term, addressed a meeting or a gathering—or an encampment of the Army, I think they would have said, of the Tennessee, which was held out in Iowa, and proposed a constitutional amendment that would prohibit aid to Catholic schools. It would not have said Catholic per se.

Mr. COHEN. I would have to check with Senator THURMOND to verify that.

Mr. MOYNIHAN. Yes, Senator THURMOND would know. But it was assumed that it was constitutional. He thought it would be an issue to make it unconstitutional. It took another 80 years for the Court to find that it was in there all along. I think you can read that clause. It says simply: "Congress shall make no law respecting the establishment of religion."

The Church of England is an established church. There were established churches in most of the colonies. I may be mistaken and probably am. I think several colonies had several established churches. That means public moneys go to the maintenance of the clergy and of the houses of worship. It was never, in any way, thought that you could not have parochial schools receive public moneys. They did in New York, until the 1920's when, under an informal arrangement whereby State-owned lands in the western part of the State—and I suspect Maine has the same arrangement—were sold for different purposes and used. It was a decentralized situation, and I regret to say—meaning no discredit and hoping not, in any way, to offend anybody—the Baptists were found to be padding their payrolls. So reform had to take place. Albany took over the disbursement of these funds. They were called public schools.

The issue arose as to what Bible would be used, and, of course, the majority wanted a King James Bible and the Catholics wanted a Bible of their own, and so the Catholic schools commenced their independent existence to this day. But the term "public school," or "PS" in the way of usage in Manhattan, comes from that point.

I just hope these comments—I cannot expect them to carry great weight across the lawn to our former neighbors in the Court, but it is a fact that the establishment clause contemplated a form of Government-supported religious institutions. That was normal in most of the world then and had nothing to do with day care centers, or halfway houses, or orphanages, or schools the way it may today.

So I think the Senator has a powerful point, a useful measure, and I thank him for being patient with my not necessarily precisely accurate recollection.

Mr. ASHCROFT. Madam President, I rise in support of the Dole amendment and in opposition to the amendment proposed by the Senator from Maine. The Senator from Maine suggests that States should make determinations about whether there should be another hurdle over which nongovernmental, private institutions, religious in character, have to crawl in order to be participants in helping solve this major challenge to our society and culture. In doing so, it would place a hurdle in their path that is placed in the path of no other organization, in terms of their eligibility to help solve this problem.

Strangely enough, this hurdle is placed in the path of some of the institutions that have the very best record at helping solve the problem. It is suggested that placement of this hurdle in the path is necessary to protect States and localities from lawsuits. But the truth of the matter is that nothing can protect anyone from a lawsuit relating to the constitutionality or lack of constitutionality of a statute or a public program, other than a constitutional amendment, which is explicit in its authorization. But still you run the risk of litigation.

It would be interesting, or perhaps maybe easier to understand this if what we were asking for here was unprecedented or had not been already enacted in other parts of the law. But I hold in my hand a report to the Congress for fiscal year 1994 of the Refugee Resettlement Program, which provides four grants directly to religious organizations for dispensing cash benefits. I could read a list of many, many such organizations that are involved in doing it.

As a matter of fact, many of those who are in this Senate today voted in favor of this program in 1980 when the Refugee Resettlement Program was enacted and asked that there be no special safeguard against the ability of religious, nongovernmental, not-for-profit organizations to assist with refugees. We would not want to end up with the anomalous situation of requiring churches to go over special barriers when providing services to welfare recipients in the United States, while not requiring them to go over the same barriers when helping refugees and others.

Similarly, the Adolescent Family Life Act, which was tested in the case of Bowen versus Kendrick, provides funds to public and private counseling agencies that counsel teenagers on matters of premarital sexual relations and pregnancy.

The act expressly provided that religious not-for-profit organizations were to be considered as eligible. In that case the Court held that the act did not on its face violate the establishment clause.

As a matter of fact, the Dole bill as it is currently constituted here and is before the Senate, has special protections in it—protections against proselytization, protections for individuals so if they are offended by having to go to a religious organization to receive a benefit, that the benefit can be provided in another setting rather than in the setting of the religious organization.

It also provides protections for the churches so that the churches can know they do not lose their ability to hire of like faith, and be associated with employees whose belief and character is consistent with the values for which the institution stands.

What we have here is an amendment which seeks to carve out a special category for welfare reform which does not exist in other parts of the laws.

The report to the Congress of the refugee resettlement program provides a list of dozens of organizations which receive help including churches, help that they pass on to the refugees without this kind of problem. There has not been a great problem in any respect, as a matter of fact, with the alleged unconstitutionality.

So we have a situation where we have those institutions in our culture and society with the very best track record of solving the problems of the welfare puzzle. We will say to them, you have to go to the added expense, you have to form a separate organization, you will have to lose some of the protections you have as a church, your ability to hire people that have values consistent with yours, that have a belief structure that is consistent with yours, you will have to forfeit all that in order to have this opportunity to participate in solving this problem which you have probably been working pretty aggressively to solve on your own. We would be well served as a Nation if these institutions would help us in the solution of this problem.

I think that is the challenge which is before the Senate. The question is whether or not we will continue to throw barriers in the path of the organizations which can help us substantially in solving this problem.

Now, we have tried the singular Washington one-size-fits-all remedy for a long time in welfare. We have seen what happens. We have watched the roles of those in poverty swell. We have watched the percentage of children in poverty in our country grow.

So when it comes time to try and extend ourselves to find a real solution to this problem and to borrow some of the solutions that the refugee resettlement program has used and to borrow some of the solutions to the problem that have been found in other recent legislation like the Adolescent Family Life Act, all of a sudden we hear the old bugaboos about needing to have special requirements for the religious organizations. Requirements that will make them second-class citizens, that will force them to go through the burden of setting up separate organizations.

Those who proposed the amendment and support it indicate there will be a tremendous fear on the part of agencies who might otherwise contract with the separate organizations.

Nothing in this bill would stop a religious organization from setting up a separate organization. Nothing would prohibit it. Nothing would change its option.

The only real mandate that we have in the Dole bill is that churches would be placed on a level playing field with other non-governmental institutions, that we would stop tossing barriers and prejudicial conditions in the paths of the religious institutions that wanted to help.

I need to try and make it as clear as I possibly can that I cannot endow the churches with rights to do things that they do not have a right to do under the Constitution, and neither can this body. I would not want to.

I believe that the States should not support the church, that the church should be separate from the State. But I believe that when organizations including religious organizations have the track record of helping move people from welfare to work, from indolence to industry, from a situation where they are kept in poverty to a situation where they have independence, I think for us to place undue burdens in their pathway is unfair, and not only is it unfair but it is inappropriate.

Why we should single out the community of faith in the United States of America and say that for that community there are special requirements that do not inure to other individuals in other parts of our culture and say they are second-class citizens and they are ineligible, is beyond me.

The courts have not said so. Previous enactments of the Senate have not said so, whether you are talking about the refugee resettlement program or whether you are talking about the Adolescent Family Life Act.

In previous efforts to deal with problems like this, the Congress in the Stewart P. McKinney Homeless Assistance Act sought to provide emergency shelter grant programs that would allow those programs to go to religious nonprofit organizations.

What we really ask for is that there be a level playing field here, not for the benefit of the organizations but for the benefit of a country that desperately needs help in breaking the cycle of dependence, breaking the cycle of poverty, and helping people move out of that welfare setting into a setting of work and industry.

I think it is inappropriate to place between those organizations and the opportunity to participate barriers which will slow their ability rather than grow their ability to be a part of the solution.

I think we need to emulate programs that can be found in virtually every city in America, programs which now are totally distinct and separate. Obviously, many of them fear involvement with governmental entities. We need to invite them to the table, not to proselytize, but to say we are interested in having their help.

The Dole bill guarantees that no one is to be proselytized. It guarantees that no one can be forced to confess or otherwise subscribe to a faith to get a benefit. It says that no money can be used for purposes of propagating the faith. It says churches, however, do not have to become sterile institutions that are nameless and faithless. The Salvation Army would not have to take the word "salvation" out of its title in order to participate in the program. It would not have to hire people whose beliefs and whose value structure are a threat to the character and the doctrine of the Salvation Army itself.

I believe that the bill as it stands is an invitation for help. It is an invitation which does not threaten the religious liberties of individuals. It does not prohibit churches or other nongovernmental religious organizations that are nonprofit from setting up separate organizations. But it simply would not allow the Government to impose upon them a requirement which is imposed upon no other organization, no other set of institutions in this country.

It does not label religious organizations who come to the table as participants for reconciliation and resolution of the welfare problem as second-class citizens, but it does say there are limits to what they can do.

It requires that they keep an accounting of the funds they receive from the Government. It requires that they follow and observe rules of how the funding must be spent. But it protects them from an invasive Government which might otherwise improperly seek to influence their belief structure or the way in which they conduct worship or engage in their activities.

The Dole bill on this matter is a balanced bill. To require or to promote the requiring of an additional hurdle over which these religious organizations would have to go when that is not required for anyone else would be manifestly unfair, and in my judgment it would be counterproductive.

I want to indicate that I do not have any objection to the first amendment proposed by the Senator from Maine to add to the bill the language that we will operate in a way that is consistent with the establishment clause of the Constitution of the United States. That is fine with me. When I took my oath, in every job that I have had for quite some time, I have sworn to uphold the Constitution, and I think that is part and parcel of what we do here. And I have no objection to that. I would be happy to agree to that. Since this item has been separated, we might avoid a vote on that.

But on the second item, I urge my colleagues not to place in the path of well-meaning religious, nonprofit organizations the requirement that there be the opportunity for States to have them go over major hurdles and expenses and forfeit opportunities to protect the organization from improper intrusion by Government by accepting this amendment. So I oppose this amendment and urge my colleagues to oppose the amendment.

The PRESIDING OFFICER. The Senator from Indiana.

Mr. COATS. Madam President, I rise to support the statements made by the Senator from Missouri with some reluctance, because I understand the Senator from Maine is essentially attempting to accomplish the same end as the Senator from Missouri, coming at it from different sides of the equation.

He spoke earlier about the extraordinary importance and effectiveness of the role of religious organizations and faith-based organizations in dealing with questions of welfare, poverty alleviation, poverty prevention and some of the social dislocations that exist in our country. Clearly, an examination, or even a cursory analysis of the effectiveness of those programs vis-a-vis Government programs, shows an extraordinary gap between the two. The religious organizations' programs have elements of care, elements of lower cost, elements of effectiveness that Government programs simply have not been able to match. So I think all of us recognize that and want to encourage their role in dealing with some of these seemingly intractable social problems.

I, like the Senator from Missouri, certainly have no problem with the first half of the amendment of the Senator from Maine regarding the establishment clause. I think that is proper.

But, as to the provision which removes the prohibition against States requiring the establishment of separate, nonsectarian operations by religious organizations, I think clearly—

while the intent of the Senator from Maine is not to have unwanted State discrimination against those institutions, that very likely could be the result. The practical effect of all of that is, I believe, going to discourage, if not eliminate, most of the organizations from participating in these programs.

It is the ability to bring some semblance of their sectarian nature to addressing the problem that results in the effectiveness of dealing with the problem. To remove that and subject them to what may be a discriminatory—at least a test of absolute separation from the very basis underlying their program, I think defeats the program.

For that reason I urge my colleagues to support the amendment of the Senator from Missouri and oppose the amendment of the Senator from Maine.

The PRESIDING OFFICER. The Senator from Maine.

Mr. COHEN. Madam President, let me offer a few more comments. I do not know that any other Members are coming to the floor to debate this issue or whether we should move to a vote relatively soon. I have not had any requests for further debate on this side.

Mr. MOYNIHAN. Madam President, if I may, I do not see any Senators seeking recognition, nor have I been told of any.

We have no requests for speakers on this side.

Mr. COHEN. Let me, then, just conclude if I could. Then perhaps my colleague might have some other comments to offer.

We are seeking essentially the same goal. That is, namely, to involve our religious organizations in helping out in the distribution of funds in our welfare program. My concern has been that the first amendment may very well be violated if, in fact, we have religious organizations—using the words, once again, of the Supreme Court—that are so permeated with sectarianism that the Court would find that providing them with government funding violates the Establishment Clause.

I by no means have suggested that churches or any other religious organizations are second-class citizens. Quite to the contrary, they are first-class citizens and they do first-class work. They are great humanitarians and we need them desperately in the entire effort in our welfare system.

Second, they are well-meaning people. We do not want to punish well-meaning people. I come back to the Supreme Court's language in Rosenberger versus University of Virginia:

> There exists an axiom in the history and precedent of the Establishment Clause, public funds may not be used to endorse a religious message.

So the question then becomes, would the atmosphere in that particular religious organization be so permeated with sectarianism that it seeks to promote and endorse a religious message which would then be subject to attack by a lawsuit? Let me just suggest some of the arguments that could be raised if this language remains in the bill.

First of all, under the bill, religious organizations are permitted to discriminate when hiring persons to provide welfare services with Federal funds. Right now we allow religious organizations to discriminate on the basis of religious affiliation when they hire people. We accept that. We may have a Catholic Church that wishes to hire only those of the Catholic faith. We may have a Jewish synagogue that wants only those of the Jewish faith; or Mormons, that want employees of the Mormon faith.

Here, however, we go one step further and permit religious organizations to discriminate when employing persons to provide welfare services with Federal funds. Is that going to be a dispositive factor? I do not know. It may be one factor a court would take into account. We have no way of gauging that now.

Under the bill, however, we go one step further and say we prohibit States from requiring religious organizations from establishing separate nonprofit public entities, another factor that would be argued in all likelihood.

We require that organizations providing welfare services be allowed to have religious symbols on their walls and that they not be required to remove religious icons, scriptures, or symbols.

Whether the totality of that atmosphere would amount to a permeation of a sectarian message, I do not know. Only the court will decide.

What seems clear to me, however, is that a State might very well decide not to contract out with such a religious organization in order to avoid a lawsuit. No State can avoid a lawsuit—I think the Senator from Missouri is quite correct— we can do nothing short of a constitutional amendment, and even then it will be subject to a lawsuit for interpretation. But a State might very well be reluctant to draw in religious organizations under these circumstances.

So I suggest to my colleagues, one way to avoid the very thing that we are professing we want most—that is, to draw more people in, to draw the organizations in—is to push them away by virtue of the language contained in the Dole bill. So we have the same objective.

I simply point out, in the Bowen versus Kendrick, which both of us have cited, the Court noted that even when the statute appears to be neutral on its face:

> We have always been careful to ensure that direct government aid to religiously affiliated institutions does not have a primary effect of advancing religion. One way in which direct government aid might have that effect is if the aid flows to institutions that are "pervasively sectarian."

I might point out that the court, in ruling in this case, upheld the facial validity of the statute. The Justices then sent it back down to the trial court to see if in application the funds were distributed in an unconstitutional manner.

So we had the very situation which we are likely to see replicated time and time again in the future. One way to avoid that situation is to strike section 102(d)(2)(B).

So I want to commend my colleague from Missouri. I think that he and I have the same objective. He believes that by leaving that language in, it will certainly not discriminate against the institutions, and that is correct. My view is it will, in fact, cause the State to discriminate in an adverse way, and that is not to contract with those various institutions which we want to be part of the system.

Mr. MOYNIHAN. Mr. President, as we prepare to vote, may I just hold the Senate for just a moment to read a passage from the message to the legislature by Gov. William H. Seward in New York State in 1840. Governor Seward went on to a distinguished career here in Washington, and we have Alaska, among other things, to thank him for.

He said:

> The children of foreigners, found in great numbers in our populous cities and towns, and in the vicinity of our public works, are too often deprived of the advantages of our system of public education, in consequence of prejudices arising from difference of language or religion. It ought never to be forgotten that the public welfare is as deeply concerned in their education as in that of our own children. I do not hesitate, therefore, to recommend the establishment of schools in which they may be instructed by teachers speaking the same language with themselves and professing the same faith.

Governor Seward was from Auburn, NY, far away from those foreigners, and, as a matter of fact, if you would like to know the fact, those were Irish. And they did not speak English. They spoke Gaelic. But the idea that they had a right to public school was very clear to people, and very close to the Constitution.

Just for purposes of innocent merriment and the possible instruction of the Honorable Justices of the Court, I would like to ask unanimous consent that, and a few succeeding paragraphs, be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

> This situation prompted the Whig Governor William H. Seward to make this proposal to the legislature in his message for 1840:
>
> "The children of foreigners, found in great numbers in our populous cities and towns, and in the vicinity of our public works, are too often deprived of the advantages of our system of public education, in consequence of prejudices arising from difference of language or religion. It ought never to be forgotten that the public welfare is as deeply

concerned in their education as in that of our own children. I do not hesitate, therefore, to recommend the establishment of schools in which they may be instructed by teachers speaking the same language with themselves and professing the same faith."

Instead of waiting for the rural, upstate legislature to ponder and act upon this proposal of an upstate Whig governor, the Catholics in the city immediately began clamoring for a share of public education funds.[44] The Common Council declined on grounds that this would be unconstitutional. In October, 1840, the Bishop himself appeared before the Council, even offering to place the parochial schools under the supervision of the Public School Society in return for public aid. When he was turned down, tempers began to rise.

In April, 1841, Seward's Secretary of State John C. Spencer, *ex officio* superintendent of public schools, submitted a report on the issue to the State Senate. This was a state paper of the first quality, drafted by an authority on the laws of New York State (who was also de Tocqueville's American editor). Spencer began by assuming the essential justice of the Catholic request for aid to their schools:

"It can scarcely be necessary to say that the founders of these schools, and those who wish to establish others, have absolute rights to the benefits of a common burthen; and that any system which deprives them of their just share in the application of a common and public fund, must be justified, if at all, by a necessity which demands the sacrifice of individual rights, for the accomplishment of a social benefit of paramount importance. It is presumed no such necessity can be urged in the present instance."

To those who feared use of public funds for sectarian purposes, Spencer replied that all instruction is in some ways sectarian: "No books can be found, no reading lessons can be selected, which do not contain more or less of some principles of religious faith, either directly avowed, or indirectly assumed." The activities of the Public School Society were no exception to this rule: "Even the moderate degree of religious instruction which the Public School Society imparts, must therefore be sectarian; that is, it must favor one set of opinions in opposition to another, or others; and it is believed that this always will be the result, in any course of education that the wit of man can devise." As for avoiding sectarianism by abolishing religious instruction altogether, "On the contrary, it would be in itself sectarian; because it would be consonant to the views of a peculiar class, and opposed to the opinions of other classes."

Spencer proposed to take advantage of the diversity of opinion by a form of local option. He suggested that the direction of the New York City school system be turned over to a board of elected school commissioners which would establish and maintain general standards, while leaving religious matters to the trustees of the individual schools, the assumption being that those sectarians who so wished would proceed to establish their own schools.

"A rivalry may, and probably will, be produced between them, to increase the number of pupils. As an essential means to such an object, there will be a constant effort to improve the schools, in the mode and degree of instruction, and in the qualification of the teachers. Thus, not only will the number of children brought into the schools be incalculably augmented, but the competition anticipated will produce its usual effect of proving the very best material to satisfy the public demand. These advantages will more than compensate for any possible evils that may be apprehended from having schools adapted to the feelings and views of the different denominations."

The legislature put off immediate action on Spencer's report. But Catholics grew impatient. When neither party endorsed the proposal in the political campaign that fall, Bishop Hughes made the calamitous mistake—four days before the election—of entering a slate of his own candidates for the legislature. Protestants were horrified. James G. Bennett in the New York Herald declared the Bishop was trying "to organize the Irish Catholics of New York as a district party, that could be given to the Whigs or Locofocos at the wave of his crozier." The Carroll Hall candidates, as they were known, polled just enough votes to put an end to further discussion of using public funds to help Catholics become more active citizens.

Mr. MOYNIHAN. I thank the Chair.

Mr. ASHCROFT. Mr. President, if I might for a moment say a few words to close to state my support for the Dole bill as it exists rather than as it has been proposed to be amended, I thank the Senator from Maine for endorsing the concept of widening and broadening the groups of individuals in the culture who will help us solve the welfare problem. But to elevate the States to the place of a judicial entity which seeks to determine whether or not there has to be a separate structure in place in order to avoid first amendment problems I think is a compound misunderstanding.

First of all, it is a misunderstanding to think that the States could make a difference. The truth of the matter is whether or not you violate the first amendment cannot be determined by the State. The State can cause additional expense, or can place barriers in the roadway for religious institutions, but it cannot provide any kind of guarantee that there will not be a lawsuit.

Second, it is well settled law. I am talking about the modern law, and I thank the senior Senator from New York for his comments about the relationship between our States and funding for social services, and other types of services. But it is well settled modern law that the test of whether or not there is an infringement of the establishment clause is not a test of structure. The test is the test of activity, and a test of administration.

If you had a totally sectarian organization which was using government funds to meet public purposes, it is clear that religious institutions, according to the case of Bowen versus Kendrick—that is the 1988 case of the U.S. Supreme Court—religious institutions are not disabled by the establishment clause from participating in publicly sponsored social welfare programs. You could have a totally secular organization, a private, even business, corporation endowed by funds from the Federal Government, and, if its activities were to somehow impose religion using those funds, it would be an affront to the Constitution.

Recognizing that it was the activities that could potentially offend the Constitution, and not the structure that could potentially offend the Constitution, the Dole bill was carefully drawn so as to prohibit offensive activities and to allow the religious organizations to maintain their structure. We do not want religious organizations to have to change their character. We do not want them to have to belie what they are. We do not want them to have to participate in hiring practices and other difficult situations which are inconsistent with their belief structure. We want their help but we do not want them to use public funds in achieving religious purposes.

So the Dole bill has clear language which goes to the heart of the relevant facts of activity, not of structure, and it makes it clear that, since structure is not really important, this barrier of expense and intimidation which would stop some from participating and coming to the table to participate in a full range of these activities should not be mandated or allowed to be required by the States.

It is with that in mind that we seek to enlarge the community of care in America, and we seek to enlarge it in a way which will bring in individuals who can really make a difference.

I pointed out earlier that we had the refugee resettlement program which has specific authority to deal with religious organizations—and, as a matter of fact, has been operating that way—so that we have a test. We already have organizations. As a matter of fact, I believe most of the Members who are in this Chamber now who were in this Chamber in 1980 voted for this program without these special provisions.

It is interesting to me that in the closing days of the Bush administration they made a proposal, as a part of their service to this country, which recommended exactly what we have asked be done; that is, that we enlarge the group of individuals who are capable of assisting by inviting religious organizations, not to proselytize, not to promote their religion but to participate when their activities are characterized by the public purpose. And the Supreme Court of the U.S. has explicitly indicated that it is not structure but it is, in fact, purpose, and it is, in fact, activity which determines.

I just add that the Bowen case in that matter indicated that when the activities were specific and public purpose in nature—and they were defined clearly enough so that there could be an assessment of those activities and an evaluation of them by the State—that was the real test which decided whether or not there was an improper intermixing of church and state that would be in violation of the first amendment.

Mr. COHEN. Will the Senator yield?

Mr. ASHCROFT. Indeed, I am happy to yield.

Mr. COHEN. The Senator has on at least two occasions indicated the Dole legislation as currently written prohibits proselytizing. I have been looking at the language. I could not find it. Perhaps the Senator could direct it to my attention, the specific prohibition.

Mr. ASHCROFT. I refer to line 7, section 103—no funds used for programs established or modified under this act shall be expended for sectarian worship or instruction.

Mr. COHEN. The word proselytizing, I was looking for the word. I have not found it.

Mr. ASHCROFT. If I spoke to use proselytization, the word to my understanding does not actually appear—the provision just prohibits using funds for purposes of sectarian worship or instruction. I do not think that it would obviously allow proselytizing.

Mr. COHEN. I thank the Senator.

Mr. ASHCROFT. It is with this in mind that I urge the defeat of the Cohen amendment.

Mr. COHEN. Madam President, I believe we can dispose of part one of the amendment simply by voice vote, and then ask for the yeas and nays on the second part.

Mr. MOYNIHAN. That is quite agreeable, Madam President.

The PRESIDING OFFICER. The question is on agreeing to amendment No. 2586, division I.

So division I of the amendment (No. 2586) was agreed to.

Mr. COHEN. Madam President, I ask for the yeas and nays on part 2 of the amendment.

The PRESIDING OFFICER. Is there a sufficient second?

There appears to be a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to amendment No. 2586, division II. The yeas and nays have been ordered. The clerk will call the roll.

The assistant legislative clerk called the roll.

The PRESIDING OFFICER (Mr. DEWINE). Are there any other Senators in the Chamber who desire to vote?

The result was announced—yeas 59, nays 41, as follows:

[Rollcall Vote No. 421 Leg.]

YEAS—59

Akaka
Baucus
Biden
Bingaman
Boxer
Bradley
Breaux
Brown
Bryan
Bumpers
Byrd
Campbell
Chafee
Cohen
Conrad
Daschle
Dodd
Domenici
Dorgan
Exon
Feingold
Feinstein
Ford
Glenn
Graham
Harkin
Heflin
Hollings
Inouye
Jeffords
Johnston
Kassebaum
Kennedy
Kerrey
Kerry
Kohl
Lautenberg
Leahy
Levin
Lugar
Mikulski
Moseley-Braun
Moynihan
Murray
Nunn
Packwood
Pell
Pryor
Reid
Robb
Rockefeller
Sarbanes
Simon
Simpson
Snowe
Specter
Stevens
Thomas
Wellstone

NAYS—41

Abraham
Ashcroft
Bennett
Bond
Burns
Coats
Cochran
Coverdell
Craig
D'Amato
DeWine
Dole
Faircloth
Frist
Gorton
Gramm
Grams
Grassley
Gregg
Hatch
Hatfield
Helms
Hutchison
Inhofe
Kempthorne
Kyl
Lieberman
Lott
Mack
McCain
McConnell
Murkowski
Nickles
Pressler
Roth
Santorum
Shelby
Smith
Thompson
Thurmond
Warner

So the amendment (No. 2586), division II, was agreed to.

Mr. COHEN. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. ASHCROFT. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. SIMON addressed the Chair.

The PRESIDING OFFICER. The Senator from Illinois.

Mr. SIMON. Mr. President, I have an amendment that simply contains some technical corrections to an earlier amendment that I had tossed in. I would like to offer this amendment at this point. There is a pending amendment, however, is that correct, or is that not correct?

The PRESIDING OFFICER. Technically, all of the amendments are now pending.

Mr. SIMON. Mr. President, I ask unanimous consent that the pending amendments be set aside so that I may offer this amendment.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

AMENDMENT NO. 2681 TO AMENDMENT NO. 2280

(Purpose: To provide grants for the establishment of community works progress programs)

Mr. SIMON. Mr. President, I send the amendment to the desk.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Illinois [Mr. SIMON], for himself and Mr. REID, proposes an amendment numbered 2681 to amendment No. 2280.

Mr. SIMON. Mr. President, I ask unanimous consent that the reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

(The text of the amendment is printed in today's RECORD under "Amendments Submitted.")

Mr. CHAFEE. Mr. President, I see the distinguished majority leader here. I wonder if we can get a little progress report or an expectation report.

The PRESIDING OFFICER. The majority leader.

Mr. DOLE. Mr. President, it is my understanding that we are making progress.

[Laughter.]

Mr. DOLE. I have been talking to the distinguished Democratic leader throughout the day. We believe there are about four or five areas if we can reach some agreement on we might wrap this bill up fairly quickly. I think they are discussing it. Staff is in my office now. I have not had a chance to get back to the Democratic leader.

Hopefully, what we might be able to do tonight, if Senators WELLSTONE, FAIRCLOTH, CONRAD, a Republican amendment and then Senator DORGAN can offer their amendments tonight.

Mr. MOYNIHAN. And Senator EXON.

Mr. DOLE. We could stack those votes starting at 10 o'clock tomorrow morning. Debate the amendments tonight, have the vote starting at 10 tomorrow morning, if we can work it out. If not, we will just have to stay here tonight and vote.

Mr. MOYNIHAN. I would like to add Senator EXON.

Mr. DOLE. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. HARKIN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

AMENDMENT NO. 2680

Mr. HARKIN. Mr. President, I ask unanimous consent to call up amendment 2680 and ask for its immediate consideration.

The PRESIDING OFFICER. Without objection, it is so ordered.

The clerk will report the amendment.

The legislative clerk read as follows:

The Senator from Iowa [Mr. HARKIN] proposes an amendment numbered 2680.

Mr. HARKIN. Mr. President, I ask unanimous consent reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

(The text of the amendment is printed in the Friday, September 8, 1995 edition of the RECORD.)

Mr. HARKIN. Mr. President, I understand the managers of the bill will accept this amendment. I will just take a very few minutes to describe it.

Mr. President, this amendment clearly expresses the sense of the Senate that any legislation we enact—whatever the final outcome of the welfare reform bill may be—should not eliminate or weaken the present competitive bidding requirements in any program using Federal funds to purchase infant formula.

This amendment does not impose any new requirements, but it says that whatever the outcome on this legislation, whenever Federal dollars are involved in purchasing infant formula, competitive bidding should be required in the same manner that it is now.

The reason I am concerned is that the House of Representatives has passed legislation that would create a new block grant encompassing the current WIC Program. But that bill does not require the States to use competitive bidding or equivalent cost containment, which is presently required for purchasing infant formula in the WIC Program.

WIC competitive bidding benefits two classes of people. It allows more people to be helped by WIC with the limited amount of money available. WIC still does not reach all eligible people, so savings allow more pregnant women, infants, and children to be served. And competitive bidding saves taxpayers' money because less spending is needed to achieve the objectives of WIC.

I must say at the outset, Mr. President, for the record, I personally do not favor converting WIC into a block grant or drastically changing it. WIC has been one of our most successful efforts to improve the nutrition and health of children.

Numerous studies have demonstrated the benefits and cost effectiveness of WIC. It saves money because it heads off a lot of problems that could be very costly. That is my own personal view.

Whatever may happen with respect to the WIC program, I strongly believe that we in Congress have a responsibility to prevent outright waste and squandering of Federal dollars. That is likely to result if we abandon the competitive bidding requirement.

The case for competitive bidding is too clear to ignore. Rebates obtained through competitive bidding for infant formula have reduced the cost of infant formula for WIC participants by approximately $4.1 billion through the end of fiscal year 1994, allowing millions of additional pregnant women, infants, and children to achieve better nutrition and health through the limited WIC funds available.

The Department of Agriculture has estimated that in fiscal year 1995, rebates obtained through competitive bidding for infant formula will total over $1 billion, which will enable WIC to serve approximately 1.6 million additional women, infants and children. For my State of Iowa, the fiscal year 1995 rebate savings will be about $7.8 million, allowing an estimated 12,734 more people to be served without one additional dime of cost to the taxpayers.

Mr. President, I worked very hard to include the provision in the 1987 Commodity Distribution Reform Act that allowed States to keep a portion of the savings they achieved through competitive bidding.

Without that provision, they could not have used those savings to serve more people. The money would have come back to Washington, DC. The chairman of the Agriculture Committee, Chairman LEAHY and I, worked closely together to get that legislation passed. In 1989, I introduced the Child Nutrition and WIC Reauthorization Act, which included a requirement to use competitive bidding or equally effective cost containment measures for purchasing WIC infant formula, and again worked closely with Chairman LEAHY in gaining its enactment.

All of the studies and the experience we have had since that time show that we have indeed saved a lot of money through competitive bidding, and we have served a lot more people. It has been one of our most successful programs, as I said.

Mr. President, earlier this year, on February 28, 1995, there was an article in the Wall Street Journal. The headline says "Four Drug Firms Could Gain $1 Billion Under GOP Nutrition-Program Revision." What the headline referred to was doing away with the competitive bidding requirement in legislation before the House of Representatives.

I ask unanimous consent this article appear at the end of my statement.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit No. 1)

Mr. HARKIN. Just to repeat, this amendment is a sense-of-the-Senate resolution stating that whatever we do here we will continue to have competitive bidding in the purchase of infant formula using Federal funds.

I thank the managers of the bill. I thank Senator DOLE for his support and his willingness to accept this amendment.

EXHIBIT

[From the Wall Street Journal, February 28, 1995]

FOUR DRUG FIRMS COULD GAIN $1 BILLION UNDER GOP NUTRITION-PROGRAM REVISION

(By Hilary Stout)

WASHINGTON.—Four pharmaceutical companies stand to gain as much as a billion dollars under a Republican bill that overhauls federal nutrition programs for children and pregnant women.

The companies sell infant formula to the Women, Infants and Children (WIC) program, a federal initiative that provides formula as well as milk, beans, rice and other nutritious foods to poor children and to pregnant and breast-feeding women. Since 1989 the companies have been required by law to enter into a competitive bidding process in order to sell formula to WIC, resulting in rebates to the government that are expected to reach $1.1 billion this year.

A bill that cleared the House Economic and Educational Opportunities Committee on a party-line vote last week would turn the WIC program over to states in the form of a "block grant," and with it repeal the cost-containment competitive-bidding measure. An amendment to restore it was defeated by the committee. The legislation now moves to the House floor for consideration.

The four companies, the only domestic makers of infant formula—Ross Laboratories, a unit of Abbott Laboratories; Mead Johnson, a unit of Bristol-Myers Squibb Co.; Wyeth-Ayerst, a unit of American Home Products Corp.; and Carnation Co., a U.S. subsidiary of the Swiss conglomerate Nestle SA—fought the competitive-bidding measure fiercely when it came before Congress in the late 1980s. Until then, they were collecting retail prices for the infant formula they sold to WIC.

Sen. Patrick Leahy of Vermont, the senior Democrat on the Senate Agriculture Committee and the lawmaker who led the effort to enact the cost-containment measures, threatened to filibuster the bill yesterday if it reaches the Senate. "It is really obscene," Sen. Leahy said. "The most conservative of people should, if being truthful, like the competitive bidding. . . . It's just rank hypocrisy."

If the bill reaches the Senate floor, Sen. Leahy continued, "I've spent 20 years building bipartisan coalitions and working on nutrition programs. If it's necessary to discuss my whole 20 years' worth of experience in real time, I'll do it."

In 1993, the latest year for which figures are available, the WIC program spent $1.46 billion in infant formula but received $935 million in rebates. That cut the overall cost of providing formula to $525 million, nearly a two-thirds reduction. Moreover, the states, which administer the program, were allowed to use the rebates to add more people to the WIC program.

The action on WIC comes as a liberal-leaning research group, the Center on Budget and Policy Priorities, released a study questioning the continuing effectiveness of some of the infant-formula rebates. The center's analysis found that in the last year, despite the cost-containment requirements, the cost of infant formula purchased through WIC has almost doubled in many states.

Since last March, the study said, 17 state WIC programs have signed rebate contracts with at least one of the major formula manufacturers. Under those agreements, the average net cost of a 13-ounce can of concentrated infant formula was 60 cents compared with a 32-cent average price under rebate contracts signed during the previous 15 months, the study said.

The Federal Trade Commission has been investigating the infant formula makers' rebate and pricing practices, and at least one state, Florida, has filed suit against the manufacturers.

Mr. DOLE. We are prepared to accept the amendment.

Mr. MOYNIHAN. We are prepared to accept the amendment.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment (No. 2680) was agreed to.

Mr. MOYNIHAN. I move to reconsider the vote.

Mr. DOLE. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 2545

Mr. DOLE. Mr. President, I will get a unanimous-consent agreement now that it has been cleared on each side.

In the meantime, what is the status of amendment 2545 offered by the Senator from Iowa—the other amendment, numbered 2545?

The PRESIDING OFFICER. The yeas and nays have been ordered.

Mr. DOLE. I would be prepared to accept that amendment No. 2545 if we vitiate the yeas and nays and have no discussions.

Mr. HARKIN. If the leader will yield, that is very acceptable. I appreciate that very much.

Mr. DOLE. I ask the yeas and nays be vitiated.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HARKIN. I thank the Chair.

The PRESIDING OFFICER. If there be no further debate, the question is on agreeing to the amendment.

The amendment (No. 2545) was agreed to.

Mr. DOLE. Mr. President, I move to reconsider the vote.

Mr. MOYNIHAN. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

UNANIMOUS CONSENT AGREEMENT

Mr. DOLE. Mr. President, I ask unanimous consent the following amendments be in order tonight, in the following sequence, and that following the conclusion of all debate, the Senate proceed to votes on or in relation to each amendment at 10 a.m., in the order in which they were debated, that there be 10 minutes of debate equally divided in the usual form before the first vote and the debate between the remaining stacked votes be limited to 10 minutes equally divided in the usual form, and all votes in the voting sequence after the first vote be limited to the 10 minutes: Wellstone, 2584; Faircloth, 2609; Conrad, 2528; Jeffords, 2581; Dorgan 2535; McCain 2589; Exon 2525; Nickles 2556.

Mr. DASCHLE. Reserving the right to object, I ask the majority leader if we could add as the next amendment an amendment by Senator DODD, which may or may not be offered? But he would like to be added to the list. Obviously, it will be subject to our ongoing negotiation. But if we could add Senator DODD?

Mr. MOYNIHAN. To the list for tonight?

Mr. DASCHLE. To the list for tonight.

Mr. DOLE. I have no objection to that. That would follow disposition of the Nickles amendment, which is the last one on this list, if we do not have some agreement by then. But I would not be able to enter into a time agreement.

Mr. DASCHLE. That is right, and I do not know that Senator DODD will even be interested in offering the amendment, but it was at his request that we add his name. I think that would satisfy the needs on our side.

The PRESIDING OFFICER. Does the majority leader modify the request?

Mr. DOLE. Yes, I modify my request, if in fact the Senator from Connecticut, Senator DODD, wishes to offer an amendment, he be recognized following the disposition of the Nickles amendment No. 2556.

The PRESIDING OFFICER. Is there objection to the modified request? Without objection, it is so ordered.

Mr. DOLE. Mr. President, my view is we are trying to reach an agreement on about four major issues. Hopefully, we will have that determined by the time we complete voting on these tomorrow. If, in fact, we can reach an agreement, I hope all the other amendments would go away, at least nearly every other amendment go away. If we cannot reach agreement, then we would have a cloture vote sometime tomorrow after consultation with the Democratic leader.

It is still my hope to dispose of this bill tomorrow night because we have six appropriations bills to do. We would like to start appropriations bills on Friday and then complete action on the appropriations bills on the 30th of September. If we can do that, there may be an opportunity for us to have a week's recess.

So I hope all of our colleagues would help us on the appropriations bills. To get to the appropriations bills, we have to finish welfare reform, and we are only going to have one cloture vote. If we do not get cloture, that is it. It will go in the reconciliation and all these amendments that are pending will be pending forever, I guess.

In any event, there will be no more votes tonight and the votes will start at 10 o'clock tomorrow morning.

The PRESIDING OFFICER. The Senator from Minnesota.

Mr. WELLSTONE. Mr. President, I call up my amendment No. 2584 on behalf of myself and Senator MURRAY.

AMENDMENT NO. 2584

The PRESIDING OFFICER. The Senator has called up amendment No. 2584, which is the pending question.

The Senator from Minnesota is recognized.

If the Senator will suspend a moment? If those Members who are having discussions in the aisle could please retire to the cloakroom?

The Senator from Minnesota.

Mr. WELLSTONE. Mr. President, I thank the Chair for gaining order in the Chamber.

Mr. President, I will speak for a while and then I really would like to defer to my colleague from Washington, Senator MURRAY. Then I will complete my remarks.

Mr. President, could I have order in the Chamber, please?

The PRESIDING OFFICER. Those Members who are still in the aisle, please retire to the cloakroom so the Senator may be heard.

The Senator from Minnesota.

Mr. WELLSTONE. Mr. President, last year the Congress made a commitment to fight the epidemic of violence against women and children when we passed the historic Violence Against Women Act. This commitment must not be forgotten as we debate welfare reform. Yet, the bill that we have before us does not contemplate even for 1 minute that many women are on welfare because they have escaped violence in their homes. Some of the studies that have been done show that as many as 60 percent of welfare mothers are women who were battered, women who have left a very dangerous home.

The last thing we want to do is force those women back into those homes. For many of these women, welfare is the only alternative, for some support it is the only alternative, for some public financial support for themselves and their children is the only alternative to a very dangerous home.

Domestic violence is one of the most serious issues our country faces. I wish I did not have to say that on the floor of the Senate, but it is the case. It knows no borders, neither race, gender, geography nor economic status shields someone from domestic violence.

Every 15 seconds a woman is beaten by a husband or a boyfriend every 15 seconds. Over 4,000 women are killed every year by their abuser. Every 6 minutes a woman is forcibly raped. The majority of men who batter women also batter their children. A survey conducted in 1992, Mr. President, found that more than half of battered women stayed with their batterer because they did not feel they could support themselves or their children. We do not want to put women in a situation where they have to stay in an unsafe home where their lives are in jeopardy, where their children's lives are in jeopardy because of a piece of legislation we passed.

Mr. President, this amendment allows an exemption for women who come out of these kinds of homes who have had to deal with this kind of physical violence, and it allows States to exempt people who have been battered—it could be a man; usually it is a woman—or subjected to extreme cruelty from the strict new rules that we have within the welfare system without being penalized for meeting the participation rate.

Mr. President, this amendment allows States to modify or to exempt women from some of the requirements in this bill. Monica Seles, the tennis player who was stabbed took 2 years before she could get back to playing tennis. Just imagine what it would be like for a woman who had been beaten over and over and over and over again and finally left that home with her children. How long does it take her to mend? Do we want to say she has to work or she is out? Two years and she is out? It may take a longer period of time.

This amendment says we ought to establish at the national level some overall standards so that States will exempt from some of the provisions of this piece of legislation women and children who come out of these circumstances.

Mr. President, the term "battered" or subjected to "extreme cruelty" includes physical acts, sexual abuse, neglect or deprivation of medical care, and extreme mental abuse. But we leave it up to the States to define those terms. But what we are saying is this is an epidemic. We made a commitment last year. We do not want to force a woman and her children because of their economic circumstances back into a brutal situation, back into a home which is not a safe home, but a very dangerous home. We have to provide some protection. That is the reason for this general guideline that we establish at the national level and then allow States to go forward. And it is extremely important that States be allowed to do so. Otherwise, they will be penalized for not reaching their employment goal.

Right now a State has no incentive to exempt a mother who is faced with these kinds of conditions because that State is trying to meet that work participation rate.

This amendment says States ought to be allowed that exemption or modifying it. For example, maybe a mother can meet the 2-year requirement. Maybe she cannot.

It is shocking, I say to my colleagues, because they go into a job training program they have trouble with their abuser. So maybe she cannot do that or maybe she can. Maybe the 5-year requirement does not work. We are talking about women and children who have lived through, if they are lucky enough, to have lived through nightmare circumstances.

So I certainly hope the Senate will have the compassion, and the Senate will have the commitment to women and children to allow this very, very important amendment to pass with this very important exemption.

I yield the floor.

Mrs. MURRAY addressed the Chair.

The PRESIDING OFFICER. The Senator from Washington.

Mrs. MURRAY. Mr. President, I am very proud to join my colleague from Minnesota, Senator WELLSTONE, in offering this extremely important amendment. And I commend him on his very eloquent statement and appreciate his work on this very difficult and very important issue of battered individuals. He has committed a lot of time and energy to that. I want him to know how much I appreciate that.

We all know that America's poor face many obstacles as they try to get back on their feet and become productive, contributing members of our society. However, the women who have been victims of abuse and the children, frankly, who have witnessed this abuse, or were abused victims themselves, have even more barriers which impede their ability to move on and move up.

I would hope that this Senate steps back from the rhetoric of the past few days and the technical terms that we are using, and think for a few minutes about some of the people that this welfare reform bill is going to very directly affect as we pass it, in particular battered women and children.

These abused women and children have lasting scars that will take many years to heal, and they are often forced to live in fear that their abuser will find them and hurt them once again.

This amendment is important because we must recognize that women on public assistance who were battered confront unique obstacles and circumstances as they make the very difficult move from dependency to self-sufficiency. As we attempt to fix our troubled welfare system and help rebuild America's families, let us not make it harder for these women and their kids to get ahead and put there troubled past behind them.

Domestic violence and the impact that it makes on those who suffer this abuse is a very real and a very serious problem. In my State, a survey of women on public assistance found that over half reported being physically abused by a spouse or a boyfriend.

Throughout this debate on welfare, I have come to the floor several times to talk about June, who is a welfare recipient in my State, and who is my partner in the Walk-a-Mile Program. That is a program that began in the State of Washington. It has gone across the country. That matches a welfare recipient with an elected legislator. We have talked on the phone. We have shared experiences. I shared mine with her. She has shared hers with me. So that we have gotten to know what it is like to live in each other's shoes. And I will tell you that hearing her story has really enabled me to better understand the everyday challenges of a young mother trying to make it on her own and to take care of two young kids. It has been difficult for June to share some of her stories with me because she was in a very abusive relationship. Her children witnessed their mother being beaten and verbally abused. In fact, June told me her most vivid memory of that time was hearing her frightened 3-year old daughter's pleading voice saying, "Daddy, are you going to kill my mommy? Please do not kill my mommy."

That is what this woman came from. And I can tell you as a mother, and as a former preschool teacher, memories like that have an everlasting and dramatic effect on the lives of children who experienced such pain and torment in addition to the emotional trauma that confronts both the woman who suffered abuse and the children who are exposed to it. There are many practical problems which prevent these women from succeeding that we have to consider as we look at this welfare debate.

First, these women who are abused survivors often have problems holding a job.

Second, women who have lived with a batterer often lack skills because their abuser did not allow them to go to work or to attend school.

And third, a woman who has left her abuser often faces the extreme danger of being stalked. And she may not be able to leave her house to go to job training classes or to work. And the same woman who has finally decided that enough is enough may live in fear that her abuser will come after her and to get their children and to take them away. Do we think that this woman is going to be a productive worker? Do we think she is going to leave her kids out of her sight? I can tell you the answer is no. These are difficult problems that these women have to overcome.

This amendment takes those factors into account and offers the flexibility States need to help women who have been abused to successfully improve their lives and that of their children.

We cannot ignore these problems that these women will face, and we have to make some exceptions for them. Believe me, and frankly believe June, my Walk-a-Mile partner. It will be hard enough for these families to make it. But let us not make it impossible.

As Senator WELLSTONE has so eloquently stated, we do not want to force these women back into the home of their abuser because welfare is not available for them.

I urge my colleagues to send the women and children of our Nation the right message: We care about you. We respect you. We want you to succeed.

Please cast your vote in favor of this amendment.

I thank the Chair. I yield the floor.

Mr. WELLSTONE addressed the Chair.

The PRESIDING OFFICER. The Senator from Minnesota.

Mr. WELLSTONE. I have much more to say, but I believe my colleague from North Carolina wants to speak now and I will wait and follow or respond to him.

The PRESIDING OFFICER. The Senator from North Carolina.

Mr. FAIRCLOTH. I thank the Chair. I call up my amendment No. 2609, and I ask for its immediate——

Mr. WELLSTONE. Mr. President, I thought my colleague was here to debate my amendment.

Mr. FAIRCLOTH. I am sorry. I had an amendment. I thought the Senator was through.

Mr. WELLSTONE. No. I am sorry.

The PRESIDING OFFICER (Mr. BROWN). The Senator from Minnesota is recognized.

Mr. WELLSTONE. I thank the Chair. I apologize to my colleague from North Carolina. I thought he was here to debate my amendment, and I did not want to keep him waiting.

Mr. President, let me just read a few examples that I think tell the story. Linda Duane from Edison, NJ.

Linda is a 38-year-old mother of five. Her ex-husband was a police officer. He was abusive toward her. In 1982, the abuse led her and her husband to separate. "At that time," she says, "domestic violence laws were not set up to protect women; they protected him." She was forced to move into her mother's home and she started to receive welfare. She had married right out of high school and never worked outside her home. When her divorce came through she paid back all the welfare payments.

For five years she was alone and on her own, but she did not get any counseling for her previous abuse. She became involved in an even more abusive relationship. She later separated from him but he continued to stalk her. He came to her place of employment and she was subsequently suspended from her job for a week. He hung himself the next week on her porch while her children were inside the house. She lost her job the next day because she was told she needed to receive mental help before she could return to work. She lost her home and ended up in a battered women's shelter and again began to receive benefits. She is currently in transitional housing where she is trying to put her life together. She just finished some college classes and hopes to return to school this fall.

Mr. President, another woman from St. Paul, MN, Fran Stark.

Fran, who I must say is quite a success story, is currently the office manager for TRIO and tutor coordinator for Student Support Services at the University of Minnesota. She married the year after she graduated from high school. But after 16 years of an abusive relationship she divorced her husband. That left her with two children and very few job skills. She went on welfare. She enrolled her son in Head Start and became involved with parent training courses there. She has since enrolled at the University of Minnesota and is almost done with her course work to get her bachelor's degree.

Lisa Yost from Wilmington, DE.

Lisa is a single mother. She has been on welfare since her daughter was born. The father of her child was unemployed and very abusive. After 3 years she could not take it any more. She had him arrested in 1993 and went to a shelter. She went on welfare and started to take her life back. She started school to get her GED. She testified that,

> Without welfare I would not be able to maintain my apartment or provide day care for my child. Food stamps help feed my family and we relied on Medicare while I am attending school. The abuse I suffered lowered my self-esteem which kept me from achieving any goals for myself and my child. Healing took time, counseling and a lot of effort from myself . . . Without the financial assistance of AFDC I would not have been able to get my life back on track.

Mr. President, what this amendment says one more time is let us not have a one size fits all welfare system. Let us at least make some commitment that there will be some compassion built into this piece of legislation.

Again, I say to my colleagues, all you have to do is spend some time with families that have been through this violence.

Monica Seles took 2 years to go back to the tennis court because of what she had to deal with. Imagine what it would be like to be beaten over and over again. How long does it take to heal? What we are saying is that this piece of legislation does not take into account any of these circumstances for women and their children.

What we are saying is that we set at the national level an exemption to the rules. Then we let States decide how to implement this and we make sure that no State, loses sight of this kind of an epidemic that we are faced with in this country and, no State is penalized for making sure that we do not take women who have been receiving some assistance and force them back into violent homes.

If this amendment does not pass, that is precisely what we are doing with this piece of legislation.

Again—and my colleague from Washington did a very fine job of really stating the case—it just takes time. If you go to visit shelters, many of the women and men that work in the shelters will tell you that over 60 percent of the women who try to find shelters have to be turned away.

You are now on your own. You have been beaten. You suffer from the equivalent of post-traumatic stress syndrome. You are frightened. You are scared. Almost all of your confidence has been beaten out of you or you feel like a failure.

And I again remind my colleagues, every 15 seconds a woman is beaten by a husband or a boyfriend. Over 4,000 women are killed every year by their abuser. Every 6 minutes a woman is forcibly raped and over 60 percent of welfare mothers come from these kinds of abusive situations.

We have to have some exemption. So my amendment specifically says,

> Notwithstanding any other provision of this bill, the applicable administering authority of any specified provision shall exempt from (or modify) the application of such provision to any individual who was battered or subjected to extreme cruelty if the physical, mental, or emotional well-being of the individual would be endangered by the application of such provision.

That is legalese. What we are saying is that a State can establish the criteria of what is abuse or extreme cruelty. But States must not be penalized when they make exceptions for the victims of domestic violence. They do not have to count these victims in their calculation of participation rates.

Mr. President, there was a study of a training program in Chicago that found that 58 percent of its participants were current victims of domestic violence, and an additional 26 percent were past victims.

So what happens, to give an example, when a mother now tries to go into a job training program to move into the work force, but the confidentiality she needs to be safe from her husband is breached, or for her boyfriend who is fiercely possessive and angry because she is now in a job training program. And many women get beaten up because they go into these job training programs. We are going to have to take some kind of an allowance. There has to be some sort of an allowance for these kinds of special circumstances.

Mr. President, do we want to say after 5 years no more assistance and you have got to go back into this kind of home regardless of the circumstances? What happens if a woman cannot find a home? What happens if she cannot go into a job training program, no fault of her own? What happens if her children who were also beaten or who saw their mother beaten over and over and over again and are emotionally scarred and she needs to spend more time at home with those children? What happens, Mr. President, if she has to leave the State to get away from her batterer because she is not safe in that State, which means she has to essentially uproot herself, go to another State, start her life all over again, which makes it much more difficult, we all know, to find a home, to find a job, to get back on your own two feet?

Mr. President, if we were going to say that a young mother under 18 years of age should not automatically assume that she can set up a separate household and receive full support. She should stay with her family. Fine.

But what if she is in an abusive home? What if she herself has been battered? Do we want to force her back into that home? Do we want to say that is the only place she can be?

Mr. President, there are many other examples that I could give. But as we search for solutions that will help women and children escape poverty, we must understand the violence that exists in the lives of many economically vulnerable women and their children. And this whole debate on welfare reform that we have had is just one more glaring example of the lack of awareness, I think on our part, unfortunately, and understanding of domestic violence. The whole community has to be there to support these women and their children. Otherwise, they are not going to have the opportunity to become safe, and then to become strong and independent and healthy families. But the burden cannot just be put on the mother.

It seems to me that this debate is the same old "it's not my business" excuse. But it is our business. We must all be involved. Domestic violence is a root cause of violence in our communities, and we must do everything we can to end the cycle of violence. And I will tell you right now, this will not be real welfare reform if it is one-size-fits-all, if we do not at least set some sort of national standard, giving States maximum flexibility to make sure that there is an exemption for women and children who come from such families, or at least some modification.

I say to my colleagues, do not put women and children in a situation where they have no other choice but to go back into a home where their very lives are at risk.

Unfortunately, that is not melodramatic. I know this. I know it from the work that Sheila, my wife, and I do in Minnesota with so many women and children who have been victims of domestic violence. We just lost sight of this.

Last year we passed the Violence Against Women Act. In one short year, has so much changed that we are no longer willing to look at these special concerns and circumstances of the lives of these women and these children?

Mr. President, this is an amendment that deals with the protection of battered individuals. Usually they are women and children; sometimes men. This is an amendment that I think builds into this piece of legislation an extremely important exemption. It is an amendment, if passed, which will be nationally significant because the U.S. Senate will be saying that we understand the magnitude of the problem of domestic violence, of family violence in our Nation, that we understand that in this welfare reform bill there ought to be some sort of allowance set at the national level with States having maximum flexibility so that we do not lose sight of the fact that all too many of these welfare mothers having come from violent homes, having been battered, they may not be able to adhere to all these requirements. And we need to allow for that. We need to have either an exemption or some kind of modification, letting States administer it.

And, Mr. President, if we do not pass this, we are unwittingly going to put many women in a situation where they are going to have to return to that violent home, to that dangerous home, because they have no other alternative. We are cutting them off the welfare. And the welfare was the only alternative they had to that abusive relationship. We cannot go backward in that way.

Mr. President, I do not see anybody here on the floor that seems interested in debating me on this. For tonight, I will take that as a sign of unanimous support. But I leave the floor full of optimism that I will get good bipartisan support for this amendment.

I would yield the floor to my colleague from North Carolina.

Mr. FAIRCLOTH addressed the Chair.

The PRESIDING OFFICER. The Senator from North Carolina is recognized.

AMENDMENT NO. 2609

Mr. FAIRCLOTH. Mr. President, I call up my amendment No. 2609 and ask for its immediate consideration.

The PRESIDING OFFICER. Without objection, amendment No. 2609 now becomes the pending question before the Senate.

The Senator from North Carolina is recognized.

Mr. FAIRCLOTH. Mr. President, I have heard a number of my colleagues remark today that there is no evidence which connects welfare with illegitimacy. And I would say first that not even President Clinton agrees with this. President Clinton believes there is a link between welfare and the collapse of the family.

I ask unanimous consent a list prepared by the Heritage Foundation of 19 recent academic studies on the link between welfare benefits and out-of-wedlock births be printed in the RECORD.

There being no objection, the studies were ordered to be printed in the RECORD, as follows:

STUDIES OF WELFARE AND ILLEGITIMACY

The following is a list of nineteen studies conducted since 1980 on the relationship of welfare to illegitimacy. Fourteen of these studies found a relationship between higher welfare benefits and increased illegitimacy.

1. Bernstam, Mikhail S., "Malthus and Evolution of the Welfare State: An Essay on the Second Invisible Hand, Parts I and II", working papers E-88-41, 42, Palo Alto, CA, Hoover Institution, 1988

Research by Mikhail Bernstam of the Hoover Institution at Stanford University shows that childbearing by young unmarried women may increase by 6 percent in response to a 10 percent increase in monthly welfare benefits; among blacks the increase may be as high as 10 percent.

2. Hill, M. Anne, and O'Neill, June, "Underclass Behaviors in the United States: Measurement and Analysis of Determinants", Center for the Study of Business and Government, Baruch College, February 1992

Dr. June O'Neill's research has found that, holding constant a wide range of other variables such as income, parental education, and urban and neighborhood setting, a 50 percent increase in the monthly value of AFDC and Food Stamp benefits led to a 43 percent increase in the number of out-of-wedlock births.

3. Fossett, Mark A., and Kiecolt, K. Jill, "Mate Availability and Family Structure Among African Americans in U.S. Metropolitan Areas", Journal of Marriage and Family, Vol. 55, May 1993, pp. 288-302.

This study of black Americans finds that higher welfare benefits lead to lower rates of marriage and higher numbers of children living in single parent homes. In general, an increase in roughly $100 in the average monthly AFDC benefit per recipient child was found to lead to a drop of over 15 percent in births within wedlock among black women aged 20 to 24.

4. Winegarden, C.R., "AFDC and Illegitimacy Ratios: A Vector-Autoregressive Model", Applied Economics 20 (1988), pp. 1589-1601.

Research by Dr. C.R. Winegarden of the University of Toledo found that half of the increases in black illegitimacy in recent decades could be attributed to the effects of welfare.

5. Lundberg, Shelly, and Plotnick, Robert D., "Adolescent Premarital Child Bearing: Do Opportunity Costs Matter?", discussion paper no. 90-23, Seattle: University of Washington, Institute for Economic Research, 1990.

Research by Shelley Lundberg and Robert D. Plotnick of the University of Washington shows that an increase of roughly $200 per month in welfare benefits per family causes the teenage illegitimate birth rate in a state to increase by 150 percent.

6. Ozawa, Martha N., "Welfare Policies and Illegitimate Birth Rates Among Adolescents: Analysis of State-by-State Data", Social Work Research and Abstracts, 14 (1989), pp. 5-11.

Research by Dr. Martha Ozawa of Washington University in St. Louis has found that an increase in AFDC benefit levels of $100 per child per month leads to roughly a 30 percent increase in out-of-wedlock births to women age 19 and under.

7. O'Neill, June, "Report of Dr. June O'Neill" (affidavit in lawsuit concerning the New Jersey family cap policy.)

This study using data from a controlled scientific experiment show that the New Jersey "family cap" limit on AFDC benefit significantly reduced out-of-wedlock births among mothers on AFDC. The cap was shown to reduce the monthly value of aggregate welfare benefits for an AFDC family by 4 percent and to result in a 19 to 29 percent reduction in the number of illegitimate births to AFDC recipients.

8. An, Chong-Bum, and Haveman, Robert, and Wolfe, Barbara, "Teen Out-of-Wedlock Births and Welfare Receipt: the Role of Childhood Events and Economic Circumstance", The Review of Economics and Statistics, May 1993.

This study finds large effects of welfare on illegitimacy. A 20 percent increase in welfare benefit levels across all states would increase the probability of teen out-of-wedlock births by as much as 16 percent. (However, the authors state that these findings should be treated cautiously because they were not proven to be statistically significant.)

9. Murray, Charles, "Welfare and the Family: The U.S. Experience", Journal of Labor Economics, Vol. 11, pt. 2, 1993, pp. 224-262.

This study finds positive effect of welfare on illegitimacy.

10. Plotnick, Robert D., "Welfare and Out-of-Wedlock Childbearing: Evidence from the 1980's", Journal of Marriage and the Family (August 1990), pp. 735-46.

This study finds positive effect of welfare on illegitimacy.

11. Schultz, Paul T., "Marital Status and Fertility in the United States", The Journal of Human Resources, Spring 1994, pp. 637-659.

This study finds higher welfare benefits significantly reduce marriage rates.

12. South, Scott J., and Lloyd Kim M., "Marriage Markets and Nonmarital Fertility in the United States" Demography, May 1992, pp. 247-264.

This study finds a positive relationship between welfare and the percentage of births which are out-of-wedlock.

13. Robins, Phillip K and Fronstin, Paul, "Welfare Benefits and Family Size Decisions

of Never-Married Women", Institute for Research on Poverty: Discussion Paper, DP #1022-93, September 1993.

This study finds that higher welfare benefits lead to more births among never-married women.

14. Jackson, Catherine A. and Klerman, Jacob Alex, "Welfare, Abortion and Tennage Fertility", RAND research paper, August 1994.

This study finds higher welfare benefits increase illegitimate births.

STUDIES WHICH FIND NO RELATIONSHIP BETWEEN WELFARE AND ILLEGITIMACY

1. Acs, Gregory, "The Impact of AFDC on Young Women's Childbearing Decisions", Institute for Research on Poverty, Discussion Paper #1011-93.

This study finds a small relationship between higher welfare benefits and total births to white women, but no significant relationship between welfare and illegitimate births. The study does, however, show that being raised in a single parent home doubles the probability that a young woman will have a child out-of-wedlock.

2. Duncan, Greg J. and Hoffman, Saul D., "Welfare Benefits Economic Opportunities and Out-of-Wedlock Births Among Black Tennage Girls", Demography 27 (1990), pp. 519-35.

This study finds no effect on welfare on illegitimacy.

3. Ellwood, David and Bane, Mary Jo, "The Impact of AFDC on Family Structure and Living Arrangements", Harvard University, March, 1984.

This study finds no effect on welfare on illegitimacy.

4. Keefe, David E., "Governor Reagan, Welfare Reform, and AFDC Fertility", Social Service Review, June 1983, pp. 235-253.

This study found no link between welfare and illegitimacy.

5. Moffitt, Robert, "Welfare Effects on Female Headship with Area Effects" The Journal of Human Resources, Spring 1994, pp. 621-636.

This study does not find that higher welfare benefits lead to higher illegitimacy.

Mr. FAIRCLOTH. Fourteen of these studies found the relationship between higher welfare benefits and increased illegitimacy. Five studies do not. The most interesting of these is the study by Dr. June O'Neill, Director of the Congressional Budget Office.

This study shows that a 50-percent increase in the monthly value of AFDC and food stamp benefits leads to a 43 percent increase in the number of out-of-wedlock births.

A 50-percent increase in monthly benefits leads to a 43 percent increase in out-of-wedlock births. My pending amendment modifies the provision in the Dole bill which allows welfare funds to be used for cash aid to unmarried teenage mothers. The amendment is designed to disrupt the pattern of out-of-wedlock childbearing that is passing from one generation to the next.

My amendment seeks to stop giving cash aid that rewards multigenerational welfare dependency. I believe the Federal Government should never have been in the business of saying to a 16-year-old girl, "Have a child out of wedlock and we will mail you a check each month."

Earlier I offered an amendment which would have prohibited Federal funds to be used for cash aid to unmarried teenage mothers unless a State legislature specifically voted to use Federal funds in that manner.

Under my previous amendment, Federal funds could be used for in-kind benefits or vouchers and State funds could be used for cash. But Federal funds could not be used for cash to teenage mothers unless the legislature of that State so voted to do so.

I think that is a fine amendment. But some people feel that even this is too great a restriction on State flexibility. So I present another amendment which allows Federal cash aid to teenage mothers but only under certain circumstances.

The amendment I am now offering is a modification of the provisions in the Dole bill on giving Federal cash aid to minor mothers.

Let us be clear about what the Dole bill currently does. The bill says you can use Federal funds to give vouchers and in-kind benefits to an unmarried teenage mother, or you can use funds to put the mother in a supervised group home. That is fine, and we all agree. But the Dole bill goes on to say, however, that you can use Federal funds to give cash benefits to unmarried teenage mothers if that teenage mother resides with her parent. If she resides with her parent, she can receive Federal cash benefits.

Let us be very clear what type of household we are putting cash into. In this household, there will be three people: First, the newborn child; second, the unmarried teenage mother of that child; and third, the mother of the teenager, the adult who is the grandmother of the newborn child.

The problem with this scenario is that the adult woman, the mother of the teenager and the grandmother of the new child, the woman upon whom we are counting for adult supervision of the unmarried teenage mother, is very likely to have been or be an unmarried welfare mother herself. It is very likely that this adult mother gave birth to the teenager out of wedlock some 15 years ago and raised her, at least in part, on welfare. This is the grandmother.

The young teenager, in giving birth out of wedlock, is simply repeating the pattern and model which her mother gave her.

Let me provide the Senate and the public with a few statistics:

A girl who is raised in a single-parent home on welfare is five times more likely to have a child out of wedlock herself than is a girl raised with two parents and receiving no welfare—a girl raised in a single-parent home on welfare is five times more likely than a girl raised in a two-parent family.

Roughly two-thirds of all unwed teenage mothers were raised in broken or single-parent homes—two-thirds of all unwed teenage mothers.

What we have here is a pattern of illegitimacy and a pattern of welfare dependency which passed from one generation to the next. The amendment I am now offering is intended to break up this lethal and growing pattern of multigenerational illegitimacy and multigenerational welfare dependency.

The current amendment follows the same basic rule on teenage mothers as the Dole bill, which says you cannot use Federal funds to give cash aid, a check in the mail, to a teenage mother unless that teenage mother resides with her parents or another adult relative.

My amendment maintains that same basic rule, but adds one limitation. The limitation states that an unmarried teenage mother cannot receive Federal cash aid, a check in the mail, if the parent or adult relative the teenager is living with herself had a child out of wedlock and has recently received aid to families with dependent children. The whole approach here is to break the cycle of children born out of wedlock.

The teenage mother cannot get cash aid, cannot get a check in the mail if she is residing with a parent who herself has had a child out of wedlock and was a welfare mother. The teenager in these circumstances could receive vouchers or federally funded in-kind aid, but she could not get a federally funded check in the mail if she is living with an adult who has had a child out of wedlock and then been a welfare mother herself.

This restriction applies only to Federal funds. A State can use its money to send a check in the mail to anyone it wants. But what we are doing is trying to break the cycle. American communities are being torn apart by multigenerational illegitimacy and multigenerational welfare dependency. In some communities, the out-of-wedlock birth rate is now reaching 80 percent. We need to disrupt this pattern of out-of-wedlock births from one generation to the next.

But instead of disrupting the pattern, the Dole bill reinforces it, even sanctifies it. It pretends the answer to teenage illegitimacy is to have the teenager reside with her mother who, in many cases, was the source of her problem in the first place.

If you vote against this amendment, you are voting to give cash aid to multigenerational welfare households. If you vote against this amendment, you are voting to subsidize and promote multigenerational illegitimacy. If you vote against this amendment, you are voting to continue the very policies that are destroying and ruining lives of young women and children and condoning and promoting multigenerational dependency, illegitimacy, not welfare reform. And what we are here for is to reform welfare.

No society has ever survived the collapse of the family within that society. No nation can survive the death and destruction of its families. Families in America are on the brink of collapse. Let us not push the American family into its grave with this type of welfare program.

Mr. President, I yield the floor.

The PRESIDING OFFICER. Who seeks recognition? The Senator from Connecticut is recognized.

Mr. LIEBERMAN. Mr. President, I am going to withhold for a moment. I see my friend and colleague from North Dakota with whom I am cosponsoring the next amendment coming onto the floor. It is appropriate that he call up the amendment and begin the debate.

The PRESIDING OFFICER. The Senator from North Dakota is recognized.

AMENDMENT NO. 2528

Mr. CONRAD. Mr. President, I thank my colleague from Connecticut. I call up the Conrad-Lieberman amendment No. 2528.

The PRESIDING OFFICER. Without objection, it is so ordered.

The PRESIDING OFFICER. The pending question is now the Conrad amendment.

Mr. CONRAD. Mr. President, this amendment promotes a comprehensive strategy to prevent teen pregnancy. If there is one problem I think Senators on both sides of the aisle recognize is right at the center of the problems of this Nation, it is the dramatic increase in teen pregnancy. I have talked to my colleagues before and shown a chart that shows that in 1992 there were more than a half million births to teen mothers, and 71 percent of those births were to unmarried parents. I have also shown my colleagues, in the past, a chart that demonstrates that our Nation's teen birth rate is now more than twice as high as in any other industrialized country.

The Federal Government, we believe, has a responsibility to assist States in developing effective teenage pregnancy prevention strategies, and that will help prevent the cycle of poverty that results.

The Conrad-Lieberman amendment does the following: It provides $300 million, over 7 years, for States to develop adult supervised living arrangements. I call them "second chance homes." They are places where young, unmarried mothers can get the structure and supervision that they need to turn their lives around.

Second, the Conrad-Lieberman amendment retains the requirement added to the Dole bill that teen parents live with their parents or another responsible adult and that they stay in school. There are a lot of things we do not know. But we do know that for a teenage parent to have a chance, it is critically important that they be in an adult-supervised setting and that they stay in school. If there is one thing that is clear, it is that.

Mr. President, the Conrad-Lieberman amendment also establishes a national goal to reduce out-of-wedlock pregnancies to teens by 2 percent a year. It encourages communities to establish their own teenage pregnancy prevention goals. It establishes a national clearinghouse to share what we learned about what works to prevent teenage pregnancy. It establishes a 5 percent set-aside for teen pregnancy prevention strategies to be developed by the States.

Finally, the Conrad-Lieberman amendment calls for the aggressive prosecution of men who have sex with girls under the age of 18.

Mr. President, there is compelling evidence that two things have an enormous impact on long-term welfare dependency: teenage pregnancy and lack of a high school education.

According to the General Accounting Office, in 1992, teen mothers comprised 42 percent of the welfare caseload. We also know that 63 percent of those on welfare for more than 5 years have less than a high school degree.

Mr. President, if you start analyzing the problem of welfare dependency, you have these two factors, and they are very, very clear: teenage pregnancy and lack of a high school education.

If we are really going to reform welfare, we absolutely must confront both of these issues. We must reduce teen pregnancy, and we must require that those teen parents get an education to equip them to care for their children. The Conrad-Lieberman amendment does both.

Mr. President, I want to highlight our provision related to second-chance homes. The second-chance home provision is supported by a significant sector of the religious community, including the U.S. Catholic Conference. Second-chance homes are commonsense responses to the teen pregnancy crisis.

I want to acknowledge the tremendous work of the Progressive Policy Institute, and specifically Kathleen Sylvester, in developing this recommendation. Second-chance houses are innovative, adult-supervised living arrangements that should be available to teens who are unable to live with a parent or other responsible adult. Communities can use second-chance homes to create a structured living environment that provides education and training, early childhood intervention and development, case management, and family counseling.

We have a bipartisan agreement that States should provide adult-supervised living arrangements. The requirement in this bill, however, could unintentionally place teen parents at risk of being forced to live in abusive households.

Mr. President, if we are not going to force young girls with infants of their own to live in households with abusive parents, then we must provide appropriate alternatives to be available.

As currently written, the Republican bill acts as a disincentive to States serving these young girls at all. Why? First, when the authors of the Republican bill added the adult-supervision requirement, they failed to add any funding to make it work. Second, because it costs money to develop structured environments like second-chance homes, States are much more likely to use the very limited funds in the bill for other purposes.

Therefore, the most vulnerable teenage girls with their own children will simply not be served by most States. This is why the U.S. Catholic Conference, Catholic Charities, and the National Council of Churches support my proposal. In fact, last Friday, Catholic Charities sent a letter to every Member of the Senate supporting my approach. Their letter said:

> The first principle in welfare reform must be: "Do no harm."

The letter went on to say:

> We support Senator CONRAD's amendment, which not only would require teen mothers to live under adult supervision and continue their education, but it would also provide the resources for second chance homes to make that requirement a reality.

The majority of teenage mothers will live with their parents, with legal guardians, with relatives, or foster parents. In some cases, however, there will be no place for the teen mother and her child to go. That is the reason and that is the purpose for second-chance homes.

Teen mothers are extremely difficult to place in foster care. Most foster families simply do not want them. Go to any foster-care agency and ask them what is the most difficult placement they have. Other than the severely disabled, there is nothing more difficult to place in a foster-care home than a young mother with her own child.

Certainly, none of us want to deny needed aid to a teen mother and her child when no suitable adult is available to look after them. We must provide the means for States and local communities to create structured living environments for these teens. It takes money to develop the kinds of structured settings that will be needed.

The Conrad-Lieberman amendment provides funding for States to develop such settings—these second-chance homes—where teenage mothers can have the attention, the discipline, supervision, and structure that they need in order to have a second chance.

Our Nation simply cannot sustain a system that locks millions of children into a lifetime of poverty because their parents were teenagers when the children were born. Confronting teenage parenthood requires a comprehensive approach, with maximum flexibility for States. That means providing the resources to enable States to prevent teenage pregnancies, including the development of second-chance homes.

During the debate on the Coats amendment earlier today, there was much discussion of the need to capitalize on community resources. Many local institutions and individuals do a remarkable job of instilling positive values in teen mothers and others in need. One of the best examples that I have seen is Covenant House. Covenant House is a Catholic-based charity that provides an excellent model of what second-chance houses can be. When Covenant House takes young mothers under their wing, those mothers seldom experience a second pregnancy until they are ready to provide for that child.

The strategies in the Conrad-Lieberman amendment can provide a significant boost to our national attempt to combat teen pregnancy. I hope our colleagues will support it.

In closing, Mr. President, let me just say that among the most compelling testimony before the Finance Committee was the testimony of Sister Mary Rose McGeady. The sister came before the Finance Committee, and she described to us what they have experienced at Covenant House, taking in hundreds and hundreds of young mothers, unmarried, and their children.

She said over and over, our experience has been if you provide structure, if you provide supervision, if you give these people a vision, that they can lift themselves beyond their current circumstances and have a chance to succeed in life.

If they can make the best of the opportunities that they have, if they see a path through education to make something of their lives, they will not have a second child until they are ready to care for that child.

I wish my colleagues could meet this sister who runs Covenant House, see the sparkle in her eye and see the spring in her step and see the vision that she has of what we can do to really achieve results in combating teen pregnancy.

She has been there. She has been in the trenches. She has fought the fight. She has done it successfully.

We ought to make certain that model is available in every State in this Nation. That would do something serious about combating a problem that I think all of us understand to be one of the critical problems facing this Nation.

I thank the Chair. I yield the floor.

Mr. LIEBERMAN. Mr. President, I thank my friend and colleague from North Dakota for his outstanding statement and for the work that we have done together to fashion this amendment. I am proud to be his cosponsor of it.

Mr. President, there has been considerable talk in this debate about the problem of babies born out of wedlock, particularly babies born out of wedlock to teenage mothers, as well there should be. It has a direct and powerful effect on the welfare caseload.

The fact is that although teenage mothers themselves make up only a small percentage of the welfare caseload today, only 8 percent in 1994, the fact is over half of the mothers on welfare today had their first children when they were teenagers.

The problem of teenage pregnancy is central to the problem of welfare. To state the obvious, but sometimes it is important to do so, this has been constructed as a program of aid for dependent children. More than half of the mothers on welfare have dependent children because they had babies when they were teenagers and there is no father around.

Obviously, we are focusing on this problem of babies being born out of wedlock and babies being born to teenagers out of wedlock because it is a more broadly threatening social catastrophe that is affecting our country.

Take a look at the statistics with regard to prisoners in our jails today and you will find a startling number of them were born to mothers out of wedlock and grew up with no fathers in the house.

In trying in this bill to do something about teenage pregnancy and babies born out of wedlock generally, I think we are trying to do something not only to reform the welfare system but to make ours a safer society, and in the process to save some of these children born to poor teenage mothers, born to a life which in most ways is without hope for the mother and for the child.

Senator CONRAD and I are thinking of fashioning the broadest approach to this problem of teenage pregnancy that will be part of this debate. I hope our colleagues on both sides will look at the details of this proposal and join in trying to create, really, a national crusade against teenage pregnancy.

A national crusade which can be directed by a Federal official which will feature a national clearinghouse so that States and private and philanthropic charitable institutions can share ideas about programs that have to cut the rate of teenage pregnancy. A national campaign which will set national goals and give each State the goal of reducing their teenage pregnancy rate by 2 percent a year. It does not sound like a lot, but today it is skyrocketing in the other direction.

Create a goal of involving 25 percent of the communities in America in teenage pregnancy prevention programs. Then to put some money behind all this to take the existing title 20 program which covers a host of social programs for the poor, and mandate that each State use 5 percent of the money they receive under title 20 for teen pregnancy prevention activities.

It is that critical a problem facing our country. Mr. President, the birth rate for single teenage parents has tripled since 1960 from 15 to 45 births per 1,000 unmarried girls age 15 to 19.

More than a third of the babies born in America today are born out of wedlock. It is a startling change in sociology in the family and reflects a startling change in values.

We spend a lot of time talking about why it has happened. I will come back to this in a while. Some of it has to do with the messages that the media are sending our kids as they grow up. Some of it clearly has to do with an increasing sense of sexual permissiveness which we see by these stunning numbers is not without its consequences and its victims. Its victims are the poor babies born to poverty with a teenage mother without a father in the House.

What kind of hope can that poor child have to make something decent of his or her life. I think the change in values has had its consequences here.

I fear that the welfare system has all been part of the problem. I do not say it has created the problem. It is much more complicated than that. There is no question in my mind based on reading I have done, based on conversations I have had with young women who have had babies out of wedlock when they were teenagers, that the existence of the welfare system has in some measure facilitated, enabled, made more likely, the birth of babies out of wedlock to teenage girls.

We all pay the price for that consequence. That is why dealing with the problem of teenage pregnancy, dealing with the problem of babies born out of wedlock, has to be a central part of our effort at welfare reform.

Each year about 1 million teenage girls become pregnant and confront the consequence of that pregnancy. About half of those girls have their babies. Half a million babies, roughly 40 percent have abortions, and another 10 percent of those teen mothers miscarry.

Well over 60 percent of the teenage mothers are single. They are not married. For those single mothers who raise their babies, the consequences are obviously grim, particularly if the mother does not have at least a high school education. Of course, many who are below the age of 17 or 18, who have their babies, do not have a high school education.

As William Raspberry, columnist, noted in the Washington Post, children born to parents who had their child born out of wedlock before they finished high school and reached the age of 20 are almost guaranteed a life of poverty. Bearing a child in your teens as a single mother is simply wrong, and our society must give that message to men and women who are responsible for the birth of those babies to single teenage mothers. It is contrary to our values. It is contrary to our interests. It is contrary to the interests of those young women and the children they bear.

Unfortunately, our current welfare policies too often send the opposite message, and that is why they need to be changed. We need to require teenage parents who receive welfare to live at home with their own families or, if that is not appropriate, in adult supervised group homes, some of the Second Chance Homes that Senator CONRAD has described so well, that will be enabled by the amendment that we offer tonight.

In my conversations with young women who gave birth to babies out of wedlock when they were teenagers, and I asked them, "Why did you do it," I must say, first, I was impressed by the overwhelming percentage of these young women I spoke to who said, "Senator, I love my baby, but I wish I had not had the baby when I was so young."

I would say, Why did you do it, as you look back at it?

Some said the obvious: "I did not protect myself when having sex."

Others said, "I did it in part because I knew if I had a baby I would be able to go on welfare, and that welfare check would enable me to move out of my house and to become independent."

Any of us who have raised teenage kids know that they all want to be independent. The idea that these young women would have incorporated a value system, or lack of such, that would lead them to want to have a baby to get the welfare check to move out of their houses, that is a sad commentary on where we are. And that is why it is so critical to require, and send a message, that that is not going to be the way out of the house anymore. If you are a teenage mother and you want welfare, you have to live at home or you have to live in a supervised group home setting, such as the superior Second Chance Homes that Senator CONRAD has described. We ought to require them to stay in school and to take parenting classes. It is no excuse, and it ought not to be an excuse, for young women who have babies to drop out of school.

The amendment that we have proposed tonight builds on this foundation by establishing the national goals that I have talked about and the clearinghouse. Let me briefly discuss these provisions.

I think if we want to make significant progress on this issue, we have to set national goals. That is what Senator CONRAD and I have done in this amendment. We have to be able to measure our progress toward those goals. This amendment establishes that goal, reducing out-of-wedlock teen pregnancy rates by 2 percent a year.

The purpose of the national goal is to galvanize the efforts of the public and private sector to address this problem. As President Clinton said on August 9 when he visited North Carolina, "Teenage pregnancy is not a problem that we in Government alone can fix." How right he was. President Clinton said he is working to get all the leaders of all sectors of our society involved in this fight. I think we, in this welfare reform legislation, can add momentum and support to his effort by establishing clear national goals that both private and public sector organizations can aim at and rally around. We have to put our energy where it is most likely to make a difference in children's lives.

In shaping policies to achieve the goals we are setting out here, I think we have to keep in mind some of the terrible facts about pregnant teenage girls. As Kathleen Sylvester of the Progressive Policy Institute said in a recent Washington Post op-ed, "Most teenage mothers come from poor, dysfunctional families. Many have been neglected or abused." This is the cycle of poverty and dysfunction that continues from generation to generation. Ms. Sylvester reported that as many as two-thirds were victims of rape or sexual abuse at an early age. And, sadly, the abuser was often a member of their household. That is why we are talking about Second Chance Homes tonight. As a consequence, teenage mothers start out extremely vulnerable to the sexual advances of older men.

Mr. President, there was a recent study done by the Alan Guttmacher Institute that produced results that we have discussed here on the floor before, but I found them startling. Bringing together a number of studies, they reported that half of the babies, at least half of the babies born to teenage mothers, were fathered by an adult man. I must say that my vision of this problem was that these children being born to teenage mothers were the result of casual, irresponsible sex with two teenagers. Not so, according to this study—in most cases, in more than half the cases. The younger the mother, according to the study, the greater the age difference between her and the father of the baby.

Among California mothers, in one study of mothers aged 11 to 15—between the ages of 11 to 15—women, young girls, who would carry the baby to birth, 51 percent of them said that the fathers of those babies were adults, were over 18.

There are studies we could go on and on with. But the point is that these are appalling findings, and they cry out to us to try to do something to protect these young women.

When we talked about these statistics a few days ago on the floor, the senior Senator from New York, Senator MOYNIHAN, stood and made a point that I found very provocative and also, I think, insightful, which is that, tragically, too often we are dealing here with girls growing up in poor families without a father in the house, and part of what that means is that there is not an older man in the house to protect his daughter from the unwanted advances of another older man, one of the roles—a role so primal that we tend not even to think about it—that the father in an intact family normally will play.

So part of this amendment that Senator CONRAD and I have introduced tries to begin to get at this problem by expressing the sense of the Senate that the States, which are the main enforcers of criminal law in our society, have to look again at laws that we barely ever mention these days that used to be very much a part of our lives and the life of the courts, which is to say laws against statutory rape, to say it is a crime for an adult man to have sex with a woman who is a minor.

Perhaps, again, as part of the sense that consenting people should do whatever they want sexually, the general tone of sexual permissiveness in our society, these laws have either been amended down or out of existence, or if they are in existence, they are rarely enforced today.

I suggest to my colleagues that Senator CONRAD and I include in this appeal to the States raising the question of whether it might not just be one deterrent to an adult man—who, in this case, could well be a sexual predator, an aggressor with a younger woman—to think twice if that man knows that the statutory rape laws are going to be enforced once again in that State.

In trying to put some money behind the general program that we have outlined, I mentioned the use of title XX funds. The amendment would require that 5 percent of the title XX social services block grant be committed by the States to teenage pregnancy prevention programs, and that is not a small sum. That equals $140 million a year to begin to help the States try a multitude of responses to this social disaster that is occurring in our society and that is affecting every one of us, whether we see it or feel it immediately—certainly affecting us in the increasing rate of violent crime among young people.

Mr. President, a second and final word about the idea of a clearinghouse which the amendment would establish at the Department of Health and Human Services.

We are dealing here with a profound, complicated, difficult social problem. There are a lot of ways to go at it—law enforcement, and statutory rape is one. But we need to encourage the widest array of experiments with dealing with this problem at the State level. And the aim there is to then share that program with programs that work with other States and philanthropic and private charitable groups around the country.

The fact is that we are beginning to know something about what works.

The Henry Kaiser Foundation several months ago published a monograph that reviewed the effectiveness of 123 sex education curricula programs and their policy implications. Their work was supported by a diverse group of organizations, including the American Enterprise Institute, the Alan Guttmacher Institute, the Centers for Disease Control and Prevention, and the Population Council. And the study's key findings include the following:

Sex education in school-based health centers do not increase frequency of sexual activity among high school students or reduce the age when they first become sexually active. Some school-based clinics, but not all, actually delayed the age of first sexual activity, and increased contraceptive use resulting in fewer pregnancies.

Programs that are effective focus on three behaviors: One is to protect oneself sexually. The second is abstinence. And the third is how to resist the pressure—peer pressure, or pressure from an individual, a man—to have sex.

To be effective, the school-based sex education programs have to be tailored to the populations they serve.

That was the message of those studies.

Finally, and very critically, the studies concluded that sex education programs should not be value neutral. Those that gave students sexual information and told them to make their own judgments were not effective in changing behavior.

In other words, we have to stop our sense of neutrality, a sense that anything goes in this society, because there are consequences when anything goes, and they are terrible for our society. We have to preach and teach a very clear message. Sexual activity at an early age, activity that results in teenage pregnancy, is simply wrong. It ought not to happen. It is unacceptable. It is a disaster for the mother involved, for the baby involved, and for our society.

That is the kind of information that I believe can be shared through the clearinghouse that would be set up under this amendment.

Mr. President, let me say a final related word, and that is about the role of the media. I think the media has had generally a negative effect on values in our society. And I think they could have an extremely positive effect because their impact on our kids is so powerful.

A growing body of evidence, in my opinion, supports the conclusion that the pervasiveness of sexual messages on television, in the movies, and in music has contributed to the dramatic rise in the number of teenagers having sex, and in turn the rise in teen pregnancies.

Mr. President, I need not belabor this point. But I saw a recent study about the number of sex acts that one can see on an average day watching soap operas, the number of sexual references that one can hear and see in prime time on television, and the number of sexual topics that are discussed, usually not normal behavior, on TV talk shows. I think the cumulative effect of all of that, as Senator MOYNIHAN has said so well, is to define deviancy down to the behavior that was not only not done much in earlier time but certainly not talked about, and hold it up as a kind of standard of normalcy; at worst, something to giggle about. We are paying the price for that. I think it is time that those who put shows on television and who run the networks appreciate it.

The most compelling evidence in this connection is a poll that was taken of children themselves by a group that I believe was called Children Now, a survey of children aged 10 to 16. And when asked the question 62 percent of them said that they believe that what they saw on television encouraged them to have sex earlier than they should have. I hope that those who put those shows on television will begin to think more seriously about the consequences of what they are putting on. It is exactly these concerns that were part of what led Senator CONRAD and I to introduce the amendment on the telecommunications bill that passed with a strong bipartisan support that would call on TV set manufacturers to put in what we call the "choice chip," to let parents choose what their kids will see and that requires TV networks to rate the programs that they put on.

Mr. President, the electronic media have enormous influence, and they could use it for good, and in many cases they have used it for good. One of the best known examples I think is the way the entertainment industry embraced the campaign against drunk drivers through a conscious effort to weave portrayals of designated drivers into a number of TV shows in addition to the outright commercial messages against drunk driving. The entertainment industry and television particularly played a critically important role in helping to reduce the number of alcohol-related fatalities.

There is simply no reason that they could not make a similar commitment on behalf of the campaign against teen pregnancy.

I think another way we can encourage the media to become allies is in the use of direct advertising such as was done in the campaign against drunk driving. And the Maryland State government provides us with an excellent example of the potential that lies in this approach. In 1988 it embarked on what might be called a media blitzkrieg to combat teen pregnancies. The State was saturated with advertisements on television, radio, billboards, buses, as well as videos, brochures, and special lessons that were distributed in schools. More than $7 million was spent on the TV and radio spots alone. In the first 3 years of the campaign, birth rates and abortions dropped. And by 1991 the State reported a 13-percent decrease in teen pregnancies, which in this field is startling, and in this case very encouraging.

The media campaign could not singlehandedly account for those changes. But it is clear to me—and I think most who have looked at this study—that it played a very significant role in that reduction.

Perhaps the best indication of its effectiveness was the fact that in a followup study 94 percent of the students and teachers at five middle schools in Maryland knew about the campaign, and could repeat the campaign slogans verbatim.

So we have a real problem on our hands here, and we are all suffering the consequences of it.

This amendment that Senator CONRAD and I have put forward tonight is a an attempt to put our Nation on the course of an urgent, intense, and comprehensive campaign to cut down the rate of teenage pregnancies.

I thank my colleague from North Dakota for the partnership that we have once again established. It is always a pleasure and an honor to work with Senator CONRAD, particularly, as is normally the case with us, in a good cause.

I thank the Chair and I yield the floor.

Mr. CONRAD. Mr. President, I thank my colleague from Vermont, Senator LIEBERMAN, who has been a real leader in the whole challenge of dealing with what is happening with respect to teenage pregnancies.

I, first of all, want to apologize to him. I moved him from Connecticut to Vermont. I was just in Vermont. It is a beautiful place, a wonderful setting, and I am quick to identify Senator LIEBERMAN with places that are pleasant. But in fairness, he belongs in Connecticut. And Connecticut is lucky to have him.

I have enjoyed our partnership on this challenge because I think of teenage pregnancy as really a tragedy for America. It is a tragedy for the children, it is a tragedy for the young women and girls, and it is a tragedy for the entire country.

Mr. President, one in three children being born in America today are born out of wedlock. In some cities in America, two out of three children are being born out of wedlock. Tonight, we are in the Capital City of the United States. In this city, two out of three children born this year are being born out of wedlock.

What chance do they have? What chance do their mothers have? We know, according to the GAO, that 42 percent of the welfare caseload in this country is teenage mothers or girls or women who had babies when they were teenagers. It is central to the problem we face.

I wish to share a couple of vignettes from an example of a second-chance home before I end because I think these vignettes are important. They are real life experiences. This is what is happening to the people about whom we are talking. This is a story about Sherice.

Sherice, now 20, has a 2-year-old daughter and no one to help out. She, too, was trapped early in the cycle of welfare dependency.

Sherice grew up on welfare, and was made responsible for caring for her 10 younger siblings by her alcoholic mother. At 17, she dropped out of high school when she became pregnant with her daughter Jamila. She was forced to take her daughter out of the family's overcrowded apartment to live with reluctant relatives. Sherice's options ran out when this living situation also proved inhospitable, and she found herself with no one to turn to and became homeless.

Sherice and Jamila were referred to an American Family Inn in Queens, NY. After obtaining her GED through the on-site high school and completing a 4-month job training apprenticeship in food services, Sherice found a place to live and set out to find a job. With the help of the American Family Inn's employment specialist, Sherice entered the New York Restaurant School with a partial scholarship in order to follow her dream of becoming a chef.

She recently completed her demanding cooking classes and soon will begin an externship in a local catering company. She plans to use the skills she learned to form her own catering company after she graduates in October 1995.

Mr. President, this is someone who, because of a second-chance home, has her life together, who is a productive member of society because of the structured, supervised setting she was able to experience in a home.

A final vignette.

Elena. Elena is an 18-year-old single mother with a 2-year-old son, Andrew. She has never been married, has never lived independently, and she receives public assistance. She represents a typical mother residing at American Family Inn.

Elena has a fractured and unstable past. She shuffled between her mother and father until age 5, when she was placed in the first of three foster homes due to physical abuse from her mother. At age 14, Elena moved in with her boyfriend and his parents and at age 16, dropped out of high school to give birth to her son. Her relationship with her baby's father deteriorated as he continued and increased his drug use. She left with her son and moved back in with her mother until her stepfather forced her to leave.

Elena had no other choice but to enter the shelter system. Prior to arriving at an American Family Inn in Manhattan, Elena had lived in an emergency assistance center, a short-term shelter and a welfare hotel. The day after she enrolled in the on-site programs, including the alternative high school where she is working toward completing her GED, the licensed day care center where her child is being socialized to the norms of education and the independent living skills workshops where she is learning topics such as parenting, budgeting, nutrition, and family violence prevention.

Elena has also begun intensive job readiness and job training. Each afternoon she fulfills her internship requirement as a teacher's aide in the on-site day care center. She is expected to complete the program in the next several months, move into her own apartment and either find full-time employment or a enroll in a community college to pursue higher education.

This is Elena's statement, and I quote:

> I feel this is a place where I can get my life together. I'm getting my education and learning to work. My mother never cared if I went to school and she never told me about having babies or being a parent. The people here and the programs here are helping me. I'm learning to be a teacher's assistant so that I can go to college and start my own business and get off of public assistance. I needed this chance.

Mr. President, I do not think there is a Member in this Chamber whose heart is so cold that they are not moved by a story like that one—somebody who grew up in an abusive home, had a child at much too early an age, forced into homelessness, and who now, because of a second-chance home, is getting an education, wants to start her own business, wants to get off public assistance and make something of her life.

That is the promise of what we can accomplish by focusing on this critical challenge to America's future. We can make a difference. We can do something that will lead to a different result than a life of poverty and dependence, and we can do it by action tomorrow. That is when the vote will be held.

I urge my colleagues to support the Conrad-Lieberman amendment.

I thank the Chair and yield the floor.

The PRESIDING OFFICER. The Senator from Vermont is recognized.

AMENDMENT NO. 2581

Mr. JEFFORDS. I ask to call up amendment 2581 for immediate consideration.

The PRESIDING OFFICER. That amendment is now the pending question. The Senator from Vermont is recognized.

Mr. JEFFORDS. I thank the Chair.

Mr. President, I am here to try and undo what I think is a very unfortunate area of the bill which attempts to do something which we would all agree with, and that is to reduce the number of illegitimate child births in this country and to hopefully reduce the number of abortions. I think it was one certainly sponsored with all the hopes and dreams of being able to do that. However, I oppose it because I find that it would be most counterproductive and would result in an entitlement being created which would in effect not establish any policy that will really accomplish the goals for which it was conceived. Thus, I have sponsored an amendment to strike the so-called illegitimacy ratio from the welfare bill.

Last night, we heard from Senator DOMENICI and others about how conservative social engineering is no better than liberal social engineering. We all know that Federal strings often do not produce the desired behavior modification and can even produce unintended negative results. I hope my colleagues will join me in my opposition on those grounds.

Throughout this debate, we have discussed frequently the importance of ending entitlements. It may surprise some of my colleagues to learn that this provision creates a new entitlement and will be funded by the terms "such sums as necessary."

Now, CBO has scored the costs at $75 million over the 7 years. I think their estimate may well be very, very conservative. Because of the way I read the provision, I calculate this new entitlement could cost as much as $1.6 billion per year by the year 2000, if all our States reduce their out-of-wedlock birth rates without reporting higher abortion rates.

This gives me pause, especially for reasons I will outline about unreliable statistics.

But let me point out also just to verify that figure, which may seem to be outlandish to start with, the reason for that is that all you have to do is one time go below the 1995 base, and for the rest of the period, providing you do not go back up, you will get this bonus which is in it. And if each State does that, we will have the figure I gave you of about $1.6 billion per year.

The provision entitles States whose proportion of in-State—I emphasize "in-State"—out-of-wedlock birth rates have decreased without an increase in their State abortion rates to either an additional 5 percent of their block grant if the birth rate has decreased by 1 percent or 10 percent if the birth rate decreases by 2 percent or more. And it only has to do it once providing it stays below the baseline. So if a State's out-of-wedlock births decrease as a proportion of their total births, they can receive as much as 10 percent more than their base cash assistance and child care block grant.

I do not understand why we want to create a new entitlement, especially for States that need the dollars less. In other words, if you have decreased your problem, you end up with more money for perhaps as much as the term of the whole bill, of our period which we are covering here on the budget. We all know that out-of-wedlock birth rates show a strong acceleration with the rate of welfare dependency. If there are more children born to single parents, there will be more need for State and Federal assistance. And that is part of why we are so concerned.

But rather than try to construct, actively work toward, lower out-of-wedlock birthrates, this ratio seems completely backward since it sends more money to States that need it less. And States that for whatever reason experience higher out-of-wedlock birthrates and need it more, they cannot tap into the newly created entitlement.

Mr. President, I have here a letter from Catholic Charities USA in opposition to this illegitimacy ratio. There are some who tried to get this into the pro-life, pro-choice area here. I would just point out—and I will read this letter now into the RECORD because I think it is so helpful in letting everyone know that this is a group which obviously is a pro-life group. This is addressed to Senator DOLE.

Dear Senator DOLE:

Catholic Charities USA is deeply concerned about the proposed illegitimacy ratio bonus being put forward as part of welfare reform legislation in the current Congress. The proposal is another speculative venture being imposed upon the entire country and its poorest families without test, trial, or experiment.

Our fear is that State governments, in a time of drastic funding cuts and escalating human need, will resort to the family cap, teenage mother exclusions, and other drastic measures, all in the illusive hope of garnering additional millions of dollars of funding. (The funding itself will have to be cut from other needed programs or services in our zero-sum budget situation.)

I would emphasize that. There is no provision for the funding in this bill. It will have to come from existing sources otherwise, and it is an entitlement, meaning that it must come. I will continue with the letter.

Those measures, while as yet unproven to cut birth rates, are far more likely to produce increased abortions, as the failed New Jersey family cap experiment already has shown, and to hurt poor children and families. And the proposed illegitimacy ratio bonus contains no penalty for increasing abortion rates in States which experiment with the lives and well-being of their poorest families.

No church community has been as vigorous as our own in support of human life or of sexual abstinence outside of marriage. And no community has as broad experience as our own in Catholic Charities in working with women who are pregnant and unmarried and with their children. We urge you to remove the proposed illegitimacy ratio from the pending legislation in the interest of sound family policy.

Signed by Father Fred Kammer, president of Catholic Charities USA.

I ask unanimous consent that letter be printed in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

CATHOLIC CHARITIES USA,
Alexandria, VA, September 12, 1995.

Senator ROBERT DOLE,
Majority Leader, U.S. Senate, Washington, DC.

DEAR SENATOR DOLE: Catholic Charities USA is deeply concerned about the proposed illegitimacy ratio bonus being put forward as part of welfare reform legislation in the current Congress. The proposal is another speculative venture being imposed upon the entire country and its poorest families without test, trial, or experiment.

Our fear is that state governments, in a time of drastic funding cuts and escalating human need, will resort to the family cap, teenage mother exclusions, and other drastic measures, all in the illusive hope of garnering additional millions of dollars of funding. (The funding itself will have to be cut from other needed programs or services in our zero-sum budget situation.) Those measures, while as yet unproven to cut birth rates, are far more likely to produce increased abortions, as the failed New Jersey family cap experiment already has shown, and to hurt poor children and families. And the proposed illegitimacy ratio bonus contains no penalty for increasing abortion rates in states which experiment with the lives and well-being of their poorest families.

No church community has been as vigorous as our own in support of human life or of sexual abstinence outside of marriage. And no community has as broad experience as our own in Catholic Charities in working with women who are pregnant and unmarried and with their children. We urge you to remove the proposed illegitimacy ratio from the pending legislation in the interest of sound family policy.

Sincerely yours,
FR. FRED KAMMER, SJ,
President.

Mr. JEFFORDS. We all know that out-of-wedlock birth rates show a strong correlation with the rate of welfare dependency. If there are more children born to single parents, there will be more need for State and Federal assistance. That is part of why we are so concerned. But rather than try to constructively work toward lower out-of-wedlock birth rates, this ratio seems completely backward.

Mr. President, I also understand, as well as reading the letter from the Catholic Charities, that the Catholic bishops oppose a similar provision in the House. They are concerned, as I am, that rather than effecting positive behavior change by decreasing out-of-wedlock pregnancies, this new entitlement would encourage out-of-wedlock and out-of-State—I emphasize that for your memory later on when we talk about how these things are worked—out-of-State abortions. And I would also add that this may well mean backroom abortions or some of those that we will not be able in any way to take note of in the requirement for statistics here.

Because States do not qualify for the funds by showing an increase in their in-State abortion rates, there are a few ways to influence those numbers. The most obvious is underreporting. According to the Centers for Disease Control, several States currently have inaccurate, incomplete, or even completely estimated abortion rates. I think California is one of those.

So here we are going to establish a baseline which will be used for the length of the bill that will allow States to collect on figures that are totally or may be totally inaccurate. As we might expect, it is difficult to encourage, particularly without a mandate to report, complete reporting of abortions. We will be looking at situations which will already be in being which have had no reporting requirements. That is, that we use a base year of the year 1995, which is almost over with and will be by the time all of this gets into being. So we are setting up a base year here for which we have no reliable statistics whatsoever and using that to determine an entitlement program. Women who receive abortions want to maintain their confidentiality, and abortion providers, particularly in the face of recent violence, may want to maintain their anonymity. So the current numbers are not accurate. We have no adequate baseline to compare to, and we have no uniform reporting system in place.

If we mandate reporting without providing significant funds for the States to do this, we will be sending an unfunded mandate to the States.

Another way to influence these statistics would be to toughen State requirements for obtaining an abortion. In some States—this is important to remember—in some States as many as 40 percent or more of their in-State abortion rates are from people who reside outside the State. So if you know you are going to maybe get millions or hundreds of millions of dollars here by getting abortions performed across the borders, there is going to be tremendous incentive to accomplish that. Making abortions more difficult to obtain could obviously help to lower the abortion rate. This provision would offer a cash incentive to States for tougher abortion laws possibly resulting in unreported abortions or more abortions out of State or more abortions under improper conditions.

All in all, accurate abortion statistics will be extraordinarily difficult, if not impossible, to obtain. We must struggle with what constitutes an abortion or an induced pregnancy termination. Does the so-called morning-after pill count? What about a routine D & C that may or may not have involved a pregnancy? How will we know if women take a large enough dose of oral contraceptives to induce menstruation? It is an off-label use but expels any pregnancy that may be there and induces menstruation. How are we going to count those? Are we going to require women to report that?

There is currently no standard definition, nor accurate or agreed-upon reporting procedure, especially for what we will have to use as the baseline year.

Currently, States define their terms and define how they report. Some States only report hospital procedures, and public health officials extrapolate the other numbers. In the case of at least one State, the most recent figures available are completely estimated and are not based upon any report. States that currently report high numbers or broadly drawn definitions stand to gain, while States that have been underreporting will have no alternatives but to continue.

We are setting up something here which was well-intentioned I am sure, but is so open to manipulation or intrusion into the personal lives of people that I cannot believe it can be supported by anyone that has examined it, notwithstanding the wonderful intentions.

Mr. President, I believe this new entitlement is illogical and unwieldy. It could potentially cost quite a bit of money, but the criteria for qualification are unclear and difficult to quantify accurately. In this provision, we are attempting the very kind of social engineering that we have railed against and tried to prevent. I hope my colleagues will join me in voting to strike this illegitimacy ratio.

As I said earlier, I know it was well-intentioned, and I would be willing to work with those who are behind it to see if there are other ways that we could reduce teenage pregnancies in particular. I know that from studies that show there are many things that we could do and also enhance our educational system by increasing the school days and more child care, all the kinds of things that can try to bring about the kind of society that does not seem to promote or to enhance the ability for young people to have pregnancies out of wedlock.

Mr. President, I am ready to yield the floor. I do not see anyone present at this time. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. ABRAHAM. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ABRAHAM. Mr. President, I rise tonight in support of an important element of the Dole welfare reform package. This provision—known as the illegitimacy ratio bonus—will help, I believe, the fight against the chronic problem of illegitimacy without increasing the tragedy of abortion. I urge my colleagues to vote against striking it from the reform package.

We now know, Mr. President, that the dramatic increase in out of wedlock births is a chief cause of welfare dependency and a chief cause of a number of other social pathologies.

Children brought up without the benefit of two parents are six times as likely to be poor and to be poor longer than other children. They are two to three times as likely to have emotional and behavioral problems, more likely to dropout of school, become pregnant as teenagers, abuse drugs, commit crimes, and even commit suicide.

This makes illegitimacy a driving force behind welfare dependency and that is doubly tragic because our welfare system is a significant cause of illegitimacy.

Welfare, as currently constituted, creates a vicious cycle of dependency. Children have babies and turn to the welfare system in a failed attempt to become "independent." Then their babies, in turn, too often end up on welfare.

And illegitimacy has reached epidemic proportions in America. By the end of this decade, 40 percent of all American births will take place without the benefit of marriage.

Mr. President, I believe we must stop the spread of this epidemic. It is destroying our cities and more importantly, it is destroying far too many lives.

One problem we face in fighting out of wedlock births is that no one here in Washington really knows what constitutes the total solution to the problem. Circumstances in our various States and localities vary too widely for any single one size fits all Washington strategy to succeed in lowering illegitimacy.

Thus, I believe our best course is to encourage the States to implement their own strategies to lower out of wedlock births. This provision, by giving bonuses to States that lower illegitimacy ratios, would do just that.

Mr. President, reducing illegitimacy is just not a function of the welfare system. The States must look beyond welfare reforms; they should pursue educational reforms, tax reforms, such things as enterprise zones and others to create jobs and economic opportunity, things of that sort. They should explore ways to set up counseling centers to encourage, among other things, responsible behavior and discourage out of wedlock births. All of these need to be part of the solution, not just changes in the welfare system. And that is why we think this bonus provision is the right approach, because it will encourage creativity on the part of the States in pursuit of reforms in all of these areas.

Some have expressed concern about the abortion language in this bonus provision. But I just point out the following:

One, this provision does not affect any abortion laws.

Two, it does not take a position, pro or con, on the issue of abortion.

Three, it does not penalize or punish any State in terms of their Federal funding.

Four, it brings about no changes in the requirements as to the reporting of names of individuals having abortions, or anything along that line.

Now, as I have talked to Members of the Senate, both those who are pro-life and pro-choice advocates, I have not found anyone who wants to see the rate of abortions go up. Indeed, pro-choice advocates tell me they want abortions to be safe, legal, and rare. And I believe them. To me, "rare" means as many, or fewer, abortions than we have today—not more. Therefore, no one should find this bonus provision objectionable. It is designed to encourage States to experiment with various new strategies to reduce illegitimacy, except the strategy of encouraging more abortions.

I know some think that somehow that would produce new restrictions at the State level and, in some way or another, on abortion. All I can say is this, Mr. President. In this country, the abortion debates have been raised in the State Houses for 20-plus years. If there were going to be restrictions, they would be imposed on the basis of the debates we have already had. I do not believe the potential availability of these bonus dollars—only available if somehow this remarkable increase in illegitimacy were reduced—would be the final factor in causing a State to take action to change, in any way, or make their abortion laws more restrictive.

In my judgment, this provision gives us a constructive means by which to attack a serious problem. By giving goals to the States, and rewards for meeting those goals, we will encourage them to develop strategies for fighting out of wedlock births. By leaving to the States the formulation of particular rules and programs, we will encourage experimentation in a variety of strategies aimed at addressing a variety of circumstances.

Without increasing abortions, this provision will reduce illegitimacy, and thereby reduce the welfare rolls and increase opportunity for everyone.

I urge my colleagues to vote against striking it from the bill.

I yield the floor.

Mr. JEFFORDS. Mr. President, I commend the Senator from Michigan for his excellent statement, and there is little that I disagree with in what he said.

However, I point out that he has not, in any way, answered any of the questions I raised about how this would work and that the figures I gave were inaccurate. That is, very simply, that if a State, one time, reduces its rates in order to comply with the bill and never does anything more, but holds them where they are, they would be able to get the full 10 percent bonus for the full term of the bill, which could mean as much as—totally, if all the States did it, $1.6 billion a year; and that there is no provision in the bill for that money, other than it is entitlement and therefore it would be taken from other areas in order to fund it. I think that is one area that ought to be remembered.

Secondly, also, the base year—there was no correction in the facts I gave about the fact that there is no accurate data available for the 1995 base year, which would be used for that. Nor was there any contradiction to my statement that by shifting out of wedlock births to other States, or Canada, or wherever else, it would not be possible to reach that ratio with no real decrease in out of wedlock births; nor the fact that there is no definition here for abortion, so that the results of what would happen for a State could well be determined entirely upon abortion definitions, which are nowhere included, and vary from jurisdiction to jurisdiction.

I would like to join my good friend from Michigan in trying to find ways that we could provide workable and appropriate incentives to be able to reduce the out of wedlock births, especially among our young people. But I just urge my colleagues to realize that this one has some serious problems, and I hope they will remove it from the bill with my amendment.

I yield the floor.

Mr. ABRAHAM. Mr. President, the Senator from Vermont and I are good friends and are in large agreement on most of this I see, but obviously there are certain things that we do not have full agreement on.

Let me comment on a couple of the points that were made. First and foremost is that before any benefits or bonuses are going to be realized, we really do have to produce something that has not been produced in this country in a long time. That is a decrease in the number of out-of-wedlock births.

Now I think I am probably one of the Members of this Chamber who has voted time after time to make sure we do not spend the taxpayers' money unwisely and have tried very hard here to establish what I think are priorities for spending.

I, too, am concerned whenever we spend money here, even if it is $75 or $80 million here and in a budget of $1.5 trillion.

The reason that I am supporting this so strongly is because I can think of very few spending priorities that we could possibly establish that would be more important to the future of our Nation and would more directly address the problems we confront than the priority of encouraging a nationwide effort to reduce illegitimate births.

I think in the long run there will be more savings than spending because to the extent that we end this problem, we reduce this problem, there will be benefits for many.

Separately, when we set priorities here I do not disagree with the Senator from Vermont when we talk about job training and education and so on. I think this priority is one that Americans across the board agree on ought to be at the top of our list. These dollars only get spent if we succeed in addressing the problem. They do not get spent if we fail.

I think at least in my State most people would say that establishing this type of incentive system is the step in the right direction of trying to bring attention to this problem and trying to give States the kind of encouragement I think they need to change and to adopt a broad set of policies—not just welfare policies but education policies. As I said in my remarks, perhaps changes in tax codes, perhaps inviting private entities to play a greater role in helping teens at risk and so on.

I think this will be the outcome. I hope that our colleagues who have talked, and many, many have talked about the out-of-wedlock birth problem will come to see this.

I do not think anybody has the perfect solution. The reason I so strongly support this one is that it does not dictate to any State what it can or cannot do. If a State does not want to collect the data, if a State does not want to try to deal with the problem, it is not under any mandate to do it. It will not be punished.

If States take up the call, if States join the effort, if States make positive progress, if States actually reduce the rate of illegitimate births, I think a reward of the sort suggested here is a step in a positive way in terms of setting our priorities.

I yield the floor.

Mr. JEFFORDS. Mr. President, I end by saying that I agree what we should do is have help in the States on ways to change behavior such that we no longer have out-of-wedlock births.

I am afraid what this will do which States are good at, that is, in fact, very innovative in the ability to fiddle with statistics and records and gain billions of dollars. That, the States have always been very, very good at.

AMENDMENT NO. 2625

Mr. ROBB. Mr. President, I rise today in support of the Children's Fair Share Amendment, which has been offered by my friend and colleague from Florida, Senator GRAHAM.

As we debate ways to reform our welfare system, we should constantly remind ourselves that what we have before us is more than just words and rhetoric, more than just political points to score, more than just sound bites for the next town meeting. What we have before us in reality, Mr. President, is the quality of life of the children who live in poverty in United States of America.

These children did not make any mistakes, Mr. President. They did not lose a job or miss a house payment or have their marriage crumble around them. By and large, they do not have the capacity to fix the economic problems their families struggle with each day—even if they wanted to and tried.

They were just born poor—or their families became poor. And they are our future, Mr. President.

This amendment is a valuable addition to this debate because it is based on a simple premise which I believe is fair and unassailable. It takes the money we have decided as a nation to spend on poverty programs and it allocates that money to our fifty states based on where poor children actually live.

The only variations from this premise is the inclusion of a small state minimum allocation, and the inclusion of a 50-percent annual transition period.

Otherwise, our Federal dollars go to where poor children live. Funding allocations are updated annually and based on census data reflecting the 3 previous years numbers of children living in poverty.

Mr. President, without this amendment, block grants are frozen in the underlying bill at fiscal year 1994 funding levels. While this advantages high benefit, low growth States, it severely disadvantages low-benefit, high-growth States, like Virginia. I am extremely concerned that the supplemental funding included in the bill, while helpful, will simply not be enough to enable my fast-growing State to responsibly meet the needs of our most vulnerable children.

I served as Governor of Virginia, between January, 1982 and January 1986. During that time, the Commonwealth increased its AFDC benefit twice—once in 1984 and once in 1985—and it has not increased its AFDC benefit since. Between 1970 and 1994, Virginia's AFDC benefit lost 58 percent in value when adjusted for inflation.

To me, locking in enormous funding disparities between States is bad public policy. It disadvantages poor children in many States, Mr. President, children who deserve a better quality of life, children who should expect to receive one from this Congress.

Mr. President, we can argue welfare reform on ideological grounds. We can argue over how much money we should spend. But Mr. President, when we argue about where that money should go, that is an easy one. It should go to the children.

I urge my colleagues to support this important amendment.

Ms. MIKULSKI. Mr. President, I rise today to speak in opposition to the proposed fair share amendment to change the amount of Federal funds States receive for welfare reform.

I cannot stand here today and vote for a formula that will penalize my State of Maryland in order to reward other States that have been unwilling to help themselves over the past decades.

Our current welfare system says to States that if you are a poor state, we will give you more Federal dollars. We do this through a Federal match. Some States are told that for every dollar you spend, we will give you a dollar. That is what Maryland is told. Other poorer States are told that for every dollar you spend, we will give you two. That may seem unfair, but we have done that because we know some States are less well off. Even under this system, States must still decide just how much they want to spend. Some States, including Maryland, I am proud to say, have placed a high priority on ending poverty.

The amendment before us will take all the Federal dollars we currently spend and give more to States that have a history of little commitment to welfare reform. We do that by taking from States that have made a great effort at ending poverty. This is not an approach that will create welfare reform. Instead we will force States to fight each other for limited resources.

Mr. President, changing the funding formula in a bad bill is a lot like moving around the furniture on the deck of the *Titanic*. We need to do more then that. We need real welfare reform. One step in that direction is to vote this amendment down.

COMMUNITY COLLEGE PARTICIPATION UNDER WORKFORCE DEVELOPMENT ACT

Mr. LEVIN. Mr. President, the original Workforce Development Act provisions contained in the bill before us made dramatic changes to the Federal role in job training and vocational education. Initially, I had some serious concerns about the insufficient attention that the bill paid to the importance that community colleges play in the delivery of those services. I had two major concerns. First, that representatives from community colleges should actively participate in the development of the work force education plan. Second, I submitted that the head of the State's community college system should be included as a member of the collaborative process that the Governor must work with while writing the State strategic plan.

Mr. President, today I am pleased to say that due to the cooperation and collaborative efforts of my colleagues on the Committee on Labor and Human Resources, those concerns have been addressed.

Mr. President, I would like to enter into a colloquy with Senator KASSEBAUM to clarify the modifications to the work force training provisions of the bill.

Mr. President, community colleges are one of the major providers of adult job training and postsecondary vocational education in this country. These institutions have close and positive relationships with secondary schools, elected officials, and local business and industry leaders. There are over 1,200 of these institutions, located in every corner of each of our States including over 30 from my home State of Michigan. As you know, these institutions are extremely concerned about their ability to continue to provide high quality education and training services that will be beneficial to the community, in light of the consolidated work force system created by the bill reported out of the Committee on Labor and Human Resources.

With this in mind, I would like to get a clarification of the role that community colleges will play in the new job training system. I would like to ask my distinguished colleague from Kansas, the chair of the Labor and Human Resources Committee, Senator KASSEBAUM, what role do you envision for these institutions in the new job training system?

Mrs. KASSEBAUM. This legislation is clearly intended to provide Federal financial support for the education and training of all segments of the work force in each State. The bill provides States the flexibility to set up structures that best serve their citizens and I expect that States will continue to use the community college as a primary resource, due to their past successes.

Mr. LEVIN. I believe that postsecondary vocational education is a very important aspect for economic growth in our society. Postsecondary vocational programs allow an individual to build on the education he or she received in high school, provide higher level skills, and equip the individual with a foundation for promoting a more constructive future. Because of the advancements of technology, community colleges are a necessary force for training and retraining individuals who could become displaced workers. In Michigan, community colleges are the major educators for high-skilled, high-waged workers. The average annual earnings for an individual with an associate degree is over $5,000 a year higher than that for someone with only a high school diploma.

Because of the importance of postsecondary vocational education, I must ask if this bill will alter the course of postsecondary education? And, if so, how will this bill affect postsecondary vocation education?

Mrs. KASSEBAUM. This legislation consolidates programs that have provided support for both secondary and post secondary educational programs. The legislation is designed to expand, improve, and modernize quality vocational education at both the secondary and postsecondary levels. As in current law, however, States will remain free to choose the percentage of funds they will allocate to secondary and postsecondary vocational education.

Mr. LEVIN. The State planning process for the overall strategic plan and the State education plan will guide the State's work force development policy. The major stakeholders should have input into this process. Because of the strong involvement that community colleges have had across the country in providing education and training, community colleges should play a pivotal role in the development of the State work force plan. Is there a role for the community college system in this regard?

Mrs. KASSEBAUM. The State work force education plan is to be developed by the elementary and secondary agency of the State. That agency must collaborate with the postsecondary agency of the State, including community colleges. I expect this to be meaningful collaboration, leading to appropriate support for secondary and postsecondary education programs in the State. In addition, State officials responsible for postsecondary education and community colleges are members of the collaborative process the Governor must work with on the State strategic plan.

Mr. LEVIN. I thank my colleague from Kansas for her support and attention to this matter.

WELFARE REFORM, LET US TREAD CAREFULLY

Mr. HATFIELD. Mr. President, today, as I stand here in the U.S. Senate, the winds of change swirl around the dome of the Capitol, and surround the body of the House and the Senate. Do not let the winds of change, however, cloud our judgment and prevent us from carrying out our duty to protect life and liberty.

The Republican call to harness these winds of change is refreshing. I agree that there are many issues which need to be addressed. There is a vicious cycle of impoverished parents who raise children in poverty. Those children who do not have adequate access to quality education, which would break the cycle of dependency, continue to spin a wheel of poverty, and languishing there for the remainder of their lives.

In fiscal year 1994, there were over 5 million families on aid to families with dependent children (AFDC), over 14 million individuals. I ask you how many of those do you surmise were children; 9.5 million children were on AFDC in fiscal year 1994. Two-thirds, two-thirds were children, a truly disturbing number. You will hear these numbers again and again as we debate welfare reform. I reference these figures to impress upon your conscience that we are dealing with individual people and not numbers. We must understand the links of poverty in order to understand and break the chains of poverty. According to the U.S. Census Bureau, you are below the poverty line when income falls below three times the cost of an inexpensive, yet nutritionally adequate food budget for a nonfarm family. For a family of three in 1994 the figure was $12,320. How many of us could provide decent clothing, food and shelter for ourself and two children for $12,320?

We need welfare reform, but we first need to address the root problems of poverty; lack of education, lack of affordable and adequate child care, and access to upward social and economic mobility and stability. A successful society allows its citizens the opportunity to educate themselves, to increase their opportunities and knowledge. It is of no benefit to society to remove welfare recipients and place them into jobs with no upward mobility. Without the prospects of advancement they can only maintain the status quo at best and as history has taught us the cycle possesses a powerful habituation to welfare.

We need to find good jobs for able bodied people in our society. Yes, the United States can assist its poor and offer them a helping hand, but we cannot continue our present pace of entitlement spending. To become competitive with the world market we must educate all in our society. There needs to be interaction between the States and the Federal Government to work in a complementary partnership to solve these problems. Packaging our problems in a nice box and ribbon and passing them onto the States with no accountability and no direction will not make them disappear.

Over these past years in Oregon, the Governor's office, county commissioners, and the Oregon Workforce Quality Council are just a few of the many people who have worked together to enact job training legislation in Oregon, which has been one of the most successful States in the Nation in moving people from welfare dependency to work. Oregon has chosen to link public assistance functions with welfare-to-work services, providing a seamless link amongst the differing human resource agencies. Oregon has made landmark progress with the integration of education, employment and training programs, but the Federal Government also must be a part of restructuring the system. That is why I am pleased to see that my Workflex Partnership Demonstration project has been included in the underlying Dole amendment. This demonstration project allows the Secretaries of Education and Labor to designate up to 6 States in which Federal authority will actually be transferred to the State so that the States may make waivers of Federal law in the job training and education arena. Given the decline in discretionary dollars in the budget, State and local flexibility which promotes performance over paperwork is an integral ingredient for success. Mr. President, we are making progress in Oregon and I do not wish to be set back in our efforts.

What about the States which are not as progressive as Oregon? How do we ensure they care for their poor? I agree with the underlying performance measures in the Dole amendment which sets Federal standards in the form of performance-based outcomes and provides States guidance not mandates. This will provide an incentive to States to be innovative in their State programs by rewarding them with a performance bonus. There are those who argue that it is perverse to reward those States which reduce the number of people on their welfare roles, but I think it just as perverse to reward those States who do nothing to reduce their welfare roles. In all areas, our Federal system penalizes States that are progressive and reduces them to the standards of the lowest common denominator. Our citizens expect better, they deserve better.

Mr. President, I want to make it clear that I am committed to working with all interested parties in reforming our welfare system. I believe those that can work should work. As chairman of the Appropriations Committee I have directly experienced the struggle we face to allocate funds for our complex array of domestic programs. This discretionary funding pays for the operation of all three branches of the Government. It pays for the roads and bridges of our transportation infrastructure, the loans that go to provide public housing, student loan assistance and small business assistance, our national parks, and many more purposes which have nearly universal support. These funds have been drastically diminishing over the years, while the entitlement programs have grown. These entitlement programs put further pressure on the Appropriations Committee to make difficult funding decisions. While entitlement programs continue to grow, less and less will be available for discretionary programs.

Our commitment to bettering the standard of living for those in poverty must not waiver. The Federal Government should encourage not impede innovation and creativity in the States and private sector. I look forward to working with my colleagues to fashion a bipartisan solution that addresses these goals.

AMENDMENT NO. 2488

Mr. ROCKEFELLER. Mr. President, unfortunately, because of a lack of time yesterday, I was unable to give my entire statement regarding Senator BREAUX's partnership amendment. I feel strongly on this issue and would like to have my entire statement on the importance of maintenance of effort submitted for the record. I know that earlier today, a modification was accepted on this issue. While I strongly preferred adoption of the Breaux amendment, I am glad to see some, meaningful progress on this key point.

Anyone who argues for welfare reform talks a lot about responsibility. This Senator does, too. Welfare should not be a hand-out for people in search of a free lunch and a way to avoid work. Welfare reform should change the rules to turn government help into something that steps in for just as long as it takes to get a job or back into the workforce.

But welfare is also about the responsibility of states and the Federal Government to be honest partners. States and the Federal Government have always shared the responsibility for the poorest families and children who exist everywhere in America. Unfortunately, the bill before the Senate is an invitation to States to back out of their end of that responsibility. When that happens, when States are released from their financial role in welfare, some tragic results may be in sight.

One reason debating welfare reform is so frustrating is that we find ourselves immersed in terms and language that do not exactly roll off the tongue. It is also a topic where it is far too tempting to simplify life, and attempt to divide the country between good people and bad people. But we all know that is not how life works. And we should know and acknowledge on this Senate floor that a welfare reform bill should deal honestly with the realities of America—not just the stereotypes or the examples that do offend all of us.

I say that because this amendment raises an issue that does not leap into a sound-bite. It tries to preserve a concept called "maintenance of effort" that is clumsy in wording but very clear when it comes to responsibility for welfare's future. The purpose of this amendment is to continue a genuine division of labor among the states and the Federal Government for poor families and children. It tries to prevent an abdication by State governments from their role in keeping a safety net under children and deserving parents.

A welfare reform bill should free up states from needless bureaucracy and micro managing, no question about it. But welfare reform should not egg on states to back out of their commitment to their poor families and children. This amendment is the answer. It very clearly says to states, "you keep your end of the bargain, and the Federal Government will keep its end."

As a former Governor, I sincerely doubt that the Governors who might like the welfare bill before us just the way it is— which frees them from the obligation they have always had— would ever propose the same deal when they help communities in their States. Matching requirements, cost-sharing, burden-sharing, whatever you want to call it—this is a basic part of making sure that responsibility is spread around for government's functions.

The majority leader introduced some modifications to the Republican welfare package just before the recess, and one involves the claim that he added a "maintenance-of-effort" provision. It is very weak, too weak—we can and we must do better.

The majority leader's so-called compromise lasts for exactly 3 years, and asks States to put 75 percent of a portion of their AFDC spending in 1994 back into their future welfare reform system.

In fact, the Dole provision adds up to asking all states to invest $10 billion a year for just the first 3 years, with no basic matching requirements whatsoever for the last 2 years on this bill. This leaves a gaping hole in the state's share if compared to the current arrangement across the country. The result could be that $30 billion disappears from the safety net for families and children.

What is worse is the cleverness attempted in how a state's share is calculated. The Dole bill would allow states to "count" State spending on a whole bunch of programs simply mentioned in this bill—states would be able to get credit essentially for their spending on food stamps, SSI, and other programs that help low-income people toward meeting the requirement; that means that money for programs not specifically directed to financing basic welfare for children could easily count towards the so-called "maintenance of effort." Again, this is an invitation to States to back out of keeping up their basic, historical responsibility for children.

Remember, it is the children who are two out of every three people who get basic welfare. It will be the children who will be hurt when states back out of their spending on welfare because Congress passed a bill that invites them to do just that.

Our amendment does not ask States to raise a penny more for welfare. Federal-state partnerships and matching arrangements are common sense—they promote accountability, and they are used to finance Medicaid, highways, clean water efforts, and education programs. And on this topic of welfare, here is a bill that now says Uncle Sam will write the billion dollar checks, but Governors can write all rules. If that means backing out of the States' responsibility for poor families and children, be our guest.

Right now, State revenues represent about 45 percent of the resources spent in America on welfare. If the Federal Government is about to send almost $17 billion a year to States in a block grant with tremendous flexibility, we should ask States to contribute their fair share. This is the way to promote fiscal accountability and responsibility.

Mr. President, we should simply correct this part of the bill with the BREAUX amendment—an amendment that requires States to maintain their historical responsibility for millions of children and families.

The stakes are high and serious. We know that when children are abandoned, the future of the rest of America is dimmed.

In other words, there are real consequences to rejecting this amendment. Without States maintaining this investment, there will not be enough money—not nearly enough—for child care for parents to move to work or for the job placement and training that some parents need to get into real jobs. A few years from now, we will be on this floor wondering how a bill packaged with such bold promises of change and reform resulted in so little—and perhaps we will be here trying to repair the damage of backing the country out of an honest, direct commitment to children.

The Breaux amendment calls for the preservation of a solid, honest Federal-State partnership for the long-term. We must change the welfare system and the rules. We are all ready to be tougher about who gets welfare. That means giving States much greater flexibility. But it is irresponsible to send checks to states accompanied with an invitation to back out of their own commitment to families and children.

Personally, I believe that taxpayers are willing to help feed and shelter the children who are not the ones to blame for their parents' unemployment or poverty. Surveys even show that 71 percent of Americans believe needy families should get benefits as long as they work. Time and time again, it is clear that work and responsibility are what the public cares about. They are not asking us to solve problems with slogans and gimmicks.

Real reform is what we should deliver. Let us be serious about welfare reform, let us be honest, and let us deal in the real world of America. We should make some necessary changes to the Dole bill to ensure that every parent who can work, does. We should keep needy children in our hearts, and keep compassion for them in this bill. And we should preserve the basic idea that states must do their part.

This should be a bipartisan amendment, and it deserves support. This is exactly when and where the political rhetoric should be put aside, and where the bill should be changed to continue into the future a true partnership between states and the Federal Government that will help determine what kind of country we will be.

MORNING BUSINESS

Mr. JEFFORDS. Mr. President, since there are no further Senators planning to offer their amendments tonight, I ask unanimous consent that there be a period for the transaction of routine morning business.

The PRESIDING OFFICER. Without objection, it is so ordered.

THE BAD DEBT BOXSCORE

Mr. HELMS. Mr. President, the skyrocketing Federal debt, now soaring toward $5 trillion, has been fueled for a generation now by bureaucratic hot air—and it is sort of like the weather—everybody talks about it but almost nobody did much about it until immediately after the elections in November 1994.

But when the new 104th Congress convened this past January, the U.S. House of Representatives quickly approved a balanced budget amendment to the U.S. Constitution. On the Senate side, all but one of the 54 Republicans supported the balanced budget amendment—that was the good news.

The bad news was that only 13 Democrats supported it—which killed hopes for a balanced budget amendment for the time being. Since a two-thirds vote—67 Senators, if all Senator's are present—is necessary to approve a constitutional amendment, the proposed Senate amendment failed by one vote. There will be another vote either this year or in 1996.

Here is today's bad debt boxscore:

As of the close of business Tuesday, September 12, the federal debt—down to the penny—stood at exactly $4,964,465,905,748.40 or $18,845.20 for every man, woman, and child on a per capita basis.

CONGRESSIONAL ACCOUNTABILITY ACT

Mr. GRASSLEY. Mr. President, earlier this year, Congress overwhelmingly passed the Congressional Accountability Act which was signed into law by the President. The purpose of the act was to clarify that we cannot pass laws applying to the private sector that do not apply to us as well.

After many years of pursuing this legislative initiative, I was pleased with the final outcome of the act.

A concern has been raised that the welfare bill before us today is not clear on the issue of congressional coverage.

If the leader would indulge me, I would like to enter into a colloquy addressing this concern.

Mr. Leader, is it the intent of the legislation in section 453(a) of title 9, the child support enforcement title of the bill, to include Senators and Congressmen in the definition of "any governmental entity"?

Mr. DOLE. That is correct.

Mr. GRASSLEY. Are committees of the House of Representatives, the Senate, and joint committees included in the definition of "any governmental entity"?

Mr. DOLE. Yes, that is the intent.

Mr. GRASSLEY. Are any other offices headed by a person with final authority to appoint, hire, discharge, and set the terms, conditions, or privileges of employment of an employee of the House of Representatives or the Senate covered by the definition of "any governmental entity"?

Mr. DOLE. Yes, that is correct.

Mr. GRASSLEY. Finally, are the Capitol Guide Board, the Capitol Police Board, the Congressional Budget Office, the Office of the Architect of the Capitol, and the Office of the Attending Physician also included in the definition of "any governmental entity"?

Mr. DOLE. Yes. The intent of the term "any governmental entity" is to cover every level of government—in effect, Federal State, or local government; and, to cover every branch of government—in effect, executive, legislative, judicial, or administrative.

Mr. GRASSLEY. I thank the leader for this clarification.

I would not want Congress to pass a law with such far-reaching effects without the requirements applying equally to Members as well.

MESSAGE FROM THE HOUSE

At 12:39 p.m., a message from the House of Representatives, delivered by Ms. Goetz, one of its reading clerks, announced that the House had passed the bill (S. 895) to amend the Small Business Act to reduce the level of participation by the Small Business Administration in certain loans guaranteed by the Administration, and for other purposes, with amendments; that it insists upon its amendments and asks a conference with the Senate on the disagreeing votes of the two Houses thereon; and appoints Mrs. MEYERS of Kansas, Mr. TORKILDSEN, Mr. LONGLEY, Mr. LAFALCE, and Mr. POSHARD as the managers of the conference on the part of the House.

EXECUTIVE AND OTHER COMMUNICATIONS

The following communications were laid before the Senate, together with accompanying papers, reports, and documents, which were referred as indicated:

EC–1412. A communication from the Secretary of Transportation, transmitting, pursuant to law, the report under the Imported Vehicle Safety Compliance Act for calendar year 1994; to the Committee on Commerce, Science, and Transportation.

EC–1413. A communication from the Secretary of the Interior, transmitting, pursuant to law, the report under the Marine Mammal Protection Act of 1972 for calendar year 1992; to the Committee on Commerce, Science, and Transportation.

EC–1414. A communication from the Administrator of the Environmental Protection Agency, transmitting, pursuant to law, the report of the implementation of the Waste Isolation Pilot Plant Land Withdrawal Act for fiscal year 1994; to the Committee on Energy and Natural Resources.

EC–1415. A communication from the Assistant Secretary of the Interior (Land and Minerals Management), transmitting, pursuant to law, the report of royalty management and delinquent account collection activities during fiscal year 1994; to the Committee on Energy and Natural Resources.

EC–1416. A communication from the Administrator of the Energy Information Administration, Department of Energy, transmitting, pursuant to law, the report of the annual energy review for calendar year 1994; to the Committee on Energy and Natural Resources.

EC–1417. A communication from the Assistant Comptroller General of the Resources, Community, and Economic Development Division, General Accounting Office, transmitting, a report entitled "The Department of Energy: A Framework for Restructing DOE and Its Missions", to the Committee on Energy and Natural Resources.

EC–1418. A communication from the Secretary of Energy, transmitting, pursuant to law, a report on voluntary supply commitment efforts; to the Committee on Energy and Natural Resources.

EC–1419. A communication from the Secretary of Energy, transmitting, pursuant to law, a report on the Energy Efficiency Commercialization Ventures Program Plan; to the Committee on Energy and Natural Resources.

EC–1420. A communication from the Secretary of Energy, transmitting, pursuant to law, a report on the status of technologies for combining coal with other materials; to the Committee on Energy and Natural Resources.

EC–1421. A communication from the Secretary of Energy, transmitting, pursuant to law, the report on the Strategic Petroleum Reserve for the period April 1 through June 30, 1995; to the Committee on Energy and Natural Resources.

EC–1422. A communication from the Secretary of Energy, transmitting, pursuant to law, the report for the Demonstration and Commercial Application of Renewable Energy and Energy Efficiency Technologies Program; to the Committee on Energy and Natural Resources.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. BOND, from the Committee on Appropriations, with amendments:

H.R. 2099. A bill making appropriations for the Departments of Veterans Affairs and Housing and Urban Development, and for sundry independent agencies, boards, commissions, corporations, and offices for fiscal year ending September 30, 1996, and for other purposes (Rept. No. 104–140).

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first and second time by unanimous consent, and referred as indicated:

By Mr. COCHRAN:

S. 1235. A bill to amend the Federal Crop Insurance Act to authorize the Secretary of Agriculture to provide supplemental crop disaster assistance under certain circumstances, and for other purposes; to the Committee on Agriculture, Nutrition, and Forestry.

By Mr. HOLLINGS (for himself, Mr. JEFFORDS, Mr. KOHL, Mr. BRYAN, Mr. SANTORUM, Mr. KYL, Mr. BUMPERS, Mrs. BOXER, Mr. LUGAR, Mr. SIMPSON, and Mr. KERRY):

S. 1236. A bill to establish a commission to advise the President on proposals for national commemorate events; to the Committee on the Judiciary.

By Mr. HATCH (for himself, Mr. ABRAHAM, Mr. GRASSLEY, and Mr. THURMOND):

S. 1237. A bill to amend certain provisions of law relating to child pornography, and for other purposes; to the Committee on the Judiciary.

By Mr. GREGG:

S. 1238. A bill to amend title XVIII of the Social Security Act to provide greater flexibility and choice under the Medicare Program; to the Committee on Finance.

By Mr. MCCAIN (for himself, Mr. FORD, and Mr. HOLLINGS):

S. 1239. A bill to amend title 49, United States Code, with respect to the regulation of interstate transportation by common carriers engaged in civil aviation, and for other purposes; to the Committee on Commerce, Science, and Transportation.

SUBMISSION OF CONCURRENT AND SENATE RESOLUTIONS

The following concurrent resolutions and Senate resolutions were read, and referred (or acted upon), as indicated:

By Mrs. FEINSTEIN (for herself, Mr. BROWN, Mr. LIEBERMAN, and Mr. PELL):

S. Res. 171. A resolution expressing the sense of the Senate with respect to the second anniversary of the signing of the Israeli-Palestinian Declaration of Principles; to the Committee on Foreign Relations.

STATEMENTS OF INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. COCHRAN:

S. 1235. A bill to amend the Federal Crop Insurance Act to authorize the Secretary of Agriculture to provide supplemental crop disaster assistance under certain circumstances, and for other purposes; to the Committee on Agriculture, Nutrition, and Forestry.

THE FEDERAL CROP INSURANCE ACT AMENDMENT ACT OF 1995

• Mr. COCHRAN. Mr. President, over the last 2 months cotton crops in many counties in Mississippi have suffered severe damage due to unusually high insect infestations. It is estimated that over 160,000 acres of cotton have been damaged amounting to a loss of over $100 million. This devastation has not only struck Mississippi, but Texas, Alabama, Tennessee, Arkansas, and Georgia as well. Early estimates provided by the National Cotton Council, State extension services, and State departments of agriculture show approximately 1.6 million acres affected all together with over $700 million losses to farmers.

Cotton farmers have spent large amounts of money trying to control these infestations. Many in my State will not even harvest their crops because of the extensive damage. Many will have crop yields so low that they will not even be able to recover their production costs.

Farmers have catastrophic crop insurance coverage which was mandated in the Federal Crop Insurance Act of 1994 as a requirement for participation in the cotton program. However, the damages from this disaster will far exceed this coverage.

I am introducing legislation which authorizes the Secretary of Agriculture to provide supplemental crop disaster assistance in addition to benefits provided in the Crop Insurance Reform Act of 1994, if the Secretary determines that an extraordinary disaster situation exists.

The Government's Catastrophic Crop Insurance program is not sufficient to help the farmers in the situation they are to recover and stay in business. More must be done.

I encourage my colleagues to support this bill.●

By Mr. HOLLINGS (for himself, Mr. JEFFORDS, Mr. KOHL, Mr. BRYAN, Mr. SANTORUM, Mr. KYL, Mr. BUMPERS, Mrs. BOXER, Mr. LUGAR, Mr. SIMPSON, and Mr. KERRY):

S. 1236. A bill to establish a commission to advise the President on proposals for national commemorate events; to the Committee on the Judiciary.

THE NATIONAL COMMEMORATIVE EVENTS ACT

Mr. HOLLINGS. Mr. President, I rise to introduce the National Commemorative Events Advisory Act, the purpose of which is to create a Presidential advisory commission tasked with reviewing the merit of proposed commemorative observances.

Mr. President, we simply must find an alternative way to review and limit the hundreds of congressionally sponsored commemorative resolutions. These resolutions are intended to honor worthy causes by setting aside a particular day, week, month, or year as a time of special recognition. In principle, this is a noble idea. But, regrettably, in recent years our zeal for commemoratives has gotten entirely out of hand.

During the 95th Congress, we had 57 commemoratives. In the 99th Congress, a high-water mark was reached when 275 commemoratives were passed. In the 100th, 101st, 102d, and 103d Congresses, the totals fell slightly. However, it is shocking to note that during each of these four Congresses, commemoratives accounted for over 30 percent of all public laws passed by Congress.

There is a very tangible cost to this excess, beginning with the fact that the laborious process of enlisting cosponsors and passing commemorative bills have become a major drain on our time as well as on the time of our staffs. There is also a cost in trivializing the whole idea of commemorative observances. We have all noticed a kind of Gresham's law at work, with the proliferation of bad commemoratives driving out of circulation the truly worthy commemoratives.

To put it bluntly, Mr. President, this bill is designed to save us from ourselves—to save us from good intentions run amok. The bill would create a President's Advisory Commission on National Commemorative Events, which would have the task of conducting an independent merit review of commemorative proposals. Congress would no longer pass commemorative resolutions. Instead, the proposed advisory commission would be charged with the sole function of reviewing proposals for national commemorative events making positive or negative recommendations to the President.

This Presidential advisory commission is an idea whose time has come. It would streamline the process of considering proposals, while saving the Congress considerable time and resources. In addition, it would provide for a fair and impartial review of the hundreds of commemorative proposals submitted by a large and growing number of constituent groups.

There are a number of differing projections comparing the relative costs of passing commemorative through Congress and through an independent commission. To be accurate, these calculations need to take full account of the staff time now devoted to handling commemoratives in Congress.

Mr. President, I am well aware that commemoratives are both a curse and a blessing for Members of Congress. They are enormously time consuming. However, they are also perceived as an important vehicle for winning the favor of worthy causes and special interests.

I myself sponsored an amendment to the 1994 crime bill to designate May 1, 1995, as Law Day, U.S.A., to honor our Nation's law enforcement professionals. However, I am confident of the merit of this Law Day commemorative and would be happy to subject it to independent review by the proposed advisory commission.

Mr. President, I urge my fellow Senators to join me in supporting this bill. We can best honor all our constituents not by passing commemorative after commemorative, but by applying ourselves to substantive legislation that will make a real difference in our constituent's lives.

Mr. President, I ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1236

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "National Commemorative Events Advisory Act".

SEC. 2. FINDINGS.

The Congress finds that—

(1) the preparation and consideration of the multitude of bills proposing particular days, weeks, months, or years for recognition through Presidential proclamation unduly burdens the Congress and consumes an inordinate amount of time;

(2) such proposals could be more efficiently considered by a commission whose sole function would be to review proposals for national commemorative events and to make positive or negative recommendations thereon to the President;

(3) such a commission would streamline the process by which such proposals are currently considered and save the Congress considerable time and resources which could be devoted to matters of more pressing national concern; and

(4) such a commission would better ensure the impartial review of proposals for national commemorative events generated by a wide variety of constituent groups.

SEC. 3. ESTABLISHMENT AND MEMBERSHIP.

(a) IN GENERAL.—There shall be established a commission to be known as the "President's Advisory Commission on National Commemorative Events" (hereafter in this Act referred to as the "Commission").

(b) MEMBERS.—The Commission shall be composed of 11 members of whom—

(1) 2 members shall be appointed by the Speaker of the House of Representatives, after consultation with the majority and minority leaders of the House of Representatives;

(2) 2 members shall be appointed by the President pro tempore of the Senate, after consultation with the majority and minority leaders of the Senate; and

(3) 7 members shall be appointed by the President.

(c) QUALIFICATIONS.—(1) All members of the Commission shall be citizens of the United States.

(2) Members appointed under subsection (b)(3)—

(A) to the greatest extent possible, shall represent a wide range of educational, geographical, and professional backgrounds; and

(B) may not be Members of Congress.

(d) TERMS.—(1) Except as provided in paragraph (2), each member shall be appointed for a term of 2 years.

(2) Of the members first appointed under subsection (b)(3) the President shall designate—

(A) 3 who shall be appointed for 1 year; and

(B) 4 who shall be appointed for 2 years.

(3) If a member was appointed to the Commission as a Member of Congress and the member ceases to be a Member of Congress, that member may continue as a member for not longer than the 30-day period beginning on the date that member ceases to be a Member of Congress.

(e) VACANCIES.—A vacancy shall be filled in the manner in which the original appointment was made. A vacancy in the Commission shall not affect its powers. Any member appointed to fill a vacancy occurring before the expiration of the term for which the member's predecessor was appointed shall be appointed only for the remainder of such term.

(f) CHAIRMAN.—The Chairman of the Commission shall be designated by the President from among the members under subsection (b)(3). The term of office of the Chairman shall be 2 years.

(g) QUORUM.—6 members of the Commission shall constitute a quorum. Action by a quorum shall be necessary for the Commission to issue a recommendation under section 6(d).

(h) MEETINGS.—The Commission shall meet on at least a quarterly basis. Meetings shall be held in the District of Columbia.

(i) PAY.—(1) Except as provided in paragraph (2), each member of the Commission shall be paid the daily equivalent of the maximum rate of basic pay payable for grade GS–15 of the General Schedule for each day, including traveltime, during which such member is performing duties of the Commission.

(2) Members of the Commission who are full-time officers or employees of the United States or Members of Congress may not receive additional pay for service on the Commission.

(j) TRAVEL EXPENSES.—While away from their homes or regular places of business in the performance of services for the Commission, members of the Commission shall be allowed travel expenses, including a per diem allowance in lieu of subsistence, in the same manner as persons employed intermittently in the Government service are allowed travel expenses under section 5703 of title 5 of the United States Code.

SEC. 4. STAFF.

(a) LIMITATION ON STAFF.—The Commission may not employ staff personnel.

(b) DETAIL OF STAFF FROM FEDERAL AGENCIES.—Any Federal employee may be detailed to the Commission without reimbursement, and such detail shall be without interruption or loss of civil service status or privilege.

SEC. 5. POWERS OF THE COMMISSION.

(a) HEARINGS.—The Commission may, for the purpose of carrying out this Act, hold such hearings, take such testimony, and receive such evidence, as it considers appropriate.

(b) GIFTS.—The Commission may accept, use, and dispose of gifts or donations of services or property, but not from a source having a direct interest in any matter before the Commission.

(c) MAILS.—The Commission may use the United States mails in the same manner and under the same conditions as other departments and agencies of the United States.

(d) ADMINISTRATIVE SUPPORT SERVICES.—The Administrator of General Services shall provide to the Commission, on a reimbursable basis, such administrative support services as the Commission may request.

SEC. 6. DUTIES OF THE COMMISSION.

(a) CRITERIA.—The Commission shall establish criteria for recommending to the President that a proposed commemorative event be approved or disapproved.

(b) SUBMISSION OF PROPOSALS.—The Commission shall establish and publish in the Federal Register procedures for submitting proposals for national commemorative events to the Commission.

(c) REVIEW OF PROPOSALS.—The Commission shall review all proposals submitted to it in accordance with subsection (b).

(d) RECOMMENDATION TO THE PRESIDENT.—The Commission shall issue a recommendation to the President for approval or disapproval of each proposal submitted to it in accordance with subsection (b). Each recommendation shall be accompanied by a brief explanation of such recommendation.

(e) LIMITATION ON DESIGNATION OF EVENTS.—The Commission shall not issue a recommendation to the President for approval of an event which commemorates—

(1) a commercial enterprise, industry, specific product, or fraternal, political, business, labor, or sectarian organization;

(2) a particular State or any political subdivision thereof, city, town, county, school, or institution of higher learning; or

(3) a living person.

(f) NONPERMANENT DESIGNATIONS.—(1) Any day, week, month, year, or other specified period of time designated by the Commission for commemoration of an event may not be designated for a date or time period which begins more than 1 year after the date such designation is made.

(2) No event which is commemorated by a day, week, month, year, or other specified period of time designated by the Commission may be commemorated by another designation within a single calendar year.

SEC. 7. EFFECTIVE DATE; COMMENCEMENT AND TERMINATION PROVISIONS.

(a) EFFECTIVE DATE.—This Act shall take effect on January 1, 1996.

(b) COMMENCEMENT; TERMINATION.—(1) Members of the Commission shall be appointed, and the Commission shall first meet, within 90 days after the effective date of this Act.

(2) The Commission shall terminate 5 years after the date on which it first meets.

By Mr. HATCH (for himself, Mr. ABRAHAM, and Mr. GRASSLEY):

S. 1237. A bill to amend certain provisions of law relating to child pornography, and for other purposes; to the Committee on the Judiciary.

THE CHILD PORNOGRAPHY PREVENTION ACT OF 1995

Mr. HATCH. Mr. President, it is impossible for any decent American not to be outraged by child pornography and the sexual exploitation of children. Such material is a plague upon our people and the moral fabric of this great Nation.

And, as a great Nation, I believe that we have both the constitutional right and moral obligation to protect our children from those who, motivated by profit or perversion or both, would abuse, exploit, and degrade the weakest and most vulnerable members of our society.

Current Federal law dealing with child pornography reflects the overwhelming bipartisan consensus which has always existed, both in Congress and in the country, that there is no place for such filth even in a free society and that those who produce or peddle this reprehensible material must be made to feel the full weight of the law and suffer a punishment reflective of the seriousness of their offense.

As with many of our criminal statutes, however, effective enforcement of our laws against child pornography today faces a new obstacle: The criminal use, or misuse, of new technology which•is outside the scope of existing statutes. In order to close this computer-generated loophole and to give our law enforcement authorities the tools they need to stem the increasing flow of high-tech child pornography, I am today introducing the Child Pornography Prevention Act of 1995.

The necessity for prompt legislative action amending our existing Federal child pornography statutes to cover the use of computer technology in the production of such material was vividly illustrated by a recent story in the Washington Times. This story, dated July 23, 1995, reported the conviction in Canada of a child pornographer who copied innocuous pictures of children from books and catalogs onto a computer, altered the images to remove the childrens' clothing, and then arranged the children into sexual positions. According to Canadian police, these sexual scenes involved not only adults and children, but also animals.

Even more shocking than the occurrence of this type of repulsive conduct is the fact that, under current Federal law, those pictures, depicting naked children involved in sex with other children, adults, and even animals, would not be prosecutable as child pornography. That is because current Federal child pornography and sexual exploitation of children laws, United States Code title 18, sections 2251, 2251A, and 2252, cover only visual depictions of children engaging in sexually explicit conduct whose production involved the use of a minor engaging in such conduct; materials such as photographs, films, and videotapes.

Today, however, visual depictions of children engaging in any imaginable forms of sexual conduct can be produced entirely by computer, without using children, thereby placing such depictions outside the scope of Federal law. Computers can also be used to alter sexually explicit photographs, films, and videos in such a way as to make it virtually impossible for prosecutors to identify individuals, or to prove that the offending material was produced using children.

The problem is simple: While Federal law has failed to keep pace with technology, the purveyors of child pornography have been right on line with it. This bill will help to correct that problem.

The Child Pornography Prevention Act of 1995, which includes a statement of congressional findings as to harm, both to children and adults, resulting from child pornography, has three major provisions. First, it would amend United States Code title 18, section 2256, to establish, for the first time, a specific, comprehensive, Federal statutory definition of child pornography. Under this bill, any visual depiction, such as a photograph, film, videotape or computer image, which is produced by any means, including electronically by computer, of sexually explicit conduct will be classified as child pornography if: (a) its production involved the use of a minor engaging in sexually explicit conduct; or (b) it depicts, or appears to depict, a minor engaging in sexually explicit conduct; or (c) it is promoted or advertised as depicting a minor engaging in sexually explicit conduct.

Second, this bill amends the existing statutory definition of sexually explicit conduct contained at section 2256 to include the lascivious exhibition of the buttocks of any minor or the breast of any female minor.

Finally, this bill would protect the Federal Government, State and local governments, and State and local law enforcement officials, from the threat of civil lawsuits and the awarding of damages as the result of searches and seizures made in connection with child pornography investigations or prosecutions.

Current Federal law, United States Code title 42, section 2000aa, includes exceptions to the Privacy Protection Act allowing certain searches and seizures, where the offense consists of the receipt, possession, or communication of information pertaining to the national defense, classified information or restricted data.

This bill would extend that exception to offenses involving the production, possession, sale or distribution of child pornography, the sexual exploitation of children, or the sale or purchase of children, activities which enjoy absolutely no first amendment protection.

Because there have already been several bills or amendments introduced during this session of Congress pertaining to computer telecommunications and the transmission on the Internet of obscene or indecent material, which have been the subject of extensive and on-going comment and debate both here in the Senate and in the country at large, let me emphasize that the bill I am introducing today is not a telecommunications bill and does not propose new or expanded restrictions or regulations with respect to the Information Superhighway.

Child pornography is a particularly pernicious evil, something that no civilized society can or should tolerate. It poisons the minds and spirits of our youth. It permanently records the victim's degradation and abuse, and can haunt those children for years to come. It fuels the growth of organized crime. It encourages the activities of pedophiles and can be used to seduce even more young victims. Congress can and should act, promptly and decisively, to close any loophole in statutes designed to protect our children from the kind of threat and harm posed by child pornography.

I strongly urge the Senate to promptly pass the Child Pornography Prevention Act of 1995.

I ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1237

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Child Pornography Prevention Act of 1995".

SEC. 2. FINDINGS.

Congress finds that—

(1) the use of children in the production of sexually explicit material, including photographs, films, videos, computer images, and other visual depictions, is a form of sexual abuse which can result in physical or psychological harm, or both, to the children involved;

(2) child pornography permanently records the victim's abuse, and its continued existence causes the child victims of sexual abuse continuing harm by haunting those children in future years;

(3) child pornography is often used as part of a method of seducing other children into sexual activity; a child who is reluctant to engage in sexual activity with an adult, or to pose for sexually explicit photographs, can sometimes be convinced by viewing depictions of other children "having fun" participating in such activity;

(4) prohibiting the possession and viewing of child pornography encourages the possessors of such material to destroy them, thereby helping to protect the victims of child pornography and to eliminate the market for the sexually exploitative use of children; and

(5) the elimination of child pornography and the protection of children from sexual exploitation provide a compelling governmental interest for prohibiting the production, distribution, possession, or viewing of child pornography.

SEC. 3. DEFINITIONS.

Section 2256 of title 18, United States Code, is amended—

(1) in paragraph (2)(E), by inserting before the semicolon the following: ", or the buttocks of any minor, or the breast of any female minor";

(2) in paragraph (5), by inserting before the semicolon the following: ", and data stored on computer disk or by electronic means which is capable of conversion into a visual image";

(3) in paragraph (6), by striking "and";

(4) in paragraph (7), by striking the period and inserting "; and"; and

(5) by adding at the end the following new paragraph:

"(8) 'child pornography' means any visual depiction, including any photograph, film, video, picture, drawing, or computer or computer-generated image or picture, whether made or produced by electronic, mechanical, or other means, of sexually explicit conduct, where—

"(A) the production of such visual depiction involves the use of a minor engaging in sexually explicit conduct;

"(B) such visual depiction is, or appears to be, of a minor engaging in sexually explicit conduct; or

"(C) such visual depiction is advertised, promoted, presented, described, or distributed in such a manner that conveys the impression that the material is or contains a visual depiction of a minor engaging in sexually explicit conduct.".

SEC. 4. PROHIBITED ACTIVITIES RELATING TO MATERIAL CONSTITUTING OR CONTAINING CHILD PORNOGRAPHY.

(a) IN GENERAL.—Section 2252 of title 18, United States Code, is amended to read as follows:

"§ 2252. Certain activities relating to material constituting or containing child pornography

"(a) Any person who—

"(1) knowingly mails, transports, or ships in interstate or foreign commerce by any means, including by computer, any child pornography;

"(2) knowingly receives or distributes—

"(A) any child pornography that has been mailed, shipped, or transported in interstate or foreign commerce by any means, including by computer; or

"(B) any material that contains child pornography that has been mailed, shipped, or transported in interstate or foreign commerce by any means, including by computer;

"(3) knowingly reproduces any child pornography for distribution through the mails, or in interstate or foreign commerce by any means, including by computer;

"(4) either—

"(A) in the maritime and territorial jurisdiction of the United States, or on any land or building owned by, leased to, or otherwise used by or under the control of the United States Government, or in the Indian country (as defined in section 1151), knowingly sells or possesses with the intent to sell any child pornography; or

"(B) knowingly sells or possesses with the intent to sell any child pornography that has been mailed, shipped, or transported in interstate or foreign commerce by any means, including by computer, or that was produced using materials that have been mailed, shipped, or transported in interstate or foreign commerce by any means, including by computer; or

"(5) either—

"(A) in the maritime and territorial jurisdiction of the United States, or on any land or building owned by, leased to, or otherwise used by or under the control of the United States Government, or in the Indian country (as defined in section 1151), knowingly possesses 3 or more books, magazines, periodicals, films, videotapes, computer disks, or any other material that contains any child pornography; or

"(B) knowingly possesses 3 or more books, magazines, periodicals, films, videotapes, computer disks, or any other material that contains any child pornography that has been mailed, shipped, or transported in interstate or foreign commerce by any means, including by computer,

shall be punished as provided in subsection (b).

"(b)(1) Whoever violates, or attempts or conspires to violate, paragraphs (1), (2), (3), or (4) of subsection (a) shall be fined under this title or imprisoned not more than 10 years, or both, but, if such person has a prior conviction under this chapter or chapter 109A, such person shall be fined under this title and imprisoned for not less than 5 years nor more than 15 years.

"(2) Whoever violates paragraph (5) of subsection (a) shall be fined under this title or imprisoned for not more than 5 years, or both.".

(b) TECHNICAL AMENDMENT.—The table of sections for chapter 110 of title 18, United States Code, is amended by amending the item relating to section 2252 to read as follows:

"2252. Certain activities relating to material constituting or containing child pornography.".

SEC. 5. PRIVACY PROTECTION ACT AMENDMENTS.

Section 101 of the Privacy Protection Act of 1980 (42 U.S.C. 2000aa) is amended—

(1) in subsection (a)(1), by inserting before the semicolon at the end the following: ", or if the offense involves the production, possession, receipt, mailing, sale, distribution, shipment, or transportation of child pornography, the sexual exploitation of children, or the sale or purchase of children under section 2251, 2251A, or 2252 of title 18, United States Code"; and

(2) in subsection (b)(1), by inserting before the semicolon at the end the following: ", or if the offense involves the production, possession, receipt, mailing, sale, distribution, shipment, or transportation of child pornography, the sexual exploitation of children, or the sale or purchase of children under section 2251, 2251A, or 2252 of title 18, United States Code".

SEC. 6. SEVERABILITY.

If any provision of this Act, an amendment made by this Act, or the application of such provision or amendment to any person or circumstance is held to be unconstitutional, the remainder of this Act, the amendments made by this Act, and the application of such to any other person or circumstance shall not be affected thereby.

By Mr. MCCAIN (for himself, Mr. FORD, Mr. HOLLINGS)

S. 1239. A bill to amend title 49, United States Code, with respect to the regulation of interstate transportation by common carriers engaged in civil aviation, and for other purposes; to the Committee on Commerce, Science, and Transportation.

THE AIR TRAFFIC MANAGEMENT SYSTEM PERFORMANCE IMPROVEMENT ACT OF 1995

Mr. MCCAIN. Mr. President, I rise today with my colleague Senator FORD, to introduce legislation that will streamline the Federal Aviation Administration in a comprehensive and responsible manner. This bill was developed to ensure that in this era of fiscal accountability, the FAA can continue to operate the safest air traffic control system in the world. Our work on this bill began with the premise that aviation safety was no place for partisan conflict or for gamesmanship between the legislative and executive branches. We worked to craft a bipartisan solution that brings together the views and experience of all the parties engaged in aviation safety. We also sought a partnership with the administration to get the job done.

Currently, one of the most challenging tasks for those of us in Congress who want to balance the budget is to find innovative and workable solutions to ensure that essential Government services not only continue, but are performed even better. Federal regulation of airline safety is one such service that virtually everyone agrees must continue and, in fact, should undergo major modernization. Indeed, after several major air traffic computer systems failed this summer, the traveling public is right to be concerned about what the Government intends to do about the problem. Traditionally, the Government's response would have been to pour more tax money into the FAA's budget. Under the new budget resolution, however, that will not be possible. More importantly, the truth is that simply spending money does not guarantee improvements anyway.

For those of responsible for the oversight of aviation safety, the focus in the FAA reform debate is now how we can actually improve airline safety at the same time that the amount of tax dollars spent on the FAA is cut back. We believe that the legislation being introduced today, by making major reforms at the FAA and changing the way the agency is financed, can accomplish this goal. In addition, this bill enables us and the agency to create incentives to reduce or eliminate current operational inefficiencies that cost airlines and their passengers billions each year.

Specifically, our proposed legislation will take the FAA as far as possible out of the political environment and provide it with a clear direction and stable source of funding. It will free this essential agency from many restrictive regulations and requirements, particularly in the areas of procurement and personnel. Most significantly, however, it will compel the FAA to become an organization that is far more responsive to the needs of those who use the air traffic control system—air carriers, general aviation, and the traveling public. It is designed to provide the kind of direction and incentives that will result in a safer and far more efficient air transportation system.

As the FAA reform debate has intensified this year, the role of the FAA has come under intense scrutiny. Without question, the FAA has provided the United States with the finest aviation safety system in the world. However, this is an agency that has major flaws. It has spent over $20 billion in the last decade for a modernization program that is way over budget and has never lived up to its promise. Moreover, the operational inefficiencies resulting from the failure of the modernization program are measured in billions of dollars annually.

Some have suggested that the FAA's problems could be solved simply by procurement reform—in other words, by giving the agency the ability to cut redtape in buying equipment. Although we acknowledge that procurement reform is important, even essential, that alone does not do enough. Without changing the basic mission and structure of the organization, procurement reform would merely be a way of allowing an agency to make bad purchasing decisions even faster. Our proposed legislation reflects an understanding that we had to do more than procurement and personnel reform to resolve the FAA's problems. Our bill recognizes that the legislative and budget constraints under which the FAA works are simply too restrictive to make the fundamental changes necessary.

It has been particularly distressing to see that because of these constraints, the FAA has been unable to keep up with the dynamic technical and economic changes taking place in the airline industry. That, in turn, highlights the fact that there is a disconnect between those who fund the system and those who operate it. Over 70 percent of the FAA budget comes from the industry using the system, mostly through a 10-percent tax on airline tickets. In the future, the only way to save tax dollars will be to require that users pay an even greater percentage. Yet, under the current system, there is little incentive for the FAA to develop systems that will result in operational efficiencies. That is because there is no relationship between the way the money comes in and the way it is being spent. Our legislation is the only bill that attempts to remedy this fundamental deficiency.

Under our bill, the FAA would be required to design a new fee system based upon the use of the system by airlines and others, instead of the price of an airline ticket. In this way, system users would have a greater stake in a safe and efficient air traffic control system, and the FAA, in turn, would have a greater stake in making sure that it understands the industry it regulates. Those who use the FAA's services will pay more user fees to support the FAA in the future. That is a fact of life under the budget resolution. But, if our legislation is enacted, we are convinced that the operational efficiencies realized by the users will more than offest the additional expenses. And, for the first time, the fees will be directly applied to the services provided.

In no case will safety be given a lower priority. In fact, there will be an explicit link between safety and productivity. Since nothing in this legislation will change the current FAA goal of zero accidents, the only way that productivity and capacity will increase under the new system is if safety margins improve even more than they are today. We want the users of the system to have as great a stake in assuring the highest Federal safety standards as possible. That is precisely what this bill will do. It will create a public/private partnership that will link safety and productivity to ensure that both improve.

This bill comes at a critical time for the FAA. We are confident that we are on the right track by having de-politicized the issue and having sought the most impartial and skilled advice in putting it together. It is our intent to see this bill enacted into law, and then commit ourselves to intense oversight to be sure that it is implemented in a way that places safety at the forefront, turns the FAA into a more modern and responsive agency, improves the performance of the air traffic control system, and saves money for American taxpayers.

Mr. FORD. Mr. President, today the Senate begins the debate on meaningful reform of the Federal Aviation Administration. With the introduction of the Air Traffic Management System Performance Improvement Act of 1995, we have fashioned a bipartisan approach with the administration on how to achieve the long term goal of maintaining the world's safest air transportation system. We could use a lot more bipartisan approaches to problems. The aviation industry is no different than the general public—they want rational solutions to difficult problems—not political cat fights.

I began to search for ways to reform the FAA many years ago and in 1987, introduced S. 1600, a bill that would have made the FAA an independent agency. However, the problems today are different than those that prompted S. 1600. Today's problems are not about micro-management and internal disputes. The issue today has two parts—money and efficiency.

The bill today addresses those issues in many ways. First it sets in motion a series of new systems to fund the agency, new systems for its people and programs. My goal is not to merely cover a funding problem, but to use money to derive a better agency. As a result, the fee systems that are to be set up will be difficult to design. No one wants to create discincentives. For example, in authorizing the FAA to collect fees for certification work, I want to make sure the FAA focuses its resources on what is needed. If the FAA chooses to merely use the certification fees as a means to raise revenue, they may choose to function like lawyers and charge by the hour, not by the product or value of the service. No one wants to encourage the FAA to run up bills for the sake of raising money. There is much work that needs to be done to assign fees. The industry, the FAA, the Department and the Committee need to continue to work out the best way to accomplish our goal.

However, all parties must bear in mind that under the current set of assumptions, the FAA will need approximately $59 billion through 2002. However, under the budget resolution calls for only $47 billion. Somehow, we have got to recognize what this $12 billion gap means. To put it in perspective, it could mean the closure or elimination of many services that are now provided. Like many situations, when we begin to downsize, the smallest communities tend to bear the brunt of cuts. Air traffic control towers at small airports, which are critical to the economic development of our small communities, could be the first to go. Flight service stations that handle general aviation traffic also could be on the first list of closures. In addition, do any of us really want to think of an air traffic control system with fewer controllers than we have today?

If current trends are correct, by the year 2002, we will have a 35-percent increase in passenger traffic, and an 18-percent increase in operations. Absent financial reform, the FAA will experience a 14-percent decline in funding. These statistics will mean only one thing—an FAA without an ability to meet its safety mission and without adequate funding to meet air traffic control demands.

Today, the Chicago center in Aurora experienced its second outage in recent months. I know the National Transportation Safety Board is looking into ATC problems now, but we must recognize that without the ability to modernize, and quickly, problems like Chicago may reoccur.

With respect to the bill, it does not create a corporation, nor does it make the agency independent. Instead, the bill strikes a balance. Regulatory and budget issues will be coordinated between the Secretary and the Administrator. In other areas such as personnel and procurement, the Administrator will have authority. These changes are important and will change how FAA manages its business. The goal, and one we all share, is an FAA with the ability to act quickly, and be able to count on funding.

The bill today asks many segments of the industry for help in supporting the FAA's mission. I do not ask airlines, manufacturers, and others for their financial support lightly and I know that bill be controversial. But something has got to change.

I have a choice—I can look at the FAA, and the budget assumptions and do nothing, or I can work to make sure that the safety of the traveling public is protected. After 21 years in Congress, having spent many years as Aviation Subcommittee chairman and now ranking Democrat, I can tell you that we have got to act. The bottom line, unfortunately, is that the travelling public simply can not count on funding for the FAA under the drive to balance the budget.

To those that will object, we will continue to work with you on FAA reform. There is much we agree on, and a lot of work to be done. I also want to point out that while the House bill differs from the bill we are introducing today, we share a common goal—a better FAA.

ADDITIONAL COSPONSORS

S. 743

At the request of Mrs. HUTCHISON, the name of the Senator from Tennessee [Mr. FRIST] was added as a cosponsor of S. 743, a bill to amend the Internal Revenue Code of 1986 to provide a tax credit for investment necessary to revitalize communities within the United States, and for other purposes.

S. 794

At the request of Mr. LUGAR, the name of the Senator from North Carolina [Mr. FAIRCLOTH] was added as a cosponsor of S. 794, a bill to amend the Federal Insecticide, Fungicide, and Rodenticide Act to facilitate the minor use of a pesticide, and for other purposes.

S. 959

At the request of Mr. HATCH, the name of the Senator from Oklahoma [Mr. INHOFE] was added as a cosponsor of S. 959, a bill to amend the Internal Revenue Code of 1986 to encourage capital formation through reductions in taxes on capital gains, and for other purposes.

S. 969

At the request of Mr. BRADLEY, the names of the Senator from Maryland [Mr. SARBANES], the Senator from Illinois [Mr. SIMON], and the Senator from Minnesota [Mr. WELLSTONE] were added as cosponsors of S. 969, a bill to require that health plans provide coverage for a minimum hospital stay for a mother and child following the birth of the child, and for other purposes.

S. 978

At the request of Mrs. HUTCHISON, the name of the Senator from Indiana [Mr. LUGAR] was added as a cosponsor of S. 978, a bill to facilitate contributions to charitable organizations by codifying certain exemptions from the Federal securities laws, to clarify the inapplicability of antitrust laws to charitable gift annuities, and for other purposes.

S. 1113

At the request of Mr. LAUTENBERG, the name of the Senator from Massachusetts [Mr. KENNEDY] was added as a cosponsor of S. 1113, a bill to reduce gun trafficking by prohibiting bulk purchases of hand guns.

S. 1161

At the request of Mr. BAUCUS, the name of the Senator from Wyoming [Mr. SIMPSON] was added as a cosponsor of S. 1161, a bill to amend the Internal Revenue Code of 1986 to exempt small manufacturers, producers and importers from the firearms excise tax.

AMENDMENT NO. 2514

At the request of Mr. LIEBERMAN, the names of the Senator from Georgia [Mr. NUNN] and the Senator from Connecticut [Mr. DODD] were added as cosponsors of amendment No. 2514 proposed to H.R. 4, a bill to restore the American family, reduce illegitimacy, control welfare spending, and reduce welfare dependence.

AMENDMENT NO. 2565

At the request of Mr. ROBB, his name was added as a cosponsor of amendment No. 2565 proposed to H.R. 4, a bill to restore the American family, reduce illegitimacy, control welfare spending, and reduce welfare dependence.

AMENDMENT NO. 2575

At the request of Mr. DOMENICI, the name of the Senator from Pennsylvania [Mr. SPECTER] was added as a cosponsor of amendment No. 2575 proposed to H.R. 4, a bill to restore the American family, reduce illegitimacy, control welfare spending, and reduce welfare dependence.

AMENDMENT NO. 2589

At the request of Mr. MCCAIN, the names of the Senator from Hawaii [Mr. INOUYE], the Senator from Minnesota [Mr. WELLSTONE], and the Senator from New Mexico [Mr. DOMENICI] were added as cosponsors of amendment No. 2589 proposed to H.R. 4, a bill to restore the American family, reduce illegitimacy, control welfare spending, and reduce welfare dependence.

AMENDMENT NO. 2603

At the request of Mr. FAIRCLOTH, the name of the Senator from North Carolina [Mr. HELMS] was added as a cosponsor of amendment No. 2603 proposed to H.R. 4, a bill to restore the American family, reduce illegitimacy, control welfare spending, and reduce welfare dependence.

At the request of Mr. GRAMM, his name was added as a cosponsor of amendment No. 2603 proposed to H.R. 4, supra.

AMENDMENT NO. 2668

At the request of Ms. MIKULSKI, the name of the Senator from Minnesota [Mr. WELLSTONE] was added as a cosponsor of amendment No. 2668 proposed to H.R. 4, a bill to restore the American family, reduce illegitimacy, control welfare spending, and reduce welfare dependence.

SENATE RESOLUTION 171—RELATIVE TO THE ISRAELI-PALESTINIAN DECLARATION OF PRINCIPLES

Mrs. FEINSTEIN (for herself, Mr. BROWN, Mr. LIEBERMAN, and Mr. PELL) submitted the following resolutions; which was referred to the Committee on Foreign Relations:

S. RES. 171

Whereas the Bush Administration and the Clinton Administration have both worked relentlessly to build on the Middle East peace process that began in Madrid in October 1991, with the goal of achieving a comprehensive, lasting peace between Israel and all its neighbors;

Whereas on September 13, 1993, the first major breakthrough of the Madrid peace process was achieved when Israel and the Palestinians signed the Declaration of Principles on Interim Self-Government Arrangements on the White House lawn;

Whereas September 13, 1995 marks the second anniversary of this important breakthrough;

Whereas the United States has pledged to support the Israel-Palestinian Declaration of Principles through diplomatic and political efforts, the provision of assistance, and other means;

Whereas the May 4, 1994 Cairo Agreement between Israel and the Palestinians resulted in the withdrawal of the Israeli army from the Gaza Strip and the Jericho Area and the establishment of a Palestinian Authority with responsibility for those areas;

Whereas Israel and the Palestinian Authority are continuing negotiations on the redeployment of Israeli troops our of Arab population centers in the West Bank, the expansion of the Palestinian Authority's jurisdiction into the areas vacated by the Israeli army, and the convening of elections for a Palestinian council;

Whereas the Israeli-Palestinian Declaration of Principles helped pave the way for the October 25, 1994 signing of a full peace treaty between Israel and Jordan, which established full diplomatic relations and pledged to resolve all future disputes by peaceful means;

Whereas the Israeli-Jordanian peace treaty has resulted in rapid normalization and unprecedented cooperation between the two nations in security, economic development, the environment, and other areas;

Whereas the Israeli-Palestinian Declaration of Principles helped pave the way for Israel to establish low-level diplomatic relations with Morocco and Tunisia, and to initiate official contacts with Qatar, Oman, and Bahrain;

Whereas the six nations of the Gulf Cooperation Council have announced their decision to end all enforcement of the secondary and tertiary boycotts of Israel;

Whereas extremists opposed to the Middle East peace process continue to use terrorism to undermine the chances of achieving a comprehensive peace, including on August 21, 1995, when a suicide bomber blew up a bus in Jerusalem, killing one American and four Israeli civilians;

Whereas the issue of security and preventing acts of terrorism is and must remain of paramount importance in the Israeli-Palestinian negotiations; and

Whereas compliance by the Palestine Liberation Organization and the Palestinian Authority with all of their solemn commitments is essential to the success of the peace process: Now, therefore, be it

Resolved, That the Senate—

(1) expresses its support for the Israeli-Palestinian Declaration of Principles on the second anniversary of its historic signing;

(2) supports the efforts of Israel and the Palestinians to conclude an agreement on implementation of the second phase of the Declaration of Principles;

(3) condemns, in the strongest possible terms, all acts of terrorism aimed at undermining the Israeli-Palestinian peace negotiations and other tracks of the Middle East peace process, and calls upon all parties to take all necessary steps to prevent such acts;

(4) calls upon the Palestine Liberation Organization and the Palestinian Authority to comply with all of their commitments;

(5) welcomes the progress made toward peace between Israel and its neighbors;

(6) commends those Middle Eastern leaders who have committed to resolve their differences through only peaceful means;

(7) reiterates its belief that a comprehensive, lasting peace between Israel and its neighbors is in the national interest of the United States;

(8) encourages all participants in the Middle East peace process to continue working to achieve lasting peace agreements while adhering fully to all commitments made and agreements reached thus far;

(9) calls upon the Arab states to demonstrate their commitment to peace by completely dismantling the Arab boycott of Israel in its primary, secondary, and tertiary aspects; and

(10) strongly supports the Middle East peace process and seeks to effect policies that will help the peace process reach a successful conclusion.

Mrs. FEINSTEIN. Mr. President, 2 years ago today, my colleagues and I were privileged to witness a historic moment on the White House lawn: the signing of the Israeli-Palestinian Declaration of Principles.

Today, on behalf of myself, Senator BROWN, Senator LIEBERMAN, and Senator PELL I am submitting a resolution expressing the sense of the Senate on this important anniversary.

This resolution very simply expresses the Senate's support for the declaration of principles, its recognition of the progress that has been achieved in the Middle East peace process, and its commitment to help the process reach a successful conclusion.

The Middle East has changed so much in the last 4 years that we often take the changes for granted. But it sometimes bears reviewing how much has been achieved in such a short time.

Think of it:

Four years ago, before the Madrid conference in October 1991, Israel had never sat face-to-face in peace talks with most of its Arab neighbors. Today, meetings between Israeli and Arab officials—from Israel's immediate neighbors, from the Persian Gulf States, and from North Africa—are so routine and so numerous that they scarcely receive mention in the news media.

Just over 2 years ago, Israeli and Palestinian negotiators remained locked in a fruitless stalemate, and direct talks between Israel and the PLO were deemed impossible. Today, there is Palestinian self-rule in Gaza and Jericho, Israeli and Palestinian Authority are on the verge of reaching an agreement on Palestinian elections and further Israeli troop redeployments in the West Bank, and handshakes between Israeli and PLO leaders are commonplace.

Just over 1 year ago, Israel and Jordan remained officially in a state of war. Today, thanks to the courage and leadership of King Hussein and Prime Minister Rabin, Israel and Jordan have signed a full peace treaty, enjoy full diplomatic relations, and are continually expanding their cooperation in security, economic development, tourism, the environment, and many other areas.

Mr. President, no one would deny that peace has not yet been secured in the Middle East. Much, much work remains to be done. Although the Israeli-Syrian negotiations have at times showed promise, with senior Israeli and Syrian military officers holding substantive talks on the security arrangements that must accompany an agreement, these talks currently seem caught in a stalemate. Clearly, many hard rounds of negotiations remain.

Israel's talks with Lebanon are essentially on hold until there is an Israeli—Syrian deal. Israel and the Palestinians must continue to overcome obstacles to the implementation of their agreements, and their negotiations will get no easier once final status talks begin next year.

In addition, the peacemakers of the Middle East face continual opposition from those who would use terrorism to upset the peace process. We were reminded of this once on August 21 when a suicide bomber blew up a bus in Jerusalem, killing one American and four Israeli civilians. Like the suicide bombings that preceded it, this was a heinous and unforgivable act of terrorism.

All who are committed to peace must do everything in their power to prevent acts of terrorism. Nowhere is this more true than in the areas controlled by the Palestinian Authority. While the performance of Chairman Arafat's authority in security matters has improved with time, it must do even more to prevent and punish all terrorist acts. Suicide bombers and other extremists must not be allowed to succeed in their goal of preventing the arrival of peace.

But, the obstacles and the hard work ahead do not change the fact that real peace in the Middle East is today genuinely within reach, as it never has been before. The long-held dream of Israelis to live in peace with all their neighbors, in secure borders, is not a real possibility.

To bring this process to a successful conclusion, the parties themselves must make all the difficult decisions. But the support of the United States has always been essential to Middle East peacemaking, and it remains so today.

Presidents Bush and Clinton, and Secretaries of State Baker and Christopher, deserve enormous credit for their unyielding commitment to pursuing a comprehensive peace in the Middle East, and their efforts have earned them the respect and gratitude of parties throughout the region.

The Congress has also been consistent in its strong support of all efforts to advance the peace process, and expressions of that support help bolster the parties in their efforts. One recent expression of that support was the introduction of S. 1064, the Middle East Peace Facilitation Act of 1995, which I was proud to cosponsor along with Senators HELMS, PELL, DOLE, DASCHLE, MACK, LIEBERMAN, MCCONNELL, LEAHY, and LAUTENBERG. This bill would allow the President to continue to provide assistance to the Palestinians and to conduct relations with the PLO, but it includes strict new language mandating compliance by the PLO and the Palestinian Authority with all of their commitments.

The resolution I am submitting today presents an opportunity for the Senate to mark an important milestone on the long road to peace between Israel and the Palestinians. As we take note of this day, let us also reiterate once again that the successful conclusion of a comprehensive peace in the Middle East is in the United States national interest, and that we in the U.S. Senate stand firmly behind all those who are committed to achieving that peace.

AMENDMENT SUBMITTED

THE WORK OPPORTUNITY ACT OF 1995

SIMON (AND REID) AMENDMENT NO. 2681

Mr. SIMON (for himself and Mr. REID) proposed an amendment to amendment No. 2280 proposed by Mr. DOLE to the bill (H.R. 4) to restore the American family, reduce illegitimacy, control welfare spending, and reduce welfare dependence; as follows:

At the appropriate place, insert the following new title:

TITLE ___—COMMUNITY WORKS PROGRESS ACT

SEC. ___00. SHORT TITLE.

This title may be cited as the "Community Works Progress Act".

SEC. ___01. FUNDING FOR COMMUNITY WORKS PROGRESS PROGRAMS.

(a) SET-ASIDE OF AMOUNTS FROM BLOCK GRANTS FOR TEMPORARY ASSISTANCE FOR NEEDY FAMILIES.—

(1) REDUCTION IN STATE FAMILY ASSISTANCE GRANT AMOUNT.—Notwithstanding section 403(a)(1)(A) of the Social Security Act, as added by section 101(b) of this Act, no eligible State shall receive a grant in an amount equal to the amount otherwise determined under such section unless such amount is reduced by the amount determined under paragraph (2).

(2) AMOUNT DETERMINED.—The amount determined under this paragraph is the amount which bears the same ratio to $240,000,000 (or, $240,000,000 reduced by the amount, if any, available for such fiscal year in accordance with subsection (c), whichever is lesser) as the amount otherwise determined for such State under section 403(a)(2)(A) of the Social Security Act, as added by section 101(b) of this Act, (without regard to the reduction determined under this paragraph) bears to $16,795,323,000.

(3) USE OF AMOUNTS APPROPRIATED FOR BLOCK GRANT.—Notwithstanding section 403(a)(4)(A) of the Social Security Act, as added by section 101(b) of this Act, $240,000,000 of the amounts appropriated under such section shall be used for the purpose of paying grants beginning with fiscal years after fiscal year 1996 to States for the operation of community works progress programs. Such amounts shall be paid to States in accordance with the requirements of this title and shall not be subject to any requirements of part A of title IV of the Social Security Act.

(b) LIMITATIONS ON COSTS.—

(1) ADMINISTRATIVE EXPENSES.—Not more than 10 percent of the amount of each grant awarded to a State may be used for administrative expenses.

(2) COMPENSATION AND SUPPORTIVE SERVICES.—Not less than 70 percent of the amount of each grant awarded to a State may be used to provide compensation and supportive services to project participants.

(3) WAIVER OF COST LIMITATIONS.—The limitations under paragraphs (1) and (2) may be waived for good cause, as determined appropriate by the Secretary.

(c) AMOUNTS REMAINING AVAILABLE FOR STATE FAMILY ASSISTANCE GRANTS.—Any amounts appropriated for making grants under this title for a fiscal year under section 403(a)(4)(A)(i) of the Social Security Act (42 U.S.C. 603(a)(2)(A)(4)(A)(i)) that are not paid as grants to States in accordance with this title in such fiscal year shall be available for making State family assistance grants for such fiscal year in accordance with subsection (a)(1) of such section.

SEC. ___01A. ESTABLISHMENT.

In the case of any fiscal year after fiscal year 1996, the Secretary of Labor (hereafter referred to in this title as the "Secretary") shall award grants to 4 States for the establishment of community works progress programs.

SEC. ___02. DEFINITIONS.

For purposes of this title:

(1) COMMUNITY WORKS PROGRESS PROGRAM.—The terms "community works progress program" and "program" mean a program designated by a State under which the State will select governmental and nonprofit entities to conduct community works progress projects which serve a significant public purpose in fields such as health, social service, environmental protection, education, urban and rural development and redevelopment, welfare, recreation, public facilities, public safety, and child care.

(2) COMMUNITY WORKS PROGRESS PROJECT.—The terms "community works progress project" and "project" mean an activity conducted by a governmental or nonprofit entity that results in a specific, identifiable service or product that, but for this title, would not otherwise be done with existing funds and that supplements but does not supplant existing services.

(3) NONPROFIT ENTITY.—The term "nonprofit entity" means an organization—

(A) described in section 501(c) of the Internal Revenue Code of 1986; and

(B) exempt from taxation under section 501(a) of such Code.

SEC. ___03. APPLICATIONS BY STATES.

(a) IN GENERAL.—Each State desiring to conduct, or to continue to conduct, a community works progress program under this title shall submit an annual application to the Secretary at such time and in such manner as the Secretary shall require. Such application shall include—

(1) identification of the State agency or agencies that will administer the program and be the grant recipient of funds for the State, and

(2) a detailed description of the geographic area in which the project is to be carried out, including such demographic and economic data as are necessary to enable the Secretary to consider the factors required by subsection (b).

(b) CONSIDERATION OF APPLICATIONS.—

(1) IN GENERAL.—In reviewing all applications received from States desiring to conduct or continue to conduct a community works progress program under this title, the Secretary shall consider—

(A) the unemployment rate for the area in which each project will be conducted,

(B) the proportion of the population receiving public assistance in each area in which a project will be conducted,

(C) the per capita income for each area in which a project will be conducted,

(D) the degree of involvement and commitment demonstrated by public officials in each area in which projects will be conducted,

(E) the likelihood that projects will be successful,

(F) the contribution that projects are likely to make toward improving the quality of life of residents of the area in which projects will be conducted,

(G) geographic distribution,

(H) the extent to which projects will encourage team approaches to work on real, identifiable needs,

(I) the extent to which private and community agencies will be involved in projects, and

(J) such other criteria as the Secretary deems appropriate.

(2) Indian tribes and urbanized areas.—

(A) In general.—The Secretary shall ensure that—

(i) one grant under this title shall be awarded to a State that will conduct a community works progress project that will serve one or more Indian tribes; and

(ii) one grant under this title shall be awarded to a State that will implement a community works progress project in a city that is within an Urbanized Area (as defined by the Bureau of the Census).

(B) Indian tribe.—For purposes of this paragraph, the term "Indian tribe" means any Indian tribe, band, nation, or other organized group or community, including any Alaska Native village or regional or village corporation as defined in or established pursuant to the Alaska Native Claims Settlement Act (43 U.S.C.A. 1601 et seq.), which is recognized as eligible for the special programs and services provided by the United States to Indians because of their status as Indians.

(c) Modification to Applications.—If changes in labor market conditions, costs, or other factors require substantial deviation from the terms of an application approved by the Secretary, the State shall submit a modification of such application to the Secretary.

SEC. ___04. PROJECT SELECTION BOARD.

(a) Establishment.—Each State that receives a grant under this title shall establish a Project Selection Board (hereafter referred to as the "Board") in the geographic area or areas identified by the State under section ___03(b)(2).

(b) Membership.—

(1) In general.—Each Board shall be composed of 13 members who shall reside in the geographic area identified by the State under section ___03(b)(2). Subject to paragraph (2), the members of the Board shall be appointed by the Governor of the State in consultation with local elected officials in the geographic area.

(2) Representatives of business and labor organizations.—The Board—

(A) shall have at least one member who is an officer of a recognized labor organization; and

(B) shall have at least one member who is a representative of the business community.

(c) Duties of the Board.—The Board shall—

(1) recommend appropriate projects to the Governor;

(2) select a manager to coordinate and supervise all approved projects; and

(3) periodically report to the Governor on the project activities in a manner to be determined by the Governor.

(d) Veto of a Project.—One member of the Board who is described in subparagraph (A) of subsection (b)(2) and one member of the Board who is described in subparagraph (B) of such subsection shall have the authority to veto any proposed project. The Governor shall determine which Board members shall have the veto authority described under this subsection.

(e) Terms and Compensation of Members.—The Governor shall establish the terms for Board members and specify procedures for the filling vacancies and the removal of such members. Any compensation or reimbursement for expenses paid to Board members shall be paid by the State, as determined by the Governor.

SEC. ___05. PARTICIPATION IN PROJECTS.

(a) In General.—To be eligible to participate in projects under this title, an individual shall be—

(1) receiving, eligible to receive, or have exhausted unemployment compensation under an unemployment compensation law of a State or of the United States,

(2) receiving, eligible to receive, or at risk of becoming eligible to receive, assistance under a State program funded under part A of title IV of the Social Security Act,

(3) a noncustodial parent of a child who is receiving assistance under a State program funded under part A of title IV of the Social Security Act,

(4) a noncustodial parent who is not employed, or

(5) an individual who—

(A) is not receiving unemployment compensation under an unemployment compensation law of a State or of the United States;

(B) if under the age of 20 years, has graduated from high school or is continuing studies toward a high school equivalency degree;

(C) has resided in the geographic area in which the project is located for a period of at least 60 consecutive days prior to the awarding of the project grant by the Secretary; and

(D) is a citizen of the United States.

(b) Work Activity Under Block Grants for Temporary Assistance for Needy Families.—For purposes of section 404(c)(3) of the Social Security act, as added by section 101(b) of this Act, the term 'work activity' includes participation in a community works progress program.

SEC. ___06. MANDATORY PARTICIPATION.

Able-bodied individuals who reside in a project area and who have received assistance under a State program funded under part A of title IV of the Social Security Act for more than 5 weeks shall be required to participate in a project unless—

(1) the project has no available placements; or

(2) the individual is a single custodial parent caring for a child age 5 or under and has a demonstrated inability to obtain needed child care, for 1 or more of the following reasons:

(A) Unavailability of appropriate child care within a reasonable distance of the individual's home or work site.

(B) Unavailability or unsuitability of informal child care by a relative or under other arrangements.

(C) Unavailability of appropriate and affordable formal child care arrangements.

SEC. ___07. HOURS AND COMPENSATION.

(a) Determination of Compensation.—

(1) In general.—Except as provided in paragraph (2) project participants in a community works progress project shall be paid the applicable Federal or State minimum wage, whichever is greater.

(2) Exceptions.—If a participant in a community works progress project is—

(A) eligible for benefits under a State program funded under part A of title IV of the Social Security Act and such benefits exceed the amount described in paragraph (1), such participant shall be paid an amount that exceeds by 10 percent of the amount of such benefits; or

(B) eligible for benefits under an unemployment compensation law of a State or the United States such benefits exceed the amount described in paragraph (1), such participant shall be paid an amount that exceeds by 10 percent the amount of such benefits.

(b) Work Requirements Related to Participation.—

(1) In general.—

(A) Maximum hours.—In order to assure that each individual participating in a project will have time to seek alternative employment or to participate in an alternative employability enhancement activity, no individual may work as a participant in a project under this title for more than 32 hours per week.

(B) Required job search activity.—Individuals participating in a project who are not receiving assistance under a State program funded under part A of title IV of the Social Security Act or unemployment compensation under an unemployment compensation law of a State or of the United States shall be required to participate in job search activities on a weekly basis.

(c) Compensation for Participants.—

(1) Payments of assistance under a state program funded under part A of title IV and unemployment compensation.—Any State agency responsible for making a payment of benefits to a participant in a project under a State program funded under part A of title IV of the Social Security Act or under an unemployment compensation law of a State or of the United States may transfer such payment to the governmental or nonprofit entity conducting such project and such payment shall be made by such entity to such participant in conjunction with any payment of compensation made under subsection (a).

(2) Treatment of compensation or benefits under other programs.—

(A) Higher education act of 1965.—In determining any grant, loan, or other form of assistance for an individual under any program under the Higher Education Act of 1965, the Secretary of Education shall not take into consideration the compensation and benefits received by such individual under this section for participation in a project.

(B) Relationship to other federal benefits.—Notwithstanding any other provision of law, any compensation or benefits received by an individual under this section for participation in a community works progress project shall be excluded from any determination of income for the purposes of determining eligibility for benefits under a State program funded under part A of title IV, title XVI, and title XIX of the Social Security Act, or any other Federal or federally assisted program which is based on need.

(3) Supportive services.—Each participant in a project conducted under this title shall be eligible to receive, out of grant funds awarded to the State agency administering such project, assistance to meet necessary costs of transportation, child care, vision testing, eyeglasses, uniforms and other work materials.

SEC. ___08. ADDITIONAL PROGRAM REQUIREMENTS.

(a) NONDUPLICATION AND NONDISPLACEMENT.—

(1) NONDUPLICATION.—

(A) IN GENERAL.—Amounts from a grant provided under this title shall be used only for a project that does not duplicate, and is in addition to, an activity otherwise available in the State or unit of general local government in which the project is carried out.

(B) NONPROFIT ENTITY.—Amounts from a grant provided to a State under this title shall not be provided to a nonprofit entity to conduct activities that are the same or substantially equivalent to activities provided by a State or local government agency in which such entity resides, unless the requirements of paragraph (2) are met.

(2) NONDISPLACEMENT.—

(A) IN GENERAL.—A governmental or nonprofit entity shall not displace any employee or position, including partial displacement such as reduction in hours, wages, or employment benefits, as a result of the use by such entity of a participant in a project funded by a grant under this title.

(B) LIMITATION ON SERVICES.—

(i) DUPLICATION OF SERVICES.—A participant in a project funded by a grant under this title shall not perform any services or duties or engage in activities that would otherwise be performed by any employee as part of the assigned duties of such employee.

(ii) SUPPLANTATION OF HIRING.—A participant in a project funded by a grant under this title shall not perform any services or duties or engage in activities that will supplant the hiring of other workers.

(iii) DUTIES FORMERLY PERFORMED BY ANOTHER EMPLOYEE.—A participant in a project funded by a grant under this title shall not perform services or duties that have been performed by or were assigned to any presently employed worker, employee who recently resigned or was discharged, employee who is subject to a reduction in force, employee who is on leave (terminal, temporary, vacation, emergency, or sick), or employee who is on strike or who is being locked out.

(b) FAILURE TO MEET REQUIREMENTS.—The Secretary may suspend or terminate payments under this title for a project if the Secretary determines that the governmental or nonprofit entity conducting such project has materially failed to comply with this title, the application submitted under this title, or any other terms and conditions of a grant under this title agreed to by the State agency administering the project and the Secretary.

(c) GRIEVANCE PROCEDURE.—

(1) IN GENERAL.—Each State conducting a community works progress program or programs under this title shall establish and maintain a procedure for the filing and adjudication of grievances from participants in any project conducted under such program, labor organizations, and other interested individuals concerning such program, including grievances regarding proposed placements of such participants in projects conducted under such program.

(2) DEADLINE FOR GRIEVANCES.—Except for a grievance that alleges fraud or criminal activity, a grievance under this paragraph shall be filed not later than 6 months after the date of the alleged occurrence of the event that is the subject of the grievance.

(d) TESTING AND EDUCATION REQUIREMENTS.—

(1) TESTING.—Each participant in a project shall be tested for basic reading and writing competence prior to employment under such project.

(2) EDUCATION REQUIREMENT.—

(A) FAILURE TO SATISFACTORILY COMPLETE TEST.—Participants who fail to complete satisfactorily the basic competency test required in paragraph (1) shall be furnished counseling and instruction. Those participants who lack a marketable skill must attend a technical school or community college to acquire such a skill.

(B) LIMITED ENGLISH.—Participants with limited English speaking ability may be furnished such instruction as the governmental or nonprofit entity conducting the project deems appropriate.

(e) COMPLETION OF PROJECTS.—

(1) IN GENERAL.—A governmental or nonprofit entity conducting a project or projects under this title shall complete such project or projects within the 2-year period beginning on a date determined appropriate by such entity, the State agency administering the project, and the Secretary.

(2) MODIFICATION.—The period referred to in paragraph (1) may be modified in the discretion of the Secretary upon application by the State in which a project is being conducted.

SEC. ___09. EVALUATIONS AND REPORTS.

(a) BY THE STATE.—Each State conducting a community works progress program or programs under this title shall conduct ongoing evaluations of the effectiveness of such program (including the effectiveness of such program in meeting the goals and objectives described in the application approved by the Secretary) and, for each year in which such program is conducted, shall submit an annual report to the Secretary concerning the results of such evaluations at such time, and in such manner, as the Secretary shall require. The report shall incorporate information from annual reports submitted to the State by governmental and nonprofit entities conducting projects under the program. The report shall include an analysis of the effect of such projects on the economic condition of the area, including their effect on welfare dependency, the local crime rate, general business activity (including business revenues and tax receipts), and business and community leaders' evaluation of the projects' success. Up to 2 percent of the amount granted to a State may be used to conduct the evaluations required under this subsection.

(b) BY THE SECRETARY.—The Secretary shall submit an annual report to the Congress concerning the effectiveness of the community works progress programs conducted under this title. Such report shall analyze the reports received by the Secretary under subsection (a).

SEC. ___10. EVALUATION.

Not later than October 1, 2000, the Secretary shall submit to the Congress a comprehensive evaluation of the effectiveness of community works progress programs in reducing welfare dependency, crime, and teenage pregnancy in the geographic areas in which such programs are conducted.

AUTHORITY FOR COMMITTEES TO MEET

COMMITTEE ON BANKING, HOUSING, AND URBAN AFFAIRS

Mr. SANTORUM. Mr. President, I ask unanimous consent that the Committee on Banking, Housing, and Urban Affairs be authorized to meet during the session of the Senate on Wednesday, September 13, 1995, to conduct a hearing on the status and effectiveness of the sanctions on Iran.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON INDIAN AFFAIRS

Mr. SANTORUM. Mr. President, I ask unanimous consent that the Committee on Indian Affairs be authorized to meet on Wednesday, September 13, 1995, beginning at 9 a.m., in room 485 of the Russell Senate Office Building on the nomination of Paul M. Homan to be special trustee for the Office of Special Trustee for American Indians in the Department of the Interior.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITEE ON THE JUDICIARY

Mr. SANTORUM. Mr. President, I ask unanimous consent that the Committee on the Judiciary be authorized to meet during the session of the Senate on September 13, 1995, at 10 a.m. to hold a hearing on "Ninth Circuit Split."

The PRESIDING OFFICER. Without objection, it is so ordered.

SELECT COMMITTEE ON INTELLIGENCE

Mr. SANTORUM. Mr. President, I ask unanimous consent that the Select Committee on Intelligence be authorized to meet during the session of the Senate on Wednesday, September 13, 1995, at 10 a .m. to hold an open hearing on Intelligence matters.

The PRESIDING OFFICER. Without objection, it is so ordered.

SUBCOMMITTEE ON IMMIGRATION

Mr. SANTORUM. Mr. President, I ask unanimous consent that the Immigration Subcommittee of the Committee on the Judiciary be authorized to meet during the session of the Senate on September 13, 1995, at 2 p.m. to hold a hearing on "Legal Immigration Reform."

The PRESIDING OFFICER. Without objection, it is so ordered.

ADDITIONAL COMMENTS

TIME TO FACE THE TRUTH ON PRISONS

• Mr. SIMON. Mr. President, the recent news that we now have over a million people in our State and Federal prisons, and over half a million in our local and county jails, is unprecedented in this country and perhaps unprecedented in any country.

We have to be looking for other answers than more and more prisons. And there are much better answers, both from the viewpoint of the dollar and from the viewpoint of humanity.

States are compounding the problem with passage of various legislation, such as "three strikes and you are out" in California.

A Chicago Tribune editorial commented recently on the State picture in Illinois. What it is really commenting on is about an attitude that exists, not only in Illinois, but in the Nation.

And what the editorial says makes a good deal of sense.

I ask that it be printed in the RECORD at this point.

The editorial follows:

[From the Chicago Tribune, Aug. 28, 1995]

TIME TO FACE THE TRUTH ON PRISONS

Now that Gov. Jim Edgar has signed the state's new truth-in-sentencing legislation, someone is going to have to figure out how to make it work before there is a disaster in the prison system. The governor is willing, but the responsibility belongs squarely with the General Assembly that created this time bomb.

When the legislature passed the law, it is a pity that it wasn't accompanied by truth-in-legislation legislation to give the public an honest portrayal of the costs. Instead, it pandered to the popular appeal of getting tougher on serious crime without regard to the consequences and without providing the resources to handle the added burden on the prisons.

Among other things, the law requires that convicted murderers must serve their entire sentences and those convicted of other serious crimes—attempted murder, rape, kidnapping, armed robbery—must serve at least 85 percent. That certainly resonates strongly with a public continually outraged by stories of violent offenders who serve half their time and commit other heinous acts when released. And certainly prison space and stern punishment ought to be reserved primarily for the worst offenders.

Truth in sentencing, however, focuses on getting felons into prison and keeping them there longer; it ignores the impact and fosters a myth that there will be no effect on the general prison population.

There will be a dramatic effect. According to the state Department of Corrections, it will add the equivalent of some 3,800 inmates at a cost of $320 million over the next 10 years—an impact that will escalate in succeeding years. And these will be the hardest cases, stuffed into a prison system that already is seriously overcrowded and may be out of space next year.

Anticipating this, Edgar proposed adding some 4,800 cells to the system, but the legislature—primarily because of Democratic opposition—cynically rebuffed his request for bonding authority. In short, the legislature was eager to flood the prisons with new inmates but not to pay the bill.

Now Edgar is proposing a different strategy; contracting with private firms to build a new prison and two work camps and add cells to eight existing prisons. The state would lease the facilities and run them.

There is merit to the idea in that it could get the job done, and the governor deserves credit for trying. But the answer is not some gambit to bypass the legislature; it is for the legislature to face its obligation.

First it must concede what it is not telling the public; that for every prisoner pushed into the system, someone must be pushed out the other end—perhaps sooner than the public will tolerate. Or the overcrowding will get worse, raising the risk of inmate violence and riots, and ultimately inviting federal court intervention to force Illinois to clean up its act.

If more prison space is the solution, the General Assembly must provide the money. If not, it must expand the concept of innovative alternative sentencing for non-violent offenders and revisit the state criminal code—reducing the penalties for lesser offenses and giving judges more discretion.

Truth in sentencing is an easy answer to serious concerns. There is no easy way out of the problems that it will create, and it's time to stop the pretense.●

THE AMERICAN PROMISE

● Mr. WARNER. Mr. President, as has been said many times before, ours is the only nation founded on an idea—the idea of democracy. No idea is more American. Yet the idea of democracy is neither simply defined, nor easily described. American democracy expresses itself in endless variations.

I rise today, Mr. President, to remind my colleagues of the grassroots democracy, taking place every day in communities across the United States, which is literally vital to the life of the Nation, yet too often ignored in the chambers of this Capitol. With that in mind, I recommend to you "The American Promise," an important new PBS television series celebrating community-based democracy. "The American Promise," a 3-hour program, makes its national broadcast premiere on October 1, 2 and 3.

Here in Washington, we conduct democracy's most visible work. It is the democracy studied in political science classrooms and reported by our newspapers, magazines, and television programs.

We arrive here after elections, propose and study legislation, and then vote on competing proposals. It is a fact that each stage of the process has winners and losers. By necessity, we live and work in a world of partisanship and competition. Before any proposal becomes the law of the land, it must be debated, tested and its consequences thoroughly understood by the people and by us, the people's representatives,

Not surprisingly, this world in which we are immersed leaves many citizens frustrated and cynical. Too often, this version of democracy seems to be nothing but a political contest. Who is up? Who is down? How do yesterday's events affect the power to get things done tomorrow? Our standing is judged by an extraordinarily sensitive barometer, instantaneously reflecting each small political success and failure.

Our work here in Washington is but one form of American democracy—we would be seriously mistaken to think otherwise. We must never lose sight of the fact that American democracy is larger and more diverse than the business conducted here in this Capitol. In community after community across America, in ways great and small, citizens decide every day to become part of the democratic process—they decide what they want. They join an organization; build a better mousetrap; question why flawed practices can't be changed; engage in respectful civil debate, and shoulder the responsibility to make hard decisions.

When this happens, there are no losers. American democracy comes to life and everybody in the community wins.

So strong is my belief in the importance of grassroots democracy that I can say it literally shaped my political career.

When I was appointed to the position of national administrator of the American Revolution Bicentennial Administration in 1974, my goal was simple: to encourage the maximum number of people across America to become involved in the programs they—not government—desired to honor their local communities and our great Nation. We wanted our Nation's 200th birthday to be celebrated in a simple, historic way, with maximum participation on the "Village Greens" of every crossroad, town, and city in America. I will never forget the wonderful breadth of experience I had over the next two years, working with citizens, local groups, service clubs, organizations, City Councilmen, Mayors, and Governors. America's birthday was celebrated America's way, from every vantage point across the country.

There is no better antidote to doubts about our Nation's future than grassroots democracy.

Happily, "The American Promise" reminds us all of the community-based democracy found beyond this Capitol. In so doing, it restores our faith in the idea of democracy, the idea of America, and the wonderful, limitless potential for our Nation's future.

In some fifty different story segments from every region of the United States, lessons are offered on the skills and values needed to bring democracy to life. They illustrate core American values—freedom, responsibility, opportunity, participation, and deliberation. Special historical reenactments are included, the first set in 1769, in the streets of Colonial Williamsburg. We watch as a young Thomas Jefferson, along with Patrick Henry, Colonel George Washington, Peyton Randolph, George Mason, Richard Henry Lee, and others take the first steps toward freedom. In the House of Burgesses, in a local tavern, on the streets, the group draws up Virginia's plans to boycott English goods. We hear Washington's words: "How far their attention to our rights and privileges is to be awakened or alarmed by starving their trade and manufacturers remains to be tried." Viewers will see our Founding Fathers starting a rebellion that will gather strength for 7 more years before it takes the form of the Declaration of Independence.

That is a sobering thought: our freedoms were not won by crazy revolutionaries on a field of battle, but rather through years of meetings, of talk, of debate and compromise. It is a true reminder of the communal instincts that helped form our great Nation.

The October premiere of "The American Promise" will be just the beginning of the program's contributions. It will then be put to use in high school and junior high school classrooms throughout the country, as an instructional tool on civics and community-based democracy.

The National Council on the Social Studies has endorsed the program. Farmers Insurance Group, the program's corporate sponsor, has pledged to make the video, teaching guides, and classroom materials available to all interested schools and teachers at no cost.

Mr. President, I urge my colleagues and viewers across America to watch this important and instructional program. And I extend my commendation and appreciation to the Farmers Insurance Group, and its Chairman, Leo E. Denlea, Jr., for bringing this fine programming to us.

"The American Promise" reminds us of all that is good and right in America—and what we have to do to make good on America's bright future.●

BLACK STUDENTS LIVE DOWN TO EXPECTATIONS

Mr. SIMON. Mr. President, there is continued discussion, and will be until November 1996 at least, on the whole subject of affirmative action.

My strong belief is that affirmative action has been a good thing but, like any good thing, can be abused occasionally. Religion can be abused. Education can be abused. But that does not make religion and education a bad thing.

While we were in recess, the New York Times published an op-ed piece by Claude M. Steele, a professor of psychology at Stanford University and president-elect of the Western Psychological Association.

It gives a solid analysis of affirmative action at the collegiate level.

It is important enough to call to the attention of my colleagues, who may not have seen it, and to others who may read the CONGRESSIONAL RECORD.

I ask that it be printed in the RECORD at this point.

The material follows:

[New York Times; Thursday, Aug. 31, 1995]

BLACK STUDENTS LIVE DOWN TO EXPECTATIONS

(By Claude M. Steele)

STANFORD, CA.—The debate over affirmative action on college campuses has become dangerously distanced from facts. The issue has taken on such an ideological fervor that votes, Presidential and otherwise, are hanging in the balance. In the fray, the image of African-American college students has taken a beating.

Opponents of affirmative action claim that it pushes African-American students into schools where they can't compete and where, with the stigma they bear as "special admits," they get lower grades and drop out more than other students.

It is true that these students have their troubles, suffering a college dropout rate hovering near 70 percent (against 40 percent for other students), with lower grades to match. Given such statistics, even supporters of affirmative action have faltered, too unsure themselves about the students' abilities to rise quickly or publicly to their defense.

In fact, most black college students are in school on the same terms as anyone else, not as a result of any racial preference. Still, as their fate goes, so goes our faith in affirmative action and in the ability of public policy to address racial and social problems. So a few facts and some new evidence can help in addressing some central questions.

Do the academic troubles of black students stem from their being underprepared for the competition?

This is a common complaint that has turned into conventional wisdom. But in fact there isn't much evidence of it. Very few minority students are admitted to any college beneath that school's cut-off for other students.

It is true that blacks have lower S.A.T. scores than other entering students. But the deficit in test scores—which are certainly flawed as predictors anyway—doesn't begin to explain why black students are more likely to drop out and get bad grades once they begin college. Besides, this "underperformance" is just as common among black students entering with very high test scores and grades as it is among those with weaker credentials.

One thing is clear: If affirmative action is failing by not producing more successful black college students, it is not because they have been placed where they can't compete.

If it isn't a lack of preparation, then what is depressing their performance?

Recent research by my colleagues and me points to a disruptive pressure tied to racial stereotypes that affects these students. The pressure begins simply enough, with a student's knowledge that negative stereotypes about his group could apply to him—that he could be judged by this perception, treated in terms of it, even that he could fulfill it.

Black students know that the stereotypes about them raise questions about their intellectual ability. Quite beside any actual discriminatory treatment, they can feel that their intelligence is constantly and everywhere on trial—and all this at a tender age and on difficult proving ground.

They may not believe the stereotype. But it becomes a threating hypothesis that they can grow weary of fending off—much as a white student, for example, can grow weary of fending off the stereotype that his group is racist.

Everyone is subject to some form of what I call "stereotype vulnerability." The form that black students suffer from can hurt them where it matters, in academic performance. My research with Joshua Aronson shows that "stereotype vulnerability" can cost these students many points on exams like the S.A.T.

Over time, the pressure can push the students to stop identifying with achievement in school. They may even band together in doing this, making "disidentification" the pattern. For my money, the syndrome is at the root of black students' troubles in college.

If affirmative action contributes to this problem, it is less from the policy itself than from its implementation, often through a phalanx of "minority support" programs that, however well intended, reinforce negative stereotypes. Almost certainly, there would be persistent, troubling underperformance by minority students even if affirmative action programs were dismantled, just as there was before they existed.

Is there only reason to believe that affirmative action programs can alleviate this problem?

In the diagnosis may lie the seeds of a cure: Schools need to reduce the burden of suspicion these students are under. Challenging students works better than dumbing down their education. Framing intelligence as expandable rather than as a set, limiting trait makes frustration a signal to try harder, not to give up. Finally, it is crucial that the college convey, especially through relationships with authoritative adults, that it values them for their intellectual promise and not just because of its own openness to minorities.

My colleagues (Steven Spencer, Mary Hummel, David Schoem, Kent Harber and Richard Nisbett) and I incorporated these and other principles into a program at the University of Michigan for the last four years. The students, both white and minority, were selected randomly for the project and as freshmen were housed in the same dorm.

Through workshops and group study, all placing emphasis on the students' intellectual potential, the program eliminated the differential between black and white students' grades in freshman year for the top two-thirds of the black students.

It helped others as well; 92 percent of all the students in the group, white and black, were still in school after four years.

The successes of comparable programs—Urie Treisman's math workshops at the University of Texas, Georgia State's pre-engineering program, John Johnide's faculty mentoring project, also at Michigan—show that this approach can work.

But what about reverse discrimination? How much does this policy of inclusion cost in exclusion of others?

To know if affirmative action is displacing whites in admissions, you have to know if, among comparably qualified applicants, more minorities get in than whites.

Thomas Kane of Harvard University's Kennedy School of Government found that this seems to happen only in elite colleges, where the average S.A.T. score is above 1,100. These schools make up only 15 percent of our four-year colleges. There was no evidence of preference in admissions among the rest.

Moreover, in the elite schools, blacks don't often use the preference they get, choosing schools closer to home, perhaps, for various reasons. They rarely exceed 7 percent of the student body at the top schools. Overall, affirmative action causes little displacement of other students—less by far than other forms of preferences, like the one for children of alumni.

In our society, individual initiative is an indisputable source of mobility. But a stream of resources including money, education and contacts is also important. After all this time, even the black middle class has only tentative access to this stream. Affirmative action in college represents a commitment to fixing this, allowing those with initiative a wider aperture of opportunity.

If its opponents prevail and affirmative action is dumped, will the same people, so ostensibly outraged by the racial injustice of it, then step forward to address the more profound racial injustices?

I wouldn't bet on it and, in the meantime, let's talk about this policy frankly and pragmatically: how to improve it, when it should be more inclusive, and how it should be made fairer.

To dump it now would be to hold some people, just beginning to experience a broader fairness in society, to a tougher standard than the rest of us have had to meet.●

APPLICABILITY OF REGULATION E FOR ALL ELECTRONIC BENEFIT TRANSFERS

● Mr. LIEBERMAN. Mr. President, earlier this year I introduced S. 131, a bill that would remove the applicability of regulation E of the Electronic Funds Transfer Act for all electronic benefits transfer [EBT] programs established under Federal, State, or local law, with the exception of when payments are made directly into a consumer's account. I introduced this legislation for the purposes of removing the barriers for States so that they could implement EBT. Although regulation E provides many protections for the consumer, the States see it as barrier to implementing EBT because it requires States to be liable for lost and stolen benefits over $50. This added liability could result in added administrative costs.

At the time I introduced this bill, I expected cash-assistance welfare programs to continue to be federally regulated. But now, it appears that our largest cash-assistance program for low-income people, Aid to Families With Dependent Children [AFDC], will be block granted and there will no longer be Federal oversight in many areas. Because of this, we must be somewhat more careful in exempting cash assistance and other welfare programs that use electronic benefit transfers from all of the provisions of regulation E. I want to explain why there may be problems in adopting the current language in the House welfare bill that exempts electronic benefit transfers [EBT] from regulation E.

Electronic benefit transfers are the transfers and distributions of Federal and State benefit programs through electronic banking techniques. The Electronic Fund Transfer Act governs all ATM transactions and point-of-service sales such as the use of your credit card or ATM card at the grocery store. The act assures individuals that their complaints about unauthorized uses and systems problems will be attended to in a timely manner. Other protections provided by regulation E include the disclosure of information to the consumer about their rights. I'm sure that most Members would agree that these provisions are fair and should be applied to welfare recipients as well as the general banking population. Indeed, States that currently have EBT already provide most of these services.

Under the Electronic Funds Transfer Act [EFTA] the cardholder is only responsible for up to $50 if the card is lost or stolen and benefits are withdrawn. EFTA requires cardholders to have a personal identification number [PIN] which should prevent unauthorized withdrawal of benefits even if the card is stolen. This number should only be known by the recipient so if the card is stolen, the thief would not be able to gain access to the benefits. In an EBT system, if money is stolen from the account the State would be liable for all benefits beyond the $50 limit. This single provision opens EBT to fraud and abuse which could result in very high costs to the States. The States have said that this potential liability would prevent them from going forward with the implementation of EBT programs.

EBT holds many benefits for the administering agency and the recipient. EBT delivers benefits more cost-effectively and eliminates the need to print and process food stamps. It also eliminates postal fees for sending out checks and authorizing documents. It can provide substantial protections against fraud and theft. There is a successful EBT demonstration project in Ramsey County, MN. Ninety-five percent of recipients in Ramsey County prefer EBT over checks and food stamps. It allows recipients to have their monthly benefits on the date that they are available, instead of when the Postal Service finally delivers them. It also allows the recipient to bypass check cashing fees and to withdraw small amounts at a time, making them less of a target for mugging.

Senator DOLE's welfare reform proposal S. 1120, as well as Senator DASCHLE's proposed substitute, the Work First proposal, would exempt only food stamp benefits distributed by EBT from regulation E. I support these provisions, for now, because the Secretary of the U.S. Department of Agriculture would continue to have authority to ensure there are adequate protections. For example, it is my understanding that the Secretary could require the application of regulation E to food stamps if the States or banks abuse the system. But the same would not be true for AFDC if the Congress were to convert the program to a block grant for cash assistance. Under a block grant beneficiaries would have no recourse if banks or the State agencies did not act responsibly.

In contrast, the House has taken a different approach and has exempted all needs-tested Government programs that make use of EBT from regulation E. For reasons I have described, I do not think this is appropriate. I believe legislation that effects regulation E's application to EBT needs more thought. We need to consider how to minimize State liability while still maintaining protections for recipients using EBT. Congress should take the short-term step of eliminating the $50 liability limit. Other requirements of regulation E, such as the requirement to address complaints in a timely manner, may continue to be necessary to ensure that recipients in Federal cash-assistance welfare programs are treated fairly. The Federal Reserve Board has already determined that regulation E shall apply to all EBT programs as of February 1997. We need to act on this issue soon so that States will not see the impending implementation of regulation E as a barrier to starting EBT programs. I would like to work with my colleagues to eliminate barriers to the States' use of EBT so that States will not be dissuaded from implementing EBT programs.●

TRIBUTE TO FANNIE MAE

● Mr. SIMON. Mr. President, I recently joined Mayor Daley, Fannie Mae President Larry Small, and others, in announcing Fannie Mae's "HouseChicago" plan. "HouseChicago" is a $10 billion, 7-year investment plan developed by Fannie Mae's Chicago Partnership Office, the City of Chicago and numerous local partners.

Fannie Mae was created by Congress as a federally-chartered, shareholder-owned corporation, whose mission is to make sure mortgage funds are readily available in every State of the Nation. I am proud to say Fannie Mae has done a tremendous job at fulfilling that mission, and I want to bring to the attention of my colleagues the following editorial by the Chicago Tribune regarding Fannie Mae's investment in the city of Chicago.

[From the Chicago Tribune, August 26, 1995]

FANNIE MAE'S HOME COOKIN'

It's hard to overstate the importance of home ownership to the success of a neighborhood.

Besides being a ticket to the middle-class, ownership gives people a larger stake in their communities. It makes them less tolerant of vandalism or drug-dealing and more likely to get involved in a block club or the PTA.

But as nearly every homeowner is reminded once a month, it's the mortgage-holder that really owns the house. It's the lender or, more often, the financial house that buys the mortgage from the lender whose investment is most at risk. That's why the note-holder gets first claim on the property should the purchaser fail to make payments.

And that's why lenders have strict standards about whom they will lend to and under what circumstances. But as lenders increasingly sell their mortgages on the so-called "secondary" market, it's the standards of the huge mortgage purchasing corporation that become key.

In that regard, recent initiatives by the Federal National Mortgage Association (Fannie Mae), the nation's largest repurchaser of home mortgages, deserve to be recognized and applauded.

Not to be confused with the local confectioner, Fannie Mae is a federally chartered, publicly traded corporation whose mission is to encourage private investment in residential mortgages. It recently struck a deal with the city to modify its underwriting standards in certain disadvantaged neighborhoods.

Participating lenders can now offer extra-low (3 percent) down payment terms to families earning up to 20 percent above the area median income of $51,300—if the house they are buying is located within the city's empowerment zone or certain other areas targeted by City Hall for redevelopment.

Some might call this an attempt at gentrification, but it means that middle-income families—and the stability they bring—will be lured into neighborhoods they might otherwise spurn as too risky.

Other Fannie Mae changes will make it easier for buyers of small apartment buildings to get conventional mortgages, as well as buyers participating in the city's New Homes For Chicago Program and the purchase-rehabilitation program run by a group called Neighborhood Housing Services of Chicago (NHS).

The bottom-line in Fannie Mae's "House Chicago" program will be $10 billion in private loans pumped into neighborhoods that might otherwise have to rely on federal mortgage insurance . . . with all the abuses those programs often bring.

It's not the candy company, but Fannie Mae is giving new meaning to "Sweet Home Chicago."

TONY ELROY McHENRY

Mr. WARNER. Mr. President, I rise today to pay special tribute to the life of Tony Elroy McHenry. Tony passed away September 9, 1995, and is remembered as a loving husband and son, and a devoted employee of the U.S. Senate.

Born the youngest son of Hugh O. and the late Janet W. McHenry, Tony claimed home in Fredericksburg, VA. Even as a young child, Tony always found a peacefulness in his faith; he was a life-long member of Beulah Baptist Church.

Tony was educated in Spotsylvania County at the John J. Wright Consolidated School and then Spotsylvania High School. He also attended Virginia State University.

On December 3, 1988, he and Piatrina A. Robinson were married. He is survived by his wife. Tony distinguished himself as an offset pressman for the U.S. Senate Service Department and friends remark on his quiet dignity and pride taken in his work. He always balanced professionalism and a courteous manner, certainly his trademarks.

Tony McHenry will be missed by family and friends: his smile, his warm and engaging personality, his earthly spirit.

ORDERS FOR TOMORROW

Mr. JEFFORDS. Mr. President, I ask unanimous consent that when the Senate completes its business today it stand in recess until the hour of 9:15 a.m. on Thursday, September 14, 1995; that following the prayer, the Journal of proceedings be deemed approved to date; the time for the two leaders be reserved for their use later in the day, and there be a period for morning business until the hour of 10 a.m. with Senator BYRD to be recognized for up to 45 minutes; I further ask that at 10 a.m. the Senate immediately resume consideration of H.R. 4, the welfare reform bill under the provisions of the previous consent agreement; further, that if Senator DODD has not offered his amendment and therefore is not pending following the last rollcall votes in Thursday's series of votes, Senator SHELBY shall be recognized to call up amendment No. 2526.

The PRESIDING OFFICER. Without objection, it is so ordered.

PROGRAM

Mr. JEFFORDS. For the information of all Senators, the Senate will resume consideration of the welfare reform bill tomorrow morning at 10 a.m. Following 10 minutes of debate the Senate will begin a series of rollcall votes on or in relation to amendments to the welfare reform bill. All Senators should therefore expect the first rollcall vote on Thursday at approximately 10:10, to be followed by a series of votes with only 10 minutes of debate between each vote.

The PRESIDING OFFICER. Without objection, it is so ordered.

RECESS UNTIL 9:15 A.M. TOMORROW

Mr. JEFFORDS. Mr. President, if there is no further business to come before the Senate, I now ask unanimous consent that the Senate stand in recess under the previous order.

There being no objection, the Senate, at 8:56 p.m., recessed until Thursday, September 14, 1995, at 9:15 a.m.

HOUSE OF REPRESENTATIVES—*Wednesday, September 13, 1995*

The House met at 10 a.m. and was called to order by the Speaker.

The Chaplain, Rev. James David Ford, D.D., offered the following prayer:

O gracious God, may the Sun of the morning remind us of the bright hope of Your creation; may the fresh winds of the day suggest Your spirit that moves about us and around us encouraging and enlightening; may the smell of flowers testify to the fragrance of Your love to us; and may the busy world in which we live and work remind us of the responsibilities and the obligations of our service to the Nation. May all the wonder of Your creation, O God, testify to Your many gifts to us and the marvel and miracle of each new day. Amen.

THE JOURNAL

The SPEAKER. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Pursuant to clause 1, rule I, the Journal stands approved.

PLEDGE OF ALLEGIANCE

The SPEAKER. Will the gentleman from Mississippi [Mr. WICKER] come forward and lead the House in the Pledge of Allegiance.

Mr. WICKER led the Pledge of Allegiance as follows:

> I pledge allegiance to the Flag of the United States of America, and to the Republic for which it stands, one nation under God, indivisible, with liberty and justice for all.

ANNOUNCEMENT BY THE SPEAKER

This morning the Chair will recognize fifteen 1-minute speeches on either side of the aisle as agreed to by the leadership.

IN HONOR OF FORMER CONGRESSMAN JAMIE WHITTEN

(Mr. WICKER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. WICKER. Mr. Speaker, yesterday, America laid to rest one of our finest statesmen. Jamie Whitten, a dear friend and colleague to many Members of this House, was remembered in funeral services in Charleston, MS.

Congressman Jamie Whitten served a record 53 years and 2 months in this body, rising to become the long-time dean of the House, and chairman of the Appropriations Committee. However, he never forgot his roots in rural America, serving ably as the chairman of the Agriculture Appropriations Subcommittee and becoming what many referred to as the permanent Secretary of Agriculture.

I knew Jamie Whitten for 28 years, since I served as his page in 1967. Mr. Whitten quietly earned the reputation for always being a gentleman during an era when many public figures gained attention by being flamboyant and divisive. Winston Churchill said that singleness of purpose and simplicity of conduct are powerful attributes of public servants. These were the qualities of Mr. Whitten.

Mr. Whitten was never concerned with seeking the recognition he deserved. Perhaps there will be no monuments erected in his name, but today, across America, there are many quiet legacies he leaves behind.

As one Mississippi newspaper stated yesterday,

> Jamie Whitten started his public service career when some Mississippians still had eye-witness memories of the Civil War and only dreamed of one day having electricity in their homes. Today, farms across America are the breadbasket for the world and schoolchildren in rural America can routinely communicate from their homes via computers with people halfway around the world.

These are the silent monuments to a man who dedicated his life to this House and to this country. For that, his beloved State of Mississippi and his country will be forever grateful.

AMERICA NEEDS A THIRD POLITICAL PARTY

(Mr. TRAFICANT asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. TRAFICANT. Mr. Speaker, the United States trade deficit last quarter reached another record, $44 billion. In addition, America ran an investment deficit of $3 billion. Some progress.

While everybody in Washington is talking about this big train wreck, the budget, let us tell it the way it is. The Titanic, that trade deficit, is what is killing American jobs. And the sad fact is, folks, from Japan to Mexico there is no difference between a Democrat and a Republican.

Mr. Speaker, is it any wonder that a majority of the American people do not identify with either of the two major political parties? When it comes to trade, there is not a reasonable program in America on either side of the aisle. America needs an alternative, a third political party. Maybe that is only way we will address some of these issues.

SAVE AND STRENGTHEN MEDICARE

(Mr. BARTLETT of Maryland asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. BARTLETT of Maryland. Mr. Speaker, the President's appointed trustees have warned that Medicare will go bankrupt by 2002. If we do nothing, seniors' out-of-pocket costs will rise and Medicare will be bankrupt in just 7 years.

Mr. Speaker, if we raise payroll taxes, as we have done 23 times in 27 years, we will force our children and grandchildren to pay more now for seniors' health care and Medicare will still go bankrupt before our children and grandchildren can retire and gain any benefits.

Mr. Speaker, we cannot wait. The problem will not go away. The only solution is to introduce choice for seniors and competition among health care providers. Choice and competition always do two things in our free enterprise system: They lower costs and improve quality.

Medicare is far too important to turn it into Medi-scare. Republicans are asking Democrats, please, join us to save and strengthen Medicare.

WAKE UP AMERICA

(Mr. FALEOMAVAEGA asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. FALEOMAVAEGA. Mr. Speaker, again I say to my colleagues and to the American people: Wake up America.

Mr. Speaker, last week President Chirac of France pushed his nuclear button and exploded 1 of 8 nuclear bombs last week that had more power than was exploded in the atom bomb in Hiroshima, Japan, 50 years ago. Later detonations are expected to follow, each with up to 10 times greater destructiveness than the Hiroshima bomb.

Maybe 10 years from now, when that island atoll in the Pacific, the Mururoa Atoll, starts sinking and nuclear contamination enters the marine food chain causing secondary fish poisoning,

☐ This symbol represents the time of day during the House proceedings, e.g., ☐ 1407 is 2:07 p.m.

Matter set in this typeface indicates words inserted or appended, rather than spoken, by a Member of the House on the floor.

maybe then one day the millions of Americans living in Hawaii and the Pacific Coast States will say, "Why did no one tell us about this?"

Mr. Speaker, France has already exploded 164 nuclear bombs in this atoll. What madness. Wake up America. We may also end up the victims of French callousness by poisoning our Pacific environment.

PRESIDENT CLINTON WEIGHS IN ON FUNDAMENTAL REFORMS

(Mr. RIGGS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. RIGGS. Mr. Speaker, yesterday the President convened a meeting of the bipartisan congressional leadership at the White House and he urged the Congress to get on with the task of balancing the Federal budget, reforming the welfare system, cutting taxes, particularly on middle-class families, and controlling Medicare costs.

Mr. Speaker, it is good to hear the President weigh in in this debate. Yet I predict that the response that he will get from the Congress and his party is a stony silence. How ironic that it is going to take the new Republican majority to help this President, who as a candidate promised to end welfare as we know it and cut taxes, make good on those promises.

THE REPUBLICAN COVERT PLAN FOR MEDICARE

(Mr. DOGGETT asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. DOGGETT. Mr. Speaker, "silence," we have just heard. Silence is what we have gotten when it comes to the covert Republican plan to hike the costs of Medicare for all of America's seniors.

Mr. Speaker, for months Speaker GINGRICH and cohorts have been going around behind closed doors saying to themselves, America's seniors are getting off cheap. They are just not paying enough for health care. They have got a plan, and it has been whispered in the corridors of this Capitol, to increase deductibles and increase the monthly premiums for America's seniors; to increase the costs that they have to pay if they want to stay out of the nursing home or get home health care; to increase the cost of a lab test that a doctor might have, because they think America's seniors are not paying enough for Medicare.

There are many words to describe it. Covert, secret, mysterious, concealed, hugger-muggered, veiled, tricky, latent, shrouded, suppressed, cloaked. But the best one is "wrong." It is just wrong to do this to America's seniors.

REPUBLICANS HAILED FOR THEIR EFFORTS ON MEDICARE

(Mr. HOKE asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. HOKE. Mr. Speaker, I hope the gentleman from Texas [Mr. DOGGETT], my colleague and good friend, the previous speaker, had a chance to read the Washington Post editorial yesterday on the Medicare or Medi-scare debate.

The liberal paper of record applauds Republicans because we have "forcefully taken the right position on the basic issue of controlling costs" and it chides the Democrats, like my good friend from Texas, for not playing a "constructive part in the Medicare debate."

Boy, they could not have gotten it better and more right on point. It says, "The Democrats denounce the Republicans for proposing to gut the programs, but they have no serious counterproposal; not the Democrats in Congress and not the President either."

It continues, "They," the Democrats, "risk squandering for political reasons a chance to tame these programs that everyone agrees need to be tamed. What if they chose to help instead of using the issue to score political points?"

That is the liberal Washington Post speaking. How about it, my Democrat colleagues. How about it my friend from Texas. Why not put an end to this partisan posturing and join us in an effort to save Medicare from bankruptcy.

SECRET MEDICARE PLAN

(Mr. GENE GREEN of Texas asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. GENE GREEN of Texas. Mr. Speaker, it is refreshing to hear the Republican majority quote the Washington Post. I am more concerned about the Houston Chronicle than I am the Washington Post.

Republican Medicare cuts in growth $270 billion to pay for a $245 billion tax cut over the same 7 years. The new Republican majority will double the monthly premium for Medicare recipients and eliminate their choice of doctors under their plan.

It is a secret plan, because we do not know about it. It has been secret for the 8 months we have been here, almost 9. They want to cram that plan down our throats this coming week.

Mr. Speaker, let us have at least 30 days of public hearings. Let us listen to what our constituents want us to hear about their plan and let us make sure that we do not take away from seniors their choice of doctors and providers, because I know that is what that secret Republican plan will do.

□ 1015

CONTINUING THE UNIQUE TREND

(Mrs. SEASTRAND asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Mrs. SEASTRAND. Mr. Speaker, this fall we are going to continue a unique trend that began with the Contract With America. We, politicians, are going to keep our promises.

Before we go home, Republicans are going to insist on the following: A balanced budget that restores fiscal sanity to our country; a plan that saves Medicare for future generations; welfare reform, emphasizing work, family, and personal responsibility; and tax relief, so families can finance their dreams not the Government.

Mr. Speaker, this is not just the Republican agenda. It is the agenda of the American people. The people have demanded real change. This fall, we intend to deliver.

LET US WORK TOGETHER TO SAVE MEDICARE

(Ms. JACKSON-LEE asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Ms. JACKSON-LEE. Mr. Speaker, to all of the seniors in the 18th Congressional District in Houston, let me thank you for 300-plus of you who joined me at my Town Hall meeting in August and said, "Absolutely not, absolutely not, to the false truths and false representations by the Republican majority on Medicare," and absolutely not to the proposed Medicare cuts.

Where is the Democratic plan? Our plan has been on the table for at least a year. National health reform is the appropriate plan that would provide reasonable health care to all Americans.

What is the truth? The truth is, yes, America, this program is not bankrupt. In 1970 the Medicare Program had a 2-year life. It has gone up to a 14-year life in the 1980's. The Medicare Program has today approximately a 7-year life.

Who has been able to save Medicare? Democrats. Who has been able to bash and ban Medicare? Republicans.

The truth is simply that we must get rid of fraud, we must get rid of abuse, but we should not force those who are taking care of elderly parents to choose between those parents and the children they have to educate. The Republican plan to cut Medicare should be exposed. I call for 4 weeks of hearings on this plan. President Truman tried to implement Medicare, but the Republicans said "no" then. America, do not let them say "no" today. Tell the Republicans, "No, let us work together to save Medicare without a wasteful $245 billion tax cut for the wealthy."

FIX THE FEDERAL GOVERNMENT

(Mr. CHRYSLER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. CHRYSLER. Mr. Speaker, when I was elected to Congress, my constituents gave me clear, easy-to-understand instructions. My constituents fully understand that the policies that have come out of Congress since the 1960's have failed.

My instructions are clear: Fix the Federal Government.

That means cutting taxes. Why? Because money that the people earn belongs to them, not the Government.

Fixing the Federal Government means saving Medicare so that our grandparents and every American will have health care beyond the year 2002. It also means balancing the budget because there is absolutely no way we can sustain $200 billion deficits forever.

And, finally, fixing Government means changing the failed welfare state. Too many families and too many people have been destroyed by a system that rewards dependence and self-destructive behavior.

We must work together in Washington and in the media to get things done for America and for the American taxpayer.

WHERE IS THE REPUBLICAN PLAN?

(Mr. SCHUMER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. SCHUMER. Mr. Speaker, on Sunday, Speaker GINGRICH said that his plan to cut Medicare would cost seniors an added $7 a month By Monday, the Speaker said it would cost seniors $10 a month. Yesterday, the Speaker acknowledged that it would cost seniors over $30 a month. Today, the Wall Street Journal writes on top of $32 a month, deductibles will go up by $50, lab services by several hundred, and nursing home care, if you are in a nursing home or have a parent who is, will cost you several thousand dollars more each year.

It is no wonder we are calling for public-wide hearings on the secret Republican plan. If it is such a great plan, what are you folks afraid of? Why not tell America what it is? Let the seniors, the young people and everyone in between debate it, and we will see if your plan is the right way to go.

But, no, you are afraid. You are cutting, cutting, cutting, and that is why you do not want us to have hearings on your plan.

THE TRUTH ABOUT THE STUDENT LOAN PROGRAMS

(Mr. BALLENGER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. BALLENGER. Mr. Speaker, the Washington political machine seems often to operate under shades of truth, as if the difference between truth and fabrication cannot be seen. This rule has never been more evident than in the President's recent comments about our student loan proposals. The use of misinformation is a cheap tool used by those in a defensive position with no valid arguments against the real truth.

If one sifts through the lies being spread about our work in the student loan area, one would clearly see that we are not waging a war against our Nations students nor are we planning to lessen educational opportunities for them. By eliminating the Direct Loan Program, a program with exaggerated savings and benefits, and making other adjustments in the student loan area, which will make loans available to students, we are able to ensure that no student will lose eligibility or access to college loans, keep the inschool interest subsidy, and maintain the current loan origination fee and interest rates on student loans. That is the plain and simple truth. And, because the truth is politically unpalatable to the President, he has chosen to create his own truth.

America's students deserve to get accurate and reliable information. I urge all of my colleagues, from both sides of the aisle, to get the accurate information on this important issue.

SHOW US THE DETAILS OF THE REPUBLICAN MEDICARE PLAN

(Mrs. SCHROEDER asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Mrs. SCHROEDER. Mr. Speaker, having this gray hair, I do not know a lot, but I know a few things. No. 1, I am very nervous when Republicans say we do not need to know the details of the Medicare plan, "Just trust us."

I happen to know the history. They have never been for Medicare before. I find it very interesting they have such a loving plan. We do not need to know the details; they will just bring it out, and we will vote for it.

I also know that the devil is usually in the details, and I also know it is pretty amazing; we are going to be asked to fast-forward and vote on it when even the Speaker of the House apparently does not know the details of his own plan. Thing about it, on Sunday, on national TV we were told it would be only $7 a month. By yesterday it was up to $32 a month. That is only 3 days. Heaven only knows what it is going to be today.

I do not think a plan for this serious an issue should come rolling out here and everybody be ordered to vote for it without reading it.

Take our blindfolds off. Show us the details.

KEEP THE FAITH: BALANCE THE BUDGET

(Mr. WHITE asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. WHITE. Mr. Speaker, I learned two lessons when I was home in August over the break. The first one is it is pretty easy to take yourself seriously, a little bit too seriously when you are in Congress.

I went home. My kids started calling me the "Honorable Dad." It took me a few days to realize they were only playing a joke on me.

The second lesson I learned is it is easy to forget why we came here. My constituents gave me a message, too. They said, "Keep the faith. Go back there and balance the budget just like you said you were going to do."

Mr. Speaker, that is exactly what I am going to do. I am not going to vote to raise the debt ceiling. I am not going to vote for a budget package or for reconciliation unless we have a program in place, binding law, that will balance the budget over 7 years.

Mr. Speaker, I do not want to shut the Government down. I do not want a train wreck. But if that is what it takes to get the attention of this administration and balance the budget, that is exactly what we have to do.

NAFTA: STOP TAKING AMERICAN WORKERS TO THE CLEANERS

(Ms. KAPTUR asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Ms. KAPTUR. Mr. Speaker, we would all have enough money to pay for Medicare if the jobs in our country paid high enough wages to cover the cost of benefits. But, my friends, yesterday the Commerce Department reported again that our Nation is suffering the worst trade performance in our Nation's history.

In April through June of this year, our current account deficit, the broadest measure of trade performance, jumped to $43.6 billion more in the whole, the worst results in history.

The key reasons cited for this worsening record are our growing trade debt with Mexico, and that translates into more lost jobs, more lost benefits in this country for our workers.

So now in Florida we have 100 more packinghouses out of business, ground to the ground, and 14,000 tomato workers out of work. In Milwaukee, WI, we have 7,000 more people laid off from Briggs & Stratton, jobs moved to Mexico, and in Topeka, workers at the Celophane plant there just had their wages cut to $8 an hour from an $11-an-hour level before.

Let us go back to the drawing boards, recast NAFTA and stop taking our workers to the cleaners in this country.

GOP TAX CUTS: SOME FACTS

(Mr. KNOLLENBERG asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. KNOLLENBERG. Mr. Speaker, for months House Democrats have bantered about tax cuts for the rich. They have distorted our plan to balance the budget and increase the take-home pay of working families as a mean-spirited attempt to provide a boondoggle to wealthy Americans and corporations.

Here are the facts: 74 percent of the largest tax cut in our budget, the $500 per child tax credit goes to families earning less than $75,000. This profamily tax break will remove 4.7 million families at the lowest income levels from the Federal income tax rolls.

Furthermore, 70 percent of the benefits of lower capital gains taxes go to families and individuals with incomes of less than $50,000. And we must keep in mind that cutting capital gains taxes provides incentives for investment in new businesses and high paying jobs that benefit all Americans.

Mr. Speaker, I do not know about you, but working parents earning between $50,000 and $75,000 a year in my district do not consider themselves rich. We must start telling the truth about the GOP tax cuts. They are good for families and the economy. Allowing families to keep more of what they earn and laying the foundation for long-term economic growth is not mean-spirited. It is exactly what the American people voted for last November.

RATIFY THE CONVENTION TO END DISCRIMINATION AGAINST WOMEN

(Ms. HARMAN asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Ms. HARMAN. Mr. Speaker, at the U.N. Fourth Conference on Women, it was the First Lady, Hillary Clinton, who said there is no one formula for how women should lead our lives.

I was there as a member of the bipartisan U.S. congressional delegation, and her remarks rang true to a crowd as diverse and multihued as it was experienced and dedicated. The label radical may fit a few—very few—attendees, but it does not fit the conference. The tenor was all business, and the conversation was realistic about the conflicts between work and childbearing and about building on the substantial record created by previous U.N. gatherings.

Building on a record means action for the United States, as well as China and other countries, and the first action the United States must take here is to ratify CEDAW, the Convention to End Discrimination Against Women, which was submitted for ratification in 1980 and has been pending in the U.S. Senate for 15 years.

Yesterday a group of us called on the Senate to act now. It is embarrassing that 144 countries around the world, including all industrialized countries, have ratified CEDAW and we have not. Act now. Ratify CEDAW.

OCTOBER 1: A DAY OF ATONEMENT

(Mr. KINGSTON asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. KINGSTON. Mr. Speaker, there is a lot of talk about the October 1 train wreck. This is the Washington term for the day that the Government runs out of money, and in order to get more money, the Congress has to increase the debt ceiling or close down the Government.

Yet the idea of laying off a few bureaucrats is scary to some. In fact, a day without Government to the Democrats is as bad as a day without baseball to Cal Ripken. But it is time to call the question: Do we as a nation want to continue status quo deficit spending, or do we want to balance the budget and get our House in order?

This is what is at stake. October 1 is not a coming train wreck, but a day of atonement. The American people have spoken. They want a balanced budget. Let us give it to them.

REPUBLICAN MEDICARE CUTS

(Ms. DELAURO asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Ms. DELAURO. Mr. Speaker, it appears that the architect of the Republican revolution has not seen the blueprint.

On Sunday, Speaker GINGRICH stated that the Republican Medicare cuts would mean only $7 in increased monthly premiums for Medicare recipients, but yesterday Republican staff corrected the Speaker and admitted that their plan would increase Medicare premiums by $32 a month, not the $7 a month the Speaker claimed.

The Republican-controlled Congressional Budget Office estimates that the GOP plan will actually increase premiums by $56.50 a month.

Why all the confusion? Because, it is not just the American people who are being kept in the dark about the Republican Party's plan to cut $270 billion from Medicare to finance a tax cut for the wealthy. The Republican leadership is also in the dark.

If there is a GOP Medicare plan, it must be written in invisible ink, because nobody has seen it, not even the Speaker.

□ 1030

THE 20TH ANNIVERSARY OF THE PETROLEUM MUSEUM

(Mr. COMBEST asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. COMBEST. Mr. Speaker, I rise today to celebrate the 20th anniversary of the petroleum museum in Midland, TX. This nonprofit educational and technical museum highlighting the exciting story of the oil and gas industry was opened by President Gerald Ford on September 13, 1975. It has grown to be one of the top tourist attractions for the Permian Basin and the entire State of Texas.

As one who has toured the museum myself, I was greatly impressed and I would highly recommend a tour for anyone who will be visiting the Permian Basin of Texas and would like to uncover the history of this oil-rich region. The idea for a petroleum museum began in the 1950's and it became a reality through the hard work, dedication, and generosity of the Permian Basin's business and petroleum leaders. Through the past 20 years, many changes have taken place at the museum including an additional wing, educational programs, exhibits, acquisitions of artifacts, archival material, and books.

Countless numbers of schoolchildren and adults have toured the museum learning more about the gasoline that fuels your car to the energy that runs your home. Its fascinating exhibits range from the life-size murals of the hearty men and women who tamed the Permian Basin oil patch to the outdoor exhibit which consists of the world's largest collection of the antique drilling and production equipment. I congratulate the petroleum museum staff and volunteers on 20 wonderful years and look forward to their second 20 so our children and our children's children may continue to discover and explore the inspiring story of the domestic oil and gas industry. In my 10 years in Congress, I have worked consistently to make sure that evidence of the domestic oil and gas industry should not be found only in museums.

FIXING MEDICARE WITHOUT CUTTING BENEFITS

(Mr. WYNN asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. WYNN. Mr. Speaker, I rise because I think Americans are concerned that they need some straight talk on Medicare. The Medicare system is not bankrupt; do not be fooled. Yes, the

Medicare system does need adjustment; that is what the trustees said in a Los Angeles Times article last week, and I think we on the Democratic side are willing to make adjustments.

Mr. Speaker, the point is we can make adjustments, we can even make reasonable cuts, without affecting benefits, but on the Republican side, however, they want to cut benefits, and the fact is that seniors will be harmed when we cut benefits, and they will be harmed not to save Medicare or not to reduce the deficit, but specifically to give a tax break to the wealthy.

Let us look at the figures. I say to my colleagues, "If you are wealthy and make $300,000, you'll get a tax break of $20,000. If you make $200,000, you'll get a tax break of $11,000. But if you're an average American and make about $35,000 to $50,000, you'll only get $500. That's a tax break for the wealthy."

I will make a deal. Cut the tax break for the wealthy, and we can work out a reasonable Medicare Program.

THE CHOICE IS CLEAR

(Mr. HAYWORTH asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. HAYWORTH. Mr. Speaker, I am holding in my left hand appropriately the Clinton Democrats' budget plan. Let us just take a look. As my colleagues know, there is nothing in here about balancing the budget, and there is nothing in here about saving Medicare either. Cutting taxes? Well, no, there is nothing in here about cutting taxes either. It kind of makes me wonder if my liberal friends got the message from the American people last September.

Please see the American people want a budget written for them, not for the liberal social engineers in the west wing of the White House. They want a budget that our new majority is ready to approve, a balanced budget, a plan to save Medicare and tax cuts for the middle class along with genuine welfare reform.

Mr. Speaker, the choice is clear. This fall we can enact the agenda of the American people or we can follow the tired old remedies of the liberal do-nothing Democrats. I hope all of my colleagues in this Chamber will do the right thing, reject this plan and adopt a true rational budget plan for the American people.

REPUBLICAN BUDGET UNDERMINES SENIORS' ECONOMIC SECURITY

(Mr. HINCHEY asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. HINCHEY. Mr. Speaker, I think what the American people want is economic opportunity and economic security. Let us just talk a minute about correct security. One of the things that the Republican budget does is to undermine one of the most effective aspects of that economic security that has been established in this country over the last 30 years. That is the Medicare Program. Speaker GINGRICH last Sunday would have us believe that his cuts amount to only $7, but his own budget office tells us that those cuts, the amount of money coming out of seniors' pockets, will be as much as $56 a month.

Mr. Speaker, we know what is going on here. They do not like the Medicare Program. They want to privatize it. They want to put it on vouchers and coupons so people will go back to the old days when they did not have any economic security, when they had to worry about health care and when families had to worry about their elderly parents and grandparents. Let us not do that. Let us not balance this budget on the backs of the senior citizens of this country in order to give a tax break to the wealthiest people who do not need it and most of whom have the good sense not to want it.

WHY LIBERALS ARE AN ENDANGERED SPECIES

(Mr. CHRISTENSEN asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. CHRISTENSEN. Mr. Speaker, back home, the crustiest old farmers, who are not as conservationist as our generation, deal with endangered predators the way liberals have dealt with Medicare.

Their expression for the easy way out is this: "Shoot, shovel, and shut up."

In the same way, Washington liberals—who tried to dismantle the health care system one short year ago—today are trying to bury the Medicare crisis for political reasons.

Here is the drill:

First of all, they shoot. On the air and on the floor, liberals attack those working to salvage Medicare, claiming the effort will require terrible, draconian measures.

Second, they shovel. My colleagues know what I mean.

Liberals float numbers with no basis. They spread misinformation and use scare tactics with the flimsiest of evidence.

Third, they shut up. They refuse to discuss the fact that Medicare is going broke.

The White House strategy of "Shoot, shovel and shut up" is backfiring as people who know Medicare is going broke see the plan to save it as responsible and sound.

Maybe that is why liberals are an endangered species around here.

DEMOCRATS CANNOT WAIT TO SEE THE REPUBLICANS' PLAN

(Mr. COLEMAN asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. COLEMAN. Mr. Speaker, let me just tell my colleagues what continues to be referred to here as somehow Democrats on my side of the aisle are concerned about what all my colleagues are about to do to Medicare. Well, we are, and the fact of the matter is we do not have the evidence about what our colleagues are going to do yet. Where is it? Our colleagues have been telling us now for months that they are going to fix it, they are going to cut it, they are going to cut its outlay problems and all the rest, and then they tell us, "But it is going to be an increase; we're going to increase Medicare by a couple of percent." Whatever it is; let us say it is 4 or 5, they are going to increase it. That sounds good. The problem is health care costs are going up at 9 or 10.

Well, some of us think back from third-grade math class that that is a cut of 4 or 5 percent. Now that is a cut unless we are going to freeze wages and prices. As my colleagues know, their party has done that before. Some of us remember when Dick Nixon did it. Is that the plan?

We are interested in knowing what the plan is. My colleagues are right. We do not have all the evidence. We are waiting. We cannot wait to see our colleagues' plan because I am afraid that what our colleagues are going to do is adversely affect all senior citizens in America.

REPUBLICANS GIVING THE AMERICAN PEOPLE WHAT THEY WANT

(Mr. BAKER of California asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. BAKER of California. Mr. Speaker, I think a short history lesson is in order, especially after the previous speeches. First of all, in the private sector the cost-of-living increase in medicine is only going up 3½ to 4 percent, but in the Government sector Medicare is going up 10½ percent. We have to fix it.

I think a short history lesson is in order. Last November the American people staged a revolt. With one election the people changed its Government. The liberal philosophy of more and more government had been totally rejected. The people voted for less government, less taxes and regulation, and firm leadership from Congress. During the first 100 days House Republicans enacted the Contract With America in which we clearly stated that government had to take a back seat to common sense. Congress went on record for lower taxes, serious welfare reform, and a real balance budget.

Mr. Speaker, the next few weeks will be the fruition of that contract. We on this side of the aisle clearly heard the voices of the people on November 8. Republicans have the political courage to address the Medicare crisis. We will keep our promises to rein in Federal spending, we will eliminate the failed welfare state, and we are going to cut capital gains tax to create more jobs. In other words, the Republicans will give the American people what they want, limited government and more individual responsibility.

MEDISCARE

(Mr. TATE asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. TATE. Mr. Speaker, the Clinton administration trustees have come out with a report that clearly states that Medicare is going broke, and that is a fact. That is why the Republicans have worked hard, get this, to increase the amount of money that we are spending on Medicare. If someone is on Medicare today, they will receive $4,800 on average per beneficiary. Under our plan someone will receive $6,700 if they are on Medicare per beneficiary. That is an increase.

But now the special-interest groups have targeted me as spending $85,000 worth of television advertising in my district misrepresenting the truth, talking about cuts, talking about what I call Mediscare and scaring seniors, and that is despicable. But the calls to my office, over 90 percent of the calls, are saying to me, "RANDY, stay the course. Don't give up."

Well, the Republicans will not give up on Medicare. We will not give up on seniors. It is too bad the liberals have given up on the seniors of the United States.

THE DEMOCRATS ARE NOT EVEN TRYING

(Mr. BURTON of Indiana asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. BURTON of Indiana. Mr. Speaker, one of the things that has not been mentioned on the floor today is that the Democrats do not have a plan to deal with the Medicare crisis. The President's Commission on Medicare said that Medicare is going to go bankrupt in 7 years and they do not have a plan.

Now our plan will handle the crisis, increase Medicare spending, but not at the rate of growth we have had. Medicare has been growing at up to 16 percent a year, and that is intolerable. We cannot sustain that kind of growth rate.

So the bottom line is we are going to fix the Medicare problem. We are going to make sure that Medicare is there for seniors in the future. The Democrats do not have a plan. We are working on a plan right now. It is fiscally responsible. There is going to be more benefits, over the long term 40-percent growth in Medicare benefits for the next 7 years, but we are going to cut the rate of growth so we can balance the Medicare budget without having it having to go bankrupt, and that is one of the things that I think my colleagues on the other side of the aisle ought to pay attention to. We have a plan, we are working on it, we are going to solve it. They are not even trying.

INTELLIGENCE AUTHORIZATION ACT FOR FISCAL YEAR 1996

The SPEAKER pro tempore (Mr. DICKEY). Pursuant to House Resolution 216 and rule XXIII, the Chair declares the House in the Committee of the Whole House on the State of the Union for the consideration of the bill, H.R. 1655.

□ 1043

IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 1655) to authorize appropriations for fiscal year 1996 for intelligence and intelligence-related activities of the U.S. Government, the Community Management Account, and the Central Intelligence Agency Retirement and Disability System, and for other purposes, with Mr. BURTON of Indiana in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. Pursuant to the rule, the bill is considered as having been read the first time.

Under the rule, the gentleman from Texas [Mr. COMBEST] will be recognized for 30 minutes, and the gentleman from Washington [Mr. DICKS] will be recognized for 30 minutes.

The Chair recognizes the gentleman from Texas [Mr. COMBEST].

□ 1045

Mr. COMBEST. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, at the outset, I would like to compliment the Committee's ranking Democrat, NORM DICKS, for his highly constructive role in the formulation of this legislation. He is a bona fide expert in many aspects of national security and intelligence, particularly in advanced technologies, and his influence is evident in many of our Committee's positions. I also would like to thank the other Democratic members of the Committee who have also joined in a spirit of nonpartisanship to craft this legislation. I also thank my fellow Republican Members who have worked hard in putting this bill together. In particular, I appreciate the fine work of JERRY LEWIS and BOB DORNAN, our subcommittee chairmen. Finally, the staff on both sides of the aisle deserve our thanks. They are a dedicated, talented group. This legislation is the product of a lot of work, intensive deliberation, and cooperation. The Committee held 11 full committee budget hearings, over 20 Member briefings, and over 200 staff briefings related to the budget. As a result, it is an act that our Committee reported out unanimously and in which we can all take no small measure of pride.

H.R. 1655 authorizes the funds for fiscal year 1996 for all of the intelligence and intelligence-related activities of the U.S. Government. The National Security Act requires that spending for intelligence be specifically authorized.

The intelligence budget has three major components—the national foreign intelligence program, known as the NFIP, the tactical intelligence and related activities program, known as TIARA, and—for the first time this year—a third program, the joint military intelligence program, known as JMIP.

NFIP funds activities providing intelligence to national policymakers and includes programs administered by such agencies as the Central Intelligence Agency, the National Security Agency and the Defense Intelligence Agency.

TARA, or tactical intelligence activities, reside exclusively in the Department of Defense. They consist, in large part, of numerous reconnaissance and target acquisition programs that are a functional part of the basic military force structure and provide direct information in support of military operations. Additionally, this year we have for the first time categorized some activities under the newly created joint military intelligence program, which provides military intelligence principally to defensewide or theater-level consumers.

This categorization of the intelligence budget into national, defense and tactical military intelligence programs facilitates our understanding of the diverse uses of intelligence. Additionally, it should increase the accountability and managerial control of intelligence programs.

From even the above thumbnail sketch of intelligence activities, it is obvious that, although our committee has jurisdiction over all three intelligence programs, we must work closely with the National Security Committee, particularly in the oversight and authorization of the TIARA program. I would like to acknowledge the assistance of chairman FLOYD SPENCE, the members of the National Security Committee, and Committee Staff.

Due to the classified nature of much of the Intelligence Committee's work, I cannot discuss many of the specifics of the bill before the House except in the broadest terms. This can handicap Members' understanding of the issues at hand, particularly when we reach the amendments phase of these proceedings. Accordingly, I strongly urge those Members who have not yet had a chance, to read the classified annex to this bill. The annex is available in the committee office in the capitol—a 2-minute walk from the floor to H-405.

Now let me do what I can—in an unclassified manner—to discuss several major elements of the bill. First, I will put the bill in the historic context of the last few years' authorizations. Then I will explain the philosophy we followed in considering this year's bill. Finally, I will touch on several of the bill's most important initiatives and emphases.

First some recent history: Those who have been tracking the intelligence budget over this decade have seen a rather remarkable—some would say reckless—decline in intelligence spending. This is not news and I have discussed this at length on this floor for several years. But let me review and update a few facts that speak volumes and correct several common misconceptions.

Fact one: In real terms, the intelligence budget has been cut in all but one of the last 7 years.

Fact two: The intelligence community is being reduced at twice the rate recommended by the President's national performance review program.

Fact three: President Clinton proposed a few years ago to cut $7 billion from intelligence by 1997. That was accomplished over a year ago—2 years early. We will probably come very close to doubling those cuts by 1997.

Fact four: We have, until this year, been on a glide slope of intelligence cuts that would by the end of this decade put intelligence spending in constant dollars at about 65 percent of the 1989 level.

Fact five: The intelligence community continues to reduce its personnel at a rate that will, by 1999, cut more than one of every five positions.

It was with the knowledge of this recent history that we began consideration of the fiscal year 1996 authorization. The cumulative effects of these developments over the last several years are troubling to many of us on both sides of the aisle who believe that we cannot indefinitely continue to cut critically important intelligence support to U.S. policymakers and military commanders. Nonetheless, our committee decided on a nonpartisan basis that it would not rush headlong into efforts to reverse these trends of the recent past. Responsible oversight requires an objective approach. We decided that the 104th Congress offered us an excellent opportunity to take a fresh, open-eyed look at intelligence. We resolved to work together in a nonpartisan manner to make the most objective assessment possible of each item in the intelligence budget. To do that we broke with some recent practices, three of which I will mention here.

First, we reorganized the committee to merge the previously separate budget and oversight/evaluation functions. Wise budgetary decisions must be guided by evaluations of effectiveness.

Second, we broke with the past practice of concentrating on the short-term effect of our budgetary decisions. Instead, we have taken a longer view and designed this year's authorization with an eye toward future needs and requirements for intelligence. This emphasis in our authorization has coincided with our committee's major activity of this Congress—an exhaustive and authoritative study of this country's long-term requirements for intelligence. This study, called "IC21: The Intelligence Community for the 21st Century," will be completed in time for its results to be considered in the preparation of what may become semiannual legislation in next year's session.

Third, we opted for the most intellectually honest process we could devise to judge each program on its merits and its contributions to national security. We explicitly rejected the idea of working toward an arbitrarily set higher or lower budget objective. We also rejected the idea of making offsets to otherwise deserving programs so as to fund an increase in other programs. We were confident that the Congress would accept an intelligence authorization consisting of properly funded programs—even if that amounted to a significant increase in the aggregate over the President's request. As it turned out, despite some 80 budget actions taken by the committee, this bill authorizes intelligence expenditures only 1.3 percent above the President's request.

To understand many of the specific actions taken in H.R. 1655, the Members will have to refer to the classified annex available to them in our committee office. But let me give you an unclassified sketch of several of the themes that emerge:

We have moved to centralize authorities and improve cross-program management of intelligence activities. This reduces needless redundancies, facilitates the identification of underperforming programs, and increases accountability.

We have, across the board, emphasized the need for countering the challenges of foreign denial and deception practices. We have directed the intelligence community to do better at countering the increasingly sophisticated capabilities of hostile foreign powers to hide their activities from our intelligence capabilities. I note, for example, the reported success the Iraqi regime had in hiding its massive biological weapons program. Foreign denial and deception practices have revealed an extraordinarily dangerous intelligence vulnerability that has not been sufficiently addressed. Our actions will do much to reverse this trend. I should add that this is also an issue of great interest to the Speaker.

We have focused the intelligence community's attention more on the downstream activities of processing, exploiting, and disseminating intelligence. Without careful planning there is a serious danger of painting ourselves into a corner where we devote all of the very thin intelligence budgets we can now afford toward the development and maintenance of expensive technical collection systems, but have insufficient ability to make use of the intelligence we collect. We believe this is already a problem and we have taken action to address it.

We have urged the intelligence community to accelerate its move toward concentrating intelligence collection and analysis on issues of the highest national importance. We no longer have the resources or capabilities to spare on anything but the most important intelligence targets.

We have acted to improve counterintelligence, security, counterterrorism, and counterproliferation capabilities.

We have taken action to improve the capability of the CIA to better manage and oversee its agent operations and the intelligence emerging from them. As you all know, it is a matter of deep importance to this committee that there be a better process of keeping this committee informed of intelligence developments. In addition to placing this requirement on the CIA—and we have done so in no uncertain terms—we must give the CIA the capability to meet our expectations. This action will enhance this capability as well as increase the productivity of the CIA.

We made our biggest change to the administration's request in the satellite area. Although the National Reconnaissance Office [NRO] received 99 percent of the amount requested, the funds were significantly redistributed within the NRO account that builds and manages our Nation's satellites. The significance is most apparent regarding long-term policy. The committee believes the NRO needs to reduce program costs. We believe that with creativity and cost consciousness, significant savings may be possible. The committee has also directed that the NRO assess the long-term threats that we face to ensure that we are building systems that will address potential collection gaps. Finally, we concentrated on the imagery program, where developments in the commercial arena point toward large potential cost savings in national security programs. Without getting into the highly classified and very technical areas of the satellite collection process, technology advances over the last 10 years, coupled with alternative launch options offer the possibility of substantial savings while maintaining and even enhancing necessary intelligence capabilities.

Finally, in drafting this bill, we resisted the calls of those who advocated an unconsidered, massive infusion of funds to remedy the cuts of the past, and we rejected the urging of those who rely on anecdotes and headlines, many of them wrong, to dismantle intelligence. Our hard work and pragmatic approach has paid off in producing a hard-nosed, lean authorization at 1.3 percent above the President's request. It focuses intelligence, increases accountability, and corrects several of the dangerous trends in recent intelligence authorizations. This is a responsible bill that any Member of this body can readily support.

Mr. Chairman, I reserve the balance of my time.

Mr. DICKS. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I rise in support of H.R. 1655, which authorizes funds for intelligence and intelligence-related activities for fiscal year 1996.

I want to begin by commending Chairman COMBEST for his leadership in bringing this measure to the floor and for the manner in which he has presided over the committee this year. He has been uniformly fair and has consistently sought to involve all members in all aspects of the committee's business. It has been a pleasure to serve with him and I look forward to our continued collaborative efforts, not only on this legislation, but on the other important work of the committee as well.

At a time in history when the capability to provide information rapidly and reliably to our policymakers and military commanders is critical, the United States is fortunate to possess the world's preeminent intelligence system. Other nations envy the ability of our intelligence agencies to collect, produce, and disseminate intelligence useful for purposes as varied as determining our stance in diplomatic negotiations and reducing the threats faced by U.S. military personnel deployed in dangerous and rapidly changing crisis situations. As has been seen repeatedly in the past year, from Haiti to Bosnia and in many other locations, United States intelligence is looked to not only by our leaders, but by those of the countries with whom we are allied, to provide that essential piece of information that determines whether action is taken or deferred.

In an age of rapid advances in technology, maintaining a system which ensures the best possible access to information which others would not like us to have, interprets that information, and moves it in a matter of seconds anywhere in the world, is an expensive proposition. Intelligence collection and dissemination, particularly in the areas of signals and imagery intelligence, requires substantial investments in highly complex systems. It is impossible to fully discuss in an unclassified setting those systems, or the manner in which human intelligence is collected in a hostile environment by people of great skill and courage. It is also impossible, however, to understate the important contributions our intelligence agencies, and the men and women who work in them, make to our national security.

Some have criticized the amount of money the United States spends on intelligence, and it is true that H.R. 1655, in the aggregate, would provide 1.3 percent more money than requested by the President. Those who are critical of the size of the intelligence budget often point to the demise of the Soviet Union as the event which should have made it possible to substantially reduce intelligence expenditures. However, intelligence spending has declined by several billion dollars since the Soviet Union imploded and the number of people employed by the intelligence agencies is declining as well. By fiscal year 1999, there will be 22.5 percent fewer employees than there were in fiscal year 1992. These reductions come at a time when, while there is admittedly no single threat to our national security equivalent to that posed by the Soviet Union at the height of the cold war, an array of challenges exists which places an extraordinary premium on accurate and timely intelligence. Among these challenges are: The proliferation of weapons of mass destruction; the residual nuclear capacity and uncertain stability of the Russian Government; the need to provide data with which to target precision guided weapons; and regional conflicts. Advances in technology which are costly to counter but which must be addressed only magnify these challenges.

I believe that the reductions in spending over the last 5 years have resulted in an intelligence system of about the right size and capability for the missions it confronts. The authorization levels in H.R. 1655 will not provide for a significant expansion of those capabilities beyond what had been previously planned, but in general will ensure that modernization activities already underway are carried through to conclusion. These activities, if completely implemented particularly in the satellite area, will produce significant savings over time.

The intelligence community has had many successes, the majority of which cannot be publicized for security reasons. The last few years, however, have not been ones of unqualified achievement. The Ames spy case was an unmitigated disaster for the Central Intelligence Agency in general, and the directorate of operations in particular. The need for change in management style and attitude to better ensure accountability within the directorate of operations was made crystal clear by the Ames debacle. This message has not been lost on the new Director of Central Intelligence, John Deutch. He has moved aggressively to install a new team of senior managers who I believe are dedicated to improving the way in which the intelligence community operates, and to making certain that Congress is kept advised of significant intelligence activities, as the law requires.

The well publicized failures in the intelligence community have been frustrating and the explanations for their case have been difficult to understand and accept. I believe, however, that these incidents do not provide a rationale for a general reduction in intelligence spending; rather they argue strongly for the kind of review of the internal operations and structure of the intelligence community which our committee, the Senate Intelligence Committee, the Aspin-Brown commission, and the DCI have undertaken. These efforts will produce change that is the product of careful consideration rather than reflex, and I believe result in an intelligence community better designed to operate in the post-cold-war world.

H.R. 1655 was reported unanimously by the Intelligence Committee and I have already indicated my support of it. In part, that support is based on my belief that it is important that there be stability and predictability in intelligence funding, particularly in highly technical programs where uncertainty in resources and direction can cause money to be wasted. The bill provides that kind of stability in all areas except for the programs managed by the National Reconnaissance Office [NRO]. While I am not pleased by the NRO's performance in keeping the committee informed about the expenditure rates for certain programs, and the annual funding needs based on those rates, I do not believe that the appropriate response to those managerial shortcomings is to radically alter the composition of our planned satellite constellation. Certain of the actions described in the classified annex to this bill, however, would have that effect and represent, in my judgment, a significant departure from the direction provided by Congress to the NRO as recently as a year ago. This departure has the potential for sizable risk and substantial long-term costs. It should only be undertaken if there is amply evidence that the likely gain outweighs the financial and programmatic risks. At this point, that evidence does not exist. I hope that in conference we will carefully consider the advisability of taking these steps now before a thorough record to support them is developed, both at the NRO and at the committee.

Mr. Chairman, the reservations just noted do not prevent me from supporting this important legislation, nor in recommending it to the House. I urge the adoption of H.R. 1655.

□ 1100

Mr. Chairman, I reserve the balance of my time.

Mr. COMBEST. Mr. Chairman, I yield myself 2 minutes.

Mr. Chairman, I thank the gentleman from Washington [Mr. DICKS] for his comments and, as I have already mentioned, I appreciate his participation, his advice, and his dedication to the intelligence community and to our national security.

I would like to respond to his comments regarding the National Reconnaissance Office [NRO]. I, too, am not pleased with the NRO's performance regarding expenditure rates and funding needs. The need to adjust some of the managerial philosophies at the NRO was even brought out in our unclassified committee report. However, I believe that many of our adjustments are not just in response to managerial shortcomings, but are a recognition of the fact that rapid advances in technology, similar to those the gentleman addressed in his statement, also have value in the areas of satellite development. The problem is that these types of technologies, which go beyond historical incremental improvements, are not readily being addressed by the NRO, who have grown comfortable philosophically with staying the course.

I take note of my colleague's concern regarding stability and predictability in intelligence funding. That has been and remains a major concern of mine in terms of how the House handles intelligence oversight. Technological developments combined with the diversity of intelligence requirements, however, dictate that we not be lulled into complacency at a time when innovation may mean the difference between whether or not we can meet the policymaker's needs in the 21st century. Our bill does not attempt to push the NRO into untested areas, but simply assures that they will be open to the possibilities inherent in new technologies.

Again, I thank Mr. DICKS for his comments and his concerns, and greatly look forward to exploring this area further as the committee continues its work on 1C21.

Mr. Chairman, I yield 3 minutes to the gentleman from Pennsylvania [Mr. SHUSTER].

Mr. SHUSTER. Mr. Chairman, I thank the gentleman for yielding me this time.

Mr. Chairman, I rise in strong support of this legislation. It is very important to emphasize that we have already imposed multibillion-dollar cuts on the intelligence community over the past 5 years. It is equally important to emphasize that, under the leadership of the distinguished chairman and the ranking member, very substantial reforms have been put in place. It is also equally important to emphasize that this legislation is brought to the floor by a unanimous vote of every member of the committee. A good intelligence is even more important today when we no longer face a monolithic opponent but rather several rogue States.

One of the areas in which I have been particularly interested indeed during my tenure as the ranking member of the Permanent Select Committee on Intelligence, I focused on the counternarcotics issue. Drugs indeed are a scourge in our country today. Frankly I am deeply concerned at the lack of emphasis that the administration seems to be placing on curtailing both demand and supply, but I am happy to report that there have been very, very significant intelligence successes. Most of them cannot be talked about because they are highly classified. I would urge my colleagues to go to the committee and to get a classified briefing on the extraordinary successes that our intelligence agencies have contributed to.

One example which is now in the public domain and can be talked about is the disintegration of the Cali cartel, that notorious cartel in Colombia which controls 80 percent of the world's cocaine supply. Within the past few months, 6 key leaders have been captured by Colombia law enforcement. We have been very instrumental in supporting that effort as well as other related efforts.

Shipments of coca base from Peru to Bolivia have been interdicted thanks to our support and the Colombian law enforcement people and other law enforcement people to the extent that the coca base has plummeted. Refineries simply cannot get base. In fact, much coca base is rotting on the ground.

I would be quick to acknowledge we cannot solve the drug scourge in this country by reducing supply only, but we can contribute to it, and the intelligence community is making a very, very significant contribution.

We are on the right track with this bill. I would urge my colleagues to support your committee members who unanimously bring this legislation to the floor.

Mr. RICHARDSON. Mr. Chairman, I yield myself 5 minutes.

First I want to commend the chairman of the committee for the very bipartisan, cerebral and often extremely substantial way that he has run this committee. I want to express my thanks to the chairman for allowing me to undertake several initiatives in the foreign policy area including the last trip that I took to Iraq.

Let me also state that I think the chairman is on the right track in ensuring that what we try to do in the future is make sure that our intelligence community is up to the task. With recent revelations relating to double agents, the Ames affair, and the Howard case, the trust that the American people have had in the intelligence community has eroded. In fact, the reputation of the intelligence community has been damaged by these actions. So I think it is critically important that we make sure that we have in our intelligence community a capability to move our intelligence operations into a new age.

The Soviet Union has fallen. There is no bipolar relationship in the world. There are new challenges. The new challenges are in international terrorism, in nuclear nonproliferation, in dealing with drug cartels and economic competition, and I think it is critically important that we move the focus of the intelligence community into these areas.

I am not sure in the past that we have done that. There are still too many Sovietologists, we still do not have enough people speaking Arabic, or we do not know enough about ethnic conflicts, regional conflicts in Bosnia, or the North Korean nonproliferation issues. We need to find ways to engage ourselves better in these new areas. I believe that Chairman COMBEST is undertaking a review of our intelligence operations in a very effective and systematic manner.

One thing that troubles me a bit is that we do have the intelligence authorization 1.3 percent above the administration request. I think we have to send a signal to every department and every bureaucracy that we are not going to be tolerating anyone getting more money than they need. But I will entrust the chairman and the ranking member as to why we are doing this and support their efforts to maintain the intelligence budget at a level that the gentleman from Texas [Mr. COMBEST] and the gentleman from Washington [Mr. DICKS] see fit. I will support that. I just think it sends a little bit of a troubling signal. There is an appropriations process which may not be as generous, but on the whole I do think that we have to send a strong message to the intelligence community that they have to do better in reducing waste, and that they have to do better in the areas of human intelligence. We have some very, very sophisticated systems, but we also have to do better in the area of people.

□ 1115

Let me say that by "people," I mean intelligence—human intelligence—spies. I was pleased to hear that today, the new Director of CIA, Mr. Deutch, talked about the need for expanding covert action. I think that makes sense. The statement was on the record.

The United States needs to have the capability to engage itself in some very dicey situations, often with very unsavory people. I think we need to support that capability. We may need to deal with those situations and in that sense we need to have a covert action structure. For the last few years, it has not been as strong because we have not needed it. But I think it is critically important that we have that capability.

We have a very good new CIA Director. John Deutch knows government. He is an academic. He has the ear of the President. He has the trust of the intelligence community. He is a former Deputy Secretary of Defense. He knows weapons systems. He knows technologies. He knows people and he knows this city. He knows politics. I think we should support him. I think we should give him political and substantive backing for what he is trying to do.

Mr. Chairman, the message has to be clear. The culture of the CIA has to be changed. They have to do a better job. Finally, we have to make sure that every penny that we authorize is spent wisely.

Mr. COMBEST. Mr. Chairman, I yield myself 30 seconds.

Mr. Chairman, I appreciate the comments of the gentleman from New Mexico [Mr. RICHARDSON] and enjoy working with him. The gentleman is a dedicated Member and I assure him that any time the gentleman wants to leave this country, I will be happy to assist him.

The gentleman knows that I say that only in jest. We are all very proud of the activities that the gentleman from New Mexico, my neighbor in Texas, has accomplished, and we are glad the gentleman is a part of our team.

Mr. Chairman, I yield 3 minutes to the gentleman from California [Mr. LEWIS].

Mr. LEWIS of California. Mr. Chairman, I rise to express my strong support for the work of the Permanent Select Committee on Intelligence.

Mr. Chairman, let me say at the beginning that at a moment, an important time in terms of the history of this country and our intelligence work, we are blessed by the fact that the leadership within the House, the gentleman from Texas [Mr. COMBEST], my chairman, as well as the gentleman from Washington [Mr. DICKS], the ranking member, have worked in a very, very positive fashion to create an environment that is as close to being nonpartisan in regard to these matters as I have ever seen in the time that I have served in the Congress.

Mr. Chairman, it is critical that we recognize that America is at a turning point in terms of its need for information. And, indeed, it is a new age at the end of the 20th century. The end of the cold war is upon us. The reality that we are reducing defense budgets, because people believe there is less of a need for more spending in that subject area, has raised a specter regarding the future of intelligence that is very, very important for all of us to consider seriously.

First, it is important to know that the cold war is all but over, but indeed we continue to have serious challenges in connection with that. Any Member who will but look will know of the difficulties in these new fledgling democracies.

The challenges in Russia present problems for the United States that are very real; problems that require us, both the President and our committees, to be well informed regarding what really is happening in that region of the world.

Above and beyond that, the intelligence community itself has faced many a challenge. The difficulty of the Ames case raised questions about the future of intelligence and where we should be going. It is critical to recognize that the House must be involved in that future direction.

Beyond that, there is a new specter that has not been the most prominent in terms of the public's concern in the past: The prospect of terrorism impacting our society. Terrorism that may have its source from overseas; indeed terrorism here at home.

Mr. Chairman, all of these complicated circumstances create a situation that would suggest to the House that the President and our committees need more information, not less information, and excellent information.

The work of our intelligence community is critical to us today and to the future hope for freedom, I believe, in the world.

I urge the House to recognize the importance of this work, support this very significant bill, and support the funding that is necessary to carry forward our intelligence activities.

Mr. RICHARDSON. Mr. Chairman, I yield 3 minutes to the gentleman from Massachusetts [Mr. FRANK].

Mr. FRANK of Massachusetts. Mr. Chairman, I will be offering an amendment to reduce this budget by 3 percent. Of course, we cannot say 3 percent of what, because there is this great fear that someone might find out a number, which everybody who needs to know it, knows it. It is only the American people who do not know what the number is.

But it is up some. The proposed authorization is 1.7 percent higher than last year's appropriation. Mr. Chairman, I want to make it very clear to people, because of my respect for the rules, I am allowed under the rules of the House to say that it is 1.7 percent higher. I am not allowed to say what it is 1.7 percent higher than, but it is 1.7 percent higher.

It is 1.2 percent higher than what the President asked for. That seems to me a very grave error. Of course, we want to be protected, but there has been a more substantial drop in the task of the intelligence community than in virtually any other area of government.

Up until 5 years ago, the intelligence community was engaged much more heavily, than in any other activity, in monitoring the Soviet Union's ability to destroy our society. The Soviet Union and the Warsaw Pact were extraordinarily dangerous threats.

Mr. Chairman, that threat has very substantially diminished. There is no more Warsaw Pact. Countries that once had troops dedicated to our destruction, against their will, but nonetheless dedicated, they are gone.

Mr. Chairman, the point is this. Yes, we have Iran and Libya and North Korea to worry about. But the argument that we cannot reduce our spending on intelligence, now that the Soviet Union's threat to our very physical survival has collapsed, must assume that Libya, North Korea and Iran did not exist 10 years ago.

In fact, 10 years ago we were worried about these terrorist nations. We were worried about nuclear proliferation and we were worried about the Soviet Union. The Soviet Union has collapsed. The largest single threat has gone.

Yes, we still have these other threats, but we had them 5 and 10 years ago. Yet, Mr. Chairman, the committee now asks us, at a time when we are cutting student loans and about to raise the premium for older people. If my colleagues do not want to vote to raise the premium on older people, if we did not give an increase to the intelligence community of 1.7 percent, we would go a long way of not having to raise the premium on older people living on $15,000 and $16,000 a year, because those are the choices we are making.

Mr. Chairman, we are adding 1.7 percent in this authorization to the budget. The CIA gets a 5 percent increase. Mr. Chairman, any other agency that had behaved disastrously, we would be talking about having to cut it.

We were told we were going to cut Head Start. Do my colleagues know why? Because they do not spend the money as efficiently as they could. The Chairman of the Committee on Appropriations subcommittee charged with Head Start said, "I like Head Start, but they haven't spent the money so efficiently, so let's cut them." Why does the exact opposite not apply to the CIA?

Mr. YOUNG of Florida. Mr. Chairman, I rise in support of H.R. 1655, the Intelligence authorization bill for 1996. A great deal of hard work has gone into the production of this bill.

As a member of the Intelligence Committee and Chairman of the Defense Subcommittee of the Appropriations Committee, I can tell you that it is no easy task reconciling the competing demands of national security and fiscal responsibility. In fact, this is one of the major themes of our intelligence authorization bill for 1996: To provide essential intelligence capabilities while demanding cost-efficient solutions to intelligence problems.

Another theme of our bill is the need to maintain a responsible balance between collection, processing, and dissemination of intelligence information. When any of these three areas is out of balance, it reduces the efficiency and cost-effectiveness of the entire system. Historically, we have devoted more attention and resources to collection without adequately providing for the less glamorous requirements to process that collected information and get it to the customer when and where he needs it. In our bill, we have made cross-program efforts to bolster our processing capabilities, particularly of imagery and signals intelligence.

As our chairman stated earlier, we reviewed each program on its merits and added resources where we considered them necessary. At the same time, however, we eliminated efforts we considered redundant or unproductive, and we considered the long-term affordability of every change we made. We also made every effort to engage in dialog with the administration concerning those areas where we felt constructive change was required. The result is an authorization that will help meet both the intelligence and fiscal challenges of the future.

Although our authorization for fiscal year 1996 is slightly above the President's request, we are confident that we have created no unsustainable budget-busters in the outyears, and that our bill provides a balanced program designed to meet our short- and long-term intelligence needs. The intelligence budget has declined enough over the last 8 years. I urge you to support H.R. 1655.

Ms. DUNN. Mr. Chairman, I want to state for the record my strong support of H.R. 1655, the fiscal year 1996 Intelligence Authorization Act which the House passed last week. First, I would like to commend the chairman of the Select Committee on Intelligence, Congressman LARRY COMBEST, for reporting out a fine bill that quite appropriately authorizes those intelligence functions that are consistent with our Nation's vital national security needs.

I believe the committee was wise to choose no longer to view the intelligence budget merely in terms of straight dollar figures. Dramatic changes in the geopolitical and military landscape during the last decade have significantly impacted key aspects of United States security. The magnitude of those changes continues to evolve in uncertain directions as do the implications for America. In other words, while the world is dramatically different from the cold war years, it remains an unstable and therefore dangerous place.

It is, in my view, entirely appropriate to continue the process of analyzing threats to U.S. borders, to our military, and to American leaders and citizens traveling or living abroad. And we must analyze them under the new terms of the evolving post-cold-war dynamic. As we prepare for the 21st century, I appreciate the committee's efforts to emphasize a more intense and evaluative consideration of our intelligence functions. As stated in the committee report that accompanied H.R. 1655, "each [intelligence] program adjustment was considered as an individual, substantive issue." that, Mr. Chairman, is exactly what the taxpayers of the Nation expect and deserve.

Given the considerable importance and wide-reaching implications of the intelligence programs authorized in this bill, this bill is a remarkable accomplishment. H.R. 1655 is in keeping with the 104th Congress's disciplined effort to balance the Federal budget, and is a perfect example of our desire to scrutinize everything funded with the public dollar. Further, it exemplifies American legislative policy that supports not only our national interests but our drive to keep federal spending under control. I am proud to express my support for it.

Mr. DICKS. Mr. Chairman, I yield back the balance of my time.

Mr. COMBEST. Mr. Chairman, I yield back the balance of my time.

The CHAIRMAN (Mr. BURTON). All time for general debate has expired.

Pursuant to the rule, the amendment in the nature of a substitute printed in the bill, modified by the amendment recommended by the Committee on Government Reform and Oversight printed in the bill, and by an amendment striking title VII, shall be considered by titles as an original bill for the purpose of amendment. The first section and each title are considered read.

No amendment to the amendment in the nature of a substitute, as modified, shall be in order, unless printed in the portion of the CONGRESSIONAL RECORD designated for that purpose.

The Clerk will designate section 1.

The text of section 1 is as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Intelligence Authorization Act for Fiscal Year 1996".

The CHAIRMAN. Are there any amendments to section 1?

Mr. COMBEST. Mr. Chairman, I ask unanimous consent that the remainder of the committee amendment in the nature of a substitute, as modified, be printed in the RECORD and open to amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas?

There was no objection.

The text of the remainder of the committee amendment in the nature of a substitute, as modified, is as follows:

TITLE I—INTELLIGENCE ACTIVITIES

SEC. 101. AUTHORIZATION OF APPROPRIATIONS.

Funds are hereby authorized to be appropriated for fiscal year 1996 for the conduct of the intelligence and intelligence-related activities of the following elements of the United States Government:

(1) The Central Intelligence Agency.

(2) The Department of Defense.

(3) The Defense Intelligence Agency.

(4) The National Security Agency.

(5) The Department of the Army, the Department of the Navy, and the Department of the Air Force.

(6) The Department of State.

(7) The Department of Treasury.

(8) The Department of Energy.

(9) The Federal Bureau of Investigation.

(10) The Drug Enforcement Administration.

(11) The National Reconnaissance Office.

(12) The Central Imagery Office.

SEC. 102. CLASSIFIED SCHEDULE OF AUTHORIZATIONS.

(a) SPECIFICATIONS OF AMOUNTS AND PERSONNEL CEILINGS.—The amounts authorized to be appropriated under section 101, and the authorized personnel ceilings as of September 30, 1996, for the conduct of the intelligence and intelligence-related activities of the elements listed in such section, are those specified in the classified Schedule of Authorizations prepared to accompany the bill H.R. 1655 of the 104th Congress.

(b) AVAILABILITY OF CLASSIFIED SCHEDULE OF AUTHORIZATIONS.—The Schedule of Authorizations shall be made available to the Committees on Appropriations of the Senate and House of Representatives and to the President. The President shall provide for suitable distribution of the Schedule, or of appropriate portions of the Schedule, within the executive branch.

SEC. 103. PERSONNEL CEILING ADJUSTMENTS.

(a) AUTHORITY FOR ADJUSTMENTS.—With the approval of the Director of the Office of Management and Budget, the Director of Central Intelligence may authorize employment of civilian personnel in excess of the number authorized for fiscal year 1996 under section 102 when the Director of Central Intelligence determines that such action is necessary to the performance of important intelligence functions, except that the number of personnel employed in excess of the number authorized under such section may not, for any element of the intelligence community, exceed two percent of the number of civilian personnel authorized under such section for such element.

(b) NOTICE TO INTELLIGENCE COMMITTEES.—The Director of Central Intelligence shall promptly notify the Permanent Select Committee on Intelligence of the House of Representatives and the Select Committee on Intelligence of the Senate whenever he exercises the authority granted by this section.

SEC. 104. COMMUNITY MANAGEMENT ACCOUNT.

(a) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated for the Community Management Account of the Director of Central Intelligence for fiscal year 1996 the sum of $80,713,000. Within such amounts authorized, funds identified in the classified Schedule of Authorizations referred to in section 102(a) for the Advanced Research and Development Committee and the Environmental Task Force shall remain available until September 30, 1997.

(b) AUTHORIZED PERSONNEL LEVELS.—The Community Management Staff of the Director of Central Intelligence is authorized 247 full-time personnel as of September 30, 1996. Such personnel of the Community Management Staff may be permanent employees of the Community Management Staff or personnel detailed from other elements of the United States Government.

(c) REIMBURSEMENT.—During fiscal year 1996, any officer or employee of the United States or a member of the Armed Forces who is detailed to the Community Management Staff from another element of the United States Government shall be detailed on a reimbursable basis, except that any such officer, employee or member may be detailed on a nonreimbursable basis for a period of less than one year for the performance of temporary functions as required by the Director of Central Intelligence.

TITLE II—CENTRAL INTELLIGENCE AGENCY RETIREMENT AND DISABILITY SYSTEM

SEC. 201. AUTHORIZATION OF APPROPRIATIONS.

There is authorized to be appropriated for the Central Intelligence Agency Retirement and Disability Fund for fiscal year 1996 the sum of $213,900,000.

TITLE III—GENERAL PROVISIONS

SEC. 301. INCREASE IN EMPLOYEE COMPENSATION AND BENEFITS AUTHORIZED BY LAW.

Appropriations authorized by this Act for salary, pay, retirement, and other benefits for Federal employees may be increased by such additional or supplemental amounts as may be necessary for increases in such compensation or benefits authorized by law.

SEC. 302. RESTRICTION ON CONDUCT OF INTELLIGENCE ACTIVITIES.

The authorization of appropriations by this Act shall not be deemed to constitute authority for the conduct of any intelligence activity which is not otherwise authorized by the Constitution or the laws of the United States.

SEC. 303. APPLICATION OF SANCTIONS LAWS TO INTELLIGENCE ACTIVITIES.

(a) GENERAL PROVISIONS.—The National Security Act of 1947 (50 U.S.C. 401 et seq.), is amended by adding at the end thereof the following new title:

"TITLE IX—APPLICATION OF SANCTIONS LAWS TO INTELLIGENCE ACTIVITIES

"STAY OF SANCTIONS

"SEC. 901. Notwithstanding any other provision of law, the President may stay the imposition of an economic, cultural, diplomatic, or other sanction or related action by the United States Government concerning a foreign country, organization, or person when the President determines that to proceed without delay would seriously risk the compromise of an ongoing criminal investigation or an intelligence source or method. The President shall lift any such stay when the President determines that such stay is no longer necessary to that purpose.

"REPORTS

"SEC. 902. Whenever any stay is imposed pursuant to section 901, and whenever the duration of any such stay exceeds 120 days, the President shall promptly report to the Select Committee on Intelligence of the Senate and the Permanent Select Committee on Intelligence of the House of Representatives the rationale and circumstances that led the President to exercise the stay authority with respect to an intelligence source or method, and to the Judiciary Committees of the Senate and the House of Representatives the rationale and circumstances that led the President to exercise the stay authority with respect to an ongoing criminal investigation.".

(b) CLERICAL AMENDMENT.—The table of contents in the first section of such Act is amended by adding at the end thereof the following:

"TITLE IX—APPLICATION OF SANCTIONS LAWS TO INTELLIGENCE ACTIVITIES

"Sec. 901. Stay of Sanctions.
"Sec. 902. Reports.".

SEC. 304. THRIFT SAVINGS PLAN FORFEITURE.

Section 8432(g) of title 5, United States Code, is amended by adding at the end the following new paragraphs:

"(5)(A) Notwithstanding any other provision of law, contributions made by the Government for the benefit of an employee or Member under subsection (c), and all earnings attributable to such contributions, shall be forfeited if the annuity of the employee or Member, or that of a survivor or beneficiary, is forfeited under subchapter II of chapter 83.

"(B) Forfeitures under this paragraph shall occur only if the offenses upon which the requisite annuity forfeitures are based happened subsequent to the enactment of this paragraph.".

SEC. 305. AUTHORITY TO RESTORE SPOUSAL PENSION BENEFITS TO SPOUSES WHO COOPERATE IN CRIMINAL INVESTIGATIONS AND PROSECUTIONS FOR NATIONAL SECURITY OFFENSES.

Section 8318 of title 5, United States Code, is amended by adding at the end the following:

"(e) The spouse of an individual whose annuity or retired pay is forfeited under section 8312 or 8313 after the date of enactment of this subsection shall be eligible for spousal pension benefits if the Attorney General of the United States determines that the spouse fully cooperated with Federal authorities in the conduct of a criminal investigation and subsequent prosecution of the individual which resulted in such forfeiture.".

SEC. 306. SECRECY AGREEMENTS USED IN INTELLIGENCE ACTIVITIES.

Notwithstanding any other provision of law not specifically referencing this section, a nondisclosure policy form or agreement that is to be executed by a person connected with the conduct of an intelligence or intelligence-related activity, other than an employee or officer of the United States Government, may contain provisions appropriate to the particular activity for which such document is to be used. Such form or agreement shall, at a minimum, require that the person will not disclose any classified information received in the course of such activity unless specifically authorized to do so by the United States Government.

SEC. 307. LIMITATION ON AVAILABILITY OF FUNDS FOR AUTOMATIC DECLASSIFICATION OF RECORDS OVER 25 YEARS OLD.

(a) IN GENERAL.—Each agency of the National Foreign Intelligence Program shall use no more than $2,500,000 of the amounts authorized to be appropriated by this Act to carry out the provisions of section 3.4 of Executive Order 12958.

(b) REQUIRED BUDGET SUBMISSION.—The President shall submit for fiscal year 1997 and each of the following five years a budget request which specifically sets forth the funds requested for implementation of section 3.4 of Executive Order 12958.

TITLE IV—CENTRAL INTELLIGENCE AGENCY

SEC. 401. EXTENSION OF THE CIA VOLUNTARY SEPARATION PAY ACT.

Section 2(f) of the Central Intelligence Agency Voluntary Separation Pay Act (50 U.S.C. 403–4(f)), is amended by striking out "September 30, 1997" and inserting in lieu thereof "September 30, 1999".

SEC. 402. VOLUNTEER SERVICE PROGRAM.

(a) GENERAL AUTHORITY.—The Director of Central Intelligence is authorized to establish and maintain a program from fiscal years 1996 through 2001 to utilize the services contributed by not more than 50 annuitants who serve without compensation as volunteers in aid of systematic or mandatory review for declassification or downgrading of classified information of the Central Intelligence Agency under applicable Executive orders governing the classification and declassification of national security information and Public Law 102–526.

(b) COSTS INCIDENTAL TO SERVICES.—The Director is authorized to use sums made available to the Central Intelligence Agency by appropriations or otherwise for paying the costs incidental to the utilization of services contributed by individuals under subsection (a). Such costs may include (but need not be limited to) training, transportation, lodging, subsistence, equipment, and supplies. The Director may authorize either direct procurement of equipment, supplies, and services, or reimbursement for expenses, incidental to the effective use of volunteers. Such expenses or services shall be in accordance with volunteer agreements made with such individuals. Sums made available for such costs may not exceed $100,000.

(c) APPLICATION OF CERTAIN PROVISIONS OF LAW.—A volunteer under this section shall be considered to be a Federal employee for the purposes of subchapter I of title 81 (relating to compensation of Federal employees for work injuries) and section 1346(b) and chapter 171 of title 28 (relating to tort claims). A volunteer under this section shall be covered by and subject to the provisions of chapter 11 of title 18 of the United States Code as if they were employees or special Government employees depending upon the days of expected service at the time they begin volunteering.

TITLE V—DEPARTMENT OF DEFENSE INTELLIGENCE ACTIVITIES

SEC. 501. DEFENSE INTELLIGENCE SENIOR LEVEL POSITIONS.

Section 1604 of title 10, United States Code, is amended to read as follows:

"§1604. Civilian personnel management

"(a) GENERAL PERSONNEL AUTHORITY.—The Secretary of Defense may, without regard to the provisions of any other law relating to the number, classification, or compensation of Federal employees—

"(1) establish such positions for employees in the Defense Intelligence Agency and the Central Imagery Office as the Secretary considers necessary to carry out the functions of that Agency and Office, including positions designated under subsection (f) as Defense Intelligence Senior Level positions;

"(2) appoint individuals to those positions; and

"(3) fix the compensation for service in those positions.

"(b) AUTHORITY TO FIX RATES OF BASIC PAY; OTHER ALLOWANCES AND BENEFITS.—(1) The Secretary of Defense shall, subject to subsection (c), fix the rates of basic pay for positions established under subsection (a) in relation to the rates of basic pay provided in subpart D of part III of title 5 for positions subject to that title which have corresponding levels of duties and responsibilities. Except as otherwise provided by law, an employee of the Defense Intelligence Agency or the Central Imagery Office may not be paid basic pay at a rate in excess of the maximum rate payable under section 5376 of title 5.

"(2) The Secretary of Defense may provide employees of the Defense Intelligence Agency and the Central Imagery Office compensation (in addition to basic pay under paragraph (1)) and benefits, incentives, and allowances consistent with, and not in excess of the levels authorized for, comparable positions authorized by title 5.

"(c) PREVAILING RATES SYSTEMS.—The Secretary of Defense may, consistent with section 5341 of title 5, adopt such provisions of that title as provide for prevailing rate systems of basic pay and may apply those provisions to positions in or under which the Defense Intelligence Agency or the Central Imagery Office may employ individuals described by section 5342(a)(2)(A) of such title.

"(d) ALLOWANCES BASED ON LIVING COSTS AND ENVIRONMENT FOR EMPLOYEES STATIONED OUTSIDE CONTINENTAL UNITED STATES OR IN ALASKA.—(1) In addition to the basic compensation payable under subsection (b), employees of the Defense Intelligence Agency and the Central Imagery Office described in paragraph (3) may be paid an allowance, in accordance with regulations prescribed by the Secretary of Defense, at a rate not in excess of the allowance authorized to be paid under section 5941(a) of title 5 for employees whose rates of basic pay are fixed by statute.

"(2) Such allowance shall be based on—

"(A) living costs substantially higher than in the District of Columbia;

"(B) conditions of environment which—

"(i) differ substantially from conditions of environment in the continental United States; and

"(ii) warrant an allowance as a recruitment incentive; or

"(C) both of those factors.

"(3) This subsection applies to employees who—

"(A) are citizens or nationals of the United States; and

"(B) are stationed outside the continental United States or in Alaska.

"(e) TERMINATION OF EMPLOYEES.—(1) Notwithstanding any other provision of law, the Secretary of Defense may terminate the employment of any employee of the Defense Intelligence Agency or the Central Imagery Office if the Secretary—

"(A) considers such action to be in the interests of the United States; and

"(B) determines that the procedures prescribed in other provisions of law that authorize the termination of the employment of such employee cannot be invoked in a manner consistent with the national security.

"(2) A decision by the Secretary of Defense to terminate the employment of an employee under this subsection is final and may not be appealed or reviewed outside the Department of Defense.

"(3) The Secretary of Defense shall promptly notify the Permanent Select Committee on Intelligence of the House of Representatives and the Select Committee on Intelligence of the Senate whenever the Secretary terminates the employment of any employee under the authority of this subsection.

"(4) Any termination of employment under this subsection shall not affect the right of the employee involved to seek or accept employment with any other department or agency of the United States if that employee is declared eligible for such employment by the Director of the Office of Personnel Management.

"(5) The authority of the Secretary of Defense under this subsection may be delegated only to the Deputy Secretary of Defense, the Director of the Defense Intelligence Agency (with respect to employees of the Defense Intelligence Agency), and the Director of the Central Imagery Office (with respect to employees of the Central Imagery Office). An action to terminate employment of an employee by any such officer may be appealed to the Secretary of Defense.

"(f) DEFENSE INTELLIGENCE SENIOR LEVEL POSITIONS.—(1) In carrying out subsection (a)(1), the Secretary may designate positions described in paragraph (3) as Defense Intelligence Senior Level positions. The total number of positions designated under this subsection and in the Defense Intelligence Senior Executive Service under section 1601 of this title may not exceed the number of positions in the Defense Intelligence Senior Executive Service as of June 1, 1995.

"(2) Positions designated under this subsection shall be treated as equivalent for purposes of compensation to the senior level positions to which section 5376 of title 5 is applicable.

"(3) Positions that may be designated as Defense Intelligence Senior Level positions are positions in the Defense Intelligence Agency and Central Imagery Office that (A) are classified above the GS–15 level, (B) emphasize functional expertise and advisory activity, but (C) do not have the organizational or program management functions necessary for inclusion in the Defense Intelligence Senior Executive Service.

"(4) Positions referred to in paragraph (3) include Defense Intelligence Senior Technical positions and Defense Intelligence Senior Professional positions. For purposes of this subsection—

"(A) Defense Intelligence Senior Technical positions are positions covered by paragraph (3) that involve any of the following:

"(i) Research and development.

"(ii) Test and evaluation.

"(iii) Substantive analysis, liaison, or advisory activity focusing on engineering, physical sciences, computer science, mathematics, biology, chemistry, medicine, or other closely related scientific and technical fields.

"(iv) Intelligence disciplines including production, collection, and operations in close association with any of the activities described in clauses (i), (ii), and (iii) or related activities; and

"(B) Defense Intelligence Senior Professional positions are positions covered by paragraph (3) that emphasize staff, liaison, analytical, advisory, or other activity focusing on intelligence, law, finance and accounting, program and budget, human resources management, training, information services, logistics, security, and other appropriate fields.

"(g) 'EMPLOYEE' DEFINED AS INCLUDING OFFICERS.—In this section, the term 'employee', with respect to the Defense Intelligence Agency or the Central Imagery Office, includes any civilian officer of that Agency or Office.".

SEC. 502. COMPARABLE BENEFITS AND ALLOWANCES FOR CIVILIAN AND MILITARY PERSONNEL ASSIGNED TO DEFENSE INTELLIGENCE FUNCTIONS OVERSEAS.

(a) CIVILIAN PERSONNEL.—Section 1605 of title 10, United States Code, is amended—

(1) in subsection (a)—

(A) by inserting "(1)" after "(a)";

(B) by striking out "of the Department of Defense" and all that follows through "this subsection," and inserting in lieu thereof "described in subsection (d)"; and

(C) by designating the second sentence as paragraph (2);

(2) by striking out subsection (c) and inserting in lieu thereof the following:

"(c) Regulations prescribed under subsection (a) may not take effect until the Secretary of Defense has submitted such regulations to—

"(1) the Committee on Armed Services and the Select Committee on Intelligence of the Senate; and

"(2) the Committee on National Security and the Permanent Select Committee on Intelligence of the House of Representatives."; and

(3) by adding at the end the following new subsection:

"(d) Subsection (a) applies to civilian personnel of the Department of Defense who—

"(1) are United States nationals;

"(2) in the case of employees of the Defense Intelligence Agency, are assigned to duty outside the United States and, in the case of other employees, are assigned to Defense Attaché Offices or Defense Intelligence Agency Liaison Offices outside the United States; and

"(3) are designated by the Secretary of Defense for the purposes of subsection (a).".

(b) MILITARY PERSONNEL.—Section 431 of title 37, United States Code, is amended—

(1) in subsection (a), by striking out "who are assigned to" and all that follows through "of this subsection" and inserting in lieu thereof "described in subsection (e)";

(2) by striking out subsection (d) and inserting in lieu thereof the following:

"(d) Regulations prescribed under subsection (a) may not take effect until the Secretary of Defense has submitted such regulations to—

"(1) the Committee on Armed Services and the Select Committee on Intelligence of the Senate; and

"(2) the Committee on National Security and the Permanent Select Committee on Intelligence of the House of Representatives."; and

(3) by adding at the end the following new subsection:

"(e) Subsection (a) applies to members of the armed forces who—

"(1) are assigned—

"(A) to Defense Attaché Offices or Defense Intelligence Agency Liaison Offices outside the United States; or

"(B) to the Defense Intelligence Agency and engaged in intelligence-related duties outside the United States; and

"(2) are designated by the Secretary of Defense for the purposes of subsection (a).".

SEC. 503. EXTENSION OF AUTHORITY TO CONDUCT INTELLIGENCE COMMERCIAL ACTIVITIES.

Section 431(a) of title 10, United States Code, is amended by striking out "1995" and inserting in lieu thereof "1998".

SEC. 504. AVAILABILITY OF FUNDS FOR TIER II UAV.

All funds appropriated for fiscal year 1995 for the Medium Altitude Endurance Unmanned Aerial Vehicle (Tier II) are specifically authorized, within the meaning of section 504 of the National Security Act of 1947 (50 U.S.C. 414), for such purpose.

TITLE VI—TECHNICAL AMENDMENTS

SEC. 601. CLARIFICATION WITH RESPECT TO PAY FOR DIRECTOR OR DEPUTY DIRECTOR OF CENTRAL INTELLIGENCE APPOINTED FROM COMMISSIONED OFFICERS OF THE ARMED FORCES.

(a) CLARIFICATION.—Subparagraph (C) of section 102(c)(3) of the National Security Act of 1947 (50 U.S.C. 403(c)(3)) is amended to read as follows:

"(C) A commissioned officer of the Armed Forces on active duty who is appointed to the position of Director or Deputy Director, while serving in such position and while remaining on active duty, shall continue to receive military pay and allowances. Funds from which such pay and allowances are paid shall be reimbursed from funds available to the Director.".

(b) TECHNICAL CORRECTIONS.—(1) Subparagraphs (A) and (B) of such section are amended by striking out "pursuant to paragraph (2) or (3)" and inserting in lieu thereof "to the position of Director or Deputy Director".

(2) Subparagraph (B) of such section is amended by striking out "paragraph (A)" and inserting in lieu thereof "subparagraph (A)".

SEC. 602. CHANGE OF DESIGNATION OF CIA OFFICE OF SECURITY.

Section 701(b)(3) of the National Security Act of 1947 (50 U.S.C. 431(b)(3)), is amended by striking out "Office of Security" and inserting in lieu thereof "Office of Personnel Security".

AMENDMENT NO. 3 OFFERED BY MR. COMBEST

Mr. COMBEST. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment No. 3 Offered by Mr. Combest: Page 7, line 9, strike "other".

Page 7, line 10, insert "identified in section 904" after "law".

Page 7, line 13, insert "and reports to Congress in accordance with section 903" after "determines".

Page 7, line 15, insert "related to the activities giving rise to the sanction" after "investigation".

Page 7, line 16, insert "related to the activities giving rise to the sanctions" after "method".

Page 7, beginning on line 16, strike "The President" and all that follows through line 18, and insert the following: "Any such stay shall be effective for a period of time specified by the President, which period may not exceed 120 days, unless such period is extended in accordance with section 902.".

Page 7, after line 18, insert the following:

"EXTENSION OF STAY

"SEC. 902. Whenever the President determines and reports to Congress in accordance with section 903 that a stay of sanctions pursuant to section 901 has not afforded sufficient time to obviate the risk to an ongoing criminal investigation or to an intelligence source or method that gave rise to the stay, he may extend such stay for a period of time specified by the President, which period may not exceed 120 days. The authority of this section may be used to extend the period of a stay pursuant to section 901 for successive periods of not more than 120 days each.

Page 7, strike line 19 and all that follows through line 6 on page 8, and insert the following:

"REPORTS

"SEC. 903. Reports to Congress pursuant to sections 901 and 902 shall be submitted in a timely fashion upon determinations under this title. Such reports shall be submitted to the Committee on International Relations of the House of Representatives and the Committee on Foreign Relations of the Senate. With respect to determinations relating to intelligence sources and methods, reports shall also be submitted to the Permanent Select Committee on Intelligence of the House of Representatives and the Select Committee on Intelligence of the Senate. With respect to determinations relating to ongoing criminal investigations, reports shall also be submitted to the Committees on the Judiciary of the House of Representatives and the Senate.

"LAWS SUBJECT TO STAY

"SEC. 904. The President may use the authority of sections 901 and 902 to stay the imposition of an economic, cultural, diplomatic, or other sanction or related action by the United States Government concerning a foreign country, organization, or person otherwise required to be imposed by the Chemical and Biological Weapons Control and Warfare Elimination Act of 1991 (title III of Public Law 102–182); the Nuclear Proliferation Prevention Act of 1994 (title VIII of Public Law 103–236); title XVII of the National Defense Authorization Act for Fiscal Year 1991 (Public Law 101–510) (relating to the nonproliferation of missile technology); the Iran-Iraq Arms Nonproliferation Act of 1992 (title XVI of Public Law 102–484); and section 573 of the Foreign Operations, Export Financing Related Programs Appropriations Act, 1994 (Public Law 103–87), section 563 of the Foreign Operations, Export Financing Related Programs Appropriations Act, 1995 (Public Law 103–306), and comparable provisions within annual appropriations Acts.

"APPLICATION

"SEC. 905. This title shall cease to be effective on the date which is three years after the date of the enactment of this title.".

Page 8, after line 9 and before line 10, amend the matter proposed to be inserted to read as follows:

"TITLE IX—APPLICATION OF SANCTIONS LAWS TO INTELLIGENCE ACTIVITIES

"Sec. 901. Stay of sanctions.
"Sec. 902. Extension of stay.
"Sec. 903. Reports.
"Sec. 904. Laws subject to stay.
"Sec. 905. Application.".

Mr. COMBEST (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. COMBEST. Mr. Chairman, my amendment reflects the results of discussions between the Members and staffs of the Permanent Select Committee on Intelligence and the Committee on International Relations on issues pertaining to the application of sanction laws to intelligence activities.

Since the Permanent Select Committee on Intelligence had reported out legislation on sanctions deferrals, the committee has been working with the Committee on International Relations to incorporate the concerns of that committee and, therefore, modify section 303 as reported by the Permanent Select Committee on Intelligence.

Mr. Chairman, that is what this amendment does. I would urge the adoption of this amendment. Before I turn to the gentleman from Washington [Mr. DICKS], I would like to thank the gentleman from New York [Mr. GILMAN], chairman of the Committee on International Relations, for the gentleman's interest, contribution, and his cooperation, as well as that of the gentleman's staff; the gentlewoman from California [Ms. PELOSI], of our committee, who was a strong proponent of any U.S. sanction laws and has paid close attention to this legislation; and certainly to the gentleman from California [Mr. BERMAN] and his staff, all of who made very constructive contributions and have worked closely to working this out in a bipartisan and satisfactory manner.

Mr. DICKS. Mr. Chairman, will the gentleman yield?

Mr. COMBEST. I yield to the gentleman from Washington.

Mr. DICKS. Mr. Chairman, I rise in support of Chairman COMBEST's amendment to section 303 of the bill. As the committee report makes clear, the committee intends to monitor closely the use of the authority provided under section 303. The amendment should assist in this regard by imposing a 3-year sunset provision.

Furthermore, as the report also points out, this authority is only appropriate in limited cases. The amendment makes clear that the authority only pertains to specific laws designed to limit the proliferation of weapons of mass destruction, their delivery systems or advanced conventional weapons. Finally, the amendment states that the source or method or ongoing criminal investigation that the President may delay the sanction to protect, must be related to the activities giving rise to the sanction.

I believe this is a good amendment and I am pleased to accept it.

Mr. BERMAN. Mr. Chairman, will the gentleman yield?

Mr. COMBEST. I yield to the gentleman from California.

Mr. BERMAN. Mr. Chairman, let me initially address the amendment of the gentleman from Texas [Mr. COMBEST] and thank the gentleman very much for both his remarks and his work on this amendment, as well as thanks to the gentleman from Washington [Mr. DICKS] the ranking member, and to the gentleman from New York [Mr. GILMAN] chairman of the Committee on International Relations, and a special note of appreciation to the gentlewoman from California [Ms. PELOSI], who pointed out to me this issue that was raised by the authorization bill.

Mr. Chairman, section 303 amends the National Security Act of 1947 to add a new section, 901, authorizing the President to stay the imposition of certain sanctions, should the President determine that to proceed without delay would seriously risk the compromise of an ongoing criminal investigation or an intelligence source or method.

Mr. Chairman, I was originally quite troubled by that provision, because it appeared to me to provide an open-ended opportunity for any President to bypass the intent sanctions law. I had raised similar concerns during House debate in 1991, on the provisions of H.R. 1415 that amended the Export Administration Act. I thought, as I pointed out in a colloquy then with the chairman of the Permanent Select Committee on Intelligence, Mr. McCurdy, that the President, in rare circumstances, could delay such a determination in those situations, but the administration has raised new concerns that existing law was not sufficient to provide them with legal flexibility.

In this case, the bipartisan cooperation of the staff of the Permanent Select Committee on Intelligence, and its leadership, has allowed us to have a briefing from both the intelligence community and the Department of State.

Mr. Chairman, it is now my understanding that with this amendment, the original provision as amended, will mean that a decision to stay temporarily consideration of the imposition of a sanction will only be to protect sources and methods in an ongoing criminal investigation.

Such a presidential determination will not be used as the pretext for any decision not to impose sanctions, for example, for economic or commercial reasons, fearing that such action could jeopardize a commercial decision, or for geopolitical reasons, fearing that such a decision could damage our bilateral relationships with a particular country.

I have been informed by the administration that such determinations will only be made in exceptional circumstances. We are discussing here a delay decision, not a decision to refuse to impose such sanctions which are mandated under law.

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Should such a decision to delay determination be made by the President.

a report will be made in a prompt and expeditious manner to the concerned committees of jurisdiction, including the Committee on International Relations. It is my understanding that such reports will indicate clearly the nature of the sanctionable action, the applicable law to the sanctionable activity, the country or countries in which the activity took place, and, where appropriate, the party to the violation.

The intent of my amendment, which sunsets this provision 3 years from the date of enactment, is to ensure an opportunity to evaluate the use of this change to the National Security Act to ensure that is used for the purpose intended and has not had a deleterious effect on the sanctions law.

Mr. CHAIRMAN. The time of the gentleman from Texas [Mr. COMBEST] has expired.

(At the request of Mr. BERMAN and by unanimous consent, Mr. COMBEST was allowed to proceed for 3 additional minutes.)

Mr. BERMAN. If the gentleman will yield further, I will put my statement in the RECORD.

I thank the distinguished Member from Texas and chairman of the Permanent Select Committee on Intelligence, Mr. COMBEST, for his kind remarks and those of the distinguished ranking member, Mr. DICKS. I appreciate the effort that they have taken to accommodate my concern and those of the chairman of the International Relations Committee, Mr. GILMAN.

The amendment I have offered to the bill which has been incorporated in the chairman's amendment, I believe, will take care of my concerns, and those of the gentlelady from California [Ms. PELOSI], that section 303 should not unduly loosen current sanctions law.

As Mr. COMBEST has noted, section 303 amends the National Security Act of 1947 to add a new section 901 authorizing the President to stay the imposition of certain sanctions should the President determine that to proceed without delay would seriously risk the compromise of an ongoing criminal investigation or an intelligence source or method.

I was troubled by that provision when initially proposed by the administration because it appeared to me to provide an open-ended opportunity for any President to by-pass the intent of sanctions law. I had raised similar concerns during House debate in 1991 on provisions in H.R. 1415 that amended the Export Administration Act and the Arms Export Control Act. At that time I responded to an inquiry from Mr. McCurdy, then chairman of the Select Committee on Intelligence, that it was my understanding that the President, in rare circumstances, could delay a determination on sanctions if such a delay is necessary to protect intelligence sources and methods with the proviso that such a delay should not be indefinite. Since then, the administration has raised anew concerns that existing law was not sufficient to provide them with legal flexibility.

In this case, with the bipartisan cooperation of the staff of the Select Committee on Intelligence, whose excellent assistance I much appreciate, I took the opportunity to be briefed by representatives from both the intelligence community and the Department of State on their rationale for requesting this amendment.

It is now my understanding that a decision to stay temporarily consideration of the imposition of a sanction will only be to protect sources and methods and ongoing criminal investigations. Such a Presidential determination will not be used as the pretext for any decision not to impose sanctions, for example for economic reasons, fearing such action would jeopardize a commercial decision, or for geopolitical reasons, fearing that such a decision would damage our relations with a particular country. I have been informed by the administration that such determinations will only be made in exceptional circumstances. I should note that we are discussing a delay in a decision, not a decision not to impose such sanctions mandated under law. Should such a decision to delay determination be made by the President, a report will be made in a prompt and expeditious manner to the concerned committees or jurisdiction, including the International Relations Committee. It is my understanding that such reports will indicate clearly the nature of the sanctionable action, the applicable law to the sanctionable activity, the country or countries in which the activity took place, and, where appropriate, the party to the violation.

The intent of my amendment which sunsets this provision 3 years from the date of enactment is to ensure an opportunity to evaluate the use of this change to the National Security Act of 1947 to ensure that it is used for the purpose intended and that it has not had a detrimental effect on the intent of our sanctions law.

I am pleased with the accommodation worked out with both sides and wish to thank Ms. PELOSI for her energetic work on this issue. Finally, I would like to thank the Democratic and Republican staffs of both the International Relations Committee and the Select Committee on Intelligence for the professional and bipartisan manner in which they resolved this issue.

I would also like to take this opportunity to raise a related issue. As one of the authors of current sanctions law, I have become concerned that the standards for imposing sanctions have been raised to such an impossible level that the ability of sanctions to call attention to grievous violations of international standards which threaten world security and also to punish violators has been undermined. The time may have come for us to evaluate whether or not we need a more flexible set of policy tools to respond to such violations and violators. As we all know, the proliferation of weapons of mass destruction remains a serious problem. In the coming months, I hope this concern can be engaged. The international community needs desperately to slow, if not end, the spread of biological, chemical, and nuclear weapons to rogue states.

Mr. Chairman, I do want to finish by asking the gentleman if he would entertain a unanimous consent request that on line 10, page 2, following the words "submitted in a", the gentleman would add the word "prompt" so the report would be made in a prompt and timely fashion, and I have that amendment in writing here, if the gentleman is willing, offer it as a unanimous consent amendment to his amendment.

Mr. COMBEST. Reclaiming my time, Mr. Chairman, I certainly concur with the gentleman. I appreciate his further explanation of the amendment.

Mr. Chairman, is it in order at this time for the author of the amendment to request unanimous consent to add "prompt and" in the section, "in a prompt and timely fashion" in line 10, page 2 of the amendment?

The CHAIRMAN. The modification is in order, without objection.

MODIFICATION OF AMENDMENT OFFERED BY MR. COMBEST

Mr. COMBEST. Mr. Chairman, I ask unanimous consent to modify the amendment with the language which I have read.

The CHAIRMAN. The Clerk will report the modification.

The Clerk read as follows:

Modification to amendment offered by Mr. COMBEST: On page 2, line 10 of the proposed amendment insert "prompt and" after "submitted in a".

The CHAIRMAN. Is there objection to the modification offered by the gentleman from Texas?

There was no objection.

The text of the amendment, as modified, is as follows:

Amendment, as modified, offered by Mr. COMBEST: Page 7, line 9, strike "other".

Page 7, line 10, insert "identified in section 904" after "law".

Page 7, line 13, insert "and reports to Congress in accordance with section 903" after "determines".

Page 7, line 15, insert "related to the activities giving rise to the sanction" after "investigation".

Page 7, line 16, insert "related to the activities giving rise to the sanction" after "method".

Page 7, beginning on line 16, strike "The President" and all that follows through line 18, and insert the following: "Any such stay shall be effective for a period of time specified by the President, which period may not exceed 120 days, unless such period is extended in accordance with section 902.".

Page 7, after line 18, insert the following:

"EXTENSION OF STAY

"SEC. 902. Whenever the President determines and reports to Congress in accordance with section 903 that a stay of sanctions pursuant to section 901 has not afforded sufficient time to obviate the risk to an ongoing criminal investigation or to an intelligence source or method that gave rise to the stay, he may extend such stay for a period of time specified by the President, which period may not exceed 120 days. The authority of this section may be used to extend the period of a stay pursuant to section 901 for successive periods of not more than 120 days each."

Page 7, strike line 19 and all that follows through line 6 on page 8, and insert the following:

"REPORTS

"SEC. 903. Reports to Congress pursuant to sections 901 and 902 shall be submitted in a prompt and timely fashion upon determinations under this title. Such reports shall be submitted to the Committee on International Relations of the House of Representatives and the Committee on Foreign

Relations of the Senate. With respect to determinations relating to intelligence sources and methods, reports shall also be submitted to the Permanent Select Committee on Intelligence of the House of Representatives and the Select Committee on Intelligence of the Senate. With respect to determinations relating to ongoing criminal investigations, reports shall also be submitted to the Committees on the Judiciary of the House of Representatives and the Senate.

"LAWS SUBJECT TO STAY

"SEC. 904. The President may use the authority of sections 901 and 902 to stay the imposition of an economic, cultural, diplomatic, or other sanction or related action by the United States Government concerning a foreign country, organization, or person otherwise required to be imposed by the Chemical and Biological Weapons Control and Warfare Elimination Act of 1991 (title III of Public Law 102–182); the Nuclear Proliferation Prevention Act of 1994 (title VIII of Public Law 103–236); title XVII of the National Defense Authorization Act for Fiscal Year 1991 (Public Law 101–510) (relating to the nonproliferation of missile technology); the Iran-Iraq Arms Nonproliferation Act of 1992 (title XVI of Public Law 102–484); and section 573 of the Foreign Operations, Export Financing Related Programs Appropriations Act, 1994 (Public Law 103–87), section 563 of the Foreign Operations, Export Financing Related Programs Appropriations Act, 1995 (Public Law 103–306), and comparable provisions within annual appropriations Acts.

"APPLICATION

"SEC. 905. This title shall cease to be effective on the date which is three years after the date of the enactment of this title.".

Page 8, after line 9 and before line 10, amend the matter proposed to be inserted to read as follows:

"TITLE IX—APPLICATION OF SANCTIONS LAWS TO INTELLIGENCE ACTIVITIES

"Sec. 901. Stay of sanctions.
"Sec. 902. Extension of stay.
"Sec. 903. Reports.
"Sec. 904. Laws subject to stay.
"Sec. 905. Application.".

Mr. BERMAN. Mr. Chairman, if the gentleman will yield further, I just want to thank the gentleman for agreeing to that amendment as well as to incorporating the sunset amendment, to thank the gentlewoman from California for all of her help in this as well as being able to raise this issue initially, and I thank the gentleman for yielding.

Mr. COMBEST. I appreciate the gentleman's cooperative nature in working this out.

Mr. DICKS. Mr. Chairman, if the gentleman will yield, I have no objection to that change either.

Ms. PELOSI. Mr. Chairman, I move to strike the last word.

Mr. Chairman, as a member of the Permanent Select Committee on Intelligence, I rise to express my support for Chairman COMBEST'S amendment and my appreciation to the chairman and the ranking member and the committee staff for their work to address concerns about the bill's provisions allowing the President to delay the imposition of sanctions against other countries if the sanctions compromise, one, an intelligence source or method or, two, an ongoing criminal investigation.

I would also, of course, like to acknowledge and commend our colleague, the gentleman from California [Mr. BERMAN], for his contribution. He has been a leader in the fight against weapons proliferation. I want to commend him for his work over the years to make sanctions a more effective foreign policy tool. The gentleman from California [Mr. BERMAN] and his staff were active participants in the development of what, I think, is a very necessary amendment under the leadership of the gentleman from Texas [Mr. COMBEST].

Mr. Chairman, Congress over the years has decided that the imposition of sanctions is appropriate response to certain activities which threaten U.S. foreign policy goals and global stability. We have laws on the books mandating imposition of sanctions for the proliferation of weapons of mass destruction, for the illegal transfer of some munitions, and for violation of missile technology controls. These sanctions have had an important deterrent and punitive effect and have increased the administration's leverage in discussing potential violations with the proliferators.

If, indeed, the sanctions which are on the books are too punitive, too draconian to ever be used and, therefore, to be considered a credible threat, then, we should, as a Congress, revisit those sanctions. The gentleman from California [Mr. BERMAN] whom we are blessed to have a understanding position because of his knowledge and attention to these issues, stands ready, as he indicated in his remarks, to assist the administration or any administration in making appropriate changes.

Mr. BERMAN. Mr. Chairman, will the gentlewoman yield?

Ms. PELOSI. I yield to the gentleman from California.

Mr. BERMAN. Blessed?

I appreciate the very nice comments from my friend. I just wanted to emphasize this point. I included it in my original statement, but I did not read it at this particular point. It is wrong to use, for instance, this new provision to protect sources and methods as a way of getting around the imposition of sanctions. If the feeling is the particular sanctions law in an area, whether it is chemical, biological weapons, missile proliferation, or nuclear, is too inflexible, then the administration should come to the Congress and suggest those changes.

Let us take, for example, let us talk for one moment about China. It is, without getting into any specifics, everyone understands the importance of the political, or bilateral relationship with China, and what that country is about and what we need to be doing there.

The key question, though, in terms of proliferation issues is whether or not the law, as passed by Congress, as signed by the President, is going to be followed. If that law is too inflexible, the answer is not to avoid a conclusion with respect to proliferation The answer is to come back to Congress and seek the flexibility that is desired.

So I appreciate the gentlewoman for bringing this up. Our only point in this whole discussion is that we do not want this to become a new way by which the executive branch, as a pretext, avoids imposing sanctions because they do not want to alter some commercial deal, because they do not want to have any disruption in the bilateral relationship. The question of proliferation of weapons of mass destruction is too important to be used as a pawn in that process. We are ready to make those provisions more flexible if that is what is needed. But that should not be the basis for not making a decision to impose sanctions.

Ms. PELOSI. I thank the gentleman for putting that on the record publicly because I think that should be a very important part of our policy as we review these sanctions rather than always seeking waivers and to make the sanctions more credible as a threat by making them more possible to be used.

In the interests of time, Mr. Chairman, I would like to submit my full statement for the RECORD, but I would like to engage the chairman of the full committee for a moment in colloquy.

My concerns were about time. I see the gentleman has addressed the first time issue of prompt and timely fashion.

My other concern, Mr. Chairman, is that an administration could feasibly stretch out this process for 3 years, 120 days at a time.

The CHAIRMAN. The time of the gentlewoman from California [Ms. PELOSI] has expired.

(At the request of Mr. COMBEST and by unanimous consent, Ms. PELOSI was allowed to proceed for 3 additional minutes.)

Ms. PELOSI. Mr. Chairman, I was so pleased that in the chairman's statement he said, "In these cases, it is expected that the utmost will be done to resolve the sources and methods or law enforcement problems as soon as possible." So that an administration could not just use 120 days for whatever reason, economic purposes or other reasons, in a series of these 120 days to delay addressing the real issue at hand. Is it the gentleman's understanding that they would have to resolve the sources and methods problem as quickly as possible, as indicated in the statement?

Mr. COMBEST. If the gentlewoman will yield further, I totally would concur with the gentlewoman, and I am glad the gentlewoman asked for this time to make sure the RECORD reflects the intent, and I assure the gentlewoman that I would stand by her, behind her or wherever she would wish, in trying to nail this down much more specifically, if we detected at all this happens to be a problem and it appears that there is any abuse of the latitude which this amendment has provided.

Ms. PELOSI. If I may further, I thank the chairman for that confirmation.

But I also would like to once again reaffirm the intent of Congress that this waiver only is used when this would jeopardize sources and methods or jeopardize an ongoing criminal investigation. There is no other standard or condition under which the administration could seek this blanket waiver?

Mr. COMBEST. If the gentlewoman will yield further, yes, that is exactly correct. I would take that one step further and would tell the gentlewoman I would be very glad to work with her to make certain that it has to be very black and white, one of those areas of exemption that there cannot be a gray area under which there was a claim of exemption for one of those purposes, if, in fact, it was not emphatically one of those very specified purposes.

Ms. PELOSI. As the gentleman indicated in his statement, based on the testimony that the Permanent Select Committee on Intelligence received on this subject, the instances where sanctions would be deferred due to the source or method of criminal investigation problems would be rare?

Mr. COMBEST. I totally concur with the gentlewoman. She is absolutely correct, and I appreciate her interest in this.

Ms. PELOSI. I thank the chairman. I once again thank the chairman for his cooperation on presenting this manager's amendment and accommodating some of the concerns that the gentleman from California [Mr. BERMAN] and I and other members of the committee had on it.

Mr. Chairman, with that, since the chairman has confirmed so many of these issues, I can dispense with some of my statement and put it in the RECORD and once again urge my colleagues to support the Combest amendment and thank him for his leadership as well as thanking the gentleman from California [Mr. BERMAN] and the gentleman from Washington [Mr. DICKS].

The CHAIRMAN. The question is on the amendment, as modified, offered by the gentleman from Texas [Mr. COMBEST].

The amendment, as modified, was agreed to.

Mr. SKAGGS. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I do not intend to take much time. I appreciate the time at this point in the debate; since we moved through general debate so quickly it caught some of us napping, I am afraid.

I want to thank our chairman, the gentleman from Texas, and the ranking member, the gentleman from Washington [Mr. DICKS], for their leadership in putting this bill together this year. I was off the committee for several months and have only recently rejoined the committee. While I generally support this bill as meeting vital national security needs, there are a couple of areas in which I hope we may be able to make some changes and improvements when we get to conference, Mr. Chairman, and I wanted to discuss those this morning.

One has to do with the funding levels for declassification as driven by the President's new executive order. I am afraid that the relatively low and arbitrary limits per agency that are included in the bill at this point will seriously impede the very necessary work that needs to be done within the intelligence community to move expeditiously to declassify many of our relatively old but still classified, documents. We have made some real progress in the whole question of classification reform over the last several years. We need to proceed and stay on track in this area.

It is very important for a functioning democracy to make as much information as possible available to its citizens, and the classification reform efforts that both the Congress and the administration have taken are serving that end. We should not impede them by unrealistically low budget caps.

Second, there is, I think, too low a limit set in this bill for the environmental task force. A different number is pending in the legislation working its way through the other body. I hope we will be able to make some adjustments there as well.

The committee held hearings earlier this year addressing the intelligence community and what it should be concerned with in the next century. Interestingly, several expert witnesses identified the environment and the global environmental threat that we face as central to our national security challenge in the next century.

It would be a shame, given that, for us to be shortchanging the work that has been started in a very important initiative known as the environmental task force, which is using products originally produced with intelligence assets, declassifying them in appropriate ways, so that the information can be available to policymakers, the scientific community, and the general public. That is something I think we need to continue, and I hope, speaking to my chairman of the committee, that we will be able to deal with both these funding issues pertaining to declassification and to the environmental task force when we get to conference.

I support the Intelligence authorization bill because I believe that, on balance, it supports vital national security needs. I believe it is important to support the crucial activities of the intelligence community at a time when many regions of the world are increasingly threatened by ethnic conflict, by territorial disputes, and by arms competition. We also need to support the use of our intelligence resources to understand and combat new threats to our own security, from things as obvious as terrorism and the proliferation of weapons of mass destruction, to those as subtle as global environmental degradation.

This bill has authorized an intelligence budget at a level slightly higher than the President requested for fiscal year 1996. In a time of tight budgets, when domestic programs are being slashed, I would have preferred an authorization level closer to the President's request. And we'll have a chance to vote on making just such an adjustment.

I also have serious concerns about two matters—funding levels for declassification of documents and funding for the environmental task force—that I hope can be worked out in conference.

My first concern centers around the arbitrary restrictions that this legislation places on the amount agencies can spend to declassify documents under the requirements of the President's new executive order on classified national security information—signed on April 17, 1995. These restrictions threaten to scuttle a long-needed system of reforms to an outdated and expensive system of classifying Government information.

When I joined the Intelligence Committee in 1993 I was astonished to learn that agency heads couldn't even tell us roughly how much their budget was spent on document classification and security. At that time millions of older documents were being held under lock and key at tremendous cost to U.S. taxpayers, even though their disclosure posed no national security risk. Some of the most astonishing examples: documents concerning troop movements in World War I and documents concerning POW/MIA's in the Korean war.

Despite sweeping changes in the international arena, the Government's classification bureaucracy had been stuck on autopilot, stamping "secret" on nearly 7 million new documents each year and marking 95 percent for indefinite restriction. For a democratic and free society to work, the people must have as much information as possible about the activities of their Government. So, I decided to do something about this.

The result in 1994, driven by language in our 1993 Intelligence bill, was the first-ever accounting of the costs and number of personnel involved in classifying and maintaining Government secrets. These reports revealed that keeping the Nation's secrets employs 32,400 workers and costs $2.28 billion. Last year, I took the reform effort one step further by requiring agencies to come up with suggestions about how to cut spending on classification and secrecy. This initiative led to a Government-wide program of cost accounting and expenditure reduction efforts involving all the agencies that make up the intelligence community.

Both this effort and work already underway in the Clinton administration has already begun to pay off. In fiscal year 1994 the number of new documents being classified was down over 26 percent. Real gains are also being made on declassification front. In 1994 there was a 70 percent increase in pages declassified under systematic review. In addition, the President ordered a one-time declassification in bulk of almost 50 million pages of historical records in the National Archives.

Now the President has consolidated the reform effort with the issuance of Executive Order 12958 on April 17, 1995. The President's executive order balances the competing needs of access and security in a cost-effective way by laying out a uniform system for classifying, safeguarding, and declassifying national security information.

Unfortunately, this Intelligence authorization bill could effectively block the crucial reform of the classification behemoth by limiting to $2.5 million each the amount of funds that each agency can spend to carry out the declassification provisions in the executive order.

It is important to remember that the President's executive order requires that, unless ground for an exemption exist, classified information contained in records that are 25 years old, and of permanent historical value, shall be automatically declassified within 5 years of the order whether or not the records have been reviewed. This assumes that adequate funds will be provided to review documents to determine if their release would jeopardize national security. So, ironically, if adequate moneys are not provided for the declassification process, certain documents that should not be declassified may slip through the cracks. It is important, therefore, for Congress to provide adequate funds to carry out a careful and comprehensive review of documents to be declassified.

Classification reform also extends to a new classification discipline. Over-use of classification is costly in its direct budget impacts, in that it's expensive to maintain the infrastructure to keep secrets. It's also costly in its indirect effects of devaluing the currency, that is for those who work with classified information to be appropriately vigilant, there needs to be a sense that classification is not invoked where it doesn't have to be. And then, again, there are the costs to democracy.

Lets not trip up agency efforts to reform just as we're beginning to turn the tide on the sea of top-secret paper.

I am also concerned about the severe funding limitations that this bill places on the environmental task force [ETF].

Global and national environmental threats should be of real concern to national security and intelligence experts. In fact, in hearings we held earlier this year on "The Intelligence Community in the Twenty First Century" several expert witnesses testified that environmental threats might well prove to be the most significant challenge to our Nation's security in the too distant future.

Why then, does this bill reduce funding authority for the ETF to $5 million, which is less than a third of the President's request? By severely reducing the authorization for ETF this bill threatens several efforts that are making significant environmental information derived from intelligence assets available to the general public, the scientific community, and other Federal agencies.

Our country has already made an enormous investment in classified systems and technology. For a very small additional expenditure, we can exploit this investment to benefit the ability of Government and science and industry to anticipate and attack problems driven by global environmental changes. The ETF initiatives is already helping policymakers and scientists obtain the data they need to understand long-term environmental change and develop better management techniques to deal with natural and ecological disasters.

Critics of the ETF have argued that this initiative diverts the intelligence community from its primary purpose. But the function of intelligence is to support policymakers. And in this instance, the ETF supports policymakers in a range of agencies—the Department of Commerce, Defense, Energy, Interior, Transportation, the National Aeronautics and Space Administration, the Environmental Protection Agency, and the National Science Foundation—enabling them to use intelligence data to facilitate disaster relief planning and to develop international policies that have an environmental component. For example, there's nothing more fundamental to political stability than adequate food stocks, which in turn are dependent on environmental factors and population trends. All this is probably the subject of intelligence, and the resulting intelligence products ought to be available as widely as possible. The best technology available for getting the data is already available. We just need to put it to better use.

AMENDMENT OFFERED BY MR. TRAFICANT

Mr. TRAFICANT. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. TRAFICANT: Page 10, after line 17, insert the following:

SEC. 308. COMPLIANCE WITH BUY AMERICAN ACT.

No funds appropriated pursuant to this Act may be expended by an entity unless the entity agrees that in expending the assistance the entity will comply with sections 2 through 4 of the Act of March 3, 1933 (41 U.S.C. 10a–10c, popularly known as the "Buy American Act").

SEC. 309. SENSE OF CONGRESS; REQUIREMENT REGARDING NOTICE.

(a) PURCHASE OF AMERICAN-MADE EQUIPMENT AND PRODUCTS.—In the case of any equipment or products that may be authorized to be purchased with financial assistance provided under this Act, it is the sense of the Congress that entities receiving such assistance should, in expending the assistance, purchase only American-made equipment and products.

(b) NOTICE TO RECIPIENTS OF ASSISTANCE.—In providing financial assistance under this Act, the Secretary of the Treasury shall provide to each recipient of the assistance a notice describing the statement made in subsection (a) by the Congress.

SEC. 310. PROHIBITION OF CONTRACTS.

If it has been finally determined by a court or Federal agency that any person intentionally affixed a fraudulent label bearing a "Made in America" inscription, or any inscription with the same meaning, to any product sold in or shipped to the United States that was not made in the United States, such person shall be ineligible to receive any contract or subcontract made with funds provided pursuant to this Act, pursuant to the debarment, suspension, and ineligibility procedures described in sections 9.400 through 9.409 of title 48, Code of Federal Regulations.

Mr. TRAFICANT (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. TRAFICANT. Mr. Chairman, I want to commend the chairman, the gentleman from Texas [Mr. COMBEST], and the ranking member, the gentleman from Washington [Mr. DICKS], for the fine bill.

I just want to jump in here early by saying the Congress of the United States should support John Deutsch. He knows the military well. He knows his way around Washington, the political landscape. He has done a remarkable job every place he has been, and I am glad to see that he is the CIA director, and we give him the shot to perform well.

□ 1145

Now this is a stealth budget. I have a stealth Buy American amendment. We are all familiar with it. It makes a lot of sense, and I would hope that the committee would accept it.

Mr. COMBEST. Mr. Chairman, will the gentleman yield?

Mr. TRAFICANT. I yield to the distinguished gentleman from Texas.

Mr. COMBEST. I think I could assure the gentleman that the gentleman from Washington would love for there to be plenty of purchases of stealth, but I would just like to state that the Chair has seen the amendment, we certainly concur with it, and we would accept the amendment.

Mr. DICKS. Mr. Chairman, will the gentleman yield?

Mr. TRAFICANT. I yield to the gentleman from Washington [Mr. DICKS], the distinguished ranking member.

Mr. DICKS. I want to compliment the gentleman from Ohio who has been steadfast in his support for the Buy American provision and for this amendment. We have always been able to work this out in conference. The record of the CIA and other agencies in this bill in this area is very exemplary, by the way, but I want to compliment the gentleman. We have enjoyed working with him over the years, and we on our side of the aisle will be glad to accept the amendment as well.

Mr. TRAFICANT. I appreciate that. I do rise in support of the bill.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Ohio [Mr. TRAFICANT].

The amendment was agreed to.

Mr. CASTLE. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I do not offer an amendment at this time, but I would like to just discuss generally the subject of the intelligence budget and also a specific item under that which I think needs to be understood by the Members of this Congress.

I am new to the Permanent Select Committee on Intelligence in that I joined it in January of this year, and, quite frankly, I had no idea, as my colleague and many others in this body may, of the scope of what the intelligence community in the United States of America and beyond the United States of America actually does because of the nature of the information with which we deal. Obviously a lot of this is not discussed publicly, and I would encourage every Member, particularly the newer Members of Congress, those like me who are serving in our second term and the first-term Members, if they could possibly, to visit the Permanent Select Committee on Intelligence rooms to learn as much as they can about this extraordinary process. I think it is very, very important to our national security and something we should all understand.

I would like to congratulate the chairman of the Permanent Select Committee on Intelligence, the gentleman from Texas [Mr. COMBEST], and the ranking member, the gentleman from Washington [Mr. DICKS], and all the members actually of the Permanent Select Committee on Intelligence for the extraordinary devotion. They have been great mentors and teachers to me. They are as devoted as any group of individuals I have ever met to this subject and deserve, I think great congratulations. They do speak at times in acronyms, and I cannot understand them all the time, but I am trying to fight my way through that as well, as I cannot say enough about the staff itself, an extremely talented group of individuals and, again, one which is ready to help all the Members of this Congress when we have, when the Members have, an opportunity to understand better what we are doing in intelligence.

I did want to discuss one subject, and that is the subject of the satellites that we are dealing with in the intelligence side of the space program.

Pending results of the committee's IC 21 studies, which of course is what is going to happen in the 21st century, the bill before us makes no radical changes save in one area, and that area is satellites, where we took a number of substantial initiatives, for two primary reasons. First, the rationale for these actions is that current, well-published plans to reduce the number of intelligence spacecraft on orbit will leave us even more vulnerable to denial and deception.

A second reason is that space budgets have become unsustainably high. Without major reductions in space program costs, we will be faced with truly unpalatable choices. We will have to devote a still greater percentage of the intelligence budget to satellites. Or we will have to forego or eliminate some much-needed satellite capabilities in order to fund other overhead collection programs.

The space budget situation within the National Reconnaissance Program is little different from that encountered by others, such as NASA. And, our solutions sometimes will have to be similar to those now being pioneered by NASA—cutting spacecraft weight and launch costs, building satellites more rapidly and getting technology on orbit faster, taking full advantage of rapidly advancing commercial technology, and so on. Advancing technology and management changes could allow us to have more capability for less money. We are pushing these programs very hard, and I am pleased to see that, and we are pushing the programs, as I said, and the methodologies, which will in a few years—could permit a large and enduring for the future cost reduction. So we are confident that we are dealing correctly with the present and rapidly coming future technology which will ultimately help the taxpayers of the United States of America.

I just close again by thanking, congratulating, those who put in a lot of hours without television cameras or some of the normal glare and publicity that comes with this particular job because it makes a huge difference, and I think without it our country would suffer.

Mr. DICKS. Mr. Chairman, will the gentleman yield?

Mr. CASTLE. I yield to the gentleman from Washington.

Mr. DICKS. First of all, I want to thank the gentleman from Delaware [Mr. CASTLE] for his very kind remarks, and I want to share in those remarks not only about the chairman, but also about the staff of the committee. We have an extraordinary staff, and the gentleman from Texas [Mr. COMBEST] and I have worked very hard to try to bring the staff together in a very bipartisan way to try to deal with the issues, and to work for all the Members, and to work for the entire House, and I think they do an exceptional job, and I am very proud of all of the members of our staff.

I also would point out, too, to the gentleman I think he raises a very important point about the satellite issues. There was a long story just the other day in the Washington Post about the Corona program which was declassified, and one of the things that struck me in reviewing the article was the fact that there was so much misinformation between the United States and the Soviet Union about our missile forces, and one of the things that happened when we had these satellites and had better information is that is really quieted some of the fears and, I think, may have helped us avoid a confrontation between the United States and the soviet Union.

So good information is important not only for us, but also for our allies, and I think it helped the United States go through a very difficult time in its history and as we go now into a new era.

The CHAIRMAN. The time of the gentleman from Delaware [Mr. CASTLE] has expired.

(On request of Mr. DICKS and by unanimous consent, Mr. CASTLE was allowed to proceed for 2 additional minutes.)

Mr. DICKS. As we go into this new era, as my colleague knows, we are, in fact, making some investments in new capabilities in the satellite area, but over time it will help us reduce the amount of money necessary for intelligence. It is one of those things where we have to invest now in order to get the capability, but the capability we are going to have will mean fewer satellites in orbit, but much more capable satellites.

So I just hope we can stay with the program. I've urged John Deutch, and I realize that there are budgetary limitations. We all face that, but I think that the architecture the way we have today is a good one, and I think in the long term it is going to give us tremendous new capabilities that we can use more rapidly and will provide us with that same kind of high quality information that helped us get through the cold war era, and I think it will help us in the future as we deal with the various crises that we face.

But I want to commend the gentleman from Delaware [Mr. CASTLE], former Governor, a person who brings a lot of talent to this committee, as someone who I respect and who is up here every day doing his part on the committee for his attention to what the committee has been involved in.

Mr. CASTLE. Mr. Chairman, I thank the gentleman from Washington [Mr. DICKS] for his support of what I have spoken to and also his kind statements about me. I concur with the gentleman. The costs; I think satellites have a tremendous place in intelligence and security for this country. On the other hand we all know that the cost of satellites and the whole space costs are tremendous, and I think we have to work diligently and constantly to make sure that the reward that we get from this is worth the costs that we are putting into it, and never can we really let up on that. My view, after seeing this up close, is that this is a particularly difficult, but important, area, one that should take a substantial percentage of our time, and I agree.

Mr. DICKS. I think the gentleman is right. We are not going to have any choice but to be very, very certain that we do not have unnecessary redundancies and that we look at each of these architectures and try to take advantage. There are things that can be done with some of these satellites that will help other parts of the constellation, and that is one thing we need to continue to work on.

AMENDMENT OFFERED BY MR. FRANK OF MASSACHUSETTS

Mr. FRANK of Massachusetts. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. FRANK of Massachusetts:

Page 5, after line 22, insert the following:

SEC. 105. REDUCTION IN AUTHORIZATIONS.

(a) IN GENERAL.—Except as provided in subsection (b), the aggregate amount authorized to be appropriated by this Act, including the amounts specified in the classified Schedule of Authorizations referred to in section 102, is reduced by three percent.

(b) EXCEPTION.—Subsection (a) does not apply to amounts authorized to be appropriated by section 201 for the Central Intelligence Agency Retirement and Disability Fund.

(c) TRANSFER AND REPROGRAMMING AUTHORITY.—(1) The President, in consultation with the Director of Central Intelligence and the Secretary of Defense, may apply the reduction required by subsection (a) by transferring amounts among the accounts or reprogramming amounts within an account, as specified in the classified Schedule of Authorizations referred to in section 102, so long as the aggregate reduction in the amount authorized to be appropriated by this Act equals three percent.

(2) Before carrying out paragraph (1), the President shall submit a notification to the Permanent Select Committee on Intelligence of the House of Representatives and the Select Committee on Intelligence of the Senate, which notification shall include the reasons for each proposed transfer or reprogramming.

Mr. FRANK of Massachusetts (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. FRANK of Massachusetts. Mr. Chairman, we have just heard the ranking minority member tell us that, if we spend a little more money now on these satellites, it will allow us to reduce later on. I think this is now the fifth year in a row that I have heard that, and have yet to see the result of it. My amendment would reduce the authorization, which is already a significant amount over the appropriation, and again I apologize for the stupid way in which we will have to carry out this debate because we are not allowed to mention the gross numbers. The American public is not to be allowed to know what the total of billions of dollars is that we are spending, and we can talk about percentage increases, but we cannot talk about how much.

This is an effort to reduce from last year's budget rather than increase. The committee's proposal would increase by about 1.7 percent. Now the President asked for 5.5-percent increase. I think both are in error. This would be a 3-percent decrease. It would be about, oh, a little less than 1½ percent less than last year.

The point is, Mr. Chairman, that there has been a diminution in the task of intelligence greater than the diminution in any other government's job. At the maximum we were spending about 10 percent more than this bill calls for because we were confronting the Soviet Union, the nuclear-armed Soviet Union. What we are being told is that we can afford a really slight, a 10-percent, reduction in intelligence because of the collapse of the Soviet Union, and that does not mean we can go to Russia today, but Russia today is a pale shadow in terms of threat that the Soviet Union and the Warsaw Pact was. We have made significant progress with Ukraine and Kazakhstan. There are fewer nuclear weapons; there are certainly fewer weapons of a conventional sort, and again I want to deal with the silly argument that, well, it is true there is no more Soviet Union, but there is Iraq, there is Libya, there is Iran. Yes, and there were in 1985 and 1990. The argument is that the world is today somehow no safer for us than it was when we had the Soviet Union. It is one of the grossest examples of distorting logic to be in the service of spending that I have ever heard.

There is not now the military threat to our very survival that we faced. There are other threats, but there are no qualitative new threats. Chemical and biological weapons, nuclear proliferation, terrorism; these are not things we just invented a year or two ago. We have had them all along. We were 10 years dealing with the Soviet Union and with these other threats. Today the Soviet threat has been very substantially diminished, and the American people are not to be given the benefit.

Mr. Chairman, we will be telling students that their student aid will be less. It will cost one more, if they are a middle-income student, to go to college. The Republicans plan to raise premiums on the average Medicare recipient. We are not sure how much, whether they will be going up by $120 a year or $250 a year. I do not know. They are planning their budget to reduce the cost-of-living Social Security, but at the same time we increase intelligence from this year over last year.

Mr. Chairman, I want to talk particularly about the CIA, which gets a 5-percent increase, and I am glad we have a new head of the CIA. I hope he does much better, but if any other Government agency had been found to have made the errors and had the inefficiencies that the CIA had, it would be penalized.

Again I want to stress that the justification that we got from the chairman of the Committee on Appropriations' Subcommittee on Labor-HHS is for cutting Head Start. We are giving less money to Head Start. Why are we giving less money to Head Start? Because he said they are not spending it as efficiently as they could, but we are going to give a 5-percent increase to the CIA. The CIA is apparently perfectly efficient.

Now obviously, if we were in a different budgetary time, we would like to spend more money on a lot of things, but we are in a crisis. We are making painful cuts everywhere except in the CIA, except in these areas where the threat has diminished. If we had had an increase in child health equivalent to the decrease in the threat in the Soviet Union, we would have cut a lot more at HHS.

□ 1200

This budget erroneously says that at a time when we are cutting very important services to middle-income and lower-income Americans, when we are reducing money elsewhere, we are going to spend more here. There are threats to the safety of the average American. Tragically, they occur within the United States. I believe the average American today feels a lot more threatened by the violence that sadly engulfs many of our cities.

However, we cut back on money that a public housing authority could use for drug elimination. This House wiped out money for drug elimination grants in public housing, because we want to raise the money for the CIA. Ask the average American: Are you feeling more threatened by what the CIA deals with or by the drug people in your neighborhood, by that crime and violence? However, this House, if we pass this authorization, says no, we are going to cut out money that is used to fight drugs in America's streets, because we are going to increase it elsewhere.

Indeed, even terrorism has become tragically a domestic problem. That is the FBI, that is the DEA, that is the BATF.

If we want to fight crime, we have a counterterrorism bill reported out by the Committee on the Judiciary, but in part because there is some right-wing unhappiness about it, that is being held up. So please do not tell me that you are going to fight terrorism by giving more money to the CIA and hold up the counterterrorism bill, and cut drug elimination grants and cut other kinds of programs that would help local law enforcement. I hope this amendment is agreed to.

Let me just make the last point, that this amendment says that the 3-percent cut is across the board unless the President, in consultation with intelligence officials, decides to reallocate it, and tells us about it. So it is not going to require 3 percent for everything. It sets a target of 3 percent and gives the President, with the Director of Central Intelligence or the Secretary of Defense, the flexibility to apply it as they think best.

Mr. COMBEST. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, it comers as no surprise to the gentleman from Massachusetts [Mr. FRANK], I am sure, that I am opposed to the amendment. I would say to the gentleman that he has been very tenacious in his efforts. I know that the gentleman comes at this purely from a belief that he is doing the right thing. I have always respected that, among all Members.

Mr. Chairman, I want to make certain that there is not a misunderstanding. This is no intent to indicate that the gentleman intentionally misspoke. First, we will probably have a strong disagreement on the fact that there has been actually a diminishing of the need for intelligence. That is an arguable point, of which probably neither of us would be swayed. I do not see that threat diminishing.

Second, as he had made reference to an earlier comment by the ranking member, the gentleman from Washington [Mr. DICKS], that expenditures now would give us an opportunity to reduce in the future and that he has not seen any of that reduction, I wanted to just share with the Members the chart that we had. This is the actual expenditure line, and it is somewhat difficult to read. On the far left is 1989, and it runs through the 1996 mark, or the direction the intelligence budget has been going. So there has been a decrease on overall expenditures of intelligence through 1995 fiscal year, and it is difficult to see on this chart, because it is a slight increase, as mentioned, 1.3. The gentleman is totally correct, I mentioned in my opening comments the amount of percentage, but there has been a decrease.

Candidate Clinton proposed a decrease over a period of 7 years, which actually, in reality, was reached last year. It is an argument and a discussion that I presume quite seriously will go on for some time. The cut would take us below the levels of last year, if, in fact, it were implemented. Again, I am sure it comes as no surprise, but I would rise in strong opposition to the amendment.

Ms. PELOSI. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I rise in support of the Frank amendment. Frankly, this morning, I still had not made up my mind about the amendment, because I have not been supportive of across-the-board cuts in a budget where people cannot really see what the expenditures are.

My colleague, the gentleman from Massachusetts [Mr. FRANK] has clearly put forth to this body his view of the diminution of the threat as well as the values priorities debate, the context within which this debate on this authorization bill takes place today: our spending on intelligence.

Certainly we can all stipulate in this body that we want our President, whoever the President is, to have the best possible intelligence in dealing with the international situation, in dealing with the increased threat of terrorism, and the list goes on.

I associate myself with the remarks of our colleague, the gentleman from Colorado [Mr. SKAGGS], in support of the environmental task force and its important work. I have certain concerns about justifying the intelligence budget on the basis for economic reasons, because I do not believe that is what should justify our spending in the intelligence arena.

I, too, associate myself with the remarks of our colleagues in support of the new Director of Central Intelligence, Mr. Deutch. I am pleased with the comments he has made about considering protecting human rights is determining our sources and methods as he takes over the leadership of the intelligence community. He is a very welcome new DCI. He has outstanding credentials. He has access to the President, and he the respect of many Members of Congress. We all wish him well. His success is important to us.

I do have some concerns about his statement of yesterday on expanding covert operations, and look forward to hearing more about that.

Having said all of that about the need for our President to have the vest possible intelligence, and also stating that I voted against the 10-percent across-the-board cut that was proposed in the appropriations bill the other day, because of the nature of the cut, I want to commend the gentleman from Massachusetts [Mr. FRANK] for his amendment today. I think the 3-percent cut is prudent and reasonable.

As I said at the beginning of my remarks when I came into the room, I still had concerns about what I thought was an across-the-board cut, which did not take into consideration what our ranking member referred to and our chairman referred to as investments that will produce savings down the road, et cetera. I do not consider every proposal or element of this budget, of this authorization bill and the budget it contains, to be of the same priority.

I was pleased to see, therefore, and I hope our colleagues will read the Frank amendment because, as the gentleman said at the close of his remarks, the amendment is very smart. It is a targeted smart amendment. It is a 3-percent cut. It makes an exception in that it does not apply to amounts authorized to be appropriated for the Central Intelligence Agency's retirement and disability fund, so that our obligations to our retirees will be met to them.

It also gives transfer and programming authority, unlike most across-the-board cuts. It says, "The President, in consultation with the Director of Central Intelligence and the Secretary of Defense, may apply the reductions required by subsection A by transferring amounts among the accounts or reprogramming amounts within an account as specified in section 102, so long as the aggregate reduction in the amount authorized be appropriated in this act equals 3 percent." So I support this amendment because it gives discretion to the President and the Secretary of DOD and the Director of Central Intelligence. It is very appropriate and appealing in terms of attracting the votes of our colleagues.

I also think our colleagues should be aware of the fact that some of the money that the gentleman from Massachusetts [Mr. FRANK] would cut with this amendment has already been accommodated by the Committee on Appropriations. So I thank him for giving this body an opportunity to say to the intelligence community, "We support you very strongly." Certainly, even though we cannot talk about amounts, this budget, even with the proposed cut of the gentleman from Massachusetts, will still be very, very substantial.

We support and encourage and congratulate and commend the new DCI, Mr. Deutch, and hope that we can work together with him so he can be successful. If we are asking all Americans to tighten their belts, if we are asking all agencies of government to tighten their belts except the DOD, and the DOD appropriations bill has already accommodated some of this change, the DOD authorization being less than this authorization, then I think our colleagues in this body should say to the intelligence community, "Join with us in being much more fiscally responsible in terms of dollars spent for the results that we must have to be a strong country based on the intelligence that we need for our President to lead us.

Therefore, it is in that spirit I urge our colleagues to support this smart amendment, the Frank amendment. It is selective, it gives discretion to the President, it is an appropriate amount, it has already been accommodated by the Committee on Appropriations, and it is fair.

Ms. WOOLSEY. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise in strong support of the Frank amendment to the 1996 Intelligence authorization bill.

My friends, once again I am here to remind you, the cold war is over. We won! It is time for the Defense and Intelligence budgets to reflect this reality.

The Frank amendment is a reasonable amendment to the Intelligence budget. The CIA and other parts of the intelligence apparatus can certainly stand a 3-percent cut. This is a modest cut, a fair cut.

Do not forget, this week the Republican majority is going to ask our seniors to take a bigger cut in their Medicare coverage. Don't forget that we are asking our school children to take a bigger cut in education funding. We're asking college students; working families; and the elderly to cope with all kinds of cuts, in lots of important programs.

Three percent? That's not much. That's reasonable. Let's cut the bloated intelligence budget. Let's ask the CIA to sacrifice for a change.

Pass the Frank amendment.

Mr. SKAGGS. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I will not take the full 5 minutes, but an important fact Members need to keep in mind in judging this proposal has to do with the action taken just last week on the defense appropriations bill. Inherent in our decisions on the appropriations, which include appropriations for intelligence activities, was essentially a 2-percent reduction under the level authorized in the bill now before us. So the practical effect of the gentleman's amendment would be another 1-percent reduction below the 2 percent that has effectively already been approved by this body during the appropriations process.

Should we do that? This is certainly a question about which reasonable people, all dedicated to the proposition that we need a strong defense and an effective intelligence operation in support of national security, can disagree. I come down without great pleasure in support of the gentleman's amendment, without pleasure because I recognize, as our chairman has pointed out, that these are essential, important functions for our overall national security.

However, the question is, are they sacrosanct? Is there no room for some further efficiencies and some further tightening and setting of priorities to occur within the intelligence community, beyond what we have already forced on them, because in real dollar terms there have been constraints imposed over the last couple of years. I believe that they can endure that, and that they need to be asked to, out of fundamental equity.

Our national defense and the intelligence operations in support of it are our shield. But if that shield is surrounding a society and a culture and a nation that has been, to some degree, eaten out from inside, where our real strength depends on the education of our kids and the kind of investments we are making in technology and health care and all the rest, there is a disconnect there. I think the gentleman's amendment establishes an equity and a connection that is very important, as we are asking most Americans to do with less, and the rest of Government to shrink.

This is a very modest proposal. It will not go without imposing some pain on important functions within the intelligence community, but comparatively speaking, the kind of pain that we are asking others in this country to sustain as we shrink Government and cut the budget and get things into balance, this is disproportionately small, and I think, therefore, is something we can do in good conscience with respect to both to national security and a sense of national equities.

Mr. COMBEST. Mr. Chairman, will the gentleman yield?

Mr. SKAGGS. I yield to the gentleman from Texas.

Mr. COMBEST. Mr. Chairman, I wanted to clarify for certain that I had understood the gentleman earlier. He did rise earlier in support of increasing the amount relative to the environmental intelligence program and increasing the amount available for the declassification of documents?

Mr. SKAGGS. The gentleman is correct, in support of removing the cap that is now in the bill on the declassification operations of individual agencies, and as the gentleman knows, the amounts that might be involved in the environmental task force, compared to the overall size of what we are talking about in the budget, is fractions of hundredths of percents.

☐ 1215

If the gentleman is intent on pointing out an inconsistency in my position on this in the technical sense, he is probably correct. In a practical sense, I really do not think so.

Mr. COMBEST. If the gentleman will continue to yield, it is not an inconsistency, it is just the fact that in the budget obviously the programs we are looking at, we looked at in terms of priority. It has been estimated that the declassification would require $70 million. That is a substantial amount of money for declassification. That is why we limited. It is not the objection that the chairman had to the declassification idea. It was the fact that there are many, many programs that would be detrimentally affected. I just wanted to make for certain that the gentleman, while he was supporting a further reduction, was asking for an increase in some other areas that could amount to several tens of millions of dollars.

Mr. SKAGGS. If I can reclaim my time, I am certainly happy to discuss with the chairman what a reasonable level would be to deal with, for instance, the declassification issue. Having it open-ended probably is not a reasonable approach. I think the caps that are suggested in the bill now may be set too low and I think our colleagues in the other body have come to that conclusion as well.

The main question here is one of setting priorities. I think reasonable people can come to different conclusions while still having a profound commitment to a robust and effective intelligence operation for the country.

The CHAIRMAN. The time of the gentleman from Colorado [Mr. SKAGGS] has expired.

(On request of Mr. FRANK of Massachusetts, and by unanimous consent, Mr. SKAGGS was allowed to proceed for 1 additional minute.)

Mr. SKAGGS. I yield to the gentleman from Massachusetts.

Mr. FRANK of Massachusetts. Mr. Chairman, I thank the gentleman for yielding.

While we are talking about the whole consistency issue—at least I am—I did want to note, I was in agreement with the chairman when he got up and talked about the reductions, because I acknowledge there has been some reduction. But the chairman, when he talked about reductions, talked about 1989 dollars, in other words, a failure to keep up with inflation is considered a cut, and I think that is an appropriate accounting measure. But I do think that when we do that kind of accounting, when we say that a failure to keep up with inflation is a cut, it should not just be to the benefit of the intelligence community, it ought to be relevant to Medicare and everything else.

I think talking about it in constant 1989 dollars, that is, saying that a failure to keep up with inflation is a cut, that is a good way to do accounting but it ought to be for the rest of the budget as well.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Massachusetts [Mr. FRANK].

The question was taken; and the Chairman announced that the ayes appeared to have it.

RECORDED VOTE

Mr. COMBEST. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 162, noes 262, not voting 10, as follows:

[Roll No. 654]

AYES—162

Allard
Baldacci
Barcia
Barrett (WI)
Becerra
Beilenson
Bentsen
Berman
Blute
Bonior
Borski
Boucher
Brewster
Brown (CA)
Brown (FL)
Brown (OH)
Brownback
Bryant (TX)
Bunn
Camp
Clay
Clayton
Clement
Clyburn
Coble
Coburn
Collins (IL)
Collins (MI)
Condit
Conyers
Costello
Coyne
Danner
DeFazio
DeLauro
Dellums
Doggett
Duncan
Durbin
Ehlers
Ensign
Eshoo
Evans
Farr
Fattah
Fields (LA)
Filner
Flake
Flanagan
Foglietta
Ford
Frank (MA)
Furse
Gephardt
Goodlatte
Gordon
Green
Gutierrez
Gutknecht
Hefner
Hilliard
Hinchey
Hoekstra
Jackson-Lee
Jacobs
Johnson (SD)
Kanjorski
Kaptur
Kennedy (MA)
Kennelly
Kleczka
Klug
LaFalce
Lantos
Levin
Lewis (GA)
Lincoln
Lipinski
LoBiondo
Lofgren
Lowey
Luther
Maloney
Manton
Manzullo
Markey
Martinez
Martini
McCarthy
McDermott
McKinney
McNulty
Meehan
Menendez
Metcalf
Mfume

Miller (CA)
Minge
Mink
Morella
Nadler
Neal
Oberstar
Obey
Olver
Orton
Owens
Pastor
Payne (NJ)
Payne (VA)
Pelosi
Peterson (MN)
Petri
Porter
Poshard
Ramstad
Rangel
Rivers
Roemer
Rohrabacher
Roth
Roukema
Roybal-Allard
Royce
Rush
Sabo
Sanders
Sanford
Sawyer
Saxton
Schroeder
Schumer
Sensenbrenner
Serrano
Shays
Skaggs
Slaughter
Smith (MI)
Smith (WA)
Souder
Stark
Stenholm
Studds
Stupak
Thompson
Torres
Torricelli
Towns
Upton
Velazquez
Vento
Volkmer
Ward
Waters
Watt (NC)
Waxman
Weller
Williams
Woolsey
Wyden
Yates
Zimmer

NOES—262

Abercrombie
Ackerman
Andrews
Archer
Armey
Bachus
Baesler
Baker (CA)
Baker (LA)
Barr
Barrett (NE)
Bartlett
Barton
Bass
Bateman
Bereuter
Bevill
Bilbray
Bilirakis
Bishop
Bliley
Boehlert
Boehner
Bonilla
Bono
Browder
Bryant (TN)
Bunning
Burr
Burton
Buyer
Callahan
Calvert
Canady
Castle
Chabot
Chambliss
Chapman
Chenoweth
Christensen
Chrysler
Clinger
Coleman
Collins (GA)
Combest
Cooley
Cox
Cramer
Crane
Crapo
Cremeans
Cubin
Cunningham
Davis
de la Garza
Deal
DeLay
Deutsch
Diaz-Balart
Dickey
Dicks
Dingell
Dixon
Dooley
Doolittle
Dornan
Doyle
Dreier
Dunn
Edwards
Ehrlich
Emerson
Engel
English
Everett
Ewing
Fawell
Fazio
Fields (TX)
Foley
Forbes
Fowler
Fox
Franks (CT)
Franks (NJ)
Frelinghuysen
Frisa
Funderburk
Gallegly
Ganske
Gejdenson
Gekas
Geren
Gibbons
Gilchrest
Gillmor
Gilman
Gonzalez
Goodling
Goss
Graham
Greenwood
Gunderson
Hall (OH)
Hall (TX)
Hamilton
Hancock
Hansen
Harman
Hastert
Hastings (FL)
Hastings (WA)
Hayes
Hayworth
Hefley
Heineman
Herger
Hilleary
Hobson
Hoke
Holden
Horn
Hostettler
Houghton
Hoyer
Hunter
Hutchinson
Hyde
Inglis
Istook
Jefferson
Johnson (CT)
Johnson, E. B.
Johnson, Sam
Jones
Kasich
Kelly
Kennedy (RI)
Kildee
Kim
King
Kingston
Klink
Knollenberg
Kolbe
LaHood
Largent
Latham
LaTourette
Laughlin
Lazio
Leach
Lewis (CA)
Lewis (KY)
Lightfoot
Linder
Livingston
Longley
Lucas
Mascara
Matsui
McCollum
McCrery
McDade
McHale
McHugh
McInnis
McIntosh
McKeon
Meek
Meyers
Mica
Miller (FL)
Mineta
Molinari
Montgomery
Moorhead
Moran
Murtha
Myers
Myrick
Nethercutt
Neumann
Ney
Norwood
Nussle
Ortiz
Oxley
Packard
Pallone
Parker
Paxon
Peterson (FL)
Pickett
Pombo
Pomeroy
Portman
Pryce
Quillen
Quinn
Radanovich
Rahall
Reed
Regula
Richardson
Riggs
Roberts
Rogers
Ros-Lehtinen
Rose
Salmon
Scarborough
Schaefer
Schiff
Scott
Seastrand
Shadegg
Shaw
Shuster
Skeen
Skelton
Smith (NJ)
Smith (TX)
Solomon
Spence
Spratt
Stearns
Stockman
Stokes
Stump
Talent
Tanner
Tate
Tauzin
Taylor (MS)
Taylor (NC)
Tejeda
Thomas
Thornberry
Thornton
Thurman
Tiahrt
Torkildsen
Traficant
Visclosky
Vucanovich
Walker
Walsh
Wamp
Watts (OK)
Weldon (FL)
Weldon (PA)
White
Whitfield
Wicker
Wilson
Wise
Wolf
Wynn
Young (AK)
Young (FL)
Zeliff

NOT VOTING—10

Ballenger
Cardin
Frost
Johnston
Moakley
Mollohan
Reynolds
Sisisky
Tucker
Waldholtz

☐ 1236

Messrs. FAWELL, PALLONE, BAESLER, and DEUTSCH changed their vote from "aye" to "no."

Mr. BRYANT of Texas, Mr. EHLERS, and Mrs. SMITH of Washington changed their vote from "no" to "aye."

So the amendment was rejected.

The result of the vote was announced as above recorded.

The CHAIRMAN (Mr. BURTON). Are there further amendments?

AMENDMENT NO. 5 OFFERED BY MR. FRANK OF MASSACHUSETTS

Mr. FRANK of Massachusetts. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment No. 5 offered by Mr. FRANK of Massachusetts: Page 10, after line 17, inset the following:

SEC. 308. DISCLOSURE OF ANNUAL INTELLIGENCE BUDGET.

As of October 1, 1995, and for fiscal year 1996, and in each year thereafter, the aggregate amounts requested and authorized for, and spent on, intelligence and intelligence-related activities shall be disclosed to the public in an appropriate manner.

Mr. FRANK of Massachusetts. Mr. Chairman, I want to thank the Chair personally for the consideration shown me during this debate, and I apologize for being held up a little bit.

This amendment would have made the last debate intelligible. I understand that "intelligible" and "intelligence" are not identical words, but they ought to have a closer correlation than they have today.

Mr. Chairman, we have in the law a restriction on the American people knowing the gross number of the intelligence authorization and appropriation. All this amendment would do, and that is why I did not ask that it be considered as read and that the reading be dispensed with. I wanted it read in its entirety, because this does not say that categories or line items or even departmental breakdowns would be legal. It says the overall gross amount.

Mr. Chairman, we just had a debate in which we were talking about percentage reductions and I was asked, as I am sure my colleagues on the Permanent Select Committee on Intelligence were asked by a number of Members, "Well, how much is this?"

We were able to tell each other, because as Members, we are automatically trustworthy and, therefore, we can know about all these secrets. We can tell each other the number. Others trying to evaluate this debate, American citizens, journalists and others, theoretically, are not to know what we were talking about in the previous amendment.

Mr. Chairman, when I moved to cut 3 percent, 3 percent of what? Was that $100 million; a billion dollars; $10 billion? People have an order of magnitude idea, but especially as we were talking, as we were, about 3 percent versus 1.7 versus 0.5 percent, and the gentleman from Colorado and the chairman of the committee were talking about tens of millions of dollars, not having any idea, it seems to me, a mistake.

Obviously, the extent that foreign spies, foreign governments, could benefit from knowing, this, and the argument was, let us not make this total available, because other people could know something based on the total.

Mr. Chairman, they know it. No one believes that people who have an interest to malign us in knowing the total, fail to know it. All we accomplish by this foolish restriction of publishing the gross number is to make it harder for the American people to follow what we are doing; to make it harder for Members to vote.

I must tell my colleagues that I myself had some difficulty, because in preparing this amendment I had to wait until I could find the time to go to the intelligence room, as I always do once a year to review these things, and I had to read this and make my calculations.

Mr. Chairman, I read some calculations in the paper and people say well, everybody knows it. There were some calculations about this budget, in one of the most respected information sources that the House uses, that were wrong. There was a report of a 6-percent increase. Well, that's about a portion of it. I had difficulty in preparing this amendment in final form because of that.

There is no justification, whatsoever, for this fundamental deviation from basic democratic principles. Namely, that the American people ought to know the overall total that is being spent.

No one can argue, and no one has argued, that knowing the overall total will somehow hurt the national security. So the augment is, Well, if we tell them the overall total, the next thing we know they will be getting the hat size of the chief of intelligence in country X. The answer is no. That simply is not true.

We are changing the law. It is a statutory requirement that says we can't give the overall total. We will amend that statutory requirement that says you can give the overall total. Everything else that is now illegal will be illegal. Everything else that is secret by law will be secret and it will take a further statute to change it.

And the notion somehow that statutes are like dominos and if you change one, it automatically hits and knocks over the next is out of touch with reality. The American people, at a time of budgetary stress, have a right to know what the total is, instead of trying to guess or looking at newspapers and winking and saying it is illegal, but we do not pay any attention to it.

Mr. DICKS. Mr. Chairman, will the gentleman yield?

Mr. FRANK of Massachusetts. I yield to the gentleman from Washington.

Mr. DICKS. Mr. Chairman, I want to tell the gentleman I have supported this amendment before. I intend to support it again, but I want to ask the gentleman: Does the gentleman believe that we should not go further than just disclosing the top line number? Is that adequate from the gentleman's point of view?

Mr. FRANK of Massachusetts. Mr. Chairman, reclaiming my time, yes, that is perfectly adequate. I think if we have the top line number and people can calculate the percentages, that is fine.

Mr. Chairman, let me say, as I recall these debates, and the gentleman from Washington [Mr. DICKS] has been in them as well, we never debate more than the top line number, because none of us really think that we ought to be getting into the line items.

This is one authorization where I do not remember any line item amendments. The amendments have generally been the overall ones. I think that reinforces the view that is what is appropriate for the House overall is the overall number. In my amendment, I gave flexibility below that.

Mr. DICKS. Mr. Chairman, if the gentleman would continue to yield, one thing I want to make sure that the Members of the House understand, because we have a lot of new Members, and that is that the intelligence budget is part of the defense budget. These are not two separate budgets.

Sometimes I have people say, "I did not realize that the intelligence budget is a piece of the defense budget."

□ 1245

It is one big budget.

Mr. FRANK of Massachusetts. That is right. In fairness to the Defense Department, the people in uniform, there ought to be some knowledge. Nobody knows exactly what piece of the defense budget it is. It makes it harder even when people are talking about that. You might have a decrease in one part and an increase in another.

By the way, that is one point, we let the gross number of the defense budget be known. Presumably, if there were some terrible problem or even minor problem that would come from the gross number being known, you would know that from the defense budget.

I want to reinforce what I said, I do not plan to go any further and would not support going further than the aggregate number. Again, I think the debate we have had in both the authorization and appropriating process in intelligence bear that out. There has been no effort, as I recall, to do amendments that went below the gross number.

Mr. DICKS. If the gentleman would yield further, I say to the gentleman, I, too, would support that position. I do not have a problem with disclosing the overall number, but I would definitely oppose going any further in disclosing the components of that number.

Mr. FRANK of Massachusetts. I think the gentleman. I know he could not go any further. I would not ask him to. I appreciate his support on this effort.

Mr. COMBEST. Mr. Chairman, I rise in opposition to the amendment and, again, I respect the persistence of the gentleman from Massachusetts in this effort.

I appreciate the fact that the gentleman from Massachusetts does make himself available, goes to the committee and takes the time to look through the classified annex to look at the expenditure levels that we do make available to Members of Congress in H–405. I think that shows a seriousness and the fact that he is a very responsible Member in this effort. I cannot argue with a number of the things the gentleman has said and the fact that there have been a lot of reports done publicly by media and by others approximating or at least in their wording assuming that, or it is stated that the intelligence budget is "X." That is always a second line of the story.

If there is, in fact, a specific release of the amount of moneys expended on intelligence, that will become the story, and then the next obvious step is to begin to look at, well, how does that break down in expense. I think the American people understand and recognize the fact that there are secrets. Whether or not every one of them are going to agree with what those classified secrets should be, of course, is going to be variable depending upon the outlook the individual may have.

I do not hear a clamor or cry to divulge the budget. I think it is the beginning of a movement down a road that, in fact, would prove to be burdensome later at some point.

I would, as I have indicated, rise in opposition to the amendment and urge my colleagues to defeat the amendment.

Ms. PELOSI. Mr. Chairman, I move to strike the last word.

With the chairman's indulgence, I will be very brief.

Mr. Chairman, I rise in support of the amendment offered by the gentleman from Massachusetts [Mr. FRANK]. As you know, we have been through this debate before. When Mr. Glickman was Chair of the committee, he held hearings on this subject.

I think that the testimony was very compelling in support of releasing the aggregate sum. I think it is important for the intelligence community, for our committee to be able to defend that figure in perspective and on balance as far as other Federal spending is concerned. While I am on the subject of openness, I also want to associate myself with the remarks of the gentleman from Colorado [Mr. SKAGGS] earlier about the declassification of more information where it is appropriate. I think that would be a good investment of our dollars.

With regard to this amendment, I thank the gentleman from Massachusetts [Mr. FRANK] for his leadership on it and urge my colleagues to vote "aye" on the Frank amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Massachusetts [Mr. FRANK].

The question was taken; and the Chairman announced that the noes appeared to have it.

RECORDED VOTE

Mr. FRANK of Massachusetts. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 154, noes 271, not voting 9, as follows:

[Roll No. 655]

AYES—154

Ackerman
Bachus
Baldacci
Barcia
Barrett (WI)
Becerra
Beilenson
Berman
Bonior
Borski
Browder
Brown (CA)
Brown (FL)
Brown (OH)
Bunn
Clay
Clayton
Clement
Clyburn
Collins (IL)
Collins (MI)
Condit
Conyers
Costello
Coyne
Danner
DeFazio
DeLauro
Dellums
Dicks
Doggett
Duncan
Durbin
Engel
Eshoo
Evans
Farr
Fazio
Fields (LA)
Filner
Flake
Foglietta
Ford
Frank (MA)
Frost
Furse
Gejdenson
Gephardt
Gibbons
Gonzalez
Goodlatte
Gordon
Green
Gutierrez
Hamilton
Harman
Hastings (FL)
Hefner
Hilliard
Hinchey
Horn
Istook
Jackson-Lee
Jacobs
Johnson (SD)
Johnson, E. B.
Johnston
Kanjorski
Kennedy (MA)
Kennedy (RI)
Kildee
Kleczka
Lantos
Levin
Lewis (GA)
Lincoln
Lipinski
Lofgren
Lowey
Luther
Maloney
Manton
Markey
Martinez
Matsui
McCarthy
McDermott
McKinney
McNulty
Meehan
Menendez
Metcalf
Mfume
Miller (CA)
Mineta
Minge
Mink
Moran
Morella
Nadler
Neal
Oberstar
Obey
Olver
Owens
Pallone
Pastor
Payne (NJ)
Payne (VA)
Pelosi
Peterson (MN)
Pomeroy
Poshard
Rangel
Reed
Riggs
Roemer

Rohrabacher
Rose
Roybal-Allard
Rush
Sabo
Sanders
Sawyer
Schroeder
Schumer
Scott
Serrano
Shays
Skaggs
Slaughter
Spratt
Stark
Stenholm
Stokes
Studds
Stupak
Thompson
Thornton
Thurman
Torres
Torricelli
Towns
Velazquez
Vento
Ward
Waters
Watt (NC)
Waxman
Williams
Woolsey
Wyden
Yates
Zimmer

NOES—271

Abercrombie
Allard
Andrews
Archer
Armey
Baesler
Baker (CA)
Baker (LA)
Ballenger
Barr
Barrett (NE)
Bartlett
Barton
Bass
Bateman
Bentsen
Bereuter
Bevill
Bilbray
Bilirakis
Bishop
Bliley
Blute
Boehlert
Boehner
Bonilla
Bono
Boucher
Brewster
Brownback
Bryant (TN)
Bryant (TX)
Bunning
Burr
Burton
Buyer
Callahan
Calvert
Camp
Canady
Castle
Chabot
Chambliss
Chapman
Chenoweth
Christensen
Chrysler
Clinger
Coble
Coleman
Collins (GA)
Combest
Cooley
Cox
Cramer
Crane
Crapo
Cremeans
Cubin
Cunningham
Davis
de la Garza
Deal
DeLay
Deutsch
Diaz-Balart
Dickey
Dingell
Dixon
Dooley
Doolittle
Dornan
Doyle
Dreier
Dunn
Edwards
Ehlers
Ehrlich
Emerson
English
Ensign
Everett
Ewing
Fattah
Fawell
Fields (TX)
Flanagan
Foley
Forbes
Fowler
Fox
Franks (CT)
Franks (NJ)
Frelinghuysen
Frisa
Funderburk
Gallegly
Ganske
Gekas
Geren
Gilchrest
Gillmor
Gilman
Goodling
Goss
Graham
Greenwood
Gunderson
Gutknecht
Hall (OH)
Hall (TX)
Hancock
Hansen
Hastert
Hastings (WA)
Hayes
Hayworth
Hefley
Heineman
Herger
Hilleary
Hobson
Hoekstra
Hoke
Holden
Hostettler
Houghton
Hoyer
Hunter
Hutchinson
Hyde
Inglis
Jefferson
Johnson (CT)
Johnson, Sam
Jones
Kaptur
Kasich
Kelly
Kennelly
Kim
King
Kingston
Klink
Klug
Knollenberg
Kolbe
LaFalce
LaHood
Largent
Latham
LaTourette
Laughlin
Lazio
Leach
Lewis (CA)
Lewis (KY)
Lightfoot
Linder
Livingston
LoBiondo
Longley
Lucas
Manzullo
Martini
Mascara
McCollum
McCrery
McDade
McHale
McHugh
McInnis
McIntosh
McKeon
Meek
Meyers
Mica
Miller (FL)
Molinari
Montgomery
Moorhead
Murtha
Myers
Myrick
Nethercutt
Neumann
Ney
Norwood
Nussle
Ortiz
Orton
Oxley
Packard
Parker
Paxon
Peterson (FL)
Petri
Pickett
Pombo
Porter
Portman
Pryce
Quillen
Quinn
Radanovich
Rahall
Ramstad
Regula
Richardson
Rivers
Roberts
Rogers
Ros-Lehtinen
Roth
Roukema
Royce
Salmon
Sanford
Saxton
Scarborough
Schaefer
Seastrand
Sensenbrenner
Shadegg
Shaw
Shuster
Skeen
Skelton
Smith (MI)
Smith (NJ)
Smith (TX)
Smith (WA)
Solomon
Souder
Spence
Stearns
Stockman
Stump
Talent
Tanner
Tate
Tauzin
Taylor (MS)
Taylor (NC)
Tejeda
Thomas
Thornberry
Tiahrt
Torkildsen
Traficant
Upton
Visclosky
Volkmer
Vucanovich
Waldholtz
Walker
Walsh
Wamp
Watts (OK)
Weldon (FL)
Weldon (PA)
Weller
Whitfield
Wicker
Wilson
Wise
Wolf
Wynn
Young (AK)
Young (FL)
Zeliff

NOT VOTING—9

Cardin
Coburn
Moakley
Mollohan
Reynolds
Schiff
Sisisky
Tucker
White

☐ 1309

Mr. SCOTT and Mr. STOKES changed their vote from "no" to "aye."

So the amendment was rejected.

The result of the vote was announced as above recorded.

The CHAIRMAN. Are there further amendments?

If not, the question is on the committee amendment in the nature of a substitute, as modified, as amended.

The committee amendment in the nature of a substitute, as modified, as amended, was agreed to.

The CHAIRMAN. Under the rule, the Committee rises.

Accordingly the Committee rose; and the Speaker pro tempore (Mr. GOODLATTE) having assumed the chair, Mr. BURTON of Indiana, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 1655) to authorize appropriations for fiscal year 1996 for intelligence and intelligence-related activities of the United States Government, the Community Management Account, and the Central Intelligence Agency Retirement and Disability System, and for other purposes, pursuant to House Resolution 216, he reported the bill back to the House with an amendment adopted by the Committee of the Whole.

The SPEAKER pro tempore. Under the rule, the previous question is ordered.

Is a separate vote demanded on any amendment to the committee amendment in the nature of a substitute adopted by the Committee of the Whole? If not, the question is on the amendment.

The amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

AUTHORIZING THE CLERK TO MAKE CORRECTIONS IN ENGROSSMENT OF H.R. 1655, INTELLIGENCE AUTHORIZATION ACT FOR FISCAL YEAR 1996

Mr. COMBEST. Mr. Speaker, I ask unanimous consent that in the engrossment of the bill H.R. 1655 the Clerk be authorized to make such technical and conforming changes that will be necessary to correct such things as spelling, punctuation, cross-referencing, and section numbering.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Texas?

There was no objection.

GENERAL LEAVE

Mr. COMBEST. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks and include therein extraneous material on H.R. 1655, the bill just passed.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Texas?

There was no objection.

DEFICIT REDUCTION LOCKBOX ACT OF 1995

Mr. GOSS. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 218 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 218

Resolved, That at any time after the adoption of this resolution the Speaker may, pursuant to clause 1(b) of rule XXIII, declare the House resolved into the Committee of the Whole House on the State of the Union for consideration of the bill (H.R. 1162) to establish a Deficit Reduction Trust Fund and provide for the downward adjustment of discretionary spending limits in appropriation bills. The first reading of the bill shall be dispensed with. General debate shall be confined to the bill and shall not exceed one hour equally divided and controlled by the chairman and ranking minority member of the Committee on Rules. After general debate the bill shall be considered for amendment under the five-minute rule. It shall be in order to consider as an original bill for the purpose of amendment under the five-minute rule the amendment in the nature of a substitute recommended by the Committee on Rules. The committee amendment in the nature of a substitute shall be considered as read. Points of order against the committee amendment in the nature of a substitute for failure to comply with clause 7 of rule XVI are waived. During consideration of the bill for amendment, the Chairman of the Committee of the Whole may accord priority in recognition on the basis of whether the Member offering an amendment has caused it to be printed in the portion of the CONGRESSIONAL RECORD designated for that purpose in clause 6 of rule XXIII. Amendments so printed shall be considered as read. At the conclusion of consideration of the bill for amendment the Committee shall rise and report the bill to the House with such amendments as may have been adopted. Any Member may demand a separate vote in the House on any amendment adopted in the Committee of the Whole to the bill or to the committee amendment in the nature of a substitute. The previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit with or without instructions.

□ 1315

The SPEAKER pro tempore. The gentleman from Florida [Mr. GOSS] is recognized for 1 hour.

Mr. GOSS. Mr. Speaker, for the purpose of debate only, I yield the customary 30 minutes to the gentleman from Texas [Mr. FROST] pending which I yield myself such time as I may consume. During consideration of this resolution, all time yielded is for the purpose of debate only.

Mr. Speaker, this is an open rule, providing for the consideration of H.R. 1162, the Deficit Reduction Lockbox Act of 1995, an important budget tool to hold us accountable for making sure that spending cuts translate into savings for the American people. I am delighted that we are following through on the promise of considering the lockbox as a freestanding bill. As Members know, this House approved the lockbox as an amendment to the Labor–HHS spending bill in early August. If it were up to the clear majority of this House, lockbox would be the law of the land. But of course we know that ours is a bicameral legislature, and we must secure enactment of our good ideas by convincing our friends in the other body to concur. In sending them lockbox legislation as part of a spending bill and a freestanding bill, we are sending a clear signal that we are committed to lockbox and we want them to act.

Although there was much agreement on the Rules Committee proposal, we do expect several issues to be raised during the debate. The open amendment process will provide Members the chance to air any remaining concerns they have in a full and fair way. Once again the rule provides the option for priority recognition to those Members who have had their amendments printed in the CONGRESSIONAL RECORD.

Mr. Speaker, this rule provides an hour of general debate and makes in order as an original bill for the purpose of amendment the amendment in the nature of a substitute recommended by the Committee on Rules. The rule also provides that the amendment considered as read and open to amendment at any point.

On the advice of the Parliamentarian, this rule waives clause 7 of rule XVI against consideration of the committee amendment in the nature of a substitute. The reason for this germaneness waiver is somewhat technical. The original bill as introduced by Mr. CRAPO in March proposed a lockbox mechanism called a trust fund to be maintained in the Treasury, while the Rules Committee has recommended a lockbox mechanism called an account to be maintained by the Congressional Budget Office.

The end result of this is the same: we want to ensure that a cut is really a cut; that when we say we are saving money by spending less in appropriations bills we follow through on that commitment. The change in terminology apparently raises some germaneness questions but the outcome is the same. Finally, Mr. Speaker, this rule provides one motion to recommit, with or without instructions.

I would like to commend Mr. CRAPO, the entire bipartisan lockbox team, our Rules Committee Chairman, the Government Reform and Oversight Committee, the Budget Committee, and the Appropriations Committee for the enormous cooperative effort that went into the lockbox.

The lockbox team spirit could be a model for how this place can and should operate to do the Nation's business. This is a good rule, a good bill, and I'm proud to have played a part in getting us to this point.

Mr. Speaker, I include for the RECORD material from the Committee on Rules:

THE AMENDMENT PROCESS UNDER SPECIAL RULES REPORTED BY THE RULES COMMITTEE,[1] 103D CONGRESS V. 104TH CONGRESS

[As of September 12, 1995]

Rule type	103d Congress		104th Congress	
	Number of rules	Percent of total	Number of rules	Percent of total
Open/Modified-open [2]	46	44	45	74
Modified Closed [3]	49	47	14	23
Closed [4]	9	9	2	3
Totals:	104	100	61	100

[1] This table applies only to rules which provide for the original consideration of bills, joint resolutions or budget resolutions and which provide for an amendment process. It does not apply to special rules which only waive points of order against appropriations bills which are already privileged and are considered under an open amendment process under House rules.

[2] An open rule is one under which any Member may offer a germane amendment under the five-minute rule. A modified open rule is one under which any Member may offer a germane amendment under the five-minute rule subject only to an overall time limit on the amendment process and/or a requirement that the amendment be preprinted in the Congressional Record.

[3] A modified closed rule is one under which the Rules Committee limits the amendments that may be offered only to those amendments designated in the special rule or the Rules Committee report to accompany it, or which preclude amendments to a particular portion of a bill, even though the rest of the bill may be completely open to amendment.

[4] A closed rule is one under which no amendments may be offered (other than amendments recommended by the committee in reporting the bill).

SPECIAL RULES REPORTED BY THE RULES COMMITTEE, 104TH CONGRESS

[As of September 12, 1995]

H. Res. No. (Date rept.)	Rule type	Bill No.	Subject	Disposition of rule
H. Res. 38 (1/18/95)	O	H.R. 5	Unfunded Mandate Reform	A: 350–71 (1/19/95).
H. Res. 44 (1/24/95)	MC	H. Con. Res. 17	Social Security	A: 255–172 (1/25/95).
		H.J. Res. 1	Balanced Budget Amdt	
H. Res. 51 (1/31/95)	O	H.R. 101	Land Transfer, Taos Pueblo Indians	A: voice vote (2/1/95).
H. Res. 52 (1/31/95)	O	H.R. 400	Land Exchange, Arctic Nat'l. Park and Preserve	A: voice vote (2/1/95).
H. Res. 53 (1/31/95)	O	H.R. 440	Land Conveyance, Butte County, Calif	A: voice vote (2/1/95).
H. Res. 55 (2/1/95)	O	H.R. 2	Line Item Veto	A: voice vote (2/2/95).
H. Res. 60 (2/6/95)	O	H.R. 665	Victim Restitution	A: voice vote (2/7/95).
H. Res. 61 (2/6/95)	O	H.R. 666	Exclusionary Rule Reform	A: voice vote (2/7/95).
H. Res. 63 (2/8/95)	MO	H.R. 667	Violent Criminal Incarceration	A: voice vote (2/9/95).
H. Res. 69 (2/9/95)	O	H.R. 668	Criminal Alien Deportation	A: voice vote (2/10/95).
H. Res. 79 (2/10/95)	MO	H.R. 728	Law Enforcement Block Grants	A: voice vote (2/13/95).
H. Res. 83 (2/13/95)	MO	H.R. 7	National Security Revitalization	PQ: 229–100; A: 227–127 (2/15/95).
H. Res. 88 (2/16/95)	MC	H.R. 831	Health Insurance Deductibility	PQ: 230–191; A: 229–188 (2/21/95).
H. Res. 91 (2/21/95)	O	H.R. 830	Paperwork Reduction Act	A: voice vote (2/22/95).
H. Res. 92 (2/21/95)	MC	H.R. 889	Defense Supplemental	A: 282–144 (2/22/95).
H. Res. 93 (2/22/95)	MO	H.R. 450	Regulatory Transition Act	A: 252–175 (2/23/95).
H. Res. 96 (2/24/95)	MO	H.R. 1022	Risk Assessment	A: 253–165 (2/27/95).
H. Res. 100 (2/27/95)	O	H.R. 926	Regulatory Reform and Relief Act	A: voice vote (2/28/95).
H. Res. 101 (2/28/95)	MO	H.R. 925	Private Property Protection Act	A: 271–151 (3/2/95)
H. Res. 103 (3/3/95)	MO	H.R. 1058	Securities Litigation Reform	
H. Res. 104 (3/3/95)	MO	H.R. 988	Attorney Accountability Act	A: voice vote (3/6/95)
H. Res. 105 (3/6/95)	MO			A: 257–155 (3/7/95)
H. Res. 108 (3/7/95)	Debate	H.R. 956	Product Liability Reform	A: voice vote (3/8/95)
H. Res. 109 (3/8/95)	MC			PQ: 234–191 A: 247–181 (3/9/95)
H. Res. 115 (3/14/95)	MO	H.R. 1159	Making Emergency Supp. Approps.	A: 242–190 (3/15/95)
H. Res. 116 (3/15/95)	MC	H.J. Res. 73	Term Limits Const. Amdt	A: voice vote (3/28/95)
H. Res. 117 (3/16/95)	Debate	H.R. 4	Personal Responsibility Act of 1995	A: voice vote (3/21/95)
H. Res. 119 (3/21/95)	MC			A: 217–211 (3/22/95)
H. Res. 125 (4/3/95)	O	H.R. 1271	Family Privacy Protection Act	A: 423–1 (4/4/95)
H. Res. 126 (4/3/95)	O	H.R. 660	Older Persons Housing Act	A: voice vote (4/6/95)
H. Res. 128 (4/4/95)	MC	H.R. 1215	Contract With America Tax Relief Act of 1995	A: 228–204 (4/5/95)
H. Res. 130 (4/5/95)	MC	H.R. 483	Medicare Select Expansion	A: 253–172 (4/6/95)

SPECIAL RULES REPORTED BY THE RULES COMMITTEE, 104TH CONGRESS—Continued

[As of September 12, 1995]

H. Res. No. (Date rept.)	Rule type	Bill No.	Subject	Disposition of rule
H. Res. 136 (5/1/95)	O	H.R. 655	Hydrogen Future Act of 1995	A: voice vote (5/2/95)
H. Res. 139 (5/3/95)	O	H.R. 1361	Coast Guard Auth. FY 1996	A: voice vote (5/9/95)
H. Res. 140 (5/9/95)	O	H.R. 961	Clean Water Amendments	A: 414–4 (5/10/95)
H. Res. 144 (5/11/95)	O	H.R. 535	Fish Hatchery—Arkansas	A: voice vote (5/15/95)
H. Res. 145 (5/11/95)	O	H.R. 584	Fish Hatchery—Iowa	A: voice vote (5/15/95)
H. Res. 146 (5/11/95)	O	H.R. 614	Fish Hatchery—Minnesota	A: voice vote (5/15/95)
H. Res. 149 (5/16/95)	MC	H. Con. Res. 67	Budget Resolution FY 1996	PQ: 252–170 A: 255–168 (5/17/95)
H. Res. 155 (5/22/95)	MO	H.R. 1561	American Overseas Interests Act	A: 233–176 (5/23/95)
H. Res. 164 (6/8/95)	MC	H.R. 1530	Nat. Defense Auth. FY 1996	PQ: 225–191 A: 233–183 (6/13/95)
H. Res. 167 (6/15/95)	O	H.R. 1817	MilCon Appropriations FY 1996	PQ: 223–180 A: 245–155 (6/16/95)
H. Res. 169 (6/19/95)	MC	H.R. 1854	Leg. Branch Approps. FY 1996	PQ: 232–196 A: 236–191 (6/20/95)
H. Res. 170 (6/20/95)	O	H.R. 1868	For. Ops. Approps. FY 1996	PQ: 221–178 A: 217–175 (6/22/95)
H. Res. 171 (6/22/95)	O	H.R. 1905	Energy & Water Approps. FY 1996	A: voice vote (7/12/95)
H. Res. 173 (6/27/95)	C	H.J. Res. 79	Flag Constitutional Amendment	PQ: 258–170 A: 271–152 (6/28/95)
H. Res. 176 (6/28/95)	MC	H.R. 1944	Emer. Supp. Approps.	PQ: 236–194 A: 234–192 (6/29/95)
H. Res. 185 (7/11/95)	O	H.R. 1977	Interior Approps. FY 1996	PQ: 235–193 D: 192–238 (7/12/95)
H. Res. 187 (7/12/95)	O	H.R. 1977	Interior Approps. FY 1996 #2	PQ: 230–194 A: 229–195 (7/13/95)
H. Res. 188 (7/12/95)	O	H.R. 1976	Agriculture Approps. FY 1996	PQ: 242–185 A: voice vote (7/18/95)
H. Res. 190 (7/17/95)	O	H.R. 2020	Treasury/Postal Approps. FY 1996	PQ: 232–192 A: voice vote (7/18/95)
H. Res. 193 (7/19/95)	C	H.J. Res. 96	Disapproval of MFN to China	A: voice vote (7/20/95)
H. Res. 194 (7/19/95)	O	H.R. 2002	Transportation Approps. FY 1996	PQ: 217–202 (7/21/95)
H. Res. 197 (7/21/95)	O	H.R. 70	Exports of Alaskan Crude Oil	A: voice vote (7/24/95)
H. Res. 198 (7/21/95)	O	H.R. 2076	Commerce, State Approps. FY 1996	A: voice vote (7/25/95)
H. Res. 201 (7/25/95)	O	H.R. 2099	VA/HUD Approps. FY 1996	A: 230–189 (7/25/95)
H. Res. 204 (7/28/95)	MC	S. 21	Terminating U.S. Arms Embargo on Bosnia	A: voice vote (8/1/95)
H. Res. 205 (7/28/95)	O	H.R. 2126	Defense Approps. FY 1996	A: 409–1 (7/31/95)
H. Res. 207 (8/1/95)	MC	H.R. 1555	Communications Act of 1995	A: 255–156 (8/2/95)
H. Res. 208 (8/1/95)	O	H.R. 2127	Labor, HHS Approps. FY 1996	A: 323–104 (8/2/95)
H. Res. 215 (9/7/95)	O	H.R. 1594	Economically Targeted Investments	A: voice vote (9/12/95)
H. Res. 216 (9/7/95)	MO	H.R. 1655	Intelligence Authorization FY 1996	A: voice vote (9/12/95)
H. Res. 218 (9/12/95)	O	H.R. 1162	Deficit Reduction Lockbox	
H. Res. 219 (9/12/95)	O	H.R. 1670	Federal Acquisition Reform Act	

Codes: O-open rule; MO-modified open rule; MC-modified closed rule; C-closed rule; A-adoption vote; D-defeated; PQ-previous question vote. Source: Notices of Action Taken, Committee on Rules, 104th Congress.

Mr. GOSS. Mr. Speaker, I reserve the balance of my time.

Mr. FROST. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise in support of this rule. But my support for this rule does not mean I wholeheartedly support the version of lockbox reported from the Committee on Rules.

While I will vote for passage of H.R. 1162, I believe there are significant improvements that should be made to this proposal but which, I fear, have little chance of passage on the floor. Those improvements would give this legislation real teeth and if enacted would take a significant bite out of discretionary spending for fiscal year 1996.

Mr. Speaker, as of today, only one appropriations bill remains to be considered by the House. Short of the adoption of an amendment which will be offered by the chairman of the Committee on Rules, the appropriation for the District of Columbia would be the only one of the 13 appropriations bills to be subjected to the lockbox process contained in this bill. Yet, the House clearly expressed its support for locking away savings from appropriations bills early this year when a lockbox amendment was added to the emergency supplemental by a vote of 421 to 1. That enactment provided that the net reduction of funds from the supplemental was to be used exclusively for deficit reduction.

Unfortunately, Mr. Speaker, in the months since the House considered the first supplemental, the lockbox has become more of a storage box. The version of the legislation originally introduced by the gentleman from Oklahoma [Mr. BREWSTER] and the gentlelady from California [Ms. HARMAN], as well as the gentleman from Idaho [Mr. CRAPO], no longer mandates net reductions from appropriations bills be dedicated exclusively to deficit reduction. Rather, this version has become more of an accounting tool.

Now, I would like to commend my colleague from Florida, Mr. GOSS, the chairman of the Legislative and Budget Process Subcommittee, for his work on this legislation. While Mr. BREWSTER and Ms. HARMAN appeared repeatedly before the Rules Committee in an attempt to offer their version of lockbox, the Rules Committee did make and follow through on a commitment to send some lockbox legislation to the floor. The committee recommendation may very well be the best version of the proposal we are going to get, but, as I said at the outset, this legislation can and should be improved to ensure that it will do what the original cosponsors of lockbox had intended to do.

First, it is my intention to offer an amendment which will make this bill retroactive so that the net reductions from each of the appropriations bills for fiscal year 1996 will be subjected to the lockbox process. However, because I intend to take advantage of the family friendly atmosphere in the House and take my middle daughter to college, I may not be present to personally offer this amendment. It is my hope that the amendment will be offered by the gentleman from Florida [Mr. PETERSON], and that the House will support this important improvement to this bill.

Second, the gentlelady from California [Ms. HARMAN] intends to offer an amendment which will capture savings in future years. As we all know, there are many Federal programs and projects with spendout rates which increase dramatically after the first or second year. Unfortunately, as the bill was reported from the Rules Committee, these savings can only be captured for the fiscal year in question and consequently savings in the outyears might well be reallocated to other programs. During the markup of this bill, the committee Democrats offered a version of Ms. HARMAN's amendment, but as matters turned out, the amendment was defeated by the Republican majority. Mr. Speaker, it seems to me that Ms. HARMAN's proposal makes a great deal of sense: Let's not allow savings to slip through the lockbox only to be spent elsewhere.

Mr. Speaker, I would like to comment on the fact that this rule provides a germaneness waiver for the committee substitute. It seems to me that the only reason this waiver is necessary is because the final product is so very different from what was originally introduced that it does not bear enough resemblance to be considered germane. While I congratulate the gentleman from Florida for his efforts to bring this bill to the floor, I think Members should understand what this waiver really means. I believe the fact that the committee substitute is a departure from the original intent only reinforces the need to adopt my amendment and that of Ms. HARMAN. Without those two additions to this bill, I am afraid we are merely playing a shell game with ourselves and with the American people.

Mr. Speaker, I reserve the balance of my time.

Mr. GOSS. Mr. Speaker, I am privileged to yield such time as he may consume to the gentleman from New York [Mr. SOLOMON], the distinguished chairman of the Committee on Rules.

Mr. SOLOMON. Mr. Speaker, I thank the gentleman for yielding time to me.

Mr. Speaker, let me start off by saying who gives a hoot who gets credit for what, as long as we pass this lockbox and we start getting credit for really reducing the deficit around here?

Mr. Speaker, I thank my good friend and Rules Committee colleague from Florida for yielding me the time, and commend him as chairman of the Subcommittee on Legislative and Budget Process for his outstanding efforts in bringing this legislation to the floor.

Mr. Speaker, today should be a proud moment in this House, not merely because today we will reform the budget process or even that we will create a mechanism to assist our efforts at deficit reduction. But because today we are debating a comprehensive piece of legislation that truly represents bipartisan compromise, ingenuity, and resourcefulness.

Indeed right from the beginning this issue has been one of a bipartisan thrust, begun through the efforts of our friends such as MIKE CRAPO of Idaho, Ms. HARMAN of California, Mr. ROYCE of California, and Mr. BREWSTER of Oklahoma, to mention just a few.

Despite their unsuccessful efforts during the last Congress, these Members along with many others from both sides of the aisle continued their full court press since the beginning of this Congress.

And Mr. Speaker, these efforts have paid off. Today we are considering the deficit reduction lockbox bill under an open process providing every Member of this body with an interest or even a concern with this legislation the opportunity to participate.

H.R. 1162 is responsible budget process reform that will continue to gear the entire system toward spending restraint rather than spending more.

While the lockbox is like the line-item veto and the balanced budget amendment in that it is only process reform, it will help to raise the accountability standard in this body, by forcing the tough choices, like those we made in the budget resolution earlier this year and those we will again make in the reconciliation process over the next few months.

This has been an open process from the very beginning and this open rule only continues the outstanding democratic process utilized during the development and consideration of this issue.

With that I urge my colleagues to support this open rule and the bill.

Mr. GOSS. Mr. Speaker, I yield such time as he may consume to the gentleman from Pennsylvania [Mr. CLINGER], the distinguished chairman of the Committee on Government Reform and Oversight.

Mr. CLINGER. Mr. Speaker, I think the gentleman very much for yielding this time to me.

Mr. Speaker, I want to rise in strong support of the rule and obviously want to commend the gentleman from Idaho [Mr. CRAPO], the bill's sponsor, the gentleman from New York [Mr. SCHUMER], the gentlewoman from California [Ms. HARMAN], and the gentleman from Utah [Mr. ORTON], all of whom have been doing very hard work in bringing this important bill to the floor.

The concept of the lockbox is very simple. It makes basic common sense. In essence it provides that amendments to cut spending actually produce savings. I think I was as dismayed as many people to realize that when we often go through agony to get savings, those savings are not real; they in fact are then used for other purposes. Most taxpayers would agree and believe that when Congress agrees to eliminate $5 billion for the space station or $7 billion for the super collider, that the money remains in the Treasury.

□ 1330

Most would agree and believe that. But in fact under existing law or current law those tax dollars go back into the pot and can be reallocated or spent later in the same year. So I think everyone would have to agree that is an odd process at any time, and the practice frankly is just absolutely insupportable in an era of $200 billion deficits and $5 trillion national debt.

This bill, H.R. 1162, will change Federal spending law to ensure that a dollar saved is in fact a dollar saved, that when Congress votes to cut funding for a Federal program, the money will not be spent. The bill creates 13 separate savings accounts to match the 13 annual appropriations bills and requires that the average savings of each House- and Senate-passed spending bill be placed in that special savings account. The money would be used solely for deficit reduction and could not be made available for any future spending for any purpose whatever.

Mr. Speaker, the bill is an important step on the long road toward restoring Federal fiscal sanity and responsible congressional spending. It really for the first time permits lawmakers to choose savings over spending and allows us for the very first time to honestly tell our constituents that a dollar saved is a dollar saved.

So as chairman of the Committee on Government Reform and Oversight, which has jurisdiction on this matter, I would indicate that my belief that this is a good bill and long overdue. I would urge the adoption of the rule and a vote in favor of the bill.

Mr. GOSS. Mr. Speaker, I yield 3 minutes to the distinguished gentleman from Idaho [Mr. CRAPO], who has been much discussed as the author of this and deserves a great deal of credit.

Mr. CRAPO. Mr. Speaker, I first of all want to say I appreciate the support that has been brought by both sides of the aisle and by so many Members to get us to this point today.

This is a very important day for the House of Representatives, not just because we are going in a few minutes to debate a very critical reform to the budget process but because it is a day when this institution is working the way that was intended by our Founding Fathers. It is working in a way that shows the kind of integrity and the kind of good work that can be done when the Members of Congress work together.

At a time in our history when so often there are negative stories in the media about how the Congress works, today we have a good strong example of how the system should work. Why do I say that? First of all, Mr. Speaker, we are here under an open rule. For so long we have been deprived in this Congress of having the opportunity to have open and free debate, where critical ideas are brought forward and debated and those who object to them can have the opportunity under an open rule to bring their objections and have those objections debated and voted on in an open recorded vote.

Second, it is an important day for this institution because this bill was brought forward to reform the system in a bipartisan fashion. I do not think we are going to see a lot of partisan bickering here today because it is a good idea that needs to be put into law. Although there may be some discussions about just what the fine tuning should be, we are going to see strong support for this legislation.

For about 2 years now we have been working to make sure that this legislation moves forward and that this critical reform that is necessary is put into place. I can still remember, it has been a little bit more than 2 years ago now that I was sitting right here on this floor, and I heard two Members debating about a major proposal to cut one of our budgets. One of the Members said to the other: You know, even if we cut this budget, this spending will not be reduced and the deficit will not be reduced.

The other Member acknowledged that. That perked up my interest. I then started looking into it. Indeed, the budget system we have is one in which, even when Congress cuts a specific program or project, all that happens is that specific program or project is eliminated or reduced, and the spending simply becomes unallocated until the conference committee meets to reallocate it, often to projects that never saw the light of day in a hearing.

Today we will create a lockbox account in the House and send forward to the Senate an opportunity for us to pass into law a critical reform of our budget process that will help us to ensure that, when we make cuts, the cuts count.

Mr. Speaker, this is going to be a hard process. It has taken us 2 years to get to this point in the House. We are going to have to fight it hard when it gets to the other body as well. But the

American people deserve no less. We must past this rule, then pass this legislation and take one more important step in terms of reforming the budget process of this Congress.

Mr. GOSS. Mr. Speaker, I yield 2 minutes to the distinguished gentleman from California [Mr. ROYCE], who has also been one of the stalwarts of moving this legislation forward.

Mr. ROYCE. Mr. Speaker, at a time when our government is running chronic $200 billion deficits at a time when we are $5 trillion in debt, with a devastating effect on our national savings rate, this reform for Government is critical.

This is essentially the same bill that was approved by the House on August 2, as an amendment to the Labor, HHS, Education Appropriations bill. It is similar to the House resolution I offered earlier this year. The lockbox provision in that Labor HHS bill was adopted by a vote of 373 to 52, better than 85 percent of this House.

Basically, the bill establishes a series of lockboxes in every appropriations measure considered by this House to ensure that savings made from amendments on this floor will go toward reducing the Federal deficit. As many of us have come to realize, unfortunately, this is not now the case, since savings realized from amendments to appropriations bills may be used for other funds or projects in that bill or other appropriations bills.

A good example of that was last year in this Congress when $100 million was eliminated by an amendment on this floor from the ASRM program, but we later found out that those funds wound up in other programs rather than going to deficit reduction.

I would just like to share that, as a cochairman of the porkbusters coalition in this Congress, I would hate to see something like that happen again. I would hate to see what happened last year happen again.

This bill will ensure that it does not. This bill will ensure that the average savings between the cuts that we make on the House floor and the cuts made over on the Senate floor will go in conference to a lockbox, to the Treasury for the purpose of deficit reduction.

I will also share with my colleagues, Mr. Speaker, that this is an open rule worthy of everyone's support. I know that my constituents support this measure, as do the Citizens Against Government Waste, the National Taxpayers Union, Citizens for a Sound Economy, the Concord Coalition, and other taxpayer groups. It is an important and workable first step towards making this body more responsive and accountable to the people who elect them.

I urge an "aye" vote of every Member.

Mr. FROST. Mr. Speaker, I yield back the balance of my time.

Mr. GOSS. Mr. Speaker, I have no further requests for time, I yield back the balance of my time, and I move the previous question on the resolution.

The previous question was ordered.

The resolution was agreed to.

A motion to reconsider was laid on the table.

The SPEAKER pro tempore (Mr. GOODLATTE). Pursuant to House Resolution 218 and rule XXIII, the Chair declares the House in the Committee of the Whole House on the State of the Union for the consideration of the bill, H.R. 1162.

The Chair designates the gentleman from New York [Mr. QUINN] as Chairman of the Committee of the Whole and requests the gentleman from California [Mr. RIGGS] to assume the chair temporarily.

□ 1339

IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 1162) to establish a Deficit Reduction Trust Fund and provide for the downward adjustment of discretionary spending limits in appropriations bills, with Mr. RIGGS, Chairman pro tempore, in the chair.

The Clerk read the title of the bill.

The CHAIRMAN pro tempore (Mr. RIGGS). Pursuant to the rule, the bill is considered as having been read the first time.

Under the rule, the gentleman from Florida [Mr. GOSS] and the gentleman from Texas [Mr. FROST] each will be recognized for 30 minutes.

The Chair recognizes the gentleman from Florida [Mr. GOSS].

Mr. GOSS. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I am pleased to bring forward for the House's consideration H.R. 1162, the Deficit Reduction Lockbox Act of 1995. The concept behind the lockbox is deceptively simple: It says that when the House votes to cut spending we will not spend those savings elsewhere. It says that a cut is really a cut and savings are really savings that can and will be used to reduce the deficit. It says that we will no longer play the shell game of cutting money with big fanfare one day and quietly reprogramming it another. And it says that we are going to hold ourselves accountable for what we do.

I commend our colleague, MIKE CRAPO, and his bipartisan team of lockbox enforcers, who worked tirelessly to ensure that this day would come. Despite the simplicity of the concept, the practical application of lockbox proved more vexing than some might have thought. Working within the complexity of our current budget process was quite a challenge, but the lockbox team persevered through late night meetings and consultation with budget experts.

We wanted to make sure we had teeth in our proposal while retaining enough flexibility for the appropriators to do the very difficult job we ask of them. And I'm proud to say that we have achieved that balance. H.R. 1162 as reported by the Rules Committee closely tracks language that 373 Members of this House already enthusiastically supported in the form of an amendment to the Labor/HHS spending bill just last month.

Today's vote, which will hopefully be a reaffirmation of that commitment to lockbox, is designed to implement a two-track strategy in seeking to make lockbox the law of the land. We are, in effect, giving our friends in the other body two chances to do the right thing and adopt these lockbox provisions. H.R. 1162 as reported by our Rules Committee establishes lockbox balances to account for savings adopted through cutting amendments during floor consideration of spending bills. There will be a House lockbox balance and a Senate lockbox balance for each spending bill—and the appropriators will be bound to come up with savings splitting the difference between what the House and Senate have each proposed. The hammer to enforce this requirement—and ensure that money saved in one bill is not later spent in another—is a lowering of the overall spending total available to the appropriators. In this way we actually shrink the spending pie to reflect the lockbox.

No one argues that this procedural change alone will resolve our tremendous budgetary imbalance. In fact, just about everyone recognizes that discretionary spending, to which the lockbox pertains, is not the big bear in the woods when it comes to our spending problems. But we ought not ask Americans to consider changes in entitlement programs until we have demonstrated that we are serious about cutting low-priority, wasteful, or unnecessary programs. Lockbox really speaks to our credibility as we wage our battle for a balanced budget by the year 2002. Please support H.R. 1162.

Mr. Chairman, I reserve the balance of my time.

Mr. FROST. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I rise in support of the principle behind H.R. 1162, and, given the fact that this is the only version of lockbox the House will be able to consider, I intend to support the bill. I do, however, encourage Members to support two amendments which will be offered to that bill. I believe those amendments will significantly improve the legislation recommended by the Rules Committee and are deserving of strong bipartisan support.

Mr. Chairman, I first want to congratulate the chairman of the Rules Committee, Mr. SOLOMON, and the chairman of the Subcommittee on Legislative and Budget Process for holding a markup on this bill. This year, as we went through the appropriations process, the gentleman from Oklahoma [Mr. BREWSTER] and the gentlelady from California [Ms. HARMAN] came to the Rules Committee seeking to offer lockbox amendments to each appropriation bill. While it was unfortunate that the Rules Committee majority did not see fit to allow the House to consider the request of these distinguished Members, our chairman did made a commitment to them that the committee would hold a markup on lockbox legislation. And, on July 20 the committee met and reported this bill.

Mr. Chairman, prior to the markup, the committee Democrats were gratified that the Republican majority accepted a number of suggestions we made that we felt improved the chairman's mark circulated among our Members. However, the committee majority did not accept three important amendments offered by the committee Democrats. The first amendment related to out year savings. Because it is the intention of the gentlelady from California [Ms. HARMAN] to offer such an amendment today, let it suffice to say that this amendment is not in the least just a technicality. In fact, reducing statutory caps for budget authority and outlays in the outyears has a great deal to do with our ability to curb and reduce discretionary spending. If we are really serious about reducing this part of Government spending, I would urge support for the Harman amendment.

Second, I will offer an amendment which would apply the provisions of the lockbox procedure to every appropriations bill for fiscal year 1996, not just those passed after engrossment of H.R. 1162. I offered this amendment to the lockbox legislation attached to the Labor/HHS appropriation and my amendment was rejected. I also offered it to the chairman's mark, but again, the amendment was rejected. If we are going to claim savings, then those savings should apply to every appropriations bill, and not just to Labor/HHS, DOD, and DC.

Finally, we believe that the bill should have created a separate lockbox account into which savings resulting from spending cuts in individual appropriations bills would automatically be funneled. In that way, those funds could not be reallocated to other appropriations accounts and spent later. The committee bill, however, takes a fundamentally different approach, and while the committee did adopt an amendment which strengthens their original proposal by requiring OMB to reduce the discretionary caps for the fiscal year under consideration, we continue to believe that the creation of a separate lockbox account is an important part of proposal.

Mr. Chairman, I urge Members to support the Frost and Harman amendments in order that we can be sure that the tough choices we have had to and will continue to have to make will actually go to deficit reduction.

□ 1345

Mr. Chairman, I reserve the balance of my time.

Mr. GOSS. Mr. Chairman, I yield 4 minutes to the distinguished gentleman from Idaho [Mr. CRAPO].

Mr. CRAPO. Mr. Chairman, again, it is a privilege to be here debating this important measure here today. Before I get into the substance of my remarks, I want to give some thanks to some of the people who have really been there when it counts, particularly to the gentleman from New York [Mr. SOLOMON], chairman of the Committee on Rules, and the gentleman from Florida [Mr. GOSS] who is handling this measure for the Committee on Rules here today. They were there time and time again in the late night meetings and the negotiations that were necessary to help us move this legislation through the difficult political channels it had to be moved in order to get to the floor today.

It is not easy to change a system that has been put into place over years and years, and just take it and change it overnight. I appreciate their support, and that of the gentleman from Oklahoma [Mr. BREWSTER] and the gentlewoman from California [Ms. HARMAN] who have been there in our bipartisan efforts for nearly 2 years now, working together to make this matter work. And that of so many of the other Members: the gentleman from California, ED ROYCE, who is sitting here beside me and ready to speak in a few moments, and the gentleman from New Jersey, Mr. ZIMMER; the freshman class who came in there this year and provided really the steam to move this reform forward, as we needed to have their strong support; the gentleman from Michigan, Mr. UPTON, and so many others. The list goes on.

The point I am trying to make is that this has been not only a strong effort by so many Members of Congress on both sides of the aisle who recognized that we need to reform our budget process, but that we have been able to put that effort together in the face of very strong political pressures.

I want to go back and give just a little history. As I said, it has been just about 2 years since this process started, a little over 2 years since I first became aware of the way the budget system worked, and did not allow our cuts to really count. At that time I introduced a bill that I called the "make our cuts count" legislation.

Shortly after that, I found that the gentleman from Oklahoma [Mr. BREWSTER] and the gentlewoman from California [Ms. HARMAN] and some others they were working with were also involved in trying to address the same issues. As we met together to put our efforts together and come together in a bipartisan effort, we changed the name of this to the lockbox concept, something that has stuck and has helped people across America to understand that we are really trying to balance the budget.

Not only did we develop a bipartisan commission here in Congress, we went out and found grassroots support across the country. I am proud to say today that this legislation is supported by the Concord Coalition, by the United States Chamber of Commerce, the Citizens Against Government Waste, who I believe are going to make it a key vote, the Citizens for a Sound Economy, who I also believe are going to register this as a key vote, the National Taxpayers Union, the United We Stand organizations in different parts of the country, and others across this country who have recognized the need for this legislation, and have joined in our effort to develop the coalitions necessary at the grassroots level in this country to push this legislation forward.

I can remember when I was first interviewed on this legislation, and the interviewer said, "What kind of a chance do you really think you have, trying to get something like this through this Congress?" I said, "To be honest with you, not much of a chance, but we are going to keep fighting and we are going to make this thing happen, no matter how long it takes." Little did I know that just 1 year later, about 1½ years later, we would be here on the floor, making sure that the legislation passed.

Some may ask, why are we doing it again after we already did it on August 2? On August 2 we passed legislation attaching this to an appropriations bill. It has now become evident that that appropriations bill may be vetoed, so we are going on a separate track to have a dual approach to making sure this legislation passes by putting forth this independent legislation.

Mr. Chairman, this legislation is a critical reform to our budget process. We must do it so Americans can count on this Congress, so the integrity of this institution is upheld, and when we say we are cutting the budget, those cuts go to deficit reduction. The American people can ask for no less. I am confident that today, this House will deliver them that kind of reform.

Mr. FROST. Mr. Chairman, I yield 6 minutes to the gentleman from California [Mr. BEILENSON], a member of the Committee on Rules.

Mr. BEILENSON. Mr. Chairman, I thank the gentleman from Texas [Mr. FROST], my colleague and friend, for yielding so much time to me.

Mr. Chairman, I appreciate the hard work that many of our colleagues have done to bring this legislation to the point where it is today, and I would particularly like to commend our chairman, Mr. SOLOMON, and Mr. GOSS for their efforts in producing a measure that satisfies most of the concerns of both the lockbox proponents, and the members of the Appropriations Committee who, under this bill, will have to operate under a more difficult system for achieving final agreement on appropriations bills.

However, I do not think that this deserves our support. I know from the previous vote we had on this measure last month, when it was offered as an amendment to an appropriations bill, that I am among a small minority of Members here who feel that way. But I am speaking out on this matter because I think it is important for us to consider the drawbacks of this measure.

On the face of it, the lockbox proposal is an appealing idea—as its proponents describe it, it is a way to ensure that the savings produced by spending-cut amendments to appropriations bills are used to reduce the deficit, not to increase spending for other purposes.

However, the only way to show that such savings are being used to reduce the deficit, is to reduce the amount available to the Appropriations Committee by the amount saved by the spending-cut amendments. Thus, at its core, what the lockbox proposal is all about is reducing discretionary spending beyond the limit set in the budget resolution. In other words, it is a procedure designed to force total discretionary spending below the level that Congress has already decided, through its budget resolution and through statutory caps, is the appropriate level for the coming fiscal year.

The question we should be considering is: do we want a procedure that will lead to deeper cuts in discretionary spending than we are already on the path toward achieving?

This year's budget resolution sets spending limits for the next 7 years at levels that will force Congress to cut domestic discretionary spending by $473 billion over that period, or by one third, in real terms, over this year's level.

For those of us who value the Federal Government's contribution to education and job training, transportation, housing, science and health research, environmental protection, national parks, crime control, and many of the other functions that comprise the discretionary spending category; for those of us who are alarmed at the severity of the cuts we are witnessing in so many essential programs, such as the one-third cut in funding for the Environmental Protection Agency, it makes little sense to endorse a procedure that will likely lead to further cuts—or fewer opportunities to restore funds—to these programs.

Even Members who do wish to cut discretionary spending further, however, cannot dispute the fact that we already have an extremely effective process in place for controlling this type of spending. Under our existing procedures, Congress approves a total amount of spending for discretionary spending, and then enforces that amount by subjecting individual spending measures to Budget Act points of order—which has been in effect since 1974—and to the threat of across-the-board cuts, or sequestration—which has been in effect since 1990.

These controls have enabled Congress to restrain the growth of discretionary spending to such an extent that its share of gross domestic product [GDP] has declined from 10.5 percent in 1980 to 8.2 percent in 1994. If Congress complies with the current discretionary spending caps, as we have every reason to believe it will, such spending will decline to just 6.8 percent in 1998. Domestic discretionary spending will have declined from 5.1 percent of GDP in 1980, to 3.7 percent in 1994, to 3.1 percent in 1998.

Fortunately, it is unlikely that this new procedure will bring about significantly larger reductions in discretionary spending than those we will already be required to achieve. Most cutting amendments offered on the House floor traditionally have involved relatively small amounts. And, because House savings from spending-cut amendments will be averaged with Senate savings, the final amount by which discretionary spending will be lowered is likely to be relatively minor. Moreover, I suspect that as discretionary spending levels are reduced further, increasing numbers of floor amendments to appropriations bills will involve transfers of funds, rather than simple cuts.

For what may well be insignificant reduction in the deficit, one result of this new procedure is likely to be protracted conflict between the Senate and the House, and between Congress and the President, toward the end of each year's appropriations season when new, reduced allocations of spending are parceled out to the appropriations subcommittees to accommodate whatever lockbox savings are finally achieved.

Mr. Chairman, if our goal is to establish procedures that will help us reduce the deficit, this measure aims at the wrong target. Like procedures Congress has considered in recent years—such as expedited rescission, line-item veto, separation of emergency and nonemergency appropriations—to apply further controls to discretionary spending, the lockbox proposal addresses the one part of the budget that is already under the strictest control. If our budget process is inadequate in any way, it is that it provides comparatively little control for the mandatory spending—entitlement programs—that is driving the growth of the Federal budget.

In contrast to the decline in discretionary spending that has been occurring, and will continue to occur, mandatory spending has grown from 9.3 percent of GDP in 1980 to 10.7 percent in 1994, and will equal 12.6 percent of GDP in 1998.

If the plan to balance the budget by 2002 is to succeed, Congress must change its focus with respect to budget process matters. Rather than devoting our time and effort to devising ways to apply more controls to the part of the budget that is already under the strictest control, we must devote that same kind of effort to addressing other parts of the budget that are under less effective control. That includes not only entitlement programs, but also tax expenditures which, like entitlement programs, are not reauthorized on an annual basis.

Popular as the lockbox proposal is, I urge Members to consider carefully whether we really want a new procedure that increases the complexity of the budget process and the difficulty of reaching final agreement on appropriations bills, and that focuses our deficit-reduction efforts on an area of the budget that is already contributing more than its fair share to the cause.

Mr. GOSS. Mr. Chairman, I am privileged to yield such time as he may consume to the gentleman from New York [Mr. SOLOMON], chairman of the Committee on Rules.

Mr. SOLOMON. Mr. Chairman, when I came here 17 years ago, 2 years before my hero, Ronald Reagan, it was for the purposes of putting an end to the deterioration of our U.S. military, making it as difficult as possible for this Congress to spend money, to raise taxes and place regulatory burdens on the American people. So needless to say, I stand here today very much excited about what has been happening for the last 8 months, and particularly what is happening on this bill.

I also just want to thank the leadership for their continual efforts to bring a bill to this floor that represents what I say is workable legislation, with a compromise language but a steadfastness in principle. Indeed, this document before us today is the product of consultation with, listen to this, the Committee on Appropriations, the Committee on the Budget, the Committee on Government Reform and Oversight, the Congressional Budget Office, the Congressional Research Service, and even the Office of Management and Budget. That is all the people that have been involved in trying to bring this workable piece of legislation to the floor.

While this bill may not have reached the floor as soon as some of us might have desired, it is here today in a form that guarantees that when Members come to this floor to cut discretionary spending programs and reduce the deficit, spending will go down. That is what this is all about.

This bill is in a form that ensures that the Committee on Appropriations maintains flexibility to reach a consensus in conference, and that is very important, because that is what this legislative process is all about, all the while, spending less of the taxpayers' money. This bill is in a form that encourages spending, encourages spending cut amendments, because Members will know that when a spending cut is adopted, spending will be less at the end of the day. That is what this legislation is all about.

□ 1400

Finally, this bill is in a form that, while procedurally arcane, it truly works. Let us look at the process, because we need to establish legislative intent here today.

First, the deficit reduction lockbox account would be established in the Congressional Budget Office to monitor savings made in appropriations bills by House and Senate amendments adopted on the respective floor of those bodies, and to lock in average savings of the two houses by lowering congressional and statutory spending caps.

This lockbox account would consist of 13 subaccounts, matching the 13 appropriations subcommittees, and each subaccount would consist of a House lockbox balance, a Senate lockbox balance, and a joint House-Senate lockbox balance.

Upon the passage of each appropriation bill by each of the houses, the Director of the CBO would enter a balance for the appropriate subaccount of that house based on savings resulting from amendments adopted by that house from the spending level of the reported bill. During the consideration of each appropriation bill, a running tally would be established reflecting the increases and decreases in budgetary authority from the reported bill's total resulting from the adoption of each amendment.

Once an appropriation bill is passed in the Senate, the average of the House and the Senate savings for that bill would be entered in the joint House-Senate balance and the overall allocation, that is, the 602(a) spending limit for the appropriations committees would be reduced by that amount.

That means it cannot ever be spent again. Whenever an overall spending limit is adjusted downward, the chairmen of the appropriations committees would submit to their houses the revised suballocation for that subcommittee to reflect the reductions in the overall limits.

Furthermore, to ensure actual spending reduction, the bill states that upon the enactment of all appropriations bills for a particular fiscal year, the Director of OMB make reductions in the statutory spending ceilings to reflect the total cumulative savings in the joint House-Senate lockbox balance.

This process will apply the provisions of the bill retroactively to fiscal year 1996 for any appropriation bill passed by the House after the date of House passage of the deficit reduction lockbox bill.

Mr. Chairman, while this process may seem complicated, it is only as complicated as is necessary to ensure efficiency, reality and spending cuts in the budgetary process. I believe this new element of our process is necessary, and I believe that this bill provides the balanced yet reasonable process reform to assist our efforts toward a balanced budget.

That is complicated, but, ladies and gentlemen, it is going to work. It means when Members come on this floor and vote to cut a program, that program is going to stay cut and the money is going toward the deficit, not going to be spent on some other program. That is what this is all about. That is why Members need to come over here and vote for this vital piece of legislation.

Mr. FROST. Mr. Chairman, I yield 5 minutes to the gentleman from New York [Mr. HINCHEY].

Mr. HINCHEY. Mr. Chairman, this is a very popular measure, this lockbox proposal. It enjoys wide bipartisan sponsorship and even broader support here in the House, and perhaps that is equally true in the other house as well. But I think it is important that at least a few iconoclastic voices be raised in opposition to this measure so that we might more adequately and more deeply reflect on what we are doing and the consequences of those actions.

We have a basic responsibility here in the House of Representatives, even more so than the other house, to manage the economy, to make sure that we have a system of economic growth and prosperity, that we are creating jobs and creating economic opportunity for all Americans.

I know that the Members of this House take that responsibility very seriously. Unfortunately, however, we are focusing our attention only on one aspect of our economy, and we have been doing that for far too long now. That is this deficit, the budget deficit.

Focusing our attention on the budget deficit regrettably takes our attention away from two other deficits that are at least equally important and perhaps even more so: One is the trade deficit. I will not talk much about that.

The other is the investment deficit. We have a substantial deficit in the investment in the future of this country. It has been estimated that that deficit ranges as high as $1 trillion a year.

In other words, we may need as much as $1 trillion of public investment in order to create the kind of adequate growth in the economy that is necessary to create the kind of jobs and economic opportunity that is essential for a strong, sound, healthy economy. Other countries in the industrialized world are doing much more than we are.

We unfortunately are focusing our attention on the budget deficit to the detriment of our other responsibilities in this House. In so doing, this House has already tied its hands substantially with regard to its ability to manage fiscal policy, so much so that the entire, or most at least of the management of this economy has been handed over to the Federal Reserve, which has the ability to regulate monetary policy, and it is through monetary policy that our economy is seeing the ups and downs it has experienced in recent years as a result primarily of changes in interest rates.

We have taken from ourselves the ability to manage fiscal policy, which means the ability to regulate the amount of growth that we need through spending and saving policies which are primarily the responsibility of this house. Now we are taking one further additional step down into that deep cellar by the passage, and I am sure it will pass, of this lockbox proposal, because once again it restricts our ability to manage fiscal policy in a responsible way by taking away from the House that which it needs, which is flexibility with regard to our spending and saving practices.

I think, Mr. Chairman, that although this seems like a good idea and although many people support it, I think that we ought to reflect more adequately on what we are doing and begin to understand the consequences of our actions in restricting our ability to manage the fiscal house, that responsibility which we have been charged to manage, our fiscal obligations and fiscal policy for this country.

In passing this measure we are restricting our ability to do that. We will be restricting our ability to stimulate growth and to create jobs and economic opportunity. By so doing, we are making, I believe, a serious mistake. Nevertheless, it is something that we will probably do, and we will have to correct it at some point in the future.

Mr. GOSS. Mr. Chairman, I yield 2 minutes to the distinguished gentleman from Pennsylvania [Mr. FOX].

Mr. FOX of Pennsylvania. Mr. Chairman, I rise in support of the Deficit Reduction Lock-box Act which is an idea whose time has arrived. The bipartisan support for this legislation is very well known. We are going to be able to hold the line on waste and return savings to reduce the deficit. This is a bipartisan milestone legislative item that I think all of those who have been involved over the number of years before this Congress deserve a great deal of credit for bringing about and I think that the leadership of the gentleman from Idaho [Mr. CRAPO] today on this particularly should be highlighted. I thank him for his efforts.

The legislation before us, Mr. Chairman, will create a series of lockboxes to capture savings from the floor amendments and give appropriators maximum flexibility in allocating such savings. The process is one jointly with three lockboxes from both the House and the Senate and a joint House-Senate account that will lock in the savings.

After a bill is passed, the Congressional Budget Office will enter the final amount saved into the House lockbox. The Senate will follow a similar procedure and then average the two figures.

At this point the CBO, the Congressional Budget Office, will reduce the overall allocations for the House and Senate appropriations committees by the amount in the shared lockbox.

As Members can see, the American people, Mr. Chairman, have been saying for a long time, "We want the lockbox. We want to make sure that the savings you actually have in committee and on the floor result in real savings.

I think we will be hearing later from the gentleman from Florida [Mr. FOLEY] about his particular example which is so poignant. But for our taxpayers' protection the lockbox is essential to ensure that spending cuts that are made on the floor actually go toward reducing the deficit instead of funding tax cuts or other expenditures.

This session of the legislature, Mr. Chairman, has seen the line-item veto, the balanced budget amendment, the prohibition of unfunded mandates, and regulatory reform. The final item in protecting taxpayers will be the adoption of this lockbox legislation. It is consistent with the other reforms. I must say it also has been considered after careful deliberation of all those parties involved. I congratulate the sponsors and look forward to its passage.

Mr. FROST. Mr. Chairman, I yield 3 minutes to the gentleman from New York [Mr. SCHUMER].

Mr. SCHUMER. Mr. Chairman, I thank the gentleman for yielding me the time.

Mr. Chairman, I think this is very important and long overdue legislation. I want to commend all of those who worked so hard on it on both the majority and minority side.

I would like to thank my cosponsors and sponsors on this side, the gentlewoman from California [Ms. HARMAN], the gentleman from Texas [Mr. EDWARDS], and the gentleman from Oklahoma [Mr. BREWSTER]. I would like to thank all the folks on the other side who worked so hard on this, including the gentleman from Idaho [Mr. CRAPO] who when we were in the majority carried the lead on this proposal. And I would like to thank the majority leadership, because this bill is coming to the floor and frankly it should have come to the floor when we were in charge and it did not.

Let me say, this is a very simple concept. That is, that when you go to the floor and make a cut, and that cut succeeds, that that money goes to where it should go, which is to deficit reduction, rather than having the Committee on Appropriations go spend it on something else that no one has ever voted on.

Time and time again this body over the last decade has voted for cuts and then the money is spent on something else. That has not been the will of the House. That has not been what should have happened. Now for the first time when Members get up and if they had voted on, say, the amendment of the gentleman from Massachusetts [Mr. FRANK] and there was a 3-percent cut or voted on anything else and there was a cut, automatically the overall numbers would decrease and the money would go to deficit reduction. This is the kind of rational change that will actually bring our deficit down and yet at the same time not require us to make such draconian and across-the-board cuts that so many good programs pay because so many other programs which mainly are pork programs and would never succeed standing on their own or in the light of day, are sort of the jackals of the hard work of Members who go up and ask for cuts and they feed on these cuts and are used for these other kinds of programs.

This is very, very simple. It says the lockbox, and I would like to thank the people on my staff who came up with this idea originally 3, 4 years ago and actually named it the lockbox, says very simply, where you put the money, you make a cut, it goes into a lockbox and its stays there.

I would like to say that when the gentleman from Oklahoma [Mr. BREWSTER] and the gentleman from Texas [Mr. EDWARDS] and the gentlewoman from California [Ms. HARMAN] and I talked at a Democratic issues conference 3 years ago about doing this, we did not know that we could actually get it done.

Today is a very good day. I hope that both of us on both sides of the aisle will make sure that the Senate goes along and that this lockbox becomes law, because it will reduce pork, it will reduce deficits, and it will make sure that the will of this body is actually achieved.

Mr. GOSS. Mr. Chairman, I hope that the hopes of the gentleman from New York are indeed realized because they are the same hopes we have.

Mr. Chairman, I yield 2 minutes to the distinguished gentleman from Ohio [Mr. HOKE], the commander in chief of the Republican theme team.

Mr. HOKE. I thank the gentleman from Florida [Mr. GOSS] for yielding me the time.

Mr. Chairman, I am glad to speak on this today in favor of it. I think that the reason that this came about is the same reason that it was first brought to our attention, and when I say "our," I mean my colleague and classmate the gentleman from Idaho [Mr. CRAPO] and my attention and everybody else, the other Members of the 103d freshman class.

□ 1415

In about the summer of 1993, after we had all been elected and we had come here idealistically, blithely thinking that we were going to make cuts in the budget and we were going to do the fiscally responsible thing and do what is right by the American people, the taxpayers that had voted us here, and we found out about halfway through that first year that a cut is not a cut at all, and we tried to do something about it.

Lo and behold, one of the things we found out is that we were also in the minority. Then along came the 104th Congress, and 72-some new freshmen Republicans were ushered in by the American people, and they found out the same thing in the summer of 1994. They found out, to great frustration, and not a little bit of anger, that, in fact, just because we vote for a cut in an appropriations bill on the floor, it does not necessarily mean anything.

So, Mr. Chairman, with some bipartisan support as well, on both sides, we have had a critical mass of frustration and anger that said, "Look, this flies in the face of common sense. If we are going to do what we were elected to do, if we are going to bring the fiscally responsible actions to the floor, then why does it not actually hold? Why does it not obtain?"

It is amazing, because it completely flies in the face of common sense what we do with these appropriations bill. Thank goodness for the Republican freshmen of the 104th Congress, because now we are going to pass this bill and it means that if we actually have a spending cut on the floor, that it will mean something.

Mr. Chairman, that has very important impact, because one of the things it does is it takes some of the power away from the Committee on Appropriations and it puts more power in the Congress, generally, which means that the will of the Congress can actually be worked out on the floor. That is very important.

Mr. Chairman, I am reminded of one other thing that is happening now, a similar thing, and it will seem equally confusing to the public that watches this. That is that Members all have office accounts. We were under the impression, as many Members were, I am sure, in the 104th Congress freshman class, that when we cut our office account and did not spend all the money, where does that balance of the money go? Members would think it goes back to the Federal Treasury. Wrong. It goes back to a fund that is an overall programmatic fund and it gets reprogrammed some place else.

That is completely unlike everything in America. Thank goodness we are in the right direction here. We are going to do the same thing with the office accounts and we are going to bring a little more common sense and fiscal sanity and responsibility to the way that we run things here in the U.S. Congress.

Mr. FROST. Mr. Chairman, I yield 2 minutes to the gentlewoman from California [Ms. HARMAN].

Ms. HARMAN. Mr. Chairman, I am delighted to stand here in enthusiastic support for the lockbox bill. A bit later, I will be offering an amendment to make it even better. But meanwhile, as the self-styled mother of lockbox, who has now moved into being the grandmother of lockbox, I would like to share with our colleagues some of the history here.

The gentleman from New York [Mr. SCHUMER] was correct when he said that a number of us introduced this bill almost 3 years ago on the Democratic side. Similarly, a Republican, the gentleman from Idaho [Mr. CRAPO], offered it as a Republican bill. We joined together, and, over time, our bipartisan efforts became the genesis of the bill we are voting on today.

Mr. Chairman, I want to point out to everyone that prior to signing the budget bill in August 1993, President Clinton signed an Executive Order which enacted a lockbox into which all of the savings generated and the revenues raised under the 1993 budget bill would go.

That lockbox concept has yielded hundreds of millions of dollars for deficit reduction, so we know that the concept worked. This bill, as my colleagues have heard, has passed in several forms in this Congress. The gentleman from Oklahoma [Mr. BREWSTER] first offered it as an amendment to the emergency supplemental bill earlier this spring and it passed overwhelmingly, 418 to 5.

We offered it last month as an amendment to the Labor-HHS appropriations bill and it again passed overwhelmingly. Mr. Chairman, here we are again with an independent, stand alone bill, which I think reflects enormous bipartisan support, the very hard work of Republican freshmen and the gentleman from Idaho [Mr. CRAPO], and the Committee on Rules. It is also the product of some very hard work by many on this side of the aisle.

Mr. Chairman, I offer my enthusiastic support and I hope that a few minutes from now we will make this bill even better with the adoption of the amendment the gentleman from Texas [Mr. STENHOLM] and I will offer.

Mr. GOSS. Mr. Chairman, I yield 2 minutes to the distinguished gentleman from Florida [Mr. FOLEY], my colleague who is the chairman of the Republican effort in this matter and has done a magnificent job.

Mr. FOLEY. Mr. Chairman, we came to Congress, and the freshman class has been mentioned many times on the floor. Much to my chagrin, one of the programs that I cut out of the budget, a wasteful program, $25 million, I excitedly ran out of the room and I said, "I have had a victory. I saved the taxpayers $25 million," only to find out the next day that an amendment was offered to take the entire savings and move it to another governmental program.

Lo and behold, the gentleman from Idaho [Mr. CRAPO] came up to me and said,

> Mark, I have just the fix for this dilemma that we are facing in the U.S. Congress. It is a savings account. It is like a Christmas Club account that the families save toward to provide for funds for much-needed projects.

Mr. Chairman, the lockbox account is a historic effort to make Government accountable for its spending and to put money aside and bring down the deficit. Some suggested today that we are unnecessarily focusing on the deficit of this Nation. It is our No. 1 problem.

Mr. Chairman, we are spending more than we have. We are charging money to a charge account that the banks have canceled. We are in debt up to our ears and that debt is costing us 15 percent of our national budget just to pay interest alone on the debt.

Let me put it in plain, simple terms. The lockbox will reduce the deficit. It will reduce the cost of interest to the consumer. One example: A 1-percent reduction in the interest rate on a $75,000 loan on a single family home, a 1-percent reduction will provide $750 a year in saving, $65 a month.

The Deficit Reduction Lock-box Act will allow us, over time, to reduce the Federal Government's appetite for debt and bring about fiscal sanity in this Nation.

Mr. Chairman, I conclude and thank the Democratic side of the aisle for their help on this issue, and particularly the gentleman from Idaho [Mr. CRAPO], the gentleman from Florida [Mr. GOSS], and the Committee on Rules, for their leadership in bringing this to the floor.

Mr. Chairman, this is a historic day and I urge every colleague to support this viable initiative.

Mr. FROST. Mr. Chairman, I yield 2 minutes to the gentleman from Texas [Mr. EDWARDS].

Mr. EDWARDS. Mr. Chairman, I rise in strong support of this legislation.

Mr. Chairman, I believe that the lockbox bill is a security key for our children. It is a security key for our grandchildren. With the passage of the lockbox bill, and its signing into law I hope sometime this year, we are going to be saying to our children and grandchildren this Congress is going to be more fiscally responsible.

Mr. Chairman, I think the consequence of this bill is that it will result in the reduction of the deficit. If we do not deal with that serious problem, we will put a load on our children and grandchildren out from under which they cannot climb.

This bill will have the advantage of cutting pork-barrel spending. What has happened on so many occasions is that Democrats and Republicans come to the floor of this House in the light of day and cast a tough vote to cut spending programs, and then late at night, behind some closed door in a Committee on Appropriations hearing somewhere with very few people watching, the appropriators in the House or the Senate might add the same amount of spending back into the legislation.

Mr. Chairman, that is a poor way to do the public's business. This lockbox bill will not only result in more fiscally sound decisions; it will result in those decisions being made in the light of day.

I want to commend the gentleman from Florida [Mr. GOSS] and others on the majority side. This is a true example of this Congress working in bipartisan fashion to come up with a bill that makes common sense and a bill that is fiscally responsible.

Mr. Chairman, I want to pay special tribute to the gentlewoman from California [Ms. HARMAN] who worked on this bill over the last several years, at a time when very few people were paying attention to it, when others wanted to put it on the shelf. She never gave up and the gentlewoman from California deserves credit from both sides of the aisle for her effort on this. I hope we can apply the concept of this legislation to spending in outyears as well.

Finally, Mr. Chairman, I hope the American people will find out about this commonsense measure being passed today. The fact that we are not having a bipartisan fight on the floor will probably cause many people, our friends in the press, not to pay attention to this bill. This is a very significant piece of legislation. I hope the American people will find out about it and I commend the gentleman from Florida [Mr. GOSS] and the bipartisan effort.

Mr. GOSS. Mr. Chairman, I yield 2 minutes to the distinguished gentleman from Delaware [Mr. CASTLE].

Mr. CASTLE. Mr. Chairman, I thank the gentleman both for yielding and for being the manager of this very important piece of legislation.

Mr. Chairman, I congratulate the gentleman from Idaho [Mr. CRAPO] and the gentlewoman from California [Ms. HARMAN] who worked so very hard on this. They have done an extraordinary job.

Mr. Chairman, budgeting in the U.S. Government is the most complex procedure I have ever dealt with in my life. With a family budget, we sit down and look at our checkbook. With a corporate budget, generally there is a committee that does it. And in State, city, or country government, there is one committee that does the appropriations and sets the basic budget tone and then it is reviewed and signed or not signed.

Here in Washington, we deal with budget resolutions done by one committee, appropriations bills done by 13 subcommittees, appropriations bills, reconciliations, raising the debt ceiling of the United States of America, maybe a continuing resolution. It has taken me the 2½ years that I have been here just to begin to comprehend what it is we are doing with it.

Mr. Chairman, how is it for the public? All they know is that we have a $4.95 trillion debt, that we have a deficit every year, and they keep saying to me, and all of us, I am sure, "Why can't you all balance the budget?"

I think we are honestly making an effort. We have, in the last 2½ years in this House, passed a balanced budget amendment; we have passed a line-item veto, so that the President can get involved in the process on a line-item basis; we have eliminated the baseline budgeting, so that we look at the budget from the year before and calculate our budgets from that; and now, we have the lockbox concept.

Mr. Chairman, it is complicated and sort of a complicated name, but it is so doggone simple in what it does. That is, when you cut something from an appropriations bill on this floor from now on, it is going to stay cut and will not be added some place else, either in that appropriation or some other appropriation.

Mr. Chairman, I think that is pretty straightforward when it comes right down to it. For that reason, I rise in strong support of this legislation as part of the overall package, which I believe we need to make our procedures simpler, to make them plainer, so that we as Members know exactly what we are doing and so the public can recognize what we are doing.

Mr. Chairman, I hope we can all support this legislation.

Mr. GOSS. Mr. Chairman, I yield 2 minutes to the gentleman from Florida [Mr. STEARNS], my friends and colleague, one of the well-known deficit hawks of this institution.

Mr. STEARNS. Mr. Chairman, I fully endorse the concept of a lockbox and believe this is a good first step toward fulfilling our pledge to the American people. We made a promise that we will spare future generations from being asked to bear the brunt of paying for our follies.

When I heard the gentlewoman from California [Ms. HARMAN] talk, and the gentleman from Idaho [Mr. CRAPO] talk, I thought to myself, they would be interested to know that even Thomas Jefferson supported the lockbox. So I went back into his writings and I have a quote for my colleagues.

Mr. Chairman, it says,

> I am for a government rigorously frugal and simple, applying all the possible savings of the public revenue to the discharge of the national debt; and not for a multiplication of offices and salaries merely to make partisans, that is, just pass something to get votes, and for increasing by every device the public debt on the principle of it being a public blessing.

In effect, when he was talking about ridding the national debt by taking possible savings, he was actually talking about a lockbox. My colleagues probably did not know that, but I thought I would share that with them.

Mr. Chairman, obviously I am in favor of this concept, and if we are truly committed to turning our Nation's economy around, we must not falter in this regard. I am a cosponsor of this bill and proud to speak in its behalf.

Mr. Chairman, let us heed the words of Thomas Jefferson and vote to protect the public interest and make the lockbox permanent.

□ 1430

Mr. GOSS. Mr. Chairman, I yield 2 minutes to the gentleman from California [Mr. ROYCE].

Mr. ROYCE. Mr. Chairman, I want to point out to the Members of this body that if this bill had been law last year, we would have saved $659 million that would have gone to deficit reduction. That is the sum that we actually passed in cuts, and yet later we found that those cuts, those savings, were reallocated for additional spending programs in this House.

When I think about the fact, and I have spoken about the $200 billion chronic deficits that we are running in this Government, when I think about the fact that last year we had $100 million in the ASRM program that we thought we had cut on this floor, and yet we found out subsequently that that money was reallocated for additional spending, when I think about the fact that it is really the will of the majority of this House, when the majority votes on this floor, to cut spending, and then to see that will of the majority overturned, overturned by having that money reallocated, I say let us let the will of the majority be done. Let us let the cuts be carried out.

I am excited about the reform movement in this Congress. I think people have told us, "No more politics as usual." I think that people have made the point to us that this change, these changes that we are implementing in public policy really represent for us a keeping faith with the expectations of the American people, that we are going to keep out commitments. We are going to basically keep our credibility with that public and that we are going to say to that public, when we say we are cutting spending, we mean we are cutting spending; we mean that we are actually going to implement that and make certain those cuts go right to the bottom line.

Last, I will share with you my final thought on this subject, and that is that the most important thing we to do here is deficit reduction, and this reform, this governmental reform that we are implementing today, will allow us to better implement our policy to reduce that Federal budget deficit, and that is the final reason we should vote for this reform.

Mr. GOSS. Mr. Chairman, I have one further speaker who will close for our side.

Mr. FROST. Mr. Chairman, we have no additional speakers on our side.

Mr. GOSS. Mr. Chairman, I yield the balance of our time, 3½ minutes, to the gentleman from Michigan [Mr. UPTON].

Mr. UPTON. Mr. Chairman, I have said for a long time that we need structural reforms if we are ever going to balance this budget. This bill does that.

As people around the country watch on C-SPAN, and they probably writhe and cheer when this body has the guts to make some cuts along the way, what they forget along those lines is that when that bill goes to the other body months later, if we have been successful in making those cuts, the other body just sort of backfills.

I am going to give you an example. Last week we had the vote on the B-2 bomber on the appropriation spending bill for defense. I voted against it. I voted against it because I did not think that we could afford it, and had we been successful, we were not, but had we been successful, I would have wanted that money, and the reason I voted "no" in the first place was to lower our deficit so that the other body would not have been able to take that money and use it for something else.

I am a fiscal conservative, and whether it is the line item veto or changing the budget process to work, we have got to make this institution aware that when we cut spending here, we cannot allow the other body to simply raise it, and when they cut spending there, they should not be in the same shoes on this side to take the money that they might cut and add it to something else.

This idea, the lockbox, with strong bipartisan support, and it has been that way from the very onset, does exactly what we say we are going to do. When we cut spending, the money goes to reduce the deficit. It does not go for something else, and that is the reason that I rise and join so many of my colleagues here this afternoon in support of this legislation. This is real reform. It is structural reform. It is going to work, and it is about time that we passed it here and get the other body to do the same.

I just would encourage my colleagues, all of them, to support this legislation because it really does something about spending cuts, and that is what it is all about.

Mr. GOSS. Mr. Chairman, I yield back the balance of my time.

Mr. FROST. Mr. Chairman, I yield myself such time as I may consume.

As I mentioned previously, I support the legislation. I do. There are several amendments that will be offered shortly. I intend to offer one. The gentlewoman from California [Ms. HARMAN] intends to offer one. We will be discussing those very soon.

Mr. REED. Mr. Chairman, I rise in support of the bipartisan deficit lockbox legislation, H.R. 1162.

However, it is unfortunate that H.R. 1162 was not brought before the House of Representatives prior to consideration of this year's spending bills. Regrettably, this means that many of the cuts I voted for this year are not guaranteed to help reduce the deficit.

Mr. Chairman, H.R. 1162 is all about the truth. When Members vote to cut an unworthy project and do not redirect those scarce resources elsewhere, our constituents expect that money to go toward reducing the deficit.

Unfortunately, that is not the way the system works now, but with the passage of H.R. 1162 that will change. Now when the project is cut, those savings will lower the total sum of funds available and the deficit should be reduced by a commensurate amount.

I am pleased to support this truth in budgeting legislation, and I urge my colleagues on both sides of the aisle to vote for H.R. 1162. Thank you, Mr. Chairman.

Mr. POSHARD. Mr. Chairman, I rise today in strong support of H.R. 1162, the Deficit Reduction Lock-Box Act. I am an original cosponsor of this legislation and I have appreciated working with the bipartisan group bringing the bill to the floor today.

It should be recognized that we really started getting serious about deficit reduction with the 1993 budget agreement. Early that year, the President asked Members of Congress to the White House to brainstorm on just how we should approach our fiscal challenges. I met with the President on February 15, 1993, and at that time suggested to him the idea of a deficit reduction trust fund, which would help account for the money being saved through the budget process.

I told the President that the American people are willing to make the hard choices on taxes, program cuts and budget priorities if they know that the ultimate result is deficit reduction. What makes people unhappy is when they pay their fair share, services are reduced, non-priority items are funded and the deficit continues to rise.

This is a meaningful response to the concern. The lock-box helps us make sure a cut is a cut and that a zero is a zero. I am pleased to see the House taking this step toward fiscal responsibility and thank the Members of both sides of the aisle who helped make it happen.

Mr. LUTHER. Mr. Chairman, I rise in strong support of the measure before us today, H.R. 1162, the Deficit Reduction Lock Box Act of 1995.

The lock box legislation is a commonsense, bipartisan effort that should have been one of the first accomplishments of this Congress.

As a new Member of this body committed to supporting serious efforts to cut annual Federal spending and to reduce the national debt, the lock box approach is long overdue. While I am pleased that this bill enjoys broad bipartisan support, I am hopeful that next year's appropriations process will have a lock box for real deficit reduction in place.

I commend the bipartisan coalition of Republicans and Democrats who worked tirelessly to ensure consideration of H.R. 1162.

I have held 42 listening sessions in my district so far this year and my constituents overwhelmingly believe that the first priority of their elected leaders in Washington should be to get our country's fiscal house in order. They frankly cannot understand the current approach which allows a cut in spending to simply be spent elsewhere in the respective appropriation bills. With the budget situation facing our country, I likewise do not understand this approach, and I believe it's time to make a change.

Now, with the lock box contained in H.R. 1162, this shell game will cease to exist: Savings from budget cuts will be set aside for deficit reduction. Most elected officials talk the talk of changing business as ususal—this legislation allows us to walk-the-walk and show the American people that we are committed to deficit reduction.

Mr. Speaker, in my first 8½ months in Congress I have worked with many Republicans and Democrats on amendments that cut unnecessary or wasteful Federal Government spending. Now, our efforts will be rewarded with real deficit reduction. I look forward to our continued efforts.

Mr. FROST. Mr. Chairman, I have no further requests for time, and I yield back the balance of my time.

The CHAIRMAN. All the time for general debate has expired.

Pursuant to the rule, the committee amendment in the nature of a substitute printed in the bill is considered as an original bill for the purpose of amendment and is considered read.

The text of the committee amendment in the nature of a substitute is as follows:

H.R. 1162

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Deficit Reduction Lockbox Act of 1995".

SEC. 2. DEFICIT REDUCTION LOCK-BOX ACCOUNT.

(a) ESTABLISHMENT OF ACCOUNT.—Title III of the Congressional Budget Act of 1974 is amended by adding at the end the following new section:

"DEFICIT REDUCTION LOCK-BOX ACCOUNT

"SEC. 314. (a) ESTABLISHMENT OF ACCOUNT.—There is established in the Congressional Budget Office an account to be known as the 'Deficit Reduction Lock-box Account'. The Account shall be divided into subaccounts corresponding to the subcommittees of the Committees on Appropriations. Each subaccount shall consist of three entries: the 'House Lock-box Balance'; the 'Senate Lock-box Balance'; and the 'Joint House-Senate Lock-box Balance'.

"(b) CONTENTS OF ACCOUNT.—Each entry in a subaccount shall consist only of amounts credited to it under subsection (c). No entry of a negative amount shall be made.

"(c) CREDIT OF AMOUNTS TO ACCOUNT.—(1) The Director of the Congressional Budget Office (hereinafter in this section referred to as the 'Director') shall, upon the engrossment of any appropriation bill by the House of Representatives and upon the engrossment of that bill by the Senate, credit to the applicable subaccount balance of that House amounts of new budget authority and outlays equal to the net amounts of reductions in new budget authority and in outlays resulting from amendments agreed to by that House to that bill.

"(2) The Director shall, upon the engrossment of Senate amendments to any appropriation bill, credit to the applicable Joint House-Senate Lock-box Balance the amounts of new budget authority and outlays equal to—

"(A) an amount equal to one-half of the sum of (i) the amount of new budget authority in the House Lock-box Balance plus (ii) the amount of new budget authority in the Senate Lock-box Balance for that bill; and

"(B) an amount equal to one-half of the sum of (i) the amount of outlays in the House Lock-box Balance plus (ii) the amount of outlays in the Senate Lock-box Balance for that bill,

under section 314(c), as calculated by the Director of the Congressional Budget Office.

"(d) DEFINITION.—As used in this section, the term 'appropriation bill' means any general or special appropriation bill, and any bill or joint resolution making supplemental, deficiency, or continuing appropriations through the end of a fiscal year.".

(b) CONFORMING AMENDMENT.—The table of contents set forth in section 1(b) of the Congressional Budget and Impoundment Control Act of 1974 is amended by inserting after the item relating to section 313 the following new item:

"Sec. 314. Deficit reduction lock-box account."

SEC. 3. TALLY DURING HOUSE CONSIDERATION.

There shall be available to Members in the House of Representatives during consideration of any appropriations bill by the House a running tally of the amendments adopted reflecting increases and decreases of budget authority in the bill as reported.

SEC. 4. DOWNWARD ADJUSTMENT OF 602(a) ALLOCATIONS AND SECTION 602(b) SUBALLOCATIONS.

(a) ALLOCATIONS.—Section 602(a) of the Congressional Budget Act of 1974 is amended by adding at the end the following new paragraph:

"(5) Upon the engrossment of Senate amendments to any appropriation bill (as defined in section 314(d)) for a fiscal year, the amounts allocated under paragraph (1) or (2) to the Committee on Appropriations of each House upon the adoption of the most recent concurrent resolution on the budget for that fiscal year shall be adjusted downward by the amounts credited to the applicable Joint House-Senate Lockbox Balance under section 314(c)(2), as calculated by the Director of the Congressional Budget Office, and the revised levels of budget authority and outlays shall be submitted to each House by the chairman of the Committee on the Budget of that House and shall be printed in the Congressional Record.".

(b) SUBALLOCATIONS.—Section 602(b)(1) of the Congressional Budget Act of 1974 is amended by adding at the end the following new sentence: "Whenever an adjustment is made under subsection (a)(5) to an allocation under that subsection, the Director of the Congressional Budget Office shall make downward adjustments in the most recent suballocations of new budget authority and outlays under subparagraph (A) to the appropriate subcommittees of that committee in the total amounts of those adjustments under section 314(c)(2). The revised suballocations shall be submitted to each House by the chairman of the Committee on Appropriations of that House and shall be printed in the Congressional Record.".

SEC. 5. PERIODIC REPORTING OF ACCOUNT STATEMENTS.

Section 308(b)(1) of the Congressional Budget Act of 1974 is amended by adding at the end the following new sentence: "Such reports shall also include an up-to-date tabulation of the amounts contained in the account and each subaccount established by section 314(a).".

SEC. 6. DOWNWARD ADJUSTMENT OF DISCRETIONARY SPENDING LIMITS.

The discretionary spending limit for new budget authority for any fiscal year set forth in section 601(a)(2) of the Congressional Budget Act of 1974, as adjusted in strict conformance with section 251 of the Balanced Budget and Emergency Deficit Control Act of 1985, shall be reduced by the amount of the adjustment to the section 602(a) allocations made under section 602(a)(5) of the Congressional Budget Act of 1974, as calculated by the Director of the Office of Management and Budget. The adjusted discretionary spending limit for outlays for that fiscal year, as set forth in such section 601(a)(2), shall be reduced as a result of the reduction of such budget authority, as calculated by the Director of the Office of Management and Budget based upon programmatic and other assumptions set forth in the joint explanatory statement of managers accompanying the conference report on that bill. Reductions (if any) shall occur upon the enactment of all regular appropriation bills for a fiscal year or a resolution making continuing appropriations through the end of that fiscal year. This adjustment shall be reflected in reports under sections 254(g) and 254(h) of the Balanced Budget and Emergency Deficit Control Act of 1985.

SEC. 7. EFFECTIVE DATE.

(a) IN GENERAL.—This Act shall apply to all appropriation bills making appropriations for fiscal year 1996 or any subsequent fiscal year.

(b) FY96 APPLICATION.—In the case of any appropriation bill for fiscal year 1996 engrossed by the House of Representatives after the date this bill was engrossed by the House of Representatives after the date this bill was engrossed by the House of Representatives and before the date of enactment of this bill, the Director of the Congressional Budget Office, the Director of the Office of Management and Budget, and the Committees on Appropriations and the Committees on the Budget of the House of Representatives and of the Senate shall, within 10 calendar days after that date of enactment of this Act, carry out the duties required by this Act and amendments made by it that occur after the date this Act was engrossed by the House of Representatives.

(c) FY96 ALLOCATIONS.—The duties of the Director of the Congressional Budget Office and of the Committees on Budget and on Appropriations of the House of Representatives pursuant to this Act and the amendments made by it regarding appropriation bills for fiscal year 1996 shall be based upon the revised section 602(a) allocations in effect on the date this Act was engrossed by the House of Representatives.

(d) DEFINITION.—As used in this section, the term "appropriation bill" means any general or special appropriation bill, and any bill or joint resolution making supplemental, deficiency, or continuing appropriations through the end of a fiscal year.

Amend the title so as to read: "A bill to establish procedures to provide for a deficit reduction lock-box and related downward adjustment of discretionary spending limits.".

The CHAIRMAN. During consideration of the bill for amendment, the Chairman of the Committee of the Whole may accord priority in recognition to a Member offering an amendment that has been printed in the designated place in the CONGRESSIONAL RECORD. Those amendments will be considered read.

Are there any amendments to the bill?

AMENDMENT OFFERED BY MR. GOSS

Mr. GOSS. Mr. Chairman, I offer an amendment, amendment No. 2, printed in the CONGRESSIONAL RECORD.

The CHAIRMAN. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment offered by Mr. GOSS: Page 2, line 6, strike "ACCOUNT" and insert "LEDGER".

Page 2, line 7, strike "ESTABLISHMENT OF ACCOUNT" and insert "LEDGER".

Page 2, line 10, strike "ACCOUNT" and insert "LEDGER".

Page 2, line 11, strike "ESTABLISHMENT OF ACCOUNT" and insert "LEDGER".

Page 2, lines 11 and 12, strike "There" and all that follows through "Account," on line 13, and insert the following: "The Director of the Congressional Budget Office (hereinafter in this section referred to as the 'Director') shall maintain a ledger to be known as the 'Deficit Reduction Lock-box Ledger'.".

Page 2, line 14, strike "Account" and insert "Ledger" and strike "subaccounts" and insert "entries".

Page 2, line 16, strike "subaccount" and insert "entry" and strike "entries" and insert "parts".

Page 3, strike lines 1 through 3 and insert the following:

"(b) COMPONENTS OF LEDGER.—Each component in an entry shall consist only of amounts credited to it under subsection (c). No entry of a negative amount shall be made.

Page 3, line 4, strike "ACCOUNT" and insert "LEDGER".

Page 3, lines 5 and 6, strike "of the Congressional Budget Office (hereinafter in this section referred to as the 'Director')".

Page 3, line 9, strike "subaccount" and insert "entry".

Page 4, line 2, strike the comma and insert a period and strike lines 3 and 4.

Page 4, before line 5, add the following new paragraph:

"(3) CALCULATION OF LOCK-BOX SAVINGS IN SENATE.—For purposes of calculating under this section the net amounts of reductions in new budget authority and in outlays resulting from amendments agreed to by the Senate on an appropriation bill, the amendments reported to the Senate by its Committee on Appropriations shall be considered to be part of the original text of the bill.

Page 4, between lines 13 and 14, strike "account" and insert "ledger".

Page 5, lines 9 and 10, strike ", as calculated by the Director of the Congressional Budget Office, and" and insert a period, and on line 11 strike "the" and insert "The".

Page 5, line 19, strike "Director of the Congressional Budget Office" and insert "chairman of the Committee on Appropriations of each House".

Page 6, line 3, strike "ACCOUNT" and insert "LEDGER".

Page 6, line 7, strike "account" and insert "ledger", and on line 8, strike "subaccount" and insert "entry".

Page 6, strike line 9 and all that follows through page 7, line 7, and insert the following new section:

SEC. 6. DOWNWARD ADJUSTMENT OF DISCRETIONARY SPENDING LIMITS.

The discretionary spending limits for new budget authority and outlays for any fiscal year set forth in section 601(a)(2) of the Congressional Budget Act of 1974, as adjusted in strict conformance with section 251 of the Balanced Budget and Emergency Deficit Control Act of 1985, shall be reduced by the amounts set forth in the final regular appropriation bill for that fiscal year or joint resolution making continuing appropriations through the end of that fiscal year. Those amounts shall be the sums of the Joint House-Senate Lock-box Balances for that fiscal year, as calculated under section 602(a)(5) of the Congressional Budget Act of 1974. That bill or joint resolution shall contain the following statement of law: "As required by section 6 of the Deficit Reduction Lock-box Act of 1995, for fiscal year [insert appropriate fiscal year], the adjusted discretionary spending limit for new budget authority shall be reduced by $ [insert appropriate amount of reduction] and the adjusted discretionary limit for outlays shall be reduced by $ [insert appropriate amount of reduction]." Notwithstanding section 904(c) of the Congressional Budget Act of 1974, section 306 of that Act as it applies to this statement shall be waived. This adjustment shall be reflected in reports under sections 254(g) and 254(h) of the Balanced Budget and Emergency Deficit Control Act of 1985.

Page 7, lines 14 and 15, strike "the date this bill was engrossed by the House of Representatives" and insert "August 4, 1995".

Page 8, lines 5 and 6, strike "the date this bill was engrossed by the House of Representatives" and insert "August 4, 1995".

Mr. GOSS. Mr. Chairman, I will briefly explain this amendment, which is somewhat technical. It is primarily a managers' amendment. I know there is some concern about time on the other side to get on with some of the amendments which we need to do.

Mr. Chairman, this is a manager's amendment primarily a series of technical changes to the bill reflecting dozens of hours of careful consultation with budget process experts, the various committees with interest and jurisdiction, and lockbox advocates. In making these technical changes we are clarifying the effect of lockbox, ensuring that we are in conformity with the Budget Act, addressing a potential vagueness in the language vis-a-vis the other body and fixing a potential constitutional problem with the requirement for lowering the statutory spending caps. Among the modifications we are making, is a change of the language of lockbox from "accounts" and "subaccounts" to "ledger" and "entries." The reason for this is to be as clear as possible about the accounting or scorekeeping function assigned to

CBO in this process. We have also made sure that all the various tasks assigned in this bill are properly assigned to reflect the requirements of the Budget Act. In addition, we have added language to make clear that when we refer to "Senate amendments" to appropriations bills we mean amendments adopted on the floor of the other body. In addition, some legal experts raised a concern about whether the language in this bill might have constitutional problems in the sense that it keys the statutory lowering of the discretionary caps by OMB to a provision that is not yet in law. In order to make absolutely sure that we do not run afoul of the constitution, this amendment would modify that section of the bill to require that the final appropriations bill—or CR—for a given fiscal year must include a statement telling OMB to reduce the caps by the amount of the total of all the joint House-Senate lockboxes through that budget cycle. Finally, this amendment ensures that the House is held accountable for lockbox to the date on which we first adopted it—when we passed the fiscal year 1996 Labor/HHS Appropriations bill on August 4, 1995, in which we included a Crapo lockbox amendment. I would like to thank the Budget Committee and the Appropriations CMTE for help in crafting this technical manager's amendment and I urge its passage.

AMENDMENT OFFERED BY MR. FROST TO THE AMENDMENT OFFERED BY MR. GOSS

Mr. FROST. Mr. Chairman, I offer an amendment to the amendment.

The Clerk read as follows:

Amendment offered by Mr. FROST to the amendment offered by Mr. GOSS: Amend the instruction relating to page 7, line 14, to read as follows:

Page 7, beginning on line 14, strike "after the date this bill was engrossed by the House of Representatives and".

Mr. FROST. Mr. Chairman, many of us have supported lockbox because we want to make real cuts that will really reduce the deficit and assist our efforts to reach a balanced budget. However, as reported, this bill will not be applicable to 12 of the 13 fiscal year 1996 appropriations bills.

I understand that my colleague from Florida, in the amendment that he has just discussed, is offering an amendment which will make this bill applicable to the labor-HHS and Department of Defense appropriations, but I think we should go all the way and cover every one of the 13 bills in this exercise. The DOD appropriation was reduced by $121 million, and those savings will be counted toward deficit reduction. If we can count those savings, why can we not count others?

Mr. Chairman, let me give you a few specific examples of savings that have been made in the other 10 bills. We cut $20 million from the global environmental fund and $14 million from OPIC when we considered the foreign operations appropriation. We cut $65.8 million from the Treasury, Postal appropriation by reducing the funds for offices of the Food and Drug Administration. The energy and water appropriation was reduced $20 million by cutting the gas turbine modular helium reactor. Interior was reduced $5 million when we agreed to cut fossil energy research. In total, Mr. Chairman, the House has agreed to reduce discretionary spending by over $240 million, which, in anyone's calculation, amounts to real money.

Mr. Chairman, the question has arisen about what happens if money saved from one bill has subsequently been spent in another. I know the Committee on Appropriations believes this amendment will hamper its ability to negotiate with their Senate counterparts. I know Members will say funds have already been reallocated to programs that really matter to their districts. But is it the answer really that we have had to make hard choices? We have made them, and in order to get credit for them, they have to be real.

Mr. Chairman, if we apply lockbox retroactively, then maybe some of these cuts we have made will be real. That is what this Member intends when voting to cut, and I am sure that intention is shared by every other Member of this body.

Mr. GOSS. Mr. Chairman, I rise in opposition to the amendment to the amendment.

Mr. Chairman I think that the subject of retroactivity has been greatly debated in the process by all the players, and I recognize the sentiment that their distinguished gentleman from Texas in laying out. It is one that we all had when we started this process. It is something we hoped we could achieve.

The reality of the circumstances is, as we got into this thing and worked it all out, and it was complicated, as we see it, is that we had to draw a starting line somewhere, and we felt that the fair way to do it was to pick the day when the House spoke on it, and that is, in effect, what the managers' amendment, the underlying amendment to which this amendment applies, tries to do, and that date is August 4.

In terms of retroactivity, that would mean presumably that the lockbox might affect for fiscal year 1996 Labor-HHS, Defense, and D.C., by my calculations and that is, I use the word "might" advisedly, but I believe that is true.

The problem with trying to go back before that is we were operating very much under different rules and there was no notice to the appropriators, and I think that is a question of fair play, a question certainly we did not want to take away unnecessarily flexibility from the appropriators, but a practical reality that money has been reprogrammed and put into the process.

We as Members of this House have voted on that process during the movement of those other appropriations bills that happened before August 4. So I think it is extremely impractical, no matter how we feel about the general principle which the gentleman from Texas has espoused, it is impractical to get there.

So I am afraid I have to urge opposition to the amendment. I do not know how we can go back and capture what is not there, especially when we put everybody on notice on a certain date and we said that after this date we will operate under these new rules, and that is what my managers' amendment does. It says we are simply going to do that, and we are doing that, and I think that is living up to our word, our commitment. It is clearly what we put Members on notice on, and while I wish that we could do better, I do not think it is practical that we can, and I think it would deviate a little bit from what we promised the Members of this House if we passed the amendment offered by the gentleman from Texas. I do not wish to do that.

I urge, therefore, that we oppose it and defeat it.

Mr. SOLOMON. Mr. Speaker, I move to strike the last word.

Mr. Chairman, I just want to say to my good friend, the gentleman from Texas [Mr. FROST], he is a very valuable Member of the so-called opposition party, the loyal opposition, on the Committee on Rules, and I have great respect for him.

But his amendment, I would have preferred to pass this lockbox right out of the starting gate the first of the year and had it affect everything from then and into the future.

☐ 1445

Mr. Chairman, I am going to make the same argument with my good friend, the gentlewoman from California [Ms. HARMAN], when she offers an amendment on the out years, but, as my colleagues know, this is a controversial issue. My colleagues heard my next-door colleague, the gentleman from New York [Mr. HINCHEY], stand up and say we are spending a trillion dollars too little in this Congress and that we have got to build all these roads, and bridges, and infrastructure. Well, the truth of the matter is, my colleagues, we have a serious problem in this country. It is called a deficit that is ruining us in this country. It is turning us into a debtor nation, and there is nothing more uncompassionate than taking away the future of our children and grandchildren.

Now I take a back seat to nobody on deficit reduction. Here is a bill I introduced back on June 22, 1995. It contains $890 billion, and that is not million, that is billion dollars, in cuts. It cuts just about everything. But it balances the budget in 5 years. That is how important it is.

But I would just say to the gentleman that, as the gentleman knows, Ronald Reagan, and I mentioned his name earlier, taught me something a long time ago. And that is, we cannot always have it our own way, we have to compromise. It is always a two-way street, and that is what we have done with this legislation. We had many of the appropriators dead set against this legislation, the same thing over in the other body, because they do not want to be hamstrung in spending, spending, spending.

Well, this is a compromise. It is a good compromise. It is a compromise that is going to get, I think, the overwhelming majority in this vote. That is why I would urge my colleagues to reject this amendment and any other amendments to this bill, because it is a consensus that has been worked out with both the Democrats and Republicans, the liberals and conservatives. it is a bill that is acceptable, and that is why my colleagues should vote against my good friend's amendment and vote for this bill on final passage.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Texas [Mr. FROST] to the amendment offered by the gentleman from Florida [Mr. GOSS].

The question was taken; and the Chairman announced that the noes appeared to have it.

RECORDED VOTE

Mr. FROST. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 204, noes 221, not voting 9, as follows:

[Roll No. 656]

AYES—204

Ackerman
Allard
Andrews
Baesler
Baker (CA)
Baldacci
Barcia
Barrett (WI)
Becerra
Bentsen
Bevill
Bishop
Bonior
Borski
Boucher
Brewster
Browder
Brown (CA)
Brown (FL)
Brown (OH)
Bryant (TX)
Cardin
Chabot
Chapman
Christensen
Clay
Clayton
Clement
Clyburn
Coburn
Coleman
Collins (IL)
Collins (MI)
Condit
Conyers
Cooley
Costello
Coyne
Cramer
Cremeans
Danner
de la Garza
Deal
DeFazio
DeLauro
Dellums
Deutsch
Dingell
Doggett
Dooley
Doyle
Duncan
Durbin
Edwards
Ehrlich
Engel
Ensign
Eshoo
Evans
Fattah
Fazio
Fields (LA)
Filner
Flake
Foglietta
Foley
Forbes
Ford
Frost
Furse
Gejdenson
Gephardt
Geren
Gibbons
Gonzalez
Gordon
Green
Gutierrez
Hall (OH)
Hamilton
Harman
Hastings (FL)
Hayes
Hefley
Hefner
Hilleary
Hilliard
Hinchey
Holden
Horn
Inglis
Jackson-Lee
Jacobs
Jefferson
Johnson (SD)
Johnson, E. B.
Johnston
Kanjorski
Kaptur
Kennedy (MA)
Kennedy (RI)
Kennelly
Kildee
Kleczka
Klug
LaHood
Lantos
Levin
Lewis (GA)
Lincoln
Lipinski
LoBiondo
Lofgren
Lowey
Luther
Maloney
Manton
Manzullo
Markey
Martinez
Mascara
Matsui
McCarthy
McDermott
McHale
McKinney
McNulty
Meehan
Meek
Menendez
Mfume
Miller (CA)
Mineta
Minge
Montgomery
Moran
Neal
Obey
Olver
Ortiz
Orton
Owens
Pallone
Pastor
Payne (NJ)
Payne (VA)
Peterson (FL)
Peterson (MN)
Pickett
Pomeroy
Poshard
Ramstad
Rangel
Reed
Richardson
Rivers
Roemer
Rose
Roybal-Allard
Royce
Rush
Sanders
Sanford
Sawyer
Scarborough
Schroeder
Schumer
Scott
Serrano
Shadegg
Skaggs
Skelton
Slaughter
Smith (MI)
Smith (WA)
Souder
Stark
Stenholm
Stokes
Studds
Stupak
Talent
Tanner
Tauzin
Taylor (MS)
Taylor (NC)
Tejeda
Thompson
Thurman
Torres
Torricelli
Towns
Velazquez
Vento
Visclosky
Ward
Waters
Watt (NC)
Weller
Williams
Wise
Wyden
Wynn
Zimmer

NOES—221

Abercrombie
Archer
Armey
Bachus
Baker (LA)
Ballenger
Barr
Barrett (NE)
Bartlett
Barton
Bass
Bateman
Beilenson
Bereuter
Berman
Bilbray
Bilirakis
Bliley
Blute
Boehlert
Boehner
Bonilla
Bono
Brownback
Bryant (TN)
Bunn
Bunning
Burr
Burton
Buyer
Callahan
Calvert
Camp
Canady
Castle
Chambliss
Chenoweth
Chrysler
Clinger
Coble
Collins (GA)
Combest
Cox
Crane
Crapo
Cubin
Cunningham
Davis
DeLay
Diaz-Balart
Dickey
Dicks
Dixon
Doolittle
Dornan
Dreier
Dunn
Ehlers
Emerson
English
Everett
Ewing
Farr
Fawell
Fields (TX)
Flanagan
Fowler
Fox
Frank (MA)
Franks (CT)
Franks (NJ)
Frelinghuysen
Frisa
Funderburk
Gallegly
Ganske
Gekas
Gilchrest
Gillmor
Gilman
Goodlatte
Goodling
Goss
Graham
Greenwood
Gunderson
Gutknecht
Hall (TX)
Hancock
Hansen
Hastert
Hastings (WA)
Hayworth
Heineman
Herger
Hobson
Hoekstra
Hoke
Hostettler
Houghton
Hoyer
Hunter
Hutchinson
Hyde
Istook
Johnson (CT)
Johnson, Sam
Jones
Kasich
Kelly
Kim
King
Kingston
Klink
Knollenberg
Kolbe
LaFalce
Largent
Latham
LaTourette
Laughlin
Lazio
Leach
Lewis (CA)
Lewis (KY)
Lightfoot
Linder
Livingston
Longley
Lucas
Martini
McCollum
McCrery
McDade
McHugh
McInnis
McIntosh
McKeon
Metcalf
Meyers
Mica
Miller (FL)
Mink
Molinari
Moorhead
Morella
Murtha
Myers
Myrick
Nadler
Nethercutt
Neumann
Ney
Norwood
Nussle
Oberstar
Oxley
Packard
Parker
Paxon
Pelosi
Petri
Pombo
Porter
Portman
Pryce
Quillen
Quinn
Radanovich
Rahall
Regula
Riggs
Roberts
Rogers
Rohrabacher
Ros-Lehtinen
Roth
Roukema
Sabo
Salmon
Saxton
Schaefer
Schiff
Seastrand
Sensenbrenner
Shaw
Shays
Shuster
Skeen
Smith (NJ)
Smith (TX)
Solomon
Spence
Spratt
Stearns
Stockman
Stump
Tate
Thomas
Thornberry
Tiahrt
Torkildsen
Traficant
Upton
Vucanovich
Waldholtz
Walker
Walsh
Wamp
Watts (OK)
Waxman
Weldon (FL)
Weldon (PA)
White
Whitfield
Wicker
Wolf
Woolsey
Yates
Young (AK)
Young (FL)

NOT VOTING—9

Moakley
Mollohan
Reynolds
Sisisky
Thornton
Tucker
Volkmer
Wilson
Zeliff

☐ 1508

Messrs. NEUMANN, FRANK of Massachusetts, FARR, RIGGS, and RAHALL changed their vote from "aye" to "no."

Messrs. CREMEANS, TOWNS, SHADEGG, and ROYCE, and Ms. VELÁZQUEZ changed their vote from "no" to "aye."

So the amendment to the amendment was rejected.

The result of the vote was announced as above recorded.

AMENDMENT OFFERED BY MS. HARMAN TO THE AMENDMENT OFFERED BY MR. GOSS

Ms. HARMAN. Mr. Chairman, I offer an amendment to the amendment.

The Clerk read as follows:

Amendment offered by Ms. HARMAN to the amendment offered by Mr. Goss:

In the matter proposed to be inserted by the amendment as a new section 6, in the third sentence—

(1) insert "and each outyear" after "[insert appropriate fiscal year]"; and

(2) insert "for the budget year and each outyear" after "insert appropriate amount of reduction" the second place it appears.

Ms. HARMAN (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentlewoman from California?

There was no objection.

Ms. HARMAN. Mr. Chairman, I am standing here as close as I possibly can to the center aisle to signify the point that there is bipartisan support for the legislation that we are considering.

Mr. Chairman, just a moment ago we saw here in the well of the House, Elizabeth Waldholtz, our newest daughter. I would like to say, as a mother of four, how happy I am that a new life has just joined us.

I want to compliment my friend, the gentleman from Florida [Mr. GOSS] for his leadership on the lockbox legislation and for his help in bringing the bill to the floor as a freestanding bill, as well as an amendment to the Labor-HHS appropriations bill. The gentleman from Florida and I both believe that the lockbox approach is a critical step in that long and winding road to a balanced budget.

Mr. Chairman, we can do even better. This amendment pairs the mother of lockbox with the father of the balanced budget constitutional amendment. Our amendment will improve the current bill and allow us to capture outyear savings that result from successful floor amendments cutting appropriations. True deficit hawks should support this amendment, as do the National Taxpayers Union and the Concord Coalition. Let me repeat. The National Taxpayers Union and the Concord Coalition support this amendment. Indeed, earlier in the debate, the gentleman from Florida [Mr. STEARNS] made the point that Thomas Jefferson supports this legislation.

Mr. Chairman, the Harman-Stenholm amendment is very simple. It ensures that spending cuts in a multiyear program result in a reduction in outyear discretionary spending caps, as well as the present year caps.

☐ 1515

Let me remind my colleagues that H.R. 1162 as originally introduced by the gentleman from Idaho [Mr. CRAPO] and myself, and now cosponsored by 80 of our colleagues, contained provisions capturing outyear spending, exactly what this amendment would do. The Harman-Stenholm amendment restores the original Crapo-Harman language.

Why do we need it? Well, here is the answer: If we are cutting personnel funds, 95 percent of those funds are spent in the first year. So we do not need this amendment for personnel cuts. But we need this amendment when we are cutting construction funds, military construction funds, for example, or multiyear procurement programs, which spend out slowly. Only a portion of the funds for those types of programs are spent in the first year.

For example, if we voted on a $100 million military construction program, it could be that only $6 million, or 6 percent, is spent in the first year. So if we cut that program, or cut a courthouse that would be valued at $100 million, we are really only applying $6 million to the deficit unless we adopt the Harman-Stenholm bipartisan amendment.

Similarly, with major weapons procurement programs, the first year's spendout is very small and the balloon comes later. So if we are serious about deficit reduction, and I think we are, certainly those of us who supported the balanced budget amendment in its various forms are, we need to adopt this amendment so that not only is a cut a cut, but a cut is a full cut.

Let me point out, Mr. Chairman, as I did before, that the original Crapo-Harman bill as introduced contained this language. The Brewster amendment to the emergency supplemental bill which was passed earlier this year by 418 votes to 5, contained this language. The more recent version of lockbox that we passed as an amendment to the Labor-HHS appropriations bill did not contain this language, but that was necessary as a concession at that time.

Now we have a freestanding bill. Now we have the opportunity to restore the original language that 80 cosponsors of the Crapo bill support, that the Concord Coalition supports, that the Taxpayers Union support. Every single serious deficit hawk on both sides of the aisle ought to support this amendment in order to achieve the glidepath we all want to a balanced budget.

Mr. Chairman, I urge support for the Harman-Stenholm bipartisan amendment.

Mr. GOSS. Mr. Chairman, I move to strike the last word.

Mr. Chairman, as the gentlewoman from California knows, I admire her persistence and her wisdom and her leadership in trying to make the best possible piece of legislation we can out of the lockbox, and she certainly deserves a great deal of credit for getting it this far down the track.

We have been wrestling with this problem of the outyears, trying to find a way to make it work. We want to do it. We have not been able to find the exact language. We find there are serious problems when we are talking with programs as opposed to dollars. Of course, we are reminded of the fact that we do our appropriations annually, at least at this point. So we have felt that we had the opportunity to come in and do what the gentlewoman has proposed in a way that would work and is agreed upon by all the players.

I would very much like to accommodate the amendment, and we tried, as I said. My view is we should certainly not oppose what you are proposing, and I would be very happy to immediately say that I embrace it. Wonderfully, it is a great addition and welcome addition if I felt we had the language worked out.

So I am put in the position of trying to figure out can we get this thing sorted out and in conference and accepted, as I would like to do, or do I point out there are procedural problems with this, which means it is not a good idea at this time, until we get the problems all sorted out. Frankly, I am not sure we are going to ever get them entirely sorted out, because they are of such a nature, when you get into talking about trying to deal with outyear implications for dollars rather than for programs, I do not know how you do that. Nobody does.

So the other question we have to measure is the sentiment of the body. In my view, the sentiment of the body is we should try and go on ahead and try to work this thing out in conference. Therefore, I am going to accept the proposed amendment to my amendment, with the understanding that we are going to have to work some things out in conference because we have not got the language yet.

Ms. HARMAN. Mr. Chairman, will the gentleman yield?

Mr. GOSS. I yield to the gentlewoman from California.

Ms. HARMAN. Mr. Chairman, I thank the gentleman for yielding. I appreciate the constructive comments that the gentleman has just made.

Mr. Chairman, I very much appreciate the gentleman's accepting this amendment, if I heard correctly. This, indeed, has been tricky to work out. Many of us have spent a lot of time on this amendment, on this concept. I would like to declare myself in addition to mother of lockbox, a de facto member of the Committee on Rules, since I have spent hours and hours over there. But I also want to commend the gentleman from Florida, Mr. GOSS, and to commend the gentleman from New York, Chairman SOLOMON, for really going the extra mile to make this work. I think that if we can get this perfected and if it can apply to the out years, we are doing more by this act to balance the budget than anything else we have done in this Congress.

Mr. SOLOMON. Mr. Chairman, will the gentleman yield?

Mr. GOSS. I yield to the gentleman from New York.

Mr. SOLOMON. Mr. Chairman, let me just say that I concur with the feelings of the gentleman from Florida [Mr. GOSS]. There are some procedural problems, as I discussed with the gentlewoman earlier. I think that there may be a way to work it out, and if there is, certainly we would look forward to it. If I am one of the conferees, we will do what we can to try to work with you between now and the time we do go to conference to see if there is some way to perfect this language that will truly make it work.

Ms. HARMAN. Mr. Chairman, if the gentleman will yield further, I appreciate that. I pledge to work with the gentleman.

Mr. Chairman, I would just like to conclude, as I am very close to this center aisle, that when we work in bipartisan fashion on some of these very complicated but very important budget reforms, we make more progress. So I feel this has been a very excellent debate on the House floor. I know it is not over. My colleague, the gentleman from Texas [Mr. STENHOLM], is waiting to speak. But I congratulate both gentleman for the enormous effort made, and also the gentleman from Idaho [Mr. CRAPO], who is sitting quietly in the back there, for his leadership and his friendship.

Mr. GOSS. Mr. Chairman, reclaiming my time, I want to thank Members for the bipartisan spirit in this. This is a complicated issue, as we have said. We are trying to do the right thing. I hope this is the right way to proceed. With the assurances we have from the gentleman that we will continue to work in a bipartisan effort, we will accept this and see how we can get it sorted out, at least as a placeholder in conference, to get the best we can.

Mr. STENHOLM. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I learned a long time ago when you have your amendment passed, you do not talk too much, so I will take all the persuasive arguments that I was going to use with the gentleman from Florida [Mr. GOSS] and the gentleman from New York [Mr. SOLOMON], and insert them into the RECORD, and accept this in the spirit of bipartisan, something we have not seen nearly as much of over the last several months. But I hope this is a sign of better things to come.

This is an idea that I have no doubts whatever can be worked out. All of the technical points that the gentleman from Florida has mentioned are very real, but they can be worked out in the spirit of cooperation that has been indicated today.

Mr. Chairman, I will yield back the balance of my time and insert the persuasive arguments that are no longer necessary into the RECORD.

Mr. Chairman, I congratulate the Rules Committee both for bringing H.R. 1162 to the floor with an open rule and for the committee's substantive, legislative activity on the bill.

Like so many others who have spoken on the floor today, this is an issue I have spent many hours over the past several years working towards and I am pleased to see this day finally come. My colleagues, MIKE CRAPO, JANE HARMAN, MIKE CASTLE, BILL BREWSTER, JOHN KASICH, CHET EDWARDS, and others have done a terrific job in leading this bipartisan effort and I want to thank them for that leadership.

I intend to vote in support of final passage of this bill, not because I think it is a perfect bill, or even as strong a bill as we have had proposed over the past several years. But I support it in a spirit of legislative compromise which has been noticeably lacking in recent months. Contrary to much of the rhetoric which has been circulating, not so much around this issue but around some of the currently relevant larger issues, I refuse to become part of the army which seems to think the political process can move forward without compromise.

I would like to see this bill come a little closer to provisions included in the Kasich-Stenholm-Penny common cents reform of last year. In my opinion, the ways in which this bill differs from that earlier proposal result in undesirable consequences for the budget deficit. But I accept that other people had other ideas and so I am willing to continue as a foot soldier to improve the status quo, even if it's not everything I would like. I hope others might get the hang of that concept as the next few months proceed.

I do intend to support final passage of this bill, but I also want to join in one more effort to improve what I believe is the most serious shortcoming of this bill before it leaves the House of Representatives. Therefore, I rise enthusiastically at this point to speak in behalf of the amendment by my colleague from California, my leader in this effort, JANE HARMAN. This amendment will ensure that the full effect of spending cuts on appropriations bills are locked into deficit reduction.

H.R. 1162 as it is before us currently affects only allocations of spending and discretionary caps for the fiscal year covered by the appropriations bill. Thus, the measure would not lock-in the outyear savings resulting from spending reduction amendments.

At first blush, one might assume this criticism is worthy of little more than nitpicking from a budget nerd. Nothing could be further from the truth. For anyone whose support of this legislation is driven by concern about deficit reduction, which I assume is virtually everyone supporting this bill, this outyear factor is no small matter. In fact, we're talking about this bill cutting in half the potential deficit reduction.

On average, 48 percent of funds appropriated in any year do not result in outlays until the second year or later. Therefore, in the rhetoric that has surrounded this concept from its beginning, this bill doesn't really guarantee that a cut is a cut. What it does is say that a cut is half a cut at best.

I say it is half a cut at best because there is a split-the-difference formula in the base bill which says that the amount placed in the lockbox should be equal to one-half the sum of the amounts in the House lockbox and the Senate lockbox. If we assume that current trends will continue and the House will typically cut more than the Senate, it means that the optimum deficit reduction will never be achieved.

Putting that formula aside, however, I believe that this outyear matter is of even greater importance. The Harman amendment will capture all of the outyear savings for deficit reduction.

Because the Federal budget process is such a complicated one, I would like to give an example of what this outyear matter really means. Let's assume that this year the Congress appropriates $1 billion for a given highway project. Because building a highway takes some time, the Department of Transportation may obligate only $100 million of the money during the next year. That doesn't mean that the project loses the other $900 million; it just means that money will be obligated in subsequent years as the highway continues to be built. Eventually, that full $1 billion will be spent by the Federal Government on the highway.

Now, let's say that as part of an across-the-board cut, that highway appropriation was cut in the House by 5 percent. Does that mean that $50 million will be going to reduce the deficit? Absolutely not. It means that $5 million, or 5 percent of the first year's spending can go into the House's account. Of course even that amount might be reduced if the Senate cuts less, but we won't get into that here.

Clearly, if you are trying not only to maximize the deficit reduction but also are trying to accomplish what the average citizen assumes you have done, you need to capture the outyear savings. In today's environment, I would say that the trust/credibility aspect of following through on what we imply we are doing is just as important as the deficit reduction aspect of capturing the outyear savings.

I believe that Ms. HARMAN has focused on an absolutely critical element of the bill with her amendment. I believe that anyone who cares about getting the biggest bang for our deficit-reduction buck, as well as anyone who is concerned about rebuilding public confidence in Congress, should support this amendment. I urge passage of the Harman amendment.

The CHAIRMAN. The question is on the amendment offered by the gentlewoman from California [Ms. HARMAN] to the amendment offered by the gentleman from Florida [Mr. GOSS].

The amendment to the amendment was agreed to.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Florida [Mr. GOSS], as amended.

The amendment, as amended, was agreed to.

The CHAIRMAN. Are there further amendments to the bill?

AMENDMENT OFFERED BY MRS. MEEK OF FLORIDA

Mrs. MEEK of Florida. Mr. Chairman, I offer an amendment. This is not the same amendment that I filed in yesterday's RECORD. I was advised by the House Parliamentarian that this new version of the amendment is in order.

The Clerk read as follows:

Amendment offered by Mrs. MEEK of Florida: At the end, add the following new section:

SEC. 8. REQUIREMENT THAT SAVINGS ONLY BE USED TO REDUCE THE BUDGET DEFICIT.

Reductions in outlays and reductions in discretionary spending limits specified in section 601(a)(2) of the Congressional Budget Act of 1974 resulting from the implementation of the Act shall be used only to reduce the budget deficit of the United States and shall not be used, directly or indirectly, to increase the budget deficit of the United States.

Mrs. MEEK of Florida (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentlewoman from Florida?

Mr. GOSS. Mr. Chairman, I object. I would like to hear the full amendment.

The CHAIRMAN. Objection is heard. The Clerk will read the amendment.

The Clerk concluded the reading of the amendment.

Mrs. MEEK of Florida. Mr. Chairman, this amendment is a clarifying, technical amendment to the bill. It should not be controversial.

My amendment would simply specify that all of the funds saved through lock-box spending reductions would be used for deficit reduction, and not for tax cuts.

Mr. Chairman, I strongly support the goal of reducing the Federal deficit, although I strongly disagree with how the Republican majority is attempting to achieve this goal.

My amendment will insure that this bill actually does what it is advertised to do—cut the deficit.

The sponsors of this bill say that any cuts in a specific appropriations bill made on the floor of the House or the Senate should go only to deficit reduction.

But the actual text of the bill only says that the funds cut on the floor cannot be used for other appropriations bills. The reported bill does not actually say that the cuts must be used for deficit reduction.

Thus, the bill leaves open the possibility that the spending cuts could be used to pay for a tax cut.

My amendment corrects this ambiguity and makes it clear that the cuts cannot be used to pay for a tax cut.

Mr. Chairman, this House has strongly supported this approach in the past.

The effect of my amendment is identical to a provision of the Brewster lockbox amendment adopted by the House on March 15 of this year by a resounding vote of 418 to 5.

Some may argue that my amendment is unnecessary because existing law prohibits using cuts in appropriations to pay for tax cuts. But this argument is a technical, legal one. It misses the point.

This Congress is making many, many cuts in spending in the name of reducing the deficit. It is therefore important for Congress to clearly affirm its intent—in this bill—that cuts in appropriations cannot be used to pay for tax cuts.

Mr. Chairman, I believe that those who have already cut programs like Head Start, housing for low-income people, job training and similar programs will try in the future to make additional cuts.

I have opposed these cuts in programs to help children, the poor, the sick, and the elderly, and I will continue to oppose them in the future.

But it would be rubbing salt in the wounds of the poor to have these cuts used to help pay for tax cuts for the wealthy.

Mr. Chairman, I urge my colleagues to support my amendment.

Let us make it clear to everyone that spending cuts can only be used to reduce the deficit.

□ 1530

Mr. SOLOMON. Mr. Chairman, I move to strike the last word.

Mr. Chairman, at the outset of this debate I said when I came here 17 years ago I came here for the purpose of trying to stop the defense budget of this country from becoming totally inadequate and to do everything I could to make it more difficult to spend money, to raise taxes, and to place regulatory burdens on the American people.

I would say to the gentlewoman, as I read her amendment, this amendment says that from now on and in the future, if we want to cut taxes, we cannot pay for it out of discretionary spending cuts. That, to me, is the antithesis of what I came to this Congress for. We are here to cut taxes, and we are here to limit speeding. I would hope we would defeat the gentlewoman's amendment, as much as we happen to like her.

Mr. GOSS. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, we have not seen this amendment in this form until just a few minutes ago. I think the gentleman from New York [Mr. SOLOMON] has characterized the concern we have over here about it.

As one reads it, it seems harmless enough, but when we think of the implications of it, it gets into a situation where we have many missions as we go through our budget work. One of them certainly is to try to cut taxes, where we can, to reduce the tax burden on the American people.

Mr. Chairman, I am afraid this is so broadly worded that it talks about steps that we might take with regard to the lockbox, which could be interpreted to prohibit us from tax cuts in the same year with regard to discretionary funds. I understand what my colleague from Florida, I think, is trying to accomplish; to make sure that we basically take the savings that come out of the appropriations process and use them to reduce the deficit. And that is what this is all about, that is what the lockbox is all about.

I am afraid this creates some uncertainties and goes beyond just a lockbox procedure and would tend to tie the hands of Members who would be interested in tax cuts in the same fiscal year.

That, I think, Mr. Chairman, is a serious, serious matter. So what I would urge so that the record is very clear, the testimony at the time we passed the lockbox, the Crapo amendment to the Labor, HHS, the testimony in the Committee on Rules, the testimony here today is all very, very clear. It says that the purpose of the lockbox is to capture those savings, and we intend to capture those savings.

To go further than that and say we also will not cut taxes, I think, goes well beyond, frankly, the scope of what we are talking about and does cause some complication with regard to the original intent, which is to capture the savings.

Mr. DREIER. Mr. Chairman, will the gentleman yield?

Mr. GOSS. I yield to the gentleman from California.

Mr. DREIER. Mr. Chairman, I thank my friend for yielding to me, and I have to join in opposition to this amendment.

I certainly have the greatest of admiration for my friend, the gentlewoman from Florida [Mrs. MEEK], but my concern is that, as we look at the issue of saving, and now to go, as my friend has just said, a step further and jeopardize the ability to reduce the incredible tax burden on working Americans, I believe, goes far beyond the purview of the intention of the lockbox.

Obviously, Mr. Chairman, there are many of us, most everyone, concerned about the pattern of deficit spending we have seen over the past several decades. But we are also concerned about the fact that there are so many people out there who feel that the Federal Government imposes a tax level which is way too high, and it is our goal as we reduce the deficit to also reduce that burden of taxes on working Americans.

It is clear that the amendment offered by my friend, the gentlewoman from Florida [Mrs. MEEK], would joepardize the opportunity to do that. For that reason I am compelled to join in opposition to this amendment.

The CHAIRMAN. The question is on the amendment offered by the gentlewoman from Florida [Mrs. MEEK].

The question was taken; and the Chairman announced that the noes appeared to have it.

RECORDED VOTE

Mrs. MEEK of Florida. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 144, noes 282, not voting 8, as follows:

[Roll No. 657]

AYES—144

Ackerman
Baldacci
Barrett (WI)
Becerra
Beilenson
Bentsen
Berman
Bevill
Bishop
Borski
Boucher
Browder
Brown (CA)
Brown (FL)
Brown (OH)
Bryant (TX)
Cardin
Clay
Clayton
Clement
Clyburn
Coleman
Collins (IL)
Collins (MI)
Conyers
Costello
Coyne
Cramer
DeFazio
Dellums
Deutsch
Dicks
Dingell
Dixon
Doggett
Dooley
Engel
Eshoo
Evans
Farr
Fattah
Fazio
Fields (LA)
Filner
Flake
Foglietta
Ford
Frank (MA)
Frost
Furse
Gejdenson
Geren
Gibbons
Gonzalez
Green
Gutierrez
Hall (OH)
Hamilton
Hastings (FL)
Hefner
Hilliard
Hinchey
Hoyer
Jackson-Lee
Jacobs
Jefferson
Johnson (SD)
Johnson, E.B.
Johnston
Kanjorski
Kennedy (MA)
Kleczka
LaFalce
Lantos
Lewis (GA)
Lincoln
Lofgren
Luther
Maloney
Manton
Markey
Martinez
Matsui
McCarthy
McDermott
McKinney
McNulty
Meehan
Meek
Menendez
Metcalf
Mfume
Miller (CA)
Mineta
Minge
Montgomery
Moran
Neal
Oberstar
Obey
Olver
Owens
Pastor
Payne (NJ)
Payne (VA)
Peterson (MN)
Pomeroy
Poshard
Rahall
Rangel
Rivers
Rose
Roybal-Allard
Rush
Sabo
Sanders
Schroeder
Scott
Serrano
Skaggs
Slaughter
Stark
Stenholm
Stokes
Studds
Stupak
Tanner
Thompson
Thornton
Thurman
Torres
Towns
Velazquez
Vento
Visclosky
Volkmer
Ward
Waters
Watt (NC)
Waxman
Wise
Woolsey
Wynn
Yates

NOES—282

Abercrombie
Allard
Andrews
Archer
Armey
Bachus
Baesler
Baker (CA)
Baker (LA)
Ballenger
Barcia
Barr
Barrett (NE)
Bartlett
Barton
Bass
Bateman
Bereuter
Bilbray
Bilirakis
Bliley
Blute
Boehlert
Boehner
Bonilla
Bonior
Bono
Brewster
Brownback
Bryant (TN)
Bunn
Bunning
Burr
Burton
Buyer
Callahan
Calvert
Camp
Canady
Castle
Chabot
Chambliss
Chapman
Chenoweth
Christensen
Chrysler
Clinger
Coble
Coburn
Collins (GA)
Combest
Condit
Cooley
Cox
Crane
Crapo
Cremeans
Cubin
Cunningham
Danner
Davis
Deal
DeLauro
DeLay
Diaz-Balart
Dickey
Doolittle
Dornan
Doyle
Dreier
Duncan
Dunn
Durbin
Edwards
Ehlers
Ehrlich
Emerson
English
Ensign
Everett
Ewing
Fawell
Fields (TX)
Flanagan
Foley
Forbes
Fowler
Fox
Franks (CT)
Franks (NJ)
Frelinghuysen
Frisa
Funderburk
Gallegly
Ganske
Gekas
Gephardt
Gilchrest
Gillmor
Gilman
Goodlatte
Goodling
Gordon
Goss
Graham
Greenwood
Gunderson
Gutknecht
Hall (TX)
Hancock
Hansen
Harman
Hastert
Hastings (WA)
Hayes
Hayworth
Hefley
Heineman
Herger
Hilleary
Hobson
Hoekstra
Hoke
Holden
Horn
Hostettler
Houghton
Hunter
Hutchinson
Hyde
Inglis
Istook
Johnson (CT)
Johnson, Sam
Jones
Kaptur
Kasich
Kelly
Kennedy (RI)
Kennelly
Kildee
Kim
King
Kingston
Klink
Klug
Knollenberg
Kolbe
LaHood
Largent
Latham
LaTourette
Laughlin
Lazio
Leach
Levin
Lewis (CA)
Lewis (KY)
Lightfoot
Linder
Lipinski
Livingston
LoBiondo
Longley
Lowey
Lucas
Manzullo
Martini
Mascara
McCollum
McCrery
McDade
McHale
McHugh
McInnis
McIntosh
McKeon
Meyers
Mica
Miller (FL)
Mink
Molinari
Moorhead
Morella
Murtha
Myers
Myrick
Nadler
Nethercutt
Neumann
Ney
Norwood
Nussle
Ortiz
Orton
Oxley
Packard
Pallone
Parker
Paxon
Pelosi
Peterson (FL)
Petri
Pickett
Pombo
Porter
Portman
Pryce
Quillen
Quinn
Radanovich
Ramstad
Reed
Regula
Richardson
Riggs
Roberts
Roemer
Rogers
Rohrabacher
Ros-Lehtinen
Roth
Roukema
Royce
Salmon
Sanford
Sawyer
Saxton
Scarborough
Schaefer
Schiff
Schumer
Seastrand
Sensenbrenner
Shadegg
Shaw
Shays
Shuster
Skeen
Skelton
Smith (MI)
Smith (NJ)
Smith (TX)
Smith (WA)
Solomon
Souder
Spence
Spratt
Stearns
Stockman
Stump
Talent
Tate
Tauzin
Taylor (MS)
Taylor (NC)
Tejeda
Thomas
Thornberry
Tiahrt
Torkildsen
Traficant
Upton
Vucanovich
Waldholtz
Walker
Walsh
Wamp
Watts (OK)
Weldon (FL)
Weldon (PA)
Weller
White
Whitfield
Wicker
Williams
Wolf
Wyden
Young (AK)
Young (FL)
Zeliff
Zimmer

NOT VOTING—8

de la Garza
Moakley
Mollohan
Reynolds
Sisisky
Torricelli
Tucker
Wilson

☐ 1556

Mr. BREWSTER, Ms. DELAURO, and Messrs. RICHARDSON, TEJEDA, and ORTIZ changed their vote from "aye" to "no."

Messrs. HASTINGS of Florida, BEVILL, METCALF, CRAMER, and CARDIN changed their vote from "no" to "aye."

So the amendment was rejected.

The result of the vote was announced as above recorded.

The CHAIRMAN. Are there further amendments to the bill?

If not, the question is on the committee amendment in the nature of a substitute, as amended.

The committee amendment in the nature of a substitute, as amended, was agreed to.

The CHAIRMAN. Under the rule, the Committee rises.

Accordingly the Committee rose; and the Speaker pro tempore (Mr. LAHOOD) having assumed the chair, Mr. QUINN, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 1162) providing for consideration of the bill (H.R. 1162) to establish a deficit reduction trust fund and provide for the downward adjustment of discretionary spending limits in appropriation bills, pursuant to House Resolution 218, he reported the bill back to the House with an amendment adopted by the Committee of the Whole.

The SPEAKER pro tempore. Under the rule, the previous question is ordered.

Is a separate vote demanded on the amendment to the committee amendment in the nature of a substitute adopted by the Committee of the Whole? If not, the question is on the committee amendment in the nature of a substitute.

The committee amendment in the nature of a substitute was agreed to.

The SPEAKER pro tempore. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

The SPEAKER pro tempore. The question is on the passage of the bill.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

RECORDED VOTE

Mr. CRAPO. Mr. Speaker, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 364, noes 59, not voting 11, as follows:

[Roll No. 658]

AYES—364

Ackerman
Allard
Andrews
Archer
Armey
Bachus
Baesler
Baker (LA)
Baldacci
Ballenger
Barcia
Barr
Barrett (NE)
Barrett (WI)
Bartlett
Barton
Bass
Bentsen
Bereuter
Bevill
Bilbray
Bilirakis
Bishop
Bliley
Blute
Boehlert
Boehner
Bonilla
Bono
Borski
Boucher
Brewster
Browder
Brown (CA)
Brown (FL)
Brown (OH)
Brownback
Bryant (TN)
Bryant (TX)
Bunn
Bunning
Burr
Burton
Buyer
Callahan
Calvert
Camp
Canady
Cardin
Castle
Chabot
Chambliss
Chapman
Chenoweth
Christensen
Chrysler
Clement
Clinger
Clyburn
Coble
Coburn
Coleman
Collins (GA)
Combest
Condit
Cooley
Costello
Cox
Cramer
Crane
Crapo
Cremeans
Cubin
Cunningham
Danner
Davis
Deal
DeFazio
DeLauro
DeLay
Deutsch
Diaz-Balart
Dickey
Dicks
Dingell
Doggett
Dooley
Doolittle
Dornan
Doyle
Dreier
Duncan
Dunn
Durbin
Edwards
Ehlers
Ehrlich
Emerson
English
Eshoo
Everett
Ewing
Farr
Fawell
Fazio
Fields (LA)
Fields (TX)
Filner
Flanagan
Foley
Forbes
Fowler
Fox
Franks (CT)
Franks (NJ)
Frelinghuysen
Frisa
Funderburk
Furse
Gallegly
Ganske
Gejdenson
Gekas
Gephardt
Geren
Gibbons
Gilchrest
Gillmor
Gilman
Gonzalez
Goodlatte
Goodling
Gordon
Goss
Graham
Green
Greenwood
Gunderson
Gutknecht
Hall (OH)
Hall (TX)
Hamilton
Hancock
Hansen
Harman
Hastert
Hastings (FL)
Hastings (WA)
Hayes
Hayworth
Hefley
Hefner
Heineman
Herger
Hilleary
Hobson
Hoekstra
Hoke
Holden
Horn
Hostettler
Houghton
Hunter
Hutchinson
Hyde
Inglis
Istook
Jackson-Lee
Jacobs
Jefferson
Johnson (CT)
Johnson (SD)
Johnson, E. B.
Johnson, Sam
Johnston
Jones
Kanjorski
Kaptur
Kasich
Kelly
Kennedy (MA)
Kennedy (RI)
Kennelly
Kildee
Kim
King
Kingston
Kleczka
Klink
Klug
Knollenberg
Kolbe
LaFalce
LaHood
Lantos
Largent
Latham
LaTourette
Laughlin
Lazio
Leach
Levin
Lewis (CA)
Lewis (KY)
Lightfoot
Lincoln
Linder
Lipinski
LoBiondo
Lofgren
Longley
Lowey
Lucas
Luther
Maloney
Manton
Manzullo
Markey
Martinez
Martini
Mascara
Matsui
McCarthy
McCollum
McCrery
McDade
McHale
McHugh
McInnis
McIntosh
McKeon
McKinney
McNulty
Meehan
Menendez
Metcalf
Meyers
Mfume
Mica
Miller (CA)
Miller (FL)
Mineta
Minge
Molinari
Montgomery
Moorhead
Moran
Morella
Myrick
Neal
Nethercutt
Neumann
Ney
Norwood
Nussle
Oberstar
Ortiz
Orton
Oxley
Packard
Pallone
Parker
Pastor
Paxon
Payne (VA)
Peterson (FL)
Peterson (MN)
Petri
Pickett
Pombo
Pomeroy
Porter
Portman
Poshard
Pryce
Quillen
Quinn
Radanovich
Ramstad

Reed
Regula
Richardson
Riggs
Rivers
Roberts
Roemer
Rogers
Rohrabacher
Ros-Lehtinen
Rose
Roth
Roukema
Royce
Salmon
Sanford
Sawyer
Saxton
Scarborough
Schaefer
Schiff
Schroeder
Schumer
Scott
Seastrand
Sensenbrenner
Shadegg
Shaw
Shays
Shuster
Skeen
Skelton
Slaughter
Smith (MI)
Smith (NJ)
Smith (TX)
Smith (WA)
Solomon
Souder
Spence
Spratt
Stearns
Stenholm
Stockman
Stump
Stupak
Talent
Tanner
Tate
Tauzin
Taylor (MS)
Taylor (NC)
Tejeda
Thomas
Thompson
Thornberry
Thornton
Thurman
Tiahrt
Torkildsen
Traficant
Upton
Visclosky
Volkmer
Vucanovich
Waldholtz
Walker
Walsh
Wamp
Ward
Watts (OK)
Weldon (FL)
Weldon (PA)
Weller
White
Whitfield
Wicker
Wise
Wolf
Wyden
Wynn
Young (AK)
Young (FL)
Zeliff
Zimmer

NOES—59

Abercrombie
Baker (CA)
Becerra
Beilenson
Berman
Bonior
Clay
Clayton
Collins (IL)
Collins (MI)
Conyers
Coyne
Dellums
Dixon
Engel
Evans
Fattah
Flake
Foglietta
Ford
Frank (MA)
Gutierrez
Hilliard
Hinchey
Hoyer
Lewis (GA)
Livingston
McDermott
Meek
Mink
Murtha
Myers
Nadler
Olver
Owens
Payne (NJ)
Pelosi
Rahall
Rangel
Roybal-Allard
Rush
Sabo
Sanders
Serrano
Skaggs
Stark
Stokes
Studds
Torres
Torricelli
Towns
Velazquez
Vento
Waters
Watt (NC)
Waxman
Williams
Woolsey
Yates

NOT VOTING—11

Bateman
de la Garza
Ensign
Frost
Moakley
Mollohan
Obey
Reynolds
Sisisky
Tucker
Wilson

□ 1617

Mr. OLVER changed his vote from "aye" to "no."

Mrs. VUCANOVICH, Mr. POMBO, and Mr. PASTOR changed their vote from "no" to "aye."

So the bill was passed.

The result of the vote was announced as above recorded.

The title of the bill was amended so as to read: "A bill to establish procedures to provide for a deficit reduction lock-box and related downward adjustment of discretionary spending limits."

A motion to reconsider was laid upon the table.

REMOVAL OF NAME OF MEMBER AS COSPONSOR OF H.R. 359

Mr. STUDDS. Mr. Speaker, I ask unanimous consent that my name be withdrawn as cosponsor of H.R. 359.

The SPEAKER pro tempore (Mr. LAHOOD). Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

FEDERAL ACQUISITION REFORM ACT OF 1995

Mr. McINNIS. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 219 and ask for its immediate consideration.

The Clerk read the resolution as follows:

H. RES. 219

Resolved, That at any time after the adoption of this resolution the Speaker may, pursuant to clause 1(b) of rule XXIII, declare the House resolved into the Committee of the Whole House on the state of the Union for consideration of the bill (H.R. 1670) to revise and steamline the acquisition laws of the Federal Government, to reorganize the mechanisms for resolving Federal procurement disputes, and for other purposes. The first reading of the bill shall be dispensed with. Points of order against consideration of the bill for failure to comply with section 302(f) or 308(a) of the Congressional Budget Act of 1974 are waived. General debate shall be confined to the bill and shall not exceed one hour equally divided and controlled by the chairman and ranking minority member of the Committee on Government Reform and Oversight. After general debate the bill shall be considered for amendment under the five-minute rule. It shall be in order to consider as an original bill for the purpose of amendment under the five-minute rule the amendment in the nature of a substitute recommended by the Committee on Government Reform and Oversight. The committee amendment in the nature of a substitute shall be considered by title rather than by section. The first two sections and each title shall be considered as read. Points of order against the committee amendment in the nature of a substitute for failure to comply with clause 5(a) of rule XXI or section 302(f) of the Congressional Budget Act of 1974 are waived. During consideration of the bill for amendment, the Chairman of the Committee of the Whole may accord priority in recognition on the basis of whether the Member offering an amendment has caused it to be printed in the portion of the Congressional Record designated for that purpose in clause 6 of rule XXIII. Amendments so printed shall be considered as read. The Chairman of the Committee of the Whole may postpone until a time during further consideration in the Committee of the Whole a request for a recorded vote on any amendment. The Chairman of the Committee of the Whole may reduce to not less than five minutes the time for voting by electronic device on any postponed question that immediately follows another vote by electronic device without intervening business: *Provided,* That the time for voting by electronic device on the first in any series of questions shall be not less than fifteen minutes. At the conclusion of consideration of the bill for amendment the Committee shall rise and report the bill to the House with such amendments as may have been adopted. Any Member may demand a separate vote in the House on any amendment adopted in the Committee of the Whole to the bill or to the committee amendment in the nature of a substitute. The previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit with or without instruction.

The SPEAKER pro tempore (Mr. LAHOOD). The gentleman from Colorado [Mr. McINNIS] is recognized for 1 hour.

Mr. McINNIS. Mr. Speaker, for the purpose of debate only, I yield the customary 30 minutes to the gentleman from California [Mr. BEILENSON], pending which I yield myself such time as I may consume. During the consideration of this resolution, all time yielded is for the purpose of debate only.

Mr. Speaker, House Resolution 219 is a noncontroversial resolution. The proposed rule is an open rule providing for 1 hour of general debate divided equally between the chairman and ranking minority member of the Committee on Government Reform and Oversight. After general debate, the bill shall be considered as read for amendment under the 5 minutes rule.

The resolution provides that the bill be considered by title rather than by section, and it provides that the first two sections and each title shall be considered as read. The rule waives points of order against consideration of the bill for failure to comply with section 302(f) and 308(a). Additionally, points of order against the committee amendment in the nature of a substitute for the failure to comply with clause 5(a) of rule 21 or section 302(f) of the Congressional Budget Act of 1974 are waived. The chairman of the Committee on Government Reform and Oversight, Mr. CLINGER, was kind enough to provide the Committee on Rules with a explanation of the waivers that has been included in the Rules Committee report. The resolution allows the Chair to accord priority recognition to Members who have preprinted their amendments in the CONGRESSIONAL RECORD, and the Chair may postpone votes in the Committee of the Whole and reduce votes to 5 minutes, if those votes follow a 15-minute vote. Furthermore, at the conclusion of consideration of the bill for amendment the Committee shall rise and report the bill to the House with such amendments as may have been adopted. Finally, Mr. Speaker, the rule provides one motion to recommit with or without instructions.

Mr. Speaker, Chairman CLINGER, requested an open rule for this legislation. This open rule was reported out of the Committee on Rules by voice vote, without any opposition. Under the proposed rule, each Member has an opportunity to have their concerns addressed, debated, and ultimately voted up or down by this body.

Mr. Speaker, the underlying legislation, the Federal Acquisition Reform Act of 1995 is critical legislation. Each year the Federal Government spends about $200 billion on goods and services, ranging from weapons systems to cleaning supplies. The current system costs too much and is blanketed with redtape. The Secretary of Defense has found that, on average, the Government pays an additional 18 percent on what it buys solely because of requirements it imposes on its contractors.

Additionally, the Government's own administrative costs are astronomical. The Government's contracting officials are often mandated to follow step-by-step prescriptions that increase staff and equipment needs. In today's tight budgetary climate we need to get the most for each dollar we spend. I believe this legislation is a step in the right direction. I urge my colleagues to support the rule as well as the underlying legislation.

Mr. Speaker, I sumbit for the RECORD the following material from the Committee on Rules.

THE AMENDMENT PROCESS UNDER SPECIAL RULES REPORTED BY THE RULES COMMITTEE,[1] 103D CONGRESS V. 104TH CONGRESS

[As of September 13, 1995]

Rule type	103d Congress		104th Congress	
	Number of rules	Percent of total	Number of rules	Percent of total
Open/Modified-open [2]	46	44	45	74
Modified Closed [3]	49	47	14	23
Closed [4]	9	9	2	3
Totals:	104	100	61	100

[1] This table applies only to rules which provide for the original consideration of bills, joint resolutions or budget resolutions and which provide for an amendment process. It does not apply to special rules which only waive points of order against appropriations bills which are already privileged and are considered under an open amendment process under House rules.

[2] An open rule is one under which any Member may offer a germane amendment under the five-minute rule. A modified open rule is one under which any Member may offer a germane amendment under the five-minute rule subject only to an overall time limit on the amendment process and/or a requirement that the amendment be preprinted in the Congressional Record.

[3] A modified closed rule is one under which the Rules Committee limits the amendments that may be offered only to those amendments designated in the special rule or the Rules Committee report to accompany it, or which preclude amendments to a particular portion of a bill, even though the rest of the bill may be completely open to amendment.

[4] A closed rule is one under which no amendments may be offered (other than amendments recommended by the committee in reporting the bill).

SPECIAL RULES REPORTED BY THE RULES COMMITTEE, 104TH CONGRESS

[As of September 13, 1995]

H. Res. No. (Date rept.)	Rule type	Bill No.	Subject	Disposition of rule
H. Res. 38 (1/18/95)	0	H.R. 5	Unfunded Mandate Reform	A: 350–71 (1/19/95).
H. Res. 44 (1/24/95)	MC	H. Con. Res. 17	Social Security	A: 255–172 (1/25/95).
		H.J. Res. 1	Balanced Budget Amdt	
H. Res. 51 (1/31/95)	0	H.R. 101	Land Transfer, Taos Pueblo Indians	A: voice vote (2/1/95).
H. Res. 52 (1/31/95)	0	H.R. 400	Land Exchange, Arctic Nat'l. Park and Preserve	A: voice vote (2/1/95).
H. Res. 53 (1/31/95)	0	H.R. 440	Land Conveyance, Butte County, Calif	A: voice vote (2/1/95).
H. Res. 55 (2/1/95)	0	H.R. 2	Line Item Veto	A: voice vote (2/2/95).
H. Res. 60 (2/6/95)	0	H.R. 665	Victim Restitution	A: voice vote (2/7/95).
H. Res. 61 (2/6/95)	0	H.R. 666	Exclusionary Rule Reform	A: voice vote (2/7/95).
H. Res. 63 (2/8/95)	MO	H.R. 667	Violent Criminal Incarceration	A: voice vote (2/9/95).
H. Res. 69 (2/9/95)	0	H.R. 668	Criminal Alien Deportation	A: voice vote (2/10/95).
H. Res. 79 (2/10/95)	MO	H.R. 728	Law Enforcement Block Grants	A: voice vote (2/13/95).
H. Res. 83 (2/13/95)	MO	H.R. 7	National Security Revitalization	PQ: 229–100; A: 227–127 (2/15/95).
H. Res. 88 (2/16/95)	MC	H.R. 831	Health Insurance Deductibility	PQ: 230–191; A: 229–188 (2/21/95).
H. Res. 91 (2/21/95)	0	H.R. 830	Paperwork Reduction Act	A: voice vote (2/22/95).
H. Res. 92 (2/21/95)	MC	H.R. 889	Defense Supplemental	A: 282–144 (2/22/95).
H. Res. 93 (2/22/95)	MO	H.R. 450	Regulatory Transition Act	A: 252–175 (2/23/95).
H. Res. 96 (2/24/95)	MO	H.R. 1022	Risk Assessment	A: 253–165 (2/27/95).
H. Res. 100 (2/27/95)	0	H.R. 926	Regulatory Reform and Relief Act	A: voice vote (2/28/95).
H. Res. 101 (2/28/95)	MO	H.R. 925	Private Property Protection Act	A: 271–151 (3/2/95)
H. Res. 103 (3/3/95)	MO	H.R. 1058	Securities Litigation Reform	
H. Res. 104 (3/3/95)	MO	H.R. 988	Attorney Accountability Act	A: voice vote (3/6/95)
H. Res. 105 (3/6/95)	MO			A: 257–155 (3/7/95)
H. Res. 108 (3/7/95)	Debate	H.R. 956	Product Liability Reform	A: voice vote (3/8/95)
H. Res. 109 (3/8/95)	MC			PQ: 234–191 A: 247–181 (3/9/95)
H. Res. 115 (3/14/95)	MO	H.R. 1159	Making Emergency Supp. Approps.	A: 242–190 (3/15/95)
H. Res. 116 (3/15/95)	MC	H.J. Res. 73	Term Limits Const. Amdt	A: voice vote (3/28/95)
H. Res. 117 (3/16/95)	Debate	H.R. 4	Personal Responsibility Act of 1995	A: voice vote (3/21/95)
H. Res. 119 (3/21/95)	MC			A: 217–211 (3/22/95)
H. Res. 125 (4/3/95)	0	H.R. 1271	Family Privacy Protection Act	A: 423–1 (4/4/95)
H. Res. 126 (4/3/95)	0	H.R. 660	Older Persons Housing Act	A: voice vote (4/6/95)
H. Res. 128 (4/4/95)	MC	H.R. 1215	Contract With America Tax Relief Act of 1995	A: 228–204 (4/5/95)
H. Res. 130 (4/5/95)	MC	H.R. 483	Medicare Select Expansion	A: 253–172 (4/6/95)
H. Res. 136 (5/1/95)	0	H.R. 655	Hydrogen Future Act of 1995	A: voice vote (5/2/95)
H. Res. 139 (5/3/95)	0	H.R. 1361	Coast Guard Auth. FY 1996	A: voice vote (5/9/95)

SPECIAL RULES REPORTED BY THE RULES COMMITTEE, 104TH CONGRESS—Continued

[As of September 13, 1995]

H. Res. No. (Date rept.)	Rule type	Bill No.	Subject	Disposition of rule
H. Res. 140 (5/9/95)	0	H.R. 961	Clean Water Amendments	A: 414–4 (5/10/95)
H. Res. 144 (5/11/95)	0	H.R. 535	Fish Hatchery—Arkansas	A: voice vote (5/15/95)
H. Res. 145 (5/11/95)	0	H.R. 584	Fish Hatchery—Iowa	A: voice vote (5/15/95)
H. Res. 146 (5/11/95)	0	H.R. 614	Fish Hatchery—Minnesota	A: voice vote (5/15/95)
H. Res. 149 (5/16/95)	MC	H. Con. Res. 67	Budget Resolution FY 1996	PQ: 252–170 A: 255–168 (5/17/95)
H. Res. 155 (5/22/95)	MO	H.R. 1561	American Overseas Interests Act	A: 233–176 (5/23/95)
H. Res. 164 (6/8/95)	MC	H.R. 1530	Nat. Defense Auth. FY 1996	PQ: 225–191 A: 233–183 (6/13/95)
H. Res. 167 (6/15/95)	0	H.R. 1817	MilCon Appropriations FY 1996	PQ: 223–180 A: 245–155 (6/16/95)
H. Res. 169 (6/19/95)	MC	H.R. 1854	Leg. Branch Approps. FY 1996	PQ: 232–196 A: 236–191 (6/20/95)
H. Res. 170 (6/20/95)	0	H.R. 1868	For. Ops. Approps. FY 1996	PQ: 221–178 A: 217–175 (6/22/95)
H. Res. 171 (6/22/95)	0	H.R. 1905	Energy & Water Approps. FY 1996	A: voice vote (7/12/95)
H. Res. 173 (6/27/95)	C	H.J. Res. 79	Flag Constitutional Amendment	PQ: 258–170 A: 271–152 (6/28/95)
H. Res. 176 (6/28/95)	MC	H.R. 1944	Emer. Supp. Approps	PQ: 236–194 A: 234–192 (6/29/95)
H. Res. 185 (7/11/95)	0	H.R. 1977	Interior Approps. FY 1996	PQ: 235–193 D: 192–238 (7/12/95)
H. Res. 187 (7/12/95)	0	H.R. 1977	Interior Approps. FY 1996 #2	PQ: 230–194 A: 229–195 (7/13/95)
H. Res. 188 (7/12/95)	0	H.R. 1976	Agriculture Approps. FY 1996	PQ: 242–185 A: voice vote (7/18/95)
H. Res. 190 (7/17/95)	0	H.R. 2020	Treasury/Postal Approps. FY 1996	PQ: 232–192 A: voice vote (7/18/95)
H. Res. 193 (7/19/95)	C	H.J. Res. 96	Disapproval of MFN to China	A: voice vote (7/20/95)
H. Res. 194 (7/19/95)	0	H.R. 2002	Transportation Approps. FY 1996	PQ: 217–202 (7/21/95)
H. Res. 197 (7/21/95)	0	H.R. 70	Exports of Alaskan Crude Oil	A: voice vote (7/24/95)
H. Res. 198 (7/21/95)	0	H.R. 2076	Commerce, State Approps. FY 1996	A: voice vote (7/25/95)
H. Res. 201 (7/25/95)	0	H.R. 2099	VA/HUD Approps. FY 1996	A: 230–189 (7/25/95)
H. Res. 204 (7/28/95)	MC	S. 21	Terminating U.S. Arms Embargo on Bosnia	A: voice vote (8/1/95)
H. Res. 205 (7/28/95)	0	H.R. 2126	Defense Approps. FY 1996	A: 409–1 (7/31/95)
H. Res. 207 (8/1/95)	MC	H.R. 1555	Communications Act of 1995	A: 255–156 (8/2/95)
H. Res. 208 (8/1/95)	0	H.R. 2127	Labor, HHS Approps. FY 1996	A: 323–104 (8/2/95)
H. Res. 215 (9/7/95)	0	H.R. 1594	Economically Targeted Investments	A: voice vote (9/12/95)
H. Res. 216 (9/7/95)	MO	H.R. 1655	Intelligence Authorization FY 1996	A: voice vote (9/12/95)
H. Res. 218 (9/12/95)	0	H.R. 1162	Deficit Reduction Lockbox	A: voice vote (9/13/95)
H. Res. 219 (9/12/95)	0	H.R. 1670	Federal Acquisition Reform Act	

Codes: O-open rule; MO-modified open rule; MC-modified closed rule; C-closed rule; A-adoption vote; D-defeated; PQ-previous question vote. Source: Notices of Action Taken, Committee on Rules, 104th Congress.

Mr. McINNIS. Mr. Speaker, I reserve the balance of my time.

Mr. BEILENSON. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, we support this rule, and the bill it makes in order, the Federal Acquisition Reform Act of 1995. As the gentleman has said, this is an open rule, so Members may offer any amendment that is otherwise in order under the standing Rules of the House. The rule permits the chair to accord priority in recognition to Members whose amendments have been printed in the CONGRESSIONAL RECORD.

This rule also provides for several waivers of sections 302(f) and 308(a) of the Congressional Budget Act. Although we are normally reluctant to waive the Budget Act—and particularly section 302(f), which prohibits spending in excess of a committee's allocation, and is one of the most important safeguards we have to control spending—we understand and accept the necessity of waiving the Budget Act in the cases provided for by this rule.

The rule also waives clause 5(a) of rule XXI, which prohibits appropriations in an authorization bill. Just as we do not normally approve of waiving the Budget Act, we are also reluctant to waive this important rule. However, here, also, we accept the need for the waivers.

All of these waivers are necessary because the bill consolidates a number of Federal contract boards of appeals into one civilian board, and one defense board. Because they authorize pay for board members, they provide for a relatively modest amount of spending—thus, they require Budget Act and rule XXI waivers. However, the consolidation will result in a net savings to the Government.

Mr. Speaker, H.R. 1670 builds upon the Federal Acquisition Streamlining Act that Congress approved last year, further incorporating many of the reforms proposed by Vice President Gore's National Performance Review. This legislation would encourage the substitution of commercial items for goods developed according to unique government specifications, relax reporting requirements for Federal contractors, centralize the bid protest system, and develop better trained procurement personnel. Although the Congressional Budget Office was unable to estimate the amount of savings that this legislation would produce, CBO believes that many of the bill's provisions are likely to reduce costs to the taxpayers.

This is a bill that enjoys broad, bipartisan support in the House. However, significant controversy has emerged over the issue of whether every potential seller will have the opportunity to compete for a government contract, particularly small businesses. That issue is likely to be resolved through consideration of an amendment to be offered by the gentlewoman from Illinois [Mrs. COLLINS] and the gentlewoman from Kansas [Mrs. MEYERS].

Mr. Speaker, to repeat: This is an open rule, which we support. We urge adoption of the resolution so that we can proceed to the consideration of H.R. 1670.

Mr. Speaker, I reserve the balance of my time.

Mr. McINNIS. Mr. Speaker, I yield such time as he may consume to the gentleman from Pennsylvania [Mr. CLINGER], the chairman of the committee, and I appreciate his involvement.

Mr. CLINGER. Mr. Speaker, I am pleased to rise in support of the rule and, obviously, in support of the bill, which as has been indicated, has very broad bipartisan support.

Mr. Speaker, the bill represents, I think, a dramatic improvement in the way we go about buying our goods and services at the Federal level. The best that we could do, Mr. Speaker, in terms of lowering the deficit, cutting Federal spending, would be to pass this dramatic improvement in the way we buy goods and services.

It is estimated that we spend 20 percent more for everything we buy at the Federal level, because of the arcane and convoluted and unnecessarily prolix regulations that we have that surround the procurement process.

It is an antiquated process, Mr. Speaker, that results in such outrageous situations where we have an FAA which is charged with protecting the safety of the flying public, so hamstrung by the requirements that they are obliged to deal with to buy new, updated, state-of-the-art technology to ensure the protection of the flying public, it is so outdated that we are at least a generation of technology behind and probably two or three generations behind.

Mr. Speaker, we still operate the entire air traffic control system using vaccum tubes, which we cannot even make in this country and have to purchase abroad. That says there is something seriously wrong with the way we go about buying goods and services.

We made significant progress last year on a very bipartisan basis to reform those procedures. This is the next step. This is an addition to, not in lieu of. It really does build with respect to what we accomplished in the last Congress.

It is also a bipartisan effort and I think it will have, when we get to the final analysis, a very broad bipartisan support, because I think we all recognize that this is one area where there should not be partisan differences in terms of how we go about buying things and how we go about trying to do it in the most efficient way.

Mr. Speaker, there will be amendments offered and that is why I think we need to have an open rule. These amendments deserve a full and open debate, just as we continue to provide for full and open competition.

I want to express the fact that we think that since this matter was considered some months ago in connection with the Defense Department authorization bill, that we have gone a long distance in meeting the concerns of those who felt that this was somehow going to be harmful to or work against the interests of small business. We have really made a number of significant changes in trying to reach accommodation with the concerns that were legitimately expressed.

□ 1630

I think we have addressed many of those concerns. There are still some concerns out there. There may be amendments that would be offered in this regard, and I would urge resistance to those amendments, Mr. Speaker, not because they are certainly not well-intended. They are. But I think that they are unnecessarily concerned about what this is going to do to the small-business interests.

I think that this will, in effect, really improve the opportunities for small business and, frankly, the community is divided. Some are for this bill. Some are opposed to it. But I think, as the debate develops, we will be able to persuade them, in fact, this bill is going to be very small-business-friendly. In fact, it is going to be much friendlier to business of all persuasions across the board.

Right now, every businessman who wants to sell to the Federal Government has to go through an incredible maze, if you will, and jump over hurdle after hurdle to even become a player in the system. We are trying to eliminate all of that. At the same time, we are trying to make the Government a little more like a business in the way we buy things, and to do that we have to provide a measure, a modicum, not unlimited, but some measure of flexibility and some measure of discretion to the people who are out there on the lines doing the purchasing, doing the buying.

What we have tried to do in this bill is strike a balance between the needs for full and open competition. Nobody is going to be shut out of the door, but also to give the Government the opportunity to define what do we need to ensure that we have full and open competition, enough competition in this particular procurement.

We have procurements that go everywhere from No. 2 pencils to jet engines to massive, huge defense contracts. Those procurements differ from one to the other, and I think there needs to be a measure of flexibility provided to the procurement people who have universally come to us and said, "Let us do our job. Do not wrap us up like Atlas in all kinds of red tape and all kinds of requirements that prevent us from doing our job. Let us do our job. Trust our judgment to some extent to say we can be reasonable, we can be responsible in how we deal with this." I think we achieve enormous savings if we give that modicum, measure, of flexibility to our procurement regime.

Mr. Speaker, I urge support of the rule. I urge support of the bill. Hopefully, we can avoid having any amendments that I think will seriously undermine the ability we are trying to achieve to give that kind of a flexibility or achieve those kinds of savings.

Mr. BEILENSON. Mr. Speaker, I yield 5 minutes to the gentlewoman from Illinois [Mrs. COLLINS], the distinguished ranking member of the full committee.

Mrs. COLLINS of Illinois. Mr. Speaker, I am pleased to rise in support of the rule on which the chairman and I have worked cooperatively on procurement legislation. I have some mixed feelings about bringing this bill to the floor at this time.

As you all know, the House considered a bill virtually identical to H.R. 1670 on June 14, as an amendment to the National Defense Authorization Act. That amendment passed on a bipartisan basis with vote of 420 to 1.

The fundamental difference between the House-passed procurement amendment and H.R. 1670 is that H.R. 1670 does not include my amendment which passed the House to preserve the current full and open competition standard. The failure to include my amendment as a part of this bill is to ignore the will of the House, and to ignore the stated concerns of the small business community.

Small business organizations, which supported my amendment in June, continue to believe that H.R. 1670 will significantly limit the ability of small businesses to fairly compete for Government contracts. An open rule will allow the best opportunity for the House to once again correct this major defect with H.R. 1670.

I intend to offer the same amendment to H.R. 1670, which I offered to the DOD authorization bill and which passed the House. That amendment will protect small businesses by retaining the current procurement standard of full and open competition.

Since the House adopted my amendment to retain full and open competition as part of the Defense authorization bill, Chairman CLINGER has made an effort to move H.R. 1670 closer to the House position. The version of H.R. 1670 which passed the Government Reform and Oversight Committee, does at least state full and open competition as a Federal policy. However, in subsequent provisions, the bill creates large loopholes through which bureaucrats can limit the ability of small businesses to compete for Government contracts. This is the basis for the opposition to title I by the Chamber of Commerce and the small business community.

I am pleased that I have been able to work with Chairman CLINGER on all of the other parts of this bill, and have no amendments to those titles. The bill makes about eight fundamental changes in procurement procedures that Chairman CLINGER has described to you, and I support them.

When we considered this bill in committee, we were in the midst of the Waco hearings, and had little time to work out this one difference. While I respect Chairman CLINGER for pledging to ensure my right to offer the full and open competition amendment to the bill, I believe it is unfortunate that the House will be required to essentially revote on my amendment, which the House endorsed.

Nonetheless, I am prepared to return to the House floor to once again keep the procurement process open to all businesses, small and large. Small businesses are the lifeblood of our economic system, and they deserve a level procurement playing field.

Mr. McINNIS. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, first of all, I commend the chairman of the committee, the gentleman from Pennsylvania [Mr. CLINGER], for coming to the Committee on Rules and asking for an open rule.

Second of all, I do not think we can overstate the importance of this legislation. This Federal Government spends $600 million, over $600 million a day in acquisitions, $600 million a day. We have got to have a system that minimizes the waste and maximizes the efficiency of the system to acquire or to make those type of acquisitions. So I think that it is extremely important that we continue to support this kind of legislation, and I look forward to some of the amendments that we are going to debate.

Mr. Speaker, I yield 4⅔ minutes to the gentleman from Virginia [Mr. DAVIS].

Mr. DAVIS. Mr. Speaker, I thank the gentleman for yielding me this time.

I want to first of all compliment the chairman, the gentleman from Pennsylvania [Mr. CLINGER], and the chairman, the gentleman from South Carolina [Mr. SPENCE], for putting this bill together, putting a broad coalition of groups interested in expediting the procurement process, making it better for American taxpayers and bringing this through committee and now bringing this to the floor.

I want to address just a couple of issues that will be coming up in this bill that it does that, I think, helps the American people and is going to help that current process, which right now is a very lengthy process. It is a process that, as the chairman noted in his previous remarks, the gentleman from Pennsylvania, adds almost 20 percent to the costs of goods that American taxpayers pay for that are obtained through the procurement process.

First of all, let me talk to you about the procurement integrity certifications part of the current law that are stricken here. In lieu, we have planted some tougher penalties, but instead of the lengthier certification contractors have to go through today, there will be stricter and more succinct penalties in this current bill.

Today, if a contractor, when they submit a bid to the Government for a Government procurement, has to sign a certification saying that they have no insider knowledge about this procurement, that nobody in the organization has obtained this. Now, how does this work? This means that the organization, the company, the bidder has got to go through every person in that organization who has worked on that particular procurement and have them sign an individual certification saying they have no insider information, and obtain that. After looking at all of those, it is only then that the officer for that corporation can sign that procurement integrity certification to the Federal Government. In turn, the Federal Government contracting officers have to sign certifications based on these other certifications and on their own notes and experiences in that procurement.

The end result is that many times hours are wasted. Reams of paperwork are wasted. To my knowledge, not one person has been prosecuted under these procurement integrity certifications put in as an over-reaction, if you will, to the Ill Wind scandals of the 1980's. So this does away with that but keeps even stricter penalties in place so that prosecutors and the Federal Government will be able to police these but at the same time not add layers and layers of costs on contractors.

The recoupment provision that currently exists under foreign military sales contracts will be eliminated. What does this mean? This means the surcharge now put on American companies selling abroad under FMS contracts will be stricken. We will be more competitive in the international arena as we compete with companies from other countries who are going after foreign procurements under FMS contracts. This will bring us, if you will, into the 21st century and make us more competitive as we move toward the borderless economy and into international trade.

Finally, the consolidation of bid protest appeals, I think, is going to help expedite the process for everybody. Right now, there is a lot of gaming that goes on in terms of if a contractor loses a bid and they are the incumbent contractor and they lose their recompete, many times they can file a bid protest, tie that protest up and keep on performing that work, often at a higher price than somebody who has beaten them in fair competition, simply because of the entanglements and the opportunities they have to game the process through agency protests, GAO process, board of contract appeals, whatever. This expedites that flow procedure. It allows postbid discovery and, I think, will help the process and speed it up.

Finally, if I can briefly address the Collins-Meyers amendment that may be offered to this, I think one of the major problems we have in the process today in procurement is the fact that many very dedicated public servants who are dedicated to save the public money, dedicated to getting the best costs they can for the Government, and they are working very hard, but in many cases they are performing tasks that do not need to be performed. They are operating under regulations that never should have been written, rules that never should have been written. They are filling out forms that should never have been printed. This is make-work, and it is a waste in many cases.

What this legislation does is it takes 7 pages of the United States Code, of a basically cook book, and allows the buyers, the Government procurement officer in charge at that point, to move through and, of course, full and open competition standard remains of the amendment that the gentlewoman from Illinois [Mrs. COLLINS] put through during the authorization schedule. We now get rid of those seven pages of authorization and will allow that buyer the appropriate discretion they have so they can expedite that procedure.

I urge support of this bill and rule.

Mr. BEILENSON. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

Mr. MCINNIS Mr. Speaker, I yield 3 minutes and 9 seconds to the gentleman from New Mexico [Mr. SCHIFF], the vice chairman of the committee, my good friend.

Mr. SCHIFF. Mr. Speaker, within the first 9 seconds I want to thank the gentleman for yielding me this time.

Mr. Speaker, I want to say, first, I hope the House realizes how much H.R. 1670 is needed. The fact of the matter is that procurement is just one of many areas where our Government is operating years, if not, in fact, decades behind where private enterprise is now functioning.

The provisions contained in H.R. 1670 are needed to bring the Government's processes more current so that the Government can better serve itself, that is the taxpayers who are funding it, and better serve those businesses who wish to do business with the Government.

Specifically with respect to small business, we believe that if H.R. 1670 becomes law, that procurement will become easier so that more small businesses will be enticed to offer to do business with the Government, when many small businesses might not do so today because of the cumbersome nature of the whole procurement process.

But I want to take an additional moment to address specifically the concerns raised by the gentlewoman from Kansas [Mrs. MEYERS] who, of course, is the distinguished chairman of the Committee on Small Business, and the gentlewoman from Illinois [Mrs. COLLINS], who is the distinguished ranking member of the Committee on Government Reform and Oversight. There are, in fact, no two Members in Congress who are more vigilant in looking at small-business interests than these two Members. When they express concerns, it is of concern to me.

The concern, I believe, though, is misapplied. I hope we can work something out between now and the time this bill might become law.

□ 1645

But the concern is that there is no longer going to be free and fair, equal, competition. The fact of the matter is there will continue to be free and fair competition for small business, for all business, under H.R. 1670. The fact is that all businesses could submit bids just like they do now.

Here is the difference. Earlier in the procurement process Government procurement officials can make a decision that certain bids, for whatever reason, maybe a lack of ability to perform in a certain area that is desired by the Government in this particular contract, whatever it might be, that the offerer, the business, is not qualified to proceed further in this bid process.

Now, first of all the suspicion is that there might be some malfeasance on the part of Government officials that will discriminate against small business. Malfeasance is an issue for oversight, and, if H.R. 1670 becomes law as it is, then I think the Committee on Small Business and the Committee on Government Reform and Oversight should pay very close attention to its implementation. But the fact is that denial at the beginning of the process of a bid is still appealable. The Government official must state why a particular bid is not to proceed further in the process, and the business that does not agree with that can appeal that and still have a remedy.

The point is that by allowing Government officials the discretion that private business has to start filtering through offers at the beginning of the process we can save a great deal of time and money not only for the Government in terms of its procurement process of having to review the same bids over and over again, if they qualify, but to the businesses, too.

Mr. MCINNIS. Mr. Speaker, I yield 2 minutes 50 seconds to the gentleman from Pennsylvania [Mr. FOX].

Mr. FOX of Pennsylvania. I will make sure we do that accurately, Mr. Speaker.

I rise today in support of H.R. 1670, the Federal Acquisition Reform Act of 1995, and it is, to my colleagues I would say, very interesting. It is not every bill that we have that the Americans for Tax Reform and the National Taxpayers Union have both come together to support this legislation. The Government spends over $200 billion each year in goods and services and pays a 20-percent premium. If H.R. 1670 removes even one-half of the red tape and paperwork, then we can easily save $20 billion a year.

The National Taxpayers Union has been very clear on its support of this legislation. H.R. 1670; according to them they said this legislation will reform the Federal procurement system, which is a critical component of fiscal discipline. As my colleagues know, Mr. Speaker, the system currently is riddled with bureaucratic red tape and outdated procedures, and this antiquated system is in desperate need of fundamental reform. Each year the Government spends over $2 billion. Taxpayers have long been saddled with the excess costs of maintaining this expensive program, and by some estimates today the system forces taxpayers to pay over a 20-percent premium on all Federal purchases.

Enabling the procurement process, Mr. Speaker, to open up to both large and small businesses will save taxpayers billions of dollars not only this year, but in the future. Reaching the goal of a balanced budget by the year 2002 will require implementation of more efficient and more cost-effective programs in every area of Government.

So, Mr. Speaker, we are leading by example with this bill because it will bring a more rational approach to the management of these programs. The Federal Acquisition Reform Act will prove to be the key to a new era of Federal acquisition policy that benefits taxpayers and simplifies the rules for contractors.

Mr. Speaker, I urge my colleagues to support 1670 and to remind them the Americans for Tax Reform and the National Taxpayers Union have endorsed this legislation.

Mr. MCINNIS. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I am excited about the legislation. It is time to move on to the legislation in regards to that.

Mr. Speaker, I yield back the balance of my time, and I move the previous question on the resolution.

The previous question was ordered.

The SPEAKER pro tempore (Mr. LAHOOD). The question is on the resolution.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

Mr. MCINNIS. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 414, nays 0, not voting 20, as follows:

[Roll No. 659]

YEAS—414

Abercrombie
Ackerman
Allard
Andrews
Archer
Armey
Bachus
Baesler
Baker (CA)
Baker (LA)
Baldacci
Ballenger
Barcia
Barrett (WI)
Bartlett
Barton
Bass
Bateman
Beilenson
Bentsen
Bereuter
Berman
Bevill
Bilbray
Bilirakis
Bishop
Bliley
Blute
Boehlert
Boehner
Bonilla
Bonior
Bono
Borski
Boucher
Brewster
Browder
Brown (CA)
Brown (FL)
Brown (OH)
Brownback
Bryant (TN)
Bryant (TX)
Bunn
Bunning
Burr
Burton
Buyer
Callahan
Calvert
Camp
Canady
Cardin
Castle
Chabot
Chambliss
Chapman
Christensen
Chrysler
Clay
Clayton
Clement
Clinger
Clyburn
Coble
Coburn
Coleman
Collins (GA)
Collins (IL)
Collins (MI)
Combest
Condit
Conyers
Cooley
Costello
Cox
Coyne
Cramer
Crane
Crapo
Cremeans
Cubin
Cunningham
Danner
Davis
Deal
DeLauro
DeLay
Dellums
Deutsch
Diaz-Balart
Dickey
Dicks
Dingell
Dixon
Doggett
Dooley
Dornan
Doyle
Dreier
Duncan
Dunn
Durbin
Edwards
Ehlers
Ehrlich
Emerson
Engel
English
Eshoo
Evans
Everett
Ewing
Farr
Fattah
Fawell
Fazio
Fields (LA)
Fields (TX)
Filner
Flake
Flanagan
Foglietta
Foley
Forbes
Ford
Fowler
Fox
Frank (MA)
Franks (CT)
Franks (NJ)
Frelinghuysen
Frisa
Funderburk
Furse
Gallegly
Ganske
Gejdenson
Gekas
Gephardt
Geren
Gilchrest
Gillmor
Gilman
Gonzalez
Goodlatte
Goodling
Gordon
Goss
Graham
Green
Greenwood
Gunderson
Gutierrez
Gutknecht
Hall (OH)
Hall (TX)
Hamilton
Hancock
Hansen
Harman
Hastert
Hastings (FL)
Hastings (WA)
Hayes
Hayworth
Hefley
Hefner
Heineman
Herger
Hilleary
Hilliard
Hinchey
Hobson
Hoekstra
Hoke
Holden
Horn
Hostettler
Houghton
Hoyer
Hunter
Hutchinson
Hyde
Inglis
Istook
Jackson-Lee
Jacobs
Jefferson
Johnson (CT)
Johnson (SD)
Johnson, E. B.
Johnson, Sam
Johnston
Jones
Kanjorski
Kaptur
Kasich
Kelly
Kennedy (MA)
Kennedy (RI)
Kennelly
Kildee
Kim
King
Kingston
Kleczka
Klink
Klug
Knollenberg
Kolbe
LaFalce
LaHood
Lantos
Largent
Latham
LaTourette
Laughlin
Lazio
Leach
Levin
Lewis (CA)
Lewis (GA)
Lewis (KY)
Lightfoot
Lincoln
Linder
Lipinski
Livingston
LoBiondo
Lofgren
Longley
Lowey
Lucas
Luther
Maloney
Manton
Manzullo
Markey
Martinez
Martini
Mascara
Matsui
McCarthy
McCollum
McCrery
McDade
McDermott
McHale
McHugh
McInnis
McIntosh
McKeon
McKinney
McNulty
Meehan
Meek
Menendez
Metcalf
Meyers
Mfume
Mica
Miller (CA)
Miller (FL)
Mineta
Minge
Mink
Molinari
Montgomery
Moorhead
Moran
Morella
Murtha
Myers
Myrick
Nadler
Neal
Nethercutt
Neumann
Ney
Norwood
Nussle
Oberstar
Obey
Olver
Ortiz
Orton
Owens
Oxley
Packard
Pallone
Parker
Pastor
Paxon
Payne (NJ)
Payne (VA)
Pelosi
Peterson (FL)
Peterson (MN)
Petri
Pickett
Pombo
Pomeroy
Porter
Portman
Poshard
Pryce
Quillen
Quinn
Radanovich
Rahall
Ramstad
Rangel
Reed
Regula
Richardson
Riggs
Rivers
Roberts
Roemer
Rogers
Rohrabacher
Ros-Lehtinen
Rose
Roth
Roukema
Roybal-Allard
Royce
Rush
Sabo
Salmon
Sanders
Sanford
Sawyer
Saxton
Scarborough
Schiff
Schroeder
Schumer
Scott
Seastrand
Sensenbrenner
Serrano
Shadegg
Shaw
Shays
Shuster
Skaggs
Skeen
Skelton
Slaughter
Smith (MI)
Smith (NJ)
Smith (TX)
Smith (WA)
Solomon
Souder
Spence
Spratt
Stark
Stearns
Stenholm
Stockman
Stokes
Studds
Stump
Stupak
Talent
Tanner
Tate
Tauzin
Taylor (MS)
Taylor (NC)
Tejeda
Thomas
Thompson
Thornberry
Thornton
Thurman
Tiahrt
Torres
Torricelli
Towns
Traficant
Upton
Velazquez
Vento
Visclosky
Waldholtz
Walker
Walsh
Wamp
Ward
Waters
Watt (NC)
Watts (OK)
Waxman
Weldon (FL)
Weldon (PA)
Weller
White
Whitfield
Wicker
Williams
Wise
Wolf
Woolsey
Wyden
Wynn
Yates
Young (AK)
Young (FL)
Zeliff
Zimmer

NOT VOTING—20

Barr
Barrett (NE)
Becerra
Chenoweth
de la Garza
DeFazio
Doolittle
Ensign
Frost
Gibbons
Moakley
Mollohan
Reynolds
Schaefer
Sisisky
Torkildsen
Tucker
Volkmer
Vucanovich
Wilson

□ 1708

Mr. NADLER and Mr. HILLIARD changed their vote from "nay" to "yea."

So the resolution was agreed to.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

PERSONAL EXPLANATION

Mr. ENSIGN. Mr. Speaker, on Wednesday, September 13, my votes were not recorded for rollcall votes 658 and 659. Had my votes been recorded, I would have voted "aye" in both instances.

The SPEAKER pro tempore (Mr. LAHOOD). Pursuant to House Resolution 219 and rule XXIII, the Chair declares the House in the Committee of the Whole House on the State of the Union for the consideration of the bill, H.R. 1670.

□ 1711

IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 1670) to revise and streamline the acquisition laws of the Federal Government, to reorganize the mechanisms for resolving Federal procurement disputes, and for other purposes, with Mr. WELLER in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. Pursuant to the rule, the bill is considered as having been read the first time.

Under the rule, the gentleman from Pennsylvania [Mr. CLINGER] will be recognized for 30 minutes, and the gentlewoman from Illinois [Mrs. COLLINS] will be recognized for 30 minutes.

The Chair recognizes the gentleman from Pennsylvania [Mr. CLINGER].

Mr. CLINGER. Mr. Chairman, I yield myself 2 minutes.

Mr. Chairman, this bill, the Federal Acquisition Reform Act of 1995, is an important piece of legislation, which the gentleman from South Carolina [Mr. SPENCE], chairman of the Committee on National Security, and I introduced along with several other members of our committees.

The bill which we bring before you today represents the efforts of many of our colleagues on both sides of the aisle who have joined us in rejecting the status quo and who are prepared to lead the way toward reforming a system which for years has become increasingly more arcane, more convoluted, more difficult to deal with, and therefore, more costly, both to business, who wants to be a participant in bidding for projects with the Federal Government, and certainly for the Government.

Members have heard it mentioned here today that the cost to the Federal Government is about a 20 percent premium that we pay for all goods and all services that we purchase. So we are trying to seek fiscal discipline, and this is the surest and best way we can go about reducing Federal spending and moving us toward a balanced budget.

Mr. Chairman, this bill sends a message to our employer, the American taxpayer, who frankly has been paying an extraordinary premium for the services that he has been receiving from the Federal Government. The message is that we are serious about changing the way the Government operates. We have to ensure that this country's resources are allocated properly, and this bill provides the answer.

The bill has been very thoughtfully crafted. It does a number of things, Mr. Chairman. First of all, it makes us more like a business. I mean, why should the Federal Government be involved in processes that add cost to the taxpayer? Why can we not seek goods and services and seek competition the way businesses do?

☐ 1715

Second, it dramatically reduces the amount of paperwork and the incredible amount of regulatory overkill which we have imposed upon all of our businesses.

Frankly, Mr. Chairman, what we have seen is fewer and fewer people are willing to participate in the process, are willing to really get into the competition, because the process is so complex and so costly to them that they do not want to do it. We are trying to make that a simpler process. We are trying to say Government should be more like business. We should not have $500 hammers. We should be able to come into the 20th century because of our technology, which we are not able to do because of the restrictions.

Mr. Chairman, I would urge support for the bill.

Mr. Chairman, I reserve the balance of my time.

Mrs. COLLINS of Illinois. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, with the exception of the limitation on open competition, a change that will hurt small business, I support H.R. 1670, the Federal Acquisition Reform Act of 1995. Chairman CLINGER and I have worked cooperatively on this bill and he is to be commended for his leadership in attempting to modernize and streamline the Federal acquisition process. I also appreciate his ongoing efforts to reach a consensus with Democratic members of the Government Reform and Oversight Committee on procurement reform legislation, including his incorporation into H.R. 1670 most of my suggestions as well as those offered by the ranking Democratic member of the Subcommittee on Government Information and Technology, Representative MALONEY.

In brief, the bill represents meaningful reform and enhancement of Federal procurement policy. It allows for the increasing decentralization of procurement authority, and elicits greater costeffectiveness for the Federal Government and the taxpayer.

Let me begin by describing some of the positive features of this bill. First, H.R. 1670 includes my provision that improves Government procurement management practices by requiring Federal agencies to make more effective use of the cost-management tools and procedures known generally as value engineering. Value engineering is a longstanding and widely accepted technique in both the public and private sectors that, despite its proven capabilities, remains severely underutilized in the Federal acquisition process.

Numerous General Accounting Office and Inspectors General reports, independent studies, and even the Presidentially appointed Grace Commission, have demonstrated that the under utilization of value engineering by Federal agencies has resulted in billions of dollars in lost opportunities to reduce costs to the Federal Government. This provision will ensure greater use of value engineering procedures, and will thereby reduce capital and operation costs, and improve and maintain optimum quality of construction, administrative, program, acquisition and grant projects.

Second, H.R. 1670 now incorporates my language retaining the "knowing" standard for criminal violations of our procurement integrity laws, and increases the maximum criminal penalty from 5 to 15 years. This provision will facilitate the Justice Department's ability to prosecute criminal and civil procurement fraud cases.

Third, H.R. 1670 includes important provisions regarding accountability on sole-source contracting for commercial products. While I still believe that the complete elimination of the simplified acquisition threshold contained in this bill will raise problems, this provision will place limits on its use and will help to ensure that an adequate level of competition is maintained with the expanded use of commercial items.

Finally, H.R. 1670 includes a provision authored by Representative MALONEY, the Subcommittee ranking Democratic member, that improves the performance capability of the frontline contracting personnel. The bill requires civilian agency heads to adopt education, training and incentive features that raise the level of excellence and professionalism of the acquisition work force. It is this work force that will have to respond properly to the increasing decentralization of authority.

The inclusion of those provisions in H.R. 1670 substantially improves this legislation, and again, I applaud Chairman CLINGER for approaching this matter in the bipartisan spirit with which any acquisition reform effort should be undertaken. However, despite our efforts to reconcile our differences on title I of the bill, Chairman CLINGER and I remain far apart on its revision of the "full and open competition" standard.

Title I would change the meaning of the current "full and open competition" standard mandated in the Competition in Contracting Act of 1984 [CICA] by adding the words "open access" to its definition and by adding new exceptions to the standard. The substitution of clear statutory standards for this unknown hybrid is unnecessary, potentially harmful, and flies in the face of reform, modernization and streamlining goals that we all share.

Mr. Chairman, I agree that Federal procurement procedures should be streamlined and made more cost-efficient for both the Government buyer and the vendor. It is no secret that many vendors are spending large sums of money bidding on Government contracts for which they have absolutely no chance to win, and that Government contracting officers are overburdened evaluating bids that are essentially noncompetitive. However, the hearing record on H.R. 1670 does not establish that the revision of the current "full and open" competition standard is necessary to resolve these problems.

Title I, as it stands, represents a fundamental departure from longstanding Federal procurement philosophy and will undermine the basic principles of free enterprise. This is a serious defect in H.R. 1670 that I intend to correct with an amendment.

On June 14, when the House considered a nearly identical procurement reform measure on the DOD Authorization bill, the House supported my amendment to retain the full and open competition standard for procurement. That amendment was passed with bipartisan support, and I particularly want to commend the chairwoman of the Small Business Committee, JAN MEYERS, who worked so hard on behalf of the amendment.

My amendment had the strong support of the small business community, as well as the U.S. Chamber of Commerce. The bill before us today, unfortunately, does not include my amendment, and instead would grant a broad new authority to procurement officials on limit competition. Therefore, I will once again be offering an amendment to restore the full and open standard which the House endorsed in June.

While I maintain reservations about other portions of the bill, I believe that H.R. 1670 can provide a substantially improved legislative structure for Government procurement if the current statutory interpretation of the full and open competition standard is preserved in title I.

I reserve the balance of my time.

Mr. Chairman, I reserve the balance of my time.

Mr. CLINGER. Mr. Chairman, I yield 2 minutes to the gentleman from Michigan [Mr. CHRYSLER], a very active member of the committee.

Mr. CHRYSLER. Mr. Chairman, I thank the gentleman for yielding this time to me.

Mr. Chairman, as a person with 25 years of private sector business experience and as an entrepreneur, I am pleased that the committee is taking up this bipartisan legislation, and I want to declare my strong support for H.R. 1670. It is unfortunate that some have portrayed this legislation as an anti-small business bill.

Mr. Chairman, I am small business. I have firsthand experience with the Federal procurement system, and I can tell you from my personal experience that this bill that we are offering is better. There is misinformation circulating on this bill that is simply incorrect, and it is the type of misinformation and rumors that can undermine valuable legislation.

Mr. Chairman, it is important to emphasize that this bill will help all businesses, both small and large, to participate more fully in the Federal contracting process. H.R. 1670 will increase the use of commercial practices, cut redtape, streamline dispute resolutions, protect against sole source contracting, while at the same time maintaining the necessary safeguards for small business.

H.R. 1670 removes the cost accounting standards from the commercial item purchases, which require an immense amount of information for reporting costs. The elimination of this government-unique requirement will save companies millions of dollars.

Mr. Chairman, everyone agrees the system is outdated. It is time that the Government start operating its procurement system as a business would. The time is now for reforming the system and moving it into the 21st century. We should take this opportunity to make a difference and vote for H.R. 1670 without any weakening amendments.

Mrs. COLLINS of Illinois. Mr. Chairman, I yield 3 minutes to the gentlewoman from Kansas [Mrs. MEYERS], the chair of the Committee on Small Business.

Mrs. MEYERS of Kansas. Mr. Chairman, the gentlewoman from Illinois [Mrs. COLLINS] and I both are offering an amendment which would restore full and open competition to bidding. Now, I know that the gentleman from Pennsylvania [Mr. CLINGER] says that there is full and open competition in this bill, but it is defined as open access, which is then further defined, which then says that the regulators will really define what is full and open competition, and we can get into that more a little later.

But to say that this bill has full and open competition is simply not accurate. The gentlewoman from Illinois [Mrs. COLLINS] will be offering an amendment that just restores full and open competition, and I will be offering an amendment that restores full and open competition but, in addition to that, seeks to set forth some processes to answer some of the very real concerns that the gentleman from Pennsylvania [Mr. CLINGER] has.

We want to give him some processes to screen out people early in the process that do not have a chance of winning the bid. After all, it is not to small business' benefit to put a lot of money into a bid they cannot win, and that is not to the benefit of the Government either, because it costs us time and money. So what we are trying to do is preserve real opportunity in the procurement process.

Right now small business is a player in Federal procurement. Ninety percent of the firms providing supplies, services and construction for the Government are small businesses. But while they dominate numerically, these small businesses account for about 18 to 20 percent of the dollars awarded.

Mr. Chairman, over half of these awards are through full and open competition, and that number is growing. We heard regular testimony in the Committee on Small Business that half of all Government procurement dollars are awarded for large contracts, too big for small business. That means that 90 percent of the contractors are competing for half of the shrinking Federal purchasing pie.

Mr. Chairman, the biggest concern among the small business community is access. All they want is a chance to compete, to show that they can do the job. But H.R. 1670, under the guise of procurement reform, will take away that chance to compete by allowing faceless bureaucrats to take a small businessman or woman's opportunity away with the stroke of a pen.

Mr. Chairman, small business supports procurement reform, but, more important, small business supports competition. H.R. 1670 is supposed to simplify the procurement by weeding out bids from firms that have no chance at winning a contract. Fair enough, but how?

In title I, H.R. 1670 eliminates full and open competition in favor of competition whenever it is feasible or appropriate or efficient. Who decides feasibility? Some agency functionary. Who decides what is efficient? That same bureaucrat, the same people who gave us $600 hammers and costly coffee pots.

We will be submitting letters from the Inspector General of the Department of Defense, and from the Department of Veterans Affairs, saying "Do not do away with full and open competition." We will submit letters from a dozen or more small business groups, among them the Chamber of Commerce and Small Business United, and the Small Business Legislative Council and Women's Business Owners, many of them seeking to retain full and open competition.

I think my bill, with the processes set forth, responds more to what the concerns of the gentleman from Pennsylvania [Mr. CLINGER], are. But whatever we do, I think we must retain full and open competition.

□ 1730

Mr. CLINGER. Mr. Chairman, I yield 2½ minutes to the gentleman from California [Mr. HORN], chairman of the Subcommittee on Government Management.

Mr. HORN. Mr. Chairman, I rise in support of this landmark procurement reform bill. I ask my colleagues to oppose any amendment offered which would weaken this bill.

The current acquisition system saddles businesses, both small and large, with a daunting array of red tape and mandates. These restrictions make doing business with the Federal Government an administrative nightmare. H.R. 1670 would revolutionize government purchasing, something long overdue, in order to create a system that costs less and works better. It operates under a very simple proposal: streamline, standardize, and save.

Unfortunately, H.R. 1670 has been the subject of a significant amount of misinformation concerning small business and its impact on small business. It is time to clear up these misunderstandings. H.R. 1670 is good for small business.

At the heart of H.R. 1670's reforms is the empowerment of government purchasing officers. Instead of only shuffling the large reams of paper required to fulfill the unique government requirements, at the present time, purchasing officers will now evaluate the procurement proposals and make a decision. This reform streamlines the procurement process, empowers government workers, and creates a more efficient, more businesslike procurement process.

Every business, both large and small, will still have access to the protest process if they think the procurement officer who made that decision chose incorrectly. In fact, we are also improving the efficiency of the protest process as well. The 11 current protest boards, each operating with their own rules, regulations, and bureaucratic hoops, will be consolidated into two boards: One for defense procurement and one for nondefense procurement. A small company will not have to learn new rules for each and every government bid. The process is both streamlined and standardized.

In short, H.R. 1670 provides the authority for government purchasers and industry providers to use sound business practices in acquiring and selling goods and services. H.R. 1670 provides the commonsense answers to the very real problems of an overly bureaucratic system without eliminating small business protections. With support for H.R. 1670, small business finally can participate in a Federal marketplace that uses sound business practices. And, finally, it saves the taxpayers money.

I urge Members' vigorous support for H.R. 1670 and ask my colleagues to oppose any weakening amendments.

Mrs. COLLINS of Illinois. Mr. Chairman, I yield 5½ minutes to the gentlewoman from New York [Mrs. MALONEY], the ranking Democratic member.

Mrs. MALONEY. Mr. Chairman, I rise in reluctant opposition to H.R. 1670, the Federal Acquisition Reform Act, offered by the chairman of the Committee on Government Reform and Oversight, Mr. CLINGER.

I share the chairman's goal to shake up the system, streamline it, and cut the red tape. I thank the chairman for his genuine hard work on this issue, and I thank him for his sincere efforts to reach a bipartisan consensus on this bill. We are very close to that consensus.

Unfortunately, there are several unaddressed fundamental problems with the substance of this bill. This bill alters the longstanding principle of full and open competition for Federal contracts. Members will hear that it retains the words "full and open competition," true. But the problem is, it adds new words, loopholes, blank checks, and qualifiers. The new language does not preserve the old standard, which is the best standard for saving taxpayers' dollars and allowing small businesses to compete in the procurement process.

Under this bill, contracting personnel are authorized to use other than competitive procedures under two new and excessively broad exceptions to competition; namely, when the use of competitive procedure is not, and I quote, "feasible or appropriate," under regulation to be prescribed, another blank check for agency contracting personnel.

Mr. Chairman, I really do not understand the other party's support for this part of the bill. I join the gentlewoman from Illinois [Mrs. COLLINS] in lauding, really, the chairman of the committee on many fine parts of the bill. But Members of that party are regularly pressing in this body for cost and risk assessment to control the bureaucrats in the area of health, security, and environment. But in this bill, they give blank checks to these bureaucrats for the procurement of over $200 billion of taxpayers' money in Federal procurement.

The case to replace full and open competition has not been made. In the hearings that were held, no one testified in support of removing full and open competition. In fact, many people, particularly small business, testified in support of it.

I would like submit into the RECORD a letter from the deputy inspector general of the Department of Defense to the gentlewoman from Illinois [Mrs. COLLINS] that very clearly states his belief that this fully and open standard must be maintained to protect taxpayers' dollars and to allow small businesses to compete in the process.

Also the bill robs money from American taxpayers. Existing law says that, when a defense contractor sells weapons and technology to a foreign government, research and development funded by taxpayers, then the defense contractor must pay a portion of profit back to the Government to pay for that research and development The recovery of funds is called recoupment. The authors of this bill are eliminating recoupment, calling it a tax on American defense contractors.

I say recoupment gives a fair return for the American taxpayers' investment in the research and development of new weapons and technology. I intend to offer an amendment to restore it, and it would mean well over a billion dollars to our Treasury over 5 years.

Finally, the Clinger bill allows simplified acquisition procedures for the purchase of all so-called commercial products, no matter what the dollar value.

Last year we passed the Federal Acquisition Streamlining Act, a landmark bill that raised the threshold for simplified procedures to $100,000 and $250,000 after the implementation of electronic bulletin boards and Federal procurement. This provision allows officials to purchase basic goods like salad dressing and small items without undue red tape.

It is a good bill and I support it. However, this bill, H.R. 1670, would entirely eliminate any threshold. It would not cut red tape, since 90 percent of all purchases are under $100,000.

In the name of simplifying the procurement statutes, this bill grants regulation writers sweeping authority to establish procedures and guidelines. That seems to me completely contrary to the professed Republican view that these regulators need to be restrained.

With a few changes, H.R. 1670 could represent an excellent second step to follow the changes made last year and those made by Vice President GORE. Until those changes are made, I must oppose this bill.

Mr. CLINGER. Mr. Chairman, I yield 2½ minutes to the gentleman from Maryland [Mr. EHRLICH], another freshman, a very valuable member of the committee.

Mr. ERHLICH. Mr. Chairman, I rise in strong support of H.R. 1670. I applaud the leadership and diligent work of the chairman. It is a pleasure to work with such a fine gentleman and members of the committee.

Mr. Chairman, H.R. 1670 proposes a procurement system that Government can manage more efficiently and effectively as well as a system that will benefit all American taxpayers. Mr. Chairman, Federal procurement should be of interest to every American taxpayer. In the end, the $200 billion—with a B—dollars the Federal Government spends every year on procurement functions is a nondiscriminating tax on every American citizen.

Mr. Chairman, fundamental reform of how the Federal Government works has been the backbone behind just about everything we have debated and voted upon on this floor over the past 8 months. Business as usual is no longer the business at hand in this Congress. This Congress is changing the way Washington works.

During the next few weeks, we will be deciding how to balance the Federal budget. But this fight will mean nothing, Mr. Chairman, if we perpetuate a Federal Government which saddles itself with the gross inefficiencies of an out-of-date procurement system. American taxpayers not only deserve a balanced budget, Mr. Chairman, but also a Federal Government cooperating to preserve our country's fiscal integrity.

I have often remarked how our businesses are beset by excessive and burdensome regulations and how these costs are ultimately passed on to the consumer. Well, Mr. Chairman, the Federal procurement process is a perfect example of how the Government itself can become the victim of its own overregulation.

I have said this before. It is a vicious cycle, Mr. Chairman. The least of our worries now is a shortage of laws regulating Federal procurement, Mr. Chairman. The thousands of pages I am holding here in my hand constitute the Federal acquisition regulations. They must be streamlined.

H.R. 1670 assures the business community that competition in the Federal procurement process remains full and open. The Federal procurement system has been hampered by its own unnecessary government-unique requirements. Its costs are escalated by its own rules and regulations, and its ability to promote free and open and full competition among the private sector is stifled by the red tape of its own bureaucracy. Please support H.R. 1670.

Mrs. COLLINS of Illinois. Mr. Chairman, I reserve the balance of my time.

Mr. CLINGER. Mr. Chairman, may I inquire how much time remains on both sides?

The CHAIRMAN. The gentleman from Pennsylvania [Mr. CLINGER] has 21 minutes remaining, and the gentlewoman from Illinois [Mrs. COLLINS] has 12½ minutes remaining.

Mr. CLINGER. Mr. Chairman, I yield 2 minutes to the gentleman from Minnesota [Mr. GUTKNECHT], another very valuable and contributing member of our committee.

Mr. GUTKNECHT. Mr. Chairman, I thank the chairman of the Committee on Government Reform and Oversight for yielding time to me.

We just heard from my colleague, the gentleman from Maryland [Mr. EHRLICH] about the amount of regulation that we have in terms of Government procurement. Let me see if I can explain what that really means ultimately to the taxpayers.

Earlier this year I was visiting with the gentleman from California [Mr. HUNTER] who chairs one of the committees or subcommittees that is responsible for buying items for the Department of Defense. He told me that in the

Department of Defense we have something like 106,000 people who are listed as buyers. That is the bad news. The news gets worse. It is estimated they may have as many as 200,000 managers of those 106,000 buyers.

We buy approximately one F-16 fighter aircraft a week. To buy that fighter aircraft, we have something like 1,646 buyers. Just about one F-16 a week. And part of the reason it takes so many buyers and so many administrators and so many managers—and that is just the Department of Defense, that is repeated all throughout the Federal Government—is because of all of these rules and regulations that we have put upon the procurement process.

Earlier this year I met with some electronics manufacturers. One of them gave me this little electronic disk, it is a little circuit board. This circuit board goes into an M-1 Abrams tank. It costs the manufacturer about $2 to manufacture this board. They sell it to the Department of Defense for $15, in part because they have to jump through all of these hoops to do business with the Federal Government.

This is a very important bill, my colleagues. It will ultimately, I think, save the taxpayers billions of dollars. It makes common sense. As a matter of fact, one example, it is estimated that this could save in the purchase of each one of those F-16 fighter aircraft, we might be able to save as much as $2 million. That is real money.

This makes common sense. This is the kind of thing I think the voters voted for back in November. So I strongly support H.R. 1670, and I thank the gentleman for yielding time to me.

□ 1745

Mr. CLINGER. Mr. Chairman, I am pleased to yield 2 minutes to the gentleman from Ohio [Mr. HOKE].

Mr. HOKE. Mr. Chairman, I rise in support of the Clinger-Spence procurement reform initiative to untangle the current mass of requirements that make up the Federal procurement system. These requirements lead simply to too much money being spent for too little product. In fact, studies show that such Government-specific mandates add a 20-percent premium to the $200 billion the Federal Government spends annually on the goods and services it needs to operate.

It is particularly important during this time of declining Federal resources that we find ways to allocate our resources in a more thoughtful, meaningful and efficient manner. H.R. 1670 provides part of the solution by transforming the current complex web of rules into a more common sense approach to doing business with the Government, much like that used by worldclass commercial firms.

This legislation before us represents a significant shift in the operation of our Federal procurement system to meet the needs of the American taxpayer. I wholeheartedly support this reform effort and urge my colleagues to support this measure and oppose any weakening amendments.

Better Government does not mean bigger Government—it means more efficient Government. This is the message we will be sending today if we support this legislation. It is my pleasure to join with my colleagues in support of H.R. 1670, the Federal Acquisition Reform Act of 1995. This legislation effectively changes the way the Federal Government buys goods and services and revolutionizes the current procurement system.

As chairman of the Budget Committee's National Security Working Group, I am pleased to note that H.R. 1670 incorporates some of the changes recommended in legislation developed by the Working Group—H.R. 1368, the Department of Defense Acquisition Management Reform Act of 1995.

H.R. 1670 streamlines many of the unnecessary procedures in the current system which increases costs to the Department of Defense, the Government's largest single buyer, and therefore meets the needs of American taxpayers, who pay for our Nation's defense.

The Federal Acquisition Reform Act rewards people in Government who can get the job done on time while holding down costs.

I would like to thank Chairman CLINGER and Chairman SPENCE for their diligence and perseverance in pursuing such bold reforms and urge my colleagues to support H.R. 1670 without any weakening amendments.

Mr. CLINGER. Mr. Chairman, I am pleased to yield 2 minutes to the gentlewoman from New York [Ms. MOLINARI].

Ms. MOLINARI. Mr. Chairman, I rise in support of the Clinger-Spence procurement reform initiative to untangle the current mass of requirements that too often have our Federal managers tied up in knots. These managers have to select goods and services according to how easy they are to procure rather then how good the quality is.

Would you buy a computer that way? How about medicine, or a new building? Every year Uncle Sam buys over $200 billion worth of goods and services, and he does it exactly that way. Whether we are buying paper clips or tanks, this tacks on a 20-percent premium to the price tag. Its Government-specific mandates and requirements leads to too much money being spent for too little product.

The bottom line is we cannot, and even if we could we should not, indulge in such regulation. With declining Federal dollars, we have to find ways to allocate our resources in a more productive manner.

We talk a lot in this Chamber about getting rid of Government waste. Today we can take and pass a vote for doing exactly that. I wholeheartedly support this reform effort. It is a big giveback to the American taxpayer with this effort. I urge my colleagues to support this measure and, frankly, to oppose any weakening amendments. It is an important step towards reforming and providing common sense towards the procurement efforts in Congress. It saves money for exactly the same bottom line. For that, I think we owe a great deal of gratitude to the gentleman from Pennsylvania [Mr. CLINGER] and the gentleman from South Carolina [Mr. SPENCE]. I believe we should all support this measure.

Mr. CLINGER. Mr. Chairman, I am pleased to yield 2 minutes to the gentleman from Massachusetts [Mr. BLUTE], a stalwart member of the committee.

Mr. BLUTE. Mr. Chairman, the legislation before us, H.R. 1670, the Federal Acquisition Reform Act, will enable businesses to compete much more effectively in the Federal marketplace. Each year our Government spends approximately $200 billion for goods and services ranging from weapons systems to everyday commodities. According to a report prepared by the Secretary of Defense, the Government pays an additional 20-percent premium for the goods and services it acquires solely because of the requirements it imposes on its contractors, a 20-percent premium. Clearly, some requirements are needed. But taxpayers pay a premium for many unnecessary, duplicative procedures.

H.R. 1670 streamlines these procedures without compromising any necessary safeguards. H.R. 1670 reaffirms the underpinnings of the Government's acquisition system by placing in statute the policy of Government reliance on the private sector to supply the products and services the Government needs. This has been a longstanding administrative policy of the Federal Government since the days of Eisenhower. It is particularly significant at this time, as we are reassessing the role of Government to reinforce our reliance on the free enterprise system as the source of goods and services to fulfill the public's needs.

I commend the chairmen, the gentleman from Pennsylvania [Mr. CLINGER] and the gentleman from South Carolina [Mr. SPENCE] for bringing forth this important and commonsense legislation. This is truly reinventing government. Even more, it is entrepreneurial government at its best.

I urge my colleagues to support H.R. 1670, without any weakening amendments, in order to let the system meet the needs of the Government, industry, and ultimately and importantly, the taxpayer.

Mrs. COLLINS of Illinois. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I am a bit confused when I hear the other side of the aisle talking about weakening amendments. It seems to me the amendments that I have before me are all amendments that are going to be very, very helpful.

Mr. Chairman, it has been my understanding that free and open competition is the American way, that it is something we have always wanted. There is no way that free and open competition is going to be harmful to the American people. There is no way that free and open competition is going to be more costly to those of us who are taxpayers, and we are all, in fact, taxpayers. I just do not understand the rationale when the other side of the aisle seems to be so thoroughly against free and open competition.

No place have I seen at all where there is a disagreement by the U.S. Chamber of Commerce which says that free and open competition is what we need. We have not been misguided by what their letter has said to us. It just seems to me it is something we ought to all keep in mind.

Mr. Chairman, I reserve the balance of my time.

Mr. CLINGER. Mr. Chairman, I am pleased to yield 2 minutes to the gentleman from New Hampshire [Mr. BASS], a member of the Committee on Government Reform and Oversight.

Mr. BASS. Mr. Chairman, I rise in support of H.R. 1670. Before my colleagues vote to considerably weaken this bill, I would ask them to consider the reforms being offered here today by the chairmen, the gentleman from Pennsylvania [Mr. CLINGER] and the gentleman from South Carolina [Mr. SPENCE].

H.R. 1670 would enable businesses to compete effectively in both commercial and Government markets, and would eliminate many of the contracting requirements unique to the Government that increase the cost of doing business with it. We have heard this from prior speakers. The simplification of unwieldy requirements and procedures will also encourage more businesses to enter the Federal marketplace which may have been intimidated by the current system. These businesses just simply cannot deal with the system as it is today. These changes will enable the Government to take advantage of leading technology firms, the technology being supplied by these firms important to the Government.

I strongly urge my colleagues to support the Federal Acquisition Reform Act in the interests of efficiency, a strengthened supplier base, increased competition, and reduced procurement costs. I urge my colleagues to vote against any amendments that are offered that will weaken this bill and make the system work more slowly and more bureaucratically.

Mr. CLINGER. Mr. Chairman, I am pleased to yield 3 minutes to the gentleman from South Carolina [Mr. SPENCE], the cosponsor of this legislation and the very able and excellent chairman of the Committee on National Security.

Mr. SPENCE. Mr. Chairman, I rise in strong support of H.R. 1670, the Federal Acquisition Reform Act of 1995.

This legislation represents an important leap forward in reforming today's antiquated and inefficient Federal procurement system.

Last year, Congress enacted comprehensive acquisition reform legislation that is just now beginning to work itself through the regulatory process. The Federal Acquisition Streamlining Act was a good start in making needed incremental changes to the system.

I realize that some may wonder why we are launching yet another round of acquisition reform while the last one is still going through the implementation process. The answer is simple—we cannot afford to wait for last year's modest reforms to go into effect before fixing the fundamental problems ailing the current system.

Mr. Chairman, what is required today is fundamental reform, not incremental reform. The American taxpayer pays too much for the goods and services bought by the Federal Government. The current system results in products that are too costly, many times outdated, and of questionable quality.

This issue is of critical importance because how the Federal Government buys goods and services affects the budgets and programs under the jurisdiction of every single committee of the House. As we all contemplate the difficult fiscal reality of moving toward a balanced budget in 7 years, we must fix today's inefficient procurement system in order to maximize return on every single Federal tax dollar.

As the Federal Government's largest single buyer, nowhere do these problems apply more than in the Department of Defense. While the concurrent budget resolution adopted by this House does increase Defense spending relative to the President's budget request, even this spending level will not adequately cover the many critical military capability, readiness, and quality-of-life shortfalls facing the military in the years ahead.

I supported this budget as it struck a prudent balance between halting the 10-year slide in Defense spending and putting us on a track toward a balanced Federal budget. But I also realize that the shortfalls created by the drastic reductions in spending of the past few years will require that we aggressively find additional funds from within the Defense program.

It makes necessary process reforms that will streamline procedures, reduce the costly overhead associated with Federal procurements, and allow the Government to buy commercially more often.

Mr. Chairman, the House National Security Committee shares jurisdiction on these issues and received sequential referral of this legislation. In that capacity, we have been working with the Government Reform and Oversight Committee to iron out some last remaining differences. I am happy to report that we have reached an agreement on these differences and that I will be offering an amendment later on reflecting these changes. I want to commend Chairman CLINGER and Representative COLLINS for the cooperative spirit in which they have dealt with our committee and for the willingness to work out these last remaining differences.

Mr. Chairman, I am told that there may be some amendments from the minority or from the Small Business Committee that could have the effect of walking back many of the important provisions of H.R. 1670. These amendments, while well intentioned, would revert back to the same timid and ineffective reforms that we have engaged in for the past 10 years. What is needed is fundamental reform. H.R. 1670 is such fundamental reform.

In closing, I urge my colleagues to defeat any weakening amendments that may be offered by those seeking to protect the status quo system. While change is always unsettling to some, there is no aspect of the Federal Government that could stand more change than the Federal procurement system.

H.R. 1670 represents such change, and I urge my colleagues to support the Government Reform and National Security Committees in pursuing this important objective.

Mrs. COLLINS of Illinois. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I sincerely believe we can improve Government procurement. There are many provisions in this bill that were developed in a very bipartisan manner to reduce the number of steps in the procurement process. In fact, many of these changes were recommended by Vice President GORE. We have disagreed on just one item, the requirement that we have full and open competition.

Full and open competition reduces the cost of the Government, it does not add to the burden of procurement. Full and open competition lets new business, small business, compete. Our amendment would also give necessary flexibility to Government officials to discuss with businesses whether they have a chance to win any kind of procurement opportunity, so that companies with hopeless causes can voluntarily withdraw.

This is not adding anything, this is in fact helping to streamline the whole process while keeping full and open competition. Full and open competition actually keeps bureaucrats from using prejudice and an old boy network to exclude worthy businesses. That is all we are talking about. That is all we are going to be talking about in my amendment. It just seems to me that we have to make a case for full and open competition. If it were not for this one hang-up that we have in this legislation, we would be on our way home right now. We could have probably voted for this piece of legislation and have been out of here.

I have to repeat that nowhere has the case been made to change the competition standard. The procurement process can be streamlined, as I said just now, and I agree with many of the provisions that are here. It just seems to me that we ought to get about the business of taking care of full and open competition so we can be on our way, so small business, large business, megabusinesses can all have a fair shake at getting Federal Government contracts.

Mr. Chairman, I have no further requests for time, and I yield back the balance of my time.

□ 1800

Mr. CLINGER. Mr. Chairman, I yield myself 1 minute, just to indicate that I think that the gentlewoman said that we could have been out of here if we could resolve this one niggling little disagreement.

I have to suggest that it is a little more than a minor disagreement. I think that in my view it really goes to the heart of this bill. We have a fundamental disagreement over the impact.

I believe, and I hope a majority will believe, that what we have provided here is the kind of flexibility we need to really get the reforms that are necessary. The other side does not agree with that, so we will debate that in more detail later on, but it is not a minor disagreement, I would have to say.

Mr. Chairman, I yield 2 minutes to the gentleman from California [Mr. HUNTER], a very key and senior member of the Committee on National Security.

Mr. HUNTER. I thank the gentleman for yielding me the time.

Mr. Chairman, let me thank the distinguished chairman of the Committee on Armed Services and the chairman of the Committee on Government Operations for their great work. Let me give a dimension to this problem that has not been explored before.

This year in the Department of Defense we are going to be spending about $40 billion for procurement of weapons systems. That is for aircraft, for ships, for submarines, and for all that equipment that our Armed Forces use, so we spend about $40 billion for equipment.

Well, folks, we have about 300,000 Government shoppers buying that equipment. Those 300,000 Government shoppers, that is two U.S. Marine Corps of shoppers. I call them the 173rd Airborne shopping division, call them the Big Red One shopping division, but those shoppers are necessary because we have built a mountainous system of regulations that says if you buy a military airplane for $100 million, you will spend abut $40 million that you pay in salaries to the Pentagon for the service of buying it.

If we do not start reducing the regulations, and this bill goes a long way toward doing that, we are going to continue to maintain two U.S. Marine Corps for the service of shopping for weapon systems. That is not in the interest of the taxpayers.

I commend the gentlemen for their hard work. I just hope everybody in the House realizes the efficiencies that we can achieve if we will pass this bill.

Mr. CLINGER. Mr. Chairman, I yield 2 minutes to the gentleman from Georgia [Mr. CHAMBLISS], another member from the Committee on National Security, which is the cocommittee with our committee in bringing this legislation to the floor.

Mr. CHAMBLISS. Mr. Chairman, the Clinger-Spence acquisition reform bill before you will finish the job begun by the Congress last year. Consider the changes proposed by the bill: Changing competition requirements so that they are reasonable in light of the need; establishing commercial-like procedures for Government procurement; reforming procurement integrity so that it no longer stifles the process; making American companies more competitive on the international market; streamlining the burdensome certification process; consolidating the many dispute resolution mechanisms into a single review board.

These are all commonsense answers to the very real problem of redtape and an overly bureaucratic procurement process. This Congress is finally applying real-world family and business practices to our budgets and our administration of Federal programs. Why not apply these standards to Federal purchasers?

When this bill was first put forward as an amendment to the Defense authorization, many business groups voiced their concern over the new approach to the process. They were concerned that this legislation would in some way limit their ability to freely and openly pursue contracts.

Since that time, Chairmen CLINGER and SPENCE have worked very hard to address these concerns. They have made very important changes that protect the rights of business while maintaining the commonsense approach that serves as the basis of the legislation.

I commend Chairmen SPENCE and CLINGER for working so hard to bring these needed changes to Government. The changes will be good for business, and ultimately they will be good for the taxpayers. Support the Clinger-Spence procurement reform bill and reject this amendment.

However well-intentioned, the amendment of my colleague from Illinois would embrace the status quo and prevent the kind of reform that will get to the heart of this unruly process.

Mr. CLINGER. Mr. Chairman, I yield myself 1 minute, if I may, just to indicate that as we near the end of this debate, I think it has been a very full and open debate, and I think we have touched on some of the issues that will be part of the debate that will follow this as we consider the bill title by title.

It is a significant, I think, reform, a dramatic reform, if you will, of what we have had to live with and what procurement people have had to live with for so long in trying to do the people's business, what we heard in witness after witness from the procurement community. These are dedicated public servants who are really trying to do the job that we ask them to do but feel that they have been hamstrung, limited, wrapped up in redtape, and unable to really accomplish what we all want them to do, which is to get the best bargain that they can for the Federal Government.

We preserve full and open competition, and that I think needs to be stressed. We do provide that the Federal Government has a role to play in determining what they need on any given procurement, how broad do they need to cast the net to get that, and making a winnowing process at the beginning of the process rather than well down the road.

Mr. Chairman, it is a great honor for me to yield the balance of our time to the gentleman from Georgia [Mr. GINGRICH], the Speaker of the House.

The CHAIRMAN. The gentleman from Georgia is recognized for 3 minutes.

Mr. GINGRICH. Mr. Chairman, I thank my good friend from Pennsylvania for yielding me the time.

Mr. Chairman, I just wanted to say that I am very, very proud that we are bringing to the floor and giving our Members a chance to join in a very fundamental reform to fix the Federal procurement system. The Federal Acquisition Reform Act of 1995 is a step toward bringing us into the 21st century.

The fact is Federal procurement is, I think, one of the most inefficient things the Federal Government does. One recent estimate is that taxpayers today pay basically a 20-percent premium on Federal purchases.

That is, if you are to take a product and ask what would it cost you as a private citizen to go buy it, and that costs, say, $100, you would find that for the very same product it costs you $120 if your Government buys it. So you as a taxpayer are not just paying for the legitimate requirements but you are in fact paying more than you should be paying.

But there is something deeper. Because our procurement system today is so slow and so cumbersome and so filled with redtape and is so time consuming, we end up buying products that are in fact obsolete by the time we can get around to procuring them. In fact, in computers, we actually take longer to figure out how to buy the computer than the lifecycle of current computers.

I use some examples. This is an FAA vacuum tube. If there is any single argument for this act, this is a Federal Aviation Administration vacuum tube which we are currently buying for the air traffic control system. This is an Intel Pentium chip, which is 3,100,000 of the vacuum tubes. In a period when you could be buying this, and instead you are buying this, you clearly have an opportunity for dramatic improvement.

I commend my colleagues on the Committee on Government Reform and Oversight. They have produced a bill which has the American Electronics Association, the Electronic Industry Association, the American Defense Preparedness Association, the Contract Services Association, the Professional Services Council, and the list goes on and on, group after group that knows that in the modern world, agile, lean, private corporations using the best information technologies are literally purchasing circles around a slow, cumbersome, redtape-ridden Federal Government.

The National Taxpayers Union and the Americans for Tax Reform both recognize that the Federal Acquisition Reform Act of 1995 will improve the lot of the taxpayer. They urge a "yes" vote.

Let me say in closing that I commend my good friend, Chairman CLINGER. I urge every Member of the House, on behalf of the taxpayers and on behalf of a better, more effective government that you can be proud of, I hope you will vote "yes" today on the Federal Acquistion Reform Act.

Mr. NADLER. Mr. Chairman, I rise today in support of this amendment to eliminate this unwarranted subsidy for defense contractors.

Every year, U.S. taxpayers spend more than $30 billion to develop weapons systems for the military. That Federal spending has led to the creation of the most technologically advanced military in the world, armed with Stealth bombers, Tomahawk missiles, and supersonic attack aircraft. Throughout the cold war and especially during the 1980's, this country sacrificed funding for education, nutrition, biomedical research, and health care in order to support a bloated Defense budget.

Unfortunately, we see that trend continuing this year with cuts in nearly every social program, including Medicare and Medicaid, while increasing spending by $2.1 billion for the military.

Now, we see that some in Congress would like to toss our costly investment out the window by allowing foreign countries to benefit from the technological advances, made through taxpayer funded R&D, without having to pay for it. When U.S. defense companies sell their wares abroad, the United States has a right to be compensated for our help in developing their weapons. In the past 5 years, that dividend has amounted to nearly $1 billion in deficit reduction for the United States. Are we really willing to throw away a billion dollars of our constituents money at time when we say we want to balance the budget? Are we going to ask veterans to endure cuts in their benefits, while at the same time voting for the Nation's wealthiest defense contractors? I say "no." The Citizens Against Government Waste, who supports this amendment, say "no." And most importantly, the military retirees, whose benefits will be slashed to pay for this subsidy for arms merchants, say no. I urge my colleagues to support the Maloney, DeFazio, Berman amendment.

The CHAIRMAN. All time for general debate has expired.

Pursuant to the rule, the Committee amendment in the nature of a substitute printed in the bill shall be considered by titles as an original bill for the purpose of amendment. The first two sections and each title are considered read.

During consideration of the bill for amendment, the Chairman of the Committee of the Whole may accord priority in recognition to a Member who has caused an amendment to be printed in the designated place in the CONGRESSIONAL RECORD. Those amendments will be considered read.

The Chairman of the Committee of the Whole may postpone until a time during further consideration in the Committee of the Whole a request for a recorded vote on any amendment.

The Chairman of the Committee of the Whole may reduce to not less than 5 minutes the time for voting by electronic device on any postponed question that immediately follows another vote by electronic device without intervening business, provided that the time for voting by electronic device on the first in any series of questions shall not be less than 15 minutes.

The Clerk will designate section 1.

The text of section 1 is as follows:

SECTION 1. SHORT TITLE.

This Act may be cited as the "Federal Acquisition Reform Act of 1995".

The CHAIRMAN. Are there any amendments to section 1?

If not, the Clerk will designate section 2.

The text of section 2 is as follows:

SEC. 2. TABLE OF CONTENTS.

The table of contents for this Act is as follows:

Sec. 1. Short title.
Sec. 2. Table of contents.

TITLE I—COMPETITION

Sec. 101. Improvement of competition requirements.
Sec. 102. Definitions relating to competition requirements.
Sec. 103. Contract solicitation amendments.
Sec. 104. Preaward debriefings.
Sec. 105. Contract types.
Sec. 106. Contract performance.

TITLE II—COMMERCIAL ITEMS

Sec. 201. Commercial item exception to requirement for cost of pricing data and information limitations.
Sec. 202. Application of simplified procedures to commercial items.
Sec. 203. Amendment to definition of commercial items.
Sec. 204. Inapplicability of cost accounting standards to contracts and subcontracts for commercial items.

TITLE III—ADDITIONAL REFORM PROVISIONS

Sec. 301. Government reliance on the private sector.
Sec. 302. Elimination of certain certification requirements.
Sec. 303. Amendment to commencement and expiration of authority to conduct certain tests of procurement procedures.
Sec. 304. International competitiveness.
Sec. 305. Procurement integrity.
Sec. 306. Further acquisition streamlining provisions.
Sec. 307. Justification of major defense acquisition programs and meeting goals.
Sec. 308. Enhanced performance incentives for acquisition workforce.
Sec. 309. Results oriented acquisition program cycle.
Sec. 310. Rapid contracting goal.
Sec. 311. Encouragement of multiyear contracting.
Sec. 312. Contractor share of gains and losses from cost, schedule, and performance experience.
Sec. 313. Phase funding of defense acquisition programs.
Sec. 314. Improved Department of Defense contract payment procedures.
Sec. 315. Consideration of past performance in assignment to acquisition positions.
Sec. 316. Additional Department of Defense pilot programs.
Sec. 317. Value engineering for Federal agencies.
Sec. 318. Acquisition workforce.

TITLE IV—STREAMLINING OF DISPUTE RESOLUTION

SUBTITLE A—GENERAL PROVISIONS

Sec. 401. Definitions.

SUBTITLE B—ESTABLISHMENT OF CIVILIAN AND DEFENSE BOARDS OF CONTRACT APPEALS

Sec. 411. Establishment.
Sec. 412. Membership.
Sec. 413. Chairman.
Sec. 414. Rulemaking authority.
Sec. 415. Authorization of appropriations.

SUBTITLE C—FUNCTIONS OF DEFENSE AND CIVILIAN BOARDS OF CONTRACT APPEALS

Sec. 421. Alternative dispute resolution services.
Sec. 422. Alternative dispute resolution of disputes and protests submitted to boards.
Sec. 423. Contract disputes.
Sec. 424. Protests.
Sec. 425. Applicability to certain contracts.

SUBTITLE D—REPEAL OF OTHER STATUTES AUTHORIZING ADMINISTRATIVE PROTESTS

Sec. 431. Repeals.

SUBTITLE E—TRANSFERS AND TRANSITIONAL, SAVINGS, AND CONFORMING PROVISIONS

Sec. 441. Transfer and allocation of appropriations and personnel.
Sec. 442. Terminations and savings provisions.
Sec. 443. Contract disputes authority of boards.
Sec. 444. References to agency boards of contract appeals.
Sec. 445. Conforming amendments.

SUBTITLE F—EFFECTIVE DATE; INTERIM APPOINTMENT AND RULES

Sec. 451. Effective date.
Sec. 452. Interim appointment.

Sec. 453. Interim rules.
TITLE V—EFFECTIVE DATES AND IMPLEMENTATION
Sec. 501. Effective date and applicability.
Sec. 502. Implementing regulations.

The CHAIRMAN. Are there any amendments to section 2?

If not, the Clerk will designate title I.

The text of title I is as follows:

TITLE I—COMPETITION

SEC. 101. IMPROVEMENT OF COMPETITION REQUIREMENTS.

(a) Armed Services Acquisitions.—(1) Section 2304 of title 10, United States Code, is amended to read as follows:

“§2304. Contracts: competition requirements

“(a) Competition.—(1) Except as provided in subsections (b), (c), and (e) and except in the case of procurement procedures otherwise expressly authorized by statute, the head of an agency in conducting a procurement for property or services—

“(A) shall obtain full and open competition—

“(i) that provides open access, and

“(ii) that is consistent with the need to efficiently fulfill the Government's requirements,

through the use of competitive procedures in accordance with this chapter and the Federal Acquisition Regulation; and

“(B) shall use the competitive procedure or combination of competitive procedures that is best suited under the circumstances of the procurement.

“(2) In determining the competitive procedure appropriate under the circumstances, the head of an agency—

“(A) shall solicit sealed bids if—

“(i) time permits the solicitation, submission, and evaluation of sealed bids;

“(ii) the award will be made on the basis of price and other price-related factors;

“(iii) it is not necessary to conduct discussions with the responding sources about their bids; and

“(iv) there is a reasonable expectation of receiving more than one sealed bid; and

“(B) shall request competitive proposals if sealed bids are not appropriate under clause (A).

“(b) Exclusion of Particular Source.—The head of an agency may provide for the procurement of property or services covered by this chapter using competitive procedures but excluding a particular source in order to establish or maintain an alternative source or sources of supply for that property or service. The Federal Acquisition Regulation shall set forth the circumstances under which a particular source may be excluded pursuant to this subsection.

“(c) Exclusion of Concerns Other Than Small Business Concerns and Certain Other Entities.—The head of an agency may provide for the procurement of property or services covered by this section using competitive procedures, but excluding concerns other than small business concerns in furtherance of sections 9 and 15 of the Small Business Act (15 U.S.C. 638, 644) and concerns other than small business concerns, historically Black colleges and universities, and minority institutions in furtherance of section 2323 of this title.

“(d) Procedures Other Than Competitive Procedures.—(1) Procedures other than competitive procedures may be used for purchasing property and services only when the use of competitive procedures is not feasible or appropriate. Standards for determining when the use of competitive procedures is not feasible or appropriate shall be set forth in the Federal Acquisition Regulation. Each procurement using procedures other than competitive procedures (other than a procurement for commercial items using simplified procedures or a procurement in an amount not greater than the simplified acquisition threshold) shall be justified in writing and approved in accordance with the Federal Acquisition Regulation.

“(2) In the case of a procurement using procedures that preclude all but one source from responding (hereinafter in this subsection referred to as a 'sole source procurement'), the Federal Acquisition Regulation shall provide for justification and approval under paragraph (1) of such procurement under standards that set forth limited circumstances for such sole source procurements, including circumstances when—

“(A) the property or services needed by the agency are available from only one responsible source and no other type of property or services will satisfy the needs of the agency;

“(B) the agency's need for the property or services is of such an unusual and compelling urgency that the United States would be seriously injured unless the agency is permitted to award the contract for the property or services to a particular source;

“(C) it is necessary to award the contract to a particular source in order (i) to maintain a facility, producer, manufacturer, or other supplier available for furnishing property or services in case of a national emergency or to achieve industrial mobilization, (ii) to establish or maintain an essential engineering, research, or development capability to be provided by an educational or other nonprofit institution or a federally funded research and development center, or (iii) to procure the services of an expert for use, in any litigation or dispute (including any reasonably foreseeable litigation or dispute) involving the Federal Government, in any trial, hearing, or proceeding before any court, administrative tribunal, or agency, or in any part of an alternative dispute resolution process, whether or not the expert is expected to testify;

“(D) the terms of an international agreement or a treaty between the United States and a foreign government or international organization, or the written directions of a foreign government reimbursing the agency for the cost of the procurement of the property or services for such government, have the effect of requiring the award of the contract for the property or services to a particular source;

“(E) subject to section 2304f, a statute expressly authorizes or requires that the procurement be made through another agency or from a specified source, or the agency's need is for a brand-name commercial item for authorized resale;

“(F) the disclosure of the agency's needs would compromise the national security unless the agency is permitted to award the contract for the property or services needed by the agency to a particular source; or

“(G) the head of the agency—

“(i) determines that it is necessary in the public interest to award the contract for the property or services needed by the agency to a particular source in the particular procurement concerned, and

“(ii) notifies the Congress in writing of such determination not less than 30 days before the award of the contract.

“(3) The authority of the head of an agency under paragraph (2)(G) may not be delegated.

“(e) Simplified Procedures.—(1) In order to promote efficiency and economy in contracting and to avoid unnecessary burdens for agencies and contractors, the Federal Acquisition Regulation shall provide for special simplified procedures for purchases of property and services for amounts not greater than the simplified acquisition threshold.

“(2) A proposed purchase or contract for an amount above the simplified acquisition threshold may not be divided into several purchases or contracts for lesser amounts in order to use the simplified procedures required by paragraph (1).

“(3) In using simplified procedures, the head of an agency shall ensure that competition is obtained to the maximum extent practicable consistent with the particular Government requirement.

“(f) Certain Contracts.—for the purposes of the following laws, purchases or contracts awarded after using procedures other than sealed-bid procedures shall be treated as if they were made with sealed-bid procedures:

“(1) The Walsh-Healey Act (41 U.S.C. 35–45).

“(2) The Act entitled 'An Act relating to the rate of wages for laborers and mechanics employed on public buildings of the United States and the District of Columbia by contractors and subcontractors, and for other purposes', approved March 3, 1931 (commonly referred to as the 'Davis-Bacon Act') (40 U.S.C. 276a—276a-5).”.

(2) Chapter 137 of title 10, United States Code is amended by inserting before section 2305 a new section—

(A) the designation and heading for which is as follows:

“§2304f. Merit-based selection”;

and

(B) the text of which consists of subsection (j) of section 2304 of such title, as in effect on the day before the date of the enactment of this Act, modified—

(i) by striking out the subsection designation;

(ii) in paragraphs (2)(A), (3), and (4), by striking out “subsection” and inserting in lieu thereof “section” each place it appears;

(iii) in paragraph (2)(C), by striking out “paragraph (1)” and inserting in lieu thereof “subsection (a)”;

(iv) by redesignating paragraphs (1), (2), (3), and (4) as subsections (a), (b), (c), and (d), respectively; and

(v) in subsection (b) (as so redesignated), by redesignating subparagraphs (A), (B), and (C) as paragraphs (1), (2), and (3), respectively.

(3) The table of sections at the beginning of such chapter is amended by inserting before the item relating section 2305 the following new item:

“2304f. Merit-based selection.”.

(b) Civilian Agency Acquisitions.—(1) Section 303 of the Federal Property and Administrative Services Act of 1949 (41 U.S.C. 253) is amended to read as follows:

“SEC. 303. CONTRACTS: COMPETITION REQUIREMENTS.

“(a) Competition.—(1) Except as provided in subsections (b), (c), and (e) and except in the case of procurement procedures otherwise expressly authorized by statute, an executive agency in conducting a procurement for property or services—

“(A) shall obtain full and open competition—

“(i) that provide open access, and

“(ii) that is consistent with the need to efficiently fulfill the Government's requirements, through the use of competitive procedures in accordance with this chapter and the Federal Acquisition Regulation; and

“(B) shall use the competitive procedure or combination of competitive procedures that is best suited under the circumstances of the procurement.

“(2) In determining the competitive procedure appropriate under the circumstances, an executive agency—

“(A) shall solicit sealed bids if—

“(i) time permits the solicitation, submission, and evaluation of sealed bids;

“(ii) the award will be made on the basis of price and other price-related factors;

“(iii) it is not necessary to conduct discussions with the responding source about their bids; and

"(iv) there is a reasonable expectation of receiving more than one sealed bid; and

"(B) shall request competitive proposals if sealed bids are not appropriate under clause (A).

"(b) EXCLUSION OF PARTICULAR SOURCE.—An executive agency may provide for the procurement of property or services covered by this chapter using competitive procedures but excluding a particular source in order to establish or maintain an alternative source or sources of supply for that property or service. The Federal Acquisition Regulation shall set forth the circumstances under which a particular source may be excluded pursuant to this subsection.

"(c) EXCLUSION OF CONCERNS OTHER THAN SMALL BUSINESS CONCERNS AND CERTAIN OTHER ENTITIES.—An executive agency may provide for the procurement of property or services covered by this section using competitive procedures, but excluding concerns other than small business concerns in furtherance of section 9 and 15 of the Small Business Act (15 U.S.C. 638, 644) and concerns other than small business concerns, historically Black colleges and universities, and minority institutions in furtherance of section 7102 of the Federal Acquisition Streamlining Act of 1994 (15 U.S.C. 644 note).

"(d) PROCEDURES OTHER THAN COMPETITIVE PROCEDURES.—(1) Procedures other than competitive procedures may be used for purchasing property and services only when the use of competitive procedures is not feasible or appropriate. Standards for determining when the use of competitive procedures is not feasible or appropriate shall be set forth in the Federal Acquisition Regulation. Each procurement using procedures other than competitive procedures (other than a procurement for commercial items using simplified procedures or a procurement in an amount not greater than the simplified acquisition threshold shall be justified in writing and approved in accordance with the Federal Acquisition Regulation.

"(2) In the case of a procurement using procedures that preclude all but one source from responding (hereinafter in this subsection referred to as a 'sole source procurement'), the Federal Acquisition Regulation shall provide for justification and approval under paragraph (1) of such procurement under standards that set forth limited circumstances for such sole source procurements, including circumstances when—

"(A) the property or services needed by the executive agency are available from only one responsible source and no other type of property or services will satisfy the needs of the executive agency;

"(B) the executive agency's need for the property or services is of such an unusual and compelling urgency that the United States would be seriously injured unless the executive agency is permitted to award the contract for the property or services to a particular source;

"(C) it is necessary to award the contract to a particular source in order (i) to maintain a facility, producer, manufacturer, or other supplier available for furnishing property or services in case of a national emergency or to achieve industrial mobilization, (ii) to establish or maintain an essential engineering, research, or development capability to be provided by an educational or other nonprofit institution or a federally funded research and development center, or (iii) to procure the services of an expert for use, in any litigation or dispute (including any reasonably foreseeable litigation or dispute) involving the Federal Government, in any trial, hearing, or proceeding before any court, administrative tribunal, or agency, or in any part of an alternative dispute resolution process, whether or not the expert is expected to testify;

"(D) the terms of an international agreement or treaty between the United States Government and a foreign government or international organization, or the written directions of a foreign government reimbursing the executive agency for the cost of the procurement of the property or services for such government, have the effect of requiring the award of the contract for the property or services to a particular source;

"(E) subject to section 303M, a statute expressly authorizes or requires that the procurement be made through another executive agency or from a specified source, or the agency's need is for a brand-name commercial item for authorized resale;

"(F) the disclosure of the executive agency's needs would compromise the national security unless the agency is permitted to award the contract for the property or services needed by the agency to a particular source; or

"(G) the head of the executive agency—

"(i) determines that it is necessary in the public interest to award the contract for the property or services needed by the agency to a particular source in the particular procurement concerned, and

"(ii) notifies the Congress in writing of such determination not less than 30 days before the award of the contract.

"(3) The authority of the head of an executive agency under paragraph (2)(G) may not be delegated.

"(e) SIMPLIFIED PROCEDURES.—In order to promote efficiency and economy in contracting and to avoid unnecessary burdens for agencies and contractors, the Federal Acquisition Regulation shall provide for special simplified procedures for purchases of property and services for amounts not greater than the simplified acquisition threshold.

"(2)(A) The Administrator of General Services shall prescribe regulations that provide special simplified procedures for acquisitions of leasehold interests in real property at rental rates that do not exceed the simplified acquisition threshold.

"(B) For purposes of subparagraph (A), the rental rate or rates under a multiyear lease do not exceed the simplified acquisition threshold if the average annual amount of the rent payable for the period of the lease does not exceed the simplified acquisition threshold.

"(3) A proposed purchase or contract or for an amount above the simplified acquisition threshold may not be divided into several purchases or contracts for lesser amounts in order to use the simplified procedures required by paragraph (1).

"(4) In using simplified procedures, an executive agency shall ensure that competition is obtained to the maximum extent practicable consistent with the particular Government requirement.".

"(2) Title III of the Federal Property and Administrative Services Act of 1949 (41 U.S.C. 251 et seq.) is amended by inserting after section 303L a new section—

(A) the designation and heading for which is as follows:

"SEC. 303M. MERIT-BASED SELECTION.";

and

(B) the text of which consists of subsection (h) of section 303 of such Act, as in effect on the day before the date of the enactment of this Act, modified—

(i) by striking out the subsection designation;

(ii) in paragraphs (2)(A), (3), and (4), by striking out "subsection" and inserting in lieu thereof "section" each place it appears;

(iii) in paragraph (2)(C), by striking out "paragraph (1)" and inserting in lieu thereof "subsection (a)";

((iv) by redesignating paragraphs (1), (2), (3), and (4) as subsections (a), (b), (c), and (d), respectively; and

(v) in subsection (b) (as so redesignated), by redesignating subparagraphs (A), (B), and (C) as paragraphs (1), (2), and (3), respectively.

(3) The table of contents for the Federal Property and Administrative Services Act of 1949 (contained in section 1(b)) is amended—

(A) by striking out the item relating to section 303 and inserting in lieu thereof the following:

"Sec. 303. Contracts: competition requirements.";

and

(B) by inserting after the item relating to section 303L the following new item:

"Sec. 303M. Merit-based selection.".

(c) REVISIONS TO PROCUREMENT NOTICE PROVISIONS.—Section 18 of the Office of Federal Procurement Policy Act (41 U.S.C. 416) is amended—

(1) in subsection (a)—

(A) in subparagraph (B) of paragraphs (1)—

(i) by striking out "subsection (f)—" and all that follows through the end of the subparagraph and inserting in lieu thereof "subsection (b); and"; and

(ii) by inserting after "property or services" the following: "for a price expected to exceed $10,000 but not to exceed $25,000";

(B) by striking out paragraph (4); and

(C) by redesignating paragraphs (5) and (6) as paragraphs (4) and (5), respectively; and (2) in subsection (b)—

(A) by amending subparagraph (B) of paragraph (2) to read as follows:

"(B) state where the acquisition is to be conducted pursuant to a contractor verification system (as provided pursuant to section 35) or whether the offeror, its product, or its service otherwise must meet a qualification requirement in order to be eligible for award and, if so, identify the criteria to be used in determining such eligibility;'; and

(B) by amending paragraph (4) to read as follows:

"(4) a statement that all responsible sources may submit for consideration a bid, proposal, or quotation;".

(d) EXECUTIVE AGENCY RESPONSIBILITIES.—(1) Section 16 of the Office of Federal Procurement Policy Act (41 U.S.C. 414) is amended—

(A) by striking out "achieve" in the matter preceding paragraph (1) and inserting in lieu thereof "promote"; and

(B) by amending paragraph (1) to read as follows:

"(1) to implement competition that provides open access for responsible sources in the procurement of property or services by the executive agency by establishing policies, procedures, and practices that are consistent with the need to efficiently fulfill the Government's requirements;".

(2) Section 20 of such Act (41 U.S.C. 418) is amended in subsection (a)(2)(A) by striking out "serving in a position authorized for such executive agency on the date of enactment of the Competition in Contracting Act of 1984".

SEC. 102. DEFINITIONS RELATING TO COMPETITION REQUIREMENTS.

(a) DEFINITION.—Paragraphs (5) and (6) of section 4 of the Office of Federal Procurement Policy Act (41 U.S.C. 403) are amended to read as follows:

'(5) The term 'competitive procedures' means procedures under which an agency enters into a contract pursuant to full and open competition that provides open access and is consistent with the need to efficiently fulfill the Government's requirements.

"(6) The term 'open access', when used with respect to a procurement, means that all responsible sources are permitted to submit sealed bids or competitive proposals on the procurement.".

(b) CONFORMING AMENDMENTS.—

(1) OFFICE OF FEDERAL PROCUREMENT POLICY ACT.—Section 20 of the Office of Federal Procurement Policy Act is amended—

(A) in subsection (b)(1), subsection (b)(3)(A), and subsection (c), by inserting after "full and open competition" the following: "that provides open access and is consistent with the need to efficiently fulfill the Government's requirements" each place it appears; and

(B) in subsection (b)(4)(C), by striking out "to full and open competition that remain" and inserting in lieu thereof "that remain to achieving full and open competition that provides open access and is consistent with the need to efficiently fulfill the Government's requirements".

(2) TITLE 10.—Title 10, United States code, is amended—

(A) in section 2302(2), by striking out the first sentence and inserting in lieu thereof the following: "The term 'competitive procedures' means procedures under which an agency enters into a contract pursuant to full and open competition that provides open access and is consistent with the need to efficiently fulfill the Government's requirements.";

(B) in section 2302(3)(D), by striking out "full and open competition" and inserting in lieu thereof "open access";

(C) in section 2323(e)(3), by striking out "less than full and open" and inserting in lieu thereof "procedures other than"; and

(D) in section 2323(i)(3)(A), by striking out "full and open".

(3) FEDERAL PROPERTY AND ADMINISTRATIVE SERVICES ACT.—Title III of the Federal Property and Administrative Services Act of 1949 (41 U.S.C. 251 et seq.) is amended—

(A) in section 309(b), by striking out the first sentence and inserting in lieu thereof the following: "The term 'competitive procedures' means procedures under which an executive agency enters into a contract pursuant to full and open competition that provides open access and is consistent with the need to efficiently fulfill the Government's requirements.";

(B) in section 309(c)(4), by striking out "full and open competition" and inserting in lieu thereof "open access"; and

(C) in section 304B(a)(2)(B), by striking out "encouraging full and open competition or".

(4) OTHER LAWS.—Section 7102 of the Federal Acquisition Streamlining Act of 1994 (108 Stat. 3367; 15 U.S.C. 644 note) is amended in subsection (a)(1)(A) by striking out "less than full and open competition" and inserting in lieu thereof "procedures other than competitive procedures".

SEC. 103. CONTRACT SOLICITATION AMENDMENTS.

(a) ARMED SERVICES ACQUISITIONS.—Section 2305 of title 10, United States Code, is amended—

(1) in subsection (a)(1)—

(A) by striking out subparagraph (A) and inserting in lieu thereof the following: "(A) In preparing for the procurement of property or services, the head of an agency shall use advance procurement planning and market research.";

(B) by striking out subparagraph (B); and

(C) by redesignating subparagraph (C) as subparagraph (B) and in that subparagraph by striking out "For the purposes of subparagraphs (A) and (B), the" and inserting in lieu thereof "Each solicitation under this chapter shall include specifications that include restrictive provisions or conditions only to the extent necessary to satisfy the needs of the agency or as authorized by law. The";

(2) in subsection (a)(2), by inserting after "(other than for" the following: "a procurement for commercial items using simplified procedures or"; and

(3) in subsection (b)(4)(A)(i), by striking out "all" and inserting in lieu thereof "the".

(b) CIVILIAN AGENCY ACQUISITIONS.—(1) Section 303A of the Federal Property and Administrative Services Act of 1949 (41 U.S.C. 253a) is amended—

(A) in subsection (a)—

(i) by striking out paragraph (1) and inserting in lieu thereof the following: "(1) In preparing for the procurement of property or services, an executive agency shall use advance procurement planning and market research.";

(ii) by striking out paragraph (2); and

(iii) by redesignating paragraph (3) as paragraph (2) and in that paragraph by striking out "For the purposes of paragraphs (1) and (2), the" and inserting in lieu thereof "Each solicitation under this title shall include specifications that include restrictive provisions or conditions only to the extent necessary to satisfy the needs of the executive agency or as authorized by law. The"; and

(B) in subsection (b), by inserting after "(other than for" the following: "a procurement for commercial items using simplified procedures or".

(2) Section 303B(d)(1)(A) of such Act (41 U.S.C. 253b) is amended by striking out "all" and inserting in lieu thereof "the".

SEC. 104. PREAWARD DEBRIEFINGS.

(a) ARMED SERVICES ACQUISITIONS.—Section 2305(b) of title 10, United States Code, is amended—

(1) by striking out subparagraph (F) of paragraph (5);

(2) by redesignating paragraph (6) as paragraph (8); and

(3) by inserting after paragraph (5) the following new paragraphs:

"(6)(A) When the contracting officer excludes an offeror submitting a competitive proposal from the competitive range (or otherwise excludes such an offeror from further consideration prior to the final source selection decision), the excluded offeror may request in writing, within three days after the date on which the excluded offeror receives notice of its exclusion, a debriefing prior to award. The contracting officer shall make every effort to debrief the unsuccessful offeror as soon as practicable and may refuse the request for a debriefing if it is not in the best interests of the Government to conduct a debriefing at that time.

"(B) The contracting officer is required to debrief an excluded offeror in accordance with paragraph (5) of this section only if that offeror requested and was refused a preaward debriefing under subparagraph (A) of this paragraph.

"(C) The debriefing conducted under this subsection shall include—

"(i) the executive agency's evaluation of the significant elements in the offeror's offer;

"(ii) a summary of the rationale for the offeror's exclusion; and

"(iii) reasonable responses to relevant questions posed by the debriefed offeror as to whether source selection procedures set forth in the solicitation, applicable regulations, and other applicable authorities were followed by the executive agency.

"(D) The debriefing conducted pursuant to this subsection may not disclose the number or identity of other offerors and shall not disclose information about the content, ranking, or evaluation of other offeror's proposals.

"(7) The contracting officer shall include a summary of any debriefing conducted under paragraph (5) or (6) in the contract file.".

(b) CIVILIAN AGENCY ACQUISITIONS.—Section 303B of the Federal Property and Administrative Services Act of 1949 (41 U.S.C. 253b) is amended—

(1) by striking out paragraph (6) of subsection (e);

(2) by redesignating subsections (f), (g), (h), and (i) as subsections (h), (i), (j), and (k), respectively; and

(3) by inserting after subsection (e) the following new subsections:

"(f)(1) When the contracting officer excludes an offeror submitting a competitive proposal from the competitive range (or otherwise excludes such an offeror from further consideration prior to the final source selection decision), the excluded offeror may request in writing, within 3 days after the date on which the excluded offeror receives notice of its exclusion, a debriefing prior to award. The contracting officer shall make every effort to debrief the unsuccessful offeror as soon as practicable and may refuse the request for a debriefing if it is not in the best interests of the Government to conduct a debriefing at that time.

"(2) The contracting officer is required to debrief an excluded offeror in accordance with subsection (e) of this section only if that offeror requested and was refused a preaward debriefing under paragraph (1) of this subsection.

"(3) The debriefing conducted under this subsection shall include—

"(A) the executive agency's evaluation of the significant elements in the offeror's offer;

"(B) a summary of the rationale for the offeror's exclusion; and

"(C) reasonable responses to relevant questions posed by the debriefed offeror as to whether source selection procedures set forth in the solicitation, applicable regulations, and other applicable authorities were followed by the executive agency.

"(4) The debriefing conducted pursuant to this subsection may not disclose the number or identity of other offerors and shall not disclose information about the content, ranking, or evaluation of other offerors' proposals.

"(g) The contracting officer shall include a summary of any debriefing conducted under subsection (e) or (f) in the contract file.".

SEC. 105. CONTRACT TYPES.

(a) ARMED SERVICES ACQUISITIONS.—(1) Section 2306 of title 10, United States Code, is amended—

(A) by inserting before the period at the end of subsection (a) the following: ", based on market conditions, established commercial practice (if any) for the product or service being acquired, and sound business judgment";

(B) by striking out subsections (b), (d), (e), (f), and (h); and

(C) by redesignating subsection (g) as subsection (b).

(2) The heading of such section is amended to read as follows:

"§2306. Contract types".

(3) The item relating to section 2306 in the table of sections at the beginning of chapter 137 of such title is amended to read as follows:

"2306. Contract types.".

(b) CIVILIAN AGENCY ACQUISITIONS.—(1) Section 304 of the Federal Property and Administrative Services Act of 1949 (41 U.S.C. 254) is amended—

(A) by inserting before the period at the end of the first sentence of subsection (a) the following: ", based on market conditions, established commercial practice (if any) for the product or service being acquired, and sound business judgment";

(B) by striking out "Every contract awarded" in the second sentence of subsection (a) and all that follows through the end of the subsection; and

(C) in subsection (b), by striking out "used," in the first sentence and all that follows through the end of the subsection and inserting in lieu thereof "used.".

(2) The heading of such section is amended to read as follows:

"SEC. 304. CONTRACT TYPES.".

(3) The item relating to section 304 in the table of contents for such Act (contained in section 1(b) is amended to read as follows:

"Sec. 304. Contract types.".

(c) Conforming Repeals.—(1) Sections 4540, 7212, and 9540 of title 10, United States Code, are repealed.

(2) The table of sections at the beginning of chapter 433 of such title is amended by striking out the item relating to section 4540.

(3) The table of sections at the beginning of chapter 631 of such title is amended by striking out the item relating to section 7212.

(4) The table of sections at the beginning of chapter 933 of such title is amended by striking out the item relating to section 9540.

(d) Civil Works Authority.—(1) Part IV of subtitle A of title 10, United States Code, is amended—

(A) by transferring section 2855 to the end of chapter 137; and

(B) by striking out the section heading and subsection (a) of such section and inserting in lieu thereof the following:

"§2332. Contracts for architectural and engineering services

"(a) The Secretary of Defense and the Secretaries of the military departments may enter into contracts for architectural and engineering services in connection with a military construction or family housing project or for other Department of Defense or military department purposes. Such contracts shall be awarded in accordance with the Brooks Architect-Engineers Act (40 U.S.C. 541 et seq.).".

(2) The table of sections at the beginning of chapter 137 of such title is amended by adding at the end the following new item:

"2332. Contracts for architectural and engineering services.".

(3) The table of sections at the beginning of chapter 169 of such title is amended by striking out the item relating to section 2855.

SEC. 106. CONTRACTOR PERFORMANCE.

(a) Requirement for System.—The Office of Federal Procurement Policy Act (41 U.S.C. 401 et seq.) is amended by adding at the end the following new section:

"SEC. 35. CONTRACTOR PERFORMANCE.

"(a) Verification System.—

"(1) Requirement.—The Federal Acquisition Regulation shall provide for a contractor verification system in accordance with this section.

"(2) Procedures.—The Federal Acquisition Regulation shall provide procedures for the head of an executive agency to follow in order to verify a contractor as eligible to compete for contracts to furnish property or services that are procured by the executive agency on a recurring basis.

"(3) Notification.—The procedures shall include a requirement that the head of an executive agency provide for the publication of appropriate notification about the verification system in the Commerce Business Daily.

"(b) Evaluation.—(1) Under the procedures referred to in subsection (a)(2), the head of an executive agency in granting a verification to a contractor shall use the following factors as the basis of the evaluation:

"(A) The efficiency and effectiveness of its business practices.

"(B) The level of quality of its product or service.

"(C) Past performance of the contractor with regard to the particular property or service.

"(2)(A) The evaluation of past performance may include performance under—

"(i) a contract with an executive agency of the Federal Government;

"(ii) a contract with an agency of a State or local government; or

"(iii) a contract with an entity in the private sector.

"(B) The procedures shall include a requirement that, in the case of a contractor with respect to which there is no information on past contract performance or with respect to which information on past contract performance is not available, the contractor may not be evaluated favorably or unfavorably on the factor of past performance.

"(c) Opportunity for All Interested Sources.—The Federal Acquisition Regulation shall provide procedures for ensuring that all interested sources, including small businesses, have a fair opportunity to be considered for verification under the verification system.

"(d) Procurement From Verified Contractors.—The Federal Acquisition Regulation shall provide procedures under which the head of an executive agency may enter into a contract for the procurement of property or services referred to in subsection (a)(2) on the basis of a competition in accordance with section 2304 of title 10, United States Code, or section 303 of the Federal Property and Administrative Services Act of 1949 (41 U.S.C. 253) for contractors verified with respect to such property or services pursuant to the contractor verification system.

"(e) Termination of Verification.—The Federal Acquisition Regulation shall provide procedures under which the head of an executive agency—

"(1) may provide for the termination of a verification granted a contractor under this section upon the expiration of a period specified by the head of an executive agency;

"(2) may revoke a verification granted a contractor under this section upon a determination that the quality of performance of the contractor does not meet standards applied by the head of the executive agency as of the time of the revocation decision; and

"(3) may provide that a contractor whose verification is terminated or revoked will have a fair opportunity to be considered for reentry into the verification system.

"(f) Special Applicability Rule.—Notwithstanding section 34, the verification system shall apply to the procurement of commercial items.".

(b) Repeals.—Section 2319 of title 10, United States Code, is repealed. Section 303C of the Federal Property and Administrative Services Act of 1949 (41 U.S.C. 253c) is repealed.

(c) Clerical Amendments.—(1) The table of contents for the Office of Federal Procurement Policy Act (contained in section 1(b)) is amended by adding at the end the following new item:

"Sec. 35. Contractor performance.".

(2) The table of sections at the beginning of chapter 137 of title 10, United States Code, is amended by striking out the item relating to section 2319.

(3) The table of contents for the Federal Property and Administrative Services Act of 1949 (contained in section 1(b)) is amended by striking out the item relating to section 303C.

The CHAIRMAN. Are there any amendments to title I?

AMENDMENT NO. 1 OFFERED BY MRS. COLLINS OF ILLINOIS

Mrs. COLLINS of Illinois. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment No. 1 offered by Mrs. Collins of Illinois. Strike out sections 101, 102, 103, and 106 and insert in lieu of section 101 the following:

SEC. 101. COMPETITION PROVISIONS.

(a) Conference Before Submission of Bids or Proposals.—(1) Section 2305(a) of title 10, United States Code, is amended by adding at the end the following paragraph:

"(6) To the extent practicable, for each procurement of property or services by an agency, the head of the agency shall provide for a conference on the procurement to be held for anyone interested in submitting a bid or proposal in response to the solicitation for the procurement. The purpose of the conference shall be to inform potential bidders and offerors of the needs of the agency and the qualifications considered necessary by the agency to compete successfully in the procurement.".

(2) Section 303A of the Federal Property and Administrative Services Act of 1949 (41 U.S.C. 253a) is amended by adding at the end the following new subsection:

"(f) To the extent practicable, for each procurement of property or services by an agency, an executive agency shall provide for a conference on the procurement to be held for anyone interested in submitting a bid or proposal in response to the solicitation for the procurement. The purpose of the conference shall be to inform potential bidders and offerors of the needs of the executive agency and the qualifications considered necessary by the executive agency to compete successfully in the procurement.".

"(b) Description of Source Selection Plan in Solicitation.—(1) Section 2305(a) of title 10, United States Code, is further amended in paragraph (2)—

(A) by striking out "and" after the semicolon at the end of subparagraph (A);

(B) by striking out the period at the end of subparagraph (B) and inserting in lieu thereof "; and"; and

(C) by adding at the end the following new subparagraph:

"(C) a description, in as much detail as is practicable, of the source selection plan of the agency, or a notice that such plan is available upon request.".

(2) Section 303A of the Federal Property and Administrative Services Act of 1949 (41 U.S.C. 253a) is further amended in subsection (b)—

(A) by striking out "and" after the semicolon at the end of paragraph (1);

(B) by striking out the period at the end of paragraph (2) and inserting in lieu thereof "; and"; and

(C) by adding at the end the following new subparagraph:

"(3) a description, in as much detail as is practicable, of the source selection plan of the executive agency, or a notice that such plan is available upon request.".

(c) Discussions Not Necessary With Every Offeror.—(1) Section 2305(b)(4)(A)(i) of title 10, United States Code, is amended by inserting before the semicolon the following: "and provided that discussions need not be conducted with an offeror merely to permit that offeror to submit a technically acceptable revised proposal".

(2) Section 303B(d)(1)(A) of the Federal Property and Administrative Services Act of 1949 (41 U.S.C. 253b) is amended by inserting before the semicolon the following: "and provided that discussions need not be conducted with an offeror merely to permit that offeror to submit a technically acceptable revised proposal".

(d) Preliminary Assessments of Competitive Proposals.—(1) Section 2305(b)(2) of title 10, United States Code, is amended by adding at the end the following: "With respect to competitive proposals, the head of the agency may make a preliminary assessment of a proposal received, rather than a complete evaluation of the proposal, and may eliminate the proposal from further consideration if the head of the agency determines the proposal has no chance for contract award.".

(2) Section 202B(b) of the Federal Property and Administrative Services Act of 1949 (41 U.S.C. 253b(b)) is amended by adding at the end the following: "With respect to competitive proposals, the head of the agency may make a preliminary assessment of a proposal received, rather than a complete evaluation of the proposal, and may eliminate the proposal from further consideration if the head of the agency determines the proposal has no chance for contract award.".

(e) FEDERAL ACQUISITION REGULATION.—The Federal Acquisition Regulation shall be revised to reflect the amendments made by subsections (a), (b), (c), and (d).

Mrs. COLLINS of Illinois. Mr. Chairman, just 3 months ago, when H.R. 1670 was offered as an amendment to the Defense Authorization Act, I offered an amendment to Chairman CLINGER's amendment to protect small business by providing full and open competition procurement. My amendment was passed with bipartisan support, by a vote of 213–207. The procurement amendment was then passed by an overwhelming bipartisan vote of 402 to 1.

My amendment today is the same one that passed the House on June 14, as part of the National Defense Authorization Act. It does three things: First, it strikes from H.R. 1670 its redefinition of the competition standard for Federal contracts. Second, it strikes an unnecessary system of Federal agency verification, whereby agency bureaucrats determine which firms are allowed to bid for Federal contracts. Third, it moves us closer to commercial buying practices, by empowering agency officials to have more open communication with the private sector. My position is supported by the Chair of the Committee on Small Business, Jan Meyers; the Small Business Administration; the Small Business Working Group on Procurement Reform; and the U.S. Chamber of Commerce.

In a July 27, 1995, letter to Chairman CLINGER, the U.S. Chamber of Commerce and Small Business Working Group on Procurement wrote:

> We believe that it is essential that H.R. 1670 be modified to maintain the current standard of "full and open competition", established by the landmark Competition in Contracting Act of 1984 (CICA) . . . The competitive standard established by CICA has proven itself for over a decade, resulting in a steady decrease in sole source contract awards. It assures a fair and open procurement process, which is essential to small business.

Clearly, for these major representatives of the small business community, the case has not been made for changing the full and open competition standard. Small business continues to believe that H.R. 1670 will significantly limit their ability to fairly compete for Government contracts. In my opinion, this is a fatal flaw in H.R. 1670. My amendment will correct this flaw.

The cornerstone of our free enterprise system is full and open competition. The competitive market ensures fair prices to the Government. If a vendor's product costs too much, it will not survive. At the same time full and open competition provides the opportunity for all vendors, particularly small businesses, to participate in the Federal marketplace, to be judged on merit. This creates incentives for the development of new and innovative products. These market forces are essential if we are to position our country for economic leadership into the next century.

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Mr. Chairman, title I of H.R. 1670 amounts to little more than a bait and switch maneuver in which the term "full and open" is included in the text but its meaning is substantively changed. The maximum practicable standard which we rejected on the House Floor on June 14 has been replaced by "open access", the definition of which is identical to the definition of "full and open" in CICA.

However, the bill provides broad new exceptions to full and open competition when agency officials determine it is not feasible or appropriate.

Prior to passage of the Competition in Contracting Act of 1984, Federal agencies tended to award sole source contracts because agency bureaucrats complained that full and open competition would be too complicated and time consuming.

The CHAIRMAN. The time of the gentlewoman from Illinois [Mrs. COLLINS] has expired.

(By unanimous consent, Mrs. COLLINS of Illinois was allowed to proceed for 3 additional minutes.)

Mrs. COLLINS of Illinois. Mr. Chairman, They said it was less risky and more manageable to do business with a few selected vendors, instead of encouraging new and innovative qualified companies to enter the Federal marketplace. However, this lack of competition resulted in widespread waste and abuse in every Federal agency.

The Competition in Contracting Act's establishment of the full and open competition standard has saved the Federal Government billions of dollars. Now, the same old arguments which were used to limit competition before we passed that legislation have resurfaced with H.R. 1670.

I can understand why agency bureaucrats would want additional powers to impose limits on competition. It is certainly much easier and less time consuming to do business with only a few selected well known big companies. Agency officials get to know the people in these companies. Yes, the old boy network does have its advantages; but do we really want our country to go backwards as we move into the more enlightened information age?

Over the past 5 years much of the major innovative and technological advances that our country has made have come from small businesses. Just look at the remarkable rise of companies like Microsoft and Apple computers. Just a few years ago they were new, small companies; today they successfully compete with computer giants like IBM.

Over the next 10 years, 85 percent of all new jobs in the United States will come from small businesses. Such businesses are in every district of every Member in this House. By adopting this new competition standard we will lock in procurement policies that lock small businesses out of the Federal marketplace and significantly undermine our Nation's competitiveness.

Joshua Smith, who chaired President Bush's Commission on Minority Business, testified several years ago before the Government Operations Committee that emphasizing subjectivity in awarding contracts creates a breeding ground for prejudice, because contracting officers, if given the choice, will usually go with a well-established, large firm instead of a small business offering a lower price.

Much of the stated justification for H.R. 1670's change in the competition standard is to give agency bureaucrats more power to exclude noncompetitive companies; but under the current full and open competition standard most of that authority already exists.

Now, I agree with Chairman CLINGER that there does appear to be a problem of many companies having technical weaknesses which are evident to the agencies early in the process. However, when agencies fail to so advise these companies of their little chance of winning, a lot of their money is wasted in a futile effort to win a contract.

There also seems to be a problem with the lack of dialog between agencies and businesses prior to bidding. In the private sector, buyers and sellers talk to each other all the time. In the Federal Government we limit that discussion.

I agree with these two industry concerns. Therefore, my amendment provides for prebid or preproposal conferences which should disclose as much information as possible regarding the qualifications necessary to successfully win a contract.

In order to give companies a better understanding of how agencies will evaluate bids, my amendment would require that solicitation describe the agency source selection plan in as much detail practicable. If companies are better informed about how bids will be evaluated, they will be better able to give the Federal Government exactly what it needs and at the best price.

The CHAIRMAN. The time of the gentlewoman from Illinois [Mrs. COLLINS] had expired.

(By unanimous consent, Mrs. COLLINS of Illinois was allowed to proceed for 3 additional minutes.)

Mrs. COLLINS of Illinois. Mr. Chairman, finally, my amendment empowers Federal agencies by giving them the authority to eliminate from cost and technical discussions and evaluations any proposal that clearly has no chance for award. In this way companies should be informed early in the process that they have no chance to win a bid. This will cut down on time and significantly reduce costs.

Mr. Chairman, full and open competition is the key to efficiency and fairness in Federal procurement. It creates a level playing field upon which all qualified vendors, particularly small businesses, have a fair chance to compete for a share of the hundreds of billions of dollars spent by the Federal Government in procurement each year. In return, the Government receives the maximum benefit from the innovations and expertise offered by companies large and small. We should maintain the current standard and the current interpretation of full and open, and make the targeted changes contained in my amendment.

My amendment had the strong support of the small business community, as well as the U.S. Chamber of Commerce as well as the following groups: Small Business Legislative Council [SBLC]; National Small Business United [NSBU]; 100+member National Association of Women Business Owners [NAWBO]; Latin American Management Association [LAMA]; Minority Business Enterprise Legal Defense and Education Fund [MBELDEF]; National Association of Minority Business [NAMB]; National Association of Minority Contractors [NAMC]; Women Construction Owners and Executives; and American Gear Manufacturers Association. The bill before us today unfortunately does not include my amendment, and instead would grant a broad new authority to procurement officials to limit competition. Therefore, I once again offer an amendment to restore the full and open standard which the House endorsed in June.

Mr. CLINGER. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I rise in reluctant but very strenuous opposition to the amendment of the gentlewoman from Illinois [Mrs. COLLINS]. I know of her concern and I know that she has really thought long and deeply about this matter, but I have to say that I think the gentlewoman is wrong in the interpretation that she gives to the language that we have included in this bill.

I also point out that since we considered this amendment back in June, significant, substantive changes have been made in the legislation, primarily to move in the direction that the gentlewoman has importuned us to do. I think we recognized a number of the concerns that she raised and we did move in that direction.

So, Mr. Chairman, I would suggest that the amendment that we have before us tonight really is in response to an earlier, now outmoded iteration of the legislation that we have before us tonight. The legislation we have before us tonight, I think, has addressed many of the concerns that were raised.

In that respect, I would point out that I know the gentlewoman would not want to mislead anybody in terms of the support, but I think that it was alluded to that the NFIB had supported this amendment. They did indeed support this amendment when it was offered in June. I think they recognized that we have moved significantly toward the objectives that we all seek, and we just received a call, I would tell the gentlewoman and the Members, in our cloakroom asking me to make clear that they take no position on the amendment that is being offered tonight.

Mr. Chairman, I think that reflects a movement and a recognition that the bill that we are offering tonight really has gone, we think, the extra mile in trying to address those concerns.

Mr. Chairman, I must oppose the amendment. I think what we are attempting to do here is to remove the restraints that have been placed upon our procurement officers to do the job that we want them to do, not add new restraints, new requirements, new restrictions.

I stress at the outset, this bill retains the language of full and open competition. It is our intent to encourage everybody that wants to do business, to come in and do business with the Federal Government.

It does say that that cannot be an open-ended process where they are going to be in the process to the end of time or until the end of the process. It does indicate there has to be some flexibility, some discretion lodged in the very competent and able people who we have manning that job. I would say if that proves not to be true, I think we could revisit that.

Mr. Chairman, this amendment would provide that a solicitation include an agency's source selection plan. According to FAR, the Federal Acquisition Regulation, source selection plans are to include such information as a description of the organization of the agency's source selection structure, a summary of the agency's acquisition strategy, the proposed acquisition factors and a description of the evaluation process.

Since agencies are required by current law to set forth in a solicitation a clear statement of the Government's requirements, along with evaluation factors and subfactors as well as their relative weights, it is not clear to me, at least, that this additional information, to the extent that it could be released under the procurement integrity laws contained in the plans, would be of any value to the offerors. What is clear is that the already bloated procurement code would still have another requirement.

Mr. Chairman, we want to compress and eliminate those that are no longer necessary or redundant, not add to the burden that we place on these people. H.R. 1670 provides for a standard of competition, focused on the competition received in response to the Government's requirements.

What we do not recognize now is that there are procurements that are in the millions of dollars, and there are procurements that are in the hundreds of dollars. There is enormous variety and disparity between the types of procurements we do, and yet we put them in a straitjacket, requiring them to do everything the same.

Mr. Chairman, what we are saying is that there ought to be some ability for the procurement people to look at what the scope of that procurement is, to determine what is going to give good competition to achieve what we all want, and that is very simply what we are after.

What we have done here, I think, in our amendment would permit acquisition professionals to make rational judgments in accordance with the evaluation factors set forth in the solicitation throughout the entire selection process to ensure that only firms with a realistic chance of award, which is not the case now, I mean, they never get the word perhaps that they are not eligible until way down the process after they spent a lot of money and time, and then are told, "Hey, you were never in the ball game to begin with." We allow the procurement officers to make those determinations early.

The amendment would provide that an agency head may reject a proposal on the basis of a preliminary assessment of its merits, rather than a complete evaluation, if the agency has concluded that it has no chance for award.

The CHAIRMAN. The time of the gentleman from Pennsylvania [Mr. CLINGER] has expired.

(By unanimous consent, Mr. CLINGER was allowed to proceed for 2 additional minutes.)

Mr. CLINGER. Mr. Chairman, many have indicated they would like to be informed as soon as possible in the evaluation process if they had no chance for award in order to save time and expense. We have not heard that firms wish to have their initial proposals, which is what this amendment would do, have their initial proposals rejected based on less than a complete evaluation.

So, this amendment really, I think, takes away that full and complete evaluation at the outset. The concern has been that offerors are encouraged to incur the expense of submitting revised proposals without the real chance of getting the award. This is addressed in H.R. 1670 by providing for increased information in the public notice so that offerors are provided, as early as possible in the process, detailed information concerning the evaluation criteria to appear in the solicitation and by granting acquisition professionals increased discretion in accordance with the announced evaluation criteria throughout the selection process.

Mr. Chairman, what this basically says is that we do treat all of the applicants fairly. We do allow everybody to come in. This is not an exclusionary process. We treat them very fairly, but we do tell them up front what this is about. It also gives the Federal Government the opportunity to have some flexibility, some discretion about the way they do it.

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So this is all backed up. Our bill is all backed by simplified, easily accessed, robust bid process to guard against abuse by the discretion of the contracting officers.

We are concerned about what contracting officers are going to do; then we have a provision there that allows that to be reviewed on a regular basis.

Mr. Chairman, this is really an obsolete amendment. As I say, it addresses problems that were inherent, perhaps, in the earlier bill, we did not think so, that were inherent. We have changed many of those to achieve the kind of reforms we all seek.

I would urge in the strongest possible way, reluctant as it may be, a "no" vote on this amendment.

Mr. SPRATT. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, we have three basic principles at issue before us. About 10 years ago, in the midst of all kinds of procurement excesses, Congress amended procurement law and established in the Competition and Contracting Act a vigorous commitment to the principle of free, full, and open competition. Basically, the philosophy of that was that if we had full and open competition, we could say to the public, "This is the public's money you are spending. You are getting your value's worth because it is a result, what we are doing, the contracts we are awarding are a result of full, open, and vigorous competition."

So I think that we can still say 10 years later any deviation from full and open competition ought to be staunchly defended. I think we ought to be wary right now of deviating from full and open competition for a particular reason. We are downsizing acquisition in the defense arena, drastically cutting the amount that we appropriate every year for the so-called investment accounts, research and development and procurement, by huge percentages.

There is a tendency there for the haves, for those who are now defense contractors, to want to exclude the others because the pie is shrinking, and there are just so many pieces you can cut out of a shrinking pie. So there is already a tendency, because of downsizing of funding of procurement for the haves, to try to exclude the have-nots, and we want to be very careful so we do not dovetail procurement law at this very point in the history of procurement funding and make it easier for the haves to rule out the have-nots. I fear we still have too much tendency toward that in this revision of the bill.

Do not take it from me. Read what the Chamber of Commerce said in a letter they wrote at the end of July, looking back at this bill. They said,

> We do not believe that any case has been made for modifying the standards and practices of full and open competition. We are unaware of any testimony or study that such a change is needed. On the contrary, it was specifically considered and rejected by the advisory panel on codifying and streamlining acquisition laws whose 1,800-page report was the foundation for P.L. 103-355, the Federal Acquisition Streamlining Act of 1994.

So that is the first principle here.

Let us be extremely careful about the deviations we make from full and open competition.

Second, to the extent we do and to the extent we allow and authorize those who manage this system in the executive branch to manage and operate the competitive system and to determine who can bid and who cannot bid, who wins the bid, who is excluded and who is included, then we should at least lay down our own principles to guide them.

The second point that the Chamber made, and speaking for small businesses in particular, is, and I am reading from their letter, "We are perplexed by a theme reflected in so many of the bills' provisions eliminating clear statutory standards and substituting virtually unfettered discretion in the career regulation writers to shape the procurement system as they see fit." We are virtually letting them make sandlot rules, to make up the rules as they go along and giving them next to no criteria for doing so.

Read the bill itself. Pick up a copy of it. I am reading from page 13, 2304(d), "Standards for determining when the use of competitive procedures is not feasible or appropriate shall be set forth in the Federal acquisition regulations." That is basically the bare language of the statute. That is the prescription we are giving to the regulators who write the rules and regulations, the black-letter law that will determine who gets included and who gets excluded.

The Speaker just made a very compelling speech. I would like to share another anecdote about procurement history that goes back some years. When Ike had retired and gone to Gettysburg, he was interviewed once. Somebody asked him "General Eisenhower, President Eisenhower, who were the heroes of the Second World War who were unsung, the people who helped win it, the people who played a pivotal role who did not get adequate credit?" The first person he mentioned was Andrew Jackson Higgins, A.J. Higgins, a small boat manufacturer who made bayou boats in New Orleans, LA, who came on during World War II to make PT boats and the famous Higgins boats that made the amphibious landings possible. That is the very kind of small business we want to make provisions for.

The CHAIRMAN. The time of the gentleman from South Carolina [Mr. SPRATT] has expired.

(By unanimous consent, Mr. SPRATT was allowed to proceed for 30 additional seconds.)

Mr. SPRATT. That is what we are about here. We want to make sure this system is still open to A.J. Higgins, that will ensure that we have the kind of innovation that keeps us abreast of technology and that will assure that we do not fall victim to having a cartel, a club of pre-qualified bidders who are the only ones eligible to participate in this shrinking procurement pie.

I support the amendment that the gentlewoman, our ranking Member, has offered. I think it improves upon title I of it and corrects some of the deviations that the bill otherwise tends towards veering away from the standard of full and open competition.

Mrs. MEYERS of Kansas. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I do not want to confuse this group. I had intended to offer my own amendment tonight, but because my amendment was so close in purpose to what the amendment offered by the gentlewoman from Illinois [Mrs. COLLINS] attempts to do, I have decided instead to support her amendment.

I have been working all week with the Chamber of Commerce to try to represent their interests and the National Association for the Self-employed, the Computer and Communications Industry Association, the Associated Builders and Contractors, the Small Business Legislative Council, National Small Business United, the National Association of Women Business Owners, the Latin American Management Association, the Minority Business Enterprise Legal Defense and Education Fund; many others are deeply concerned about doing away with full and open competition.

We have heard it stated today that there is a 20 percent premium associated with full and open competition, and this study was cited. But this study does not relate those costs to full and open competition. The costs identified were not associated with competition. They were associated to Government regulation relating to quality assurance, accounting and audit requirements, management of technical data, engineering, to name a few. Those are the costs that drive Government procurement. Full and open competition, from all of the testimony that we have heard in our committee, will save money in procurement.

I rise in strong support of the Meyers-Collins amendment, and I think that small business supports procurement reform, but more important, small business supports competition.

H.R. 1670 is supposed to simplify the procurement by weeding out bids from firms that have no chance at winning a contract. Fair enough. But how? In title I, H.R. 1670 eliminates full and open competition in favor of competition whenever it is feasible or appropriate or efficient. Who decides feasibility? An agency functionary. Who decides what is efficient? The same bureaucrat, the same people who gave us $600 hammers.

Mr. Chairman, abandoning full and open competition is irresponsible. I have letters from the inspectors general from the Department of Defense and the Department of Veterans' Affairs urging Congress not to go back, to turn its back on full and open competition. They say that a change is unnecessary and will be confusing as to the level of standard for competition.

H.R. 1670 also proposes to streamline the pre-qualification process. But is there any language laying out the process? No. Once again, it is all left to the procurement bureaucracy to devise.

Read the bill. There are no procedures, no standards, nothing.

Mr. Chairman, this amendment will allow the same weeding out of capable bidders, but inside of a statutory framework. It brings us back to current law. This amendment will allow agencies to eliminate unsuitable proposals early in the competition through preliminary evaluations. The amendment will meet the goals of H.R. 1670 in a way that is fair to everyone, particularly small business.

Agencies will have an opportunity to establish their needs for performance, and firms wishing to do business with the Government will have their opportunity.

I urge my colleagues not to be misled with the cries of easing the burden on the contracting system. Businesses do not regularly bid on projects they have no hope of winning. Bid proposals cost time and money. Businesses are not in the habit of wasting their time and money on projects that have no chance for success.

I ask my colleagues, are we in favor of letting the bureaucrats run off and just do their own thing? That is not what I have heard in this House over the last 9 months.

H.R. 1670, in its current form, says let us give full authority to the bureaucracy; we will just trust them to do the right thing. Mr. Chairman, I just cannot do that. I know what happens to small businesses when agencies have too much power. Rights are trampled. Ridiculous fines are levied. Jungles of arcane regulations appear.

Many of my colleagues in the freshman class know this, too. It is a part of why they are here. That is not what I fought for when we passed the Regulatory Flexibility Act amendments this year, and this is not what the Contract With America was all about, and that is why I support this amendment.

This amendment will ensure small business is not run over by the regulatory train of procurement streamlining. Let us streamline procurement, yes, but let us not hand over total discretionary authority to the bureaucracy.

The CHAIRMAN. The time of the gentlewoman from Kansas [Mrs. MEYERS] has expired.

(By unanimous consent, Mrs. MEYERS of Kansas was allowed to proceed for 30 additional seconds.)

Mrs. MEYERS of Kansas. Mr. Chairman, I would like to reiterate that this amendment is the same amendment that was attempted as a place holder in the DOD appropriation, or the authorization, I believe. If you voted for the Collins amendment then, vote for the Collins-Meyers amendment now. It is the right thing to do for small business.

Mrs. MALONEY. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise in strong support of the Meyers-Collins amendment. The Meyers-Collins amendment responds to the concerns of the small-business community and saves taxpayers' dollars by preserving the current standard and practice of full and open competition in Federal contracting.

The Meyers-Collins amendment responds to concerns of the small-business community and saves taxpayers' dollars by rejecting the bill's grant of sweeping authority for contracting officers to limit competition, such as when they believe that competition is not appropriate or feasible.

Where are they going to make this decision? Behind locked doors? Who is going to oversee their decision process? The Meyers-Collins amendment helps small businesses and saves taxpayers' dollars by maintaining statutory standards that help protect businesses from arbitrary treatment by contracting bureaucratic officers. The Meyers-Collins amendment saves taxpayers' dollars and helps small businesses by rejecting the bill's issuance of multiple blank checks to career regulation writers to shape the Federal contracting process to their convenience.

Mr. Chairman, full and open competition is the heart of the free market system. In the Federal procurement process, it guarantees that the Government gets the best value for the goods and services it purchases. The full and open competition standard has been in law for over a decade. It was enacted as part of the Competition and Contracting Act of 1984, a bill that responded to the fraud, waste and abuse characterizing Federal procurement at that time.

We all remember the DOD spare parts horror stories and the investigation of influence peddling, the Ill Winds scandal.

H.R. 1670 weakens full and open competition and could return us to those days of scandals. The simple fact is this: The case for changing the full and open competition standard has not been made in any credible or coherent fashion. The issue was not even raised at the February hearing of the committee on Government Reform and Oversight. The DOD inspector general and the IG of Veterans' Affairs agree completely with this point, and I quote from the DOD inspector general's testimony:

> It is not clear what statutory shortcomings the proposed changes are intended to fix. We have not seen any analysis or demonstration of a problem that supports moving away from full and open competition.

This is the IG saying,

> Don't, do not do it.

□ 1845

The so-called section 800 panel, which provided the analytical basis for last year's FASA bill, considered and explicitly rejected moving away from full and open competition. They said do not do it, it will cause problems, it will waste taxpayers' dollars.

Mr. Chairman, competition in Federal contracting dates back to the revolutionary war. Competition in contracting has been around that long for one simple reason: It is fair, it is honest, and it works well. Full and open competition saves 25 percent, according to GAO in our contracting pursuits in their recent report. Maybe even more importantly competition maintains Federal procurement integrity and guarantees fair play by guaranteeing that contracts are awarded on merit; that they are awarded on merit, not favoritism and backroom decisions.

It is easy, very easy, to understand why government bureaucrats would support a retreat from full and open competition. Deciding who can compete on any given contract is a very powerful position. Deciding who can compete on over $200 billion in taxpayers' funds in Federal contracts is a very powerful person.

Doing business with a few well-known businesses is easier than considering qualified bidders. That is why the small business community is so opposed to this bill. Small businesses make up the heart of our economy, generating 85 percent of all new jobs and providing extraordinary technological innovations. Barring small businesses from the Federal acquisition system is unfair and it makes absolutely no economic sense.

The CHAIRMAN. The time of the gentlewoman from New York [Mrs. MALONEY] has expired.

(By unanimous consent, Mrs. MALONEY was allowed to proceed for 30 additional seconds.)

Mrs. MALONEY. Mr. Chairman, I would just like to conclude by saying the other side of the aisle has spent a great deal of time in this Congress debating the necessity of having risk assessment placed on our bureaucrats, of overseeing them and limiting what they are doing in health and safety, on food inspection, on the environment. We have to have risk assessment, we have to have standards, yet in this bill they hand the bureaucrats a completely blank slate to determine what the standards are. There is no legislative authority. There are no clear guidelines. I tell Members it is a disaster, and we will be back here changing it after dollars are wasted in fraud, waste and abuse.

Full and open guarantees competition and the best price for government goods, saving taxpayers' dollars. I congratulate the gentlewoman from Kansas [Mrs. MEYERS] and the gentlewoman from Illinois [Mrs. COLLINS] on their joint bipartisan effort on this bill and the gentleman from Pennsylvania [Mr. CLINGER].

Mr. CHRYSLER. Mr. Chairman, I move to strike the requisite number of words in opposition to the Collins amendment and urge my colleagues to vote against it.

The amendment furthers the notion that Congress is in the business of micromanaging the operations of the executive branch and removes the fundamental reforms included in H.R. 1670, the Federal Acquisition Reform Act.

The current system has confronted industry vendors with a maze of redtape, often amounting to a step-by-step prescription that increases staff and equipment needs and leaves little room for the exercise of good business judgment, initiatives, and creativity. H.R. 1670 would remove these unneeded prescriptions and move the system closer to a more commercial-like process by allowing industry sellers and government buyers to offer and acquire respectively maximum value for the taxpayer.

Unfortunately, the gentlewoman's amendment would counter this drive to streamline and simplify the process. Instead, her amendment strips the fundamental reform included in H.R. 1670 and adds more requirements and more micromanagement to the already arcane procurement codes.

Mr. Chairman, H.R. 1670 would enhance competition for government contracts, focused on the government's requirements, improved communications between government buyers and industry sellers, and reduce the Federal Government's operating costs by increasing its reliance on the private sector for commercial products.

NFIB is neutral on this issue, and I strongly urge my colleagues, to vote against this amendment.

Mr. HORN. Mr. Chairman, will the gentleman yield?

Mr. CHRYSLER. I yield to the gentleman from California.

Mr. HORN. Mr. Chairman, I thank the gentleman very much for yielding.

I have listened to this debate and I cannot believe we are talking about the same bill. I have heard a lot about scandals. The fact is the scandals occurred under the present system, and what we are trying to do is change the present system.

We clearly spell out, if you have read the bill, that they shall obtain full and open competition that provides open access and that is consistent with the need to efficiently fulfill the Government's requirements. Open access is defined on page 21:

> When used with respect to a procurement means that all responsible sources are permitted to submit sealed bids or competitive proposals on the procurement.

Mr. Chairman, what this bill does is spell out that the Government must note its requirements, apply certain weights to them based on the type of procurement, and than everyone can submit their procurement. What is holding small business up is also holding big business up, and that is shelves of regulations, shelves of bureaucracy to go through. This tries to simplify the system to protect the taxpayers, No. 1, and to provide for the responsible bidders to gain a contract that they can actually fulfill, No. 2.

I urge my colleagues to vote against the Collins amendment.

Mr. CHRYSLER. I yield back the balance of my time, Mr. Chairman.

Mr. MANZULLO. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, this is a very difficult situation where we are posited between two committee chairmen, the gentleman from Pennsylvania [Mr. CLINGER]; the chairman of the Committee on Government Reform and Oversight, and the gentlewoman from Kansas [Mrs. MEYERS] the chairwoman of the Committee on Small Business. Both of these chairmen have as their goal the streamlining of the acquisition process because it is good for the Government and it is good for businesses of all types. I think, however, we have to take a closer look at the reason for the Collins-Meyers amendment, and that is to ensure that small businesses have a stake in the procurement process.

Mr. Chairman, we can go through the different organizations that are for and against this bill, but I think probably the most compelling reason for the Collins-Meyers amendment is by the inspector general of the Department of Defense, a person who is in a civil service position. This is a nonpolitical position. I would quote briefly from the remarks from the letter that is opposed to the underlying bill and it states as follows:

It says, under the definition section, the word competitive procedures would have an added definition of "open access." We disagree with the changes. The revised definition of competitive procedures would allow the contracting officer to limit competition on the basis of efficiency. From our point of view, a definition for open access is not needed because under the current statutes all responsible sources are permitted to submit bids or proposals.

He also goes on and he says,

> Subsections (b)(1), et cetera, conforming amendments to provide for full and open competition, that provides open access and is consistent with the need to efficiently fulfill the Government's requirements.

The inspector general says we disagree with the changes because we believe this is a further attempt to limit the use of full and open competitive procedures.

Mr. Chairman, back in 1984, this body looked at the situation and it passed the Competition in Contracting Act in 1984, which established the current standard of full and open competition, the standard to which the gentlewoman from Illinois [Mrs. COLLINS] attempts to restore under her amendment.

Mr. Chairman, we are dealing with the public trust. In one sense the Government cannot be as selective as the private sector with whom it does business. Everybody deserves an opportunity to compete for a Government contract. The examples are there. Prior to the act, there was a bid for a flame holder for the F-100 engine for the Air Force. The bid came in at $5,000, depending upon the size of the buy. When the Air Force restricted the purchase of the prime contractor, the cost jumped to $16,000 per flame holder.

And, again, a divergent nozzle segment for the F-100. The bid went from $2,400, when there was essentially sole sourcing, down to $1,000 per unit from the same contractor when this type of competition was allowed.

Mr. Chairman, the small business people of this country are very much concerned that they have a stake, that they have the ability to compete in the procurement process. In the area which I represent, in the northern part of Illinois, over 6,000 different contracts have been signed by businesses with the Federal Government over the past 10 years. We are not talking about an inside-the-beltway type of thing. We are dealing literally with tens of thousands of small businesses that want to get involved in selling to the Federal Government.

The Collins-Meyers amendment strengthens a good bill. It strengthens the bill of the gentleman from Pennsylvania [Mr. CLINGER]. It is not a weakening amendment. Members of this body voted overwhelmingly a few months ago to adopt the Collins amendment to the DOD authorization bill. Members of this body are already on record in being in favor of advocating small businesses becoming involved with the procurement process. Therefore, Mr. Chairman, I would urge the Members of this body to back the Collins amendment. It is good for the United States of America, and it is good for small business.

Mr. MORAN. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, despite my high regard for the ranking Democrat on this committee and what I know to be her intent, and from her perspective improving this bill, I think it is only the responsible thing to do to put on the record how the Democratic White House, the people who have worked on reinventing government, on attempting to streamline government, the people who, in fact, on a day-to-day basis, were vested with the responsibility of carrying out the contractual obligations of the United States receiving bids, granting contracts, and, in fact, carrying out the laws that we entrust with them.

The Department of Defense, the executive branch, really need to be heard from on this bill. I think the most important sentence in the statement of administration policy, which is dated today, September 13, 1995, says, the very first sentence, the administration supports House passage of H.R. 1670 as reported by the Government Reform and Oversight Committee.

So, Mr. Chairman, while I understand the good intent of this amendment, the fact is that this amendment would change the legislation as reported by the committee and, thus, the Clinton administration does not support this amendment.

□ 1900

Mr. Chairman, I am going to explain in the White House's words why they do not support this amendment.

In a letter from the Defense Department, which explains the support for H.R. 1670 and the opposition of this amendment, the Department of Defense explains that it will add significant bureaucratic burden without furthering the goal of acquisition streamlining. The Defense Department supports the concept that Government can no longer afford the time and the administrative burden associated with the requirement that every potential Government source must be allowed to compete even when not all of those sources have a realistic chance of receiving the contract. Thus DOD supports the enactment of the broad generic authority to downselect that is not hampered by excessive procedural detail. This will leave the executive agency free to implement the authority in a flexible manner, enhancing the effectiveness of the authority. In addition, allowing agencies to limit the number of offerers in the competitive range to three, the contracting officer determines the such action is warranted by considerations of efficiency which similarly enable agencies to expedite the procurement process and allow offerers that do not have a real chance of receiving the award to save time and money by being removed sooner rather than late in the process. That is a realistic, rational approach to Government procurement reform.

So I agree with the administration. I think we need to continue procurement reform. The statement of administration policy, of Clinton administration policy, says that this is the one bill that continues the procurement reform that they have consistently supported. That is why, and I state again for emphasis, the Clinton administration supports House passage of this very bill before us as reported by the Committee on Government Reform and Oversight without amendment.

Mrs. COLLINS of Illinois. Mr. Chairman, will the gentleman yield?

Mr. MORAN. I yield to the gentlewoman from Illinois.

The CHAIRMAN. The time of the gentleman from Virginia [Mr. MORAN] has expired.

(On request of Mrs. COLLINS of Illinois and by unanimous consent, Mr. MORAN was allowed to proceed for 1 additional minute.)

Mrs. COLLINS of Illinois. Mr. Chairman, will the gentleman yield?

Mr. MORAN. I yield to the gentlewoman from Illinois.

Mrs. COLLINS of Illinois. Mr. Chairman, what the gentleman did not read on this same statement that he has before him, right on down under title I it says, even though it does say supports passage of the bill, it says, however, the language in title I has raised concerns about the Government's commitment to vigorous competition. With those concerns being raised, it seems to me the Government has not said it does not want full and open competition. It raises that concern, the concern is there. It is stated on the same piece of paper that the gentleman just got through reading from, and that has to be taken into consideration.

I favor the bill as is written with one exception, that it does not contain full and open competition. Full and open competition would make this bill much better. It makes it workable. It erases the concern that the Government has, that the administration has, on this piece of legislation. It is a worthy amendment that betters this bill. It does not weaken it in any way. It is an amendment that should be passed by this House of Representatives tonight.

The CHAIRMAN. The time of the gentleman from Virginia [Mr. MORAN] has again expired.

(By unanimous consent, Mr. MORAN was allowed to proceed for 30 additional seconds.)

Mr. MORAN. Mr. Chairman, I would suggest to the chairman that we hand out the statement of administration policy to all of the Members. They can reach their own conclusion as to what it says, but I would also ask the Democratic Members of this House particularly to call the White House and to ask them their position both on this amendment as well as on passage of the bill.

EXECUTIVE OFFICE OF THE PRESIDENT, OFFICE OF MANAGEMENT AND BUDGET,
Washington, DC, September 13, 1995.

STATEMENT OF ADMINISTRATION POLICY

(This statement has been coordinated by OMB with the concerned agencies.)—H.R. 1670—Federal Acquisition Reform Act of 1995—(Clinger (R) PA and 16 cosponsors)

The Administration supports House passage of H.R. 1670 as reported by the Government Reform and Oversight Committee.

H.R. 1670 makes a number of important steps to simplify the procurement process, reduce bureaucracy, and make it easier for the Government to select suppliers committed to good performance. In particular, the Administration supports the provisions that authorize simplified procedures for use in commercial product acquisitions, streamline "procurement integrity" requirements, and eliminate statutorily mandated layers of review that slow down the procurement process without adding value.

The Administration will continue to work with Congress to address concerns with:

Title I, which redefines "full and open competition" and authorizes "procedures other than competitive procedures" where competitive procedures are "not feasible or appropriate". The Administration appreciates the Committee's intent to authorize the streamlined competitive methods the Administration has sought without micromanaging in statute. The Administration agrees with the conclusion embodied in Title I that significant reforms of the way in which competitions are conducted are needed. These would include (1) authorizing innovative "two-phase procedures" allowing elimination of uncompetitive bidders prior to full competitive proposals, and (2) allowing reduction of the competitive range, after receipt of proposals, in order to conduct an efficient procurement. However, the language in Title I has raised concerns about the Government's commitment to vigorous competition. The Administration therefore recommends consideration of its proposal to authorize the aforementioned streamlined procedures in statute.

Title IV, concerning bid protests. While Title IV has been improved since its introduction, it still does not go far enough to reduce excessive litigation, intrusive discovery techniques, and adversarial relations between suppliers and the government customer. The Administration would support an amendment that would reduce the litigation burden associated with Federal procurement. The Administration also continues to have concerns about consolidation of claims and protests into a single forum. Finally, the Administration has a constitutional concern with the manner in which Appeals Board judges would be appointed. These officials should be appointed by the heads of the agencies in which the Boards are located—the Department of Defense and the General Services Administration—respectively.

Mr. DAVIS. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I would like to ask a few questions, if I could, to the chairman of the committee and the author of this legislation to try to clear up, I think, some comments that have been made perhaps in haste, or misunderstanding, on the floor.

First of all, as I read the bill and I read this amendment, if this amendment fails, is not the standard in the bill still full and open competition?

Mr. CLINGER. Mr. Chairman, will the gentleman yield?

Mr. DAVIS. I yield to the gentleman from Pennsylvania.

Mr. CLINGER. Absolutely, and that is one of the changes that has been made, frankly, since we last considered this measure, the DOD authorization bill. There was a concern that we were eliminating the language which has been relied on so long and so—for so many years, and so we put that language back in. Full and open competition is still the standard, and what we have done is say everybody, access to everybody, everybody can come in. We have not changed that in any way.

Mrs. MEYERS of Kansas. Mr. Chairman, will the gentleman yield?

Mr. DAVIS. I yield to the gentlewoman from Kansas.

Mrs. MEYERS of Kansas. Mr. Chairman, I think within their own committee's report, it says the section would amend to define the terms "open access" and "competitive procedures" as the operative elements of the new competition standard. According to the new definition, open access would be achieved when all responsible sources are permitted to submit offers under competitive procedures, and then they define competitive procedures. Competitive procedures would be defined as those under which an agency enters into a contract pursuant to full and open competition that provides open access and is consistent with the Government's needs to efficiently fulfill its requirements. That is the concern of small business.

Mr. DAVIS. Let me ask the gentlewoman from Kansas then are there any notice provision that she has eliminated in her amendment, and I would ask both, as I understand it, what notice provisions now will not go out to small businesses under this that would have gone out, that would go out, if this amendment passes?

Mrs. MEYERS of Kansas. I just know that in the competition requirements, in the contracting requirements, they have eliminated the competition requirements. They have eliminated four pages.

At the end of that they say standards for determining when the competitive procedure is not feasible or appropriate shall be set forth in the Federal acquisition regulation.

In other words, the bureaucrats decide what is feasible and what is appropriate, and that is what scares small business.

Mr. DAVIS. Let me ask, if I can, the author of this bill, the standards for notice, if I can, for the procurements in this. Are they changed at all.

Mr. CLINGER. Mr. Chairman, will the gentleman yield?

Mr. DAVIS. I yield to the gentleman from Pennsylvania.

Mr. CLINGER. Not in any respect.

Everybody is going to be fully aware of what is out there.

Mr. DAVIS. Now let me put sole source to one side just for one second. Can anyone bid on the procurement regard? Is there any bar to anyone bidding that is in this bill?

Mr. CLINGER. There is no bar to anybody who is, as my colleague knows, anyone can get in and bid on these Government procurements.

Mr. DAVIS. And, as I read this, the amendment and the bill, there was some rhetoric about these decisions were made by Government bureaucrats. I guess they are talking about Government procurement officers, behind closed doors, back-door decisions. But, as I read the sole-source requirements under the bill, they are the same seven source-sole requirements that currently are in operation that this amendment does not affect?

Am I correct?

Mr. CLINGER. That is exactly correct. That is exactly correct.

Mr. DAVIS. And I think when we start talking about this, we have to talk what is the current state of where we are now. Where does the administration stand on this?

Mr. CLINGER. Well, I think it bears repeating. The administration in their statement we received tonight supports House passage of H.R. 1670 as reported by the Committee on Government Reform and Oversight, and I think the gentleman from Virginia indicated some of the reasons behind that, that determination, which were afforded to the Department of Defense.

Mr. DAVIS. My comments are simply this, and why I oppose the amendment:

I understand the intentions of this and the concerns that have been raised, but I think they are bogus in this case. I think we have—what we are doing to some extent is we are allowing the Government buyer, if my colleague will, the contracting officer or procurement officers—to make some decision, but we are allowing it earlier in the game.

I was a procurement attorney for 15 years, and I can tell the gentleman many times we would go out there and spent tens of thousands, sometimes hundreds of thousands, of dollars on a procurement and never really have had a chance at it at all after that money was spent.

As I understand, if this amendment is defeated, one can still bid on the procurement. There is no bar to anyone bidding on these procurements, but they will know earlier in the process, before vast sums are expended, that they are outside the competitive range. That is a savings to these small firms, and many of them, I think, would welcome this.

Mr. CLINGER. Mr. Chairman, will the gentleman yield?

Mr. DAVIS. I yield to the gentleman from Pennsylvania.

Mr. CLINGER. One other point.

It has been suggested here that some nameless, faceless bureaucrats squirreled away someplace are going to be writing regulations that are going to limit, and restrict, and exclude people from the process. That is absolutely not true.

The CHAIRMAN. The time of the gentleman from Virginia [Mr. DAVIS] has expired.

(On request of Mr. CLINGER and by unanimous consent, Mr. DAVIS was allowed to proceed for 2 additional minutes.)

Mr. CLINGER. That is absolutely untrue. What we are saying is that the procurement officials, very front and center, they are very much on the front line of the decisions that they make, are going to be given a little more flexibility, a little more discretion, in how they do these things. They are going to be answerable for decisions they make, and, in fact if they exclude people, they have to go on record in writing why and on the basis on which they excluded those people from the competition.

So, it is not a nameless, faceless bureaucrat. It is going to be a very visible procurement officer.

Mr. DAVIS. In fact, as I understand the legislation, the gentleman has even stricter standards in terms of bid protests, in terms of what those criteria are going to be.

Mr. CLINGER. Tighten those and make them much stronger.

Mr. DAVIS. Let me just ask why because I understand it is well intentioned, and I applaud the gentlewoman from Illinois for offering this the first time in the authorization bill, although it was narrowly defeated. A lot of the opposition at that time was the fact it was approach to the authorization bill and was not free-standing. In this we have made concessions in this to try to accommodate some of the concerns that were rightfully raised, and I applaud her for that.

But the central issue here is, should the Government in its procurement operate on a "one size fits all" standard, or are we going to allow the buyer, are we going to allow that agent then who is trying to get the best price they can for the Government, the flexibility to do the right thing, the flexibility to make those determinations, and, once again, the sole criteria is not changed one iota under the current law, and this amendment does not affect that at all.

All the rhetoric notwithstanding it says decisions are going to be made in the back room. The decisions on sole source do not change one bit under this.

Mr. Chairman, I urge opposition to this amendment.

Ms. WATERS. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise in favor of the Collins-Meyers amendment.

Mr. Chairman, it is amazing to listen to this debate as I was listening to it a few minutes ago from my office. I had to ask myself if this is 1995. Have we forgotten what it used to be like? Have we forgotten the fact that there was a time when only a few could really compete and be successful with government procurement, not only in Federal Government, but in State government. We had situations where they did not even make public procurement opportunities. We have had people fighting now for years so that we can shine some light on the opportunities that are available, and put in publications and made public. We have had to take away the opportunity for just a few to participate because there were bureaucrats who could literally hand it out to those they thought should get it. It was a little old comfortable network of folks who could be successful, and my colleagues know this procurement game.

Yes, we could set up a situation that I hear people talking about on the floor today where we could have bureaucrats say, "Oh, I don't think this person, or that person, or this business is big enough, or smart enough, or the proposal doesn't look good enough, or it comes from a strange part of the country." We did not know that they had these kinds of operations there. They could do all of those things and exclude people from bidding, from participating. They could cut a lot of small businesses out that could be successful if they only had a decent chance to compete.

But we do not want to go back to those days. We do not want to allow any one, or two, or three individuals to decide that they know best without people having a real opportunity to be evaluated.

We talk about merit day in and day out. Well, I want my colleagues to know that is what this discussion is about, that is what this debate is about. It is about whether or not the Federal Government is going to open up opportunity for everybody.

I hear a lot about suspect for small businesses, but this is the real test. This is the test of whether or not we are going to let small businesses, some of whom have not been successful in the past, but they are willing to continue to spend their money, they are willing to continue to knock on these doors, they are willing to continue to work hard to get a piece of this Government business. Do not close the door not, and, please, do not make the argument about it is inconvenient.

Mr. Chairman, I do not care about anybody's proposal for streamlining Government. Of course we want to streamline Government. But we do not ever want to conclude that it is too inconvenient for us to allow small businesses to compete, to allow those who have not had opportunities in the past. This is a test of whether or not those who stand up time and time again talking about how America is made up of small businesses and how they need, but have the opportunity, to participate, to see where they really stand for the opportunity for small business to participate.

□ 1915

We are talking about opening it up, fair competition. We are talking about evaluating. We are talking about merit. This is a time to use to open the doors, not close them, not exclude, not keep out small businesses and women and others who have not been successful in this process in the past, because we have had those bureaucrats who can make decisions and not really evaluate people on their ability to perform.

Ms. HARMAN. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I strongly support H.R. 1670 and encourage our colleagues to vote for its passage. "Better," "faster," "cheaper" are more than buzz words, Mr. Chairman. Last Congress we began efforts to make these words a reality as we began the process of streamlining the Federal acquisition process. Starting with the enactment into law of FASA, the Federal Acquisition Streamlining Act, H.R. 1670 builds on that initiative.

I would like to address right now, however, two issues that I think need more clarification. First is the administration's position. My colleague from Virginia [Mr. MORAN] read some excerpts from the statement of administration policy, and I would like to read some others, because they bear on the issue of this amendment.

> The administration appreciates the committee's intent to authorize the streamlined competitive methods the administration has sought without micromanaging in statute. These would include, one, authorizing innovative two-phased procedures allowing elimination of uncompetitive bidders prior to full competitive proposals; and, two, allowing reduction of the competitive range after receipt of proposals in order to conduct an efficient procedure.

I do not think, Mr. Chairman, that efficiency is the only goal, but it is a valid goal. The other goals are opportunity, and "better", "faster", "cheaper", and I think what we are trying to do here is to achieve a balance among three good goals.

Let me further read some language from the Department of Defense, which has a position on the Meyers amendment, which is not going to be offered today but, nonetheless, which also relates to this amendment. These defense views were prepared before it was clear that the Meyers amendment would be withdrawn, and they are in opposition to the Meyers amendment, making this statement:

> The Department of Defense supports the concept that government can no longer afford the time and the administrative burden associated with the requirement that every potential government source must be allowed to compete, even when not all of those sources have a realistic chance of receiving the government contract. Thus, DOD supports the enactment of broad, generic authority to down-select that is not hampered by excessive procedural detail," and so forth.

And it goes on to be more specific about the Meyers amendment.

I would like to say this. As a general matter, though, it is kind of difficult to parse it all. The administration has suggested its opposition to these amendments, not because it is opposed to opportunity, but because it thinks that the reinventing government idea, which should apply to procurement, requires change. After all, if it does not, we will never get to a better allocation of scarce dollars. Change is painful. I think that our colleague, the gentlewoman from Illinois [Mrs. COLLINS], has been enormously helpful in this conversation, but my own conclusion, based on my experience with defense procurement and my effort to parse and understand this complex material, is that if we are ever to get to a balance among three goals: Efficiency, "better", "faster", "cheaper", and opportunity, we ought not to adopt this amendment.

Mrs. COLLINS of Illinois. Mr. Chairman, will the gentlewoman yield?

Ms. HARMAN. I yield to the gentlewoman from Illinois.

Mrs. COLLINS of Illinois. Mr. Chairman, we are still talking about the administration policy, the statement of administration policy, and it says right here on this third paragraph,

> The administration will continue to work with Congress to address concerns with title I, which redefines full and open competition and authorizes procedures other than competitive procedures where competitive procedures are not feasible or appropriate.

This tells me that the administration has not signed off on that part of the bill. It tells me that there is still some concern that has been raised. Full and open competition has given the administration concern. They said, "However, the language in title I has raised concerns about the government's commitment to vigorous competition." Therefore, the Collins-Meyers amendment is absolutely on time and on target.

Ms. HARMAN. Mr. Chairman, reclaiming my time, the first sentence as read by the gentleman from Virginia [Mr. MORAN] says, "The Administration supports passage of H.R. 1670 as reported by the Committee on Government Reform and Oversight."

In conclusion, just let me say again that I reluctantly oppose this amendment and I believe that the administration and specifically the Defense Department are in opposition to this amendment.

Mrs. COLLINS of Illinois. If the gentlewoman will continue to yield, I think it is great for you and for others to recite the very first line in this statement, adding line No. 3, to point out the concerns.

Ms. HARMAN. Mr. Chairman, reclaiming my time, this is a very complex and opaque statement of position, I agree with you, but I have read other lines on this proposal.

Mrs. COLLINS of Illinois. If the gentlewoman will continue to yield, then why are we using this?

The CHAIRMAN. The time of the gentlewoman from California [Ms. HARMAN] has expired.

(On request of Mr. CLINGER, and by unanimous consent, Ms. HARMAN was allowed to proceed for 1 additional minute.)

Ms. HARMAN. I yield to the gentleman from Pennsylvania [Mr. CLINGER].

Mr. CLINGER. Mr. Chairman, in case there is any confusion, I would like to refer to the letter from the Under Secretary of Defense, Mr. Longuemare, who does say—

> The Department of Defense is strongly opposed to the proposed amendment and believes that it will add significant bureaucratic burden without furthering the goal of acquisition streamlining.

I think that is unequivocal and very clear.

Ms. HARMAN. Mr. Chairman, reclaiming my time, this letter is directed to the Meyers amendment, not to the Collins amendment.

Mr. CLINGER. If the gentlewoman will continue to yield, they are, however, very close cousins.

Ms. HARMAN. Mr. Chairman, reclaiming my time, I would agree with the gentleman that they are close cousins, and I would also say to the gentlewoman from Kansas [Mrs. MEYERS] that her leadership on the Committee on Small Business is unassailed and it is with great diffidence that I stand here and suggest that we ought to support the original text of the legislation.

The CHAIRMAN. The time of the gentlewoman from California [Ms. HARMAN] has expired.

(On request of Mrs. MEYERS of Kansas, and by unanimous consent, Ms. HARMAN was allowed to proceed for 2 additional minutes.)

Ms. HARMAN. I yield to the gentlewoman from Kansas.

Mrs. MEYERS of Kansas. Mr. Chairman, I thank the gentlewoman for yielding.

Mr. Chairman, something is in the administration statement that is really puzzling me. It was just pointed out to me. It says,

> The administration agrees with the conclusion embodied in title I that significant reforms of the way in which competitions are conducted are needed. These would include, one, authorizing innovative two-phased procedures, allowing elimination of uncompetitive bidders prior to full competitive proposals; and, two, allowing reduction of the competitive range after receipt of proposals in order to conduct an efficient procurement.

Those are not in the bill. Those are not in H.R. 1670 as it stands right now. So I think that those would have been in had my amendment been adopted. I decided instead to support the Collins amendment. Mine was much longer and I thought it may be too complex. But those two factors that are addressed in the administration's statement are simply not in the bill.

Ms. HARMAN. Mr. Chairman, reclaiming my time, I appreciate my friend's words, but I do not believe it is a correct statement of the bill's provisions.

Mr. GENE GREEN of Texas. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise in support of the Collins amendment that would open competition for small business, and I think it is appropriate that our chairman of the Committee on Small Business is also supporting it.

The Collins amendment retains the current practice allowing all business to compete for government procurement contracts under full and open competition. The bill would restrict competition by allowing agency employees, those so-called terrible bureaucrats, to limit the companies allowed to compete. The Collins amendment was previously adopted in this House on the DOD Authorization Act on June 14 allowing for consideration of procurement reform, and the Collins amendment was supported by a great many different groups, including the Small Business Working Group, the U.S. Chamber of Commerce, the Small Business Administration, and of course the chair of the Committee on Small Business, the gentlewoman from Kansas [Mrs. MEYERS]. There are also other groups, the Latin American Management Association, the National Association of Minority Businesses. It is very important that they have an ability to compete for Government contracts on equal footing if they can do the job.

I think that is what this whole effort is about, to bring more competition to help to lower the cost to the taxpayers in this bill. That is why I voted for the bill coming out of committee, and I hope we can improve it a great deal tonight with the Collins amendment.

Mrs. MALONEY. Mr. Chairman, will the gentleman yield?

Mr. GENE GREEN of Texas. I yield to the gentlewoman from New York.

Mrs. MALONEY. Mr. Chairman, I just would like to respond to some of the prior speakers on the administration policy statement, which just arrived at the last minute. I might note that it does not address what the Meyers-Collins amendment is addressing, which is full and open competition. When it does, it waffles, and I quote title I: "* * * has raised concern about the government's commitment to vigorous competition."

Mr. Chairman, I would like to underscore and highlight my support of the statement made by the gentlewoman from Kansas, in that when it does go into detail it talks about items that were in her amendment that are not in the amendment that is before the body now.

Mr. MORAN. Mr. Chairman, will the gentleman yield?

Mr. GENE GREEN of Texas. I yield to the gentleman from Virginia.

Mr. MORAN. Mr. Chairman, let me just say, I agree with the gentlewoman from California [Ms. HARMAN] that the statement of administration policy in the letter that we have could be clearer, but clearly it is authentic, because it is obvious that is written by Federal bureaucrats.

I love Federal bureaucrats, as the gentlewoman knows I do, they are my constituents, but it clearly is authentic. If it was not authentic, it might be easier to read.

Mrs. MALONEY. Mr. Chairman, if the gentleman will continue to yield in order to respond, I am not questioning whether it is an authentic statement or not. I am saying that it does not address what we are debating now, which is the Meyers-Collins amendment, which goes to the heart of procurement reform, the procurement debate, which the Small Business Administration and so many other small businesses have reached out to us, and that is preserving full and open competition. It talks about a lot of other things and a lot of other concerns, but it does not directly address the concerns that are before us in this particular amendment.

Mr. MORAN. Mr. Chairman, if the gentleman will continue to yield, I did not make the statement or the point that I wanted to make.

The CHAIRMAN. The time of the gentleman from Texas, Mr. GENE GREEN, has expired.

(On request of Mrs. COLLINS of Illinois, and by unanimous consent, Mr. GENE GREEN of Texas was allowed to proceed for 3 additional minutes.)

Mr. GENE GREEN of Texas. I yield to the gentlewoman from Illinois [Mrs. COLLINS].

Mrs. COLLINS of Illinois. Mr. Chairman, we are at the point, I believe, where we are going to vote very, very shortly on the Collins amendment.

I just want to point out that this amendment is the same identical amendment that we voted on in June of this year. Not a word of it has been changed. It made good sense then, it makes good sense now. This bill does not preserve full and open competition.

What it does is put a statutory bait and switch on the House and on the American public. I think that we cannot do those kinds of things. We must in fact vote for the Collins-Meyers amendment, because we want to be fair, we want to do the right thing by small business, we want to do the right thing by large business, we want to do the right thing by American business.

We want everybody to have an opportunity to play a part as being vendors for the American dollar. We are all taxpayers here. Everybody who pays taxes, everybody who pays taxes one way or the other has a right to have a small business. They have a right to have a low cost. They have a right to have the Government accept their bids and to be looked at carefully.

They do not have the right, they do not have the right to have somebody just say arbitrarily that we do not want to take your bid. We do not want your business, because we have to have a deal someplace else.

Mr. Chairman, it makes good sense, it makes fair sense to vote for the Collins-Meyers amendment on full and open competition.

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Mr. BLUTE. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise in strong opposition to the Collins amendment.

Mr. CLINGER. Mr. Chairman, will the gentleman yield?

Mr. BLUTE. I yield to the gentleman from Pennsylvania.

Mr. CLINGER. Mr. Chairman, I just want to make a couple of points in closing. We have had a spirited debate. I think it has been a good debate. I just wanted to make a couple of points as we conclude this debate.

Mr. MORAN. Mr. Chairman, will the gentleman yield?

Mr. BLUTE. I yield to the gentleman from Virginia.

Mr. MORAN. Mr. Chairman, I thank my good friend from Massachusetts for yielding.

Mr. Chairman, I wanted to speak before the chairman of the committee, because I want Members to be left with his remarks. But I do think it is useful to respond to some of the questions that have been raised with regard to the language that has come from the White House and from the Department of Defense.

The bottom line is that the White House opposes this amendment and supports the bill. I will conclude with the point that I know, because I have spoken with the White House, that the White House does not support this amendment. It opposes this amendment.

It does support this bill. It has supported this bill consistently. I think that is important for all the Members of the House to know, but particularly for the Democratic Members of the House who wish to support the continuing commitment to Government reform, and particularly to procurement reform as is accomplished by this bill.

Mr. BLUTE. Mr. Chairman, reclaiming my time, I yield further to the gentleman from Pennsylvania [Mr. CLINGER].

Mr. CLINGER. Mr. Chairman, I think we have had a very thorough debate. We are ready to vote on this matter. It is clear, there is a significant difference between us on this major issue. I would point out one thing: The gentlewoman from Illinois said not one word, not one comma, not one phrase has been changed in this amendment; it is exactly the same amendment we voted on in June.

That is true. What has changed is the underlying bill to which the amendment is proposed. We have made significant changes in the underlying bill which we considered in June. We have accommodated many of the concerns that were raised by the gentlewoman from Illinois and by others with regard to the small business concerns. I think we have addressed those. We did not have, for example, the language "full and open competition" in the bill that we considered in June. That is now in there. We have made a number of other changes that I think should go a long way toward addressing it.

What we have not done though is give way on a significant, significant factor, and that is the factor that we really need to get flexibility. We need to give these procurement officers who are going to be very public in their decisions some ability to do the best thing for the government. The Government, after all, is who we are trying to assist in getting the biggest bang for the bucks that we spend.

So I would just in closing point out a couple of other things that need to be pointed out. It was alluded earlier and I want to stress it again that there was perhaps support of the NIFB. They did support this measure in June. They no longer do support this measure in September. The Chamber of Commerce has just informed us that they do not support this amendment at this particular time because of the fact that we have made significant progress in addressing those concerns.

In fact, the others who strongly support our bill range from the American Electronics Association, American Defense Preparedness Association, Contract Services Association, and, most importantly, Mr. chairman, most importantly, it has the very strong support of the Americans For Tax Reform, the National Taxpayers Union, and other groups that have been real watchdogs in trying to hold down spending to get the biggest bang for their buck.

We feel that this bill is going to enable us to attack that 20 percent premium which we now pay on almost all goods and services that we deal with in the Federal Government. We really think this is the best opportunity we have, perhaps in this Congress, to effect the kinds of savings that we need to do to get to a balanced budget. So I must reluctantly but firmly urge a "no" vote on the Collins amendment. I really think that it would undercut, perhaps not gut, but seriously impair the ability for us to get the savings we are after.

Ms. EDDIE BERNICE JOHNSON of Texas. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, the Small Business Association and the White House Conference on Small Business, as well as the American Chamber of Commerce, supports this amendment. It is ironic to me that we are opposing open government, when all we have heard this year is the angry feelings out there where people feel they do not have access to their government. I do not believe that this issue has been addressed in the bill. If it had been, we would not be considering this amendment.

Small businesses will want access to their government. They are not asking for a handout. They simply want consideration. They do not want to be barred from submitting bids. It seems to me that the least we can do is protect our small business people and protect our taxpaying citizens and allow that their bids be considered.

The good-old-boy network has worked for many years, not because it has been supported by the general public, but because they never had an opportunity to get in the door to prove that they can do adequate work. I think that this amendment will do that.

Mrs. MEYERS of Kansas. Mr. Chairman, will the gentlewoman yield?

Ms. EDDIE BERNICE JOHNSON of Texas. I yield to the gentlewoman from Kansas.

Mrs. MEYERS of Kansas. Mr. Chairman, I would just like to say that I have a letter here from the chamber dated September 12. It says:

> Further, a strong case would have to be made to justify the modification of the standard and practice of full and open competition that has worked well for more than a decade since the enactment of the Competition in Contracting Act of 1984. The Chamber believes that increased awards to small business over the past decade through full and open competition and the subsequent growth of a number of these companies demonstrates the effectiveness of this standard.

I think they strongly endorse the principle, Mr. Chairman, and I think they wrote that letter when they thought it was going to be my amendment. They were not aware it was going to be another amendment. I think that is the only reason that they have stated this withdrawal. They strongly support full and open competition. I think they support the concept, and I am not at all ashamed to associate their name with this. We have taken the names off anything printed. But I have been working with them all along. They knew last week what was in the bill of the gentleman from Pennsylvania [Mr. CLINGER] and they still felt that it would be wrong to remove full and open competition.

Ms. EDDIE BERNICE JOHNSON of Texas. Mr. Chairman, reclaiming my time, I would simply close by saying we owe it to our small businesses, we owe it to our general business community, to allow them access to their own government.

Mr. SCHIFF. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I would like to respectfully offer what I believe are two corrections in the debate here. The first is we were informed by the staff from the majority leader's office that the U.S. Chamber of Commerce has not taken an official position on this amendment, which, if correct, means, of course, they have not endorsed this amendment one way or the other.

Second of all, more central to this debate, it is statements that are starting to be made that the advocates of the amendment say they want free competition and full competition and fair competition so small business can enter bids and be considered. All of that remains under this bill. H.R. 1670 does not change any of that. All that H.R. 1670 changes is that it allows a procurement officer to make an earlier decision in a process to take certain bids out of consideration so that a smaller number of bids more likely to be accepted to the Government's needs will go through and be reviewed further along the line. That is all that it does.

The point is that everybody can submit a bid, just as they have always been able to submit a bid. Further, the appellate process for the purpose of procurement remains in effect. So anyone who believes, whether they are small business or large business or anyone else, that their procurement has not been handled fairly, that they were rejected early in the process without good justification, they can appeal that. So their rights are protected.

The point is, we are trying to make Federal procurement look like and function more like private procurement, because we have seen the strides that business has made in terms of accomplishing its goals, which, of course, are to get the best possible product at the best possible price. That ought to be the Government's goal.

Mr. FAZIO of California. Mr. Chairman, I rise in support of the Collins amendment.

The way the bill is currently written it would restrict true competition and would allow agency bureaucrats to limit small businesses from competing on Government contracts.

I would also like to point out to the rest of my colleagues that a similar amendment was passed as part of the DOD Authorization Act of 1996 by an overwhelming margin.

The Collins amendment is pro small business and is supported by the U.S. Chamber of Commerce, the Small Business Working Group, and the Small Business Administration.

The Collins amendment would retain the current practice of allowing all businesses to compete for government procurement contracts under full and open competition.

I ask my fellow colleagues to support the Collins amendment and allow for fair and open competition of all business.

The CHAIRMAN. The question is on the amendment offered by the gentlewoman from Illinois [Mrs. COLLINS].

The question was taken; and the Chairman announced that the noes appeared to have it.

RECORDED VOTE

Mrs. COLLINS of Illinois. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 182, noes 239, not voting 13, as follows:

[Roll No. 660]

AYES—182

Abercrombie
Ackerman
Baesler
Baldacci
Barcia
Barrett (WI)
Becerra
Beilenson
Bentsen
Berman
Bishop
Boehlert
Bonior
Borski
Boucher
Brewster
Brown (CA)
Brown (FL)
Brown (OH)
Bryant (TX)
Bunn
Clay
Clayton
Clyburn
Coleman
Collins (IL)
Collins (MI)
Condit
Conyers
Costello
Coyne
Cramer
Danner
DeFazio
DeLauro
Dellums
Deutsch
Dingell
Dixon
Doggett
Dooley
Doyle
Durbin
Edwards
Engel
Ensign
Eshoo
Evans
Farr
Fattah
Fazio
Fields (LA)
Filner
Flake
Foglietta
Forbes
Ford
Frank (MA)
Frelinghuysen
Furse
Gejdenson
Gephardt
Gibbons
Gonzalez
Gordon
Green
Gutierrez
Hall (OH)
Hamilton
Hastings (FL)
Hefner
Hilliard
Hinchey
Holden
Hoyer
Jackson-Lee
Jacobs
Jefferson
Johnson (SD)
Johnson, E. B.
Johnston
Kanjorski
Kaptur
Kelly
Kennedy (MA)
Kennedy (RI)
Kennelly
Kildee
Kingston
Kleczka
Klink
LaFalce
LaHood
Lantos
Levin
Lewis (GA)
Lincoln
Lipinski
LoBiondo
Lowey
Luther
Maloney
Manton
Manzullo
Markey
Martinez
Mascara
McCarthy
McDermott
McHale
McKinney
McNulty
Meehan
Meek
Menendez
Meyers
Mfume
Miller (CA)
Mineta
Minge
Mink
Nadler
Neal
Oberstar
Obey
Olver
Ortiz
Orton
Owens
Pallone
Pastor
Payne (NJ)
Payne (VA)
Peterson (FL)
Peterson (MN)
Pomeroy
Poshard
Rahall
Rangel
Reed
Richardson
Rivers
Roberts
Roukema
Roybal-Allard
Rush
Sabo
Sanders
Sawyer
Schroeder
Schumer
Scott
Serrano
Skaggs
Slaughter
Spratt
Stark
Stokes
Studds
Stupak
Taylor (MS)
Tejeda
Thompson
Thornton
Thurman
Torres
Torricelli
Towns
Traficant
Velazquez
Vento
Visclosky
Volkmer
Ward
Waters
Watt (NC)
Waxman
Wise
Woolsey
Wyden
Wynn
Yates

NOES—239

Allard
Andrews
Archer
Armey
Bachus
Baker (CA)
Baker (LA)
Ballenger
Barr
Barrett (NE)
Bartlett
Barton
Bass
Bateman
Bereuter
Bevill
Bilbray
Bilirakis
Bliley
Blute
Boehner
Bonilla
Bono
Browder
Brownback
Bryant (TN)
Bunning
Burr
Burton
Buyer
Callahan
Calvert
Camp
Canady
Cardin
Castle
Chabot
Chambliss
Chapman
Chenoweth
Christensen
Chrysler
Clement
Clinger
Coble
Coburn
Collins (GA)
Combest
Cooley
Crane
Crapo
Cremeans
Cubin
Cunningham
Davis
Deal
DeLay
Diaz-Balart
Dickey
Dicks
Doolittle
Dornan
Dreier
Duncan
Dunn
Ehlers
Ehrlich
Emerson
English
Everett
Ewing
Fawell
Fields (TX)
Flanagan
Foley
Fowler
Fox
Franks (CT)
Franks (NJ)
Frisa
Funderburk
Gallegly
Ganske
Gekas
Geren
Gilchrest
Gillmor
Gilman
Goodlatte
Goodling
Goss
Graham
Greenwood
Gunderson
Gutknecht
Hall (TX)
Hancock
Hansen
Harman
Hastert
Hastings (WA)
Hayes
Hayworth
Hefley
Heineman
Hilleary
Hobson
Hoekstra
Hoke
Horn
Hostettler
Houghton
Hunter
Hutchinson
Hyde
Inglis
Istook
Johnson (CT)
Johnson, Sam
Jones
Kasich
Kim
King
Klug
Knollenberg
Kolbe
Largent
Latham
LaTourette
Laughlin
Lazio
Leach
Lewis (CA)
Lewis (KY)
Lightfoot
Linder
Livingston
Lofgren
Longley
Lucas
Martini
Matsui
McCollum
McCrery
McDade
McHugh
McInnis
McIntosh
McKeon
Metcalf
Mica
Miller (FL)
Molinari
Montgomery
Moorhead
Moran
Morella
Murtha
Myers
Nethercutt
Neumann
Ney
Norwood
Nussle
Oxley
Packard
Parker
Paxon
Petri
Pickett
Pombo
Porter
Portman
Pryce
Quillen
Quinn
Radanovich
Ramstad
Regula
Riggs
Roemer
Rogers
Rohrabacher
Ros-Lehtinen
Roth
Royce
Salmon
Sanford
Saxton
Scarborough
Schaefer
Schiff
Seastrand
Sensenbrenner
Shadegg
Shaw
Shays
Shuster
Skeen
Skelton
Smith (MI)
Smith (NJ)
Smith (TX)
Smith (WA)
Solomon
Souder
Spence
Stearns
Stenholm
Stockman
Stump
Talent
Tanner
Tate
Tauzin
Taylor (NC)
Thomas
Thornberry
Tiahrt
Torkildsen
Upton
Vucanovich
Walker
Walsh
Wamp
Watts (OK)
Weldon (FL)
Weldon (PA)
Weller
White
Whitfield
Wicker
Williams

Wilson
Wolf
Young (AK)
Young (FL)
Zeliff
Zimmer

NOT VOTING—13

Cox
de la Garza
Frost
Herger
Moakley
Mollohan
Myrick
Pelosi
Reynolds
Rose
Sisisky
Tucker
Waldholtz

□ 2000

Messrs. CREMEANS, WILLIAMS, and WAMP changed their vote from "aye" to "no."

Mr. DOYLE, Ms. ESHOO, Mr. FARR, and Mr. MASCARA changed their vote from "no" to "aye."

So the amendment was rejected.

The result of the vote was announced as above recorded.

AMENDMENT OFFERED BY MR. DAVIS

Mr. DAVIS. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. DAVIS:

Add at the end of title I (page 36, after line 9) the following new section:

SEC. 107. TWO-PHASE SELECTION PROCEDURES.

(a) ARMED SERVICES ACQUISITIONS.—(1) Chapter 137 of title 10, United States Code, is amended by inserting after section 2305 the following new section:

"§ 2305a. Two-phase selection procedures

"(a) AUTHORIZATION.—Unless the traditional acquisition approach of design-bid-build is used or another acquisition procedure authorized by law is used, the head of an agency shall use the two-phase selection procedures authorized in this section for entering into a contract for the design and construction of a public building, facility, or work when a determination is made under subsection (b) that the procedures are appropriate for use.

"(b) CRITERIA FOR USE.—A contracting officer shall make a determination whether two-phase selection procedures are appropriate for use for entering into a contract for the design and construction of a public building, facility, or work when the contracting officer anticipates that three or more offers will be received for such contract, design work must be performed before an offeror can develop a price or cost proposal for such contract, the offeror will incur a substantial amount of expense in preparing the offer, and the contracting officer has considered information such as the following:

"(1) The extent to which the project requirements have been adequately defined.

"(2) The time constraints for delivery of the project.

"(3) The capability and experience of potential contractors.

"(4) The suitability of the project for use of the two-phase selection procedures.

"(5) The capability of the agency to manage the two-phase selection process.

"(6) Other criteria established by the agency.

"(c) PROCEDURES DESCRIBED.—Two-phase selection procedures consist of the following:

"(1) The agency develops, either in-house or by contract, a scope of work statement for inclusion in the solicitation that defines the project and provides prospective offerors with sufficient information regarding the Government's requirements (which may include criteria and preliminary design, budget parameters, and schedule or delivery requirements) to enable the offerors to submit proposals which meet the Government's needs. When the two-phase selection procedure is used for design and construction of a public building, facility, or work and the agency contracts for development of the scope of work statement, the agency shall contract for architectural/engineering services as defined by and in accordance with the Brooks Architect-Engineers Act (40 U.S.C. 541 et seq.).

"(2) The contracting officer solicits phase-one proposals that—

"(A) include information on the offeror's—

"(i) technical approach; and

"(ii) technical qualifications; and

"(B) do not include—

"(i) detailed design information; or

"(ii) cost or price information.

"(3) The evaluation factors to be used in evaluating phase-one proposals are stated in the solicitation and include specialized experience and technical competence, capability to perform, past performance of the offeror's team (including the architect-engineer and construction members of the team if the project is for the construction of a public building, facility, or work) and other appropriate factors, except that cost-related or price-related evaluation factors are not permitted. Each solicitation establishes the relative importance assigned to the evaluation factors and subfactors that must be considered in the evaluation of phase-one proposals. The agency evaluates phase-one proposals on the basis of the phase-one evaluation factors set forth in the solicitation.

"(4) The contracting officer selects as the most highly qualified the number of offerors specified in the solicitation to provide the property or services under the contract and requests the selected offerors to submit phase-two competitive proposals that include technical proposals and cost or price information. Each solicitation establishes with respect to phase two—

"(A) the technical submission for the proposal, including design concepts or proposed solutions to requirements addressed within the scope of work (or both), and

"(B) the evaluation factors and subfactors, including cost or price, that must be considered in the evaluations of proposals in accordance with section 2305(b)(4) of this title. The contracting officer separately evaluates the submissions described in subparagraphs (A) and (B).

"(5) The agency awards the contract in accordance with section 2305(b)(4) of this title.

"(d) SOLICITATION TO STATE NUMBER OF OFFERORS TO BE SELECTED FOR PHASE TWO REQUESTS FOR COMPETITIVE PROPOSALS.—A solicitation issued pursuant to the procedures described in subsection (c) shall state the maximum number of offerors that are to be selected to submit competitive proposals pursuant to subsection (c)(4). The maximum number specified in the solicitation shall not exceed 5 unless the agency determines with respect to an individual solicitation that a specified number greater than 5 is in the Government's interest and is consistent with the purposes and objectives of the two-phase selection process.

"(e) REQUIREMENT FOR GUIDANCE AND REGULATIONS.—The Federal Acquisition Regulatory Council, established by section 25(a) of the Office of Federal Procurement Policy Act (41 U.S.C. 421(a)), shall provide guidance and promulgate regulations—

"(1) regarding the factors that may be considered in determining whether the two-phase contracting procedures authorized by subsection (a) are appropriate for use in individual contracting situations;

"(2) regarding the factors that may be used in selecting contractors;

"(3) providing for a uniform approach to be used Government-wide;

(2) The table of sections at the beginning of chapter 137 of such title is amended by adding after the item relating to section 2305 the following new item:

"2305a. Two-phase selection procedures.".

(b) CIVILIAN AGENCY ACQUISITIONS.—(1) Title III of the Federal Property and Administrative Services Act of 1949 (41 U.S.C. 251 et seq.) is amended by inserting after section 303L the following new section:

"(a) AUTHORIZATION.—Unless the 'traditional' acquisition approach of design-bid-build is used or another acquisition procedure authorized by law is used, the head of an executive agency shall use the two-phase selection procedures authorized in this section for entering into a contract for the design and construction of a public building, facility, or work when a determination is made under subsection (b) that the procedures are appropriate for use. The two-phase selection procedures authorized in this section may also be used for entering into a contract for the acquisition of property or services other than construction services when such a determination is made.

"(b) CRITERIA FOR USE.—A contracting officer shall make a determination whether two-phase selection procedures are appropriate for use for entering into a contract for the design and construction of a public building, facility, or work when the contracting officer anticipates that three or more offers will be received for such contract, design work must be performed before an offeror can develop a price or cost proposal for such contract, the offeror will incur a substantial amount of expense in preparing the offer, and the contracting officer has considered information such as the following:

"(1) The extent to which the project requirements have been adequately defined.

"(2) The time constraints for delivery of the project.

"(3) The capability and experience of potential contractors.

"(4) The suitability of the project for use of the two-phase selection procedures.

"(5) The capability of the agency to manage the two-phase selection process.

"(6) Other criteria established by the agency.

"(c) PROCEDURES DESCRIBED.—Two-phase selection procedures consist of the following:

"(1) The agency develops, either in-house or by contract, a scope of work statement for inclusion in the solicitation that defines the project and provides prospective offerors with sufficient information regarding the Government's requirements (which may include criteria and preliminary design, budget parameters, and schedule or delivery requirements) to enable the offerors to submit proposals which meet the Government's needs. When the two-phase selection procedure is used for design and construction of a public building, facility, or work and the agency contracts for development of the scope of work statement, the agency shall contract for architectural/engineering services as defined by and in accordance with the Brooks Architect-Engineers Act (40 U.S.C. 541 et seq.).

"(2) The contracting officer solicits phase-one proposals that—

"(A) include information on the offeror's—

"(i) technical approach; and

"(ii) technical qualifications; and

"(B) do not include—

"(i) detailed design information; or

"(ii) cost or price information.

"(3) The evaluation factors to be used in evaluating phase-one proposals are stated in the solicitation and include specialized experience and technical competence, capability to perform, past performance of the offeror's team (including the architect-engineer and construction members of the team if the project is for the construction of a public building, facility, or work) and other appropriate factors, except that cost-related or price-related evaluation factors are not permitted. Each solicitation establishes the relative importance assigned to the evaluation factors and subfactors that must be considered in the evaluation of phase-one proposals. The agency evaluates phase-one proposals on the basis of the phase-one evaluation factors set forth in the solicitation.

"(4) The contracting officer selects as the most highly qualified the number of offerors specified in the solicitation to provide the property or services under the contract and requests the selected offerors to submit phase-two competitive proposals that include technical proposals and cost or price information. Each solicitation establishes with respect to phase two—

"(A) the technical submission for the proposal, including design concepts or proposed solutions to requirements addressed within the scope of work (or both), and

"(B) the evaluation factors and subfactors, including cost or price, that must be considered in the evaluations of proposals in accordance with section 303B(d).

The contracting officer separately evaluates the submissions described in subparagraphs (A) and (B).

"(5) The agency awards the contract in accordance with section 303B of this title.

"(d) SOLICITATION TO STATE NUMBER OF OFFERORS TO BE SELECTED FOR PHASE TWO REQUESTS FOR COMPETITIVE PROPOSALS.—A solicitation issued pursuant to the precedures described in subsection (c) shall state the maximum number of offerors that are to be selected to submit competitive proposals pursuant to subsection (c)(4). The maximum number specified in the solicitation shall not exceed 5 unless the agency determines with respect to an individual solicitation that a specified number greater than 5 is in the Government's interest and is consistent with the purposes and objectives of the two-phase selection process.

"(e) REQUIREMENT FOR GUIDANCE AND REGULATIONS.—The Federal Acquisition Regulatory Council, established by section 25(a) of the Office of Federal Procurement Policy Act (41 U.S.C. 421(a)), shall provide guidance and promulgate regulations—

"(1) regarding the factors that may be considered in determining whether the two-phase contracting procedures authorized by subsection (a) are appropriate for use in individual contracting situations;

"(2) regarding the factors that may be used in selecting contractors;

"(3) providing for a uniform approach to be used Government-wide;

(2) The table of sections at the beginning of such Act is amended by inserting after the item relating to section 303L the following new item:

"Sec. 303M. Two-phase selection procedures.".

Mr. DAVIS (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Virginia?

There was no objection.

Mr. DAVIS. Mr. Chairman, we had published this in the RECORD. We have made two modifications from what was published. It will have the support of the administration and the committee chair on this. One was expressed by the gentleman from Maryland [Mr. GILCHREST], the other by the administration. We have addressed those.

Mr. GILCHREST. Mr. Chairman, will the gentleman yield?

Mr. DAVIS. I yield to the gentleman from Maryland.

Mr. GILCHREST. I thank the gentleman for yielding.

Mr. Chairman, I want to compliment the gentleman on about 98 percent of the content of his amendment. There was one part of the amendment on which we had some confusion with the language referring to stipends for those contractors who were not selected with the award. The gentleman withdrew that section of the amendment, and we have worked out a compromise where we will hold hearings on this portion of the amendment. I am sure we can resolve this problem.

Mr. DAVIS. Mr. Chairman, I would just ask the gentleman, as I understand it, we have stricken the stipend provision, but any existing provisions in law that would allow a government contracting agent, of course, would remain in effect; is that correct?

Mr. GILCHREST. Any existing law remains in effect at this time, yes.

Mr. DAVIS. I thank the gentleman. Let me just add that we have had a coalition of groups that have traditionally been at odds over how Federal procurements these groups compete on should be phrased. We have gotten them together and endorsed this. That includes the American Consulting Engineers Council, the American Institute of Architects, the American Society of Civil Engineers, the Associated Builders and Contractors, the Associated General Contractors of America, the Construction Industries' Presidents Forum, the Design-Build Industry of America, and the National Society of Professional Engineers.

Mr. Chairman, I would just simply say, I did a Dear Colleague letter this morning, but this amendment will, where appropriate, allow the agency buyer to choose between the traditional procurement methodology and the two-phase design-build selection procedure. It will allow the agency to develop either in-house or by contract a scope of work defining the project. The amendment also provides procuring agencies flexibility to determine the level of preliminary design necessary to be acquired, using the traditional method. It will provide the agency flexibility and authority to determine the number of offerors of competitive proposals in the second phase of the procurement process.

It will require the FAR counsel to determine if the two-phase procedures are appropriate for use in individual contracting situations, establish factors that may be used to select contractors, establish a uniform governmentwide approach, and establish criteria for awarding stipends. I would urge adoption of this amendment.

Mr. CLINGER. Mr. Chairman, will the gentleman yield?

Mr. DAVIS. I am glad to yield to the gentleman from Pennsylvania, the distinguished author of this bill and the chairman of the committee.

Mr. CLINGER. Mr. Chairman, I just wanted to commend the gentleman on this amendment. I think it makes a very valuable addition to the bill. As he says, it does not replace the Brooks Act. It requires an alternative method of dealing with the Brooks architect-engineers provision. I think it is a valuable addition, and we are pleased to support the amendment. I commend the gentleman on that and for his help on this.

Mr. DAVIS. I thank the gentleman, and I thank the committee staff and Mrs. Brown for working with us, and the different groups, I ask adoption of the amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Virginia [Mr. DAVIS].

The amendment was agreed to.

The CHAIRMAN. Are there further amendments to title I?

The Clerk will designate title II.

The text of title II is as follows:

TITLE II—COMMERCIAL ITEMS

SEC. 201. COMMERCIAL ITEM EXCEPTION TO REQUIREMENT FOR COST OR PRICING DATA AND INFORMATION LIMITATIONS.

(a) ARMED SERVICES ACQUISITIONS.—(1) Subsections (b), (c), and (d) of section 2306a of title 10, United States Code, are amended to read as follows:

"(b) EXCEPTIONS.—

"(1) IN GENERAL.—Submission of cost or pricing data shall not be required under subsection (a) in the case of a contract, a subcontract, or modification of a contract or subcontract—

"(A) for which the price agreed upon is based on—

"(i) adequate price competition; or

"(ii) prices set by law or regulation;

"(B) for the acquisition of a commercial item; or

"(C) in an exceptional case when the head of the procuring activity, without delegation, determines that the requirements of this section may be waived and justifies in writing the reasons for such determination.

"(2) MODIFICATIONS OF CONTRACTS AND SUBCONTRACTS FOR COMMERCIAL ITEMS.—In the case of a modification of a contract or subcontract for a commercial item that is not covered by the exception on the submission of cost or pricing data in paragraph (1)(A) or (1)(B), submission of cost or pricing data shall not be required under subsection (a) if—

"(A) the contract or subcontract being modified is a contract or subcontract for which submission of cost or pricing data may not be required by reason of paragraph (1)(A) or (1)(B); and

"(B) the modification would not change the contract or subcontract, as the case may be, from a contract or subcontract for the acquisition of a commercial item to a contract or subcontract for the acquisition of an item other than a commercial item.

"(c) AUTHORITY TO REQUIRE COST OR PRICING DATA ON BELOW-THRESHOLD CONTRACTS.—(1) Subject to paragraph (2), when certified cost or pricing data are not required to be submitted by subsection (a) for a contract, subcontract, or modification of a contract or subcontract, such data may nevertheless be required to be submitted by the head of the procuring activity, but only if the head of the procuring activity determines that such data are necessary for the evaluation by the agency of the reasonableness of the price of the contract, subcontract, or modification of a contract or subcontract. In any case in which the head of the procuring activity requires such data to be submitted under this subsection, the head of the procuring activity shall justify in writing the reason for such requirement.

"(2) The head of the procuring activity may not require certified cost or pricing data to be submitted under this paragraph for any contract or subcontract, or modification of a contract or subcontract, covered by the exceptions in subparagraph (A) or (B) of subsection (b)(1).

"(3) The head of a procuring activity may not delegate functions under this paragraph.

"(d) LIMITATIONS ON OTHER INFORMATION.—The Federal Acquisition Regulation shall include the following:

"(1) Provisions concerning the types of information that contracting officers may consider in determining whether the price of a procurement to the Government is fair and reasonable when certified cost or pricing data are not required to be submitted under this section, including appropriate information on the prices at which the same item or similar items have previously been sold that is adequate for evaluating the reasonableness of the price of the proposed contract or subcontract for the procurement.

"(2) Reasonable limitations on requests for sales data relating to commercial items.

"(3) A requirement that a contracting officer shall, to the maximum extent practicable, limit the scope of any request for information relating to commercial items from an offeror to only that information that is in the form regularly maintained by the offeror in commercial operations.

"(4) A statement that any information received relating to commercial items that is exempt from disclosure under section 552(b) of title 5 shall not be disclosed by the Federal Government.".

(2) Section 2306a of such title is further amended—

(A) by striking out subsection (h); and

(B) by redesignating subsection (i) as subsection (h).

(3) Section 2375 of title 10, United States Code, is amended by striking out subsection (c).

(b) CIVILIAN AGENCY ACQUISITIONS.—(1) Subsections (b), (c) and (d) of section 304A of the Federal Property and Administrative Services Act of 1949 (41 U.S.C. 254b) are amended to read as follows:

"(b) EXCEPTIONS.—

"(1) IN GENERAL.—Submission of cost or pricing data shall not be required under subsection (a) in the case of a contract, a subcontract, or a modification of a contract or subcontract—

"(A) for which the price agreed upon is based on—

"(i) adequate price competition; or

"(ii) prices set by law or regulation;

"(B) for the acquisition of a commercial item; or

"(C) in an exceptional case when the head of the procuring activity, without delegation, determines that the requirements of this section may be waived and justifies in writing the reasons for such determination.

"(2) MODIFICATIONS OF CONTRACTS AND SUBCONTRACTS FOR COMMERCIAL ITEMS.—In the case of a modification of a contract or subcontract for a commercial item that is not covered by the exception on the submission of cost or pricing data in paragraph (1)(A) or (1)(B), submission of cost or pricing data shall not be required under subsection (a) if—

"(A) the contract or subcontract being modified is a contract or subcontract for which submission of cost or pricing data may not be required by reason of paragraph (1)(A) or (1)(B); and

"(B) the modification would not change the contract or subcontract, as the case may be, from a contract or subcontract for the acquisition of a commercial item to a contract or subcontract for the acquisition of an item other than a commercial item.

"(c) AUTHORITY TO REQUIRE COST OR PRICING DATA ON BELOW-THRESHOLD CONTRACTS.—(1) Subject to paragraph (2), when certified cost or pricing data are not required to be submitted by subsection (a) for a contract, subcontract, or modification of a contract or subcontract, such data may nevertheless be required to be submitted by the head of the procuring activity, but only if the head of the procuring activity determines that such data are necessary for the evaluation by the agency of the reasonableness of the price of the contract, subcontract, or modification of a contract or subcontract. In any case in which the head of the procuring activity requires such data to be submitted under this subsection, the head of the procuring activity shall justify in writing the reason for such requirement.

"(2) The head of the procuring activity may not require certified cost or pricing data to be submitted under this paragraph for any contract or subcontract, or modification of a contract or subcontract, covered by the exceptions in subparagraph (A) or (B) of subsection (b)(1).

"(3) The head of a procuring activity may not delegate the functions under this paragraph.

"(d) LIMITATIONS ON OTHER INFORMATION.—The Federal Acquisition Regulation shall include the following:

"(1) Provisions concerning the types of information that contracting officers may consider in determining whether the price of a procurement to the Government is fair and reasonable when certified cost or pricing data are not required to be submitted under this section, including appropriate information on the prices at which the same item or similar items have previously been sold that is adequate for evaluating the reasonableness of the price of the proposed contract or subcontract for the procurement.

"(2) Reasonable limitations on requests for sales data relating to commercial items.

"(3) A requirement that a contracting officer shall, to the maximum extent practicable, limit the scope of any request for information relating to commercial items from an offeror to only that information that is in the form regularly maintained by the offeror in commercial operations.

"(4) A statement that any information received relating to commercial items that is exempt from disclosure under section 552(b) of title 5 shall not be disclosed by the Federal Government.".

(2) Section 304A of such Act is further amended—

(A) by striking out subsection (h); and

(B) by redesignating subsection (i) as subsection (h).

SEC. 202. APPLICATION OF SIMPLIFIED PROCEDURES TO COMMERCIAL ITEMS.

(a) ARMED SERVICES ACQUISITIONS.—Section 2304(e) of title 10, United States Code, as amended by section 101(a), is further amended—

(1) in paragraph (1), by inserting after "special simplified procedures" the following: "for purchases of commercial items and"; and

(2) by adding at the end the following new paragraph:

"(4) The Federal Acquisition Regulation shall provide that, in the case of a purchase of commercial items in an amount greater than the simplified acquisition threshold, the head of an agency—

"(A) may not conduct the purchase on a sole source basis unless the need to do so is justified in writing and approved in accordance with the Federal Acquisition Regulation; and

"(B) shall include in the contract file a written description of the procedures used in awarding the contract and the number of offers received.".

(b) CIVILIAN AGENCY ACQUISITIONS.—Section 303(e) of the Federal Property and Administrative Services Act of 1949 (41 U.S.C. 253), as amended by section 101(b), is further amended—

(1) in paragraph (1), by inserting after "special simplified procedures" the following: "for purchases of commercial items and"; and

(2) by adding at the end the following new paragraph:

"(5) The Federal Acquisition Regulation shall provide that, in the case of a purchase of commercial items in an amount greater than the simplified acquisition threshold, an executive agency—

"(A) may not conduct the purchase on a sole source basis unless the need to do so is justified in writing and approved in accordance with the Federal Acquisition Regulation; and

"(B) shall include in the contract file a written description of the procedures used in awarding the contract and the number of offers received.".

(c) SIMPLIFIED NOTICE.—Section 18 of the Office of Federal Procurement Policy Act (41 U.S.C. 416) is amended—

(1) in subsection (a)(5) (as redesignated by section 101(c))—

(A) by striking out "limited"; and

(B) by inserting before "submission" the following: "issuance of solicitations and the"; and

(2) in subsection (b)(6), by striking out "threshold—" and inserting in lieu thereof "threshold, or a contract for the procurement of commercial items using simplified procedures—".

SEC. 203. AMENDMENT TO DEFINITION OF COMMERCIAL ITEMS.

Section 4(12)(F) of the Office of Federal Procurement Policy Act (41 U.S.C. 403(12)(F)) is amended by striking out "catalog".

SEC. 204. INAPPLICABILITY OF COST ACCOUNTING STANDARDS TO CONTRACTS AND SUBCONTRACTS FOR COMMERCIAL ITEMS.

Subparagraph (B) of section 26(f)(2) of the Office of Federal Procurement Policy Act (41 U.S.C. 422(f)(2)) is amended—

(1) by striking out clause (i) and inserting in lieu thereof the following:

"(i) Contracts or subcontracts for the acquisition of commercial items."; and

(2) by striking out clause (iii).

The CHAIRMAN. Are there any amendments to title II?

The Clerk will designate title III.

The text of title III is as follows:

TITLE III—ADDITIONAL REFORM PROVISIONS

SEC. 301. GOVERNMENT RELIANCE ON THE PRIVATE SECTOR.

(a) GOVERNMENT RELIANCE ON THE PRIVATE SECTOR.—The Office of Federal Procurement Policy Act (41 U.S.C. 401 et seq.) is amended by inserting after section 16 the following new section:

"SEC. 17. GOVERNMENT RELIANCE ON THE PRIVATE SECTOR.

"It is the policy of the Federal Government to rely on the private sector to supply the products and services the Federal Government needs.".

(b) CLERICAL AMENDMENT.—The table of contents for the Office of Federal Procurement Policy Act (contained in section 1(b)) is amended by

inserting after the item relating to section 16 the following new item:

"Sec. 17. Government reliance on the private sector.".

SEC. 302. ELIMINATION OF CERTAIN CERTIFICATION REQUIREMENTS.

(a) ELIMINATION OF CERTAIN STATUTORY CERTIFICATION REQUIREMENTS.—(1)(A) Section 2410 of title 10, United States Code, is amended—

(i) in the heading, by striking out "**: certification**"; and

(ii) in subsection (a)—

(I) in the heading, by striking out "CERTIFICATION";

(II) by striking out "unless" and all that follows through "that—" and inserting in lieu thereof "unless—"; and

(III) in paragraph (2), by striking out "to the best of that person's knowledge and belief".

(B) The item relating to section 2410 in the table of sections at the beginning of chapter 141 of such title is amended to read as follows:

"Sec. 2410. Requests for equitable adjustment or other relief.".

(2) Section 2410b of title 10, United States Code, is amended in paragraph (2) by striking out "certification and".

(3) Section 1352(b)(2) of title 31, United States Code, is amended—

(A) by striking out subparagraph (C); and

(B) by inserting "and" after the semicolon at the end of subparagraph (A).

(4) Section 5152 of the Drug-Free Workplace Act of 1988 (41 U.S.C. 701) is amended—

(A) in subsection (a)(1), by striking out "has certified to the contracting agency that it will" and inserting in lieu thereof "agrees to";

(B) in subsection (a)(2), by striking out "contract includes a certification by the individual" and inserting in lieu thereof "individual agrees"; and

(C) in subsection (b)(1)—

(i) by striking out subparagraph (A);

(ii) by redesignating subparagraph (B) as subparagraph (A) and in that subparagraph by striking out "such certification by failing to carry out"; and

(iii) by redesignating subparagraph (C) as subparagraph (B).

(b) ELIMINATION OF CERTAIN REGULATORY CERTIFICATION REQUIREMENTS.—

(1) CURRENT CERTIFICATION REQUIREMENTS.—(A) Not later than 210 days after the date of the enactment of this Act, any certification required of contractors or offerors by the Federal Acquisition Regulation that is not specifically imposed by statute shall be removed by the Administrator for Federal Procurement Policy from the Federal Acquisition Regulation unless—

(i) written justification for such certification is provided to the Administrator by the Federal Acquisition Regulatory Council; and

(ii) the Administrator approves in writing the retention of such certification.

(B)(i) Not later than 210 days after the date of the enactment of this Act, any certification required of contractors or offerors by a procurement regulation of an executive agency that is not specifically imposed by statute shall be removed by the head of the executive agency from such regulation unless—

(I) written justification for such certification is provided to the head of the executive agency by the senior procurement executive; and

(II) the head of the executive agency approves in writing the retention of such certification.

(ii) For purposes of clause (i), the term "head of the executive agency" with respect to a military department means the Secretary of Defense.

(iii) The Secretary of Defense may delegate his duties under this subparagraph only to the Under Secretary of Defense for Acquisition and Technology.

(2) FUTURE CERTIFICATION REQUIREMENTS.—(A) Section 29 of the Office of Federal Procurement Policy Act (41 U.S.C. 425) is amended—

(i) by amending the heading to read as follows:

"SEC. 29. CONTRACT CLAUSES AND CERTIFICATIONS.";

(ii) by inserting "(a) NONSTANDARD CONTRACT CLAUSES.—" before "The Federal Acquisition"; and

(iii) by adding at the end the following new subsection:

"(b) PROHIBITION ON CERTIFICATION REQUIREMENTS.—(1) A requirement for a certification by a contractor or offeror may not be included in the Federal Acquisition Regulation unless—

"(A) the certification is specifically imposed by statute; or

"(B) written justification for such certification is provided to the Administrator for Federal Procurement Policy by the Federal Acquisition Regulatory Council, and the Administrator approves in writing the inclusion of such certification.

"(2)(A) A requirement for a certification by a contractor or offeror may not be included in a procurement regulation of an executive agency unless—

"(i) the certification is specifically imposed by statute; or

"(ii) written justification for such certification is provided to the head of the executive agency by the senior procurement executive of the agency, and the head of the executive agency approves in writing the inclusion of such certification.

"(B) For purposes of subparagraph (A), the term 'head of the executive agency' with respect to a military department means the Secretary of Defense.

"(C) The Secretary of Defense may delegate his duties under this paragraph only to the Under Secretary of Defense for Acquisition and Technology.".

(B) The item relating to section 29 in the table of contents for the Office of Federal Procurement Policy Act (contained in section 1(b)) (41 U.S.C. 401 note) is amended to read as follows:

"Sec. 29. Contract clauses and certifications.".

SEC. 303. AMENDMENT TO COMMENCEMENT AND EXPIRATION OF AUTHORITY TO CONDUCT CERTAIN TESTS OF PROCUREMENT PROCEDURES.

Subsection (j) of section 5061 of the Federal Acquisition Streamlining Act of 1994 (41 U.S.C. 413 note) is amended to read as follows:

"(j) COMMENCEMENT AND EXPIRATION OF AUTHORITY.—The authority to conduct a test under subsection (a) in an agency and to award contracts under such a test shall take effect on August 1, 1995, and shall expire on August 1, 2000. Contracts entered into before such authority expires in an agency pursuant to a test shall remain in effect, notwithstanding the expiration of the authority to conduct the test under this section.".

SEC. 304. INTERNATIONAL COMPETITIVENESS.

(a) REPEAL OF PROVISION RELATING TO RESEARCH, DEVELOPMENT, AND PRODUCTION COSTS.—

(1) Subject to paragraph (2), section 21(e) of the Arms Export Control Act (22 U.S.C. 2761(e)) is amended—

(A) by inserting "and" after the semicolon at the end of paragraph (1)(A);

(B) by striking out subparagraph (B) of paragraph (1);

(C) by redesignating subparagraph (C) of paragraph (1) as subparagraph (B);

(D) by striking out paragraph (2); and

(E) by redesignating paragraph (3) as paragraph (2).

(2) Paragraph (1) shall be effective only if—

(A) the President, in the budget of the President for fiscal year 1997, proposes legislation that if enacted would be qualifying offsetting legislation; and

(B) there is enacted by October 1, 1996, qualifying offsetting legislation.

(3) If the conditions in paragraph (2) are met, then the amendments made by paragraph (1) shall take effect on October 1, 1996.

(4) For purposes of this subsection:

(A) The term "qualifying offsetting legislation" means legislation that includes provisions that—

(i) offset fully the estimated revenues lost as a result of the amendments made by paragraph (1) for each of the fiscal years 1997 through 2000;

(ii) expressly state that they are enacted for the purpose of the offset described in clause (i); and

(iii) are included in full on the PayGo scorecard.

(B) The term "PayGo scorecard" means the estimates that are made with respect to fiscal years through fiscal year 2000 by the Director of the Congressional Budget Office and the Director of the Office of Management and Budget under section 252(d) of the Balanced Budget and Emergency Deficit Control Act of 1985.

(b) EFFECTIVE DATES.—The amendments made by subsection (a) shall be effective with respect to sales agreements pursuant to sections 21 and 22 of the Arms Export Control Act (22 U.S.C. 2761 and 2762) entered into during the period beginning on October 1, 1996, and ending on September 30, 2000.

SEC. 305. PROCUREMENT INTEGRITY.

(a) AMENDMENT OF PROCUREMENT INTEGRITY PROVISION.—Section 27 of the Office of Federal Procurement Policy Act (41 U.S.C. 423) is amended to read as follows:

"SEC. 27. RESTRICTIONS ON DISCLOSING AND OBTAINING CONTRACTOR BID OR PROPOSAL INFORMATION OR SOURCE SELECTION INFORMATION.

"(a) PROHIBITION ON DISCLOSING PROCUREMENT INFORMATION.—(1) A person described in paragraph (2) shall not, other than as provided by law, knowingly disclose contractor bid or proposal information or source selection information before the award of a Federal agency procurement contract to which the information relates.

"(2) Paragraph (1) applies to any person who—

"(A) is a present or former officer or employee of the United States, or a person who is acting or has acted for or on behalf of, or who is advising or has advised the United States with respect to, a Federal agency procurement; and

"(B) by virtue of that office, employment, or relationship has or had access to contractor bid or proposal information or source selection information.

"(b) PROHIBITION ON OBTAINING PROCUREMENT INFORMATION.—A person shall not, other than as provided by law, knowingly obtain contractor bid or proposal information or source selection information before the award of a Federal agency procurement contract to which the information relates.

"(c) PROHIBITION ON DISCLOSING OR OBTAINING PROCUREMENT INFORMATION IN CONNECTION WITH A PROTEST.—(1) A person shall not, other than as provided by law, knowingly violate the terms of a protective order described in paragraph (2) by disclosing or obtaining contractor bid or proposal information or source selection information related to the procurement contract concerned.

"(2) Paragraph (1) applies to any protective order issued by the Defense Board or the Civilian Board in connection with a protest against the award or proposed award of a Federal agency procurement contract.

"(d) PENALTIES AND ADMINISTRATIVE ACTIONS.—

"(1) CRIMINAL PENALTIES.—

"(A) Whoever engages in conduct constituting an offense under subsection (a), (b), or (c) shall be imprisoned for not more than one year or fined as provided under title 18, United States Code, or both.

"(B) Whoever engages in conduct constituting an offense under subsection (a), (b), or (c) for the purpose of either—

"(i) exchanging the information covered by such subsection for anything of value, or

"(ii) obtaining or giving anyone a competitive advantage in the award of a Federal agency procurement contract,

shall be imprisoned for not more than 15 years or fined as provided under title 18, United States Code, or both.

"(2) CIVIL PENALTIES.—The Attorney General may bring a civil action in the appropriate United States district court against any person who engages in conduct constituting an offense under subsection (a), (b), or (c). Upon proof of such conduct by a preponderance of the evidence, the person is subject to a civil penalty. An individual who engages in such conduct is subject to a civil penalty of not more than $50,000 for each violation plus twice the amount of compensation which the individual received or offered for the prohibited conduct. An organization that engages in such conduct is subject to a civil penalty of not more than $500,000 for each violation plus twice the amount of compensation which the organization received or offered for the prohibited conduct.

"(3) ADMINISTRATIVE ACTIONS.—(A) If a Federal agency receives information that a contractor or a person has engaged in conduct constituting an offense under subsection (a), (b), or (c), the Federal agency shall consider taking one or more of the following actions, as appropriate:

"(i) Cancellation of the Federal agency procurement, if a contract has not yet been awarded.

"(ii) Rescission of a contract with respect to which—

"(I) the contractor or someone acting for the contractor has been convicted for an offense under subsection (a), (b), or (c), or

"(II) the head of the agency that awarded the contract has determined, based upon a preponderance of the evidence, that the contractor or someone acting for the contractor has engaged in conduct constituting such an offense.

"(iii) Initiation of suspension or debarment proceedings for the protection of the Government in accordance with procedures in the Federal Acquisition Regulation.

"(iv) Initiation of adverse personnel action, pursuant to the procedures in chapter 75 of title 5, United States Code, or other applicable law or regulation.

"(B) If a Federal agency rescinds a contract pursuant to subparagraph (A)(ii), the United States is entitled to recover, in addition to any penalty prescribed by law, the amount expended under the contract.

"(C) For purposes of any suspension or debarment proceedings initiated pursuant to subparagraph (A)(iii), engaging in conduct constituting an offense under subsection (a), (b), or (c) affects the present responsibility of a Government contractor or subcontractor.

"(e) DEFINITIONS.—As used in this section:

"(1) The term 'contractor bid or proposal information' means any of the following information submitted to a Federal agency as part of or in connection with a bid or proposal to enter into a Federal agency procurement contract, if that information has not been previously made available to the public or disclosed publicly:

"(A) Cost or pricing data (as defined by section 2306a(h) of title 10, United States Code, with respect to procurements subject to that section, and section 304A(h) of Federal Property and Administrative Services Act of 1949 (41 U.S.C. 254b(h), with respect to procurements subject to that section).

"(B) Indirect costs and direct labor rates.

"(C) Proprietary information about manufacturing processes, operations, or techniques marked by the contractor in accordance with applicable law or regulation.

"(D) Information marked by the contractor as 'contractor bid or proposal information', in accordance with applicable law or regulation.

"(2) The term 'source selection information' means any of the following information prepared for use by a Federal agency for the purpose of evaluating a bid or proposal to enter into a Federal agency procurement contract, if that information has not been previously made available to the public or disclosed publicly:

"(A) Bid prices submitted in response to a Federal agency solicitation for sealed bids, or lists of those bid prices before public bid opening.

"(B) Proposed costs or prices submitted in response to a Federal agency solicitation, or lists of those proposed costs or prices.

"(C) Source selection plans.

"(D) Technical evaluation plans.

"(E) Technical evaluations of proposals.

"(F) Cost or price evaluations of proposals.

"(G) Competitive range determinations that identify proposals that have a reasonable chance of being selected for award of a contract.

"(H) Rankings of bids, proposals, or competitors.

"(I) The reports and evaluations of source selection panels, boards, or advisory councils.

"(J) Other information marked as 'source selection information' based on a case-by-case determination by the head of the agency, his designee, or the contracting officer that its disclosure would jeopardize the integrity or successful completion of the Federal agency procurement to which the information relates.

"(3) The term 'Federal agency' has the meaning provided such term in section 3 of the Federal Property and Administrative Services Act of 1949 (40 U.S.C. 472).

"(4) The term 'Federal agency procurement' means the acquisition (by using competitive procedures and awarding a contract) of goods or services (including construction) from non-Federal sources by a Federal agency using appropriated funds.

"(5) The term 'contracting officer' means a person who, by appointment in accordance with applicable regulations, has the authority to enter into a Federal agency procurement contract on behalf of the Government and to make determinations and findings with respect to such a contract.

"(6) The term 'protest' means a written objection by an interested party to the award or proposed award of a Federal agency procurement contract, pursuant to title IV of the Federal Acquisition Reform Act of 1995.

"(f) LIMITATION ON PROTESTS.—No person may file a protest against the award or proposed award of a Federal agency procurement contract alleging an offense under subsection (a), (b), or (c), of this section, nor may the Defense Board or the Civilian Board consider such an allegation in deciding a protest, unless that person reported to the Federal agency responsible for the procurement information that the person believed constituted evidence of the offense no later than 14 days after the person first discovered the possible offense.

"(g) SAVINGS PROVISIONS.—This section does not—

"(1) restrict the disclosure of information to, or its receipt by, any person or class of persons authorized, in accordance with applicable agency regulations or procedures, to receive that information;

"(2) restrict a contractor from disclosing its own bid or proposal information or the recipient from receiving that information;

"(3) restrict the disclosure or receipt of information relating to a Federal agency procurement after it has been canceled by the Federal agency before contract award unless the Federal agency plans to resume the procurement;

"(4) prohibit individual meetings between a Federal agency employee and an offeror or potential offeror for, or a recipient of, a contract or subcontract under a Federal agency procurement, provided that unauthorized disclosure or receipt of contractor bid or proposal information or source selection information does not occur;

"(5) authorize the withholding of information from, nor restrict its receipt by, Congress, a committee or subcommittee of Congress, the Comptroller General, a Federal agency, or an inspector general of a Federal agency;

"(6) authorize the withholding of information from, nor restrict its receipt by, the Defense Board or the Civilian Board in the course of a protest against the award or proposed award of a Federal agency procurement contract; or

"(7) limit the applicability of any requirements, sanctions, contract penalties, and remedies established under any other law or regulation.".

(b) REPEALS.—The following provisions of law are repealed:

(1) Sections 2397, 2397a, 2397b, and 2397c of title 10, United States Code.

(2) Section 33 of the Federal Energy Administration Act of 1974 (15 U.S.C. 789).

(3) Section 281 of title 18, United States Code.

(4) Subsection (c) of section 32 of the Office of Federal Procurement Policy Act (41 U.S.C. 428).

(5) The first section 19 of the Federal Nonnuclear Energy Research and Development Act of 1974 (42 U.S.C. 5918).

(c) CLERICAL AMENDMENTS.—

(1) The table of sections at the beginning of chapter 141 of title 10, United States Code, is amended by striking out the items relating to sections 2397, 2397a, 2397b, and 2397c.

(2) The table of sections at the beginning of chapter 15 of title 18, United States Code, is amended by striking out the item relating to section 281.

(3) Section 32 of the Office of Federal Procurement Policy Act (41 U.S.C. 428) is amended by redesignating subsections (d), (e), (f), and (g) as subsections (c), (d), (e), and (f), respectively.

SEC. 306. FURTHER ACQUISITION STREAMLINING PROVISIONS.

(a) PURPOSE OF OFFICE OF FEDERAL PROCUREMENT POLICY.—(1) Section 5(a) of the Office of Federal Procurement Policy Act (41 U.S.C. 404) is amended to read as follows:

"(a) To promote economy, efficiency, and effectiveness in the procurement of property and services by the executive branch of the Federal Government, there shall be an Office of Federal Procurement Policy (hereinafter referred to as the 'Office') in the Office of Management and Budget to provide overall direction of Government-wide procurement policies, regulations, procedures, and forms for executive agencies.".

(2) Sections 2 and 3 of such Act (41 U.S.C. 401 and 402) are repealed.

(b) REPEAL OF REPORT REQUIREMENT.—Section 8 of the Office of Federal Procurement Policy Act (41 U.S.C. 407) is repealed.

(c) REPEAL OF OBSOLETE PROVISIONS.—(1) Sections 10 and 11 of the Office of Federal Procurement Policy Act (41 U.S.C. 409 and 410) are repealed.

(d) CLERICAL AMENDMENTS.—The table of contents for the Office of Federal Procurement Policy Act (contained in section 1(b)) is amended by striking out the items relating to sections 2, 3, 8, 10, and 11.

SEC. 307. JUSTIFICATION OF MAJOR DEFENSE ACQUISITION PROGRAMS NOT MEETING GOALS.

Section 2220(b) of title 10, United States Code, is amended by adding at the end the following: "In addition, the Secretary shall include in such annual report a justification for the continuation of any program that—

"(1) is more than 50 percent over the cost goal established for the development, procurement, or operational phase of the program;

"(2) fails to achieve at least 50 percent of the performance capability goals established for the development, procurement, or operational phase of the program; or

"(3) is more than 50 percent behind schedule, as determined in accordance with the schedule goal established for the development, procurement, or operational phase of the program.".

SEC. 308. ENHANCED PERFORMANCE INCENTIVES FOR ACQUISITION WORKFORCE.

(a) ARMED SERVICES ACQUISITIONS.—Subsection (b) of section 5001 of the Federal Acquisition Streamlining Act of 1994 (Public Law 103–355; 108 Stat. 3350; 10 U.S.C. 2220 note) is amended—

(1) by redesignating paragraphs (1) and (2) as subparagraphs (A) and (B), respectively;

(2) by designating the second sentence as paragraph (2);

(3) by inserting "(1)" after "(b) ENHANCED SYSTEM OF PERFORMANCE INCENTIVES.—"; and

(4) by adding at the end the following:

"(3) The Secretary shall include in the enhanced system of incentives the following:

"(A) Pay bands.

"(B) Significant and material pay and promotion incentives to be awarded, and significant and material unfavorable personnel actions to be imposed, under the system exclusively, or primarily, on the basis of the contributions of personnel to the performance of the acquisition program in relation to cost goals, performance goals, and schedule goals.

"(C) Provisions for pay incentives and promotion incentives to be awarded under the system.".

(b) CIVILIAN AGENCY ACQUISITIONS.—Subsection (c) of section 5051 of the Federal Acquisition Streamlining Act of 1994 (Public Law 103–355; 108 Stat. 3351; 41 U.S.C. 263 note) is amended—

(1) by redesignating subparagraphs (A) and (B) of paragraph (2) as clauses (i) and (ii), respectively;

(2) by redesignating paragraphs (1) and (2) as subparagraphs (A) and (B), respectively;

(3) by inserting "(1)" after "(c) ENHANCED SYSTEM OF PERFORMANCE INCENTIVES.—"; and

(4) by adding at the end the following:

"(2) The Deputy Director shall include in the enhanced system of incentives under paragraph (1)(B) the following:

"(A) Pay bands.

"(B) Significant and material pay and promotion incentives to be awarded, and significant and material unfavorable personnel actions to be imposed, under the system exclusively, or primarily, on the basis of the contributions of personnel to the performance of the acquisition program in relation to cost goals, performance goals, and schedule goals.

"(C) Provisions for pay incentives and promotion incentives to be awarded under the system.".

SEC. 309. RESULTS ORIENTED ACQUISITION PROGRAM CYCLE.

Section 5002(a) of the Federal Acquisition Streamlining Act of 1994 (Public Law 103–355; 108 Stat. 3350) is amended—

(1) by inserting "(1)" before "to ensure"; and

(2) by striking out the period at the end and inserting in lieu thereof the following: "; (2) to ensure that the regulations compress the time periods associated with developing, procuring, and making operational new systems; and (3) to ensure that Department of Defense directives relating to development and procurement of information systems (numbered in the 8000 series) and the Department of Defense directives numbered in the 5000 series are consolidated into one series of directives that is consistent with such compressed time periods.".

SEC. 310. RAPID CONTRACTING GOAL.

(a) GOAL.—The Office of Federal Procurement Policy Act, as amended by section 106, is further amended by adding at the end the following new section:

"SEC. 36. RAPID CONTRACTING GOAL.

"The Administrator for Federal Procurement Policy shall establish a goal of reducing by 50 percent the time necessary for executive agencies to acquire an item for the user of that item.".

(b) CLERICAL AMENDMENT.—The table of contents for such Act, contained in section 1(b), is amended by adding at the end the following new item:

"Sec. 36. Rapid contracting goal.".

SEC. 311. ENCOURAGEMENT OF MULTIYEAR CONTRACTING.

(a) ARMED SERVICES ACQUISITIONS.—Section 2306b(a) of title 10, United States Code, is amended in the matter preceding paragraph (1) by striking out "may" and inserting in lieu thereof "shall, to the maximum extent possible,".

(b) CIVILIAN AGENCY ACQUISITIONS.—Section 304B(a) of the Federal Property and Administrative Services Act of 1949 (41 U.S.C. 254c(a)) is amended in the matter preceding paragraph (1) by striking out "may" and inserting in lieu thereof "shall, to the maximum extent possible,".

SEC. 312. CONTRACTOR SHARE OF GAINS AND LOSSES FROM COST, SCHEDULE, AND PERFORMANCE EXPERIENCE.

(a) ARMED SERVICES ACQUISITIONS.—(1) Chapter 137 of title 10, United States Code, is amended by inserting after section 2306b the following new section:

"§2306c. Contractor share of gains and losses from cost, schedule, and performance experience

"The Federal Acquisition Regulation shall contain provisions to ensure that, for any cost-type contract or incentive-type contract, the contractor may be rewarded for contract performance exceeding the contract cost, schedule, or performance parameters to the benefit of the United States and may be penalized for failing to adhere to cost, schedule, or performance parameters to the detriment of the United States.".

(2) The table of sections at the beginning of such chapter is amended by inserting after the item relating to section 2306b the following new item:

"2306c. Contractor share of gains and losses from cost, schedule, and performance experience.".

(b) CIVILIAN AGENCY ACQUISITIONS.—(1) Title III of the Federal Property and Administrative Services Act of 1949 (41 U.S.C. 251 et seq.) is amended by inserting after section 304C the following new section:

"SEC. 304D. CONTRACTOR SHARE OF GAINS AND LOSSES FROM COST, SCHEDULE, AND PERFORMANCE EXPERIENCE.

"The Federal Acquisition Regulation shall contain provisions to ensure that, for any cost-type contract or incentive-type contract, the contractor may be rewarded for contract performance exceeding the contract cost, schedule, or performance parameters to the benefit of the United States and may be penalized for failing to adhere to cost, schedule, or performance parameters to the detriment of the United States.".

(2) The table of contents for such Act, contained in section 1(b), is amended by inserting after the item relating to section 304C the following new item:

"Sec. 304D. Contractor share of gains and losses from cost, schedule, and performance experience.".

SEC. 313. PHASE FUNDING OF DEFENSE ACQUISITION PROGRAMS.

Chapter 131 of title 10, United States Code, is amended by adding at the end the following new section:

"§2221. Funding for results oriented acquisition program cycle

"Before initial funding is made available for the development, procurement, or operational phase of an acquisition program for which an authorization of appropriations is required by section 114 of this title, the Secretary of Defense shall submit to Congress information about the objectives and plans for the conduct of that phase and the funding requirements for the entire phase. The information shall identify the intended user of the system to be acquired under the program and shall include objective, quantifiable criteria for assessing the extent to which the objectives and goals determined pursuant to section 2435 of this title are achieved.".

(2) The table of sections at the beginning of such chapter is amended by adding at the end the following new item:

"2221. Funding for results oriented acquisition program cycle.".

SEC. 314. IMPROVED DEPARTMENT OF DEFENSE CONTRACT PAYMENT PROCEDURES.

(a) REVIEW AND IMPROVEMENT OF PROCEDURES.—The Comptroller General of the United States shall review commercial practices regarding accounts payable and, considering the results of the review, develop standards for the Secretary of Defense to consider using for improving the contract payment procedures and financial management systems of the Department of Defense.

(b) GAO REPORT.—Not later than September 30, 1996, the Comptroller General shall submit to Congress a report containing the following matters:

(1) The weaknesses in the financial management processes of the Department of Defense.

(2) Deviations of the Department of Defense payment procedures and financial management systems from the standards developed pursuant to subsection (a), expressed quantitatively.

(3) The officials of the Department of Defense who are responsible for resolving the deviations.

SEC. 315. CONSIDERATION OF PAST PERFORMANCE IN ASSIGNMENT TO ACQUISITION POSITIONS.

(a) REQUIREMENT.—Section 1701(a) of title 10, United States Code, is amended by adding at the end the following: "The policies and procedures shall provide that education and training in acquisition matters, and past performance of acquisition responsibilities, are major factors in the selection of personnel for assignment to acquisition positions in the Department of Defense.".

(b) PERFORMANCE REQUIREMENTS FOR ASSIGNMENT.—(1) Section 1723(a) of title 10, United States Code, is amended by inserting ", including requirements relating to demonstrated past performance of acquisition duties," in the first sentence after "experience requirements".

(2) Section 1724(a)(2) of such title is amended by inserting before the semicolon at the end the following: "and have demonstrated proficiency in the performance of acquisition duties in the contracting position or positions previously held".

(3) Section 1735 of such title is amended—

(A) in subsection (b)—

(i) by striking out "and" at the end of paragraph (2);

(ii) by striking out the period at the end of paragraph (3) and inserting in lieu thereof "; and"; and

(iii) by adding at the end the following:

"(4) must have demonstrated proficiency in the performance of acquisition duties.";

(B) in subsection (c)—

(i) by striking out "and" at the end of paragraph (2);

(ii) by striking out the period at the end of paragraph (3) and inserting in lieu thereof "; and"; and

(iii) by adding at the end the following:

"(4) must have demonstrated proficiency in the performance of acquisition duties.";

(C) in subsection (d), by inserting before the period at the end the following: ", and have demonstrated proficiency in the performance of acquisition duties"; and

(D) in subsection (e), by inserting before the period at the end the following: ", and have demonstrated proficiency in the performance of acquisition duties".

SEC. 316. ADDITIONAL DEPARTMENT OF DEFENSE PILOT PROGRAMS.

(a) ADDITIONAL PROGRAM AUTHORIZED FOR PARTICIPATION IN DEFENSE ACQUISITION PILOT PROGRAM.—Section 5064 of the Federal Acquisition Streamlining Act of 1994 (P.L. 103–355; 108 Stat. 3359) is amended as follows:

(1) Subsection (a) is amended by adding at the end the following new paragraph:

"(6) JOINT STANDOFF WEAPON UNITARY VARIANT (JSOW-UV).—The Joint Standoff Weapon Unitary Variant program with respect to all contracts directly related to the development and procurement of an air-delivered, standoff weapon that incorporates a global positioning system-aided inertial navigation system, a data link capability, and a unitary warhead.".

(2) Subsection (c) is amended—

(A) by striking out "and" at the end of paragraph (1);

(B) by striking out the period at the end of paragraph (2) and inserting in lieu thereof "; and"; and

(C) by adding at the end the following new paragraph:

"(3) with respect to the program described in subsection (a)(6)—

"(A) to apply any amendment or repeal of a provision of law made in the Federal Acquisition Reform Act of 1995 to the pilot program before the effective date of such amendment or repeal; and

"(B) to apply to a procurement of items other than commercial items under such program any waiver or exception applicable under the Federal Acquisition Streamlining Act of 1994 (Public Law 103–355) or the Federal Acquisition Reform Act of 1995 (or an amendment made by a provision of either Act) in the case of commercial items before the effective date of such provision (or amendment), to the extent that the Secretary determines necessary to test the application of such waiver or exception to procurements of items other than commercial items.".

(b) DEFENSE ACQUISITION FACILITY-WIDE PILOT PROGRAM.—

(1) AUTHORITY TO CONDUCT FACILITY-WIDE PILOT PROGRAM.—The Secretary of Defense may conduct a pilot program, to be known as the "defense facility-wide pilot program", for the purpose of determining the potential for increasing the efficiency and effectiveness of the acquisition process in facilities.

(2) SCOPE OF PROGRAM.—At a facility designated as a participant in the pilot program, the pilot program shall consist of the following:

(A) All contracts and subcontracts for defense supplies and services that are performed at the facility.

(B) All contracts and subcontracts performed elsewhere that the Secretary determines are directly and substantially related to the production of defense supplies and services at the facility and are necessary for the pilot program.

(3) DESIGNATION OF PARTICIPATING FACILITIES.—(A) The Secretary may designate up to three facilities as participants in the defense facility-wide pilot program.

(B) Subject to paragraph (7), the Secretary may determine the scope and duration of a designation made under this paragraph.

(4) CRITERIA FOR DESIGNATION.—The Secretary may designate a facility under paragraph (3) only if the Secretary determines that all or substantially all of the contracts to be awarded and performed at the facility after the designation, and all or substantially all of the subcontracts to be awarded under those contracts and performed at the facility after the designation, will be—

(A) for the production of supplies or services on a firm-fixed price basis;

(B) awarded without requiring the contractors or subcontractors to provide certified cost or pricing data pursuant to section 2306a of title 10, United States Code; and

(C) awarded and administered without the application of cost accounting standards under section 26(f) of the Office of Federal Procurement Policy Act (41 U.S.C. 422(f)).

(5) EXEMPTION FROM CERTAIN REQUIREMENTS.—In the case of a contract or subcontract that is to be performed at a facility designated for participation in the defense facility-wide pilot program and that is subject to section 2306a of title 10, United States Code, or section 26(f) of the Office of Federal Procurement Policy Act (41 U.S.C. 422(f)), the Secretary of Defense may exempt such contract or subcontract from the requirement to obtain certified cost or pricing data under such section 2306a or the requirement to apply mandatory cost accounting standards under such section 26(f) if the Secretary determines that the contract or subcontract—

(A) is within the scope of the pilot program (as described in paragraph (2)); and

(B) is fairly and reasonably priced based on information other than certified cost and pricing data.

(6) SPECIAL AUTHORITY.—The authority provided under paragraph (1) may include authority for the Secretary of Defense—

(A) to apply any amendment or repeal of a provision of law made in this Act to the pilot program before the effective date of such amendment or repeal; and

(B) to apply to a procurement of items other than commercial items under such program—

(i) any authority provided in the Federal Acquisition Streamlining Act of 1994 (Public Law 103–355) (or in an amendment made by a provision of that Act) to waive a provision of law in the case of commercial items, and

(ii) any exception applicable under this Act or the Federal Acquisition Streamlining Act of 1994 (Public Law 103–355) (or an amendment made by a provision of either Act) in the case of commercial items,

before the effective date of such provision (or amendment) to the extent that the Secretary determines necessary to test the application of such waiver or exception to procurements of items other than commercial items.

(7) APPLICABILITY.—(A) Paragraphs (5) and (6) apply with respect to—

(i) a contract that is awarded or modified during the period described in subparagraph (B); and

(ii) a contract that is awarded before the beginning of such period and is to be performed (or may be performed), in whole or in part, during such period.

(B) The period referred to in subparagraph (A) is the period that begins 45 days after the date of the enactment of this Act and ends on September 30, 1998.

(8) COMMERCIAL PRACTICES ENCOURAGED.—With respect to contracts and subcontracts within the scope of the defense facility-wide pilot program, the Secretary of Defense may, to the extent the Secretary determines appropriate and in accordance with the law, adopt commercial practices in the administration of contracts and subcontracts. Such commercial practices may include elimination of Government audit and access to records provisions; incorporation of commercial oversight, inspection, and acceptance procedures; use of alternative dispute resolution techniques (including arbitration); and elimination of contract provisions authorizing the Government to make unilateral changes to contracts.

SEC. 317. VALUE ENGINEERING FOR FEDERAL AGENCIES.

(a) USE OF VALUE ENGINEERING.—The Office of Federal Procurement Policy Act (41 U.S.C. 401 et seq.), as amended by section 310, is further amended by adding at the end the following new section:

"SEC. 37. VALUE ENGINEERING.

"(a) IN GENERAL.—Each executive agency shall establish and maintain effective value engineering procedures and processes.

"(b) THRESHOLD.—The procedures and processes established pursuant to subsection (a) shall be applied to those programs, projects, systems, and products of an executive agency that, in a ranking of all programs, projects, systems, and products of the agency according to greatest dollar value, are within the highest 20th percentile.

"(c) DEFINITION.—As used in this section, the term 'value engineering' means a team effort, performed by qualified agency or contractor personnel, directed at analyzing the functions of a program, project, system, product, item of equipment, building, facility, service, or supply for the purpose of achieving the essential functions at the lowest life-cycle cost that is consistent with required or improved performance, reliability, quality, and safety.".

(b) CLERICAL AMENDMENT.—The table of contents for such Act, contained in section 1(b), is amended by adding at the end the following new item:

"Sec. 37. Value engineering.".

SEC. 318. ACQUISITION WORKFORCE.

(a) ACQUISITION WORKFORCE.—(1) The Office of Federal Procurement Policy Act (41 U.S.C. 401 et seq.), as amended by section 317, is further amended by adding at the end the following new section:

"SEC. 38. ACQUISITION WORKFORCE.

"(a) APPLICABILITY.—This section does not apply to an executive agency that is subject to chapter 87 of title 10, United States Code.

"(b) MANAGEMENT POLICIES.—

"(1) POLICIES AND PROCEDURES.—The head of each executive agency, after consultation with the Administrator for Federal Procurement Policy, shall establish policies and procedures for the effective management (including accession, education, training, career development, and performance incentives) of the acquisition workforce of the agency. The development of acquisition workforce policies under this section shall be carried out consistent with the merit system principles set forth in paragraphs (1) and (2) of section 2301(b) of title 5, United States Code.

"(2) UNIFORM IMPLEMENTATION.—The head of each executive agency shall ensure that, to the maximum extent practicable, acquisition workforce policies and procedures established are uniform in their implementation throughout the agency.

"(3) GOVERNMENT-WIDE POLICIES AND EVALUATION.—The Administrator shall issue policies to

promote uniform implementation of this section by executive agencies, with due regard for differences in program requirements among agencies that may be appropriate and warranted in view of the agency mission. The Administrator shall coordinate with the Deputy Director for Management of the Office of Management and Budget to ensure that such policies are consistent with the policies and procedures established and enhanced system of incentives provided pursuant to section 5051(c) of the Federal Acquisition Streamlining Act of 1994 (41 U.S.C. 263 note). The Administrator shall evaluate the implementation of the provisions of this section by executive agencies.

"(c) SENIOR PROCUREMENT EXECUTIVE AUTHORITIES AND RESPONSIBILITIES.—Subject to the authority, direction, and control of the head of an executive agency, the senior procurement executive of the agency shall carry out all powers, functions, and duties of the head of the agency with respect to implementation of this section. The senior procurement executive shall ensure that the policies of the head of the executive agency established in accordance with this section are implemented throughout the agency.

"(d) MANAGEMENT INFORMATION SYSTEMS.—The Administrator shall ensure that the heads of executive agencies collect and maintain standardized information on the acquisition workforce related to implementation of this section. To the maximum extent practicable, such data requirements shall conform to standards established by the Office of Personnel Management for the Central Personnel Data File.

"(e) ACQUISITION WORKFORCE.—The programs established by this section shall apply to all employees in the General Schedule Contracting series (GS–1102) and the General Schedule Purchasing series (GS–1105), and to any employees regardless of series who have been appointed as contracting officers whose authority exceeds the micro-purchase threshold, as that term is defined in section 32(g). The head of each executive agency may include employees in other series who perform acquisition or acquisition-related functions.

"(f) CAREER DEVELOPMENT.—

"(1) CAREER PATHS.—The head of each executive agency shall ensure that appropriate career paths for personnel who desire to pursue careers in acquisition are identified in terms of the education, training, experience, and assignments necessary for career progression to the most senior acquisition positions. The head of each executive agency shall make information available on such career paths.

"(2) CRITICAL DUTIES AND TASKS.—For each career path, the head of each executive agency shall identify the critical acquisition-related duties and tasks in which, at minimum, employees of the agency in the career path shall be competent to perform at full performance grade levels. For this purpose, the head of the executive agency shall provide appropriate coverage of the critical duties and tasks identified by the Director of the Federal Acquisition Institute.

"(3) MANDATORY TRAINING AND EDUCATION.—For each career path, the head of each executive agency shall establish requirements for the completion of course work and related on-the-job training in the critical acquisition-related duties and tasks of the career path. The head of each executive agency shall also encourage employees to maintain the currency of their acquisition knowledge and generally enhance their knowledge of related acquisition management disciplines through academic programs and other self-developmental activities.

"(4) PERFORMANCE INCENTIVES.—The head of each executive agency, acting through the senior procurement executive for the agency, shall provide for an enhanced system of incentives for the encouragement of excellence in the acquisition workforce which rewards performance of employees that contribute to achieving the agency's performance goals. The system of incentives shall include provisions that—

"(A) relate pay to performance;

"(B) provide for consideration, in personnel evaluations and promotion decisions, of the extent to which the performance of personnel contributed to achieving the agency's performance goals; and

"(C) provide pay and promotion incentives to be awarded, and unfavorable personnel actions to be imposed, under the system on the basis of the contributions of personnel to achieving the agency's performance goals.

"(g) QUALIFICATION REQUIREMENTS.—

"(1) GENERAL SCHEDULE CONTRACTING SERIES (GS–1102).—

"(A) ENTRY LEVEL QUALIFICATIONS.—The Director of the Office of Personnel Management shall require that, after October 1, 1996, a person may not be appointed to a position in the GS–1102 occupational series unless the person—

"(i) has received a baccalaureate degree from an accredited educational institution authorized to grant baccalaureate degrees,

"(ii) has completed at least 24 semester credit hours (or the equivalent) of study from an accredited institution of higher education in any of the following disciplines: accounting, business finance, law, contracts, purchasing, economics, industrial management, marketing, quantitative methods, or organization and management, or

"(iii) has passed a written test determined by the Administrator for Federal Procurement Policy, after consultation with the Director of the Office of Personnel Management, to demonstrate the judgmental skills necessary for positions in this series.

"(B) QUALIFICATIONS FOR SENIOR CONTRACTING POSITIONS.—The Director of the Office of Personnel Management shall require that, after October 1, 1996, persons may be appointed to positions at and above full performance grade levels in the GS–1102 occupational series only if those persons—

"(i) have satisfied the educational requirement either of subparagraph (A)(i) or (A)(ii),

"(ii) have successfully completed all training required for the position under subsection (f)(3), and

"(iii) have satisfied experience and other requirements established by the Director for such positions.

However, this requirement shall apply to persons employed on October 1, 1996, in GS–1102 positions at those grade levels only as a prerequisite for promotion to a GS–1102 position at a higher grade.

"(2) GENERAL SCHEDULE PURCHASING SERIES (GS–1105).—The Director of the Office of Personnel Management shall require that, after October 1, 1996, a person may not be appointed to a position in the GS–1105 occupational series unless the person—

"(A) has successfully completed 2 years of course work from an accredited educational institution authorized to grant degrees, or

"(B) has passed a written test determined by the Administrator for Federal Procurement Policy, after consultation with the Director of the Office of Personnel Management, to demonstrate the judgmental skills necessary for positions in this series.

"(3) CONTRACTING OFFICERS.—The head of each executive agency shall require that, beginning after October 1, 1996, a person may be appointed as a contracting officer with authority to award or administer contracts for amounts above the micro-purchase threshold, as that term is defined in section 32(g), only if the person—

"(A) has successfully completed all mandatory training required of an employee in an equivalent GS–1102 or 1105 position under subsection (f)(3); and

"(B) meets experience and other requirements established by the head of the agency, based on the dollar value and complexity of the contracts that the employee will be authorized to award or administer under the appointment as a contracting officer.

"(4) EXCEPTIONS.—(A) The requirements set forth in paragraphs (1) and (2), as applicable, shall not apply to any person employed in the GS–1102 or GS–1105 series on October 1, 1996.

"(B) Employees of an executive agency who do not satisfy the full qualification requirements for appointment as a contracting officer under paragraph (3) may be appointed as a contracting officer for a temporary period of time under procedures established by the agency head. The procedures shall—

"(i) require that the person have completed a significant portion of the required training,

"(ii) require a plan be established for the balance of the required training,

"(iii) specify a period of time for completion of the training, and

"(iv) include provisions for withdrawing or terminating the appointment prior to the scheduled expiration date, where appropriate.

"(5) WAIVER.—The senior procurement executive for an executive agency may waive any or all of the qualification requirements of paragraphs (1) and (2) for a person if the person possesses significant potential for advancement to levels of greater responsibility and authority, based on demonstrated job performance and qualifying experience. This authority may not be redelegated by the senior procurement executive. With respect to each waiver granted under this subsection, the senior procurement executive shall set forth in writing the rationale for the decision to waive such requirements.

"(h) PROGRAM ESTABLISHMENT AND IMPLEMENTATION.—

"(1) FUNDING LEVELS.—(A) The head of an executive agency shall request in the budget for a fiscal year for the agency—

"(i) for education and training under this section, an amount equal to no less than 2.5 percent of the base aggregate salary cost of the acquisition workforce subject to this section for that fiscal year; and

"(ii) for salaries of the acquisition workforce, an amount equal to no more than 97.5 percent of such base aggregate salary cost.

"(B) The head of the executive agency shall set forth separately the funding levels requested in the budget justification documents submitted in support of the President's budget submitted to Congress under section 1105 of title 31, United States Code.

"(C) Funds appropriated for education and training under this section may not be obligated or used for any other purpose.

"(2) INTERAGENCY AGREEMENTS.—The head of an executive agency may enter into a written agreement with another agency to participate in programs established under this section on a reimbursable basis.

"(3) TUITION ASSISTANCE.—Notwithstanding the prohibition in section 4107(b) of title 5, United States Code, the head of each executive agency may provide for tuition reimbursement and education (including a full-time course of study leading to a degree) for acquisition personnel in the agency related to the purposes of this section.

"(4) INTERN PROGRAMS.—The head of each executive agency may establish intern programs in order to recruit highly qualified and talented individuals and provide them with opportunities for accelerated promotions, career broadening assignments, and specified training for advancement to senior acquisition positions. For such programs, the head of an executive agency,

without regard to the provisions of title 5, United States Code, may appoint individuals to competitive GS–5, GS–7, or GS–9 positions in the General Schedule Contracting series (GS–1102) who have graduated from baccalaureate or master's programs in purchasing or contracting from accredited educational institutions authorized to grant baccalaureate and master's degrees.

"(5) COOPERATIVE EDUCATION PROGRAM.—The head of each executive agency may establish an agencywide cooperative education credit program for acquisition positions. Under the program, the head of the executive agency may enter into cooperative arrangements with one or more accredited institutions of higher education which provide for such institutions to grant undergraduate credit for work performed in such position.

"(6) SCHOLARSHIP PROGRAM.—

"(A) ESTABLISHMENT.—Where deemed appropriate, the head of each executive agency may establish a scholarship program for the purpose of qualifying individuals for acquisition positions in the agency.

"(B) ELIGIBILITY.—To be eligible to participate in a scholarship program established under this paragraph by an executive agency, an individual must—

"(i) be accepted for enrollment or be currently enrolled as a full-time student at an accredited educational institution authorized to grant baccalaureate or graduate degrees (as appropriate);

"(ii) be pursuing a course of education that leads toward completion of a bachelor's, master's, or doctor's degree (as appropriate) in a qualifying field of study, as determined by the head of the agency;

"(iii) sign an agreement described in subparagraph (C) under which the participant agrees to serve a period of obligated service in the agency in an acquisition position in return for payment of educational assistance as provided in the agreement; and

"(iv) meet such other requirements as the head of the agency prescribes.

"(C) AGREEMENT.—An agreement between the head of an executive agency and a participant in a scholarship program established under this paragraph shall be in writing, shall be signed by the participant, and shall include the following provisions:

"(i) The agreement of the head of the agency to provide the participant with educational assistance for a specified number of school years, not to exceed 4, during which the participant is pursuing a course of education in a qualifying field of study. The assistance may include payment of tuition, fees, books, laboratory expenses, and a stipend.

"(ii) The participant's agreement—

"(I) to accept such educational assistance,

"(II) to maintain enrollment and attendance in the course of education until completed,

"(III) while enrolled in such course, to maintain an acceptable level of academic standing (as prescribed by the head of the agency), and

"(IV) after completion of the course of education, to serve as a full-time employee in an acquisition position in the agency for a period of time of one calendar year for each school year or part thereof for which the participant was provided a scholarship under the program.

"(D) REPAYMENT.—(i) Any person participating in a program established under this paragraph shall agree to pay to the United States the total amount of educational assistance provided to the person under the program if the person is voluntarily separated from the agency or involuntarily separated for cause from the agency before the end of the period for which the person has agreed to continue in the service of the agency in an acquisition position.

"(ii) If an employee fails to fulfill the agreement to pay to the Government the total amount of educational assistance provided to the person under the program, a sum equal to the amount of the educational assistance may be recovered by the Government from the employee (or the estate of the employee) by setoff against accrued pay, compensation, amount of retirement credit, or other amount due the employee from the Government; and by such other method as is provided by law for the recovery of amounts owing to the Government.

"(iii) The head of an executive agency may waive in whole or in part a repayment required under this paragraph if the head of the agency determines the recovery would be against equity and good conscience or would be contrary to the best interests of the United States.

"(E) TERMINATION OF AGREEMENT.—There shall be no requirement that a position be offered to a person after such person successfully completes a course of education required by an agreement under this paragraph. If no position is offered, the agreement shall be considered terminated.".

(2) The table of contents for such Act, contained in section 1(b), is amended by adding at the end the following new item:

"Sec. 38. Acquisition workforce.".

(b) ADDITIONAL AMENDMENTS.—Section 6(d)(5) of the Office of Federal Procurement Policy Act (41 U.S.C. 405), is amended—

(1) in subparagraph (A), by striking out "Government-wide career management programs for a professional procurement work force" and inserting in lieu thereof "the development of a professional acquisition workforce Government-wide";

(2) in subparagraph (B)—

(A) by striking out "procurement by the" and inserting in lieu thereof "acquisition by the"; and

(B) by striking out "and" at the end of the subparagraph; and

(3) by striking out subparagraph (C) and inserting in lieu thereof the following:

"(C) administer the provisions of section 38;

"(D) collect data and analyze acquisition workforce data from the Office of Personnel Management, the heads of executive agencies, and, through periodic surveys, from individual employees;

"(E) periodically analyze acquisition career fields to identify critical competencies, duties, tasks, and related academic prerequisites, skills, and knowledge;

"(F) coordinate and assist agencies in identifying and recruiting highly qualified candidates for acquisition fields;

"(G) develop instructional materials for acquisition personnel in coordination with private and public acquisition colleges and training facilities;

"(H) evaluate the effectiveness of training and career development programs for acquisition personnel;

"(I) promote the establishment and utilization of academic programs by colleges and universities in acquisition fields;

"(J) facilitate, to the extent requested by agencies, interagency intern and training programs; and

"(K) perform other career management or research functions as directed by the Administrator.".

Mr. CLINGER. Mr. Chairman, I move that the committee do now rise.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker pro tempore (Mr. LAHOOD) having assumed the chair, Mr. WELLER, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 1670) to revise and streamline the acquisition laws of the Federal Government, to reorganize the mechanisms for resolving Federal procurement disputes, and for other purposes, had come to no resolution thereon.

APPOINTMENT OF CONFEREES ON H.R. 2126, DEPARTMENT OF DEFENSE APPROPRIATIONS ACT, 1996

Mr. YOUNG of Florida. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H.R. 2126) making appropriations for the Department of Defense for the fiscal year ending September 30, 1996, and for other purposes, with a Senate amendment thereto, disagree to the Senate amendment, and agree to the conference asked by the Senate.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Florida? The Chair hears none, and without and objection appoints the following conferees: Messrs. YOUNG of Florida, MCDADE, LIVINGSTON, LEWIS of California, SKEEN, HOBSON, BONILLA, NETHERCUTT, NEUMANN, MURTHA, DICKS, WILSON, HEFNER, SABO, and OBEY.

There was no objection.

MOTION TO CLOSE PORTIONS OF CONFERENCE COMMITTEE MEETINGS ON H.R. 2126, DEPARTMENT OF DEFENSE APPROPRIATIONS ACT, 1996

Mr. YOUNG of Florida. Mr. Speaker, I offer a motion.

The SPEAKER pro tempore. The Clerk will report the motion.

The Clerk read as follows:

Mr. YOUNG of Florida moves, pursuant to rule xxviii (28), clause 6(a) of the House rules, that the conference meetings between the House and the Senate on the bill, H.R. 2126, making appropriations for the Department of Defense for the fiscal year ending September 30, 1996, and for other purposes, be closed to the public at such times as classified national security information is under consideration; provided, however, that any sitting Member of Congress shall have a right to attend any closed or open meeting.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Florida [Mr. YOUNG].

Under the rule on this motion, the vote must be taken by the yeas and nays.

The vote was taken by electronic device, and there were—yeas 414, nays 2, not voting 18, as follows:

[Roll No. 661]

YEAS—414

Abercrombie
Allard
Andrews
Archer
Armey
Bachus
Baesler
Baker (CA)
Baker (LA)
Baldacci
Ballenger
Barcia
Barr
Barrett (NE)
Barrett (WI)
Bartlett
Barton
Bass
Bateman
Becerra
Beilenson

Bentsen
Bereuter
Bevill
Bilbray
Bilirakis
Bishop
Bliley
Blute
Boehlert
Boehner
Bonilla
Bonior
Bono
Borski
Boucher
Brewster
Browder
Brown (CA)
Brown (FL)
Brown (OH)
Brownback
Bryant (TN)
Bryant (TX)
Bunn
Bunning
Burr
Burton
Buyer
Callahan
Calvert
Camp
Canady
Cardin
Castle
Chabot
Chambliss
Chapman
Chenoweth
Christensen
Chrysler
Clay
Clayton
Clement
Clinger
Clyburn
Coble
Coburn
Coleman
Collins (IL)
Collins (MI)
Combest
Condit
Conyers
Cooley
Costello
Coyne
Cramer
Crane
Crapo
Cremeans
Cubin
Cunningham
Danner
Davis
Deal
DeLauro
DeLay
Dellums
Deutsch
Diaz-Balart
Dickey
Dicks
Dingell
Dixon
Doggett
Dooley
Doolittle
Dornan
Doyle
Dreier
Duncan
Dunn
Durbin
Edwards
Ehlers
Ehrlich
Emerson
Engel
English
Ensign
Eshoo
Evans
Everett
Ewing
Farr
Fattah
Fawell
Fazio
Fields (LA)
Fields (TX)
Filner
Flake
Flanagan
Foglietta
Foley
Forbes
Ford
Fowler
Fox
Frank (MA)
Franks (CT)
Franks (NJ)
Frelinghuysen
Frisa
Funderburk
Furse
Gallegly
Ganske
Gejdenson
Gekas
Gephardt
Geren
Gibbons
Gilchrest
Gilman
Gonzalez
Goodlatte
Goodling
Gordon
Goss
Graham
Green
Greenwood
Gunderson
Gutierrez
Gutknecht
Hall (OH)
Hall (TX)
Hamilton
Hancock
Hansen
Harman
Hastert
Hastings (FL)
Hastings (WA)
Hayes
Hayworth
Hefley
Hefner
Heineman
Herger
Hilleary
Hilliard
Hinchey
Hobson
Hoekstra
Hoke
Holden
Horn
Hostettler
Houghton
Hoyer
Hunter
Hutchinson
Hyde
Inglis
Istook
Jackson-Lee
Jacobs
Jefferson
Johnson (CT)
Johnson (SD)
Johnson, E. B.
Johnson, Sam
Johnston
Jones
Kanjorski
Kaptur
Kasich
Kelly
Kennedy (MA)
Kennedy (RI)
Kennelly
Kildee
Kim
King
Kingston
Kleczka
Klink
Klug
Knollenberg
Kolbe
LaFalce
LaHood
Lantos
Largent
Latham
LaTourette
Laughlin
Lazio
Leach
Levin
Lewis (CA)
Lewis (GA)
Lewis (KY)
Lightfoot
Lincoln
Linder
Lipinski
Livingston
LoBiondo
Lofgren
Longley
Lowey
Lucas
Luther
Maloney
Manton
Manzullo
Markey
Martinez
Martini
Mascara
Matsui
McCarthy
McCollum
McCrery
McDade
McDermott
McHale
McHugh
McInnis
McIntosh
McKeon
McKinney
McNulty
Meehan
Meek
Menendez
Metcalf
Meyers
Mfume
Mica
Miller (CA)
Miller (FL)
Mineta
Minge
Mink
Molinari
Montgomery
Moorhead
Moran
Morella
Murtha
Myers
Myrick
Nadler
Neal
Nethercutt
Neumann
Ney
Norwood
Nussle
Oberstar
Obey
Olver
Ortiz
Orton
Owens
Oxley
Packard
Pallone
Parker
Pastor
Paxon
Payne (NJ)
Payne (VA)
Peterson (FL)
Peterson (MN)
Petri
Pickett
Pombo
Pomeroy
Porter
Portman
Poshard
Pryce
Quillen
Quinn
Radanovich
Rahall
Ramstad
Rangel
Reed
Regula
Richardson
Riggs
Rivers
Roberts
Roemer
Rogers
Rohrabacher
Ros-Lehtinen
Roth
Roukema
Roybal-Allard
Royce
Rush
Sabo
Salmon
Sanders
Sanford
Sawyer
Saxton
Scarborough
Schaefer
Schiff
Schumer
Scott
Seastrand
Sensenbrenner
Serrano
Shadegg
Shaw
Shays
Shuster
Skaggs
Skeen
Skelton
Slaughter
Smith (MI)
Smith (NJ)
Smith (TX)
Smith (WA)
Solomon
Souder
Spence
Spratt
Stark
Stearns
Stenholm
Stockman
Stokes
Studds
Stump
Stupak
Talent
Tanner
Tate
Tauzin
Taylor (MS)
Taylor (NC)
Tejeda
Thomas
Thompson
Thornberry
Thornton
Thurman
Tiahrt
Torkildsen
Torres
Towns
Traficant
Upton
Velazquez
Vento
Visclosky
Vucanovich
Walker
Walsh
Wamp
Ward
Waters
Watt (NC)
Watts (OK)
Waxman
Weldon (FL)
Weldon (PA)
Weller
White
Whitfield
Wicker
Williams
Wilson
Wise
Wolf
Woolsey
Wyden
Wynn
Young (AK)
Young (FL)
Zeliff
Zimmer

NAYS—2

DeFazio
Schroeder

NOT VOTING—18

Ackerman
Berman
Collins (GA)
Cox
de la Garza
Frost
Gillmor
Moakley
Mollohan
Pelosi
Reynolds
Rose
Sisisky
Torricelli
Tucker
Volkmer
Waldholtz
Yates

☐ 2045

So the motion was agreed to.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

HOUR OF MEETING ON TOMORROW

Mr. GOSS. Mr. Speaker, I ask unanimous consent that when the House adjourns today it adjourn to meet at 1 p.m. tomorrow, Thursday, September 14, 1995.

The SPEAKER pro tempore (Mr. LAHOOD). Is there objection to the request of the gentleman from Florida?

There was no objection.

COMMUNICATION FROM THE CLERK OF THE HOUSE

The SPEAKER pro tempore laid before the House the following communication from the Clerk of the House of Representatives:

OFFICE OF THE CLERK,
U.S. HOUSE OF REPRESENTATIVES,
Washington, DC, September 12, 1995.

Hon. NEWT GINGRICH,
Speaker, House of Representatives, Washington, DC.

DEAR MR. SPEAKER: This is to notify you pursuant to Rule L (50) of the Rules of the House I have been served with a subpoena issued by the United States District Court for the Central District of California.

The General Counsel has determined that compliance with the subpoena is not consistent with the privileges and precedents of the House.

With warm regards,
Sincerely,
ROBIN H. CARLE,
Clerk, House of Representatives.

REMOVAL OF NAME OF MEMBER AS COSPONSOR OF H.R. 534

Mr. INGLIS of South Carolina. Mr. Speaker, I ask unanimous consent that my name be removed as a cosponsor of H.R. 534.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from South Carolina?

There was no objection.

REMOVAL OF NAME OF MEMBER AS COSPONSOR OF H.R. 899

Ms. EDDIE BERNICE JOHNSON of Texas. Mr. Speaker, I ask unanimous consent that my name be removed as a cosponsor of H.R. 899.

The SPEAKER pro tempore. Is there objection to the request of the gentlewoman from Texas?

There was no objection.

REMOVAL OF NAME OF MEMBER AS COSPONSOR OF H.R. 359

Mr. FOX of Pennsylvania. Mr. Chairman, I ask unanimous consent that my name be removed as a cosponsor of H.R. 359.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

IT IS TIME FOR ACTION ON WOMEN'S ISSUES

(Mrs. MORELLA asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Mrs. MORELLA. Mr. Speaker, last week I, and three of my colleagues, attended the U.N. Fourth World Conference on Women. As Conference Secretary-General Gertrude Mongella of Tanzania said, "The problems (of women) are not different from country to country. They only differ in intensity." And she is exactly right.

Women the world over are concerned about the prevalence of violence in their lives, the quality of their children's schooling, the challenges of pregnancy and childbirth, and economic security for themselves and their families.

This conference presents an important opportunity to strengthen the world's families, to increase the numbers of women in decisionmaking positions in government and business, and to ensure access for girls and women to education and health care.

This conference is not about adding genders, redefining families, denigrating motherhood, or tearing down capitalism. And it is certainly not about ignoring China's dismal record on human rights—if anything, the conference has focused the world's attention on the terror the Chinese people, particularly women, suffer day in and day out.

Mrs. Clinton clearly spoke to this issue when she addressed the conference. She stressed that women's rights are human rights, that human rights are women's rights. I submit her entire speech for the RECORD.

As the conference concludes this week, let us put the words of the Platform for Action into action, let's turn the rhetoric into words.

Mr. Speaker, I submit the following speech for the RECORD.

First Lady Hillary Rodham Clinton, Remarks for the United Nations Fourth World Conference on Women, Beijing, China

Mrs. Mongalla, distinguished delegates and guests:

I would like to thank the Secretary General of the United Nations for inviting me to be part of the United Nations Fourth World Conference on Women. This is truly a celebration—a celebration of the contributions women make in every aspect of life: in the home, on the job, in their communities, as mothers, wives, sisters, daughters, learners, workers, citizens and leaders.

It is also a coming together, much the way women come together every day in every country.

We come together in fields and in factories. In village markets and supermarkets. In living rooms and board rooms.

Whether it is while playing with our children in the park, or washing clothes in a river, or taking a break at the office water cooler, we come together and talk about our aspirations and concerns. And time and again, our talk turns to our children and our families.

However different we may be, there is far more that unites us than divides us. We share a common future. And we are here to find common ground so that we may help bring new dignity and respect to women and girls all over the world—and in so doing, bring new strength and stability to families as well.

By gathering in Beijing, we are focusing world attention on issues that matter most in the lives of women and their families: access to education, health care, jobs, and credit, the chance to enjoy basic legal and human rights and participate fully in the political life of their countries.

There are some who question the reason for this conference. Let them listen to the voices of women in their homes, neighborhoods, and workplaces.

There are some who wonder whether the lives of women and girls matter to economic and political progress around the globe. . . . Let them look at the women gathered here and at Hairou. . . . the homemakers, nurses, teachers, lawyers, policymakers, and women who run their own businesses.

It is conferences like this that compel governments and peoples everywhere to listen, look and face the world's most pressing problems.

Wasn't it after the woman's conference in Nairobi ten years ago that the world focused for the first time on the crisis of domestic violence?

Earlier today, I participated in a World Health Organization forum, where government officials, NGOs, and individual citizens are working on ways to address the health problems of women and girls.

Tomorrow, I will attend a gathering of the United Nations Development Fund for Women. There, the discussion will focus on local—and highly successful—programs that give hard-working women access to credit so they can improve their own lives and the lives of their families.

What we are learning around the world is that, if women are healthy and educated, their families will flourish. If women are free from violence, their families will flourish. If women have a chance to work and earn as full and equal partners in society, their families will flourish.

And when families flourish, communities and nations will flourish.

That is why every woman, every man, every child, every family, and every nation on our planet has a stake in the discussion that takes place here.

Over the past 25 years, I have worked persistently on issues relating to women, children and families. Over the past two-and-a-half years, I have had the opportunity to learn more about the challenges facing women in my own country and around the world.

I have met new mothers in Jojakarta, Indonesia, who come together regularly in their village to discuss nutrition, family planning, and baby care.

I have met working parents in Denmark who talk about the comfort they feel in knowing that their children can be cared for in creative, safe, and nurturing after-school centers.

I have met women in South Africa who helped lead the struggle to end apartheid and are now helping build a new democracy.

I have met with the leading women of the Western Hemisphere who are working every day to promote literacy and better health care for the children of their countries.

I have met women in India and Bangladesh who are taking out small loans to buy milk cows, rickshaws, thread and other materials to create a livelihood for themselves and their families.

I have met doctors and nurses in Belarus and Ukraine who are trying to keep children alive in the aftermath of Chernobyl.

The great challenge of this conference is to give voice to women everywhere whose experiences go unnoticed, whose words go unheard.

Women comprise more than half the world's population. Women are 70 percent of the world's poor, and two-thirds of those who are not taught to read and write.

Women are the primary caretakers for most of the world's children and elderly. Yet much of the work we do is not valued—not by economists, not by historians, not by popular culture, not by government leaders.

At this very moment, as we sit here, women around the world are giving birth, raising children, cooking meals, washing clothes, cleaning houses, planting crops, working on assembly lines, running companies, and running countries.

Women also are dying from diseases that should have been prevented or treated; they are watching their children succumb to malnutrition caused by poverty and economic deprivation; they are being denied the right to go to school by their own fathers and brothers; they are being forced into prostitution, and they are being barred from the ballot box and the bank lending office.

Those of us who have the opportunity to be here have the responsibility to speak for those who could not.

As an American, I want to speak up for women in my own country—women who are raising children on the minimum wage, women who can't afford health care or child care, women whose lives are threatened by violence, including violence in their own homes.

I want to speak up for mothers who are fighting for good schools, safe neighborhoods, clean air and clean airwaves, for older women, some of them widows, who have raised their families and now find that their skills and life experiences are not valued in the workplace . . . for women who are working all night as nurses, hotel clerks, and fast food chefs so that they can be at home during the day with their kids, and for women everywhere who simply don't have time to do everything they are called upon to do each day.

Speaking to you today, I speak for them, just as each of us speaks for women around the world who are denied the chance to go to school, or see a doctor, or own property, or have a say about the direction of their lives, simply because they are women.

The truth is that most women around the world work both inside and outside the home, usually by necessity.

We need to understand that there is no formula for how women should lead their lives. That is why we must respect the choices that each woman makes for herself and her family. Every woman deserves the chance to realize her God-given potential.

We also must recognize that women will never gain full dignity until their human rights are respected and protected.

Our goals for this conference, to strengthen families and societies by empowering woman to take greater control over their own destinies, cannot be fully achieved unless all governments—here and around the world—accept their responsibility to protect and promote internationally recognized human rights.

The international community has long acknowledged—and recently affirmed at Vienna—that both woman and man are entitled to a range of protections and personal freedoms, from the right of personal security to the right to determine freely the number and spacing of the children they bear.

No one should be forced to remain silent for fear of religious or political persecution, arrest, abuse or torture.

Tragically, women are most often the ones whose human rights are violated. Even in the late 20th century, the rape of women continues to be used as an instrument of armed conflict. Women and children make up a large majority of the world's refugees. And when women are excluded from the political process, they become even more vulnerable to abuse.

I believe that, on the eve of a new millennium, it is time to break our silence. It is time for us to say here in Beijing, and the world to hear, that it is no longer acceptable to discuss women's rights as separate from human rights.

These abuses have continued because, for too long, the history of women has been a history of silence. Even today, there are those who are trying to silence our words.

The voices of this conference and of the women at Hairou must be heard loud and clear.

It is a violation of human rights when babies are denied food, or drowned, or suffocated, or their spines broken, simply because they are born girls.

It is a violation of human rights when women and girls are sold into the slavery of prostitution.

It is a violation of human rights when women are doused with gasoline, set on fire and burned to death because their marriage dowries are deemed too small.

It is a violation of human rights when individual women are raped in their own communities and when thousands of women are subjected to rape as a tactic or prize of war.

It is a violation of human rights when a leading cause of death worldwide among women ages 14 to 44 is the violence they are subjected to in their own homes.

It is a violation of human rights whey young girls are brutalized by the painful and degrading practice of genital mutilation.

It is a violation of human rights when women are denied the right to plan their own families, and that includes being forced to have abortions or being sterilized against their will.

If there is one message that echoes forth from this conference, it is that human rights are women's rights and women's rights are human rights.

Let us not forget that among those rights are the right to speak freely. And the right to be heard.

Women must enjoy the right to participate fully in the social and political lives of their countries if we want freedom and democracy to thrive and endure.

It is indefensible that many women in nongovernmental organizations who wished to participate in this conference have not been able to attend—or have been prohibited from fully taking part.

Let me be clear. Freedom means the right of people to assemble, organize, and debate openly. It means respecting the views of those who may disagree with the views of their governments. It means not taking citizens away from their loved ones and jailing them, mistreating them, or denying them their freedom or dignity because of the peaceful expression of their ideas and opinions.

In my country, we recently celebrated the 75th anniversary of women's suffrage. It took 150 years after the signing of our Declaration of Independence for women to win the right to vote. It took 72 years of organized struggle on the part of many courageous women and men.

It was one of America's most divisive philosophical wars. But it was also a bloodless war. Suffrage was achieved without a shot fired.

We have also been reminded, in V-J Day observance last weekend, of the good that comes when men and women join together to combat the forces of tyranny and build a better world.

We have seen peace prevail in most places for a half century. We have avoided another world war.

But we have not solved older, deeply-rooted problems that continue to diminish the potential of half the world's population.

Now it is time to act on behalf of women everywhere.

If we take bold steps to better the lives of women, we will be taking bold steps to better the lives of children and families too. Families rely on mothers and wives for emotional support and care; families rely on women for labor in the home; and increasingly, families rely on women for income needed to raise healthy children and care for other relatives.

As long as discrimination and inequities remain so commonplace around the world—as long as girls and woman are valued less, fed less, fed last, overworked, underpaid, not schooled and subjected to violence in and out of their homes—the potential of the human family to create a peaceful, prosperous world will not be realized.

Let this conference be our—and the world's—call to action.

And let us heed the call so that we can create a world in which every woman is treated with respect and dignity, every boy and girl is loved and cared for equally, and every family has the hope of a strong and stable future.

Thank you very much.

God's blessings on you, your work and all who will benefit from it.

SPECIAL ORDERS

The SPEAKER pro tempore (Mr. BUNN of Oregon). Under the Speaker's announced policy of May 12, 1995, and under a previous order of the House, the following Members will be recognized for 5 minutes each:

DOUBLE STANDARD APPLIED TO PEOPLE IN GOVERNMENT

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Indiana [Mr. BURTON] is recognized for 5 minutes.

Mr. BURTON of Indiana. Mr. Speaker, an unfortunate incident occurred this past week. A distinguished Member of the other body resigned from the Congress of the United States because of alleged sexual improprieties and advances toward members of the staff of the Congress of the United States. I think people who watched what happened in the news media over the past year to 2 years agree that that was the right thing for him to do, to resign.

Mr. Speaker, one of the things that concerns me is that other cases of this kind have occurred in the past and nothing has been done about them. For instance, a former Governor of the State of Arkansas allegedly had a young State employee come up to his hotel room and not only made sexual advances, but they were very, very overt sexual advances. That gentleman has now advanced to a very high office in this land, and there has been almost no investigation. The lady in question has asked that her case be taken to court and because of this gentleman's position in our Government, she cannot even get a court case. That is not the only instance that happened with this individual.

So I would just like to say to my friends in the media, and I think they probably know to whom I am referring, Mr. PACKWOOD resigned, he should have resigned, he did something that should not have been done, obviously. But why, I ask, are we excusing or ignoring similar behavior?

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore. The gentleman is reminded not to make remarks about particular Members of the Senate.

Mr. BURTON of Indiana. I stand corrected. But I would just like to ask the question, why is there this double standard? This double standard should not occur. People who are held to a high standard in one body of this government should not be singled out when people in other areas of our Government are able to get away with these things, or at least not be allowed, the people who accuse them, to have their day in court or have hearings on the alleged improprieties.

The media in this country in my opinion should show some balance. No one, regardless of what party they serve, no one, regardless of what branch of government they serve, should be allowed to get away with these alleged sexual improprieties, and yet it is obvious to me, and I think to other Members of this body, that a double standard does exist.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore. The gentleman is also reminded that he is not to make personal references to the President as well.

Mr. BURTON of Indiana. I did not make any reference to the President, I do not believe, did I?

The SPEAKER pro tempore. Any obvious references to the person are not to be made.

Mr. BURTON of Indiana. I would ask for you to read the RECORD then and show me the obvious reference.

The SPEAKER pro tempore. The gentleman made references that could only apply to the President.

Mr. BURTON of Indiana. I think that if you check, you would find that I did not make any direct reference to the President.

The SPEAKER pro tempore. The Chair will check the RECORD.

Mr. BURTON of Indiana. Be that as it may, Mr. Speaker, I think there is a double standard and it should be reviewed.

DISCRETIONARY SPENDING REDUCTION AND CONTROL ACT OF 1995

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Michigan [Mr. SMITH] is recognized for 5 minutes.

Mr. SMITH of Michigan. Mr. Speaker, I wonder how many Americans really think that the Members of this body will have the gumption to balance the budget 7 years from now. Mr. Speaker, I wonder how many Members of this Chamber think that we are really going to make the hard cuts that are going to be required that are called upon by the budget resolution that we passed earlier this year to balance the budget 7 years from now.

I want to talk about the bill that I have just introduced, H.R. 2295, that will help assure that we reach that balanced budget by the year 2002. Mr. Speaker, the vacation is over, it is time for us to do what we were sent here to do, and that is balance the budget. In June we passed a historic piece of budget legislation, House Concurrent Resolution 67.

This budget resolution starts us on a glidepath to a balanced budget by the year 2002. If we reach that goal, it will be for the first time since 1969. But there is a problem. This glidepath is a resolution and it is not a binding law signed by the President. That means in effect, it is only a suggestion to future sessions of Congress.

In 1985, Congress passed Gramm-Rudman-Hollings, tying discretionary spending to deficit reduction. Unfortunately, the good intentions of that bill did not do much to reduce the deficit.

In 1990 we had another confrontation. In fact, in the 1990 confrontation with President George Bush, we increased the debt ceiling six times in about a 2-month period to encourage the administration to sign on to that particular agreement. That agreement did place caps on discretionary spending. Those caps are set to expire in 1998, and those caps are too high to allow us to achieve a balanced budget by the year 2002.

If we are serious about balancing the budget, let us put into law the spending caps of this year's budget resolution. That is what H.R. 2295 does. H.R. 2295 is my bill and we call it the Discretionary Spending Reduction and Control Act of 1995. H.R. 2295 amends the Congressional Budget Act of 1974, it amends the Gramm-Rudman-Hollings amendments by updating and extending discretionary spending caps and the pay-go requirements laid out in this year's budget resolution. It establishes into law this year's budget resolution targets for spending. These caps required by law will help ensure that we will stay on target toward a balanced budget by the year 2002.

Mr. Speaker, is Congress going to have the willingness to continue to cut spending? Let me give you a verbal description of the glidepath to a balanced budget. We are asking for a reduction in spending, somewhat slight, not very much reduction, in the first year and second year. The big cuts in spending and those requirements and pressures on Congress will be in the outyears of the fifth, sixth, and seventh year. I mean with the complaints and the criticisms and the agony that we have seen this Chamber exhort with the slight budget cuts this year, it is going to be absolutely tough in those outyears.

We have to have legislation that keeps us on that glidepath. I ask my colleagues to support H.R. 2295 that will put into law this year's budget resolution.

ON ACHIEVING A BALANCED BUDGET

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Pennsylvania [Mr. GOODLING] is recognized for 5 minutes.

Mr. GOODLING. Mr. Speaker, I rise today with some sense of sadness, and probably quite a bit of outrage. The administration, in its zeal to protect the President's direct student loan program and hide their failure to really do anything about balancing the budget, has been using scare tactics to frighten and mislead the American people in order to, I suppose, to strap them from the need to balance the budget.

□ 2100

To do this, the administration has pulled out all stops. It has used Presidential public relation mechanisms at the taxpayers' expense to spread misinformation about our plans to balance the budget in 7 years.

Even the President has gone on the road with many of these misinterpretations of what it is we plan to do to balance the budget. So in an effort to set the record straight, I have sent a letter to the President asking that he publicly apologize to the America people for his scare tactics, and urging that he use all the methods at his disposal to set the records straight and level with the America people about what we are and are not going to do.

Mr. Speaker, I want to set the record straight at this time. Republicans are preserving, I repeat, preserving the in-school interest subsidy for undergraduate and graduate students, even though its elimination was recommended by the President's Budget Director, Alice Rivlin, in her suggestions as to how to balance the budget. We plan to only touch the interest subsidy for the 6 month grace period following graduation, and during that time no payments are made. The grace period will remain intact. The borrower will repay the interest accrued during that 6 month period, which will add about $4 a month to an average monthly student loan.

Republicans, on the other hand, are asking the private lenders to carry much of the burden for reforms in the loan program in order to achieve a balanced budget in 7 years. In fact, reforms to the student loan industry will save the taxpayers nearly $5 billion. We will eliminate the President's direct student loan program in order to save the American taxpayers more than $1.5 billion over 7 years, according to the Congressional Budget Office, which was the group that the President in his speech here on the floor told us we should be paying attention to.

We will not increase, I repeat, not increase, the origination loan fee paid by students, nor will we increase the interest rates on loans for students. We do not take away the interest rate reductions students are to receive for new loans effective July, 1988. We keep the President's budget proposal on Perkins loans, a revolving fund that perpetuates itself, adding no new funds, and therefore encouraging lower default rates by tougher collection efforts. Pell grant awards will be the largest in history in 1996 under our plan. The Supplemental Education Opportunity Grant Program, the work study program, will be funded at last year's level; no cuts.

We all know that the direct lending is a sacred cow to the administration. However, we cannot cling to a gold-plated direct student loan program and put welfare for the benefit of bureaucrats ahead of the needs of students.

One of the most outrageous statements I heard was that if we do not go the direct lending route, the Government will have to pick up 100 percent of the risk. Who in the world picks up 100 percent of the risk when you do direct lending? We not only pick up 100 percent of the risk, but we also have to borrow the money up front. We do not guarantee the loan, we borrow the money up front. We pay interest on the money we borrow so we increase what it is the American taxpayer has to do to carry that load.

We keep the President's budget proposal, as I said, on Perkins loans. Now, what is the administration so afraid of that it would resort to these scare tactics? Well, again, I want to review one more time what we do, so that the students out there and the parents are not misled.

If the Congress fails to act now, by the year 2002 the national debt will exceed $6.5 trillion. That is a fact.

Another fact: Unless growth rates and mandatory spending are slowed, all Federal revenues will be consumed by a handful of programs.

Fact: Under the Republican budget resolution, the Federal budget will be running a surplus of $6.4 billion in the year 2002.

Fact: According to the President's 1995 budget, unless we gain control of spending, the lifetime tax rate for children born after 1993 will exceed 82 percent. The most important thing we can do for the children of today is to balance the budget. If we do that, we can reduce interest rates by 2 percent. That affects everyone. That affects those who have student loans; that affects those who have a mortgage; that affects those who are buying an automobile on time.

Fact: While balancing the budget, the maximum Pell grant award will increase from $2,340 in 1995 to $2,444 in 1996. Even while balancing the budget, annual student loan volume will increase from $24.5 billion in 1995 to $36 billion in the year 2002, a 47-percent increase.

Fact: Even while balancing the budget, the average student loan amount increases from $3,646 in 1995 to $4,300 in the year 2000.

Fact: In order to balance the budget, Congress does not eliminate the in-school interest subsidy for college students.

Fact: In order to balance the budget, Congress does not increase loan origination fees.

Fact: In order to balance the budget, Congress does not cut college work study.

Fact: In order to balance the budget, Congress does not cut supplemental education opportunity grants.

Fact: In order to balance the budget, Congress does not cut the TRIO program.

Fact: The President continues to claim that the direct student loan program saves the taxpayers $5.2 billion, while lowering interest rates and fees to students. But the Congressional Budget Office, who the President said we should listen to, says that the direct student loan program costs taxpayers over $1.5 billion, adding to the Niagara-size leak in Federal spending.

Mr. Speaker, I did not pick this fight on direct lending. I was here to cooperate, as we generally do on education issues. No one from the White House has ever contacted me in relationship to direct lending. What we said in direct lending was we would do a pilot program, and we would do a pilot program to see at the end of perhaps 7 years what is the best approach to the student loan program.

All of a sudden, the budget comes up from the White House, 2-year budget, direct lending, 100 percent in 2 years. We will not find out for 7 years whether anybody had the ability to collect. Oh, it is easy. Certainly certain universities and colleges love this business. All they have to do is give out the money. Who collects it? The Department of Education? I would be surprised if that would be successful.

But we are willing to do the pilot program. We did not change the rules. We did not change the direction we were going.

Fact: The Federal deficit results in up to a 2-percent higher interest rate for all Americans, including students.

Mr. Speaker, I want to get the facts straight so that the American people will not be frightened by scare tactics.

FACTS ON STUDENT LOANS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from West Virginia [Mr. WISE] is recognized for 5 minutes.

Mr. WISE. Mr. Speaker, I appreciate the opportunity to address the House. I was listening to the distinguished chairman, and I just have to present the counterpoint to that, because I think this is going to be one of the most important issues that this Congress joins on the issue of student loans. I know that I participated in a rally this week at West Virginia University, and I am afraid that people are not quite as sanguine there about what the implications are. I am glad to hear some of the statements that were made, but, at the same time, I think we also ought to talk about what the implications are of this decision.

I know when I first raised these concerns just a few months ago, I was dismissed by those on the other side as well. There are no cuts intended. We know now, of course, that is not the case.

Let us talk about, for instance, what the elimination of deferral of interest even for graduate students can mean. It is estimated it can cost starting $6,000 adding to the lifetime cost of a loan and go up past that. Certainly someone trying to go to medical school or some of the other graduate level professions can incur large costs.

But let me say this: I heard a lot about balancing the budget. We are talking about $10 billion. I have had it up to here with everybody who wants to balance the Federal budget and then points to the family budget, and meanwhile they are unbalancing that. In West Virginia the tax cut proposed yields that much. You cannot see it, because it is 2 dimes; 20 cents a day is what the average cut will yield to two-thirds of the taxpayers in West Virginia. To those making over $100,000 a year, it will bring $7 a day. I do not have enough dollar bills to put in this hand to make the $7 a day.

What will be lost for a middle-income person, the student loan, for instance, it will be their ability to defer that interest that will be lost. What do we lose as a Federal Government? What do we lose as a Treasury? What do we lose as a society? What do we lose as an economy, besides the fact we may lose that student who might have found the cure for AIDS, or opened up the primary care clinic in rural West Virginia.

What we will lose as well is we will lose the ability of many people who are in college, if they are college graduates, to earn on the average 60 percent more than the non-4-year graduate. We will lose their ability. Yes, I understand we have been assured this will not affect the undergraduate student.

Where do the rest of the cuts come from? It is $10 billion, of which I understand $3 billion comes from the graduate student provision. Where does the rest come from, if it is so halcyon?

Mr. McKEON. Mr. Speaker will the gentleman yield?

Mr. WISE. I yield to the gentleman from California.

Mr. McKEON. Mr. Speaker, I really appreciate the opportunity to engage in this dialog, because what the gentleman is saying just is not true. I think it is probably just because the gentleman has not had a chance to see our proposal. But there is no elimination of the in-school interest subsidy for graduate students or undergraduate students.

Mr. WISE. The gentleman is now saying you are not going to affect the interest deferral on either graduate or undergraduate?

Mr. McKEON. Correct.

Mr. WISE. Where do you make up your $10 billion?

Mr. McKEON. OK. $1.2 billion comes from the termination of the direct loan program. $4.9 billion, and this is what is really interesting, because the other night the President in his speech said that we were cutting to help the bankers. In reality, we are going after the bankers and the lenders for half of this. $4.9 billion, we are decreasing their profit to make up half of the $10 billion. $3.5 billion comes from the subsidy for the interest from the time that they graduate until they have to begin paying the loan.

Mr. WISE. The 6-month period.

Mr. McKEON. Right now, any student that wants, and this is really important, because I think some of this rhetoric is scaring parents and students needlessly, because as the President commented the other day, he said this should be a nonpartisan issue. It really should be. We should be working together on this.

We were talking about eliminating those subsidies. We found other ways to do it. The President was talking about eliminating those subsidies. This probably was first suggested in the memo from Ms. Rivlin. But we found ways to do it without eliminating those subsidies.

Mr. WISE. But then there is still a balance that has to be reached. There is not only $10 billion, as I understand it, that was originally considered out of higher education, then the Head Start, Title I and all of that, which is part of an overall pot. I am here keep it to higher education at this point. If the gentleman will continue on with where the balance of the cuts come from?

Mr. McKEON. $3.5 billion from eliminating the interest subsidy for the 6-month period. In other words, right now a student, any student, can get a loan to go to school. Any student. If they meet the requirements, if their income is low enough and they meet the requirement, the Government will subsidize the interest while they are in school. That is the current law.

Mr. WISE. If the gentleman would let me recapture my time, let me just close by saying I will examine this. I do feel that these changes, assuming they are coming about in this way, show the power of grassroots pressure. I think it has been the reaction. I think we are going to need to talk about this some more, because we can agree on this: There are a lot of parents concerned, and justifiably so, about what the impact of these cuts will be.

FEDERAL ASSISTANCE WITH STUDENT LOANS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California [Mr. McKEON] is recognized for 5 minutes.

Mr. MCKEON. Mr. Speaker, if the gentleman would like to continue this, what the program is, any student can have a loan and the Government will subsidize their interest while they are in school. Then when they graduate, if they do not go on to graduate school, or, if they do, they have a 6-month period where they do not have to repay the loan. Then they begin repaying the loan. They have 10 years to do that. During that 6-month period, their interest at current law is also subsidized. If they go on to graduate school they can continue to borrow money and also receive an interest subsidy.

□ 2115

The undergraduate and the graduate subsidy will not be touched. What we are talking about is eliminating, as part of this, about a third of it, the interest subsidy for the 6-month period. And what that works out to be is a student that over the next 4 years borrows the maximum, little over $17,000, when they do begin repaying it, the maximum that that could be is about $9 a month. And we feel that that is fair, from $4 to $9 a month; we think that is a fair return considering that there are a lot of young people that are not able to go to school and their taxes are helping to subsidize those that do.

Does that kind of answer that?

Mr. WISE. Mr. Speaker, if the gentleman will yield, I would be delighted tomorrow to look at the statistics. I am just surprised, $3.5 billion sounds like a lot coming out of just ending the deferral for the 6-month period. That sounds like a large amount of savings being scored to that. But I am not going to contest that.

Mr. MCKEON. The numbers are there.

Mr. WISE. Is that a CBO scoring?

Mr. MCKEON. Yes. That is over a 7-year period. And that gets us to the $10 billion that we need to save.

I think what we really need to keep sight of is to stick with the facts. That is really important. I think they are bad enough as they are. There are going to be cuts, but we do not need to scare people needlessly.

The other night when I heard the President talking, again saying that we were eliminating the subsidy for students, it is just not so. I think really for the office of the President, he really should stick with the facts. He has enough to talk about on his side of the issue without distorting the facts.

Mr. WISE. Has this been reported from the Committee on Economic and Educational Opportunities?

Mr. MCKEON. We held a news conference on July 27 and indicated that we would not be going after the in-school subsidy or the graduate school subsidy. So that information has been out over 1 month. The Presdient certainly should have it. I can get you a copy of this tonight.

Mr. WISE. On Pell grants, the chairman had said this would be the highest number ever. I understand that the level of the dollar amount to an individual will be the highest ever. I have understood that.

Mr. MCKEON. We raised it $100 per individual.

Mr. WISE. But that some individuals will not be, while we have got individuals able to get a higher level of Pell grant, there will not be as many individuals able to qualify for the Pell grant; is that true?

Mr. MCKEON. No. What it is is we raised the lower limit so those who were borrowing a very small amount, up to $600, not as many of them would be able to borrow. We went to the higher amount so that those who were the neediest could get the full amount.

This has been, I think, healthy to have a discussion. There is a lot that we can talk about just on the actual merits of what the real numbers are.

I think that the purpose of this whole debate is, I am new here in Congress. I have been here now, this is just starting my second term. It has been a real education to me. I came out of private industry. I was a businessman. I really did not know how the Federal budget worked or what the process was. I am still learning, every day I am learning.

But the big thing I have learned is that we have a debt of almost $5 trillion. And these young people in school and their children and their grandchildren are going to be paying this debt. It used to be, when I was a young person, our parents worked all their lives to pay off the mortgage and then leave the farm to the children. And now it seems like what we are doing is spending our entire lives mortgaging the farm and the Government takes the farm and the children are left with the debt. We need to turn that around.

This is just one of the things that we are looking at to save a little money. I think as we spread this across the board, spread the pain of arriving at this balanced budget over a 7-year period, we will all benefit.

SACRIFICE

The SPEAKER pro tempore (Mr. BUNN of Oregon). Under a previous order of the House, the gentleman from Indiana [Mr. MCINTOSH] is recognized for 5 minutes.

Mr. MCINTOSH. Mr. Speaker, sacrifice, we all know the word. Our Founding Fathers understood the need for sacrifice. They concluded in the Declaration of Independence: We mutually pledge to each other our lives, our fortunes and our sacred honor.

Few members of our society understand the word sacrifice more than our beloved veterans. Mr. Speaker, it is our Nation's heroic veterans that bring me to the floor of the House tonight. I rise to provide this House and this Nation with an update from Indiana on the efforts over the summer in my district to honor our veterans.

I proudly report over the past several months that Hoosiers in Indiana have rightly commemorated the sacrifice that our veterans have made. I would like to mention their efforts as well as single out a few veterans whose sacrifice demonstrates the essence of that word. There is a renewal of the American sense of sacrifice, and it is being rekindled in my home town of Muncie, IN.

After a lapse of nearly 20 years, the citizens of my home town of Muncie held a Memorial Day parade to honor the veterans. My wife Ruthie and I had the honor of joining them in this expression of devotion to the men and women who have served our country in the armed services.

I mean men such as Muncie veterans Jack Reichart who served valiantly on the USS *Missouri*. Jack had the privilege of watching the Japanese premier surrender to the United States on VJ Day over 50 years ago.

In Anderson, where Hoosiers celebrate the 4th of July each year with a midnight parade, thousands lined the streets to honor those who have served their country, and honor those who gave their lives for our freedom.

Harry Mullins, one of most decorated veterans of the United States, was part of that celebration. During the Korean war, Harry's division was asked to do the impossible, they were given the task of retaining Pork Chop Hill. They did, and they did with the utmost of sacrifice. Only nine men survived that mission, and Harry was lucky enough to be one of them.

In July the citizens of Columbus held a parade to celebrate the anniversary of the end of World War II and to pay tribute to veterans. The city of Richmond held a special celebration for all veterans at the Earlham Field of Honor to recognize the special veterans in their community.

Men such as John Connelly, who was decorated for his heroic actions, John's aircraft crashed behind enemy lines in World War II. He had to hide in the ditches as the German Army platoons marched perilously close to his hiding place. Finally, John managed to find his way back to safety, back to his colleagues and the American troops who were marching through Germany.

His amazing tale was later retold in the movie "A Bridge Too Far."

Ralph Pyle, of Richmond, served in the Army during both World War II and the Korean war. Ralph earned a Bronze Star for flying 35 reconnaissance missions. Today he is a renowned photographer, and all of us cherish his photographs that bring that war so much to life in our mind's eye.

The homage to veterans began in Shelby County where they dedicated a new park, Honor Park, in honor of those men who served from their country in the defense of this country.

Mr. Speaker, today we must make a commitment. We must follow in the footsteps of Hoosiers in the Second District and remember their sacrifice, the sacrifice that more than 1 million Americans made who died to protect our inalienable rights. We must not only honor our veterans, but we must learn from their example. Now is the time for my generation to renew our commitment to this country, to remake a commitment that if we are called upon to sacrifice, we will be ready to defend the liberties that this Nation stands for.

We must renew that pledge. We must mutually pledge to each other our lives, our fortunes, and our sacred honor so that, if we are called upon to defend America, we will stand ready.

I am proud to say last week this House took an important step and passed the military appropriations bill that will provide the funding necessary for those young men and women who are today called upon to be the front line of defense of our freedoms.

Mr. Speaker, I include the following letter for the RECORD:

Sacrifice. It's a word we all know. Our Founding Fathers understood the need for sacrifice—they concluded the declaration of independence with the words: "We mutually pledge to each other our lives, our fortunes, and our sacred honor." I, myself, grew up with the notion that sacrifice was part of the American experience. I can recall my grandmother, Lilian Slyle, telling me stories of her experiences in world war I. She was an army nurse during the war, and she told me countless tales of the hardships of that terrible conflict, marching across Europe with General Pershing. She was profoundly affected by these experiences. And so was I. All of us have made some sacrifices in our lives. We make sacrifices for our family, for our close friends, even for our neighbors and coworkers. Members in the armed forces make many sacrifices great and small, and over one million Americans have given their lives, the ultimate sacrifice, while serving to defend our country. Many of us here today can remember the long, lonely hours of sacrifice that service in the army, navy, air force, or marine corps requires—standing watch on the bridge of a warship through the night, patrolling alone in a dark forest, or working into the night on an aircraft in preparation for the next flight. Some of those sacrifices go unseen, but never unrecognized by those who depend on them. Americans across the country gather each year on this day to honor such sacrifices, and remember the contributions of American servicemen. Throughout history, members of the armed forces have risked their lives not merely for their family or their co-workers, but for a cause represented by the American flag and the liberty to succeed or fail which it embodies. Some Americans are too young to remember, others have too quickly forgotten. How important, therefore, that we honor our veterans, that we learn from them, and that we teach others about history, about war, about sacrifice. We are still reminded about the great World Wars, about Korea, Vietnam, and more recent conflicts. We should not, however, allow the memory, the lessons, and the sacrifices of our tragic wars to fade. Proud veterans of those wars are among us today. Their presence bears witness to sacrifice. Battlefields and cemeteries remind us of the terrible sacrifices and loss of life in war. Many of us remember all too directly the experience of war. The United States asked the sacrifice of our citizens, a sacrifice that was necessary to fight Nazism in Europe, Japan, and Asia, it was a sacrifice offered in the cause of freedom. To protect our God-given liberties for both this country, and for our fellow men and women abroad. Americans today would do well to remember that throughout history the freedom that we now enjoy was created and maintained by blood and iron, and many tears. The lives and dreams of thousands of men and women who fought for democratic ideals were sacrificed because those men and women believed that these ideals were worth fighting for and dying for. It is fitting that today we honor those men and women who made that sacrifice. It is the duty of our generation to preserve the freedom that earlier generations fought to secure. Unhappily, many now call for America to disarm. I, however, am reminded of what George Washington said over 200 years ago: "To be prepared for war is on of the most effectual means of preserving peace." The cost of freedom is eternal vigilance. Conflicts rage around the globe. Dictators with pernicious designs are at this moment committed to building their military power. Let us think twice about downsizing our military forces too quickly in the wake of the end of the Cold War—those before us here today understand all too well that there is no substitute for military preparedness. And they know that military preparedness does not come cheap, does not come without sacrifice. Remembering what memorial day is for, and what gives it meaning is how each of us remembers the great sacrifices which have made possible the blessings we share as Americans today. But when we consider those blessings, we must remember that men and women do not give their lives in the field of battle so that their loved ones who they leave behind live in a society that no longer respects their freedoms. The courageous veterans that are here with us today understand exactly how precious those freedoms are. You understand what is meant by civic duty, and the responsibilities of citizenship in a world desperate for heroes. I wish to salute you and honor you for that sacrifice. Your courage is an inspiration to me and to my generation, because courage in the face of danger and in the face of an uncertain future is going to be the key difference between what makes this country great and what could lead to failure as we struggle with the difficulties that we have today in our communities. To all of you who are veterans, I am deeply honored to recognize your sacrifices in the cause of freedom. Our country thanks you for your patriotism. We will not forget. And when we are called upon a defend liberty, we will rise to the challenge in the noble American tradition of our forbears. And on behalf of my generation, let me renew the pledge of Jefferson, Madison, Hamilton, and John Jay: "We stand ready, if our nation, and the freedoms we stand for, are attacked—we will make the sacrifice to preserve our cherished liberty for our children. This we pledge: our lives, our fortunes, and our sacred honor. May God bless you, and may God bless the United States of America!

FINANCIAL AID

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New Jersey [Mr. ANDREWS] is recognized for 5 minutes.

Mr. ANDREWS. Mr. Speaker, I rise tonight after listening with great interest to the colloquy which took place between and among my friends, the gentleman from Pennsylvania [Mr. GOODLING], the gentleman from California [Mr. MCKEON] and the gentleman from West Virginia [Mr. WISE], with respect to the issue of financial aid for people wanting to go to college or to pursue higher education in the country.

First let me say as a matter of record that I know and I accept that the intentions, particularly of the gentleman from Pennsylvania [Mr. GOODLING] and the gentleman from California [Mr. MCKEON], are entirely positive in promoting higher education. It has been their record. It has been their personal commitment, and I am very honored to serve with them on the Committee on Economic and Educational Opportunities. Having said that, I think that the plan that is being put forward is a serious assault on the ability of Americans, particularly middle-class Americans, to go to college or to pursue a higher education.

First let me say that the first time that we heard about this plan was tonight. As a member of the Committee on Economic and Educational Opportunities, I would expect that there would be more opportunities for both Republicans and Democrats to learn about the plan, debate its merits, and propose alternatives.

I am, finally, glad to hear something from the majority as to how it plans to reduce higher education spending by $10 billion over the next 5 years, but I think that the proper way to do this would be to have hearings and a debate within the committee, not do it this way.

Having said that, it is my understanding that there are three ways that the committee is considering proposing to meet this $10 billion target. Numbers, Mr. Speaker, fly around here freely. And if our constituents are listening to us, numbers like $10 billion and 5-year appropriations and all of this is very, very confusing.

I would like to attempt to cut through that and talk about my understanding as to what the majority is, in fact, proposing and how it would affect students of all ages trying to get a higher education in the country. First of all, they propose the abolition of the direct loan program and claim that it will save $1.2 billion. There is only one way that the abolition of the direct loan program saves money, and that is if you cook the books. With all due respect, that is what the Congressional Budget Office is doing with the direct loan program. It simply makes no sense whatsoever to argue that the taxpayers will spend less money by borrowing it at 5 percent than they will paying a bank to lend it at 8 percent. You do not have to go very far in school to figure that out.

In the next couple of days we will be revealing specific evidence which shows that the Congressional Budget Office for partisan political reasons has chosen to distort this issue and to distort the real economic impact of direct lending. It does not save money to abolish direct lending. It costs money. What it does is to take a program that is working successfully on college campuses across this country and turn it back to the maze of banks and guarantee agencies, and, Mr. Speaker, our constituents understand this.

□ 2130

They bounce from bank to guaranty agency to financial aid office and back all over again. You sometimes need a degree in educational administration to figure out how to apply for a student loan and to pay one. It will not save money to abolish direct loans, it will cost money.

Second, the plan apparently says they are going to take profits from the bank, I think I heard the number $4.7 billion, from the banks and the guaranty agencies. I find this remarkable for two reasons. First, for the last 10 years every time someone has proposed taking money from the banks in the student loan program by reducing the rate of interest that they are paying, the banks come tripping up to Capitol Hill and say, "We will not stay in the program anymore if you take profit away from us. It will no longer become profitable." Frankly, it has been the very same Republican defenders of the banks on this issue who are now proposing taking profits away from the interest rate that the banks earn.

The question I would raise, Mr. Speaker, is were they wrong in 1990 and 1992, or are they wrong now? Because for two decades the banks have said if you take anything away from their subsidy in this program, they will leave the program. They will not make any more loans. I find it miraculous that now all of a sudden that argument has changed. It has not changed, and some of the banks will in fact leave the program.

Where do you think the guaranty agencies are going to get part of this $4.7 billion? Mr. Speaker, here is where. When an American student applies for a student loan, he or she usually pays 5 percent of their loan principle as a guarantee fee. That fee will go up, inevitably, under this.

Let me say this. The plan apparently proposes that we will end the deferment of payments after graduation. Here is what that means in English. It means the day after you graduate, Mr. Speaker, the day after a student graduates he or she will have to start to pay their loan back before they get a job, whether or not they get a job. If you want a surefire recipe to increase defaults that the taxpayers are liable for, that is the way to do it. This is a plan that hurts students. In the future I will be happy to outline specific ways to save even more money. This is not the way to go.

SALMON REHABILITATION IN THE COLUMBIA RIVER

The SPEAKER pro tempore (Mr. BUNN). Under a previous order of the House, the gentleman from Washington [Mr. METCALF] is recognized for 5 minutes.

Mr. METCALF. Mr. Speaker, we have a critical issue in the West, the salmon rehabilitation in the Columbia River. A model has been developed, a computer model called the FLUSH Model. It has been developed and accepted for this rehabilitation plan. Because public policy is based on this model and public policy will be spent on this, using this model to rehabilitate the Columbia River, I requested the details on which the FLUSH Model is based. I have been trying to get the details, the assumptions, and all of the information upon which it was based.

We are about to begin spending $200 million to $300 million of public money on salmon rehabilitation, but information on the FLUSH Model is not forthcoming. At a hearing before the Committee on Resources, I asked Rollie Schmitten, Director of the National Marine Fisheries Service, about this, if he could get this information for me. He agreed that the Committee on Resources must have this information, but despite his good faith efforts, and that is Rollie Schmitten, Director of the National Marine Fisheries Service, despite his good faith efforts, despite my repeated requests to several entities, including the Wasington and Oregon Departments of Fisheries and others, the Committee on Resources still does not have any details on the FLUSH Model. I think that is unacceptable.

Instead, my request and the other requests have been met with delays and excuses, silly arguments that the model may not be usable, or it might be misunderstood. We obviously have a problem, and that problem must be solved.

This is the problem: Sound science and peer review must be part of the recovery process. Let me repeat that. Sound science and peer review must be part of the recovery process, especially a process that costs hundreds of millions of dollars of public money. Public confidence is being undermined by the appearance that this information is being hidden from review. That is unacceptable.

I still do not have a copy of this model. I believe that the Committee on Resources of the Congress needs and, in fact, must have this information for peer review before the expenditure of public dollars. I brought this up before the Committee on Resources today, and the chairman said if we do not get this in the near future we will seek a committee subpoena for this information.

I just bring this to the attention of the Congress because this is something that must be handled in the short run, and we must get this information upon which public policy and expenditure of public funds is based.

DEVELOPMENTS AND PROGRESS OF THE FIRST SESSION OF THE 104TH CONGRESS

The SPEAKER pro tempore. Under the Speaker's announced policy of May 12, 1995, the gentleman from Pennsylvania [Mr. FOX] is recognized for 60 minutes as the designee of the majority leader.

Mr. FOX of Pennsylvania. Mr. Speaker, my colleagues tonight join me from the Committee on Government Reform and Oversight to discuss many of the developments and progress of the 104th Congress in this first session. With me I have tonight the gentleman from Minnesota, GIL GUTKNECHT, the gentleman from New Jersey, BILL MARTINI, and the gentleman from Washington State, RANDY TATE, each of whom has been a leader in their own right, not only in the freshman class but in their own committee.

Just recently, this past weekend in the Eighth District of New Jersey, the gentleman from New Jersey, BILL MARTINI, who has been at the forefront of reform in the Committee on Government Reform and Oversight, held a hearing in his district along with five other colleagues, including the gentleman from Washington, Mr. TATE, and if he can tell us tonight, I would ask the gentleman from New Jersey what was the orientation for the hearing he held in his district, what was the purpose, and what was accomplished, so we can look to improvements and legislation and other reforms as Congress moves to further agenda items.

Mr. MARTINI. Mr. Speaker, will the gentleman yield?

Mr. FOX of Pennsylvania. I yield to the gentleman from New Jersey.

Mr. MARTINI. Mr. Speaker, I thank the gentleman for yielding to me, and I thank him for allowing me this opportunity to share with the Members the mission this hearing was designated to do.

First I have a little background about the field hearing itself. The field hearing that we in the Eighth Congressional District in New Jersey were honored to have and to bring to people in our district was a field hearing of the Committee on Government Reform and Oversight, chaired by our good chairman, the gentleman from Pennsylvania, BILL CLINGER. This committee had been designated by the Speaker of the House to conduct a series of national field hearings on the topic of the 21st century Federal Government. Obviously, it is a broad topic, but the real purpose of having the hearing was to go out into the field, to get out of the Beltway, and to listen to the people as to how they envision a 21st century Federal Government.

We had, and I am pleased to say, several of my colleagues from the House here join me on the panel, along with the chairman, the gentleman from Pennsylvania [Mr. CLINGER]. We had the distinguished gentleman from Washington, RANDY TATE, who was there, along with several other panelists. We also had the benefit of listening to testimony from a number of people, including the great Governor of our State, Governor Whitman, as well as other officials, bipartisan in nature, I might add, as well as people from the private sector, all of whom already have embarked on the road that we here in Washington have been embarking on in the last 8 months, the road to try to make the respective institutions, of which they have jurisdiction over, more efficient and still provide the necessary service and meet the goals that they are intended to meet.

We were pleased to hear from a number of those witnesses in the government sector who have been down this road for some time. Our Governor for 2 years has been down the road of making the State of New Jersey more efficient, more effective, and still meet its goals, and some local officials who have also been down this road for some time now and are achieving the goals that we are so hopeful that we will achieve in the very near future.

Mr. FOX of Pennsylvania. Mr. Speaker, the Governor of the State of New Jersey has downsized the number of employees through efficiency and through attrition, is that correct?

Mr. MARTINI. I think the important point is that the purpose of the hearing is not just to deal with the items that we here have been dealing with for 8 months. Obviously I think most of us know and most of the American people understand by now that this Congress is poised and ready to turn the corner to what I believe will be bringing fiscal responsibility and accountability to the Federal Government. I know many of us are excited about the prospect.

We know there are going to be obstacles to meet that goal in the next several months, but that is the goal for now. The real purpose of this committee, as well, is to talk about what we do from that point on and not to lose sight of the fact that what we accomplish this fall, which I am confident and hopeful we will accomplish, is the beginning of a process that will lead this Federal Government into the 21st century in a way that will preserve fiscal accountability and responsibility for not just the immediate future, but for generations to come.

We listened to people who talked about both the immediate obstacles they were faced with and their challenge, as well as the bigger picture, what to expect in the future, such as some of the things we were dealing with here today on the very floor of this House, tools like a lockbox, tools with procurement reform, which are not simply cutting spending or reducing growth of spending, but more importantly, are tools which will assure that future Congresses will be fiscally accountable and responsible. We also liked hearing about that.

Let me, before I allow others here who have some topics to share and thoughts to share on the hearing, let me just say that I think we will realize how important this 3-month period is, but I think we also realize how important it is that as much as we accomplish in the next 3 months in getting to a budget reconciliation bill that will once and for all put us on the path for a fiscally responsible Federal Government, the process should not and must not end there. The process is one which will require a commitment to stay focused on that obligation, to stay fiscally sound, and to find new ways to accomplish that goal. That was the purpose of the hearings. We heard many good things.

The final point I would like to make for this moment is that overwhelmingly everyone who has been down this road shared with us on Saturday that there is certainly this aspect of fear by the people involved in the process. Fear is obviously something many people share when it comes to any type of a change, and it is something that they had to meet, and it certainly began as something that they had to manage in order to achieve their goals. After they have achieved their goals, if they manage that fear and that potential misunderstanding that exists, they were successful in achieving goals.

I just regret that as we are on the brink of once and for all bringing fiscal responsibility and accountability to the Federal Government, we are seeing more tactics only to heighten fears rather than efforts by all of us to reduce the fears of the adjustments that will have to be made, the small adjustments, in comparison to the overall goal of achieving fiscal responsibility.

Those were some of the things I am sure some of my other colleagues, particularly the gentleman from Washington [Mr. TATE], who was there and who shared with me on the panel, listening to the different witnesses, heard, and I am sure he has some things he would like to add to this dialog.

Mr. FOX of Pennsylvania. Mr. Speaker, I yield to the gentleman from Washington [Mr. TATE] to share some of his visions of what he learned at the hearing of the gentleman from New Jersey [Mr. MARTINI] with regard to government reform and oversight.

Mr. TATE. First of all, Mr. Speaker, I would like to thank the gentleman from Pennsylvania for his work in organizing this event tonight and his dedication every week to be out here letting the people know exactly what we are working on in Congress. That is why I was so excited when I had the opportunity to serve on the Committee on Government Reform and Oversight. That has really, for me, been the hotbed for reforms in the Congress, whether it be the unfunded mandates reforms or the line-item-veto.

We had several hearings in our subcommittee, for example, on welfare for lobbyists, and just recently passed and are working on today the procurement reform legislation. The biggest issue we are dealing with this year is balancing the budget and creating a 21st century government.

All wisdom does not reside in Washington, DC. I am not a rocket scientist, that I am pretty positive that is true. In fact, I know it is true. That is why I think it is so important for us to get out of the Beltway, as the gentleman from New Jersey said, and go out and talk to real people. That is what we did on Saturday. We had a chance to talk to people and elected officials that are out there in the trenches making the kind of changes we are trying to make this year. They balance their budgets every year. State Governors do that very year. County commissioners do that every year. Local city councils do that every year. We got a change to hear some great speakers: The mayor of New Jersey, the county executive of Essex County. We talked about privatization and tried to determine what area of government can best be done in the private sector.

We also had a long discussion about block grants, and they were willing and able and looking forward to the opportunity of making more decisions. The best example I can give of that is we are trying to make decisions for cities back in our hometown. I live in a city named Puyallup. Most of the bureaucrats back here not only cannot pronounce it but do not have a clue whether it is, so why the heck are they making decisions regarding the people who live in my hometown of Puyallup?

The point is that a government that governs closest to home is a government that governs best. The people who testified at the particular meeting of the gentleman from New Jersey, the hearing, were ready and willing to get started on that. That is what really impressed me, that our idea of block grants is something that is popular out there. They are willing to do it. They are closer to home. If you live in Washington State, it is a heck of a lot easier to drive to the local city council, to drive down the freeway of Olympia, where our State capital is, than to get in an airplane and fly 3,000 miles and come back to lobby and try to talk to your elected officials.

□ 2145

It makes more sense to have a government closest to home. That is what I heard from these people. They are ready and willing to get started. I am looking forward to the hearings to come out to Washington State, across this country, we are going to have in the coming months.

I just want to thank the gentleman from New Jersey [Mr. MARTINI] for his great work in setting up speakers from all sides of the issue. It was not slanted in one direction. It was very bipartisan and worthwhile to some of us.

Mr. FOX of Pennsylvania. We are looking forward to having future hearings in Congressman MARTINI's district and State, because I think what he is doing for us here is trying to give the leadership, give the vision where should Government be, how can we make it less expensive, as was said, more accountable, closer to home.

I would like to call on the gentleman from Minnesota [Mr. GUTKNECHT], if I can, for a minute. I think one of his cries has been for us to have more common sense in Government, to do the things that those in the private sector have done so well and adopt some of those ideas.

I guess the lock-box that we just passed today, the Deficit Reduction Lock-box Act which the gentleman from New Jersey [Mr. MARTINI] and the gentleman from Washington [Mr. TATE] have been working with the gentleman from Minnesota [Mr. GUTKNECHT], and of course the gentleman from Idaho [Mr. CRAPO] had a lot to do with its passage.

Could you tell us what motivated you to be involved with the Deficit Reduction Lock-box Act?

Mr. GUTKNECHT. I thank the gentleman for yielding. I was sitting here listening. The comments have been excellent, but it is interesting, even our speaker tonight is a fellow freshman colleague. As freshmen, I think it is exciting.

I remember just a few years ago one of the Members of the House came before the House and put a paper bag over his head and in effect said, "I am embarrassed to be a Member of this body." But I must tell you I am proud to be a Member of this Congress, the 104th Congress, and even more proud to be a part of this freshman class.

I apologize I was not able to make it to the hearing in New Jersey. I hear that it was an excellent hearing, that the testimony was excellent.

The other thing that I think that has come back in some of the comments we were talking about earlier, that there is so much common sense out there among the American people, and sometimes they wonder why they cannot see more common sense coming from Washington.

One of the things I did was, I heard about this article that was in Reader's Digest a few months ago, "The Death of Common Sense." I bought a whole lot of reprints. If anybody, any of my colleagues are watching and would like a copy, if they will get a hold of my office at the U.S. House of Representatives, Washington, D.C. 20515, we will send them a copy because in my own district I have had 33 town meetings.

We had the Regulatory Reform Subcommittee of the full Committee on Government Reform and Oversight come out to Minnesota, and Representative MCINTOSH and a number of other members of that subcommittee had hearings about regulatory reform. Frankly, I think that is something that is crying out. The American people are saying we just want some common sense.

There are so many great examples. If the gentleman from Pennsylvania [Mr. FOX] could let me just have a minute and give a couple of examples that are in this short article from Reader's Digest. One of them that our Speaker tonight, the gentleman from Oregon [Mr. BUNN], would appreciate says:

> Until recently, Dutch Noteboom, 73, owned a small meat packing plant in Springfield, Oregon. The U.S. Department of Agriculture had one full-time inspector on the premises and one supervisor who visited regularly. This level of attention is somewhat surprising, since Noteboom had only 4 employees. But the rules required it. Every day the inspector sat there, "often talking on the phone," says Noteboom. But they always found time to cite him for a violation: one was for "loose paint located 20 feet from any animal."
>
> "I was swimming in paperwork," said Noteboom. "You should have seen all the USDA manuals. The regulations drove me out of business."

Those kinds of examples are repeated again and again, and what the American people I think are demanding from this Government, from this Congress, is common sense. If we are going to create a vision of what kind of government, what kind of a country we are going to live in in the 21st century, I think we have to start with the basic premise that we ought to have some common sense. The same common sense that the American people have ought to be permeating things here in Washington.

I think the idea of field hearings like yours, and I would like to hear a little more from the gentleman from New Jersey [Mr. MARTINI] about the field hearing in New Jersey. But I just want to say that I am happy to participate in these special orders.

I appreciate what the gentleman from Pennsylvania [Mr. FOX] has done, because I think the American people need to know that we are making a difference, we are making a contribution, and even more importantly, we are listening to the American people.

Mr. MARTINI. If I may, if the gentleman would yield on that point of common sense, I think that was probably first and foremost the message that we heard on Saturday. Of all of the messages, I think if you boiled it down into one overwhelming message, it was the need to bring some common sense into the Federal Government process.

I think listening to the individual stories that we had the benefit of listening to and then listening to the testimony, we realize that the impression that I received, and the impression that I have had since being a new Member of this great body, has been that really the Federal Government has grown in large part over many years without a plan, without a design, and without a system. It is more or less a haphazard growth of programs.

If there is a need for something, someone will propose a bill, they will implement that bill. No one looks back, and will determine whether or not there was another program that maybe could have just been modified but instead we have had another new program to try to implement that particular need.

I think one of the reasons we are where we are today is because there was not as much thought being given to the growth of the Federal Government over many years. I think what we are doing now as a body is looking back and saying, what works, what does not work; what works, we should keep, improve, strengthen, fund. What is not working, for whatever reasons, stop it once and for all, and bring some common sense into this process of reviewing the existence of the present government so we can plan for the future and come up with a plan and try to adhere to that as difficult as that may be. When you serve here, you begin to realize how difficult it so often is to stay focused on a particular goal. But I think it is very important and that is one of the main thrusts of these hearings, is to stress the importance of having a game plan, shall we say, for the future. And then as we develop that game plan, make sure it is consistent with the overall goals that we set forth.

So the gentleman is right, if I may say, right on point, with what we heard on Saturday. That was bringing common sense into the process.

We talked in terms of not only regulatory reform which certainly was a topic brought up, about the need to bring some reasonableness into the regulatory process once again. No one certainly in my district and in the State of New Jersey is advocating abandoning the principles of meeting the goals of things like a good environment and things like achieving the necessary goals of the programs, however we set them out to be. But the regulatory process is something that many people are aware has gotten to the point where it is almost working against meeting the goals.

So I think once again I like to draw the analogy of what we are trying to do is bring the pendulum back into a balanced position in the regulatory process area. But I know the representative here from Washington probably will share with me, we heard about privatization, the block grants, pros and cons because there were people who spoke out on each of these. Then obviously the need to stay on track in order to achieve fiscal responsibility. I see my colleague here I think wants to add something to my thoughts.

Mr. TATE. A couple of quick points as we finish up on this particular part of our special order, is the fact that as I was leaving, an older gentleman came up to me. He said, "I just wanted to thank you for the breath of fresh air that the freshmen have brought to Congress." I hear that everywhere I go. Not just meetings in New Jersey but whether I am standing in line, flying back and forth back to my home in Washington State, whether I am at the Safeway store buying groceries late at night, I run into people saying, "We appreciate you staying the course."

Why? Because we are bringing common sense back to government as we recently said, especially in our committee as we worked on regulatory reforms, and we heard it on Saturday as well, is that there is a need for government regulation. No one is doubting it. But it has gone too far.

When you talk to small businesspeople, I think it was the NFIB, the National Federation of Independent Business, came out with a study. They asked what was the biggest threat to you as small businesspeople in this questionnaire. Taxes was up there, they were all concerned about taxes. They were all concerned about high cost of health care. Their biggest concern was overregulation, regulations they could not understand, let alone explain.

What we are trying to do is make sure new regulations are based on science, not on fad, on fact, not on fiction. We are trying to come up with a common-sense approach. That is what the people are asking.

In our State I hear stories all the time about regulations that made the difference of whether a business stayed in business or did not. That new regulation was the thing that put them out of business. That is what we are trying to change.

The key point about these hearings that we have had, I think, is the point that these are the first steps. That creating a 21st century government is not going to happen overnight and that this year we bit the bullet, we passed a resolution that will balance the budget, the first time since 1969. That is itself is huge achievement.

But these hearings, we are going to have hearings over the next year or so. It is the beginning of the process. We are going to learn in those great experiments called the States on how they have learned to do these things and we are going to continue to learn from them. We are going to make mistakes along the way, granted. You make mistakes when you are trying to make real changes. But I would rather make mistakes, learn and continue to grow instead of continue the status quo which means we will not have a balanced budget, which means we will not have a 21st century government.

Mr. MARTINI. If the gentleman will yield on that point about mistakes. I think certainly in an effort of this magnitude and size and a review of an institution of this nature which has been growing for many, many years, obviously the adjustments that need to be made will not be perfect in every instance. I think that we heard, and we had people who were advocating the status quo on Saturday, an elected official and some others, a minority point of view, but it certainly was a point of view. Each time we talked of a new mechanism or a new idea to accomplish the goal of making governments more effective and more efficient and less costly, such as the idea of at least considering privatization where appropriate, the idea of block grants where appropriate and where we think they can work, each time one of these ideas was espoused, unfortunately, there were still some in my opinion who still have not realized or have not come to grips with the reality.

As they would oppose each one of those ideas or say things like, and you heard them, "Well, that's a good idea, but it's not going to work in this particular area," or "There's going to be problems with this," et cetera, it only made me think that if we succumb to that mentality, it is really succumbing to the status quo, because if we do not have the courage to take some risk, minimal, I think, overall compared to the goals that we could attain of bringing fiscal accountability to the great Government, if we do not take some risk, a reasoned risk, of course, we will never get there.

I think that is one of the reasons past Congresses have never been able to get out of this rut of growth without planning, without design, and into a pattern of some real thoughtful government with common sense as my good colleague here from Minnesota said, and accomplish the overriding goal and not look at any one particular thing and let this distract you from the real goals at hand and the real accomplishments we can achieve.

Mr. FOX of Pennsylvania. If the gentleman will yield, I think just today the gentleman from Minnesota [Mr. GUTKNECHT] was involved with other members of the Committee on Government Reform and Oversight of which the gentleman from New Jersey [Mr. MARTINI] and the gentleman from Washington [Mr. TATE] are members, with the Government procurement reform. Perhaps you could enlighten our colleagues about what that legislation will do as it relates to government getting products and services less expensively acquired than they have in the past. Could the gentleman from Minnesota respond to that?

Mr. GUTKNECHT. I thank the gentleman from Pennsylvania [Mr. FOX]. We have sort of lived under this illusion and I just want to comment because one of our favorite expressions in this freshman class is that "The status quo doesn't live here anymore."

I think we came to Washington to make a difference and I think the American people said last November that the status quo was not acceptable and they wanted some real changes. One of the bills we worked on today and worked through the committee that we all serve on is procurement reform. Earlier this spring I was visiting with Congressman DUNCAN HUNTER from California about the Department of Defense. I think we all believe in a strong national defense.

I think once we are sworn in, we put on these pins, we do take a special responsibility for those young men and women who serve in our armed forces. I think we want to make certain that they have the best technology, the best training, the best equipment that we possibly can give them, particularly if we have to make a vote to send them into situations where they can get shot at and killed. So we want a strong defense.

But let me just give one example that he gave me or a couple of examples. In the Department of Defense, we buy everything from paper clips to F-16 fighter aircraft. To do that, we have people who buy those things. We have people who are called buyers. I am told according to last count, we had something like 106,000 buyers. That is the bad news, but the news gets worse. Those 106,000 buyers have something like 200,000 managers. We buy about one F-16 fighter aircraft a week. To do that we have 1,646 buyers. I met with some electronics guys earlier in the session and they showed me this little circuit board. This circuit board goes in an M-1 Abrams tank. It helps control the fuel supply in an M-1 Abrams tank. They told me this cost them about $2 to make. Yet they sell it to the Department of Defense for about $15. Part of the reason they do is because they have to deal with a mountain of regulations to get through it. So what we passed today and worked its way through the Committee on Government Reform and Oversight was a procurement reform to eliminate some of the paperwork, to make it a little bit easier. Long-term hopefully there will be more money available to buy the equipment, to buy the technology, to do the things we need to get done in government to protect our shores and carry out our foreign policy but at a much lower cost. As a matter of fact, the estimates are the bill we passed today may save as much as $2 million off the cost of an F-16. That is a lot of money. And it applies to buying these kinds of things and paper clips and everything else. That is what I think the American people want. That is what they have asked for. That is what they have demanded. And I think that is what this Congress is delivering.

Mr. TATE. If the gentleman would yield, one of the points that was made at our hearing was the public definitely did not want more of the same but they definitely did not want less of the same. I think the point being made is if we are going to spend less or change things, we need to do things better. Not just do the same thing and just be cheaper. I think that is what we did today in our procurement reforms and I think those are the kind of changes that the American people are looking for.

□ 1300

That was the point I wanted to make.

Mr. MARTINI. If the gentleman would continue to yield for a moment. To follow up on that, I think it is an important point the gentleman makes. The sentiment was that we should, obviously, not be looking at just this system intending to keep it intact, rather we are looking for a new structure. What is good in this system, maintain; and what needs to be abandoned, abandon; or what needs to be modified, modified.

So it is not simply maintaining the current system and just simply reducing funding across the board, but maintaining all of the programs and the manner in which we deliver services to the American people, but rather rethinking how we meet the goals, such as, for instance, obviously, block grants. The concept of block grants would work, in my opinion, in many instances and may not work in some instances. The important thing was, listening to the local officials, each one of them on the point of having more authority and control were in agreement. They each wanted more authority and control over their own jurisdictions and to govern their own respective entities. However, there was some difference between those who were willing to accept the concept of block grants recognizing that block grants will do exactly that, it will put more authority, flexibility and responsibility in the hands of the local officials and give them the flexibility they want, and yet in almost a contradictory way there were one or two elected officials who still were protesting block grants. So they cannot have it both ways. As an elected official they cannot have all that flexibility and——

Mr. FOX of Pennsylvania. If the gentleman would again yield.

Mr. MARTINI. I would certainly yield.

Mr. FOX of Pennsylvania. Just recently in the Congress we took the WIC, the Women, Infant and Children program, the food nutrition programs, and in our proposal that we had in the House we said to the States, because the Governors asked for it, give us the block grants and those food programs, and while we spend 15 percent in the Federal Government to administer those programs administratively, the States can only have 5 percent, but with the other 10 percent they must feed more children more meals. So the block grants can work when we put the restrictions on the State governments so that we get more services and less bureaucracy.

One of the problems I think the three of us have faced here in Congress for the time we have been here in our first term, we have seen that what has happened is we have a cottage industry of bureaucrats. We pass a law and then bureaucrats make regulations that are expensive, that duplicate, that slow up the process. Talk about regulatory reform, I have a gentleman back home who has a business who wanted to deal with the Government, but we are not business friendly. He had 187 pages, much like Mr. GUTKNECHT was speaking earlier about the defense contract, this was a nondefense contract, 187 pages to fill out. He would need an engineer, an architect and an attorney. By the time he paid for them, he would have no profit left. He said he would rather deal with private companies.

So we have go get down to the basics where we do not have so much authority delegated to bureaucrats, and we have more authority and more funds going to the States and local governments, so we have more services to people and less overburdensome taxes and regulations. That is what this Congress has been doing. And your committee and your hearing, Congressman MARTINI is setting the tone for what can happen in the States.

Mr. MARTINI. If the gentleman would yield.

Mr. FOX of Pennsylvania. Yes.

Mr. MARTINI. I think it is very important, however, as we are having this interchange and this dialogue, that we not give the misimpression that the purpose of this committee is simply for the future, and that this Congress and the majority body in the Congress is not working right now and has been working for eight months and has accomplished so much already towards that goal.

Interestingly enough, we had a list at the hearing of the list of programs, in a single space listing, typed, of all of the agencies, departments, programs, et cetera, that in some way already had been modified, changed and it is about six pages long or more than that. So I think it is important that we make it clear that this Congress already has accomplished so much towards this effort of getting a more effective, less costly government.

The point of these committee hearings is, once again, to make sure that there is so much more to do and that we not just end that process this fall, as, unfortunately, in the past maybe has happened.

Mr. FOX of Pennsylvania. As a point of clarification, the gentleman is speaking of the balanced budget amendment, line-item veto, a prohibition of unfunded mandates and also the regulatory moratorium?

Mr. MARTINI. If the gentleman would yield once again.

Mr. FOX of Pennsylvania. Certainly.

Mr. MARTINI. Those are all the items, but, obviously, I happen to think that right now, as we go into this fall, and I am sure this is shared by all of us, there are three very important things, any one of which is monumental in its own right: Things like making sure we pass a balanced budget reconciliation bill, which I think we are poised to do; things like including in that real welfare reform, to make it workfare and not welfare; and also things like strengthening and saving our Medicare Program.

Any one of those items in prior Congresses would have been a monumental task and would have occupied perhaps a good portion of a term of Congress, and I feel very privileged to be in a position to be a part of a Congress that this year, in the next 3 months, we are on the verge of addressing those three areas, which I know in my district the people, at least with respect to welfare reform and fiscal responsibility, have, obviously, been calling out for that for some time now.

So I feel privileged to represent those people and being in the position where I believe we will accomplish that goal after facing some obstacles. And that is the other point we heard so well. There were many obstacles that we had to meet in order to achieve our goal, and every one of the witnesses who had been down this path already had said to us that day, stay focused, persist in your goal, and if we accomplish our goal, the people will recognize that. So these are people both from the private sector and in other Government entities that have been down this path, and I thought it was very refreshing to hear from them, and particularly our Governor who has been down this path for 2 years.

There have been naysayers in New Jersey who said the sky will fall in, et cetera. What has happened by some of her policies already is a breath of fresh air to the State of New Jersey and our economy.

Mr. TATE. Will the gentleman yield?

Mr. MARTINI. Certainly.

Mr. TATE. Is the sky still there?

Mr. MARTINI. The sky is still there, and more than that, our businesses are staying there and we have accomplished that, even with a tax reduction that was implemented by our Governor and legislature. So it can be done. It has to be done, because if we think of the alternative, the alternative is more of the same, more growth, more taxes, and what we are doing is indebting our children and getting no services for the interest we pay on the great debt that we have.

Mr. GUTKNECHT. If the gentleman would yield.

Mr. MARTINI. Certainly would.

Mr. GUTKNECHT. Isn't that really the story of America? The naysayers and the pessimists and the cynics have never prevailed. In the long run, it is the optimists, the believers, the ones who really get out, roll up their sleeves and get it done.

I know there are a lot of pessimists and naysayers here in Washington We read about them in some of the media sometimes. But the truth of the matter is, the American people believe that it can, and will, and must be done. There are people in this town who think it is absolutely impossible for this Congress to pass a balanced budget reconciliation this fall. They think it is impossible for us to save Medicare. They think it is impossible for us to pass a welfare reform that is really built on work and personal responsibility and strengthening families.

They say it cannot be done, but the American people, the interesting thing in the town meetings I have had, they know it can be done. They believe it can be done. That is what has made this country work. It is that spirit that I think is not only going to help us get through this particular period in our history, but will help us chart our course in the 21st century.

What the American people want is to get back to some of those old-fashioned things, as was mentioned earlier. They want more personal responsibility and less Government responsibility. They want more personal control and they want less Government control. They want a Government that works with them rather than a Government that comes at them. I think that has been the theme of this Congress and that is what will lead us into the 21st century.

The interesting thing is, and I start my town meetings with the three most important words in this Democratic experiment, and they are the first three, "We the people." I think as long as we continue to have these meetings and this dialog with the American people, I know I get my batteries charged every time I have a town meeting because there is lots of optimism. There is a lot of can-do attitude out there, and that is the attitude out there, and that is the attitude that will give us strength. And if we stay at it, I think we cannot fail.

Mr. FOX of Pennsylvania. If the gentleman would yield, I think what the gentleman just said, Congressman GUTKNECHT, dovetails with what Congressman MARTINI and Congressman TATE have been doing, and I think it is a whole change in culture in Washington. We saw a few weeks ago one of our fellow freshman, Congressman FOLEY, work hard in the committee to remove $50 million of waste, fraud, and abuse from a program that was really a boondoggle. Citizens Against Government Waste identified it. It was definitely not needed and he had it removed in committee. He was proud of that fact. By the next day, the $50 million was moved to another pork barrel project.

That is what brought forth, ladies and gentlemen, the Deficit Reduction Act, which we cosponsored and helped pass today. That will have, for the first time, any savings we can find in committee or on this floor for pork barrel projects and those that do not have permanent value that help all American people, that will be put in a lockbox. Those savings will go to deficit reduction. If we have deficit reduction, that means we have less taxes to pay by interest. That will help make sure our economy is strong, that we have more jobs, and that we have more people working and that we have a stable economy.

So we think this Deficit Lockbox Act is just one more kind of reform that I am sure at Congressman MARTINI's hearing was probably discussed and will probably be emulated other places. But I would ask the gentleman from New Jersey [Mr. MARTINI], where does the gentleman think we go from here, as far as Government reform and oversight and what the gentleman and Congressman TATE did this weekend, and where we can expect to go?

Mr. MARTINI. I thank the gentleman, and I certainly am looking forward to attending at least a couple of the other field hearings that will be held throughout the country, and I am interested to hear other points of view from people elsewhere in the country, and I think that is an important part of the process that we have to undertake.

I think if New Jersey's hearing was any indication, there is a strong support out there and commitment for us to do what we are doing, and that is to bring fiscal responsibility. And that is how I like to refer to it. We can call it balanced budget, but I think what we passed today by way of the lockbox legislation and the budget reconciliation bill, and the process that we are in now leading up to a final budget reconciliation bill vote, all is really intended to get us on to a path of fiscal responsibility and accountability. So I sense there was overwhelming support for that.

Now, there is no question, and even amongst the majority and amongst all the Members here in this House, there are differences on specific funding levels for specific programs or agencies or departments. I think that is to be expected. The overriding important goal, in my opinion, is that each of us, as Members of this great House, will also have to adjust somewhat and accept something that maybe we do not like in our own district or in our own State in order to accomplish the overwhelming, the important and more essential goal of having a national policy of sound fiscal Government. I think that is what will enable us in the end to achieve the goal.

All too often in the past what has happened is Congress people have been unwilling to accept something that maybe they would have preferred to be done a little differently; and, therefore, the bigger goal, the goal that is important to our Nation as a whole, would often be lost in that process. I am confident that this year that there is enough of a commitment, and it is being driven by the American people, who are telling us it is time to bring your fiscal House in order.

I might add, of all of the entities and institutions out there, if I had to assess it, we are probably the last one to undertake this process. We heard from a State Governor, we heard from a local county official, we heard from several mayors, and we heard from people in the private sector. Each one have started this process of looking at their institution or their body that they govern and have asked these questions and have begun the process of right sizing, is how I like to refer to it, their institutions.

Mr. TATE. Would the gentleman yield?

Mr. MARTINI. I certainly would.

Mr. TATE. The gentleman hit it right on the nose. When I am home, as I said earlier, people are always coming up and saying, stay the course, do not give up, keep fighting, stick to the promises that were made. As far as ahead as we believe we are as a freshman class, the public is even further. They want the changes today. They do not want to hear about it even 7 years ago. They want to hear about how we are going to balance the budget.

So the things to keep in mind, and I guess it was Ross Perot that coined this phrase, the freshman class is the new third party. We are making the kind of changes that people want to see, but we have to continue to fight that battle.

And the gentleman touched on another key point that I think that we really need to drive home. If we just did welfare reform this year, it would be a monumental year. If we just balanced the budget this year, that would be incredibly monumental. If we just provided tax relief for working families, there could be nothing more important. If we saved Medicare, that is going bankrupt, I can think of nothing more important. We are going to do all of those before we leave this place.

□ 2215

Mr. FOX of Pennsylvania. The fact is that this is a bipartisan issue. Americans want to make sure they have the quality drugs they need, while the FDA makes sure we have the quality standards and the purity. The fact is that this country, with its great biotechnical and pharmaceutical companies that have made the first discoveries here, but our patients sometimes are the last to get the receipt of those drugs or medical devices. Under our bill, H.R. 1995, it will speed up that process. Because right now companies spend about $100 million in 10 years waiting because of the bureaucratic maze of FDA.

So with this legislation and the reforms that the gentleman from New Jersey [Mr. MARTINI] and the gentleman from Washington [Mr. TATE] and the gentleman from Minnesota [Mr. GUTKNECHT] are working with me, we really will be able to speed up the process, get drugs to market faster, and not only will we get people living longer and living better because of the drugs and the medical devices, we will keep the jobs here in America too.

Mr. GUTKNECHT. Mr. Speaker, if the gentleman will yield, we will save billions of dollars for consumers.

Mr. FOX of Pennsylvania. Mr. Speaker, the fact is that this class of freshmen has been anti-tax, pro people and pro business. When I say pro business I mean pro jobs. I think if we keep that orientation, we will make some positive changes.

When we speak of Medicare reform, there is some legislation that we are involved with in making sure we root out the fraud. There is $30 billion right now in Medicare fraud.

Mr. GUTKNECHT. If the gentleman will yield, it is $44 billion, but who is counting.

Mr. FOX of Pennsylvania. That is for Medicare and Medicaid together. But there are different publications that have different articles about what Congress is working on. It is $30 billion in one article, anyhow, for Medicare reform, and it deals with the fraud, abuse and waste of different people who are impersonating doctors, sending these duplicate bills, having a 14-year-old read x-rays for which they are not qualified, and the list goes on and on. The legislation that we are cosponsoring is going to dispute the process of those prosecutions and make sure that the penalties are increased so that we make sure the dollars for care are going back to our seniors, that they get the quality service and they can live longer and live better. We are going to save Medicare because we want to make sure our seniors are protected, whether it is a mother, grandmother, sister, whoever it is, and we are going to make sure that Medicare is saved.

Mr. Speaker, as freshman we have had 18 hour days and I think that is just part of being here in Washington and trying to make a difference.

Mr. MARTINI. If the gentleman would yield, you are absolutely right about the need for FDA reform. It is something that the Committee on Government Reform and Oversight is certainly involved with, and there is a hearing tomorrow, by the way.

Mr. Speaker, before we conclude our remarks for this evening, I would like to just comment for a moment on the process that has been taking place this week with respect to the politics of this whole issue of trying to get a better handle on the government in terms of passing a balanced budget. I will use as an example the student loan issue which we have been hearing from those who are opposed to our achieving a balanced budget alluding to and saying that the budget will reduce, et cetera, or drastically change the student loan program.

Now, the facts speak for themselves as to just how that program has been adjusted. There are not drastic cuts in that program, so the facts speak for themselves. The point I would like the make, though, is that we are seeing the politics on this issue unfortunately scaring another segment of the population. I do not think it is reverberating out there, but I think for every one of those issues, and it is important that the American people understand this, for every one of those issues where we talk about a specific item in this entire budget, there is another argument to be made, and I thought of it today sitting in my office as I was contemplating the debate going on on the student loan issue. You know, I said to myself, if we are spending inappropriately, because there is very few major changes in that program, now that all is said and done, there is very few changes in that program whatsoever, but whatever they are, the few that are there are minor adjustments. But somebody should also speak for the young grammar school children whose futures are ahead of them, and because of our reckless practices in the past of not being able to control reasonably the growth of this great government, we are indebting the children that are in the first, second, third grades who futures are well ahead of them.

So when you sit here and argue for the student who is in college, which frankly is not being dramatically changed in terms of their abilities to get loans for school in any meaningful way, you have to also think about the impact on others in our communities in our society, and I like to think of the younger people who already today are being burdened with this overwhelming debt before they even go out into the work force and make a living and start to pay taxes. So they are already beginning behind the eight ball, and that is also part of what this entire process is all about. Somebody has to speak for those in society who cannot speak for themselves, and that is what I think we are doing with this budget progress.

Mr. TATE. If the gentleman would yield, that point really hits what balancing the budget is all about. I have a daughter and her name is Madeleine, and in her lifetime she will spend $187,150 just in taxes, just to the Federal Government, just to finance the national debt, if we do not balance the budget. That is outrageous. If you want to help out college students and make sure there are jobs out there, balance the budget. If you want to make loans more affordable, balance the budget. That will lower interest rates. That will make college more affordable. That is what we are really talking about, allowing people to keep more of their own money in their own pockets to make their own decisions, to pay for higher education, to pay for health care if they need it, to go on vacation if they desire it, and I am sure they do; to make those kinds of changes, and that is what balancing the budget means to real people. That is what we have to keep in perspective. It is not all of the bill numbers we throw out, it is working people who live in the ninth district of Washington or in New Jersey or Pennsylvania or in Minnesota that sit around the kitchen table every month or sometimes every night trying to figure out how they are going to spend their money because the Government takes more and more of their money away.

We need to weed out the fraud and abuse, such as $6 for one aspirin, $12 for one aspirin for somebody else. That is outrageous. That is ripping off the taxpayers. That is wrong. That is what we are trying to change. That is why I am so excited to be putting a human face on the balanced budget. It means real people are going to keep real money in their own pockets to decide how they want to spend it. That is the exciting part about it. That is why I am working on this. You mentioned those people that do not get to talk to us, those newborn kids that are stuck with this huge debt. That is what this is all about. It is about the kids.

Mr. GUTKNECHT. I think this speaks to it all. One of our colleagues in the other body recently said, you know, some of the cynics and the critics here in Washington are saying that this is a debate about how much we are going to spend on children and how much we are going to spend on education and how much we are going to spend on nutrition. It is not a debate about how much we are going to spend on children, nutrition or education. It is a debate about who is going to do the spending.

So as we downsize the Government and as we allow individuals and families to make those kinds of decisions, as we give them some of their money back to spend, we know they can spend it more efficiently, that is really what this debate is about. As we move into the 21st century, we want a country that allows more personal freedom, gives more personal responsibility, but gives families more control on how they are going to spend their money.

When the average family is giving over half of their annual income to government one way or another, it has gotten too big and they do not spend it more efficiently. They are more efficient at the local level than at the Federal level, but that is the debate we are having and we have to win it, not just to win, not as an accounting exercise; that is a good point. We have to win it for today's children because otherwise we are going to leave them a debt they will never be able to pay off.

Mr. Speaker, I want to thank the gentleman from Pennsylvania [Mr. FOX] for putting this together.

Mr. FOX of Pennsylvania. Let me just add to what the gentleman from New Jersey [Mr. MARTINI] just talked about. The fact is, there has been a big lie on campus about what is actually going to happen, and there is a student loan scare campaign by the other side of the aisle. But the facts are very much different as we know them.

Student loans are going to be increased. The Congress' billion dollar budget proposal does not cut a single student loan. In fact, under the GOP plan to balance the budget, we save student loans. More loans will be available from the 6.6 million loans to 7.1 million the following year. The in-school interest subsidy program will remain; loan fees are not increased. The GOP funds the biggest Pell grant ever to $2,440, its highest level in the history of the program. There will maintain a 6-month grace period for the loans. The Perkins loans total will be $6 billion and the student aid will not be cut. The college work study program will be maintained, the supplemental education opportunity grants will be fully funded, and the TRIO Program, which benefits minority and disadvantaged students, is fully funded at its current level of $463 million.

So the facts are different than what you have heard. The fact is, we will not let students, seniors, those who are families, be left out in any program. We are working on making sure that they are more accountable, though, that the bureaucracy costs, the duplication costs, the overregulation costs and all of the waste, fraud and abuse is removed, and direct service to those who need them is what we are fighting for. That is important, and that is the key to what we are trying to do. I would ask the gentleman from New Jersey [Mr. MARTINI] to sum up about where we go from here again back to his hearings.

Mr. MARTINI. I thank the gentleman from Pennsylvania, and I thank him for his efforts in putting together this evening's exchange and dialog. I think it is very helpful, especially after a hearing where we learned from our constituents what was on their mind, particularly on this very issue.

I think in sum what I learned was that the process that we are undertaking right now is not simply downsizing, but it is really smart-sizing and right-sizing the Federal Government, because there is more to it than just reducing spending. There is also things, like we undertook today adoption of the lockbox legislation, like procurement reform, all of which lead to just more efficient, more effective, and less costly Government. So the undertakings that we are in the process of doing really are all geared toward that.

We have to continue to listen and learn from our constituents, and then, of course, lead. I think it is important that we stay on our mission of finding a fiscally responsible and accountable Federal Government and keep our eye on the ball as we go along.

Let me just share with you something that happened that I thought was a good analogy perhaps to the comparisons of what we are doing. There was one gentleman who spoke at our hearing who was somewhat critical of the efforts we are taking to become more fiscally responsible, and implied that this Congress was only cutting from the bottom and not really serious in its effort to find ways to save money throughout the Government at all levels of Government.

This gentleman compared it to a wedding cake. He said that if you had a wedding cake, what we are doing is simply taking pieces from the bottom of the wedding cake. He said that he would rather, or the Democrats he compared it to, if they had their way, they would take it from the top to the bottom.

I think you recall very well what I said then, and I think it is very applicable, that some would argue that for 40 years the wedding cake was purchased by the taxpayers and then eaten by the process that had been set up by the majority that ruled this Congress for 40 years, and left nothing really for the future of America.

So it was something that stays in my mind. I think it sums up the differences to where we are trying to go. We are concerned about the future of America. We want to make sure there is some wedding cake for future generations, and that we do not do the irresponsible thing and spend beyond our means and leave a great debt for Americans to come.

Mr. FOX of Pennsylvania. That is a very good sentiment. I will say this, I am sorry I did not join you on Saturday, because I had a conflict. What I would say to that gentleman is you have been in the leadership on these issues, important issues, of getting our own house in order and leading by example. We have cut out 3 committees and 25 subcommittees. We released one-third of our committee staff, saving over $100 million just in the cost of running Congress. As well, we have a gift ban we are now going to move toward passage, lobbying reform. We have already cut by one-third our franking privileges on mail. We are certainly becoming more accountable with the adoption of the Shays Act, making all the laws we pass also apply to the management of Congress, whether it be OSHA or Fair Labor Standards or civil rights.

The gentleman from New Jersey [Mr. MARTINI] has been at the forefront of that, and I am sorry I could not tell your friend from your district, the 8th district of New Jersey, just how much you have been doing in leading by example, in making sure that this Congress, this freshman class, in a bipartisan fashion, both sides of the aisle, works to move us to the kind of new America that we think is emerging.

Mr. TATE. I guess I would have added, to tell that gentleman, following on this marriage analogy, the honeymoon is over for the big spenders. That is what this Congress has been about. We have changed the culture of Washington. We are going to continue to do it. As the gentleman you stated, on day one, to me the reform that meant the most to me was making sure that Congress lived by the same laws as every other American.

☐ 2230

When we live under these laws, we may be a little less likely to want to pass all these great ideas, so-to-speak, and bring back common sense as the gentleman from Minnesota has clearly stated.

This has been a great session so far this year. We are going to continue to keep fighting. I think the things to keep in mind over the next month or two are the fact that we are going to balance the budget, we are going to reform welfare, we are going to provide tax relief for working families, and we are going go save Medicare, and do those things. Promises made, promises kept. We kept our Contract With America. Now we are going to keep our contract with our senior citizens and keep our contract with those working families, and keep the contract with my daughter Madeleine to make sure her future is brighter, she is not saddled with this huge debt. And the hearings reinforced that. It has been a pleasure working with you two gentlemen, and I look forward to getting started tomorrow morning and working on the two issues.

Mr. FOX of Pennsylvania. The fact is we need your enthusiasm and optimism. I would say to the gentleman from Minnesota [Mr. GUTKNECHT], the gentleman from New Jersey [Mr. MARTINI], and the gentleman from Washington [Mr. TATE], we appreciate your leadership on the Committee on Government Reform and Oversight, and look forward to your continued driving the engine for this Contract With America and the reforms to really right the course for America. I thank you very much for joining us tonight.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mr. WISE) to revise and extend their remarks and include extraneous material:)

Ms. KAPTUR, for 5 minutes, today.

Mr. OWENS, for 5 minutes, today.

(The following Members (at the request of Mr. FOX of Pennsylvania) to revise and extend their remarks and include extraneous material:)

Mr. BURTON of Indiana, for 5 minutes, today.

Mr. SMITH of Michigan, for 5 minutes, today.

Mrs. MORELLA, for 5 minutes, today.

Mr. ALLARD, for 5 minutes, on September 14.

Mr. MCINTOSH, for 5, minutes, today.

(The following Member (at his own request) to revise and extend his remarks and include extraneous material:)

Mr. MCINTOSH, for 5 minutes, today.

(The following Member (at his own request) to revise and extend his remarks and include extraneous material:)

Mr. WISE, for 5 minutes, today.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

Mr. EMERSON and to include extraneous material notwithstanding the fact that it exceeds two pages of the RECORD and is estimated by the Public Printer to cost $1,540.

(The following Members (at the request of Mr. WISE) and to include extraneous matter:)

Mr. FROST.

Mr. TORRES.

Mr. HAMILTON in two instances.

Mr. DE LA GARZA.

Mr. BONIOR.

Mr. MORAN.

Mr. BEILENSON.

Mr. FILNER.

Mr. FAZIO.

Mr. LIPINSKI.

Mr. PALLONE.

Miss COLLINS of Michigan.

Mr. MCDERMOTT.

Mr. BARCIA.

(The following Members (at the request of Mr. FOX of Pennsylvania) and to include extraneous matter:)

Mr. PETRI.

Mr. WELDON of Pennsylvania.

Mr. PACKARD.

Mr. BURTON of Indiana.

Mrs. JOHNSON of Connecticut.

Mr. ENSIGN.

ADJOURNMENT

Mr. FOX of Pennsylvania. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 10 o'clock and 32 minutes p.m.), under its previous order, the House adjourned until tomorrow, Thursday, September 14, 1995, at 1 p.m.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1425. A letter from the Director, Defense Security Assistance Agency, transmitting the Department of the Navy's proposed lease of defense articles to New Zealand (Transmittal No. 31-95), pursuant to 22 U.S.C. 2796a(a); to the Committee on International Relations.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. LIPINSKI:

H.R. 2318. A bill to provide for additional diversity immigrant visas for certain natives of Poland; to the Committee on the Judiciary.

By Mrs. LOWEY:

H.R. 2319. A bill to amend title 23, United States Code, to establish a national standard to prohibit the operation of motor vehicles by intoxicated minors; to the Committee on Transportation and Infrastructure.

By Mr. HERGER (for himself, Mr. CLEMENT, Mr. SHAW, Mr. BURR, Mr. KLECZKA, Mr. COLLINS of Georgia, Mr. FOX, Mr. BEREUTER, Mrs. JOHNSON of Connecticut, Mr. HEFLEY, Mr. CONDIT, Mr. COOLEY, Mr. GORDON, Mr. HOLDEN, Mr. BRYANT of Texas, Mr. BOEHNER, Mr. LAUGHLIN, and Mr. CAMP):

H.R. 2320. A bill to provide for the more effective implementation of the prohibition against the payment to prisoners of supplemental security income benefits under title XVI of the Social Security Act or monthly insurance benefits under title II of such act, and to deny such supplemental security income benefits for 10 years to a person found to have fraudulently obtained such benefits while in prison; to the Committee on Ways and Means.

By Mr. NADLER:

H.R. 2321. A bill to direct the Secretary of Transportation to make a grant for improvements to the New York City subway system, and for other purposes; to the Committee on Transportation and Infrastructure.

By Mr. NETHERCUTT (for himself, Ms. DUNN of Washington, Mr. HASTINGS of Washington, Mr. METCALF, Mrs. SMITH of Washington, Mr. TATE, Mr. WHITE, Mr. DICKS, and Mr. MCDERMOTT):

H.R. 2322. A bill to designate the Walla Walla Veterans Medical Center located at 77 Wainwright Drive, Walla Walla, WA, as the "Jonathan M. Wainwright Memorial VA Medical Center"; to the Committee on Veterans' Affairs.

By Mr. OXLEY (for himself, Mr. GILLMOR, Mr. GREENWOOD, Mr. CLINGER, Mr. HAMILTON, Mr. PORTMAN, Ms. KAPTUR, and Mrs. JOHNSON of Connecticut):

H.R. 2323. A bill to amend the Solid Waste Disposal Act to authorize State and local governments to prohibit or restrict the receipt of out-of-State municipal solid waste, to authorize local governments to control and direct the movement of certain solid waste, and for other purposes; to the Committee on Commerce.

By Mr. PETRI:

H.R. 2324. A bill to terminate marketing orders regulating the price of milk at the end of 1995 and to provide for the gradual reduction and eventual elimination of the price support program for milk; to the Committee on Agriculture.

By Mr. ROTH (for himself, Mr. BEREUTER, Mrs. JOHNSON of Connecticut, Mr. HOUGHTON, and Mr. MANZULLO):

H.R. 2325. A bill to establish a Department of Trade; to the Committee on Government Reform and Oversight, and in addition to the Committees on National Security, International Relations, Banking and Financial Services, and Ways and Means, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

By Mr. SCHIFF (for himself, Mr. SHAYS, Mr. CLINGER, Mr. FOX, Mr. SCHUMER, and Mr. TOWNS):

H.R. 2326. A bill to improve Federal efforts to combat fraud and abuse against health care programs, and for other purposes; to the Committee on the Judiciary, and in addition to the Committees on Government Reform and Oversight, Ways and Means, and Commerce, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

By Mr. SENSENBRENNER (for himself, Mr. BARRETT of Wisconsin, Mr. NEUMANN, Mr. KLUG, and Mr. KLECZKA):

H.R. 2327. A bill to allow for a waiver during nonozone season of certain reformulated gas requirements; to the Committee on Commerce.

By Mr. STOCKMAN:

H.R. 2328. A bill to amend title 23, United States Code, relating to the sale of alcoholic beverages to persons who are less than 21 years of age; to the Committee on Transportation and Infrastructure.

By Mr. GEPHARDT (for himself, Mr. BONIOR, Mr. DINGELL, Mr. GIBBONS, Mr. WAXMAN, Mr. STARK, Mr. ABERCROMBIE, Mr. ACKERMAN, Mr. ANDREWS, Mr. BAESLER, Mr. BALDACCI, Mr. BARCIA of Michigan, Mr. BARRETT of Wisconsin, Mr. BECERRA, Mr. BEILENSON, Mr. BENTSEN, Mr. BERMAN, Mr. BEVILL, Mr. BISHOP, Mr. BORSKI, Mr. BOUCHER, Mr. BROWDER, Ms. BROWN of Florida, Mr. BROWN of Ohio, Mr. BROWN of California, Mr. BRYANT of Texas, Mr. CARDIN, Mr. CHAPMAN, Mr. CLAY, Mrs. CLAYTON, Mr. CLEMENT, Mr. CLYBURN, Mr. COLEMAN, Mrs.

Collins of Illinois, Miss Collins of Michigan, Mr. Condit, Mr. Conyers, Mr. Costello, Mr. Coyne, Mr. Cramer, Ms. Danner, Mr. de la Garza, Mr. DeFazio, Ms. DeLauro, Mr. Dellums, Mr. Deutsch, Mr. Dicks, Mr. Dixon, Mr. Doggett, Mr. Dooley, Mr. Doyle, Mr. Durbin, Mr. Edwards, Mr. Engel, Ms. Eshoo, Mr. Evans, Mr. Faleomavaega, Mr. Farr, Mr. Fattah, Mr. Fazio of California, Mr. Fields of Louisiana, Mr. Filner, Mr. Flake, Mr. Foglietta, Mr. Ford, Mr. Frank of Massachusetts, Mr. Frazer, Mr. Frost, Ms. Furse, Mr. Gejdenson, Mr. Pete Geren of Texas, Mr. Gonzalez, Mr. Gordon, Mr. Gene Green of Texas, Mr. Gutierrez, Mr. Hall of Ohio, Mr. Hall of Texas, Mr. Hamilton, Ms. Harman, Mr. Hastings of Florida, Mr. Hefner, Mr. Hilliard, Mr. Hinchey, Mr. Holden, Mr. Hoyer, Ms. Jackson-Lee, Mr. Jacobs, Mr. Jefferson, Mr. Johnson of South Dakota, Ms. Eddie Bernice Johnson of Texas, Mr. Johnston of Florida, Mr. Kanjorski, Ms. Kaptur, Mr. Kennedy of Rhode Island, Mr. Kennedy of Massachusetts, Mrs. Kennelly, Mr. Kildee, Mr. Klink, Mr. LaFalce, Mr. Lantos, Mr. Levin, Mr. Lewis of Georgia, Mrs. Lincoln, Mr. Lipinski, Ms. Lofgren, Mrs. Lowey, Mr. Luther, Mrs. Maloney, Mr. Manton, Mr. Markey, Mr. Martinez, Mr. Mascara, Mr. Matsui, Ms. McCarthy, Mr. McDermott, Mr. McHale, Ms. McKinney, Mr. McNulty, Mr. Meehan, Mrs. Meek of Florida, Mr. Menendez, Mr. Mfume, Mr. Miller of California, Mr. Mineta, Mr. Minge, Mrs. Mink of Hawaii, Mr. Moakley, Mr. Mollohan, Mr. Montgomery, Mr. Moran, Mr. Murtha, Mr. Nadler, Mr. Neal of Massachusetts, Ms. Norton, Mr. Oberstar, Mr. Obey, Mr. Olver, Mr. Ortiz, Mr. Orton, Mr. Owens, Mr. Pallone, Mr. Pastor, Mr. Payne of New Jersey, Mr. Payne of Virginia, Ms. Pelosi, Mr. Peterson of Florida, Mr. Peterson of Minnesota, Mr. Pickett, Mr. Pomeroy, Mr. Poshard, Mr. Rahall, Mr. Rangel, Mr. Reed, Mr. Richardson, Ms. Rivers, Mr. Roemer, Mr. Romero-Barcelo, Mr. Rose, Ms. Roybal-Allard, Mr. Rush, Mr. Sabo, Mr. Sanders, Mr. Sawyer, Mrs. Schroeder, Mr. Schumer, Mr. Scott, Mr. Serrano, Mr. Skaggs, Mr. Skelton, Ms. Slaughter, Mr. Spratt, Mr. Stenholm, Mr. Stokes, Mr. Studds, Mr. Stupak, Mr. Tanner, Mr. Taylor of Mississippi, Mr. Tejeda, Mr. Thompson, Mr. Thornton, Mrs. Thurman, Mr. Torres, Mr. Torricelli, Mr. Towns, Mr. Traficant, Mr. Tucker, Mr. Underwood, Ms. Velazquez, Mr. Vento, Mr. Visclosky, Mr. Volkmer, Mr. Ward, Ms. Waters, Mr. Watt of North Carolina, Mr. Williams, Mr. Wilson, Mr. Wise, Ms. Woolsey, Mr. Wyden, Mr. Wynn, and Mr. Yates):

H. Res. 221. Resolution providing that consideration in the House of Representatives and its committees and subcommittees thereof of any legislation changing existing law with respect to Medicare or Medicaid pursuant to the reconciliation instructions of the concurrent resolution on the budget for fiscal year 1996 shall be preceded by adequate time for public examination of such legislation and public hearings thereon, and expressing the sense of the House that the Senate should similarily provide for such public examination and hearings; to the Committee on Rules.

ADDITIONAL SPONSORS

Under clause 4 of rule XXII, sponsors were added to public bills and resolutions as follows:

H.R. 65: Mr. Fox.

H.R. 103: Mr. Ward and Mr. Scarborough.

H.R. 104: Mr. Bereuter.

H.R. 109: Mr. Dellums.

H.R. 127: Mr. Davis, Mr. Spratt, Mr. Johnston of Florida, Mr. Manton, Mr. Funderburk, Mr. Doolittle, Mr. Lightfoot, Mr. Deutsch, Mr. Hefley, Ms. Norton, Ms. DeLauro, Miss Collins of Michigan, Mr. Hefner, Mr. Yates, Mr. Visclosky, Mr. LaHood, Mr. Menendez, and Ms. Eshoo.

H.R. 218: Mr. Cox, Mr. Dornan, Mr. Hall of Ohio, and Mr. Poshard.

H.R. 248: Mrs. Morella and Mr. Hamilton.

H.R. 249: Mr. Fox.

H.R. 351: Mr. Roth.

H.R. 390: Mr. McIntosh.

H.R. 468: Mr. Saxton and Mr. Cramer.

H.R. 528: Mr. Dickey, Mr. Montgomery, and Mr. Callahan.

H.R. 580: Mr. Coburn.

H.R. 743: Mr. Paxon, Mr. Dickey, Mr. Callahan, Mr. Bliley, and Mr. Hilleary.

H.R. 789: Mr. Hilliard, Mr. Moran, and Mr. McNulty.

H.R. 820: Mr. Paxon and Mr. Dreier.

H.R. 833: Mr. Wyden.

H.R. 911: Mrs. Maloney.

H.R. 922: Mr. Ganske.

H.R. 969: Mr. Durbin.

H.R. 1023: Mr. Matsui.

H.R. 1114: Mr. Tanner and Mr. Bass.

H.R. 1127: Mr. Bereuter and Mr. Sanders.

H.R. 1279: Mr. Coble, Mr. Archer, Mr. McCollum, and Mr. Calvert.

H.R. 1386: Mr. Hansen, Mr. Barton of Texas, Mr. Torkildsen, Mr. Salmon, Mr. Petri, Mr. Coburn, and Mr. Hayes.

H.R. 1406: Mr. Kingston.

H.R. 1458: Mr. Cramer.

H.R. 1484: Mrs. Meek of Florida, Mr. Visclosky, Mr. Kleczka, and Mr. Frost.

H.R. 1488: Mr. Hancock, Mr. Rahall, Mr. Peterson of Minnesota, Mr. Baker of Louisiana, Mr. Chambliss, Mr. Murtha, Mr. Franks of Connecticut, Mr. Kingston, Mr. Tiahrt, and Mr. Shuster.

H.R. 1618: Mr. Zimmer, Mr. Watts of Oklahoma, and Mr. Canady.

H.R. 1687: Mr. Stockman, Mr. Neal of Massachusetts, and Mr. Hostettler.

H.R. 1713: Mr. Dickey.

H.R. 1758: Mr. Markey.

H.R. 1774: Mrs. Maloney.

H.R. 1818: Mr. Foley, Mr. Bono, Mrs. Meyers of Kansas, Mr. Lewis of Kentucky, and Mr. Hastings of Washington.

H.R. 1872: Mr. Payne of New Jersey.

H.R. 1918: Mr. Cunningham, Mr. Bilbray, Mr. Klug, and Mr. McCollum.

H.R. 1960: Mr. Andrews.

H.R. 2011: Mr. Serrano, Mr. Sanders, Mr. Ford, Mr. Manton, Mr. Matsui, Mr. Dellums, Mr. Coleman, Mr. Kennedy of Rhode Island, Mr. Johnston of Florida, Mrs. Thurman, and Mr. Gejdenson.

H.R. 2072: Mr. Royce, Mr. Sanford, Mr. Scarborough, Mr. Forbes, Mr. Davis, and Mr. Horn.

H.R. 2090: Mr. Meehan, Mrs. Meyers of Kansas, and Mr. Hoke.

H.R. 2105: Mr. Oberstar, Mr. Brown of Ohio, Mr. Forbes, Mr. LoBiondo, Mr. Barcia of Michigan, and Mr. Gejdenson.

H.R. 2190: Mr. Duncan, Mr. Deutsch, Mr. Gilchrest, Mr. Fields of Texas, and Mr. Foley.

H.R. 2200: Mr. Fields of Texas, Mr. Rohrabacher, Mr. Camp, and Mr. Stupak.

H.R. 2202: Mr. Buyer and Mr. Cramer.

H.R. 2271: Ms. Kaptur.

H. Con. Res. 21: Mr. Meehan.

H. Con. Res. 50: Mr. Franks of Connecticut.

H. Con. Res. 80: Mr. Olver, Mr. Levin, Mr. Frost, Mr. Meehan, Mr. Frank of Massachusetts, Mr. Luther, and Mr. Sabo.

H. Res. 200: Ms. Roybal-Allard.

DELETIONS OF SPONSORS FROM PUBLIC BILLS AND RESOLUTIONS

Under clause 4 of rule XXII, sponsors were deleted from public bills and resolutions as follows:

H.R. 359: Mr. Studds and Mr. Fox.

H.R. 534: Mr. Inglis of South Carolina.

H.R. 899: Ms. Eddie Bernice Johnson of Texas.

AMENDMENTS

Under clause 6 of rule XXIII, proposed amendments were submitted as follows:

H.R. 1670

Offered By: Mr. Spence

Amendment No. 6: (1) Strike out title IV (page 100, starting on line 13, and all that follows through line 18 on page 143) and insert in lieu thereof the following:

TITLE IV—STREAMLINING OF DISPUTE RESOLUTION

Subtitle A—General Provisions

SEC. 401. DEFINITIONS.

(a) In General.—The Office of Federal Procurement Policy Act (41 U.S.C. 401 et seq.) is amended by adding at the end the following:

"TITLE II—DISPUTE RESOLUTION

"Subtitle A—General Provisions

"SEC. 201. DEFINITIONS.

"In this title:

"(1) The term 'Defense Board' means the Department of Defense Board of Contract Appeals established pursuant to section 8(a) of the Contract Disputes Act of 1978 (41 U.S.C. 607).

"(2) The term 'Civilian Board' means the Civilian Board of Contract Appeals established pursuant to section 8(b) of the Contract Disputes Act of 1978 (41 U.S.C. 607).

"(3) The term 'Board judge' means a member of the Defense Board or the Civilian Board, as the case may be.

"(4) The term 'Chairman' means the Chairman of the Defense Board or the Civilian Board, as the case may be.

"(5) The term 'Board concerned' means—

"(A) the Defense Board with respect to matters within its jurisdiction; and

"(B) the Civilian Board with respect to matters within its jurisdiction.

"(6) The term 'executive agency'—

"(A) with respect to contract disputes and protests under the jurisdiction of the Defense Board, means the Department of Defense, the Department of the Army, the Department of the Navy, or the Department of the Air Force; and

"(B) with respect to contract disputes and protests under the jurisdiction of the Civilian Board, has the meaning given by section 4(1) of this Act except that the term does not include the Department of Defense, the Department of the Army, the Department of the Navy, and the Department of the Air Force.

"(7) The term 'alternative means of dispute resolution' has the meaning given by section 571(3) of title 5, United States Code.

"(8) The term 'protest' means a written objection by an interested party to any of the following:

"(A) A solicitation or other request by an executive agency for offers for a contract for the procurement of property or services.

"(B) The cancellation of such a solicitation or other request.

"(C) An award or proposed award of such a contract.

"(9) The term 'interested party', with respect to a contract or a solicitation or other request for offers, means an actual or prospective bidder or offeror whose direct economic interest would be affected by the award of the contract or by failure to award the contract.

"(10) The term 'prevailing party', with respect to a determination of the Board under section 214(h)(2) that a decision of the head of an executive agency is arbitrary or capricious or violates a statute or regulation, means a party that showed that the decision was arbitrary or capricious or violated a statute or regulation.".

(b) CONFORMING AMENDMENTS.—The Office of Federal Procurement Policy Act (41 U.S.C. 401 et seq.) is further amended—

(1) by inserting the following before section 1:

"TITLE I—FEDERAL PROCUREMENT POLICY GENERALLY";

and

(2) in section 4, by striking out "As used in this Act:" and inserting in lieu thereof "Except as otherwise specifically provided, as used in this Act:".

Subtitle B—Establishment of Civilian and Defense Boards of Contract Appeals

SEC. 411. ESTABLISHMENT.

Subsections (a) and (b) of section 8 of the Contract Disputes Act of 1978 (41 U.S.C. 607) are amended to read as follows:

"(a) There is established in the Department of Defense a board of contract appeals to be known as the Department of Defense Board of Contract Appeals.

"(b) There is established in the General Services Administration a board of contract appeals to be known as the Civilian Board of Contract Appeals.".

SEC. 412. MEMBERSHIP.

The Office of Federal Procurement Policy Act (41 U.S.C. 401 et seq.), as amended by section 401, is further amended by adding at the end the following:

"SEC. 202. MEMBERSHIP.

"(a) APPOINTMENT.—(1)(A) The Defense Board shall consist of judges appointed by the Secretary of Defense from a register of applicants maintained by the Defense Board, in accordance with rules issued by the Defense Board for establishing and maintaining a register of eligible applicants and selecting Defense Board judges. The Secretary shall appoint a judge without regard to political affiliation and solely on the basis of the professional qualifications required to perform the duties and responsibilities of a Defense Board judge.

"(B) The Civilian Board shall consist of judges appointed by the Administrator of General Services from a register of applicants maintained by the Civilian Board, in accordance with rules issued by the Civilian Board for establishing and maintaining a register of eligible applicants and selecting Civilian Board judges. The Administrator shall appoint a judge without regard to political affiliation and solely on the basis of the professional qualifications required to perform the duties and responsibilities of a Civilian Board judge.

"(2) The members of the Defense Board and the Civilian Board shall be selected and appointed to serve in the same manner as administrative law judges appointed pursuant to section 3105 of title 5, United States Code, with an additional requirement that such members shall have had not fewer than five years of experience in public contract law.

"(3) Notwithstanding paragraph (2) and subject to subsection (b), the following persons shall serve as Board judges:

"(A) For the Defense Board, any full-time member of the Armed Services Board of Contract Appeals serving as such on the day before the effective date of this title.

"(B) For the Civilian Board, any full-time member of any agency board of contract appeals other than the Armed Services Board of Contract Appeals serving as such on the day before the effective date of this title.

"(C) For either the Defense Board or the Civilian Board, any person serving on the day before the effective date of this title in a position at a level of assistant general counsel or higher with authority delegated from the Comptroller General to decide bid protests under subchapter V of chapter 35 of title 31, United States Code.

"(b) REMOVAL.—Members of the Defense Board and the Civilian Board shall be subject to removal in the same manner as administrative law judges, as provided in section 7521 of title 5, United States Code.

"(c) COMPENSATION.—Compensation for the Chairman of the Defense Board and the Chairman of the Civilian Board and all other members of each Board shall be determined under section 5372a of title 5, United States Code.".

SEC. 413. CHAIRMAN.

The Office of Federal Procurement Policy Act (41 U.S.C. 401 et seq.), as amended by section 412, is further amended by adding at the end the following:

"SEC. 203. CHAIRMAN.

"(a) DESIGNATION.—(1)(A) The Chairman of the Defense Board shall be designated by the Secretary of Defense to serve for a term of five years. The Secretary shall select the Chairman from among sitting judges each of whom has had at least five years of service—

"(i) as a member of the Armed Services Board of Contract Appeals; or

"(ii) in a position at a level of assistant general counsel or higher with authority delegated from the Comptroller General to decide bid protests under subchapter V of chapter 35 of title 31, United States Code (as in effect on the day before the effective date of this title).

"(B) The Chairman of the Civilian Board shall be designated by the Administrator of General Services to serve for a term of five years. The Administrator shall select the Chairman from among sitting judges each of whom has had at least five years of service—

"(i) as a member of an agency board of contract appeals other than the Armed Services Board of Contract Appeals; or

"(ii) in a position at a level of assistant general counsel or higher with authority delegated from the Comptroller General to decide bid protests under subchapter V of chapter 35 of title 31, United States Code (as in effect on the day before the effective date of this title).

"(2) A Chairman of a Board may continue to serve after the expiration of the Chairman's term until a successor has taken office. A Chairman may be reappointed any number of times.

"(b) RESPONSIBILITIES.—The Chairman of the Defense Board or the Civilian Board, as the case may be, shall be responsible on behalf of the Board for the executive and administrative operation of the Board, including functions of the Board with respect to the following:

"(1) The selection, appointment, and fixing of the compensation of such personnel, pursuant to part III of title 5, United States Code, as the Chairman considers necessary or appropriate, including a Clerk of the Board, a General Counsel, and clerical and legal assistance for Board judges.

"(2) The supervision of personnel employed by or assigned to the Board, and the distribution of work among such personnel.

"(3) The operation of an Office of the Clerk of the Board, including the receipt of all filings made with the Board, the assignment of cases, and the maintenance of all records of the Board.

"(4) The prescription of such rules and regulations as the Chairman considers necessary or appropriate for the administration and management of the Board.

"(c) VICE CHAIRMEN.—The Chairman of the Defense Board or the Civilian Board, as the case may be, may designate up to four other Board judges as Vice Chairmen. The Chairman may divide the Board into two divisions, one for handling contract disputes and one for handling protests, and, if such division is made, shall assign a Vice Chairman to head each division. The Vice Chairmen, in the order designated by the Chairman, shall act in the place and stead of the Chairman during the absence of the Chairman.".

SEC. 414. RULEMAKING AUTHORITY.

The Office of Federal Procurement Policy Act (41 U.S.C. 401 et seq.), as amended by section 413, is further amended by adding at the end the following:

"SEC. 204. RULEMAKING AUTHORITY.

"(a) IN GENERAL.—Except as provided by section 452 of the Federal Acquisition Reform Act of 1995, the Chairman of the Defense Board and the Chairman of the Civilian Board shall jointly issue and maintain—

"(1) such procedural rules and regulations as are necessary to the exercise of the functions of the Boards under sections 213 and 214; and

"(2) statements of policy of general applicability with respect to such functions.

"(b) BOARD PROCEDURES.—In issuing procedural rules and regulations for the exercise of the Boards' protest function under section 214, the Chairmen shall take due notice of executive agency procedures for the resolution of protests as a discretionary alternative to resolution of protests by the Boards and shall ensure that the rules and regulations governing the time for filing protests with the Boards make appropriate allowance for the use of such executive agency procedures by interested parties.".

SEC. 415. AUTHORIZATION OF APPROPRIATIONS.

The Office of Federal Procurement Policy Act (41 U.S.C. 401 et seq.), as amended by section 414, is further amended by adding at the end the following:

"SEC. 205. AUTHORIZATION OF APPROPRIATIONS.

"There are authorized to be appropriated for fiscal year 1997 and each succeeding fiscal year such sums as may be necessary to carry out the provisions of this title. Funds for the activities of each Board shall be separately appropriated for such purpose. Funds appropriate pursuant to this section shall remain available until expended.".

Subtitle C—Functions of Defense and Civilian Boards of Contract Appeals

SEC. 421. ALTERNATIVE DISPUTE RESOLUTION SERVICES.

The Office of Federal Procurement Policy Act (41 U.S.C. 401 et seq.), as amended by section 415, is further amended by adding at the end the following:

"Subtitle B—Functions of the Defense and Civilian Boards of Contract Appeals

"SEC. 211. ALTERNATIVE DISPUTE RESOLUTION SERVICES.

"(a) REQUIREMENT TO PROVIDE SERVICES UPON REQUEST.—The Defense Board and the Civilian Board shall each provide alternative means of dispute resolution for any disagreement regarding a contract or prospective contract of an executive agency upon the request of all parties to the disagreement.

"(b) PERSONNEL QUALIFIED TO ACT.—Each Board judge and each attorney employed by the Board concerned shall be considered to be qualified to act for the purpose of conducting alternative means of dispute resolution under this section.

"(c) SERVICES TO BE PROVIDED WITHOUT CHARGE.—Any services provided by the Board concerned or any Board judge or employee pursuant to this section shall be provided without charge.

"(d) RECUSAL OF CERTAIN PERSONNEL UPON REQUEST.—In the event that a matter which is presented to the Board concerned for alternative means of dispute resolution, pursuant to this section, later becomes the subject of formal proceedings before such Board, any Board judge or employee who was involved in the alternative means of dispute resolution shall, if requested by any party to the formal proceeding, take no part in that proceeding.".

SEC. 422. ALTERNATIVE DISPUTE RESOLUTION OF DISPUTES AND PROTESTS SUBMITTED TO BOARDS.

The Office of Federal Procurement Policy Act (41 U.S.C. 401 et seq.), as amended by section 421, is further amended by adding at the end the following:

"SEC. 212. ALTERNATIVE DISPUTE RESOLUTION OF DISPUTES AND PROTESTS SUBMITTED TO BOARDS.

"With reasonable promptness after the submission to the Defense Board or the Civilian Board of a contract dispute under section 213 or a bid protest under section 214, a Board judge to whom the contract dispute or protest is assigned shall request the parties to meet with a Board judge, or an attorney employed by the Board concerned, for the purpose of attempting to resolve the dispute or protest through alternative means of dispute resolution. Formal proceedings in the appeal shall then be suspended until such time as any party or a Board judge to whom the dispute or protest is assigned determines that alternative means of dispute resolution are not appropriate for resolution of the dispute or protest.".

SEC. 423. CONTRACT DISPUTES.

The Office of Federal Procurement Policy Act (41 U.S.C. 401 et seq.), as amended by section 422, is further amended by adding at the end the following:

"SEC. 213. CONTRACT DISPUTES.

"The Defense Board shall have jurisdiction as provided by section 8(a) of the Contract Disputes Act of 1978 (41 U.S.C. 601–613). The Civilian Board shall have jurisdiction as provided by section 8(b) of such Act.".

SEC. 424. PROTESTS.

The Office of Federal Procurement Policy Act (41 U.S.C. 401 et seq.), as amended by section 423, is further amended by adding at the end the following:

"SEC. 214. PROTESTS.

"(a) REVIEW REQUIRED UPON REQUEST.—Upon request of an interested party in connection with any procurement conducted by an executive agency, the Defense Board or the Civilian Board, as the case may be, shall review, as provided in this section, any decision by the head of the executive agency alleged to be arbitrary or capricious or to violate a statute or regulation. A decision or order of the Board concerned pursuant to this section shall not be subject to interlocutory appeal or review.

"(b) STANDARD OF REVIEW.—In deciding a protest, the Board concerned may consider all evidence that is relevant to the decision under protest. The protester may prevail only by showing that the decision was arbitrary or capricious or violated a statute or regulation.

"(c) NOTIFICATION.—Within one day after the receipt of a protest, the Board concerned shall notify the executive agency involved of the protest.

"(d) SUSPENSION OF CONTRACT AWARD.—(1) Except as provided in paragraph (2) of this subsection, a contract may not be awarded in any procurement after the executive agency has received notice of a protest with respect to such procurement from the Board concerned and while the protest is pending.

"(2) The head of the procuring activity responsible for award of a contract may authorize the award of the contract (notwithstanding a protest of which the executive agency has notice under this section)—

"(A) upon a written finding that urgent and compelling circumstances which significantly affect interests of the United States will not permit waiting for the decision of the Board concerned under this section; and

"(B) after the Board concerned is advised of that finding.

"(3) A finding may not be made under paragraph (2)(A) of this subsection unless the award of the contract is otherwise likely to occur within 30 days after the making of such finding.

"(4) The suspension of the award under paragraph (1) shall not preclude the executive agency concerned from continuing the procurement process up to but not including the award of the contract.

"(e) SUSPENSION OF CONTRACT PERFORMANCE.—(1) A contractor awarded an executive agency contract may, during the period described in paragraph (4), begin performance of the contract and engage in any related activities that result in obligations being incurred by the United States under the contract unless the contracting officer responsible for the award of the contract withholds authorization to proceed with performance of the contract.

"(2) The contracting officer may withhold an authorization to proceed with performance of the contract during the period described in paragraph (4) if the contracting officer determines in writing that—

"(A) a protest is likely to be filed; and

"(B) the immediate performance of the contract is not in the best interests of the United States.

"(3)(A) If the executive agency awarding the contract receives notice of a protest in accordance with this section during the period described in paragraph (4)—

"(i) the contracting officer may not authorize performance of the contract to begin while the protest is pending; or

"(ii) if authorization for contract performance to proceed was not withheld in accordance with paragraph (2) before receipt of the notice, the contracting officer shall immediately direct the contractor to cease performance under the contract and to suspend any related activities that may result in additional obligations being incurred by the United States under that contract.

"(B) Performance and related activities suspended pursuant to subparagraph (A)(ii) by reason of a protest may not be resumed while the protest is pending.

"(C) The head of the procuring activity may authorize the performance of the contract (notwithstanding a protest of which the executive agency has notice under this section)—

"(i) upon a written finding that urgent and compelling circumstances that significantly affect interests of the United States will not permit waiting for the decision concerning the protest by the Board concerned; and

"(ii) after the Board concerned is notified of that finding.

"(4) The period referred to in paragraphs (2) and (3)(A), with respect to a contract, is the period beginning on the date of the contract award and ending on the later of—

"(A) the date that is 10 days after the date of the contract award; or

"(B) the date that is 5 days after the debriefing date offered to an unsuccessful offeror for any debriefing that is requested and, when requested, is required.

"(f) The authority of the head of the procuring activity to make findings and to authorize the award and performance of contracts under subsections (d) and (e) of this section may not be delegated.

"(g) PROCEDURES.—

"(1) PROCEEDINGS AND DISCOVERY.—The Board concerned shall conduct proceedings and allow discovery to the minimum extent necessary for the expeditious, fair, and cost-effective resolution of the protest. The Board shall allow discovery only in a case in which the Board determines that the written submissions of the parties do not provide an adequate basis for a fair resolution of the protest. Such discovery shall be limited to material which is relevant to the grounds of protest or to such affirmative defenses as the executive agency involved, or any intervenor supporting the agency, may raise.

"(2) PRIORITY.—The Board concerned shall give priority to protests filed under this section over contract disputes and alternative dispute services. Except as provided in paragraph (3), the Board concerned shall issue its final decision within 65 days after the date of the filing of the protest, unless the Chairman determines that the specific and unique circumstances of the protest require a longer period, in which case the Board concerned shall issue such decision within the longer period determined by the Chairman. An amendment that adds a new ground of protest should be resolved, to the maximum extent practicable, within the time limits established for resolution of the initial protest.

"(3) THRESHOLD.—(A) Except as provided in subparagraph (B), any protest in which the anticipated value of the contract award that will result from the protested procurement, as estimated by the executive agency involved, is less than $30,000,000 shall be considered under simplified rules of procedure. Such simplified rules shall provide that discovery in such protests shall be in writing only. Such written discovery shall be the minimum necessary for the expeditious, fair, and cost-effective resolution of the protest and shall be allowed only if the Board determines that the written submissions of the parties do not provide an adequate basis for a fair resolution of the protest. Such protests shall be decided by a single Board judge. The Board concerned shall issue its final decision in each such protest within 45 days after the date of the filing of the protest, unless the Chairman determines that the specific and unique circumstances of the protest require a longer period, in which case the Board concerned shall issue such decision within the longer period determined by the Chairman.

"(B) If the Chairman of the Board concerned determines that special and unique circumstances of a protest that would otherwise qualify for the simplified rules described in subparagraph (A), including the complexity of a protest, requires the use of full procedures as described in paragraphs (1) and (2), the Chairman shall use such procedures in lieu of the simplified rules described in subparagraph (A).

"(4) CALCULATION OF TIME FOR ADR.—In calculating time for purposes of paragraph (2) or (3) of this subsection, any days during which proceedings are suspended for the purpose of attempting to resolve the protest by alternative means of dispute resolution, up to a maximum of 20 days, shall not be counted.

"(5) DISMISSAL OF FRIVOLOUS PROTESTS.—The Board concerned may dismiss a protest that the Board concerned determines—

"(A) is frivolous,

"(B) has been brought or pursued in bad faith; or

"(C) does not state on its face a valid basis for protest.

"(6) PAYMENT OF COSTS FOR FRIVOLOUS PROTESTS.—(A) If the Board concerned expressly finds that a protest or a portion of a protest is frivolous or has been brought or pursued in bad faith, the Board concerned shall declare that the protester or other interested party who joins the protest is liable to the United States for payment of the costs described in subparagraph (B) unless—

"(i) special circumstances would make such payment unjust; or

"(ii) the protester obtains documents or other information after the protest is filed with the Board concerned that establishes that the protest or a portion of the protest is frivolous or has been brought or pursued in bad faith, and the protester then promptly withdraws the protest or portion of the protest.

"(B) The costs referred to in subparagraph (A) are all of the costs incurred by the United States of reviewing the protest, or of reviewing that portion of the protest for which the finding is made, including the fees and other expenses (as defined in section 2412(d)(2)(A) of title 28, United States Code) incurred by the United States in defending the protest.

"(h) DECISIONS AND CORRECTIVE ACTIONS ON PROTESTS.—(1) In making a decision on protests filed under this section, the Board concerned shall accord due weight to the goals of economic and efficient procurement, and shall take due account of the rule of prejudicial error.

"(2) If the Board concerned determines that a decision of the head of the executive agency is arbitrary or capricious or violates a statute or regulation, the Board concerned may order the agency (or its head) to take such corrective action as the Board concerned considers appropriate. Corrective action includes requiring that the executive agency—

"(A) refrain from exercising any of its options under the contract;

"(B) recompete the contract immediately;

"(C) issue a new solicitation;

"(D) terminate the contract;

"(E) award a contract consistent with the requirements of such statute and regulation;

"(F) implement any combination of requirements under subparagraphs (A), (B), (C), (D), and (E); or

"(G) implement such other actions as the Board concerned determines necessary.

"(3) If the Board concerned orders corrective action after the contract award, the affected contract shall be presumed valid as to all goods or services delivered and accepted under the contract before the corrective action was ordered.

"(4) Any agreement that provides for the dismissal of a protest and involves a direct or indirect expenditure of appropriated funds shall be submitted to the Board concerned and shall be made a part of the public record (subject to any protective order considered appropriate by the Board concerned) before dismissal of the protest.

"(i) AUTHORITY TO DECLARE ENTITLEMENT TO COSTS.—(1)(A) Whenever the Board concerned determines that a decision of the head of an executive agency is arbitrary or capricious or violates a statute or regulation, it may, in accordance with section 1304 of title 31, United States Code, further declare an appropriate prevailing party to be entitled to the costs of—

"(i) filing and pursuing the protest, including reasonable attorneys' fees and consultant and expert witness fees, and

"(ii) bid and proposal preparation.

"(B) No party (other than a small business concern (within the meaning of section 3(a) of the Small Business Act)) may be declared entitled under this paragraph to costs for—

"(i) consultant and expert witness fees that exceed the highest rate of compensation for expert witnesses paid by the Federal Government, or

"(ii) attorneys' fees that exceed $150 per hour unless the Board concerned, on a case by case basis, determines that an increase in the cost of living or a special factor, such as the limited availability of qualified attorneys for the proceedings involved, justifies a higher fee.

"(2) Payment of amounts due from an agency under paragraph (1) or under the terms of a settlement agreement under subsection (h)(4) shall be made from the appropriation made by section 1304 of title 31, United States Code, for the payment of judgments. The executive agency concerned shall reimburse that appropriation account out of funds available for the procurement.

"(j) APPEALS.—A final decision of the Board concerned may be appealed as set forth in section 8(g)(1) of the Contract Disputes Act of 1978 by the head of the executive agency concerned and by any interested party, including interested parties who intervene in any protest filed under this section.

"(k) ADDITIONAL RELIEF.—Nothing contained in this section shall affect the power of the Board concerned to order any additional relief which it is authorized to provide under any statute or regulation.

"(l) NONEXCLUSIVITY OF REMEDIES.—Nothing contained in this section shall affect the right of any interested party to file a protest with the contracting agency or to file an action in the United States Court of Federal Claims or in a United States district court.".

SEC. 425. APPLICABILITY TO CERTAIN CONTRACTS.

The Office of Federal Procurement Policy Act (41 U.S.C. 401 et seq.), as amended by section 424, is further amended by adding at the end the following:

"SEC. 215. APPLICABILITY TO CERTAIN CONTRACTS.

"(a) CONTRACTS AT OR BELOW THE SIMPLIFIED ACQUISITION THRESHOLD.—Notwithstanding section 33 of this Act, the authority conferred on the Defense Board and the Civilian Board by this title is applicable to contracts in amounts not greater than the simplified acquisition threshold.

"(b) CONTRACTS FOR COMMERCIAL ITEMS.—Notwithstanding section 34 of this Act, the authority conferred on the Defense Board and the Civilian Board by this title is applicable to contracts for the procurement of commercial items.".

Subtitle D—Repeal of Other Statutes Authorizing Administrative Protests

SEC. 431. REPEALS.

(a) GSBCA PROVISIONS.—Subsection (f) of the Brooks Automatic Data Processing Act (section 111 of the Federal Property and Administrative Services Act of 1949; 40 U.S.C. 759) is repealed.

(b) GAO PROVISIONS.—(1) Subchapter V of chapter 35 of title 31, United States Code (31 U.S.C. 3551-3556) is repealed.

(2) The analysis for chapter 35 of such title is amended by striking out the items relating to sections 3551 through 3556 and the heading for subchapter V.

Subtitle E—Transfers and Transitional, Savings, and Conforming Provisions

SEC. 441. TRANSFER AND ALLOCATION OF APPROPRIATIONS AND PERSONNEL.

(a) TRANSFERS.—

(1) ARMED SERVICES AND CORPS BOARDS OF CONTRACT APPEALS.—The personnel employed in connection with, and the assets, liabilities, contracts, property, records, and unexpended balance of appropriations, authorizations, allocations, and other funds employed, held, used, arising from, available to, or to be made available in connection with the functions vested by law in the Armed Services Board of Contract Appeals and the board of contract appeals of the Corps of Engineers established pursuant to section 8 of the Contract Disputes Act of 1978 (41 U.S.C. 607) (as in effect on the day before the effective date described in section 451), shall be transferred to the Department of Defense Board of Contract Appeals for appropriate allocation by the Chairman of that Board.

(2) OTHER BOARDS OF CONTRACTS APPEALS.—The personnel employed in connection with, and the assets, liabilities, contracts, property, records, and unexpended balance of appropriations, authorizations, allocations, and other funds employed, held, used, arising from, available to, or to be made available in connection with the functions vested by law in the boards of contract appeals established pursuant to section 8 of the Contract Disputes Act of 1978 (41 U.S.C. 607) (as in effect on the day before the effective date described in section 451) other than the Armed Services Board of Contract Appeals, the board of contract appeals of the Corps of Engineers, and the Postal Service Board of Contract Appeals shall be transferred to the Civilian Board of Contract Appeals for appropriate allocation by the Chairman of that Board.

(3) COMPTROLLER GENERAL.—(A) One-quarter (as determined by the Comptroller General) of the personnel employed in connection with, and one-quarter (as determined by the Comptroller General) of the assets, liabilities, contracts, property, records, and unexpended balance of appropriations, authorizations, allocations, and other funds employed, held, used, arising from, available to, or to be made available in connection with the functions vested by law in the

Comptroller General pursuant to subchapter V of chapter 35 of title 31, United States Code (as in effect on the day before the effective date described in section 451), shall be transferred to the Civilian Board of Contract Appeals for appropriate allocation by the Chairman of that Board.

(B) Three-quarters (as determined by the Comptroller General) of the personnel employed in connection with, and three-quarters (as determined by the Comptroller General) of the assets, liabilities, contracts, property, records, and unexpended balance of appropriations, authorizations, allocations, and other funds employed, held, used, arising from, available to, or to be made available in connection with the functions vested by law in the Comptroller General pursuant to subchapter V of chapter 35 of title 31, United States Code (as in effect on the day before the effective date described in section 451), shall be transferred to the Department of Defense Board of Contract Appeals for appropriate allocation by the Chairman of that Board.

(b) EFFECT ON PERSONNEL.—Personnel transferred pursuant to this subtitle shall not be separated or reduced in compensation for one year after such transfer, except for cause.

(c) REGULATIONS.—(1) The Department of Defense Board of Contract Appeals and the Civilian Board of Contract Appeals shall each prescribe regulations for the release of competing employees in a reduction in force that gives due effect to—

(A) efficiency or performance ratings;

(B) military preference; and

(C) tenure of employment.

(2) In prescribing the regulations, the Board concerned shall provide for military preference in the same manner as set forth in subchapter I of chapter 35 of title 5, United States Code.

SEC. 442. TERMINATIONS AND SAVINGS PROVISIONS.

(a) TERMINATION OF BOARDS OF CONTRACT APPEALS.—Effective on the effective date described in section 451, the boards of contract appeals established pursuant to section 8 of the Contract Disputes Act of 1978 (41 U.S.C. 607) (as in effect on the day before such effective date) other than the Postal Service Board of Contract Appeals shall terminate.

(b) SAVINGS PROVISION FOR CONTRACT DISPUTE MATTERS PENDING BEFORE BOARDS.—(1) This title and the amendments made by this title shall not affect any proceedings (other than bid protests pending before the board of contract appeals of the General Services Administration) pending on the effective date described in section 451 before any board of contract appeals terminated by subsection (a).

(2) In the case of any such proceedings pending before the Armed Services Board of Contract Appeals or the board of contract appeals of the Corps of Engineers, the proceedings shall be continued by the Department of Defense Board of Contract Appeals, and orders which were issued in any such proceeding by the Armed Services Board of Contract Appeals or the board of contract appeals of the Corps of Engineers shall continue in effect until modified, terminated, superseded, or revoked by the Department of Defense Board of Contract Appeals, by a court of competent jurisdiction, or by operation of law.

(3) In the case of any such proceedings pending before an agency board of contract appeals other than the Armed Services Board of Contract Appeals or the board of contract appeals of the Corps of Engineers, the proceedings shall be continued by the Civilian Board of Contract Appeals, and orders which were issued in any such proceeding by the agency board shall continue in effect until modified, terminated, superseded, or revoked by the Civilian Board of Contract Appeals, by a court of competent jurisdiction, or by operation of law.

(c) BID PROTEST TRANSITION PROVISIONS.—(1) No protest may be submitted to the Comptroller General pursuant to section 3553(a) of title 31, United States Code, or to the board of contract appeals for the General Services Administration pursuant to the Brooks Automatic Data Processing Act (40 U.S.C. 759) on or after the effective date described in section 451.

(2)(A) In the case of bid protest proceedings pending before the board of contract appeals of the General Services Administration on the effective date described in section 451—

(i) with respect to bid protests involving procurements of the Department of Defense, the Department of the Army, the Department of the Navy, and the Department of the Air Force, the proceedings shall be continued by the Defense Board of Contract Appeals; and

(ii) with respect to bid protests involving procurements of any other executive agency (as defined by section 4(1) of the Office of Federal Procurement Policy Act (41 U.S.C. 403(1)), the proceedings shall be continued by the Civilian Board of Contract Appeals.

(B) The provisions repealed by section 431(a) shall continue to apply to such proceedings until the Department of Defense Board of Contract Appeals or the Civilian Board of Contract Appeals, as the case may be, determines such proceedings have been completed.

(3)(A) In the case of bid protest proceedings pending before the Comptroller General on the effective date described in section 451—

(i) with respect to bid protests involving procurements of the Department of Defense, the Department of the Army, the Department of the Navy, and the Department of the Air Force, the proceedings shall be continued by the Defense Board of Contract Appeals;

(ii) with respect to bid protests involving procurements of any other executive agency (as defined by section 4(1) of the Office of Federal Procurement Policy Act (41 U.S.C. 403(1)), the proceedings shall be continued by the Civilian Board of Contract Appeals; and

(iii) with respect to bid protests involving procurements of an entity that is not an executive agency, the proceedings shall be continued by the Comptroller General.

(B) The provisions repealed by section 431(b) shall continue to apply to such bid protest proceedings until the Department of Defense Board of Contract Appeals, the Civilian Board of Contract Appeals, or the Comptroller General, as the case may be, determines that such proceedings have been completed.

SEC. 443. CONTRACT DISPUTES AUTHORITY OF BOARDS.

(a) Section 2 of the Contract Disputes Act of 1978 (41 U.S.C. 601) is amended—

(1) in paragraph (2), by striking out ", the United States Postal Service, and the Postal Rate Commission";

(2) by amending paragraph (6) to read as follows:

"(6) the term 'Defense Board' means the Department of Defense Board of Contract Appeals established under section 8(a) of this Act;";

(3) by redesignating paragraph (7) as paragraph (8); and

(4) by inserting after paragraph (6) the following new paragraph (7):

"(7) the term 'Civilian Board' means the Civilian Board of Contract Appeals established under section 8(b) of this Act; and".

(b) Section 6(c)(6) of the Contract Disputes Act of 1978 (41 U.S.C. 605(c)(6)) is amended—

(1) by striking out "court or an agency board of contract appeals" and inserting in lieu thereof "court, the Defense Board, or the Civilian Board";

(2) by striking out "an agency board of contract appeals" in the third sentence and inserting in lieu thereof "the Defense Board or the Civilian Board"; and

(3) by striking out "agency board" and inserting in lieu thereof "the Board concerned".

(c) Section 7 of the Contract Disputes Act of 1978 (41 U.S.C. 606) is amended by striking out "an agency board of contract appeals" and inserting in lieu thereof "the Defense Board or the Civilian Board".

(d) Section 8 of the Contract Disputes Act of 1978 (41 U.S.C. 607), as amended by section 411, is further amended—

(1) by amending the heading to read as follows:

"DEFENSE AND CIVILIAN BOARDS OF CONTRACT APPEALS";

(2) by striking out subsection (c);

(3) in subsection (d)—

(A) by striking out the first sentence and inserting in lieu thereof the following:

"The Defense Board shall have jurisdiction to decide any appeal from a decision of a contracting officer of the Department of Defense, the Department of the Army, the Department of the Navy, or the Department of the Air Force relative to a contract made by that department. The Civilian Board shall have jurisdiction to decide any appeal from a decision of a contracting officer of any executive agency (other than the Department of Defense, the Department of the Army, the Department of the Navy, the Department of the Air Force, the United States Postal Service, or the Postal Rate Commission) relative to a contract made by that agency."; and

(B) in the second sentence, by striking out "the agency board" and inserting in lieu thereof "the Board concerned";

(4) in subsection (e), by striking out "An agency board shall provide" and inserting in lieu thereof "The Defense Board and the Civilian Board shall each provide,";

(5) in subsection (f), by striking out "each agency board" and inserting in lieu thereof "the Defense Board and the Civilian Board";

(6) in subsection (g)—

(A) in the first sentence of paragraph (1), by striking out "an agency board of contract appeals" and inserting in lieu thereof "the Defense Board or the Civilian Board, as the case may be,";

(B) by striking out paragraph (2); and

(C) by redesignating paragraph (3) as paragraph (2); and

(7) by striking out subsection (h) and inserting in lieu thereof the following:

"(h) There is established an agency board of contract appeals to be known as the 'Postal Service Board of Contract Appeals'. Such board shall have jurisdiction to decide any appeal from a decision of a contracting officer of the United States Postal Service or the Postal Rate Commission relative to a contract made by either agency. Such board shall consist of judges appointed by the Postmaster General who shall meet the qualifications of and serve in the same manner as judges of the Civilian Board of Contract Appeals. This Act and title II of the Office of Federal Procurement Policy Act shall apply to contract disputes before the Postal Service Board of Contract Appeals in the same manner as they apply to contract disputes before the Civilian Board."; and

(8) by striking out subsection (i).

(e) Section 9 of the Contract Disputes Act of 1978 (41 U.S.C. 608) is amended—

(1) in subsection (a), by striking out "each agency board" and inserting in lieu thereof "the Defense Board and the Civilian Board"; and

(2) in subsection (b), by striking out "the agency board" and inserting in lieu thereof "the Board concerned".

(f) Section 10 of the Contract Disputes Act of 1978 (41 U.S.C. 609) is amended—

(1) in subsection (a)—

(A) in the first sentence of paragraph (1)—

(i) by striking out "Except as provided in paragraph (2), and in" and inserting in lieu thereof "In"; and

(ii) by striking out "an agency board" and inserting in lieu thereof "the Defense Board or the Civilian Board";

(B) by striking out paragraph (2); and

(C) by redesignating paragraph (3) as paragraph (2), and in that paragraph by striking out "or (2)";

(2) in subsection (b)—

(A) by striking out "any agency board" and inserting in lieu thereof "the Defense Board or the Civilian Board"; and

(B) by striking out "the agency board" and inserting in lieu thereof "the Board concerned";

(3) in subsection (c)—

(A) by striking out "an agency board" and inserting in lieu of each "the Defense Board or the Civilian Board"; and

(B) by striking out "the agency board" and inserting in lieu thereof "the Board concerned"; and

(4) in subsection (d)—

(A) by striking out "one or more agency boards" and inserting in lieu thereof "the Defense Board or the Civilian Board (or both)"; and

(B) by striking out "or among the agency boards involved" and inserting in lieu thereof "one or both of the Boards".

(g) Section 11 of the Contract Disputes Act of 1978 (41 U.S.C. 610) is amended—

(1) in the first sentence, by striking out "an agency board of contract appeals" and inserting in lieu thereof "the Defense Board or the Civilian Board"; and

(2) in the second sentence, by striking out "the agency board through the Attorney General; or upon application by the board of contract appeals of the Tennessee Valley Authority" and inserting in lieu thereof "the Defense Board or the Civilian Board".

(h) Section 13 of the Contract Disputes Act of 1978 (41 U.S.C. 612) is amended—

(1) in subsection (b), by striking out "an agency board of contract appeals" and inserting in lieu thereof "the Defense Board or the Civilian Board"; and

(2) in subsection (d)(2), by striking out "by the board of contract appeals for" and inserting in lieu thereof "by the Defense Board or the Civilian Board from".

SEC. 444. REFERENCES TO AGENCY BOARDS OF CONTRACT APPEALS.

(a) DEFENSE BOARD.—Any reference to the Armed Services Board of Contract Appeals or the board of contract appeals of the Corps of Engineers in any provision of law or in any rule, regulation, or other paper of the United States shall be treated as referring to the Department of Defense Board of Contract Appeals.

(b) CIVILIAN BOARD.—Any reference to an agency board of contract appeals other than the Armed Services Board of Contract Appeals, the board of contract appeals of the Corps of Engineers, or the Postal Service Board of Contract Appeals in any provision of law or in any rule, regulation, or other paper of the United States shall be treated as referring to the Civilian Board of Contract Appeals.

SEC. 445. CONFORMING AMENDMENTS.

(a) TITLE 5.—Section 5372a of title 5, United States Code, is amended—

(1) in subsection (a)(1), by striking out "an agency board of contract appeals appointed under section 8 of the Contract Disputes Act of 1978" and inserting in lieu thereof "the Department of Defense Board of Contract Appeals or the Civilian Board of Contract Appeals appointed under section 202 of the Office of Federal Procurement Policy Act or the Postal Service Board of Contract Appeals appointed under section 8(h) of the Contract Disputes Act of 1978"; and

(2) in subsection (a)(2), by striking out "an agency board of contract appeals" and inserting in lieu thereof "the Department of Defense Board of Contract Appeals, the Civilian Board of Contract Appeals, or the Postal Service Board of Contract Appeals".

(b) TITLE 10.—(1) Section 2305(e) of title 10, United States Code, is amended—

(A) in paragraph (1), by striking out "subchapter V of chapter 35 of title 31" and inserting in lieu thereof "title II of the Office of Federal Procurement Policy Act"; and

(B) by striking out paragraph (3).

(2) Section 2305(f) of such title is amended—

(A) in paragraph (1), by striking out "subparagraphs (A) through (F) of subsection (b)(1) of section 3554 of title 31" and inserting in lieu thereof "section 214(h)(2) of the Office of Federal Procurement Policy Act"; and

(B) in paragraph (2), by striking out "paragraph (1) of section 3554(c) of title 31 within the limits referred to in paragraph (2)" and inserting in lieu thereof "subparagraph (A) of section 214(i)(1) of the Office of Federal Procurement Policy Act within the limits referred to in subparagraph (B)".

(c) FEDERAL PROPERTY AND ADMINISTRATIVE SERVICES ACT OF 1949.—(1) Section 303B(j) (as redesignated by section 104(b)(2)) of the Federal Property and Administrative Services Act of 1949 (41 U.S.C. 253b(h)) is amended—

(A) in paragraph (1), by striking out "subchapter V of chapter 35 of title 31, United States Code" and inserting in lieu thereof "title II of the Office of Federal Procurement Policy Act"; and

(B) by striking out paragraph (3).

(2) Section 303B(k) (as redesignated by section 104(b)(2)) of such Act (41 U.S.C. 253b(i)) is amended—

(A) in paragraph (1), by striking out "in subparagraphs (A) through (F) of subsection (b)(1) of section 3554 of title 31, United States Code" and inserting in lieu thereof "section 214(h)(2) of the Office of Federal Procurement Policy Act"; and

(B) in paragraph (2), by striking out "paragraph (1) of section 3554(c) of such title within the limits referred to in paragraph (2)" and inserting in lieu thereof "subparagraph (A) of section 214(i)(1) of the Office of Federal Procurement Policy Act within the limits referred to in subparagraph (B)".

(d) OFFICE OF FEDERAL PROCUREMENT POLICY ACT.—The table of contents for the Office of Federal Procurement Policy Act (contained in section 1(b)) is amended—

(1) by inserting the following before the item relating to section 1:

"TITLE I—FEDERAL PROCUREMENT POLICY GENERALLY"; and

(2) by adding at the end the following:

"TITLE II—DISPUTE RESOLUTION

"SUBTITLE A—GENERAL PROVISIONS

"Sec. 201. Definitions.
"Sec. 202. Membership.
"Sec. 203. Chairman.
"Sec. 204. Rulemaking authority.
"Sec. 205. Authorization of appropriations.

"SUBTITLE B—FUNCTIONS OF THE DEFENSE AND CIVILIAN BOARDS OF CONTRACT APPEALS

"Sec. 211. Alternative dispute resolution services.
"Sec. 212. Alternative dispute resolution of disputes and protests submitted to Boards.
"Sec. 213. Contract disputes.
"Sec. 214. Protests.
"Sec. 215. Applicability to certain contracts.".

Subtitle F—Effective Date; Regulations and Appointment of Chairmen

SEC. 451. EFFECTIVE DATE.

Title II of the Office of Federal Procurement Policy Act, as added by this title, and the amendments and repeals made by this title shall take effect 1 year after the date of the enactment of this Act.

SEC. 452. REGULATIONS.

(a) REGULATIONS REGARDING PROTESTS AND CLAIMS.—Not later than 1 year after the date of the enactment of this Act, the Chairman of the Armed Services Board of Contract Appeals and the Chairman of the General Services Board of Contract Appeals, in consultation with the Comptroller General with respect to protests, shall jointly issue—

(1) such procedural rules and regulations as are necessary to the exercise of the functions of the Department of Defense Board of Contract Appeals and the Civilian Board of Contract Appeals under sections 213 and 214 of the Office of Federal Procurement Policy Act (as added by this title); and

(2) statements of policy of general applicability with respect to such functions.

(b) REGULATIONS REGARDING APPOINTMENT OF JUDGES.—Not later than 1 year after the date of the enactment of this Act—

(1) the Chairman of the Armed Services Board of Contract Appeals shall issue rules governing the establishment and maintenance of a register of eligible applicants and the selection of judges for the Department of Defense Board of Contract Appeals; and

(2) the Chairman of the General Services Board of Contract Appeals shall issue rules governing the establishment and maintenance of a register of eligible applicants and the selection of judges for the Civilian Board of Contract Appeals.

SEC. 453. APPOINTMENT OF CHAIRMEN OF DEFENSE BOARD AND CIVILIAN BOARD.

Notwithstanding section 451, not later than 1 year after the date of the enactment of this Act—

(1) the Secretary of Defense shall appoint the Chairman of the Department of Defense Board of Contract Appeals; and

(2) the Administrator of General Services shall appoint the Chairman of the Civilian Board of Contract Appeals.

(2) Page 12, lines 2 and 23, strike out "chapter" and insert in lieu thereof "title".

(3) Page 26, line 18, strike out "and" and insert in lieu thereof "but".

(4) Page 28, line 14, strike out "and" and insert in lieu thereof "but".

(5) Add at the end of section 302 (at the end of page 51) the following:

(c) POLICY OF CONGRESS.—Section 29 of the Office of Federal Procurement Policy Act (41 U.S.C. 425) is further amended by adding after subsection (a) the following new subsection:

"(b) CONSTRUCTION OF CERTIFICATION REQUIREMENTS.—A provision of law may not be construed as requiring a certification by a contractor or offeror in a procurement made or to be made by the Federal Government unless that provision of law specifically refers to this subsection and provides that, notwithstanding this subsection, such a certification shall be required.

Page 50, line 18, strike out "(b)" and insert in lieu thereof "(c)".

(6) Page 52, line 10, strike out "August 1, 1995" and insert in lieu thereof "October 1, 1996".

Page 52, lines 10 and 11, strike out "August 1, 2000" and insert in lieu thereof "October 1, 2000".

(7) Add at the end of section 306 (at the end of page 65) the following new subsection:

(e) REPEAL OF DATA COLLECTION REQUIREMENT.—Subsection (h) of section 111 of the Federal Property and Administrative Services Act of 1949 (40 U.S.C. 759) is repealed.

(8) Strike out section 316 (page 75, line 15, through the end of page 81) and insert in lieu thereof the following:

SEC. 316. ADDITIONAL DEPARTMENT OF DEFENSE PILOT PROGRAMS.

(a) AUTHORITY TO CONDUCT DEFENSE FACILITY-WIDE PILOT PROGRAM.—The Secretary of Defense may conduct a pilot program, to be known as the "defense facility-wide pilot program", for the purpose of determining the potential for increasing the efficiency and effectiveness of the acquisition process in facilities.

(b) SCOPE OF PROGRAM.—At a facility designated as a participant in the pilot program, the pilot program shall consist of the following:

(1) All contracts and subcontracts for defense supplies and services that are performed at the facility.

(2) All contracts and subcontracts performed elsewhere that the Secretary determines are directly and substantially related to the production of defense supplies and services at the facility and are necessary for the pilot program.

(c) DESIGNATION OF PARTICIPATING FACILITIES.—(1) The Secretary may designate up to two facilities as participants in the defense facility-wide pilot program.

(2) Subject to subsection (g), the Secretary may determine the scope and duration of a designation made under this paragraph.

(d) CRITERIA FOR DESIGNATION.—(1) Not later than 90 days after the date of the enactment of this Act, the Secretary shall provide to the congressional defense committees a detailed description of the proposed criteria to be used in selecting facilities for designation as participants in the defense facility-wide pilot program. The Secretary may not select any facilities for participation in the program until at least 30 days have passed after providing such criteria.

(2) After selecting both facilities for designation as participants in the program, the Secretary shall notify the congressional defense committees of the selection and submit a description—

(A) of the management goals and objectives intended to be achieved for each facility selected; and

(B) of the method by which the Secretary intends to monitor and measure the performance of the selected facilities in meeting such management goals and objectives.

(3)(A) In developing the criteria referred to paragraph (1), the Secretary shall ensure that such criteria reflect the following objectives:

(i) A significant reduction of the cost to the Government for programs carried out at the designated facilities.

(ii) A reduction of the schedule associated with programs carried out at the designated facilities.

(iii) An increased used of commercial practices and procedures for programs carried at the designated facilities.

(iv) That the designation of a facility under subsection (c) does not place a competing domestic manufacturer at a significant competitive disadvantage.

(B) The criteria shall also require that, with respect to any facility designated under subsection (c), all or substantially all of the contracts to be awarded and performed at the facility after the designation, and all or substantially all of the subcontracts to be awarded under those contracts and performed at the facility after the designation, will be—

(i) for the production of supplies or services on a firm-fixed price basis;

(ii) awarded without requiring the contractors or subcontractors to provide certified cost or pricing data pursuant to section 2306a of title 10, United States Code; and

(iii) awarded and administered without the application of cost accounting standards under section 26(f) of the Office of Federal Procurement Policy Act (41 U.S.C. 422(f)).

(e) EXEMPTION FROM CERTAIN REQUIREMENTS.—In the case of a contract or subcontract that is to be performed at a facility designated for participation in the defense facility-wide pilot program and that is subject to section 2306a of title 10, United States Code, or section 26(f) of the Office of Federal Procurement Policy Act (41 U.S.C. 422(f)), the Secretary of Defense may exempt such contract or subcontract from the requirement to obtain certified cost or pricing data under such section 2306a or the requirement to apply mandatory cost accounting standards under such section 26(f) if the Secretary determines that the contract or subcontract—

(1) is within the scope of the pilot program (as described in subsection (b)); and

(2) is fairly and reasonably priced based on information other than certified cost and pricing data.

(f) SPECIAL AUTHORITY.—The authority provided under subsection (a) may include authority for the Secretary of Defense—

(1) to apply any amendment or repeal of a provision of law made in this Act to the pilot program before the effective date of such amendment or repeal; and

(2) to apply to a procurement of items other than commercial items under such program—

(A) any authority provided in the Federal Acquisition Streamlining Act of 1994 (Public Law 103-355) (or in an amendment made by a provision of that Act) to waive a provision of law in the case of commercial items, and

(B) any exception applicable under this Act or the Federal Acquisition Streamlining Act of 1994 (Public Law 103-355) (or an amendment made by a provision of either Act) in the case of commercial items,

before the effective date of such provision (or amendment) to the extent that the Secretary determines necessary to test the application of such waiver or exception to procurements of items other than commercial items.

(g) APPLICABILITY.—(1) Subsections (e) and (f) apply with respect to—

(A) a contract that is awarded or modified during the period described in paragraph (2); and

(B) a contract that is awarded before the beginning of such period and is to be performed (or may be performed), in whole or in part, during such period.

(2) The period referred to in paragraph (1) is the period that begins 45 days after the date of the enactment of this Act and ends on September 30, 1998.

(h) COMMERCIAL PRACTICES ENCOURAGED.—With respect to contracts and subcontracts within the scope of the defense facility-wide pilot program, the Secretary of Defense may, to the extent the Secretary determines appropriate and in accordance with the law, adopt commercial practices in the administration of contracts and subcontracts. Such commercial practices may include elimination of Government audit and access to records provisions; incorporation of commercial oversight, inspection, and acceptance procedures; use of alternative dispute resolution techniques (including arbitration); and elimination of contract provisions authorizing the Government to make unilateral changes to contracts.

(9) In sections 501 and 502 (page 143, line 23, through the end of page 146), strike out "title" each place it appears and insert in lieu thereof "Act".

EXTENSIONS OF REMARKS

AMERICA'S STAKE IN THE UNITED NATIONS

HON. LEE H. HAMILTON

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 13, 1995

Mr. HAMILTON. Mr. Speaker, many of us have been critical of the management and efficiency of the United Nations. Despite these shortcomings, on the 50th anniversary of the U.N. Charter it is important to remember the critical role this institution plays.

I therefore commend to my colleagues a recent policy statement by the U.N. Association of the United States of America, "America's Stake in the United Nations and Financing the United Nations." As this statement notes, every U.S. administration has turned to the United Nations for collective action to help maintain or restore peace. The United Nations helps to spread the financial, political, and military burden of interventions. I agree with the policy statement that "Increased reliance on U.N. collective security operations necessarily complements our defense savings."

The United States cannot insulate itself from an interconnected world where transnational threats such as drugs, terrorism, and diseases respect no borders. The United Nations is an imperfect but vital tool which can help respond to those threats. I fully agree with UNA/USA's statement that the U.N. requires reform, but not wrecking. I intend to continue pressing for such reform in the United Nations.

While I do not support providing any kind of tax authority to the United Nations, it seems to me that we cannot hope for a more efficient and effective United Nations so long as its finances remain unreliable. The answer, as the report states, is simple: Nations must pay their assessed contributions on time, and in full. We should not support U.N. budgets for which we do not intend to pay.

I congratulate UNA/USA on this thoughtful policy statement, and request that it be included in the RECORD.

AMERICA'S STAKE IN THE UNITED NATIONS

Fifty years ago we, the people of the United States, joined in common purpose and shared commitment with the people of 50 other nations. The most catastrophic war in history had convinced nations that no country could any longer be safe and secure in isolation. From this realization was born the United Nations—the idea of a genuine world community and a framework for solving human problems that transcend national boundaries. Since then, technology and economics have transformed "world community" from a phrase to a fact, and if the World War II generation had not already established the U.N. system, today's would have to create it.

The founders of the United Nations were clairvoyant in many ways. The Charter anticipated decolonization; called for "respect for human rights and fundamental freedoms for all without distinction as to race, sex, language, or religion"; and set up the institutional framework "for the promotion of the economic and social advancement of all peoples." In meeting the Charter's challenges, we make for a more secure and prosperous world.

Through the U.N. system, many serious conflicts have been contained or concluded. Diseases have been controlled or eradicated, children immunized, refugees protected and fed. Nations have set standards on issues of common concern—ranging from human rights to environmental survival to radio frequencies. Collective action has also furthered particular U.S. government interests, such as averting a widening war in the Middle East into which Washington might otherwise be drawn. After half a century, the U.N. remains a unique investment yielding multiple dividends for Americans and others alike.

The U.N.'s mandate to preserve peace and security was long hobbled by the Cold War, whose end has allowed the institutions of global security to spring to life. The five permanent members of the Security Council now meet and function as a cohesive group, and what the Council has lost in rhetorical drama it has more than gained in forging common policies. Starting with the Reagan Administration's effort to marshal the Security Council to help bring an end to the Iran-Iraq war in 1988, every U.S. administration has turned to the U.N. for collective action to help maintain or restore peace. Common policy may not always result in success, but neither does unilateral policy—and, unlike unilateral intervention, it spreads costs and risks widely and may help avoid policy disasters.

Paradoxically, the end of the Cold War has also given rise in the U.S. to a resurgent isolationism, along with calls for unilateral, go-it-alone policies. Developments in many places that once would have stirred alarm are now viewed with indifference. When they do excite American political interest, the impulse is often to respond unilaterally in the conviction that only Washington can do the job and do it right. Without a Soviet threat, some Americans imagine we can renounce "foreign entanglements." Growing hostility to U.N. peacekeeping in some political circles reflects, in large measure, the shortsighted idea that America has little at stake in the maintenance of a peaceful world. In some quarters, resentment smolders at any hint of reciprocal obligations; but in a country founded on the rule of law, the notion that law should rule among nations ought not to be controversial.

The political impulse to go it alone surges at precisely the moment when nations have become deeply interconnected. The need for international teamwork has never been clearer. Goods, capital, news, entertainment, and ideas flow national boarders with astonishing speed. So do refugees, diseases, drugs, environmental degradation, terrorists, and currency crashes.

The institutions of the U.N. system are not perfect, but they remain our best tools for concerted international action. Just as Americans often seek to reform our own government, we must press for improvement of the U.N. system. Fragmented and of limited power prone to political paralysis, bureaucratic torpor, and opaque accountability, the U.N. system requires reform—but not wrecking. Governments and citizens must press for changes that improve agencies' efficiency, enhance their responsiveness, and make them accountable to the world's publics they were created to serve. Our world institutions can only be strengthened with the informed engagement of national leaders, press, and the public at large.

The American people have not lost their commitment to the United Nations and to the rule of law. They reaffirm it consistently, whether in opinion surveys or UNICEF campaigns. Recognizing the public's sentiment, the foes of America's U.N. commitment—unilateralists, isolationists, or whatever—do not call openly for rejecting the U.N. as they had earlier rejected outright the League of Nations. But the systematic paring back of our commitment to international law and participation in institutions would have the same effect.

In this 50th anniversary year, America's leaders should rededicate the nation to the promise of a more peaceful and prosperous world contained in the U.N. Charter. In that spirit, the United Nations Association of the United States calls on the people and government of the United States, calls on the people and government of the United States, and those of all other U.N. member states, to join in strengthening the United Nations system for the 21st century.

In particular, we call for action in five areas, which will be the top policy priorities of UNA-USA as we enter the U.N.'s second half-century:

Reliable financing of the United Nations system.

Strong and effective U.N. machinery to help keep the peace.

Promotion of broad-based and sustainable world economic growth.

Vigorous defense of human rights and protection of displaced populations.

Control, reduction, or elimination of highly destructive weaponry.

POST-RATIFICATION BY MISSISSIPPI LEGISLATURE OF U.S. CONSTITUTION'S 13TH AMENDMENT—ABOLISHING SLAVERY

HON. BENNIE G. THOMPSON

OF MISSISSIPPI

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 13, 1995

Mr. THOMPSON. Mr. Speaker, I rise to call to the attention of my colleagues and to the attention of the American people, a very historic action taken earlier this year by the Legislature of my State of Mississippi.

A century and three decades ago, in 1865, the 38th Congress proposed an amendment to the U.S. Constitution to end the inhumane practice of slavery—uniformly, throughout the entire Nation. Within a matter of months, the

● This "bullet" symbol identifies statements or insertions which are not spoken by a Member of the Senate on the floor.

Matter set in this typeface indicates words inserted or appended, rather than spoken, by a Member of the House on the floor.

proposal had received the required approval of the legislatures of three-fourths of the States then in the Union and it resultantly became the Constitution's 13th amendment.

It also was during that pivotal year of 1865, that both houses of the Mississippi Legislature adopted a resolution rejecting, denouncing, and condemning the constitutional amendment to abolish slavery. Thus, the 13th amendment had made its way into the Constitution without Mississippi's official approval. As for the ensuing 130 years, that resolution of rejection remained the Mississippi Legislature's official pronouncement on the 13th amendment. Indeed, for many years, Mississippi's was the only State legislature—in the Union well before and long after that particular constitutional amendment was proposed and ratified—never to approve it. But all of that changed earlier this year. An undotted historical "i" and an uncrossed social "t" were duly dotted and crossed when the Mississippi Legislature adopted Senate Concurrent Resolution 547 on March 16, 1995, to not only postratify the 13th amendment but, also, to finally rescind the embarrassing 1865 resolution of rejection.

TRIBUTE TO REVOLUTIONARY WAR HERO COMMODORE JOHN BARRY SEPTEMBER 13, 1995

HON. CURT WELDON

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 13, 1995

Mr. WELDON of Pennsylvania. Mr. Speaker, I rise today to offer a tribute to a great Revolutionary War Hero, Commodore John Barry.

This year we celebrate the 250th anniversary of Commodore Barry's birth. Born in 1745 in Ireland, he moved to Philadelphia approximately 15 years later, where he prospered as a shipmaster and owner. While in Philadelphia, he became a strong supporter of the Revolution, fervently espousing the doctrine of independence from the British Government. When the Revolution broke out, he enthusiastically offered his services to the Continental Congress, which gave him an independent command as captain of the brig *Lexington*. Less than 1 month after his commission, Captain Barry captured the first British warship to be taken under Continental Congress authority.

Recognizing his great service in the fight for independence, the Continental Congress issued him another commission, as captain of the *Effingham*. Despite his eagerness to serve the cause, he was unable to launch the 32 gun vessel owing to the British occupation of Philadelphia. Nevertheless, using his ingenuity, resolve, and dedication to the Colonies, Captain Barry, with four small boats, captured two transports and a schooner during a daring raid in lower Delaware. This gallant effort brought the due praise of General Washington.

Receiving another command aboard the *Raleigh*, Barry stubbornly defended the vessel against superior forces when confronted by the British on September 28, 1778. Outgunned, he was forced to beach the ship, but managed to save most of his crew. In 1781, Barry took command of the *Alliance*, and defeated the sloops H.M.S. *Atalanta* and H.M.S. *Trepassey*. In the last sea battle of the Revolution, Barry defeated the H.M.S. *Sybil*, adding this final victory of his list of successes in fighting for our young Nation.

After the Revolution, in 1794, Barry was named the senior captain of the U.S. Navy. Four years later, President George Washington recognized Barry's enormous contribution to our independence, appointing him commodore. He served as the head of the U.S. Navy until his death, on September 12, 1803.

Commodore Barry's distinguished service to our country reminds us of the challenges that we, as a young nation, faced during our struggle for independence. Now, as we approach the 21st century, we should reflect back upon the heros of our past, to remind ourselves of their efforts to improve our great Nation. By following their example, we can prosper in this new era. Indeed, we face a promising future if we conduct ourselves with the same honor, courage, and dedication as did Commodore John Barry.

HUMAN RIGHTS ACTIVIST ABDUCTED IN INDIA

HON. DAN BURTON

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 13, 1995

Mr. BURTON of Indiana. Mr. Speaker, once again the Indian Government has shown its blatant disrespect for basic human rights. On September 6, 1995, Mr. Jaswant Singh Khalra, the general secretary of the Human Rights Wing [Shiromani Akali Dal] was washing his car in front of his house in Amritsar, Punjab, when he was taken away by police in a van. The police have refused to reveal Mr. Khalra's whereabouts. He has not been brought before a magistrate. Amnesty International has expressed fear that he may be tortured.

Mr. Khalra had been instrumental in exposing the fact that 25,000 Sikhs have been cremated in Punjab, Khalistan, and then listed as unidentified while their families continue to await any word about them. Some of my colleagues and I have brought these cremations to the attention of this House previously. They are being done to destroy evidence of a campaign of extrajudicial killings in Punjab.

The superintendent of police in the Tarn Taran district of Punjab, Khalistan, has been quoted as saying "We have made 25,000 disappear. It is easy to make one more disappear." According to Amnesty International, this threat was made shortly after Mr. Khalra filed a petition in court on behalf of the cremated Sikhs. This is not an idle threat. The Indian regime is quite capable of making Mr. Khalra disappear without a trace.

Mr. Khalra's "disappearance" appears to be part of a pattern of increased repression instituted by the Indian Government in the wake of the assassination of Punjab Chief Minister Beant Singh. According to newspaper reports and Sikh leader Simranjit Singh Mann, who has himself been a victim of the regime's repression, both the central government and the state government of Punjab have resorted to mass arrests in the wake of the assassination. But Mr. Mann warned that this repression will be counterproductive, and he is correct. Another wave of massive human rights violations against the Sikh people will only produce more suffering and more hatred.

Amnesty International has issued an urgent action bulletin seeking an independent and impartial inquiry to establish Mr. Khalra's whereabouts and assurances that, if in police custody, he be allowed immediate access to lawyers and relatives and be promptly brought before a magistrate. If India is the democracy it claims to be, these actions are the least the regime can do.

Since 1984, the Indian regime has reportedly killed more than 120,000 Sikhs. In addition, the regime has killed over 150,000 Christians in Nagaland since 1947, over 43,000 Kashmiri Muslims since 1988, tens of thousands of Assamese, Manipuris, and others, and thousands of Dalits, or black untouchables. The State Department reported in its country report for 1994 that between 1991 and 1993, the regime paid over 41,000 cash bounties to police officers for killing Sikhs. Mr. Khalra's disappearance is part of a pattern of repression that belies India's claim to be a democracy.

In the face of this kind of repression, leaders of the Sikh Nation declared independence on October 7, 1987, claiming a separate, sovereign country of Khalistan. India's brutal occupation of Khalistan has only led to continued bloodshed and repression. That serves nobody's interest. Mr. Khalra's disappearance demonstrates yet again that the Indian Government has not done anything to bring the human rights abuses to a stop. Only when the repression and bloodshed end can peace, prosperity, and stability be restored to the Indian subcontinent. I urge the Indian regime to release Jaswant Singh Khalra and all other political prisoners.

UNIVERSITY OF TEXAS AT ARLINGTON CELEBRATES 100 YEARS

HON. MARTIN FROST

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 13, 1995

Mr. FROST. Mr. Speaker, the University of Texas at Arlington, which is in the 24th Congressional District of Texas, celebrates its 100th anniversary this year. I'm very proud to represent such a distinguished institution and over the years have formed strong friendships with many of the fine people who work there. I have always been struck by the level of commitment of excellence at UTA. Over the years, this institution has grown from a junior college to university which now offers 55 baccalaureate, 60 masters, and 19 doctoral degrees. UTA is now the second-largest institution within the University of Texas system, with a student enrollment of over 22,000.

UTA, located in the heart of the city of Arlington, is an integral part of the community, contributing vast resources to all citizens of Arlington.

This level of excellence which has brought the university to this centennial celebration will guide it into the 21st century. Top scholars from around the country have come to UTA because of its national and international reputation. Faculty at UTA have always been committed to teaching excellence and fostering student achievement and have excelled at accommodating the returning student, who is starting a new career or building on his current one. This environment is imperative for universities in today's world.

I look forward to working with UTA in the future, and again congratulate the university upon this occasion.

THE CASE FOR AFFIRMATIVE ACTION FROM ONE WHO HAS BEEN THERE

HON. ESTEBAN EDWARD TORRES

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 13, 1995

Mr. TORRES. Mr. Speaker, I would like to take this opportunity to place in the CONGRESSIONAL RECORD an article that was sent to me by Harriet Blair of Montebello, CA.

Harriet Blair has been involved in community affairs in southern California for many years and knows the valuable role affirmative action has played in our society.

She has asked me to share with my colleagues an open letter written by Prof. Dave Malcolm to the five Supreme Court Justices who voted to place serious limitations on affirmative action. I believe Mr. Malcolm's open letter on the subject of affirmative action should be given strong consideration by my colleagues in the House of Representatives, and I am happy to place it in the RECORD at this time.

AN OPEN LETTER TO FIVE JUSTICES

GENTLEPERSONS: On Monday, June 12, 1995, at 10:50 a.m. I left the office of my cardiologist having just been informed that my aortic valve implant was "leaking" and that replacement surgery would be required sometime within the next three to six months.

At 10:55 a.m., same date, I heard on the radio in my car about two new Supreme Court 5-4 decisions, each apparently placing serious additional limitations on programs of affirmative action. I drove homeward, feeling sick at heart—not from feelings of anxiety about my imminent open-heart surgery but from feelings of dismay at the direction in which my country seems to be moving, especially in regard to affirmative action.

You see, I know a lot about Affirmative Action. I count myself an expert on the subject. After all, I have benefited from it all my life. That is because I am white, I am male, I am Anglo and I am Protestant. We male WASPs have had a great informal affirmative action program going for decades, maybe centuries. I'm not speaking only of the way our "old boy networks" help people like me get into the right colleges or get jobs or get promotions. That's only the surface. Underneath, our real affirmative action is much more than this, much more than just a few direct interventions at key moments in life. The real affirmative action is also indirect and at work twenty-four hours a day, seven days a week, year in and year out. Because it is informal and indirect, we tend to forget or deny just how all-important and all-pervasive it really is.

However, far be it from me to put the direct "old boy" surface stuff down. I was admitted without difficulty to the ivy league college my father had attended. This was back in the days when the only quotas were quotas to keep certain people out, not to help them get in. There were no limits on reasonably bright kids like me—the admissions people spoke of the children of alumni as "legacies", but whether this was because the college was inheriting us as students or because the college hoped to inherit money from our families, I was never quite sure. I got a teaching job right out of college in the heart of the depression—my father was a school superintendent well liked among his colleagues. After World War II, when I became a university professor, I received promotion and tenure in minimum time, more quickly than many of my women colleagues. Of course, the decision makers knew me better—I was part of the monthly poker group and played golf every Friday afternoon. Yes, direct affirmative action, direct prefential treatment because of my gender and my color and good connections has been good to me, there is no question about that.

But, like other white males, I have benefited less obviously but far more significantly from indirect unequal or preferential treatment based on color or gender or nationality or religion or some combination thereof. This indirect aspect of informal affirmative action is subtler and less visible even though it is the really big one and it begins practically from birth. Indirect affirmative action is at work to greater or lesser degree on behalf of virtually all white males, whether one is aware of it or not. Indirect affirmative action is what didn't happen to me, the destructive, painful stuff that I didn't have to endure that so many other folks did. Real early in life I knew that boys were more important than girls—and so did the girls. I never have had to endure the pain of having any of my kids come home crying and asking "Daddy, why can't I be white?" Only quite late in my life did I discover how frequently young black or brown parents have to live with this pain.

I never have had to worry about whether my skin color was light enough or dark enough. My only concern about my skin has been not to get too badly sunburned the first hot day each summer and not to get skin cancer from too much exposure. For two of my long—time colleagues and closest personal friends, it has been a very different story. Raymond was the lightest skinned member of his family. He recalls that he was the only one who could get his hair cut down town—but the family had to drop him off a block away from the barber shop. He once told me that he had probably spent more time worrying about his light skin than any other one thing in life. Would his fellow African-Americans think he was black enough? When whites thought he was East Indian or South American, should he let them think so? Maria had the opposite problem. As a child, she was called "la prieta" ("the little dark one"). Even though she knew the diminutive was a mark of affection, she still was aware that the label was no compliment. When she became a young woman, well-meaning whites told her "You don't look Mexican", meaning that she looked more Spanish and hence almost white. The message always hurt deeply—not simply because the speakers personally so clearly believed that there was something inferior about being Mexican but also because they had unhesitatingly assumed that she did too and hence would consider such a statement to be a compliment.

I never have had to endure "what-is-he-doing-here?" looks any time I walked along a residential street in a suburban area. I have not had to notice white women clutching their purses more tightly when they meet me walking along the street. I never have seen the "For Rent" or "For Sale" signs figuratively snatched out of the window as I walked up to the front door. I cannot even begin to imagine the barrage of insults, large and small, that send a five- or six-year-old running tearfully home to ask Mommy or Daddy "Why can't I be white?"

Out of the dozens of times I have crossed the border from Tijuana to San Diego, the one time I was pulled over to have my car inspected was when returning with Raymond and another African-American male as passengers. I was furious, but they restrained me—assuring me it was no big deal, that it happened to them all the time. That day I got some small sense of the rage and fury and helplessness and frustration that persons different from me experience daily and are forced to smother, to hold bottled up churning around furiously somewhere deep inside.

I have never been so bombarded by negative messages that I began to internalize them, to half-way suspect they might in part be true. I have never had to try to participate in class, all the while holding my anger tightly inside lest it explode. As a professional person, I've never had to carry the burden of knowing that the slightest mispronunciation or grammatical error on my part will be seized upon by some people as validation of their negative stereotypes, not only about me but also about my people. But entire populations of my potential competitors have labored and still are laboring under disadvantages of this very sort as they compete with me. This is white male "affirmative action" at its most effective—the flip side of destructive life-long bombardment by negative messages. [White women benefit at the expense of their darker-skinned sisters from the very same processes that put them at disadvantage compared to white males!]

Yes, affirmative action for some folks remains alive and well and unthreatened by court decisions. I ought to know. All my life I have been an indirect beneficiary because indirect affirmative action has been so effective at crippling or eliminating so many of those who might have been my competitors. As a white male, I never have had to compete with them on a level playing field.

The promise of the American dream is a society which is color-fair, not color-blind. Formal affirmative action programs play a dual role. They make the playing fields a bit more level and they remind us that we still have far to go. It is no solution for society to trash its current formal efforts to make opportunity a little more equal as long as so many powerful informal barriers to equality of opportunity still persist.

Think about it.

DAVE MALCOLM,
San Diego, California.

TRIBUTE TO THE LATE CELIA HARE MARTIN

HON. E de la GARZA

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 13, 1995

Mr. DE LA GARZA. Mr. Speaker, this past weekend my longtime previous administrative assistant, Celia Hare Martin, passed away. I was deeply saddened to hear this news as I know those of you who knew Celia will be too.

In a city where this word is all too loosely used, Celia Hare Martin was an institution. For over 40 years she helped to grease the wheels here in Congress and to make things run smoothly and more efficiently.

She first came to Congress in 1948 when she was employed by then Congressman Lloyd Bentsen, Jr. as his secretary—the top staff position at that time. When Lloyd Bentsen retired, she stayed on with his successor, Joe M. Kilgore, in that same position. When I was elected and came to Congress in January of 1965 I was fortunate to inherit her as my administrative assistant. She worked here when former President Gerald Ford was a neighbor just down the hall, and when an energetic young Congressman named Jack Kennedy greeted her in passing each day. These were the days when dictaphones and typewriters were hi-tech. They were very special times.

Anyone who knew Celia knows how witty, energetic and intelligent she was. She thoroughly understood the legislative process and the workings of this institution, and she met every challenge head on. In fact, the motto by which she operated was that the impossible only takes a bit longer to achieve. When Celia took on a task that usually proved to be true. It is the standard she set for my office—an admirable goal indeed, and one which we have always sought to live up to.

She was above all a woman who knew how to get things done, who never accepted the mediocre and who always believed that we were all here to serve and to make a difference. That is exactly what Celia did. As my administrative assistant she made a difference in the quality of life in the 15th District of Texas which I am privileged to represent. To my constituency back home Celia was known as "our lady in Washington." She lived up to that title and more.

Celia Hare Martin truly was a maverick in her time, and I should add a local legend by virtue of the fact that she has had the longest tenure of any employee in one congressional office. As far as I am concerned there has never been anyone like her and there never will be again. She is going to be greatly missed.

HONORING JOE ALEXANDER

HON. JAMES P. MORAN

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 13, 1995

Mr. MORAN. Mr. Speaker, I rise today to pay tribute to one of the Nation's best known and most revered public transportation professionals, who is retiring after 25 years of service. Joe Alexander resigned from the Washington Metropolitan Area Transit Authority Board of Directors on June 26, 1995. The Metro Board will honor him for his quarter century of service to Metro and the transit industry at a reception on September 15, 1995.

Joe Alexander is synonomous with the planning, financing, and construction of the 103-mile Metrorail system. He was appointed to the Metro Board in 1971 and assumed a leadership role in persuading the citizens of Fairfax County to approve bonds to finance their share of the Metrorail system. He went on to become chairman of the Metro Board four times: 1975, 1981, 1987, and 1993. But those titles only scratch the surface of his achievements.

On his watch, the Metrorail system took shape: the initial opening of service on the Red Line from Farragut North to Union Station (1976), followed by the Blue Line from Stadium-Armory to National Airport (1977); the Orange Line from Rosslyn to Ballston (1979); the Yellow Line from Gallery Place to the Pentagon (1983); the Blue Line from National Airport to Huntington (1983); the Orange Line from Ballston to Vienna (1986); and the Green Line from Ft. Totten to Greenbelt (1993). The Metrorail system now encompasses 89.5 miles and 74 stations and will add 3.3 miles and the Franconia-Springfield Station in 1997. This facility will add the last planned station in Fairfax County and the Commonwealth of Virginia, a 3,600-space parking garage and the only Metrorail station in Joe Alexander's magisterial district. Joe Alexander made sure his job was complete before he decided to move on.

Metrorail has earned the nickname "America's Subway" for its unparallelled design, convenience, and the highest cost recovery ratio of any heavy rail system in the Nation—71 percent. Over 500,000 trips per day, including many Members of Congress, staff and most importantly our constituents, are taken on Metrorail. It represents among the highest level of accomplishment to which elected officials can aspire and is embodied by the career of Joe Alexander.

Joe Alexander was not content, however, to confine his activities in the transit industry to Metro. He was a founding member of the Northern Virginia Transportation Commission [NVTC] in 1964. NVTC consists of the cities of Alexandria, Fairfax, and Falls Church and the counties of Arlington, Fairfax, and Loudoun and is responsible for coordinating the financial and service plans of these localities who are included in the Metro service area. He served as chairman of NVTC in 1970, 1971 and 1972. His chairmanship was highlighted by NVTC's receipt of the Shirley Highway Demonstration Project grant from U.S. DOT in 1971. This project was the first of its kind in the Nation to demonstrate the enormous benefits of express bus service on grade-separated high-occupancy-vehicle lanes and is now a common transportation demand management strategy in metropolitan areas around the country.

In 1974, Joe Alexander was among the regional leaders to organize and implement the takeover of four private bus companies to form the Metrobus system. The Metro board acquired 600 new buses, restructured routes and fares and delivered great improvements for the regional bus system in a few short years.

Joe Alexander was a major player at the State level, also. He served as chairman of the Virginia Association of Public Transit Officials [VAPTO] for 4 years. His tenure was highlighted by the VAPTO-created Commonwealth Mass Transit Fund at the 1986 Virginia General Assembly. This fund guarantees mass transit a fixed percentage of the Transportation Trust Fund and for the first time created a stable and reliable source of State funds for Metro and transit systems throughout Virginia.

Joe Alexander did not stop there. He has been very active at the American Public Transit Association [APTA], serving as chairman from 1982 to 1984. There is no person in this country who knows, has worked with or enjoys the respect of as many people in the transit industry as Joe Alexander.

And if all of this is not enough, Joe Alexander will finish out his term on the Fairfax County Board of Supervisors in January, 1996, after serving 32 years as supervisor of Lee District. When Joe Alexander took office in Fairfax, the beltway did not exist and Fairfax had more cows than people. Today, Fairfax is approaching 1 million in population and is the home of one of the highest-rated public education systems and high-technology business sectors in the country.

Joe Alexander is an icon in the transit industry locally and nationally. His service has been marked by dedication; a commitment to excellence; and an unswerving determination to achieve the highest goals for public transit and government service. We recently celebrated the lifelong achievement of Cal Ripken, Jr. as he broke Lou Gehrig's record for consecutive games played in Major League Baseball. Joe Alexander's lifetime record in the transit field is no less worthy of the same recognition accorded Cal Ripken.

Mr. Speaker, I know my colleagues join me in honoring Joe Alexander for his many years of service and contributions to the transit industry. We wish him and his family continued success in the years ahead.

A TRIBUTE TO JACK STONE, AGRICULTURALIST OF THE YEAR

HON. CALVIN M. DOOLEY

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 13, 1995

Mr. DOOLEY. Mr. Speaker, I rise before my colleagues today to pay a special tribute to Jack Stone, a fellow Kings County farmer and rancher who has been honored by his community.

A true pioneer of the San Joaquin Valley's west side, Jack is an especially appropriate choice as the first ever Lemoore Chamber of Commerce Agriculturalist of the year. Before World War II, Jack began farming land on the westside, growing grain and cotton. In those days his land was irrigated with well water pumped from underground.

With construction of the San Luis unit of the Central Valley Project in 1968, Jack and his fellow west side farmers realized a life-long dream of bringing fresh surface water to their farms. That change helped transform the west side into one of the most productive agricultural regions in the Nation. But this transformation could not have been possible without the farsighted and stubborn commitment of farmers like Jack Stone.

As one of the visionaries who helped make the VCP a reality, Jack was appointed to the Wetlands Water District Board of directors in 1972, and was elected president 4 years later. He led the district through years of significant change, including two sever droughts, the Reclamation Reform Act of 1982, the Kesterson Reservoir controversy, and the CVP Improvement Act of 1992.

Jack also has served on the boards of more than 20 community, farm, academic, and water-related organizations. He is past chairman of its producers steering committee; a past member of the International Cotton Advisory Committee; and past president of the Western Cotton Growers Association.

He was the Irrigation Institute's Man of the Year in 1989; was inducted into the Cotton Hall of Fame in 1992; and is an active member of the Kings Country sheriff's posse.

Jack Stone is a dedicated valley and west side resident who has played a significant role in the development of Kings County agriculture. I applaud the Lemoore Chamber of Commerce for Recognizing his contributions.

DEFICIT REDUCTION

HON. LEE H. HAMILTON

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 13, 1995

Mr. HAMILTON. Mr. Speaker, I would like to insert my Washington Report for Wednesday, September 13, 1995, into the CONGRESSIONAL RECORD.

REDUCING THE DEFICIT

In recent years significant progress has been made in reducing the federal budget deficit. When President Clinton took office the deficit was at an all-time high of $290 billion and projected to continue to rise. But because of the 1993 deficit reduction package approved by Congress and a stronger than expected recovery for the economy, the deficit has been steadily falling. Last year it was down to $203 billion and this year will be $161 billion. Because the U.S. economy has been steadily growing, the deficit is now smaller relative to the size of the economy than at any time since the 1970s.

Despite this, the central issue in Congress for the rest of the year will be making further progress on the budget deficit. The reasons are that the country is focused on deficit reduction as a national goal and that without additional steps the deficit will rise again, driven largely by increasing federal health care expenditures. Within two years the deficit could again be over $200 billion.

BALANCING THE BUDGET

The more the government borrows to meet its debts, the less is available for productive investment, both private and public, and the more we pass the burden on to our children. Earlier this year Congress passed a plan developed by the congressional leadership to balance the budget in seven years. I supported a similar seven-year plan, as well as a balanced budget amendment to help force Congress to stick to the plan. President Clinton proposed a plan that would balance the budget in ten years.

It is questionable how much difference it makes whether we balance the budget by 2002 or by 2005. After several years of steady decline, the deficit between 2002 and 2005 would be so small that it may be viewed as insignificant in an economy as large as ours. What is important is to have a credible commitment by Congress to put into place a mechanism that will control spending and make sure that the actual deficits are on a glide path towards zero. The debate will continue over balancing the budget in seven years versus ten years. A bipartisan budget will probably have to be reached that sets a date somewhere in between.

ECONOMIC PROJECTS

One major question in the budget debate is the credibility of economic projections. Everybody attacks the other person's forecast of revenue and economic growth. Minor differences in assumptions can over the years magnify into huge differences in the projected deficit. All long-term projections about economic growth and revenues are highly suspect and cannot be made with any precision. Generally, since deficits almost always turn out to be higher than forecast, my inclination is to take the more conservative estimates.

Tremendous pressure is placed on those who make economic and budget projections. For example, the new congressional leadership has been pushing the Congressional Budget Office (CBO) to adopt "dynamic" methods, of calculating the effects of their policies, so that their proposed tax cuts and spending reductions would boost projected economic growth beyond the estimates of most economists. But CBO has a reputation for independence, and has not always been cooperative. Last year for example, CBO dealt a crippling blow to President Clinton's health care reform plan by concluding that it would produce far smaller savings than the President had claimed. It recently warned the new congressional leadership that their proposal for moving millions of Medicare recipients from a fee-for-service system to managed health care would likely not save nearly as much moneys as the leadership wanted. That could undermine their efforts to balance the budget or to deliver a big tax cut.

ECONOMIC GROWTH

The primary goal of deficit reduction is to help create an economy that has strong investments, creates jobs, has a sound dollar, and has low inflation. That is why it is important not only that we balance the budget but how we balance it. We should not gut the very programs that help improve our long-term economic outlook—including education and training, research, and roads and bridges.

It is disturbing that the economic projections made in the budget provide only modest growth for the rest of the decade. Much more attention has to be directed towards what is an acceptable rate of growth for the country and what kinds of investments are needed in order to get that growth. Although the principle of balancing the budget has been adopted by almost everybody, the more fundamental questions about the economy have gotten much less attention and need to be addressed. How do we get more growth in the economy? How do we ensure that the benefits of growth are felt more broadly in our society?

TAX CUT

I also believe that there should not be a tax cut at this time. The reason the new congressional leadership has had to propose such deep cuts in health care and other programs is because of the huge tax breaks they have proposed, and because they are working with less than half of the budget. They have excluded defense, social security, and interest on the debt. Their efforts have been to cut the programs for the poor and lower-income working families. Savings can certainly be had there, but nowhere near the savings the budget resolution suggests without greatly adding to the burden of people of modest income.

The fact is that the tax cut is simply too large for too many who do not need it. Tax breaks should wait until spending cuts have achieved a balanced budget. And we should broaden the base of deficit reduction—for example, cutting corporate welfare and looking for "frauds, waste, and abuse" also in Pentagon programs.

OMNIBUS BILL

The next few weeks will be very confusing. The congressional leadership will be bringing up most of the cuts to balance the budget in one mammoth bill, far bigger than anything that has ever been seen in Congress. It will include a rewrite of federal farm programs, an overhaul of Medicare, welfare reform, major changes in student loans and trade programs, among other things. Members will not be told the contents of the bill until a day or so before the final vote occurs, and will have very limited opportunities to improve the package on the floor. We need to take serious steps to balance the budget, but we need to think through the changes we are making. Poorly thought out policies could be very costly in the long run.

BALANCING THE BUDGET

HON. RON PACKARD

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 13, 1995

Mr. PACKARD. Mr. Speaker, I would like to take a moment to commend my colleagues here in the Republican led 104th Congress for a most remarkable job over the past several months. We have accomplished many historic changes and the ball is still rolling.

Last November, Republicans promised the American people they would balance the budget and we are well on our way. We started out on the right foot by reducing our own budget by $207 million. The legislative branch appropriations bill which I authored will make many internal reforms, including cutting the number of congressional staff and eliminating duplicative bureaucracies.

Mr. Speaker, the future looks even brighter. Over the coming months we will have the opportunity to pass major legislation that will enable us to keep our promise of a balanced budget. We will not only save, but strengthen Medicare. We will change the welfare system so that it emphasizes work, family, and personal responsibility, and we will provide tax relief for American families.

This is an ambitious agenda, but we have an obligation to the American people and the generations to come. I strongly urge my colleagues on the other side of the aisle and the

President to do their part to help and not stand in the way of reform mandated by the voters last November.

ADHIAMBO ELEMENTARY SCHOOL

HON. BENNIE G. THOMPSON

OF MISSISSIPPI

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 13, 1995

Mr. THOMPSON. Mr. Speaker, it is with great joy and admiration that I salute the faculty, staff, parents, students, and friends of Adhiambo School in Jackson, MS. Adhiambo which was founded in 1979 is a refreshing alternative to the traditional American school system. The school curriculum is aimed to perpetuate moral attitudes and values by developing children's personalities and characters and instilling brotherliness, kindliness and charity. The school provides a nurturing environment while offering a challenging curriculum. During a time when so many negative forces plague our communities, Adhiambo motivates our children through positive cultural images and experiences.

It is rewarding to recognize a success story in the educational system when so many school systems are in decay. Today there are a tremendous number of children in the Nation who do not have the basic tools needed to learn and are not motivated to learn. Adhiambo's students are an exception and they are worthy of praise. Even more astounding is the fact that on December 5, 1994, the building which housed Adhiambo was completely burned down, yet the spirits of the students and staff persevered. On June 27, 1995, Adhiambo moved into its new home and all studies have resumed.

THE DEPARTMENT OF TRADE ESTABLISHMENT ACT

HON. TOBY ROTH

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 13, 1995

Mr. ROTH. Mr. Speaker, today I have introduced the Department of Trade Establishment Act.

The idea of creating a Trade Department is not new. In fact, some of us have been working for years for a fundamental re-organization of our trade agencies. My own work on this issue began some 12 years ago.

Our deepening trade deficit makes this issue urgent. Last year, we had a $166 billion merchandise trade deficit—the worst in our history. But this year, the merchandise deficit is headed toward $200 billion, $40 billion worse than last year. Yet, our economy has just been judged the most efficient in the world. Clearly, our current trade programs are inadequate.

The weakness of our current trade organization is also reflected in the fact that exports account for barely 10 percent of our gross domestic product, lower than any of our major competitors. As our domestic economy matures and slows down, exports will be crucial to our future economic growth and strength.

What we need is an across-the-board, government-wide consolidation and strengthening of our trade functions. We are spending about $3 billion on 150 trade programs, spread among some two dozen trade agencies. As GAO testified before my Subcommittee on International Economic Policy and Trade last week, these trade functions are scattered, duplicated and uncoordinated. The result is inadequate to assist our exporters in today's global markets. Moreover, it is too costly.

By contrast, our major trade competitors—Japan, Germany, France, and Korea—all have fully coordinated and streamlined trade ministries.

Establishing a Trade Department is the right course, for three reasons. First, it would assure a government-wide consolidation of trade functions. Second, it would make our trade programs consistent and coherent. Third, it would give trade issues the proper attention and priority within our own Government and in our relations with other nations.

Mr. Speaker, included with this statement is a brief summary of my bill. A section-by-section analysis is available in the office of the Subcommittee on International Economic Policy and Trade, room B–359 Rayburn. In my judgment, this is the right framework to lead us into the 21st century as the most competitive trading nation in the world.

BRIEF SUMMARY DEPARTMENT OF TRADE ESTABLISHMENT ACT INTRODUCED BY CONGRESSMAN TOBY ROTH

The Act establishes a Department of Trade to provide a streamlined, coordinated and more effective trade organization. It consolidates some two dozen federal trade agencies and some 150 separate programs into a cohesive and less costly structure.

KEY PROVISIONS

(1) The Act establishes a Department of Trade and transfers the existing trade-related functions of the Commerce Department to the new department.

Included are all the functions of the International Trade Administration, the Bureau of Export Administration and the Office of International Economic Policy.

(2) The new Secretary of Trade is the President's chief trade policy-maker and coordinator of the federal government's trade-related activities.

The Secretary chairs both of the key interagency trade committees (the Trade Policy Committee and the Trade Promotion Coordinating Committee), and serves as Chairman of the Board of both the Export-Import Bank and the Overseas Private Investment Corporation (OPIC).

(3) The U.S. Trade Representative is retained as the chief trade negotiator, in the Executive Office of the President.

The Trade Representative reports to the President and functions under the policy guidance of the President and the Trade Secretary.

Responsibility for administering trade sanctions, including the Section 301 program, is transferred to the Department of Trade.

(4) The President is required to transfer and consolidate all non-agricultural trade promotion functions from other departments and agencies into the Trade Department.

(5) After the government-wide consolidation, the President is required to reduce overall spending on the consolidated functions by 25 percent from the overall level of the previously unconsolidated functions.

HONORING A DELEGATION FROM THE NATIONAL ASSEMBLY OF PAKISTAN

HON. DAVID E. BONIOR

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 13, 1995

Mr. BONIOR. Mr. Speaker, last week marked the first time a bipartisan delegation of legislators from Pakistan headed by the National Assembly's Speaker has called on us in Washington.

It was my privilege to meet with these distinguished officials on September 7 and I know that several other colleagues have had the opportunity to meet them, as well.

The delegation included the Speaker of the National Assembly, the Honorable Yousuf Raza Gilani, as well as the Honorable Kazi Asad Abid, the Honorable Ijaz-Ul-Haq, the Honorable Naveed Qamar, the Honorable Junaid Iqbal, and the Honorable Abdul Rauf Khan Lughmani, who are members of the National Assembly.

They have been accompanied by Pakistan's Ambassador to the United States, the Honorable Dr. Maleeha Lodhi, and distinguished Pakistani-Americans Dr. Murtaza Arain and Dr. Ikram Khan.

Mr. Speaker, our two nations—the United States and Pakistan—share several important issues of mutual concern, and it is my hope and belief that this visit will help to move us forward.

Pakistan is a strong ally of ours. When the community of nations has called, Pakistan has responded in Somalia, in Bosnia, in Cambodia, in the Persian Gulf, and in Afghanistan. That is why building these bridges is so important.

I look forward to working with these distinguished Pakistani officials and my colleagues in attempting to achieve more fairness in our policy toward Pakistan and addressing the critical issue of Kashmir.

Mr. Speaker, I extend the warmest welcome to our friends from Pakistan and hope that this is the first of many more such visits.

IN APPRECIATION OF CORPORATIONS NATIONWIDE WHICH DONATED THEIR PLANES, PILOTS, AND FUNDS TO THE CESSNA CITATION SPECIAL OLYMPICS AIRLIFT

HON. NANCY L. JOHNSON

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 13, 1995

Mrs. JOHNSON of Connecticut. Mr. Speaker, I rise today to pay tribute to the more than 200 corporations that donated planes, pilots, and funding for the purpose of flying Special Olympians to and from the World Games in New Haven, CT on June 30, and July 10, 1995 respectively.

This airlift, properly known as the Cessna Citation Special Olympics Airlift, was the largest peacetime airlift in history. During the airlift period, which spanned almost 2 days, more than 400 pilots flew 1,500 athletes in and out of Bradley International Airport. The planning and preparation for these pilots, the ground crew at Bradley International, and the Special Olympics travel coordination team was truly remarkable. In fact, during the airlift, each citation arrived and departed Bradley International within a 10-hour window; that's 600 minutes! With 215 citations involved, a take-off or landing occurred every 90 seconds. All of this took place with normal Bradley air traffic in progress.

Despite obstacles such as stormy weather over Pennsylvania and New York, speed regulations that restricted airlift arrivals to specific time slots, and, in some cases, picking up Olympians on airstrips that were closed because of recent flooding, each citation aircraft made it safely to and from the world games. This is truly a remarkable accomplishment and one in which all who were involved should be proud.

The corporations and all who participated in this endeavor have given a memorable gift to the athletes, their coaches, and families. I feel privileged to have witnessed this historic undertaking, and I extend my heartfelt appreciation to the corporations, their pilots, and all who were willing to volunteer their time, energy, and funding to the world games and the spirit it represents.

THE BICENTENNIAL OF THE PEE DEE CONFERENCE OF THE AFRICAN METHODIST EPISCOPAL ZION CHURCH

HON. JOHN M. SPRATT, JR.

OF SOUTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 13, 1995

Mr. SPRATT. Mr. Speaker, I want to recognize an event of special importance in my 5th Congressional District of South Carolina. On October 1, 1995, the Pee Dee Conference of the African Methodist Episcopal Zion Church in South Carolina will commemorate the bicentennial of the African Methodist Episcopal Zion Church.

Nearly 200 years ago, certain individuals decided to leave the John Street Methodist Church in New York because of discrimination and denial of religious liberties. These individuals organized what was to become the African Methodist Episcopal Zion Church. Zion was added to their name in 1848 to distinguish this denomination from other African Methodist bodies. The Right Reverend George E. Battle, Jr., bishop of the Pee Dee Conference, has declared a week of celebration for the week of October 1–8, 1995, to commemorate the founding of their denomination.

I congratulate the many churches of the Pee Dee Conference as they celebrate their 200th anniversary and commend them for having kept the faith, and morally and spiritually nourished individuals and families within their congregations, and for having been vital forces in their communities. I extend to the Pee Dee Conference of the African Methodist Episcopal Zion Church my best wishes for their next century of service.

A TRIBUTE TO COL. CHRISTOPHER RUSSO

HON. VIC FAZIO

OF CALIFORNIA

HON. ROBERT T. MATSUI

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 13, 1995

Mr. FAZIO of California. Mr. Speaker, Mr. MATSUI and I rise today to pay tribute to Col. Christopher F. Russo, who is retiring his command of the 77th Air Base Wing, Sacramento Air Logistics Center, McClellan Air Force Base, CA.

Colonel Russo graduated from Syracuse University in 1965. He was commissioned as a second lieutenant through the Air Force Reserve Officer Training Corps programs that fall, and received his pilot wings from Moody Air Force Base, GA the following year.

Colonel Russo was deployed to Cam Ranh Bay Air Base, in Vietnam. After his combat tour, he was an instructor at Vance Air Force Base, OK. In 1972, he was assigned to Nellis Air Force Base, NV, for his training in the F–111A, and then deployed to Takhli Royal Thai Air Base, Thailand, where he completed another combat tour. During his tour at Takhli, he became the first aircraft commander to complete 100 combat missions in the F–111, a record he still holds.

Colonel Russo is a command pilot with more than 4,500 hours flying time. He has flown 250 combat missions, with over 500 hours of combat and combat support time. His military awards and decorations include the Distinguished Flying Cross with one oak leaf cluster, the Air Medal, Republic of Korea Gallantry Cross, Air Force Outstanding Unit Award with seven oak leaf clusters, and the Combat Readiness Medal. He holds a master's degree in the International Relations from Troy State University, AL, and is an outstanding graduate of the Air War College seminar program.

Mr. Speaker, we join his wife Pam and his children, Kristen, Jodie, and Nicholas, in wishing Colonel Russo a happy and productive retirement.

TRIBUTE TO BEATRIZ VALDEZ ON HER RETIREMENT

HON. ESTEBAN EDWARD TORRES

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 13, 1995

Mr. TORRES. Mr. Speaker, I rise today to pay tribute to a great public servant. Please join me in honoring Beatriz Valdez, who has earned the gratitude of the citizens of Los Angeles County for her tireless commitment to good government.

Beatriz Valdez, the eldest of eight children to Maria Del Rosario and Miguel Valdez, graduated from Montebello High School and immediately obtained employment with the Los Angeles County Board of Supervisors. Following the principles of punctuality and hard work, she quickly rose from the ranks of secretarial to administrative duties.

Mr. Speaker, on July 1, 1957, Ms. Valdez began working for the county's Registrar-Recorders office. In 1975, Ms. Valdez was appointed to the position of Assistant Registrar-Recorder/County Clerk of the Elections Office and was responsible for the election functions of the department. Her duties included the nomination process, formatting the ballot, processing absentee voters and campaign statements, the official canvass, analyses of legislative proposals and public information functions. In 1984, she also was assigned to oversee the county's 3.6 million voter affidavit file and the processing of an initiative, referendum, recall and nominating petitions.

On March 31, 1993, Beatriz Valdez was sworn in as Registrar-Recorder/County Clerk and assumed the position as head of the largest election agency in the United States. She is the first Hispanic-American to hold this position since Ignacio Del Valle in 1850. She is responsible for conducting elections within L.A. County for Federal, State, and local offices, maintenance of an active voter registration program which includes a registration file of over 3.6 million and 4,000 voter outreach locations.

Each year the department provides support services for over 200 school, city and special district elections. Each major election requires the processing of approximately 275,000 voter registration forms, 500,000 absent voter requests, staffing over 6,100 precincts and processing over 500,000 petition signatures. Beyond her electoral duties, she is responsible for the recording of property documents within L.A. County, maintaining birth, death and marriage records, issuing marriage licenses and filing fictitious business names. Beatriz Valdez directs the annual budget of $60 million, the collection of $70 million in revenue and staff resources of 700 permanent employees.

Mr. Speaker, Beatriz Valdez is an extraordinary woman who I am proud to count as my constituent. The city of Montebello, the State and the Nation owe her a debt of gratitude. My colleagues in the House of Representatives salute her and wish her well in retirement.

EXTENSION OF REMARKS OF THE MAJORITY WHIP TOM DELAY

HON. TOM DeLAY

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 13, 1995

Mr. DELAY. Mr. Speaker, during consideration of the Labor, Health and Human Services appropriations bill for fiscal year 1996, Messrs. ISTOOK, MCINTOSH, and EHRLICH offered very important legislation regarding political advocacy. The amendment was included in the committee reported version of the bill. The legislative measure was successfully defended on the House floor. The amendment to strike the provision by Mr. SKAGGS of Colorado was defeated with 232 Members voting against the amendment to strike.

In my statement I referred to the U.S. Chamber of Commerce. I stated that organizations from all sides of the political spectrum from Act-Up on the left to the U.S. Chamber of Commerce have taken Federal funds and have lobbied for more Federal funds.

It is now my understanding that the U.S. Chamber of Commerce does not receive Federal funds in any capacity that could be used for lobbying purposes.

In no way was it my intention to paint a picture of the U.S. Chamber taking funds for lobbying purposes. Quite the contrary is true. The U.S. Chamber has played an integral role in the revolution that has and continues to take place here in Congress. They have been advocates of the Contract With America and many other important pieces of legislation. Without their support, I am sure that many of the victories we have experienced during the first 8 months of this session would not be a reality. I want to commend the U.S. Chamber for all their hard work and effort and express gratitude for their guidance.

TRIBUTE TO WOMEN'S CONFERENCE ATTENDEES

HON. BARBARA-ROSE COLLINS

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 13, 1995

Miss COLLINS of Michigan. Mr. Speaker, I am very pleased today to pay tribute to women around the world, from Africa to China, from America to South America, who recently attended the women's conference in Beijing. I want to pay special tribute to one of my constituents, Ms. Maryann Mahaffey, president of the Detroit City Council, and one of the participants in this important conference. I want to commend Ms. Mahaffey's leadership in this historic forum, where women of every economic and political stature jointed to focus world attention on issues that matter most in the lives of women and their families.

Regrettably, I was unable to participate in the Beijing conference, but I have every confidence that the city of Detroit, where my congressional district is located, and the State of Michigan, were very ably represented with Ms. Mahaffey's superior leadership.

I want to also commend the extraordinary contribution of our First Lady, Mrs. Hillary Rodham Clinton, without whom the conference would have been tragically incomplete.

To Mrs. Clinton: Our Nation and our world are better indeed for the enormous attention and unquestionable commitment that you have brought to such basic issues as health care, child care, better access to credit, and educational and business opportunities for women of all nationalities. Your quiet dignity and genuine concern serve as an inspiration to women of every community and every background, and thanks to your very personal efforts, women are being elevated around the world to first-class citizenship.

I applaud the noble commitment of these two exceptional women, and their capacity to elevate the plight of women to such grand proportions.

CHIEF MINISTER BEANT SINGH—IN MEMORIAL

HON. JIM McDERMOTT

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 13, 1995

Mr. McDERMOTT. Mr. Speaker, I rise to call attention to the brutal assassination of Chief Minister Beant Singh of Punjab, India. Sikh terrorists assassinated Mr. Singh and 15 of his security officers on August 31, 1995.

This ghastly act of violence was a very sad day for the people of Punjab. Mr. Singh worked tirelessly during his 2-year tenure to bring the rule of law back to the beleaguered Punjabi province.

Political figures from across the Indian political spectrum have rallied together to condemn this terrorist act. We in the U.S. Congress must do the same.

We are all aware of the reports of the Members who lend credence to the so-called Council of Khalistan. It is intolerable for U.S. politicians to support Sikh militancy for the sake of domestic politics.

Mr. Singh was not a man of violence. He was, in fact, responsible for the decreased level of tension in Punjab over the last few years. A great leader and a great statesman, Beant Singh was responsible for many social programs designed to ameliorate the quality of life of his constituents.

During his term as Chief Minister, some of India's largest companies injected more than 250 billion rupees into Punjab. Mr. Singh's social program agenda was no less industrious. He established scholarships for needy students, increased benefits for the elderly, and constructed a better quality of housing throughout the entire region. Sikhs and Hindus alike in Punjab will suffer equally from the assassination of this fine man.

Mr. Singh's loss will set back prospects for peace in Punjab considerably. We can only hope that our colleagues will recognize that the security problem in Punjab is real. The threat from Sikh militants is great, and peace will never be achieved through assassination and violence.

BIRTH OF REANNA JEAN MATYAS

HON. WILLIAM O. LIPINSKI

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 13, 1995

Mr. LIPINSKI. Mr. Speaker, it gives me great pleasure to bring to the attention of my colleagues the birth of a baby. Reanna Jean Matyas was born to Richard and Doreen Matyas, who reside in Oak Lawn, IL.

Reanna Jean Matyas was born at 11:39 p.m. on July 1, 1995. On an occasion such as this, I join with the members of the Matyas family in wishing the newborn all the best for the promising future ahead of her.

I am sure that my colleagues join me in congratulating the proud parents, Richard and Doreen, on this most joyous occasion. With their newborn baby, their life together will no doubt continue to be an adventure. May this blessed addition to their lives bring them much happiness in the years to come.

TRIBUTE TO THE MIDDLETOWN, NJ, POST 2179, VFW & LADIES AUXILIARY

HON. FRANK PALLONE, JR.

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 13, 1995

Mr. PALLONE. Mr. Speaker, on Friday, September 15, 1995, the Middletown, NJ, Post 2179 of the Veterans of Foreign Wars and Ladies Auxiliary will hold its 13th annual candlelight service in memory of America's prisoners of wars and missing in action.

Mr. Speaker, the vast majority of the American people believe that we must never forget our servicemen and women whose whereabouts remain unknown or unaccounted for. While our hearts go out to families whose loved ones have died in the service of our country, the families of POW's and MIA's do not even have the consolation of having said goodbye to their loved ones. These families live in anxiety and dread. We cannot even imagine what horrors the POW's and MIA's have endured—and, in some cases, may still be enduring.

Our Nation has now reopened diplomatic and economic relations with Vietnam. This decision caused pain for many veterans of the Vietnam war and their families. I disagreed with this decision, but now it is time for us to use our new relationship with Vietnam to force a resolution of the POW/MIA question. Our diplomats must never let up or let their Vietnamese counterparts off the hook until we get a full accounting of the fate of those Americans who served in Vietnam and whose fate remains unresolved. There is compelling evidence that at least 80, and possibly many more Americans could have been left behind in 1973 when their comrades in arms—supposedly all of our prisoners—came home.

The same holds true for Russia and other nations with which we now have expanded relations since the end of the cold war. There are indications that American prisoners from Vietnam and Korea were kept in the Soviet Union. Some of these cases have finally been resolved, but there is a great deal more work to do. Since Russia clearly needs our help and support, we should insist on getting something back from them. We also need to keep the pressure on our own Government to make sure that all relevant documentation is made available to families and others concerned with the fate of the prisoners and the missing.

Mr. Speaker, the members of the Middletown VFW and Ladies Auxiliary, like their counterparts across the country, provide a great public service by fighting to keep alive the memory of their missing comrades. Their loyalty to the prisoners and the missing provides an example for all of us to remember. Every Memorial Day, the Nation pauses to remember those who paid the ultimate price in the service of their country. We should do the same for the POW's and MIA's until we have a full accounting for their fate.

A TRANSCRIPT OF THE NATIONAL PRAYER BREAKFAST PROCEEDINGS

HON. BILL EMERSON

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 13, 1995

Mr. EMERSON. Mr. Speaker, earlier this year the 43d annual National Prayer Breakfast was held here in our Nation's Capital. This gathering is hosted each year by Members of the U.S. Senate and the U.S. House of Representatives and their respective prayer breakfast groups.

We were honored once again with the participation of our President and Mrs. Clinton and our Vice President and Mrs. Gore. Also joining us were individuals from literally all walks of life—representing all 50 States and over 140 countries.

Our Congressional Committee, which plans the breakfast, was chaired by the Honorable H. Martin Lancaster, who faithfully served here in the House for many years. On his behalf and in behalf of the Congressional Committee for the National Prayer Breakfast, I request that a copy of the program and of the transcript of the breakfast proceedings be printed in the RECORD at this time, so that all Americans can be encouraged by the proceedings that took place that morning.

NATIONAL PRAYER BREAKFAST

CHAIRMAN: THE HONORABLE H. MARTIN LANCASTER

Pre-Breakfast Prayer—General Carl E. Mundy, Jr., *Commandant, U.S. Marine Corps*

Opening Song—Mount Olive College Concert Choir and Mount Olive College Singers

Opening Prayer—The Vice President of the United States

BREAKFAST

Welcome—The Honorable H. Martin Lancaster

Remarks-U.S. House of Representatives—The Honorable Tillie Fowler, *U.S. Representative, Florida*

Old Testament Reading—The Honorable Ruth Ginsburg, *Associate Justice, U.S. Supreme Court*

Remarks-U.S. Senate—The Honorable Robert Bennett, *U.S. Senator, Utah*

Solo—Ms. Janice S. Sjostrand

New Testament Reading—The Honorable Richard W. Riley, *Secretary, Department of Education*

Prayer for National Leaders—The Honorable John Engler, *Governor, State of Michigan*

Message—The Honorable Andrew Young

Introduction of the President—The Honorable H. Martin Lancaster

THE PRESIDENT OF THE UNITED STATES

Closing Song—Mount Olive College Concert Choir and Mount Olive College Singers

Closing Prayer—The Reverend Billy Graham

Audience, please remain in place until The President and Mrs. Clinton have departed

General Mundy: Good morning ladies and gentlemen. Would you bow in prayer with me?

Our heavenly Father, there are many here today in positions of great responsibility to and concerns for the peoples of the world. We come to pray for your guidance. We recall that at the beginning of his reign, Solomon prayed to you and asked the following, "Now O Lord, my God, you have made your servant king, in the place of my father, David. But I am only a little child and do not know how to carry out my duties. Your servant is here among the people you have chosen, a great people, too numerous to count or number. So give your servant a discerning heart to govern your people and to distinguish between right and wrong." In hearing his prayer, God said to Solomon, "Since you have asked for this and not for long life or wealth for yourself, nor have asked for the death of your enemies, but for discernment in administering justice, I will do what you have asked. Moreover, I will give you what you have not asked for, both riches and honor, so that in your lifetime you will have no equal among kings."

Holy Father, we here today ask for the overshadowing wisdom of God not just for ourselves, but for all the peoples of the world. Trusting in that wisdom and in your forgiveness, we, like Solomon, who are also but little children, ask your presence, your grace, and your blessing on this gathering and on this food that we share together.

Amen.

Master of Ceremonies: Ladies and gentlemen, the President of the United States and Mrs. Clinton. (Applause.)

Representative Lancaster: Surely the Lord is in this place and aren't we all glad to be here is morning? (Applause.)

As you will hear later, the House and Senate each have regular weekly prayer breakfasts, the Senate on Wednesdays and the House on Thursdays, and one of the longest and most regular participants in those prayer breakfasts, first as a member of the House and later as a member of the Senate, is our Vice President of the United States, Al Gore. We are happy now to call on the Vice President for our opening prayer.

Vice President Gore: Would you join me in prayer?

Oh, God, creator of the Earth and the heavens and all living things, we come together this early winter morning to warm ourselves through our faith in you. We all come in the same spirit, a spirit of faith and love, but different paths have brought us here. We come to you from all walks of society and all corners of the globe, leaders in national office, students in college, men and women, Republican, Democratic, Independent. We are of all beliefs, Christian, Jew, Hindu, Muslim, some do not belong to an organized religion at all. But we all believe that by coming together in this way we may better understand each other, our place in this world, and our duty to serve you.

Bring us together this morning. Be with those who speak, who read, and sing, and pray this morning. Open our hearts to hear.

Almighty God, we thank you for all that you have given us. The gifts we have received from you are many. We ask that you give us these blessings as tools to help others and to better bring your presence into the awareness of all in this world.

We are mindful of those who are not here, and especially of those who are in need, who are in poverty, those who are hungry, those who are suffering from disease, crime, ethnic violence, war, and ecological destruction.

President Kennedy reminded us that here on earth God's work must truly be our own. Sometimes if we're lucky we know how best to do your work. At other times the answers may not be so clear.

We come to you in prayer this morning and we ask that you would grant us the wisdom to know what it is that You desire, and then to have the courage to do those tasks you set before us. Let us have enough faith in you that we may become vessels of your goodness. May we always remember to bring your light into the darkness.

Please bless all of us here, bless President Clinton and the First Lady, and all leaders here. May they receive strength from their faith in You, to continue the work they have begun for all of us.

And Lord, bless our great country.

Amen.

Representative Lancaster: Mr. President, Mr. Vice President, heads of state, leaders from around this country and around the world, what great joy it brings to me to be able to welcome you to the 43rd National Prayer Breakfast.

We have participating here today over 3,800 people. With more than 170 countries represented, all 50 states, today's remarks are being interpreted into six languages.

What a happy time it is that so many have chosen to come here this morning in the Spirit of Christ and to share this time together.

I am happy to welcome here amongst us six heads of state, and I would like, if I could, to have them stand, if you would please wait, and recognize the six of them after I have completed the introductions.

First, the Prime Minister of Dominica. (Applause.)

The President of Eritrea. (Applause.)

The President of Fiji. (Applause.)

The President of Muldova. (Applause.)

The Prime Minister of Poland. (Applause.)

And the President of Western Sahara. (Applause.)

For 43 years people have gathered in Washington each February with one purpose in mind, to come together in God's love to pray for our country, our leaders, and our relationship with our brothers and sisters around the world.

In a time of increasing fractiousness in our councils of government at all levels and in our interpersonal relationships, this is a special time to come together as one in Christ. In a time of increasing partisanship it is time to put aside our party differences and to just love each other and to pray for one another. In a time when harsh words are often thoughtlessly uttered against our brothers and sisters, it is a time to come together in harmony and in peace. In a time when at home and abroad too many seem to be consumed by hatred, so this is a time to come together in reconciliation. In a time when we seem to be divided by race, ethnicity, creed, party, country, it is a time to reach across those divides and to see each other as all human beings who are children of God, and who each one of us is loved by him.

It is perhaps remarkable then, that so many of us have come together today, when you consider that the forces of Satan are so ever present, seeking to pull us apart. But it is the Spirit of Christ that permeates this place and this setting this morning.

It is important that every day we remember our President, our Vice President, their families and our leaders in this country, in our prayers, and to do so despite our political and philosophical differences. But it is especially important that we come together today in that spirit to say that we may not always agree, but we always love.

Likewise it is important for our President, our Vice President, our leaders of Congress and the government to also pray for all of us, the American people and our friends from around the world, and to join us in prayer for wisdom, for health, for prosperity, for peace, and that God's will will be done in our lives, in their lives, and in all of our actions.

This National Prayer Breakfast grew out of a House and Senate Prayer Breakfast that you will hear about this morning, 43 years ago with the leadership of then President Eisenhower, Dr. Billy Graham, and the members of the House and Senate Prayer Breakfast at that time. Before we hear from them, however, I would like to introduce the head table.

I know that I can't stop you from applauding—(laughter)—but it would be nice, except for the President and Vice President, if you would wait, and we will give them all a great big round of applause when we finish.

To my right is the President of the United States, William Jefferson Clinton and his wife, Hillary Rodham Clinton. (Applause.)

My wife, Alice. (Applause.)

The Reverend Dr. Billy Graham. (Applause.)

Our speaker today, Ambassador Andrew Young. (Applause.)

Justice Ruth Ginsburg. (Applause.)

The Secretary of Education and Mrs. Richard Riley. (Applause.)

And to my left, Senator Robert Bennett, who will bring greetings from the Senate. (Applause.)

The Vice President, Albert Gore, and his wife Tipper Gore. (Applause.)

Mrs. Robert Bennett. (Applause.)

The Governor of Michigan, John Engler. (Applause.)

Congresswoman Tillie Fowler. (Applause.)

Our soloist, Ms. Janet Sjostrand. (Applause.)

And the Commandant of the Marine Corps, General and Mrs. Carl Mundy. (Applause.)

One of the most meaningful experiences of my service in Congress has been to gather on Thursday morning, in a time of fellowship and prayer with my colleagues in the House. And I am very pleased to present to you now, Congresswoman Tillie Fowler of Florida, to bring greetings to us from that very special group. Congresswoman Fowler.

Representative Tillie Fowler: Good morning everyone, and thank you, Martin.

On behalf of the House Prayer Breakfast Group I want to greet you all and welcome you to this very special event. We are especially happy to see the many honored guests who have traveled from abroad to be with us today. Your presence here and the sheer size and diversity of this morning's gathering underscores the fact that the Prayer Breakfast movement is not only national but international. And I am honored to have the opportunity to tell you about our group in the House.

Every Thursday at 8 a.m. a group of House members gathers together in room H–130 of the Capitol for fellowship and prayer, Democrat and Republican, young and old, liberal and conservative, from any number of states and backgrounds. We leave our differences outside the door of that room and we get to know each other on the basis of something that transcends the labels which so often divide us during the rest of the week. As a result many special and unlikely friendships have been born and nurtured during those meetings.

The meetings are for members only, no staff is allowed, and each week there is a different speaker, alternating between our parties. So no matter what the concerns of the day, we always meet with good humor and fellowship. We spend time relating to one another on a personal level rather than a political one. And we raise our voices in a joyful, though not always very tuneful noise to the Lord by singing a hymn, and we pray for each other, for our president, for our nation, and for peace in the world.

And every week we meet to talk and pray, to share our public concerns and our private dilemmas. A small miracle takes place there, a miracle I think of in terms of regaining perspective.

I know if any of you are artists, you know that in art perspective means drawing or painting to fool the eye into seeing something which is not there, distance for example, or three dimensions instead of two. But for the rest of us, however, it means exactly the opposite, seeing what is really there and what is truly important.

For a member of Congress Washington can be a dangerous place, not because of crime, although that exists, but because every day we face the possibility of losing our perspective, of becoming tangled in the snares of business, partisanship and self-importance that lie all around us and which distract us from remembering why we are here.

Anyone who watches C–SPAN can see that we sometimes tend to concentrate on what divides us rather than what unites us. In the midst of all the sound and fury it is very easy and very human to get carried away by some personal or partisan agenda and forget about the importance of actually accomplishing something constructive on behalf of the people who sent us to Washington.

Our weekly House Prayer Breakfast serves as a spiritual self defense against the very real danger of losing our perspective and forgetting that our purpose here is to serve others. The time we spend together on Thursday mornings fortifies our faith, sharpens our sense of purpose, and reminds us that we are here to work together for the good of our nation.

J. Hudson Taylor once said, "Do not have your concert first and tune your instruments afterward, begin the day with God." And I think of our meeting as a time to tune up and begin the day in harmony with each other and with God's will, and I know that the House of Representatives and each one of us is the better for it. Thank you. (Applause).

Representative Lancaster: Thank you, Tillie, and I believe that her remarks have given you a flavor of the importance that the weekly prayer breakfast is to all of us who participate in that wonderful event.

I am now happy to call on Associate Justice of the Supreme Court, Ruth Ginsburg, for the Hebrew reading.

Justice Ginsburg: My reading is from Deuteronomy, Chapter 16, Verses 18–20, and Deuteronomy, Chapter 25, Verses 13–16.

"You shall appoint magistrates and officials for your tribes, in all the settlements the Lord your God is giving you. And they shall govern the people with due justice. You shall not judge unfairly. You shall show no partiality. You shall not take bribes, for bribes line the eyes of the discerning and upset the plea of the just. Justice shall you pursue, that you may thrive and occupy the land the Lord your God is giving you."

"You shall not have in your pouch alternate weights, larger and smaller. You shall not have in your house alternate measures, larger and smaller. You must have completely honest weights and completely honest measures if you are to endure on the soil that the Lord your God is giving you, for everyone who does those things, everyone who deals dishonestly, is abhorrent to the Lord your God."

Representative Lancaster: Thank you, Justice Ginsburg.

Representing the Senate Prayer Breakfast Group, to bring you greetings from them, is the Senator from Utah, Robert Bennett. Please welcome Senator Bennett. (Applause.)

Senator Robert Bennett: Thank you, Mr. President and Mr. Vice President and other distinguished guests. It is an honor for me to be here representing the Senate Prayer Breakfast Group. If I may be personal for a moment, I remember the first time I walked into that group as a newly elected Senator, Mark Hatfield who in many ways is the—if I may use the term, the Godfather of that group, been involved in it for all of his Senate career, said to me, "That seat," and he pointed to a particular chair, "Is where your father always sat."

Forty-two years ago my father started attending the Senate Prayer Breakfast, and it's a great honor for me now to carry on that tradition in the Senate Prayer Breakfast and in the Bennett family, to see to it that I continue to attend regularly.

My one regret is that one of the few times I let my schedule interfere with attending that, President Clinton came, unannounced. If he had announced it obviously we would have had much better attendance than we did. (Applause.) And I think that's a tribute to him, that he would do that at a time of pressure, that he would seek that kind of solace and sanctuary, because the Senate Prayer Breakfast Group has become a place of refuge and sanctuary for those Senators who seek that relief from the pressures of the time. All Senators are welcome, as in the House.

We come together to do the kinds of things you've heard about in the House, to read the scriptures, to talk over the various pressures and challenges that we have, and all of that is the formal thing that goes on. But informally, I have discovered that we also come together to heal.

The Senate Prayer Breakfast is a place where we can recover from deep political wounds and on occasion serious personal tragedy. As we listen to our colleagues talk out the challenge of the loss of a spouse, or a child, or a parent, it's a wonderful time. It's a wonderful place to be.

I am honored to be able to represent that group here today and to welcome all of you to this breakfast. Thank you. (Applause.)

Representative Lancaster: Thank you, Senator Bennett.

When members of the Executive Committee of the National Prayer Breakfast met with the President and the Vice President in the Oval Office to discuss this year's program, we went over the entire program to receive their input and to let them know how important their participation from the very beginning was in their efforts. It is a tradition of the National Prayer Breakfast that a person is chosen with special talents in song to come and present a solo for those of us here at the National Prayer Breakfast.

It was at the suggestion of the President that this morning's soloist was invited. For some of you who were present or otherwise heard by video or audio the funeral services of the President's mother, you may remember the beautiful voice that sang on that touching occasion, because it was Janice Sjostrand who is from Lonoke, Arkansas, who with her husband, her father-in-law and mother-in-law engage in a special ministry in that community in Arkansas, who presented that solo. We are pleased this morning that Janice Sjostrand would come and bless us with her song of praise. Ms. Sjostrand. (Applause.)

SOLO BY MS. JANICE S. SJOSTRAND

Representative Lancaster: What a wonderful suggestion you made to us, Mr. President, and what a blessing that was for all of us, Janice, thank you very much.

It's now my pleasure to present to you for the New Testament reading, my friend and the former Governor of South Carolina, and now the very fine Secretary of Education, Richard Riley. Mr. Secretary. (Applause.)

Secretary of Education Richard Riley: Thank you, Martin. My reading from the New Testament is short, so I ask you to pay close attention. (Laughter.)

I shall read from the book of Matthew, Chapter 19, verses 13 and 14.

"Then children were brought to him that he might lay his hands on them and pray. The Disciples rebuked the people, but Jesus said, 'Let the children come to me and do not hinder them, for to such belongs the kingdom of heaven.'"

May God bless the reading and the hearing of his Holy Word.

Representative Lancaster: We are pleased to call on Governor John Engler, the Governor of Michigan, to bring to us a prayer for our national leaders. Governor.

Governor John Engler of Michigan: Thank you, Congressman. Let us pray.

Almighty God, we come together on this special occasion to pray for the leaders of our great nation, for President Clinton, for Vice President Gore, and the cabinet, for members of the Congress and Justices of the Supreme Court. Indeed, for all the men and women who are called to serve the American people, and whose judgment, decisions and actions affect our nation's destiny. May our leaders have the wisdom to seek your guidance and the courage to do your will.

Lord, we know that our nation was founded and forged in prayer. We thank you for blessing America, throughout our history with great leaders, with men and women who in triumph and tragedy sought to do what was pleasing in your sight.

We think back to the year 1775 when the brave members of the Continental Congress met in Philadelphia, aware that the fate of a noble experiment lay in their hands, but they knew they didn't carry that burden alone. Ben Franklin told that esteemed gathering, "Truly our first order of business as a Congress is to ask the protection and guidance of Almighty God." And our Founding Fathers called for a day of public humiliation, fasting and prayer throughout the 13 colonies, that the people would pray for them and that God would lead them to do what was right. And within a year a new nation was born, a nation destined to lead the world in the paths of freedom and opportunity, justice and righteousness.

We think back to the hard winter of 1777 and '78, when George Washington was Commander-in-Chief of the American armies. He sought shelter in Valley Forge and protection in you. Withdrawing to a lonely snow covered clearing at the edge of the forest, he dropped to his knees and humbly prayed for your protection. He beseeched you to keep liberty loving men and women safe during that bitter cold winter that we now know as the crucible of freedom. And his citizen-soldiers survived to fight for a new day, to fight the good fight for a nation that held out promise beyond measure.

Then, we think back to 1861, to the newly elected president of a troubled nation. Abraham Lincoln experienced a tearful farewell when he left his home in Springfield, Illinois, for Washington. Before boarding the train he spoke these poignant words, "My friends, I leave you with this request, pray for me. I leave now not knowing when or whether ever I may return. For the task before me is greater than that which rested upon President Washington. Without the assistance of that divine being, I cannot succeed. With that assistance I cannot fail."

Yes, Heavenly Father, throughout the ages our leaders have called on you, knowing that without your assistance they could not succeed, but with your assistance they could not fail. And so, with confidence we approach Your throne of grace.

Today at this annual prayer breakfast our nation calls out to you in prayer again. On bended knee we beseech you to forgive our sins against the old and young, against the born and unborn. With longing hearts we listen for your answers that are wiser than our prayers. We ask that you send the holy spirit to our leaders. We ask that you send the holy spirit to them and to all of us, that we may raise our hearts and voices in one refrain to you, O God, and give you thanks for the United States of America. Amen. (Applause.)

Representative Lancaster: Thank you, Governor.

Ambassador Young is a man of great distinction. From his days as a very young leader in the Civil Rights Movement, to a respected member of the House of Representatives, he brought great distinction to himself and to his country as a young man. And during the Carter administration brought great credit to his country on the international stage as Ambassador to the United Nations. And then, to complete the cycle, he returned to his home of Atlanta and became its mayor and led that city to new heights.

But first and always, Andy Young has been and will continue to be a man of God. Welcome now our speaker for this morning, Ambassador Andrew Young. (Applause.)

Ambassador Andrew Young: Mr. President, Mrs. Clinton, Vice President Gore and Mrs. Gore, distinguished friends, brothers and sisters, this is an awesome responsibility. And yet, I grew up with these prayer breakfasts.

As a young member of Congress one of the things that helped me to find my way was the attendance at the House Prayer Breakfast. Later as Ambassador to the United Nations, before our cabinet meetings, many of us gathered in the White House for a moment of prayer. It was, as Senator Bennett said, a time when we came together in spite of disagreements, essentially because of our sufferings and in need of healing. For in spite of what anybody says about us, all of us, in spite of what we think of ourselves, we are all God's children. And the flesh and blood which we see is only a small part of the existence that makes us real.

In the book of Ephesians, the Apostle Paul talks about the purpose of God, to unite all things in him, things in heaven and things on earth. And there is in the presence of the enormous diversity of opinion, of race, of creed, of class, national origin, there is a need ultimately and fundamentally that we all somehow know that we are one, that if there is a purpose to our existence, if there is a process toward which we all move in our politics, it is to find ways to live together in peace and to enjoy the abundant life which God has made possible for us.

And when we don't come together to seek that unity, we end up pulling apart and we destroy ourselves but we also destroy the possibilities of the abundant life with which God has blessed us. And so, in some way or another, we all seek to move toward that end. And it is not without difficulty.

We are so mindful of the things that divide us. Everything about our society tends to pit us against each other. All of our insecurities make us reach out to people whom we think are like ourselves, but even in our marriages, when we find someone that we know is just like ourselves, fortunately I found out she was a woman. (Laughter.) And there are major differences. (Laughter.) And thank God for those differences.

But it was always easier for me to get along with the Ku Klux Klan. (Laughter.) For I never lost my temper. (Laughter.) I understood we were different. (Laughter.) But in the intense emotion and love of man and woman, of mother and father and children, the difference between generations, there is all the emotion and all of the insecurity and all of the threat that makes it difficult for us to be one.

And so, when we talk about oneness, we're not just talking about bringing the whole globe together. We are not talking just about Democrat and Republican, we're talking about human beings, and that is the struggle of each and every one of our lives in some way, shape or form. And if the truth be told, none of us does it very well.

We all need forgiveness of one another and we all need sensitivity toward one another, to learn to listen and understand one another, and that's extremely difficult. And yet, that's the task to which we have been called. That's the requirement of leadership in order for civilization to survive. And we have, in our experience with the Bible, lesson after lesson as to how God leads us in that direction.

The prophet Jeremiah says that the Lord has written a new covenant on our hearts, that nobody has to tell anybody anymore about God, that God loves us unconditionally and we know that. That's not even a matter of debate. We might resist it, but we spend so much energy in the denial that that in itself is an affirmation that we do not belong to ourselves, we belong to a creator far greater than any and all of us. And we have discovered that in our living together, and I think we have discovered it most of all in our sufferings.

One of the things that we share is human suffering. I lost my wife a few months ago. The president said good-bye to his blessed and wonderful mother. Doug Coe lost a son. When our presidential prayer breakfast, when I was at the United Nations, Ray Marshall's 16-year-old was dying of cancer while he was trying to carry on the Department of Labor. There is a human drama of suffering that involves in some way all of us, and maybe that's what makes us one. For God has identified with us in our suffering and has sent his son to suffer with us and for us. And now it's almost as though in our sufferings we come to know who we really are.

And so, we shouldn't be afraid of our sufferings. Our sufferings are our teacher that remind us that we belong to God, that we are not flesh, and bone, and blood. We are, indeed, all creatures of the spirit.

And when we are challenged by the difficulties that certainly exist as we come to the end of a century and even the end of a millennium, when we face as leaders the anxiety and frustration and insecurity, the conflict that rages all across this planet, when there seems to be no possibility of political or economic unity, we are reminded that we are one, that in our suffering and in our inevitable death we are one.

I was fortunate to live with Martin Luther King for eight years before his assassination, and hardly a day passed when he didn't talk about death. But it was never a morbid conversation because ironically in some ways, or prophetically, Martin was stabbed as a young man of 29, and in order to remove the letter opener that pressed against the aorta of his heart, the surgeons had to carve a cross in his chest.

He used to joke and say he was glad he got stabbed in Harlem because they knew how to deal with knife wounds at Harlem Hospital and it was a matter of routine surgery. But he was left with this cross carved in his chest, and he said, "Every day when I wake up and brush my teeth, I have to look the cross in the face, and I have to ask myself, 'What am I living for today?' And I know that each day might be my last."

And he would always end up making a joke about it, as though death were not something to be feared, but that death was something that would liberate him from the awesome burden in which history has placed him. And he said if a man has not found something for which he is willing to die, he probably isn't fit to live anyway.

As we have watched our loved ones suffer, we have come to realize that as the flesh subsides, the spirit is released and we know who and what we really are. We know ultimately that we are sons and daughters of God. And that knowledge, that faith can take us through the complexities of any millennium. It is what has seen our country through many dangers, toils and snares, God's amazing grace.

And I close by sharing with you one of my favorite hymns. It's a hymn for tough times, "How firm a foundation, when through the deep waters I cause thee to go. The rivers of woe will not be overflow, for I will be with thee, thy troubles to bless and sanctify to thee thy deepest distress. When through fiery trials thy pathway shall lie, my grace all sufficient shall be thy supply. The flames shall not hurt thee. I only design thy dross to consume and thy goal to refine. The soul that on Jesus doth lean for repose, I will not forsake to his foes. That soul, all though all hell shall endeavor to shake, I'll never, no never, no never forsake."

God is with us constantly, moving, loving, forgiving. We need not fear. We need not shirk responsibility. We need only be faithful and give thanks for the blessings of God throughout the history of this nation and know that throughout this planet God is still moving in mysterious ways to make it more possible for us to come together and know that in Him we are truly one.

Amen. (Applause.)

Representative Lancaster: Clearly the Lord's hand was present in guiding us to our wonderful speaker this morning. Thank you, Ambassador Young.

From our first meeting with President Clinton in the Oval Office, through subsequent telephone communications as we planned this event, his participation has been unusual and unprecedented. However, it should not be surprising to those of us who know him, because we know that faith is central to the life of Bill Clinton.

He is a scholar of the Bible, a seeker of the truth, a man whose faith is obvious in his utterances and in his compassion for the poor and downtrodden.

It is my privilege and high honor to present to you William Jefferson Clinton, President of the United States. (Applause.)

President Clinton: Thank you. (Applause.)

Thank you, Martin Lancaster, for your incredible devotion to this prayer breakfast and for all the work you have done to make it a success. To Vice President and Mrs. Gore, and to the members of Congress, and the Supreme Court, and governors the distinguished leaders of previous administrations, and of course, to all of our foreign guests who are here, and my fellow Americans.

Hillary and I look forward to this day every year with much anticipation. It always gives me new energy and new peace of mind, but today is a special day for me.

It's always wonderful to see our friend Billy Graham back here. This is the 40th of 43 Prayer Breakfasts he has attended. I'd say he's been faithful to this as he has to everything else in his life, and we are all the richer for it. (Applause.)

It was wonderful to be with Andy Young again. He stayed with us last evening at the White House and we relived some old times, talked about the future. None of us could fail to be moved today by the power of his message, the depth of his love for his wonderful wife, who blessed so many of us with her friendship, and I'm sure he inspired us all.

I also want to say a special word of thanks to my friend Janice Sjostrand for coming here all the way from Arkansas. You know, one of the greatest things about being governor of my state is I got to hear her sing about once a month, instead of once in a blue moon, and I miss you and I'm glad to hear you today. Thank you. (Applause.)

We have heard a lot of words today of great power. There is very little I can add to them, but let me say that in this age, which the Speaker of the House is always reminding us is the Information Age, an exciting time, a time of personal computers, not mainframes, a time when we are going to be judged by how smart we work, not just how hard we work, the power of words is greater than ever before.

So, by any objective standard, the problems we face today, while profound, are certainly not greater than they were in the Great Depression, or in the Second World War, or when Mr. Lincoln made those statements when he left his home in Illinois to become president that Governor Engler quoted, or when George Washington suffered defeat after defeat until finally we were able to win by persistence our freedom. No, they are not, these times, as difficult as they are, more difficult than those. What makes them more difficult is the power of words.

The very source of our liberation, of all of our possibility and all of our potential for growth, the communications revolution gives words the power not only to lift up and liberate but the power to divide and destroy as never before—just words—to darken our spirits and weaken our resolve, divide our hearts.

So I say perhaps the most important thing we should take out of Andy Young's wonderful message about what we share in common is the resolve to clear our heads and our hearts and to use our words more to build up and unify, and less to tear down and divide.

We are here because we are all the children of God, because we know we have all fallen short of God's glory, because we know that no matter how much power we have, we have it but for a moment and in the end we can only exercise it well if we see ourselves as servants, not sovereigns.

We see sometimes the glimmer of this great possibility when after hundreds of years the Catholics and Protestants in Northern Ireland decide that it may be time to stop killing each other; when after 27 years Nelson Mandela walks out of his jail cell and a couple of years later is the president of a free country from a free election; when we see the miraculous reaching out across all the obstacles in the Middle East. God must have been telling us something when he created the three great monotheistic religious of the world in one little patch and then had people fight with each other for every century after that. Maybe we're seeing the beginning of the end of that, in spite of all the difficulties. But it never happens unless the power of words become instruments of elevation and liberation.

So we must work together to tear down barriers, as Andy Young has worked his whole life. We must do it with greater civility. In Romans, St. Paul said, "Repay no one evil for evil, but take thought for what is noble in the sight of all. Do not be overcome by evil, but overcome evil by good."

There's not a person in this room that hasn't failed in that admonition, including me. But I'm going to leave here today determined to live more by it.

And we must finally be humble, all of us, in whatever position we have, not only because, as Andy reminded us, we're just here for a little while, not only in our positions but on this earth, but because we know, as St. Paul said in Corinthians, that we see through a glass darkly. And we will never see clearly until our life is over. We will never have the full truth, the whole truth. Even the facts, as Andy said, I thought that was a brilliant thing, the flesh and blood of our lives, the facts we think we know, even they do not tell us the whole truth of the mystery of life.

So, my fellow Americans and my fellow citizens of the world, let us leave this place renewed in the spirit of civility and humility and the determination not to use the power of our words to tear down.

I was honored to say in the State of the Union last week that none of us can change our yesterdays, but all of us can change our tomorrows. That surely is the wisdom of the message we have heard on this day.

Lastly, let me ask you to pray for the president, that he will have the wisdom to change when he is wrong, the courage to stay the course when he is right, and somehow, somehow, the grace of God not to use the power of words at the time in human history when words are more omnipresent and more powerful than ever before, to divide and to destroy, but instead to pierce to the truth, to the heart, to the best that is in us all.

Thank you all, and God bless you. (Applause.)

Representative Lancaster: Thank you, Mr. President.

Since the first National Prayer Breakfast there has been one constant and guiding light to all of them, the Reverend Dr. Billy Graham. As the president indicated, in 43 years he has missed only three of them. And throughout those years and even the years he was not here, his prayers have always been for the people and her leaders.

The Reverend Dr. Billy Graham will now pronounce the benediction. Dr. Graham. (Applause.)

The Reverend Billy Graham: In all these years we have never had a more spiritual Prayer Breakfast than this one. My own heart has been touched and I have rededicated my own life to the Lord for what years I may have left. Shall we pray.

Our Father and our God, we humbly thank you for this unique occasion and for the privilege that is ours of coming to you in prayer. We thank you for those who have joined us from other nations today, especially from North Korea. We have come today asking for your wisdom, strength and guidance for the future, especially as we approach the end of this century and face the challenges of a new millennium.

Again, we pray for President Clinton and Vice President Gore and their families. Give them wisdom, and strength, and courage that they have asked for here today. Give wisdom to all who counsel them. We pray again for the Senate and the House of Representatives, the cabinet, the courts as they continue their deliberations. Give us wisdom. Give wisdom to all who serve at every level of government. Help us to remember that to whom much has been given, much has been required, and this applies to us all as individuals as well as a nation.

Now we leave this place, we believe, with a new commitment. The challenge that Ambassador Young brought us will never be forgotten. The challenge that has been brought to us by our president will linger in our hearts for a long time and help us all to resolve to pray for him daily as he faces all the problems that any president faces, but even more in this information age.

We thank you especially for our Lord, Jesus Christ, who died on that cross that Andy Young referred to a moment ago, out of love for us, and then told us to love one another and to love our neighbors as ourselves.

So the Lord bless you and keep you, the Lord make his face to shine upon you and be gracious unto you, the Lord lift up his countenance upon you and give you peace. This we pray in the name of our Father, in the name of his Son, in the name of the Holy Spirit, Amen.

End of Program.

FREEDOM WEEKS '95

HON. ANTHONY C. BEILENSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 13, 1995

Mr. BEILENSON. Mr. Speaker, I rise today to inform my colleagues of Freedom Weeks '95, a 2-week national education program to celebrate the new freedoms of Jews in Russia and the former Soviet Union. This celebration will be launched at a national student leadership conference in Chicago on October 27–29, and will run from November 6–20, 1995.

Freedom Weeks is sponsored by the United Jewish Appeal [UJA], the principal American fundraising organization for relief and rehabilitation of Jews in distressed lands. Largely as a result of the work of the UJA, Jewish communities are emerging in Russia where there were none just 5 years ago.

The UJA prepares college students to assume responsibility for continuing this important work through its University Programs, an organization active on over 150 campuses nationwide which is championing Freedom Weeks '95.

I congratulate the United Jewish Appeal and its University Programs for its hard work and dedication to this important cause.

INTRODUCTION OF THE COMMON SENSE HIGHWAY SAFETY ACT OF 1995

HON. NITA M. LOWEY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 13, 1995

Mrs. LOWEY. Mr. Speaker, today I am introducing legislation to close a loophole in the law that each year tragically claims thousands of lives on our Nation's roadways: drinking and driving by minors.

My legislation is entitled "The Common Sense Highway Safety Act of 1995" because it is simply a matter of common sense: Since it is illegal in every State for persons under the age of 21 to purchase and possess alcoholic beverages, it should also be illegal for persons under 21 who have been drinking to drive. However, the reality is that only 24 States and the District of Columbia have zero tolerance laws that make it illegal for minors to drink and drive—regardless of the degree of intoxication. This loophole exists in half of the States, despite the lethal consequences of teenagers who mix drinking and driving.

According to the National Highway Traffic Safety Administration, 40 percent of traffic fatalities involving underage drivers are alcohol related. In 1994, 2,200 people were killed in crashes because minors were drinking and driving. The majority of those killed—1,600 to be exact—were teenagers themselves. In 1993, 2,364 teenagers between the ages of 15–20 were killed in alcohol-related crashes.

The tragic statistics go on and on, Mr. Speaker, and they all confirm the lethal combination of driving and underage drinking. The bill that I am introducing today will build upon the successes of the past in curbing this deadly mix.

The Common Sense Highway Safety Act of 1995 sends a very clear message: If you are under 21, any level of alcohol consumption combined with driving will be treated under State law as driving while intoxicated. It is that simple.

My legislation is modeled on the 1984 law that encouraged States to adopt laws making it unlawful for anyone under the age of 21 to purchase or possess alcohol. That law has saved an estimated 8,400 lives since its enactment, according to the National Highway Traffic Safety Administration.

You cannot argue with success. Therefore, under this bill, if a State fails to adopt a zero tolerance standard for drivers under 21 by the beginning of fiscal year 1998, they would lose 5 percent of their Federal highway funds for that year. In subsequent years, if that State has failed to act it would lose 10 percent of its funds.

With the backing of organizations such as Mothers Against Drunk Driving and Advocates for Highway and Auto Safety, a provision virtually identical to my legislation was adopted overwhelmingly by the Senate in June as part of the designation of the National Highway System. The 2 to 1 margin in favor of the zero tolerance provision is testament that this issue is a "no brainer."

What can we expect from enactment of zero tolerance laws nationally? Four of the States that have adopted zero tolerance laws—Maine, New Mexico, North Carolina, and Wisconsin—have experienced a 34-percent decrease in traffic fatalities among young drivers at night.

Too many Americans have been personally affected by the tragedy of drunk driving. They have lost a family member, relative, or friend. While the 21-year-old drinking age has made significant strides in reducing these tragedies, we must not stop there. We owe it all members of society—particularly our children—to close this deadly loophole.

PROTECT OUR FUTURE: PRESERVE STUDENT AID

HON. BOB FILNER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 13, 1995

Mr. FILNER. Mr. Speaker and colleagues, unfortunately at this point in our legislative session, student aid remains on the chopping block—and communities all across this Nation will suffer.

Throughout history, American families have proven that higher education provides the path to a better life—and, today, student loans are the primary source of educational support for most Americans. They represent nothing less than a critical investment in our Nation's future. Financial aid has enabled millions of middle-income families to send their children to college. Each year, nearly 5 million students rely on Federal student loans to finance their own financial investment in education.

Despite these facts, the House continues its drive to eliminate yet one more program designed to give struggling families an opportunity to create a better life for their children. This action will put higher education out of the reach of thousands of promising middle-class students. At my alma mater, Cornell University, the loss of the interest subsidy for the Stafford Student Loan Program, one of several loan programs on the chopping block, would have an enormous impact on student indebtedness. If this cut is fully implemented, the annual loss just to Cornell undergraduate students and their families would be approximately $9 million.

The House has already voted to cut education spending by approximately $4 billion—16 percent—from the fiscal year 1995 funding level, putting every education program in jeopardy. Further cuts in the joint budget resolution—totaling $10.4 billion for student loans alone—will affect students in academic year 1996–97 and into the next millennium.

On May 25, the Senate adopted an amendment to the budget resolution saving these loan programs and disregarding the extreme version passed in the House. The bipartisan 67–32 vote for this amendment spoke plainly to the Senate's support for the student loan program.

Let's urge our House colleagues who will be budget conferees to support the Senate position—and support current funding for State student incentive grants, campus-based aid, Pell grants, TRIO, and title III programs.

We must not cut our Nation's educational investment nor drastically limit access to postsecondary education. Those with talent and motivation to succeed deserve help in meeting the high cost of higher education, not roadblocks that impede their progress toward being the best they can be.

Higher education is a national investment—let's not turn our backs on that commitment.

Title IV of Senate Resolution 4, agreed to by the Senate on February 4, 1977, calls for establishment of a system for a computerized schedule of all meetings and hearings of Senate committees, subcommittees, joint committees, and committees of conference. This title requires all such committees to notify the Office of the Senate Daily Digest—designated by the Rules Committee—of the time, place, and purpose of the meetings, when scheduled, and any cancellations or changes in the meetings as they occur.

As an additional procedure along with the computerization of this information, the Office of the Senate Daily Digest will prepare this information for printing in the Extensions of Remarks section of the CONGRESSIONAL RECORD on Monday and Wednesday of each week.

Meetings scheduled for Thursday, September 14, 1995, may be found in the Daily Digest of today's RECORD.

MEETINGS SCHEDULED

SEPTEMBER 15

10:00 a.m.
Judiciary
Terrorism, Technology, and Government Information Subcommittee
To continue hearings on matters relating to the incident in Ruby Ridge, Idaho.
SD–G50

SEPTEMBER 18

3:00 p.m.
Armed Services
Business meeting, to consider recommendations which it will make to the Committee on the Budget with respect to spending reductions and revenue increases to meet reconciliation expenditures as imposed by H. Con. Res. 67, setting forth the Congressional Budget for the United States Government for fiscal years 1996, 1997, 1998, 1999, 2000, 2001, and 2002.
SR–222

SEPTEMBER 19

9:30 a.m.
Budget
To hold joint hearings with the House Committee on the Budget to examine fiscal year 1996 Government operations during funding hiatus.
SD–106

Energy and Natural Resources
Business meeting, to consider pending calendar business.
SD–366

Environment and Public Works
Business meeting, to consider the nomination of Greta Joy Dicus, of Arkansas, to be a Member of the Nuclear Regulatory Commission, and reconciliation issues.
SD–406

Veterans' Affairs
To hold joint hearings with the House Committee on Veterans' Affairs to review the legislative recommendations of the American Legion.
334 Cannon Building

10:00 a.m.
Commission on Security and Cooperation in Europe
To hold hearings to examine issues affecting U.S.-Turkish relations, including human rights and the Kurdish situation.
2172 Rayburn Building

2:30 p.m.
Small Business
To hold hearings to examine tax issues impacting small business.
SR–428A

SEPTEMBER 20

9:30 a.m.
Energy and Natural Resources
Business meeting, to consider pending calendar business.
SD–366

Labor and Human Resources
Business meeting, to consider recommendations which it will make to the Committee on the Budget with respect to spending reductions and revenue increases to meet reconciliation expenditures as imposed by H. Con. Res. 67, setting forth the Congressional Budget for the United States Government for fiscal years 1996, 1997, 1998, 1999, 2000, 2001, and 2002, to mark up H.R. 1180, to provide for health performance partnerships, and S. 1221, to authorize appropriations for the Legal Services Corporation, and to consider pending nominations.
SD–430

Indian Affairs
To hold oversight hearings on the implementation of Title III of the National Indian Forest Resources Management Act (P.L. 101–630); and to consider the nomination of Paul M. Homan, of the District of Columbia, to be Special Trustee, Office of Special Trustee for American Indians, Department of the Interior.
SR–485

10:00 a.m.
Veterans' Affairs
Business meeting, to consider recommendations which it will make to the Committee on the Budget with respect to spending reductions and revenue increases to meet reconciliation expenditures as imposed by H. Con. Res. 67, setting forth the Congressional Budget for the United States Government for fiscal years 1996, 1997, 1998, 1999, 2000, 2001, and 2002, and to consider other pending business.
SR–418

2:30 p.m.
Small Business
To continue hearings to examine tax issues impacting small business.
SR–428A

SEPTEMBER 21

9:30 a.m.
Armed Services
To hold hearings on the nomination of Gen. John M. Shalikashvili, USA, for reappointment as Chairman of the Joint Chiefs of Staff.
SR–222

SEPTEMBER 26

9:30 a.m.
Commerce, Science, and Transportation
Oceans and Fisheries Subcommittee
To hold oversight hearings on the science of slow management and hatchery supplementation, focusing on the recovery of Snake River anadromous species.
SR–253

SEPTEMBER 27

9:30 a.m.
Energy and Natural Resources
Business meeting, to consider pending calendar business.
SD–366

Environment and Public Works
To hold hearings on the nomination of Kathleen A. McGinty, of Pennsylvania, to be a Member of the Council on Environmental Quality.
SD–406

OCTOBER 25

10:00 a.m.
Veterans' Affairs
To hold hearings to examine veterans' employment issues.
SR–418